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Code Number: 7309
March 6, 2025
(Start date of measures for electronic provision: March 4, 2025)

To Those Shareholders with Voting Rights

Taizo Shimano
President
SHIMANO INC.
3-77 Oimatsu-cho, Sakai-ku, Sakai City, Osaka, Japan

Notice of Convocation of the 118th Ordinary General Meeting of Shareholders

You are hereby notified that the 118th Ordinary General Meeting of Shareholders of Shimano Inc. will be held as below.

In convening this General Meeting of Shareholders, the Company takes measures for electronic provision and posts the matters subject to the measures for electronic provision on each of the following websites on the Internet. Please access either of the websites to confirm the matters subject to the measures for electronic provision.

< Company's website >
URL: https://www.shimano.com/en/ir/shareholdermeeting.html

< Tokyo Stock Exchange website (Tokyo Stock Exchange Listed Company Search) >
URL: https://www2.jpx.co.jp/tseHpFront/JJK020030Action.do

To view the information on the Tokyo Stock Exchange website (Listed Company Search), please access the said website, perform a search by entering the "Issue name (company name)" (Shimano) or "Code" (7309), select "Basic information" and "Documents for public inspection/PR information" in this order, and view the information of "Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting."

When not attending the Meeting in person on the day of the Meeting, shareholders can exercise their voting rights via the Internet, etc. or by post. Please review the Reference Documents for the General Meeting of Shareholders posted on the matters subject to the measures for electronic provision, and exercise your voting rights by 5:00 p.m. on Wednesday, March 26, 2025 (Japan Standard Time).

1. **Date and Time:** 10:00 a.m., Thursday, March 27, 2025 (Japan Standard Time)
(The reception desk will open at 9:00 a.m.)

2. **Venue:** **Manufacturing Technology Center, Shimano Inc. Head Office**
3-77 Oimatsu-cho, Sakai-ku, Sakai City, Osaka

3. **Agenda:**

Matters to be reported: (1) The Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements for the 118th Fiscal Year (from January 1, 2024 to December 31, 2024)
(2) Results of Audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board

Proposals to be resolved:

Proposal No. 1: Appropriation of Surplus
Proposal No. 2: Election of 6 Directors
Proposal No. 3: Revision of the Amount of Remuneration for Directors

Instructions for the Exercise of Voting Rights

(1) Exercise of Voting Rights by Post

Please indicate your approval or disapproval of the proposals on the enclosed ballot form and return it so that it arrives by 5:00 p.m. on Wednesday, March 26, 2025 (Japan Standard Time). If you do not indicate your approval or disapproval for a proposal, your vote for the proposal shall be counted as approval.

(2) Exercise of Voting Rights via the Internet etc.

When exercising voting rights via the Internet etc., please refer to the Guidance for Exercising Voting Rights on pages 3 and 4 and exercise your voting rights by 5:00 p.m. on Wednesday, March 26, 2025 (Japan Standard Time).

(Notes)

- If you exercise your voting rights both by post and via the Internet etc., the exercise of voting rights via the Internet etc. shall prevail.
- If you exercise your voting rights via the Internet etc. multiple times, the final exercise of voting rights shall prevail.
- The Company participates in the electronic voting platform for institutional investors operated by ICJ, Inc., a joint-venture company established by the Tokyo Stock Exchange Inc., etc.

*** Shareholders who will attend the meeting are requested to submit the enclosed ballot form at the reception desk.**

*** If any necessary revisions are made to the contents of the matters subject to the measures for electronic provision up to the day before the General Meeting of Shareholders, revisions will be posted on each website described on the previous page.**

*** This notice of convocation serves also as a paper copy stating matters subject to the measures for electronic provision to be provided according to the request for delivery of a paper copy. Pursuant to laws and regulations as well as the Articles of Incorporation of the Company, the following matters are not stated in this notice of convocation.**

・ **Business Report:**	**Systems to Ensure the Appropriateness of Operations (Internal Control Systems) and the Status of Implementation of Such Systems** **Basic Policy on the Control of the Company**
・ **Consolidated Financial Statements:**	**Consolidated Statement of Shareholders' Equity** **Notes relating to Consolidated Financial Statements**
・ **Non-consolidated Financial Statements:**	**Non-consolidated Statement of Shareholders' Equity** **Notes relating to Non-consolidated Financial Statements**

[Guidance for Exercising Voting Rights]

If you are refraining from attending the General Meeting of Shareholders

・Exercising voting rights by post

Please indicate your approval or disapproval of each proposal shown on the enclosed ballot form and mail it back to the Company.

If you do not indicate your approval or disapproval of a proposal, it will be treated as if you have indicated your approval.

Deadline for the exercise of voting rights: The ballot form must arrive no later than 5:00 p.m. on Wednesday, March 26, 2025 (Japan Standard Time)

・Exercising voting rights on a smartphone and via the Internet

Please access the website for exercising voting rights (https://www.web54.net).

Please refer to the next page for details.

Deadline for the exercise of voting rights: 5:00 p.m. on Wednesday, March 26, 2025 (Japan Standard Time)

If you are attending the General Meeting of Shareholders

・Attending the General Meeting of Shareholders

Please submit the enclosed ballot form at the reception desk.

Please bring this Notice of Convocation with you to conserve resources.

Date and time of the General Meeting of Shareholders: 10:00 a.m. on Thursday, March 27, 2025 (Japan Standard Time)
(The reception desk will open at 9:00 a.m.)

Exercising voting rights by post

*As it may take more time than usual for your mail to arrive, we request that you mail your ballot form early.

・How to fill in the ballot form

Please indicate your approval or disapproval of each proposal here.

For the proposals of officer election,

if you approve all candidates → mark ○ in the 賛 column

if you disapprove all candidates → mark ○ in the 否 column

if you disapprove some of the candidates → mark ○ in the 賛 column and, in the blank column next to it, enter the candidate number for each candidate you disapprove of.

・Notes for filling in the ballot form

If you have marked ○ in both the 賛 and 否 columns to indicate approval or disapproval on the ballot form the vote will be invalid.

If you have accidentally marked ○ in both the 賛 and 否 columns, please cross out either one.

Exercising voting rights via the Internet

1) Access the website for exercising voting rights: https://www.web54.net
Click
2) Log in
Enter the voting rights code
3) Enter the password
Enter the password
Please follow on-screen instructions to indicate your approval or disapproval of each proposal.

Exercising voting rights on a smartphone

1) Access the website for exercising voting rights on a smartphone
Scan "the QR Code for logging into the website for exercising voting rights on a smartphone" located on the bottom right of the enclosed ballot form with your smartphone or tablet device.
* "QR Code" is a registered trademark of DENSO WAVE INCORPORATED.
2) Open the website for exercising voting rights
Please follow on-screen instructions to indicate your approval or disapproval of each proposal.

Note: If you wish to change your votes after you have exercised your voting rights, you will need to scan the QR Code again and enter the "voting rights code" and the "password" printed on the enclosed ballot form (you may also exercise your voting rights by directly accessing the website for exercising voting rights (https://www.web54.net) from a device).

* The Company shall not be responsible for any charge for a dial-up connection and any telecommunication charges incurred when you use the website for exercising voting rights.
* Depending on your Internet environment, services you have subscribed to, and devices you use, the website for exercising voting rights may not be available.

Inquiries Concerning Exercising Voting Rights via the Internet

If you have any questions concerning the exercise of voting rights via the Internet, please address inquiries to the following point of contact.

Sumitomo Mitsui Trust Bank
Stock Transfer Agency Web Support
Dedicated number: 0120-652-031 (open from 9:00 a.m. to 9:00 p.m. (Japan Standard Time))

Please address inquiries concerning matters other than the exercise of voting rights to the following point of contact:
0120-782-031 (open from 9:00 a.m. to 5:00 p.m. (excluding Saturday, Sunday and public holidays) (Japan Standard Time))

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

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, we propose payment of year-end cash dividends for fiscal year 2024 as below.

As the Company has paid an interim dividend of 154.50 yen per share, the annual dividend will amount to 309.00 yen per share.

(1) Type of dividend property: Cash

(2) Matters concerning the allotment of dividend property to shareholders and the total amount:
154.50 yen per share of the Company's common stock, for a total amount of 13,760,684,949 yen

(3) Effective date of dividends from surplus:
March 28, 2025 (Friday)

Proposal No. 2 Election of 6 Directors

The terms of office of the following 5 Directors will expire at the close of this General Meeting of Shareholders: Mr. Chia Chin Seng, Mr. Kazuo Ichijo, Mr. Mitsuhiro Katsumaru, Mr. Sadayuki Sakakibara, and Ms. Hiromi Wada, Accordingly, we request the election of 6 Directors (including 5 Outside Directors).

The candidates for Directors are listed below. Ms. Atsumi Eguchi is a new candidate for Outside Director.

