

(TRANSLATION)

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(Securities code: 6954)
June 8, 2017

To Our Shareholders

Kenji Yamaguchi
Representative Member of the Board
President
FANUC CORPORATION
3580, Shibokusa Aza-Komanba, Oshino-mura,
Minamitsuru-gun, Yamanashi Prefecture

**Notice of Convocation of
The 48th Ordinary General Meeting of Shareholders**

Dear Shareholders,

You are cordially invited to attend the 48th Ordinary General Meeting of Shareholders of FANUC CORPORATION. The meeting will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights by either of the following methods. Hence, please review the Reference Materials for the Ordinary General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. (Japan time), Wednesday, June 28, 2017.

[Exercise of voting rights by Voting Rights Exercise Form]

Please indicate your votes for or against each of the proposals in the enclosed Voting Rights Exercise Form and return the form to us by the above-mentioned deadline.

[Exercise of voting rights by electronic methods (the Internet)]

Please access the website (<http://www.tosyodai54.net>) and enter your votes for or against each of the proposals in accordance with the guidance on the screen by the above-mentioned deadline. If you have any questions, please contact the administrator of FANUC CORPORATION's shareholder register, Tokyo Securities Transfer Agent Co., Ltd. (Phone: 0120-88-0768).

Description

1. **Date:** Thursday, June 29, 2017, 10:00 a.m.
2. **Place:** Main Hall, FANUC Headquarters, 3580, Shibokusa Aza-Komanba, Oshino-mura, Minamitsuru-gun, Yamanashi Prefecture
3. **Agenda of the Meeting**
 - Matters to be reported:** Report on the business report, the non-consolidated financial statements, the consolidated financial statements and the results of audit of the consolidated financial statements by the Accounting Auditors and the Audit & Supervisory Board for the 48th fiscal year (from April 1, 2016 to March 31, 2017).
 - Matters to be resolved:**
 - Item 1:** Dividends of Surplus
 - Item 2:** Partial Amendment to the Articles of Incorporation
 - Item 3:** Election of Thirteen (13) Directors

4. Other Matters Determined Concerning the General Meeting of Shareholders

- (1) If voting rights are exercised by both the enclosed Voting Rights Exercise Form and the electronic method, the votes exercised by the electronic method shall be effective.
- (2) If voting rights are exercised twice or more by electronic methods, the votes last exercised shall be effective.

* **When attending the meeting, please hand the enclosed Voting Rights Exercise Form to the receptionist.**

* Part of the Attachments to the Notice of Convocation of the General Meeting of Shareholders to be provided to you shall be deemed to be delivered to you by posting them on our Internet website (<http://www.fanuc.co.jp>).

* In the event of any revision of the Attachments to the Notice of Convocation of the General Meeting of Shareholders and the Reference Materials for the Ordinary General Meeting of Shareholders, it will be posted on our Internet website (<http://www.fanuc.co.jp>).

Attachments to the Notice of Convocation of the General Meeting of Shareholders

BUSINESS REPORT (April 1, 2016 through March 31, 2017)

1. Summary of Current Status of the FANUC Group

(1) Business trends and achievements

During this period, the business environment surrounding the FANUC Group was marked by steady demand for capital investment in the Americas, and unchanged levels of demand in Japan and Europe. In China and other Asian economies, signs of recovery were observed from around the end of the period.

Under these circumstances, the FANUC Group strived to earn customer trust in our products and services to an even greater extent, by becoming united as one group under the slogans “one FANUC,” “Reliable / Predictable / Easy to Repair,” and “Service First.” In addition, we pushed ahead with initiatives to stabilize and further develop our future business, by proceeding with the application of AI technology to our products as well as accelerating support for IoT mainly through preparations for the startup of the FIELD system (FANUC Intelligent Edge Link and Drive system).

During the fiscal year ended March 31, 2017, FANUC posted consolidated net sales totaling ¥536,942 million, down 13.9%, consolidated ordinary income totaling ¥168,829 million, down 26.4%, and consolidated net income totaling ¥127,697 million, down 20.0%, compared with the previous fiscal year.

(Note): “Net income” in “Summary of Current Status of the FANUC Group” means “Net income attributable to shareholders of parent company” in the Consolidated Statement of Income.

Regarding capital investment of this period, we completed the construction of new factories for CNCs, servo motors and others in Mibu-machi, Tochigi Prefecture. Production in these factories was commenced partially in last October. Furthermore, we proceeded with the acquisition of a site for a new robot factory in Chikusei City, Ibaraki Prefecture in order to meet the growing demand for robots in the future. We also pushed ahead with the continued expansion of R&D facilities for the purpose of pursuing “enhanced reliability” and “greater speed” in research and development.

During this period, the Green robot, “FANUC Robot CR-35iA,” that can work together with human operators without safety fences, was awarded the 2016 Okochi Memorial Production Prize by the Okochi Memorial Foundation for being a “highly efficient assembly system through collaborative work between collaborative robots and humans.”

The following is a summary of the results for each business division:

[FA Division]

The machine tool industry, the primary market for FANUC CNC systems, experienced an increase in short-term demand in China at the beginning of the period and showed signs of an overall recovery trend in China and other Asian economies from around the end of the period, despite continued severe difficulties mainly in Europe. Sales in Japan remained steady. Under these circumstances, net sales of CNC systems of the FANUC Group increased compared with the previous fiscal year.

In terms of development, “Fine Surface Technology,” a control technology capable of realizing high-quality machining at a superior level, was developed for the nano CNCs, “FANUC 30i series” that deliver high-speed, high-quality machining, and for the FANUC’s global-standard CNCs, “FANUC 0i series.” In addition, “Smart Machine Control,” which conducts motor control while monitoring machine conditions and is a function group differentiated from conventional motor control, was further enhanced during this period. Furthermore, the CNCs for general industrial machines, the Power Motion series were given various upgrades and additional functions, including significant enhancement of basic performance and cycle

time reduction.

