

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

November 14, 2025

Consolidated Financial Results for the Nine Months Ended September 30, 2025 (Under Japanese GAAP)



Company name: MEDLEY, INC.

Listing: Tokyo Stock Exchange

Securities code: 4480

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

Representative: Kohei Takiguchi

Inquiries: Ryo Kawahara

Telephone: +81-3-6372-1265

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 nine months ended September 30, 2025 (from January 1, 2025 to September 30, 2025)

(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	%
Nine months ended September 30, 2025	27,536	27.2	3,578	2.7	1,611	(31.7)	1,681	(54.9)	1,114	(52.0)
September 30, 2024	21,642	39.6	3,484	13.9	2,358	(7.2)	3,731	15.6	2,323	6.8

Note: Comprehensive income For the nine months ended September 30, 2025: ¥ 1,101 million [(53.0) %]
For the nine months ended September 30, 2024: ¥ 2,344 million [6.6 %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2025	34.72	34.55
September 30, 2024	71.57	71.11

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

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	43,099	16,302	37.8
December 31, 2024	45,201	20,219	44.7

Reference: Equity

As of September 30, 2025: ¥ 16,302 million
As of December 31, 2024: ¥ 20,209 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, 2024	-	0.00	-	0.00	0.00
Fiscal year ending December 31, 2025	-	0.00	-		
Fiscal year ending December 31, 2025 (Forecast)				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, 2025 (from 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	36,900	25.9	4,800	16.7	2,100	(9.8)	2,200	(46.1)	1,300	(53.5)	41.45

Note: Revisions to the financial result forecast most recently announced: Yes

* Notes

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

Excluded: 3 companies(MEDiPASS Co., Ltd., GUPPY's Inc., Pacific Medical, Inc.)

(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 September 30, 2025	32,738,600 shares
As of December 31, 2024	32,738,600 shares

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

As of September 30, 2025	1,376,386 shares
As of December 31, 2024	218,285 shares

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

Nine months ended September 30, 2025	32,108,707 shares
Nine months ended September 30, 2024	32,462,708 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

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. Outline of Business Performance" on page 4.

1. Outline of Business Performance

(1) Explanation regarding operating results

During the cumulative third quarter of the consolidated fiscal year ending December 31, 2025 (consolidated Q3 FY2025), 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 shortages.

Amid this business environment, in consolidated Q3 FY2025, 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 customer offices. Even as the Group achieved sales growth, it actively implemented the following initiatives with a view toward 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 reorganized the structure of the Medical PF Business. We converted ASFON TRUST NETWORK Inc., which operates a nursing care facility referral business, and AxisRoot Holdings, Inc., whose subsidiary develops and provides a cloud-based medication history system into consolidated subsidiaries. Furthermore, we merged Pacific Medical, Inc., AxisRoot Holdings, Inc., and its subsidiaries into our company to enhance operational efficiency.

As a result of the above, in consolidated Q3 FY2025, the Group posted net sales of ¥27,536 million (up 27.2% YoY), EBITDA of ¥3,578 million (up 2.7% YoY), operating profit of ¥1,611 million (down 31.7% YoY), ordinary profit of ¥1,681 million (down 54.9% YoY), and net profit attributable to owners of the parent company of ¥1,114 million (down 52.0% 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.

As we have revised our reportable segments as of consolidated Q3 FY2025, YoY comparisons below are based on figures for the same period of the previous fiscal year that have been adjusted to reflect the new segment classifications.

1) HR PF Business

During consolidated Q3 FY2025, 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 7.5% compared with the end of consolidated FY2024, to 438 thousand; and listed job offers rose by 6.7% over the same period, to 447 thousand.

As a result of the above, consolidated Q3 FY2025 segment net sales were ¥19,839 million (up 24.6% YoY), and segment profit before allocation of group-wide shared costs (operating profit) was ¥6,809 million (up 11.2% YoY).

