

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Summary of Consolidated Financial Results for the First Quarter of FY2013 (Unaudited)  
(January 1, 2013 - March 31, 2013) [ Japanese Standard ] (Consolidated)

April 23, 2013

Company Name: Shimano Inc. Stock Exchange: Tokyo and Osaka, First Section  
Code Number: 7309 URL: <http://www.shimano.com>  
President: Yoizo Shimano  
Senior Vice President, Accounting: Yoshihiro Hirata Telephone: +81-72-223-3254  
Date of filing of quarterly report to Ministry of Finance: May 9, 2013  
Scheduled payment date for dividends: -  
Supplemental information Yes  
Financial results briefing No

(Amounts are rounded down to the nearest million yen.)

1. Consolidated financial results for the First Quarter of FY2013 (January 1, 2013 - March 31, 2013)

(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 Quarter of FY2013	63,278	1.3	9,755	(9.4)	11,078	9.7	7,652	9.3
First Quarter of FY2012	62,472	22.7	10,769	47.1	10,101	56.9	6,998	217.2

(Note) Comprehensive income First Quarter of FY2013: 18,707 million yen (22.2%)  
First Quarter of FY2012: 15,311 million yen (346.0%)

	Net income per share (Basic)		Net income per share (Diluted)	
	Yen	Yen	Yen	Yen
First Quarter of FY2013	82.55	-	-	-
First Quarter of FY2012	75.49	-	-	-

(2) Consolidated balance sheet information

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
First Quarter of FY2013	275,008	231,590	83.9
FY2012	257,707	216,364	83.7

(Reference) Shareholders' equity First Quarter of FY2013: 230,775 million yen  
FY2012: 215,648 million yen

2. Dividend information

Record Date	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2012	-	37.50	-	37.50	75.00
FY2013	-	-	-	-	-
FY2013(Forecast)	-	37.50	-	37.50	75.00

(Note) Change in forecasted dividend during the period: None

3. Forecasted consolidated business performance for FY2013 (January 1, 2013 - December 31, 2013)

(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
First Half of FY2013	125,500	1.6	21,000	(4.0)	22,000	1.4	15,000	(1.6)	161.80
FY2013	255,000	3.7	43,000	5.0	44,000	11.3	29,500	7.3	318.21

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

## \* Notes

- (1) Changes in significant subsidiaries during the period: None  
(Changes in specified subsidiaries due to changes in scope of consolidation)
- (2) Application of accounting treatment specific to preparation of quarterly consolidated financial statements : None
- (3) Changes in accounting policies, changes in accounting estimates, and retrospective restatement
- |   |      |
|---|------|
| Changes in accounting policies in accordance with revision of accounting standards: | Yes  |
| Changes in accounting policies other than above:                                    | None |
| Changes in accounting estimates:  | Yes  |
| Retrospective restatement:  | None |

(Notes) Effective from the first quarter of FY2013, the Company and its domestic consolidated subsidiaries have changed the depreciation method. This falls under "Changes in accounting policies, changes in accounting estimates, and retrospective restatement". Please refer to "2. Notes Relating to Summary Information (Others) - (3) Changes in accounting policies, changes in accounting estimates, and retrospective restatement" on Page 3 of the attached document.

## (4) Number of shares of common stock issued

Number of shares of common stock issued at the end of the period (including treasury stock):	As of March 31, 2013	92,720,000 shares	As of December 31, 2012	92,720,000 shares
Number of shares of treasury stock issued at the end of the period:	As of March 31, 2013	13,434 shares	As of December 31, 2012	13,134 shares
Average number of shares during the period (cumulative from the beginning of the fiscal year):	First quarter of the year ending December 31, ,2013	92,706,728 shares	First quarter of the year ended December 31, 2012	92,707,708 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 2013" on Page 3 of the attached document.

