Social Activity Report

[January 1-December 31, 2019]



SHIMANO

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

In line with this corporate mission, Shimano has dedicated itself to providing its customers with not only Captivating Products for cycling, fishing, and rowing, but also opportunities to use them to promote healthy and enriched lifestyles.

These activities, however, are only possible when both the beautiful natural environment and the safety of our society are maintained.

As a corporate citizen, Shimano will continue to engage in activities to help realize a sustainable society as it has always done. To this end, we will make even greater efforts to tackle global challenges in collaboration with local communities to preserve our common home, Earth.



Team Shimano's Social Activity Policy

"To promote health and happiness through the enjoyment of nature and the world around us." Upholding this motto, all Team Shimano members commit to social activities based on the following three pillars of the company's guiding principles: "Creating Exhilarating Joy," "Taking Care of the Environment," and "Building Confidence."

At the same time, we believe it is important to steadily and consistently carry out programs that are suitable for Shimano. In principle, such programs comprise activities related to our business and benefit the local communities.



Offering Enjoyment and Fun for Everyone

Proposing ways to enrich lifestyles:

Implementing activities to enrich lifestyles highlighted by cycling, fishing, and rowing

Operating facilities for learning:

Operating facilities to share a wide variety of knowledge and information, including those on the history of cycling, fishing, and rowing, as well as ways to enjoy them

Promoting sports:

Holding and supporting events where visitors can enjoy firsthand experience of cycling, fishing and rowing

Improvement and Preservation of the Fields of Outdoor Activities

Natural environment:

Implementing activities to preserve and foster the natural environment, such as cleanup and tree-planting campaigns, as well as environmental education

Living environment:

Taking measures, such as noise control, energy conservation, and wastewater treatment; and improving facilities to protect the surrounding environment

Reducing the environmental impact of manufacturing processes:

Producing items friendly to people and the environment through thorough legal compliance (Shimano Green Plan) and other measures



Educational support:

Promoting cycling safety and supporting children's education

Contribution activities:

Donating to orphanages, supporting the disabled, providing scholarships, etc.

Contribution to local communities:

Creating better environments for cycling and fishing, cooperating in blood donation drives, and promoting other activities as a good corporate citizen



Taking Care of the

Environment

Corporate Mission Team Shimano's Social Activity Policy Issuance of Social Activity Report Enhancing Corporate Value

Offering "Captivating Products" Creating the Human Resources Needed to Support Shimano In-house Activities to Promote Cycling, Fishing, and Rowing **Enhancing Industrial Safety**

Creating Exhilarating Joy

To Share the Enjoyment of Cycling, Fishing, and Rowing with Many More People —— Shimano Experience Center

Other Activities

Organizing and Supporting Events

Taking Care of the Environment

Wastewater Treatment to Mitigate Environmental **Impacts Worldwide** Shimano Green Plan

Initiatives to Preserve Local Environment

Building Confidence 30

Toward the Safe and Enjoyable Use of Bicycles **Education Program for Children Donations and Relief Activities Corporate Citizenship Activities**

Some Thoughts about the Social Activity Report 38

Issuance of Social Activity Report



In 2019, amid radical changes in the global economy and social situation, people in both developed and developing countries began placing greater emphasis than ever before on the vital importance of caring for one another as global citizens.

At the same time, while rapid progress of Al and IoT technologies make our daily life more convenient, these technologies also bring about a flood of information, including fake information, which in turn makes us uneasy and exhausted.

Moreover, the worsening global environment has become a pressing issue, urging all organizations, regardless of their nations or industries, to tackle this challenge.

In this situation, Shimano will dedicate itself to creating environment-conscious products by effectively using its cutting-edge technologies to fulfill its mission: "To promote health and happiness through the enjoyment of nature and the world around us."

In March 2021, Shimano will celebrate its centennial.

While responding to changing social needs with greater flexibility, Shimano will continue to pursue even more precise manufacturing as a development-oriented manufacturing company based in Japan. At the same time, by providing Captivating Products, we are determined to strive further to long remain a Value Creating Company that helps create new and enriched cycling and fishing cultures.

It is our sincere hope that this Social Activity Report will help deepen your understanding of Shimano.

Yozo Shimano President, SHIMANO INC.

Enhancing Corporate Value

Offering "Captivating Products"

Shimano offers what we call "Captivating Products," including bicycle components that ensure a comfortable ride and ease of operation, fishing tackle products characterized by a fusion of advanced technologies and human sensitivity, and sportswear and shoes that further enhance the enjoyment of outdoor activities. By promoting cycling, fishing, and rowing, all pastimes enjoyed in natural settings, Shimano aims to help enrich the lifestyles of all users of our products.



<Bicycle Components Business>

Components for Mountain Bikes (MTBs) SHIMANO DEORE XT M8100 series SLX M7100 series

The SHIMANO DEORE XT series and SLX series have been trusted by users for many years.

For these lines, Shimano has simultaneously launched new models featuring Shimano's original technologies and improved functions essential for full-fledged MTB components.

The new models include a drivetrain that enables smooth shifting even under heavy pedaling loads, a brake lever with improved operability, and a 12-speed rear derailleur, which before had been available only in the XTR M9100 series—the flagship model for MTBs.



SHIMANO DEORE XT M8100 series



SLX M7100 series

Components for gravel road bicycles SHIMANO GRX

Gravel riding is a type of long-distance cycling along unpaved roads with drop handlebars and fat tires. To support gravel riders, whose number is increasing particularly in North America, we have launched new components, SHIMANO GRX. At the same time, we launched the RX8 gravel shoes, featuring stiff outsoles, and the SPD (Shimano Pedaling Dynamics) system, which enables riders to walk. To enhance the enjoyment of gravel riding, we offer sets of a variety of products, ranging from bicycle components to soft goods.



<Fishing Tackle Business>

Lightweight spinning reel: Vanquish

The new Vanquish series is lighter, more durable, and has longer flying distance. The new model is up to 40 grams lighter than the previous model and has improved sensitivity and operability. Moreover, incorporating Shimano's cutting-edge technologies, such as HAGANE Body and HAGANE Gear, the new series features by far greater durability and rigidity than previous models.

Reel for electric jigging: Beast Master 2000 EJ

Jigging is a type of lure fishing that uses metal lures known as "metal jigs" designed in the shape of small fish. It is suitable for catching a wide variety of fish species, including yellowtail, yellowtail amberjack, red sea bream, and flounder. While electric reels make jigging more comfortable and enjoyable, conventional products did not have sufficient durability. In response, we have developed new electric reels for jigging, which enable anglers to move jigs at a high speed and attract fish that do not respond to slowly moving jigs. Combining the electric reels with rods and jigs, Shimano markets sets of electric jigging products to propose a new style of fishing.

Shimano's products awarded at ICAST: SLX DC, Stradic FL, and POWER PRO's Moon Shine Braid

Shimano exhibited its products at the International Convention of Allied Sportfishing Trades (ICAST), the world's largest trade show of fishing tackle products, held in Orland, Florida. At this trade show, Shimano let visitors not only look at its exhibits but also handle them to confirm their performances firsthand. Among these products, the SLX DC and Stradic FL won the Best Freshwater Reel Award and the Best Saltwater Reel Award, respectively. In addition, POWER PRO's Moon Shine Braid was honored with the Best Fishing Line Award.









