

March 17, 2020

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COVID-19 Update: Measures Being Taken and Impact on Earnings

Measures being taken by Medley, Inc. and its group company ("the Group") in response to the outbreak of COVID-19 are summarized below. The impact on the Group's earnings from COVID-19 is also outlined below.

1. Measures being taken in response to COVID-19

(1) Business operations

As the Group's main customers are involved in the medical and healthcare industries, in principle, we plan to maintain normal business operations. If it is determined that there is a possibility that an employee or cohabitant member of an employee's family has been infected with COVID-19, the employee will self-quarantine at home. The Group is reevaluating attendance at all non-essential events and business travel, promoting heightened hygiene awareness, and drawing up an emergency business continuity plan. We plan to take measures for high-risk employees, such as those with severe medical complications, on a case-by-case basis.

(2) Support measures

In the Medical Platform Business, we are working with medical institutions to take actions, including extraordinary measures, to contribute to the prevention of the spread of COVID-19 through telemedicine and online medication instructions.

In order to reduce the risk of infection of our employees, ensure a safe work environment, and maintain smooth business operations, we will quickly gather information provided by the government and take any necessary measures in a timely manner.

2. Impact on earnings

On February 14, 2020, Medley, Inc. announced its Summary of Consolidated Financial Results for the Year Ended December 31, 2019 [Japanese GAAP]. In the "Outlook" section of this announcement, we provided a full-year forecast for FY2020. We currently see no impact from the outbreak of COVID-19 that would necessitate a revision to this forecast.

The impact from COVID-19 on each of our businesses is as follows.

(1) Recruitment Platform Business

While some of our customers have suspended hiring activities such as job interviews, other customers have become more proactive in their hiring efforts and we are making steady progress toward our earnings forecast.

(2) Medical Platform Business

In response to the outbreak of COVID-19, our CLINICS telemedicine system has received increased media coverage and this has resulted in a higher-than-expected volume of various types of inquiries. Also, in response to

administrative measures temporarily loosening restrictions on the practice of telemedicine, some medical institutions have been promoting the use of telemedicine. Despite these changes in our operating environment, we do not currently expect a material impact that would necessitate a revision to our full-year FY2020 group-wide earnings forecast.

As the impact from COVID-19 on our operating environment is subject to change on a daily basis, we will provide updates if we see any changes that could have a major impact on the Group's earnings.