Candidate No.	Name (Date of birth)	Career summary, position, assignment, and significant concurrent positions	Number of shares of the Company held
1	Chia Chin Seng (Apr. 11, 1960) Male Reappointment Attendance at meetings of the Board of Directors: 13/13 (100%)	Feb. 1992 Director, Shimano Components (Malaysia) Sdn. Bhd. Jan. 2002 President, Shimano Components (Malaysia) Sdn. Bhd. Mar. 2011 Director, Shimano Inc. Sep. 2011 President, Shimano (Tianjin) Bicycle Components Co., Ltd. Aug. 2014 President, Shimano (Singapore) Pte. Ltd. (to present); President, Shimano Components (Malaysia) Sdn. Bhd. (to present); Chairman, Shimano (Kunshan) Bicycle Components Co., Ltd.; Chairman and President, Shimano (Tianjin) Bicycle Components Co., Ltd. Mar. 2019 Executive Vice President, Shimano Inc. (to present) Significant concurrent positions: President, Shimano (Singapore) Pte. Ltd. President, Shimano Components (Malaysia) Sdn. Bhd. Reasons for nomination as a candidate for Director: Having served as manager of overseas subsidiaries, including as President of Shimano (Singapore) Pte. Ltd., which is our main overseas base, Mr. Chia Chin Seng has been striving to strengthen and expand the foundation of the Company's international business. Considering that based on his wealth of experience and achievements, he is able to make decisions on and supervise important matters concerning overall management and fulfill duties as a Director, the Company has nominated him as a candidate for Director.	0 shares

Candidate No.	Name (Date of birth)	Career summary, position, assignment, and significant concurrent positions	Number of shares of the Company held
2	Kazuo Ichijo (Oct. 13, 1958) Male Reappointment Attendance at meetings of the Board of Directors: 13/13 (100%)	Oct. 1993 Assistant Professor, Faculty of Social Sciences, Hitotsubashi University Apr. 2000 Assistant Professor, Graduate School of Social Sciences and Graduate School of International Corporate Strategy, Hitotsubashi University Apr. 2001 Professor, Graduate School of Social Sciences and Graduate School of International Corporate Strategy, Hitotsubashi University Apr. 2003 Visiting Professor, International Institute for Management Development Mar. 2005 Director, Shimano Inc. (to present) Apr. 2007 Professor, Graduate School of International Corporate Strategy, Hitotsubashi University Apr. 2014 Dean, Graduate School of International Corporate Strategy, Hitotsubashi University Jun. 2015 Outside Director, Information Services International-Dentsu, Ltd. (currently DENTSU SOKEN INC.) Jun. 2017 Outside Director, PIA Corporation (to present) Jan. 2018 Outside Director, World Co., Ltd. Apr. 2018 Professor, Dean, School of International Corporate Strategy, Hitotsubashi University Business School Mar. 2022 Professor, International Institute for Management Development (to present) Significant concurrent positions: Professor, International Institute for Management Development Outside Director, PIA Corporation Reasons for nomination as a candidate for Outside Director and expected roles: Mr. Kazuo Ichijo has been studying and teaching international business strategy for many years, and has a wealth of experience and a high level of expertise and insight in this field. Although, he has not been involved in corporate management other than as an Outside Officer, he has achievements of making proactive and necessary comments, proposals, and advice from an independent and objective standpoint as an Outside Director of the Company for its management decision-making. Considering that he is able to fully demonstrate his ability to supervise the execution of business and provide professional advice and proposals, which the Company expects from an Outside Director, the Company renominated him as a candidate for Outside Director.	4,900 shares

Candidate No.	Name (Date of birth)	Career summary, position, assignment, and significant concurrent positions	Number of shares of the Company held
3	Mitsuhiro Katsumaru (Oct. 10, 1951) Male Reappointment Attendance at meetings of the Board of Directors: 13/13 (100%)	Apr. 1978 Prosecutor, Tokyo District Public Prosecutors Office Jul. 1989 First Secretary, Japanese Embassy in Germany Jun. 2000 Director of the Criminal Affairs Division, Criminal Affairs Bureau, Ministry of Justice Jun. 2001 Director of the General Affairs Division, Criminal Affairs Bureau, Ministry of Justice Jan. 2003 Director of the Finance Division, Minister's Secretariat, Ministry of Justice Apr. 2005 Assistant Vice-Minister of Justice (in charge of General Policy) Dec. 2005 Chief Prosecutor, Fukui District Public Prosecutors Office Jun. 2007 Chief Prosecutor, Mito District Public Prosecutors Office Oct. 2008 Chief Prosecutor, Saitama District Public Prosecutors Office Jan. 2010 Director-General, Public Security Division, Supreme Public Prosecutors Office Apr. 2010 Adjunct Instructor, Graduate Program for Public Policy Studies, Kyoto University (to present) Dec. 2010 Superintending Prosecutor, Takamatsu High Public Prosecutors Office Apr. 2012 Adjunct Instructor, Graduate School of Law, Kyoto University (to present) Jun. 2012 Superintending Prosecutor, Hiroshima High Public Prosecutors Office Jul. 2014 Retired from the position of Superintending Prosecutor Oct. 2014 Registered as attorney-at-law, Of Counsel, Shiba International Law Offices (to present) Jun. 2015 Outside Director, Taiyo Nippon Sanso Corporation (currently Nippon Sanso Holdings Corporation) Mar. 2017 Director, Shimano Inc. (to present) Significant concurrent positions: Of Counsel, Shiba International Law Offices Adjunct Instructor, Graduate Program for Public Policy Studies, Kyoto University Adjunct Instructor, Graduate School of Law, Kyoto University Reasons for nomination as a candidate for Outside Director and expected roles: Mr. Mitsuhiro Katsumaru held important posts at the Ministry of Justice and the Public Prosecutors Office and now practices as an attorney-at-law. He has a wealth of experience and profound insight in the field of compliance. Although, he has not been involved in corporate management other than as an Outside Officer, he has achievements of making proactive and necessary comments, advice and proposals from an independent and objective standpoint as an Outside Director of the Company for its management decision-making. Considering that he is able to fully demonstrate his ability to supervise the execution of business and provide professional advice and proposals, which the Company expects from an Outside Director, the Company renominated him as a candidate for Outside Director.	1,500 shares

Candidate No.	Name (Date of birth)	Career summary, position, assignment, and significant concurrent positions	Number of shares of the Company held
4	Sadayuki Sakakibara (Mar. 22, 1943) Male Reappointment Attendance at meetings of the Board of Directors: 13/13 (100%)	Apr. 1967 Joined Toyo Rayon Co., Ltd. (currently Toray Industries, Inc.) Jun. 1994 General Manager, Corporate Planning Department No. 1, Toray Industries, Inc. Jun. 1996 Vice President (Member of the Board), Toray Industries, Inc. Jun. 1998 Senior Vice President (Member of the Board), Toray Industries, Inc. Jun. 1999 Senior Vice President (Member of the Board and Member of the Executive Committee), Toray Industries, Inc. Jun. 2001 Executive Vice President and Representative Member of the Board, Toray Industries, Inc. Jun. 2002 President and Representative Member of the Board, Toray Industries, Inc. Jun. 2010 Chairman and Representative Member of the Board, Toray Industries, Inc. Jun. 2012 Outside Director, Nippon Telegraph and Telephone Corporation Jun. 2014 Chairman, Japan Business Federation (Keidanren) Jun. 2014 Chairman of the Board, Toray Industries, Inc. Jun. 2015 Chief Senior Adviser and Chief Senior Counselor, Toray Industries, Inc. Jun. 2017 Senior Adviser, Toray Industries, Inc. May 2018 Honorary Chair, Japan Business Federation (Keidanren) (to present) Jun. 2018 Special Adviser, Toray Industries, Inc. Mar. 2019 Director, Shimano Inc. (to present) May 2019 Outside Director, Nitori Holdings Co., Ltd. Dec. 2019 Outside Director, Chairman of the Board, Japan Investment Corporation Jun. 2020 Outside Director, Chairman of The Board, The Kansai Electric Power Company, Incorporated (to present) Dec. 2022 Chairman (Representative Director), Nippon Professional Baseball Organization (to present) Significant concurrent positions: Honorary Chair, Japan Business Federation (Keidanren) Outside Director, Chairman of The Board, The Kansai Electric Power Company, Incorporated Chairman (Representative Director), Nippon Professional Baseball Organization Reasons for nomination as a candidate for Outside Director and expected roles: Mr. Sadayuki Sakakibara held important posts in a number of companies and now serves as Honorary Chair of Japan Business Federation (Keidanren). He has a wealth of experience and profound insight in corporate management. He has many achievements in making proactive and necessary comments, advice and proposals from an independent and objective standpoint as an Outside Director of the Company for its management decision-making. Considering that he is able to fully demonstrate his ability to supervise the execution of business and provide professional advice and proposals, which the Company expects from an Outside Director, the Company renominated him as a candidate for Outside Director.	1,200 shares

Candidate No.	Name (Date of birth)	Career summary, position, assignment, and significant concurrent positions	Number of shares of the Company held
5	Hiromi Wada (Jul. 24, 1960) Female Reappointment Attendance at meetings of the Board of Directors: 13/13 (100%)	Apr. 1983 Joined Matsushita Electric Industrial Co., Ltd. Mar. 2016 Board member, The Linux Foundation Non-profit standards body Aug. 2020 Advisor, Development Division, Automotive Company, Panasonic Corporation Jun. 2021 Outside Director, Imasen Electric Industrial Co., Ltd. Jun. 2021 Outside Director, Sakai Chemical Industry Co., Ltd. (to present) Apr. 2022 Advisor, R&D Planning Center, Panasonic Automotive Systems Co., Ltd. Jun. 2022 Representative Director, i-Golf Studio Co., Ltd. (to present) Oct. 2022 Part-time Advisor, Panasonic Automotive Systems Co., Ltd. (to present) Mar. 2023 Director, Shimano Inc. (to present) Significant concurrent positions: Part-time Advisor, Panasonic Automotive Systems Co., Ltd. Outside Director, Sakai Chemical Industry Co., Ltd. Representative Director, i-Golf Studio Co., Ltd. Reasons for nomination as a candidate for Outside Director and expected roles: Ms. Hiromi Wada held important posts in the non-profit organization related to IT technology and in companies related to technology development. She now serves as an Outside Director of other companies and has a wealth of experience and profound insight in IT and digital fields. She has many achievements in making proactive and necessary comments, advice and proposals from an independent and objective standpoint as an Outside Director of the Company for its management decision-making. Considering that she is able to fully demonstrate her ability to supervise the execution of business and provide professional advice and proposals, which the Company expects from an Outside Director, the Company renominated her as a candidate for Outside Director.	0 shares

