

ESG Sheet

FY2025 (January 1 through December 31, 2025)

Company Profile

(as of December 31, 2025)

Company Name SHIMANO INC.
Head Office 3-77 Oimatsu-cho, Sakai-ku, Sakai City, Osaka 590-8577, Japan
Date of Establishment February 1921
Date of Incorporation January 1940

Paid-in Capital JPY 35.6 billion
Number of Employees SHIMANO INC. only: 1,779 Consolidated: 10,242
Main Business Development, production, and distribution of bicycle components, fishing tackle, and rowing equipment

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.



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 achieve a beautiful and hospitable global environment, the Shimano Group believes that sustained and proactive efforts to reduce our environmental impact are necessary. We believe that these efforts will also lead to enhanced competitiveness for the Shimano Group.

As a development-oriented digital manufacturing company, we work to fulfill our responsibility in value creation by appropriately identifying in our business activities the risks and opportunities presented by climate change. We promote the following initiatives to advance resource recycling, ensure thorough compliance, and contribute to realizing a sustainable society.

1. Addressing climate change

We are striving to reduce our environmental impact by creating a highly efficient value creation structure that eliminates waste by reducing energy consumption and by promoting a transition to renewable energy. Specifically, we are implementing the following initiatives.

- Switching from equipment that burns fossil fuels to electrical or other energy-efficient 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 and reducing our environmental impact through reducing, reusing, and recycling. Specifically, we are implementing the following initiatives.

- Reducing single-use resources such as 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}
- Developing products through post-consumer recycling^{*3} by recovering magnesium from end-of-life scrap

CO₂ emissions (Scope 1 + Scope 2)

Boundary of aggregation: Manufacturing sites of Shimano Inc. and Group manufacturing sites in Japan and overseas (Thousand t-CO₂)



(Notes) * Simple sums and total figures shown may differ because of rounding off.
 * To enhance the reliability of our disclosures, we have obtained independent third party assurance since FY2024, and assurance has also been obtained for our FY2025 results.

Reduction targets

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

- *1. Material recycling: A recycling system in which materials are recovered through various processes and reused as raw materials.
- *2. Closed recycling: A recycling system in which the entire process from materials procurement to use, disposal, and reuse is circulated and completed within the Company.
- *3. Post-consumer recycling: A recycling system in which post-consumer products are collected, sorted, and reused as resources

3. Preserving lush green spaces

We consider the protection of "lush green spaces" where customers can enjoy our products to be essential to 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. Examples of our initiatives include the following.

- The Shimano MTB Clothing Forest campaign in cooperation with Treedom
- Participation in the Jane Goodall Institute's (JGI) Roots & Shoots environmental program's 1 Million Tree Project
- Since 2004, a cumulative total of 60,921 trees have been planted through afforestation activities.

new work systems and connect with their colleagues.

With the aim of improving operational efficiency and productivity, we are focusing on developing personnel with the expertise to appropriately utilize and introduce generative AI and other digital tools so that we can respond swiftly to advances in generative AI technologies. Specifically, in addition to enhancing training programs, we have begun providing individual support to help each employee acquire the skills they need.

Going forward, we will further strengthen human capital development and career development support, promoting employee growth and thereby aiming to enhance overall organizational performance.

3. Consideration of human rights

In our relationships with all stakeholders, we believe that captivating products start with building relationships of mutual support and sharing joy as a corporate citizen. Based on this philosophy, in 2016 we established our Vendor Code of Conduct, setting out the standards all employees are expected to uphold.

In 2024, following the UN's Guiding Principles on Business and Human Rights, we formulated the Shimano Group Human Rights Policy to promote respect for human rights throughout the Shimano Group's supply chain. As part of this effort, we have been obtaining written agreements from our domestic and overseas 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.

Beginning in 2025, in order to objectively assess the effectiveness of our initiatives, we initiated audits of our suppliers in Japan and of the suppliers of our overseas subsidiaries in Southeast Asia as part of our internal audit process, engaging independent third party organizations. In addition, we are advancing preparations to introduce Sedex, a platform that enables supply chain assessments.

