

(TRANSLATION)

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Securities code: 6954)
June 6, 2019

To Our Shareholders

Kenji Yamaguchi
Representative Director
President
FANUC CORPORATION
3580, Shibokusa Aza-Komanba, Oshino-mura,
Minamitsuru-gun, Yamanashi Prefecture

**Notice of Convocation of
The 50th Ordinary General Meeting of Shareholders**

Dear Shareholders,

You are cordially invited to attend the 50th Ordinary General Meeting of Shareholders of FANUC CORPORATION. The meeting will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights by either of the following methods. Hence, please review the Reference Materials for the Ordinary General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. (Japan time), Wednesday, June 26, 2019.

[Exercise of voting rights by Voting Rights Exercise Form]

Please indicate your votes for or against each of the proposals in the enclosed Voting Rights Exercise Form and return the form to us by the above-mentioned deadline.

[Exercise of voting rights by electronic methods (the Internet)]

Please access the website (<https://www.tosyodai54.net>) and enter your votes for or against each of the proposals in accordance with the guidance on the screen by the above-mentioned deadline. If you have any questions, please contact the administrator of FANUC CORPORATION's shareholder register, Tokyo Securities Transfer Agent Co., Ltd. (Phone: 0120-88-0768).

Description

1. **Date:** Thursday, June 27, 2019, 10:00 a.m.
2. **Place:** Main Hall, FANUC Headquarters, 3580, Shibokusa Aza-Komanba, Oshino-mura, Minamitsuru-gun, Yamanashi Prefecture
3. **Agenda of the Meeting**
 - Matters to be reported:** Report on the business report, the consolidated financial statements, the non-consolidated financial statements and the results of audit of the consolidated financial statements by the Accounting Auditors and the Audit & Supervisory Board for the 50th fiscal year (from April 1, 2018 to March 31, 2019).
 - Matters to be resolved:**
 - Item 1:** Dividends of Surplus
 - Item 2:** Election of Eleven (11) Directors
 - Item 3:** Election of Three (3) Audit & Supervisory Board Members

4. Other Matters Determined Concerning the General Meeting of Shareholders

- (1) If voting rights are exercised by both the enclosed Voting Rights Exercise Form and the electronic method, the votes exercised by the electronic method shall be effective.
- (2) If voting rights are exercised twice or more by electronic methods, the votes last exercised shall be effective.

- * **When attending the meeting, please hand the enclosed Voting Rights Exercise Form to the receptionist.**
- * Part of the Attachments to the Notice of Convocation of the General Meeting of Shareholders to be provided to you shall be deemed to be delivered to you by posting them on our Internet website (<https://www.fanuc.co.jp>).
- * In the event of any revision of the Attachments to the Notice of Convocation of the General Meeting of Shareholders and the Reference Materials for the Ordinary General Meeting of Shareholders, it will be posted on our Internet website (<https://www.fanuc.co.jp>).

Attachments to the Notice of Convocation of the General Meeting of Shareholders

BUSINESS REPORT (April 1, 2018 through March 31, 2019)

1. Summary of Current Status of the FANUC Group

(1) Business trends and achievements

In the business environment surrounding the FANUC Group during this period, although demands were generally solid at the beginning of the period, we found ourselves in a very difficult situation mainly in the latter half of the period, due primarily to the impact of the trade friction between the United States and China, and the plunge in the short-term demand in the Chinese IT-related industry, which was robust in the previous fiscal year.

Under these circumstances, the FANUC Group promoted initiatives that allow our customers to build and maintain a highly reliable, efficient, and innovative production system without anxiety through our products and services, by uniting as one group under the slogans “one FANUC,” “Reliable” “Predictable” “Easy to Repair,” and “Service First.” Furthermore, we made efforts, as IoT initiatives, to spread the FIELD system (FANUC Intelligent Edge Link and Drive system), an open platform in which various companies can participate, with enhancement of functions and enrichment of applications (including those made by partner companies), while proceeding with the application of AI technology to our products.

During the fiscal year ended March 31, 2019, FANUC posted consolidated net sales totaling ¥635,568 million, down 12.5%, consolidated ordinary income totaling ¥183,459 million, down 26.5%, and consolidated net income totaling ¥154,163 million, down 15.3%, compared with the previous fiscal year. In addition, profit from the return to the welfare fund agency of ¥25,081 million has been recorded as extraordinary income.

(Note): “Net income” in “Summary of Current Status of the FANUC Group” means “Net income attributable to owners of parent” in the Consolidated Statement of Income.

During this period, “ZDT (Zero Down Time),” a practical IoT product which minimizes the downtime at manufacturing sites to zero, won the “METI Minister’s Award and the MIC Minister’s Award in the Eighth Robot Awards program”. In addition, “FANUC ROBOANO α -NMiA,” an ultra-precision machine which enables stable ultra-precision machining, won the “Nikkan Kogyo Shimbun Best 10 New Product Awards 2018/Main Award” and the “Nikkei Business Daily Awards for Excellence/2018 Nikkei Superior Products and Services Awards.”

The following is a summary of the results for each business division:

[FA Division]

Demand in the machine tool industry, the primary market for FANUC CNC systems, remained at a high level in Japan and Europe, and were also solid in India. However, demands in China and Taiwan declined sharply from the middle of the period due to the impact of the trade friction between the United States and China, and sales in South Korea also remained sluggish due to a slowdown in domestic demand. As a result, net sales of CNC systems of the FANUC Group decreased compared with the previous fiscal year.

In terms of development, we developed the “FANUC Series 0i-F Plus,” the successor to the FANUC’s global-standard CNC “FANUC Series 0i-F.” The “FANUC Series 0i-F Plus” uses state-of-the-art control technology and improves ease of use. In the servo field, we developed “Servo Learning Oscillation,” which improves the efficiency of removing scraps, and “AI Servo Tuning,” which uses servo tuning based on machine learning to achieve advanced vibration suppression. We also enhanced our lineup in order to expand sales in various applications.

With regard to our lasers, we continued focusing efforts on expanding sales of fiber laser oscillators both domestically and abroad.

In terms of development, in our “FANUC FIBER LASER series” of fiber laser oscillators, we developed a fiber laser capable of up to 12kW of output in order to meet market needs for rapid cutting of medium-thickness plates and cutting of

thick plates. This will enable us to meet a broad range of laser application demands, and is expected to result in further sales growth.

The FA Division posted consolidated sales totaling ¥211,088 million, down 5.0% compared with the previous fiscal year, and FA Division sales accounted for 33.2% of consolidated net sales.

[ROBOT Division]

In the ROBOT Division, although sales in Japan and Europe were solid, a trough in capital investments remained in automobile industry of the Americas and sales in China were weak, especially for the general industries. As a result, sales in the ROBOT Division decreased compared with the previous fiscal year.

New developments included the addition of a small 14 kg payload model to our lineup of green “Collaborative Robots,” which do not require a safety fence and enable robots and humans to work together. We also developed an “AI paths Control function,” which estimates actual paths using an accelerometer, making improvements by learning differences between target and actual paths. This new function is expected to bring about increased sales in applications such as laser cutting and water jet processing which require high precision trajectory control. In addition, we developed the “3D Vision Sensor 3DV/600,” which can perform measurement over a wider range and at a greater speed than conventional sensors. These and other new products and functions are expected to further expand the range of applications of FANUC robots.

The ROBOT Division posted consolidated sales totaling ¥217,526 million, down 4.5% compared with the previous fiscal year. ROBOT Division sales accounted for 34.2% of consolidated net sales.

[ROBOMACHINE Division]

The short-term demand in the Chinese IT-related industry for the ROBODRILLS (compact machining center), which was robust in the previous fiscal year, had plummeted, resulting in a significant decline in sales. However, markets other than IT-related industry, such as automobile parts, generally remained favorable, and in particular, sales increased in Japan, Europe and India. In addition, sales of the ROBOSHOTS (electric injection molding machine) remained robust as in the previous fiscal year, while sales of the ROBOCUTs (wire-cut electric discharge machine) slightly decreased.

