

(TRANSLATION)

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(Securities code: 6954)

June 6, 2024

**To Our Shareholders**

(Commencement of measures for electronic provision: May 30, 2024)

Kenji Yamaguchi  
Representative Director  
President

**FANUC CORPORATION**

3580, Shibokusa Aza-Komanba, Oshino-mura,  
Minamitsuru-gun, Yamanashi Prefecture

**Notice of Convocation of  
The 55th Ordinary General Meeting of Shareholders**

Dear Shareholders,

We are pleased to announce that the 55th Ordinary General Meeting of Shareholders of FANUC CORPORATION will be held as described below.

In convening the meeting, the Company has taken the electronic provision measure for information included in the Reference Materials for the Ordinary General Meeting of Shareholders, etc. (Electronic Provision Measures Matters). Electronic Provision Measures Matters are posted on the Company's website as "Notice of Convocation of The 55th Ordinary General Meeting of Shareholders" and "Supplementary Materials to the Notice of Convocation of The 55th Ordinary General Meeting of Shareholders." Please access the Company's website below and check the Matters.

The Company's website: <https://fanuc.co.jp/en/ir/meeting/index.html>

In addition to the above website, Electronic Provision Measures Matters are also posted on the Tokyo Stock Exchange, Inc. (TSE) website. Please access the TSE website (TSE Listed Company Search) below, enter the Company's name (FANUC) or the securities code (6954) for search, and select "Basic information," then "Documents for public inspection/PR information" to check the Matters.

TSE website (Listed Company Search):  
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

**If you are unable to attend the meeting on the day, you may exercise your voting rights via the Internet or by the Voting Rights Exercise Form. 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, 2024.**

**[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, 2024, 10:00 a.m.
2. **Place:** FANUC Forum, 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 and Supervisory Committee for the 55th fiscal year (from April 1, 2023 to March 31, 2024).
  - Matters to be resolved:**
    - Item 1:** Dividends of Surplus
    - Item 2:** Election of Seven (7) Directors (except for Directors Who Are Audit and Supervisory Committee 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.
  - (3) If there is no indication of a vote for or against a proposal on the Voting Rights Exercise Form, this shall be treated as a vote for the proposal.

- END -

- \* When attending the meeting on the day, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- \* Please note that only shareholders eligible to exercise voting rights will be allowed inside the venue, and other persons, such as proxies who are not shareholders and persons accompanying shareholders, will not be permitted to enter (excluding persons accompanying shareholders with physical handicaps).
- \* In the event of any revision to the Electronic Provision Measures Matters, such Matters before and after the revision will be posted on the abovementioned Company website and TSE website.
- \* This document also serves as the document stating Electronic Provision Measures Matters based on the request for delivery of documents.

# Reference Material for the Ordinary General Meeting of Shareholders

## Item 1 Dividends of Surplus

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

(Announced on April 24, 2019)

1. Dividends

We have set a consolidated 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 investment in 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.

Based on the above basic policy, we propose to pay the year-end dividend for this fiscal year as follows, which makes the consolidated payout ratio, including the interim dividend paid in December 2023, at 60%.

The dividend for the full fiscal year will be ¥84.14 per share, in total with the dividend for the first half of the fiscal year that has been paid in December, 2023 (¥40.26 per share), resulting in ¥43.88 per share for the second half.

(1) Type of dividend asset

Cash

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

¥43.88 per share of common stock (dividend payout ratio (Consolidated): 60.0%)

Total amount of payout: ¥41,495,031,651

(3) Effective date of dividend payment


June 28, 2024


**Item 2 Election of Seven (7) Directors (except for Directors Who Are Audit and Supervisory Committee Members)**


The term of office of the seven (7) Directors (except for Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of the meeting. Therefore, we propose to elect seven (7) Directors (except for Directors who are Audit and Supervisory Committee Members).


The seven (7) candidates for Directors (except for Directors who are Audit and Supervisory Committee Members) are as follows:

Candidates' number	Name	Position and responsibilities at the Company	Attendance at the Board of Directors meetings	
1	Yoshiharu Inaba <input type="checkbox"/> Renominated	Director, Chairman	100% (12 of 12)	
2	Kenji Yamaguchi <input type="checkbox"/> Renominated	Representative Director, President and CEO	100% (12 of 12)	
3	Ryuji Sasuga <input type="checkbox"/> Renominated	Director, Senior Managing Officer and CFO General Manager, Corporate Finance & Facility Planning Division Manager, Secretary Department	100% (10 of 10)	
4	Michael J. Cicco <input type="checkbox"/> Renominated	Director of the Company President and CEO, FANUC America Corporation	100% (12 of 12)	
5	Naoko Yamazaki <input type="checkbox"/> Renominated	<input type="checkbox"/> Outside Director <input type="checkbox"/> Independent Director	Director	100% (12 of 12)
6	Hiroto Uozumi <input type="checkbox"/> Renominated	<input type="checkbox"/> Outside Director <input type="checkbox"/> Independent Director	Director	100% (12 of 12)
7	Yoko Takeda <input type="checkbox"/> Renominated	<input type="checkbox"/> Outside Director <input type="checkbox"/> Independent Director	Director	100% (10 of 10)


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 June 2023	Joined Isuzu Motors Limited Joined the Company Appointed Director of the Company Appointed Senior Vice President (Director) of the Company Appointed Executive Vice President (Director) of the Company Appointed Senior Executive Vice President (Representative Director) of the Company Appointed President (Representative Director) of the Company Appointed Chairman and CEO (Representative Director) of the Company Appointed Chairman (Representative Director) of the Company Appointed Chairman (Director) of the Company (to the present)	65,090 shares
		(Significant concurrent posts of other entities) Outside Director, TOPCON CORPORATION Chairman, Japan Machine Tool Builders' Association		
		(Attendance at the Board of Directors meetings held during this period) 100% (12 of 12)		
		(Reason for nomination as candidate) Yoshiharu Inaba has led the management of the Company since he was appointed President and CEO ( <i>Representative Director</i> ) in June 2003, and has served as Chairman ( <i>Director</i> ) since 2016. In order to benefit from his experiences and deep insights in management decision-making and supervision of the Company, his reappointment as Director is proposed.		

Candidates' number	Name (Date of birth)	Personal history, position and responsibilities		Number of shares of the Company held by candidate
2	 Kenji Yamaguchi (August 6, 1968)  Renominated	April 1993 June 2008 February 2012 October 2013 June 2016 April 2019	Joined 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 Appointed President and CEO ( <i>Representative Director</i> ) of the Company (to the present)	38,560 shares
		(Attendance at the Board of Directors meetings held during this period) 100% (12 of 12)		
		(Reason for nomination as candidate) Kenji Yamaguchi has been involved in research and development, manufacturing, production engineering and sales, and by having played an important role in each of these fields, he is rich in experience. He currently leads the management of the Company as President and CEO ( <i>Representative Director</i> ). In order to benefit from his experiences and deep insights in management decision-making and supervision of the Company, his reappointment as Director is proposed.		

Candidates' number	Name (Date of birth)	Personal history, position and responsibilities		Number of shares of the Company held by candidate
3	 Ryuji Sasuga (March 10, 1969)  Renominated	April 1992 April 2004  January 2010 March 2012  April 2015  July 2015 June 2017 July 2021 June 2022 June 2023  July 2023	Joined the Company Appointed Director & Manager, Finance & Accounting Department of Fanuc Europe GmbH Appointed Director & CFO of FANUC Europe Corporation Joined LIXIL Corporation Seconded to Permasteelisa S.p.A Group Financial Control Manager Rejoined the Company Manager, Group Companies Support Department of the Company Manager, Secretary Department of the Company (to the present) Appointed Managing Officer of the Company General Manager, Corporate Finance Division of the Company Appointed Senior Managing Officer and CFO of the Company Appointed Senior Managing Officer (Director) and CFO of the Company (to the present) General Manager, Corporate Finance & Facility Planning Division of the Company (to the present)	7,270 shares
		(Attendance at the Board of Directors meetings held during this period) 100% (10 of 10)		
		(Reason for nomination as candidate) Ryuji Sasuga has engaged in accounting operations at the Company and its overseas subsidiaries, and is currently involved in accounting, public relations, and shareholder relations, etc. as General Manager of the Corporate Finance & Facility Planning Division, and he has worked to strengthen our financial position as CFO. In order to benefit from his experiences and deep insights in management decision-making and supervision of the Company, his reappointment as Director is proposed.		

