March 11, 2026

To All

Company name	SHIMANO INC.
Representative	Taizo Shimano, President
	(Securities code 7309; Prime Market, Tokyo Stock Exchange)
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Notice Concerning the Company's Perspective on Major Proxy Advisory Firms' Recommendations For or Against Certain Shareholders' Meeting Proposals

SHIMANO INC. ("Company") has confirmed that, with respect to the proposals to be submitted to the 119th Annual General Shareholders' Meeting of the Company scheduled to be held on March 24, 2026 ("AGM"), Institutional Shareholder Services, Inc. ("ISS") and Glass, Lewis & Co. LLC ("Glass Lewis"), a major proxy advisory firm, have issued reports ("Reports") containing recommendations for or against the proposals to be presented at the AGM. In the Reports, **ISS and Glass Lewis recommend votes "for" all of the Company's proposals, except for Proposal No. 3, "Election of Three Audit & Supervisory Board Members," with respect to some candidates.** In addition, with respect to **Proposal No. 5, "Acquisition of Treasury Stock," which is a shareholder proposal ("Shareholder Proposal") and to which the Company's Board of Directors has expressed opposition, ISS recommends votes "against" (i.e., agrees with the Company's Board of Directors). The Company welcomes ISS's recommendation** to vote "for" all Company proposals except for some proposals, and to vote "against" the Shareholder Proposal, as it indicates **that ISS generally supports the Company's position.**

On the other hand, while Glass Lewis recommends voting "for" almost all of the Company's proposals, it recommends voting "for" the Shareholder Proposal. Therefore, **the Company believes that Glass Lewis does not fully understand the position and rationale of the Company's Board of Directors**, which is against the Shareholder Proposal.

The Company's views and related matters concerning each proposal are as stated in the Notice of Convocation of the AGM. However, with respect to the proposal of electing Audit & Supervisory Board Members, where there are differences between the Company's position and the recommendations of ISS and Glass Lewis, and the content of the Shareholder Proposal, which the Company's Board of Directors opposes, the Company is providing the following supplementary explanation of its position.

The Company respectfully asks its shareholders and investors to review the following explanation, and vote “for” the Company’s proposals and “against” the Shareholder Proposal.

Notes

1. ISS and Glass Lewis’s reasons for recommending votes “against” Proposal No. 3, “Election of Three Audit & Supervisory Board Members” (Kanako Nozue and Masahiro Ohtake), and the Company’s position

(1) ISS and Glass Lewis’s reasons for recommending votes “against”

ISS is understood to recommend votes “against” the election of Kanako Nozue (“Ms. Nozue”) on the grounds that her tenure has already reached 12 years and, therefore, she does not meet ISS’s criteria for independence.

Glass Lewis is understood to recommend votes “against” the election of Ms. Nozue and Masahiro Ohtake (“Mr. Ohtake”), a nominee Inside Audit & Supervisory Board member, on the grounds that the number of Audit & Supervisory Board Members who meet Glass Lewis’s independence standards does not constitute a majority of the Audit & Supervisory Board as a whole.

(2) The Company’s position

The Company regards corporate governance as an important management issue and is working to enhance corporate governance, from a long-term perspective, by establishing systems for appropriate and prompt decision-making and execution, as well as appropriate oversight and monitoring systems. Based on this approach, the Company nominates candidates for Directors, Audit & Supervisory Board Members, and Executive Officers regardless of gender, race, or nationality, and selects individuals who possess integrity, high levels of knowledge and ability, and broad experience, including specialized expertise in their professional fields and execution of management. When selecting Outside Audit & Supervisory Board Members, the Company confirms their independence based on the independence standards established by the Tokyo Stock Exchange, as well as the Company’s own independence standards, and has designated all Outside Audit & Supervisory Board Members as independent officers.

