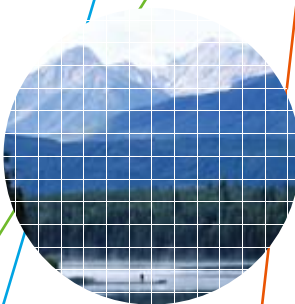


**Team
Shimano**

Social Activity Report

[January 1 – December 31, 2012]



SHIMANO

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Issuance of Social Activity Report



In this age of turbulence and advanced globalization, which seems to be taking us nowhere, it is difficult for people, society, and companies to set definite goals and make steady efforts to achieve them.

However, a company must deeply consider its relations with people and society, define its role in society, and fulfill its social responsibility as a corporate citizen.

Despite changes in our social environment, Shimano will remain steadfast to its principles as a development-oriented manufacturing company based in Japan, and fulfill its role in society so as to enhance its corporate value.

Through the provision of what we call “Captivating Products,” we will continue our efforts to promote enriched bicycle and fishing cultures, constantly keeping in mind our corporate mission:
To promote health and happiness through the enjoyment of nature and the world around us.

We will continue to make down-to-earth efforts to fulfill our responsibility as a corporate citizen, thereby contributing to society.

It is my sincere hope that this report will deepen your understanding of Shimano’s wide-ranging commitment to social responsibility.

Yozo Shimano
President, SHIMANO INC.



Enhancing Corporate Value

— Offering “Captivating Products”

Shimano offers what we call “Captivating Products,” including bicycle components that ensure comfortable riding and ease of operation, fishing tackle characterized by a fusion of technology and human sensitivity, and sportswear and shoes that further enhance the enjoyment of outdoor activities.

By promoting cycling and fishing, both enjoyed in the natural environment, Shimano aims to help enrich the lifestyles of all those who use our products.

Bicycle Components

■ New DURA-ACE Series That Meets Riders’ Expectation

In 2012 Shimano launched a number of brand new models for the DURA-ACE series, featuring unprecedented precise, light-weight, ergonomic design. Riders can confirm the enhanced performance of all components, including 11-speed cassette sprockets. The new models are sure to support professional riders in achieving victories in road races.



■ SAINT Series — Optimal Components for Downhill Races

The SAINT series — mountain bicycle components for downhill races — was totally renewed in 2012. World Cup downhill races have proved our products’ unparalleled durability, stability, speed control performance, and excellent ergonomic design, since they have helped many riders win championships.



■ ULTEGRA 6770 — GOOD DESIGN Best 100

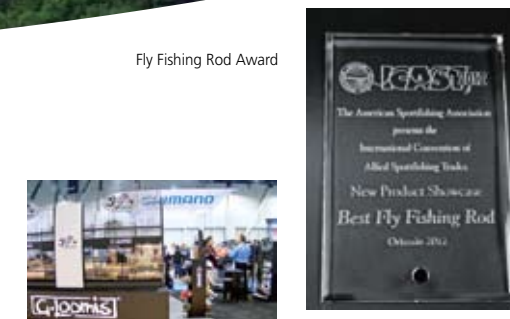
ULTEGRA 6770 won the Good Design Award from the Japan Institute of Design Promotion. Moreover, from among the awarded products, ULTEGRA 6770 was selected as one of the GOOD DESIGN Best 100 products.



Fishing Tackle

■ Winning ICAST awards for 11 consecutive years

At ICAST, the world’s largest sport fishing trade show, held in the United States, a new series of rods, G. Loomis NRX Fly Rods, won the New Product Showcase Award in the Fly Fishing Rod category.



Fly Fishing Rod Award

■ Winning awards at EFTTEX in two categories

At the European Fishing Tackle Trade Exhibition (EFTTEX), our Vanquish and Power-Pro Bite Motion won awards in their respective categories.



Best Fixed Spool Reel Vanquish

Best Braided Line Power Pro Bite Motion

■ German Awards "Goldener Haken"

At the German trade and consumer fair, our Twinpower Saltwater and Big Baitrunner XT-A Longcast won "Goldener Haken" awards.



Twinpower Saltwater

Big Baitrunner XT-A Longcast

Rowing Equipment

■ SRD (Shimano Rowing Dynamics) Contributes to the World Rowing Cup III in Munich

At the World Rowing Cup III, held in Munich, Marcel Hacker (Germany) won the gold medal in men’s single sculls. His boat was equipped with Shimano’s Rowing Dynamics (SRD) system.





Program for new Team Shimano members at Shimano Kunshan (China)



Induction program for new Team Shimano members (Japan)



Developing Human Resources for Shimano

Training/education programs

At our office/factory around the world, Shimano promotes programs that ensure that the best human resources possible are supporting company-wide initiatives. A wide selection of courses are available, ranging from lessons in foreign languages, primarily English, the common language of Team Shimano to technical training courses that teach about manufacturing and improving manufacturing skills. Through these training/education programs, Shimano enables staff members to sharpen thinking methodologies and expertise useful for their everyday activities at Shimano.

■ New Leadership training

Shimano Europe Group has organized the so called 'New Leadership training' since 2006. Colleagues from different sales offices in Europe participate in it, most of them fulfill a management or team leader role. Goals of the training are to unlock the full potential of the participants and their people by using new leadership tools and ideas and to create intercultural awareness and effectiveness.



New leadership training in Shimano Europe

Induction program for new Team Shimano members

■ Curriculum focused on experience and practice

The curriculum for new Shimano members provides classroom lectures and experience as well as practice-based training/education.

■ Sharing the Philosophies of Team Shimano worldwide

At our office/factory where new staff members are recruited throughout the year, educational programs are offered to new members to build their understanding of Shimano's history and corporate philosophy. At these programs, new members are encouraged to think and act in line with Team Shimano's philosophy.



