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**Announcement Regarding Capital and Business Alliance with NTT DOCOMO, INC.  
and Issuance of New Shares through Third-Party Allotment to NTT DOCOMO, INC.**

MEDLEY, INC. (the "Company") hereby announces that its Board of Directors, at a meeting held on April 26, 2021, has resolved to enter into a capital and business alliance agreement (the "Capital and Business Alliance Agreement") and an investment agreement (the "Investment Agreement", and collectively with the Capital and Business Alliance Agreement, the "Agreements", and the capital and business alliance based on the Agreements, is referred to as the "Capital and Business Alliance") with NTT DOCOMO, INC. ("NTT DOCOMO") as described in "I. The Capital and Business Alliance" below, and based on the Investment Agreement, to issue new shares by way of third-party allotment to NTT DOCOMO (the "Third-Party Allotment") as described in "II. Issuance of New Shares through Third-Party Allotment" below.

I. The Capital and Business Alliance

1. Reason for Alliance

NTT DOCOMO, as well as its 81 consolidated subsidiaries and 27 equity method affiliated companies (as of March 31, 2021. Hereinafter collectively "NTT DOCOMO Group") are engaged in the telecommunications business (mobile phone services, optical-fiber broadband services, satellite mobile communications services, international services and the equipment sales related to these services, etc.), the smart life business (distribution services such as video, music and electronic books, finance/payment services, shopping services, lifestyle related services and healthcare services, etc.) and the other businesses ("Mobile Device Protection Service", enterprise IoT solutions, and development/sales/maintenance of IT systems, etc.).

Based on the corporate philosophy of "creating a new world of communications culture", NTT DOCOMO has been working on "Transformation into business management pivoted on membership base" and "5G rollout and business creation" as the basic policies of its medium-term management strategy (announced in October 2018) to achieve sustainable growth in the 2020s.

As a part of the business management based on the policy above, NTT DOCOMO has been providing services in the healthcare (health maintenance) area, including the "d healthcare". However, in order to support customers' health from a variety of different angles, NTT DOCOMO is aiming to expand services that comprehensively stretch from healthcare to medical care and expand their business through the assertive application of digital transformation, including the provision of online medical care services.

On the other hand, the Company and its group companies (the "Group") have been developing services that improve the operational efficiency of medical institutions and the access of patients to medical care in its Medical Platform Business, under the mission of "creating the future of medical healthcare". Specifically, the Group has developed and provided a telemedicine system "CLINICS Telemedicine" to medical institutions since February 2016, in tandem with the relaxing of regulations pertaining to telemedicine. Thereafter, the Company expanded the functions of the Company's cloud-based electronic medical record "CLINICS Electronic Medical Record" and developed "CLINICS", a cloud-based medical support system that enables medical institutions to manage coherently from appointments and treatment to payments under a single system, thereby contributing to the improved efficiency of their operations. It also acts as a SaaS (Note 1) that improves patient experiences and operates under a business model that receives system usage

fees from medical institutions.

(Note 1) SaaS (Software as a Service) refers to a method in which software running on the service provider side is provided to users via a network such as the Internet.

Furthermore, thanks to the amendment of the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices (Act No. 145 of 1960 as amended, the "PMD Act"), it has become legal, since September 2020, to provide online drug administration guidance throughout the nation; in response, the Group launched "Pharms", a pharmacy window support system, that same month. Using "Pharms", dispensing pharmacies can collectively manage scheduling appointments for online drug administration guidance, providing online drug administration guidance and processing payments for prescriptions all through one service, while patients can have a full end-to-end online medical experience by combining the service with "CLINICS Telemedicine" from telemedicine to receiving online drug administration guidance.

The Group recognizes that a key issue facing the efforts described above is improving awareness. In order to achieve dramatic growth of its services, the Group believe that it is necessary to soundly increase the awareness of not only medical and healthcare institutions but also end users (patients, job seekers, etc.). In particular, by increasing awareness of "CLINICS Telemedicine" under the current environment that seeks more appropriate use of telemedicine, more opportunities and incentives to use telemedicine by medical institutions will arise, thereby contributing to increased numbers of medical institutions using these services, and also to increased convenience for end users (patients).

At present, the end user-oriented telemedicine app "CLINICS" has continually achieved the highest ranking on the App Store and Google Play since July 2020 in the medical category (Note 2) among other telemedicine apps (Note 3), and the Group recognize that the app is held in high regard among end users (patients). However, as of the end of December 2020, out of approximately 110,000 hospitals and medical clinics nationwide (Note 4), there were approximately 2,300 medical institutions (about a 2% penetration rate) using the Group's telemedicine system, while it is one of the telemedicine systems installed most in the industry (Note 5). For this reason, the Company believes that there is still plenty of room to expand the scale of the Company's business by improving the convenience of "CLINICS Telemedicine" among end users (patients) through the increase in the number of medical institutions using the system, resulting in an increase in the level of awareness among end users, and by taking advantage of an increase in awareness of telemedicine in society.

(Note 2) Data from "APP ANNIE" by APP ANNIE INC.

(Note 3) Referring to the five telemedicine apps (including "CLINICS" provided by the Company) that cover insured medical treatment.

