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Consolidated Financial Results for the Year Ended December 31, 2024 [Japanese GAAP]

February 14, 2025

Company name: MEDLEY,INC.

Listing: Tokyo

Securities code: 4480

URL: <https://www.medley.jp>

Representative: Kohei Takiguchi

President and Chief Executive Officer

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Chief Financial Officer

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Scheduled date of annual general meeting of shareholders: March 25, 2025

Scheduled date to file annual securities report: March 25, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (January 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		EBITDA※		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended December 31, 2024	29,302	42.7	4,114	21.2	2,326	(12.6)	4,078	8.6	2,798	9.0
December 31, 2023	20,532	44.7	3,394	76.8	2,661	106.3	3,755	146.0	2,566	152.2

(Note) Comprehensive income: Fiscal year ended December 31, 2024: ¥ 2,751 million [20.3%]

Fiscal year ended December 31, 2023: ¥ 2,287 million [74.1%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended December 31, 2024	86.17	85.62	14.7	11.5	7.9
December 31, 2023	79.53	78.55	15.8	15.9	13.0

(Note) EBITDA = Operating profit / loss + depreciation and amortization of goodwill + share-based compensation expenses

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2024	45,201	20,219	44.7	621.43
December 31, 2023	25,430	17,637	69.0	542.49

(Reference) Equity: As of December 31, 2024: ¥ 20,209 million

As of December 31, 2023: ¥ 17,552 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended December 31, 2024	2,447	(10,719)	11,899	18,993
December 31, 2023	3,871	(1,662)	(1,218)	15,351

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
December 31, 2023	-	0.00	-	0.00	0.00	-	-	-
December 31, 2024	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending December 31, 2025 (Forecast)	-	0.00	-	0.00	0.00		-	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025 (January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	39,800	35.8	5,700	38.5	3,000	28.9	4,300	5.4	3,100	10.8	95.33

* Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 2 (Company name: GUPPY's Inc., Offshore Inc.)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2024: 32,738,600 shares

December 31, 2023: 32,738,600 shares

2) Number of treasury shares at the end of the period:

December 31, 2024: 218,285 shares

December 31, 2023: 384,191 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended December 31, 2024: 32,474,847 shares

Fiscal Year ended December 31, 2023: 32,269,117 shares

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautionary statement regarding forward-looking statements)

This preliminary earnings report contains forward-looking statements such as earnings forecasts which are based on information currently available to the Group and certain assumptions deemed to be reasonable. The Group makes no guarantee regarding the accuracy of the forecasts contained herein. Because of variable factors, actual results may differ from the forecast figures. For information regarding assumptions upon which the Group's results forecasts are based and notes regarding the use of results forecasts, please refer to (4) Outlook under 1. Outline of Business Performance" on page 4.

1. Outline of Business Performance

(1) Explanation regarding operating results

During the consolidated fiscal year ended December 31, 2024 (consolidated FY2024), both the HR PF Business and the Medical PF Business, Japanese medical and nursing industry continued to face human resource shortages and issues related to national budget shortage.

Amid this business environment, in consolidated FY2024, sales in the HR PF Business increased due to a steady increase in the number of customer offices and in our pool of registered workers for recruitment system JobMedley and the number of customer offices for online training system JobMedley Academy also grew. We also achieved sales growth in the Medical PF Business as installation of our products at customers' facilities went smoothly, resulting in growth in the number of medical institution users. Even as the Group achieved sales growth, we proactively worked to expand our business scale to achieve medium-to-long term growth. We conducted marketing activities and invested in the expansion of our online training system in the HR PF Business while continuing to increase the number of employees in the Medical PF Business. In addition, we brought GUPPY's Inc., which supplies human resource services in the area of medical nursing care and Offshore Inc., which develops and supplies appointment systems and patient-facing applications to hospitals and in-patient clinics, into the scope of consolidated accounting.

As a result of the above, in consolidated FY2024, the Group posted net sales of ¥29,302 million (up 42.7% YoY), EBITDA of ¥4,114 million (up 21.2% YoY), operating profit of ¥2,326 million (down 12.6% YoY), ordinary profit of ¥4,078 million (up 8.6% YoY), and net profit attributable to owners of the parent company of ¥2,798 million (up 9.0% YoY).

The HR PF Business posts sales based on the hiring dates of persons using the Group's services to find employment at companies seeking employees. The sales therefore tend to be concentrated in April, when Japanese companies tend to hire more employees (because this is often the beginning of Japanese companies' fiscal years).

Earnings by business segment are as follows.

1. HR PF Business

During consolidated FY2024, the Group continuously improved the functionality of its websites in order to improve user convenience. As a result, customer offices in the HR PF Business overall grew 20.4% compared with the end of consolidated FY2023, to 408 thousand; and listed job offers rose by 16.1% over the same period, to 419 thousand. Also, during consolidated Q2 FY2024, the GUPPY Kyujin and GUPPY Shinsotsu businesses of GUPPY's Inc. have contributed to further growth in earnings.

As a result of the above, consolidated FY2024 segment net sales were ¥21,108million (up 44.0% YoY), and segment profit before allocation of group-wide shared costs (operating profit) was ¥7,723 million (up 22.6% YoY).

2. Medical PF Business

During consolidated FY2024, the number of medical institution users in the Medical PF Business continued to grow, rising 19.0% compared with the end of consolidated FY2023, to 19 thousand users. The main reason for this is that existing customers increased the number of offices that use our cloud-based pharmacy support system, Pharms, because we increased its usefulness by adding functions. We also added @link from Offshore Inc., which we consolidated in October 2024, to the segment.

As a result of the above, consolidated FY2024 segment net sales were ¥7,348 million (up 34.6% YoY) and segment loss before allocation of group-wide shared costs (operating loss) was ¥95 million (¥383 million loss in FY2023).

