Consolidated Financial Results for the First Half of FY2026 (JGAAP)

(January 1, 2026 – June 30, 2026) July 28, 2026

Company Name: Shimano Inc.
Stock Exchange: Tokyo, Prime Market
Code Number: 7309
URL: https://www.shimano.com
Representative: Taizo Shimano, President
Contact: Takuma Kanai, Senior Executive Officer
Telephone: +81-72-223-3254
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Scheduled payment date for dividends: September 2, 2026
Supplemental information: Yes
Financial results briefing: Yes

(Amounts are rounded down to the nearest million yen.)

1. Consolidated financial results for the first half of FY2026 (January 1, 2026 – June 30, 2026)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First half of FY2026	247,059	4.1	27,249	(3.1)	35,324	151.6	27,950	605.5
First half of FY2025	237,409	9.5	28,123	(9.2)	14,038	(74.8)	3,961	(90.9)

(Note) Comprehensive income First half of FY2026: 45,291 million yen (–%) First half of FY2025: (12,945) million yen (–%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First half of FY2026	325.83	–
First half of FY2025	44.90	–

(2) Consolidated balance sheet information

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
First half of FY2026	949,242	875,666	92.1
FY2025	938,250	869,501	92.5

(Reference) Shareholders' equity First half of FY2026: 874,114 million yen FY2025: 868,256 million yen

2. Dividend information

	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2025	–	169.50	–	169.50	339.00
FY2026	–	181.50			
FY2026 (Forecast)			–	181.50	363.00

(Note) Change in forecasted dividend during the period: None

3. Forecasted consolidated business performance for FY2026 (January 1, 2026 – December 31, 2026)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2026	491,000	5.3	47,000	(9.1)	56,000	19.1	43,000	26.5	505.94

(Note) Change in forecasted consolidated business performance during the period: Yes

*Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Application of accounting treatment specific to preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatement

① Changes in accounting policies in accordance with revision of accounting standards: None
② Changes in accounting policies other than ① above: None
③ Changes in accounting estimates: None
④ Retrospective restatement: None

(4) Number of shares of common stock issued

① Number of shares of common stock issued at period-end (including treasury stock):	First half of FY2026	86,530,000 shares	FY2025	86,530,000 shares
② Number of shares of treasury stock at period-end:	First half of FY2026	1,539,103 shares	FY2025	64,521 shares
③ Average number of shares during the period (cumulative from the beginning of the fiscal year):	First half of FY2026	85,783,060 shares	First half of FY2025	88,227,448 shares

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

Explanation regarding the appropriate use of forecasts of business performance and other special items

The forecasts of consolidated business performance and other forward-looking statements contained in this document are based on information currently available to the Company and certain assumptions that management believes reasonable and actual business performance may differ materially from those described in such statements due to various factors. For details of assumptions for the forecasts and other related items, please refer to page 4 of the attached document. Shimano Inc. accepts no liability whatsoever for any direct or consequential loss arising from any use of this document.

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1. Overview of Business Results

(1) Overview of Operations for the Period under Review

During the first half of fiscal year 2026, the global economy generally maintained its solid footing. However, the economic outlook remained uncertain due to factors such as trends in the trade policies of various nations as well as rising geopolitical risks, such as rising energy prices against a backdrop of escalating tensions in the Middle East.

In Europe, while the employment environment remained solid, the economy performed weakly as price increases and other factors resulted in lackluster levels of personal consumption.

In the U.S., despite caution in terms of personal consumption against a backdrop of price rises and changes in interest rate, the economy performed solidly, underpinned by increases in AI-related investments and other factors.

In China, the economy performed weakly due to the prolonged slump in the real estate sector and sluggish growth in personal consumption against a backdrop of a stagnant employment environment.

In Japan, despite the risk of an economic downturn as a result of soaring prices for various resources, the economy maintained its moderate recovery trend as personal consumption performed solidly against a backdrop of continued improvements in the income environment.

In this environment, there remained interest in bicycles and fishing tackle, and for the first half of fiscal year 2026, net sales increased 4.1% from the same period of the previous year to 247,059 million yen. Operating income decreased 3.1% to 27,249 million yen, ordinary income increased 151.6% to 35,324 million yen as a result of foreign exchange gains and other factors, and net income attributable to owners of parent increased 605.5% to 27,950 million yen.

