

ESG Sheet

FY2024 (January 1 through December 31, 2024)

Company Profile <small>(as of December 31, 2024)</small>	Company Name	SHIMANO INC.	Paid-in Capital Number of Employees Main Business	JPY 35.6 billion SHIMANO INC. only: 1,748   Consolidated: 13,314 Development, production, and distribution of bicycle components, fishing tackle, and rowing equipment
	Head Office	3-77 Oimatsu-cho, Sakai-ku, Sakai City, Osaka 590-8577, Japan		
	Date of Establishment	February 1921		
	Date of Incorporation	January 1940		

Basic policy regarding sustainability

To achieve our corporate mission, “To promote health and happiness through the enjoyment of nature and the world around us,” the Shimano Group seeks to contribute to sustainable economic growth and the resolution of environmental and social issues as a corporate citizen of global society that possesses shared global ethics and a spirit of legal compliance, and to continue to be a Value Creating Company that provides captivating products loved by people around the world. The Group has therefore formulated a Code of Conduct that outlines policies to be observed by all individuals within the Group in their daily business activities, to contribute to developing a sustainable society through sound business practices and be even more highly trusted by all stakeholders including customers, shareholders, and business partners.  
(For more information regarding the Code of Conduct, please visit <https://www.shimano.com/en/company/regulatory-compliance.html>)

Main items related to sustainability

Environment

3-1 We undertake environmental protection activities.

Social

4-1 We appreciate diversity and prohibit discrimination and harassment.  
4-2 We maintain a sound workforce, promote cooperation, and provide a safe work environment.

Environment

Working to achieve the SDGs

12 Responsible consumption and production13 Climate action15 Life on land

Environmental initiatives

Preserving a beautiful global environment

The Shimano Group places a high priority on preserving and improving the global environment as a setting where customers can enjoy using our products.

To contribute to creating a beautiful and hospitable global environment, the Shimano Group believes we need to think continuously about how to reduce our environmental impact. We see activities that contribute to creating a sustainable society as also leading to enhanced competitiveness for the Shimano Group and proactively pursue them.

We promote the following initiatives to identify in our business activities any risks and opportunities presented by climate change, endorse resource recycling as part of our responsibility in value creation as a development-oriented digital manufacturing company, and contribute to realizing a sustainable society.

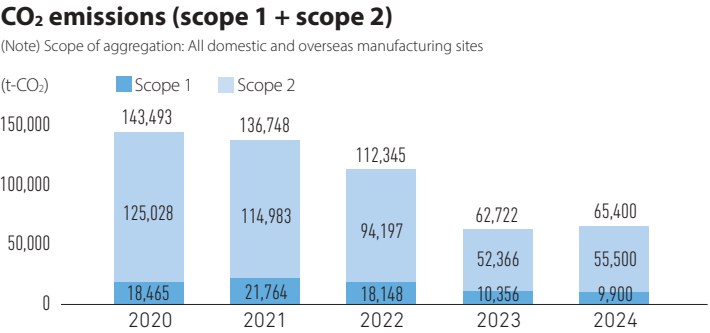
1. Addressing climate change
- We are striving to reduce CO<sub>2</sub> emissions by creating a highly efficient value creation structure that eliminates waste, by reducing energy consumption, and by promoting a transition to renewable energy.
- Switching from equipment that burns fossil fuels to electrical equipment

● Using renewable energy-derived electricity for all electrical power used at domestic manufacturing sites

● Purchasing renewable energy certificates at certain overseas factories
2. Promoting resource recycling
- We are proactively promoting resource recycling through reducing, reusing, and recycling plastic.
- Reducing the amount of plastic packaging used for bicycle replacement parts and fishing rods

● Reusing plastic pallets

● Promoting the recycling\*1 of packaging materials used in distribution (PE, PP, PS, PET, etc.) and plastic materials emitted by manufacturing processes, and developing products through closed recycling\*2



(Note) 2024 CO<sub>2</sub> emissions are calculated using actual amounts for January through November and an estimate for December.

Reduction targets	
2030	55% reduction in CO <sub>2</sub> emissions (Scope 1 & 2) from 2013 levels at domestic and overseas manufacturing sites
2050	Groupwide carbon neutrality

- \*1. Melting, etc., waste materials to recover and reuse materials
- \*2. A recycling system in which the entire process from materials procurement to use, disposal, and reuse is done within a closed cycle among users
3. Preserving lush green spaces
- We consider the protection of “green spaces” as settings where customers can enjoy our products essential for achieving our mission. The Shimano Group promotes the appropriate and effective preservation of forests as a way of contributing to the realization of a sustainable society.
- The Shimano MTB Clothing Forest campaign in cooperation with Treedom

● The 1 million tree project of the Jane Goodall Institute's (JGI) Roots & Shoots environmental program
- (Examples of projects in which the Group participates)

needed, and investing in human resources to contribute to the medium- to long-term enhancement of corporate value, based on the Shimano Competencies formulated in 2009, as a basic policy for human resources development that embodies our corporate philosophy and goals, to be an important part of the Company's management.