Candidates' number	Name (Date of birth)	Personal history, position and responsibilities		Number of shares of the Company held by candidate
4	 Michael J. Cicco (October 16, 1976)  Renominated	August 1999 November 2015 April 2016 June 2016 July 2016  June 2017 June 2020	Joined FANUC America Corporation ("FAC") Appointed Vice President ( <i>Director</i> ) of FAC Appointed President and COO ( <i>Director</i> ) of FAC Appointed Managing Officer of the Company Appointed President and CEO ( <i>Director</i> ) of FAC (to the present) Appointed Senior Managing Officer of the Company Appointed Director of the Company (to the present)	2,790 shares
		(Attendance at the Board of Directors meetings held during this period) 100% (12 of 12)		
		(Reason for nomination as candidate) Michael J. Cicco currently serves as President and CEO of FANUC America Corporation, a subsidiary responsible for the Company's business in the Americas, and has contributed to its growth and development. In order to benefit from his experiences and deep insights in management decision-making and supervision of the Company, his reappointment as Director is proposed.		

Candidates' number	Name (Date of birth)	Personal history, position and responsibilities		Number of shares of the Company held by candidate
5	 <p data-bbox="264 622 464 678">Naoko Yamazaki (December 27, 1970)</p> <p data-bbox="264 701 459 779">Outside Director Independent Director Renominated</p>	<p data-bbox="499 315 608 338">April 1996</p> <p data-bbox="499 371 651 394">September 2001</p> <p data-bbox="499 427 608 450">April 2010</p> <p data-bbox="499 506 619 528">March 2016</p> <p data-bbox="499 539 655 562">September 2017</p> <p data-bbox="499 595 600 618">June 2018</p> <p data-bbox="499 640 595 663">July 2018</p> <p data-bbox="499 696 600 719">June 2020</p> <p data-bbox="499 730 595 752">June 2021</p>	<p data-bbox="691 315 1222 371">Joined the National Space Development Agency of Japan (currently Japan Aerospace Exploration Agency (JAXA))</p> <p data-bbox="691 371 1222 427">Authorized as an astronaut to board the International Space Station</p> <p data-bbox="691 427 1262 506">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 data-bbox="691 506 1177 539">Appointed Outside Director of Nabtesco Corporation</p> <p data-bbox="691 539 1225 595">Appointed Outside Director of OPTORUN Co., Ltd. (to the present)</p> <p data-bbox="691 595 1257 651">Appointed Outside Director of TOPCON CORPORATION (to the present)</p> <p data-bbox="691 651 1190 707">Appointed Representative Director of Space Port Japan Association (to the present)</p> <p data-bbox="691 707 1166 741">Appointed Director of the Company (to the present)</p> <p data-bbox="691 741 1249 797">Appointed President of Young Astronauts Club - Japan (to the present)</p> <p data-bbox="560 808 1082 931">(Significant concurrent posts of other entities) Representative Director of Space Port Japan Association President of Young Astronauts Club - Japan Outside Director of OPTORUN Co., Ltd. Outside Director of TOPCON CORPORATION</p> <p data-bbox="560 943 1206 999">(Attendance at the Board of Directors meetings held during this period) 100% (12 of 12)</p> <p data-bbox="560 1010 1278 1581">(Reason for nomination as candidate and expected role) Naoko Yamazaki has extensive knowledge of advanced aerospace engineering and manned spacecraft systems, including robotic arms, as an engineer. She is well versed in science and technology, as well as risk management including crisis management, and has experienced extremely challenging environments as an astronaut. With her wealth of experience and insight, she has appropriately executed her duties as Outside Director in providing the Company with supervision over and advice on the Company's business. We expect that she will continue to contribute to the Company's Board of Directors from an independent position. The Company has no business transactions with Space Port Japan Association, at which Naoko Yamazaki serves as Representative Director, or with Young Astronauts Club - Japan, at which she serves as President. Therefore, there is no risk of her independence being affected by this position. As mentioned above, Naoko Yamazaki has continued to contribute to the Company's Board of Directors from an independent position. Thus her reappointment as Outside Director is proposed. In addition, the Company has appointed Outside Director Naoko Yamazaki as an Independent Director as defined by the Tokyo Stock Exchange and has duly notified the Tokyo Stock Exchange. Her term of office as Outside Director of the Company will have been four (4) years at the conclusion of the coming shareholder meeting.</p>	0 shares

Candidates' number	Name (Date of birth)	Personal history, position and responsibilities		Number of shares of the Company held by candidate
6	 <p data-bbox="276 577 440 629">Hiroto Uozumi (March 10, 1953)</p> <p data-bbox="276 651 472 730">Outside Director Independent Director Renominated</p>	<p data-bbox="502 275 608 297">April 1975</p> <p data-bbox="502 309 608 331">April 2003</p> <p data-bbox="502 383 608 405">April 2004</p> <p data-bbox="502 456 608 479">April 2005</p> <p data-bbox="502 512 596 535">July 2007</p> <p data-bbox="502 564 608 586">April 2011</p> <p data-bbox="502 620 608 642">April 2013</p> <p data-bbox="502 654 608 676">April 2015</p> <p data-bbox="502 710 608 732">April 2017</p> <p data-bbox="502 761 608 784">April 2020</p> <p data-bbox="502 813 596 835">June 2021</p> <p data-bbox="502 864 596 887">June 2022</p>	<p data-bbox="687 275 874 297">Joined Hitachi, Ltd.</p> <p data-bbox="687 309 1222 383">General Manager of Nuclear Power Systems Production Division, Nuclear Systems Division, Power and Industrial Systems Group, Hitachi, Ltd.</p> <p data-bbox="687 394 1238 468">Deputy General Manager of Hitachi Works, Power Systems Group and Vice Division Director, Nuclear Power Systems Production, Hitachi, Ltd.</p> <p data-bbox="687 479 1286 553">Deputy General Manager of Air-Conditioning Systems Division, Hitachi Plant Engineering &amp; Construction Co., Ltd.</p> <p data-bbox="687 564 1238 638">Appointed Executive Vice President of Hitachi-GE Nuclear Energy, Ltd.</p> <p data-bbox="687 649 1278 723">Appointed President and Representative Director of Hitachi-GE Nuclear Energy, Ltd.</p> <p data-bbox="687 734 1262 808">Appointed Vice President and Executive Officer, Hitachi, Ltd.</p> <p data-bbox="687 819 1222 893">Appointed Chairman of the Board of Hitachi-GE Nuclear Energy, Ltd.</p> <p data-bbox="687 904 1230 978">Senior Corporate Officer of Nuclear Energy Business Unit, Hitachi, Ltd.</p> <p data-bbox="687 990 1286 1064">Senior Corporate Officer of Nuclear Damage Compensation and Decommissioning Facilitation Corporation</p> <p data-bbox="687 1075 1270 1149">Appointed President &amp; CEO of Atomic Energy Association (to the present)</p> <p data-bbox="687 1160 1166 1234">Appointed Director of the Company (to the present)</p> <p data-bbox="560 913 1010 965">(Significant concurrent posts of other entities) President &amp; CEO of Atomic Energy Association</p> <p data-bbox="560 981 1206 1032">(Attendance at the Board of Directors meetings held during this period) 100% (12 of 12)</p> <p data-bbox="560 1048 1286 1644">(Reason for nomination as candidate and expected role) Hiroto Uozumi has a background in planning and designing nuclear power systems and manufacturing major equipment as the Head of nuclear power business at Hitachi, Ltd. He is familiar with manufacturing and company management due to his experience holding important positions at Hitachi, Ltd. and Hitachi-GE Nuclear Energy, Ltd. In addition, as the Company aims to be carbon-neutral by 2050, it is expected that his knowledge of power and energy systems, as well as decarbonization, will be utilized. With his wealth of experience and insight, he has appropriately executed his duties as Outside Director in providing the Company with supervision over and advice on the Company's business. We expect that he will continue to contribute to the Company's Board of Directors from an independent position. The Company has no business transactions with the Atomic Energy Association, at which Hiroto Uozumi serves as President &amp; CEO. Therefore, there is no risk of his independence being affected by this position. As mentioned above, Hiroto Uozumi has continued to contribute to the Company's Board of Directors from an independent position. Thus his reappointment as Outside Director is proposed. In addition, the Company has appointed Outside Director Hiroto Uozumi 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 two (2) years at the conclusion of the coming shareholder meeting.</p>	500 shares



