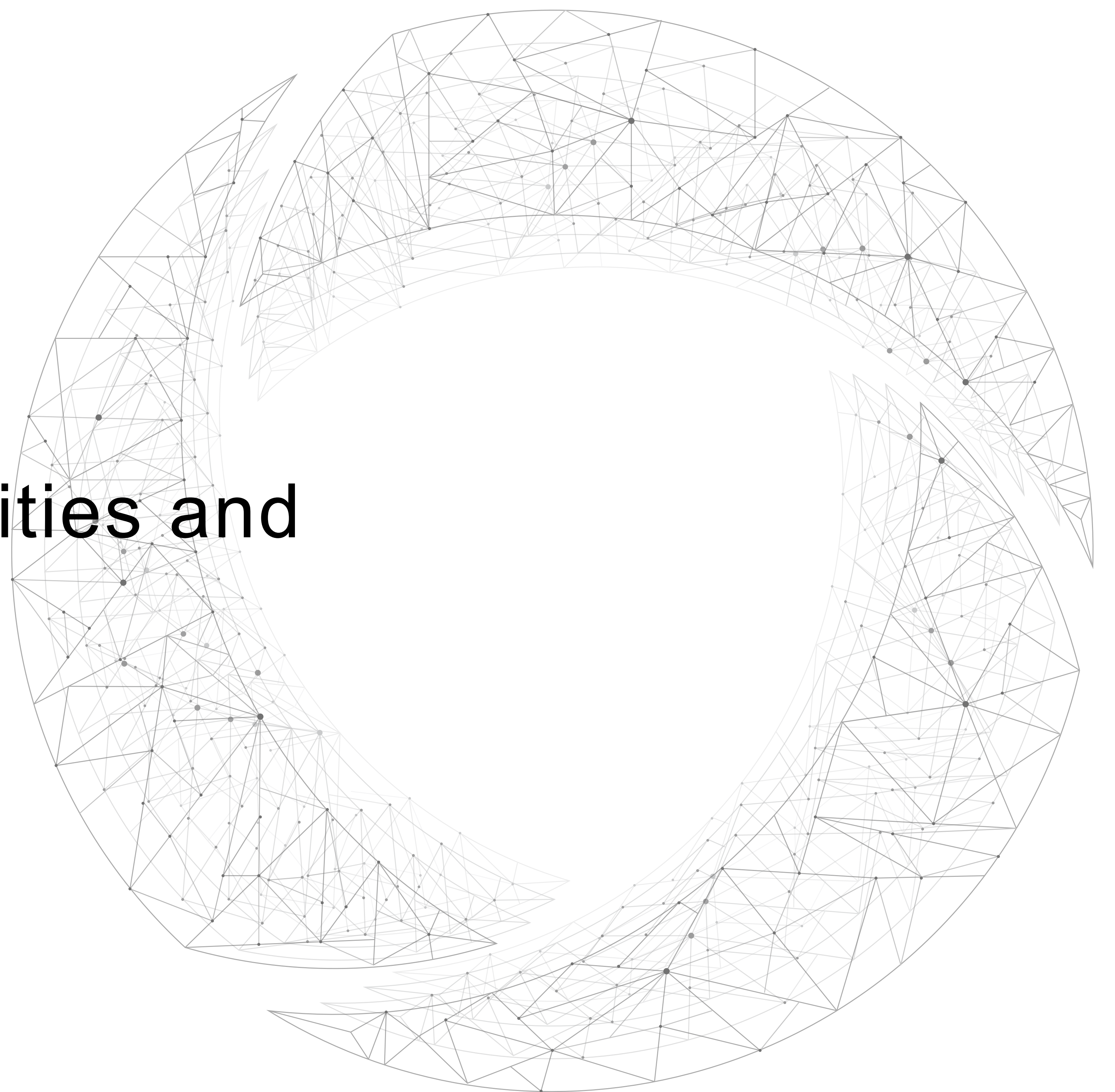




Our Growth Opportunities and Strategies

December 2019



Handling of this material

This material includes forward-looking statements. These forward-looking statements were created based on the information available at the time they were created. They do not guarantee our future results and involve certain risks and uncertainties. Please note that actual results may differ materially from those discussed in the forward-looking statements due to changes in environments surrounding Medley or any other factors.

The factors which may affect actual results include but not limited to: Japanese and global economic conditions, conditions of markets in which Medley operates.

Medley is not obligated to update or revise any contents of the forward-looking statements within this material, even in cases such as where new information becomes available or future events take place.

Information within this material on other topics besides Medley is quoted from published information and other sources. As such, the accuracy, appropriateness, etc. of such information has not been verified, nor are any guarantees provided thereof.

1. Company Overview
2. Financial Highlights
3. Business Overview
4. Growth Strategy

Company Overview



Corporate Name	Medley, Inc.
Headquarters	Sumitomo Fudosan Roppongi Grand Tower 22F 3-2-1 Roppongi, Minato-ku, Tokyo
Established	June 5, 2009
Business	Recruitment Platform Business Medical Platform Business
Management	Kohei Takiguchi (Founder and CEO) Goichiro Toyoda (Representative Director, Doctor)
No. of employees	357 (as of September 2019)
Business Locations	Tokyo, Shimane (NaCI Medical, Inc.)
Awards	Nov. 2019 : Forbes JAPAN - Japan Entrepreneur Ranking “3rd place” Nov. 2019 : ASPIC IoT/AI/Cloud Award 2019 “Best Social Contribution” Jan. 2019 : Nikkei Superior Product / Service Award 2018 Feb. 2018 : Nikkei Digital Health - No.1 for “Venture Companies Chosen by Venture Companies”

Representative Directors



Representative Director (Medical Doctor)

Goichiro Toyoda

He was appointed co-representative of Medley in February 2015. He took the lead in launching the Medical Encyclopedia MEDLEY and engaged in educational activities aimed at disseminating correct telemedicine. Currently, he is in charge of the business collaboration promotion department. Prior to joining Medley, he worked as a physician at Seirei Hamamatsu General Hospital and NTT Medical Center Tokyo; conducted brain research at Children's Hospital of Michigan; and worked at McKinsey & Company. He graduated from the University of Tokyo Faculty of Medicine. He also published the book, "Working to Create Our Future."

President and Chief Executive Officer

Kohei Takiguchi

He established Medley to heighten awareness of medical issues from personal medical experiences. As the CEO of Medley, he oversees the CEO's administrative office responsible for M&A and new business development, and the internal audit department. Prior to establishing Medley, at the age of 17, he established Gemeinschaft, Inc., a U.S. corporation, and became involved in domestic and overseas marketing and statistical research.

Experienced Management Team

Director and CTO Sosuke Hirayama

He was appointed director of Medley in January 2016. He leads the medical platform system and is currently in charge of product development as CTO. Prior to joining Medley, he worked for Hitachi Software Engineering, Co., Ltd. and Gree, Inc., as well as working as CTO with Livesense, Inc. He has been selected to lead projects that are aimed at creating completely new types of software.

Director and COO Yosuke Ishizaki

He was appointed director of Medley in April 2015. He is driving the growth of the Recruitment Platform System and is currently in charge of the business as COO. Prior to joining Medley, he worked at Hatena Co., Ltd. and worked as director of the media department, as well as president of a subsidiary at GREE, Inc.

Director and Head of Corporate Division Yuta Tamaru

In May 2016, he joined Medley and worked on the development of the telemedicine business as Chief Legal Officer. After that, he was appointed director in January 2018, in charge of overseeing the corporate headquarters. Prior to joining Medley, he worked on M&A, business alliances, and other cross-border company legislations at Paul Hastings LLP and White & Case LLP. He holds attorney qualifications.

Director and CFO Ryo Kawahara

He was appointed director of Medley in July 2016. As CFO, he is engaged in financial activities across Medley, including financial affairs, analysis, and investor relations. Prior to joining Medley, he worked on domestic and overseas finance and M&A advisory business at JPMorgan Securities Japan Co., Ltd.

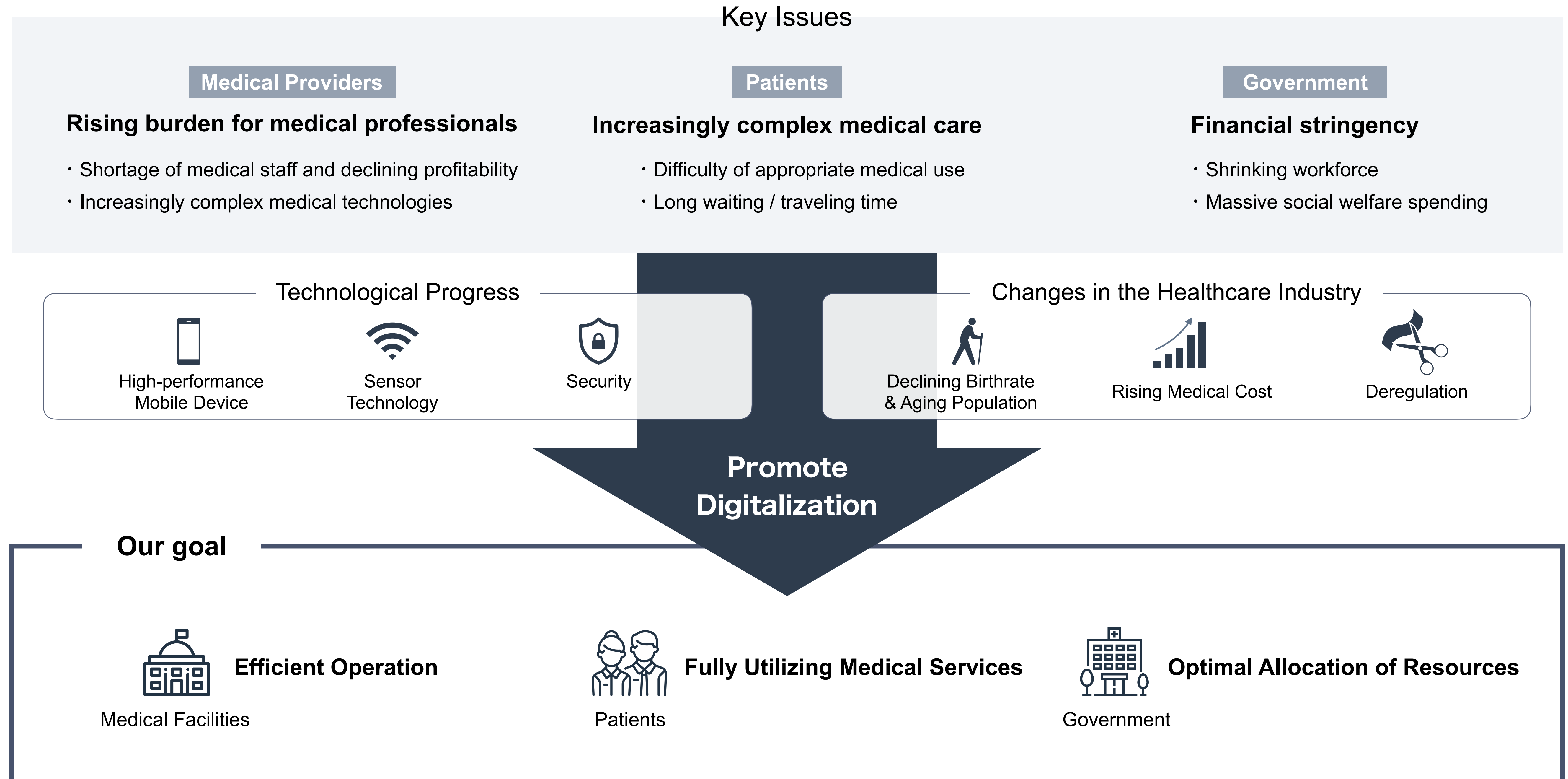
External Director Noboru Kotani

He was appointed outside director of Medley in March 2018. He has an extensive career as a senior vice president at the Boston Consulting Group, as well as a founder and representative director at Dream Incubator Inc. He currently serves as the external director for Combi Corporation, Jins Holdings, Inc., SanBio Co., Ltd., Bilcom Inc, and Innophys Co., Ltd. He holds a Master's degree in Industrial Engineering from Stanford University and graduated from the University of Tokyo Graduate School of Engineering · Faculty of Engineering.

External Director Hidetoshi Takano

He was appointed outside director of Medley since the establishment in June 2009. Prior to joining Medley, he was involved in the start up of the talent referral business at Intelligence, Inc. He is also the founder and representative director of KeyPlayers, Inc. He graduated from the Tohoku University Faculty of Economics.

Inevitable Trend of Digitalization in the Medical / Healthcare Industry



Creating the Future of Medical / Healthcare

Technology is not being fully leveraged in the medical / healthcare industry due to heavy regulations. Our ultimate goal is to solve medical / healthcare issues by leveraging the Internet and information technology.

Recruitment Platform Business

We operate JobMedley, one of Japan's largest recruitment systems in both medical and healthcare fields. Our objective is not only to provide better matching for job seekers and medical providers, but also to resolve the shortage of medical and healthcare personnel by facilitating unemployed but skilled and qualified workers return to work and tackling the issue of uneven service distribution between communities.



Medical Platform Business

Focusing on CLINICS telemedicine, the largest telemedicine system in Japan, allow us to create platforms that can enable both patients and medical institutions to enjoy the benefits of technology. We also aim to provide necessary information to consumers through MEDLEY, a medical information service dedicated to patients.



Financial Highlights

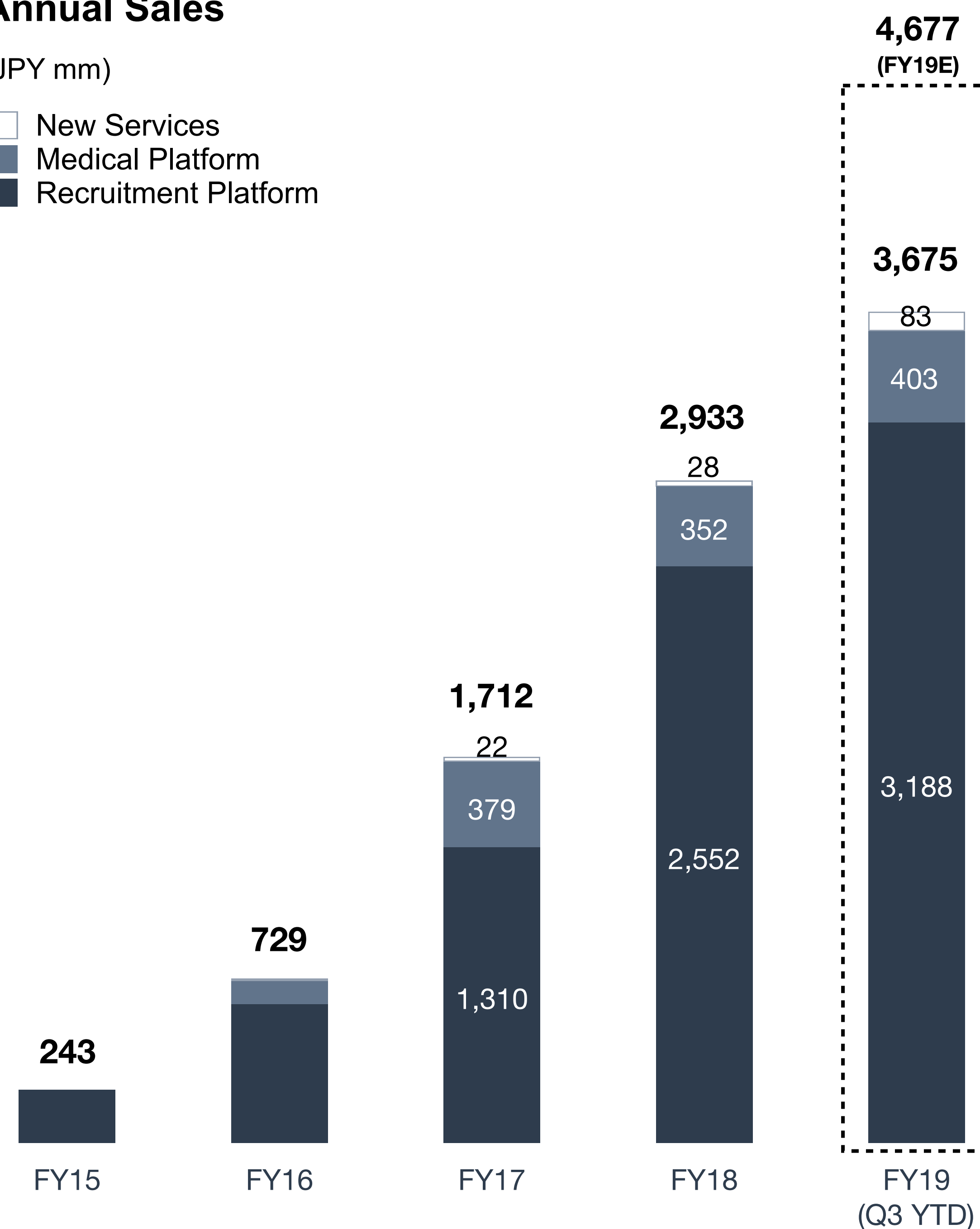
Continue to Achieve High Sales Growth

Our business model has largely progressed over the years, with +129% CAGR in sales growth (FY15-18). Recruit Platform Business tends to surge in the second quarter of the fiscal year due to a Japanese recruiting seasonality to concentrate in April.

Annual Sales

(JPY mm)

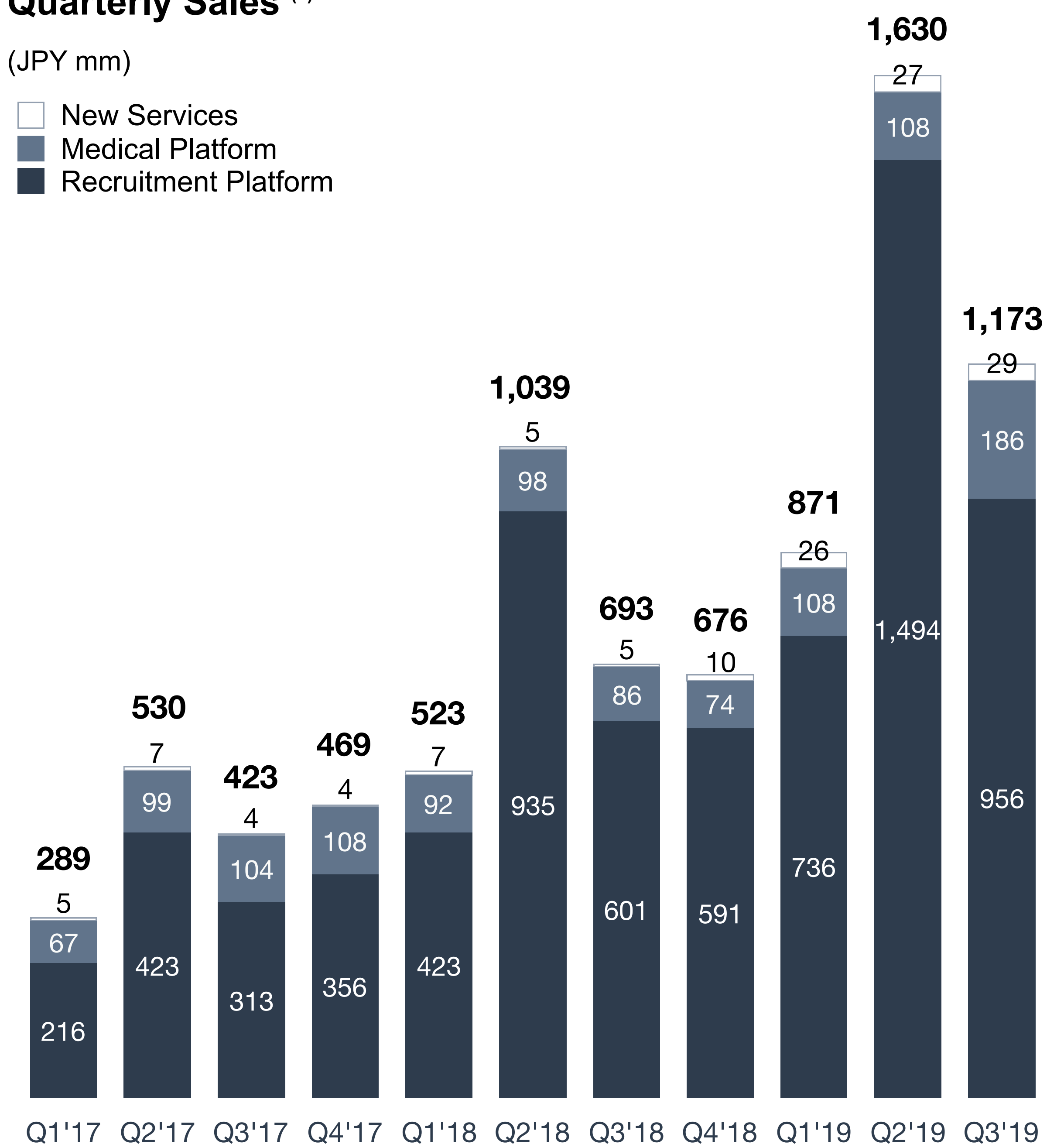
- New Services
- Medical Platform
- Recruitment Platform



Quarterly Sales ⁽¹⁾

(JPY mm)

- New Services
- Medical Platform
- Recruitment Platform



(1) Recruitment Platform Business records its sales based on the hire date of the new employees.

