

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 Half of FY2010 (Unaudited)
(January 1, 2010 - June 30, 2010) [Japanese Standard] (Consolidated)

July 27, 2010

Company Name: Shimano Inc. Stock Exchange: Tokyo and Osaka, First Section
Code Number: 7309 URL: <http://www.shimano.com>
President: Yozo Shimano
Senior Vice President, Accounting: Yoshihiro Hirata Telephone: +81-72-223-3254
Date of submission of quarterly report to Ministry of Finance: August 11, 2010
Scheduled payment date for dividends: September 3, 2010
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 FY2010 (January 1, 2010- June 30, 2010)

(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 FY2010	104,390	15.9	17,291	100.6	14,370	58.0	9,622	46.6
First Half of FY2009	90,057	-	8,619	-	9,097	-	6,565	-

	Net income per share (Basic)	Net income per share (Diluted)
	Yen	Yen
First Half of FY2010	101.81	-
First Half of FY2009	68.46	-

(2) Consolidated balance sheet information

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
First Half of FY2010	199,549	172,374	86.1	1,822.84
FY2009	190,830	166,548	87.0	1,748.96

(Reference) Shareholders' equity First Half of FY2010: 171,768million yen FY2009: 165,983million yen

2. Dividend information

Record Date	Annual Dividend				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2009	-	30.50	-	30.50	61.00
FY2010	-	30.50	-	-	61.00
FY2010(Forecast)	-	-	-	30.50	-

(Note) 1. Change in forecasted dividend during in this quarter: None
2. Detail of dividend for the end of the 2nd quarter of the fiscal year ending December 31, 2010:
Special dividend 24.25yen

3. Forecasted consolidated business performance for FY2010 (January 1, 2010 - December 31, 2010)

(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
FY2010	208,000	11.4	32,000	55.9	29,000	44.0	20,000	109.3	212.24

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

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

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

Changes other than above: Yes

(Note) Changes in accounting principles, procedures and presentation methods relating to preparation 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 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, 2010	94,910,000 shares	As of December 31, 2009	94,910,000 shares
As of June 30, 2010	678,788 shares	As of December 31, 2009	5,838 shares
First half of the year ending December 31, 2010	94,512,909 shares	First half of the year ended December 31, 2009	95,905,118 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 2010" 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 2010	3
2. Other Information	4
(1) Changes in significant subsidiaries	4
(2) Application of simplified accounting methods and specific accounting treatment	4
(3) Changes in accounting principles, procedures and presentation method	4
(4) Significant events concerning assumption of going concern	4
3. Consolidated Financial Statements	5
(1) Consolidated Balance Sheets	5
(2) Consolidated Statements of Income	7
(3) Consolidated Statements of Cash Flows	8
(4) Note concerning assumption of going concern	9
(5) Segment Information	9
(6) Significant fluctuation in the amount of shareholder's equity	10

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, 2010, despite the long shadow cast by the European credit crisis, the tempo of economic activity began to quicken as the recovery from the global economic recession took hold. The U.S. economy picked up and China and other emerging economies resumed robust growth.

In Japan, although the labor market remained weak, corporate earnings improved owing to the broadly based recovery overseas and the impact of the government's emergency economic stimulus package.

In 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" - Shimano Group strove to create a stream of captivating products.

As a result, for the first half of fiscal year 2010, consolidated net sales increased 15.9% from the same period of the previous year to 104,390 million yen. Consolidated operating income increased 100.6% to 17,291 million yen, ordinary income increased 58.0% to 14,370 million yen, and net income increased 46.6% to 9,622 million yen.

Business Segment Overview

Bicycle Components

Although retail sales in January and February were sluggish because of unusually harsh winter weather in the northern hemisphere, sales recovered and continued to be upbeat thanks to good weather in Europe and North America, which are major markets for bicycle components, from March onward, although certain parts of Europe largely missed out on this recovery in sales.

In these circumstances, worldwide distribution inventories of bicycles were at almost normal levels and shipments from Shimano exceeded the levels initially planned.

