



Harmonic Drive Systems Inc.

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Financial Results for the 1st-Half of the Fiscal Year Ending March 31, 2026

November 19, 2025

This presentation contains forward-looking statements relating to expected future performance as of November 19, 2025. Such statements are based on the views and assumptions of company management and involve risks and uncertainties such as changes in the business environment that may cause the actual results to differ materially from expectations.



Performance Summary for the first half of FY03/26

Consolidated results for 1H FY03/26 (vs. original forecasts)

(millions of yen)

	Original forecasts (announced May.14)		1H FY03/26		Vs. original forecasts	
	Amount	Percent (%)	Amount	Percent (%)	Change	Rate (%)
Net sales	27,000	100.0	27,838	100.0	838	3.1
Operating income	300	1.1	465	1.7	165	55.2
Ordinary income	200	0.7	502	1.8	302	151.4
Net income	300	1.1	317	1.1	17	5.7
EPS (yen)	3.16	—	3.35	—	0.18	—

*Net income (loss) refers to net income (loss) attributable to owners of parent.

Consolidated results for 1H FY03/26 (year-on-year change)

(millions of yen)	1H FY03/25		1H FY03/26		Year-on-year change	
	Amount	Percent (%)	Amount	Percent (%)	Change	Rate (%)
Net sales	26,559	100.0	27,838	100.0	1,279	4.8
Operating income	▲637	—	465	1.7	1,103	—
Ordinary income	▲828	—	502	1.8	1,331	—
Net income	▲850	—	317	1.1	1,167	—
EPS (yen)	▲8.95	—	3.35	—	12.30	—
Capital investment	2,403	—	3,467	—	1,063	44.3
Depreciation	3,936	—	3,547	—	▲389	▲9.9
R&D expenses	1,936	—	1,879	—	▲57	▲2.9

*Net income (loss) refers to net income (loss) attributable to owners of parent.

*Depreciation includes depreciation of tangible assets and amortization of intangible assets.

Performance of main group companies in 1H FY03/26

(millions of yen)		Equity stake	Net sales		Operating income	
			Amount	Year-on-year Change(%)	Amount	Year-on-year Change(%)
*2	HD Systems, Inc. (Harmonic Drive L.L.C./ USA)	100% (100%)	5,509	▲4.9	▲14	—
	Harmonic AD, Inc.	100%	1,117	14.2	2	—
	Harmonic Precision Inc.	100%	1,532	1.3	123	—
*3	Harmonic Drive Systems (Shanghai) Co., Ltd	100%	2,279	▲24.2	314	▲5.3
*4	Harmonic Drive SE (Germany)	100%	7,733	▲4.9	519	104.5

*1 For overseas subsidiaries, the fiscal year ends December 31.

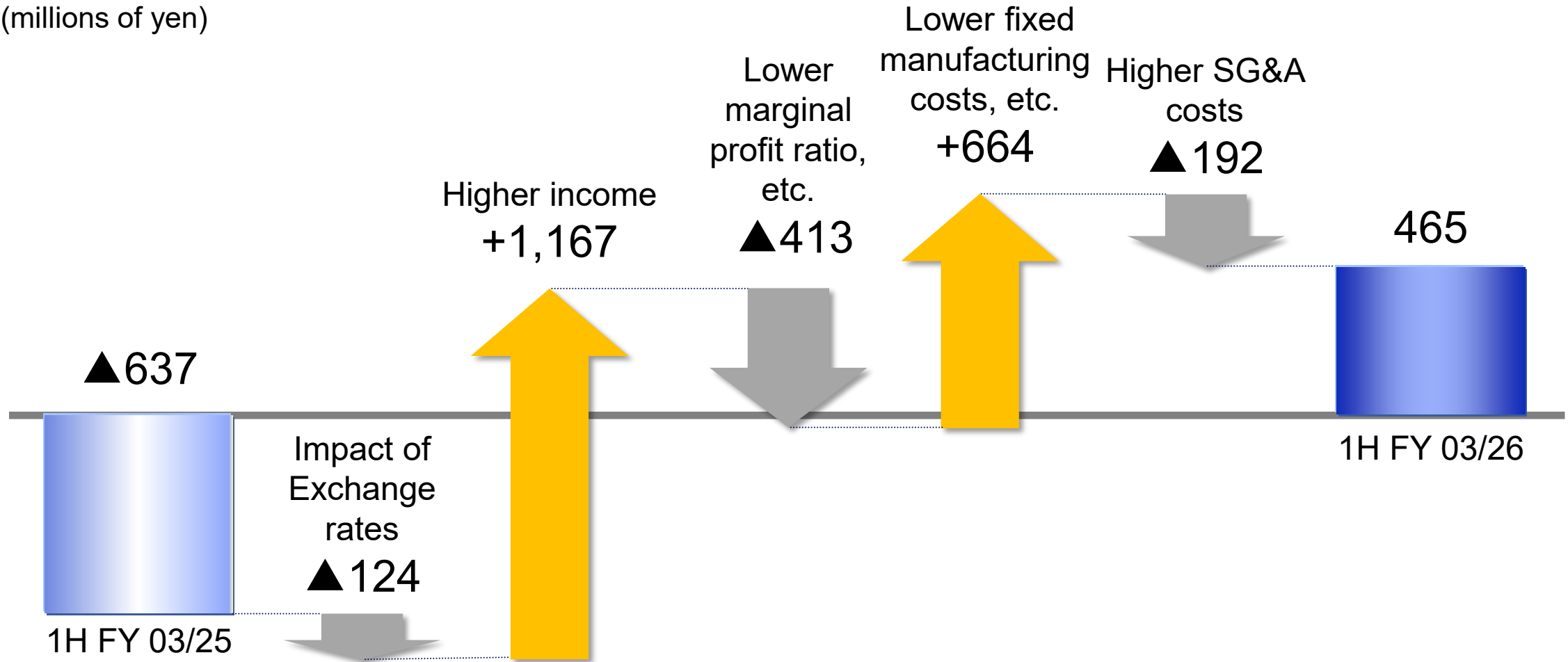
*2 Exchange rates: Jan–Jun 2024 1USD = ¥152.25 Jan–Jun 2025 1USD = ¥148.60

*3 Exchange rates: Jan–Jun 2024 1CNY = ¥21.05 Jan–Jun 2025 1CNY = ¥20.47

*4 Exchange rates: Jan–Jun 2024 1EUR = ¥164.60 Jan–Jun 2025 1EUR = ¥162.15

Breakdown of year-on-year change in consolidated operating income

(millions of yen)

