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November 12, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)



Company name: Harmonic Drive Systems Inc.

Listing: Tokyo Stock Exchange

Securities code: 6324

URL: <https://www.hds.co.jp/>

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Scheduled date to file semi-annual securities report: November 13, 2025

Scheduled date to commence dividend payments: December 5, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

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

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2025	27,838	4.8	465	-	502	-	317	-
September 30, 2024	26,559	(7.7)	(637)	-	(828)	-	(850)	-

Note: Comprehensive income For the six months ended September 30, 2025: ¥ (438) million [-%]
For the six months ended September 30, 2024: ¥ 2,391 million [(43.6)%]

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

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of September 30, 2025	107,193	76,821	71.7
March 31, 2025	113,621	78,943	69.5

Reference: Equity

As of September 30, 2025: ¥ 76,821 million

As of March 31, 2025: ¥ 78,943 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, 2025	-	10.00	-	10.00	20.00
Fiscal year ending March 31, 2026	-	10.00			
Fiscal year ending March 31, 2026 (Forecast)			-	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, 2026 (from April 1, 2025 to March 31, 2026)

(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	57,000	2.4	1,500	-	1,500	892.1	1,300	(62.6)	13.73

Note: Revisions to the financial result forecast most recently announced: None

* 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, 2025	96,315,400 shares
As of March 31, 2025	96,315,400 shares

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

As of September 30, 2025	1,648,579 shares
As of March 31, 2025	1,411,891 shares

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

Six months ended September 30, 2025	94,690,405 shares
Six months ended September 30, 2024	94,981,940 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. The actual financial results may differ significantly due to various factors.

Semi-annual Consolidated Financial Statements
Semi-annual Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	24,900,137	20,555,871
Notes receivable - trade	3,591,560	3,565,445
Accounts receivable - trade	9,544,240	9,049,820
Securities	52,789	84,548
Merchandise and finished goods	2,026,216	2,148,429
Work in process	4,115,787	3,900,784
Raw materials and supplies	6,362,096	6,320,057
Other	2,606,529	1,338,603
Allowance for doubtful accounts	(34,577)	(36,667)
Total current assets	53,164,779	46,926,892
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,323,983	17,625,679
Machinery, equipment and vehicles, net	13,806,937	13,466,536
Tools, furniture and fixtures, net	1,471,354	1,465,369
Other, net	12,357,478	13,336,894
Total property, plant and equipment	45,959,753	45,894,479
Intangible assets		
Software	810,422	734,966
Customer related assets	8,856,669	9,136,468
Technical assets	2,365,486	2,440,217
Other	126,357	168,336
Total intangible assets	12,158,936	12,479,988
Investments and other assets		
Investment securities	409,931	55,242
Shares of subsidiaries and associates	20,228	16,049
Investments in capital of subsidiaries and associates	89,507	79,141
Long-term loans receivable from subsidiaries and associates	270,000	270,000
Retirement benefit asset	1,275,214	1,303,292
Deferred tax assets	165,301	61,780
Other	113,630	112,529
Allowance for doubtful accounts	(5,600)	(5,600)
Total investments and other assets	2,338,213	1,892,436
Total non-current assets	60,456,902	60,266,904
Total assets	113,621,682	107,193,796

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,184,623	2,983,494
Short-term borrowings	2,701,653	702,386
Current portion of long-term borrowings	1,890,516	1,890,516
Lease liabilities	741,555	757,699
Income taxes payable	1,284,547	286,192
Provision for bonuses	1,030,221	891,042
Provision for bonuses for directors (and other officers)	84,564	76,388
Provision for loss on compensation for after-care of products	37,409	159,492
Other	2,941,610	3,021,597
Total current liabilities	13,896,702	10,768,810
Non-current liabilities		
Long-term borrowings	11,015,584	10,070,326
Lease liabilities	4,390,974	4,097,349
Deferred tax liabilities	3,715,935	3,795,380
Provision for retirement benefits for directors (and other officers)	26,400	31,200
Other provisions	126,374	139,829
Retirement benefit liability	954,909	956,299
Other	551,735	513,423
Total non-current liabilities	20,781,914	19,603,808
Total liabilities	34,678,616	30,372,618
Net assets		
Shareholders' equity		
Share capital	7,100,036	7,100,036
Capital surplus	22,786,269	22,753,025
Retained earnings	39,052,598	38,420,635
Treasury shares	(5,633,171)	(6,334,663)
Total shareholders' equity	63,305,732	61,939,034
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	146,568	26,788
Foreign currency translation adjustment	15,532,687	14,925,041
Remeasurements of defined benefit plans	(41,922)	(69,685)
Total accumulated other comprehensive income	15,637,333	14,882,143
Total net assets	78,943,066	76,821,178
Total liabilities and net assets	113,621,682	107,193,796

Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statement of Income

(Thousands of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	26,559,485	27,838,688
Cost of sales	19,832,342	19,873,436
Gross profit	6,727,142	7,965,252
Selling, general and administrative expenses	7,364,715	7,499,797
Operating profit (loss)	(637,572)	465,454
Non-operating income		
Interest income	152,302	105,220
Dividend income	133,533	3,803
Foreign exchange gains	-	9,183
Other	163,947	130,967
Total non-operating income	449,783	249,174
Non-operating expenses		
Interest expenses	104,776	127,487
Share of loss of entities accounted for using equity method	13,640	14,544
Foreign exchange losses	450,765	-
Other	71,392	69,859
Total non-operating expenses	640,574	211,891
Ordinary profit (loss)	(828,363)	502,737
Extraordinary income		
Gain on sale of non-current assets	737	1,580
Gain on sale of investment securities	-	85,674
Subsidy income	2,000	-
Total extraordinary income	2,737	87,255
Extraordinary losses		
Loss on sale of non-current assets	1,548	5
Loss on retirement of non-current assets	31,693	6,202
Loss on tax purpose reduction entry of non-current assets	2,000	-
Total extraordinary losses	35,241	6,208
Profit (loss) before income taxes	(860,867)	583,784
Income taxes - current	185,855	319,022
Income taxes - deferred	(196,718)	(52,310)
Total income taxes	(10,863)	266,711
Profit (loss)	(850,004)	317,072
Profit attributable to non-controlling interests	-	-
Profit (loss) attributable to owners of parent	(850,004)	317,072

Semi-annual Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Profit (loss)	(850,004)	317,072
Other comprehensive income		
Valuation difference on available-for-sale securities	(252,638)	(119,780)
Foreign currency translation adjustment	3,552,221	(607,646)
Remeasurements of defined benefit plans, net of tax	(58,413)	(27,763)
Total other comprehensive income	3,241,170	(755,189)
Comprehensive income	2,391,166	(438,116)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,391,166	(438,116)
Comprehensive income attributable to non-controlling interests	-	-

Semi-annual Consolidated Statement of Cash Flows

(Thousands of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Profit (loss) before income taxes	(860,867)	583,784
Depreciation	3,936,592	3,547,370
Increase (decrease) in allowance for doubtful accounts	7,833	2,112
Increase (decrease) in retirement benefit liability	27,399	(49,558)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	7,200	4,800
Increase (decrease) in provision for operating officers' retirement benefits	8,170	13,454
Increase (decrease) in provision for bonuses for directors (and other officers)	(21,175)	(9,981)
Increase (decrease) in provision for loss on compensation for after-care of products	18,185	120,307
Interest income	(152,302)	(105,220)
Dividend income	(133,533)	(3,803)
Interest expenses	104,776	127,487
Share of loss (profit) of entities accounted for using equity method	13,640	14,544
Subsidy income	(2,000)	-
Loss (gain) on sale of investment securities	-	(85,674)
Loss (gain) on sale of non-current assets	811	(1,575)
Loss on retirement of non-current assets	31,693	6,202
Loss on tax purpose reduction entry of non-current assets	2,000	-
Decrease (increase) in trade receivables	230,454	363,227
Decrease (increase) in inventories	(283,813)	6,992
Increase (decrease) in trade payables	175,675	(92,677)
Other, net	(399,123)	604,654
Subtotal	2,711,616	5,046,449
Interest and dividends received	286,557	133,874
Payments of retirement benefits for directors (and other officers)	(725,515)	-
Subsidies received	2,000	-
Interest paid	(111,077)	(124,500)
Income taxes paid	(413,877)	(1,337,128)
Income taxes refund	1,412,120	162,301
Net cash provided by (used in) operating activities	3,161,824	3,880,996

(Thousands of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,310,214)	(3,779,606)
Proceeds from sale of property, plant and equipment	3,806	2,192
Purchase of intangible assets	(211,341)	(73,430)
Purchase of investment securities	-	(4,735)
Proceeds from sale of investment securities	-	327,494
Payments into time deposits	(1,486,016)	(446,545)
Proceeds from withdrawal of time deposits	500,000	1,075,715
Payments of leasehold and guarantee deposits	(1,497)	(461)
Proceeds from refund of leasehold and guarantee deposits	2,567	2,285
Short-term loan advances	(88)	-
Proceeds from collection of short-term loans receivable	14	-
Long-term loan advances	-	(400)
Proceeds from collection of long-term loans receivable	-	83
Other, net	805	318
Net cash provided by (used in) investing activities	(3,501,964)	(2,897,089)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,320,000	1,320,000
Repayments of short-term borrowings	(1,320,213)	(3,320,000)
Repayments of long-term borrowings	(1,281,026)	(945,258)
Repayments of lease liabilities	(369,582)	(370,708)
Purchase of treasury shares	-	(809,608)
Dividends paid	(949,956)	(948,948)
Net cash provided by (used in) financing activities	(2,600,778)	(5,074,522)
Effect of exchange rate change on cash and cash equivalents	1,253,970	(252,922)
Net increase (decrease) in cash and cash equivalents	(1,686,948)	(4,343,538)
Cash and cash equivalents at beginning of period	18,941,712	22,923,012
Cash and cash equivalents at end of period	17,254,763	18,579,473