Team-building activities to learn the importance of teamwork.



Fishing experiences give new members opportunities to learn its enjoyment.



Cycling experiences give new members opportunities to learn the joy of Shimano products.



Visiting a manufacturing site, the foundation of all Shimano's activities.

Developing a global perspective

■ Abilities learned on-site

since 2001

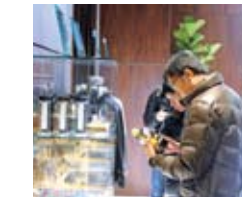
Under the Shimano Leadership Development (SLD), aspiring staff members in Japan are dispatched to overseas dealers to obtain a broad spectrum of experience. This program is implemented with cooperation from bicycle dealers in various parts of the world. Working at overseas dealers' shops for three months, dispatched members learn the culture and working habits of respective regions through firsthand cross-cultural experience. On 2012, we dispatched 7 members including members from Shimano Components Malaysia and Shimano Singapore.



Bicycle dealer in America

■ Acceptance of overseas Team Shimano members

Shimano headquarters (Japan) accept Team Shimano members from overseas bases for training. Training programs for overseas members are held twice a year, where they learn about Team Shimano's work and product flow in various departments, as well as acquire techniques and knowledge. In the program, trainees visit sales sites where they can see products they have handled in their own countries being displayed and sold. This is a great opportunity for them to realize their own roles as members of Team Shimano.



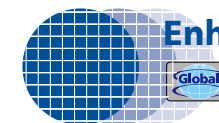
■ Promoting language education

Since Shimano members comprise various nationalities, it is imperative that they master other languages, so as to ensure smooth communication. We offer language-training courses not only in English, Shimano's common language, but also in Chinese and other languages.



English training for Shimano members at Shimano Cambodia

since 2012



Enhancing Internal Control

since 2006

■ To Improve the Soundness and Efficiency of Corporate Management

To reinforce our internal control system, Shimano established the Internal Control Project Office in 2007. In addition to the internal control of various business activities, the office is primarily engaged in evaluation of the system for preparing financial reports pursuant to Japan's Financial Instruments and Exchange Act.

Concerning internal control, in addition to physical inventory audits and fixed asset management audits, in 2011 Shimano introduced a mutual crosschecking system that operates between two departments. In the second year (2012) after the inauguration of this system, 10 departments conducted mutual crosschecking. By coupling departments that have similar or common features, the crosschecking this year proved to be even more effective. By playing two different roles (the auditor, and the party to be audited), members can learn management methods from other departments and improve their own management methods. To improve audit quality, Shimano has prepared an auditing manual, compliance check lists, and other tools.

Features of the crosscheck method

Mutual auditing of departments that have similar or common features

- The system enables members concerned to effectively discuss issues that need improvement.
- By playing two different roles (one as an auditor and the other as the party to be audited), members can learn risk management and other management methods from the other department and improve their own management methods.

