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May 13, 2026

Consolidated Financial Results

for the Three Months Ended March 31, 2026

(Under Japanese GAAP)



Company name: MEDLEY,INC.

Listing: Tokyo Stock Exchange

Securities code: 4480

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

President and Chief Executive Officer

Director, Senior Vice President and Chief Financial Officer

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

1. Consolidated financial results for the three months ended March 31, 2026 (from January 1, 2026 to March 31, 2026)

(1) Consolidated operating results (cumulative)

(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	%
Three months ended March 31, 2026	10,189	25.2	631	48.1	(67)	-	61	-	(62)	-
March 31, 2025	8,140	36.9	426	(6.6)	(121)	-	5	(99.3)	(75)	-

Note: Comprehensive income For the three months ended March 31, 2026: ¥ (58) million [-%]
For the three months ended March 31, 2025: ¥ (88) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2026	(2.08)	-
March 31, 2025	(2.34)	-

(Note) 1. EBITDA = Operating profit / loss + depreciation and amortization + amortization of goodwill + share-based compensation expenses

2. Since the year-on-year change in ordinary income for the first quarter of the fiscal year ending December 2026 is more than 1,000%, it is shown as “-”.

3. Regarding diluted earnings per share in consolidated 1Q FY2026, while dilutive shares existed, diluted earnings per share is not presented due to the net loss per share.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of March 31, 2026	43,683	13,057	29.9
December 31, 2025	41,252	14,799	35.9

Reference: Equity

As of March 31, 2026: ¥ 13,057 million

As of December 31, 2025: ¥ 14,799 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	-	0.00	-	0.00	0.00
Fiscal year ending December 31, 2026	-				
Fiscal year ending December 31, 2026 (Forecast)		0.00	-	0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial result forecasts for the fiscal year ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

(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	46,400	26.1	5,800	20.3	2,950	37.2	3,250	47.6	1,800	84.5	58.25

Note: Revisions to the financial result forecast most recently announced: None

* Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

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

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of March 31, 2026	32,738,600 shares
As of December 31, 2025	32,738,600 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2026	2,692,694 shares
As of December 31, 2025	1,838,986 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2026	30,341,478 shares
Three months ended March 31, 2025	32,330,659 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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 (3) Explanation regarding consolidated forecasts and forward-looking statements under 1. Qualitative information regarding quarterly results on page 4.

1. Qualitative information regarding quarterly results

(1) Explanation regarding operating results

During the first quarter of the consolidated fiscal year ending December 31, 2026 (consolidated Q1 FY2026), in both the HR PF Business and the Medical PF Business, the Japanese medical and nursing industry continued to face human resource shortages and issues related to national budget shortages.

Amid this business environment, in consolidated Q1 FY2026, 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 as well as growth in the number of customer offices for online training system JobMedley academy.

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 in order to increase the scale of our businesses. At the same time, we strengthened the organizational structure of the Medical PF Business and expanded the AI capabilities of MEDLEY AI CLOUD, among other initiatives.

As a result of the above, in consolidated Q1 FY2026, the Group posted net sales of ¥10,189 million (up 25.2% YoY), EBITDA of ¥631 million (up 48.1% YoY), operating loss of ¥67 million (loss of ¥121 million in Q1 FY2025), ordinary profit of ¥61 million (profit of ¥5 million in Q1 FY2025), and net loss attributable to owners of the parent company of ¥62 million (loss of ¥75 million in Q1 FY2025).

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 Q1 FY2026, 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 grew 2.0% compared with the end of consolidated FY2025, to 457 thousand; and the number of applications on "JobMedley" continues to rise, and listed job offers rose by 1.4% over the same period, to 477 thousand.

As a result of the above, consolidated Q1 FY2026 segment net sales were ¥7,031 million (up 27.6% YoY), and segment profit before allocation of group-wide shared costs (operating profit) was ¥1,709 million (up 28.4% YoY).

2. Medical PF Business

During consolidated Q1 FY2026, the number of medical institution users in the Medical PF Business continued to grow, rising 1.2% compared with the end of consolidated FY2025, to 23 thousand users. In addition, we have expanded various AI features within "MEDLEY AI CLOUD" to improve operational efficiency and enhance the patient experience in clinical settings.

As a result of the above, consolidated Q1 FY2026 segment net sales were ¥2,891 million (up 26.3% YoY) and segment loss before allocation of group-wide shared costs (operating loss) was ¥168 million (profit of ¥197 million in Q1 FY2025).

In addition, the factors contributing to the segment loss (operating loss) include our prioritization of initiatives aimed at achieving high sales growth rates.

3. New Services Segment

During consolidated Q1 FY2026, the Group made investments in business expansion for the recruitment system in the U.S. In addition, nursing facility search website, Minkai, continued proactive sales efforts to expand its content, as well as number of listed facilities. In addition, as of January 2026, "Kaigo-no-Honne" has been integrated into "Minkai".

As a result, consolidated Q1 FY2026 segment net sales were ¥266 million (down 22.3% YoY) and segment loss before allocation of group-wide shared costs (operating loss) was ¥163 million (loss of ¥154 million in Q1 FY2025).