Our development work included the development of custom screens for the “FANUC ROBODRILL α -DiB series,” the “FANUC ROBOSHOT α -SiA series,” and the “FANUC ROBOCUT α -CiB series,” making it easy for peripheral device manufacturers to create screens related to their products. This will improve expandability and contribute to ROBOMACHINE product sales growth. We also improved our “QSSR” (Quick and Simple Startup of Robotization), which packages basic elements related to robot collaboration work and supports the deployment of robot systems. This makes manufacturing site automation even easier.

With regard to the ROBONANO (ultra precision machine), we developed “FANUC ROBONANO α -NTiA,” an ultra-precision lathe that uses FANUC’s latest FA technologies. It can be used for stable production and processing of optical lens molds, and we have high expectations for future sales growth.

The ROBOMACHINE Division posted consolidated sales totaling ¥115,056 million, down 39.5% compared with the previous fiscal year. ROBOMACHINE Division sales accounted for 18.1% of consolidated net sales.

[Service Division]

The Service Division, under our slogan “Service First,” reinforced our service system, enhanced our service technology, improved our service tools, and increased efficiency through proactive introduction of IT technology. With maintaining a network of 263 service centers covering 108 countries around the world we are providing rapid maintenance service activities to minimize downtime in our customers’ factories. (Note: The number of service centers and countries covered is as of March 31, 2019).

The Service Division posted consolidated sales totaling ¥91,898 million, up 6.4% compared with the previous fiscal year. Service Division sales accounted for 14.5% of consolidated net sales.

【Efforts for IoT and AI】

In our support for IoT technology, we added new features to the existing LINK*i* function of FA and ROBOMACHINE products, and released the second version of the base software used by the FIELD system, an open platform in which a wide range of companies can participate. The FIELD system is an IoT product that connects various equipment in manufacturing sites to improve productivity, and its major characteristic is that the system is able to process information on a real-time basis at the edge (machining site and assembly site) of manufacturing sites.

With regard to AI, we have collaborated with Preferred Networks, Inc. to promote the application of AI technologies to all product groups of the FA, ROBOT, and ROBOMACHINE Divisions. We will continue to differentiate ourselves from our competitors and add large amounts of value by further enhancing the intelligent functions of products through application of AI technology.

The combination of the FIELD system and AI technology is expected to have an even greater synergy effect, such as further enhancing the performance of intelligent functions of products and sharing the results thereof via IoT.

【Research and Development】

During this period, FANUC continued to actively hire new researchers and expand its laboratories aiming for higher reliability and acceleration. In this environment, in an effort to contribute to automating and increasing efficiency in customers' manufacturing, FANUC's CNC Hardware Laboratory, CNC Software Laboratory, SERVO Laboratory, Laser Laboratory, ROBOT Mechanical Development Laboratory, ROBOT Software Development Laboratory, ROBODRILL Laboratory, ROBOSHOT Laboratory, ROBOCUT Laboratory, and ROBONANO Research Department focused on developing various new competitive products and features by raising the level of "high performance", etc. rooted in high reliability, and successfully launched them in the market.

FANUC's Basic Laboratory engaged in research and development of next-generation element technologies applicable to FANUC products.

We also newly opened the FANUC Advanced Research Laboratory on the west coast of the U.S. We are engaging with the University of California, Berkeley, Stanford University, and other organizations, working to make CNCs and robots more intelligent.

(2) Capital Investment

Our capital investment during the fiscal year under review included the completion of a new robot factory in Chikusei, Ibaraki Prefecture. The factory began partial production operations in August 2018. In order to meet greater future demand, in the headquarters area, ROBOSHOT and ROBOCUT factories were expanded and a new machining factory for ROBOT, ROBOSHOT and ROBOCUT components was constructed. Other investments were made toward future growth, including investments to streamline manufacturing and strengthen our service system.

Total capital investment during the fiscal year under review was ¥133,106 million.

(3) Financing

No external funding was required since FANUC met all of its funding requirements in the fiscal year under review with its own resources.

(4) Challenges

The conditions will likely continue where the short-term demand in the IT-related industry cannot be expected. It is also anticipated that the situation will remain difficult and unpredictable in general, due to uncertain factors including the impact of the trade friction between countries and regions, tariff policies of countries, and foreign exchange fluctuations.

Even under these circumstances, the FANUC Group, looking ahead to the future, will continue management that is based on a long-term perspective and not affected by short-term events.

Based on this approach while guided by the slogan “one FANUC,” the FANUC Group will take maximum advantage of our unique strength in uniting our FA, ROBOT, and ROBOMACHINE divisions to jointly provide total solutions and please customers throughout the world.

In addition, the FANUC Group will adhere to its origins as a producer of equipment to be used at manufacturing sites and will be thorough in implementing our slogan “Reliable” “Predictable” “Easy to Repair” in product development, to minimize downtime in our customers’ factories and improve their operation rates. At the same time, as a supplier of capital goods, we will fulfill our supplier responsibility to customers by ensuring a production system that customers can rely on.

Furthermore, we will practice our basic policy of “Service First” in providing high-level services pursuant to FANUC’s global standard anywhere in the world and “lifetime maintenance” for as long as our customers use our products.

The FANUC Group believes that IoT and AI are indispensable technologies for FANUC to continue developing and launching highly competitive products on the market. By proactively adopting these technologies in all areas of the FA, ROBOT, and ROBOMACHINE products, we will further promote customers’ production efficiency.

Despite the severe business environment currently surrounding the FANUC Group, we will pursue measures to strengthen our corporate structure from a long-term perspective, such as reinforcing product competitiveness, strengthening sales and service activities, promoting the shift to automation and use of robots at factories, and enhancing administrative efficiency. We are making efforts to multiply our production sites and service centers so that we can fulfill our supplier responsibility to customers and maintain service activities in any circumstances.

United as one group in the promotion of these measures, the FANUC Group will continue to ensure the practice of “Strict Preciseness and Transparency,” FANUC’s principle since its foundation, and make efforts to gain more customer confidence and trust in the FANUC Group while adapting to dramatic changes in the environment in order to become a company that will continue forever.

Thank you for your continued support and assistance to FANUC.

(5) Assets and Profits

1) The FANUC Group

(Millions of yen)

Item	FY 2015 (47th term)	FY 2016 (48th term)	FY 2017 (49th term)	FY 2018 (50th term)
Net sales	623,418	536,942	726,596	635,568
Ordinary income	229,361	168,829	249,525	183,459
Net income	159,700	127,697	181,957	154,163
Net income per share (Yen)	816.78	658.63	938.66	795.34
Total assets	1,512,895	1,564,769	1,728,227	1,625,340
Net assets	1,334,910	1,369,457	1,467,630	1,445,146

Note: The “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018), etc. have been applied from the beginning of the fiscal year ended March 31, 2019. The standards are retroactively applied to adjust figures for the fiscal year ended March 31, 2018.

2) The Company

(Millions of yen)

Item	FY 2015 (47th term)	FY 2016 (48th term)	FY 2017 (49th term)	FY 2018 (50th term)
Net sales	457,479	399,111	572,963	470,644
Ordinary income	190,242	141,733	196,196	147,956
Net income	140,084	112,393	147,664	136,326
Net income per share (Yen)	716.46	579.70	761.75	703.31
Total assets	1,231,054	1,271,871	1,397,384	1,292,323
Net assets	1,128,807	1,155,279	1,215,001	1,173,464

Note: The “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018), etc. have been applied from the beginning of the fiscal year ended March 31, 2019. The standards are retroactively applied to adjust figures for the fiscal year ended March 31, 2018.

(6) Principal Businesses

The principal businesses of the FANUC Group are the development, manufacture, sale, and maintenance service of the products described in the following table:

Division	Main products
FA Division	CNC systems (CNC and servo motors), lasers
ROBOT Division	Robots (including robot systems)
ROBOMACHINE Division	ROBODRILL (compact machining center), ROBOSHOT (electric injection molding machine), ROBOCUT (wire-cut electric discharge machine), ROBONANO (ultra precision machine)

In addition to the above, we also engaged in business related to the FIELD system, an open IoT platform for manufacturing sites.

