

Social Activity Report

[January 1 – December 31, 2014]



SHIMANO

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Issuance of Social Activity Report



It has become obsolete today to consider business activities as something conflicting with social contribution. Instead, a company is expected to engage in sound business activities and to create a common value for both the company and society.

For many years, Shimano has been engaged in business activities, upholding the motto:
To promote health and happiness through the enjoyment of nature and the world around us.

To fulfill this mission through our day-to-day activities, we are committed to developing
“Captivating Products,” innovating manufacturing process to create new value more efficiently,
and promoting bicycle and fishing cultures so as to enhance the value of the entire industry.

We will continue our daily activities to fulfill our mission as a “Value Creating Company” and to create a common value for both Shimano and the society.

It is my sincere hope that this report will help deepen your understanding of Shimano’s commitment.

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

■ Exponential evolution : XTR

Shimano's top-grade XTR M9000-series mountain bike components represent evolution of a new dimension. The advanced technology integrated into the 11-speed drivetrain and the new side-swing front derailleur provide riders with supreme performance in a variety of race or trail "rider tuned" configurations. Joining our lineup also is the revolutionary XTR M9050-series Di2 electronic mountain bike shifting system that creates an intuitive shifting experience dramatically expanding the possibilities of mountain bikes.



■ Inspiring high-performance : Shimano 105

Shimano's 105 road racing components -- the rear 11-speed, 4-arm crankset, dual pivot brakes, and Sil-Tec polymer coating -- have undergone a full model change while retaining the cutting-edge technology developed in the world's top races. Smooth shifting, accurate gear changes that keeps the focus on riding, and outstanding brake control give riders a solid sense of performance from the moment they straddle their bicycles and begin riding.



■ iF Award : Dura-Ace 9000/9070, SLX M670

The iF Design Awards have been hosted by Industry Forum Design Hannover (iF) since 1953 to encourage public interest in design, and each year the Awards select outstanding designs for recognition from among industrial products worldwide. Shimano's Dura-Ace 9000/9070-series road racing components and its SLX M670-series mountain bike components won iF Product Design Awards in 2014.



Fishing Tackle

■ Good Design Award :

"POISON ULTIMA" lure rod for bass fishing

The superlative "Poison Ultima" bass-fishing rod, the third in the "Poison" series of collaboration products merging Shimano technology with JACKALL know-how, won the Good Design Award hosted by the Japan Institute of Design Promotion.

■ iF Award : METANIUM bait-casting reel

Metanium, a bass fishing reel equipped with new functions such as a micro-module gear offering both smooth spinning and strength and a centripetal brake system that enables explosive flight distance and easy setting, won the iF Product Design Award 2014.

■ Winning awards at EFTTEX

Shimano's Rarenium CI4+ and Lesath CX products won the Best New Product competition in two categories at EFTTEX, a European fishing gear trade fair held in Brussels, Belgium. Specialists and journalists select the year's most outstanding products for awards, and Shimano products have won awards for eight years running.



Lifestyle gear business

■ iF Award : SH-MT44 cycling shoes

Shimano's SH-MT44 SPD cycling shoes, which offer high added-value performance by combining the outstanding walking performance of sports shoes with the stylish appearance of modern casual shoes, won the iF Product Design Award 2014.





Enhancing employee health

Promoting healthy minds and bodies

Shimano is engaged in a variety of activities aimed at enhancing the physical and psychological health of its employees. As one endeavor to manage health risk, we have created databases of medical checkup results and analyzed/utilized this data. To improve awareness of the importance of health, Shimano Smart Seminars on health issues as well as health education events and other programs are held to promote good health.

Shimano has for many years also encouraged bicycle commuting to promote good health. Nearly one-third of headquarters employees (about 400) commute by bicycle, incorporating a suitable degree of exercise into their daily lives. The health examination results of Shimano employees have also been above nationwide averages.

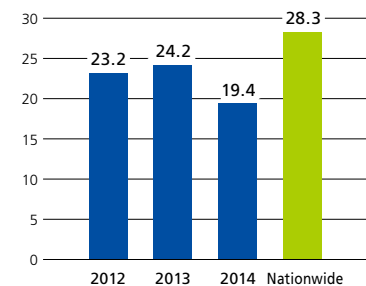
Health risk management : accumulating/utilizing health-related data

We are seeking to "visualize" medical checkup results in order to provide effective health care guidance.

Health checks for employees

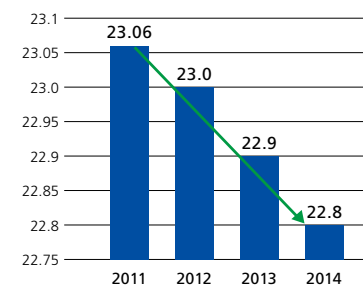
*BMI (Body Mass Index): an index of obesity based on body weight and height

Percentage of obese persons (BMI ≥ 25)



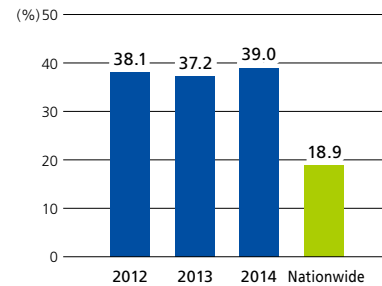
Targets: ■ Checkup results for males in their 20s-50s directly employed by the Shimano's headquarters
2012: 965 persons
2013: 1,066 persons
2014: 861 persons (Apr-Dec)
■ Nationwide: 2013 National Health & Nutrition Survey / Ministry of Health, Labour and Welfare

