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Summary of Consolidated Financial Results for the First Nine Months of FY2015 (Unaudited)

(January 1, 2015 – September 30, 2015) [Japanese Standard] (Consolidated)

October 27, 2015

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 Date of filing of quarterly report to Ministry of Finance: November 12, 2015 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 Nine Months of FY2015 (January 1, 2015 – September 30, 2015)

(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 Nine Months of FY2015	286,840	19.0	65,087	35.7	84,007	74.2	64,715	86.7
First Nine Months of FY2014	241,012	20.8	47,969	54.5	48,215	37.4	34,670	35.9

(Note) Comprehensive income First Nine Months of FY2015: 36,732 million yen (-8.7%) First Nine Months of FY2014: 40,245 million yen (-0.4%)

	Net income per share (Basic)	Net income per share (Diluted)
	Yen	Yen
First Nine Months of FY2015	698.09	—
First Nine Months of FY2014	373.99	—

(2) Consolidated balance sheet information

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
First Nine Months of FY2015	415,653	356,240	85.5
FY2014	396,967	331,195	83.2

(Reference) Shareholders' equity First Nine Months of FY2015: 355,257 million yen FY2014: 330,263 million yen

2. Dividend information

	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2014	—	52.50	—	52.50	105.00
FY2015	—	77.50	—	—	—
FY2015 (Forecast)	—	—	—	77.50	155.00

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

3. Forecasted consolidated business performance for FY2015 (January 1, 2015 - December 31, 2015)

(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
FY2015	368,000	10.5	80,500	22.3	99,500	40.1	76,000	48.3	819.81

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

*Notes

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

(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

- | | |
|---|------|
| ① Changes in accounting policies in accordance with revision of accounting standards: | Yes |
| ② Changes in accounting policies other than ① above: | None |
| ③ Changes in accounting estimates: | None |
| ④ Retrospective restatement: | None |

(4) Number of shares of common stock issued

- ① Number of shares of common stock issued at period-end (including treasury stock):
- ② Number of shares of treasury stock at period-end:
- ③ Average number of shares during the period (cumulative from the beginning of the fiscal year):

First Nine Months of FY2015	92,720,000 shares	FY2014	92,720,000 shares
First Nine Months of FY2015	16,106 shares	FY2014	15,462 shares
First Nine Months of FY2015	92,704,154 shares	First Nine Months of FY2014	92,705,148 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 consolidated 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 other related items, please refer to Page 3 of the attached document. Shimano Inc. accepts no liability whatsoever for any direct or consequential loss arising from any use of this 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 nine months of the fiscal year ending December 31, 2015, there were signs of a moderate recovery of the European economies as exports by manufacturers within the eurozone increased, spurred by the depreciation of the euro. However, the downward trend of demand from emerging-market countries, in addition to the downturn of China's economy, cast a shadow over the outlook for the European economies. In the U.S., personal consumption remained steady and corporate earnings increased while the labor market continued to steadily improve.

In Japan, economic sentiment of the private sector trended upward, supported by entrenchment of the trend toward depreciation of the yen. However, there were signs of a weakening of the trend toward economic recovery as the economic slowdown of China and emerging-market countries exerted downward pressure on exports and production.

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 nine months of fiscal year 2015, net sales increased 19.0% from the same period of the previous year to 286,840 million yen. Operating income increased 35.7% to 65,087 million yen, ordinary income increased 74.2% to 84,007 million yen, and net income increased 86.7% to 64,715 million yen.

Business Segment Overview

① Bicycle Components

Demand in both Europe and North America was little affected by the weather. In Europe, although sales volume has been running at a somewhat lower level than during the previous year when sales were brisk thanks to good weather, retail sales have been strong with brisk sales of high-end models centering on E-Bike. Both in Europe and North America, distributor inventories have remained virtually at the appropriate level.