(7) Principal Sites

Head office	Oshino-mura, Minamitsuru-gun, Yamanashi Prefecture
Laboratories	CNC Hardware Laboratory, CNC Software Laboratory, SERVO Laboratory, Laser Laboratory, ROBOT Mechanical Development Laboratory, ROBOT Software Development Laboratory, ROBODRILL Laboratory, ROBOSHOT Laboratory, ROBOCUT Laboratory, ROBONANO Research Department, Basic Laboratory (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 (Kikuyo-machi, Kikuchi-gun, Kumamoto Prefecture)
Factories	Headquarters Factory (Oshino-mura and Yamanakako-mura, Minamitsuru-gun, Yamanashi Prefecture), Mibu Factory (Mibu-machi, Shimotsuga-gun, Tochigi Prefecture), Tsukuba Factory (Chikusei City), Hayato Factory (Kirishima City)
Training Centers	FANUC ACADEMY (Oshino-mura, Minamitsuru-gun, Yamanashi Prefecture)

(8) Employees

Number of employees	The Company	3,802
	The FANUC Group	7,866

(9) Principal Subsidiaries and Affiliated Companies

1) Principal Subsidiaries

Company name	Capital stock	Percentage of equity participation (%)	Principal businesses
FANUC America Corporation	US\$157,300 thousand	100	Development, manufacture, sale and maintenance services of robots and robot systems as well as sale and maintenance services of CNC systems, lasers and ROBODRILL
FANUC Europe Corporation	€ 110,961 thousand	100	Sale and maintenance services of CNC systems, lasers, robots, ROBODRILL, ROBOSHOT and ROBOCUT as well as manufacture, sale and maintenance services of robot systems
KOREA FANUC CORPORATION	Won 32,364 million	94	Sale and maintenance services of CNC systems, lasers, robots, ROBODRILL, ROBOSHOT and ROBOCUT as well as manufacture, sale and maintenance services of robot systems
TAIWAN FANUC CORPORATION	NT\$1,448 million	100	Knock-down manufacture, sale and maintenance services of CNC systems, sale and maintenance services of lasers and robots, as well as manufacture, sale and maintenance services of robot systems
FANUC INDIA PRIVATE LIMITED	Rupee 290 million	100	Sale and maintenance services of CNC systems, lasers, robots, ROBODRILL, ROBOSHOT and ROBOCUT, as well as manufacture, sale and maintenance services of robot systems
SHANGHAI-FANUC Robomachine CO., LTD.	US\$21,000 thousand	51	Sale and maintenance services of ROBODRILL, ROBOSHOT and ROBOCUT
FANUC PERTRONICS LTD	¥327 million	100	Manufacture of parts of CNC systems, lasers, robots, ROBODRILL, ROBOSHOT and ROBOCUT
FANUC SERVO LTD	¥450 million	100	Manufacture of servo motors

Note: The newly established company SHANGHAI-FANUC Robomachine CO., LTD. was subsequently assigned the sales and maintenance services business of ROBODRILL, ROBOSHOT and ROBOCUT of the SHANGHAI-FANUC Robotics CO., LTD., an affiliated company of the Company, and became a consolidated subsidiary of the Company from the period.

2) Principal Affiliated Companies

Company name	Capital stock	Percentage of equity participation (%)	Principal businesses
BEIJING-FANUC Mechatronics CO., LTD.	US\$11,300 thousand	50	Knock-down manufacture, sale and maintenance services of CNC systems as well as sale and maintenance services of lasers
SHANGHAI-FANUC Robotics CO., LTD.	US\$12,000 thousand	50	Sale and maintenance services of robots, as well as manufacture, sale and maintenance services of robot systems

2. Matters Concerning the Shares of the Company

- (1) Total number of shares authorized to be issued by the Company: **400,000,000 shares**
- (2) Total number of issued shares: **204,040,771 shares**
- (3) Number of shareholders: **62,742**

(4) The ten largest shareholders:

Name	Number of shares (In thousands)	Percentage of equity participation (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	28,825	14.9
Japan Trustee Services Bank, Ltd. (Trust Account)	16,213	8.4
JPMorgan Chase Bank, 380055	6,550	3.4
SSBTC Client Omnibus Account	4,475	2.3
Citibank, N.A. - NY, as Depository Bank for Depository Shareholders	4,387	2.3
Japan Trustee Services Bank, Ltd. (Trust Account 5)	3,729	1.9
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	3,436	1.8
State Street Bank West Client - Treaty 505234	3,095	1.6
JPMorgan Chase Bank 385151	3,012	1.6
The Bank of New York Mellon 140044	2,975	1.5

Note: The percentages of equity participation are calculated after subtracting the number of treasury shares (10,211 thousand shares) from the total number of issued shares.

3. Directors and Audit & Supervisory Board Members

(1) Names of Directors and Audit & Supervisory Board Members, etc.

Position	Name	Responsibilities or significant concurrent posts of other entities
Representative Director, Chairman and CEO	Yoshiharu Inaba	
Representative Director, President and COO	Kenji Yamaguchi	General Manager, FA Business Division
Representative Director, Senior Executive Vice President and CTO	Hiroyuki Uchida	General Manager, ROBOMACHINE Business Division
Representative Director, Senior Executive Vice President and CFO	Yoshihiro Gonda	General Manager, Corporate Administration Division
Director, Executive Managing Officer	Kiyonori Inaba	General Manager, ROBOT Business Division
Director, Executive Managing Officer	Hiroshi Noda	Vice General Manager (R&D), FA Business Division
Director, Executive Managing Officer	Katsuo Kohari	Vice General Manager (Sales), FA Business Division, and General Manager, Service Division
Director, Executive Managing Officer	Shunsuke Matsubara	General Manager, Research & Development Administration Division
Director, Executive Managing Officer	Toshiya Okada	Vice General Manager, Corporate Administration Division
Director	Richard E. Schneider	Chairman of FANUC America Corporation
Director	Kazuo Tsukuda	Senior Corporate Advisor of Mitsubishi Heavy Industries, Ltd.
Director	Yasuo Imai	Vice Chairman of AIR WATER INC.
Director	Masato Ono	Director of authorized NPO, the Gold Ribbon Network
Standing Audit & Supervisory Board Member	Shunsuke Kimura	
Standing Audit & Supervisory Board Member	Naoki Shimizu	
Audit & Supervisory Board Member	Takeo Nakagawa	Professor Emeritus of the University of Tokyo Chairman and CEO of Fine Tech Co., Ltd.
Audit & Supervisory Board Member	Masaharu Sumikawa	Non-regular employee for specialized duties, Hitachi, Ltd. (former Executive Vice President and Executive Officer, Hitachi, Ltd.)
Audit & Supervisory Board Member	Hajime Harada	Lawyer

- Notes:
1. Directors Kazuo Tsukuda, Yasuo Imai and Masato Ono are Outside Directors.
 2. Audit & Supervisory Board Members Takeo Nakagawa, Masaharu Sumikawa and Hajime Harada are Outside Audit & Supervisory Board Members.
 3. Other significant concurrent posts:
 Outside Director Kazuo Tsukuda is also an Outside Director of Mitsubishi Research Institute, Inc., Outside Director of Keihan Holdings Co., Ltd. and Outside Director (Audit and Supervisory Committee Member) of Yamaguchi Financial Group, Inc.
 Outside Director Masato Ono is also an Outside Director of Nippon Light Metal Holdings Company, Ltd. and on August 1, 2018, he was newly appointed Director of authorized NPO, the Gold Ribbon Network. He was also a Special Advisor of Total Insurance Service Limited, from which position he retired on November 30, 2018.
 Outside Audit & Supervisory Board Member Takeo Nakagawa is also an Outside Director of TSUGAMI CORPORATION (members of the audit and supervisory committee) and Outside Director (Audit & Supervisory Committee Member) of OSG CORPORATION.
 Outside Audit & Supervisory Board Member Masaharu Sumikawa retired from a non-regular employee for specialized duties of Hitachi, Ltd. on March 31, 2019.
 None of the companies in which the Outside Directors or Outside Audit & Supervisory Board Members concurrently hold posts have special relations with FANUC CORPORATION.
 4. The Company has named the three Outside Directors Kazuo Tsukuda, Yasuo Imai and Masato Ono as Independent Directors and the three Outside Audit & Supervisory Board Members Takeo Nakagawa, Masaharu Sumikawa and Hajime Harada as Independent Auditors as defined by the Tokyo Stock Exchange and has duly notified the Tokyo Stock Exchange.