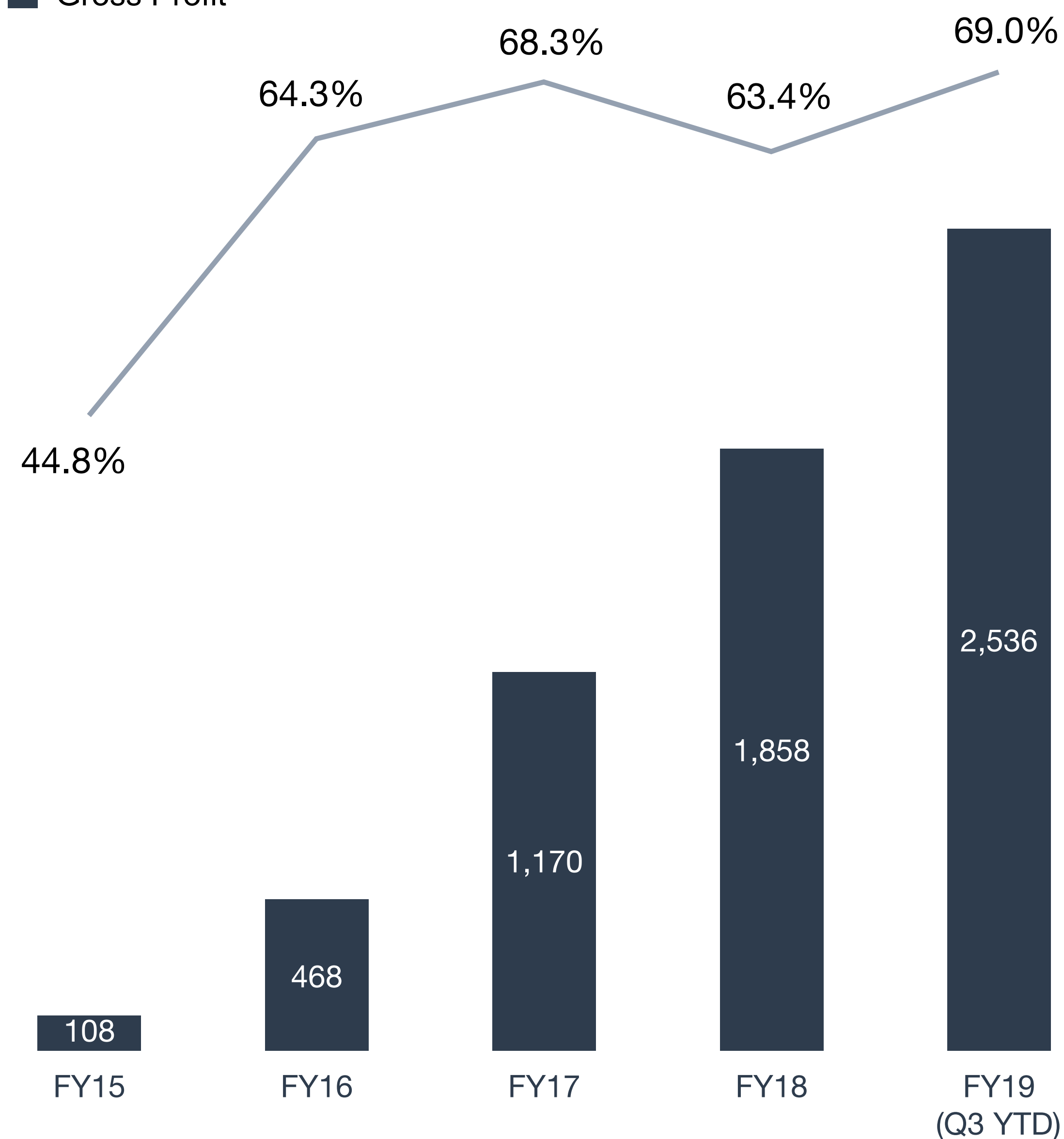
Generating High Gross Profit with Positive Operating Cash Flow

We continue to actively invest for the future growth.

Gross Profit

(JPY mm)

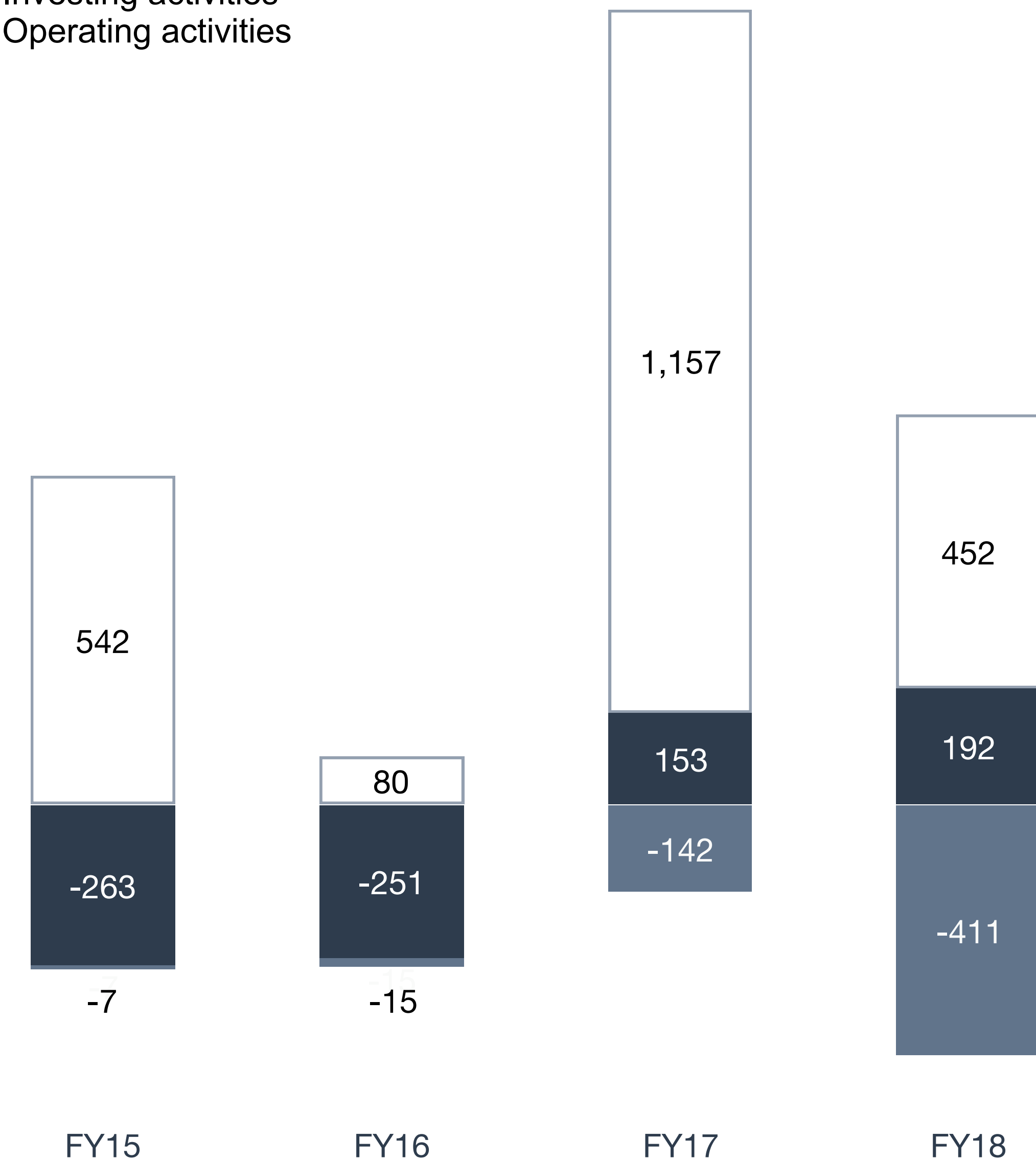
- Gross Margin
- Gross Profit



Cash Flow

(JPY mm)

- Financing activities
- Investing activities
- Operating activities



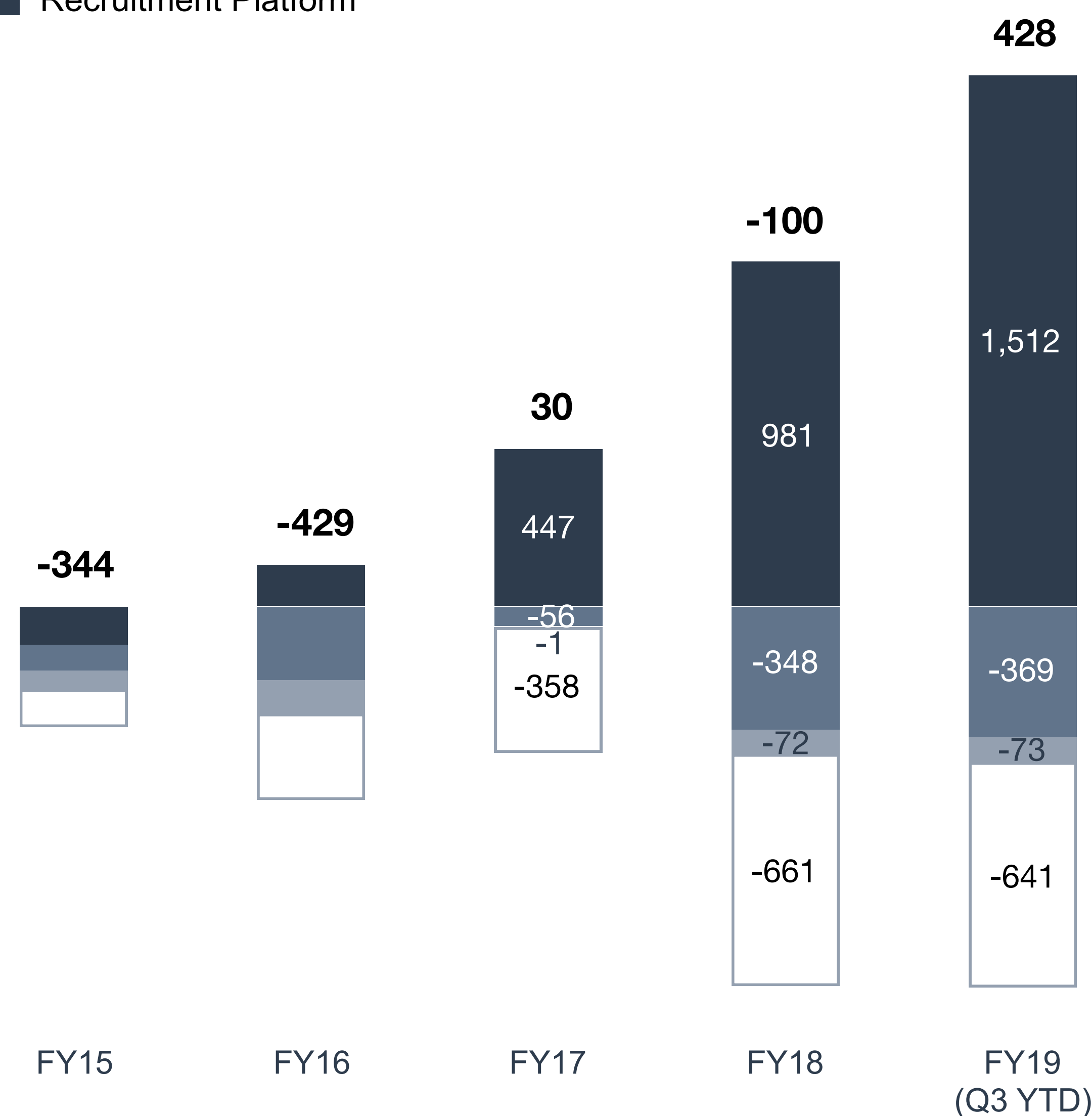
Achieved positive OP through Strong Profit Generation from the Recruitment Platform Business

The Medical Platform business and New Services are under investment.

Annual Operating Profit and Loss

(JPY mm)

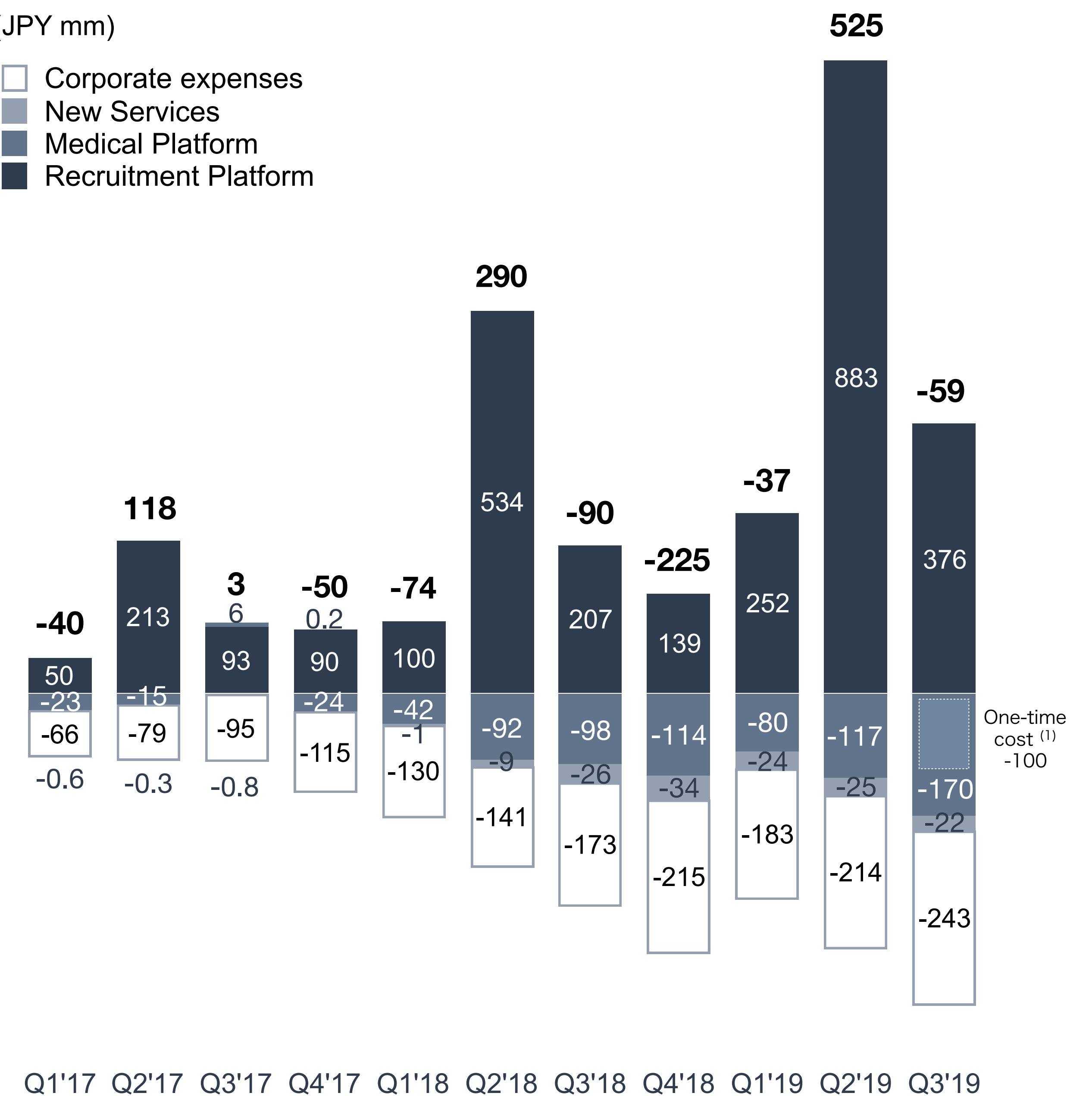
- Corporate expenses
- New Services
- Medical Platform
- Recruitment Platform



Quarterly Operating Profit and Loss

(JPY mm)

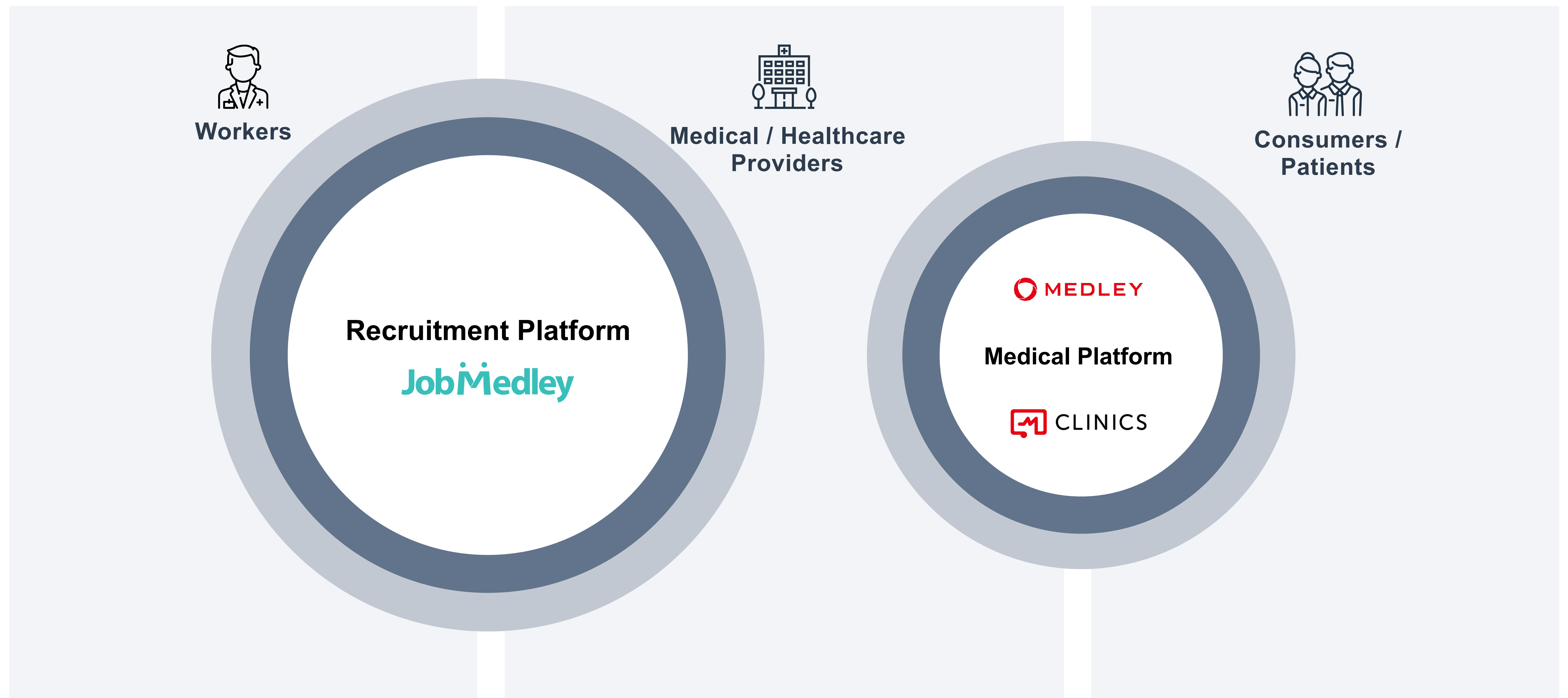
- Corporate expenses
- New Services
- Medical Platform
- Recruitment Platform



(1) One-time cost for acquiring a source code to add a new function to the Medical Platform

Providing SaaS Model Services for Medical / Healthcare Service Providers

We continue to promote digitalization through our SaaS model services for small to mid-sized medical / healthcare providers, which depend on the same decision-makers.