In Japan, whereas retail sales of sports bicycles continued to be robust, retail sales of community bicycles have been weak, greatly affected by the impact of price increases resulting from the depreciation of the yen, and distributor inventories of community bicycles remained somewhat high.

Retail sales of sports bicycles in China have been below the previous year's level, reflecting the economic slowdown. On the other hand, growth of sales of sports bicycles in other promising emerging markets, namely Southeast Asia and South America, has continued to be relatively robust.

In these market conditions, full model changes of DEORE XT and ACERA mountain bike components and Tiagra road bike components, which were launched during the first half, were well received and order-taking remained brisk.

As a result, net sales from this segment increased 21.0% from the same period of the previous year to 237,738 million yen, and operating income increased 37.0% to 61,233 million yen.

② Fishing Tackle

Although the Japanese market was somewhat affected by typhoons for a while, the trend was generally favorable as the weather was relatively stable over the summer, centering on Obon (mid-August), and sales exceeded the level for the same period of the previous year.

Overseas, sales were generally robust and exceeded the level for the same period of the previous year, because our new products are highly regarded especially in the principal markets and relatively stable weather had a positive impact.

As a result, net sales from this segment increased 10.2% from the same period of the previous year to 48,811 million yen, and operating income increased 18.8% to 3,973 million yen.

③ Others

Net sales from this segment increased 1.1% from the same period of the previous year to 290 million yen and operating loss of 119 million yen was recorded, following operating loss of 82 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 nine months of fiscal year 2015 amounted to 415,653 million yen (an increase of 18,685 million yen compared with the figure as of the previous fiscal year-end). This increase was primarily due to an increase of 17,728 million yen in cash and time deposits and an increase of 3,121 million yen in construction in progress.

(Total liabilities)

Total liabilities as of the end of the first nine months of fiscal year 2015 amounted to 59,413 million yen (a decrease of 6,359 million yen compared with the figure as of the previous fiscal year-end). This decrease was primarily due to a decrease of 4,590 million yen in accounts payable-trade and a decrease of 2,941 million yen in short-term loans payable.

(Net assets)

Net assets as of the end of the first nine months of fiscal year 2015 amounted to 356,240 million yen (an increase of 25,045 million yen compared with the figure as of the previous fiscal year-end). This increase was primarily due to an increase of 53,043 million yen in retained earnings and a decrease of 28,335 million yen in foreign currency translation adjustments.

(3) Forecast for the Fiscal Year Ending December 2015

Despite positive factors, such as decline in oil prices and depreciation of the euro, concerns persist in Europe, including the unresolved Greek debt crisis and a surge in refugee numbers associated with turbulence in the Middle East. In the U.S., economic expansion led by domestic demand is expected to continue against the backdrop of an improvement in both the labor market and personal incomes.

The Japanese economy is expected to remain on a recovery track owing to entrenchment of the trend toward depreciation of the yen and improvement of consumer sentiment. However, the pace of economic recovery is likely to be moderate in view of the slowing of the economies of China and other emerging-market countries.

In these circumstances, the Shimano Group, while closely monitoring economic trends in Japan and overseas, is endeavoring to further enhance management efficiency. We will take the lead in the creation of new cycling culture and new sport fishing culture.

The Company has revised the forecast of consolidated business performance announced on July 28, 2015, for the fiscal year ending December 31, 2015. The revised forecast is as follows: net sales of 368,000 million yen, operating income of 80,500 million yen, ordinary income of 99,500 million yen and net income of 76,000 million yen.

2. Notes relating to Summary Information

(1) Changes in Significant Subsidiaries during the Period:

Not applicable.

Changes in subsidiaries other than significant subsidiaries

During the first quarter of the fiscal year ending December 31, 2015, Douglas Johnson & Co Limited changed its name to Shimano New Zealand Ltd.

During the second quarter of the fiscal year ending December 31, 2015, Shimano Uruguay S.A. was included in the scope of consolidation due to establishment and Shimano (Malaysia) Sdn. Bhd. was excluded from the scope of consolidation due to liquidation.

