SHIFT

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August 25, 2026

Company Name	SHIFT Inc.
Representative	Masaru Tange, CEO and Representative Director (TSE Prime Market Code: 3697)
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Notice Regarding Absorption-type Merger (Simplified Merger) of a Subsidiary (DICO Co., Ltd.)

SHIFT Inc. ("SHIFT," headquartered in Minato-ku, Tokyo; Masaru Tange, CEO and Representative Director) announced that its Board of Directors, at a meeting held today, resolved to conduct an absorption-type merger (hereinafter "the Reorganization") of DICO Co., Ltd. ("DICO," headquartered in Shibuya-ku, Tokyo; Kyohei Shimizu, CEO and Representative Director), a group company (consolidated subsidiary, 100% owned).

As the Reorganization constitutes an absorption-type merger involving a consolidated subsidiary of SHIFT, certain disclosure items and details have been omitted from this notice.

1. Reason for the Reorganization

DICO joined the SHIFT Group in July 2021 as a company developing localization and game development businesses. Since joining, it has expanded its business in collaboration with SHIFT's entertainment domain.

Recently, demand for LQA (Linguistic Quality Assurance), the final process of checking quality in DICO's localization business, has been expanding. With the spread of generative AI, demand for "AIPE (AI Post Edit)," where humans proofread AI translations in LQA, is also increasing. SHIFT has confirmed changes in client requirements to maintain quality while reducing translation time and costs.

Recognizing these changes in demand in the localization business, SHIFT decided on the Reorganization to streamline management resources and strengthen the structure for providing LQA, keeping in mind future market fluctuations driven by AI. LQA requires project management linked with game development while organizing a massive amount of information. SHIFT, having welcomed DICO through the Reorganization, will work to strengthen cross-selling proposals for the localization business, including LQA, leveraging its expertise in project management cultivated in software quality assurance. Furthermore, SHIFT will integrate the localization business resources of KINSHA Co., Ltd., which was similarly reorganized into SHIFT in December 2025, to streamline the assignment structure. In addition, SHIFT will work to improve management efficiency by integrating back-office functions.

2. Overview of the Reorganization

(1) Schedule of the Reorganization

(1)	Date of Board of Directors Resolution (SHIFT)	August 25, 2026
(2)	Planned Date of Contract Execution	September 1, 2026
(3)	Planned Effective Date	December 1, 2026

Note: This will be a simple absorption-type merger executed by SHIFT pursuant to Paragraph 2 Article 796 of the Companies Act, and therefore, party is required to convene an annual general meeting of shareholders to obtain approval for entering into the Agreement.

(2) Method of the Reorganization

An absorption-type merger with SHIFT as the surviving company and DICO as the dissolving company.

(3) Details of Allotment for the Reorganization

Since the Reorganization is a transaction within the SHIFT Group, no consideration is planned.

(4) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights

Not applicable.

3. Overview of the Companies Involved

		Surviving Company	Dissolving Company
(1)	Name	SHIFT Inc.	DICO Co., Ltd.
(2)	Address	1-3-1 Azabudai, Minato-ku, Tokyo	3-26-2 Higashi, Shibuya-ku, Tokyo
(3)	Job title and name of representative	Masaru Tange, CEO and Representative Director	Kyohei Shimizu, CEO and Representative Director
(4)	Business	Software quality assurance and testing	Game planning, development, production, and localization business, etc.
(5)	Share capital	21 million yen	5 million yen
(6)	Incorporation	September 7, 2005	March 1, 2011
(7)	Outstanding shares	267,500,670 shares	100 shares
(8)	Fiscal year-end	August 31	August 31
(9)	Major shareholders and ownership ratio	Masaru Tange 31.57%	SHIFT Inc. 100%
(10)	Financial results and positions for the most recent fiscal year (million yen)		
Fiscal Year-End		For the year ended August 31, 2025	For the year ended August 31, 2025
Net assets		34,376	450
Total assets		65,227	524
Net assets per share (yen)		128.90	450,182.82
Net sales		83,181	712
Operating profit		11,567	16
Ordinary profit		11,098	18
Net income		9,229	(26)
Net income per share (yen)		35.05	(26,645.24)
Dividends per share (yen)		-	-

4. Status after the Reorganization

There will be no changes to the name, location of the head office, title and name of the representative, business description, capital, or fiscal year-end of SHIFT as a result of the Reorganization.

5. Future Outlook

The impact of this Reorganization 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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