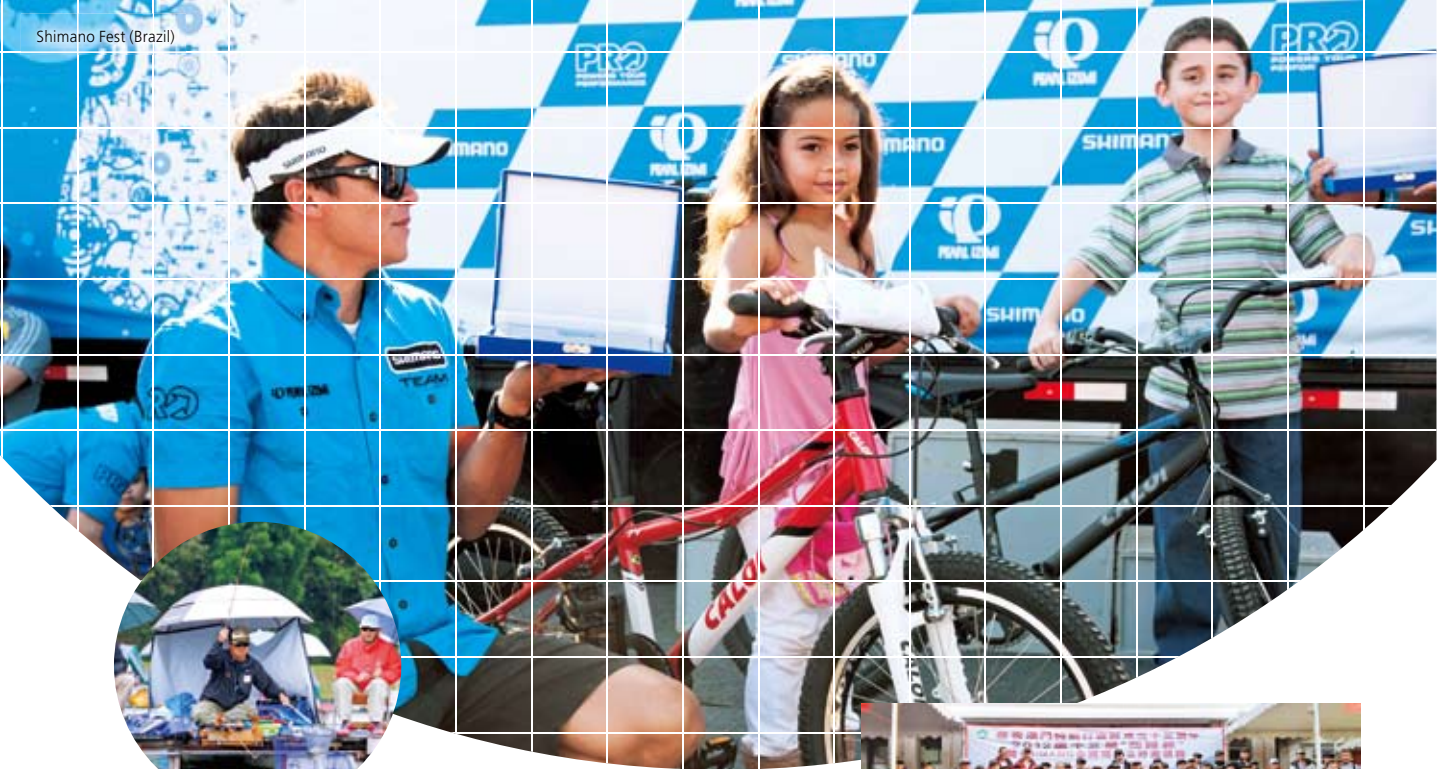


In case of an earthquake

An earthquake drill was held at the Headquarters (Japan), assuming that SIC is hit by an earthquake of level 6.0 on the Japanese scale. To prepare for a great tsunami, an escape route was defined and announced to employees.



A seismic isolation system installed underground of a new factory in headquarters



Shimano Japan Cup (Japan)

Creating Exhilarating Joy

— Offering enjoyment and fun for everyone

One important activity of Shimano is to share and promote the joy of bicycle riding and fishing with many people by providing captivating products.

We implement various activities not only in Japan but around the world as well. For example, we organize events where people can witness the best performances of professional riders and top players.



Appearance of Bicycle Museum Cycle Center

Access: 10-minute walk from Mozu Station on the JR Hanwa Line
Address: 18-2 Daisen Nakamachi, Sakai-ku, Sakai City, Osaka

Bicycle Museum Cycle Center



since 1992

The Bicycle Museum Cycle Center (operated by the Shimano Cycle Development Center) opened in 1992 in Sakai City, where Shimano headquarters is located. It marked its 20th anniversary in 2012. As the only museum in Japan dedicated to bicycle culture, the Museum possesses about 300 bicycles, including a variety of bicycles ranging from the reproduced Draisine, the first bicycle invented in 1818, to a road bike used at the Beijing Olympics. The belief is that the museum is not only a place to showcase the history of bicycles but also a place to introduce and help create a lifelong interest in bicycles.



SHIMANO Macao Cup ISO fishing 2012 (Macao)

A wide variety of cycling events since 1997

■ Pottering

To introduce the fun of bicycle riding, a slow ride of about 10 km is held for beginners.

■ Healthy Cycling

In this event designed to promote health, participants ride sports bicycles for some 30 km.

■ Women's pottering

This cycling event is held exclusively for women (for a wide range of female riders from beginners to experienced) under the theme of gourmet, culture, and beauty.



Healthy Cycling



Women's pottering

A wide variety of class

■ Bicycle Life Seminar for Adult Riders

Hands-on seminars for adult riders have been designed, comprising classes to learn maintenance techniques and how to fix a flat tire, seminars and touring on mountain bicycles and roadracers, and classes for producing soft bicycle bags.

■ Promotion of health through cycling

A three-month program, featuring cycling in addition to improving dietary habits, has been designed to promote health and to enrich daily life through the use of bicycles.



Bicycle Life Seminar for Adult Riders



Promotion of health through cycling

Events for children

■ Handmade toy workshop

Children and parents are invited to learn how to produce toys from specialists in various categories.

■ Painting competition for children during the summer vacation

To foster children's creativity and powers of observation, Shimano annually organizes painting competitions specifying bicycles as a motif.

since 1992



Handmade toy workshop



Painting competition for children during the summer vacation

■ Bicycle traffic safety classroom

Every spring and autumn, Shimano organizes classes to teach traffic rules to graduates from the beginners' classes as well as community members. Cooperation is provided by the Osaka Prefectural Police and Sakai Police Station.

■ Class for beginning bicycle riders

Shimano dispatches support staff to the bicycle school, held to help beginners learn to ride a bicycle without training wheels. The classes, featuring video and on-site instructions, are held almost every Saturday and Sunday throughout the year. A total of 72 classes were held during 2012.



Bicycle traffic safety classroom



Class for beginning bicycle riders

LIFE CREATION SPACE OVE

since **2006**

LIFE CREATION SPACE OVE is a space where visitors can relax and enjoy an enriched lifestyle through the use of bicycles. Shimano opened the first OVE in Minami-Aoyama in Tokyo in 2006. Driven by the popularity of OVE Minami-Aoyama, in 2012 Shimano opened another OVE facility in Nakanoshima, a downtown district in Osaka, known for its elegant atmosphere that attracts people who admire authentic culture, art, and tradition. By establishing a new facility in this district, and proposing a relaxed lifestyle enriched through the use of bicycles, Shimano hopes to promote a cycling culture in and around Osaka.



OVE Nakanoshima has a library with some 300 books, including bicycle magazines and illustrated books, which visitors can read freely. (OVE Nakanoshima)

OVE

OVE Minami-Aoyama

Access: 8-minute walk from Omotesando Station or Gaienmae Station on the Tokyo Metro Ginza Line/Hanzomon Line

Address: 3-4-8 Tre Di Casa 1F, Minami Aoyama Minato-ku Tokyo

OVE Nakanoshima

Access: Directly accessible from Higobashi and watanabebashi stations

Address: 1F Festival Plaza, Nakanoshima Festival Tower, 2-3-18 Nakanoshima, Kita-ku, Osaka, Japan 530-0005



OVE holds music concerts, rakugo (comic story telling) performances, and other cultural events. (OVE Minami-Aoyama)



OVE Nakanoshima, opened in the autumn of 2012

Fishing Café Project & Shimano TV

Fishing Café Project

since **2000**

To promote the fishing culture, the Fishing Café sets out to involve all anglers, from beginners to experts, and impart the latest information on a wide range of subjects concerning fishing by using various media, including magazines (issued in spring, summer, and winter) and communication satellite TV programs (Sky Perfect).