Table of contents of the attached document

- 1. Qualitative Information on Consolidated Financial Performance for the Period under Review ..... 2
  - (1) Consolidated Results of Operations ..... 2
  - (2) Consolidated Financial Position ..... 3
  - (3) Forecast for the Fiscal Year Ending December 2013 ..... 3
- 2. Notes relating to Summary Information ..... 3
  - (1) Changes in significant subsidiaries during the period ..... 3
  - (2) Application of accounting treatment specific to preparation of quarterly consolidated financial statements ..... 3
  - (3) Changes in accounting policies, changes in accounting estimates, and retrospective restatement ..... 3
- 3. Consolidated Financial Statements ..... 4
  - (1) Consolidated Balance Sheets ..... 4
  - (2) Consolidated Statements of Income and Comprehensive Income ..... 6
  - (3) Note concerning assumption of going concern ..... 8
  - (4) Segment Information ..... 8
  - (5) Note on significant change in the amount of shareholders' equity ..... 8

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

### (1) Consolidated Results of Operations

During the first quarter of the fiscal year ending December 31, 2013, the pace of growth in both developed and emerging countries tended to be slow. Concerns about the possibility of the financial collapse of Cyprus rekindled the European debt crisis, undermining business confidence across Europe. In the U.S., rigorous cuts in federal spending had a negative impact on personal consumption.

On the other hand, there were growing expectations that a recovery of the Japanese market, albeit a modest one, would take hold. The Japanese stock market experienced an across-the-board rise in share prices, reflecting the high hopes pinned on the economic policies launched by the Abe administration and the Bank of Japan's greater monetary easing measures. In addition, the profit margins from exports improved in line with a major correction of the strong yen and personal consumption showed signs of recovery, led by sales of automobiles.

In these circumstances, inspired by our mission—"To create new value and promote health and happiness through the enjoyment of nature and the world around us"—the Shimano Group sought to attract consumers with a stream of captivating products designed to enrich the experience of cyclists and anglers around the world, and moreover attuned to the contemporary emphasis on well-being and the environment.

As a result, for the first quarter of fiscal year 2013, consolidated net sales increased 1.3% from the same period of the previous year to 63,278 million yen. Consolidated operating income decreased 9.4% to 9,755 million yen, ordinary income increased 9.7% to 11,078 million yen, and net income increased 9.3% to 7,652 million yen.

#### Business Segment Overview

##### Bicycle Components

In Europe, retail sales remained lackluster owing to extremely cold weather in the period from January to March and the sluggish economy, despite high-growth segments such as e-bike (pedelecs) and mountain bikes with 29-inch wheels (29ers). Retail sales in the U.S. were less buoyant than in the previous year when the winter was mild, but were at the usual level for winter, despite uncertain economic prospects. In contrast, retail sales in Japan were sluggish because of the harsh winter.

Distributor inventories in Europe remained at an appropriate level, although inventories at retailers were somewhat high. Distributor inventories in the U.S. were also generally at an appropriate level, but inventories held by importers were rather high.

In these market conditions, the popularity of Shimano products rose in Europe and North America and the demand for bicycles in emerging markets, notably, the demand for sports bicycles in China, continued to grow. As a result, segment sales for the first quarter fulfilled the forecast.

As a result, sales from this segment increased 2.7% from the same period of the previous year to 51,130 million yen and operating income decreased 6.2% to 9,497 million yen.

##### Fishing Tackle

In the Japanese market, retail sales were lower than that of the same period of the previous year, which was greatly affected by the bad weather in January and February that brought cold fronts, heavy snow and high winds. Retail sales started to pick up in March as the weather improved and became warmer compared to a typical year, creating favorable conditions for fishing. New Shimano products, including NEW Metanium reels released in February and NEW STELLA SW reels released in March, gained a favorable reputation in the market.

On the other hand, for overseas, a challenging business environment persisted due to the impact of the European debt crisis and unsettled weather in both Europe and North America. In Asia, the business environment also became harsh as China experienced an economic slowdown. In Oceania, despite concerns about the possible adverse impact of flooding and bushfires, brisk sales to retailers continued from the previous year.

As a result, sales from this segment decreased 3.9% from the same period of the previous year to 12,063 million yen and operating income decreased 52.3% to 310 million yen.

##### Others

Sales from other businesses decreased 24.0% from the same period of the previous year to 83 million yen and an operating loss of 51 million yen was recorded, following an operating loss of 3 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 quarter of fiscal year 2013 amounted to 275,008 million yen (an increase of 17,301 million yen compared with the figure as of the previous fiscal year-end). This increase was primarily due to an increase of 4,704 million yen in cash and time deposits, an increase of 3,532 million yen in construction in progress, an increase of 3,467 million yen in notes and accounts receivable-trade and an increase of 2,389 million yen in merchandise and finished goods.

