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Summary of Consolidated Financial Results for the First Quarter of FY2007 (Unaudited)

(January 1, 2007 - March 31, 2007)

May.8, 2007

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1. Notes on Preparation of the Quarterly Financial Results

(1) Adoption of the simplified method: Yes

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

(2) Changes in accounting method from the most recent consolidated financial year: None

(3) Changes in the scopes of consolidation and the application of the equity method: None

2. Financial Results for the First Quarter of FY2007 (January 1, 2007 - March 31, 2007)

(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	
	Million yen	%	Million yen	%	Million yen	%
First Quarter of FY2007	47,947	21.4	6,824	28.7	7,107	47.2
First Quarter of FY2006	39,496	(7.1)	5,301	(25.8)	4,827	(34.8)
FY2006	170,303		20,907		20,963	

	Net income		Net income per share (Basic)		Net income per share (Diluted)	
	Million yen	%	Yen	Yen	Yen	Yen
First Quarter of FY2007	4,664	29.4	48.09	-	-	-
First Quarter of FY2006	3,605	(25.3)	35.10	-	-	-
FY2006	13,773		137.39	-	-	-

Note) The percentages of net sales, operating income, ordinary income and net income represent an increase (decrease) from the corresponding period of the previous year.

Consolidated operating results for the first quarter ending March 31, 2007

In the first quarter under review, consolidated net sales increased 21.4% from the same period of the previous year, to 47,947 million yen, consolidated ordinary income increased 47.2% from the same period of the previous year, to 7,107 million yen, and net income increased 29.4%, to 4,664 million yen.

Results by industrial segments were as follows:

Bicycle components segment

Sales of this segment steadily expanded centering on mid-end series of mountain bike components and assisted by the warm winter weather worldwide. Besides, the series of internal hub-gear for comfort bike was well received in the European market and contributed to increased sales in this segment. As a result, sales for this segment increased 21.1% from the same period of the previous year, to 35,506 million yen, and operating income increased 23.9% to 6,416 million yen.

Fishing tackle segment

Domestic sales increased favorably due to good weather in winter and introduction of new products, such as high-end spinning reel "STELLA". In overseas markets, particularly in the European and Asian markets, sales were upbeat, which was similar to the previous year. As a result, sales for this segment increased 23.0% from the same period of the previous year, to 11,581 million yen, and operating income increased 274.2% to 441 million yen.

Others

In cold forged products operations, sales steadily increased thanks to brisk order-taking from customers in the automotive industry. As a result, sales for this segment increased 12.0% from the same period of the previous year, to 859 million yen, and operating loss was 33 million yen.

(2) Consolidated balance sheet summary

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
First Quarter of FY2007	188,114	161,687	85.5	1,658.61
First Quarter of FY2006	190,828	165,528	86.7	1,611.51
FY2006	180,273	156,972	86.6	1,610.51

(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 the period
	Million yen	Million yen	Million yen	Million yen
First Quarter of FY2007	2,859	(2,336)	(491)	36,860
First Quarter of FY2006	1,873	(2,143)	(671)	47,542
FY2006	15,513	(6,105)	(23,862)	36,057

Qualitative information concerning consolidated financial position

Financial Position

Total assets at the end of the first quarter of fiscal 2007 were 188,114 million yen, having decreased 2,714 million yen from the same period of the previous year, due to a 5,294 million yen decrease in investment securities.

Total liabilities were 26,426 million yen, having increased 1,665 million yen from the same period of the previous year, and net assets amounted to 161,687 million yen.

Cash Flows

Net cash provided by operating activities amounted to 2,859 million yen, whereas net cash provided by operating activities amounted to 1,873 million yen in the same period of the previous year. This was mainly attributable to net income before income taxes and minority interest amounting to 7,481 million yen and depreciation and amortization amounting to 1,902 million yen.

Net cash used in investing activities was 2,336 million yen, whereas net cash used in investing activities amounted to 2,143 million yen in the same period of the previous year. Cash was mainly used for acquisition of property, plant and equipment and intangible assets amounting to 2,517 million yen. Net cash used in financing activities amounted to 491 million yen, whereas net cash used in financing activities amounted to 671 million yen in the same period of the previous year. Cash was mainly used for cash dividends to shareholders amounting to 1,697 million yen.

