



November 9, 2017

To whom it may concern

Company name           Harmonic Drive Systems Inc.  
Representative         Akira Nagai, President & CEO  
  (Stock code : 6324 )  
Inquiries                 Kazutoshi Kamijo, Executive Officer  
  TEL 03-5471-7810

## **Announcing Plant Property Acquisition in Nagano**

Harmonic Drive Systems Inc. is pleased to announce that its board of directors today resolved to acquire a plant property located in Azumino City, Nagano Prefecture.

### 1. Reasons for Acquisition

The Harmonic Drive Systems Group (the Group), in pursuit of its corporate mission of contributing to society through the supply of Total Motion Control, is active in the development, manufacture and sales of various types of drive units under the categories of mechatronics products and precision speed reducers. The Group operates production bases in Japan, the United States, Germany and South Korea.

We are forecasting further market expansion in industrial robots, semiconductor manufacturing equipment, flat-panel display manufacturing systems and other sectors comprising the primary applications of our products. To effectively address this environment, studies have been underway on acquisition of a new production base to boost the manufacturing capacity of our HarmonicDrive®, a product for which major demand increases are projected to continue.

In the selection of a new plant, the studies were advanced with the aim of securing close collaboration with the Hotaka Plant, one of our core business bases. At this time, it is a pleasure to announce that these efforts recently resulted in a basic agreement with the seller for the purchase of the plant property described below.

This particular property offers expandability capable of responding to future production increases, with plans calling for the steady construction of plant buildings, machinery and equipment and other capital investment efforts keyed to upcoming demand growth. Based on this, the schedule calls for raising monthly production capacity to the scale of 100,000 devices by fiscal year 2020.

### 2. Outline of Acquisition of Plant Site and Buildings

Location	5103 Hotakaariake, Azumino City, Nagano Prefecture
Site area	Approx. 51,600 square meters
Plant building area	Approx. 7,600 square meters
Acquisition price	1.05 billion yen (estimate)
Seller	Washington Shoe Co., Ltd 5-16-2 Shiba, Minato-ku, Tokyo

3. Production Devices and Output Capacity

Production devices	“HarmonicDrive®”
Operation startup date	March 2018
Projected production capacity increase	2018: 10,000 devices/month 2019: 50,000 devices/month 2020: 100,000 devices/month

4. Acquisition Schedule

Scheduled date of plant property transfer: Early December 2017

5. Related Matter

The impact of this acquisition on the Company’s performance for the fiscal year ending March 2018 will be negligible