(Note 4) Data from the Ministry of Health, Labour and Welfare "Survey of Medical Facility Dynamics (approximate figures as of the end of January 2021)".

(Note 5) In a report titled "IoMT (Internet of Medical Things) New Market Outlook 2021" by Fuji Chimera Research Institute, Ltd., the Company's "CLINICS Telemedicine" is shown as having the top share of medical institutions installed in the telemedicine category of online medical solutions as of the end of December 2019.

Under this kind of telemedicine business environment and with recognition of the issue, the Group has been considering various options toward achieving greater awareness among end users, including capital and business alliances with other companies.

In this context, in early December 2020, NTT DOCOMO made an initial proposal to the Company to establish a business and capital alliance that would enable close collaboration between the two companies. NTT DOCOMO believes that they are able to accelerate the further development of online medical care and the development of services based on online medical care by establishing a close alliance with the Company, which has a top-class track record of introducing medical institutions in the telemedicine field.

Subsequently, NTT DOCOMO and the Company, based on conversations on the strengths of both parties and the direction of their businesses, started specific discussions toward the establishment of a business and capital alliance in early January 2021.

In considering the details of the alliance, NTT DOCOMO and the Company agreed that it would be most desirable in the current business environment for the enhancement of the enterprise value of the two companies to continue their independent management that demonstrates their respective strengths while closely cooperating in specific fields and themes in the business alliance and capital alliance, based on the background that the Company has expanded its business scope mainly in the Recruitment Platform Business and the Medical Platform Business since its establishment. In addition to the details of the capital and business alliance, NTT DOCOMO and the Company have carefully discussed and considered the number of shares to be subscribed through the Third-Party Allotment.

In discussing and examining the details of the Capital and Business Alliance with NTT DOCOMO, the Company has carefully considered whether deep collaboration with NTT DOCOMO Group will contribute to the early and reliable realization of the Group's mission of "creating the future of medical healthcare". Specifically, the Company focused on the following two points.

- (i) The possibility of accelerating the appropriate dissemination of CLINICS Telemedicine utilizing the strengths of both NTT DOCOMO and the Company

NTT DOCOMO boasts a user membership base of approximately 80 million users, which represents one of the largest in Japan, and maintains abundant points of contact with customers via its NTT DOCOMO shops, numbering approximately 2,300 throughout the country. Furthermore, NTT DOCOMO has already deployed services meant for end users that enjoy overwhelming public awareness, and has significant know-how on a variety of topics including promotions, etc. On the other hand, the Group has had approximately 5,600 (Note 6) of utilization of systems meant for medical institutions, including CLINICS Telemedicine, and possesses significant know-how pertaining to customer support. In addition to such strengths of the Group and by taking advantage of relaxed regulations brought about by COVID-19, the Group was able to realize approximately three times of new introductions of CLINICS Telemedicine with respect to medical institutions in FY2020 compared with FY2019, with approximately 2,300 medical institutions (Note 7) throughout the country now using the system. However, as mentioned above, in order to achieve dramatic growth of CLINICS Telemedicine, the Group believes that a healthy increase of awareness among not only medical institutions, but also end users of its services is necessary.

The Company determined that by utilizing NTT DOCOMO's end user-oriented strengths, such as its membership base and promotions, it will be able to enhance end user awareness of telemedicine, thereby increasing opportunities and motivations for use of telemedicine by medical institutions, further expanding the number of user medical institutions, and even creating a positive feedback loop that would result in enhanced convenience for end users, and ultimately realizing a future where CLINICS Telemedicine is used appropriately and on a daily basis at a national scale.

(Note 6) As of the end of December 2020. The number of medical institutions that use the Company's medical systems (CLINICS Telemedicine, CLINICS EMR, Pharms, etc.). Cases where multiple systems are used by single organization are counted as one.

(Note 7) As of the end of December 2020.

- (ii) The possibility of working together with NTT DOCOMO to realize a future where patients make full use of medical/healthcare services

As a specific vision for the future contemplated by its mission of "creating the future of medical healthcare", the Group envisions a "future where patients make full use of medical/healthcare services". The Group, as a part of its efforts to realize this future, is developing and offering services that not only allow users to receive medical treatments from hospitals and medical clinics online, but also attempt to directly address the issues faced by patients, such as the "CLINICS" app, which is a patient oriented app that allows patients to receive online drug administration guidance from pharmacies, and the online medical encyclopedia, "MEDLEY", which allows users to access appropriate medical information. Going forward, the Group intends to assertively develop and

provide services that change patients' medical experience.

NTT DOCOMO, on the other hand, as mentioned above, has historically provided services in the healthcare area, including its "d healthcare" service, and going forward, intends to expand services that comprehensively stretch from healthcare to medical care in order to support the health of end users from a variety of different angles. Furthermore, the Company views NTT DOCOMO as assertively providing users with various services that can be applied to their day-to-day lives, such as "d CARD" and "d Barai" by utilizing its approximately 80 million user membership base, one of the largest in the country.

