

November 18, 2021

Company name: MEDLEY, INC.  
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**Notice Regarding Partial Succession of Business from Wholly-owned Subsidiary (MEDiPASS Co., Ltd.)  
Through Company Split (Simplified Split)**

MEDLEY, INC. (the “Company”) hereby announces that the Company resolved at its Board of Directors Meeting held on November 18, 2021 that, effective on January 1, 2022 (scheduled), the Company will succeed the “MEDiPASS Academy” and “Goika no Kaigo” businesses (the “Businesses”) operated by MEDiPASS Co., Ltd. (“MEDiPASS”), a wholly owned subsidiary of the Company, by way of company split (the “Company Split”), and that the Company has entered into an agreement (“the Agreement”) related to the Company Split. As the Company Split is a simplified absorption-type split in which the wholly owned subsidiary transfers parts of its businesses to the Company, certain disclosure items and details have been omitted in this announcement.

1. Purpose of the Company Split

As announced on February 12, 2021 (“Notice Regarding Acquisition of MEDiPASS Co., Ltd”), the Company acquired all outstanding shares of MEDiPASS, converting it to a wholly owned subsidiary and the two companies have promoted initiatives together to maximize synergistic benefits. Both companies have decided to execute the Company Split to aggregate management resources through the Company’s succession of the Businesses, in which considerable synergistic benefits are expected, aiming to enable more flexible and dynamic development of the Company’s businesses.

2. Summary of the Company Split

1) Schedule of the Company Split

(1) Date of resolution by the Board of Directors	November 18, 2021
(2) Signing date of the Agreement	November 18, 2021
(3) Effective date (scheduled)	January 1, 2022 (scheduled)

Note: The Company Split is a simplified absorption-type company split defined in Article 796, Paragraph 2 of the Companies Act with respect to the Company as the successor company, and a summary absorption-type company split prescribed under Article 784, Paragraph 1 of the Companies Act with respect to MEDiPASS as the splitting company. Therefore, neither the Company nor MEDiPASS will hold a general meeting of shareholders for approval of the Agreement.

2) Method of the Company Split

This will be an absorption-type split wherein the Company will be the successor company and MEDiPASS, a

wholly owned subsidiary of the Company, will be the splitting company.

3) Details of allotments related to the Company Split

No allotment of shares or other delivery of consideration will be made under the Company Split.

4) Handling of stock acquisition rights and bonds with stock acquisition rights associated with the Company Split

Not applicable.

5) Capital increase/decrease due to the Company Split

There will be no increase or decrease in the capital of the Company due to the Company Split.

6) Rights and obligations assumed by the successor company

Through the Company Split, the Company will succeed assets, liabilities, agreements and other rights and obligations related to the Businesses as stipulated in the Agreement.

7) Prospect of fulfillment of obligations

The Company believes that there are no issues with the prospect of fulfillment of obligations to be performed by the Company and MEDiPASS on or after the effective date of the Company Split.

3. Overview of the companies involved in the Company Split

	Splitting company (as of March 31, 2021)	Successor company (as of September 30, 2021)
(1) Company name	MEDiPASS Co., Ltd.	MEDLEY, INC.
(2) Head office	2-29-5 Nishi-Gotanda, Shinagawa-ku, Tokyo	3-2-1 Roppongi, Minato-ku, Tokyo
(3) Name and title of representative	Hiroshi Oda, Representative Director and CEO	Kohei Takiguchi, President and CEO
(4) Description of business	Operation of online video nursing care training service “MEDiPASS Academy,” online introduction service for paid senior living facilities “Goika no Kaigo,” business management support for home healthcare and nursing care providers, etc.	Recruitment Platform Business Medical Platform Business
(5) Capital	100 million yen	6,664 million yen
(6) Date of establishment	September 1, 2008	June 5, 2009
(7) Number of shares issued	320,000	32,177,900
(8) Fiscal year end	December 31 (Note 1)	December 31
(9) Major shareholders and their holding ratios (Note	MEDLEY, INC. 100.00%	Kohei Takiguchi 18.54%
		Goichiro Toyoda 10.75%

2)		CREDIT SUISSE (LUXEMBOURG) S.A. / CUSTOMER ASSETS. FUNDS UCITS (standing proxy: MUFG Bank, Ltd.)	6.84%
		NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT (standing proxy: HSBC Tokyo Branch)	3.62%
		Custody Bank of Japan, Ltd. (securities investment trust account)	3.09%
		NTT DOCOMO INC.	2.90%
		MSIP CLIENT SECURITIES (standing proxy: Morgan Stanley MUFG Securities Co., Ltd.)	2.34%
		THE BANK OF NEW YORK, NON-TREATY JASDEC ACCOUNT (standing proxy: MUFG Bank, Ltd.)	2.02%
		BBH FOR UMB BANK, NATIONAL ASSOCIATION- OBERWEIS INT OPP INSTITUTION FD (standing proxy: MUFG Bank Ltd.)	1.98%
		One Globe Capital Co., Ltd.	1.37%
(10) Operating results and financial position in previous fiscal year (JPY)			
	Net assets	419 million	9,717 million
	Total assets	592 million	15,519 million
	Net assets per share	1,309.77	314.53
	Net sales	1,113 million	6,830 million
	Operating profit	81 million	396 million
	Ordinary profit	82 million	422 million
	Net profit	3 million	455 million
	Net profit per share	12.20	15.69

Note 1: Fiscal year end has been changed in the general meeting of shareholders held on June 28, 2021.

Note 2: (9) Major shareholders and their holding ratios of the successor company (the Company) are based on data as of June 30, 2021.

#### 4. Overview of the businesses to be split and succeeded

##### 1) Businesses to be split

“MEDiPASS Academy” and “Goika no Kaigo” businesses

##### 2) Business results of the businesses to be split

As the Company Split will be conducted by the Company and its wholly owned subsidiary, the business results of the businesses to be split shall not be disclosed.

##### 3) Items and amounts of assets and liabilities to be split (as of October 31, 2021)

Assets		Liabilities	
Item	Book value (JPY)	Item	Book value (JPY)
Current assets	-	Current liabilities	11 million
Non-current assets	55 million	Non-current liabilities	-
Total	55 million	Total	11 million

Note: The above amounts are calculated based on the balance sheet as of October 31, 2021. The actual value to be split will be determined by factoring in changes in the above amounts as of the effective date of the Company Split.

#### 5. Status after the Company Split

Following the Company Split, there will be no change to the company name, head office location, representative positions and names, business details, capital, or fiscal year of the Company.

#### 6. Forecasts

As the Company Split will be conducted by the Company and its wholly owned subsidiary, it will have no material impact on the Company’s consolidated financial results.