

(TRANSLATION)

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(Securities code: 6954)
June 11, 2008

To Our Shareholders

Yoshiharu Inaba
President and CEO
FANUC LTD
3580, Shibokusa Aza-Komanba, Oshino-mura,
Minamitsuru-gun, Yamanashi Prefecture

Notice of Convocation of the 39th Ordinary General Meeting of Shareholders

Dear Shareholders,

You are cordially invited to attend the 39th Ordinary General Meeting of Shareholders of FANUC LTD. The meeting will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights by either of the following methods. Hence, please review the Reference Materials for the Ordinary General Meeting of Shareholders and exercise your voting rights by 5:00 p.m., Thursday, June 26, 2008.

[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 reach us by the above-mentioned deadline.

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

Please access the website for the exercise of voting rights at the general meeting of shareholders (<http://www.e-tosyodai.com/>) and enter your votes for or against each of the proposals in accordance with the guidance on the screen by the above-mentioned deadline.

For further information, please refer to the "Notice on Exercise of Voting Rights via the Internet, Etc." on page 41.

Description

- 1. Date:** Friday, June 27, 2008, 10 a.m.
- 2. Place:** Main Hall, The Head Office, 3580, Shibokusa Aza-Komanba, Oshino-mura, Minamitsuru-gun, Yamanashi Prefecture

3. Agenda of the Meeting

- Matters to be reported:**
1. Report on the business report, the consolidated financial statements and the results of audit of the consolidated financial statements by the Account Auditors and the Board of Auditors for the 39th fiscal year (from April 1, 2007 to March 31, 2008).
 2. Report on the non-consolidated financial statements for the 39th fiscal year (from April 1, 2007 to March 31, 2008).

Matters to be resolved:

Item 1: Appropriation of Retained Earnings

Item 2: Election of Fourteen (14) Directors

Item 3: Election of One (1) Auditor

(The contents of matters to be reported and resolved are described on page 3 and thereafter.)

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 an electronic method, the voting rights exercised by the electronic method shall be effective.
- (2) If voting rights are exercised twice or more by electronic methods, the voting rights last exercised shall be effective.

- END -

* When attending the meeting in person, please hand the enclosed Voting Rights Exercise Form to the receptionist.

* In the event of any revision of the Reference Materials for the Ordinary General Meeting of Shareholders and the Attachments to Notice of Convocation of the General Meeting of Shareholders, it will be posted on our Internet website (<http://www.fanuc.co.jp/>).

Overseas, the machine tool industries' sales built on solid growth in the energy, aircraft, medical equipment and construction machinery industries. By region, sales grew strongly especially in the Asian markets of China, South Korea and Taiwan, as well as Europe and the Americas.

Based on above, CNC sales of FANUC Group remained strong at high levels during the fiscal year ended March 31, 2008.

In the development area, FANUC added new models and various functions to each of its CNC series (FANUC Series 0i/0i Mate-MODEL C), which are suitable for controlling structurally simple machine tools and superior in reliability and cost performance, as well as each of its multiaxial, multi-system nano CNC series (FANUC Series 30i/31i/32i-MODEL A), which meet needs of most-advanced machine tools for high-speed, high-precision processing.

New developments of FANUC servo motors included the development of smaller and higher-precision detectors for spindles, the development of an interference check to more effectively prevent any interference of direct drive axes, the development of servo motors for exclusive use in ROBOSHOT injection axes and the improvement of output power of its large servo amplifiers.

FANUC laser sales were also strong in Japan, while overseas sales continued to make a solid performance. New developments of FANUC lasers included the development and launch of a CO₂ gas laser (FANUC C-4000i B) with improved beam characteristics to speed up cutting and improve cutting quality.

As a result, the FA Group posted consolidated sales of ¥269,131 million, a 10.8% increase compared with the previous fiscal year. FA Group sales accounted for 57.5% of consolidated net sales.

[Robot Group]

FANUC robot sales to automotive related industries made a considerable recovery, especially in the Americas. Sales to automotive related industries in South Korea and China also remained strong. As for the general industries, sales grew considerably in Europe, while sales in the Americas, Japan and China continued to be robust.

New developments in FANUC robots included the development of cable-mounted arc welding robots (FANUC Robot ARC-Mate100iC/120iC) with best-in-class operational performance, which has been improved by highly rigid arms and leading-edge servo technology, whereby reducing production time by at least 15% and with improved wrist mobility, whereby applicable to various welding tools to automate welding operations. Furthermore, FANUC has added various new functions and improvement of intelligent functionality of various robot products, including human arm-sized, multi-purpose intelligent robots (FANUC Robot LR-Mate200iC).

The Robot Group posted consolidated sales of ¥115,706 million, a 12.0% increase compared with the previous fiscal year. Robot Group sales accounted for 24.7% of consolidated net sales.

[Robomachine Group]

Sales of the ROBODRILL CNC drills remained robust, due to high levels of demand from personal computers, portable music players and automotive parts industries.

New developments in FANUC ROBODRILL included the development of a CNC drill (FANUC ROBODRILL α -iF series) which has improved its unique tool exchange mechanism to shorten tool changing time and enhance reliability, as well as torque spindle specification for better cutting performance and an AI Thermal Displacement Compensation function. Thus, the FANUC ROBODRILLS facilitate high-speed, high-precision and high-efficiency machining in all application fields.

Demand for the ROBOSHOT AI electric injection molding machines declined both in Japan and overseas; however, in the latter half of the fiscal year, ROBOSHOT's demand from Asia and Japan began to recover.

New developments in FANUC ROBOSHOT included the addition of the function of Precision Metering Control to its next-generation fully automatic electric injection molding machine (FANUC ROBOSHOT S-2000iB series) with higher-precision and more energy-saving features and improved precision molding capabilities to improve molding quality, and the development of models suitable for high-speed filling of thin cavities.

Sales of the ROBOCUT wire-cut electric discharge machines remained steady, due to increased sales in Europe and the Americas.

New developments in FANUC ROBODCUT included the development of a new wire-cut electric discharge machine (FANUC ROBOCUT α -iD series) which features a new CNC, wire track and casting for higher speed and precision, and enlarged XY table stroke. The newly developed Twin Servo Wire Tension Control reduces variation in wire tension to less than a quarter compared with the current system for table machining.

New developments in the FANUC ultra-precision nano machine ROBONANO included the addition of a new function to facilitate nano-meter-level precision measurement of products without unloading them from the machine after milling, shaping or grinding, to its 5-axes simultaneous nano-precision model (FANUC ROBONANO α -0iB). This improved function enables automatic, high-precision fabrication of intricate optical components, such as free-curved surfaces with ease.

As a result, the Robomachine Group posted consolidated sales of ¥83,562 million, a 13.8% increase compared with the previous fiscal year. Robomachine Group sales accounted for 17.8% of consolidated net sales.

[Research and Development]

FANUC's 1st Software Laboratory, 2nd Software Laboratory, 1st Servo Laboratory, 2nd Servo Laboratory, CNC Laboratory, Laser Laboratory, 1st Robot Laboratory, 2nd Robot Laboratory, Robodrill Laboratory, Roboshot Laboratory, Robocut Laboratory focused on developing

various new competitive products by promoting "intelligence," "ultra precision" and "high functionality," while adhering to FANUC's basic policy of achieving "high reliability," and successfully launched them into the market.

FANUC's Basic Laboratory has focused on research and development of next-generation element technologies applicable to CNC series and robots.

FANUC's Manufacturing Technology Laboratory has focused on research and development of more efficient and lower-cost factories of its own by employing its most-advanced products in its manufacturing processes and promoting automation and robotization.

(2) Capital Investment

FANUC's capital investment included the strengthening of production capacity of its factories such as an additional introduction of intelligent robots and Robot Cells, as well as reduction of production costs through automation and robotization. FANUC also purchased lands in the Tsukuba area and built a Robocut factory. Additionally, FANUC purchased lands in the vicinity of its head office for business expansions in the future.

Overall, capital investment in the fiscal year ended March 31, 2008 totaled ¥23,645 million.

(3) Financing

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

(4) Challenges and Countermeasures

During the fiscal year ending March 31, 2009, the global economy is expected to level off, due to rising costs of procurement materials such as copper and iron, drastic fluctuations of foreign exchange and an economic downturn in the United States, which originated from the subprime loan issues. Under these circumstances, our market will be forced to face a difficult challenge, as global competition will further intensify.