5. The following personnel changes were made, effective April 1, 2019.

Position	Name
Representative Director, Chairman	Yoshiharu Inaba
Representative Director, President and CEO	Kenji Yamaguchi

(2) Total amount of remuneration, etc., payable to the Directors and Audit & Supervisory Board Members

The total amount of remuneration, etc. payable to the Directors for the fiscal year under review was ¥3,528 million (for 13 Directors).

The total amount of remuneration, etc. payable to the Audit & Supervisory Board Members for the fiscal year under review was ¥216 million (for 5 Audit & Supervisory Board Members).

Of the above, the total amount of remuneration, etc. payable to the Outside Directors and Outside Audit & Supervisory Board Members was ¥108 million (for 3 Directors and 3 Audit & Supervisory Board Members).

The upper limit of the total annual remuneration, etc. for Directors was set at the total amount of followings by resolution of the 37th Ordinary General Meeting of Shareholders of June 28, 2006.

- 1) Fixed annual aggregate ceiling amount of ¥1 billion
- 2) Variable aggregate ceiling amount, which is set at the consolidated net profit of each half year multiplied by 1/25 of the dividend payout ratio (%). (It should be noted, however that the variable amount for the first half of the fiscal year shall be paid in the second half of the relevant fiscal year and that for the second half shall be paid in the first half of following fiscal year.)

Note: The payout ratio (%) shall be calculated in accordance with the following formula for each half year:

Payout ratio for the first half of the fiscal year (April to September)
 = Amount of interim dividend per share for said period
 ÷ Consolidated net income per share for said period × 100

Payout ratio for the second half of the fiscal year (October to March next year)
 = Amount of year-end dividend per share for said fiscal year
 ÷ (Consolidated net income per share for said fiscal year
 − consolidated net income per share for first half of said fiscal year) × 100

The upper limit of the total annual remuneration, etc. for Audit & Supervisory Board Members was set at ¥250 million by resolution of the 45th Ordinary General Meeting of Shareholders of June 27, 2014.

(3) Matters concerning the Outside Directors and Outside Audit & Supervisory Board Members

Major activities

Name	Major activities
Kazuo Tsukuda	He attended 11 of 12 meetings of the Board of Directors, and provided advice whenever necessary, based on his wide experience and knowledge he had obtained as a long-serving corporate executive.
Yasuo Imai	He attended 11 of 12 meetings of the Board of Directors, and provided advice whenever necessary, based on his wide experience and knowledge he had obtained as a long-serving corporate executive.
Masato Ono	He attended 11 of 12 meetings of the Board of Directors, and provided advice whenever necessary, based on his wide experience and knowledge he had obtained as a long-serving corporate executive.

Takeo Nakagawa	He attended all of 12 meetings of the Board of Directors and all of 4 meetings of the Audit & Supervisory Board, and provided advice whenever necessary, based on his wide experience and knowledge as he had obtained a university professor and corporate executive.
Masaharu Sumikawa	He attended all of 12 meetings of the Board of Directors and all of 4 meetings of the Audit & Supervisory Board, and provided advice whenever necessary, based on his wide experience and knowledge he had obtained as a long-serving corporate executive.
Hajime Harada	He attended all of 12 meetings of the Board of Directors and all of 4 meetings of the Audit & Supervisory Board, and provided advice whenever necessary, based on his wide experience and knowledge as he had obtained a lawyer.

Consolidated Balance Sheet

(As of March 31, 2019)

(Millions of yen)

Titles of Account	Amount	Titles of Account	Amount
(Total Assets)	1,625,340	(Liabilities)	180,194
Current assets	907,684	Current liabilities	135,067
Cash and bank deposits	607,155	Notes and accounts payable, trade	36,567
Notes and accounts receivable, trade	106,204	Accrued income taxes	15,007
Marketable securities	15,000	Warranty reserves	8,215
Finished goods	71,042	Other current liabilities	75,278
Work in process	55,174	Long-term liabilities	45,127
Raw materials and supplies	29,930	Net defined benefit liability	42,097
Other	24,302	Other long-term liabilities	3,030
Allowance for doubtful accounts	(1,123)		
Noncurrent assets	717,656	(Net assets)	1,445,146
Property, plant and equipment, at cost	574,576	Shareholders' equity	1,454,678
Buildings	301,179	Common stock	69,014
Machinery and equipment	55,823	Capital surplus	96,265
Land	145,885	Retained earnings	1,380,439
Construction in progress	56,715	Treasury stock, at cost	(91,040)
Other	14,974	Accumulated other comprehensive income	(16,903)
Intangible assets	9,603	Valuation difference on available-for-sale securities	9,111
Investments and other assets	133,477	Foreign currency translation adjustment	(6,677)
Investment securities	86,674	Remeasurements of defined benefit plans	(19,337)
Deferred income taxes	36,552	Non-controlling interests	7,371
Net defined benefit asset	6,737		
Others	3,970		
Allowance for doubtful accounts	(456)		
Total	1,625,340	Total	1,625,340

Consolidated Statement of Income

(April 1, 2018 through March 31, 2019)

(Millions of yen)

Titles of Account	Amount
Net sales	635,568
Cost of goods sold	369,761
Gross profit	265,807
Selling, general and administrative expenses	102,510
Operating income	163,297
Non-operating income	24,170
Interest and dividends income	5,705
Miscellaneous income	18,465
Non-operating expenses	4,008
Miscellaneous expenses	4,008
Ordinary income	183,459
Extraordinary income	25,081
Gain on transfer of benefit obligation relating to employees' pension fund	25,081
Income before income taxes	208,540
Total taxes and others	53,771
Income taxes – current	48,977
Income taxes – deferred	4,794
Net income	154,769
Net income attributable to non-controlling interests	606
Net income attributable to owners of parent	154,163

Non-Consolidated Balance Sheet

(As of March 31, 2019)

(Millions of yen)

Titles of Account	Amount	Titles of Account	Amount
(Total Assets)	1,292,323	(Liabilities)	118,859
Current assets	586,696	Current liabilities	87,325
Cash and bank deposits	391,501	Accounts payable	28,641
Notes receivable, trade	19,613	Accrued expenses	26,686
Accounts receivable, trade	44,008	Accrued charge	15,912
Marketable securities	15,000	Accrued income taxes	8,568
Finished goods	17,163	Warranty reserves	4,310
Work in progress	51,785	Other current liabilities	3,208
Raw materials and supplies	28,055	Long-term liabilities	31,534
Other	20,086	Allowance for employees' retirement benefits	29,212
Allowance for doubtful accounts	(515)	Other long-term liabilities	2,322
Noncurrent assets	705,627		
Property, plant and equipment, at cost	521,368	(Net assets)	1,173,464
Buildings	262,026	Shareholders' equity	1,164,611
Machinery and equipment	51,383	Common stock	69,014
Land	129,675	Capital surplus	96,057
Construction in progress	52,445	Legal capital surplus	96,057
Other	25,839	Retained earnings	1,090,580
Intangible assets	8,978	Legal retained earnings	8,252
Investments and other assets	175,281	Other retained earnings	1,082,328
Investment securities	26,961	Reserve for research and development	311,800
Stocks of subsidiaries and affiliates	109,506	Reserve for reduction entry	40
Deferred income taxes	26,096	General reserve	303,580
Prepaid pension cost	11,393	Retained earnings brought forward	466,908
Others	1,731	Treasury stock, at cost	(91,040)
Allowance for doubtful accounts	(406)	Valuation and translation adjustment	8,853
		Net unrealized holding gain on other securities	8,853
Total	1,292,323	Total	1,292,323

Non-Consolidated Statement of Income

(April 1, 2018 through March 31, 2019)

(Millions of yen)

Titles of Account	Amount
Net sales	470,644
Cost of goods sold	305,987
Gross profit	164,657
Selling, general and administrative expenses	58,805
Operating income	105,852
Non-operating income	45,970
Interest and dividends income	41,222
Miscellaneous income	4,748
Non-operating expenses	3,866
Miscellaneous expenses	3,866
Ordinary income	147,956
Extraordinary income	25,081
Gain on transfer of benefit obligation relating to employees' pension fund	25,081
Income before income taxes	173,037
Total taxes and others	36,711
Income taxes – current	32,615
Income taxes – deferred	4,096
Net income	136,326

Non-Consolidated Statement of Changes in Shareholders' Equity, Etc.