Based on the understanding that the major directions of both companies' businesses focus on a medium-to-long term strategy that aims to disseminate services related to medical healthcare needs in users' day-to-day lives, the Company has determined that "a future where patients make full use of medical/healthcare services" can be realized by utilizing the Group's customer base in the healthcare field centered on approximately 20,000 customer medical institutions (Note 8), the Group's ability to develop and operate healthcare services of the Group, and NTT DOCOMO Group's assets such as a strong end-user base.

(Note 8) As of the end of December 2020. Refers to medical institutions such as hospitals and medical clinics that are customers of Recruitment Platform Business and Medical Platform Business.

As described in the two points above, the Company decided to collaborate with NTT DOCOMO Group based on the judgment that proceeding with the discussion of this Capital and Business Alliance with NTT DOCOMO will accelerate the growth of CLINICS Telemedicine and promote the accelerated growth of the Company's overall Medical Platform Business, and quickly and definitively realize the Company's mission of "creating the future of medical healthcare".

The Company believes the Capital and Business Alliance will contribute to maximization of "number of customers", which is one of the Group's primary KPIs, thereby contributing to the Group's medium-term policy "maintain high sales growth", and consequently to the long-term policy "maximizing long-term free cash flow", since the Capital and Business Alliance is expected to contribute to further expansion of number of medical institution customers and boost opportunities and incentives for medical institutions to use telemedicine in conjunction with end users' enhanced awareness of telemedicine by leveraging NTT DOCOMO's strengths in business for end users including abundant membership base and promotions.

## 2. Details, etc. of the Capital and Business Alliance

### (1) Details of Business Alliance

By entering into a capital and business alliance agreement with NTT DOCOMO, the Company will leverage the strengths of both companies and aim to implement the following measures and realize the following synergies.

#### (i) Cooperation toward the development of telemedicine

NTT DOCOMO and the Company will work together to further develop telemedicine. Specifically, the Company believes that it can promote the appropriate dissemination of telemedicine by jointly operating a telemedicine app by utilizing the Company's extensive customer base in the medical and healthcare field and its ability to develop and operate medical-related services, in addition to NTT DOCOMO's strong membership base and the ability to operate diverse services utilizing such membership base.

#### (ii) Provision of high-value-added healthcare services

By combining NTT DOCOMO's strong customer base, software development technology and commercial service planning capabilities with the Company's expertise in the medical and healthcare field cultivated through its Medical Platform Business, etc., the Company recognizes that it is possible to provide high value-added collaborative services to end users. The content of specific collaborative services will be discussed by the two companies, but at the current planning stage, it is contemplated that the Company provides applications, etc. that utilize the function of

telemedicine for each health and medical theme of end users' interest. When specific collaborative services are determined, the Company will disclose them timely.

In addition to the measures described above, the Capital and Business Alliance Agreement provides matters concerning meetings and personnel exchanges, etc., including the possibility of considering an officer or an employee of NTT DOCOMO as a candidate for Outside Director, in order to steadily implement measures.

(2) Details of Capital Alliance

The Company will allot 933,100 shares (shareholding ratio after the Third-Party Allotment: 2.93%) of the Company's shares of common stock (the "Shares") to NTT DOCOMO through the Third-Party Allotment.

3. Overview of the Other Party

For an overview of NTT DOCOMO, please refer to "II. 6. Reasons for Selecting Planned Allottee and Other Related Matters - (1) Overview of the planned allottee" below.

4. Schedule for the Capital and Business Alliance

Resolution date of the Board of Directors	April 26, 2021
Execution date of the Agreements	April 26, 2021
Payment date for the Third-Party Allotment	May 11, 2021

5. Future Outlook

Please refer to "II. 8. Future Outlook" below.

II. Issuance of New Shares through Third-Party Allotment

1. Outline of Offering

(1) Payment date	May 11, 2021
(2) Number of new shares issued	933,100 shares
(3) Issue price	JPY 5,500 per share for common stock (the "Paid in Amount")
(4) Amount to be raised	JPY 5,132,050,000
(5) Method of offering or allotment (Planned allottee)	Third-party allotment (NTT DOCOMO: 933,100 shares)
(6) Others	Each of the Items above shall be subject to the effectiveness of the securities registration statement filed under the Financial Instruments and Exchange Act.

2. Purpose and Reason for Offering

As stated in "I. 1. Reason for the Alliance" above, the Third-Party Allotment will be implemented as a part of the Capital and Business Alliance between the Company and NTT DOCOMO. In collaborating with NTT DOCOMO, the Company has determined that it is necessary to conduct the Third-Party Allotment mainly in consideration of the following three points, in light of the investment plan for continuous high growth of the Group as a whole, in addition to investment for growth in the Medical Platform Business, such as the expansion of the number of medical institutions using CLINICS Telemedicine through the Capital and Business Alliance.

