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(Stock Exchange Code 3697)
November 9, 2022

To Our Shareholders

Masaru Tange, President and CEO
SHIFT Inc.
Masonic 39 MT Building, 2-4-5
Azabudai, Minato-ku, Tokyo

Notice of the 17th Annual General Meeting of Shareholders

You are hereby notified that the 17th Annual General Meeting of Shareholders of SHIFT Inc. (the “Company”) will be held for the purposes as described below.

In accordance with Article 66, Paragraph 1, of the Act on Strengthening Industrial Competitiveness and Article 12, Paragraph 2, of the Company’s Articles of Incorporation, **this General Meeting of Shareholders will not be held at a designated location (virtual meeting only)**. For details on the environment and procedures required to join the meeting, please refer to the information starting on page 3 (in Japanese version; same applies below).

You may exercise your voting rights in advance in writing or via the Internet if you will be unable to join the meeting, or to counter the possibility of communication failure, etc., even if you plan to join the meeting. If you wish to exercise your voting rights in advance, please read the Reference Documents for the General Meeting of Shareholders below and, referring to the instructions starting on page 7, indicate your approval or disapproval of the proposals in writing or via the Internet **by 6:15 p.m. (JST) on Thursday, November 24, 2022**.

- 1. Date and Time:** Friday, November 25, 2022, at 1:00 p.m. Japan Standard Time
* The livestreaming page can be accessed from 12:30 p.m. on the day of the meeting, 30 minutes before the start of the meeting.
* In the event that this General Meeting of Shareholders cannot be held at the designated date and time due to communication issues or other reasons, the meeting will be postponed to Tuesday, November 29, 2022, at 1:00 p.m. (JST).
- 2. Meeting method:** **General Meeting of Shareholders with no designated location (Virtual only)**
* Shareholders cannot physically attend the meeting.

3. Meeting Agenda:

- Matters to be reported:**
1. Business Report and Consolidated Financial Statements for the Company's 17th Fiscal Year (September 1, 2021–August 31, 2022) and audit results of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee
 2. Non-consolidated Financial Statements for the Company's 17th Fiscal Year (September 1, 2021–August 31, 2022)

Proposals to be resolved:

- Proposal 1:** Partial amendment to the Articles of Incorporation
- Proposal 2:** Election of six (6) Directors (excluding Directors who are Audit & Supervisory Committee Members)
- Proposal 3:** Election of one (1) Director who is an Audit & Supervisory Committee Member
- Proposal 4:** Revision to maximum amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members)
- Proposal 5:** Reduction in capital stock

Notes:

- Pursuant to the provisions of laws and regulations and Article 18 of the Articles of Incorporation, the Company has posted the following items on its website. Therefore, these items are not included in this Notice of Convocation.
 - (1) "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements
 - (2) "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial StatementsThe Consolidated Financial Statements and Non-consolidated Financial Statements are part of the same statements audited by the Accounting Auditor and Audit & Supervisory Committee when preparing the audit reports.
- Any revisions to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements will be posted on the Company's website.
- Communication regarding the proceedings of this General Meeting of Shareholders shall be via the Internet.
- If a shareholder who has exercised a voting right in advance in writing or via the Internet joins this General Meeting of Shareholders and exercises the voting right in duplicate, the voting right as exercised in conjunction with the meeting shall be accepted as valid. If a shareholder does not exercise the voting right at this General Meeting, the voting right as exercised in advance in writing or via the Internet shall be accepted as valid.
- In the unlikely event that the proceedings of this General Meeting of Shareholders are seriously disrupted by communication failure, etc., the Chair may decide to postpone or continue the General Meeting, and a resolution to that effect will be adopted at the beginning of the General Meeting. In the event the Chair decides to postpone or continue the General Meeting in accordance with such resolution, such postponement or continuation will be held on Tuesday, November 29, 2022, at 1:00 p.m. (JST). In such case, a notice will be promptly posted on the Company's website. In the event of any major changes in the operation of this General Meeting of Shareholders due to future circumstances, the Company will also announce the details of such changes on its website.
- After this General Meeting of Shareholders, the Company plans to hold a business briefing to deepen the understanding of shareholders regarding the Company and its operations. Shareholders can participate in this business briefing by accessing the URL provided on page 3.
- From this year onward, the Company will not mail any notice of resolutions, instead posting it to the Company's website.