Candidates' number	Name (Date of birth)	Personal history, position and responsibilities		Number of shares of the Company held by candidate
7	 <p>Yoko Takeda (April 13, 1971)</p> <p>Outside Director Independent Director Renominated</p>	<p>April 1994 April 2009 April 2012 October 2015 October 2017 October 2020 December 2021 October 2022 June 2023 October 2023</p>	<p>Joined Bank of Japan Joined Mitsubishi Research Institute, Inc. Chief Researcher, Center for Policy and the Economy, Chief Economist of Mitsubishi Research Institute, Inc. Deputy General Manager, Center for Policy and the Economy, Chief Economist of Mitsubishi Research Institute, Inc. General Manager, Center for Policy and the Economy, Chief Economist of Mitsubishi Research Institute, Inc. Deputy General Manager, Planning and Administration Office, Think Tank Unit General Manager, Center for Policy and the Economy, Chief Economist of Mitsubishi Research Institute, Inc. Appointed Research Fellow (to the present) Deputy General Manager, Think Tank Unit General Manager, Planning and Administration Office, Think Tank Unit General Manager, Center for Policy and the Economy, Chief Economist of Mitsubishi Research Institute, Inc. Appointed Outside Director of Ricoh Company, Ltd. (to the present) Appointed Director of the Company (to the present) Appointed Executive Officer of Mitsubishi Research Institute, Inc. (to the present) General Manager, Think Tank Unit of Mitsubishi Research Institute, Inc. (to the present)</p> <p>(Significant concurrent posts of other entities) Executive Officer and Research Fellow, General Manager, Think Tank Unit of Mitsubishi Research Institute, Inc. Outside Director of Ricoh Company, Ltd.</p> <p>(Attendance at the Board of Directors meetings held during this period) 100% (10 of 10)</p> <p>(Reason for nomination as candidate and expected role) Yoko Takeda has extensive knowledge of economic and financial conditions, having conducted research analysis of finance and the economy, and made various policy proposals at Mitsubishi Research Institute, Inc. In addition, she has various other experiences, including activities such as government commissioner on the Industrial Structure Council, etc. With her wealth of experience and insight, she has appropriately executed her duties as Outside Director in providing the Company with supervision over and advice on the Company's business. We expect that she will continue to contribute to the Company's Board of Directors from an independent position. The Company has no business transactions with Mitsubishi Research Institute, Inc., at which Yoko Takeda serves as Executive Officer, etc. Therefore, there is no risk of her independence being affected by this position. As mentioned above, Yoko Takeda has continued to contribute to the Company's Board of Directors from an independent position. Thus her reappointment as Outside Director is proposed. In addition, the Company has appointed Outside Director Yoko Takeda as an Independent Director as defined by the Tokyo Stock Exchange and has duly notified the Tokyo Stock Exchange. Her term of office as Outside Director of the Company will have been one (1) year at the conclusion of the coming shareholder meeting.</p>	0 shares

Notes:

- Naoko Yamazaki, Hiroto Uozumi, and Yoko Takeda are candidates for Outside Directors.
- We have entered into an agreement with Naoko Yamazaki, Hiroto Uozumi, and Yoko Takeda 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.
- We have entered into a directors and officers liability insurance agreement with an insurance company. The agreement covers damages that may arise due to the insured directors and officers assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. All candidates for Directors shall be included as an insured under the said insurance agreement, which is to be retained with the same terms and conditions at the next renewal.
- While Naoko Yamazaki, Hiroto Uozumi, and Yoko Takeda were in office as Outside Directors of the Company, it was discovered that ROBOCUT (wire electric discharge machine), which the Company manufactures and sells, might have been tested under conditions that do not comply with the

harmonized standards of the Europe's EMC (Electromagnetic Compatibility) Directive. They were not aware of the issue until it came to light, but regularly called the attention of participants at meetings of the Board of Directors and other forums to the importance of compliance. After the issue came to light, they have provided recommendations, etc. at meetings of the Board of Directors and other forums regarding investigations to thoroughly uncover all aspects of the issue.

(For Reference)

1. Criteria for Independence of Outside Directors

With regard to Independent Outside Directors, 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. 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.
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/she 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.

2. Composition of the Board of Directors and Expertise and Experience of Each Director If Item 2 is Approved as Originally Proposed (Skills Matrix)

Name		Gender	Corporate Management	Research & Development	Internationality	ESG/Sustainability	HR/Labor/HR Development	Legal/Risk Management	Finance/Accounting
Yoshiharu Inaba		Male	●	●	●	●	●	●	●
Kenji Yamaguchi		Male	●	●	●	●	●	●	●
Ryuji Sasuga		Male	●		●	●		●	●
Michael J. Cicco		Male	●	●	●	●	●	●	
Naoko Yamazaki	Outside	Female		●	●	●		●	
Hiroto Uozumi	Outside	Male	●	●	●	●	●	●	
Yoko Takeda	Outside	Female			●	●	●		●
Toshiya Okada	Audit and Supervisory Committee Member	Male				●		●	
Hidetoshi Yokoi	Audit and Supervisory Committee Member	Outside Male		●	●	●			
Mieko Tomita	Audit and Supervisory Committee Member	Outside Female				●	●	●	
Shigeo Igashima	Audit and Supervisory Committee Member	Outside Male				●			●

# **BUSINESS REPORT**

**(April 1, 2023 through March 31, 2024)**

## **1. Summary of Current Status of the FANUC Group**

### **(1) Business trends and achievements**

Regarding the circumstances surrounding the FANUC Group during this fiscal year (April 1, 2023 – March 31, 2024), while the impact on production activities by shortage in semiconductors and other components in the supply chain has subsided, the outlook remained uncertain due to several factors, such as the effects of global inflation, concerns of an economic slowdown due to high interest rates, and fluctuations in exchange rates. In addition, inventory adjustments from the second half of FY 2022 (the fiscal year ended March 31, 2023) had an impact on production.

Under these circumstances, the Company has done every effort to minimize the impact on the financial results through the concerted efforts of all departments, including sales divisions, R&D divisions, factories, service divisions, and administrative departments.

While facing these difficult conditions, the FANUC Group continued to push forward with initiatives towards future development, including the development of new products and new functions and increasing of production capacity at our factories.

In addition, amid the global pushing toward a carbon-free society, we recognize that climate change is an important management issue for the FANUC Group as well, as we are doing business globally, and pushed forward with development geared towards improved energy-efficiency of our products. Further, FANUC CORPORATION was recognized for leadership in corporate transparency and performance on climate change by an international non-profit organization, CDP, securing a place on its ‘A List’ for the first time in 2023.

During the fiscal year ended March 31, 2024, FANUC posted consolidated net sales totaling ¥795,274 million, down 6.7%, consolidated ordinary income totaling ¥181,755 million, down 21.4%, and net income attributable to owners of parent totaling ¥133,159 million, down 21.9%, compared with the previous fiscal year.

