Harmonic Drive Systems Inc.

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Harmonic Drive Systems Inc.

Financial Results for the 1st-quarter of the Fiscal Year Ending March 31, 2027

August 7, 2026

This presentation contains forward-looking statements relating to expected future performance as of August 7, 2026. Such statements are based on the views and assumptions of company management and involve risks and uncertainties such as changes in the business environment that may cause the actual results to differ materially from expectations.

Performance Summary for the 1Q of FY 03/27

Harmonic Drive Systems Inc.

Consolidated results for 1Q of FY 03/27 (year-on-year change)

(millions of yen)	1Q FY 03/26		1Q FY 03/27		Year-on-year change	
	Amount	Percent (%)	Amount	Percent (%)	Change	Rate (%)
Net sales	13,496	100.0	16,681	100.0	3,185	23.6
Operating income	122	0.9	1,840	11.0	1,718	—
Ordinary income	131	1.0	1,719	10.3	1,587	—
Net income	(38)	—	1,274	7.6	1,312	—
EPS (yen)	(0.40)	—	13.46	—	13.86	—
Capital investment	2,532	—	573	—	(1,958)	(77.3)
Depreciation	1,743	—	1,732	—	(10)	(0.6)
R&D expenses	945	—	929	—	(15)	(1.7)

*Net income refers to net income attributable to owners of parent.
*Depreciation costs include depreciation cost of tangible assets and amortization cost of intangible assets.

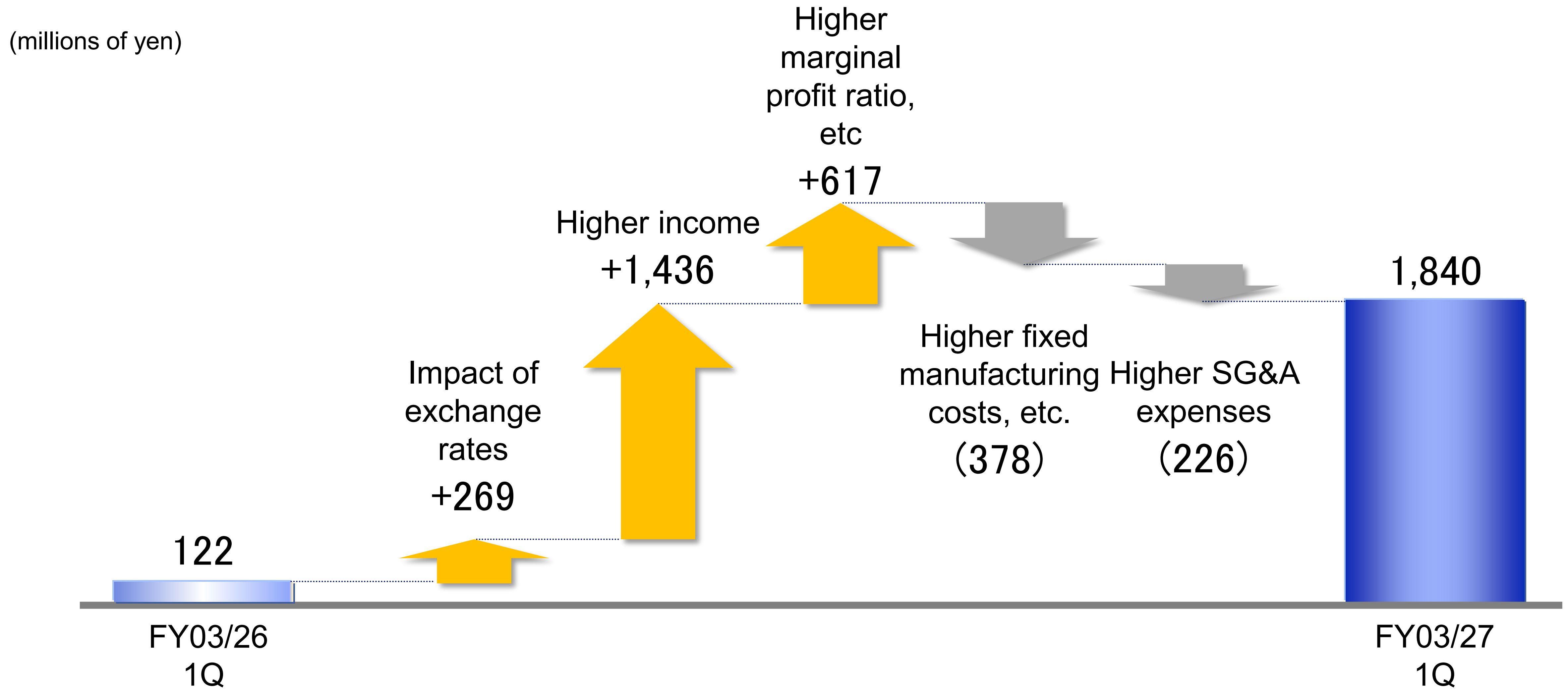
Performance of main group companies in 1Q FY 03/27

