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November 11, 2026

Consolidated Financial Results for the Six Months Ended September 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
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Scheduled date to file semi-annual securities report: November 12, 2026
Scheduled date to commence dividend payments: December 4, 2026
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 six months ended September 30, 2026 (from April 1, 2026 to September 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	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	36,124	29.8	4,205	803.5	4,084	712.5	2,986	841.8
September 30, 2025	27,838	4.8	465	-	502	-	317	-

Note: Comprehensive income For the six months ended September 30, 2026: ¥ 3,926 million [-%]
For the six months ended September 30, 2025: ¥ (438) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	31.54	-
September 30, 2025	3.35	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	114,060	83,445	73.2
March 31, 2026	111,400	80,390	72.2

Reference: Equity
As of September 30, 2026: ¥ 83,445 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	-	12.00			
Fiscal year ending March 31, 2027 (Forecast)			-	16.00	28.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

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
Full year	78,000	31.0	10,200	297.3	10,000	293.8	7,200	347.5	76.05

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 semi-annual 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 September 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 September 30, 2026	1,638,685 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)

Six months ended September 30, 2026	94,670,097 shares
Six months ended September 30, 2025	94,690,405 shares

* Semi-annual financial results reports are exempt from review conducted 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. These statements do not represent a guarantee from the Company that it will achieve such results.

Semi-annual Consolidated Financial Statements

(1) Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	21,564	21,855
Notes receivable - trade	3,744	4,976
Accounts receivable - trade	11,566	12,198
Securities	117	105
Merchandise and finished goods	1,901	2,261
Work in process	4,300	5,121
Raw materials and supplies	6,203	6,794
Other	1,672	1,386
Allowance for doubtful accounts	(23)	(18)
Total current assets	51,048	54,680
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,166	16,874
Machinery, equipment and vehicles, net	12,713	11,985
Tools, furniture and fixtures, net	1,375	1,469
Other, net	13,999	14,232
Total property, plant and equipment	45,256	44,561
Intangible assets		
Software	704	915
Customer related assets	9,187	8,527
Technical assets	2,453	2,277
Other	260	47
Total intangible assets	12,605	11,767
Investments and other assets		
Investment securities	390	848
Shares of subsidiaries and associates	0	28
Investments in capital of subsidiaries and associates	73	73
Long-term loans receivable from subsidiaries and associates	304	300
Retirement benefit asset	1,488	1,516
Deferred tax assets	97	147
Other	141	141
Allowance for doubtful accounts	(5)	(5)
Total investments and other assets	2,490	3,050
Total non-current assets	60,352	59,379
Total assets	111,400	114,060

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,393	3,630
Short-term borrowings	2,204	704
Current portion of long-term borrowings	1,890	1,890
Lease liabilities	834	851
Income taxes payable	354	1,517
Provision for bonuses	1,173	1,143
Provision for bonuses for directors (and other officers)	84	128
Provision for loss on compensation for after-care of products	176	128
Other	3,161	3,556
Total current liabilities	12,273	13,551
Non-current liabilities		
Long-term borrowings	9,125	8,179
Lease liabilities	4,011	3,684
Deferred tax liabilities	3,969	3,703
Provision for retirement benefits for directors (and other officers)	30	3
Other provisions	159	140
Retirement benefit liability	986	944
Other	453	405
Total non-current liabilities	18,735	17,062
Total liabilities	31,009	30,614
Net assets		
Shareholders' equity		
Share capital	7,100	7,100
Capital surplus	22,753	22,789
Retained earnings	38,765	40,805
Treasury shares	(6,334)	(6,296)
Total shareholders' equity	62,284	64,398
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23	259
Foreign currency translation adjustment	18,065	18,781
Remeasurements of defined benefit plans	17	6
Total accumulated other comprehensive income	18,106	19,047
Total net assets	80,390	83,445
Total liabilities and net assets	111,400	114,060