Reportable Segment Overview

① Bicycle Components

Amid continued strong interest in bicycles as a long-term trend, retail sales of completed bicycles remained solid in most, but not all, regions, with adjustments of market inventories making gradual progress.

Overseas, in the European market, although retail sales of completed bicycles performed solidly during the early spring following the winter off-peak season, market inventories remained at a somewhat high level.

In the North American market, while retail sales of completed bicycles remained weak due to the impact of an uncertain economic outlook and stubbornly high prices for completed bicycles as a result of tariffs, market inventories remained at an appropriate level.

In the Asian and Central and South American markets, despite signs of a recovery in retail sales of completed bicycles, market inventories remained at a somewhat high level. In addition, in the Chinese market, while demand for road bikes continued to ease, retail sales of mountain bikes for commutes to work or school appeared to be recovering, and although market inventories remained somewhat high, adjustments progressed.

In the Japanese market, while retail sales remained weak due to the soaring price of completed bicycles and rising prices, market inventories maintained appropriate levels.

Under these market conditions, the Shimano Group’s products continued to be well received, including XTR, the flagship model in our renewed components for mountain bikes, the DEORE XT and DEORE series, and also Q’AUTO, which features self-powered automatic gear-shifting function.

As a result, net sales from this segment decreased 0.0% from the same period of the previous year to 181,379 million yen, and operating income decreased 15.1% to 20,064 million yen.

② Fishing Tackle

Interest in fishing tackle remained firm, sales remained robust overall, and market inventories maintained appropriate levels.

In the Japanese market, although sales remained weak amid a slump in personal consumption on the back of rising prices, adjustments of market inventories made progress.

Overseas, in the North American market, sales remained strong, underpinned by favorable fishing conditions on both the west and south eastern coasts, and market inventories maintained appropriate levels.

In the European market, although market inventories remained at a somewhat high level as the start of the fishing season was delayed due to the effect of poor weather conditions in certain regions, sales continued to perform strongly overall.

In the Asian market, sales remained strong, supported by ongoing robust demand for high-priced products mainly in the Chinese market, and market inventories remained at an appropriate level.

In the Australian market, sales remained strong and market inventories maintained appropriate levels, against a backdrop of continued good weather conditions and favorable fishing conditions.

Under these market conditions, the new spinning reel VANQUISH CE and new baitcasting reel CALCUTTA CONQUEST BFS LIMITED were both well-received in the market. In addition, order-taking continued to be brisk for products including the spinning reel STELLA SW.

As a result, net sales from this segment increased 17.4% from the same period of the previous year to 65,466 million yen, and operating income increased 59.8% to 7,179 million yen.

③ Others

Net sales from this segment decreased 8.6% from the same period of the previous year to 213 million yen and operating income of 6 million yen was recorded, compared with an operating loss of 1 million yen for the same period of the previous year.

(2) Overview of Financial Position for the Period under Review

Assets, Liabilities and Net Assets

Total assets as of the end of the first half of fiscal year 2026 amounted to 949,242 million yen, an increase of 10,992 million yen compared with the figure as of the previous fiscal year-end. The principal factors included an increase of 30,229 million yen in buildings and structures, an increase of 7,212 million yen in notes and accounts receivable - trade, an increase of 6,817 million yen in investment securities, an increase of 4,889 million yen in merchandise and finished goods, a decrease of 24,827 million yen in construction in progress, and a decrease of 13,607 million yen in cash and time deposits.

Total liabilities amounted to 73,575 million yen, an increase of 4,827 million yen compared with the figure as of the previous fiscal year-end. The principal factors included an increase of 6,645 million yen in others under current liabilities, an increase of 2,136 million yen in accounts payable - trade, a decrease of 2,203 million yen in provision for product warranties under current liabilities, and a decrease of 1,826 million yen in income taxes payable.

Net assets amounted to 875,666 million yen, an increase of 6,164 million yen compared with the figure as of the previous fiscal year-end. The principal factors included an increase of 16,314 million yen in foreign currency translation adjustments, an increase of 13,294 million yen in retained earnings, and a decrease of 24,542 million yen in acquisition of treasury stock.

Cash Flows

As of the end of the first half of fiscal year 2026, cash and cash equivalents amounted to 459,116 million yen, a decrease of 13,684 million yen compared with the figure as of the previous fiscal year-end.

