



February 14, 2025

To whom it may concern:

Company name: MEDLEY, INC.
Representative: Kohei Takiguchi
President and Chief Executive Officer
(TSE Prime Market Code No.4480)
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**Notice Regarding Merger with Two Wholly Owned Subsidiaries and Recording an Extraordinary Loss
(Loss on Extinguishment of Tie-in Shares)**

MEDLEY, INC. (“the Company”) hereby announces that the Company resolved at the Board of Directors Meeting held on February 14, 2025, that the Company will conduct an absorption-type merger (the “Merger”) of which the Company will become the surviving company and its wholly owned subsidiaries, Offshore Inc. (“Offshore”) and GUPPY’s Inc. (“GUPPY’s”), will become the company absorbed in the Merger, and also enter into an absorption-type merger agreement (the “Merger Agreement”) among the Company, Offshore and GUPPY’s on the same date.

As the Merger will be accompanied by extraordinary losses (loss on extinguishment of tie-in shares) of the Company, the Merger will be conducted under such conditions in which approval has been made at the annual shareholders meeting following the provisions of Article 795, paragraph (2), item (i) of the Companies Act.

In addition, as the Merger is an absorption-type merger of the Company’s wholly owned subsidiaries, certain disclosure items and details have been omitted in this announcement.

Particulars

1. Purpose of the Merger

Offshore and GUPPY’s, which joined the Company group through M&A, have been already generating synergies throughout collaboration with the Company’s businesses and corporate divisions. This merger is intended to further enhance these synergies and accelerate the growth of the Company group.

2. Summary of the Merger

(1) Schedule of the Merger

(1)	Date of resolution by the Board of Directors	February 14, 2025
(2)	Signing date of the Merger Agreement	February 14, 2025
(3)	Date of approval on the Merger at the general meeting of shareholders	March 25, 2025 (scheduled) (*1)
(4)	Effective date	April 1, 2025 (scheduled)

*1: The Merger is a short-form merger conducted by the Company in accordance with Article 784, paragraph (1) of the Companies Act for Offshore and GUPPY’s and would be conducted without obtaining approval at a general meeting of shareholders of Offshore and GUPPY’s.

(2) Method of the Merger

Offshore and GUPPY’s will be dissolved through an absorption-type merger, with the Company as the surviving company and Offshore and GUPPY’s as the absorbed companies.

(3) Details of Allotments Related to the Merger

There are no allotments of shares or other monies, etc. related to the Merger.

(4) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights with the Merger
Not applicable.

(5) Increase of Stated Capital in Result of the Merger

There are no increases in the Company's stated capital as a result of the Merger.

3. Outline of the Companies Involved in the Merger

(1) Summary of the Company Surviving in the Merger (as of February 14, 2025)

	Company Surviving Absorption-type Merger
(1) Name	MEDLEY, INC.
(2) Location	6-10-1 Roppongi, Minato-ku, Tokyo, Japan
(3) Title and name of representative	President and CEO: Kohei Takiguchi
(4) Business details	Development and provision of online services in the medical healthcare field
(5) Stated capital	47 million yen
(6) Date of incorporation	June 2009
(7) Number of shares issued	32,738,600 shares
(8) Accounting period	December 31
(9) Major shareholders and their shareholding percentages (as of June 30, 2024)	Kohei Takiguchi: 18.44% Goichiro Toyoda: 10.15% Master Trust Bank of Japan (securities investment trust account): 8.80% Custody Bank of Japan, Ltd. (securities investment trust account): 7.11% NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT: 4.86% CREDIT SUISSE (LUXEMBOURG) S. A. / CUSTOMER ASSETS. FUNDS UCITS: 4.12% Keiichi Shibahara: 2.92% NTT DOCOMO INC.: 2.87% MSCO CUSTOMER SECURITIES: 2.00% Goldman Sachs (regular) account: 1.56%
(10) Business performance and financial condition for the most recent business year	
Accounting period	Consolidated results for the fiscal year ended December 31, 2023
Net assets (million yen)	17,637
Total assets (million yen)	25,430
Net assets per share (yen)	542.49
Net sales (million yen)	20,532
Operating profit (million yen)	2,661
Ordinary profit (million yen)	3,755
Net profit attributable to owners of parent (million yen)	2,571
Net profit per share (yen)	79.53
Dividend per share (yen)	-

(2) Summary of the Company Absorbed in the Merger (as of February 14, 2025)

	Company Absorbed in Absorption-type Merger	
(1) Name	Offshore Inc.	GUPPY's Inc.
(2) Location	Markler Kobe Bldg. 6F, 4-2-2, Kumoidori, Chuo-ku, Kobe City, Hyogo Prefecture, Japan	6-10-1 Roppongi, Minato-ku, Tokyo, Japan
(3) Title and name of representative	CEO Daisuke Yamamoto	CEO Yosuke Ishizaki
(4) Business details	Development, introduction and operation of package systems in the medical field, related ancillary	Human resource services specializing in medical field, nursing care and welfare, and

	services, and support for engagement between hospitals and consumers, etc	healthcare services utilizing health management applications
(5) Stated capital	25 million yen	473 million yen
(6) Date of incorporation	May 2001 (*1)	September 2000
(7) Number of shares issued	1,340,050	14
(8) Accounting period	March 31	December 31 (*2)
(9) Major shareholders and shareholding ratio	MEDLEY, INC. 100%	MEDLEY, INC. 100%
(10) Business performance and financial condition for the most recent business year		
Accounting period	Fiscal year ending March 2024 (non-consolidated)	Fiscal year ending August 2024 (non-consolidated)
Net assets (million yen)	1,503	3,448
Total assets (million yen)	2,564	2,615
Net assets per share (yen)	1,121.99	246,333,406.43
Net sales (million yen)	1,040	2,884
Operating profit (million yen)	277	759
Ordinary profit (million yen)	155	765
Net profit attributable to owners of parent (million yen)	68	473
Net profit per share (yen)	51.00	33,803,493.64 (*3)
Dividend per share (yen)	-	-

*1: While Offshore officially merged with its then-parent company on May 1, 2021, its date of establishment is practically May 2001.

*2: The accounting period of GUPPY's has been changed from August 31 to December 31 on November 29, 2024.

*3: GUPPY's conducted a share consolidation at a ratio of 1 share for every 268,000 shares of common stock on May 29, 2024. The calculation of "Net profit per share" is based on the assumptions that this share consolidation has taken place on the beginning of the most recent business year.

4. Status after the Merger

Following the Merger, there will be no change to the Company's trade name, head office location, titles and names of representative directors, business details, stated capital, or accounting period.

5. Details of Extraordinary Loss (Loss on Extinguishment of Tie-in Shares) and Outlook

Following the Merger, we expect to record a loss on extinguishment of tie-in shares as an extraordinary loss in the Company's non-consolidated financial statements, although the amount has not yet been determined at this time. 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.