

July 28, 2023

Company name: FANUC CORPORATION
Representative: Kenji Yamaguchi, President
(Stock Code: 6954, Prime Market, Tokyo Stock Exchange)
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Notice Regarding Disposal of Treasury Stock as Restricted Stock Remuneration

FANUC CORPORATION would like to inform you that by resolution of the Board of Directors of the Company today, the Company has decided to dispose of treasury stock (hereinafter the “Disposal of Treasury Stock” or “Disposal”) as Restricted Stock remuneration as follows.

Details

1. Overview of Disposal

(1)	Payment date	August 25, 2023
(2)	Class and number of shares for disposal	60,110 shares of common stock of the Company
(3)	Disposal price	4,781 yen per share
(4)	Total value of disposal	287,385,910 yen
(5)	Planned disposal recipients	Directors of the Company (※) 4 persons, 20,690 shares Managing Officers of the Company 16 persons, 39,420 shares (※) Except for Directors who are Audit and Supervisory Committee Members and Outside Directors.
(6)	Other matters	The Disposal of Treasury Stock is subject to the entry into force of the securities registration statement pursuant to the Financial Instruments and Exchange Act.

2. Purpose and Reasons for Disposal

At the 52nd Ordinary General Meeting of Shareholders of the Company held on June 24, 2021, for the purpose of the Directors of the Company (except for Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter the “Eligible Director”) sharing the merits and risks of share price changes with all shareholders and further enhancing the will of the Directors to contribute to an increase in share price and an improvement in corporate value, the Company obtained approval regarding the introduction of a Restricted Stock remuneration system with transfer restriction (hereinafter the “System”) for the Eligible Directors, and based on the said System, it was approved that the total amount of monetary compensation claims to be paid as remuneration for the Eligible Directors for Restricted Stock shall be set to 350 million yen or less per year, that the total number of shares of Restricted Stock to be allotted to the Eligible Directors shall be no more than 140,000 shares in each fiscal year,

that the Transfer Restriction Period for Restricted Stock shall be set as the period from the date of issuance of the Restricted Stock until the resignation or retirement of the Eligible Directors from all of the positions of Director, Managing Officer and a permanent employee of the Company and its subsidiaries, and so on.

(Note) The Company enacted a 5 for 1 stock split of its common stock effective April 1, 2023. The annual cap on the number of shares represents the number after adjusting for this stock split.

Today, by a resolution of the Board of Directors of the Company, the Company decided to grant a total of 287,385,910 yen in monetary compensation claims and allot 60,110 shares of common stock of the Company as Restricted Stock to 4 Eligible Directors and 16 Managing Officers planned to receive the said allotment (hereinafter the "Person Eligible for Allotment") by making in-kind contribution of all of the monetary compensation claims granted as Restricted Stock remuneration pertaining to the period from the 54th Ordinary General Meeting of Shareholders until the 55th Ordinary General Meeting of Shareholders of the Company scheduled for June 2024. The amount of monetary compensation claims for the respective Persons Eligible for Allotment shall be decided by the Company's Board of Directors within the limit of the total amount of monetary compensation claims mentioned above, based on a comprehensive consideration of various factors such as the degree of contribution of the respective persons to the Company. In addition, payment of the said monetary compensation claims shall be made on the condition that the respective Persons Eligible for Allotment enter into a Restricted Stock allotment agreement containing in substance the contents prescribed below (hereinafter the "Allotment Agreement") with the Company, and so on.

3. Overview of the Allotment Agreement

[1] Transfer Restriction Period

From August 25, 2023 to the date of resignation or retirement of the Person Eligible for Allotment from all of the positions of Director, Managing Officer and a permanent employee of the Company and its subsidiaries

During the abovementioned Transfer Restriction Period (hereinafter the "Transfer Restriction Period"), the Person Eligible for Allotment shall be restricted from transferring, establishing a security interest or mortgage on, giving as a gift during life or a bequest to the third party, or otherwise disposing of the Restricted Stock allotted to the said person (hereinafter the "Allotted Shares", and the said restrictions shall be hereinafter referred to as the "Transfer Restrictions").