During the third quarter of the fiscal year ending December 31, 2015, Shimano Oceania Ltd. was excluded from the scope of consolidation due to liquidation.

(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 in Significant Accounting Policies)

(Adoption of “Accounting Standard for Retirement Benefits” and related matters)

Effective from the first quarter of fiscal year 2015, the Company has adopted the provisions of the main clause of Paragraph 35 of the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26 issued on May 17, 2012) and the main clause of Paragraph 67 of the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25 issued on May 17, 2012). Accordingly, the Company has reviewed the calculation method for retirement benefit obligations and service costs, and changed the method of attributing expected retirement benefits to periods from the straight-line basis to the benefit formula basis. In addition, the Company has changed the method of determining the discount rate from one that uses a discount rate determined by reference to the yield of bonds whose remaining maturities approximate to the

expected average remaining service period of employees, to one that uses a single weighted average discount rate that reflects the estimated period for retirement benefit payments and the amount of retirement benefit payments for each estimated payment period.

The adoption of the Accounting Standard for Retirement Benefits and the Guidance is in line with the transitional treatment specified in Paragraph 37 of the Accounting Standard for Retirement Benefits, and accordingly the impact of the change in the calculation method for retirement benefit obligations and service costs has been added to or deducted from retained earnings at the beginning of the first nine months of fiscal year 2015.

As a result, net defined benefit liability decreased 592 million yen and retained earnings increased 379 million yen at the beginning of the first nine months of fiscal year 2015.

The impact of these changes on operating income, ordinary income and income before income taxes and minority interests for the first nine months of fiscal year 2015 is immaterial.

3. Consolidated Financial Statements**(1) Consolidated Balance Sheets**

(Millions of yen)

	FY2014 As of Dec. 31, 2014	First Nine Months of FY2015 As of Sep. 30, 2015
Assets		
Current assets		
Cash and time deposits	157,841	175,570
Notes and accounts receivable-trade	37,272	34,670
Merchandise and finished goods	40,150	37,851
Work in process	22,375	20,857
Raw materials and supplies	5,647	6,271
Deferred income taxes	3,214	3,259
Others	5,069	7,979
Allowance for doubtful accounts	(184)	(281)
Total current assets	271,386	286,178
Fixed assets		
Property, plant and equipment		
Buildings and structures (net)	41,692	40,988
Machinery and vehicles (net)	18,994	21,144
Land	13,137	13,340
Leased assets (net)	51	61
Construction in progress	14,172	17,294
Others (net)	6,386	5,951
Total property, plant and equipment	94,434	98,781
Intangible assets		
Goodwill	2,963	2,642
Software	2,849	4,915
Others	7,203	5,449
Total intangible assets	13,016	13,007
Investments and other assets		
Investment securities	13,485	13,576
Deferred income taxes	1,303	1,074
Others	3,833	3,509
Allowance for doubtful accounts	(492)	(474)
Total investments and other assets	18,129	17,686
Total fixed assets	125,580	129,474
Total assets	396,967	415,653

	(Millions of yen)	
	FY2014 As of Dec. 31, 2014	First Nine Months of FY2015 As of Sep. 30, 2015
Liabilities		
Current liabilities		
Accounts payable-trade	16,545	11,954
Short-term loans payable	9,796	6,855
Income taxes payable	10,995	10,735
Deferred income taxes	292	332
Accrued employee bonuses	1,986	2,950
Accrued officer bonuses	207	166
Provision for loss on factory reconstruction	44	—
Others	17,876	19,091
Total current liabilities	57,745	52,085
Long-term liabilities		
Long-term loans payable	2,670	2,220
Deferred income taxes	1,308	1,423
Net defined benefit liability	3,287	2,921
Others	761	762
Total long-term liabilities	8,027	7,327
Total liabilities	65,772	59,413
Net assets		
Shareholders' equity		
Common stock	35,613	35,613
Capital surplus	5,823	5,823
Retained earnings	246,726	299,769
Treasury stock	(71)	(82)
Total shareholders' equity	288,092	341,123
Accumulated other comprehensive income		
Unrealized gain (loss) on other securities	3,307	3,605
Foreign currency translation adjustments	38,863	10,528
Total accumulated other comprehensive income	42,171	14,133
Minority interests	931	982
Total net assets	331,195	356,240
Total liabilities and net assets	396,967	415,653