(April 1, 2018 through March 31, 2019)

(Millions of yen)

	Shareholders' equity						
	Common stock	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	
						Reserve for research and development	Reserve for reduction entry
Balance at March 31, 2018	69,014	96,057	—	96,057	8,252	311,800	42
Changes during this term							
Reversal of reserve for reduction entry							(2)
Dividends of retained earnings							
Net income							
Purchase of treasury stock							
Disposal of treasury stock			6	6			
Retirement of treasury stock			(6)	(6)			
Net change except shareholders' equity during this term							
Total changes during the term	—	—	—	—	—	—	(2)
Balance at March 31, 2019	69,014	96,057	—	96,057	8,252	311,800	40

	Shareholders' equity					Valuation and translation adjustment		Total net assets
	Retained earnings			Treasury stock, at cost	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
	Other retained earnings		Total retained earnings					
	General reserve	Retained earnings brought forward						
Balance at March 31, 2018	303,580	504,402	1,128,076	(91,020)	1,202,127	12,874	12,874	1,215,001
Changes during this term								
Reversal of reserve for reduction entry		2	—		—			—
Dividends of retained earnings		(173,665)	(173,665)		(173,665)			(173,665)
Net income		136,326	136,326		136,326			136,326
Purchase of treasury stock				(187)	(187)			(187)
Disposal of treasury stock				4	10			10
Retirement of treasury stock		(157)	(157)	163	—			—
Net change except shareholders' equity during this term						(4,021)	(4,021)	(4,021)
Total changes during the term	—	(37,494)	(37,496)	(20)	(37,516)	(4,021)	(4,021)	(41,537)
Balance at March 31, 2019	303,580	466,908	1,090,580	(91,040)	1,164,611	8,853	8,853	1,173,464

Copy of the Accounting Auditors' Report Related to the Consolidated Financial Statements (Translation)

REPORT OF INDEPENDENT AUDITORS

May 20, 2019

The Board of Directors
FANUC CORPORATION

We have audited the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in shareholders' equity, and the notes to consolidated financial statements of FANUC CORPORATION (the "Company"), applicable to its consolidated fiscal year from April 1, 2018 to March 31, 2019, pursuant to Article 444, Paragraph 4 of the Companies Act of Japan.

Responsibility of the Company's Management for Consolidated Financial Statements

The responsibility of the Company's management is to prepare and properly present the consolidated financial statements in conformity with corporate accounting standards generally accepted in Japan. It includes the establishment and enforcement of internal control that the Company's management deems necessary, to prepare and properly present the consolidated financial statements without material misstatement due to misconducts or errors.

Responsibility of Accounting Auditors

Our responsibility is to express an opinion on these consolidated financial statements from an independent standpoint based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require us to plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatement.

An audit includes performing procedures to obtain auditing evidence supporting the amounts and the disclosures in the consolidated financial statements. An auditing procedure is selected and applied, in our estimation, based on the assessment of a risk of material misstatement due to misconducts or errors in the consolidated financial statements. The purpose of the audit is not to express an opinion on the effectiveness of internal control, but, in the assessment of risks, we evaluate the internal control in relation to the preparation and proper presentation of the consolidated financial statements to make proper auditing procedures suited for the situation. An audit also includes assessing the accounting policies and methods of application thereof employed by management and estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that our audit provides a reasonable basis for our opinion.

Opinion of Auditors

We are of the opinion that the above consolidated financial statements present properly the financial position and profit and loss of the corporate group comprised of FANUC CORPORATION and its consolidated subsidiaries for the period related to the consolidated financial statements in all material respects in conformity with corporate accounting standards generally accepted in Japan.

Interest

Our firm and engagement partners have no interest in the Company which is required to be disclosed under the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC

Hitoshi Yonemura (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Isamu Ando (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Copy of the Accounting Auditors' Report Related to the Non-Consolidated Financial Statements (Translation)

REPORT OF INDEPENDENT AUDITORS

May 20, 2019

The Board of Directors
FANUC CORPORATION

We have audited the balance sheet, the statement of income, the statement of changes in shareholders' equity, the notes to non-consolidated financial statements, and the supplementary financial schedules of FANUC CORPORATION (the "Company") applicable to its 50th fiscal year from April 1, 2018 to March 31, 2019, pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act of Japan.

Responsibility of the Company's Management for Financial Statements, etc.

The responsibility of the Company's management is to prepare and properly present the financial statements and the supplementary financial schedules in conformity with corporate accounting standards generally accepted in Japan. It includes the establishment and enforcement of internal control that the Company's management deems necessary, to prepare and properly present the financial statements and the supplementary financial schedules without material misstatement due to misconducts or errors.

Responsibility of Accounting Auditors

Our responsibility is to express an opinion on these financial statements and the supplementary financial schedules from an independent standpoint based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require us to plan and perform the audit to obtain reasonable assurance as to whether the financial statements and the supplementary financial schedules are free of material misstatement.

An audit includes performing procedures to obtain auditing evidence supporting the amounts and the disclosures in the financial statements and the supplementary financial schedules. An auditing procedure is selected and applied, in our estimation, based on the assessment of a risk of material misstatement due to misconducts or errors in the financial statements and the supplementary financial schedules. The purpose of the audit is not to express an opinion on the effectiveness of internal control, but, in the assessment of risks, we evaluate the internal control in relation to the preparation and proper presentation of the financial statements and the supplementary financial schedules to make proper auditing procedures suited for the situation. An audit also includes assessing the accounting policies and methods of application thereof employed by management and estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary financial schedules.

We believe that our audit provides a reasonable basis for our opinion.

Opinion of Auditors

We are of the opinion that the above financial statements and the supplementary financial schedules present properly the financial position and profit and loss for the period related to the financial statements and the supplementary financial schedules in all material respects in conformity with corporate accounting standards generally accepted in Japan.

Interest

Our firm and engagement partners have no interest in the Company which is required to be disclosed under the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC

Hitoshi Yonemura (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Isamu Ando (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Copy of the Audit Report of the Audit & Supervisory Board (Translation)

AUDIT REPORT

We, the Audit & Supervisory Board, based on the audit report prepared by each Audit & Supervisory Board Member on the performance by the Directors of their duties during the 50th fiscal year from April 1, 2018 to March 31, 2019, prepared this audit report upon deliberation and hereby report as follows:

1. Method of Audit by the Audit & Supervisory Board Members and the Audit & Supervisory Board and the Particulars thereof:

(1) The Audit & Supervisory Board determined the audit policy, audit plans, etc. and received from each the Audit & Supervisory Board Member reports on the state of his performance of audits and the results thereof. The Board also received reports from the Directors, etc. and the Accounting Auditors on the state of performance of their duties, and sought explanations as necessary.

(2) Each Audit & Supervisory Board Member, in accordance with the auditing standards of Audit & Supervisory Board Members established by the Audit & Supervisory Board and the assignment of duties, etc. determined by the Audit & Supervisory Board, maintained constant communication with the Directors, Internal Auditing Section and other employees, etc. in an effort to collect information and improve the environment for auditing, conducted audit in accordance with the following methods.