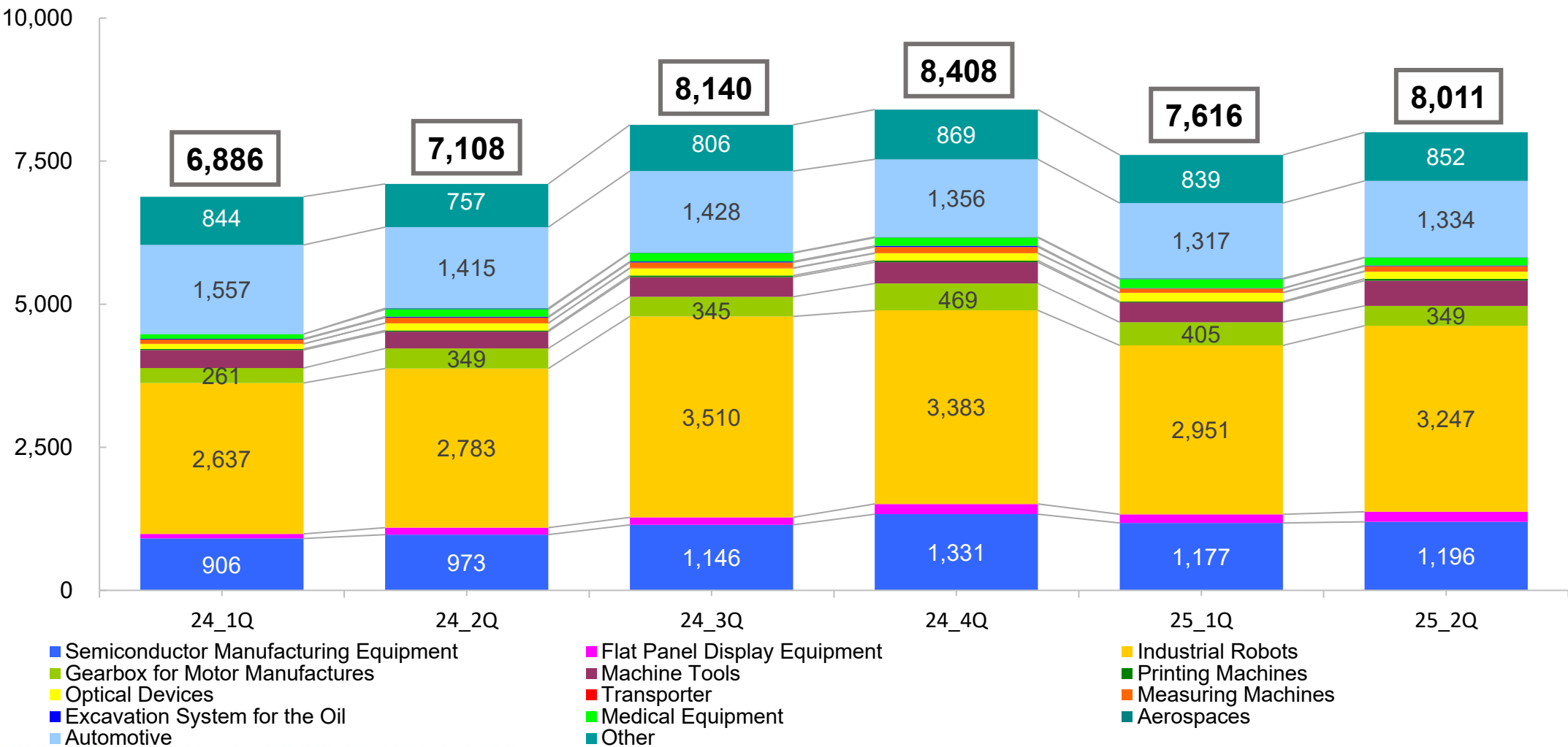


Non-consolidated results for 1H FY03/26 (year-on-year change)

(millions of yen)	1H FY03/25		1H FY03/26		Year-on-year change	
	Amount	Percent (%)	Amount	Percent (%)	Change	Rate (%)
Net sales	13,995	100.0	15,628	100.0	1,633	11.7
Operating income	▲727	—	250	1.6	978	—
Ordinary income	▲699	—	151	1.0	851	—
Net income	▲701	—	206	1.3	908	—
EPS (yen)	▲7.38	—	2.19	—	9.57	—
Capital investment	1,343	—	1,298	—	▲44	▲3.3
Depreciation	2,175	—	1,984	—	▲190	▲8.8
R&D expenses	1,186	—	1,164	—	▲21	▲1.8

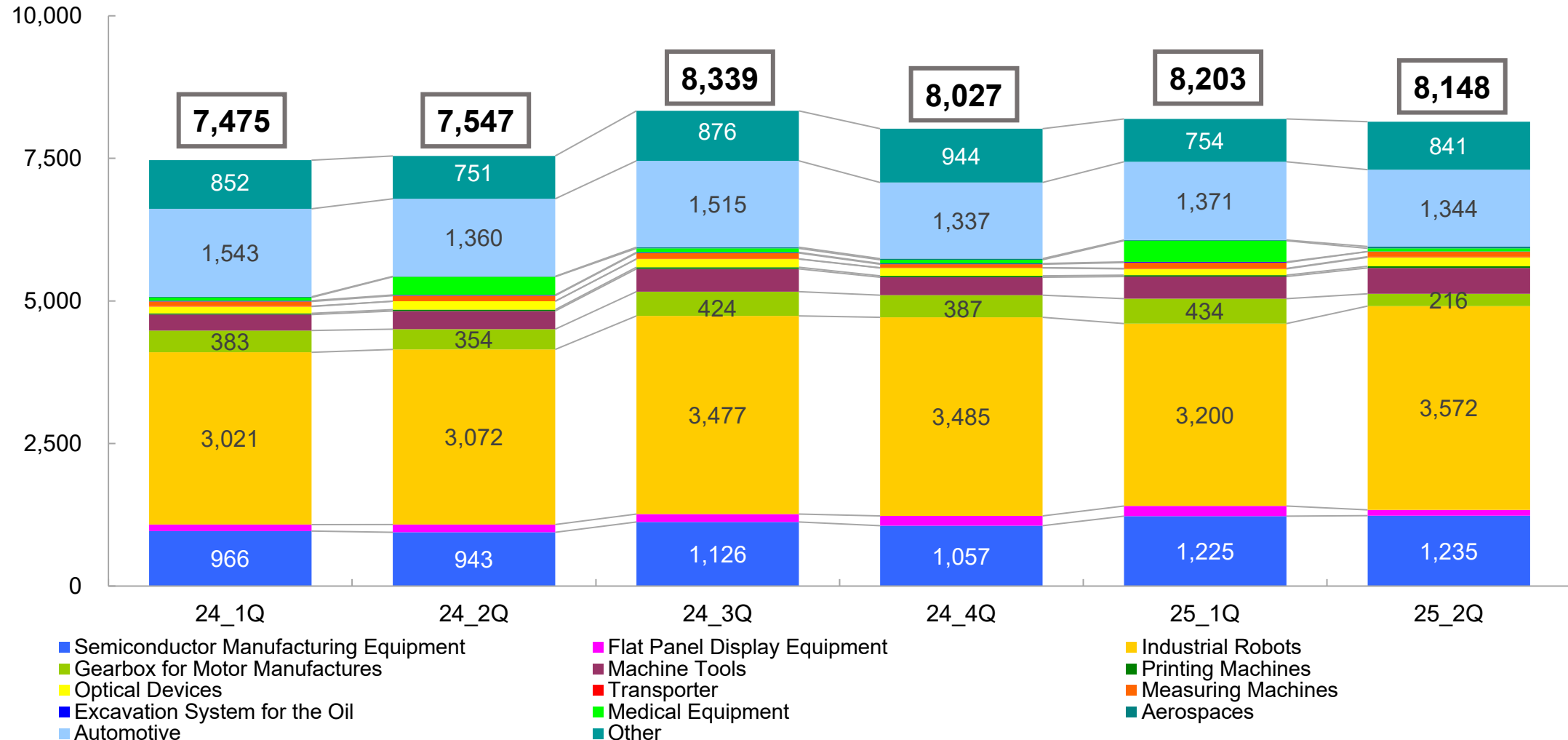
Non-consolidated net sales by application (quarterly)

