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Consolidated Financial Results for the Six Months Ended September 30, 2026 [Japanese GAAP]

November 11, 2026

Company name: Harmonic Drive Systems Inc.
Stock exchange listing: Tokyo Stock Exchange
Code number: 6324
URL: https://www.hds.co.jp/english/
Representative: Akira Maruyama, President and Representative Director
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Scheduled date of filing semi-annual report: November 12, 2026
Scheduled date of commencing dividend payments: December 4, 2026
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, 2026 (April 1, 2026 – September 30, 2026)

(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, 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: Six months ended September 30, 2026: ¥3,926 million [–%]
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 ratio
	Million yen	Million yen	%
As of September 30, 2026	114,060	83,445	73.2
As of 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. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	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) Revision to the forecast for dividends announced most recently: Yes

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 – March 31, 2027)

(% 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	78,000	31.0	10,200	297.3	10,000	293.8	7,200	347.5	76.05

(Note) Revision to the financial results forecast announced most recently: Yes

*** 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, 2026:	96,315,400 shares
March 31, 2026:	96,315,400 shares

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

September 30, 2026:	1,638,685 shares
March 31, 2026:	1,648,611 shares

3) Average number of shares outstanding during the period:

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

(Note on forward-looking statements, etc.)

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 Semi-annual Financial Results (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" on page 4 of the Attachments for conditions on which the financial results forecasts are premised and notes on the use of financial results forecasts.

(Method of acquiring supplementary explanatory materials on financial results)

Supplementary explanatory materials on financial results (available in Japanese) are scheduled to be posted on the Company's website (https://www.hds.co.jp) on November 19, 2026.

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1. Qualitative Information on Semi-annual Financial Results

(1) Explanation of Operating Results

During the six months ended September 30, 2026 (April 1, 2026 to September 30, 2026), the global economy remained steady, supported by expanding investment in AI and other factors, despite downside risks such as soaring energy prices and inflationary pressures against a backdrop of the prolonged situation in the Middle East. Under such external circumstances, in terms of the business environment surrounding the Harmonic Drive Systems Group (hereinafter "the Group"), we saw solid global investment in automation, along with an increase in orders received for semiconductor manufacturing equipment against the backdrop of expanding demand for capital investment in advanced semiconductor fields centered on AI. As a result, consolidated orders received increased by 70.7% year on year to ¥50,386 million.

Regarding net sales trends by application, for industrial robots, overall net sales increased, as growth in sales to Japan and Europe more than offset the decline in sales to China. In semiconductor manufacturing equipment, net sales increased as capital investment demand for data centers and advanced semiconductors remained solid, supported by the expansion of AI-related investments.

As a result, net sales for the six months under review increased by 29.8% year on year to ¥36,124 million.

In terms of profit and loss, despite an increase in selling, general and administrative expenses, operating profit increased by 803.5% year on year to ¥4,205 million, driven by higher profit associated with the growth in net sales. Furthermore, primarily due to the increase in operating profit, profit attributable to owners of parent reached ¥2,986 million, up 841.8% year on year.

In terms of net sales by product group, speed reducers totaled ¥27,636 million, up 26.2% year on year, and mechatronic products totaled ¥8,487 million, up 43.0% year on year. They accounted for 76.5% and 23.5% of the total net sales, respectively.

Financial results by segment are as follows.

Effective from the three months ended June 30, 2026, the Group changed its key management indicator from ordinary profit to operating profit, and accordingly, changed segment profit from ordinary profit to operating profit.

(Japan)

Orders received for industrial robots and semiconductor manufacturing equipment increased. As a result, net sales increased by 39.1% year on year to ¥17,206 million. Segment profit (operating profit) increased by 229.4% year on year to ¥4,721 million due to an improvement in the manufacturing cost ratio resulting from a higher factory operating rate.

(China)

Despite an increase in orders received for semiconductor manufacturing equipment, orders received for industrial robots decreased. As a result, net sales decreased by 1.4% year on year to ¥2,245 million. Segment profit (operating profit) decreased by 25.0% year on year to ¥220 million due to a decrease in sales and an increase in selling, general and administrative expenses.

