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Summary of Consolidated Financial Results for the First Half of FY2011 (Unaudited)  
(January 1, 2011 - June 30, 2011) [ Japanese Standard ] (Consolidated)

July 27, 2011

Company Name: Shimano Inc. Stock Exchange: Tokyo and Osaka, First Section  
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Date of submission of quarterly report to Ministry of Finance: August 11, 2011  
Scheduled payment date for dividends: September 2, 2011  
Supplemental information: Yes  
Financial results briefing: Yes

(Amounts are rounded down to the nearest million yen)

1. Consolidated financial results for the First Half of FY2011 (January 1, 2011- June 30, 2011)

(1) Consolidated income information

(The percentages represent the rates of increase (decrease) compared to the corresponding prior period.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First Half of FY2011	107,134	2.6	15,244	(11.8)	13,654	(5.0)	6,904	(28.2)
First Half of FY2010	104,390	15.9	17,291	100.6	14,370	58.0	9,622	46.6

	Net income per share (Basic)	Net income per share (Diluted)
	Yen	Yen
First Half of FY2011	73.64	-
First Half of FY2010	101.81	-

(2) Consolidated balance sheet information

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
First Half of FY2011	215,853	179,870	83.1	1,912.14
FY2010	205,248	173,600	84.3	1,844.81

(Reference) Shareholders' equity First Half of FY2011: 179,298 million yen FY2010: 172,984 million yen

2. Dividend information

Record Date	Annual Dividend				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2010	-	30.50	-	30.50	61.00
FY2011	-	30.50	-	-	61.00
FY2011(Forecast)	-	-	-	30.50	-

(Note) 1. Change in forecasted dividend during this period: None

2. Details of dividend for the end of the first half of the fiscal year ending December 31, 2011:

Special dividend: 24.25yen

3. Forecasted consolidated business performance for FY2011 (January 1, 2011 - December 31, 2011)

(The percentages represent the rates of increase (decrease) compared to the corresponding prior period.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2011	225,000	5.3	34,000	3.7	32,800	18.1	20,000	4.6	213.29

(Note) Change in forecasted consolidated business performance during this period: Yes

4. Other (For details, please refer to "Other Information" on Page 4 of the attached document.)

(1) Changes in significant subsidiaries during this period: None

(Note) Changes in specified subsidiaries due to changes in scope of consolidation

(2) Application of simplified accounting methods and specific accounting treatment: Yes

(Note) Application of simplified accounting methods and accounting treatment specific to preparation of consolidated quarterly financial statements

(3) Changes in accounting principles, procedures and presentation methods

Changes in accordance with revision of accounting standards: Yes

Changes other than above: Yes

(Note) Changes in accounting principles, procedures and presentation methods relating to presentation of consolidated quarterly financial statements described in the section "Changes in significant matters forming the basis of preparing consolidated quarterly financial statements"

(4) Number of shares of common stock issued

Number of shares of common stock issued at the end of the period (including treasury stock):

Number of shares of treasury stock issued at the end of the period:

Average number of shares during the period (cumulative from the beginning of the fiscal year):

As of June 30, 2011	93,800,000 shares	As of December 31, 2010	93,800,000 shares
As of June 30, 2011	31,795 shares	As of December 31, 2010	31,604 shares
First half of the year ending December 31, 2011	93,768,240 shares	First half of the year ended December 31, 2010	94,512,909 shares

(\*Presentation concerning quarterly review procedures)

This quarterly financial report is outside the scope of quarterly review procedures pursuant to the Financial Instruments and Exchange Act and procedures for review of quarterly financial statements pursuant to the Financial Instruments and Exchange Act were not completed as of the disclosure of this quarterly financial report.

(\*Explanation regarding the appropriate use of forecasts of business performance and other special items)

The forecasts of business performance and other forward-looking statements contained in this document are based on information currently available to the Company and certain assumptions that management believes reasonable and actual business performance may differ materially from those described in such statements due to various factors. For details of assumptions for the forecasts and precautions for the use of the forecasts, please refer to "Forecast for the Fiscal Year Ending December 2011" on Page 3 of the attached document.

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## 1. Qualitative Information on Consolidated Financial Performance for the Period under Review

### (1) Consolidated Results of Operations

During the first half of the fiscal year ending December 31, 2011, the world economy remained on a modest recovery track led by the growth of China, India and other emerging economies, despite concern about the financial crisis affecting certain European countries.

