

October 29, 2018

Company name: FANUC CORPORATION
Representative: Yoshiharu Inaba, Chairman
(Stock Code: 6954, 1st Section, Tokyo Stock Exchange)
Contact: Keisuke Fujii , Manager, Public Relations
Tel: (0555) 84 - 5555

Notice Concerning Distribution of Dividends from Surplus (including Special Dividends) to Shareholders

At a meeting held on October 29, 2018, the Board of Directors of FANUC CORPORATION resolved to distribute dividends including the special dividends (for the six months ended September 30, 2018) from surplus with record date dated September 30, 2018.

1. Details of dividends

Record date	September 30, 2018		March 31, 2018	September 30, 2017
	Resolution	Previous Forecast	Past record	Past record
Dividends per share	Yen 598.19 (Ordinary dividends 252.87) (Special dividends 345.32)	—	Yen 297.75	Yen 265.45
Payout ratio	141.9% (Ordinary dividends 60.0%) (Special dividends 81.9%)	—	60.0%	60.0%
Total amount of dividends	Millions of Yen 115,950	—	Millions of Yen 57,715	Millions of Yen 51,457
Effective date	December 3, 2018	—	June 29, 2018	December 1, 2017
Dividend resource	Retained earnings	—	Retained earnings	Retained earnings

2. Reason for the dividend amount

Our basic policy of distributing profits to shareholders, announced on April 27, 2015, is as follows.

1. Dividends

In order to further enhance the distribution of profits to our shareholders in the long term, we have decided to implement a dividend payout ratio of 60% of our consolidated net income.

2. Share buybacks

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

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

3. Retirement of treasury shares

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

Since its announcement on April 27, 2015, we have carried out the distribution of profits to shareholders based on the above policy. For interim dividends for this fiscal year, we will pay the amount equivalent to a half of the additionally required distribution amount (*) to realize a Five-Year Average Total Return Ratio of the maximum of 80% for the period of the last five years including this fiscal year as special dividends in place of a share buyback, in addition to the ordinary dividends of 60% of our consolidated first half net income.

* (The total amount of net income for each fiscal year from the fiscal year ended March 31, 2015 to the fiscal year ended March 31, 2018 + the forecast net income for the fiscal year ending March 31, 2019) × 20% - the amount of share buybacks that were already carried out in each relevant fiscal year.

As the result, the interim dividend will be as follows.

	First half of 2018	Second half of 2018	Annual
Current term (2018)		(planned)	(planned)
Dividends per share (Ordinary dividends)	598.19 (252.87)	Not decided	Not decided
(Special dividends)	(345.32)		
Payout ratio (Ordinary dividends)	141.9% (60.0%)	—	—
(Special dividends)	(81.9%)		
(Reference)			
Previous term (2017)			
Dividends per share	265.45	297.75	563.20
Payout ratio	60.0%	60.0%	60.0%

End