3. New Services Segment

During consolidated FY2024, the Group conducted investments being made in business expansion for the recruitment system in the U.S. In addition, nursing facility search website, Kaigo-no Honne, continued proactive sales efforts to expand its content, as well as number of listed facilities.

As a result, consolidated FY2024 segment net sales were ¥849 million (up 101.8% YoY) and segment loss before allocation of group-wide shared costs (operating loss) was ¥296 million (¥349 million loss in FY2023).

Factors that drove the operating loss in the segment include costs related to investments being made in business expansion and operational development in the U.S.

In addition, adjustments not attributable to any segment (intersegment eliminations and companywide expenses not allocated to any segment) totaled ¥5,004 million (up 72.1% YoY).

(2) Outline of financial position

Assets

Current assets as of end-consolidated FY2024 totaled ¥25,337 million, an increase of ¥6,405 million, compared with the end of the previous consolidated fiscal year. This was mainly attributable to an increase of ¥3,641 million in cash and deposits, ¥1,501 million in accounts receivable - other, and ¥1,244 million in Notes and accounts receivable - trade. Non-current assets as of end-consolidated FY2024 totaled ¥19,863 million, a ¥13,372 million increase compared with the end of the previous consolidated fiscal year. This was mainly attributable to an increase of ¥13,831 million in intangible fixed assets and a decrease of ¥433 million in investments and other assets.

As a result of the above, total assets as of end-consolidated FY2024 totaled ¥45,201 million, an increase of ¥19,770 million compared with the end of the previous consolidated fiscal year.

Liabilities

Current liabilities as of end-consolidated FY2024 totaled ¥10,562 million, an increase of ¥4,330 million compared with the end of the previous consolidated fiscal year. This was mainly attributable to an increase of ¥2,885 million in current portion of long-term borrowings, ¥502 million in accounts payable – other, and ¥449 million in Contract liabilities. Non-current liabilities as of end-consolidated FY2024 totaled ¥14,418 million, an increase of ¥12,858 million compared with the end of the previous consolidated fiscal year. This was mainly attributable to an increase of ¥10,636 million in long-term borrowings, ¥2,228 million in deferred tax liabilities.

As a result of the above, total liabilities as of end-consolidated FY2024 totaled ¥24,981 million, an increase of ¥17,188 million compared with the end of the previous consolidated fiscal year.

Net assets

Net assets as of end-consolidated FY2024 totaled ¥20,219 million, an increase of ¥2,582 million compared with the end of the previous consolidated fiscal year. This was mainly attributable to, an increase of ¥56 million in capital surplus and a decrease of ¥87 million in treasury shares due to the disposal of treasury shares as restricted stock for Directors, Executive Officers or employees, a decrease of ¥366 million in capital surplus and ¥410 million in treasury shares due to the disposal of treasury shares associated with the exercising of stock acquisition rights, a decrease of ¥305 million in capital surplus due to change in ownership interest of parent due to transactions with non-controlling interests, and an increase of ¥2,798 million in retained earnings due to incurring a profit attributable to owners of parent.

(3) Outline of cash flows for the consolidated fiscal year

Cash and cash equivalents (hereinafter, net cash) as of end-consolidated FY2024 totaled ¥18,993 million, an increase of ¥3,641 million compared with the end-FY2023.

Cash flows during consolidated FY2024 were as follows.

Cash flows from operating activities

Net cash provided by operating activities during consolidated FY2024 was ¥2,447 million (compared with ¥3,871 million in FY2023). This increase was mainly attributable to ¥4,068 million in pretax net profit, adjusted for ¥2,234 million in settlement income, ¥903 million in depreciation and amortization costs, ¥773 million in amortization of goodwill, an increase of ¥749 million in trade receivables, an increase of ¥1,005 million in accounts receivable - other, an increase of ¥353 million in accounts payable - other, ¥1,757 million in settlement receive, and ¥1,965 million in income taxes paid.

Cash flows from investing activities

Net cash used in investing activities during consolidated FY2024 was ¥10,719 million (compared with ¥1,662 million in FY2023). This was mainly attributable to ¥409 million from the acquisition of investment securities, ¥1,569 million in proceeds of investment securities, ¥498 million in payments for acquisition of businesses, and ¥10,771 million in purchase of shares of subsidiaries resulting in change in scope of consolidation.

Cash flows from financing activities

Net cash provided by financing activities during consolidated FY2024 was ¥11,899 million (compared with net cash used in ¥1,218 million in FY2023). This was mainly attributable to ¥3,147 million in repayment of long-term loans, ¥15,700 million in proceeds from long-term borrowings, and ¥660 million in purchase of shares of subsidiaries not resulting in change in scope of consolidation.

(4) Outlook

The Company views the providing of value to its customers, in other words, maximization of companywide sales, as essential to maximization of long-term free cash flow, leading to growth in corporate value. The Company therefore positioned net sales as a key performance indicator to be considered when making management decisions. Specifically,

the Company will focus on developing its business based on a business model focused on stable relationships with customers in order to achieve continuous high growth in sales (number of customer offices $\times$ ARPU*). The Company will also strive to maximize customer numbers while strengthening its product lineup in order to continuously improve ARPU. In order to achieve these goals, to the extent possible, the Company plans to conduct necessary investments in growth to continue to win customers, increase customer usage rate, and expand the range of functions offered by its services.

Based on the above, in addition to net sales, which the Company views as the main source of long-term free cash flow, the Company focuses on EBITDA, a profit indicator that it views as closer to free cash flow. The Company will proactively disclose information on these two indicators to shareholders and investors. Profit indicators other than EBITDA include operating profit, ordinary profit, and net profit attributable to owners of the parent company. When M&A is conducted, accounting standards can have a sizable impact on progress made in terms of the abovementioned investments in growth. The Company therefore focuses on EBITDA as a profit indicator that measures actual profitability and is not impacted by such factors. EBITDA levels may vary depending on the growth phases of businesses including new businesses or growth of group companies driven by M&A. However, we establish timeframes for individual businesses to reach positive EBITDA and proactively conduct investments with the goal of maximizing long-term free cash flow.

