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Summary of Consolidated Financial Results for FY2010

(January 1, 2010 - December 31, 2010)

February 8, 2011

Company Name: Shimano Inc.
Code Number: 7309

Stock Exchanges: Tokyo and Osaka, First Sections
URL: <http://www.shimano.com>

President: Yozo Shimano
Senior Vice President, Accounting: Yoshihiro Hirata
Date of Shareholders' Meeting: March 30, 2011
Date of submission of annual report to Ministry of Finance: March 31, 2011

Telephone: +81-72-223-3254
Scheduled payment date for dividends: March 31, 2011

(Amounts are rounded down to the nearest million yen)

1. Consolidated financial results for FY2010 (January 1, 2010 - December 31, 2010)

(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	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2010	213,596	14.4	32,772	59.6	27,763	37.9	19,121	100.1
FY2009	186,686	(20.6)	20,528	(45.7)	20,135	(45.1)	9,533	(62.0)

	Net income per share (Basic)	Net income per share (Diluted)	Return on shareholders' equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
FY2010	202.78	-	11.3	14.0	15.3
FY2009	99.79	-	5.8	10.5	11.0

(Reference) Equity in earnings FY2010: - million yen FY2009: - million yen

(2) Consolidated balance sheet information

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2010	205,248	173,600	84.3	1,844.81
FY2009	190,830	166,548	87.0	1,748.96

(Reference) Shareholders' equity FY2010: 172,984 million yen FY2009: 165,983 million yen

(3) Consolidated cash flow information

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Million yen	Million yen	Million yen	Million yen
FY2010	31,118	(10,590)	(10,617)	65,107
FY2009	42,579	(13,766)	(12,456)	54,058

2. Dividend information

	Dividend per share					Total dividend (Annual)	Dividend payout ratio (Consolidated)	Dividend per shareholders' equity (Consolidated)
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2009	-	30.50	-	30.50	61.00	5,819	61.1	3.5
FY2010	-	30.50	-	30.50	61.00	5,733	30.1	3.4
FY2011 (Forecast)	-	30.50	-	30.50	61.00		26.0	

(Note) The year-end cash dividend for FY2010 included no commemorative dividend but a special dividend of 24.25 yen.

3. Forecasted consolidated business performance for FY2011 (January 1, 2011 - December 31, 2011)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half of FY2011	104,500	0.1	15,500	(10.4)	15,000	4.4	10,000	3.9	106.65
FY2011	220,000	3.0	34,000	3.7	33,000	18.9	22,000	15.1	234.62

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

4. Others

(1) Changes in significant subsidiaries during the year (Changes in specified subsidiaries due to changes in scope of consolidation): None

(2) Changes in accounting principles, procedures and presentation methods:

Changes in accordance with revision of accounting standards : Yes

Changes other than above: Yes

Note: For details, refer to "Changes in the Presentation of the Consolidated Financial Statements - Significant Matters" on Page 18.

(3) Number of shares of common stock issued

Number of shares of common stock issued at year-end (including treasury stock):

FY2010: 93,800,000 FY2009: 94,910,000

Number of shares of treasury stock at year-end:

FY2010: 31,604 FY2009: 5,838

Note: For basis for calculation of net income per share, refer to "Per share data" on Page 28.

(Reference) Non-Consolidated Financial Results

1. Non-consolidated financial results for FY2010 (January 1, 2010 - December 31, 2010)

(1) Non-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	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2010	167,489	17.9	13,747	106.8	12,798	83.4	8,342	-
FY2009	142,103	(24.9)	6,648	(64.9)	6,978	(61.7)	115	(99.0)

	Net income per share	Net income per share (Diluted)
	Yen	Yen
FY2010	88.48	-
FY2009	1.21	-

(2) Non-consolidated balance sheet information

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2010	103,742	80,175	77.3	855.04
FY2009	102,324	82,810	80.9	872.57

(Reference) Shareholders' equity FY2010: 80,175 million yen FY2009: 82,810 million yen

Notes) 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 4 of the attached document.

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1. Business Results

(1) Analysis of Business Results

Review of Operations

During fiscal year 2010, while China and other leading economies in Asia, excluding Japan, continued to grow strongly, the advanced economies elsewhere in the world remained on a moderate recovery track despite concern about a financial crisis in Europe.

Meanwhile, the Japanese economy picked up somewhat thanks to the government's economic stimulus package and rising demand from emerging economies centering on Asia. However, the business environment for exporters remained challenging owing to the persisting strength of the yen.

In these circumstances, inspired by its mission—"To create new value and promote health and happiness through the enjoyment of nature and the world around us"—Shimano Group concentrated on creating a stream of captivating products to enrich the experience of cyclists and anglers around the world.

As a result, consolidated net sales increased 14.4% from the previous year to 213,596 million yen. Consolidated ordinary income rose 37.9% to 27,763 million yen, and net income rose 100.1% to 19,121 million yen.

Business Segment Overview

Bicycle Components

Bicycle inventory adjustment worldwide, having begun in 2009, was completed by early fiscal year 2010 and distribution inventories resumed normal levels.

In the major markets of Europe and North America, although retail sales were lackluster in January and February owing to unusually severe winter weather, they remained firm from March onward.

Products that Shimano introduced in the second quarter, namely, the new 105 series for road bike components and Deore XT and SLX for mountain bike components, continued to enjoy brisk sales, attesting to the popularity of these new products. In the third quarter, Shimano introduced the fully remodeled XTR flagship series for mountain bike components and order-taking for the series was buoyant.

In the fourth quarter, reflecting robust retail sales and normal-level distribution inventories, sales of Shimano's 2011 spring models were brisk.

As a result, sales from this segment increased 17.1% from the previous year to 169,409 million yen, and operating income rose 56.1% to 31,032 million yen.

Fishing Tackle

In the Japanese market, sales were led by new products, including the 2010 models of the STELLA flagship spinning reel series launched to coincide with the spring and summer fishing season, other mid-range and high-end reels, and the Tankenmaru MINI mobile-phone-size personal fish detector equipped with a camera. In the second half, the Wakasagimatic series of electric reel systems incorporating state-of-the-art functions for surf fishing of smelt gained popularity. Sales of fishing tackle were brisk throughout the year.

Despite the impact of the strong yen, severe winter weather and a stalled economic recovery affecting several European countries, and the negative impact on consumer sentiment in the U.S. of the Deepwater Horizon oil spill in the Gulf of Mexico, sales overseas exceeded the previous year's level, with the increase being particularly marked in Asia.

As a result, sales from this segment increased 6.4% from the previous year to 43,288 million yen, and operating income rose 72.3% to 1,968 million yen.

Others

Sales from other businesses decreased 32.1% from the previous year to 898 million yen and an operating loss of 228 million yen was recorded, following an operating loss of 491 million yen the previous year.

Forecast for the fiscal year ending December 2011

While China, India and other emerging economies are expected to continue to enjoy robust growth, there is concern that the tempo of recovery may slow in the European economies, the U.S. and other advanced countries, undermined by a credit crunch and high unemployment.

Although the Japanese economy is expected to keep to a modest recovery track supported by the dynamism of emerging economies centering on Asia, the situation is expected to remain unpredictable as personal consumption is likely to weaken once the impact of the government's policies wears off and a persisting strong yen will hamper export competitiveness.

In these circumstances, Shimano Group, while closely monitoring economic trends in Japan and overseas, is endeavoring to create a stream of captivating products complemented by agile and efficient production and logistics systems deployed to deliver those products worldwide.

Through these initiatives, we will take the lead in the creation of new cycling culture and sport fishing culture.

In view of the outlook described above, for the fiscal year ending December 2011, Shimano Group forecasts net sales of 220 billion yen, an increase of 3.0%, ordinary income of 33 billion yen, an increase of 18.9%, and net income of 22 billion yen, an increase of 15.1%.

Sales forecasts by segment are indicated below.

(Millions of yen)

		First half		Second half		Full year	
		Amount	%	Amount	%	Amount	%
Bicycle components	Japan	3,500	3.3	4,000	3.5	7,500	3.4
	Overseas	79,000	75.6	88,500	76.6	167,500	76.1
	Sub-total	82,500	78.9	92,500	80.1	175,000	79.5
Fishing tackle		21,500	20.6	22,500	19.5	44,000	20.0
Others		500	0.5	500	0.4	1,000	0.5
Total		104,500	100.0	115,500	100.0	220,000	100.0

(2) Consolidated Financial Position

Assets, Liabilities and Net Assets

(Total assets)

Total assets as of the end of the fiscal year 2010 amounted to 205,248 million yen (an increase of 14,418 million yen compared with the figure as of the previous fiscal year-end). This increase was primarily due to an increase in cash and time deposits of 12,048 million yen and an increase of 2,345 million yen in notes and accounts receivable-trade.

(Total liabilities)

Total liabilities as of the end of the fiscal year 2010 amounted to 31,647 million yen (an increase of 7,365 million yen compared with the figure as of the previous fiscal year-end). This increase was primarily due to an increase of 4,693 million yen in income taxes payable, and an increase of 1,302 million yen in accounts payable-trade.

(Net assets)

Net assets as of the end of the fiscal year 2010 amounted to 173,600 million yen (an increase of 7,052 million yen compared with the figure as of the previous fiscal year-end). This increase was primarily due to an increase of 8,918 million yen in retained earnings.