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statement of Income

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Net sales	27,838	36,124
Cost of sales	19,873	23,347
Gross profit	7,965	12,777
Selling, general and administrative expenses	7,499	8,572
Operating profit	465	4,205
Non-operating income		
Interest income	105	106
Dividend income	3	11
Foreign exchange gains	9	-
Other	130	158
Total non-operating income	249	276
Non-operating expenses		
Interest expenses	127	151
Share of loss of entities accounted for using equity method	14	9
Foreign exchange losses	-	181
Other	69	55
Total non-operating expenses	211	397
Ordinary profit	502	4,084
Extraordinary income		
Gain on sale of non-current assets	1	3
Gain on sale of investment securities	85	-
Total extraordinary income	87	3
Extraordinary losses		
Loss on sale of non-current assets	0	-
Loss on retirement of non-current assets	6	18
Total extraordinary losses	6	18
Profit before income taxes	583	4,069
Income taxes - current	319	1,410
Income taxes - deferred	(52)	(327)
Total income taxes	266	1,082
Profit	317	2,986
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	317	2,986

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Profit	317	2,986
Other comprehensive income		
Valuation difference on available-for-sale securities	(119)	235
Foreign currency translation adjustment	(607)	716
Remeasurements of defined benefit plans, net of tax	(27)	(11)
Total other comprehensive income	(755)	940
Comprehensive income	(438)	3,926
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(438)	3,926
Comprehensive income attributable to non-controlling interests	-	-

(3) Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	583	4,069
Depreciation	3,547	3,523
Increase (decrease) in allowance for doubtful accounts	2	(5)
Increase (decrease) in retirement benefit liability	(49)	(74)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	4	(26)
Increase (decrease) in provision for operating officers' retirement benefits	13	(18)
Increase (decrease) in provision for bonuses for directors (and other officers)	(9)	43
Increase (decrease) in provision for loss on compensation for after-care of products	120	(49)
Interest income	(105)	(106)
Dividend income	(3)	(11)
Interest expenses	127	151
Share of loss (profit) of entities accounted for using equity method	14	9
Loss (gain) on sale of investment securities	(85)	-
Loss (gain) on sale of non-current assets	(1)	(3)
Loss on retirement of non-current assets	6	18
Decrease (increase) in trade receivables	363	(1,711)
Decrease (increase) in inventories	6	(1,611)
Increase (decrease) in trade payables	(92)	1,141
Other, net	604	298
Subtotal	5,046	5,634
Interest and dividends received	133	120
Interest paid	(124)	(152)
Income taxes paid	(1,337)	(170)
Income taxes refund	162	442
Net cash provided by (used in) operating activities	3,880	5,875
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,779)	(2,051)
Proceeds from sale of property, plant and equipment	2	5
Purchase of intangible assets	(73)	(59)
Purchase of investment securities	(4)	(114)
Proceeds from sale of investment securities	327	-
Payments into time deposits	(446)	(500)
Proceeds from withdrawal of time deposits	1,075	1,527
Payments of leasehold and guarantee deposits	(0)	(4)
Proceeds from refund of leasehold and guarantee deposits	2	6
Long-term loan advances	(0)	-
Proceeds from collection of long-term loans receivable	0	0
Other, net	0	(0)
Net cash provided by (used in) investing activities	(2,897)	(1,190)

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from financing activities		
Proceeds from short-term borrowings	1,320	2,320
Repayments of short-term borrowings	(3,320)	(3,761)
Repayments of long-term borrowings	(945)	(945)
Repayments of lease liabilities	(370)	(431)
Purchase of treasury shares	(809)	(0)
Dividends paid	(948)	(947)
Net cash provided by (used in) financing activities	(5,074)	(3,765)
Effect of exchange rate change on cash and cash equivalents	(252)	346
Net increase (decrease) in cash and cash equivalents	(4,343)	1,266
Cash and cash equivalents at beginning of period	22,923	19,091
Cash and cash equivalents at end of period	18,579	20,357