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to 39,581 million yen compared with 31,512 million yen provided for the same period of the previous year. The main cash inflows included income before income taxes amounting to 38,057 million yen, depreciation and amortization amounting to 13,922 million yen, and interest and dividend income received amounting to 7,017 million yen. The main cash outflows included income taxes paid amounting to 10,153 million yen, interest and dividend income amounting to 6,780 million yen, and notes and accounts receivable amounting to 6,433 million yen.

(Cash Flows from Investing Activities)

Net cash used in investing activities amounted to 25,625 million yen compared with 26,720 million yen used for the same period of the previous year. The main cash outflows included acquisition of property, plant and equipment amounting to 18,057 million yen and acquisition of investment securities amounting to 6,741 million yen.

(Cash Flows from Financing Activities)

Net cash used in financing activities amounted to 40,025 million yen compared with 44,503 million yen used for the same period of the previous year. The main cash outflows included acquisition of treasury stock amounting to 24,604 million yen and cash dividends to shareholders amounting to 14,653 million yen.

(3) Forecast for the Fiscal Year Ending December 31, 2026

Regarding the consolidated business performance forecasts for fiscal year 2026, we have made the following forecasts for net sales and operating income. These forecasts take into account that adjustments of market inventories are progressing as expected, the impact of exchange rates on net sales and income following the depreciation of the yen and the appreciation of other Asian currencies, and the impact of factors including soaring crude oil prices due to the crisis in the Middle East. In addition, in light of increases in non-operating income such as valuation gains on foreign exchange in the first half of fiscal year 2026, we have also revised our forecasts for ordinary income and net income attributable to owners of parent, as shown below.

Revisions to consolidated business performance forecast figures for the FY2026 (January 1, 2026 – December 31, 2026)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	467,000	47,000	53,300	42,000	488.19
Revised forecast (B)	491,000	47,000	56,000	43,000	505.94
Difference (B-A)	24,000	0	2,700	1,000	
Change (%)	5.1	0.0	5.1	2.4	
Full year results for FY2025	466,243	51,677	47,029	33,991	388.17

The Company considers the return of earnings to shareholders to be one of the most important issues for management. The Company’s basic policy is to continue providing stable returns reflecting overall business performance and strategy. Pursuant to this policy, the Company will strive to improve shareholder returns to reach a total return ratio of at least 50%, by continuing to enhance dividends and engaging in acquisitions of treasury stock on a flexible, ongoing basis.

In accordance with the above policy, as announced in February 2026 (forecast), the Company decided to pay out interim cash dividends of 181.50 yen per share for fiscal year 2026, an increase of 12 yen per share from the same period of the previous year. In addition, the year-end cash dividends will also be 181.50 yen per share, resulting in the cash dividends forecast for the full year of fiscal year 2026 amounting to 363 yen per share.

2. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	FY2025 As of Dec. 31, 2025	First half of FY2026 As of Jun. 30, 2026
Assets		
Current assets		
Cash and time deposits	477,324	463,717
Notes and accounts receivable - trade	38,460	45,673
Merchandise and finished goods	83,669	88,559
Work in process	40,999	40,672
Raw materials and supplies	7,328	7,721
Others	18,837	14,779
Allowance for doubtful accounts	(501)	(469)
Total current assets	666,119	660,654
Fixed assets		
Property, plant and equipment		
Buildings and structures (net)	97,623	127,853
Machinery and vehicles (net)	31,587	33,250
Land	15,815	17,162
Leased assets (net)	6,040	5,967
Construction in progress	43,940	19,113
Others (net)	6,133	7,119
Total property, plant and equipment	201,141	210,467
Intangible assets		
Goodwill	1,455	1,302
Software	18,091	16,368
Others	9,775	13,383
Total intangible assets	29,323	31,053
Investments and other assets		
Investment securities	29,348	36,166
Deferred income taxes	4,618	3,551
Net defined benefit asset	5,550	5,376
Others	2,627	2,481
Allowance for doubtful accounts	(478)	(509)
Total investments and other assets	41,665	47,067
Total fixed assets	272,130	288,588
Total assets	938,250	949,242

(Millions of yen)

