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## Summary of Consolidated Financial Results for FY2012

(January 1, 2012 - December 31, 2012)

February 13, 2013

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 Date of Shareholders' Meeting: March 28, 2013 Scheduled payment date for dividends: March 29, 2013  
 Date of filing of annual report to Ministry of Finance: March 29, 2013  
 Supplemental information: Yes  
 Financial results briefing: Yes

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

### 1. Consolidated financial results for FY2012 (January 1, 2012 - December 31, 2012)

(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	%
FY2012	245,843	10.9	40,961	29.0	39,539	24.7	27,487	38.4
FY2011	221,770	3.8	31,742	(3.1)	31,701	14.2	19,862	3.9

(Note) Comprehensive income: FY2012: 44,792 million yen (216.1%) FY2011: 14,170 million yen (-18.4%)

	Net income per share (Basic)	Net income per share (Diluted)	Return on shareholders' equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
FY2012	296.50	-	13.9	16.7	16.7
FY2011	211.83	-	11.2	15.1	14.3

(Reference) Equity in earnings: FY2012: - million yen FY2011: - million yen

### (2) Consolidated balance sheet information

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2012	257,707	216,364	83.7	2,326.13
FY2011	216,000	181,774	83.9	1,932.32

(Reference) Shareholders' equity FY2012: 215,648 million yen FY2011: 181,189 million yen

### (3) Consolidated cash flow information

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Million yen	Million yen	Million yen	Million yen
FY2012	38,187	(18,928)	(11,083)	94,809
FY2011	25,484	(9,521)	17	78,549

### 2. Dividend information

	Dividend per share					Total dividend (Annual)	Dividend payout ratio (Consolidated)	Dividend per shareholders' equity (Consolidated)
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2011	-	30.50	-	30.50	61.00	5,719	28.8	3.2
FY2012	-	37.50	-	37.50	75.00	6,953	25.3	3.5
FY2013 (Forecast)	-	37.50	-	37.50	75.00		23.6	

(Note) The year-end cash dividend for FY2012 included a special dividend of 31.25 yen.

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

	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	125,000	1.6	21,000	(4.0)	21,000	(3.2)	14,500	(4.9)	156.41
FY2013	255,000	3.7	43,000	5.0	43,000	8.8	29,500	7.3	318.21

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

\*Notes

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

(2) Changes in accounting policies, changes in accounting estimates, and retrospective restatement:

Changes in accounting policies in accordance with revision of accounting standards:	None
Changes in accounting policies other than above:	None
Changes in accounting estimates:	None
Retrospective restatement:	None

(3) Number of shares of common stock issued

Number of shares of common stock issued at year-end (including treasury stock):	FY2012: 92,720,000	FY2011: 93,800,000
Number of shares of treasury stock at year-end:	FY2012: 13,134	FY2011: 32,168
Average number of shares during the year:	FY2012: 92,707,257	FY2011: 93,768,075

Presentation concerning audit procedures

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

### (1) Analysis of Consolidated Business Results

#### Review of Operations

During fiscal year 2012, the sovereign debt crisis became more acute in Europe. In the U.S., meanwhile, concerns mounted about a possible decline in consumption as the fiscal cliff loomed ever nearer. Therefore, the slowing of economic growth rates across both the developed and the emerging countries became more pronounced, especially in the latter half of 2012.

Although the Japanese economy showed signs of a modest recovery underpinned by demand associated with reconstruction in the aftermath of the Great East Japan Earthquake, the yen's persisting strength and anxiety about electricity supply constraints led to a challenging business environment.

As a result, net sales increased 10.9% from the previous year to 245,843 million yen. Operating income increased 29.0% to 40,961 million yen, ordinary income increased 24.7% to 39,539 million yen, and net income increased 38.4% to 27,487 million yen.

#### Reportable Segment Overview

##### Bicycle Components

In Europe, a major market for Shimano products, retail sales remained at virtually the same level as for the previous year despite changeable weather, namely, the warm winter, unsettled weather in the spring, and fine weather from late July onward. In North America, sales continued to be above the previous year's level, following buoyant sales thanks to the mild winter and stable spring weather. The market for sports bicycles in China, having surged in the previous year, somewhat lost momentum but continued to grow at a stable pace. As a result, the sales exceeded the previous year's level. In Southeast Asia and South America, overall demand for sports bicycles grew despite unsettled weather and a less buoyant economy in Indonesia. Meanwhile, retail sales in Japan remained lackluster.

In these market conditions, shipments from Shimano proceeded virtually as scheduled. New models, including the SLX mountain bike components, the SORA road bike components, and the Tourney A070, which were introduced in the second quarter, and the DURA ACE top-of-the-line road bike components and the Deore LX trekking bike components, which debuted in the third quarter, gained a favorable reputation in the market.

As a result, sales from this segment increased 11.8% from the previous year to 198,190 million yen, and operating income increased 30.2% to 39,012 million yen.

##### Fishing Tackle

The Japanese market got off to a slow start due to unusually heavy snowfall and cold waves. Moreover, the Japanese archipelago was battered by an unseasonal typhoon in June, having not suffered one for the last eight years. Japan experienced prolonged unsettled weather, including record rainfall and a powerful typhoon during the summer. The sales environment remained challenging throughout the year, except for a temporary upturn in retail sales during the autumn thanks to an abundance of fish to catch. However, new Shimano products, including electric reels, high-end spinning reels, and bait casting reels for lure fishing, gained a favorable reputation. Sales of fishing tackle in Japan exceeded the previous year's level partly because orders received for fishing tackle for lure fishing remained robust throughout the year.

Meanwhile, a tough business environment persisted overseas, reflecting the impact of the strong yen throughout the year, heat waves and hurricane damage in North America, and an economic downturn in Europe triggered by the sovereign debt crisis. Nevertheless, total sales in overseas markets increased, assisted by continued brisk sales in Oceania.

As a result, sales from this segment increased 7.6% from the previous year to 47,234 million yen, and operating income increased 6.4% to 2,274 million yen.

##### Others

Sales from other segments decreased 27.6% from the previous year to 419 million yen and an operating loss of 326 million yen was recorded, following an operating loss of 363 million yen the previous year.

## Forecast for Fiscal Year 2013

Although the EU nations started negotiating on measures to support countries in the grip of the sovereign debt crisis, the European economies have yet to find a way of extricating themselves from the malaise. Uncertainties about fiscal policies in the U.S. make skeptical whether a recovery of consumption is likely to happen soon. With respect to the emerging countries, China and the ASEAN countries are affected by the economic downturn across Europe, a region that is the principal destination for their exports. These conditions are expected to continue.

The Japanese economy may experience a temporary upturn due to emergency measures to stimulate the economy and a bulge in demand before the consumption tax rate increases. However, protracted sluggishness of overseas economies, uncertain prospects for foreign currency exchange rates, and anxiety about electricity supply pose a downside risk to the Japanese economy.

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.

In view of the outlook described above, for the fiscal year ending December 2013, the Shimano Group forecasts net sales of 255,000 million yen, an increase of 3.7%, operating income of 43,000 million yen, an increase of 5.0%, ordinary income of 43,000 million yen, an increase of 8.8%, and net income of 29,500 million yen, an increase of 7.3%.

Sales forecasts by segment are indicated below.

(Millions of yen)

		First half		Second half		Full year	
		Amount	%	Amount	%	Amount	%
Bicycle components	Japan	3,000	2.4	3,500	2.7	6,500	2.5
	Overseas	97,000	77.3	103,100	79.6	200,100	78.5
	Sub-total	100,000	79.7	106,600	82.3	206,600	81.0
Fishing tackle		25,300	20.2	22,700	17.5	48,000	18.8
Others		200	0.2	200	0.2	400	0.2
Total		125,500	100.0	129,500	100.0	255,000	100.0

## (2) Analysis of Consolidated Financial Position

## Assets, Liabilities and Net Assets

## (Total assets)

Total assets as of the end of fiscal year 2012 amounted to 257,707 million yen (an increase of 41,707 million yen compared with the figure as of the previous fiscal year-end). This increase was primarily due to an increase of 14,278 million yen in property, plant and equipment, an increase of 12,698 million yen in cash and time deposits and an increase of 6,344 million yen in merchandise and finished goods.

## (Total liabilities)

Total liabilities as of the end of fiscal year 2012 amounted to 41,342 million yen (an increase of 7,116 million yen compared with the figure as of the previous fiscal year-end). This increase was primarily due to an increase of 2,974 million yen in income taxes payable and an increase of 2,411 million yen in accounts payable-trade.