Candidate No.	Name (Date of birth)	Career summary, position, assignment, and significant concurrent positions	Number of shares of the Company held
6	Atsumi Eguchi (Oct. 2, 1957) Female New candidate	Apr. 1980 Joined Suntory Spirits Ltd. (currently Suntory Holdings Limited) Apr. 2010 Head of Public Relations, Suntory Holdings Limited Apr. 2013 Senior General Manager of Business Development Department, Suntory Global Innovation Center Ltd. Apr. 2016 Assistant to Executive Officer in charge of R&D, in charge of Public Relations (Full-time General Manager), Suntory Holdings Limited Nov. 2017 Joined Ezaki Glico Co., Ltd. Director, Manager of Corporate Communication Mar. 2018 Executive Officer, Manager of Corporate Communication, Ezaki Glico Co., Ltd. Jun. 2023 Outside Director, Nissui Corporation (to present) Jun. 2024 Outside Director, YAMAZEN CORPORATION (to present) Significant concurrent positions: Outside Director, Nissui Corporation Outside Director, YAMAZEN CORPORATION Reasons for nomination as a candidate for Outside Director and expected roles: Ms. Atsumi Eguchi worked at R&D departments and public relations and corporate communication departments at beverage and food manufacturers. She now serves as an Outside Director of other companies and has a wealth of experience and profound expertise and insight in R&D and CSR fields. Considering that her advice and proposals from an independent and objective standpoint based on her experience and insight will contribute to the decision-making of the Company's management, and considering that she will supervise the execution of business and demonstrate her expertise, which are the roles the Company expects from an Outside Director, the Company nominated her as a candidate for Outside Director.	0 shares

Notes:

1. No conflict of interest exists between the Company and each candidate.
2. Mr. Kazuo Ichijo, Mr. Mitsuhiro Katsumaru, Mr. Sadayuki Sakakibara, Ms. Hiromi Wada, and Ms. Atsumi Eguchi are candidates for Outside Director.
3. The Company has entered into a Directors and Officers liability insurance agreement insuring all Directors, and the Company shall be compensated for damages that may arise from covered Directors bearing liabilities regarding the execution of their duties or receiving claims in relation to pursuance of such liabilities.
   However, there are exemptions including that damages arising from criminal acts of the insureds or damages arising from actions taken while the insureds were aware of being in violation of laws and regulations will not be compensated.
   If each candidate is appointed as Director, each of them will be covered by the insurance agreement, and the Company plans to renew the insurance agreement during their terms of office.

(Notes on candidates for Outside Director)

(1) Mr. Kazuo Ichijo's tenure of office as an Outside Director of the Company will be 20 years at the close of this General Meeting of Shareholders. Mr. Mitsuhiro Katsumaru's tenure of office as an Outside Director of the Company will be 8 years at the close of this General Meeting of Shareholders. Mr. Sadayuki Sakakibara's tenure of office as an Outside Director of the Company will be 6 years at the close of this General Meeting of Shareholders. Ms. Hiromi Wada's tenure of office as an Outside Director of the Company will be 2 years at the close of this General Meeting of Shareholders.

(2) The Company has entered into limited liability contracts with Mr. Kazuo Ichijo, Mr. Mitsuhiro Katsumaru, Mr. Sadayuki Sakakibara, and Ms. Hiromi Wada, whereby their liability is limited to the amount provided for by laws and regulations. Upon approval of the reappointment of Mr. Kazuo Ichijo, Mr. Mitsuhiro Katsumaru, Mr. Sadayuki Sakakibara, and Ms. Hiromi Wada, the Company intends to maintain the above-mentioned limited liability contracts with them.
Upon approval of the appointment of Ms. Atsumi Eguchi, the Company also intends to enter into the above-mentioned limited liability contract with her.

(3) The amount of transactions between Toray Industries, Inc., where Mr. Sadayuki Sakakibara served as Chairman of the Board, and the Company, in each of the most recent three fiscal years was not more than 1% of the consolidated net sales of Toray Industries, Inc. and the Company. In addition, the amount of transactions between Japan Business Federation (Keidanren), where Mr. Sadayuki Sakakibara served as Chairman, and the Company, in each of the most recent three fiscal years was not more than 1% of the ordinary revenue of Keidanren and consolidated net sales of the Company.
The amount of transactions between Panasonic Automotive Systems Co., Ltd., where Ms. Hiromi Wada serves as an employee, and the Company, in each of the most recent three fiscal years was not more than 1% of the consolidated net sales of Panasonic Automotive Systems Co., Ltd. and the Company. In addition, the amount of transactions between current Panasonic Holdings Corporation, where Ms. Hiromi Wada served as an employee, and the Company, in each of the most recent three fiscal years was not more than 1% of the consolidated net sales of Panasonic Holdings Corporation and the Company.
The amount of transactions between Suntory Holdings Limited, where Ms. Atsumi Eguchi served as an employee, and the Company, and that between the Suntory Holdings Limited's corporate group and the Company, in each of the most recent three fiscal years was not more than 1% of the consolidated net sales of Suntory Holdings Limited, its corporate group, and the Company. In addition, the amount of transactions between Ezaki Glico Co., Ltd., where she served as Executive Officer, and the Company, in each of the most recent three fiscal years was not more than 1% of the consolidated net sales of Ezaki Glico Co., Ltd. and the Company.

(4) It came to light that some of the diatomite products sold at stores of group companies of Nitori Holdings Co., Ltd., where Mr. Sadayuki Sakakibara had served as Outside Director until October 1, 2022, and during his tenure contained an amount of asbestos exceeding legal limits. Those products were recalled. Although Mr. Sadayuki Sakakibara was not aware of these facts before the incident was revealed, he had provided advice as appropriate from the perspective of legal compliance and compliance management even at the ordinary times, and appropriately fulfilled his responsibilities such as by expressing his opinions on prevention of recurrence after the incident was revealed.
In addition, it came to light that customer information of retail electricity suppliers other than The Kansai Electric Power Company, Incorporated, where Mr. Sadayuki Sakakibara serves as an Outside Director, which was managed by its subsidiary, Kansai Transmission and Distribution, Inc., was leaked to employees of The Kansai Electric Power Company, Incorporated, and they inappropriately viewed and used the information. It also came to light that The Kansai Electric Power Company, Incorporated acted in violation of the Antimonopoly Act, which prohibits unfair restraint of trade, concerning the transactions of extra high voltage power and high voltage power service. Although Mr. Sadayuki Sakakibara was not aware of these facts before the incidents were revealed, he had provided advice as appropriate from the perspective of legal compliance and compliance management even at the ordinary times, and appropriately fulfilled his responsibilities such as by actively expressing his opinions on prevention of recurrence after the incidents were revealed.

(5) The Company has filed a notification with the Tokyo Stock Exchange for Mr. Kazuo Ichijo, Mr. Mitsuhiro Katsumaru, Mr. Sadayuki Sakakibara, and Ms. Hiromi Wada as independent officers. Upon approval of the reappointment of Mr. Kazuo Ichijo, Mr. Mitsuhiro Katsumaru, Mr. Sadayuki Sakakibara, and Ms. Hiromi Wada, the Company intends to continue their appointments.
The Company also intends to file such notification with the Tokyo Stock Exchange for Ms. Atsumi Eguchi, on the premise of the approval of this proposal.

[Reference] Independence Criteria for Outside Officers

The Company's Board of Directors has determined the criteria for independence of Outside Directors and Outside Audit & Supervisory Board Members (hereinafter collectively called, "Outside Officers") as follows:

1) If none of the following attributes applies to an Outside Officer, the Company judges that such Outside Officer is independent from the Company. (*1)

1. A major shareholder of the Company (holding 10% or more of the voting rights of the Company at the end of the most recent fiscal year) or an executive officer (*2) thereof
2. A person whose major business partner (*3) is the Company or an executive officer thereof
3. A person who is a major business partner of the Company or an executive officer thereof
4. A person engaged in auditing of the Company or any of its consolidated subsidiaries as the Accounting Auditor of the Company or a consolidated subsidiary or as an employee thereof
5. An attorney-at-law, judicial scrivener, patent attorney, certified public accountant, certified tax accountant, consultant, etc. who has received cash or other property exceeding 10 million yen from the Company in the most recent fiscal year other than officer remuneration (or if such person is an organization, such as a corporation or an association, a person who is affiliated with an organization whose revenue from the Company exceeds 2% of its annual revenue)
6. A principal lender to the Company (a lender whose name is indicated as a principal lender in the business report for the most recent fiscal year) or an executive officer thereof
7. A person who has received a donation exceeding 10 million yen from the Company in the most recent fiscal year (or if such person is an organization, such as a corporation or an association, an executive officer of an organization whose revenue from the Company exceeds 2% of its annual revenue)
8. A person to whom any of 1 to 7 above applied in the most recent three fiscal years
9. A spouse or relative within the second degree of kinship of a person to whom any of 1 to 8 above applies (only a significant person)
10. A spouse or relative within the second degree of kinship of an executive officer of the Company or a subsidiary (if a person is an employee, only a significant person)
11. A spouse or relative within the second degree of kinship of an executive officer of the Company or a subsidiary (if a person is an employee, only a significant person) in the most recent three fiscal years
12. In addition to the preceding items, a person who has a special reason that prevents him/her fulfilling his/her duty as an independent Outside Officer, such as a risk of causing permanent conflict of interest with the Company
13. Even in the case of a person to whom any of the preceding items applies, if the Company considers the person is appropriate as an independent Outside Officer in light of his/her personality and insight, etc., the Company may appoint such person as an Outside Officer, provided that the Company explains the reasons why the Company considers him/her appropriate as an Outside Officer to external parties.

2) An Outside Officer who is considered to be independent in accordance with the above criteria shall notify the Company immediately if he/she loses his/her independence.

*1. An investigation shall be conducted to the extent that is economical and reasonable.

