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Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]

May 14, 2025

Company name: Harmonic Drive Systems Inc.
Listing: Tokyo Stock Exchange
Securities code: 6324
URL: <https://www.hds.co.jp/>
Representative: Akira Maruyama President and Representative Director
Inquiries: Tetsuya Shiokawa Executive Officer
Telephone: +81-3-5471-7810
Scheduled date of annual general meeting of shareholders: June 20, 2025
Scheduled date to commence dividend payments: June 23, 2025
Scheduled date to file annual securities report: June 18, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	55,645	(0.3)	6	(94.4)	151	(73.5)	3,473	-
March 31, 2024	55,796	(22.0)	124	(98.8)	570	(94.7)	(24,806)	-

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 1,757 million [-%]
Fiscal year ended March 31, 2024: ¥ (21,661) million [-%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	36.57	-	4.4	0.1	0.0
March 31, 2024	(261.00)	-	(27.1)	0.4	0.2

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ (38) million
Fiscal year ended March 31, 2024: ¥ (41) million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	113,621	78,943	69.5	831.82
March 31, 2024	119,142	79,401	66.6	836.02

(Reference) Equity: As of March 31, 2025: ¥ 78,943 million
As of March 31, 2024: ¥ 79,401 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	7,516	1,480	(5,874)	22,923
March 31, 2024	12,728	(5,950)	(8,122)	18,941

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	10.00	-	10.00	20.00	1,900	-	2.1
March 31, 2025	-	10.00	-	10.00	20.00	1,898	54.7	2.4
Fiscal year ending March 31, 2026 (Forecast)	-	-	-	-	-		-	

(Note) There is currently no forecast for the year-end dividend for the fiscal year ending March 31, 2026. An announcement will be made promptly once it becomes possible to disclose a dividend forecast.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	27,000	1.7	300	-	200	-	300	-	3.16

(Note) The Company discloses a forecast only for the first half months of the fiscal year ending March 31, 2026.

This is because of difficulties in reasonably estimating a financial result forecast for the rest of the fiscal year ending March 31, 2026.

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2025: 96,315,400 shares

March 31, 2024: 96,315,400 shares

2) Number of treasury shares at the end of the period:

March 31, 2025: 1,411,891 shares

March 31, 2024: 1,339,057 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025: 94,977,483 shares

Fiscal Year ended March 31, 2024: 95,047,417 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	30,544	6.9	(187)	-	212	(90.7)	4,174	-
March 31, 2024	28,577	(43.8)	(542)	-	2,288	(75.6)	(18,460)	-

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	43.96	-
March 31, 2024	(194.23)	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	82,217	59,269	72.1	624.52
March 31, 2024	90,621	62,736	69.2	660.55

(Reference) Equity: As of March 31, 2025: ¥ 59,269 million
As of March 31, 2024: ¥ 62,736 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	15,500	10.8	100	-	-	-	100	-	1.05

(Note)The Company discloses a forecast only for the first half months of the fiscal year ending March 31,2026.

This is because of difficulties in reasonably estimating a financial result forecast for the rest of the fiscal year ending March 31, 2026.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecasts and other notes

- 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.

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	20,318,343	24,900,137
Notes receivable - trade	3,085,175	3,591,560
Accounts receivable - trade	8,668,982	9,544,240
Securities	37,156	52,789
Merchandise and finished goods	2,466,573	2,026,216
Work in process	3,481,346	4,115,787
Raw materials and supplies	6,681,866	6,362,096
Other	2,743,454	2,606,529
Allowance for doubtful accounts	(24,906)	(34,577)
Total current assets	47,457,994	53,164,779
Non-current assets		
Property, plant and equipment		
Buildings and structures	28,050,179	28,510,780
Accumulated depreciation	(8,961,427)	(10,186,796)
Buildings and structures, net	19,088,751	18,323,983
Machinery, equipment and vehicles	44,620,810	46,667,016
Accumulated depreciation	(28,516,512)	(32,860,078)
Machinery, equipment and vehicles, net	16,104,298	13,806,937
Tools, furniture and fixtures	10,647,385	10,764,487
Accumulated depreciation	(8,897,026)	(9,293,132)
Tools, furniture and fixtures, net	1,750,358	1,471,354
Land	3,486,870	3,600,017
Leased assets	7,876,856	7,975,038
Accumulated depreciation	(2,840,983)	(3,491,221)
Leased assets, net	5,035,872	4,483,816
Construction in progress	2,610,922	4,191,123
Other	898,582	978,424
Accumulated depreciation	(828,333)	(895,903)
Other, net	70,248	82,520
Total property, plant and equipment	48,147,323	45,959,753
Intangible assets		
Software	493,049	810,422
Customer related assets	9,663,394	8,856,669
Technical assets	2,580,951	2,365,486
Other	159,997	126,357
Total intangible assets	12,897,391	12,158,936
Investments and other assets		
Investment securities	8,780,932	409,931
Shares of subsidiaries and associates	48,112	20,228
Investments in capital of subsidiaries and associates	-	89,507
Long-term loans receivable from subsidiaries and associates	200,000	270,000
Retirement benefit asset	1,372,071	1,275,214
Deferred tax assets	137,493	165,301
Other	106,571	113,630

