



Acquisition of MEDiPASS Co., Ltd.

Medley, Inc.

February 12, 2021

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Overview of Transaction

- Acquisition of 100% of outstanding shares of MEDiPASS from ND Software
 - Signing date of share purchase agreement: February 12, 2021
 - Closing date of share purchase: February 26, 2021 (scheduled)
 - Acquisition costs: 1,500 million yen
 - Source of acquisition costs: Cash on hand and deposits
 - Impact on the consolidated financial results forecast for fiscal year ending December 31, 2021: Currently under review

Purpose

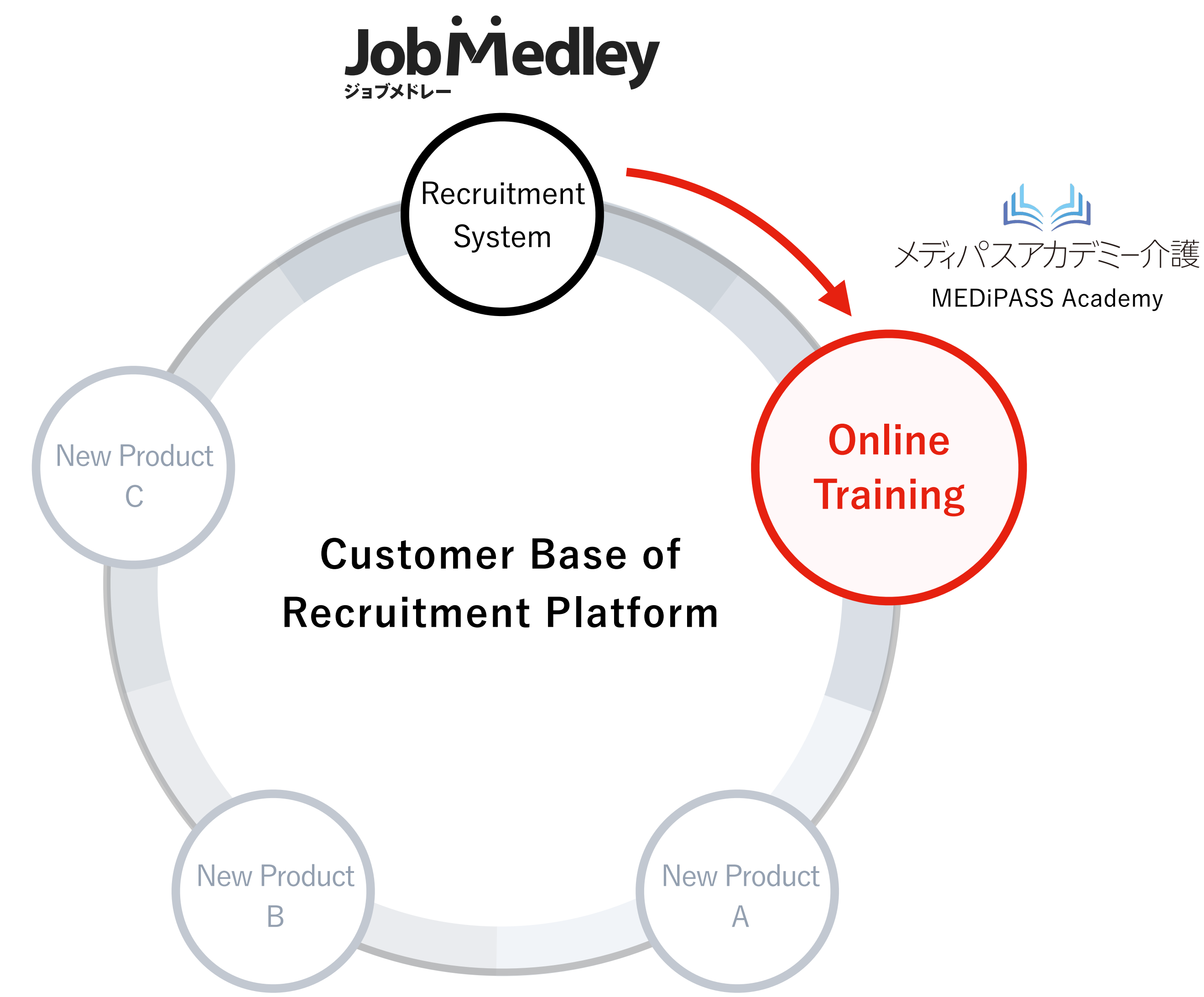
- Entering the field of online training
 - Acquisition of “MEDiPASS Academy”, an online video training service for nursing care providers

