

# INTEGRATED REPORT

2024

Year ended March 31

**FANUC**

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Editorial Policy

Scope of Report and Reference Guidelines

Reporting Period From April 2023 to March 2024  
 Some information may refer to organizational structures and policies at the time of publication if those have been recently updated.  
 Organizations FANUC CORPORATION and its consolidated subsidiaries  
 Referential Guidelines We have referenced Integrated Reporting <IR> of the International Integrated Reporting Council (IIRC), as well as the Guidance for Collaborative Value Creation issued by Ministry of Economy, Trade and Industry (METI) Government of Japan.

Forward-looking statements

Statements contained in this report that relate to the future operating activities, business performance, events or conditions of FANUC are forward-looking statements. Forward-looking statements are based on judgments made by FANUC's management based on information available at the time of publishing this report and are subject to significant assumptions. As such, these forward-looking statements are subject to various risks and uncertainties and actual business results may vary substantially from the forecasts expressed or implied in forward-looking statements. Accordingly, you are cautioned not to place undue reliance on forward-looking statements. FANUC disclaims any obligation to revise forward-looking statements in light of new information, future events or other findings.

Publication of Integrated Report 2024

FANUC has published this Integrated Report in order to share our value creation efforts with stakeholders.  
 Under the basic principles of "Strict Preciseness" and "Transparency," FANUC aims to achieve both social and economic value at the same time, and to achieve sustainable growth.

Basic Principles

**"Genmitsu"**  
**(Strict Preciseness)**

**"Tomei"**  
**(Transparency)**

**"Strict Preciseness" and "Transparency"**  
 are the basic principles of FANUC.

**Strict Preciseness**

A company will last forever and be sound with strict preciseness.

**Transparency**

The corruption of an organization and downfall of a company start from a lack of transparency.

Vision

FANUC provides indispensable values throughout the world in the field of factory automation through unceasingly creating technological innovations, and will continue to be a company that is trusted by all stakeholders.

## The Three Philosophies



The three businesses of FA, ROBOT and ROBOMACHINE are unified with SERVICE as “one FANUC”, to provide innovation and re-assurance to manufacturing sites around the world.

Reliable  
Predictable  
Easy to Repair

FANUC aims to Maximizing Uptime in all factories all over the world.

***Service First*** 

Conforming to the spirit of “Service First”, FANUC provides lifetime maintenance of its products for as long as they are used by customers, through more than 270 service locations supporting more than 100 countries throughout the world.

## FANUC Code of Conduct

Officers and employees of FANUC shall practice the following with “Strict Preciseness” and “Transparency,” which are the basic principles of FANUC.

- ① Upholding of a high standard of ethics
- ② Compliance with laws and regulations, and internal rules
- ③ Respect for human rights and diversity
- ④ Contribution to the benefit of FANUC

### Prohibited Acts which require Particular Attention.

1. To discriminate based on gender, age, nationality, ethnicity, race, place of origin, religion, beliefs, disability, sexual orientation, sexual identity, etc.
2. To engage in an act that creates, or appears to create, a conflict of interest between his or her personal interest and the FANUC group company's interest, including dealing with the FANUC group company for the benefit of him/herself or any particular individual or organization.
3. To engage in an act that violates antitrust laws, including, unjust or unfair transactions.
4. To give money, gifts, entertainment or any other economic benefit to public officials or persons in similar positions in connection with their duties.
5. To unlawfully acquire, use or disclose intellectual property, personal information, etc., of any company or individual.
6. To conduct insider trading of stocks based on the material facts of the FANUC group or its business partners, etc.
7. To use forced labor or engage in an act that appears to use forced labor.
8. To develop or spread technology that is harmful to the environment.
9. To provide information that differs from the truth or misleads customers, business partners, etc.
10. To consent to an unjust request by antisocial forces, such as organized crime groups, or conduct a transaction with such entities or any related company or individual.

\* FANUC will establish a contact point for whistleblowing through which, in principle, all officers and employees of the FANUC group, including subsidiaries and sub-subsidiaries, can whistleblow to the headquarters of FANUC CORPORATION.

\* This Code of Conduct applies to all officers and employees of the FANUC group, including subsidiaries and sub-subsidiaries (including contract workers).

# Track Record of Value Creation



The history of FANUC began with the Numerical Control (NC) technology. In 1955, a control project team was established at Fuji Tsushinki Manufacturing Co., Ltd. In 1956, the Company became Japan's first private-sector firm to successfully develop NCs (numerical control) and SERVO mechanisms. This innovation automated the control of machine tools—which require precise positioning—by applying numerical control, a process that had previously been performed manually. In 1959, the Company developed the electro-hydraulic pulse motor, the foundation of its SERVO technology, further solidifying its strong market position within the NC business. In 1972, the NC division was spun off from Fujitsu Limited to form FUJITSU FANUC Ltd. (later renamed as FANUC CORPORATION). The Company adopted a keyaki (zelkova) tree, firmly rooted in the ground and growing powerfully up toward the sky, as its symbol, which represents a wish to grow into a company with strong corporate structure. In addition to improving the performance of NC and SERVO products, FANUC has since expanded its business to products that use the NC technology, developing the NC drilling machines, which was aimed at popularizing NC machine tools, and robots installed with NC that automate wide-ranging work processes.



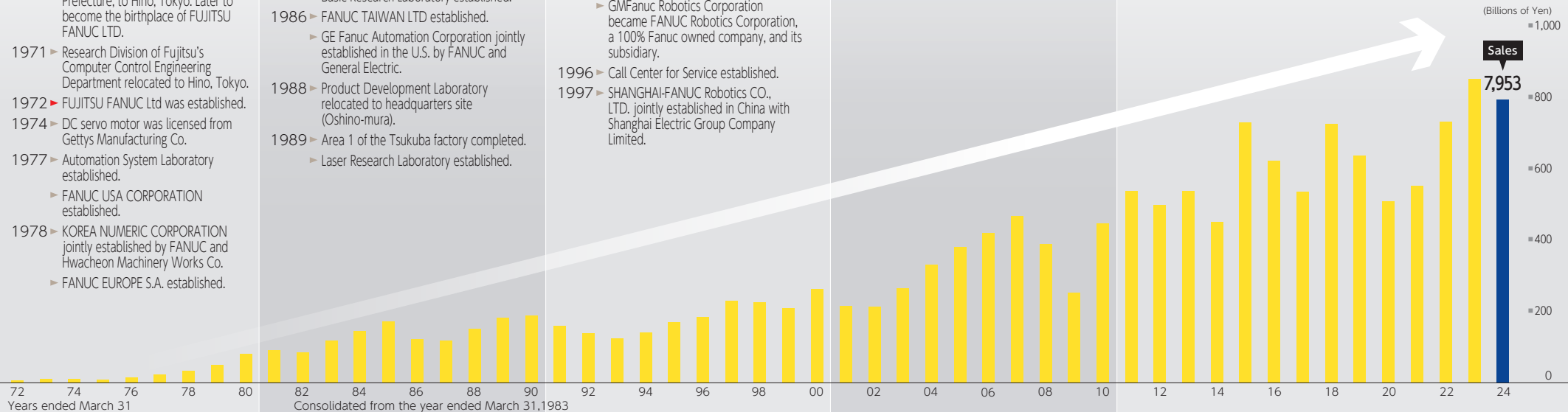
- 1955 ▶ A project team for control was established in Fuji Tsushinki Manufacturing Co., Ltd. (presently Fujitsu Limited).
- 1965 ▶ Licensed to Siemens AG to manufacture and sell the pulse motors.
- 1968 ▶ Distributed Numerical Control (DNC) system developed.
- 1970 ▶ Fujitsu Limited's Computer Control Engineering Department factory relocated from Kawasaki, Kanagawa Prefecture, to Hino, Tokyo. Later to become the birthplace of FUJITSU FANUC LTD.
- 1971 ▶ Research Division of Fujitsu's Computer Control Engineering Department relocated to Hino, Tokyo.
- 1972 ▶ FUJITSU FANUC Ltd was established.
- 1974 ▶ DC servo motor was licensed from Gettys Manufacturing Co.
- 1977 ▶ Automation System Laboratory established.
  - ▶ FANUC USA CORPORATION established.
- 1978 ▶ KOREA NUMERIC CORPORATION jointly established by FANUC and Hwacheon Machinery Works Co.
  - ▶ FANUC EUROPE S.A. established.

- 1980 ▶ Fuji Factory constructed. Unmanned machining during nights was realized.
- 1982 ▶ Company name changed to FANUC LTD.
  - ▶ GMFanuc Robotics Corporation jointly established in the U.S. by FANUC and General Motors.
- 1983 ▶ Listed on the first section of the Tokyo Stock Exchange.
- 1984 ▶ Relocation of headquarters to the foot of Mt. Fuji.
  - ▶ Basic Research Laboratory established.
- 1986 ▶ FANUC TAIWAN LTD established.
  - ▶ GE Fanuc Automation Corporation jointly established in the U.S. by FANUC and General Electric.
- 1988 ▶ Product Development Laboratory relocated to headquarters site (Oshino-mura).
- 1989 ▶ Area 1 of the Tsukuba factory completed.
  - ▶ Laser Research Laboratory established.

- 1991 ▶ Hayato Factory completed.
- 1992 ▶ Product Development Laboratory divided into four laboratories consisting of the CNC Laboratory, Servo Laboratory, Robot Laboratory and Machine Laboratory.
  - ▶ BEIJING-FANUC Mechatronics CO., LTD. jointly established with Beijing Machine Tool Research Institute.
  - ▶ FANUC INDIA PRIVATE LIMITED established.
  - ▶ GMFanuc Robotics Corporation became FANUC Robotics Corporation, a 100% Fanuc owned company, and its subsidiary.
- 1996 ▶ Call Center for Service established.
- 1997 ▶ SHANGHAI-FANUC Robotics CO., LTD. jointly established in China with Shanghai Electric Group Company Limited.

- 2002 ▶ Robot cells put to practical use, enabling 720hours of continuous unmanned operation.
- 2008 ▶ Area 2 of the Tsukuba factory completed.
- 2009 ▶ Joint venture with General Electric was dissolved.

- 2013 ▶ European subsidiaries reorganized to form FANUC Europe Corporation.
  - ▶ Subsidiaries in the Americas reorganized to form FANUC America Corporation.
- 2016 ▶ Reliability Evaluation Building and Performance Evaluation Building completed.
  - ▶ Mibu Factory completed.
- 2018 ▶ FANUC ACADEMY established.
  - ▶ FANUC Advanced Research Laboratory established.
  - ▶ New Nagoya Service Center opened.



# FANUC's Overview

## FA Basic products

FANUC provides basic products that enable factory automation, such as CNCs, which control the operation of machine tools with numerical information, servos, which control speed and position, and laser oscillators, which are used for welding and cutting. In developing these products, we aim to improve productivity in our customers' factories with energy saving, enhanced safety, and higher performance.



## ROBOT Applied products

Various tasks can be automated by applying the basic technologies of CNCs and servos freely controlling robot arms. We contribute to improving work environments by releasing workers from dangerous, dirty, and difficult jobs and improvement and stabilization of product quality through long-term stable continuous production. In addition, we contribute to the maintenance and growth of factories around the world by compensating the shrinking labor pool, such as by developing robots that can work in collaboration with humans.



## ROBOMACHINE Applied products

FANUC is developing compact machining centers, electric injection molding machines, wire electrical-discharge machines that apply the basic technologies of CNCs and servos. We contribute to improving the productivity of our customers by pursuing superior machining performance, operating rate, and ease of use.

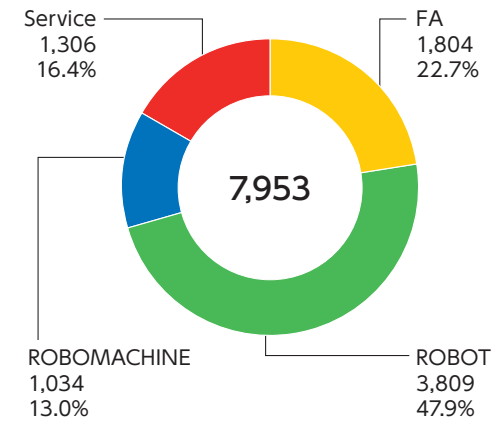


## Sales Composition Ratio

(Year ended March 31, 2023)

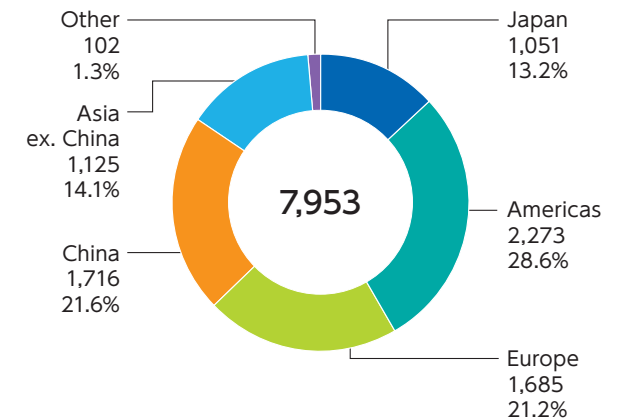
### Sales by Business

(Billions of yen)



### Sales by Region

(Billions of yen)



# Global Service

FANUC fully supports customers in over 100 countries, through more than 270 service locations throughout the world.

FANUC has two core service centers in Japan. One is in Hino in Tokyo, and the other is in Komaki, in Aichi Prefecture. Each has a call center, a parts center, and a warehouse for spare parts for overseas use. With this, FANUC is able to provide better services.



FANUC America



FANUC Europe



BEIJING-FANUC



SHANGHAI-FANUC Robotics  
SHANGHAI-FANUC ROBOMACHINE



TAIWAN FANUC



Nagoya Service Center



KOREA FANUC



FANUC INDIA



FANUC THAI



FANUC INDONESIA



FANUC SOUTH AFRICA



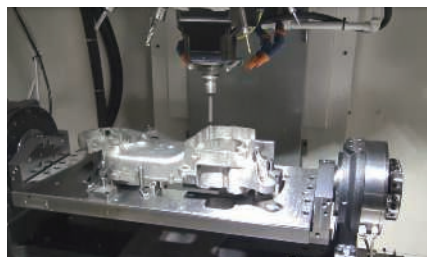
Hino Branch Office

- Head Office
- Branch Office
- Satellite

# Supporting Factory Automation

## FANUC Products in Various Fields

You can find FANUC technologies everywhere in our daily life. Automotive, Aerospace, Construction, Energy, Food and so on. FANUC products are utilized in various fields.



Parts machining with ROBODRILL



Handling



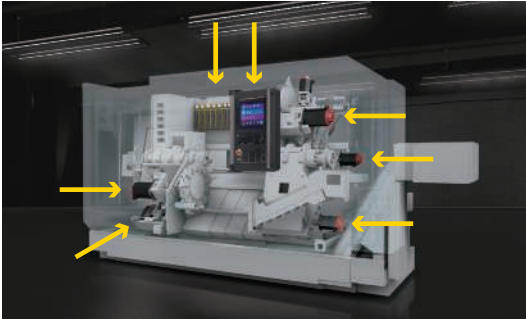
Welding



Plastic molding with ROBOSHOT

## Supporting Factory Automation

## Installed in Machine Tools Worldwide



Inside of machine tool (image)

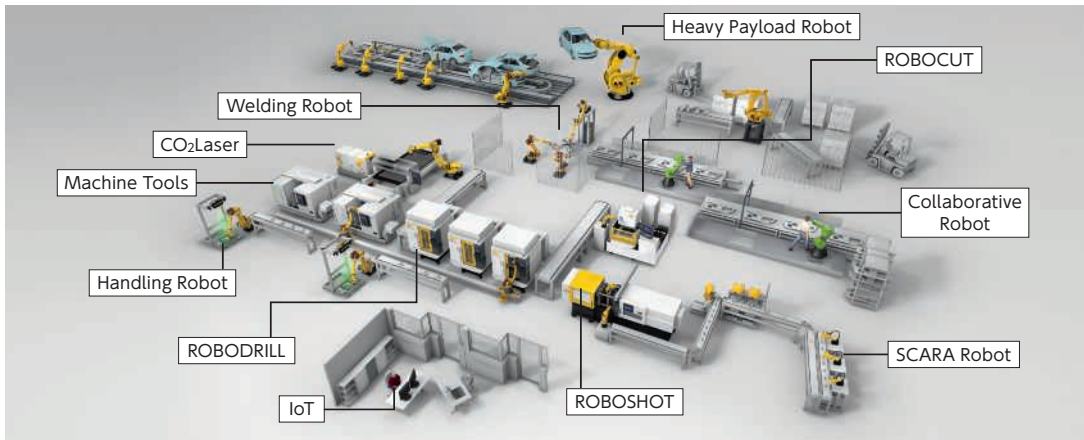


Machine tool appearance (image)

The history of FANUC began with the Numerical Control (NC) technology. In 1955, a project team for control was established at Fuji Tsushinki Manufacturing Co., Ltd.. And the following year, in 1956, FANUC successfully developed the first commercial NC and Servo as a private company in Japan, has devoted itself to focusing on factory automation. Having three businesses of FA Business, which encompasses basic technologies, consisting of CNCs (numerical controls), servos and lasers, and ROBOT Business and ROBOMACHINE Business to which such basic technologies are applied, contributes to the development of manufacturing industries in Japan and overseas.

FANUC's CNCs, servo motors, and servo amplifiers are the components of machine tools. We keep research and development so that we can provide efficient and safety machining. FANUC's FA products are installed in machine tools all over the world, and are active in various fields.

## FANUC Products Indispensable for Manufacturing



Now, take a look at automotive production line.

Machine tools and ROBODILLS are for parts machining. ROBOTs for assembly, transport, and welding. ROBOSHOTs for plastic injection molding. ROBOCUTs for cutting die and mold. Various FANUC products are indispensable for manufacturing sites.

## Supporting Factory Automation

FANUC provides various products to support further factory automation.

We aim at improved productivity and factories that never stop by connecting all production equipment on the manufacturing site and collecting those information. We keen to provide indispensable values throughout the world through incessant technological innovations in the field of factory automation.



# Financial and Non-financial Highlights (Years ended March 31)

## Financial Highlights

(Millions of yen)

Years ended March 31	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net sales	729,760	623,418	536,942	726,596	635,568	508,252	551,287	733,008	851,956	<b>795,274</b>
EBITDA	319,524	236,673	179,747	263,794	203,006	134,263	157,616	230,317	240,548	<b>190,920</b>
EBITDA margin (%)	43.8	38.0	33.5	36.3	31.9	26.4	28.6	31.4	28.2	<b>24.0</b>
Operating income	297,839	215,567	153,217	229,604	163,297	88,350	112,514	183,240	191,359	<b>141,919</b>
Operating income ratio (%)	40.8	34.6	28.5	31.6	25.7	17.4	20.4	25.0	22.5	<b>17.8</b>
Net income attributable to owners of parent	207,599	159,700	127,697	181,957	154,163	73,371	94,012	155,273	170,587	<b>133,159</b>
Capital investment	26,628	113,315	83,207	116,110	133,106	70,478	18,553	41,101	53,095	<b>52,464</b>
Depreciation and amortization	21,685	21,106	26,530	34,190	39,709	45,913	45,102	47,077	49,189	<b>49,001</b>
Research and development expenses	28,105	34,567	42,331	52,956	56,162	51,315	46,949	49,970	51,941	<b>49,813</b>
Total assets	1,611,626	1,512,895	1,564,769	1,728,227	1,625,340	1,512,499	1,625,191	1,783,964	1,873,536	<b>1,926,037</b>
Net assets	1,386,695	1,334,910	1,369,457	1,467,630	1,445,146	1,362,865	1,435,554	1,549,879	1,627,555	<b>1,719,200</b>
ROE (%)	16.1	11.8	9.5	12.9	10.6	5.3	6.8	10.5	10.8	<b>8.0</b>
ROA (%)	14.0	10.2	8.3	11.0	9.2	4.7	5.8	8.7	12.6	<b>9.6</b>
Dividend (¥)	636.62	490.07	395.18	563.20	1,003.11	300.00	294.07	485.70	535.66	<b>84.14</b>
Dividend payout ratio (%)	60.0	60.0	60.0	60.0	126.1	78.6	60.0	60.0	60.0	<b>60.0</b>

●EBITDA margin = EBITDA / Net sales ●ROE = Net income / Average shareholders' equity ●ROA=Net income / Average total assets

※On April 1, 2023, the Company performed a 1-to-5 stock split of common share. From 2024, the dividend amount after the stock split is shown.