As a result, cash and cash equivalents at the end of the period were 36,860 million yen.

(For Reference)

Non-consolidated financial results for the first quarter of FY2007 (January 1, 2007 - March 31, 2007)

	Net sales	Operating income	Ordinary income
	Million yen	Million yen	Million yen
First Quarter of FY2007	38,830	3,105	10,249
First Quarter of FY2006	32,937	1,566	2,494

	Net income	Total assets	Net assets
	Million yen	Million yen	Million yen
First Quarter of FY2007	8,585	108,026	72,631
First Quarter of FY2006	2,033	102,851	84,683

3. Forecast of consolidated financial performance for FY2007 (January 1, 2007 - December 31, 2007)

	Net sales	Ordinary income	Net income	Net income per share
	Million yen	Million yen	Million yen	Yen
First half of FY2007	94,700	13,500	9,500	97.95
FY2007	184,000	27,000	18,700	192.81

(For Reference)

Forecast of non-consolidated financial performance for FY2007 (January 1, 2007 - December 31, 2007)

	Net sales	Ordinary income	Net income	Net income per share
	Million yen	Million yen	Million yen	Yen
First half of FY2007	72,000	12,500	10,500	108.26
FY2007	146,300	19,300	14,500	149.50

Note) 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.

Consolidated Balance Sheets

(Millions of yen)

Accounts	Periods	First quarter of FY2006	First quarter of FY2007	Difference		FY2006
		As of Mar. 31, 2006	As of Mar. 31, 2007	Amount	Ratio	As of Dec. 31, 2006
		Amount	Amount	Amount	Ratio	Amount
(Assets)					%	
Current assets						
1	Cash and time deposits	¥54,307	¥40,124	(14,182)		¥38,834
2	Notes and accounts receivable-trade	25,941	29,209	3,267		26,433
3	Inventories	32,081	39,792	7,711		36,788
4	Deferred income taxes	1,839	2,572	733		2,010
5	Others	2,233	3,057	823		2,423
6	Allowance for doubtful receivables	(321)	(327)	(5)		(331)
	Total current assets	116,081	114,429	(1,651)	(1.4)	106,158
Fixed assets						
1	Property, plant and equipment					
1)	Buildings and structures	18,002	18,145	142		18,209
2)	Machinery and vehicles	9,907	10,159	251		10,279
3)	Land	11,619	11,622	3		11,596
4)	Construction in progress	1,074	2,027	953		1,607
5)	Others	3,147	3,430	283		3,294
	Total property, plant and equipment	43,752	45,386	1,634	3.7	44,986
2	Intangible assets					
1)	Software	1,922	4,253	2,331		4,352
2)	Construction in progress	2,461	2,765	303		2,094
3)	Others	913	792	(121)		811
	Total intangible assets	5,298	7,812	2,513	47.4	7,257
3	Investments and other assets					
1)	Investment securities	23,897	18,603	(5,294)		19,957
2)	Long-term loans receivable	56	3	(53)		3
3)	Deferred income taxes	102	88	(13)		88
4)	Others	2,113	2,260	147		2,307
5)	Allowance for doubtful receivables	(472)	(469)	2		(486)
	Total investments and other assets	25,697	20,486	(5,211)	(20.3)	21,870
	Total fixed assets	74,747	73,684	(1,062)	(1.4)	74,115
	Total assets	¥190,828	¥188,114	(2,714)	(1.4)	¥180,273

(Millions of yen)