During this fiscal year, “FANUC *ai*-D series SERVO”, a new-generation servo system that contributes to energy saving in machine tools and industrial machinery, received Main Award at the 66th Nikkan Kogyo Shimbun Best 10 New Product Awards. In addition, the “FANUC Robot M-2000*i*A”, an industrial robot with the world’s largest payload capacity of up to 2.3 tons, was awarded the Okochi Memorial Production Prize by Okochi Memorial Foundation.

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

#### **[FA Division]**

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.

In terms of development, we released FANUC’s new CNC series “FANUC Series 500*i*-A” to address changing market needs. This CNC represents a comprehensive renewal of both hardware and software. Featuring a multicore CPU, substantially boosting processing performance, easier setup and programming for 5-axis processing machines and combined processing machines, a chassis structure that enables easy maintenance, the adoption of a new system that dispenses with the need for batteries to keep CNC and servo motor position data, an operating screen tailored to processing sites, and improvements in security and safety functions, it provides further added value to machine tools. We also upgraded the CPU for the “FANUC Series 0*i*-F Plus,” which is a popular choice across a broad range of machine tools, further boosting its basic performance, and added functions to help reduce cycle times. For servos, we released the “*ai*-D series servo”, with a full-scale renewal of the servo system, for a substantial upgrade in energy saving, performance, reliability, and ease of use.

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.

#### **[ROBOT Division]**

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.

In terms of development, we launched sales of the “FANUC R-50*i*A robot controller”, the first in the world to attain third-party certification under the IEC62443-4-1 and 4-2 international standards for security. Building on the safety recognized through this security certification, this device features ZDT (Zero Downtime), a further extension of IoT products, and enables remote maintenance through mobile phone tethering. With enhanced robot control performance, it not only doubles the on-path signal output and tracking accuracy but also features internal vision enhanced to a resolution of five-million pixels, covering a broad field of vision. In addition, it reduces power consumption through a new type of amplifier equipped with low-loss power element and an energy-saving fan, as well as a new eco-mode function.

We developed new models of robot including the “FANUC Robot M-950*i*A/500” heavy payload robot, the “M-710*i*D” mid-sized robot, and a SCARA robot and collaborative robots for food and pharmaceutical manufacturing. The “M-950*i*A/500”, which can handle up to 500kg, uses a single-arm serial link mechanism that achieves a dramatically wider range of movement than two-arm parallel link types, as well as minimal interference when rotating, enabling the flexible installation of equipment even when space is limited. In addition to transporting bulky work, it is ideal for moving batteries and other heavy components. We also updated the “FANUC Robot M-710*i*C series” for the first time in 17 years, developing the “M-710*i*D/50M”, with a payload of 50kg, as a successor to the “M-710*i*C/45M”, and the “M-710*i*D/70”, with a payload of 70kg, as a successor to the “M-710*i*C/70”. In addition to boosting their moving performance, we upgraded their dustproof and splashproof capabilities and rigidity, making them ideal for a broad range of industrial applications such as feeding and transporting components for machine tools, as well as logistics and other fields.

In addition, we developed “FANUC Robot CRX-series collaborative robots (CRX-5*i*A, CRX-20*i*A/L and CRX-30*i*A)” with food-grade grease specifications and the SCARA robot “FANUC Robot SR-12*i*A/C” with a payload of 12kg and clean environment specifications. These models are expected to provide an entry point for the introduction of robots in the food and pharmaceuticals manufacturing industries, which feature a large amount of dedicated equipment and manual operations. New products and capabilities such as these will contribute to the automation of our customers’ production sites.

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.

## **[ROBOMACHINE Division]**

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.

In terms of development, in ROBODRILL, we developed specifications of the “FANUC ROBODRILL  $\alpha$ -D*i*B Plus series” with 500mm y-axis stroke width and 28-tool storage capacity, as well as high-speed rotating table compatible with turning applications. These new developments expand the range of applications of ROBODRILL and improved its ease of use. For ROBOSHOT, we added specifications with clamp tonnage of 15 tons and 450 tons to the “FANUC ROBOSHOT  $\alpha$ -S*i*B series” to complete the lineup. For ROBOCUT, we developed the “FANUC ROBOCUT  $\alpha$ -C800*i*C” large-scale wire electrical-discharge machine, enabling a broad range of processing applications such as large-scale high-precision molds and parts.

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.

## **[Service Division]**

In the Service Division, with an emphasis on our policy of “Service First,” we strengthened the service system and improving efficiency by actively introducing IT technology. We have built the structure that covers 100 countries or more with 270 or more service locations around the world, and are carrying out prompt service activities to minimize downtime at customers’ factories.

The Service Division posted consolidated sales totaling ¥130,558 million, up 16.5% compared with the previous fiscal year. Service Division sales accounted for 16.4% of consolidated net sales.

## **【Approaches to IoT and AI】**

With regard to IoT, we enhanced our “FIELD system Basic Package”, a data platform that collects data from connected production devices and organizes, arranges, and integrates the data in an easy-to-use format. We strengthened CNC and robot data acquisition and backup functions and further increased their connectivity with our products. By linking multiple “FIELD system Basic Packages” together, we also enabled advanced integration with FANUC devices. Our “FIELD system Basic Package” safely and efficiently utilizing and analyzing data from manufacturing processes. This contributes to the optimization of the manufacturing site and the entire factory in ways such as improving equipment operating efficiency, preserving traceability data for manufactured products, and engaging in decarbonization. With regard to robots, our IoT technology of ZDT can connect robots installed in multiple factories across different countries to prevent failures and detect abnormalities. This enables users to conduct maintenance before any failure occurs, maintaining operation. At present, 35,000 robots around the world are connected through ZDT, and the technology has already prevented no less than 2,000 cases of downtime. During the fiscal year ended March 31, 2024, we focused on enhancing diagnosis and long-term log functions for spot welding and arc welding processes. We also developed a new function where ZDT analyzes operating data and displays the order of priority for maintenance on robots along the production line. This new function can be used to achieve greater efficiency in equipment maintenance work, which suffers from labor shortages. Through ZDT, we contribute to boosting the efficiency of robotic automated production lines.

With regard to AI, we are promoting the development of more practical AI functions for use in all products of FA, ROBOT, and ROBOMACHINE. Each Research and Development Division is working to develop new AI functions, improve the functions released so far, and broaden the applicable models. Our Next Generation Technology Laboratory is conducting research on basic AI functions that will serve as a foundation for the future. The Laboratory is also working on the creation of a system that guarantees the quality of AI functions, and is making improvements to the interpretability of results output by AI functions. Through initiatives related to AI technology, such as these, we aim to differentiate our products from our competitors.

## **【Research and Development】**

In an effort to contribute to automating and increasing efficiency in customers’ manufacturing, FANUC’s CNC Hardware Research and Development Division, CNC Software Research and Development Division, SERVO Research and Development Division, ROBOT Mechanical Research and Development Division, ROBOT Software Research and Development Division, Robot Application Engineering Division, ROBODRILL Research and Development Division, ROBOSHOT Research and Development Division, and ROBOCUT Research and Development Division developed various new competitive products and functions by focusing on enhancing functions and ease of use, rooted in high reliability, and successfully launched them in the market.

FANUC’s Next Generation Technology Laboratory engaged in research and development of next-generation element technologies applicable to FANUC products.

### **(2) Capital Investment**

In terms of capital investment during the fiscal year under review, we proceeded with measures such as the renewal of FA and robot manufacturing equipment to enhance production capacity for the future. We also expanded our bases in Spain, Germany and elsewhere as part of our efforts to strengthen the business in Europe. In addition, we made investments for future growth, including other investments to strengthen our service structure. Total capital investment during the fiscal year under review was ¥52,464 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**

#### **1) Possibility of ROBOCUT for Europe being subject to tests which were non-compliant with EMC Harmonized Standard**

In late March 2024, it came to our attention that ROBOCUT (wire electric discharge machine), which we manufacture and sell, might have been tested under conditions which do not comply with the harmonized standards of the EMC (Electromagnetic Compatibility) Directive (hereinafter referred to as the “subject of doubt” within this section).

