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## Consolidated Financial Results for the Six Months Ended June 30, 2023 [Japanese GAAP]

August 14, 2023

Company name: MEDLEY,INC.

Stock exchange listing: Tokyo

Code number: 4480

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

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Scheduled date of filing quarterly securities report: August 14, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

President and Chief Executive Officer

Chief Financial Officer

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Six Months Ended June 30, 2023 (January 1, 2023 to June 30, 2023)

#### (1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	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	%
Six months ended June 30, 2023	10,707	52.3	2,756	75.2	2,420	90.3	2,781	97.9	1,884	94.4
June 30, 2022	7,031	-	1,573	-	1,272	-	1,405	-	969	-

(Note) Comprehensive income: Six months ended June 30, 2023: ¥ 1,921 million [ 98.1%]  
Six months ended June 30, 2022: ¥ 969 million [ -%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2023	58.48	57.65
June 30, 2022	30.32	29.71

(Note) 1. Starting in FY2022, the Company adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), and percentage increases/decreases are not provided above because figures for Q2 FY2022 reflect the application of the relevant accounting standards, etc.

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

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	24,501	17,231	69.9
December 31, 2022	21,810	15,170	69.1

(Reference) Equity: As of June 30, 2023: ¥ 17,123 million  
As of December 31, 2022: ¥ 15,081 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended December 31, 2022	Yen -	Yen 0.00	Yen -	Yen 0.00	Yen 0.00
Fiscal year ending December 31, 2023	-	0.00			
Fiscal year ending December 31, 2023 (Forecast)			-	0.00	0.00

(Note) Revision to the forecast for dividends announced most recently: No

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2023(January 1, 2023 to December 31, 2023)

(% indicates changes from the previous corresponding period.)

	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	19,800	39.6	2,950	53.7	2,250	74.4	3,000	96.5	2,000	96.5	62.30

(Note) Revision to the financial results forecast announced most recently: Yes

### \* Notes:

#### (1) Changes in significant subsidiaries during the six months ended June 30, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

Exclusion 1 (Company name: Tenxia Co., Ltd. )

#### (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(Note) For details, please refer to 2. Quarterly Consolidated Financial Statements and Important Notes (4) Important notes regarding quarterly consolidated financial statements (Application of special accounting methods in preparation for quarterly consolidated financial statements) on page 12 of the attached documents.

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

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

#### (4) Total number of issued shares (common shares)

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

June 30, 2023: 32,738,600 shares

December 31, 2022: 32,706,800 shares

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

June 30, 2023: 470,291 shares

December 31, 2022: 604,869 shares

3) Average number of shares outstanding during the period:

Six months ended June 30, 2023: 32,219,642 shares

Six months ended June 30, 2022: 31,972,776 shares

Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* Cautionary statements with respect to forward-looking statements and other notes

(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 5.

## 1. Qualitative information regarding quarterly results

### (1) Explanation regarding operating results

During the cumulative second quarter of the consolidated fiscal year ending December 31, 2023 (consolidated Q2 FY2023), the Japanese medical and nursing care industry continued to face labor shortages and issues related to national budget shortage, and therefore the ratio of job offers to applicants also continued to trend at a level higher than the average for all industries.

Amid this business environment, in consolidated Q2 FY2023, sales in the HR PF Business increased due to steady growth in the number of customer offices and registered workers for our recruitment system JobMedley. Furthermore, sales of online training system JobMedley Academy also grew due expansion in the number of customer offices.

We also achieved sales growth in the Medical PF Business as adoption of our products at customers' facilities went smoothly, resulting in growth in the number of medical institution users. While the Group achieved sales growth, it also made proactive investments towards its medium-to-long term growth including investments in marketing activities and our online training product to scale the HR PF Business, as well as increase the number of employees in the Medical PF Business.

As a result of the above, in consolidated Q2 FY2023, the Group posted net sales of ¥10,707 million (up 52.3% YoY), EBITDA of ¥2,756 million (up 75.2% YoY), operating profit of ¥2,420 million (up 90.3% YoY), ordinary profit of ¥2,781 million (up 97.9% YoY), and net profit attributable to owners of the parent company of ¥1,884 million (up 94.4% YoY).

