INTEGRATED REPORT

2025

Year ended March 31

FANUC

Contents

Editorial Policy

Scope of Report and Reference Guidelines

Reporting Period	From April 2024 to March 2025 Some information may refer to organizational structures and policies at the time of publication if those have been recently updated.
Organizations	FANUC CORPORATION and its consolidated subsidiaries
Referential Guidelines	We have referenced Integrated Reporting <IR> of the International Integrated Reporting Council (IIRC), as well as the Guidance for Collaborative Value Creation issued by Ministry of Economy, Trade and Industry (METI) Government of Japan.

Forward-looking statements

Statements contained in this report that relate to the future operating activities, business performance, events or conditions of FANUC are forward-looking statements. Forward-looking statements are based on judgments made by FANUC's management based on information available at the time of publishing this report and are subject to significant assumptions. As such, these forward-looking statements are subject to various risks and uncertainties and actual business results may vary substantially from the forecasts expressed or implied in forward-looking statements. Accordingly, you are cautioned not to place undue reliance on forward-looking statements. FANUC disclaims any obligation to revise forward-looking statements in light of new information, future events or other findings.

Publication of Integrated Report 2025

FANUC has published this Integrated Report in order to share our value creation efforts with stakeholders.
Under the basic principle of "Strict Preciseness" and "Transparency," FANUC aims to achieve both social and economic value at the same time, and to achieve sustainable growth.

Basic Principle

"Strict Preciseness and **Transparency"** is the basic Principle of FANUC.

"Genmitsu" (Strict Preciseness)

Strict Preciseness A company will last forever and be sound with strict preciseness.

"Tomei" (Transparency)

Transparency The corruption of an organization and downfall of a company start from a lack of transparency.

FANUC Code of Conduct

Officers and employees of FANUC shall practice the following with "Strict Preciseness and Transparency." which are the basic principle of FANUC.

1. Upholding of a high standard of ethics
2. Compliance with laws and regulations, and internal rules
3. Respect for human rights and diversity
4. Contribution to the benefit of FANUC

Prohibited Acts which require Particular Attention.

1. To discriminate based on gender, age, nationality, ethnicity, race, place of origin, religion, beliefs, disability, sexual orientation, sexual identity, etc.
2. To engage in an act that creates, or appears to create, a conflict of interest between his or her personal interest and the FANUC group company's interest, including dealing with the FANUC group company for the benefit of him/herself or any particular individual or organization.
3. To engage in an act that violates antitrust laws, including, unjust or unfair transactions.
4. To give money, gifts, entertainment or any other economic benefit to public officials or persons in similar positions in connection with their duties.
5. To unlawfully acquire, use or disclose intellectual property, personal information, etc., of any company or individual.
6. To conduct insider trading of stocks based on the material facts of the FANUC group or its business partners, etc.
7. To use forced labor or engage in an act that appears to use forced labor.
8. To develop or spread technology that is harmful to the environment.
9. To provide information that differs from the truth or misleads customers, business partners, etc.
10. To consent to an unjust request by antisocial forces, such as organized crime groups, or conduct a transaction with such entities or any related company or individual.

* FANUC will establish a contact point for whistleblowing through which, in principle, all officers and employees of the FANUC group, including subsidiaries and sub-subsidiaries,can whistleblow to the headquarters of FANUC CORPORATION.
* This Code of Conduct applies to all officers and employees of the FANUC group, includingsubsidiaries and sub-subsidiaries (including contract workers).

Revision of Basic Management Policies

In December 2025, FANUC revised its vision, management policies, and management strategy.
Since their formulation in 2021, our vision, management policies, and management strategy have been the beacons in our pursuit of business. Currently, however, the business environment surrounding our company is changing rapidly and diversely, as can be witnessed in the acceleration of industrial automation and the advancement of environmental initiatives.
To accurately identify the risks and opportunities arising from these changes, and to further strengthen existing businesses while enhancing our ability to respond to change, we have revised our vision, management policies, and management strategy.
With this revision and as "one FANUC," we shall go forward with our business activities to achieve sustainable growth and contribute to society.

Key Revision Points

- The trend toward automation is expanding beyond factories into a wide range of fields, notably logistics, construction, food, pharmaceuticals, cosmetics, and agriculture. In light of this change, our business area is redefined from the original "field of factory automation" to the more comprehensive "field of industrial automation."
- Our commitment to contributing to society through business growth is reaffirmed.
- Three slogans are highlighted to clearly communicate the essential points of our management policies both internally and externally.
- Management Strategy

Quality Improvement

Our commitment to quality —previously assumed to be a given— is made explicit being the first item in our management strategy.

Customer-Oriented Advanced Technologies

In addition to the active application of the latest control technologies, digital technologies, and IoT/AI technologies, enrichment of the intellectual property that underpins these technologies is emphasized.

Responsibility to Supply

As a supplier of capital goods, our responsibility to supply to customers, maintain service activities, and measures to strengthen the supply chain are reiterated.

Enrichment of Human Capital

We have identified improving employee engagement as a key priority, newly stated our commitment to diversity and inclusion, and reinforced our human resource strategy.

Environmental Initiatives

Based on our past efforts, an "Environmental Initiatives" section has newly been created to clarify our stance on global environmental conservation.

Governance

Measures to further strengthen our governance system aimed at improving ROE and increasing corporate value are added.

The following sections highlighted in light blue indicate revised content.

1 Vision

To provide indispensable values throughout the world in the field of industrial automation through unceasingly creating technological innovations, and to continue to be a company that is trusted by stakeholders.

2 Management Policies

FANUC has consistently pursued industrial automation widely, not limited to the manufacturing sector. The starting point was when a project team responsible for controls was established in 1955, which went on to successfully develop the first NC and servo system in the private sector in Japan, in 1956.
The targets at its beginnings were to become a company, though small in size, having the robustness of a giant with roots firmly spread in the ground, and to compete through technology by concentrating resources in industrial automation, and walking "a straight and narrow path." This continues to this day.
In order to turn this vision into reality, FANUC established "Genmitsu (Strict Preciseness)" and "Tomei (Transparency)" as its basic principle. In this principle lies the belief that a company will last forever and be sound with strict preciseness, and that the corruption of an organization and downfall of a company will start from a lack of transparency.
FANUC engages in the FA, ROBOT and ROBOMACHINE businesses. The FA Business encompasses basic technologies consisting of CNCs and servos, which are also applied to the ROBOT and ROBOMACHINE Businesses. In addition, by actively incorporating the latest control / digital / IoT / AI technologies in all three businesses, FANUC endeavors to make its products more efficient for customers to use.
Being true to its origins as a supplier of capital goods, maintenance and service support is provided for FANUC products for as long as they are used by customers.
Through such business activities, FANUC aims to achieve steady growth and contribute to society by further promoting industrial automation, which is expected to increase in the medium to long term.

Revision of Basic Management Policies

3 Our Three Slogans

“one FANUC”

FANUC’s three businesses—FA, ROBOT and ROBOMACHINE—are united with SERVICE to provide total solutions that advance our customers’ automation. At the same time, FANUC group companies worldwide collaborate as one to serve customers across the globe.

“Reliable, Predictable, Easy to Repair”

FANUC develops products that are “Reliable,” “Predictable,” “Easy to Repair,” to minimize downtime and improve the operational uptime of our customers.

“Service First”

FANUC provides high-level services anywhere in the world, based on our global standards, helping our customers improve operational uptime.

4 Management Strategy

FANUC is thorough in implementing its basic principle of “Genmitsu (Strict Preciseness)” and “Tomei (Transparency),” and promotes the following policies united as a group. In doing so, we aim to become an ever-lasting organization, by making customers feel more secure and confident about FANUC, as well as by adapting to severe environmental changes.

Quality Improvement

- FANUC pursues quality improvement in all processes, from product development and design, to manufacturing and after-sales service following shipment, thus ensuring a higher level of product safety, compliance with legal and regulatory standards, and reliability.
- Led by the Quality Management Division, which functions independently from the R&D and manufacturing divisions, FANUC strives to ensure that the critical elements of quality, i.e., complying with laws and regulations and enhancing reliability, are maintained across all products.

Customer-Oriented Advanced Technologies

- By narrowing down to FANUC’s area of expertise of industrial automation, and aggressively investing in R&D in this field, highly competitive products are developed and released.
- As acquiring skilled workers becomes more difficult, further emphasis is placed on ease of use in developing products, to deal with this situation.
- FANUC will further promote industrial efficiency and the creation of added value through the proactive application of the latest control / digital / IoT / AI technologies.
- Together with our ongoing research and development efforts, FANUC will further expand its intellectual property portfolio.

Responsibility to Supply

- As a supplier of capital goods, FANUC will fulfill its responsibilities to supply under any circumstance. For this end, manufacturing sites and service offices are being increased and established in various locations so that service activities can be maintained. Furthermore, measures are being taken to strengthen our supply chain. Examples are procuring parts from multiple suppliers, and having an adequate amount of parts in stock.

Enrichment of Human Capital

- From the viewpoint that human resources is most vital for mid-to-long term growth, creating a more employee-friendly workplace and improving employee engagement are considered key priorities. In addition, looking towards the future, FANUC strongly invests in human capital by employing necessary people and educating employees. Through such efforts, human capital is continuously enriched.
- Group-wide initiatives embrace human resource diversity and respect of individuality and values, encouraging each employee to fully demonstrate their unique abilities (Diversity & Inclusion). These efforts aim to strengthen our organization and drive sustainable growth.

Environmental Initiatives

- With the slogan of “leaving nature and resources to posterity,” FANUC aims to conserve the global environment in all aspects of its corporate activities, such as by observing environmental laws and regulations, reducing energy consumption, optimizing resource utilization, improving chemical substance control, and using water resources efficiently.

Governance

- In addition to operating margins, ordinary margins, and ROE, market shares are regarded as being a critical management index. These are considered comprehensively in making management decisions. Furthermore, cost of capital shall be identified accurately and efforts will be made to improve ROE.
- As a company with an Audit and Supervisory Committee, FANUC will further strengthen governance to enhance sustainable corporate value by separating execution from management and reinforcing the supervisory function of the Board of Directors, where independent outside directors constitute the majority.

Track Record of Value Creation

FANUC's History

The history of FANUC began with the Numerical Control (NC) technology. In 1955, a control project team was established at Fuji Tsushinki Manufacturing Co., Ltd. In 1956, the Company became Japan's first private-sector firm to successfully develop NCs (numerical control) and SERVO mechanisms. This innovation automated the control of machine tools—which require precise positioning—by applying numerical control, a process that had previously been performed manually. In 1959, the Company developed the electro-hydraulic pulse motor, the foundation of its SERVO technology, further solidifying its strong market position within the NC business.
In 1972, the NC division was spun off from Fujitsu Limited to form FUJITSU FANUC Ltd. (later renamed as FANUC CORPORATION). The Company adopted a keyaki (zelkova) tree, firmly rooted in the ground and growing powerfully up toward the sky, as its symbol, which represents a wish to grow into a company with strong corporate structure. In addition to improving the performance of NC and SERVO products, FANUC has since expanded its business to products that use the NC technology, developing the NC drilling machines, which was aimed at popularizing NC machine tools, and robots installed with NC that automate wide-ranging work processes.

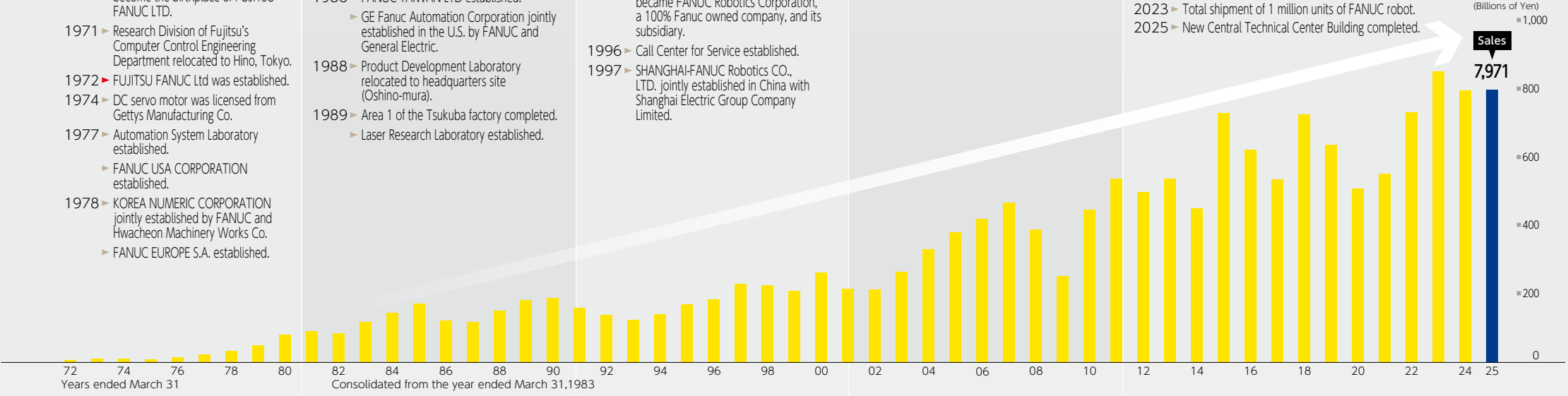
1955 A project team for control was established in Fuji Tsushinki Manufacturing Co., Ltd. (presently Fujitsu Limited).
1965 Licensed to Siemens AG to manufacture and sell the pulse motors.
1968 Distributed Numerical Control (DNC) system developed.
1970 Fujitsu Limited's Computer Control Engineering Department factory relocated from Kawasaki, Kanagawa Prefecture, to Hino, Tokyo. Later to become the birthplace of FUJITSU FANUC LTD.
1971 Research Division of Fujitsu's Computer Control Engineering Department relocated to Hino, Tokyo.
1972 FUJITSU FANUC Ltd was established.
1974 DC servo motor was licensed from Gettys Manufacturing Co.
1977 Automation System Laboratory established.
FANUC USA CORPORATION established.
1978 KOREA NUMERIC CORPORATION jointly established by FANUC and Hwacheon Machinery Works Co.
FANUC EUROPE S.A. established.

1980 Fuji Factory constructed. Unmanned machining during nights was realized.
1982 Company name changed to FANUC LTD.
GMFanuc Robotics Corporation jointly established in the U.S. by FANUC and General Motors.
1983 Listed on the first section of the Tokyo Stock Exchange.
1984 Relocation of headquarters to the foot of Mt. Fuji.
Basic Research Laboratory established.
1986 FANUC TAIWAN LTD established.
GE Fanuc Automation Corporation jointly established in the U.S. by FANUC and General Electric.
1988 Product Development Laboratory relocated to headquarters site (Oshino-mura).
1989 Area 1 of the Tsukuba factory completed.
Laser Research Laboratory established.

1991 Hayato Factory completed.
1992 Product Development Laboratory divided into four laboratories consisting of the CNC Laboratory, Servo Laboratory, Robot Laboratory and Machine Laboratory.
BEIJING-FANUC Mechatronics CO., LTD. jointly established with Beijing Machine Tool Research Institute.
FANUC INDIA PRIVATE LIMITED established.
GMFanuc Robotics Corporation became FANUC Robotics Corporation, a 100% Fanuc owned company, and its subsidiary.
1996 Call Center for Service established.
1997 SHANGHAI-FANUC Robotics CO., LTD. jointly established in China with Shanghai Electric Group Company Limited.

2002 Robot cells put to practical use, enabling 720hours of continuous unmanned operation.
2008 Area 2 of the Tsukuba factory completed.
2009 Joint venture with General Electric was dissolved.

2013 European subsidiaries reorganized to form FANUC Europe Corporation.
Subsidiaries in the Americas reorganized to form FANUC America Corporation.
2016 Reliability Evaluation Building and Performance Evaluation Building completed.
Mibu Factory completed.
2018 FANUC ACADEMY established.
FANUC Advanced Research Laboratory established.
New Nagoya Service Center opened.
Hino Branch Office was renovated and expanded.
2022 Reaches milestone of 5 million cumulative CNC units produced.
2023 Total shipment of 1 million units of FANUC robot.
2025 New Central Technical Center Building completed.



FANUC's Overview

FA Basic products

FANUC provides basic products that enable industrial automation, such as CNCs, which control the operation of machine tools with numerical information, servos, which control speed. In developing these products, we aim to improve productivity in our customers' factories with energy saving, enhanced safety, and higher performance.

ROBOT Applied products

Various tasks can be automated by applying the basic technologies of CNCs and servos freely controlling robot arms. We contribute to improving work environments by releasing workers from dangerous, dirty, and difficult jobs and improvement and stabilization of product quality through long-term stable continuous production. In addition, we contribute to the maintenance and growth of factories around the world by compensating the shrinking labor pool, such as by developing robots that can work in collaboration with humans.

ROBOMACHINE Applied products

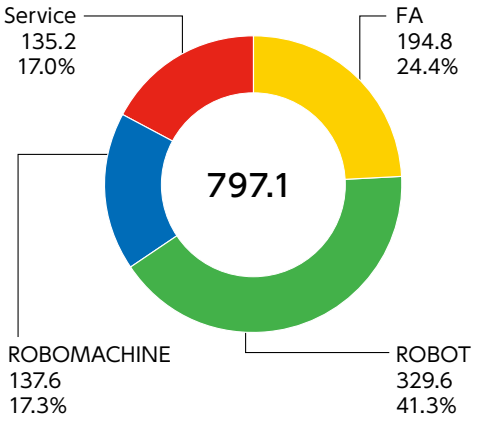
FANUC is developing compact machining centers, electric injection molding machines, wire electrical-discharge machines that apply the basic technologies of CNCs and servos. We contribute to improving the productivity of our customers by pursuing superior machining performance, operating rate, and ease of use.

Sales Composition Ratio

(Year ended March 31, 2024)

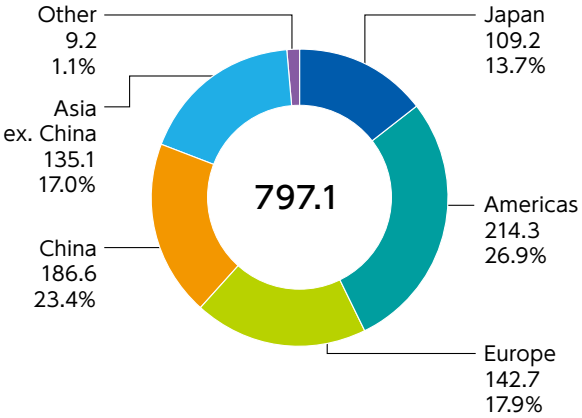
Sales by Business

(Billions of yen)



Sales by Region

(Billions of yen)



Global Service

FANUC fully supports customers in over 100 countries, through more than 280 service locations throughout the world.
FANUC has two core service centers in Japan. One is in Hino in Tokyo, and the other is in Komaki, in Aichi Prefecture. Each has a call center, a parts center, and a warehouse for spare parts for overseas use. With this, FANUC is able to provide better services.


