

**Team
Shimano**

Social Activity Report

[January 1 – December 31, 2013]



SHIMANO

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

■ ULTEGRA will expand users’ road sport world.

The ULTEGRA 6800 series made its debut, inheriting the DURA-ACE technology, used in the global professional road race. Innovative technologies developed under very harsh conditions are adopted for the new series, including an 11-speed cassette sprockets, a four-arm crank and a symmetrical dual pivot braking system. This series is in response to various riding demands, allowing users to select the best fit riding mode to cover all kinds of situations including road race, triathlon, touring and cyclo-cross. This series will broaden your road sport world.



■ DEORE is the most advanced MTB technology.

DEORE, a legendary product that has created MTB history, underwent a full model changeover, coming up with a chain that can work under a 10-speed transmission. The new model features a stable transmission system that can change smoothly even on bad roads, new gear ratio for efficient pedaling and a reliable braking system, enhancing the bicycle’s riding capability. We have prepared all kinds of bicycle goods and components to respond to rider’s varying demands, not only for MTBs used in hilly areas but also for trekking bikes.



■ Good Design Award and Best 100 Award won by the ALFINE Di2 series

The Japan Institute of Design Promotion’s Good Design Award is given in recognition of outstanding products and activities covering all kinds of fields. The award is intended to enrich society through excellently designed products. Two products developed by our company were among the products that received the award in the latest contest. The ALFINE Di2 series was among this year’s Best 100 products.



Bicycle components for the ALFINE Di2 series were designed under the theme of pursuing sporty city riding as a part of users’ lifestyle. The most advanced driving technology rigorously tested in actual road races, a high-visibility display panel and the good feel of the shifting switch were particularly commended in the Best 100 contest.

bikefitting.com

An optimal riding position is necessary for the rider to maximize his or her riding capability. Our new riding positioning system, developed under the “bikefitting.com” brand, is designed to adjust the bicycle to the best riding position and enable a setting* that best matches the user’s physical characteristics. By using a special measurement device, the system looks into accumulated past data and instantly comes up with the best riding position for the user. Furthermore, if you enter a database that stores information on various bicycle brands, you will get a recommended frame within 15 minutes. We are encouraging bicycle retailers to use this database as a way of providing users with optimal riding positions for them.

*Size of the bicycle frame, the position of the saddle and the position of the handlebar



Fishing Tackle

■ Winning awards at EFTEX

Our STELLA SW won the Best New Spinning Reel award at a European trade show for fishing tackle called EFTEX, held in Vienna, Austria.



■ Winning ICAST awards in six categories

Our products, including the STELLA SW, received awards in six categories at ICAST, the United States’ largest trade show for fishing tackle, held in Las Vegas.



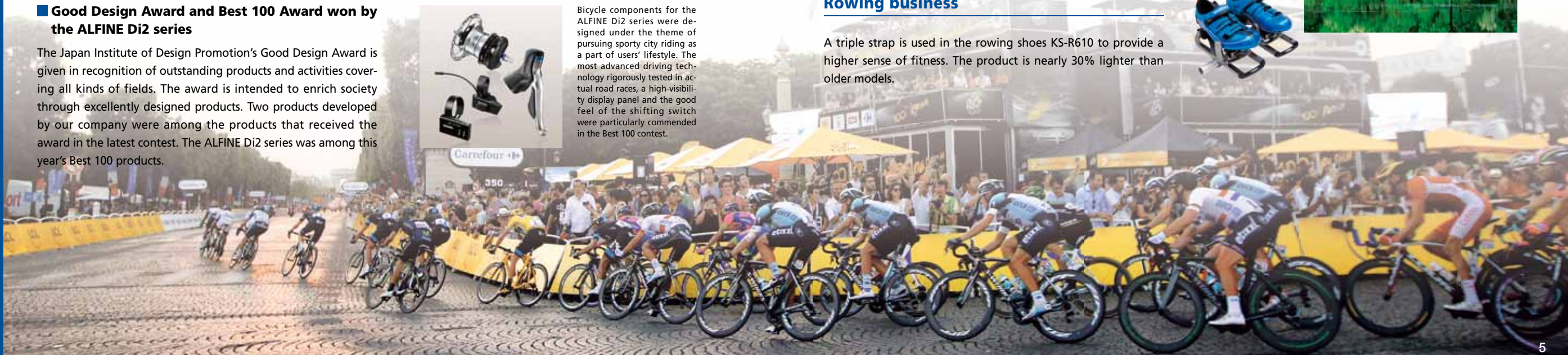
■ Good Design Award, Bait Casting Reel (Metanium)

The Metanium, our product that won the Bait Casting Reel award, has an easy-to-handle shape. It has a functionally excellent design, making it easy for the user to access each function key. The tackle features the most advanced functions to respond to various fishing situations. Not only the designs but also the fishing rod’s most fundamental functions – throwing and reeling – are superior.



