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Performance Summary

1st-half consolidated results (versus original forecasts for the period)

(millions of yen)

	Original forecasts (announced May 12)		1st-half FY ending Mar.31,2016		Vs. original forecasts for the period	
	Amount	Percent (%)	Amount	Percent (%)	Change	Rate(%)
Net sales	14,400	100.0	13,919	100.0	▲480	▲3.3
Operating income	3,850	26.7	4,005	28.8	155	4.0
Ordinary income	4,150	28.8	4,034	29.0	▲115	▲2.8
Net income	2,700	18.8	2,594	18.6	▲105	▲3.9

1st-half consolidated results (year-on-year change)

(millions of yen)

	1st-half FY ended Mar.31,2015		1st-half FY ending Mar.31,2016		Year-on-year change	
	Amount	Percent (%)	Amount	Percent (%)	Change	Rate (%)
Net sales	12,700	100.0	13,919	100.0	1,219	9.6
Gross profit	6,034	47.5	6,793	48.8	758	12.6
Operating income	3,633	28.6	4,005	28.8	372	10.2
Ordinary income	3,886	30.6	4,034	29.0	148	3.8
Net income	2,483	19.6	2,594	18.6	110	4.5
EPS (yen) ^{*2}	27.11		28.32		1.21	4.5
Capital investment ^{*1}	807		1,599		792	98.2
Depreciation costs	596		698		102	17.2
R&D costs	606		691		84	14.0

*1 Capital investment amounts are the amounts of tangible and intangible fixed assets acquired in the term.

*2 EPS calculated as if the October 1, 2014 share split (1:3) took place at the beginning of the previous fiscal year.

Performance of main group companies for 1st-half of fiscal year ending March 31, 2016

(millions of yen)

	Equity stake	Net sales		Net income	
		Amount	Change(%)	Amount	Change(%)
Harmonic Drive Systems Inc.	—	11,848	4.2	2,478	11.9
*1 *4 HD Systems Inc. (Harmonic Drive L.L.C.) (U.S.A.)	100% (51%)	2,405	47.0	*3 152	222.0
Harmonic AD, Inc.	100%	1,152	10.6	91	88.5
*2 *4 Harmonic Drive AG (Germany)	36.8%	5,181	2.1	103	▲88.2

Percent change(%) indicates increase or decrease from same period of previous fiscal year.

*1 Exchange rates: Jan. – Jun., 2014 1US\$ = 102.47 yen, Jan. – Jun., 2015 1US\$ = 120.23 yen

*2 Exchange rates: Jan. – Jun., 2014 1€ = 140.43 yen, Jan. – Jun., 2015 1€ = 134.17 yen

*3 Net income of US subsidiaries (consolidated) is after excluding minority interests.

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

1st-half non-consolidated results

(millions of yen)

