



October 27, 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 a Wholly Owned Subsidiary 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 October 27, 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 subsidiary, ASFON TRUST NETWORK Inc. (“ATN”), will become the company absorbed in the Merger, and also enter into an absorption-type merger agreement (the “Merger Agreement”) among the Company and ATN 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 subsidiary, certain disclosure items and details have been omitted in this announcement.

Particulars

1. Purpose of the Merger

ATN, which joined the Company group through M&A, has been already generating synergies throughout collaboration with the Company’s businesses and corporate divisions. The 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	October 27, 2025
(2)	Signing date of the Merger Agreement	October 27, 2025
(3)	Date of approval on the Merger Agreement at the general meeting of shareholders	March 27, 2026 (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 ATN and will be conducted without obtaining approval at a general meeting of shareholders of ATN.

(2) Method of the Merger

ATN will be dissolved through an absorption-type merger, with the Company as the surviving company and ATN 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.

3. Outline of the Companies Involved in the Merger

(1) Summary of the Company Surviving in the Merger (as of October 27, 2025)

	Company Surviving Absorption-type Merger	Company Absorbed in Absorption-type Merger
(1) Name	MEDLEY, INC.	ASFON TRUST NETWORK Inc.
(2) Location	6-10-1 Roppongi, Minato-ku, Tokyo, Japan	2-11-5 Shin-Yokohama, Kohoku-ku, Yokohama-shi, Kanagawa, Japan
(3) Title and name of representative	President and CEO: Kohei Takiguchi	Representative Director: Yosuke Ishizaki
(4) Business details	Development and provision of online services in the medical healthcare field	Referrals of prospective residents to nursing care facilities, etc.
(5) Stated capital	47 million yen	50 million yen
(6) Date of incorporation	June 2009	November 2000
(7) Number of shares issued	32,738,600 shares	800 shares
(8) Accounting period	December 31	March 31 (*1)
(9) Major shareholders and their shareholding percentages (as of June 30, 2025)	Kohei Takiguchi: 18.63% Goichiro Toyoda: 10.23% Master Trust Bank of Japan (securities investment trust account): 6.65% JPLLC CLIENT ASSETS-SK J: 6.25% NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT: 6.04% STATE STREET BANK AND TRUST COMPANY 505001: 3.51% Custody Bank of Japan, Ltd. (securities investment trust account): 3.40% Morgan Stanley MUFG Securities Co., Ltd.: 2.50% UBS EUROPE SE LUXEMBOURG BRANCH-UCITS CLIENTS: 2.16% One Globe Capital Co., Ltd.: 1.37%	MEDLEY, INC.: 100%
(10) Business performance and financial condition for the most recent business year		
Accounting period	Consolidated results for the fiscal year ended December 31, 2024	Fiscal year ended October 2024
Net assets	20,219 million yen	180 million yen
Total assets	45,201 million yen	676 million yen
Net assets per share	621.43 yen	225,919.41 yen
Net sales	29,302 million yen	836 million yen
Operating profit (loss)	2,326 million yen	(103 million yen)
Ordinary profit (loss)	4,078 million yen	(41 million yen)
Net profit attributable to owners of parent (loss)	2,774 million yen	(83 million yen)
Net profit per share (loss)	86.17 yen	(104,089.18 yen)
Dividend per share	-	-

*1: The accounting period of ATN has been changed to March 31 on October 1, 2025.

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.