



Joint Acquisition of minacolor inc.
to Form New Business with NTT DOCOMO, INC.

Medley, Inc.
October 22, 2021

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| Objectives | |
| Overview of transaction | Joint acquisition of shares |
| | Underwriting of capital increase through third-party allotment |
| | Underwriting of convertible bonds with stock acquisition rights |
| Impact on our consolidated financial performance | |

- **Expediently launch new services for users with NTT DOCOMO**
 - Leverage minacolor’s knowhow to jointly develop businesses with NTT DOCOMO that will support patients in making use of medical and healthcare services

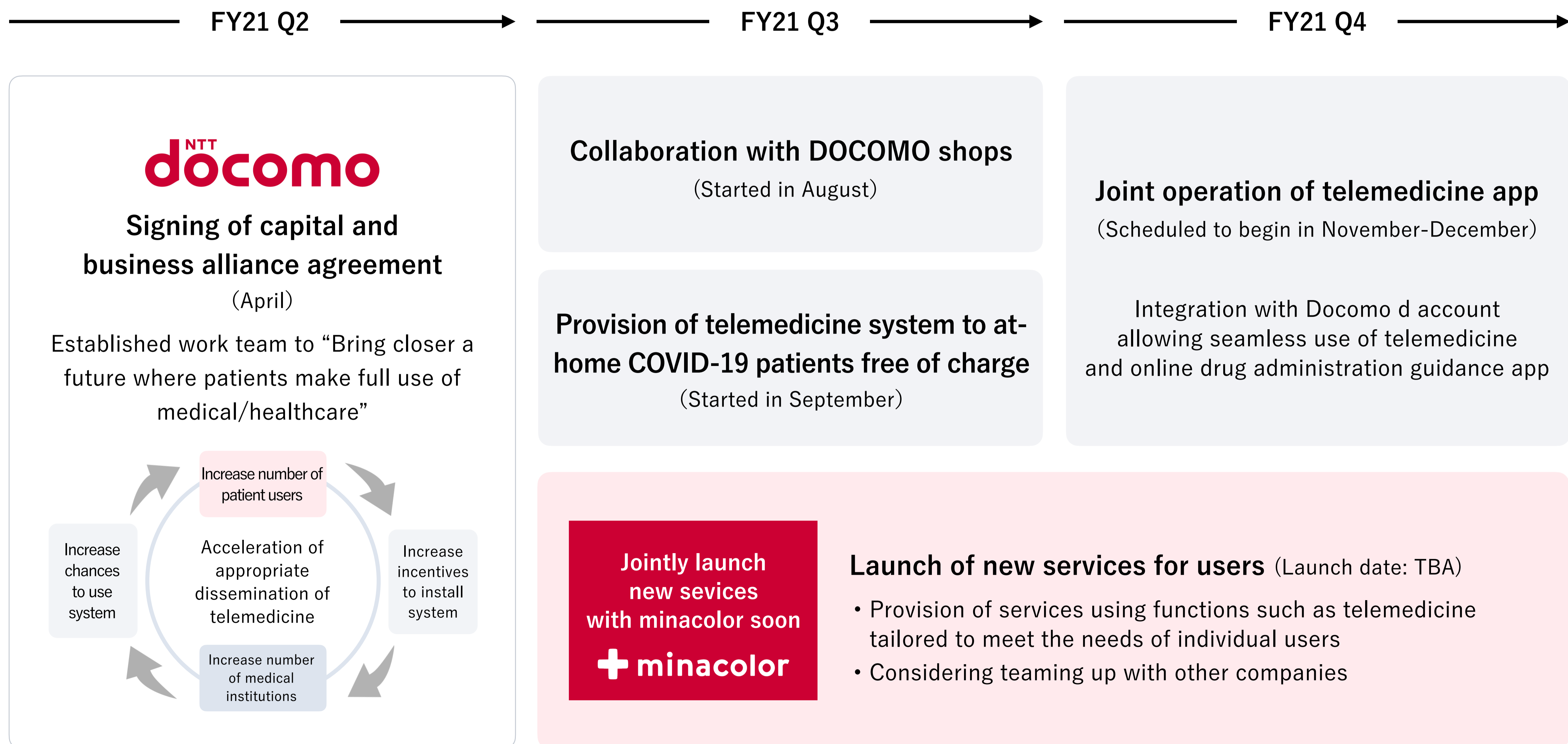
- **Jointly acquire all outstanding shares of minacolor with NTT DOCOMO**
 - Percentage of voting rights after the acquisition: NTT DOCOMO 85.1%, Medley 14.9%
 - Medley’s share acquisition cost: 178 million yen
 - Signing date of share purchase agreement: October 22, 2021
 - Closing date of acquisition: October 29, 2021 (scheduled)