BMI* Average figures



Targets: ■ Checkup results for employees directly employed by the Shimano's headquarters
2011: 1,064 persons
2012: 1,190 persons
2013: 1,346 persons
2014: 1,098 persons (Apr-Dec)

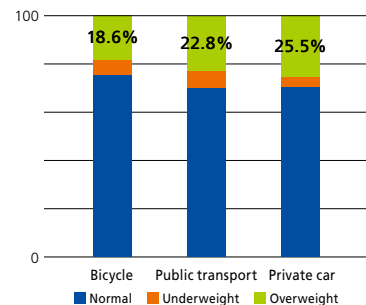
Exercise habits



Targets: ■ Checkup results for males in their 20s-50s directly employed by the Shimano's headquarters
2012: 820 persons
2013: 921 persons
2014: 809 persons (Apr-Dec)
■ Nationwide: 2013 National Health & Nutrition Survey / Ministry of Health, Labour and Welfare

Exercise habits: persons who have regularly exercised at least 30 minutes two or more times per week for one year or more

BMI* by commuting method



Focus: commuting method (all persons directly employed by the Shimano's headquarters)
Bicycle: 34.3%, public transport: 26.1%, private car: 39.6%

Health promotion activities in the USA

Team Shimano has undertaken activities to promote good health in the US and elsewhere around the world.



Fun Run
(PEARL IZUMI USA)
Monthly 3.1-mile run events are organized for employees and local residents.



Bike to Work Day
(PEARL IZUMI USA)
Employees actively participate in this annual event by commuting to work by bicycle.



Lunch Ride
(PEARL IZUMI USA)
Local rides during lunch breaks are organized on a regular basis.



Wellness Events
(Shimano American)
Employees can attend a variety of classes each month to receive guidance from local instructors.

Improving health awareness:

efforts underway to prevent lifestyle diseases and reduce the prevalence of abnormal findings

Health education events

Educational goods/materials are distributed and displays and measurement corners set up during lunch breaks to boost interest in good health; industrial physicians also provide advice as necessary.



February: Lifestyle disease prevention



May: Lung age check
World No Tobacco Day



Advice from industrial physician



August: Body composition check
Medical checkup reference guide

Shimano Smart Seminar

Four health classes were held in FY2014 -- "Becoming 10 years younger just by changing your walking style," "Preventing lower back pain in the workplace," "Eliminating mental and physical tension," and "An enjoyable and invigorating discussion on nutrition" -- featuring special lecturers from hospitals and universities to give employees' greater knowledge about health.



Creating the human resources needed to support Shimano

New employee training

New employee training is provided to employees just joining Team Shimano to help them understand Shimano's history and corporate philosophy. The curriculum, which includes actual bicycle rides and fishing experiences in addition to lectures, is designed to get all members of Team Shimano worldwide to think and act in keeping with a shared philosophy.



Training for new employees
(Shimano Kunshan: China)

Shimano Academy

since 2013

The Shimano Academy is a European training program for a wide range of Shimano team members. Target groups in this program are: Directors, Teamleaders & Managers, Young Professionals and New Colleagues. All training modules are related to personal-, team- or business-development and represent the Shimano core competences. The Shimano Academy ensures and stimulates the development of Shimano team members in different stages of their career.



Training that expands horizons

since 2012

Three times a year the HR department of Shimano Europe organizes an "Inspirience* Workshop" for employees on relevant topics, wherefore expert lecturers are invited to give presentations. In 2014, attendees learned about CSR and work-life balance.

*Inspiration + Experience



Creating Exhilarating Joy

—Offering enjoyment and fun
for everyone

—Broadening the enjoyment of cycling and fishing
The premise underlying "Captivating products"
offered by Shimano is that of bringing greater joy
to people's lives. In addition to supplying products,
we think it important to convey to more people the
fun of using these products and to provide them
with opportunities for enjoyment.
Our activities span a wide range, and include cycling
and fishing events that let people have fun while
they engage in personal exchange.
Here we will introduce "Shimano Cycling World"
opened in Singapore in September 2014.

SHIMANO cycling world

 since 2014




Shimano Cycling World (SCW) opened on September 25, 2014 in the Singapore Sports Hub, a sports complex in Singapore. SCW is a cycling-themed hands-on exhibition facility about 650m² in area. The facility has adopted a variety of approaches to familiarize people with cycling and help them achieve a new lifestyle that will enable them to enjoy nature more fully. The exhibition comprises eight corners where visitors can learn about the history of cycling, the world cycling scene, product design, etc. Easily understandable to new cyclists and enthusiasts alike, these displays will help make Singapore a hub for disseminating cycling culture.

Location of Shimano Cycling World

Shimano Cycling World was constructed in the Singapore Sports Hub in central Singapore. The facility covers a site equivalent to 50 soccer fields, and features an international stadium with a capacity of nearly 55,000, an arena, an aquatics center and other sports facilities as well as a library and a shopping center.



 SINGAPORE SPORTS HUB



Stadium for a variety of competitions



SCW entrance

Expanding cycling culture in Southeast Asia Promoting cycling as a lifestyle in Singapore



Dream Machine

A peek into the world of cycling via a model gallery of gears, wheels, chains, etc. Monitors introduce the beautifully compelling world professional racing scene.



Cycling Singapore

An informational display about cycling in Singapore that provides information about bicycle shops, park connectors (bicycle paths connecting parks in Singapore), rental cycles, events, etc.



Cycling Global

Monitors present information on cycling around the world. Visitors can search for cycling courses and tours worldwide and browse a lineup of cycling publications.



