

(TRANSLATION)

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(Securities code: 6954)

June 8, 2022

**To Our Shareholders**

Kenji Yamaguchi  
Representative Director  
President

**FANUC CORPORATION**

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

**Notice of Convocation of  
The 53rd Ordinary General Meeting of Shareholders**

Dear Shareholders,

We are pleased to announce that the 53rd Ordinary General Meeting of Shareholders of FANUC CORPORATION will be held as described below.

**We strongly request that you exercise your voting rights by the Voting Rights Exercise Form or via the Internet in advance if possible, and refrain from attending the meeting in person, regardless of your health condition.**

**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, 2022.**

**[Exercise of voting rights by Voting Rights Exercise Form]**

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

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

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

Description

1. **Date:** Wednesday, June 29, 2022, 10:00 a.m.
2. **Place:** FANUC Forum, FANUC Headquarters, 3580, Shibokusa Aza-Komanba, Oshino-mura, Minamitsuru-gun, Yamanashi Prefecture
3. **Agenda of the Meeting**
  - Matters to be reported:** Report on the business report, the consolidated financial statements, the non-consolidated financial statements and the results of audit of the consolidated financial statements by the Accounting Auditors and the Audit and Supervisory Committee for the 53rd fiscal year (from April 1, 2021 to March 31, 2022).
  - Matters to be resolved:**
    - Item 1:** Dividends of Surplus
    - Item 2:** Amendments to Parts of the Articles of Incorporation
    - Item 3:** Election of Six (6) Directors (except for Directors Who Are Audit and Supervisory Committee Members)
    - Item 4:** Election of One (1) Director Who Is a Substitute Audit and Supervisory Committee Member

**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.

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

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

## Reference Material for the Ordinary General Meeting of Shareholders

### Item 1 Dividends of Surplus

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

(Announced on April 24, 2019)

1. Dividends

We have set a consolidated dividend payout ratio of 60% as our basic policy.

2. Share buybacks

We will buy back our own shares in a flexible manner depending on the level of our stock price, taking into account the balance with our investment in growth.

3. Cancellation of treasury shares

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

Based on the above basic policy, we propose to pay the year-end dividend for this fiscal year as follows, which makes the consolidated payout ratio, including the interim dividend paid in December 2021, at 60%.

The dividend for the full fiscal year will be ¥485.70 per share, in total with the dividend for the first half of the fiscal year that has been paid in December, 2021 (¥246.02 per share), resulting in ¥239.68 per share for the second half.

(1) Type of dividend asset

Cash

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

¥239.68 per share of common stock (dividend payout ratio (Consolidated): 60.0%)

Total amount of payout: ¥45,975,303,033

(3) Effective date of dividend payment

June 30, 2022

## Item 2 Amendments to Parts of the Articles of Incorporation

We propose amendments to parts of the Articles of Incorporation as follows:

### (1) Reason for Amendments

The Company proposes the following amendments to the Articles of Incorporation in preparation for the introduction of a system for providing materials for the general meeting of shareholders in electronic format pursuant to the September 1, 2022 enforcement of the amended provisions set forth in the proviso to the Supplementary Provisions, Article 1 of the Act Partially Amending the Companies Act (Act No. 70, 2019).

- [1] Delete provisions concerning Internet Disclosures and Deemed Provision of Reference Documents for General Meetings of Shareholders set forth in Article 16 of the existing Articles of Incorporation, as these will be unnecessary under a system for providing materials in electronic format
- [2] Under Article 16, Paragraph 1 of the amended Articles of Incorporation, prescribe that the Company takes the electronic provision measure for information included in the Reference Documents for the General Meeting of Shareholders, etc.
- [3] Under Article 16, Paragraph 2 of the amended Articles of Incorporation, establish provisions to limit the scope of matters to be included in materials in a paper-based format to be provided to shareholders who request the delivery thereof
- [4] Establish supplementary provisions concerning matters such as the effective date of the amendments described above

### (2) Amendment Details

Amendment details are as follows:

(Amended sections underlined.)

Current Text	Proposed Amendments
<p><u>Article 16 (Internet Disclosure of Reference Materials for General Meetings of Shareholders and Deemed Provision)</u></p> <p><u>The Company may use the Internet to disclose information on matters to be included or disclosed in reference materials for the General Meetings of Shareholders, business reports, and financial documents, and consolidated financial documents in compliance with ordinances of the Ministry of Justice and may deem such information to have been provided to shareholders.</u></p> <p>(Newly established)</p>	<p>(Deleted)</p> <p><u>Article 16 (Provision of Documents for General Meeting of Shareholders in Electronic Format, etc.)</u></p> <p><u>(1) When convening the General Meeting of Shareholders, the Company shall take the electronic provision measure for information included in the Reference Documents for the General Meeting of Shareholders, etc.</u></p> <p><u>(2) Among matters for which the electronic provision measure will be taken, the Company is permitted not to contain all or part of the matters prescribed by the Ministry of Justice Order in the document that will be issued to shareholders who have requested the issuance of the said document by the record date for voting rights.</u></p>



Current Text	Proposed Amendments
<p>Supplementary Provisions (Newly established)</p>	<p>Supplementary Provisions</p> <p><u>Article 2 (Transitional measures regarding provision of documents for General Meeting of Shareholders in electronic format)</u></p> <p><u>(1) The amendment of Article 16 in the Articles of Incorporation shall come into effect from September 1, 2022 which is the date of enforcement provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70, 2019) (the “Effective Date”).</u></p> <p><u>(2) Notwithstanding the provision of the preceding paragraph, Article 16 of the Articles of Incorporation (Internet Disclosures and Deemed Provision of Reference Documents for General Meetings of Shareholders) shall remain effective regarding any General Meeting of Shareholders to be held on a date within six months from the Effective Date.</u></p> <p><u>(3) This Article shall be deleted on the date when six months have passed from the Effective Date, or three months have passed from the date of the General Meeting of Shareholders described in the preceding paragraph, whichever is later.</u></p>


**Item 3 Election of Six (6) Directors (except for Directors Who Are Audit and Supervisory Committee Members)**


The term of office of the six (6) Directors (except for Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of the meeting. Therefore, we propose to elect six (6) Directors (except for Directors who are Audit and Supervisory Committee Members).

