February 27, 2026

Company name	SHIMANO INC.
Representative	Taizo Shimano, President (Securities code 7309; Prime Market, Tokyo Stock Exchange)
Contact	Takuma Kanai, Senior Executive Officer (Telephone +81-72-223-3254)

Notice Regarding the Opinion of the Company's Board of Directors on the Shareholder Proposal

Shimano Inc. (the "Company") received a document stating that the proposing shareholder intends to make a shareholder proposal (the "Shareholder Proposal") at the 119th Annual General Meeting of Shareholders of the Company to be held on March 24, 2026 (the "General Meeting"). The Company hereby announces that it has resolved, at a meeting of the Board of Directors as of February 10, 2026, to oppose the Shareholder Proposal. Details are as follows.

I. Proposing shareholder
Name of the shareholder: LONGCHAMP SICAV (Agent: Dalton Investments, Inc.)

II. Details of the Shareholder Proposal
1. Agenda
Acquisition of Treasury Stock

2. Outline of the proposal and Reasons for the proposal
As described in the Annex "Details of the Shareholder Proposal."
The Annex entitled "Details of the Shareholder Proposal," attached hereto, reproduces, verbatim and in the original Japanese, the relevant portions of the Shareholder Proposal submitted by the proposing shareholder.

III. Opinion of the Company's Board of Directors
The Board of Directors of the Company opposes this proposal.

The Company considers the return of earnings to shareholders to be one of the most important issues for management. The Company's basic policy is to continue providing stable returns reflecting overall business performance and strategy.

In accordance with the above policy, the Company has submitted Proposal No.1, a company proposal, to pay out year-end cash dividends for fiscal year 2025 of 169.50 yen per share, an increase of 15 yen per share from the year-end cash dividends paid in the previous year. If this proposal is approved, the cash dividends for the full fiscal year 2025, combined with the interim dividends of 169.50 yen, will amount to 339 yen per share (a dividend payout ratio of 87%), an increase of 30 yen per share from the cash dividends paid in the previous year. This will also mark the fifth consecutive year of dividend increases since fiscal year 2021. The cash dividends for the full fiscal year 2026 are scheduled to increase further to 363 yen per share.

In addition to the foregoing, the Company has continually engaged in the acquisition and

cancellation of treasury stock since 2021 as part of its important shareholder return initiatives. As announced in "Notice Regarding Shareholder Returns Policy, Cancellation of Acquisition of Treasury Stock and Establishment of New Limit for Acquisition of Treasury Stock" dated February 12, 2025, the Company has set a policy to implement acquisitions of treasury stock in the approximate amount of 100.0 billion yen over the next two years from the said date (hereinafter, the "Shareholder Returns Policy"). In accordance with this policy, we recently acquired about 50.0 billion yen worth of treasury stock within one year. All these efforts resulted in the Company's total return ratio (inclusive of the annual dividend) reaching an exceptionally high level of 234% for fiscal year 2025. Accordingly, the Company's equity decreased from 882.4 billion yen as of the end of fiscal year 2024 to 868.3 billion yen as of the end of fiscal year 2025, which represents about a 2% reduction within one year. Of this, shareholders' equity, excluding the impact of market conditions, such as fluctuations in stock prices, interest rates and exchange rates, decreased from 715.4 billion yen as of the end of fiscal year 2024 to 670.6 billion yen as of the end of fiscal year 2025, which represents about a 6% reduction within one year. Under its basic policy of not reducing dividends, the Company will strive to implement shareholder returns with a target total return ratio of at least 50%, by continuing to enhance progressive dividends and engaging in the acquisition and cancellation of treasury stock on a flexible, ongoing basis. In line with its Shareholder Returns Policy, the Company has also established a new limit for the acquisition of treasury stock of 50.0 billion yen as announced in "Notice Concerning Establishment of Limit for Purchase of Treasury Stock" dated February 10, 2026, with the acquisition period set from February 12, 2026 to January 31, 2027 (hereinafter, "Limit for Treasury Stock Acquisition Dated February 10, 2026"). By acquiring approximately 50.0 billion yen worth of treasury stock, we seek to achieve further reduction in equity and shareholders' equity.