(millions of yen)

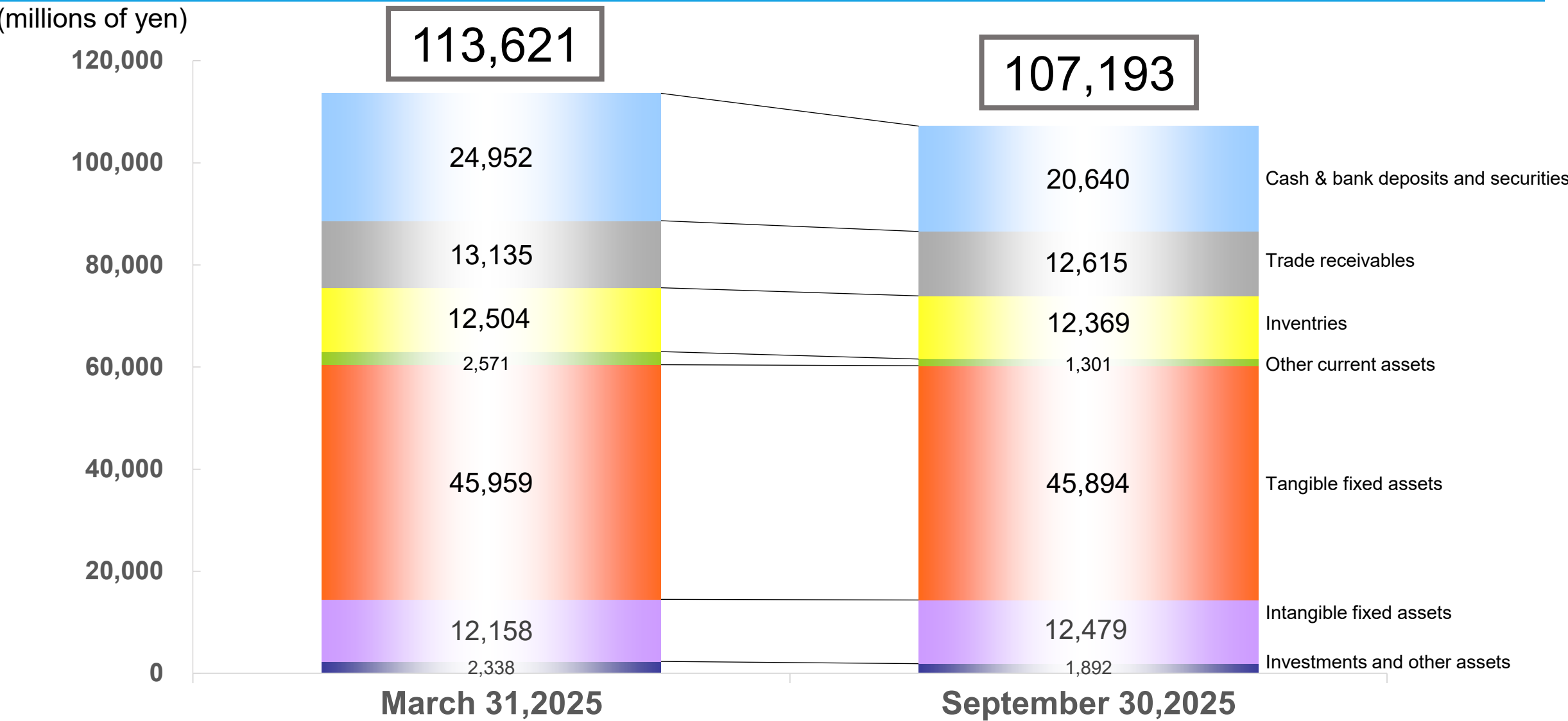


Non-consolidated bookings by application (quarterly)

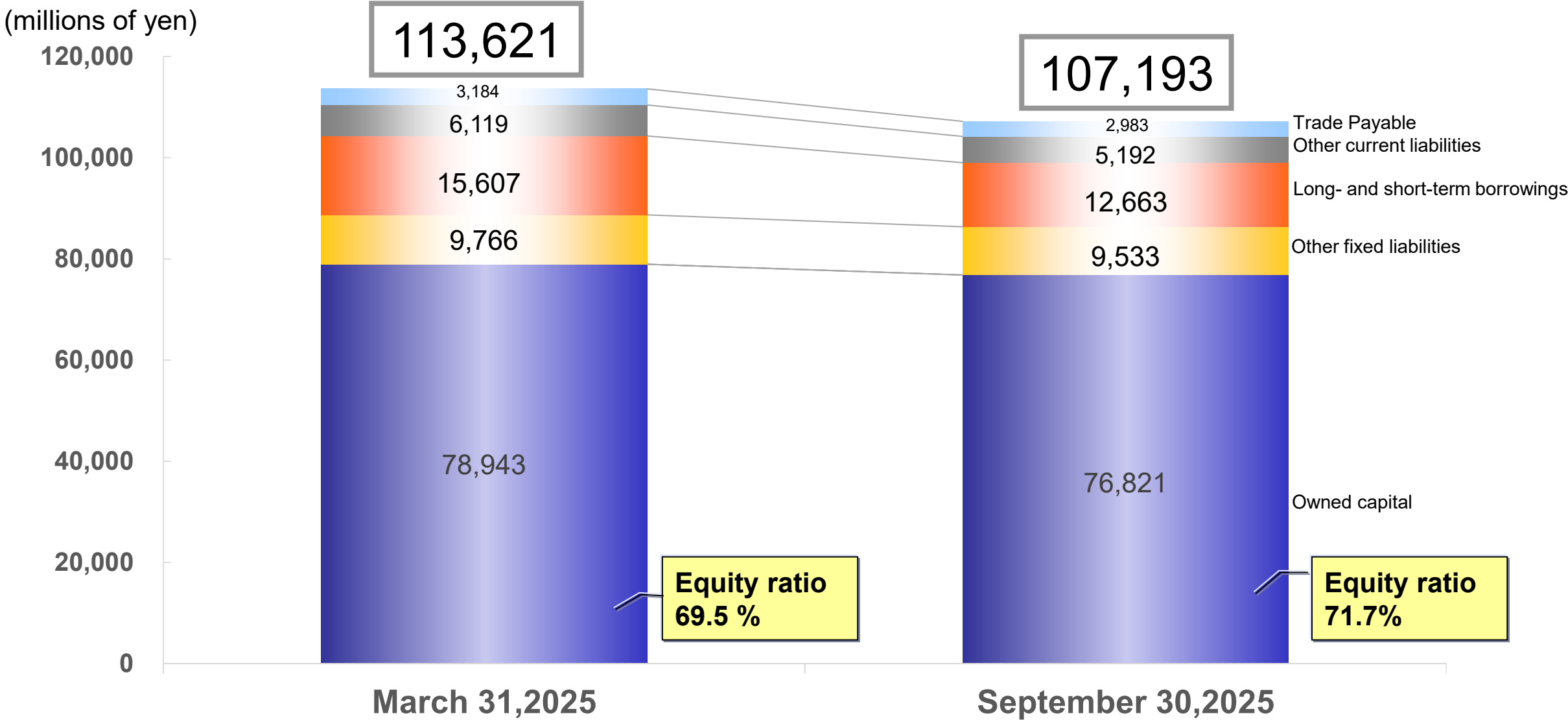
(millions of yen)