Club House

A concierge corner for cycling. Displays of bicycles and bicycle parts showing their evolution and manufacture are designed to inspire visitors.



Surround Stage

Available for multiple uses, including presentations, seminars and special exhibitions on cycling, this facility is equipped with retractable bench seats, an elevating stage, a large-sized screen, and other facilities.



Dissemination hub for cycling culture

Shimano established its first overseas manufacturing location in Singapore in 1973. Given our long ties to Singapore, we received an offer through the EDB*1 for a national "health and lifestyle" project. Viewing the newly-built Singapore Sports Hub as an optimal location for disseminating cycling culture, we situated SCW there to encourage cycling as one lifestyle choice among people in Singapore and throughout Southeast Asia.

*1 Economic Development Board Singapore



Hiroshi Matsui
Senior Vice President, Business Development Division
Shimano Headquarters

Achieving development while contributing to communities

Our objective is to extend cycling culture throughout the region. By establishing SCW in Singapore, we hope to engage in multipurpose communication with consumers. Singapore is a modern city with the latest in infrastructure and services and a blend of people and cultures. We believe that SCW will contribute to the region even as it serves as a base from which Shimano can develop further.



Eugene Koh
Assistant Director
Shimano Singapore MCS*2 Bike

*2 Marketing & Customer Service

Cycle Cassette

A corner illustrating the evolution and changes in bicycles. The actual bicycles on display pique visitors' interest by introducing episodes from their respective eras and explaining the historical background.



The Forge

A corner showing Shimano's latest technology and its commitment to manufacturing. The displays give visitors a physical sense of cutting-edge function, while videos teach them the ins and outs of bicycles.



History

This section presents the history of Shimano and bicycles. Slideshow monitors in the history panels offer detailed information for each decade, including bicycles and Shimano components of the decade.



LIFE CREATION SPACE 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 a destination. We are also proposing various lifestyles through numerous events and a library in order to enrich people's cycling lives.



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



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

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.



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

Fishing Café Project & Shimano TV

 since 2000

The "Fishing Café Project" was designed to create a new fishing culture in which anglers could freely interact. We have been imparting fishing news and information through a magazine published three times a year, TV programs broadcast on SkyPerfect TV and BS Fishing Vision, and a website that delivers up-to-date information. In 2007 we launched Shimano TV, a global fishing channel offering a wide range of online content 24/365 accessible to everyone from beginners to veterans.



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

Japan Cup 30th Anniversary

 since 1984

Thanks to generous patronage and support, the Shimano Japan Cup celebrated its landmark 30th anniversary in 2014. We have taken a long-term perspective on creating a fishing culture, popularizing fishing as a sport that can be enjoyed throughout one's life and fostering countless fishing aficionados, and we will continue such activities to further develop the fishing culture.




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



 (US) since 2013

Sea Otter Classic^①

One of the largest cycling events in North America

 (China)

..... since 2011

SHIMANO Bikers Festival (Shenzhen)^②

About 1,020 people joined.

..... since 2007

SHIMANO Bikers Festival (Beijing)^③

About 1,070 people joined.

..... since 2010

Shop-in-shop racing (Mianyang)^④

About 660 people joined.

..... since 2010


Giant&SHIMANO cup racing (Chengdu)^⑤


About 270 people joined.

..... since 2012

CRONUS cup Mountain race


About 320 people joined.

 (Brazil) since 2010


 (Argentina) since 2012

Shimano Fest 2014^⑥

(Brazil, Argentina)
The Shimano Fest was started in 2010 in Brazil. In addition to bicycle races, this year's event featured fishing and running events, boat exhibitions, and cycling classes for children. This same event was also held for the third time in Buenos Aires, Argentina.

 (Japan) since 1984

Shimano Suzuka Road Race^⑦

 (Japan) since 1991

Shimano Bikers Festival^⑧



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.



Fishing events organized by Shimano



 (US) since 2014

Bass Tournament Irvine Lake^⑨

 (China)

..... since 2002

Shimano Rinkai Cup (Hong Kong)

..... since 2014

SSSC fishing competition (Kunshan)^⑩


About 60 people joined.

 (Korea)

Korean Trout Fishing Tournament^⑪

 (Vietnam)


Shimano Can Tho Fishing Competition^⑫

 (Indonesia)

Pond FT^⑬

 (Malaysia)

Shimano Syok Pancing Fishing Competition^⑭

 (Japan) since 1984

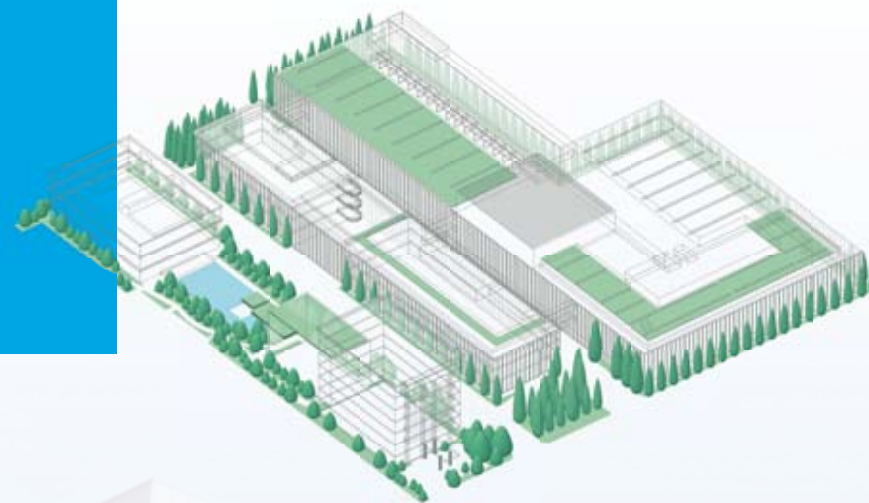
Shimano Japan Cup



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.