- **Jointly underwrite the capital increase through third-party allotment conducted by minacolor with NTT DOCOMO**
 - Percentage of voting rights after the underwriting: NTT DOCOMO 85.1%, Medley 14.9%
 - Medley’s total underwriting cost: 485 million yen
 - Signing date of underwriting agreement: October 29, 2021 (scheduled)

- **Solely underwrite convertible bonds with stock acquisition rights issued by minacolor**
 - Objectives: To support minacolor’s aggressive investments/ to hold rights to convert minacolor into an equity method affiliate in the future
 - Percentage of voting rights after full conversion: 33.4%
 - Medley’s total underwriting cost: 1,239 million yen
 - Signing date of underwriting agreement: October 29, 2021 (scheduled)

- **Impact on consolidated financial results for FY2021: Expected not to be material**
- **Mid-term financial performance: Expected to have positive impact on our sales and cost of our Medical PF and equity method gains/losses in the affiliate**

Based on the growth in installation of our telemedicine and online drug administration guidance systems, we view promoted dissemination of the apps to patient users as our next growth driver. Medley and NTT DOCOMO will jointly acquire all outstanding shares of minacolor in order to expeditiously launch new services for patient users which Medley and NTT DOCOMO are preparing the joint operation.



Collaboration with DOCOMO shops
(Started in August)

Provision of telemedicine system to at-home COVID-19 patients free of charge
(Started in September)

Joint operation of telemedicine app
(Scheduled to begin in November-December)

Integration with Docomo d account allowing seamless use of telemedicine and online drug administration guidance app

Jointly launch new services with minacolor soon

+ minacolor

Launch of new services for users (Launch date: TBA)

- Provision of services using functions such as telemedicine tailored to meet the needs of individual users
- Considering teaming up with other companies

New Service: Leverage minacolor's knowhow to develop businesses that will support patients in making use of medical and healthcare services



Medley and NTT DOCOMO will jointly hold minacolor and combine the assets and knowhow of these three companies to swiftly develop services that will support patients in making use of medical and healthcare services. We will disclose details on these services as appropriate.



Knowhow to operate large-scale business
Strong end user membership base
- Knowhow in fields such as contact points, management, and promotion



Development and provision of services to support patients in making use of medical healthcare services

(Details: TBA)



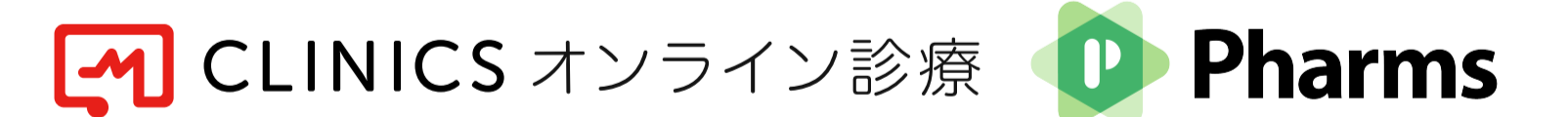
Knowhow related to online support of patients



Development/operation capabilities in medical services

Strong customer base in the medical healthcare field

- Tie-ups with customers of telemedicine and online drug administration guidance systems



Telemedicine

minacolor was established by a licensed pharmacist in 2013 and has contributed to the primary care of patients by focusing on the online sale of over-the-counter drugs.