Creating Human Resources Needed to Support Shimano



Shimano Leadership Development (SLD)

The Shimano Leadership Development (SLD) program was initiated in 2000 with the aim of fostering future leaders of Team Shimano. As part of the program, we dispatch potential future leaders to major dealers in various markets in the world. With the generous cooperation of our dealers, the dispatched members serve either as mechanics or shop assistants while learning about their respective local markets and local cultures through firsthand experiences. In 2019, Shimano dispatched six members to six countries in the world.



Training Program for new employees

Shimano Inc. annually organizes a three-week training program for its new employees. During the session, which is provided in line with Team Shimano's spirit of Harmony and Integrity, new employees learn not only basic manners necessary for businesspersons but also the key points of Shimano's business through lectures and interviews with senior staff. After the program, new employees are assigned to their respective sections to carry out what they have learned and engage in value creation activities as Team Shimano members.



Employee education

Team Shimano's companies worldwide organize training programs to share with their employees Shimano's corporate mission, spirit of manufacturing, and corporate culture. Toward Shimano's centennial in 2021, we are currently producing movies by holding interviews with present and former staff members. These films cover a wide variety of themes, including the history of the company's management, product development, initiatives to create a new culture, and establishment of new companies. In 2019, we began showing these movies at training programs held at respective companies, selecting the movies that are the most appropriate for the purpose of respective training programs, as well as participants' tasks and career stages. We believe that the films help Team Shimano members worldwide understand the essence of Shimano's corporate culture, which has been nourished over the past century and will stay unchanged for the coming years.



Training Program at Shimano Europe

Training Program for leaders since 2015 of companies outside Japan **Learning Team Shimano Program**

Shimano Inc. provides managerial candidates worldwide with leadership development training programs. Participants in these training programs can learn Shimano's history and traditions in Sakai, the company's birthplace. In addition, they can discuss the various challenges the company now faces with senior management. Moreover, the participants join projects to address challenges together with Shimano Inc. staff members. This has proved effective in building networks that transcend the framework of individual companies.



Initiatives to improve disaster preparedness

At Shimano Inc., firefighting teams have been formed for respective floors of the building. The team members receive training to develop their ability to guide an emer-

gency evacuation. In addition, Shimano Inc. takes various initiatives to prepare for a disaster, including storing food and water.





Training of first aid staff since 2006

Innovative Textiles, Inc. assigns first aid staff to respective sections and provides them with training so that they can offer first aid services in an emergency before the arrival of medical staff.



Cross-training programs

since 2017

Innovative Textiles, Inc. transfers its employees to various in-house sections so that they can develop a wide range of skills. This system proved to be effective in enhancing their motivation and engagement.



Fishing seminar

since 2014

Shimano Shanghai annually holds fishing seminars for its employees to promote their knowledge of the latest products, as well as their fishing skills. During the event,

the company also introduces Shimano's corporate culture to its new employees.



since 2011 Training programs and orientations for new employees who have just graduated from universities

Shimano Kunshan annually organizes training programs for new employees.





The 10th anniversary since 2009 of the Company **Emergency Response Team (CERT)**

On its 10th anniversary, the CERT of Shimano Singapore performed a demonstration of its emergency relief and

first aid programs. The team also paid a visit to the Singapore Civil Defense Force.



Shimano Academy

since 2013

The Shimano Academy is a European educational program for a wide range of Team Shimano members, including executives, young leaders, and new employees. The program is aimed at capacity building of individuals and teams, as well as the growth of Shimano's business and its

core competences. It proved to be effective in employees' career development.





New diploma and degree since 2016 staff mentorship project

In order the promote the new diploma and degree staff to competent for their job, STJ launched the mentorship

project and carried out a series of training items for them.





Emergency drills

since 2003

Shimano Malaysia has adopted emergency response procedures to prepare for a fire and spill of chemical substance and oil from their storage areas and machines. The company formed emergency response teams at

respective factories and held fire drills and evacuation training.



In-house Activities to Promote Cycling, Fishing, and Rowing

<Mechanic>



(The Netherlands) Mechanic training programs since 2017



Mechanic training programs and cycling events

(The Netherlands)



<Cycling>



(Italy) SHIMANO STEPS day



Cycling events since 2013



(Singapore) Group cycling events since **2010**



Cycling events and test rides since 2016



(Malaysia)



(Taiwan) Cycling events in Nantou county



(Australia) Staff rides since 2009



(Belgium) Cycling along the course of the Tour of Flanders since 2012

<Fishing>



(The Netherlands) Fishing events for children since **2015**



(Italy) Fishing tournaments since 2019



(China) Fishing competitions since 2013



(Singapore) Fishing competitions since 2010



🙌 (Canada) Fishing event "Warehouse Wobbler" since 2016

(Poland)

Fishing event "The Kids Day" since 2019



(Indonesia) Fishing competitions since 2007



(Malaysia) Fishing competitions since 2007



Fishing events for children since 2019

<Rowing>



(Cambodia) Participation in a boat race event since 2013

Enhancing Industrial Safety

< Initiative of Shimano Kunshan >

Shimano Kunshan (China) has been committed to industrial safety education to enhance employees' safety awareness. In 2007, the company established the Environment and Safety (ES) Department and started safety campaigns aimed at the creation of a factory that prioritizes industrial safety and produces high-quality items. As a result of the company's continued efforts, at the end of 2016, it received the Work Safety Standardization Grade 2.

Shimano Kunshan Bicycle Components selected one of the Top 10 Companies in Kunshan in terms of industrial safety in 2018

In January 2019, Kunshan city held an award ceremony to commend 163 advanced companies in the city that improved innovation efficiency and promoted high-quality development. At the ceremony, Shimano Kunshan was commended as one of the Top 10 Companies in Kunshan in terms of industrial safety in 2018. The city highly evaluated the company's commitment to industrial safety and encouraged further promote of its safety program.

Shimano Kunshan will further reinforce its industrial safety management and guarantee employees' industrial safety with high efficiency to achieve its goal: reducing the number of disasters and accidents to zero. Ultimately, the company seeks to contribute to the promotion of industrial safety management in Kunshan Economic and Technological Development Zone and the entire city of Kunshan.

Hands-On Safety Training Room opened to offer safety education

To advance a safety education process and improve its efficiency, in January 2019, Shimano Kunshan opened the Hands-On Safety Training Room, where 16 machines of the same type as used on the factory floor were installed.

At the training program, trainees learned risks involving respective machines by simulating potential accidents. Using sensory devices, trainees had a simulated experience of accidents, perceiving them through their own visual, auditory, and tactile senses. This proved to be very effective as "Seeing is believing." Through such activities, Shimano Kunshan will continue to promote employees' safety awareness and seek to grow the company into a sustainable and sound organization.





Improving safety awareness of individual employees leads to the





11

Creating **Exhilarating Joy**

Offering enjoyment and fun for everyone

"Captivating Products" are designed to enable their users to enjoy cycling, fishing, and rowing to their hearts' content. We believe it is an important part of our mission to convey the fun and excitement of these activities and to offer the opportunity to enjoy them to as many people as possible. With this view, we organize and support various cycling, fishing, and rowing events, where people can enjoy both outdoor activities and friendly interactions with many others. This page introduces the Shimano Experience Center (SEC), opened in April 2019 in Valkenburg, the Netherlands, along with our long-term endeavors to create and promote cycling, fishing, and rowing cultures.

