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.

October 27, 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 the Succession of SHIFT AXIS Inc.(Simplified Absorption-Type Split with SHIFT Growth Capital Inc.) and Merger by Absorption

SHIFT Inc. ("SHIFT," headquartered in Minato-ku, Tokyo; Masaru Tange, CEO and Representative Director) hereby announces that its Board of Directors resolved today on the following two matters.

a. The transfer to SHIFT, through an absorption-type company split, of the shares of SHIFT AXIS Inc. ("AXIS," headquartered in Shibuya-ku, Tokyo; Tatsuki Shimizu, CEO and Representative Director), 100% of whose issued shares are held by SHIFT Growth Capital Inc. ("SGC"), a SHIFT group company (consolidated subsidiary).
b. The absorption-type merger of AXIS into SHIFT, without consideration, as a tax-qualified reorganization.

This reorganization is a simplified absorption-type company split and a simplified absorption-type merger involving a consolidated subsidiary of SHIFT. Therefore, certain disclosure items and details have been omitted. In addition, because the simplified absorption-type company split between SHIFT and SGC is of minor financial materiality, some descriptions have been omitted.

1. Reasons for the Reorganization

Starting from its software testing and quality assurance business, SHIFT has been supporting the business growth of its clients by providing IT-related services and solutions in a consistent manner. AXIS, which joined the SHIFT Group through M&A in February 2026, operates a system development business specializing in the life insurance and non-life insurance industries in Japan. AXIS has extensive experience and specialized industry knowledge in consulting for the introduction of low-code development platforms and in building architecture, and has built strong relationships of trust with major insurance companies in Japan.

To further accelerate business expansion and the creation of synergies in the insurance domain, the SHIFT Group will carry out an absorption-type merger in which SHIFT is the surviving company and AXIS is the dissolving company. Through this merger, SHIFT aims to strengthen its business base in this field by integrating the advanced expertise in insurance operations that AXIS has built with SHIFT's broad client base, sales network, and human resources.

In addition, SHIFT will newly establish a consulting function for the insurance domain within SHIFT, and will expand its service delivery structure in this field with the expertise of AXIS at its core. As a result, SHIFT aims to strengthen cross-selling and proposal activities that make use of SHIFT's broad client base, improve the value provided to clients, and further accelerate the business growth of the SHIFT Group as a whole.

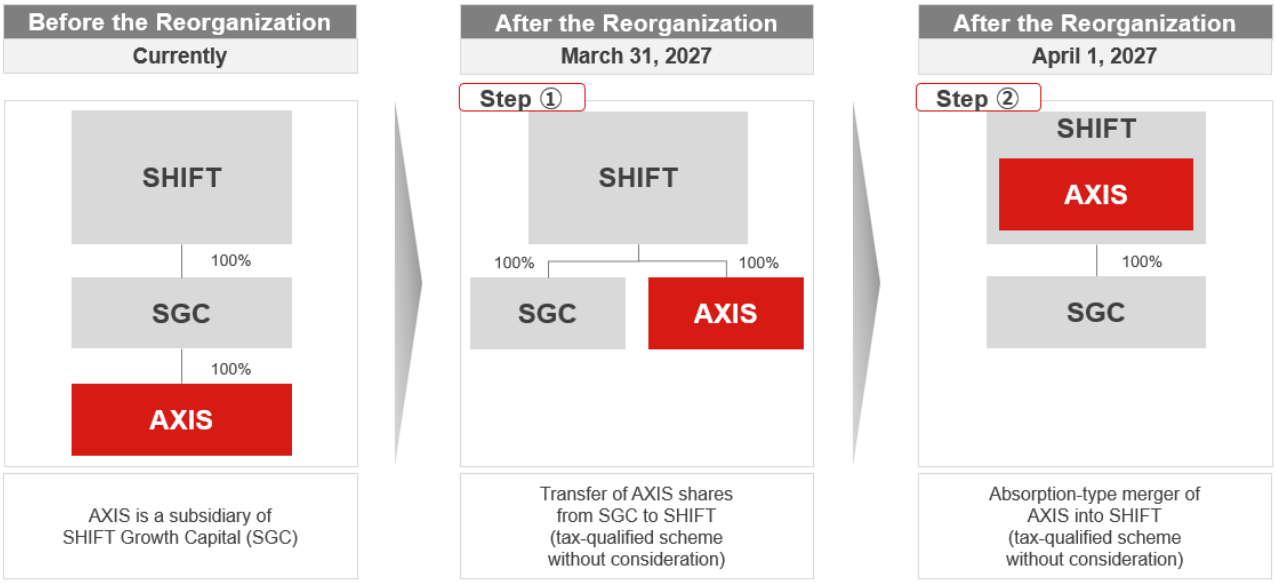
2. Overview of the Reorganization

(1) Schedule of the Reorganization

Date of Board of Directors resolution (SHIFT, SGC, AXIS)	October 27, 2026
Contract signing date	October 27, 2026 (expected)
Effective date of the absorption-type company split	March 31, 2027 (expected)
Effective date of the absorption-type merger	April 1, 2027 (expected)

* For SHIFT, this reorganization is a simplified absorption-type company split and a simplified absorption-type merger as provided in Article 796, Paragraph 2 of the Companies Act. A shareholders meeting for the approval of the absorption-type company split agreement and the absorption-type merger agreement will not be held.