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Allowance for doubtful accounts	(5,600)	(5,600)
Total investments and other assets	10,639,581	2,338,213
Total non-current assets	71,684,297	60,456,902
Total assets	119,142,291	113,621,682

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,036,539	3,184,623
Contract liabilities	172,558	136,988
Short-term borrowings	700,629	2,701,653
Current portion of long-term borrowings	2,529,452	1,890,516
Lease liabilities	700,049	741,555
Income taxes payable	101,581	1,284,547
Provision for bonuses	949,714	1,030,221
Provision for bonuses for directors (and other officers)	66,165	84,564
Provision for loss on compensation for after-care of products	147,759	37,409
Other	3,315,414	2,804,621
Total current liabilities	11,719,864	13,896,702
Non-current liabilities		
Long-term borrowings	15,201,497	11,015,584
Lease liabilities	4,681,840	4,390,974
Deferred tax liabilities	5,837,148	3,715,935
Provision for retirement benefits for directors (and other officers)	12,000	26,400
Provision for operating officers' retirement benefits	104,749	126,374
Retirement benefit liability	836,377	954,909
Other	1,347,147	551,735
Total non-current liabilities	28,020,761	20,781,914
Total liabilities	39,740,626	34,678,616
Net assets		
Shareholders' equity		
Share capital	7,100,036	7,100,036
Capital surplus	22,778,711	22,786,269
Retained earnings	37,478,753	39,052,598
Treasury shares	(5,309,159)	(5,633,171)
Total shareholders' equity	62,048,341	63,305,732
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,256,856	146,568
Foreign currency translation adjustment	12,927,929	15,532,687
Remeasurements of defined benefit plans	168,538	(41,922)
Total accumulated other comprehensive income	17,353,323	15,637,333
Total net assets	79,401,665	78,943,066
Total liabilities and net assets	119,142,291	113,621,682

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	55,796,455	55,645,940
Cost of sales	40,189,989	40,791,594
Gross profit	15,606,465	14,854,345
Selling, general and administrative expenses	15,481,886	14,847,351
Operating profit	124,579	6,993
Non-operating income		
Interest income	96,856	316,411
Dividend income	275,621	275,179
Foreign exchange gains	129,181	-
Subsidy income	110,873	78,421
Other	257,261	210,078
Total non-operating income	869,795	880,090
Non-operating expenses		
Interest expenses	177,069	224,478
Share of loss of entities accounted for using equity method	41,843	38,377
Foreign exchange losses	-	235,336
Rental expenses	116,151	91,501
Other	88,977	146,193
Total non-operating expenses	424,041	735,886
Ordinary profit	570,333	151,197
Extraordinary income		
Gain on sale of non-current assets	6,861	1,031
Gain on sale of investment securities	-	5,865,309
Subsidy income	2,000	2,000
Total extraordinary income	8,861	5,868,340
Extraordinary losses		
Loss on sale of non-current assets	440	3,842
Impairment losses	28,159,317	1,189,182
Loss on retirement of non-current assets	23,517	44,101
Loss on tax purpose reduction entry of non-current assets	2,000	2,000
Total extraordinary losses	28,185,276	1,239,126
Profit (loss) before income taxes	(27,606,080)	4,780,412
Income taxes - current	1,094,861	1,555,057
Income taxes - deferred	(3,893,945)	(248,184)
Total income taxes	(2,799,084)	1,306,872
Profit (loss)	(24,806,996)	3,473,539
Profit attributable to non-controlling interests	-	-
Profit (loss) attributable to owners of parent	(24,806,996)	3,473,539

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit (loss)	(24,806,996)	3,473,539
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,588,454)	(4,110,287)
Foreign currency translation adjustment	4,781,841	2,604,757
Remeasurements of defined benefit plans, net of tax	(47,969)	(210,461)
Total other comprehensive income	3,145,417	(1,715,990)
Comprehensive income	(21,661,579)	1,757,549
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(21,661,579)	1,757,549
Comprehensive income attributable to non-controlling interests	-	-

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,100,036	22,773,595	64,852,655	(4,978,535)	89,747,751
Changes during period					
Dividends of surplus			(2,566,906)		(2,566,906)
Profit (loss) attributable to owners of parent			(24,806,996)		(24,806,996)
Purchase of treasury shares				(397,294)	(397,294)
Restricted stock payment		5,115		66,670	71,786
Net changes in items other than shareholders' equity					
Total changes during period	-	5,115	(27,373,902)	(330,623)	(27,699,410)
Balance at end of period	7,100,036	22,778,711	37,478,753	(5,309,159)	62,048,341