The six (6) candidates for Directors (except for Directors who are Audit and Supervisory Committee Members) are as follows:

Candidates' number	Name	Position and responsibilities at the Company	Attendance at the Board of Directors meetings
1	Yoshiharu Inaba <u>Renominated</u>	Representative Director, Chairman	100% (12 of 12)
2	Kenji Yamaguchi <u>Renominated</u>	Representative Director, President and CEO	100% (12 of 12)
3	Michael J. Cicco <u>Renominated</u>	Director of the Company President and CEO, FANUC America Corporation	100% (12 of 12)
4	Kazuo Tsukuda <u>Renominated</u> <u>Outside Director</u> <u>Independent Director</u>	Director	100% (12 of 12)
5	Naoko Yamazaki <u>Renominated</u> <u>Outside Director</u> <u>Independent Director</u>	Director	100% (12 of 12)
6	Hiroto Uozumi <u>Newly nominated</u> <u>Outside Director</u> <u>Independent Director</u>	-	-


Candidates' number	Name (Date of birth)	Personal history, position and responsibilities		Number of shares of the Company held by candidate
1	 Yoshiharu Inaba (July 23, 1948)  Renominated	April 1973 September 1983 June 1989 June 1992 June 1995  May 2001  June 2003  June 2016 April 2019	Joined Isuzu Motors Limited Joined the Company Appointed Director of the Company Appointed Senior Vice President ( <i>Director</i> ) of the Company Appointed Executive Vice President ( <i>Director</i> ) of the Company Appointed Senior Executive Vice President ( <i>Representative Director</i> ) of the Company Appointed President ( <i>Representative Director</i> ) of the Company Appointed Chairman and CEO ( <i>Representative Director</i> ) of the Company Appointed Chairman ( <i>Representative Director</i> ) of the Company (to the present)  (Significant concurrent posts of other entities) Outside Director, TOPCON CORPORATION Chairman, Japan Machine Tool Builders' Association (Attendance at the Board of Directors meetings held during this period) 100% (12 of 12)  (Reason for nomination as candidate) Yoshiharu Inaba has led the management of the Company since he was appointed President and CEO ( <i>Representative Director</i> ) in June 2003, and has served as Chairman ( <i>Representative Director</i> ) since 2016. In order to benefit from his experiences and deep insights in management decision-making and supervision of the Company, his reappointment as Director is proposed.	9,464 shares
2	 Kenji Yamaguchi (August 6, 1968)  Renominated	April 1993 June 2008 February 2012  October 2013  June 2016 April 2019	Joined the Company Appointed Executive Vice President ( <i>Director</i> ) of the Company Appointed Senior Executive Vice President ( <i>Director</i> ) of the Company Appointed Senior Executive Vice President ( <i>Representative Director</i> ) of the Company Appointed President and COO ( <i>Representative Director</i> ) of the Company Appointed President and CEO ( <i>Representative Director</i> ) of the Company (to the present)  (Attendance at the Board of Directors meetings held during this period) 100% (12 of 12)  (Reason for nomination as candidate) Kenji Yamaguchi has been involved in research and development, manufacturing, production engineering and sales, and by having played an important role in each of these fields, he is rich in experience. He currently leads the management of the Company as President and CEO ( <i>Representative Director</i> ). In order to benefit from his experiences and deep insights in management decision-making and supervision of the Company, his reappointment as Director is proposed.	3,780 shares

Candidates' number	Name (Date of birth)	Personal history, position and responsibilities		Number of shares of the Company held by candidate
3		August 1999 November 2015 April 2016 June 2016 July 2016  June 2017 June 2020	Joined FANUC America Corporation ("FAC") Appointed Vice President ( <i>Director</i> ) of FAC Appointed President and COO ( <i>Director</i> ) of FAC Appointed Managing Officer of the Company Appointed President and CEO ( <i>Director</i> ) of FAC (to the present) Appointed Senior Managing Officer of the Company Appointed Director of the Company (to the present)	170 shares
		(Attendance at the Board of Directors meetings held during this period) 100% (12 of 12)	(Reason for nomination as candidate) Michael J. Cicco currently serves as President and CEO of FANUC America Corporation, a subsidiary responsible for the Company's business in the Americas, and has contributed to its growth and development. As it would be beneficial to employ his experiences and deep insights in management decision-making and supervision of the Company, his reappointment as Director is proposed.	

Candidates' number	Name (Date of birth)	Personal history, position and responsibilities		Number of shares of the Company held by candidate
4	 <p data-bbox="260 600 491 779">Kazuo Tsukuda (September 1, 1943)  Outside Director Independent Director Renominated</p>	<p data-bbox="491 322 676 367">April 1968 June 1999</p> <p data-bbox="491 398 676 443">April 2002 June 2003</p> <p data-bbox="491 501 676 546">April 2008 April 2013</p> <p data-bbox="491 560 676 604">April 2013 June 2013</p> <p data-bbox="491 663 676 707">June 2015 June 2019</p> <p data-bbox="491 743 676 788">June 2021</p>	<p data-bbox="676 322 1283 788">           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.            Appointed Director of the Company (to the present)            Appointed Executive Corporate Advisor of Mitsubishi Heavy Industries, Ltd.            Appointed Honorary Advisor of Mitsubishi Heavy Industries, Ltd. (to the present)         </p> <p data-bbox="676 797 1283 949">           (Significant concurrent posts of other entities)            Honorary Advisor of Mitsubishi Heavy Industries, Ltd.            Outside Director of Mitsubishi Research Institute, Inc.            Outside Director (Audit and Supervisory Committee Member) of Yamaguchi Financial Group, Inc.            Outside Director, Internet Initiative Japan Inc.         </p> <p data-bbox="676 967 1283 1012">           (Attendance at the Board of Directors meetings held during this period)            100% (12 of 12)         </p> <p data-bbox="676 1043 1283 1612">           (Reason for nomination as candidate and expected role)            Kazuo Tsukuda has an outstanding knowledge of manufacturing and extensive experience in corporate management. He also has a deep understanding of the Company's business. He has appropriately executed his duties as Outside Director in providing the Company with supervision over and advice on the Company's business. We expect that he will continue to contribute to the Company's Board of Directors from an independent position.            Although the Company has business transactions with Mitsubishi Heavy Industries, Ltd., at which Kazuo Tsukuda currently serves as Honorary Advisor and served as Chairman and President in the past, the transaction value accounts for less than 0.5% of consolidated net sales of both of the company and the Company. Therefore, there is no risk of his independence being affected by that position.            We propose the reappointment 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 seven (7) years at the conclusion of the coming shareholder meeting.         </p>	0 shares