To Share the Enjoyment of Cycling, Fishing, and Rowing with Many More People — Shimano Experience Center

The Shimano Experience Center (SEC) was established with the aim of providing many more people with opportunities to see and experience Shimano's products firsthand and to recognize its cutting-edge technologies. The center exhibits products in all categories of Shimano's business: bicycle components, fishing tackle products, and rowing equipment. In addition to viewing exhibits, visitors can have virtual reality experiences of cycling, fishing, and rowing by using virtual displays and simulators. They can also have real experiences of using our latest products in the pictorial natural settings in Valkenburg.

At SEC, technical staff suggest the most suitable products to respective visitors and introduce retailers to help them enjoy cycling, fishing, and rowing even more.

In the lounge and workshop area at SEC, various events are held on themes related to cycling, fishing, and rowing. SEC also plans to broaden the range of its activities. For example, in collaboration with the hotel and restaurants in the commercial complex, SEC plans to organize event packages that will meet demands of longtime visitors.

SEC will continue to promote the enjoyment of cycling, fishing, and rowing, as well as Shimano's products. It will work to enable visitors to discover and experience something new each time they visit the facility.







The Netherlands

Valkenburg

Luxembourg

Belgium

Valkenburg, located in the southern region of the Netherlands, is close to the national borders with Germany

Germany



SEC's Six Zones

SEC comprises six zones, including the areas to display Shimano's products and test machines, an event space, and a lounge for visitors to relax.

SHIMANO WELCOME LOUNGE

2 WORKSHOP

Next to the entrance is the Shimano Welcome Lounge, where visitors can have soft drinks and pastries in a casual atmosphere. The attached fan store sells SEC original items, including T-shirts, caps, and cycling goods that are available only here. In the workshop area, events and training programs are held.

0 Entrance

Layout of the floor



3 BIKE WORLD

In this zone, various types of bicycles, including MTBs, E-bikes (electric-assisted sports bicycles), and road bikes, are displayed. The components are exhibited with illustrations of their functions provided in an easy-to-understand manner.

Visitors can also view promotion videos that explain characteristics of individual components and films of rides by professional

There are two types of cycling simulators: one for road bikes and the other for MTBs. Visitors can ride both machines to experience the fun and excitement they provide.

In the bike fitting space, staff suggest the most suitable bicycle to respective visitors based on their fitting data.

4 FISHING WORLD

This zone displays panels and films of various fishing scenes, along with fishing tackle products used in the scenes. Visitors can touch the exhibits to confirm how they feel. Moreover, they can try using the products at the pond created adjacent to the building.



6 ROWING EXPERIENCE

There are two simulators for rowing operations, using the Shimano Rowing Dynamics (SRD) system.



6 HERITAGE CLOUD

In this zone, visitors can view movies on Shimano's history.



Hosting various events

Various events are held at SEC. In May 2019, with the support of Shimano, the cycling event "KPMG Gold Race" was held, in which SEC was the starting point.

Visitors of SEC comprise both clients in related industries and ordinary citizens. To meet diverse expectations of such a wide range of visitors, SEC plans to host various events, including cycling events in Valkenburg, meetings related to these events, inspection tours, and fishing events. Through these programs, we hope to grow SEC into a leading facility for promoting cycling, fishing, and rowing.



Other Activities



SHIMANO Racing

since 1973

Since its establishment in 1973, the Shimano Racing Team has been leading Japan's cycle races evolving its activities to meet the specific needs of the time. Over the past few years, the team has focused its efforts on developing world-class racers and achieved this goal step by step. The team members are also committed to activities to enhance Japan's cycling culture and increasing the number of cycle racers.

Shotaro Iribe wins the gold medal at the **All Japan Road Race Championship**

On June 30, 2019, Shotaro Iribe, a member of the team, won the gold medal at the All Japan Road Race Championship, held at Fuji International Speedway in Shizuoka Prefecture.

■ Visits to local elementary school

Members of the Shimano Racing Team annually visit local elementary schools. In 2019, they visited Yasui Elementary School in Sakai, hometown of Shimano, and explained to the children the history of the bicycle industry in the city and about Tour of Japan, the annual cycle races held in front of the Daisenryo Kofun (the burial mound of Emperor Nintoku), which has been inscribed as a UNESCO World Heritage site.

Although the pupils seemed nervous at first, they soon began enjoying conversations with the team members. When they were shown the latest road bikes, the children were eager to observe and even touch them firsthand.









The Bicycle Museum Cycle Center (operated by the Shimano Cycle Development Center) opened in 1992 in Sakai City, Shimano's hometown. As the only museum in Japan dedicated to bicycles, the museum possesses approximately 300 bicycles, ranging from a reproduction of the Drasine, the first bicycle invented in 1818, to cutting-edge models used by Olympic athletes. In addition to its exhibition of bicycles, the museum holds various events and training programs to promote enriched lifestyles highlighted by the use of bicycles.



LIFE CREATION SPACE

since 2006

OVE is an activity base offering information on bicycles to help create a new cycling culture. OVE proposes "sanso," which is to ride a bicycle through the town just like taking a stroll. The essence of "sanso" is to enjoy the process of riding, rather than to reach a destination. By organizing various events, OVE offers to visitors various suggestions on how to enrich their lifestyles through the use of bicycles.



(Singapore)

Shimano Cycling World since 2014

Shimano Cycling World (SCW) is a cycling-themed hands-on exhibition facility, opened in September 2014 in Singapore with the three purposes: developing cycling culture across Southeast Asia, promoting cycling as a lifestyle, and spreading Shimano brand awareness. SCW proposes to visitors more enriched lifestyles highlighted by the use of bicycles. Visitors can attend various events, such as workshops on excellent cycling courses and maintenance methods. The number of visitors in 2019 reached about 42,000.



Access : A 13-minute walk from Mozu Station on the JR Hanwa Line Address: 18-2 Daisen-nakamachi, Sakai-ku, Sakai, Osaka 590-0801

Phone: +81-72-243-3196

10:00-16:30 (Closed on Mondays)



Access : An 8-minute walk from either Omotesando Station on the Tokyo Metro (Ginza Line or Hanzomon Line) or Gaienmae Station on the Ginza Line

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

: +81-3-5785-0403

10:00-19:00 (Closed on Mondays)









SHIMANO SQUARE

SHIMANO SQUARE

since **2017**

SHIMANO SQUARE is designed to offer visitors opportunities to encounter both people and ideas, appreciate the value offered by Shimano, have thrilling experiences, and simply rest and relax. In the spacious café, visitors can relax while gaining the latest information on cycling and fishing from the galleries. We hope that the displays of Shimano's products will inspire people who have not been particularly interested in cycling or fishing to enjoy outdoor activities and share with us the value that new urban sports can provide them.

Fishing Café Project & Shimano TV

since **2000**

The Fishing Café Project is designed to enable anglers to freely interact with one another and to create a new sport fishing culture. Various topics and information on sport fishing are provided by the following three media: a magazine issued three times a year, TV programs on Sky Perfect TV BS Fishing Vision, and a website sharing the latest information. In 2007, Shimano began a worldwide fishing channel on the website Shimano TV. The program, accessible 24 hours a day and 365 days a year, offers useful content designed to satisfy a wide range of anglers, from beginners to experts.