## (Net assets)

Net assets as of the end of fiscal year 2012 amounted to 216,364 million yen (an increase of 34,590 million yen compared with the figure as of the previous fiscal year-end). This increase was primarily due to an increase of 17,211 million yen in retained earnings and an increase of 16,305 million yen in foreign currency translation adjustments.

### Cash Flows

Net cash provided by operating activities amounted to 38,187 million yen compared with 25,484 million yen for the previous year. The main items were income before income taxes of 38,477 million yen, depreciation and amortization amounting to 10,222 million yen and income taxes paid amounting to 8,892 million yen.

Net cash used in investing activities amounted to 18,928 million yen compared with 9,521 million yen for the previous year. The main items included acquisition of property, plant and equipment amounting to 21,306 million yen.

Net cash used in financing activities amounted to 11,083 million yen compared to 17 million yen for the previous year. The main items were cash dividend to shareholders amounting to 6,336 million yen and acquisition of treasury stock amounting to 3,863 million yen.

As a result, cash and cash equivalents at the end of the year were 94,809 million yen.

Cash flow indicators are shown in the following table.

	FY2008	FY2009	FY2010	FY2011	FY2012
Equity ratio (%)	85.4	87.0	84.3	83.9	83.7
Market value equity ratio (%)	174.2	185.0	188.7	162.4	198.6
Interest-bearing debt to cash flow ratio (%)	0.25	0.06	0.06	0.30	0.20
Interest coverage ratio (times)	45.7	81.9	93.6	87.1	115.4

Notes)

- Each indicator is calculated using the consolidated results based on the formula indicated below:

Equity ratio:	Shareholders' equity / Total assets
Market value equity ratio:	Total market capitalization / Total assets
Interest-bearing debt to cash flow ratio:	Interest-bearing debt / Operating cash flow
Interest coverage ratio:	Operating cash flow / Interest paid

- Total market capitalization is calculated by:

Closing stock price on the last day of the fiscal year x The number of shares of common stock issued and outstanding at the end of the fiscal year, less treasury stock.

- Interest-bearing debt covers all debt in the consolidated balance sheet for which interest is paid.
- Cash flows from operating activities and the amount of interest payments stated in the consolidated statements of cash flows are used as operating cash flow and interest paid.

### (3) Dividend Policy and Cash Dividends for FY2012 and FY2013

The Company considers the return of earnings to shareholders to be one of the most important issues for management. The Company's basic policy is to continue providing stable returns reflecting overall business performance and strategy.

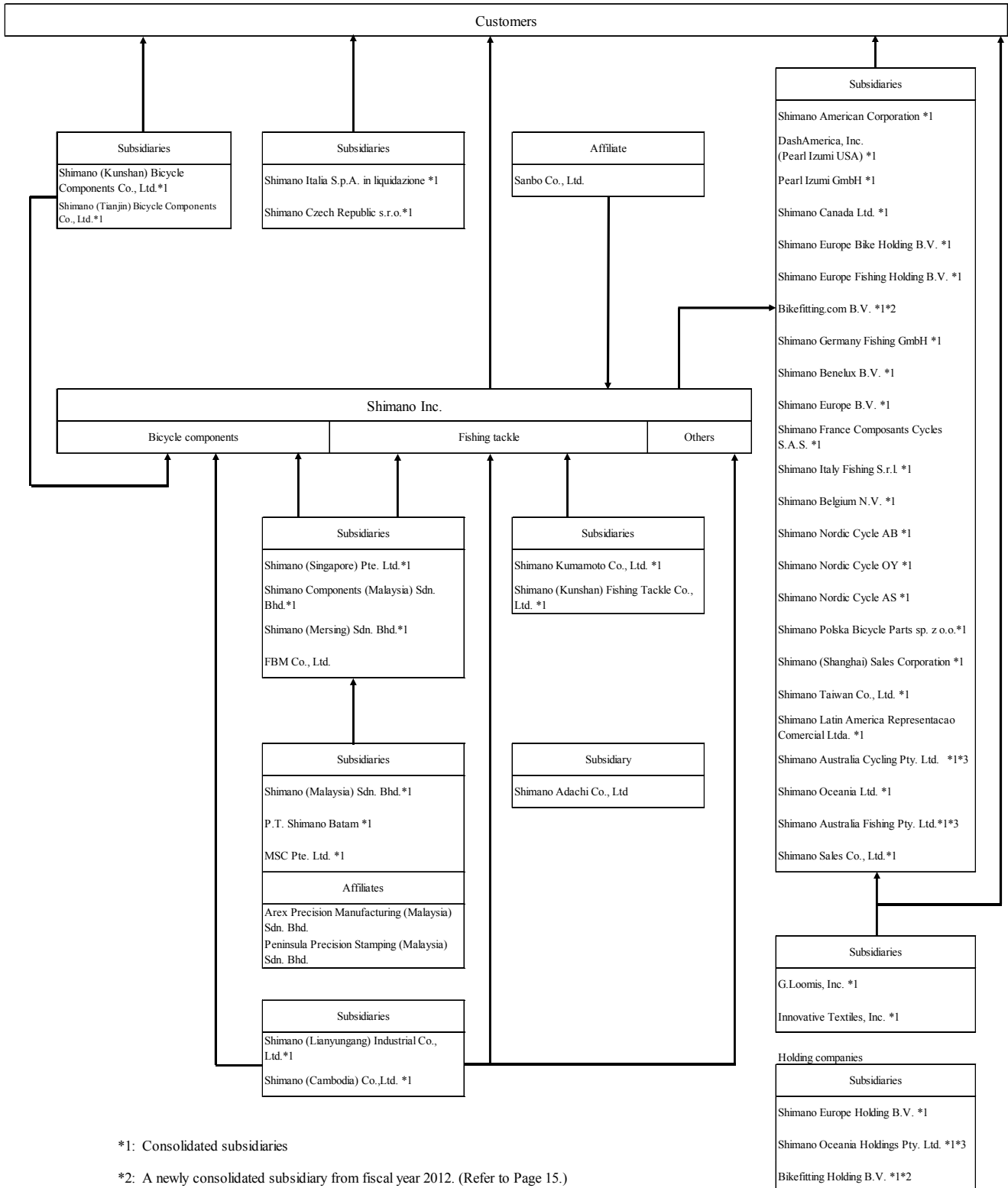
In accordance with the above policy, the Company intends to pay out year-end cash dividends of 37.50 yen per share, which include a special dividend of 31.25 yen, an increase of 7 yen from the amount paid for the previous year. As a result, cash dividends for the full year of fiscal year 2012 will amount to 75 yen per share, an increase of 14 yen from the amount paid for the previous year.

The Company intends to pay out cash dividends of 75 yen per share for fiscal year 2013 (37.50 yen for both interim and year-end cash dividend).

## 2. Outline of the Group

The Shimano Group consists of Shimano Inc. and 43 consolidated subsidiaries and affiliates. The Group is mainly engaged in manufacturing and sales of bicycle components and fishing tackle.

Business relationships among the Shimano Group companies are indicated below.



\*1: Consolidated subsidiaries

\*2: A newly consolidated subsidiary from fiscal year 2012. (Refer to Page 15.)

\*3: The company name was changed in fiscal year 2012. (Refer to Page 15.)

### 3. Business Policy

Since no significant changes have been made to the information for management policies in the Summary of Consolidated Financial Results for FY2011 disclosed on February 8, 2012, disclosure of the management policies has been omitted.

The Summary of Consolidated Financial Results for FY2011 is available at the following URL.

