Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

July 15, 2026

Company Name	SHIFT Inc.
Representative	Masaru Tange, CEO and Representative Director (TSE Prime Market Code: 3697)
Inquiries	Motoya Kobayashi, Director TEL: +81-3-6809-1165

Notice Regarding Revision of Earnings Forecasts and Recognition of Non-operating Expenses and Extraordinary Losses

SHIFT announces that it has revised its full-year consolidated earnings forecasts for the fiscal year ending August 31, 2026(September 1, 2025 to August 31, 2026), originally announced on October 14, 2025. In addition, SHIFT announces the finalized amounts of non-operating expenses (share of loss of entities accounted for using equity method) and extraordinary losses, which were previously announced on May 29, 2026.

1. Revision of Consolidated Earnings Forecasts

Revision of full-year consolidated earnings forecasts for the fiscal year ending August 31, 2026(September 1, 2025 to August 31, 2026)

	Net sales	**Adjusted operating profit**	**Adjusted ordinary profit**	**Adjusted profit attributable to owners of parent**	**Adjusted basic earnings per share**	**Basic earnings per share**
	million yen	million yen	million yen	million yen	yen	yen
Previous Forecast (A)	150,000	20,000	20,000	13,500	51.27	43.67
Revised Forecast (B)	160,000	20,000	16,000	9,000	34.79	24.35
Change (B-A)	10,000	0	(4,000)	(4,500)	-	-
Change (%)	6.7	0.0	(20.0)	(33.3)	-	-
(Reference) Fiscal Year ended August 31, 2025	129,819	17,641	17,194	10,947	41.57	33.93

2. Reason for the Revision of Consolidated Earnings Forecasts

Regarding Net Sales, SHIFT has made an upward revision. This is due to the steady progress of our initial forecast scenario, including the results of sales improvements promoted since the previous fiscal year and the rollout of various generative AI services promoted since the beginning of the current fiscal year. In addition, we factored in the impact on Net Sales from Nisseicom, Limited becoming a consolidated subsidiary of the SHIFT Group, as announced in the "[Progress of Matters Previously Disclosed] Notice Concerning the Completion of the Acquisition of Shares of Nisseicom, Limited through a Subsidiary (SHIFT Growth Capital Inc.) " dated April 1, 2026. On the other hand, Adjusted Ordinary Profit and subsequent stage profits were revised downward due to the recognition of non-operating expenses described below.

The progress rate against the revised earnings forecasts in the operating results in the nine months ended May 31, 2026 is as follows:

(Unit: million yen)

	Results for the nine months ended May 31, 2026	**Forecast for the fiscal year ending August 31,2026**	**Progress Rates (%)**
Net sales	115,848	160,000	72.4
Adjusted operating profit	13,162	20,000	65.8
Adjusted ordinary profit	9,090	16,000	56.8
Adjusted profit attributable to owners of parent	5,757	9,000	64.0

Note: The above forecast has been calculated based on information available as of the date of this announcement. The actual performance may differ from the forecast due to various factors going forward.

3. Recognition of Non-operating Expenses (Equity in Losses of Affiliates) and Extraordinary Losses

As announced in the "Notice Regarding Expected Recognition of Non-Operating Expenses (Consolidated) and Extraordinary Losses (Non-Consolidated/Consolidated)" dated May 29, 2026, the market value of shares of Rise Consulting Group, Inc. ("Rise Consulting Group"), an equity-method affiliate of SHIFT, significantly declined compared to its acquisition cost. As a result, SHIFT recorded an impairment loss, recognizing a loss on valuation of shares of subsidiaries and associates (Non-consolidated) of 4,564 million yen. In the consolidated financial statements, the valuation loss recognized in the non-consolidated financial statements was eliminated upon consolidation and a share of loss of entities accounted for using equity method of 3,872 million yen was recognized as non-operating expenses.

In addition, the market value of shares of Gurunavi, Inc. ("Gurunavi"), a portion of our investment securities, significantly declined compared to its acquisition cost. Therefore, SHIFT recorded a loss on valuation of investment securities of 302 million yen as an extraordinary loss.

As a result, the operating results in the nine months ended May 31, 2026 were Net Sales of 115,848 million yen, Adjusted Operating Profit of 13,162 million yen, Adjusted Ordinary Profit of 9,090 million yen, and Adjusted Profit Attributable to Owners of Parent of 5,757 million yen.

###