Cash Flows

Net cash provided by operating activities amounted to 31,118 million yen compared with 42,579 million yen for the previous year. This increase was primarily attributable to income before income taxes of 27,763 million yen and depreciation and amortization amounting to 9,764 million yen.

Net cash used in investing activities amounted to 10,590 million yen compared with 13,766 million yen for the previous year. The main items included acquisition of property, plant and equipment amounting to 9,007 million yen.

Net cash used in financing activities amounted to 10,617 million yen compared with 12,456 million yen for the previous year. The main items were cash dividend payments of 5,766 million yen and acquisition of treasury stock amounting to 4,551 million yen.

As a result, cash and cash equivalents at the end of the year were 65,107 million yen.

Cash flow indicators are shown in the following table.

	FY2006	FY2007	FY2008	FY2009	FY2010
Equity ratio (%)	86.6	81.1	85.4	87.0	84.3
Market value equity ratio (%)	185.6	189.4	174.2	185.0	188.7
Interest-bearing debt to cash flow ratio	0.11	0.21	0.25	0.06	0.06
Interest coverage ratio (times)	71.8	54.7	45.7	81.9	93.6

Notes)

- Each indicator is calculated using the consolidated results based on the formula indicated below:

Equity ratio:	Shareholders' equity / Total assets
Market value equity ratio:	Total market capitalization / Total assets
Interest-bearing debt to cash flow ratio:	Interest-bearing debt / Operating cash flow
Interest coverage ratio:	Operating cash flow / Interest paid

- Total market capitalization is calculated by:
Closing stock price on the last day of the fiscal year x The number of shares of common stock issued and outstanding at the end of the fiscal year, less treasury stock.
- Interest-bearing debt covers all debt in the consolidated balance sheet for which interest is paid.
- Cash flows from operating activities and the amount of interest payments stated in the consolidated statements of cash flows are used as operating cash flow and interest paid.

(3) Dividend Policy and Cash Dividends for the Fiscal Year Ended December 2010 and the Fiscal Year Ending December 2011

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's year-end cash dividends for fiscal year 2010 amounted to 30.50 yen per share, including a special dividend of 24.25 yen, the same as the previous year-end cash dividends. As a result, cash dividends for the full year of fiscal year 2010 amount to 61 yen per share, the same as for the previous year.

As a result of our ongoing acquisition of treasury stock based on the resolution of the Board of Directors' meeting held on December 14, 2010, 1,110,000 shares were retired as of December 17, 2010.

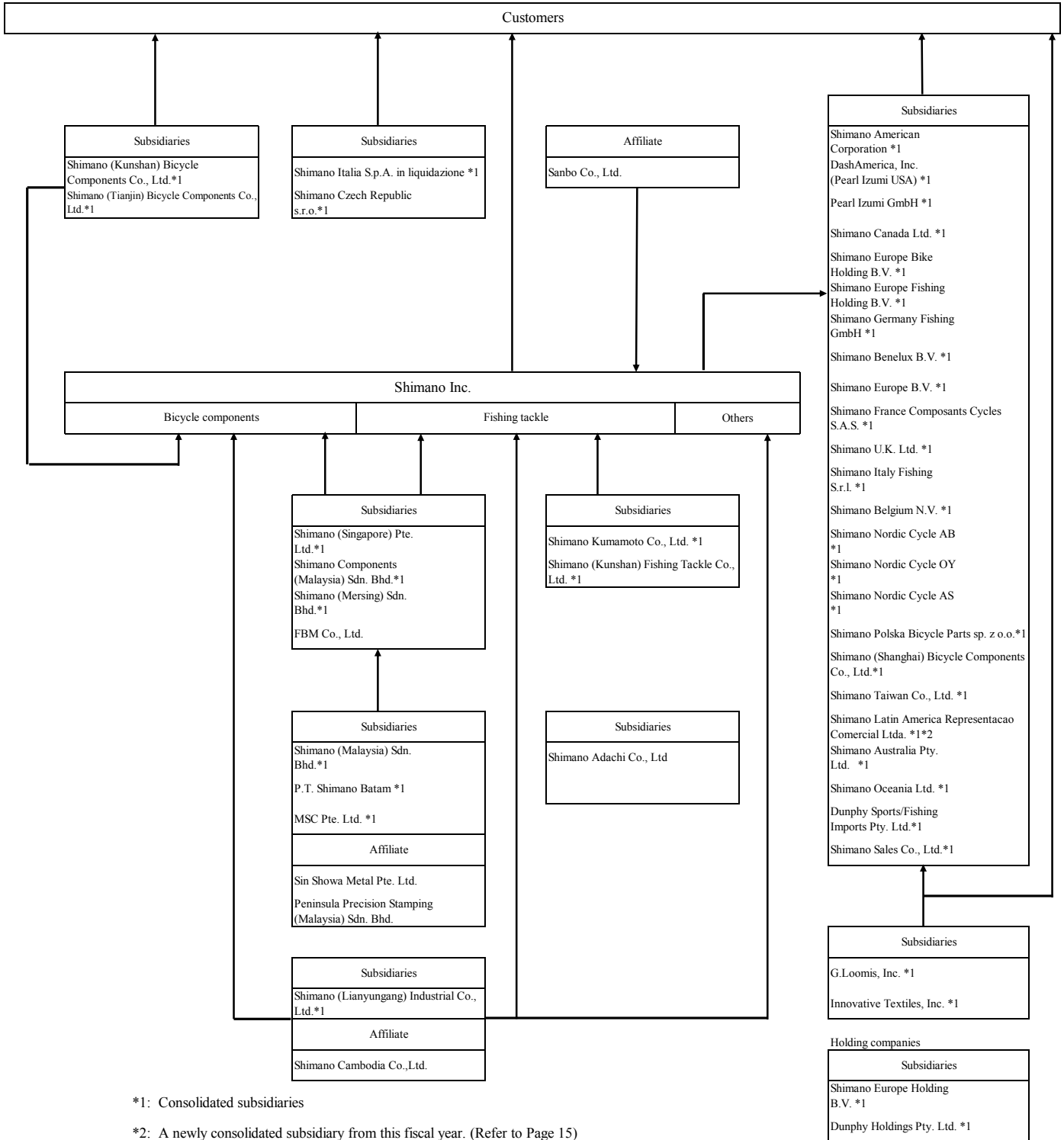
Internal reserve funds will be used for strengthening the financial position, rationalization of the capital structure and future development of the business.

The Company intends to pay out cash dividends of 61 yen per share for fiscal year 2011 (30.50 yen each for interim and year-end cash dividends).

2. Outline of the Group

Shimano Group consists of Shimano Inc. and 41 consolidated subsidiaries and affiliates. The Group is mainly engaged in manufacturing and sales of bicycle components and fishing tackle.

Business relationships among Shimano Group companies are indicated below.



3 Business Policy

Since no significant changes have been made to the information for management policies in the Summary of Consolidated Financial Results for FY2006 disclosed on February 13, 2007, disclosure of the management policies has been omitted.

The Summary of Consolidated Financial Results for FY2006 is available at the following URL.

- Shimano Website <http://www.shimano.com>
- Tokyo Stock Exchange Website (Listed Company Information Search)
<http://www.tse.or.jp/listing/compsearch/index.html>

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Millions of yen)	
	FY2009 As of Dec. 31, 2009	FY2010 As of Dec. 31, 2010
Assets		
Current assets		
Cash and time deposits	60,833	72,881
Notes and accounts receivable-trade	*2 23,666	*2 26,012
Merchandise and finished goods	17,528	18,434
Work in process	12,624	14,103
Raw materials and supplies	4,183	4,211
Deferred income taxes	1,517	2,234
Others	3,914	2,515
Allowance for doubtful accounts	(348)	(245)
Total current assets	123,919	140,148
Fixed assets		
Property, plant and equipment		
Buildings and structures	39,797	39,449
Accumulated depreciation	(23,114)	(22,895)
Accumulated impairment loss	(278)	(155)
Buildings and structures (net)	16,404	16,398
Machinery and vehicles	46,366	45,567
Accumulated depreciation	(34,866)	(35,150)
Accumulated impairment loss	(286)	(223)
Machinery and vehicles (net)	11,214	10,193
Land	11,657	11,244
Leased assets	165	141
Accumulated depreciation	(87)	(72)
Leased assets (net)	77	68
Construction in progress	1,536	2,009
Others	36,884	38,874
Accumulated depreciation	(33,334)	(34,958)
Accumulated impairment loss	(37)	(34)
Others (net)	3,512	3,881
Total property, plant and equipment	44,402	43,797
Intangible assets		
Goodwill	3,882	3,574
Software	3,937	2,632
Others	3,149	2,979
Total intangible assets	10,969	9,186

