

[Translation]

March 26, 2021

Company name: MEDLEY, INC.

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(TSE Mothers Code No.4480)

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Notice Concerning Issuance of New Shares as Restricted Stock Compensation

MEDLEY, INC. (hereinafter “the Company”) hereby announces that, at a meeting of the Board of Directors held on March 26, 2021, the Board of Directors resolved to issue new shares as restricted stock compensation (hereinafter the “new share issuance”) as described below.

1. Overview of New Share Issuance

(1) Payment date	April 26, 2021
(2) Class and number of shares to be issued	10,500 common shares of the Company
(3) Issue price	JPY 3,905 per share
(4) Total value of issuance	JPY 41,002,500
(5) Persons scheduled to receive shares and number of shares	5 Board of Directors of the Company, 10,500 shares *Excluding External Directors

2. Purposes of and Reasons for Issuance

At a meeting of the Board of Directors held on February 26, 2021, in order to more closely align the interests of Directors of the Company (excluding External Directors; hereinafter “the Eligible Directors”) with those of the Company’s shareholders by combining executive compensation with share-price-linked compensation, the Board of Directors had resolved to introduce the Transfer-restricted Stock Compensation Plan (hereinafter “the Plan”) for the Eligible Directors. Also, a proposal to grant transfer-restricted stock as compensation to the Eligible Directors separate from the existing compensation system provided by the Company and based on the Plan was approved at the 12th Annual General Meeting of Shareholders held on March 26, 2021.

An overview of the Plan is provided below

Overview of the Plan

Granting of transfer-restricted stocks under the Plan shall be conducted by one of the following methods: (1) To issue or dispose of common shares of the Company as compensation to the Eligible Directors without requirement of monetary payment, (2) To issue or dispose of common shares of the Company in exchange for in-kind contribution of all monetary compensation claims, which are granted by the Company as compensation to the Eligible Directors.

The total number of common stocks of the Company to be issued or disposed of under the Plan shall not exceed 30,000 shares per year and the total amount of transfer-restricted stocks granted under the Plan shall not exceed 200 million yen per year.

When transfer-restricted stocks are granted under the Plan, the Company and the Eligible Directors shall conclude a restricted share allocation agreement which shall include the following items.

(1) The Eligible Directors shall not transfer, create security interest on, or otherwise dispose of the Company's common stocks allocated under the restricted share allocation agreement for a period of two to five years as determined by the Board of Directors.

(2) The Company will, as a matter of course, acquire the Allocated Stocks with no compensation in case of violation of laws, the Company's internal rules, the terms of the allocation agreement, or any event determined by the Board of Directors of the Company to be an event in response to which it is reasonable to acquire the allocated stocks without consideration.

At the meeting of the Company's Board of Directors held on March 26, 2021, taking into consideration the purposes of the Plan, the scope of responsibilities of each Eligible Director, and various other circumstances, the Board of Directors resolved to issue to five Eligible Directors 10,500 common shares of the Company (hereinafter "the Allocated Shares") in exchange for in-kind contribution of monetary compensation claims totaling 41,002,500 yen.

Overview of the restricted share allocation agreement

Upon the issuance of the Allocated Shares, the Company and each Eligible Director will execute a restricted stock allocation agreement as outlined below.

(1) Transfer restriction period

The Eligible Directors shall not transfer, create security interest on, or otherwise dispose of the Allocated Shares during the period from April 26, 2021 (the payment date) until April 26, 2023.

(2) Conditions for cancelling transfer restriction

On the condition that an Eligible Director continuously serves the position as a director, auditor, or employee of the Company or one of its subsidiaries during the transfer restriction period, the Company will cancel the transfer restriction regarding all Allocated Shares at the time of expiration of the transfer restriction period. Note that the transfer restriction will be released for a portion of the Eligible Director's Allocated Shares at the time immediately after the loss of position occurs in cases wherein the Eligible Director resigns or retires

from his/her position, or is no longer a director, auditor or employee of the Company or its subsidiaries due to death or other reasons accepted as valid by the Board of Directors (excluding cases wherein said loss of position occurs before April 1, 2022). This portion will be calculated by, immediately after said loss of position, first dividing the number of months from the month following the month that contains the payment date to the month that contains the date when the loss occurs by 24 and then multiplying this number by the total amount of the Allocated Shares allocated to the Eligible Director (however, if any fractional share arises as a result of the calculation, this will be rounded down).

(3) Acquisition of the Allocated Shares by the Company without consideration

The Company will, as a matter of course, acquire the Allocated Shares with no consideration in cases where the transfer restriction has not been released when the transfer restricted period ends and in cases where, during the transfer restricted period, immediately after the Eligible Director loses their position as a director, auditor, or employee of the Company or its subsidiaries.

(4) Management of shares

To ensure that the Allocated Shares cannot be transferred, created any security interest on, or otherwise disposed of during the transfer restricted period, they shall be managed in a dedicated account for the Allocated Shares opened with Daiwa Securities Co. Ltd. by the Eligible Director during the transfer restricted period.

(5) Provision for cases where the Company undergoes reorganization, etc.

If, during the transfer restricted period, a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary of another company, or any other matter concerning reorganization is approved by the Company's General Shareholders' Meeting (or by the Company's Board of Directors if the approval of the General Shareholders' Meeting is not required), the transfer restrictions for a portion of the Eligible Director's Allocated Shares will be lifted immediately before the business day prior to the effective date of restructuring, etc., by the resolution of the Board of Directors. This portion will be calculated by first dividing the number of months from the month following the month that contains the payment date to the month that contains the date of approval of the company restructuring, etc., by 24 and then multiplying this number by the total amount of the Allocated Shares the Eligible Director held at that time (however, if any fractional share arises as a result of the calculation, this will be rounded down). However, this provision may not apply if the timing of immediately before the business day prior to the effective date of restructuring occurs before April 1, 2022.

3. Basis for calculating paid-in amount and details thereof

Under the Plan, issuance of new shares to persons scheduled to receive shares will be carried out using the monetary compensation claims granted to them and, in order to ensure that there is no arbitrariness in the valuation, the amount paid per share shall be JPY 3,905, which represents the closing price of ordinary shares in the Company on the Tokyo Stock Exchange on March 25, 2021 (the business day before the date of the resolution of the Board of Directors). This is the market price immediately before the date of the resolution of the Board of Directors and the Company believes that it is a reasonable value that appropriately reflects the

value of the Company in a condition free of special circumstances that would indicate that the recent share price is unreliable, and that it does not constitute any special benefit for the Eligible Directors.