Rowing business

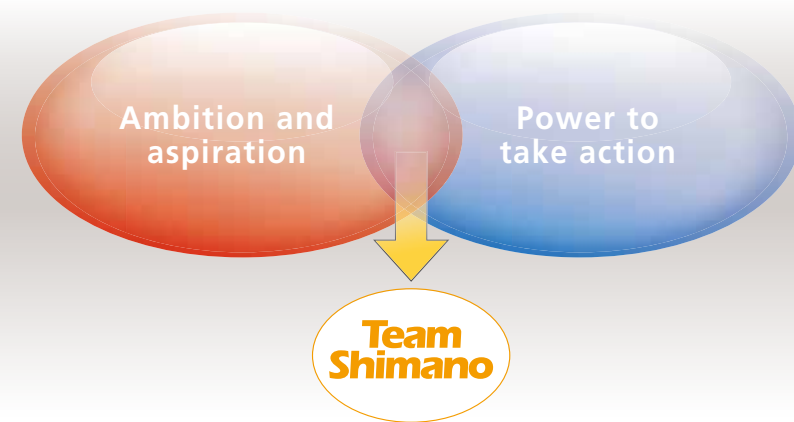
A triple strap is used in the rowing shoes KS-R610 to provide a higher sense of fitness. The product is nearly 30% lighter than older models.





Developing Human Resources for Shimano

We have two policies regarding the development of human resources. One is to steadily implement staff training programs, which is what any business corporation is supposed to do. The second is to implement a training plan developed exclusively for us, which focuses on fostering Shimano into "a value-creating company." To achieve this goal, we are working on a long-term systematic manpower development plan as well as stepping up efforts on the manufacturing front.



Training system based on in-house positions

■ Induction program for new Team Shimano members

The training program for new employees will start with a lecture on our company's history and corporate philosophy. In order for all new employees to understand the globally shared corporate philosophy as a member of Team Shimano, and think and act based on this philosophy, the curriculum used for the program features not only lecture sessions but also activity sessions such as bicycle riding and fishing experiences.



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



Fishing experiences give new members opportunities to learn its enjoyment.

■ Training program for employees who have newly taken managerial positions

This training program is intended for participants to become conscious of their responsibility commensurate to their positions regarding personnel management, products and the use of funds. They will learn how to strengthen the corporate organization through the evaluation and education of employees working under them. They will also learn other basic skills as managers, including the enhancement of awareness of compliance with law and risk management.

Training on communication skills

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.

Moreover, training sessions for better and more communicative presentation skills are held for new group leader while education sessions are also held for new assistant manager to make them better understood by those working under them and others. Both sessions are designed to enhance communication ability of employees.

Shimano Leadership Development program

■ Shimano Leadership Development (SLD) since 2001

Under the Shimano Leadership Development (SLD), aspiring staff members are dispatched to foreign 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 foreign dealers' shops for three months, dispatched members learn the culture and working habits of respective regions through firsthand cross-cultural experience.

■ Leadership development program

This program focuses on enhancing the education and training of assistant manager, manager, assistant vice president and vice president to help strengthen their leadership.

Global training

■ Experience of going abroad

The company is actively providing employees with opportunities to gain various work experiences abroad. Such experiences include assisting racing riders as a mechanic in Europe, the world center of road racing. This is to train workers so that they can become key members in Shimano's global operations in the future.

Life support

Divided into groups by age, employees attend seminars and discussions on future career plans and post-retirement life plans. Employees are encouraged to cherish their individual visions, by which they can enhance their work morale and contribute to the overall corporate efforts to develop human resources.



■ Global communication

Team leaders are given opportunities to make "international presentations," which help them to enhance their communication with team Shimano members in each country. "Inter-Cultural Communication" sessions are also held on a regular basis to promote their understanding of foreign culture and mutual trust, with an eye toward dispatching participations overseas in the future.



Creating Exhilarating Joy

—Offering enjoyment and fun for everyone

Exciting products are certain to enhance people's enjoyment of bicycle riding and fishing. One of our important missions is to enable as many people as possible to experience the joy of bicycle riding and fishing, and giving them chances to do so. For example, we are sponsoring various bicycle and fishing events for our customers, through which we hope that they can enjoy these hobbies and deepen their person-to-person exchanges. A safe riding class and a session aimed at promoting people's health through bicycles comprise part of our bicycle promotional efforts. Our most recent activity for this campaign is "Life Creation Space OVE," which we will explain here.



OVE

OVE Minami-Aoyama

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

Address : 3-4-8 KDX Residence Minami-Aoyama 1F, Minami Aoyama Minato-ku Tokyo 107-0062

We will think together about the joy of bicycle riding through OVE.

 since 2006

OVE is designed to serve as an activity base from which information on bicycles will be disseminated to the public to help create a new bicycle culture. One of the proposals being put forward under OVE is the concept of riding a bicycle just like taking a stroll through the town, the essence of which is to ride a bicycle to enjoy riding itself, not to reach the destination. People riding a bicycle this way, which we call "OVE SANSO," enjoy every moment of riding without deciding on the destination. We are also proposing various lifestyles through various events and a library in order to enrich people's cycling lives.

OVE Minami-Aoyama

OVE opened in 2006 in Tokyo's Minami-Aoyama, a fashion and art center full of greenery, as a life-creation space. People visiting the space can relax at a café, enjoy bicycle riding, take part in events and purchase select items (furniture and miscellaneous goods), all the while interacting with other people and bicycles. Thanks to these activities, many customers have visited the place and become familiar with it.



OVE Nakanoshima

OVE Nakanoshima opened in Osaka's Nakanoshima in November 2012 to further promote bicycle culture. Nakanoshima is a central district of Osaka - a flamboyant neighborhood that has inherited traditional culture and art. Through the library, events and bicycle riding, we are proposing a richer and more appealing cycle life.