	(Millions of yen)	
	FY2009	FY2010
	As of Dec. 31, 2009	As of Dec. 31, 2010
Investments and other assets		
Investment securities	*1 8,767	*1 8,338
Deferred income taxes	990	1,926
Others	2,538	2,550
Allowance for doubtful accounts	(758)	(698)
Total investments and other assets	<u>11,538</u>	<u>12,117</u>
Total fixed assets	<u>66,910</u>	<u>65,100</u>
Total assets	<u>190,830</u>	<u>205,248</u>
Liabilities		
Current liabilities		
Notes and accounts payable-trade	7,377	8,679
Short-term loans payable	1,485	752
Income taxes payable	1,650	6,344
Deferred income taxes	615	317
Accrued employee bonuses	1,084	1,213
Accrued officer bonuses	132	161
Others	8,136	9,259
Total current liabilities	<u>20,483</u>	<u>26,729</u>
Long-term liabilities		
Long-term loans payable	270	633
Deferred income taxes	913	852
Employee retirement benefits	1,276	2,270
Officer retirement benefits	1,226	1,000
Others	112	162
Total long-term liabilities	<u>3,798</u>	<u>4,918</u>
Total liabilities	<u>24,282</u>	<u>31,647</u>
Net assets		
Shareholders' equity		
Common stock	35,613	35,613
Capital surplus	5,822	5,822
Retained earnings	136,742	145,661
Treasury stock	(18)	(121)
Total shareholders' equity	<u>178,159</u>	<u>186,974</u>
Valuation and translation adjustments		
Unrealized gain (loss) on other securities	497	(122)
Foreign currency translation adjustments	(12,673)	(13,867)
Total valuation and translation adjustments	<u>(12,176)</u>	<u>(13,990)</u>
Minority interests	<u>564</u>	<u>615</u>
Total net assets	<u>166,548</u>	<u>173,600</u>
Total liabilities and net assets	<u>190,830</u>	<u>205,248</u>

(2) Consolidated Statements of Income

	(Millions of yen)	
	FY2009	FY2010
	Jan. 1, 2009 to Dec. 31, 2009	Jan. 1, 2010 to Dec. 31, 2010
Net sales	186,686	213,596
Cost of sales	*2 123,827	*2 136,142
Gross profit	62,859	77,453
Selling, general and administrative expenses	*1, *2 42,331	*1, *2 44,681
Operating income	20,528	32,772
Non-operating income		
Interest income	564	504
Dividend income	139	141
Others	823	848
Total non-operating income	1,527	1,494
Non-operating expenses		
Interest expenses	410	332
Loss on disposal of fixed assets	132	217
Foreign exchange losses	509	5,271
Others	867	682
Total non-operating expenses	1,919	6,503
Ordinary income	20,135	27,763
Extraordinary losses		
Loss on revaluation of investment securities	4,805	-
Total extraordinary losses	4,805	-
Income before income taxes and minority interests	15,329	27,763
Income taxes-current	4,471	10,089
Income taxes-deferred	1,202	(1,538)
Total income taxes	5,674	8,550
Minority interests in net income	101	91
Net income	9,553	19,121

(3) Consolidated Statements of Shareholders' Equity

	(Millions of yen)	
	FY2009	FY2010
	Jan. 1, 2009 to Dec. 31, 2009	Jan. 1, 2010 to Dec. 31, 2010
Shareholders' equity		
Common stock		
Balance at beginning of year	35,613	35,613
Balance at end of year	35,613	35,613
Capital surplus		
Balance at beginning of year	5,823	5,822
Changes of items during the year		
Sales of treasury stock	0	0
Retirement of treasury stock	(0)	(0)
Total changes of items during the year	(0)	-
Balance at end of year	5,822	5,822
Retained earnings		
Balance at beginning of year	137,004	136,742
Net increase (decrease) in changes in accounting procedures at foreign subsidiaries	(8)	-
Changes of items during the year		
Cash dividends paid	(5,850)	(5,768)
Net income	9,553	19,121
Retirement of treasury stock	(3,957)	(4,448)
Change of scope of consolidation	-	14
Total changes of items during the year	(253)	8,918
Balance at end of year	136,742	145,661
Treasury stock		
Balance at beginning of year	(391)	(18)
Changes of items during the year		
Acquisition of treasury stock	(3,586)	(4,551)
Sales of treasury stock	1	0
Retirement of treasury stock	3,958	4,448
Total changes of items during the year	372	(103)
Balance at end of year	(18)	(121)
Total shareholders' equity		
Balance at beginning of year	178,049	178,159
Net increase (decrease) in changes in accounting procedures at foreign subsidiaries	(8)	-
Changes of items during the year		
Cash dividends paid	(5,850)	(5,768)
Net income	9,553	19,121
Acquisition of treasury stock	(3,586)	(4,551)
Sales of treasury stock	1	0
Change of scope of consolidation	-	14
Total changes of items during the year	118	8,815
Balance at end of year	178,159	186,974

	(Millions of yen)	
	FY2009	FY2010
	Jan. 1, 2009 to Dec. 31, 2009	Jan. 1, 2010 to Dec. 31, 2010
Valuation and translation adjustments		
Unrealized gain (loss) on other securities		
Balance at beginning of year	(1,658)	497
Changes of items during the year		
Net changes of items other than shareholders' equity	2,156	(619)
Total changes of items during the year	2,156	(619)
Balance at beginning of year	497	(122)
Foreign currency translation adjustments		
Balance at beginning of year	(11,302)	(12,673)
Changes of items during the year		
Net changes of items other than shareholders' equity	(1,371)	(1,194)
Total changes of items during the year	(1,371)	(1,194)
Balance at end of year	(12,673)	(13,867)
Total valuation and translation adjustments		
Balance at beginning of year	(12,961)	(12,176)
Changes of items during the year		
Net changes of items other than shareholders' equity	784	(1,813)
Total changes of items during the year	784	(1,813)
Balance at end of year	(12,176)	(13,990)
Minority interests		
Balance at beginning of year	680	564
Changes of items during the year		
Net changes of items other than shareholders' equity	(115)	51
Total changes of items during the year	(115)	51
Balance at end of year	564	615
Total net assets		
Balance at beginning of year	165,768	166,548
Net increase (decrease) in changes in accounting procedures at foreign subsidiaries	(8)	-
Changes of items during the year		
Cash dividends paid	(5,850)	(5,768)
Net income	9,553	19,121
Acquisition of treasury stock	(3,586)	(4,551)
Sales of treasury stock	1	0
Change of scope of consolidation	-	14
Net changes of items other than shareholders' equity	669	(1,762)
Total changes of items during the year	788	7,052
Balance at end of year	166,548	173,600

(4) Consolidated Statements of Cash Flows

	(Millions of yen)	
	FY2009 Jan. 1, 2009 to Dec. 31, 2009	FY2010 Jan. 1, 2010 to Dec. 31, 2010
Cash flows from operating activities:		
Income before income taxes and minority interests	15,329	27,763
Depreciation and amortization	9,941	9,764
Allowance for doubtful accounts	163	(149)
Interest and dividend income	(703)	(645)
Interest expenses	410	332
Notes and accounts receivable	7,778	(2,833)
Inventories	10,519	(3,296)
Notes and accounts payable	550	1,452
Officer retirement benefits	85	(226)
Employee retirement benefits	(74)	1,000
Loss on sales/revaluation of investment securities	4,802	84
Gain on sales/disposal of fixed assets	94	184
Others, net	(1,569)	2,851
Subtotal	47,330	36,282
Interest and dividend income received	695	627
Interest expenses paid	(519)	(332)
Income taxes paid	(4,926)	(5,459)
Net cash provided by operating activities	42,579	31,118
Cash flows from investing activities:		
Purchases of time deposits	(6,932)	(10,680)
Proceeds from maturities of time deposits	3,720	9,962
Acquisition of property, plant and equipment	(8,335)	(9,007)
Proceeds from sales of fixed assets	89	899
Acquisition of intangible assets	(549)	(684)
Proceeds from sales of investment securities	11	127
Acquisition of investment securities	(43)	(1,041)
Payments for loans	(7)	(40)
Proceeds from collections of loans	23	44
Payments for acquisition of newly consolidated subsidiaries	(2,167)	-
Others, net	425	(171)
Net cash used in investing activities	(13,766)	(10,590)

	(Millions of yen)	
	FY2009 Jan. 1, 2009 to Dec. 31, 2009	FY2010 Jan. 1, 2010 to Dec. 31, 2010
Cash flows from financing activities:		
Increase in short-term loans payable	(1,675)	(3)
Proceeds from long-term loans payable	-	441
Repayment of long-term loans payable	(1,119)	(694)
Repayments of finance lease obligations	(43)	(35)
Acquisition of treasury stock	(3,586)	(4,551)
Gain on sales of treasury stock	1	0
Cash dividends to shareholders	(5,846)	(5,766)
Cash dividends to minority shareholders	(186)	(7)
Net cash used in financing activities	<u>(12,456)</u>	<u>(10,617)</u>
Effect of exchange rate changes on cash and cash equivalents	(806)	1,113
Net increase (decrease) in cash and cash equivalents	<u>15,549</u>	<u>11,023</u>
Cash and cash equivalents at beginning of year	38,509	54,058
Increase in cash and cash equivalents from newly consolidated subsidiary	-	25
Cash and cash equivalents at end of year	<u>* 54,058</u>	<u>* 65,107</u>

- (5) Note concerning assumption of going concern
Not applicable.

