March 10th, 2022

To Our Valued Stakeholders,

Announcement of Capital and Business Alliance with Next Generation Technology Group

SHIFT Inc. ("SHIFT," headquartered in Minato-ku, Tokyo, Japan; Masaru Tange, CEO and Representative Director) announced today that it has formed a capital and business alliance with Next Generation Technology Group ("NGTG," headquartered in Shibuya-ku, Tokyo, Japan; Eiichi Arai, CEO and Representative Director), entering into a share subscription agreement to purchase non-voting shares through a third party allotment and make a minority investment in NGTG.

1. Reason for the capital and business alliance

In order to continuously increase corporate value, SHIFT has shifted its corporate branding from "SHIFT as a software testing company" to "SHIFT as a sellable services producer," and has focused on contributing to the growth of customers' businesses. As one means of doing so, SHIFT has promoted M&A and capital and business alliances with the aim of strengthening one-stop services to provide customers with a full range of services in an integrated manner, acquiring outstanding human resources, and thereby accelerating business growth. In addition, on January 25, 2022, SHIFT decided to establish SHIFT Growth Capital. Including the newly established group company, SHIFT is increasingly working to strengthen our M&A /PMI and group management system.

NGTG, which is similar to SHIFT, welcomes manufacturing SMEs into the Group through M&A, and supports their permanent growth through effective PMI and management system as one group. They have strengths in pursuing synergies and improving operational efficiency within the Group by deploying management systems as a group management platform and sharing the management know-how and best practices of each group company.

With this capital-and-business alliance, SHIFT and NGTG will hold regular information-exchange meetings in which the management of both companies also participates. SHIFT will work to further strengthen SHIFT Group business management methods and sourcing strategies by sharing and studying the M&A /PMI and Group business management know-how of each company.

SHIFT expects that we will be able to make deeper discussions because we have substantial experiences in M&A and also concluded capital-business alliance with each other.

SHIFT and NGTG will continue to grow by strengthening M&A /PMI.

2. Overview of NGTG

(1) Name	Next Generation Technology Group	
(2) Address	1-3-18 Shibuya, Shibuya-ku, Tokyo	
(3) Name and title of representative	Eiichi Arai, CEO and Representative Director	
(4) Business	Acquisition of SMEs and business support	
(5) Capital stock	Undisclosed	
(6) Founded	July 9th, 2018	
(7) Major shareholders and their shareholding ratio(s)	Undisclosed	
(8) Relationship between SHIFT and NGTG	Capital relationship	No material capital relationship between SHIFT and NGTG, neither between related party and related company and NGTG related party and related company.
	Personnel relationship	No material personnel relationship between SHIFT and NGTG, neither between related party and related company and NGTG related party and related company.
	Business relationship	No material business relationship between SHIFT and NGTG, neither between related party and related company and NGTG related party and related company.
	Related Party Status	No material business relationship between SHIFT and NGTG.

3. Number of shares to be acquired, acquisition price, and shareholdings before and after transaction

(1) Number of shares held by SHIFT before the transfer	None
(2) Number of shares to be acquired by SHIFT	117,000 shares
(3) Acquisition price	¥10,530,000
(4) Number of shares to be held by SHIFT after the transfer	117,000 shares

4. Schedule

(1) Board resolution date	December 27th, 2021
(2) Execution date of the share subscription agreement	March 10th, 2022
(3) Closing date	March 10th, 2022

Note: On December 27th, 2021, Board of Directors made a resolution to authorize its CEO/Representative Director to decide whether to make the aforementioned acquisition assuming that major terms and conditions are within the range of those authorized by Board of Directors.

5. Future outlook

SHIFT expects that this alliance would have no material impact on its financial results and financial condition, although it will disclose an impact on its future financial outlook regarding the aforementioned acquisitions as soon as possible, when there happens a drastic change in its situation.

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