In the servo field, the lineup of the “SYNCHRONOUS BUILT-IN SPINDLE MOTOR BiS-B series” was expanded, and their performance including output was enhanced. Furthermore, spindle motors received additional functions related to reduction of machining time and improvement of movement stability, among other changes. In addition, a tool was developed that allows customers to select motors appropriate for them according to machine specifications.

FANUC laser sales were sluggish domestically and abroad.

In terms of development, the lineup of the fiber laser oscillators “FANUC FIBER LASER series” was completed, ranging from 500W to 6000W, as a result of adding models with an output of 500W and 1000W. The models with an output of 1000W or less are highly expected to be applied to laser multi-tasking machines and to expand sales in fields such as 3D additive manufacturing (3D printing) using metal.

The FA Division posted consolidated sales of ¥175,016 million, up 2.8% compared with the previous fiscal year, and FA Division sales accounted for 32.6% of consolidated net sales.

[ROBOT Division]

Sales of robots remained steady in the Americas and Europe, despite a trough in facility investments in the automobile industry, etc. during the first half of this period. In China, the growth of demand was striking. In Japan, sales were favorable mainly to the automobile industry.

New developments included the enhancement of our green “Collaborative Robots,” which do not require a safety fence and enable robots and humans to work together, with the addition of three models of small payload types, which can be expected to expand sales in general industries. In the multi-purpose intelligent “FANUC Robot R-2000iC series,” which is the culmination of FANUC’s long years of experience and technology, an upside-down mount type 220 kg payload model and a 210 kg payload model water-proof for washing were newly developed to expand the lineup. Additionally, in the medium-sized intelligent handling “FANUC Robot M-20iB/25 series,” a model with enhanced dustproof, waterproof and rustproof performance was developed. Sales of such robots are expected to expand into various fields including food and pharmaceuticals industries. With such new products and new functions, the range of application of FANUC robots is anticipated to expand further.

The ROBOT Division posted consolidated sales of ¥190,043 million, up 0.9% compared with the previous fiscal year. ROBOT Division sales accounted for 35.4% of consolidated net sales.

[ROBOMACHINE Division]

Sales of the ROBODRILL (small machining center) remained steady for automobile and motorcycle parts processing, and short-term IT-related demand began to show some movement from the fourth quarter. However, sales declined compared with the previous fiscal year when there was a strong contribution from short-term IT-related demand.

On the development front, the “FANUC ROBODRILL α -DiB series,” which has a completely new CNC screen, shortens cycle time and has added a high performance specification model in its lineup, was developed as a successor model to the “FANUC ROBODRILL α -DiA series.” This series has already been well-received by the market.

Demand for the ROBOSHOT (electric injection molding machine) remained unchanged except IT-related demand, but overall sales decreased slightly due to the lack of full-scale recovery of IT-related demand.

In the electric injection molding “FANUC ROBOSHOT α -SiA series,” the horizontal second injection unit, “FANUC ROBOSHOT SI-300HA” was developed. As a result of this, relatively large-size moldings can be supported, and combination with the vertical second injection unit, “FANUC ROBOSHOT SI-20A” enables “three components molding.” This in turn is expected to further broaden the scope of application.

Sales of the ROBOCUT (wire-cut electric discharge machine) remained unchanged. The total of accumulated shipment volume surpassed 30,000 units in March 2017.

On the development front, the “FANUC ROBOCUT α -CiB series” was developed as a successor model to the wire-cut

electric discharge machine “FANUC ROBOCUT α -CiA series.” The basic performance was enhanced and large-size specifications were added to the lineup to enable large die machining, to expand the scope of application. This series has already been well received by the market.

As for the ROBONANO (ultra-precision machine), the ultra-precision “FANUC ROBONANO α -NMiA,” a machining system to which FANUC’s latest FA technology was applied, was developed. This machine has greatly improved machining surface accuracy and surface quality compared with the previous model, and the scope of application is highly expected to expand commensurate with the expanded machining area of work.

Regarding ROBOMACHINE products, the Quick & Simple Startup Package (QSSP) was developed to provide the ROBOMACHINE and ROBOT in a package. This significantly reduces man-hours for system design and system start-up, making it easier to automate manufacturing sites.

As a result, the ROBOMACHINE Division posted consolidated sales of ¥93,939 million, down 48.7% compared with the previous fiscal year. ROBOMACHINE Division sales accounted for 17.5% of consolidated net sales.

[Service Division]

The Service Division, under the slogan of “Service First,” offered rapid maintenance services in order to minimize downtime in our customers’ factories, providing high-level services throughout the world and practicing “lifetime maintenance”.

The Service Division posted consolidated sales of ¥77,944 million, down 4.8% compared with the previous fiscal year. Service Division sales accounted for 14.5% of consolidated net sales.

[Efforts for AI and IoT]

FANUC is considering the application of AI technology, with the cooperation of Preferred Networks, Inc. in all product groups of the FA, ROBOT and ROBOMACHINE Divisions sequentially. Going forward, FANUC will further promote the introduction of intelligence to its products by utilizing AI technology more specifically in order to differentiate itself from other companies and to add value.

As for support for IoT, FANUC proceeded with preparations for the FANUC Intelligent Edge Link and Drive (FIELD) system prior to its release in October of this year, in addition to the existing LINK*i* function of the FA and ROBOMACHINE products and ZDT (Zero Downtime function) of the ROBOT products. The FIELD system is an IoT product that connects various equipment in manufacturing sites to improve productivity, and its major characteristic is that the system is able to process information on a real-time basis at the edge (machining site, assembly site) of manufacturing sites. Another major characteristic is that the system is an open platform in which various companies can participate.

