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Summary of Consolidated Financial Results for the Third Quarter of FY2008 (Unaudited)

(January 1, 2008 - September 30, 2008)

November 4, 2008

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1. Financial Results for the Third Quarter of FY2008 (January 1, 2008 - September 30, 2008)

(1) Consolidated income statement summary (All of the amounts in this report are rounded down to the nearest million yen.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Third Quarter of FY2008	170,602	12.2	28,032	27.2	27,876	23.7	18,644	17.8
Third Quarter of FY2007	152,070	24.5	22,031	58.8	22,529	64.4	15,829	61.0
FY2007	211,767		31,336		30,263		19,894	

	Net income per share (Basic)	Net income per share (Diluted)
	Yen	Yen
Third Quarter of FY2008	194.30	-
Third Quarter of FY2007	163.53	-
FY2007	205.96	-

(2) Consolidated balance sheet summary

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Third Quarter of FY2008	208,353	178,234	85.2	1,850.48
Third Quarter of FY2007	191,840	163,511	84.8	1,694.72
FY2007	205,183	167,260	81.1	1,733.30

(3) Consolidated cash flow statement summary

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Third Quarter of FY2008	15,925	(17,574)	(7,011)	43,539
Third Quarter of FY2007	21,515	(6,583)	(8,449)	42,787
FY2007	29,369	(9,908)	(3,107)	52,691

2. Dividend Summary

	Dividend per Share		
	Interim	Year-end	Total
	Yen	Yen	Yen
FY2007	20.50	20.50	41.00
FY2008	30.50		61.00
FY2008 (forecast)		30.50	

Note) The Company has not declared dividends with a third quarter date of record.
There has been no change to the forecasted dividend announced on August 12, 2008.

3. Forecast of Financial Performance for FY2008 (January 1, 2008 - December 31, 2008)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2008	233,000	10.0	37,000	18.1	36,500	20.6	24,500	23.2	255.46

Note) There has been no change to the forecasted financial performance announced on August 12, 2008.

4. Others

(1) Change in specified subsidiaries due to change in scope of consolidation: None

No company was newly included. No company was excluded.

(2) Adoption of the simplified method: Yes

(3) Change in accounting method from the most recent consolidated financial year: None

Note) For details, please see "4. Others" of "Qualitative Information and Financial Statements" on page 4.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to differ materially from those anticipated in these statements. These factors include changes in economic conditions, trends in major markets, or currency exchange rates. Shimano Inc. accepts no liability whatsoever for any direct or consequential loss arising from any use of this report.

Qualitative Information and Financial Statements

1. Consolidated Results of Operations

During the third quarter of the fiscal year ending December 31, 2008, consolidated net sales amounted to 170,602 million yen, a 12.2% increase compared with the figure for the same period of the previous year, ordinary income was 27,876 million yen, a rise of 23.7%, and net income was 18,644 million yen, 17.8% higher.

Segment Overview

Bicycle Components

In the midst of economic turmoil triggered by the worldwide financial crisis, we strove to offer a wide range of products to meet diverse customer needs. "SLX," a new series for mountain bikes, was well received for its innovative design. Regarding components for road bikes, the "ULTEGRA" and "105" series for road racers and the "TIAGRA" and "SORA" series continued to contribute to increased sales.

As a result, sales for this segment soared 19.2% compared with the same period of the previous year to 133,498 million yen and operating income jumped 33.1% to 25,550 million yen.

Fishing Tackle

In the Japanese market, sales increased compared with the same period of the previous year, centering on the "STELLA SW," the saltwater version of the flagship "STELLA" lines of spinning reels, the "Tankenmaru CV" personal fish detector monitor terminal completely redesigned for the first time in four years, flotation vests that inflate automatically, and fishing footwear.

In overseas markets, however, sales were lower than for the same period of the previous year because of a decline in consumer confidence as a result of the rapid slowdown of the U.S. economy.

As a result, sales for this segment were 34,773 million yen, down 7.1% compared with the same period of the previous year, and operating income was 2,505 million yen, a decrease of 12.8%.

Others

Sales for other businesses were 2,330 million yen, a decrease of 10.4% compared with the same period of the previous year, and the operating loss was 24 million yen, compared with an operating loss of 35 million yen recorded in the same period of the previous year.

2. Consolidated Financial Position

Financial Position

Total assets at the end of the third quarter of fiscal 2008 were 208,353 million yen, an increase of 16,512 million yen compared with the figure at the end of the same period of the previous year, primarily due to a 7,400 million yen increase in inventories. Total liabilities were 30,118 million yen, an increase of 1,789 million yen compared with the figure at the end of the same period of the previous year, and net assets amounted to 178,234 million yen.