Faced with such conditions, the FANUC Group will continue to focus on enhancing its product competitiveness by adhering to our basic policy of "high reliability", while also vigorously pursuing "intelligence", "high functionality" and "low prices" of all our products supported by an all-out effort of the R&D Group.

In production activities, we will make vigorous capital investments to further decrease production cost and, at the same time, to increase production of each of our product lines, by further promoting "robotization" with the introduction of more intelligent robots in our factories, adding more long-hour, unmanned machining system Robot Cells in the factory lines, and constructing a new CNC factory in the vicinity of the head office and a machining factory in the Tsukuba area.

In sales and service activities, we will reinforce the structure of Fanuc GE CNC Europe S.A. to expand CNC market share in Europe, further strengthen our sales and service structure in the markets of China and India, where economy continues to grow at high rates, and increase market share in other existing markets by introducing our new products.

FANUC Group will be fully prepared to develop in the future based on these initiatives.

(5) Assets and profits

1) FANUC Group

Item	FY 2004 (36th term)	FY 2005 (37th term)	FY 2006 (38th term)	FY 2007 (39th term)
Net sales (Millions of yen)	330,345	381,074	419,560	468,399
Ordinary income (Millions of yen)	124,773	150,832	179,412	209,974
Net income (Millions of yen)	75,764	90,437	106,756	127,030
Net income per share (Yen)	339.09	420.01	499.83	611.14
Total assets (Millions of yen)	799,575	903,409	951,664	1,046,837
Net assets (Millions of yen)	679,008	774,418	820,556	911,395

2) The Company

Item	FY 2004 (36th term)	FY 2005 (37th term)	FY 2006 (38th term)	FY 2007 (39th term)
Net sales (Millions of yen)	258,693	279,622	311,238	348,058
Ordinary income (Millions of yen)	104,012	116,162	133,063	151,967
Net income (Millions of yen)	64,559	72,787	82,025	96,147
Net income per share (Yen)	288.73	337.61	384.04	462.56
Total assets (Millions of yen)	688,712	747,435	752,668	807,152
Net assets (Millions of yen)	620,569	682,473	667,854	725,625

Note: Net income per share is calculated based on the average number of shares outstanding during the fiscal year, excluding the average number of shares of treasury stock during the fiscal year.

(6) Principal Businesses of the FANUC Group

The principal businesses of the FANUC Group are the manufacture and sale of CNC systems (CNC Series and servo motors), lasers, robots & robot systems and Robomachines (CNC drills, fully automatic electric injection molding machines, wire-cut EDMs, ultra-precision nano

machines, and related systems). The main products of respective groups are described in the following table:

Group	Main products
FA Group	CNC Series, servo motors (including spindle motors, linear motors, and synchronous built-in motors), lasers
Robot Group	Robots
Robomachine Group	ROBODRILL (CNC drills), ROBOSHOT (electric injection molding machines), ROBOCUT (wire-cut EDMs), ROBONANO (ultra-precision nano machines)

(7) Principal Sites of the FANUC Group

1) Principal Domestic Sites

The Company

Head office	Oshino-mura, Minamitsuru-gun, Yamanashi Prefecture
Laboratories	1st Software Laboratory, 2nd Software Laboratory, 1st Servo Laboratory, 2nd Servo Laboratory, CNC Laboratory, Laser Laboratory, 1st Robot Laboratory, 2nd Robot Laboratory, Robodrill Laboratory, Roboshot Laboratory, Robocut Laboratory, Basic Laboratory, Manufacturing Technology Laboratory (Oshino-mura and Yamanakako-mura, Minamitsuru-gun, Yamanashi Prefecture)
Branches and other offices	Nagoya Sales Branch (Komaki City), Hino Complex (Hino City), Kansai Branch (Osaka City), Tsukuba Branch (Tsukuba City), Hokkaido Branch (Ebetsu City), Kyushu Branch (Kikuyo-Machi, Kikuchi-gun, Kumamoto Prefecture), Hokuriku Branch (Imizu City)
Technical Centers	Central Technical Center (Oshino-mura, Minamitsuru-gun, Yamanashi Prefecture), Maebashi Technical Center (Maebashi City), Chugoku Technical Center (Okayama City), Hiroshima Technical Center (Hiroshima City), Tohoku Technical Center (Sendai City), Echigo Technical Center (Mitsuke City)
Factories	Oshino-mura and Yamanakako-mura, Minamitsuru-gun, Yamanashi Prefecture; Chikusei City ; Kirishima City; Hino City
Training Centers	FANUC Training Center (Yamanakako-mura, Minamitsuru-gun, Yamanashi Prefecture), FANUC Management Institute (Kinetsuki City)

FANUC SERVICE LTD

(Head Office: Hino City, Nagoya Service Branch: Komaki City)

FANUC PERTRONICS LTD (Chino City)

FANUC SERVO LTD (Tsu City)

2) Main Overseas Sites

FANUC Robotics America, Inc. (Michigan, USA)

FANUC Robotics Europe S.A. (Echternach, Grand Duchy of Luxemburg)

Fanuc GE CNC Europe S.A. (Echternach, Grand Duchy of Luxemburg)

FANUC KOREA CORPORATION (Gyeongsangnam-do, Republic of Korea)

FANUC TAIWAN LIMITED (Taichung, Taiwan)

FANUC AMERICA CORPORATION (Illinois, USA)
 FANUC EUROPE GmbH (Baden-Wurttemberg, Federal Republic of Germany)
 FANUC ROBOMACHINE EUROPE GmbH
 (Baden-Wurttemberg, Federal Republic of Germany)
 FANUC INDIA PRIVATE LIMITED (Karnataka, India)

(8) Employees of the FANUC Group

1) Number of employees of the Group

FA Group	2,124
Robot Group	1,459
Robomachine Group	583
Others	728
Total	4,894

2) Number of employees of the Company

Number of employees	Average age	Average length of service
2,181	40.3 years old	17.0 years

(9) Principal Subsidiaries, etc.

Company name	Capital stock	Percentage of equity participation (%)	Principal business
FANUC Robotics America, Inc.	US\$154,600 thousand	100	Development, manufacture, sale and maintenance services of robots and robot systems
FANUC Robotics Europe S.A.	€ 60,451 thousand	100	Development, sale, and maintenance services of robot systems as well as sale and maintenance services of robots
Fanuc GE CNC Europe S.A.	€ 30,000 thousand	(Note 1)	Sale and maintenance services of CNC systems and lasers
FANUC KOREA CORPORATION	Won32,364 million	88	Manufacture, sale and maintenance services of robot systems, CNC drills, wire-cut EDMs as well as sale and maintenance services of CNC systems, lasers, robots and fully automatic electric injection molding machines
FANUC TAIWAN LIMITED	NT\$1,396 million	100	Sale and maintenance services of CNC systems and lasers
FANUC AMERICA CORPORATION	US\$2,700 thousand	100	Maintenance services of CNC systems and lasers
FANUC EUROPE GmbH	€ 4,375 thousand	100	Technical and managerial support for service companies in Europe
FANUC ROBOMACHINE EUROPE GmbH	€ 15,135 thousand	100	Sale and maintenance services of CNC drills and wire-cut EDMs
FANUC INDIA PRIVATE LIMITED	Rupee 290 million	(Note 2)	Manufacture, sale and maintenance services of CNC systems, sale and maintenance services of robots, CNC drills, fully automatic electric injection molding machines and wire-cut EDMs as well as maintenance services of lasers
FANUC SERVICE LTD (Note 3)	¥896 million	100	Maintenance services of CNC systems, lasers, robots, fully automatic electric injection molding machines, CNC drills, and wire-cut EDMs
FANUC PERTRONICS LTD	¥327 million	81	Manufacture and sale of components of CNC systems
FANUC SERVO LTD	¥450 million	100	Manufacture of servo motors

Notes: 1. GE Fanuc Automation Corporation, to which the Company and General Electric Company contribute on a 50-50 basis, holds 90% of the share capital of GE Fanuc Automation CNC Europe S.A., in which the Company directly holds the remaining interest of 10%.

2. In addition to our directly owned 90% interest, GE Fanuc Intelligent Platforms, Inc., a subsidiary of GE Fanuc Automation Corporation, holds the remaining 10% interest in FANUC INDIA PRIVATE LIMITED.

