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## Summary of Consolidated Financial Results for the First Half of FY2021 (Unaudited)

(January 1, 2021 – June 30, 2021) [Japanese Standard] (Consolidated)

July 27, 2021

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 Date of filing of quarterly report to Ministry of Finance: August 11, 2021 Scheduled payment date for dividends: September 2, 2021  
 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 FY2021 (January 1, 2021 – June 30, 2021)

(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 attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First Half of FY2021	264,694	65.2	69,922	143.9	73,900	104.5	56,007	79.5
First Half of FY2020	160,255	(11.9)	28,674	(15.8)	36,131	4.3	31,206	26.0

(Note) Comprehensive income First Half of FY2021: 75,520 million yen (362.3%) First Half of FY2020: 16,334 million yen (-8.1%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First Half of FY2021	604.18	—
First Half of FY2020	336.64	—

### (2) Consolidated balance sheet information

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
First Half of FY2021	651,092	579,536	88.9
FY2020	590,420	529,785	89.6

(Reference) Shareholders' equity First Half of FY2021: 578,944 million yen FY2020: 529,287 million yen

### 2. Dividend information

	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2020	—	77.50	—	277.50	355.00
FY2021	—	117.50	—	—	—
FY2021 (Forecast)	—	—	—	117.50	235.00

(Notes) Change in forecasted dividend during the period: Yes

The year-end dividend for FY2020 was 277.50 yen per share, including a commemorative dividend of 200 yen for the 100th anniversary of the Company's foundation and an ordinary dividend of 77.50 yen per share.

### 3. Forecasted consolidated business performance for FY2021 (January 1, 2021 – December 31, 2021)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2021	500,000	32.3	124,500	50.5	128,600	57.8	93,700	47.6	1,010.79

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

\*Notes

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

(2) Application of accounting treatment specific to preparation of quarterly consolidated financial statements: None

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

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

(4) Number of shares of common stock issued

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

First Half of FY2021	92,720,000 shares	FY2020	92,720,000 shares
First Half of FY2021	20,456 shares	FY2020	20,159 shares
First Half of FY2021	92,699,635 shares	First Half of FY2020	92,700,562 shares

This quarterly financial report is outside the scope of quarterly review procedures by certified public accountants or audit corporations.

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 4 of the attached document. Shimano Inc. accepts no liability whatsoever for any direct or consequential loss arising from any use of this document.

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

### (1) Results of Operations

During the first half of fiscal year 2021, some countries showed improvement with the progress of vaccinations around the world to prevent the spread of the novel coronavirus (COVID-19), while some countries and regions continued to struggle with the spread of new infections caused by variants.

In Europe, the economy began to show positive signs of recovery, backed by gradual easing of restrictions on activities in line with rapid progress in vaccinations and a reduction in the number of infected people, which avoided significant decline in employment and income conditions.

In the U.S., the movement of people improved significantly due to the progress in the normalization of economic activities against the backdrop of widespread use of vaccinations, and the economy began to recover strongly led by personal consumption.

In Japan, the declaration of a state of emergency was issued once again in April, which worsened employment environment and put downward pressure on personal consumption, and the economy remained lackluster.

In this environment, some of the Shimano Group's factories experienced temporary shutdown due to lockdown. However, against the backdrop of the new normal, interest in and demand for bicycles and fishing continued to be high, and the Shimano Group increased production capacity at the factories in Japan and overseas. As a result, for the first half of fiscal year 2021, net sales increased 65.2% from the same period of the previous year to 264,694 million yen. Operating income increased 143.9% to 69,922 million yen, ordinary income increased 104.5% to 73,900 million yen, and net income attributable to owners of parent increased 79.5% to 56,007 million yen.

#### Reportable Segment Overview

##### ① Bicycle Components

The global cycling boom, triggered by the spread of COVID-19, maintained momentum this year, and demand for bicycles remained at high levels in all markets.

In overseas markets including that of Europe and North America, retail sales of bicycles and bicycle-related products remained robust in general and distributor inventories remained at low levels.

In the Japanese market, although there was no significant movement as seen in the overseas markets, as retail sales for cross bikes, used for recreation and as a mode of transportation for commuting to work and school, and for E-BIKE were solid, market inventories remained largely at appropriate levels.

Under these market conditions, while further increasing production in response to continued high demand, order-taking was brisk for EP8, the new product of SHIMANO STEPS sport E-BIKE components series, the new Deore MTB components and a wide range of existing products overall.

