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May 26, 2026

Company Name	SHIFT Inc.
Representative	Masaru Tange, CEO and Representative Director (TSE Prime Market Code: 3697)
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[Cancellation and Amendment of Disclosure]
Notice Regarding Cancellation of Subsidiary Establishment and
Change to the Absorption-Type Merger Scheme among the Company's Subsidiaries

SHIFT Inc. (“SHIFT,” headquartered in Minato-ku, Tokyo, Japan; Masaru Tange, CEO and Representative Director) hereby announces that it resolved, at a Board of Directors meeting held today, to cancel the establishment of a subsidiary (Secure One Co., Ltd., hereinafter “Secure One”) and to change the scheme previously disclosed in the press release dated March 24, 2026, titled “Notice of Incorporation Subsidiary and Mergers between our Subsidiaries” (the “Reorganization”), as described below (the “Amendment”).

- (i) SHIFT SECURITY Inc.*¹(hereinafter “SHIFT SECURITY”), a wholly owned subsidiary (consolidated subsidiary) of SHIFT, will be merged into SHIFT through an absorption-type merger.
- (ii) KRAF Inc.*² (hereinafter “KRAF”) and MAS Lab Inc.*³ (hereinafter “MAS Lab”), both currently held by SHIFT SECURITY, will also be merged into SHIFT through absorption-type mergers.

- *1 Headquartered in Shibuya-ku, Tokyo; Shinobu Kaneuchi, Representative Director
- *2 Headquartered in Miyazaki-shi, Miyazaki; Masashi Fujisaki, Representative Director
- *3 Headquartered in Shibuya-ku, Tokyo; Toshihiko Takei, Representative Director

1. Purpose of the Reorganization

We have determined that consolidating the three companies engaged in cybersecurity businesses into SHIFT, which also operates cybersecurity services, represents the optimal course of action from the perspective of improving management resource efficiency.

Furthermore, the Amendment forms part of the back-office sharing (consolidation) initiative disclosed today,* and through this Amendment, the SHIFT Group will further promote the AI transformation of its back-office functions.

* “Notice Regarding Consolidation of Back-Office Functions of 15 SHIFT Group Companies through an Absorption-Type Company Split,” dated May 26, 2026.

2. Details of Cancellation and Amendments (Amended portions are underlined)

■ 2. Overview of the Newly Incorporated Subsidiary

(Before Amendment)

(1) Name	Secure One Co., Ltd. (provisional)	
(2) Address	3-22-7 Yoyogi, Shibuya-ku, Tokyo	
(3) Job title and name of representative	Shinobu Kaneuchi, Representative Director	
(4) Business	Provision of various security services, including vulnerability assessments	
(5) Share capital	¥10 million	
(6) Incorporation	June 1, 2026 (planned)	
(7) Major shareholders and ownership ratios	SHIFT Inc. 100%	
(8) Relationship between the Company and the relevant company	Capital relationship	Secure One will be incorporated as a consolidated subsidiary wholly owned by SHIFT.
	Personnel relationship	Four directors and one company auditor from SHIFT are scheduled to be appointed.
	Business relationship	SHIFT plans to enter into a service agreement with Secure One.

(After Amendment)

Deleted as Secure One will not be established.

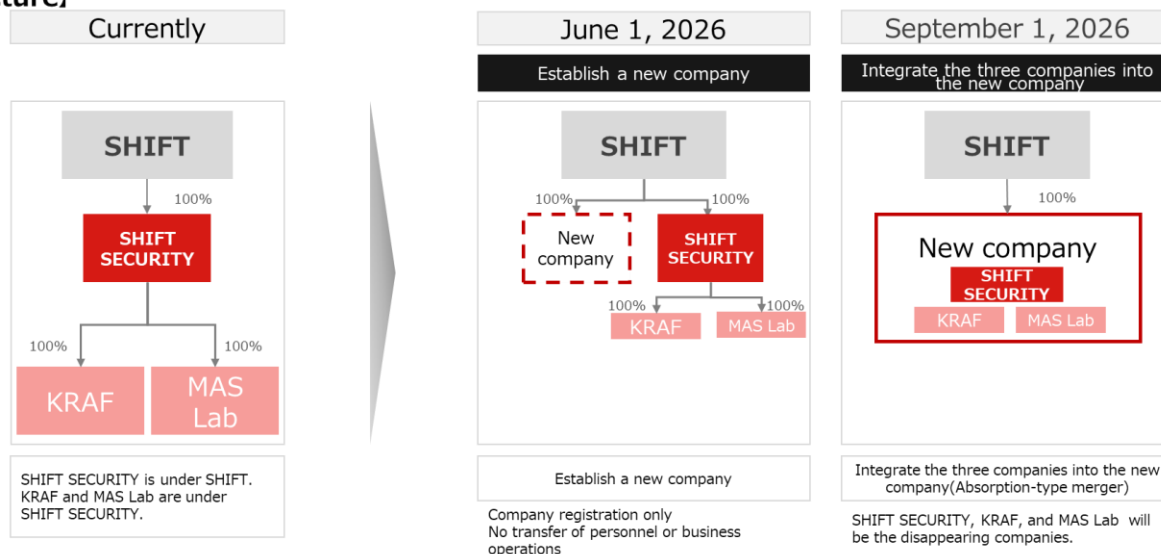
■ 3. Overview of the Reorganization

(Before Amendment)

(2) Method of the Reorganization

The organizational restructuring will be carried out through an absorption-type merger, with Secure One as the surviving company and SHIFT SECURITY, KRAF, and MAS Lab as the companies to be absorbed and dissolved.