## Non-financial Highlights

Years ended March 31	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Number of employees	5,840	6,327	6,738	7,163	7,866	8,164	8,256	8,675	9,432	<b>9,970</b>
Females in total workforce (FANUC CORPORATION) (%)	7.0	7.3	7.1	7.3	7.2	7.4	7.3	7.1	7.7	<b>7.5</b>
Females in management positions (FANUC CORPORATION) (%)	—	—	—	—	0.9	1.0	1.0	1.4	1.1	<b>1.1</b>
Greenhouse gas emissions (t-CO <sub>2</sub> )**										
Scope1	6,522	7,189	7,864	14,254	25,213	34,875	47,059	52,804	58,001	<b>56,266</b>
Scope2	88,982	80,916	95,516	112,524	108,564	91,639	107,208	92,625	77,296	<b>69,392</b>
Scope3	—	—	—	—	2,414,479	1,824,212	18,134,472	25,933,100	28,069,157	<b>17,096,789</b>

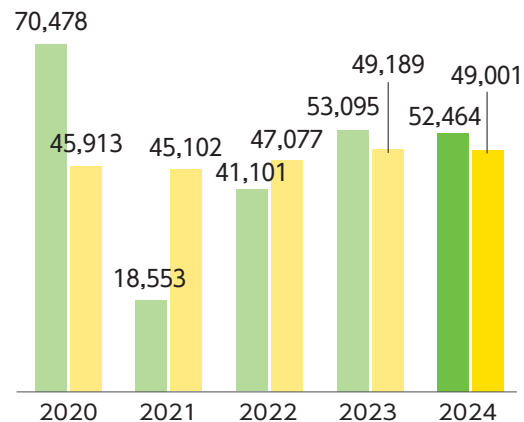
※From 2021, the boundaries extended to include FANUC CORPORATION and its consolidated subsidiaries and the scope of products for Scope3 has expanded to cover all products.

Financial and Non-financial Highlights (Years ended March 31)

Capital investment/Depreciation and amortization

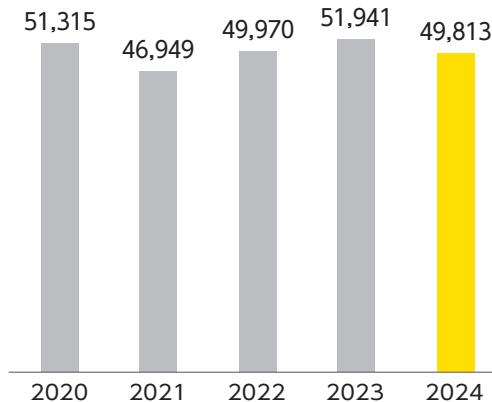
(unit: Millions of yen)

■ Capital investment ■ Depreciation and amortization



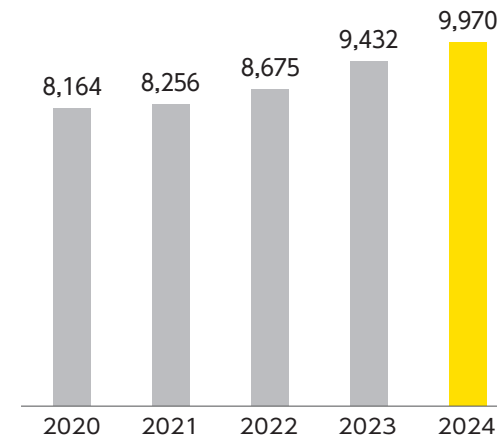
Research and development expenses

(unit: Millions of yen)



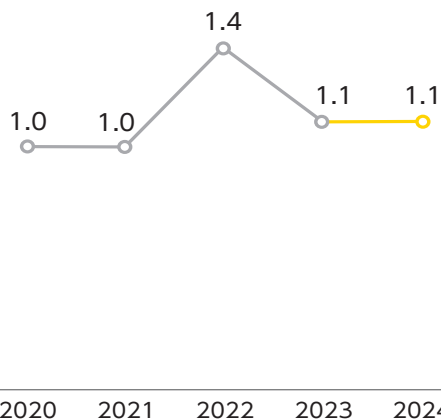
Number of employees

(unit: Persons)



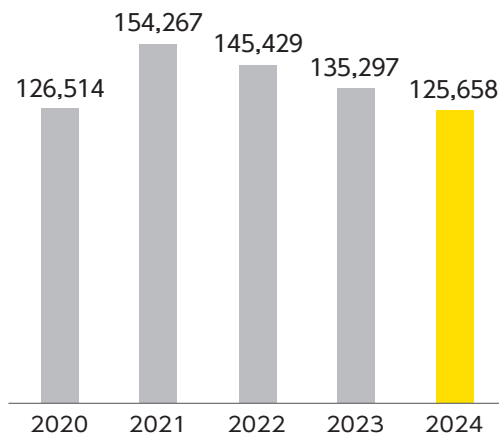
Females in management positions (FANUC CORPORATION)

(unit:%)



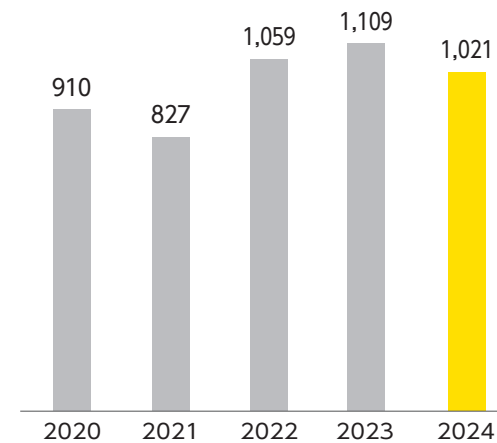
GHG emissions (Scope1+2)\*\*

(unit: t-CO<sub>2</sub>)



Total water used\*\*

(unit: thousand m<sup>3</sup>)



\*\*From 2021, the boundaries extended to include FANUC CORPORATION and its consolidated subsidiaries.

## Four Strengths Supporting FANUC's Business



### Basic Stance on Business Development

We are in the capital goods industry, therefore we are subject to no small extent the effects of economic fluctuations and changes in companies' interest in capital investment. It is inevitable that the demand for our products will shrink to some extent as the economy deteriorates, and in our business activities, we need fiscal discipline based on this risk. In response to the recent U.S.-China trade dispute and the COVID-19 pandemic, net sales declined more than expected, therefore we reduced investment in production equipment. However, even if investment is resumed after being reduced, it may not be possible to catch up with the trends in capital investment, therefore it is necessary to always keep an eye on mid-to-long term trends.

In the 2010s, there was a very large demand for ROBODRILLS in some IT industries, and we were able to capture high demand when it came every few years. However, since it is difficult to maintain the same level of demand for a long time, we did not think that

we would be able to meet the demand for ROBOTS and FA, which was expected to increase in the future, with a production system that specializes in ROBODRILLS. Thus, we decided to increase the production capacity of ROBOTS and CNCs while reducing ROBODRILL production capacity. Since our existing factories were not enough for this, we built a large-scale production building, and as a BCP (business continuity plan) measure in preparation for natural disasters such as earthquakes and heavy snow, we built the Mibu Factory in Tochigi Prefecture as the second CNC production site. Moreover, we built a system to assemble robots in the Headquarters area and the Tsukuba area. In this way, we have made investments to establish multiple production sites and to increase production capacity over the past few years, and these investments have led to the current outcomes.

## Four Strengths Supporting FANUC's Business

**Strength 1**

**Core/Standing Point of Business Model**

Positioning "factory automation" as our specialty specializing in it

Our business model is to develop, manufacture, and sell "FA (CNC systems)" consisting of CNCs and servo motors as basic products, and ROBOTS and ROBOMACHINES (compact machining centers, electric injection molding machines, wire electrical-discharge machines). By providing these products, we have positioned "factory automation" as our specialty, and we are developing business that specializes in this.

A major characteristic of our production is that almost all products are produced in domestic factories. By centralizing the production of standardized products in Japan, we are able to maintain quality and achieve highly efficient and automated production lines.



Headquarters Factory

**Strength 2**

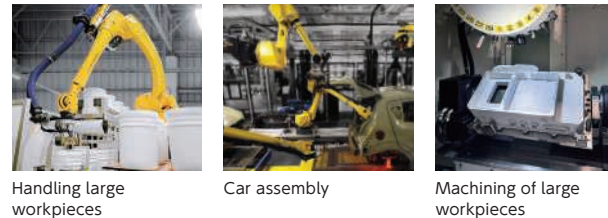
**Product Lineup & Services**

Providing lifetime maintenance for highly reliable, high-performance products based on the spirit of "Service First"

FA is delivered as a unit to machine tool builders, and the end user installs the machine tool that incorporates it.



ROBOTS and ROBOMACHINES are directly installed as the end user's production equipment.



**Strength 3**

**Marketing Positioning**

Establishing a position that cannot be imitated by other companies on a global scale

**Strength 4**

**Growth Scenario**

Continuing to create needed products and technologies to enhance our corporate value, while ensuring economic growth

In terms of profitability, we focus on securing profits at the design stage. We have been profitable due to steady efforts such as striving to standardize, share, and modularize as much as possible, as well as create designs that use cheaper parts and designs that take efficiency through automated production into account. We are always aware of continuous technological innovations, and we strive to improve our technological capabilities not for the self-satisfaction of engineers, but in order to effectively sell products.

By focusing our business on the field of "factory automation," which is expected to grow significantly in the future, we will do its utmost to maintain and further enhance its world-class competitiveness in this field. If we apply the same robot technologies, it may be possible to expand the range of application such as with service robots, but there are probably other manufacturers that are more proficient in these fields than us. The main reason why we specialize in "factory automation" is that we can make use of our strengths, including our familiarity with factory sites.

Even in a world where the future is uncertain and increasingly unstable, we will continue to focus on the field of factory automation, continue to create products and technologies that our customers need, and work to further improve our corporate value.

80% to 90% of installation locations for FANUC products are overseas, and although a high proportion of installations are in the automobile-related industry, installations in non-automobile-related "general industries," such as construction machinery, IT, food, pharmaceuticals, and cosmetics are increasing, especially for ROBOTS. Recently, the need for ROBOTS is increasing in the logistics industry as well.

The high reliability and ease of use of our products, as well as the provision of "Service First" and "Lifetime Maintenance," has led to the support of many customers for many years, and we have built a position that cannot be imitated by other companies.

**Service First**



# Message from CEO



In the globally expanding field of factory automation, we will be committed to solving various problems and contributing to the development of society.

**Kenji Yamaguchi**  
President and CEO

## Management mindset that has lived on in the Company since it started business

We would like to express our deepest gratitude to all our stakeholders for continued understanding and support of the FANUC Group. Thanks to your understanding and support, the Company has successfully operated business for more than 50 years since its foundation. If we trace our origin back to when a project team for control was established in 1955, we have stayed in business for about 70 years now. The cumulative number of industrial robots shipped has exceeded 1 million units.

Throughout these years, we have consistently attached importance to our Basic Principles of “Genmitsu (Strict Preciseness)” and “Tomei (Transparency)” and our “Three Philosophies” listed on page 1 and 2 of this report. “Genmitsu” and “Tomei” and the “Three Philosophies” respectively represent our messages that we are committed to understanding the true meanings of these two words and never being conservative, and that we take on roles and responsibilities of our own accord and act proactively without hesitation.



FANUC Robot R-2000iC/210F,  
1 Millionth robot



“Strict Preciseness”  
Calligraphy by Yukei Teshima  
(1901–1987), one of the three great  
calligraphers from the Showa Period

## Message from CEO

### Inventory adjustments have progressed steadily despite some time differences by segment

The summary of consolidated financial results for the fiscal year ended March 31, 2024 are as shown on page 8. While the impact of the shortage of semiconductor and other components on production activities has eased, global inflationary conditions persisted, although the trend is getting weaker. National governments around the world are adjusting interest rates but the rates have still remained relatively high. The impact of exchange rate fluctuations was not insignificant either. Production activities were also affected by the adjustment of the inventories of finished goods, which had continued since the second half of the previous fiscal year.

By business segment, the uptime of factories for the FA Business has been recovering steadily as the inventory had built up earlier than other segments, and thus, was the first to begin decreasing. The inventory adjustments for the ROBOMACHINE Business was almost completed during the fiscal year as its level was limited from the beginning. For the ROBOT Business, the timing of increase and the inventory adjustments slightly lagged behind other segments as the demand for the products had been persistently strong for many years. The inventory, however, is expected to get back to normal by the end of 2024, although it is not fully cleared yet at the moment. Net sales from the Service Business have reached 16.4% of consolidated net sales of the FANUC Group, and are expected to reach over 20% in the foreseeable future.

### Upward revision of the full-year earnings forecasts for the fiscal year ending March 31, 2025

The Company recently revised upward its consolidated full-year earnings forecasts for the fiscal year ending March 31, 2025. While the ongoing inventory adjustment for the ROBOT Business had been one of the factors pushing profits down, the earnings will likely get back to normal by the end of 2024 as mentioned before. I therefore believe that, in the years ahead, the uptime of factories will recover to a level that is commensurate with the volume of orders, eventually pushing up profits.

Meanwhile, we have two major concerns for the future. One is that corporate customers have become increasingly cautious about capital spending amid various uncertainties, and the other is a move that automakers reviewed its past stance of intensively investing in electric vehicles (EVs), switching to investing in other assets.

In fact, more recently, we see signs that the automotive industry has started to cut down on or postpone investments in EVs. This makes us concerned that any change in a project inevitably entails a time lag, giving rise to blank periods, whether long

or short, in which no investments are made. I believe, however, that such a time lag is just temporary, and investments in automation will definitely increase over the medium term in various industries, including the automotive industry, in the face of labor shortage and a rising momentum for higher productivity globally. From this perspective, the FANUC Group is determined to make a range of persistent efforts, such as expanding sales, developing new products, automating factories of our own, and strengthening our corporate structure.

### Development of products catering to a variety of challenges, including environmental impact, labor shortage, and generation turnover

The environment surrounding the machine tools market has undergone dramatic changes in the wake of significant changes in the demands for machine tools. In fact, customers' demand is focused more on the specifications to deal with environmental impact and labor shortage, the importance of passing on technology to the next generation, and the responses to the digital native generation rather than just the pursuit of higher machining performance.

In these circumstances, we have designed "FANUC Series 500i-A," a new CNC product in a manner to provide users with intuitive control and easy operation of machine tools. To this end, we made every effort to improve the actual machining performance and to achieve the ease of use by reviewing their functions from the



Brand new CNC model, FANUC Series 500i-A

## Message from CEO



alpha-i-D series SERVO

stage of designing the machine tool itself to improve their efficiency. In addition, to reduce the burden not only on end users but also on machine tools manufactures, we have designed its software so that engineers can easily automate the operation of the machine tool using a computer by including CNC in the machine tool. In “alpha-i-D series SERVO” (which received the Main Prize of the 66th Nikkan Kogyo Shimbun Best Ten New Products Awards), we designed new magnetic circuits and current control circuits for servo motors, spindle motors, and the amplifiers that drive them, in

addition to the adoption of the latest magnets and power semiconductors. All these efforts have helped us significantly increase energy efficiency and deal with environmental impact issues in recent years. Further, we have high hopes that the improved energy efficiency of the “alpha-i-D series SERVO” will lead to energy saving in our robots and ROBOMACHINE products in the future.

## The need for robots and automation expanding at manufacturing sites around the world

In the face of labor shortage and other issues, collaborative robots have attracted a great deal of attention. Although collaborative robots account for only a small proportion of our overall business, we see a significant growth potential in the products since customers are broad-ranging, from the customers who are new to automation to experienced users seeking to robotize the portion of processes they have not yet automated. This trend toward robotization and automation is not limited to Japan. We believe this trend is universal across all manufacturing sites in the world.

In this global environment, our collaborative robots, which has a loading capacity of up to 50kg, are highly evaluated by customers for applications such as



World's first EX-Proof Collaborative Paint Robot CRX-10iA/L Paint

palletizing and picking. Our collaborative robots, as the world's first explosion-proof collaborative robots, have been well-appreciated for their ease of operation even for those with no experience in operating robots. In fact, even beginners can operate our collaborative robots with just simple instructions. We therefore expect the sales of our collaborative robots to keep growing in the future. We are determined to further enhance the ease of use, expand the scope of applications, and improve the functionality of our collaborative robots by additionally integrating cutting-edge technologies, such as vision, AI, and IoT technologies into these robots.

## Contributing to enhancing “Monozukuri” (manufacturing) and the attractiveness of factories as well as job creation through automation

Frankly speaking, I feel that, without automating factories, “Monozukuri” that enriches society has become increasingly difficult year by year. I sometimes hear stories that that even in highly populated countries and emerging countries, they have difficulty securing factory workers.

In addition to the above, based on the premise that “the essence of manufacturing lies in hand-making,” I would like to say that robotization and automation technologies are critical to alleviating the workload of what are called 3K\* workers. Significant improvements in productivity realized through factory automation can lead to the effective use of energy and resources. The automation also contributes to high-quality manufacturing and helps extend the lifespan of products. In addition, we can also contribute greatly to achieving SDGs by providing a range of solutions, including those related to improving the working environment, increasing productivity, and reducing waste.

Further, the results of surveys by some research organizations, such as the World Economic Forum, show that automation can strengthen countries, regions, and companies, and as a result, positively affect employment conditions. We believe we can realize and



The 2023 International Robot Exhibition

## Message from CEO

maintain factories rooted in each country or region by increasing competitiveness through factory automation, rather than constantly moving from country to country where labor cost is cheaper. It is a great pleasure if we can help improve the motivation of those involved by making manufacturing and factories more attractive through automation.

\*3K stands for Kitsui (hard), Kitanai (dirty), and Kiken (dangerous).

## Proactive investment in growth markets overseas

While we have concentrated our production activities in Japan, 80 to 90% of our products are installed overseas. As such, we currently own more than 270 sites around the world, covering more than 100 countries. To strengthen local sales and services, we have proactively invested in growth markets and have worked to expand the Group's business.

In particular, we have continued to make large-scale investments in the U.S., the largest market for the Group. As a result, we hold a high market share especially in robots. In recent years, the Group completed the construction of North Campus in Michigan in 2019, and constructed new buildings in Mexico and Canada in 2023. In July 2024, the Group also completed the construction of West Campus in Michigan. In the years ahead, the Group continues to strengthen its position as a forerunner in North America through investments in assets such as FANUC Academy (a training center for customers) scheduled to open on the same premises.



FANUC America Corporation, the West Campus

In India, a market growing rapidly, we already own more than 20 sites. These sites have contributed to the expansion of the ROBOT and ROBOMACHINE businesses, as well as the FA Business which we have launched in the region earlier. We will continue to proactively invest in the Indian market which is expected to grow significantly in the future.

In China, a gigantic market, BEIJING-FANUC and SHANGHAI-FANUC, joint ventures, have respectively constructed new headquarters, striving to expand business in the country. In Asia, due in part to the transfer of manufacturing functions from China, the Group completed the construction of a new headquarters in Vietnam, a market with a significant growth potential, contributing to the business expansion in the region. In Europe, we have constructed new sites in step with business growth in each geography, including East Europe and Spain.

By further driving the global collaboration among the FANUC Group companies, we are committed more than ever to contributing to customers in their global activities.

## Incorporating non-financial metrics as benchmarks to determine the remuneration for Directors as a measure to strengthen our approach to ESG

The Company's Board of Directors consists of a total of 11 members, including five Internal Directors and six Outside Directors, which suggests the percentage of Outside Directors exceeds 50%. The Board has also secured diversity as its members include three women and one foreigner. Each of six Outside Directors has different backgrounds. At the Board of Directors meetings, they have lively discussions and exchange diverse questions and opinions based on the wealth of their experience and insights. Managing Officers and other executives of the Company also attend the Board of Directors meetings as needed depending on agenda, which has allowed the participants to make in-depth deliberations through a series of discussions. Moreover, to further enhance discussions at the Board of Directors meetings, we have arranged opportunities to exchange opinions between Chairman/President and Outside Directors, as well as opportunities to discuss only among Outside Directors, to ultimately increase the effectiveness of the Board of Directors meetings.

In addition, while the Company has held annual global conferences themed on development and sales, and annual global conferences themed exclusively on services for many years, in 2024, we have newly started a global human resources (HR) conference that brings together the heads of HR divisions from sites around the world. Some of the overseas affiliates have started efforts to improve employee engagement earlier than the headquarters in Japan, achieving a variety and diversity of results. In the future, we would like to share such best practices and improve our global performance.



## Message from CEO

Since the fiscal year ending March 31, 2025, the Company has determined 20% of the performance-based remuneration (bonuses for Directors) based on non-financial metrics. This is applied to not only Internal Directors but also to other executives such as Managing Officers, to also determine part of their bonuses based on non-financial metrics. The remuneration scheme is designed in a manner to incentivize other executives, such as Managing Officers, to improve *Employee Engagement*, *ESG Evaluation Score*, and *GHG Emissions Reduction*. Based on the conviction that the improvement in *Employee Engagement*, among others, is essential to the medium- to long-term growth of the Company, we will work on a variety of measures in the years ahead.

Sincerely being aware that we are faced with challenges of strengthening the hiring of women and promoting the active participation of women

In recent years, as the importance of human capital management has come under spotlight, we are aware that we are faced with significant challenges especially in hiring women. More than 90% of administrative and technical staff are hired from candidates with technical backgrounds. Since this is a field where women are limited in universities, etc., we have organized a team responsible for strengthening recruitment consisted primarily of female employees to work on a variety of related measures, including expanding the scope of the majors of candidates.

Creating workplaces where female employees can play active roles is also very important. As part of the initiatives to create such workplaces, in 2023, we held a networking event between female Outside Directors and female employees. Some of the participants realized that male employees are also aware of the issues discussed at the event. This led us to newly launch the *D&I Project*. As an initiative under the project, we held a roundtable meeting between employees and key management members who are ranked higher than General Managers of Divisions; a total of 288 employees participated in the meeting. We believe this initiative has actually begun to contribute significantly to improving employee engagement.

