

(TRANSLATION)

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(Securities code: 6954)
June 8, 2016

To Our Shareholders

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

**Notice of Convocation of
The 47th Ordinary General Meeting of Shareholders**

Dear Shareholders,

You are cordially invited to attend the 47th Ordinary General Meeting of Shareholders of FANUC CORPORATION. The meeting will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights by either of the following methods. Hence, please review the Reference Materials for the Ordinary General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. (Japan time), Tuesday, June 28, 2016.

[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 (<http://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:** Wednesday, June 29, 2016, 10:00 a.m.
2. **Place:** Main Hall, FANUC Headquarters, 3580, Shibokusa Aza-Komanba, Oshino-mura, Minamitsuru-gun, Yamanashi Prefecture
3. **Agenda of the Meeting**
 - Matters to be reported:** Report on the business report, the non-consolidated financial statements, the consolidated financial statements and the results of audit of the consolidated financial statements by the Accounting Auditors and the Board of Auditors for the 47th fiscal year (from April 1, 2015 to March 31, 2016).
 - Matters to be resolved:**
 - Item 1:** Appropriation of Surplus
 - Item 2:** Election of thirteen (13) Directors
 - Item 3:** Election of one (1) Auditor

4. Other Matters Determined Concerning the General Meeting of Shareholders

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

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

* Part of the Attachments to the Notice of Convocation of the General Meeting of Shareholders to be provided to you shall be deemed to be delivered to you by posting them on our Internet website (<http://www.fanuc.co.jp>).

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

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

BUSINESS REPORT (April 1, 2015 through March 31, 2016)

1. Summary of Current Status of the FANUC Group

(1) Business trends and achievements

During this period, demand for capital investment was generally unchanged in Europe and Japan and remained steady in the Americas; however, demand further slowed in China as well as in parts of Asia, which were affected by the situation in China. These situations made business environment severe as a whole.

Under these circumstances, the FANUC Group strived to make customers trust our products and services to an even greater extent, by becoming united as one group under the slogans “one FANUC,” “Reliable / Predictable / Easy to Repair,” and “Service First” so that we can achieve further development in our business.

During the fiscal year ended March 31, 2016, FANUC posted consolidated net sales totaling ¥623,418 million, down 14.6%, consolidated ordinary income totaling ¥229,361 million, down 26.5%, and consolidated net income totaling ¥159,700 million, down 23.1%, compared with the previous fiscal year.

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

Regarding capital investment of this period, we proceeded with the construction of new factories for CNCs, servo motors and others in Mibu-machi, Tochigi Prefecture, in order to fortify our future production capacity, and proceeded also with the expansion of R&D facilities at our headquarters in order to pursue “enhanced reliability” and “greater speed” in research and development.

During this period, the FANUC Robot CR-35iA, a green robot that can work together with human operators without safety fences, won the “Nikkan Kogyo Shimbun Best 10 New Product Awards 2015/ Masuda Award” and the “Nikkei Awards for Excellence, the Nikkei Superior Products and Services Awards 2015”.

Additionally, FANUC was presented with the “Drivers of Change Award” of the 2015 FT ArcelorMittal BOLDNESS IN BUSINESS AWARDS by the Financial Times and ArcelorMittal.

(Note): The BOLDNESS IN BUSINESS AWARDS are granted to companies who stand out for their vision and leadership in exerting courage and imagination in taking calculated risk and making difficult decisions. Among the Awards, the “Drivers of Change Award” recognizes companies that are not afraid to change their company or even revolutionize their industry.

We determined our new shareholder return policy (see page 17) in April, 2015 and accordingly increased dividend payout ratio from previous 30% to 60% of our consolidated net income.

Based on this shareholder return policy, we cancelled 33,570,000 treasury shares in June, 2015, which is the portion exceeding 5% of the total number of issued shares. In February, 2016, we announced share buyback, the amount of which is up to ¥30billion, and carried out the repurchase of the shares.

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

[FA Division]

The machine tool industry, the primary market for FANUC CNC systems, witnessed a significant reduction in demands in China, the impact from which resulted in sluggish demands in Taiwan and South Korea. Demands in Japan also slowed from the second half of the fiscal year. Under these circumstances, net sales of CNC systems of FANUC Group decreased.

In terms of development, in the “30*i* series” of nano CNCs that deliver high-speed, high-quality machining, the “iHMI” was developed as a management tool that uses superior operability to comprehensively support efforts to improve productivity at machining sites based on the phases of “plan,” “machining,” and “improvement.” The “MT-LINK*i*”, which runs on a PC, was developed as software for management of machine tool operations. These developments make it easier to create production management systems that promote IoT, and contribute to areas such as improvement of the operating rate of factories. Furthermore, the “30*i* series” and “0*i* series” were given various upgrades and additional functions, including significant enhancement of basic performance.

In the field of servo, the lineup of servo motors and spindle motors was enhanced and new functions were developed in order to expand sales for a wide range of fields such as large size and small size machine tools as well as machining equipment for aircraft components.

FANUC laser sales were sluggish domestically and abroad.

New developments in laser included the fiber laser oscillators “FANUC Fiber Laser series,” which features a lineup from 2kW to 6kW. The series offers finely tuned responses to customer needs, supporting high-speed, high-precision cutting of thin sheets in addition to cutting and welding of thick sheets.

The FA Division posted consolidated sales of ¥170,211 million, down 17.6 % compared with the previous fiscal year, and FA Division sales accounted for 27.3 % of consolidated net sales.

[ROBOT Division]

Sales of robots continued to remain steady in the Americas and in Europe, and were also favorable in China. In Japan, sales to both the automobile industry and general industries increased from the second half of the fiscal year. The accumulative shipment volume of robots at the end of November 2015 exceeded 400,000 units.