Status of consolidated assets



Status of consolidated liabilities and net assets



Status of consolidated cash flows

(millions of yen)

	1H FY03/25	1H FY03/26
Cash flow from operating activities	3,161	3,880
Cash flow from investing activities	▲3,501	▲2,897
Cash flow from financing activities	▲2,600	▲5,074
Effect of exchange rate changes on cash and cash equivalents	1,253	▲252
Net increase (decrease) in cash and cash equivalents	▲1,686	▲4,343
Cash and cash equivalents at end of period	17,254	18,579

Performance Forecasts for Full-year FY03/26

Consolidated performance forecasts for full-year FY03/26

(millions of yen)	FY03/25		FY03/26 (forecast)		Year-on-year change	
	Amount	Percent (%)	Amount	Percent (%)	Change	Rate (%)
Net sales	55,645	100.0	57,000	100.0	1,354	2.4
Operating income	6	0.0	1,500	2.6	1,493	—
Ordinary income	151	0.3	1,500	2.6	1,348	—
Net income	3,473	6.2	1,300	2.3	▲2,173	▲62.6
EPS (yen)	36.57	—	13.73	—	▲22.84	—
Capital investment	3,765	—	6,100	—	2,334	62.0
Depreciation	8,023	—	6,700	—	▲1,323	▲16.5
R&D expenses	3,776	—	3,900	—	123	3.3

*Assumed exchange rate for FY03/26 forecasts: 1USD = ¥142.50 1EUR = ¥156.00 1CNY = ¥20.00

*Net income (loss) refers to net income (loss) attributable to owners of parent.

*Depreciation includes depreciation of tangible assets and amortization of intangible assets.

Non-consolidated performance forecasts for full-year FY03/26

(millions of yen)	FY03/25		FY03/26 (Forecast)		Year-on-year change	
	Amount	Percent (%)	Amount	Percent (%)	Change	Rate (%)
Net sales	30,544	100.0	32,300	100.0	1,755	10.8
Operating income	▲187	—	200	0.6	387	—
Ordinary income	187	0.6	0	0.0	▲187	—
Net income	4,174	13.7	150	0.5	▲4,024	▲96.4
EPS (yen)	43.96	—	1.58	—	▲42.38	—
Capital investment	1,889	—	4,100	—	2,210	117.0
Depreciation	4,504	—	3,700	—	▲804	▲17.9
R&D expenses	2,365	—	2,600	—	234	9.9

*Assumed exchange rate for FY03/26 forecasts: 1USD = ¥142.50 1EUR = ¥156.00 1CNY = ¥20.00

Performance forecasts on main group companies for full-year FY03/26

(millions of yen)		Equity stake	Net sales		Operating income	
			Amount	Year-on-year Change(%)	Amount	Year-on-year Change(%)
*2	HD Systems, Inc. (Harmonic Drive L.L.C. / USA)	100% (100%)	11,100	▲4.7	500	▲12.4
	Harmonic AD, Inc.	100%	2,300	11.7	0	—
	Harmonic Precision Inc.	100%	3,400	9.4	100	—
*3	Harmonic Drive Systems (Shanghai) Co., Ltd	100%	3,800	▲32.4	300	▲41.1
*4	Harmonic Drive SE (Germany)	100%	16,000	▲5.0	1,300	121.4

*1 For overseas subsidiaries and affiliates , the fiscal year ends December 31.

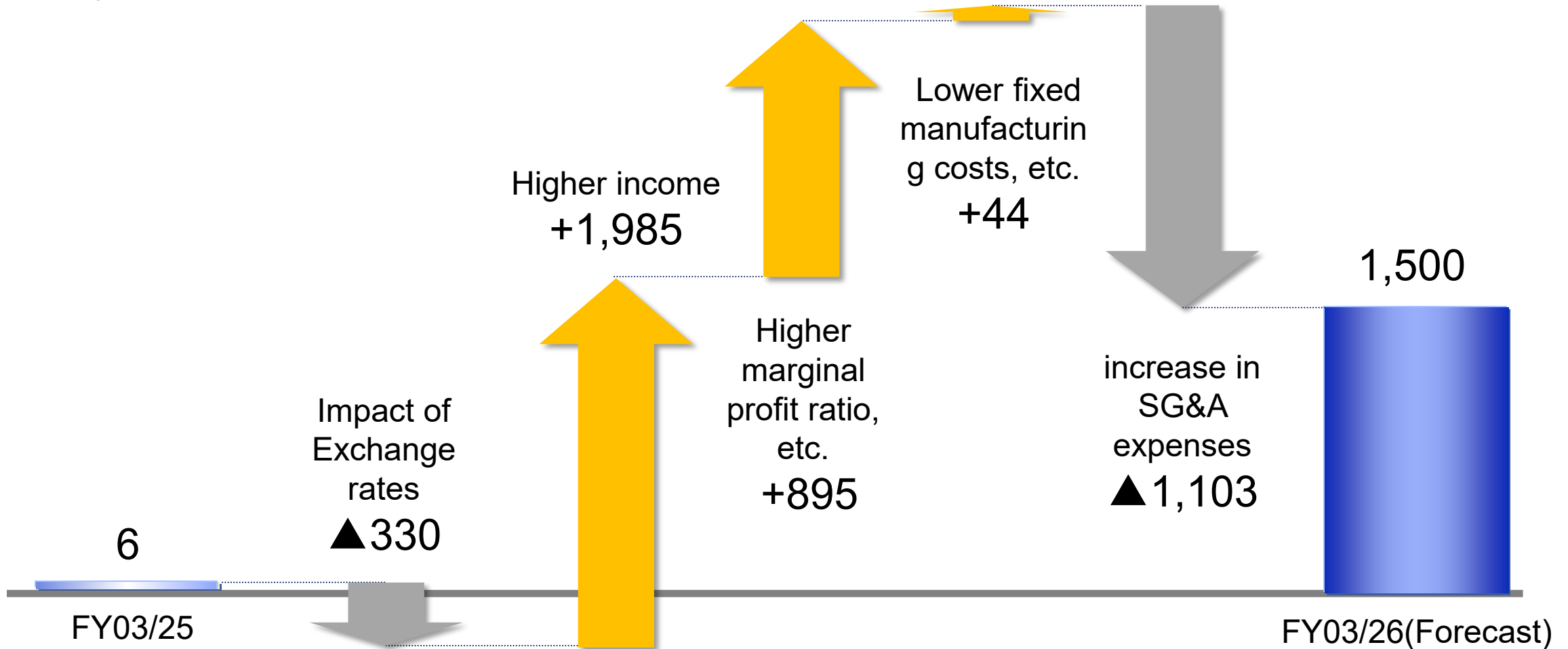
*2 Exchange rates: Jan–Dec 2024 1USD = ¥151.58, Jan–Dec 2025 1USD = ¥142.50