Expected Synergies

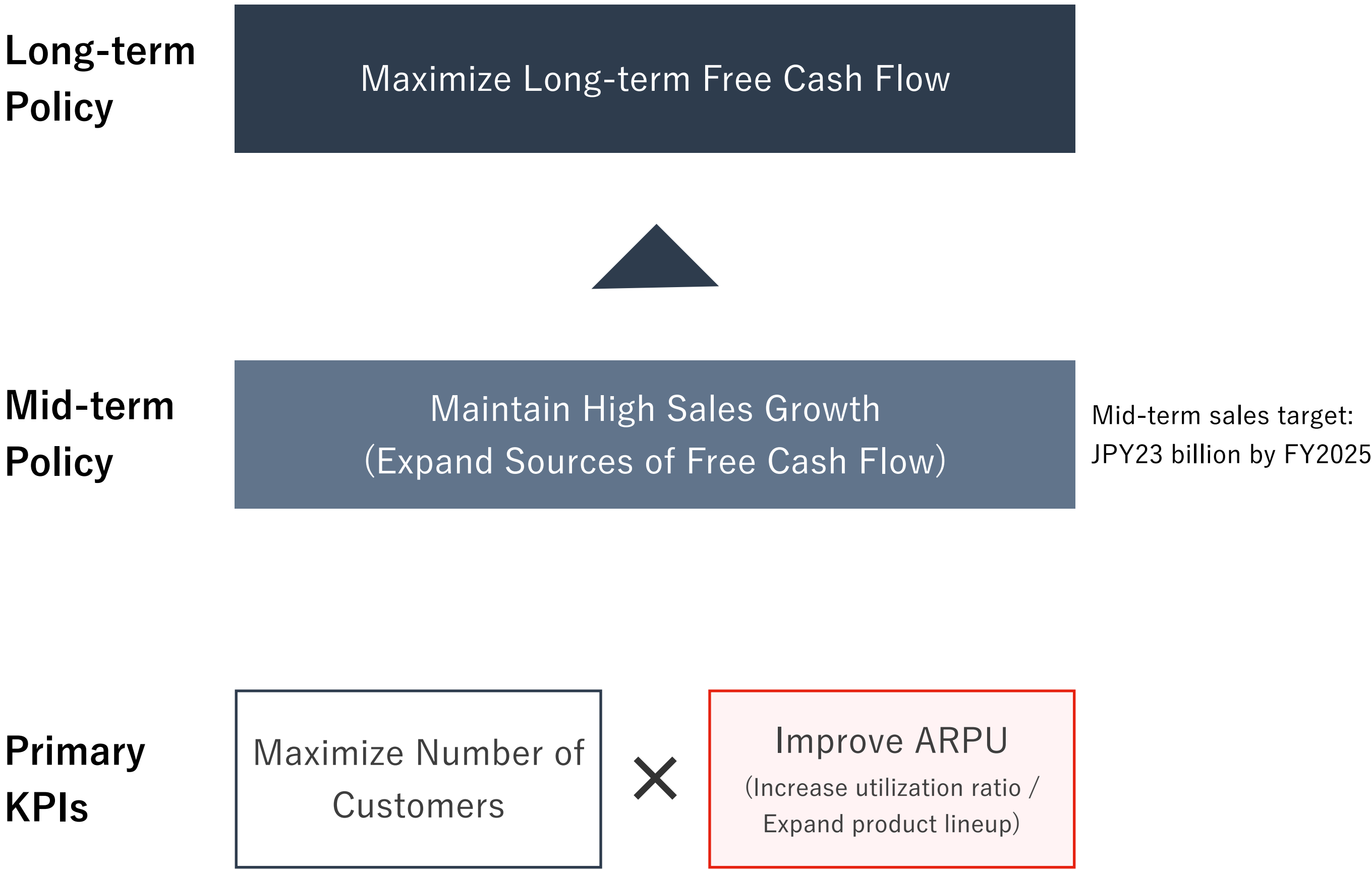
- Leveraging Medley’s customer base to expand online training business
 - Expansion of market share in nursing care sector
 - Tapping other markets

We have planned to expand our product portfolio into online training as an investment for growth of Recruitment Platform, and this acquisition will enable us to enter online training field. We will continue to improve ARPU so as to achieve our mid-term sales target earlier.