(North America)

Net sales increased by 29.9% year on year to ¥7,139 million due to a rise in orders received for surgical robots and for semiconductor manufacturing equipment. Segment profit (operating profit) amounted to ¥503 million (segment loss of ¥32 million in the same period of the previous fiscal year) due to a decrease in one-off expenses recorded in the same period of the previous fiscal year accompanying the updates to our core systems, in addition to higher sales.

(Europe)
Orders received for industrial robots and for aviation, space and defense increased. As a result, net sales increased by 23.9% year on year to ¥9,534 million. Segment profit (operating profit) came to ¥174 million, up 399.7% year on year, due to higher sales, despite the amortization cost of ¥531 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 increased by ¥2,659 million, up 2.4% from the end of the previous fiscal year to ¥114,060 million. This was primarily due to a ¥1,232 million or 32.9% increase in notes receivable - trade from the end of the previous fiscal year and a ¥631 million or 5.5% increase in accounts receivable - trade from the end of the previous fiscal year, both resulting from an increase in net sales, and an ¥820 million or 19.1% increase in work in process from the end of the previous fiscal year due to an increase in orders, despite a ¥972 million or 1.6% decrease in non-current assets from the end of the previous fiscal year.

(Liabilities)
Liabilities decreased by ¥395 million, down 1.3% from the end of the previous fiscal year to ¥30,614 million. This was primarily due to a ¥1,499 million or 68.0% decrease in short-term borrowings from the end of the previous fiscal year and a ¥945 million or 10.4% decrease in long-term borrowings from the end of the previous fiscal year resulting from the progress of payment for borrowings, despite a ¥1,236 million or 51.7% increase in notes and accounts payable - trade from the end of the previous fiscal year and a ¥1,162 million or 328.2% increase in income taxes payable from the end of the previous fiscal year.

(Net Assets)
Net assets increased by ¥3,055 million, up 3.8% from the end of the previous fiscal year to ¥83,445 million. This was primarily due to a ¥2,039 million or 5.3% increase in retained earnings from the end of the previous fiscal year and a ¥716 million or 4.0% increase in foreign currency translation adjustment from the end of the previous fiscal year.
As a result, the equity ratio increased from 72.2% at the end of the previous fiscal year to 73.2%.

(Status of Cash Flows)
Cash and cash equivalents at the end of the six months under review totaled ¥20,357 million, up ¥1,266 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 ¥5,875 million, compared with net cash provided of ¥3,880 million in the same period of the previous fiscal year. This was primarily due to recording ¥4,069 million in profit before income taxes and ¥3,523 million in depreciation, despite a ¥1,711 million increase in trade receivables and a ¥1,611 million increase in inventories.

(Cash Flows from Investing Activities)
Investing activities in the six months under review used net cash of ¥1,190 million, compared with net cash used of ¥2,897 million in the same period of the previous fiscal year. This was primarily due to ¥2,051 million in purchase of property, plant and equipment, despite ¥1,527 million in proceeds from withdrawal of time deposits.

(Cash Flows from Financing Activities)

Financing activities in the six months under review used net cash of ¥3,765 million, compared with net cash used of ¥5,074 million in the same period of the previous fiscal year. This was primarily due to ¥3,761 million in repayments of short-term borrowings, ¥947 million in dividends paid, and ¥945 million in repayments of long-term borrowings, despite ¥2,320 million in proceeds from short-term borrowings.

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

The Company has made revisions to its financial results forecast for the fiscal year ending March 31, 2027, which were previously announced on August 7, 2026. For details regarding these revisions, please refer to the "Notice Regarding Revisions to the Financial Results Forecast, the Dividend of Surplus (Interim Dividend), and the Year-end Dividend Forecast" announced today (November 11, 2026).

2. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual Consolidated Balance Sheets

(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 Statements 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 Statements 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 Statements 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

(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, 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

(Millions of yen)

	Reportable segment					Adjustment	Consolidated
	Japan	China	North America	Europe	Total		
Net sales Revenue from contracts with customers	15,909	2,279	5,509	7,733	31,431	(3,593)	27,838
Net sales to third parties	12,369	2,276	5,496	7,695	27,838	–	27,838
Inter-segment net sales or transfers	3,540	2	12	37	3,593	(3,593)	–
Total	15,909	2,279	5,509	7,733	31,431	(3,593)	27,838
Segment profit (loss)	1,433	294	(32)	35	1,729	(1,264)	465

(Notes) 1. The segment profit (loss) adjustment of ¥(1,264) million consists of the eliminated inter-segment transaction profit of ¥(28) million, and the general administrative expenses that are not allocated to any reportable segment, totaling ¥(1,236) million. 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, excluding China, in addition to the Japanese market.