FANUC America

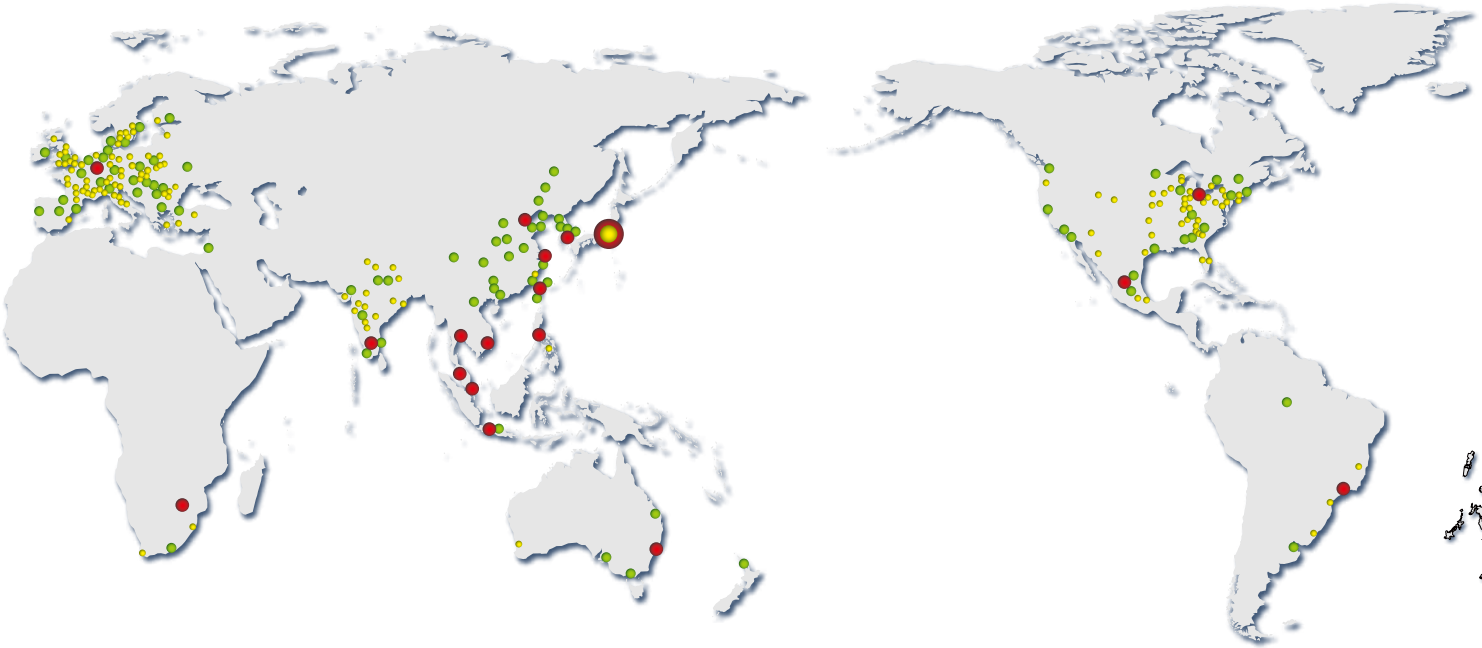

FANUC Europe

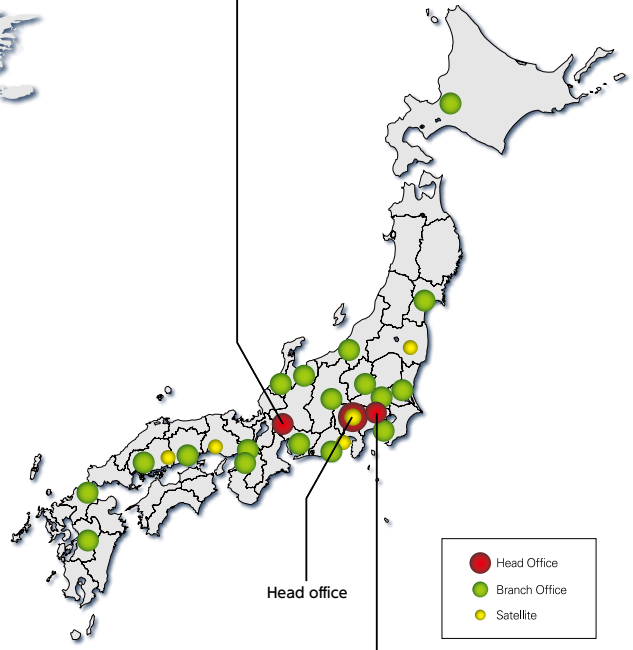

BEIJING-FANUC


SHANGHAI-FANUC Robotics
SHANGHAI-FANUC ROBOMACHINE


TAIWAN FANUC


Nagoya Service Center






KOREA FANUC


FANUC INDIA


FANUC THAI


FANUC INDONESIA

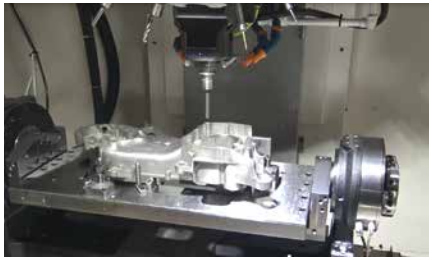

FANUC SOUTH AFRICA


Hino Branch Office

Supporting Industrial Automation

FANUC Products in Various Fields

You can find FANUC technologies everywhere in our daily life. Automotive, Aerospace, Construction, Energy, Food and so on. FANUC products are utilized in various fields.


Parts machining with ROBODRILL

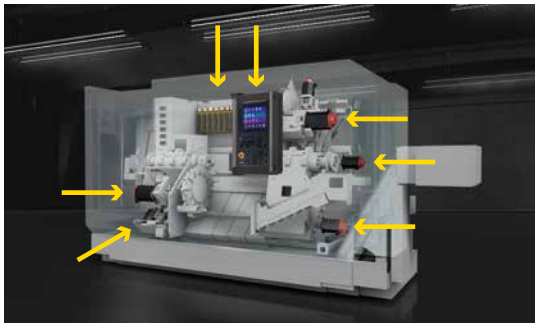

Handling with Robots


Welding with Robots


Plastic molding with ROBOSHOT

Supporting Factory Automation

Installed in Machine Tools Worldwide

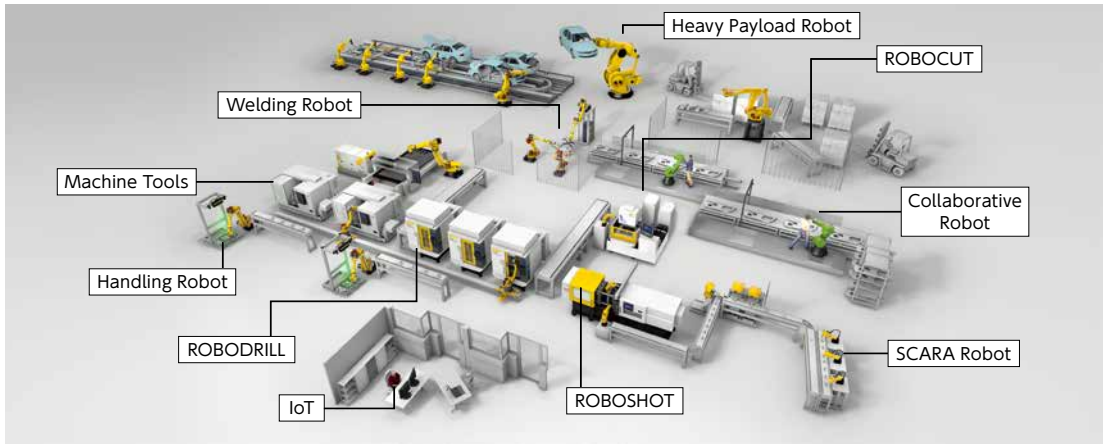


Inside of machine tool (image)

Machine tool appearance (image)

The history of FANUC began with the Numerical Control (NC) technology. In 1955, a project team for control was established at Fuji Tsushinki Manufacturing Co., Ltd.. And the following year, in 1956, FANUC successfully developed the first commercial NC and Servo as a private company in Japan, has devoted itself to focusing on industrial automation. Having three businesses of FA Business, which encompasses basic technologies, consisting of CNCs (numerical controls) and servos and ROBOT Business and ROBOMACHINE Business to which such basic technologies are applied, contributes to the development of manufacturing industries in Japan and overseas.
FANUC's CNCs, servo motors, and servo amplifiers are the components of machine tools. We keep research and development so that we can provide efficient and safety machining. FANUC's FA products are installed in machine tools all over the world, and are active in various fields.

FANUC Products Indispensable for Manufacturing



Now, take a look at automotive production line.
Machine tools and ROBODILLs are for parts machining. ROBOTs for assembly, transport, and welding. ROBOSHOTs for plastic injection molding. ROBOCUTs for cutting die and mold. Various FANUC products are indispensable for manufacturing sites.

Supporting Industrial Automation

FANUC provides various products to support further industrial automation.
We aim at improved productivity and factories that never stop by connecting all production equipment on the manufacturing site and collecting those information.
We keen to provide indispensable values throughout the world through incessant technological innovations in the field of industrial automation.

Financial and Non-financial Highlights (Years ended March 31)

Financial Highlights

(Millions of yen)

Years ended March 31	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net sales	623,418	536,942	726,596	635,568	508,252	551,287	733,008	851,956	795,274	**797,129**
EBITDA	236,673	179,747	263,794	203,006	134,263	157,616	230,317	240,548	190,920	**205,294**
EBITDA margin (%)	38.0	33.5	36.3	31.9	26.4	28.6	31.4	28.2	24.0	**25.8**
Operating income	215,567	153,217	229,604	163,297	88,350	112,514	183,240	191,359	141,919	**158,846**
Operating income ratio (%)	34.6	28.5	31.6	25.7	17.4	20.4	25.0	22.5	17.8	**19.9**
Net income attributable to owners of parent	159,700	127,697	181,957	154,163	73,371	94,012	155,273	170,587	133,159	**147,557**
Capital investment	113,315	83,207	116,110	133,106	70,478	18,553	41,101	53,095	52,464	**40,136**
Depreciation and amortization	21,106	26,530	34,190	39,709	45,913	45,102	47,077	49,189	49,001	**46,448**
Research and development expenses	34,567	42,331	52,956	56,162	51,315	46,949	49,970	51,941	49,813	**46,666**
Total assets	1,512,895	1,564,769	1,728,227	1,625,340	1,512,499	1,625,191	1,783,964	1,873,536	1,926,037	**1,937,031**
Net assets	1,334,910	1,369,457	1,467,630	1,445,146	1,362,865	1,435,554	1,549,879	1,627,555	1,719,200	**1,739,890**
ROE (%)	11.8	9.5	12.9	10.6	5.3	6.8	10.5	10.8	8.0	**8.6**
ROA (%)	10.2	8.3	11.0	9.2	4.7	5.8	8.7	12.6	9.6	**10.2**
Dividend (¥)	490.07	395.18	563.20	1,003.11	300.00	294.07	485.70	535.66	84.14	**94.39**
Dividend payout ratio (%)	60.0	60.0	60.0	126.1	78.6	60.0	60.0	60.0	60.0	**60.0**

●EBITDA margin = EBITDA / Net sales ●ROE = Net income / Average shareholders' equity ●ROA=Net income / Average total assets
※On April 1, 2023, the Company performed a 1-to-5 stock split of common share. From 2024, the dividend amount after the stock split is shown.

Non-financial Highlights

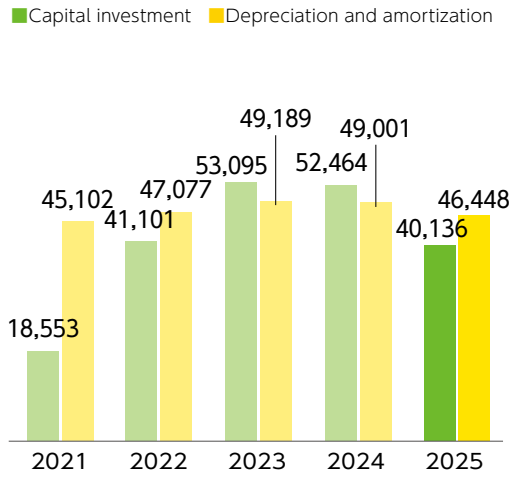
Years ended March 31	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Number of employees (Persons)	6,327	6,738	7,163	7,866	8,164	8,256	8,675	9,432	9,970	**10,113**
Females in total workforce (FANUC CORPORATION) (%)	7.3	7.1	7.3	7.2	7.4	7.3	7.1	7.7	7.5	**7.8**
Females in management positions (FANUC CORPORATION) (%)	–	–	–	0.9	1.0	1.0	1.4	1.1	1.1	**1.1**
Greenhouse gas emissions ($t\text{-}CO_2$)※										
Scope1	7,189	7,864	14,254	25,213	34,875	47,059	52,804	58,001	56,266	**53,436**
Scope2	80,916	95,516	112,524	108,564	91,639	107,208	92,625	77,296	69,392	**68,198**
Scope3	–	–	–	2,414,479	1,824,212	18,134,472	25,933,100	28,069,157	17,096,789	**21,207,419**

※From 2021, the boundaries extended to include FANUC CORPORATION and its consolidated subsidiaries and the scope of products for Scope3 has expanded to cover all products.

Financial and Non-financial Highlights (Years ended March 31)

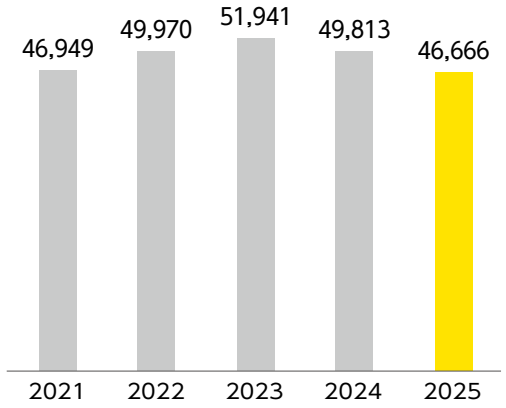
Capital investment/Depreciation and amortization

(unit: Millions of yen)



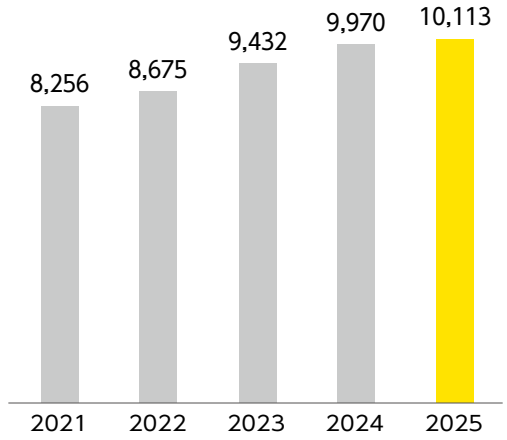
Research and development expenses

(unit: Millions of yen)



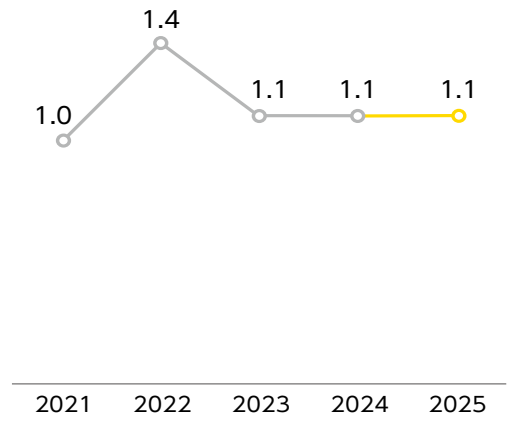
Number of employees

(unit: Persons)



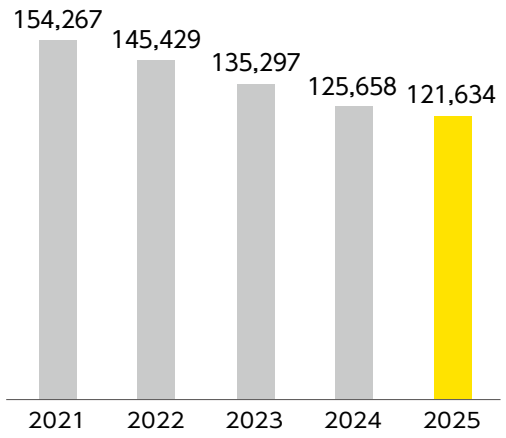
Females in management positions (FANUC CORPORATION)

(unit:%)



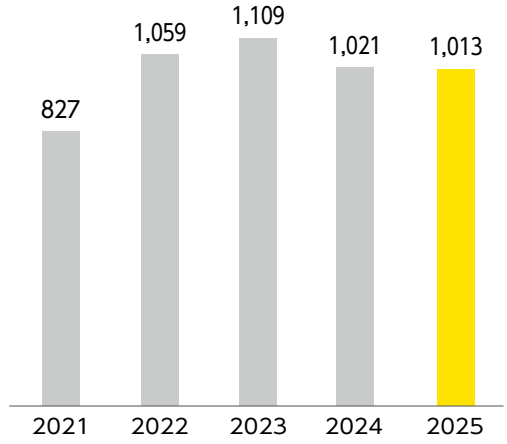
GHG emissions (Scope1+2)※

(unit: t-CO_2)



Total water used※

(unit: Thousand ㎥)



※From 2021, the boundaries extended to include FANUC CORPORATION and its consolidated subsidiaries.

Four Strengths Supporting FANUC's Business

Basic Stance on Business Development

We are in the capital goods industry, therefore we are subject to no small extent the effects of economic fluctuations and changes in companies' interest in capital investment. It is inevitable that the demand for our products will shrink to some extent as the economy deteriorates, and in our business activities, we need fiscal discipline based on this risk. In response to the recent U.S.-China trade dispute and the COVID-19 pandemic, net sales declined more than expected, therefore we reduced investment in production equipment. However, even if investment is resumed after being reduced, it may not be possible to catch up with the trends in capital investment, therefore it is necessary to always keep an eye on mid-to-long term trends.
In the 2010s, there was a very large demand for ROBODRILLs in some IT industries, and we were able to capture high demand when it came every few years. However, since it is difficult to maintain the same level of demand for a long time, we did not think that we would be able to meet the demand for ROBOTs and FA, which was expected to increase in the future, with a production system that specializes in ROBODRILLs. Thus, we decided to increase the production capacity of ROBOTs and CNCs while reducing ROBODRILL production capacity. Since our existing factories were not enough for this, we built a large-scale production building, and as a BCP (business continuity plan) measure in preparation for natural disasters such as earthquakes and heavy snow, we built the Mibu Factory in Tochigi Prefecture as the second CNC production site. Moreover, we built a system to assemble robots in the Headquarters area and the Tsukuba area. In this way, we have made investments to establish multiple production sites and to increase production capacity over the past few years, and these investments have led to the current outcomes.

Four Strengths Supporting FANUC's Business

Strength 1

Core/Standing Point of Business Model

Positioning "industrial automation" as our specialty specializing in it

Our business model is to develop, manufacture, and sell "FA (CNC systems)" consisting of CNCs and servo motors as basic products, and ROBOTs and ROBOMACHINEs (compact machining centers, electric injection molding machines, wire electrical-discharge machines). By providing these products, we have positioned "industrial automation" as our specialty, and we are developing business that specializes in this.
A major characteristic of our production is that almost all products are produced in domestic factories. By centralizing the production of standardized products in Japan, we are able to maintain quality and achieve highly efficient and automated production lines.

Headquarters Factory

Strength 2

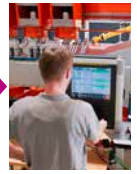
Product Lineup & Services

Providing lifetime maintenance for highly reliable, high-performance products based on the spirit of "Service First"

FA is delivered as a unit to machine tool builders, and the end user installs the machine tool that incorporates it.

FA products

Machine tool builders

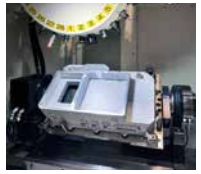


End user

ROBOTs and ROBOMACHINEs are directly installed as the end user's production equipment.

Handling large workpieces

Car assembly



Machining of large workpieces

80% to 90% of installation locations for FANUC products are overseas, and although a high proportion of installations are in the automobile-related industry, installations in non-automobile-related "general industries," such as construction machinery, IT, food, pharmaceuticals, and cosmetics are increasing, especially for ROBOTs. Recently, the need for ROBOTs is increasing in the logistics industry as well.
The high reliability and ease of use of our products, as well as the provision of "Service First" and "Lifetime Maintenance," has led to the support of many customers for many years, and we have built a position that cannot be imitated by other companies.

Service First

Lifetime Maintenance

Strength 3

Marketing Positioning

Establishing a position that cannot be imitated by other companies on a global scale

Strength 4

Growth Scenario

Continuing to create needed products and technologies to enhance our corporate value, while ensuring economic growth

In terms of profitability, we focus on securing profits at the design stage. We have been profitable due to steady efforts such as striving to standardize, share, and modularize as much as possible, as well as create designs that use cheaper parts and designs that take efficiency through automated production into account. We are always aware of continuous technological innovations, and we strive to improve our technological capabilities not for the self-satisfaction of engineers, but in order to effectively sell products.
By focusing our business on the field of "industrial automation," which is expected to grow significantly in the future, we will do its utmost to maintain and further enhance its world-class competitiveness in this field. The main reason why we specialize in "industrial automation" is that we can make use of our strengths, including our familiarity with factory sites.
Even in a world where the future is uncertain and increasingly unstable, we will continue to focus on the field of industrial automation, continue to create products and technologies that our customers need, and work to further improve our corporate value.