Recently, as part of our efforts to target a wider range of markets in order to maximize our long-term free cash flow, we have completed our market research on recruitment systems and test marketing programs in the US and proceeded to the business expansion phase.

In managing this initiative, we will maintain our focus on financial discipline.

The Company's consolidated financial results forecast for FY2025 is shown below. The Company's forecast does not factor in any impact from the launch of new businesses not currently included in our business plan or M&A with low probabilities. Also, regarding the acquisition of shares of AxisRoot Holdings, Inc. (AxisRoot Holdings) announced on January 23, 2025, we plan to include AxisRoot Holdings on the Company's consolidated statements of income starting in the second quarter (starting April 2025) of consolidated FY2025 and this is factored into the relevant forecasts.

Financial results forecast for FY2025

Net sales	39,800 million yen
EBITDA	5,700 million yen
Operating profit	3,000 million yen
Ordinary profit	4,300 million yen
Profit attributable to owners of parent	3,100 million yen

The above forward-looking statements include forecasts that are based on information currently available to the Company and certain assumptions deemed to be reasonable. These statements include risks and uncertainties. Actual results may vary due to various uncertain factors.

Please also refer to the Company's financial results presentation materials for more details.

(Note) ARPU (Average Revenue Per User) = average sales per Group customer business office

2. Fundamental view regarding selection of accounting standards

The Company has adopted Japanese accounting standards as a means to allow comparison between companies. The Company has the policy of appropriately adopting International Financial Reporting Standards (IFRS), taking into consideration conditions in Japan and overseas.

3.Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	15,354	18,996
Notes and accounts receivable - trade	1,612	2,856
Merchandise and finished goods	265	255
Work in process	18	17
Accounts receivable - other	1,371	2,872
Prepaid expenses	251	364
Other	92	20
Allowance for doubtful accounts	(34)	(46)
Total current assets	18,932	25,337
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	274	297
Tools, furniture and fixtures, net	105	87
Other, net	136	105
Total property, plant and equipment	515	490
Intangible assets		
Software	344	380
Goodwill	1,491	7,876
Customer-related assets	1,359	8,758
Other	4	15
Total intangible assets	3,199	17,030
Investments and other assets		
Investment securities	1,592	392
Deferred tax assets	361	689
Leasehold deposits	732	1,040
Other	90	220
Total investments and other assets	2,775	2,342
Total non-current assets	6,491	19,863
Deferred assets	6	0
Total assets	25,430	45,201

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	317	407
Current portion of long-term borrowings	731	3,617
Accounts payable - other	1,522	2,025
Accrued expenses	685	766
Contract liabilities	781	1,230
Deposits received	500	750
Income taxes payable	1,060	981
Other provisions	165	221
Other	466	562
Total current liabilities	6,232	10,562
Non-current liabilities		
Long-term borrowings	928	11,564
Deferred tax liabilities	400	2,629
Other	231	224
Total non-current liabilities	1,560	14,418
Total liabilities	7,792	24,981
Net assets		
Shareholders' equity		
Share capital	47	47
Capital surplus	14,812	14,196
Retained earnings	3,802	6,601
Treasury shares	(1,118)	(621)
Total shareholders' equity	17,543	20,223
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-	(40)
Foreign currency translation adjustment	8	25
Total accumulated other comprehensive income	8	(14)
Non-controlling interests	85	10
Total net assets	17,637	20,219
Total liabilities and net assets	25,430	45,201

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Net sales	20,532	29,302
Cost of sales	6,945	10,382
Gross profit	13,586	18,919
Selling, general and administrative expenses	10,924	16,592
Operating profit	2,661	2,326
Non-operating income		
Interest income	0	2
Settlement received	1,376	2,234
Subsidy income	6	13
Other	42	35
Total non-operating income	1,426	2,284
Non-operating expenses		
Interest expenses	11	67
Amortization of share issuance costs	27	5
Outsourcing expenses	283	413
Other	10	46
Total non-operating expenses	333	533
Ordinary profit	3,755	4,078
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	46	-
Gain on sale of non-current assets	0	2
Total extraordinary income	47	2
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on abandonment of non-current assets	0	12
Total extraordinary losses	0	13
Profit before income taxes	3,802	4,068
Income taxes - current	1,317	1,739
Income taxes - deferred	(86)	(445)
Total income taxes	1,230	1,293
Profit	2,571	2,774
Profit(loss) attributable to non-controlling interests	5	(23)
Profit attributable to owners of parent	2,566	2,798

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Profit	2,571	2,774
Other comprehensive income		
Valuation difference on available-for-sale securities	(292)	(40)
Foreign currency translation adjustment	8	17
Total other comprehensive income	(283)	(22)
Comprehensive income	2,287	2,751
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,282	2,775
Comprehensive income attributable to non-controlling interests	5	(23)

Consolidated Statements of Changes in Equity
For the fiscal year ended December 31, 2023

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	40	15,276	1,236	(1,764)	14,788	292	(0)	292	0	88	15,170
Changes during period											
Issuance of new shares	7	7			14						14
Profit attributable to owners of parent			2,566		2,566						2,566
Purchase of treasury shares				(0)	(0)						(0)
Disposal of treasury shares		(448)		645	197						197
Change in ownership interest of parent due to transactions with non-controlling interests		(23)			(23)						(23)
Net changes in items other than shareholders' equity						(292)	8	(283)	(0)	(2)	(286)
Total changes during period	7	(464)	2,566	645	2,754	(292)	8	(283)	(0)	(2)	2,467
Balance at end of period	47	14,812	3,802	(1,118)	17,543	-	8	8	-	85	17,637