The revenue decline in this segment was primarily due to the divestiture of the GUPPY's Healthcare business, while the operating loss for this segment is primarily attributable to investments made in the U.S. business to expand operations and improve operational efficiency.

In addition, adjustments not attributable to any segment (intersegment eliminations and companywide expenses not allocated to any segment) totaled ¥1,444 million (down 3.5% YoY).

(2) Outline of financial position

Assets

Current assets as of end-consolidated Q1 FY2026 totaled ¥17,408 million, an increase of ¥2,588 million, compared with the end of the previous consolidated fiscal year. This was mainly attributable to an increase of ¥2,418 million in cash and deposits. Non-current assets as of end-consolidated Q1 FY2026 totaled ¥26,275 million, a ¥157 million decrease compared with the end of the previous consolidated fiscal year. This was mainly attributable to a decrease of ¥126 million in intangible assets.

As a result of the above, total assets as of end-consolidated Q1 FY2026 totaled ¥43,683 million, an increase of ¥2,430 million compared with the end of the previous consolidated fiscal year.

Liabilities

Current liabilities as of end-consolidated Q1 FY2026 totaled ¥12,763 million, an increase of ¥1,247 million compared with the end of the previous consolidated fiscal year. This was mainly attributable to an increase of ¥999 million in the current portion of long-term borrowings. Non-current liabilities as of end-consolidated Q1 FY2026 totaled ¥17,862 million, an increase of ¥2,925 million compared with the end of the previous consolidated fiscal year. This was mainly attributable to an increase of ¥2,942 million in long-term borrowings.

As a result of the above, total liabilities as of end-consolidated Q1 FY2026 totaled ¥30,626 million, an increase of ¥4,172 million compared with the end of the previous consolidated fiscal year.

Net assets

Net assets as of end-consolidated Q1 FY2026 totaled ¥13,057 million, a decrease of ¥1,741 million compared with the end of the previous consolidated fiscal year. This was mainly attributable to an increase of ¥1,682 million in treasury shares.

(3) Explanation regarding consolidated forecasts and forward-looking statements

Figures in the Company's full-year consolidated FY2026 forecast have not been changed from the forecast provided in the Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (Under Japanese GAAP) published on February 13, 2026.

Quarterly Consolidated Financial Statements and Primary Notes
Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	8,575	10,994
Accounts receivable - trade	3,042	3,514
Merchandise and finished goods	455	305
Work in process	149	71
Accounts receivable - other	1,881	2,093
Prepaid expenses	533	459
Other	235	28
Allowance for doubtful accounts	(53)	(59)
Total current assets	14,820	17,408
Non-current assets		
Property, plant and equipment	609	613
Intangible assets		
Software	374	374
Goodwill	12,861	12,923
Customer relationship	9,312	9,149
Technical assets	365	350
Other	340	328
Total intangible assets	23,254	23,128
Investments and other assets	2,567	2,533
Total non-current assets	26,432	26,275
Total assets	41,252	43,683

	As of December 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	443	428
Current portion of long-term borrowings	3,786	4,786
Accounts payable - other	2,570	2,902
Accrued expenses	414	415
Contract liabilities	2,306	2,226
Deposits received	937	972
Income taxes payable	244	199
Other provisions	114	121
Other	697	710
Total current liabilities	11,516	12,763
Non-current liabilities		
Long-term borrowings	12,299	15,242
Deferred tax liabilities	2,563	2,559
Other	74	60
Total non-current liabilities	14,937	17,862
Total liabilities	26,453	30,626
Net assets		
Shareholders' equity		
Share capital	47	47
Capital surplus	12,217	12,216
Retained earnings	7,576	7,513
Treasury shares	(4,843)	(6,526)
Total shareholders' equity	14,998	13,252
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(224)	(224)
Foreign currency translation adjustment	26	29
Total accumulated other comprehensive income	(198)	(194)
Total net assets	14,799	13,057
Total liabilities and net assets	41,252	43,683

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the Three-Month Period

(Millions of yen)

	For the three months ended March 31, 2025	For the three months ended March 31, 2026
Net sales	8,140	10,189
Cost of sales	3,321	4,584
Gross profit	4,819	5,604
Selling, general and administrative expenses	4,940	5,672
Operating loss	(121)	(67)
Non-operating income		
Interest income	8	10
Settlement received	206	156
Other	26	45
Total non-operating income	242	213
Non-operating expenses		
Interest expenses	41	50
Outsourcing expenses	47	16
Loss on extinguishment of share-based compensation expenses	8	2
Other	18	15
Total non-operating expenses	115	84
Ordinary profit	5	61
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	155	-
Gain on sale of businesses	48	-
Gain on sale of non-current assets	-	0
Total extraordinary income	204	0
Extraordinary losses		
Loss on sale of non-current assets	1	0
Loss on abandonment of non-current assets	-	0
Loss on step acquisitions	-	47
Total extraordinary losses	1	48
Profit before income taxes	207	13
Income taxes	283	76
Loss	(75)	(62)
Loss attributable to owners of parent	(75)	(62)

Quarterly Consolidated Statement of Comprehensive Income
For the Three-Month Period