Message from CEO

Responding to the Growing Demand for Industrial Automation Worldwide and Supporting Manufacturing that Enriches Society, FANUC Strives to Solve Social Issues and Strengthen Corporate Value

Kenji Yamaguchi President and CEO

Pursuing automation under the values passed down since our founding

Today, demand for automation in manufacturing is rising at an unprecedented pace. Not only in developed nations but also in countries and regions experiencing population growth, labor shortages in factories are becoming increasingly severe. As a result, there is a compelling sense that without automation, production activities to enrich society will become difficult to sustain. The purpose of automation has also expanded far beyond simply addressing labor shortages; it now encompasses environmental impact reduction, transferring technical skills to digital-native generations, and many other objectives. Competition among companies has intensified as well, due to market growth.

Founded in 1955, FANUC has been involved in factory automation ever since successfully developing the first NC (numerical control) system and servo mechanism in Japan's private sector.

Message from CEO

Aspiring “to become a company, though small in size, having the robustness of a giant with roots firmly spread in the ground,” FANUC focuses on areas where it possesses competitive strengths, and engages in the FA Business consisting of the basic technologies of NCs and servos, as well as the ROBOT Business and ROBOMACHINE Business that apply these basic technologies.

We provide solutions tailored to customers’ needs by leveraging core technologies that combine these three fields with digital technologies and IoT/AI technologies.

In pursuit of our vision of the company we aim to become, we have long upheld the Basic Principle of “Genmitsu (Strict Preciseness) and Tomei (Transparency).” In this principle lies the belief that “a company will last forever and be sound with Genmitsu (Strict Preciseness), while the corruption of an organization and the downfall of a company start from a lack of Tomei (Transparency).”

While simple, these words strike at the essence of how an organization should be, and continuing to put them in practice is by no means easy. Failing to thoroughly implement this principle can, at times, lead to problems.

Now, as the business environment undergoes significant transformation, and expectations for our company to solve societal issues continue to rise, we feel more strongly than ever the importance of understanding the true meaning embedded in our Basic Principle and returning to them.

Three slogans for building competitive advantages and expanding the market

Based on “Genmitsu” and “Tomei,” the entire FANUC Group is united to put three slogans into practice in our efforts to gain customers’ confidence and trust.

The first slogan, “one FANUC,” means that the three businesses of FA, ROBOT and ROBOMACHINE, along with Service, join forces to provide total solutions for advancing customers’ automation, as well as the FANUC Group worldwide bonding to respond to customers around the world, thereby maximizing the Company’s strengths. There are more and more cases where a product adopted by a customer in the country or region where its headquarters is located is later introduced to its overseas bases, and conversely, a product first implemented at an overseas base is adopted at headquarters or at other overseas bases. In line with this trend, we will strengthen our contribution to customers from a more global perspective.

Our second slogan is “Reliable, Predictable, Easy to Repair.” Our products are capital goods to be used in manufacturing sites. Returning to this basic stance, we are establishing preventive maintenance functions using the latest IoT and AI technologies in product development, improving manufacturing efficiency and maintainability, and promoting modular design, in order to minimize downtime and improve the operating rate for customers using FANUC products. By thoroughly following this development approach, we have earned high recognition not only for initial cost for product introduction, but also for our competitiveness in total cost of ownership (TCO), including future maintenance costs.

Our third slogan is “Service First.” With over 280 bases worldwide, FANUC provides high-level maintenance services in over 100 countries, while firmly adhering to the belief that service and sales are like the two wheels of a car. By providing advanced services based on FANUC’s global standards anywhere in the world, we support customers in achieving higher operating rates. “Lifetime Maintenance,” where we continue to provide maintenance for as long as customers use our products, is a major strength that is difficult for our competitors to replicate.

Amid intensifying global competition, the question is how FANUC should demonstrate its strengths. Under the values inherited and our unique business model, it is essential for each employee to remain conscious of—and embody—our competitive advantages.

Achieved higher sales and profit in FY2024 with inventory levels largely normalized

Looking back at FY2024, despite ongoing uncertainties such as the impact of inflation in Europe and the United States and concerns over China’s economic outlook, we developed new products and functions to enhance competitiveness, improved production efficiency to boost productivity, and introduced new equipment for new products, thereby strengthening our business performance. Favorable exchange rates also acted as a tailwind, and the excessive inventory issue, which had been a challenge since the second half of FY2022, was largely resolved, having a positive effect.

Regarding the consolidated earnings forecast for the fiscal year ending March 31, 2026, we stated that “we will carefully assess the impact of tariffs in the U.S. and promptly disclose our consolidated earnings forecast once a reasonable estimate

Message from CEO

becomes possible," and announced this forecast in July.

The forecasted figures are based on a 15% tariff rate, and we are passing on the cost increases due to tariffs to prices, while working to gain customers' acceptance. Subsequently, in October, we made an upward revision to the consolidated earnings forecast based on the latest performance trends which hold expectations for increased sales and profit compared to FY2024.

Regarding the impact of tariffs, although initially there was a tendency to refrain from capital investment due to uncertainty about the future, companies with sufficient funds are now investing, partly because labor shortages persist in the United States. Moreover, in the long term, we believe U.S. manufacturing will be revitalized and have a positive impact on our business.

As for the future possibility of manufacturing robots in the United States, we will consider not only pricing, but also take a comprehensive view of a variety of factors—including lead time and customer satisfaction—and ultimately pursue the option that delivers the greatest value to customers. As we have developed and manufactured paint robots in the U.S. for many years and have established a local procurement network, we believe that localized production of other types of robots is feasible to a certain extent.

Applying digital technology and AI/IoT based on CNC and robotics technology, aiming for overall factory optimization

While there were previously some arguments that factory automation would take away human jobs, automation is now being viewed as a means to compensate for labor shortages and transform the nature of work. Competition to acquire human resources for future manufacturing is becoming fierce, and the shortage of engineers capable of automation is also a serious issue. At FANUC, we are accelerating efforts to solve social issues such as energy conservation, labor shortages, and well-being, by improving the usability and performance of products. By securing human resources capable of such efforts, we aim not only to improve the performance and functions of individual machine tools and robots, but also to make work easier for people and optimize the entire factory using digital technologies and IoT.

In the FA Division, continuing from last year, we are focusing on proposing the CNC "FANUC Series 500*i*-A" and the "αi-D Series Servo" system. For the 500*i*-A, the target is to provide users with intuitive control and easy operation of machine tools, by reviewing functions from the early design phase of the machine tool itself to achieve efficiency, and thoroughly pursuing improvements in actual machining performance and ease of use in machine tools. A major feature is the ability to perform high-precision simulation using digital twin technology that allows prediction of the machining surface conditions before actual cutting.

The αi-D Series Servo greatly improves energy efficiency by adopting the latest magnets and power semiconductors for servo motors, spindle motors, and the amplifiers that drive them, as well as by redesigning magnetic circuits and current control circuits. ROBOTs and ROBOMACHINEs to which this Series is fitted are able to conserve more energy, becoming a major benefit.

In the ROBOT Division, the collaborative robot CRX Series continues to attract attention. Its key features are easy deployment without safety fences, and ease of use through direct teaching that eliminates complex programming. Demand for the Series is growing across a wide range of customers and markets, from those

Message from CEO

adopting automation for the first time to experienced users tackling the robotization of processes that were previously considered difficult to automate. The CRX Series is expanding its scope of applicability through a wider range of use and the addition of new models.

The world's first explosion-proof collaborative robot compliant with international standards is also being adopted by leading manufacturers. The robotization support software "ROBOGUIDE" optimizes the operation of robot systems and also contributes to energy savings.

Moreover, we would like to highlight our latest technologies announced at the International Robot Exhibition in December 2025, including Physical AI and open platform support.

In the ROBOMACHINE Division, we developed the new DC Series for ROBODRILL and the new SC Series for ROBOSHOT in pursuit of energy savings, high speed, high precision, and high efficiency. For ROBOCUT, we are particularly focusing on high-precision machining. We are also strengthening the competitiveness of ROBOMACHINE through various AI functions, such as AI thermal displacement compensation.

Regarding Service, under the theme of "aiming for a factory that doesn't stop," we introduced a range of offerings, including the diagnostic service, "AI Servo Monitor," which leverages AI and IoT, "ZDT" for robots, "remote maintenance," and the convenient information portal, "MyFANUC," at our Open House Show, and have seen growing interest.

Going forward, we will remain strongly focused on translating advanced technologies into easy-to-use products and functions, and are committed to rolling out a diverse range of new models and functions in key markets which are attracting attention.

Making global investments and creating new businesses for further growth

As around 80% to 90% of our products are used outside Japan, we are actively investing in growth markets to strengthen sales and services on a global level.

In FANUC America in the United States, the West Campus, completed in July 2024, has started operations, and construction continues on the FANUC Academy (a training center for customers). Since 2019, total investments in North America, including Mexico and Canada, have reached 250 million dollars. In Europe, we are constructing new buildings in Turkey and Poland, where markets are strong.

In the gigantic Chinese market, the newly completed headquarters buildings of our joint ventures, BEIJING-FANUC and SHANGHAI-FANUC, are contributing to business growth. Meanwhile, in rapidly growing India, we are expanding our headquarters building in Bangalore and establishing regional offices. Similarly, in Vietnam, where high growth is expected, we are working on enlarging our presence.

We will continue to expand our bases and organizational structure in promising markets, while also considering capital efficiency, to strengthen trust relationships with local customers.

Regarding business fields, we launched a cross-departmental New Business Development Project in FY2024 to sow the seeds for technologies and products that will become pillars of the Company in 10 to 20 years. To drive this project forward, we are also considering creating a specialized department to provide support.

Even before this project started, planning on an independent basis had already begun to bear fruit as product development and as a business, and we are encouraged to see that awareness has increased among our employees. We will work on building schemes that enable the continuous generation of new businesses.

Risk management aimed at creating business opportunities

As our business is susceptible to economic fluctuations, we are conscious of management from a long-term perspective that will not be swayed by short-term events. Particularly in an era of heightened uncertainty about the future, we are strengthening risk management to address risks that could interfere with the sustainable development of our corporate activities.

Needless to say, risks and business opportunities are two sides of the same coin. We are pursuing "offensive" measures to respond to risks that enhance our resilience as a company and establish competitive advantages.

One such initiative involves supply chain management (SCM). We started a DX project in 2019, and from 2022, as one of the major pillars of company-wide DX, we launched the SCM Improvement Steering Project and are advancing SCM reforms and improvements.

Fulfilling our responsibility to supply carries great significance, as there is direct impact on our customers' production activities. In delivering highly reliable products and maintaining our service system, which is our strong point, establishing a stable supply chain leads to differentiation that creates added value. In addition to monitoring recent trends surrounding geopolitical fragmentation and securing multiple procurement sources for parts, we are also building closer relationships of trust with suppliers.

In addressing climate change risks, we are advancing measures such as installing solar panels to reduce Scope 1 and 2 emissions, while also focusing on reducing Scope 3, Category 11 emissions through products that only we can provide.

Our products are used in customers' factories for long periods, and demands for energy efficiency continue to grow annually. In response to these needs, the energy efficiency of our "αi-D Series" Servo, for example, has improved dramatically through new technology and has been very well received. In addition to servos, substantial potential for energy savings remains untapped in controllers, including software. We plan to concentrate on technological development that contributes to energy savings for all products, and reduce global GHG emissions while simultaneously strengthening our competitiveness.

Preventing recurrence of inappropriate incidents related to ROBOCUT products for Europe and advancing initiatives to strengthen governance

I would like to sincerely apologize for causing great concern and inconvenience to all stakeholders regarding the inappropriate incidents, announced on April 24, 2024, related to EMC tests for ROBOCUT products ("FANUC ROBOCUT") for Europe.

On November 21, 2024, we published the report on the investigation results from the Special Investigation Committee and simultaneously announced recurrence prevention measures. Under a recurrence prevention project we are executing various initiatives, including the establishment of the Quality Management Division, directly under the President, effective April 1, 2025, to conduct company-wide quality management, and have disclosed the status of these initiatives on March 25, 2025.

In parallel, employees were divided into small groups to discuss the investigation results report, so that all employees could learn from this incident as if it were a personal matter. Going forward, the Quality Management Division, Human Resources Division, and Compliance Committee will collaborate to continuously implement recurrence prevention measures.

These initiatives are reported to the Board of Directors in a timely fashion, and monitoring is being performed appropriately. To strengthen the governance of the Board of Directors, starting from June 2025, Outside Directors have assumed the roles of Chairman of the Board of Directors and Chairman of the Audit and Supervisory Committee reinforcing the Board's monitoring functions. Regarding members, the ratio of Outside Directors has increased to 60%, and progress has also been made in terms of diversity, with three female Directors (accounting for 30%) and one non-Japanese Director. These members now contribute to lively discussions based on their proposals, grounded in abundant external experience and insights, along with diverse expertise and backgrounds.

In addition, to further enrich discussions at board meetings, we have set up opinion exchange meetings between the President and Outside Directors, as well as forums exclusively for Outside Directors. We will continue to fortify governance to drive the improvement of corporate value in various ways.

Defining our "Ideal Employee Profile" to strengthen human capital

To enhance corporate value, strengthening human capital is paramount as the driving force behind corporate value. At FANUC, we conduct an employee engagement survey every year and reference the results to implement initiatives with such objectives as improving work-life balance. However, we recognize that there is ample room for improvement in areas including increasing job satisfaction and a sense of personal growth.

Along with offering educational programs such as a "DX school" for promoting digital transformation, we launched a new program for employees' families in FY2024, with which we invited employees' families to the FANUC Open House Show. As the Company's products are primarily used in manufacturing sites, the general public rarely has the opportunity to see them firsthand. Employees themselves were able to see the results of their work once again and explain the products to their families, which became an opportunity to deepen pride in their work. In the future, we are considering refining such visits by job seekers, primarily students, with an aim to increase FANUC's brand recognition and foster loyalty even before

Message from CEO

they join.

Creating opportunities for dialogues is also essential in order to improve employee engagement. We held roundtable meetings between employees and senior executives at the level of General Manager and above, as well as between D&I project members and the President to advance D&I initiatives. The contents of these discussions were shared company-wide through our internal portal. We have also held roundtable meetings between employees and the President from FY2025.

Furthermore, in addition to our existing Basic Principle, in FY2024, to achieve our corporate vision and for each of us to grow as businesspersons, we defined the "Ideal Employee Profile." This combines the enhancement of our current strengths with elements deemed necessary for future growth.

I firmly believe that aligning the entire company in the same direction and deepening understanding of the "Ideal Employee Profile" will lead to individual growth and the creation of a better organizational culture. We also plan to utilize this profile as a basis for an evaluation criteria that employees can accept.

From "factory automation" to the broader "industrial automation sector"

Factory automation is a field where growth is expected over the medium to long term, although there may be periodic fluctuations. Driven by rising global demand, the scope of "factories" that our Company targets has also been expanding.

In addition to our traditional core industries, such as the automotive, aerospace, and construction machinery industries, and the electrical and electronic sector (including IT-related industries), growth markets and business opportunities have been steadily increasing.

New growth markets and new business fields include EV and batteries, solar power generation, semiconductors, data centers, food, pharmaceuticals, cosmetics, and medical equipment. In addition, logistics has already become a large market, particularly for robots, and the use of robots is expanding into agriculture and construction as well. The same is true for waste management, a sector often referred to as the "venous industry" in Japan.

If production in space becomes feasible in the future, space could also emerge as a potential market for us.

The field of factory automation centered on manufacturing will remain an important business area for FANUC. At the same time, as our business areas are greatly expanding, we have now redefined the field in which we engage in business to be the broader "industrial automation sector."

In fields of automation across a wide range of industries, developing, manufacturing, and selling highly competitive products as well as enriching services are key to gaining the support of customers. Needless to say, it is essential that human capital, the driving force, be strengthened. We are committed anew to having each employee embody the "Ideal Employee Profile" mentioned above, achieving both personal and corporate growth, and contributing even more to solving social issues.

To all our stakeholders, we sincerely appreciate your continued support as we strive to grow further. Please look forward to the energetic efforts and new developments of the FANUC Group.

Value Creation Process

Social issues

Development of the manufacturing industry and solution of social issues.

In 1955, a project team for control was established at Fuji Tsushinki Manufacturing Co., Ltd.. And the following year 1956, we succeeded in the development of NCs (Numerical Controls) and SERVO mechanism for the first time in the Japanese private sector. Since then FANUC has been consistently pursuing the automation of industry. We will create economic value and social value by advancing the automation of our customers' automation through constant technological innovation and contributing to the solution of social and environmental issues in the manufacturing industry around the world.

Contribution to the Resolutions of Social Issues

INPUT >P.19

- Financial capital
- Manufacturing capital
- Intellectual capital
- Human capital
- Social capital
- Natural capital

Basic Principle

"Genmitsu (Strict Preciseness)"

"Tomei (Transparency)"

Business activities

- FA Business
- ROBOT Business
- ROBOMACHINE Business
- Service Business

Materiality

- Responsibility to Supply
- Customer-Oriented Advanced Technologies
- Climate Change
- High Level of Reliability and Safety of Products
- Development of and Engagement with Human Resources

ESG Initiatives

OUTPUT ···Major products and services

FA

- CNC
- Servos

ROBOT

- Robot

ROBOMACHINE

- ROBODRILL
- ROBOSHOT
- ROBOCUT

Value Creation for Society

Energy Saving & Carbon Neutrality

Reducing GHG Emissions

Reducing Power Consumption

Utilizing Green Energy

SDGs

Providing Solutions to Improve Working Conditions, Increase Productivity, and Waste Reduction

Sustainable growth

Enhance Corporate Value

Net sales	797.1 Billions of yen
Operating income ratio	19.9%
Ordinary income ratio	24.7%
ROE	8.6%

Increase in Capital

The Source of Value Creation

Management capital	INPUT	Characteristics & Initiatives
Financial capital	Total assets ····· 1,937billion Operating income ····· 158.8billion	●Soundness of financial foundations ●Stable income foundations for ensuring on-going profit in spite of economic fluctuations and changes in companies' willingness in capital investment
Manufacturing capital	Book value of key equipment · 389.4billion Capital investment ····· 40.1billion	●Centralized production in Japan of standardized products (Headquarters area, Tsukuba Factory, Mibu Factory, Hayato Factory)
Intellectual capital	Number of patents granted in Japan and overseas ····· 11,293 R&D expenses ····· 46.7billion	●By narrowing down to our area of expertise, which is industrial automation, and aggressively investing in R&D in this area, products which are highly competitive are developed and released ●More than 30% of employees to be engineers
Human capital	Number of consolidated Employees ··· 10,113 (FANUC CORPORATION) % of female directors ····· 30.0% % of foreign directors ····· 10.0% % of females in executive employees ··· 2.8%	●Creating a more fulfilling workplace ●Further improvement of employees' motivation ●Investment to employ necessary people and educate employees ●Health and productivity management
Social capital	Global service network service offices ····· more than 280 covering countries ····· more than 100	●Building and maintaining long-term relationships of trust with customers ●High level maintenance service in line with FANUC's global standards
Natural capital	GHG emissions (Scope1+2) ····· 121 kt-CO_2	●Reduced energy consumption through solar power generation ●Energy saving of products

Materiality

FANUC, which has continuously pursued Factory Automation (FA), commands an exceptionally high market shares for CNC systems and industrial robots. FANUC products of FA, ROBOT, and ROBOMACHINE businesses are used at factories throughout the world. Any interruption in the supply of such products would thus lead to stoppages at customers' factories. Furthermore, as the Company's products also contribute to the decarbonization of and productivity improvements at customers' factories, they have an important and extensive impact on the environment and society.