In Japan, however, despite indications of an upturn in the economy, notably the rise in exports underpinned by growing demand in emerging economies centering on Asia, a decisive recovery of the Japanese economy did not materialize, partly because of the strength of the yen. The Great East Japan Earthquake of March 11 cast a shadow over the outlook for the Japanese economy, which had been showing signs of a moderate recovery.

Under these circumstances, inspired by its mission—"To create new value and promote health and happiness through the enjoyment of nature and the world around us"—the Shimano Group strove to vitalize the market by tempting consumers with a stream of captivating products.

As a result, for the first half of fiscal year 2011, consolidated net sales increased 2.6% from the same period of the previous year to 107,134 million yen. Consolidated operating income decreased 11.8% to 15,244 million yen, ordinary income decreased 5.0% to 13,654 million yen, and net income decreased 28.2% to 6,904 million yen.

### Business Segment Overview

#### Bicycle Components

In Europe, retail sales were buoyant thanks to good weather from late March to May in most regions. In North America, retail sales were virtually the same level as in the same period of the previous year even though spring weather arrived later than in the previous year and the weather tended to be unstable. The market in China is expanding owing to a great increase in demand for sports bicycles.

In these circumstances, inventories of bicycles held by distributors remained at normal levels worldwide, a situation continuing from the previous fiscal year. Shipments from Shimano proceeded almost as planned and sales of Deore XT mountain bike components and TIAGRA road bike components and other new products were brisk.

As a result, sales from this segment increased 3.3% from the same period of the previous year to 84,262 million yen and operating income decreased 10.1% to 14,348 million yen.

#### Fishing Tackle

In the Japanese market, the impact of the Great East Japan Earthquake is diminishing, particularly in West Japan. However, affected by poor weather and other factors, retailers' purchase motivation remained lackluster. In East Japan, the earthquake, tsunami and the crisis at a nuclear power station dealt a heavy blow to fishing in the Pacific. Despite such an environment, the Scorpion DC series of double-axis bait-casting reels for bass fishing and the Poison Glorious series of rods, jointly developed with Jackall Inc., continued to sell well. As a result, sales of fishing tackle in Japan were virtually unchanged from the previous year.

Overseas sales exceeded the level of the same period of the previous year because the Asian and Latin American markets remained upbeat, a situation continuing from the previous year despite negative factors, such as damage caused by hurricanes and flooding in the southern U.S., the financial crisis affecting certain European countries, and the strong yen.

As a result, sales from this segment increased 1.3% from the same period of the previous year to 22,554 million yen and operating income decreased 27.6% to 1,015 million yen.

#### Others

Sales from other businesses decreased 41.2% from the same period of the previous year to 316 million yen and an operating loss of 119 million yen was recorded, following an operating loss of 78 million yen for the same period of the previous year.

(2) Consolidated Financial Position

Assets, Liabilities and Net Assets

(Total assets)

Total assets as of the end of the first half of fiscal year 2011 amounted to 215,853 million yen (an increase of 10,604 million yen compared with the figure as of the previous fiscal year-end). This increase was primarily due to an increase of 9,440 million yen in cash and time deposits.

(Total liabilities)

Total liabilities as of the end of the first half of fiscal year 2011 amounted to 35,982 million yen (an increase of 4,334 million yen compared with the figure as of the previous fiscal year-end). This increase was primarily due to an increase of 4,004 million yen in long-term loans payable.

(Net assets)

Net assets as of the end of the first half of fiscal year 2011 amounted to 179,870 million yen (an increase of 6,269 million yen compared with the figure as of the previous fiscal year-end). This increase was primarily due to an increase of 4,044 million yen in retained earnings and an increase of 1,671 million yen in foreign currency translation adjustments.

Cash Flows

As of the end of the first half of fiscal year 2011, cash and cash equivalents amounted to 78,831 million yen, an increase of 13,724 million yen compared with the figure as of the previous fiscal year-end.

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to 13,264 million yen compared with 17,800 million yen for the same period of the previous year. This increase was primarily attributable to income before income taxes and minority interests of 11,948 million yen and depreciation and amortization amounting to 4,896 million yen.

(Cash Flows from Investing Activities)

Net cash used in investing activities amounted to 2,372 million yen compared with 4,985 million yen for the same period of the previous year. The main items included acquisition of property, plant and equipment amounting to 5,496 million yen.

(Cash Flows from Financing Activities)

Net cash provided by financing activities amounted to 1,612 million yen compared with net cash used amounting to 6,319 million yen for the same period of the previous year. This increase was primarily attributable to proceeds from long-term loans payable of 4,054 million yen. Cash outlays included cash dividends to shareholders amounting to 2,857 million yen.