In nominating the Audit & Supervisory Board Member candidates whose election is to be proposed at the AGM, the Company also has taken into consideration the fact that Ms. Nozue’s tenure as an Audit & Supervisory Board Member has been relatively long, and has carried out various reviews, including searching for suitable candidates to serve as her successor. However, for the reasons set forth below, the Company concluded that, for the AGM, it is indispensable that Ms. Nozue continue to serve as an Outside Audit & Supervisory Board Member.

Ms. Nozue was appointed as an Outside Audit & Supervisory Board Member so that she may audit the execution of duties by the Company’s Directors from an independent standpoint, utilizing her specialized knowledge and experience, as an attorney, in the areas of legal affairs and compliance. In practice, **from her professional perspective as an attorney, Ms. Nozue has provided substantive recommendations for improvement through the Audit & Supervisory Board, particularly in relation to the internal whistleblowing system, information management systems, and compliance matters. In addition, as the Company's first and only female officer, she has provided continuous, constructive input from the perspective of gender, including on the ratio of female employees and work styles, and has contributed greatly to the promotion of diversity at the Company.** In this manner, during her tenure, Ms. Nozue has played an extremely important role in the Company's business operations, by providing recommendations based on her specialized knowledge and experience, as an attorney, in the areas of legal affairs and compliance, and by offering constructive input on the ratio of female employees and work styles from a perspective unique to women. The Company believes **it would be effectively impossible to secure a successor Audit & Supervisory Board Member candidate who could play a role comparable to, or greater than, Ms. Nozue, and who combines her strengths of specialized knowledge and experience in legal affairs and compliance, her gender and female perspective, and her extensive understanding of the Company's business operations.**

ISS is understood to recommend votes "against" on the basis that Ms. Nozue's tenure has reached 12 years and therefore she does not satisfy ISS's criteria for independence. However, **under the independence standards established by the Tokyo Stock Exchange, tenure is not considered a factor in determining independence**. Moreover, **the Company does not determine the independence of Outside Audit & Supervisory Board Members based solely on formal criteria such as length of tenure, but rather from the perspective of whether they can maintain a position independent from management and effectively conduct audits of the execution of duties by the Company's Directors**. As described above, Ms. Nozue has made substantive recommendations for improvements through the Audit & Supervisory Board, focusing on the internal whistleblowing system, information management systems, and compliance matters, and provides frank and constructive opinions and appropriate advice to the Company's Directors. Accordingly, the Company believes that there is no concern about a lack of independence from the Company's management.

Furthermore, **a longer tenure also may have benefits, such as strengthening an individual's understanding of the Company, and enabling the Audit & Supervisory Board to fulfill its role effectively when its composition includes members with both shorter and longer tenures.** If Proposal No. 3, a Company proposal, is approved as proposed, at the conclusion of the AGM the Company's Audit & Supervisory Board will have a total of four members: Ms. Nozue, Masayoshi Yoshimoto ("Mr. Yoshimoto", full-time Audit & Supervisory Board Member; tenure of 2 years), Mr. Ohtake (new inside Audit & Supervisory Board Member), and Fuminori Mitera ("Mr. Mitera", a new Outside Audit & Supervisory Board Member). If the Company appoints a different, new Outside Audit & Supervisory Board Member at that same time, instead of Ms. Nozue, **both of the Company's two Outside Audit & Supervisory Board Members would become new appointees simultaneously, and the Audit & Supervisory Board as a whole would be comprised of Mr. Yoshimoto, was appointed a**

relatively short time ago, and three new appointees. **If the Audit & Supervisory Board were to become overly weighted toward members with short tenures, there are concerns that the Audit & Supervisory Board's influence over the Company and its management could be weakened, which could lead to a decline in the effectiveness of the audit function.** Therefore, the Company has determined that **given Ms. Nozue's extensive understanding of the Company's business characteristics and management, and her extensive experience as an Outside Audit & Supervisory Board Member, her continued appointment as an Outside Audit & Supervisory Board Member will contribute to ensuring effective audits by the Audit & Supervisory Board and, ultimately, to ensuring the effectiveness of the Company's governance structure.**

Based on the foregoing, the Company has determined that **it is indispensable that Ms. Nozue continue to fulfill appropriate audit functions as an Outside Audit & Supervisory Board Member, from a position independent from the Company's management, utilizing her specialized knowledge and experience in legal affairs and compliance as an attorney, her gender- and female-oriented perspective, and her deep understanding of the Company's business operations, as cultivated during her tenure.** For these reasons, the Company has nominated her again as a candidate for Outside Audit & Supervisory Board Member.