Tools for Disseminating Bicycleand Lifestyle-Related Information — Cyclingood since 2013

Shimano publishes a magazine and website titled Cyclingood to help more people enjoy a healthy and enriched lifestyle through cycling. Shimano hopes that Cyclingood will help boost bicycle culture by offering a wide range of information on the relationship between cycling and health, including results from joint research projects with universities.



Access : Close to JR Osaka Station and Umeda (Osaka) Station on the Hankyu Line, Hanshin Line, and the Osaka Metro Midosuji Line

Address: Knowledge Capital, Grand Front Osaka North Building (4F) 3-1 Ofuka-cho, Kita-ku, Osaka 530-0011

one: +81-6-4256-6789

Open : 10:00-21:00 (Closed on Mondays)
[WEB] https://www.shimanosquare.com



Fishing Channel "Shimano TV" http:/tv.Shimano.co.jp/





Organizing and Supporting Events

Shimano organizes and supports various cycling and fishing programs, such as races, tournaments, and other events, in various parts of the world, ranging from Europe, home to bicycle races, to North America, Asia, and Latin America.



<Organizing>

(Japan)

Shimano Suzuka Road (Mie Prefecture) since 1984

2 SHIMANO Biker's Festival

(Nagano Prefecture) since 1991

(Belgium)

3 Tour de France
Commemorative Event 2019
4 The Lazer Century Ride 2019

(USA)

5 Tuesday Night Thunder since 2018

(Italy)

Social Ride with Omar di Felice since 2019

(Australia)

7 MTB Grand Prix Series since 2009

3 Shimano SuperCrit since 2014

(Brazil)

Shimano Fest since 2010

(The Philippines)

Shimano Dirt and Play since 2010

(China)

1 Ji Cheng Class since 2017





19

<Supporting>

(Singapore)

OCBC Cycle since 2010

(Japan)

Tour of Shimonoseki 2019 since 2006 (Turkey)

Presidential Tour of Turkey Road Race since 2008









Shimano dispatches technical support cars and staff to a wide-range of cycling events worldwide, including both top-level professional races and those for entry-level riders. Our priority is to guarantee the safety of all participants and to ensure that they all fully enjoy the events.





(Japan) Supported at 36 events (total of 118 days) in 2019 (Brazil)

Mechanic support in the mobility month

(Australia)

Neutral support at L'Etape Australia Gran Fondo



(Singapore)

Supported at Shimano Highway Challenge



Dispatched mechanics to various races

(Belgium)



(The Netherlands) Supported at Tour de Flanders

(The Netherlands)

Supported at Amstel Gold Race



<Organizing>

(Italy)

1 Skelton Cup since 2019

Casting Tournament since 2019

(Singapore)

Open House since 2014

4 Casting Fishing Tournament since 2016

(China)

3 Organized and supported various fishing tournaments since 2016



6 Cooperated with retailers

1 Organized and supported events for next-generation anglers

3 Tribal Gathering event since 2018

(Japan)

9 Shimano Japan Cup since 1984

Tishing events for children since 2019

<Supporting>

(USA)

1 Kid's Fishing Derby since 2019

(Singapore)

Pishing with Dad since 2019

(Canada)

Ontario Junior Bass Nation Championships

since 2016









Taking Care of the Environment

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

Protecting the natural environment is a prerequisite for enjoying outdoor sports. Striving to preserve the natural setting is, of course, a basic responsibility for Shimano. With this in mind, Shimano is actively involved in cleanup campaigns for seashores and rivers and other environmental preservation activities, in addition to improving and innovating its facilities to minimize the environmental impact from its manufacturing processes. Here we will introduce some of the wastewater treatment activities that Shimano is committed to on a global scale.

Wastewater Treatment to Mitigate Environmental Impacts Worldwide

Shimano is engaged in wastewater treatment to mitigate environmental impacts. In addition to observing relevant laws, regulations, and guidelines of the respective countries/ regions concerned, we are seeking a wise use of water resources to fulfill our responsibility as a manufacturer. For example, we seek to reduce wastewater by cutting water consumption and recycling used water.



Adjustment reservoir at Shimano Shimonoseki Factory

< Wastewater treatment implemented at Shimano >

Sakai Intelligent Plant (SIP)

In addition to compliance with relevant laws and regulations, SIP treats wastewater in line with its own criterion, which is more rigorous than existing laws and regulations. SIP, which started operations in 2014, uses abundant water, particularly in the process to clean anodized aluminum pieces for surface treatment. To reduce water consumption, SIP has introduced a system to automatically control use of water in accordance with product volume. The wastewater is automatically sorted by its composition and concentration. The chemical content in the wastewater is then reduced to a desired level through chemical reactions. The processed wastewater is then filtered, and the deposit is treated as industrial waste. As a result of these measures, the annual volume of wastewater from SIP has been reduced by 30% from that of the previous factory, and about 30 to 40% of wastewater is recycled and reused at SIP.



Shimano Shimonoseki Factory

The Shimano Shimonoseki Factory introduced a new wastewater treatment system upon the completion of its new plant, the Shimano Shimonoseki Factory Intelligent Plant (SSF_IP), in 2016. While discharge of wastewater into rivers, in addition to sewage systems, is permitted in this district, a particularly rigorous regulation is imposed on the discharge into rivers. The wastewater, primarily generated in the surface treatment process, is treated at the facility inside the factory premises. Part of the treated wastewater is fed to the adjustment reservoir inside the premises before being discharged into the river. Releasing and keeping young fish in the reservoir, the factory demonstrates the safety of the treated wastewater. Moreover, the reservoir and its surrounding settings serve as a natural habitat for diverse species, helping the reproduction and preservation of the natural environment in the community.



Shimano Kumamoto

Shimano Kumamoto has introduced a circulating-type treatment facility to sediment and filter the wastewater generated in the rod polishing process. The sludge produced at the facility is treated in an appropriate manner.







Shimano Singapore

Shimano Singapore established a committee dedicated to ensuring the proper management of its wastes, including wastewater. The company takes initiatives to reduce water consumption and to improve the efficiency of wastewater treatment. Specifically, it constantly monitors the wastewater treatment process and effluent constituents to control them appropriately. To promote efficient use of water resources, the company has begun to use stored rainwater.





Shimano Batam

Since Shimano Batam is located in an industrial park surrounded by hills, the company's premises comprise a natural habitat of diverse wild animals and plants. After treating its wastewater at the treatment facility inside the premises, the company stores the treated wastewater in tanks and precisely analyzes effluent constituents. The wastewater is discharged to the industrial park's sewerage system only after it is confirmed that the effluent meets the set criteria.



Shimano Cambodia

Since Shimano Cambodia produces shoes, it uses a less amount of chemical substances than other Team Shimano factories. Even so, the company has built a filtering system to treat the wastewater generated in the process of cleaning printing plates and controls the effluent constituents. In addition, the company discharges the treated wastewater to a pond in front of the factory, where it keeps fish to demonstrate the safety of the treated wastewater.





Shimano Malaysia

In 2012, Shimano Malaysia built a wastewater treatment plant within the surface treatment factory. The wastewater generated in the production process is treated in accordance with the wastewater treatment criteria set by the Malaysian Department of Environment in this plant.



Shimano Philippines

Shimano Philippines treats its wastewater by taking various methods, including chemical reactions, compression, and filtering. The company is committed to reducing water consumption across its manufacturing processes.