3. During the fiscal year under review, FANUC FA SERVICE LTD, FANUC ROBOT SERVICE LTD and FANUC LASER SERVICE LTD were merged into FANUC SERVICE LTD.

4. During the fiscal year under review, the Company merged FANUC DD MOTOR LTD and acquired all rights and obligations related to its business.

2. Matters Concerning the Shares of the Company

- (1) Total number of issuable shares: 400,000,000 shares
- (2) Total number of shares issued and outstanding: 239,508,317 shares
- (3) Number of shareholders: 80,861
- (4) Shareholder holding one-tenth (1/10) or more of the total number of shares issued and outstanding (excluding shares of treasury stock): Not applicable

3. Directors and Auditors of the Company

(1) Names of Directors and Auditors, etc.

Position	Name	Assignment or principal responsibilities
President and CEO	Yoshiharu Inaba	
Senior Managing Director	Mitsuto Miyata	Responsible for all laboratories
Senior Managing Director	Mitsuo Kurakake	Responsible for Hardware Research
Senior Managing Director	Hiroyuki Uchida	Responsible for Servo Research
Senior Managing Director	Shinichi Tanzawa	Group Executive, Finance & Accounting Group
Senior Managing Director	Hideo Kojima	Group Executive, Personnel, Legal and General Affairs Group
Senior Managing Director	Yoshihiro Gonda	Group Executive, Price & Cost and Purchasing Group
Senior Managing Director	Katsuo Kohari	General Manager, FA Overseas Sales Joint Division
Senior Managing Director	Atsushi Watanabe	General Manager, Domestic Robot Sales Joint Division
Senior Managing Director	Hiroshi Araki	General Manager, Tsukuba Factory
Senior Managing Director	Hideaki Inoue	Group Executive, Operation in China, Director & Senior Vice General Manager, BEIJING-FANUC MECHATRONICS CO., LTD.
Senior Managing Director	Nobutoshi Torii	General Manager, Overseas Robot Sales Joint Division, Senior Vice General Manager, SHANGHAI-FANUC ROBOTICS CO., LTD.
Director	Richard E. Schneider	President & CEO, FANUC Robotics America, Inc.
Standing Auditor	Naoki Shimizu	
Standing Auditor	Nobuo Otsuka	
Auditor	Naoyuki Akikusa	Chairman and Representative Director of FUJITSU LIMITED, Chairman of Japan Electronics and Information Technology Industries Association
Auditor	Hajime Harada	Attorney at law and patent attorney
Auditor	Takeo Nakagawa	Emeritus Professor of the University of Tokyo, President and Representative Director of Fine Tech Co., Ltd.

Notes: 1. Auditors Naoyuki Akikusa, Hajime Harada and Takeo Nakagawa are outside Auditors.

2. Messrs. Yoshihiro Gonda and Nobutoshi Torii were newly elected as Directors at the 38th Ordinary General Meetings of Shareholders held on June 27, 2007 and assumed office.

(2) Total amount of remuneration, etc., payable to the Directors and Auditors

The total amount of remuneration, etc. payable to the Directors for the fiscal year under review was ¥2,115 million (for 13 Directors).

The total amount of remuneration, etc. payable to the Auditors for the fiscal year under review was ¥196 million (for 5 Auditors), of which the total amount of remuneration, etc. payable to the outside Auditors was ¥25 million (for 3 Auditors).

(3) Matters concerning outside Auditors

1) Concurrent posts of other companies held by the outside Auditors

Name	Company	Concurrent post
Naoyuki Akikusa	ADVANTEST CORPORATION	Outside Director
Hajime Harada	Nippon Gear Co., Ltd.	Outside Auditor
Takeo Nakagawa	Nippon Pillar Packing Co., Ltd.	Outside Director

2) Major activities

Name	Major activities
Naoyuki Akikusa	Mr. Akikusa attended most of the meetings of the Board of Directors and the Board of Auditors and provided advice whenever necessary, based on his wide experience, expertise and knowledge as a corporate executive.
Hajime Harada	Mr. Harada attended all of the meetings of the Board of Directors and the Board of Auditors and provided advice whenever necessary, based on his wide experience, expertise and knowledge as an attorney at law.
Takeo Nakagawa	Mr. Nakagawa attended most of the meetings of the Board of Directors and the Board of Auditors and provided advice whenever necessary, based on his wide experience, expertise and knowledge as a university professor and corporate executive.

3) Outline of the content of liability limitation agreements

The Company has entered into agreements with outside Auditors Messrs. Naoyuki Akikusa, Hajime Harada and Takeo Nakagawa to limit their liability for any damage as provided for in Article 423, paragraph 1 of the Corporation Law of Japan in accordance with Article 427, paragraph 1 of the said law. The maximum amount of the liability for any damage under the agreements is the minimum amount of the liability as provided for in laws or ordinances.

4. Matters Concerning the Accounting Auditors:

(1) Name of the Accounting Auditors:

Ernst & Young ShinNihon

(2) Amount of remuneration, etc. payable to the Accounting Auditors relating to the fiscal year under review:

1) Amount of remuneration, etc. payable by the Company to the Accounting Auditors: ¥30 million

2) Total amount of money and other proprietary benefits payable by the Company and its subsidiaries to the Accounting Auditors: ¥33 million

(Notes) 1. The audit agreement concluded between the Company and the Accounting Auditors does not differentiate between the remuneration payable for audit services pursuant to the Corporation Law, and the amount payable for audit services pursuant to the Financial Instruments and Exchange Law. Hence, the sum of compensation mentioned in 1) above is the total remuneration.

2. Some subsidiaries of the Company are subject to audits by audit corporations other than the Accounting Auditors of the Company.

(3) Policy on determination of dismissal and non-reappointment of the Accounting Auditors:

The Accounting Auditors may be dismissed by the Board of Auditors pursuant to Article 340 of the Corporation Law. In addition, in the event that it is considered difficult for the Accounting Auditors to perform their duties properly, the Company shall, upon consent or request from the Board of Auditors, propose to the General Meeting of Shareholders not to reappoint the Accounting Auditors.

5. Systems to secure the properness of business activities:

The outline of the resolution adopted by the Company at its Board of Directors with regard to its systems to secure the properness of its business activities is as described below:

(1) Systems concerning storage and management of information on the execution by the Directors of their duties:

Pursuant to its documentation rules, the Company shall document information on the execution by the Directors of their duties and keep the same on file. The Directors and Auditors shall have access to such documents at all times.

(2) Regulations concerning management of exposure to the risk of loss and other systems:

With regard to risks related with compliance with law, environment, disasters, qualities, export control, etc., officers in charge of risk management shall institute rules and guidelines, conduct training, and prepare and distribute manuals. Upon the occurrence of any new risk, any officer responsible therefor shall be designated promptly.

(3) Systems to secure efficient execution by the Directors of their duties:

The Company shall secure efficient execution by the Directors of their duties by using the following management systems:

(i) Preparation of budgets and reports on monthly settlement of accounts at meetings of

the Board of Directors; and

- (ii) Establishment of an Executive Committee comprised of the Honorary Chairman, the President and CEO, Senior Managing Directors, Counselors and Managing Officers.

- (4) Systems to secure the execution by the Directors of their duties to comply with laws or ordinances and the Articles of Incorporation:

The Company shall offer to the Directors training with regard to laws or ordinances, the Articles of Incorporation and other internal rules to secure the execution by the Directors of their duties to comply with laws or ordinances and the Articles of Incorporation.

- (5) Systems to secure the execution by the employees of their duties to comply with laws or ordinances and the Articles of Incorporation:

The Company shall offer training to its employees with regard to laws or ordinances, the Articles of Incorporation and other internal rules to secure the execution by the employees of their duties to comply with laws or ordinances and the Articles of Incorporation.

- (6) Systems to secure the properness of business activities of the corporate group comprised of the Company and its subsidiaries:

The officers in charge of risk management set forth in item (2) above shall institute rules and guidelines, conduct training, and prepare and distribute manuals for the Company's subsidiaries whenever necessary. The Directors of the Company have concurrently assumed office of directors of its subsidiaries.

- (7) Systems concerning the assignment of employees to assist the Auditors to execute their duties when the Auditors so request:

The Company shall assign its employees to assist the Auditors to execute their duties whenever necessary.