FANUC has complied with laws and regulations in accordance with our basic principles of “Genmitsu (Strict Preciseness) and Tomei (Transparency),” and feel that having given rise to this issue is most regrettable, and would like to apologize deeply to our customers and all other stakeholders for causing much distress and inconvenience. We shall swiftly take necessary measures to contend with the subject of doubt, and shall exhaustively investigate the facts and cause. In case an action that infringes with the EMC Directive is found, we shall do everything in our power to prevent any recurrence and win back trust.

#### **2) Business environment and challenges**

As FANUC products are production goods that are significantly affected by economic changes, we continue management from a long-term perspective without being affected by short-term events.

Regarding the business environment surrounding the FANUC Group, with increased geopolitical risk and concerns over economic slowdown and others, it is anticipated that the situation will remain difficult and unpredictable for some time. On the other hand, the demand for factory automation is expected to grow over the mid-to-long term.

Guided by the slogan “one FANUC,” the FANUC Group will take maximum advantage of our unique strength in uniting the three businesses of FA, ROBOT, and ROBOMACHINE with SERVICE to jointly provide total solutions and take care of customers throughout the world. In particular, we perceive collaboration between CNC machine tools and Robots, and between Robomachines and Robots, as one of our key themes, and will develop products accordingly.

In addition, the FANUC Group will adhere to its origins as a producer of production goods 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 operating rates. Moreover, we will develop products with an even greater focus on ease of use, in order to respond to the increase in demands for factory automation, as acquiring skilled workers becomes more difficult.

Furthermore, we will practice our basic policy of “Service First” in providing high-level maintenance services pursuant to FANUC’s global standard anywhere in the world, and “lifetime maintenance” for as long as our customers use our products. In particular, we will continue to focus on “lifetime maintenance,” as it is one of the core strengths of the FANUC Group, which is difficult for competitors to imitate.

Moreover, we will focus on the area of factory automation, in which we can exhibit the Company’s strengths, and proactively invest in research and development with an aim to develop and launch highly competitive products to the market. In doing this, we will improve our intellectual property.

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

In addition, we aim for FANUC’s products to make a significant contribution to achieving the SDGs.

We will pursue basic measures to strengthen our corporate structure from a long-term perspective, such as reinforcing product competitiveness, strengthening sales and service activities, promoting automation and robotization in factories, reducing costs and time, and enhancing work efficiency. In addition, as a supplier of production goods, we are establishing multiple production sites and service centers in order to fulfill our responsibilities as a supplier and maintain service activities under any circumstance. Furthermore, we are also fortifying our supply chain by increasing the number of parts suppliers and maintaining appropriate inventory levels for parts.

In addition, we consider human resources as being most vital for achieving medium and long-term growth. From this perspective, we will work on the key issues of creating better working environments for our employees and further improving employee motivation. Furthermore, with an eye to the future, we will proactively invest in human capital so that we may

recruit the necessary personnel and strengthen employee training. Through these initiatives, we will continue to enhance our human capital.

With regard to management, in addition to the operating income ratio, ordinary income ratio, and ROE, market shares will also be considered to be an important business indicator, and decisions will be made comprehensively with these in mind. Furthermore, we will accurately identify its cost of capital, and shall target the average equity spread (difference between ROE and cost of capital) for five years to become a plus figure.

The FANUC Group will continue to thoroughly practice our basic principles of “Strict Preciseness and Transparency,” and promote such measures united as one group in all aspects, in order to gain more customer confidence and trust in the FANUC Group while adapting to dramatic changes in the environment, in our efforts to become a company that will continue forever.

Thank you for your continued support and assistance to FANUC.

## **(Reference)**

### **Climate Change Initiatives and Information Disclosure Based On TCFD**

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. The 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, the Company 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**

The Company recognizes climate change as a critical business challenge.

At the “Sustainability Committee” chaired by the Representative Director, President, 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**

The Company 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 the 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.”



	Identified risks and opportunities	Responses to identified risks and opportunities
<b>Transition risks</b>	<ul style="list-style-type: none"> <li>• Introduction of carbon tax will increase costs.</li> <li>• The rise in raw material prices will increase costs.</li> <li>• Consumer behavior change and shift to EV/FCV will decrease demand for a part of FANUC products.</li> </ul>	<ul style="list-style-type: none"> <li>• Set up a mid- to long-term goal for reducing greenhouse gas (GHG) emissions, and promote energy-saving and introduction of renewable energy, etc. in business activities to reduce GHG emissions.</li> <li>• Promote the support of business continuity plan (BCP) (Multiple production sites and suppliers, etc.)</li> <li>• Promote the development of products that contribute to customers' energy saving / robotization, and well-demanded products due to the shift to EV/FCV.</li> <li>• Promote the development of products that can maintain high performance and high reliability under harsh operating and transportation environments.</li> </ul>
<b>Physical risks</b>	<ul style="list-style-type: none"> <li>• Increasing severity of natural disasters will damage production sites, etc. and as this negatively impacts production, recovery costs will increase.</li> </ul>	
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>• Energy-saving/robotization will increase demands for FANUC products.</li> <li>• The shift to EV/FCV will increase demand for FANUC products.</li> <li>• Demand for FANUC products capable of working under harsh operating and transportation environments will increase due to the influence of rising average temperature.</li> </ul>	

In the 1.5°C and 2°C scenario, the world is expected to undergo major social changes as it transitions to de-carbonization. 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 that 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.

The Company has set a mid-term goal (certified by the SBT Initiative) to reduce its Scope 1,2 emissions by 42% from FY 2020 level by 2030, and is promoting efforts to achieve this goal.

Toward this goal, we plan to install solar panels and renewable electricity, and expect to invest approximately 9 billion yen. (Amounts are subject to uncertainties and assumptions and may differ from actual results.)

## 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, the Company 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.

## Metrics and Targets

The Company has set up a long-term target of reducing GHG emissions from the business activities of the 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 by FY2030 (in comparison with FY2020).

## (5) Assets and Profits

### 1) The FANUC Group

(Millions of yen)

Item	FY 2020 (52nd term)	FY 2021 (53rd term)	FY 2022 (54th term)	FY 2023 (55th term)
Net sales	551,287	733,008	851,956	795,274
Ordinary income	128,744	213,395	231,327	181,755
Net income attributable to owners of parent	94,012	155,273	170,587	133,159
Net income per share (Yen)	98.02	161.90	178.55	140.23
Total assets	1,625,191	1,783,964	1,873,536	1,926,037
Net assets	1,435,554	1,549,879	1,627,555	1,719,200

On April 1, 2023, the Company performed a 5-for-1 stock split of common share. “Net income per share” was calculated assuming that the stock split were performed at the beginning of FY2020.

### 2) The Company

(Millions of yen)

Item	FY 2020 (52nd term)	FY 2021 (53rd term)	FY 2022 (54th term)	FY 2023 (55th term)
Net sales	415,939	578,260	635,002	474,794
Ordinary income	87,889	159,216	231,896	129,018
Net income	70,451	122,064	190,643	103,284
Net income per share (Yen)	73.46	127.27	199.54	108.77
Total assets	1,236,223	1,307,224	1,369,957	1,321,895
Net assets	1,116,242	1,150,023	1,218,677	1,208,679

On April 1, 2023, the Company performed a 5-for-1 stock split of common share. “Net income per share” was calculated assuming that the stock split were performed at the beginning of FY2020.