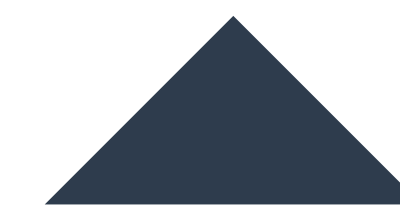


Aim to Maximize Long-term Free Cash Flow

Our management policy is to maximize long-term free cash flow, and aim to maintain a high growth in sales by increasing the value provided to our customers. To achieve this objective, we focus especially on “maximizing the number of customers” and “improving the utilization rate and product lineup for continued ARPU growth”.

**Long-term
Policy**

Maximize Long-term Free Cash Flow



**Mid-term
Policy**

Continue High Sales Growth
(Expand Sources of Free Cash Flow)

Primary KPIs

Continuous Customer Acquisitions

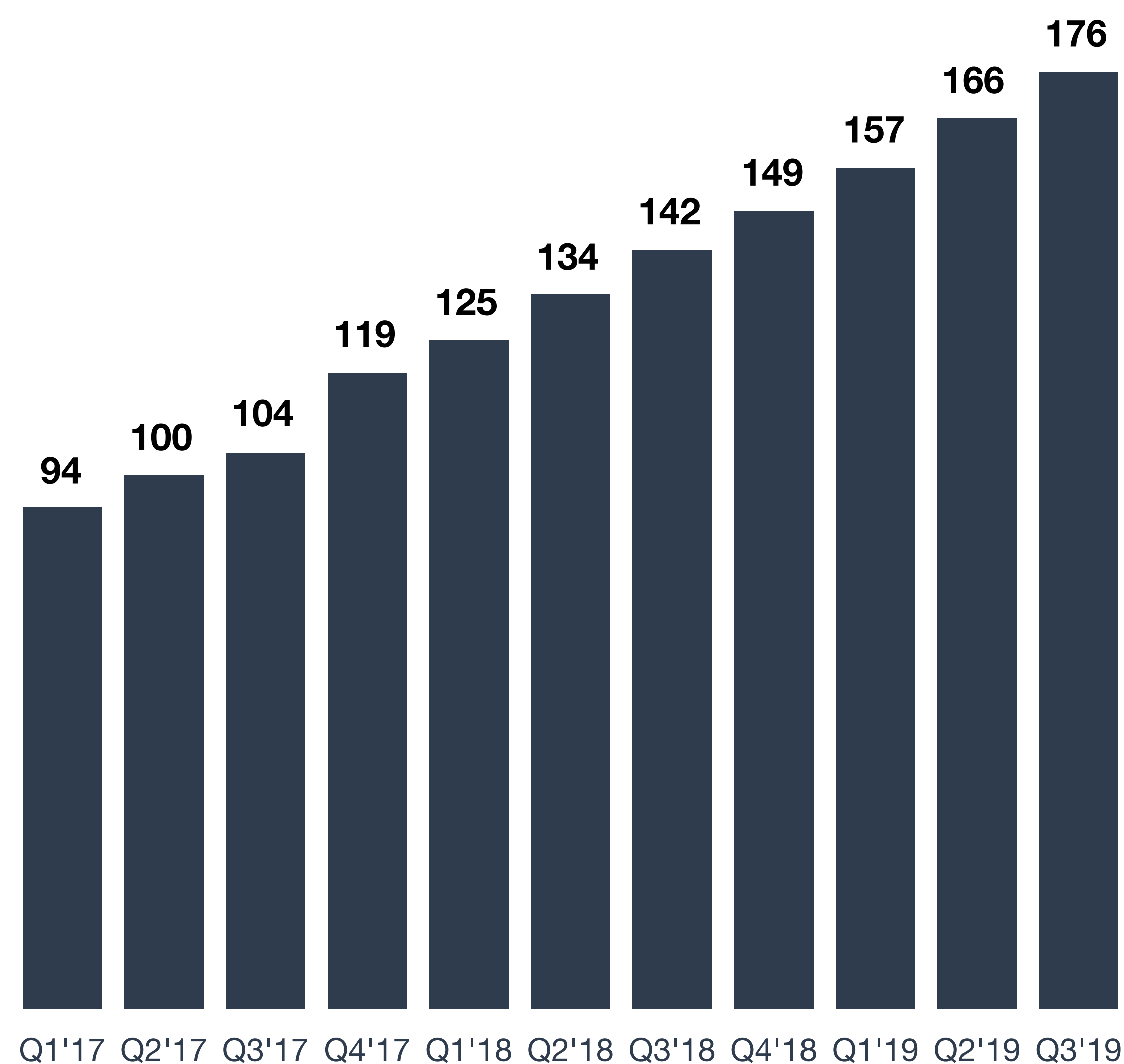


Improving ARPU
(Increase utilization ratio / Expanding product lineup)

Steady Growth in Both Number of Customers and ARPU

Number of Customers⁽¹⁾

(thousands)



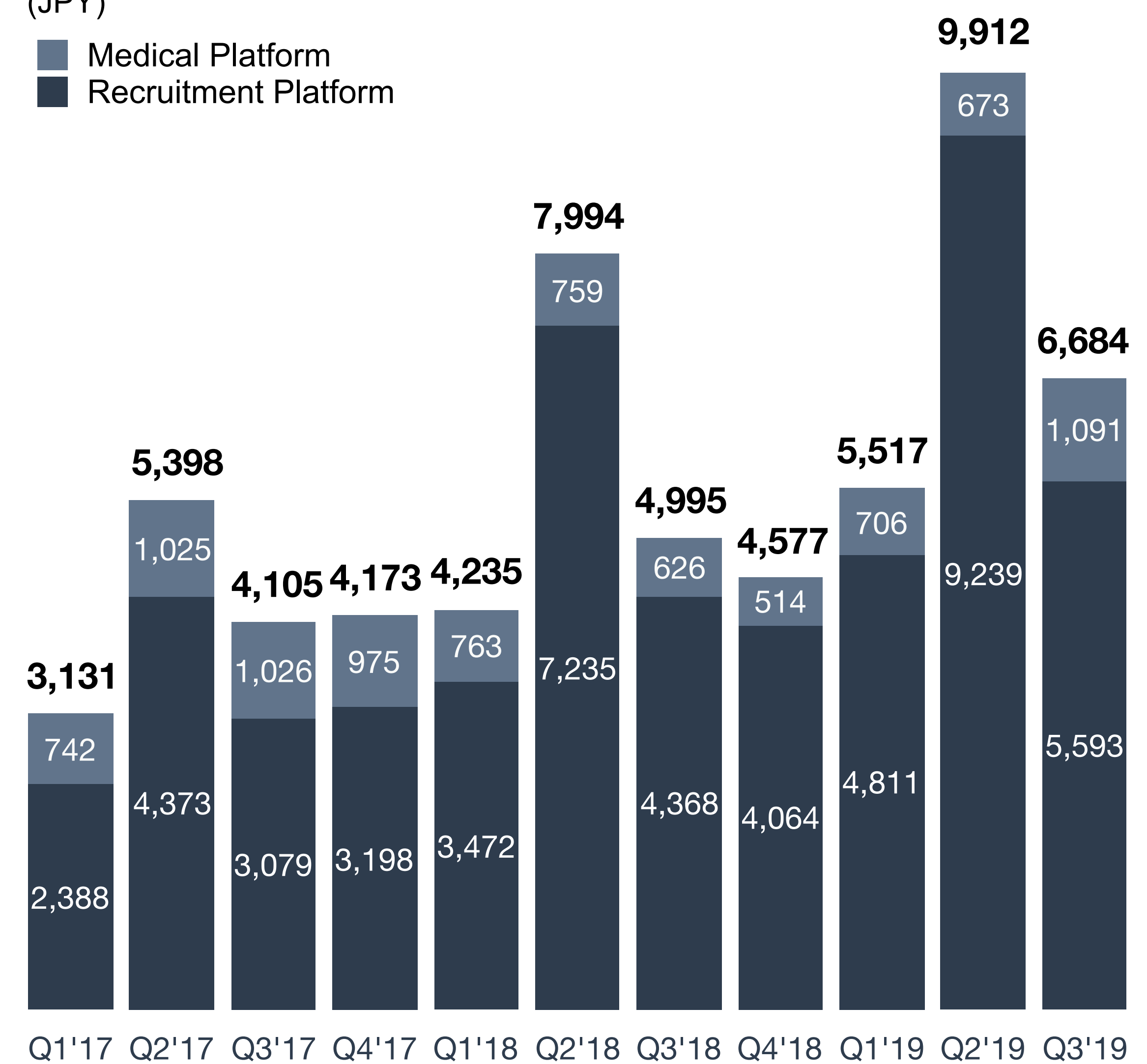
(1) Total number of customer of Recruitment Platform and Medical Platform

ARPU⁽²⁾

(JPY)

■ Medical Platform
■ Recruitment Platform

×



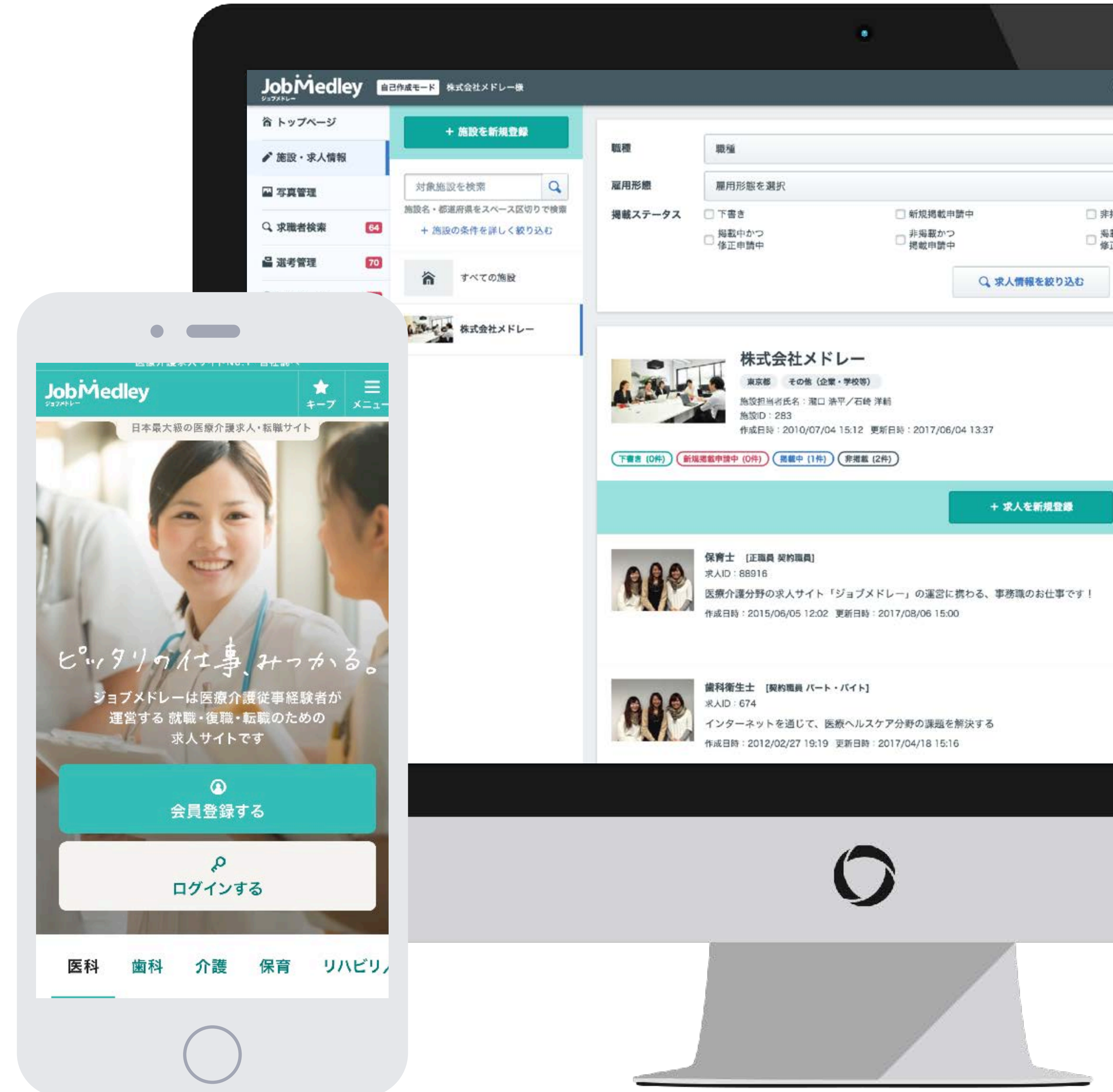
(2) ARPU = Quarterly sales / Total number of both Platform's customers
ARPU for each platform = Quarterly sales of each platform / Total number of customer of Recruitment Platform and Medical Platform

Business Overview

JobMedley

ジョブメドレー

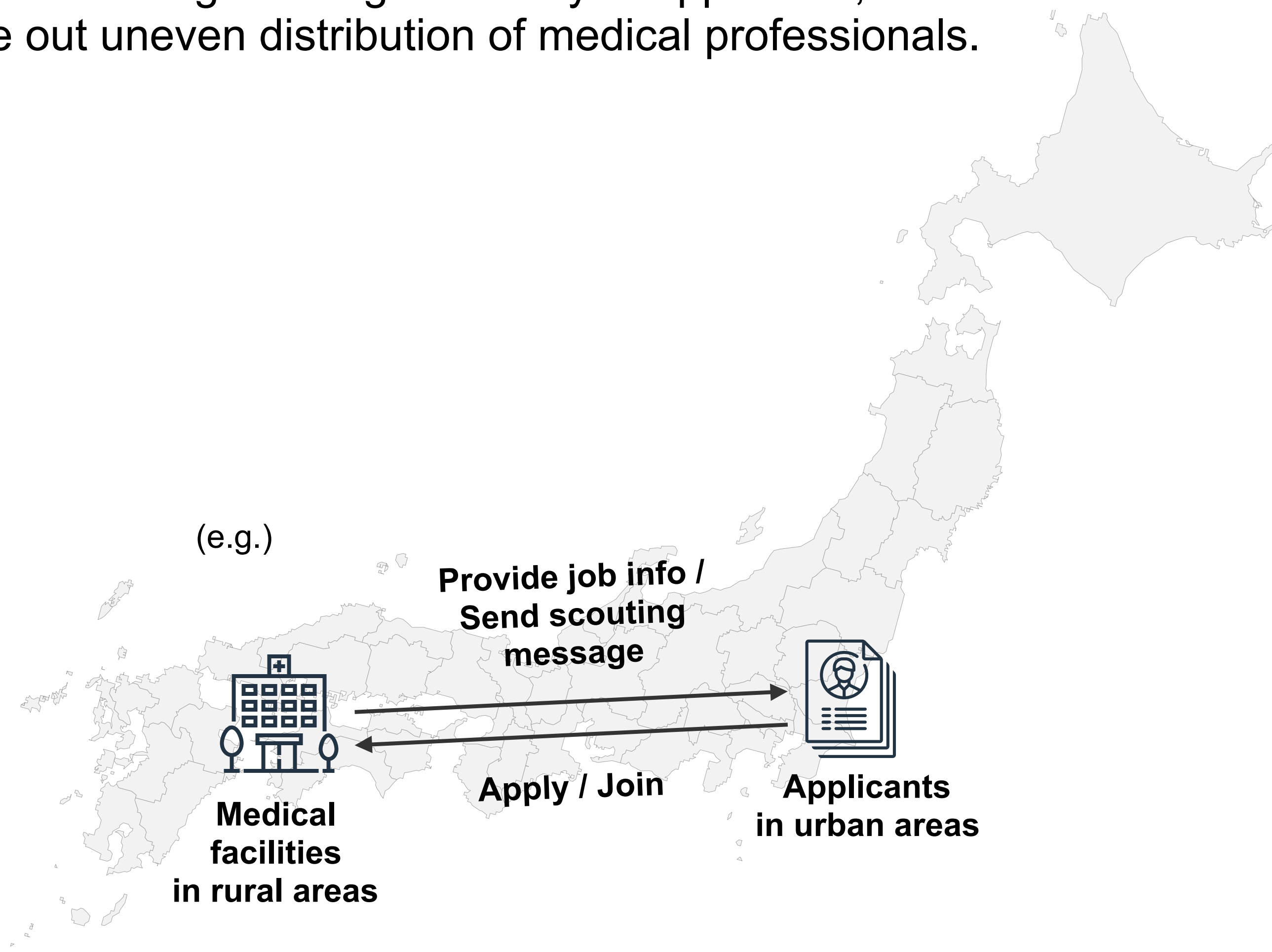
① Recruitment Platform



Low Employment Rate of Qualified Professionals and Uneven Distribution of Medical Professionals

In Japan, demand for medical professionals is increasing due to aging population, shortage and uneven distribution of medical professionals.

We are tackling the challenges of overcoming both critical issues. Our Recruitment Platform contributes to increase the employment rate by handling many part-time jobs. In addition, our Recruitment Platform will enable medical facilities to provide valuable information and send scouting messages directly to applicants, which will balance out uneven distribution of medical professionals.