(i) Status of investment required to accelerate the growth of Medical Platform Business through collaboration with NTT DOCOMO

As mentioned above, NTT DOCOMO and the Company will develop measures that leverage the strengths of both companies to expand the business in the medical and healthcare field, such as the dissemination of telemedicine. With regard to the dissemination of telemedicine, the Company will need to expand the number of medical institutions using CLINICS Telemedicine so that CLINICS Telemedicine can be used nationwide, in line with the expansion of end users through the implementation of measures utilizing the membership base, which is the strength of NTT

DOCOMO. Accordingly, the Company believes that appropriate investments will be required to accelerate the growth of the overall Medical Platform Business including the telemedicine business, regarding enhancing sales and marketing to acquire and maintain medical institution customers, enhancing customer success, and strengthening the products. In addition, the Company believes that the expansion of the number of end users and medical institution customers as a result of these investments will expand opportunities to realize synergies through collaboration with external companies and opportunities to provide products that change patients' medical experience. To conduct investments flexibly in these growth opportunities, the Company believes that it is necessary to secure appropriate amount of funds.

(ii) Status of appropriation of proceeds from international offering conducted in September 2020

In response to the rapid increase in the momentum for digitalization in the medical and healthcare field amid the spread of COVID-19 since April 2020, the Company raised approximately JPY 5.4 billion through the issuance of new shares through international offering in September 2020. In the Recruitment Platform Business, the proceeds have been allocated to personnel expenses for the enhancement of the product lineup and business expansion, to advertising expenses to acquire job applicants, and to promotion expenses for the acquisition of customer offices. On the other hand, the proceeds are beginning to be allocated in the Medical Platform Business to personnel expenses for strengthening the product lineup and business expansion, and to promotion expenses to acquire medical institution customers.

One of the concrete efforts and results of fund allocation in the Medical Platform Business is, as mentioned above, the launch of Pharms, a dispensing pharmacy window support system, initiated in response to the availability of online drug administration guidance nationwide from September 2020, as a result of the amendment of the PMD Act. As a result of allocating the funds to development of products and construction of promotion systems for marketing efforts, Pharms has successfully launched its business, and as of the end of December 2020, Pharms was used in more than 3,000 dispensing pharmacies nationwide.

As originally planned, the Company plans to use the remaining proceeds for personnel expenses for strengthening its product lineup and business expansion and for promotion expenses to acquire customer offices in Medical Platform Business.

(iii) Current status of cash and deposits and financial foundation

In addition to the equity financing described in (ii) above, the Group currently has approximately JPY 14 billion of cash and deposits as of the end of December 2020, owing to cash flows from operating activities and borrowings, etc. The Company views such funds as (i) working capital which will increase as a result of business expansion, (ii) medium to long term business investments in existing and new businesses, (iii) M&A and (iv) funds in case for the emergence of business risks. In January and February 2021, the Company has acquired Pacific Medical, Inc. (Note 1) and MEDiPASS Co., Ltd. into group companies for cash consideration, and the funds required at the time were appropriated from cash and deposits then held. Due to the Group's plan to maintain its high sales growth rate that requires to secure reasonable amount of working capital, and plans of business investment and M&A, etc. based on the collaboration with NTT DOCOMO as well as plans to conduct M&A that will contribute to the growth of the Group including the Recruitment Platform Business, the Company believes that reasonable amount of fund is necessary in order to maintain a strong financial foundation.

(Note 1) As of April 1, 2021, the corporate name has changed from Pacific System Co., Ltd to Pacific Medical, Inc.

Therefore, financing through the Third-Party Allotment will enable the Company to implement various measures that contribute to the enhancement of the Group's enterprise value, and over the medium to long term, it will lead to the enhancement of the Company's enterprise value and shareholder value exceeding the dilution of the Shares resulting from the Third-Party Allotment.

### 3. Amount, Use and Scheduled Timing of Expenditure of Proceeds to be Raised

#### (1) Amount of proceeds to be raised

1. Aggregate amount to be paid	JPY 5,132 million
2. Approximate cost of issuance	JPY 49 million
3. Approximate net amount	JPY 5,083 million

(Note 1) The breakdown of the approximate cost of issuance are advisory fee, legal fee, fees for registration and others.

(Note 2) Consumption tax is not included in the approximate cost of issuance.

#### (2) Use of proceeds to be raised

The approximate net amount described in "(1) Amount of proceeds to be raised" above is scheduled to be allocated to funds for future M&A and capital and business alliances in the Medical Platform Business. The specific purpose of use of proceeds and scheduled expenditure are as follows.

Use of proceeds to be raised	Amount (Million JPY)	Scheduled timing of expenditure of proceeds to be raised
1. Funds for future M&A and capital and business alliances in the Medical Platform Business	5,083	July 2021 to March 2026
Total	5,083	-

(Note) Until the funds are actually disbursed, it will be managed in bank deposits.

#### 1. Funds for future M&A and capital and business alliances in the Medical Platform Business

By actively implementing M&As with focuses on synergies such as utilizing customer base in the medical and healthcare field of approximately 220,000 business sites (Note 1), Internet product development know-how and digital marketing know-how, the Group has worked on maintaining high sales growth and enhancing profitability of the entire Group, and has implemented multiple M&As in the past. Recently in Medical Platform Business, the Company acquired Pacific Medical, Inc., which excels in electronic medical records for small and medium size hospitals, in January 2021 to strengthen the Company's product lineup. As a result of the increase of end-users and medical institution customers through synergies with NTT DOCOMO, the Company believes that opportunities to realize synergies through collaboration with external companies and opportunities to provide products that change patients' medical experience will expand in the future. In order to flexibly implement the M&As etc. in line with these opportunities, it is scheduled to appropriate the JPY 5,083 million of approximate net amount mentioned above, for the period from July 2021 to March 2026.