Expansion of Product Lineup in Recruitment Platform



Contribution to Improvement of ARPU



Online training for nursing care providers will be added to our product portfolio of Recruitment Platform where we currently offer recruitment system “JobMedley”. We will aggressively create synergies including expansion of market share in nursing and welfare field by leveraging our customer base and tapping other markets.

Development of Operation Support Systems



(1) As of end of December 2020

In line with its mission of “Connecting people and creating systems to solve the problems of an aging society”, MEDiPASS offers services for healthcare and nursing providers. Especially, MEDiPASS has built an impressive track record in online training field where MEDiPASS provides nursing care providers with a wide range of contents.

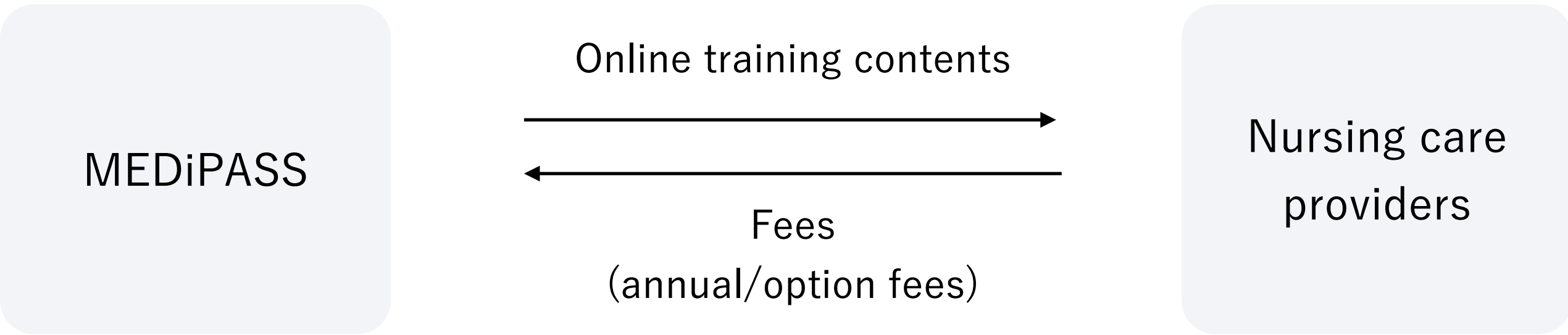
Company Overview

Date of Establishment	September, 2008
Representative	Hiroshi Oda, Representative Director and CEO
Net Sales	JPY1,163 million (FYE March 2020) - CAGR: 18.3% (over the past 3 years)
Number of Employees	104 (as of December 2020)

Main Businesses

Online Training	Online training services for nursing care providers
Healthcare Support	Operational support for medical institutions providing residents of nursing care facilities with medical care
Elderly Living Consulting	Support on arrangement of discharge of patients and online introduction service for paid senior living facilities

Business Model of Online Training (MEDiPASS Academy)



- Annual fees: Based on number of managers/individual users
- Option fees: Based on use of original contents, multilingual supports

