Consolidated Financial Results for the Three Months Ended June 30, 2026 [Japanese GAAP]

August 7, 2026

Company name: Harmonic Drive Systems Inc.
Stock exchange listing: Tokyo Stock Exchange
Code number: 6324
URL: https://www.hds.co.jp/english/
Representative: Akira Maruyama, President and Representative Director
Contact: Tetsuya Shiokawa, Executive Officer
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Scheduled date of commencing dividend payments: —
Availability of supplementary explanatory materials on financial results: Available
Schedule of financial results briefing session: Scheduled (for analysts)

(Amounts less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2026 (April 1, 2026 – June 30, 2026)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million 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: Three months ended June 30, 2026: ¥1,942 million [– %]
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 ratio
	Million yen	Million yen	%
As of June 30, 2026	113,208	81,386	71.9
As of 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. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	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) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 – March 31, 2027)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	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) Revision to the financial results forecast announced most recently: Yes

*** Notes:**

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

(2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: None
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None

(4) Total number of issued and outstanding shares (common shares)
1) Total number of issued and outstanding shares at the end of the period (including treasury shares):
June 30, 2026: 96,315,400 shares
March 31, 2026: 96,315,400 shares

2) Total number of treasury shares at the end of the period:
June 30, 2026: 1,648,612 shares
March 31, 2026: 1,648,611 shares

3) Average number of shares outstanding during the period:
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 quarterly consolidated financial statements by certified public accountants or an audit firm: Yes (voluntary)

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

(Note on forward-looking statements, etc.)

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. The actual financial results may differ significantly due to various factors. Refer to “1. Qualitative Information on Quarterly Financial Results (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 of the Attachments for conditions on which the financial results forecasts are premised and notes on the use of financial results forecasts.

(Method of acquiring supplementary explanatory materials on financial results)

Supplementary explanatory materials on financial results (available in Japanese) are scheduled to be posted on the Company’s website (https://www.hds.co.jp) on August 7, 2026.

(Change in presentation unit of monetary amounts)

Monetary amounts of line items and other matters presented in the Company’s quarterly consolidated financial statements had been stated in units of thousands of yen. However, starting from the three months ended June 30, 2026, the presentation unit has been changed to millions of yen.

To facilitate comparison, monetary amounts for the previous fiscal year and the three months ended June 30, 2025 have also been presented in millions of yen.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the three months ended June 30 (April 1, 2026 to June 30, 2026), the future of the global economy grew increasingly uncertain amid geopolitical risks, including the situation in the Middle East, along with energy supply constraints and rising inflationary pressures. Under such external circumstances, in terms of the business environment surrounding the Harmonic Drive Systems Group (hereinafter “the Group”), we saw solid global investment in automation, along with sizable orders received for surgical robots in the North American market as well as expanding demand for capital investment in advanced semiconductor fields centered on generative AI. As a result, consolidated orders received increased by 55.7% year on year to ¥24,128 million.

Regarding net sales trends by application, for industrial robots, despite a decline in sales to China, overall net sales for this application increased, as sales to Japan and Europe grew enough to offset the drop. In semiconductor manufacturing equipment, net sales increased as capital investment demand for data centers and advanced semiconductors remained solid, supported by the expansion of generative AI-related investments.

As a result, net sales for the three months under review increased 23.6% year on year to ¥16,681 million.

In terms of profit and loss, despite an increase in selling, general and administrative expenses, operating profit increased from ¥122 million in the same period of the previous fiscal year to ¥1,840 million, driven by higher profit associated with the growth in net sales. Furthermore, primarily due to the increase in operating profit, profit attributable to owners of parent reached ¥1,274 million (loss attributable to owners of parent of ¥38 million in the same period of the previous fiscal year).

In terms of net sales by product group, speed reducers totaled ¥12,791 million, up 18.4% year on year, and mechatronic products totaled ¥3,889 million, up 44.5% year on year. They accounted for 76.7% and 23.3% of the total net sales, respectively.

Financial results by segment are as follows.

Effective from the three months ended June 30, 2026, the Group changed its key management indicator from ordinary profit to operating profit, and accordingly, changed segment profit from ordinary profit to operating profit.

(Japan)

Orders received for industrial robots and semiconductor manufacturing equipment increased. As a result, net sales increased by 36.2% year on year to ¥8,090 million. Segment profit (operating profit) increased by 214.0% year on year to ¥2,166 million due to an improvement in the manufacturing cost ratio resulting from a higher factory operating rate, in addition to higher sales.