Following this thinking, as part of our human resources development, we strive to create a climate in which employees can learn autonomously, together with opportunities for employees to discover, implement, and experience new knowledge and connect with their colleagues.

The establishment of the Shimano Campus, an internal college, is one specific initiative. This program creates venues for dialogue with management as a way to deepen ties among employees and impart the Company's history and goals. The program also includes training for future leaders and is working to increase operational efficiency and productivity by introducing generative artificial intelligence (AI) like Microsoft Copilot and DeepL.

3. Consideration of human rights in transactions with business partners

In addition to viewing our business partners as our equals, we believe that captivating products start with building relationships of mutual support and sharing joy as a corporate citizen.

Since 2022, we have been obtaining written agreements from our domestic and overseas product suppliers stating that they comply with our Vendor Code of Conduct, and we continue to engage with suppliers through written surveys, individual dialogue and visits, and other means.

In 2024, we held briefings and made visits to suppliers of our factories in Japan, China, and Southeast Asia regarding respect for human rights.

We are also working to ensure respect for human rights throughout the Shimano Group's supply chain, following the UN's Guiding Principles on Business and Human Rights. In July, we formulated and posted to our website the Shimano Group Human Rights Policy.

As the Human Rights Policy expresses, we are working to ensure that our human rights due diligence and remediation hotline function as we strive to have our business activities respect human rights throughout our supply chains.

Governance

Corporate governance initiatives

Sound, sustainable business activities

Management conscious of cost of capital and stock price

On the basis of the three management principles of (1) strengthening core competence and narrowing market focus, (2) creating cycling and fishing cultures and strengthening the brand, and (3) enhancing corporate value, the Board of Directors makes investment decisions including capital investment for continuous growth, investment in research and development, and investment addressing environmental, social, and governance (ESG) issues. At the same time, we comprehensively take into account factors including the effect on earnings strength and capital efficiency based on the cost of capital and return on equity (ROE) as well as the economic environment, with the aim of growing as a Value Creating Company that continuously provides captivating products.

We place importance on returns to shareholders as a management issue under a basic policy of continuously maintaining a stable dividend and distributing profits in line with business results. We strive to return profits to shareholders while further enhancing corporate value, strengthening our financial position, and rationalizing our capital structure. At the same

time, we consider it important that all shareholders and investors gain an understanding of the Company's management through constructive dialogue.

Sustainability management

In May 2022, we introduced an ESG Committee (chaired by the Deputy President and comprising all executive officers) as a structure to consider sustainability issues related to the environment and society that affect our corporate value and business activities and discuss issues.

Three subcommittees—an Environment Committee, a Social and Ethics Committee, and a Governance Committee— were established under the auspices of the ESG Committee in 2024 to add depth to the quality of deliberations and ensure effective discussion.

The deliberations of these committees address climate change, resource recycling, respect for human rights, crisis management structures, and the strengthening of internal controls. The results of those deliberations were reported to the Board of Directors. Using those reports, the board is providing oversight and guidance to promote various measures appropriately.

	2022	2023	2024	2025*
Total directors	8	9	9	10
Outside directors	3	4	4	5
Female directors	0	1	1	2
Foreign directors	1	1	1	1
Total auditors	4	4	4	4
Outside auditors	2	2	2	2
Female auditors	1	1	1	1

\* Plans are in place for official decisions at the 118th Ordinary General Meeting of Shareholders, scheduled to be held on March 27, 2025.

	2022	2023	2024
Number of Board of Directors meetings	13	13	13
Average number of agenda items discussed	6	6	6
Attendance rate for outside directors	100%	100%	100%
Attendance rate for outside auditors	100%	100%	100%
Number of Nomination and Remuneration Advisory Committee meetings	2	2	2
Attendance rate for inside directors	100%	100%	100%
Attendance rate for outside directors	100%	100%	100%
Number of ESG Committee meetings	3	4	4
Cross-shareholdings	23 issuers	23 issuers	21 issuers
Percentage of net assets held as cross-shareholdings	1.4%	1.6%	1.8%

Social

Working to achieve the SDGs

8 DECENT WORK AND ECONOMIC GROWTH

Social initiatives

Supporting healthy and safe daily lives of people

Our position as a company is for the Shimano Group to be an ideal corporate citizen that supports the safety and well-being of all people and coexists with all others for mutual benefit.

1. Safety and health activities

Dedicated to occupational health and the spirit of “safety and health taking precedence over any other and all other things,” the Shimano Group considers it important to create places where employees can work in safety and with peace of mind.

Having completed the rollout at the Shimonoseki Factory of a project focusing on safety, with the aim of zero work-related injuries or deaths, launched at the SIP (Sakai Intelligent Plant) in 2018, we are currently introducing the project to overseas factories. We are also building a framework that promptly shares information about work-related injuries or deaths and examples of accidents at all factories in Japan and overseas.

2. Investment in human capital

In line with the spirit of “Harmony and Integrity,” we have since our founding promoted career development for human resources with diverse values and strengths. We believe it is important to create environments in which employees can fully use their own skills and abilities, an initiative that will enable employees to grow autonomously by motivating them to encourage one another to improve and work diligently.

To achieve this, we consider fully using every employee's abilities, developing capabilities as