(6) Preparation of the Consolidated Financial Statements - Significant Matters

	FY2009 Jan. 1, 2009 to Dec. 31, 2009	FY2010 Jan. 1, 2010 to Dec. 31, 2010
1. Consolidation	<p>(1) The consolidated financial statements include the accounts of the Company and the 40 subsidiaries whose names are stated on "2. Outline of the Group" on Page 6 of the Attachment.</p> <p>Newly established Shimano Europe Bike Holding B.V. was included in the scope of consolidation during the fiscal year ended December 31, 2009. Innovative Textiles, Inc. was included in the scope of consolidation during the fiscal year ended December 31, 2009, due to acquisitions of shares. The company name of Shimano Rinkai Co., Ltd. was changed to Shimano Sales Co., Ltd. and R & P Pawlak Sp. z o.o. was changed to Shimano Polska Bicycle Parts sp. z o.o. during this fiscal year.</p>	<p>(1) The consolidated financial statements include the accounts of the Company and the 41 subsidiaries whose names are stated on "2. Outline of the Group" on Page 6 of the Attachment.</p> <p>Shimano Latin America Representacao Comercial Ltda. was included in the scope of consolidation during the fiscal year ended December 31, 2010, due to increased materiality.</p>

	FY2009 Jan. 1, 2009 to Dec. 31, 2009	FY2010 Jan. 1, 2010 to Dec. 31, 2010
3. Fiscal year of the consolidated subsidiaries	<p>Shimano American Corporation Shimano Canada Ltd. G.Loomis, Inc. Innovative Textiles, Inc. DashAmerica, Inc. (Pearl Izumi USA) Pearl Izumi GmbH Shimano Europe Holding B.V. Shimano Europe Bike Holding B.V. Shimano Europe Fishing Holding B.V. Shimano Germany Fishing GmbH Shimano Benelux B.V. Shimano Europe B.V. Shimano France Composants Cycles S.A.S. Shimano U.K. Ltd. Shimano Italia S.p.A. in liquidazione Shimano Italy Fishing S.r.l. Shimano Belgium N.V. Shimano Nordic Cycle AB Shimano Nordic Cycle OY Shimano Nordic Cycle AS Shimano Polska Bicycle Parts Sp. z o. o. Shimano Czech Republic s.r.o. Dunphy Holdings Pty. Ltd. Dunphy Sports/Fishing Imports Pty. Ltd. Shimano (Singapore) Pte. Ltd. Shimano Components (Malaysia) Sdn. Bhd. Shimano (Mersing) Sdn. Bhd. P.T.Shimano Batam Shimano (Malaysia) Sdn. Bhd. MSC Pte. Ltd. Shimano Taiwan Co., Ltd.</p> <p>The fiscal years of the above foreign subsidiaries end on November 30 and their financial statements at November 30 are used for preparation of the consolidated financial statements.</p> <p>Any material effects occurring during the period from December 1 to December 31 are adjusted in the consolidated financial statements.</p>	<p>Shimano American Corporation Shimano Canada Ltd. G.Loomis, Inc. Innovative Textiles, Inc. DashAmerica, Inc. (Pearl Izumi USA) Pearl Izumi GmbH Shimano Europe Holding B.V. Shimano Europe Bike Holding B.V. Shimano Europe Fishing Holding B.V. Shimano Germany Fishing GmbH Shimano Benelux B.V. Shimano Europe B.V. Shimano France Composants Cycles S.A.S. Shimano U.K. Ltd. Shimano Italia S.p.A. in liquidazione Shimano Italy Fishing S.r.l. Shimano Belgium N.V. Shimano Nordic Cycle AB Shimano Nordic Cycle OY Shimano Nordic Cycle AS Shimano Polska Bicycle Parts Sp. z o. o. Shimano Czech Republic s.r.o. Dunphy Holdings Pty. Ltd. Dunphy Sports/Fishing Imports Pty. Ltd. Shimano (Singapore) Pte. Ltd. Shimano Components (Malaysia) Sdn. Bhd. Shimano (Mersing) Sdn. Bhd. P.T.Shimano Batam Shimano (Malaysia) Sdn. Bhd. MSC Pte. Ltd.</p> <p>The fiscal years of the above foreign subsidiaries end on November 30 and their financial statements at November 30 are used for preparation of the consolidated financial statements.</p> <p>Any material effects occurring during the period from December 1 to December 31 are adjusted in the consolidated financial statements.</p> <p>Shimano Taiwan Co., Ltd. has changed its fiscal year end from November 30 to December 31 during the fiscal year ended December 31, 2010. Its financial statement used for preparation of the consolidated financial statements for the fiscal year ended December 31, 2010 is for a 13 months period. The impact of this change is immaterial.</p>

	FY2009 Jan. 1, 2009 to Dec. 31, 2009	FY2010 Jan. 1, 2010 to Dec. 31, 2010
4. Summary of significant accounting policies (3) Provision for principal allowances and reserves	<p>Allowance for doubtful accounts The allowance for doubtful accounts is provided in an amount sufficient to cover possible losses on collection. Such amount is computed by applying bad debt loss ratios based on past experience for general receivables and by individually reviewing collectibility for specific doubtful accounts.</p> <p>Accrued employee bonuses Accrued employee bonuses are provided based on the projected amount sufficient to meet future payments of bonuses to employees.</p> <p>Accrued officer bonuses Accrued officer bonuses are provided in an amount corresponding to the fiscal year based on the projected amount sufficient to meet future payments of bonuses to officers.</p> <hr/> <p>Employee retirement benefits The liability, including both the unfunded lump-sum benefit and the funded pension plan, is calculated as the difference between the expected and discounted future retirement and Shimano corporate pension payments, and the assets under the pension plan to meet such future payments. All prior service liabilities and actuarial gains or losses are expensed in the fiscal year in which they occur.</p> <p>Officer retirement benefits Officers' retirement benefits are provided based on the pertinent rules and are calculated as the amount which would be payable if all officers were to retire at the balance sheet date.</p>	<p>Allowance for doubtful accounts The same as at left</p> <p>Accrued employee bonuses The same as at left</p> <p>Accrued officer bonuses The same as at left</p> <p>Provision for sales returns Provision for sales returns are provided in an estimated amount sufficient to cover losses on sales returns. Such amount is computed based on historical results.</p> <p>Employee retirement benefits The same as at left</p> <p>Officer retirement benefits The same as at left</p>

Since no significant changes have been made to the information in the recent securities report (submitted on March 26, 2010) for items other than the above 1, 3 and 4 disclosure of other items has been omitted.

(7) Changes in the "Preparation of the Consolidated Financial Statements - Significant Matters"

FY2009 Jan. 1, 2009 to Dec. 31, 2009	FY2010 Jan. 1, 2010 to Dec. 31, 2010
<p>(Adoption of the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements") Effective from fiscal year 2009, the Company has adopted the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Practical Issues Task Force (PITF) No. 18). The impact of this change on the consolidated financial statements is immaterial.</p> <p>(Adoption of the "Accounting Standard for Lease Transactions") Finance lease transactions without transfer of ownership were previously accounted in accordance with the accounting procedure for operating leases. Effective from fiscal year 2009, the Company has adopted the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13 (June 17, 1993 (First Committee of the Business Accounting Council), revised on March 30, 2007)) and the "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16 (January 18, 1994 (Accounting Standards Committee of The Japanese Institute of Certified Public Accountants), revised on March 30, 2007)), and finance lease transactions without transfer of ownership are accounted in accordance with the accounting procedure for ordinary sale and purchase transactions. This change has no impact on operating income, ordinary income or net income before income taxes and minority interest.</p>	<p>(Adoption of the "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)") Effective from fiscal year 2010, the Company has adopted the "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" (ASBJ Statement No. 19, July 31, 2008). The difference in projected benefit obligation arising from the adoption of this standard charged to income in the first year of adoption amounted to 866 million yen, and as a result, operating income, ordinary income, and income before income taxes and minority interests decreased 866 million yen, respectively. The impact on segment information is stated in the relevant section.</p> <p>(Accounting policy for provision for sales returns) Effective from fiscal year 2010, the Company has adopted a new accounting method to provide for sales returns. An estimated amount computed based on historical results is recorded in order to prepare for losses on sales returns. Previously, losses on sales returns were deducted from net sales in the period in which sales returns occurred. However, the Company changed the accounting method to achieve more appropriate periodic profit and loss accounting. Effective from fiscal year 2010, the estimated amount of future losses on sales returns based on the historical sales return rate is recorded as provision for sales returns. Due to this change, gross profit, operating income, ordinary income and income before income taxes and minority interests decreased by 51 million yen, respectively.</p>

Changes in presentation

FY2009 Jan. 1, 2009 to Dec. 31, 2009	FY2010 Jan. 1, 2010 to Dec. 31, 2010
<p>(Consolidated Balance Sheet)</p> <p>In accordance with the application of the “Cabinet Office Ordinance on Partially Revising Regulation for Terminology, Forms and Preparation of Financial Statements” (Cabinet Office Ordinance No. 50, August 7, 2008), effective from fiscal year 2009, items that were presented as “Inventories” in the previous fiscal year have been classified a “Merchandise and finished goods,” “Work in process,” and “Raw materials and supplies.”</p> <p>“Merchandise and finished goods,” “Work in process,” and “Raw materials and supplies” included in “Inventories” in the previous fiscal year amounted to 22,508 million yen, 16,560 million yen, and 5,017 million yen, respectively.</p>	<hr style="width: 10%; margin: auto;"/>

Additional information

FY2009 Jan. 1, 2009 to Dec. 31, 2009	FY2010 Jan. 1, 2010 to Dec. 31, 2010
<p>(Change in useful lives of fixed assets)</p> <p>In accordance with the revision to the Corporate Tax Law (Law for Partial Amendment of the Income Tax Law, etc. (April 30, 2008, Law No. 23), the Company reviewed useful lives and classification of depreciable assets. Taking this opportunity, the Company revised useful lives of certain machinery and vehicles of the Company and its consolidated subsidiaries in Japan, and effective from fiscal year 2009, depreciation has been calculated based on the useful lives after the revision.</p> <p>The impact of this change on profit and loss is immaterial.</p>	<hr style="width: 10%; margin: auto;"/>