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

	(Millions of yen)	
	First Nine Months of FY2014	First Nine Months of FY2015
	Jan. 1, 2014 to Sep. 30, 2014	Jan. 1, 2015 to Sep. 30, 2015
Net sales	241,012	286,840
Cost of sales	146,727	169,379
Gross profit	94,284	117,461
Selling, general and administrative expenses	46,315	52,373
Operating income	47,969	65,087
Non-operating income		
Interest income	721	903
Dividend income	705	252
Foreign exchange gains	—	18,040
Others	585	285
Total non-operating income	2,012	19,482
Non-operating expenses		
Interest expenses	247	244
Foreign exchange losses	837	—
Others	681	318
Total non-operating expenses	1,766	562
Ordinary income	48,215	84,007
Extraordinary losses		
Loss on factory reconstruction	804	296
Total extraordinary losses	804	296
Income before income taxes and minority interests	47,410	83,710
Income taxes-current	12,888	18,489
Income taxes-deferred	(177)	401
Total income taxes	12,710	18,891
Income before minority interests	34,699	64,819
Minority interests in net income	28	104
Net income	34,670	64,715

Consolidated Statements of Comprehensive Income

(Millions of yen)

	First Nine Months of FY2014	First Nine Months of FY2015
	Jan. 1, 2014 to Sep. 30, 2014	Jan. 1, 2015 to Sep. 30, 2015
Income before minority interests	34,699	64,819
Other comprehensive income		
Unrealized gain (loss) on other securities	(28)	298
Foreign currency translation adjustments	5,574	(28,385)
Total other comprehensive income	5,546	(28,086)
Comprehensive income	40,245	36,732
(Breakdown)		
Comprehensive income attributable to owners of the parent	40,196	36,677
Comprehensive income attributable to minority interests	49	54

- (3) Notes relating to Consolidated Financial Statements
(Note concerning Assumption of Going Concern)
Not applicable.

(Note on Significant Change in the Amount of Shareholders' Equity)
Not applicable.

(Segment Information)

First Nine Months of FY2014 (Jan. 1, 2014 – Sep. 30, 2014)

1. Information on net sales and income (loss) by reportable segment

(Millions of yen)

	Reportable Segment				Adjustment	Consolidated Financial Statements
	Bicycle Components	Fishing Tackle	Others	Total		
Net sales						
1) Third parties	196,437	44,287	287	241,012	—	241,012
2) Inter-segment	—	—	—	—	—	—
Total	196,437	44,287	287	241,012	—	241,012
Segment income (loss)	44,707	3,344	(82)	47,969	—	47,969

Note: There is no difference between total segment income (loss) and operating income in the consolidated statements of income.

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

First Nine Months of FY2015 (Jan. 1, 2015 – Sep. 30, 2015)

1. Information on net sales and income (loss) by reportable segment

(Millions of yen)

	Reportable Segment				Adjustment	Consolidated Financial Statements
	Bicycle Components	Fishing Tackle	Others	Total		
Net sales						
1) Third parties	237,738	48,811	290	286,840	—	286,840
2) Inter-segment	—	—	—	—	—	—
Total	237,738	48,811	290	286,840	—	286,840
Segment income (loss)	61,233	3,973	(119)	65,087	—	65,087

Note: There is no difference between total segment income (loss) and operating income in the consolidated statements of income.

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