April 4th, 2025

To Our Valued Stakeholders,

Notice Regarding Acquisition of Shares in Rise Consulting Group, Inc.
(Conversion into an Equity-method Affiliate)
and the Conclusion of Business and Capital Alliance Agreement

SHIFT Inc. ("SHIFT," headquartered in Minato-ku, Tokyo, Japan; Masaru Tange, CEO and Representative Director) hereby announces that it has resolved today to acquire shares (representing 33.00% of voting rights, hereinafter "the Acquisition") of Rise Consulting Group, Inc. ("Rise," headquartered in Minato-ku, Tokyo, Japan; Toshiki Kitamura, Representative Director and CEO, Ticker Number: 9168), which provides consulting services related to NewTech, new businesses, overseas expansion, business innovation, and IT. In conjunction with the Acquisition, SHIFT will enter into a Business and Capital Alliance Agreement with Rise (hereinafter "the Alliance").

1. Purposes and Reasons for the Acquisition and the Alliance

Since launching its software testing business in 2009, SHIFT has provided software quality assurance services across a wide range of industries, from enterprise to entertainment. In pursuit of sustainable growth, we have recently formulated our long-term vision, "SHIFT3000," which targets ¥300 billion (*¥3,000 oku* in Japanese) in net sales. We are also taking focused measures to improve customer unit price by strengthening high-level sales activities that directly appeal to corporate management. Specific initiatives include the establishment of a new chairman position, and the appointment of advisors with deep knowledge and broad networks in each sector.

Rise, with which SHIFT is entering into the Alliance, is a comprehensive consulting firm in strategy, IT and business restructuring. Rise has strengths in resolving fundamental issues by staying close to the frontline. While leveraging these strengths, recruitment of talented personnel is trending favorably even in the consulting market where recruitment competition is intensifying, building a client base with a wide range of major Japanese companies regardless of the industry. Due to this steady growth in its business base, Rise has achieved revenue growth of approximately 25% since its listing on the Tokyo Stock Exchange Growth Market in 2023. In the most recent fiscal year, Rise recorded revenue of ¥6,155 million, gross profit of ¥3,552 million (gross profit margin of 57.7%), and operating profit of ¥1,805 million (operating profit margin of 29.3%).

Rise enables us to broaden the range of projects we can acquire by connecting strategic consulting engagements to the development, testing, maintenance and operations capabilities of SHIFT. Partnering with Rise will also help us further expand our top-level sales, which is our current focus. In addition, Rise and SHIFT's client base share a strong awareness of issues related to DX promotion. In addition to expanding opportunities to deliver a wide range of value through the Alliance, we also aim to expand the client base and project scale of both companies.

Demand for upstream projects has increased as we have taken on a variety of projects from clients across a wide range of industries. To meet this demand and to broaden our market reach, we have actively promoted the hiring of highly skilled engineers capable of handling upstream processes. However, demand has remained high, and we have been unable to fully meet customer expectations.

Collaboration with Rise, which has strengths in upstream processes, enables the SHIFT Group to respond quickly to the aforementioned customer demand. We also expect that further expansion into upstream projects will accelerate the development of our junior consultants by providing them with more opportunities to enhance their skills and acquire practical experience through real-world engagements.

Furthermore, through this Alliance, we anticipate an enhancement of SHIFT's presence and brand value in the consulting domain, which is also expected to contribute to an increase in project unit prices. In addition, by reinforcing an integrated structure that covers all phases, from upstream processes to downstream processes such as development and testing, we expect to expand business opportunities in SHIFT.

The three firms, Sunrise Capital III, L.P., Sunrise Capital III (JPY), L.P., and Sunrise Capital III (Non-US), L.P. (hereinafter "Sunrise Capital") have been shareholders of Rise since before its listing on the Tokyo Stock Exchange Growth Market in 2023. Sunrise Capital has now decided to transfer its shares to SHIFT, which is expected to be a long-term shareholder and a potential partner that can contribute to the further growth of Rise.

In collaboration with Rise, the SHIFT Group will continue its efforts to enhance corporate value, with the goal of supporting our clients in the sales of both software services and products.