## (6) Principal Businesses (As of March 31, 2024)

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 electrical-discharge 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 (As of March 31, 2024)**

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 (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	FANUC ACADEMY (Oshino-mura, Minamitsuru-gun, Yamanashi Prefecture)

**(8) Employees (As of March 31, 2024)**

Number of employees	The Company	4,689
	The FANUC Group	9,970

**(9) Principal Subsidiaries and Affiliated Companies (As of March 31, 2024)**

## 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	₩ 32,364 million	95	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	₹ 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

## 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 (As of March 31, 2024)****(1) Total number of shares authorized to be issued by the Company: 2,000,000,000 shares****(2) Total number of issued shares: 1,003,073,989 shares****(3) Number of shareholders: 93,169****(4) 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 Company 505001	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.

**(5) Status of shares allotted to the Company's directors as consideration for the execution of duties during the fiscal year:**

Classification	Number of shares	Number of recipients
Directors (except for Directors who are Audit and Supervisory Committee Members and Outside Directors)	20,690 shares	4

### 3. Directors of the Company

#### (1) Names of Directors, etc. (As of March 31, 2024)

Position	Name	Responsibilities or significant concurrent posts of other entities
Director, Chairman	Yoshiharu Inaba	
Representative Director, President and CEO	Kenji Yamaguchi	
Director, Senior Managing Officer and CFO	Ryuji Sasuga	General Manager, Corporate Finance & Facility Planning Division Manager, Secretary Department
Director	Michael J. Cicco	President and CEO, FANUC America Corporation
Director	Naoko Yamazaki	Representative Director of Space Port Japan Association President of Young Astronauts Club - Japan
Director	Hiroto Uozumi	President & CEO of Atomic Energy Association
Director	Yoko Takeda	Executive Officer and Research Fellow, General Manager, Think Tank Unit, Mitsubishi Research Institute, Inc.
Director (Standing Audit and Supervisory Committee Member)	Toshiya Okada	
Director (Audit and Supervisory Committee Member)	Hidetoshi Yokoi	Professor Emeritus of the University of Tokyo
Director (Audit and Supervisory Committee Member)	Mieko Tomita	Representative of Nishi & Partners Attorneys and Counselors at Law
Director (Audit and Supervisory Committee Member)	Shigeo Igashima	Representative of Igashima C.P.A. Office Representative of Igashima Shigeo Tax Accountant Office

- Notes: 1. Directors Naoko Yamazaki, Hiroto Uozumi, Yoko Takeda, Hidetoshi Yokoi, Mieko Tomita and Shigeo Igashima are Outside Directors.
2. Director Toshiya Okada is a Standing Audit and Supervisory Committee Member. The reason for selecting a Standing Audit and Supervisory Committee Member is to enhance the effectiveness of audits through the strengthening of information collection abilities, including attendance at important meetings.
3. Director (Audit and Supervisory Committee Member) Shigeo Igashima is a certified public accountant and tax accountant and possesses commensurate knowledge regarding finances and accounting.
4. Other significant concurrent posts:  
 Director and Chairman Yoshiharu Inaba is also an Outside Director of TOPCON CORPORATION and Chairman of Japan Machine Tool Builders' Association.  
 Representative Director, President and CEO Kenji Yamaguchi is also Chairman of the Japan Robot Association.  
 Outside Director Naoko Yamazaki is also an Outside Director of OPTORUN Co., Ltd., and Outside Director of TOPCON CORPORATION.  
 Outside Director Yoko Takeda is also an Outside Director of Ricoh Company, Ltd.  
 Outside Director (Audit and Supervisory Committee Member) Mieko Tomita is also an Outside Director (Audit & Supervisory Committee Member) of Nisshin Seifun Group Inc., and Outside Director of TEKKEN CORPORATION.  
 Outside Director (Audit and Supervisory Committee Member) Shigeo Igashima is also an Outside Director (Audit & Supervisory Committee Member) of AXELL CORPORATION.  
 None of the companies in which the Outside Directors concurrently hold posts have special relations with the company.
5. The Company has named the six Outside Directors Naoko Yamazaki, Hiroto Uozumi, Yoko Takeda, Hidetoshi Yokoi, Mieko Tomita and Shigeo Igashima as Independent Directors as defined by the Tokyo Stock Exchange and has duly notified the Tokyo Stock Exchange.

## **(2) Outline of the Directors and Officers Liability Insurance Contract**

The Company has concluded a directors and officers liability insurance contract provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance contract covers any damages, etc. that may arise due to insured Directors, etc. assuming liability for the execution of their duties or receiving a claim for the pursuit of such liability.

The insured under the directors and officers liability insurance contract are the Directors, Managing Officers, Officers, Manager of Finance & Accounting Department, and the Company. The insurance premiums are fully paid by the Company for all insured parties.

## **(3) Remuneration, etc., payable to the Directors in the fiscal year under review**

### 1) Matters concerning the policy for determination of Directors' individual remuneration

#### (a) Method for deciding the determination policy

The determination policy is decided by resolution of the Board of Directors.

#### (b) Outline of the content of the determination policy

The Company has established a policy for determining Directors' (except for Directors who are Audit and Supervisory Committee Members. Same applies for this paragraph) individual remuneration, the outline of which is as follows. (resolved at the Company's Board of Directors meeting on June 24, 2021)

- Fixed remuneration is determined according to the position of each Director.
- Performance-linked remuneration is linked, in principle, to net income attributable to owners of parent, in the same way as for shareholder returns.
- Regarding stock compensation, remuneration for restricted stock will be paid while comprehensively taking into account various aspects such as contributions made by Directors.
- Remuneration for Directors is composed of fixed remuneration, performance-linked remuneration and stock compensation, and payment ratios are set after comprehensively considering position, duties, performance and other factors.
- Remuneration for Outside Directors is only fixed remuneration.

#### (c) Reasons why the Board of Directors has decided that the content of individual remuneration, etc. for Directors for the fiscal year under review be in line with the determination policy

The specific content of individual remuneration for Directors (except for Directors who are Audit and Supervisory Committee Members) is decided by the Board of Directors in accordance with the above determination policy. In addition, when making decisions at the Board of Directors meetings, the results of consultations with the Nomination and Remuneration Committee are taken into account.

### 2) Matters concerning resolutions of the General Meeting of Shareholders regarding the remuneration, etc. of Directors

The upper limit for (i) fixed remuneration and (ii) performance-linked remuneration for Directors (except for Directors who are Audit and Supervisory Committee members) was set at the total amount of followings by resolution of the 52nd Ordinary General Meeting of Shareholders of June 24, 2021. In addition, (iii) stock compensation will be paid to Directors, excluding Outside Directors, separately from (i) and (ii).

#### (i) Fixed remuneration: The ceiling annual amount of ¥800 million (including ceiling amount of ¥100 million for Outside Directors)

#### (ii) Performance-linked remuneration: The ceiling amount, which is set at 0.7% of net income attributable to owners of parent for the fiscal year prior to the General Meeting of Shareholders at which they are appointed or reappointed (provided, however, it shall not exceed a three-year amount of fixed remuneration)

#### (iii) Stock compensation: The annual ceiling amount for the total amount of monetary compensation claims paid as remuneration for restricted stock is ¥350 million. The upper limit of the total number of shares of restricted stock to be allotted in each fiscal year is no more than 28,000

However, on or after the date of approval by the 52nd Ordinary General Meeting of Shareholders held on June 24, 2021, this total number of shares of Restricted Stock may be adjusted within reasonable limits if a stock split (including an allotment of the Company's common stock without consideration) or a reverse stock split of the Company's common stock takes place, or if other similar circumstances arise in which adjustments become necessary to the total number of shares of the Company's Restricted Stock to be allotted.

The number of Directors (except for Directors who are Audit and Supervisory Committee Members) at the conclusion of that Ordinary General Meeting of Shareholders was six, and, excluding Outside Directors, it was three.

The upper limit of the total annual remuneration, etc. for Directors who are Audit and Supervisory Committee Members was set at ¥200 million by resolution of the 52nd Ordinary General Meeting of Shareholders of June 24, 2021.

The number of Directors who are Audit and Supervisory Committee Members at the conclusion of that Ordinary General Meeting of Shareholders was five.