(8) Notes relating to Consolidated Financial Statements

(Notes relating to consolidated balance sheets)

FY2009 (As of Dec. 31, 2009)	FY2010 (As of Dec. 31, 2010)								
<p>*1 The following pertains to non-consolidated subsidiaries and affiliates.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Investment securities</td> <td style="text-align: right;">1,005 million yen</td> </tr> </table> <p>(Shares of non-consolidated subsidiaries and affiliates)</p> <p>*2 As the fiscal year-end fell on a holiday for financial institutions, notes receivables with maturity dates on the fiscal year-end date were cashed on a subsequent settlement date.</p> <p>The following amount of notes receivable with maturity dates on the fiscal year-end date was included in the balance of notes receivable at fiscal year-end.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Notes receivable</td> <td style="text-align: right;">138 million yen</td> </tr> </table>	Investment securities	1,005 million yen	Notes receivable	138 million yen	<p>*1 The following pertains to non-consolidated subsidiaries and affiliates.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Investment securities</td> <td style="text-align: right;">1,896 million yen</td> </tr> </table> <p>(Shares of non-consolidated subsidiaries and affiliates)</p> <p>*2 As the fiscal year-end fell on a holiday for financial institutions, notes receivables with maturity dates on the fiscal year-end date were cashed on a subsequent settlement date.</p> <p>The following amount of notes receivable with maturity dates on the fiscal year-end date was included in the balance of notes receivable at fiscal year-end.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Notes receivable</td> <td style="text-align: right;">60 million yen</td> </tr> </table>	Investment securities	1,896 million yen	Notes receivable	60 million yen
Investment securities	1,005 million yen								
Notes receivable	138 million yen								
Investment securities	1,896 million yen								
Notes receivable	60 million yen								

(Notes relating to consolidated statements of income)

FY2009 Jan. 1, 2009 to Dec. 31, 2009	FY2010 Jan. 1, 2010 to Dec. 31, 2010										
<p>*1 Main components of selling, general and administrative expenses for the fiscal year ended December 31, 2009:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">1 Salaries and wages</td> <td style="text-align: right;">9,848 million yen</td> </tr> <tr> <td style="padding-left: 20px;">2 Advertising and sales promotion expenses</td> <td style="text-align: right;">6,038 million yen</td> </tr> </table> <p>*2 R&D expenses included in selling, general and administrative expenses and manufacturing expenses for the fiscal year ended December 31, 2009:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">8,371 million yen</td> </tr> </table>	1 Salaries and wages	9,848 million yen	2 Advertising and sales promotion expenses	6,038 million yen	8,371 million yen	<p>*1 Main components of selling, general and administrative expenses for the fiscal year ended December 31, 2010:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">1 Salaries and wages</td> <td style="text-align: right;">10,171 million yen</td> </tr> <tr> <td style="padding-left: 20px;">2 Advertising and sales promotion expenses</td> <td style="text-align: right;">6,306 million yen</td> </tr> </table> <p>*2 R&D expenses included in selling, general and administrative expenses and manufacturing expenses for the fiscal year ended December 31, 2010:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">10,126 million yen</td> </tr> </table>	1 Salaries and wages	10,171 million yen	2 Advertising and sales promotion expenses	6,306 million yen	10,126 million yen
1 Salaries and wages	9,848 million yen										
2 Advertising and sales promotion expenses	6,038 million yen										
8,371 million yen											
1 Salaries and wages	10,171 million yen										
2 Advertising and sales promotion expenses	6,306 million yen										
10,126 million yen											

(Notes relating to consolidated statements of shareholders' equity)

FY2009 (From January 1, 2009 to December 31, 2009)

1. Total number of issued shares (Thousand shares)

Class of shares	Balance as of December 31, 2008	Increase	Decrease	Balance as of December 31, 2009
Common stock	96,003	-	1,093	94,910

(Details of the change)

Details of the decrease in the number of shares are as follows:

Retirement of treasury stock 1,093 thousand shares

2. Treasury stock (Thousand shares)

Class of shares	Balance as of December 31, 2008	Increase	Decrease	Balance as of December 31, 2009
Common stock	97	1,001	1,093	5

(Details of the change)

Details of the increase in the number of shares are as follows:

Acquisition in accordance with the resolution at the meeting of the Board of Directors 1,000 thousand shares

Acquisition of fractional shares 1 thousand shares

Details of the decrease in the number of shares are as follows:

Retirement of treasury stock 1,093 thousand shares

Sale of fractional shares 0 thousand shares

3. Dividends

(1) Payment of cash dividends

Resolution	Class of shares	Total amount of cash dividends (Millions of yen)	Cash dividends per share (yen)	Record date	Effective date
General Meeting of Shareholders held on March 26, 2009	Common stock	2,925	30.50	31-Dec-08	27-Mar-09
Meeting of the Board of Directors held on July 28, 2009	Common stock	2,925	30.50	30-Jun-09	4-Sep-09

(2) Dividends with record date within the current fiscal year and effective date in the next fiscal year

Resolution	Class of shares	Source of dividends	Total amount of cash dividends (Millions of yen)	Cash dividends per share (yen)	Record date	Effective date
General Meeting of Shareholders held on March 25, 2010	Common stock	Retained earnings	2,894	30.50	31-Dec-09	26-Mar-10

FY2010 (From January 1, 2010 to December 31, 2010)

1. Total number of issued shares (Thousand shares)

Class of shares	Balance as of December 31, 2009	Increase	Decrease	Balance as of December 31, 2010
Common stock	94,910		1,110	93,800

(Details of the change)

Details of the decrease in the number of shares are as follows:

Retirement of treasury stock 1,110 thousand shares

2. Treasury stock (Thousand shares)

Class of shares	Balance as of December 31, 2009	Increase	Decrease	Balance as of December 31, 2010
Common stock	5	1,135	1,110	31

(Details of the change)

Details of the increase in the number of shares are as follows:

Acquisition in accordance with the resolution at the meeting of the Board of Directors 1,134 thousand shares

Acquisition of fractional shares 1 thousand shares

Details of the decrease in the number of shares are as follows:

Retirement of treasury stock 1,110 thousand shares

Sale of fractional shares 0 thousand shares

3. Dividends

(1) Payment of cash dividends

Resolution	Class of shares	Total amount of cash dividends (Millions of yen)	Cash dividends per share (yen)	Record date	Effective date
General Meeting of Shareholders held on March 25, 2010	Common stock	2,894	30.50	31-Dec-09	26-Mar-10
Meeting of the Board of Directors held on July 27, 2010	Common stock	2,874	30.50	30-Jun-10	3-Sep-10

(2) Dividends with record date within the current fiscal year and effective in the next fiscal year

Resolution	Class of shares	Source of dividends	Total amount of cash dividends (Millions of yen)	Cash dividends per share (yen)	Record date	Effective date
General Meeting of Shareholders held on March 30, 2011	Common stock	Retained earnings	2,859	30.50	31-Dec-10	31-Mar-11

(Notes relating to consolidated statements of cash flows)

FY2009 Jan. 1, 2009 to Dec. 31, 2009	FY2010 Jan. 1, 2010 to Dec. 31, 2010
* Reconciliation between cash and cash equivalents at the end of the year and the accounts in the consolidated balance sheets (as of December 31, 2009)	* Reconciliation between cash and cash equivalents at the end of the year and the accounts in the consolidated balance sheets (as of December 31, 2010)
(millions of yen)	(millions of yen)
Cash and time deposits 60,833	Cash and time deposits 72,881
Time deposits with maturities exceeding three months (6,774)	Time deposits with maturities exceeding three months (7,773)
Cash and cash equivalents <u>54,058</u>	Cash and cash equivalents <u>65,107</u>

(Notes relating to securities)

FY2009 (As of Dec. 31, 2009)

1. Other securities with market prices (Millions of yen)

	Item	Acquisition cost	Book value	Difference
Securities for which the amount recorded on the consolidated balance sheet exceeds acquisition cost	(1) Stock	1,054	2,481	1,426
	Subtotal	1,054	2,481	1,426
Securities for which the amount recorded on the consolidated balance sheet does not exceed acquisition cost	(1) Stock	5,600	4,908	(691)
	Subtotal	5,600	4,908	(691)
Total		6,654	7,389	734

2. Other securities sold in FY2009 (from Jan. 1, 2009 to Dec. 31, 2009) (Millions of yen)

Amount sold	Total gain on sales	Total loss on sales
4	3	(0)

3. Other securities with no market prices (Millions of yen)

	Book value
Unlisted stock	346
Investment in investment limited partnerships	25
Total	372

FY2010 (As of Dec. 31, 2010)

Other securities (Millions of yen)

	Item	Acquisition cost	Book value	Difference
Securities for which the amount recorded on the consolidated balance sheet exceeds acquisition cost	(1) Stock	1,054	2,406	1,352
	Subtotal	1,054	2,406	1,352
Securities for which the amount recorded on the consolidated balance sheet does not exceed acquisition cost	(1) Stock	5,475	3,794	(1,681)
	Subtotal	5,475	3,794	(1,681)
Total		6,529	6,201	(328)

(Notes relating to deferred tax accounting)