New developments included enhancement of the green robot “Collaborative Robot” series, which does not require a safety fence and enables robots and humans to work together, with the addition of small payload types capable of lifting loads of 5 kg, 6 kg or 7 kg and so on. In the multi-purpose intelligent “FANUC Robot R-2000*i*C series”, which is the culmination of FANUC’s long years of experience and technology, long arm type 270 kg payload and 210 kg payload models were newly developed. The range of applications is expected to expand due to improvements in areas such as wrist payload capacity and rigidity. In the “FANUC Robot R-1000*i*A series”, which is smaller than the R-2000*i*C series, a new type was added that has a higher degree of freedom of posture and can work in smaller spaces than previous models. As a result, manufacturing spaces can be made more efficient. In addition, the “FANUC Robot M-20*i*B” with an increased payload was developed as a successor model to the medium-sized intelligent handling robot “FANUC Robot M-20*i*A”. The enhanced dustproof and waterproof performance and slimmed down arm of the new model allow it to be used in a wider range of work environments than before. Furthermore, “Zero Down Time (ZDT)” was developed as a maintenance diagnosis functional tool that can be applied to various FANUC robots. By monitoring status of robots, ZDT plays a role in preventive maintenance and thus helps improve the operating rate of robots. With such new products and new functions, the range of application of FANUC robots is anticipated to expand further.

The ROBOT Division posted consolidated sales of ¥188,295 million, up 20.3 % compared with the previous fiscal year. Robot Division sales accounted for 30.2 % of consolidated net sales.

[ROBOMACHINE Division]

Sales of the ROBODRILL (small machining center), affected by the end of short-term demand from the IT industry in the

first half of the period and the almost complete absence of any recovery in demand from IT industry thereafter, decreased significantly compared with the previous fiscal year during which time demand was prevalent throughout the year. However, sales to other industries in Japan and overseas markets remained steady.

On the development front, in the “FANUC ROBODRILL α -DiA series”, the addition of specifications to attach a servo door to the front to enable fast opening/closing movement, combined with the existing servo side door specifications, has further facilitated automation with robots. The effect of shortened cycle time and other factors are expected to lead to an increase in sales.

Sales of ROBOSHOTS (electric injection molding machine) were steady mainly in overseas markets including China. The accumulative shipment volume of ROBOSHOTS at the end of February 2016 exceeded 50,000 units.

In electric injection molding machine, “FANUC ROBOSHOT α -SiA series”, the “FANUC ROBOSHOT SI-20A”, the second injection unit, was developed to enable “two components molding”, which is the combination of two types of resins. With such progress, an increase in sales in the medical and automotive fields is expected.

Sales of ROBOCUTs (wire-cut electric discharge machine) remained steady mainly in Japan, Europe and China.

New developments included efforts carried out to further increase the precision of die and component machining, by the thermal displacement compensation function for the “FANUC ROBOCUT α -CiA series”, which enables high-precision machining in environments with extremely volatile temperatures.

In line with efforts targeting IoT in the ROBOMACHINE Division, with regard to ROBODRILL, ROBOSHOT, and ROBOCUT, functions were strengthened for the “LINK*i*” software that enables the operating status within a factory to be managed in real time on a PC. These technologies promote preventive maintenance and allow for improvement of operating rates at manufacturing sites.

As a result, the ROBOMACHINE Division posted consolidated sales of ¥183,011 million, down 37.2 % compared with the previous fiscal year. ROBOMACHINE Division sales accounted for 29.4 % of consolidated net sales.

[Service Division]

The Service Division, under our basic policy of “Service First,” strived to offer rapid maintenance services in order to minimize downtime in our customers’ factories, while providing high-level services throughout the world and practicing “lifetime maintenance”.

The Service Division posted consolidated sales of ¥81,901 million, up 9.0% compared with the previous fiscal year. Service Division sales accounted for 13.1% of consolidated net sales.

[Research and Development]

FANUC's CNC Hardware Laboratory, CNC Software Laboratory, SERVO Laboratory, Laser Laboratory, ROBOT Laboratory, ROBODRILL Laboratory, ROBOSHOT Laboratory, ROBOCUT Laboratory, and ROBONANO Research Department focused on developing various new competitive products and features by raising the level of “high performance” and “intelligence” rooted in high-reliability, and successfully launched them into the market.

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

During the fiscal year under review, FANUC, working together with U.S. companies Cisco Systems, Inc. and Rockwell Automation, Inc. as well as Preferred Networks in Japan, began developing the FANUC Intelligent Edge Link and Drive (FIELD) system as a platform that will connect not only CNCs and robots but also peripheral devices and sensors to realize optimal manufacturing. The FIELD system is the manufacturing industry’s first open platform in which various companies can participate. Application developers, sensor and peripheral device makers, system integrators, and others can build solutions on the FIELD system that improve equipment efficiency, production output, and quality. By using the advanced functions offered by the FIELD system, including artificial intelligence (machine learning function), data collected from machines and other equipment can be processed in real time on the edge of the network (manufacturing site area), allowing

these machines to coordinate with each other intelligently and flexibly, resulting in sophisticated production systems never before possible.

Much is expected of the FIELD system as a new business model.

(2) Capital Investment

In order to increase production capacity, FANUC moved ahead with construction of new factories in Mibu-machi, Tochigi Prefecture, and proceeded with expansion of the laboratories at our headquarters in order to further pursue “enhanced reliability” and “greater speed” of R&D. Investments were made mainly with the aim of future growth, including other investments to streamline production, etc.

Total capital investment during the fiscal year under review was ¥113,315 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

Going forward, sluggish demand for capital investment in China is expected to take some time to recover. Furthermore, there are concerns over a market slowdown in the Americas and foreign exchange movements are unstable. As a result of these and other factors, the situation is expected to continue to remain difficult and unpredictable.

In coping with such a situation, the FANUC Group, under the slogan of “one FANUC,” shall take maximum advantage of our unique strength in uniting our FA, Robot and ROBOMACHINE divisions to jointly provide total solutions and take care of customers throughout the world.

In addition, the FANUC Group will adhere to its origins as a producer of equipment to be used in manufacturing sites, and shall be thorough in implementing our slogan of, “Reliable / Predictable / Easy to Repair” in product development, in order to minimize downtime in our customers’ factories and improve the operation rate.

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

In addition to the basic policy outlined above, we will accelerate our strengthened response to IoT to further promote efficiency in manufacturing by our customers. This response to IoT is highly expected to grow in the future as a new business of FANUC Group.

By becoming united as one group in promoting such actions, we shall venture to make customers feel more secure and trust the FANUC Group even more, resulting in the stability and growth of our core business, so that we shall persevere as a company.

Thank you for your continued support and assistance to FANUC.