New eco-friendly factory

Shimano has been remodeling its headquarter factory since FY2011. The new Sakai Intelligent Plant (SIP) and the Manufacturing Technology Center (MTC) for collecting information on Team Shimano factories worldwide were completed in 2013, and work was also finished on the headquarters welfare facilities in autumn 2014.

We have actively integrated energy-saving measures into the remodeling of the SIP, MTC and welfare facilities, and strived for more efficient energy use in our production and related facilities. We have also ensured that new factories are considerate of the immediate environment by, for example, greening building rooftops and surroundings and constructing open spaces in some areas. We have sought to visualize energy consumption as part of our ongoing energy-saving activities, and we have set up an Energy Saving Promotion Council to effectively pursue these activities.

As a result of these efforts, in FY 2013 Shimano reduced green gas emissions by 18.5% (from FY 2012, in terms of emission intensity), and received the Osaka Governors' Award in the 2014 Osaka Stop Warming Awards (annual awards presented by the Osaka Prefectural Government to companies that have contributed to global warming prevention).



(Principal measures)

■ Improved air pressurizer efficiency: cut emissions by 96t-CO₂ per year

- Reduced electricity usage by installing inverters
- Introduced unit control
- Made unit reductions by switching from dispersed to centralized placement
- Constrained air pressure loss by introducing loop piping

■ Improved boiler efficiency: cut emissions by 317t-CO₂ per year

- Introduced unit control in conjunction with the installation of high-efficiency boilers
- Reduced number of boilers by switching from dispersed location to centralized location
- Reduced gas usage using steam drain heat recovery

■ Reduced power distribution loss: cut emissions by 23t-CO₂ per year

Raised voltage for factory high-voltage wiring system from 3300V to 6600V

- Reduced transformer loss
- Reduced power distribution wire loss

■ Switched from 200V electric motors to 440V electric motors: cut emissions by 21t-CO₂ per year

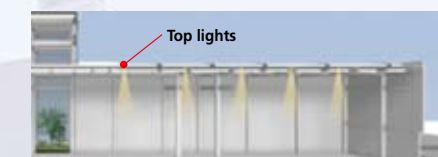
- Improved electric motor efficiency and reduced wiring loss by installing 440V electric motors

■ Improved industrial-use water equipment (by using inverters in water-supply equipment): cut emissions by 102t-CO₂ per year

- Improved efficiency by using inverters in water-supply pumps
- Reduced number of pumps (from 38 to 7) by consolidating water-supply plumbing network
- Reduced water use by starting to cycle cooling water

■ Improved lighting equipment in factory area: cut emissions by 71t-CO₂ per year

- Installed high-efficiency lighting (switched from 400W mercury lighting to 240W high-efficiency lighting)
- Installed LED lighting
- Installed natural lighting (installed beam-condensing units and top lights)
- Installed dimmers
- Shut off lighting near windows
- Eliminated some lighting fixtures to ensure rational lighting
- Installed motion detectors for lighting in common areas (toilets, stairwells, EV hall, etc.)
- Introduced centrally-monitored scheduled operation using iPads



■ Improved air conditioning equipment in factory area: cut emissions by 756t-CO₂ per year

- Installed high-efficiency air-conditioning equipment
- Introduced outside air intake with ground thermal energy using base-isolated layer
- Reduced air conditioning load with natural ventilation using negative pressure on roof surface

■ Improved efficiency of heat-treating furnaces: cut emissions by 811t-CO₂ per year

- Improved energy use efficiency by switching power source (from gas to electricity)
- Upgraded from gas carburizing furnaces to vacuum carburizing furnaces
- Installed super-insulating materials

■ Improved operation of air conditioning/lighting equipment, etc., by introducing facility support system: cut emissions by 8t-CO₂ per year

- Began scheduled operation of air conditioning and lighting
- Rationalized operation of air conditioner temperature settings (introduced sensory temperature control)
- Began remote shutoff of unnecessary lighting
- Automated window shade control
- Adopted automatic demand control based on demand monitoring
- Visualized energy consumption data for each floor

■ Visualized data by introducing an energy management system

- Visualized energy data for factory overall and by production division
- Visualized energy data by incidental/production facility

