

September 20, 2022

Company name: MEDLEY, INC.
Representative: Kohei Takiguchi
President and Chief Executive Officer
(TSE Growth Market Code No.4480)
Contact: Ryo Kawahara
Chief Financial Officer

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Notice Regarding Acquisition of Tenxia Co., Ltd.

MEDLEY, INC. (the “Company”) hereby announces that the Company resolved at the Board of Directors Meeting held on September 20, 2022 to acquire all outstanding shares of Tenxia Co., Ltd. (“Tenxia”) and to make it a subsidiary.

1. Purpose of the acquisition

Under its mission of “Creating the Future of Medical/Healthcare”, the Company has developed businesses in medical and healthcare industries to meet the demand of society. It aims to promote digital transformation in the industries by utilizing IT to realize medical services that satisfy both patients and those who are involved. We currently operate two business segments, the HR PF Business, which helps deliver “reasonable medical welfare” by supporting the work of medical healthcare professionals through our “JobMedley” and “JobMedley Academy” businesses and Medical PF Business where it aims to improve operational efficiency in medical institutions and accessibility to medical care with such products as “CLINICS”, “Pharms”, “Dentis”, and “MEDLEY”.

Tenixia was established in July 2018 and operates “ShigoTalk”, a group of anonymous online communities that cater to specific occupations in the medical healthcare field. These currently include “KangoTalk” for nurses, “KaigoTalk” for nursing care professionals, “HoikuTalk” for childcare professionals, and “YakuzaiTalk” for pharmacists.

“ShigoTalk” provides an online space wherein medical and healthcare professionals of each occupation can discuss concerns ranging from work environment and other work-related matters to daily lives anonymously. It is currently accessible via browsers and mobile app and has a broad user base.

Currently, “JobMedley” is mainly used by medical and healthcare professionals when either considering changing jobs or actually changing jobs. However, with this acquisition, the Company will add “ShigoTalk”, where medical and healthcare professionals can feel free to discuss workplace and daily life concerns anonymously, to its product lineup. This enables “JobMedley” to have access to medical and healthcare professionals on a daily basis, thereby the Company will be able to provide a service that can support the “work” of a wider range of healthcare professionals. Going forward, the Company will continue to offer services which provide full support for reasonable medical welfare by delivering valuable services to more people by expanding “ShigoTalk”’s service area into other occupations, etc.

2. Overview of Tenxia

1)	Name	Tenxia Co., Ltd.		
2)	Address	2 Chome-15-10, Hongo, Bunkyo-ku, Tokyo		
3)	Name and title of representative	Masashi Okabe, Representative Director and CEO		
4)	Description of business	Planning and development of SNS and HR-related services		
5)	Capital	47 million yen (as of May 31, 2022)		
6)	Date of establishment	July 27, 2018		
7)	Major shareholders and their shareholding ratio	Masashi Okabe 59.1% Hiromune Mitsuji 10.4% Others 30.5%		
8)	Relationship between the Company and Tenxia	Capital relationship	Not applicable	
		Personnel relationship	Not applicable	
		Business relationship	Not applicable	
9)	Operating results and financial position of Tenxia over the past 3 years (JPY)			
	Fiscal Year End	May, 2020	May, 2021	May, 2022
	Net assets	18 million	30 million	52 million
	Total assets	43 million	53 million	67 million
	Net assets per share	131.69	210.55	365.42
	Net sales	39 million	103 million	96 million
	Operating profit (loss)	(31 million)	11 million	22 million
	Ordinary profit (loss)	(30 million)	11 million	22 million
	Net profit (loss)	(31 million)	11 million	22 million
	Net profit (loss) per share	(220.70)	78.86	154.86
	Dividend per share	-	-	-

3. Overview of the sellers of the shares

1)	Name	Masashi Okabe
2)	Address	Bunkyo-ku, Tokyo
3)	Relationship between the Company and the seller	Not applicable

1) Name	Hirumune Mitsuji
2) Address	Chiyoda-ku, Tokyo
3) Relationship between the Company and the seller	Not applicable

* Other shareholders undisclosed at the counterparties' request. Other shareholders do not have any reportable relationships with the Company.

4. 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	143,805 shares (Number of voting rights: 143,805 rights)						
3) Acquisition costs	<table> <tr> <td>Ordinary shares of Tenxia</td> <td>259 million yen</td> </tr> <tr> <td>Consulting fees (Approx.)</td> <td>6 million yen</td> </tr> <tr> <td>Total (Approx.)</td> <td>265 million yen</td> </tr> </table>	Ordinary shares of Tenxia	259 million yen	Consulting fees (Approx.)	6 million yen	Total (Approx.)	265 million yen
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Consulting fees (Approx.)	6 million yen						
Total (Approx.)	265 million yen						
4) Number of shares held after the change	143,805 shares (Number of voting rights: 143,805 rights) (Percentage of voting rights: 100.0%)						

5. Schedule

1) Date of resolution by the Board of Directors	September 20, 2022
2) Signing date of share purchase agreement	September 20, 2022
3) Closing date of share purchase	September 30, 2022 (scheduled)

6. Outlook

The consolidation of Tenxia's financial results will start from the fourth quarter of the fiscal year ending December 31, 2022 (from October to December 2022). This acquisition will have no significant impact on its consolidated financial results for the fiscal year ending December 31, 2022. We will make timely disclosure if material impact on the forecast is expected.