(2) Method of the Reorganization



An absorption-type company split will be carried out, with SHIFT as the successor company in the absorption-type company split and SGC as the splitting company.

An absorption-type merger will be carried out, with SHIFT as the surviving company in the absorption-type merger and AXIS as the dissolving company in the absorption-type merger.

(3) Details of Allocation Related to the Reorganization

Because this reorganization is a transaction within SHIFT Group, no shares, cash, or other consideration is expected to be delivered in either the absorption-type company split or the absorption-type merger.

(4) Treatment Related to Share Acquisition Rights and Bonds with Share Acquisition Rights in the Reorganization

There will be no change in the treatment of the share acquisition rights issued by SHIFT as a result of the reorganization. In addition, SHIFT has not issued any bonds with share acquisition rights.

(5) Increase or Decrease in Capital Due to the Company Split

There will be no increase or decrease in SHIFT's capital as a result of the reorganization.

(6) Rights and Obligations to Be Succeeded by the Successor Company

Because SHIFT will succeed only to the shares of AXIS as a result of the reorganization, there will be no succession of rights and obligations.

(7) Prospects for the Performance of Obligations

Not applicable.

3. Overview of the Parties to the Reorganization

		Splitting Company
(1)	**Name**	SHIFT Growth Capital Inc.
(2)	**Address**	1-3-1 Azabudai, Minato-ku, Tokyo
(3)	**Job title and name of representative**	Hidetaka Kojima, CEO and Representative Director
(4)	**Business**	M&A execution services Management and operation of investee companies, PMI services Other services incidental to the above
(5)	**Share Capital**	10 million yen
(6)	**Established**	March 9, 2022
(7)	**Number of shares outstanding**	2,525,650 shares
(8)	**Fiscal year end**	August 31
(9)	**Major shareholders and ownership ratios**	SHIFT 100%
(10)	**Operating results and financial position for the most recent fiscal year (Unit: million yen)**	
	Fiscal year end	**FY08/26**
	Net Assets	21,495
	Total Assets	21,571
	Net Assets per Share (yen)	8,510.74
	Net Sales	67
	Operating Loss	12
	Ordinary Loss	13
	Net Loss	14
	Net Loss per Share (yen)	10.05
	Dividend per Share (yen)	-

		Surviving Company in the Absorption-Type Merger	Dissolving Company in the Absorption-Type Merger
(1)	**Name**	SHIFT Inc.	SHIFT AXIS Inc.
(2)	**Address**	1-3-1 Azabudai, Minato-ku, Tokyo	3-22-7 Yoyogi, Shibuya-ku, Tokyo
(3)	**Job title and name of representative**	Masaru Tange, Representative Director	Tatsuki Shimizu, Representative Director
(4)	**Business**	Consulting; IT and DX strategy planning and requirements definition; system and application development; software quality assurance and testing; maintenance, operation, and continuous improvement; AI utilization and DX/AX (AI transformation) promotion support	System integration business specializing in the life insurance and non-life insurance industries
(5)	**Share Capital**	21 million yen	10 million yen
(6)	**Established**	September 7, 2005	January 30, 2026
(7)	**Number of shares outstanding**	267,500,670 shares	100 shares
(8)	**Fiscal year end**	August 31	August 31
(9)	**Major shareholders and ownership ratios**	Masaru Tange 31.57%	SGC 100%
(10)	**Operating results and financial position for the most recent fiscal year (Unit: million yen)**		
	Fiscal year-end	**FY08/26**	**FY08/26**
	Net Assets	30,900	310
	Total Assets	84,969	448
	Net Assets per Share (yen)	118.96	3,102,555.32
	Net Sales	100,532	382
	Operating Profit	12,969	80
	Ordinary Profit	12,085	80
	Net Income	3,260	105
	Net Income per Share (yen)	12.60	1,058,265.07
	Dividend per Share (yen)	4.53	-

4. Status After the Reorganization

There will be no changes resulting from the Reorganization to the company's name, location of the head office, title and name of the representative, business description, share capital, or fiscal year-end.

5. Outlook

The impact of the 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 once it becomes known.

###

For inquiries regarding this release
Investor Relations Office
SHIFT Inc.
E-mail: ir_info@shiftinc.jp