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August 25, 2026


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|---|---|
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# Notice Regarding Change in Reportable Segments

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 change its reportable segments starting from the fourth quarter of the fiscal year ending August 31, 2026 (FY2026-Q4), as detailed below.

1. Reason for Change in Reportable Segments

Since launching its software testing business in 2009, SHIFT has developed its business with a primary focus on software quality assurance across a wide range of industries, from enterprise to entertainment. Building on the expertise cultivated through its quality assurance services, SHIFT subsequently expanded its service offerings and has established an integrated structure across the Group to provide comprehensive services spanning planning and design through development, testing, and related services.

Beginning in 2026, SHIFT initiated its full-scale transformation into an AI Company. Under "SHIFT 3000," its growth strategy targeting net sales of 300 billion yen, SHIFT is driving both the enhancement of "With AI"[*1], which incorporates AI into existing services, and discontinuous growth through "Native AI"[*2], which is built on AI as its foundation. In line with this transformation, SHIFT has expanded the value it provides beyond traditional software testing and development to include new AI-centered services such as "AI Modernization" and "AI BPaaS." These initiatives represent a natural extension of the SHIFT Group's consistent value proposition: supporting customers' business transformation in an end-to-end manner, from upstream consulting through implementation and ongoing operations.

Furthermore, as announced in October 2025, SHIFT established a fund as an investment vehicle to accelerate the Group's growth. Through the utilization of external capital, SHIFT intends to pursue M&A and group management in ways that differ from its conventional approach.

In light of the expansion of its service offerings and to more appropriately reflect the value provided to customers, while enhancing the accuracy of management control and performance evaluation, SHIFT has been considering changes to its reportable segments since the beginning of the fiscal year. Specifically, SHIFT has reviewed its segment structure from one based primarily on individual group companies to one based on the services provided.

At the same time, SHIFT has been operating performance management under the new framework since the beginning of the fiscal year and has evaluated its effectiveness and degree of integration. As a result, having confirmed that the new framework appropriately reflects the actual state of management control and performance evaluation, SHIFT has decided to change its reportable segments starting with its fourth-quarter and full-year financial results announcements.

**1 Projects that improve efficiency and add value by utilizing AI in the provision of existing consulting, development, testing services. These are human-based projects where AI is used to streamline operations.*
**2 Unlike conventional businesses, these projects are AI-based and premise only partial human involvement. This includes services that can be newly provided through AI.*

2. Overview of the Change

■ Previous Reportable Segments (Until FY2026-Q3)

| Reportable Segment | Description | Related Group Companies |
|---|---|---|
| Software Testing Related Services | Mainly software testing and quality assurance, consulting and PMO, customer support, and security, etc. | SHIFT, SHIFT GLOBAL, SHIFT PLUS, SHIFT ASIA, SHIFT SECURITY, KRAF, MAS Lab, SHIFT USA, JADC, SHIFT Arabia |
| Software Development Related Services | Mainly system development, system performance enhancement, IT strategy formulation, system planning and design, engineer matching platform, and data analysis, etc. | MethodoLogic, Stride Digital Group, ICCOM, ALH, SystemI, Analytics Japan, HOPES, SPST, DeMiA, Kronos, CREIT SOLUTIONS, CRAFT MILES, TRUST BRAIN, HumanSystem, Manage Business, SHIFT AXIS, Nisseicom, SHIFT STEP Holdings |
| Other Proximate Services | Mainly planning and production of web pages, marketing, kitting, cloud services, localization, and M&A/ PMI, bilingual talent placement, etc. | Nadia, xbs, SNC, CLUTCH, VISH, DICO, SHIFT Growth Capital, Build Plus, Infinic, ClubNets, SGC 1 Investment Limited Partnership |

■ New Reportable Segments (From FY2026-Q4)

| Reportable Segment etc. | Description |
|---|---|
| Consulting | Consulting services related to strategy, business improvement, DX, etc. |
| Development | Services such as system development and implementation of packaged software |
| Testing | Services related to software quality assurance |
| BPaaS | Services such as customer success, help desk, and various back-office support operations |
| Fund | SGC No. 1 Investment Limited Partnership (Fund) and group companies invested in by the fund |
| Others | Services not classified under the categories listed above |

(Reference) Correlation Chart

| | | Previous Reportable Segments | | |
|---|---|---|---|---|
| | | Software Testing Related Services | Software Development Related Services | Other Proximate Services |
| New Reportable Segments etc. | Consulting | ○ | ○ | |
| | Development | ○ | ○ | |
| | Testing | ○ | | ○ |
| | BPaaS | ○ | | |
| | Fund | | ○ | ○ |
| | Others | ○ | | ○ |

3. Timing of Change

SHIFT will report under the new segments starting from the FY2026-Q4 earnings announcement, scheduled for October 15, 2026.

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