The HR PF Business incurs sales on the day individuals looking for employment using the Group's services are hired at companies seeking employees. Sales therefore tend to concentrate in April, when Japanese companies usually hire more employees (as this is often the beginning of Japanese companies' fiscal year). The Group's net sales therefore tend to concentrate in Q2 (April-June) of its consolidated fiscal year (ending on December 31).

Earnings by business segment are as follows.

Intersegment eliminations and unallocated group-wide shared costs totaled ¥1,198 million (up 11.6% YoY).

#### 1. HR PF Business

During consolidated Q2 FY2023, the Group continuously improved the functionality of its service websites with the aim of improving user convenience, which resulted in growth in the number of job applicants. The number of customer offices in the HR PF Business as a whole therefore grew 7.9% compared with the end of consolidated FY2022, to over 317 thousand, and the number of job offers listed rose by 4.5% over the same period, to over 323 thousand.

As a result of the above, consolidated Q2 FY2023 segment net sales were ¥7,655 million (up 43.7% YoY), and segment profit before allocation of group-wide shared costs (operating profit) was ¥3,779 million (up 45.6% YoY).

#### 2. Medical PF Business

During consolidated Q2 FY2023, the number of medical institution users in the Medical PF Business increased compared with the previous consolidated fiscal year, rising 7.2% compared with the end of consolidated FY2022 to over 15 thousand users. The main reason for this was progress rolling out Pharms, our cloud-based pharmacy support system, to pharmacies.

As a result of the above, consolidated Q2 FY2023 segment net sales were ¥2,874 million (up 86.2% YoY) and segment loss before allocation of group-wide shared costs (operating loss) was ¥38 million (¥224 million loss in Q2 FY2022).

Factors behind the operating loss in the segment include, such as investment to improve gross profit margin and increasing the number of employees.

#### 3. New Services Segment

During consolidated Q2 FY2023, 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 Q2 FY2023 segment net sales were ¥178 million (up 11.7% YoY) and segment loss before allocation of group-wide shared costs (operating loss) was ¥121 million (¥24 million loss in Q2 FY2022).

Factors that drove the operating loss in the segment include costs related to market research and test marketing in the USA.

## (2) Outline of financial position

### Assets

Current assets as of end-consolidated Q2 FY2023 totaled ¥18,391 million, an increase of ¥2,192 million, compared with the end of the previous consolidated fiscal year. This was mainly attributable to an increase of ¥1,583 million in cash and deposits and ¥466 million in accounts receivable (trade). Non-current assets as of end-consolidated Q2 FY2023 totaled ¥6,091 million, a ¥513 million increase compared with the end of the previous consolidated fiscal year. This was mainly attributable to an increase of ¥451 million in investments and other assets, ¥34 million in Property, plant and equipment and ¥27 million in intangible fixed assets.

As a result of the above, total assets as of end-consolidated Q2 FY2023 totaled ¥24,501 million, an increase of ¥2,690 million compared with the end of the previous consolidated fiscal year.

### Liabilities

Current liabilities as of end-consolidated Q2 FY2023 totaled ¥5,467 million, an increase of ¥1,038 million compared with the end of the previous consolidated fiscal year. This was mainly attributable to an increase of ¥629 million in income taxes payable, ¥136 million in other provisions, and ¥110 million in accrued expenses. Non-current liabilities as of end-consolidated Q2 FY2023 totaled ¥1,802 million, a decrease of ¥408 million compared with the end of the previous consolidated fiscal year. This was mainly attributable to a decrease of ¥377 million in long-term borrowings.

As a result of the above, total liabilities as of end-consolidated Q2 FY2023 totaled ¥7,270 million, an increase of ¥629 million compared with the end of the previous consolidated fiscal year.

### Net assets

Net assets as of end-consolidated Q2 FY2023 totaled ¥17,231 million, an increase of ¥2,061 million compared with the end of the previous consolidated fiscal year. This was mainly attributable to: (1) an increase in capital surplus of ¥29 million and a decrease of ¥73 million in treasury shares due to the disposal of treasury shares associated with restricted stock compensation for executive officers and employees; (2) a decrease of ¥267 million in capital surplus and ¥315 million in treasury shares due to the disposal of treasury shares associated with the exercising of stock acquisition rights; and (3) an increase of ¥1,884 million in retained earnings due to posting a quarterly net profit attributable to owners of the parent company.