Cash Flows

Net cash provided by operating activities amounted to 15,925 million yen compared with net cash provided by operating activities of 21,515 million yen for the same period of the previous year. Cash was mainly provided by net income before income taxes and minority interest amounting to 27,876 million yen and depreciation and amortization amounting to 6,998 million yen. Cash was mainly used for income tax payments amounting to 11,940 million yen and an increase in inventories of 9,342 million yen.

Net cash used in investing activities was 17,574 million yen, as compared to net cash used in investing activities of 6,583 million yen in the same period of the previous year. Cash was mainly used for purchases of investment securities of 9,268 million yen and acquisitions of property, plant and equipment and intangible assets amounting to 7,031 million yen.

Net cash used in financing activities amounted to 7,011 million yen, as compared to net cash used in financing activities of 8,449 million yen in the same period of the previous year. Cash was mainly used for cash dividends to shareholders of 4,892 million yen.

As a result, cash and cash equivalents at the end of the period were 43,539 million yen.

3. Forecasts for the Fiscal Year ending December 2008

There has been no change to the forecasted company financial performance announced on August 12, 2008. However, changes have been made to sales forecasts by segment. Forecasted sales of bicycles for the full year have been increased by 3,000 million yen and forecasted sales of fishing tackle have been decreased by the same amount. As a result, the fiscal 2008 sales forecast for bicycles and fishing tackle is now 183,000 million yen and 47,000 million yen, respectively.

4. Others

(1) Change in specified subsidiaries due to change in scope of consolidation:

None

(2) Adoption of the simplified method:

The simplified method was used to record the liability for employees' retirement benefits.

(3) Change in accounting method from the most recent consolidated financial year:

None

Consolidated Balance Sheets

(Millions of yen)

Accounts	Periods	Third quarter of FY2007	Third quarter of FY2008	Difference		FY2007
		As of Sep. 30, 2007	As of Sep. 30, 2008			As of Dec. 31, 2007
		Amount	Amount	Amount	Ratio	Amount
(Assets)					%	
Current assets						
1 Cash and time deposits		45,944	45,977	33		55,851
2 Notes and accounts receivable-trade		27,350	25,733	(1,616)		31,030
3 Inventories		42,067	49,467	7,400		40,184
4 Deferred income taxes		2,818	2,157	(660)		5,122
5 Others		3,176	5,293	2,117		2,202
6 Allowance for doubtful receivables		(402)	(404)	(1)		(439)
Total current assets		120,953	128,227	7,273	6.0	133,953
Fixed assets						
1 Property, plant and equipment						
1) Buildings and structures		18,518	18,467	(50)		18,548
2) Machinery and vehicles		10,550	11,025	474		10,772
3) Land		11,594	11,619	24		11,563
4) Construction in progress		652	1,115	462		846
5) Others		3,968	4,255	287		4,054
Total property, plant and equipment		45,284	46,483	1,198	2.6	45,785
2 Intangible assets						
1) Goodwill		245	1,032	786		572
2) Software		6,649	5,349	(1,300)		6,458
3) Construction in progress		8	255	247		36
4) Others		491	551	59		521
Total intangible assets		7,394	7,188	(206)	(2.8)	7,590
3 Investments and other assets						
1) Investment securities		14,408	21,115	6,707		14,666
2) Long-term loans receivable		203	45	(158)		118
3) Deferred income taxes		1,712	2,388	675		1,293
4) Others		2,529	3,522	992		2,408
5) Allowance for doubtful receivables		(645)	(616)	29		(632)
Total investments and other assets		18,207	26,454	8,246	45.3	17,854
Total fixed assets		70,887	80,126	9,239	13.0	71,230
Total assets		191,840	208,353	16,512	8.6	205,183

(Millions of yen)