Shimano Kunshan

Shimano Kunshan has constructed a wastewater purification facility to recycle part of its wastewater. This proved to be effective in saving 45 kilotons of water per year. The company also introduced sludge drying technology, which led to the reduction of 120 tons of sludge (containing water) per year.



Shimano Lianyungang

Shimano Lianyungang treats its wastewater at the treatment plant within its premises. The company also monitors monthly water consumption and works to reduce use of water.











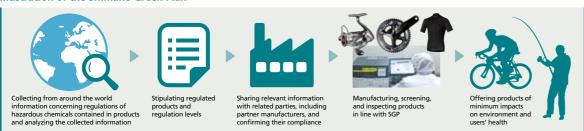
Shimano Green Plan since 2004

In 2004, Shimano adopted the Shimano Green Plan (SGP), guidelines for promoting manufacturing with reduced environmental impact. In joint efforts with its partner manufacturers, Shimano has been making constant efforts to comply with the SGP.

Reducing environmental and health impacts

The SGP is a procurement standard that Shimano has adopted with the purpose of providing its customers around the world with products that have the minimum impact on both the environment and users' health. To share its understanding of related regulations with partner manufacturers, Shimano has clarified the regulated levels of chemical substances contained in raw materials, parts, and products to be used in Shimano's products. It has revised the SGP to meet customer demands, as well as regulations of related countries that have become increasingly rigorous year by year. While seeking understanding and cooperation from partner manufacturers, Shimano's factories inspect materials and components to confirm their conformance to the SGP by using various analyzers and asking external organizations for analysis when necessary. In this way, Shimano is striving to create the most dependable products.

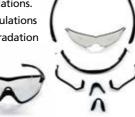
Illustration of the Shimano Green Plan



Responses to laws and regulations

In 2019, Shimano was engaged in responses to new laws and regulations.

- -Preparing for the revision of SGP in response to new laws and regulations
- -Reducing perfluorooctanoic acid (PFOA), which is resistant to degradation in the environment and has the potential to bioaccumulate
- Communicating to customers about compliance with the EU RoHS,*1 REACH,*2 etc.
- -Organizing in-house training programs on a regular basis
- *1: Restriction of Hazardous Substances Directive (directive on the restriction of the use of certain hazardous substances in electronic equipment)
- *2: Registration, Evaluation, Authorization and Restriction of Chemicals



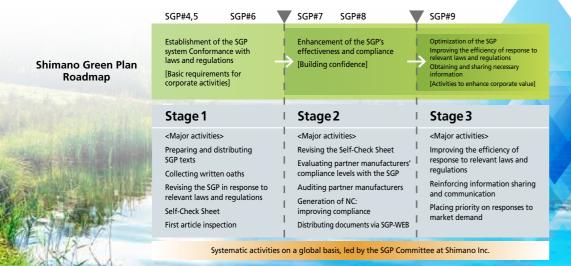
Even small parts are inspected one by one in house.



SGP training Program for responsible employees (Shimano Inc.)

Roadmap

Currently, Shimano is at Stage 3 on the roadmap. That is, in compliance with the ninth version of the SGP, the company is working to improve the efficiency of its responses to relevant laws and regulations and to reinforce information sharing and communications. By reinforcing control of hazardous chemicals contained in its products throughout its supply chain, Shimano will continue to work to create eco-friendly and health-conscious products and to enhance its corporate value.



Initiatives to Preserve Local Environment

<Cleanup activities>

Shimano Kumamoto's cleanup activities

since 2005

Since the factory's relocation to the present site in 2005, Shimano Kumamoto has been involved in cleanup campaigns every April and October.

Cleanup around the Shimano Shimonoseki Factory

In April 2019, staff of the Shimano Shimonoseki Factory cleaned the vicinity of the factory. 119 members collected 106 bags of refuse, including weeds, twigs, and used cans. Another cleanup was held in October 2019, in which 99 members participated.



Beach cleanup on Hikoshima Island

since 2019

In September 2019, staff of the Shimano Shimonoseki Factory engaged in the first cleanup of the beach at Nishiyama Bathing Resort on Hikoshima Island (Shimonoseki City). A total of 33 staff and their families cleaned the beach of about 300m long and 60m wide in an hour.



Road cleanup campaign with the Shimano Racing Team since 2019

The Shimano Racing Team, led by Shotaro Iribe, the gold medalist at the All Japan Road Race Championship, cleaned the road used in the Tour de Okinawa. Together with other cyclists, the team members picked up the bottles discarded by riders during the race and other litter to clean the Yanbaru District, northern Okinawa. The district is expected to be inscribed on the list of the World Natural Heritage sites in recognition of its abundant natural blessings.



Cleanup by Shimano Lianyungang since 2011

Staff of Shimano Lianyungang cleaned the vicinity of their factory as part of its corporate citizenship activities.



Local cleanup activity

since 2004

Staff of Shimano Malaysia cleaned the vicinity of their factory in collaboration with the Pontian District Assembly and the Malaysian Ministry of Health.











<Tree-planting campaigns>

*}

Million Trees Project

since 2009

In partnership with NPO Shanghai Roots & Shoots, Shimano Kunshan participated in the Million Trees Project, a campaign to plant one million trees in the Desert in the Ningxia Hui Autonomous Region and Inner Mongolia. The company has received the CSR Award from the NPO.

Shimano Tianjin's tree-planting day

since 2012

To preserve the local environment, Shimano Tianjin holds a tree-planting day. In 2019, the company planted 21 trees.

∴ F

Funding a river reproduction project

since 2018

In cooperation with an NPO called OZFISH, Shimano Australia donated a fund to a program of planting 1,500 trees and bushes around a river mouth in the Australian southeast region in order to protect the local vegetation and fish species.



Participation in tree-planting activities in an industrial park

since 2016

Shimano Philippines participated in a tree-planting campaign in the First Philippine Industrial Park (FPIP), where the company's factory is located. Staff of Shimano and other companies at the FPIP participated in the activities, which further raised their awareness of the importance of protecting the local environment.



Support of a national tree-planting program

since 2014

Shimano Singapore has been involved in a national tree-planting program to assist the National Parks Board with its environment education and greening activities. To date, the company has planted 250 trees in parks in the east and central regions. In 2019, the company planted 50 trees.



Planting nursery trees

since 2019

To preserve a healthy natural environment, staff of Shimano Taiwan and their families participated in a tree-planting campaign held by an NPO called the Tse-Xin Organic Agriculture Foundation and planted nursery trees at Wu Qi fishing port, located close to Taichung.



Tree planting programs with customers

since 2017

Shimano Turkey observes annual tree planting campaigns with its customers. In 2019 the company invited leaders of the local government and planted 1,000 trees together. All participants rode E-bikes equipped with SHIMANO STEPS to the tree planting area.





<Environmental protection initiatives>

* Pa

Participation in EARTH HOUR activities

since **2016**

Staff of Shimano Kunshan participated in welfare activities of the EARTH HOUR campaign. Through various activities, including green cycling, refuse sorting, recycling of clothing, and turning off lights, the staff advocated the importance of global environmental preservation.



Participation in a world environmental campaign since 2015

To celebrate the anniversary of the world environmental campaign originated in 2015 under the theme "I Love My City," 35 members of Shimano Cambodia picked up plastic wastes to clean the national route running in front of the company.