For the fiscal year ended December 31, 2024

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	47	14,812	3,802	(1,118)	17,543	-	8	8	85	17,637
Changes during period										
Profit attributable to owners of parent			2,798		2,798					2,798
Purchase of treasury shares				(0)	(0)					(0)
Disposal of treasury shares		(310)		498	187					187
Change in ownership interest of parent due to transactions with non-controlling interests		(305)			(305)					(305)
Net changes in items other than shareholders' equity						(40)	17	(22)	(74)	(97)
Total changes during period	-	(616)	2,798	497	2,679	(40)	17	(22)	(74)	2,582
Balance at end of period	47	14,196	6,601	(621)	20,223	(40)	25	(14)	10	20,219

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	3,802	4,068
Depreciation	416	903
Amortization of goodwill	243	773
Amortization of security deposit	15	27
Increase (decrease) in allowance for doubtful accounts	6	10
Interest and dividend income	(0)	(2)
Interest expenses	11	67
Amortization of share issuance costs	27	5
Settlement income	(1,376)	(2,234)
Gain on sale of non-current assets	(0)	(2)
Loss on sales of non current assets	0	0
Loss on abandonment of non-current assets	0	12
Gain on sale of shares of subsidiaries and associates	(46)	-
Decrease (increase) in trade receivables	(286)	(749)
Decrease (increase) in accounts receivable - other	62	(1,005)
Decrease (increase) in inventories	(87)	35
Increase (decrease) in trade payables	16	66
Increase (decrease) in accounts payable - other	332	353
Increase (decrease) in accrued expenses	244	42
Increase (decrease) in contract liabilities	(80)	(6)
Increase (decrease) in deposits received	14	237
Other, net	328	116
Subtotal	3,640	2,720
Interest and dividends received	0	2
Interest paid	(11)	(67)
Settlement received	827	1,757
Income taxes paid	(585)	(1,965)
Net cash provided by (used in) operating activities	3,871	2,447
Cash flows from investing activities		
Purchase of investment securities	(356)	(409)
Proceeds from sale of investment securities	-	1,569
Payments into time deposits	(56)	-
Proceeds from withdrawal of time deposits	125	2
Purchase of property, plant and equipment	(196)	(66)
Proceeds from sale of property, plant and equipment	5	14
Purchase of intangible assets	(207)	(222)
Payments of leasehold and guarantee deposits	(169)	(317)
Proceeds from refund of leasehold and guarantee deposits	3	31
Payments for acquisition of businesses	(262)	(498)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(644)	(10,771)
Other, net	98	(51)
Net cash provided by (used in) investing activities	(1,662)	(10,719)

(Millions of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(374)	-
Repayments of long-term borrowings	(903)	(3,147)
Proceeds from long-term borrowings	-	15,700
Proceeds from issuance of shares	14	-
Proceeds from disposal of treasury shares	87	43
Purchase of treasury shares	(0)	(0)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(30)	(660)
Other, net	(12)	(36)
Net cash provided by (used in) financing activities	(1,218)	11,899
Effect of exchange rate change on cash and cash equivalents	9	14
Net increase (decrease) in cash and cash equivalents	1,000	3,641
Cash and cash equivalents at beginning of period	14,351	15,351
Cash and cash equivalents at end of period	15,351	18,993

(5) Important notes regarding quarterly consolidated financial statements

(Notes related to going concern assumptions)

Not applicable

(Segment information, etc.)

(Segment information)

1. Overview of reportable segments

(1) Classification of reportable segments

The business segments the Company reports are the business units from which individual financial information can be obtained, and on which the Board of Directors can conduct periodic investigations to determine the appropriate distribution of operational resources and evaluate business performance.

The Company consists of service-specific segments based on business divisions, and the Company's reportable segments are composed of the following three units: HR PF Business, Medical PF Business, and New Services Segment.

(2) Services provided by each reportable segment

The HR PF Business handles JobMedley hiring support service that runs on a placement fee business model and assists companies in the medical healthcare field to address issues such as labor shortages and uneven regional distribution of medical professionals, GUPPY Kyujin pay-per-click recruitment system, and JobMedley Academy online training business serving professionals in the nursing care field.

The Medical PF Business handles the CLINICS cloud medical support system that streamlines the operations of medical institutions and improves patients' access to medical care, the Pharms pharmacy window support system, the MEDLEY medical information service, the MALL electronic medical record system for hospitals, the Dentis cloud dental support system, and the @link appointment service app for hospitals and in-patient clinics.

The New Services Segment handles the Kaigo-no Honne nursing facility search website aimed at individuals seeking nursing care facilities and MEDLEY Funding Support service that serves the early-stage financing needs of our customers.

2. Method of calculating sales and profit (loss), identifiable assets and liabilities, and other items by reportable segment

Accounting methods for reportable segments are basically the same as those used when creating financial statements. Profit by reportable segment is reported on an operating profit basis.

3.Information on net sales and operating profit (loss), identifiable assets and liabilities, other items by reportable segment, and revenue analysis information

Consolidated Fiscal Year 2023 (from January 1, 2023 to December 31, 2023)

(Million yen)

	Reportable segment				Adjustment (Note)	Amount in the consolidated financial statement
	HR PF Business	Medical PF Business	New Services	Total		
Net sales						
Revenue from contracts with customers	14,653	5,458	362	20,474	—	20,474
Other revenue	—	—	58	58	—	58
Sales to external customers	14,653	5,458	420	20,532	—	20,532
Inter-segment sales and transfers	2	—	—	2	(2)	—
Total	14,656	5,458	420	20,535	(2)	20,532
Segment profit (loss)	6,302	(383)	(349)	5,569	(2,907)	2,661
Segment assets	700	2,372	477	3,550	21,879	25,430
Other items						
Depreciation	203	163	26	393	23	416
Amortization of goodwill	87	136	19	243	—	243
Increase in property, plant and equipment and intangible assets	179	620	519	1,318	105	1,423

Notes: 1. Segment profit (loss) adjustments of (¥2,907 million) include intersegment eliminations and corporate expenses unallocated to reportable segments.