The Company performed various reviews, including searching for suitable candidates to serve as Ms. Nozue's successor, even prior to the AGM, and will continue these considerations after the AGM. **If the Company secures a successor candidate who can fulfill a role comparable to, or greater than, that of Ms. Nozue, the Company may appoint that candidate as Ms. Nozue's successor as an Outside Audit & Supervisory Board Member without waiting until the time of Ms. Nozue's next reappointment.**

Next, as described above, when appointing Outside Audit & Supervisory Board members, the Company designates all Outside Audit & Supervisory Board members as independent officers after confirming that they satisfy the independence standards established by the Tokyo Stock Exchange as well as those established by the Company. Therefore, if Proposal No. 3, a Company proposal, is approved as originally proposed at the AGM, the Company plans to designate both Ms. Nozue and Mr. Mitera, who are candidates for Outside Audit & Supervisory Board members, as independent officers. As a result, if Proposal No. 3, a Company proposal, is approved as originally proposed at the AGM, **the number of Outside Audit & Supervisory Board members designated as independent officers who are confirmed to satisfy the independence standards established by the Tokyo Stock Exchange and the Company will be two, representing half (i.e., two of four members) of the Audit & Supervisory Board as a whole.**

In this manner, **the Company seeks to ensure an Audit & Supervisory Board structure that enables effective audits, by appointing independent Outside Audit & Supervisory Board members to serve as half of the Audit & Supervisory Board members, while appointing the**

remaining half as Inside Audit & Supervisory Board members drawn from the Company who have extensive understanding of the Company's business operations. Specifically, independent Outside Audit & Supervisory Board members conduct independent audits by drawing on their diverse expertise and multifaceted perspectives, while **Inside Audit & Supervisory Board members gather internal information from the Company in an accurate and timely manner and perform appropriate audits based thereon.** The Company believes that **the overall effectiveness and efficiency of its audits are enhanced via this structure.** In addition, the Company has established a framework that enables Audit & Supervisory Board members to carry out audits in a planned and efficient manner, and believes that **Inside Audit & Supervisory Board members and independent Outside Audit & Supervisory Board members are coordinating appropriately to carry out rigorous and effective audits.**

Therefore, the Company believes that **its Audit & Supervisory Board is structured so as to maintain sufficient independence while enabling the effective auditing of the execution of duties by the Company's Directors.**

2. ISS and Glass Lewis's reasons for recommending votes "against/for" the Shareholder Proposal and the Company's position

(1) ISS and Glass Lewis's reasons for recommending votes "against/for"

ISS recommends votes "against" the Shareholder Proposal (i.e., agrees with the Company's Board of Directors), stating that the Company cannot be considered a company with low valuation, where share repurchase is nearly always warranted, because **the Company's price-to-book ratio (PBR) has been well above 1, the average PBR for the fiscal year ended December 2025 was 1.9**, and **there are no particular concerns about the Company's cross-shareholding practices and capital efficiency, measured in terms of ROE (return on equity) performance.**

By contrast, **Glass Lewis recommends votes "for" the Shareholder Proposal, stating that**, in light of the Company's capital efficiency, **the content of the Shareholder Proposal is not excessive.**