<Initiatives to Reduce Environmental Impact>



Promoting recycling in common rooms and office space since 2015

Innovative Textiles, Inc. has installed containers to collect recyclable items in all common rooms.

In addition, boxes to collect used paper for recycling have been placed at various spots throughout the office.



Recycling acetone

since 2019

Innovative Textiles, Inc. treats used dyestuff by using industrial solvent that removes acetone from waste dyestuffs through distillation. The removed acetone is then collected and reused to produce new dyestuffs. Adopting this method, the company intends to reduce the volume of hazardous wastes generated at its facility. The ultimate goal is to reduce the waste to zero.



A party to exchange unwanted items on Earth Day

since 2019

To celebrate Earth Day, staff of Innovative Textiles, Inc. held a gathering where they exchanged their unwanted items for free. Through exchange, they worked to reduce landfill wastes. At the same time, giving their belongings to another person helped foster a habit of treating them carefully.



Recycling of coffee pods

since 2019

Lazer engages in recycling of various items used at its office. For example, it began recycling used coffee pods. In addition, the company encourages its staff to recycle office supplies and to reuse packing materials for shipping.



Noise control

since 1999

Shimano Kunshan has installed a noise monitoring system at its factory. Using the data constantly fed from the online system, the company works to improve the workplace environment.













Toward the Safe and Enjoyable Use of Bicycles



Support of the construction of a pump track since 2019

Shimano Czech offers a fund to the Karvina Wheel Club's project to construct





Building

munity activities.

Confidence

Collaboration with

corporate citizen

local communities as a

As a responsible corporate citizen, Shimano

seeks to maintain close contact with the local

communities and work together for mutual

benefit. Hence, Team Shimano companies

across the world play an active role in com-

Support of a women's racing team since 2016

Shimano France supports the women's road race team "FDJ Nouvelle Aquitaine Futuroscope" to encourage many more women to ride road bicycles.



Offering bicycle maintenance service to children in an orphanage

since 2018

Members of Shimano Poland and their families visited a local orphanage and provided bicycle maintenance service. They cleaned and lubricated 8 bicycles and replaced defective parts. They also offered presents to the children.





Visiting a local school since 2018

Members of Shimano Poland visited a local school to give a talk on the evolution of bicycles, as well as the history of Shimano. They also offered instructions and on-site training to children concerning bicycle maintenance and safe riding techniques.



A cycling class at a kindergarten since 2008

Members of Shimano Shanghai visited a local kindergarten and described about sports bicycles to children aged from six to seven. Their talk stimulated the children's interest in cycling culture while at the same time expanding the range of potential customers for Shimano.



amazing Washington manufacturing story! #isignedthebus #MFGisWA

May movement (global traffic safety campaigns), held by São Paulo's Secretary of the Transportation and other organizations. In 2019, the company provided mechanical support to all cyclists riding along bicycle lanes on two boulevards in São Paulo.

As an official sponsor, Shimano Latin America supports the Yellow



A workshop on delivery service by bicycle

Support of traffic

safety campaigns

since 2019

since 2017

In Brazil, the number of young cyclists engaged in home delivery service food is increasing. The number of traffic accidents is also increasing due to the lack of their experience and maintenance of bicycles. In response, Shimano Latin America held a workshop to improve their skills and service quality. Around 120 cyclists participated in the workshop, comprising lectures by specialists and basic mechanic training programs.



Providing a bicycle inspection and maintenance service in the **Road Safety Community Park**

In Singapore, more than 50,000 children a year join the traffic safety school held by the Singapore Police and the Road Safety Community at Road Safety Community Park. In 2019, 27 staff

members of Shimano Singapore inspected and repaired 1,300 bicycles in the park. The service was recognized by the Singapore Police, which presented a letter of thanks to the company.



Maintenance of a bicycle air-pump station

since 2015

since 2008

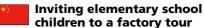
The number of users of the air pumps installed by Shimano Singapore in the Road Safety Community Park has been increasing year by year. Featuring bright colors and a unique structure, the air pumps attract the interest of both children and adult cyclists. The company's CSR committee members continue periodical inspections and maintenance of the air-pump station, providing inspection service even on holidays.



Maintenance of MTB trails since 2005

In collaboration with the Boulder Mountainbike Alliance and Louisville City, Pearl Izumi USA cleans and maintains MTB trails and cycling roads in Boulder County.

Education Program for Children



since 2014

Shimano Kunshan invited children from a local elementary school to its factory, known as the Kunshan Intelligent Plant (KIP)





Support of needy children

since 2017

To support the children who cannot receive sufficient education due to their family conditions, every year members of Shimano Lianyungang offer schoolbags, shoes, books, and other school supplies.



Donation of school supplies to elementary school pupils

since 2016

Members of Shimano Philippines visited a local elementary school and offered packages of school supplies to children. The packages contained notebooks, crayons, pencils, erasers, and snacks. Through this program, the company also sought to raise its employees' awareness of corporate social responsibility.



The Brigada Eskwela Program at an elementary school

since 2011

Shimano Philippines participated in the Brigada Eskwela Program (a nationwide initiative led by the Department of Education to involve all societal constituents, including families and businesses, in education). At a local school, staff members of the company served as lecturers, imparting basic knowledge on how to maintain good health, hygiene, and safety at school and home. In addition, they held an earthquake drill at the school.



Internship programs for students since 2014

In partnership with Colorado Mesa University, Innovative Textiles, Inc. organizes internship programs for students majoring in studies of personnel affairs, engineering, information technology, accounting, and finance.



Inviting university students to tours of the company and its factory since 2014

To further reinforce its partnership with Colorado Mesa University, Innovative Textiles, Inc. invites students from the university on tours of the company and its factory.



Apprenticeship programs for high school students

since 2019

In cooperation with a vocational education program in the district, Innovative Textiles, Inc. provides high school students with apprenticeship programs to learn from specialists in logistics and maintenance engineers.



Providing scholarships to

since 2014







Donation to the NCSSEF's project to promote fisheries

since 2019

G.Loomis donates to North Coast Salmon Rendezvous, a fundraising event held by the North Coast Salmon & Steelhead Enhancement Fund (NCSSEF). The raised funds will be used to promote the fisheries along the coast of northern Oregon.



Support of the Fly Fishing Collaborative

since 2019

G.Loomis donates to the Fly Fishing Collaborative, an organization devoted to creating sustainable solutions to poverty and human trafficking. The company also supports activities of the organization.



Donating fishing tackle products to Got Your 6 Fishing (GY6)

since 2019

Got Your 6 Fishing is a non-profit organization to help active duty military and veterans find physical and emotional healing through recreation. The NGO also provides them with opportunities to share their stories. To show its respect to veterans, G.Loomis donated rods and reels to the organization.



Donation to the Shop with a Cop program

since **2013**

In cooperation with the Woodland Police Department, G.Loomis donates money raised by its employees to the Shop with a Cop program, in which children who are economically less privileged buy special Christmas presents with police officers. On the day of the shopping, members of G.Loomis also supported the event as volunteers.



Organizing the charity ride "Pedal 4 Possible"

since 2013

To support patients of spinal cord and brain injury, Pearl Izumi USA organizes a charity ride. All money raised will fund therapy programs for patients' rehabilitation. The charity ride is participated in by many cyclists who support the objectives of the event, while employees of Pearl Izumi help the event operation.