Shimano's new products, namely, the 105 series for road bike components and Deore XT and SLX for mountain bike components, were well received and order-taking for these new products was brisk.

As a result, sales from this segment increased 19.8% from the same period of the previous year to 81,596 million yen and operating income increased 91.8% to 15,967 million yen.

Fishing Tackle

In the Japanese market, 2010 models of the STELLA flagship spinning reel series, which went through the first remodeling in three years, debuted successfully. Also, a mobile-phone-size personal fish detector equipped with a camera, the Tankenmaru MINI, which is a new addition to the Tankenmaru CV, personal fish detector system, became popular among anglers for its mobility and functionality, contributing to increased sales of fishing tackle. Sales of rods also increased with particularly brisk demand for salt-water angling.

Sales overseas exceeded the level of the same period of the previous year, led by the North American market where recovery gathered pace. However, as it seems that the oil spill in the Gulf of Mexico may continue and oil could reach the Atlantic coast, there is growing concern about its impact on the fishing tackle industry as well as the environmental damage it may cause.

As a result, sales from this segment increased 4.4% from the same period of the previous year to 22,255 million yen and operating income increased 168.8% to 1,402 million yen.

Others

Sales from other businesses decreased 13.0% from the same period of the previous year to 538 million yen and operating loss of 78 million yen was recorded, following operating loss of 226 million yen 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 2010 amounted to 199,549 million yen (an increase of 8,719 million yen compared with the figure as of the previous fiscal year-end). This increase was primarily due to an increase of 8,899 million yen in cash and time deposits, an increase of 782 million yen in work in process and a decrease of 695 million yen in merchandise and finished goods.

(Total liabilities)

Total liabilities as of the end of the first half of fiscal year 2010 amounted to 27,174 million yen (an increase of 2,892 million yen compared with the figure as of the previous fiscal year-end). This increase was primarily due to an increase of 2,873 million yen in income taxes payable.

(Net assets)

Net assets as of the end of the first half of fiscal year 2010 amounted to 172,374 million yen (an increase of 5,826 million yen compared with the figure as of the previous fiscal year-end). This increase was primarily due to an increase of 6,728 million yen in retained earnings, an increase of 1,687 million yen in foreign currency translation adjustments and a decrease of 2,690 million yen in acquisition of treasury stock.

Cash Flows

As of the end of the first half of fiscal year 2010, cash and cash equivalents amounted to 62,162 million yen, an increase of 8,103 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 17,800 million yen compared with 28,800 million yen for the same period of the previous year. This increase was primarily attributable to income before income taxes and minority interests of 14,370 million yen and depreciation and amortization amounting to 4,606 million yen.

(Cash Flows from Investing Activities)

Net cash used in investing activities amounted to 4,985 million yen compared with 6,608 million yen for the same period of the previous year. The main items included acquisitions of property, plant and equipment and intangible assets amounting to 4,466 million yen.

(Cash Flows from Financing Activities)

Net cash used in financing activities amounted to 6,319 million yen compared with 4,587 million yen for the same period of the previous year. The main items were cash dividends to shareholders of 2,896 million yen and acquisition of treasury stock amounting to 2,691 million yen.

(3) Forecast for the Fiscal Year Ending December 2010

Although the labor market is likely to remain weak, the Japanese economy is expected to head for a self-sustaining recovery amid continuing improvement of corporate earnings.

However, since there are factors that undermine the Japanese economy, such as concern about the downward risk of economies overseas centering on Europe, instability of financial and capital markets, and deflationary pressure in Japan, the situation is expected to remain unpredictable.

In this operating environment, Shimano Group, while closely monitoring economic trends in Japan and overseas, is striving to lead the creation of new cycling culture and sport fishing culture.

