



November 9, 2023

Company: Harmonic Drive Systems Inc.
 Representative: Akira Nagai, President,
 Representative Director
 (Code number: 6324 Tokyo Stock Exchange
 Standard Market)
 Contact: Akira Maruyama, Representative
 Director
 Makiko Ono, Executive Officer
 Phone: +81-3-5471-7810

Notice Regarding Differences Between the Financial Results Forecast and the Actual Results for the Six Months Ended September 30, 2023, Revision to the Financial Results Forecast for the Fiscal Year Ending March 31, 2024, and Revision to the Year-End Dividend Forecast

Harmonic Drive Systems Inc. (the “Company”) hereby announces the differences between the financial results forecast for the six months ended September 30, 2023 (April 1, 2023–September 30, 2023) disclosed on August 8, 2023, and the actual results for the period disclosed today.

The Company also announces revisions to the financial results forecast for the fiscal year ending March 31, 2024 (April 1, 2023–March 31, 2024) and year-end dividend forecast, which were yet to be determined. The details are described below.

1. Differences Between the Financial Results Forecast and the Actual Results for the Six Months Ended September 30, 2023

(1) Differences Between the Consolidated Financial Results Forecast and the Actual Results for the Six Months Ended September 30, 2023 (April 1, 2023–September 30, 2023)

	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
Previous forecast (A)	28,500	900	900	0	0.00
Actual results (B)	28,765	872	1,163	313	3.29
Differences (B – A)	265	(27)	263	313	
Changes (%)	0.9	(3.0)	29.3	—	
(Reference) Financial results for the six months ended September 30, 2022	33,451	4,640	4,924	2,938	30.74

(2) Differences Between the Non-Consolidated Financial Results Forecast and the Actual Results for the Six Months Ended September 30, 2023 (April 1, 2023–September 30, 2023)

	Net sales	Operating profit	Ordinary profit	Profit	Basic earnings per share
Previous forecast (A)	Million yen 15,000	Million yen 250	Million yen 2,800	Million yen 2,500	Yen 26.30
Actual results (B)	15,114	503	3,299	3,028	31.86
Differences (B – A)	114	253	499	528	
Changes (%)	0.8	101.5	17.8	21.1	
(Reference) Financial results for the six months ended September 30, 2022	24,361	4,207	4,633	2,889	30.39

<<Reasons for the Revision>>

In actual results on consolidated basis, both net sales and operating profit were almost close to the previous forecast. As for the actual results of ordinary profit and profit, foreign exchange gains primarily exceeded the previous forecast.

In actual results on non-consolidated basis, net sales were close to the previous forecast, while operating profit exceeded the previous forecast due to selling, general and administrative expenses which fell short of the forecast and foreign exchange rates.

2. Revision to the Financial Results Forecast for the Fiscal Year Ending March 31, 2024

(1) Revision to the Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023–March 31, 2024)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)	Million yen –	Million yen –	Million yen –	Million yen –	Yen –
Revised forecast (B)	55,000	(400)	(200)	(800)	(8.41)
Differences (B – A)	–	–	–	–	
Changes (%)	–	–	–	–	
(Reference) Financial results for the fiscal year ended March 31, 2023	71,527	10,224	10,757	7,595	79.67

(2) Revision to the Non-Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023–March 31, 2024)

	Net sales	Operating profit	Ordinary profit	Profit	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	–	–	–	–	–
Revised forecast (B)	28,000	(500)	2,300	2,300	24.19
Differences (B – A)	–	–	–	–	
Changes (%)	–	–	–	–	
(Reference) Financial results for the fiscal year ended March 31, 2023	50,883	8,927	9,378	6,880	72.17

<<Reasons for the Revision to the Financial Results Forecast>>

The Company had previously disclosed its financial results forecast only for the first six months of the fiscal year ending March 31, 2024 because of difficulties in reasonably estimating future orders received and net sales. However, the forecast for the full year ending March 31, 2024 has now been revised as shown above, taking into account the financial results for the six months ended September 30, 2023, current trends in orders received, and other factors. As for the business environment in the second half of the fiscal year ending March 31, 2024, we expect favorable outlook for automotive applications as in the first half of the fiscal year, while the situation for industrial applications such as industrial robots is expected to remain severe owing to softness in current capital investment trends in China and the inventory adjustments of our products by many customers and distributors which are likely to require some time.

3. Revision to the Dividend Forecast

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Previous forecast (Disclosed on August 8, 2023)	–	10.00	–	–	–
Revised forecast			–	10.00	20.00
Actual dividends	–	10.00			
(Reference) Dividends for the fiscal year ended March 31, 2023	–	11.00	–	17.00	28.00

<<Reasons for the Revision to the Dividend Forecast>>

The Company's basic policy is to distribute profits according to its business performance, and aims for a consolidated payout ratio of 30%. Meanwhile, the Company also considers paying out stable dividends even at a time when business performance is weak, taking into account the levels of retained earnings and cash at that point. Based on such policies, the year-end dividend forecast, which was previously undetermined, has been revised as shown above.

<Notes on financial results forecasts>

The statements on financial results forecasts contained herein are based on information currently available to the Company and certain assumptions deemed reasonable by the Company. The actual financial results may differ significantly due to various factors.