Support of activities of the **Lelooska Foundation**

since 2019

G.Loomis helps the Lelooska Foundation with its fundraising for educational programs and other activities. The foundation was established in 1977 with the aim of supporting and promoting research on rich and diverse cultural assets of indigenous people in North America.









Donation and support of CliniClowns

since 2010

Shimano Benelux and Shimano Belgium organize various events for customers. Each time the members of the two companies offer maintenance services, such as replacements of chains and brake parts, they ask their customers to offer a small donation. All the money collected is donated to the charity organization CliniClowns, which works to make hospitalized children feel happy.





Support of a project to help orphans become independent since 2019

Shimano Czech financially supports the After Becoming Adult project to help children who have left a local orphanage and become independent.



Support of a volunteer fire brigade since 2019

Shimano Czech supports a local volunteer fire brigade by offering funds to purchase firefighting tools.



Support of a technological contest held by a vocational school since 2019

Shimano Czech financially supports the commending of winners at annual technological contests held by a junior vocational school in Karvina, with which the company has maintained a partnership for many years.



Support of welfare facilities since 2019

Shimano Czech financially supports welfare facilities to promote education.



Donation to Digest Science, an organization dedicated to research on digestive diseases since 2010

Technical support team members of Shimano France who are engaged in repair and quality control tasks offer repair and maintenance services at various cycling events and bicycle shows. At the end of each year, they donate twice the amount collected from customers to Digest Science, an organization dedicated to research on digestive diseases. In 2019, the members donated about 5,000 euros.



Cooperation with the MTB Foundation since 2017

Shimano France is engaged in the maintenance of MTB trails and the promotion of MTBs in France.



Joining the Noble Gift program since 2015

As an annual event in the Christmas season, members of Shimano Poland participate in a Polish charity program, known as Noble Gift. In this program, the members offer presents and money to needy people.



Donating the income of a technological training Program to a welfare facility since 2019

Together with its sales offices, Shimano Latin America donates all registration fees for its technological training program to a welfare facility for children that supports children's daily safety and organizes MTB classes.



Donating food to a charity organization

since 2011

Shimano Latin America donates the food contributed by visitors to Shimano Fest. In 2019, the company donated about 4 tons of food to a charity organization.



Donation to an orphanage since 2014

Since 2014, Shimano Cambodia has been donating about 1 ton of rice each month to a local orphanage. Members of the company visit the orphanage on Khmer New Year's Day and Puchum Ben Day to celebrate the occasions together with children.





Corporate Citizenship Activities

Manufacturing Week A bus tour visit to G.Loomis

since 2019

In 2019, G.Loomis was included in the destinations of the annual Manufacturing Week bus tour, organized by the Association of Washington Business. Participants in this tour visit manufacturing sites across the State of Washington. Manufacturing Week is operated with the aim of promoting the manufacturing industry in the State of Washington.



Blood donation drive

since 2007

In cooperation with the Indonesian Red Cross Society, Shimano Batam holds blood donation drives twice a year (in April and October). In 2019, 238 packs (April's Batch: 148 packs, October's Batch: 90 packs) of blood were donated.







Blood donation drive

since 2016

Together with the Philippines Red Cross Society, Shimano Philippines annually holds a blood donation drive. In the fourth event held in 2019, 40 members of the company cooperated in the drive, each offering 450 ml of blood. The company provided the participants with snacks that are effective in restoring their strength.



Blood donation drive

since 2000

In partnership with major local hospitals, Shimano Malaysia holds a blood donation drive. In 2019, 305 packs of blood were donated. The cumulative total since 2000 has reached 4,122 packs.



Expressing gratitude to the elderly since 2009

To express thanks and offer gifts to the elderly, members of Shimano Kunshan annually visit a local nursing home or community for the elderly shortly before the Double Ninth Festival (the ninth day of the ninth lunar month). In 2019, the members visited the Kunshan PingXiang community.



Visiting employees' hometowns since 2013

At Shimano Kunshan, representatives of management and the labor union visited employees' hometowns to express their gratitude to the employees' families and give them mooncakes (traditional autumn confectionary) and other presents.



Establishing cooperation project of industry-academia collaboration since 2018

To search for an ideal state of new industry-academia collaboration, Shimano Kunshan established a cooperation project in partnership with universities. Members of the company also joined a discussion held at the library of Changzhou Institute of Technology on the theme of professional knowledge and cultural accomplishments.



Visiting a local home for the elderly since 2019

Members of Shimano Tianjin visited a local nursing home for the elderly in Dongli District, Tianjin. They listened to the stories of residents attentively and offered gifts to ensure that they would not feel lonely.



The Star Award of the **May Day Awards**

Shimano Singapore was honored with the Star Award at the awarding ceremony of the May Day Awards, held by the National Trades Union Congress (NTUC). From among the past recipients of Gold Awards, the Star Award is presented to the companies that have made exceptional contribution to labor movements in Singapore. Shimano Singapore received the Gold Award in 2009. This time, the company was honored with the Star Award in recognition of its continued endeavors to improve work conditions.













Cooperation with a charity organization

since 2018

Members of Shimano Taiwan visited the Maria Social Welfare Foundation, an organization helping spiritually or intellectually disabled children, and helped wrapping the mooncakes (traditional autumn confectionary) made by the disabled children. The members purchased the mooncakes to use them as gifts for the company's customers during the Mid-Autumn Festival.



Information sharing with suppliers since 2003

To share information with its suppliers, staff of Shimano Malaysia explained important facts concerning workers' safety and hygiene on factory floors.



Partnership with an NGO

since 2019

Shimano Latin America entered into a partnership with an NGO, Safe Kids Worldwide. Through the partnership, the company seeks to offer education on risks of accidents in daily life and to encourage both parents and children to build habits of paying attention to safety and acting with care.



Supporting welfare facilities through the auction of artworks since 2019

During the Shimano Fest, Shimano Latin America held a live painting event by an artist, Apolo Torres. The finished works were auctioned, and the sales were donated to a welfare facility that supports children's daily safety and organizes MTB classes for children.



Supporting kids' fishing event

Shimano Benelux and Shimano Europe supported an annual fishing event held by an organization that raises donations for disabled children. In addition to offering fishing tackle products, Shimano's employees taught children how to fish.



Support of the JIME program since 2009

Shimano Australia is one of the main sponsors of the Junior Indigenous Marine and Environmental Cadets (JIME) program, which provides aboriginal students at middle schools with job training to work in maritime industries, including a job as a fishing guide.









Some Thoughts about the Social Activity Report 2019

In 2019, we saw China's economic slowdown caused by the U.S.-China trade conflict, Brexit in Europe, and turmoil in the international financial market. In addition, many natural disasters took place in various parts of the world. In terms of business, on the other hand, we saw the progress of digital transformation (DX). This trend has led people to even more value activities "to promote health and happiness through the enjoyment of nature." In this environment, as stated in this report, Team Shimano has improved its performance and fulfilled its social responsibility in line with its corporate mission.