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5,845,310	8,146,088	216,507	14,207,906	-	103,955,658
Changes during period						
Dividends of surplus						(2,566,906)
Profit (loss) attributable to owners of parent						(24,806,996)
Purchase of treasury shares						(397,294)
Restricted stock payment						71,786
Net changes in items other than shareholders' equity	(1,588,454)	4,781,841	(47,969)	3,145,417	-	3,145,417
Total changes during period	(1,588,454)	4,781,841	(47,969)	3,145,417	-	(24,553,993)
Balance at end of period	4,256,856	12,927,929	168,538	17,353,323	-	79,401,665

For the fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,100,036	22,778,711	37,478,753	(5,309,159)	62,048,341
Changes during period					
Dividends of surplus			(1,899,694)		(1,899,694)
Profit (loss) attributable to owners of parent			3,473,539		3,473,539
Purchase of treasury shares				(390,586)	(390,586)
Restricted stock payment		7,558		66,573	74,132
Net changes in items other than shareholders' equity					
Total changes during period	-	7,558	1,573,844	(324,012)	1,257,391
Balance at end of period	7,100,036	22,786,269	39,052,598	(5,633,171)	63,305,732

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,256,856	12,927,929	168,538	17,353,323	-	79,401,665
Changes during period						
Dividends of surplus						(1,899,694)
Profit (loss) attributable to owners of parent						3,473,539
Purchase of treasury shares						(390,586)
Restricted stock payment						74,132
Net changes in items other than shareholders' equity	(4,110,287)	2,604,757	(210,461)	(1,715,990)	-	(1,715,990)
Total changes during period	(4,110,287)	2,604,757	(210,461)	(1,715,990)	-	(458,599)
Balance at end of period	146,568	15,532,687	(41,922)	15,637,333	-	78,943,066

Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit (loss) before income taxes	(27,606,080)	4,780,412
Depreciation	9,189,813	8,023,274
Impairment losses	28,159,317	1,189,182
Amortization of goodwill	1,172,736	-
Increase (decrease) in allowance for doubtful accounts	3,428	7,960
Increase (decrease) in retirement benefit liability	(45,106)	23,262
Increase (decrease) in provision for retirement benefits for directors (and other officers)	-	14,400
Increase (decrease) in provision for operating officers' retirement benefits	24,489	21,625
Increase (decrease) in provision for bonuses for directors (and other officers)	(294,480)	15,214
Increase (decrease) in provision for loss on compensation for after-care of products	79,428	(112,035)
Interest income	(96,856)	(316,411)
Dividend income	(275,621)	(275,179)
Interest expenses	177,069	224,478
Share of loss (profit) of entities accounted for using equity method	41,843	38,377
Subsidy income	(2,000)	(2,000)
Loss (gain) on sale of investment securities	-	(5,865,309)
Loss (gain) on sale of non-current assets	(6,421)	2,811
Loss on retirement of non-current assets	23,517	44,101
Loss on tax purpose reduction entry of non-current assets	2,000	2,000
Decrease (increase) in trade receivables	6,234,839	(944,481)
Decrease (increase) in inventories	603,355	711,731
Increase (decrease) in trade payables	(750,951)	(37,780)
Other, net	(469,579)	(615,429)
Subtotal	16,164,740	6,930,203
Interest and dividends received	371,459	550,400
Interest paid	(183,325)	(230,779)
Payments of retirement benefits for directors (and other officers)	-	(727,348)
Subsidies received	2,000	2,000
Income taxes paid	(3,892,940)	(546,617)
Income taxes refund	266,666	1,538,375
Net cash provided by (used in) operating activities	12,728,600	7,516,235
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,935,243)	(4,881,836)
Proceeds from sale of property, plant and equipment	15,085	7,885
Purchase of intangible assets	(377,679)	(452,277)
Proceeds from sale of investment securities	-	8,325,750
Payments for investments in capital of subsidiaries and associates	-	(100,000)
Payments into time deposits	(2,188,275)	(2,659,408)
Proceeds from withdrawal of time deposits	1,707,348	1,350,719
Payments of leasehold and guarantee deposits	(9,593)	(18,180)
Proceeds from refund of leasehold and guarantee deposits	37,471	6,930
Short-term loan advances	-	(88)
Proceeds from collection of short-term loans receivable	-	88

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Loan advances to subsidiaries and associates	(200,000)	(100,000)
Other, net	481	481
Net cash provided by (used in) investing activities	(5,950,405)	1,480,063

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from financing activities		
Proceeds from short-term borrowings	2,480,000	4,650,000
Repayments of short-term borrowings	(4,410,197)	(2,650,213)
Proceeds from long-term borrowings	70,000	-
Repayments of long-term borrowings	(2,656,564)	(4,824,849)
Repayments of lease liabilities	(641,904)	(747,957)
Purchase of treasury shares	(397,294)	(390,586)
Dividends paid	(2,566,337)	(1,910,578)
Net cash provided by (used in) financing activities	(8,122,296)	(5,874,183)
Effect of exchange rate change on cash and cash equivalents	363,836	859,185
Net increase (decrease) in cash and cash equivalents	(980,265)	3,981,300
Cash and cash equivalents at beginning of period	19,921,977	18,941,712
Cash and cash equivalents at end of period	18,941,712	22,923,012