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May 13, 2026

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)



Company name: Harmonic Drive Systems Inc.

Listing: Tokyo Stock Exchange

Securities code: 6324

URL: <https://www.hds.co.jp/>

Representative: Akira Maruyama

President and Representative Director

Inquiries: Tetsuya Shiokawa

Executive Officer

Telephone: +81-3-5471-7810

Scheduled date of annual general meeting of shareholders: June 19, 2026

Scheduled date to commence dividend payments: June 22, 2026

Scheduled date to file annual securities report: June 16, 2026

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2026	59,557	7.0	2,567	-	2,539	-	1,608	(53.7)
March 31, 2025	55,645	(0.3)	6	(94.4)	151	(73.5)	3,473	-

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥ 4,078 million [ 132.0%]  
For the fiscal year ended March 31, 2025: ¥ 1,757 million [ -%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	16.99	-	2.0	2.3	4.3
March 31, 2025	36.57	-	4.4	0.1	0.0

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2026: ¥ (35) million

For the fiscal year ended March 31, 2025: ¥ (38) million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	111,400	80,390	72.2	849.20
March 31, 2025	113,621	78,943	69.5	831.82

Reference: Equity

As of March 31, 2026: ¥ 80,390 million

As of March 31, 2025: ¥ 78,943 million

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	6,425	(4,941)	(5,874)	19,091
March 31, 2025	7,516	1,480	(5,874)	22,923

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	-	10.00	-	10.00	20.00	1,898	54.7	2.4
Fiscal year ended March 31, 2026	-	10.00	-	10.00	20.00	1,893	117.7	2.4
Fiscal year ending March 31, 2027 (Forecast)	-	10.00	-	10.00	20.00		42.1	

Note: Breakdown of the year-end dividend for the fiscal year ended March 31, 2026 :

Commemorative dividend	- yen
Special dividend	- yen

## 3. Consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2026	33,500	20.3	3,000	544.5	3,000	496.7	2,200	593.8	23.24
Full year	68,000	14.2	6,200	141.5	6,200	144.1	4,500	179.7	47.54

### \* Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None

### (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2026	96,315,400 shares
As of March 31, 2025	96,315,400 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2026	1,648,611 shares
As of March 31, 2025	1,411,891 shares

- (iii) Average number of shares outstanding during the period

Fiscal Year ended March 31, 2026	94,678,629 shares
Fiscal Year ended March 31, 2025	94,977,483 shares

**[Reference] Overview of non-consolidated financial results**

**1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2026	33,438	9.5	983	-	1,065	469.9	719	(82.8)
March 31, 2025	30,544	6.9	(187)	-	187	(91.8)	4,174	-

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended				
March 31, 2026	7.60		-	
March 31, 2025	43.96		-	

**(2) Non-consolidated financial position**

	Total assets		Net assets		Equity-to-asset ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of								
March 31, 2026	76,454		57,235		74.9		604.60	
March 31, 2025	82,217		59,269		72.1		624.52	

Reference: Equity

As of March 31, 2026: ¥ 57,235 million

As of March 31, 2025: ¥ 59,269 million

**2. Non-consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	
Six months ending										
September 30, 2026	20,300	29.9	1,800	619.2	3,500	-	2,900	-		30.63
Full year	40,800	22.0	3,400	245.9	4,800	350.3	3,800	428.2		40.14

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

\* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

\* Explanation of the proper use of financial results forecasts and other notes

- The financial results forecasts and other forward-looking statements contained herein are based on information currently available to the Company and certain assumptions deemed reasonable by the Company.

