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Summary of Consolidated Financial Results for the First Nine Months of FY2009 (Unaudited)
(January 1, 2009 - September 30, 2009)

October 27, 2009

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Senior Vice President, Accounting:	Yoshihiro Hirata	Date of submission of quarterly report to Ministry of Finance:	November 12, 2009

(Amounts are rounded down to the nearest million)

1. Consolidated financial results for the first nine months of FY2009 (January 1, 2009 - September 30, 2009)

(1) Consolidated income information

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

	Net sales		Operating income		Ordinary income		Quarterly net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First Nine Months of FY2009	134,438	-	13,678	-	13,810	-	7,861	-
First Nine Months of FY2008	170,602	12.2	28,032	27.2	27,876	23.7	18,644	17.8

	Net income per share (Basic)	Net income per share (Diluted)
	Yen	Yen
First Nine Months of FY2009	81.97	-
First Nine Months of FY2008	194.30	-

(2) Consolidated balance sheet information

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
First Nine Months of FY2009	194,364	169,846	87.1	1,765.02
FYE2008	193,238	165,768	85.4	1,721.36

(Reference) Shareholders' Equity First Nine Months of FY2009: 169,273million yen FYE2008: 165,088million yen

2. Dividend information

Record Date	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2008	-	30.50	-	30.50	61.00
FY2009	-	30.50	-		61.00
FY2009(Forecast)				30.50	

(Note) Change in forecasted dividend during this quarter: None

3. Forecasted consolidated business results for FY2009 (January 1, 2009 - December 31, 2009)

(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
FY2009	183,000	(22.2)	20,000	(47.1)	20,000	(45.5)	11,200	(55.5)	116.78

(Note) Change in forecasted consolidated business results during this quarter: Yes

4. Other

- (1) Change in significant subsidiaries during the period (change in specified subsidiary due to a change in scope of consolidation): None
- (2) Application of simplified accounting method and accounting treatment specific to preparation of the consolidated quarterly financial statements: Yes
(Note) For details, please refer to 4. "Other" in "Qualitative Information and Financial Statements" on page 4.
- (3) Changes in accounting principles, procedures and method of presentation, etc., of the consolidated quarterly financial statements
Changes in accordance with revision of accounting standards: Yes
Changes other than above: None
(Note) For details, please refer to 4. "Other" in "Qualitative Information and Financial Statements" on page 4.
- (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 September 30, 2009 | 96,003,207 shares |
| As of December 31, 2008 | 96,003,207 shares |
| Number of shares of treasury stock issued at the end of the period: | |
| As of September 30, 2009 | 98,769 shares |
| As of December 31, 2008 | 97,526 shares |
| Average number of shares during the period (cumulative from the beginning of the fiscal year): | |
| First nine months of the year ending December 31, 2009 | 95,904,934 shares |
| First nine months of the year ended December 31, 2008 | 95,954,994 shares |

(Notes) Explanation regarding the appropriate use of financial forecasts and other special items.

- (1) Accounting Standard Board of Japan (ASBJ) Statement No. 12 "Accounting Standard for Quarterly Financial Statements" and ASBJ Guidance No. 14 "Guidance on Accounting Standard for Quarterly Financial Reporting" were adopted commencing with the current fiscal year. The quarterly consolidated financial statements were prepared based on the "Regulation for Terminology, Forms and Preparation of Quarterly Consolidated Financial Statements."
- (2) The forecasted consolidated business results are based on information available at the time, and assumptions for uncertain factors affecting future performance. Accordingly, it is understood that actual business results may differ due to changes in internal and external conditions.

Qualitative Information and Financial Statements

1. Consolidated Results of Operations

During the first nine months of the fiscal year ending December 31, 2009, although there were signs of economic recovery centering on Asia, no decisive recovery materialized and the global financial crisis continued to have a serious impact on the real economy. In Japan, although the worst of the recession appears to be past, excess manufacturing capacity and excess labor have not been completely shed and there is concern about the possibility of further deterioration of personal consumption.