2. Segment profit (loss) is adjusted under operating profit on the Consolidated Statements of Income.

3. Adjustments of identifiable segment assets of ¥21,879 million mainly include company-wide assets unallocated to reportable segments.

4. In consolidated FY2023, the Company acquired the pharmacy business of Bamboo Inc. and increases in tangible fixed assets and intangible fixed assets include goodwill associated with this acquisition. Also, in consolidated FY2023, GCM Co., Ltd. (GCM) was brought into the scope of consolidated accounting and increases in tangible fixed assets and intangible fixed assets include goodwill associated with the acquisition of the shares of GCM.

Consolidated Fiscal Year 2024 (from January 1, 2024 to December 31, 2024)

(Million yen)

	Reportable segment				Adjustment (Note)	Amount in the consolidated financial statement
	HR PF Business	Medical PF Business	New Services	Total		
Net sales						
Revenue from contracts with customers	21,104	7,348	610	29,062	—	29,062
Other revenue	—	—	239	239	—	239
Sales to external customers	21,104	7,348	849	29,302	—	29,302
Inter-segment sales and transfers	4	—	—	4	(4)	—
Total	21,108	7,348	849	29,306	(4)	29,302
Segment profit (loss)	7,723	(95)	(296)	7,331	(5,004)	2,326
Segment assets	10,898	5,996	374	17,269	27,932	45,201
Other items						
Depreciation	546	212	35	794	109	903
Amortization of goodwill	470	245	57	773	—	773
Increase in property, plant and equipment and intangible assets	11,203	1,871	—	13,075	55	13,130

Notes: 1. Segment profit (loss) adjustments of (¥5,004 million) include intersegment eliminations and corporate expenses unallocated to reportable segments.

2. Segment profit (loss) is adjusted under operating profit on the Consolidated Statements of Income.

3. Adjustments of identifiable segment assets of ¥27,932 million mainly include company-wide assets unallocated to reportable segments.

4. In consolidated FY2023, the Company acquired Lalune business of Ateam Wellness, Inc. and increases in tangible fixed assets and intangible fixed assets include goodwill associated with this acquisition. Also, in consolidated FY2024, GUPPY's Inc. and Offshore Inc. were brought into the scope of consolidated accounting and increases in tangible fixed assets and intangible fixed assets include goodwill associated with the acquisition of the shares of GUPPY's Inc. and Offshore Inc.

(Related information)

Consolidated Fiscal Year 2023 (from January 1, 2023 to December 31, 2023)

1. Information about each product or service

This information is omitted here because similar information is disclosed in Segment information.

2. Information for geographical regions

(1) Net sales

This information is omitted because sales to external customers in Japan account for over 90% of the net sales in the consolidated statements of income.

(2) Property, plant and equipment

(Million yen)

Japan	U.S.	Total
435	80	515

3. Information about major customers

This information is omitted because no customer accounts for over 10% of the net sales in the consolidated statements of income.

Consolidated Fiscal Year 2024 (from January 1, 2024 to December 31, 2024)

1. Information about each product or service

This information is omitted here because similar information is disclosed in Segment information.

2. Information for geographical regions

(1) Net sales

This information is omitted because sales to external customers in Japan account for over 90% of the net sales in the consolidated statements of income.

(2) Property, plant and equipment

(Million yen)

Japan	U.S.	Total
431	58	490

3. Information about major customers

This information is omitted because no customer accounts for over 10% of the net sales in the consolidated statements of income.

(Information on impairment losses on non-current assets by reportable segment)

Consolidated Fiscal Year 2023 (from January 1, 2023 to December 31, 2023)

Not applicable

Consolidated Fiscal Year 2024 (from January 1, 2024 to December 31, 2024)

Not applicable

(Information regarding the amount of amortization of goodwill and unamortized balance for each reporting segment)

Consolidated Fiscal Year 2023 (from January 1, 2023 to December 31, 2023)

(Million yen)

	Reportable segment				Other	Company-wide/ amortization	Total
	HR PF Business	Medical PF Business	New Services	Total			
Balance at end of period	273	949	268	1,491	—	—	1,491

Notes: Information on amount of amortization of goodwill is omitted here because similar information is disclosed in Segment information.

Consolidated Fiscal Year 2024 (from January 1, 2024 to December 31, 2024)

(Million yen)

	Reportable segment				Other	Company-wide/ amortization	Total
	HR PF Business	Medical PF Business	New Services	Total			
Balance at end of period	4,640	3,024	211	7,876	—	—	7,876

(Information regarding the amount of amortization of goodwill and unamortized balance for each reporting segment)

Not applicable

(Business combinations, etc.)

(Business combination via transaction)

1. Absorption-type demerger of Lalune business of Ateam Wellness, Inc.

(1) Summary of business combination

1) Name and description of business of acquired corporation

Name of acquired corporation: Ateam Wellness, Inc.

Description of business activities: Lalune business, a women's health consultation application

2) Main purpose of business combination

The Company has built a strong business base in the medical and healthcare area, such as telemedicine application CLINICS. By adding to our portfolio the Lalune business, which boasts one of the largest registered memberships in Japan, we believe we can achieve growth and expand our business opportunities. Going forward, we will improve access to healthcare for patients by creating synergies between Lalune business and the Company's other businesses.

3) Business combination date

February 1, 2024

4) Legal form of business combination

Absorption-type demerger wherein the Company is the successor company and Ateam Wellness is the divesting entity.