The combination of the FIELD system and AI technology is expected to have an even greater synergy effect. In other words, the application of the AI technology (deep learning technology) of Preferred Networks to the FIELD system will further enhance the performance of intelligent functions of products and allow the result thereof to be shared by IoT.

[Research and Development]

During this period, in order to further improve the research and development environment, FANUC expanded its laboratories. In addition, the Reliability Evaluation Building was constructed to further strengthen efforts to enhance product reliability. In this environment, in an effort to contribute to automating and increasing efficiency in customers’ manufacturing, FANUC’s CNC Hardware Laboratory, CNC Software Laboratory, SERVO Laboratory, Laser Laboratory, ROBOT Mechanical Development Laboratory, ROBOT Software Development Laboratory, ROBODRILL Laboratory, ROBOSHOT Laboratory, ROBOCUT Laboratory, and ROBONANO Research Department focused on developing various new competitive products and features by raising the level of “high performance” and “intelligence” rooted in high reliability, and successfully launched them in the market.

FANUC’s Basic Laboratory engaged in research and development of next-generation element technologies applicable to FANUC products.

(2) Capital Investment

FANUC constructed new factories for CNCs, servo motors and others in Mibu-machi, Tochigi Prefecture. It also proceeded with the acquisition of a site for a new robot factory in Chikusei City, Ibaraki Prefecture. At its headquarters, the expansion of laboratories was continued. In addition, investments were made mainly with the aim of future growth, including other investments to streamline production, etc.

Total capital investment during the fiscal year under review was ¥89,527 million.

(3) Financing

No external funding was required since FANUC met all of its funding requirements in the fiscal year under review with its own resources.

(4) Challenges

Going forward, it is anticipated that the US market will remain strong, and continued signs of recovery will be observed in China and other Asian economies. The FANUC Group will firmly deal with demand, while making all-out efforts to expand sales in Europe.

Despite these trends, however, the situation is expected to remain challenging and unpredictable as a whole, due to foreign exchange movements and concerns over geopolitical risks and other factors.

Even under these circumstances, the FANUC Group, looking ahead to the future, will continue management based on a long-term perspective that is not affected by short-term events.

Based on this fundamental thought and the slogan of “one FANUC,” the FANUC Group shall take maximum advantage of our unique strength in uniting our FA, ROBOT and ROBOMACHINE Divisions to jointly provide total solutions and take care of customers throughout the world.

In addition, the FANUC Group will adhere to its origins as a producer of equipment to be used in manufacturing sites, and shall be thorough in implementing our slogan of “Reliable / Predictable / Easy to Repair” in product development, in order to minimize downtime in our customers’ factories and improve the operation rate. At the same time, as a supplier of capital goods, we will fulfill our supplier responsibility to customers by ensuring our production system that customers can rely on.

Furthermore, we shall practice our basic policy of “Service First” in providing high-level services pursuant to FANUC’s global standard anywhere in the world, and “lifetime maintenance” for as long as our customers use our products.

FANUC believes that AI and IoT are indispensable technologies in order for FANUC to continue developing and launching highly competitive products in the market. By proactively adopting these technologies in all areas of the FA, ROBOT and ROBOMACHINE products, we will further promote customers’ production efficiency.

United as one group in the promotion of these measures, we will continue to ensure the practice of “Strict Preciseness and Transparency,” the principle of FANUC since its foundation, and make efforts to earn customer’ confidence and trust to an even greater extent in the FANUC Group and become a company that will last forever.

Thank you for your continued support and assistance to FANUC.

(5) Assets and Profits

1) The FANUC Group

(Millions of yen)

Item	FY 2013 (45th term)	FY 2014 (46th term)	FY 2015 (47th term)	FY 2016 (48th term)
Net sales	450,976	729,760	623,418	536,942
Ordinary income	174,360	311,951	229,361	168,829
Net income	110,930	207,599	159,700	127,697
Net income per share (Yen)	566.86	1,061.02	816.78	658.63
Total assets	1,343,904	1,611,626	1,512,895	1,564,769
Net assets	1,199,863	1,386,695	1,334,910	1,369,457

2) The Company

(Millions of yen)

Item	FY 2013 (45th term)	FY 2014 (46th term)	FY 2015 (47th term)	FY 2016 (48th term)
Net sales	324,469	554,448	457,479	399,111
Ordinary income	133,428	264,534	190,242	141,733
Net income	86,998	181,327	140,084	112,393
Net income per share (Yen)	444.56	926.74	716.46	579.70
Total assets	1,118,523	1,317,514	1,231,054	1,271,871
Net assets	1,025,253	1,160,363	1,128,807	1,155,279

(6) Principal Businesses

The principal businesses of the FANUC Group are the development, manufacture, sale, and maintenance service of the products described in the following table:

Division	Main products
FA Division	CNC systems (CNC and servo motors), lasers
ROBOT Division	Robots (including robot systems)
ROBOMACHINE Division	ROBODRILL (small machining centers), ROBOSHOT (electric injection molding machines), ROBOCUT (wire-cut EDMs), ROBONANO (ultra-precision machines)

(7) Principal Sites

Head office	Oshino-mura, Minamitsuru-gun, Yamanashi Prefecture
Laboratories	CNC Hardware Laboratory, CNC Software Laboratory, SERVO Laboratory, Laser Laboratory, ROBOT Mechanical Development Laboratory, ROBOT Software Development Laboratory, ROBODRILL Laboratory, ROBOSHOT Laboratory, ROBOCUT Laboratory, ROBONANO Research Department, Basic Laboratory (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 Centers	FANUC Training Center (Yamanakako-mura, Minamitsuru-gun, Yamanashi Prefecture)

