

[Translation]



November 14, 2025

To whom it may concern,

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Notice Regarding Recording an Extraordinary Loss Due to Absorption-type Merger with Wholly Owned Subsidiaries

As disclosed in the "Notice Regarding Mergers with Two Subsidiaries and Two Indirectly-owned Subsidiaries and Recording an Extraordinary Loss (Loss on Extinguishment of Tie-in Shares)" dated February 20, 2025, MEDLEY, INC. ("the Company") conducted an absorption-type merger with its wholly (indirectly) owned subsidiaries, AxisRoot Holdings, Inc., Axis, Inc. and Axis Innovation, Inc., and an absorption-type merger with its wholly owned subsidiary, Pacific Medical, Inc. (hereinafter, together with AxisRoot Holdings, Inc., Axis, Inc. and Axis Innovation, Inc., collectively referred to as "the Wholly Owned Subsidiaries") on September 1 of the same year (hereinafter, collectively "the Mergers"). We hereby announce that, following the Mergers, we recorded an extraordinary loss in the Company's non-consolidated financial statements for the nine months ended September 30, 2025, as detailed below.

Particulars

1. Details of Extraordinary Loss

Following the absorption-type mergers of the Wholly Owned Subsidiaries on the effective date of these Mergers (September 1, 2025), we recorded a loss on extinguishment of tie-in shares of 2,882 million yen as an extraordinary loss in the Company's non-consolidated financial statements for the nine months ended September 30, 2025.

2. Impact on Consolidated Business Results

This loss on extinguishment of tie-in shares will be eliminated in the consolidated financial statements, resulting in no impact on consolidated profit and loss.