*2. An executive officer is a person to whom any of the following applies.

1) An executive director, an executive or any other officer who executes business of a corporation etc.
2) An employee who executes business, a person who executes duties stipulated in Article 598, Paragraph 1 of the Companies Act, or any person with a similar role
3) An employee

*3. A major business partner is a person to whom sales exceed 2% of annual consolidated sales for the most recent fiscal year.

[Reference] Skills Matrix of Directors of the Company (Scheduled after the Ordinary General Meeting of Shareholders on March 27, 2025)

If all the candidates listed in this Notice of the Ordinary General Meeting of Shareholders are elected as originally proposed, the expertise and experience of each Director will be as follows:

Name	Corporate management/ Management strategy	Manufacturing/ Technology/ R&D	Marketing /Sales	Risk management /Legal affairs	Human resource management	Sustainability	Finance/ Accounting	IT/ Digital	Global
Yozo Shimano Male	●	●	●		●				●
Taizo Shimano Male	●	●	●		●			●	●
Takashi Toyoshima Male		●			●			●	●
Masahiro Tsuzaki Male			●	●	●	●			●
Chia Chin Seng Male		●					●		●
Kazuo Ichijo Male (Outside)	●					●	●	●	●
Mitsuhiro Katsumaru Male (Outside)				●		●			●
Sadayuki Sakakibara Male (Outside)	●	●			●		●		●
Hiromi Wada Female (Outside)		●						●	●
Atsumi Eguchi Female (Outside)		●				●			●

Proposal No. 3 Revision of the Amount of Remuneration for Directors

It was approved at the 112th Ordinary General Meeting of Shareholders held on March 26, 2019 that the maximum amount of remuneration for Directors of the Company shall be 720 million yen a year (including 60 million yen for Outside Directors).

In view of circumstances, such as the increase in the number of Outside Directors in order to further strengthen corporate governance, the Company proposes that the total maximum amount of remuneration for Directors be revised to 720 million yen a year (including 90 million yen for Outside Directors).

As before, the amount of remuneration for Directors does not include remuneration for employment by the Company and the associated payroll bonuses to Directors.

When Proposal No. 2 is approved, the Company will have 10 Directors (including 5 Outside Directors).

The Company stipulated the determination policy concerning the content of remuneration, etc. for individual Directors, as described in the Business Report, and this proposal is in line with the said policy. Even in the event of approval for this proposal, the said policy is scheduled to remain unchanged, and thus the content of this proposal is judged to be reasonable.

BUSINESS REPORT

(From January 1, 2024 to December 31, 2024)

1. Overview of the Shimano Group

(1) Review and Results of Operations

During fiscal year 2024, the global economy started to show moderate growth on the back of subsided inflation. However, uncertainty about the outlook increased due to rising tensions in Ukraine and the Middle East, stagnant Chinese economy, and changes in leadership in various countries.

In Europe, personal consumption picked up as price hikes cooled down and the economy started to recover moderately.

In the U.S., although personal consumption was firm, the pace of economic recovery remained somewhat sluggish as affected by a slowdown in the labor market and high interest rates.

In China, the economy was lackluster due to the prolonged stagnancy in the real estate market and sluggish personal consumption.

In Japan, the economy followed a moderate recovery trend on the back of strong demand from inbound tourists and the improved employment and income environment.

In this environment, demand for bicycles and fishing tackle continued to be weak, and for fiscal year 2024, net sales decreased 4.9% from the previous year to 450,993 million yen. Operating income decreased 22.2% to 65,085 million yen, ordinary income decreased 4.5% to 98,674 million yen, and net income attributable to owners of parent increased 24.8% to 76,329 million yen.

Reportable Segment Overview

Bicycle Components

While the strong interest in bicycles continued as a long-term trend, retail sales of completed bicycles were weak and market inventories remained high.

Overseas, in the European market, retail sales of completed bicycles softened due to unfavorable weather conditions in early spring, and market inventories remained at a high level.

In the North American market, although interest in bicycles was firm, retail sales of completed bicycles remained weak and market inventories were somewhat high.

In the Asian, Oceanian and Central and South American markets, the level of market inventories started to show signs of improvement. On the other hand, personal consumption continued to be sluggish and retail sales of completed bicycles remained weak. In the Chinese market, while the popularity of cycling as a sport continued to be high, the shipping volume of completed bicycles to the market increased in the end of the season, and market inventories remained high.

In the Japanese market, retail sales were sluggish as affected by the soaring price of completed bicycles, and market inventories remained somewhat high.

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

As a result, net sales from this segment decreased 5.2% from the previous year to 345,553 million yen, and operating income decreased 17.0% to 54,157 million yen.

Fishing Tackle

Demand for fishing tackle that had been overly strong globally cooled down and sales remained weak. Meanwhile, adjustments of market inventories started to show signs of improvement.

In the Japanese market, buying motives among fishing enthusiasts were firm and sales of high-priced products were strong. However, sales were generally lackluster and adjustments of market inventories continued.

Overseas, in the North American market, sales were strong backed by stable demand, and market inventories progressed toward an appropriate level.

In the European market, sales regained momentum and adjustments of market inventories started to show signs of progress.

In the Asian market, sales were weak as affected by sluggish personal consumption and adverse weather conditions, and market inventories remained at a somewhat high level.

In the Australian market, backed by favorable weather and fishing conditions, sales were favorable and market inventories remained at an appropriate level.

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

As a result, net sales from this segment decreased 3.9% from the previous year to 104,990 million yen, and operating income decreased 40.6% to 10,929 million yen.

Others

Net sales from this segment decreased 1.9% from the previous year to 449 million yen and operating loss of 1 million yen was recorded, following an operating loss of 11 million yen for the previous year.

1) Sales by segment

	FY2023 January 1, 2023 to December 31, 2023		FY2024 January 1, 2024 to December 31, 2024		Year-over-year change (Figures in parentheses indicate a decrease.)	
	Amount	Percentage of total	Amount	Percentage of total	Amount	Percentage change
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Bicycle Components	364,679	76.9	345,553	76.6	(19,125)	(5.2)
Fishing Tackle	109,225	23.0	104,990	23.3	(4,235)	(3.9)
Others	457	0.1	449	0.1	(8)	(1.9)
Total	474,362	100.0	450,993	100.0	(23,369)	(4.9)

2) Situation by segment

1. Trend of sales by segment (Millions of yen)

	FY2021 (115th) January 1, 2021 to December 31, 2021	FY2022 (116th) January 1, 2022 to December 31, 2022	FY2023 (117th) January 1, 2023 to December 31, 2023	FY2024 (118th) January 1, 2024 to December 31, 2024
Bicycle Components	443,678	517,436	364,679	345,553
Fishing Tackle	102,388	110,993	109,225	104,990
Others	447	479	457	449

2. Trend of operating income by segment (Millions of yen)

	FY2021 (115th) January 1, 2021 to December 31, 2021	FY2022 (116th) January 1, 2022 to December 31, 2022	FY2023 (117th) January 1, 2023 to December 31, 2023	FY2024 (118th) January 1, 2024 to December 31, 2024
Bicycle Components	125,146	144,994	65,251	54,157
Fishing Tackle	23,120	24,163	18,413	10,929
Others	20	1	(11)	(1)

Note: Figures in parentheses indicate operating loss.

3. Trend of net sales by geographical area (Millions of yen)

	FY2021 (115th) January 1, 2021 to December 31, 2021	FY2022 (116th) January 1, 2022 to December 31, 2022	FY2023 (117th) January 1, 2023 to December 31, 2023	FY2024 (118th) January 1, 2024 to December 31, 2024
Japan	55,181	54,383	48,713	41,448
North America	49,932	57,643	44,679	46,870
Europe	227,456	299,934	198,432	160,625
Asia	190,388	191,479	159,150	178,995
Others	23,556	25,468	23,386	23,053

Note: Net sales are classified by countries and regions according to customer location.

(2) Capital Investment and Financing

Consolidated capital investment totaled 44,682 million yen during fiscal year 2024. Capital investment was mainly used for reinforcing product development capabilities, increasing production capacity and improving production efficiency. By segment, capital investment totaled 25,715 million yen for bicycle components, 7,546 million yen for fishing tackle, 14 million yen for others, and 11,405 million yen for Company-wide (common). All capital investment was financed from cash flow.

(Millions of yen)

	FY2021 (115th) January 1, 2021 to December 31, 2021	FY2022 (116th) January 1, 2022 to December 31, 2022	FY2023 (117th) January 1, 2023 to December 31, 2023	FY2024 (118th) January 1, 2024 to December 31, 2024
Bicycle Components	15,821	19,209	21,822	25,715
Fishing Tackle	2,811	5,582	3,153	7,546
Others	5	2	0	14
Company-wide (common)	1,890	2,968	6,379	11,405
Total	20,529	27,762	31,356	44,682

Note: The amount of capital investment stated under “Company-wide (common)” concerns administrative departments.

(3) Summary of Assets and Profits

1) Assets and profits of the Shimano Group

		FY2021 (115th) January 1, 2021 to December 31, 2021	FY2022 (116th) January 1, 2022 to December 31, 2022	FY2023 (117th) January 1, 2023 to December 31, 2023	FY2024 (118th) January 1, 2024 to December 31, 2024
Net sales	(Millions of yen)	546,515	628,909	474,362	450,993
Operating income	(Millions of yen)	148,287	169,158	83,653	65,085
Ordinary income	(Millions of yen)	152,562	176,568	103,369	98,674
Net income attributable to owners of parent	(Millions of yen)	115,937	128,178	61,142	76,329
Basic earnings per share		1,252.62 yen	1,408.22 yen	676.77 yen	853.36 yen
Net assets	(Millions of yen)	616,651	741,095	802,396	883,613
Total assets	(Millions of yen)	705,370	826,413	871,731	958,953

Note: Effective from the beginning of 116th fiscal year (FY2022), the Company has adopted “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29 issued on March 31, 2020), etc., and the major management indicators, etc. for the 116th fiscal year (FY2022) onward have been calculated after the adoption of the said accounting standard, etc.