(Millions of yen)

	For the three months ended March 31, 2025	For the three months ended March 31, 2026
Loss	(75)	(62)
Other comprehensive income		
Foreign currency translation adjustment	(12)	3
Total other comprehensive income	(12)	3
Comprehensive income	(88)	(58)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(88)	(58)
Comprehensive income attributable to non-controlling interests	-	-

2. Important notes regarding quarterly consolidated financial statements

(Notes related to going concern assumptions)

Not applicable

(Notes in the event of significant changes in the amount of shareholders' equity)

Consolidated financial results for consolidated Q1 FY2025 (January 01, 2025, to March 31, 2025)

During consolidated Q1 FY2025, based on the resolutions of the Board of Directors meeting held on 14 February 2025, the company repurchased 400,000 treasury shares, resulting in an increase of ¥1,186 million in treasury stock.

In addition, due to changes in the parent company's ownership interest resulting from transactions with non-controlling shareholders, capital surplus decreased by ¥439 million.

As a result of these, as of end-consolidated Q1 FY2025, capital surplus was ¥13,734 million and treasury shares were ¥1,782 million.

Consolidated financial results for consolidated Q1 FY2026 (January 01, 2026, to March 31, 2026)

During consolidated Q1 FY2026, based on the resolutions of the Board of Directors meeting held on 14 November 2025, the company repurchased 862,200 treasury shares, resulting in an increase of ¥1,709 million in treasury stock.

As a result of these, as of end-consolidated Q1 FY2026, treasury shares were ¥6,526 million.

(Application of special accounting methods in preparation for quarterly consolidated financial statements)

Tax expenses are calculated by multiplying quarterly net income before income taxes by an effective tax rate reasonably estimated after applying tax effect accounting on net income for the consolidated fiscal year including Q1 FY2026.

(Segment information, etc.)

Consolidated financial results for consolidated Q1 FY2025 (January 01, 2025, to March 31, 2025)

1. Information on net sales and operating profit (loss) by reportable segment and revenue analysis information

(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	5,508	2,211	342	8,063	—	8,063
Other revenue	—	77	—	77	—	77
Sales to external customers	5,508	2,289	342	8,140	—	8,140
Inter-segment sales and transfers	1	—	—	1	(1)	—
Total	5,509	2,289	342	8,141	(1)	8,140
Segment profit (loss)	1,331	197	(154)	1,375	(1,496)	(121)

Notes: 1. Segment profit (loss) adjustments of (¥1,496 million) include intersegment eliminations and corporate expenses not attributed to any reportable segments.

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

2. Information on assets by reportable segment

(Significant increases in assets)

In consolidated Q1 FY2025, AxisRoot Holdings, Inc. was included in the scope of consolidation. In the Medical PF Business Segment, goodwill and identified intangible assets have increased as a result of the acquisition of shares in AxisRoot Holdings, Inc.

3. Information on impairment losses on non-current assets or amortization of goodwill by reportable segment

(Major impairment losses on non-current assets)

Not applicable

(Significant changes in goodwill values)

During consolidated Q1 FY2025, we converted ASFON TRUST NETWORK Inc. into a subsidiary. As a result, goodwill in the New Services Segment increased by ¥1,070 million.

In addition, we have made AxisRoot Holdings, Inc. a subsidiary. The increase in goodwill resulting from this transaction amounts to ¥5,187 million in the "Medical Platform Business." Note that the amount of goodwill resulting from this transaction reflects a significant revision to the initial allocation of the acquisition cost following the finalization of the provisional accounting treatment related to the business combination.

(Significant gains in negative goodwill)

Not applicable

Consolidated financial results for consolidated Q1 FY2026 (January 01, 2026, to March 31, 2026)

1. Information on net sales and operating profit (loss) by reportable segment and revenue analysis information

(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	7,031	2,787	266	10,085	—	10,085
Other revenue	—	104	—	104	—	104
Sales to external customers	7,031	2,891	266	10,189	—	10,189
Inter-segment sales and transfers	0	—	—	0	(0)	—
Total	7,031	2,891	266	10,189	(0)	10,189
Segment profit (loss)	1,709	(168)	(163)	1,377	(1,444)	(67)

Notes: 1. Segment profit (loss) adjustments of (¥1,444 million) include intersegment eliminations and corporate expenses unallocated to reportable segments.

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

2. Information on assets by reportable segment

(Significant increases in assets)

Not applicable

3. Information on impairment losses on non-current assets or amortization of goodwill by reportable segment

(Major impairment losses on non-current assets)

Not applicable

(Significant changes in goodwill values)

Not applicable

(Significant gains in negative goodwill)

Not applicable

(Cash Flow Statement)

A quarterly cash flow statement for the first quarter of the consolidated fiscal year has not been prepared. Depreciation costs (including amortization of intangible assets other than goodwill) and amortization of goodwill for the first quarter of the consolidated fiscal year are as follows.

	For the three months ended March 31, 2025	For the three months ended March 31, 2026
Depreciation	257 million yen	272 million yen
Amortization of goodwill	266 million yen	356 million yen

(Significant subsequent events)

Not applicable