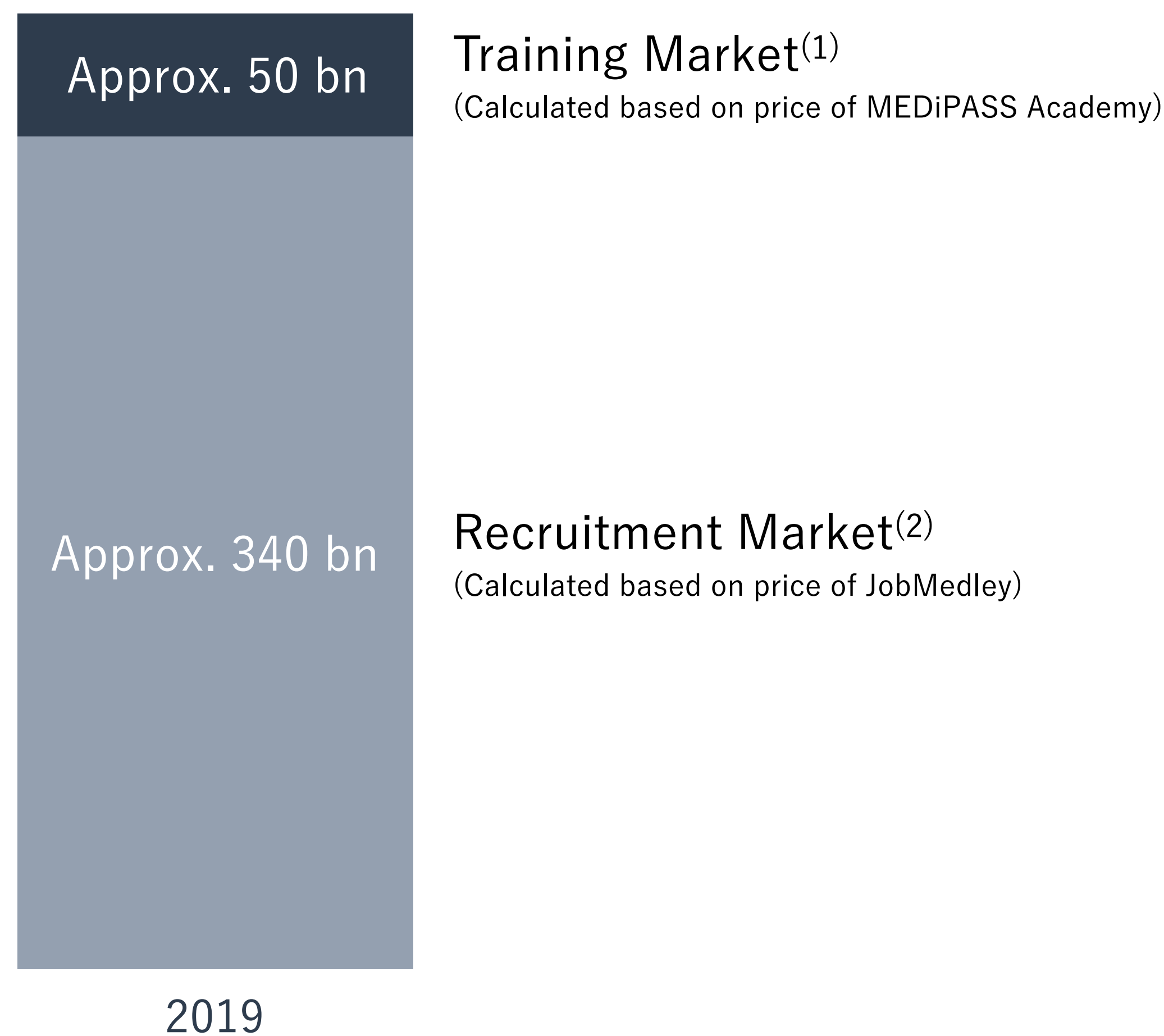
Competitiveness of MEDiPASS Academy

Impressive Track Record	• Rapid growth of customer base since launch in 2018 - Used in 1,700+ nursing care facilities - 30,000+ trainees
Wide Range of Contents	• Library of over 2,000 videos addressing a wide range of nursing care needs
High Convenience	• Trainees can watch videos anytime, anywhere on smartphones or tablet computers

We see huge opportunities in training market of medial and healthcare filed (market scale: approx. JPY 50 billion). We will work with MEDiPASS to accelerate the promotion of online training in not only nursing and welfare field but medical and healthcare field.

