



August 6, 2025

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Notice Regarding Revision to the Financial Results Forecast for the Fiscal Year Ending March 31, 2026, and Revision to the Dividend Forecast

Harmonic Drive Systems Inc. (the “Company”) hereby announces revisions to the financial results forecast for the fiscal year ending March 31, 2026 (April 1, 2025–March 31, 2026) and the dividend forecast (2nd quarter-end and Year-end), which had previously been left undetermined. The details are described below.

1. Revision to the Financial Results Forecast for the Fiscal Year Ending March 31, 2026

(1) Revision to the Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025–March 31, 2026)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)	Million yen —	Million yen —	Million yen —	Million yen —	Yen —
Revised forecast (B)	57,000	1,500	1,500	1,300	13.73
Differences (B – A)	—	—	—	—	
Changes (%)	—	—	—	—	
(Reference) Financial results for the fiscal year ended March 31, 2025	55,645	6	151	3,473	36.57

(2) Revision to the Non-Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025–March 31, 2026)

	Net sales	Operating profit	Ordinary profit	Profit	Basic earnings per share
Previous forecast (A)	Million yen —	Million yen —	Million yen —	Million yen —	Yen —
Revised forecast (B)	32,300	200	0	150	1.58
Differences (B – A)	—	—	—	—	
Changes (%)	—	—	—	—	
(Reference) Financial results for the fiscal year ended March 31, 2025	30,544	▲ 187	187	4,174	43.96

<<Reasons for the Revision to the Financial Results Forecast>>

In the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [Japanese GAAP]" announced on May 14, 2025, we left the full-year forecast undetermined, instead announcing only the second-quarter figures. This was due primarily to the difficulty in making a reasonable estimation of the impact that U.S. tariff policies may have on the Group's future performance.

Since then, while closely monitoring the progress of trade negotiations between Japan and the United States, we have carefully assessed the potential effects of such tariffs on the Group's performance. Based on this review, we have determined that the direct increase in tariff-related costs for our Group will be limited. This is because the Group has production facilities in the United States and locally manufactures approximately 70% of the product demand in the U.S. market. On the other hand, although it remains difficult at this stage to clearly foresee the impact that higher tariff rates may have on our customers' product demand (which could indirectly affect the Group's orders and sales in the second half of the fiscal year), we have decided to disclose the full-year forecast as above. This decision takes into account the recent interim agreement reached in the tariff negotiations and the Group's order performance in the first quarter.

2. Revision to the Dividend Forecast

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Previous forecast	Yen —	Yen —	Yen —	Yen —	Yen —
Revised forecast		10.00	—	10.00	20.00
Actual dividends	—				
(Reference) Dividends for the fiscal year ended March 31, 2025	—	10.00	—	10.00	20.00

<<Reasons for the Revision to the Dividend Forecast>>

The company's basic policy is to distribute profits in accordance with earnings performance, and aims for a consolidated dividend payout ratio of 30%. Even during periods of challenging business conditions, we aim to ensure stable dividend payments by taking into consideration factors such as retained earnings and the cash balance at the time. In line with this policy—and taking into account the updated forecast as stated above—we have decided to announce the dividend forecast, which had previously been left undetermined.

<<Notes on financial results forecasts>>

The statements on financial results forecasts contained herein are based on information currently available to the Company and certain assumptions deemed reasonable by the Company. The actual financial results may differ significantly due to various factors.