At the same time, the Company believes that efficient cash allocation must be achieved upon determining an optimal balance between growth investment and shareholder returns. Capital investment is a prerequisite for further enhancement of corporate value and growth of the Company. Such capital investments cover the following areas: Shimano Digital Manufacturing, an activity we are promoting as a development-oriented digital manufacturing company; manufacturing facilities to accelerate this activity and achieve exceptional quality; product development powered by generative AI; and technologies to enhance production capability using physical AI (capital investments amounted to 46.3 billion yen and R&D expenses amounted to 16.3 billion yen in fiscal year 2025). In addition to the said investments, the Company focuses on human capital investments such as wage hikes to boost employee engagement and increasing incentive payments to the employees' shareholding association; ESG investments that are highly relevant to the Company's business; and growth investments including M&As to pursue further technical innovations and foster a culture in its bicycle components and fishing tackle businesses. Furthermore, securing funds is essential to ensure the stable operation of the Company's business and to prepare for contingencies and the emergence of risks. The Company seeks to achieve efficient cash allocation, such as growth investments in a flexible and efficient manner, on a continual basis from a medium- to long-term perspective. We believe that this approach will sustainably enhance our corporate value and ultimately our stock price, thereby contributing to shareholder returns.

Based on the above stance, at a meeting of the Board of Directors held on February 10, 2026, the Company formulated initiatives entitled "Cash allocation and improvement of capital efficiency (FY2025 Result and FY2026 Schedule_Announced in February 2026)," and announced them in the Supplemental Information to Consolidated Financial Results. The Company's Price Book-value Ratio (PBR) as of December 31, 2025 stood at 1.65, which is relatively higher than the average of 1.14 among its industry peers (in the transportation equipment sector) listed on Prime Market of the Tokyo Stock Exchange as of December 30, 2025. Without resting on our current achievements, we will strive for further improvement.

Under this shareholder proposal, a large-scale purchase of treasury stock is proposed, with a total acquisition price of 200.0 billion yen (inclusive of a total of 50.0 billion yen under the Limit for Treasury Stock Acquisition Dated February 10, 2026) within a short period of one year. The proposed acquisition price of 200.0 billion yen is nearly six times higher than the Company's consolidated net income of 34.0 billion yen for fiscal year 2025. Conducting such a scale of purchase within a short time frame of one year may lessen the scope for growth investment, which is necessary for the Company to enhance corporate value, and hinder its ability to adapt to the major changes in the bicycle and fishing tackle businesses. Moreover, such a scale of purchase may unnecessarily decrease the Company's resilience against the emergence of contingencies and risks (relating to natural disasters, infectious diseases, geopolitics, trade and tariff policies, cyber security, etc.), which could hamper and destabilize the entire supply chain for bicycles and fishing tackle, in which the Company holds a high market share. Especially in the bicycle industry, in the event of a supply-demand imbalance of completed bicycles under unforeseeable circumstances, the Company should act as a buffer in order to minimize the impact on the entire industry. To provide for such situations, we hold a certain amount of cash and time deposits on hand to retain our financial soundness. In fact, during the phase of declining demand and market inventory adjustment following the surge in demand for completed bicycles amid the COVID-19 pandemic from around 2021 to 2022, the Company underpinned the entire industry by taking flexible actions, such as accepting order cancellations from our customers, to mitigate the impact on the entire industry. We believe that playing such a role enables us to secure trust within the industry, helps stabilize the market, and eventually builds a new foundation for growth. Consequently, we believe this to be one of the factors behind the Company's high market share in the industry. Assuming that a large-scale purchase of treasury stock is conducted within a short period of time, as suggested in this shareholder proposal, we are concerned that such a purchase may undermine the Company's business resilience, which is necessary for it to act as a buffer in the market. Such purchase may also eventually threaten the Company's credibility within the industry, the foundation for growth, and the high market share currently held by the Company. This shareholder proposal also mentions the amount of cash and time deposits held by the Company as grounds for the proposal, but due to our growth investment and proactive shareholder returns, the amount of cash and time deposits held by the Company has decreased by 56.7 billion yen, or about 11%, compared with the figure as of the end of fiscal year 2024. Moreover, as stated in "Cash Position management policy (Announced in February 2026)" released as the Supplemental Information to Consolidated Financial Results dated February 10, 2026, although the amount of cash and time deposits on the Company's consolidated balance sheet as of the end of fiscal year 2025 increased by approximately 170.0 billion yen compared with the pre-pandemic level recorded at the end of fiscal year 2020, about 120.0 billion yen of this increase is attributable to foreign exchange effects arising from conversion of foreign currency-denominated cash and time deposits into yen amid the ongoing yen depreciation, and it must be noted that this increase in the amount of cash and time deposits is limited on a local currency basis, such as dollars and euros. Therefore, we deem it not appropriate to judge immediately that there is excess accumulation of cash and time deposits merely because of the increase in the amount of cash and time deposits that is converted into yen on the balance sheet. The intended use of the cash balance as of December 31, 2025 is summarized as follows: 170.0 billion yen or more as working capital; 130.0 billion yen or more for growth investment; 120.0 billion yen or more as contingency funds; and 50.0 billion yen for shareholder returns, and the Company believes that the current cash holdings are deemed appropriate.