With its customer-oriented products, FANUC is shaping the future of the industrial automation.

If FANUC is to achieve sustainable growth under its basic principle of "Strict Preciseness and Transparency." it must create both social and economic value and conduct long-term management without focusing solely on short-term gains. Doing so will require us to solve social issues through our businesses in order to contribute to a sustainable society.
In November 2024, we have revised our materiality based on our belief that their resolution is important for such management to be successful.

Process for Identifying Materiality

STEP 1

Clarification of Issues

FANUC determined social and customer needs and clarified sustainability-related issues with reference to global disclosure standards,* ESG rating agencies, and industry trends.

*ISO 26000, SDGs, GRI Standards, and SASB Standards

STEP 2

Examination of the Importance of Issues

The Sustainability Committee, which is chaired by the President and Representative Director and composed of members tasked with spearheading management, such as the Director, Chairman and the general managers of each business division, evaluated each of the issues clarified and classified. Through questionnaires and individual interviews, all committee members evaluated said issues in terms of their importance to FANUC and their importance to stakeholders. The committee also reflected in its evaluations objective opinions obtained through dialogues with outside experts and investors.

STEP 3

Identification of Materiality

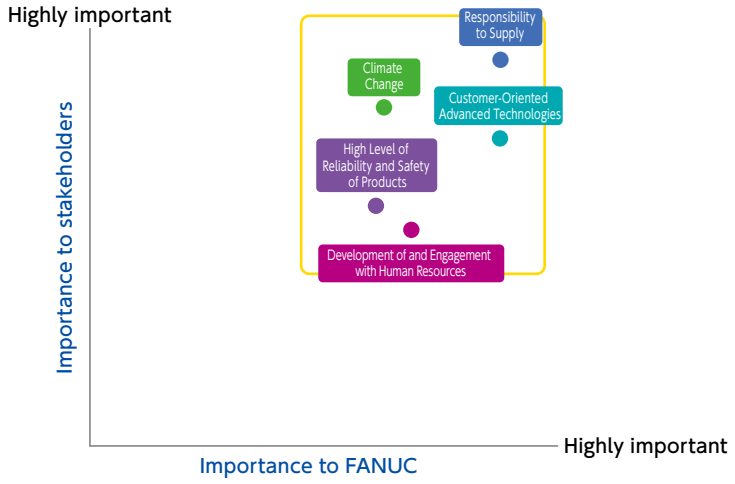
The Company narrowed down issues through discussions by the Sustainability Committee. Thereafter, taking into account the opinions of outside directors, we identified our Materiality following deliberations at a meeting of the Board of Directors.

STEP 4

Future Actions

FANUC will promote initiatives in relation to its Materiality and raise awareness thereof Companywide. Moreover, with the Sustainability Committee taking the lead in periodically revising the Materiality and with the Board of Directors deliberating and monitoring them, we will promote management based on our Materiality.

Material Topics



Materiality

Materiality

Responsibility to Supply
Building and maintaining long-term relationships of trust with customers

- **Why the Issue is Material**
  Fulfilling our responsibility to supply is of the utmost importance for maintaining relationships of trust with customers. As any interruptions in supply from FANUC would lead to stoppages at customers' factories, we take such responsibility extremely seriously. A strength of the Company is its continuous operation of a maintenance service system for customers, while its ability to stably supply products and services enables FANUC to offer added value. Fulfilling our responsibility and continuing to exist as a company needed by society are crucial.
- **Ideal state**
  As a supplier of capital goods, FANUC will anticipate a wide range of scenarios, including natural disasters and geopolitical risks faced by the Company and its suppliers. Mindful of such scenarios, we will supply products in a stable manner and continuously operate a sophisticated maintenance service system in accordance with global standards while paying close attention to environmental and social trends. In this way, we will contribute to improving the uptime of factories around the world.

Customer-Oriented Advanced Technologies
Anticipating and creating customer needs

- **Why the Issue is Material**
  Pursuing a customer-oriented approach has been and will remain a key value in FANUC's stance. Our ability to promptly provide feedback on our research and development efforts by using our products at company-owned factories serves as a strength. Anticipating customer needs based on such information enables FANUC to enhance customer satisfaction while helping it maintain and improve product competitiveness and shape the future of the manufacturing industry. Maintaining our industry-leading position by offering highly advanced products that are based on innovative technologies and which underpin production floors is thus vital.
- **Ideal state**
  FANUC will firmly grasp customer needs by rigorously ensuring that it constantly pursues a customer-oriented approach. Through the development and popularization of advanced technologies, we will continuously improve customer satisfaction and shape the future of the manufacturing industry by developing products that anticipate customer needs and the changing times.

Climate Change
Contributing to climate change mitigation

- **Why the Issue is Material**
  Greenhouse gas emissions associated with the use of its products at customers' factories far outweigh such emissions resulting from FANUC's business activities. Accordingly, there is an increasing need among customers and in society for energy-saving products, making it essential that we contribute to efforts in relation to carbon neutrality. FANUC can curb the energy consumption of its customers by improving the productivity of factories around the world through highly energy-efficient products arising from innovation.
- **Ideal state**
  Viewing climate change as both a risk and an opportunity, FANUC will promote the development of high-quality, environment-friendly products, including those that realize energy-savings and high levels of energy efficiency. Doing so will allow us to contribute to the achievement of carbon neutrality and a sustainable society.

High Level of Reliability and Safety of Products
Maximizing Uptime in customers' sites

- **Why the Issue is Material**
  FANUC's product development is centered on the principle of "Reliable, Predictable, Easy to Repair." The high level of reliability realized by the durability of such products helps improve productivity at factories, thereby raising the competitiveness of FANUC as well as of its customers. In addition, FANUC's products are vital in that they not only protect those operating them from physical hazards but also boast a high level of cyber security.
- **Ideal state**
  FANUC will maintain and improve the high quality of its products and offer extensive maintenance services to improve the uptime of customers' factories. We will also aim to realize safe and secure production sites.

Development of and Engagement with Human Resources
Cultivating human resources to lead the future of the manufacturing industry

- **Why the Issue is Material**
  Outstanding human resources are the driver of corporate activities, making them indispensable to the sustainability and innovation of companies. Efforts to develop human resources must thus be reinforced from a medium- to long-term perspective, requiring proactive and continuous efforts that lead to improved motivation.
- **Ideal state**
  Given that human resources are of the utmost importance for ensuring growth over the medium- to long-term, FANUC will strive to enhance its conditions for developing human resources and further improve their motivation. We will attract and secure outstanding human resources and seek to establish an organizational culture and environment conducive to cultivating and enhancing human resources who will lead the future of the manufacturing industry.

Business Overview and Financial Summary (Year ended March 31, 2024)

FA — FA Business —

Business Overview

Products CNCs, Servos

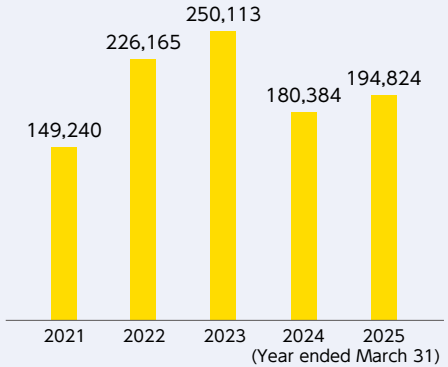
Strength FANUC's basic technology
Top-level global market share of CNCs (FANUC estimate)

The FA Business is the origin of FANUC and its basic technology. FANUC is the first private-sector company in Japan to have developed Numerical Control (NC) and servo technologies that control machine tools using numerical information. Until then, highly skilled engineers, who have acquired know-how through many years of training, were indispensable for high-precision processing by machine tools. FANUC made it possible to complement skilled engineers' skills with NCs and servos. Computercontrolled NCs (CNCs) and servos further made it possible to process complex shapes and produce varied items efficiently. Currently, FANUC offers CNCs and servos covering a broad range from simple machine tools to composite machining equipment with complex configurations to industrial machinery. Further, demand for introduction of robots in machine tools is increasing at machining sites, with an aim to automate processes or labor saving. Believing improved compatibility between machine tools and robots is important, FANUC is developing the functions to enhance it.

Financial Summary

In the FA Division, demand from the machine tool industry, the primary market for CNC systems, remained firm in India and China, where demand was vigorous from industries that are actively undertaking capital investment, despite weak demand in Japan and Europe, and sales of our CNC systems increased.
The FA Division posted consolidated sales totaling ¥194,824 million, up 8%, compared with the previous fiscal year, and FA Division sales accounted for 24.4% of consolidated net sales.

Sales of FA Business (Millions of yen)



Business Overview and Financial Summary (Year ended March 31, 2024)

ROBOT — ROBOT Business —

Business Overview

Products **Robots**

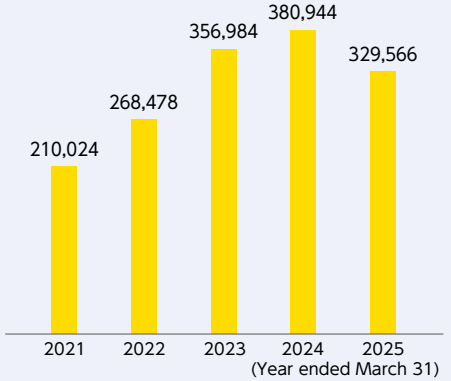
Strength **Products applied with CNCs and servos, FANUC's basic products**
Top-level global market shares (FANUC estimate)

FANUC targets industrial robots. We concentrate on helping customers automation and contributing to improved productivity. Our industrial robots, which include types for welding, machining, material handling(transportation of articles), assembly, and painting, according to application, are used in wide-ranging industries, including automotive, electronic parts, logistics, food, pharmaceuticals, cosmetics and agriculture. FANUC's industrial robots are general-purpose robots and used in many industry sectors.

Financial Summary

In the ROBOT Division, sales increased in Japan amid firm demand in both automobile-related industries and general industries. In China, however, sales decreased due to a slight drop in demand for EV-related industries, which had previously been strong, as well as weak demand for general industries and electronic industries. Sales in Europe and the Americas also decreased, mainly due to weak demand in automobile-related industries.
The ROBOT Division posted consolidated sales totaling ¥329,566 million, down 13.5%, compared with the previous fiscal year. ROBOT Division sales accounted for 41.3% of consolidated net sales.

Sales of ROBOT Business (Millions of yen)



Business Overview and Financial Summary (Year ended March 31, 2024)

ROBOMACHINE — ROBOMACHINE Business —

Business Overview

Products
ROBODRILLs (compact machining centers)
ROBOSHOTs (electric injection molding machines)
ROBOCUTs (wire electrical-discharge machines)

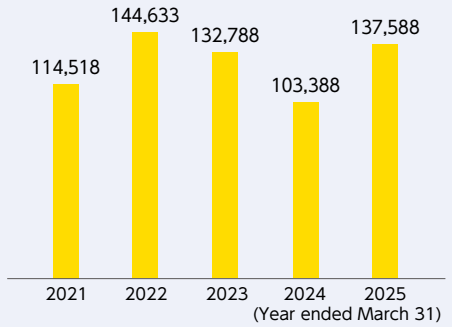
Strength
Products applied with CNCs and servos, FANUC's basic products
High performance, high operating rate, easy to use
Top-level global market share of ROBODRILLs (compact machining centers) (FANUC estimate)
Top-level global market share of ROBOSHOTs (electric injection molding machines) (FANUC estimate)

Products of the ROBOMACHINE business are comprised of machine tools or industrial machinery installed with FANUC's CNCs and servos. They are used for production in factories of customers. They are all highly compatible with FANUC robots. Industrial automation is enhanced through the combination of ROBOMACHINEs and robots.
Customers can improve quality of their products and shorten the time it takes for machining by using FANUC's highly reliable, high-performance ROBOMACHINE products. The products will contribute to improved productivity of customers' factories.
Furthermore, a function to monitor the operational status of the entire factory in real time will enable designing of more precise production plans and improvement in operating rates(FIELD system Basic Package, ROBOSHOT-LINK*i*2, and ROBOCUT-LINK*i*).
Furthermore, ROBODRILLs, ROBOSHOTs, and ROBOCUTs became eligible for a subsidy for business expenses supporting promotion of advanced energy-saving investments and demand structure transformation allocated in the FY2024 supplementary budgets. They are also eligible for a subsidy in FY2025 for ESG lease promotion business for the establishment of a decarbonized society.

Financial Summary

In the ROBOMACHINE Division, sales of ROBODRILLs (compact machining centers) increased mainly due to the steady trend in the Chinese market. Sales of ROBOSHOTs (electric injection molding machines) increased due to rising demand in China and the rest of Asia. Sales of ROBOCUTs (wire electrical-discharge machines) were only marginally higher than the previous fiscal year amid lower sales in Europe although higher sales in the Americas, China and the rest of Asia.
The ROBOMACHINE Division posted consolidated sales totaling ¥137,588 million, up 33.1%, compared with the previous fiscal year. ROBOMACHINE Division sales accounted for 17.3% of consolidated net sales.

Sales of ROBOMACHINE Business (Millions of yen)



FANUC's Approach to Sustainability

Sustainability Basic Policy

The FANUC Group will continue to provide indispensable values throughout the world in the field of industrial automation through unceasingly creating technical innovations, abiding by our basic principle of "Genmitsu (Strict Preciseness) and Tomei (Transparency)." Our goals are to enhance our value as a company and to contribute to building a sustainable society.

FANUC

This mark consisting of a "tree leaf" and an "infinity" symbol represents FANUC's commitment to creating a sustainable society by overcoming environmental and social challenges through unceasingly creating technological innovations.

Two Perspectives on Sustainability

1 – Energy Saving & Carbon Neutrality


Reducing GHG Emissions


Reducing Power Consumption


Utilizing Green Energy

2 – SDGs

Providing Solutions to Improve Working Conditions, Increase Productivity, and Waste Reduction

FANUC's Initiatives for Sustainability

- Promote Various Initiatives to Achieve Carbon Neutrality
- Support User's SDGs through Business Activities and Product Functions

Sustainability Promotion Framework

At the "Sustainability Committee" chaired by the Representative Director, President and CEO, we will deliberate and make decisions on important policies and measures related to sustainability, and report to the Board of Directors.

Dialogue with Stakeholders

Stakeholders	Communication method	Frequency	Content
Customers	Sales representatives	As needed	Collect and provide feedback on demands and requests to FANUC. In addition, give customers tours of factories to enhance their understanding about new products and development schemes.
	Service	As needed	More than 2,300 service personnel and support staff members around the world provide telephone support, onsite customer support, and maintenance parts management.
	Membership website	As needed	Answer customer inquiries via the websites where they can obtain product and maintenance information, or by email and chatbot. In addition, we enable customers to purchase maintenance parts through our membership website.
	New products open house show	Every year	Invite customers and introduce our latest products.
	Exhibitions	As needed	Exhibit at trade shows in Japan and abroad to introduce our latest products.
	ESG rating	As needed	Answer questionnaire for EcoVadis, CDP etc.
Employees	Labor union	At least twice a month	Hold discussions, negotiations, and exchanges of opinions through regular monthly meetings and committees, quarterly meetings, and labor-management negotiations. Conducted these activities online in 2022 due to the COVID-19 pandemic, as in the previous year.
	Organizational culture survery	Every year	We conduct an “organizational culture survey” to ascertain employees’ awareness. Each organization uses the results of the survey to identify organizational issues and implements countermeasures in a PDCA cycle to consistently improve the workplace environment and enhance employee job satisfaction.
Shareholders	General meeting of shareholders	Annually	Report on business reports, consolidated and non-consolidated financial statements, and audit results, and deliberate and make resolutions on matters to be resolved after Q&A.
	Financial results briefing	Quarterly	Hold briefings and telephone conferences on the contents of financial results and business forecasts, as well as engage in Q&A sessions.
	Individual dialogues with institutional shareholders	As needed	Explain FANUC’s initiatives and governance, and exchange opinions.
	ESG disclosure	As needed	Publicize ESG activities, as needed.
Communities	Coexistence with communities	As needed	Contribute to the revitalization of the local economy through tax payments, job creation, and having businesses with local companies.
	FA Foundation	As needed	Award prizes to recognize research results on factory automation (FA) and industrial robot technology.
	Economic and industry associations	As needed	Participate in the planning and implementation of various initiatives by organizations.
	Public-private joint projects	As needed	Participate in various public-private joint projects and promote technical exchanges.

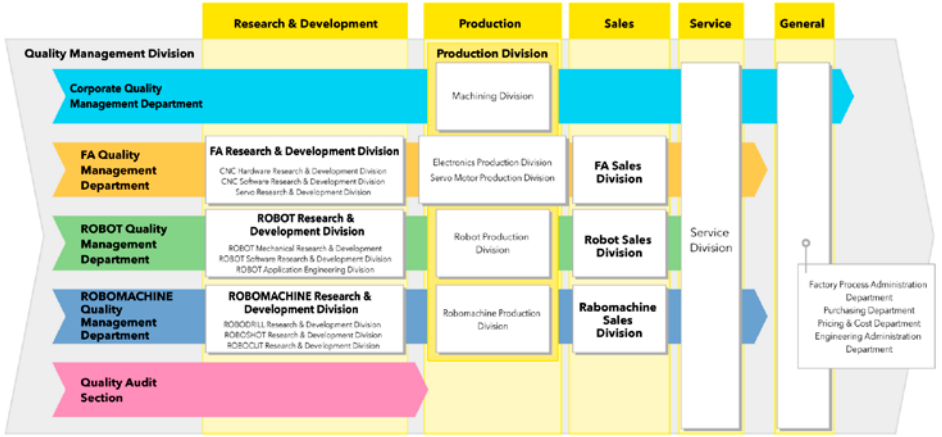
Responsibility to Supply: Building and maintaining long-term relationships of trust with customers

With regard to the non-compliance issue in EMC tests and related matters that did not conform to the European harmonized standards of the EMC Directive for FANUC ROBOCUT for Europe, which we released on April 24, 2024, we disclosed the Special Investigation Committee Report on November 21, 2024, and announced measures to prevent recurrence.
As part of these initiatives, effective April 1, 2025, we established the Quality Management Division to ensure the independence of the function that oversees compliance with laws and regulations applicable to our products. The Quality Management Division is positioned as an organization independent of divisions directly involved in products, such as the Research and Development Divisions and the Production Division, and plays a central role in ensuring the safety, quality, and reliability of our products.
Responsibility for ensuring product safety and quality does not rest solely with the Quality Management Division. Each employee recognizes the importance of compliance and quality and reflects this in their daily work.

Approach to Safety and Quality

Promotion system for ensuring product quality that can be used with confidence

The quality includes various factors, such as safety, compliance, reliability, security, and design.
FANUC promotes quality improvement activities throughout the entire process, starting from product development and design to product quality refinement and service after manufacture and shipment, with a focus on enhancing product quality.
To ensure product safety, we comply with various safety standards. In addition, we are conducting risk assessments, including hazard identification, risk assessment, risk reduction, and verification of effectiveness during the design phase.
Additionally, in the event of a malfunction, we conduct risk assessments based on the severity of harm and frequency of occurrence, evaluate the level of risk, and determine the appropriate corrective actions.
For compliance, we monitor trends in laws and regulations relevant to each product and verify conformity, with cooperation across multiple departments.
Product reliability is built into the development process from the development stage, with verification and validation, including reviews and reliability assessments, incorporated into the development process.
We have established our system where the Research and Development Division is responsible for ensuring high reliability to ensure the swift resolution of issues and prevent recurrence.



We have established a Quality Management Division to independently oversee and ensure that these activities, especially compliance and reliability enhancement, are effectively implemented across all our products. The Quality Management Division is composed of the Corporate Quality Management Department, responsible for cross-functional deployment and promotion across all products, as well as the FA Quality Management Department, ROBOT Quality Management Department, and ROBOMACHINE Quality Management Department, each responsible for respective product lines.
To ensure compliance with laws and regulations, the Quality Management Division focuses on collecting the latest information, establishing internal rules based on laws and regulations, overseeing and auditing tests to confirm compliance, and conducting awareness campaigns and educational programs to deepen the understanding of responsible personnel.
For reliability improvement, we are working on the analysis of product quality data, collection, and sharing of lessons learned and insights.
We share information on quality, technology, security, and other areas, and work to improve quality through various regular meetings, not only within each division but also across divisions.
FANUC continue the following activities, aiming at the improvement of product quality.