OVE

OVE Nakanoshima

Access : Directly accessible from Higobashi and watanabebashi stations or 5-minute walk from Yodoyabashi Station

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

Library (Nakanoshima)

The selection of books available at the albeit small library is aimed at broadening visitors' knowledge about bicycles and helping them enjoy the cycling world. Visitors can read books of their choice at the library in a comfortable environment, or take them out on a rental basis.



Cycle Life Concierge (Minami-Aoyama, Nakanoshima)

Staff are available to answer customers' questions and inquiries about bicycles to enrich their cycle lives. Specifically, they will propose bicycles be used as tools to make customers' cycle lives richer while taking into account their different lifestyles and preferences. Staff are also ready to help customers in concretizing their ideas about bicycles.



The SANSO Cruise (OVE Minami-Aoyama, OVE Nakanoshima)

Riding a bicycle just like taking a walk is a key activity of OVE. Feeling the joy of riding without setting excessive travel goals is the essence of OVE SANSO. Riding events, meticulously crafted by our staff taking into account travel courses and meal stops, are held almost every week. Passed tours have included "cherry blossom-viewing riding alongside a water's edge," a "photograph-taking tour," "riding near the Dutch Embassy" and "nostalgic riding along downtown alleys." The first two tours were planned by OVE Nakanoshima and the latter two by OVE Minami-Aoyama.



Event (Minami-Aoyama, Nakanoshima)

As a base for spreading cultural information, both OVE Minami-Aoyama and OVE Nakanoshima sponsor various special events, including music concerts, "rakugo" storytelling shows, talk shows, and workshops involving eminent photographers and artists. All these events have been fully booked so far and participants have deepened their exchanges with others with smiles.



Café (Minami-Aoyama, Nakanoshima)

Fresh food ingredients, including organic vegetables, are cooked for dishes that are served at the café. We are particular about every item of tableware used at the café to give additional cultural flavor to the dishes. As eating is an essential part of life, the café is an important part of the activities of OVE Minami-Aoyama.

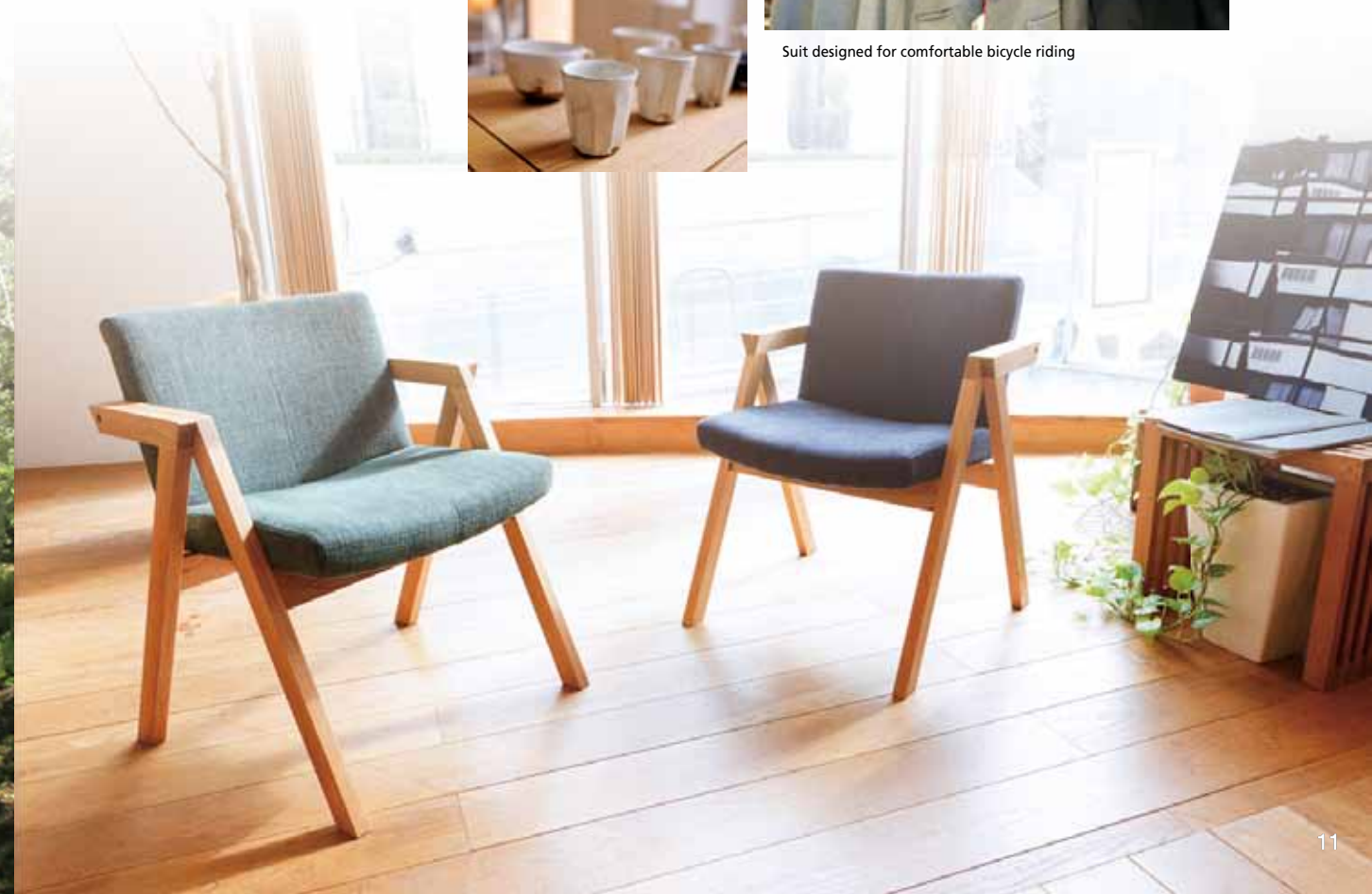


Select items (OVE Minami-Aoyama, OVE Nakanoshima)