2. Overview of the Alliance

(1) Overview of the Business Alliance

SHIFT and Rise will form a business alliance aimed at enhancing client value and expanding their service lineup. The two companies will collaborate on reciprocal client referrals and consultant training, to mutually strengthen and grow their respective business foundations.

(2) Overview of the Capital Alliance

On April 4th, 2025, SHIFT entered into a Share Purchase Agreement to acquire an aggregate of 8,019,700 shares of Rise's common stock (32.53% of the 24,655,760 outstanding shares as of February 28th, 2025 and 33.00% of the 243,023 outstanding voting rights as of February 28th, 2025) owned by Sunrise Capital, through an over-the-counter transaction. The Acquisition is expected to be completed in early May, 2025.

In addition, SHIFT and Rise have entered into the Alliance contingent upon the successful completion of the Acquisition.

Regarding the Acquisition, the Japan Fair Trade Commission is notified in accordance with the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade. In the event that the waiting period under the said law has expired and the Japan Fair Trade Commission has notified that it will not issue a cease and desist order, SHIFT will implement the Acquisition.

(3) Dispatch of a Director

In the Alliance, SHIFT and Rise have agreed that SHIFT may propose one candidate for appointment as a director of Rise.

3. Overview of Rise

(1) Name	Rise Consulting Group, Inc.		
(2) Address	Izumi Garden Tower, 1-6-1 Roppongi, Minato-ku, Tokyo		
(3) Name and title of representative	Toshiki Kitamura, President & CEO		
(4) Business	- NewTech consulting - New business consulting - Overseas expansion consulting - Business reform consulting - IT consulting		
(5) Capital stock (as of November 30th, 2024)	¥166,020 thousand		
(6) Founded	November 27th, 2020		
(7) Major shareholders and their shareholding ratio(s) (percentage of total number of issued shares (excluding treasury shares)) (As of August 31st, 2024)	Name or designation		Shareholding ratio
	Sunrise Capital III, L.P.		17.59%
	The Custody Bank of Japan, Ltd. (Trust Account)		14.84%
	Sunrise Capital III (JPY), L.P.		9.94%
	Sunrise Capital III (Non-US), L.P.		7.88%
	Ryuki Asahi		5.04%
(8) Relationship between SHIFT and Rise	Capital relationship	No material capital relationship between SHIFT and Rise	
	Personnel relationship	No material personnel relationship between SHIFT and Rise	
	Business relationship	No material business relationship between SHIFT and Rise	
	Related Party Status	No material business relationship between SHIFT and Rise	

(9) Consolidated operating results and financial position of Rise over the past three years (thousands of yen)

Fiscal year end	February 28th, 2022	February 28th, 2023	February 29th, 2024
Net assets	2,746,630	3,733,723	5,156,069
Total assets	7,028,006	7,533,319	8,521,930
Net assets per share (yen)	113.18	153.85	157.20
Revenue	3,431,633	4,761,074	6,155,972
Operating income	949,605	1,376,891	1,805,448
Net income	682,564	965,843	1,315,359
Basic earnings per share (yen)	28.12	39.80	54.04
Dividend per share (yen)	-	-	-

Note: Rise adopts IFRS (International Financial Reporting Standards).

4. Overview of Sunrise Capital

a. Sunrise Capital III, L.P.

(1) Name	Sunrise Capital III, L.P.	
(2) Address	Maples Corporate Services Limited, P.O. Box 309, Ugland House, South Church Street, George Town, Grand Cayman KY1- 1104, Cayman Islands	
(3) Name and title of representative	General Partner Sunrise Management Limited III Director Baifeng Hu	
(4) Business	Fund	
(5) Total capital investment	Undisclosed due to absence of information	
(6) Relationship between SHIFT and Sunrise Capital III, L.P.	Relationship between SHIFT and Sunrise Capital III, L.P.	No material capital relationship between SHIFT and Sunrise Capital III, L.P.
	Relationship between SHIFT and Investment Manager(s) of Sunrise Capital III, L.P.	No material personnel relationship between SHIFT and investment manager(s) of Sunrise Capital III, L.P.
	Relationship between SHIFT and Domestic Agent(s) of Sunrise Capital III, L.P.	No material business relationship between SHIFT and domestic agent(s) of Sunrise Capital III, L.P.

b. Sunrise Capital III (JPY), L.P.