- (8) System for reports by Directors and employees to the Board of Auditors or the Auditors and other systems to secure effective audits by the Auditors:

By attending meetings of the Board of Directors and the Executive Committee set forth in (3) above, the Auditors shall share information necessary for management with the Directors and employees. In addition, by attending meetings of the Board of Auditors, the Honorary Chairman, the President and CEO and the Counselors shall share information necessary for management with the Auditors.

Consolidated Balance Sheet

(As of March 31, 2008)

(Millions of yen)

Titles of Account	Amount	Titles of Account	Amount
<u>(Assets)</u>	<u>1,046,837</u>	<u>(Liabilities)</u>	<u>135,442</u>
Current assets	750,328	Current liabilities	104,151
Cash and cash equivalents	566,237	Notes and accounts payable - trade	24,812
Notes and accounts receivable — trade	93,844	Accrued income taxes	41,052
Inventories	66,877	Provisions for after-sales services	6,462
Deferred tax assets	19,404	Other	31,825
Other	6,660	Long-term liabilities	31,291
Allowance for doubtful accounts	(2,694)	Reserve for retirement benefits of employees	20,194
Fixed assets	296,509	Other	11,097
Tangible fixed assets	212,055	<u>(Net assets)</u>	<u>911,395</u>
Buildings and structures	66,895	Shareholders' equity	866,354
Machinery and equipment	20,830	Common stock	69,014
Lands	113,143	Capital surplus	96,256
Other	11,187	Retained earnings	921,775
Intangible fixed assets	1,394	Treasury stock	(220,691)
Investments and other assets	83,060	Valuation and translation adjustments	11,834
Investments and other assets	81,083	Unrealized gain on other marketable securities	1,677
Other	1,995	Translation adjustment	10,157
Allowance for doubtful accounts	(18)	Minority interests	33,207
Total	1,046,837	Total	1,046,837

Consolidated Statement of Income

(April 1, 2007 through March 31, 2008)

(Millions of yen)

Titles of Account	Amount	
Net sales		468,399
Cost of sales		217,900
Gross profit		250,499
Selling, general and administrative expenses		60,935
Operating income		189,564
Non-operating income		
Interest and dividends income	8,902	
Equity in earnings	13,258	
Other	2,172	24,332
Non-operating expenses		
Exchange loss	2,524	
Loss on revaluation of investment in securities	523	
Other	875	3,922
Ordinary income		209,974
Extraordinary income		
Transfer back of allowance for officers' retirement benefits	1,901	1,901
Income before income taxes and minority interests		211,875
Income taxes – current	76,550	
Income taxes – deferred	2,461	79,011
Minority interest in income		5,834
Net income		127,030

Consolidated Statement of Changes in Shareholders' Equity, Etc.

(April 1, 2007 through March 31, 2008)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2007	69,014	96,229	830,232	(219,786)	775,689
Changes during this term:					
Dividends of retained earnings			(35,487)		(35,487)
Net income			127,030		127,030
Purchase of treasury stock				(961)	(961)
Disposal of treasury stock		27		56	83
Changes during this term not related to shareholders' equity (net)					
Total changes during this term	-	27	91,543	(905)	90,665
Balance at March 31, 2008	69,014	96,256	921,775	(220,691)	866,354

	Valuation and translation adjustments			Minority interests	Total net assets
	Unrealized gain on other marketable securities	Translation adjustment	Total valuation and translation adjustments		
Balance at March 31, 2007	3,525	14,355	17,880	26,987	820,556
Changes during this term:					
Dividends of retained earnings					(35,487)
Net income					127,030
Purchase of treasury stock					(961)
Disposal of treasury stock					83
Changes during this term not related to shareholders' equity (net)	(1,848)	(4,198)	(6,046)	6,220	174
Total changes during this term	(1,848)	(4,198)	(6,046)	6,220	90,839
Balance at March 31, 2008	1,677	10,157	11,834	33,207	911,395

Notes to Consolidated Financial Statements

Notes on important information constituting the basis of preparation of consolidated financial statements

1. Matters concerning the scope of consolidation

Number of consolidated subsidiaries and the names of major consolidated subsidiaries

Consolidated subsidiaries: 45 companies

Major consolidated subsidiaries:

FANUC Robotics America, Inc.
FANUC Robotics Europe S.A.
FANUC KOREA CORPORATION
FANUC TAIWAN LIMITED
FANUC AMERICA CORPORATION
FANUC ROBOMACHINE EUROPE GmbH
FANUC INDIA PRIVATE LIMITED
FANUC EUROPE GmbH
FANUC GE CNC Europe S.A.
FANUC SERVICE LTD
FANUC PERTRONICS LTD
FANUC SERVO LTD

Newly established companies, FANUC POLAND SERVICE Sp. z o.o. and 4 other companies, were included in the scope of consolidation as subsidiaries in this consolidated fiscal year.

FANUC FA SERVICE LTD, FANUC ROBOT SERVICE LTD and FANUC LASER SERVICE LTD were merged into FANUC SERVICE LTD.

FANUC DD MOTOR LTD was merged by FANUC LTD.

Of the subsidiaries, FANUC KIDEN LTD and others are not consolidated. Total assets, net sales, net income or loss (corresponding to our share) and retained earnings (corresponding to our share) of these non-consolidated subsidiaries are relatively minor and do not have a material effect on the consolidated financial statements taken as a whole.

2. Matters concerning the application of equity method

The equity method is applied to the following one non-consolidated company in their accounting:
FANUC KOREA CENTRAL SERVICE CORPORATION

The equity method is applied to the following two companies in their accounting:

GE Fanuc Automation Corporation
BEIJING-FANUC Mechatronics CO., LTD.

Net income or loss (corresponding to our share) and retained earnings (corresponding to our share) of non-consolidated subsidiaries (FANUC KIDEN LTD and others) and related companies (FANUC MAGTRONICS LTD and others) to which the equity method does not apply are relatively minor and do not have a material effect on the consolidated financial statements taken as a whole.

3. Matters concerning the balance sheet date for settlement of consolidated subsidiaries

The closing date of the consolidated subsidiaries is December 31. Their financial statements as of the closing date are used for the purpose of consolidation. Significant transactions, if any, up to the consolidated closing date are adequately adjusted for the purpose of consolidation.

4. Matters concerning the accounting standards

(1) Standards and methods of valuation of important assets

(a) Securities

Other securities

(Securities with market quotations)

Stated at market values as of the balance sheet date (Unrealized gains and losses are accounted for

- as a separate component of shareholders' equity, and cost of sales is calculated using the moving-average method.)
(Securities without market quotations)
Stated at cost using the moving-average method.
- (b) Inventories
Stated mainly at cost by using the identified cost method and the gross-average method.
- (2) Depreciation methods of important depreciable properties
- (a) Tangible fixed assets
Generally, the declining-balance method. However, the straight-line method is applicable for buildings (except for annexed structures) acquired by the Company and domestic consolidated subsidiaries since April 1, 1998.
- (b) Intangible fixed assets
Generally, the straight-line method. Software for internal use is amortized by the straight-line method on the estimated useful life of internal use (five years).
- (3) Standards used in accounting for important accruals
- (a) Allowance for doubtful accounts
Estimated amounts of uncollectible trade receivables, loans, etc. are provided by using historical experience for ordinary receivables and by evaluating specific accounts, including doubtful accounts.
- (b) Reserve for retirement benefits of employees
Reserve for retirement benefits is provided, by charging retirement benefit obligations and past service liability at the end of the period by using the straight-line method over a specific number of 10 years within the average service period of employees at the time of its occurrence.
Actuarial differences are charged by using the straight-line method over a specific number of 10 years within the average service period of employees at the time of occurrence from the next consolidated fiscal year and thereafter.
- (c) Provisions for after-sales services
Provisions for after-sales services are provided, by taking into consideration the amounts actually occurred in the past, so that such expenses will be recorded in the corresponding period of sales. For special cases, an estimated necessary amount is provided.
- (4) Other important information constituting the basis of preparation of consolidated financial statements
- (a) Standards of translation of important foreign-currency denominated assets and liabilities to Japanese yen
Foreign-currency denominated monetary assets and liabilities are translated into Japanese yen by using the spot exchange rate on the closing day of the term under review, and these types of foreign exchange gains and losses from currency translation are recognized in the statement of income. Assets and liabilities of overseas subsidiaries are translated into Japanese yen by using the spot exchange rate on the closing day of the term under review; revenue and expenses are converted using the average exchange rate for the entire term under review. Foreign exchange gains and losses from these types of currency translation are recorded as "Translation adjustment" in shareholders' equity.
- (b) Accounting for important lease transactions
Financing leases other than those for which the ownership of the leased property is deemed as transfers to the lessee are accounted for as ordinary rental transactions.
- (c) Accounting for consumption tax
Exclusive of consumption taxes.
5. Valuation of assets and liabilities of consolidated subsidiaries
- All assets and liabilities of consolidated subsidiaries are presented using the fair market valuation method.