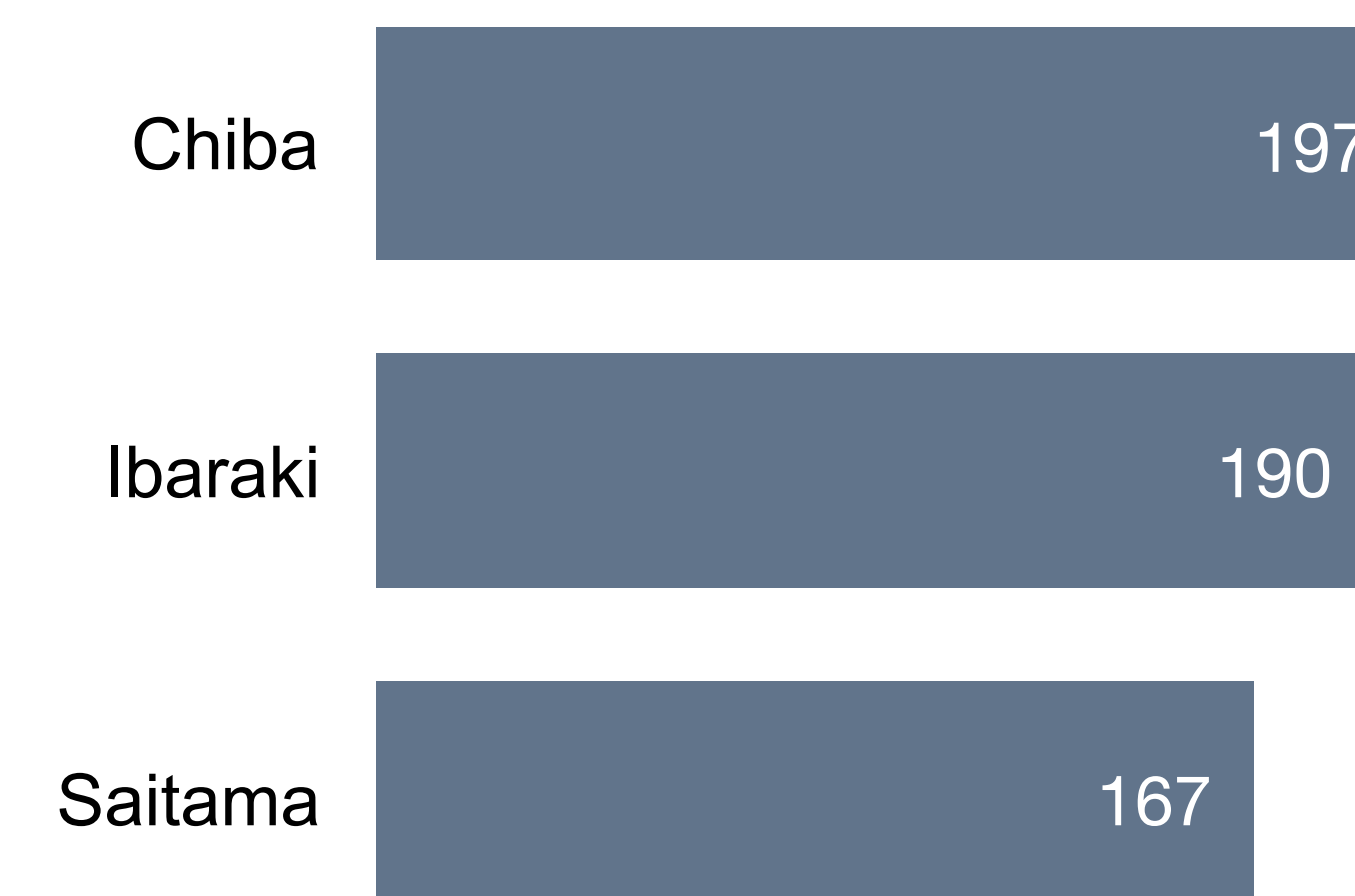
Number of doctors per 100k population⁽¹⁾

Top 3 regions

Average : 252



Bottom 3 regions

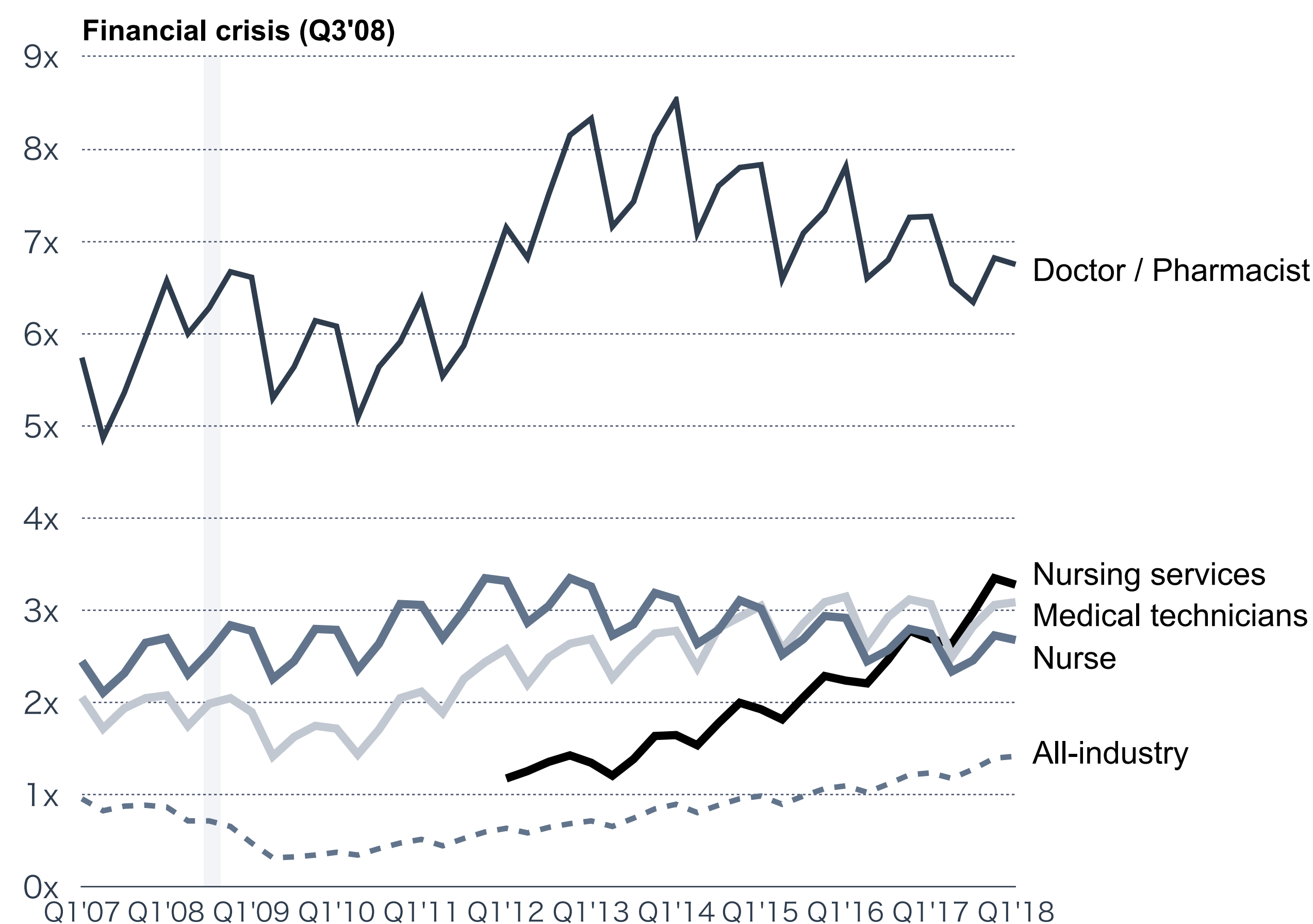


(1) Ministry of Health, Labour and Welfare
Excerpted from upper and lower three prefectures

Medical / Healthcare Industry with Stable and High Demand

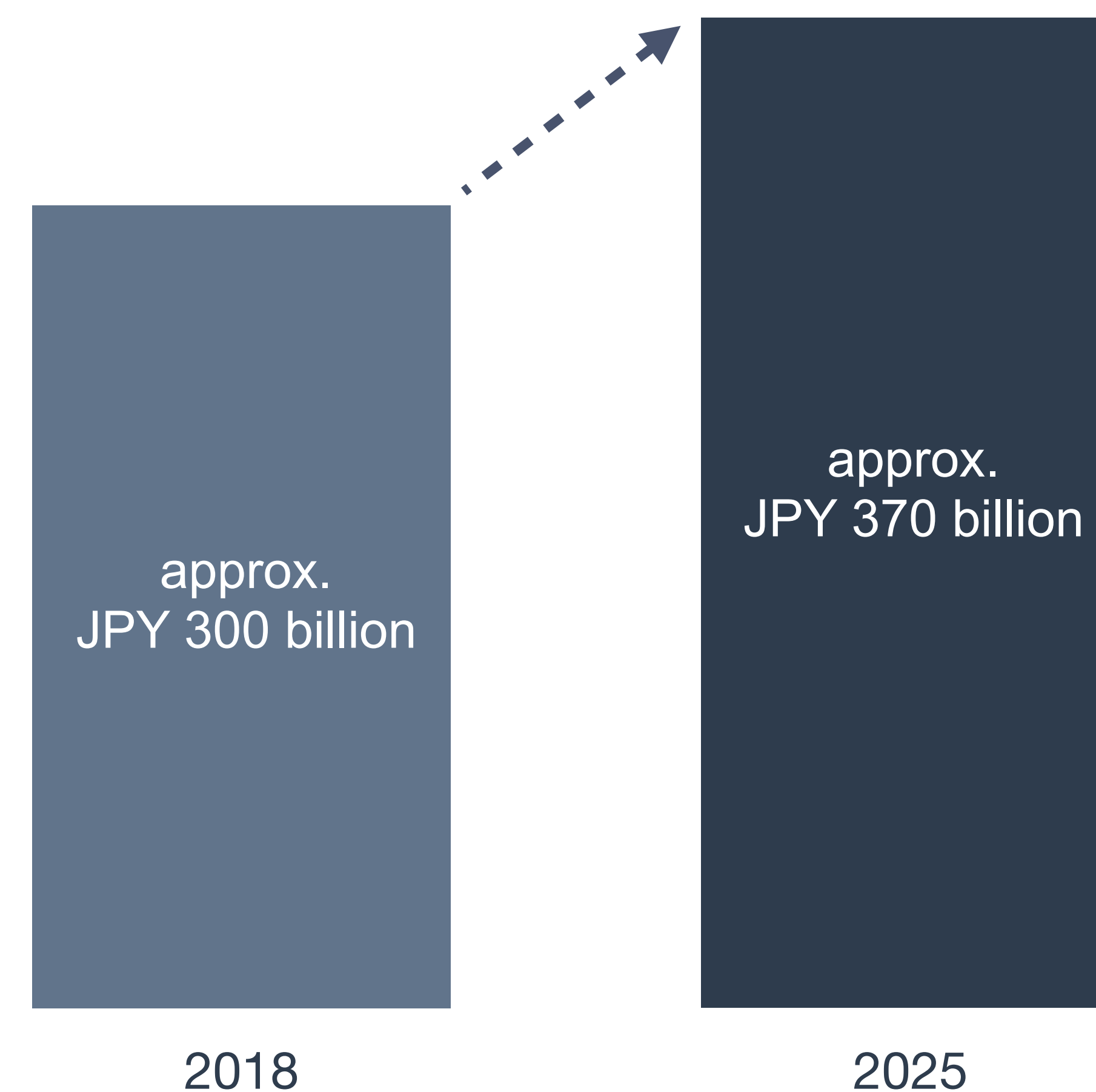
Japanese medical industry has suffered from chronic shortages of workers, with jobs-to-applicant ratio being multiple times higher compared to the industry overall regardless of economic conditions. We estimate the current market size to be approximately JPY 300 billion, and expect the size to reach up to JPY 370 billion in 2025 driven by increasing demand.

Ratios of Job Openings to Job Applicants⁽¹⁾



(1) Ministry of Health, Labor and Welfare statistics, 3-months average

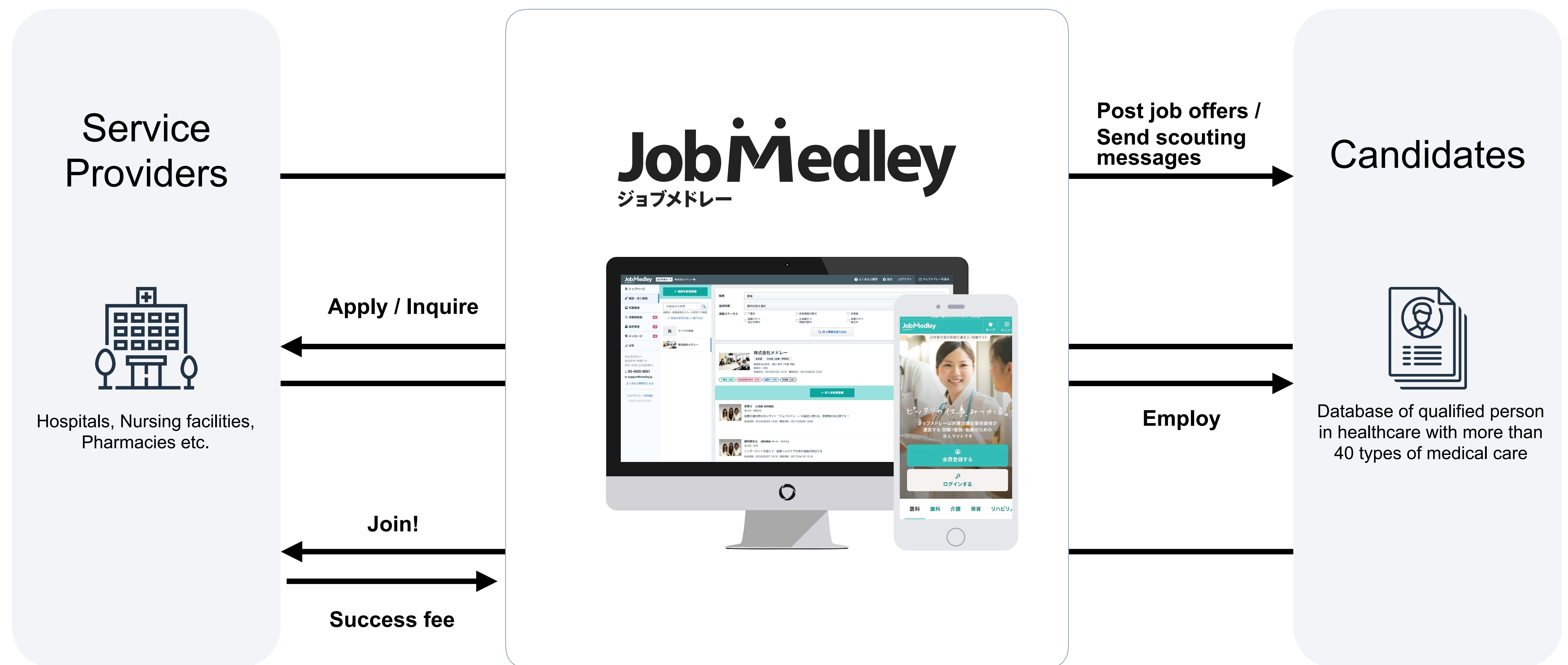
**Medical / Healthcare Recruitment Industry - Market Size
(Based on our unit price)⁽²⁾**



(2) Company estimate
 FY2018A: Of the population of 7 million people engaged in medical industry, the annual average employment rate (approx. 15% = approx. 1 million people) for occupations that fall under the category of "medical care / welfare" in FY2016 employment trend survey results was multiplied by the average unit price of JobMedley for each occupation.
 FY2025E: Multiplied the growth rate of medical cost compared to FY2018A in the "Future outlook for social security in anticipation of 2040" published by the Cabinet Secretariat, the Cabinet Office, the Ministry of Finance, and the Ministry of Health, Labor and Welfare.

Success-fee-based Business Model

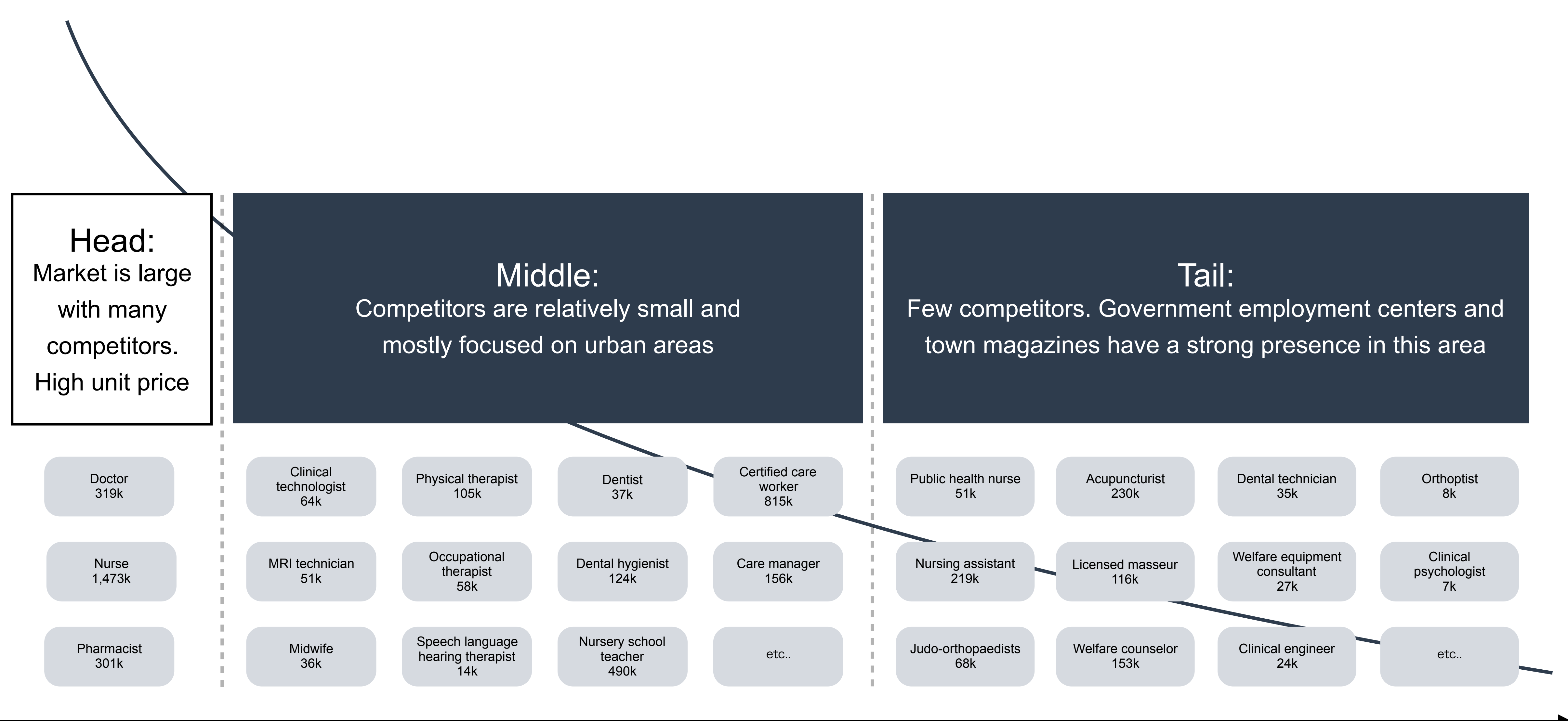
Our service covers over 40 different job types in medical / healthcare industry.



Strength in the Middle and Tail Areas

Out of the 7 million workers in the medical/healthcare industry, 30% are doctors, nurses and pharmacists, which has always been high in competition. On the other hand, there are few competitors in the remaining 70% - the middle and tail target areas- where we have realized top share. Currently, there are over 500 thousand users and 40 occupations registered.

Our Target Area⁽¹⁾

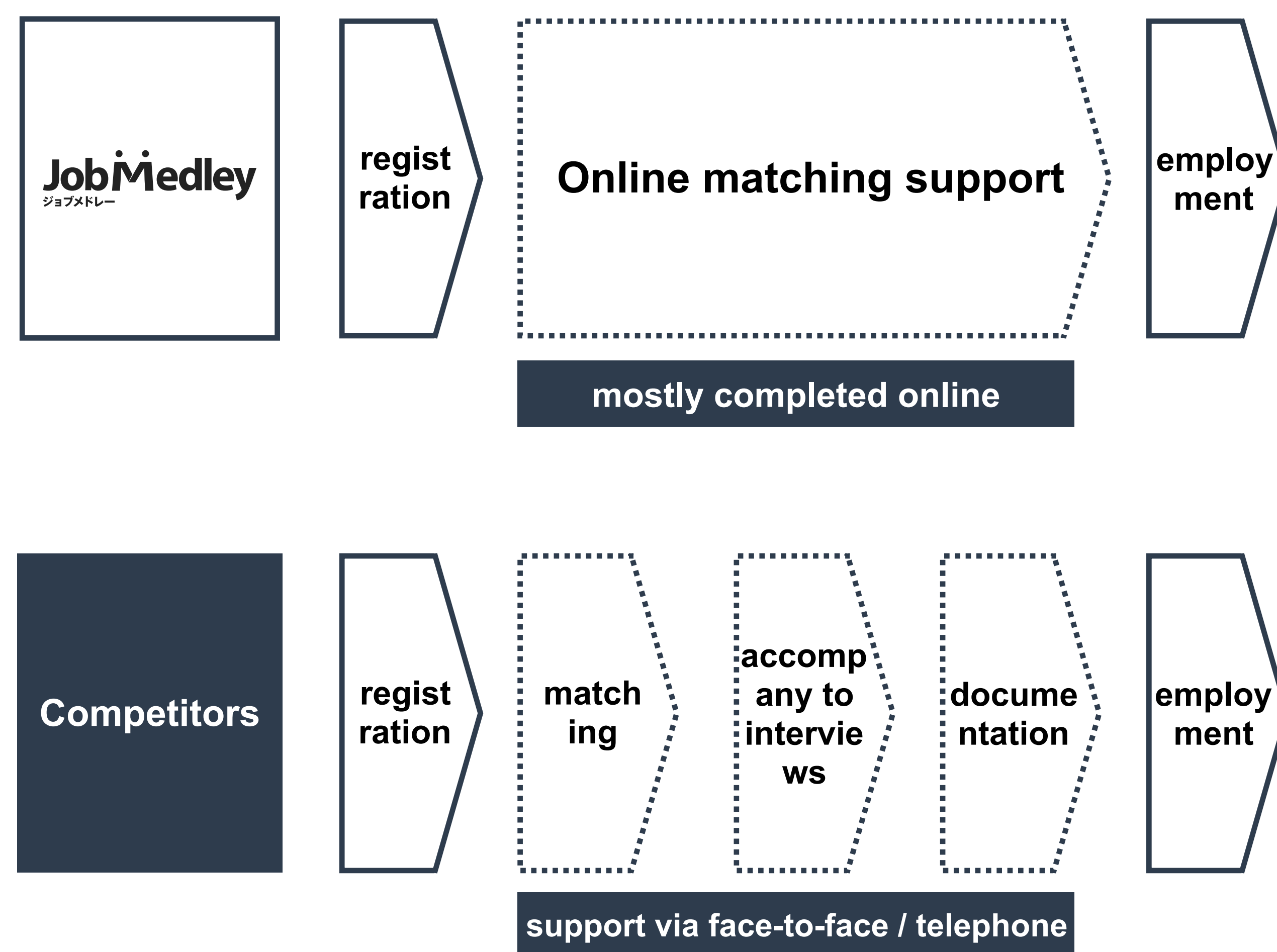


(1) Ministry of Health, Labor and Welfare statistics, Japanese Society of Certified Clinical Psychologists statistics

Our Price Advantages due to Cost Efficiency

On JobMedley, we cover more than 40 different types of medical / healthcare occupations, and our recruitment success fee is approximately 50 - 80% lower than the industry-average. While many recruitment agencies manually handle the majority of their procedures (e.g., candidates interviews, arrangement of job interviews etc.), we replaced them with online support; hence our cost efficiency enabled us to lower customers fees.

