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Consolidated Financial Results for the Six Months Ended September 30, 2025 [Japanese GAAP]



November 12, 2025

Company name: Harmonic Drive Systems Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 6324
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 Contact: Tetsuya Shiokawa, Executive Officer
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 Scheduled date of filing semi-annual report: November 13, 2025
 Scheduled date of commencing dividend payments: December 5, 2025
 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 Six Months Ended September 30, 2025 (April 1, 2025 – September 30, 2025)

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

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

(Note) Comprehensive income: Six months ended September 30, 2025: ¥(438) million [—%]

Six months ended September 30, 2024: ¥2,391 million [(43.6)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	3.35	—
September 30, 2024	(8.95)	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2025	107,193	76,821	71.7
As of 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. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2025	Yen —	Yen 10.00	Yen —	Yen 10.00	Yen 20.00
Fiscal year ending March 31, 2026	—	10.00			
Fiscal year ending March 31, 2026 (Forecast)			—	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, 2026 (April 1, 2025 – March 31, 2026)

(% 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
Full year	57,000	2.4	1,500	—	1,500	892.1	1,300 (62.6)	13.73

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

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

(2) Accounting methods adopted particularly for the preparation of semi-annual 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):

September 30, 2025: 96,315,400 shares

March 31, 2025: 96,315,400 shares

2) Total number of treasury shares at the end of the period:

September 30, 2025: 1,648,579 shares

March 31, 2025: 1,411,891 shares

3) Average number of shares outstanding during the period:

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. 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.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the six months ended September 30 (April 1, 2025 to September 30, 2025), the future of the global economy became increasingly uncertain against a backdrop of changes in U.S. trading policy in addition to the prolonged situation in Ukraine and rising tensions in the Middle East, and a continuation of the China-U.S. standoff structure. Under such external circumstances, in terms of the business environment surrounding the Harmonic Drive Systems Group (hereinafter “the Group”), we saw a gradual recovery in orders received due to steady global investment in automation and a continued expansion of demand for investment in the generative AI sector, despite concerns over a curbing effect on capital investment as a result of U.S. trade policy and geopolitical fragmentation.

Regarding net sales trends by application, net sales increased year on year for industrial robots, semiconductor manufacturing equipment, and gear heads for motor manufacturers. Meanwhile, net sales for automotive applications declined year on year.

As a result, net sales for the six months under review increased 4.8% year on year to ¥27,838 million.

In terms of profit and loss, the cost ratio improved due to higher factory operating rates in the Japan segment, resulting in operating profit of ¥465 million (operating loss of ¥637 million in the same period of the previous fiscal year). In addition, profit attributable to owners of parent of ¥317 million (loss attributable to owners of parent of ¥850 million in the same period of the previous fiscal year) was recorded due to an increase in operating profit.

In terms of net sales by product group, speed reducers totaled ¥21,904 million, up 10.0% year on year, and mechatronic products totaled ¥5,934 million, down 10.8% year on year. They accounted for 78.7% and 21.3% of the total net sales, respectively.

Financial results by segment are as follows.

(Japan)

Despite a decrease in net sales for automotive applications, orders received from customers for industrial robots and semiconductor manufacturing equipment increased. As a result, net sales increased 27.1% year on year to ¥12,369 million. Segment profit (ordinary profit) increased by 705.3% year on year to ¥1,472 million due an improvement in the cost ratio resulting from a higher factory operating rate.

(China)

Net sales decreased by 24.2% year on year to ¥2,276 million due to a fall in sales for industrial robots applications. However, segment profit (ordinary profit) increased by 418.6% year on year to ¥437 million as a result of an increase in the gross profit ratio due to changes in the sales mix and an increase in foreign exchange gains due to the strong yen.

(North America)

Net sales decreased by 5.0% year on year to ¥5,496 million due to a fall in sales for amusement equipment applications. Segment profit (ordinary profit) turned to segment loss (ordinary loss) of ¥33 million (segment profit of ¥277 million in same period of the previous fiscal year) due to an increase in one-off expenses accompanying the updates to our core systems.

(Europe)

Net sales decreased by 4.3% year on year to ¥7,695 million due to a fall in sales for industrial robots applications. Segment profit (ordinary profit) improved to ¥71 million (segment loss of ¥127 million in the same period of the previous fiscal year), due to a higher gross profit ratio resulting from changes in the sales mix, despite the amortization cost of ¥484 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 six months under review decreased by ¥6,427 million, down 5.7% from the end of the previous fiscal year to ¥107,193 million. This was primarily due to a ¥4,344 million decrease in cash and deposits (down 17.4% year on year) and a ¥1,267 million decrease in other current assets (down 48.6% year on year).