- Changes in the important matters constituting the basis of preparation of consolidated financial statements

In accordance with the amendment to the Corporate Tax Law, the Company and its domestic consolidated subsidiaries have adopted a method of depreciation under the Corporate Tax Law as amended, applicable to the tangible fixed assets acquired on or after April 1, 2007, as from the consolidated fiscal year under review.

Notes to the consolidated balance sheet

- Accumulated depreciation of tangible fixed assets ¥162,298 million
- Outstanding balance of guaranteed debts ¥418 million

The Company provides guarantees for housing loans for its employees.

Notes to the consolidated statement of changes in shareholders' equity, etc.

- Class and the total number of shares issued at the end of the consolidated fiscal year under review:
Shares of common stock 239,508,317 shares
- Matters concerning dividends:

(1) Amount of dividends paid

Resolution	Class of shares	Total amount of dividends (millions of yen)	Amount of dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 27, 2007	Shares of common stock	16,113	77.50	March 31, 2007	June 28, 2007
Meeting of the Board of Directors held on October 26, 2007	Shares of common stock	19,374	93.21	September 30, 2007	December 3, 2007
Total		35,487			

- Dividends the record date for which falls during the fiscal year under review but the effective date for which falls during the next fiscal year

Management will propose the following matters concerning dividends for the shares of common stock in a proposition at the Ordinary General Meeting of Shareholders to be held on June 27, 2008:

- Total amount of dividends ¥18,734 million
- Amount of dividend per share ¥90.14
- Record date March 31, 2008
- Effective date June 30, 2008

Management plans to appropriate retained earnings as funds for dividends.

Notes to the information per share

- Net assets per share: ¥4,225.39
Net income per share: ¥611.14

Non-Consolidated Balance Sheet

(As of March 31, 2008)

(Millions of yen)

Titles of Account	Amount	Titles of Account	Amount
<u>(Assets)</u>	<u>807,152</u>	<u>(Liabilities)</u>	<u>81,527</u>
Current assets	516,939	Current liabilities	64,297
Cash and cash equivalents	408,431	Accounts payable — trade	14,906
Notes receivable — trade	21,343	Accounts payable — other	5,455
Accounts receivable — trade	36,396	Accrued expenses	6,789
Finished goods	10,190	Accrued income taxes	32,963
Raw materials	5,873	Advances received	341
Work in process	23,243	Deposits	467
Supplies	109	Provisions for after-sales services	3,346
Deferred tax assets	11,043	Other	30
Other	1,781	Long-term liabilities	17,230
Allowance for doubtful accounts	(1,470)	Reserve for retirement benefits of employees	17,230
Fixed assets	290,213		
Tangible fixed assets	189,290	<u>(Net assets)</u>	<u>725,625</u>
Buildings	53,951	Shareholders' equity	724,110
Structures	2,891	Common stock	69,014
Machinery and equipment	18,269	Capital surplus	96,107
Vehicles and transportation equipment	150	Capital reserve	96,057
Tools, furniture and fixtures	5,598	Other capital surplus	50
Lands	105,663	Retained earnings	779,680
Construction in progress	2,768	Retained earnings reserve	8,252
Intangible fixed assets	806	Other retained earnings	771,428
Investments and other assets	100,117	Reserve for research and development	311,800
Investment securities	9,261	Reserve for special depreciation	9
Stocks of subsidiaries and affiliates	82,102	Reserve for advanced depreciation	70
Deferred tax assets	7,799	General reserve	303,580
Other	973	Retained earnings carried forward	155,969
Allowance for doubtful accounts	(18)	Treasury stock	(220,691)
		Valuation and translation adjustments	1,515
		Unrealized gain on other marketable securities	1,515
Total	807,152	Total	807,152

Non-Consolidated Statement of Income

(April 1, 2007 through March 31, 2008)

(Millions of yen)

Titles of Account	Amount	
Net sales		348,058
Cost of sales		178,966
Gross profit		169,092
Selling, general and administrative expenses		29,122
Operating income		139,970
Non-operating income		
Interest and dividends income	13,337	
Other	2,661	15,998
Non-operating expenses		
Other	4,001	4,001
Ordinary income		151,967
Extraordinary income		
Transfer back of allowance for officers' retirement benefits	1,901	1,901
Income before income taxes		153,868
Income taxes – current	58,881	
Income taxes – deferred	(1,160)	57,721
Net income		96,147

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

(April 1, 2007 through March 31, 2008)

(Millions of yen)

	Shareholders' equity											
	Common stock	Capital surplus			Retained earnings							
		Capital reserve	Other capital surplus	Total capital surplus	Retained earnings reserve	Other retained earnings					Retained earnings carried forward	Total retained earnings
						Reserve for research and development	Reserve for special depreciation	Reserve for advanced depreciation	General reserve			
Balance at March 31, 2007	69,014	96,057	23	96,081	8,252	311,800	24	74	303,580	95,291	719,020	
Changes during this term												
Reversal of reserve for special depreciation							(15)			15	-	
Reversal of reserve for advanced depreciation								(4)		4	-	
Dividends of retained earnings										(35,487)	(35,487)	
Net income										96,147	96,147	
Purchase of treasury stock												
Disposal of treasury stock			27	27								
Changes during this term not related to shareholders' equity (net)												
Total changes during this term	-	-	27	27	-	-	(15)	(4)	-	60,679	60,660	
Balance at March 31, 2008	69,014	96,057	50	96,107	8,252	311,800	9	70	303,580	155,969	779,680	

(Millions of yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Unrealized gain on other marketable securities	Total valuation and translation adjustments	
Balance at March 31, 2007	(219,786)	664,329	3,525	3,525	667,854
Changes during this term					
Reversal of reserve for special depreciation		-			-
Reversal of reserve for advanced depreciation		-			-
Dividends of retained earnings		(35,487)			(35,487)
Net income		96,147			96,147
Purchase of treasury stock	(961)	(961)			(961)
Disposal of treasury stock	56	83			83
Changes during this term not related to shareholders' equity (net)			(2,010)	(2,010)	(2,010)
Total changes during this term	(905)	59,782	(2,010)	(2,010)	57,772
Balance at March 31, 2008	(220,691)	724,110	1,515	1,515	725,625

Notes to Non-Consolidated Financial Statements

Notes on the matters concerning significant accounting policies

1. Standards and methods of evaluation of securities
 - Stocks of subsidiaries and affiliates
Stated at cost using the moving-average method.
 - Other securities
 - Securities with market quotations
Stated at market values as of the balance sheet date (Unrealized gains and losses are accounted for as a separate component of shareholders' equity, and cost of sales is calculated using the moving-average method.)
 - Securities without market quotations
Stated at cost using the moving-average method.
2. Standard and method of valuation of inventories
 - Finished goods and work in progress: Stated at cost using the identified cost method and the gross-average method.
 - Raw materials: Stated at cost using the last-purchase-price method.
 - Supplies: Stated at cost using the first-in, first-out method.
3. Depreciation methods for tangible fixed assets
Declining-balance method. (However, the straight-line method is applied for buildings, except for annexed structures, acquired since April 1, 1998.)
4. Standards used in accounting for important accruals
 - 1) Allowance for doubtful accounts
Estimated amounts of uncollectible trade receivables, loans, etc. are provided by using historical experience for ordinary receivables and by evaluating specific accounts, including doubtful accounts.
 - 2) Provisions for after-sales services
Provisions for after-sales services are provided, by taking into consideration the amounts actually occurred in the past, so that such expenses will be recorded in the corresponding period of sales. For special cases, an estimated necessary amount is provided.
 - 3) Reserve for retirement benefits of employees
Reserve for retirement benefits is provided in the amount deemed to have accrued, based on actuarially determined retirement benefit obligations and pension assets at the end of the period. Past service liability is charged by using the straight-line method over a specific number of 10 years within the average service period of employees at the time of its occurrence. Actuarial differences are charged by using the straight-line method over a specific number of 10 years within the average service period of employees at the time of occurrence from the next fiscal year and thereafter.
5. Accounting for lease transactions
Financing leases other than those for which the ownership of the leased property is deemed as transfers to the lessee are accounted for as ordinary rental transactions.
6. Accounting for consumption tax
All amounts presented in these financial statements are exclusive of consumption taxes.