(3) Forecast for the Fiscal Year Ending December 2011

China and other Asian countries are likely to enjoy continuing robust economic growth. Advanced countries, such as the U.S. and European countries, are expected to remain on a moderate recovery track. However, uncertainty about the finances of certain European countries, high unemployment rates in Europe and the U.S., and rising oil prices are sources of concern. For the Japanese economy, the dynamism of emerging economies centering on Asia is expected to remain a positive factor. However, because consumer confidence has been weakened, reflecting the devastation caused by the Great East Japan Earthquake, recovery of the Japanese economy is likely to be fragile despite demand associated with reconstruction in the aftermath of the earthquake.

In these circumstances, the Shimano Group, while closely monitoring economic trends in Japan and overseas, is endeavoring to further improve operating efficiency and is concentrating on creating a stream of captivating products.

Through these initiatives, we will take the lead in the creation of a new cycling culture and sport fishing culture.

The Company has revised the forecast of consolidated financial performance for the fiscal year ending December 31, 2011, which was announced on April 26, 2011. The revised forecast is as follows: net sales of 225,000 million yen and ordinary income of 32,800 million yen.

## 2. Other Information

(1) Changes in significant subsidiaries: None

(2) Application of simplified accounting methods and specific accounting treatment:

### Simplified accounting methods

#### Method of valuation of inventories

Regarding write-down of inventories, the carrying value of inventories is reduced to the estimated net selling value only for inventories with clearly decreased profitability.

#### Method of calculation of depreciation of fixed assets

Depreciation expenses for assets depreciated using the declining balance method are calculated by dividing the annual depreciation expenses on a pro rata basis.

#### Method of calculation of income taxes and deferred tax assets and liabilities

Income taxes payable are calculated by limiting inclusion of additions and subtractions and tax deductible items to significant items.

The recoverability of deferred tax assets is assessed based on projections of future performance and tax planning used for the previous fiscal year, when it is deemed that there has been no significant change in the business environment or in the status of temporary differences since the end of the previous fiscal year.

On the other hand, when there is a significant change in the business environment or in the status of temporary differences since the end of the previous fiscal year, the recoverability of deferred tax assets is assessed based on projections of future performance and tax planning used for the previous fiscal year in conjunction with the effect of such significant change.

(3) Changes in accounting principles, procedures and of presentation method

### Changes in consolidation

#### Changes in scope of consolidation

Shimano Cambodia Co., Ltd. was newly consolidated due to additional acquisition of shares during the first half of the fiscal year 2011.

Number of consolidated subsidiaries

42 subsidiaries

### Changes in accounting principles

#### Adoption of the accounting standards for asset retirement obligations

Effective from the first quarter of fiscal year 2011, the Company has adopted the "Accounting Standard for Asset Retirement Obligations (Accounting Standards Board of Japan (ASBJ) Statement No. 18, March 31, 2008)" and the "Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No. 21, March 31, 2008)". The impact of this change on the consolidated financial statements is immaterial.

#### Adoption of the accounting standards for business combinations and related matters

Effective from the first quarter of fiscal year 2011, the Company has adopted the "Accounting Standard for Business Combinations (ASBJ Statement No. 21, December 26, 2008), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, December 26, 2008), the "Partial amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No. 23, December 26, 2008), the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, December 26, 2008), the "Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No. 16, December 26, 2008) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, December 26, 2008).

### Changes in presentation

#### (Consolidated Statements of Income)

In accordance with the application of the "Cabinet Office Ordinance Partially Revising Regulation for Terminology, Forms and Preparation of Financial Statements" (Cabinet Office Ordinance No. 5, March 24, 2009) based on the "Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, December 26, 2008), "Income before minority interests" was presented for the first half of fiscal year 2011.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