Flow of Cost-Efficient Online Service



Price Advantages

JobMedley
ジョブメドレー

Success Fee (of annual income)

2~13%⁽¹⁾

Major Recruitment Agencies

Success Fee (of annual income)

20~35%⁽²⁾

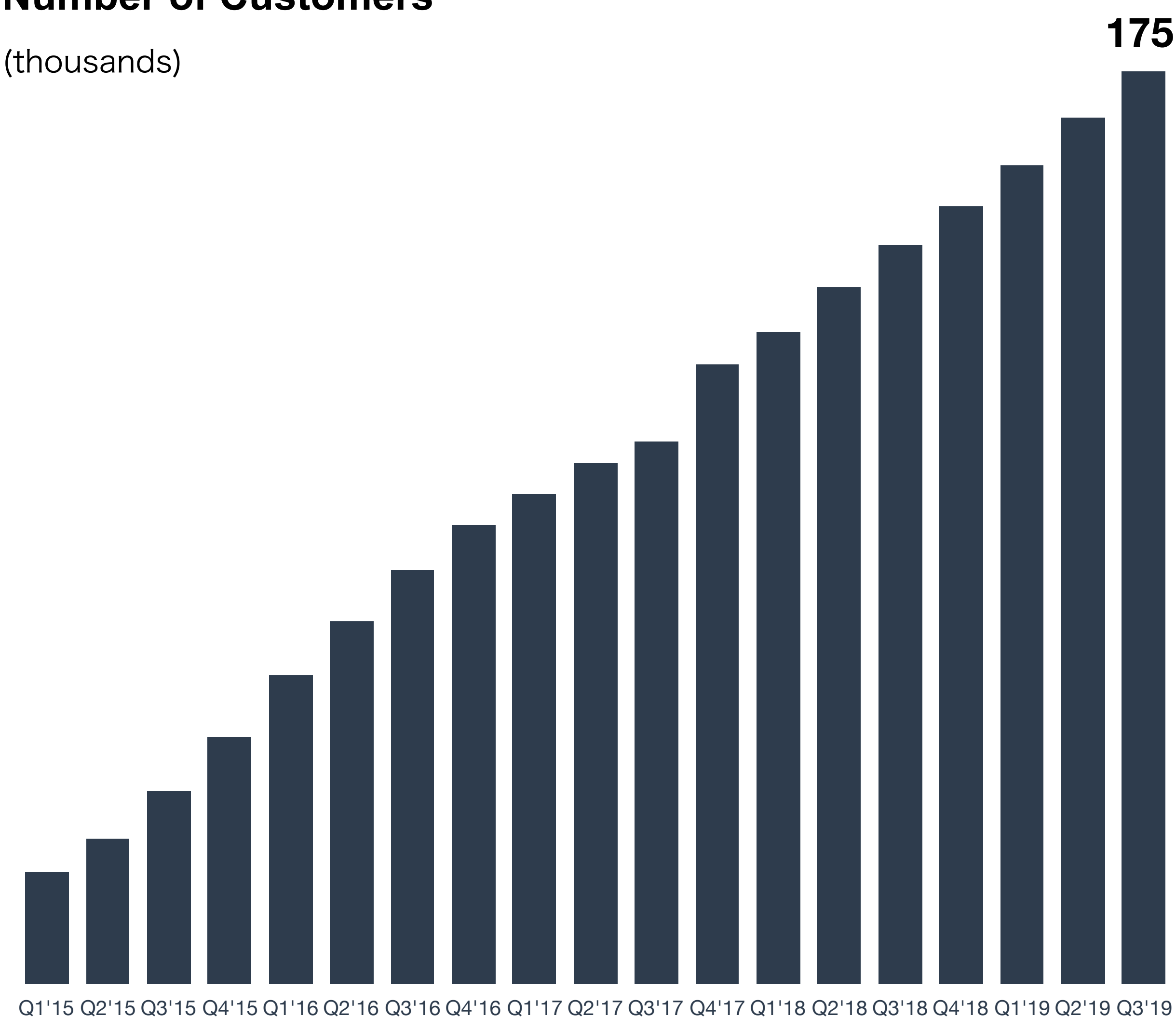
(1) Our annual salary ratio of the success fee (full-time) is calculated from the 2018 Basic Survey on Wage Structure. (A range of nurses, childcare professionals, physiotherapists, dentists, caregivers)

(2) Refers to general success fee amount of recruitment services for occupations such as doctors, nurses, childcare professionals, physical therapists, dentists, and care workers among the 40 occupations we handle (There is also a recruitment service that employs a method for setting success fee amount different from that described above.).

Japan's Largest Customer Base driven by Our Cost Leadership

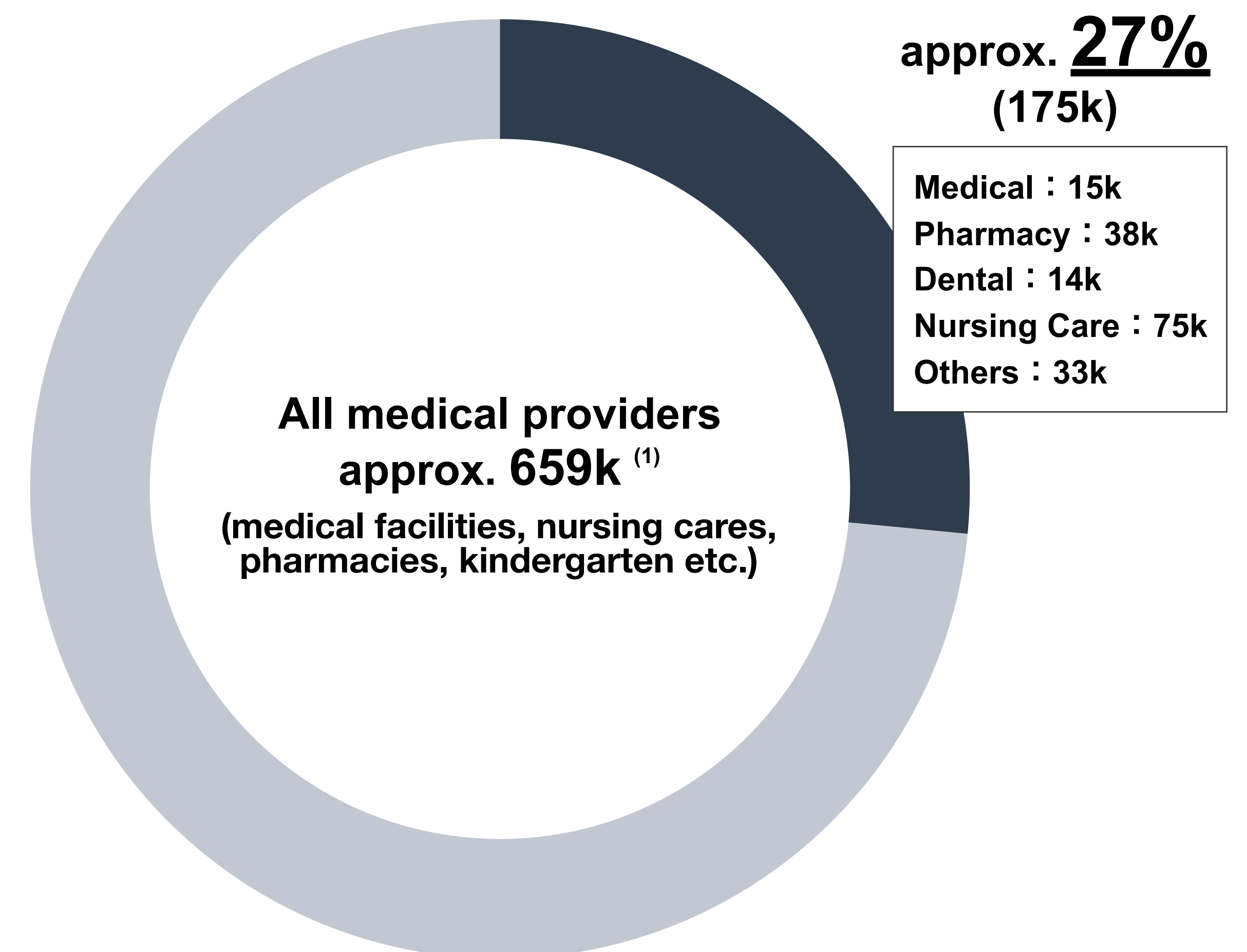
Number of Customers

(thousands)



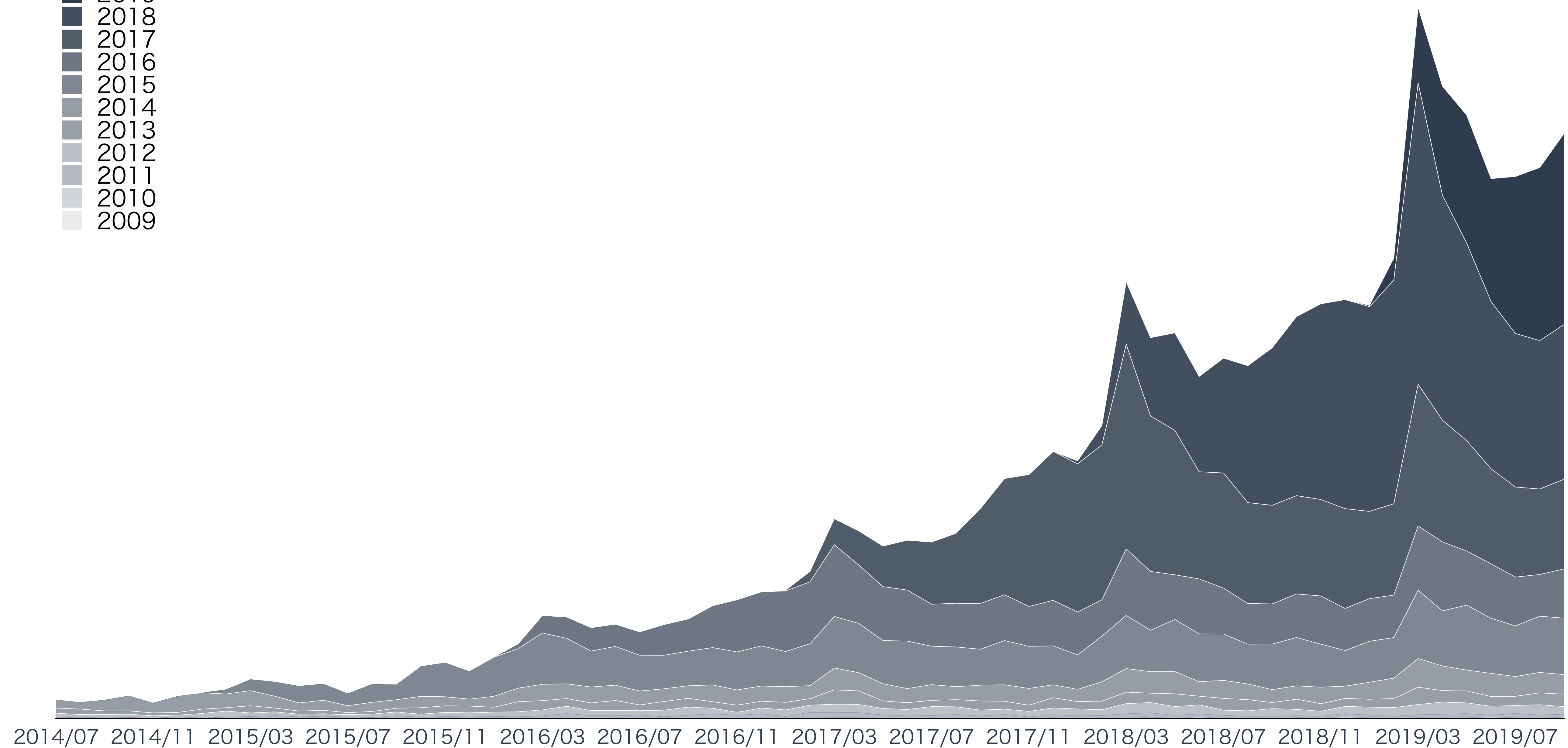
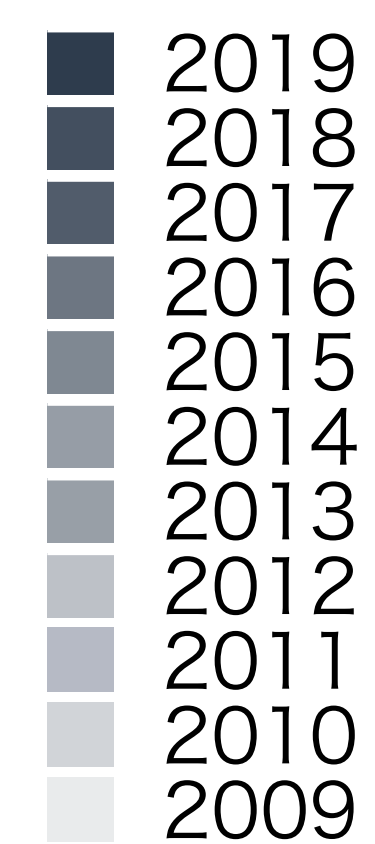
(1) Ministry of Health, Labor and Welfare statistics, The Nation Association for Visiting Nurse Service

Our Current Customer Coverage Ratio (as of Sep. 2019)



Customers Continue to Use Our Platform

JobMedley's cohort analysis by Customer Acquisition year⁽¹⁾



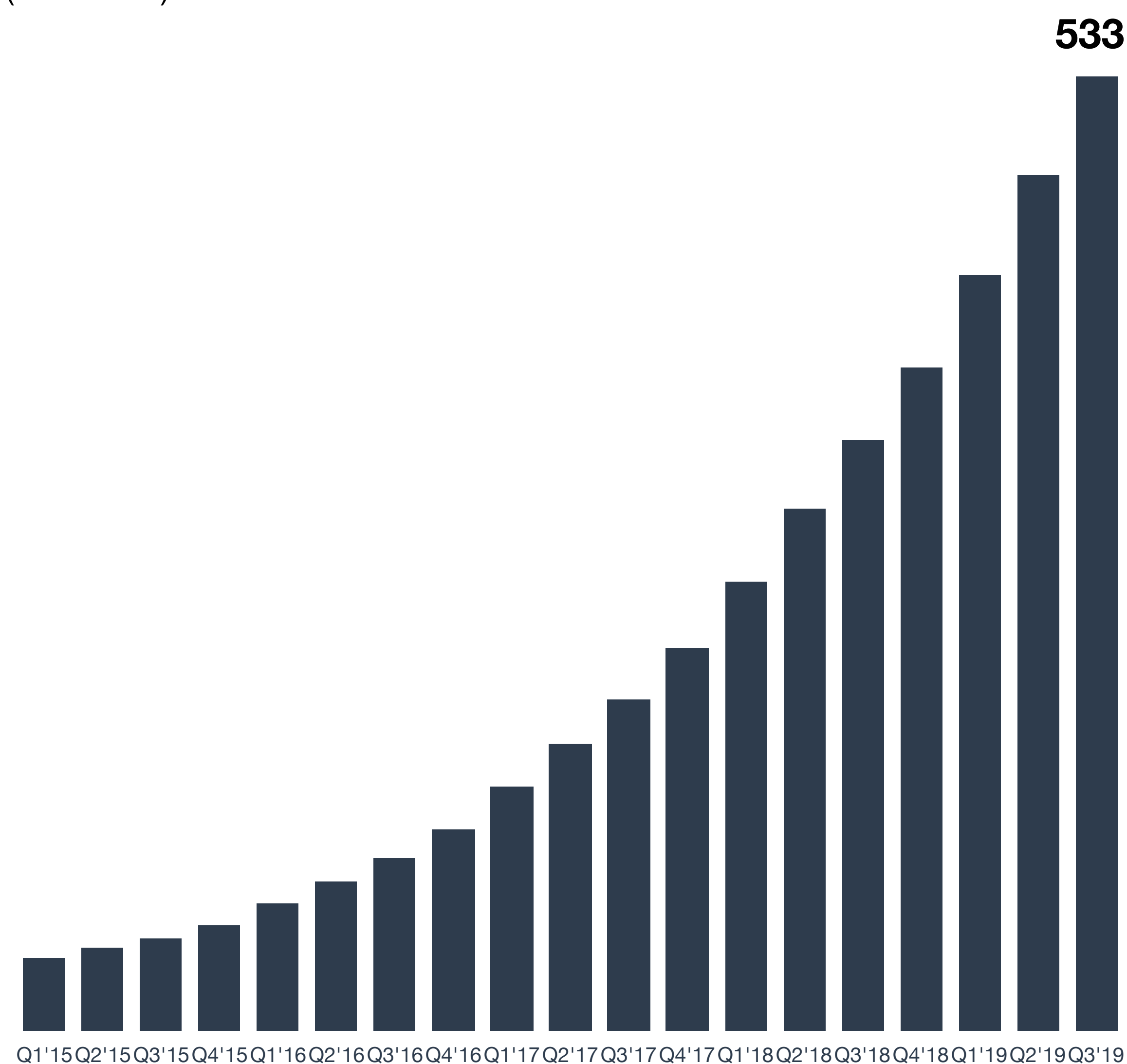
(1) Revenue on managerial accounting basis

Accelerate Direct Recruiting by Utilizing Our Registered Workers

With uneven distribution of medical and healthcare professionals, we believe in the effectiveness of proactive recruitment methods (direct recruiting) , which enable customers to “find ideal candidates, directly communicate its strengths and appeal and employ them”. In order to create extensive employment opportunities regardless of brand recognition or region, we are promoting the scout function and also increasing the number of registered workers.