This year's Social Activity Report comprises the following four sections: "Enhancing Corporate Value," which features provision of Captivating Products, "Creating Exhilarating Joy," focusing on joyful events and experiences, "Taking Care of the Environment," which highlights considerations to natural and living environments, and "Building Confidence," introducing corporate citizenship activities carried out in various parts of the world. Specifically, the publication reports briefly but

targets, I believe that Shimano's report has a point.

concretely activities carried out by individual establishments in the world. The Sustainable Development Goals (SDGs), adopted at the United Nations Summit, stipulates 17 goals and 169 targets. Since the U.N. requires concrete reports of specific activities to fulfill these goals and

Concerning the Bicycle Components Business, the focus is on the SHIMANO DEORE XT M8100 series and SLX M7100 series, for mountain bikes; and the SHIMANO GRX series, components for gravel ride, a type of long-distance cycling along unpaved roads with fat tires. I believe that these products have been created based on users' experiences. In the Fishing Tackle Business, this report introduces the Vanquish, a lightweight and durable spinning reel, and the Beast Master 2000 EJ series, an electric reel for jigging using a lure in the shape of small fish. The electric reel enables anglers to move jigs at a high speed and attract fish that do not respond to slowly moving jigs. At the International Convention of Allied Sportfishing Trades (ICAST), the world's largest trade show of fishing tackle products, held in Orlando, Florida, Shimano's reels and a line were awarded, a fact attesting to the high reputation of Shimano's products in the global market.

Meanwhile, Shimano is committed to many education and training programs for its employees, In the Shimano Leadership Development program, potential future leaders of Shimano are dispatched to major dealers in various markets in the world. With generous cooperation provided by dealers, the dispatched members serve as shop assistants. Team Shimano's companies worldwide organize training programs to share with their employees Shimano's corporate mission, spirit of manufacturing, and corporate culture. I believe that use of movies at such programs will be effective in promoting common understanding of Shimano's corporate culture. Use of diverse approaches, such as lectures, workshops, movie shows, on-site OJT, e-learning, and mechanic training programs, attests to Shimano's commitment to human resource development. Particularly noteworthy are risk management programs, including emergency drills, first aid training, fire drills, and industrial safety education, held in Japan, the U.S., Malaysia, and China.

In "Creating Exhilarating Joy," the focus is on the Shimano Experience Center (SEC), opened in April 2019. The SEC was established in Valkenburg, the Netherlands, to share the enjoyment of cycling, fishing, and rowing with many more people and offer visitors with interaction opportunities. The facility comprises six zones, including the Welcome Lounge, event space, areas dedicated to cycling, fishing, and rowing, and Shimano's history section. From a customer viewpoint, Philip Kotler listed the following three items that a company or a brand offers: products, customer experience, and finally customer engagement. The last one offers the highest-level of satisfaction to customers according to him. I believe that SEC functions in the stage of customer engagement. Inside Japan, Shimano operates several similar facilities, such as the LIFE CREATION SPACE OVE in Minami-Aoyama in Tokyo, which serves as a base for activities to share information, SHIMANO SQUARE in Osaka Umeda, and the Bicycle Museum Cycle Center in Sakai. Moreover, Shimano organizes and supports various cycling and fishing programs, such as cycle races and fishing tournaments, around the world.

In "Taking Care of the Environment," as that protecting the natural environment is the prerequisite for enjoying outdoor sports, striving to preserve the natural setting is Shimano's basic responsibility. This year's report focuses on the wastewater treatment initiatives that Shimano is committed to on a global scale. In addition to observing relevant laws, regulations, and guidelines of the respective countries/regions, Shimano believes wastewater treatment is the duty of the manufacturer. I value highly the steady wastewater treatment conducted at Team Shimano facilities. For example, some factories reuse nearly half of treated wastewater and precisely analyze effluent constituents before discharging wastewater. In addition, through joint efforts with its partner manufacturers, Shimano has reviewed and revised the Shimano Green Plan (SGP), initially adopted in 2004, in response to changes in laws and regulations, as well as customer demands. Currently, Shimano is at Stage 3 on the roadmap stipulated in the ninth version of the SGP. I expect that the company will continue its efforts in coming years. This year's report also introduces employees' engagement in cleanup activities around their factories, beaches, and roads, along with a gathering to exchange unwanted items. All cases show the high level of their awareness towards environmental preservation.

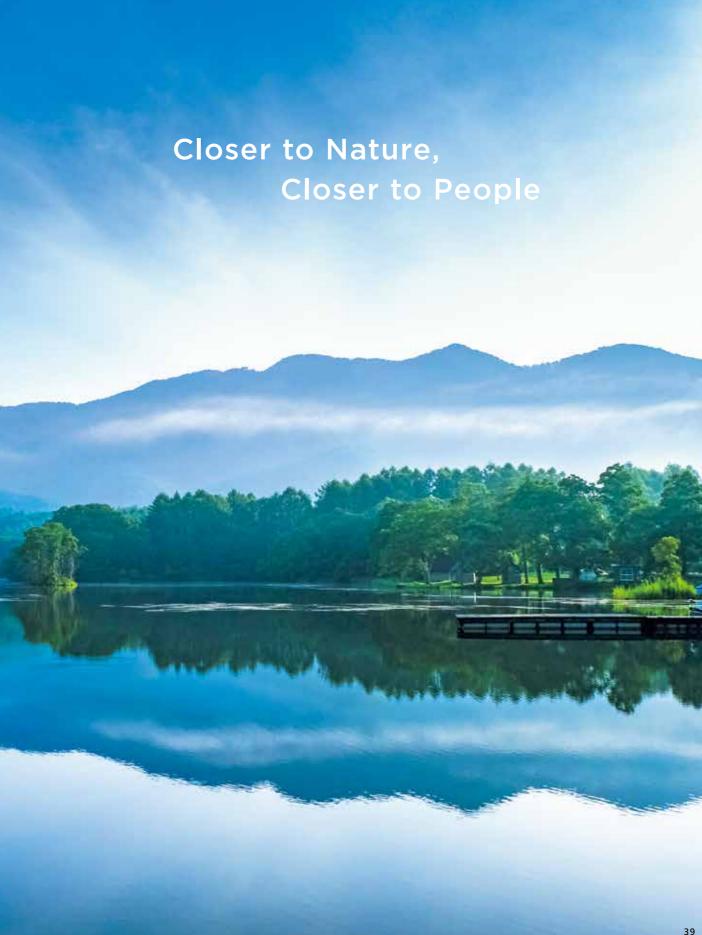
In "Building Confidence," the focus is on corporate citizenship activities held by Team Shimano companies worldwide to maintain close partnerships with their respective local communities. In Poland, for example, Shimano's staff taught children at a school and an orphanage about bicycle maintenance and safe riding techniques. In the U.S., a charity ride was organized to support therapy programs for patients. Blood donation drives were held in cooperation with the Red Cross Societies in the Philippines, Indonesia, and Malaysia. These diverse social contribution activities indicate enhanced awareness of citizenship shared by Shimano's employees.

Reading this year's report, I was able to confirm that Shimano's establishments worldwide are steadily committed to social contribution activities in compliance with the company's three principles and by focusing their targets in line with the SDGs. It is believed that further progress of the digital economy will lead people to seek "health and happiness through the enjoyment of nature." Toward its centennial in 2021, I truly hope that Shimano will continue its endeavors as a sustainable Value Creating Company.

Toshihiko Fujie

Professor Emeritus, Chiba University of Commerce Vice Chairman, Japan Business Management Association







SHIMANO INC.

Corporate Communications 3-77 Oimatsu-cho, Sakai-ku, Sakai, Osaka 590-8577, Japan

Phone: +81-72-223-3957 Fax: +81-72-223-6045