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Consolidated Financial Results for the First Half of FY2025 (JGAAP)

(January 1, 2025 – June 30, 2025)

July 29, 2025



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Date of filing of semi-annual report to Ministry of Finance: August 7, 2025
Supplemental information: Yes
Financial results briefing: Yes
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(Amounts are rounded down to the nearest million yen.)

1. Consolidated financial results for the first half of FY2025 (January 1, 2025 – June 30, 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
First half of FY2025	Million yen 237,409	% 9.5	Million yen 28,123	% (9.2)
First half of FY2024	216,887	(17.6)	30,955	(42.6)

(Note) Comprehensive income First half of FY2025: (12,945) million yen (-%) First half of FY2024: 109,195 million yen (15.4%)

	Basic earnings per share	Diluted earnings per share
	Yen 44.90	Yen —
First half of FY2025	487.49	—

(2) Consolidated balance sheet information

	Total assets	Net assets	Shareholders' equity ratio
First half of FY2025	Million yen 903,793	Million yen 826,763	% 91.4
FY2024	958,953	883,613	92.0

(Reference) Shareholders' equity First half of FY2025: 825,765 million yen FY2024: 882,397 million yen

2. Dividend information

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

(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	
FY2025	Million yen 460,000	% 2.0	Million yen 46,000	% (29.3)	Million yen 30,500	% (60.0)

(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 semi-annual 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):
② Number of shares of treasury stock at period-end:
③ Average number of shares during the period (cumulative from the beginning of the fiscal year):

First half of FY2025	87,710,000 shares	FY2024	89,120,000 shares
First half of FY2025	58,741 Shares	FY2024	54,078 shares
First half of FY2025	88,227,448 shares	First half of FY2024	89,652,706 shares

Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

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. Shimano Inc. accepts no liability whatsoever for any direct or consequential loss arising from any use of this document.

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1. Overview of Business Results

(1) Overview of Operations for the Period under Review

During the first half of fiscal year 2025, the global economy maintained a moderate recovery. However, the outlook remained uncertain due to the impact of factors such as trade policies around the world, prolonged conflicts in Ukraine and the Middle East, and a slowdown in the Chinese economy.

In Europe, personal consumption was strong as the pressure of inflation subsided, and the economy continued to grow moderately.

In the U.S., the economy showed signs of weakness amid the cooling of consumer sentiment due to changes in trade policies.

In China, the economic recovery remained lackluster, mainly due to the impact of the prolonged recession in the real estate sector and a slump in personal consumption.

In Japan, the economy maintained a moderate recovery, with robust demand from inbound tourists and improvements in the employment and income environment.

In this environment, interest in bicycles and fishing tackle continued, and for the first half of fiscal year 2025, net sales increased 9.5% from the same period of the previous year to 237,409 million yen. Operating income decreased 9.2% to 28,123 million yen, ordinary income decreased 74.8% to 14,038 million yen, partly due to valuation loss on foreign exchange, and net income attributable to owners of parent decreased 90.9% to 3,961 million yen.

Reportable Segment Overview

① Bicycle Components

While the strong interest in bicycles continued as a long-term trend, market inventories remained high in some regions and inventory adjustments continued.

Overseas, in the European market, retail sales of completed bicycles were robust thanks to favorable weather conditions in early spring, and market inventories decreased but still remained at a somewhat high level.

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

In the Asian and Central and South American markets, although retail sales of completed bicycles remained somewhat weak as personal consumption continued to be sluggish, market inventories approached an appropriate level. In the Chinese market, while interest in cycling as a sport remained firm, the adjustment continued in market inventories, which have remained at a somewhat high level.

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's products were well received, including XTR, a high-end model of renewed component for mountain bikes, as well as the DEORE XT and DEORE series, and Q'AUTO, which features self-powered automatic gear-shifting system.

As a result, net sales from this segment increased 11.6% from the same period of the previous year to 181,424 million yen, and operating income decreased 2.9% to 23,631 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 remained weak due to a slump in personal consumption as a result of price hikes.

Overseas, in the North American market, sales remained at the same level as the previous year and market inventories remained at an appropriate level.

In the European market, sales were strong, helped by favorable weather, and market inventories maintained an appropriate level.

In the Asian market, inventory adjustments showed signs of easing mainly in China, and sales were firm.

In the Australian market, sales were strong and market inventories remained at an appropriate level, supported by stable fishing conditions.