- Shimano Website <http://www.shimano.com>
- Tokyo Stock Exchange Website (Listed Company Information Search)  
<http://www.tse.or.jp/listing/compsearch/index.html>



#### 4. Consolidated Financial Statements

##### (1) Consolidated Balance Sheets

	(Millions of yen)	
	FY2011 As of Dec. 31, 2011	FY2012 As of Dec. 31, 2012
<b>Assets</b>		
Current assets		
Cash and time deposits	82,252	94,950
Notes and accounts receivable-trade	*2 25,189	*2 27,845
Merchandise and finished goods	19,269	25,613
Work in process	14,971	17,209
Raw materials and supplies	4,419	5,091
Deferred income taxes	1,878	2,232
Others	3,168	3,090
Allowance for doubtful accounts	(306)	(236)
Total current assets	150,842	175,798
Fixed assets		
Property, plant and equipment		
Buildings and structures	39,974	48,757
Accumulated depreciation	(22,773)	(24,102)
Accumulated impairment loss	(154)	(155)
Buildings and structures (net)	17,046	24,499
Machinery and vehicles	44,943	52,061
Accumulated depreciation	(33,720)	(37,394)
Accumulated impairment loss	(191)	(173)
Machinery and vehicles (net)	11,031	14,493
Land	11,152	11,256
Leased assets	107	489
Accumulated depreciation	(59)	(57)
Leased assets (net)	47	431
Construction in progress	3,733	5,800
Others	36,712	40,226
Accumulated depreciation	(32,905)	(35,612)
Accumulated impairment loss	(22)	(19)
Others (net)	3,784	4,594
Total property, plant and equipment	46,797	61,076
Intangible assets		
Goodwill	3,737	3,727
Software	1,610	1,916
Others	2,758	3,446
Total intangible assets	8,106	9,090
Investments and other assets		
Investment securities	*1 6,714	*1 8,569
Deferred income taxes	1,472	1,058
Others	2,554	2,602
Allowance for doubtful accounts	(488)	(488)
Total investments and other assets	10,253	11,742
Total fixed assets	65,157	81,908
Total assets	216,000	257,707

(Millions of yen)

	FY2011 As of Dec. 31, 2011	FY2012 As of Dec. 31, 2012
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	7,750	10,161
Short-term loans payable	4,136	5,915
Income taxes payable	3,608	6,582
Deferred income taxes	298	222
Accrued employee bonuses	1,217	1,268
Accrued officer bonuses	161	193
Others	9,631	11,321
Total current liabilities	26,803	35,665
Long-term liabilities		
Long-term loans payable	2,928	1,070
Deferred income taxes	784	742
Employee retirement benefits	2,425	2,681
Officer retirement benefits	1,130	-
Others	152	1,182
Total long-term liabilities	7,422	5,677
Total liabilities	34,225	41,342
<b>Net assets</b>		
Shareholders' equity		
Common stock	35,613	35,613
Capital surplus	5,822	5,822
Retained earnings	159,597	176,808
Treasury stock	(124)	(47)
Total shareholders' equity	200,908	218,197
Other accumulated comprehensive income		
Unrealized gain (loss) on other securities	47	913
Foreign currency translation adjustments	(19,767)	(3,462)
Total other accumulated comprehensive income	(19,719)	(2,548)
Minority interests	584	716
Total net assets	181,774	216,364
Total liabilities and net assets	216,000	257,707

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

## Consolidated Statements of Income

(Millions of yen)

	FY2011 Jan. 1, 2011 to Dec. 31, 2011	FY2012 Jan. 1, 2012 to Dec. 31, 2012
Net sales	221,770	245,843
Cost of sales	*2 144,884	*2 156,711
Gross profit	76,885	89,132
Selling, general and administrative expenses	*1, *2 45,143	*1, *2 48,171
Operating income	31,742	40,961
Non-operating income		
Interest income	690	743
Dividend income	512	318
Others	423	583
Total non-operating income	1,626	1,645
Non-operating expenses		
Interest expenses	292	334
Loss on disposal of fixed assets	157	135
Foreign exchange losses	296	2,291
Others	920	306
Total non-operating expenses	1,666	3,066
Ordinary income	31,701	39,539
Extraordinary Losses		
Loss on revaluation of investment securities	1,430	-
Loss on factory reconstruction	715	1,061
Total extraordinary losses	2,145	1,061
Income before income taxes and minority interests	29,555	38,477
Income taxes - current	9,005	11,471
Income taxes - deferred	606	(542)
Total income taxes	9,612	10,929
Income before minority interests	19,943	27,548
Minority interests in net income	81	60
Net income	19,862	27,487

## Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	FY2011	FY2012
	Jan. 1, 2011 to Dec. 31, 2011	Jan. 1, 2012 to Dec. 31, 2012
Income before minority interests	19,943	27,548
Other comprehensive income		
Unrealized gain (loss) on other securities	169	865
Foreign currency translation adjustments	(5,943)	16,377
Total other comprehensive income	(5,773)	17,243
Comprehensive income	14,170	44,792
(Breakdown)		
Comprehensive income attributable to owners of the parent	14,133	44,658
Comprehensive income attributable to minority interests	37	133

## (3) Consolidated Statements of Shareholders' Equity

	(Millions of yen)	
	FY2011 Jan. 1, 2011 to Dec. 31, 2011	FY2012 Jan. 1, 2012 to Dec. 31, 2012
Shareholders' equity		
Common stock		
Balance at beginning of year	35,613	35,613
Balance at end of year	35,613	35,613
Capital surplus		
Balance at beginning of year	5,822	5,822
Changes of items during the year		
Sales of treasury stock	0	0
Retirement of treasury stock	-	(0)
Total changes of items during the year	0	(0)
Balance at end of year	5,822	5,822
Retained earnings		
Balance at beginning of year	145,661	159,597
Changes of items during the year		
Cash dividends paid	(5,719)	(6,336)
Net income	19,862	27,487
Retirement of treasury stock	-	(3,939)
Change of scope of consolidation	(206)	-
Total changes of items during the year	13,936	17,211
Balance at end of year	159,597	176,808
Treasury stock		
Balance at beginning of year	(121)	(124)
Changes of items during the year		
Acquisition of treasury stock	(2)	(3,863)
Sales of treasury stock	0	0
Retirement of treasury stock	-	3,939
Total changes of items during the year	(2)	76
Balance at end of year	(124)	(47)
Total shareholders' equity		
Balance at beginning of year	186,974	200,908
Changes of items during the year		
Cash dividends paid	(5,719)	(6,336)
Net income	19,862	27,487
Acquisition of treasury stock	(2)	(3,863)
Sales of treasury stock	0	0
Change of scope of consolidation	(206)	-
Total changes of items during the year	13,933	17,288
Balance at end of year	200,908	218,197

	(Millions of yen)	
	FY2011 Jan. 1, 2011 to Dec. 31, 2011	FY2012 Jan. 1, 2012 to Dec. 31, 2012
<b>Other comprehensive income</b>		
Unrealized gain (loss) on other securities		
Balance at beginning of year	(122)	47
Changes of items during the year		
Net changes of items other than shareholders' equity	169	865
Total changes of items during the year	169	865
Balance at beginning of year	47	913
Foreign currency translation adjustments		
Balance at beginning of year	(13,867)	(19,767)
Changes of items during the year		
Net changes of items other than shareholders' equity	(5,899)	16,305
Total changes of items during the year	(5,899)	16,305
Balance at end of year	(19,767)	(3,462)
Total other comprehensive income		
Balance at beginning of year	(13,990)	(19,719)
Changes of items during the year		
Net changes of items other than shareholders' equity	(5,729)	17,170
Total changes of items during the year	(5,729)	17,170
Balance at end of year	(19,719)	(2,548)
Minority interest		
Balance at beginning of year	615	584
Changes of items during the year		
Net changes of items other than shareholders' equity	(31)	131
Total changes of items during the year	(31)	131
Balance at end of year	584	716
Total net assets		
Balance at beginning of year	173,600	181,774
Changes of items during the year		
Cash dividends paid	(5,719)	(6,336)
Net income	19,862	27,487
Acquisition of treasury stock	(2)	(3,863)
Sales of treasury stock	0	0
Change of scope of consolidation	(206)	-
Net changes of items other than shareholders' equity	(5,760)	17,301
Total changes of items during the year	8,173	34,590
Balance at end of year	181,774	216,364

## (4) Consolidated Statements of Cash Flows

	(Millions of yen)	
	FY2011 Jan. 1, 2011 to Dec. 31, 2011	FY2012 Jan. 1, 2012 to Dec. 31, 2012
Cash flows from operating activities:		
Income before income taxes and minority interests	29,555	38,477
Depreciation and amortization	9,925	10,222
Allowance for doubtful accounts	(121)	(86)
Interest and dividend income	(1,202)	(1,062)
Interest expenses	292	334
Foreign exchange gains/losses	(141)	2,006
Notes and accounts receivable	(11)	(1,271)
Inventories	(3,390)	(5,360)
Accounts payable	(554)	1,520
Officer retirement benefits	130	(1,130)
Employee retirement benefits	165	223
Loss on sales/revaluation of investment securities	1,344	-
Gain on sales/disposal of fixed assets	294	494
Others, net	(133)	1,928
Subtotal	36,153	46,295
Interest and dividend income received	1,181	1,114
Interest expenses paid	(292)	(330)
Income taxes paid	(11,558)	(8,892)
Net cash provided by operating activities	25,484	38,187
Cash flows from investing activities :		
Purchases of time deposits	(6,736)	(1,060)
Proceeds from maturities of time deposits	10,185	4,522
Acquisition of property, plant and equipment	(12,383)	(21,306)
Proceeds from sales of fixed assets	231	198
Acquisition of intangible assets	(668)	(1,523)
Proceeds from sales of investment securities	72	4
Acquisition of investment securities	(0)	(300)
Increase in short-term loans receivable	42	15
Payments for acquisition of newly consolidated subsidiaries	(394)	(130)
Payments for sales of consolidated subsidiaries	(258)	-
Others, net	388	652
Net cash used in investing activities	(9,521)	(18,928)