3. The “North America” segment includes net sales of ¥4,839 million 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 operating profit 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, 2026 (from April 1, 2026 to September 30, 2026)

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

(Millions of yen)

	Reportable segment					Adjustment	Consolidated
	Japan	China	North America	Europe	Total		
Net sales							
Revenue from contracts with customers	22,219	2,252	7,161	9,651	41,285	(5,161)	36,124
Net sales to third parties	17,206	2,245	7,139	9,534	36,124	–	36,124
Inter-segment net sales or transfers	5,013	7	22	117	5,161	(5,161)	–
Total	22,219	2,252	7,161	9,651	41,285	(5,161)	36,124
Segment profit	4,721	220	503	174	5,620	(1,415)	4,205

(Notes) 1. The segment profit adjustment of ¥(1,415) million consists of the eliminated inter-segment transaction profit of ¥(201) million, and the general administrative expenses that are not allocated to any reportable segment, totaling ¥(1,214) million. 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, excluding China, in addition to the Japanese market.

3. The “North America” segment includes net sales of ¥6,401 million 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 is adjusted to operating profit in the semi-annual consolidated statements of income.

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

Not applicable.

3. Information on changes to reportable segments, etc.

Effective from the three months ended June 30, 2026, the Group changed its key management indicator from ordinary profit to operating profit, and accordingly, changed segment profit from ordinary profit to operating profit.

Segment profit (loss) for the six months ended September 30, 2025 has also been restated to operating profit (loss) for comparison purposes.

(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, 2026 (April 1, 2026 to September 30, 2026) are as follows:

Segment name		Production output (millions of yen)	YoY change (%)
Japan	Speed reducers	19,455	28.0
	Mechatronic products	3,480	50.4
China	Speed reducers	–	–
	Mechatronic products	–	–
North America	Speed reducers	2,779	20.9
	Mechatronic products	2,360	29.4
Europe	Speed reducers	5,848	24.8
	Mechatronic products	2,930	50.2
Total		36,854	30.4

(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, 2026 (April 1, 2026 to September 30, 2026) are as follows:

Segment name		Orders received (millions of yen)	YoY change (%)	Order backlog (millions of yen)	YoY change (%)
Japan	Speed reducers	18,974	63.6	9,126	100.7
	Mechatronic products	2,788	102.1	1,841	110.9
China	Speed reducers	2,072	1.6	1,004	30.8
	Mechatronic products	298	(6.2)	131	(32.5)
North America	Speed reducers	5,126	52.8	5,445	48.6
	Mechatronic products	7,943	262.6	7,205	303.4
Europe	Speed reducers	9,403	58.7	8,758	46.0
	Mechatronic products	3,778	39.5	2,954	9.5
Total		50,386	70.7	36,468	77.6

(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 ¥93 million of order cancellations. The cancellations took place during the six months ended September 30, 2026.

c. Sales

Sales results by segment for the six months ended September 30, 2026 (April 1, 2026 to September 30, 2026) are as follows:

Segment name		Sales volume (millions of yen)	YoY change (%)
Japan	Speed reducers	15,354	38.8
	Mechatronic products	1,851	41.4
China	Speed reducers	1,796	(14.9)
	Mechatronic products	448	170.2
North America	Speed reducers	4,086	26.5
	Mechatronic products	3,052	34.7
Europe	Speed reducers	6,399	16.3
	Mechatronic products	3,135	43.1
Total		36,124	29.8

(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 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, 2026 (April 1, 2026 to September 30, 2026) are as follows:

	China	North America	Europe	Other regions	Total
I Net sales outside Japan (millions of yen)	2,245	7,139	9,534	1,716	20,635
II Consolidated net sales (millions of yen)	–	–	–	–	36,124
III Ratio of net sales outside Japan to consolidated net sales (%)	6.2	19.8	26.4	4.8	57.1

(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.