Facebook — Anglers' Community

since **2012**

In 2012, Shimano opened a new section, "Shimano Fishing," on its official Facebook page. The section carries posts by instructors, as well as articles on the latest product and event information. All fishing fans are invited to visit this community space, designed to enrich fishing activities.



Shimano official Facebook page "Shimano Fishing"
<https://www.facebook.com/fishing.shimano>

Shimano TV

since **2007**

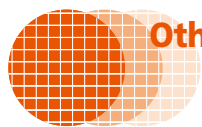
Shimano TV, a fishing website that offers content accessible anytime, from anywhere in the world, features various must-see programs, ranging from fishing programs broadcast on TV to scenes from the Japan Cup and other events organized by Shimano, demonstrations by instructors, and other special content that cannot be found on other sites. Moreover, new content has been added for beginners, expanding the target audience to include both beginners and experts. The contents are accessible by smartphone, and can be shared via Twitter and other social networks. Shimano will continue to promote the attractive features of fishing through diverse media.



Fishing channel, Shimano TV (in Japanese and Chinese only)
<http://tv.shimano.co.jp/>

"Itsu demo Tsuru Kibun" (Feel Like Fishing All the Time), an original program exclusively for Shimano TV, is always available.






Organizing and supporting various events

Shimano organizes and supports cycling and fishing events in various parts of the world. As a result of our activities to promote the fun of cycling and fishing, they are becoming increasingly popular not only in Japan, but also in other Asian countries, Brazil, and other emerging countries.

Cycling events organized by Shimano

-  (Japan)
① Shimano Suzuka Road Race
since 1984
-  (Japan)
② Shimano Bikers Festival
since 1991
-  (China)
③ Shimano Bikers Festival
since 2003
-  (China)
④ Shimano Cup
since 2009
-  (Argentina)
⑤ Open Shimano
since 2008
-  Shimano Short Track
since 2009 * Since 2011, Shimano Short Track has been held in Brazil, Argentina, Chile, Columbia, Panama, Costa Rica, and Mexico.
-  (Indonesia)
⑦ Fun Bike
since 2007



Cycling and fishing events organized by Shimano




 Shimano Fest (Brazil)
since 2010

Cycling events supported by Shimano



 Shop-in-Shop Event (China)
since 2003

 Huangshan International Mountain Race (China) since 2011

Fishing events organized by Shimano

-  (Japan)
① Shimano Japan Cup
since 1984
-  (Korea)
② Shimano Cup Hera Fishing Tournament in South Korea
since 2007
-  (China)
③ Shimano Cup Hera Fishing Tournament
since 2002
-  (Taiwan)
④ Shimano Cup Cast Fishing Class in Taiwan
since 2005
-  (Hong kong)
⑤ Shimano Rinkai Cup in Hong kong
since 2002
-  (Indonesia)
⑥ Fun Fishing
since 2007



Support and cooperation for UCI

As an official partner, Shimano has supported the UCI (Union Cycliste Internationale) since 1999, providing assistance in promoting bicycle races and cycling sports culture around the world. since 1999



Racing Team

Through our bicycle racing teams, Shimano Racing and Argos-Shimano, we train young Asian riders and create opportunities for them to participate in the world's top-level races to fulfill their dreams. since 1973



Ji Cheng (Argos-Shimano) was the fastest Chinese to participate and finish the race of big three Tour. Furthermore he was awarded most combative rider of the stage in the Vuelta a Espana 2012.

Dispatch of technical support cars

Shimano dispatches technical support cars and staff to wide-ranging cycling events. There are a variety of events including beginner and top-level professional events, Olympic games. We provide technical support giving first priority to ensuring that all participants can enjoy the events safely.



Shimano offers technical support in various parts of the world.



Taking Care of the Environment

—Cooperation in taking care of the natural, living and product-use environments

In addition to diligently pursuing technological improvement and innovation to reduce environmental impacts that could arise in the process of product manufacturing, we actively participate in field cleaning and environmental improvement activities.

Shimano Green Plan since 2004

Shimano constantly reviews the Shimano Green Plan (SGP), which comprises guidelines for producing products with reduced environmental impact.



The evaluation and audit of the 8th edition SGP
Concerning the Shimano Green Plan (SGP), Shimano set the following two goals for 2012:

- To improve the level of compliance with the requirements of the SGP by increasing suppliers' understanding of the SGP
- To improve business efficiency at both Shimano and its suppliers by reviewing the processes needed for SGP-related operations

To achieve these two goals, Shimano asked some 700 suppliers in Japan to autonomously evaluate the level of their compliance with the SGP requirements in regard to 15 items. Based on the results of their self-evaluation, Shimano ranked the suppliers from A (highest) to D (lowest). We informed the suppliers of the results and offered instructions for improvement. We asked the suppliers ranked B to D to submit their views on the evaluation results and/or improvement plans, based on which we evaluated them a second time. In the second evaluation, the percentage of D-rank suppliers decreased from 9% to 3%. We inspected eight suppliers ranked either C or D, and provided practical, firsthand instructions concerning various ways to achieve improvement.