Candidates' number	Name (Date of birth)	Personal history, position and responsibilities		Number of shares of the Company held by candidate
5	 <p data-bbox="260 622 491 678">Naoko Yamazaki (December 27, 1970)</p> <p data-bbox="260 701 491 779">Outside Director Independent Director Renominated</p>	<p data-bbox="491 320 678 353">April 1996</p> <p data-bbox="491 365 678 398">September 2001</p> <p data-bbox="491 409 678 443">April 2010</p> <p data-bbox="491 499 678 533">March 2016</p> <p data-bbox="491 521 678 555">September 2017</p> <p data-bbox="491 566 678 600">June 2018</p> <p data-bbox="491 611 678 645">July 2018</p> <p data-bbox="491 678 678 712">June 2020</p> <p data-bbox="491 701 678 734">June 2021</p>	<p data-bbox="678 320 1284 421">Joined the National Space Development Agency of Japan (currently Japan Aerospace Exploration Agency (JAXA)) Authorized as an astronaut to board the International Space Station</p> <p data-bbox="678 409 1284 499">Served as a mission specialist on the Space Shuttle Discovery, and engaged the mission of assembling the International Space Station (STS-131(19A))</p> <p data-bbox="678 499 1284 577">Appointed Outside Director of Nabtesco Corporation Appointed Outside Director of OPTORUN Co., Ltd. (to the present)</p> <p data-bbox="678 566 1284 633">Appointed Outside Director of TOPCON CORPORATION (to the present)</p> <p data-bbox="678 633 1284 678">Appointed Representative Director of Space Port Japan Association (to the present)</p> <p data-bbox="678 678 1284 712">Appointed Director of the Company (to the present)</p> <p data-bbox="678 701 1284 768">Appointed President of Young Astronauts Club - Japan (to the present)</p> <p data-bbox="555 779 1284 913">(Significant concurrent posts of other entities) Representative Director of Space Port Japan Association President of Young Astronauts Club - Japan Outside Director of OPTORUN Co., Ltd. Outside Director of TOPCON CORPORATION</p> <p data-bbox="555 925 1284 992">(Attendance at the Board of Directors meetings held during this period) 100% (12 of 12)</p> <p data-bbox="555 1003 1284 1261">(Reason for nomination as candidate and expected role) Naoko Yamazaki has extensive knowledge of advanced aerospace engineering and manned spacecraft systems, including robotic arms, as an engineer. She is well versed in science and technology, as well as risk management including crisis management, and has experienced extremely challenging environments as an astronaut. With her wealth of experience and insight, she has appropriately executed her duties as Outside Director in providing the Company with supervision over and advice on the Company's business. We expect that she will continue to contribute to the Company's Board of Directors from an independent position.</p> <p data-bbox="555 1261 1284 1440">The Company has no business transactions with Space Port Japan Association, at which Naoko Yamazaki serves as Representative Director, or with Young Astronauts Club - Japan, at which she serves as President. Therefore, there is no risk of her independence being affected by this position. As mentioned above, Naoko Yamazaki has continued to contribute to the Company's Board of Directors from an independent position. Thus her reappointment as Outside Director is proposed.</p> <p data-bbox="555 1440 1284 1518">In addition, the Company has appointed Outside Director Naoko Yamazaki as an Independent Director as defined by the Tokyo Stock Exchange and has duly notified the Tokyo Stock Exchange.</p> <p data-bbox="555 1518 1284 1574">Her term of office as Outside Director of the Company will have been two (2) years at the conclusion of the coming shareholder meeting.</p>	0 shares

Candidates' number	Name (Date of birth)	Personal history, position and responsibilities		Number of shares of the Company held by candidate
6	 <p>Hiroto Uozumi (March 10, 1953)</p> <p>Outside Director Independent Director Newly nominated</p>	<p>April 1975 April 2003  April 2004  April 2005 July 2007  April 2011 April 2013 April 2015  April 2017  April 2020  June 2021</p>	<p>Joined Hitachi, Ltd. General Manager of Nuclear Power Systems Production Division, Nuclear Systems Division, Power and Industrial Systems Group, Hitachi, Ltd. Deputy General Manager of Hitachi Works, Power Systems Group and Vice Division Director, Nuclear Power Systems Production, Hitachi, Ltd. Deputy General Manager of Air-Conditioning Systems Division, Hitachi Plant Engineering &amp; Construction Co., Ltd. Appointed Executive Vice President of Hitachi-GE Nuclear Energy, Ltd. Appointed President and Representative Director of Hitachi-GE Nuclear Energy, Ltd. Appointed Vice President and Executive Officer, Hitachi, Ltd. Appointed Chairman of the Board of Hitachi-GE Nuclear Energy, Ltd. Senior Corporate Officer of Nuclear Energy Business Unit, Hitachi, Ltd. Senior Corporate Officer of Nuclear Damage Compensation and Decommissioning Facilitation Corporation Appointed President &amp; CEO of Atomic Energy Association (to the present)</p> <p>(Significant concurrent posts of other entities) President &amp; CEO of Atomic Energy Association</p> <p>(Reason for nomination as candidate and expected role) Hiroto Uozumi has a background in planning and designing nuclear power systems and manufacturing major equipment as the Head of nuclear power business at Hitachi, Ltd. He is familiar with manufacturing and company management due to his experience holding important positions at Hitachi, Ltd. and Hitachi-GE Nuclear Energy, Ltd. In addition, as the Company aims to be carbon-neutral by 2050, it is expected that his knowledge of power and energy systems, as well as decarbonization, will be utilized. The Company requests his appointment as Outside Director in order for him to provide the Company with supervision over and advice on the Company's business, utilizing his wealth of experience and insight. The Company has no business transactions with the Atomic Energy Association, at which Hiroto Uozumi serves as President &amp; CEO. Therefore, there is no risk of his independence being affected by this position. Assuming that this proposal is approved as originally proposed, the Company will appoint Hiroto Uozumi as an Independent Director as defined by the Tokyo Stock Exchange and notify the Tokyo Stock Exchange.</p>	100 shares

Notes:

1. Kazuo Tsukuda, Naoko Yamazaki, and Hiroto Uozumi are candidates for Outside Directors.
2. We have entered into an agreement with Kazuo Tsukuda and Naoko Yamazaki limiting their liability for damages as defined under Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the Companies Act. We intend to enter into a liability limitation agreement with Hiroto Uozumi with the same content if Item 3 is approved as originally proposed.
3. We have entered into a directors and officers liability insurance agreement with an insurance company. The agreement covers damages that may arise due to the insured directors and officers assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. All candidates for Directors shall be included as an insured under the said insurance agreement, which is to be retained with the same terms and conditions at the next renewal.

**(For Reference) Criteria for Independence of Outside Directors**

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

1. Sales to the individual's former workplace (organization) from the Company will be under 2% of the consolidated sales of the Company, and sales to the Company from the individual's former workplace will be under 2% of the consolidated sales of the individual's former workplace.
2. The Company must not have any loans from the company from which the candidate comes (if the candidate comes from a bank.)
3. The Company must not have any important transactions such as advisory contracts with the candidate or the firm he 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.

**(For Reference) Composition of the Board of Directors and Expertise and Experience of each Director If the Candidates Listed in This Convocation Notice Are Elected as Originally Proposed (Skills Matrix)**

Name		Gender	Corporate Management	Research & Development	Internationality	Legal/Risk Management	Finance/Accounting
Yoshiharu Inaba		Male	●	●	●	●	
Kenji Yamaguchi		Male	●	●	●	●	
Michael J. Cicco		Male	●		●	●	
Kazuo Tsukuda	Outside	Male	●	●	●	●	
Naoko Yamazaki	Outside	Female		●	●	●	
Hiroto Uozumi	Outside	Male	●	●	●	●	
Katsuo Kohari	Audit and Supervisory Committee Member	Male		●	●		
Katsusya Mitsumura	Audit and Supervisory Committee Member	Male					●
Yasuo Imai	Audit and Supervisory Committee Member	Outside Male	●		●	●	
Hidetoshi Yokoi	Audit and Supervisory Committee Member	Outside Male		●	●		
Mieko Tomita	Audit and Supervisory Committee Member	Outside Female				●	

**Item 4 Election of One (1) Director Who Is a Substitute Audit and Supervisory Committee Member**

To ensure that the Company will not lack the number of Directors who are Audit and Supervisory Committee Members stipulated by laws and regulations, the Company requests the election of one (1) Director who is a Substitute Audit and Supervisory Committee Member to act as substitute for all Directors who are Audit and Supervisory Committee Members.

The candidate for Director who is a Substitute Audit and Supervisory Committee Member is as follows.

The consent of the Audit and Supervisory Committee has been obtained in advance for this proposal.

Name			
Naoko Yamazaki	<table border="1"><tr><td>Outside Director</td></tr><tr><td>Independent Director</td></tr></table>	Outside Director	Independent Director
Outside Director			
Independent Director			

The date of birth, personal history, and other matters to be stated in the reference materials for the General Meeting of Shareholders of the above candidate are as presented in Item 3 “Election of Six (6) Directors (except for Directors Who Are Audit and Supervisory Committee Members)” on page 9.