- Technical meetings (Held for executives of the Research & Development Division)
- Quality Improvement Meeting (Held for the Research & Development Division)
- Reliability Meeting (Held at each Research & Development Division)
- Quality meeting (held in the Production Division and Research & Development Division to improve production quality)
- Reliability Study Session (Held for people in charge of Research & Development)
- ISO9001, Education on Laws and Standards (Held for people in charge of Research & Development and Production)

ISO9001

FANUC strives to ensure customer satisfaction, compliance with laws and regulations, and the safety and quality of its products through a quality management system based on ISO9001. We also review and evaluate the results of quality management system activities, and plan and implement internal quality audits to verify conformity with ISO9001, assess effectiveness, and make improvements.

ISO9001 Certification Rate (based on production volume)

Domestic	100%
Overseas	100%

Responsibility to Supply: Building and maintaining long-term relationships of trust with customers

Internal Quality Audit

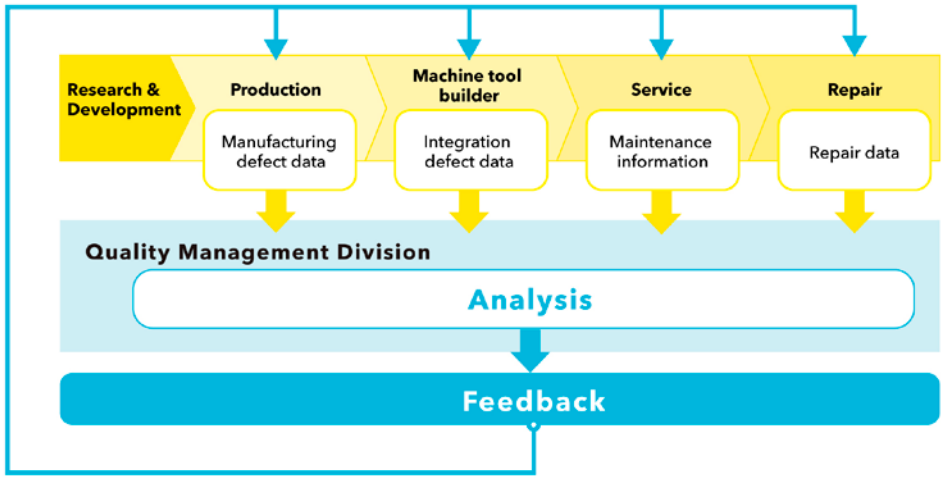
For Internal quality audit, independence and impartiality are crucial. To strengthen this point, we have established a Quality Management Division independent of Research & Development and Production Division, whose members serve as auditors to conduct the internal quality audits. The Quality Management Division assesses compliance with laws and regulations, identifies quality fraud and issues that could lead to quality fraud, considers improvement measures, and evaluates the effectiveness of internal quality audits. The results of these reviews are reported to the Representative Director, President and CEO, as well as the relevant divisions. In the relevant divisions, improvement proposals are proactively reviewed and initiatives such as revising rules are advanced, based not only on instructions from the Representative Director, President and CEO, but also on information provided by the Quality Management Division.

Compliance with laws and regulations

In each country and region, there are various laws and regulations regarding products to ensure the safety of customers and local communities, as well as environmental protection. We are working to ensure compliance with the laws and regulations of each country for all products, including CNC systems integrated into machines. Information about laws and regulations is collected and organized by the Corporate Quality Management Division, and after being interpreted by the Quality Management Departments of FA, ROBOT, and ROBOMACHINE products, it is disseminated to each Research and Development Division. In each Research & Development Division, compliance management is carried out, while the Corporate Quality Management Division verifies the regulatory compliance status of each product and disseminates this information company-wide.

“Visualization” of Quality and Reliability

The status of quality and reliability in all processes, from product design to manufacturing and after-sales services, is monitored in order to promptly respond to defects. We collect data from our after-sales services, analyze it, identify issues, and give feedback to our production divisions and Research & Development Divisions. These activities improve our products’ quality and reliability.



Reliability Development Technology

We promote the creation of systems to design and manufacture highly reliable products, as well as the sharing of insights to enhance the reliability development capabilities of people in charge of Research and Development. The Quality Management Division regularly reviews methods for addressing reliability issues and promotes the standardization of reliability development practices. In product development, we have formalized the procedure as the “Product Development Guidelines” to incorporate reliability from the development stage while meeting various requirements.
We have established the “Troubleshooting Procedure” for addressing malfunctions and the “Incident and Vulnerability Response Guidelines” to promptly respond to security incidents and vulnerabilities in our products.

Responsibility to Supply: Building and maintaining long-term relationships of trust with customers

Learning from Malfunctions Corner

For malfunctions and vulnerabilities, we use a centralized management system to track the entire process, from identifying the causes to implementing countermeasures, and visualize the progress to prevent any omissions in the response. Insights and lessons learned from the management system are utilized company-wide, proving effective in quality integration, quality improvement measures, defect prevention, recurrence prevention, and the training of young engineers. Furthermore, we have established a "Learning from Malfunctions Corner" in the Reliability Evaluation Building, where actual defective products are displayed, and use it as a teaching tool to educate people in charge of Research and Development.

Reliability Evaluation Technology

As FANUC products are used in manufacturing sites, they are exposed to extremely harsh environments. In order to ensure that our products can operate stably for long periods of time under these conditions, while contributing to minimizing downtime in our customers' factories, we are promoting the standardization of evaluation tests by conducting them in a variety of surroundings.

The Reliability Evaluation Building, which opened in 2016, has a total floor area of approximately 22,679 square meters (103 meters wide × 198 meters deep), and houses a variety of equipment for thorough reliability verification.

This facility is equipped with dedicated test rooms, such as an anechoic chamber, an EMS (electromagnetic susceptibility) test room, a vibration test room, a mist test room, a variable temperature room, a variable humidity room, a capability limit test room, a noise measurement room, a submergence test room, a clean room, and a precision measurement room. In this facility, a variety of tests are performed while taking into account variations in data under various conditions, including the accelerated life test to evaluate long-term reliability.

Reliability Evaluation Building

Anechoic chamber

Mist test room

Responsibility to Supply: Building and maintaining long-term relationships of trust with customers

Servo Motor Parts Machining Factory

The Servo Motor Parts Machining Factory is where shafts, flanges and other components of various motors that FANUC manufactures are machined. Many machining cells with machine tools, such as lathes and cylindrical grinding machines, which collaborate with FANUC ROBOTs are connected to an automatic warehouse. The entire process from the supply of materials, machining, cleaning, inspection to shipping is automated.

Until the first half of 2024, machining was performed in two factories. In June, 2024, all facilities were concentrated into one new factory resulting in smoother production. Also, through efforts such as updating old equipment, installing a cell for machining large parts with FANUC's large size robot with a payload of 2.0 tons, and introducing a machining line with many ROBODRILLs aligned, has improved production capacity. Furthermore, set up work, including the exchange of lathe chuck jaws and supply of cutting fluids, has been automated. All equipment is connected to FIELD system Basic Package to visualize their operating state. Besides being able to understand the status, analysis can be conducted to improve the operating rate.

An approach to make the new factory conscious of workers and the environment was taken. The environments of the former machining factories were harsh, with cutting fluid mist being widely emitted. In the new factory, equipment which generates mist was placed below the exhaust system to prevent mist dispersion, and ventilation was improved to make the factory environment safe for humans and facilities at the same level as ordinary assembly factories. In addition, used cutting fluids are not simply disposed. There is a liquid waste processing system with which approximately 80% of liquid waste is reused as fuel oil or recycled water, making the factory environmentally friendly.

Machining cells connected to an automatic warehouse

Cell for machining large parts using a large size robot

Machining line utilizing ROBODRILLs

Visualization with FIELD system Basic Package (Factory Visualizer)

Targets and Initiatives to Achieve Carbon Neutrality

Responses to Climate Change

To achieve carbon neutrality, FANUC has set mid-term and long-term targets for reducing greenhouse gas (GHG) emissions and is promoting efforts to achieve them.

Targets for reducing GHG emissions

FY2050 Target	Scope 1, 2：Carbon neutral by FY2050
FY2030 Target	Scope 1, 2：42% reduction by FY2030 (in comparison with FY2020) Scope 3　：12.3% reduction of emissions due to the use of sold products (category 11) by FY2030 (in comparison with FY2020).

FANUC's GHG emissions reduction targets have been certified by the SBT initiative

FY2030 targets are certified by the SBT (Science Based Targets) initiative.
Regarding Scope 1 and 2, part of the power consumed in the FANUC Headquarters' area, Mibu factories and Tsukuba factories will be renewable electricity, and other sites will also switch to using renewable electricity in the near future. Furthermore, solar panels will be set up, and measures to save energy will be further accelerated to reduce GHG emissions resulting from our business activities.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION


FANUC Headquarters (Panoramic view)


FANUC Headquarters (Reliability Evaluation Building)

Mibu Factories

Regarding Category 11 (Use of sold products) of Scope 3, FANUC will contribute to reducing the emissions by enhancing of energy saving features of FA, ROBOT and ROBOMACHINE products.

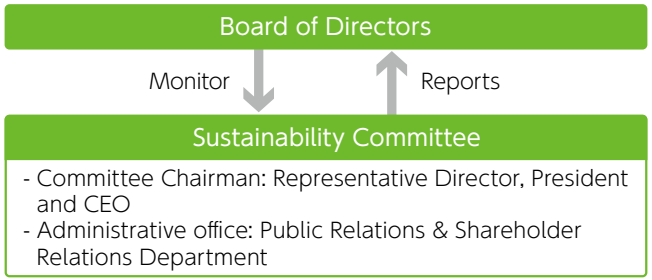
Targets and Initiatives to Achieve Carbon Neutrality

Disclosure in Accordance with TCFD Recommendations

Since the adoption at COP21 (21st Conference of the Parties to the United Nations Framework Convention on Climate Change) of the Paris Agreement, movement towards a de-carbonized society is spreading. FANUC Group with its business activities expanding around the world promotes these initiatives as we recognize climate change as a critical business challenge.
In the meantime, FANUC expressed its support for the Task-Force on Climate-related Financial Disclosures and its recommendations (hereafter, TCFD recommendations) in December 2021.
Further, we would like to utilize the framework of TCFD recommendations, and continue enhancing the quality and amount of disclosures to promote climate change initiatives still further, and contribute to achieving a sustainable society.

Governance

FANUC recognizes climate change as a critical business challenge.
At the "Sustainability Committee" chaired by the Representative Director, President and CEO, we will deliberate and make decisions on important policies and measures related to climate change, and report to the Board of Directors. Based on the reported content, the Board of Directors will supervise to check whether identification of risks and opportunities, and measures related to climate change are promoted appropriately.



Strategy

FANUC conducted a scenario analysis targeting mid-term (2030) and long-term (2050) with a 1.5° C scenario, 2° C scenario, and 4° C scenario on the FA Business, Robot Business, and Robomachine Business to identify the risks and opportunities related to climate change, and to check how these will impact FANUC Group businesses. Regarding the scenario analysis, we referred to IEA NZE, IPCC RCP1.9, etc., for 1.5° C, IEA SDS, IPCC RCP2.6, etc., for 2° C, and IEA STEPS, IPCC RCP8.5, etc., for 4° C. For each scenario, we identified the risks and opportunities related to climate change, and quantitatively and qualitatively examined and evaluated the impact on the business.

Among these, we identified the following risks that will have a significant impact on the businesses: "Increase in costs due to introduction of carbon tax," "Increase in costs due to the rise in raw material prices," and "Decrease in demand for a part of FANUC products due to the consumer behavior change and shift to EV/FCV". We also identified the following opportunities: "Increase in demands for FANUC products due to energy saving and automation," and "Increase in demands for FANUC products due to the shift to EV/FCV".

Targets and Initiatives to Achieve Carbon Neutrality

Indentified risks and opportunities		Responses to identified risks and opportunities
Transition risks	● Introduction of carbon taxes will increase costs. ● The rise in raw material prices will increase costs. ● Consumer behavior change and shift to EV/FCV will decrease demand for a part of FANUC products.	● Set up mid-to long-term goals for reducing greenhouse gas (GHG) emissions, and promote energy saving and introduction of renewable energy, etc., in business activities to reduce GHG emissions. ● Promote the support of business continuity plan (BCP) (Multiple production sites and suppliers,etc.) ● Promote the development of products that contribute to customers' energy saving/automation, and that meet the demand from the shift to EV/FCV. ● Promote the development of products that can maintain high performance and high reliability under harsh operating and transportation environments.
Physical risks	● Increasing severity of natural disasters will damage production sites, etc., and as this negatively impacts production. recovery costs will increase.	
Opportunities	● Energy saving/automation will increase demand for FANUC products. ● The shift to EV/FCV will increase demand for FANUC products. ● Demand for FANUC products capable of working under harsh operating and transportation environments will increase due to the influence of rising average temperature.	

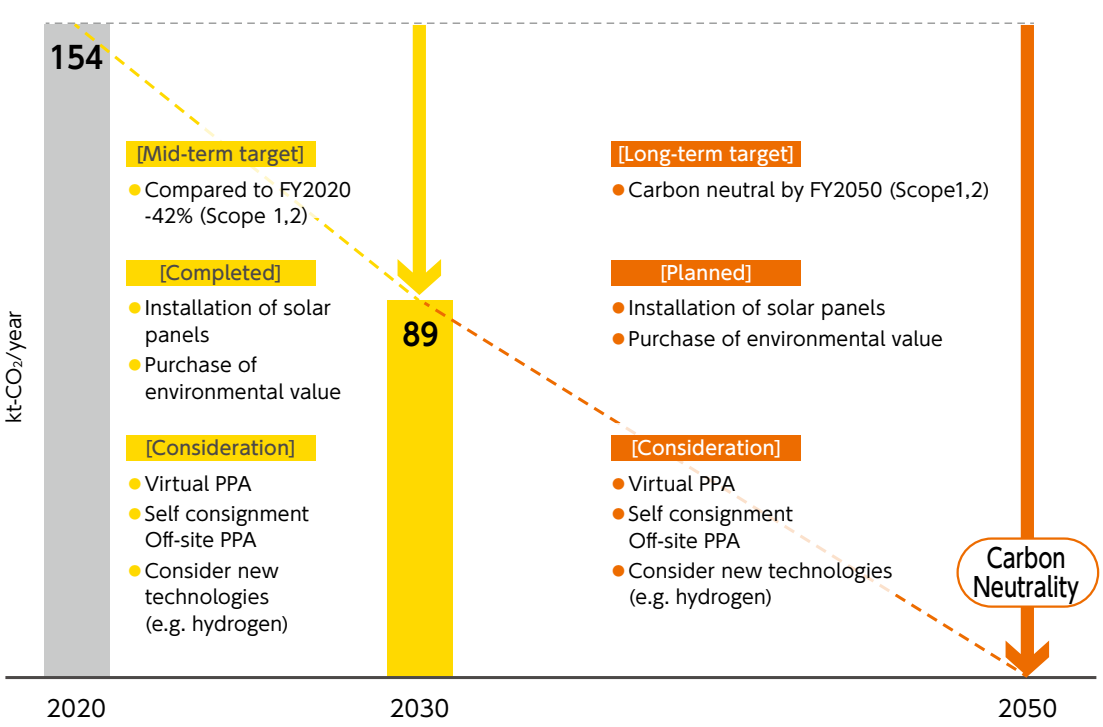
In the 1.5°C and 2°C scenario, the world is expected to undergo major social changes as it transitions to decarbonization. There is a possibility for costs to increase due to the introduction of carbon taxes and rise in raw material prices, but we believe that we can expand the FA Business, Robot Business, and Robomachine Business as energy saving/automation, and the shift to EV/FCV will expand. The 4°C scenario does not promote low carbonization, and increasing severity of natural disasters will be expected due to climate change, such as increases in average temperature. This creates a potential increase in recovery costs as production sites, etc., will be damaged, having a negative impact on production. For these reasons, we will continue to promote the support of our business continuity plan (BCP), and deal with physical risks.

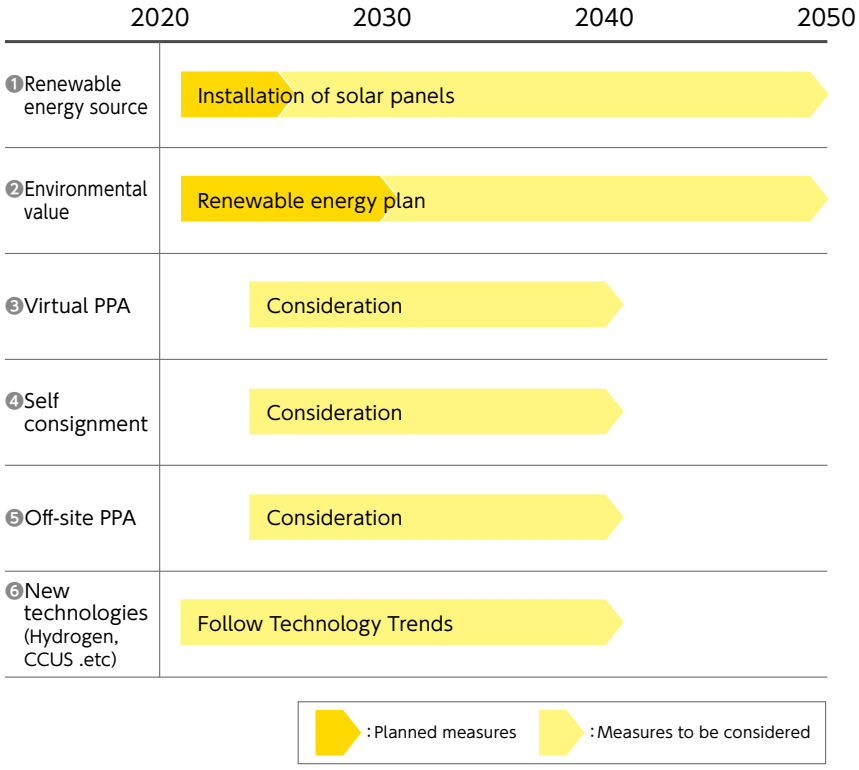
The findings of the scenario analysis on FA Business, Robot Business and Robomachine Business rated these businesses as highly resilient in all scenarios used for the analysis. We will further promote initiatives in order to meet the challenges of identified risks and realize these opportunities in the future.

Targets and Initiatives to Achieve Carbon Neutrality

Roadmap to Carbon Neutrality

FANUC has set a mid-term goal (certified by the SBT Initiative) to reduce its Scope 1,2 emissions by 42% from FY2020 level by 2030, and is promoting efforts to achieve this goal. Toward this goal, we plan to install solar panels and purchase renewable electricity, and expect to invest approximately 9 billion yen. (Amounts are subject to uncertainties and assumptions and may differ from actual results.)