(5) Assets and Profits

1) The FANUC Group

(Millions of yen)

| Item | FY 2012 (44th term) | FY 2013 (45th term) | FY 2014 (46th term) | FY 2015 (47th term) |
|----------------------------|------------------------|------------------------|------------------------|------------------------|
| Net sales | 498,395 | 450,976 | 729,760 | 623,418 |
| Ordinary income | 191,242 | 174,360 | 311,951 | 229,361 |
| Net income | 120,484 | 110,930 | 207,599 | 159,700 |
| Net income per share (Yen) | 615.59 | 566.86 | 1,061.02 | 816.78 |
| Total assets | 1,219,113 | 1,343,904 | 1,611,626 | 1,512,895 |
| Net assets | 1,094,129 | 1,199,863 | 1,386,695 | 1,334,910 |

2) The Company

(Millions of yen)

| Item | FY 2012 (44th term) | FY 2013 (45th term) | FY 2014 (46th term) | FY 2015 (47th term) |
|----------------------------|------------------------|------------------------|------------------------|------------------------|
| Net sales | 407,289 | 324,469 | 554,448 | 457,479 |
| Ordinary income | 172,402 | 133,428 | 264,534 | 190,242 |
| Net income | 111,182 | 86,998 | 181,327 | 140,084 |
| Net income per share (Yen) | 568.06 | 444.56 | 926.74 | 716.46 |
| Total assets | 1,062,070 | 1,118,523 | 1,317,514 | 1,231,054 |
| Net assets | 967,989 | 1,025,253 | 1,160,363 | 1,128,807 |

(6) Principal Businesses

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

| Division | Main products |
|----------------------|--|
| FA Division | CNC systems (CNC and servo motors), lasers |
| ROBOT Division | Robots (including robot systems) |
| ROBOMACHINE Division | ROBODRILL (small machining centers), ROBOSHOT (electric injection molding machines), ROBOCUT (wire-cut EDMs), ROBONANO (ultra-precision nano machines) |

(7) Principal Sites

| | |
|------------------|--|
| Head office | Oshino-mura, Minamitsuru-gun, Yamanashi Prefecture |
| Laboratories | CNC Hardware Laboratory, CNC Software Laboratory, SERVO Laboratory, Laser Laboratory, ROBOT Laboratory, ROBODRILL Laboratory, ROBOSHOT Laboratory, ROBOCUT Laboratory, ROBONANO Research Department, Basic Laboratory (Oshino-mura and Yamanakako-mura, Minamitsuru-gun, Yamanashi Prefecture) |
| Branches | Hino Branch (Hino City), Nagoya Branch (Komaki City), Osaka Branch (Osaka City), Hokkaido Branch (Ebetsu City), Tohoku Branch (Sendai City), Tsukuba Branch (Tsukuba City), Maebashi Branch (Maebashi City), Echigo Branch (Mitsuke City), Hakusan Branch (Hakusan City), Chugoku Branch (Okayama City), Hiroshima Branch (Hiroshima City), Kyushu Branch (Kikuyo-machi, Kikuchi-gun, Kumamoto Prefecture) |
| Factories | Headquarters Factory (Oshino-mura and Yamanakako-mura, Minamitsuru-gun, Yamanashi Prefecture), Tsukuba Factory (Chikusei City), Hayato Factory (Kirishima City) |
| Training Centers | FANUC Training Center (Yamanakako-mura, Minamitsuru-gun, Yamanashi Prefecture) |

Note: Mibu Factory (Mibu-machi, Shimotuga-gun, Tochigi Prefecture) was completed in April 2016 and is going to start running partly in October 2016.

(8) Employees

| | | |
|---------------------|-----------------|-------|
| Number of employees | The Company | 3,042 |
| | The FANUC Group | 6,327 |

(9) Principal Subsidiaries and Affiliated Companies

① Principal Subsidiaries

| Company name | Capital stock | Percentage of equity participation (%) | Principal businesses |
|-----------------------------|----------------------|--|--|
| FANUC America Corporation | US\$157,300 thousand | 100 | Development, manufacture, sale and maintenance services of robots and robot systems as well as sale and maintenance services of CNC systems, lasers and ROBODRILL |
| FANUC Europe Corporation | € 110,961 thousand | 100 | Sale and maintenance services of CNC systems, lasers, robots, ROBODRILL, ROBOSHOT and ROBOCUT as well as manufacture, sale and maintenance services of robot systems |
| KOREA FANUC CORPORATION | Won 32,364 million | 94 | Sale and maintenance services of CNC systems, lasers, robots, ROBODRILL, ROBOSHOT and ROBOCUT as well as manufacture, sale and maintenance services of robot systems |
| TAIWAN FANUC CORPORATION | NT\$1,448 million | 100 | Knock-down manufacture, sale and maintenance services of CNC systems, sale and maintenance services of lasers and robots, as well as manufacture, sale and maintenance services of robot systems |
| FANUC INDIA PRIVATE LIMITED | Rupee 290 million | 100 | Sale and maintenance services of CNC systems, robots, ROBODRILL, ROBOSHOT and ROBOCUT as well as maintenance services of lasers |
| FANUC PERTRONICS LTD | ¥327 million | 91 | 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, ROBODRILL, ROBOSHOT and ROBOCUT as well as manufacture, sale and maintenance services of robot systems |

2. Matters Concerning the Shares of the Company

- (1) Total number of shares authorized to be issued by the Company: **400,000,000 shares**
- (2) Total number of issued shares: **205,942,215 shares**
- (3) Number of shareholders: **58,326**

(4) The ten largest shareholders:

| Name | Number of shares (In thousands) | Percentage of equity participation (%) |
|--|------------------------------------|--|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 19,174 | 9.9 |
| Japan Trustee Services Bank, Ltd. (Trust Account) | 14,153 | 7.3 |
| State Street Bank and Trust Company | 7,283 | 3.7 |
| State Street Bank and Trust Company 505001 | 5,850 | 3.0 |
| CBNY - Government of Norway | 4,257 | 2.2 |
| Citibank, N.A. - NY, as Depository Bank for Depository Shareholders | 4,097 | 2.1 |
| Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account) | 3,294 | 1.7 |
| State Street Bank West Client - Treaty 505234 | 2,932 | 1.5 |
| Japan Trustee Services Bank, Ltd. (Trust Account 7) | 2,700 | 1.4 |
| BNP Paribas Securities (Japan) Limited | 2,615 | 1.3 |

Note: The percentages of equity participation are calculated after subtracting the number of treasury shares (11,300 thousand shares) from the total number of issued shares.