2) Medical PF Business

During consolidated Q3 FY2025, the number of medical institution users in the Medical PF Business continued to grow, rising 15.5% compared with the end of consolidated FY2024, to 22 thousand users. In addition, we have finalized our plan to provide our MEDLEY Funding Support service in coordination with system usage data from the Medley Group and data from our medical billing system. As of consolidated Q1 FY2025, this service was reclassified from the New Services Segment to the Medical PF Business. Furthermore, we have launched "MEDLEY AI CLOUD," an AI platform that connects hospitals, clinics, dental offices, dispensing pharmacies, and other healthcare facilities with patients and consumers. Additionally, the cloud-based medication history system "MEDIXS" has joined this segment through its integration into Axis, Inc.

As a result of the above, consolidated Q3 FY2025 segment net sales were ¥6,847 million (up 28.6% YoY) and segment loss before allocation of group-wide shared costs (operating loss) was ¥259 million (¥49 million loss in Q3 FY2024).

The segment loss (operating loss) is attributable to the prioritization of initiatives aimed at achieving a high sales growth rate.

3) New Services Segment

During consolidated Q3 FY2025, the Group conducted investments 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 the number of listed facilities. In addition, starting in consolidated Q1 FY2025, the Minkai service operated by ASFON TRUST NETWORK Inc. was integrated into this segment. Also, starting in consolidated Q2 FY2025, we began offering Job Medley Spot, a recruitment system designed to meet short-term demand arising from labor shortages.

As a result, consolidated Q3 FY2025 segment net sales were ¥851 million (up 110.6% YoY) and segment loss before allocation of group-wide shared costs (operating loss) was ¥563 million (¥265 million loss in Q3 FY2024).

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 ¥4,375 million (up 26.9% YoY).

(2) Outline of financial position

Assets

Current assets as of the end of the consolidated Q3 FY2025 totaled ¥ 16,076 million, a decrease of ¥ 9,260 million from the end of the previous consolidated fiscal year. This was mainly attributed to a decrease of ¥ 8,467 million in cash and deposits and a decrease of ¥1,313 million in Accounts receivable - other. Non-current assets totaled ¥ 27,022 million, an increase of ¥ 7,159 million from the end of the previous consolidated fiscal year. This was mainly attributed to a ¥ 6,641 million increase in intangible fixed assets.

As a result of the above, total assets as of end-consolidated Q3 FY2025 totaled ¥ 43,099 million, a decrease of ¥ 2,101 million compared with the end of the previous consolidated fiscal year.

Liabilities

Current liabilities as of the end of the consolidated Q3 FY2025 amounted to ¥ 11,358 million, an increase of ¥ 795 million from the end of the previous consolidated fiscal year. This was mainly attributable to an increase of ¥ 1,020 million in contract liabilities. Non-current liabilities totaled ¥ 15,438 million, an increase of ¥ 1,019 million from the end of the previous consolidated fiscal year. This was mainly attributable to a ¥ 1,677 million increase in long-term borrowings and a decrease of ¥ 672 million in Deferred tax liabilities.

As a result of the above, total liabilities as of end-consolidated Q3 FY2025 totaled ¥ 26,796 million, an increase of ¥ 1,815 million compared with the end of the previous consolidated fiscal year.

Net assets

Net assets as of the end of the consolidated Q3 FY2025 totaled ¥ 16,302 million, a decrease of ¥3,917 million from the end of the previous consolidated fiscal year. This was mainly attributable to an increase of ¥1,114 million in Retained earnings, an increase of ¥3,134 million in treasury shares, and a decrease of ¥1,873 million in capital surplus.

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

The Group has revised its forecast for consolidated FY2025 and its forecast now differs from the forecast included in Consolidated Financial Results for the Year Ended December 31, 2024 [Japanese GAAP] released on February 14, 2025. For details regarding these changes, please refer to Notice Regarding Revision to Consolidated Financial Results Forecast for the Fiscal Year Ending December 2025, released on November 14, 2025.

