

FANUC's Actions Based on the Special Investigation Committee Report

We take seriously the investigation results and recommendations of the Special Investigation Committee, which was announced in the "Receipt of the Special Investigation Committee Report and Our Actions Going Forward," dated November 21, 2024. All FANUC is working in unison to implement measures to prevent recurrence. The measures are as follows, and we would like to share them with you.

1. Holding briefing sessions for all employees

On December 26, 2024, a briefing session was held at the head office hall for officers and all managers. In the session, the President introduced the message to be announced to all employees, and explained the launch of the project to promote recurrence prevention. The officer in charge of legal affairs explained the contents of the "Special Investigation Committee Report," and our company's future approach, while the officer in charge of research and development explained the technical content and lessons learned from this case. The briefing was attended in person by executives and managers of Headquarters, and some Headquarters' managers and regional managers participated online. On the same day, a video of the briefing was posted on our portal site, and all employees were urged to watch it.

2. System for Preventing Recurrence

On December 23, 2024, to promote measures to prevent recurrence, the "Recurrence Prevention Project" was established, with the President as leader. In addition, in order to promote individual measures to prevent recurrence, the "Recurrence Prevention Sub-Project" and the "Subcommittee for Improving Organizational Culture, etc." were set up.

Under this system, a roadmap was created for relevant measures, such as from examining approaches, to introducing and establishing measures to prevent recurrence that were suggested in the Special Investigation Committee Report. Measures will be taken to prevent recurrence, for instance, by raising awareness of legal compliance and reflecting it in performance assessments, planning and preparing education and training, establishing a

system for complying with laws, regulations and mandatory standards, strengthening the quality audit system, preventing human resources from being fixed in their positions, improving organizational culture, and promoting activities to learn from the Special Investigation Committee Report.

3. Establishment of the Quality Management Division

With the aim to provide independence to the function to oversee compliance with laws and regulations applicable to our products, and strengthening authority, the Quality Management Division will be established on April 1, 2025, as an entity independent of divisions directly involved in products, such as the Research and Development Divisions and Production Division, and a general manager exclusive to this role will be assigned.

The Quality Management Division is responsible for the following duties as a division that manages the quality of our products on a company-wide basis, including compliance with laws and regulations.

- A) The Quality Management Division will clarify the laws and standards that our products should conform to, will support the design of products based on each law and standard, as well as formulate and review testing rules on a company-wide basis. The Division will plan and implement awareness-raising activities and education on quality, covering laws and regulations, for relevant engineers.
- B) The Quality Management Division will be involved in the continuous improvement of processes related to product quality, including compliance with laws and regulations, and operate a quality management system that complies with ISO9001 throughout our company.
- C) The Quality Management Division will objectively check the compliance status of our products with laws and regulations, and ensure that only products that conform are shipped.

Also, in order to fulfill the above duties, the Quality Management Division has the authority to attend tests, conduct inspections from an independent perspective, audit processes, perform conformity audits, among others, and if necessary, suspend product shipment upon approval by the President. The functions that had been allocated to the Internal Quality Audit Committee will now be taken over by the Quality Management Division.

The organizational structure of the Quality Management Division will be as follows.

- The Division will consist of the Corporate Quality Management Department, the FA Quality Management Department, the ROBOT Quality Management Department, the ROBOMACHINE Quality Management Department, and the Quality Audit Section (the FA, ROBOT and ROBOMACHINE Quality Management Departments will manage the quality of their own products).
- The Corporate Quality Management Department will investigate laws, regulations, and standards related to each product, create internal rules and rules common to each product, conduct overall education on quality, collect and analyze data on quality in the market, and share information on defect cases. The Department includes the EMC Center Section.
- The FA, ROBOT and ROBOMACHINE Quality Management Departments will manage design, testing, and manufacturing-related operations of each division from the standpoint of compliance with laws, regulations and standards, as well as focus on quality improvement. In addition, each Department will educate engineers on laws, regulations, rules, etc., related to our company, spread information on defect cases, and track final countermeasures.
- The Quality Audit Section will audit whether processes are correctly executed and whether they comply with laws, regulations and standards based on design, testing, and manufacturing rules.
- The EMC Center Section will maintain and improve its level as a certification site, acquire and improve related technologies, and provide advice and guidance on EMC for our products.

At the same time, in order to eliminate the rigidity of employees being fixed to the same position, it shall be ensured that especially employees involved in quality will be transferred.

4. Establishment of the "Desired Qualities of a FANUC Personnel"

After company-wide discussions, including interviews with executives and general managers, roundtable discussions with young employees, and discussion sessions with general managers, the "Desired Qualities of a FANUC Personnel" was formulated. This specifically describes recommended actions for a person working at FANUC, including compliance with laws and regulations, and emphasizes quality. These qualities were circulated within the whole company in December 2024. From the perspective of preventing recurrence, certain attitudes are encouraged and specific actions are recommended, such as "passing on knowledge," "identifying the essence," "dealing sincerely with people and products," and "report information as soon as possible especially if it is bad." Measures will be taken to

disseminate the "Desired Qualities of a FANUC Personnel," such as by sending out a video message from the management. The adoption of such qualities by an employee will be included in performance assessments by the end of fiscal 2025.

5. Implementation of group discussions by all employees

Regarding the Special Investigation Committee Report, group discussions are being conducted progressively in which all employees participate in groups of 20 or less, with the goal of completion by the end of March. Rather than being a one-way training, each group selects a theme related to recurrence prevention for discussion. It is also part of our efforts to improve the company-wide organizational culture, etc., and aims to generate practical measures through the active consideration of the Special Investigation Committee Report and mutual exchange of opinions.

The above initiatives will be implemented steadily, and the company will unite as one to embrace the prevention of recurrence.

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