As a result, net sales from this segment increased 73.4% from the same period of the previous year to 212,599 million yen, and operating income increased 152.1% to 57,885 million yen.

##### ② Fishing Tackle

As vaccinations to prevent the spread of COVID-19 have progressed worldwide, people's lives are gradually returning to normal. In the midst of this trend, fishing remained popular and the market continued to thrive.

In the Japanese market, fishing as an outdoor leisure activity has become popular, and sales remained favorable, supported by firm demand.

Overseas, in the North American market, sales remained favorable on mid-range and popular price range products that combine reels and rods for beginners and families, as well as consumables such as lines. In Europe, sales were solid in the major markets of the UK and Germany, backed by the deregulation of over-the-counter sales after lifting of the lockdown, in addition to the established online sales. In Asia, sales were strong reflecting high demand for and stable growth of sport fishing in the Chinese market. In Australia, sales remained solid centering around products for game fishing, supported by good weather and strong demand, in addition to expectations for economic recovery.

Under these market conditions, new products, including bait reels ANTARES DC and SLX MGL, spinning reels ULTEGRA, and rods RINKAI SPECIAL, as well as the existing products such as the spinning reels VANFORD and SARAGOSA SW were well-received in the market.

As a result, net sales from this segment increased 38.4% from the same period of the previous year to 51,877 million yen, and operating income increased 108.5% to 12,033 million yen.

③ Others

Net sales from this segment increased 40.6% from the same period of the previous year to 217 million yen and operating income of 3 million yen was recorded, following an operating loss of 61 million yen for the same period of the previous year.

(2) Financial Position

Assets, Liabilities and Net Assets

Total assets as of the end of the first half of fiscal year 2021 amounted to 651,092 million yen, an increase of 60,671 million yen compared with the figure as of the previous fiscal year-end. The principal factors included an increase of 37,841 million yen in cash and time deposits, an increase of 6,404 million yen in notes and accounts receivable-trade, an increase of 6,033 million yen in work in process, an increase of 3,275 million yen in construction in progress, an increase of 2,666 million yen in investment securities, and an increase of 1,966 million yen in merchandise and finished goods.

Total liabilities amounted to 71,555 million yen, an increase of 10,920 million yen compared with the figure as of the previous fiscal year-end. The principal factors included an increase of 7,532 million yen in others under current liabilities and an increase of 4,321 million yen in income taxes payable.

Net assets amounted to 579,536 million yen, an increase of 49,751 million yen compared with the figure as of the previous fiscal year-end. The principal factors included an increase of 30,283 million yen in retained earnings and an increase of 17,487 million yen in foreign currency translation adjustments.

Cash Flows

As of the end of the first half of fiscal year 2021, cash and cash equivalents amounted to 336,145 million yen, an increase of 35,948 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 58,907 million yen compared with 36,606 million yen provided for the same period of the previous year. The main cash inflows included income before income taxes amounting to 74,124 million yen. The main cash outflows included income taxes paid amounting to 13,695 million yen.

(Cash Flows from Investing Activities)

Net cash used in investing activities amounted to 10,772 million yen compared with 19,375 million yen used for the same period of the previous year. The main cash outflows included acquisition of property, plant and equipment amounting to 7,484 million yen, purchase of time deposits amounting to 1,643 million yen, and acquisition of intangible assets amounting to 1,634 million yen.

(Cash Flows from Financing Activities)

Net cash used in financing activities amounted to 26,195 million yen compared with 10,138 million yen used for the same period of the previous year. The main cash outflows included cash dividends to shareholders amounting to 25,705 million yen.

## (3) Forecast for the Fiscal Year Ending December 31, 2021

The consolidated business performance forecast for fiscal year 2021 has been revised as follows based on the current demand trend, in addition to the fact that both net sales and income during the first half of fiscal year 2021 exceeded the previous forecast, thanks to favorable sales in the major markets of the U.S. and Europe, and emerging markets, as well as the effect of a lower cost of sales ratio through increased production.

Revisions to consolidated business performance forecast figures for FY2021 (January 1, 2021 – December 31, 2021)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	455,500	105,000	109,500	79,600	858.69
Revised forecast (B)	500,000	124,500	128,600	93,700	1,010.79
Difference (B-A)	44,500	19,500	19,100	14,100	
Change (%)	9.8	18.6	17.4	17.7	
Full year results for FY2020	378,040	82,701	81,471	63,472	684.71

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 interim cash dividends of 117.50 yen per share, an increase of 40 yen per share from the interim cash dividends paid in the previous year. Cash dividends for the full year are expected to amount to 235 yen per share, an increase of 80 yen per share from the previous forecast announced on April 27th 2021.