	FY2025 As of Dec. 31, 2025	First half of FY2026 As of Jun. 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	16,774	18,910
Income taxes payable	9,161	7,335
Accrued employee bonuses	3,479	2,954
Accrued officer bonuses	144	82
Provision for product warranties	3,317	1,113
Others	26,039	32,685
Total current liabilities	58,917	63,082
Long-term liabilities		
Deferred income taxes	2,449	3,529
Net defined benefit liability	1,473	1,501
Provision for product warranties	2,555	2,145
Others	3,352	3,317
Total long-term liabilities	9,830	10,493
Total liabilities	68,748	73,575
Net assets		
Shareholders’ equity		
Common stock	35,613	35,613
Capital surplus	5,324	5,325
Retained earnings	630,717	644,012
Treasury stock	(1,100)	(25,642)
Total shareholders’ equity	670,554	659,307
Accumulated other comprehensive income		
Unrealized gain (loss) on other securities	10,144	10,935
Foreign currency translation adjustments	187,557	203,871
Total accumulated other comprehensive income	197,702	214,806
Non-controlling interests	1,245	1,552
Total net assets	869,501	875,666
Total liabilities and net assets	938,250	949,242

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	First half of FY2025 Jan. 1, 2025 to Jun. 30, 2025	First half of FY2026 Jan. 1, 2026 to Jun. 30, 2026
Net sales	237,409	247,059
Cost of sales	150,772	158,511
Gross profit	86,636	88,547
Selling, general and administrative expenses	58,513	61,297
Operating income	28,123	27,249
Non-operating income		
Interest income	8,673	6,271
Dividend income	596	508
Foreign exchange gains	–	1,809
Others	573	1,069
Total non-operating income	9,842	9,659
Non-operating expenses		
Interest expenses	53	46
Contribution	601	453
Foreign exchange losses	21,690	–
Others	1,582	1,084
Total non-operating expenses	23,927	1,584
Ordinary income	14,038	35,324
Extraordinary income		
Gain on sales of investment securities	–	*1 3,143
Total extraordinary income	–	3,143
Extraordinary losses		
Loss on factory reconstruction	20	410
Total extraordinary losses	20	410
Income before income taxes	14,017	38,057
Income taxes-current	10,839	8,222
Income taxes-deferred	(803)	1,730
Total income taxes	10,036	9,952
Net income	3,981	28,105
Net income attributable to non-controlling interests	20	154
Net income attributable to owners of parent	3,961	27,950

Consolidated Statements of Comprehensive Income

(Millions of yen)

	First half of FY2025 Jan. 1, 2025 to Jun. 30, 2025	First half of FY2026 Jan. 1, 2026 to Jun. 30, 2026
Net income	3,981	28,105
Other comprehensive income		
Unrealized gain (loss) on other securities	722	790
Foreign currency translation adjustments	(17,649)	16,395
Total other comprehensive income	(16,927)	17,185
Comprehensive income	(12,945)	45,291
(Breakdown)		
Comprehensive income attributable to owners of parent	(12,917)	45,054
Comprehensive income attributable to non-controlling interests	(28)	236

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	First half of FY2025 Jan. 1, 2025 to Jun. 30, 2025	First half of FY2026 Jan. 1, 2026 to Jun. 30, 2026
Cash flows from operating activities:		
Income before income taxes	14,017	38,057
Depreciation and amortization	13,087	13,922
Loss on free inspection	623	2,574
Interest and dividend income	(9,269)	(6,780)
Interest expenses	53	46
Foreign exchange losses (gains)	19,957	(1,185)
Notes and accounts receivable	(7,141)	(6,433)
Inventories	(2,048)	(2,381)
Accounts payable	1,049	1,674
Loss (gain) on sales of investment securities	–	(3,092)
Net defined benefit asset	398	173
Net defined benefit liability	73	49
Loss on factory reconstruction	20	410
Provision for product warranties	280	(2,627)
Loss on sales and disposal of property, plant and equipment	23	226
Accrued bonuses	2,628	2,125
Others, net	(1,168)	8,608
Subtotal	32,585	45,368
Interest and dividend income received	10,043	7,017
Loss on free inspection paid	(541)	(2,603)
Interest expenses paid	(53)	(47)
Income taxes paid	(10,522)	(10,153)
Net cash provided by operating activities	31,512	39,581
Cash flows from investing activities:		
Purchases of time deposits	(2,363)	(1,064)
Proceeds from maturities of time deposits	1,108	1,250
Acquisition of property, plant and equipment	(20,636)	(18,057)
Acquisition of intangible assets	(4,328)	(4,814)
Payments for loss on factory reconstruction	(21)	(410)
Acquisition of investment securities	–	(6,741)
Proceeds from sales of investment securities	–	3,901
Others, net	(478)	310
Net cash used in investing activities	(26,720)	(25,625)

