



April 27, 2018

To whom it may concern

Harmonic Drive Systems Inc.

Notice Concerning Start of Operations at Ariake Plant

Harmonic Drive Systems Inc. is pleased to announce the start of operations at its new plant acquired in December 2017. Details are set out below.

As announced in the November 9, 2017 press release headed “Announcing Plant Property Acquisition in Nagano,” in December 2017 the Company acquired a plant property (the Ariake Plant) located in Azumino City, Nagano Prefecture and is moving forward with plans to sharply raise production capacity for its HarmonicDrive® devices.

There are two existing plant buildings at the Ariake Plant, and with the completion of upgrading work on Building No. 1, operations began in March as initially planned. Upgrading of the remaining building is scheduled for completion at the end of August 2018. The Company is also proceeding with plans to construct a new plant building on the same site.

Focusing on the primary applications of the Company’s products, which include industrial robots, semiconductor manufacturing equipment, and flat-panel display manufacturing systems, in conjunction with the Hotaka Plant, which is currently a core base for domestic HarmonicDrive® production capacity, systems are being put in place to raise monthly production to 200,000 devices by March 2021.

■ Outline of Ariake Plant and Plan to Increase Domestic Production Capacity

Location	5103 Hotakaariake, Azumino City, Nagano Prefecture
Upgrade plan for existing plant	Upgrading work on Building No. 1 (3,366 m ²): completed February 28, 2018 Upgrading work on Building No. 2 (2,730 m ²): scheduled for completion at end of August 2018
Construction plan for new plant	Currently under consideration ▪Details will be notified promptly once decided
Approximate monthly production capacity for HarmonicDrive® devices (based on total for Ariake Plant and Hotaka Plant)	As of March 2018: 95,000 Target for March 2019: 130,000 Target for March 2020: 170,000 Target for March 2021: 200,000

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