(Liabilities)

Liabilities decreased by ¥4,305 million, down 12.4% from the end of the previous fiscal year to ¥30,372 million. This was primarily due to a ¥1,999 million decrease in short-term borrowings (down 74.0% year on year), a ¥998 million decrease in income taxes payable (down 77.7% year on year), and a ¥945 million decrease in long-term borrowings (down 8.6% year on year), all resulting from the progress of payment for borrowings.

(Net Assets)

Net assets decreased by ¥2,121 million, down 2.7% from the end of the previous fiscal year to ¥76,821 million. This was primarily due to a ¥607 million decrease in foreign currency translation adjustment (down 3.9% year on year) due to the effect of exchange rate fluctuations in addition to a ¥1,366 million decrease in total shareholders' equity (down 2.2% year on year) resulting from the acquisition of treasury shares and the payment of year-end dividend.

As a result, the equity ratio increased from 69.5% at the end of the previous fiscal year to 71.7%.

(Status of Cash Flows)

Cash and cash equivalents at the end of the six months under review totaled ¥18,579 million, down ¥4,343 million from the end of the previous fiscal year.

The status of cash flows by category for the six months under review is as follows.

(Cash Flows from Operating Activities)

Operating activities in the six months under review provided net cash of ¥3,880 million, compared with net cash provided of ¥3,161 million in the same period of the previous fiscal year. This was primarily because of recording depreciation of ¥3,547 million, while the Company recorded income taxes paid of ¥1,337 million.

(Cash Flows from Investing Activities)

Investing activities in the six months under review used net cash of ¥2,897 million, compared with net cash used of ¥3,501 million in the same period of the previous fiscal year. This was primarily because of ¥3,779 million used for purchase of property, plant and equipment, which was offset by ¥1,075 million provided by proceeds from withdrawal of time deposits.

(Cash Flows from Financing Activities)

Financing activities in the six months under review used net cash of ¥5,074 million, compared with net cash used of ¥2,600 million in the same period of the previous fiscal year. This was primarily because of ¥3,320 million used for repayments of short-term borrowings, ¥948 million used for dividends paid, and ¥945 million used for repayments of long-term borrowings.

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

There is no change to the financial results forecast for the fiscal year ending March 31, 2026, which was announced on August 6, 2025 in the "Notice Regarding Revision to the Financial Results Forecast for the Fiscal Year Ending March 31, 2026 and Revision to the Dividend Forecasts." Should any revisions be deemed necessary in the future, they shall be disclosed in a timely manner.

2. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual Consolidated Balance Sheets

(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

(2) 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	—	—

(3) Semi-annual Consolidated Statements 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
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)

(Thousands of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
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

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

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

Not applicable.

(Segment information, etc.)

[Segment information]

I For the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

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

(Thousands of yen)

	Reportable segment					Adjustment	Consolidated
	Japan	China	North America	Europe	Total		
Net sales							
Revenue from contracts with customers	14,222,502	3,006,478	5,790,924	8,134,118	31,154,023	(4,594,537)	26,559,485
Net sales to third parties	9,732,568	3,005,324	5,783,721	8,037,870	26,559,485	—	26,559,485
Inter-segment net sales or transfers	4,489,933	1,154	7,202	96,247	4,594,537	(4,594,537)	—
Total	14,222,502	3,006,478	5,790,924	8,134,118	31,154,023	(4,594,537)	26,559,485
Segment profit (loss)	182,821	84,426	277,649	(127,767)	417,130	(1,245,494)	(828,363)

(Notes) 1. The segment profit (loss) adjustment of ¥(1,245,494) thousand consists of the eliminated inter-segment transaction profit of ¥3,680 thousand, and the general administrative expenses that are not allocated to any reportable segment, totaling ¥(1,249,175) thousand. 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, in addition to the Japanese market.

3. The “North America” segment includes net sales of ¥4,986,416 thousand originating from the United States of America, which represents 10% or more of net sales recorded on the consolidated statements of income.

4. The “Europe” segment includes net sales of ¥3,281,677 thousand originating from Germany, which represents 10% or more of net sales recorded on the consolidated statements of income.

5. Segment profit (loss) is adjusted to ordinary loss in the semi-annual consolidated statements of income.

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

Not applicable.