Notes on changes in the significant accounting policies:

Method of depreciation of tangible fixed assets:

In accordance with the amendment to the Corporate Tax Law, the Company has adopted a method of depreciation under the Corporate Tax Law as amended, applicable to the tangible fixed assets acquired on or after April 1, 2007, as from the fiscal year under review. The change has no significant effect on the non-consolidated statement of income.

Notes to the non-consolidated balance sheet

1. Accumulated depreciation of tangible fixed assets	¥146,058 million
2. Outstanding balance of guaranteed debts	¥418 million
The Company provides guarantees for housing loans for its employees.	
3. Monetary receivables from, and monetary debts payable to, subsidiaries and affiliates	
Short-term monetary receivables from subsidiaries and affiliates	¥13,595 million
Long-term monetary receivables from subsidiaries and affiliates	¥680 million
Short-term monetary debts payable to subsidiaries and affiliates	¥1,793 million

Notes to the non-consolidated statement of income

Transactions with subsidiaries and affiliates	
Net sales to subsidiaries and affiliates	¥177,052 million
Amount of procurements from subsidiaries and affiliates	¥9,370 million
Transactions other than operating transactions	¥18,185 million

Notes to the non-consolidated statement of changes in shareholders' equity, etc.

Class and the number of shares of treasury stock at the end of the fiscal year under review	
Shares of common stock:	31,672,220 shares

Notes to tax effect accounting

Principal details of deferred tax assets and deferred tax liabilities

Deferred tax assets	
Reserve for retirement benefits of employees	¥6,892 million
Depreciation expense	¥3,334 million
Accrued enterprise taxes	¥2,677 million
Accrued expenses	¥2,716 million
Others	¥4,286 million
Total deferred tax assets	¥19,905 million
Deferred tax liabilities	
Reserve for advanced depreciation	(¥47 million)
Reserve for special depreciation	(¥6 million)
Unrealized gain on other marketable securities	(¥1,010 million)
Total deferred tax liabilities	(¥1,063 million)
Net deferred tax assets (liabilities)	¥18,842 million

Notes to the fixed assets used on lease

In addition to the fixed assets listed in the balance sheet, part of office equipment is used pursuant to finance lease agreements in which the ownership of leased property shall not be transferred to the Company.

Note to the information per share

1. Net assets per share:	¥3,491.33
2. Net income per share:	¥462.56

Copy of the Independent Auditor's Report Concerning Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

May 13, 2008

The Board of Directors
FANUC LTD

We have audited 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 of FANUC LTD (the "Company"), applicable to its consolidated fiscal year from April 1, 2007 to March 31, 2008 pursuant to Article 444, paragraph 4 of the Corporation Law of Japan. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements from an independent standpoint.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require that we obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence. An audit also includes assessing the accounting policies and methods of application thereof employed by management and estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

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

We have no financial interest in the Company which is required to be disclosed under the provisions of the Certified Public Accountants Law of Japan.

Ernst & Young ShinNihon
Designated Partner, Engagement Partner
Certified Public Accountant: Kazuhiko Kamiya
Designated Partner, Engagement Partner
Certified Public Accountant: Hiroshi Karasawa
Designated Partner, Engagement Partner
Certified Public Accountant: Hitoshi Yonemura

Certified Copy of the Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

May 13, 2008

The Board of Directors
FANUC LTD

We have audited the balance sheet, the statement of income, the statement of changes in shareholders' equity, etc. and the notes to non-consolidated financial statements, and the supplementary financial schedules of FANUC LTD (the "Company"), applicable to its 39th fiscal year from April 1, 2007 to March 31, 2008 pursuant to Article 436, paragraph 2, item 1 of the Corporation Law of Japan. These financial statements and the supplementary financial schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and the supplementary financial schedules from an independent standpoint.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require us to obtain reasonable assurance about whether the financial statements and the supplementary financial schedules are free of material misstatement. An audit includes examining, on a test basis, evidence. An audit also includes assessing the accounting policies and methods of application thereof employed by management and estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary financial schedules. We believe that our audit provides a reasonable basis for our opinion.

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

We have no financial interest in the Company which is required to be disclosed under the provisions of the Certified Public Accountants Law.

Ernst & Young ShinNihon

Designated Partner, Engagement Partner
Certified Public Accountant: Kazuhiko Kamiya

Designated Partner, Engagement Partner
Certified Public Accountant: Hiroshi Karasawa

Designated Partner, Engagement Partner
Certified Public Accountant: Hitoshi Yonemura

Copy of the Audit Report of the Board of Auditors

AUDITORS' REPORT

We, the Board of Auditors of the Company, based on the audit report prepared by each Auditor on the performance by the Directors of their duties during the 39th fiscal year from April 1, 2007 to March 31, 2008, prepared this audit report upon deliberation and hereby report as follows:

1. Method of Audit by the Auditors and the Board of Auditors and the Particulars thereof:

The Board of Auditors determined the audit policy, audit plans, etc. and received from each Auditor reports on the state of his performance of audits and the results thereof. The Board also received from the Directors, etc. and the Account Auditors reports on the state of performance of their duties and demanded their explanations whenever necessary.

Each Auditor, in accordance with the audit policy, assignment of duties, etc. determined by the Board of Auditors, maintained constant communication with the Directors and employees, etc. in an effort to collect information and improve the environment for auditing, attended meetings of the Board of Directors and other important meetings, received from the Directors and employees, etc. reports on the state of performance of their duties, demanded their explanations whenever necessary, inspected important decision documents, etc., and made investigation into the state of activities and property at the head office and principal business offices of the Company.

We also monitored and verified the details of the resolutions of the Board of Directors for establishing systems to secure that the performance by the Directors of their duties will comply with laws or ordinances and the Articles of Incorporation and such other systems provided for in Article 100, paragraphs 1 and 3 of the Regulations to Enforce the Corporation Law of Japan as necessary to secure the adequacy of business of joint-stock corporations, as well as the status of the systems (internal control systems) established pursuant to such resolutions. With regard to its subsidiaries, we maintained constant communication and exchanged information with the directors, auditors, etc. thereof and required the subsidiaries to render reports on their business operations whenever necessary. In accordance with such methods, we investigated the business report and its supplementary schedules for the fiscal year under review.

We also monitored and verified whether the Account Auditors had maintained an independent position and conducted adequate audits, and received from the Account Auditors reports on the state of performance of their duties and demanded their explanations whenever necessary. In addition, we received from the Account Auditors a notice that the "systems to secure adequate performance of duties" (as listed in the items of Article 159 of the Corporate Accounting Regulations) had been established in accordance with the "Standard for Quality Control Concerning Audits" (the Accounting Standards Board of Japan, October 28, 2005) and demanded their explanations whenever necessary.

In accordance with such methods, we investigated the 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 presents the state of the Company in accordance with laws or 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 or ordinances or 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 performance by the Directors of their duties concerning such internal control systems contains nothing to be pointed out.

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

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

May 19, 2008

The Board of Auditors
FANUC LTD

Naoki Shimizu (seal)
Full-time Auditor

Nobuo Otsuka (seal)
Full-time Auditor

Naoyuki Akikusa (seal)
Outside Auditor

Hajime Harada (seal)
Outside Auditor

Takeo Nakagawa (seal)
Outside Auditor

Reference Materials for the Ordinary General Meeting of Shareholders

Item 1 Appropriation of Retained Earnings

The Company continues its efforts to enhance its business structure going forward in order to return profits to its shareholders in proportion to its consolidated business results.

While it is our basic policy to provide stable dividend payments to our shareholders, we will also strive to secure a payout ratio of at least 30% of our consolidated net income for the fiscal year. In addition, we will acquire our own shares as necessary in consideration of stock market conditions.

As is the case with dividend payments, we have established a policy to link bonuses to Directors and employees, who strive to secure profitability under severe market competition, to consolidated net income.

Since we operate in a fiercely competitive leading-edge industry—characterized by rapid technological innovation—, we will use internal reserves under our medium- to long-term plan to develop new products, robotize production processes and strengthen overseas business.