3) Total amounts, etc. of Directors' remuneration, etc.

Category	Total amount of remuneration, etc. (million yen)	Total amount by remuneration type (million yen)			Number of eligible officers
		Fixed remuneration	Performance-linked remuneration, etc.	Non-monetary remuneration, etc.	
Directors (except for Directors who are Audit and Supervisory Committee Members) (of which, Outside Directors)	1,189 (54)	445 (54)	645 (—)	99 (—)	8 (4)
Directors who are Audit and Supervisory Board Members (of which, Outside Directors)	122 (54)	122 (54)	—	—	7 (4)

Notes: 1. Directors (except for Directors who are Audit and Supervisory Committee Members) are paid bonuses as performance-linked remuneration.

The performance indicator selected as the basis for calculation of amounts of performance-linked 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.

Trends in net income, including for the fiscal year under review, are as shown in “1. (5) Assets and Profits.”

2. Stock compensation is allotted to Directors (except for Directors who are Audit and Supervisory Committee Members) as non-monetary remuneration, etc.

The details about stock compensation and the status of allotment are as described in “1) Matters concerning the policy for determination of Directors' individual remuneration,” “2) Matters concerning resolutions of the General Meeting of Shareholders regarding the remuneration, etc. of Directors,” and “2. Matters Concerning the Shares of the Company.



#### (4) Matters concerning Outside Directors

##### Major activities

Name	Major activities
Naoko Yamazaki	She attended all of 12 meetings of the Board of Directors. She possesses wide experience and knowledge obtained as an engineer and astronaut, and the Company expects her to serve a supervisory function from those perspectives. She fulfilled an appropriate role as an Outside Director of the Company, including supervising and providing advice about the execution of the Company's business, such as speaking out whenever necessary from those perspectives in meetings of the Board of Directors. She also attended the Nomination and Remuneration Committee as Chair and expressed her opinions whenever necessary.
Hiroto Uozumi	He attended all of 12 meetings of the Board of Directors. He possesses wide experience and knowledge obtained as a long-serving corporate executive, and the Company expects him to serve a supervisory function from those perspectives. He fulfilled an appropriate role as an Outside Director of the Company, including supervising and providing advice about the execution of the Company's business, such as speaking out whenever necessary from those perspectives in meetings of the Board of Directors. He also attended the Nomination and Remuneration Committee as a Committee Member and expressed his opinions whenever necessary.
Yoko Takeda	She attended all 10 meetings of the Board of Directors after her appointment as Outside Director on June 29, 2023. She possesses wide experience and knowledge of finance and economics, and the Company expects her to serve a supervisory function from those perspectives. She fulfilled an appropriate role as an Outside Director of the Company, including supervising and providing advice about the execution of the Company's business, such as speaking out whenever necessary from those perspectives in meetings of the Board of Directors. She also attended the Nomination and Remuneration Committee as a Committee Member and expressed her opinions whenever necessary.
Hidetoshi Yokoi	He attended all 12 meetings of the Board of Directors and all 13 meetings of the Audit and Supervisory Committee. He possesses wide experience and knowledge obtained as a university professor, and the Company expects him to serve a supervisory function from those perspectives. He fulfilled an appropriate role as an Outside Director of the Company, including supervising and providing advice about the execution of the Company's business, such as speaking out whenever necessary from those perspectives in meetings of the Board of Directors.
Mieko Tomita	She attended all 12 meetings of the Board of Directors and all 13 meetings of the Audit and Supervisory Committee. She possesses wide experience and knowledge obtained as a lawyer, and the Company expects her to serve a supervisory function from those perspectives. She fulfilled an appropriate role as an Outside Director of the Company, including supervising and providing advice about the execution of the Company's business, such as speaking out whenever necessary from those perspectives in meetings of the Board of Directors. She also attended the Nomination and Remuneration Committee as a Committee Member and expressed her opinions whenever necessary.
Shigeo Igashima	He attended all 10 meetings of the Board of Directors and all 11 meetings of the Audit and Supervisory Committee after his appointment as Outside Director on June 29, 2023. He possesses wide experience and knowledge as a certified public accountant and tax accountant, and the Company expects him to serve a supervisory function from those perspectives. He fulfilled an appropriate role as an Outside Director of the Company, including supervising and providing advice about the execution of the Company's business, such as speaking out whenever necessary from those perspectives in meetings of the Board of Directors.

Note: During the current fiscal year, it was discovered that the ROBOCUT (wire electric discharge machine) products that the Company manufactures and sells might have been tested under conditions that do not comply with the harmonized standards of the EMC (Electromagnetic Compatibility) Directive. All six Outside Directors were not aware of the issue until it came to light, but regularly called the attention of participants at meetings of the Board of Directors and other forums to the importance of compliance. After the issue came to light, they have provided recommendations, etc. at meetings of the Board of Directors and other forums regarding investigations to thoroughly uncover all aspects of the issue.

### Consolidated Balance Sheet

(As of March 31, 2024)

(Millions of yen)

Titles of Account	Amount	Titles of Account	Amount
<b>(Total Assets)</b>	<b>1,926,037</b>	<b>(Liabilities)</b>	<b>206,837</b>
<b>Current assets</b>	<b>1,076,265</b>	<b>Current liabilities</b>	<b>156,890</b>
Cash and bank deposits	522,979	Notes and accounts payable, trade	42,938
Notes receivable, trade	18,990	Accrued income taxes	5,490
Accounts receivable, trade	136,931	Warranty reserves	10,021
Marketable securities	16,100	Other current liabilities	98,441
Finished goods	147,545	<b>Long-term liabilities</b>	<b>49,947</b>
Work in process	91,929	Net defined benefit liability	42,437
Raw materials and supplies	123,072	Other long-term liabilities	7,510
Other	20,206		
Allowance for doubtful accounts	(1,487)		
		<b>(Net assets)</b>	<b>1,719,200</b>
<b>Noncurrent assets</b>	<b>849,772</b>	<b>Shareholders' equity</b>	<b>1,561,834</b>
<b>Property, plant and equipment, at cost</b>	<b>607,755</b>	Common stock	69,014
Buildings	326,373	Capital surplus	95,995
Machinery and equipment	49,653	Retained earnings	1,540,398
Land	163,593	Treasury stock, at cost	(143,573)
Construction in progress	49,285	<b>Accumulated other comprehensive income</b>	<b>143,722</b>
Other	18,851	Valuation difference on available-for-sale securities	21,740
<b>Intangible assets</b>	<b>9,823</b>	Foreign currency translation adjustment	127,754
<b>Investments and other assets</b>	<b>232,194</b>	Remeasurements of defined benefit plans	(5,772)
Investment securities	184,434	<b>Non-controlling interests</b>	<b>13,644</b>
Deferred income taxes	44,825		
Net defined benefit asset	1,785		
Others	1,254		
Allowance for doubtful accounts	(104)		
<b>Total</b>	<b>1,926,037</b>	<b>Total</b>	<b>1,926,037</b>

### Consolidated Statement of Income

(April 1, 2023 through March 31, 2024)

(Millions of yen)

Titles of Account	Amount
<b>Net sales</b>	<b>795,274</b>
Cost of goods sold	519,430
Gross profit	275,844
Selling, general and administrative expenses	133,925
<b>Operating income</b>	<b>141,919</b>
Non-operating income	43,263
Interest and dividends income	6,822
Miscellaneous income	36,441
Non-operating expenses	3,427
Miscellaneous expenses	3,427
<b>Ordinary income</b>	<b>181,755</b>
Income before income taxes	181,755
Total taxes and others	46,268
Income taxes – current	48,413
Income taxes for prior periods	3,212
Income taxes – deferred	(5,357)
Net income	135,487
Net income attributable to non-controlling interests	2,328
<b>Net income attributable to owners of parent</b>	<b>133,159</b>

**Non-Consolidated Balance Sheet**

(As of March 31, 2024)