There are no specific M&A projects scheduled at the moment. However, the Company is mainly targeting IT companies in the medical and healthcare field that will generate the synergies mentioned above, and are planning to implement several M&A projects on the same scale as or larger than the previous M&A projects. When a project is decided in the future, the Company will disclose such fact timely.

In addition, in the event that M&A and capital and business alliances that contribute to the enhancement of enterprise value fails to materialize, the Company intends to appropriate such funds as working capital necessary for future business expansion, and in such case, the Company will disclose such fact in an appropriate and timely manner.

The Company plans to allocate funds (Note 2) for business investment related to collaboration with NTT DOCOMO for realizing the purpose of the Capital and Business Alliance Agreement from the cash and deposits at hand.

(Note 1) As of the end of December 2020. Customer offices in the Recruitment Platform Business and the Medical Platform Business include hospitals, medical clinics, dental clinics, dispensing pharmacies and nursing care and welfare facilities, etc.

(Note 2) Primarily composed of personnel expenses, advertising expenses and promotion expenses for enhancing sales and marketing and enhancing customer success for acquiring and

maintaining medical institutions, and for strengthening products.

#### 4. Rationale for the Use of Proceeds to be Raised

As described in "2. Purpose and Reason for Offering" above, the Company believe that the funds procured this time will enable the implementation of various measures that contributes to the enhancement of the Group's enterprise value, and over the medium to long term, will lead to enhancement of the Company's enterprise value and shareholder value in exceeding the aforementioned dilution of the Shares. Accordingly, the Company believes that the use of funds described in "3. (2) Use of proceeds to be raised" above is reasonable.

#### 5. Rationality of Issue Terms, Etc.

##### (1) Calculation base for the amount to be paid and their specific details

The Company determined the Paid in Amount to be JPY 5,500 per share (premium of 33.01% (rounded to the second decimal place; hereinafter the same in calculations of premium) from the closing price of JPY 4,135 of the Shares on Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange") Mothers on the immediately preceding business day), after discussing with NTT DOCOMO with reference to the closing price at JPY 4,135 of the Shares on the Tokyo Stock Exchange Mothers on April 23, 2021, the business day immediately preceding the date of the resolution of the Board of Directors regarding the Third-Party Allotment, based on the judgment that the recent stock price of the Shares reflects the objective assessment of current status of the Company and the external environment and taking into account the stock price trends. The Paid in Amount was determined as reasonable after discussions and negotiations with NTT DOCOMO considering the expected enhancement of the enterprise value of the Company through the Capital and Business Alliance while taking into account the dilution ratio, etc. resulting from the Third-Party Allotment.

The Paid in Amount shall be 27.97% premium from the simple average closing price of JPY 4,298 (rounded off to the nearest whole number; hereinafter the same in calculations of the simple average closing price) over the past 1 (one) month up to the immediately preceding business day mentioned above, 23.26% premium from the simple average closing price of JPY 4,462 over the past 3 (three) months up to that same day, and 13.12% premium from the simple average closing price of JPY 4,862 over the past 6 (six) months up to that same day.

The "Guidelines on Handling of Capital Increase through Third-Party Allotment" (dated April 1, 2010) of the Japan Securities Dealers Association stipulates that, in case of conducting issuance of stocks through third-party allotment, the amount to be paid in, in principle, shall not be less than the amount obtained by multiplying the stock price on the business day immediately preceding the date of resolution of the Board of Directors by 0.9 The Company believes that the Paid in Amount complies with such guideline, and does not fall under the "particularly favorable amount" provided in Paragraph 3 of Article 199 of the Companies Act.

In addition, the 3 (three) Corporate Auditors (of which 2 (two) are outside Corporate Auditors) who participated in the deliberation on the Third-Party Allotment at the meeting of the Board of Directors of the Company held today expressed their opinion that the Paid in Amount complies with the "Guidelines on Handling of Capital Increase through Third-Party Allotment" (dated April 1, 2010) of the Japan Securities Dealers Association and is lawful and appropriate, and does not fall under "particularly favorable issue price".

##### (2) Reasons of rationality of number of shares to be issued and extent of share dilution

The number of shares issued through the Third-Party Allotment is 933,100 shares; representing 3.02% (rounded down to the second decimal place; hereinafter the same in this Item (2)) of the total number of issued shares (30,889,100 shares) of the Company as of December 31, 2020, and 3.02% of the total number of voting rights (308,719) as of the same date. Accordingly, the shareholding ratio of 3.02% of the total issued shares will be diluted and the voting rights ratio of 3.02% will be diluted with respect to the shares held by the existing shareholders.

However, as described in "I. 1. Reason for Alliance" above, the Company believes that financing through the Third-Party Allotment will enable the implementation of various measures that contribute to the enhancement of enterprise value of the Group, and over the medium to long term, will lead to the

enhancement of the enterprise value and shareholder value of the Company exceeding the aforementioned dilution of the ratio of ownership and the ratio of voting rights held. In addition, unlike borrowings from financial institutions, etc., the Company believes that the Third-Party Allotment will strengthen its financial foundation, and the Company also believes that the financing is reasonable from the perspective of their impact on the Company and shareholders.