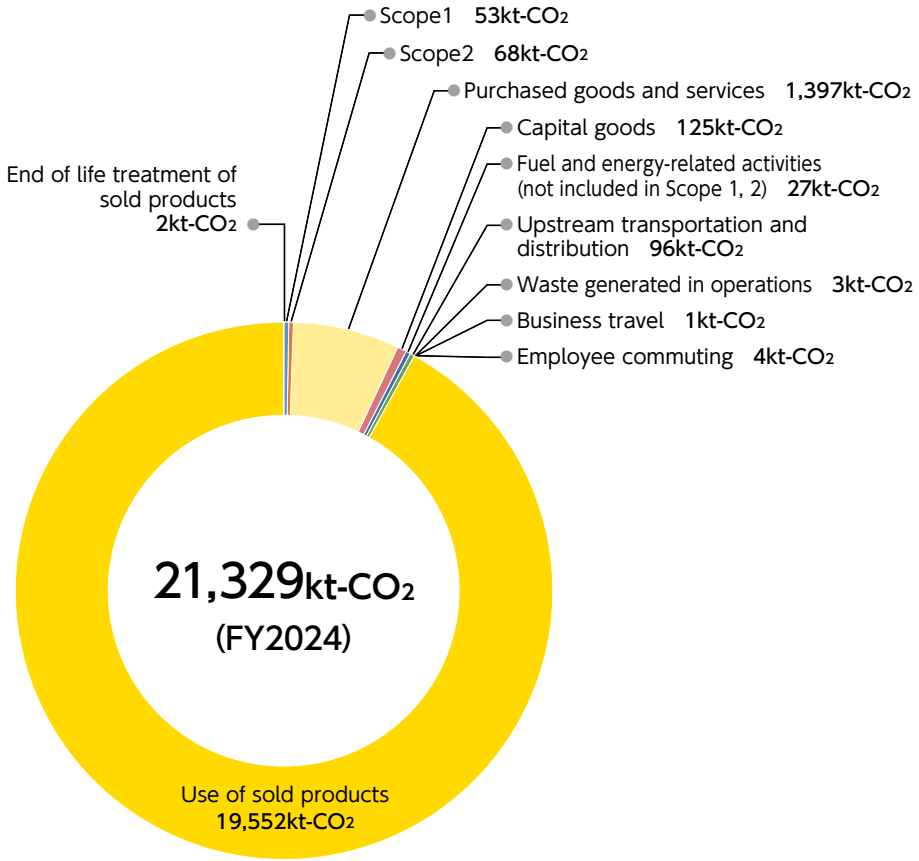


Risk Management

To address risks that may hinder the continuity of our business, the enhancement of our corporate value, or the sustainable development of our corporate activities, FANUC has established a Risk Management Committee and risk management policies, and we are conducting appropriate risk management under the supervision of the Board of Directors. The risks of climate change will also be placed in the rules, and managed.

Targets and Initiatives to Achieve Carbon Neutrality

Metrics and Targets



The FANUC Group's greenhouse gas (GHG) emissions (Scope 1, 2 and 3 Category11) targets and results are as follows:

Unit : kt-CO2

	FY2020 Results (Standard Year)	FY2024 Results (In comparison with FY2020)	2030 Targets (In comparison with FY2020)	2050 Targets
Scope 1, 2	154	122 (−21.2%)	−42%	Zero
Scope 3 Category 11	16,668	19,552 (+17.3%)	−12.3%	—

FANUC has set up a long-term target of reducing GHG emissions from the business activities of FANUC Group (Scope 1, 2) to zero by FY2050. To achieve this long-term target, we have set a mid-term target of 42% reduction of the same emissions by FY2030 (in comparison with FY2020). Regarding Scope 3, we aim for 12.3% reduction of emissions due to the use of sold products (Category 11) by FY2030 (in comparison with FY2020). These mid-term targets are certified by the SBT (Science Based Targets) initiative.

Scope 1 and 2 for FY2024 were 21.2% lower than the base year.
The main reason is that a part of the electricity used in the Headquarters area was switched to electricity derived from renewable energy sources. From FY2022 through FY2025, solar panels are being installed in the Head Office and Mibu area, which is expected to further reduce emissions in FY2024 and beyond.

In FY2024, emissions due to the use of sold products for Scope 3 (Category 11) were increased by 17.3% compared to the base year. This was mainly due to a increase in the sales of our products. We will aim for emission reductions by further improving the energy-saving performance of our FA, ROBOT, and ROBOMACHINE products.

Development of and Engagement with Human Resources: Cultivating human resources to lead the future of the manufacturing industry

FANUC America Employee Named One of the “10 Women Shaping the Future of Robotics in 2025” by the International Federation of Robotics

The International Federation of Robotics (IFR) aims to promote women’s presence in robotics and recognize their achievements. Since 2024, the IFR has been recognizing outstanding women in the robotics industry as the “Women in Robotics – 10 Women Shaping the Future of Robotics.” In 2025, Kari DeSantis, General Manager of Corporate Marketing at FANUC America, was selected for this honor.
DeSantis is engaged in marketing and communications at FANUC America, where she leads the company’s branding initiatives.
The FANUC Group is committed to providing opportunities for its employees to maximize their potential and to cultivating and enhancing human resources who will lead the future of the manufacturing industry.

International Federation of Robotics (press release)
https://ifr.org/ifr-press-releases/news/ifrs-women-in-robotics-2025

Ms. Kari DeSantis
General Manager, Corporate Marketing
FANUC America Corporation

My Career Journey at FANUC

My career at FANUC has been a testament to this dynamic environment of innovation, where growth and fulfillment go hand in hand. From an entry level beginning as a production planner to leading marketing and communications, each step has been marked by valuable lessons, achievements, teamwork and enjoyment.
The world of robotics was initially unfamiliar territory for me. Armed with a degree in marketing, I joined FANUC as a production planner, a role that quickly thrust me into the heart of our operations. This experience introduced me to the concept of “Genmitsu”—the importance of strict precision. It was here that I began to understand the intricacies of our business, products, and customer experience.
My career took a pivotal turn when I had the opportunity to help conceptualize FANUC America’s authorized system integrator network. Managing this program allowed me to blend strategy, creativity, and taught me the importance of relationships. I developed a suite of marketing initiatives designed to foster loyalty and elevate our integrators’ presence in the market.
Through these efforts, I learned the significance of transparent communication “Toumei”, strong partnerships, and the power of authentic marketing content. Even though our integrator network has evolved in size and scope since its inception in 1996, the philosophy and go to market strategy remains unchanged. That level of consistency fills me with pride.
My role in the authorized system integrator group opened doors to broader corporate marketing initiatives. During this time, it became clear that my path was leading me to oversee marketing and communications for FANUC America.
Serving as the head of marketing for FANUC America is tremendously rewarding and a career highlight. I’ve had the privilege of executing global product launch videos for SCARA, CRX, and R-50iA as well as grow our market share in the America’s.
FANUC is a place where talented individuals thrive in diverse roles, contributing to a culture of excellence and innovation. Collaborative relationships with other FANUC regions have been invaluable, and I feel fortunate to be part of a global network of talented, innovative colleagues.
Reflecting on my 30+ year journey, I am proud of the impact I have had at FANUC. I remain challenged and excited about the future, confident that my path at FANUC will continue to bring both professional and personal satisfaction. Looking forward, I aspire to serve on a corporate board sharing my experience, should that opportunity arise.

Development of and Engagement with Human Resources: Cultivating human resources to lead the future of the manufacturing industry

D&I Project

Revitalizing Internal Communications, Aiming to Promote Employee Engagement

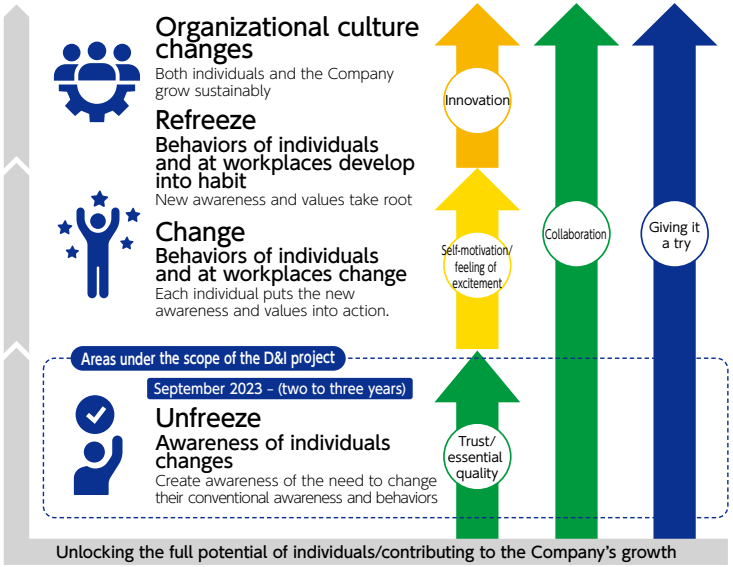
Entering its second year

The D&I project launched in 2024 has entered its second year.
In its second year, the project continues to be led by the Director and CFO, and General Manager of Corporate Finance & Facility Planning Division. The project members consist of both continuing members from the first year and newly joined members, with some changes to the lineup. While maintaining continuity from the first year, the project is advancing the company-wide rollout of D&I initiatives through the addition of new members.

Promotion of D&I at FANUC

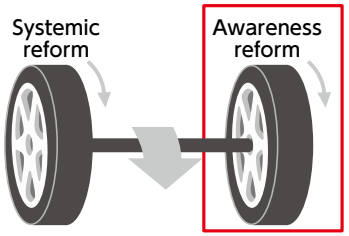
- D&I project roadmap

We will take several years to develop empathy for the promotion of D&I among our employees and forge ahead with a range of initiatives that will help transform the awareness and behaviors of each of them.



- How to proceed with the D&I project

Both systemic and awareness reforms are essential to promoting D&I.
In its initial phase, FANUC's D&I project focuses on an approach aimed at reforming employee awareness.



First Step Toward Achieving Awareness Reform

Horizontal and vertical sharing of awareness
Provide opportunities to have dialogues with key management
➡ Roundtable meetings with key management

Provide opportunities for employees to share their worries and concerns, thereby facilitating communication among them
➡ Discussions among employees

Understanding of status quo
Understand employees' awareness of D&I and their position in regard to the Company's D&I
➡ Employee survey

Turn the identified employee requests and needs into an approach toward realizing better work environments

Activities in 2025

- Discussions among employees

In contrast to the "Roundtable meetings with management" held in summer 2024, which focused on vertical discussions between general managers and employees, the "discussions among employees" were designed to foster horizontal connections, providing opportunities for employees to discuss challenges and concerns among themselves.
To begin, a survey was conducted for all employees (3,776 respondents, with an approximate response rate of 80%) to identify topics of interest. From the results, two themes with particularly high interest, "Discipline & Culture" and "Flextime System" were selected, and discussions on these themes were held with optional participation in December 2024.

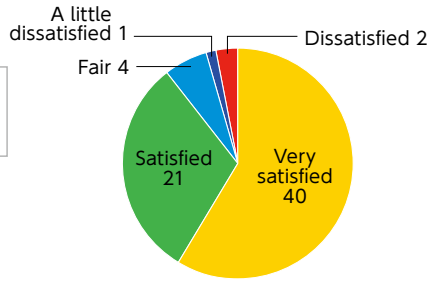
Development of and Engagement with Human Resources: Cultivating human resources to lead the future of the manufacturing industry

Discipline & Culture

Rather than negative opinions about weaknesses, including those related to the corporate culture, many positive opinions were shared, such as views on overcoming weaknesses by leveraging strengths and adapting to the current era.

Participant survey results

Number of participants:	68
Number of respondents:	68

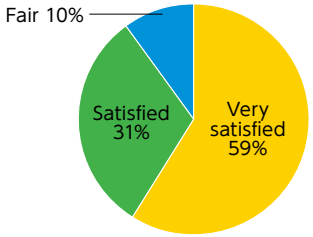


Flextime System

The flextime system offers several benefits, including improved motivation, better work-life balance, and enhanced ability to attract high-caliber talent. However, concerns were also raised, including decreased work efficiency due to a lack of communication and matters related to working hours management.

Participant survey results

Number of participants:	66
Number of respondents:	51



Excerpts from participant feedback

- I felt a strong sense of “love” and a desire to make FANUC even better.
- It was a valuable opportunity to interact with employees from other departments and gain insights from different perspectives. By participating, I felt that providing such forums in itself represents a step toward organizational improvement, and I believe that continuing to increase the number of fans of the D&I project will help transform the company-wide atmosphere.

● President interview series

D&I project members conducted roundtable-style interviews with President and CEO Yamaguchi, which were compiled into a 10-part series and published on the company-wide portal.
A wide range of topics were discussed, including reflections on the CEO’s early career, expectations for current employees, messages to each division, and the future of FANUC.

● Roundtable meetings with the Special Advisor and President

Since October 2025, roundtable meetings with Special Advisor Inaba, President Yamaguchi, and volunteer employees have been held. While the 2024 “Management Roundtable” was held only at headquarters, meetings have also been conducted at the Hino Branch, Tsukuba Factory, Mibu Factory, making it easier for employees at regional sites to participate.

Roundtable meeting with the President (Headquarters)

Roundtable meeting with the Special Advisor (Mibu Factory)

Development of and Engagement with Human Resources: Cultivating human resources to lead the future of the manufacturing industry

Turning new employees' ideas into reality - factory tour for elementary school students in the Headquarters area

In April 2025, we held an idea contest for new employees with the theme, "Ideas for Transforming FANUC." Volunteer new employees presented their proposals to management, and one of them—a factory tour for elementary school students in the headquarters area—was put into action.
We invited a total of 131 fifth-grade students from Oshino Elementary School in Oshino-mura, and Yamanaka Elementary School and Higashi Elementary School in Yamanakako-mura, over two days. After introducing the company, the students toured the factory and had a hands-on experience operating the Collaborative Robot CRX.
CRX is equipped with features that make it easy for first-time users to operate. By using Guided Teaching, even beginners can easily program the robot. Each student took turns operating the CRX to create a cake decoration program, and when the robot reproduced the patterns and speed, the students cheered with excitement and took careful notes on its features.
At FANUC, we provide opportunities that meet the growth aspirations of new and young employees, thereby enhancing employee engagement across the company.


ショールーム


CRX体験

About CRX
https://www.fanuc.co.jp/en/product/robot/model/crx/

Directors (As of June 27, 2025)

				Corporate Management	Research & Development	Internationality	ESG/ Sustainability	HR/Labor/HR Development	Legal/Risk Management	Finance/ Accounting
	**Kenji Yamaguchi** Representative Director, President	April 1993 Joined the Company June 2008 Appointed Executive Vice President (Director) of the Company February 2012 Appointed Senior Executive Vice President (Director) of the Company October 2013 Appointed Senior Executive Vice President (Representative Director) of the Company June 2016 Appointed President and COO (Representative Director) of the Company	April 2019 Appointed President and CEO (Representative Director) of the Company (to the present)	●	●	●	●	●	●	●
	**Ryuji Sasuga** Director	April 1992 Joined the Company April 2004 Appointed Director & Manager, Finance & Accounting Department of Fanuc Europe GmbH January 2010 Appointed Director & CFO of FANUC Europe Corporation March 2012 Joined LIXIL Corporation Seconded to Permasteelisa S.p.A Group Financial Control Manager April 2015 Rejoined the Company Manager, Group Companies Support Department of the Company	July 2015 Manager, Secretary Department of the Company (to the present) June 2017 Appointed Managing Officer of the Company July 2021 General Manager, Corporate Finance Division of the Company (to the present) June 2022 Appointed Senior Managing Officer and CFO of the Company June 2023 Appointed Senior Managing Officer and CFO (Director) of the Company (to the present)	●		●	●		●	●
	**Michael J. Cicco** Director	August 1999 Joined FANUC America Corporation ("FAC") November 2015 Appointed Vice president (Director) of FAC April 2016 Appointed President and COO (Director) of FAC June 2016 Appointed Managing Officer of the Company July 2016 Appointed President and CEO (Director) of FAC (to the present) June 2017 Appointed Senior Managing Officer of the Company June 2020 Appointed Director of the Company (to the present)		●		●	●	●	●	
	**Naoko Yamazaki** Director Outside Director Independent Director Renominated	April 1996 Joined the National Space Development Agency of Japan (currently Japan Aerospace Exploration Agency (JAXA)) September 2001 Authorized as an astronaut to board the International Space Station April 2010 Served as a mission specialist on the Space Shuttle Discovery, and engaged the mission of assembling the International Space Station (STS-131(19A)) March 2016 Appointed Outside Director of Nabtesco Corporation September 2017 Appointed Outside Director of OPTORUN Co., Ltd.	June 2018 Appointed Outside Director of TOPCON CORPORATION (to the present) July 2018 Appointed Representative Director of Space Port Japan Association (to the present) June 2020 Appointed Director of the Company (to the present) June 2021 Appointed President of Young Astronaut Club-Japan (to the present)		●	●	●		●	
	**Hiroto Uozumi** Director Outside Director Independent Director Nominated	April 1975 Joined Hitachi, Ltd. April 2003 General Manager of Nuclear Power Systems Production Division, Nuclear Systems Division, Power and Industrial Systems Group, Hitachi, Ltd. April 2004 Deputy General Manager of Hitachi Works, Power Systems Group and Vice Division Director, Nuclear Power Systems Production, Hitachi, Ltd. April 2005 Deputy General Manager of Air-Conditioning Systems Division, Hitachi Plant Engineering & Construction Co., Ltd. July 2007 Appointed Executive Vice President of Hitachi-GE Nuclear Energy, Ltd.	April 2011 Appointed President and Representative Director of Hitachi-GE Nuclear Energy, Ltd. April 2013 Appointed Vice President and Executive Officer, Hitachi, Ltd. April 2015 Appointed Chairman of the Board of Hitachi-GE Nuclear Energy, Ltd. April 2017 Senior Corporate Officer of Nuclear Energy Business Unit, Hitachi, Ltd. April 2020 Senior Corporate Officer of Nuclear Damage Compensation and Decommissioning Facilitation Corporation June 2021 Appointed President & CEO of Atomic Energy Association June 2022 Appointed Director of the Company (to the present)	●	●	●	●	●	●	

Directors (As of June 27, 2025)

	Corporate Management	Research & Development	Internationality	ESG/ Sustainability	HR/Labor/HR Development	Legal/Risk Management	Finance/ Accounting
 **Yoko Takeda** Director Outside Director Independent Director Newly nominated			●	●	●		●
 **Toshiya Okada** Director who is an Audit and Supervisory Committee Member				●		●	
 **Hidetoshi Yokoi** Director who is an Audit and Supervisory Committee Member Outside Director Independent Director Renominated		●	●	●			
 **Mieko Tomita** Director who is an Audit and Supervisory Committee Member Outside Director Independent Director Renominated				●	●	●	
 **Shigeo Igashima** Director who is an Audit and Supervisory Committee Member Outside Director Independent Director Newly nominated				●			●

Yoko Takeda

April 1994 Joined Bank of Japan
April 2009 Joined Mitsubishi Research Institute, Inc.
April 2012 Chief Researcher, Center for Policy and the Economy, Chief Economist of Mitsubishi Research Institute, Inc.
October 2015 Deputy General Manager, Center for Policy and the Economy, Chief Economist of Mitsubishi Research Institute, Inc.
October 2017 General Manager, Center for Policy and the Economy, Chief Economist of Mitsubishi Research Institute, Inc.
October 2020 Deputy General Manager, Planning and Administration Office, Think Tank Unit
General Manager, Center for Policy and the Economy, Chief Economist of Mitsubishi Research Institute, Inc.
December 2021 Appointed Research Fellow (to the present)
October 2022 Deputy General Manager, Think Tank Unit
General Manager, Planning and Administration Office, Think Tank Unit
General Manager, Center for Policy and the Economy,
Senior Research Fellow of Mitsubishi Research Institute, Inc. (to the present)
June 2023 Appointed Outside Director of Ricoh Company, Ltd. (to the present)
Appointed Director of the Company (to the present)

Toshiya Okada

April 1984 Joined the Company
August 1999 Manager, Legal Department of the Company (to the present)
June 2012 Appointed Senior Vice President *(Director)* of the Company
May 2014 Appointed Executive Vice President *(Director)* of the Company
June 2016 Appointed Executive Managing Officer *(Director)* of the Company
June 2019 Appointed Senior Managing Officer
June 2020 Appointed Managing Officer
June 2023 Appointed Director (Audit and Supervisory Committee Member) of the Company (to the present)

Hidetoshi Yokoi

April 1983 Lecturer, Institute of Industrial Science of University of Tokyo
January 1985 Assistant Professor, Institute of Industrial Science of University of Tokyo
July 1997 Professor, Institute of Industrial Science of University of Tokyo
July 1998 Professor, Center for Collaborative Research of University of Tokyo
April 2005 Director, Center for Collaborative Research of University of Tokyo
April 2008 Professor, Institute of Industrial Science of University of Tokyo
May 2015 Field II Program Officer, Adaptable and Seamless Technology Transfer Program through Target-driven R&D of Japan Science and Technology Agency
March 2019 Retired as Professor, Institute of Industrial Science of University of Tokyo
June 2019 Professor Emeritus of the University of Tokyo (to the present)
Appointed Audit & Supervisory Board Member of the Company
June 2021 Appointed Director (Audit and Supervisory Committee Member) of the Company (to the present)

Mieko Tomita

April 1980 Registered as lawyer (to the present) Joined Nishi and Iseki Law Office (currently Nishi & Partners Attorneys and Counselors at Law)
April 1995 Appointed Auditor of Kanagawa Learning Disability Research Association
April 2001 Appointed Civil Conciliation Commissioner, Tokyo District Court (to the present)
April 2004 Appointed Instructor, Showa Women's University
October 2007 Appointed a member of the National Bar Examination Commission, Code of Civil Procedure
June 2012 Appointed External Audit & Supervisory Board Member of MORINAGA MILK INDUSTRY CO., LTD.
April 2017 Senior Partner, Nishi & Partners Attorneys and Counselors at Law (to the present)
June 2019 Appointed Outside Director (Member of the Audit & Supervisory Committee) of Nisshin Seifun Group Inc. (to the present)
June 2020 Appointed Audit & Supervisory Board Member of the Company
June 2021 Appointed Director (Audit & Supervisory Committee Member) of the Company (to the present)
Appointed Outside Director of TEKKEN CORPORATION (to the present)
Appointed External Audit & Supervisory Board Member of TEPCO Power Grid, Incorporated (to the present)

Shigeo Igashima

October 1990 Joined Chuo Shinko Audit Corporation
August 1995 Registered as a Certified Public Accountant (to the present)
January 1997 Joined Yano Seisakusho Co., Ltd.
August 2004 Representative of Igashima C.P.A. Office (to the present)
November 2004 Registered as a Certified Public Tax Accountant (to the present)
Representative of Igashima Shigeo Tax Accountant Office (to the present)
June 2016 Appointed Outside Director (Audit & Supervisory Committee Member) of AXELL CORPORATION
December 2017 Appointed Outside Director of TAIYO BUSSAN KAISHA, LTD.
June 2023 Appointed Outside Director(Audit and Supervisory Committee Member, Full-time) of AXELL CORPORATION (to the present)
Appointed Director (Audit and Supervisory Committee Member) of the Company (to the present)

Outside Directors/General Managers Roundtable Discussion

Promoting Incessant Technological Innovation and Global Automation with “one FANUC”

Amidst the increase in demand for automation fueled by workforce shortages and rising labor costs, and the mounting pressure to deal with challenges such as climate change, how should FANUC leverage its core technological strengths and utilize new technologies such as AI to help solve these issues? We asked a total of six individuals, including Outside Directors with deep technological expertise and the General Managers of FANUC’s three Research & Development Divisions, to discuss the Company’s competitive advantages, the role it should fulfill, and its ideal state. *This roundtable discussion was conducted on October 27, 2025.