3. Directors and Auditors

(1) Names of Directors and Auditors, etc.

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

Notes: 1. Director Kazuo Tsukuda, Yasuo Imai and Masato Ono is an Outside Director.

2. Auditors Takeo Nakagawa, Masaharu Sumikawa and Hajime Harada are Outside Auditors.

3. Other significant concurrent posts:

Outside Director Kazuo Tsukuda is also an Outside Director of Mitsubishi Corporation, Mitsubishi Research Institute, Inc. and Keihan Holdings Co., Ltd., and Outside Director (Audit and Supervisory Committee Member) of Yamaguchi Financial Group, Inc.

Outside Director Masato Ono is also an Outside Director of Nippon Light Metal Holdings Company, Ltd.

Outside Auditor Takeo Nakagawa is also an Outside Director of TSUGAMI CORPORATION, Nippon Pillar Packing Co., Ltd. and OSG CORPORATION.

None of the companies in which the Outside Director or Outside Auditors concurrently hold posts have special relations with FANUC CORPORATION.

4. The Company has named the three Outside Directors Kazuo Tsukuda, Yasuo Imai and Masato Ono as an Independent Director and the three Outside Auditors Takeo Nakagawa, Masaharu Sumikawa and Hajime Harada as Independent Auditors as defined by the Tokyo Stock Exchange and has duly notified the Tokyo Stock Exchange.

(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 ¥3,776 million (for 14 Directors).

The total amount of remuneration, etc. payable to the Auditors for the fiscal year under review was ¥216 million (for 5 Auditors).

Of the above, the total amount of remuneration, etc. payable to the Outside Director and Outside Auditors was ¥99 million (for 3 Director and 3 Auditors).

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

① Fixed annual aggregate ceiling amount of ¥1 billion

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

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

Payout ratio for the first half of the fiscal year (April to September)

$$= \frac{\text{Amount of interim dividend per share for said period}}{\text{Consolidated net income per share for said period}} \times 100$$

Payout ratio for the second half of the fiscal year (October to March next year)

$$= \frac{\text{Amount of year-end dividend per share for said fiscal year}}{\text{Consolidated net income per share for said fiscal year} - \text{consolidated net income per share for first half of said fiscal year}} \times 100$$

The upper limit of the total annual remuneration for Auditors was set at 200 million yen by resolution of the 45th Ordinary General Meeting of Shareholders of June 26, 2014.

(3) Matters concerning the Outside Director and Outside Auditors

Major activities

| Name | Major activities |
|-------------------|--|
| Kazuo Tsukuda | He attended all of 11 meetings of the Board of Directors that were held after his appointment as an Outside Director on June 26, 2015, and provided advice whenever necessary, based on his wide experience and knowledge he had obtained as a long-serving corporate executive. |
| Yasuo Imai | He attended all of 11 meetings of the Board of Directors that were held after his appointment as an Outside Director on June 26, 2015, and provided advice whenever necessary, based on his wide experience and knowledge he had obtained as a long-serving corporate executive. |
| Masato Ono | He attended all of 14 meetings of the Board of Directors, and provided advice whenever necessary, based on his wide experience and knowledge he had obtained as a long-serving corporate executive. |
| Takeo Nakagawa | He attended all of 14 meetings of the Board of Directors and all of 5 meetings of the Board of Auditors, and provided advice whenever necessary, based on his wide experience and knowledge as a university professor and corporate executive. |
| Masaharu Sumikawa | He attended all of 14 meetings of the Board of Directors and all of 5 meetings of the Board of Auditors, and provided advice whenever necessary, based on his wide experience and knowledge he had obtained as a long-serving corporate executive. |
| Hajime Harada | He attended all of 14 meetings of the Board of Directors and all of 5 meetings of the Board of Auditors, and provided advice whenever necessary, based on his wide experience and knowledge as a lawyer. |

Non-Consolidated Balance Sheet

(As of March 31, 2016)

(Millions of yen)

| Titles of Account | Amount | Titles of Account | Amount |
|---------------------------------------|-------------------------|--|-------------------------|
| <u>(Total Assets)</u> | <u>1,231,054</u> | <u>(Liabilities)</u> | <u>102,247</u> |
| Current assets | 771,765 | Current liabilities | 69,022 |
| Cash and deposits | 487,763 | Accounts payable | 16,781 |
| Notes receivable – trade | 10,718 | Accrued expenses | 18,912 |
| Accounts receivable – trade | 48,241 | Accrued charge | 13,164 |
| Securities | 145,000 | Income taxes payable | 14,278 |
| Merchandise and finished goods | 12,709 | Warranty reserves | 2,943 |
| Work in process | 33,569 | Other | 2,944 |
| Raw materials and supplies | 10,610 | Long-term liabilities | 33,225 |
| Deferred tax assets | 10,135 | Reserve for employees' retirement | 30,385 |
| Other | 13,564 | benefits | |
| Allowance for doubtful accounts | (544) | Other | 2,840 |
| Fixed assets | 459,289 | <u>(Net assets)</u> | <u>1,128,807</u> |
| Tangible fixed assets | 317,162 | Shareholders' equity | 1,124,582 |
| Buildings | 78,925 | Capital stock | 69,014 |
| Machinery and equipment | 25,736 | Capital surplus | 96,057 |
| Lands | 118,378 | Legal capital surplus | 96,057 |
| Construction in progress | 82,226 | Retained earnings | 1,050,085 |
| Other | 11,897 | Legal retained earnings | 8,252 |
| Intangible fixed assets | 3,362 | Other retained earnings | 1,041,833 |
| Investments and other assets | 138,765 | Treasury stock | (90,574) |
| Investment securities | 19,117 | Valuation and translation adjustments | 4,225 |
| Stocks of subsidiaries and affiliates | 108,065 | Valuation difference on available-for- | 4,225 |
| Deferred tax assets | 11,485 | sale securities | |
| Other | 99 | | |
| Allowance for doubtful accounts | (1) | | |
| Total | 1,231,054 | Total | 1,231,054 |

Non-Consolidated Statement of Income

(April 1, 2015 through March 31, 2016)