(Millions of yen)

	FY2011 Jan. 1, 2011 to Dec. 31, 2011	FY2012 Jan. 1, 2012 to Dec. 31, 2012
Cash flows from financing activities:		
Increase in short-term loans payable	1,714	769
Proceeds from long-term loans payable	3,996	-
Repayment of long-term loans payable	(34)	(1,595)
Repayments of finance lease obligations	(18)	(54)
Acquisition of treasury stock	(2)	(3,863)
Gain on sales of treasury stock	0	0
Cash dividends to shareholders	(5,594)	(6,336)
Cash dividends to minority shareholders	(43)	(3)
Net cash provided by (used in) financing activities	17	(11,083)
Effect of exchange rate changes on cash and cash equivalents	(2,539)	8,084
Net increase (decrease) in cash and cash equivalents	13,441	16,259
Cash and cash equivalents at beginning of year	65,107	78,549
Cash and cash equivalents at end of year	* 78,549	* 94,809



(5) Note concerning Assumption of Going Concern  
Not applicable.

(6) Preparation of the Consolidated Financial Statements - Significant Matters

	FY2011 Jan. 1, 2011 to Dec. 31, 2011	FY2012 Jan. 1, 2012 to Dec. 31, 2012
1. Consolidation	<p>The consolidated financial statements include the accounts of the Company and the 41 subsidiaries whose names are stated on “2. Outline of the Group” on Page 5 of the Attachment.</p> <p>Shimano (Cambodia) Co., Ltd. was included in the scope of consolidation during fiscal year 2011, due to acquisitions of shares.</p> <p>Shimano U.K. Ltd. was excluded from the scope of consolidation during fiscal year 2011, due to sales of shares.</p> <p>The company name of Shimano (Shanghai) Bicycle Components Co. Ltd. was changed to Shimano (Shanghai) Sales Corporation during fiscal year 2011.</p>	<p>The consolidated financial statements include the accounts of the Company and the 43 subsidiaries whose names are stated on “2. Outline of the Group” on Page 5 of the Attachment.</p> <p>Bikefitting Holding B.V. and Bikefitting.com B.V. were included in the scope of consolidation during fiscal year 2012, due to acquisitions of shares.</p> <p>The company name of Shimano Australia Pty. Ltd. was changed to Shimano Australia Cycling Pty. Ltd., Dunphy Sports/Fishing Imports Pty. Ltd. was changed to Shimano Australia Fishing Pty. Ltd. and Dunphy Holdings Pty. Ltd. was changed to Shimano Oceania Holdings Pty. Ltd. during fiscal year 2012.</p>

	FY2011 Jan. 1, 2011 to Dec. 31, 2011	FY2012 Jan. 1, 2012 to Dec. 31, 2012
3. Fiscal year of the consolidated subsidiaries	<p>Shimano American Corporation. Shimano Canada Ltd. G.Loomis, Inc. Innovative Textiles, Inc. DashAmerica, Inc. (Pearl Izumi USA) Pearl Izumi GmbH Shimano Europe Holding B.V. Shimano Europe Bike Holding B.V. Shimano Europe Fishing Holding B.V. Shimano Germany Fishing GmbH Shimano Benelux B.V. Shimano Europe B.V. Shimano France Composants Cycles S.A.S. Shimano Italia S.p.A. in liquidazione Shimano Italy Fishing S.r.l. Shimano Belgium N.V. Shimano Nordic Cycle AB Shimano Nordic Cycle OY Shimano Nordic Cycle AS Shimano Polska Bicycle Parts Sp. z o. o. Dunphy Holdings Pty. Ltd. Dunphy Sports/Fishing Imports Pty. Ltd. Shimano (Singapore) Pte. Ltd. Shimano Components (Malaysia) Sdn. Bhd. Shimano (Mersing) Sdn. Bhd. P.T.Shimano Batam Shimano (Malaysia) Sdn. Bhd. MSC Pte. Ltd.</p> <p>The fiscal years of the above foreign subsidiaries end on November 30 and their financial statements at November 30 are used for preparation of the consolidated financial statements.</p> <p>Any material effects occurring during the period from December 1 to December 31 are adjusted in the consolidated financial statements.</p> <p>Shimano Czech Republic s.r.o. has changed its fiscal year end from November 30 to December 31 during fiscal year 2011. Its financial statement used for preparation of the consolidated financial statements for fiscal year 2011 is for a 13-month period. The impact of this change is immaterial.</p>	<p>Shimano American Corporation. Shimano Canada Ltd. G.Loomis, Inc. Innovative Textiles, Inc. DashAmerica, Inc. (Pearl Izumi USA) Pearl Izumi GmbH Shimano Europe Holding B.V. Shimano Europe Bike Holding B.V. Shimano Europe Fishing Holding B.V. Shimano Germany Fishing GmbH Shimano Benelux B.V. Shimano Europe B.V. Shimano France Composants Cycles S.A.S. Shimano Italy Fishing S.r.l. Shimano Belgium N.V. Shimano Nordic Cycle AB Shimano Nordic Cycle OY Shimano Nordic Cycle AS Shimano Polska Bicycle Parts Sp. z o. o. Shimano Oceania Holdings Pty. Ltd. Shimano Australia Fishing Pty. Ltd. Shimano (Singapore) Pte. Ltd. Shimano Components (Malaysia) Sdn. Bhd. Shimano (Mersing) Sdn. Bhd. P.T.Shimano Batam Shimano (Malaysia) Sdn. Bhd. MSC Pte. Ltd.</p> <p>The above foreign subsidiaries have changed their fiscal year end from November 30 to December 31 during fiscal year 2012. Their financial statements used for preparation of the consolidated financial statements for fiscal year 2012 are for a 13-month period. As a result, net sales increased 2,858 million yen, operating income increased 1,591 million yen, ordinary income increased 1,719 million yen, and income before income taxes and minority interests increased 1,719 million yen.</p> <p>The fiscal year of Shimano Italia S.p.A. in liquidazione ends on November 30 and its financial statements at November 30 are used for preparation of the consolidated financial statements. Any material effects occurring during the period from December 1 to December 31 are adjusted in the consolidated financial statements.</p>

	FY2011 Jan. 1, 2011 to Dec. 31, 2011	FY2012 Jan. 1, 2012 to Dec. 31, 2012
4. Summary of significant accounting policies (2) Depreciation and amortization of principal fixed assets	Leased Assets  -----	Leased Assets Leased assets related to financial lease transactions with ownership transfer  The Group has adopted the same depreciation method for the leased assets and the depreciable assets that are owned.

Since no significant changes have been made to the information in the recent securities report (submitted on March 30, 2012) for items other than the above 1, 3 and 4, disclosure of other items has been omitted.

