Company name:	MEDLEY, INC.
Representative:	Kohei Takiguchi
	President and Chief Executive Officer
	（TSE Mothers Code No.4480）
Contact:	Yuta Tamaru
	Director and Head of Corporate Division

Announcement of Consolidated Financial Forecast Revision

MEDLEY has revised the financial forecast for the fiscal year ending December 31, 2019, which was announced on December 12, 2019, as follows.

1. Revision of consolidated forecast for FY2019 (ending December 31, 2019)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
Previously announced forecast (A)	In JPY MM 4,677	In JPY MM 80	In JPY MM 81	In JPY MM (414)	In JPY (16.21)
Revised forecast (B)	4,765	153	178	(381)	(14.87)
Difference (B-A)	88	73	97	33	—
Difference ratio (%)	1.9	90.2	117.9	—	—
(For Reference) Results of FY2018	—	—	—	—	—

Note: The Company has not prepared consolidated financial statements for the fiscal year ending December 31, 2018 (FY2018). We therefore herein reference non-consolidated results.

	Net sales	Operating profit	Ordinary profit	Net Profit	Earnings per share
(For Reference) Results of FY2018	2,933	(100)	(87)	(153)	(5.88)

2. Reasons for forecast revision

Owing to strong sales trends in the Recruitment Platform Business, we raise our FY2019 net sales forecast by ¥88 million, from ¥4,677 million to ¥4,765 million.

We also raise our FY2019 operating profit forecast by ¥73 million because, although as mentioned above, we now expect FY2019 net sales to surpass our previous forecast by ¥88 million, we expect total cost of goods sold (CoGS) and selling, general and administrative (SG&A) expenses to surpass our previous estimate by only ¥15 million.

(CoGS)

In FY2019, we now expect CoGS of ¥1,551 million. This is short of our previous estimate of ¥1,578 million by ¥27 million (-1.7%). We lower our CoGS estimate because CoGS in the Recruitment Platform Business trended below our previous estimate by ¥41 million. The main factors behind this shortfall include labor costs, commission expenses, and repayments falling short of our estimates by ¥9 million, ¥23 million, and ¥6 million, respectively. We expect CoGS in the Medical Platform Business to surpass our previous estimate by ¥14 million and CoGS in the New Services segment to be in line with our previous estimate.

(SG&A expenses)

In FY2019, we now expect SG&A expenses of ¥3,060 million. This is higher than our previous estimate of ¥3,018 million by ¥42 million (+1.4%). The factor behind the increase in our SG&A expenses estimate is that recruiting costs and others (posted under corporate expenses) trended above our previous estimate. However, in the Recruitment Platform Business, we expect SG&A expenses to fall short of our previous estimate by ¥18 million and we expect SG&A expenses in the Medical Platform Business to fall short of our previous estimate by ¥29 million. In the New Services segment, we expect SG&A expenses to be in line with our previous estimate.

We also raise our forecast for ordinary profit as mentioned above because we expect ordinary profit to increase by more than the upward revision to our operating profit forecast. This is because the settlement received (posted as non-operating income), received related to a customer of the Recruitment Platform Business violating contract terms and conditions, was larger than expected in our previous estimate.

We have made only a small revision to our previous forecast for loss attributable to owners of parent. The main reason the upward revision to this forecast is smaller than the upward revision to our forecast for ordinary profit is an increase in income taxes resulting from an increase in taxable income.

Note: This document includes forecasts which are based on information available at the time of publication. Actual results may differ from these forecasts due to various factors.