Based on the above-mentioned basic policies concerning the distribution of profits, we would like to pay the year-end dividends for the fiscal year under review as shown below.

This will bring the total amount of annual dividends paid to ¥183.35 per share, including ¥93.21 paid in December of last year as an interim dividend, representing an overall increase of ¥33.35 from the previous fiscal year.

- ① Type of property to be distributed as dividends
Cash
- ② Allocation of property to be distributed as dividends and the total amount thereof
¥90.14 per share of common stock of the Company
Total amount of dividends: ¥18,734,345,784
- ③ Effective date of the distribution of retained earnings
June 30, 2008

Item 2 Election of Fourteen (14) Members of the Board of Directors

The term of office of thirteen (13) Directors will expire at the conclusion of the meeting. Accordingly, the election of the following fourteen (14) Directors is proposed.

The number of Directors will increase by one (1) from the current number. This is because management desires specifically to further strengthen our manufacturing division by newly appointing a Director responsible for manufacturing who shall exercise general control over all factories of the Company, as well as to rejuvenate its corporate management system.

Details of the nominees are described below:

(Note: Enclosed in parenthesis in italic letter are the titles currently used by the Company)

Nominee's number	Name (Date of birth)	Personal history and Representation of other companies		Number of shares of the Company held by nominee
1	Yoshiharu Inaba (July 23, 1948)	March 1973	Graduated from Department of Mechanical Engineering, Faculty of Engineering, Tokyo Institute of Technology	2,500 shares
		April 1973	Joined Isuzu Motors Limited	
		September 1983	Joined the Company	
		June 1989	Appointed Director (<i>Member of the Board</i>) of the Company	
		June 1992	Appointed Senior Vice Managing Director (<i>Member of the Board</i>) of the Company	
		June 1995	Appointed Senior Managing Director (<i>Member of the Board</i>) of the Company	
		January 1999	Obtained a Doctor of Engineering Degree in Precision Machine Engineering from the University of Tokyo	
		May 2001	Appointed Senior Executive Vice President of the Company (*)	
		June 2003	Appointed President and CEO of the Company (*) (to the present)	
			(*) Representative Director under the Corporation Law	

Nominee's number	Name (Date of birth)	Personal history and Representation of other companies		Number of shares of the Company held by nominee
2	Mitsuto Miyata (February 1, 1947)	<p>March 1970</p> <p>April 1970</p> <p>May 1976</p> <p>July 1988</p> <p>June 1989</p> <p>June 1993</p> <p>June 1995</p> <p>June 2008</p>	<p>Graduated from Department of Precision Machine Engineering, Faculty of Engineering, The University of Tokyo</p> <p>Joined Fujitsu Limited</p> <p>Transferred to the Company</p> <p>Vice General Manager, Product Development Laboratory of the Company</p> <p>Appointed Director (<i>Member of the Board</i>) of the Company</p> <p>Appointed Senior Vice Managing Director (<i>Member of the Board</i>) of the Company</p> <p>Appointed Senior Managing Director (<i>Member of the Board</i>) of the Company (to the present)</p> <p>General Manager, Software Group of the Company (to the present)</p>	2,208 shares
3	Mitsuo Kurakake (August 5, 1945)	<p>March 1970</p> <p>April 1970</p> <p>May 1976</p> <p>January 1987</p> <p>June 1989</p> <p>June 1991</p> <p>April 2005</p> <p>April 2008</p>	<p>Obtained a master's degree in the field of Electrical Engineering, from Graduate School of Engineering, Tokyo Institute of Technology</p> <p>Joined Fujitsu Limited</p> <p>Transferred to the Company</p> <p>Vice General Manager, Product Development Laboratory of the Company</p> <p>Appointed Director (<i>Member of the Board</i>) of the Company</p> <p>Appointed Senior Vice Managing Director (<i>Member of the Board</i>) of the Company</p> <p>Appointed Senior Managing Director (<i>Member of the Board</i>) of the Company (to the present)</p> <p>General Manager, FA Eastern Region Sales Division of the Company (to the present)</p>	1,018 shares

Nominee's number	Name (Date of birth)	Personal history and Representation of other companies		Number of shares of the Company held by nominee
4	Hiroyuki Uchida (June 12, 1958)	March 1982 April 1982 April 1996 June 1997 May 2001 June 2006 November 2007	Graduated from Department of Precision Machine Engineering, Faculty of Engineering, The University of Tokyo Joined the Company Deputy General Manager, Servo Laboratory of the Company Appointed Director (<i>Member of the Board</i>) of the Company Appointed Senior Vice Managing Director (<i>Member of the Board</i>) of the Company Appointed Senior Managing Director (<i>Member of the Board</i>) of the Company (to the present) General Manager, Servo Group of the Company (to the present)	696 shares
5	Shinichi Tanzawa (August 5, 1959)	March 1983 April 1983 July 1990 June 2000 October 2001 April 2002 April 2008	Graduated from Department of Economics, Faculty of Economics, The University of Tokyo Joined the Company Appointed Vice President, GMFanuc Robotics Europe GmbH Appointed Director (<i>Member of the Board</i>) of the Company Appointed Senior Vice Managing Director (<i>Member of the Board</i>) of the Company Appointed Senior Managing Director (<i>Member of the Board</i>) of the Company (to the present) General Manager, FA Nagoya Sales Division of the Company (to the present)	1,000 shares

Nominee's number	Name (Date of birth)	Personal history and Representation of other companies		Number of shares of the Company held by nominee
6	Hideo Kojima (February 21, 1958)	<p>March 1983</p> <p>April 1983</p> <p>January 1991</p> <p>April 1995</p> <p>June 2001</p> <p>June 2003</p> <p>June 2006</p> <p>April 2008</p>	<p>Graduated from Faculty of Law, The University of Tokyo</p> <p>Joined the Company</p> <p>Manager, Secretary Section of the Company</p> <p>Manager, Personnel Department of the Company (to the present)</p> <p>Appointed Director (<i>Member of the Board</i>) of the Company</p> <p>Appointed Senior Vice Managing Director (<i>Member of the Board</i>) of the Company</p> <p>Appointed Senior Managing Director (<i>Member of the Board</i>) of the Company (to the present)</p> <p>Group Executive, Personnel, Finance & Accounting, Public Relations, Legal and General Affairs Group of the Company (to the present)</p>	1,000 shares
7	Yoshihiro Gonda (July 24, 1960)	<p>March 1984</p> <p>April 1984</p> <p>October 2000</p> <p>June 2001</p> <p>May 2005</p> <p>June 2006</p> <p>June 2006</p> <p>May 2007</p> <p>June 2007</p> <p>June 2007</p>	<p>Graduated from Department of Economics, Faculty of Economics, The University of Tokyo</p> <p>Joined the Company</p> <p>Assistant to the Group Executive, Finance Group (Purchasing) of the Company</p> <p>Appointed Director (<i>Member of the Board</i>) of the Company</p> <p>Appointed Senior Vice Managing Director (<i>Member of the Board</i>) of the Company</p> <p>Resigned as Senior Vice Managing Director (<i>Member of the Board</i>) of the Company</p> <p>Appointed Managing Officer (<i>Member of the Management</i>) of the Company</p> <p>Group Executive, Price & Cost and Purchasing Group of the Company (to the present)</p> <p>Resigned as Managing Officer (<i>Member of the Management</i>) of the Company</p> <p>Appointed Senior Managing Director (<i>Member of the Board</i>) of the Company (to the present)</p>	1,764 shares