**2. Consolidated Financial Statements and Primary Notes****(1) Consolidated Balance Sheets**

(Millions of yen)

	FY2020 As of Dec. 31, 2020	First Half of FY2021 As of Jun. 30, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and time deposits	305,613	343,454
Notes and accounts receivable-trade	38,168	44,572
Merchandise and finished goods	41,134	43,100
Work in process	27,435	33,468
Raw materials and supplies	5,934	6,526
Others	5,604	7,191
Allowance for doubtful accounts	(420)	(432)
<b>Total current assets</b>	<b>423,468</b>	<b>477,881</b>
<b>Fixed assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures (net)	69,040	68,806
Machinery and vehicles (net)	20,808	20,786
Land	13,508	13,676
Leased assets (net)	4,133	4,490
Construction in progress	19,692	22,968
Others (net)	4,946	5,535
<b>Total property, plant and equipment</b>	<b>132,129</b>	<b>136,262</b>
<b>Intangible assets</b>		
Goodwill	3,591	3,497
Software	5,543	5,729
Others	6,113	6,413
<b>Total intangible assets</b>	<b>15,248</b>	<b>15,640</b>
<b>Investments and other assets</b>		
Investment securities	12,901	15,567
Deferred income taxes	5,545	4,682
Others	1,648	1,570
Allowance for doubtful accounts	(520)	(513)
<b>Total investments and other assets</b>	<b>19,574</b>	<b>21,307</b>
<b>Total fixed assets</b>	<b>166,952</b>	<b>173,211</b>
<b>Total assets</b>	<b>590,420</b>	<b>651,092</b>

(Millions of yen)

	FY2020 As of Dec. 31, 2020	First Half of FY2021 As of Jun. 30, 2021
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	18,727	18,082
Short-term loans payable	9	7
Income taxes payable	10,644	14,966
Accrued employee bonuses	2,556	2,008
Accrued officer bonuses	162	81
Others	21,846	29,378
Total current liabilities	53,946	64,524
Long-term liabilities		
Long-term loans payable	11	7
Deferred income taxes	1,483	1,765
Net defined benefit liability	2,872	2,744
Others	2,320	2,514
Total long-term liabilities	6,688	7,031
Total liabilities	60,635	71,555
<b>Net assets</b>		
Shareholders' equity		
Common stock	35,613	35,613
Capital surplus	5,642	5,642
Retained earnings	498,046	528,329
Treasury stock	(154)	(161)
Total shareholders' equity	539,146	569,422
Accumulated other comprehensive income		
Unrealized gain (loss) on other securities	2,458	4,352
Foreign currency translation adjustments	(12,318)	5,169
Total accumulated other comprehensive income	(9,859)	9,521
Non-controlling interests	498	592
Total net assets	529,785	579,536
Total liabilities and net assets	590,420	651,092

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

	(Millions of yen)	
	First Half of FY2020	First Half of FY2021
	Jan. 1, 2020 to Jun. 30, 2020	Jan. 1, 2021 to Jun. 30, 2021
Net sales	160,255	264,694
Cost of sales	97,916	154,960
Gross profit	62,339	109,734
Selling, general and administrative expenses	33,665	39,811
Operating income	28,674	69,922
Non-operating income		
Interest income	1,456	727
Dividend income	254	340
Foreign exchange gains	6,758	3,413
Others	333	361
Total non-operating income	8,802	4,843
Non-operating expenses		
Interest expenses	66	59
Contribution	530	651
Loss on disposal of fixed assets	460	80
Others	288	73
Total non-operating expenses	1,345	865
Ordinary income	36,131	73,900
Extraordinary income		
Insurance income	3,619	345
Total extraordinary income	3,619	345
Extraordinary losses		
Loss on factory reconstruction	115	121
Total extraordinary losses	115	121
Income before income taxes	39,635	74,124
Income taxes-current	8,406	17,471
Income taxes-deferred	3	539
Total income taxes	8,409	18,011
Net income	31,225	56,113
Net income attributable to non-controlling interests	19	106
Net income attributable to owners of parent	31,206	56,007

## Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	First Half of FY2020 Jan. 1, 2020 to Jun. 30, 2020	First Half of FY2021 Jan. 1, 2021 to Jun. 30, 2021
Net income	31,225	56,113
Other comprehensive income		
Unrealized gain (loss) on other securities	(923)	1,894
Foreign currency translation adjustments	(13,967)	17,513
Total other comprehensive income	(14,891)	19,407
Comprehensive income	16,334	75,520
(Breakdown)		
Comprehensive income attributable to owners of parent	16,324	75,388
Comprehensive income attributable to non-controlling interests	10	131

## (3) Consolidated Statements of Cash Flows

(Millions of yen)

	First Half of FY2020 Jan. 1, 2020 to Jun. 30, 2020	First Half of FY2021 Jan. 1, 2021 to Jun. 30, 2021
Cash flows from operating activities:		
Income before income taxes	39,635	74,124
Depreciation and amortization	9,278	9,050
Insurance income	(3,619)	(345)
Interest and dividend income	(1,711)	(1,067)
Interest expenses	66	59
Foreign exchange losses (gains)	(6,412)	(2,607)
Notes and accounts receivable	1,486	(5,290)
Inventories	(605)	(6,138)
Accounts payable	(1,255)	(1,172)
Net defined benefit liability	291	(160)
Loss on factory reconstruction	115	121
Provision for loss on fire	(10)	—
Loss on sales and disposal of property, plant and equipment	445	60
Accrued bonuses	1,526	1,951
Others, net	675	2,693
Subtotal	39,906	71,278
Interest and dividend income received	1,903	1,036
Interest expenses paid	(62)	(57)
Insurance income received	2,915	345
Payments for fire	(265)	—
Income taxes paid	(7,790)	(13,695)
Net cash provided by operating activities	36,606	58,907
Cash flows from investing activities:		
Purchases of time deposits	(907)	(1,643)
Proceeds from maturities of time deposits	678	169
Acquisition of property, plant and equipment	(16,385)	(7,484)
Acquisition of intangible assets	(2,316)	(1,634)
Payments for loss on factory reconstruction	(155)	(125)
Others, net	(290)	(54)
Net cash used in investing activities	(19,375)	(10,772)

(Millions of yen)

	First Half of FY2020 Jan. 1, 2020 to Jun. 30, 2020	First Half of FY2021 Jan. 1, 2021 to Jun. 30, 2021
Cash flows from financing activities:		
Short-term loans payable, net	(2,390)	(1)
Repayments of long-term loans payable	(232)	(3)
Repayments of lease obligations	(324)	(441)
Acquisition of treasury stock	(5)	(7)
Cash dividends to shareholders	(7,186)	(25,705)
Cash dividends to non-controlling shareholders	—	(35)
Net cash used in financing activities	(10,138)	(26,195)
Effect of exchange rate changes on cash and cash equivalents	(4,280)	14,009
Net increase (decrease) in cash and cash equivalents	2,811	35,948
Cash and cash equivalents at beginning of period	264,738	300,197
Cash and cash equivalents at end of period	267,550	336,145

(4) Notes relating to Consolidated Financial Statements  
(Note concerning Assumption of Going Concern)

Not applicable.

## (Note on Significant Change in the Amount of Shareholders' Equity)

Not applicable.

## (Segment Information)

First Half of FY2020 (Jan. 1, 2020 – Jun. 30, 2020)

Information on net sales and income (loss) by reportable segment (Millions of yen)

	Reportable Segment				Adjustment	Consolidated Financial Statements
	Bicycle Components	Fishing Tackle	Others	Total		
Net sales						
Third parties	122,613	37,487	154	160,255	—	160,255
Inter-segment	—	—	—	—	—	—
Total	122,613	37,487	154	160,255	—	160,255
Segment income (loss)	22,963	5,771	(61)	28,674	—	28,674

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

First Half of FY2021 (Jan. 1, 2021 – Jun. 30, 2021)

Information on net sales and income (loss) by reportable segment (Millions of yen)

	Reportable Segment				Adjustment	Consolidated Financial Statements
	Bicycle Components	Fishing Tackle	Others	Total		
Net sales						
Third parties	212,599	51,877	217	264,694	—	264,694
Inter-segment	—	—	—	—	—	—
Total	212,599	51,877	217	264,694	—	264,694
Segment income (loss)	57,885	12,033	3	69,922	—	69,922

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