

The title 'Performance Summary' is centered on the page. It is surrounded by several decorative, hand-drawn blue scribbles that create a sense of motion and focus around the text. The background behind the text has a subtle blue gradient.

# Performance Summary

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

(millions of yen)

|                  | Original forecasts<br>(announced May 12) |             | 1st-half<br>FY ending Mar.31,2018 |             | Vs. original forecasts<br>for the period |         |
|------------------|--|-------------|-----------------------------------|-------------|--|---------|
|                  | Amount                                   | Percent (%) | Amount                            | Percent (%) | Change                                   | Rate(%) |
| Net sales        | 23,800                                   | 100.0       | 25,014                            | 100.0       | 1,214                                    | 5.1     |
| Operating income | 5,900                                    | 24.8        | 6,341                             | 25.4        | 441                                      | 7.5     |
| Ordinary income  | 5,900                                    | 24.8        | 6,219                             | 24.9        | 319                                      | 5.4     |
| Net income       | 3,400                                    | 14.3        | 3,704                             | 14.8        | 304                                      | 9.0     |

※ Net Income refers to net income attributable to owners of parent.

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

(millions of yen)

|                                  | 1st-half<br>FY ended Mar.31,2017 |             | 1st-half<br>FY ending Mar.31,2018 |             | Year-on-year change |          |
|----------------------------------|----------------------------------|-------------|-----------------------------------|-------------|---------------------|----------|
|                                  | Amount                           | Percent (%) | Amount                            | Percent (%) | Change              | Rate (%) |
| Net sales                        | 14,550                           | 100.0       | 25,014                            | 100.0       | 10,463              | 71.9     |
| Gross profit                     | 6,896                            | 47.4        | 12,058                            | 48.2        | 5,162               | 74.9     |
| Operating income                 | 3,978                            | 27.3        | 6,341                             | 25.4        | 2,363               | 59.4     |
| Ordinary income                  | 4,163                            | 28.6        | 6,219                             | 24.9        | 2,055               | 49.4     |
| Net income <sup>*1</sup>         | 2,752                            | 18.9        | 3,704                             | 14.8        | 951                 | 34.6     |
| EPS (yen)                        | 30.05                            |             | 40.44                             |             | 10.39               | 34.6     |
| Capital investment <sup>*2</sup> | 1,671                            |             | 3,128                             |             | 1,457               | 87.2     |
| Depreciation costs               | 817                              |             | 1,252                             |             | 434                 | 53.2     |
| R&D costs                        | 671                              |             | 714                               |             | 42                  | 6.3      |

\*1 Net Income refers to net income attributable to owners of parent.

\*2 Capital investment amounts are the amounts of tangible and intangible fixed assets acquired in the term.

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# Performance of main group companies for 1st-half of fiscal year ending March 31, 2018

(millions of yen)

|          | Equity stake  | Net sales |           | Net income |           |
|----------|---------------|-----------|-----------|------------|-----------|
|          |               | Amount    | Change(%) | Amount     | Change(%) |
|          | —             | 17,934    | 39.6      | 3,628      | 45.9      |
| *2<br>*5 | 100%<br>(51%) | 2,529     | 9.9       | 129        | 4.3       |
|          | 100%          | 1,348     | 17.2      | 125        | 89.6      |
| *3       | 100%          | 1,978     | 114.8     | 98         | —         |
| *4<br>*6 | 74.7%         | 6,385     | 14.2      | 892        | ▲4.2      |

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

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

\*2 Exchange rates: Jan. – Jun., 2016 1US\$ = 111.81 yen, Jan. – Jun., 2017 1US\$ = 112.37 yen

\*3 Exchange rates: Jan. – Jun., 2016 1CNY = 17.07 yen, Jan. – Jun., 2017 1US\$ = 16.39 yen

\*4 Exchange rates: Jan. – Jun., 2016 1€ = 124.62 yen, Jan. – Jun., 2017 1€ = 121.64 yen

\*5 Net income of US subsidiaries (consolidated) is after excluding minority interests.

\*6 Net Sales and net income of Harmonic Drive AG are non-consolidated.