The Company revised the forecast of consolidated business performance for fiscal 2010, announced on April 26, 2010, as follows: net sales of 208,000 million yen, operating income of 32,000 million yen, ordinary income of 29,000 million yen and net income of 20,000 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 presentation methods

Accounting policy for provision for sales returns

Effective from the first quarter of fiscal year 2010, the Company has adopted a new accounting method of provision for sales returns. An estimated amount computed based on historical results is recorded in order to prepare for losses on sales returns. Previously, losses on sales returns were deducted from net sales in the period in which sales returns occurred. However, the Company changed the accounting method to achieve more appropriate periodic profit and loss accounting. Effective from the first quarter of fiscal year 2010, the estimated amount of future losses on sales returns based on the historical sales return rate is recorded as provision for sales returns. Due to this change, gross profit, operating income, ordinary income and income before income taxes and minority interests decreased by 96 million yen, respectively.

(4) Significant events concerning assumption of going concern

Not applicable

3. Consolidated Financial Statements
 (1) Consolidated Balance Sheets

	(Millions of yen)	
	First Half of FY2010	FY2009
	As of Jun. 30, 2010	As of Dec. 31, 2009
Assets		
Current assets		
Cash and time deposits	69,732	60,833
Notes and accounts receivable-trade	23,799	23,666
Merchandise and finished goods	16,832	17,528
Work in process	13,406	12,624
Raw materials and supplies	3,884	4,183
Deferred income taxes	2,004	1,517
Others	3,361	3,914
Allowance for doubtful accounts	(323)	(348)
Total current assets	132,698	123,919
Fixed assets		
Property, plant and equipment		
Buildings and structures (net)	16,506	16,404
Machinery and vehicles (net)	10,651	11,214
Land	11,678	11,657
Leased assets (net)	91	77
Construction in progress	1,716	1,536
Others (net)	3,830	3,512
Total property, plant and equipment	44,473	44,402
Intangible assets		
Goodwill	3,886	3,882
Software	3,286	3,937
Software in progress	64	29
Others	3,187	3,119
Total intangible assets	10,425	10,969
Investments and other assets		
Investment securities	9,192	8,767
Deferred income taxes	1,076	990
Others	2,440	2,538
Allowance for doubtful accounts	(757)	(758)
Total investments and other assets	11,952	11,538
Total fixed assets	66,851	66,910
Total assets	199,549	190,830

	First Half of FY2010 As of Jun. 30, 2010	FY2009 As of Dec. 31, 2009
Liabilities		
Current liabilities		
Accounts payable-trade	6,655	7,377
Short-term loans payable	763	1,485
Income taxes payable	4,524	1,650
Deferred income taxes	486	615
Accrued employee bonuses	954	1,084
Accrued officer bonuses	76	132
Others	9,856	8,136
Total current liabilities	23,316	20,483
Long-term liabilities		
Long-term loans payable	265	270
Deferred income taxes	965	913
Employee retirement benefits	1,429	1,276
Officer retirement benefits	956	1,226
Others	240	112
Total long-term liabilities	3,857	3,798
Total liabilities	27,174	24,282
Net assets		
Shareholders' equity		
Common stock	35,613	35,613
Capital surplus	5,822	5,822
Retained earnings	143,470	136,742
Treasury stock	(2,709)	(18)
Total shareholders' equity	182,196	178,159
Valuation and translation adjustments		
Unrealized gain (loss) on other securities	557	497
Foreign currency translation adjustments	(10,985)	(12,673)
Total valuation and translation adjustments	(10,428)	(12,176)
Minority interests	606	564
Total net assets	172,374	166,548
Total liabilities and net assets	199,549	190,830

(2) Consolidated Statements of Income

(Millions of yen)

	First Half of FY2009 Jan. 1, 2009 to Jun. 30, 2009	First Half of FY2010 Jan. 1, 2010 to Jun. 30, 2010
Net sales	90,057	104,390
Cost of sales	60,232	64,872
Gross profit	29,825	39,518
Selling, general and administrative expenses	21,206	22,226
Operating income	8,619	17,291
Non-operating income		
Interest income	282	241
Dividend income	93	95
Foreign exchange gains	760	-
Others	132	305
Total non-operating income	1,269	642
Non-operating expenses		
Interest expense	209	190
Foreign exchange losses	-	2,965
Others	581	406
Total non-operating expenses	791	3,562
Ordinary income	9,097	14,370
Income before income taxes and minority interest	9,097	14,370
Income taxes - current	3,294	5,429
Income taxes - deferred	(804)	(727)
Total of income taxes	2,490	4,701
Minority interests in net income	41	46
Net income	6,565	9,622