The Company's website is <https://en.shiftinc.jp/>.

Reference Documents for the General Meeting of Shareholders

Proposals and reference items

Proposal 1: Partial amendment to the Articles of Incorporation

(1) Reason for proposal

1. Amendment to add business purpose

To better reflect the current status of the Company's business activities and diversification in such activities, the Company proposes an addition to Article 2 (Purpose).

2. Amendment due to the introduction of the system of electronic provision of materials for General Meetings of Shareholders

The Company proposes changes in connection with the introduction of the system of electronic provision of materials for the General Meeting of Shareholders in accordance with the amended provisions prescribed in the proviso of Article 1 of the Supplementary Provisions of the Act for Partial Amendment of the Companies Act (Act No. 70 of 2019), which came into force on September 1, 2022. We propose amendment of the current Article 18 of the Articles of Incorporation and the establishment of a supplementary provision pertaining to this amendment.

(2) Details of change

The details of the change are as follows.

(Underlined items indicate changes.)

Current Articles of Incorporation	Proposed change
<p>Article 2 (Purpose)</p> <p>1.–9. (Text omitted)</p> <p>(Newly established)</p> <p><u>10.–19.</u> (Text omitted)</p>	<p>Article 2 (Purpose)</p> <p>1.–9. (Same as current)</p> <p><u>10. Application service provision using telecommunication networks</u></p> <p><u>11.–20.</u> (Same as current)</p>
<p><u>Article 18 (Online disclosure and deemed provision of reference documents, etc. for General Meeting of Shareholders)</u></p> <p><u>With respect to the convocation of a General Meeting of Shareholders, the Company may deem that it has provided information pertaining to items to be stated or indicated in reference documents for the General Meeting of Shareholders, business reports, financial statements, and consolidated financial statements to shareholders by disclosing such information online in accordance with the Ordinance of the Ministry of Justice.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed change
(Newly established)	<p><u>Article 18 (Measures to provide information in electronic format, etc.)</u></p> <p><u>1. The Company shall take measures to provide information contained in reference documents, etc., for the General Meeting of Shareholders in electronic format when convening a General Meeting of Shareholders.</u></p> <p><u>2. The Company may choose not to include all or part of the information to be provided in electronic format specified in the Ordinance of the Ministry of Justice in the documents to be delivered to shareholders who have requested the delivery of documents by the record date for voting rights.</u></p>
(Newly established)	<p><u>Supplementary Provision</u> <u>(Effective dates, etc.)</u></p> <p><u>1. Article 18 (Online disclosure and deemed provision of reference documents, etc. for General Meeting of Shareholders) of the Articles of Incorporation shall remain in force in regard to General Meetings of Shareholders that are held at any time through the last day of February 2023.</u></p> <p><u>2. This supplementary provision shall be deleted on March 1, 2023, or once three months have elapsed after the date of any General Meeting of Shareholders as mentioned in the preceding paragraph, whichever is later.</u></p>