Accounts	Periods	First quarter of FY2006	First quarter of FY2007	Difference		FY2006
		As of Mar. 31, 2006	As of Mar. 31, 2007	Amount	Ratio	As of Dec. 31, 2006
		Amount	Amount	Amount	Ratio	Amount
(Liabilities)						
Current liabilities						
1	Notes and accounts payable-trade	¥5,772	¥7,304	1,531		¥7,434
2	Short-term loans payable	2,298	2,172	(125)		952
3	Income taxes payable	2,331	3,185	853		2,056
4	Deferred income taxes	455	649	193		725
5	Accrued bonuses to employees	1,116	1,091	(25)		841
6	Accrued bonuses to officers	-	27	27		107
7	Others	7,997	9,526	1,529		8,171
	Total current liabilities	19,972	23,956	3,983	19.9	20,290
Long-term liabilities						
1	Deferred income taxes	2,354	320	(2,033)		761
2	Employees' retirement benefits	1,584	1,120	(463)		1,265
3	Officers' retirement benefits	849	1,028	178		983
	Total long-term liabilities	4,788	2,469	(2,318)	(48.4)	3,010
	Total liabilities	24,760	26,426	1,665	6.7	23,300
(Minority interest)						
		538	-	-	-	-
(Shareholders' equity)						
	Common stock	35,613	-	-	-	-
	Capital surplus	15,455	-	-	-	-
	Retained earnings	106,387	-	-	-	-
	Unrealized gain (loss) on other securities	7,531	-	-	-	-
	Foreign currency translation adjustments	800	-	-	-	-
	Treasury stock	(259)	-	-	-	-
	Total shareholders' equity	165,528	-	-	-	-
Total liabilities and shareholders' equity						
		¥190,828	-	-	-	-

Consolidated Balance Sheets

(Millions of yen)

Accounts \ Periods	First quarter of FY2006	First quarter of FY2007	Difference		FY2006
	As of Mar. 31, 2006	As of Mar. 31, 2007			As of Dec. 31, 2006
	Amount	Amount	Amount	Ratio	Amount
(Net assets)					
Shareholders' equity					
1 Common stock	-	¥35,613	-		¥35,613
2 Capital surplus	-	5,822	-		5,822
3 Retained earnings	-	109,430	-		106,463
4 Treasury stock	-	(2,129)	-		(2,125)
Total shareholders' equity	-	148,736	-	-	145,773
Valuation and translation adjustments					
1 Unrealized gain (loss) on other securities	-	4,515	-		5,224
2 Foreign currency translation adjustments	-	7,614	-		5,205
Total valuation and translation adjustments	-	12,130	-	-	10,429
Minority interest	-	820	-	-	769
Total net assets	-	161,687	-	-	156,972
Total liabilities and net assets	-	¥188,114	-	-	¥180,273

Consolidated Statements of Shareholders' Equity

January 1, 2007 to March 31, 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			(1,697)		(1,697)
Net income			4,664		4,664
Acquisition of treasury stock				(4)	(4)
Retirement of treasury stock		0		0	0
Total changes of items during the period	-	0	2,967	(3)	2,963
Balance as of March 31, 2007	¥35,613	¥5,822	¥109,430	(¥2,129)	¥148,736

	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					(1,697)
Net income					4,664
Acquisition of treasury stock					(4)
Retirement of treasury stock					0
Net changes of items other than shareholders' equity	(708)	2,408	1,700	51	1,751
Total changes of items during the period	(708)	2,408	1,700	51	4,715
Balance as of March 31, 2007	¥4,515	¥7,614	¥12,130	¥820	¥161,687

(For Reference) Consolidated Statements of Shareholders' Equity

January 1, 2006 to December 31, 2006

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of December 31, 2005	¥35,613	¥15,455	¥104,481	(¥255)	¥155,293
Changes of items during the year					
Distribution of surplus (Note 1)			(3,342)		(3,342)
Net income			13,773		13,773
Bonuses to officers (Note 2)			(107)		(107)
Acquisition of treasury stock				(20,003)	(20,003)
Retirement of treasury stock		(9,632)	(8,500)	18,133	0
Inclusion of newly consolidated subsidiaries			159		159
Net changes of items other than shareholders' equity					-
Total changes of items during the year	-	(9,632)	1,981	(1,869)	(9,520)
Balance as of December 31, 2006	¥35,613	¥5,822	¥106,463	(¥2,125)	¥145,773