Nominee's number	Name (Date of birth)	Personal history and Representation of other companies		Number of shares of the Company held by nominee
8	Katsuo Kohari (August 12, 1942)	<p>March 1968</p> <p>April 1968</p> <p>May 1976</p> <p>July 1988</p> <p>January 1999</p> <p>April 2003</p> <p>June 2003</p> <p>May 2004</p> <p>April 2005</p> <p>April 2006</p>	<p>Obtained a master's degree in the field of Control Engineering, Graduate School of Engineering, Tokyo Institute of Technology</p> <p>Joined Fujitsu Limited</p> <p>Transferred to the Company</p> <p>Vice General Manager, Product Development Laboratory of the Company</p> <p>Executive Vice President of GE Fanuc Automation Americas, Inc.</p> <p>Assistant to the Group Executive, Sales & Service Group of the Company</p> <p>Appointed Director (<i>Member of the Board</i>) of the Company</p> <p>Appointed Senior Vice Managing Director (<i>Member of the Board</i>) of the Company</p> <p>Appointed Senior Managing Director (<i>Member of the Board</i>) of the Company (to the present)</p> <p>General Manager, FA Overseas Sales Joint Division of the Company (to the present)</p>	5,116 shares
9	Hiroshi Araki (December 20, 1948)	<p>June 1971</p> <p>July 1971</p> <p>May 1976</p> <p>June 2000</p> <p>May 2001</p> <p>June 2003</p> <p>January 2007</p>	<p>Graduated from Department of Precision Machine Engineering, Faculty of Engineering, The University of Tokyo</p> <p>Joined Fujitsu Limited</p> <p>Transferred to the Company</p> <p>Appointed Director (<i>Member of the Board</i>) of the Company</p> <p>Appointed Senior Vice Managing Director (<i>Member of the Board</i>) of the Company</p> <p>Appointed Senior Managing Director (<i>Member of the Board</i>) of the Company (to the present)</p> <p>General Manager, Tsukuba Factory of the Company (to the present)</p>	500 shares

Nominee's number	Name (Date of birth)	Personal history and Representation of other companies		Number of shares of the Company held by nominee
10	Richard E. Schneider (August 14, 1956)	<p>June 1978</p> <p>December 1983</p> <p>February 1984</p> <p>July 1991</p> <p>September 1994</p> <p>September 1997</p> <p>June 2006</p>	<p>Graduated from Welding Engineering Faculty, College of Engineering, Ohio State University</p> <p>Obtained an MBA degree from Xavier University</p> <p>Joined FANUC Robotic America, Inc.</p> <p>Vice President of the company above</p> <p>Director of the company above</p> <p>President & CEO of the company above (to the present)</p> <p>Appointed Director (<i>Member of the Board</i>) of the Company (to the present)</p>	500 shares
11	Ryo Nihei (January 12, 1955)	<p>March 1978</p> <p>April 1978</p> <p>July 2003</p> <p>June 2004</p> <p>August 2005</p> <p>June 2006</p> <p>June 2006</p> <p>November 2007</p> <p>April 2008</p>	<p>Graduated from Department of Mechanical Engineering, Faculty of Engineering, Tokyo Institute of Technology</p> <p>Joined the Company</p> <p>General Manager, Robot Laboratory of the Company</p> <p>Appointed Director (<i>Member of the Board</i>) of the Company</p> <p>Appointed Senior Vice Managing Director (<i>Member of the Board</i>) of the Company</p> <p>Resigned as Senior Vice Managing Director (<i>Member of the Board</i>) of the Company</p> <p>Appointed Managing Officer (<i>Member of the Management</i>) of the Company (to the present)</p> <p>General Manager, Robot Group of the Company (to the present)</p> <p>Assistant to the General Manager, Robot Sales Joint Division of the Company (to the present)</p>	200 shares

Nominee's number	Name (Date of birth)	Personal history and Representation of other companies		Number of shares of the Company held by nominee
12	Kenji Yamaguchi (August 6, 1968)	<p>March 1993</p> <p>April 1993 October 2004</p> <p>June 2006</p> <p>August 2007</p> <p>June 2008</p>	<p>Obtained a master's degree in the field of Precision Machine Engineering, School of Engineering, The University of Tokyo</p> <p>Joined the Company General Manager, Manufacturing Technology Center of the Company</p> <p>Appointed Managing Officer (<i>Member of the Management</i>) of the Company (to the present)</p> <p>General Manager, Manufacturing Technology Laboratory of the Company (to the present)</p> <p>Responsible for all factories of the Company (to the present)</p>	500 shares
13	Hiroshi Noda (May 8, 1963)	<p>March 1989</p> <p>April 1989 January 2002</p> <p>June 2003</p> <p>June 2006</p> <p>June 2006</p> <p>April 2008</p>	<p>Obtained a master's degree in the field of Electrical Engineering, School of Engineering, The University of Tokyo</p> <p>Joined the Company Senior Vice General Manager, CNC Laboratory of the Company</p> <p>Appointed Director (<i>Member of the Board</i>) of the Company</p> <p>Resigned as Director (<i>Member of the Board</i>) of the Company</p> <p>Appointed Managing Officer (<i>Member of the Management</i>) of the Company (to the present)</p> <p>General Manager, CNC Laboratory of the Company (to the present)</p>	200 shares

Nominee's number	Name (Date of birth)	Personal history and Representation of other companies		Number of shares of the Company held by nominee
14	Hidehiro Miyajima (April 5, 1959)	March 1982	Graduated from Department of Mathematical Engineering, Faculty of Engineering, Kyoto University	500 shares
		April 1982	Joined the Company	
		April 2001	Senior Vice General Manager, Software Development Laboratory of the Company	
		June 2002	Appointed Director (<i>Member of the Board</i>) of the Company	
		May 2005	Appointed Senior Vice Managing Director (<i>Member of the Board</i>) of the Company	
		June 2006	Resigned as Senior Vice Managing Director (<i>Member of the Board</i>) of the Company	
		June 2006	Appointed Managing Officer (<i>Member of the Management</i>) of the Company (to the present)	
		November 2007	General Manager, The 1st Software Laboratory of the Company (to the present)	

Item 3 Election of One (1) Auditor

The term of office of Auditor Hajime Harada will expire at the conclusion of the meeting. Accordingly, the election of the following one (1) Auditor is proposed.

Details of the nominee are described below.

The Board of Auditors has consented to the submission of this item.

Name (Date of birth)	Personal history and Representation of other companies		Number of shares of the Company held by nominee
Hajime Harada (September 10, 1947)	March 1970	Graduated from Faculty of Law, The University of Tokyo	1,072 shares
	April 1974	Registered as attorney at law (to the present)	
	June 2004	Appointed Auditor of the Company (to the present)	

- Notes:
1. Mr. Hajime Harada is a nominee for the Company's outside auditor.
 2. Mr. Hajime Harada would give us advice on our management whenever necessary based on his ample experience and insights in his career as an attorney at law. We thus recommend his election to the Board of Auditors as an outside Auditor. At the conclusion of this meeting, he will have served as an outside Auditor for four (4) years.
 3. We have entered into an agreement with Mr. Hajime Harada limiting his liability as defined under Paragraph 1, Article 423 of the Corporation Law, in accordance with Paragraph 1, Article 427 of the Corporation Law.
 4. Mr. Hajime Harada attended all of thirteen (13) meetings of the Board of Directors and all of three (3) meetings of the Board of Auditors held during the fiscal year under review.

- END -

Notice on Exercise of Voting Rights via the Internet, Etc.

In exercising your voting rights via the Internet, etc., please confirm the following items in advance.

Method via the Internet:

1. Any exercise of voting rights via the Internet will be possible only on the website for the exercise of voting rights at the general meeting of shareholders (<http://www.e-tosyodai.com>) specified by the Company. The website for the exercise of voting rights at the general meeting of shareholders is also accessible via mobile-phone Internet.
(To exercise voting rights via the Internet, the number of the exercise of voting rights and the password for the exercise of the voting rights printed in the enclosed Voting Rights Exercise Form are required.)
2. In accessing the website for the exercise of voting rights at the general meeting of shareholders, all connection fees payable to Internet service providers and fees payable to telecommunication carriers must be borne by the shareholders.

(Note) To access the website for the exercise of voting rights at the general meeting of shareholders via mobile-phone Internet, the following system environments are required:

- (1) Services of "i-mode", "EZweb" or "Yahoo! Keitai" must be available; and
- (2) The devices must be compatible with SSL communications that enable encrypted communications.
("i-mode" is the trademark or registered trademark of NTT DoCoMo Inc., "EZweb" is the trademark or registered trademark of KDDI CORPORATION and "Yahoo! Keitai" is the trademark or registered trademark of SOFTBANK MOBILE Corp.)

With regard to the procedures in exercising your voting rights via the Internet, please refer to:

Share Registrar: Tokyo Securities Transfer Agent Co., Ltd.
Tel: 0120-49-7009 (toll-free)

To institutional investors:

"ICJ Platform", a platform for electronic exercise of voting rights for institutional investors operated by ICJ Inc., will be available to institutional investors as a method of exercise of voting rights at the general meeting of shareholders.

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