No.	Name (Date of birth)	Past experience, positions and responsibility in the Company, and significant concurrent positions	Number of Company shares held
3	Motoya Kobayashi (February 13, 1979) [Reappointment] (Male)	<p>April 2003 Joined Incs Inc. (currently SOLIZE Corporation)</p> <p>April 2007 Joined SHIFT</p> <p>November 2009 Head of Software Testing Department at SHIFT</p> <p>May 2013 Executive Officer of SHIFT</p> <p>November 2014 Director of SHFIT (current position)</p> <p>April 2015 Director of SHIFT PLUS, Inc. (current position)</p> <p>March 2017 Director of ALH Inc. (current position)</p> <p>August 2017 Director of MethodoLogic Inc. (current position)</p> <p>May 2018 Director of Airitech Inc.</p> <p>March 2019 Director of SystemI Co., Ltd.</p> <p>June 2019 Director of SHIFT ASIA Co., Ltd. (current position)</p> <p>October 2021 Director of Analytics Japan Co., Ltd. (current position)</p> <p>November 2021 Director of Saunashi Co., Ltd. (current position)</p> <p>November 2021 Director of VISH Inc. (current position)</p>	162,400
<p>Reason for nomination as candidate for Director: Mr. Motoya Kobayashi is one of the founding members of the Company and launched the software testing business, its core business, and was the driving force behind service rollouts and the Group's development. He has served as a director of several Group companies and is familiar with the Group's business and organization. The Company therefore judges that he has the knowledge and experience necessary for the Group's future growth and nominates Mr. Kobayashi for reappointment as Director.</p>			
4	Taichi Hattori (November 16, 1974) [Reappointment] (Male)	<p>April 1998 Joined NTT Communications Corporation (split off and renamed from Nippon Telegraph and Telephone Corporation after joining)</p> <p>June 2006 Joined Recruit Holdings Co., Ltd.</p> <p>October 2012 Director of Indeed Inc. (via secondment)</p> <p>April 2014 Vice President, Finance of Indeed</p> <p>April 2018 Senior Vice President, Finance of Indeed</p> <p>April 2019 CFO of Indeed</p> <p>January 2021 Returned to join Recruit Holdings</p> <p>July 2021 Joined SHIFT, became Executive Officer</p> <p>October 2021 Audit & Supervisory Board Member of Analytics Japan Co., Ltd. (current position)</p> <p>October 2021 Audit & Supervisory Board Member of CLUTCH Inc. (current position)</p> <p>October 2021 Audit & Supervisory Board Member of Nadia Inc. (current position)</p> <p>November 2021 Director of SHIFT (current position)</p> <p>November 2021 Audit & Supervisory Board Member of DECEM Inc. (current position)</p> <p>March 2022 Representative Director of SHIFT Growth Capital Inc. (current position)</p>	-
<p>Reason for nomination as candidate for Director: Mr. Taichi Hattori served as a CFO of a global company and possesses a wealth of experience and broad insight into business management, focusing on financial accounting. The Company again nominates Mr. Hattori as a candidate for Director, judging that his knowledge will be necessary to strengthen the Group's business management.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibility in the Company, and significant concurrent positions	Number of Company shares held
5	Takafumi Murakami (August 16, 1978) [Reappointment] [Outside] [Independent] (Male)	April 2003 Joined Goldman Sachs (Japan) Ltd. (currently Goldman Sachs Japan Co., Ltd.)	-
		July 2017 Founded Signifiant Inc., became Representative Director (current position)	
		March 2020 Outside Director of bellFace Inc. (current position)	
		November 2020 Outside Director of SHIFT (current position)	
		January 2022 Outside Director of BitStar Inc. (current position)	
		March 2022 Outside Director of hacomono, Inc. (current position)	
		March 2022 Outside Director of SmartHR, Inc. (current position)	
		April 2022 Outside Director of XICA Co., Ltd. (current position)	
Reason for nomination as candidate for Outside Director and summary of expected role: Mr. Takafumi Murakami has a wealth of experience and broad insight in dialogue with capital markets, governance, and ESG. The Company nominates Mr. Murakami for reappointment as Outside Director, judging that by supervising operations as an Outside Director, he will strengthen the Company's ability to communicate with capital markets and enhance governance, which is necessary for accelerating the Group's growth.			
6	Fumiko Motoya (July 8, 1947) [Reappointment] [Outside] [Independent] (Female)	April 1966 Joined Fukui Shinkin Bank	5,100
		June 1971 Director of Shinkin Development Co., Ltd. (currently APA Co., Ltd.) (current position)	
		December 1980 Founded APA Hotels Co., Ltd., became Director	
		February 1994 President and Director of APA Hotels Co., Ltd. (current position)	
		December 2015 Director of APA Holdings Co., Ltd. (current position)	
		November 2020 Outside Director of SHIFT (current position)	
		May 2021 Outside Director of TKP Corporation (current position)	
Reason for nomination as candidate for Outside Director and summary of expected role: Ms. Fumiko Motoya has a track record as a manager in developing APA Hotels and the APA Group into one of the largest hotel chains in Japan and has a wealth of experience and broad insight into corporate management. The Company nominates Ms. Motoya for reappointment as Outside Director, judging that she will further strengthen the Company's management system by supervising its overall management and continuous growth.			