Hiroshi Noda
FA Research & Development Division

Hiroto Uozumi
Outside Director (Nomination and Remuneration Committee Member)

Naoko Yamazaki
Outside Director (Chairman of Nomination and Remuneration Committee)

Hidetoshi Yokoi
Outside Director (Audit and Supervisory Committee Member)

Kenichiro Abe
General Manager, Robot Research & Development Division

Satoshi Takatsugi
General Manager, Robomachine Research & Development Division

How to address social issues such as workforce shortages, rising labor costs, and AI adoption

Yamazaki: In recent years, as the business environment surrounding companies has changed significantly in various aspects, demand for automation has surged to unprecedented levels in manufacturing and a wide range of other industries. This is driven by factors such as the declining working-age population and rising labor costs. This worldwide social issue is a strong tailwind for FANUC, which has consistently pursued automation in production sites since its founding. Nonetheless, FANUC is not immune to the intensifying competition for acquiring human resources to staff production sites. I believe that to broadly address automation needs and solve issues, we must accelerate automation within the Company itself and make greater efforts to enhance productivity and disseminate this expertise more than ever before.

Yokoi: As we advance automation, we should also pay close attention to the rapid rise of AI. As changes in how we live and do business is forced upon us by AI, what will be required of the capital goods FANUC handles? In addition to existing generative AI and AI agents, the emergence of Physical AI, which enables autonomous motion in the physical world, will dramatically transform how manufacturing is performed. At a time when prominent tech companies are accelerating their entry into this area, a major theme, from a researcher’s/engineer’s perspective as well, is how to lead the market by leveraging the competitive advantages we have cultivated through our role in supporting industrial automation, while simultaneously pursuing collaboration with other companies.

Strengths in automation driven by three businesses: FA, ROBOT, and ROBOMACHINE

Uozumi: FANUC has built trusted relationships with customers as a major leader in the automation market, with the three core businesses of FA, ROBOT, and ROBOMACHINE. In the future, to overcome current challenges and lead societal change with our unique sharp-edged technologies without falling into the “trap of success,” our corporate culture and human resource development will undoubtedly become key. How the FANUC Group can achieve breakthroughs united as one is food for thought for the heads of divisions/departments and key management. As an Outside Director with a technical background, I intend to actively make proposals.

Abe: As you pointed out, we have received numerous requests from customers around the world regarding efforts to address labor shortages, improve productivity, and achieve high-

Outside Directors/General Managers Roundtable Discussion

quality manufacturing. We can feel firsthand that demand for automation is clearly increasing. The question now is how to integrate new technologies and elements like AI, IoT, and digitalization. How can we harness technology to accomplish what was previously impossible? As someone working in development, I see this change as a tremendous opportunity, and I am very excited about it.
To spread the use of robots and satisfy automation needs, it is vital to lower the barrier to introducing robots and allow operation that is user-friendly even for first-time users, comparable to the ease of handling a smartphone. This ease of use is highly dependent on advanced technology, and in this context, the Company's strength can be found in our technology for controlling machine tools. The control technology we have accumulated over the years forms the foundation for collaborative robots and AI control that are easy to use even for the digital generation.

Noda: The need for automation differs by country, region, business environment, and the challenges faced. Also, in promoting automation, ensuring safe and secure operation that eliminates stops in production lines is critical, and we recognize that the high reliability that the Company has cultivated comes into play here.
In machine tools, there are two major approaches to automation; "process division," which reduces work time by breaking down and simplifying processes, and "process integration," which completes all processes on a single machine. FANUC offers both technologies to meet customers' needs.
Process integration is a technology that uses multi-function machine tools to complete machining in a single process. It has the advantage of eliminating setup between processes and being adept at automating the machining of complex workpieces. However, the difficulty of tasks, such as setting machining conditions increases, and conversely, operators are required to perform more sophisticated tasks. FANUC utilizes proprietary digital twin technology to significantly reduce operator workload as well as improve machining quality and shorten cycle times through simulation-based machining optimization. Another key element in automation is data utilization. FANUC provides a data platform that gathers, standardizes, and manages data from machines and equipment within factories, contributing not only to improving the efficiency of individual machines but also to the optimization and automation of the entire factory.

Takatsugi: With ROBOMACHINE, development is focused on process integration. This involves completing tasks that previously required multiple machines with only a single machine. For example, with ROBODRILL, we have increased the number of tools, enabling a single machine to handle a variety of machining operations.
As a division that transforms FA technology, our basic product, into concrete form as an applied product, our foremost priority is to closely align with customers' needs. We develop products centered on three key perspectives: enhancing machine performance, achieving ease of use, and ensuring safe and secure operation.

The importance of communicating industry-leading technologies and differentiation from competitors

Yokoi: Based on your comments, I would like to make one suggestion. If you could present the relationship between the three businesses in a way that is easier for users to understand, I feel it would make the Company's industry-leading position and value more convincing. Precisely because each technology is outstanding, the challenge lies in how to connect them and present them as "one FANUC," which is what we look forward to seeing in the future.

Uozumi: Wouldn't an approach like "factory design proposal," which tailors to the scale of customer's factories also be effective? By showing how robots, machine tools, and other equipment should be arranged and connected, I believe the value of "one FANUC" becomes easier to convey. FANUC itself operates large-scale factories, and therefore has a deep understanding of the needs of entire factories and possesses extensive know-how for offering solutions. By making good use of FANUC's own insights, this will bring down the hurdles for customers to adopt automation.

Abe: In terms of the connection between the three businesses, the FA business is based on the basic technology of Numerical Control (NC), and as its applications, we have the two businesses of ROBOT and ROBOMACHINE. For example, at the Company's machining factory, machine tools such as machining centers and lathes equipped with NCs, as well as robots supplying workpieces, operate as an integrated system, embodying the automation model known as "one FANUC." This factory serves as a site for customers to observe automation models when they visit.
In order to propose automation attuned to what our customers want to achieve, we have recently been promoting an approach called "factory diagnostics." We visit our customers'

Outside Directors/General Managers Roundtable Discussion

factories directly to propose where to start automation, identify which areas are easy or difficult to automate, and points to bear in mind when introducing new equipment.

Takatsugi: Allow me to share my experience from an international plastics fair we previously exhibited at. We set up a "molding factory" area ("electric injection molding machine and robot system") and a "machining factory" area ("machining center and wire electric discharge machine (WEDM)") within the Company booth at Makuhari Messe, and connected these areas via an IoT system to our booth at a robot exhibition held at the same time at Tokyo Big Sight. While at Makuhari Messe, we were able to monitor and collect data from a robot operating at Tokyo Big Sight. In this fashion, we have already conducted a demonstration of such an integrated solution, and would like to continue our attempts to help customers actually experience "one FANUC."

Yamazaki: FANUC employees often speak of "aiming to be the world's most efficient factory." In the future, I look forward to seeing how new technologies like AI will be integrated into "one FANUC" which unites our three businesses of FA, ROBOT, and ROBOMACHINE with SERVICE. I have high expectations for a new "one FANUC" that is in tune with the times.

Energy saving through various technologies and initiatives

Yamazaki: Along with promoting automation, addressing climate change, notably CO_2 reduction, is also a critical challenge shared by the world. Particularly, the focus is shifting from reducing CO_2 emission directly generated by the Company (Scope 1 and 2) toward Scope 3 Category 11, which involves CO_2 emission through consumers' use of a company's product. Reducing CO_2 emission in Scope 3 Category 11 is increasingly being demanded of companies, and addressing the entire supply chain will likely be required more and more in the years ahead.

For example, even improving a product's energy-saving performance is not something that can be done overnight. It is achieved through the steady accumulation of technology. We are making energy-saving improvements step by step as we upgrade our products, and I believe reducing energy consumption in such a manner represents a distinctive strength of FANUC.

Abe: Thank you. In terms of environmental initiatives, in addition to company-wide efforts, each business unit is proposing measures to enhance the energy-saving performance of products and reduce waste.

One of our initiatives concerning robots is weight reduction through design. The most effective energy-saving measure is reducing the weight of the robot arm. Previously, a robot with a payload capacity of 10 kg weighed 150 kg, but this weight has now been reduced to about one-third, to become less than 50 kg.

Robots, like automobiles, consume less power by reducing unnecessary acceleration and deceleration and maintaining a constant speed. Here, we use simulation technology to optimize acceleration and deceleration without changing cycle times or trajectories. In terms of maintenance, waste is reduced through modifications in design, as can be seen such as in the optimization of the cycle for replacing cables and grease, where the intervals for replacement have been extended.

Noda: One approach to reducing power consumption in the FA business involves shortening machining time by improving CNC performance. The second is AI thermal displacement compensation technology, which is garnering attention. By using AI to predict and compensate machine thermal displacement, the time it takes for a machine to warm up and the burden of managing temperatures can be reduced, resulting in stable machining and saving energy. Emphasis is also placed on reducing energy consumption throughout the entire lifecycle of machine tools. In addition to the possibility of replacing older machine tools with the latest models which consume less energy, we also aim to provide another option; maintaining the value of machine tools for a long time through our technologies rendering high reliability, and lifetime maintenance services, resulting in the efficient use of resources. As such, we seek to contribute to the circular economy.

Takatsugi: One approach being pursued with ROBOMACHINE is reducing power consumption by shortening machining time and increasing idle or non-operational periods. The previously mentioned AI thermal displacement compensation improves the machine's thermal stability, and allows it to maintain accuracy upon restart even after powering down during lunch breaks or holidays, thus using less power. Furthermore, we are also concentrating on an approach that will reduce power consumption through "visualization" utilizing a power consumption monitor developed for ROBOSHOT.

Yokoi: I believe the Company's early efforts to address Scope 3 Category 11 are highly forward-looking and deserve strong recognition. However, as other companies follow suit, how does it compare to similar technologies in the market? As an engineer, I honestly hope to see

Outside Directors/General Managers Roundtable Discussion

demonstrative data used to assess actual differences. What are your thoughts on the differences compared to other companies?

Noda: For example, our AI thermal displacement compensation employs a completely different concept from conventional technologies in that it does not depend on the machine's structural design. In fact, the increasing number of cases where it is used in various types of machinery illustrates this characteristic. However, it is true that because this is a new concept, it is difficult to make numerical comparisons with conventional technologies. As you mentioned, it is important for engineers to not only understand the differences in concept but also consider how customers can benefit, and to be accountable in explaining.

Takatsugi: Actually, at an exhibition, when I explained the use of AI thermal displacement compensation citing specific figures and said, "Simply stopping the machine during lunch break can save a considerable amount of energy," I received positive response. Engineers tend to hesitate to mention anything they cannot guarantee 100%, but at that time, I recognized the importance of numbers in demonstrating effectiveness.

Yamazaki: At exhibitions, besides presenting individual products, showing environmental-friendly initiatives collectively should be highly regarded, wouldn't you agree? Further refining our presentation methods while leveraging data from each scope should also offer advantages in advancing DX within the Company. Additionally, I would very much like to have not only CO_2 reduction efforts but also the afore-mentioned contributions to the circular economy communicated widely.

Proposals integrating the latest technologies that only FANUC can deliver

Yamazaki: The range of automation is expanding across diverse fields, including logistics, food, agriculture, construction, aviation, and recycling. Recently, even in the space sector where I am involved, the needs for space development are diversifying beyond just launching rockets and satellites, presenting FANUC with a broad range of opportunities to contribute.
In light of these circumstances, in addition to practicing "one FANUC," it will be crucial to adopt a "one site" approach going forward, which involves integration with technologies from other companies, focusing on the sites where our technology is applied, to improve society as a whole. Also, as a pioneer that has so far challenged regulations and standardization in the roll out of new businesses, I have high expectations for the Company to contribute to standardization as new technologies such as Physical AI are introduced.

Yokoi: Allow me to make two proposals. First, to explore the potential of technologies such as Physical AI. I would like to see the construction of an "experimental factory" integrating all the latest technologies and make it accessible both internally and externally. By building it not solely for profit, but as a space for developing new technologies, nurturing human resources, promoting innovation, and taking on challenges, it could become a significant asset for society in the years ahead.
Second, when entering new fields such as logistics, agriculture, and construction, I would seriously like the Company to consider establishing collaborative projects or venture-like organizations with innovators in those fields to increase the likelihood of success. As competition intensifies, I hope FANUC will challenge further transformation with strong determination.

Uozumi: Perhaps it would be good to present the big picture envisioned by FANUC, such as the "dream factory" or "dream industry," as the "ideal state." I think soliciting ideas through internal competitions is a good approach. Through the accumulation of trying out such approaches, we can identify the necessary technological elements and requirements to expand into new markets.

Abe: While automation progresses across diverse fields such as logistics, agriculture, and recycling, we are already collaborating and partnering with companies that have engineers who specialize in each field. Also, regarding the ideal factory, when we create a new production line at the Company, we always aim for it to be the world's best, discussing not only with R&D, but also with the Production Division to come up with the "next form." I would like to continue developing our concept of the "ideal state" for the actual implementation of Physical AI which will play a crucial role in our endeavors, and also to broaden the perspectives of our young engineers, with an eye toward the future. Thank you for your meaningful proposals today.

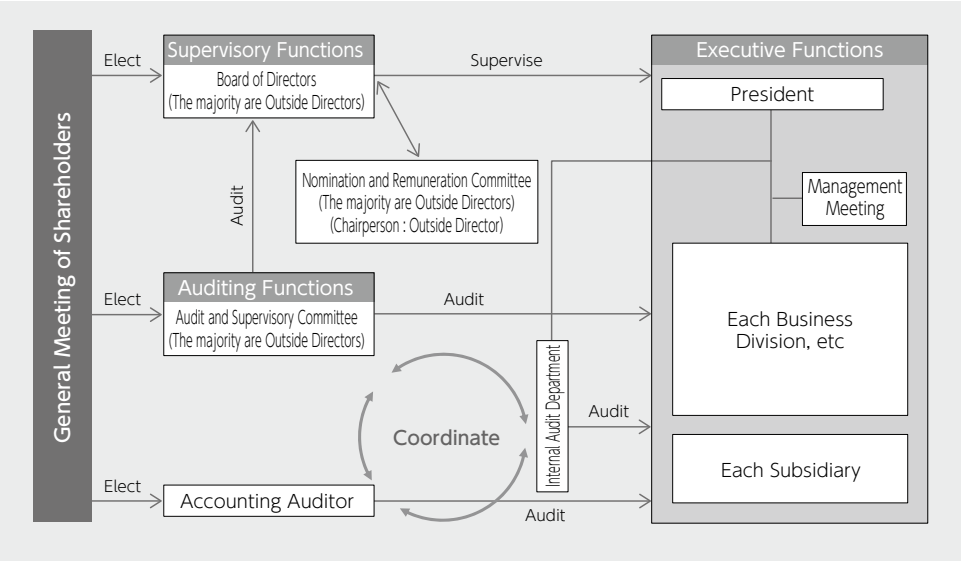
Please visit our website for information on FANUC's latest initiatives in Physical AI.
https://www.fanuc.co.jp/en/product/new_product/2025/202512_robot_physicalai.html

Enhancing Corporate Governance

Basic Approache

FANUC has always worked on enhancing corporate governance based on our Basic Principle of "Strict Preciseness and Transparency." In 2021, as we proceed in separating our supervisory function and executive functions, in order to further strengthen the supervisory functions of the Board of Directors and speed up management decisions, we transitioned to a Company with an Audit and Supervisory Committee, which allows us to establish Audit and Supervisory Committee consisting of Directors who are Audit and Supervisory Committee Members and to expand the delegation of decision-making authority for business execution from the Board of Directors to Directors. Since then, as a Company with an Audit and Supervisory Committee, we have been working to further strengthen the supervisory function of the Board of Directors and speed up management decision-making, including by further developing related regulations.
In addition, FANUC has established the Nomination and Remuneration Committee, a majority of which comprises Independent Outside Directors, and is chaired by an Independent Outside Director. By increasing the objectivity and transparency of the appointment and evaluation of Directors, this committee ensures the strict preciseness and transparency of supervisory functions to management.

Corporate Governance System



ESG Initiatives: Governance

2014
Implemented the Executive Officer System

2015
Established the SR Department (currently PR and SR department)
Started SR engagements with institutional shareholders
Created the Corporate Governance Guidelines
Increased the number of Outside Directors (1 to 3 members)

2016
Implemented Corporate Governance Code principles (Full Compliance)

2018
Used a third party in our evaluation of the Board of Directors
Established the Voluntary Nomination and Remuneration Committee

2019
Increased the ratio of Outside Directors (23% to 27%)
An Independent Outside Director was appointed Chair of the Nomination and Remuneration Committee

2020
Appointment of female Director and female Audit and Supervisory Board Member
Increase in the ratio of Outside Directors to one-third

2021
Transition to a company with an Audit & Supervisory Committee/ Appointment of two female Directors
Increase in the ratio of Outside Directors to more than one-half
Introduction of the Restricted Stock Remuneration System

2023
Increase in the ratio of female Directors (18% to 27%)

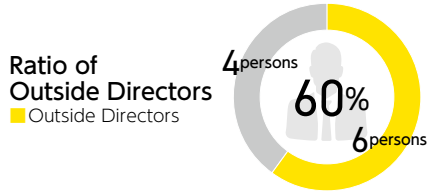
2024
Incorporating non-financial metrics as benchmarks to determine the remuneration for Directors
Applicable not only to internal Directors but also to other executives such as Managing Officers to incentivize them to improve "Employee Engagement", "ESG Evaluation Score" and "GHG Emission Reduction."