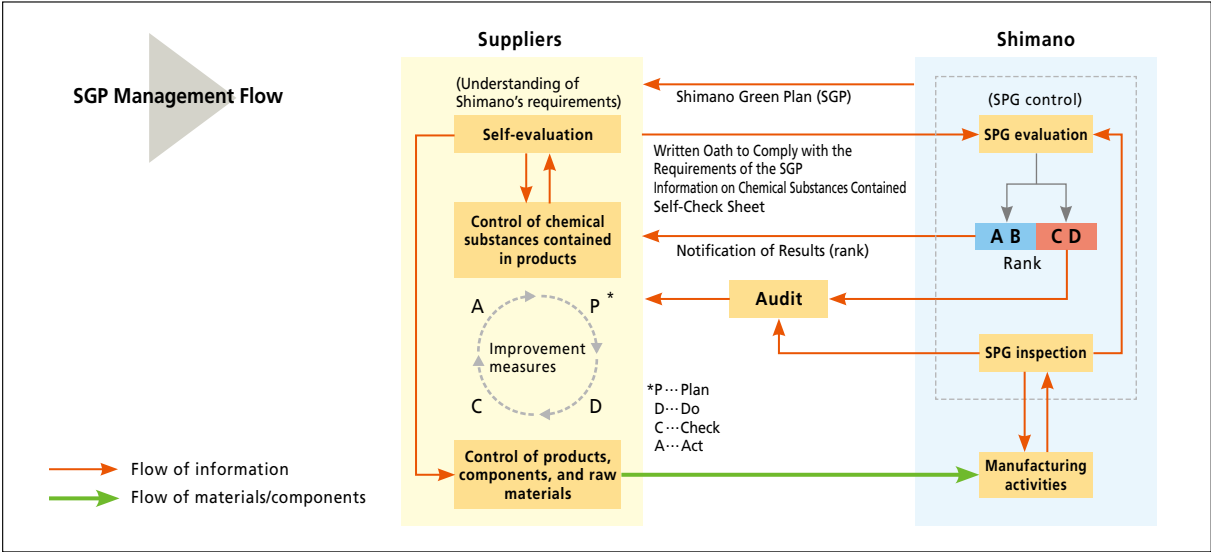


Global Audit

Outside Japan, Shimano's manufacturing and marketing companies evaluated some 1,000 suppliers in terms of their compliance with SGP requirements and SGP-related operations. In preparing the eighth edition of the SGP, Shimano revised the format of the Self Check Sheet. As a result, evaluation efficiency has been improved. To ensure uniform evaluation by minimizing the variation from one supplier to another, we held a global meeting at the Headquarters to unify inspection and evaluation methods on a global basis. Shimano plans to conduct global audits of factories that supply products to more than one company outside Japan, along with mutual inspections and audits by the factories concerned. We hope that such multilateral and mutual audits will reduce the risks involved in SGP operations.



This is the 8th year for Shimano Kunshan (China) to implement Shimano Green Plan. We aim to produce the products without any banned substances. An Environment Safety technician is inspecting carefully with the EDX-GP equipment to ensure no banned material is included in our product.



Initiatives to Preserve Local Environment

Yamato River Cleanup since 2001

Together with residents of Sakai City, home to Shimano's Headquarters, 162 Team Shimano members voluntarily participate in the Yamato River Cleanup Campaign.



Effective use of reeds

Some Shimano brochures and name cards use paper made with reed fiber. By establishing a cycle of planting and cutting reeds and then using paper made of reeds, we aim to reduce environmental impacts. (This booklet uses "lake papyrus," paper mixed with reeds grown in Lake Biwa.)



since 2002

Cleanup activity at Sennan Satoumi Park

In Japan, Shimano joined the cleanup activity at Sennan Satoumi Park, in agreement with the objective of the International Beach Cleanup Campaign, which aims to reduce marine pollution by reducing waste at its source. During the cleanup, we keep track of the variety and amount of garbage collected. This year, 158 members participated as volunteers in this campaign.

Million Tree Project since 2009

Members of Shimano Kunshan (China) and Shimano Tianjin (China) participated in this meaningful event since 2009 which aims to plant one million oxygen producing trees in the Inner Mongolian desert by 2014. This year, 4,000 trees have been donated continuously in the name of Team Shimano. The representatives took good care of the young tree and wish it can grow stronger.



Cooperation in promoting environmental education since 2006

Staff members visit elementary schools in Sakai City, Osaka to give a class on how to make paper by recycling milk cartons. Through such a series of hands-on experience programs, including the Yamato River Cleanup Campaign, Shimano helps promote environmental education for children.



Beach Cleanup Campaign since 2003

This year members of Shimano American were at Dana Point, CA at Doheny State Beach for a Beach Clean-up on September 15, 2012. We had a great turnout and picked up a lot of trash; some items were very interesting.



Earth Day activities since 2011

In celebration of Earth Day, Sunday, April 22nd, the Pearl Izumi Green Team partnered with its neighbors in the Colorado Technology Center and hosted a 2012 CTC Cleanup Event. This was held in conjunction with Pearl Izumi's two-mile stretch of Highway 287 Cleanup. Some awesome green t-shirts with the Pearl Izumi Green logo "Run-Ride-Reuse-Recycle" were donned, and 50 employees from other companies joined approximately 50 Pearl Izumi employees over lunch to pick up trash, and clean up areas close to our workplaces.



Shimano Cleanup Project since 2003

Project Under the slogan "What we can do for our beloved fields," we promote a project to clean up fishing spots. This project is supported by participants of Shimano-organized events. Together with these supporters, we work on the cleanup activity.



Maintain the cleanliness of surrounding since 2011

Members of Shimano Tianjin (China) maintain the cleanliness of their surroundings.



