

July 20, 2023

[To whom it may concern]

Company name: MEDLEY, INC.  
Representative: Kohei Takiguchi  
President and Chief Executive Officer  
(TSE Prime Market Code No.4480)  
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**Notice Regarding Acquisition of shares (conversion into subsidiary) of GCM Co.,Ltd.**

MEDLEY, INC. (the “Company”) hereby announces that the Company resolved at the Board of Directors Meeting held on July 20, 2023 to acquire all outstanding shares of GCM Co.,Ltd. and to make it a subsidiary (hereinafter referred to as “the acquisition”).

Although the acquisition is not covered by standards for timely disclosure, we have determined that it is useful information and are voluntarily disclosing it.

**1. Purpose of acquisition of shares**

Under its mission of “Creating the Future of Medical/Healthcare”, the Company has developed businesses in the medical and healthcare industries to meet the demand of society. It aims to promote digital transformation in these industries by utilizing technologies such as the Internet to create medical services that satisfy both patients and medical professionals. In the HR PF Business, the Company operates JobMedley and JobMedley Academy to fully support medical welfare providers’ ability to provide a satisfactory service. In the Medical PF Business, the Company operates CLINICS, Pharms, Dentis, MALL, and MEDLEY to enhance the operational efficiency of medical institutions and improve patient access to medical care.

GCM Co.,Ltd. was established in 2013 and operates factoring and other businesses for medical institutions and nursing care facilities. GCM Co.,Ltd.'s factoring business purchases medical fee receivables and nursing care benefit receivables billed to the Social Insurance Medical Fee Payment Fund and the Federation of National Health Insurance Association from medical institutions and nursing care facilities. This service allows clients to shorten the approximately two months it normally takes from the issuance of claims to the collection of funds for these receivables, thereby allowing them to more rapidly meet their funding needs. GCM Co.,Ltd. has built client trust by providing careful and swift customer service.

The acquisition will allow the Company's corporate group to meet a wider range of needs in the medical healthcare field. The Company will leverage its customer base to proactively expand its businesses and achieve synergies via the acquisition.

## 2. Overview of GCM Co.,Ltd.

|    |  |  |                |
|----|--|--|----------------|
| 1) | Name   | GCM Co.,Ltd.                               |                |
| 2) | Address  | 7 chome-3-13, Ginza, Chuo-ku, Tokyo, Japan |                |
| 3) | Name and title of representative   | Yukie Noda, CEO                            |                |
| 4) | Description of business  | Factoring businesses and other business    |                |
| 5) | Capital  | 50 million yen (as of September 30, 2022)  |                |
| 6) | Date of establishment  | April 2, 2013                              |                |
| 7) | Major shareholders and their shareholding ratio                                      | One individual: 100%*1                     |                |
| 8) | Relationship between the Company and GCM Co.,Ltd.                                    | Capital relationship                       | Not applicable |
|    |  | Personnel relationship                     | Not applicable |
|    |  | Business relationship                      | Not applicable |
| 9) | Operating results and financial position of GCM Co.,Ltd. over the past 3 years (JPY) |  |                |
|    | Fiscal Year End  | September 2020                             | September 2021 |
|    | Net assets   | 60 million                                 | 63 million     |
|    | Total assets   | 772 million                                | 649 million    |
|    | Net assets per share   | 12,127.55                                  | 12,763.12      |
|    | Net sales  | 176 million                                | 130 million    |
|    | Operating profit   | 36 million                                 | 30 million     |
|    | Ordinary profit  | 5 million                                  | 4 million      |
|    | Net profit   | 3 million                                  | 3 million      |
|    | Net profit per share   | 632.45                                     | 635.57         |
|    | Dividend per share   | —  | —              |

\*1: We have omitted details at the other party's request because the major shareholder is an individual.

## 3. Overview of the sellers of the shares

|    |   |                    |
|----|---|--------------------|
| 1) | Name  | One individual: *1 |
| 2) | Address   | — *1               |
| 3) | Relationship between the Company and the seller | Not applicable     |

\*1: We have omitted the name and address at the other party's request because the major shareholder is an individual.

## 4. Number of shares to be acquired, acquisition costs, and number of shares held before and after the acquisition

|    |   |   |
|----|---|---|
| 1) | Number of shares held before the change | 0 shares<br>(Number of voting rights: 0 rights)<br>(Percentage of voting rights: 0.0) |
| 2) | Number of shares to be                  | 5,000 shares  |

|   |  |
|---|--|
| acquired                                  | (Number of voting rights: 5,000 rights)  |
| 3) Acquisition costs                      | We have omitted the cost of acquisition of the shares at the other party's request because the major shareholder is an individual. Regarding the determination of the cost of acquisition, the Company decided to acquire the shares for an amount considered fair and reasonable, taking into consideration the results of due diligence by multiple outside experts and third-party evaluation of the value of the shares. |
| 4) Number of shares held after the change | 5,000 shares<br>(Number of voting rights: 5,000 rights)<br>(Percentage of voting rights: 100.0%)   |

#### 5. Schedule

|    |  |                               |
|----|--|-------------------------------|
| 1) | Date of resolution by the Board of Directors | July 20, 2023                 |
| 2) | Signing date of share purchase agreement     | July 31, 2023 (scheduled)     |
| 3) | Closing date of share purchase               | September 1, 2023 (scheduled) |

#### 6. Outlook

The consolidation of GCM Co.,Ltd.'s financial results will start from the third quarter of the fiscal year ending December 31, 2023 (September of FY2023 only). The acquisition is not expected to have a significant impact on the Company's consolidated financial results for the fiscal year ending December 31, 2023, but we will make a timely disclosure if material impact is expected.