(Total liabilities)

Total liabilities as of the end of the first quarter of fiscal year 2013 amounted to 43,417 million yen (an increase of 2,075 million yen compared with the figure as of the previous fiscal year-end). This increase was primarily due to an increase of 2,833 million yen in short-term loans payable.

(Net assets)

Net assets as of the end of the first quarter of fiscal year 2013 amounted to 231,590 million yen (an increase of 15,226 million yen compared with the figure as of the previous fiscal year-end). This increase was primarily due to an increase of 9,722 million yen in foreign currency translation adjustments and an increase of 4,176 million yen in retained earnings.

(3) Forecast for the Fiscal Year Ending December 2013

The financial crisis gripping Cyprus and the political turmoil in Italy have emerged as new sources of economic uncertainties in Europe. There are also concerns that the U.S. economy may be losing momentum because of tax hikes and cuts in federal spending.

In Japan, it is hoped that a modest economic recovery will take hold, supported by the economic policies of the Abe administration and further monetary easing measures by the Bank of Japan under its new governor, Haruhiko Kuroda.

The Company has revised the forecast of consolidated financial performance announced on February 13, 2013, for the first half of the fiscal year ending December 31, 2013, and for the full year. The revised forecast is as follows: ordinary income of 22,000 million yen and net income of 15,000 million yen for the first half of the fiscal year ending December 31, 2013, and ordinary income of 44,000 million yen and net income of 29,500 million yen for the full year of the fiscal year ending December 31, 2013.

2. Notes relating to Summary Information

(1) Changes in significant subsidiaries during the period: Not applicable

Changes in subsidiaries other than significant subsidiaries:

Shimano Nordic Denmark ApS was included in the scope of consolidation during the period due to establishment.

The company name of Bikefitting.com Holding B.V. was changed to Shimano Europe Retail Division B.V. during the period.

(2) Application of accounting treatment specific to preparation of quarterly consolidated financial statements:  
Not applicable

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatement:  
(Changes of depreciation method)

Effective from the first quarter of FY2013, the Company and its domestic consolidated subsidiaries have changed the depreciation method for property, plant and equipment acquired on or after January 1, 2013, in accordance with the revision of the Corporation Tax Act.

The impact of this change is immaterial.

3. Consolidated Financial Statements  
 (1) Consolidated Balance Sheets

	(Millions of yen)	
	FY2012 As of Dec. 31, 2012	First Quarter of FY2013 As of Mar. 31, 2013
Assets		
Current assets		
Cash and time deposits	94,950	99,655
Notes and accounts receivable-trade	27,845	31,312
Merchandise and finished goods	25,613	28,003
Work in process	17,209	17,156
Raw materials and supplies	5,091	4,884
Deferred income taxes	2,232	2,069
Others	3,090	3,601
Allowance for doubtful accounts	(236)	(252)
Total current assets	175,798	186,431
Fixed assets		
Property, plant and equipment		
Buildings and structures (net)	24,499	25,109
Machinery and vehicles (net)	14,493	15,152
Land	11,256	11,390
Leased assets (net)	431	454
Construction in progress	5,800	9,332
Others (net)	4,594	4,374
Total property, plant and equipment	61,076	65,815
Intangible assets		
Goodwill	3,727	3,881
Software	1,916	1,958
Others	3,446	3,837
Total intangible assets	9,090	9,676
Investments and other assets		
Investment securities	8,569	10,485
Deferred income taxes	1,058	430
Others	2,602	2,681
Allowance for doubtful accounts	(488)	(511)
Total investments and other assets	11,742	13,085
Total fixed assets	81,908	88,577
Total assets	257,707	275,008

