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Notice Regarding the Issuance of Share Option for Subscription (Paid Share Options)

SHIFT Inc. (the "Company") hereby announces that its Board of Directors, at a meeting held today, has resolved to issue paid share options (the 10th series of share options) (the "Share Options") to employees of the Company pursuant to Articles 236, 238, and 240 of Japan Companies Act. In addition, this issuance involves the grant of Share Options to subscribers at a fair value for consideration, and as the terms are not particularly favorable, it will be implemented without obtaining approval from the General Meeting of Shareholders. Furthermore, the Share Options are not granted as compensation to the eligible recipients, but rather are to be subscribed for based on each individual's independent investment judgment.

1. Purpose and Reason for the Issuance

The purpose of the issuance of the Share Options is to further enhance the motivation and morale of the Company's employees and to further strengthen the Company's organizational cohesion and accelerate its growth pace, as the Company seeks to expand its business performance and increase its corporate value over the medium to long term. To this end, the Company will issue the Share Options to its employees for consideration.

The Share Options include an exercise price adjustment provision. If the performance targets established by the Company (consolidated adjusted operating profit) are achieved, the exercise price will be set at the initial exercise price (the closing share price on the business day immediately preceding the Board of Directors' meeting at which the issuance of the Share Options was resolved). However, prior to the achievement of such performance targets, the exercise price will be adjusted to the closing share price on the date of exercise of the Share Options. By establishing these conditions, the Share Options are expected to function as an incentive plan comparable to typical paid stock options upon achievement of the performance targets. In addition, even prior to the achievement of the performance targets, the employees who are the eligible recipients will be able to acquire the Company's shares and become shareholders, which is expected to enhance such employees' sense of belonging and commitment to the Company.

Regarding performance targets, we have set a consolidated adjusted operating profit of ¥40 billion for the fiscal year ending August 2029. This aims for the early achievement of our growth strategy "SHIFT3000" targets: ¥300 billion in sales and ¥65 billion in adjusted operating profit. Since our founding in 2005, we have established the software testing industry by applying the business process decomposition techniques honed in manufacturing consulting to the IT sector. This target is set with the clear objective of significantly improving not only sales but also profitability by combining this division of labor, standardization, and systematization of business processes with the effective utilization of AI.

In addition, the total number of shares of the Company's common stock that will increase if all of the Share Options are exercised is equivalent to 0.4% of the total number of issued shares of the Company, being 267,500,670 shares as of

November 30, 2025. However, the Share Options not only are expected to further enhance the motivation and morale of the Company's employees and to contribute to further strengthening the Company's organizational cohesion and accelerating its growth pace, but also have the function of providing incentives toward the achievement of predetermined performance targets. In particular, the achievement of the predetermined performance targets is, in substance, set as a condition for exercise at the initial exercise price, and the Company recognizes that the achievement of such targets will contribute to the enhancement of its corporate value and shareholder value. Accordingly, the Company recognizes that the issuance of the Share Options will contribute to the interests of its existing shareholders, and believes that the resulting impact of share dilution is reasonable.

2. Overview of Issuance

(1) Persons to whom the Share Options are to be allotted, their number, and the number of Share Options to be allotted	Employees of the Company; 37 employees, 10,400 rights
(2) Class and number of shares underlying the Share Options	<p>The number of shares underlying one Stock Acquisition Right (the "Number of Granted Shares") shall be 100 shares of the Company's common stock.</p> <p>In addition, if, after the allotment date of the Share Options, the Company conducts a stock split (including a gratis allotment of shares of the Company's common stock; the same shall apply hereinafter) or a share consolidation, the Number of Granted Shares shall be adjusted in accordance with the following formula. Provided, however, that such adjustment shall be made only with respect to the number of shares underlying Share Options that have not been exercised at the relevant time, and any fractional shares of less than one share resulting from such adjustment shall be rounded down.</p> $\text{Number of Granted Shares after adjustment} = \text{Number of Granted Shares before adjustment} \times \text{Split (or consolidation) ratio}$ <p>Furthermore, if, after the allotment date of the Share Options, the Company conducts a merger or a company split, or if any other event occurs that requires an adjustment of the Number of Granted Shares in a manner equivalent thereto, the Number of Granted Shares shall be appropriately adjusted within a reasonable range.</p>
(3) Total number of the Share Options	10,400 rights
(4) Payment amount for the Share Options and the method of calculation	<p>The issue price per stock acquisition right shall be 2,500 yen.</p> <p>Such amount has been determined to be equal to the value calculated by PLUTUS CONSULTING Co., Ltd., a third-party valuation firm, using a Monte Carlo simulation, which is a generally accepted option price calculation model, taking into account the Company's share price information and other relevant factors (Stock price of our company shares (980.3 yen), exercise period (10.8 years), stock price volatility (55.13%), dividend yield (0%), risk-free interest rate (2.201%), exercise price adjustment clause, etc.). The Company has determined that such issue price does not constitute an issuance on favorable terms.</p>
(5) Amount of assets to be contributed upon	The amount of assets to be contributed upon the exercise of the Share Options shall be the amount obtained by multiplying the payment amount per share (the "Exercise