	(Millions of yen)	
	First Half of FY2011 As of Jun. 30, 2011	FY2010 As of Dec. 31, 2010
Assets		
Current assets		
Cash and time deposits	82,322	72,881
Notes and accounts receivable-trade	24,451	26,012
Merchandise and finished goods	19,609	18,434
Work in process	14,462	14,103
Raw materials and supplies	4,178	4,211
Deferred income taxes	2,163	2,234
Others	3,316	2,515
Allowance for doubtful accounts	(316)	(245)
Total current assets	150,187	140,148
Fixed assets		
Property, plant and equipment		
Buildings and structures (net)	17,436	16,398
Machinery and vehicles (net)	10,579	10,193
Land	11,239	11,244
Leased assets (net)	68	68
Construction in progress	2,411	2,009
Others (net)	3,860	3,881
Total property, plant and equipment	45,596	43,797
Intangible assets		
Goodwill	3,928	3,574
Software	2,074	2,632
Others	2,804	2,979
Total intangible assets	8,807	9,186
Investments and other assets		
Investment securities	7,517	8,338
Deferred income taxes	1,575	1,926
Others	3,037	2,550
Allowance for doubtful accounts	(868)	(698)
Total investments and other assets	11,261	12,117
Total fixed assets	65,665	65,100
Total assets	215,853	205,248

	First Half of FY2011 As of Jun. 30, 2011	FY2010 As of Dec. 31, 2010
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	8,524	8,679
Short-term loans payable	1,368	752
Income taxes payable	3,904	6,344
Deferred income taxes	303	317
Accrued employee bonuses	1,068	1,213
Accrued officer bonuses	81	161
Others	11,500	9,259
Total current liabilities	26,750	26,729
Long-term liabilities		
Long-term loans payable	4,638	633
Deferred income taxes	824	852
Employee retirement benefits	2,512	2,270
Officer retirement benefits	1,085	1,000
Others	171	162
Total long-term liabilities	9,231	4,918
Total liabilities	35,982	31,647
Net assets		
Shareholders' equity		
Common stock	35,613	35,613
Capital surplus	5,822	5,822
Retained earnings	149,705	145,661
Treasury stock	(122)	(121)
Total shareholders' equity	191,018	186,974
Valuation and translation adjustments		
Unrealized gain (loss) on other securities	475	(122)
Foreign currency translation adjustments	(12,196)	(13,867)
Total valuation and translation adjustments	(11,720)	(13,990)
Minority interests	572	615
Total net assets	179,870	173,600
Total liabilities and net assets	215,853	205,248

## (2) Consolidated Statements of Income

(Millions of yen)

	First Half of FY2010 Jan. 1, 2010 to Jun. 30, 2010	First Half of FY2011 Jan. 1, 2011 to Jun. 30, 2011
Net sales	104,390	107,134
Cost of sales	64,872	68,966
Gross profit	39,518	38,167
Selling, general and administrative expenses	22,226	22,923
Operating income	17,291	15,244
Non-operating income		
Interest income	241	316
Dividend income	95	465
Others	305	206
Total non-operating income	642	989
Non-operating expenses		
Interest expenses	190	119
Foreign exchange losses	2,965	1,617
Others	406	841
Total non-operating expenses	3,562	2,578
Ordinary income	14,370	13,654
Extraordinary Losses		
Loss on revaluation of investment securities	-	1,337
Loss on factory reconstruction	-	369
Total extraordinary losses	-	1,706
Income before income taxes and minority interests	14,370	11,948
Income taxes - current	5,429	4,985
Income taxes - deferred	727	20
Total income taxes	4,701	5,006
Income before minority interests	-	6,942
Minority interests in net income	46	37
Net income	9,622	6,904

## (3) Consolidated Statements of Cash Flows

	(Millions of yen)	
	First Half of FY2010	First Half of FY2011
	Jan. 1, 2010 to Jun. 30, 2010	Jan. 1, 2011 to Jun. 30, 2011
Cash flows from operating activities:		
Income before income taxes and minority interests	14,370	11,948
Depreciation and amortization	4,606	4,896
Interest and dividend income	(337)	(782)
Interest expenses	190	119
Decrease (increase) in notes and accounts receivable-trade	(327)	1,695
Decrease in inventories	258	(1,145)
Increase (decrease) in accounts payable-trade	(798)	(219)
Loss on revaluation of investment securities	-	1,337
Loss on sales/disposal of fixed assets	76	191
Increase (decrease) in accrued employee bonuses	1,316	1,417
Others, net	921	439
Subtotal	20,279	19,899
Interest and dividend income received	307	799
Interest expenses paid	(191)	(120)
Income taxes paid	(2,594)	(7,313)
Net cash provided by operating activities	17,800	13,264
Cash flows from investing activities:		
Purchases of time deposits	(4,174)	(3,618)
Proceeds from maturities of time deposits	3,895	7,593
Acquisition of property, plant and equipment	(4,124)	(5,496)
Acquisition of intangible assets	(342)	(316)
Acquisition of investment securities	(464)	-
Payments for acquisition of newly consolidated subsidiaries	-	(404)
Others, net	223	(129)
Net cash used in investing activities	(4,985)	(2,372)
Cash flows from financing activities:		
Decrease (increase) in short-term bank loans	(346)	526
Repayments of long-term loans	(360)	(27)
Proceeds from long-term loans payable	-	4,054
Repayments of finance lease obligations	(22)	(13)
Acquisition of treasury stock	(2,691)	(0)
Cash dividends to shareholders	(2,896)	(2,857)
Cash dividends to minority shareholders	(3)	(69)
Others, net	0	(0)
Net cash provided (used) in financing activities	(6,319)	1,612
Effect of exchange rate changes on cash and cash equivalents	1,609	1,219
Net increase (decrease) in cash and cash equivalents	8,103	13,724
Cash and cash equivalents at beginning of the period	54,058	65,107
Cash and cash equivalents at end of the period	62,162	78,831