(Millions of yen)

| Titles of Account | Amount |
|--|----------------|
| Net sales | 457,479 |
| Cost of sales | 258,083 |
| Gross profit | 199,396 |
| Selling, general and administrative expenses | 41,351 |
| Operating income | 158,045 |
| Non-operating income | 36,943 |
| Interest and dividends income | 35,440 |
| Miscellaneous income | 1,503 |
| Non-operating expenses | 4,746 |
| Foreign exchange losses | 3,254 |
| Miscellaneous loss | 1,492 |
| Ordinary income | 190,242 |
| Income before income taxes | 190,242 |
| Income taxes | 50,158 |
| Income taxes – current | 46,989 |
| Income taxes – deferred | 3,169 |
| Net income | 140,084 |

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

(April 1, 2015 through March 31, 2016)

(Millions of yen)

| | Shareholders' equity | | | | | | |
|--|----------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|-------------------------|
| | Capital stock | Capital surplus | | | Retained earnings | | |
| | | Legal capital surplus | Other capital surplus | Total capital surplus | Legal retained earnings | Other retained earnings | Total retained earnings |
| Balance at March 31, 2015 | 69,014 | 96,057 | 71 | 96,128 | 8,252 | 1,292,526 | 1,300,778 |
| Changes during this term | | | | | | | |
| Dividends of retained earnings | | | | | | (151,385) | (151,385) |
| Net income | | | | | | 140,084 | 140,084 |
| Purchase of treasury stock | | | | | | | |
| Disposal of treasury stock | | | 7 | 7 | | | |
| Cancelation of treasury stock | | | (78) | (78) | | (239,392) | (239,392) |
| Net change in items other than shareholders' equity during this term | | | | | | | |
| Total changes during this term | — | — | (71) | (71) | — | (250,693) | (250,693) |
| Balance at March 31, 2016 | 69,014 | 96,057 | — | 96,057 | 8,252 | 1,041,833 | 1,050,085 |

| | Shareholders' equity | | Valuation and translation adjustments | | Total net assets |
|--|----------------------|----------------------------|---|---|------------------|
| | Treasury stock | Total shareholders' equity | Valuation difference on available-for-sale securities | Total valuation and translation adjustments | |
| Balance at March 31, 2015 | (312,855) | 1,153,065 | 7,298 | 7,298 | 1,160,363 |
| Changes during this term: | | | | | |
| Dividends of retained earnings | | (151,385) | | | (151,385) |
| Net income | | 140,084 | | | 140,084 |
| Purchase of treasury stock | (17,193) | (17,193) | | | (17,193) |
| Disposal of treasury stock | 4 | 11 | | | 11 |
| Cancelation of treasury stock | 239,470 | — | | | — |
| Net change in items other than shareholders' equity during this term | | | (3,073) | (3,073) | (3,073) |
| Total changes during this term | 222,281 | (28,483) | (3,073) | (3,073) | (31,556) |
| Balance at March 31, 2016 | (90,574) | 1,124,582 | 4,225 | 4,225 | 1,128,807 |

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

REPORT OF INDEPENDENT AUDITORS

May 16, 2016

The Board of Directors
FANUC CORPORATION

We have audited the balance sheet, the statement of income, the statement of changes in shareholders' equity, the notes to non-consolidated financial statements, and the supplementary financial schedules of FANUC CORPORATION (the "Company") applicable to its 47th fiscal year from April 1, 2015 to March 31, 2016, pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act of Japan.

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

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

Responsibility of Accounting Auditors

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

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

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

Opinion of Auditors

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

Interest

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

Ernst & Young ShinNihon LLC

Shunji Momoi (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

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

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

Consolidated Balance Sheet

(As of March 31, 2016)

(Millions of yen)

| Titles of Account | Amount | Titles of Account | Amount |
|---------------------------------------|------------------|---|------------------|
| (Total Assets) | 1,512,895 | (Liabilities) | 177,985 |
| Current assets | 1,072,770 | Current liabilities | 106,116 |
| Cash and deposits | 686,662 | Notes and accounts payable – trade | 24,815 |
| Notes and accounts receivable – trade | 100,307 | Income taxes payable | 17,199 |
| Securities | 145,000 | Warranty reserves | 6,676 |
| Merchandise and finished goods | 52,736 | Other | 57,426 |
| Work in process | 39,206 | Long-term liabilities | 71,869 |
| Raw materials and supplies | 11,124 | Liability related to retirement benefits | 68,346 |
| Deferred tax assets | 23,107 | Other | 3,523 |
| Other | 16,196 | | |
| Allowance for doubtful accounts | (1,568) | (Net assets) | 1,334,910 |
| Fixed assets | 440,125 | Shareholders' equity | 1,344,203 |
| Tangible fixed assets | 352,060 | Capital stock | 69,014 |
| Buildings and structures | 97,821 | Capital surplus | 96,206 |
| Machinery, equipment and vehicles | 27,484 | Retained earnings | 1,269,557 |
| Lands | 131,800 | Treasury stock | (90,574) |
| Construction in progress | 85,917 | Accumulated other comprehensive income | (15,720) |
| Other | 9,038 | Valuation difference on available-for-sale securities | 4,391 |
| Intangible fixed assets | 3,875 | Foreign currency exchange adjustment | 5,974 |
| Investments and other assets | 84,190 | Total accumulated other comprehensive income | (26,085) |
| Investment securities | 65,809 | | |
| Deferred tax assets | 15,384 | Minority interests | 6,427 |
| Other | 2,998 | | |
| Allowance for doubtful accounts | (1) | | |
| Total | 1,512,895 | Total | 1,512,895 |

Consolidated Statement of Income

(April 1, 2015 through March 31, 2016)

(Millions of yen)

| Titles of Account | Amount |
|--|----------------|
| Net sales | 623,418 |
| Cost of sales | 326,912 |
| Gross profit | 296,506 |
| Selling, general and administrative expenses | 80,939 |
| Operating income | 215,567 |
| Non-operating income | 17,554 |
| Interest and dividends income | 3,909 |
| Miscellaneous income | 13,645 |
| Non-operating expenses | 3,760 |
| Foreign exchange losses | 2,090 |
| Miscellaneous loss | 1,670 |
| Ordinary income | 229,361 |
| Income before income taxes and minority interests | 229,361 |
| Income taxes | 69,029 |
| Income taxes – current | 66,123 |
| Income taxes – deferred | 2,906 |
| Net income | 160,332 |
| Net income attributable to non-controlling interests | 632 |
| Net income attributable to shareholders of parent company | 159,700 |

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

REPORT OF INDEPENDENT AUDITORS

May 16, 2016

The Board of Directors
FANUC CORPORATION

We have audited the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in shareholders' equity, and the notes to consolidated financial statements of FANUC CORPORATION (the "Company"), applicable to its consolidated fiscal year from April 1, 2015 to March 31, 2016, pursuant to Article 444, Paragraph 4 of the Companies Act of Japan.