(i) Each Audit & Supervisory Board Member attended meetings of the Board of Directors and other important meetings, received from the Directors and employees, etc. reports on the state of performance of their duties, sought explanations as necessary, inspected important decision documents, etc., and made investigation into the state of activities and property at the head office and principal business offices of the Company. With regard to its subsidiaries, we maintained constant communication, and exchanged information with the directors, Audit & Supervisory Board Members, etc. thereof, and requested the subsidiaries to render reports on their business operations as necessary.

(ii) We also monitored and verified the details of the resolutions of the Board of Directors for establishing systems to secure that the performance by the Directors of their duties will comply with laws or ordinance and the Articles of Incorporation and such other systems provided for in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as necessary to secure the adequacy of business of corporate group comprising of joint-stock corporations and its subsidiaries, as well as the status of the systems (internal control systems) established pursuant to such resolutions, as described in the business report, and we received from the Directors and employees, etc. regular reports on the state of establishment and operation thereof, sought explanations as necessary, and expressed opinions.

With regard to the internal control on financial reporting, we received from the Directors, etc. and Accounting Auditors reports on the assessment of such internal control and auditing thereof, and sought explanations as necessary. With regard to its subsidiaries, we maintained constant communication, and exchanged information with the directors, Audit & Supervisory Board Members, etc. thereof, and requested the subsidiaries to render reports on their business operations as necessary. In accordance with such methods, we investigated the business report and its supplementary schedules for the fiscal year under review.

(iii) We also monitored and verified whether the Accounting Auditors had maintained an independent position and conducted adequate audits, received from the Accounting Auditors reports on the state of performance of their duties, and requested explanations as necessary. In addition, we received from the Accounting Auditors a notice that the “systems to secure adequate performance of duties” (as listed in the items of Article 131 of the Ordinance for Corporate Accounting) had been established in accordance with the “Standard for Quality Control Concerning Audits” (the Business Accounting Council, October 28, 2005), and requested explanations as necessary.

In accordance with such methods, we investigated the business report and its supplementary schedules, non-consolidated financial statements (the non-consolidated balance sheet, the non-consolidated statement of income, the

non-consolidated statement of changes in shareholders' equity, etc. and the notes to non-consolidated financial statements) and the supplementary financial schedules, as well as the consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in shareholders' equity, etc. and the notes to consolidated financial statements), for the fiscal year under review.

2. Results of Audit:

(1) Results of audit of the business report, etc.:

We are of the opinion:

- (i) That the business report and its supplementary schedules fairly present the state of the Company in accordance with laws and ordinances and the Articles of Incorporation;
- (ii) That in connection with the performance by the Directors of their duties, no dishonest act or material fact of violation of laws and ordinances and the Articles of Incorporation exists; and
- (iii) That the details of the resolutions of the Board of Directors on internal control systems are proper and that the contents of business report and performance by the Directors of their duties concerning such internal control systems, including internal control system on financial reporting, contains nothing to be pointed out.

(2) Results of audit of the non-consolidated financial statements and the supplementary financial schedules:

We are of the opinion that the method and results of the audit made by the Account Auditors, Ernst & Young ShinNihon LLC, are proper.

(3) Results of audit of the consolidated financial statements:

We are of the opinion that the method and results of the audit made by the Account Auditors, Ernst & Young ShinNihon LLC, are proper.

May 21, 2019

Audit & Supervisory Board
FANUC CORPORATION

Shunsuke Kimura (seal)
Standing Audit & Supervisory Board Member

Naoki Shimizu (seal)
Standing Audit & Supervisory Board Member

Takeo Nakagawa (seal)
Outside Audit & Supervisory Board Member

Masaharu Sumikawa (seal)
Outside Audit & Supervisory Board Member

Hajime Harada (seal)
Outside Audit & Supervisory Board Member

Reference Material for the Ordinary General Meeting of Shareholders

Item 1 Dividends of Surplus

Our shareholder return policy was announced on April 27, 2015, as per the following.

1. Dividends

In order to further enhance the distribution of profits to our shareholders in the long term, we have decided, as our basic policy, to implement a dividend payout ratio of 60% of our consolidated net profit for the full fiscal year.

2. Share buybacks

We aim to buy back our own shares in a flexible manner depending on the level of our stock prices, taking into account the balance with our investment in growth, and where the Five-Year Average Total Return Ratio (*) does not exceed 80%.

(*) Five-Year Average Total Return Ratio means the ratio of the total combined amount of dividends and the total amount of share buybacks, over the total amount of our consolidated net profit for a five-year period.

3. Cancellation of treasury shares

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

Since the announcement of the above policy on April 27, 2015, we have carried out the distribution of profits to shareholders based on the policy. For the year-end dividends of this fiscal year, we will pay the amount equivalent to about a half of the additionally required distribution amount (*) to realize the Five-Year Average Total Return Ratio of the maximum of 80% for the period of the last five years including this fiscal year, as special dividends in place of a share buyback, in addition to the ordinary dividends of 60% of our consolidated second half net income.

[* (The total amount of net income for each fiscal year from the fiscal year ended March 31, 2015 to the fiscal year ended March 31, 2019) × 20%]
- (the total amount of share buybacks and special dividends that were already carried out in each relevant fiscal year.)

The dividend for the full fiscal year will be ¥1,003.11 per share, in total with the dividend for the first half of the fiscal year that has been paid in December, 2018 (¥598.19 per share), resulting in ¥404.92 per share for the second half.

(1) Type of dividend asset

Cash

(2) Allocation of dividend assets to shareholders and total amount of allocation

¥404.92 per share of common stock (dividend payout ratio (Consolidated): 108.3%)

Breakdown of dividend

Ordinary dividend: ¥224.34 per share (dividend payout ratio (Consolidated): 60.0%)

Special dividend: ¥180.58 per share (dividend payout ratio (Consolidated): 48.3%)

Total amount of payout: ¥78,485,744,425




(3) Effective date of dividend payment





June 28, 2019




Item 2 Election of Eleven (11) Directors


The term of office of the thirteen (13) Directors will expire at the conclusion of the meeting. Accordingly, the election of the following eleven (11) Directors is proposed.

The eleven (11) candidates for Director are as follows:

Candidates' number	Name (Date of birth)	Personal history, position and responsibilities		Number of shares of the Company held by candidate
1	 Yoshiharu Inaba (July 23, 1948) Renominated	April 1973 September 1983 June 1989 June 1992 June 1995 May 2001 June 2003 June 2016 April 2019	Joined Isuzu Motors Limited Joined the Company Appointed Director of the Company Appointed Senior Vice President (<i>Director</i>) of the Company Appointed Executive Vice President (<i>Director</i>) of the Company Appointed Senior Executive Vice President (<i>Representative Director</i>) of the Company Appointed President and CEO (<i>Representative Director</i>) of the Company Appointed Chairman and CEO (<i>Representative Director</i>) of the Company Appointed Chairman (<i>Representative Director</i>) of the Company (to the present)	5,000 shares
2	 Kenji Yamaguchi (August 6, 1968) Renominated	April 1993 October 2000 June 2003 April 2007 June 2008 February 2012 October 2013 June 2016 April 2019	Joined the Company Manager, Section 1, Dept. 1, Robot Laboratory of the Company General Manager, Manufacturing Technology of the Company General Manager, Headquarters Factories of the Company General Manager, Factories Division of the Company Appointed Executive Vice President (<i>Director</i>) of the Company Appointed Senior Executive Vice President (<i>Director</i>) of the Company Appointed Senior Executive Vice President (<i>Representative Director</i>) of the Company Appointed President and COO (<i>Representative Director</i>) of the Company General Manager, FA Business Division of the Company Appointed President and CEO (<i>Representative Director</i>) of the Company (to the present)	2,000 shares
3	 Hiroyuki Uchida (June 12, 1958) Renominated	April 1982 April 1996 June 1997 April 2001 June 2006 October 2013 June 2016	Joined the Company Deputy General Manager, Servo Laboratory of the Company Appointed Director of the Company Appointed Senior Vice President (<i>Director</i>) of the Company Appointed Executive Vice President (<i>Director</i>) of the Company Appointed Senior Executive Vice President (<i>Representative Director</i>) of the Company General Manager, ROBOMACHINE Business Division of the Company (to the present) Appointed Senior Executive Vice President and CTO (<i>Representative Director</i>) of the Company (to the present)	1,896 shares