Accounts \ Periods	Third quarter of FY2007	Third quarter of FY2008	Difference		FY2007
	As of Sep. 30, 2007	As of Sep. 30, 2008			As of Dec. 31, 2007
	Amount	Amount	Amount	Ratio	Amount
(Liabilities)					
Current liabilities					
1 Notes and accounts payable-trade	9,138	9,714	575		8,956
2 Short-term loans payable	72	1,621	1,549		3,495
3 Income taxes payable	4,212	2,413	(1,798)		8,443
4 Deferred income taxes	793	733	(60)		796
5 Accrued bonuses to employees	1,321	1,567	246		853
6 Accrued bonuses to officers	81	99	17		128
7 Others	10,150	9,232	(917)		10,584
Total current liabilities	25,769	25,381	(388)	(1.5)	33,259
Long-term liabilities					
1 Long-term debt	-	2,060	2,060		2,098
2 Deferred income taxes	-	12	12		2
3 Employees' retirement benefits	1,516	1,481	(35)		1,489
4 Officers' retirement benefits	1,042	1,120	78		1,062
5 Others	-	61	61		10
Total long-term liabilities	2,559	4,736	2,177	85.1	4,663
Total liabilities	28,329	30,118	1,789	6.3	37,922
(Net assets)					
Shareholders' equity					
1 Common stock	35,613	35,613	-		35,613
2 Capital surplus	5,822	5,822	0		5,822
3 Retained earnings	118,609	130,498	11,889		116,748
4 Treasury stock	(5,937)	(389)	5,547		(96)
Total shareholders' equity	154,108	171,545	17,436	11.3	158,088
Valuation and translation adjustments					
1 Unrealized gain (loss) on other securities	1,974	(89)	(2,064)		1,641
2 Foreign currency translation adjustments	6,561	6,017	(544)		6,615
Total valuation and translation adjustments	8,536	5,927	(2,608)	(30.6)	8,257
Minority interest	866	761	(105)	(12.1)	914
Total net assets	163,511	178,234	14,723	9.0	167,260
Total liabilities and net assets	191,840	208,353	16,512	8.6	205,183

Consolidated Statements of Income

(Millions of yen)

Accounts	Periods	Third quarter of FY2007	Third quarter of FY2008	Difference		FY2007
		Jan. 1, 2007 to Sep. 30, 2007	Jan. 1, 2008 to Sep. 30, 2008			Jan. 1, 2007 to Dec. 31, 2007
		Amount	Amount	Amount	Ratio	Amount
					%	
Net sales		152,070	170,602	18,531	12.2	211,767
Cost of sales		99,248	109,921	10,672	10.8	138,738
Gross profit		52,821	60,680	7,859	14.9	73,028
Selling, general and administrative expenses		30,789	32,648	1,859	6.0	41,691
Operating income		22,031	28,032	6,000	27.2	31,336
Non-operating income		2,114	1,838	(276)	(13.1)	2,432
1 Interest and dividend income		1,548	1,261	(286)		2,000
2 Others		566	576	10		432
Non-operating expenses		1,617	1,993	376	23.3	3,505
1 Interest expense		416	398	(17)		537
2 Others		1,201	1,594	393		2,968
Ordinary income		22,529	27,876	5,347	23.7	30,263
Extraordinary gains		373	-	(373)	(100.0)	638
1 Gain on sales of investment securities		373	-	(373)		638
Net income before income taxes and minority interest		22,902	27,876	4,974	21.7	30,901
Income tax-current		7,777	6,152	(1,624)	(20.9)	13,357
Income tax-deferred		(828)	3,014	3,842	464.0	(2,543)
Minority interest in net income (loss)		123	65	(58)	(47.0)	194
Net income		15,829	18,644	2,814	17.8	19,894

Consolidated Statements of Shareholders' Equity

Third quarter of FY2007 (January 1, 2007 to September 30, 2007)

(Millions of yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of December 31, 2006	35,613	5,822	106,463	(2,125)	145,773
Changes of items during the period					
Distribution of surplus			(3,683)		(3,683)
Net income			15,829		15,829
Acquisition of treasury stock				(3,812)	(3,812)
Retirement of treasury stock		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	0	12,146	(3,811)	8,335
Balance as of September 30, 2007	35,613	5,822	118,609	(5,937)	154,108

	Valuation and translation adjustments			Minority interest	Total Net assets
	Unrealized gain (loss) on other securities	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance as of December 31, 2006	5,224	5,205	10,429	769	156,972
Changes of items during the period					
Distribution of surplus			-		(3,683)
Net income			-		15,829
Acquisition of treasury stock			-		(3,812)
Retirement of treasury stock			-		0
Net changes of items other than shareholders' equity	(3,250)	1,356	(1,893)	97	(1,796)
Total changes of items during the period	(3,250)	1,356	(1,893)	97	6,538
Balance as of September 30, 2007	1,974	6,561	8,536	866	163,511

Third quarter of FY2008 (January 1, 2008 to September 30, 2008)

(Millions of yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of December 31, 2007	35,613	5,822	116,748	(96)	158,088
Changes of items during the period					
Distribution of surplus			(4,894)		(4,894)
Net income			18,644		18,644
Acquisition of treasury stock				(294)	(294)
Retirement of treasury stock		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	0	13,749	(293)	13,456
Balance as of September 30, 2008	35,613	5,822	130,498	(389)	171,545