In *Human Resources Development*, another element we have attached importance to is the human resources engaging in digitalization (DX). The Company started a DX project in 2019, established the DX Promotion Department wholly consisted of employees who are concurrently working in other departments in 2020, and thus, achieved positive results in DX of primarily short-term projects. Since 2022, the DX Promotion Department has restarted with all its members dedicated to the department, working on DX from a medium- to long-term horizon. Specifically, as a major pillar of the *Company-wide DX* initiative, we have pushed



forward with the reform and improvement of SCM\*. This way, we are seeking not only to improve our productivity but also to be appreciated by our customers and suppliers. In addition, we have continued to discuss, across the Company, how to improve ECM\* and CX\*. Also, as an effort to educate employees on promotion of DX, we have held training programs to drive awareness and behavior reforms among employees to improve their understanding of and skills on DX.

\*SCM: Supply Chain Management  
ECM: Engineering Chain Management  
CX: Customer Experience

Possibility that FANUC ROBOCUTs were tested under conditions which were non-compliant with EMC harmonized standards

With regard to the “Notice of the Possibility of FANUC ROBOCUT for Europe being Subject to Tests which were Non-Compliant with EMC Harmonized Standards and Establishment of a Special Investigation Committee” on April 24, 2024, we would like to express our sincere apologies for the great concern and inconvenience the notice has caused to all our stakeholders. As announced on July 29 and August 27 of the same year, after we had implemented some measures, the conditions fell

## Message from CEO



within the scope of the harmonized standards. Since it was confirmed that our testing was compliant with the EMC harmonized standards, we have started shipping ROBOCUTs.

As announced on November 21 of the same year, we received a report on the investigation results from the special investigation committee. We sincerely apologize for our action associated with our ROBOCUT products that infringes with the EMC Directives, and, as a result, has undermined confidence in the Company of all our customers and related parties. The Company takes seriously the facts identified, the analysis of cause made, and the recurrence prevention measures proposed by the special investigation committee, based on which we have decided on measures we will implement in the future. To prevent an incident like this from occurring again, we will strive company-wide to implement, thoroughly enforce, continue to review and improve recurrence prevention measures.

## Management that is conscious of cost of capital and stock price

As stated in our Corporate Governance Report, in line with “Management that is Conscious of Cost of Capital and Stock Price” published by Tokyo Stock Exchange Inc. in March 2023, the FANUC Group will accurately assess its cost of capital and

aim to maintain a positive equity spread (the difference between ROE and the cost of capital) on average for five years. In addition, the Board of Directors will seek to make decisions on capital expenditure, investments in R&D and human capital, etc. by comprehensively taking into account factors including their impact on profitability and capital efficiency, and the economic conditions so that such decisions contribute to enhancing our corporate value in various aspects.

## Message to all our Stakeholders

Factory automation is a field that will grow over the medium to long term, despite some significant fluctuations. In addition, the scope of the factories, which are major customers for the Group, has been expanding. On top of the machine tools sector (including the automotive, aerospace, and construction machinery industries) and the electrical and electronic sector (including the IT related industries), which are conventionally our main targets, we see many new growth markets and business fields we can tap into. For instance, such new growth markets and new business fields include EV, batteries, solar power generation, logistics, food, pharmaceuticals, cosmetics, medical care, and semiconductors. Agriculture and construction businesses conducted within factories can also be our target markets. This applies also to waste disposal, which is one of the venous businesses. If products are manufactured in space in the future, the space will also turn into one of our target markets.

This way, in the field of factory automation, we expect that new markets with growth potential will expand in many directions, and as a result, our products will enjoy even greater demand. Developing, manufacturing, and selling competitive products and enhancing services are key to staying successful in the field. We have moved forward with an initiative to clarify the “ideal image of human resources” for our Group as we believe that human resources are the most important element in achieving the above. Through this initiative we will make clear the characteristics we need in order to grow further in the future, while continuing to place value on our conventional strengths. We plan to use the results of this initiative as the benchmark of our evaluations which will be more convincing for many of our employees. As for human resources, we hire competent new employees each year and have focused also on hiring mid-career employees. We strongly hope to achieve the growth of both our human resources and the Company.

To all our stakeholders, we ask your continued support for the FANUC Group which we expect will leap further forward in the future. Please look forward to the future development and expansion of the Group.

# Value Creation Process

Development of the manufacturing industry and solution of social issues.

In 1955, a project team for control was established at Fuji Tsushinki Manufacturing Co., Ltd.. And the following year 1956, we succeeded in the development of NCs (Numerical Controls) and SERVO mechanism for the first time in the Japanese private sector. Since then FANUC has been consistently pursuing the automation of factories. We will create economic value and social value by advancing the automation and robotization of our customers' factories through constant technological innovation and contributing to the solution of social and environmental issues in the manufacturing industry around the world.

Contribution to the Resolutions of Social Issues

## Value Creation for Society

### Energy Saving & Carbon Neutrality



### SDGs



Providing Solutions to Improve Working Conditions, Increase Productivity, and Waste Reduction

## ..... Sustainable growth .....

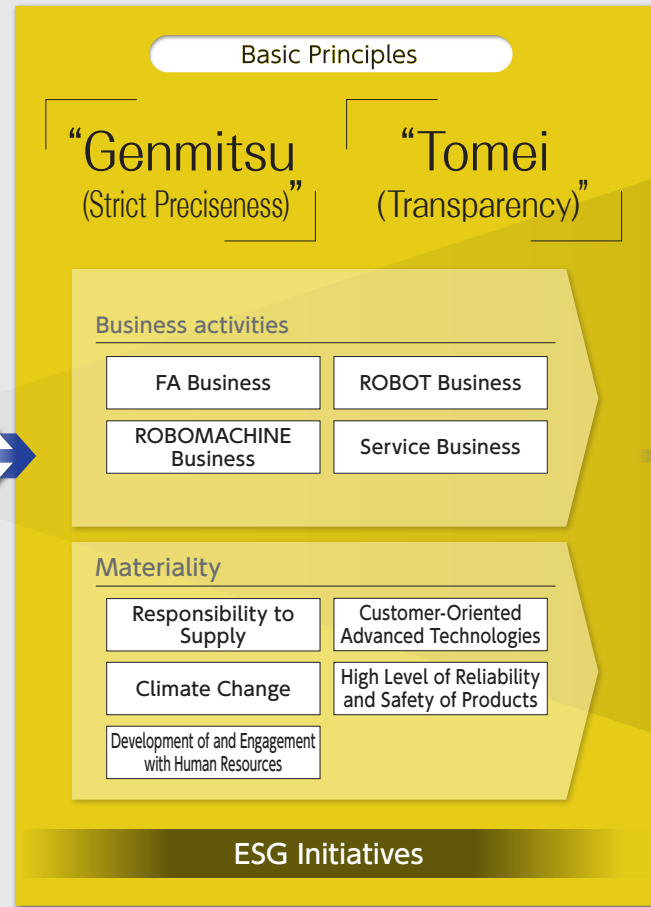
### Enhance Corporate Value

Net sales	795.3 Billions of yen
Operating income ratio	17.8%
Ordinary income ratio	22.9%
ROE	8.0%

Social issues

### INPUT >P.19

- Financial capital
- Manufacturing capital
- Intellectual capital
- Human capital
- Social capital
- Natural capital



### OUTPUT ---Major products and services

FA

- CNC
- Servos
- Lasers

ROBOT

- Robot

ROBOMACHINE

- ROBODRILL
- ROBOSHOT
- ROBOCUT

Increase in Capital



# Materiality

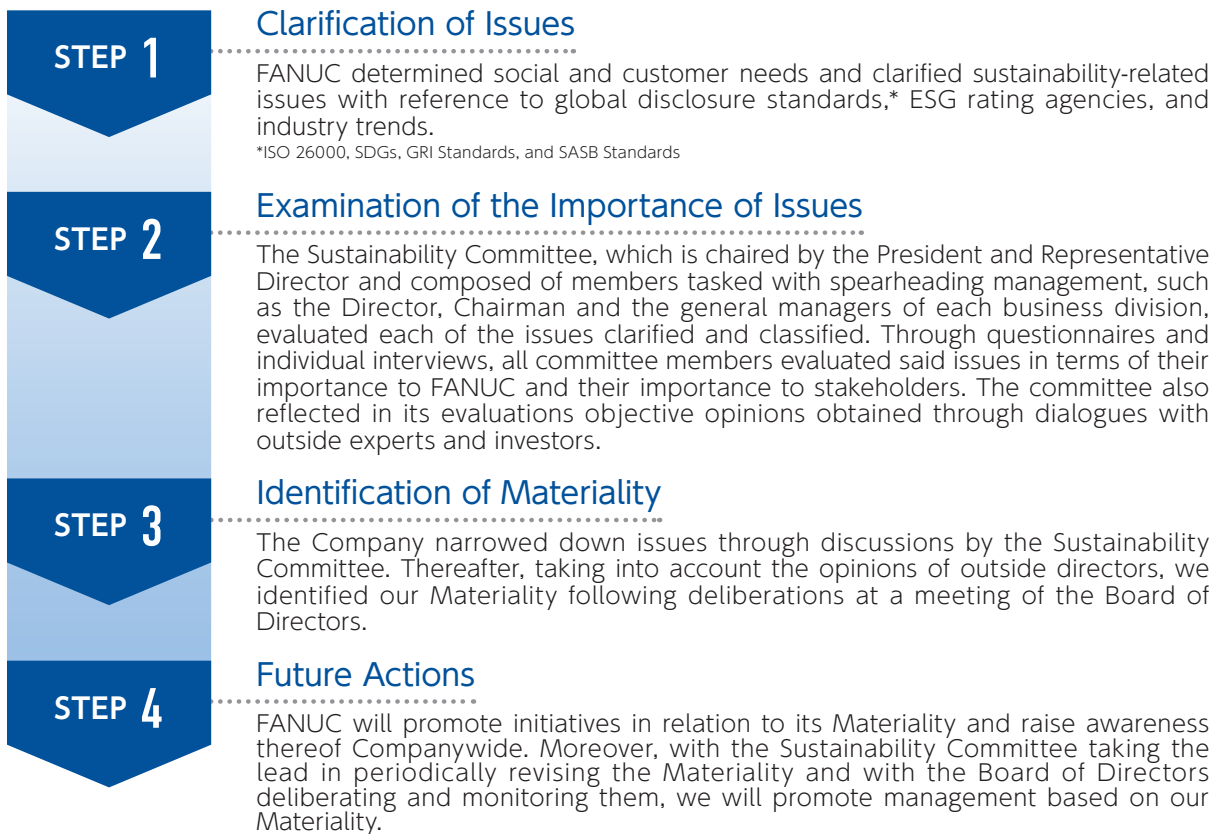
FANUC, which has continuously pursued Factory Automation (FA), commands an exceptionally high market shares for CNC systems and industrial robots. FANUC products of FA, ROBOT, and ROBOMACHINE businesses are used at factories throughout the world. Any interruption in the supply of such products would thus lead to stoppages at customers' factories. Furthermore, as the Company's products also contribute to the decarbonization of and productivity improvements at customers' factories, they have an important and extensive impact on the environment and society.

With its customer-oriented products, FANUC is shaping the future of the manufacturing industry.

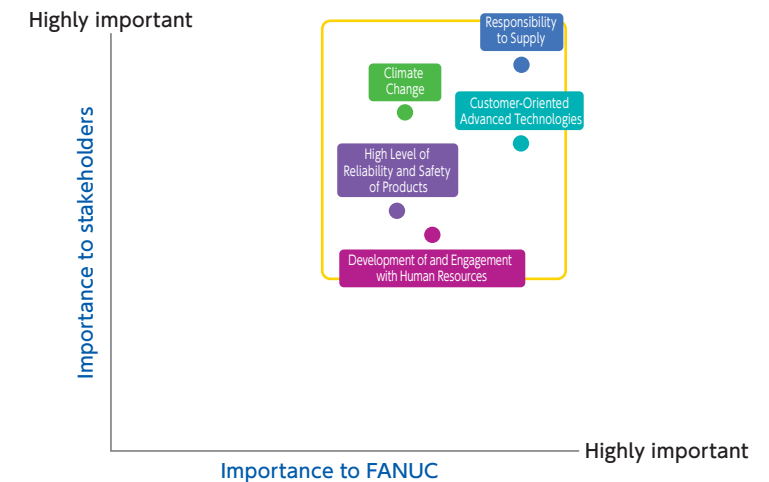
If FANUC is to achieve sustainable growth under its basic principles of "Strict Preciseness" and "Transparency," it must create both social and economic value and conduct long-term management without focusing solely on short-term gains. Doing so will require us to solve social issues through our businesses in order to contribute to a sustainable society.

In November 2024, we have revised our materiality based on our belief that their resolution is important for such management to be successful.

## Process for Identifying Materiality



## Material Topics



## Materiality

## Materiality

## Responsibility to Supply

Building and maintaining long-term relationships of trust with customers

- **Why the Issue is Material**

Fulfilling our responsibility to supply is of the utmost importance for maintaining relationships of trust with customers. As any interruptions in supply from FANUC would lead to stoppages at customers' factories, we take such responsibility extremely seriously. A strength of the Company is its continuous operation of a maintenance service system for customers, while its ability to stably supply products and services enables FANUC to offer added value. Fulfilling our responsibility and continuing to exist as a company needed by society are crucial.

- **Ideal state**

As a supplier of capital goods, FANUC will anticipate a wide range of scenarios, including natural disasters and geopolitical risks faced by the Company and its suppliers. Mindful of such scenarios, we will supply products in a stable manner and continuously operate a sophisticated maintenance service system in accordance with global standards while paying close attention to environmental and social trends. In this way, we will contribute to improving the uptime of factories around the world.

## Customer-Oriented Advanced Technologies

Anticipating and creating customer needs

- **Why the Issue is Material**

Pursuing a customer-oriented approach has been and will remain a key value in FANUC's stance. Our ability to promptly provide feedback on our research and development efforts by using our products at company-owned factories serves as a strength. Anticipating customer needs based on such information enables FANUC to enhance customer satisfaction while helping it maintain and improve product competitiveness and shape the future of the manufacturing industry. Maintaining our industry-leading position by offering highly advanced products that are based on innovative technologies and which underpin production floors is thus vital.

- **Ideal state**

FANUC will firmly grasp customer needs by rigorously ensuring that it constantly pursues a customer-oriented approach. Through the development and popularization of advanced technologies, we will continuously improve customer satisfaction and shape the future of the manufacturing industry by developing products that anticipate customer needs and the changing times.

## Climate Change

Contributing to climate change mitigation

- **Why the Issue is Material**

Greenhouse gas emissions associated with the use of its products at customers' factories far outweigh such emissions resulting from FANUC's business activities. Accordingly, there is an increasing need among customers and in society for energy-saving products, making it essential that we contribute to efforts in relation to carbon neutrality. FANUC can curb the energy consumption of its customers by improving the productivity of factories around the world through highly energy-efficient products arising from innovation.

- **Ideal state**

Viewing climate change as both a risk and an opportunity, FANUC will promote the development of high-quality, environment-friendly products, including those that realize energy-savings and high levels of energy efficiency. Doing so will allow us to contribute to the achievement of carbon neutrality and a sustainable society.

## High Level of Reliability and Safety of Products

Maximizing Uptime in customers' sites

- **Why the Issue is Material**

FANUC's product development is centered on the principle of "Reliable, Predictable, Easy to Repair." The high level of reliability realized by the durability of such products helps improve productivity at factories, thereby raising the competitiveness of FANUC as well as of its customers. In addition, FANUC's products are vital in that they not only protect those operating them from physical hazards but also boast a high level of cyber security.

- **Ideal state**

FANUC will maintain and improve the high quality of its products and offer extensive maintenance services to improve the uptime of customers' factories. We will also aim to realize safe and secure production sites.

## Development of and Engagement with Human Resources

Cultivating human resources to lead the future of the manufacturing industry

- **Why the Issue is Material**

Outstanding human resources are the driver of corporate activities, making them indispensable to the sustainability and innovation of companies. Efforts to develop human resources must thus be reinforced from a medium- to long-term perspective, requiring proactive and continuous efforts that lead to improved motivation.

- **Ideal state**

Given that human resources are of the utmost importance for ensuring growth over the medium- to long-term, FANUC will strive to enhance its conditions for developing human resources and further improve their motivation. We will attract and secure outstanding human resources and seek to establish an organizational culture and environment conducive to cultivating and enhancing human resources who will lead the future of the manufacturing industry.

# Business Overview and Financial Summary (Year ended March 31, 2024)

## FA — FA Business —

### Business Overview

**Products** CNCs, Servos, Lasers

**Strength** FANUC's basic technology  
Top-level global market share of CNCs (FANUC estimate)

The FA Business is the origin of FANUC and its basic technology. FANUC is the first private-sector company in Japan to have developed Numerical Control (NC) and servo technologies that control machine tools using numerical information. Until then, highly skilled engineers, who have acquired know-how through many years of training, were indispensable for high-precision processing by machine tools. FANUC made it possible to complement skilled engineers' skills with NCs and servos. Computercontrolled NCs (CNCs) and servos further made it possible to process complex shapes and produce varied items efficiently. Currently, FANUC offers CNCs and servos covering a broad range from simple machine tools to composite machining equipment with complex configurations to industrial machinery. Further, demand for introduction of robots in machine tools is increasing at machining sites, with an aim to automate processes or labor saving. Believing improved compatibility between machine tools and robots is important, FANUC is developing the functions to enhance it.

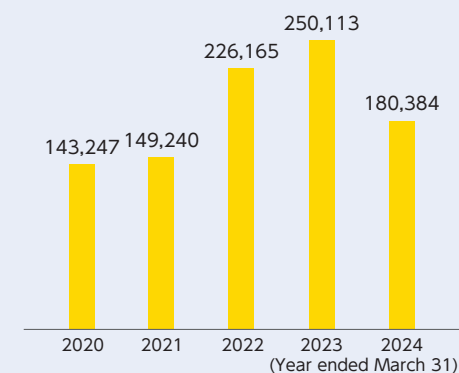


### Financial Summary

In the FA Division, demand from the machine tool industry, the primary market for CNC systems, showed a slowdown trend in each country around the world, including Japan, and sales of our CNC systems also declined.

The FA Division posted consolidated sales totaling ¥180,384 million, down 27.9%, compared with the previous fiscal year, and FA Division sales accounted for 22.7% of consolidated net sales.

▶ Sales of FA Business (Millions of yen)



## Business Overview and Financial Summary (Year ended March 31, 2024)

## ROBOT — ROBOT Business —

## Business Overview

## Products Robots

## Strength

Products applied with CNCs and servos, FANUC's basic products  
Top-level global market shares (FANUC estimate)

FANUC targets industrial robots. We concentrate on helping customers automate or robotize their factories and contributing to improved productivity. Our industrial robots, which include types for welding, material handling (transportation of articles), assembly, and painting, according to application, are used in wide-ranging industries, including automotive, electronic parts, logistics, food, pharmaceuticals, and cosmetics. FANUC's industrial robots are general-purpose robots and used in many industry sectors.

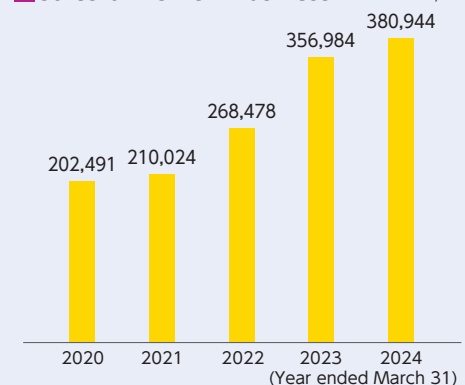


## Financial Summary

In the ROBOT Division, sales increased due to a backlog of orders from the previous period in both Europe and the Americas for EV-related industries and general industries. In China, sales decreased due to a slight drop in demand for EV-related industries, which had previously been strong, as well as weak demand for infrastructure-related industries and electronic industries. In India, sales increased due to a strong demand for both automobile-related industries and general industries. In Japan, sales increased due to a recovery trend seen in demand for automobile-related industries.

The ROBOT Division posted consolidated sales totaling ¥380,944 million, up 6.7%, compared with the previous fiscal year. ROBOT Division sales accounted for 47.9% of consolidated net sales.

▶ Sales of ROBOT Business (Millions of yen)





## Business Overview and Financial Summary (Year ended March 31, 2024)

## ROBOMACHINE — ROBOMACHINE Business —

## Business Overview

## Products

ROBODRILLS (compact machining centers)  
ROBOSHOTS (electric injection molding machines)  
ROBOCUTs (wire electrical-discharge machines)

## Strength

Products applied with CNCs and servos, FANUC's basic products  
High performance, high operating rate, easy to use  
Top-level global market share of ROBODRILLS (compact machining centers) (FANUC estimate)  
Top-level global market share of ROBOSHOTS (electric injection molding machines) (FANUC estimate)

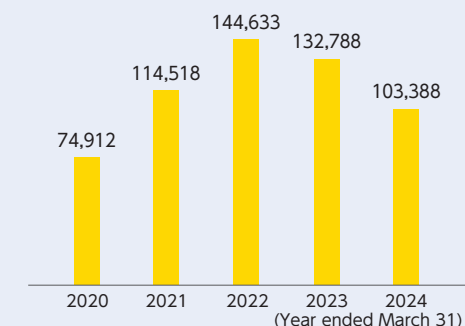
Products of the ROBOMACHINE business are comprised of machine tools or industrial machinery installed with FANUC's CNCs and servos. They are used for production in factories of customers. They are all highly compatible with FANUC robots. Factory automation is enhanced through the combination of ROBOMACHINEs and robots. Customers can improve quality of their products and shorten the time it takes for machining by using FANUC's highly reliable, high-performance ROBOMACHINE products. The products will contribute to improved productivity of customers' factories. Furthermore, a function to monitor the operational status of the entire factory in real time will enable designing of more precise production plans and improvement in operating rates (FIELD system Basic Package, ROBOSHOT-LINK*i*2, and ROBOCUT-LINK*i*). ROBOSHOTS, ROBODRILLS, and ROBOCUTs became eligible a subsidy in 2024 for ESG lease promotion business for the establishment of a decarbonized society.