(China)

Despite an increase in orders received for semiconductor manufacturing equipment, orders received for industrial robots decreased. As a result, net sales decreased by 18.3% year on year to ¥1,007 million. Segment profit (operating profit) decreased by 35.8% year on year to ¥97 million as a result of a decrease in sales.

(North America)

Net sales increased by 12.4% year on year to ¥3,035 million due to a rise in orders received for surgical robots and for semiconductor manufacturing equipment. Segment profit (operating profit) amounted to ¥165 million (segment loss of ¥38 million in the same period of the previous fiscal year) due to a decrease in one-off expenses recorded in the same period of the previous fiscal year accompanying the updates to our core systems, in addition to higher sales.

(Europe)
Net sales increased by 25.5% year on year to ¥4,547 million, as orders received for industrial robots and for semiconductor manufacturing equipment increased. Segment profit (operating profit) came to ¥140 million (segment loss of ¥79 million in the same period of the previous fiscal year), due to higher sales, despite the amortization cost of ¥267 million on intangible assets posted at the time of acquisition of shares in Harmonic Drive SE.

(2) Explanation of Financial Position

(Assets)
Total assets at the end of the three months under review increased by ¥1,808 million, up 1.6% from the end of the previous fiscal year to ¥113,208 million. This was primarily due to a ¥677 million increase in work in process (up 15.8% year on year) due to an increase in orders, a ¥546 million increase in notes receivable - trade (up 14.6% year on year) resulting from an increase in sales, and a ¥509 million increase in cash and deposits (up 2.4% year on year), despite a ¥749 million decrease in property, plant and equipment (down 1.7% year on year).

(Liabilities)
Liabilities increased by ¥812 million, up 2.6% from the end of the previous fiscal year to ¥31,821 million. This was primarily due to a ¥1,341 million increase in other current liabilities (up 42.4% year on year) and a ¥634 million increase in notes and accounts payable - trade (up 26.5% year on year) due to an increase in orders, despite a ¥500 million decrease in short-term borrowings (down 22.7% year on year) and a ¥472 million decrease in long-term borrowings (down 5.2% year on year) resulting from scheduled payments of borrowings, as well as a ¥408 million decrease in provision for bonuses (down 34.8% year on year).

(Net Assets)
Net assets increased by ¥996 million, up 1.2% from the end of the previous fiscal year to ¥81,386 million. This was primarily due to a ¥433 million increase in foreign currency translation adjustment (up 2.4% year on year) due to the effect of exchange rate fluctuations, and a ¥327 million increase in retained earnings (up 0.8% year on year).
As a result, the equity ratio decreased from 72.2% at the end of the previous fiscal year to 71.9%.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

The Company has made revisions to its financial results forecasts for the first half and full year of the fiscal year ending March 31, 2027, which were previously announced on May 13, 2026. For details regarding these revisions, please refer to the “Notice Regarding Revisions to the Financial Results Forecast” announced today (August 7, 2026).

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(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

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

(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

(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	–	–

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Notes on segment information, etc.)

I For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

1. Information on net sales and profit (loss) by reportable segment, and information on disaggregation of revenue

(Millions of yen)

	Reportable segment					Adjustment	Consolidated
	Japan	China	North America	Europe	Total		
Net sales Revenue from contracts with customers	7,750	1,234	2,704	3,634	15,324	(1,828)	13,496
Net sales to third parties	5,939	1,234	2,699	3,622	13,496	–	13,496
Inter-segment net sales or transfers	1,811	0	4	11	1,828	(1,828)	–
Total	7,750	1,234	2,704	3,634	15,324	(1,828)	13,496
Segment profit (loss)	689	152	(38)	(79)	724	(602)	122

(Notes)
1. The segment profit (loss) adjustment of ¥(602) million consists of the eliminated inter-segment transaction profit of ¥12 million, and the general administrative expenses that are not allocated to any reportable segment, totaling ¥(614) million. The general administrative expenses that are not allocated to any reportable segment include the basic research and development expenses and certain administrative expenses related to the General Affairs and Accounting Department.
2. The “Japan” segment includes the net sales and expenses related to the Asian markets, excluding China, in addition to the Japanese market.
3. The “North America” segment includes net sales of ¥2,336 million originating from the United States of America, which represents 10% or more of net sales recorded on the consolidated statements of income.
4. Segment profit (loss) is adjusted to operating profit in the quarterly consolidated statements of income.