### (Cash flows)

Cash and cash equivalents (hereinafter, net cash) as of end-consolidated Q2 FY2023 totaled ¥15,928 million, an increase of ¥1,577 million compared with the end of the previous consolidated fiscal year. Cash flows during the six months ended June 30, 2023, were as follows.

#### Cash flows from operating activities

Net cash provided by operating activities during the six months ended June 30, 2023, was ¥2,758 million (compared with ¥1,254 million in Q2 FY2022). This increase was mainly attributable to ¥2,827 million in profit before income taxes, adjusted for ¥189 million in depreciation costs, ¥112 million in amortization of goodwill, an increase of ¥506 million in accounts receivable (trade), and ¥309 million in taxes paid.

#### Cash flows from investing activities

Net cash used in investing activities during the six months ended June 30, 2023, was ¥805 million (compared with ¥366 million in consolidated Q2 FY2022). This was mainly attributable to ¥334 million in purchase of investment securities, ¥262 million in payments for acquisition of businesses, and ¥144 million in payments of leasehold and guarantee deposits.

#### Cash flows from financing activities

Net cash provided by financing activities during the six months ended June 30, 2022, was ¥385 million (compared with ¥449 million in consolidated Q2 FY2022). This was mainly attributable to ¥413 million in repayments of long-term borrowings, and ¥47 million in proceeds from disposal of treasury shares.

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

The Group has revised its forecast for consolidated FY2023 and its forecast now differs from the forecast included in Consolidated Financial Results for the Year Ended December 31, 2022 [Japanese GAAP] released on February 14, 2023. For details regarding these changes, please refer to Notice Regarding Revision to Consolidated Financial Results Forecast for the Fiscal Year Ending December 2023, released on August 14, 2023.

## 2. Quarterly Consolidated Financial Statements and Important Notes

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2022	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	14,422	16,005
Accounts receivable - trade	1,265	1,732
Merchandise and finished goods	154	146
Work in process	12	1
Prepaid expenses	148	208
Other	222	332
Allowance for doubtful accounts	(27)	(34)
Total current assets	16,198	18,391
Non-current assets		
Property, plant and equipment	289	323
Intangible assets		
Software	340	342
Goodwill	1,029	1,111
Customer relationship	1,346	1,290
Other	5	5
Total intangible assets	2,722	2,749
Investments and other assets	2,566	3,018
Total non-current assets	5,578	6,091
Deferred assets	33	17
Total assets	21,810	24,501

(Millions of yen)

	As of December 31, 2022	As of June 30, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	272	298
Current portion of long-term borrowings	772	715
Accounts payable - other	1,186	1,234
Accrued expenses	430	541
Contract liabilities	862	824
Deposits received	340	312
Income taxes payable	307	936
Other provisions	51	188
Other	205	414
Total current liabilities	4,429	5,467
Non-current liabilities		
Long-term borrowings	1,604	1,226
Deferred tax liabilities	418	397
Other	189	178
Total non-current liabilities	2,211	1,802
Total liabilities	6,640	7,270
<b>Net assets</b>		
Shareholders' equity		
Share capital	40	47
Capital surplus	15,276	15,024
Retained earnings	1,236	3,120
Treasury shares	(1,764)	(1,371)
Total shareholders' equity	14,788	16,820
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	292	292
Foreign currency translation adjustment	(0)	10
Total accumulated other comprehensive income	292	302
Share acquisition rights	0	0
Non-controlling interests	88	106
Total net assets	15,170	17,231
Total liabilities and net assets	21,810	24,501

## (2) Quarterly Consolidated Statements of Income and Comprehensive Income

## Quarterly Consolidated Statements of Income (For the six months)

(Millions of yen)