FY2009 (As of Dec. 31, 2009)	FY2010 (As of Dec. 31, 2010)
1. Significant components of deferred tax assets and liabilities (Millions of yen)	1. Significant components of deferred tax assets and liabilities (Millions of yen)
(Deferred tax assets)	(Deferred tax assets)
Excess of limit of accrued employee bonuses 101	Excess of limit of accrued employee bonuses 157
Officers retirement benefits 530	Enterprise tax payable 442
Excess of limit of employees retirement benefits 507	Officers retirement benefits 438
Unrealized loss on other securities 197	Excess of limit of employees retirement benefits 895
Book in excess of tax depreciation 231	Unrealized loss on other securities 626
Unrealized gain on inventories 567	Book in excess of tax depreciation 335
Loss on revaluation of other securities 159	Unrealized gain on inventories 667
Loss on revaluation of golf memberships 141	Loss on revaluation of other securities 159
Excess of limit of allowance for doubtful accounts 657	Loss on revaluation of golf memberships 149
Loss on impairment 377	Excess of limit of allowance for doubtful accounts 590
Book in excess of tax depreciation for small sum assets 123	Loss on impairment 308
Devaluation loss on inventories 380	Book in excess of tax depreciation for small sum assets 146
Others 318	Devaluation loss on inventories 397
Sub-total deferred tax assets 4,293	Others 547
Valuation allowance (1,200)	Sub-total deferred tax assets 5,862
Total deferred tax assets 3,093	Valuation allowance (1,089)
	Total deferred tax assets 4,773
(Deferred tax liabilities)	(Deferred tax liabilities)
Undistributed earnings of consolidated subsidiaries (149)	Undistributed earnings of consolidated subsidiaries (55)
Deferred tax on land valuation gain (169)	Reserve for special depreciation (1,122)
Reserve for special depreciation (1,126)	Unrealized gain on other securities (551)
Unrealized gain on other securities (585)	Others (51)
Others (83)	Total deferred tax liabilities (1,781)
Total deferred tax liabilities (2,114)	Net deferred tax assets 2,991
Net deferred tax assets 979	
2. Reconciliation between the statutory effective tax rate and the actual effective tax rate	2. Reconciliation between the statutory effective tax rate and the actual effective tax rate
(%)	(%)
Statutory effective tax rate 41.0	Statutory effective tax rate 41.0
(Reconciliation)	(Reconciliation)
Permanent difference-expenses 3.5	Permanent difference-expenses 3.3
Permanent difference-income (0.8)	Permanent difference-income (0.7)
Foreign tax credit (1.8)	Foreign tax credit (3.7)
Differences in tax rates for foreign subsidiaries (13.4)	Differences in tax rates for foreign subsidiaries (8.8)
Effect of elimination of dividends received from consolidated subsidiaries 1.0	Valuation allowance (0.4)
Valuation allowance 7.8	Other 0.1
Other (0.3)	Actual effective tax rate 30.8
Actual effective tax rate 37.0	

Segment Information

(1) Business segment information

FY2009 (Jan. 1, 2009 - Dec. 31, 2009)

(Millions of yen)

	Bicycle Components	Fishing Tackle	Others	Total	Corporate/ Elimination	Consolidated
Net sales & operating income (loss)						
Net sales						
1) Third parties	144,688	40,675	1,322	186,686	-	186,686
2) Inter-segment	-	-	-	-	-	-
Total	144,688	40,675	1,322	186,686	-	186,686
Operating expenses	124,811	39,532	1,814	166,158	-	166,158
Operating income (loss)	19,877	1,142	(491)	20,528	-	20,528
Total assets, depreciation & investments						
Total assets	87,931	27,246	1,600	116,777	74,052	190,830
Depreciation	8,145	1,699	96	9,941	-	9,941
Investments	6,951	1,847	86	8,885	-	8,885

FY2010 (Jan. 1, 2010 - Dec. 31, 2010)

(Millions of yen)

	Bicycle Components	Fishing Tackle	Others	Total	Corporate/ Elimination	Consolidated
Net sales & operating income (loss)						
Net sales						
1) Third parties	169,409	43,288	898	213,596	-	213,596
2) Inter-segment	-	-	-	-	-	-
Total	169,409	43,288	898	213,596	-	213,596
Operating expenses	138,376	41,319	1,127	180,823	-	180,823
Operating income (loss)	31,032	1,968	(228)	32,772	-	32,772
Total assets, depreciation & investments						
Total assets	88,804	27,768	1,314	117,887	87,361	205,248
Depreciation	8,127	1,508	127	9,764	-	9,764
Investments	8,254	1,404	32	9,691	-	9,691

Note: 1. Business segments are determined in light of the intended use of the Company's product lines.

Note: 2. Representative products of each business segment:

Bicycle components - Freewheels, front gears, derailleurs, brakes, etc.

Fishing tackle - Reels, rods, etc.

Others - Cold forged products, etc.

Note: 3. The amount of common assets belonging to Corporate/Elimination was 87,361 million yen as of December 31, 2010, and 74,052 million yen as of December 31, 2009. Surplus assets (cash and time deposits) and investments in fixed assets (investment securities) were the main components.

Note: 4. As described in Changes in the "Preparation of the Consolidated Financial Statements - Significant Matters," the Company has adopted the "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" (ASBJ Statement No. 19, July 31, 2008), effective from fiscal year 2010. As a result, compared with before adoption, operating expenses for the fiscal year ended December 31, 2010 increased 601 million yen in the Bicycle Components segment, 250 million yen in the Fishing Tackle segment and 13 million yen in the Others segment. Accordingly, operating income for the Bicycle Components segment and the Fishing Tackle segment decreased, and operating loss for the Others segment increased by the same amount.

Note: 5. As described in Changes in the "Preparation of the Consolidated Financial Statements - Significant Matters," the Company has adopted a new accounting method to provide for sales returns, effective from fiscal year 2010. As a result, sales and operating income for the Fishing Tackle segment decreased 51 million yen, respectively.

(2) Geographical segment information

FY2009 (Jan. 1, 2009 - Dec. 31, 2009)

(Millions of yen)

	Japan	North America	Europe	Asia	Others	Total	Corporate/ Elimination	Consolidated
Net sales & operating income (loss)								
Net sales								
1) Third parties	123,656	21,986	23,113	14,171	3,758	186,686	-	186,686
2) Inter-segment	22,000	767	2,357	49,373	4	74,504	(74,504)	-
Total	145,657	22,753	25,471	63,545	3,762	261,190	(74,504)	186,686
Operating expenses	137,122	22,131	23,593	54,399	3,415	240,662	(74,504)	166,158
Operating income	8,534	622	1,877	9,146	347	20,528	-	20,528
Total assets	67,080	15,255	12,544	31,066	1,586	127,533	63,296	190,830

FY2010 (Jan. 1, 2010 - Dec. 31, 2010)

(Millions of yen)

	Japan	North America	Europe	Asia	Others	Total	Corporate/ Elimination	Consolidated
Net sales & operating income (loss)								
Net sales								
1) Third parties	143,884	23,102	23,396	19,126	4,087	213,596	-	213,596
2) Inter-segment	27,375	1,330	2,860	61,956	6	93,530	(93,530)	-
Total	171,260	24,432	26,256	81,082	4,093	307,126	(93,530)	213,596
Operating expenses	155,969	22,816	23,918	67,999	3,650	274,353	(93,530)	180,823
Operating income	15,290	1,616	2,338	13,083	443	32,772	-	32,772
Total assets	66,057	16,144	10,986	35,360	1,821	130,369	74,879	205,248

Note: 1. Countries and regions are classified according to geographical proximity.

Note: 2. Countries and regions outside Japan are classified into the following geographical areas:

North America - U.S.A. and Canada

Europe - Netherlands, Germany, United Kingdom, Italy, Belgium, France, Czech Republic, Sweden, Norway, Finland, and Poland

Asia - Singapore, Malaysia, China, Taiwan, and Indonesia

Others - Australia, Brazil

Note: 3. The amount of common assets belonging to Corporate/Elimination was 87,361 million yen as of December 31, 2010, and 74,052 million yen as of December 31, 2009. Surplus assets (cash and time deposits) and investments in fixed assets (investment securities) were the main components.

Note: 4. As described in Changes in the "Preparation of the Consolidated Financial Statements - Significant Matters," the Company has adopted the "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" (ASBJ Statement No. 19, July 31, 2008), effective from fiscal year 2010. As a result, compared with before adoption, operating expenses for the fiscal year ended December 31, 2010 increased 866 million yen in the Japan segment. Accordingly, operating income for the Japan segment decreased by the same amount.

Note: 5. As described in Changes in the "Preparation of the Consolidated Financial Statements - Significant Matters," the Company has adopted a new accounting method to provide for sales returns, effective from fiscal year 2010. As a result, sales and operating income for the Japan segment decreased 51 million yen, respectively.

(3) Overseas Sales

FY2009 (Jan. 1, 2009 - Dec. 31, 2009)

(Millions of yen)

	North America	Europe	Asia	Others	Total
Overseas sales	24,452	73,986	54,146	6,986	159,571
Consolidated net sales					186,686
Overseas sales ratio [/]	13.1%	39.6%	29.0%	3.7%	85.5%

FY2010 (Jan. 1, 2010 - Dec. 31, 2010)

(Millions of yen)

	North America	Europe	Asia	Others	Total
Overseas sales	26,534	81,855	69,475	7,895	185,761
Consolidated net sales					213,596
Overseas sales ratio [/]	12.4%	38.3%	32.5%	3.7%	87.0%

Note: 1. Countries and regions are classified according to geographical proximity.