## Financial Summary

In the ROBOMACHINE Division, sales of ROBODRILLS (compact machining centers) decreased due to continued weakness in overseas markets, including China. Sales of ROBOSHOTS (electric injection molding machines) declined due to a drop in demand from the IT-related markets. Sales of ROBOCUTs (wire electrical-discharge machines) decreased due to continued weakness in overseas markets, including Europe and the Americas. The ROBOMACHINE Division posted consolidated sales totaling ¥103,388 million, down 22.1%, compared with the previous fiscal year. ROBOMACHINE Division sales accounted for 13.0% of consolidated net sales.

Sales of ROBOMACHINE Business (Millions of yen)



# FANUC's Approach to Sustainability

## Sustainability Basic Policy

The FANUC Group will continue to provide indispensable values throughout the world in the field of factory automation through unceasingly creating technical innovations, abiding by our basic principles of “Genmitsu (Strict Preciseness)” and “Tomei (Transparency).”

Our goals are to enhance our value as a company and to contribute to building a sustainable society.



This mark consisting of a “tree leaf” and an “infinity” symbol represents FANUC's commitment to creating a sustainable society by overcoming environmental and social challenges through unceasingly creating technological innovations.

## Two Perspectives on Sustainability

### 1 – Energy Saving & Carbon Neutrality



Reducing GHG Emissions

Reducing Power Consumption

Utilizing Green Energy

### 2 – SDGs



Providing Solutions to Improve Working Conditions, Increase Productivity, and Waste Reduction

## FANUC's Initiatives for Sustainability

- Promote Various Initiatives to Achieve Carbon Neutrality
- Support User's SDGs through Business Activities and Product Functions

## Sustainability Promotion Framework

At the “Sustainability Committee” chaired by the Representative Director, President and CEO, we will deliberate and make decisions on important policies and measures related to sustainability, and report to the Board of Directors.



## Dialogue with Stakeholders

Stakeholders	Communication method	Frequency	Content
Customers	Sales representatives	As needed	Collect and provide feedback on demands and requests to FANUC. In addition, give customers tours of factories to enhance their understanding about new products and development schemes.
	Service	As needed	More than 2,300 service personnel and support staff members around the world provide telephone support, onsite customer support, and maintenance parts management.
	Membership website	As needed	Answer customer inquiries via the websites where they can obtain product and maintenance information, or by email and chatbot. In addition, we enable customers to purchase maintenance parts through our membership website.
	New products open house show	Every year	Invite customers and introduce our latest products.
	Exhibitions	As needed	Exhibit at trade shows in Japan and abroad to introduce our latest products.
	ESG rating	As needed	Answer questionnaire for EcoVadis, CDP etc.
Employees	Labor union	At least twice a month	Hold discussions, negotiations, and exchanges of opinions through regular monthly meetings and committees, quarterly meetings, and labor-management negotiations. Conducted these activities online in 2022 due to the COVID-19 pandemic, as in the previous year.
	Organizational culture survey	Every year	We conduct an "organizational culture survey" to ascertain employees' awareness. Each organization uses the results of the survey to identify organizational issues and implements countermeasures in a PDCA cycle to consistently improve the workplace environment and enhance employee job satisfaction.
Shareholders	General meeting of shareholders	Annually	Report on business reports, consolidated and non-consolidated financial statements, and audit results, and deliberate and make resolutions on matters to be resolved after Q&A.
	Financial results briefing	Quarterly	Hold briefings and telephone conferences on the contents of financial results and business forecasts, as well as engage in Q&A sessions.
	Individual dialogues with institutional shareholders	As needed	Explain FANUC's initiatives and governance, and exchange opinions.
	ESG disclosure	As needed	Publicize ESG activities, as needed.
Communities	Coexistence with communities	As needed	Contribute to the revitalization of the local economy through tax payments, job creation, and having businesses with local companies.
	FA Foundation	As needed	Award prizes to recognize research results on factory automation (FA) and industrial robot technology.
	Economic and industry associations	As needed	Participate in the planning and implementation of various initiatives by organizations.
	Public-private joint projects	As needed	Participate in various public-private joint projects and promote technical exchanges.

# Collaboration with Stakeholders (Customers and Employees) - The New Products Open House Show

As part of our commitment to our stakeholders—our customers and employees—we host the annual New Products Open House Show. In May 2024, we invited both our customers and employees' families to attend this event.

## The New Products Open House Show

The New Products Open House Show serves as a vital opportunity to showcase our latest products to customers as early as possible and has been held annually since 1986 (with a break in 2020 and an online format in 2021 due to the COVID-19 pandemic).

Originally a one-day event, the show was extended to two days in 2014 and then to three in 2019, in response to increasing attendance and venue congestion. Since 2014, we have also expanded beyond our headquarters to host the event at the Nagoya Technical Center for customers in the Chubu and western Japan regions.

FANUC Group has designated "Customer-Oriented Advanced Technologies: Anticipating and Creating Customer Needs" as a material topic. We leverage customer feedback, expectations, and opinions gathered at the show, actively incorporating them into our product development.

### 2024 Overview

Date: May 13th – 15th, 2024  
Venue: FANUC Headquarters  
Visitors: Over 7,600



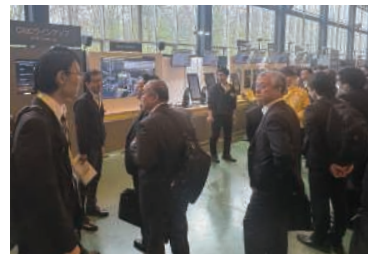
The 20th Anniversary The New Products Open House Show (1992)

## FA

### CNC and Servo dedicated to enhanced efficiency of manufacturing site

The FA area introduced the latest CNC systems and new functions from the perspective of meeting the needs for machine tools, such as measures to address labor shortages and reducing environmental impact.

In addition to the new CNC system Series 500i-A and  $\alpha$ i-D series SERVO, the captivating synergy between the work flow in manufacturing sites and Digital Twin, IoT technologies, along with technologies for integrating robots into CNC systems, attracted much attention.



## Collaboration with Stakeholders (Customers and Employees) - The New Products Open House Show

### ROBOT

#### New Robot Controller, Latest Robot Lineup and Various Applications

The ROBOT area showcased a wide range of applications using the CRX collaborative robot series, and the new palletizing model with a payload of 800 kg. New food grade variants and an ex-proof collaborative paint robot have been added to the CRX series. Visitors enjoyed experiencing palletizing operations using a tablet, which allowed them to easily set stacking patterns and perform production. The new RTUs (Robot Transport Units) also had a favorable response, with flexibility in the selection of its length - a benefit of its modular design.



### ROBOMACHINE

#### Robomachines that contribute to automation and productivity improvement

The ROBOMACHINE area exhibited the latest models of ROBDRILL, ROBOSHOT and ROBOCUT, as well as automated systems that combined the robots with ROBOMACHINES. The theme was “Robomachines that contribute to automation and productivity improvement.” The feedback was very positive for all demonstrations. These included compound machining using the high-speed rotary table and turning functions of the ROBODRILL, a proposal for streamlining using the flow analysis simulation software of ROBOSHOT, and high-precision cutting of large workpieces using the new ROBOCUT model,  $\alpha$ -C800iC.



### SERVICE

#### FANUC's Service for “Non-Stop Factories”

The SERVICE area introduced contents that are useful for maintenance. Visitors spoke highly of our remote maintenance tools such as dedicated tools for robots that connect to controllers and perform diagnosis, and our IoT-based diagnosis service tools, ZDT and AI Servo Monitor.



### ACADEMY

#### Three different training styles at FANUC ACADEMY

The ACADEMY area featured FANUC's training facilities and on-demand seminars. The newly offered on-demand seminars particularly caught interest.



## Collaboration with Stakeholders (Customers and Employees) - The New Products Open House Show

### Tours for Employees' Families

In 2024, for the first time, we invited employees' families to the New Products Open House Show.

Once the customer portion of the event concluded on Saturday, we opened the event for an Employee Family Tour, allowing employees to personally introduce our products to their families. As FANUC products are primarily used in manufacturing settings, the general public rarely has the opportunity to see them firsthand. We plan to continue this initiative as a way for families to learn more about our work and to strengthen employees' pride in their roles.



#### VOICE



Ken Miyawaki  
IoT Promotion Section  
FA Sales Engineering  
Department  
FA Sales Division

Every morning, I walk to work after having breakfast with my family, put in a day's work, and then head home again. It's a routine I take for granted, but my sons, who are in kindergarten and elementary school, often ask which building daddy works in and what he does there.\* So, when I heard about the Employee Family Tour, I signed up right away. On the day of the tour, I walked my usual route to the exhibition hall, this time with my family by my side. I thought it might be a bit early for my children to fully understand the exhibits, but I needn't have worried—they watched in awe as robots lifted objects heavier than they were, created loading programs for the robots on tablet devices, and examined machine-processed samples through magnifying glasses, each enjoying the experience in their own way. By the time my children grow up, Japan's population will be smaller than it is today, making factory automation technology even more essential for a prosperous society. I hope they continue to experience the wonders of automation, gradually understand its importance, and become fans of manufacturing. The day provided such a valuable opportunity, and I'm very grateful for it.

\*The FANUC headquarters has many buildings, including factories, Research & Development Division, Sales Division, and showroom.



Shinji Mizokami  
Section 1  
Handling Robot Development  
Department 1  
Robot Mechanism R&D Division  
Robot R&D Headquarters

I brought my wife and our 5- and 3-year-old children on the tour. I said to the kids, "Let's go see some robots!" While the robots may not have been the kind they had imagined, the exhibits featured all kinds of machines and robots they wouldn't normally see, which delighted both the kids and my wife. They were especially fascinated by the collaborative robot decorating a cake, which was easy for them to understand and kept them captivated for quite a while. It was a valuable opportunity to show my kids the actual robots and explain what my job involves. As a parent, I want my children to grow up with a wide range of interests, and the family tour was a fantastic way to get them interested in manufacturing. I'm grateful to the planning team and on-site event staff, and I look forward to coming again next year.

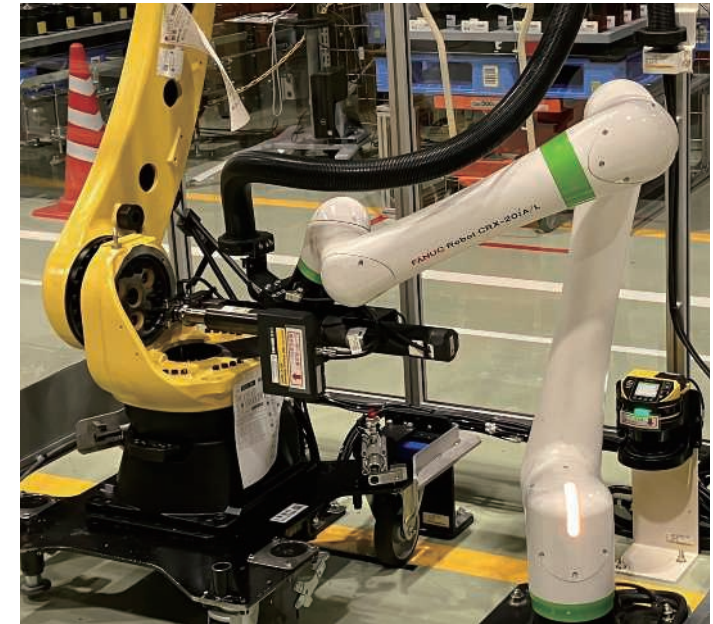
# Responsibility to Supply: Building and maintaining long-term relationships of trust with customers

## Increasing the Capacities of the Tsukuba ROBOT Factories

The Tsukuba Robot Factory #1 began operation in August 2018 and has significantly increased its production capacity in order to meet strong demands for robots. FANUC has succeeded in increasing the number of units that can be produced by approximately 50% compared to what was initially planned, by making a series of revisions in the manufacturing process. This has resulted in a production capacity of more than 15,000 robots per month when combined with the production in the Headquarters' Factories.

At Tsukuba Robot Factory #1, the automated warehouse and transport lines have been expanded, assembly cells automated by robots have been set up, and the collaborative robot CRX has been introduced to the manual assembly process to improve the quality of bolt tightening and reduce the number of workers required. To ensure high reliability, assembled robots undergo rigorous testing, including continuous operation tests at a test site. By analyzing data on quality collected from the past, the operating conditions for the continuous operation tests have been revised, which has enabled the operating time to be shortened. This has significantly reduced test lead time and has improved the turnover rate. In recent years, demand has been rapidly growing for robots with high payloads, such as those for transferring battery units of electric vehicles. To meet this demand, FANUC has more than doubled the production capacity of the M-1000iA and M-2000iA robots with payloads exceeding 1-ton.

In November 2022, the finished products warehouse was expanded. Prior to this, robots to be shipped overseas were transported by truck to a logistics company near the port, where export packaging and vanning into containers were performed. With the new finished products warehouse, export packaging and vanning of small robots can be handled inhouse, and truck transport has been replaced by transport of containers by trailers which has improved loading efficiency. The reduction in the number of trucks helps to promote carbon neutrality and solve the "2024 driver problem" where there will be a shortage of truck drivers. The Tsukuba ROBOT Factories will continue to improve their supply capacities by increasing efficiency, and will stably supply the high quality robots that customers desire.



Collaborative robot in a manual process



Tsukuba Robot Factory #1/Finished products warehouse



M-1000iA and M-2000iA production line



Automated assembly cells

# Targets and Initiatives to Achieve Carbon Neutrality

## Responses to Climate Change

To achieve carbon neutrality, FANUC has set mid-term and long-term targets for reducing greenhouse gas (GHG) emissions and is promoting efforts to achieve them.

### Targets for reducing GHG emissions

FY2050 Target	Scope 1, 2 : Carbon neutral by FY2050
FY2030 Target	Scope 1, 2 : 42% reduction by FY2030 (in comparison with FY2020) Scope 3 : 12.3% reduction of emissions due to the use of sold products (category 11) by FY2030 (in comparison with FY2020).

### FANUC's GHG emissions reduction targets have been certified by the SBT initiative

FY2030 targets are certified by the SBT (Science Based Targets) initiative.

Regarding Scope 1 and 2, part of the power consumed in the FANUC Headquarters' area, Mibu factories and Tsukuba factories will be renewable electricity, and other sites will also switch to using renewable electricity in the near future. Furthermore, solar panels will be set up, and measures to save energy will be further accelerated to reduce GHG emissions resulting from our business activities.



FANUC Headquarters (Panoramic view)



FANUC Headquarters (Reliability Evaluation Building)



Mibu Factories

Regarding Category 11 (Use of sold products) of Scope 3, FANUC will contribute to reducing the emissions by enhancing of energy saving features of FA, ROBOT and ROBOMACHINE products.



## Targets and Initiatives to Achieve Carbon Neutrality

### Disclosure in Accordance with TCFD Recommendations

Since the adoption at COP21 (21st Conference of the Parties to the United Nations Framework Convention on Climate Change) of the Paris Agreement, movement towards a de-carbonized society is spreading. FANUC Group with its business activities expanding around the world promotes these initiatives as we recognize climate change as a critical business challenge.

In the meantime, FANUC expressed its support for the Task-Force on Climate-related Financial Disclosures and its recommendations (hereafter, TCFD recommendations) in December 2021.

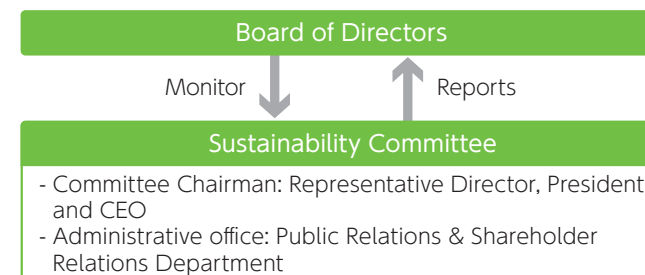
Further, we would like to utilize the framework of TCFD recommendations, and continue enhancing the quality and amount of disclosures to promote climate change initiatives still further, and contribute to achieving a sustainable society.



### Governance

FANUC recognizes climate change as a critical business challenge.

At the "Sustainability Committee" chaired by the Representative Director, President and CEO, we will deliberate and make decisions on important policies and measures related to climate change, and report to the Board of Directors. Based on the reported content, the Board of Directors will supervise to check whether identification of risks and opportunities, and measures related to climate change are promoted appropriately.

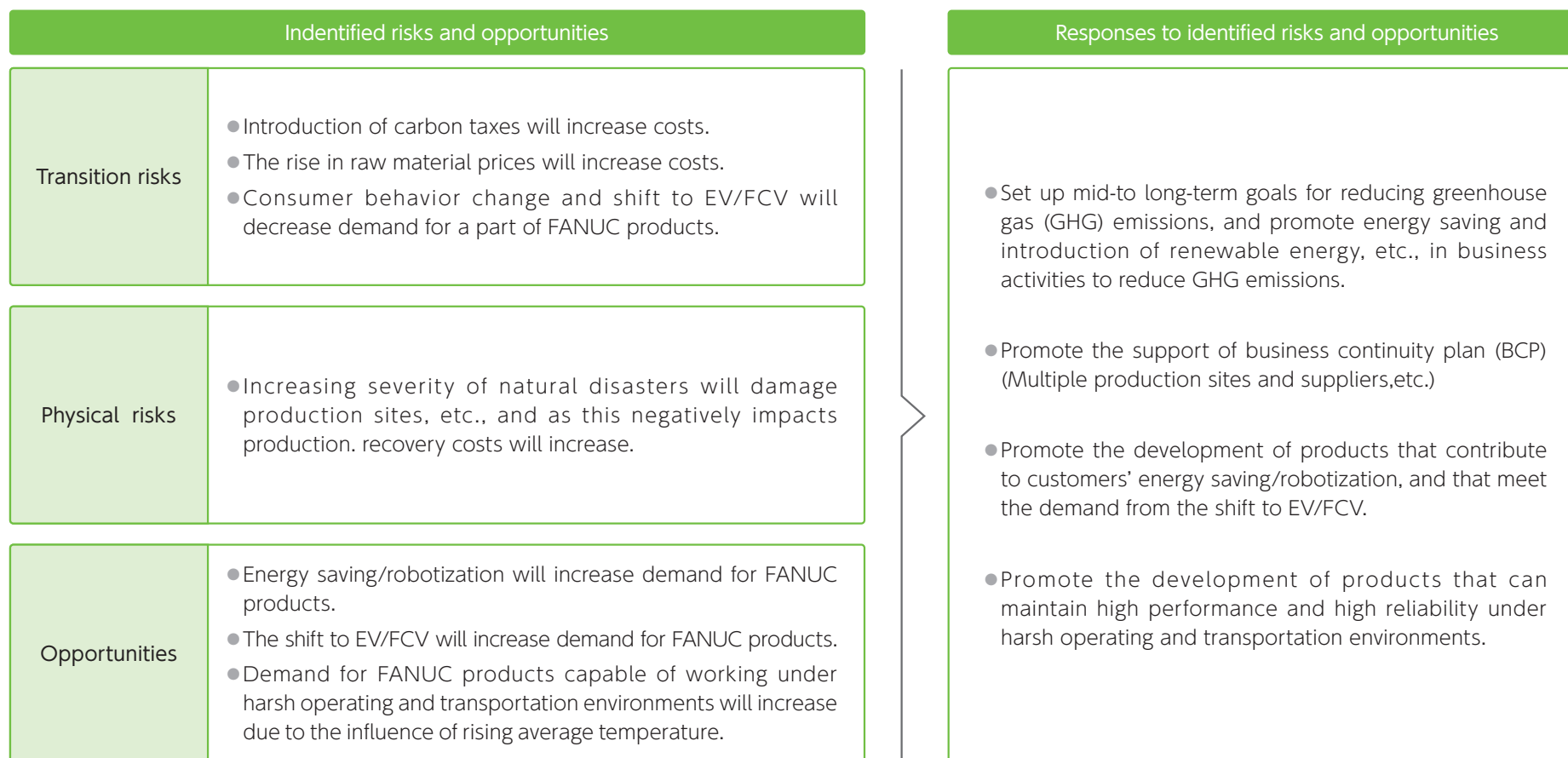


### Strategy

FANUC conducted a scenario analysis targeting mid-term (2030) and long-term (2050) with a 1.5° C scenario, 2° C scenario, and 4° C scenario on the FA Business, Robot Business, and Robomachine Business to identify the risks and opportunities related to climate change, and to check how these will impact FANUC Group businesses. Regarding the scenario analysis, we referred to IEA NZE, IPCC RCP1.9, etc., for 1.5° C, IEA SDS, IPCC RCP2.6, etc., for 2° C, and IEA STEPS, IPCC RCP8.5, etc., for 4° C. For each scenario, we identified the risks and opportunities related to climate change, and quantitatively and qualitatively examined and evaluated the impact on the business.