	For the six months ended June 30, 2022	For the six months ended June 30, 2023
Net sales	7,031	10,707
Cost of sales	1,949	3,395
Gross profit	5,082	7,312
Selling, general and administrative expenses	3,810	4,892
Operating profit	1,272	2,420
Non-operating income		
Interest income	0	0
Settlement received	163	450
Subsidy income	8	1
Other	5	24
Total non-operating income	177	477
Non-operating expenses		
Interest expenses	6	4
Amortization of share issuance costs	16	15
Outsourcing expenses	17	90
Other	4	4
Total non-operating expenses	44	116
Ordinary profit	1,405	2,781
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	-	46
Gain on sale of non-current assets	-	0
Total extraordinary income	-	47
Extraordinary losses		
Loss on sale of non-current assets	1	0
Loss on abandonment of non-current assets	0	0
Total extraordinary losses	1	0
Profit before income taxes	1,403	2,827
Income taxes	433	917
Profit	970	1,910
Profit attributable to non-controlling interests	1	26
Profit attributable to owners of parent	969	1,884



Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Millions of yen)

	For the six months ended June 30, 2022	For the six months ended June 30, 2023
Profit	970	1,910
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	(0)
Foreign currency translation adjustment	-	10
Total other comprehensive income	(0)	10
Comprehensive income	969	1,921
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	968	1,895
Comprehensive income attributable to non-controlling interests	1	26

## (3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended June 30, 2022	For the six months ended June 30, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,403	2,827
Depreciation	191	189
Amortization of goodwill	79	112
Amortization of security deposit	15	7
Increase (decrease) in allowance for doubtful accounts	4	6
Interest and dividend income	(0)	(0)
Interest expenses	6	4
Amortization of share issuance costs	16	15
Settlement income	(163)	(450)
Gain on sale of non-current assets	-	(0)
Loss on sales of non current assets	1	0
Loss on abandonment of non-current assets	0	0
Gain on sale of shares of subsidiaries and associates	-	(46)
Decrease (increase) in trade receivables	(159)	(506)
Decrease (increase) in inventories	(25)	23
Increase (decrease) in trade payables	(26)	80
Increase (decrease) in accounts payable - other	96	51
Increase (decrease) in accrued expenses	60	110
Increase (decrease) in advances received	(1,000)	-
Increase (decrease) in contract liabilities	855	(37)
Increase (decrease) in deposits received	30	(27)
Other, net	8	447
Subtotal	1,394	2,810
Interest and dividends received	0	0
Interest paid	(5)	(4)
Settlement received	137	263
Income taxes paid	(272)	(309)
Net cash provided by (used in) operating activities	1,254	2,758
<b>Cash flows from investing activities</b>		
Payments into time deposits	(105)	(56)
Proceeds from withdrawal of time deposits	200	50
Purchase of property, plant and equipment	(7)	(60)
Proceeds from sale of property, plant and equipment	-	4
Purchase of intangible assets	(131)	(100)
Purchase of investment securities	-	(334)
Payments of leasehold and guarantee deposits	(325)	(144)
Proceeds from refund of leasehold and guarantee deposits	-	0
Payments for acquisition of businesses	-	(262)
Proceeds from the sale of subsidiary shares with a change in the scope of consolidation	-	69
Other, net	2	28
Net cash provided by (used in) investing activities	(366)	(805)
<b>Cash flows from financing activities</b>		
Repayments of long-term borrowings	(519)	(413)
Proceeds from issuance of shares	69	14
Proceeds from disposal of treasury shares	-	47
Purchase of treasury shares	(0)	(0)
Other, net	-	(34)

(Millions of yen)

	For the six months ended June 30, 2022	For the six months ended June 30, 2023
Net cash provided by (used in) financing activities	(449)	(385)
Effect of exchange rate change on cash and cash equivalents	-	9
Net increase (decrease) in cash and cash equivalents	438	1,577
Cash and cash equivalents at beginning of period	14,017	14,351
Cash and cash equivalents at end of period	14,456	15,928

(4) 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 Q2 FY2022 (January 01, 2022, to June 30, 2023)

Significant change in shareholders' equity

In consolidated Q2 FY2022, in accordance with the resolution of the Ordinary General Meeting of Shareholders held on March 25, 2022, the Company conducted a capital reduction that took effect on June 1, 2022, resulting in a ¥6,706 million decrease in share capital and a ¥6,706 million increase in capital surplus. As a result of these, as of end-consolidated Q2 FY2022, share capital was ¥22 million and capital surplus was ¥15,258 million.