Initiatives to Reduce Environmental Impact

Water treatment since 1997

Since 1997, Shimano Kunshan (China) has taken measures to protect water resources, and we use equipment to confirm that the filtered waste water can be discharged directly into the public river.



Energy conservation measures

Shimano Shimonoseki Factory (Japan) conducts weekly power check patrols to cut power consumption in each department. As a result of various measures such as controlling the use of compressors by automatic start-stop devices, along with control of the use of ceiling fans and lighting equipment, the factory's annual power consumption was reduced by 585.761 kWh, in efforts that led to a reduction of CO₂ emissions by 384.8 tons per year.



Noise control since 1999

To control noise in the residential area around Shimano Kunshan (China) and to improve the workplace environment, Shimano Kunshan has built a system to monitor and control noise levels.



Construction of an Eco-Conscious Factory

In 2011, Shimano commenced reconstruction of its factory in Sakai, Osaka, Japan. The project is expected to be completed by the autumn of 2014. When the first phase of the project was completed in September 2012, the new factory was rated at S rank (highest of the five ranks) under the Comprehensive Assessment System for Built Environment Efficiency (CASBEE). We are pleased that our new facility was highly evaluated in the priority CASBEE categories such as "greenery and heat island measures" and "safe and comfortable living."

As a tool for assessing and rating the environmental performance of buildings and built environments, CASBEE was jointly developed by industry, government, and academia, with support from the Ministry of Land, Infrastructure, Transport and Tourism (MLIT). CASBEE functions as a nationwide yardstick to rate the environment consciousness of buildings.



Appearance of the new factory



Ventilation system with Ecovoid

Promoting Bicycle Commuting among Team Shimano Members

Bike-to-Work since 1998

In conjunction with Bike to Work Week, a week-long celebration of commuter cycling held nationwide in the United States, Shimano American encourages staff members to commute by bicycle.



Certified as an Excellent Eco-Commuting Business Company since 2009

Shimano headquarters has been certified as an "Excellent Eco-Commuting Business Company" by the Foundation for Promoting Personal Mobility and Ecological Transportation for our efforts to promote bicycle commuting. As an Excellent Eco-Commuting Business company, we have included in our plan the target of reducing annual CO₂ emissions from private car commuting by 1% from 2010 (setting target biyearly). In 2012, we succeeded in reducing CO₂ emissions by 35,463 kg, about five times more than our target of 6,608 kg. We will continue to actively work to reduce environmental impact in 2013.



bicycle-parking



Separate waste collection since 1999

Since 1999, each office and factory collects recyclable waste.



Building Confidence

—Participating and cooperating in local community activities as a responsible corporate citizen

As a corporate citizen, Team Shimano seeks to communicate with local communities and strive for co-existence and co-prosperity with them. As a member of the local community in which we are based, Shimano is committed to rewarding the region.

Learning and Thinking with Children

since 2005 Career education at elementary schools

The Career Education Project is under way, aimed at developing children's abilities to think and live as members of society. Since 2005, Shimano has cooperated in this project by dispatching members as lecturers to local elementary schools. During a career education class, children are assigned a theme about bicycles, and work together to design a plan and make proposals. In the problem-solving process, they develop abilities to think logically, act to gather information for decision-making, decide optimal solutions, and work in cooperation with others.



Family Bonding Through Fishing Program (Singapore)



Wielerschool (Japan)



Children coloring competition, organized as part of a charity walkathon program (Malaysia)

Toward Safe and Enjoyable Use of Bicycles



since 2008

Dispatching instructors to Wielerschool

Wielerschool aims to improve children's cycling skills, develop an environment in which people can enjoy cycling sports more joyfully and comfortably, increase the number of sports cyclists, and train world-class cyclists. Its scope of activities stretches across Japan. In 2012, Wielerschool was held at more than 50 venues, with over 2,000 children participating. We dispatch members of Shimano Racing Team to Wielerschool as instructors who teach participants cycling techniques and traffic manners.

Organizes Cycle Academy since 2005

Shimano holds its Cycle Academy in Japan, widely inviting participation from men and women of all ages, in order to impart the joy of cycle sports and safe riding. In the Academy, active Shimano Racing Team riders serve as instructors.



Corporate Citizenship Activities



Honorary Consulate-General of the Republic of Singapore-Osaka at Shimano Headquarters

Honorary Consulate-General of the Republic of Singapore-Osaka opened at the second floor of Shimano Headquarters building (Japan) in 2011. Concurrently, President Yozo Shimano was appointed as Singapore's Honorary Consul-General. Shimano's relations with Singapore originated in 1973, when the Company established Shimano (Singapore) Pte. Ltd., Shimano's first overseas manufacturing factory. Ever since, SPL has been playing an essential role as our overseas mother factory. Accordingly, having the Singapore Honorary Consulate-General in Osaka at our Headquarters building is a great opportunity for Shimano to show its gratitude and to render cooperation to the country.



The Singapore Honorary Consulate-General in Osaka on the second floor of the Headquarters in Sakai City, Osaka



Inside of the Singapore Honorary Consulate-General in Osaka

Donations and Relief Activities



Donation to orphanage since 2007

Shimano Batam (Indonesia) donated 69,717,000 rupiah to six children's institutions, together with clothing, instant noodles, sugar, tea, milk, and snacks.



Donation to welfare institution

Shimano Cambodia donated educational tools, food, and medicine, amounting to 1,000 U.S. dollars to children's institutions, vocational training centers, and HIV patients' organizations.



Supporting cycling for reconstruction of the earthquake in east Japan

A total of 262 members of Shimano participated in the Cycle Aid Japan 2012, a cycling event held by the Bicycle Association (Japan) to support the recovery of the areas affected by the Great East Japan Earthquake. Part of the participation fee was used as relief money.