# Consolidated Financial Statements

## Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Assets</b>		
Current assets		
Cash and deposits	24,900,137	21,564,965
Notes receivable - trade	3,591,560	3,744,520
Accounts receivable - trade	9,544,240	11,566,549
Securities	52,789	117,474
Merchandise and finished goods	2,026,216	1,901,346
Work in process	4,115,787	4,300,440
Raw materials and supplies	6,362,096	6,203,864
Other	2,606,529	1,672,623
Allowance for doubtful accounts	(34,577)	(23,659)
Total current assets	53,164,779	51,048,125
Non-current assets		
Property, plant and equipment		
Buildings and structures	28,510,780	28,456,468
Accumulated depreciation	(10,186,796)	(11,289,848)
Buildings and structures, net	18,323,983	17,166,620
Machinery, equipment and vehicles	46,667,016	49,452,944
Accumulated depreciation	(32,860,078)	(36,739,078)
Machinery, equipment and vehicles, net	13,806,937	12,713,866
Tools, furniture and fixtures	10,764,487	11,352,274
Accumulated depreciation	(9,293,132)	(9,976,440)
Tools, furniture and fixtures, net	1,471,354	1,375,834
Land	3,600,017	4,710,202
Leased assets	7,975,038	8,603,146
Accumulated depreciation	(3,491,221)	(4,416,209)
Leased assets, net	4,483,816	4,186,936
Construction in progress	4,191,123	5,048,868
Other	978,424	1,021,975
Accumulated depreciation	(895,903)	(968,279)
Other, net	82,520	53,696
Total property, plant and equipment	45,959,753	45,256,024
Intangible assets		
Software	810,422	704,965
Customer related assets	8,856,669	9,187,037
Technical assets	2,365,486	2,453,723
Other	126,357	260,040
Total intangible assets	12,158,936	12,605,766
Investments and other assets		
Investment securities	409,931	390,443
Shares of subsidiaries and associates	20,228	174
Investments in capital of subsidiaries and associates	89,507	73,854
Long-term loans receivable from subsidiaries and associates	270,000	304,000
Retirement benefit asset	1,275,214	1,488,057
Deferred tax assets	165,301	97,574
Other	113,630	141,732

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Allowance for doubtful accounts	(5,600)	(5,600)
Total investments and other assets	2,338,213	2,490,237
Total non-current assets	60,456,902	60,352,028
Total assets	113,621,682	111,400,153

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,184,623	2,393,863
Contract liabilities	136,988	211,510
Short-term borrowings	2,701,653	2,204,202
Current portion of long-term borrowings	1,890,516	1,890,516
Lease liabilities	741,555	834,327
Income taxes payable	1,284,547	354,326
Provision for bonuses	1,030,221	1,173,062
Provision for bonuses for directors (and other officers)	84,564	84,926
Provision for loss on compensation for after-care of products	37,409	176,863
Other	2,804,621	2,950,022
Total current liabilities	13,896,702	12,273,622
Non-current liabilities		
Long-term borrowings	11,015,584	9,125,068
Lease liabilities	4,390,974	4,011,645
Deferred tax liabilities	3,715,935	3,969,344
Provision for retirement benefits for directors (and other officers)	26,400	30,740
Provision for operating officers' retirement benefits	126,374	159,549
Retirement benefit liability	954,909	986,328
Other	551,735	453,049
Total non-current liabilities	20,781,914	18,735,725
Total liabilities	34,678,616	31,009,347
Net assets		
Shareholders' equity		
Share capital	7,100,036	7,100,036
Capital surplus	22,786,269	22,753,025
Retained earnings	39,052,598	38,765,790
Treasury shares	(5,633,171)	(6,334,767)
Total shareholders' equity	63,305,732	62,284,084
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	146,568	23,421
Foreign currency translation adjustment	15,532,687	18,065,630
Remeasurements of defined benefit plans	(41,922)	17,669
Total accumulated other comprehensive income	15,637,333	18,106,721
Total net assets	78,943,066	80,390,805
Total liabilities and net assets	113,621,682	111,400,153

Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	55,645,940	59,557,877
Cost of sales	40,791,594	41,424,426
Gross profit	14,854,345	18,133,450
Selling, general and administrative expenses	14,847,351	15,565,807
Operating profit	6,993	2,567,642
Non-operating income		
Interest income	316,411	211,377
Dividend income	275,179	4,245
Purchase discounts	47,704	52,289
Gain on valuation of securities	13,707	53,609
Other	227,087	172,115
Total non-operating income	880,090	493,637
Non-operating expenses		
Interest expenses	224,478	259,610
Share of loss of entities accounted for using equity method	38,377	35,706
Foreign exchange losses	235,336	101,754
Rental expenses	91,501	71,450
Other	146,193	53,138
Total non-operating expenses	735,886	521,660
Ordinary profit	151,197	2,539,620
Extraordinary income		
Gain on sale of non-current assets	1,031	507,288
Gain on sale of investment securities	5,865,309	85,674
Subsidy income	2,000	10,451
Total extraordinary income	5,868,340	603,414
Extraordinary losses		
Loss on sale of non-current assets	3,842	5
Impairment losses	1,189,182	526,923
Loss on retirement of non-current assets	44,101	18,723
Loss on tax purpose reduction entry of non-current assets	2,000	10,451
Loss on valuation of inventories	-	293,364
Total extraordinary losses	1,239,126	849,467
Profit before income taxes	4,780,412	2,293,567
Income taxes - current	1,555,057	827,564
Income taxes - deferred	(248,184)	(142,892)
Total income taxes	1,306,872	684,671
Profit	3,473,539	1,608,895
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	3,473,539	1,608,895

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	3,473,539	1,608,895
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,110,287)	(123,146)
Foreign currency translation adjustment	2,604,757	2,532,942
Remeasurements of defined benefit plans, net of tax	(210,461)	59,592
Total other comprehensive income	(1,715,990)	2,469,388
Comprehensive income	1,757,549	4,078,283
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,757,549	4,078,283
Comprehensive income attributable to non-controlling interests	-	-

Consolidated Statement of Changes in Equity

For the fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,100,036	22,778,711	37,478,753	(5,309,159)	62,048,341
Changes during period					
Dividends of surplus			(1,899,694)		(1,899,694)
Profit attributable to owners of parent			3,473,539		3,473,539
Purchase of treasury shares				(390,586)	(390,586)
Restricted stock payment		7,558		66,573	74,132
Net changes in items other than shareholders' equity					
Total changes during period	-	7,558	1,573,844	(324,012)	1,257,391
Balance at end of period	7,100,036	22,786,269	39,052,598	(5,633,171)	63,305,732

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,256,856	12,927,929	168,538	17,353,323	-	79,401,665
Changes during period						
Dividends of surplus						(1,899,694)
Profit attributable to owners of parent						3,473,539
Purchase of treasury shares						(390,586)
Restricted stock payment						74,132
Net changes in items other than shareholders' equity	(4,110,287)	2,604,757	(210,461)	(1,715,990)	-	(1,715,990)
Total changes during period	(4,110,287)	2,604,757	(210,461)	(1,715,990)	-	(458,599)
Balance at end of period	146,568	15,532,687	(41,922)	15,637,333	-	78,943,066

For the fiscal year ended March 31, 2026

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,100,036	22,786,269	39,052,598	(5,633,171)	63,305,732
Changes during period					
Dividends of surplus			(1,895,703)		(1,895,703)
Profit attributable to owners of parent			1,608,895		1,608,895
Purchase of treasury shares				(809,712)	(809,712)
Restricted stock payment		(33,243)		108,116	74,872
Net changes in items other than shareholders' equity					
Total changes during period	-	(33,243)	(286,808)	(701,596)	(1,021,648)
Balance at end of period	7,100,036	22,753,025	38,765,790	(6,334,767)	62,284,084

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	146,568	15,532,687	(41,922)	15,637,333	-	78,943,066
Changes during period						
Dividends of surplus						(1,895,703)
Profit attributable to owners of parent						1,608,895
Purchase of treasury shares						(809,712)
Restricted stock payment						74,872
Net changes in items other than shareholders' equity	(123,146)	2,532,942	59,592	2,469,388	-	2,469,388
Total changes during period	(123,146)	2,532,942	59,592	2,469,388	-	1,447,739
Balance at end of period	23,421	18,065,630	17,669	18,106,721	-	80,390,805