Based on the above, the Company believes that the number of shares issued and the scale of dilution as a result of the Third-Party Allotment are reasonable.

## 6. Reasons for Selecting Planned Allottee and Other Related Matters

### (1) Overview of the planned allottee

(1)	Company name	NTT DOCOMO, INC.		
(2)	Head office	Sanno Park Tower, 11-1, Nagata-cho 2-chome Chiyoda-ku, Tokyo		
(3)	Representative	Motoyuki Ii, President and Chief Executive Officer		
(4)	Business details	Telecommunications business, smart life business and other businesses		
(5)	Paid-in capital	JPY 949,679 million (as of September 30, 2020)		
(6)	Founded	August 14, 1991		
(7)	Number of issued shares	3,228,601,234 shares (as of April 26, 2021)		
(8)	Fiscal term end	March		
(9)	Number of employees	27,558 (consolidated) (as of March 31, 2020)		
(10)	Major customers	General Individuals and Corporates		
(11)	Major banks	Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd.		
(12)	Major shareholders and shareholding ratio (As of April 26, 2021)	Shareholder name		Shareholding Ratio
		NIPPON TELEGRAPH AND TELEPHONE CORPORATION		100%
(13)	Relationships between the Company and the planned allottee			
	Capital relationship	N/A		
	Personnel relationship	N/A		
	Business relationship	N/A		
	Related party relationship	N/A		
(14)	Consolidated business and financial performances for the most recent three years (Million JPY, unless otherwise specified) (IFRS)			
	Fiscal year	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2020
	Total equity attributable to the shareholders of NTT DOCOMO	5,665,107	5,371,853	5,249,927
	Total assets	7,654,938	7,340,546	7,535,925
	Total equity attributable to the shareholders of NTT DOCOMO per share (JPY)	1,576.63	1,610.64	1,626.05
	Operating revenues	4,762,269	4,840,849	4,651,290
	Operating profit	986,960	1,013,645	854,650
	Profit attributable to the shareholders of NTT DOCOMO	790,830	663,629	591,524

Basic earnings per share (JPY)	214.27	187.79	179.92
Dividends per share (JPY)	100	110	120

\*Since the parent company of the planned allottee, NTT DOCOMO, is NIPPON TELEGRAPH AND TELEPHONE CORPORATION, which is listed on the First Section of the Tokyo Stock Exchange, the Company has confirmed on the website of the Tokyo Stock Exchange the statement of "In accordance with the NTT Group Corporate Ethics Charter, every officers and employees complies with laws and regulations, social norms and internal rules, regardless domestic or foreign, as well as act with a high sense of ethics as basic philosophy, regardless public or private. The NTT Group Business Risk Management Manual sets forth a specified concrete policy for dealing with anti-social forces." included in "Basic Views on Eliminating Anti-Social Forces and its Development Status" set forth in the corporate governance report (last updated: June 24, 2020) filed by NTT DOCOMO with the Tokyo Stock Exchange. In addition, based on the Company's independent investigation of the news and reputation, etc. of NTT DOCOMO through Internet research, the Company has determined that NTT DOCOMO and its officers and major shareholders have no relationship with anti-social forces, and has separately filed a written confirmation to that effect to the Tokyo Stock Exchange.

(2) Reasons for selecting the planned allottee

Please refer to above "I. 1. Reason for Alliance".

(3) Holding policy of the planned allottee

With regard to the Company's shares to be issued through the Third-Party Allotment, the Company has obtained a confirmation from NTT DOCOMO that it will hold the shares for a long period of time in consideration of the purpose of the Capital and Business Alliance. The Company plans to obtain a written pledge from NTT DOCOMO that it agrees that if it transfers all or part of the shares of the Company to be issued through the Third-Party Allotment within two (2) years from the payment date, it will report the details thereof in writing to the Company, the Company will report the details of such report to the Tokyo Stock Exchange, and the details of such report will be made available for public inspection.

(4) Contents confirmed about the existence of property required for payment by the allottee

Regarding the existence of assets required for payment by NTT DOCOMO, the Company has received a report from NTT DOCOMO stating that the funds required for payment of the total amount to be paid in have been secured. In addition, according to the "Financial Data for the Third Quarter of Fiscal Year ended March 31, 2021 Consolidated Financial Statements (IFRS)" (released on February 5, 2021) published by NTT DOCOMO, the Company has confirmed that it has sufficient cash and cash equivalents (JPY 304,313 million) to pay for the Third-Party Allotment, and the Company has not found any circumstances that would cause the Company to be concerned about a significant deterioration in the financial condition of NTT DOCOMO afterwards, and the Company believes that there is no problem with the certainty of payment for the Third-Party Allotment.

