

22 October 2020

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Announcement Regarding Determination of Issue Price and Other Matters

SHIFT, INC. (“the Company”) hereby announces that it has determined the issue price, offer price and other matters in relation to the issuance of new shares in an international offering, including the Secondary Offering (the “International Offering”), which its Board of Directors resolved on 22 October 2020, as set forth below.

1. Offering of New Shares

(1) Issue Price (Offer Price)*		¥14,642 per share
(2) Aggregate Amount of Issue Price (Offer Price)		¥10,249,400,000
(3) Amount to be Paid in*		¥13,998.40 per share
(4) Total Amount to be Paid in		¥9,798,880,000
(5) Amounts of Capital Stock and Capital Reserve to be Increased	Amount of capital stock to be increased	¥4,899,440,000
	Amount of capital reserve to be increased	¥4,899,440,000
(6) Payment Date		6 November 2020
(7) Delivery Date		9 November 2020

(*) The new shares are to be underwritten and purchased by the Underwriter at the amount to be paid in and offered at the issue price (offer price).

2. Secondary Offering

(1) Issue Price (Offer Price)(*)		¥14,642 per share
(2) Aggregate Amount of Issue Price (Offer Price)		¥7,760,260,000
(3) Offer Price(*)		¥13,998.40 per share
(4) Aggregate Amount of Offer Price		¥7,419,152,000
(5) Delivery Date		9 November 2020

(*) The shares to be offered by Secondary Offering are to be underwritten and purchased by the Underwriter at the amount to be paid in at the offer price and to be offered at the issue price (offer price).

Note: This press release does not constitute an offer of any securities for sale. This press release has been prepared for the sole purpose of making a public announcement regarding the International Offering, and not for the purpose of soliciting investment, etc. within or outside Japan. This press release does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to in this press release have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from the registration requirements under the Securities Act. Any public offering of securities in the United States will be pursuant to a prospectus that may be obtained from SHIFT, INC. that will contain detailed information about SHIFT, INC. and its management, as well as financial statements of SHIFT, INC. No public offering of the securities will take place in the United States.

(For Reference)

1. Calculation of Issue Price (Offer Price)

(1) Calculation Reference Date and Price	<u>22 October 2020</u>	<u>¥16,090</u>
(2) Discount Rate		<u>9.00%</u>

2. Use of Proceeds

The net proceeds of approximately ¥9,739 million from the International Offering are expected to be applied as follows:

- Approximately ¥3,000 million (to be applied by the end of August 2021) towards the repayment of short-term borrowings incurred for the acquisitions of CLUTCH Inc. and Hopes Corporation
- Approximately ¥3,000 million for the repayment of long-term borrowings incurred for financing past and future mergers and acquisitions and strengthening financial base
- Approximately ¥3,739 million towards personnel costs and security infrastructure costs for business expansion

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