(7) Changes in the “Preparation of the Consolidated Financial Statements - Significant Matters”

	FY2011 Jan. 1, 2011 to Dec. 31, 2011	FY2012 Jan. 1, 2012 to Dec. 31, 2012
(Adoption of the “Accounting Standard for Asset Retirement Obligations”) Effective from fiscal year 2011, the Group 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 fiscal year 2011, the Group 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

FY2011 Jan. 1, 2011 to Dec. 31, 2011	FY2012 Jan. 1, 2012 to Dec. 31, 2012
<p>(Consolidated Statements of Income)</p> <p>In accordance with the adoption 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 fiscal year 2011.</p> <p style="text-align: center;">-----</p>	<p style="text-align: center;">-----</p> <p>(Consolidated Statements of Cash Flows)</p> <p>“Foreign exchange gain/loss”, which was included in “Others” under “Cash flow from operating activities”, was separately presented for fiscal year 2012 due to increased materiality. The Consolidated Statements of Cash Flows for the previous fiscal year was reclassified due to change in presentation.</p> <p>As a result, 274 million yen included in “Other” under “Cash flow from operating activities” was reclassified as “Foreign exchange gain/loss” of 141 million yen and “Others” of 133 million yen.</p>

## Additional information

FY2011 Jan. 1, 2011 to Dec. 31, 2011	FY2012 Jan. 1, 2012 to Dec. 31, 2012
<p style="text-align: center;">-----</p> <p style="text-align: center;">-----</p> <p>(Adoption of the “Accounting Standard for Presentation of Comprehensive Income”)</p> <p>Effective from fiscal year 2011, the Group has adopted the “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No. 25, June 30, 2010). The amounts of “Other accumulated comprehensive income” and “Total other accumulated comprehensive income” stated for fiscal year 2010 are the amounts of “Valuation and translation adjustments” and “Total valuation and translation adjustments.”</p>	<p>(Adoption of the “Accounting Standard for Accounting Changes and Error Corrections” and related matters)</p> <p>The Group has adopted the “Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Statement No. 24, December 4, 2009) and the “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No. 24, December 4, 2009) for accounting changes and error corrections made after the beginning of fiscal year 2012</p> <p>(Abolition of the Officer Retirement Benefit Plan)</p> <p>The Company and two domestic subsidiaries have resolved at their respective General Meetings of Shareholders held in March 2012 to abolish the officer retirement benefit plan and grant the retirement benefits. Accordingly, the officer retirement benefits payable amounting to 663 million yen is presented in “Others” under “Long-term liabilities.”</p> <p style="text-align: center;">-----</p>

## (8) Notes relating to Consolidated Financial Statements

## (Notes relating to Consolidated Balance Sheets)

FY2011 (As of Dec. 31, 2011)	FY2012 (As of Dec. 31, 2012)
<p>*1 The following pertains to non-consolidated subsidiaries and affiliates.</p> <p style="text-align: right;">Investment securities                      1,434 million yen</p> <p>*2 As the fiscal year-end fell on a holiday for financial institutions, notes receivable with maturity dates on the fiscal year-end date were cashed on a subsequent settlement date. The following amount of notes receivable with maturity dates on the fiscal year-end date was included in the balance of notes receivable at fiscal year-end.</p> <p style="text-align: right;">Notes receivable                                      48 million yen</p>	<p>*1 The following pertains to non-consolidated subsidiaries and affiliates.</p> <p style="text-align: right;">Investment securities                      1,519 million yen</p> <p>*2 As the fiscal year-end fell on a holiday for financial institutions, notes receivable with maturity dates on the fiscal year-end date were cashed on a subsequent settlement date. The following amount of notes receivable with maturity dates on the fiscal year-end date was included in the balance of notes receivable at fiscal year-end.</p> <p style="text-align: right;">Notes receivable                                      22 million yen</p>

## (Notes relating to Consolidated Statements of Income)

FY2011 Jan. 1, 2011 to Dec. 31, 2011	FY2012 Jan. 1, 2012 to Dec. 31, 2012
<p>*1 Main components of selling, general and administrative expenses for fiscal year 2011:</p> <p style="text-align: right;">1 Salaries and wages                      10,693 million yen</p> <p style="text-align: right;">2 Advertising and sales promotion expenses                      6,408 million yen</p> <p>*2 R&amp;D expenses included in selling, general and administrative expenses and manufacturing expenses for fiscal year 2011:                      10,021 million yen</p>	<p>*1 Main components of selling, general and administrative expenses for fiscal year 2012:</p> <p style="text-align: right;">1 Salaries and wages                      11,532 million yen</p> <p style="text-align: right;">2 Advertising and sales promotion expenses                      6,996 million yen</p> <p>*2 R&amp;D expenses included in selling, general and administrative expenses and manufacturing expenses for fiscal year 2012:                      10,245 million yen</p>

## (Notes relating to Consolidated Statement of Shareholders' Equity)

FY2011 (From Jan. 1, 2011 to Dec. 31, 2011)

## 1. Total number of issued shares

(Thousand shares)

Class of shares	Balance of Dec. 31, 2010	Increase	Decrease	Balance as of Dec. 31, 2011
Common stock	93,800	-	-	93,800

## 2. Treasury stock

(Thousand shares)

Class of shares	Balance of Dec. 31, 2010	Increase	Decrease	Balance as of Dec. 31, 2011
Common stock	31	0	0	32

(Details of the change)

Details of the increase in the number of shares are as follows:

Acquisition of fractional shares

0 thousand shares

Details of the decrease in the number of shares are as follows:

Sale of fractional shares

0 thousand shares

## 3. Dividends

## (1) Payment of cash dividends

Resolution	Class of shares	Total amount of cash dividends (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
General Meeting of Shareholders held on Mar. 30, 2011	Common stock	2,859	30.50	Dec. 31, 2010	Mar. 31, 2011
Meeting of the Board of Directors held on Jul. 27, 2011	Common stock	2,859	30.50	Jun. 30, 2011	Sep. 2, 2011

## (2) Dividends with record date within the current fiscal year and effective in the next fiscal year

Resolution	Class of shares	Source of dividends	Total amount of cash dividends (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
General Meeting of Shareholders held on Mar. 29, 2012	Common stock	Retained earnings	2,859	30.50	Dec. 31, 2011	Mar. 30, 2012

FY2012 (From Jan. 1, 2012 to Dec. 31, 2012)

## 1. Total number of issued shares

(Thousand shares)

Class of shares	Balance as of Dec. 31, 2011	Increase	Decrease	Balance as of Dec. 31, 2012
Common stock	93,800	-	1,080	92,720

(Details of the change)

Details of the decrease in the number of shares are as follows:

Retirement of treasury stock 1,080 thousand shares

## 2. Treasury stock

(Thousand shares)

Class of shares	Balance as of Dec. 31, 2011	Increase	Decrease	Balance as of Dec. 31, 2012
Common stock	32	1,060	1,080	13

(Details of the change)

Details of the increase in the number of shares are as follows:

Acquisition in accordance with the resolution at the meeting of the Board of Directors 1,060 thousand shares

Acquisition of fractional shares 0 thousand shares

Details of the decrease in the number of shares are as follows:

Retirement of treasury stock 1,080 thousand shares

Sale of fractional shares 0 thousand shares

## 3. Dividends

## (1) Payment of cash dividends

Resolution	Class of shares	Total amount of cash dividends (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
General Meeting of Shareholders held on Mar. 29, 2012	Common stock	2,859	30.50	Dec. 31, 2011	Mar. 30, 2012
Meeting of the Board of Directors held on Jul. 31, 2012	Common stock	3,476	37.50	Jun. 30, 2012	Sep. 4, 2012

## (2) Dividends with record date within the current fiscal year and effective in the next fiscal year

Resolution	Class of shares	Source of dividends	Total amount of cash dividends (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
General Meeting of Shareholders held on Mar. 28, 2013	Common stock	Retained earnings	3,476	37.50	Dec. 31, 2012	Mar. 29, 2013

## (Notes relating to Consolidated Statements of Cash Flows)

FY2011 Jan, 1, 2011 to Dec. 31, 2011	FY2012 Jan, 1, 2012 to Dec. 31, 2012
* Reconciliation between cash and cash equivalents at the end of the year and the accounts in the consolidated balance sheets (as of Dec. 31, 2011)	* Reconciliation between cash and cash equivalents at the end of the year and the accounts in the consolidated balance sheets (as of Dec. 31, 2012)
(Millions of yen)	(Millions of yen)
Cash and time deposits	Cash and time deposits
82,252	94,950
Time deposits with maturities exceeding three months	Time deposits with maturities exceeding three months
(3,703)	(141)
Cash and cash equivalents	Cash and cash equivalents
<u>78,549</u>	<u>94,809</u>

## (Notes relating to Securities)

## FY2011 (As of Dec. 31, 2011)

Other securities (Millions of yen)

	Item	Book value	Acquisition cost	Difference
Securities for which the amount recorded on the consolidated balance sheet exceeds acquisition cost	(1) Stock	1,540	502	1,038
	Subtotal	1,540	502	1,038
Securities for which the amount recorded on the consolidated balance sheet does not exceed acquisition cost	(1) Stock	3,518	4,597	(1,078)
	Subtotal	3,518	4,597	(1,078)
Total		5,059	5,099	(40)