In these circumstances, adhering to Shimano Group's mission "To create new value and promote health and happiness through the enjoyment of nature and the world around us," we launched the Lifestyle Gear Division with the aim of enriching the experience of cyclists and anglers. While striving to create captivating products, the Group worked to cultivate the market and streamline its production and logistics systems.

However, since the impact of the global recession remained substantial, the Group's sales were lackluster. With regard to the bicycle components business, shipments of mid-range and high-end products plunged in Europe and North America. The fishing tackle business continued to operate in a challenging environment in Europe, North America and Asia.

As a result, for the first nine months of fiscal year 2009, consolidated net sales amounted to 134,438 million yen, operating income was 13,678 million yen, ordinary income was 13,810 million yen, and net income was 7,861 million yen.

Business Segment Overview

Bicycle Components

As a result of sluggish sales of mid-range and high-end bicycles in North America since this spring, the pace of inventory adjustment concerning these products in North America slowed.

In Europe, despite steady sales of mid-range and high-end bicycles, customers took a cautious approach in placing new orders. In consequence, shipments of the Company's bicycle components business in the first nine months of fiscal year 2009 were lower than the figure for the same period of the previous year.

As a result, sales for this segment amounted to 102,866 million yen, the operating income was 13,367 million yen.

Fishing Tackle

Although there were signs of recovery in the Japanese market, domestic sales were slightly lower than the figure for the same period of the previous year because of consumers' reluctance to purchase high-end products owing to the recessionary mood persisting from the previous year as well as the deterioration of river conditions during the summer.

Overseas sales were far lower than the figure for the same period of the previous year as inventory adjustment continued in Europe and demand in Asia weakened owing to the appreciation of the yen.

As a result, sales for this segment were 30,586 million yen, the operating income was 684 million yen.

Others

Sales for other businesses were 984 million yen and the operating loss was 372 million yen.

2. Consolidated Financial Position

(1) Assets, Liabilities and Net Assets

(Total assets)

Total assets as of the end of the first nine months of fiscal year 2009 amounted to 194,364 million yen (an increase of 1,126 million yen compared with the figure as of the previous fiscal year-end). This increase was primarily due to an increase in cash and time deposits of 16,358 million yen, a decrease of 11,570 million yen in notes and accounts receivable-trade, and a decrease of 4,954 million yen in inventories.

(Total liabilities)

Total liabilities as of the end of the first nine months of fiscal year 2009 amounted to 24,518 million yen (a decrease of 2,951 million yen compared with the figure as of the previous fiscal year-end). This decrease was primarily due to a decrease of 2,104 million yen in long-term loans payable, and a decrease of 1,388 million yen in other current liabilities.

(Net assets)

Net assets as of the end of the first nine months of fiscal year 2009 amounted to 169,846 million yen (an increase of 4,077 million yen compared with the figure as of the previous fiscal year-end). This increase was primarily due to an increase of 3,631 million yen in retained earnings.

(2) Cash Flows

As of the end of the first nine months of the fiscal year 2009, cash and cash equivalents amounted to 53,063 million yen, an increase of 14,554 million yen compared with the figure as of the previous fiscal year-end.

Cash Flow from Operating Activities

Net cash provided by operating activities amounted to 33,363 million yen. Cash was primarily provided by income before income taxes of 10,598 million yen and a decrease of notes and accounts receivable amounting to 12,277 million yen. Cash outlays included income tax payments of 2,340 million yen.

Cash Flow from Investing Activities

Net cash used in investing activities amounted to 10,700 million yen. The main items included acquisitions of property, plant and equipment amounting to 6,677 million yen and acquisitions of newly consolidated subsidiaries amounting to 2,167 million yen.

Cash Flow from Financing Activities

Net cash used in financing activities amounted to 7,768 million yen. The main item was cash dividend payments of 5,846 million yen.

3. Forecast for the Fiscal Year Ending December 2009

Amid the global recession, the real economy remains dull in most countries despite an upturn in the international financial situation following the turmoil. In particular, in view of the increasing deterioration of employment, consumer confidence is expected to remain weak for a considerable time.