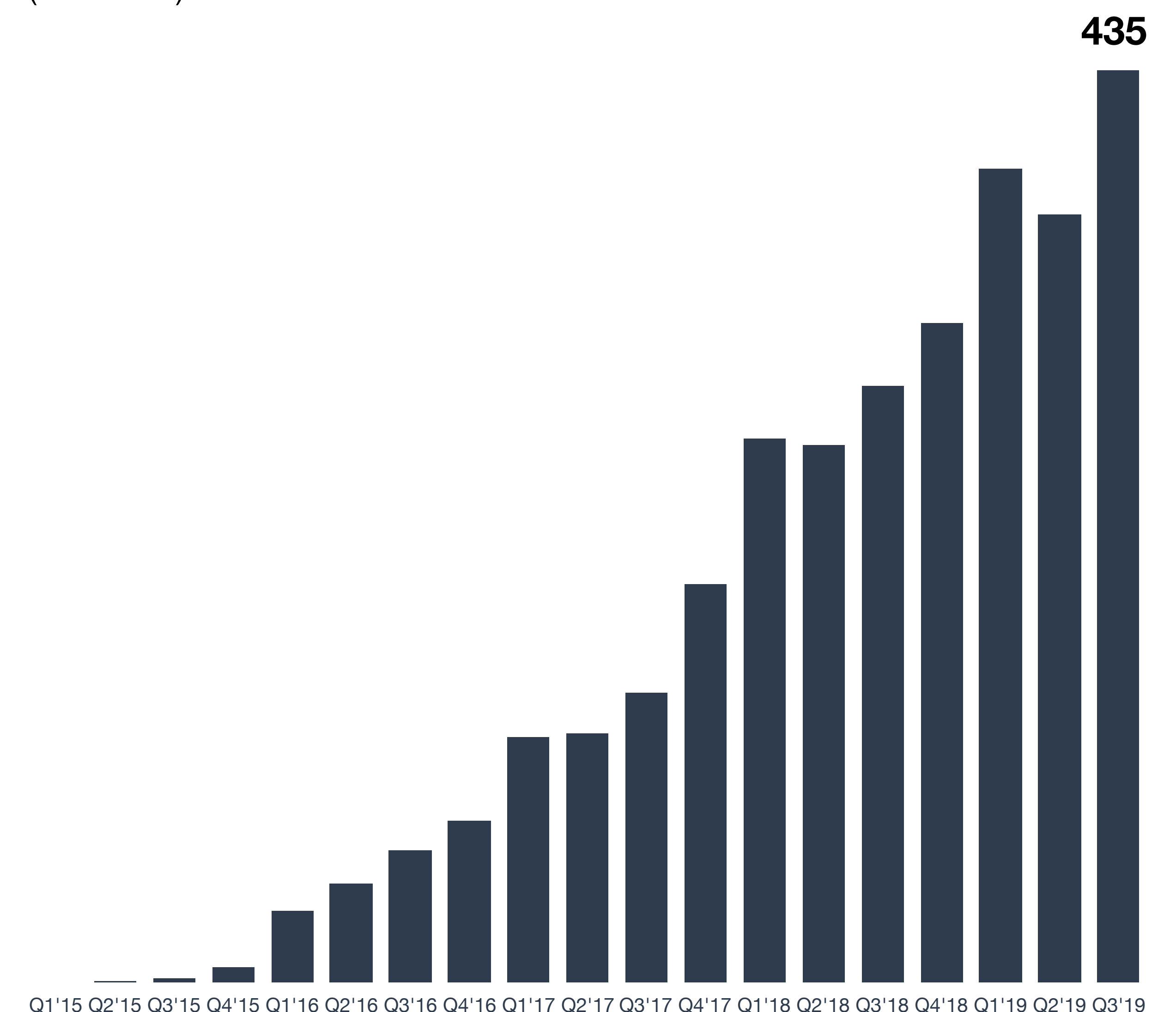
Number of Registered Workers

(thousands)



Number of Scouting Messages

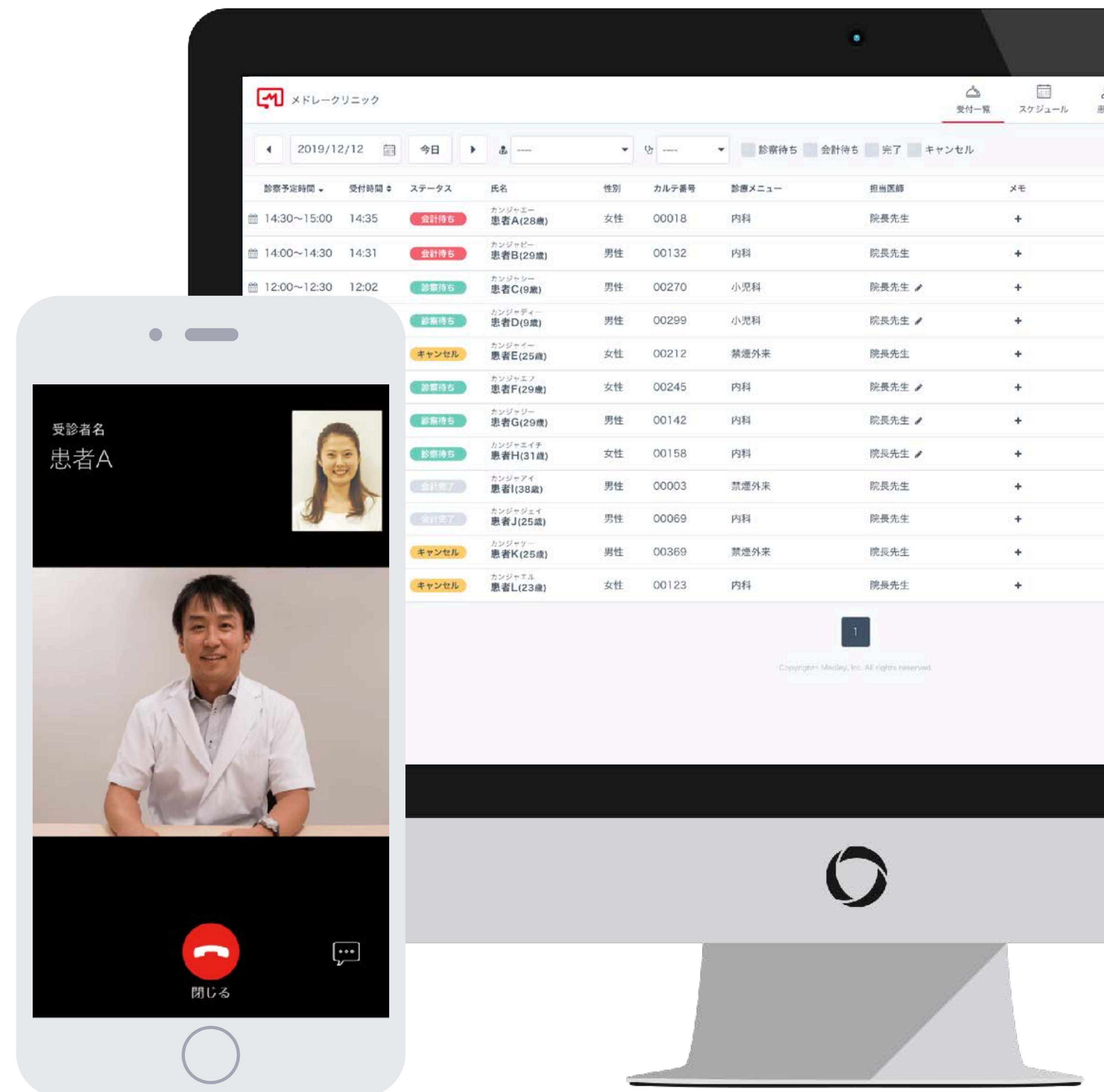
(thousands)





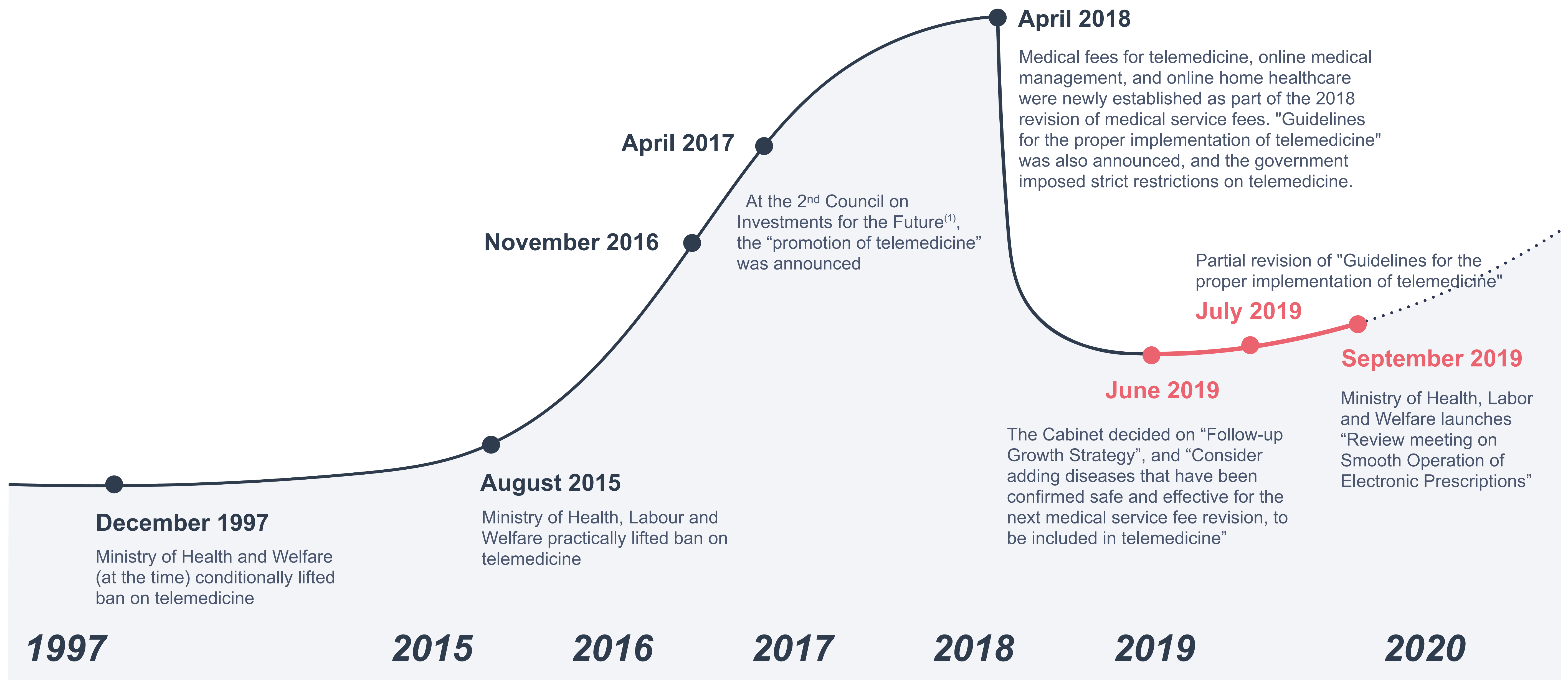
CLINICS

② Medical Platform



Regulator's Discussion regarding Telemedicine

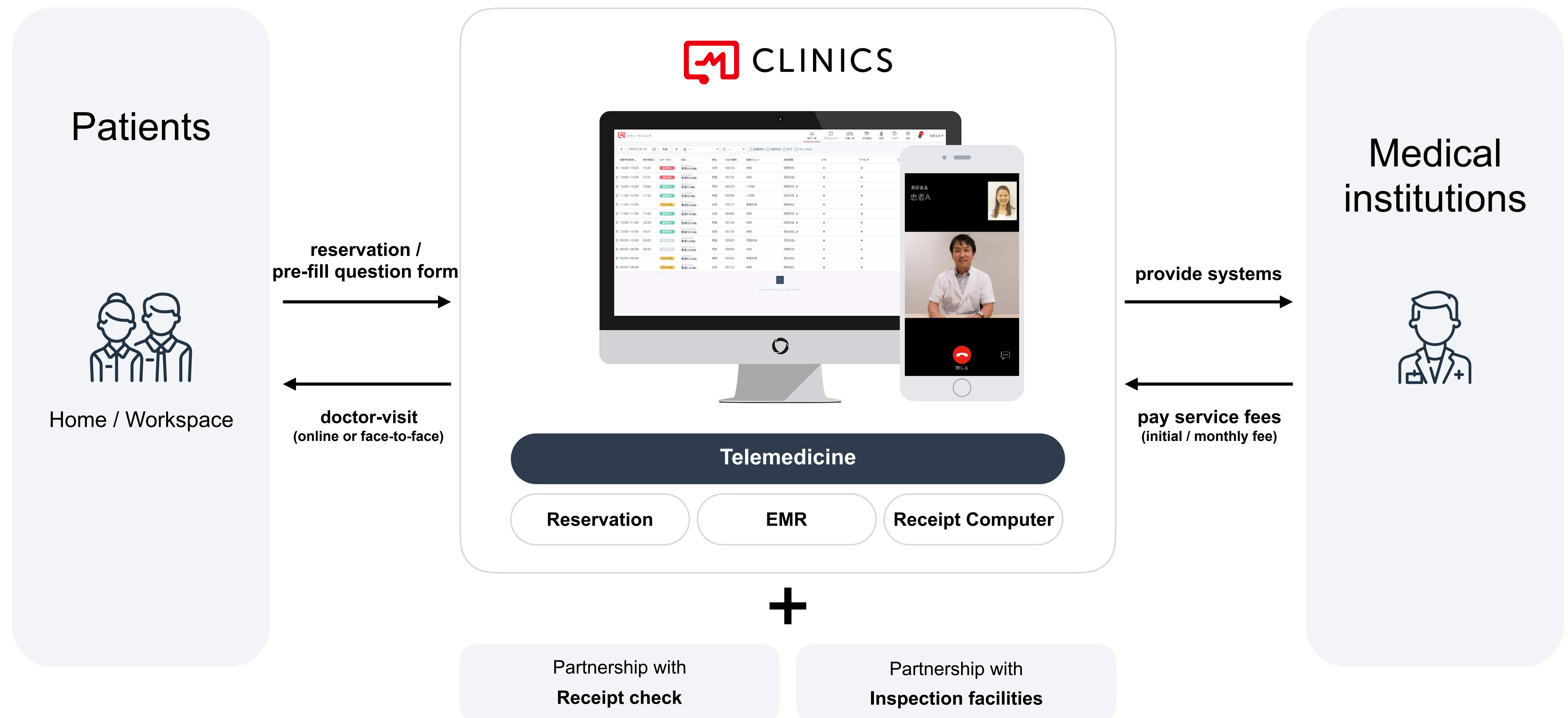
In August 2015, the Ministry of Health, Labor and Welfare ("MHLW") lifted ban on telemedicine. In April 2018, while new medical service fees for telemedicine was established, MHLW imposed strict restrictions. Since then, discussions have progressed and rules have gradually been clarified and relaxed.



(1) A meeting to be held by the Prime Minister to promote bold investments in fields that contribute to future growth through public-private partnerships and to accelerate growth strategies and structural reforms aimed at expanding "investment in the future". Held from September 2016.
http://www.kantei.go.jp/jp/97_abe/actions/201611/10mirai_toshi.html

Launched as a Telemedicine System in 2016, CLINICS has No.1 Market Share

The key to next-generation medical care is telemedicine. We aim to create a world where medical institutions can realize the benefits to patients by appropriately combining traditional face-to-face medical care and telemedicine, in cooperation with dispensing pharmacies and care providers. We receive system usage fees from medical institutions and provide new additional functions to the system platform.



(1) According to Yano Research Institute Ltd.'s report on "2018 Next-Generation Medical ICT Market Status and Prospects -Medical Cloud, Related Markets, AI-", "Medley's CLINICS has the highest presence among similar competitive services in terms of the number of facilities installed and sales, and is recognized as a leader in the current telemedicine market"

CLINICS is Evolving into a Comprehensive Cloud-based Medical Support System

In addition to the telemedicine system, we have developed additional functions such as cloud-based EMR and an online reservation system. CLINICS is evolving into a comprehensive cloud-based medical support system that smoothly with institutions and patients.



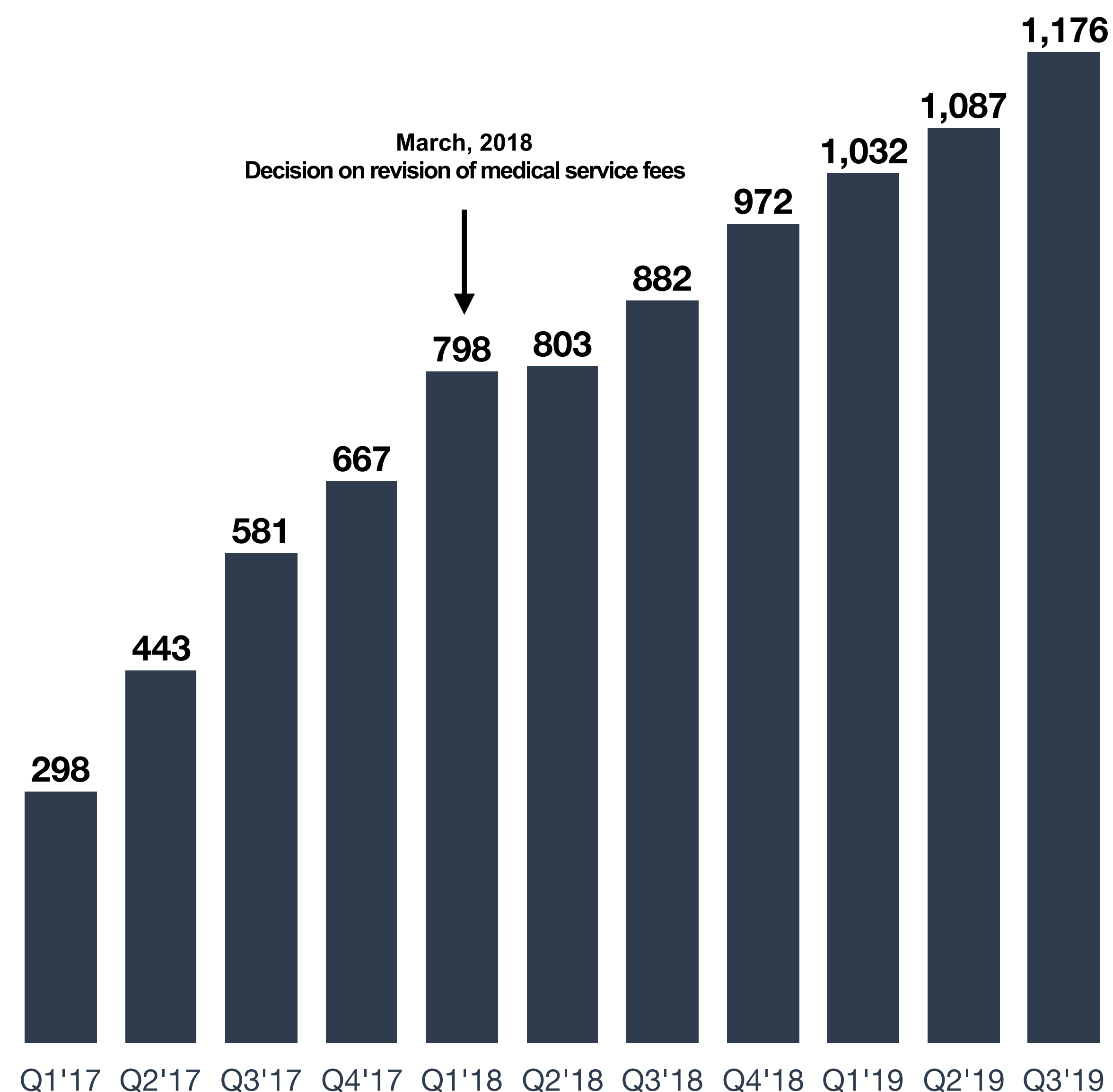
(1) Required to use CLINICS Telemedicine at the same time.

(2) Required to use CLINICS EMR at the same time.

Medical Platform Regained Growth Momentum post Revision of Regulation

In response to a contraction of the scope of application when the government implemented revision to telemedical fees in April 2018, we were pressured to cut our system usage fees, which put temporarily downward pressure on our sales. Currently, it has renewed its growth path through the previously mentioned function expansions.

