

Aug 26, 2020

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Announcement Regarding Issuance of New Shares

MEDLEY, INC. (“the Company”) hereby announces that its Board of Directors, at a meeting held on August 26, 2020, has resolved to issue new shares in an international offering (the “International Offering”) as set forth below.

Purpose of the International Offering

With funds raised from the public offering in December 2019, the Company has actively made investments in product development, sales promotion and personnel costs required for expansion of its Recruitment Platform Business and Medical Platform Business.

Amid the spread of COVID-19, the utilization of digital technology has rapidly been increasing in the medical/healthcare industry.

The Company intends to use the proceeds from the International Offering to enhance its Recruitment Platform Business, and to invest in its Medical Platform Business.

The Company also expects to increase liquidity in its shares and broaden a range of institutional investors. Through a so-called accelerated book building process, the Company aims to minimize the impact on its share price.

The International Offering

(1) Class and Number of Shares to be Offered	1,350,000 shares of common stock of the Company
(2) Method of Pricing	The amount to be paid in will be determined on a date falling in the period from August 26, 2020 to August 27, 2020 (the “Pricing Date”) by a process equivalent to the book building process set out under Article 25 of the Regulations Concerning Underwriting, etc. of Securities provided by the Japan Securities Dealers Association (“JSDA”).
(3) Increases in the Amounts of Capital Stock and Capital Reserve	The amount of capital stock to be increased will be 1/2 of the maximum amount of capital stock increase, as calculated in accordance with Article 14, Paragraph 1 of the Rules of Account Settlement of Corporations, with

Note: This press release does not constitute an offer of any securities for sale. This press release has been prepared for the sole purpose of making a public announcement regarding the International Offering, and not for the purpose of soliciting investment, etc. within or outside Japan. This press release does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to in this press release have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from the registration requirements under the Securities Act. Any public offering of securities in the United States will be pursuant to a prospectus that may be obtained from MEDLEY, INC. that will contain detailed information about MEDLEY, INC. and its management, as well as financial statements of MEDLEY, INC. No public offering of the securities will take place in the United States.

	any fraction of less than one yen resulting from the calculation being rounded up to the nearest yen. The amount of the capital reserve increase shall be the amount obtained by subtracting the amount of capital stock increase from the maximum amount of capital stock increase.
(4) Method of Offering	The International Offering will be made in the overseas market (excluding the United States and Canada) mainly in Europe and Asia. The aggregate number of new shares indicated in (1) above will be purchased by the underwriters of the transaction (the “Underwriters”). The issue price (offer price) with regard to the International Offering will be determined based on the provisional range calculated by multiplying the closing price of regular trading of the common stock of the Company on the Tokyo Stock Exchange on the Pricing Date (or, if no closing price is quoted on that date, the closing price of the immediately preceding date) by 0.90 ~ 1.00 (with any fraction less than one yen being rounded down), by a process equivalent to the book building process set out under Article 25 of the Regulations Concerning Underwriting, etc. of Securities provided by JSDA, taking into account market demand and other conditions.
(5) Compensation for the Underwriters	The Company will not pay any underwriting fees to the Underwriters. The aggregate amount of the difference between (a) the issue price (offer price) in the International Offering and (b) the amount to be paid to the Company by the Underwriters will be retained by the Underwriters.
(6) Payment Date	September 10, 2020
(7) Delivery Date	September 11, 2020
(8) Subscription Unit	100 shares
(9) The amount to be paid in, the amount of increase in capital stock and capital reserve, the issue price (offer price), and any other matters necessary for the International Offering will be determined at the discretion of Kohei Takiguchi, President and Chief Executive Officer.	

(For Reference)

1. Change in Number of Outstanding Shares as a Result of International Offering

Total Number of Outstanding Shares (as of August 26, 2020): 28,866,400 shares

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Increase in Number of Shares as a Result of the International Offering: 1,350,000 shares

Total Number of Outstanding Shares after the International Offering: 30,216,400 shares

Note: These figures do not reflect the increase in the number of issued shares as a result of exercise of stock acquisition rights on or after August 1, 2020.

2. Use of Proceeds

The net proceeds of approximately ¥5,532 million from the International Offering are expected to be applied as follows:

- 1) Approximately ¥2,859 million (to be applied by the end of December, 2022) towards personnel costs required for product line/business expansion, advertising costs targeting the acquisition of new job applicants, and sales promotion costs aimed at the acquisition of new customer offices in Recruitment Platform Business
- 2) Approximately ¥2,673 million (to be applied by the end of December, 2023) towards personnel costs required for product line/business expansion and sales promotion costs targeting the acquisition of new customers offices in Medical Platform Business

The estimated net proceeds amount above was calculated based on the closing price of the Company's shares on August 25, 2020 as reported by the Tokyo Stock Exchange, Inc.

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