Candidates' number	Name (Date of birth)	Personal history, position and responsibilities		Number of shares of the Company held by candidate
4	 Yoshihiro Gonda (July 24, 1960) Renominated	April 1984 October 2000 June 2001 June 2007 February 2012 October 2013 June 2016	Joined the Company Assistant to the Group Executive, Finance Group (Purchasing) of the Company Appointed Director of the Company Appointed Executive Vice President (<i>Director</i>) of the Company Appointed Senior Executive Vice President (<i>Director</i>) of the Company Appointed Senior Executive Vice President (<i>Representative Director</i>) of the Company General Manager, Corporate Administration Division of the Company (to the present) Appointed Senior Executive Vice President and CFO (<i>Representative Director</i>) of the Company (to the present)	1,964 shares
5	 Yutaka Saito (December 11, 1954) Newly nominated	April 1979 April 2006 April 2010 April 2014 April 2016 April 2018 February 2019	Joined Hitachi, Ltd. (Omika Factory) General Manager, Information & Control Systems Division of Hitachi, Ltd. Appointed Vice President and Executive Officer of Hitachi, Ltd. President & CEO, Information & Control Systems Company and Vice General Manager, Smart City Business Management Division of Hitachi, Ltd. Appointed Representative Executive Officer, Executive Vice President and Executive Officer of Hitachi, Ltd. President & CEO of Information & Telecommunication Systems Group and Information & Telecommunication Systems Company, and CEO of Platform Division of Hitachi, Ltd. General Manager of IoT Business Promotion Division of Hitachi, Ltd. Transferred to the Company Appointed Senior Executive Vice President of the Company (to the present) Responsible for IoT of the Company (to the present) General Manager, FIELD Promotion Division of the Company (to the present)	1,000 shares
6	 Kiyonori Inaba (February 13, 1978) Renominated	January 2009 May 2013 June 2013 October 2013 June 2016	Joined the Company General Manager, Robot Laboratory of the Company Appointed Director of the Company Appointed Executive Vice President (<i>Director</i>) of the Company General Manager, ROBOT Business Division of the Company (to the present) Appointed Executive Managing Officer (<i>Director</i>) of the Company (to the present)	1,000 shares
7	 Hiroshi Noda (May 8, 1963) Renominated	April 1989 January 2002 June 2003 March 2011 October 2013 May 2014 June 2016 April 2019	Joined the Company Senior Vice General Manager, CNC Laboratory of the Company Appointed Director of the Company Appointed Senior Vice President (<i>Director</i>) of the Company Appointed Executive Vice President (<i>Director</i>) of the Company Vice General Manager (R&D), FA Business Division of the Company Appointed Executive Managing Officer (<i>Director</i>) of the Company (to the present) General Manager, FA Business Division of the Company (to the present)	1,000 shares

Candidates' number	Name (Date of birth)	Personal history, position and responsibilities		Number of shares of the Company held by candidate
8	 Richard E. Schneider (August 14, 1956) Renominated	February 1984 July 1991 September 1997 June 2006 June 2011 June 2013 October 2013 April 2016 July 2016	Joined FANUC America Corporation ("FAC") Appointed Vice President of FAC Appointed President of FAC Appointed Director of the Company Appointed Executive Vice President (<i>Director</i>) of the Company Appointed Director of the Company (to the present) Appointed President and CEO of FAC Appointed Chairman and CEO of FAC Appointed Chairman of FAC (to the present)	500 shares
9	 Kazuo Tsukuda (September 1, 1943) Outside Director Independent Director Renominated	April 1968 June 1999 April 2002 June 2003 April 2008 April 2013 June 2013 June 2015	Joined Mitsubishi Heavy Industries, Ltd. Appointed Director (<i>Member of the Board</i>) of Mitsubishi Heavy Industries, Ltd. Appointed Managing Director (<i>Member of the Board</i>) of Mitsubishi Heavy Industries, Ltd. Appointed President (<i>Member of the Board</i>) of Mitsubishi Heavy Industries, Ltd. Appointed Chairman (<i>Member of the Board</i>) of Mitsubishi Heavy Industries, Ltd. Appointed Senior Executive Advisor (<i>Member of the Board</i>) of Mitsubishi Heavy Industries, Ltd. Appointed Senior Corporate Advisor of Mitsubishi Heavy Industries, Ltd. (to the present) Appointed Director of the Company (to the present) (Significant concurrent posts of other entities) Senior Corporate Advisor of Mitsubishi Heavy Industries, Ltd. Outside Director of Mitsubishi Research Institute, Inc. Outside Director (Audit and Supervisory Committee Member) of Yamaguchi Financial Group, Inc. (Attendance at the Board of Directors meetings held during this period) 92% (11 of 12)	0 shares
10	 Yasuo Imai (October 22, 1948) Outside Director Independent Director Renominated	July 1971 July 2002 July 2003 July 2004 July 2006 April 2007 June 2007 April 2008 June 2011 June 2015 April 2017	Joined the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry) Appointed Director - General, Manufacturing Industries Bureau of the ministry Appointed Commissioner of Japan Patent Office Appointed Adviser of Japan Industrial Policy Research Institute Appointed Senior Managing Executive Officer, Executive Vice President of Pipe & Tube Company, of Sumitomo Metal Industries, Ltd (currently NIPPON STEEL CORPORATION) Appointed Senior Managing Executive Officer, President of Pipe & Tube Company of the company Appointed Director & Senior Managing Executive Officer (<i>Member of the Board</i>), President of Pipe & Tube Company of the company Appointed Director & Executive Vice President (<i>Member of the Board</i>), President, Pipe & Tube Company of the company Appointed President, Chief Operating Officer (<i>Member of the Board</i>) of AIR WATER INC. Appointed Director of the Company (to the present) Appointed Director, Vice Chairman of the Board of AIR WATER INC. (to the present) (Significant concurrent posts of other entities) Director, Vice Chairman of the Board of AIR WATER INC. (Attendance at the Board of Directors meetings held during this period) 92% (11 of 12)	0 shares

Candidates' number	Name (Date of birth)	Personal history, position and responsibilities		Number of shares of the Company held by candidate
11	 Masato Ono (November 4, 1950) Outside Director Independent Director Renominated	April 1974 March 2006 June 2007 June 2012 June 2013 July 2017 August 2018	Joined Dai-ichi Kangyo Bank, Ltd. Appointed Executive Officer of Mizuho Bank, Ltd. Appointed Deputy President and Representative Director of Mizuho Financial Group, Inc. Appointed President and CEO (Member of the Board) of Total Insurance Service Limited Appointed Director of the Company (to the present) Appointed Special Advisor of Total Insurance Service Limited Appointed Director of authorized NPO, the Gold Ribbon Network (to the present) (Significant concurrent posts of other entities) Director of authorized NPO, the Gold Ribbon Network Outside Director of Nippon Light Metal Holdings Company, Ltd. (Attendance at the Board of Directors meetings held during this period) 92% (11 of 12)	0 shares

Notes on the candidates for Outside Directors:

1. Kazuo Tsukuda, Yasuo Imai, and Masato Ono are candidates for Outside Director as defined in Article 2, Item 15 of the Companies Act of Japan.
2. Matters concerning candidates for Outside Director

【(1) Kazuo Tsukuda】

In order to develop the Company's business steadily and to enhance its corporate value, it is quite effective to introduce to the Board of Directors an outsider's eye with a broad perspective and excellent insight. Kazuo Tsukuda has been providing the Company with extremely valuable advice, with his outstanding knowledge of manufacturing and extensive experience in corporate management, having a deep understanding of the Company's business.