II For the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

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

(Thousands of yen)

	Reportable segment					Adjustment	Consolidated
	Japan	China	North America	Europe	Total		
Net sales							
Revenue from contracts with customers	15,909,874	2,279,033	5,509,725	7,733,130	31,431,764	(3,593,076)	27,838,688
Net sales to third parties	12,369,705	2,276,924	5,496,881	7,695,177	27,838,688	—	27,838,688
Inter-segment net sales or transfers	3,540,169	2,109	12,843	37,953	3,593,076	(3,593,076)	—
Total	15,909,874	2,279,033	5,509,725	7,733,130	31,431,764	(3,593,076)	27,838,688
Segment profit (loss)	1,472,324	437,834	(33,775)	71,492	1,947,876	(1,445,139)	502,737

(Notes) 1. The segment profit (loss) adjustment of ¥(1,445,139) thousand consists of the eliminated inter-segment transaction profit of ¥(208,800) thousand, and the general administrative expenses that are not allocated to any reportable segment, totaling ¥(1,236,338) thousand. 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, in addition to the Japanese market.
3. The “North America” segment includes net sales of ¥4,839,604 thousand 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 ordinary profit (loss) in the semi-annual consolidated statements of income.

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

Not applicable.

(Significant subsequent events)

Not applicable.

3. Other Matters

(1) Status of Production, Orders Received and Sales

a. Production

Production results by segment for the six months ended September 30, 2025 (April 1, 2025 to September 30, 2025) are as follows:

Segment name		Production output (thousands of yen)	YoY change (%)
Japan	Speed reducers	15,195,548	26.5
	Mechatronic products	2,314,551	58.9
China	Speed reducers	—	—
	Mechatronic products	—	—
North America	Speed reducers	2,298,775	(0.3)
	Mechatronic products	1,823,902	(17.0)
Europe	Speed reducers	4,686,497	(14.0)
	Mechatronic products	1,951,710	(31.6)
Total		28,270,985	7.6

- (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 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 six months ended September 30, 2025 (April 1, 2025 to September 30, 2025) are as follows:

Segment name		Orders received (thousands of yen)	YoY change (%)	Order backlog (thousands of yen)	YoY change (%)
Japan	Speed reducers	11,599,962	22.2	4,548,343	10.8
	Mechatronic products	1,380,000	1.7	873,182	(12.8)
China	Speed reducers	2,039,942	(31.8)	768,074	(41.8)
	Mechatronic products	318,488	460.6	195,230	703.0
North America	Speed reducers	3,355,291	14.2	3,664,228	(15.1)
	Mechatronic products	2,190,702	4.2	1,786,218	(43.8)
Europe	Speed reducers	5,925,980	39.4	5,997,264	10.2
	Mechatronic products	2,709,514	2.8	2,699,206	(3.5)
Total		29,519,883	14.3	20,531,750	(7.5)

- (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 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 ¥332,579 thousand of order cancellations. The cancellations took place during the six months ended September 30, 2025.

c. Sales

Sales results by segment for the six months ended September 30, 2025 (April 1, 2025 to September 30, 2025) are as follows:

Segment name		Sales volume (thousands of yen)	YoY change (%)
Japan	Speed reducers	11,060,642	29.0
	Mechatronic products	1,309,062	12.9
China	Speed reducers	2,110,944	(27.6)
	Mechatronic products	165,979	86.9
North America	Speed reducers	3,229,552	4.2
	Mechatronic products	2,267,329	(15.6)
Europe	Speed reducers	5,503,451	3.5
	Mechatronic products	2,191,725	(19.4)
Total		27,838,688	4.8

(Notes) 1. Inter-segment transactions are offset and eliminated.

2. Sales by primary customer and the ratio of the sales to the total sales are as follows:

Customer	Six months ended September 30, 2024		Six months ended September 30, 2025	
	Sales (thousands of yen)	Ratio (%)	Sales (thousands of yen)	Ratio (%)
Nissan Motor Co., Ltd.	2,959,989	11.1	—	—

The sales to Nissan Motor Co., Ltd. are not presented for the six months ended September 30, 2025, since the ratio of the sales to the total sales is less than ten hundredths.

3. The above amounts exclude consumption taxes.

4. The Group's reportable segments are classified on a location basis (Japan, China, North America, and Europe).

5. 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.

6. 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 six months ended September 30, 2025 (April 1, 2025 to September 30, 2025) are as follows:

	China	North America	Europe	Other regions	Total
I Net sales outside Japan (thousands of yen)	2,276,924	5,496,881	7,695,177	1,134,481	16,603,464
II Consolidated net sales (thousands of yen)	—	—	—	—	27,838,688
III Ratio of net sales outside Japan to consolidated net sales (%)	8.2	19.7	27.6	4.1	59.6

(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.