(8) Employees

Number of employees	The Company	3,246
	The FANUC Group	6,738

(9) Principal Subsidiaries and Affiliated Companies

1) Principal Subsidiaries

Company name	Capital stock	Percentage of equity participation (%)	Principal businesses
FANUC America Corporation	US\$157,300 thousand	100	Development, manufacture, sale and maintenance services of robots and robot systems as well as sale and maintenance services of CNC systems, lasers and ROBODRILL
FANUC Europe Corporation	€ 110,961 thousand	100	Sale and maintenance services of CNC systems, lasers, robots, ROBODRILL, ROBOSHOT and ROBOCUT as well as manufacture, sale and maintenance services of robot systems
KOREA FANUC CORPORATION	Won 32,364 million	94	Sale and maintenance services of CNC systems, lasers, robots, ROBODRILL, ROBOSHOT and ROBOCUT as well as manufacture, sale and maintenance services of robot systems
TAIWAN FANUC CORPORATION	NT\$1,448 million	100	Knock-down manufacture, sale and maintenance services of CNC systems, sale and maintenance services of lasers and robots, as well as manufacture, sale and maintenance services of robot systems
FANUC INDIA PRIVATE LIMITED	Rupee 290 million	100	Sale and maintenance services of CNC systems, robots, ROBODRILL, ROBOSHOT and ROBOCUT as well as maintenance services of lasers
FANUC PERTRONICS LTD	¥327 million	91	Manufacture of parts of CNC systems, lasers, robots, ROBODRILL, ROBOSHOT and ROBOCUT
FANUC SERVO LTD	¥450 million	100	Manufacture of servo motors

2) Principal Affiliated Companies

Company name	Capital stock	Percentage of equity participation (%)	Principal businesses
BEIJING-FANUC Mechatronics CO., LTD.	US\$11,300 thousand	50	Knock-down manufacture, sale and maintenance services of CNC systems as well as sale and maintenance services of lasers
SHANGHAI-FANUC Robotics CO., LTD.	US\$12,000 thousand	50	Sale and maintenance services of robots, ROBODRILL, ROBOSHOT and ROBOCUT as well as manufacture, sale and maintenance services of robot systems

2. Matters Concerning the Shares of the Company

- (1) Total number of shares authorized to be issued by the Company: **400,000,000 shares**
- (2) Total number of issued shares: **204,072,715 shares**
- (3) Number of shareholders: **53,510**

(4) The ten largest shareholders:

Name	Number of shares (In thousands)	Percentage of equity participation (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	22,859	11.8
Japan Trustee Services Bank, Ltd. (Trust Account)	15,512	8.0
State Street Bank and Trust Company	10,023	5.2
State Street Bank and Trust Company 505001	5,959	3.1
Japan Trustee Services Bank, Ltd. (Trust Account 5)	3,725	1.9
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	3,513	1.8
Citibank, N.A. - NY, as Depository Bank for Depository Shareholders	3,440	1.8
State Street Bank West Client - Treaty 505234	2,943	1.5
State Street Bank and Trust Company 505225	2,939	1.5
Japan Trustee Services Bank, Ltd. (Trust Account 7)	2,784	1.4

Note: The percentages of equity participation are calculated after subtracting the number of treasury shares (10,217 thousand shares) from the total number of issued shares.

3. Directors and Audit & Supervisory Board Members

(1) Names of Directors and Audit & Supervisory Board Members, etc.

Position	Name	Responsibilities or significant concurrent posts of other entities
Representative Member of the Board, Chairman and CEO	Yoshiharu Inaba	
Representative Member of the Board, President and COO	Kenji Yamaguchi	General Manager, FA Business Division
Representative Member of the Board, Senior Executive Vice President and CTO	Hiroyuki Uchida	General Manager, ROBOMACHINE Business Division
Representative Member of the Board, Senior Executive Vice President and CFO	Yoshihiro Gonda	General Manager, Corporate Administration Division
Member of the Board, Executive Vice President	Kiyonori Inaba	General Manager, ROBOT Business Division
Member of the Board, Executive Vice President	Hiroshi Noda	Vice General Manager (R&D), FA Business Division
Member of the Board, Executive Vice President	Katsuo Kohari	Vice General Manager (Sales), FA Business Division, and General Manager, Service Division
Member of the Board, Executive Vice President	Shunsuke Matsubara	General Manager, Research & Development Administration Division
Member of the Board, Executive Vice President	Toshiya Okada	Vice General Manager, Corporate Administration Division
Member of the Board	Richard E. Schneider	Chairman (Member of the Board) of FANUC America Corporation
Member of the Board	Kazuo Tsukuda	Senior Corporate Advisor of Mitsubishi Heavy Industries, Ltd.
Member of the Board	Yasuo Imai	President, Chief Operating Officer (Member of the Board) of AIR WATER INC.
Member of the Board	Masato Ono	President and Representative Director of Total Insurance Service Limited
Standing Audit & Supervisory Board Member	Shunsuke Kimura	
Standing Audit & Supervisory Board Member	Naoki Shimizu	
Audit & Supervisory Board Member	Takeo Nakagawa	Professor Emeritus of the University of Tokyo Chairman and CEO of Fine Tech Co., Ltd.
Audit & Supervisory Board Member	Masaharu Sumikawa	Non-regular employee for specialized duties, Hitachi Ltd. (former Executive Vice President and Executive Officer, Hitachi Ltd.)
Audit & Supervisory Board Member	Hajime Harada	Lawyer