Regarding the Group's bicycle components and fishing tackle businesses, the Group continues to operate in an environment that is not particularly upbeat for sales although inventory adjustment in the market is progressing.

In view of these conditions, the Company revised its forecast of consolidated business results for the fiscal year ending December 31, 2009, announced on October 2, 2009. The latest forecast is as follows: net sales of 183,000 million yen, operating income of 20,000 million yen, ordinary income of 20,000 million yen, and net income of 11,200 million yen.

(For details, please refer to the "Notice concerning Revision of Financial Results Forecast" announced on October 27, 2009.)

4. Other

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries due to changes in scope of consolidation): None

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

1. Simplified accounting method

Method of calculation of estimated bad debt losses on general receivables

Recognizing that no significant changes have arisen with regard to the bad debt loss ratios as of the end of the first nine months of fiscal year 2009 and as of the previous fiscal year-end, the actual bad debt loss ratio as of the previous fiscal year-end was used to calculate estimated bad debt losses on general receivables.

Method of valuation of inventories

For the computation of inventories as of the end of the first nine months of fiscal year 2009, the physical inventory count was omitted and instead a rational computation method based on the physical inventory count at the end of first half was utilized.

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 that are 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 method of presentation, etc.:

Adoption of the "Accounting Standard for Quarterly Financial Reporting"

Effective from fiscal year 2009, the Company has adopted the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14). The quarterly consolidated financial statements were prepared based on the "Regulation for Terminology, Forms and Preparation of Quarterly Consolidated Financial Statements."

Adoption of the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements"

Effective from the first quarter of fiscal year 2009, the Company has adopted the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Practical Issues Task Force (PITF) No. 18).

The impact of this change on the quarterly consolidated financial statements is immaterial.

5. Consolidated Financial Statements
 (1) Consolidated Balance Sheets

	(Millions of yen)	
	First Nine Months of FY2009	FY2008
	As of Sep. 30, 2009	As of Dec. 31, 2008
Assets		
Current assets		
Cash and time deposits	58,672	42,314
Notes and accounts receivable-trade	19,622	31,192
Inventories	22,295	22,508
Work in process	12,884	16,560
Raw materials and supplies	3,952	5,017
Deferred income taxes	2,261	1,957
Others	3,183	3,293
Allowance for doubtful accounts	(404)	(352)
Total current assets	122,467	122,492
Fixed assets		
Property, plant and equipment		
Buildings and structures(net)	16,184	16,502
Machinery and vehicles(net)	10,821	10,349
Land	11,708	11,692
Construction in progress	2,644	880
Others(net)	3,525	3,912
Total property, plant and equipment	44,883	43,337
Intangible assets		
Goodwill	4,182	3,816
Software	4,283	5,178
Construction in progress	54	113
Others	3,349	2,853
Total intangible assets	11,871	11,961
Investments and other assets		
Investment securities	9,466	9,990
Long-term loans receivable	40	45
Deferred income taxes	3,781	3,346
Others	2,417	2,632
Allowance for doubtful accounts	(563)	(567)
Total investments and other assets	15,141	15,446
Total fixed assets	71,897	70,746
Total assets	194,364	193,238

	First Nine Months of FY2009 As of Sep. 30, 2009	FY2008 As of Dec. 31, 2008
Liabilities		
Current liabilities		
Accounts payable-trade	6,324	6,768
Short-term loans payable	1,583	2,304
Income taxes payable	1,629	2,101
Deferred income taxes	585	768
Accrued employee bonuses	1,657	937
Accrued officer bonuses	114	132
Others	7,796	9,184
Total current liabilities	19,692	22,197
Long-term liabilities		
Long-term loans payable	1,143	2,019
Deferred income taxes	1,011	675
Employee retirement benefits	1,413	1,347
Officer retirement benefits	1,199	1,140
Others	56	89
Total long-term liabilities	4,825	5,272
Total liabilities	24,518	27,469
Net assets		
Shareholders' equity		
Common stock	35,613	35,613
Capital surplus	5,823	5,823
Retained earnings	139,006	137,004
Treasury stock	(395)	(391)
Total shareholders' equity	180,047	178,049
Valuation and translation adjustments		
Unrealized gain (loss) on other securities	(88)	(1,658)
Foreign currency translation adjustments	(10,685)	(11,302)
Total valuation and translation adjustments	(10,774)	(12,961)
Minority interests	573	680
Total net assets	169,846	165,768
Total liabilities and net assets	194,364	193,238