*3 Exchange rates: Jan–Dec 2024 1CNY = ¥21.02, Jan–Dec 2025 1CNY = ¥20.00

*4 Exchange rates: Jan–Dec 2024 1EUR = ¥163.95, Jan–Dec 2025 1EUR = ¥156.00

Factors in year-on-year change in consolidated operating income (fiscal year ending March 31, 2026 forecasts)

(Millions of yen)



Future Outlook

1. Review of demand trends in the first half of FY03/26

1-1. Consolidated Bookings Status by Region

Despite concerns over an economic stagnation in Europe, overall orders are on a recovery track

North America*1

Orders increased YoY, driven by large orders of products for AI robots *2

Europe*1

Orders remained firm, backed by concentrated efforts to win orders from new customers

China*1

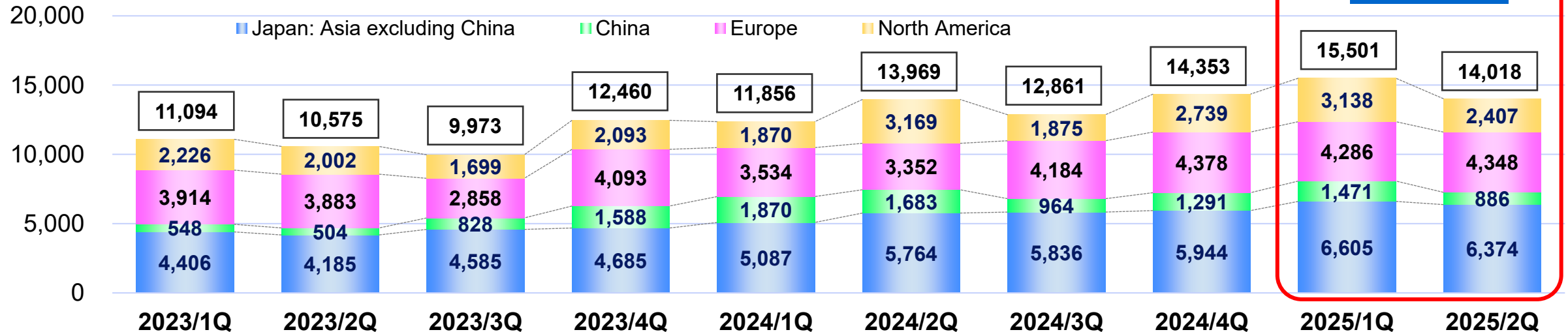
Orders for semiconductor production equipment applications increased, while orders of products for industrial robots declined

Japan*1

Orders for industrial robot applications grew sharply YoY

(millions of yen)

Consolidated Bookings Trend

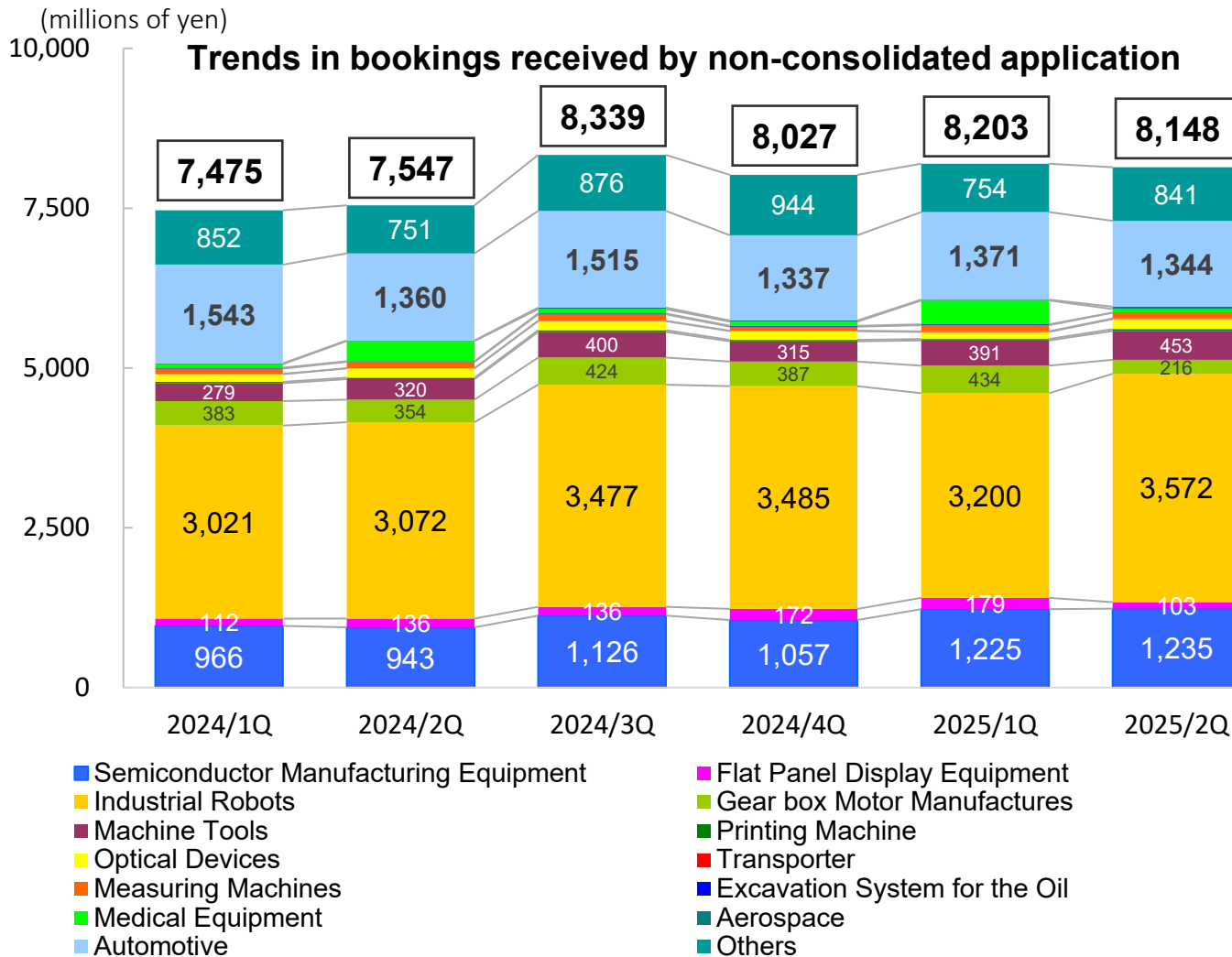


Harmonic Drive Systems Inc.

*1 The fiscal year ends in December in North America, Europe, and China, while in Japan, it ends in March.

*2 Robots (including humanoid robots) equipped with intelligence that make decisions autonomously and operate on their own.

1-2. Bookings by non-consolidated application



Status in the first half of FY2025

Automotive

- Orders were in line with expectations, despite sluggish orders from Japanese automakers

Industrial Robots

- Orders from domestic robot manufacturers rose sharply
 - ▶ Customer inventories of our products were optimized
 - ▶ Sales of domestic robot manufacturers increased in China

Semiconductor Manufacturing Equipment

- Advanced semiconductors, particularly those related to AI, are driving demand, but the market has yet to fully recover

2. Initiatives for the first half of FY03/26

2-1. Mid-term Management Plan for fiscal years 2024–2026

Take on the challenge of “Value Creation and Transformation”

① What do we aim to achieve?

