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Notice Regarding Summary of Board of Directors Effectiveness Evaluation Results

To ensure that the Board of Directors properly fulfills its roles and responsibilities, and that each director, including Outside Directors, actively takes part in discussions based on their expertise and independent perspectives, so that the Board of Directors can continuously exercise decision-making and oversight functions that contribute to the sustainable improvement of corporate value, SHIFT Inc. ("SHIFT") began conducting a Board of Directors Effectiveness Evaluation in FY08/26. SHIFT hereby announces the summary as follows.

1. Overview of the Effectiveness Evaluation

Evaluation Item	Evaluation Result	Initiatives Launched
Agenda	Generally meets the expected level - A broad agenda ranging from strategic themes for improving corporate value over the medium term to short-term performance - Well-balanced themes covering both "offense" and "defense," from strategy to compliance and governance	Enrich the agenda by drawing on the knowledge of Outside Directors - Hold regular exchanges of views with Outside Directors - Reflect the interests and concerns of Outside Directors in the agenda
Open and Constructive Discussion	Generally meets the expected level - Free, robust, and constructive discussions held while taking into account differing and opposing opinions - Outside Directors, acting independently of business execution, actively voice candid opinions and points	Further enrich essential discussions - Set up free discussion sessions within the Board of Directors that are not based on specific proposals or materials - Improve the efficiency of Board of Directors operations by enhancing explanations and Q&A in pre-meetings
Board Composition	Generally meets the expected level - Board of Directors composed of directors with diverse experience and expertise - Oversight structure centered on Independent Outside Directors	Strengthen coordination between the Nomination and Remuneration Committee and the Board of Directors - Hold continuous and planned discussions - Connect the discussions of the Nomination and Remuneration Committee and the Board of Directors with each other

2. Evaluation Method

Based on the Corporate Governance Code set by the Tokyo Stock Exchange, SHIFT began conducting a Board of Directors Effectiveness Evaluation in FY08/26 so that the Board of Directors properly fulfills its roles and responsibilities and continuously exercises decision-making and oversight functions that contribute to the sustainable improvement of corporate value.

In addition, SHIFT adopted a self-evaluation method in order to collect candid opinions from respondents and to carry out analysis and evaluation based on the actual situation of SHIFT's Board of Directors.

Item	Details
Evaluation targets	All 9 directors
Evaluation period	June 3 to June 16, 2026
Evaluation items	"Agenda," "Open and Constructive Discussion," "Board Composition," and "Overall Evaluation"
Evaluation method	19 questions in total (16 questions on a five-point scale and 3 free-text questions) The criteria for the five-point quantitative evaluation are as follows. 5: Fully meets the expected level 4: Generally meets the expected level 3: Meets the expected level to a certain extent, but there is room for improvement 2: Does not meet the expected level and needs improvement 1: Falls significantly below the expected level and needs fundamental improvement

3. Evaluation Results

In the five-point quantitative evaluation, the results were generally "Fully meets the expected level" or "Generally meets the expected level." Free-text responses and comments on each question also included many opinions that positively evaluated the effectiveness of the Board of Directors. Based on these quantitative and qualitative findings, the Board concluded that it is functioning effectively while identifying several opportunities for further enhancement.

- **Evaluation of "Agenda"**

The result for the range and balance of themes taken up by the Board of Directors was "Generally meets the expected level." The Board of Directors of SHIFT continuously discusses themes aimed at improving corporate value, such as M&A, medium-term performance and strategy, and capital policy, as well as short-term performance monitoring, compliance, and governance. Based on this, SHIFT recognizes that a wide range of themes is taken up from both the "offense" perspective of improving corporate value and the "defense" perspective of supporting sound management.

- **Evaluation of "Open and Constructive Discussion"**

The result was "Generally meets the expected level." In particular, the evaluation confirmed that Independent Outside Directors actively contribute alternative perspectives and recommendations, supporting robust and constructive debate on important strategic matters. Free-text responses and comments on each question also included opinions that praised the vitality of discussions and the constructive discussion culture, such as active questions, opinions, and proposals from Outside Directors, exchanges of views that draw on each director's expertise, and sufficient discussion of important management themes including M&A. Based on this, SHIFT recognizes that at the Board of Directors, each director draws on their knowledge and experience and exchanges candid opinions from an independent standpoint, resulting in free, robust, and constructive discussions.

- **Evaluation of "Board Composition"**

The result for the composition of directors with diverse experience and expertise, among other aspects, was "Generally meets the expected level." The Board of Directors of SHIFT consists of 9 members in total: 3 Inside Directors and 6 Independent Outside Directors. Independent Outside Directors and female directors account for the following proportions.

- Ratio of Independent Outside Directors: 66.7%
- Ratio of female directors: 33.3%

Based on these circumstances, SHIFT recognizes that the Board of Directors is composed of directors with diverse experience and expertise, and that a structure is in place for each of them to draw on their knowledge to fulfill the role of the Board of Directors.

4. Future Initiatives to Further Improve Effectiveness

In this evaluation, the Board of Directors of SHIFT confirmed that effectiveness is ensured overall. At the same time, SHIFT believes that, in order to remain a Board of Directors that supports the sustainable improvement of corporate value, it is important not to stay at the current level but to continuously enhance the functions of the Board of Directors. Based on this view, SHIFT has launched the following initiatives to further improve effectiveness.

- **"Agenda": Enrich the agenda by drawing on the knowledge of Outside Directors**

While the Board concluded that the current agenda appropriately covers a broad range of strategic and governance topics, we also recognized opportunities to further improve the quality and efficiency of discussions. To allow more Board meeting time to be devoted to substantive deliberations, SHIFT has started to hold regular pre-meetings with Outside Directors, understand the interests and concerns of Outside Directors who have diverse experience and specialized knowledge, and reflect them in the agenda of the Board of Directors. As a result, the Board of Directors will take up not only proposals submitted by the management but also a wide range of themes that Outside Directors consider necessary and that contribute to improving corporate value over the medium to long term, further enriching discussions at the Board of Directors.

- **"Open and Constructive Discussion": Further enrich essential discussions**

The evaluation confirmed that discussions are open, active and constructive. To further encourage the exchange of views and ensure that directors have opportunities to raise broader strategic considerations beyond agenda items, we have introduced dedicated free-discussion sessions. To secure time for such discussions, SHIFT is also working to improve the efficiency of Board of Directors operations by reviewing the matters resolved by the Board of Directors and promoting appropriate delegation of authority, as well as by enhancing explanations and Q&A in pre-meetings. Through these efforts, SHIFT aims to hold more essential discussions on important themes, including medium- to long-term management issues.

- **"Board Composition": Strengthen coordination between the Nomination and Remuneration Committee and the Board of Directors**

While the Board believes its current composition provides an appropriate balance of skills, experience, diversity and independence, we recognize the importance of maintaining these strengths over the long term. To support ongoing discussions regarding Board composition, SHIFT has started to hold Nomination and Remuneration Committee meetings regularly and to set themes that should be discussed continuously from a medium- to long-term perspective. SHIFT has also established a process under which the committee's discussions are reported and proposed to the Board of Directors, and the discussions of the Board of Directors are fed back to the committee, so that the discussions of both bodies are connected with each other. Through this, SHIFT will continuously discuss the composition of the Board of Directors and the management structure from a medium- to long-term perspective, and strengthen the structure of the Board of Directors with an eye to the future.

Based on the results of this Board of Directors Effectiveness Evaluation, SHIFT will continue to work to improve the effectiveness of the Board of Directors.

■SHIFT Corporate Governance

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