(2) The Company's position

As announced in the "Notice Regarding the Opinion of the Company's Board of Directors on the Shareholder Proposal" dated February 27, 2026 and the Notice of Convocation of the AGM, the Company opposes the Shareholder Proposal. The Company understands that ISS's recommendation to vote "against" the Shareholder Proposal reflects: (i) **ISS's understanding of the Company's concerns about implementing an enormous acquisition of treasury stock, valued at 200 billion yen which is nearly six times higher than the Company's consolidated net income of 34 billion yen for fiscal year 2025, within a short period of only one year, including the narrowing of room for**

growth investments and an unnecessary reduction in the Company's resilience in the event of unexpected crises or risks, and the potential adverse impact on the Company's credibility, growth foundation, and market share, and (ii) **ISS's agreement with the Company's view that, rather than providing temporary large-scale shareholder returns, it is in shareholders' interests to achieve efficient cash allocation from a medium to long-term perspective and to enhance the Company's corporate value and, ultimately, its stock price, in a sustainable manner.**

On the other hand, the Company believes **Glass Lewis's recommendation to vote "for" the Shareholder Proposal reflects an insufficient understanding of:** (i) **the Company's aforementioned concerns about the Shareholder Proposal's proposal for implementation of an enormous acquisition of treasury stock, valued at 200 billion yen which is nearly six times higher than the Company's consolidated net income of 34 billion yen for fiscal year 2025, within a short period of only one year,** (ii) **the Company's policy of aiming to achieve a sustainable improvement in corporate value, and ultimately share price, through the realization of efficient cash allocation,** and (iii) **Foreign exchange effects on consolidated cash and cash equivalents as of December 31, 2025 (an increase of approximately 120 billion yen compared with the balance as of December 31, 2020, prior to the COVID-19 pandemic, due to foreign exchange factors such as the depreciation of the yen).**

The Company has been implementing acquisition and cancellation of treasury stock on an ongoing basis, since 2021, as one of its important shareholder return measures. As announced in the "Notice Regarding Shareholder Returns Policy, Cancellation of Acquisition of Treasury Stock and Establishment of New Limit for Acquisition of Treasury Stock" dated February 12, 2025, the Company has adopted a policy to seek to implement acquisition of treasury stock, in the approximate amount of 100 billion yen, over the next two years from that date ("Shareholder Returns Policy"), and, **most recently, actually acquired approximately 50 billion yen worth of treasury stock in one year in accordance with the Shareholder Returns Policy.** **As a result, the Company's Total Payout Ratio (including annual dividends) for the fiscal year ended December 2025 reached an exceptionally high level of 234%.** Accordingly, the Company's equity decreased from 882.4 billion yen as of the end of the fiscal year ended December 2024 to 868.3 billion yen as of the end of the fiscal year ended December 2025, representing approximately a 2% reduction within one year. Of this, **shareholders' equity**, excluding the impact of market conditions like fluctuations in stock prices, interest rates, and exchange rates, decreased from 715.4 billion yen at the end of the fiscal year ended December 2024 to 670.6 billion yen at the end of the fiscal year ended December 2025, **representing approximately a 6% reduction within one year.**

In accordance with the Shareholder Returns Policy, and as announced in the "Notice Concerning Establishment of Limit for Purchase of Treasury Stock" dated February 10, 2026, the Company has started an acquisition of treasury stock in the value of 50 billion yen, with a repurchase period from February 12, 2026 to January 31, 2027. In light of the foregoing, the Company believes that it is appropriate to execute acquisition of treasury stock on a steady basis in order to reduce its equity and shareholders' equity further.

Pursuant to its basic policy of not reducing dividends, the Company will strive to implement shareholder returns with a target Total Payout Ratio of at least 50%, by continuing to **enhance progressive dividends and engaging in the acquisition and cancellation of treasury stock on a flexible and ongoing basis.**

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

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

Notice Regarding the Opinion of the Company's Board of Directors on the Shareholder Proposal
https://contents.xj-storage.jp/xcontents/AS02673/49b8eaeb/d8b2/4259/82ba/e16245e92125/140120260227571937.pdf

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

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