Sustainable growth of all businesses with an emphasis on profitability

② What is necessary to achieve this?

Strengthen management resources (people, things, money, information) that can adapt to changes in the environment

③ Sustainability

Initiatives to enhance corporate value that will continue into the future

2-2-1. Initiatives for the first half of FY03/26

① Sustainable growth of all businesses with an emphasis on profitability

➤ Develop new drivers for growth

- For AI robot applications, responded to inquiries from approx.15 companies
 - ▶ Began mass production for a startup company in North America
- Collaborated with multiple companies in robot hand development
- Entered into a strategic sales partnership with Servo Dynamics Pte Ltd., *

*a group company of ISDN Holdings of Singapore

➤ Thorough implementation of QCDS+Speed to meet customer expectations

- Advanced the companywide cost innovation project launched in FY2024
 - Operating profit in the first half of FY03/26 improved by approx. ¥400 million (including contributions from price hikes)
- Collaborated with local Chinese partners
 - ▶ Established local procurement and assembly structures
 - ▶ Evaluations by end users began

2-2-2. Initiatives for the first half of FY03/26

②Strengthen management resources

- Factory IoT adoption
 - Introduced MES (Manufacturing Execution System) at the Hotaka Plant
 - ▶ Began working on shortening production lead times through digital transformation
(Expected effect Reduction of indirect labor hours by approximately 16,000 hours per year)
- Growth investment aware of capital efficiency
 - Pursued optimal selection of equipment and utilization of idle assets, taking into account investment cost reduction, space minimization, and productivity

③Initiatives to enhance corporate value that will continue into the future

- Activities based on our Basic Sustainability Policy
 - Expanded third-party verification of greenhouse gas emissions from Scope 1 and 2 to Scope 3
 - Held a dialogue session between institutional investors and outside directors
(included in the Integrated Report 2025)
 - Launched an environmentally conscious design project

2-3. Exhibiting at 「Future-Creation Robot Week」

- At EXPO 2025 Osaka-Kansai, technologies from Japan's leading robot manufacturers were showcased
- Presented our products as technologies that will support future society
- Enhanced our brand recognition among the younger generation and the general public

Date: July 13-19, 2025

Venue: "WASSE" at EXPO2025 Osaka-Kansai Expo

Exhibit: 「Rock-paper-scissors robot hand」
「Comparison demo of HD* vs spur gear
vs gearless」 *HarmonicDrive®

Exhibit content: 26,760 people



2-4. Participating in 「ESMATS2025」

- A globally renowned space mechanisms and tribology symposium
- Jointly with Sener Aeroespacial, HDSE* developed an actuator designed for long life in space applications, and the two companies delivered a joint presentation at the symposium
*Harmonic Drive SE(European Subsidiary)
- HDSE participated as a Gold Sponsor and hosted an exhibition booth
 - ▶ Further enhanced recognition of our mechanical components within the space industry



Date : September 24-26, 2025

Venue : Lausanne, Switzerland

Number of attendees : Approximately 400 people

ESMAT: European Space Mechanisms and Tribology Symposium



3. New Applications

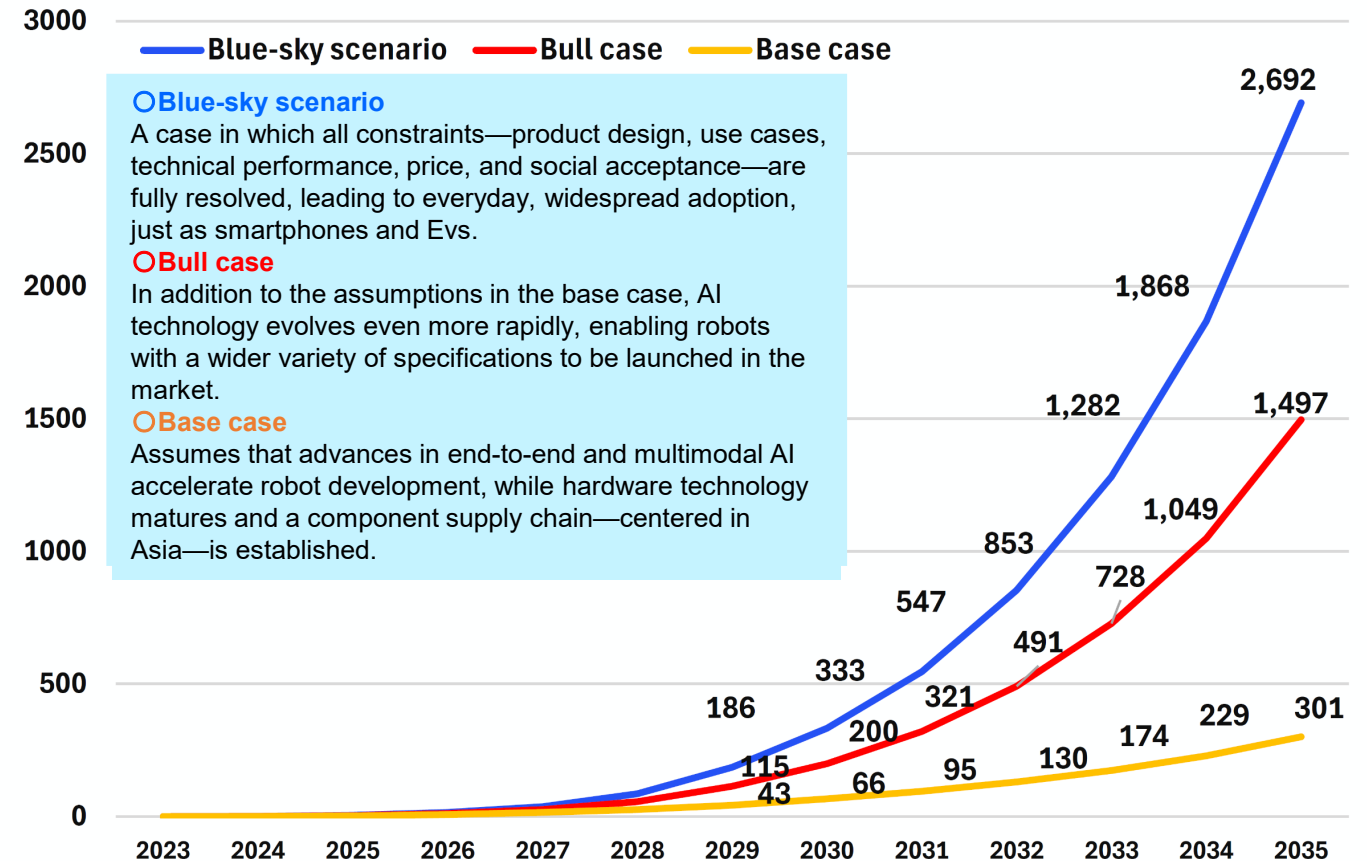
3-1-1. AI robots

■ Our position in the AI robot market

- The evolution of AI—the “brain” of the robot—is the key to market expansion
- Our Group determines the timing of capital expenditures based on customer inquiries
- We anticipate significant growth in factory, logistics, and service fields

