

October 22, 2021

Company name: MEDLEY, INC.  
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 President and Chief Executive Officer  
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**Notice Regarding Joint Acquisition of minacolor inc. with NTT DOCOMO INC.,  
 Underwriting of Capital Increase through Third-Party Allotment,  
 and Underwriting Convertible Bonds with Stock Acquisition Rights**

MEDLEY, INC. (the “Company”) hereby announces that the Company resolved at its Board of Directors Meeting that the Company will acquire all outstanding shares of minacolor inc. (“minacolor”) with NTT DOCOMO, INC. (“NTT DOCOMO”) (the “Share Acquisition”), the underwriting of shares for subscription associated with the capital increase through third-party allotment conducted by minacolor (the “Capital Increase Underwriting”), and the underwriting of convertible bonds with stock acquisition rights (the “Underwriting of Bonds with Stock Acquisition Rights”).

1. Purpose of acquisition and underwriting of capital increase through third-party allotment and convertible bonds with stock acquisition rights

Under the mission of “creating the future of medical and healthcare”, the Company has developed businesses that meet the demand of society in the medical healthcare field. The Company aims to promote digital transformation in the industries by utilizing IT to realize medical services that satisfy both patients and those who are involved.

minacolor, established in 2013, has focused on selling over-the-counter drugs to consumers via e-commerce websites under the mission of “Bringing healthcare closer to the heart”.

The purpose of the Share Acquisition is to jointly hold minacolor and to leverage minacolor’s knowhow related to online patients support to allow the Company and NTT DOCOMO to swiftly provide patient users with high-value-added medical healthcare services. This will be conducted as a part of the capital and business alliance entered into agreement between the Company and NTT DOCOMO on April 26, 2021.

Furthermore, the Company plans to provide minacolor with a total of JPY 1.7 billion of cash in several rounds in order to expeditiously launch and expand the aforementioned services through the Capital Increase Underwriting and the Underwriting of Bonds with Stock Acquisition Rights. The Company plans to acquire 14.9% of shares of minacolor through the Share Acquisition and the Capital Increase Underwriting. When all Bonds with Stock Acquisition Rights are converted to ordinary shares, the Company will hold 33.4% of shares of minacolor, which will lead minacolor to become an equity method affiliate of the Company.

2. Overview of minacolor

(1) Name	minacolor inc.
(2) Address	3 Chome-18-3, Uchikanda, Chiyoda-ku, Tokyo
(3) Name and title of representative	Shinya Kina, CEO
(4) Description of business	Online sales of over-the-counter drugs
(5) Capital	JPY 100 million (as of June 30, 2021)

(6)	Date of establishment	November 22, 2013	
(7)	Relationship between the Company and minacolor	Capital relationship	Not applicable
		Personnel relationship	Not applicable
		Business relationship	Not applicable

### 3. Number of shares to be acquired, acquisition costs, and number of shares held before and after the acquisition

(1)	Number of shares held before the change	0 shares (Number of voting rights: 0 rights) (Percentage of voting rights: 0.0%)	
(2)	Number of shares to be acquired	25,112 shares (Number of voting rights: 25,112 rights)	
(3)	Acquisition costs	Shares of minacolor	178 million yen
		Consulting fees (Approx.)	12 million yen
		Total (Approx.)	190 million yen
(4)	Number of shares held after the change	25,112 shares (Number of voting rights: 25,112 rights) (Percentage of voting rights: 14.9%)	

Note: In addition to the Share Acquisition, the Company plans to make multiple payments related to the Capital Increase Underwriting (approximately JPY 485 million) and the Underwriting of Bonds with Stock Acquisition Rights (approximately JPY 1,239 million). After the exercise of all stock acquisition rights, the Company will hold 33.4% of voting rights of minacolor, which will lead minacolor to become an equity method affiliate of the Company.

### 4. Schedule

(1)	Date of resolution by the Board of Directors	October 19, 2021
(2)	Date of resolution by NTT DOCOMO Signing date of the share purchase agreement	October 22, 2021
(3)	Signing date of the underwriting agreement Date of Share transfer and initial payment	October 29, 2021 (scheduled)

### 5. Impact on business results

We expect no material impact on consolidated financial results for the fiscal year ending December 31, 2021. minacolor will make aggressive growth investments in new services, which are planned to be developed by minacolor, utilizing functions such as telemedicine. It is expected to reinforce our Medical PF business with further increase in number of customers for our SaaS such as telemedicine system. We will make timely disclosure if a material impact on the forecast is expected.