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Summary of Consolidated Financial Results for the First Quarter of FY2025 (JGAAP)

(January 1, 2025 –March 31, 2025) April 23, 2025

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Scheduled payment date for dividends: —
Supplemental information: Yes
Financial results briefing: No

(Amounts are rounded down to the nearest million yen.)

1. Consolidated financial results for the first quarter of FY2025 (January 1, 2025 – March 31, 2025)

(1) Consolidated income information (The percentages represent the rates of increase (decrease) compared to the corresponding prior period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter of FY2025	113,539	12.9	16,142	20.3	15,404	(46.6)	9,786	(58.7)
First quarter of FY2024	100,557	(20.2)	13,421	(52.1)	28,852	0.9	23,687	17.2

(Note) Comprehensive income First quarter of FY2025: (16,151) million yen (-%) First quarter of FY2024: 51,576 million yen (73.6%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First quarter of FY2025	110.20	—
First quarter of FY2024	263.69	—

(2) Consolidated balance sheet information

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
First quarter of FY2025	912,749	836,850	91.6
FY2024	958,953	883,613	92.0

(Reference) Shareholders' equity First quarter of FY2025: 835,715 million yen FY2024: 882,397 million yen

2. Dividend information

	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2024	—	154.50	—	154.50	309.00
FY2025	—				
FY2025 (Forecast)		169.50	—	169.50	339.00

(Note) Change in forecasted dividend during the period: None

3. Forecasted consolidated business performance for FY2025 (January 1, 2025 – December 31, 2025)

(The percentages represent the rates of increase (decrease) compared to the corresponding prior period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half of FY2025	228,000	5.1	30,000	(3.1)	34,550	(37.9)	23,800	(45.5)	269.59
FY2025	470,000	4.2	70,000	7.6	88,250	(10.6)	63,800	(16.4)	722.68

(Note) Change in forecasted consolidated business performance during the period: Yes

*Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Application of accounting treatment specific to preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatement

① Changes in accounting policies in accordance with revision of accounting standards:	Yes
② Changes in accounting policies other than ① above:	None
③ Changes in accounting estimates:	None
④ Retrospective restatement:	None

(4) Number of shares of common stock issued

① Number of shares of common stock issued at period-end (including treasury stock):	First quarter of FY2025	89,120,000 shares	FY2024	89,120,000 shares
② Number of shares of treasury stock at period-end:	First quarter of FY2025	837,891 shares	FY2024	54,078 shares
③ Average number of shares during the period (cumulative from the beginning of the fiscal year):	First quarter of FY2025	88,804,651 shares	First quarter of FY2024	89,832,613 shares

Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

Explanation regarding the appropriate use of forecasts of business performance and other special items

The forecasts of consolidated business performance and other forward-looking statements contained in this document are based on information currently available to the Company and certain assumptions that management believes reasonable and actual business performance may differ materially from those described in such statements due to various factors. For details of assumptions for the forecasts and other related items, please refer to page 3 of the attached document. Shimano Inc. accepts no liability whatsoever for any direct or consequential loss arising from any use of this document.

○Table of contents of the attached document

1. Overview of Business Results 2
(1) Overview of Operations for the Period under Review 2
(2) Overview of Financial Position for the Period under Review 3
(3) Forecast for the Fiscal Year Ending December 31, 2025 3
2. Consolidated Financial Statements and Primary Notes 4
(1) Consolidated Balance Sheets 4
(2) Consolidated Statements of Income and Comprehensive Income 6
(3) Notes relating to Consolidated Financial Statements 8
(Note concerning Assumption of Going Concern) 8
(Note on Significant Change in the Amount of Shareholders' Equity) 8
(Note on Changes in Accounting Policies) 8
(Note on Segment Information) 9
(Note on Statements of Cash Flows) 10

1. Overview of Business Results

(1) Overview of Operations for the Period under Review

During the first quarter of fiscal year 2025, the global economy maintained strong growth on the back of slowing inflation. However, uncertainty with regard to the outlook increased due to the prolonged unrest in Ukraine and the Middle East, the sluggish Chinese economy, and policy trends in various countries.

In Europe, personal consumption recovered as inflation subsided, and the economy continued in a gradual recovery trend.

In the U.S., although consumer confidence declined due to changes in trade policies, the economy remained strong on the back of a stable employment environment.

In China, the economy remained weak as the result of stagnant domestic demand caused by the recession in the real estate sector.

In Japan, the economy followed a moderate recovery trend due to favorable demand from inbound tourists as well as the pick-up in personal consumption as a result of improvements in the employment and income environment.