Notes:

- If the election of each candidate for Director is approved, the term of office is scheduled to commence at the conclusion of this General Meeting of Shareholders and end at the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending August 31, 2023.
- There is no special interest between each candidate for Director and the Company.
- Mr. Takafumi Murakami and Ms. Fumiko Motoya are candidates for Outside Director.
- Mr. Takafumi Murakami and Ms. Fumiko Motoya meet the requirements for independent officers as stipulated by the Tokyo Stock Exchange, and will be designated as independent officers if the election is approved.
- Number of years since the candidates for Outside Director were first appointed as Outside Director
The term of office of Mr. Takafumi Murakami as an Outside Director will be two (2) years at the conclusion of this General Meeting of Shareholders.
The term of office of Ms. Fumiko Motoya as an Outside Director will be two (2) years at the conclusion of this General Meeting of Shareholders.
- The Company has entered into an agreement with Mr. Takafumi Murakami and Ms. Fumiko Motoya to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the same Act. If the election of Mr. Murakami and Ms. Motoya is approved, the Company plans to continue the above liability limitation agreement. The maximum amount of liability based on the said agreement is the minimum liability amount stipulated by laws and regulations.
- The Company has entered into a director's and officer's liability insurance policy with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. If a claim for damages is filed by a shareholder or a third party, the said insurance policy will cover the damages and litigation expenses that the insured would have to bear. However, damages caused by acts committed by the insured while being aware that they violate laws and regulations will not be covered. The Company bears the full premium for all insured persons. If each candidate for Director is appointed as Director, he or she will be insured under the said insurance policy. The term of this insurance policy is until April 1, 2023, but is scheduled to be renewed with the same scope of coverage.

Proposal 3: Election of one (1) Director who is an Audit & Supervisory Committee Member

The term of office of one (1) Director who is an Audit & Supervisory Committee Member will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of one (1) Director who is an Audit & Supervisory Committee Member. The consent of the Audit & Supervisory Committee has been obtained for this proposal. The candidate is as follows.

Name (Date of birth)	Past experience, positions and responsibility in the Company, and significant concurrent positions	Number of Company shares held
<p>Tetsujiro Nakagaki (February 2, 1973)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>(Male)</p>	April 1996 Joined Japan Asia Investment Co., Ltd.	
	April 2011 General Manager of Investment at Japan Asia Investment	
	April 2011 Established DFJ JAIC Venture Partners, LLC (currently Draper Nexus Venture Partners, LLC), became Managing Director (current position)	
	March 2013 Established DJ Partners Co., Ltd., became President and Representative Director (current position)	
	December 2013 Outside Director of trippiece Co. Ltd. (current position)	
	May 2014 Outside Director of STUDIOUS Co., Ltd. (currently TOKYO BASE Co., Ltd.) (current position)	
	September 2014 Outside Director of Innova Inc. (current position)	
	October 2014 Managing Director of Draper Nexus Venture Partners II, LLC (current position)	
	November 2014 Outside Director of SHIFT	
	September 2016 Outside Director of UNCOVER TRUTH Co., Ltd. (current position)	
	April 2018 Outside Director of favy, Inc. (current position)	
	August 2018 Established NEX Venture Partners III, LP (currently DNX Venture Partners III, LP), became Partner (current position)	
	November 2020 Outside Director and Audit & Supervisory Committee Member of SHIFT (current position)	
January 2021 Outside Director of CULTURE STUDIO TOKYO, Inc. (current position)		
<p>Reason for nomination as candidate for Outside Director who is an Audit & Supervisory Committee Member and summary of expected role:</p> <p>Mr. Tetsujiro Nakagaki is a Managing Partner of a Silicon Valley-based venture capital firm and has a wealth of experience and broad insight gained through investment in and management guidance of numerous IT companies, and we believe he can be expected to play an appropriate role in making decisions on important matters and supervising the execution of business operations as the Company grows both inside and outside Japan. The Company therefore nominates Mr. Nakagaki as a candidate for reappointment as Outside Director who is an Audit & Supervisory Committee Member.</p>		