(millions of yen)

		Equity stake	Net sales		Operating income	
			Amount	Year-on-year change(%)	Amount	Year-on-year change(%)
*2	HD Systems, Inc. (Harmonic Drive L.L.C.)(U.S.A)	100% (100%)	3,043	12.5	174	—
	Harmonic AD, Inc.	100%	666	29.3	59	—
	Harmonic Precision Inc.	100%	1,203	65.3	212	487.4
*3	Harmonic Drive Systems (Shanghai) Co., Ltd	100%	1,013	(17.9)	108	(33.2)
*4	Harmonic Drive SE (Germany)	100%	4,594	26.4	408	159.8

*1 For overseas subsidiaries, the fiscal year ends December 31.
*2 Exchange rates: Jan-Mar 2025 1USD ＝ ¥152.60, Jan-Mar 2026 1USD ＝ ¥ 156.86
*3 Exchange rates: Jan-Mar 2025 1CNY ＝ ¥20.95, Jan-Mar 2026 1CNY ＝ ¥ 22.66
*4 Exchange rates: Jan-Mar 2025 1EUR ＝ ¥160.50, Jan-Mar 2026 1EUR ＝ ¥ 183.65

Breakdown of year-on-year change in consolidated operating income

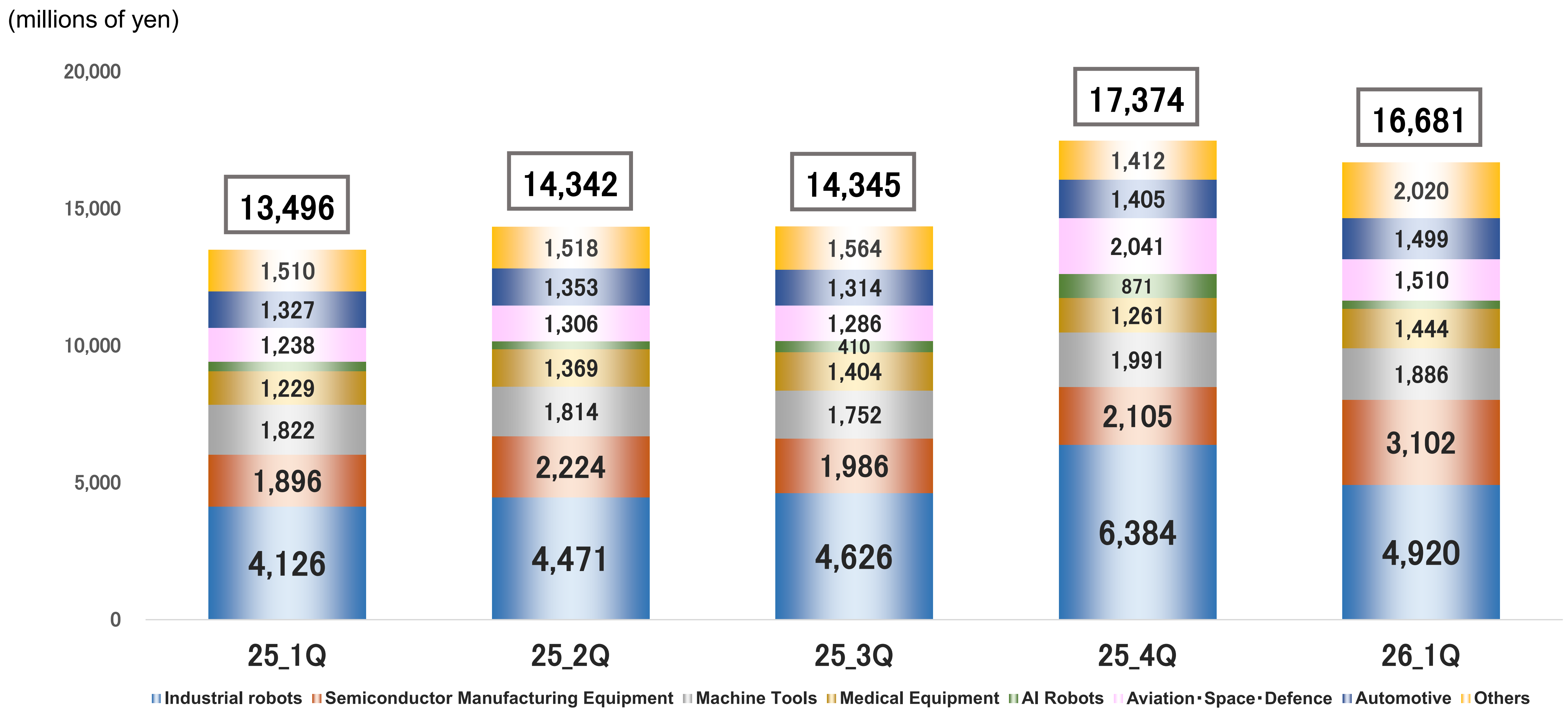


Non-consolidated results for 1Q FY03/27 (Year-on-year change)

(millions of yen)