(Millions of yen)

	First half of FY2025 Jan. 1, 2025 to Jun. 30, 2025	First half of FY2026 Jan. 1, 2026 to Jun. 30, 2026
Cash flows from financing activities		
Repayments of lease obligations	(641)	(813)
Acquisition of treasury stock	(30,019)	(24,604)
Cash dividends to shareholders	(13,756)	(14,653)
Cash dividends to non-controlling shareholders	(151)	(16)
Others, net	65	63
Net cash used in financing activities	(44,503)	(40,025)
Effect of exchange rate changes on cash and cash equivalents	(31,854)	12,384
Net increase (decrease) in cash and cash equivalents	(71,566)	(13,684)
Cash and cash equivalents at beginning of year	530,310	472,800
Cash and cash equivalents at end of year	458,743	459,116

(4) Notes to Consolidated Financial Statements

(Note on Assumption of Going Concern)

Not applicable.

(Note on Significant Change in the Amount of Shareholders' Equity)

(Acquisition of treasury stock)

The Company acquired 1,478,000 shares of common stock from February 12, 2026 to June 30, 2026 through market purchases, including Off-auction Own Share Repurchase Trading (ToSTNeT-3) on the Tokyo Stock Exchange, based on the resolution of the Board of Directors meeting held on February 10, 2026. As a result, treasury stock increased by 24,604 million yen during the first half of fiscal year 2026, including the increase due to acquisition of fractional shares.

(Notes on Consolidated Statements of Income)

*1. Gain on sales of investment securities

First half of FY2026 (Jan. 1, 2026 – Jun. 30, 2026)

Gain on sales of investment securities was recorded following the sale of some investment securities (two listed stocks) held by the Shimano Group.

2. (Application of the "Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules, etc.")

The Group has applied Paragraph 7 of the "Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules, etc." (ASBJ Practical Solution No. 46, March 22, 2024), and has not recorded income taxes related to the global minimum tax amount for the fiscal year under review, including the first half of fiscal year 2026.

(Note on Segment Information)

First half of FY2025 (Jan. 1, 2025 – Jun. 30, 2025)

Information on net sales and income (loss) by reportable segment and disaggregation of revenue

(Millions of yen)

	Reportable Segment				Adjustment	Consolidated statements of income
	Bicycle Components	Fishing Tackle	Others	Total		
Net sales						
Goods to be transferred at a point in time	181,424	55,751	233	237,409	–	237,409
Goods to be transferred over a period of time	–	–	–	–	–	–
Revenue from contracts with customers	181,424	55,751	233	237,409	–	237,409
Third parties	181,424	55,751	233	237,409	–	237,409
Inter-segment	–	–	–	–	–	–
Total	181,424	55,751	233	237,409	–	237,409
Segment income (loss)	23,631	4,493	(1)	28,123	–	28,123

Notes: 1. There is no difference between total segment income (loss) and operating income in the consolidated statements of income.

2. Net sales includes revenue from contracts with customers and other revenue; however, most of the revenue is generated from contracts with customers, therefore other revenue is not deemed important and is thus not displayed separately.

First half of FY2026 (Jan. 1, 2026 – Jun. 30, 2026)

Information on net sales and income (loss) by reportable segment and disaggregation of revenue

(Millions of yen)

	Reportable Segment				Adjustment	Consolidated statements of income
	Bicycle Components	Fishing Tackle	Others	Total		
Net sales						
Goods to be transferred at a point in time	181,379	65,466	213	247,059	–	247,059
Goods to be transferred over a period of time	–	–	–	–	–	–
Revenue from contracts with customers	181,379	65,466	213	247,059	–	247,059
Third parties	181,379	65,466	213	247,059	–	247,059
Inter-segment	–	–	–	–	–	–
Total	181,379	65,466	213	247,059	–	247,059
Segment income (loss)	20,064	7,179	6	27,249	–	27,249

Notes: 1. There is no difference between total segment income (loss) and operating income in the consolidated statements of income.

2. Net sales includes revenue from contracts with customers and other revenue; however, most of the revenue is generated from contracts with customers, therefore other revenue is not deemed important and is thus not displayed separately.