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May 29, 2026

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| Company Name   | SHIFT Inc.  |
| Representative | Masaru Tange, CEO and<br>Representative Director<br>(TSE Prime Market Code: 3697) |
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**Notice Regarding Expected Recognition of Non-Operating Expenses (Consolidated) and  
Extraordinary Losses (Non-Consolidated/Consolidated)**

SHIFT Inc. (headquartered in Minato-ku, Tokyo, Japan; Masaru Tange, CEO and Representative Director) hereby announces that it expects to recognize the following non-operating expenses and extraordinary losses for the cumulative third quarter of the fiscal year ending August 31, 2026 (September 1, 2025 – May 31, 2026).

1. Details of Non-Operating Expenses and Extraordinary Losses

With respect to the shares of Rise Consulting Group, Inc., an affiliate accounted for using equity method, the fair value of these shares has declined significantly below their acquisition cost. As a result, the Company expects to recognize loss on valuation of shares of subsidiaries and associates of ¥4.5 billion as an extraordinary loss (non-consolidated). With respect to the impairment of shares of subsidiaries and associates in the non-consolidated financial statements, the recoverable amount is, in principle, determined based on the quoted market price.

On the other hand, in the consolidated financial statements, the investment accounted for using the equity method has been recognized by incorporating the investee's profit or loss into consolidated results through the application of the equity method. In addition to market share prices, it is necessary to comprehensively assess the recoverable amount by considering the investee's business plan and other relevant factors. Accordingly, the amount of impairment to be recognized in the consolidated financial statements is expected to differ from that recognized in the non-consolidated financial statements. In the consolidated financial statements, the Company expects to recognize a share of loss of entities accounted for using equity method as a non-operating expense; however, the amount is currently under review.

Additionally, with respect to the shares of Gurunavi, Inc., which are held as part of the Company's investment securities, the fair value of these shares has declined significantly below their acquisition cost. As a result, the Company expects to recognize loss on valuation of investment securities of approximately ¥300 million as an extraordinary loss (non-consolidated/consolidated).

## 2. Future Outlook

The estimated amount related to this matter is a provisional figure calculated based on recent market prices and other factors, and will be finalized following future market trends and audits and reviews by our accounting auditors. The final figures will be announced at the time of the third-quarter earnings release for the fiscal year ending August 31, 2026, scheduled for July 15, 2026; therefore, please treat this information as preliminary at this time.

The impact of the above matters on the Group's business performance and financial position is also under assessment. Should any impact arise due to significant changes in business conditions, the Company SHIFT will promptly disclose such information as soon as it becomes known.

Contact

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