More than a few people must be thinking about making bicycles part of their life. Select items sold at our two OVE shops are aimed at supporting their lifestyles. We believe that customers will feel attached to these items, uniquely designed by the two shops, and continue to use them.



Suit designed for comfortable bicycle riding



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.

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 weekends throughout the year. A total of 93 classes were held during 2013.



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



Class for beginning bicycle riders

Various other events



Healthy Cycling



Painting competition for children during the summer vacation



Bicycle Life Seminar for Adult Riders

Fishing Café Project & Shimano TV

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.

Since 2007, Shimano TV, a fishing website that offers content accessible anytime, from anywhere in the world, features various mustsee 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.

In 2012, Shimano opened a new section, "Shimano Fishing," on its official Facebook page. 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>



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

Other Activities

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 and supported by Shimano

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|---|---|
| <p> (China) Since 2007</p> <p>① "SHIMANO" SBF in BEIJING
About 1,130 people joined.</p> <p> (China) Since 2010</p> <p>② Shop-in-shop racing (Dalian)</p> <p> (China) Since 2010</p> <p>③ Giant & SHIMANO cup racing (Shenyang)
About 1,130 people joined.</p> <p> (China) Since 2012</p> <p>④ CRONUS cup Mountain race
About 600 people joined.</p> | <p> (Brazil) Since 2010</p> <p>⑤ Shimano Fest 2013 Brazil
About 9,000 participants for two days.</p> <p> (Argentina) Since 2012</p> <p>⑥ Shimano Fest 2013 Argentina</p> <p> (Japan) Since 1984</p> <p>⑦ Shimano Suzuka Road Race
About 14,000 people joined.</p> <p> (Japan) Since 1991</p> <p>⑧ Shimano Bikers Festival</p> |
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Dispatch of technica 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.



Tour de Hainan

Fishing events organized by Shimano

- | | |
|--|---|
| <p> (Japan) Since 1984</p> <p>⑨ Shimano Japan Cup</p> <p> (Korea) Since 2007</p> <p>⑩ Shimano Cup Hera Fishing Tournament in South Korea</p> <p> (China) Since 2002</p> <p>⑪ Shimano Cup Hera Fishing Tournament</p> <p> (Taiwan) Since 2005</p> <p>⑫ Shimano Cup Cast Fishing Class in Taiwan</p> | <p> (Hong Kong) Since 2002</p> <p>⑬ Shimano Rinkai Cup in Hong kong</p> <p> (The Netherlands) Since 2011</p> <p>⑭ Kids Fishing</p> <p> (Brazil) Since 2010</p> <p>⑮ Shimano Fest 2013 Brazil
About 9,000 participants for two days.</p> |
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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.



Domestic committee on the Shimano Green Plan



Global committee on the Shimano Green Plan, participated in by Shimano overseas factories

Shimano Green Plan

Global since 2004

Shimano has been making a constant effort to comply with the Shimano Green Plan (SGP), which comprises guidelines for producing products with reduced environmental impact.

Definition of SGP

SGP is Shimano's unique procurement guidelines on chemical substances contained in materials and components that constitute its products, established to accomplish the following three objectives:

1. Clarification of standards on numerically controlling chemical substances contained in products.
2. Promotion of understanding by suppliers on the control of chemical substances and management cycle for improvement
3. Delivery of care-free and environmentally-friendly products to global customers

The product compliance group of QIT section in the Quality Control division is playing a leading role in operating the SGP Global Committee and drafting a revised version of the SGP



Kazuki Kuwabara
Quality-IT, Quality Control Division



Yuki Takemiya
Product Compliance Group
Quality-IT, Quality Control Division

Outline of SGP



SGP was launched as "Shimano Green Procurement Policy" in 2004.

Shimano first published its Green Procurement Policy in 2004. From the fourth edition, published in 2006, the Standard was renamed as "Shimano Green Plan (SGP)". SGP has been reviewed from various viewpoints each year. The most updated version is the 3rd series of the eighth edition. The year 2013 marks the 10th anniversary of the launch of SGP. In the year 2013 that marked the 10th anniversary of the launch of SGP, we reconfirmed the significance of SGP.



■ Circumstances surrounding the revision of SGP

The fourth edition, published in 2006, marked the start of our efforts to respond to RoHS Directive issued by the EU. Our green standard set under the edition included chemical substances banned by our company on a voluntary basis. Our suppliers agreed to cooperate with us in observing rules set under this green standard.

The fifth edition focused on the improvement of laws and regulations, especially Japan's Law Concerning the Examination and Regulation of Manufacture, etc. of Chemical Substances.