# 1st-half non-consolidated results

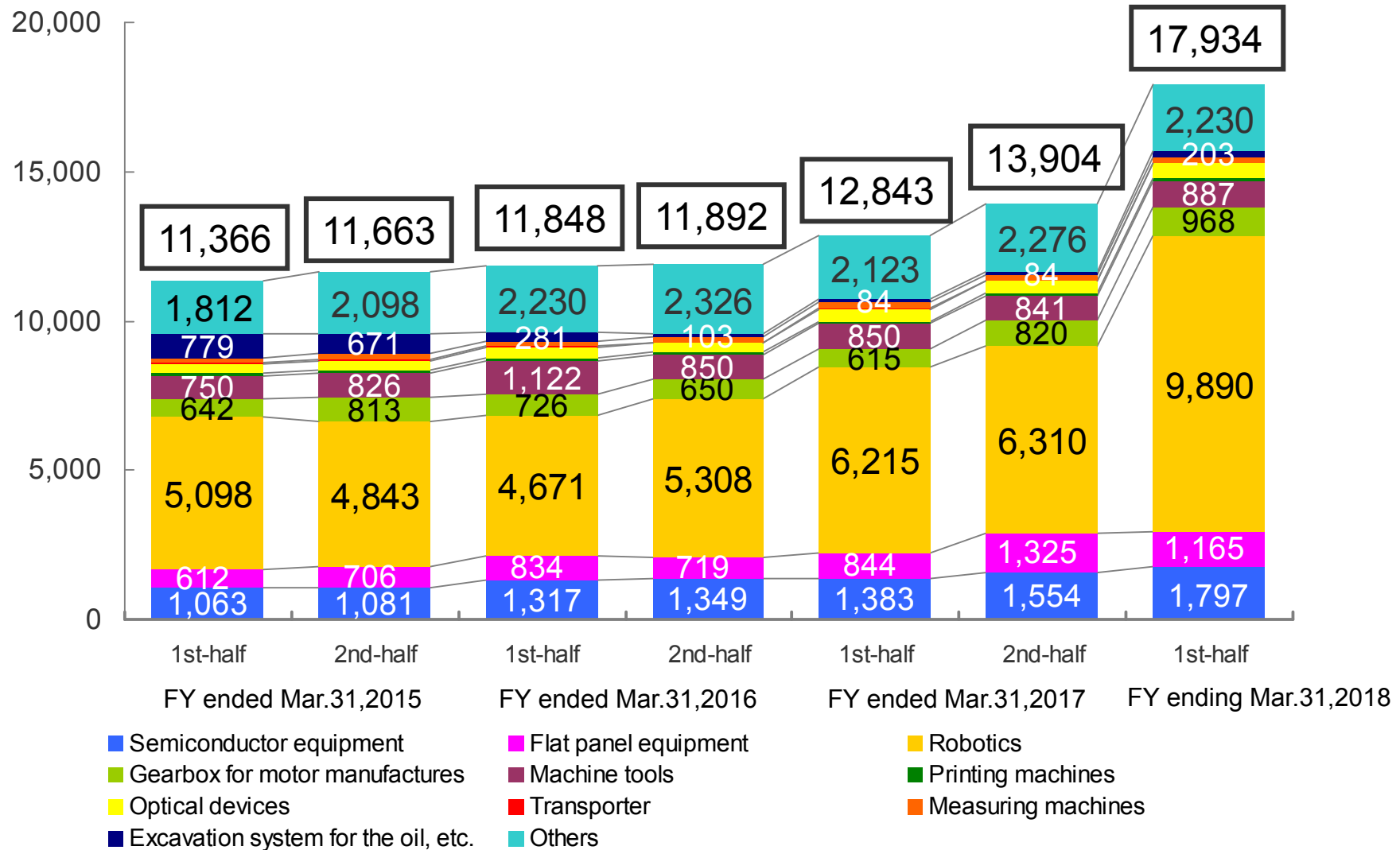
(millions of yen)

|                                  | 1st-half<br>FY ended Mar.31,2017 |            | 1st-half<br>FY ending Mar.31,2018 |            | Year-on-year change |         |
|----------------------------------|----------------------------------|------------|-----------------------------------|------------|---------------------|---------|
|                                  | Amount                           | Percent(%) | Amount                            | Percent(%) | Change              | Rate(%) |
| Net sales                        | 12,843                           | 100.0      | 17,934                            | 100.0      | 5,091               | 39.7    |
| Gross profit                     | 5,365                            | 41.8       | 7,659                             | 42.7       | 2,294               | 42.8    |
| Operating income                 | 3,180                            | 24.8       | 5,135                             | 28.6       | 1,954               | 61.5    |
| Ordinary income                  | 3,521                            | 27.4       | 5,243                             | 29.2       | 1,721               | 48.9    |
| Net income                       | 2,486                            | 19.4       | 3,628                             | 20.2       | 1,141               | 45.9    |
| EPS (yen)                        | 27.15                            |            | 39.61                             |            | 12.46               | 45.9    |
| Capital investment <sup>*1</sup> | 1,418                            |            | 2,077                             |            | 658                 | 46.4    |
| Depreciation costs               | 526                              |            | 708                               |            | 182                 | 34.7    |
| R&D costs                        | 657                              |            | 674                               |            | 17                  | 2.7     |