(4) Note concerning assumption of going concern  
Not applicable

(5) Segment Information

【Business segment information】

First Half of FY2010 (Jan. 1, 2010 - Jun. 30, 2010)

(Millions of yen)

	Bicycle Components	Fishing Tackle	Others	Total	Corporate/ Elimination	Consolidated
Net sales						
(1)Third parties	81,596	22,255	538	104,390	-	104,390
(2)Inter-segment	-	-	-	-	-	-
Total	81,596	22,255	538	104,390	-	104,390
Operating income (loss)	15,967	1,402	(78)	17,291	-	17,291

Notes: 1. Business segments are determined in light of the intended use of the Company's product lines.

2. Principal products of each business segment:

Bicycle components - Freewheels, front gears, derailleurs, brakes, etc.

Fishing tackle - Reels, rods, etc.

Others - Cold forged products, etc.

【Geographical segment information】

First Half of FY2010 (Jan. 1, 2010 - Jun. 30, 2010)

(Millions of yen)

	Japan	North America	Europe	Asia	Others	Total	Corporate/ Elimination	Consolidated
Net sales								
(1)Third parties	68,251	11,990	13,043	9,237	1,867	104,390	-	104,390
(2)Inter-segment	13,428	542	1,599	30,931	2	46,503	(46,503)	-
Total	81,680	12,532	14,642	40,169	1,870	150,894	(46,503)	104,390
Operating income	7,228	948	1,823	7,119	171	17,291	-	17,291

Notes: 1. Countries and regions are classified according to geographical proximity.

2. Countries and regions outside Japan are classified into the following geographical areas:

North America - U.S.A. and Canada

Europe - Netherlands, Germany, United Kingdom, Italy, Belgium, France, Czech Republic, Sweden, Norway, Finland and Poland

Asia - Singapore, Malaysia, China, Taiwan and Indonesia

Others - Australia

**【Segment Information】**

## 1. Overview of Reportable Segments

The reportable segments of the Company are those units for which separate financial information is available, and which are regularly examined by the Board of Directors concerning decisions on the allocation of management resources and for assessing business performance.

The Company operates through the three divisions of Bicycle Components, Fishing Tackle and Others.

Principal products of each reportable segment are listed below.

Reportable segment	Principal products
Bicycle Components	Freewheels, front gears, derailleurs, brakes, etc.
Fishing Tackle	Reels, rods, etc.
Others	Cold forged products, etc.

## 2. Sales and income (loss) by reportable segment

First Half of FY2011 (Jan. 1, 2011 - Jun. 30, 2011)

(Millions of yen)

	Reportable segment				Adjustment	Consolidated
	Bicycle Components	Fishing Tackle	Others	Total		
Net sales						
Third parties	84,262	22,554	316	107,134	-	107,134
Inter-segment	-	-	-	-	-	-
Total	84,262	22,554	316	107,134	-	107,134
Segment income (loss)	14,348	1,015	(119)	15,244	-	15,244

Notes: Total of segment income is the same as the operating income stated in the consolidated statement of income.

## 3. Information regarding impairment loss on fixed assets, goodwill and negative goodwill, etc. by reportable segment

Not applicable

## (Additional Information)

Effective from the first quarter of the fiscal year ending December 31, 2011, the Company has adopted the “Accounting Standard for Disclosures about Segments of an Enterprise and Related information (ASBJ Statement No. 17, March 27, 2009)” and the “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related information (ASBJ Guidance No. 20, March 21, 2008)”.

## (6) Significant fluctuation in the amount of shareholders' equity

Not applicable