2) Assets and profits of the Company

		FY2021 (115th) January 1, 2021 to December 31, 2021	FY2022 (116th) January 1, 2022 to December 31, 2022	FY2023 (117th) January 1, 2023 to December 31, 2023	FY2024 (118th) January 1, 2024 to December 31, 2024
Net sales	(Millions of yen)	311,823	368,070	284,739	255,297
Operating income	(Millions of yen)	63,083	75,017	38,731	28,579
Ordinary income	(Millions of yen)	64,744	85,199	64,504	103,227
Net income	(Millions of yen)	47,107	63,920	40,475	94,110
Basic earnings per share		508.96 yen	702.25 yen	448.00 yen	1,052.15 yen
Net assets	(Millions of yen)	200,912	209,751	211,469	259,952
Total assets	(Millions of yen)	257,233	268,115	250,664	300,992

Note: Basic earnings per share indicated in 1) and 2) above is computed based on the average number of outstanding shares during the fiscal year, excluding treasury stock.

(4) Issues to be Addressed

Although the global economy is expected to follow a moderate recovery trend, rising resource prices stemming from geopolitical risks, such as the situations in Ukraine and the Middle East, and supply chain disruptions caused by stagnation of logistics, as well as changes in government policies resulting from the national elections conducted across the globe in 2024, may put downward pressure on economy.

As inflation subsided and personal consumption recovered mainly in Europe and the U.S., the economy is expected to be on a moderate recovery trend. Nonetheless, the economy in Europe may be influenced by political instability in major countries, while that in the U.S. may be swayed by trade policies of the new administration.

In China, economic recovery may remain lackluster due to the prolonged stagnation in the real estate market.

In Japan, personal consumption is expected to be firm backed by the improved income environment and the government economic policies, and the economy is expected to recover moderately. However, the U.S. trade policies may have impacts on economy.

In these circumstances, the Company emphasizes not only striving to develop and manufacture "captivating products" that bring sensations to many people as a "development-oriented digital manufacturing company" of Japan origin that offers high-grade, attractive products by reflecting customers' viewpoints, while closely monitoring trends in demand for bicycles and fishing tackle, but also moving forward step by step as a "value creating company" that continues to create a shared value between corporations and society. We will endeavor to further enhance management efficiency and strive for sustainable corporate growth by pursuing the creation of new cycling and fishing culture.

(5) Principal Business Segments of the Shimano Group

Segment	Description of main businesses
Bicycle Components	Manufacture and sale of derailleurs and other drive components, brakes and other braking components, other bicycle components and related goods
Fishing Tackle	Manufacture and sale of reels, rods and other recreational fishing gear
Others	Manufacture and sale of rowing-related equipment, etc.

(6) Principal Operating Sites, etc. of the Shimano Group

1) Principal operating sites of the Company

Head office		3-77 Oimatsu-cho, Sakai-ku, Sakai City, Osaka
Factories	Sakai Factory	Sakai-ku, Sakai City, Osaka
	Shimonoseki Factory	Shimonoseki City, Yamaguchi Prefecture
Development site	Tokyo Office	Chuo-ku, Tokyo
Sales offices	Saitama Sales Office	Ageo City, Saitama Prefecture
	Tokyo Sales Office	Ota-ku, Tokyo
	Nagoya Sales Office	Nakagawa-ku, Nagoya City, Aichi Prefecture
	Osaka Sales Office	Sakai-ku, Sakai City, Osaka
	Chushikoku Sales Office	Minami-ku, Okayama City, Okayama Prefecture
	Kyushu Sales Office	Tosu City, Saga Prefecture

2) Principal operating sites of subsidiaries

Domestic	Shimano Sales Co., Ltd.	Sakai-ku, Sakai City, Osaka
	Shimano Kumamoto Co., Ltd.	Yamaga City, Kumamoto Prefecture

Overseas	Shimano (Singapore) Pte. Ltd.	Singapore
	Shimano Components (Malaysia) Sdn. Bhd.	Malaysia
	Shimano Europe B.V.	The Netherlands
	Shimano North America Holding, Inc.	USA
	Shimano (Kunshan) Bicycle Components Co., Ltd.	China
	Shimano (Tianjin) Bicycle Components Co., Ltd.	China

(7) Employees of the Shimano Group

Segment	Number of employees	
Bicycle Components	6,962	(2,005)
Fishing Tackle	2,219	(1,037)
Others	247	(41)
Company-wide (common)	702	(101)
Total	10,130	(3,184)

Notes:

1. Figures refer to full-time employees (excluding any employees on assignment from the Shimano Group to other firms, but including any employees on transfer from outside the Shimano Group). Annual average numbers of part-time employees in each segment are shown in parentheses.
2. “Company-wide (common)” figures refer to employees that belong to administrative departments.
3. Part-time employees are defined as anyone working for the Shimano Group on anything less than a full-time basis (excluding any temporary staff).

(8) Major Subsidiaries

Company name	Capital	Ownership(%)	Principal business
Shimano (Singapore) Pte. Ltd.	S$ 65,994 thousand	100	Manufacture and sale of bicycle components, sale of fishing tackle, and management of manufacturing subsidiaries in Asia
Shimano Components (Malaysia) Sdn. Bhd.	RM 18,000 thousand	100 (100)	Manufacture and sale of bicycle components and manufacture of fishing tackle
Shimano Europe B.V.	EUR 5,148 thousand	100	Sale of bicycle components and fishing tackle and management of sales subsidiaries in Europe
Shimano North America Holding, Inc.	US$ 14,000 thousand	99	Sale of bicycle components and fishing tackle and management of sales subsidiaries in North America
Shimano (Kunshan) Bicycle Components Co., Ltd.	US$ 34,500 thousand	100 (100)	Manufacture and sale of bicycle components
Shimano Sales Co., Ltd.	JPY 277 million	100	Sale, repair and storage of bicycle components, and repair and storage of fishing tackle
Shimano (Tianjin) Bicycle Components Co., Ltd.	US$ 24,000 thousand	100 (100)	Manufacture and sale of bicycle components

Note: Figures in parentheses refer to parent company equity stakes held via indirect ownership.

2. Share-related Information

(1) Total number of shares authorized: 262,400,000 shares
(2) Total number of shares issued: 89,120,000 shares (including treasury stock of 54,078 shares)
(3) Number of shareholders: 9,092
(4) Major shareholders (Top 10)

Name of shareholder	Number of shares (Thousands of shares)	Percentage of ownership (%)
The Master Trust Bank of Japan, Ltd. (trust account)	11,766	13.21%
Minato Kosan Co., Ltd.	7,936	8.91%
Custody Bank of Japan, Ltd. (trust account)	4,573	5.14%
JP MORGAN CHASE BANK 380055	3,701	4.16%
STATE STREET BANK AND TRUST COMPANY 505001	2,953	3.32%
Three S Co., Ltd.	2,171	2.44%
Nippon Life Insurance Company	1,801	2.02%
STATE STREET BANK AND TRUST COMPANY 505103	1,450	1.63%
STATE STREET BANK WEST CLIENT - TREATY 505234	1,442	1.62%
Resona Bank, Limited.	1,411	1.58%

Note: The percentage of ownership is calculated excluding treasury stock (54,078 shares).

(5) Shares delivered to Directors as consideration for execution of duties during the fiscal year under review

In accordance with a resolution of the 116th Ordinary General Meeting of Shareholders held on March 29, 2023, the Company introduced a restricted stock remuneration system that uses shares of the Company's common stock that are subject to certain conditions such as a transfer restriction period and cause for the acquisition of such shares by the Company for no consideration, to Directors (excluding Outside Directors and foreign Directors), with the aim of providing an incentive to strive for the sustainable enhancement of the Company's corporate value and further promoting shared value between Directors and all shareholders. The total maximum amount of monetary remuneration claims to be granted as remuneration, etc. for the delivery of restricted stock shall be 80 million yen per annum, and the total number of shares of the Company's common stock to be issued or treasury stock to be used instead shall be 7,500 shares per annum, except in the case of a split or reverse split of shares.

The Company delivered the following stock remuneration to Directors of the Company during fiscal year 2024:

Category	Number of shares	Number of recipients
Directors (excluding Outside Directors and a foreign Director)	1,288	4

3. Information related to Officers

(1) Directors and Audit & Supervisory Board Members

(As of December 31, 2024)

Title	Name	Assignment	Significant concurrent positions
Chairman and CEO Representative Director	Yozo Shimano [Male]	Chairman of the Board	
President Representative Director	Taizo Shimano [Male]		
Deputy President Representative Director	Takashi Toyoshima [Male]		
Deputy President Representative Director	Masahiro Tsuzaki [Male]		
Executive Vice President	Chia Chin Seng [Male]		President, Shimano (Singapore) Pte. Ltd. President, Shimano Components (Malaysia) Sdn. Bhd.
Director	Kazuo Ichijo [Male]		Professor, International Institute for Management Development Outside Director, DENTSU SOKEN INC. Outside Director, PIA Corporation
Director	Mitsuhiro Katsumaru [Male]		Of Counsel, Shiba International Law Offices Adjunct Instructor, Graduate Program for Public Policy Studies, Kyoto University School of Government Adjunct Instructor, Graduate School of Law, Kyoto University
Director	Sadayuki Sakakibara [Male]		Honorary Chair, Japan Business Federation (Keidanren) Outside Director, Chairman of The Board, The Kansai Electric Power Company, Incorporated Chairman (Representative Director), Nippon Professional Baseball Organization
Director	Hiromi Wada [Female]		Part-time Advisor, Panasonic Automotive Systems Co., Ltd. Outside Director, Sakai Chemical Industry Co., Ltd. Representative Director, i-Golf Studio Co., Ltd.
Full-time Audit & Supervisory Board Member	Kiyoshi Tarutani [Male]		
Full-time Audit & Supervisory Board Member	Masayoshi Yoshimoto [Male]		
Audit & Supervisory Board Member	Kanako Nozue [Female]		Attorney-at-law, Tsujinaka Law Firm
Audit & Supervisory Board Member	Toshihiko Hashimoto [Male]		Certified Tax Accountant, Hashimoto Certified Tax Accountant Office Outside Auditor, JA Hyogominami Auditor, Kakogawa Sangyokaikan Co., Ltd.