<p>exercise of the Share Options, amount per share (Exercise Price), and adjustment of the Exercise Price</p>	<p>Price") by the Number of Granted Shares.</p> <p>The Exercise Price shall be 980.3 yen per share, being the closing price of the Company's common share on the Tokyo Stock Exchange on January 13, 2026, which is the trading day immediately preceding the date of the resolution of the Company's Board of Directors regarding the issuance of the Share Options (the "Initial Exercise Price").</p> <p>[Adjustment of Exercise Price]</p> <p>Each time a rights holder makes a request to exercise the Share Options, the Exercise Price shall be adjusted to the closing price of the Company's common share in regular trading on the Tokyo Stock Exchange on the business day of such exercise request (the "Adjustment Date") (or, if there is no closing price on such date, the most recent closing price before such date), with any fractional amount of less than one yen rounded up (the "Exercise Price After Adjustment"). If the Exercise Price After Adjustment falls below the Initial Exercise Price, the Initial Exercise Price shall be deemed to be the Exercise Price After Adjustment.</p> <p>Notwithstanding the foregoing, if the Company satisfies all of the conditions set forth in below the "Performance Condition", the Exercise Price shall be adjusted to the Initial Exercise Price, and no further adjustments pursuant to the foregoing provisions shall be made thereafter. In addition, in determining whether the Performance Condition has been satisfied, the Company shall use the figures stated in its Annual Securities Report. However, if the Company's Board of Directors determines that it is not appropriate to directly refer to the figures in the consolidated statement of profit and loss or similar financial statements due to changes in applicable accounting standards or the occurrence of events such as corporate acquisitions that materially affect the Company's performance, the Company may, within a reasonable range, determine alternative indicators to be used, as resolved by its Board of Directors. The adjustment of the Exercise Price to the Initial Exercise Price shall apply from the day following the date of submission of the Annual Securities Report for the fiscal year in which the Performance Condition is achieved.</p> <p>[Performance Condition]</p> <p>If consolidated adjusted operating profit exceeds 40.0 billion yen in the fiscal year ending August 2029</p> <p>Adjusted operating profit shall be calculated by adding the following items to operating profit:</p> <ul style="list-style-type: none"> • Amortization of goodwill • Depreciation of customer-related assets • M&A-related expenses (including cases not resulting in a deal) • Expenses incurred in connection with this Share Options <p>[Adjustment of Exercise Price]</p> <p>If, after the allotment date of the Share Options, the Company conducts a share split or a share consolidation, the initial exercise price and Exercise Price shall be adjusted in accordance with the following formula, and any fractional amount of less than one yen resulting from such adjustment shall be rounded up.</p>
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	$\text{Exercise Price After Adjustment} = \frac{\text{Exercise Price Before Adjustment}}{\text{Ratio of share split (or consolidation)}} \times \frac{1}{\text{Number of new shares to be issued} \times \text{Payment amount per share}}$ <p>In addition, if, after the allotment date of the Share Options, the Company issues new shares or disposes of treasury shares of its common share at a price below the market price (excluding the issuance of new shares and the disposal of treasury shares upon the exercise of Share Options, and the transfer of treasury shares through a share exchange), the initial exercise price and Exercise Price shall be adjusted in accordance with the following formula, and any fractional amount of less than one yen resulting from such adjustment shall be rounded up.</p> $\text{Exercise Price After Adjustment} = \frac{\text{Exercise Price Before Adjustment}}{\text{Outstanding shares} + \frac{\text{Market price per share prior to issuance of new shares}}{\text{Outstanding shares} + \text{Number of new shares to be issued}}}$ <p>In addition, in the above formula, "Outstanding shares" means the number obtained by deducting the number of treasury shares of the Company's common share from the total number of issued shares of the Company's common share.</p> <p>If the Company disposes of treasury shares of its common share, the term "Number of new shares to be issued" shall be read as the "Number of treasury shares to be disposed of."</p> <p>Furthermore, in addition to the foregoing, if, after the allotment date of the Share Options, the Company conducts a merger or a company split, or if any other event occurs that requires an adjustment of the Exercise Price in a manner equivalent thereto, the Company may appropriately adjust the Exercise Price within a reasonable range.</p>
(6) Exercise period for the Share Options	The period during which the Share Options may be exercised (the "Exercise Period") shall be from February 3, 2026 to November 30, 2036.
(7) Conditions for the exercise of the Share Options	<ul style="list-style-type: none"> (i) At the time of exercising the Share Options, rights holders must hold one of the following positions with the Company or any of its affiliated companies: director, statutory auditor, executive officer, employee, advisor, consultant, or any other equivalent position (collectively, the "Required Position"). Provided, however, that in the case of retirement due to the expiration of the term of office, mandatory retirement, or any other reason deemed justifiable by the Company, the rights holders shall be deemed not to have lost the Required Position. (ii) Notwithstanding the provisions of (i) above, in the event of the death of a rights holder, the heir(s) of such holder may not exercise the Share Options inherited by succession. (iii) If the exercise of the Share Options would cause the total number of issued shares of the Company to exceed the total number of authorized shares at that time, such Share Options may not be exercised. (iv) No Share Options may be exercised in fractions of less than one unit.
(8) Increases in capital stock and capital	<ul style="list-style-type: none"> (i) If shares are issued through the exercise of the Share Options, the amount of increase in capital stock shall be one half of the maximum amount of increase in

