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November 25, 2026

Company Name	SHIFT Inc.
Representative	Masaru Tange, CEO and Representative Director (TSE Prime Market Code: 3697)
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Notice of Simplified Absorption-Type Merger of Wholly Owned Subsidiary Decem into SHIFT

SHIFT Inc. ("SHIFT") today announced that its Board of Directors approved a reorganization (the "Reorganization") under which Decem Inc. ("Decem"), a wholly owned SHIFT Group company, will be merged into SHIFT. The Reorganization is scheduled to take effect on January 31, 2027, with SHIFT as the surviving company.

1. Reasons for the Reorganization

As announced in its October 15, 2026 release, "SHIFT's Transfer of Equity Interests in Consolidated Subsidiaries (Change in Second-Tier Subsidiaries)," SHIFT transferred to Hit Co., Ltd. all equity interests in Nadia Inc. and xbs Inc. previously held by Decem. The transfer was part of the SHIFT Group's efforts to optimize its business portfolio.

Following the transfer, SHIFT approved the Reorganization to simplify the Group's organizational structure, consolidate management resources to improve back-office efficiency, and reduce the costs of maintaining and administering separate legal entities. These measures are intended to enable more agile management.

2. Overview of the Reorganization

(1) Schedule of the Reorganization

Board Approval by SHIFT and Decem	November 25, 2026
Signing of Agreement (Planned)	December 1, 2026
Effective Date of the Reorganization (Planned)	January 31, 2027

Note: For SHIFT, the merger qualifies as a simplified absorption-type merger under Article 796, paragraph 2 of the Companies Act of Japan. Accordingly, SHIFT will not hold a shareholders' meeting to approve the merger.

(2) Method of the Reorganization

The Reorganization will take the form of an absorption-type merger, with SHIFT as the surviving company and Decem as the non-surviving company.

(3) Consideration for the Reorganization

No consideration is expected to be issued or paid in connection with the Reorganization, as it is an intragroup transaction.

(4) Treatment of Share Acquisition Rights and Bonds with Share Acquisition Rights

Decem, the non-surviving company, has not issued any share acquisition rights or bonds with share acquisition rights. In addition, there will be no change in the treatment of the share acquisition rights issued by SHIFT as a result of the Reorganization.

3. Overview of the Companies Involved

		Surviving Company	Non-surviving Company
(1)	**Name**	SHIFT Inc.	Decem Inc.
(2)	**Address**	1-3-1 Azabudai, Minato-ku, Tokyo	3-22-7 Yoyogi, Shibuya-ku, Tokyo
(3)	**Representative**	Masaru Tange, Representative Director	Sachiko Iwasaki, 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; support for AI adoption and digital and AI transformation (DX/AX)	Holding shares or equity interests in group companies to control and manage their business activities
(5)	**Share Capital**	21 million yen	1 million yen
(6)	**Date of Incorporation**	September 7, 2005	March 9, 2020
(7)	**Number of Issued Shares**	267,500,670 shares	100 shares
(8)	**Fiscal Year-End**	August 31	August 31
(9)	**Major Shareholders and Ownership Percentages**	Masaru Tange 31.57%	SHIFT 100%
(10)	**Financial Results and Financial Position for the Most Recent Fiscal Year (million yen)**		
Fiscal Year Ended		**August 31, 2026**	**August 31, 2026**
Net assets		30,900	(78)
Total assets		84,969	1,794
Net assets per share (yen)		118.96	(784,059.98)
Net sales		100,532	-
Operating profit (loss)		12,969	(0)
Ordinary profit (loss)		12,085	(23)
Net income (loss)		3,260	(23)
Net income (loss) per share (yen)		12.60	(232,960.39)
Dividends per share (yen)		4.53	-

4. SHIFT after the Reorganization

The Reorganization will not change SHIFT's name, head office location, representative's title or name, business activities, share capital, or fiscal year-end.

5. Future Outlook

The Reorganization is expected to have an immaterial impact on SHIFT's consolidated financial results. If significant changes in business conditions give rise to any material impact, SHIFT will disclose the details promptly once they become known.

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