2. Quarterly Consolidated Financial Statements and Primary Notes
Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2024	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	18,996	10,528
Notes and accounts receivable - trade	2,856	2,877
Merchandise and finished goods	255	418
Work in process	17	94
Accounts receivable - other	2,872	1,559
Prepaid expenses	364	594
Other	20	63
Allowance for doubtful accounts	(46)	(58)
Total current assets	25,337	16,076
Non-current assets		
Property, plant and equipment	490	643
Intangible assets		
Software	380	389
Goodwill	7,876	13,103
Customer relationship	8,758	9,475
Technical assets	-	380
Other	15	323
Total intangible assets	17,030	23,672
Investments and other assets	2,342	2,707
Total non-current assets	19,863	27,022
Deferred assets	0	-
Total assets	45,201	43,099

	As of December 31, 2024	As of September 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	407	380
Current portion of long-term borrowings	3,617	3,886
Accounts payable - other	2,025	2,501
Accrued expenses	766	392
Contract liabilities	1,230	2,251
Deposits received	750	845
Income taxes payable	981	200
Other provisions	221	138
Other	562	761
Total current liabilities	10,562	11,358
Non-current liabilities		
Long-term borrowings	11,564	13,242
Deferred tax liabilities	2,629	1,957
Other	224	238
Total non-current liabilities	14,418	15,438
Total liabilities	24,981	26,796
Net assets		
Shareholders' equity		
Share capital	47	47
Capital surplus	14,196	12,322
Retained earnings	6,601	7,715
Treasury shares	(621)	(3,755)
Total shareholders' equity	20,223	16,330
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(40)	(40)
Foreign currency translation adjustment	25	12
Total accumulated other comprehensive income	(14)	(27)
Non-controlling interests	10	-
Total net assets	20,219	16,302
Total liabilities and net assets	45,201	43,099

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the nine months ended September 30, 2025

(Millions of yen)

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2025
Net sales	21,642	27,536
Cost of sales	7,648	10,143
Gross profit	13,993	17,393
Selling, general and administrative expenses	11,635	15,781
Operating profit	2,358	1,611
Non-operating income		
Interest income	2	22
Settlement received	1,741	311
Subsidy income	7	6
Other	16	46
Total non-operating income	1,767	385
Non-operating expenses		
Interest expenses	40	132
Amortization of share issuance costs	5	-
Outsourcing expenses	319	84
Loss on extinguishment of share-based compensation expenses	8	45
Other	20	53
Total non-operating expenses	394	315
Ordinary profit	3,731	1,681
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	2	1
Total extraordinary income	2	205
Extraordinary losses		
Loss on sale of non-current assets	0	1
Loss on abandonment of non-current assets	3	0
Loss on termination of retirement benefit plan	-	24
Total extraordinary losses	3	26
Profit before income taxes	3,730	1,860
Income taxes	1,384	745
Profit	2,345	1,114
Profit attributable to non-controlling interests	22	-
Profit attributable to owners of parent	2,323	1,114

Quarterly Consolidated Statement of Comprehensive Income
For the nine months ended September 30, 2025

(Millions of yen)

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2025
Profit	2,345	1,114
Other comprehensive income		
Foreign currency translation adjustment	(0)	(13)
Total other comprehensive income	(0)	(13)
Comprehensive income	2,344	1,101
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,322	1,101
Comprehensive income attributable to non-controlling interests	22	-

Important notes regarding semi-annual 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 Q3 FY2024 (January 01, 2024, to September 30, 2024)

In consolidated Q3 FY2024, capital surplus increased by ¥56 million and treasury shares decreased by ¥87 million due to disposal of treasury shares associated with restricted stock compensation effective April 11, 2024 in accordance with the resolutions of the Board of Directors on February 22, 2024 and March 26, 2024.

In addition, capital surplus decreased by ¥273 million and treasury shares decreased by ¥299 million due to the disposal of treasury shares in connection with the exercise of stock acquisition rights.

Furthermore, capital surplus decreased by ¥305 million due to a change in ownership interest of parents due to transactions with non-controlling interests.

As a result of these, as of end-consolidated Q3 FY2024, capital surplus was ¥14,289 million and treasury shares were ¥732 million.

Consolidated financial results for consolidated Q3 FY2025 (January 01, 2025, to September 30, 2025)

During consolidated Q3 FY2025, based on the resolutions of the Board of Directors meetings held on 14 February 2025, March 10, 2025, and August 15, 2025, the Company repurchased 1,450,000 treasury shares, resulting in an increase of ¥4,035 million in treasury stock.

In addition, capital surplus increased by ¥29 million and treasury shares decreased by ¥392 million due to disposal of treasury shares associated with restricted stock compensation effective April 11, 2025 in accordance with the resolution of the Board of Directors on February 20, 2025, and March 25, 2025.

