

**FANUC CORPORATION**  
**Q&A Summary of the Telephone Conference**  
**on Financial Results for the Year ended March 31, 2026**  
**(Apr. 24, 2026)**

**Q: Please provide an update on orders related to Physical AI. Are there any notable characteristics in terms of customer segments (industries or regions) where adoption is progressing?**

**A:** The ‘projects involving several thousand units’ mentioned in Q3 have steadily been converting into orders. Some orders are also driven by factors other than Physical AI, and we do not separately track the number of units attributable solely to Physical AI. However, orders have exceeded our initial expectations, and we believe a portion is due to the favorable assessment of Physical AI. Inquiries are increasing both in Japan and overseas. Since the International Robot Exhibition, we have been involved in more concrete discussions, dialogues reflecting awareness of issues, as well as consultations in the concept stage. As implementation requires a certain level of expertise and preparation, currently it tends to be easier to win large-scale orders from major customers. For small and medium-sized enterprises, we have begun initiatives such as collaborating with system integrators to develop packages that make adoption easier.

**Q: Is the order environment for ROBOTS continuing to expand? If so, please also explain the background of the expansion, the impact of the Middle East situation, and the progress of Physical AI.**

**A:** In the U.S., orders are increasing as investments are shifting from a sole focus on EVs to include hybrids and ICE vehicles. In China, demand remains strong for NEVs, and besides the automotive industry, demand from general industries is also increasing, leading to relatively stable performance. Regarding the Middle East situation, while some investments have been postponed, we believe the impact is limited at this time. As for Physical AI, inquiries have increased domestically and globally since the International Robot Exhibition, and we can actually feel that the number of projects is rising due to the recognition that Physical AI can open the door to automation that was previously difficult with conventional technologies. For SMEs, we will promote adoption by enhancing ease of use such as through applications, packaged solutions, and technical support.

**Q: What is your outlook for the U.S. market?**

**A:** The automotive and auto parts sector accounts for a significant share in the U.S. market, but demand from general industries is also strong. While some SMEs remain cautious due to interest rates, there is a trend towards reshoring in manufacturing,

leading to expectations that demand will continue to be steady. We are also seeing some inquiries related to robots for data centers.

**Q: The FY2026 forecast is lower than four times the orders for Q4. How have you incorporated risks such as the Middle East situation, foreign exchange, and tariffs?**

**A:** Q4 orders included those with deliveries for a later date, so our forecast is based on the premise that this will not be a simple fourfold increase. Though the Middle East situation is presently having no direct impact on our orders, we factor in uncertainty when aggregating forecasts from each sales division and reflect this in our outlook. We also consider procurement risks such as oil-derived products and rising material costs to the extent currently foreseeable. As tariff outlooks remain uncertain, our profit and loss assume that existing tariffs will continue as they are.

**Q: What is the background behind the increase in advance orders in China, and what is your outlook for CNC market share?**

**A:** Strong investment in machine tools—driven by demand for parts machining related to AI semiconductors, AI data centers, and humanoid robots, as well as medical equipment, and NEVs—has led to increased demands for machine tools, promoting the trend for more production. This has prompted customers to place CNC orders earlier, which boosted Q4 orders. However, future trends remain difficult to predict.

Since manufacturers in China are quite diverse, and there are those offering extremely low-cost CNCs that we do not cover, there is a limit to the information we acquire. However, within the scope of our internal criteria, we believe we are maintaining our market share.

**Q: What are the specific supply chain challenges associated with the Middle East situation and your countermeasures? Also, what are your demand presumptions for this fiscal year (FA, ROBOT, ROBOMACHINE)?**

**A:** As reported by the mass media, certain materials may face shortages. We are addressing this by reducing usage and sourcing alternatives. We are working closely with suppliers, monitoring their situations, and encouraging early discussions on potential shortages of parts and materials to manage the entire supply chain. We also share information with authorities and report to them as necessary for procurement. For items such as lubricants, thinners, and paint, we are also making all-out efforts to leverage global procurement through overseas Group companies.

Regarding presumptions for demand, while we do not foresee the pace for orders in Q4 to continue, we presume that the overall demand environment will remain solid across all product lines and that orders will continue at a certain level for some time in our outlook.

**Q: Regarding share buyback, could you explain the reasons why the share buyback program of up to 50 billion yen announced last April did not proceed as planned, and what the message is behind the 50-billion-yen buyback announced this time?**

**A:** Although we set a share buyback limit and repurchased our shares last year, only a part of the limit was repurchased due to the share price remaining strong. We recognize that our cash level is high, and while prioritizing growth investment, we also aim to reduce cash and improve capital efficiency. This has led us to establish a new program. Actual repurchases will consider the share price level, while taking into account the feedback from institutional investors.

**Q: ROBOMACHINE orders in Q4 were high at 43.8 billion yen. What is the background, and is there demand related to smartphones?**

**A:** In the ROBOMACHINE business, ROBOSHOT and ROBODRILL made significant contributions. ROBOSHOT continues to see strong demand for precision molding applications in IT-related fields, lenses, and connectors. ROBODRILL orders are also steady such as for AI semiconductor and AI data server-related parts machining. This has boosted orders and sales. Some demand related to smartphones is also emerging. While it is difficult to predict how long this will last, we believe there is solid underlying demand that will likely persist for some time.

(Note: Any reference in this material about the future may be affected by uncertain factors, such as supply and demand trends, industry competition, and economic climate. Therefore, actual outcomes may differ.)