The revision under the sixth edition was indented to reduce risks in response to revised laws and regulations, including Prop65 of the United States.

After the sixth edition was published, laws and regulations on chemical substances were globally revised one after another, with a focus of attention shifting from banning substances to controlling information. One of the most significant legal changes surrounding the global community was a new set of rules adopted by the EU, known as REACH. Under the seventh edition, Shimano was able to collect information on the use of chemical substances covered by REACH from its suppliers, including harmful substances.

The eighth edition is aimed at enhancing observance of SGP by narrowing the gaps between our company and its suppliers regarding SGP management. It is also designed to increase business efficiency at both Shimano and suppliers by reviewing business processes regarding SGP. The chart shown below is the management flow of SGP.

Circumstances surrounding the revision of SGP			
Revisions	Publication	Laws and regulations	Priority items
4th edition	April, 2006	RoHS Directive by EU	Proposal for Shimano to set voluntary standards
5th edition	Oct., 2006	Japan's Law Concerning the Examination and Regulation of Manufacture, etc. of Chemical Substances	Improvement of laws and regulations
6th edition	May, 2008	U.S.A.: Prop65	Reduction of risks
7th edition	Sept., 2009	BAA environmental standard U.S.A.: CPSIA EU: REACH Regulation	Response to obligation on communicating information
8th edition	Dec., 2011	EU: REACH Regulation Addition of SVHC	Improvement of observance

■ Role of SGP

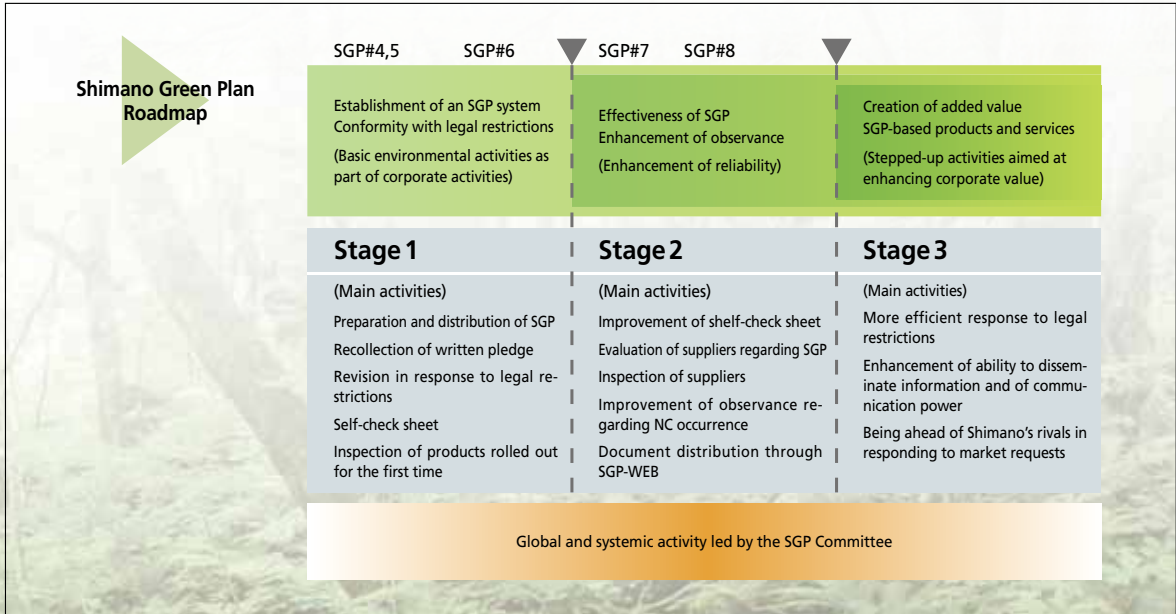
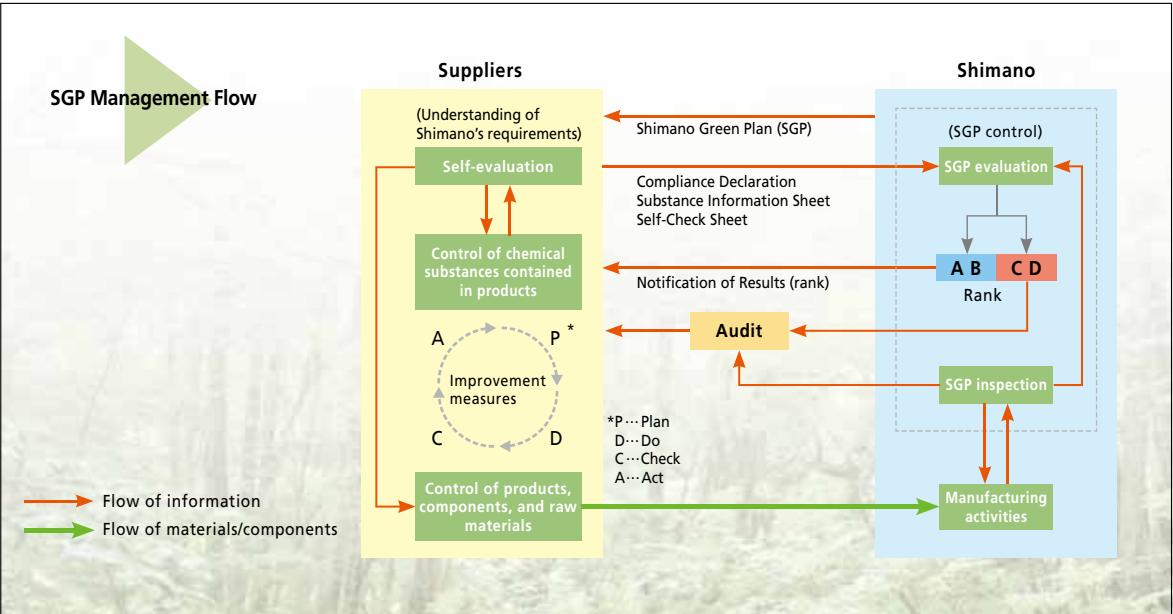
When we started the green plan in 2004, we looked at all possible methods. Our basic philosophy was to do our utmost to enhance corporate value. When the fourth edition was published in 2006, our activities were still limited to basic actions. Nevertheless, our factories around the world recognized the common goal and mission they were to share, having paved the ground for what would be later developed into the current SGP. The role of the SGP has become increasingly important at a time when society is becoming increasingly oriented to environmental and human friendliness.