## Consolidated Statement of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
<b>Cash flows from operating activities</b>		
Profit before income taxes	4,780,412	2,293,567
Depreciation	8,023,274	7,361,288
Impairment losses	1,189,182	526,923
Increase (decrease) in allowance for doubtful accounts	7,960	(12,596)
Increase (decrease) in retirement benefit liability	23,262	(117,437)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	14,400	4,340
Increase (decrease) in provision for operating officers' retirement benefits	21,625	33,174
Increase (decrease) in provision for bonuses for directors (and other officers)	15,214	(8,374)
Increase (decrease) in provision for loss on compensation for after-care of products	(112,035)	134,898
Interest income	(316,411)	(211,377)
Dividend income	(275,179)	(4,245)
Interest expenses	224,478	259,610
Share of loss (profit) of entities accounted for using equity method	38,377	35,706
Subsidy income	(2,000)	(10,451)
Loss (gain) on sale of investment securities	(5,865,309)	(85,674)
Loss (gain) on sale of non-current assets	2,811	(507,282)
Loss on retirement of non-current assets	44,101	18,723
Loss on tax purpose reduction entry of non-current assets	2,000	10,451
Loss on valuation of inventories	-	293,364
Decrease (increase) in trade receivables	(944,481)	(1,792,310)
Decrease (increase) in inventories	711,731	307,776
Increase (decrease) in trade payables	(37,780)	(869,181)
Other, net	(615,429)	695,827
<b>Subtotal</b>	<b>6,930,203</b>	<b>8,356,719</b>
Interest and dividends received	550,400	234,927
Interest paid	(230,779)	(259,099)
Payments of retirement benefits for directors (and other officers)	(727,348)	-
Subsidies received	2,000	10,451
Income taxes paid	(546,617)	(2,109,035)
Income taxes refund	1,538,375	191,324
<b>Net cash provided by (used in) operating activities</b>	<b>7,516,235</b>	<b>6,425,287</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(4,881,836)	(5,690,726)
Proceeds from sale of property, plant and equipment	7,885	806,188
Purchase of intangible assets	(452,277)	(252,994)
Purchase of investment securities	-	(344,844)
Proceeds from sale of investment securities	8,325,750	327,494
Payments for investments in capital of subsidiaries and associates	(100,000)	-
Payments into time deposits	(2,659,408)	(1,088,327)
Proceeds from withdrawal of time deposits	1,350,719	1,317,110
Payments of leasehold and guarantee deposits	(18,180)	(11,072)
Proceeds from refund of leasehold and guarantee deposits	6,930	5,681
Short-term loan advances	(88)	-
Proceeds from collection of short-term loans	88	-

(Thousands of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
receivable		
Long-term loan advances	-	(730)
Proceeds from collection of long-term loans receivable	-	258
Loan advances to subsidiaries and associates	(100,000)	(10,000)
Other, net	481	636
Net cash provided by (used in) investing activities	1,480,063	(4,941,325)

(Thousands of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from financing activities		
Proceeds from short-term borrowings	4,650,000	4,150,000
Repayments of short-term borrowings	(2,650,213)	(4,650,219)
Repayments of long-term borrowings	(4,824,849)	(1,890,516)
Repayments of lease liabilities	(747,957)	(778,376)
Purchase of treasury shares	(390,586)	(809,712)
Dividends paid	(1,910,578)	(1,895,629)
Net cash provided by (used in) financing activities	(5,874,183)	(5,874,454)
Effect of exchange rate change on cash and cash equivalents	859,185	559,281
Net increase (decrease) in cash and cash equivalents	3,981,300	(3,831,211)
Cash and cash equivalents at beginning of period	18,941,712	22,923,012
Cash and cash equivalents at end of period	22,923,012	19,091,800