Responsibility of the Company's Management for Consolidated Financial Statements

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

Responsibility of Accounting Auditors

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

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

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

Opinion of Auditors

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

Interest

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

Ernst & Young ShinNihon LLC

Shunji Momoi (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

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

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

Copy of the Audit Report of the Board of Auditors (Translation)

AUDIT REPORT

We, the Board of Auditors, based on the audit report prepared by each Auditor on the performance by the Directors of their duties during the 47th fiscal year from April 1, 2015 to March 31, 2016, 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:

- (1) 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 reports from the Directors, etc. and the Accounting Auditors on the state of performance of their duties, and sought explanations as necessary.
- (2) Each Auditor, in accordance with the auditing standards of Corporate Auditors established by the Board of Auditors and the assignment of duties, etc. determined by the Board of Auditors, maintained constant communication with the Directors, Internal Auditing Section and other employees, etc. in an effort to collect information and improve the environment for auditing, conducted audit in accordance with the following methods.

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

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

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

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

In accordance with such methods, we investigated the business report and its supplementary schedules, non-consolidated financial statements (the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in shareholders' equity, etc. and the notes to non-consolidated financial statements) and the supplementary financial schedules, as well as the consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in shareholders' equity, etc. and the notes to consolidated financial statements), for the fiscal year under review.

2. Results of Audit:

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

We are of the opinion:

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

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

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

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

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

May 23, 2016

The Board of Auditors
FANUC CORPORATION

Shunsuke Kimura (seal)
Standing Auditor

Naoki Shimizu (seal)
Standing Auditor

Takeo Nakagawa (seal)
Outside Auditor

Masaharu Sumikawa (seal)
Outside Auditor

Hajime Harada (seal)
Outside Auditor

Reference Material for the Ordinary General Meeting of Shareholders

Item 1 Appropriation of Surplus

Our shareholder return policy is as follows:

(Announced on April 27, 2015)

1. Dividends

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

2. Share buybacks

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

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

3. Cancellation of treasury shares

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

Based on the aforementioned shareholder return policy, in order that the dividend payout ratio for the fiscal year 2015 (the fiscal year ended March 2016) will be 60% of our consolidated net profit for the full fiscal year, in total with the dividend for the first half of the fiscal year that has been paid in December, 2015, it is proposed that the dividend for the second half of the fiscal year be as follows: (The dividend for the full fiscal year will be ¥490.07 per share, in total with the dividend for the first half of the fiscal year that has been paid in December, 2015 (¥281.86 per share), resulting in ¥208.21 per share for the second half.)

① Type of dividend asset

Cash

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

¥208.21 per share of common stock

Total amount of payout: ¥40,526,406,239

③ Effective date of dividend payment

June 30, 2016

Item 2 Election of thirteen (13) Directors

The term of office of the fourteen (14) Directors will expire at the conclusion of the meeting. Accordingly, the election of the following thirteen (13) Directors is proposed. Mr. Olaf C. Gehrels continues to be the President and CEO of FANUC Europe Corporation and is going to be appointed as an Executive Officer of the Company after the conclusion of the meeting.

The thirteen (13) candidates for Director are as follows:

| Candidates' number | Name (Date of birth) | Personal history, position, responsibilities and significant concurrent posts of other entities | | Number of shares of the Company held by candidate |
|--------------------|-------------------------------------|--|--|---|
| 1 | Yoshiharu Inaba (July 23, 1948) | April 1973 September 1983 June 1989 June 1992 June 1995 May 2001 June 2003 October 2013 | Joined Isuzu Motors Limited Joined the Company Appointed Director (<i>Member of the Board</i>) of the Company Appointed Senior Vice President (<i>Member of the Board</i>) of the Company Appointed Executive Vice President (<i>Member of the Board</i>) of the Company Appointed Senior Executive Vice President (<i>Representative Member of the Board</i>) of the Company Appointed President and CEO (<i>Representative Member of the Board</i>) of the Company (to the present) General Manager, FA Business Division of the Company (to the present) | 2,500 shares |
| 2 | Kenji Yamaguchi (August 6, 1968) | April 1993 October 2000 June 2003 April 2007 June 2008 February 2012 October 2013 | Joined the Company Manager, Section 1, Dept.1 of Robot Laboratory of the Company General Manager, Manufacturing Technology of the Company General Manager, Headquarters Factories of the Company General Manager, Factories of the Company Appointed Executive Vice President (<i>Member of the Board</i>) of the Company Appointed Senior Executive Vice President (<i>Member of the Board</i>) of the Company Appointed Senior Executive Vice President (<i>Representative Member of the Board</i>) of the Company (to the present) General Manager, Production Division of the Company (to the present) | 500 shares |
| 3 | Hiroyuki Uchida (June 12, 1958) | April 1982 April 1996 June 1997 April 2001 June 2006 October 2013 | 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 President (<i>Member of the Board</i>) of the Company Appointed Executive Vice President (<i>Member of the Board</i>) of the Company Appointed Senior Executive Vice President (<i>Representative Member of the Board</i>) of the Company (to the present) General Manager, ROBOMACHINE Business Division of the Company (to the present) | 696 shares |
| 4 | Yoshihiro Gonda (July 24, 1960) | April 1984 October 2000 June 2001 June 2007 February 2012 October 2013 | Joined the Company Assistant to the Group Executive, Finance Group (Purchasing) of the Company Appointed Director (<i>Member of the Board</i>) of the Company Appointed Executive Vice President (<i>Member of the Board</i>) of the Company Appointed Senior Executive Vice President (<i>Member of the Board</i>) of the Company Appointed Senior Executive Vice President (<i>Representative Member of the Board</i>) of the Company (to the present) General Manager, Corporate Administration Division of the Company (to the present) | 1,764 shares |