In this environment, interest in bicycles and fishing tackle continued, and for the first quarter of fiscal year 2025, net sales increased 12.9% from the same period of the previous year to 113,539 million yen. Operating income increased 20.3% to 16,142 million yen, ordinary income decreased 46.6% to 15,404 million yen, and net income attributable to owners of parent decreased 58.7% to 9,786 million yen.

Reportable Segment Overview

① Bicycle Components

While the strong interest in bicycles continued as a long-term trend, market inventories remained high despite gradual adjustments.

Overseas, in the European market, market inventories remained at a somewhat high level, while signs of recovery started to appear in retail sales of completed bicycles as demand stabilized.

In the North American market, retail sales of completed bicycles remained weak, but market inventories returned to appropriate levels.

In the Asian and Central and South American markets, although retail sales of completed bicycles remained weak as personal consumption continued to be sluggish, the level of market inventories started to show signs of improvement. In the Chinese market, while demand was strong due to the popularity of cycling as a sport, market inventories have remained at a somewhat high level since the end of 2024.

In the Japanese market, market inventories remained at appropriate levels, but retail sales were sluggish due to the soaring price of completed bicycles.

Under these market conditions, the Shimano Group received a favorable reception for its products, including SHIMANO 105, a component for road bikes, and SHIMANO GRX, a gravel bike component.

As a result, net sales from this segment increased 15.6% from the same period of the previous year to 87,972 million yen, and operating income increased 38.5% to 14,503 million yen.

② Fishing Tackle

While the interest in fishing tackle continued, sales remained weak but adjustments of market inventories made progress.

In the Japanese market, although adjustments of market inventories progressed, sales were lackluster due to cooling consumer confidence as a result of cold weather and price hikes.

Overseas, in the North American market, market inventories remained at an appropriate level, but sales remained at the same level as the previous year due to unfavorable weather.

In the European market, sales remained strong, and market inventories remained at an appropriate level.

In the Asian market, sales were lackluster due to sluggish personal consumption and adverse weather conditions, and market inventories remained somewhat high.

In the Australian market, sales were favorable and market inventories remained at an appropriate level due to favorable weather and stable fishing conditions.

Under these market conditions, the new spinning reels TWIN POWER XD and the baitcasting reels ANTARES were well-received in the market. In addition, order-taking continued to be brisk for the rods POISON ADRENA.

As a result, net sales from this segment increased 4.5% from the same period of the previous year to 25,468 million yen, and operating income decreased 44.7% to 1,636 million yen.

③ Others

Net sales from this segment increased 0.8% from the same period of the previous year to 98 million yen and operating income of 1 million yen was recorded, following an operating loss of 11 million yen for the same period of the previous year.

(2) Overview of Financial Position for the Period under Review

Assets, Liabilities and Net Assets

Total assets as of the end of the first quarter of fiscal year 2025 amounted to 912,749 million yen, a decrease of 46,204 million yen compared with the figure as of the previous fiscal year-end. The principal factors included an increase of 9,475 million yen in construction in progress, an increase of 7,830 million yen in notes and accounts receivable-trade, an increase of 4,653 million yen in merchandise and finished goods, a decrease of 66,152 million yen in cash and time deposits, and a decrease of 2,634 million yen in buildings and structures.

Total liabilities amounted to 75,898 million yen, an increase of 558 million yen compared with the figure as of the previous fiscal year-end. The principal factors included an increase of 1,655 million yen in accounts payable-trade, a decrease of 650 million yen in deferred income taxes, and a decrease of 300 million yen in provision for product warranties under long-term liabilities.

Net assets amounted to 836,850 million yen, a decrease of 46,762 million yen compared with the figure as of the previous fiscal year-end. The principal factors included a decrease of 26,530 million yen in foreign currency translation adjustments, a decrease of 16,850 million yen in acquisition of treasury stock, and a decrease of 3,974 million yen in retained earnings.

(3) Forecast for the Fiscal Year Ending December 31, 2025

The consolidated business performance forecasts have been revised as follows, in light of factors such as non-operating expenses that were recorded due to the appreciation of Asian currencies caused by the weaker U.S. dollar during the first quarter of fiscal year 2025.