From the perspective of remedying human rights issues, we became a full member of the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) and began accepting reports of human rights violations through its grievance mechanism platform. To encourage the use of this platform, we are working to enhance its effectiveness by holding briefings for suppliers and distributing informational materials.



Corporate governance initiatives

Sound, sustainable business activities

1. Diversity and independence of the Board of Directors

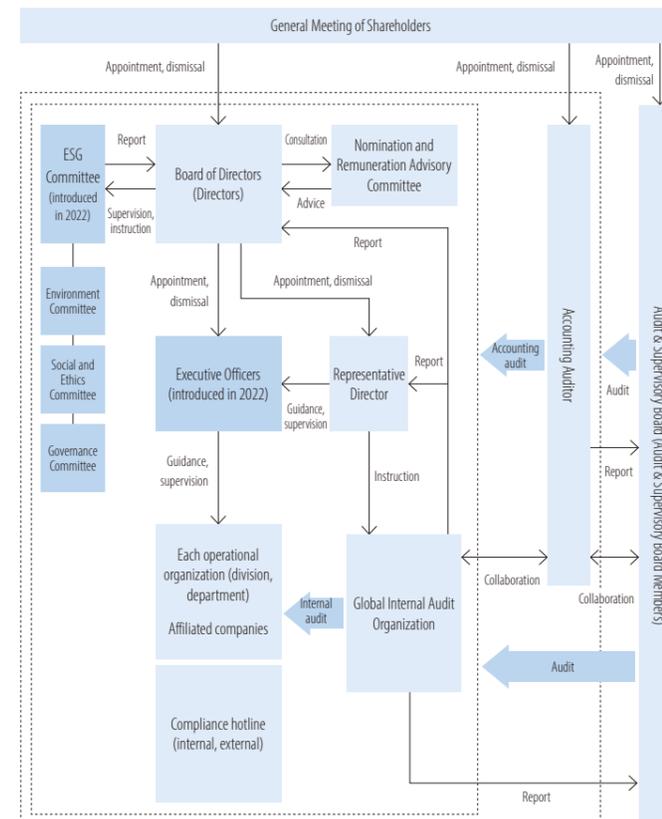
At the 118th Ordinary General Meeting of Shareholders held on March 27, 2025, the election of one female outside director was approved. As a result, the number of outside directors increased to five, and outside directors now comprise half of the Board of Directors. Going forward, we will continue to work toward further enhancing corporate value while strengthening the diversity of the Board of Directors and corporate governance.

2. Nomination and Remuneration Advisory Committee

Shimano Inc. has established the Nomination and Remuneration Advisory Committee as an advisory body to the Board of Directors regarding matters related to the nomination of director candidates and remuneration. The Committee is composed of five members, the majority of whom—three members—are outside directors. Through deliberations conducted from an independent perspective, the Committee strives to ensure appropriate executive appointments and the development of a sound remuneration structure, thereby contributing to the strengthening of corporate governance.

3. Disclosure concerning initiatives to achieve management conscious of capital costs and share price

As part of our initiatives to achieve management that is conscious of capital costs and share price,



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 policy of "safety and health taking precedence over all other considerations," the Shimano Group recognizes the importance of creating workplaces where employees can work safely and with peace of mind and aims to achieve zero work-related injuries or deaths.

Launched at the SIP (Sakai Intelligent Plant) in 2018, the safety-focused "Shu-Ha-Ri" project has taken root as an ongoing safety initiative at the SIP and the Shimonoseki Factory, promoting the establishment of safe workplaces and the development of a strong safety mindset among employees. Currently, we are rolling out initiatives to promptly share information on work-related injuries or deaths and examples of accidents across sites in Japan and overseas, and to thoroughly implement preventive measures to avoid their recurrence.

