

December 19, 2022

Company name: MEDLEY, INC.
Representative: Kohei Takiguchi
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(TSE Prime Market Code No.4480)
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Notice Regarding Merger (Simplified and Short-form Merger)
with Wholly Owned Subsidiary (Tenxia Co., Ltd.)

MEDLEY, INC. (“the Company”) hereby announces that the Company resolved at its Board of Directors held on December 19, 2022 that the Company will conduct an absorption-type merger with wholly owned subsidiary Tenxia Co., Ltd. (“Tenxia”) (the “Merger”) and has entered into a merger agreement (the “Merger Agreement”) with respect to the Merger.

As the Merger is a simplified and short-form merger between the Company and its wholly owned subsidiary, certain disclosure items and details have been omitted in this announcement.

1. Purpose of the Merger

As announced on September 20, 2022 (“Notice Regarding Acquisition of Tenxia Co., Ltd.”), the Company acquired all outstanding shares of Tenxia, converting it to a wholly owned subsidiary. By adding “ShigoTalk”, a group of anonymous online communities provided by Tenxia that cater to specific occupations in the medical healthcare field, to the Company’s product lineup, the Company has access to medical and healthcare professionals on a daily basis and thereby creating services that can support the work of a wider range of healthcare professionals. The Merger was conducted to consolidate management resources and enable the Company and Tenxia to conduct more flexible business development.

2. Summary of the Merger

1) Schedule of the Merger

(1) Date of resolution by the Board of Directors	December 19, 2022
(2) Signing date of the Merger Agreement	December 19, 2022
(3) Effective date	February 1, 2023 (scheduled)

Note: Since the Merger is a simplified merger conducted by the Company in accordance with Article 796, Paragraph 2 of the Companies Act and a short-form merger as stipulated in Article 784, Paragraph 1 of the Companies Act for Tenxia, neither the Company nor Tenxia will hold a general meeting of shareholders to approve the Merger Agreement.

2) Method of the Merger

Tenxia will be dissolved through an absorption-type merger and the Company will be the surviving company.

3) Details of allotments related to the Merger

Because Tenxia is a wholly owned subsidiary of the Company, there are no allotments of shares or consideration related to the Merger.

4) Handling of stock acquisition rights and bonds with stock acquisition rights with the Merger

Not applicable.

3. Overview of the companies involved in the Merger

	Merging company (as of September 30, 2022)	Absorbed company (as of May 31, 2022)
(1) Company name	MEDLEY, INC.	Tenxia Co., Ltd.
(2) Head office	6 Chome-10-1, Roppongi, Minato-ku, Tokyo	2 Chome-15-10, Hongo, Bunkyo-ku, Tokyo
(3) Name and title of representative	Kohei Takiguchi, President and CEO	Masashi Okabe, Representative Director and CEO
(4) Description of business	HR Platform Business Medical Platform Business	Planning and development of SNS and HR-related services
(5) Capital	29 million yen	47 million yen
(6) Date of establishment	June 5, 2009	July 27, 2018
(7) Number of shares issued	32,659,300	143,805
(8) Fiscal year end	December 31	May 31
(9) Major shareholders and their holding ratios (Note)	<div>Kohei Takiguchi 18.70%</div> <div>Goichiro Toyoda 10.79%</div> <div>Custody Bank of Japan, Ltd. 8.38%</div> <div>(securities investment trust account)</div> <div>CREDIT SUISSE (LUXEMBOURG) S. A. / CUSTOMER ASSETS. FUNDS UCITS 5.46%</div> <div>(standing proxy: MUFG Bank, Ltd.)</div> <div>NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT 4.72%</div> <div>(standing proxy: HSBC Tokyo Branch)</div> <div>NTT DOCOMO INC. 2.91%</div> <div>PICTET AND CIE (EUROPE) 2.15%</div>	MEDLEY, INC. 100.00%

	SA,LUXEMBOURG REF: UCITS (standing proxy: MUFG Bank, LTD.) NOMURA PB NOMINEES LIMITED OMNIBUSMARGIN(C ASHPB) (standing proxy: Nomura Securities Co., Ltd.) THE BANK OF NEW YORK, MELLON SA ／NV 10 (standing proxy: MUFG Bank, LTD.) One Globe Capital Co., Ltd.	1.95% 1.56% 1.38%
(10) Operating results and financial position in previous fiscal year (JPY)		
Net assets	14,049 million	52 million
Total assets	20,208 million	67 million
Net assets per share	438.43	365.42
Net sales	10,863 million	96 million
Operating profit	733 million	22 million
Ordinary profit	743 million	22 million
Net profit	563 million	22 million
Net profit per share	17.79	154.86

Note: (9) Major shareholders and their holding ratios of the merging company (the Company) are as of June 30, 2022 and as of September 30, 2022 for the absorbed company (Tenxia).

4. Status after the Merger

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

5. Outlook

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