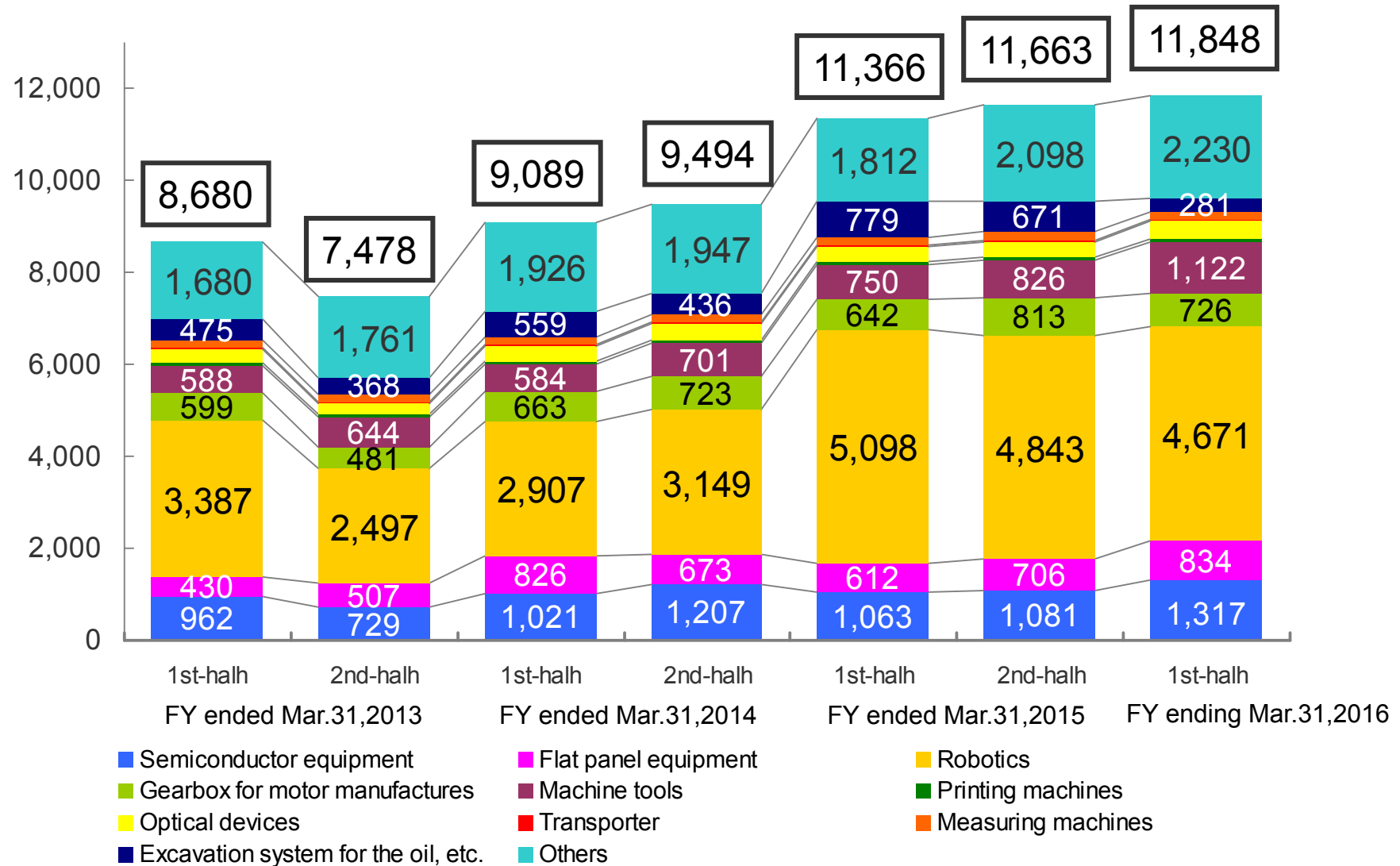
	1st-half FY ended Mar.31.2015		1st-half FY ending Mar.31.2016		Year-on-year change	
	Amount	Percent(%)	Amount	Percent(%)	Change	Rate(%)
Net sales	11,366	100.0	11,848	100.0	482	4.2
Gross profit	5,018	44.2	5,090	43.0	72	1.4
Operating income	3,135	27.6	2,988	25.2	▲ 146	▲ 4.7
Ordinary income	3,406	30.0	3,550	30.0	143	4.2
Net income	2,214	19.5	2,478	20.9	263	11.9
EPS (yen) ^{*2}	24.18		27.06		2.88	11.9
Capital investment ^{*1}	482		1,153		670	139.0
Depreciation costs	320		405		84	26.3
R&D costs	591		685		94	15.9

*1 Capital investment amounts are the amounts of tangible and intangible fixed assets acquired in the term.