- END -

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

## **BUSINESS REPORT**

(April 1, 2021 through March 31, 2022)

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

#### (1) Business trends and achievements

Regarding the circumstances surrounding the FANUC Group during this fiscal year (April 1, 2021 – March 31, 2022), capital investment in the entire manufacturing sector, which had been declining due to the impact of the spread of the coronavirus (COVID-19), recovered and thus was made vigorously. The outlook has remained uncertain, however, due to the prolonged impact on manufacturing activities from a shortage in components such as semiconductors across global supply chains.

Under these circumstances, the FANUC Group has striven to maintain the delivery of products and service activities for our customers while placing utmost priority on preventing the spread of COVID-19. In particular, with regard to the shortages of semiconductors and other components, the entire company has become involved and has done every effort to minimize the impact of such shortages by taking measures such as utilizing alternative parts and even changing the design of our products.

Even under such difficult circumstances as these, the FANUC Group has pushed forward with initiatives towards future development, including the development of new products and new functions and increasing of production capacity at our factories.

In addition, amid the global push toward a carbon-free society, we recognize that climate change is an important management issue for the FANUC Group as we are doing business globally. Accordingly, we have set ourselves a long-term goal of achieving net-zero greenhouse gas emissions through the Group's business activities by 2050, and a medium-term goal of a 42% reduction in these same emissions by 2030 (relative to emissions for 2020). In order to achieve these goals, we will promote the installation of solar panels in-house and efforts towards energy-saving measures at our factories, etc. We will also push forward with efforts to make our company products even more energy-efficient.

During the fiscal year ended March 31, 2022, FANUC posted consolidated net sales totaling ¥733,008 million, up 33.0%, consolidated ordinary income totaling ¥213,395 million, up 65.8%, and net income attributable to owners of parent totaling ¥155,273 million, up 65.2%, compared with the previous fiscal year.

During fiscal year ended March 31, 2022, the "FANUC ROBOCUT  $\alpha$ -CiC series" wire electrical-discharge machine, which, in addition to being designed to deliver high machining performance and operating rates, also pursues ease of use, won the "Nikkan Kogyo Shimbun Best 10 New Product Awards 2021/Main Award". Further, the collaborative robot "FANUC Robot CRX-10iA", which is equipped with all of "Safety", "Ease of Use" and "High Reliability" won the "Japan Techno-Economics Society Chairperson's Award" at the 10th Technology Management and Innovation Award sponsored by the Japan Techno-Economics Society. In addition, the "PANEL iH Pro display device equipped with FANUC ROBOSHOT  $\alpha$ -SiB series"—the largest in the industry with a 21.5-inch display device—that can simultaneously display two screens for showing such information as the operation condition settings, the molding process display, and peripheral device information, won the "Japan Society of Industrial Machinery Manufacturers Award at the 51st Machine Design Award (IDEA)".

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

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

In the FA Division, the demand from the machine tool industry, the primary market for CNC systems, increased on a global scale in Europe, the Americas, Asia, Japan as well as in China, where the demand has already been strong. Sales of the CNC systems for machine tools also increased in line with this increase in demand. In February 2022, the cumulative production number for the Company's CNC systems reached 5 million units.

In terms of development, we developed "CNC Guide 2" and the "surface estimation function" in order to realize the digital twins of FANUC CNC. "CNC Guide 2" can read the machining program created for CNC and faithfully reproduce the movement of the tool on PC. In addition, the "surface estimation function" can read the tool position information of "CNC

Guide 2” and estimate the machining result without actual machining. Moreover, as an industrial PC that supports digital twins, we have developed the “FANUC *iPC*” equipped with a capacitive touch panel that operates accurately even in harsh on-site environments. For servo motors, we developed a function to suppress chatter vibrations during machining by periodically changing the spindle speed. We also expanded the servo adjustment function using AI and enhanced the lineup to expand sales into various markets.

With regard to our lasers, the Chinese market and the European market are on a recovery trend, but competition from overseas manufacturers remains fierce.

In terms of development, we developed a laser scanner as an option for remote laser robots in response to the expanding remote welding and remote cutting markets. As we can provide a robot and a laser scanner as a package, there are expectations for sales expansion going forward.

The FA Division posted consolidated sales totaling ¥226,165 million, up 51.5% compared with the previous fiscal year, and FA Division sales accounted for 30.9% of consolidated net sales.

### **[ROBOT Division]**

In the ROBOT Division, sales in China remained strong, mainly in IT-related industries and for EVs, heavy machinery and construction machinery. Strong sales were also recorded in the United States, to general industries and the automobile industry with EV-related demand, and demand from general industries in Europe also remained strong. In Japan, there was a gradual recovery in terms of demand, with sales increasing compared with the corresponding period of the previous fiscal year.

In terms of development, we developed the large material handling robot “FANUC Robot M-1000*iA*” with 1000kg handling capability. With a wide range of motion in the vertical and longitudinal directions and a strong wrist performance, the “FANUC Robot M-1000*iA*” is expected to be introduced in a wide range of industrial fields, including transportation or drilling of heavy objects such as battery units for the EV market and construction materials. We also developed the “FANUC Robot LR-10*iA*/10”, which is light-weight and compact, has a wide range of motion and is with strong dustproof and splashproof capability. Since its weight has been significantly reduced to one-third or less of that of conventional robots with similar handling capability, while achieving energy-efficiency, it is expected to be applied to various purposes such as supplying parts to machine tools and picking in the logistics industry, where demand has increased in recent years. In the SCARA robot series, we developed the “FANUC Robot SR-3*iA*/U”, which is installed on the ceiling. Its feature is that there is no area, within the range of the arm reach, where the tip of the arm cannot reach. As it is installed on the ceiling and the work area is directly below the main body, it is possible to build a space-saving robot system without worrying about floor area required for installation. These and other new products and functions are expected to further expand the applicable usages of FANUC robots.

The ROBOT Division posted consolidated sales totaling ¥268,478 million, up 27.8% compared with the previous fiscal year. ROBOT Division sales accounted for 36.6% of consolidated net sales.

### **[ROBOMACHINE Division]**

In the ROBOMACHINE Division, sales of the ROBODRILL (compact machining centers) increased, due to demand for use in the personal computer and tablet markets in China. Sales of the ROBOSHOT (electric injection molding machines) increased due to strong demand from IT-related and medical markets. Sales of the ROBOCUT (wire electrical-discharge machines) increased due to strong demand from IT-related and automobile component markets.

In terms of development, in ROBODRILL, the latest model “FANUC ROBODRILL  $\alpha$ -D*iB* Plus series” has been improved by some upgrades including improved the operational screen and adding a function for turning through an additional axis table. In addition, we added to the FANUC ROBODRILL-LINK*i*”, the software to monitor the operation of ROBODRILL, the function that can analyze the signal status on a program-by-program basis, improving its usability. For ROBOSHOT, we added  $\alpha$ -S50*iB* equipped with high precision clamping unit to the latest “FANUC ROBOSHOT  $\alpha$ -S*iB* series” in order to respond to the lens molding market, where high precision is advancing. For ROBOCUT, we added the fine wire model and the Z-axis stroke 400mm specifications to the latest “FANUC ROBOCUT  $\alpha$ -C*iC* series” in order to expand the target scope of machining work.