Consolidated financial results for consolidated Q2 FY2023 (January 01, 2023, to June 30, 2023)

Significant change in shareholders' equity

In consolidated Q2 FY2023, capital surplus increased by ¥29 million and treasury shares decreased by ¥73 million due to disposal of treasury shares associated with restricted stock compensation effective April 13, 2023 in accordance with the resolution of the Board of Directors on February 27, 2023. In addition, capital surplus decreased by ¥267 million and treasury shares decreased by ¥315 million due to disposal of treasury shares associated with the exercising of stock acquisition rights. As a result of these, as of end-consolidated Q2 FY2023, capital surplus was ¥15,024 million and treasury shares was ¥1,371 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 Q2 FY2023.

(Segment information, etc.)

(Segment information)

Consolidated financial results for consolidated Q2 FY2022 (January 01, 2022, to June 30, 2022)

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	5,327	1,544	160	7,031	—	7,031
Other revenue	—	—	—	—	—	—
Sales to external customers	5,327	1,544	160	7,031	—	7,031
Inter-segment sales and transfers	1	—	—	1	(1)	—
Total	5,328	1,544	160	7,033	—	7,031
Segment profit (loss)	2,595	(224)	(24)	2,346	(1,074)	1,272

Notes: 1. Segment profit (loss) adjustments of (¥1,074 million) include intersegment eliminations and corporate expenses not attributed to any reportable segments.

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

2. 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

Consolidated financial results for consolidated Q2 FY2023 (January 01, 2023, to June 30, 2023)

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	7,654	2,874	178	10,707	—	10,707
Other revenue	—	—	—	—	—	—
Sales to external customers	7,654	2,874	178	10,707	—	10,707
Inter-segment sales and transfers	1	—	—	1	(1)	—
Total	7,655	2,874	178	10,709	(1)	10,707
Segment profit (loss)	3,779	(38)	(121)	3,619	(1,198)	2,420

Notes: 1. Segment profit (loss) adjustments of (¥1,198 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 Income.

2. 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 Q1 FY2023, the Company acquired the pharmacy business of Bamboo Inc.

As a result, goodwill in the Medical PF Business increased by ¥236 million.

(Significant gains in negative goodwill)

Not applicable

(Significant subsequent events)

(Business combination via transaction)

(1) Summary of business combination

The Company, at the Board of Directors meeting held on July 20, 2023, resolved that it would acquire 100% of the issued shares of GCM Co., Ltd. on September 1, 2023.

1) Name and description of business of acquired corporation

Name of acquired corporation: GCM Co., Ltd.

Description of business activities: Factoring and other businesses

2) Main purpose of business combination

GCM Co., Ltd.'s factoring business purchases medical fee receivables and nursing care benefit receivables billed to the Social Insurance Medical Fee Payment Fund and the Federation of National Health Insurance Association from medical institutions and nursing care facilities. This service allows clients to shorten the approximately two months it normally takes from the issuance of claims to the collection of funds for these receivables, thereby allowing them to meet their funding needs more rapidly.

The acquisition will allow the Company's corporate group to meet a wider range of needs in the medical healthcare field. The Company will leverage its customer base to proactively expand its businesses and achieve synergies via the acquisition.

3) Business combination date

September 1, 2023

4) Legal form of business combination

Acquisition of shares in exchange for cash

5) Name of acquired company after acquisition

GCM Co., Ltd.

6) Percentage of voting rights to be acquired

Percentage of voting rights to be acquired on the date of acquisition: 100%

7) Primary basis for determination of acquiring company

The Company will acquire 100% of the voting rights of GCM Co., Ltd. via acquisition of shares in exchange for cash.

(2) Acquisition cost and breakdown by type of considerations

Consideration paid in cash: 505 million yen

Acquisition cost: 505 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) Breakdown of the amount of major assets accepted and liabilities assumed on the date of business combination

Not determined at present time