Notes:

1. Directors Kazuo Ichijo, Mitsuhiro Katsumaru, Sadayuki Sakakibara, and Hiromi Wada are Outside Directors as defined in the Companies Act.
2. Audit & Supervisory Board Members Kanako Nozue and Toshihiko Hashimoto are Outside Audit & Supervisory Board Members as defined

in the Companies Act.

3. The Company has filed notifications with Tokyo Stock Exchange, Inc. for all of its Outside Directors and Outside Audit & Supervisory Board Members as independent officers.
4. Audit & Supervisory Board Member Toshihiko Hashimoto is a certified tax accountant and possesses considerable knowledge of tax and accounting matters.
5. Masayoshi Yoshimoto assumed the position of Full-time Audit & Supervisory Board Member at the close of the 117th Ordinary General Meeting of Shareholders held on March 27, 2024.
6. Full-time Audit & Supervisory Board Member Yoshihiro Hirata retired due to the expiration of his term of office at the close of the 117th Ordinary General Meeting of Shareholders held on March 27, 2024.

(2) Outline of Limited Liability Agreements

In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has concluded limited liability agreements with all Outside Officers under Article 423, Paragraph 1 of the same Act. The maximum contractual liability of such Outside Officers under these agreements is set at the minimum figure specified in Article 425, Paragraph 1 of the same Act.

(3) Outline of Directors and Officers Liability Insurance Agreement

1) The scope of the insured

Major executive officers such as officers and important employees at the Company and its subsidiaries

2) Outline of the insurance agreement

The insurance covers damages and litigation costs incurred by the insured, arising out of claims in connection with the acts performed by the insured (including omissions) in the course of their duties as Directors and Officers of the Company mentioned in item 1). However, any damages arising from criminal acts of the insureds or damages arising from actions taken while the insureds were aware of being in violation of laws and regulations will not be covered, as measures to ensure that the insurance does not impair the appropriate execution of duties by Directors and Officers. Insurance premiums are fully paid for by the Company.

(4) Total Remuneration, etc. of Directors and Audit & Supervisory Board Members

1) Policy for determining the amount or calculation method of remuneration, etc. for officers

The annual remuneration for Directors and Audit & Supervisory Board Members is decided within the maximum total remuneration amounts for all Directors and all Audit & Supervisory Board Members, respectively, established by resolution of the General Meeting of Shareholders.

Regarding the amount of annual remuneration for each Director, the Nomination and Remuneration Advisory Committee whose members include Outside Directors examines whether the remuneration system for Directors and the level of remuneration are functioning as incentives aligned with sustainable development, and the Board of Directors resolves the determination of the amount of remuneration, with its scope of discretion being the establishment of appropriate indicators on financial performance, based on the recommendation from the said Committee.

The amount of annual remuneration for each Audit & Supervisory Board Member is decided through discussion by the Audit & Supervisory Board Members.

Remuneration of Directors, excluding Outside Directors, consists of monthly remuneration, bonuses, and stock remuneration (foreign Directors are not eligible for stock remuneration). Monthly remuneration is based on the role and the scope of responsibilities corresponding to each position, while bonuses are paid to individual Directors, based on their level of achievement in the actual results against the target performance, for which planned net sales and operating income for the fiscal year under review are set forth as performance indicator with an aim to enhance motivation for improving the Company's growth and profitability, as well as growth compared with previous fiscal years. Whereas the net sales and operating income initially planned for fiscal year 2024 were 420,000 million yen and 53,000 million yen, respectively, the actual results turned out to be 450,993 million yen and 65,085 million yen, respectively. Stock remuneration is delivered through the issuance of new shares or the disposition of treasury stock in return for the contribution in kind of monetary remuneration claims granted by the Company, within the total maximum amount of stock remuneration established by resolution of the General Meeting of Shareholders, from the viewpoint of reflecting medium- to long-term financial performance. This stock remuneration is delivered as shares of the Company with transfer restrictions, of a number corresponding to a certain basic amount of remuneration reflecting position and calculated on the basis of the Company's share price on the business day immediately preceding the date of the decision by the Board of Directors regarding the amount of the said remuneration. The date of the removal of transfer restrictions shall be the date of retirement from all service as a director or executive officer of the Company. The composition ratio of remuneration in a case where standard financial

performance is achieved is approximately 5:4:1 of fixed remuneration to performance-linked remuneration to stock remuneration.

Directors (excluding foreign Directors) engaged in business execution contribute a certain amount or more from their monthly remuneration to purchase shares of the Company through the Directors' shareholding association, from the viewpoint of reflecting medium- to long-term financial performance in their remuneration. The shares purchased shall be held while the Directors remain in office.

Remuneration for Outside Directors shall not be linked with financial performance, from the viewpoint of securing their high independence and only monthly remuneration shall be paid to them.

The above policy was resolved by the Board of Directors following the recommendations of the Nomination and Remuneration Advisory Committee.

The Nomination and Remuneration Advisory Committee met twice to discuss remuneration for Directors to be paid in fiscal year 2024 from the viewpoint of securing objective and transparent decision-making on remuneration. The Board of Directors made a resolution concerning remuneration for Directors, upon receiving the committee's recommendations. As the said content of remuneration, etc. for individual Directors was determined following multifaceted consideration by the Nomination and Remuneration Advisory Committee, including consideration of the consistency of the draft proposal with the determination policy, the Board of Directors respects the committee's recommendations and believes that the content is in line with the determination policy.

2) Resolution of the General Meeting of Shareholders on remuneration, etc. for Directors and Audit & Supervisory Board Members

With regard to the remuneration, etc. for the Company's Directors, it was resolved at the 112th Ordinary General Meeting of Shareholders held on March 26, 2019 (16 Directors (including 2 Outside Directors) subject to the resolution) that the maximum total amount of remuneration for Directors shall be 720 million yen a year (including 60 million yen for Outside Directors), and that the amount of remuneration for Directors shall not include remuneration for employment or bonuses. In addition to the remuneration limit for Directors described above, it was resolved at the 116th Ordinary General Meeting of Shareholders held on March 29, 2023 (9 Directors (including 4 Outside Directors and 1 foreign Director) subject to the resolution) that the maximum total amount of restricted stock remuneration to be granted to Directors excluding Outside Directors and foreign Directors shall be 80 million yen a year (provided, however, that the total number of shares of restricted stock to be allotted shall not exceed 7,500 shares). With regard to the remuneration, etc. for the Company's Audit & Supervisory Board Members, it was resolved at the 104th Ordinary General Meeting of Shareholders held on March 30, 2011 (4 Audit & Supervisory Board Members (including 2 Outside Audit & Supervisory Board Members) subject to the resolution) that the maximum total amount of remuneration for Audit & Supervisory Board Members shall be 70 million yen a year.

3) Total remuneration, etc. of Directors and Audit & Supervisory Board Members

Category	Total amount of remuneration, etc. (Millions of yen)	Total amount of remuneration, etc. by type (Millions of yen)			Number of eligible officers
		Basic remuneration	Performance-linked remuneration, etc.	Non-monetary remuneration, etc.	
Directors (Outside Directors)	470 (48)	292 (48)	146 (-)	30 (-)	9 (4)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	60 (15)	60 (15)	-	-	5 (2)

Notes:

1. Bonuses are paid to Directors as performance-linked remuneration, etc.
2. The Company delivers stock remuneration to its Directors (excluding Outside Directors and foreign Directors) as non-monetary remuneration. The details of the stock remuneration and their delivery are as provided in "2. Share-related Information (5) Shares delivered to officers as consideration for execution of duties during the fiscal year under review."
3. The above table includes one Audit & Supervisory Board Member who retired at the close of the 117th Ordinary General Meeting of Shareholders held on March 27, 2024.
4. Trends in net sales and operating income (selected performance indicators), including figures for fiscal year 2024, are as provided in "1. Overview of the Shimano Group (3) Summary of Assets and Profits."
5. The above amount of remuneration, etc. of Directors includes the provision of reserve for officer bonuses amounting to 146 million yen recorded for fiscal year 2024.
6. The above amounts do not include remuneration for employment by the Company and the associated payroll bonuses to Directors.

(5) Outside Officers

1) Directors

(a) Relationship between other companies/organizations where Outside Directors concurrently hold positions and the Company

The Company has no relationships with other companies/organizations where Outside Directors concurrently hold positions.