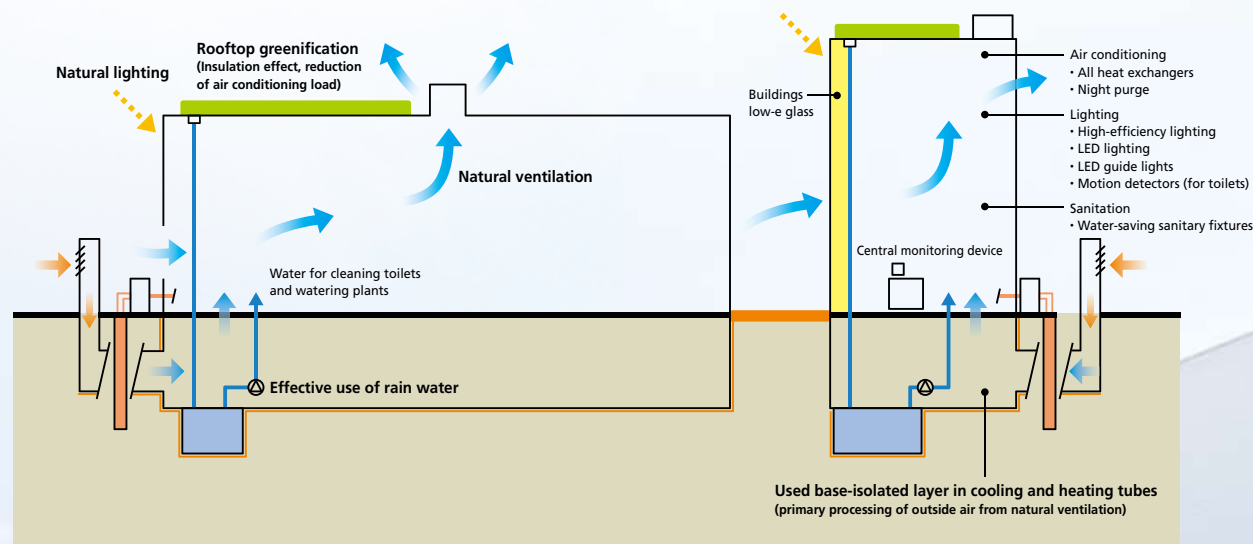
■ Actively introduced energy-saving measures in new buildings

- Greenified rooftops
- Installed super-insulated heat-reflective glass
- Installed super-insulation in floors, walls, ceilings, and other perimeter areas

■ Established an Energy-Saving Promotion Committee to carry out activities

Pursued activities via the Energy Saving Promotion Committee (headed by the Energy Management Supervisor) in accordance with the Energy Saving Act

- Submitted periodic reports on energy use by the entire company and by production division
- Disseminated examples of energy-saving improvements
- Engaged in activities to raise awareness about energy saving



Comfortable workplace environment for Team Shimano members

To improve the workplace environment, Shimano has built a welfare facility, known as Team Shimano Square (TSS), concurrently with the construction of SIP. TSS has a bicycle parking area in the best location on the first floor. In addition, it has a large and sunny cafeteria, a bathroom, and a courtyard, where Team Shimano members can get together and enjoy friendly exchanges.

Eco-friendly factory, designed in consideration of the neighborhood community

To reduce the impacts of manufacturing activities on the neighborhood, Shimano has planted trees in the premises, including on the building rooftops and in the peripheral areas, and has minimized the noise levels of plant operation.



Shimano Green Plan

since 2004

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

Responding to new laws and regulations

The SGP is a procurement standard aimed at providing customers around the world with eco-friendly products and peace of mind by clearly stipulating the standard values of chemical substances included in the raw materials, components and products comprising Shimano products and familiarizing business partners with these. SGP was revised twice in FY2014 to satisfy the demands of customers and markets and to comply with increasingly strict legal and regulatory requirements.

Activities to address risk

The SGP has been in force for more than 10 years, and compliance has visibly improved. At the same time, we have gained a better picture of the high-risk materials and parts requiring prioritization when managing the chemical substances used in products. In 2014, we began efforts to further facilitate understanding of the SGP with respect to apparel and equipment.

We have prepared the "Shimano Green Plan Guidance" to explain concrete methods for checking the compliance of apparel and equipment and to present lessons learned from earlier instances of non-compliance, provided copies of this Guidance to business partners and offered briefings. We have also identified those substances posing risk and introduced the "SGP Check Sheet" to enable business partners to confirm the compliance of each material and component. We are thus working to reduce the environmental impact of our entire supply chain by not only requesting compliance with standards but also cooperating with our partners in providing each other with needed information.



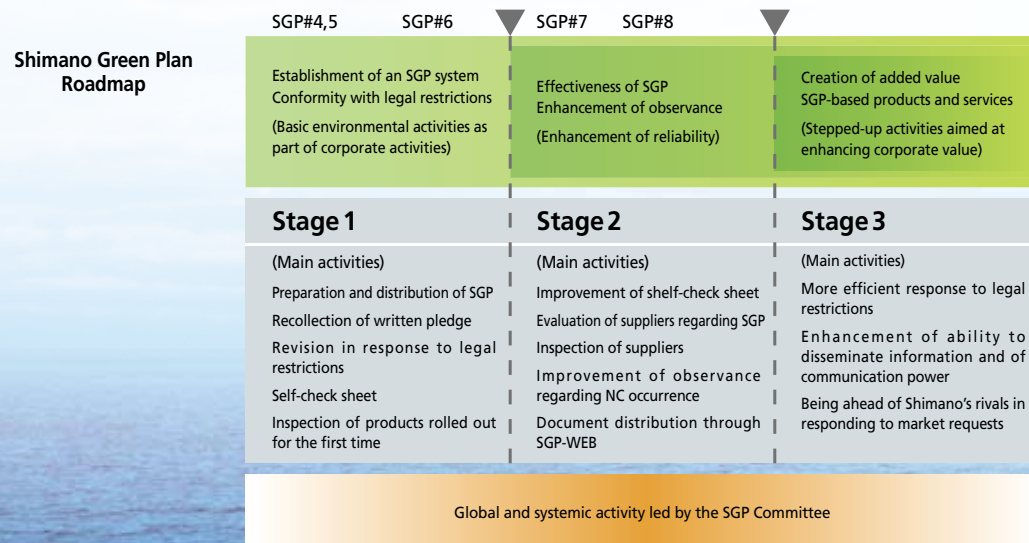
Technical briefing for business partners



Shimano's apparel products

Road Map

Over the past few years we have taken up activities to improve compliance and boost the reliability of Shimano products. To achieve still higher levels and boost our products' added value as well as our own corporate value, we will develop more sophisticated approaches by pursuing global activities centered on the SGP Committee, participating in more dynamic information sharing, and working in close concert with our business partners to contribute to society and manufacture products worthy of our customers' trust.