Total humanoid robot shipments

(in 10k units)



Source: Goldman Sachs Research「Humanoid robot: The AI accelerant.」

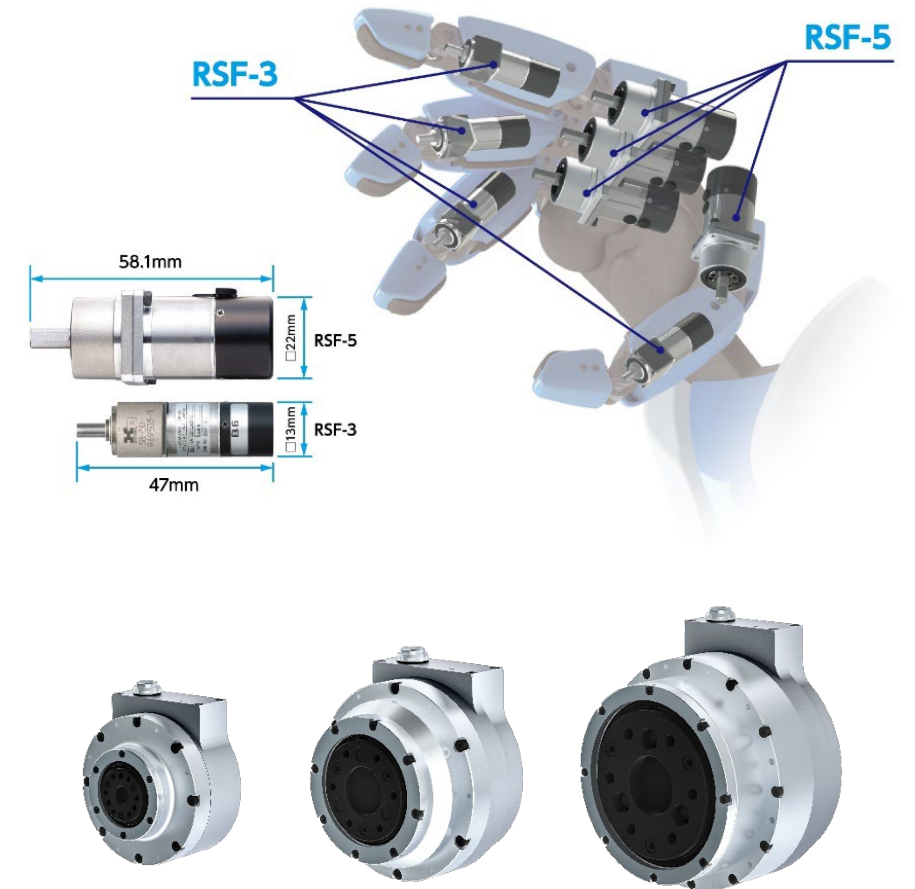
3-1-2. AI robots

■ Development phase

- Actively promote collaboration with major corporations exploring entry opportunities in the AI robot field—a field we are confident will lead to creation of new markets

■ Key components of AI robots we focus on

1. Skeleton: Flexible movement enabled by multi-degree-of-freedom design
2. Dexterous hands and fingers
(particularly for general-purpose robots)
 - Rotary actuator (reduction gear)
3. Lower limbs
 - Built-in driver planetary actuators (QDD motors)



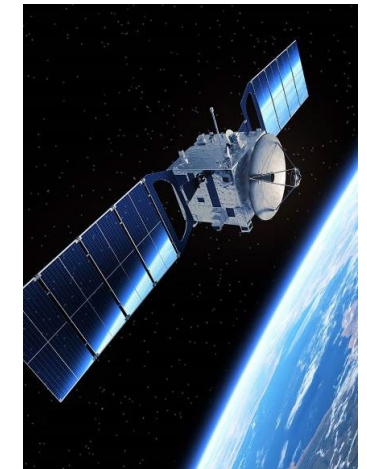
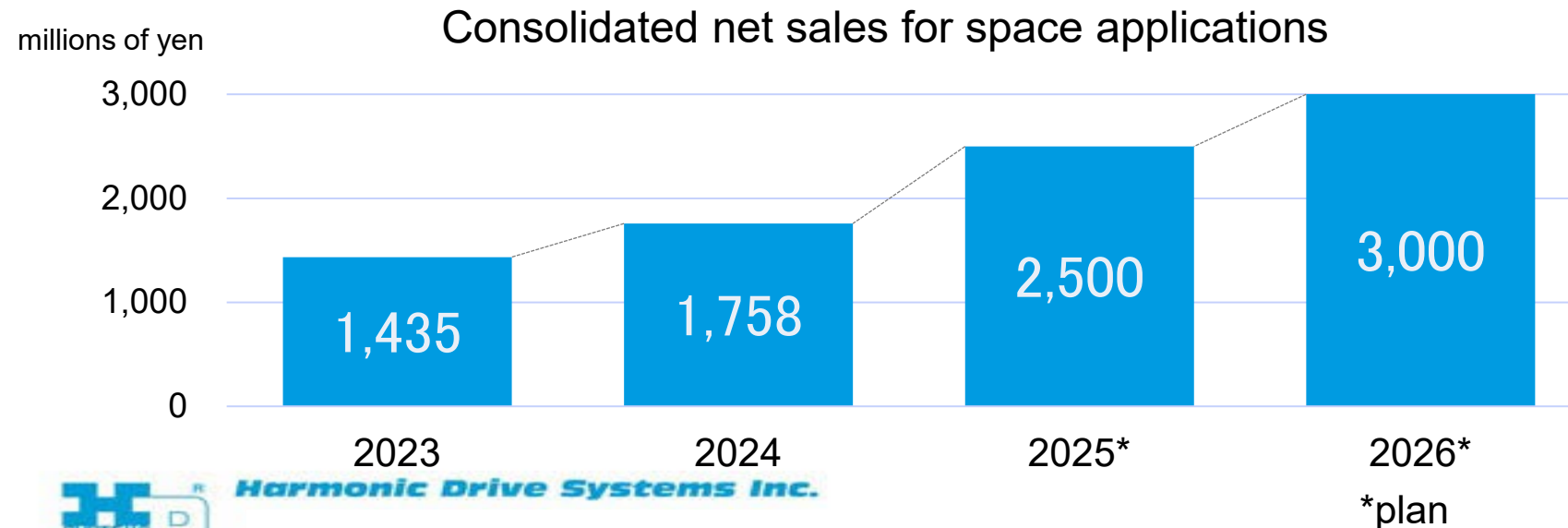
3-2. Space

➤ Optical inter-satellite link system

- A crucial technology for realizing satellite constellations (precise formation flying by numerous small satellites)
- Through joint development with Sener Aeroespacial, our Group's products have been adopted for antenna control in inter-satellite communications
- Highly praised for its high precision and long life in space



Net sales target for FY2026: Over ¥3 billion (more than double the FY2023 results)



Source : Sener Aeroespacial

3-3. e-Mobility

➤ eVTOL (Electric Vertical Takeoff and Landing vehicle)

- Demonstration flight conducted at Expo 2025 in Osaka, Kansai
- To support the launch of customers' commercial operations, we have begun preparations for the mass production of speed reducers for eVTOLs



➤ Urban compact EVs

- Lean Mobility
- Realize safe and exhilarating driving through state-of-the-art sensing and control technologies
- Our products are integrated into active lean technology, which optimally controls vehicle tilting during a drive
- Lean3 Corporate Pre-Orders Reach 500 Units in Just One Day! *

*Source : Lean Mobility Co., Ltd. 「News Release」 (August 23, 2025)



Source : Lean Mobility Co., Ltd.