Shimano Europe Group donates to make-a-wish Nederland Foundation

On May 19, 2012, Shimano Europe donated 50,000 euro to the Make-A-Wish Nederland Foundation, a foundation that helps children with life threatening illness to realize their dreams. The foundation is the world's largest volunteer organization. Since its establishment in 1989, it has helped over 4,000 children realize their dreams in the hope that in their pursuit to realize their dreams, such children will gain power and courage to fight against their diseases.



Donations and Relief Activities of Shimano Czech

since 2008

■ Donation to local authorities

In order to support local authorities in buying better equipment, in order to provide better professional training to their employees to maintaining professional level we support those organisations regularly for several years.

since 2012

■ Financial support for blood donation center

We donated money to the blood center in order to give blood donor allowances.

■ Hypotherapy support

since 2012

The donation was used for special training for horses used to work with autistic children, and children who have problems with motoric function.

■ Handicap nursery school support since 2012

The donation will be used for buying toys and learning utilities for disabled children.

■ Supporting to dog shelter

We donated dog food, blankets and toys to a dog shelter.



Blood donation activities



Blood donation since 1996

268 members of Shimano Batam (Indonesia) donated blood.



Blood donation movement since 1995

Shimano Singapore organized an in-house Blood Donation Drive in March 2012. A total of 40 bags were collected by the Singapore Red Cross Society.



Other Activities

Supporting a bicycle-friendly city since 1999

Shimano supported the activities of a residents' group in Sakai city on Sakai Bicycle Day. Members of Shimano handed out cycling maps and offered a bicycle inspection service. Shimano also cooperates with the City of Sakai in urban planning to promote the city as Japan's center of bicycle culture.

Supporting for road safety among children

Shimano Czech supported to promote road safety among the young, to teach them correct principles on how to behave while crossing the street, riding a bicycle, etc.

Activities of Shimano Latin America (Brazil)

■ Project BMX Futuro since 2011
Bike Park is a public area with a BMX and MTB structure right in the heart of São Paulo city. The place was condemned and slated to be closed down, but we intervened and during 2012 contributed materials for support, events and staff.

■ Training for students since 2012
Our tech staff gave training on internal hub gear assembly for students who will be monitors for the project "Escolas de Bicicleta": the students will have bamboo bicycles available to ride between home and school.

■ Mejor em Bici since 2012
Bicycle training for children, including the basic mechanism of bicycles, mechanic support for rental bike points in the city of Buenos Aires

Giving back to old folks since 2009

Members of Shimano Kunshan (China) visited old people's homes during Spring Festival and Chung Yeung Festival. They expressed our respect for the elderly.

Caring for Children growth since 2012

Members of Shimano Tianjin (China) and management visited SOS Children's Village, chatted with them and gave them some daily necessities. This activity had a positive effect on the children's growth.



Our members encourage children on Chinese calligraphy course.

Charity Walkathon

This program was held in May, 2012 by Shimano Components Malaysia. Total participants were around 200 persons. Activities conducted included a walkathon, cleaning a residential area, charity donations, children coloring competition, talks for adults and lucky draws.

Activities of Shimano Singapore

since 2012
■ Family Bonding Through Fishing Program
Shimano Singapore organized a new initiative called "Family Bonding through Fishing". The objective of this program is to promote family bonding between students and their parents, and at the same time to promote fishing among young people.

since 2011
■ Train The Trainer
Shimano Singapore conducted a Bicycle-Technical workshop for two teachers from Shuqun Secondary School. The objective of this program is to provide STAMP (Sports, Tutition and Mentoring Programme) teachers to acquire and deliver basic skills on the mechanism of bicycles, bicycle servicing and bicycle safety. Through this workshop, the teachers are able to conduct their own bicycle training for STAMP students.

since 2011
■ STRIVE Programme
The year 2012 was the second year of the Strive program. We still continue with this program for training students in basic bicycle maintenance, bicycle and riding safely. The second year program was more engaging with the use of more visual aids and practical sessions, instead of the usual classroom-bound instruction.

since 2012
■ Bicycle Servicing and Maintaining at Road Safety Park
Each year about 50,000 students visit the Traffic Police Road Safety Park to learn about Road Safety. During their visits, they were taught about road safety, riding bicycles safely, road-user safety and many other things. On 6th July 2012, 130 bikes were serviced to ensure that all bikes are in good working condition.

since 2012
■ Cycling Among the Youngs
Shimano Singapore organized a cycling event for young people, which aimed at promoting a healthy lifestyle and creating safe-cycling awareness. The event was held on 1st Sep 2012 at the Punggol Waterways.



Some Thoughts about the Social Activity Report

During 2012, Shimano's core businesses—the bicycle components and fishing tackle businesses—achieved greater performance than in previous years. The growth was achieved amid a challenging business environment, highlighted by the high yen. Moreover, Shimano is growing its business in emerging countries. This favorable performance is a result of Shimano's attitude of constantly offering what it calls "Captivating Products," while steadfastly remaining a development-oriented manufacturing company based in Japan, as the President of Shimano mentioned in his message in this Report. The concept of Corporate Social Responsibility (CSR) is evolving; today companies are expected to fulfill their CSR proactively through their business operations, rather than through mere philanthropic activities. Amid this trend, Shimano is committed to its business and customer service with the utmost sincerity.