Among these, we identified the following risks that will have a significant impact on the businesses: "Increase in costs due to introduction of carbon tax," "Increase in costs due to the rise in raw material prices," and "Decrease in demand for a part of FANUC products due to the consumer behavior change and shift to EV/FCV". We also identified the following opportunities: "Increase in demands for FANUC products due to energy saving and robotization," and "Increase in demands for FANUC products due to the shift to EV/FCV".

## Targets and Initiatives to Achieve Carbon Neutrality



In the 1.5°C and 2°C scenario, the world is expected to undergo major social changes as it transitions to decarbonization. There is a possibility for costs to increase due to the introduction of carbon taxes and rise in raw material prices, but we believe that we can expand the FA Business, Robot Business, and Robomachine Business as energy saving/robotization, and the shift to EV/FCV will expand. The 4°C scenario does not promote low carbonization, and increasing severity of natural disasters will be expected due to climate change, such as increases in average temperature. This creates a potential increase in recovery costs as production sites,

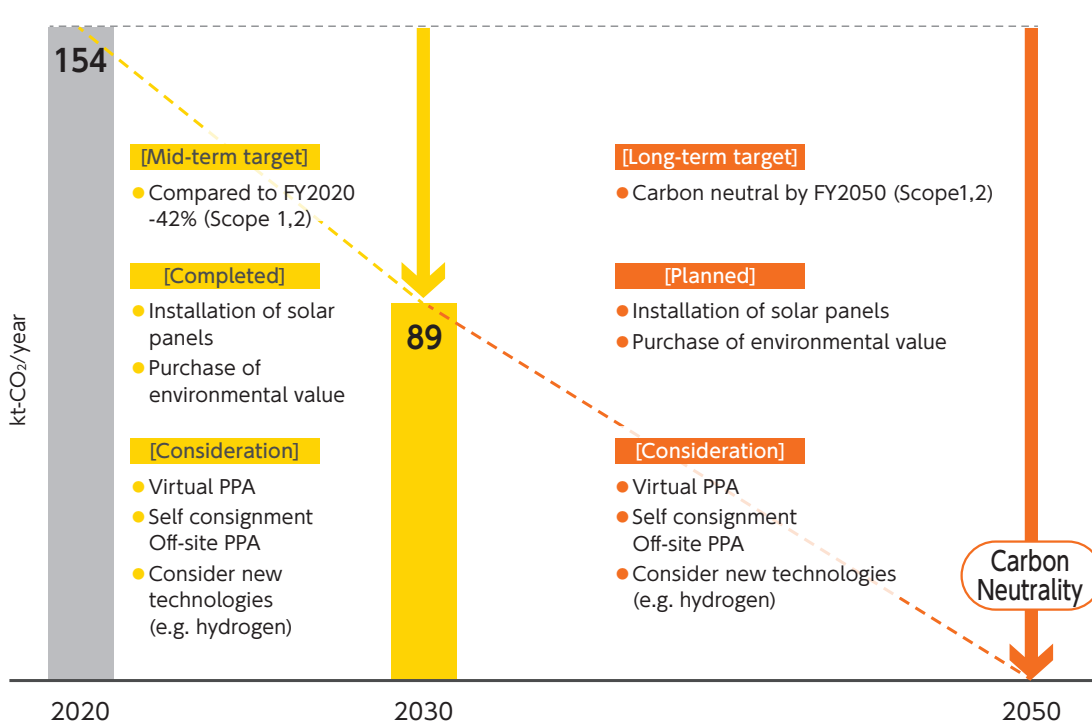
etc., will be damaged, having a negative impact on production. For these reasons, we will continue to promote the support of our business continuity plan (BCP), and deal with physical risks.

The findings of the scenario analysis on FA Business, Robot Business and Robomachine Business rated these businesses as highly resilient in all scenarios used for the analysis. We will further promote initiatives in order to meet the challenges of identified risks and realize these opportunities in the future.

Targets and Initiatives to Achieve Carbon Neutrality

### Roadmap to Carbon Neutrality

FANUC has set a mid-term goal (certified by the SBT Initiative) to reduce its Scope 1,2 emissions by 42% from FY2020 level by 2030, and is promoting efforts to achieve this goal. Toward this goal, we plan to install solar panels and purchase renewable electricity, and expect to invest approximately 9 billion yen. (Amounts are subject to uncertainties and assumptions and may differ from actual results.)



	2020	2030	2040	2050
① Renewable energy source		Installation of solar panels		
② Environmental value		Renewable energy plan		
③ Virtual PPA		Consideration		
④ Self consignment		Consideration		
⑤ Off-site PPA		Consideration		
⑥ New technologies (Hydrogen, CCUS .etc)		Follow Technology Trends		

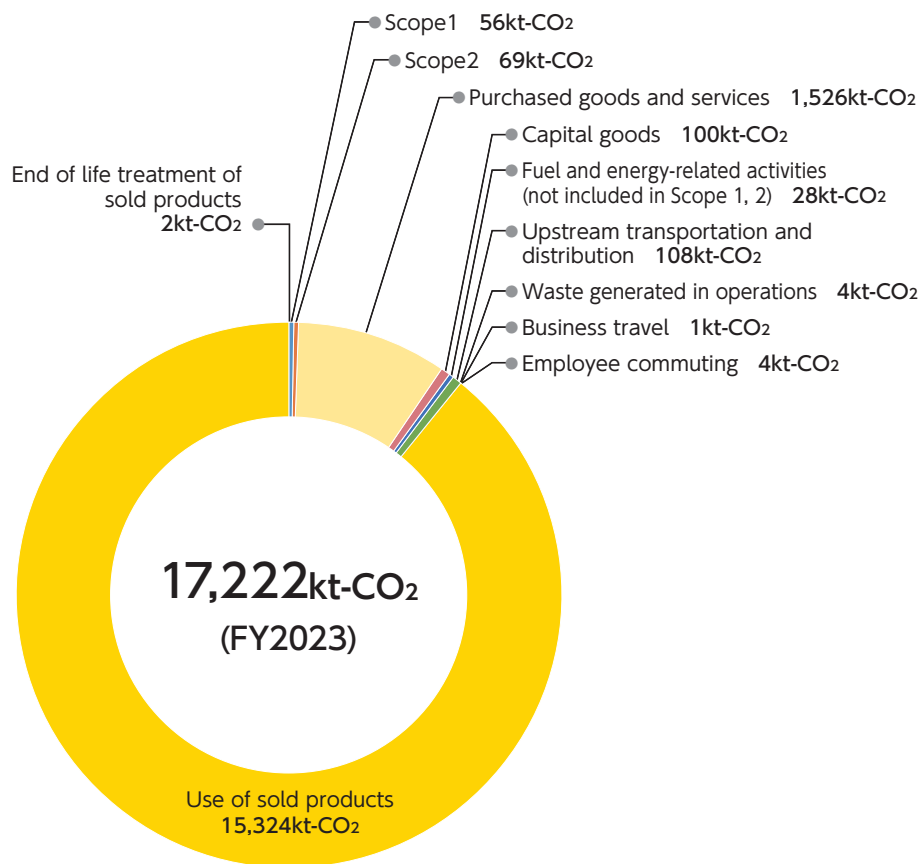
Legend: : Planned measures : Measures to be considered

### Risk Management

To address risks that may hinder the continuity of our business, the enhancement of our corporate value, or the sustainable development of our corporate activities, FANUC has established a Risk Management Committee and risk management policies, and we are conducting appropriate risk management under the supervision of the Board of Directors. The risks of climate change will also be placed in the rules, and managed.

Targets and Initiatives to Achieve Carbon Neutrality

Metrics and Targets



The FANUC Group's greenhouse gas (GHG) emissions (Scope 1, 2 and 3 Category 11) targets and results are as follows:

Unit: kt-CO<sub>2</sub>

	FY2020 Results (Standard Year)	FY2023 Results (In comparison with FY2020)	2030 Targets (In comparison with FY2020)	2050 Targets
Scope 1, 2	154	126 (-18.5%)	-42%	Zero
Scope 3 Category 11	16,668	15,324 (-8.1%)	-12.3%	—

FANUC has set up a long-term target of reducing GHG emissions from the business activities of FANUC Group (Scope 1, 2) to zero by FY2050. To achieve this long-term target, we have set a mid-term target of 42% reduction of the same emissions by FY2030 (in comparison with FY2020). Regarding Scope 3, we aim for 12.3% reduction of emissions due to the use of sold products (Category 11) by FY2030 (in comparison with FY2020). These mid-term targets are certified by the SBT (Science Based Targets) initiative.

Scope 1 and 2 for FY2023 were 18.5% lower than the base year. The main reason is that a part of the electricity used in the Headquarters area, the Mibu Factories, Tsukuba Factories, etc. was switched to electricity derived from renewable energy sources. In FY2022 and FY2023, solar panels are being installed in the Head Office and Mibu area, which is expected to further reduce emissions in FY2024 and beyond.

In FY2023, emissions due to the use of sold products for Scope 3 (Category 11) were 8.1% lesser than the base year. This was mainly due to a decrease in the sales of our products. We will continue to aim for emission reductions by further improving the energy-saving performance of our FA, ROBOT, and ROBOMACHINE products.

# Development of and Engagement with Human Resources: Cultivating human resources to lead the future of the manufacturing industry

## D&I Project

### Revitalizing Internal Communications, Aiming to Promote Employee Engagement

#### Background behind the project launch

We launched the D&I project in 2024.

The project has its origin in a networking event between female Outside Directors and female employees held in 2023. The project was launched after the Outside Directors and participants had expressed their recognition that some of the issues discussed at the event, including workstyle challenges and career development, were not peculiar to women and relevant across the Company.

(Details of the networking events with female Outside Directors are reported on page 38 of the INTEGRATED REPORT 2023).

#### Project members

Director and CFO, and General Manager of Corporate Finance & Facility Planning Division serves as the project leader; the leader disseminates relevant information, such as what they would like to achieve through the project, to all across the Company.

Project members span a wide range of divisions and departments, from research and development, production, sales, service to back-office operations, comprising not only the employees from the headquarters but also from regional bases, so the team can secure diverse perspectives.

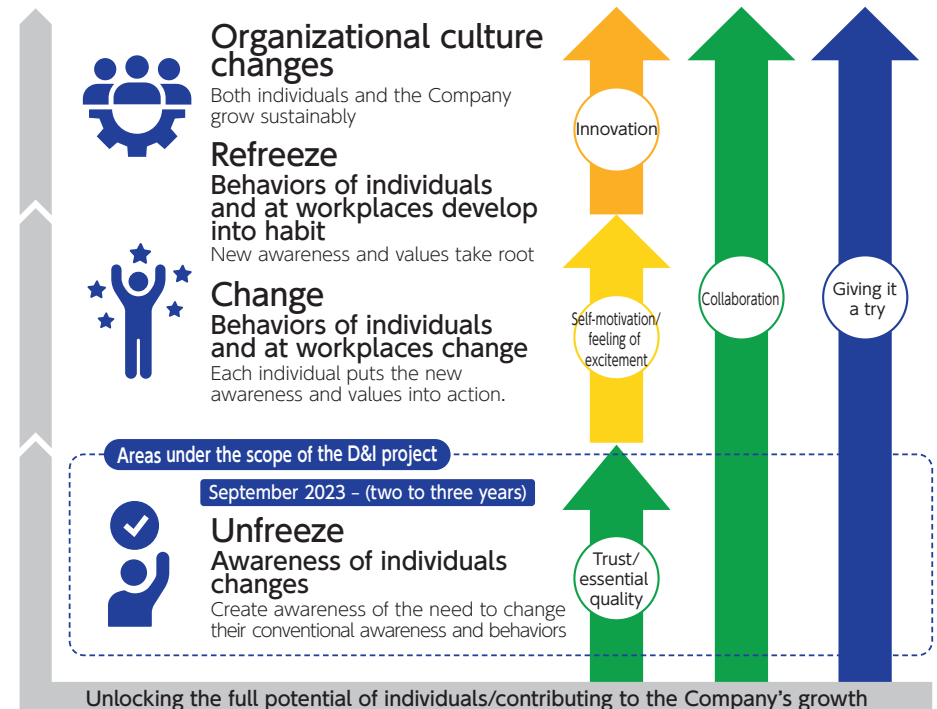


Project members' engagement in the activities of the D&I project, including discussions and collaborations with other members who they have no relationship with in the normal course of business, have provided them with greater insights into FANUC.

#### Promotion of D&I at FANUC

##### • D&I project roadmap

We will take several years to develop empathy for the promotion of D&I among our employees and forge ahead with a range of initiatives that will help transform the awareness and behaviors of each of them.



## Development of and Engagement with Human Resources: Cultivating human resources to lead the future of the manufacturing industry

### ● How to proceed with the D&I project

Both systemic and awareness reforms are essential to promoting D&I. In its initial phase, FANUC's D&I project focuses on an approach aimed at reforming employee awareness.



### Activities in 2024

#### ● Roundtable meetings with management

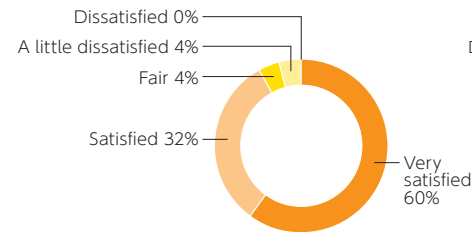
We held roundtable meetings with key management members including general managers of divisions, to discuss a range of topics, such as how we should fulfill our job responsibilities, to ultimately increase participants' motivation and job satisfaction.

Period: August to September 2024  
 Number of participants from key management: A total of 23 general managers  
 Number of participants from employees: 288

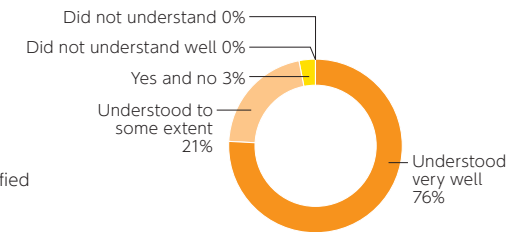


Images and details of each roundtable meeting with key management members were compiled as a report and disclosed company-wide. We have received positive feedbacks from the employees who participated in the meetings.

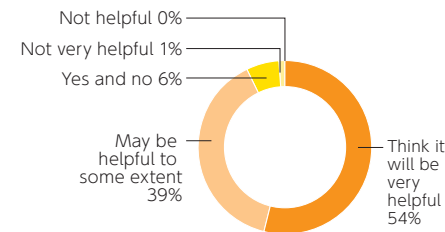
#### Q1 How were you satisfied with the roundtable meeting?



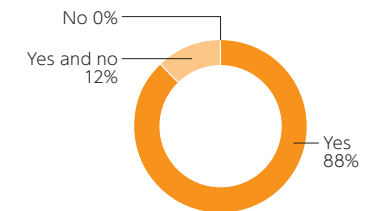
#### Q2 Did you understand what the key management members were trying to say?



#### Q3 Do you think the meeting is helpful for your career and private life in the future?



#### Q4 Do you like to use D&I initiatives in the future?



### Discussions among employees

We facilitate mutual understanding among employees with different backgrounds by encouraging them to share the awareness of issues and to communicate throughout the Company. In fact, we have worked on related initiatives with the aim of strengthening horizontal ties among employees and enhancing participants' motivation and job satisfaction.

## Development of and Engagement with Human Resources: Cultivating human resources to lead the future of the manufacturing industry

### Employee Engagement in Group Companies



#### FANUC America

In today's ever competitive market, FANUC America continues to take immense pride in our employees recognizing the company as a Top Workplace. In 2024, we received the Top Workplaces USA award for the fourth year in a row. Top Workplaces is a nationally recognized award throughout the United States that includes regional and national-level programs, plus industry and culture excellence awards. This award celebrates nationally recognized companies who make the world a better place and work together by prioritizing a people-centered culture and giving employees a voice. Annually, FANUC America participates in the Detroit and Chicago regional employee feedback surveys, completed by the employees of participating workplaces. In 2023, FANUC America received the Detroit award for the 12th consecutive year, and the Chicago award for the 6th consecutive year. Additionally, FANUC America has received the Top Workplaces USA Award for the 4th consecutive year. For all of these awards, FANUC America has won every year that it has participated.

One of the reasons for this success is that FANUC America continues to focus on employee engagement and is using the Gallup Employee Engagement survey for the 3rd year in a row. In 2024, FANUC America again achieved an 86% participation rate with its employees. Employee engagement refers to the level of enthusiasm and dedication a worker feels toward their job. Engaged employees are motivated, passionate, and committed to their work, which and leads to higher productivity

and better performance. Employee engagement continues to be a central component of our corporate strategy including attracting critical talent, talent management, talent development, employee empowerment and retention. Through the results of the Gallup Employee Engagement Survey and the manager tools provided, we can better incorporate employee feedback into all aspects of the employee experience allowing us to continually improve through action planning and ongoing feedback. The Gallup tools allow managers to track and build on action plans throughout the year. Actions included providing employees with new and improved tools to do their jobs, more training opportunities, and career development opportunities. In addition, our results are benchmarked against the significant pool of Gallup data.

A significant initiative that FANUC America is very proud of is the creation of the Women's Resource Group. The mission of the Women's Resource Group is to ensure FANUC America remains an Employer of Choice by supporting a culture where all employees feel connected, valued, encouraged, engaged and empowered. The group is dedicated to encouraging women to achieve their full potential by providing opportunities to network, build leadership skills, positively impact the community, and develop and evolve personally and professionally. The Women's Resource Group's focuses on three pillars, Recruitment & Retention, Personal and Professional Development and Community Outreach. Since the inception the WRG has



## Development of and Engagement with Human Resources : Cultivating human resources to lead the future of the manufacturing industry

championed numerous events including: diversity recruiting events, professional networking events, professional development panels with guest speakers, men's health awareness month events, charity golf outings, toy drives for underprivileged children, canned food drives, and more. In addition to the events championed by the WRG, they have also launched the Peer Onboarding Program which was created to ensure a positive and effective onboarding experience for new hires, as well as provide developmental opportunities to current employees. The Peer Onboarding Program Supports the WRG's initiatives of Recruitment & Retention and Personal & Professional Development. The WRG carefully matches New Employees to approved Peer Advisors upon receiving the New Employee's application. Once matched, the Peer Advisor will contact the New Employee to schedule meetings and the program will begin. The program will last for the remainder of the New Employee's first year of employment, and both the Peer Advisor and New Employee will be required to complete feedback forms following each of their meetings to track program progress. New employees are encouraged to apply to take part in the program within their first two weeks of starting. The feedback from the Peer Advisors and the New Employees has been extremely positive. In recognition of all the efforts of the Women's Resource Group FANUC America was awarded the Global DE&I Champion of the Year award by Ward's Autotech and

Women Automotive Network. This award honors a multinational company that has exhibited outstanding dedication to diversity, equity, and inclusion initiatives on a global scale, fostering an inclusive workplace culture and driving meaningful change within the industry.

Also in 2023-2024, FANUC America initiated a culture journey where we redefined our mission, values, and beliefs. We polled a cross-section of our employees to ask them about what FANUC means to them. This project led to a statement of our mission as "Transforming the World Through Automation." Additionally, we identified our values as People, Respect, Integrity, Dedication, and Excellence, or PRIDE. We viewed this as another step in respecting and engaging our employees so that they feel the PRIDE in being a part of FANUC.

FANUC America believes in supporting and promoting employee initiatives that will support the attraction and retention of talent, foster and develop our people, increase employee engagement, drive employee empowerment, and demonstrate to our employees that they are our most valuable resource. Our employees are the cornerstone of our ongoing success.





Development of and Engagement with Human Resources : Cultivating human resources to lead the future of the manufacturing industry

## Initiatives to Help Foster the Next Generation

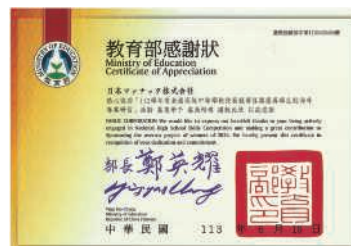
### Welcoming Taiwanese Electrical and Mechanical Engineering Students for Overseas Training – Introducing Factory Automation

In May 2024, FANUC hosted overseas training for students who achieved outstanding results in the 2023 National High School\* Skills Competition, co-sponsored by Taiwan's Ministry of Education. This training included a factory tour and technical briefing on factory automation using CNC and robotics.

The National High School Skills Competition is an annual event organized by Taiwan's Ministry of Education to cultivate specialized skills among students. Since 2015, the winners and runners-up in five categories have been sent abroad for specialized training, and in 2023, the training was divided into eight research themes.

At FANUC, 26 students focusing on mechanical and electrical engineering research themes came to observe the automated production lines and listen attentively to technical presentations on robotics and other technologies. FANUC is committed to nurturing the next generation of talent poised to lead the manufacturing industry.

\*Note: "High School" here refers to institutions equivalent to high schools and technical colleges.



### The 19th All Japan Student's Indoor Flying Robot Contest

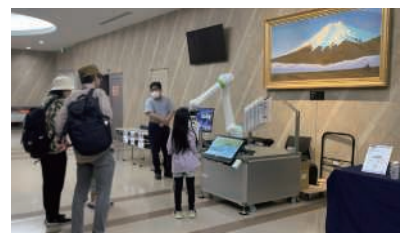
The 19th All Japan Student's Indoor Flying Robot Contest was held at Katayanagi Arena on the Kamata Campus of Nihon Kogakuin College from September 22 (Fri.) to September 24 (Sun.), 2023.