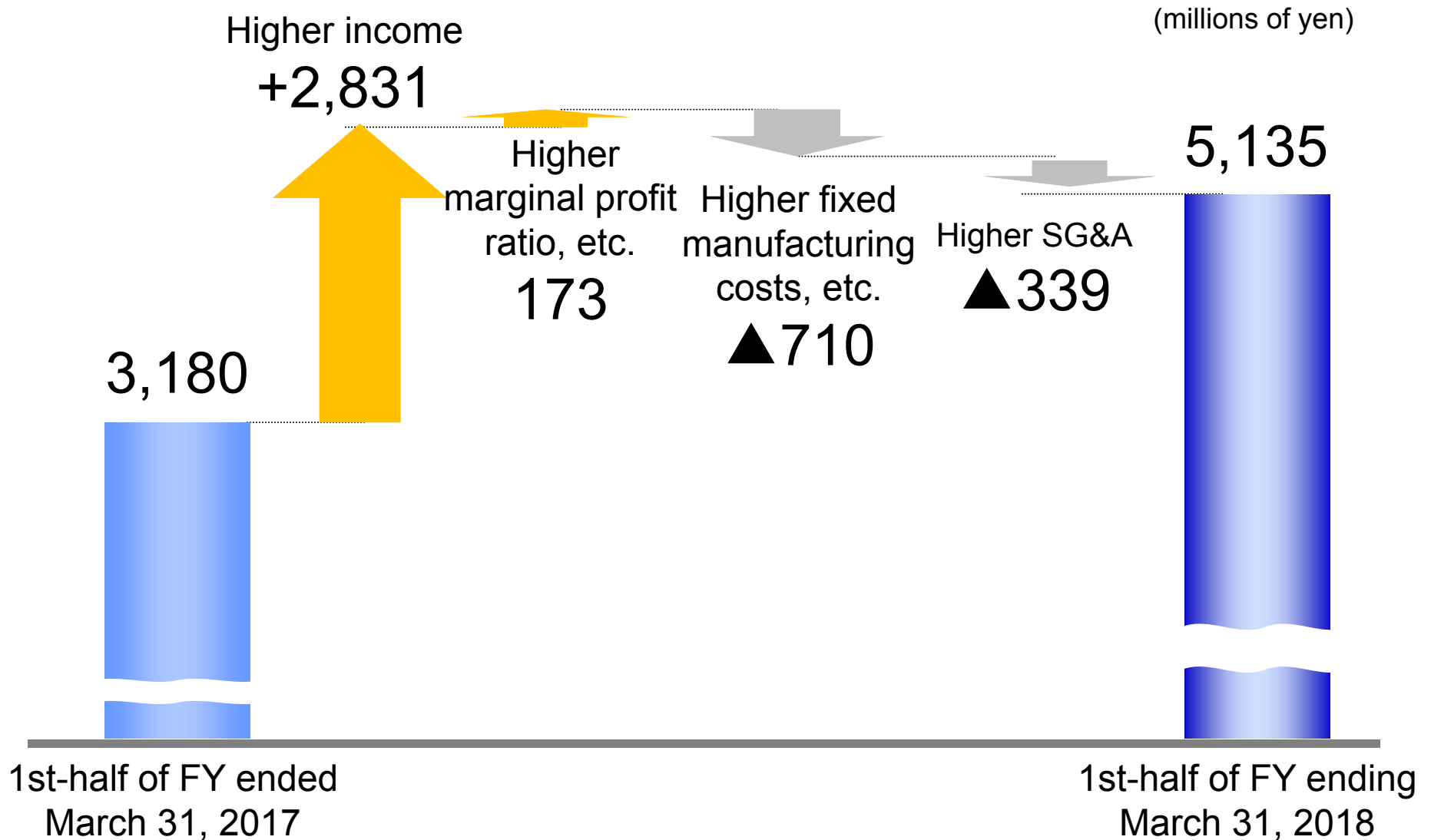
\*1 Capital investment amounts are the amounts of tangible and intangible fixed assets acquired in the term. 6