- Notes:
1. Directors Kazuo Tsukuda, Yasuo Imai and Masato Ono are Outside Directors.
 2. Audit & Supervisory Board Members Takeo Nakagawa, Masaharu Sumikawa and Hajime Harada are Outside Audit & Supervisory Board Members.
 3. Outside Director Yasuo Imai assumed the office of Director, Vice Chairman of the Board of AIR WATER INC. on April 1, 2017.
 4. Other significant concurrent posts:
 Outside Director Kazuo Tsukuda is also an Outside Director of Mitsubishi Research Institute, Inc., Outside Director of Keihan Holdings Co., Ltd. and Outside Director (Audit and Supervisory Committee Member) of Yamaguchi Financial Group, Inc. He was also an Outside Director of Mitsubishi Corporation, from which position he retired on June 24, 2016.
 Outside Director Masato Ono is also an Outside Director of Nippon Light Metal Holdings Company, Ltd.
 Outside Audit & Supervisory Board Member Takeo Nakagawa is also an Outside Director of TSUGAMI CORPORATION and Outside Director (Audit & Supervisory Committee Member) of OSG CORPORATION, and newly assumed the office of Member of the Board of Sharp Corporation on August 12, 2016. He was also an Outside Director of Nippon Pillar Packing Co., Ltd., from which position he retired on June 24, 2016.
 None of the companies in which the Outside Directors or Outside Audit & Supervisory Board Members concurrently hold posts have special relations with FANUC CORPORATION.
 5. The Company has named the three Outside Directors Kazuo Tsukuda, Yasuo Imai and Masato Ono as Independent Directors and the three Outside Audit & Supervisory Board Members Takeo Nakagawa, Masaharu Sumikawa and Hajime Harada as Independent Auditors as defined by the Tokyo Stock Exchange and has duly notified the Tokyo Stock Exchange.

(2) Total amount of remuneration, etc., payable to the Directors and Audit & Supervisory Board Members

The total amount of remuneration, etc. payable to the Directors for the fiscal year under review was ¥2,845 million (for 14 Directors).

The total amount of remuneration, etc. payable to the Audit & Supervisory Board Members for the fiscal year under review was ¥216 million (for 5 Audit & Supervisory Board Members).

Of the above, the total amount of remuneration, etc. payable to the Outside Directors and Outside Audit & Supervisory Board Members was ¥108 million (for 3 Directors and 3 Audit & Supervisory Board Members).

The upper limit of the total annual remuneration for Directors was set at the total amount of followings by resolution of the 37th Ordinary General Meeting of Shareholders of June 28, 2006.

- 1) Fixed annual aggregate ceiling amount of ¥1 billion
- 2) Variable aggregate ceiling amount, which is set at the consolidated net profit of each half year multiplied by 1/25 of the dividend payout ratio (%). (It should be noted, however that the variable amount for the first half of the fiscal year shall be paid in the second half of the relevant fiscal year and that for the second half shall be paid in the first half of following fiscal year.)

Note: The payout ratio (%) shall be calculated in accordance with the following formula for each half year:

Payout ratio for the first half of the fiscal year (April to September)
 = Amount of interim dividend per share for said period
 ÷ Consolidated net income per share for said period × 100

Payout ratio for the second half of the fiscal year (October to March next year)
 = Amount of year-end dividend per share for said fiscal year
 ÷ (Consolidated net income per share for said fiscal year
 – consolidated net income per share for first half of said fiscal year) × 100

The upper limit of the total annual remuneration for Audit & Supervisory Board Members was set at 250 million yen by resolution of the 45th Ordinary General Meeting of Shareholders of June 27, 2014.

(3) Matters concerning the Outside Directors and Outside Audit & Supervisory Board Members

Major activities

Name	Major activities
Kazuo Tsukuda	He attended 12 out of 13 meetings of the Board of Directors, and provided advice whenever necessary, based on his wide experience and knowledge he had obtained as a long-serving corporate executive.
Yasuo Imai	He attended all of 13 meetings of the Board of Directors, and provided advice whenever necessary, based on his wide experience and knowledge he had obtained as a long-serving corporate executive.
Masato Ono	He attended all of 13 meetings of the Board of Directors, and provided advice whenever necessary, based on his wide experience and knowledge he had obtained as a long-serving corporate executive.

Takeo Nakagawa	He attended all of 13 meetings of the Board of Directors and all of 3 meetings of the Audit & Supervisory Board, and provided advice whenever necessary, based on his wide experience and knowledge as a university professor and corporate executive.
Masaharu Sumikawa	He attended all of 13 meetings of the Board of Directors and all of 3 meetings of the Audit & Supervisory Board, and provided advice whenever necessary, based on his wide experience and knowledge he had obtained as a long-serving corporate executive.
Hajime Harada	He attended all of 13 meetings of the Board of Directors and all of 3 meetings of the Audit & Supervisory Board, and provided advice whenever necessary, based on his wide experience and knowledge as a lawyer.

