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Company Name	SHIFT Inc.
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Announcement Regarding the Establishment of a New Company by a Consolidated Subsidiary and the Acquisition of Shares of STEP Co., Ltd. (Resulting in STEP Becoming a Consolidated Subsidiary)

SHIFT Inc. (“SHIFT,” headquartered in Minato-ku, Tokyo; Masaru Tange, CEO and Representative Director) announced today that its consolidated subsidiary, SHIFT Growth Capital Inc. (“SGC,” headquartered in Minato-ku, Tokyo, Japan; Hidetaka Kojima, Representative Director) has resolved that SGC 1 Investment Limited Partnership (the “Fund”), which is managed by SGC, will establish SHIFT STEP Holdings Inc. (the “New Company”) and, through the New Company, acquire all issued and outstanding shares of STEP Co., Ltd. (“STEP,” headquartered in Sendai, Miyagi Prefecture; Shigeru Suzuki, Representative Director) (the “Share Acquisition”), thereby making STEP a consolidated subsidiary of SHIFT.

Subject to the completion (closing) of the Share Acquisition, the New Company is scheduled to conduct a capital increase. As a result of this capital increase, the capital of the New Company is expected to amount to 10% or more of SHIFT’s capital; therefore, the New Company is expected to fall under the category of a specified subsidiary of SHIFT.

1. Reason for the Establishment of the New Company and the Share Acquisition

Since launching its software testing business in 2009, SHIFT has developed its operations with a core focus on software quality assurance, serving a wide range of industries from enterprise to entertainment. In addition, SHIFT provides various AI-driven services, such as AI-based modernization support. As of February 28, 2026, the SHIFT Group comprises 41 group companies and continues to expand its business by offering end-to-end system development and related services.

STEP has a strong track record in the development of large-scale systems in social infrastructure fields that require an exceptionally high level of reliability, including aviation, defense, healthcare, finance, and telecommunications. With its operations centered in Sendai, Tokyo, and Osaka, STEP has generated stable revenues and profits through the provision of advanced technologies across a wide variety of industries.

Through the Share Acquisition, SHIFT intends to utilize STEP’s strong technological capabilities and customer base as key resources of the SHIFT Group, further stabilizing and enhancing its development

structure. Furthermore, by incorporating STEP's experienced management team and engineers in the Tohoku region, together with its strong capabilities in talent recruitment and development and in establishing project execution structures for development projects across various regions, SHIFT aims to further enhance the overall development capabilities of the SHIFT Group.

In this transaction, in order to enhance corporate value through close collaboration with the businesses of the SHIFT Group, while enabling agile decision-making and ensuring the smooth execution of the Share Acquisition, SHIFT will establish a new company through which it will acquire all shares of STEP.

By welcoming STEP into the SHIFT Group, the Group will further accelerate its growth while enhancing the value of its services. The SHIFT Group will continue to strive to realize the creation of "services that drive sales" for its customers.

2. Overview of SGC

(1) Name	SHIFT Growth Capital Inc.
(2) Address	Azabudai Hills Mori JP Tower, 1-3-1 Azabudai, Minato-ku, Tokyo
(3) Job title and name of representative	Hidetaka Kojima, Representative Director
(4) Business	M&A, Investment management, PMI
(5) Share capital	JPY 10 million
(6) Established	March 9, 2022
(7) Major shareholders and ownership ratios	SHIFT Inc. (100%)

3. Outline of the New Company

(1) Name	SHIFT STEP Holdings Inc.
(2) Address	Azabudai Hills Mori JP Tower, 1-3-1 Azabudai, Minato-ku, Tokyo
(3) Job title and name of representative	Hidetaka Kojima, Representative Director
(4) Business	Special Purpose Company (SPC) for the purpose of acquiring and holding shares
(5) Share capital	JPY 1 million (at establishment) *Scheduled to be JPY 820 million through a capital increase contingent upon the completion (closing) of the acquisition.
(6) Established	To be determined
(7) Major shareholders and ownership ratios	SGC 1 Investment Limited Partnership (100%)

(8) Relationship between the Company and the relevant company	Capital relationship	An investment limited partnership managed by SGC, a consolidated subsidiary of the Company, is planned to hold 100% of the equity interests in the new company.
	Personnel relationship	One representative director of the new company is expected to be appointed from SHIFT.
	Business relationship	No material business relationship between SHIFT and the new company.

4. Overview of STEP

(1) Name	STEP Co., Ltd.		
(2) Address	1-6-35 Chuo, Aoba-ku, Sendai-shi, Miyagi		
(3) Job title and name of representative	Shigeru Suzuki, Representative Director		
(4) Business	- System development, maintenance, and infrastructure construction - IT education business		
(5) Share capital	JPY 13 million		
(6) Established	March 1991		
(7) Major shareholders and ownership ratios	Total of 17 individuals, including officers		
(8) Relationship between the Company and the relevant company	Capital relationship	No material capital relationship between SHIFT and STEP, nor between SHIFT related party/company and STEP related party/company.	
	Personnel relationship	No material personnel relationship between SHIFT and STEP, nor between SHIFT related party/company and STEP related party/company	
	Business relationship	No material business relationship between SHIFT and STEP, nor between related SHIFT party/company and STEP related party/company.	
(9) Operating results and financial position of STEP over the past three years (millions of yen)			
Fiscal year end	February 28, 2023	February 29, 2024	February 28, 2025
Net assets	1,290	1,561	1,896
Total assets	1,581	1,906	2,249
Net assets per share (yen)	4,964,243	6,004,605	7,294,337
Net sales	1,954	2,112	2,430
Operating income	301	346	430
Ordinary income	299	392	473
Net income	207	270	335
Basic earnings per share (yen)	798,237	1,040,362	1,289,732
Dividend per share (yen)	-	-	-

5. Overview of Shareholders of STEP

SHIFT discloses no seller name(s) and address(es) to respect their rights. SHIFT has no material capital/personnel, or business relationship with the seller(s) before this acquisition and they do not fall under the category of related parties.

6. Number of Shares to Be Acquired, Acquisition Cost, and Shareholding Status

(1)	Number of shares held before the transaction	- shares (Number of voting rights: - units) (Ratio of voting rights held: -%)
(2)	Number of shares to be acquired	5,200 shares (Number of voting rights: 5,200 units)
(3)	Acquisition price	Approximately JPY 6,000 million
(4)	Number of shares held after the transaction	5,200 shares (scheduled) (Number of voting rights: 5,200 units) (Ratio of voting rights held: 100% (scheduled))

Note: The final acquisition cost will be determined after price adjustments as stipulated in the share purchase agreement.

7. Timetable

(1)	Date of decision on the Board of Directors (SGC)	March 27, 2026
(2)	Date of conclusion of the agreement	March 27, 2026
(3)	Date of commencement of share transfer	June 1, 2026 (scheduled)

8. Future Outlook

The impact of this acquisition on SHIFT's consolidated financial results for the fiscal year ending August 31, 2026, is expected to be immaterial; however, SHIFT believes it will contribute to the enhancement of its corporate value over the medium to long term. Should any event occur that requires timely disclosure, SHIFT will promptly disclose such information.

Furthermore, the capital increase of the New Company and the Share Acquisition are subject to the satisfaction of the conditions precedent (closing) stipulated in the relevant agreements. If such conditions are not satisfied, these transactions may be canceled or their terms may be modified.