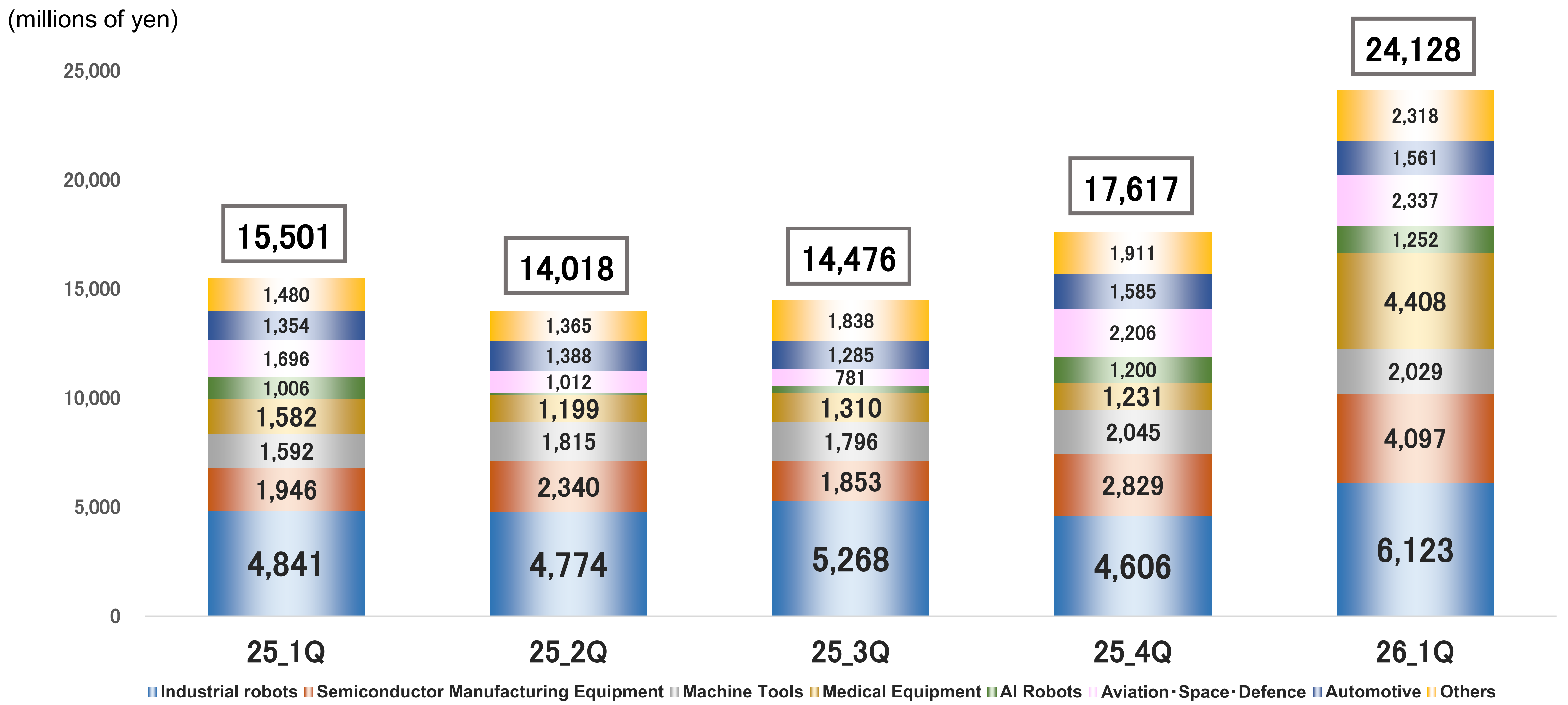
	1Q FY03/26		1Q FY03/27		Year-on-year change	
	Amount	Percent (%)	Amount	Percent (%)	Change	Rate (%)
Sales	7,616	100.0	10,456	100.0	2,839	37.3
Operating income	144	1.9	1,390	13.3	1,245	860.1
Ordinary income	94	1.2	3,424	32.7	3,329	—
Net income	31	0.4	2,984	28.5	2,952	—
EPS (yen)	0.33	—	31.53	—	31.20	—
Capital investment	197	—	121	—	(76)	(38.8)
Depreciation	970	—	909	—	(61)	(6.3)
R&D expenses	582	—	537	—	(44)	(7.7)

Consolidated net sales by application (quarterly)