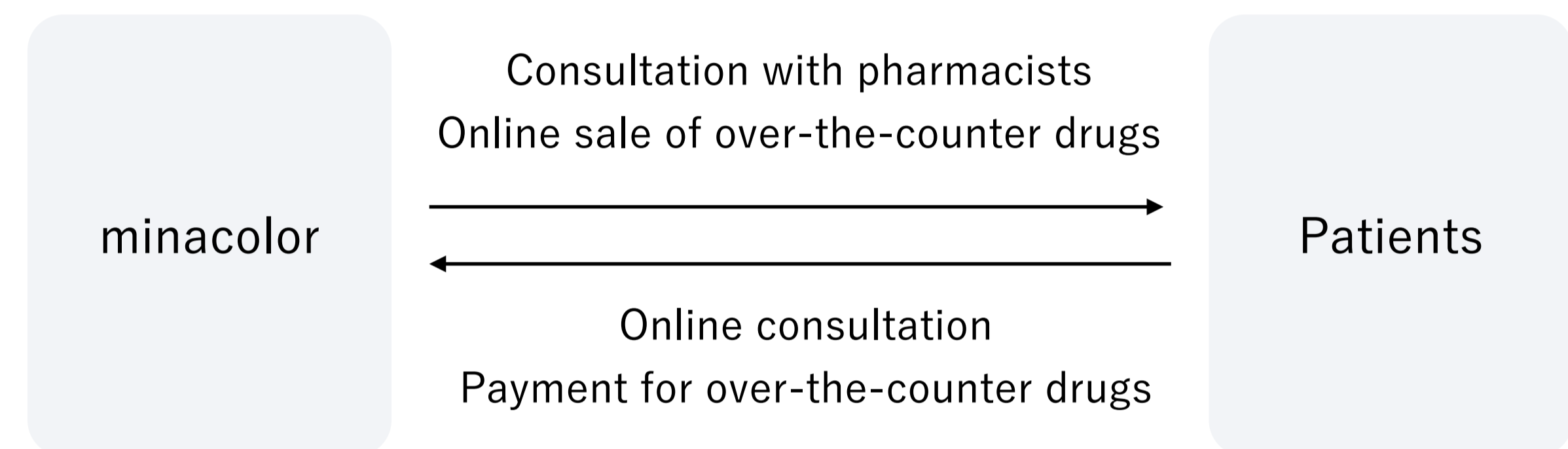
Summary

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|------------------|--|
| Founder | Shinya Kina (Pharmacist) |
| Net Sales | 361 million yen (FYE September 30, 2020) |
| Business | Online sale of over-the-counter drugs |

History

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| Nov. 2013 | Established as minacolor inc. |
| Aug. 2014 | Launched medical information service |
| Jan. 2016 | Launched free pharmacist drug home delivery service |
| Nov. 2020 | Began sale of private brand (PB) drugs |
| Jan. 2021 | Launched quick delivery service for prescription and over-the-counter drugs |
| Aug. 2021 | Launched proof-of-concept service allowing customers to pick up prescription and over-the-counter drugs at Family Mart convenience stores |

