

February 27, 2023

Company name: MEDLEY, INC.

Representative: Kohei Takiguchi

President and Chief Executive Officer

(TSE Prime Market Code No.4480)

Contact: Ryo Kawahara

Chief Financial Officer

TEL: +81 3-6372-1265

Notice Regarding Disposal of Treasury Shares as Restricted Stock Compensation to  
Executive Officers and Employees

MEDLEY, INC. (the “Company”) announces the disposal of treasury shares as restricted stock (“disposed treasury shares”) which was resolved at the meeting of the Board of Directors held on February 27, 2023.

1. Overview of disposal

(1) Disposal date	April 13, 2023
(2) Class and number of shares to be disposed	25,900 common shares of the Company
(3) Disposal price	JPY 4,070 per share
(4) Total value of disposal	JPY 105,413,000
(5) Intended allottees	11 executive officers of the Company: 16,900 shares 21 employees of the Company: 9,000 shares

## 2. Purposes of and Reasons for disposal

In order to provide employees of the Group with incentive to sustainably increase the Group's corporate value and more closely align their interests with those of the Company's shareholders, the Board of Directors resolved to grant monetary remuneration rights in a total amount of JYP105,413,000 and consequently 25,900 of the Company's common shares (hereinafter, the "allocated shares") to 11 executive officers of the Company and 21 employees of the Company (hereinafter, the "eligible allottees").

The eligible allottees will receive the disposed treasury shares to be disposed by the Company as payment-in-kind for all monetary remuneration rights granted by the Company. Furthermore, upon the disposal of treasury shares, the Company and the eligible allottees will execute a restricted share allocation agreement as described below.

The allocated shares will be allocated only to those eligible employees who wish to subscribe to them.

### <Overview of the restricted share allocation agreement>

#### (1) Transfer restriction period

The eligible allottees shall not transfer, create security interest on, or otherwise dispose of (1) a portion of the allocated shares equal to one half of the number of allocated shares (less-than-one-unit shares shall be rounded down, hereinafter "portion A") during the period from April 13, 2023 (the payment date) until April 13, 2024 and (2) the portion of the allocated shares not including portion A (hereinafter "portion B") during the period from April 13, 2023 (the payment date) until April 13, 2025. (hereinafter, the period during which transfers etc. are restricted is called "transfer restriction period".)

#### (2) Conditions for cancelling transfer restriction

- ① On the condition that an eligible allottee continuously serves the position as director, auditor, executive officer, or employee of the Company or one of its subsidiaries during the transfer restriction period for portion A, the Company will cancel the transfer restriction regarding all shares of portion A at the time of expiration of the transfer restriction period.
- ② On the condition that an eligible allottee continuously serves the position as director, auditor, executive officer, or employee of the Company or one of its subsidiaries during the

transfer restriction period for portion B, the Company will cancel the transfer restriction regarding all shares of portion B at the time of expiration of the transfer restriction period. However, the transfer restriction will be released for a portion of portion B of the eligible allottee's allocated shares in cases wherein the eligible allottee's employment period or term of office ends during the relevant transfer restriction period (or in the case of rehiring after fixed age retirement, the end date of the rehiring period) or is no longer a director, auditor, executive officer, or employee of the Company or its subsidiaries due to death or other reasons accepted as valid by the Board of Directors (excluding cases wherein said loss of position occurs before April 1, 2024). This portion will be calculated by, immediately after said loss of position, first subtracting 12 from the number of months from the month that contains the payment date to the month that contains the date when the loss of position occurs, then dividing this number by 12, and then multiplying this number by the number of portion B shares allocated to the eligible allottee (however, if any fractional share arises as a result of the calculation, this will be rounded down).

### (3) Acquisition of allocated shares by the Company without compensation

The Company will, as a matter of course, acquire the allocated shares with no compensation in cases where the transfer restriction has not been released when the transfer restriction period for portion A or portion B ends and in cases where, during the transfer restriction period, immediately after the eligible employee loses their position as a director, auditor, executive officer, or employee of the Company or its subsidiaries.

### (4) Management of shares

To ensure that the allocated shares cannot be transferred, created any security interest on, or otherwise disposed of during the transfer restriction period, they shall be managed in a dedicated account for the allocated shares opened with Daiwa Securities Co. Ltd. by the eligible allottees during the transfer restriction period.

### (5) Provision for cases wherein the Company undergoes reorganization

If, during the transfer restriction period, a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary of another company, or any other matter

concerning reorganization is approved by the Company's General Shareholders' Meeting (or by the Company's Board of Directors if the approval of the General Shareholders' Meeting is not required (However, this is limited to cases where the effective date of said reorganization comes before the expiration of the transfer restriction period.)), the transfer restrictions for a portion of the eligible allottee's allocated shares will be lifted immediately before the business day prior to the effective date of restructuring by the resolution of the Board of Directors. This portion will be calculated by first dividing the number of months from the month that contains the payment date to the month that contains the date of approval of the company restructuring by 24 and then multiplying this number by the total amount of the allocated shares the eligible allottee held at that time (however, if any fractional share arises as a result of the calculation, this will be rounded down). However, if the timing of immediately before the business day prior to the effective date of restructuring occurs before April 1, 2024, said transfer restrictions will not be lifted.

### 3. Basis for calculating paid-in amount and details thereof

Disposal of treasury shares to intended allottees will be carried out using the monetary remuneration rights granted to them, and in order to ensure that there is no arbitrariness in the valuation, the amount paid per share shall be JPY 4,070, which represents the closing price of common shares in the Company on the Tokyo Stock Exchange on February 24, 2023 (the business day before the date of the resolution of the Board of Directors). This is the market price immediately before the date of the resolution of the Board of Directors and the Company believes that it is a reasonable value that appropriately reflects the value of the Company in a condition free of special circumstances that would indicate that the recent share price is unreliable, and that it does not constitute any special benefit for eligible allottees.