Revisions to consolidated business performance forecast figures for the first half of FY2025 (January 1, 2025 – June 30, 2025)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	228,000	30,000	41,300	31,000	348.06
Revised forecast (B)	228,000	30,000	34,550	23,800	269.59
Difference (B-A)	0	0	(6,750)	(7,200)	
Change (%)	0.0	0.0	(16.3)	(23.2)	
First half results for FY2024	216,887	30,955	55,625	43,704	487.49

Revisions to consolidated business performance forecast figures for the FY2025 (January 1, 2025 – December 31, 2025)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	470,000	70,000	95,000	71,000	797.16
Revised forecast (B)	470,000	70,000	88,250	63,800	722.68
Difference (B-A)	0	0	(6,750)	(7,200)	
Change (%)	0.0	0.0	(7.1)	(10.1)	
Full year results for FY2024	450,993	65,085	98,674	76,329	853.36

2. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	FY2024 As of Dec. 31, 2024	First quarter of FY2025 As of Mar. 31, 2025
Assets		
Current assets		
Cash and time deposits	534,045	467,893
Notes and accounts receivable-trade	39,902	47,732
Merchandise and finished goods	73,683	78,337
Work in process	39,044	40,207
Raw materials and supplies	7,914	6,926
Others	17,265	17,542
Allowance for doubtful accounts	(395)	(377)
Total current assets	711,461	658,262
Fixed assets		
Property, plant and equipment		
Buildings and structures (net)	80,844	78,210
Machinery and vehicles (net)	31,176	29,820
Land	15,117	14,905
Leased assets (net)	5,649	5,666
Construction in progress	44,624	54,100
Others (net)	5,297	5,493
Total property, plant and equipment	182,708	188,195
Intangible assets		
Goodwill	1,661	1,546
Software	13,424	13,336
Others	9,874	10,655
Total intangible assets	24,960	25,538
Investments and other assets		
Investment securities	25,892	26,717
Deferred income taxes	8,382	8,372
Net defined benefit asset	2,900	2,921
Others	3,097	3,190
Allowance for doubtful accounts	(450)	(450)
Total investments and other assets	39,822	40,752
Total fixed assets	247,491	254,486
Total assets	958,953	912,749

(Millions of yen)

	FY2024 As of Dec. 31, 2024	First quarter of FY2025 As of Mar. 31, 2025
Liabilities		
Current liabilities		
Accounts payable-trade	16,111	17,766
Income taxes payable	9,803	9,702
Accrued employee bonuses	3,479	3,196
Accrued officer bonuses	160	39
Provision for product warranties	1,173	1,160
Others	25,074	25,333
Total current liabilities	55,802	57,199
Long-term liabilities		
Deferred income taxes	3,018	2,367
Net defined benefit liability	1,310	1,275
Provision for product warranties	12,151	11,850
Others	3,057	3,205
Total long-term liabilities	19,537	18,699
Total liabilities	75,339	75,898
Net assets		
Shareholders' equity		
Common stock	35,613	35,613
Capital surplus	5,640	5,640
Retained earnings	675,370	671,396
Treasury stock	(1,186)	(18,036)
Total shareholders' equity	715,438	694,613
Accumulated other comprehensive income		
Unrealized gain (loss) on other securities	7,139	7,812
Foreign currency translation adjustments	159,819	133,288
Total accumulated other comprehensive income	166,958	141,101
Non-controlling interests	1,215	1,135
Total net assets	883,613	836,850
Total liabilities and net assets	958,953	912,749

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	First quarter of FY2024 Jan. 1, 2024 to Mar. 31, 2024	First quarter of FY2025 Jan. 1, 2025 to Mar. 31, 2025
Net sales	100,557	113,539
Cost of sales	61,513	68,442
Gross profit	39,044	45,097
Selling, general and administrative expenses	25,623	28,955
Operating income	13,421	16,142
Non-operating income		
Interest income	5,907	4,608
Dividend income	109	92
Foreign exchange gains	9,401	―
Others	314	176
Total non-operating income	15,733	4,878
Non-operating expenses		
Interest expenses	8	28
Foreign exchange losses	―	5,451
Voluntary recall expenses	136	2
Others	157	132
Total non-operating expenses	301	5,615
Ordinary income	28,852	15,404
Extraordinary losses		
Loss on factory reconstruction	60	7
Total extraordinary losses	60	7
Income before income taxes	28,792	15,397
Income taxes-current	5,679	5,891
Income taxes-deferred	(675)	(278)
Total income taxes	5,003	5,613
Net income	23,788	9,783
Net income (loss) attributable to non-controlling interests	100	(2)
Net income attributable to owners of parent	23,687	9,786

Consolidated Statements of Comprehensive Income

(Millions of yen)

	First quarter of FY2024 Jan. 1, 2024 to Mar. 31, 2024	First quarter of FY2025 Jan. 1, 2025 to Mar. 31, 2025
Net income	23,788	9,783
Other comprehensive income		
Unrealized gain (loss) on other securities	1,892	673
Foreign currency translation adjustments	25,895	(26,608)
Total other comprehensive income	27,787	(25,935)
Comprehensive income	51,576	(16,151)
(Breakdown)		
Comprehensive income attributable to owners of parent	51,375	(16,070)
Comprehensive income attributable to non-controlling interests	200	(80)

(3) Notes relating to Consolidated Financial Statements

(Note concerning Assumption of Going Concern)

Not applicable.