The contest instills manufacturing spirit among students of universities, colleges of technology, high schools and others, and serves as a good occasion for developing their manufacturing skills, especially in the areas of aircraft design and control.

It is also a valuable opportunity for students to think about their own careers and make contact with companies which are sponsors. This year's event was a huge success, with a record-breaking 76 teams from 35 schools participating.







Participants competed in the categories of flight performance, flight control, and autopiloting of aircrafts by completing missions such as transporting goods and automated flights.

FANUC has been a special sponsor for this contest, which brings together skilled students who can immediately take on professional work. This year, the FANUC Award was presented to the Kanazawa Institute of Technology, the winner in the autopilot category.








# Directors

(As of June 27, 2024)

					Corporate Management	Research & Development	Internationality	ESG/Sustainability	HR/Labor/HR Development	Legal/Risk Management	Finance/Accounting
	<b>Yoshiharu Inaba</b> Director, Chairman	<p>April 1973 Joined Isuzu Motors Limited</p> <p>September 1983 Joined the Company</p> <p>June 1989 Appointed Director of the Company</p> <p>June 1992 Appointed Senior Vice President (Director) of the Company</p> <p>June 1995 Appointed Executive Vice President (Director) of the Company</p> <p>May 2001 Appointed Senior Executive Vice President (Representative Director) of the Company</p> <p>June 2003 Appointed President (Representative Director) of the Company</p>	<p>June 2016 Appointed Chairman and CEO (Representative Director) of the Company</p> <p>April 2019 Appointed Chairman (Representative Director) of the Company</p> <p>June 2023 Appointed Chairman (Director) of the Company (to the present)</p>		●	●	●	●	●	●	●
	<b>Kenji Yamaguchi</b> Representative Director, President	<p>April 1993 Joined the Company</p> <p>June 2008 Appointed Executive Vice President (Director) of the Company</p> <p>February 2012 Appointed Senior Executive Vice President (Director) of the Company</p> <p>October 2013 Appointed Senior Executive Vice President (Representative Director) of the Company</p> <p>June 2016 Appointed President and COO (Representative Director) of the Company</p>	<p>April 2019 Appointed President and CEO (Representative Director) of the Company (to the present)</p>		●	●	●	●	●	●	●
	<b>Ryuji Sasuga</b> Director	<p>April 1992 Joined the Company</p> <p>April 2004 Appointed Director &amp; Manager, Finance &amp; Accounting Department of Fanuc Europe GmbH</p> <p>January 2010 Appointed Director &amp; CFO of FANUC Europe Corporation</p> <p>March 2012 Joined LIXIL Corporation Seconded to Permasteelisa S.p.A Group Financial Control Manager</p> <p>April 2015 Rejoined the Company Manager, Group Companies Support Department of the Company</p>	<p>July 2015 Manager, Secretary Department of the Company (to the present)</p> <p>June 2017 Appointed Managing Officer of the Company</p> <p>July 2021 General Manager, Corporate Finance Division of the Company (to the present)</p> <p>June 2022 Appointed Senior Managing Officer and CFO of the Company</p> <p>June 2023 Appointed Senior Managing Officer and CFO (Director) of the Company (to the present)</p>		●		●	●	●	●	
	<b>Michael J. Cicco</b> Director	<p>August 1999 Joined FANUC America Corporation ("FAC")</p> <p>November 2015 Appointed Vice president (Director) of FAC</p> <p>April 2016 Appointed President and COO (Director) of FAC</p> <p>June 2016 Appointed Managing Officer of the Company</p> <p>July 2016 Appointed President and CEO (Director) of FAC (to the present)</p> <p>June 2017 Appointed Senior Managing Officer of the Company</p> <p>June 2020 Appointed Director of the Company (to the present)</p>			●		●	●	●	●	
	<b>Naoko Yamazaki</b> Director <span style="background-color: #0070C0; color: white; padding: 2px;">Outside Director</span> <span style="background-color: #00A651; color: white; padding: 2px;">Independent Director Renominated</span>	<p>April 1996 Joined the National Space Development Agency of Japan (currently Japan Aerospace Exploration Agency (JAXA))</p> <p>September 2001 Authorized as an astronaut to board the International Space Station</p> <p>April 2010 Served as a mission specialist on the Space Shuttle Discovery, and engaged the mission of assembling the International Space Station (STS-131(19A))</p> <p>March 2016 Appointed Outside Director of Nabtesco Corporation</p> <p>September 2017 Appointed Outside Director of OPTORUN Co., Ltd. (to the present)</p>	<p>June 2018 Appointed Outside Director of TOPCON CORPORATION (to the present)</p> <p>July 2018 Appointed Representative Director of Space Port Japan Association (to the present)</p> <p>June 2020 Appointed Director of the Company (to the present)</p> <p>June 2021 Appointed President of Young Astronaut Club-Japan (to the present)</p>			●	●	●	●		
	<b>Hiroto Uozumi</b> Director <span style="background-color: #0070C0; color: white; padding: 2px;">Outside Director</span> <span style="background-color: #00A651; color: white; padding: 2px;">Independent Director Nominated</span>	<p>April 1975 Joined Hitachi, Ltd.</p> <p>April 2003 General Manager of Nuclear Power Systems Production Division, Nuclear Systems Division, Power and Industrial Systems Group, Hitachi, Ltd.</p> <p>April 2004 Deputy General Manager of Hitachi Works, Power Systems Group and Vice Division Director, Nuclear Power Systems Production, Hitachi, Ltd.</p> <p>April 2005 Deputy General Manager of Air-Conditioning Systems Division, Hitachi Plant Engineering &amp; Construction Co., Ltd.</p> <p>July 2007 Appointed Executive Vice President of Hitachi-GE Nuclear Energy, Ltd.</p>	<p>April 2011 Appointed President and Representative Director of Hitachi-GE Nuclear Energy, Ltd.</p> <p>April 2013 Appointed Vice President and Executive Officer, Hitachi, Ltd.</p> <p>April 2015 Appointed Chairman of the Board of Hitachi-GE Nuclear Energy, Ltd.</p> <p>April 2017 Senior Corporate Officer of Nuclear Energy Business Unit, Hitachi, Ltd.</p> <p>April 2020 Senior Corporate Officer of Nuclear Damage Compensation and Decommissioning Facilitation Corporation</p> <p>June 2021 Appointed President &amp; CEO of Atomic Energy Association (to the present)</p> <p>June 2022 Appointed Director of the Company (to the present)</p>		●	●	●	●	●	●	

## Directors (As of June 27, 2024)

			Corporate Management	Research & Development	Internationality	ESG/ Sustainability	HR/Labor/HR Development	Legal/Risk Management	Finance/ Accounting
	<b>Yoko Takeda</b> Director Outside Director Independent Director Newly nominated	<p>April 1994 Joined Bank of Japan</p> <p>April 2009 Joined Mitsubishi Research Institute, Inc.</p> <p>April 2012 Chief Researcher, Center for Policy and the Economy, Chief Economist of Mitsubishi Research Institute, Inc.</p> <p>October 2015 Deputy General Manager, Center for Policy and the Economy, Chief Economist of Mitsubishi Research Institute, Inc.</p> <p>October 2017 General Manager, Center for Policy and the Economy, Chief Economist of Mitsubishi Research Institute, Inc.</p>	<p>October 2020 Deputy General Manager, Planning and Administration Office, Think Tank Unit</p> <p>General Manager, Center for Policy and the Economy, Chief Economist of Mitsubishi Research Institute, Inc.</p> <p>December 2021 Appointed Research Fellow (to the present)</p> <p>October 2022 Deputy General Manager, Think Tank Unit</p> <p>General Manager, Planning and Administration Office, Think Tank Unit</p> <p>General Manager, Center for Policy and the Economy, Chief Economist of Mitsubishi Research Institute, Inc. (to the present)</p> <p>June 2023 Appointed Outside Director of Ricoh Company, Ltd. (to the present)</p> <p>Appointed Director of the Company (to the present)</p>			●	●	●	●
	<b>Toshiya Okada</b> Director who is an Audit and Supervisory Committee Member	<p>April 1984 Joined the Company</p> <p>August 1999 Manager, Legal Department of the Company (to the present)</p> <p>June 2012 Appointed Senior Vice President (<i>Director</i>) of the Company</p> <p>May 2014 Appointed Executive Vice President (<i>Director</i>) of the Company</p> <p>June 2016 Appointed Executive Managing Officer (<i>Director</i>) of the Company</p> <p>June 2019 Appointed Senior Managing Officer</p> <p>June 2020 Appointed Managing Officer</p>	<p>June 2023 Appointed Director (Audit and Supervisory Committee Member) of the Company (to the present)</p>			●		●	
	<b>Hidetoshi Yokoi</b> Director who is an Audit and Supervisory Committee Member Outside Director Independent Director Renominated	<p>April 1983 Lecturer, Institute of Industrial Science of University of Tokyo</p> <p>January 1985 Assistant Professor, Institute of Industrial Science of University of Tokyo</p> <p>July 1997 Professor, Institute of Industrial Science of University of Tokyo</p> <p>July 1998 Professor, Center for Collaborative Research of University of Tokyo</p> <p>April 2005 Director, Center for Collaborative Research of University of Tokyo</p> <p>April 2008 Professor, Institute of Industrial Science of University of Tokyo</p>	<p>May 2015 Field II Program Officer, Adaptable and Seamless Technology Transfer Program through Target-driven R&amp;D of Japan Science and Technology Agency</p> <p>March 2019 Retired as Professor, Institute of Industrial Science of University of Tokyo</p> <p>June 2019 Professor Emeritus of the University of Tokyo (to the present)</p> <p>Appointed Audit &amp; Supervisory Board Member of the Company</p> <p>June 2021 Appointed Director (Audit and Supervisory Committee Member) of the Company (to the present)</p>		●	●	●		
	<b>Mieko Tomita</b> Director who is an Audit and Supervisory Committee Member Outside Director Independent Director Renominated	<p>April 1980 Registered as lawyer (to the present) Joined Nishi and Iseki Law Office (currently Nishi &amp; Partners Attorneys and Counselors at Law)</p> <p>April 1995 Appointed Auditor of Kanagawa Learning Disability Research Association</p> <p>April 2001 Appointed Civil Conciliation Commissioner, Tokyo District Court (to the present)</p> <p>April 2004 Appointed Instructor, Showa Women's University</p> <p>October 2007 Appointed a member of the National Bar Examination Commission, Code of Civil Procedure</p>	<p>June 2012 Appointed External Audit &amp; Supervisory Board Member of MORINAGA MILK INDUSTRY CO., LTD.</p> <p>April 2017 Senior Partner, Nishi &amp; Partners Attorneys and Counselors at Law (to the present)</p> <p>June 2019 Appointed Outside Director (Member of the Audit &amp; Supervisory Committee) of Nishin Seifun Group Inc. (to the present)</p> <p>June 2020 Appointed Audit &amp; Supervisory Board Member of the Company</p> <p>June 2021 Appointed Director (Audit &amp; Supervisory Committee Member) of the Company (to the present)</p> <p>Appointed Outside Director of TEKKEN CORPORATION (to the present)</p>			●	●	●	
	<b>Shigeo Igashima</b> Director who is an Audit and Supervisory Committee Member Outside Director Independent Director Newly nominated	<p>October 1990 Joined Chuo Shinko Audit Corporation</p> <p>August 1995 Registered as a Certified Public Accountant (to the present)</p> <p>January 1997 Joined Yano Seisakusho Co., Ltd.</p> <p>August 2004 Representative of Igashima C.P.A. Office (to the present)</p> <p>November 2004 Registered as a Certified Public Tax Accountant (to the present)</p> <p>Representative of Igashima Shigeo Tax Accountant Office (to the present)</p> <p>June 2016 Appointed Outside Director (Audit &amp; Supervisory Committee Member) of AXELL CORPORATION (to the present)</p>	<p>December 2017 Appointed Outside Director of TAIYO BUSSAN KAISHA, LTD.</p> <p>June 2023 Appointed Director (Audit and Supervisory Committee Member) of the Company (to the present)</p>			●			●

## Three-way Conversation between Outside Directors

### — The Pursuit of Outside Directors to Demonstrate their Effectiveness and Contribute to Further Enhancing Corporate Values —

The FANUC Group has been striving to forge a new path of growth through a range of efforts, such as introducing automation to customers beyond the traditional realm of factories, enhancing collaborative robots, and progressing in inventory adjustments. Under these circumstances, some of FANUC's Outside Directors were requested to exchange opinions on major issues, such as the state of management supervision, how they will specifically contribute to enhancing corporate values as Outside Directors, the nature of evaluations and advice they will offer, along with their activities.



### Views on Today's FANUC from the Perspective of their Areas of Expertise

**Tomita**—I am a lawyer by profession. I was appointed Audit & Supervisory Board Member in 2020, and from 2021 up till the present, have been serving as Director who is an Audit and Supervisory Committee Member. When I first became involved with FANUC, the Company was in the process of establishing its internal control system. The timing was good since I was able to implement various rules from the standpoint of a lawyer. The creation of the internal control system progressed at a rapid pace, and I believe that a fairly reasonable system has been established today. For example, the system includes a whistle-blowing system which allows Outside Directors who are Audit and Supervisory Committee Members to deal with cases in which key management members are the target of the whistle-blowing, as an emergency measure.

**Takeda**—I was appointed Director of the Company in 2023. Since then, I have been fulfilling my role as Director by making use of my broad professional expertise

in economic and government policies. At present, we are witnessing three major changes in global trends. The first is the instability of the international situation. The second is the co-existence of de-carbonization, stable energy supply, and competitiveness, and the third is productivity revolution through generative AI. Furthermore, in Japan, we are also seeing mounting concerns about labor shortage and inflation. At a glance, these seem to suggest that we are surrounded only by challenges. However, I believe the Company has great growth potential if it can adapt well to changes in domestic and overseas situations while using factory automation to its advantage.

**Igashima**—I am a certified public accountant by profession. Like Director Takeda, I was appointed Director who is an Audit and Supervisory Committee Member in 2023. It was just around the time when the Company had entered a downward trend in business performance and had seen an increase in factory downtime due to global semiconductor shortages and inventory adjustments among other factors, despite performance being strong immediately before. The Company, however, has

## Three-way Conversation between Outside Directors



● Outside Director (Audit and Supervisory Committee Member Audit and Supervisory Committee Member) **Mieko Tomita**

continued to perform robustly since then. I believe that inventory adjustments will progress even more and that the Company will return to a growth trajectory. From the perspective of my area of expertise, I am keeping a close eye on how cash and deposits will be used in the future. I believe, in the years ahead, investments in people and things will be required when taking on new challenges, such as technological innovations, and that further discussions will be necessary.

### Evaluation of the Company's Overall Corporate Governance Including the Operation of the Board of Directors

**Tomita**—I think highly of the Company having strengthened its corporate governance in a well-planned manner. A range of efforts has been made, from increasing the number of Outside Directors step-by-step, transitioning swiftly from a company with an audit and supervisory board to a company with an audit and supervisory committee, and fortifying the collaboration between the Audit and Supervisory Committee and the Internal Auditing Department by having the Internal Auditing Department report directly to the President. In addition, at the Board of

Directors meetings, the presidents of overseas group companies, General Managers of the Research & Development Divisions, and the General Manager of the Production Division report on the execution of their duties in turn. This has made it easier for Outside Directors like ourselves to understand the whole picture of the Company. In this environment, Outside Directors, who are highly diverse, ask questions from a wide variety of perspectives, which is also quite inspiring to me.

**Takeda**—As Director Tomita just mentioned, I feel that the Board of Directors is operating at a high level in which deliberations are conducted in a free and open atmosphere. What also impressed me is that while I was given the opportunity to participate in the New Products Open House Show held at FANUC's Headquarters, as well as outside exhibitions where FANUC products were displayed, I visited the Mibu Factory in Tochigi Prefecture in 2023. We held a Board of Directors meeting there as well as observing the workplace. Whenever I visit an exhibition, I always receive positive and enthusiastic explanations from the staff in charge about improvements and competitiveness. This gives me confidence that FANUC is constantly making efforts to innovate technologies, has the ability to create products one after another, and thus has remained competitive in the global market.

**Igashima**—Allow me to add to Director Takeda's comment. As a member of the Audit and Supervisory Committee, I visit domestic manufacturing sites according to an annual schedule. In recent visits, especially the development of products linked to IoT and collaborative robots attracted my attention profoundly. I expect the Company to make progress in markets by offering customers new ways of operation and usage.

### Meetings for Outside Directors to Exchange Opinions with One Another and Meetings for Outside Directors to Exchange Opinions with the Chairman and President are Held Regularly to Further Enrich Board Meeting Discussions

**Tomita**—We hold "Meetings for Outside Directors to Exchange Opinions" each quarter as opportunities to discuss solely among Outside Directors. At these meetings, the most heated discussion was about the human resources system. I believe that at present, the Company's organization is vertically divided and there is almost no personnel exchange across divisions or departments. We spent a great deal of time discussing issues, such as whether employees can envision a career path they wish to pursue, or whether the workplace is comfortable for young employees to work in, under this organizational structure. After discussing to a certain degree at the "Meetings for Outside Directors to Exchange Opinions," we

## Three-way Conversation between Outside Directors

made some straightforward proposals at the “Meetings for Outside Directors to Exchange Opinions with the Chairman and President.”

**Takeda**—In the “Meetings for Outside Directors to Exchange Opinions,” what was particularly interesting was that there was a consensus among all participants that the Company had problems with human resources. I feel that the “Meetings for Outside Directors to Exchange Opinions” is functioning very well. What each Director sees as being the underlying factors of the variety of matters to be deliberated can be discussed in greater depth at meetings independent of the Board of Directors meetings.

**Tomita**—Basically, the Company is a group of engineers, and therefore, the reality was that the staff in the areas of human resources and administration were somewhat lacking in manpower or weak. To cope with this situation, the Company recently hired an expert on human resources from outside, and he has participated in the “Meetings for Outside Directors to Exchange Opinions with the Chairman and President.” I look forward to future initiatives to strengthen human capital and reform workstyles, including a further leap forward in the D&I Project, and also the incorporation of non-financial metrics, centered on employee engagement, into the remuneration scheme for Directors.

**Igashima**—Our areas of expertise differ and we all have diverse backgrounds, but despite such members coming together, we often find that we share a common understanding of issues and have the same opinions. At the “Meetings for Outside Directors to Exchange Opinions,” we can actively express candid opinions in a setting different from that of Board meetings. The contents of these meetings are then properly communicated to key management members at the “Meetings for Outside Directors to Exchange Opinions with the Chairman and President.” I think this is a very logical approach.

## Issues and Topics to be Addressed for Sustainable Growth

**Takeda**—The Company is competitive globally, has high technological capabilities, and has secured talented on-site staff who support such competitiveness and capabilities. This is the real impression I have had over the past year and a half. On the other hand, looking ahead 10 to 20 years from now, I think the Company will reach a certain limit if it only pursues business as an extension of its business in already penetrated fields, as it has done so far. From this viewpoint, to achieve sustainable growth at a higher level, I believe the Company will need to address the following three major challenges. The first is to clarify the direction for the mid- to long-term, the second is enhancing research & development and innovation in new fields accordingly, and the third is developing human resources and reforming the corporate culture to enable these. As I mentioned at the beginning, global trends have been changing dramatically. The potential of Physical AI in Japan is also attracting a great deal of attention from overseas these days. In this context, we will



● Outside Director (Audit and Supervisory Committee Member) **Shigeo Igashima**

need to discuss how far we can ultimately expand the areas of automation while keeping our expertise and technologies related to factory automation as our absolute strengths. By having the top management indicate the Company’s future direction based on the results of such discussions, I believe it is important that inroads be made into new fields, and an entrepreneurial spirit in innovation be omnipresent within the Company, especially among young employees. I am also convinced that the development of human resources and securing diversity to support this development will inevitably become important and necessary.

**Tomita**—I totally agree with the logic of Director Takeda. Basically, this encompasses everything. Based on this understanding, I would like to talk about work style reform, which is an important management topic going forward. Frankly speaking, I feel that the number of females in management positions is quite limited at present. Due to the nature of the business, it is inevitable that FANUC consists of a group of engineers who are mainly men. However, we are now in an era in which we cannot manufacture with peace of mind unless the administrative side can properly engage in management. I initiated a gathering for women which led to an exchange meeting between female Outside Directors and female employees. The effect was not only limited to women, but became connected to the D&I Project

## Three-way Conversation between Outside Directors



● Outside Director (Nomination and Remuneration Committee Member) **Yoko Takeda**

which pursues work style reform. In the future, I hope the Company becomes more aware than ever of the need to promote the advancement of women, create a workplace environment that is comfortable for talented young people regardless of gender, and reform the human resources system which support these, with a view to appointing women who are regular employees as Directors in the future.

**Igashima**—As Director Takeda and Director Tomita have just said, I believe personnel affairs and human resources will become one of the important management topics from now. With regard to this topic, I would like to add a few words about recruitment. The Company has its Headquarters in the “FANUC Forest” at the foot of Mt. Fuji, covering an area of 1,780,000 square metres. The “FANUC Forest” includes company dormitories and apartments, a variety of sports facilities, a nursery school, and even a medical facility. Employee benefits and welfare are also quite generous. Nonetheless, the Company has had difficulty in hiring employees as the location is not easily accessible from central Tokyo. Since the Company has such excellent employee benefits and an environment which far surpasses those of other companies, I would like to propose that the Public Relations Department and the Human Resources Department launch public relations activities more proactively than before.