(b) Principal activities in fiscal year 2024

Category	Name	Activities and summary of duties performed related to the expected roles of Outside Directors
Director	Kazuo Ichijo	Attended all 13 meetings of the Board of Directors held in fiscal year 2024. He demonstrated his ability to supervise business execution by providing professional advice and proposals for deliberations concerning the Company's management from a long-term perspective that is based on knowledge and experience of the business world, and from the perspective of international business strategy. For his expected roles, he exchanges information with Audit & Supervisory Board Members (in July and December for 2024) to gather information and coordinate with them. In addition, he attends meetings of the Company's Nomination and Remuneration Advisory Committee as its member and expresses his opinions from an independent and objective standpoint regarding the nomination and remuneration of Directors.
Director	Mitsuhiro Katsumaru	Attended all 13 meetings of the Board of Directors held in fiscal year 2024. He demonstrated his ability to supervise business execution by providing professional advice and proposals for deliberations concerning the Company's management from a specialized and objective perspective as an expert in the compliance field. For his expected roles, he exchanges information with Audit & Supervisory Board Members (in July and December for 2024) to gather information and coordinate with them. In addition, he attends meetings of the Company's Nomination and Remuneration Advisory Committee as its member and expresses his opinions from an independent and objective standpoint regarding the nomination and remuneration of Directors.
Director	Sadayuki Sakakibara	Attended all 13 meetings of the Board of Directors held in fiscal year 2024. He demonstrated his ability to supervise business execution by providing professional advice and proposals for deliberations concerning the Company's management from an objective perspective based on his wealth of experience and deep insight that he accumulated as a manager of global companies. For his expected roles, he exchanges information with Audit & Supervisory Board Members (in July and December for 2024) to gather information and coordinate with them.
Director	Hiromi Wada	Attended all 13 meetings of the Board of Directors held in fiscal year 2024. She demonstrated her ability to supervise business execution by providing professional advice and proposals for deliberations concerning the Company's management from an objective perspective based on her wealth of experience and deep insight as an engineer in IT and digital fields. For her expected roles, she exchanges information with Audit & Supervisory Board Members (in July and December for 2024) to gather information and coordinate with them.

2) Audit & Supervisory Board Members

(a) Relationship between other companies/organizations where Outside Audit & Supervisory Board Members concurrently hold positions and the Company

The Company has no relationships with other companies/organizations where Outside Audit & Supervisory Board Members concurrently hold positions.

(b) Principal activities in fiscal year 2024

Category	Name	Activities
Audit & Supervisory Board Member	Kanako Nozue	Attended all 13 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board in fiscal year 2024. She fully demonstrated her ability to supervise the Company's management by providing mainly specialist counsel in a legal capacity. She coordinates with the Accounting Auditor, the internal audit organization, and the compliance department including participation in three-way audit report meetings and shares information with Outside Directors (in July and December for 2024) to build cooperative relationships. Furthermore, she holds regular meetings with Directors, executive officers and department heads to gather information.
Audit & Supervisory Board Member	Toshihiko Hashimoto	Attended all 13 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board in fiscal year 2024. He fully demonstrated his ability to supervise the Company's management by providing mainly specialist counsel in the capacity of tax accountant. He coordinates with the Accounting Auditor, the internal audit organization, and the compliance department including participation in three-way audit report meetings and shares information with Outside Directors (in July and December for 2024) to build cooperative relationships. Furthermore, he holds regular meetings with Directors, executive officers and department heads to gather information.

4. Accounting Auditor

(1) Name of the Accounting Auditor Appointed by the Company: Seiryo Audit Corporation

(2) Amount of Compensation for the Accounting Auditor for Fiscal Year 2024:

Category	Amount paid (Millions of yen)
1) Total amount of audit fee and other fees to be paid to the Accounting Auditor by the Company	45
2) Total amount of monetary and other financial interest to be paid to the Accounting Auditor by the Company and its subsidiaries	45

Notes:

1. The Audit & Supervisory Board conducted necessary examination as to whether the content of the audit plan of the Accounting Auditor, its performance of accounting audit, and the basis for estimation of the amount of compensation are appropriate for the Company's business scale, etc. As a result, the Audit & Supervisory Board gave consent for the amount of compensation for the Accounting Auditor.
2. The contract between the Company and Seiryo Audit Corporation makes no distinction between auditing services, as stipulated in the Companies Act, and auditing services, as stipulated in the Financial Instruments and Exchange Act. Moreover, since no essential distinction could be made between these two categories, the amount above is the total amount for both types of audit services.
3. Audit firms other than Seiryo Audit Corporation are engaged in audits of major overseas subsidiaries of the Company.

(3) Policy for Determination of Dismissal or Non-reappointment of the Accounting Auditor

In the event that the Audit & Supervisory Board deems that there may be major disruptions to the audit of the Company by the Accounting Auditor, and it is impossible for the Accounting Auditor to appropriately perform its duties, or in the event that the Audit & Supervisory Board deems it to be necessary, the Audit & Supervisory Board shall determine the content of a proposal for dismissal or non-reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders.

In the event that any of the items stipulated in Article 340, Paragraph 1 of the Companies Act apply to the Accounting Auditor, the Audit & Supervisory Board may dismiss the Accounting Auditor by the unanimous consent of all Audit & Supervisory Board Members. In such event, an Audit & Supervisory Board Member selected by the Audit & Supervisory Board shall report the dismissal of the Accounting Auditor and the reason for dismissal at the first General Meeting of Shareholders called after the dismissal.

Notes:

1. Regarding amounts, numbers of shares, etc. presented in this business report, any fractions less than the units indicated are rounded down. However, percentages are rounded to the nearest significant digit.
2. Consumption taxes are not included in the amounts presented in this business report.
3. Figures and information in this report are as of December 31, 2024, unless otherwise specified.

Consolidated Balance Sheet

(As of December 31, 2024)

(Millions of yen)

Accounts	Amount	Accounts	Amount
(Assets)		(Liabilities)	
Current assets	711,461	Current liabilities	55,802
Cash and time deposits	534,045	Accounts payable-trade	16,111
Notes and accounts receivable-trade	39,902	Lease obligations	1,242
Merchandise and finished goods	73,683	Income taxes payable	9,803
Work in process	39,044	Accrued employee bonuses	3,479
Raw materials and supplies	7,914	Accrued officer bonuses	160
Others	17,265	Provision for product warranties	1,173
Allowance for doubtful accounts	(395)	Others	23,832
Fixed assets	247,491	Long-term liabilities	19,537
Property, plant and equipment	182,708	Lease obligations	2,319
Buildings and structures	80,844	Deferred income taxes	3,018
Machinery and vehicles	31,176	Net defined benefit liability	1,310
Land	15,117	Provision for product warranties	12,151
Leased assets	5,649	Others	737
Construction in progress	44,624	Total liabilities	75,339
Others	5,297	(Net assets)	
Intangible assets	24,960	Shareholders' equity	715,438
Goodwill	1,661	Common stock	35,613
Software	13,424	Capital surplus	5,640
Software in progress	7,914	Retained earnings	675,370
Others	1,960	Treasury stock	(1,186)
Investments and other assets	39,822	Accumulated other comprehensive income	166,958
Investment securities	25,892	Unrealized gain (loss) on other securities	7,139
Deferred income taxes	8,382	Foreign currency translation adjustments	159,819
Net defined benefit asset	2,900	Non-controlling interests	1,215
Others	3,097		
Allowance for doubtful accounts	(450)		
		Total net assets	883,613
Total assets	958,953	Total liabilities and net assets	958,953

Note: Amounts are rounded down to the nearest million yen.

Consolidated Statement of Income

(From January 1, 2024 to December 31, 2024)

(Millions of yen)

Accounts	Amount	
Net sales		450,993
Cost of sales		278,690
Gross profit		172,303
Selling, general and administrative expenses		107,217
Operating income		65,085
Non-operating income		
Interest and dividend income	23,529	
Others	13,877	37,406
Non-operating expenses		
Interest expenses	117	
Others	3,699	3,817
Ordinary income		98,674
Extraordinary losses		
Loss on factory reconstruction	80	80
Income before income taxes		98,594
Income taxes-current	22,104	
Income taxes-deferred	(82)	22,021
Net income		76,573
Net income attributable to non-controlling interests		243
Net income attributable to owners of parent		76,329

Note: Amounts are rounded down to the nearest million yen.

Non-consolidated Balance Sheet

(As of December 31, 2024)

(Millions of yen)

Accounts	Amount	Accounts	Amount
(Assets)		(Liabilities)	
Current assets	153,564	Current liabilities	28,326
Cash and time deposits	36,841	Accounts payable-trade	10,241
Notes receivable	760	Accounts payable-other	5,481
Accounts receivable-trade	31,010	Income taxes payable	3,920
Finished goods	25,135	Accrued expenses	396
Work in process	18,676	Deposit payable	4,981
Raw materials	1,437	Accrued employee bonuses	383
Supplies	231	Accrued officer bonuses	146
Accounts receivable-other	32,536	Provision for product warranties	765
Others	6,942	Others	2,011
Allowance for doubtful accounts	(6)	Long-term liabilities	12,713
Fixed assets	147,427	Provision for product warranties	12,151
Property, plant and equipment	84,958	Others	562
Buildings	42,468	Total liabilities	41,039
Structures	1,834	(Net assets)	
Plant and machinery	5,617	Shareholders' equity	252,067
Vehicles	96	Common stock	35,613
Tools, equipment and furniture	2,337	Capital surplus	5,822
Land	9,871	Capital reserve	5,822
Leased assets	94	Retained earnings	211,817
Construction in progress	22,638	Legal reserve	3,194
Intangible assets	18,493	Other retained earnings	208,623
Goodwill	1	Unappropriated retained earnings	208,623
Industrial property	22	Treasury stock	(1,186)
Software	11,029	Valuation and translation adjustments	7,884
Software in progress	7,365	Unrealized gain (loss) on other securities	7,884
Others	74		
Investments and other assets	43,975		
Investment securities	20,880		
Subsidiaries' and affiliates' stock	13,818		
Investments in capital	28		
Long-term prepaid expenses	1,085		
Prepaid pension costs	2,900		
Deferred income taxes	4,581		
Others	1,106		
Allowance for doubtful accounts	(424)	Total net assets	259,952
Total assets	300,992	Total liabilities and net assets	300,992

Note: Amounts are rounded down to the nearest million yen.