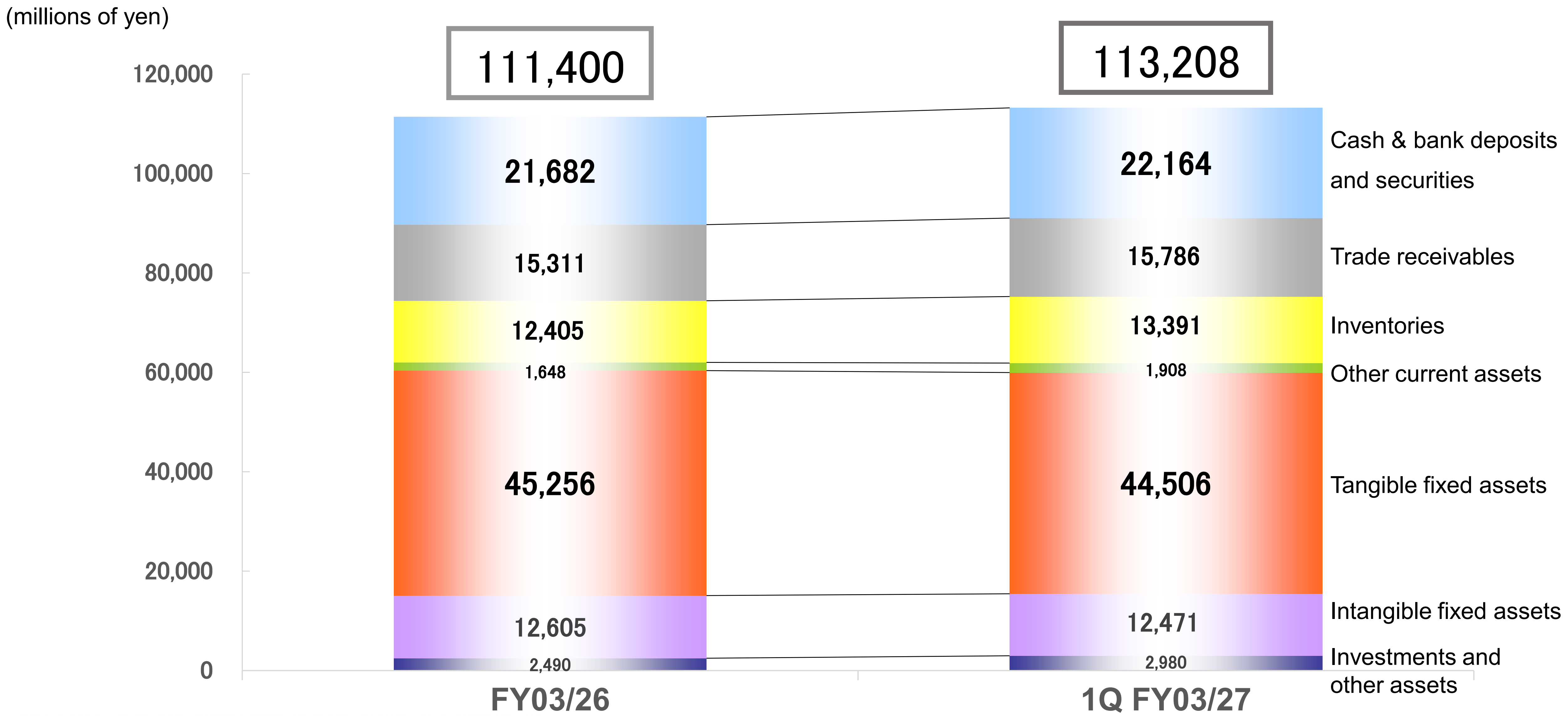


Harmonic Drive Systems Inc.