Non-Consolidated Balance Sheet

(As of March 31, 2017)

(Millions of yen)

Titles of Account	Amount	Titles of Account	Amount
<u>(Total Assets)</u>	<u>1,271,871</u>	<u>(Liabilities)</u>	<u>116,592</u>
Current assets	753,518	Current liabilities	78,390
Cash and deposits	431,661	Accounts payable	26,724
Notes receivable – trade	14,175	Accrued expenses	11,396
Accounts receivable – trade	58,514	Accrued charge	14,293
Securities	145,000	Income taxes payable	19,972
Merchandise and finished goods	15,120	Warranty reserves	2,882
Work in process	38,511	Other	3,123
Raw materials and supplies	13,087	Long-term liabilities	38,202
Deferred tax assets	12,355	Reserve for employees' retirement benefits	35,357
Other	25,420	Other	2,845
Allowance for doubtful accounts	(325)		
Fixed assets	518,353	<u>(Net assets)</u>	<u>1,155,279</u>
Tangible fixed assets	367,727	Shareholders' equity	1,146,872
Buildings	169,677	Capital stock	69,014
Machinery and equipment	39,596	Capital surplus	96,057
Lands	120,703	Legal capital surplus	96,057
Construction in progress	18,855	Retained earnings	1,072,478
Other	18,896	Legal retained earnings	8,252
Intangible fixed assets	4,060	Other retained earnings	1,064,226
Investments and other assets	146,566	Treasury stock	(90,677)
Investment securities	25,025	Valuation and translation adjustments	8,407
Stocks of subsidiaries and affiliates	108,101	Valuation difference on available-for-sale securities	8,407
Deferred tax assets	13,349		
Other	92		
Allowance for doubtful accounts	(1)		
Total	1,271,871	Total	1,271,871

Non-Consolidated Statement of Income

(April 1, 2016 through March 31, 2017)

(Millions of yen)

Titles of Account	Amount
Net sales	399,111
Cost of sales	246,702
Gross profit	152,409
Selling, general and administrative expenses	44,430
Operating income	107,979
Non-operating income	35,152
Interest and dividends income	25,563
Miscellaneous income	9,589
Non-operating expenses	1,398
Miscellaneous loss	1,398
Ordinary income	141,733
Income before income taxes	141,733
Income taxes	29,340
Income taxes – current	35,182
Income taxes – deferred	(5,842)
Net income	112,393

Non-Consolidated Statement of Changes in Shareholders' Equity, Etc.

(April 1, 2016 through March 31, 2017)

(Millions of yen)

	Shareholders' equity						
	Capital stock	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings
Balance at March 31, 2016	69,014	96,057	—	96,057	8,252	1,041,833	1,050,085
Changes during this term							
Dividends of retained earnings						(76,623)	(76,623)
Net income						112,393	112,393
Purchase of treasury stock							
Disposal of treasury stock			2	2			
Cancelation of treasury stock			(2)	(2)		(13,377)	(13,377)
Net change in items other than shareholders' equity during this term							
Total changes during this term	—	—	—	—	—	22,393	22,393
Balance at March 31, 2017	69,014	96,057	—	96,057	8,252	1,064,226	1,072,478

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at March 31, 2016	(90,574)	1,124,582	4,225	4,225	1,128,807
Changes during this term:					
Dividends of retained earnings		(76,623)			(76,623)
Net income		112,393			112,393
Purchase of treasury stock	(13,483)	(13,483)			(13,483)
Disposal of treasury stock	1	3			3
Cancelation of treasury stock	13,379	—			—
Net change in items other than shareholders' equity during this term			4,182	4,182	4,182
Total changes during this term	(103)	22,290	4,182	4,182	26,472
Balance at March 31, 2017	(90,677)	1,146,872	8,407	8,407	1,155,279

Copy of the Accounting Auditors' Report Related to the Non-Consolidated Financial Statements (Translation)

REPORT OF INDEPENDENT AUDITORS

May 16, 2017

The Board of Directors
FANUC CORPORATION

We have audited the balance sheet, the statement of income, the statement of changes in shareholders' equity, the notes to non-consolidated financial statements, and the supplementary financial schedules of FANUC CORPORATION (the "Company") applicable to its 48th fiscal year from April 1, 2016 to March 31, 2017, pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act of Japan.

Responsibility of the Company's Management for Financial Statements, etc.

The responsibility of the Company's management is to prepare and properly present the financial statements and the supplementary financial schedules in conformity with corporate accounting standards generally accepted in Japan. It includes the establishment and enforcement of internal control that the Company's management deems necessary, to prepare and properly present the financial statements and the supplementary financial schedules without material misstatement due to misconducts or errors.

Responsibility of Accounting Auditors

Our responsibility is to express an opinion on these financial statements and the supplementary financial schedules from an independent standpoint based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require us to plan and perform the audit to obtain reasonable assurance as to whether the financial statements and the supplementary financial schedules are free of material misstatement.

An audit includes performing procedures to obtain auditing evidence supporting the amounts and the disclosures in the financial statements and the supplementary financial schedules. An auditing procedure is selected and applied, in our estimation, based on the assessment of a risk of material misstatement due to misconducts or errors in the financial statements and the supplementary financial schedules. The purpose of the audit is not to express an opinion on the effectiveness of internal control, but, in the assessment of risks, we evaluate the internal control in relation to the preparation and proper presentation of the financial statements and the supplementary financial schedules to make proper auditing procedures suited for the situation. An audit also includes assessing the accounting policies and methods of application thereof employed by management and estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary financial schedules.

We believe that our audit provides a reasonable basis for our opinion.

Opinion of Auditors

We are of the opinion that the above financial statements and the supplementary financial schedules present properly the financial position and profit and loss for the period related to the financial statements and the supplementary financial schedules in all material respects in conformity with corporate accounting standards generally accepted in Japan.