## Expectations for FANUC and the Roles You Hope to Fulfill in the Future

**Tomita**—As a lawyer, I have been involved in many issues related to human resources in various forms of organizations. With the knowledge and experience I have gained from these activities, I would like to energetically support the D&I Project which I referred to earlier. Also, in the years ahead, I not only expect the Company to grow economically, which goes without saying, but at the same time, continue to work on sustainability or implement additional measures. To be honest, the Company’s climate change initiatives with specific KPI targets, got off to a slightly late start compared to other companies. However, there has been a sharp acceleration, and as a result, the highest rating of “AAA” has been awarded from MSCI ESG since 2023. This top rating is not possible with just ordinary efforts. While I highly value the present approaches, I expect the Company, as a corporate group conducting its business on a global stage, to implement initiatives for achieving sustainability globally.

**Igashima**—In the early days as a Director of the Company, I had the impression that it would be difficult for the Company to transform itself as the scale was enormous and had a strong track record of success. However, after one and a half years, the dialogue with the management team, consisting primarily of the Board of Directors, on various issues has progressed smoothly, and the reforms aimed at resolving a number of challenges have been implemented step by step. In such an environment, I would like to make various recommendations and advice, making use of my expertise and experience. The top management, notably Chairman Inaba and President Yamaguchi, has always responded sincerely to the Outside Directors, and have listened to our various opinions and comments. This leads me to think that the Company will continue to grow. As one of the Outside Directors of FANUC, I am determined to contribute to the growth of the Company.

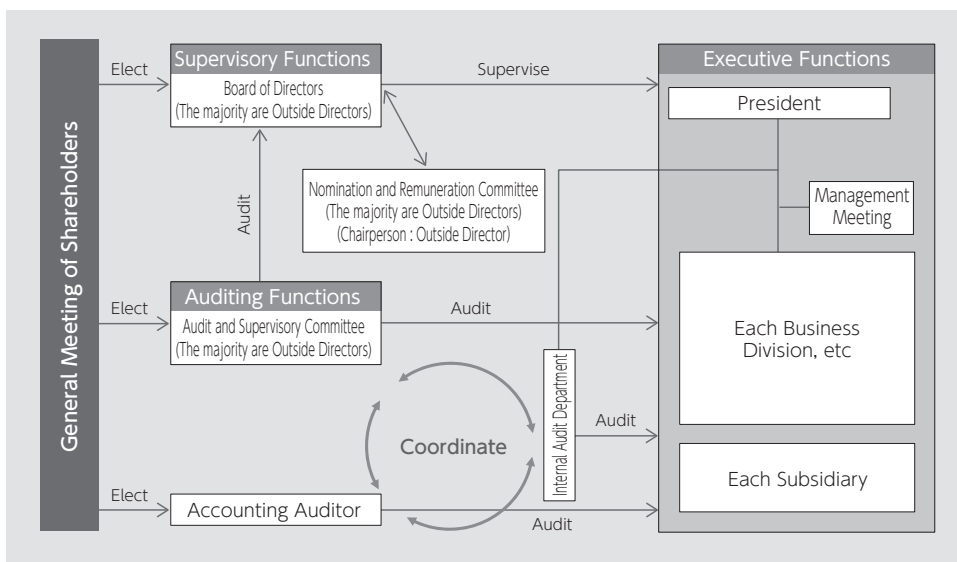
**Takeda**—In the years ahead, I expect the Company to focus on improving the following three values, and I myself, as an Outside Director, also intend to contribute. The first is “financial value.” To help the Company realize sustainable growth in the future, we will seek to achieve innovation in new fields and expand business in the field of automation, while moving forward with technological innovation in existing fields, thereby improving our earnings capacity and future growth potential by setting tangible targets to ultimately enhance our corporate value. The second is “non-financial value, mainly human resources.” Ensuring diversity is essential to new manufacturing practices that integrate with AI. Therefore, the acceleration of D&I is desired. The third is “social value,” as Director Tomita has pointed out. In February 2024, the Company was recognized as the highest rated “A-List Company” for the first time by CDP, a global environmental non-profit organization, for its leadership in corporate transparency and performance on climate change. I would like to keep providing appropriate supervision and advice so that the Company can continue to produce results like this. I will do my best to ensure that the Company further meets the expectations of multi-stakeholders through these three values.

# Enhancing Corporate Governance

## Basic Approach

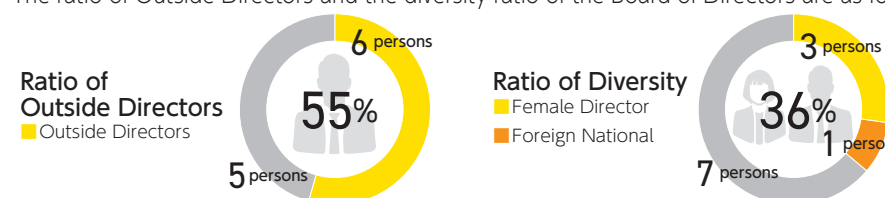
FANUC has always worked on enhancing corporate governance based on our Basic Principles of "Strict Preciseness and Transparency." In 2021, as we proceed in separating our supervisory function and executive functions, in order to further strengthen the supervisory functions of the Board of Directors and speed up management decisions, we transitioned to a Company with an Audit and Supervisory Committee, which allows us to establish Audit and Supervisory Committee consisting of Directors who are Audit and Supervisory Committee Members and to expand the delegation of decision-making authority for business execution from the Board of Directors to Directors. Since then, as a Company with an Audit and Supervisory Committee, we have been working to further strengthen the supervisory function of the Board of Directors and speed up management decision-making, including by further developing related regulations. In addition, FANUC has established the Nomination and Remuneration Committee, a majority of which comprises Independent Outside Directors, and is chaired by an Independent Outside Director. By increasing the objectivity and transparency of the appointment and evaluation of Directors, this committee ensures the strict preciseness and transparency of supervisory functions to management.

## Corporate Governance System



## Promotion Framework and Initiatives

- As a company with an Audit and Supervisory Committee, we have separated the Board of Directors (supervisory function) from the management side (executive function) to maintain the independence of each.
- The ratio of Outside Directors and the diversity ratio of the Board of Directors are as follows.



- Three of the four Audit and Supervisory Committee Members are Outside Audit and Supervisory Committee Members, one of whom is a woman.
- We continue to periodically review the contents of the Board of Directors and the Audit & Supervisory Committee from the perspectives of whether the independence of the Board of Directors and management is maintained, whether the effects of diversity are evident, and whether discussions in the Board of Directors and the Audit & Supervisory Committee are active, and make improvements as necessary.

## Criteria for Independence of Outside Directors and Outside Audit & Supervisory Board Members

With regard to Independent Outside Directors and Outside Audit & Supervisory Board Members, the Company nominates candidates who do not have any certain interest in the Company, and who can be expected to make frank comments without hesitation at Board of Directors meetings, etc. Furthermore, in order to ensure such real independence, as minimum requirements, candidates must meet each of the following conditions.

- Sales to the individual's former workplace (organization) from the Company will be under 2% of the consolidated sales of the Company, and sales to the Company from the individual's former workplace will be under 2% of the consolidated sales of the individual's former workplace.
  - The Company must not have any loans from the company from which the candidate comes (if the candidate comes from a bank.)
  - The Company must not have any important transactions such as advisory contracts with the candidate or the firm he works for (if the candidate is a lawyer or other professional.)
  - The candidate must not come from the audit firm that is the Company's Accounting Auditor.
  - There must be no other particular reasons that could give rise to a conflict of interest with the Company.
  - The candidate must not be the spouse or a relative within the second degree of anyone who does not meet the above conditions 1 through 5
- Candidates shall be expected to have an attendance rate of at least 75% at Board Meetings.
  - The appointment and dismissal of the candidates for directors, including the President and CEO, shall be conducted by the Board of Directors after consultation with the Nomination and Remuneration Committee, which is chaired by independent outside director and the majority of which is composed of independent outside directors.



## Enhancing Corporate Governance

### Nomination and Remuneration Committee

With respect to appointment and dismissal and remuneration, etc. of Directors, we have established the Nomination and Remuneration Committee, the majority of which is composed of Independent Outside Directors, to secure the objectivity and transparency, etc. of procedures through the deliberation by this Committee.

#### 〈Member〉

Outside Director Naoko Yamazaki (Chairman)

Outside Director Hiroto Uozumi

Outside Director Yoko Takeda

Outside Director who is an Audit and Supervisory Committee Member Mieko Tomita  
Director, Chairman Yoshiharu Inaba

Representative Director, President and CEO Kenji Yamaguchi

### Frequency of Board of Directors, Audit Committee Meetings and Nomination and Remuneration Committee

- In addition to the Board of Directors meets once a month in principle, it also meets as needed. (The Board of Directors held a total of 12 meetings in FY2023)
- Attendance of individual Directors at meetings of the Board of Directors and other meetings is as follows (FY2023).

	Board of Directors meetings	Audit & Supervisory Board meetings	Nomination and Remuneration Committee
Yoshiharu Inaba	12 of 12	-	4 of 4
Kenji Yamaguchi	12 of 12	-	4 of 4
Ryuji Sasuga	10 of 10	-	-
Michael J. Cicco	12 of 12	-	-
Kazuo Tsukuda	2 of 2	-	1 of 1
Naoko Yamazaki	12 of 12	-	4 of 4
Hiroto Uozumi	12 of 12	-	4 of 4
Yoko Takeda	10 of 10	-	3 of 3
Katsuo Kohari	2 of 2	2 of 2	-
Katsuya Mitsumura	2 of 2	2 of 2	-
Toshiya Okada	10 of 10	11 of 11	-
Yasuo Imai	2 of 2	2 of 2	-
Hidetoshi Yokoi	12 of 12	13 of 13	-
Mieko Tomita	12 of 12	13 of 13	3 of 4
Shigeo Igashima	10 of 10	11 of 11	-

(Notes) 1. Kazuo Tsukuda, Katsuo Kohari, Katsuya Mitsumura, and Yasuo Imai retired at the 54th Ordinary General Meeting of Shareholders of June 29, 2023, hence why his attendance record and number of meetings held differs from those of other directors.

2. Ryuji Sasuga, Yoko Takeda, Toshiya Okada, and Shigeo Igashima were newly appointed at the 54th Ordinary General Meeting of Shareholders of June 29, 2023, hence why his attendance record and number of meetings held differs from those of other directors.

### Directors' Remuneration

#### 1. Matters concerning the Policy for Determining the Details of Remunerations for Individual Directors

The Company has established a policy for determining the details of remunerations for individual Directors (excluding the Directors who are Audit and Supervisory Committee Members; the same applies hereinafter in this paragraph) (hereinafter, "Policy") in place as outlined below: (Resolved at a meeting of the Company's Board of Directors held on June 27, 2024)

- Fixed remunerations shall be determined according to the position of each Director.
- Performance-based remunerations shall be linked to the current net income attributable to the shareholders of the parent company as in the case of shareholder returns in principle, and paid according to evaluation standards, with 20% of the amount of performance-based remunerations reflecting non-financial indicators. "Employee Engagement", "ESG Evaluation Score" and "GHG Emission Reduction" are applied as such evaluation standards.
- Stock-based remuneration shall be provided as remuneration of restricted stock, taking various factors, such as the degree of contribution of the Director, into consideration in a comprehensive manner.
- Remuneration for Directors comprises fixed remuneration, performance-based remuneration and stock-based remuneration whose ratios shall be set considering his/her position, responsibility, performance, etc., in a comprehensive manner.
- Remuneration of Outside Directors shall comprise fixed remuneration only.

The Policy shall be determined by a resolution of the Board of Directors.

The performance indicator selected as the basis for calculation of amounts of performance-based remuneration is net income attributable to owners of parent. This performance indicator was chosen so that Directors (except for Directors who are Audit and Supervisory Committee Members) could share with shareholders the benefits of upturns in performance and the risks of downturns in performance. Position, duties and other factors are comprehensively considered in the calculation of the amounts of performance-linked remuneration.

Furthermore, the actual performance of the indicator relating to performance-linked remuneration for fiscal 2022 was net income attributable to owners of parent of ¥155.3 billion in fiscal 2021. Performance-linked remuneration is not tied to the degree to which targets for indicators relating to performance-linked remuneration are met, and so therefore we did not set any targets for indicators relating to performance-linked remuneration.

As for remunerations for the Directors who are Audit and Supervisory Committee Members, the amount of remuneration for the individual Directors who are Audit and Supervisory Committee Members shall be determined by consultation among the Directors who are Audit and Supervisory Committee Members.

## Enhancing Corporate Governance

### 2. Matters concerning Resolution of Shareholders' Meeting on Remunerations for the Directors

With respect to the aggregate amount of remunerations for the Directors (excluding the Directors who are the Audit and Supervisory Committee Members), it was approved at the 52nd Ordinary General Meeting of Shareholders held on June 24, 2021 that it shall be capped at the sum of (a) the fixed remuneration limit and (b) the performance-based remuneration limit specified below. Further, it was also approved that, in addition to (a) and (b), (c) stockbased remuneration may be provided to the Directors except for the Outside Directors.

- (a) Fixed remunerations of 800 million yen or less annually (including 100 million yen or less annually for the Outside Directors);
- (b) Performance-based remunerations of an amount equivalent to 0.7% or less of the current net income attributable to the shareholders of the parent company for the fiscal year immediately preceding the Meeting of Shareholders at which they are appointed or reappointed (but not exceeding an amount equivalent to three years of fixed remunerations);
- (c) The aggregate amount of monetary remuneration claims provided as stock-based remuneration (remuneration regarding restricted stock, etc.) shall be 350 million yen or less annually. Total number of such restricted stocks allotted for each fiscal year shall be capped at 28,000 shares.

As of the conclusion of the Ordinary General Meeting of Shareholders, the number of Directors (excluding the Directors who are the Audit and Supervisory Committee Members) is six (6), and it is three (3) excluding the Outside Directors. As for the aggregate amount of remunerations for the Directors who are the Audit and Supervisory Committee Members, it was approved at the 52nd Ordinary General Meeting of Shareholders held on June 24, 2021 to be capped at 200 million yen annually.

As of the conclusion of the Ordinary General Meeting of Shareholders, the number of Directors who are Audit and Supervisory Committee Members is five (5).

### 3. Matters concerning Determination on the Details of Remunerations for Individual Directors (excluding the Directors who are the Audit and Supervisory Committee Members)

When reviewing remuneration standards, the Company selects benchmark companies and also refers to remuneration standards that takes into consideration results of surveys conducted by external third-party professional organizations. At the Company, the Board of Directors then determines the details of the amount of remunerations for the Directors (excluding the Directors who are the Audit and Supervisory Committee Members) after consultation with the Nomination and Remuneration Committee majority of which are independent Outside Directors and chaired by an Outside Director. Since the amounts of remunerations for individual Directors are determined through such procedures, the Board of Directors judges that their details are in line with the Policy.

## Analysis and Evaluation of Board of Directors Effectiveness

### 1. Evaluation Policy

In order to provide indispensable values throughout the world and to continue to be a company that is trusted by all stakeholders, we place great importance on corporate governance and thoroughly adhere to our basic principles, "Genmitsu (Strict Preciseness) and Tomei (Transparency)," making every effort to further strengthen supervisory functions, expedite decisions on business execution and improve management efficiency. As part of this effort, we evaluate the effectiveness of the Board of Directors every year.

### 2. Evaluation Process

The evaluation for FY2023 was conducted based on insights given by external consultants for the purpose of understanding issues recognized by each director related to issues to be addressed, for example, matters deemed key to the effective fulfillment of roles and responsibilities of the Board of Directors (such as the structure and management of the Board of Directors and discussions on strategies), and also for the purpose of objectively confirming whether the Board of Directors is effectively fulfilling its role as expected by our shareholders and other stakeholders. We also confirmed the status of its efforts to address the issues recognized in the evaluation of the effectiveness of the Board of Directors of the previous fiscal year. In the evaluation, external consultants conducted a questionnaire survey of all directors, and then based on the results of analysis compiled by those consultants, our Board of Directors conducted reporting and discussions.

### 3. Summary of Evaluation Results

Considering the results of analysis compiled by external consultants, the Board of Directors analyzed and evaluated the effectiveness of the Board of Directors as follows:

- (1) Considering the current business environment facing the Company, as it is particularly expected of our Board of Directors to "supervise execution" and "candidly express opinions and proposal and multi-dimensional discussions about, for example, issues that are key to execution and issues that are deemed important by stakeholders," the Board of Directors was confirmed as functioning effectively with high ratings given to the fact that it is composed of a diverse group of members who are ideal for fulfilling such functions and active discussions are held, and so on.
- (2) In the evaluation of the effectiveness of the Board of Directors of the previous fiscal year, we recognized the following two points as issues:
  - (i) Supervision of the performance of duties by the execution side and presentation of opinions to strengthen the organizational structure to respond to significant changes in the external environment

## Enhancing Corporate Governance

(ii) Supervision of the performance of duties by the execution side and presentation of opinions to create a corporate culture and atmosphere that respect the spirit of challenge for sustainable growth of the Company

While our Board of Directors has positively evaluated the fact itself that improvement measures have been launched to address these issues, it has recognized that further efforts need to be made.

- (3) Further, through the current fiscal year's evaluation, it has recognized the necessity to (i) have broad discussions on business strategies, looking ahead to the future and (ii) increase opportunities for discussion on strengthening human resources for sustainable growth.

Our Board of Directors will constructively address the matters stated in (2) and (3) above and aim to contribute to sustainable growth of the Company.

## Constructive Dialogue with Shareholders

We have a Public Relations & Shareholder Relations Department to serve as a point of contact in relation to constructive dialogue with shareholders, and we are taking the following actions.

1. Overview of Public Relations & Shareholder Relations Department
 

We think we should promote dialogue with shareholders, for the sustainable growth of the Company and the medium and long-term enhancement of corporate value, while putting emphasis on our core business. We have a Public Relations & Shareholder Relations Department, as a section responsible for the promotion of constructive dialogue with shareholders both within and outside Japan.
2. Policy on Promotion of Constructive Dialogue with Shareholders
 

The Public Relations & Shareholder Relations Department works on the following as measures for the promotion of constructive dialogue with shareholders.

  - (1) Dialogue with Shareholders
 

The Public Relations & Shareholder Relations Department actively promotes dialogue by providing shareholders with opportunities to participate in various meetings, factory tours, etc. Dialogues are lively, except that information that is likely to be regarded as insider information or may interfere with our business activities is not discussed.
  - (2) Opinions, etc. Provided in Dialogue
 

To promote the sustainable growth of our Company and the medium and long-term enhancement of corporate value, we will make efforts to utilize opinions, etc., provided by shareholders through such dialogues.

## Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

1. Early Notification of General Shareholder Meeting
 

The Notice of the General Shareholders' Meeting and reference materials are sent approximately three weeks prior to the date of the meeting. The Notice of the General Shareholders' Meeting and reference materials are posted on our website in both English and Japanese approximately four weeks prior to the date of the meeting.
2. Exercise of Voting Rights by Electronic Methods
 

Shareholders can cast their votes from the website for exercise of voting right for General Meeting of Shareholders.
3. Participation in Electronic Voting Platform
 

We have adopted the use of Electronic Voting Platform for Foreign and Institutional Investors operated by ICJ, Inc.
4. Provision of Convocation Notice in English
 

We prepare an English version of documents, including the Notice of General Shareholders' Meeting, which is posted to our website approximately four weeks prior to the date of the meeting.

## Basic Policy on Return of Profit to Shareholders

Our basic policy for distributing profits to shareholders is as follows:

1. Dividends
 

We have set a dividend payout ratio of 60% as our basic policy.
2. Share buybacks
 

We will buy back our own shares in a flexible manner depending on the level of our stock price, taking into account the balance with our investments for growth.
3. Cancellation of treasury shares
 

We limit the number of our treasury shares to 5% of the total number of shares issued. As a general rule, we will cancel any portion exceeding that limit every fiscal year.

## Enhancing Corporate Governance

### Share Buyback

FANUC CORPORATION announces that the period for FANUC CORPORATION's share buyback of its common shares resolved at the Board of Directors Meeting of October 31, 2023, ended on April 30, 2024.

#### Details of share buyback resolved at the Board of Directors Meeting on October 31, 2023 and actuals

	Resolutions	Actuals	Consumption Rates
Total number of shares for buyback	Up to 6.25 million shares	1,069,900 shares	17.1%
Aggregate amount of shares for buyback	Up to 25 billion yen	4,193,898,700 yen	16.8%
Buyback period	November 1, 2023 - April 30, 2024	November 1, 2023 - April 30, 2024	—

At the meeting held on April 24, 2024, the Board of Directors of FANUC CORPORATION authorized the repurchase of its common shares pursuant to Article 156 of the Company Act as applied pursuant to paragraph 3 of Article 165 of the Company Act, as described below.