2. Investment in human capital

In line with the spirit of "Harmony and Integrity," we have since our founding placed importance on the career development of people with diverse values and strengths and have been working to enhance sustainable corporate value. Based on the Shimano Competencies formulated in 2009 as a fundamental policy for human resources development that embodies our corporate philosophy and aspirations, we view investment in human capital as important to our management. Following this thinking, we strive to create a climate in which employees can learn autonomously, together with opportunities for employees to discover, implement, and experience

the Company discloses its views on capital allocation, equity capital, shareholder returns, and growth investment through materials such as supplementary information to our financial results announcements.

Going forward, as a Value Creating Company, we will continue to pursue investments for growth, improvements in capital efficiency, and enhanced shareholder returns.

4. Constructive dialogue with shareholders and investors

The Company actively engages in dialogue with shareholders and investors through individual IR meetings, regular financial results briefings, and group meetings, tailored to the interests and concerns of various stakeholders. In 2025, the Company held IR meetings and group meetings with a cumulative total of 672 companies participating. The opinions and feedback obtained through these dialogues are reported to the Board of Directors and taken into consideration in management decisions.

5. Cross-shareholdings

The Company regularly reviews the appropriateness of continuing to hold cross-shareholdings by comprehensively considering factors such as returns and risks. When it is determined that such shareholdings do not contribute to the Company's sustainable growth or the enhancement of its medium- to long-term corporate value, the Company proceeds with their reduction as appropriate. In FY2025, the Company fully sold one stock and partially sold two other stocks that it held.

	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

	2023	2024	2025
Number of Board of Directors meetings	13	13	13
Average number of agenda items discussed	6	6	7
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	4	4	4
Cross-shareholdings	23 issuers	21 issuers	20 issuers
Percentage of net assets held as cross-shareholdings	1.6%	1.8%	2.2%
Cumulative number of companies participating in individual IR meetings and group meetings	418 companies	548 companies	672 companies (2019: 189 companies)
Number of financial results briefings held and cumulative number of participating companies	2 sessions / 208 companies	2 sessions / 162 companies	2 sessions / 189 companies

Greenhouse gas emissions (Scope 1 and 2) calculation methodology

- Calculate using “the Greenhouse Gas Emissions Calculation and Reporting Manual (Ver.6.0)” (2025) published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan, and GHG protocol “The Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard Revised Edition”.
- Scope 2 is calculated based on market standards
- Emission factors: use the latest emission factors available at the time of calculation

Uncertainty of GHG emissions quantification

GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials.

Scope 1: Direct emissions from business sites due to the use of fossil fuels, etc.

CO₂ emissions from fuel used by vehicles traveling outside the premises and non-energy-derived greenhouse gas emissions are not included in the calculation.

CO₂ emission factors for fossil fuels

Japan

Ministry of the Environment and Ministry of Economy, Trade and Industry of Japan “List of Calculation Methods and Emission factors for the Calculation, Reporting, and Disclosure System”

https://policies.env.go.jp/earth/ghg-santeikohyo/files/calc/itiran_2023_rev4.pdf

Ministry of the Environment and Ministry of Economy, Trade and Industry of Japan “Emission Factors by Gas Supply Companies (for Calculating Greenhouse Gas Emissions by Specific Emitters) - 2024 Fiscal Year Supply Performance”, basic emission factors for each gas supply companies listed therein.

https://policies.env.go.jp/earth/ghg-santeikohyo/files/calc/r07_gas_coefficient.pdf

Overseas

If emission factors are provided by the suppliers, use those emission factors.

If not, use emission factors or official calculation guidelines published in the country where the business sites are located.