The ROBOMACHINE Division posted consolidated sales totaling ¥144,633 million, up 26.3% compared with the previous fiscal year. ROBOMACHINE Division sales accounted for 19.7% of consolidated net sales.

## **[Service Division]**

In the Service Division, with “Service First” as a key word, we strengthened the service structure and improved efficiency by actively introducing information technology. We have built the structure that covers 100 countries or more with 270 or more service locations around the world, and are carrying out prompt service activities to minimize downtime at customers’ factories.

The Service Division posted consolidated sales totaling ¥93,732 million, up 20.9% compared with the previous fiscal year. Service Division sales accounted for 12.8% of consolidated net sales.

## **【Approaches to IoT and AI】**

In our efforts to utilize IoT technology, we improved operability by simplifying the connection with factory equipment, improved security by supporting network authentication and improved convenience of application development in the FIELD system, which is an edge platform that aims to improve productivity by aggregating information on manufacturing sites.

With regard to AI, we are promoting the development of more practical AI functions for use in all products of FA, ROBOT, and ROBOMACHINE. In FA, we launched on the market an AI Servo Monitor that monitors abnormalities in the spindle axes and feed axes, and expanded the automatic adjustment items for AI Servo Tuning. In ROBOT, the market introduction of the AI Error Proofing function that can learn with a small amount of teacher data is progressing, and we are working on a vision function that detects close-fitting cardboard boxes, which was difficult in the past. In ROBOMACHINE, AI thermal displacement compensation (ROBODRILL, ROBOCUT) and AI backflow monitor (ROBOSHOT) were installed in respective products. Moreover, in addition to developing new AI functions, our Next-Generation Technology Laboratory is working on issues such as how to guarantee the quality of AI functions. We also utilize AI technologies to make all products more intelligent, in order to differentiate our products from our competitors’.

## **【Research and Development】**

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

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

## **(2) Capital Investment**

In terms of capital investment during the fiscal year under review, we proceeded with the renovation of existing factories in order to increase production capacity. We promoted the introduction of manufacturing equipment to build systems for increased production in order to respond to a sudden upturn in orders. In addition, we made investments for future growth, including other investments in order to streamline manufacturing and strengthen our service structure. Total capital investment during the fiscal year under review was ¥41,101 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**

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

Regarding the business environment surrounding the Group, it is expected that the uncertain situation will continue due to an increase in geopolitical risks and the impact of the spread of COVID-19. On the other hand, the demand for factory automation is expected to grow over the medium to long-term.

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

In addition, the FANUC Group will adhere to its origins as a producer of production goods to be used at manufacturing sites, and will be thorough in implementing our slogan “Reliable, Predictable, Easy to Repair” in product development, to minimize downtime in our customers’ factories and improve their operating rates. Moreover, we will develop products with an even greater focus on ease of use, in order to respond to the increase in demands for factory automation, as acquiring skilled workers becomes more difficult.

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

The FANUC Group believes that IoT and AI are indispensable technologies for FANUC to continue developing and launching highly competitive products to the market. By aggressively adopting these technologies in all areas of FA, ROBOT, and ROBOMACHINE products, we will further promote customers’ production efficiency. We will continue to develop IoT technologies, such as the “FIELD system” open platform. With regard to AI technologies, we will develop functions that will be useful in actual manufacturing sites. For technologies that the Company does not possess, we will continue to actively collaborate with other companies, and strive to engage in speedy development.

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

Along with such activities, the FANUC Group is also striving to maintain its strong corporate structure by reducing expenses and time, and streamlining business operations. In addition, we consider human resources as being most vital for achieving medium and long-term growth. From this perspective, we will work on the key issues of creating better working environments for our employees and further improving employee motivation.

With regard to management, we will focus even more on the fact that FANUC’s products can make major contributions to the achievement of SDGs. In addition to the operating income ratio, ordinary income ratio, and ROE, market shares will also be considered to be an important business indicator, and decisions will be made comprehensively with these in mind.

As a pressing issue, the FANUC Group is prioritizing the prevention of COVID-19 infection among its customers, partners, employees, and family members, along with containing its spread, while striving to continue to provide products and services to customers.

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

Thank you for your continued support and assistance to FANUC.

## (5) Assets and Profits

### 1) The FANUC Group

(Millions of yen)

Item	FY 2018 (50th term)	FY 2019 (51st term)	FY 2020 (52nd term)	FY 2021 (53rd term)
Net sales	635,568	508,252	551,287	733,008
Ordinary income	183,459	102,816	128,744	213,395
Net income attributable to owners of parent	154,163	73,371	94,012	155,273
Net income per share (Yen)	795.34	381.89	490.11	809.49
Total assets	1,625,340	1,512,499	1,625,191	1,783,964
Net assets	1,445,146	1,362,865	1,435,554	1,549,879

### 2) The Company

(Millions of yen)

Item	FY 2018 (50th term)	FY 2019 (51st term)	FY 2020 (52nd term)	FY 2021 (53rd term)
Net sales	470,644	352,407	415,939	578,260
Ordinary income	147,956	67,586	87,889	159,216
Net income	136,326	54,697	70,451	122,064
Net income per share (Yen)	703.31	284.69	367.28	636.35
Total assets	1,292,323	1,177,585	1,236,223	1,307,224
Net assets	1,173,464	1,084,633	1,116,242	1,150,023

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and others from the beginning of FY2021. Assets and profits for FY2021 reflect these accounting standards.

## (6) Principal Businesses

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

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

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

**(7) Principal Sites**

Head office	Oshino-mura, Minamitsuru-gun, Yamanashi Prefecture
Research and Development	Oshino-mura and Yamanakako-mura, Minamitsuru-gun, Yamanashi Prefecture
Branches	Hino Branch (Hino City), Nagoya Branch (Komaki City), Osaka Branch (Osaka City), Hokkaido Branch (Ebetsu City), Tohoku Branch (Sendai City), Tsukuba Branch (Tsukuba City), Maebashi Branch (Maebashi City), Echigo Branch (Mitsuke City), Hakusan Branch (Hakusan City), Chugoku Branch (Okayama City), Hiroshima Branch (Hiroshima City), Kyushu Branch (Kikuyo-machi, Kikuchi-gun, Kumamoto Prefecture)
Factories	Headquarters Factory (Oshino-mura and Yamanakako-mura, Minamitsuru-gun, Yamanashi Prefecture), Mibu Factory (Mibu-machi, Shimotsuga-gun, Tochigi Prefecture), Tsukuba Factory (Chikusei City), Hayato Factory (Kirishima City)
Training	FANUC ACADEMY (Oshino-mura, Minamitsuru-gun, Yamanashi Prefecture)