5) Name of acquired company after acquisition

Medley, Inc.

6) Primary basis for determination of acquiring company

The Company took over the business of Ateam Wellness Inc. for cash consideration

(2) Period of acquired company's business results included in quarterly consolidated financial statements

February 1, 2024 to December 31, 2024

(3) Acquisition cost and breakdown by type of considerations

Consideration paid in cash: 500 million yen

Acquisition cost: 500 million yen

(4) Breakdown and amount of main costs related to acquisition

Compensation for advisory services 7 million yen

(5) Amount, reason for recognition, amortization method, and period of goodwill

1) Goodwill recognized

491 million yen

2) Reason of recognized

Mainly recognized based on the future earnings potential from the expected future development of businesses.

3) Amortization method and period of goodwill

Goodwill will be amortized evenly using the straight-line method for a period of not more than 20 years, which is determined in consideration of its estimated period of effect.

(6) Amount and major breakdown of assets received and liabilities assumed on business combination date

Current assets	32 million yen
Non-current assets	1 million yen
Total assets	33 million yen
Current liabilities	24 million yen
Total liabilities	24 million yen

(7) Estimated amount and calculation method of the impact of the business combination on the consolidated statement of income for consolidated FY2024 assuming that the business combination was completed on the first day of consolidated FY2024

This information is omitted due to lack of materiality.

2. Acquisition of shares of GUPPY's Inc.

(1) Summary of business combination

1) Name and description of business of acquired corporation

Name of acquired corporation: GUPPY's Inc.

Description of business activities: Human resource service business specializing in medical care, nursing care, and welfare, and healthcare business utilizing a health management app

2) Main purpose of business combination

The Company has been searching for opportunities to further improve the value proposition in human resources services in the medical healthcare field by measures such as carrying out M&As with competitors. The Company came to believe that it would be possible to achieve further value proposition enhancements through the mutual sharing and utilization of both parties' business knowhow and assets as the Company and GUPPY's Inc. have developed different business models while working to resolve the social issues faced by patients, professionals, and businesses, etc. in the same medical and healthcare field.

3) Business combination date

April 26, 2024 (Deemed acquisition date: March 1, 2024)

4) Legal form of business combination

Acquisition of shares in exchange for cash.

5) Name of acquired company after acquisition

GUPPY's Inc.

6) Percentage of voting rights acquired

Voting rights ratio before the date of the business combination	38.26%
Voting rights ratio additionally acquired on the date of the business combination	— %
Voting rights ratio additionally acquired after the date of the business combination	56.47%
Voting rights ratio after additional acquisition	94.73%

(Note) Does not include subsidiary shares acquired from non-controlling shareholders included under (additionally acquired subsidiary shares)

7) Main basis for determining the acquiring company

The Company acquired a portion of the shares of GUPPY's Inc. in exchange for cash and, together with the voting rights of those consenting to the acquisition, the Company has acquired more than a majority of the voting rights of GUPPY's Inc. and also appointed the Company's officers as directors and further has resolved to change its delegation of authorization chart, which has resulted in the Company controlling important financial, operating, and business policy decisions.

(2) Summary of accounting procedures adopted

On June 14, 2024, the Company acquired additional shares of a company in which it already owned shares. This acquisition was conducted in accordance with "Accounting Standards for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and the "Implementation Guidance on Accounting Standards for Business Combinations and Accounting Standards for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019). Because the share acquisition which took place on April 26, 2024 together with the aforementioned share acquisition constituted a single business combination, they were treated as one acquisition. For this reason, goodwill related to the additional interest acquired after obtaining a controlling interest is calculated as if goodwill had been recorded at the time the controlling interest was obtained.

(3) Period of acquired company's business results included in semi-annual consolidated financial statements

March 1, 2024 to December 31, 2024

(4) Acquisition cost and breakdown by type of considerations

Acquisition cost	at time of acquisition of controlling interest	cash million yen	4,790
	at time of acquisition of additional interest	cash million yen	6,377
Acquisition cost:			11,168 million yen

(5) Breakdown and amount of main costs related to acquisition

Compensation for advisory services 177 million yen

(6) Amount, reason for recognition, amortization method, and period of goodwill

1) Goodwill recognized

4,838 million yen

2) Reason of recognized

Mainly recognized based on the future earnings potential from the expected future development of businesses.

3) Amortization method and period of goodwill

Goodwill will be amortized evenly using the straight-line method for a period of not more than 20 years, which is determined in consideration of its estimated period of effect.

(7) Amount allocated to intangible fixed assets other than goodwill and its breakdown by major classification, and weighted average amortization period for the whole amount and for each major classification

Classification	Amount	Weighted average amortization period
Assets attributable to customers	6,192 million yen	15 years

(8) Amount and major breakdown of assets received and liabilities assumed on business combination date

Current assets	2,890 million yen
Non-current assets	6,308 million yen
Total assets	9,198 million yen
Current liabilities	652 million yen
Non-current liabilities	1,913 million yen
Total liabilities	2,565 million yen

(9) Estimated amount and calculation method of the impact of the business combination on the consolidated statement of income for consolidated FY2024 assuming that the business combination was completed on the first day of consolidated FY2024
This information is omitted due to lack of materiality.

3. Acquisition of shares of Offshore Inc.

(1) Summary of business combination

1) Name and description of business of acquired corporation

Name of acquired corporation: Offshore Inc.

Description of business activities: Development, introduction, and operation of package systems in the medical field, as well as related services and engagement support between hospitals and consumers.

2) Main purpose of business combination

Offshore Inc. develops its @link reservation system for hospitals and clinics with beds and its @link integrated service management app for patients. Offshore's @link enables integrated end-to-end management of processes from patient acquisition to postpartum (hospital discharge).