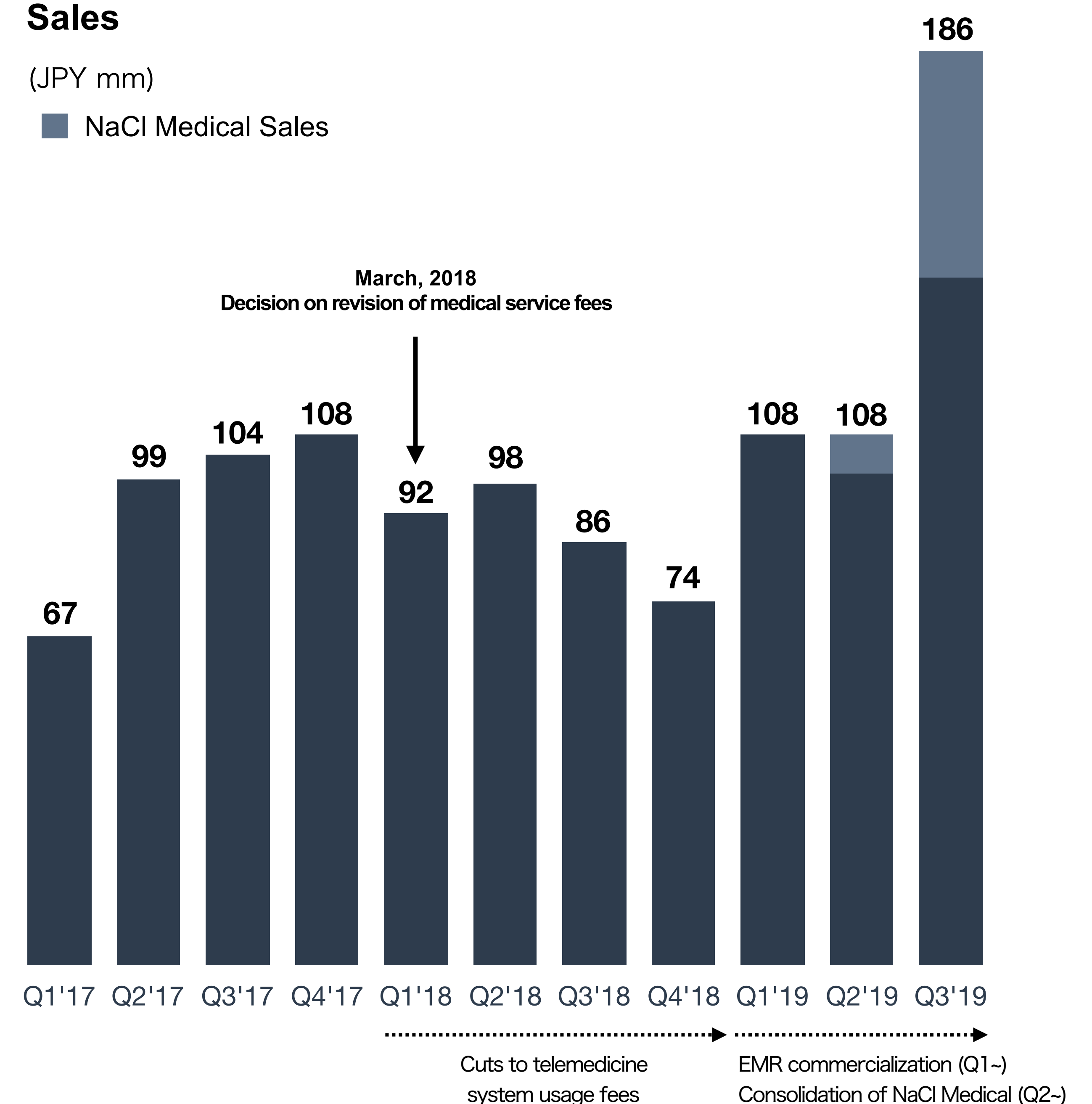
Number of customers⁽¹⁾



Sales

(JPY mm)

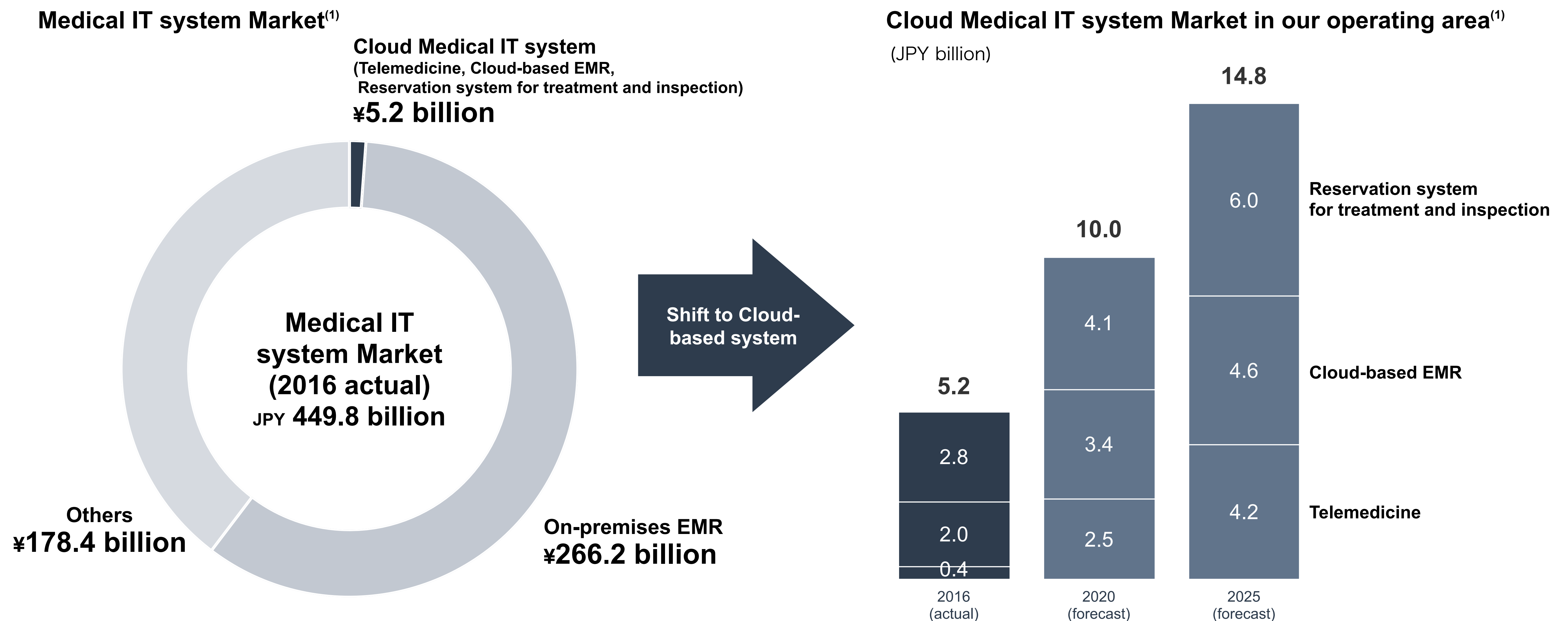
■ NaCI Medical Sales



(1) Number of customers is a number of clinics who adopted our system (excluding those who canceled or suspended the contract). A clinics that adopt multiple systems of ours is counted as 1.

Vast Market Opportunities in the Cloud-based Medical IT System Market

We estimate the current medical IT system market size to be approximately JPY 450 billion⁽¹⁾. Today, the bulk of the systems used in medical industry are on-premises based (server set in clinics), but more platforms are increasingly shifting towards cloud-based systems since the deregulation in 2010. Due to the low operating efficiency and business customs of long-term contracts, the cloud medical IT system market in our operating area is 12.3% in the 9-year CAGR (FY2016-2025)⁽¹⁾.



Currently, the majority of medical systems are on-premises based

In light of deregulations, cost advantages and convenience, cloud-based systems are expected to become more prevalent

(1) Fuji Keizai "Future Outlook for Medical Big Data Business and Seamless IT / Cloud Computing of Medical IT in 2018"

Collaboration with the Government and Doctors for Appropriate Usage of Telemedicine

We aim to promote appropriate usage of telemedicine and digital transformation of Japanese medical systems, in collaboration with governmental agencies and doctors. We commit ourselves to CSR activities, such as “Training for Workers in Telemedicine” mandated by MHWL, “Experimental Trial for Actual Use of E-prescriptions”, “Telemedical support in depopulated areas”, and “CLINICS telemedicine summit”.

Telemedical support in Fukushima



Educative seminars to provide information on telemedicine (“CLINICS telemedicine summit”)



Training for Workers in Telemedicine

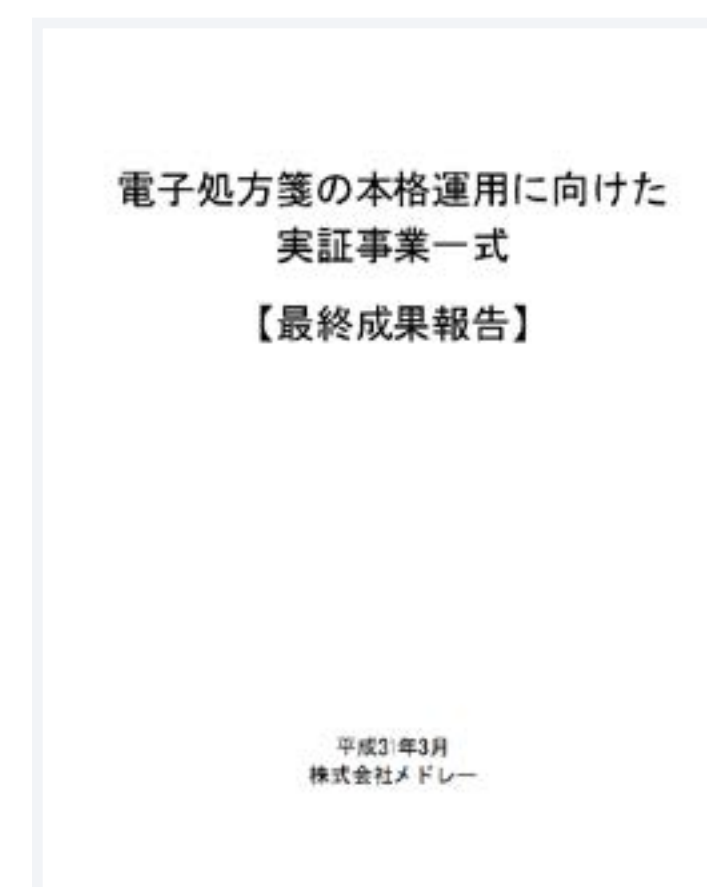
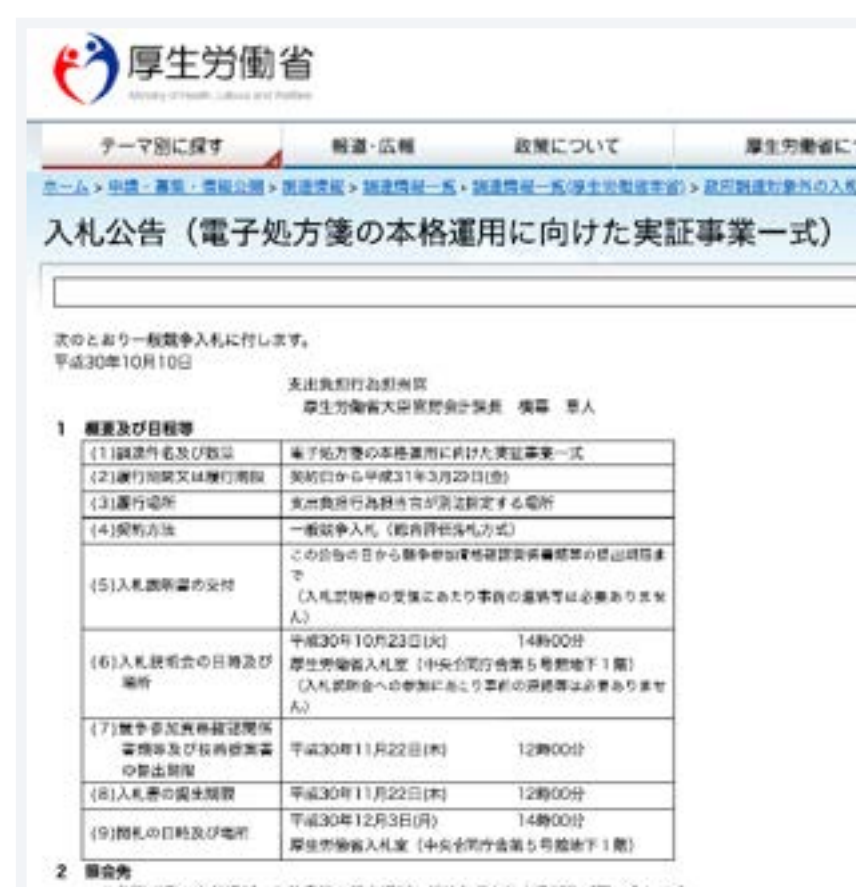
From January to March 2019, we entrusted and operated “Training for medical professionals in telemedicine”, as a MHWL project.



(1) Ministry of Health, Labor and Welfare
(2) Ain Holdings Inc's press release
Copyright© Medley, Inc. ALL RIGHTS RESERVED.

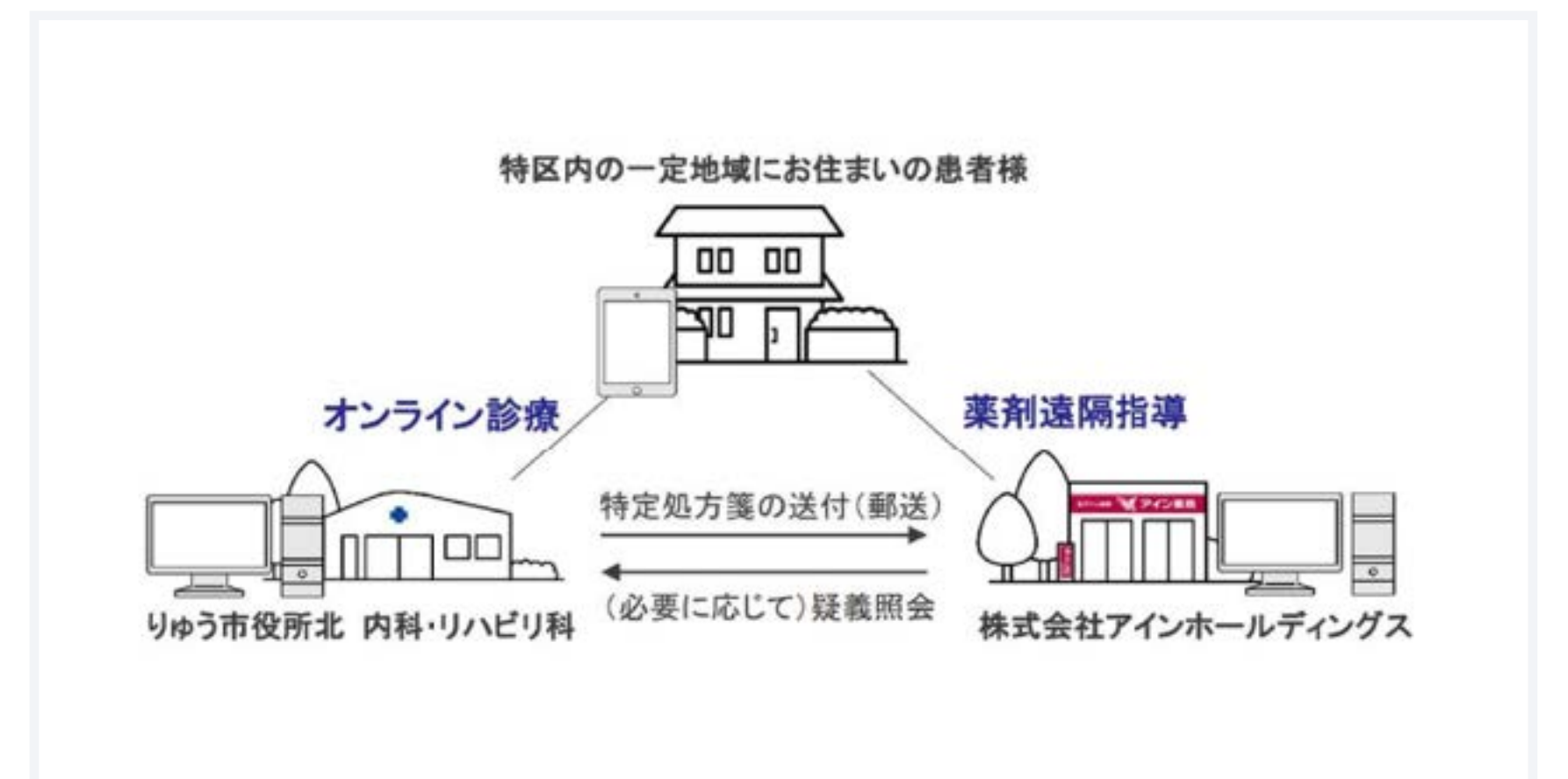
Experiment for Practical Application of e-Prescriptions

Entrusted this project by MHWL. Consider mechanisms that enable smoother operation of electronic prescriptions, including mechanisms that differ from the guidelines



On-line Drug Admin. Guidance Experiment in Special Economic Zones

Ain Holdings Inc., a leading pharmacy in dispensing pharmacies, has used our CLINICS in telemedicine guidance started in the National Strategic Special Zone (Aichi) since July 2018.



Development of Safe and Secure Medical Systems

We have obtained ISMS and TRUSTe certifications for the safe handling medical information. In addition, the development team of NaCl Medical, our wholly-owned subsidiary, has been involved in contracted development of Online Receipt Computer Advantage ("ORCA") for nearly 20 years.

International Standards for Information Security Management⁽¹⁾

Certified ISMS cloud security “ISO / IEC 27017: 2015” and ISMS “ISO / IEC 27001: 2013”. A mechanism for ensuring the safety of information assets in companies and organizations. Appropriate protection of information assets from various threats such as disasters, hardware / software troubles, unauthorized access, leaks, etc.



Certification System for the Protection of Personal Information⁽²⁾

When a user provides personal information to a company, a certification system that examines whether the company or service is reliable and, if appropriate, permits the posting of the mark on the website as a proof.



(1) CLINICS Telemedicine and CLINICS EMR
(2) CLINICS Telemedicine, CLINICS EMR, JobMedley and Kaigo-no Honne
Copyright© Medley, Inc. ALL RIGHTS RESERVED.

Overview of NaCl Medical

Location	Matsue City, Shimane-prefecture
Number of employees	14 (engineers)
Business	Contracted Development of “ORCA” Provision of maintenance services for clinics using “ORCA”
Note	<u>One of few companies developing “ORCA”, which boasts approx. 18,000 clinics.</u> (Involved in ORCA project since its establishment in 2001)

Delivering Benefits to End-Users for Better Use of Medical Care

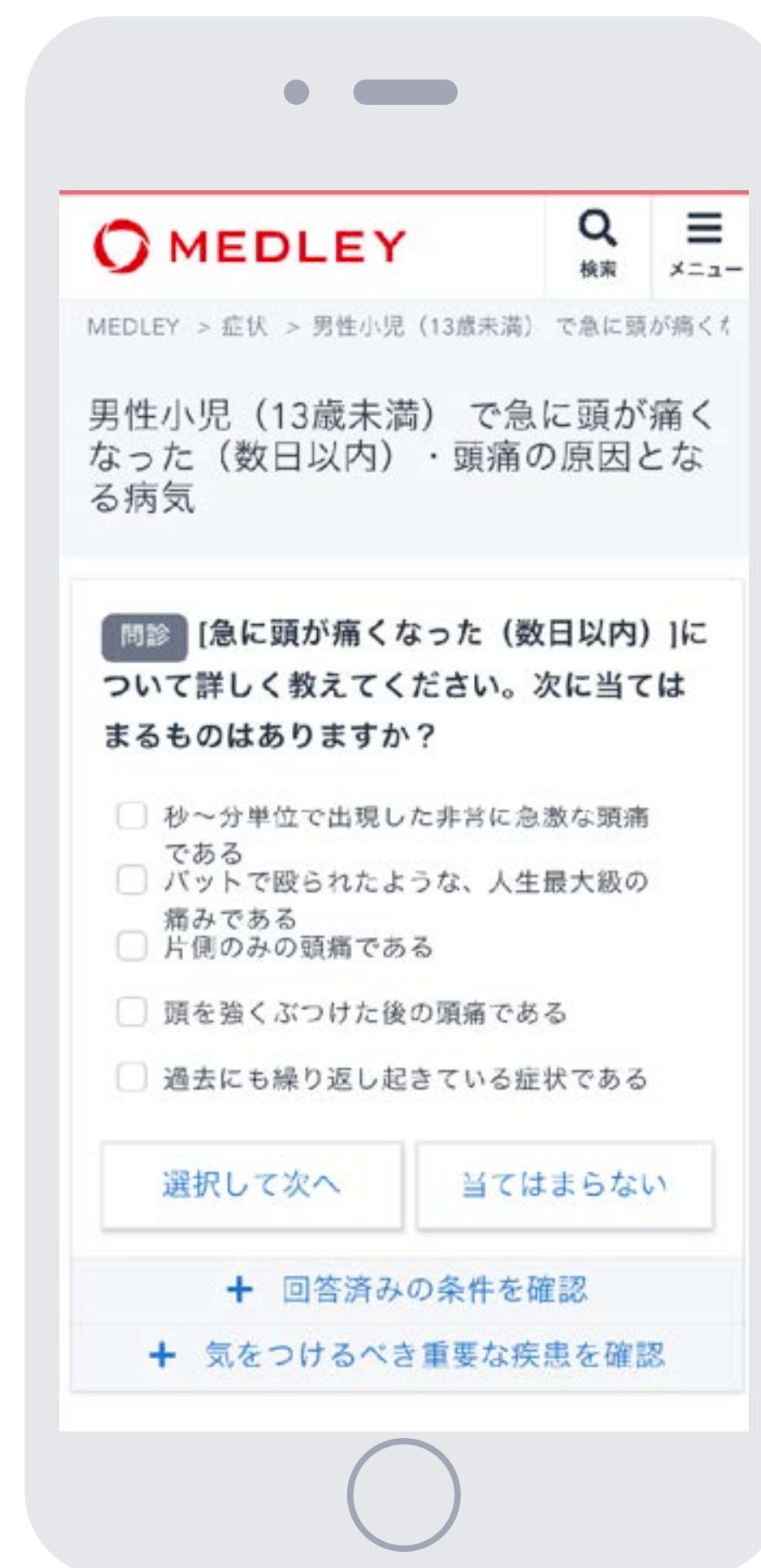
To achieve a medical platform that will benefit many stakeholders, we have developed and operated the medical media “MEDLEY” with in-house and external doctors since 2015, and “CLINICS” as an application for patients since 2016. We aim to create a world where patients can make the most of medical care by closely linking our medical support system with our patient services.