**(8) Employees**

Number of employees	The Company	4,257
	The FANUC Group	8,675

**(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	95	Sale and maintenance services of CNC systems, lasers, robots, ROBODRILL, ROBOSHOT and ROBOCUT as well as manufacture, sale and maintenance services of robot systems
TAIWAN FANUC CORPORATION	NT\$ 1,448 million	100	Knock-down manufacture, sale and maintenance services of CNC systems, sale and maintenance services of lasers and robots, as well as manufacture, sale and maintenance services of robot systems
FANUC INDIA PRIVATE LIMITED	Rupee 290 million	100	Sale and maintenance services of CNC systems, lasers, robots, ROBODRILL, ROBOSHOT and ROBOCUT, as well as manufacture, sale and maintenance services of robot systems
SHANGHAI-FANUC Robomachine CO., LTD.	US\$ 21,000 thousand	51	Sale and maintenance services of ROBODRILL, ROBOSHOT and ROBOCUT
FANUC PERTRONICS LTD	¥327 million	100	Manufacture of parts of CNC systems, lasers, robots, ROBODRILL, ROBOSHOT and ROBOCUT
FANUC SERVO LTD	¥450 million	100	Manufacture of servo motors

## 2) Principal Affiliated Companies

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

## 2. Matters Concerning the Shares of the Company

(1) Total number of shares authorized to be issued by the Company: **400,000,000 shares**

(2) Total number of issued shares: **201,909,397 shares**

(3) Number of shareholders: **55,638**

### (4) The ten largest shareholders:

Name	Number of shares (In thousands)	Percentage of equity participation (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	44,518	23.2
Custody Bank of Japan, Ltd. (Trust Account)	15,934	8.3
Citibank, N.A. - NY, as Depository Bank for Depository Shareholders	4,918	2.6
SSBTC Client Omnibus Account	4,780	2.5
JPMorgan Chase Bank 380055	4,014	2.1
State Street Bank West Client - Treaty 505234	3,202	1.7
Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	2,960	1.5
The Bank of New York Mellon 140042	2,617	1.4
JPMorgan Chase Bank 385781	2,496	1.3
Government of Norway	2,362	1.2

Note: The percentages of equity participation are calculated after subtracting the number of treasury shares (10,090 thousand shares) from the total number of issued shares.

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

Classification	Number of shares	Number of recipients
Directors (except for Directors who are Audit and Supervisory Committee Members and Outside Directors)	3,730 shares	3

### 3. Directors of the Company

#### (1) Names of Directors, etc.

Position	Name	Responsibilities or significant concurrent posts of other entities
Representative Director, Chairman	Yoshiharu Inaba	
Representative Director, President and CEO	Kenji Yamaguchi	
Director	Michael J. Cicco	President and CEO, FANUC America Corporation
Director	Kazuo Tsukuda	Honorary Advisor of Mitsubishi Heavy Industries, Ltd.
Director	Masaharu Sumikawa	President of Tsukuba Global Innovation Promotion Agency President and Representative Director of Mito Country Club Co., Ltd.
Director	Naoko Yamazaki	Representative Director of Space Port Japan Association President of Young Astronauts Club - Japan
Director (Standing Audit and Supervisory Committee Member)	Katsuo Kohari	
Director (Audit and Supervisory Committee Member)	Katsuya Mitsumura	Founder and head of Katsuya Mitsumura C.P.A. and Tax Accountant Office
Director (Audit and Supervisory Committee Member)	Yasuo Imai	Director, Vice Chairman of the Board of AIR WATER INC.
Director (Audit and Supervisory Committee Member)	Hidetoshi Yokoi	Professor Emeritus of the University of Tokyo Field II Program Officer, Adaptable and Seamless Technology Transfer Program through Target-driven R&D of Japan Science and Technology Agency
Director (Audit and Supervisory Committee Member)	Mieko Tomita	Senior Partner, Nishi & Partners Attorneys and Counselors at Law

- Notes:
- Directors Kazuo Tsukuda, Masaharu Sumikawa, Naoko Yamazaki, Yasuo Imai, Hidetoshi Yokoi and Mieko Tomita are Outside Directors.
  - Director Katsuo Kohari is a Standing Audit and Supervisory Committee Member. The reason for selecting a Standing Audit and Supervisory Committee Member is to enhance the effectiveness of audits through the strengthening of information collection abilities, including attendance at important meetings.
  - Director (Audit and Supervisory Committee Member) Katsuya Mitsumura is a certified public accountant and possesses commensurate knowledge regarding finances and accounting.
  - Other significant concurrent posts:  
 Representative Director and Chairman Yoshiharu Inaba is also an Outside Director of TOPCON CORPORATION and Chairman of Japan Machine Tool Builders' Association.  
 Outside Director Kazuo Tsukuda is also an Outside Director of Mitsubishi Research Institute, Inc., Outside Director (Audit and Supervisory Committee Member) of Yamaguchi Financial Group, Inc., and Outside Director of Internet Initiative Japan Inc.  
 Outside Director Naoko Yamazaki is also an Outside Director of OPTORUN Co., Ltd., and Outside Director of TOPCON CORPORATION.  
 Director (Audit and Supervisory Committee Member) Katsuya Mitsumura is also an Outside Director (Audit & Supervisory Committee Member) of AXELL CORPORATION and Outside Director of INABA SEISAKUSHO Co., Ltd.  
 Outside Director (Audit and Supervisory Committee Member) Yasuo Imai is also a Chairman of Japan Industrial and Medical Gases Association.  
 Outside Director (Audit and Supervisory Committee Member) Mieko Tomita is also an Outside Director (Member of the Audit & Supervisory Committee) of Nisshin Seifun Group Inc., and Outside Director of TEKKEN CORPORATION.  
 None of the companies in which the Outside Directors concurrently hold posts have special relations with the company.
  - The Company has named the six Outside Directors Kazuo Tsukuda, Masaharu Sumikawa, Naoko Yamazaki, Yasuo Imai, Hidetoshi Yokoi and Mieko Tomita as Independent Directors as defined by the Tokyo Stock Exchange and has duly notified the Tokyo Stock Exchange.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (i) Fixed remuneration: The ceiling annual amount of ¥800 million (including ceiling amount of ¥100 million for Outside Directors)
- (ii) Performance-linked remuneration: The ceiling amount, which is set at 0.7% of net income attributable to owners of parent for the fiscal year prior to the General Meeting of Shareholders at which they are appointed or reappointed (provided, however, it shall not exceed a three-year amount of fixed remuneration)
- (iii) Stock compensation: The annual ceiling amount for the total amount of monetary compensation claims paid as remuneration for restricted stock is ¥350 million. The upper limit of the total number of shares of restricted stock to be allotted in each fiscal year is no more than 28,000

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

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

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

3) Total amounts, etc. of Directors' and Audit & Supervisory Board Members' remuneration, etc.

Category	Total amount of remuneration, etc. (million yen)	Total amount by remuneration type (million yen)			Number of eligible officers
		Fixed remuneration	Performance-linked remuneration, etc.	Non-monetary remuneration, etc.	
Directors (except for Directors who are Audit and Supervisory Committee Members) (of which, Outside Directors)	1,483 (59)	559 (59)	830 (—)	94 (—)	13 (5)
Directors who are Audit and Supervisory Board Members (of which, Outside Directors)	108 (41)	108 (41)	—	—	5 (3)
Audit & Supervisory Board Members (of which, Outside Audit & Supervisory Board Members)	36 (14)	36 (14)	—	—	5 (3)

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

The performance indicator selected as the basis for calculation of amounts of performance-linked remuneration is net income attributable to owners of parent. This performance indicator was chosen so that Directors (except for Directors who are Audit and Supervisory Committee Members) could share with shareholders the benefits of upturns in performance and the risks of downturns in performance. Position, duties and other factors are comprehensively considered in the calculation of the amounts of performance-linked remuneration.