We will continue to make reliable products in cooperation with our suppliers.

We will make further efforts to strengthen SGP's role in the future. For this purpose, we will make SGP more unique and work actively as a corporate citizen . By doing so, we will consolidate our mutually reliable relations with our suppliers.



Technological explanation to suppliers



Inspection of SGP management at suppliers



Analysis of ingredients of harmful substances used at each factory

Initiatives to Preserve Local Environment

Tree planting campaign since 2004

Members of Shimano Components Malaysia planted about 102 trees at the roadside of Pontian mainroad.

Earth Day activities since 2012

Members of G.Loomis cleaned up a portion of the shore of the Columbia River just west of Woodland.

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, 2,000 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.

Maintain the cleanliness of surrounding since 2012

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

Cooperation in promoting environmental education since 2006

Employees of Shimano visited an elementary school in Sakai City, Osaka, where our company is headquartered, to support environmental education. This year's environmental class, held on February 18, featured papermaking. Reeds that were used in the class to make postcards had been planted by students in the Ishizu River as part of efforts to increase the water purity of the river. The planting of reeds led to the revival of "ayu" sweetfish in the river. This is part of our efforts to promote environmental education during childhood.

Yamato River Cleanup since 2001

Together with residents of Sakai City, home to Shimano's Headquarters, 180 Team Shimano members voluntarily participate in the Yamato River Cleanup Campaign.

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.



Noise control since 1999

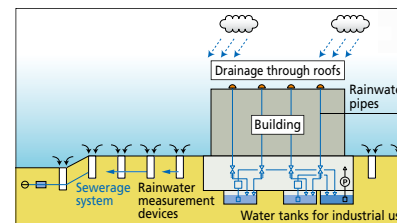
To control noise in the residential area around Shimano Kunshan (China) and to improve the workplace environment, Shimano Kunshan has built a system to monitor and control noise levels.

Energy conservation measures

At the Shimonoseki factory, strict vigilance on energy consumption was introduced on a division-by-division basis to find wasteful use of energy and better energy conservation measures. This year, the factory's CO₂ emissions were reduced by 51.1 tons while power consumption was cut by 39,603 kwh, both resulting from the changes of lighting equipment, such as the use of smaller-watt fluorescent lamps, layout changes for lighting devices and a shift to LED lamps. Other energy-saving efforts for this year included controlled operations of lighting equipment, which led to a cut of 143.5 tons in CO₂ emissions and saving of 218,633 kwh in electricity consumption, equivalent to 56 kl in terms of crude oil.

Construction of an Eco-Conscious Factory

The factory at the headquarters in Sakai City, Osaka, has been under renovation since 2011. The second-phase construction was completed in the autumn of 2013, creating an environmentally friendly manufacturing building. Each manufacturing unit at the factory has set numerical energy-saving targets in such facilities as air condensers, boilers, air-conditioning systems and lighting systems.



Water demand at the renovated factory has been curbed to about one-fourth the pre-construction level thanks to the effective use of rainwater, as shown in the illustration, and the recycling of water using an in-house drainage system.
(Illustrations used reflect conceptual images)



Appearance of the new factory

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-Communiting Business Company since 2009

Shimano headquarters has been certified as an "Excellent Eco-Communiting Business Company" by the Foundation for Promoting Personal Mobility and Ecological Transportation for our efforts to promote bicycle commuting. As an Excellent Eco-Communiting 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 2013, we succeeded in reducing CO₂ emissions by 35,050 kg, about five times more than our target of 6,608 kg. We will continue to actively work to reduce environmental impact in 2014.



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.



STRIVE program 2011-2013

STRIVE* is a school education program run in Singapore aimed at teaching basic skills for bicycle maintenance and safe bicycle riding. The three-year program from 2011, sponsored by Shimano Singapore, was participated in by students of a local junior high school, Jurong Secondary School. The students learned practical riding skills and how to maintain bicycles at the Road Safety Park. Through the program, part of Shimano's efforts to contribute to society, the students learned much more about bicycles and safe riding. The bicycle maintenance session was held inter-actively between Shimano staff and participating students. Basic maintenance techniques were taught to the students under an actual maintenance setting using visual materials and through hands-on practice.