2. Information on impairment loss of non-current assets or goodwill by reportable segment

Not applicable.

II For the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

1. Information on net sales and profit (loss) by reportable segment, and information on disaggregation of revenue

(Millions of yen)

	Reportable segment					Adjustment	Consolidated
	Japan	China	North America	Europe	Total		
Net sales							
Revenue from contracts with customers	10,596	1,013	3,043	4,594	19,247	(2,566)	16,681
Net sales to third parties	8,090	1,007	3,035	4,547	16,681	–	16,681
Inter-segment net sales or transfers	2,506	5	7	46	2,566	(2,566)	–
Total	10,596	1,013	3,043	4,594	19,247	(2,566)	16,681
Segment profit	2,166	97	165	140	2,570	(729)	1,840

(Notes) 1. The segment profit adjustment of ¥(729) million consists of the eliminated inter-segment transaction profit of ¥(149) million, and the general administrative expenses that are not allocated to any reportable segment, totaling ¥(580) million. The general administrative expenses that are not allocated to any reportable segment include the basic research and development expenses and certain administrative expenses related to the General Affairs and Accounting Department.

2. The "Japan" segment includes the net sales and expenses related to the Asian markets, excluding China, in addition to the Japanese market.

3. The "North America" segment includes net sales of ¥2,694 million originating from the United States of America, which represents 10% or more of net sales recorded on the consolidated statements of income.

4. Segment profit is adjusted to operating profit in the quarterly consolidated statements of income.

2. Information on impairment loss of non-current assets or goodwill by reportable segment

Not applicable.

3. Information on changes to reportable segments, etc.

Effective from the three months ended June 30, 2026, the Group changed its key management indicator from ordinary profit to operating profit, and accordingly, changed segment profit from ordinary profit to operating profit.

Segment profit (loss) for the three months ended June 30, 2025 has also been restated to operating profit (loss) for comparison purposes.

(Notes on consolidated statements of cash flows)

Quarterly consolidated statements of cash flows are not prepared for the three months ended June 30, 2026. Depreciation (including amortization of intangible assets) for the three months ended June 30 are as follows.

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Depreciation	¥1,743 million	¥1,732 million

(Significant subsequent events)

(Disposal of treasury shares as restricted share-based remuneration)

Harmonic Drive Systems Inc. (hereinafter "the Company"), at the Board of Directors meeting held on July 15, 2026, resolved to dispose of its treasury shares as restricted share-based remuneration (hereinafter "the Disposal of Treasury Shares") as follows.

1. Overview of the disposal

Payment date	August 5, 2026
Class and number of shares subject to disposal	9,929 shares of common stock of the Company
Disposal price	¥7,540 per share
Total value of disposal	¥74,864,660
Scheduled allottees	5 Directors of the Company (*), 9,929 shares *Excluding Outside Directors

2. Purposes and reasons for the disposal

At the Ordinary General Meeting of Shareholders for Fiscal 2021 held on June 22, 2022, the Company obtained approval for introducing a restricted share-based remuneration plan (hereinafter "the Plan") to grant restricted shares to the Company's Directors (excluding Outside Directors, hereinafter "the Eligible Directors"), for the purpose of sharing the benefits and risks of stock price changes between the Eligible Directors and the shareholders, and motivating the Eligible Directors to contribute to the improvement of the medium- to long-term business performance and corporate value. It was also approved at the same Ordinary General Meeting of Shareholders, among others, that the total amount of annual monetary remuneration claim to be granted to the Eligible Directors as remuneration, etc. in connection with restricted shares is capped at ¥100 million, that the total number of restricted shares to be allocated to the Eligible Directors per each fiscal year is capped at 35,000 shares, and that the restriction on transferring these shares lasts from the date of their delivery to the date the Eligible Directors resign from the office of Director of the Company.

