

## Announcing Capital Investment to Expand Hotaka Plant Production Capacity

To meet medium-term demand increases for precision speed reducers, in April 2016 the Company completed a new factory on the grounds of the Hotaka Plant (Azumino-shi, Nagano Prefecture). Now we are announcing additional capital investment in manufacturing equipment to be installed in the plant to further boost production capacity.

The purpose of the investment is to raise production capacity of HarmonicDrive®, for which demand is already increasing rapidly, mainly for use in industrial robots and semiconductor manufacturing equipment. By enhancing our ability to provide customers with a stable supply of products, we seek to become more competitive in terms of quality, delivery time, and production efficiency.

Amounting to approximately 1.5 billion yen in spending from March to July 2017, the investment will be chiefly for introducing and installing machine tools in the new factory noted above. It will result in a gradual rise in the monthly production capacity of HarmonicDrive® at the Hotaka Plant, from the current rate of approximately 50,000 devices to more than 66,000 devices. Details are given below.

### ■Outline of capital investment plans

Plant location	1856-1 Hotakamaki, Azumino-shi, Nagano Japan		
Purpose and scale of investment	Purpose: HarmonicDrive® manufacturing equipment Amount: Approx. 1.5 billion yen		
Schedule	Equipment is to be delivered and installed from March to July, 2017.		
Production capacity		Monthly capacity	Rate of increase (from current level)
	Current	50,000 devices	—
	Forecast for April 2017	58,000 devices	+16.0%
	Forecast for July 2017	66,000 devices	+32.0%

### HarmonicDrive®

The main product of the Group, these are high-precision speed reducers applying the elastic mechanics (flexibility) of metal to gears. Consisting of just three basic parts, the devices are light and compact while able to transmit large power. Moreover, since there are no clearances (non-backlash) where the gears engage, they have the advantage of being applicable to high-accuracy positioning. The devices have been adopted in diverse applications such as the joints of industrial robots, and are expected to see major demand growth in the future as well.



HarmonicDrive®



New factory building at Hotaka Plant

For further information:

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