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August 7, 2026

Consolidated Financial Results for the Three Months Ended June 30, 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 to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for analysts)

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

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	16,681	23.6	1,840	-	1,719	-	1,274	-
June 30, 2025	13,496	3.8	122	-	131	-	(38)	-

Note: Comprehensive income
For the three months ended June 30, 2026: ¥ 1,942 million [-%]
For the three months ended June 30, 2025: ¥ (1,068) million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	13.46	-
June 30, 2025	(0.40)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	113,208	81,386	71.9
March 31, 2026	111,400	80,390	72.2

Reference: Equity
As of June 30, 2026: ¥ 81,386 million
As of March 31, 2026: ¥ 80,390 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	10.00	-	10.00	20.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		10.00	-	10.00	20.00

Note: Revisions to the forecast of cash dividends most recently announced: None

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	35,700	28.2	3,700	694.9	3,500	596.2	2,700	751.5	28.52
Full year	74,500	25.1	8,500	231.0	8,200	222.9	6,000	272.9	63.38

Note: Revisions to the financial result forecast most recently announced: Yes

*** Notes**

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

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) 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

(4) Number of issued shares (common shares)

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

As of June 30, 2026	96,315,400 shares
As of March 31, 2026	96,315,400 shares

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

As of June 30, 2026	1,648,612 shares
As of March 31, 2026	1,648,611 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2026	94,666,788 shares
Three months ended June 30, 2025	94,723,835 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

* 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. These statements do not represent a guarantee from the Company that it will achieve such results.

Supplementary information regarding the financial results will be posted on our website https://www.hds.co.jp on August 7, 2026.

Change in the unit of presentation for monetary amounts

Amounts of accounts and other items presented in our condensed quarterly consolidated financial statements were previously stated in thousands of yen, but effective from the first quarter ended June 30, 2026, the company has changed to present such amounts in millions of yen. In order to facilitate comparison, the amounts for the previous consolidated fiscal year and the first quarter of the previous consolidated fiscal year are also presented in millions of yen.

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	21,564	22,074
Notes receivable - trade	3,744	4,291
Accounts receivable - trade	11,566	11,495
Securities	117	90
Merchandise and finished goods	1,901	1,968
Work in process	4,300	4,977
Raw materials and supplies	6,203	6,444
Other	1,672	1,930
Allowance for doubtful accounts	(23)	(21)
Total current assets	51,048	53,250
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,166	16,925
Machinery, equipment and vehicles, net	12,713	12,277
Tools, furniture and fixtures, net	1,375	1,369
Other, net	13,999	13,933
Total property, plant and equipment	45,256	44,506
Intangible assets		
Software	704	948
Customer related assets	9,187	9,073
Technical assets	2,453	2,423
Other	260	26
Total intangible assets	12,605	12,471
Investments and other assets		
Investment securities	390	853
Shares of subsidiaries and associates	0	-
Investments in capital of subsidiaries and associates	73	72
Long-term loans receivable from subsidiaries and associates	304	297
Retirement benefit asset	1,488	1,502
Deferred tax assets	97	112
Other	141	147
Allowance for doubtful accounts	(5)	(5)
Total investments and other assets	2,490	2,980
Total non-current assets	60,352	59,957
Total assets	111,400	113,208

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,393	3,028
Short-term borrowings	2,204	1,704
Current portion of long-term borrowings	1,890	1,890
Lease liabilities	834	836
Income taxes payable	354	658
Provision for bonuses	1,173	764
Provision for bonuses for directors (and other officers)	84	119
Provision for loss on compensation for after-care of products	176	204
Other	3,161	4,502
Total current liabilities	12,273	13,711
Non-current liabilities		
Long-term borrowings	9,125	8,652
Lease liabilities	4,011	3,807
Deferred tax liabilities	3,969	4,139
Provision for retirement benefits for directors (and other officers)	30	3
Other provisions	159	139
Retirement benefit liability	986	938
Other	453	429
Total non-current liabilities	18,735	18,110
Total liabilities	31,009	31,821
Net assets		
Shareholders' equity		
Share capital	7,100	7,100
Capital surplus	22,753	22,753
Retained earnings	38,765	39,093
Treasury shares	(6,334)	(6,334)
Total shareholders' equity	62,284	62,611
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23	262
Foreign currency translation adjustment	18,065	18,498
Remeasurements of defined benefit plans	17	13
Total accumulated other comprehensive income	18,106	18,774
Total net assets	80,390	81,386
Total liabilities and net assets	111,400	113,208

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the Three-Month Period

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Net sales	13,496	16,681
Cost of sales	9,667	10,749
Gross profit	3,828	5,931
Selling, general and administrative expenses	3,706	4,090
Operating profit	122	1,840
Non-operating income		
Interest income	96	53
Dividend income	1	2
Other	59	52
Total non-operating income	158	107
Non-operating expenses		
Interest expenses	68	77
Share of loss of entities accounted for using equity method	13	5
Foreign exchange losses	23	96
Other	42	49
Total non-operating expenses	148	228
Ordinary profit	131	1,719
Extraordinary income		
Gain on sale of non-current assets	0	2
Gain on sale of investment securities	85	-
Total extraordinary income	86	2
Extraordinary losses		
Loss on sale of non-current assets	0	-
Loss on retirement of non-current assets	3	15
Total extraordinary losses	3	15
Profit before income taxes	214	1,706
Income taxes - current	108	427
Income taxes - deferred	143	4
Total income taxes	252	431
Profit (loss)	(38)	1,274
Profit attributable to non-controlling interests	-	-
Profit (loss) attributable to owners of parent	(38)	1,274

Quarterly Consolidated Statement of Comprehensive Income

For the Three-Month Period

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Profit (loss)	(38)	1,274
Other comprehensive income		
Valuation difference on available-for-sale securities	(122)	238
Foreign currency translation adjustment	(894)	433
Remeasurements of defined benefit plans, net of tax	(13)	(3)
Total other comprehensive income	(1,030)	668
Comprehensive income	(1,068)	1,942
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,068)	1,942
Comprehensive income attributable to non-controlling interests	-	-