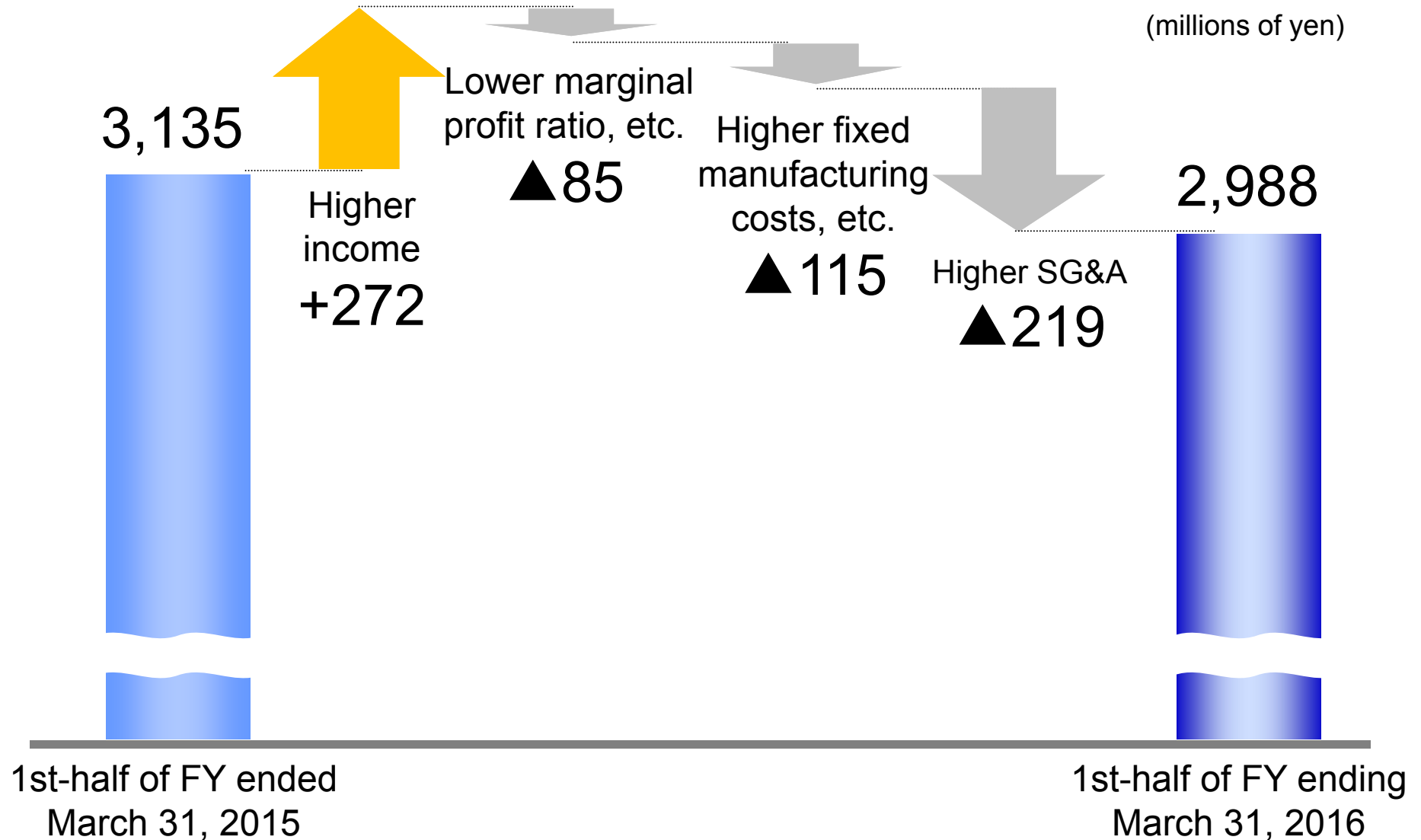
*2 EPS calculated as if the October 1, 2014 share split (1:3) took place at the beginning of the previous fiscal year.