Initiatives to Preserve Local Environment

Earth Day activities since 2012

In commemoration of Earth Day in April, the employees of Innovative Textile (US) took part in a cleanup effort covering a span of about 1km along the river running near the company's premises. More than 20 employees participated, picking up about 158kg of garbage.



Million Tree Project since 2009

The employees of Shimano Kunshan (China) and Shimano Tianjin (China) have since 2009 participated in the "Million Tree Project" that seeks to plant one million trees in the desert areas of Inner Mongolia. In 2014, Shimano donated 2,000 trees to this project, and has been actively engaged in cultivation efforts to help saplings grow.



Hamburger Urban Fishing Contest since 2014

The organization of the Hamburger Urban Fishing contest shares the concern of having clean canals with Shimano. During this event, one of the assignments was to collect as much waste from the canals as possible. Shimano supported this event by offering, amongst others, a prize to the contestee who collected the most waste.



Forestation activities since 2011

Shimano Components (Malaysia) employees planted about 120 trees in Pekan Nanas.



Initiatives to Reduce Environmental Impact

Noise monitoring since 1999

A system was developed for monitoring noise in the Shimano Kunshan (China) factory to alleviate the impact of noise on residential areas near the factory and to improve the workplace environment.



Efficient use of water resources since 2013

Shimano (Singapore) was awarded Water Efficient Building (Silver) certification by Singapore's national water agency PUB on September 25, 2014.



Energy conservation measures since 2014

Shimano (Singapore) has introduced a ISO50001-compliant energy management system as one of its energy conservation efforts to protect the environment and ensure sustainability.



Energy-saving measures

The Shimonoseki Factory has reduced annual CO₂ emissions by 14.3t by instituting such improvements as switching to LED lighting, changing lighting wattage and adding insulating coating to heat-treating furnaces. It has also cut its electric power use by 14,174kWh (6.2kl petroleum equivalent).



To Establish Reliable Relations with Communities

— Collaboration with local communities as a corporate citizen

As a corporate citizen, Shimano seeks to maintain close contact with respective local communities and work together for mutual harmony and benefit. To this end, Team Shimano companies in various parts of the world take an active role in community activities.



CSR Activities of Shimano Components (Malaysia) Sdn. Bhd. (SCM)



Shimano Components (Malaysia) Sdn. Bhd. (SCM), located in Pontian, Johor in southern Malaysia, commenced corporate citizenship activities in 1999 in the form of a campaign to donate blood to a local hospital. To date, the company has been committed to tree-planting campaigns and educational programs, including the support of environmental education and the organization of coloring competitions for children.

In 2006

Together with Shimano (Singapore) Pte. Ltd. and P.T. Shimano Batam, SCM donated food, clothing, school supplies, and bicycles to a children's institution on Batam Island. The three companies also helped remodel old toilets and bathrooms in the children's institution to make children's daily lives more comfortable.



In 2010

To stimulate children's interest in environmental issues, SCM members visited seven elementary schools, providing environmental education and organizing tree-planting campaigns. A total of 2,084 children participated in these programs.



In 2011

From April to June, SCM members held a tree planting campaign for children aged seven to 12 in eight elementary schools in Pontian, Johor.



In 2012

SCM members organized a tree planting campaign, involving a total of 2,400 children enrolled in eight elementary schools in Pontian, Johor. In the campaign, the members provided lectures on plants and held classes to draw plants.



In 2013

SCM members held various events such as lectures and coloring competitions at elementary schools in Pekan Nanas District, Pontian, Malaysia. A total of 1,133 children participated in these events.



SHIMANO COMPONENTS (MALAYSIA) SDN.BHD.

Supporting the promotion of good daily habits among children

In April 2014, SCM organized an educational program titled "Educational Talk." Since 2010, SCM has held this program as part of its CSR activities. In 2014, SCM organized this program at six elementary schools in Pekan Nanas District, Pontian. The purpose of the program was to develop good daily habits in the following categories:

- Effective use of time
- Hygiene care
- Effective use of TVs and PCs

To promote children's understanding, storytelling, coloring competitions, and quiz sessions were held. Twenty employees of SCM helped the program, in which 1,685 children participated in 2014.



Children participating in the coloring competition



Quiz session



At the end of the program, children were given sweets and other presents.



Toward Safe and Enjoyable Use of Bicycles

Support Children's Cycling Event since 2014

To support children under the custody of Social Welfare Foundation, Shimano Taiwan Co., Ltd (STC) had supported the cycling event to fulfill the children's dream of Tour de Taiwan.



"Mobility Congress on the SOROCOBA PROTOCOL" since 2014

During the Shimano Fest Brazil, Shimano Latin America (SLA) held the "Mobility Congress" that promoted the SOROCOBA PROTOCOL." At this meeting, representatives of "cycling brands," bicycle shop owners, politicians, opinion leaders, journalists, and ordinary citizens held discussions about the document known as the Sorocoba Protocol.

Support of a cycling tour for environmental preservation since 2011

Members of SLA proposed organizing a cycling tour as part of a cleanup campaign of the Pinheiros River, which flows through São Paulo, the largest city in South America.



Lecture on traffic safety since 2014

SLA provided a lecture on traffic safety and security measures to about 600 students of a technical college in Palmar Norte on the Osa Peninsula in Costa Rica.