Non-consolidated Statement of Income

(From January 1, 2024 to December 31, 2024)

(Millions of yen)

Accounts	Amount	
Net sales		255,297
Cost of sales		173,695
Gross profit		81,602
Selling, general and administrative expenses		53,022
Operating income		28,579
Non-operating income		
Interest income	466	
Dividend income	74,573	
Others	1,541	76,580
Non-operating expenses		
Interest expenses	65	
Others	1,868	1,933
Ordinary income		103,227
Extraordinary losses		
Loss on factory reconstruction	80	80
Income before income taxes		103,147
Income taxes-current	8,958	
Income taxes-deferred	77	9,036
Net income		94,110

Note: Amounts are rounded down to the nearest million yen.

Accounting Auditor's Report concerning Consolidated Financial Statements

Report of the Independent Auditors

February 6, 2025

The Board of Directors,
Shimano Inc.

Seiryo Audit Corporation
Osaka Office
Designated Partner
Engagement Partner
Certified Public Accountant
Yoshihito Funakoshi
Designated Partner
Engagement Partner
Certified Public Accountant
Kentaro Nakamura

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of shareholders' equity and the notes relating to consolidated financial statements of Shimano Inc. (the "Company") for the fiscal year from January 1, 2024 through December 31, 2024.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Company, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted as fair and appropriate in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted as fair and appropriate in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Information

Other information refers to the business report and accompanying supplementary schedules. Management is responsible for the preparation and disclosure of other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the reporting process for other information.

Other information is not included in the scope of our opinion on the consolidated financial statements, and we express no opinion on it.

Our responsibility with respect to the audit of the consolidated financial statements is to read through other information and, in this process, to consider whether any material differences exist between other information and the consolidated financial statements or knowledge we have gained through the auditing process, as well as to remain alert for any other indications of material error in other information.

We are required to report any matter that we consider constitutes a material error in other information, based on the work we have undertaken.

We have nothing to report regarding other information.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted as fair and appropriate in Japan, and for designing and operating such internal control as management determines is necessary to enable the presentation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted as fair and appropriate in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted as fair and appropriate in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes relating to the consolidated financial statements in the audit report, or if the notes relating to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes relating to the consolidated financial statements are in accordance with accounting principles generally accepted as fair and appropriate in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence, and if measures have been taken to eliminate obstacles or safeguards have been applied to reduce obstacles to an acceptable level, the auditor reports on the details of such measures or safeguards.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

The above is a translation, for convenience only, of the original report issued in the Japanese language.

Accounting Auditor's Report

Report of the Independent Auditors

February 6, 2025

The Board of Directors,
Shimano Inc.

Seiryo Audit Corporation
Osaka Office
Designated Partner
Engagement Partner
Certified Public Accountant
Yoshihito Funakoshi
Designated Partner
Engagement Partner
Certified Public Accountant
Kentaro Nakamura

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of shareholders' equity and the notes relating to non-consolidated financial statements, and the accompanying supplementary schedules of Shimano Inc. (the "Company") for the 118th fiscal year from January 1, 2024 through December 31, 2024.

In our opinion, the non-consolidated financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations for the year then ended in conformity with accounting principles generally accepted as fair and appropriate in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted as fair and appropriate in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Non-consolidated Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Information

Other information refers to the business report and accompanying supplementary schedules. Management is responsible for the preparation and disclosure of other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the reporting process for other information.

Other information is not included in the scope of our opinion on the non-consolidated financial statements and the accompanying supplementary schedules, and we express no opinion on it.

Our responsibility with respect to the audit of the non-consolidated financial statements and the accompanying supplementary schedules is to read through other information and, in this process, to consider whether any material differences exist between other information and the non-consolidated financial statements and the accompanying supplementary schedules or knowledge we have gained through the auditing process, as well as to remain alert for any other indications of material error in other information.

We are required to report any matter that we consider constitutes a material error in other information, based on the work we have undertaken.

We have nothing to report regarding other information.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-consolidated Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted as fair and appropriate in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the non-consolidated financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements and the accompanying supplementary schedules in accordance with the

premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted as fair and appropriate in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Non-consolidated Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the non-consolidated financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the non-consolidated financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the non-consolidated financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted as fair and appropriate in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the non-consolidated financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the non-consolidated financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes relating to the non-consolidated financial statements and the accompanying supplementary schedules in the audit report, or if the notes relating to the non-consolidated financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the non-consolidated financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes relating to the non-consolidated financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted as fair and appropriate in Japan, assess the presentation, structure, and content of the non-consolidated financial statements and the accompanying supplementary schedules including related notes, and whether the non-consolidated financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence, and if measures have been taken to eliminate obstacles or safeguards have been applied to reduce obstacles to an acceptable level, the auditor reports on the details of such measures or safeguards.

Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

The above is a translation, for convenience only, of the original report issued in the Japanese language.

Audit Report

In regard to the Directors' performance of their duties for the 118th fiscal year from January 1, 2024 to December 31, 2024, the Audit & Supervisory Board has prepared this Audit Report after deliberations based on the audit reports prepared by each Audit & Supervisory Board Member and reports as follows.

1. Method and Contents of Audits by the Audit & Supervisory Board Members and the Audit & Supervisory Board

(1) The Audit & Supervisory Board determined the audit policies and division of duties, etc. and received reports from each Audit & Supervisory Board Member regarding the implementation status and results of their audits, in addition to which it received reports from the Directors, etc. and the Accounting Auditor regarding the status of the performance of their duties and requested explanations as necessary.

(2) In compliance with the Audit & Supervisory Board Regulations established by the Audit & Supervisory Board and in accordance with the audit policies and division of duties, etc., each Audit & Supervisory Board Member communicated with the Directors, the internal audit department, and other employees, etc., endeavored to gather information and develop the audit environment, and conducted audits using the following methods.

1) The Audit & Supervisory Board Members attended meetings of the Board of Directors and other important meetings, received reports from Directors and employees, etc. regarding the status of the performance of their duties, requested explanations as necessary, viewed important decision-making documents, etc., and inspected the status of operations and assets at the head office and main business locations. Additionally, in regard to subsidiaries, the Audit & Supervisory Board Members communicated and exchanged information with the Directors and Audit & Supervisory Board Members, etc. of subsidiaries and received reports on business from subsidiaries as necessary.

2) In regard to the content of resolutions of the Board of Directors regarding the development of systems to ensure that the Directors' performance of their duties complies with laws, regulations, and the Articles of Incorporation and other systems provided for in Article 100, paragraph (1) and paragraph (3) of the Ordinance for Enforcement of the Companies Act as systems necessary to ensure the appropriateness of operations of the corporate group composed of a stock company and its subsidiaries, as well as the systems developed pursuant to those resolutions (i.e., internal control systems) stated in the business report, the Audit & Supervisory Board Members periodically received reports from Directors and employees, etc. regarding the status of the establishment and operation of those systems and as necessary requested explanations and expressed opinions in regard thereto.

3) In regard to the basic policy concerning control of a stock company recorded in the Company's business report (basic policy provided for in Article 118, item (iii) (a) of the Ordinance for Enforcement of the Companies Act, the efforts provided for in item (iii) (b) of that article), the Audit & Supervisory Board Members considered the contents thereof taking into account matters such as the status of deliberations at meetings of the Board of Directors and other deliberations.

4) The Audit & Supervisory Board Members oversaw and verified whether the Accounting Auditor maintained an independent position and conducted an appropriate audit, received reports from the Accounting Auditor on the status of the performance of its duties, and requested explanations as necessary. Additionally, the Audit & Supervisory Board Members received notification from the Accounting Auditor that, in accordance with the "Quality Control Standards for Audits" (Business Accounting Council), etc., it had developed systems in order to ensure that its duties are appropriately performed (i.e., notification of the matters stated in the items of Article 131 of the Ordinance on Accounting of Companies) and requested explanations as necessary.

Using the methods above, the Audit & Supervisory Board examined the business report, the supplementary schedules thereto, the accounting documents (i.e., the balance sheet, statement of income, statement of changes in net assets, and explanatory notes to accounting documents), the supplementary schedules to the accounting documents, and the consolidated accounting documents (i.e., the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and explanatory notes to consolidated accounting

documents) for the business year.

2. Audit Results

(1) Results of audit of the business report, etc.

1) We find that the business report and the supplementary schedules thereto accurately present the status of the Company in accordance with laws, regulations, and the Articles of Incorporation.

2) We do not find any misconduct nor any material fact constituting a violation of any law, regulation, or the Articles of Incorporation in relation to the Directors' performance of their duties.

3) We find the content of the resolutions of the Board of Directors regarding internal control systems to be reasonable. Additionally, we do not find any matters that should be commented upon in regard to the statements in the business report or the Directors' performance of their duties relating to the internal control systems.

4) We do not find any matters that should be commented upon in regard to the basic policy regarding persons who control the determination of financial and business policies of the Company stated in the business report. We find that the efforts provided for in Article 118, item (iii) (b) of the Ordinance for Enforcement of the Companies Act stated in the business report are in compliance with that basic policy and do not harm the common interests of the shareholders of the Company, and that their purpose is not to maintain the positions of the Directors of the Company.

(2) Results of audit of accounting documents and supplementary schedules thereto

We find the methods and results of the audit by the Accounting Auditor, Seiryo Audit Corporation, to be reasonable.

(3) Results of audit of consolidated accounting documents

We find the methods and results of the audit by the Accounting Auditor, Seiryo Audit Corporation, to be reasonable.

February 12, 2025

Audit & Supervisory Board, Shimano Inc.
Full-time Audit & Supervisory Board Member: Kiyoshi Tarutani
Full-time Audit & Supervisory Board Member: Masayoshi Yoshimoto
Outside Audit & Supervisory Board Member: Kanako Nozue
Outside Audit & Supervisory Board Member: Toshihiko Hashimoto

The above is a translation, for convenience only, of the original report issued in the Japanese language.