2. Countries and regions outside Japan are classified into the following geographical areas:

North America - U.S.A. and Canada

Europe - Netherlands, Germany, United Kingdom, Italy, France, Sweden, Norway,

Finland and Poland

Asia - China, Taiwan

Others - Australia and Central and South America

3. Overseas sales refers to sales posted by the Company and its consolidated subsidiaries in countries and regions outside Japan.

(Per share data)

FY2009 Jan. 1, 2009 to Dec. 31, 2009	FY2010 Jan. 1, 2010 to Dec. 31, 2010
Net assets per share : 1,748.96 yen Net income per share : 99.79 yen Diluted net income per share is not presented because there were no securities with dilutive effect.	Net assets per share : 1,844.81 yen Net income per share : 202.78 yen The same as at left

Basis for calculation of net income per share

	FY2009 〔 Jan. 1, 2009 to Dec. 31, 2009 〕	FY2010 〔 Jan. 1, 2010 to Dec. 31, 2010 〕
Net income	9,553	19,121
Net income attributable to common stock	9,553	19,121
Amount not attributable to common shareholders	-	-
Average number of shares of common stock outstanding (thousand shares)	95,738	94,294

Disclosure of notes relating to derivative transactions, lease transactions, employees retirement benefits, financial instruments and immovable property has been omitted because such disclosure in the Summary of Financial Results is considered to be unnecessary.

Stock options, related party transactions or business combinations are not applicable.

(Significant subsequent events)

Not applicable.

5. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

	(Millions of yen)	
	FY2009	FY2010
	As of Dec. 31, 2009	As of Dec. 31, 2010
Assets		
Current assets		
Cash and time deposits	10,785	14,003
Notes receivable	* 1,134	* 1,087
Accounts receivable-trade	17,108	19,053
Finished goods	5,019	4,462
Work in process	6,527	7,504
Raw materials and supplies	1,502	1,548
Accounts receivable-other	3,475	1,645
Deferred income taxes	535	962
Others	731	935
Allowance for doubtful accounts	(14)	(17)
Total current assets	46,806	51,184
Fixed assets		
Property, plant and equipment		
Buildings	20,269	20,016
Accumulated depreciation	(13,150)	(13,043)
Accumulated impairment loss	(170)	(140)
Buildings (net)	6,947	6,832
Structures	2,458	2,455
Accumulated depreciation	(2,048)	(2,080)
Accumulated impairment loss	(1)	(1)
Structures (net)	408	372
Plant and machinery	20,467	19,624
Accumulated depreciation	(15,944)	(15,977)
Accumulated impairment loss	(286)	(223)
Plant and machinery (net)	4,236	3,423
Vehicles	165	169
Accumulated depreciation	(124)	(132)
Vehicles (net)	41	36
Tools, equipment and furniture	26,487	27,513
Accumulated depreciation	(24,679)	(25,308)
Accumulated impairment loss	(37)	(32)
Tools, equipment and furniture (net)	1,770	2,172
Land	9,816	9,816
Leased assets	27	36
Accumulated depreciation	(15)	(22)
Leased assets (net)	11	14
Construction in progress	522	1,106
Total property, plant and equipment	23,756	23,776
Intangible assets		
Software	3,675	2,408
Others	114	146
Total intangible assets	3,789	2,555

	(Millions of yen)	
	FY2009	FY2010
	As of Dec. 31, 2009	As of Dec. 31, 2010
Investments and other assets		
Investment securities	7,019	5,654
Subsidiaries and affiliates' stock	10,506	11,129
Investments in subsidiaries and affiliates	1,336	1,336
Long-term loans to subsidiaries and affiliates	7,229	5,419
Deferred income taxes	816	1,733
Others	2,637	2,467
Allowance for doubtful accounts	(1,575)	(1,515)
Total investments and other assets	27,971	26,225
Total fixed assets	55,517	52,557
Total assets	102,324	103,742
Liabilities		
Current liabilities		
Accounts payable-trade	6,482	8,576
Short-term loans payable to subsidiaries and affiliate	4,570	-
Accounts payable-other	3,050	3,484
Income taxes payable	-	4,511
Deposit payable	2,331	3,021
Accrued bonuses to employees	234	221
Accrued bonuses to officers	120	140
Others	355	436
Total current liabilities	17,145	20,390
Long-term liabilities		
Employees retirement benefits	1,139	2,069
Officers retirement benefits	1,226	995
Others	2	111
Total long-term liabilities	2,367	3,175
Total liabilities	19,513	23,566
(Net assets)		
Shareholders' equity		
Common stock	35,613	35,613
Capital surplus		
Capital reserve	5,822	5,822
Total capital surplus	5,822	5,822
Retained earnings		
Legal reserve	3,194	3,194
Other retained earnings		
Unappropriated retained earnings	37,642	35,768
Total retained earnings	40,836	38,962
Treasury stock	(18)	(121)
Total shareholders' equity	82,253	80,276
Valuation and transaction adjustments		
Unrealized gain (loss) on other securities	557	(100)
Total valuation and transaction adjustments	557	(100)
Total net assets	82,810	80,175
Total liabilities and net assets	102,324	103,742

(2) Non-consolidated Statements of Income

	(Millions of yen)	
	FY2009	FY2010
	Jan. 1, 2009 to Dec. 31, 2009	Jan. 1, 2010 to Dec. 31, 2010
Net sales	142,103	167,489
Cost of sales		
Beginning balance of finished goods	6,466	5,019
Purchases of finished goods	49,694	62,296
Cost of products manufactured	*2 59,599	*2 63,992
Total	115,759	131,308
Transfer to other accounts	383	537
Ending balance of finished goods	5,019	4,462
Total cost of sales	110,357	126,308
Gross profit	31,746	41,180
Selling, general and administrative expenses	*2 25,097	*2 27,432
Operating income	6,648	13,747
Non-operating income		
Interest income	406	396
Dividend income	*1 524	*1 365
Foreign exchange gains	195	-
Others	166	397
Total non-operating income	1,292	1,159
Non-operating expenses		
Interest expenses	97	48
Payment discounts	264	251
Donations	108	118
Foreign exchange losses	-	1,111
Others	491	578
Total non-operating expenses	962	2,108
Ordinary income	6,978	12,798
Extraordinary losses		
Loss on revaluation of investment securities	4,805	-
Total extraordinary losses	4,805	-
Income before income taxes	2,172	12,798
Income tax-current	830	5,337
Income tax-deferred	1,227	(882)
Total income taxes	2,057	4,455
Net income	115	8,342

(3) Non-consolidated Statements of Shareholders' Equity

	(Millions of yen)	
	FY2009	FY2010
	Jan. 1, 2009 to Dec. 31, 2009	Jan. 1, 2010 to Dec. 31, 2010
Shareholders' equity		
Common stock		
Balance at beginning of year	35,613	35,613
Balance at end of year	35,613	35,613
Capital surplus		
Capital reserve		
Balance at beginning of year	5,822	5,822
Balance at end of year	5,822	5,822
Other capital surplus		
Balance at beginning of year	0	-
Changes of items during the year		
Sales of treasury stock	0	0
Retirement of treasury stock	(0)	(0)
Total changes of items during the year	(0)	-
Balance at end of year	-	-
Total capital surplus		
Balance at beginning of year	5,823	5,822
Changes of items during the year		
Sales of treasury stock	0	0
Retirement of treasury stock	(0)	(0)
Total changes of items during the year	(0)	-
Balance at end of year	5,822	5,822
Retained earnings		
Legal reserve		
Balance at beginning of year	3,194	3,194
Balance at end of year	3,194	3,194
Other retained earnings		
Unappropriated retained earnings		
Balance at beginning of year	47,334	37,642
Changes of items during the year		
Cash dividends paid	(5,850)	(5,768)
Net income	115	8,342
Retirement of treasury stock	(3,957)	(4,448)
Total changes of items during the year	(9,692)	(1,873)
Balance at end of year	37,642	35,768
Total retained earnings		
Balance at beginning of year	50,528	40,836
Changes of items during the year		
Cash dividends paid	(5,850)	(5,768)
Net income	115	8,342
Retirement of treasury stock	(3,957)	(4,448)
Total changes of items during the year	(9,692)	(1,873)
Balance at end of year	40,836	38,962

	(Millions of yen)	
	FY2009	FY2010
	Jan. 1, 2009 to Dec. 31, 2009	Jan. 1, 2010 to Dec. 31, 2010
Treasury stock		
Balance at beginning of year	(391)	(18)
Changes of items during the year		
Acquisition of treasury stock	(3,586)	(4,551)
Sales of treasury stock	1	0
Retirement of treasury stock	3,958	4,448
Total changes of items during the year	<u>372</u>	<u>(103)</u>
Balance at end of year	<u>(18)</u>	<u>(121)</u>
Total shareholders' equity		
Balance at beginning of year	91,573	82,253
Changes of items during the year		
Cash dividends paid	(5,850)	(5,768)
Net income	115	8,342
Acquisition of treasury stock	(3,586)	(4,551)
Sales of treasury stock	1	0
Total changes of items during the year	<u>(9,320)</u>	<u>(1,977)</u>
Balance at end of year	<u>82,253</u>	<u>80,276</u>
Valuation and translation adjustments		
Unrealized gain on other securities		
Balance at beginning of year	(1,415)	557
Changes of items during the year		
Net changes of items other than shareholders' equity	1,973	(657)
Total changes of items during the year	<u>1,973</u>	<u>(657)</u>
Balance at end of year	<u>557</u>	<u>(100)</u>
Total valuation and translation adjustments		
Balance at beginning of year	(1,415)	557
Changes of items during the year		
Net changes of items other than shareholders' equity	1,973	(657)
Total changes of items during the year	<u>1,973</u>	<u>(657)</u>
Balance at end of year	<u>557</u>	<u>(100)</u>
Total net assets		
Balance at beginning of year	90,157	82,810
Changes of items during the year		
Cash dividends paid	(5,850)	(5,768)
Net income	115	8,342
Acquisition of treasury stock	(3,586)	(4,551)
Sales of treasury stock	1	0
Net changes of items other than shareholders' equity	1,973	(657)
Total changes of items during the year	<u>(7,346)</u>	<u>(2,634)</u>
Balance at end of year	<u>82,810</u>	<u>80,175</u>

(4) Note concerning assumption of going concern
Not applicable.