(Note on Significant Change in the Amount of Shareholders' Equity)

(Acquisition of treasury stock)

The Company acquired 783,800 shares of common stock from February 13, 2025 to March 31, 2025 through market purchases, including Off-auction Own Share Repurchase Trading (ToSTNeT-3) on the Tokyo Stock Exchange, based on the resolution of the Board of Directors meeting held on February 12, 2025. As a result, treasury stock increased by 16,850 million yen during the first quarter of fiscal year 2025, including the increase due to acquisition of fractional shares.

(Note on Changes in Accounting Policies)

("Application of Accounting Standard for Current Income Taxes," etc.)

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022") from the beginning of the first quarter of fiscal year 2025.

Revisions to categories for recording current income taxes, etc. (taxation on other comprehensive income), conform to the transitional treatment set forth in the proviso to Paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso to Paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "Revised Guidance 2022"). This change in accounting policies has no impact on the quarterly consolidated financial statements.

In addition, for amendments related to the revised accounting treatment for consolidated financial statements when gains or losses on the sale of shares, etc. in subsidiaries resulting from transactions between consolidated subsidiaries are deferred for tax purposes, the Revised Guidance 2022 has been applied from the beginning of the first quarter of fiscal year 2025. This change in accounting policies is applied retrospectively, and the quarterly consolidated financial statements for the same quarter of the previous fiscal year and the consolidated financial statements for the previous fiscal year reflect the retroactive application.

This change in accounting policies has no impact on the quarterly consolidated financial statements for the same quarter of the previous fiscal year or on the consolidated financial statements for the previous fiscal year.

(Note on Segment Information)

First quarter of FY2024 (Jan. 1, 2024 – Mar. 31, 2024)

Information on net sales and income (loss) by reportable segment and disaggregation of revenue

(Millions of yen)

	Reportable Segment				Adjustment	Consolidated statements of income
	Bicycle Components	Fishing Tackle	Others	Total		
Net sales						
Goods to be transferred at a point in time	76,090	24,369	97	100,557	—	100,557
Goods to be transferred over a period of time	—	—	—	—	—	—
Revenue from contracts with customers	76,090	24,369	97	100,557	—	100,557
Third parties	76,090	24,369	97	100,557	—	100,557
Inter-segment	—	—	—	—	—	—
Total	76,090	24,369	97	100,557	—	100,557
Segment income (loss)	10,471	2,961	(11)	13,421	—	13,421

Notes: 1. There is no difference between total segment income (loss) and operating income in the consolidated statements of income.

2. Net sales includes revenue from contracts with customers and other revenue; however, most of the revenue is generated from contracts with customers, therefore other revenue is not deemed important and is thus not displayed separately.

First quarter of FY2025 (Jan. 1, 2025 – Mar. 31, 2025)

Information on net sales and income (loss) by reportable segment and disaggregation of revenue

(Millions of yen)

	Reportable Segment				Adjustment	Consolidated statements of income
	Bicycle Components	Fishing Tackle	Others	Total		
Net sales						
Goods to be transferred at a point in time	87,972	25,468	98	113,539	—	113,539
Goods to be transferred over a period of time	—	—	—	—	—	—
Revenue from contracts with customers	87,972	25,468	98	113,539	—	113,539
Third parties	87,972	25,468	98	113,539	—	113,539
Inter-segment	—	—	—	—	—	—
Total	87,972	25,468	98	113,539	—	113,539
Segment income (loss)	14,503	1,636	1	16,142	—	16,142

Notes: 1. There is no difference between total segment income (loss) and operating income in the consolidated statements of income.

2. Net sales includes revenue from contracts with customers and other revenue; however, most of the revenue is generated from contracts with customers, therefore other revenue is not deemed important and is thus not displayed separately.

(Note on Statements of Cash Flows)

The consolidated statements of cash flows for the first quarter of fiscal year 2025 have not been prepared. Depreciation and amortization (including amortization related to intangible assets other than goodwill) for the first quarter of fiscal year 2025 are as follows:

(Millions of yen)

	First quarter of FY2024 Jan. 1, 2024 to Mar. 31, 2024	First quarter of FY2025 Jan. 1, 2025 to Mar. 31, 2025
Depreciation and amortization	6,133	6,495