| Candidates' number | Name (Date of birth) | Personal history, position, responsibilities and significant concurrent posts of other entities | | Number of shares of the Company held by candidate |
|--------------------|---|---|--|---|
| 5 | Kiyonori Inaba (February 13, 1978) | January 2009 May 2013 June 2013 October 2013 | Joined the Company General Manager, Robot Laboratory of the Company Appointed Director (<i>Member of the Board</i>) of the Company Appointed Executive Vice President (<i>Member of the Board</i>) of the Company (to the present) General Manager, ROBOT Business Division of the Company (to the present) | 300 shares |
| 6 | Shunsuke Matsubara (December 4, 1961) | April 1984 June 2000 June 2001 July 2012 October 2013 | Joined the Company Senior Vice General Manager, Servo Laboratory of the Company Appointed Director (<i>Member of the Board</i>) of the Company Appointed Senior Vice President (<i>Member of the Board</i>) of the Company Appointed Executive Vice President (<i>Member of the Board</i>) of the Company (to the present) General Manager, Research & Development Administration Division of the Company (to the present) | 200 shares |
| 7 | Hiroshi Noda (May 8, 1963) | April 1989 January 2002 June 2003 March 2011 October 2013 May 2014 | Joined the Company Senior Vice General Manager, CNC Laboratory of the Company Appointed Director (<i>Member of the Board</i>) of the Company Appointed Senior Vice President (<i>Member of the Board</i>) of the Company Appointed Executive Vice President (<i>Member of the Board</i>) (to the present) Vice General Manager (R&D), FA Business Division of the Company (to the present) | 400 shares |
| 8 | Katsuo Kohari (August 12, 1942) | April 1968 May 1976 April 2003 June 2003 June 2012 October 2013 May 2014 October 2014 | Joined Fujitsu Limited Transferred to the Company Assistant to General Manager for Sales and Service of the Company Appointed Director (<i>Member of the Board</i>) of the Company Appointed Senior Vice President (<i>Member of the Board</i>) of the Company Appointed Executive Vice President (<i>Member of the Board</i>) of the Company (to the present) Vice General Manager (Sales), FA Business Division of the Company (to the present) General Manager, Service Division of the Company (to the present) | 5,116 shares |
| 9 | Toshiya Okada (August 21, 1961) | April 1984 August 1999 June 2012 May 2014 | Joined the Company Manager, Legal Department of the Company (to the present) Appointed Senior Vice President (<i>Member of the Board</i>) of the Company Appointed Executive Vice President (<i>Member of the Board</i>) of the Company (to the present) Vice General Manager, Corporate Administration Division of the Company (to the present) | 700 shares |
| 10 | Richard E. Schneider (August 14, 1956) | February 1984 July 1991 September 1997 June 2006 June 2011 June 2013 October 2013 April 2016 | Joined FANUC America Corporation Appointed Vice President of the company Appointed President of the above company Appointed Director (<i>Member of the Board</i>) of the Company Appointed Executive Vice President (<i>Member of the Board</i>) of the Company Appointed Director (<i>Member of the Board</i>) of the Company (to the present) Appointed President and CEO of FANUC America Corporation Appointed Chairman and CEO of the company (to the present) | 500 shares |

| Candidates' number | Name (Date of birth) | Personal history, position, responsibilities and significant concurrent posts of other entities | | Number of shares of the Company held by candidate |
|--------------------|-----------------------------------|--|--|---|
| 11 | Kazuo Tsukuda (September 1, 1943) | <p>April 1968 June 1999</p> <p>April 2002 June 2003 April 2008 April 2013 June 2013 June 2015</p> | <p>Joined Mitsubishi Heavy Industries, Ltd. Appointed Director (<i>Member of the Board</i>) of Mitsubishi Heavy Industries, Ltd. Appointed Managing Director (<i>Member of the Board</i>) of Mitsubishi Heavy Industries, Ltd. Appointed President (<i>Member of the Board</i>) of Mitsubishi Heavy Industries, Ltd. Appointed Chairman (<i>Member of the Board</i>) of Mitsubishi Heavy Industries, Ltd. Appointed Senior Executive Advisor (<i>Member of the Board</i>) of Mitsubishi Heavy Industries, Ltd. Appointed Senior Corporate Advisor of Mitsubishi Heavy Industries, Ltd. (to the present) Appointed Director (<i>Member of the Board</i>) of the Company (to the present)</p> <p>(Significant concurrent posts of other entities) Senior Corporate Advisor of Mitsubishi Heavy Industries, Ltd. Outside Director of Mitsubishi Corporation Outside Director of Mitsubishi Research Institute, Inc. Outside Director of Keihan Holdings Co., Ltd. Outside Director (Audit and Supervisory Committee Member) of Yamaguchi Financial Group, Inc.</p> | 0 shares |
| 12 | Yasuo Imai (October 22, 1948) | <p>July 1971 July 2002 July 2003 July 2004 July 2006 April 2007 June 2007 April 2008 June 2011 June 2015</p> | <p>Joined the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry) Appointed Director - General of Manufacturing Industries Bureau of the ministry Appointed Commissioner of Japan Patent Office Appointed Adviser of Japan Industrial Policy Research Institute Appointed Senior Managing Executive Officer, Executive Vice President of Pipe & Tube Company, of Sumitomo Metal Industries, Ltd (currently Nippon Steel & Sumitomo Metal Corporation) Appointed Senior Managing Executive Officer, President of Pipe & Tube Company of the company Appointed Director & Senior Managing Executive Officer (<i>Member of the Board</i>), President of Pipe & Tube Company of the company Appointed Director & Executive Vice President (<i>Member of the Board</i>), President, Pipe & Tube Company of the company Appointed President, Chief Operating Officer (<i>Member of the Board</i>) of AIR WATER INC. (to the present) Appointed Director (<i>Member of the Board</i>) of the Company (to the present)</p> <p>(Significant concurrent posts of other entities) President, Chief Operating Officer (Member of the Board) of AIR WATER INC.</p> | 0 shares |
| 13 | Masato Ono (November 4, 1950) | <p>April 1974 March 2006 June 2007 June 2012 June 2013</p> | <p>Joined Dai-ichi Kangyo Bank, Ltd. Appointed Executive Officer of Mizuho Bank, Ltd. Appointed Deputy President and Representative Director of Mizuho Financial Group, Inc. Appointed President and CEO (Member of the Board) of Total Insurance Service Limited (to the present) Appointed Director (<i>Member of the Board</i>) of the Company (to the present)</p> <p>(Significant concurrent posts of other entities) President and CEO (Member of the Board) of Total Insurance Service Limited Outside Director of Nippon Light Metal Holdings Company, Ltd.</p> | 0 shares |

Notes:

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

2. Matters concerning candidates for Outside Director

(1) Kazuo Tsukuda

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

Although Kazuo Tsukuda had served as Chairman and President of Mitsubishi Heavy Industries, Ltd., he meets the Company's criteria for independence of Outside Directors and Outside Auditors (see page 22), and there is no risk of independence being affected by this position.