Market Scale of Training and Recruitment in Medical/Healthcare Field

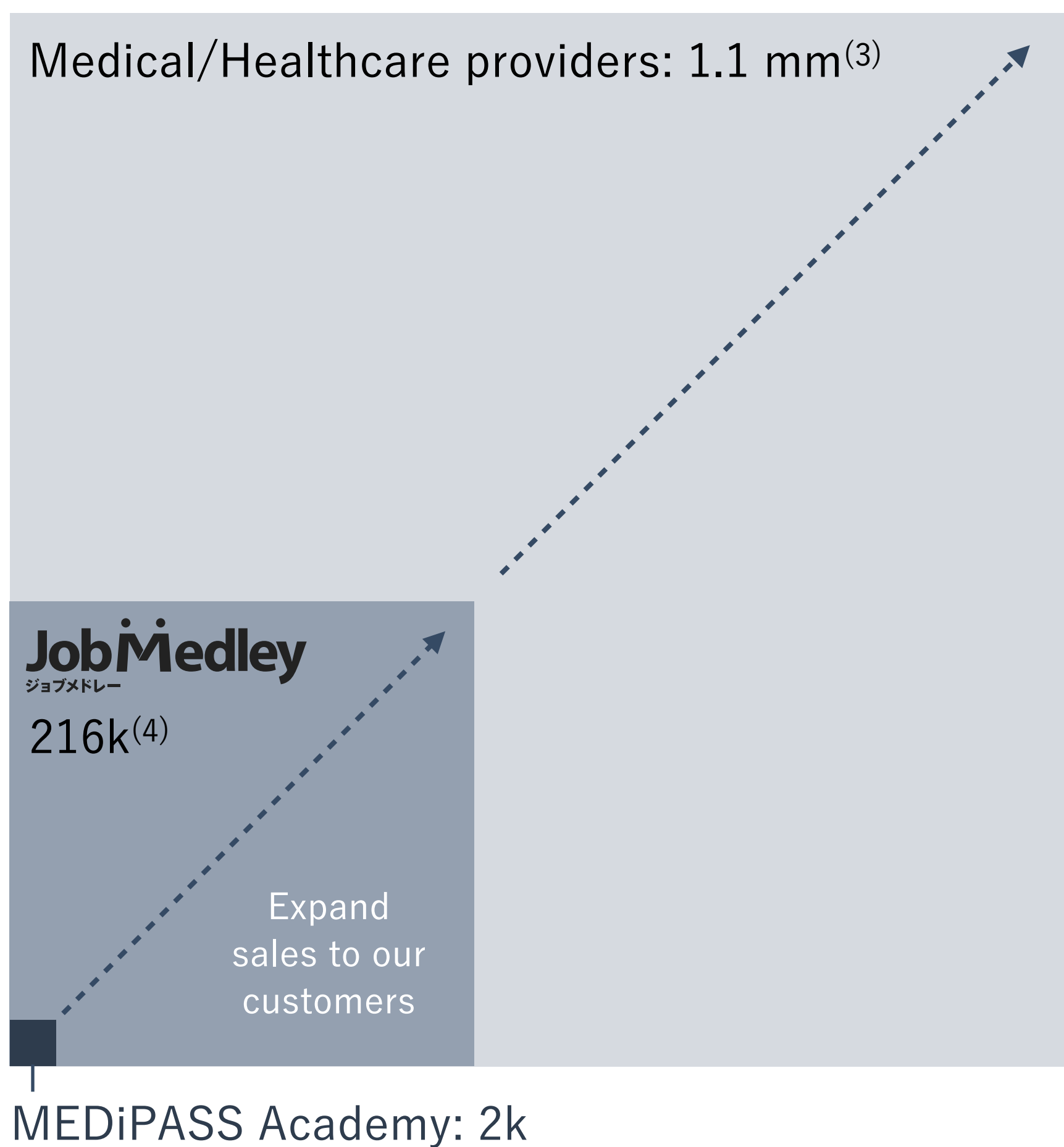
(JPY)



(1) Estimates by Medley, Inc.: Calculated based on the number of employees in the medical/beauty healthcare industries in Japan (approx. 8.7 million) in 2019 multiplied by JPY5,700 of average unit price of MEDiPASS Academy

(2) Estimates by Medley, Inc.: Calculated based on the number of employees in the medical/beauty healthcare industries in Japan (approx. 8.7 million), the average annual hiring rate for occupations that fall under the category of “medical care/welfare” and “environmental health services” in FY2018 employment trend survey results (approx. 16% for the “medical care/welfare”, approximately 28% for the “environmental health services” = approx. 1.5 million people), and the average unit price of JobMedley placements for all occupation categories

Room for Further Expansion of Customer Base



(3) Source: Ministry of Health, Labour and Welfare of Japan, Ministry of Internal Affairs and Communications of Japan, etc.

(4) Number of customers of JobMedley (as of December 2020)



Creating the Future of Medical/Healthcare