This year's Social Activity Report comprises four chapters, as in previous issues. The first chapter, titled "Enhancing Corporate Value," concerns Shimano's products, which indeed play a crucial role in enhancing its corporate value. Readers understand that Shimano is developing new models together with its product users. In other words, Shimano is evolving existing models by reflecting users' views and interpretations. For instance, a new model of the DURA ACE series, which adopts 11-speed cassette sprockets, ensures a smoother ride and greater ergonomic performance. The SAINT series, mountain bicycle components for downhill races, is also a product of collaboration with riders. Shimano has also created new rod models by incorporating users' ideas, a fact that led to the development of new models that won world-class awards. The corporate value enhanced by such new models attracts human resources to the company, who will work to further enhance the value of the Shimano brand. In the section "Developing Human Resources for Shimano," readers understand that Shimano is eager to foster the next generation through seminars to promote common visions among all Team Shimano members worldwide, language classes to advance their English proficiency, and training programs to develop their practical skills. Among Japanese companies, Shimano has been a pioneer in promoting English as a common communication tool among employees.

The third section, "Enhancing Internal Control," describes the mutual crosschecking system, which I value highly. Under this system, two departments are coupled to crosscheck and exchange views. This system helps identify effective improvement measures. Regarding the improvement of preparedness for an earthquake, I value earthquake and tsunami drills, as well as measures to improve buildings' seismic resistance. However, I believe that Shimano should have mentioned its Business Continuity Plan (BCP). The International Organization for Standardization has already standardized the BCP under ISO 22301. In addition to improving disaster preparedness, companies must also prepare a BCP on a global basis, since disasters continue to hit the East Asian region, and the risk of a potential great earthquake is increasing in the Nankai Trough.

The second chapter, "Creating Exhilarating Joy," describes that in addition to providing products, Shimano has offered various opportunities to enjoy exhilarating experiences. For instance, the Bicycle Museum Cycle Center, opened 20 years ago, has held bicycle classes and cycling and various other events for both child and adult riders. While the number of bicycle riders is increasing in urban areas, due mainly to the health boom, the number of traffic accidents is also increasing. In response to the growing demand for publicly held seminars on traffic rules and safe cycling, I hope that Shimano, as a private company, will hold even more seminars to promote the safety of bicycle traffic. Regarding fishing, I believe that Shimano is effectively disseminating information to anglers worldwide through various media, including the Fishing Café Project, Shimano TV, and Facebook. In this year's Report, I was deeply impressed to see the photos of participants enjoying various cycling and fishing events held around the world.

The third chapter "Taking Care of the Environment" discloses results of audits held in line with the eighth edition of the Shimano Green Plan (SGP) along with audit items. The use of a flowchart makes it easy to understand the audit system and the results of respective audits. I highly value Shimano's efforts to improve the format of the Self Check Sheet to be provided to 700 suppliers in Japan and some 1,000 suppliers outside Japan. I also value Shimano's attitude of holding global meetings to unify inspection and evaluation methods, so as to minimize the variation from one supplier to another. Introducing multilateral and mutual audits is also effective in reducing the risks involved in SGP operations. I hope that Shimano will work to reduce the percentage of C- and D-ranked suppliers to zero. At the same time, I truly hope that Shimano will continue its cleanup campaigns in the Yamato River and Sennan Satoumi Park, as well as environmental education at elementary schools in Sakai. I also hope that similar activities will be continued in the United States and China. It is wonderful that Sakai Intelligent Plant, scheduled to be completed in 2014, has already been rated at the highest S-rank under the Comprehensive Assessment System for Built Environment Efficiency (Casbee). Moreover, it is surprising that Shimano, which has been certified as an Excellent Eco-Commuting Business Company, has succeeded in reducing annual CO₂ emissions five times more than the target set by the company.

I believe that corporate citizenship provides a solid backbone to Shimano's social activities. The opening of the Honorary Consulate-General of the Republic of Singapore – Osaka on the second floor of the Shimano Headquarters attests to the fact that Shimano's longstanding service in Singapore, the host country of its first overseas operation, has been recognized by its government. This is indeed an exceptional case in which the efforts of a private company to build reliable relations with a host country have resulted in such a diplomatic status for the company. Team Shimano members are also committed to philanthropic activities at children's facilities in Japan, other Asian countries, and the rest of the world, as well as organizing educational and training programs for children. These commitments are effective in fostering future generations throughout the world.

Currently, many businesspersons are paying keen attention to a book titled *GROW* by Jim Stengel. Emphasizing the importance of high ideals, the book states, "The secret to exponential growth starts with a question: What higher-order value will you add to your customers' lives?" In conclusion, I truly hope that Shimano will long remain a development-oriented manufacturing company and exert its *power of the platform*. I have high expectations that the Company will still enhance its corporate value by integrating its core business with social activities.



Toshihiko Fujie

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Graduate School of Chiba University of Commerce
Vice Chairman, Japan Business Management Association

The Team Shimano Philosophy

From our founder, we have inherited an enthusiastic commitment to producing high-quality and reliable items. Team Shimano, comprising staff members of affiliated companies worldwide who are united by a common philosophy, work to fulfill our common goals, following common processes.

Mission Statement

To promote health and happiness through the enjoyment of nature and the world around us.

[Business Policy]

- We strive to provide quality products and services that are reliable and trustworthy.
- We pledge to continually increase our corporate value and to ensure corporate management worthy of the trust placed in us.
- We strive to provide a fair and vibrant work environment where all can share in the pleasure and satisfaction that comes with achievement.
- We pledge to be a good corporate citizen by preserving the environment and contributing to the prosperity of our community.

[Team Shimano Guiding Principles]

- To inspire ourselves to think creatively and to strive for continuous self-improvement.
- To continually improve our technical skills in order to meet the challenges of our dreams.
- To achieve our objectives through innovation and responsiveness to the challenges we face.



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