Warning children of risks of traffic accidents since 2014

To warn children of risks of traffic accidents, Shimano Czech Republic s.r.o. (SCRS) cooperated with Karvina City Hall to organize a painting contest for children in childcare centers and kindergartens. Excellent painters received prizes and their works were displayed at SCRS's showroom.



Support of traffic safety education for children since 2014

SCRS supported an event for children held by the Ministry of Transport and designed to promote safe ways of bicycle riding, as well as knowledge of traffic rules and first aid. SCRS donated funds for offering prizes to children who achieved excellent results.

A cycling tour for elderly citizens since 2014

To support elderly people's travel and to have fun together, SCRS cooperated with City Hall to organize a cycling tour for the elderly in Karvina. About 90 elderly people joined this tour, which ended with the inspection of SCRS's factory and luncheon at its cafeteria.



Support of bicycle ride for students since 2011

Shimano (Singapore) Pte. Ltd. (SPL) held a major bicycle-ride event together with local schools and volunteer groups in Punggol Park. In the event, SPL members encouraged students to learn safety measures and enjoy cycling in a natural environment. To foster a bicycle culture among young people, SPL also organized a bicycle instructor training program for school teachers. As a result, some schools began offering bicycle maintenance courses.



Cooperation with the Road Safety Community Park since 2012

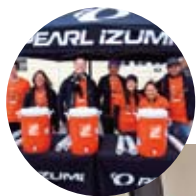
To help children enjoy bicycle riding without mechanical problems, SPL repaired a total of 160 bicycles, including mountain bikes and bicycles for children. SPL also donated to the Road Safety Community Park 60 bicycles for children aged four to nine.



Corporate Citizenship Activities

Support of a marathon held on Thanksgiving Day since 2014

As a main sponsor, Pearl Izumi USA (PI-US) supported the marathon race, Turkey Trot, held in Louisville on Thanksgiving Day. Employees and their families participated in the event as volunteers.



Donating food and clothing to a family support center since 2014

PI-US collected spare foodstuffs and clothing from employees and donated them to a local family support center, an NPO known as the Sister Carmen Community Center.



Organizing a food drive since 2014

Shimano American Corporation (SAC) worked together with local charity groups to hold a food drive, collecting more than 200 spare food items (canned food and other preserved foods) to offer them to needy people.



Visit to a nursing home for the elderly since 2009

Members of Shimano Kunshan paid a visit to a nursing home for the elderly during the Chinese New Year and the Double Ninth Festival day (ninth day of the ninth month in the Chinese calendar). On the Double Ninth Festival day, the members of Shimano and a local volunteer group offered small gifts to 115 elderly people living in the local community.



Support of a handmade bicycle project since 2014

Shimano Latin America (SLA) supported a project to hand-build a bicycle. SLA members offered bicycle components and technological advice.



Promoting employment in local communities since 2001

For many years, Shimano Europe has been cooperating with a local social workplace to promote the employment of people with a disadvantage to the labor market. The company provided job opportunities for such services as the maintenance of the garden, lunch service, and repackaging of products, under a safe and comfortable working environment.



Support of the Medicos Sin Fronteras (MSF) Argentina since 2014

Shimano Latin America (SLA) signed a partnership agreement with Medicos Sin Fronteras Argentina (MSF), a humanitarian medical aid NGO, concerning MSF's participation in major events that SLA takes part in, such as the Rio Pinto, Shimano Fest, and Trasmontaña; and collaboration with MSF in fulfilling its mission. At the venue of the Rio Pinto race, held in La Cumbre, Cordoba, Argentina, MSF members handed out leaflets, explained their activities, and held a video show.

Offering breakfast on car-free day since 2014

In Buenos Aires, SLA offered breakfast to commuters on a car-free day in cooperation with the city's transport department and the food certification authorities.

Sponsorships

Sponsoring a para-cycling team since 2014

SHIMANO -PEARL iZUMi (S-PIEU) decided to support a German para-cycling team in races of the Union Cycliste Internationale (UCI) in 2015. S-PIEU plans to offer apparel items to 30 team members.



Support of a foundation for disabled athletes since 2014

Shimano Australia Pty. Ltd. (SAUS) became a sponsor of a team established by John Maclean, a tri-athlete who became paraplegic in a traffic accident but resumed taking part in triathlon races. As the first person in a wheelchair to complete the Ironman World Championship, he established the John Maclean Foundation, which assists wheelchair users under the age of 18 and their families. The activities of his team were widely introduced in a popular TV program in Australia.



Donations and Relief Activities

Provision of scholarships to university students since 2014

Shimano Tianjin offered a scholarship of 5,000 yuan per person to ten excellent students, who were selected on the basis of both academic achievements and volunteer activities.



Donation to CliniClowns to support clowns' visits to hospitalized children since 2014

Shimano Benelux B.V. (SBX) offered free technological support at more than 30 cycling events. At these events, SBX collected voluntary contributions amounting to 5,000 euros (about 735,000 yen), which SBX donated to CliniClowns (Clown Care) in the Netherlands, a program involving visits of clowns to pediatric hospitals.



A celebration with a social mission since 2014

To celebrate the 25th anniversary of Team Shimano BENELUX, the complete team has contributed their time, skills and enthusiasm to help Parc Spelderholt, the Netherlands, with a variety of chores. Parc Spelderholt is a development centre for young people with a disability. Some of the many achievements that day were the assembly of picnic tables, repairing the water pump, a metamorphose of 5 rooms and the build of a poultry run.