minacolor's business model

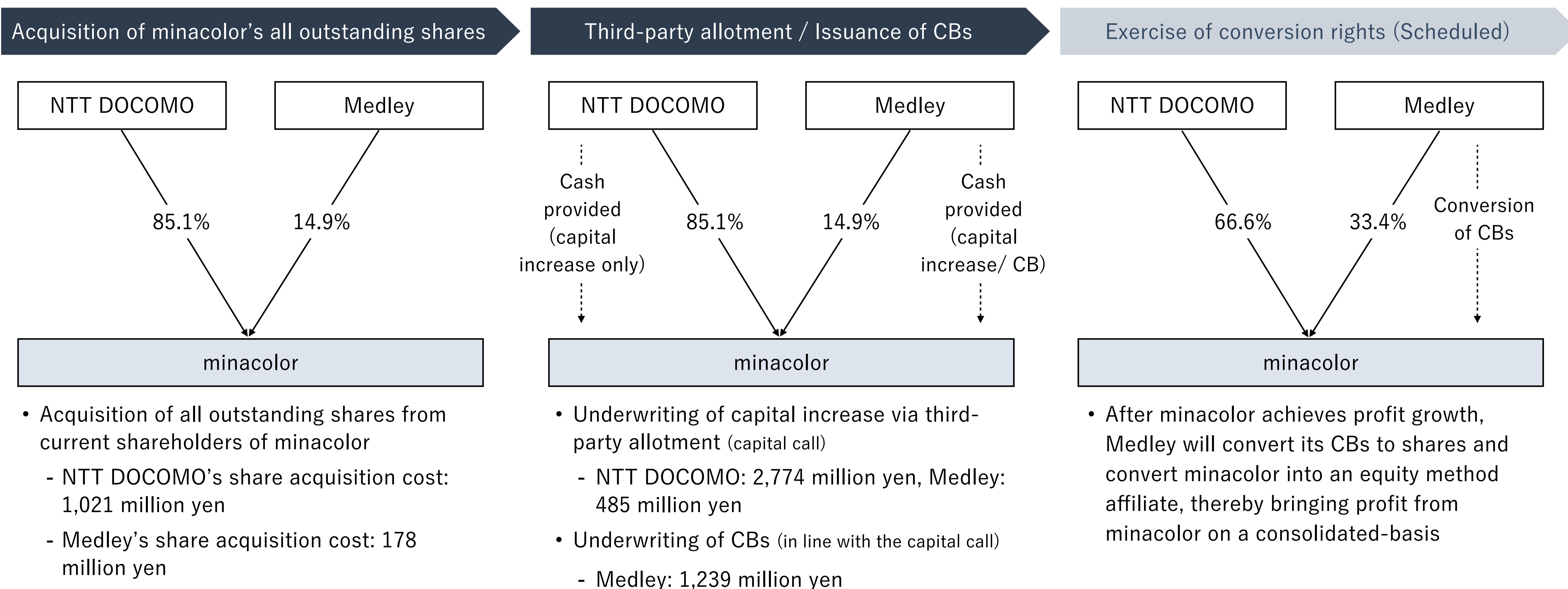


minacolor: 6 strengths

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| | | |
| Patients can securely buy drugs online | 30,000+ accurate drug information entries | Customers can talk with pharmacists on their questions or concerns |
| | | |
| 20+ PB drug lineups | Free, next-day delivery | Multiple payment options |

NTT DOCOMO and Medley will acquire 85.1% and 14.9% of outstanding shares of minacolor respectively. NTT DOCOMO and Medley will underwrite the capital increase through third-party allotment (total of approx. 3.2 billion yen) with the shareholding ratio unchanged. In addition, Medley will underwrite CBs of approx. 1.2 billion yen in total to support minacolor's future growth and Medley will convert minacolor into an equity method affiliate when all CBs are converted to ordinary shares.