## FY2012 (As of Dec. 31, 2012)

Other securities (Millions of yen)

	Item	Book value	Acquisition cost	Difference
Securities for which the amount recorded on the consolidated balance sheet exceeds acquisition cost	(1) Stock	5,627	3,689	1,938
	Subtotal	5,627	3,689	1,938
Securities for which the amount recorded on the consolidated balance sheet does not exceed acquisition cost	(1) Stock	1,173	1,710	(537)
	Subtotal	1,173	1,710	(537)
Total		6,801	5,399	1,401

## (Notes relating to Deferred Tax Accounting)

FY2011 (As of Dec. 31, 2011)		FY2012 (As of Dec. 31, 2012)	
1. Significant components of deferred tax assets and liabilities (Millions of yen)		1. Significant components of deferred tax assets and liabilities (Millions of yen)	
(Deferred tax assets)		(Deferred tax assets)	
Excess of limit of accrued employee bonuses	178	Excess of limit of accrued employee bonuses	204
Enterprise tax payable	166	Enterprise tax payable	281
Officer retirement benefits	431	Officer retirement benefits	270
Excess of limit of employee retirement benefits	835	Excess of limit of employee retirement benefits	913
Unrealized loss on other securities	295	Unrealized loss on other securities	95
Book in excess of tax depreciation	65	Book in excess of tax depreciation	59
Unrealized gain of inventories	687	Unrealized gain of inventories	883
Loss on revaluation of other securities	675	Loss on revaluation of other securities	663
Loss on revaluation of golf memberships	135	Loss on revaluation of golf memberships	150
Excess of limit of allowance for doubtful accounts	385	Excess of limit of allowance for doubtful accounts	381
Loss on impairment	264	Loss on impairment	252
Book in excess of tax depreciation for small sum assets	197	Book in excess of tax depreciation for small sum assets	204
Devaluation loss on inventories	434	Devaluation loss on inventories	423
Others	763	Others	733
Sub-total deferred tax assets	5,519	Sub-total deferred tax assets	5,518
Valuation allowance	(1,665)	Valuation allowance	(1,531)
Total deferred tax assets	3,853	Total deferred tax assets	3,987
(Deferred tax liabilities)		(Deferred tax liabilities)	
Undistributed earnings of consolidated subsidiaries	(26)	Undistributed earnings of consolidated subsidiaries	(35)
Reserve for special depreciation	(1,112)	Reserve for special depreciation	(942)
Unrealized gain on other securities	(373)	Unrealized gain on other securities	(651)
Others	(72)	Others	(32)
Total deferred tax liabilities	(1,585)	Total deferred tax liabilities	(1,661)
Net deferred tax assets	2,267	Net deferred tax assets	2,326
2. Reconciliation between the effective statutory tax rate and the actual effective tax rate (%)		2. Reconciliation between the effective statutory tax rate and the actual effective tax rate (%)	
Effective statutory tax rate	41.0	Effective statutory tax rate	41.0
(Reconciliation)		(Reconciliation)	
Permanent difference-expenses	3.4	Permanent difference-expenses	2.0
Permanent difference-income	(1.7)	Permanent difference-income	(1.4)
Tax credit	(2.6)	Tax credit	(2.0)
Differences in tax rates for foreign subsidiaries	(11.6)	Differences in tax rates for foreign subsidiaries	(11.7)
Valuation allowance	2.0	Valuation allowance	(0.5)
Dividend income from consolidated subsidiaries	0.6	Adjustment of deferred tax assets due to change in effective statutory tax rates	0.1
Adjustment of deferred tax assets due to change in effective statutory tax rates	1.3	Other	0.9
Other	0.1	Actual effective tax rate	28.4
Actual effective tax rate	32.5		



FY2011 (As of Dec. 31, 2011)	FY2012 (As of Dec. 31, 2012)
<p>3. Adjustment of deferred tax assets and liabilities due to change in effective statutory tax rates</p> <p>The “Act for Partial Amendment of the Income Tax Act etc., for the Purpose of Creating a Taxation System responding to Changes in Economic and Social Structures” (Act No. 114 of 2011) and the “Act on Special Measures for Securing Financial Resources Necessary for Reconstruction from the Great East Japan Earthquake” (Act No. 117 of 2011) were promulgated on December 2, 2011 and corporation tax rates will be changed for the fiscal years beginning on or after April 1, 2012.</p> <p>The Company and its domestic subsidiaries changed the effective statutory tax rate used to measure deferred tax assets and liabilities from 41% to 38% for temporary differences expected to be eliminated in the fiscal years beginning on or after January 1, 2013, and from 41% to 36% for temporary differences expected to be eliminated in the fiscal years beginning on or after January 1, 2016.</p> <p>As a result of this change, the net amount of deferred tax assets (net of deferred tax liabilities) as of December 31, 2011 decreased 375 million yen, and deferred income taxes and unrealized gain (loss) on other securities recognized for fiscal year 2011 increased 386 million yen and 10 million yen, respectively.</p>	

## (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. Basis for calculating sales, income (loss), assets, liabilities and other items by reportable segment

Accounting methods applied for calculation of sales, income (loss), assets, liabilities, and other items by reportable segment correspond to information presented under “(6) Preparation of the Consolidated Financial Statements - Significant Matters.” Segment income is based on operating income.

## 3. Information on sales, income (loss), assets, liabilities and other items by reportable segment

FY2011 (Jan. 1, 2011 - Dec. 31, 2011)

(Millions of yen)

	Reportable Segment				Adjustment	Consolidated Financial Statements
	Bicycle Components	Fishing Tackle	Others	Total		
Net sales						
1) Third parties	177,307	43,884	578	221,770	-	221,770
2) Inter-segment	-	-	-	-	-	-
Total	177,307	43,884	578	221,770	-	221,770
Segment income (loss)	29,966	2,139	(363)	31,742	-	31,742
Segment assets	76,015	24,165	1,052	101,233	114,766	216,000
Other items						
Depreciation and amortization	8,226	1,362	73	9,662	-	9,662
Amortization of goodwill	200	62	-	263	-	263
Increase in property, plant and equipment and intangible assets	8,466	1,086	20	9,573	3,479	13,052

- Notes:
1. Segment assets adjustment was 114,766 million yen, the main items of which were surplus funds (cash and deposits) and corporate assets. The expenses such as depreciation and amortization related to property, plant and equipment and intangible assets classified in Adjustment, have been allocated to each reportable segment.
  2. There is no difference between total segment income and operating income in the consolidated statements of income.

FY2012 (Jan. 1, 2012 - Dec. 31, 2012)

(Millions of yen)

	Reportable Segment				Adjustment	Consolidated Financial Statements
	Bicycle Components	Fishing Tackle	Others	Total		
Net sales						
1) Third parties	198,190	47,234	419	245,843	-	245,843
2) Inter-segment	-	-	-	-	-	-
Total	198,190	47,234	419	245,843	-	245,843
Segment income (loss)	39,012	2,274	(326)	40,961	-	40,961
Segment assets	99,367	25,867	769	126,003	131,703	257,707
Other items						
Depreciation and amortization	8,449	1,484	43	9,977	-	9,977
Amortization of goodwill	182	62	-	245	-	245
Increase in property, plant and equipment and intangible assets	13,359	1,550	6	14,916	7,913	22,829

Notes: 1. Segment assets adjustment was 131,703 million yen, the main items of which were surplus funds (cash and deposits) and corporate assets. The expenses such as depreciation and amortization related to property, plant and equipment and intangible assets classified in Adjustment, have been allocated to each reportable segment.

2. There is no difference between total segment income and operating income in the consolidated statements of income.

#### Related information

##### Information by geographical area

##### Net sales

FY2011 (Jan. 1, 2011 - Dec. 31, 2011)

(Millions of yen)

Japan	North America	Europe	Asia	Other	Total
27,782	26,093	80,513	78,081	9,299	221,770

Note: Net sales are classified by countries and regions according to customer location.

FY2012 (Jan. 1, 2012 - Dec. 31, 2012)

(Millions of yen)

Japan	North America	Europe	Asia	Other	Total
29,569	29,454	84,643	88,991	13,184	245,843

Note: Net sales are classified by countries and regions according to customer location.