[2] Acquisition of Restricted Stock without consideration

In the event that a Person Eligible for Allotment resigns or retires from all of the positions of Director, Managing Officer and a permanent employee of the Company and its subsidiaries during the period from the start date of the Transfer Restriction Period until the day before the date of the first Ordinary General Meeting of Shareholders of the Company after the start of the Transfer Restriction Period, the Company shall rightfully acquire the Allotted Shares without consideration, except in cases where the Board of Directors of the Company finds a valid reason, at the time of said resignation or retirement.

In addition, if there are any Allotted Shares for which the Transfer Restrictions have not been lifted pursuant to the provisions of the condition for lifting the Transfer Restrictions described in section [3] below as at the time of expiration of the Transfer Restriction Period (hereinafter the “Expiration of the Transfer Restriction Period”), the Company shall rightfully acquire the Allotted Shares without consideration immediately after the Expiration of the Transfer Restriction Period.

[3] Lifting of Transfer Restrictions

The Company shall lift the Transfer Restrictions of all of the Allotted Shares owned by the Person Eligible for Allotment at the Expiration of the Transfer Restriction Period on the condition that the relevant person has served continuously as Director, Managing Officer or a permanent employee of the Company or any of its subsidiaries during the period from the start date of the Transfer Restriction Period until the date of the first Ordinary General Meeting of Shareholders of the Company after the start of the Transfer Restriction Period. However, if the Person Eligible for Allotment has retired from all of the positions of Director, Managing Officer and a permanent employee of the Company and its subsidiaries during the period from the start date of the Transfer Restriction Period until the day before the date of the first Ordinary General Meeting of Shareholders of the Company due to reasons deemed as valid by the Company’s Board of Directors, the Company shall, immediately after the said resignation or retirement, lift the Transfer Restrictions for the Allotted Shares. The number of Allotted Shares for which the Transfer Restrictions shall be lifted is determined by dividing the number of months from July 2023 to the month including the date of resignation or retirement of the said person from any of the positions of Director, Managing Officer or a permanent employee of the Company and its subsidiaries by 12 (however, if the calculated result exceeds 1, it shall be 1), then multiplying that figure by the number of Allotted Shares owned by the said person at the relevant time (if the calculated result contains a fraction less than one share, it shall be rounded down).

[4] Provisions regarding management of shares

The Person Eligible for Allotment shall complete the opening of an account with SMBC Nikko Securities Inc., in the manner designated by the Company, for entering or recording the Allotted Shares, which are kept and maintained in such account up to the lifting of the Transfer Restrictions.

[5] Handling in cases of organizational restructuring, etc.

If, during the Transfer Restriction Period, a merger agreement under which the Company becomes the disappearing company, a share exchange agreement, or a share transfer plan under which the Company becomes a wholly-owned subsidiary, or any other matter relating to organizational restructuring, etc. is approved at an Ordinary General Meeting of Shareholders of the Company (or at a meeting of the Company’s Board of Directors, if such organizational restructuring, etc. does not require the approval of the Company’s Ordinary General Meeting of Shareholders), provided that the effective date of such organizational restructuring, etc. comes before the Expiration of the Transfer Restriction Period (hereinafter the “Time of Approval of Organizational Restructuring, etc.”), and also if the Person Eligible for Allotment, who has received an

allotment of Restricted Stock resigns or retires from all of the positions of Director, Managing Officer and a permanent employee of the Company and its subsidiaries in association with the organizational restructuring, etc., the Company shall lift the Transfer Restrictions immediately before the business day prior to the effective date of such organizational restructuring, etc. with respect to the number of Allotted Shares determined by dividing the number of months from July 2023 to the month including the date of the aforementioned approval by 12 (however, if the calculated result exceeds 1, it shall be 1), then multiplying that figure by the number of Allotted Shares owned by the said person on the date of the aforementioned approval (if the calculated result contains a fraction less than one share, it shall be rounded down).

In addition, at the Time of Approval of Organizational Restructuring, etc., the Company shall rightfully acquire, without consideration, the Allotted Shares for which the Transfer Restrictions have not been lifted on and as of the business day prior to the effective date of the said organizational restructuring, etc.

4. Basis for Calculating the Payment Amount and Specific Details Thereof

To avoid arbitrary pricing, the disposal price in the Disposal of Treasury Stock shall be 4,781 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange as of the business day (July 27, 2023) immediately before the date of resolution of the Company's Board of Directors. This is the market price immediately before the date of resolution of the Company's Board of Directors, so the Company believes that it is reasonable and does not represent a particularly advantageous price.

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