Under these market conditions, the new spinning reels ULTEGRA and the new baitcasting reels ANTARES were well-received in the market. In addition, order-taking continued to be brisk for the baitcasting reels METANIUM DC and the rods EXPRIDE.

As a result, net sales from this segment increased 3.1% from the same period of the previous year to 55,751 million yen, and operating income decreased 32.4% to 4,493 million yen.

③ Others

Net sales from this segment increased 4.9% from the same period of the previous year to 233 million yen and operating loss of 1 million yen was recorded, following an operating loss of 24 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 half of fiscal year 2025 amounted to 903,793 million yen, a decrease of 55,159 million yen compared with the figure as of the previous fiscal year-end. The principal factors included an increase of 10,112 million yen in construction in progress, an increase of 6,450 million yen in notes and accounts receivable-trade, an increase of 1,321 million yen in investment securities, a decrease of 70,535 million yen in cash and time deposits, a decrease of 2,150 million yen in machinery and vehicles, and a decrease of 1,235 million yen in raw materials and supplies.

Total liabilities amounted to 77,030 million yen, an increase of 1,690 million yen compared with the figure as of the previous fiscal year-end. The principal factors included an increase of 3,037 million yen in others under current liabilities, an increase of 630 million yen in accounts payable-trade, a decrease of 886 million yen in deferred income taxes, a decrease of 681 million yen in accrued employee bonuses, and a decrease of 657 million yen in provision for product warranties under long-term liabilities.

Net assets amounted to 826,763 million yen, a decrease of 56,850 million yen compared with the figure as of the previous fiscal year-end. The principal factors included a decrease of 39,694 million yen in retained earnings and a decrease of 17,601 million yen in foreign currency translation adjustments.

Cash Flows

As of the end of the first half of fiscal year 2025, cash and cash equivalents amounted to 458,743 million yen, a decrease of 71,566 million yen compared with the figure as of the previous fiscal year-end.

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to 31,512 million yen compared with 52,458 million yen provided for the same period of the previous year. The main cash inflows included foreign exchange losses (gains) amounting to 19,957 million yen, income before income taxes amounting to 14,017 million yen, depreciation and amortization amounting to 13,087 million yen, and interest and dividend income received amounting to 10,043 million yen. The main cash outflows included income taxes paid amounting to 10,522 million yen, interest and dividend income amounting to 9,269 million yen, and notes and accounts receivable amounting to 7,141 million yen.

(Cash Flows from Investing Activities)

Net cash used in investing activities amounted to 26,720 million yen compared with 15,845 million yen used for the same period of the previous year. The main cash outflows included acquisition of property, plant and equipment amounting to 20,636 million yen and acquisition of intangible assets amounting to 4,328 million yen.

(Cash Flows from Financing Activities)

Net cash used in financing activities amounted to 44,503 million yen compared with 29,393 million yen used for the same period of the previous year. The main cash outflows included acquisition of treasury stock amounting to 30,019 million yen and cash dividends to shareholders amounting to 13,756 million yen.

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

The consolidated business performance forecasts for fiscal year 2025 have been revised as shown below in light of the anticipated continuation of inventory adjustments in the Chinese market, leading to expected drop in profit margin due to an increase in expenses in a phase of production adjustments at factories, and an increase in non-operating expenses including foreign exchange losses associated with the appreciation of Asian currencies caused by the weaker U.S. dollar in the first half of fiscal year 2025.

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
Previous forecast (A)	Million yen 470,000	Million yen 70,000	Million yen 88,250	Million yen 63,800	Yen 722.68
Revised forecast (B)	460,000	46,000	49,300	30,500	347.97
Difference (B-A)	(10,000)	(24,000)	(38,950)	(33,300)	
Change (%)	(2.1)	(34.3)	(44.1)	(52.2)	
Full year results for FY2024	450,993	65,085	98,674	76,329	853.36

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. Pursuant to this policy, the Company will strive to improve shareholder returns to reach a total return ratio of at least 50%, by continuing to enhance dividends and engaging in acquisitions of treasury stock on a flexible, ongoing basis.

In accordance with the above policy, as announced in February 2025 (forecast), the Company decided to pay out interim cash dividends of 169.50 yen per share for fiscal year 2025, an increase of 15 yen per share from the same period of the previous year. In addition, the year-end cash dividends will also be 169.50 yen per share, resulting in the cash dividends forecast for the full year of fiscal year 2025 amounting to 339 yen per share.

2. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

	(Millions of yen)	
	FY2024 As of Dec. 31, 2024	First half of FY2025 As of Jun. 30, 2025
Assets		
Current assets		
Cash and time deposits	534,045	463,510
Notes and accounts receivable-trade	39,902	46,352
Merchandise and finished goods	73,683	74,497
Work in process	39,044	38,770
Raw materials and supplies	7,914	6,679
Others	17,265	17,858
Allowance for doubtful accounts	(395)	(447)
Total current assets	711,461	647,222
Fixed assets		
Property, plant and equipment		
Buildings and structures (net)	80,844	79,924
Machinery and vehicles (net)	31,176	29,025
Land	15,117	15,469
Leased assets (net)	5,649	5,498
Construction in progress	44,624	54,737
Others (net)	5,297	5,911
Total property, plant and equipment	182,708	190,566
Intangible assets		
Goodwill	1,661	1,509
Software	13,424	14,022
Others	9,874	10,277
Total intangible assets	24,960	25,809
Investments and other assets		
Investment securities	25,892	27,213
Deferred income taxes	8,382	8,406
Net defined benefit asset	2,900	2,501
Others	3,097	2,520
Allowance for doubtful accounts	(450)	(448)
Total investments and other assets	39,822	40,194
Total fixed assets	247,491	256,570
Total assets	958,953	903,793

	(Millions of yen)	
	FY2024 As of Dec. 31, 2024	First half of FY2025 As of Jun. 30, 2025
Liabilities		
Current liabilities		
Accounts payable-trade	16,111	16,741
Income taxes payable	9,803	9,877
Accrued employee bonuses	3,479	2,797
Accrued officer bonuses	160	80
Provision for product warranties	1,173	1,421
Others	25,074	28,111
Total current liabilities	55,802	59,029
Long-term liabilities		
Deferred income taxes	3,018	2,131
Net defined benefit liability	1,310	1,315
Provision for product warranties	12,151	11,493
Others	3,057	3,059
Total long-term liabilities	19,537	18,000
Total liabilities	75,339	77,030
Net assets		
Shareholders' equity		
Common stock	35,613	35,613
Capital surplus	5,640	5,640
Retained earnings	675,370	635,676
Treasury stock	(1,186)	(1,245)
Total shareholders' equity	715,438	675,685
Accumulated other comprehensive income		
Unrealized gain (loss) on other securities	7,139	7,861
Foreign currency translation adjustments	159,819	142,218
Total accumulated other comprehensive income	166,958	150,079
Non-controlling interests	1,215	998
Total net assets	883,613	826,763
Total liabilities and net assets	958,953	903,793

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

	(Millions of yen)	
	First half of FY2024 Jan. 1, 2024 to Jun. 30, 2024	First half of FY2025 Jan. 1, 2025 to Jun. 30, 2025
Net sales	216,887	237,409
Cost of sales	132,949	150,772
Gross profit	83,937	86,636
Selling, general and administrative expenses	52,981	58,513
Operating income	30,955	28,123
Non-operating income		
Interest income	12,027	8,673
Dividend income	346	596
Foreign exchange gains	13,096	—
Others	422	573
Total non-operating income	25,893	9,842
Non-operating expenses		
Interest expenses	53	53
Contribution	525	601
Foreign exchange losses	—	21,690
Voluntary recall expenses	258	206
Others	385	1,376
Total non-operating expenses	1,222	23,927
Ordinary income	55,625	14,038
Extraordinary losses		
Loss on factory reconstruction	63	20
Total extraordinary losses	63	20
Income before income taxes	55,562	14,017
Income taxes-current	12,173	10,839
Income taxes-deferred	(481)	(803)
Total income taxes	11,691	10,036
Net income	43,870	3,981
Net income attributable to non-controlling interests	166	20
Net income attributable to owners of parent	43,704	3,961

Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	First half of FY2024 Jan. 1, 2024 to Jun. 30, 2024	First half of FY2025 Jan. 1, 2025 to Jun. 30, 2025
Net income	43,870	3,981
Other comprehensive income		
Unrealized gain (loss) on other securities	2,404	722
Foreign currency translation adjustments	62,920	(17,649)
Total other comprehensive income	65,324	(16,927)
Comprehensive income	109,195	(12,945)
(Breakdown)		
Comprehensive income attributable to owners of parent	108,952	(12,917)
Comprehensive income attributable to non-controlling interests	242	(28)