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

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

His term of office as Outside Director of the Company will have been one (1) year at the conclusion of the coming shareholder meeting.

Kazuo Tsukuda has attended all of eleven (11) meetings of the Board of Directors that were held after his appointment as an Outside Director on June 26, 2015.

(2) Yasuo Imai

After joining in the Ministry of International Trade and Industry (currently, the Ministry of Economy, Trade and Industry), Yasuo Imai had experience of being posted overseas as General Manager of the Washington Office of Japan National Oil Corporation. He successfully held a number of positions starting from the post of Deputy Director-General, Director-General of the Petroleum Department of Agency for Natural Resources and Energy. Subsequently he moved to the post of Director-General of the Manufacturing Industries Bureau, and then to the post of Commissioner of the Japan Patent Office. Based on these experiences, Yasuo Imai, being familiar with foreign affairs, has a global perspective and extensive knowledge concerning manufacturing industry and the protection of intellectual property, etc. At the same time, he is a currently active corporate executive and is also knowledgeable about corporate management due to his nearly 10 years experience in business. Yasuo Imai has been providing the Company with extremely valuable advice as Outside Director with his extensive experience in various fields and from his broad vision.

Although Yasuo Imai serves as President and COO of AIR WATER INC., he meets the Company's criteria for independence of Outside Directors and Outside Auditors (see page 22), and there is no risk of his independence being affected by this position.

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

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

His term of office as Outside Director of the Company will have been one (1) year at the conclusion of the coming shareholder meeting.

Yasuo Imai has attended all of eleven (11) meetings of the Board of Directors that were held after his appointment as an Outside Director on June 26, 2015.

(3) Masato Ono

Our company has specialized in business activities in the narrow field of the automation of manufacturing and as such the Board of Directors consists mostly of Directors with engineering background focusing on its core business. Given this context, Masato Ono has been providing the Company with extremely valuable advice on enhancing corporate value from a totally different point of view by contributing to active discussions at the meeting of the Board of Directors based on his many years of experience in management of financial institutions.

Although Masato Ono has served as Deputy President and Representative Director of Mizuho Financial Group, Inc., he meets the Company's criteria for independence of Outside Directors and Outside Auditors (see page 22), (The Company has never applied for a loan from any banks of Mizuho Financial Group.), it has been over eight (8) years since he retired as Director of the Mizuho Financial Group, Inc. and there is no risk of his independence being affected by this position.

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

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

His term of office as Outside Director of the Company will have been three (3) years at the conclusion of the coming shareholder meeting.

Masato Ono has attended all of fourteen (14) meetings of the Board of Directors that were held in the fiscal year under review.

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

Item 3 Election of One (1) Auditor

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

The candidate for Auditor is as follows:

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

| | Name (Date of birth) | Personal history, Position and Significant concurrent posts of other entities | | Number of shares of the Company held by candidate |
|---|---------------------------------------|--|--|---|
| 1 | Hajime Harada (September 10, 1947) | April 1974 June 2004 | Registered as lawyer (to the present) Appointed Auditor of the Company (to the present) | 1,216 shares |

Notes:

1. Hajime Harada is a candidate for Outside Auditor as defined in Article 2, Item 16 of the Companies Act of Japan.
2. Hajime Harada has been providing the Company with extremely valuable advice whenever necessary based on his wide experience and knowledge as a lawyer.
Although his term of office as Outside Auditor of the Company will have been for 12 years as of the conclusion of the meeting, he meets the Company's criteria for independence of Outside Directors and Outside Auditors (as described below) and has no business transactions with or interest in the Group. As a lawyer, Hajime Harada has a responsibility under the Basic Rules on the Duties of Practicing Attorneys to "maintain his or her freedom and independence" (Article 20 of the Rules) and to "perform his or her duties fairly" (Article 5), and in fact he gives his frank opinion from an independent standpoint. We therefore believe that he maintains sufficient independence now and in the future. In particular, he has a deep understanding of corporate governance, an issue that has grown increasingly important in recent years, gained through his experience including service as a lawyer on compliance committees at another listed company for many years. Furthermore, he has advanced, wide-ranging and specialized knowledge, based on his experience including court cases in a variety of fields such as systems development, intellectual property rights, antimonopoly law, international joint ventures, and claims collection. For these reasons, we can expect him to continue to offer appropriate advice from an extremely broad perspective with regard to risks that the Company may face in the future and other matters, and therefore propose the election of Hajime Harada for Outside Auditor.
3. We have entered into an agreement with Hajime Harada limiting his liability for damages as defined under Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the Companies Act.
4. Hajime Harada attended all of fourteen (14) meetings of the Board of Directors and all of five (5) meetings of the Board of Auditors held during the fiscal year under review.
5. The Company has named the Outside Auditor Hajime Harada as an Independent Auditor as defined by the Tokyo Stock Exchange and has duly notified the Tokyo Stock Exchange.

(For Reference) Criteria for Independence of Outside Directors and Outside Auditors

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

1. Business transactions between the Company and the company from which the candidate comes must amount to less than 2% of the respective consolidated sales of both companies.
2. The Company must not have any loans from the company from which the candidate comes (if the candidate comes from a bank.)
3. The Company must not have any important transactions such as advisory contracts with the candidate or the firm he works for (if the candidate is a lawyer or other professional.)
4. The candidate must not come from the audit firm that is the Company's Accounting Auditor.
5. There must be no other particular reasons that could give rise to a conflict of interest with the Company.
6. The candidate must not be the spouse or a relative within the second degree of anyone who does not meet the above conditions 1 through 5.

- END -