(5) Basis of Presenting Non-consolidated Financial Statements

	FY2009 Jan. 1, 2009 to Dec. 31, 2009	FY2010 Jan. 1, 2010 to Dec. 31, 2010
5. Provision for principal allowances and reserves	<p>Allowance for doubtful accounts The allowance for doubtful accounts is provided in an amount sufficient to cover possible losses on collection. Such amount is computed by applying bad debt loss ratios based on past experience for general receivables and by individually reviewing collectibility for specific doubtful accounts.</p> <p>Accrued employee bonuses Accrued employee bonuses are provided based on the projected amount sufficient to meet future payments of bonuses to employees.</p> <p>Accrued officer bonuses Accrued officer bonuses are provided in an amount corresponding to the fiscal year based on the projected amount sufficient to meet future payments of bonuses to officers.</p> <hr style="width: 20%; margin: 10px auto;"/> <p>Employee retirement benefits The liability, including both the unfunded lump-sum benefit and the funded pension plan, is calculated as the difference between the expected and discounted future retirement and Shimano corporate pension payments, and the assets under the pension plan to meet such future payments. All prior service liabilities and actuarial gains or losses are expensed in the fiscal year in which they occur.</p> <p>Officer retirement benefits Officers' retirement benefits are provided based on the pertinent rules and are calculated as the amount which would be payable if all officers were to retire at the balance sheet date.</p>	<p>Allowance for doubtful accounts The same as at left</p> <p>Accrued employee bonuses The same as at left</p> <p>Accrued officer bonuses The same as at left</p> <p>Provision for sales returns Provision for sales returns are provided in an estimated amount sufficient to cover losses on sales returns. Such amount is computed based on historical results.</p> <p>Employee retirement benefits The same as at left</p> <p>Officer retirement benefits The same as at left</p>

(6) Changes in the Significant Accounting Policies

FY2009 Jan. 1, 2009 to Dec. 31, 2009	FY2010 Jan. 1, 2010 to Dec. 31, 2010
<p>(Adoption of the "Accounting Standard for Lease Transactions") Finance lease transactions without transfer of ownership were previously accounted in accordance with the accounting procedure for operating leases. Effective from fiscal year 2009, the Company has adopted the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13 (June 17, 1993 (First Committee of the Business Accounting Council), revised on March 30, 2007)) and the "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16 (January 18, 1994 (Accounting Standards Committee of The Japanese Institute of Certified Public Accountants), revised on March 30, 2007)), and finance lease transactions without transfer of ownership are accounted in accordance with the accounting procedure for ordinary sale and purchase transactions.</p> <p>This change has no impact on operating income, ordinary income or income before income taxes and minority interest.</p>	<p>(Adoption of the "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)") Effective from fiscal year 2010, the Company has adopted the "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" (ASBJ Statement No. 19, July 31, 2008). The difference in projected benefit obligation arising from the adoption of this standard charged to income in the first year of adoption amounted to 866 million yen, and as a result, operating income, ordinary income, and income before income taxes decreased 866 million yen, respectively.</p> <p>The impact on segment information is stated in the relevant section.</p> <p>(Accounting policy for provision for sales returns) Effective from fiscal year 2010, the Company has adopted a new accounting method to provide for sales returns. An estimated amount computed based on historical results is recorded in order to prepare for losses on sales returns. Previously, losses on sales returns were deducted from net sales in the period in which sales returns occurred. However, the Company changed the accounting method to achieve more appropriate periodic profit and loss accounting. Effective from fiscal year 2010, the estimated amount of future losses on sales returns based on the historical sales return rate is recorded as provision for sales returns. Due to this change, gross profit, operating income, ordinary income and income before income taxes decreased by 51 million yen, respectively.</p>

Additional information

FY2009 Jan. 1, 2009 to Dec. 31, 2009	FY2010 Jan. 1, 2010 to Dec. 31, 2010
<p>(Change in useful lives of fixed assets)</p> <p>In accordance with the revision to the Corporate Tax Law (Law for Partial Amendment of the Income Tax Law, etc. (April 30, 2008, Law No. 23), the Company reviewed useful lives and classification of depreciable assets. Taking this opportunity, the Company revised useful lives of certain plant and machinery of the Company and effective from fiscal year 2009, depreciation has been calculated based on the useful lives after the revision.</p> <p>As a result, compared with previous method, operating income, ordinary income and income before income taxes decreased by 262 million yen, respectively.</p>	—————

(7) Notes relating to Non-consolidated Financial Statements

(Notes relating to non-consolidated balance sheets)

FY2009 (As of Dec. 31, 2009)	FY2010 (As of Dec. 31, 2010)
<p>As the fiscal year-end fell on a holiday for financial institutions, notes receivables with maturity dates on the fiscal year-end date were cashed on a subsequent settlement date.</p> <p>The following amount of notes receivable with maturity dates on the fiscal year-end date was included in the balance of notes receivable at fiscal year-end.</p> <p style="text-align: right;">Notes receivable 138 million yen</p>	<p>As the fiscal year-end fell on a holiday for financial institutions, notes receivables with maturity dates on the fiscal year-end date were cashed on a subsequent settlement date.</p> <p>The following amount of notes receivable with maturity dates on the fiscal year-end date was included in the balance of notes receivable at fiscal year-end.</p> <p style="text-align: right;">Notes receivable 60 million yen</p>

(Notes relating to non-consolidated statements of income)

FY2009 Jan. 1, 2009 to Dec. 31, 2009	FY2010 Jan. 1, 2010 to Dec. 31, 2010
<p>*1 Dividend income from affiliated companies amounted to 391 million yen.</p> <p>*2 R&D expenses included in selling, general and administrative expenses and manufacturing expenses amounted to 7,825 million yen.</p>	<p>*1 Dividend income from affiliated companies amounted to 233 million yen.</p> <p>*2 R&D expenses included in selling, general and administrative expenses and manufacturing expenses amounted to 9,423 million yen.</p>

(Notes relating to deferred tax accounting)

FY2009 (As of Dec. 31, 2009)	FY2010 (As of Dec. 31, 2010)
1. Significant components of deferred tax assets and liabilities (Millions of yen)	1. Significant components of deferred tax assets and liabilities (Millions of yen)
(Deferred tax assets)	(Deferred tax assets)
Excess of limit of accrued employee bonuses 95	Excess of limit of accrued employee bonuses 90
Officers retirement benefits 502	Enterprise tax payable 413
Excess of limit of employees retirement benefits 467	Officers retirement benefits 408
Unrealized gain on other securities 197	Excess of limit of employees retirement benefits 848
Book in excess of tax depreciation 219	Unrealized gain on other securities 626
Loss on revaluation of golf memberships 141	Book in excess of tax depreciation 142
Excess of limit of allowance for doubtful accounts 630	Loss on revaluation of golf memberships 149
Loss on impairment 340	Excess of limit of allowance for doubtful accounts 566
Book in excess of tax depreciation for small sum assets 121	Loss on impairment 308
Devaluation loss on inventories 321	Book in excess of tax depreciation for small sum assets 145
Others 98	Devaluation loss on inventories 231
Sub-total deferred tax assets <u>3,137</u>	Others 405
Valuation allowance (1,200)	Sub-total deferred tax assets <u>4,336</u>
Total deferred tax assets <u>1,936</u>	Valuation allowance (1,089)
(Deferred tax liabilities)	Total deferred tax assets <u>3,247</u>
Unrealized gain on other securities (585)	(Deferred tax liabilities)
Total deferred tax liabilities <u>(585)</u>	Unrealized gain on other securities (551)
Net deferred tax assets <u>1,351</u>	Total deferred tax liabilities <u>(551)</u>
	Net deferred tax assets <u>2,696</u>
2. Reconciliation between the statutory effective tax rate and the actual effective tax rate (%)	2. Reconciliation between the statutory effective tax rate and the actual effective tax rate (%)
Statutory effective tax rate <u>41.0</u>	Statutory effective tax rate <u>41.0</u>
(Reconciliation)	(Reconciliation)
Permanent difference-expenses 6.4	Permanent difference-expenses 1.0
Permanent difference-income (1.3)	Permanent difference-income (0.9)
Foreign tax credit (12.7)	Foreign tax credit (8.0)
Valuation allowance 55.2	Valuation allowance (0.9)
Adjustments of previous year 6.6	Adjustments of previous year 3.0
Others (0.5)	Others (0.4)
Actual effective tax rate <u>94.7</u>	Actual effective tax rate <u>34.8</u>

6. Changes in members of the board (as of March 30, 2011)

1. Candidate for Director

Director: Chia Chin Seng (Current position is President, Shimano Components (Malaysia) Sdn. Bhd.)

2. Director to retire

Director: Chiam Yau Teng