

[Translation]

February 26, 2021

Company name: MEDLEY, INC.

Representative: Kohei Takiguchi

President and Chief Executive Officer

(TSE Mothers Code No.4480)

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Notice Regarding Introduction of Restricted Stock Compensation Plan

MEDLEY, INC. (the “Company”) hereby announces that the Company, at the Board of Directors Meeting held on February 26, 2021, has reviewed the executive compensation plan, and resolved to introduce a restricted stock compensation plan (hereinafter “the Plan”) and to submit a proposal regarding the introduction of the Plan to the 12th Ordinary General Meeting of Shareholders scheduled for March, 26, 2021 (hereinafter “the General Meeting of Shareholders”).

1. Purpose and requirements for the introduction of the Plan

(1) Purpose of introduction of the Plan

The Plan is intended to combine the executive compensation of the Directors of the Company (excluding External Directors, hereinafter “the Eligible Directors”) with compensation linked to the Company’s share price and thereby more closely align the interests of the Eligible Directors with those of shareholders.

(2) Requirements for introduction of the Plan

As the Plan consists of monetary compensation to be provided for granting transfer-restricted stocks to the Eligible Directors, its introduction shall require the approval of shareholders at the General Meeting of Shareholders for the provision of transfer-restricted stocks.

While compensation for Directors was resolved at the 6th Ordinary General Meeting of Shareholders that convened on March 30, 2015, that the aggregate compensation payable to Directors shall be no more than 200 million yen per year (However, the amount does not include the portion of employee’s salaries for Directors who serve as employees), the Company will request shareholders’ approval of the introduction of the Plan, outside the scope of the aforementioned Directors’ compensation limitations, to set a compensation limitation to Eligible Directors under the Plan. Even if the proposal for the election of Directors is approved at the

General Meeting of Shareholders and Mr. Goichiro Toyoda is elected as Director, he will not be allocated transfer-restricted stocks under the Plan during the fiscal Year ending December 31, 2021.

2. Overview of the Plan

Under the Plan, allocation of transfer-restricted stocks shall be conducted in such a manner that (1) Eligible Directors receive common stock of the Company to be issued or disposed of, without the need for actually paying money for the common stock, or (2) monetary compensation claims granted to Eligible Directors by the Company shall be contributed in-kind for common stock, and Eligible Directors shall receive common stock of the Company to be issued or disposed of.

Total number of common stock of the Company to be issued or disposed of under the Plan shall not exceed 30,000 shares per year (However, from the date of the approval of this Plan, in the event of a stock split or reverse stock split of the Company's common stock (including in the event of uncompensated allocation of common shares of the Company) the total number of shares to be issued or disposed of may be adjusted in accordance with the stock split ratio or the reverse stock split ratio.) and total compensation amounts payable to Eligible Directors shall be no more than 200 million yen per year.

In order to align the interests of the Eligible Directors and shareholders over the medium-to-long term, which is one of the purposes of the Plan, the transfer restriction period for transfer-restricted stocks allotted via the Plan shall be set at two to five years as determined by the Board of Directors. Details of grant time and allocations to each Eligible Director shall be decided by the Board of Directors.

When the Company issues or disposes of common stock under the Plan, the Company and Eligible Directors shall conclude a restricted share allocation agreement (hereinafter "the Allocation Agreement") which shall include the following items.

(1) Eligible Directors shall not transfer, create security interest on, or otherwise dispose of the Company's common stock allocated under the Allocation Agreement for the period prescribed in advance.

(2) If any of certain events occur, the Company shall acquire the allocated shares without compensation.