[Czech Republic] Natural gas

UNFCCC National Inventory Submissions Czechia

<https://unfccc.int/documents/646487>

[United States] Natural gas

EIA (U.S. Energy Information Administration) Carbon Dioxide Emissions Coefficients by Fuel

https://www.eia.gov/environment/emissions/co2_vol_mass.php

If none of the above are available, use the “List of Calculation Methods and Emission Factors for the Calculation, Reporting, and Disclosure System” published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan.

https://policies.env.go.jp/earth/ghg-santeikohyo/files/calc/itiran_2023_rev4.pdf

Scope 2: Indirect emissions due to the use of electricity, steam, and hot water supplied from outside the business sites

CO₂ emission factors for electricity

Japan

Ministry of the Environment and Ministry of Economy, Trade and Industry of Japan, “Emission Factors by Electricity Supply companies (for Calculating Greenhouse Gas Emissions by Specific Emitters) - Fiscal Year 2023 Results”, basic emission factors for each electric utility listed therein.

https://policies.env.go.jp/earth/ghg-santeikohyo/files/calc/r07_denki_coefficient_rev4.pdf

Overseas

If emission factors are provided by the suppliers, use those emission factors.

If not, use the country-specific emission factors for 2023 listed in “IEA Emissions Factors 2025” provided by the International Energy Agency (IEA).

CO₂ emission factors for energy supplied from outside the business sites other than electricity (steam, hot water)

Japan and overseas

If the emission factors for the region where energy is supplied can be confirmed, use those emission factors.

If not, use the “Emission Factors by Heat Supply Companies (for Calculating Greenhouse Gas Emissions by Specific Emitters) - Fiscal Year 2023 Supply Performance” published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan. (In fiscal year 2025, only overseas sites are subject to this calculation, and the “substitute value” provided in the above emission factor table is applied.)

https://policies.env.go.jp/earth/ghg-santeikohyo/files/calc/r07_heat_coefficient.pdf

Independent Practitioner's Limited Assurance Report

To the President of SHIMANO INC.

Conclusion

We have performed a limited assurance engagement on whether selected environmental performance indicators (the "subject matter information" or the "SMI") presented in SHIMANO INC.'s (the "Company") ESG Sheet (FY 2025) (the "ESG Sheet") for the year ended December 31, 2025 have been prepared in accordance with the criteria (the "Criteria"), which are established by the Company and are explained on the ESG Sheet. The SMI subject to the assurance engagement is indicated in the ESG Sheet with the symbol "★".

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Company's SMI for the year ended December 31, 2025 is not prepared, in all material respects, in accordance with the Criteria.

Basis for Conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under that standard are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other information

Our conclusion on the SMI does not extend to any other information that accompanies or contains the SMI (hereafter referred to as "other information"). We have read the other information but have not performed any procedures with respect to the other information.

Responsibilities for the SMI

Management of the Company is responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation of the SMI that is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the SMI and appropriately referring to or describing the criteria used; and
- preparing the SMI in accordance with the Criteria.

Inherent limitations in preparing the SMI

As described in the "Greenhouse gas emissions (Scope 1 and 2) calculation methodology" in the ESG Sheet, GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials. Hence, the selection by management of a different but acceptable measurement method, activity data, emission factors, and relevant assumptions or parameters could have resulted in materially different amounts being reported.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the SMI is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the management.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the SMI that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the SMI and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- assessing the suitability of the criteria applied to prepare the SMI;
- conducting interviews with the relevant personnel of the Company to obtain an understanding of the key processes, relevant systems and controls in place over the preparation of the SMI;
- performing analytical procedures including trend analysis;
- identifying and assessing the risks of material misstatements;
- performing site visit at one of the Company's overseas sites which was determined through our risk assessment procedures;
- performing, on a sample basis, recalculation of amounts presented as part of the SMI;
- performing other evidence gathering procedures for selected samples; and
- evaluating whether the SMI was presented in accordance with the Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

/s/ *Keisuke Inoue*

Keisuke Inoue, Engagement Partner

KPMG AZSA Sustainability Co., Ltd.

Osaka Office, Japan

February 10, 2026

Notes to the Reader of Assurance Report:

This is a copy of the Assurance Report and the original copies are kept separately by the Company and KPMG AZSA Sustainability Co., Ltd.