Structure transition



Structure roadmap

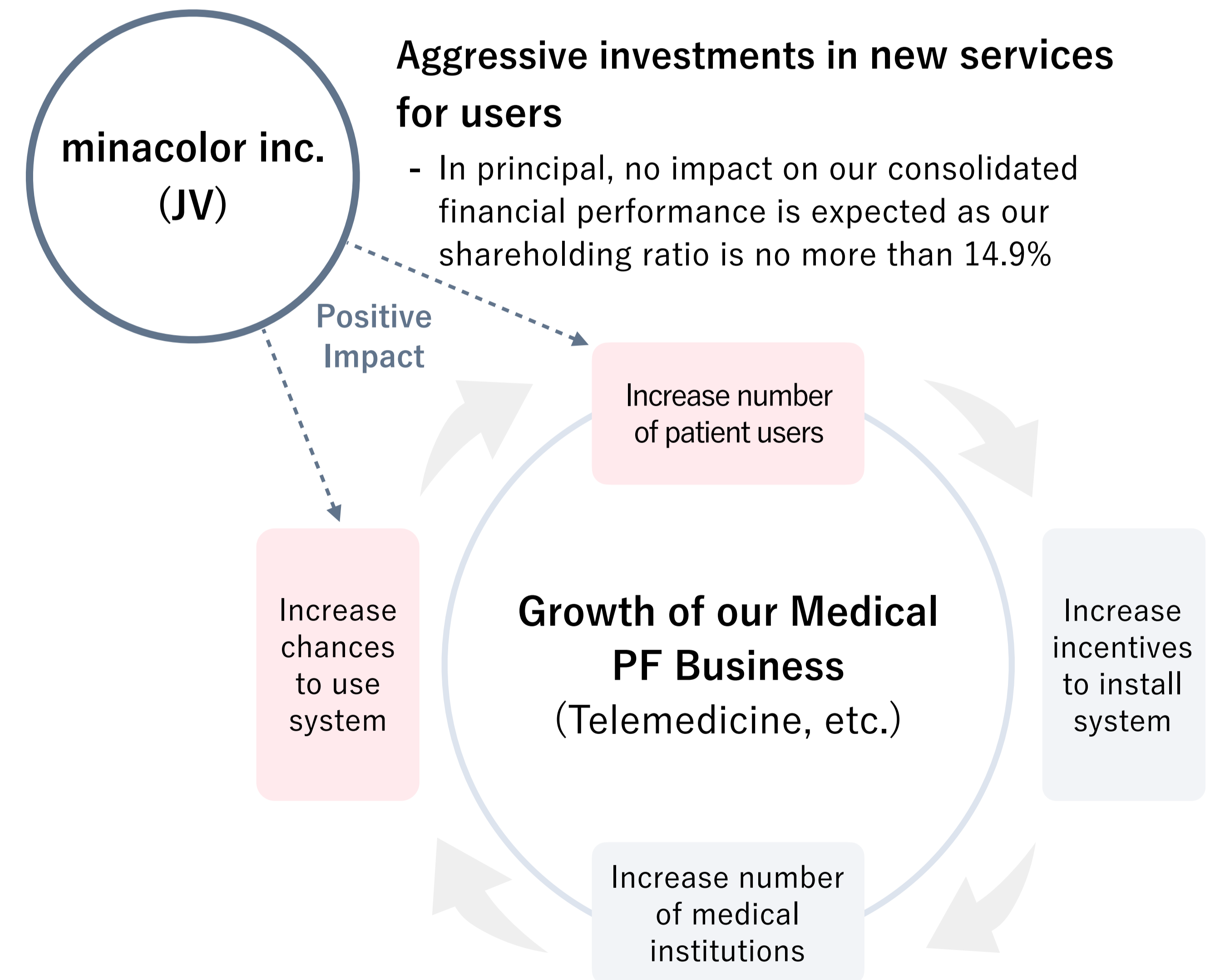
- Jointly hold minacolor with NTT DOCOMO in order to swiftly provide new services to users
- Underwrite capital increase through third-party allotment with NTT DOCOMO in order to support aggressive investments for growth of minacolor
- Underwrite CBs of minacolor in order to support minacolor's investment for growth and convert minacolor into an equity method affiliate in the future to take on profits

We expect no material impact on consolidated financial results for FY2021. 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.

Contributing factors on consolidated financial performance

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|--|---|
| Sales | <ul style="list-style-type: none"> • Customer expansion of Medley's in-house SaaS for medical institutions <ul style="list-style-type: none"> - Telemedicine / online drug administration system, etc. • Launch new products developed by minacolor |
| Costs | <ul style="list-style-type: none"> • Investments for growth partially conducted by minacolor (To carve-out cost from Medley's consolidated financial performance) <ul style="list-style-type: none"> - R&D investments for new systems - Investments to acquire patient users |
| Equity method gains/losses in the affiliate (Post conversion) | <ul style="list-style-type: none"> • After minacolor achieves profit growth, Medley will convert its CBs to shares and convert minacolor into an equity method affiliate, thereby bringing net profit from minacolor on a consolidated-basis |

Impact of JV's growth investments on our Medical PF





Creating the Future of Medical and Healthcare