(3) Consolidated Statement of Cash Flows

	(Millions of yen)	
	First Half of FY2009 Jan. 1, 2009 to Jun. 30, 2009	First Half of FY2010 Jan. 1, 2010 to Jun. 30, 2010
Cash flows from operating activities:		
Income before income taxes and minority interests	9,097	14,370
Depreciation and amortization	4,663	4,606
Interest and dividend income	(375)	(337)
Interest expenses	209	190
Decrease (increase) in notes and accounts receivable-trade	9,726	(327)
Decrease in inventories	9,244	258
Increase (decrease) in accounts payable-trade	(2,347)	(798)
Loss on sales/disposal of fixed assets	44	76
Increase (decrease) in accrued employee bonuses	1,270	1,316
Others, net	(414)	921
Subtotal	31,117	20,279
Interest and dividend income received	344	307
Interest expense paid	(321)	(191)
Income taxes paid	(2,340)	(2,594)
Net cash provided by operating activities	28,800	17,800
Cash flows from investing activities:		
Purchases of time deposits	(566)	(4,174)
Proceeds from maturities of time deposits	857	3,895
Acquisitions of property, plant and equipment	(4,759)	(4,124)
Acquisitions of intangible assets	(306)	(342)
Acquisitions of investment securities	-	(464)
Payments for acquisition of newly consolidated subsidiaries	(2,167)	-
Others, net	333	223
Net cash used in investing activities	(6,608)	(4,985)
Cash flows from financing activities:		
Decrease in short-term bank loans	(741)	(346)
Repayments of long-term loans	(766)	(360)
Repayments of lease obligation	-	(22)
Acquisition of treasury stock	-	(2,691)
Cash dividends to shareholders	(2,921)	(2,896)
Cash dividends to minority shareholders	(155)	(3)
Others, net	(3)	0
Net cash used in financing activities	(4,587)	(6,319)
Effect of exchange rate changes on cash and cash equivalents	1,331	1,609
Net increase (decrease) in cash and cash equivalents	18,935	8,103
Cash and cash equivalents at beginning of the period	38,509	54,058
Cash and cash equivalents at end of the period	57,444	62,162

(4) Note concerning assumption of going concern
Not applicable

(5) Segment Information

【Business segment information】

First Half of FY2009 (Jan. 1, 2009 - Jun. 30, 2009)

(Millions of yen)

	Bicycle Components	Fishing Tackle	Others	Total	Corporate/ Elimination	Consolidated
Net sales						
(1) Third parties	68,121	21,318	618	90,057	-	90,057
(2) Inter-segment	-	-	-	-	-	-
Total	68,121	21,318	618	90,057	-	90,057
Operating income (loss)	8,324	521	(226)	8,619	-	8,619

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. Representative 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 FY2009 (Jan. 1, 2009 - Jun. 30, 2009)

(Millions of yen)

	Japan	North America	Europe	Asia	Others	Total	Corporate/ Elimination	Consolidated
Net sales								
(1) Third parties	58,780	11,085	11,790	6,712	1,687	90,057	-	90,057
(2) Inter-segment	10,469	228	1,365	24,518	2	36,583	(36,583)	-
Total	69,250	11,313	13,156	31,231	1,690	126,641	(36,583)	90,057
Operating income	2,991	261	1,166	4,073	125	8,619	-	8,619

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

Note: 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,
Sweden, Norway, Finland, Czech Republic, and Poland

Asia - Singapore, Malaysia, Taiwan, China and Indonesia

Others - Australia

(6) Significant fluctuation in the amount of shareholder's equity

Not applicable