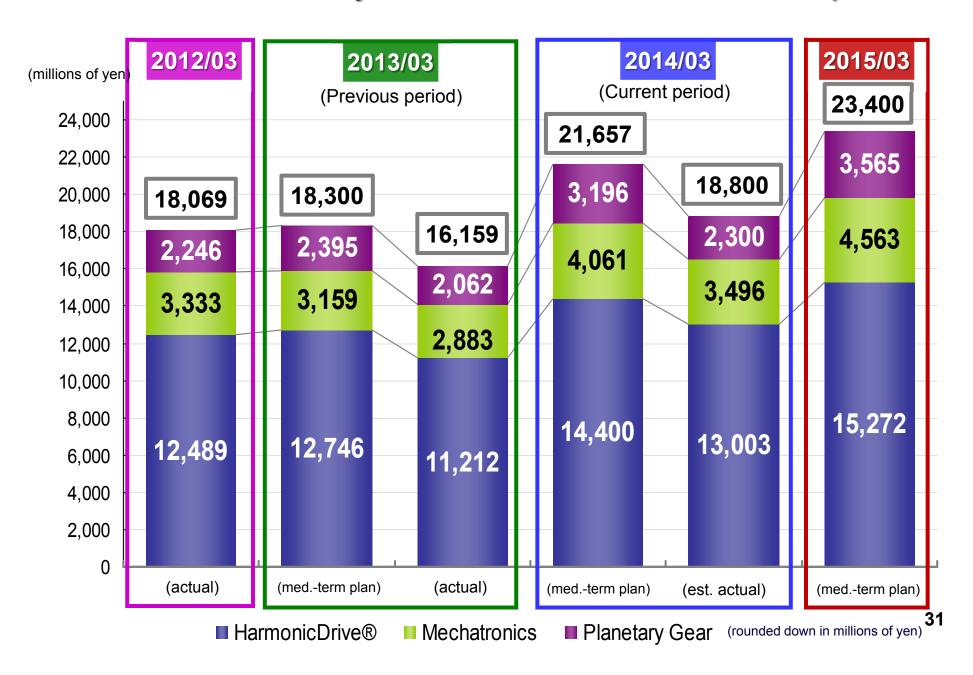


Situation after initial year of medium-term business plan



Basic approach in medium-term business plan

Keys to medium-term growth

- 1. Management giving top priority to quality and safety
- 2. Strengthening of core technologies
- 3. Wider choice of product variations
- 4. Stepped up sales expansion in Asia

Basic approach unchanged from when plan was first drawn up

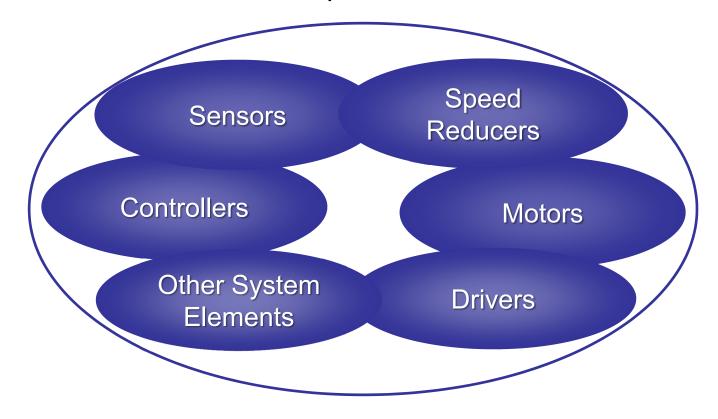
Total Motion Control

Business domain



Providing the value of Total Motion Control in precision control fields

Schematic Concept of Total Motion Control



The performance targets and other numerical data presented herein are forecasts based on information available to the HDS Group at the time this material was prepared, and are subject to the influence of uncertainties including those in the economic and competitive environment. Actual performance may therefore differ materially from the forecasts given in this material.

Harmonic Drive Systems Inc.

For more information:

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