Interest

Our firm and engagement partners have no interest in the Company which is required to be disclosed under the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC

Hitoshi Yonemura (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Isamu Ando (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Consolidated Balance Sheet

(As of March 31, 2017)

(Millions of yen)

Titles of Account	Amount	Titles of Account	Amount
<u>(Total Assets)</u>	<u>1,564,769</u>	<u>(Liabilities)</u>	<u>195,312</u>
Current assets	1,059,644	Current liabilities	120,715
Cash and deposits	629,761	Notes and accounts payable – trade	36,011
Notes and accounts receivable – trade	120,787	Income taxes payable	22,994
Securities	145,000	Warranty reserves	6,994
Merchandise and finished goods	60,580	Other	54,716
Work in process	43,892	Long-term liabilities	74,597
Raw materials and supplies	13,864	Liability related to retirement benefits	71,175
Deferred tax assets	24,384	Other	3,422
Other	22,663		
Allowance for doubtful accounts	(1,287)	<u>(Net assets)</u>	<u>1,369,457</u>
Fixed assets	505,125	Shareholders' equity	1,381,799
Tangible fixed assets	406,390	Capital stock	69,014
Buildings and structures	195,765	Capital surplus	96,208
Machinery, equipment and vehicles	41,668	Retained earnings	1,307,254
Lands	134,400	Treasury stock	(90,677)
Construction in progress	22,015	Accumulated other comprehensive income	(18,644)
Other	12,542	Valuation difference on available-for-sale securities	8,594
Intangible fixed assets	4,687	Foreign currency exchange adjustment	(710)
Investments and other assets	94,048	Total accumulated other comprehensive income	(26,528)
Investment securities	72,195		
Deferred tax assets	18,984	Minority interests	6,302
Other	2,871		
Allowance for doubtful accounts	(2)		
Total	1,564,769	Total	1,564,769

Consolidated Statement of Income

(April 1, 2016 through March 31, 2017)

(Millions of yen)

Titles of Account	Amount
Net sales	536,942
Cost of sales	303,415
Gross profit	233,527
Selling, general and administrative expenses	80,310
Operating income	153,217
Non-operating income	17,220
Interest and dividends income	3,789
Miscellaneous income	13,431
Non-operating expenses	1,608
Miscellaneous loss	1,608
Ordinary income	168,829
Income before income taxes and minority interests	168,829
Income taxes	41,052
Income taxes – current	47,736
Income taxes – deferred	(6,684)
Net income	127,777
Net income attributable to non-controlling interests	80
Net income attributable to shareholders of parent company	127,697

Copy of the Accounting Auditors' Report Related to the Consolidated Financial Statements (Translation)

REPORT OF INDEPENDENT AUDITORS

May 16, 2017

The Board of Directors
FANUC CORPORATION

We have audited the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in shareholders' equity, and the notes to consolidated financial statements of FANUC CORPORATION (the "Company"), applicable to its consolidated fiscal year from April 1, 2016 to March 31, 2017, pursuant to Article 444, Paragraph 4 of the Companies Act of Japan.

Responsibility of the Company's Management for Consolidated Financial Statements

The responsibility of the Company's management is to prepare and properly present the consolidated financial statements in conformity with corporate accounting standards generally accepted in Japan. It includes the establishment and enforcement of internal control that the Company's management deems necessary, to prepare and properly present the consolidated financial statements without material misstatement due to misconducts or errors.

Responsibility of Accounting Auditors

Our responsibility is to express an opinion on these consolidated financial statements from an independent standpoint based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require us to plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatement.

An audit includes performing procedures to obtain auditing evidence supporting the amounts and the disclosures in the consolidated financial statements. An auditing procedure is selected and applied, in our estimation, based on the assessment of a risk of material misstatement due to misconducts or errors in the consolidated financial statements. The purpose of the audit is not to express an opinion on the effectiveness of internal control, but, in the assessment of risks, we evaluate the internal control in relation to the preparation and proper presentation of the consolidated financial statements to make proper auditing procedures suited for the situation. An audit also includes assessing the accounting policies and methods of application thereof employed by management and estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that our audit provides a reasonable basis for our opinion.

Opinion of Auditors

We are of the opinion that the above consolidated financial statements present properly the financial position and profit and loss of the corporate group comprised of FANUC CORPORATION and its consolidated subsidiaries for the period related to the consolidated financial statements in all material respects in conformity with corporate accounting standards generally accepted in Japan.

Interest

Our firm and engagement partners have no interest in the Company which is required to be disclosed under the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC

Hitoshi Yonemura (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Isamu Ando (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Copy of the Audit Report of the Audit & Supervisory Board (Translation)

AUDIT REPORT

We, the Audit & Supervisory Board, based on the audit report prepared by each Audit & Supervisory Board Member on the performance by the Directors of their duties during the 48th fiscal year from April 1, 2016 to March 31, 2017, prepared this audit report upon deliberation and hereby report as follows:

1. Method of Audit by the Audit & Supervisory Board Members and the Audit & Supervisory Board and the Particulars thereof:

(1) The Audit & Supervisory Board determined the audit policy, audit plans, etc. and received from each the Audit & Supervisory Board Member reports on the state of his performance of audits and the results thereof. The Board also received reports from the Directors, etc. and the Accounting Auditors on the state of performance of their duties, and sought explanations as necessary.

(2) Each Audit & Supervisory Board Member, in accordance with the auditing standards of Audit & Supervisory Board Members established by the Audit & Supervisory Board and the assignment of duties, etc. determined by the Audit & Supervisory Board, maintained constant communication with the Directors, Internal Auditing Section and other employees, etc. in an effort to collect information and improve the environment for auditing, conducted audit in accordance with the following methods.

(i) Each Audit & Supervisory Board Member attended meetings of the Board of Directors and other important meetings, received from the Directors and employees, etc. reports on the state of performance of their duties, sought explanations as necessary, inspected important decision documents, etc., and made investigation into the state of activities and property at the head office and principal business offices of the Company. With regard to its subsidiaries, we maintained constant communication, and exchanged information with the directors, Audit & Supervisory Board Members, etc. thereof, and requested the subsidiaries to render reports on their business operations as necessary.