Although the Company has business transactions with Mitsubishi Heavy Industries, Ltd., at which Kazuo Tsukuda serves as Senior Corporate Advisor and served as Chairman and President, the transaction value accounts for less than 0.5% of consolidated net sales of both of the companies. Therefore, there is no risk of his independence being affected by that position.

We propose the reelection of Kazuo Tsukuda, who has continued to contribute to the Company's Board of Directors from an independent position as Outside Director.

In addition, the Company has appointed Outside Director Kazuo Tsukuda as an Independent Director as defined by the Tokyo Stock Exchange and has duly notified the Tokyo Stock Exchange.

His term of office as Outside Director of the Company will have been four (4) years at the conclusion of the coming shareholder meeting.

【(2) Yasuo Imai】

After joining in the Ministry of International Trade and Industry (currently, the Ministry of Economy, Trade and Industry), Yasuo Imai had experience of being posted overseas as General Manager of the Washington Office of Japan National Oil Corporation. He successfully held a number of positions starting from the post of Deputy Director-General, Director-General of the Petroleum Department of Agency for Natural Resources and Energy. Subsequently he moved to the post of Director-General of the Manufacturing Industries Bureau, and then to the post of Commissioner of the Japan Patent Office. Based on these experiences, Yasuo Imai, being familiar with foreign affairs, has a global perspective and extensive knowledge concerning the manufacturing industry and the protection of intellectual property, etc. At the same time, he is currently an active corporate executive and is also knowledgeable about corporate management due to having more than 12 years' experience in business. Yasuo Imai has been providing the Company with extremely valuable advice as Outside Director with his extensive experience in various fields and from his broad vision.

Although the Company has business transactions with Air Water Inc., at which Yasuo Imai serves as Director, Vice Chairman of the Board, the transaction value accounts for less than 0.5% of consolidated net sales of both of the companies. Therefore, there is no risk of his independence being affected by that position.

We propose the reelection of Yasuo Imai, who has continued to contribute to the Company's Board of Directors from an independent position as Outside Director.

In addition, the Company has appointed Outside Director Yasuo Imai as an Independent Director as defined by the Tokyo Stock Exchange and has duly notified the Tokyo Stock Exchange.

His term of office as Outside Director of the Company will have been four (4) years at the conclusion of the coming shareholder meeting.

【(3) Masato Ono】

Our company has specialized in business activities in the narrow field of the automation of manufacturing and as such the Board of Directors consists mostly of Directors with engineering background focusing on its core business. Given this

context, Masato Ono has been providing the Company with extremely valuable advice on enhancing corporate value from a totally different point of view, contributing to active discussions at the meeting of the Board of Directors based on his many years of experience in management of financial institutions.

The Company has made no borrowing from Mizuho Financial Group, Inc., at which Masato Ono served as Deputy President and Representative Director, and it has been over eleven (11) years since he retired as Director of Mizuho Financial Group, Inc. Although the Company has business transactions with Total Insurance Service Limited, at which he served as Special Advisor until November 2018 and previously as President and CEO, the transaction value accounts for less than 1.0% of consolidated net sales of both of the companies. Therefore, there is no risk of his independence being affected by that position.

We propose the reelection of Masato Ono, who has continued to contribute to the Company's Board of Directors from an independent position as Outside Director.

In addition, the Company has appointed Outside Director Masato Ono as an Independent Director as defined by the Tokyo Stock Exchange and has duly notified the Tokyo Stock Exchange.

His term of office as Outside Director of the Company will have been six (6) years at the conclusion of the coming shareholder meeting.

3. We have entered into an agreement with Kazuo Tsukuda, Yasuo Imai and Masato Ono limiting their liability for damages as defined under Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the Companies Act.



Item 3 Election of Three (3) Audit & Supervisory Board Members

The term of office of Audit & Supervisory Board Members Shunsuke Kimura, Naoki Shimizu and Takeo Nakagawa will expire at the conclusion of the meeting. Accordingly, the election of the following three (3) Audit & Supervisory Board Members is proposed.

The candidates for Audit & Supervisory Board Member are as follows.

The Audit & Supervisory Board has consented to the submission of this item.

Candidates' number	Name (Date of birth)	Personal history and position		Number of shares of the Company held by candidate
1	 Katsuo Kohari (August 12, 1942) Newly nominated	April 1968 May 1976 April 2003 June 2003 June 2012 October 2013 May 2014 October 2014 June 2016	Joined Fujitsu Limited Transferred to the Company Assistant to General Manager for Sales and Service of the Company Appointed Director of the Company Appointed Senior Vice President (Director) of the Company Appointed Executive Vice President (Director) of the Company Vice General Manager (Sales), FA Business Division of the Company (to the present) General Manager, Service Division of the Company (to the present) Appointed Executive Managing Officer (<i>Director</i>) of the Company (to the present)	5,116 shares

Candidates' number	Name (Date of birth)	Personal history and position		Number of shares of the Company held by candidate
2	 Katsuya Mitsumura (June 18, 1951) Newly nominated	April 1974 March 1977 January 1982	Joined Showa Audit Corporation (current Ernst & Young ShinNihon LLC) Registered as Certified Public Accountant (to the present) Founder and head of Katsuya Mitsumura C.P.A. and Tax Accountant Office (to the present) (Significant concurrent posts of other entities) Founder and Head of Katsuya Mitsumura C.P.A. and Tax Accountant Office Director (Audit & Supervisory Committee Member) of AXELL CORPORATION Outside Director of INABA SEISAKUSHO Co., Ltd.	0 shares
3	 Hidetoshi Yokoi (August 29, 1953) Outside Audit & Supervisory Board Member Independent Auditor Newly nominated	April 1983 January 1985 July 1997 July 1998 April 2005 April 2008 May 2015 March 2019	Lecturer, Institute of Industrial Science of University of Tokyo Assistant Professor, Institute of Industrial Science of University of Tokyo Professor, Institute of Industrial Science of University of Tokyo Professor, Center for Collaborative Research of University of Tokyo Director, Center for Collaborative Research of University of Tokyo Professor, Institute of Industrial Science of University of Tokyo Field II Program Officer, Adaptable and Seamless Technology Transfer Program through Target-driven R&D of Japan Science and Technology Agency (to the present) Retired as Professor, Institute of Industrial Science of University of Tokyo (Significant concurrent posts of other entities) Field II Program Officer, Adaptable and Seamless Technology Transfer Program through Target-driven R&D of Japan Science and Technology Agency	0 shares

Notes on the candidate for Outside Audit & Supervisory Board Member:

【Hidetoshi Yokoi】

- Hidetoshi Yokoi is a candidate for Outside Audit & Supervisory Board Member as defined in Article 2, Item 16 of the Companies Act of Japan.
- Hidetoshi Yokoi has extensive knowledge in the manufacturing field as well as insight built upon his activities at Japan Science and Technology Agency, which tackles various issues in response to the needs of society. As we believe that we can expect him to provide appropriate advice with a broad perspective eyeing society as a whole based on these knowledge and insight, we propose his election as an Outside Audit & Supervisory Board Member. The Company has no business transactions with Japan Science and Technology Agency, where Hidetoshi Yokoi serves as Program Officer. Therefore, there is no risk of his independence being affected by that position.
Under the premise that this Item is approved as proposed, the Company will submit a notification to the Tokyo Stock Exchange that it has appointed Hidetoshi Yokoi as an Independent Auditor.
- If this Item is approved as proposed, the Company will enter into an agreement with Hidetoshi Yokoi limiting his liability for damages as defined under Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the Companies Act.

(For Reference) 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.

1. Business transactions between the Company and the company from which the candidate comes must amount to less than 2% of the respective consolidated sales of both companies.
2. The Company must not have any loans from the company from which the candidate comes (if the candidate comes from a bank.)
3. 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.)
4. The candidate must not come from the audit firm that is the Company's Accounting Auditor.
5. There must be no other particular reasons that could give rise to a conflict of interest with the Company.
6. 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.

- END -