3. Other Matters

(1) Status of Production, Orders Received and Sales

a. Production

Production results by segment for the three months ended June 30, 2026 (April 1, 2026 to June 30, 2026) are as follows:

Segment name		Production output (millions of yen)	YoY change (%)
Japan	Speed reducers	8,806	18.2
	Mechatronic products	1,759	34.5
China	Speed reducers	–	–
	Mechatronic products	–	–
North America	Speed reducers	1,308	(6.3)
	Mechatronic products	1,014	29.6
Europe	Speed reducers	2,859	24.5
	Mechatronic products	1,318	49.7
Total		17,068	20.9

(Notes) 1. Inter-segment transactions are offset and eliminated.
2. The above amounts are sales prices and exclude consumption taxes.
3. The Group's reportable segments are classified on a location basis (Japan, China, North America, and Europe).
4. Although the Group is solely engaged in handling the same types and series of precision speed reducers and its business operations fall within a single industry segment based on the similarities in the types, natures, manufacturing methods and markets of their products, the above table presents figures by product for each segment.
5. The production results of Harmonic Winbel Inc., a subsidiary engaged in the development, manufacturing, and sales of magnetic application equipment, are classified, counted, and presented as mechatronic products.

b. Orders received

The results of orders received by segment for the three months ended June 30, 2026 (April 1, 2026 to June 30, 2026) are as follows:

Segment name		Orders received (millions of yen)	YoY change (%)	Order backlog (millions of yen)	YoY change (%)
Japan	Speed reducers	8,857	51.3	7,146	73.2
	Mechatronic products	1,193	58.8	1,287	41.1
China	Speed reducers	981	(27.8)	980	(5.4)
	Mechatronic products	149	33.9	119	23.4
North America	Speed reducers	2,663	25.3	5,259	29.0
	Mechatronic products	4,416	336.2	5,330	176.2
Europe	Speed reducers	4,309	26.4	6,947	13.5
	Mechatronic products	1,555	77.3	2,385	23.7
Total		24,128	55.7	29,457	45.6

(Notes) 1. Inter-segment transactions are offset and eliminated.
2. The above amounts are sales prices and exclude consumption taxes.
3. The Group's reportable segments are classified on a location basis (Japan, China, North America, and Europe).
4. Although the Group is solely engaged in handling the same types and series of precision speed reducers and its business operations fall within a single industry segment based on the similarities in the types, natures, manufacturing methods and markets of their products, the above table presents figures by product for each segment.
5. The results of orders received of Harmonic Winbel Inc., a subsidiary engaged in the development, manufacturing, and sales of magnetic application equipment, are classified, counted, and presented as mechatronic products.
6. The order backlog excludes ¥50 million of order cancellations. The cancellations took place during the three months ended June 30, 2026.

c. Sales

Sales results by segment for the three months ended June 30, 2026 (April 1, 2026 to June 30, 2026) are as follows:

Segment name		Sales volume (millions of yen)	YoY change (%)
Japan	Speed reducers	7,279	38.5
	Mechatronic products	811	18.7
China	Speed reducers	703	(40.1)
	Mechatronic products	304	410.0
North America	Speed reducers	1,735	(0.3)
	Mechatronic products	1,299	35.5
Europe	Speed reducers	3,073	16.7
	Mechatronic products	1,473	49.0
Total		16,681	23.6

(Notes) 1. Inter-segment transactions are offset and eliminated.
2. The above amounts exclude consumption taxes.
3. The Group's reportable segments are classified on a location basis (Japan, China, North America, and Europe).
4. Although the Group is solely engaged in handling the same types and series of precision speed reducers and its business operations fall within a single industry segment based on the similarities in the types, natures, manufacturing methods and markets of their products, the above table presents figures by product for each segment.
5. The sales results of Harmonic Winbel Inc., a subsidiary engaged in the development, manufacturing, and sales of magnetic application equipment, are classified, counted, and presented as mechatronic products.

(2) Net Sales outside Japan

Net sales outside Japan for the three months ended June 30, 2026 (April 1, 2026 to June 30, 2026) are as follows:

	China	North America	Europe	Other regions	Total
I Net sales outside Japan (millions of yen)	1,007	3,035	4,547	853	9,444
II Consolidated net sales (millions of yen)	–	–	–	–	16,681
III Ratio of net sales outside Japan to consolidated net sales (%)	6.0	18.2	27.3	5.1	56.6

(Notes) 1. The categorization of countries or regions is based on geographical proximity.
2. Primary countries or regions that belong to each category
(1) China: China
(2) North America: the U.S.
(3) Europe: Germany
(4) Other regions: South Korea, Taiwan and Oceania
3. Net sales outside Japan are net sales that were recorded by the Company and its consolidated subsidiaries in countries or regions other than Japan.