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July 10, 2025

Company Name	SHIFT Inc.
Representative	Masaru Tange, President and CEO (TSE Prime Market Code: 3697)
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Notice Regarding a Capital and Business Alliance with MEDIA DO Co., Ltd.

SHIFT Inc. (Head Office: Minato-ku, Tokyo; President and CEO: Masaru Tange; hereinafter "SHIFT"), which supports clients in creating software services and products that drive sales, hereby announces that it has resolved to acquire shares in MEDIA DO Co., Ltd. (Head Office: Chiyoda-ku, Tokyo; President and CEO: Yasushi Fujita; Securities Code: 3678; hereinafter "MEDIA DO") representing 3.08 % of its voting rights (the "Share Acquisition") and to enter into a capital and business alliance agreement (the "Alliance") with MEDIA DO, Japan's largest eBook distributor engaged in digital content distribution and the global promotion of Japanese content.

1. Purpose and Background of the Share Acquisition and the Alliance

Since commencing operations in 2009, SHIFT has provided quality assurance services for software across a wide range of industries, from enterprise systems to entertainment, while expanding its offerings to include software development, IT consulting, project management, and marketing support to help our clients create services and products that drive sales.

In the entertainment industry, where SHIFT entered the testing market as a latecomer, we have expanded beyond testing alone to actively support upstream processes essential to high-quality game production, including producer support services, market research, and the strategic expansion into overseas markets where demand for Japanese intellectual property (IP) remains strong.

In January 2025, we launched our global expansion strategy by forging alliances with two U.S. companies and establishing SHIFT USA Inc.

MEDIA DO, Japan's largest eBook distributor, operates a leading digital content distribution platform, connecting more than 2,200 publishers with over 150 online bookstores. Guided by its mission of "Unleashing a Virtuous Cycle of Literary Creation," in which authors are fairly compensated for their work, MEDIA DO is further enhancing solutions for global distribution of Japanese content in response to rising overseas demand for manga, text-based works, and audiobooks.

According to the Ministry of Economy, Trade and Industry's "Entertainment & Creative Industries Strategy – Five-Year Action Plan Toward Achieving ¥20 Trillion in Overseas Content Industry Sales (June 2025),"overseas sales of Japanese-origin content have tripled over the past decade, reaching ¥5.8 trillion in 2023 and surpassing exports of the steel and semiconductor industries. While overseas sales of film and publishing content remain relatively small in comparison to the domestic market, the sector is expected to grow further as localization for overseas consumers continue to advance.

Leveraging SHIFT's expertise in supporting clients in creating software and services that drive sales, we aim to support the further growth of MEDIA DO's digital distribution businesses, including its eBook distribution platform, by promoting digital transformation (DX) initiatives to invigorate the circulation of Japanese content.

In addition, we foresee opportunities for collaboration in the domestic IP field by leveraging our AI know-how to improve content quality, streamline production, and enhance sales.

For international markets, we will promote the global distribution of content IP owned by publishers and other companies by combining SHIFT's expertise in delivering both functional and appealing products in the entertainment domain (including localization support) with MEDIA DO's publishing network and related data.

To promote close collaboration and ensure the steady execution of these initiatives, SHIFT has decided to enter into a capital and business alliance with MEDIA DO.

By enabling more consumers to discover and engage with works that deserve recognition, we aim to establish a positive cycle that fuels the creation of new content. This initiative will contribute to increasing global awareness and expanding the scale of Japanese-origin content industries in the international market.

At the same time, we see this initiative as a catalyst for expanding SHIFT's business channels with a view toward future overseas expansion, and we are committed to building strong relationships with international markets.

2. Details of the Capital and Business Alliance

(1) Business Alliance

- Collaboration to strengthen publishing content, translation, and IP businesses internationally
- Other cooperative initiatives mutually agreed by both parties, including efforts to enhance DX in areas such as eBook distribution

(2) Capital Alliance

SHIFT will acquire 466,600 shares of MEDIA DO's common stock, representing 3.08% of voting rights, from existing shareholders via the Tokyo Stock Exchange's ToSTNeT-1 off-hours trading system. The parties will enter into a capital and business alliance agreement, conditional upon the completion of the share acquisition.

3. Overview of the Alliance Partner

(1)	Name	MEDIA DO Co., Ltd.	
(2)	Location	Palace Side Building 5F/8F, 1-1-1 Hitotsubashi, Chiyoda-ku, Tokyo	
(3)	Job title and name of representative	Yasushi Fujita, President & CEO	
(4)	Description of business	Digital content distribution and delivery; System development and provision; Planning, production and sales of books, printed materials, films, audio, and related content; R&D, surveys, operations, consulting, and related services	
(5)	Share capital	¥5,990 million (as of end-February 2025)	
(6)	Date of establishment	April 1, 1999	
(7)	Major shareholders and ownership ratios	Yasushi Fujita FIBC Co., Ltd. Hikari Tsushin, Inc. The Master Trust Bank of Japan, Ltd. (Trust Account) UH Partners 2 Co., Ltd. Shogakukan Inc. Kodansha Ltd. TOHAN Corporation Credit Saison Co., Ltd. Shueisha Inc.	16.39% 11.42% 7.56% 7.23% 6.26% 3.72% 3.59% 3.23% 3.08% 2.93%
(8)	Relationship between the Company and the relevant company	Capital relationship	None of material significance.
		Personnel relationship	None of material significance.
		Business relationship	None of material significance.
		Related party relationship	None of material significance.

(9) Consolidated operating results and consolidated financial positions of said company for the last three years (Million yen)

As of / Fiscal year ended	February 28th ,2023	February 29th ,2024	February 28th ,2025
Consolidated net assets	16,772	16,208	17,708
Consolidated total assets	50,882	51,612	53,160
Consolidated net assets per share (Yen)	1,082.72	1,070.86	1,161.59
Consolidated net sales	101,667	94,036	101,914
Consolidated operating profit	2,393	2,066	2,475
Consolidated ordinary profit	2,291	1,990	2,360
Profit attributable to owners of parent	1,057	(319)	1,363
Consolidated earnings per share (Yen)	68.35	(21.08)	90.08
Dividend per share (Yen)	-	22.00	36.00

4. Number of Shares to Be Acquired, Acquisition Cost, and Shareholding Status

(1)	Number of shares held before the transaction	-shares (Number of voting rights:- units) (Ratio of voting rights held: -%)
(2)	Number of shares to be acquired	466,600 shares (Number of voting rights: 4,666 units)
(3)	Acquisition price	To be acquired at the closing price on July 10, 2025 (scheduled)
(4)	Number of shares held after the transaction	466,600 shares (scheduled) (Number of voting rights: 4,666 units) (Ratio of voting rights held: 3.08% (scheduled))

Note: The common shares of MEDIA DO held by existing shareholders are scheduled to be acquired via ToSTNeT-1 at the closing price on July 10, 2025.

5. Timetable

(1)	Date of resolution at the meeting of the Board of Directors (SHIFT)	June 24, 2025
(2)	Date of conclusion of the agreement	July 10, 2025
(3)	Date of commencement of share transfer	July 10, 2025 (scheduled)

※ The Board of Directors, as noted in (1), resolved to approve the prerequisites for the share acquisition, and delegated authority to the Representative Director to make the final decision, which was made on July 10, 2025.

6. Future Outlook

The impact of this alliance 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 as soon as it becomes known.