(3) Consolidated Statements of Cash Flows

	(Millions of yen)	
	First half of FY2024 Jan. 1, 2024 to Jun. 30, 2024	First half of FY2025 Jan. 1, 2025 to Jun. 30, 2025
Cash flows from operating activities:		
Income before income taxes	55,562	14,017
Depreciation and amortization	12,645	13,087
Loss on free inspection	1,511	623
Interest and dividend income	(12,373)	(9,269)
Interest expenses	53	53
Foreign exchange losses (gains)	(9,620)	19,957
Notes and accounts receivable	(8,006)	(7,141)
Inventories	5,105	(2,048)
Accounts payable	3,837	1,049
Net defined benefit asset	204	398
Net defined benefit liability	35	73
Loss on factory reconstruction	63	20
Provision for product warranties	(1,618)	280
Loss on sales and disposal of property, plant and equipment	22	23
Accrued bonuses	2,325	2,628
Others, net	(2,094)	(1,168)
Subtotal	47,653	32,585
Interest and dividend income received	13,172	10,043
Loss on free inspection paid	(1,418)	(541)
Interest expenses paid	2	(53)
Income taxes paid	(6,951)	(10,522)
Net cash provided by operating activities	52,458	31,512
Cash flows from investing activities:		
Purchases of time deposits	(1,601)	(2,363)
Proceeds from maturities of time deposits	9,659	1,108
Acquisition of property, plant and equipment	(19,253)	(20,636)
Acquisition of intangible assets	(4,738)	(4,328)
Payments for loss on factory reconstruction	(77)	(21)
Others, net	164	(478)
Net cash used in investing activities	(15,845)	(26,720)
Cash flows from financing activities:		
Repayments of lease obligations	(600)	(641)
Acquisition of treasury stock	(16,009)	(30,019)
Cash dividends to shareholders	(12,829)	(13,756)
Cash dividends to non-controlling shareholders	(8)	(151)
Others, net	55	65
Net cash used in financing activities	(29,393)	(44,503)
Effect of exchange rate changes on cash and cash equivalents	55,150	(31,854)
Net increase (decrease) in cash and cash equivalents	62,371	(71,566)
Cash and cash equivalents at beginning of year	481,982	530,310
Cash and cash equivalents at end of year	544,353	458,743

(4) 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 1,417,700 shares of common stock from February 13, 2025 to June 30, 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 30,016 million yen during the first half of fiscal year 2025, including the increase due to acquisition of fractional shares.

(Cancellation of treasury stock)

The Company canceled 1,410,000 shares of treasury stock on May 1, 2025 based on the resolution of the Board of Directors meeting held on April 23, 2025. As a result, retained earnings and treasury stock decreased by 29,892 million yen and 29,892 million yen, respectively, during the first half of fiscal year 2025.

(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 half 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 semi-annual 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 half of fiscal year 2025. This change in accounting policies is applied retrospectively, and the semi-annual consolidated financial statements for the first half 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 semi-annual consolidated financial statements for the first half of the previous fiscal year or on the consolidated financial statements for the previous fiscal year.

(Note on Segment Information)

First half of FY2024 (Jan. 1, 2024 – Jun. 30, 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	162,594	54,069	222	216,887	—	216,887
Goods to be transferred over a period of time	—	—	—	—	—	—
Revenue from contracts with customers	162,594	54,069	222	216,887	—	216,887
Third parties	162,594	54,069	222	216,887	—	216,887
Inter-segment	—	—	—	—	—	—
Total	162,594	54,069	222	216,887	—	216,887
Segment income (loss)	24,328	6,651	(24)	30,955	—	30,955

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 half of FY2025 (Jan. 1, 2025 – Jun. 30, 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	181,424	55,751	233	237,409	—	237,409
Goods to be transferred over a period of time	—	—	—	—	—	—
Revenue from contracts with customers	181,424	55,751	233	237,409	—	237,409
Third parties	181,424	55,751	233	237,409	—	237,409
Inter-segment	—	—	—	—	—	—
Total	181,424	55,751	233	237,409	—	237,409
Segment income (loss)	23,631	4,493	(1)	28,123	—	28,123

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.