The Company has decided to integrate Offshore Inc. into its corporate group because it expects synergies such as cross-selling with the Company's MALL EMR and CLINICS EMR products and collaboration in the field of telemedicine with its CLINICS integrated medical app and Lalune women's health management app. By creating synergies with Offshore Inc., the Company will increase the value of its medical PF.

3) Business combination date

October 1, 2024

4) Legal form of business combination

Acquisition of shares in exchange for cash.

5) Name of acquired company after acquisition

Offshore Inc.

6) Percentage of voting rights acquired

Voting rights ratio acquired on the date of the business combination 100%

7) Main basis for determining the acquiring company

The Company acquired 100% of Offshore Inc.'s voting rights through the acquisition of shares in exchange for cash.

(2) Period of acquired company's business results included in semi-annual consolidated financial statements

October 1, 2024 to December 31, 2024

(3) Acquisition cost and breakdown by type of considerations

Consideration paid in cash: 2,577 million yen

Acquisition cost: 2,577 million yen

(4) Breakdown and amount of main costs related to acquisition

Compensation for advisory services 106 million yen

(5) Amount, reason for recognition, amortization method, and period of goodwill

1) Goodwill recognized

1,829 million yen

2) Reason of recognized

Mainly recognized based on the future earnings potential from the expected future development of businesses.

3) Amortization method and period of goodwill

Goodwill will be amortized evenly using the straight-line method for a period of not more than 20 years, which is determined in consideration of its estimated period of effect.

(6) Amount allocated to intangible fixed assets other than goodwill and its breakdown by major classification, and weighted average amortization period for the whole amount and for each major classification

Classification	Amount	Weighted average amortization period
Assets attributable to customers	1,724 million yen	20 years

(7) Amount and major breakdown of assets received and liabilities assumed on business combination date

Current assets	633 million yen
Non-current assets	1,826 million yen
Total assets	2,460 million yen
Current liabilities	267 million yen
Non-current liabilities	1,445 million yen
Total liabilities	1,712 million yen

(8) Estimated amount and calculation method of the impact of the business combination on the consolidated statement of income for consolidated FY2024 assuming that the business combination was completed on the first day of consolidated FY2024

This information is omitted due to lack of materiality.

(Additionally acquired subsidiary shares)

(1) Summary of transactions

1) Name of acquired corporation: GUPPY's Inc.

2) Period of additional purchase

June 25, 2024 (Deemed acquisition date: May 30, 2024)

3) Legal form

Acquisition of shares in exchange for cash.

4) Percentage of voting rights acquired

Voting rights ratio before the date of additional acquisition	94.73%
Voting rights ratio additionally acquired	5.27%
Voting rights ratio after additional acquisition	100.00%

(2) Acquisition cost and breakdown by type of considerations

Consideration paid in cash: 659 million yen

Acquisition cost: 659 million yen

(3) Changes in equity related to transactions with noncontrolling shareholders

Capital surplus declined by 305 million yen due to the acquisition of subsidiary shares from noncontrolling shareholders

(Per share information)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Net assets per share	542.49 Yen	621.43 Yen
Net profit (loss) per share	79.53 Yen	86.17 Yen
Diluted net profit per share	78.55 Yen	85.62 Yen

(Note) Methods used to calculate net profit per share and diluted net profit per share are shown below.

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Net profit (loss) per share		
Net profit (loss) attributable to owners of parent (million yen)	2,566	2,798
Amount not attributable to common shareholders (million yen)	-	-
Net loss attributable to parent company shareholders of common stock (million yen)	2,566	2,798
Average number of common shares during fiscal year (share)	32,269,117	32,474,847
Diluted net profit per share		
Net profit adjustment attributable to owner of parent (million yen)	-	-
Amount of increase in common shares (share)	404,106	207,747
Descriptions of potentially non-dilutive common shares that were not included in the calculation of diluted net profit per share	-	-

(Significant subsequent events)

(Business combination via transaction)

The Company resolved at its Board of Directors Meeting held on November 14, 2024 to acquire all outstanding shares of ASFON TRUST NETWORK Inc. effective January 6, 2025.

Procedures related to the absorption-type demerger were completed on January 6, 2025.

(1) Summary of business combination

1) Name and description of business of acquired corporation

Name of acquired corporation: ASFON TRUST NETWORK Inc.

Description of business activities: Introduction of potential residents of nursing care facilities to nursing care facilities, etc.

2) Main purpose of business combination

ASFON TRUST NETWORK Inc. has built strong brand recognition and high levels of trust from referral sources such as hospitals and in-home nursing care support offices, as well as from nursing facility residents and their families, through development of its Minkai business. The acquisition will strengthen the Company's hospital discharge coordination service. More specifically, it will expand the functionality of the Company's hospital discharge coordination service which includes the Renke-san hospital discharge coordination service and encourage its use not only by hospitals, but also by the assisted living nursing care support businesses to which the ATN provides introductions. The acquisition will also allow the Company to respond to the needs of many customers by leveraging Kaigo-no Honne, with its strengths in online services, and ATN's Minkai business, with its strengths in face-to-face services.

3) Business combination date

January 6, 2025 (Deemed acquisition date: January 1, 2025)

4) Legal form of business combination

Acquisition of shares in exchange for cash.

5) Name of acquired company after acquisition

ASFON TRUST NETWORK Inc.

6) Percentage of voting rights acquired

Voting rights ratio acquired on the date of the business combination 100%

7) Main basis for determining the acquiring company

The Company will acquire 100% of ASFON TRUST NETWORK Inc.'s voting rights through the acquisition of shares in exchange for cash.