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

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

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

3. Based on the resolution of the 52nd Ordinary General Meeting of Shareholders of June 24, 2021, the Company has transitioned to a company with an Audit and Supervisory Committee as of the same date.

4. The remuneration, etc. received as an Audit & Supervisory Board Member and the remuneration received as a Director who is an Audit and Supervisory Committee Member in the fiscal year under review are listed separately for the amount of remuneration and the number of members.



**(4) Matters concerning Outside Directors**

## Major activities

Name	Major activities
Kazuo Tsukuda	He attended all of 12 meetings of the Board of Directors. He possesses wide experience and knowledge obtained as a long-serving corporate executive, and the Company expects him to serve a supervisory function from those perspectives. He fulfilled an appropriate role as an Outside Director of the Company, including supervising and providing advice about the execution of the Company's business, such as speaking out whenever necessary from those perspectives in meetings of the Board of Directors. He also attended the Nomination and Remuneration Committee as Chair and expressed his opinions whenever necessary.
Masaharu Sumikawa	He attended all of 12 meetings of the Board of Directors and all of 2 meetings of the Audit & Supervisory Board during his tenure as an Audit & Supervisory Board Member before his appointment as Director on June 24, 2021. He possesses wide experience and knowledge obtained as a long-serving corporate executive, and the Company expects him to serve a supervisory function from those perspectives. He fulfilled an appropriate role as an Outside Director of the Company, including supervising and providing advice about the execution of the Company's business, such as speaking out whenever necessary from those perspectives in meetings of the Board of Directors. He also attended the Nomination and Remuneration Committee as a Committee Member and expressed his opinions whenever necessary since December 2021.
Naoko Yamazaki	She attended all of 12 meetings of the Board of Directors. She possesses wide experience and knowledge obtained as an engineer and astronaut, and the Company expects her to serve a supervisory function from those perspectives. She fulfilled an appropriate role as an Outside Director of the Company, including supervising and providing advice about the execution of the Company's business, such as speaking out whenever necessary from those perspectives in meetings of the Board of Directors. She also attended the Nomination and Remuneration Committee as a Committee Member and expressed her opinions whenever necessary.
Yasuo Imai	He attended all of 12 meetings of the Board of Directors and all of 11 meetings of the Audit and Supervisory Committee after his appointment as Director who is an Audit and Supervisory Committee Member on June 24, 2021. He possesses wide experience and knowledge obtained as a long-serving government official and corporate executive, and the Company expects him to serve a supervisory function from those perspectives. He fulfilled an appropriate role as an Outside Director of the Company, including supervising and providing advice about the execution of the Company's business, such as speaking out whenever necessary from those perspectives in meetings of the Board of Directors. He also attended the Nomination and Remuneration Committee as a Committee Member and expressed his opinions whenever necessary until June 2021.
Hidetoshi Yokoi	He attended 11 of 12 meetings of the Board of Directors, 1 of 2 meetings of the Audit & Supervisory Board before the transition to a company with an Audit and Supervisory Committee on June 24, 2021, and all of 11 meetings of the Audit and Supervisory Committee after the transition. He possesses wide experience and knowledge obtained as a university professor, and the Company expects him to serve a supervisory function from those perspectives. He fulfilled an appropriate role as an Outside Director of the Company, including supervising and providing advice about the execution of the Company's business, such as speaking out whenever necessary from those perspectives in meetings of the Board of Directors.
Mieko Tomita	She attended 11 of 12 meetings of the Board of Directors, all of 2 meetings of the Audit & Supervisory Board before the transition to a company with an Audit and Supervisory Committee on June 24, 2021, and all of 11 meetings of the Audit and Supervisory Committee after the transition. She possesses wide experience and knowledge obtained as a lawyer, and the Company expects her to serve a supervisory function from those perspectives. She fulfilled an appropriate role as an Outside Director of the Company, including supervising and providing advice about the execution of the Company's business, such as speaking out whenever necessary from those perspectives in meetings of the Board of Directors. She also attended the Nomination and Remuneration Committee as a Committee Member and expressed her opinions whenever necessary since December 2021.

**Consolidated Balance Sheet**

(As of March 31, 2022)

(Millions of yen)

Titles of Account	Amount	Titles of Account	Amount
<b>(Total Assets)</b>	<b>1,783,964</b>	<b>(Liabilities)</b>	<b>234,085</b>
<b>Current assets</b>	<b>1,014,946</b>	<b>Current liabilities</b>	<b>177,602</b>
Cash and bank deposits	423,515	Notes and accounts payable, trade	49,473
Notes receivable, trade	25,707	Accrued income taxes	37,572
Accounts receivable, trade	124,488	Warranty reserves	10,739
Marketable securities	177,700	Other current liabilities	79,818
Finished goods	114,228	<b>Long-term liabilities</b>	<b>56,483</b>
Work in process	80,006	Net defined benefit liability	51,693
Raw materials and supplies	55,330	Other long-term liabilities	4,790
Other	14,996		
Allowance for doubtful accounts	(1,024)	<b>(Net assets)</b>	<b>1,549,879</b>
<b>Noncurrent assets</b>	<b>769,018</b>	<b>Shareholders' equity</b>	<b>1,500,705</b>
<b>Property, plant and equipment, at cost</b>	<b>578,133</b>	Common stock	69,014
Buildings	326,459	Capital surplus	96,082
Machinery and equipment	56,665	Retained earnings	1,441,559
Land	155,369	Treasury stock, at cost	(105,950)
Construction in progress	24,292	<b>Accumulated other comprehensive income</b>	<b>35,104</b>
Other	15,348	Valuation difference on available-for-sale securities	15,204
<b>Intangible assets</b>	<b>8,933</b>	Foreign currency translation adjustment	36,087
<b>Investments and other assets</b>	<b>181,952</b>	Remeasurements of defined benefit plans	(16,187)
Investment securities	135,709	<b>Non-controlling interests</b>	<b>14,070</b>
Deferred income taxes	34,607		
Net defined benefit asset	7,809		
Others	4,252		
Allowance for doubtful accounts	(425)		
<b>Total</b>	<b>1,783,964</b>	<b>Total</b>	<b>1,783,964</b>

**Consolidated Statement of Income**

(April 1, 2021 through March 31, 2022)

(Millions of yen)

Titles of Account	Amount
<b>Net sales</b>	<b>733,008</b>
Cost of goods sold	437,374
Gross profit	295,634
Selling, general and administrative expenses	112,394
<b>Operating income</b>	<b>183,240</b>
Non-operating income	32,274
Interest and dividends income	3,192
Miscellaneous income	29,082
Non-operating expenses	2,119
Miscellaneous expenses	2,119
<b>Ordinary income</b>	<b>213,395</b>
Extraordinary losses	478
Loss from money transfer scam at foreign subsidiary	478
Income before income taxes	212,917
Total taxes and others	54,427
Income taxes – current	57,721
Income taxes – deferred	(3,294)
Net income	158,490
Net income attributable to non-controlling interests	3,217
<b>Net income attributable to owners of parent</b>	<b>155,273</b>

**Non-Consolidated Balance Sheet**

(As of March 31, 2022)

(Millions of yen)