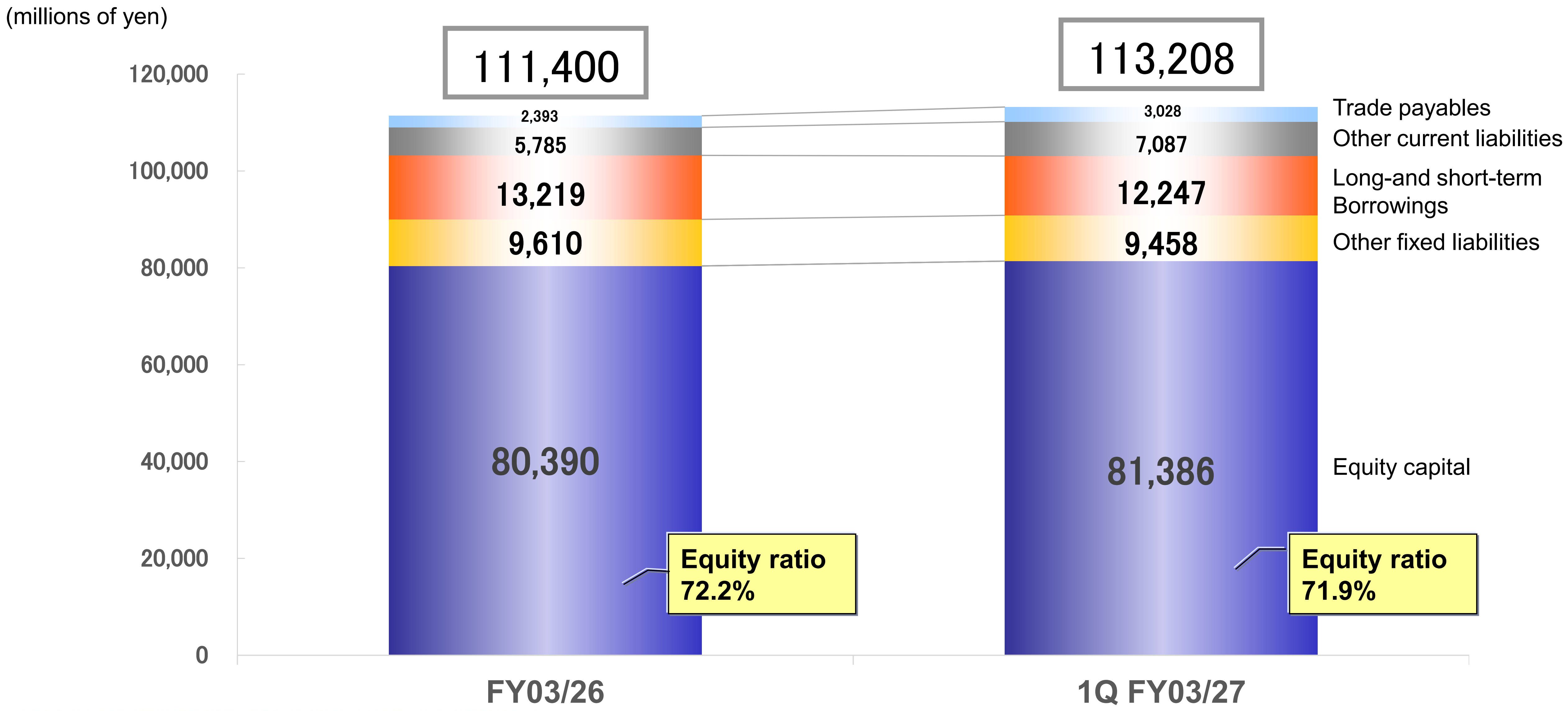
Consolidated bookings by application (quarterly)



Status of consolidated assets



Status of consolidated liabilities and net assets



Revision to forecasts for full-year FY03/27

Revisions to consolidated performance forecasts for full-year FY03/27

【Versus original forecasts】

(millions of yen)	Original forecasts (announced on May 13)		Revised forecasts (announced Aug 7)		Versus original forecasts	
	Amount	Percent (%)	Amount	Percent (%)	Change	Rate (%)
Net Sales	68,000	100.0	74,500	100.0	6,500	9.6
Operating income	6,200	9.1	8,500	11.4	2,300	37.1
Ordinary income	6,200	9.1	8,200	11.0	2,000	32.3
Net income	4,500	6.6	6,000	8.1	1,500	33.3
EPS (yen)	47.54	—	63.38	—	15.84	—

*Assumed exchange rate for the previous forecasts： 1USD ＝ ¥147.50 1CNY ＝ ¥20.75 1EUR ＝ ¥170.00
*Assumed exchange rate for the revised forecasts： 1USD ＝ ¥156.59 1CNY ＝ ¥22.52 1EUR ＝ ¥179.76
*Net income refers to net income attributable to owners of parent.

Reason for modification

- ◆ We have revised our sales forecast upward, as demand for speed reducers and mechatronics products is increasing across key application areas-including industrial robots and semiconductor manufacturing equipment—causing sales to exceed our previous projections.
- ◆ Regarding the profit and loss outlook, the forecast has been revised upward, primarily due to the profit-boosting effect of increased revenue.