# Net sales by application (non-consolidated)

(millions of yen)

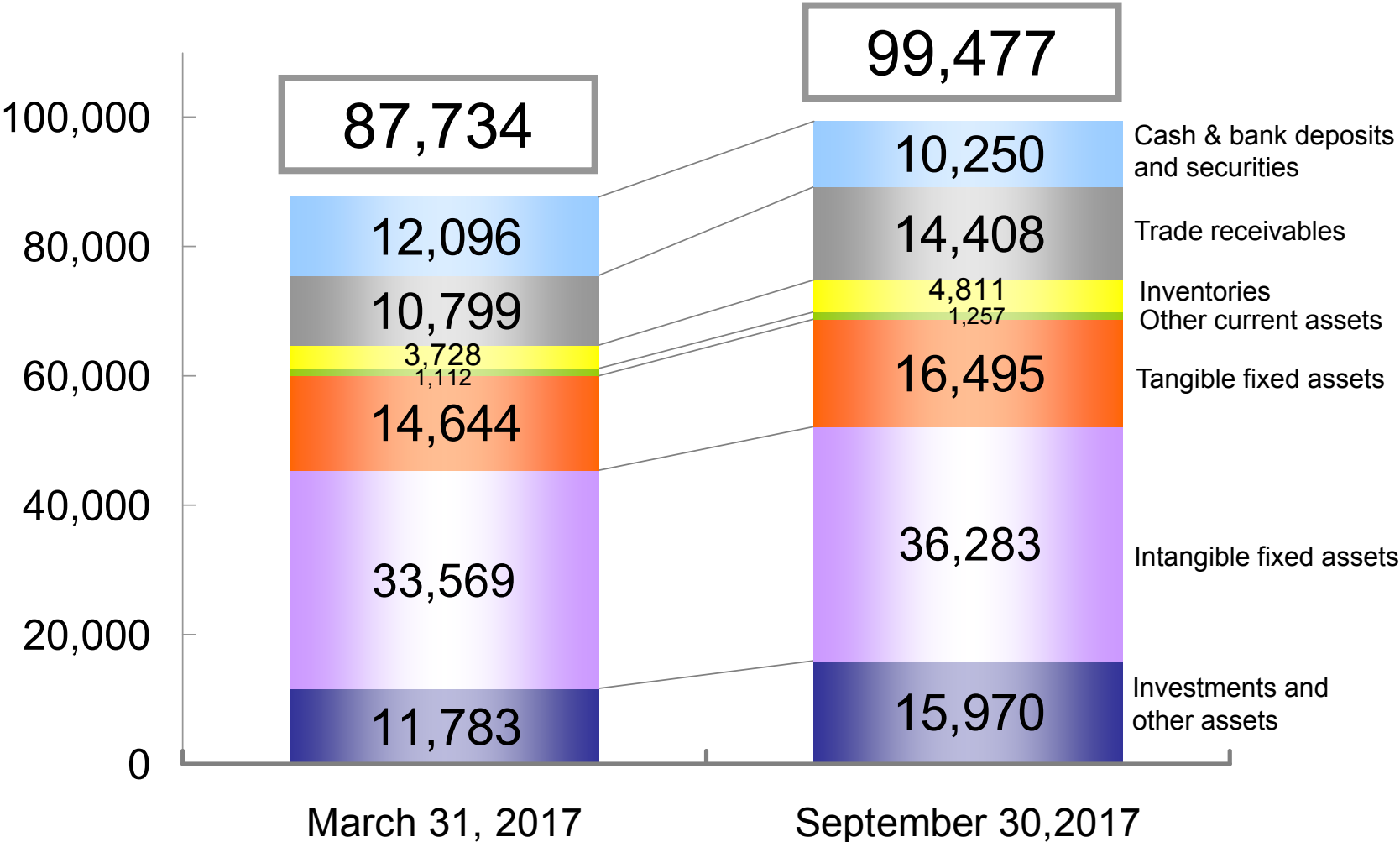


# Factors in year-on-year change in 1st-half non-consolidated operating income



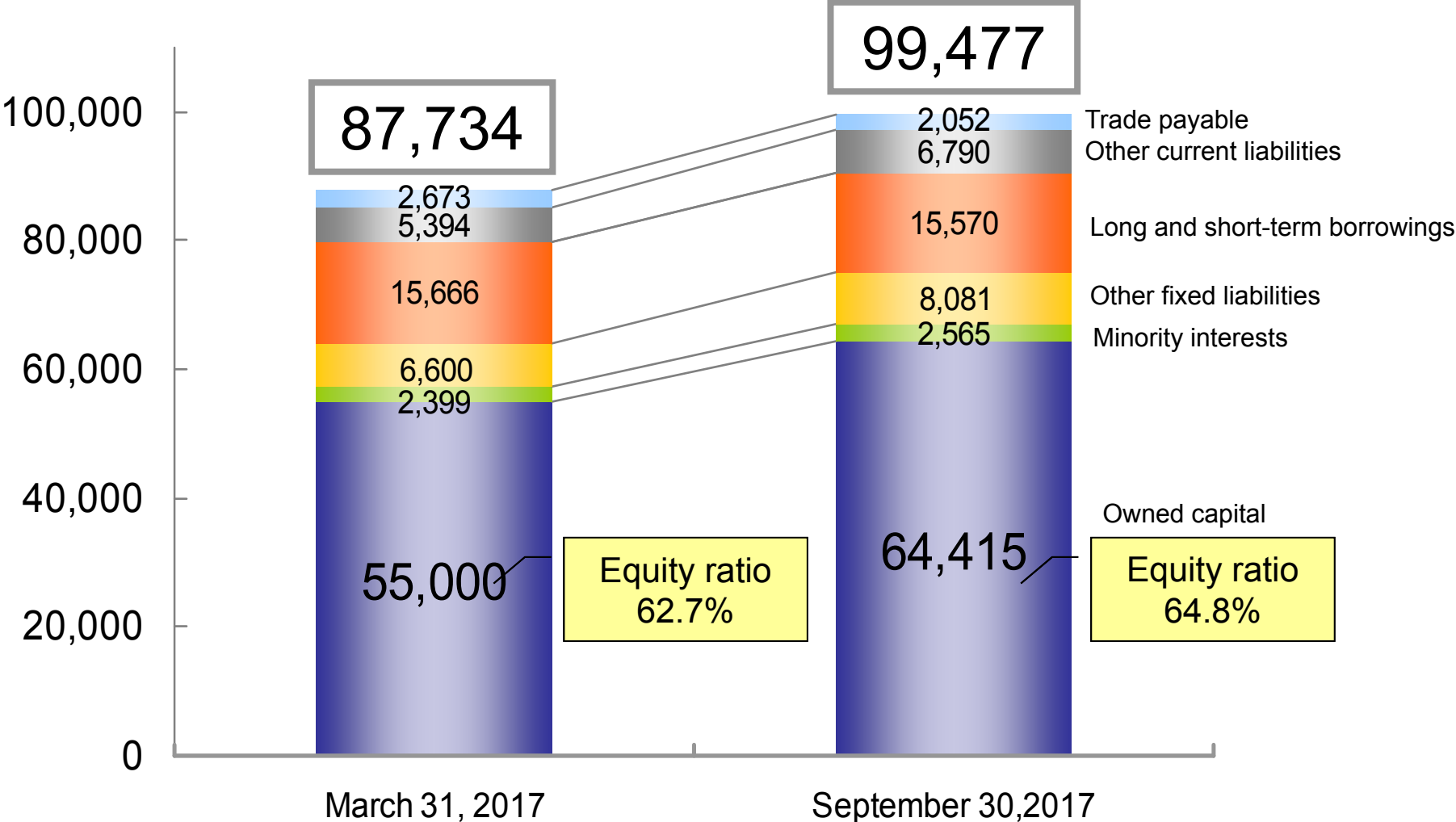
# Status of consolidated assets

(millions of yen)





# Status of consolidated liabilities and net assets



# Status of consolidated cash flows

| (millions of yen)   | 1st-half of FY<br>ended Mar.31,2017 | 1st-half of FY<br>ending Mar.31,2018 |
|---|-------------------------------------|--------------------------------------|
| Cash flow from operating activities                             | 3,382                               | 1,480                                |
| Cash flow from investing activities                             | ▲ 1,033                             | ▲ 1,973                              |
| Cash flow from financing activities                             | ▲ 991                               | ▲ 1,037                              |
| Effect of exchange rate changes on cash<br>and cash equivalents | ▲ 400                               | ▲ 35                                 |
| Net increase (decrease) in cash and<br>cash equivalents         | 957                                 | ▲ 1,566                              |
| Cash and cash equivalents at end of year                        | 11,396                              | 8,102                                |