## (Per Share Data)

FY2011 Jan. 1, 2011 to Dec. 31, 2011		FY2012 Jan. 1, 2012 to Dec. 31, 2012	
Net assets per share	1,932.32 yen	Net assets per share	2,326.13 yen
Net income per share	211.83 yen	Net income per share	296.50 yen
Diluted net income per share is not presented because there were no securities with dilutive effect.		The same as at left	

## Basis for calculation of net income per share

	FY2011 Jan. 1, 2011 to Dec. 31, 2011	FY2012 Jan. 1, 2012 to Dec. 31, 2012
Net income	19,862	27,487
Net income attributable to common stock	19,862	27,487
Amount not attributable to common shareholders	-	-
Average number of shares of common stock outstanding (thousand shares)	93,768	92,707

Disclosure of notes relating to derivative transactions, lease transactions, employee retirement benefits, financial instruments, immovable property and business combinations has been omitted because such disclosure in the Summary of Financial Results is considered to be unnecessary.

Stock options or related party transactions are not applicable.

## (Significant Subsequent Events)

## FY2011 (Jan. 1, 2011 - Dec. 31, 2011)

## Acquisition of treasury stock

## (1) Resolution and its purpose

The Company has resolved at the Meeting of the Board of Directors held on January 17, 2012 to acquire its own shares. The purpose is to improve capital efficiency and make possible the implementation of an expeditious capital policy adapted to the business environment.

## (2) Number and value of share to be acquired

Number of share to be acquired: Not exceeding 1,100,000 shares

Value of shares to be acquired: Not exceeding 4,200 million yen

## (3) Period

During one year from January 18, 2012 to January 24, 2012

## (4) As a result of ongoing acquisition of treasury stock based on the resolution of the Meeting of the Board of Directors held on January 17, 2012, the Company acquired its own shares in the market on January 18, 2012. The total number of shares acquired was 1,060,000 and the acquisition cost was 3,858,400 thousand yen.

## FY2012 (Jan. 1, 2012 - Dec. 31, 2012)

Not applicable.

**5. Non-consolidated Financial Statements****(1) Non-consolidated Balance Sheets**

	(Millions of yen)	
	FY2011 As of Dec. 31, 2011	FY2012 As of Dec. 31, 2012
Assets		
Current assets		
Cash and time deposits	21,728	16,508
Notes receivable	* 1,054	* 1,191
Accounts receivable-trade	18,081	19,443
Finished goods	4,969	4,865
Work in process	8,219	8,235
Raw materials and supplies	1,637	1,387
Accounts receivable-other	2,195	3,783
Deferred income taxes	639	748
Others	1,035	1,155
Allowance for doubtful accounts	(112)	(124)
Total current assets	59,449	57,196
Fixed assets		
Property, plant and equipment		
Buildings	20,280	26,079
Accumulated depreciation	(12,792)	(12,518)
Accumulated impairment loss	(140)	(140)
Buildings (net)	7,347	13,420
Structures	2,498	2,614
Accumulated depreciation	(2,104)	(2,076)
Accumulated impairment loss	(1)	(1)
Structures (net)	392	536
Plant and machinery	18,576	20,375
Accumulated depreciation	(15,004)	(15,338)
Accumulated impairment loss	(191)	(173)
Plant and machinery (net)	3,380	4,862
Vehicles	172	173
Accumulated depreciation	(125)	(111)
Vehicles (net)	47	62
Tools, equipment and furniture	25,071	25,738
Accumulated depreciation	(23,101)	(23,280)
Accumulated impairment loss	(21)	(17)
Tools, equipment and furniture (net)	1,949	2,439
Land	9,816	9,804
Leased assets	40	43
Accumulated depreciation	(26)	(30)
Leased assets (net)	14	13
Construction in progress	3,056	1,806
Total property, plant and equipment	26,005	32,946
Intangible assets		
Software	1,315	1,364
Others	244	278
Total intangible assets	1,559	1,642

	(Millions of yen)	
	FY2011 As of Dec. 31, 2011	FY2012 As of Dec. 31, 2012
Investments and other assets		
Investment securities	4,608	6,348
Subsidiaries' and affiliates' stock	12,117	12,117
Long-term loans to subsidiaries and affiliates	4,392	4,025
Deferred income taxes	1,352	860
Others	1,978	2,076
Allowance for doubtful accounts	(1,075)	(1,071)
Total investments and other assets	23,373	24,357
Total fixed assets	50,938	58,946
Total assets	110,387	116,142
Liabilities		
Current liabilities		
Accounts payable-trade	8,519	10,491
Accounts payable-other	3,959	4,353
Income taxes payable	1,152	3,146
Deposit payable	4,278	5,039
Accrued employee bonuses	230	232
Accrued officer bonuses	140	164
Others	482	541
Total current liabilities	18,763	23,969
Long-term liabilities		
Employee retirement benefits	2,186	2,169
Officer retirement benefits	1,120	-
Others	113	757
Total long-term liabilities	3,419	2,927
Total liabilities	22,182	26,896
(Net assets)		
Shareholders' equity		
Common stock	35,613	35,613
Capital surplus		
Capital reserve	5,822	5,822
Other capital surplus	0	-
Total capital surplus	5,822	5,822
Retained earnings		
Legal reserve	3,194	3,194
Other retained earnings		
Unappropriated retained earnings	43,559	43,557
Total retained earnings	46,753	46,751
Treasury stock	(124)	(47)
Total shareholders' equity	88,065	88,139
Valuation and transaction adjustments		
Unrealized gain (loss) on other securities	139	1,106
Total valuation and transaction adjustments	139	1,106
Total net assets	88,204	89,246
Total liabilities and net assets	110,387	116,142

## (2) Non-consolidated Statement of Income

	(Millions of yen)	
	FY2011 Jan. 1, 2011 to Dec. 31, 2011	FY2012 Jan. 1, 2012 to Dec. 31, 2012
Net sales	172,453	191,551
Cost of sales		
Beginning balance of finished goods	4,462	4,969
Purchases of finished goods	66,059	85,503
Cost of products manufactured	*2 66,556	*2 64,604
Total	137,078	155,076
Transfer to other accounts	726	765
Ending balance of finished goods	4,969	4,865
Total cost of sales	131,381	149,446
Gross profit	41,071	42,105
Selling, general and administrative expenses	*2 28,355	*2 29,004
Operating income	12,715	13,101
Non-operating income		
Interest income	369	336
Dividend income	*1 9,024	*1 1,689
Foreign exchange gains	-	1,418
Others	220	460
Total non-operating income	9,614	3,904
Non-operating expenses		
Interest expenses	55	97
Payment discounts	167	170
Donations	271	143
Foreign exchange losses	1,093	-
Others	241	180
Total non-operating expenses	1,830	591
Ordinary income	20,500	16,414
Extraordinary losses		
Loss on revaluation of investment securities	1,430	-
Loss on factory reconstruction	715	1,076
Total extraordinary losses	2,145	1,076
Income before income taxes	18,354	15,338
Income tax-current	4,291	5,159
Income tax-deferred	551	(95)
Total income taxes	4,843	5,063
Net income	13,511	10,274

## (3) Non-consolidated Statements of Shareholders' Equity

	(Millions of yen)	
	FY 2011 Jan. 1, 2011 to Dec. 31, 2011	FY 2012 Jan. 1, 2012 to Dec. 31, 2012
Shareholders' equity		
Common stock		
Balance at beginning of year	35,613	35,613
Balance at end of year	35,613	35,613
Capital surplus		
Capital reserve		
Balance at beginning of year	5,822	5,822
Balance at end of year	5,822	5,822
Other capital surplus		
Balance at beginning of year	-	0
Changes of items during the year		
Sales of treasury stock	0	0
Retirement of treasury stock	-	(0)
Total changes of items during the year	0	(0)
Balance at end of year	0	-
Total capital surplus		
Balance at beginning of year	5,822	5,822
Changes of items during the year		
Sales of treasury stock	0	0
Retirement of treasury stock	-	(0)
Total changes of items during the year	0	(0)
Balance at end of year	5,822	5,822
Retained earnings		
Legal reserve		
Balance at beginning of year	3,194	3,194
Balance at end of year	3,194	3,194
Other retained earnings		
Unappropriated retained earnings		
Balance at beginning of year	35,768	43,559
Changes of items during the year		
Cash dividends paid	(5,719)	(6,336)
Net income	13,511	10,274
Retirement of treasury stock	-	(3,939)
Total changes of items during the year	7,791	(2)
Balance at end of year	43,559	43,557
Total retained earnings		
Balance at beginning of year	38,962	46,753
Changes of items during the year		
Cash dividends paid	(5,719)	(6,336)
Net income	13,511	10,274
Retirement of treasury stock	-	(3,939)
Total changes of items during the year	7,791	(2)
Balance at end of year	46,753	46,751