(1) Name	Sunrise Capital III (JPY), L.P.	
(2) Address	Maples Corporate Services Limited, P.O. Box 309, Ugland House, South Church Street, George Town, Grand Cayman KY1- 1104, Cayman Islands	
(3) Name and title of representative	General Partner Sunrise Management (Non-US) Limited III Director Yiu Lun Cheung	
(4) Business	Fund	
(5) Total capital investment	Undisclosed due to absence of information	
(6) Relationship between SHIFT and Sunrise Capital III (JPY), L.P.	Relationship between SHIFT and Sunrise Capital III (JPY), L.P.	No material capital relationship between SHIFT and Sunrise Capital III (JPY), L.P.
	Relationship between SHIFT and Investment Manager(s) of Sunrise Capital III (JPY), L.P.	No material personnel relationship between SHIFT and investment manager(s) of Sunrise Capital III (JPY), L.P.
	Relationship between SHIFT and Domestic Agent(s) of Sunrise Capital III (JPY), L.P.	No material business relationship between SHIFT and domestic agent(s) of Sunrise Capital III (JPY), L.P.

c. Sunrise Capital III (Non-US), L.P.

(1) Name	Sunrise Capital III (Non-US), L.P.	
(2) Address	Maples Corporate Services Limited, P.O. Box 309, Ugland House, South Church Street, George Town, Grand Cayman KY1- 1104, Cayman Islands	
(3) Name and title of representative	General Partner Sunrise Management (Non-US) Limited III Director Yiu Lun Cheung	
(4) Business	Fund	
(5) Total capital investment	Undisclosed due to absence of information	
(6) Relationship between SHIFT and Sunrise Capital III (Non-US), L.P.	Relationship between SHIFT and Sunrise Capital III (Non-US), L.P.	No material capital relationship between SHIFT and Sunrise Capital III (Non-US), L.P.
	Relationship between SHIFT and Investment Manager(s) of Sunrise Capital III (Non-US), L.P.	No material personnel relationship between SHIFT and investment manager(s) of Sunrise Capital III (Non-US), L.P.
	Relationship between SHIFT and Domestic Agent(s) of Sunrise Capital III (Non-US), L.P.	No material business relationship between SHIFT and domestic agent(s) of Sunrise Capital III (Non-US), L.P.

5. Number of Shares to be Acquired, Acquisition Price, and Shareholdings Before and After Transaction

(1) Number of shares held by SHIFT before the transfer	None (Number of voting rights: 0) (Percentage of voting rights held: 0.0%)
(2) Number of shares to be acquired by SHIFT	8,019,700 shares (Number of voting rights: 80,197)
(3) Acquisition price	¥7,618,715,000
(4) Number of shares to be held by SHIFT after the transfer	8,019,700 shares (Number of voting rights: 80,197) (Percentage of voting rights: 33.00%)

Note: SHIFT has negotiated the aforementioned acquisition price based on a third-party appraisal.

6. Schedule

(1) SHIFT Board resolution date	February 28th, 2025
(2) Execution date of the share subscription agreement	April 4th, 2025
(3) Expected acquisition date	Early May, 2025

Note: On February 28th, 2025, the Board of Directors made a resolution to authorize its CEO/Representative Director to decide whether to execute the Acquisition and the Alliance, assuming that major terms and conditions are within the range of those authorized by the Board of Directors.

Note: Regarding the Acquisition, the Japan Fair Trade Commission is notified in accordance with the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade. In the event that the waiting period under the said law has expired and the Japan Fair Trade Commission has notified that it will not issue a cease and desist order, SHIFT will implement the Acquisition.

7. Outlook

As a result of the Acquisition, Rise will become an entity accounted for using the equity method by SHIFT.

The SHIFT Group expects this acquisition to have no material impact on its financial results or financial condition. However, should there be any significant changes, the company will promptly disclose any impact on its future financial outlook.

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.

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