7. Major Shareholders and Shareholding Ratio after the Share Issuance

Before the Third-Party Allotment (As of December 31, 2020)		After the Third-Party Allotment	
Kohei Takiguchi	19.30%	Kohei Takiguchi	18.73%
Goichiro Toyoda	11.18%	Goichiro Toyoda	10.85%
CREDIT SUISSE (LUXEMBOURG) S.A. / CUSTOMER ASSETS, FUNDS UCITS (standing proxy: MUFG Bank, Ltd.)	7.12%	CREDIT SUISSE (LUXEMBOURG) S.A. / CUSTOMER ASSETS, FUNDS UCITS (standing proxy: MUFG Bank, Ltd.)	6.91%
NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT (standing proxy: HSBC Tokyo Branch)	3.72%	NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT (standing proxy: HSBC Tokyo Branch)	3.61%
Custody Bank of Japan, Ltd.	3.41%	Custody Bank of Japan, Ltd.	3.31%

(securities investment trust account)		(securities investment trust account)	
NTT DOCOMO, INC.	-%	NTT DOCOMO, INC.	2.93%
RBC IST 15 PCT LENDING ACCOUNT - CLIENT ACCOUNT (standing proxy: Citibank, N.A., Tokyo Branch)	2.78%	RBC IST 15 PCT LENDING ACCOUNT - CLIENT ACCOUNT (standing proxy: Citibank, N.A., Tokyo Branch)	2.70%
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE (standing proxy: MUFG Bank, Ltd.)	2.63%	BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE (standing proxy: MUFG Bank, Ltd.)	2.55%
MSIP CLIENT SECURITIES (standing proxy: Morgan Stanley MUFG Securities Co., Ltd.)	2.48%	MSIP CLIENT SECURITIES (standing proxy: Morgan Stanley MUFG Securities Co., Ltd.)	2.40%
BBH FOR UMB BANK, NATIONAL ASSOCIATION-OBERWEIS INT OPP INSTITUTION FD (standing proxy: MUFG Bank, Ltd.)	2.21%	BBH FOR UMB BANK, NATIONAL ASSOCIATION-OBERWEIS INT OPP INSTITUTION FD (standing proxy: MUFG Bank, Ltd.)	2.15%

(Note 1) The above information is based on the shareholders' register as of December 31, 2020.

(Note 2) The shareholding ratio is the ratio of the number of shares held to the total number of issued shares.

(Note 3) All figures are rounded down to the second decimal place.

(Note 4) The Company does not hold any treasury stock.

#### 8. Future Outlook

The impact of the Third-Party Allotment on the Company's consolidated business results for the fiscal year ending December 31, 2021 is currently under review, and if there is any need to revise the business forecast or any matter to be announced, the Company will promptly disclose such information.

#### 9. Disclosure Regarding Procedures under Code of Corporate Conduct

There is no requirement for the receipt of an independent third-party opinion or the procedures for shareholder approval under Article 432 of the Securities Listing Regulations promulgated by the Tokyo Stock Exchange, since the Third-Party Allotment (i) will result in dilution of less than 25% and (ii) does not cause any change in controlling shareholders.

#### 10. Operating Results and Equity Finance for Most Recent Three Years

##### (1) Operating Results for Most Recent Three Years (Consolidated)

Fiscal year	Year ended December 31, 2018	Year ended December 31, 2019	Year ended December 31, 2020
Consolidated net sales	-	4,765	6,830
Consolidated operating profit	-	153	396
Consolidated ordinary profit	-	178	422
Profit attributable to owners of parent	-	(381)	455
Consolidated basic earnings per share (JPY)	-	(14.87)	15.69
Consolidated net assets per share (JPY)	-	118.88	314.53
Dividends per share (JPY)	-	-	-

(Million JPY, unless otherwise specified)

##### (2) Current Number of Outstanding Shares and Dilutive Shares (as of April 23, 2021)

	Number of shares	Ratio to number of outstanding shares

Total number of issued shares	31,068,000 shares	100.00%
Total number of potentially dilutive shares at current conversion price (exercise price)	1,368,700 shares	4.40%
Total number of potentially dilutive shares at lowest conversion price (exercise price)	-	-
Total number of potentially dilutive shares at highest conversion price (exercise price)	-	-

(Note 1) The above number of dilutive shares represents the number of dilutive shares related to the Company's stock option plan as of April 23, 2021.

(Note 2) Ratio to number of outstanding shares is rounded down to the second decimal place.

(3) Equity finance in the last three years

a. Issuance of new shares and disposal of treasury stock through book building method

Payment Date	December 11, 2019
Aggregate Amount of Issue Price	JPY 2,752,640,000
Issue Price	JPY 1,088
Number of Outstanding Shares at the timing of Offering	26,094,400 shares
Number of shares to be issued in the Offering	2,530,000 shares of common stock of the Company
Total number of Outstanding Shares after the Offering	27,624,400 shares
Initial use of proceeds at the time of issuance	1. Equipment funds for software development: JPY 242 million 2. Working capital for business expansion: JPY 1,687 million 3. Funds for repayment of loans: JPY 500 million, etc.
Scheduled timing of expenditure at the time of issuance	1. Year ended December 31, 2020 2. Year ended December 31, 2019 and Year ended December 31, 2020 3. Year ended December 31, 2020
Current status of application	All funds have been applied as initially planned.