Revisions to non-consolidated performance forecasts for full-year FY03/27

【 Compared to the previous forecast 】

(millions of yen)	Original forecasts (announced on May 13)		Revised forecasts (announced Aug 7)		Versus original forecasts	
	Amount	Percent (%)	Amount	Percent (%)	Change	Rate (%)
Net Sales	40,800	100.0	45,000	100.0	4,200	10.3
Operating income	3,400	8.3	4,600	10.2	1,200	35.3
Ordinary income	4,800	11.8	6,400	14.2	1,600	33.3
Net income	3,800	9.3	5,200	11.6	1,400	36.8
EPS (yen)	40.14	—	54.93	—	14.79	—

*Assumed exchange rate for the previous forecasts： 1USD ＝ ¥147.50 1CNY ＝ ¥20.75 1EUR ＝ ¥170.00
*Assumed exchange rate for the revised forecasts： 1USD ＝ ¥156.59 1CNY ＝ ¥22.52 1EUR ＝ ¥179.76

Reason for modification

◆ Same as for consolidated forecasts (see previous slide)

Consolidated performance forecasts for full-year FY03/27

(millions of yen)	FY03/26		FY03/27(Forecast)		Year-on-year change	
	Amount	Percent (%)	Amount	Percent (%)	Change	Rate (%)
Net Sales	59,557	100.0	74,500	100.0	14,942	25.1
Operating income	2,567	4.3	8,500	11.4	5,932	231.0
Ordinary income	2,539	4.3	8,200	11.0	5,660	222.9
Net income	1,608	2.7	6,000	8.1	4,391	272.9
EPS (yen)	16.99	—	63.38	—	46.39	—
Capital investment	4,796	—	6,600	—	1,803	37.6
Depreciation	7,361	—	7,100	—	(261)	(3.5)
R&D expenses	3,950	—	4,000	—	49	1.3

*Assumed exchange rate for FY03/27 forecasts： ： 1USD＝ ¥156.59 1CNY ＝ ¥22.52 1EUR ＝ ¥179.76
*Net income refers to net income attributable to owners of parent.
*Depreciation includes depreciation of tangible assets and amortization of intangible assets.

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Forecasts of main group companies for fiscal year ending March 31, 2027

(millions of yen)

		Equity stake	Net sales		Operating income	
			Amount	Year-on-year change(%)	Amount	Year-on-year change(%)
*2	HD Systems, Inc. (Harmonic Drive L.L.C. / USA)	100% (100%)	16,700	37.5	1,700	207.2
	Harmonic AD, Inc.	100%	2,800	23.6	280	—
	Harmonic Precision Inc.	100%	4,800	44.0	850	155.3
*3	Harmonic Drive Systems (Shanghai) Co., Ltd	100%	4,400	8.5	470	(0.8)
*4	Harmonic Drive SE (Germany)	100%	19,900	17.9	2,000	35.6

*1 For overseas subsidiaries and affiliates, the fiscal year ends December 31.
*2 Exchange rates: Jan–Dec 2025 1USD = ¥149.71, Jan–Dec 2026 forecasts 1USD = ¥156.59
*3 Exchange rates: Jan–Dec 2025 1CNY = ¥20.82, Jan–Dec 2026 forecasts 1CNY = ¥22.52
*4 Exchange rates: Jan–Dec 2025 1EUR = ¥169.00, Jan–Dec 2026 forecasts 1EUR = ¥179.76

Non-consolidated performance forecasts for full-year FY03/27

(millions of yen)	FY03/26		FY03/27(Forecast)		Year-on-year change	
	Amount	Percent (%)	Amount	Percent (%)	Change	Rate (%)
Net sales	33,438	100.0	45,000	100.0	11,561	34.6
Operating income	983	2.9	4,600	10.2	3,616	367.9
Ordinary income	1,065	3.2	6,400	14.2	5,334	500.4
Net income	719	2.2	5,200	11.6	4,480	622.8
EPS (yen)	7.60	—	54.93	—	47.33	—
Capital investment	1,217	—	3,300	—	2,082	171.1
Depreciation	4,104	—	3,950	—	(154)	(3.8)
R&D expenses	2,432	—	2,600	—	167	6.9

*Assumed exchange rate for FY03/27 forecasts: 1USD = ¥156.59 1CNY = ¥22.52 1EUR = ¥179.76

Factors in year-on-year change in consolidated operating income
(fiscal year ending March 31, 2027 forecasts)

(millions of yen)