Titles of Account	Amount	Titles of Account	Amount
<b><u>(Total Assets)</u></b>	<b><u>1,307,224</u></b>	<b><u>(Liabilities)</u></b>	<b><u>157,201</u></b>
<b>Current assets</b>	<b>621,567</b>	<b>Current liabilities</b>	<b>119,658</b>
Cash and bank deposits	198,445	Accounts payable	43,779
Notes receivable, trade	15,746	Accrued expenses	15,949
Accounts receivable, trade	75,829	Accrued charge	18,814
Marketable securities	175,000	Accrued income taxes	31,812
Finished goods	25,850	Warranty reserves	5,517
Work in progress	66,677	Other current liabilities	3,787
Raw materials and supplies	52,624	<b>Long-term liabilities</b>	<b>37,543</b>
Other	11,699	Allowance for employees' retirement benefits	35,374
Allowance for doubtful accounts	(303)	Other long-term liabilities	2,169
<b>Noncurrent assets</b>	<b>685,657</b>		
<b>Property, plant and equipment, at cost</b>	<b>494,184</b>	<b><u>(Net assets)</u></b>	<b><u>1,150,023</u></b>
Buildings	265,910	<b>Shareholders' equity</b>	<b>1,135,180</b>
Machinery and equipment	51,813	<b>Common stock</b>	<b>69,014</b>
Land	134,431	<b>Capital surplus</b>	<b>96,144</b>
Construction in progress	18,782	Legal capital surplus	96,057
Other	23,248	Other capital surplus	87
<b>Intangible assets</b>	<b>6,423</b>	<b>Retained earnings</b>	<b>1,075,972</b>
<b>Investments and other assets</b>	<b>185,050</b>	Legal retained earnings	8,252
Investment securities	34,996	Other retained earnings	1,067,720
Stocks of subsidiaries and affiliates	110,519	Reserve for research and development	311,800
Deferred income taxes	33,292	Reserve for reduction entry	33
Prepaid pension cost	5,328	General reserve	303,580
Others	1,283	Retained earnings brought forward	452,307
Allowance for doubtful accounts	(368)	<b>Treasury stock, at cost</b>	<b>(105,950)</b>
		<b>Valuation and translation adjustment</b>	<b>14,843</b>
		Net unrealized holding gain on other securities	14,843
<b>Total</b>	<b>1,307,224</b>	<b>Total</b>	<b>1,307,224</b>

**Non-Consolidated Statement of Income**

(April 1, 2021 through March 31, 2022)

(Millions of yen)

Titles of Account	Amount
<b>Net sales</b>	<b>578,260</b>
Cost of goods sold	381,452
Gross profit	196,808
Selling, general and administrative expenses	64,040
<b>Operating income</b>	<b>132,768</b>
Non-operating income	28,094
Interest and dividends income	24,114
Miscellaneous income	3,980
Non-operating expenses	1,646
Miscellaneous expenses	1,646
<b>Ordinary income</b>	<b>159,216</b>
Income before income taxes	159,216
Total taxes and others	37,152
Income taxes – current	41,436
Income taxes – deferred	(4,284)
<b>Net income</b>	<b>122,064</b>

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

### REPORT OF INDEPENDENT AUDITORS

May 20, 2022

The Board of Directors  
FANUC CORPORATION

#### Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act of Japan, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of FANUC CORPORATION (the "Company") for the fiscal year from April 1, 2021 through March 31, 2022.

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

#### Basis for the Opinion

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

#### Other Content

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

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

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

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

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

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

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

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

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

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

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

statements.

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

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.

Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.

- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

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

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

#### Interest

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

Ernst & Young ShinNihon LLC  
Tokyo office  
Junichiro Tsuruta  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant  
Masakuni Noguchi  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

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

### REPORT OF INDEPENDENT AUDITORS

May 20, 2022

The Board of Directors  
FANUC CORPORATION

#### Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act of Japan, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules of FANUC CORPORATION (the "Company") for the 53rd fiscal year from April 1, 2021 through March 31, 2022.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2021, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

#### Basis for the Opinion

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

#### Other Content

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### Interest

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

Ernst & Young ShinNihon LLC  
Tokyo office

Junichiro Tsuruta  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Masakuni Noguchi  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

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

### AUDIT REPORT

We, the Audit and Supervisory Committee, audited the performance by the Directors of their duties during the 53rd fiscal year from April 1, 2021 to March 31, 2022. We hereby report the method and results as follows:

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

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

- (i) In accordance with the audit and supervisory standards set forth by the Audit and Supervisory Committee, the audit policy, audit plans, etc. and in cooperation with the Company's Internal Audit Department and other divisions in charge of internal control while utilizing means via telephone lines and the Internet, each Audit and Supervisory Committee Member attended important meetings, received from the Directors and employees, etc. reports on the state of performance of their duties, sought explanations as necessary, inspected important decision documents, etc., and made investigation into the state of the Company's activities and property. With regard to its subsidiaries, we maintained constant communication, and exchanged information with the directors, etc. thereof, requested the subsidiaries to render reports on their business operations, and made investigation into the state of the activities and property of subsidiaries as necessary.
- (ii) We also monitored and verified whether the Accounting Auditors had maintained an independent position and conducted adequate audits, received from the Accounting Auditors reports on the state of performance of their duties, and requested explanations as necessary. In addition, we received from the Accounting Auditors a notice that the "systems to secure adequate performance of duties" (as listed in the items of Article 131 of the Ordinance for Corporate Accounting) had been established in accordance with the "Standard for Quality Control Concerning Audits" (the Business Accounting Council, October 28, 2005), and requested explanations as necessary. Moreover, we discussed the main matters to be considered in audits with the Accounting Auditors, received reports on the implementation status of such audits, and sought explanations as necessary.

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

#### 2. Results of Audit:

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

We are of the opinion:

- (i) That the business report and its supplementary schedules fairly present the state of the Company in accordance with laws and ordinances and the Articles of Incorporation;
- (ii) That in connection with the performance by the Directors of their duties, no dishonest act or material fact of violation of laws and ordinances and the Articles of Incorporation exists; and
- (iii) That the details of the resolutions of the Board of Directors on internal control systems are proper and that the contents of business report and performance by the Directors of their duties concerning such internal control systems, including internal control related to 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, 2022

Audit and Supervisory Committee  
FANUC CORPORATION

Katsuo Kohari \_\_\_\_\_ (seal)  
Audit and Supervisory Committee Member (Standing)

Katsuya Mitsumura \_\_\_\_\_ (seal)  
Audit and Supervisory Committee Member

Yasuo Imai \_\_\_\_\_ (seal)  
Audit and Supervisory Committee Member (Outside)

Hidetoshi Yokoi \_\_\_\_\_ (seal)  
Audit and Supervisory Committee Member (Outside)

Mieko Tomita \_\_\_\_\_ (seal)  
Audit and Supervisory Committee Member (Outside)

- (Notes)
1. Audit and Supervisory Committee Members Yasuo Imai, Hidetoshi Yokoi and Mieko Tomita are Outside Directors as stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.
  2. Due to the resolution of the 52nd Ordinary General Meeting of Shareholders held on June 24, 2021, the Company transitioned to a company with an Audit and Supervisory Committee on the same day. Accordingly, the status from April 1, 2021 to the end of the above General Meeting of Shareholders is based on the information handed over from the former Audit & Supervisory Board.