



October 18, 2024

To Whom It May Concern:

Company: Harmonic Drive Systems Inc.  
Akira Maruyama, President and Representative Director  
(Securities Code: 6324 Tokyo Stock Exchange Standard Market)  
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## **Notice of a Merger of a Consolidated Subsidiary by Absorption (Simplified and Abbreviated Merger)**

Harmonic Drive Systems Inc. (the “Company”) announces that it has resolved at its Board of Directors meeting held on October 18, 2024 to merge its consolidated subsidiary GK HD Management (“HDM”) in an absorption-type merger (the “Merger”).

Given that the Merger will be a simplified and abbreviated merger of a wholly-owned subsidiary, some items and details have been omitted from disclosure.

### 1. Purpose of the Merger

As announced in our “Notice of Acquisition (subsidiarization) of Harmonic Drive AG\* through Acquisition of Additional Shares (Document in Japanese)” dated December 16, 2016, the Company established HDM jointly with INCJ, Ltd. (“INCJ”; President and COO: Mikihide Katsumata; headquarters: Minato-ku Tokyo) and acquired additional shares in Harmonic Drive SE (“HDSE”), which had been an equity method affiliate in Europe, making HDSE a subsidiary of the Company on March 22, 2017. Subsequently, as announced in our “Notice Regarding Making European Subsidiary a Wholly Owned Subsidiary Following Additional Acquisition of Shares in Special Purpose Company” dated April 23, 2021, the Company resolved to acquire from INCJ all its stake in HDM and make HDSE a wholly-owned subsidiary. As described in “Notice Regarding Completion of Procedures for Making European Subsidiary a Wholly Owned Subsidiary following Additional Acquisition of Shares in Special Purpose Company (Document in Japanese)” released on July 28, 2021, the Company additionally acquired from INCJ all its stake in HDM and completed the acquisition, turning HDSE into a wholly-owned subsidiary of the Company. Since HDM’s business purpose envisioned at the time of its foundation has been achieved, we decided to merge HDM in an absorption-type merger in which the Company will be the surviving company.

Note: Harmonic Drive AG changed its legal form and was renamed Harmonic Drive SE on January 17, 2020.

### 2. Summary of the Merger

#### (1) Merger schedule

Date of Board of Directors’ resolution for approval of the merger agreement:	October 18, 2024
Date of conclusion of the merger agreement:	October 18, 2024
Scheduled merger date (effective date):	January 1, 2025 (tentative)

Note: The Merger is a simplified merger under Article 796, Paragraph 2 of the Companies Act for the Company; therefore, the Company will not hold a general meeting of shareholders to obtain its approval for the merger agreement. HDM will obtain the consent of all its members by the day before the effective date under Article 793, Paragraph 1, item 1 of the Companies Act.

(2) Merger method

HDM will be dissolved through an absorption-type merger in which the Company will be the surviving company.

(3) Details of merger-related allocation

The Merger will involve no allotment of shares or delivery of other consideration because HDM is a wholly-owned subsidiary of the Company.

(4) Treatment of share options or bonds with share options in the Merger

Not applicable

3. Outline of the companies involved in the Merger

	Surviving company	Absorbed company
(1) Company name	Harmonic Drive Systems Inc.	GK HD Management
(2) Location	6-25-3 Minami-Oi, Shinagawa-ku, Tokyo	6-25-3 Minami-Oi, Shinagawa-ku, Tokyo
(3) Representative	Akira Maruyama, President and Representative Director	Harmonic Drive Systems Inc., Representative Member; Akira Nagai, Manager
(4) Business description	Production and sales of mechatronics products and speed reducers for incorporation in industrial robots, semiconductor manufacturing equipment and other systems	Special purpose company for investment in HDSE
(5) Capital	7,100 million yen	1 million yen
(6) Establishment date	October 1970	December 2016
(7) Shares issued	96,315,400 shares	—
(8) Fiscal year-end	March 31	December 31
(9) Major shareholders and equity ownership	KODEN Holdings Co., Ltd. 35.26% SSBTC CLIENT 7.43% OMNIBUS ACCOUNT The Master Trust Bank of Japan, Ltd. (Trust Account 3.95%	Harmonic Drive Systems Inc. 100.0%
(10) Financial position and operating results of the immediately preceding business year		
Fiscal year	Year ended March 2024 (consolidated)	Year ended December 2023 (non-consolidated)
Net assets	79,401 million yen	31,825 million yen
Total assets	119,142 million yen	31,844 million yen
Net assets per share	836.02 yen	—

Net sales	55,796 million yen	1,262 million yen
Operating profit	124 million yen	1,261 million yen
Ordinary profit	570 million yen	1,242 million yen
Profit/(loss) attributable to owners of parent	(24,806) million yen	1,219 million yen
Profit/(loss) per share	(261.00) yen	—

Note 1: Treasury shares are excluded from the calculation of equity ownership for Harmonic Drive Systems Inc.'s major shareholders.

Note 2: GK HD Management's net assets per share and profit per share are not shown because it has not issued any shares.

4. Post-merger status

The Merger will not change the Company's name, location, representative's title and name, business description, capital, or fiscal year-end.

5. Earnings impact

Since the Merger is with a wholly-owned subsidiary, its impact on the Company's consolidated business results will be minimal.