[Structure]



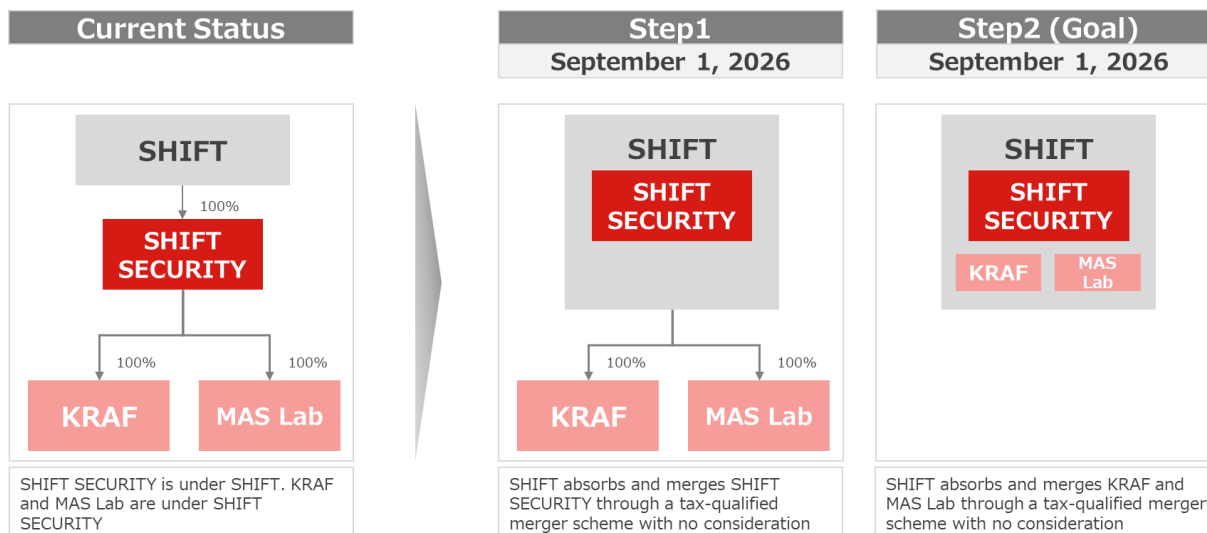
(6) Rights and Obligations to Be Succeeded by the Surviving Company

Secure One will comprehensively succeed to all rights and obligations of SHIFT SECURITY, KRAF, and MAS Lab, including their contractual positions and any other rights and obligations.

(After Amendment)

(2) Method of the Reorganization

The organizational restructuring will be carried out through an absorption-type merger, with SHIFT as the surviving company and SHIFT SECURITY, KRAF, and MAS Lab as the companies to be absorbed and dissolved.



* Step 2 will be executed on the same day, subject to Step 1 as a condition precedent.

(6) Rights and Obligations to Be Succeeded by the Surviving Company

SHIFT will comprehensively succeed to all rights and obligations of SHIFT SECURITY, KRAF, and MAS Lab, including their contractual positions and any other rights and obligations.

■ 4. Overview of the Parties Involved in the Absorption-Type Merger

(Before Amendment)

		Surviving company
(1)	Name	Secure One Co., Ltd. (provisional)
(2)	Address	3-22-7 Yoyogi, Shibuya-ku, Tokyo
(3)	Job title and name of representative	Shinobu Kaneuchi, Representative Director
(4)	Business activities	- Provision of various security services, including vulnerability assessments
(5)	Common stock	¥10 million (planned)
(6)	Date of incorporation	June 1, 2026 (planned)
(7)	Number of shares outstanding	To be determined
(8)	Fiscal year end	August 31 (planned)
(9)	Major shareholders and percentage of shares	SHIFT Inc. 100%
(10)	Operating Results and Financial Position for the Most Recent Fiscal Year (Unit: Millions of yen)	
	Fiscal Period	
	Net Assets	
	Total Assets	
	Net Assets per Share (yen)	
	Net Sales	
	Operating Profit	
	Ordinary Profit	-
	Profit Attributable to Owners of Parent	
	Basic Earnings per Share (yen)	
	Dividends per Share (yen)	

(After Amendment)

		Surviving company
(1)	Name	<u>SHIFT Inc.</u>
(2)	Address	<u>Azabudai Hills Mori JP Tower, 1-3-1 Azabudai, Minato-ku, Tokyo</u>
(3)	Job title and name of representative	<u>Masaru Tange, CEO and Representative Director</u>
(4)	Business activities	<u>Software quality assurance services centered on software testing</u>
(5)	Common stock	<u>¥21 million</u>
(6)	Date of incorporation	<u>September 7, 2005</u>
(7)	Number of shares outstanding	<u>267,500,670</u>
(8)	Fiscal year end	<u>August 31</u>
(9)	Major shareholders and percentage of shares	<u>Masaru Tange 31.57%</u>
(10)	Operating Results and Financial Position for the Most Recent Fiscal Year (Unit: Millions of yen)	
	Fiscal Period	<u>August 31, 2025</u>
	Net Assets	<u>34,376</u>
	Total Assets	<u>65,227</u>
	Net Assets per Share (yen)	<u>128.90</u>
	Net Sales	<u>83,181</u>
	Operating Profit	<u>11,567</u>
	Ordinary Profit	<u>11,098</u>
	Profit Attributable to Owners of Parent	<u>9,229</u>
	Basic Earnings per Share (yen)	<u>35.05</u>
	Dividends per Share (yen)	<u>-</u>

3. Future Outlook

The impact of the Amendment on the Company's consolidated financial results is expected to be immaterial. Should any material impact arise due to significant changes in business conditions, SHIFT will promptly disclose such information as soon as it becomes known.

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