(Millions of yen)

Titles of Account	Amount	Titles of Account	Amount
<b>(Total Assets)</b>	<b>1,321,895</b>	<b>(Liabilities)</b>	<b>113,216</b>
<b>Current assets</b>	<b>648,378</b>	<b>Current liabilities</b>	<b>71,379</b>
Cash and bank deposits	348,316	Accounts payable	31,702
Notes receivable, trade	12,278	Accrued expenses	13,652
Accounts receivable, trade	46,680	Accrued charge	17,274
Marketable securities	15,000	Accrued income taxes	368
Finished goods	22,102	Warranty reserves	4,808
Work in progress	76,553	Other current liabilities	3,575
Raw materials and supplies	118,890	<b>Long-term liabilities</b>	<b>41,837</b>
Other	8,839	Allowance for employees' retirement benefits	39,771
Allowance for doubtful accounts	(280)	Other long-term liabilities	2,066
<b>Noncurrent assets</b>	<b>673,517</b>	<b>(Net assets)</b>	<b>1,208,679</b>
<b>Property, plant and equipment, at cost</b>	<b>480,704</b>	<b>Shareholders' equity</b>	<b>1,187,377</b>
Buildings	251,922	<b>Common stock</b>	<b>69,014</b>
Machinery and equipment	42,926	<b>Capital surplus</b>	<b>96,057</b>
Land	136,638	Legal capital surplus	96,057
Construction in progress	29,776	<b>Retained earnings</b>	<b>1,165,879</b>
Other	19,442	Legal retained earnings	8,252
<b>Intangible assets</b>	<b>5,836</b>	Other retained earnings	1,157,627
<b>Investments and other assets</b>	<b>186,977</b>	Reserve for research and development	311,800
Investment securities	43,789	Reserve for reduction entry	30
Stocks of subsidiaries and affiliates	110,019	General reserve	303,580
Deferred income taxes	32,480	Retained earnings brought forward	542,217
Others	692	<b>Treasury stock, at cost</b>	<b>(143,573)</b>
Allowance for doubtful accounts	(3)	<b>Valuation and translation adjustment</b>	<b>21,302</b>
		Net unrealized holding gain on other securities	21,302
<b>Total</b>	<b>1,321,895</b>	<b>Total</b>	<b>1,321,895</b>

**Non-Consolidated Statement of Income**

(April 1, 2023 through March 31, 2024)

(Millions of yen)

Titles of Account	Amount
<b>Net sales</b>	<b>474,794</b>
Cost of goods sold	354,177
Gross profit	120,617
Selling, general and administrative expenses	55,947
<b>Operating income</b>	<b>64,670</b>
Non-operating income	66,251
Interest and dividends income	60,173
Miscellaneous income	6,078
Non-operating expenses	1,903
Miscellaneous expenses	1,903
<b>Ordinary income</b>	<b>129,018</b>
Income before income taxes	129,018
Total taxes and others	25,734
Income taxes – current	22,123
Income taxes for prior periods	3,212
Income taxes – deferred	399
<b>Net income</b>	<b>103,284</b>

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

### REPORT OF INDEPENDENT AUDITORS

May 23, 2024

The Board of Directors  
FANUC CORPORATION

#### Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act of Japan, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of FANUC CORPORATION (the "Company") for the fiscal year from April 1, 2023 through March 31, 2024.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the corporate group, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

#### Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

#### Other Content

Other content is the business report and its supplementary schedules. Management is responsible for the creation and disclosure of this content. In addition, the Audit and Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating of the reporting process for other content.

Other content is not included in the content subject to our audit opinion on consolidated financial statements, and we do not express an opinion on other content.

Our responsibility in auditing the consolidated financial statements is to read through the other content, and in the process of reading, consider whether there are any significant differences between the other content and the consolidated financial statements or our knowledge gained through the process of auditing. In addition to noticing significant differences, is also our responsibility to pay attention to whether there are any signs of significant errors in the other content.

If we judge there to be a significant error in the other content based on the work we conducted, we are required to report it.

There are no matters to be reported concerning the other content.

#### Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

#### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to the Audit and Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit and Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any measures in place to eliminate obstacles or safeguards applied to reduce them to an acceptable level.

#### Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC  
Tokyo office

Junichiro Tsuruta  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Masakuni Noguchi  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

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

### REPORT OF INDEPENDENT AUDITORS

May 23, 2024

The Board of Directors  
FANUC CORPORATION

#### Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act of Japan, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules of FANUC CORPORATION (the "Company") for the 55th fiscal year from April 1, 2023 through March 31, 2024.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2024, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

#### Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

#### Other Content

Other content is the business report and its supplementary schedules. Management is responsible for the creation and disclosure of this content. In addition, the Audit and Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating of the reporting process for other content.

Other content is not included in the content subject to our audit opinion on consolidated financial statements, and we do not express an opinion on other content.

Our responsibility in auditing the consolidated financial statements is to read through the other content, and in the process of reading, consider whether there are any significant differences between the other content and the consolidated financial statements or our knowledge gained through the process of auditing. In addition to noticing significant differences, is also our responsibility to pay attention to whether there are any signs of significant errors in the other content.

If we judge there to be a significant error in the other content based on the work we conducted, we are required to report it.

There are no matters to be reported concerning the other content.

#### Responsibilities of Management and the Audit and Supervisory Committee for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

#### Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent

standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to Audit and Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit and Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any measures in place to eliminate obstacles or safeguards applied to reduce them to an acceptable level.

#### Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC  
Tokyo office

Junichiro Tsuruta  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Masakuni Noguchi  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

## Audit Report of the Audit and Supervisory Committee (Translation)

### AUDIT REPORT

We, the Audit and Supervisory Committee, audited the performance by the Directors of their duties during the 55th fiscal year from April 1, 2023 to March 31, 2024. We hereby report the method and results as follows:

#### 1. Method of Audit and the Particulars thereof:

The Audit and Supervisory Committee established an audit policy, received regular reports from the Directors and employees, etc., sought explanations as necessary, expressed opinions on the details of the resolutions of the Board of Directors regarding matters listed in Article 399-13, Paragraph 1, Item 1 (b) and (c) of the Companies Act and on the development and operation of the systems developed pursuant to those resolutions (internal control systems), and conducted audits in accordance with the following methods.

- (i) In accordance with the audit and supervisory standards set forth by the Audit and Supervisory Committee, the audit policy, audit plans, etc. and in cooperation with the Company's Internal Audit Department and other divisions in charge of internal control while utilizing means via telephone lines and the Internet, each Audit and Supervisory Committee Member attended 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 the Company's activities and property. With regard to its subsidiaries, we maintained constant communication, and exchanged information with the directors, company auditors, etc. thereof, requested the subsidiaries to render reports on their business operations, and made investigation into the state of the activities and property of subsidiaries as necessary.
- (ii) 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), and requested explanations as necessary. Moreover, we discussed the main matters to be considered in audits with the Accounting Auditors, received reports on the implementation status of such audits, and sought 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, contains nothing to be pointed out.

As noted in the Business Report, it has come to our attention that the Company's ROBOCUT products may have been tested under conditions which do not comply with the harmonized standards of the Europe's EMC Directive. The Audit and Supervisory Committee has confirmed that, at present, the Company is engaged in thoroughly investigating all aspects of the issue, revealing the causes, and formulating measures to prevent recurrence. We will continue to monitor these efforts and their progress.

##### (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 24, 2024

Audit and Supervisory Committee  
FANUC CORPORATION

Toshiya Okada (Seal)  
Standing Audit and Supervisory Committee Member

Hidetoshi Yokoi (Seal)  
Audit and Supervisory Committee Member

Mieko Tomita (Seal)  
Audit and Supervisory Committee Member

Shigeo Igashima (Seal)  
Audit and Supervisory Committee Member

(Note) Audit and Supervisory Committee Members Hidetoshi Yokoi, Mieko Tomita and Shigeo Igashima are Outside Directors as stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.