

[Translation]

February 28, 2022

Company name: MEDLEY, INC.

Representative: Kohei Takiguchi

President and Chief Executive Officer

(TSE Mothers Code No.4480)

Contact: Yuta Tamaru

Director and Head of Corporate Division

TEL: +813-6372-1265

Notice Regarding the Reductions of Stated Capital

MEDLEY, INC. (the “Company”) hereby announced on February 28, 2022 that the Company has resolved to submit a proposal to reduce its amount of stated capital at the 13th Annual General Meeting of Shareholders to be held on March 25, 2022.

1. Purpose of Capital Reduction

The Company plans to reduce the amount of its stated capital in order to maintain a flexible and dynamic capitalization strategy in accordance with Article 447, Paragraph 1 of the Companies Act. There will be no change in the total number of shares issued and in the amount of net assets, and the reduction in its stated capital will have no impact on the number of shares held by shareholders or the amount of net assets per share.

2. Details of Capital Reduction

(1) Amount of Capital Reduction

Amount of stated capital will be reduced by ¥6,706,998,700 from its current level of ¥6,716,998,700. The entire amount of the reduction will be transferred to “Other Capital Surplus” and post-reduction capital will be ¥10,000,000.

If, for example, stock options issued by the Company are exercised by the effective date of the capital reduction, the amount of the stated capital and the amount of the stated capital after the reduction could be different from the aforementioned figures.

(2) Method of Capital Reduction

As the method of the reduction will be that of the capital reduction without contribution refunds, the total number of shares issued will not be changed and the entire amount of the capital to be reduced will be transferred to “Other Capital Surplus”.

3. Schedule for Capital Reduction

- (1) Resolution by Board of Directors February 28, 2022 (Monday)
- (2) Resolution at the 13th Annual General Meeting of Shareholders March 25, 2022 (Friday)
- (3) Final date for Objections of Creditors May 25, 2022 (Wednesday) (tentative)
- (4) Effective date of capital reduction June 1, 2022 (Wednesday) (tentative)

4. Expected impact from Capital Reduction

This matter is a transfer between accounts classified in the net assets of the balance sheet, and there will be no change in the Company’s total net assets and no impact on its business performance. This matter is subject to approval at the 13th Annual General Meeting of Shareholders to be held on March 25, 2022.