- *S ... Skill
- T ... TIME (Teach, Inspire, Mentor, Enhance)
- R ... Reaching to the community
- I ... Inspiring student
- V ... Vibrant teaching
- E ... Energetic trainer



Mass-cycling at the opening ceremony of STRIVE (2011)



At the opening ceremony of STRIVE Mr Lim Boon Heng (Right) and Mr.Kiyoshi Tarutani from SHIMANO graced the ceremony (2011)



Shimano staff with guest of honor (2011)



As part of practical training under the STRIVE program, students joined cycling tours to suburban areas, held several times to teach them safety riding skills. In the third year of the program, senior students were just like advisers for junior students, teaching them basic maintenance know-how. Through the program, the students developed confidence and leadership. Supported by Singapore (VVO) Loving Heart Multi-Service Centre Jurong, the National Park Board and Shimano Singapore, Jurong Secondary Students are the beneficiaries of the STRIVE program. The three-year STRIVE program, held under the slogan "Cycling for Health, Happiness and Harmony," ended successfully on October 19, 2013. The participants acquired not only practical skills for bicycle riding and maintenance but also social skills, such as confidence building and the development of their individuality. Shimano is convinced that it was able to fulfill its corporate social responsibility.



A memento was conferred to Shimano Singapore's Managing Director (Left) at the closing ceremony of STRIVE program (Oct., 2013)



To understand the bicycle function



Aid training was conducted to students



Stop point at Bukit Batok (2013)



Bicycle maintenance at Traffic Police-Road Safety Park

Toward Safe and Enjoyable Use of Bicycles

Pedal das Capivaras - SHIMANO since 2011

Employees of Shimano Latin America planned a cycling tour as part of the company's efforts to purify the pollution-plagued Pinheiros River in Sao Paulo. About 300 people participated in the event, which was not conducted on a large scale but drew significant media attention covered by Brazil's major radio stations, TV broadcasters and prominent magazines.



Escuelas sobre Ruedas since 2013

Shimano Latin America held an open workshop in Buenos Aires. Participants in the session, mainly elementary school students, had opportunities to learn about sustainable society and effective transportation methods.



Event Pedalada para o Bem since 2012

A group promoting CO₂-free bicycle delivery services supported fund-raising activities – one for organizing non-profit group Aro60 and the other for backing a mechanic-supporting event. Two employees of Shimano Latin America participated in this campaign, riding bicycles for a volunteer delivery service.



Cycling Among the Youngs since 2012

Shimano Singapore organized a cycling event for young people, which aimed at promoting a healthy lifestyle and creating safe-cycling awareness.

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

Educational program at primary school since 2010

Shimano has sponsored various events at an elementary school in Pekan Nanas in Malaysia's Pontian district, including lecture sessions and coloring. The number of children who took part in the events totals 1,133.



Batamindo Sport Games since 1993

Shimano has supported sport events that are open to employees of all 50 companies housed in the Batamindo industrial complex in Indonesia. Batamindo Sport Games feature eight competitive sports – soccer, men's volleyball, women's volleyball, men's badminton, women's badminton, basketball, chess and table tennis.



Giving Tree since 2006

Based on Christmas tree tags carrying children's names and their wish lists for Christmas, provided by Woodland Community Service Center in California, U.S., employees of G. Loomis bought Christmas gifts.



Children's Day since 2013

Shimano Latin America supported the education of children and child-rearing at a local child welfare center named Lar N. Sra. Aparecida throughout the year. Children are encouraged to practice mountain bike riding, and become members on their own cycling team. Employees of Shimano Latin America (Brazil) sponsored various activities for children living in the neighborhood, including participation in Children's Day events and the provision of clothes and other gifts to them.



Bicycle Servicing and Maintaining at Road Safety Park since 2012

Each year 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. Bicycles were serviced to ensure that all bicycles are in good working condition.



Donations and Relief Activities

Pearl Izumi footwear donation since 2013

Shimano Australia donated shoes to villagers in the Solomon Islands.



Provision of school supplies since 2011

Employees of G. Loomis donated school supplies to local schools as part of educational support for local students.

Tour de Crawf since 2013

Shimano Australia donated bicycle parts and Pearl Izumi cycling wear to support a cycling tour between Melbourne and Perth that was held to raise funds for an anti-breast cancer network in Australia.



Blood donation since 2007

Shimano Batam (Indonesia) held blood donation events on three occasions.



Donation to orphanages started in 2006. since 2006

Employees of Shimano Batam visited an orphanage and presented a donation worth 45,058,000 rupiahs, representing the company. In addition, they also handed donations collected by employees, while providing daily necessities and food.



Bucket Brigade since 2013

Lottery tickets were sold for \$1, with prizes, ranging from cooking books, coffee baskets and shirts to T-shirts and fishing rods, donated by G. Loomis. To support homeless families, 49% of the proceeds from the lottery sale were donated to a community house in Longview in the state of Washington.

Event Pedala Zezinho since 2013

Shimano Latin America donated money and rented tents, both for Aro60, a nonprofit organization helping children in southern Sao Paulo. On Nov. 2, employees of Shimano Latin America repaired bicycles on a voluntary basis for hundreds of children living in the district.



Supporting cycling for reconstruction of the earthquake in east Japan since 2012

About 200 members of Shimano participated in the Cycle Aid Japan 2013, 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.