Notes:

1. If the election of the candidate for Director is approved, the term of office is scheduled to commence at the conclusion of this General Meeting of Shareholders and end at the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending August 31, 2024.
2. There is no special interest between the candidate for Director who is an Audit & Supervisory Committee Member and the Company.
3. Mr. Tetsujiro Nakagaki is a candidate for Outside Director.
4. The Company has designated and notified Mr. Tetsujiro Nakagaki as an independent officer as stipulated by the Tokyo Stock Exchange. If his reappointment is approved, Mr. Nakagaki is scheduled to continue to serve as an independent officer.
5. Number of years since the candidate for Outside Director was first appointed as Outside Director
The term of office of Mr. Tetsujiro Nakagaki as an Outside Director will be eight (8) years at the conclusion of this General Meeting of Shareholders. His term of office as a Director who is an Audit & Supervisory Committee Member will be two (2) years at the conclusion of this General Meeting of Shareholders.
6. The Company has entered into an agreement with Mr. Tetsujiro Nakagaki to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the same Act. If the election of Mr. Nakagaki is approved, the Company plans to continue the above liability limitation agreement. The maximum amount of liability based on the said agreement is the minimum liability amount stipulated by laws and regulations.
7. The Company has entered into a director's and officer's liability insurance policy with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. If a claim for damages is filed by a shareholder or a third party, the said insurance policy will cover the damages and litigation expenses that the insured would have to bear. However, damages caused by acts committed by the insured while being aware that they violate laws and regulations will not be covered. The Company bears the full premium for all insured persons. If the candidate for Director is appointed as Director, he will be insured under the said insurance policy. The term of this insurance policy is until April 1, 2023, but is scheduled to be renewed with the same scope of coverage.

(Reference) Skill matrix of candidates for Directors and Executive Officers

If all the nominees listed in this Notice of Convocation are elected as originally proposed, the expertise and experience of each Director will be as shown in the skill matrix below.

Name	Position (tentative)	Experience and expertise							
		Corporate management	Sales/Marketing	Service/Technology	HR strategy	M&A/PMI	Finance/Accounting/IR	Corporate governance	ESG/Diversity
Masaru Tange	President and CEO	●	●	●	●	●	●		●
Michio Sasaki	Director and Vice President	●	●	●		●		●	●
Motoya Kobayashi	Director	●	●	●	●	●	●		
Taichi Hattori	Director	●				●	●	●	●
Takafumi Murakami	Outside Director	●				●	●	●	●
Fumiko Motoya	Outside Director	●	●		●				●
Yusuke Arai	Outside Director Audit & Supervisory Committee Member (full-time)						●	●	
Kenji Chishiki	Outside Director Audit & Supervisory Committee Member (part-time)	●			●			●	●
Tetsujiro Nakagaki	Outside Director Audit & Supervisory Committee Member (part-time)	●	●			●	●		

The Company has introduced an executive officer system. The expertise and experience of each Executive Officer will be as shown in the skill matrix below.