reserve due to the issuance of shares through the exercise of the Share Options	<p>capital stock, etc., calculated in accordance with Article 17, Paragraph 1 of the Rules of Corporate Accounting. Any fractional amount of less than one yen resulting from such calculation shall be rounded up.</p> <p>(ii) If shares are issued through the exercise of the Share Options, the amount of increase in capital reserve shall be the amount obtained by deducting the amount of increase in capital stock set forth in (i) above from the maximum amount of increase in capital stock, etc., described in (i) above.</p>
(9) Events and conditions for acquisition of the Share Options	<p>(i) If approval is obtained at the General Meeting of Shareholders (or, where approval by the General Meeting of Shareholders is not required, by a resolution of the Board of Directors) for a merger agreement in which the Company becomes the non-surviving company, a company split agreement or split plan in which the Company becomes the splitting company, or a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, the Company may, upon the arrival of a date separately determined by the Board of Directors, acquire all of the Share Options without consideration.</p> <p>(ii) If, prior to the exercise of the Share Options by a rights holder, the holder becomes unable to exercise the Share Options pursuant to the provisions set forth in (7) above (including the case where the holder loses the Required Position set forth in (7) (i) above), the Company shall acquire the Share Options held by such holder without consideration.</p> <p>(iii) If a rights holder dies during the exercise period of these Share Options, the Company shall acquire the Share Options held by such rights holder at an amount equal to the issue price per stock option.</p>
(10) Restrictions on the transfer of the Share Options	<p>Any acquisition of the Share Options by transfer shall require approval by resolution of the Company's Board of Directors.</p>
(11) Handling of the Share Options in the event of a Corporate Reorganization	<p>If the Company conducts a merger (limited to a case in which the Company ceases to exist as a result of the merger), an absorption-type company split, an incorporation-type company split, a share exchange, or a share transfer (collectively, a "Corporate Reorganization"), the Company shall, on the effective date of such Corporate Reorganization, grant to the rights holders, for each respective case, Share Options of the stock company set forth in (a) through (e) of Article 236, paragraph 1, item (8) of the Companies Act (the "Reorganizing Company"), in accordance with the conditions set forth below. Provided, however, that this shall apply only if the absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan stipulates that Share Options of the Reorganizing Company are to be granted in accordance with the conditions set forth below.</p> <p>(i) Number of Share Options of the Reorganizing Company to be granted The number of Share Options to be granted to each rights holder shall be equal to the number of Share Options held by such holder.</p> <p>(ii) Class of shares of the Reorganizing Company underlying the Share Options The shares shall be shares of common share of the Reorganizing Company.</p> <p>(iii) Number of shares of the Reorganizing Company underlying the Share Options The number of shares shall be determined in accordance with (2) above, taking into</p>

	<p>consideration the conditions of the Corporate Reorganization.</p> <p>(iv) Amount of assets to be contributed upon exercise of the Share Options</p> <p>The amount of assets to be contributed upon the exercise of each stock acquisition right to be granted shall be the amount obtained by multiplying the post-reorganization exercise price derived by adjusting the Exercise Price determined in (5) above after taking into consideration the conditions of the Corporate Reorganization, by the number of shares of the Reorganizing Company underlying such Share Options as determined in accordance with (11) (iii) above.</p> <p>(v) Exercise period of the Share Options</p> <p>The exercise period shall be from the later of the first day of the Exercise Period set forth in (6) above and the effective date of the Corporate Reorganization, until the last day of the Exercise Period set forth in (6) above.</p> <p>(vi) Matters concerning the amounts of stated capital and capital reserve to be increased upon the issuance of shares upon exercise of the Share Options</p> <p>Such matters shall be determined in accordance with (8) above.</p> <p>(vii) Restrictions on the acquisition of Share Options by transfer</p> <p>With respect to restrictions on acquisition by transfer, such acquisition shall require approval by resolution of the Board of Directors of the Reorganizing Company.</p> <p>(viii) Other conditions for the exercise of the Share Options</p> <p>Such conditions shall be determined in accordance with (7) above.</p> <p>(ix) Events and conditions for the acquisition of the Share Options</p> <p>Such matters shall be determined in accordance with (9) above.</p> <p>(x) Other conditions shall be determined in accordance with the conditions of the Reorganizing Company.</p>
(12) Application Deadline	February 2, 2026
(13) Allotment date of the Share Options	February 3, 2026
(14) Matters relating to the issuance of stock acquisition right certificates	The Company shall not issue stock acquisition right certificates in connection with the Share Options.
(15) Payment date for the Share Options	February 3, 2026