	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, 2005	¥4,905	¥874	¥5,780	¥540	¥161,614
Changes of items during the year					
Distribution of surplus (Note 1)			-		(3,342)
Net income			-		13,773
Bonuses to officers (Note 2)			-		(107)
Acquisition of treasury stock			-		(20,003)
Retirement of treasury stock			-		0
Inclusion of newly consolidated subsidiaries			-		159
Net changes of items other than shareholders' equity	318	4,330	4,649	229	4,878
Total changes of items during the year	318	4,330	4,649	229	(4,641)
Balance as of December 31, 2006	¥5,224	¥5,205	¥10,429	¥769	¥156,972

Notes :

1. Of this amount, 1,592 million yen corresponds to an appropriation of retained earnings approved at the General Meeting of Shareholders held in March 2006.
2. It is an item of appropriation of retained earnings approved at the General Meeting of Shareholders held in March 2006.

Consolidated Statements of Cash Flows

(Millions of yen)

Accounts	Periods	First quarter of FY2006	First quarter of FY2007	FY2006
		Jan. 1, 2006 to Mar. 31, 2006	Jan. 1, 2007 to Mar. 31, 2007	Jan. 1, 2006 to Dec. 31, 2006
		Amount	Amount	Amount
Cash flows from operating activities:				
Income before income taxes and minority interest		¥5,053	¥7,481	¥19,746
Depreciation and amortization		1,890	1,902	7,650
Loss on impairment		-	-	385
Allowance for doubtful receivables		11	(27)	9
Employees' retirement benefits		(335)	(145)	(665)
Officers' retirement benefits		(21)	44	112
Loss (gain) on sales/revaluation of investment securities		(224)	(385)	(219)
Loss on revaluation of golf membership		-	-	0
Interest and dividend income		(414)	(547)	(1,719)
Interest expense		85	107	214
Gain on sale/disposal of fixed assets		20	20	54
Notes and accounts receivable		834	(2,546)	884
Inventories		(351)	(2,527)	(3,712)
Notes and accounts payable		(1,103)	(251)	288
Accrued sales rebates		(302)	(282)	(87)
Accrued bonuses to officers		(107)	-	(107)
Others, net		(1,249)	1,971	(1,864)
Subtotal		3,785	4,813	20,970
Interest and dividend income received		357	455	1,643
Interest expense paid		(92)	(112)	(215)
Income taxes paid		(2,176)	(2,296)	(6,884)
Net cash provided by operating activities		1,873	2,859	15,513
Cash flows from investing activities:				
Purchase of time deposits		(6,764)	(3,264)	(2,777)
Proceeds from maturities of time deposits		6,618	2,852	6,825
Acquisition of property, plant and equipment		(1,659)	(1,614)	(6,631)
Acquisition of intangible assets		(737)	(903)	(3,736)
Acquisition of investment securities		(9)	(16)	(10)
Proceeds from sales of investment securities		366	558	407
Proceeds from collections of loans		14	3	43
Others, net		28	47	(226)
Net cash provided by (used in) investing activities		(2,143)	(2,336)	(6,105)
Cash flows from financing activities:				
Increase (Decrease) in short-term bank loans		1,621	1,217	221
Decrease in long term debt		(697)	(7)	(704)
Acquisition of treasury stock		(3)	(4)	(20,003)
Gain on sales of treasury stock		0	0	0
Cash dividends to shareholders		(1,592)	(1,697)	(3,376)
Net cash used in financing activities		(671)	(491)	(23,862)
Effect of exchange rate changes on cash and cash equivalents		467	770	2,424
Net increase (decrease) in cash and cash equivalents		(472)	803	(12,029)
Cash and cash equivalents at beginning of the period/year		48,015	36,057	48,015
Effect from initial inclusion (exclusion) of subsidiaries in (from) consolidation		-	-	72
Cash and cash equivalents at end of the period/year		¥47,542	¥36,860	¥36,057

Segment Information

(1) Segment by Industry

First quarter of FY2006 (Jan. 1, 2006 - Mar. 31, 2006)

(Millions of yen)