Name	Position (tentative)	Experience and expertise							
		Corporate management	Sales/Marketing	Service/Technology	HR strategy	M&A/PMI	Finance/Accounting/IR	Corporate governance	ESG/Diversity
Yosuke Sugahara	Senior Executive Officer			●	●				
Toshiaki Hosoda	Senior Executive Officer			●					
Shigeki Komiya	Executive Officer	●	●						
Yusuke Maoka	Executive Officer			●					
Tsuyoshi Kimura	Executive Officer	●	●						

Proposal 4: Revision to maximum amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members)

(1) Reason for proposal

The amount of remuneration for the Company's Directors (excluding Directors who are Audit & Supervisory Committee Members; hereinafter "Eligible Directors") was approved at the 14th Annual General Meeting of Shareholders held on November 27, 2019, as an annual amount of no more than 1,000 million yen (including no more than 100 million yen for Outside Directors). In addition, at the 16th Annual General Meeting of Shareholders held on November 26, 2021, the Company gained the approval of shareholders to set the total amount of its common stock to be issued or transferred to Eligible Directors and money to be paid to them under the Restricted Stock Unit Plan (hereinafter the "Plan") as an annual amount of no more than 200 million yen (including no more than 50 million yen for Outside Directors).

In light of the need to provide Directors, etc., with incentives to sustainably increase corporate value and to further promote value sharing with shareholders, and in light of the Company's objective of developing and securing excellent management personnel to contribute to sustainable development and to society in general as a publicly listed company, the Company requests approval at this Annual General Meeting of Shareholders to increase the total annual amount of its common stock to be issued or transferred to Eligible Directors and money to be paid to them under the Plan approved at the 16th Annual General Meeting of Shareholders held on November 26, 2021, and to increase the maximum number of shares to be delivered to Eligible Directors under the Plan. The purpose is to increase the proportion of remuneration linked to medium- to long-term business performance to ensure that the Company's remuneration for Eligible Directors functions as an appropriate incentive for the creation of corporate value.

The Company established a basic policy regarding the content of remuneration, etc., for individual Directors at the Board of Directors meeting held on December 21, 2021, and plans to amend the said policy to be in line with this proposal, subject to the approval of this proposal. This proposal is necessary and reasonable in order to grant remuneration, etc. to individual Directors in line with the said revised policy, so the Company deems revision of the Plan to be appropriate.

There are currently six (6) Directors, including two (2) Outside Directors, and if Proposal 2 is approved as proposed, there will be no change in these numbers.

(2) Detail of revision

At the 16th Annual General Meeting of Shareholders held on November 26, 2021, the total annual amount of common stock to be issued or transferred to Eligible Directors and money to be paid to them under the Plan was approved as no more than 200 million yen (including no more than 50 million yen for Outside Directors). The Company now proposes that this annual amount be raised to no more than 500 million yen for Eligible Directors (including no more than 50 million yen for Outside Directors) of the total annual remuneration of no more than 1,000 million yen (including no more than 100 million yen for Outside Directors; however, this does not include employee salaries for Directors who concurrently serve as employees).

In addition, the number of shares to be delivered to Eligible Directors under the Plan was approved as no more than 60,000 shares per annum (including no more than 15,000 shares for Outside Directors). The Company now proposes that this number be raised to no more than 89,000 shares per annum for Eligible Directors (including 15,000 shares for Outside Directors; however, if a stock split of the Company's common stock [including gratis allotment of the Company's common stock] or a reverse stock split of the Company's common stock is conducted on or after the date of approval of this proposal, or if any other event occurs that requires adjustment of the total number of the Company's common stock to be issued or disposed of, such total number shall be reasonably adjusted).

Proposal 5: Reduction in capital stock

To ensure the flexibility and mobility of the Company's future capital policy, the Company proposes to reduce the amount of capital stock pursuant to the provisions of Article 447, Paragraph 1 of the Companies Act. The same amount as the amount of capital stock to be reduced as a result will be recorded in other capital surplus.

(1) Amount of capital stock to be reduced

67,693,500 yen

(2) Date on which the reduction in capital stock becomes effective

January 10, 2023