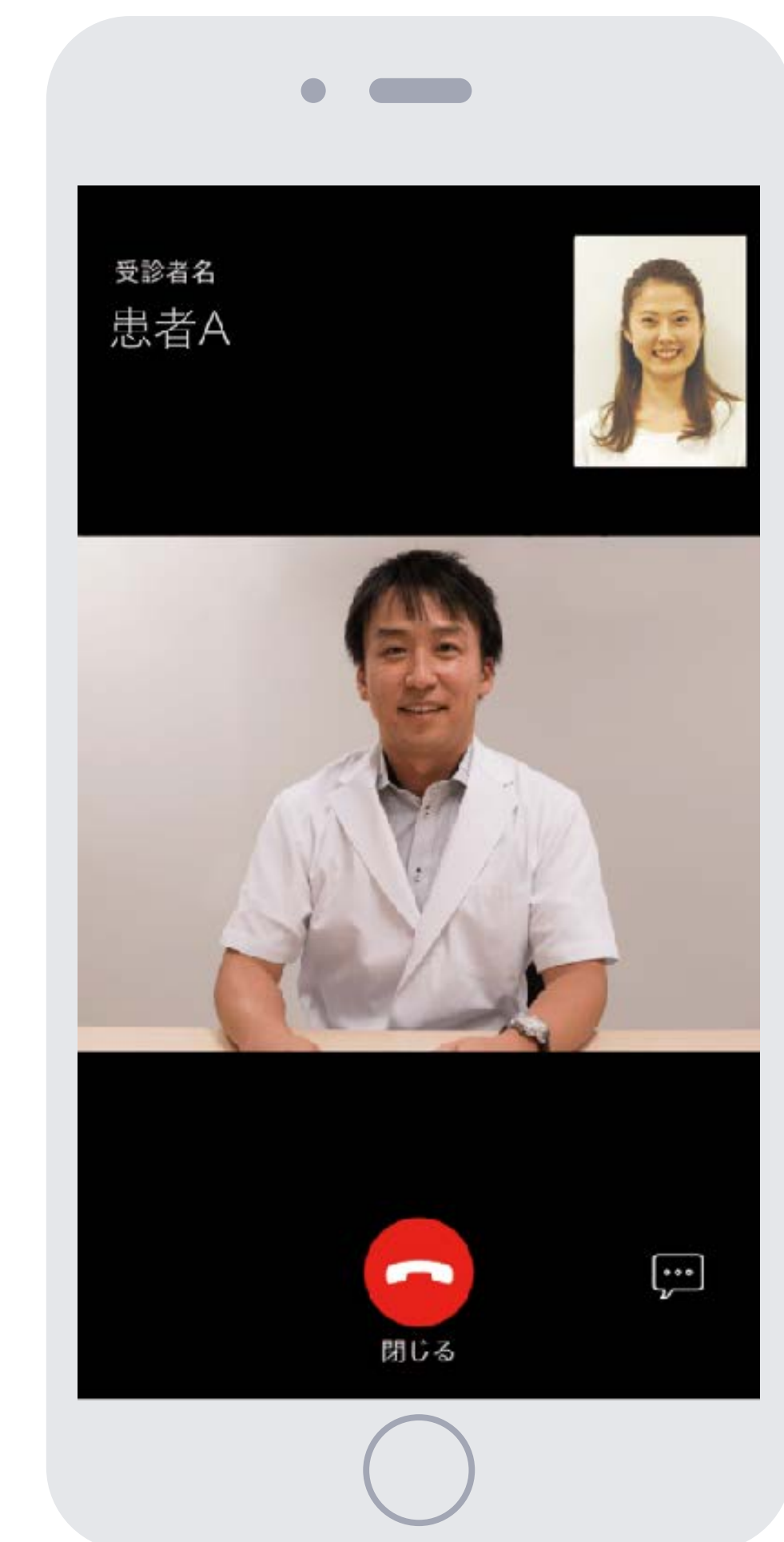
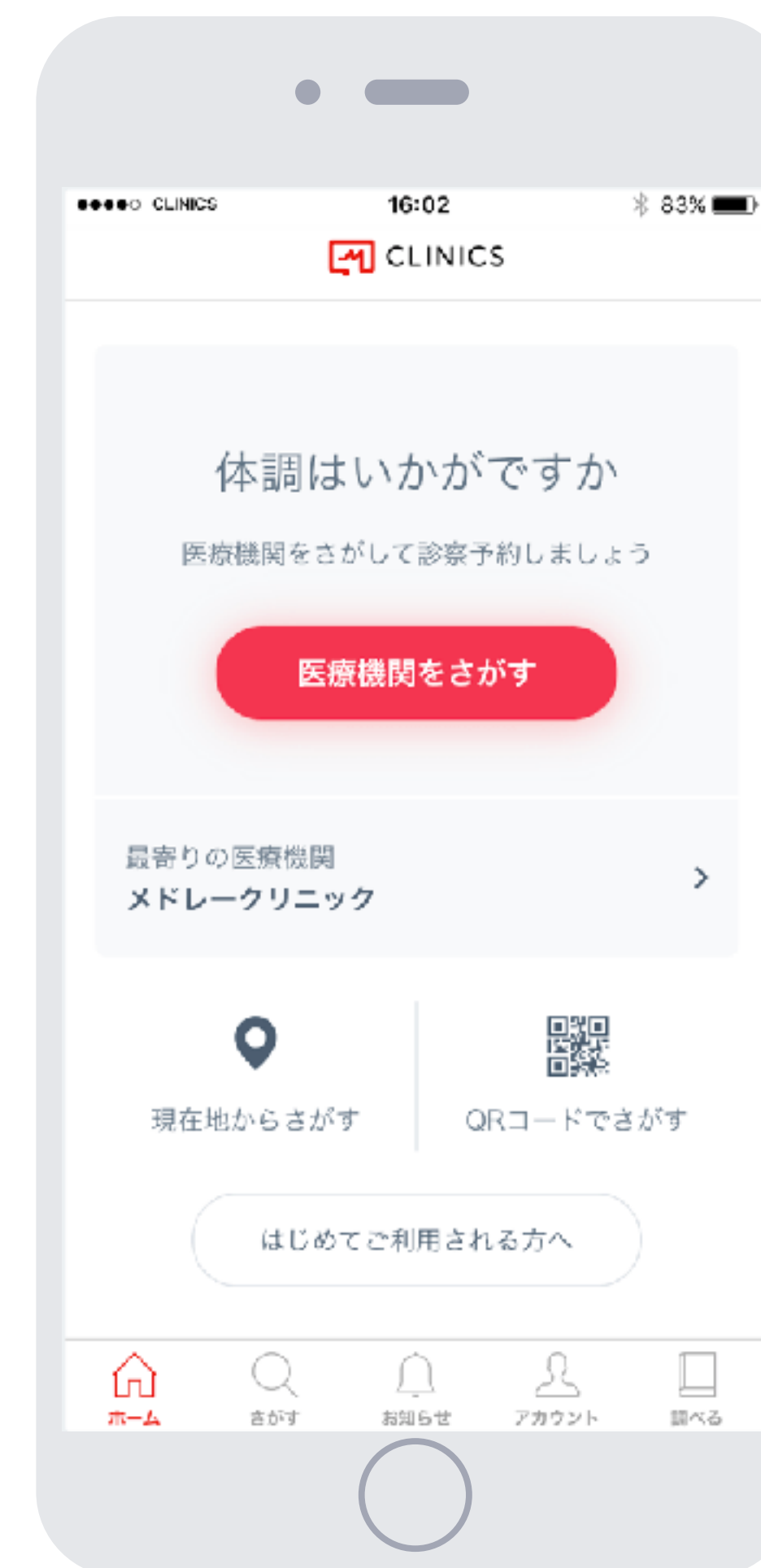
Online Medical Encyclopedia



Symptom Checker



Apps for Patients



Online medical Encyclopedia with more than a million monthly users. It also provides a function to narrow down potential ailment from symptoms (symptoms checker)

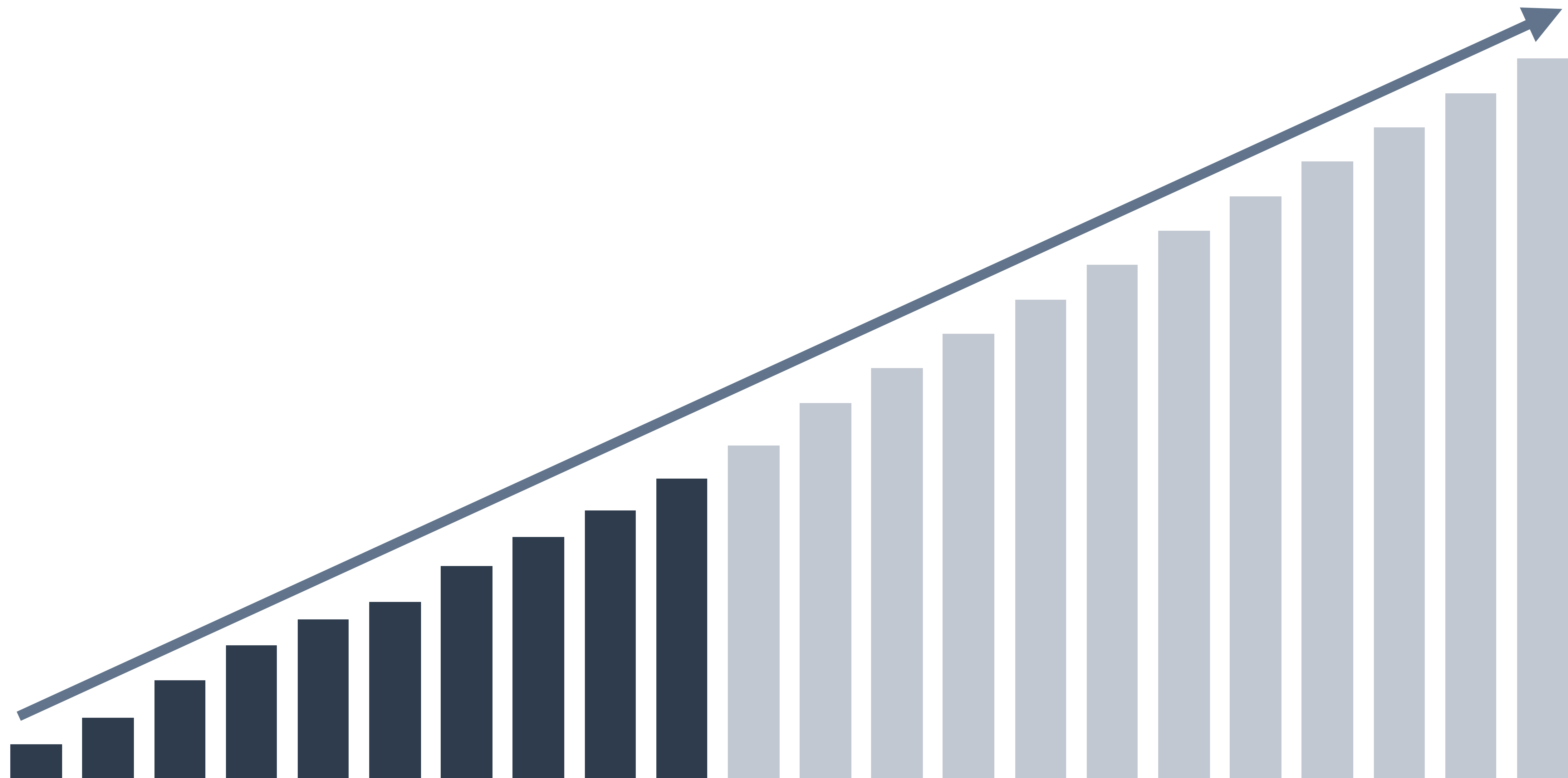
Provides consultation appointments, telemedicine and telemedicine payment functions when patients use CLINICS

Growth Strategy

Continue to Expand Customer Base through JobMedley's Cost Leadership

Our general strategy is to continue employing a cost leadership approach, reinforce our customer base, develop and provide valuable services to these new and existing customers.

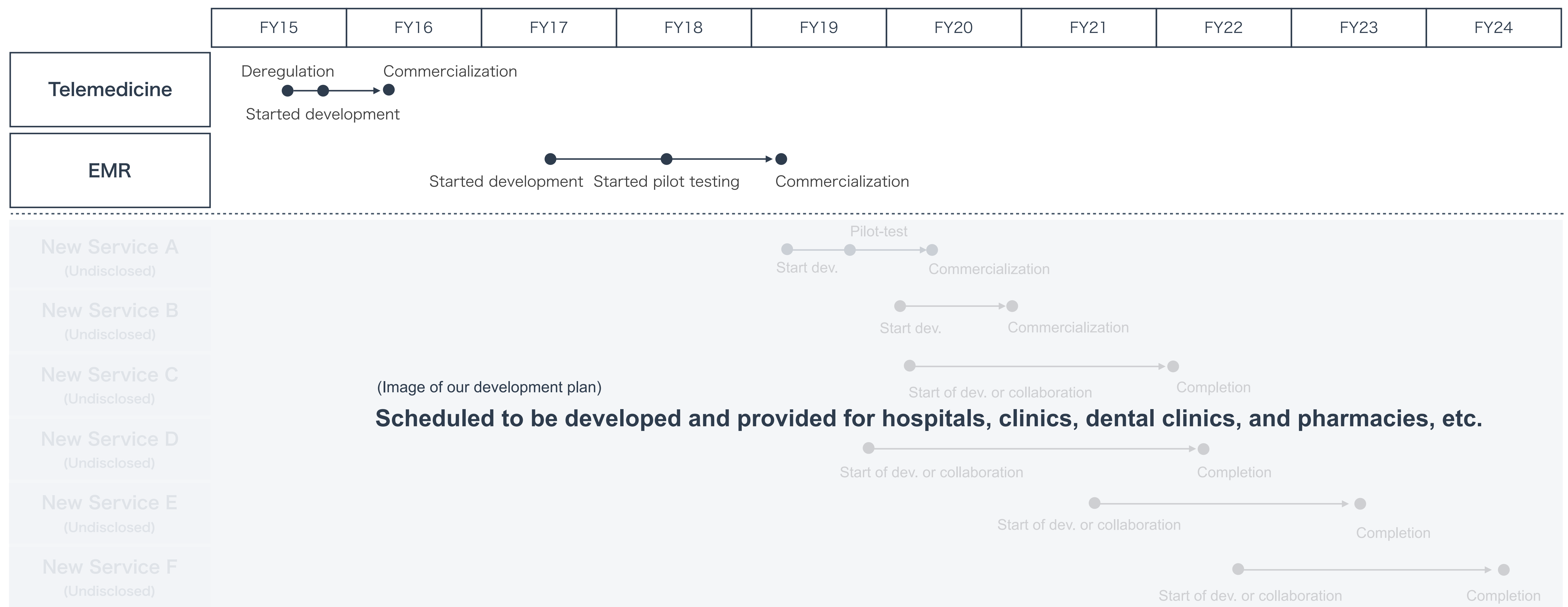
Illustration of Customer Base Expansion



Convert Paper-based Operations and On-premise based system to SaaS

The medical / healthcare industry has faced challenges of lagging behind in usage of Internet technology compared to other industries. For example, the penetration rate of EMR at clinics in Japan is said to be about 41%⁽¹⁾, and more than half of medical institutions still use paper medical records. In addition, on-premise based systems are still widely used for EMR.

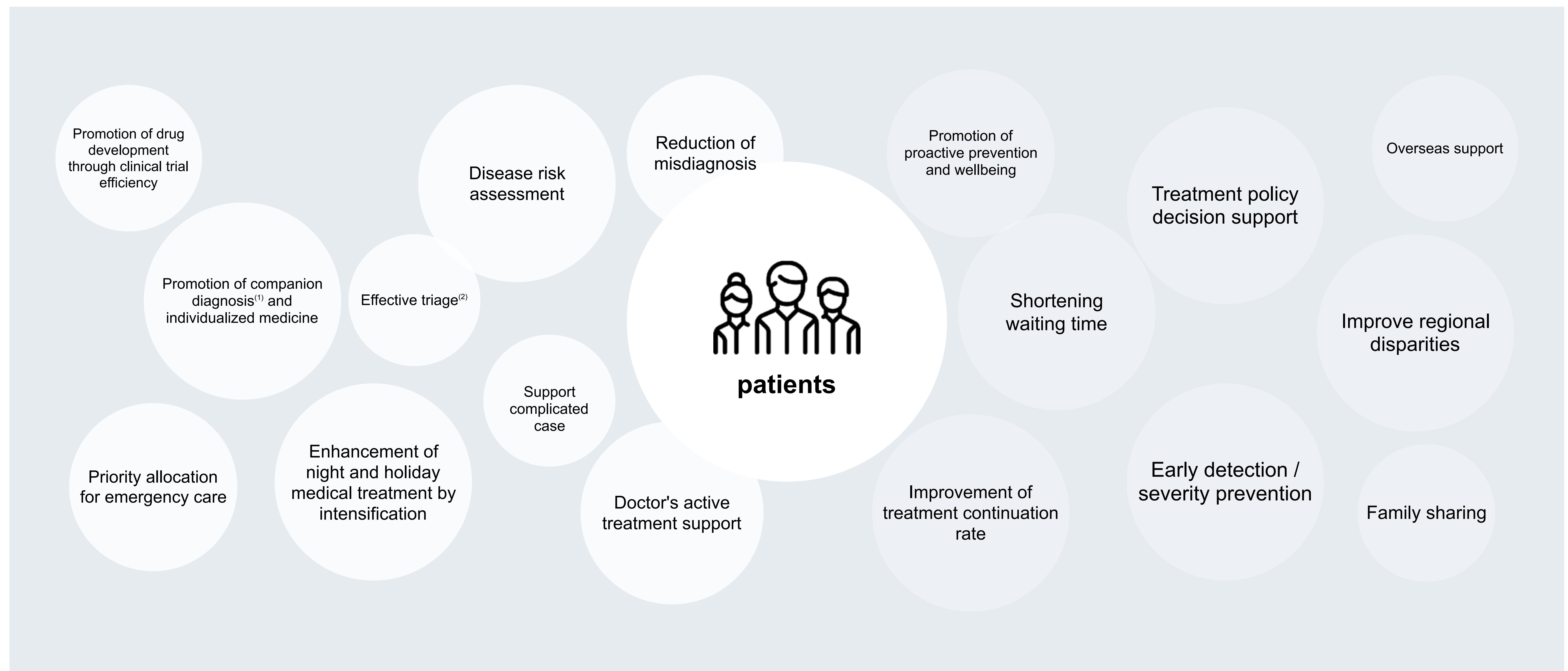
In order to improve the efficiency of medical institution operations, we believe it is very important to replace closed on-premise based systems in medical institutions with cloud-based open systems. We plan to expand our product lineup (both in-house and outsourced developments) and the customer base by leveraging JobMedley's strong customer base.



(1) Ministry of Health, Labor and Welfare statistics

A Future where Patients can Fully Utilize Medical / Healthcare Services

By linking data between operational SaaS and service for patients, we aim to lighten patient burden and enable “management of broad individual medical data” to achieve “excellent medical care”. We plan to continue developing applications and products for consumers and patients.



(1) Companion diagnosis is a laboratory test that is performed to predict the efficacy and side effects of a drug before medication.

(2) Triage is a process of deciding treatment priorities based on the urgency and severity of injuries when a large number of victims occur due to a disaster.



Create the Future for Medical / Healthcare