Some Thoughts about the Social Activity Report

The consolidated earnings of Shimano grew substantially in 2014. Economic conditions differ from region to region around the world. In view of these differences, Shimano started from early on setting up manufacturing and marketing bases in Europe, the United States, Asia, Australia and South America. These operational bases across the world have worked together as Team Shimano, leading to the strong performance in 2014—a result showing that Shimano’s strength as a global company has asserted itself. Having read the fiscal 2014 report on social activities, I gained the impression that Shimano responded better to social and market needs by undertaking various social activities, in addition to striving to improve its earnings.

In recent years, creating shared value (CSV) has superseded corporate social responsibility (CSR) as a key catch phrase for business management. CSV, first proposed by Harvard Business School Professor Michael E. Porter, has now become widely known among business leaders. In announcing the theory in 2011, Porter argued that the ultimate goal of business corporations should be not only generating profit but also creating “shared value” for society—a goal which he said should be pursued beyond the conventional theory focusing on competition strategy. Under CSR, the operations of companies in pursuit of profit have generally been treated differently from their social activities. Instead, CSV calls for business corporations to conduct economic and social activities in an integrated manner. The earnings of Shimano for the latest year apparently resulted from its efforts to conduct its business activities while promoting CSV.

As has been done before, the fiscal 2014 report on social activities comprises four parts in which one topic chosen from each category is focused on.

Products in all divisions—bicycle components, fishing tackle, lifestyle-related equipment and gear—showed improvement during the year under review in reflection of the company’s efforts to promote evolution in a seamless manner to make its “Captivating Products” for consumers—a main business theme of Shimano. During this period, the functions and quality of products were upgraded from the viewpoint of customers’ needs. Efforts to make “Captivating Products” were, however, not limited to their functions and quality. By introducing an electrically-operated shifting system and a gear mechanism with a light shift feel for mountain bikes, both of which allow people to ride with less force, Shimano provided greater opportunity for people to engage in long-distance cycling in a more casual manner. In fiscal 2014, ending December 2014, Shimano also strived to make its “Captivating Products” by combining both technological innovation and elements that stimulate people’s sensitivity. Among the products launched as part of such efforts were system components for bikes, lure rods, casting reels and cycling shoes, which received an iF Design Award.

In the year under review, Shimano took various measures to enhance employees’ health as part of its risk management. Specifically, a database was established based on the results of health checkups conducted on employees. Health-enhancing seminars and health education events were also held for employees. Of the employees working at headquarters, one-third now use bicycles to commute. These efforts have proved to be effective in enhancing employees’ health because the health checkups found them to be healthy.

Shimano Cycling World opened in September 2014 in the Singapore Sports Hub, a sports complex in Singapore, as a base from which cycling culture is to be disseminated to the rest of Southeast Asia. This bicycle center comprises many corners, including one where “dream machines” are set up for riding by visitors, and another featuring an informational display showing the location of bike shops in Singapore. Shimano Cycling World serves not only as a base for disseminating cycling culture but is also a place where visitors can interact with each other, making the establishment of such an exhibition facility in Singapore all the more justifiable. In that sense, Shimano Cycling World is likely to increase the number of Shimano users and fans, and is expected to be instrumental in “bringing greater joy” to their lives.

Shimano sees the preservation of the earth’s environment as an essential condition for people to enjoy outdoor activities and sports. As part of its efforts to improve and preserve the environment surrounding its business facilities, Shimano started remodeling headquarters factory in fiscal 2011. The new Sakai Intelligent Plant and the Manufacturing Technology Center for collecting information on Team Shimano factories worldwide were completed in 2013. Work was also finished on the headquarters welfare facilities in autumn 2014. Shimano was able to produce positive results in its energy-conservation efforts following the establishment of an Energy Saving Promotion Council. These activities were recognized with the Osaka Governors’ Award for global warming countermeasures at the 2014 Osaka Stop Global Warming Awards, annual awards presented by the Osaka Prefectural Government to companies that have contributed to the prevention of global warming. In view of this achievement, Shimano should be commended both on the eco and energy-saving fronts.

Shimano has provided the “Shimano Green Plan” guidance to its business partners. Through this guide, Shimano not only sought the compliance of apparel and equipment being procured by its partners to safety standards concerning high-risk materials but also worked together with them to ensure the safety of each material and component using the “SGP Check Sheet.” These efforts were effective in promoting green activities on the manufacturing front. It would have been better if disaster-prevention facilities and devices had been shown as well.

For confidence building, I note that Shimano Components (Malaysia) in Johor, Malaysia, has undertaken a range of activities for local people, including the donation of blood, afforestation and environmental education for children, particularly support for an environmental program in which children are taught about health and sanitation, how to better use TVs and PCs and how to spend their time more effectively in other fields. The program for children is significant from the viewpoint of helping them learn the basics of making a living. In addition, Shimano has been involved in a range of corporate citizenship activities, from sponsoring local events to supporting charity activities. These activities seem to me to be precisely the CSV that Shimano has advocated.

Having read the fiscal 2014 report on social activities, I was able to recognize that Shimano has been striving to create shared value by globally working on overcoming the various challenges it faces through its business operations, at a time when concern and interest for people’s health and the global environment have been growing. In making investment decisions, U.S. and European investors have recently turned to corporate reports that combine both financial and non-financial information of companies. A benchmark standard used by investors before deciding to invest in a particular company is whether the company has created shared value—a combination of economic and social value. The next challenge for Shimano is demonstrating a corporate story for CSV that is possible if the company combines its ability to address social issues with the innovative manufacturing strength the company has sustained through its business operations. This is what we will expect from Shimano in the future.



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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