



February 20, 2025

To whom it may concern:

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Notice Regarding Disposal of Treasury Shares as Restricted Stock Compensation to Employees of the Company and its Subsidiaries

MEDLEY, INC. (the “Company”) announces that it was resolved at the Board of Directors Meeting held on February 20, 2025 to dispose of treasury shares as restricted stock as follows (“disposed treasury shares”).

1. Overview of disposal

(1) Disposal date	April 11, 2025
(2) Class and number of shares to be disposed	46,500 common shares of the Company
(3) Disposal price	JPY 4,030 per share
(4) Total value of disposal	JPY 140,895,000
(5) Intended allottees	46 employees of the Company: 41,400 shares 3 employees of the Company’s subsidiaries: 5,100 shares

2. Purpose and reason for disposal

In order to provide employees of the Company and its subsidiaries with incentive to sustainably increase the Company’s corporate value and more closely align their interests with those of the Company’s shareholders, the Company resolved to grant monetary remuneration rights in a total amount of JPY 140,895,000, which will be used as a contribution in kind to consequently dispose of 46,500 of the Company’s common shares as restricted stock to 49 employees of the Company and its subsidiaries (the “eligible employees”).

The eligible employees will pay the entirety of the monetary remuneration rights they were granted as properties contributed in-kind, and will receive the common shares that are to be allocated by the Company through the disposed treasury shares. Furthermore, the transfer restriction period will include a five-year period (“Scheme 2”) in addition to the existing two-year period (“Scheme 1”) in order to provide an incentive to increase longer-term corporate value.

The Company will enter into a restricted share allotment agreement with the eligible employees related to Scheme 1 or Scheme 2, or both, as described below.

The transfer restricted shares will be allocated only to those eligible employees who wish to receive them.

Summary of the restricted share allocation agreement

(1) Transfer restriction period

The eligible employees shall not create a security interest on or otherwise dispose of any of the Company's common shares allotted to them (the "allocated shares") for the following period (hereinafter, the period during which transfers, etc. are restricted is called the "transfer restriction period").

• Scheme 1

- a) Half of the allotted shares subject to Scheme 1
From April 11, 2025 (the "payment date") until April 11, 2026
- b) Allotted shares subject to Scheme 1 except those in a) above
From the payment date until April 11, 2017

• Scheme 2

- a) One fifth of the allotted shares subject to Scheme 2
From the payment date until April 11, 2026
- b) One quarter of the allotted shares subject to Scheme 2 except those in a) above
From the payment date until April 11, 2027
- c) One third of the allotted shares subject to Scheme 2 except those in a) and b) above
From the payment date until April 11, 2028
- d) One half of the allotted shares subject to Scheme 2 except those in a) through c) above
From the payment date until April 11, 2029
- e) The allotted shares subject to Scheme 2 except those in a) through d) above
From the payment date until April 11, 2030

(2) Conditions for lifting transfer restriction

• Scheme 1

The transfer restrictions will be lifted for all allocated shares to which a transfer restriction period applies, on the expiration date of the transfer restriction, on the condition that the eligible employee continuously serves in the position of either a director, auditor, executive officer, or employee of the Company or one of its subsidiaries during the transfer restriction period. However, in the event that the eligible employee loses his or her position as a director, auditor, executive officer, or employee of the Company or one of its subsidiaries owing to the end of the term of office or employment period, or due to death or any other reason accepted as valid by the Company, immediately after said loss of position, the transfer restrictions will be lifted for a number of the allocated shares calculated in proportion to the number of months from the month following the month that includes the payment date to the month that includes the date on which the position was lost, .

• Scheme 2

The transfer restrictions will be lifted for all allocated shares to which a transfer restriction period applies, on the expiration date of the transfer restriction period, on the condition that the eligible employee continuously serves in the position of either a director, auditor, executive officer, or employee of the Company or one of its subsidiaries during the transfer restriction period, and was not demoted during the transfer restriction period. However, in the event that the eligible employee loses his or her position as a director, auditor, executive officer, or employee of the Company or one of its subsidiaries owing to the end of the term of office or employment period, or due to death or any other reason accepted as valid by Company, or the eligible employee is demoted, immediately after said loss of position or demotion, the transfer restrictions will be lifted for a number of the allocated shares calculated in proportion to the number of months from the month following the month that includes the payment date to the month that includes the date of said loss of position or demotion.

(3) Acquisition of allocated shares by the Company without compensation

- Scheme 1

The Company will, as a matter of course, acquire without compensation the allocated shares for which transfer restrictions will not be lifted when the transfer restriction period expires, or immediately after the eligible employee loses his or her position as a director, auditor, executive officer, or employee of the Company or its subsidiaries during the transfer restriction period.

- Scheme 2

The Company will, as a matter of course, acquire without compensation the allocated shares for which transfer restrictions have not been lifted when the transfer restriction period expires, or immediately after the eligible employee loses his or her position as a director, auditor, executive officer, or employee of the Company or its subsidiaries during the transfer restriction period.

(4) Management of shares

During the transfer restriction period, the allocated shares will be managed in a dedicated account opened with Daiwa Securities Co., Ltd. by the eligible employees to ensure that the allocated shares cannot be transferred, have any security interest created on them, or be otherwise disposed of.

(5) Treatment in the event of reorganization, etc. of the Company

In the event that, during the transfer restriction 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, or any other matter related to reorganization, etc. is approved at the Company's General Shareholders' Meeting (or by the Company's Board of Directors if the approval of the Company's General Shareholders' Meeting is not required for the reorganization, etc.), the transfer restrictions will be lifted immediately before the business day prior to the effective date of the reorganization, etc., by resolution of the Company's Board of Directors, for a number of allocated shares calculated in proportion to the number of months from the month following the month that includes the payment date to the month that includes the reorganization, etc. approval date.

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

The disposal of treasury shares will be carried out with the monetary remuneration rights granted to the intended

allottees serving as properties contributed in-kind. In order to ensure that there is no arbitrariness in the valuation, the amount paid in will be JPY 3,030, which is the closing price for the Company's common shares on the Tokyo Stock Exchange on February 19, 2025 (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 Company's corporate value given the absence of special circumstances that would indicate the recent share price is not reliable, and that it does not constitute any special benefit for the eligible employees.