4. Initiatives for the second half of FY03/26

4-1. Initiatives for the second half of FY03/26

① Sustainable growth of all businesses with an emphasis on profitability

- Develop new drivers for growth
 - Deepen our focus on AI robot applications and strengthen ties with major Chinese local robot manufacturers
 - Launch actuators in anticipation of market needs
 - Accelerate domestic market development for space-related businesses
- Thorough implementation of QCDS + Speed to meet customer expectations
 - Expand and reinforce the companywide cost innovation project
 - Full-year target: ¥1 billion yen (including contributions from price hikes)
 - Propose highly competitive products to customers from their perspective

② Strengthen management resources

- Factory IoT adoption
 - Enhance operational process efficiency through digital transformation
- Growth investment aware of capital efficiency
 - Pursue optimal equipment selection and utilization of idle assets, taking into account investment cost reduction, space minimization, and productivity ▶ Increase production capacity in North America (for AI robots)

③ Activities based on our Basic Sustainability Policy

- Activities based on our Basic Sustainability Policy
 - Conduct human rights due diligence
 - Strengthen the information disclosure framework
 - Enhance sustainable procurement
 - Enhance stakeholder engagement

4-2. International Symposium Series



- Held once every five years
 - We promote technological exchange by hosting an international symposium on application cases of motion control technologies and future trends
- Discussions through industry-academia collaboration
 - We work with leading global companies and research institutions to examine potential applications in AI robots, medical devices, and aerospace
- Expanding global networks
 - We seek to deepen relationships with customers and partners in Japan and overseas, including Europe, North America, and Asia

Date: October 23-24, 2025

Participants: 371 people

No. of participating companies and organizations: 110

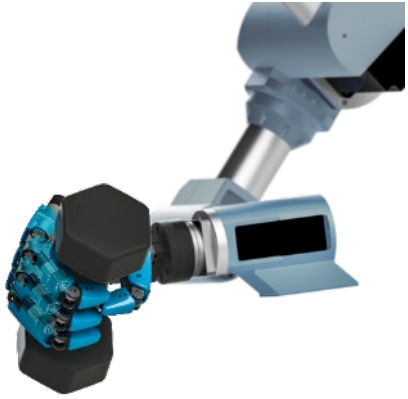
No. of lectures: 20 (one keynote lecture, nine from overseas organizations, six from domestic organizations, and four by the Company and other group companies)



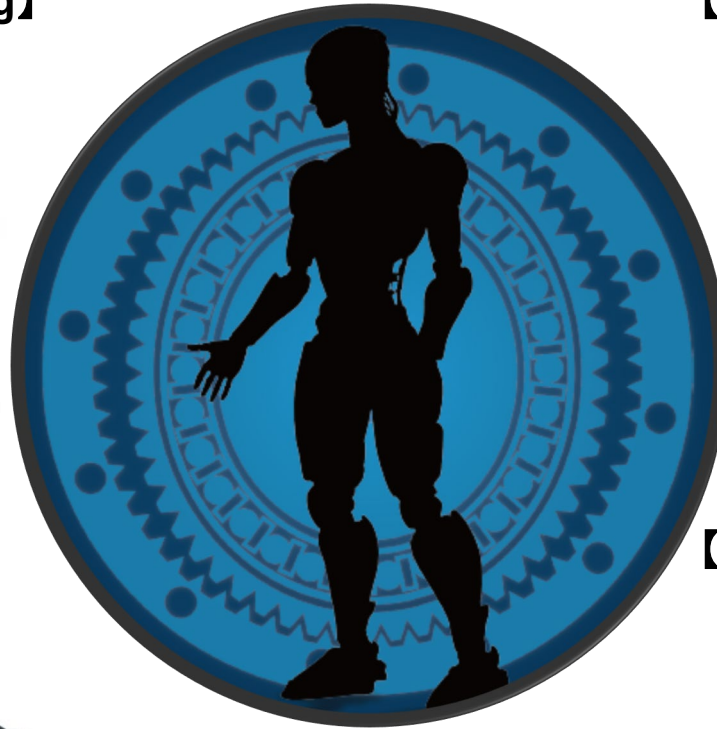
4-3. 「iREX2025-International Robot Exhibition」 December 3 - 6, 2025

Humanoid hand

【 Hand demonstration : Gripping force 4kg】



Actuators in AI robots



Skeleton, lower limbs

【High-torque actuator with built-in driver】

□50mm
L49mm



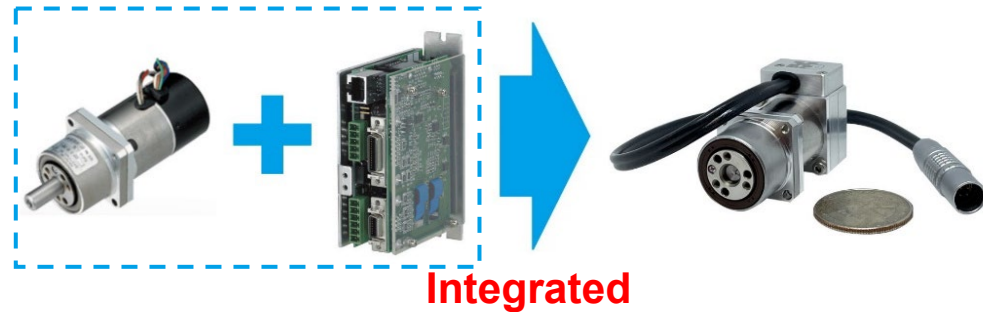
□60mm
L55.5mm



□90mm
L66.1mm



【Ultra-compact actuator with built-in】



【Planetary actuator with built-in driver】

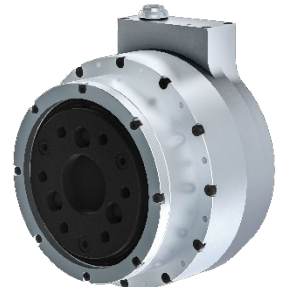
Φ83mm
L53mm



Φ100mm
L68.5mm



Φ127mm
L88mm



Harmonic Drive Systems Inc.

Location: Tokyo Big Sight, East Building 4, E4-05



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Topics for 2025-2026

May 2025: Hold the 39th Harmonic Concert in Azumino, Japan

June 2025: Sponsored Shinshu Azumino Half Marathon as Gold Partner

July 2025: Exhibiting at Expo 2025 in Osaka, Kansai "Future-Creation Robot Week"

September 2025: Hold the 23rd Harmonic Lecture in Matsumoto, Japan

October 2025: Hold the International Symposium in Tokyo

January 2026: First-time exhibitor at CES (Consumer Electronics Show) in Las Vegas, USA