	(Millions of yen)	
	FY 2011 Jan. 1, 2011 to Dec. 31, 2011	FY 2012 Jan. 1, 2012 to Dec. 31, 2012
Treasury stock		
Balance at beginning of year	(121)	(124)
Changes of items during the year		
Acquisition of treasury stock	(2)	(3,863)
Sales of treasury stock	0	0
Retirement of treasury stock	-	3,939
Total changes of items during the year	(2)	76
Balance at end of year	(124)	(47)
Total shareholders' equity		
Balance at beginning of year	80,276	88,065
Changes of items during the year		
Cash dividends paid	(5,719)	(6,336)
Net income	13,511	10,274
Acquisition of treasury stock	(2)	(3,863)
Sales of treasury stock	0	0
Retirement of treasury stock	-	-
Total changes of items during the year	7,789	74
Balance at end of year	88,065	88,139
Valuation and translation adjustments		
Unrealized gain on other securities		
Balance at beginning of year	(100)	139
Changes of items during the year		
Net changes of items other than shareholders' equity	239	967
Total changes of items during the year	239	967
Balance at end of year	139	1,106
Total valuation and translation adjustments		
Balance at beginning of year	(100)	139
Changes of items during the year		
Net changes of items other than shareholders' equity	239	967
Total changes of items during the year	239	967
Balance at end of year	139	1,106
Total net assets		
Balance at beginning of year	80,175	88,204
Changes of items during the year		
Cash dividends paid	(5,719)	(6,336)
Net income	13,511	10,274
Acquisition of treasury stock	(2)	(3,863)
Sales of treasury stock	0	0
Net changes of items other than shareholders' equity	239	967
Total changes of items during the year	8,028	1,041
Balance at end of year	88,204	89,246

- (4) Note concerning Assumption of Going Concern  
Not applicable.

(5) Changes in the Significant Accounting Policies

FY 2011 Jan. 1, 2011 to Dec. 31, 2011	FY 2012 Jan. 1, 2012 to Dec. 31, 2012
<p>(Adoption of the “Accounting Standards for Asset Retirement Obligations”)</p> <p>Effective from 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 non-consolidated financial statements is immaterial.</p>	-----
<p>(Adoption of the “Accounting Standards for Business Combinations” and related matters)</p> <p>Effective from 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).</p>	-----

Additional information

FY 2011 Jan. 1, 2011 to Dec. 31, 2011	FY 2012 Jan. 1, 2012 to Dec. 31, 2012
-----	<p>(Adoption of “Accounting Standard for Accounting Changes and Error Corrections” and related matters)</p> <p>The Company has adopted the “Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Statement No. 24, December 4, 2009) and the “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No. 24, December 4, 2009) for accounting changes and error corrections made after the beginning of fiscal year 2012.</p>
-----	<p>(Abolition of the Officer Retirement Benefit Plan)</p> <p>The Company has resolved at the General Meeting of Shareholders held on March 29, 2012 to abolish the officer retirement benefit plan and grant the retirement benefits. Accordingly, the officer retirement benefits payable amounting to 649 million yen is presented in “Others” under “Long-term liabilities”.</p>

## (6) Notes relating to Non-consolidated Financial Statements

## (Notes relating to Non-consolidated Balance Sheets)

FY2011 (As of Dec. 31, 2011)	FY2012 (As of Dec. 31, 2012)
As the fiscal year-end fell on a holiday for financial institutions, notes receivable with maturity dates on the fiscal year-end date were cashed on a subsequent settlement date. The following amount of notes receivable with maturity dates on the fiscal year-end date was included in the balance of notes receivable at fiscal year-end.	As the fiscal year-end fell on a holiday for financial institutions, notes receivable with maturity dates on the fiscal year-end date were cashed on a subsequent settlement date. The following amount of notes receivable with maturity dates on the fiscal year-end date was included in the balance of notes receivable at fiscal year-end.
Notes receivable                      48 million yen	Notes receivable                      22 million yen

## (Notes relating to Non-consolidated Statements of Income)

FY2011 Jan. 1, 2011 to Dec. 31, 2011	FY2012 Jan. 1, 2012 to Dec. 31, 2012
*1 Dividend income from affiliated companies amounted to 8,882 million yen.	*1 Dividend income from affiliated companies amounted to 1,548 million yen.
*2 R&D expenses included in selling, general and administrative expenses and manufacturing expenses amounted to 9,192 million yen.	*2 R&D expenses included in selling, general and administrative expenses and manufacturing expenses amounted to 9,288 million yen.

## (Notes relating to Deferred Tax Accounting)

FY2011 (As of Dec. 31, 2011)	FY2012 (As of Dec. 31, 2012)
1. Significant components of deferred tax assets and liabilities (Millions of yen)	1. Significant components of deferred tax assets and liabilities (Millions of yen)
(Deferred tax assets)	(Deferred tax assets)
Excess of limit of accrued employee bonuses                      94	Excess of limit of accrued employee bonuses                      88
Enterprise tax payable    131	Enterprise tax payable    247
Officer retirement benefits    403	Officer retirement benefits    233
Excess of limit of employee retirement benefits                      787	Excess of limit of employee retirement benefits                      780
Unrealized gain on other securities    295	Unrealized gain on other securities    95
Loss on revaluation of other securities    675	Loss on revaluation of other securities    663
Book in excess of tax depreciation    60	Book in excess of tax depreciation    14
Loss on revaluation of golf memberships    135	Loss on revaluation of golf memberships    150
Excess of limit of allowance for doubtful accounts                      383	Excess of limit of allowance for doubtful accounts                      381
Loss on impairment    264	Loss on impairment    252
Book in excess of tax depreciation    196	Book in excess of tax depreciation    206
Devaluation loss on inventories    278	Devaluation loss on inventories    337
Others    322	Others    303
Sub-total deferred tax assets    4,030	Sub-total deferred tax assets    3,757
Valuation allowance    (1,665)	Valuation allowance    (1,496)
Total deferred tax assets    2,364	Total deferred tax assets    2,260
(Deferred tax liabilities)	(Deferred tax liabilities)
Unrealized gain on other securities    (373)	Unrealized gain on other securities    (651)
Total deferred tax liabilities    (373)	Total deferred tax liabilities    (651)
Net deferred tax assets    1,991	Net deferred tax assets    1,609

FY2011 (As of Dec. 31, 2011)	FY2012 (As of Dec. 31, 2012)
2. Reconciliation between the effective statutory tax rate and the actual effective tax rate	2. Reconciliation between the effective statutory tax rate and the actual effective tax rate
(%)	(%)
Effective statutory tax rate	Effective statutory tax rate
41.0	41.0
(Reconciliation)	(Reconciliation)
Permanent difference-expenses	Permanent difference-expenses
3.6	1.1
Permanent difference-income	Permanent difference-income
(19.0)	(4.2)
Tax credit	Tax credit
(4.1)	(4.8)
Valuation allowance	Valuation allowance
3.1	(1.1)
Adjustments of previous year	Adjustments of previous year
0.1	1.0
Adjustments of deferred tax assets due to change in effective statutory tax rates	Others
2.1	(0.0)
Others	Actual effective tax rate
(0.4)	33.0
Actual effective tax rate	
26.4	
3. Adjustment of deferred tax assets and liabilities due to change in effective statutory tax rates	-----
The "Act for Partial Amendment of the Income Tax Act etc., for the Purpose of Creating a Taxation System responding to Changes in Economic and Social Structures" (Act No. 114 of 2011) and the "Act on Special Measures for Securing Financial Resources Necessary for Reconstruction from the Great East Japan Earthquake" (Act No. 117 of 2011) were promulgated on December 2, 2011 and corporation tax rates will be changed for the fiscal years beginning on or after April 1, 2012.	
The Company changed the effective statutory tax rate used to measure deferred tax assets and liabilities from 41% to 38% for temporary differences expected to be eliminated in the fiscal years beginning on or after January 1, 2013, and from 41% to 36% for temporary differences expected to be eliminated in the fiscal years beginning on or after January 1, 2016.	
As a result of this change, the net amount of deferred tax assets (net of deferred tax liabilities) as of December 31, 2011 decreased 370 million yen, and deferred income taxes and unrealized gain (loss) on other securities recognized for fiscal year 2011 increased 381 million yen and 10 million yen, respectively.	