	FY2012 As of Dec. 31, 2012	First Quarter of FY2013 As of Mar. 31, 2013
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	10,161	10,682
Short-term loans payable	5,915	8,748
Income taxes payable	6,582	4,033
Deferred income taxes	222	257
Accrued employee bonuses	1,268	1,498
Accrued officer bonuses	193	63
Others	11,321	12,544
Total current liabilities	35,665	37,829
Long-term liabilities		
Long-term loans payable	1,070	771
Deferred income taxes	742	803
Employee retirement benefits	2,681	2,808
Others	1,182	1,205
Total long-term liabilities	5,677	5,588
Total liabilities	41,342	43,417
<b>Net assets</b>		
Shareholders' equity		
Common stock	35,613	35,613
Capital surplus	5,822	5,822
Retained earnings	176,808	180,984
Treasury stock	(47)	(49)
Total shareholders' equity	218,197	222,371
Accumulated other comprehensive income		
Unrealized gain (loss) on other securities	913	2,144
Foreign currency translation adjustments	(3,462)	6,259
Total accumulated other comprehensive income	(2,548)	8,404
Minority interests	716	814
Total net assets	216,364	231,590
Total liabilities and net assets	257,707	275,008

## (2) Consolidated Statements of Income and Comprehensive Income

## Consolidated Statements of Income

(Millions of yen)

	First Quarter of FY2012 Jan. 1, 2012 to Mar. 31, 2012	First Quarter of FY2013 Jan. 1, 2013 to Mar. 31, 2013
Net sales	62,472	63,278
Cost of sales	39,048	40,500
Gross profit	23,424	22,777
Selling, general and administrative expenses	12,654	13,021
Operating income	10,769	9,755
Non-operating income		
Interest income	244	211
Dividend income	5	7
Foreign exchange gain	-	1,130
Others	93	86
Total non-operating income	343	1,435
Non-operating expenses		
Interest expenses	82	64
Foreign exchange losses	901	-
Others	26	47
Total non-operating expenses	1,011	112
Ordinary income	10,101	11,078
Extraordinary losses		
Loss on factory reconstruction	188	234
Total extraordinary losses	188	234
Income before income taxes and minority interests	9,913	10,844
Income taxes - current	3,252	2,858
Income taxes - deferred	(373)	291
Total of income taxes	2,878	3,149
Income before minority interests	7,034	7,695
Minority interests in net income	36	42
Net income	6,998	7,652

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	First Quarter of FY2012 Jan. 1, 2012 to Mar. 31, 2012	First Quarter of FY2013 Jan. 1, 2013 to Mar. 31, 2013
Income before minority interests	7,034	7,695
Other comprehensive income		
Unrealized gain (loss) on other securities	607	1,231
Foreign currency translation adjustments	7,669	9,781
Total other comprehensive income	8,277	11,012
Comprehensive income	15,311	18,707
(Breakdown)		
Comprehensive income attributable to owners of the parent	15,270	18,605
Comprehensive income attributable to minority interests	71	101

(3) Note concerning assumption of going concern  
Not applicable

(4) Segment Information  
【Segment Information】

1. Information on sales and income (loss) by reportable segment  
First Quarter of FY2012 (Jan. 1, 2012 - Mar. 31, 2012)

(Millions of yen)

	Reportable Segment				Adjustment	Consolidated Financial Statements
	Bicycle Components	Fishing Tackle	Others	Total		
Net sales						
Third parties	49,808	12,553	110	62,472	-	62,472
Inter-segment	-	-	-	-	-	-
Total	49,808	12,553	110	62,472	-	62,472
Segment income (loss)	10,122	650	(3)	10,769	-	10,769

Note: There is no difference between total segment income and operating income in the consolidated statement of income.

First Quarter of FY2013 (Jan. 1, 2013 - Mar. 31, 2013)

(Millions of yen)

	Reportable Segment				Adjustment	Consolidated Financial Statements
	Bicycle Components	Fishing Tackle	Others	Total		
Net sales						
Third parties	51,130	12,063	83	63,278	-	63,278
Inter-segment	-	-	-	-	-	-
Total	51,130	12,063	83	63,278	-	63,278
Segment income (loss)	9,497	310	(51)	9,755	-	9,755

Note: There is no difference between total segment income and operating income in the consolidated statement of income.

2. Information regarding impairment loss on fixed assets, goodwill and negative goodwill, etc. by reportable segment  
Not applicable

(5) Note on significant change in the amount of shareholder's equity  
Not applicable