	Bicycle Components	Fishing Tackle	Others	Total	Corporate/ Elimination	Consolidated
Net sales						
1) third parties	29,310	9,417	767	39,496	(-)	39,496
2) inter-segment	-	-	-	-	(-)	-
Total	29,310	9,417	767	39,496	(-)	39,496
Operating expenses	24,131	9,299	763	34,194	(-)	34,194
Operating income (loss)	5,179	117	4	5,301	(-)	5,301

First quarter of FY2007 (Jan. 1, 2007 - Mar. 31, 2007)

(Millions of yen)

	Bicycle Components	Fishing Tackle	Others	Total	Corporate/ Elimination	Consolidated
Net sales						
1) third parties	35,506	11,581	859	47,947	(-)	47,947
2) inter-segment	-	-	-	-	(-)	-
Total	35,506	11,581	859	47,947	(-)	47,947
Operating expenses	29,089	11,139	893	41,122	(-)	41,122
Operating income (loss)	6,416	441	(33)	6,824	(-)	6,824

FY2006 (Jan. 1, 2006 - Dec. 31, 2006)

(Millions of yen)

	Bicycle Components	Fishing Tackle	Others	Total	Corporate/ Elimination	Consolidated
Net sales						
1) third parties	122,793	44,167	3,342	170,303	(-)	170,303
2) inter-segment	-	-	-	-	(-)	-
Total	122,793	44,167	3,342	170,303	(-)	170,303
Operating expenses	103,859	42,204	3,332	149,395	(-)	149,395
Operating income (loss)	18,934	1,963	9	20,907	(-)	20,907

Note: 1. Industrial segments are determined in the light of the intended use of the Company's product lines.

2. Representative products of each industrial segment:

Bicycle components - Freewheels, front gears, derailleurs and brakes, etc.

Fishing tackle - Reels and rods, etc.

Others - Cold forged products and snowboard equipment, etc.

(2) Segment by Geography

First quarter of FY2006 (Jan. 1, 2006 - Mar. 31, 2006)

(Millions of yen)

	Japan	North America	Europe	Asia	Total	Corporate/ Elimination	Consolidated
Net sales							
1) third parties	26,374	4,086	4,761	4,273	39,496	-	39,496
2) inter-segment	6,999	61	658	12,269	19,988	(19,988)	-
Total	33,373	4,148	5,420	16,543	59,485	(19,988)	39,496
Operating expenses	31,455	4,070	4,945	13,712	54,183	(19,988)	34,194
Operating income (loss)	1,918	77	475	2,830	5,301	-	5,301

First quarter of FY2007 (Jan. 1, 2007 - Mar. 31, 2007)

(Millions of yen)

	Japan	North America	Europe	Asia	Others	Total	Corporate/ Elimination	Consolidated
Net sales								
1) third parties	32,071	4,477	6,122	4,903	373	47,947	-	47,947
2) inter-segment	7,249	50	754	15,344	1	23,400	(23,400)	-
Total	39,321	4,528	6,877	20,247	374	71,348	(23,400)	47,947
Operating expenses	36,182	4,359	6,308	17,369	303	64,523	(23,400)	41,122
Operating income (loss)	3,138	168	569	2,878	70	6,824	-	6,824

FY2006 (Jan. 1, 2006 - Dec. 31, 2006)

(Millions of yen)

	Japan	North America	Europe	Asia	Others	Total	Corporate/ Elimination	Consolidated
Net sales								
1) third parties	113,096	20,468	22,448	13,189	1,101	170,303	-	170,303
2) inter-segment	25,793	257	2,176	46,340	6	74,575	(74,575)	-
Total	138,890	20,726	24,625	59,529	1,107	244,878	(74,575)	170,303
Operating expenses	128,304	19,595	23,386	51,721	963	223,971	(74,575)	149,395
Operating income (loss)	10,586	1,130	1,238	7,807	144	20,907	-	20,907

Note: 1. Countries and regions are classified according to geographical proximity.

2. Countries and regions outside Japan are classified into the following geographical areas:

North America - U.S.A. and Canada

Europe - Netherlands, Germany, United Kingdom, Italy, Belgium, France, Czech Republic

Sweden, Norway, Finland and Russia

Asia - Singapore, Malaysia, China, Taiwan and Indonesia

Others - Australia