b. Issuance of new shares in international offering

Payment date	September 10, 2020
Aggregate amount of Issue Price	JPY 5,719,950,000
Issue price	JPY 4,237
Number of outstanding shares at the timing of offering	28,867,000 shares
Number of shares to be issued in the offering	1,350,000 shares of common stock of the Company
Total number of outstanding shares after the offering	30,217,000 shares

Initial use of proceeds at the time of issuance	<ol style="list-style-type: none"> <li>1. Approximately JPY 2,790 million (to be applied by the end of December, 2022) toward personnel costs required for product line/business expansion, advertising costs targeting the acquisition of new job applicants, and sales promotion costs aimed at the acquisition of new customer offices in Recruitment Platform Business</li> <li>2. Approximately JPY 2,608 million (to be applied by the end of December, 2023) toward personnel costs required for product line/business expansion and sales promotion costs targeting the acquisition of new customer offices in Medical Platform Business</li> </ol>
Scheduled timing of expenditure at the time of issuance	<ol style="list-style-type: none"> <li>1. By the end of December 2022</li> <li>2. By the end of December 2023</li> </ol>
Current status of application	As initially planned, JPY 1,113 million, a portion of the procured funds, has been applied for personnel costs required for product line/business expansion, advertising costs targeting the acquisition of new job applicants, and sales promotion costs aimed at the acquisition of new customer offices in Recruitment Platform Business, and JPY 531 million, a portion of the procured funds, has been applied for personnel costs required for product line/business expansion and sales promotion costs targeting the acquisition of new customers offices in Medical Platform Business, and the remaining funds will be used as initially planned by the scheduled timing of expenditure.

c. Issuance of new shares as restricted stock compensation

Payment date	April 26, 2021
Aggregate amount of issue price	JPY 97,269,500
Issue price	JPY 4,285
Number of outstanding shares at the timing of offering	31,068,000 shares
Number of shares to be issued in the offering	22,700 shares of common stock of the Company
Total number of outstanding shares after the offering	31,101,200 shares (Note)
Allottee	21,600 shares to 48 Employees of the Company 1,100 shares to 5 Employees of the Company's subsidiaries
Initial use of proceeds at the time of issuance	Not applicable.
Scheduled timing of expenditure at the time of issuance	Not applicable.
Current status of application	Not applicable.

(Note) The "Total number of Outstanding shares after the Offering" column includes the number of shares to be issued as a result of the issuance of new shares described in "d. Issuance of new shares as restricted stock compensation", which has the same payment date as the issuance of new shares described in "c. Issuance of new shares as restricted stock compensation".

d. Issuance of new shares as restricted stock compensation

Payment date	April 26, 2021
Aggregate amount of	JPY 41,002,500

Issue price	
Issue price	JPY 3,905
Number of outstanding shares at the timing of offering	31,068,000 shares
Number of shares to be issued in the offering	10,500 shares of common stock of the Company
Total number of outstanding shares after the offering	31,101,200 shares (Note)
Allottee	10,500 shares to 5 Directors of the Company
Initial use of proceeds at the time of issuance	Not applicable.
Scheduled timing of expenditure at the time of issuance	Not applicable.
Current status of application	Not applicable.

(Note) The "Total number of Outstanding Shares after the Offering" column includes the number of shares scheduled to be issued as a result of the issuance of new shares described in "c. Issuance of new shares as restricted stock compensation" which has the same payment date as the new share issuance described in "d. Issuance of new shares as restricted stock compensation".

#### (4) Recent Stock Prices

##### a. Stock Prices for Last Three Years (JPY)

	Year ended December 31, 2018	Year ended December 31, 2019	Year ended December 31, 2020
Opening	-	1,270	1,290
High	-	1,350	7,370
Low	-	1,181	1,210
Closing	-	1,296	4,540

(Note) As the Company's shares were listed on the Tokyo Stock Exchange's Mothers market on December 12, 2019, there is no applicable matter for the share prices before that date.

##### b. Stock prices for the last six months (JPY)

	November	December	January	February	March	April
Opening	5,890	5,350	4,610	4,905	4,190	4,470
High	6,750	5,630	6,030	5,240	4,545	4,605
Low	5,010	4,290	4,590	4,100	3,590	4,100
Closing	5,280	4,540	4,970	4,300	4,420	4,135

(Note) The stock prices for April are as of April 23, 2021.

##### c. Stock price on the business day immediately preceding the date of the resolution authorizing (JPY)

	April 23, 2021
Opening	4,140
High	4,310
Low	4,110
Closing	4,135

#### 11. Terms and Conditions of Issuance

(1) Number of shares to be Offered	933,100 shares of common stock
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(2)	Amount to be paid in	JPY 5,500 per share
(3)	Total amount to be paid in	JPY 5,132,050,000
(4)	Capital inclusion amount	JPY 2,750 per share
(5)	Total capital inclusion amount	JPY 2,566,025,000
(6)	Method of offering or allotment	By way of third-party allotment.
(7)	Allottee	NTT DOCOMO, INC: 933,100 shares
(8)	Period of application	May 11, 2021
(9)	Payment date	May 11, 2021
(10)	Others	Each of the Items above shall be subject to the effectiveness of the securities registration statement filed under the Financial Instruments and Exchange Act.

End