In light of the foregoing, the Company has established a limit for the acquisition of treasury stock of 50.0 billion yen, which is the Limit for Treasury Stock Acquisition Dated February 10, 2026. We deem it appropriate to strive for further reduction in equity and shareholders' equity, by steadily engaging in the acquisition of treasury stock, based on the Limit for Treasury Stock Acquisition Dated February

10, 2026.

Due to the above reasons, the Board of Directors opposes this shareholder proposal.

IV. Request to Shareholders

The Board of Directors respectfully requests that shareholders support our opinion regarding the shareholder proposal.

The Company will continue to engage in constructive dialogue with its shareholders and strive to further enhance corporate value.

(Reference) SHIMANO Corporate Site (Shareholders Meeting)
https://www.shimano.com/en/ir/shareholdermeeting.html

Supplemental Information FY2025-Q4
https://contents.xj-storage.jp/xcontents/AS02673/e7246c36/e0a6/413f/9bce/0fb2ea9400d9/20260210154240698s.pdf

Notice Concerning Establishment of Limit for Purchase of Treasury Stock
https://contents.xj-storage.jp/xcontents/AS02673/ccac6818/e6de/41fc/8648/a8bf40294493/140120260209552891.pdf

End

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(The Annex "Details of the Shareholder Proposal")

*The relevant portions of the Shareholder Proposal submitted by the proposing shareholder are reproduced verbatim and in the original Japanese.

I. Agenda

1 Acquisition of Treasury Stock

II. Outline of the proposal and Reasons for the proposal

1 Acquisition of Treasury Stock

(1) Outline of the proposal

Pursuant to provisions of Article 156, Paragraph 1 of the Companies Act, it is proposed that common stock of the Company be acquired for cash consideration, with a maximum of 15,000,000 shares in total and in an acquisition price of up to 200,000,000,000 yen in total (or, if an acquisition of treasury stock is resolved by the Board of Directors of the Company during the period from January 1, 2026 to the date of this General Meeting of Shareholders, in a price that deducts the total price of such acquisition of treasury stock), within a year after the close of this General Meeting of Shareholders.

(2) Reasons for the proposal

The Company's shareholders' equity ratio is over 90%, and a majority of its net assets is accounted for by net financial assets, primarily "cash and time deposits" that do not contribute to generating business value. Such an extremely conservative capital structure has become a factor behind the structural slump in return on equity (ROE) of the Company.

The Tokyo Stock Exchange requests companies to implement "management that is conscious of cost of capital and stock price." The request calls for management that emphasizes cost of capital and return on capital based on a balance sheet. Moreover, clarification of accountability for "rationality of cash holdings" has become one of the topics in the recent discussions over the revision of Japan's Corporate Governance Code. Given such trends, retaining excessive funds with no specific purpose of use is seen as a management issue that should no longer be ignored from the perspective of capital discipline.

As its shareholder return initiatives, the Company has set a total return ratio target of at least 50% and announced a plan to acquire treasury stock totaling approximately 100.0 billion yen over the two years from fiscal year 2025. However, in light of the massive liquidity on hand that amounts to over 450.0 billion yen, these initiatives alone should be insufficient for structurally eliminating the excess capital. What is vital for the Company to sustainably enhance its corporate value is to optimize its capital structure more fundamentally, instead of offering partial profit returns.

The Company holds approximately 454.1 billion yen of cash and time deposits as of September 30, 2025. Accordingly, even if the acquisition of treasury stock is implemented based on this proposal, we believe its solid financial base as a source for M&As and R&D, as well as to prepare for unforeseeable risks, can be still maintained, and no concern would arise about its financial safety.

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