(2) Consolidated Statement of Income

	(Millions of yen)
	First Nine Months of FY2009
	Jan. 1, 2009 to Sep. 30, 2009
Net sales	134,438
Cost of sales	88,990
Gross profit	45,447
Selling, general and administrative expenses	31,769
Operating income	13,678
Non-operating income	
Interest income	424
Dividend income	105
Others	435
Total non-operating income	966
Non-operating expenses	
Interest expense	312
Others	522
Total non-operating expenses	834
Ordinary income	13,810
Extraordinary losses	
Loss on revaluation of investment securities	3,211
Total extraordinary losses	3,211
Income before income taxes and minority interest	10,598
Income taxes - current	4,648
Income taxes - deferred	(1,957)
Total of income taxes	2,691
Minority interests in net income	46
Net income	7,861

(3) Consolidated Statement of Cash Flow

	(Millions of yen)
	First Nine Months of FY2009
	Jan. 1, 2009 to Sep. 30, 2009
Cash flows from operating activities:	
Income before income taxes and minority interests	10,598
Depreciation and amortization	7,078
Interest and dividend income	(530)
Interest expense	312
Notes and accounts receivable	12,277
Inventories	6,307
Accounts payable - trade	(572)
Gain on sales/disposal of fixed assets	54
Accrued bonuses to employees	(51)
Others, net	2,993
Subtotal	<u>38,468</u>
Interest and dividend income received	480
Interest expense paid	(421)
Income taxes paid	(5,164)
Net cash provided by operating activities	<u>33,363</u>
Cash flows from investing activities:	
Acquisitions of property, plant and equipment	(6,677)
Acquisitions of intangible assets	(406)
Payments for acquisition of newly consolidated subsidiaries	(2,167)
Others, net	(1,449)
Net cash used in investing activities	<u>(10,700)</u>
Cash flows from financing activities:	
Repayments of long-term debt	(949)
Cash dividends to shareholders	(5,846)
Decrease in short-term bank loans	(809)
Cash dividends to minority shareholders	(159)
Others, net	(4)
Net cash used in financing activities	<u>(7,768)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(339)</u>
Net increase (decrease) in cash and cash equivalents	<u>14,554</u>
Cash and cash equivalents at beginning of the period	<u>38,509</u>
Cash and cash equivalents at end of the period	<u>53,063</u>

Effective from fiscal year 2009, the Company has adopted the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14). The quarterly consolidated financial statements were prepared based on the “Regulation for Terminology, Forms and Preparation of Quarterly Consolidated Financial Statements.”

(4) Note concerning assumption of going concern
Not applicable.

(5) Segment Information

【Business segment information】

First Nine Months of FY2009 (Jan. 1, 2009 - Sep. 30, 2009)

(Millions of yen)

	Bicycle Components	Fishing Tackle	Others	Total	Corporate/ Elimination	Consolidated
Net sales						
(1)Third parties	102,866	30,586	984	134,438	-	134,438
(2)Inter-segment	-	-	-	-	-	-
Total	102,866	30,586	984	134,438	-	134,438
Operating income (loss)	13,367	684	(372)	13,678	-	13,678

Note:

- Business segments are determined based on the intended use of the Company's product lines.
- Primary products of each business segment:
 - Bicycle components - Freewheels, front gears, derailleurs, brakes, etc.
 - Fishing tackle - Reels, rods, etc.
 - Others - Cold forged products, snowboard equipment, etc.