2025
Increase in the ratio of female Directors (27% to 30%)
Increased the ratio of Outside Directors (55% to 60%)

Enhancing Corporate Governance

Promotion Framework and Initiatives

- As a company with an Audit and Supervisory Committee, we have separated the Board of Directors (supervisory function) from the management side (executive function) to maintain the independence of each.
- The ratio of Outside Directors and the diversity ratio of the Board of Directors are as follows.



- Three of the four Audit and Supervisory Committee Members are Outside Audit and Supervisory Committee Members, one of whom is a woman.
- We continue to periodically review the contents of the Board of Directors and the Audit & Supervisory Committee from the perspectives of whether the independence of the Board of Directors and management is maintained, whether the effects of diversity are evident, and whether discussions in the Board of Directors and the Audit & Supervisory Committee are active, and make improvements as necessary.

Criteria for Independence of Outside Directors and Outside Audit & Supervisory Board Members

With regard to Independent Outside Directors and Outside Audit & Supervisory Board Members, 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 ofthe 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

- Candidates shall be expected to have an attendance rate of at least 75% at Board Meetings.
- The appointment and dismissal of the candidates for directors, including the President and CEO, shall be conducted by the Board of Directors after consultation with the Nomination and Remuneration Committee, which is chaired by independent outside director and the majority of which is composed of independent outside directors.

Nomination and Remuneration Committee

With respect to appointment and dismissal and remuneration, etc. of Directors, we have established the Nomination and Remuneration Committee, the majority of which is composed of Independent Outside Directors, to secure the objectivity and transparency, etc. of procedures through the deliberation by this Committee.

〈Member〉
Outside Director Naoko Yamazaki (Chairman)
Outside Director Hiroto Uozumi
Outside Director Yoko Takeda
Outside Director who is an Audit and Supervisory Committee Member Mieko Tomita
Representative Director, President and CEO Kenji Yamaguchi
Director, Senior Managing Officer and CFO Ryuji Sasuga

Frequency of Board of Directors, Audit Committee Meetings and Nomination and Remuneration Committee

- In addition to the Board of Directors meets once a month in principle, it also meets as needed. (The Board of Directors held a total of 12 meetings in FY2024)
- Attendance of individual Directors at meetings of the Board of Directors and other meetings is as follows (FY2024).

	Board of Directors meetings	Audit & Supervisory Board meetings	Nomination and Remuneration Committee
Kenji Yamaguchi	12 of 12	-	3 of 3
Yoshiharu Inaba	12 of 12	-	3 of 3
Ryuji Sasuga	12 of 12	-	-
Michael J. Cicco	12 of 12	-	-
Naoko Yamazaki	12 of 12	-	3 of 3
Hiroto Uozumi	12 of 12	-	3 of 3
Yoko Takeda	12 of 12	-	3 of 3
Toshiya Okada	12 of 12	13 of 13	-
Hidetoshi Yokoi	12 of 12	13 of 13	-
Mieko Tomita	12 of 12	13 of 13	3 of 3
Shigeo Igashima	12 of 12	13 of 13	-

Enhancing Corporate Governance

Directors' Remuneration

1. Matters concerning the Policy for Determining the Details of Remunerations for Individual Directors

The Company has established a policy for determining the details of remunerations for individual Directors (excluding the Directors who are Audit and Supervisory Committee Members; the same applies hereinafter in this paragraph) (hereinafter, "Policy") in place as outlined below: (Resolved at a meeting of the Company's Board of Directors held on June 27, 2024)

- Fixed remunerations shall be determined according to the position of each Director.
- Performance-based remunerations shall be linked to the current net income attributable to the shareholders of the parent company as in the case of shareholder returns in principle, and paid according to evaluation standards, with 20% of the amount of performance-based remunerations reflecting non-financial indicators. "Employee Engagement", "ESG Evaluation Score" and "GHG Emission Reduction" are applied as such evaluation standards.
- Stock-based remuneration shall be provided as remuneration of restricted stock, taking various factors, such as the degree of contribution of the Director, into consideration in a comprehensive manner.
- Remuneration for Directors comprises fixed remuneration, performance-based remuneration and stock-based remuneration whose ratios shall be set considering his/her position, responsibility, performance, etc., in a comprehensive manner.
- Remuneration of Outside Directors shall comprise fixed remuneration only.

The Policy shall be determined by a resolution of the Board of Directors.
The performance indicator selected as the basis for calculation of amounts of performance-based 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.
Furthermore, the actual performance of the indicator relating to performance-linked remuneration for fiscal 2022 was net income attributable to owners of parent of ¥155.3 billion in fiscal 2021. Performance-linked remuneration is not tied to the degree to which targets for indicators relating to performance-linked remuneration are met, and so therefore we did not set any targets for indicators relating to performance-linked remuneration.
As for remunerations for the Directors who are Audit and Supervisory Committee Members, the amount of remuneration for the individual Directors who are Audit and Supervisory Committee Members shall be determined by consultation among the Directors who are Audit and Supervisory Committee Members.

2. Matters concerning Resolution of Shareholders' Meeting on Remunerations for the Directors

With respect to the aggregate amount of remunerations for the Directors (excluding the Directors who are the Audit and Supervisory Committee Members), it was approved at the 52nd Ordinary General Meeting of Shareholders held on June 24, 2021 that it shall be capped at the sum of (a) the fixed remuneration limit and (b) the performance-based remuneration limit specified below. Further, it was also approved that, in addition to (a) and (b), (c) stockbased remuneration may be provided to the Directors except for the Outside Directors.

- (a) Fixed remunerations of 800 million yen or less annually (including 100 million yen or less annually for the Outside Directors);
- (b) Performance-based remunerations of an amount equivalent to 0.7% or less of the current net income attributable to the shareholders of the parent company for the fiscal year immediately preceding the Meeting of Shareholders at which they are appointed or reappointed (but not exceeding an amount equivalent to three years of fixed remunerations);
- (c) The aggregate amount of monetary remuneration claims provided as stock-based remuneration (remuneration regarding restricted stock, etc.) shall be 350 million yen or less annually. Total number of such restricted stocks allotted for each fiscal year shall be capped at 28,000 shares.

As of the conclusion of the Ordinary General Meeting of Shareholders, the number of Directors (excluding the Directors who are the Audit and Supervisory Committee Members) is six (6), and it is three (3) excluding the Outside Directors. As for the aggregate amount of remunerations for the Directors who are the Audit and Supervisory Committee Members, it was approved at the 52nd Ordinary General Meeting of Shareholders held on June 24, 2021 to be capped at 200 million yen annually.
As of the conclusion of the Ordinary General Meeting of Shareholders, the number of Directors who are Audit and Supervisory Committee Members is five (5).

3. Matters concerning Determination on the Details of Remunerations for Individual Directors (excluding the Directors who are the Audit and Supervisory Committee Members)

When reviewing remuneration standards, the Company selects benchmark companies and also refers to remuneration standards that takes into consideration results of surveys conducted by external third-party professional organizations. At the Company, the Board of Directors then determines the details of the amount of remunerations for the Directors (excluding the Directors who are the Audit and Supervisory Committee Members) after consultation with the Nomination and Remuneration Committee majority of which are independent Outside Directors and chaired by an Outside Director. Since the amounts of remunerations for individual Directors are determined through such procedures, the Board of Directors judges that their details are in line with the Policy.

Enhancing Corporate Governance

Analysis and Evaluation of Board of Directors Effectiveness

1. Evaluation Policy
   In order to provide indispensable values throughout the world and to continue to be a company that is trusted by stakeholders, we place great importance on corporate governance and thoroughly adhere to our basic principle, "Genmitsu (Strict Preciseness) and Tomei (Transparency)," making every effort to further strengthen supervisory functions, expedite decisions on business execution and improve management efficiency. As part of this effort, we evaluate the effectiveness of the Board of Directors every year.
2. Evaluation Process
   The evaluation for the fiscal year 2024 was conducted based on insights given by external consultants for the purpose of understanding issues recognized by each director related to issues to be addressed, for example, matters deemed key to the effective fulfillment of roles and responsibilities of the Board of Directors (such as the structure and management of the Board of Directors and discussions on strategies), and also for the purpose of objectively confirming whether the Board of Directors is effectively fulfilling its role as expected by our shareholders and other stakeholders.
   We also confirmed the status of its efforts to address the issues recognized in the evaluation of the effectiveness of the Board of Directors of the previous fiscal year. In the evaluation, external consultants conducted a questionnaire survey of all directors, and then based on the results of analysis compiled by those consultants, our Board of Directors conducted reporting and discussions.
3. Summary of Evaluation Results
   Considering the results of analysis compiled by external consultants, our Board of Directors analyzed and evaluated the effectiveness of the Board of Directors as follows:
   (1) Considering the current business environment facing the Company, as it is particularly expected of our Board of Directors to "supervise execution" and "candidly express opinions and proposal and multi-dimensional discussions about, for example, issues that are key to execution and issues that are deemed important by stakeholders," the Board of Directors was confirmed as functioning effectively with high ratings given to the fact that it is composed of a diverse group of members who are ideal for fulfilling such functions and active discussions are held, and so on.
   (2) In the evaluation of the effectiveness of the Board of Directors of the previous fiscal year, we recognized the following two points as issues:
      (i) Supervision of the performance of duties by the execution side and presentation of opinions to strengthen the organizational structure to respond to significant changes in the external environment
      (ii) Supervision of the performance of duties by the execution side and presentation of opinions to create a corporate culture and atmosphere that respect the spirit of challenge for sustainable growth of the Company
      We recognize that, while actions relating to the strengthening of human resources, etc., are in place, we need to continuously address these issues.
   (3) Further, through the current fiscal year's evaluation, we have recognized (i) the need to provide opportunities to deliberate further on the plan regarding successors, such as the CEO, and (ii) the need to deepen discussions with the execution side on long-term management strategies and return on capital.

Our Board of Directors will constructively address the matters stated in (2) and (3) above and aim to contribute to sustainable growth of the Company.

Enhancing Corporate Governance

Information about dialogue with shareholders in FY2024

- Main personnel carrying out dialogue with shareholders

CEO: 4 results briefings, 23 individual meetings (FY2023 results: 4 times, 22 times)
CFO: 64 individual meetings (60 times)
Public Relations / Shareholder Relations Dept.: 71 individual interviews (72 times)
Securities firm-sponsored tours: Held 5 times (2 times)

- Overview of shareholders with whom dialogue was held

		FY2024 results	FY2023 results
Domestic / Foreign (people)	Domestic	247	192
	Foreign	76	72
	Total	323	264
Areas of responsibility of counterparties (people)	Fund manager	119	99
	Analyst	138	121
	Responsible for ESG	6	16
	Voting officer	12	9
	Other	48	19
	Total	323	264

- Main topics of dialogue and items of interest to shareholders

Business
- FANUC ROBOCUT for Europe being Subject to Tests which were Non-Compliant with EMC Harmonized Standards
- Economic trends, business environment
- Medium- and long-term targets
- Targeted profit margin level
- Production capacity expansion plans

ESG
- Carbon neutrality initiatives
- Employee engagement and diversity initiatives
- Board diversity

Financial and capital policy
- Holding level of cash and cash equivalents
- Cost of Capital and ROE

- Feedback of shareholders' views and concerns to management and the board of directors

Report on the content of the dialogue to management as required, and report on the opinions and concerns raised by shareholders during 2024 at the Board of Directors' meeting in May 2025.

- Actions taken based on the dialogue and feedback
  - In January 2024, Diversity & Inclusion project launched to improve employee engagement.
  - The application of non-financial indicators to executive remuneration was discussed at the Nomination and Remuneration Committee in May 2024, and the Board of Directors decided to introduce the indicators at its meeting in June 2024.
  - Regarding the EMC Directive non-compliance testing of our Robocut products for the European market in FY2024, the Quality Management Division, Human Resources Division, and Compliance Committee will continue working on preventive measures and consider disclosing the progress.

Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

1. Early Notification of General Shareholder Meeting
   The Notice of Convocation of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2025 held on June 27 was sent on June 6.
   In addition, the Company posted the same Notice on its website prior to its delivery on May 30.
2. Exercise of Voting Rights by Electronic Methods
   Shareholders can cast their votes from the website for exercise of voting right for General Meeting of Shareholders designated by the Company.
3. Participation in Electronic Voting Platform and Other Efforts to Enhance the Environment for the Exercise of Voting Rights by Institutional Investors
   The Company participates in an electronic voting platform
4. Provision of Convocation Notice (Summary) in English
   For the convenience of foreign shareholders, the Company prepared an English translation of the Notice of Convocation of the Ordinary General Meeting of Shareholders for referential purpose.
5. Others
   The Notice of Convocation of the Ordinary General Meeting of Shareholders has been posted on the Company's website.

Basic Policy on Return of Profit to Shareholders

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

1. Dividends
   We have set a 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 investments for growth.

Enhancing Corporate Governance

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.

Share Buyback

FANUC CORPORATION announces that the period for FANUC CORPORATION's share buyback of its common shares resolved at the Board of Directors Meeting of April 24, 2024, ended on April 30, 2025.

Details of share buyback resolved at the Board of Directors Meeting on April 24, 2024 and actuals

	Resolutions	Actuals	Consumption Rates
Total number of shares for buyback	Up to 12.5 million shares	12,430,400 shares	99.4%
Aggregate amount of shares for buyback	Up to 50 billion yen	49,542,988 yen	99.1%
Buyback period	May 1, 2024 – April 30, 2025		

At the meeting held on April 23, 2025, the Board of Directors of FANUC CORPORATION authorized the repurchase of its common shares pursuant to Article 156 of the Company Act as applied pursuant to paragraph 3 of Article 165 of the Company Act, as described below.

1. Purpose of share buyback:
To maintain the flexibility and mobility of the company's capital policy, in response to changes in the management environment
2. Method of share buyback:
Market purchase on the Tokyo Stock Exchange
3. Summary of share buyback:

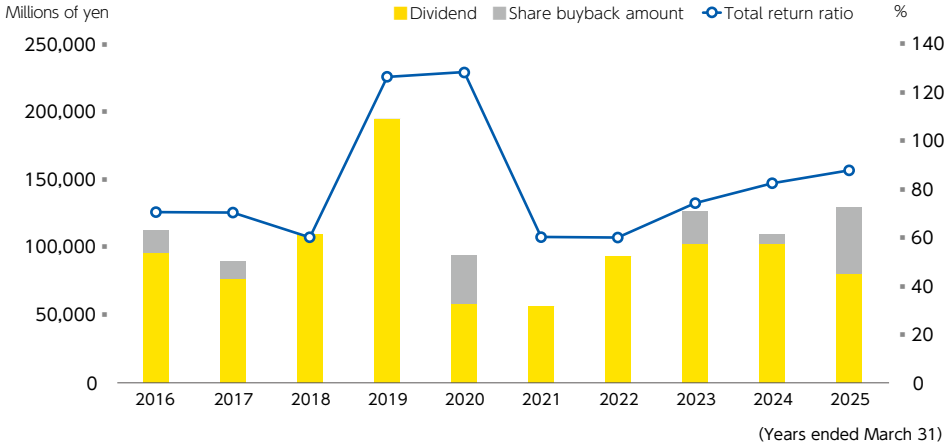
Class of shares to be repurchased	Common shares
Total number of shares to be repurchased	Up to 12.5 million shares (1.34% of outstanding shares*)
Aggregate amount of shares to be repurchased	Up to 50 billion yen
Buyback period	May 1, 2025 – April 30, 2026

(For your Reference) Status of treasury shares as of March 31, 2025.
- Number of outstanding shares* (*Excluding treasury shares) 933,264,319 shares
- Treasury shares 62,154,566 shares

Cancellation of Treasury Shares

Date of cancellation	Number of shares to be cancelled	% of the shares outstanding before cancellation
May 31, 2024	7,655,104 shares	0.76%

Dividend payout ratio and total return ratio



Corporate Profile

Outline

Company Name FANUC CORPORATION

Established 1972

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)

Number of employees The Company 4,793
The FANUC Group 10,113

Principal Subsidiaries FANUC America Corporation, FANUC Europe Corporation, KOREA FANUC CORPORATION, TAIWAN FANUC CORPORATION, FANUC INDIA PRIVATE LIMITED, SHANGHAI-FANUC Robomachine CO., LTD., FANUC PERTRONICS LTD, FANUC SERVO LTD

Principal Affiliated Companies BEIJING-FANUC Mechatronics CO., LTD., SHANGHAI-FANUC Robotics CO., LTD.

Matters Concerning the Shares of the Company (Years ended March 31)

Total number of shares authorized to be issued by the Company 2,000,000,000 shares

Total number of issued shares 995,418,885 shares

Number of shareholders 80,518

The ten largest shareholders

Name	Number of shares (In thousands)	Percentage of equity participation (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	223,659	24.0
Custody Bank of Japan, Ltd. (Trust Account)	96,899	10.4
Citibank, N.A. - NY, as Depositary Bank for Depositary Shareholders	26,141	2.8
JPMorgan Chase Bank 380055	24,638	2.6
State Street Bank and Trust Company505001	22,138	2.4
State Street Bank West Client - Treaty 505234	19,557	2.1
ステート ストリート バンク アンド トラスト カンパニー 505103	16,416	1.8
ビーエヌワイエム アズ エージーティ クライアンツ 10 パーセント	15,303	1.6
JPMorgan Chase Bank 385781	14,867	1.6
The Bank of New York Mellon 140040	14,836	1.6

Note: The percentages of equity participation are calculated after subtracting the number of treasury shares (62,155 thousand shares) from the total number of issued shares.

External Recognitions

Inclusion in Major ESG Stock Indexes

- FTSE JPX Blossom Japan Index
  (2020年～)

FTSE JPX Blossom Japan Index

- FTSE4Good Global Index
  (2021年～)

FTSE4Good

- FTSE JPX Blossom Japan Sector Relative Index
  (2022年～)

FTSE JPX Blossom Japan Sector Relative Index

FTSE Russell confirms that FANUC CORPORATION has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE4Good, the FTSE JPX Blossom Japan Index and the FTSE JPX Blossom Japan Sector Relative Index. Created by the global index and data provider FTSE Russell, the FTSE JPX Blossom Japan Index is designed to measure the performance of companies demonstrating specific Environmental, Social and Governance (ESG) practices. The FTSE4Good, the FTSE JPX Blossom Japan Index and the FTSE JPX Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

- MSCI Japan ESG select leaders index
  (2022～)

2025 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

- MSCI Japan SRI Indexes
  (2022～)

- S&P/JPX carbon efficient index
  (2018～)

S&P/JPX Carbon Efficient Index

THE INCLUSION OF FANUC CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF FANUC CORPORATION BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

Sustainability Assessment

- MSCI

Since 2023, Fanuc received a MSCI ESG rating of AAA.

MSCI ESG RATINGS AAA

CCC | B | BB | BBB | A | AA | AAA

THE USE BY FANUC CORPORATION OFANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF FANUC CORPORATION BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

- CDP

In 2025, FANUC was evaluated "A" in the Climate Change program and the Water Security program by the CDP.

CDP A List 2025

- Sustainalytics

In 2025, FANUC CORPORATION received an ESG Risk Rating of 26.6 and was assessed by Sustainalytics to be at Medium risk of experiencing material financial impacts from ESG factors.

SUSTAINALYTICS a Morningstar company RATED

Endorsement of Initiatives

- The Task Force on Climate-Related Financial Disclosures (TCFD)

FANUC expressed its support for the Task-Force on Climate-related Financial Disclosures and its recommendations in December 2021.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

- SBT (Science based targets)

Targets to reduce GHG emissions by FY 2030 are certified by the SBT (Science Based Targets) initiative.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Evaluation of Innovation

- Clarivate Top 100 Global Innovator 2026

FANUC has been selected as a top 100 global innovators for 2026 by the global leader in providing information and analytics, Clarivate Plc, on January 2026.
This is the 7th time and 5th consecutive year that FANUC has been listed.

Top 100 Global Innovator 2026 Clarivate

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