



March 25, 2025

To whom it may concern:

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Notice Regarding Disposal of Treasury Shares as Restricted Stock Compensation to Directors, etc.

MEDLEY, INC. (the “Company”) announces that it was resolved at the Board of Directors Meeting held on March 25, 2025 to dispose of treasury shares as restricted stock compensation as follows (the “Disposal of Treasury Shares”).

1. Overview of disposal

(1) Disposal date	April 11, 2025
(2) Class and number of shares to be disposed	89,200 common shares of the Company
(3) Disposal price	JPY 3,155 per share
(4) Total value of disposal	JPY 281,426,000
(5) Intended allottees	3 Directors of the Company: 29,900 shares 10 Executive Officers of the Company: 48,200 shares 1 Director of the Company’s subsidiary: 11,100 shares

2. Purpose and reason for disposal

At the Board of Directors Meeting held on February 26, 2021, the Company resolved to implement a restricted stock compensation plan (the “Plan”) for the purpose of more closely aligning the interests of the Company’s Directors (excluding External Directors; hereinafter the same applies) with those of the Company’s shareholders by incorporating compensation linked to the Company’s share price into the director compensation. At the 12th Annual General Meeting of Shareholders held on March 26, 2021, it was approved to grant restricted stock compensation based on the Plan up to an annual amount of 200 million yen (the total number of the common shares of the Company to be issued or disposed of in connection with this shall be within 30,000 shares per year). The grant of restricted stock compensation under the Plan is to be carried out in one of the following methods: (1) issuance or disposal of the common shares of the Company as compensation, etc. to Directors without requiring payment of money, etc., or (2) issuance or disposal

of the common shares of the Company in exchange for in-kind contribution of all monetary claims granted by the Company to Directors.

In order to provide an incentive to sustainably increase the Company's corporate value and more closely align their interests with those of the Company's shareholders, the Company has also introduced a restricted stock compensation plan similar to the Plan for Executive Officers of the Company and Directors of the Company's subsidiaries.

At the Board of Directors Meeting held today, the Company resolved to grant monetary claims in a total amount of JPY 281,426,000, which will be used as an in-kind contribution to consequently dispose of 89,200 of the common shares of the Company as restricted stock compensation to 13 Directors and Executive Officers of the Company, and 1 Director of the Company's subsidiary (the "Eligible Persons").

The Eligible Persons will pay the entirety of the monetary claims they were granted as properties contributed in-kind, and will receive the common shares of the Company that are to be allocated by the Company through the Disposal of Treasury Shares. Furthermore, the Transfer Restriction Period (as defined below) will include a five-year period ("Scheme 3") in addition to the existing two-year period ("Scheme 1" or "Scheme 2") in order to provide an incentive to increase longer-term corporate value. The Company will enter into restricted stock allotment agreements with the Eligible Persons related to Scheme 1, Scheme 2 or Scheme 3, or more than one of these, as described below.

The restricted stocks will be allocated only to those Eligible Persons who wish to receive them.

Summary of the restricted stock allocation agreement

(1) Transfer restriction period

The Eligible Persons shall not create a security interest on or otherwise dispose of any of the common shares of the Company allotted to them (the "Allotted Shares") for the following period (hereinafter, the period during which transfers, etc. are restricted is called the "Transfer Restriction Period").

- Scheme 1

From April 11, 2025 (the "Payment Date") until April 11, 2027

- Scheme 2

- a) Half of the Allotted Shares subject to Scheme 2

From the Payment Date until April 11, 2026

- b) Allotted Shares subject to Scheme 2 except those in a) above

From the Payment Date until April 11, 2027

- Scheme 3

- a) One fifth of the Allotted Shares subject to Scheme 3

From the Payment Date until April 11, 2026

- b) One quarter of the Allotted Shares subject to Scheme 3 except those in a) above

From the Payment Date until April 11, 2027

- c) One third of the Allotted Shares subject to Scheme 3 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 3 except those in a) through c) above

From the Payment Date until April 11, 2029

- e) The Allotted Shares subject to Scheme 3 except those in a) through d) above

From the Payment Date until April 11, 2030

(2) Conditions for lifting transfer restrictions

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 Person continuously serves in the position of either a Director, Audit & Supervisory Board Member, Executive Officer, or employee of the Company or one of its subsidiaries during the Transfer Restriction Period. However, in the event that the Eligible Person loses his or her position as a Director, Audit & Supervisory Board Member, 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.

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

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 Person loses his or her position as a Director, Audit & Supervisory Board Member, 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 Persons 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 approval date of the reorganization, etc.

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

The Disposal of Treasury Shares will be carried out with the monetary claims 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 3,155, which is the closing price for the common shares of the Company on the Tokyo Stock Exchange on March 24, 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 Persons.