【Geographical segment information】

First Nine Months of FY2009 (Jan. 1, 2009 - Sep. 30, 2009)

(Millions of yen)

	Japan	North America	Europe	Asia	Others	Total	Corporate/ Elimination	Consolidated
Net sales								
(1)Third parties	87,888	16,581	17,459	9,963	2,546	134,438	-	134,438
(2)Inter-segment	16,002	577	1,893	37,075	3	55,552	(55,552)	-
Total	103,890	17,159	19,352	47,038	2,549	189,991	(55,552)	134,438
Operating income	4,830	486	1,244	6,942	174	13,678	-	13,678

Note:

- Countries and regions are classified according to geographical proximity.
- 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

(6) Significant fluctuation in the amount of shareholder's equity
Not applicable.

(Reference)

Consolidated Financial Statements for the Same Period of the Previous Year

(1) Consolidated Statement of Income

(Millions of yen)

Accounts	First Nine Months of FY2008 Jan. 1, 2008 to Sep. 30, 2008
Net sales	170,602
Cost of sales	109,921
Gross profit	60,680
Selling, general and administrative expenses	32,648
Operating income	28,032
Non-operating income	1,838
Interest and dividend income	1,261
Others	576
Non-operating expenses	1,993
Interest expense	398
Others	1,594
Ordinary income	27,876
Net income before income taxes and minority interest	27,876
Income tax-current	6,152
Income tax-deferred	3,014
Minority interests in net income	65
Net income	18,644

(2) Consolidated Statement of Cash Flows

(Millions of yen)

Accounts	First Nine Months of FY2008 Jan. 1, 2008 to Sep. 30, 2008
Cash flows from operating activities:	
Income before income taxes and minority interests	27,876
Depreciation and amortization	6,998
Interest and dividend income	(1,261)
Interest expense	398
Loss on sales/revaluation of investment securities	157
Notes and accounts receivable	5,060
Inventories	(9,342)
Accounts payable	806
Accrued payable	(127)
Others, net	(3,518)
Subtotal	27,048
Interest and dividend income received	1,216
Interest expense paid	(399)
Income taxes paid	(11,940)
Net cash provided by operating activities	15,925
Cash flows from investing activities:	
Acquisitions of property, plant and equipment	(6,444)
Acquisitions of intangible assets	(587)
Acquisitions of investment securities	(9,268)
Payments for acquisitions of newly consolidated subsidiaries	(393)
Others, net	(880)
Net cash used in investing activities	(17,574)
Cash flows from financing activities:	
Increase in short-term bank loans	(1,802)
Cash dividends to shareholders	(4,892)
Cash dividends to minority shareholders	(22)
Others, net	(293)
Net cash used in financing activities	(7,011)
Effect of exchange rate changes on cash and cash equivalents	(490)
Net increase (decrease) in cash and cash equivalents	(9,152)
Cash and cash equivalents at beginning of the period	52,691
Cash and cash equivalents at end of the period	43,539

(3) Segment Information

【Business segment information】

First Nine Months of FY2008 (Jan. 1, 2008 - Sep. 30, 2008)

(Millions of yen)

	Bicycle Components	Fishing Tackle	Others	Total	Corporate/ Elimination	Consolidated
Net sales						
1) Third parties	133,498	34,773	2,330	170,602	-	170,602
2) Inter-segment	-	-	-	-	-	-
Total	133,498	34,773	2,330	170,602	-	170,602
Operating expenses	107,947	32,267	2,355	142,570	-	142,570
Operating income (loss)	25,550	2,505	(24)	28,032	-	28,032

【Geographical segment information】

First Nine Months of FY2008 (Jan. 1, 2008 - Sep. 30, 2008)

(Millions of yen)

	Japan	North America	Europe	Asia	Others	Total	Corporate/ Elimination	Consolidated
Net sales								
1) Third parties	120,676	13,090	21,468	14,302	1,063	170,602	-	170,602
2) Inter-segment	21,061	509	2,742	54,766	2	79,081	(79,081)	-
Total	141,737	13,600	24,210	69,068	1,065	249,683	(79,081)	170,602
Operating expenses	126,430	13,198	21,780	59,324	918	221,651	(79,081)	142,570
Operating income	15,307	401	2,430	9,744	147	28,032	-	28,032