Net sales by application (non-consolidated)

(millions of yen)

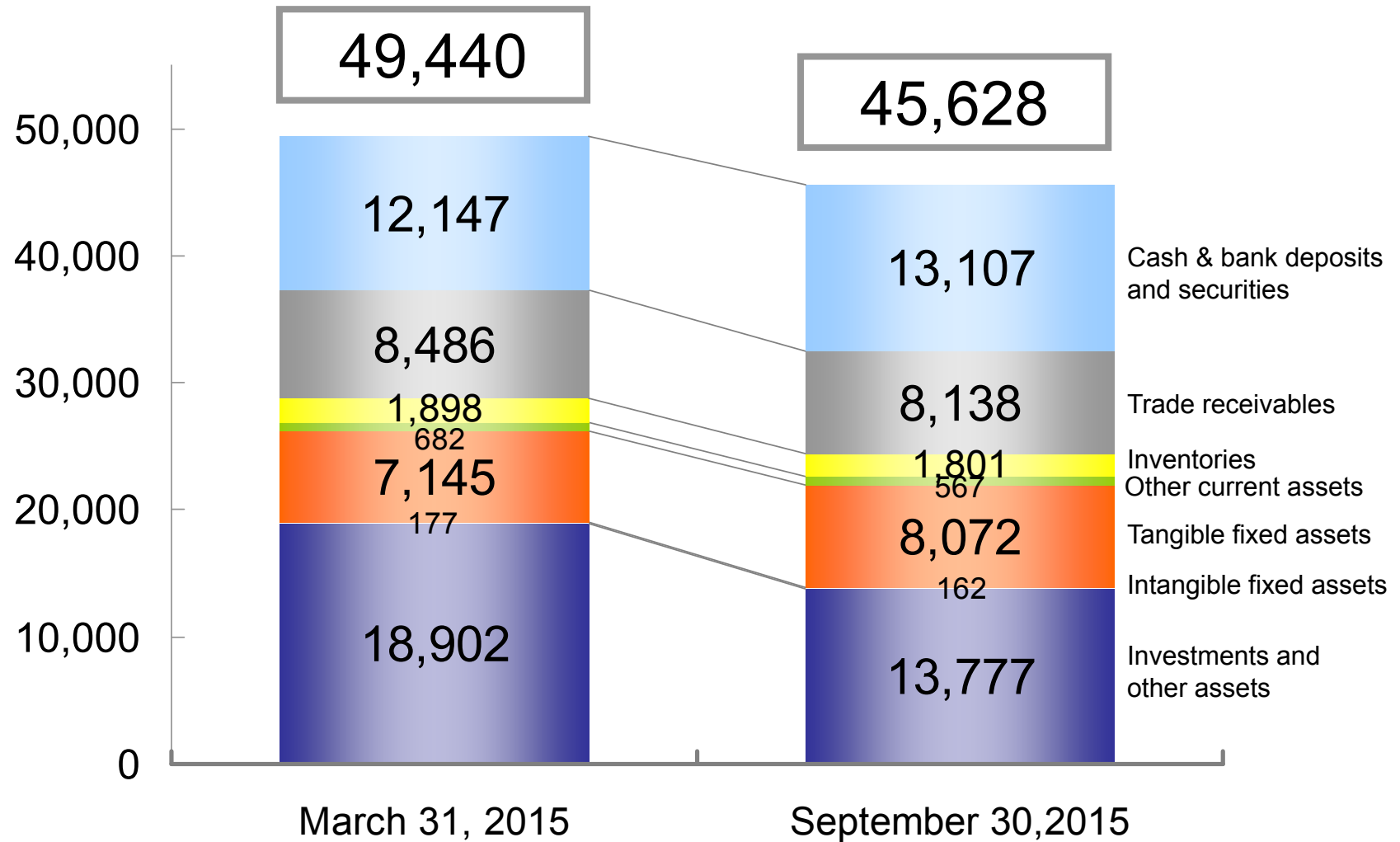


Factors in year-on-year change in 1st-half non-consolidated operating income

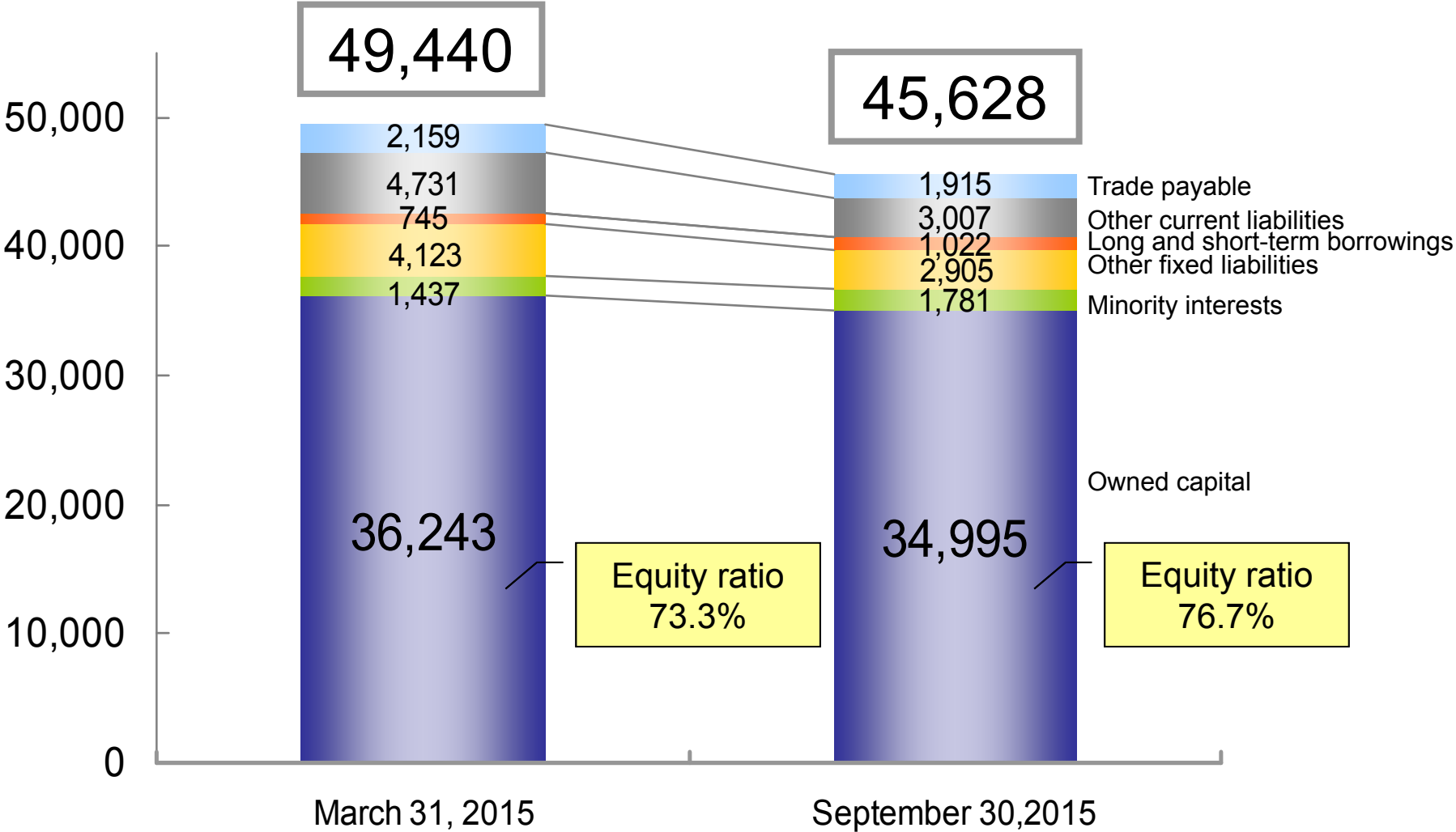


Status of consolidated assets

(millions of yen)



Status of consolidated liabilities and net assets



Status of consolidated cash flows

(millions of yen)	1st-half of FY ended Mar.31,2015	1st-half of FY ending Mar.31,2016
Cash flow from operating activities	2,397	2,938
Cash flow from investing activities	▲ 639	▲ 1,795
Cash flow from financing activities	23	▲ 290
Effect of exchange rate changes on cash and cash equivalents	▲ 45	62
Net increase (decrease) in cash and cash equivalents	1,737	915
Cash and cash equivalents at end of year	8,621	10,645