(2) Acquisition cost and breakdown by type of considerations

Consideration paid in cash: 1,300 million yen

Acquisition cost: 1,300 million yen

(3) Breakdown and amount of main costs related to acquisition

Not determined at present time

(4) Amount, reason for recognition, amortization method, and period of goodwill

Not determined at present time

(5) Amount and major breakdown of assets received and liabilities assumed on business combination date

Not determined at present time

(Business combination through stock acquisition and conversion to wholly-owned subsidiary through reverse stock split and simplified share exchange)

The Company resolved at the Board of Directors meeting held on January 23, 2025 to, as of January 31, 2025, acquire a majority of the issued shares of AxisRoot Holdings, Inc. and thereafter to conduct a simplified share exchange as a result of which the company would become the wholly owning parent company and AxisRoot Holdings, Inc. would become the wholly owned subsidiary.

In addition, the procedures for acquiring the shares were completed on January 31, 2025.

(1) Summary of business combination

1) Name and description of business of acquired corporation

Name of acquired corporation: AxisRoot Holdings, Inc.

Description of business activities: Management of owned companies doing business in planning, development, operation and sales of systems in the medical field etc.

2) Main purpose of business combination

AxisRoot Holdings, Inc. provides services that improve the operational efficiency of medical professionals and support the smooth receipt of medical care by patients. The Medixs cloud-based electronic medication history system developed and provided by Axis, Inc., a core subsidiary of AxisRoot Holdings, Inc., boasts a high customer satisfaction rate owing to its excellent UI/UX and in-home care support functions. The acquisition of shares will allow the leveraging of the Company's Pharms business's customer base to expand the number of customers Medixs serves, which will lead to improvement of the Company's ARPU in the dispensing pharmacies business domain. Therefore, the Company recognizes a strong complementary relationship to its basic strategy of "maximizing the number of customer offices and improving ARPU," and expects to greatly expand the value provided by the Medley Group in the dispensing pharmacies business domain.

3) Business combination date

January 31, 2025 (Deemed acquisition date: February 28, 2025)

4) Legal form of business combination

Acquisition of shares in exchange for cash.

5) Name of acquired company after acquisition

AxisRoot Holdings, Inc.

6) Percentage of voting rights acquired

Voting rights ratio acquired on the date of the business combination 76.7%

(Note) The percentage of voting rights was calculated using the number of voting rights for the total number of shares after taking into account dilutive shares as the denominator.

7) Main basis for determining the acquiring company

The Company will exchange cash for shares for the purpose of acquiring a majority of the voting rights of AxisRoot Holdings, Inc.

(2) Acquisition cost and breakdown by type of considerations

Consideration paid in cash: 6,138 million yen

Acquisition cost: 6,138 million yen

(3) Breakdown and amount of main costs related to acquisition

Not determined at present time

(4) Amount, reason for recognition, amortization method, and period of goodwill

Not determined at present time

(5) Amount and major breakdown of assets received and liabilities assumed on business combination date

Not determined at present time

(6) Reverse stock split and conversion into a wholly owned subsidiary via simplified share exchange after the acquisition of shares

The Company will conduct the reverse stock split to acquire the common shares of AxisRoot Holdings, Inc. in such a manner that only the Company and Alfresa Corporation will own the common stock of AxisRoot Holdings and the number of shares held by minority shareholders of AxisRoot Holdings will be less than one share. All outstanding stock acquisition rights of AxisRoot Holdings are scheduled to be exercised in connection with the reverse stock split.

After the reverse stock split and purchase of fractional shares, the Company will acquire 7.4% of the common stock of AxisRoot Holdings held by Alfresa Corporation via the share exchange, thereby converting AxisRoot Holdings into a wholly owned subsidiary.

When carrying out the share exchange, the Company plans to deliver treasury shares (158,718 common shares) held by the Company.

(Sale of shares in subsidiaries)

The Company resolved at the Board of Directors Meeting held on November 20, 2024, to sell all outstanding shares of its consolidated subsidiary MEDiPASS Co., Ltd.

In addition, the procedures for selling the shares were completed on January 6, 2025.

(1) Purpose of the sale of subsidiary's shares

In March 2021, the Company acquired MEDiPASS Co., Ltd. with the purpose of obtaining its online training system. Thereafter, the online training system business was transferred to the Company and rebranded as JobMedley Academy and has achieved continued growth.

MEDiPASS Co., Ltd., which operates a business providing management support for home healthcare agencies and nursing care providers, has also continued to achieve stable results. However, no additional investments were made in the business for three years since the acquisition because the nature of its business is different from technology businesses.

In 2024, the Company received a request from the management team of MEDiPASS Co., Ltd. that they are willing to pursue a growth strategy with a medium-to-long-term perspective independently from the Company. The Company has determined that MBO is the best option for both parties. Accordingly, the Company has decided to transfer all shares of MEDiPASS Co., Ltd. to newly established MEDiPASS HOLDINGS Co., Ltd., fully owned by Hiroshi Oda, Representative Director and CEO of MEDiPASS Co., Ltd.

(2) Details regarding sale of shares of subsidiary

1) Name of company to which shares will be sold

MEDiPASS HOLDINGS Co., Ltd.,

2) Date of sale

January 6, 2025

3) Sale price	928 million yen
4) Loss/gain on sale of shares	Not determined at present time

(Share repurchase)

At its Board of Directors Meeting held on November 20, 2024, the Company resolved that the Company will repurchase its common shares pursuant to Article 156 of the Companies Act of Japan (the “Companies Act”), as applied pursuant to Paragraph 3, Article 165 of the Companies Act.

(1) Purpose of Share Repurchase The company will repurchase its own shares in order to respond flexibly to changes in share price and to return profits to shareholders.

(2) Details of Share Repurchase

1) Class of shares to be repurchased:	Common Shares of the Company
2) Total number of shares to be repurchased:	Up to 400 thousand shares (1.2% of the total number of shares issued)
3) Aggregate repurchase amount:	Up to 1,500 million yen
4) Repurchase period:	February 17, 2025 to June 30, 2025
5) Repurchase method:	Market transactions on the Tokyo Stock Exchange