

To Our Shareholders

FANUC CORPORATION

**53rd Ordinary General Meeting of Shareholders
Explanation on Matters of High Interest of Shareholders**

We would like to express our sincere gratitude for your support.

With regard to the 53rd Ordinary General Meeting of Shareholders, FANUC CORPORATION has received questions beforehand by postal mail and via our web site, as well as during the Meeting. We would like to summarize such questions and our answers to them as below.

1. Difficulties in parts procurement and passing on price increases to customers

FANUC is struggling to acquire parts. Prices have increased on the whole, and we have been affected by the higher prices mainly for semiconductors along with electric and electronic parts, raw materials and mechanical components. Logistics costs have risen as well.

FANUC has approached this situation by absorbing the price increase through our own efforts, but for the increase which exceeds our efforts, we are negotiating with our customers to have them accept the price increase.

2. Present status of FANUC Ukraine and support to Ukraine

FANUC has a local presence in Ukraine's capital Kyiv, and the safety of all six employees has been confirmed. At the start of the conflict, all employees had evacuated from Kyiv, but presently, a few have returned to Kyiv, and resumed business.

In March, FANUC made a donation of one million euros (equivalent to 130 million yen with the exchange rate at that time) as humanitarian aid to Ukraine, through the Japanese Red Cross. Apart from this donation, FANUC Europe has donated on its own as well.

In addition, FANUC employees are supporting the recovery of Kyiv as volunteers and through other means. Although FANUC Ukraine is not a large organization, it is an important base, and what is more, the safety and health of its employees are of utmost concern. Thus, we shall continue to pay close attention.

3. Handling geopolitical risks

In order to tackle geopolitical risks, FANUC will carefully make decisions in consideration of the international situation and policies/trends of the government of each country.

4. The skill matrix of the directors shows that there is only one director who has skills of "finance/accounting."

In the skill matrix of FANUC CORPORATION, only one director explicitly has a circle for "finance/accounting." However, despite not having a circle in the skill matrix, there are several directors who have extensive skills of finance and accounting. Therefore, the board is structured in a manner in which such matters can be covered by the entire board.

At the same time, finance/accounting is deemed crucial, and as international accounting standards are becoming more complicated, the present state of there being only one director with a circle for "finance/accounting" in the skill matrix shall be deliberated as a future topic.