A charity event was started at an orphanage in 2013. since 2013

A charity event aimed at developing Phnom Srok village in the province of Kampong Speu, Cambodia was held at a local orphanage. The three-day event collected a cash of \$479.50, \$929.25 worth of food, one computer system, one printer and 15 sewing machines – all of which were donated to the village.



Some Thoughts about the Social Activity Report

In 2013, the yen depreciated against the dollar and other key currencies, and stock prices gained significantly, both aided by Prime Minister Shinzo Abe's economic policy dubbed "Abenomics," lifting market sentiment and economic conditions in Japan. Shimano established a number of manufacturing and marketing bases in various parts of the world a long time ago, and the company has been faring well. After reading the latest report, I have the impression that behind the good showing of Shimano were not only its globalization efforts but also the move to adopt a new business paradigm. The Shimano report is composed of the company's efforts in four areas: business operations and development of human resources, the joy of bike riding and fishing, efforts to improve the environment regarding the use of Shimano products, and corporate support of citizens' activities. From the report, I can understand that all these efforts combined to create the corporate value of Shimano.

It has become difficult for companies to create corporate value by taking into account only the supply side situation. No product to be supplied by companies— bicycle components, fishing tackle or whatever—would have value if treated independently of the users' context. This means that products should have value under the users' situations such as their daily lives. In other words, products will create value only if they are combined with other products, services and relevant information. When there is a mechanism in which multiple products are connected to each other, the products will become a technological tool to satisfy users' needs.

Shimano's ULTEGRA 6800-series road sport bicycle components and the mountain bike component series DEORE do not stand alone away from the environments surrounding the products. These products resulted from Shimano's continuous efforts to reflect demand-side needs and its peripheral technologies in development of its products. It was natural for Shimano to have received international awards for these products along with its fishing tackle.

Human resources play an important role in corporate activity. Shimano should be commended for treating the development of human resources in the business category concerning creation of corporate and other value. Human resources are the most important component in corporate society but it is often said that such resources have not been fostered well in Japanese industry. In response to this situation, Shimano offers various educational and training sessions to employees as part of its investment in human resources, which the company hopes will bear fruit in the future. Business administration consultant Karl Albrecht emphasized the importance of multi-dimensional intelligence rather than single-dimensional intelligence, while stressing a need for interaction among project team members to spur social intelligence. The active learning method being advocated by Shimano for foreign-language training is none other than the company's efforts for global-oriented education, while its post-retirement "My Life Plan" is an educational program developed in response to challenges currently facing Japan's society.

Various promotional activities are underway at Shimano's "OVE" outlets to increase the consumers' joy in riding bicycles and using Shimano fishing tackle. Equipped with a library and a cafe, an "OVE" is a multi-purpose promotional center from which Shimano disseminates messages and information to potential users and where various promotional events are held. At the outlet, Shimano proposes new ways of enjoying a bicycle, including "bike riding like strolling," which is likely to surprise consumers who visit the outlet as they do not know about these proposed uses for bicycles, which are within their reach. Other promotional events sponsored by Shimano include a riding class at the Bicycle Museum Cycle Center in Sakai City, Osaka, and various bicycle and fishing events being held overseas—all apparently aimed at broadening the scope of activities and experiences by consumers in their lives.

This year marks the 10th anniversary of the "Shimano Green Plan (SGP)," inaugurated by the bicycle components and fishing tackle company focusing on outdoor and sports goods, in 2004 as a means of easing the load of industrial activities on the environment. The SGP's eighth edition, published in December 2011, contains a user-friendly SGP management flow and a roadmap. Green activities undertaken by Shimano based on the SGP includes afforestation in Malaysia, the United States, China and Japan, the holding of Earth Day events, cleaning activities in the vicinity of factories, the monitoring of industrial noise, and promotion of energy-saving lighting equipment. Shimano also attracted public attention by holding an eco-promotion event modeled after a bike-commuting week adopted in the United States. Business offices of Shimano have been certified as promoting eco-friendly commuting. This is a reflection of Shimano's efforts to implement the SGP, for which the company should be praised.

By engaging in social activities, Shimano has been building relationships of trust with people in many countries and regions in the world. In Singapore, the company sponsored a three-year bicycle program called "STRIVE," featuring basic bicycle maintenance and safe-riding sessions targeting junior high school students. The program ended with the adoption of the slogan "Cycling for Health, Happiness and Harmony." Promotion of interactive exchanges with young people is nothing but the foundation of confidence building toward the future. In Brazil, Shimano sponsored a cycling tour aimed at promoting purification of pollution-ridden rivers. In Argentina, the company held bike-riding sessions for children while promoting CO2-free bicycle delivery services. Promotional efforts are also underway in Japan, where Shimano Racing Team members teach basic road-racing know-how at the Cycle Academy. Shimano's "corporate citizenship" activities, especially those aimed at supporting educational programs, have become global, with the holding of lecture and coloring sessions at elementary schools in Malaysia. These activities are socially meaningful from the viewpoint of fostering future generations who are to be responsible for building a global and sustainable society.

This report lists various social activities by Shimano, which are in a different category to financial information. It provided us with opportunities to look into Shimano's conceptual position on its business operations, which would not have been available through merely reading of statistical figures contained in financial reports. The latest report was published amid the rapidly growing trend for companies to compile "integrated" reports to reflect both financial and nonfinancial information. I will closely monitor the social activity report compiled by Shimano in the future.



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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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