Furthermore, capital surplus increased by ¥70 million and treasury shares decreased by ¥459 million as a result of a simplified share exchange in which the Company became the wholly owning parent company and AxisRoot Holdings, Inc. became the wholly owned subsidiary.

In addition, capital surplus decreased by ¥1,950 million due to a change in ownership interest of parents due to transactions with non-controlling interests.

As a result of these, as of end-consolidated Q3 FY2025, capital surplus was ¥12,322 million and treasury shares were ¥3,755 million.

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

Tax expenses are calculated by multiplying semi-annual 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 Q3 FY2025.

However, if using this estimated effective tax rate results in a significantly unreasonable outcome the statutory effective tax rate is applied instead.

(Segment information, etc.)

Consolidated financial results for consolidated Q3 FY2024 (January 01, 2024, to September 30, 2024)

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	15,914	5,151	404	21,470	—	21,470
Other revenue	—	171	—	171	—	171
Sales to external customers	15,914	5,323	404	21,642	—	21,642
Inter-segment sales and transfers	3	—	—	3	(3)	—
Total	15,918	5,323	404	21,645	(3)	21,642
Segment profit (loss)	6,121	(49)	(265)	5,806	(3,447)	2,358

Notes: 1. Segment profit (loss) adjustments of (¥3,447 million) include intersegment eliminations and corporate expenses unallocated to reportable segments.

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

2. Information on assets by segment

(Significant increase in assets)

In consolidated Q2 FY2024, GUPPY's Inc. was brought into the scope of consolidated accounting. In the HR PF Business, goodwill arising from the acquisition of shares in the company and identified intangible assets increased.

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)

In consolidated Q2 FY2024, the Company acquired Lalune business of Ateam Wellness, Inc. As a result, goodwill in the Medical PF Business increased by ¥491 million.

Also, the Company acquired shares of GUPPY's Inc. and brought it into the scope of consolidated accounting. As a result, goodwill in the HR PF Business increased by ¥4,838 million.

(Significant gains in negative goodwill)

Not applicable

Consolidated financial results for consolidated Q3 FY2025 (January 01, 2025, to September 30, 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	19,838	6,582	851	27,272	—	27,272
Other revenue	—	264	—	264	—	264
Sales to external customers	19,838	6,847	851	27,536	—	27,536
Inter-segment sales and transfers	1	—	—	1	(1)	—
Total	19,839	6,847	851	27,538	(1)	27,536
Segment profit (loss)	6,809	(259)	(563)	5,986	(4,375)	1,611

Notes: 1. Segment profit (loss) adjustments of (¥4,375 million) include intersegment eliminations and corporate expenses unallocated to reportable segments.

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

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 fixed assets arising from the acquisition of shares in AxisRoot Holdings, Inc. have increased.

3. Notes on changes to reportable segments

In consolidated Q1 FY2025, we have finalized our plan to provide our MEDLEY Funding Support service in coordination with system usage data from the Medley Group and data from our medical billing system. This service was reclassified from the New Services Segment to the Medical PF Business Segment.

The segment information for consolidated Q3 FY2024 has been restated to conform to the current segment classifications.

4. 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.

We also converted AxisRoot Holdings, Inc. into a subsidiary. As a result, goodwill in the Medical PF Segment increased by ¥5,187 million.

(Significant gains in negative goodwill)

Not applicable

(Cash Flow Statement)

Quarterly cash flow statements for the first three quarters of the fiscal years ending December 2024 and December 2025 have not been prepared. Depreciation costs (including amortization of intangible assets other than goodwill) and amortization of goodwill for the first three quarters of the consolidated fiscal year are as follows.

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2025
depreciation	555 million yen	820 million yen
amortization of goodwill	487 million yen	1,000 million yen

(Significant subsequent events)

(Share Repurchase)

At its Board of Directors Meeting held on November 14, 2025, 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 implement a flexible capital policy that responds to stock market trends, as well as to enhance shareholder returns.

(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 1,500 thousand shares
(4.8% of the total number of issued shares, excluding treasury shares) |
| 3) Aggregate repurchase amount: | Up to 3,000 million yen |
| 4) Repurchase period: | November 17, 2025 to March 31, 2026 |
| 5) Repurchase method: | Market transactions on the Tokyo Stock Exchange |