- Purpose of share buyback:  
To maintain the flexibility and mobility of the company's capital policy, in response to changes in the management environment
- Method of share buyback:  
Market purchase on the Tokyo Stock Exchange
- Summary of share buyback:

(1) Class of shares to be repurchased	Common shares
(2) Total number of shares to be repurchased	Up to 12.5 million shares (1.32% of outstanding shares*)
(3) Aggregate amount of shares to be repurchased	Up to 50 billion yen
(4) Buyback period	May 1, 2024 - April 30, 2025

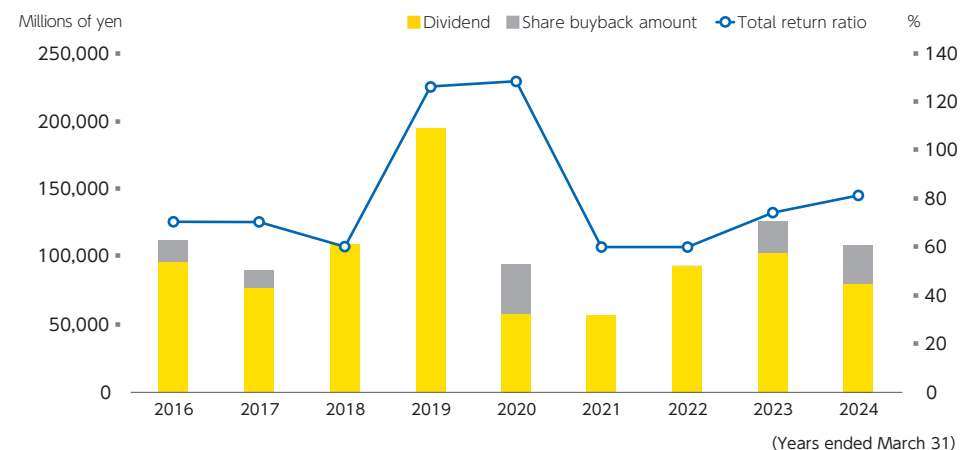
(For your Reference) Status of treasury shares as of March 31, 2024.

- Number of outstanding shares\* (\*Excluding treasury shares) 945,647,941 shares
- Treasury shares 57,426,048 shares

### Cancellation of Treasury Shares

Date of cancellation	Number of shares to be cancelled	% of the shares outstanding before cancellation
May 31, 2023	7,655,104 shares	0.76%

### Dividend payout ratio and total return ratio



# Consolidated Financial Statements

## Consolidated Statement of Income (Millions of yen)

Years ended March 31	2023	2024
<b>Net sales</b>	¥ 851,956	¥ 795,274
<b>Cost of goods sold</b>	526,549	519,430
<b>Gross profit</b>	325,407	275,844
<b>Selling, general and administrative expenses</b>	134,048	133,925
<b>Operating income</b>	191,359	141,919
<b>Non-operating income</b>		
Interest income	3,840	4,549
Dividends income	1,921	2,273
Equity in earnings of affiliates	32,371	27,540
Miscellaneous income	5,093	8,901
Total non-operating income	43,225	43,263
<b>Non-operating expenses</b>		
Removal expenses of noncurrent assets	1,287	931
Loss on sales and retirement of noncurrent assets	1,182	564
Loss on net monetary position	–	943
Miscellaneous expenses	788	989
Total non-operating expenses	3,257	3,427
<b>Ordinary income</b>	231,327	181,755
<b>Extraordinary losses</b>		
Impairment losses	1,224	–
Total extraordinary losses	1,224	–
<b>Income before income taxes</b>	230,103	181,755
<b>Income taxes-current</b>	66,853	48,413
<b>Income taxes for prior periods</b>	–	3,212
<b>Income taxes-deferred</b>	(10,664)	(5,357)
<b>Total taxes and others</b>	56,189	46,268
<b>Net income</b>	173,914	135,487
Net income attributable to non-controlling interests	3,327	2,328
Net income attributable to owners of parent	¥ 170,587	¥ 133,159

## Consolidated Statement of Comprehensive Income (Millions of yen)

Years ended March 31	2023	2024
<b>Net income</b>	¥ 173,914	¥ 135,487
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(1,486)	8,022
Foreign currency translation adjustment	26,277	55,528
Remeasurements of defined benefit plans	(827)	11,242
Share of other comprehensive income of affiliates accounted for using equity method	5,762	5,430
Total other comprehensive income	29,726	80,222
<b>Comprehensive income</b>	¥ 203,640	¥ 215,709
Comprehensive income attributable to:		
Owners of parent	200,124	212,240
Non-controlling interests	3,516	3,469

## Consolidated Financial Statements

## Consolidated Balance Sheet (Millions of yen)

Years ended March 31	2023	2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and bank deposits	¥ 512,528	¥ 522,979
Notes receivables, trade	24,824	18,990
Accounts receivable, trade	137,961	136,931
Marketable securities	16,700	16,100
Finished goods	157,888	147,545
Work in progress	92,098	91,929
Raw materials and supplies	100,591	123,072
Other current assets	20,549	20,206
Allowance for doubtful accounts	(1,399)	(1,487)
Total current assets	1,061,740	1,076,265
<b>Noncurrent assets</b>		
Property, plant and equipment		
Buildings, net	325,102	326,373
Machinery and equipment, net	55,089	49,653
Land	158,055	163,593
Construction in progress	33,102	49,285
Other, net	17,348	18,851
Total property, plant and equipment	588,696	607,755
Intangible assets	10,855	9,823
Investments and other assets		
Investment securities	159,500	184,434
Deferred tax assets	46,461	44,825
Net defined benefit asset	5,444	1,785
Others	1,302	1,254
Allowance for doubtful accounts	(462)	(104)
Total investments and other assets	212,245	232,194
Total noncurrent assets	811,796	849,772
<b>Total assets</b>	¥ 1,873,536	¥ 1,926,037

Years ended March 31	2023	2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payables, trade	¥ 56,935	¥ 42,938
Accrued income taxes	25,736	5,490
Warranty reserves	11,222	10,021
Other current liabilities	90,062	98,441
Total current liabilities	183,955	156,890
<b>Long-term liabilities</b>		
Net defined benefit liability	55,201	42,437
Other long-term liabilities	6,825	7,510
Total long-term liabilities	62,026	49,947
<b>Total liabilities</b>	245,981	206,837
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	69,014	69,014
Capital surplus	96,265	95,995
Retained earnings	1,515,662	1,540,398
Treasury stock, at cost	(130,206)	(143,573)
Total shareholders' equity	1,550,735	1,561,834
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	13,718	21,740
Foreign currency translation adjustment	67,937	127,754
Remeasurements of defined benefit plans	(17,014)	(5,772)
Total accumulated other comprehensive income	64,641	143,722
<b>Non-controlling interests</b>	12,179	13,644
<b>Total net assets</b>	1,627,555	1,719,200
<b>Total liabilities and net assets</b>	¥ 1,873,536	¥ 1,926,037

## Consolidated Financial Statements

## Consolidated Statements of Changes in Net Assets (Millions of yen)

## Year ended March 31, 2023 (April 1, 2022 - March 31, 2023)

	Shareholders' equity					Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at April 1, 2022	69,014	96,082	1,441,559	(105,950)	1,500,705	15,204	36,087	(16,187)	35,104	14,070	1,549,879
Cumulative effects of changes in accounting policies					–						–
Cumulative effects of applying inflation accounting	69,014	96,082	1,441,559	(105,950)	1,500,705	15,204	36,087	(16,187)	35,104	14,070	1,549,879
Restated balance											
Changes during the year:											
Dividends of surplus			(96,484)		(96,484)						(96,484)
Net income attributable to owners of parent			170,587		170,587						170,587
Purchase of treasury stock				(24,439)	(24,439)						(24,439)
Disposal of treasury stock		183		183	366						366
Retirement of treasury stock					–						–
Net change except shareholders' equity during the year					–	(1,486)	31,850	(827)	29,537	(1,891)	27,646
Total changes during the year	–	183	74,103	(24,256)	50,030	(1,486)	31,850	(827)	29,537	(1,891)	77,676
Balance at March 31, 2023	69,014	96,265	1,515,662	(130,206)	1,550,735	13,718	67,937	(17,014)	64,641	12,179	1,627,555

## Year ended March 31, 2024 (April 1, 2023 - March 31, 2024)

	Shareholders' equity					Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at April 1, 2023	69,014	96,265	1,515,662	(130,206)	1,550,735	13,718	67,937	(17,014)	64,641	12,179	1,627,555
Cumulative effects of changes in accounting policies			(2,945)		(2,945)						(2,945)
Cumulative effects of applying inflation accounting			(887)		(887)						(887)
Restated balance	69,014	96,265	1,511,830	(130,206)	1,546,903	13,718	67,937	(17,014)	64,641	12,179	1,623,723
Changes during the year:											
Dividends of surplus			(90,128)		(90,128)						(90,128)
Net income attributable to owners of parent			133,159		133,159						133,159
Purchase of treasury stock				(28,391)	(28,391)						(28,391)
Disposal of treasury stock		151		140	291						291
Retirement of treasury stock		(421)	(14,463)	14,884	–						–
Net change except shareholders' equity during the year						8,022	59,817	11,242	79,081	1,465	80,546
Total changes during the year	–	(270)	28,568	(13,367)	14,931	8,022	59,817	11,242	79,081	1,465	95,477
Balance at March 31, 2024	69,014	95,995	1,540,398	(143,573)	1,561,834	21,740	127,754	(5,772)	143,722	13,644	1,719,200

## Consolidated Financial Statements

## Consolidated Statement of Cash Flows (Millions of yen)

Years ended March 31	2023	2024
<b>Cash flows from operating activities</b>		
Income before income taxes	¥ 230,103	¥ 181,755
Depreciation and amortization	49,189	49,001
Impairment losses	1,224	—
Increase (decrease) in allowance for doubtful accounts	355	(410)
Increase (decrease) in net defined benefit liability	3,053	(13,496)
(Increase) decrease in net defined benefit asset	3,105	4,175
Interest and dividend income	(5,761)	(6,822)
Equity in (earnings) losses of affiliates	(32,371)	(27,540)
(Increase) decrease in receivables, trade	(3,375)	24,798
(Increase) decrease in inventories	(91,119)	12,556
Increase (decrease) in payables, trade	4,632	(18,812)
Other	1,027	10,761
Subtotal	160,062	215,966
Interest and dividends received	17,546	25,227
Income taxes paid	(78,480)	(71,503)
Other	377	2,074
Net cash provided by operating activities	¥ 99,505	¥ 171,764

Years ended March 31	2023	2024
<b>Cash flows from investing activities</b>		
Payments into time deposits	¥ (70,000)	¥ (9,290)
Proceeds from withdrawal of time deposits	44,483	50,000
Purchases of property, plant, and equipment	(47,066)	(53,884)
Other	(5,415)	(389)
Net cash used in investing activities	(77,998)	(13,563)
<b>Cash flows from financing activities</b>		
Purchases of treasury stock	(24,436)	(28,391)
Dividends paid	(96,485)	(90,096)
Other	(7,003)	(4,027)
Net cash used in financing activities	(127,924)	(122,514)
Effect of exchange rate changes on cash and cash equivalents	8,715	14,241
Net increase (decrease) in cash and cash equivalents	(97,702)	49,928
Cash and cash equivalents at beginning of year	574,655	476,953
Cash and cash equivalents at end of year	¥ 476,953	¥ 526,881



# Corporate Profile

## Outline

Company Name	FANUC CORPORATION	
Established	1972	
Principal Sites	Head office	Oshino-mura, Minamitsuru-gun, Yamanashi Prefecture
	Research and Development	Oshino-mura and Yamanakako-mura, Minamitsuru-gun, Yamanashi Prefecture
	Branches	Hino Branch (Hino City), Nagoya Branch (Komaki City), Osaka Branch (Osaka City), Hokkaido Branch (Ebetsu City), Tohoku Branch (Sendai City), Tsukuba Branch (Tsukuba City), Maebashi Branch (Maebashi City), Echigo Branch (Mitsuke City), Hakusan Branch (Hakusan City), Chugoku Branch (Okayama City), Hiroshima Branch (Hiroshima City), Kyushu Branch (Kikuyomachi, Kikuchi-gun, Kumamoto Prefecture)
	Factories	Headquarters Factory (Oshino-mura and Yamanakako-mura, Minamitsuru-gun, Yamanashi Prefecture), Mibu Factory (Mibumachi, Shimotsuga-gun, Tochigi Prefecture), Tsukuba Factory (Chikusei City), Hayato Factory (Kirishima City)
	Training	FANUC ACADEMY (Oshino-mura, Minamitsuru-gun, Yamanashi Prefecture)
Number of employees	The Company 4,689 The FANUC Group 9,970	
Principal Subsidiaries	FANUC America Corporation, FANUC Europe Corporation, KOREA FANUC CORPORATION, TAIWAN FANUC CORPORATION, FANUC INDIA PRIVATE LIMITED, SHANGHAI-FANUC Robomachine CO., LTD., FANUC PERTRONICS LTD, FANUC SERVO LTD	
Principal Affiliated Companies	BEIJING-FANUC Mechatronics CO., LTD., SHANGHAI-FANUC Robotics CO., LTD.	

## Matters Concerning the Shares of the Company (Years ended March 31)

Total number of shares authorized to be issued by the Company	2,000,000,000 shares
Total number of issued shares	1,003,073,989 shares
Number of shareholders	93,169

### The ten largest shareholders

Name	Number of shares (In thousands)	Percentage of equity participation (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	221,786	23.5
Custody Bank of Japan, Ltd. (Trust Account)	95,725	10.1
Citibank, N.A. - NY, as Depository Bank for Depository Shareholders	26,249	2.8
JPMorgan Chase Bank 380055	24,983	2.6
State Street Bank West Client - Treaty 505234	19,316	2.0
The Bank of New York Mellon 140042	15,954	1.7
SSBTC Client Omnibus Account	13,729	1.5
JPMorgan Chase Bank 385781	13,247	1.4
HSBC Hong Kong - Treasury Services A/C Asian Equities Derivatives	12,284	1.3
State Street Bank and Trust Company505001	11,154	1.2

Note: The percentages of equity participation are calculated after subtracting the number of treasury shares (57,426 thousand shares) from the total number of issued shares.

## Corporate Profile

## 国内サービス拠点

## 本社

〒401-0597 山梨県南都留郡忍野村忍草3580  
Tel. (0555) 84-5555/Fax. 5512 (代)

## 日野支社

〒191-8509 東京都日野市旭が丘3-5-1  
Tel. (042) 584-1111/Fax.589-8899 (代)

## 名古屋支社

〒485-0077 愛知県小牧市西之島1918-1  
Tel. (0568) 73-7810/Fax.3799 (代)

## 名古屋サービスセンター

〒485-0802 愛知県小牧市大草5409-2  
Tel. (0120) 240-716/Fax.833 (FA)  
Tel. (0120) 240-613/Fax.673 (ロボット、ロボマシン)

## 大阪支店

〒559-0034 大阪府大阪市住之江区南港北1-3-41  
Tel. (06) 6614-2110/Fax.2121 (代)

## 北海道支店

〒069-0832 北海道江別市西野幌114-6  
Tel. (011) 385-5080/Fax.5084 (代)

## 東北支店

〒981-3206 宮城県仙台市泉区明通4-5-1  
Tel. (022) 378-7756/Fax.7759 (代)

## 筑波支店

〒305-0856 茨城県つくば市観音台1-25-1  
Tel. (029) 837-1161/Fax.1165 (代)

## 前橋支店

〒371-0846 群馬県前橋市元総社町521-10  
Tel. (027) 251-8431/Fax.8330 (代)

## 越後支店

〒954-0111 新潟県見附市今町7-17-38  
Tel. (0258) 66-1101/Fax.1141 (代)

## 白山支店

〒924-0071 石川県白山市徳光町2394-15  
Tel. (076) 276-2044/Fax.2062 (代)

## 中国支店

〒701-0165 岡山県岡山市北区大内田834  
Tel. (086) 292-5362/Fax.5364 (代)

## 広島支店

〒732-0032 広島県広島市東区上温品1-7-3  
Tel. (082) 289-7972/Fax.7971 (代)

## 九州支店

〒869-1196 熊本県菊池郡菊陽町津久礼2522-13  
Tel. (096) 232-2121/Fax.3334 (代)

## FANUC ACADEMY

〒401-0597 山梨県南都留郡忍野村忍草3580  
Tel. (0555) 84-6030/Fax.5540

## 壬生工場

〒321-0234 栃木県下都賀郡壬生町大字羽生田3101

## 筑波工場

**筑波1区**  
〒300-4522 茨城県筑西市向上野1500-2

**筑波2区**

〒300-4541 茨城県筑西市松原284-4

## 隼人工場

〒899-5116 鹿児島県霧島市隼人町内2277

## 海外サービス拠点

## ■ The Americas

## FANUC America Corporation

Detroit, U.S.A. Tel. (1) 248-377-7000  
Chicago, U.S.A. Tel. (1) 847-898-5000  
ROBOT and ROBOT system development, manufacture, sales and services; CNC, LASER and ROBODRILL sales and services

## ■ Europe

## FANUC Europe Corporation, S.A.

Luxembourg Tel. (352) 72-7777-1  
CNC, LASER, ROBOT and ROBOMACHINE sales and services; ROBOT system development, manufacture, sales and services

## ■ Asia

## BEIJING-FANUC Mechatronics CO., LTD.

Beijing, China Tel. (86) 10-6298-4726  
CNC manufacture, sales and services; LASER sales and services

## SHANGHAI-FANUC Robotics CO., LTD.

## SHANGHAI-FANUC ROBOMACHINE CO., LTD.

Shanghai, China Tel. (86) 21-5032-7700  
ROBOT system development, manufacture, sales and services; ROBOT and ROBOMACHINE sales and services

## KOREA FANUC CORPORATION

Changwon City, Korea Tel. (82) 55-278-1200  
CNC, LASER, ROBOT, ROBOT system and ROBOMACHINE sales and services

## TAIWAN FANUC CORPORATION

Taichung, Taiwan Tel. (886) 4-2359-9101  
CNC manufacture, sales and services; LASER, ROBOT and ROBOT system sales and services

## FANUC INDIA PRIVATE LIMITED

Bangalore, India Tel. (91) 80-2852-0057  
CNC manufacture, sales and services; ROBOT system development, manufacture, sales and services; LASER, ROBOT and ROBOMACHINE sales and services

## FANUC THAI LIMITED

Bangkok, Thailand Tel. (66) 2-714-6111  
CNC, ROBOT, ROBOT system and ROBOMACHINE sales and services; LASER services

## FANUC MECHATRONICS (MALAYSIA) SDN. BHD.

Kuala Lumpur, Malaysia Tel. (60) 3-3082-1222  
CNC, ROBOT, ROBOT system and ROBOMACHINE sales and services; LASER services

## PT. FANUC INDONESIA

Jakarta, Indonesia Tel. (62) 21-4584-7285  
CNC, ROBOT, ROBOT system and ROBOMACHINE sales and services; LASER services

## FANUC SINGAPORE PTE. LTD.

Singapore Tel. (65) 6-220-3911  
CNC, LASER, ROBOT and ROBOMACHINE sales and services

## FANUC PHILIPPINES CORPORATION

Manila, Philippines Tel. (63) 49-546-0178 (63) 49-546-0179  
CNC, LASER, ROBOT and ROBOMACHINE services

## FANUC VIETNAM COMPANY LIMITED

Ho Chi Minh, Vietnam Tel. (84) 28-7309-7970  
CNC, LASER, ROBOT and ROBOMACHINE services

## FANUC OCEANIA PTY. LIMITED

Sydney, Australia Tel. (61) 2-8822-4600  
CNC, LASER, ROBOT and ROBOMACHINE sales and services

## ■ South Africa

## FANUC SOUTH AFRICA (PROPRIETARY) LIMITED

Johannesburg, South Africa Tel. (27) 11-392-3610  
ROBOT system development, manufacture, sales and services; CNC, ROBOT, ROBODRILL and ROBOCUT sales and services; LASER services

# External Recognitions

## Inclusion in Major ESG Stock Indexes

- FTSE Blossom Japan Index (2020~)



- FTSE4Good Global Index (2021~)



- FTSE Blossom Japan Sector Relative Index (2022~)



FTSE Russell confirms that FANUC CORPORATION has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE4Good, the FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index. Created by the global index and data provider FTSE Russell, the FTSE4Good, the FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index are designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good, the FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index are used by a wide variety of market participants to create and assess responsible investment funds and other products.

- MSCI Japan ESG select leaders index (2022~)



- MSCI Japan SRI Indexes (2022~)

- S&P/JPX carbon efficient index (2018~)



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## Sustainability Assessment

- MSCI

Since 2023, Fanuc received a MSCI ESG rating of AAA.



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- CDP

In 2023, FANUC was evaluated "A" in the Climate Change program and "B" in the Water Security program by the CDP.



- Sustainalytics

In 2024, FANUC CORPORATION received an ESG Risk Rating of 22.3 and was assessed by Sustainalytics to be at Medium risk of experiencing material financial impacts from ESG factors.



## Evaluation of Innovation

- Clarivate Top 100 Global Innovator 2024

FANUC has been selected as one of the top 100 global innovators for 2024 by the global leader in providing information and analytics, Clarivate Plc, on March 6, 2024. FANUC has also been recognized in 2012, 2013, 2022 and 2023 making this the fifth time the Company has received this honor.



## Endorsement of Initiatives

- The Task Force on Climate-Related Financial Disclosures (TCFD)

FANUC expressed its support for the Task-Force on Climate-related Financial Disclosures and its recommendations in December 2021.



- SBT (Science based targets)

Targets to reduce GHG emissions by FY 2030 are certified by the SBT (Science Based Targets) initiative.