(ii) We also monitored and verified the details of the resolutions of the Board of Directors for establishing systems to secure that the performance by the Directors of their duties will comply with laws or ordinance and the Articles of Incorporation and such other systems provided for in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as necessary to secure the adequacy of business of corporate group comprising of joint-stock corporations and its subsidiaries, as well as the status of the systems (internal control systems) established pursuant to such resolutions, as described in the business report, and we received from the Directors and employees, etc. regular reports on the state of establishment and operation thereof, sought explanations as necessary, and expressed opinions.

With regard to the internal control on financial reporting, we received from the Directors, etc. and Accounting Auditors reports on the assessment of such internal control and auditing thereof, and sought explanations as necessary. With regard to its subsidiaries, we maintained constant communication, and exchanged information with the directors, Audit & Supervisory Board Members, etc. thereof, and requested the subsidiaries to render reports on their business operations as necessary. In accordance with such methods, we investigated the business report and its supplementary schedules for the fiscal year under review.

(iii) We also monitored and verified whether the Accounting Auditors had maintained an independent position and conducted adequate audits, received from the Accounting Auditors reports on the state of performance of their duties, and requested explanations as necessary. In addition, we received from the Accounting Auditors a notice that the “systems to secure adequate performance of duties” (as listed in the items of Article 131 of the Ordinance for Corporate Accounting) had been established in accordance with the “Standard for Quality Control Concerning Audits” (the Business Accounting Council, October 28, 2005), and requested explanations as necessary.

In accordance with such methods, we investigated the business report and its supplementary schedules, non-consolidated financial statements (the non-consolidated balance sheet, the non-consolidated statement of income, the

non-consolidated statement of changes in shareholders' equity, etc. and the notes to non-consolidated financial statements) and the supplementary financial schedules, as well as the consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in shareholders' equity, etc. and the notes to consolidated financial statements), for the fiscal year under review.

2. Results of Audit:

(1) Results of audit of the business report, etc.:

We are of the opinion:

- (i) That the business report and its supplementary schedules fairly present the state of the Company in accordance with laws and ordinances and the Articles of Incorporation;
- (ii) That in connection with the performance by the Directors of their duties, no dishonest act or material fact of violation of laws and ordinances and the Articles of Incorporation exists; and
- (iii) That the details of the resolutions of the Board of Directors on internal control systems are proper and that the contents of business report and performance by the Directors of their duties concerning such internal control systems, including internal control system on financial reporting, contains nothing to be pointed out.

(2) Results of audit of the non-consolidated financial statements and the supplementary financial schedules:

We are of the opinion that the method and results of the audit made by the Account Auditors, Ernst & Young ShinNihon LLC, are proper.

(3) Results of audit of the consolidated financial statements:

We are of the opinion that the method and results of the audit made by the Account Auditors, Ernst & Young ShinNihon LLC, are proper.

May 23, 2017

Audit & Supervisory Board
FANUC CORPORATION

Shunsuke Kimura (seal)
Standing Audit & Supervisory Board Member

Naoki Shimizu (seal)
Standing Audit & Supervisory Board Member

Takeo Nakagawa (seal)
Outside Audit & Supervisory Board Member

Masaharu Sumikawa (seal)
Outside Audit & Supervisory Board Member

Hajime Harada (seal)
Outside Audit & Supervisory Board Member

Reference Material for the Ordinary General Meeting of Shareholders

Item 1 Dividends of Surplus

Our shareholder return policy is as follows:

(Announced on April 27, 2015)

1. Dividends

In order to further enhance the distribution of profits to our shareholders in the long term, we have decided, as our basic policy, to implement a dividend payout ratio of 60% of our consolidated net profit for the full fiscal year.

2. Share buybacks

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

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

3. Cancellation of treasury shares

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

Based on the aforementioned shareholder return policy, in order that the dividend payout ratio for the fiscal year 2016 (the fiscal year ended March 31, 2017) will be 60% of our consolidated net profit for the full fiscal year, in total with the dividend for the first half of the fiscal year that has been paid in December, 2016, it is proposed that the dividend for the second half of the fiscal year be as follows: (The dividend for the full fiscal year will be ¥395.18 per share, in total with the dividend for the first half of the fiscal year that has been paid in December, 2016 (¥186.20 per share), resulting in ¥208.98 per share for the second half.)

(1) Type of dividend asset
Cash

(2) Allocation of dividend assets to shareholders and total amount of allocation
¥208.98 per share of common stock
Total amount of payout: ¥40,512,040,882

(3) Effective date of dividend payment
June 30, 2017

Item 2 Partial Amendment to the Articles of Incorporation

It is proposed that partial amendment be made to the current Articles of Incorporation as follows:

(1) Reason for Amendment

FANUC CORPORATION (the “Company”) will add a new item to the objectives of the Articles of Incorporation of the Company, in launching a new business regarding the FIELD system, an open platform.

Note: The FIELD system is an abbreviation for the FANUC Intelligent Edge Link and Drive system. It is a platform that will connect not only CNCs and robots but also peripheral devices and sensors to realize optimal of manufacturing.

(2) Amendment

Details of the proposed amendment are as follows:

(Amended text is shown underlined.)

Current Text	Proposed Amendment
<p>Article 2 (Objectives) The objectives of the Company shall be to carry on the following business:</p> <ul style="list-style-type: none"> (1) Manufacture and sale of numerical control systems; (2) Manufacture and sale of servo motors; (3) Manufacture and sale of numerical control applied machines; (4) Manufacture and sale of servo applied equipment; <p>(New Item)</p> <ul style="list-style-type: none"> (5) Constructions incidental or relating to any of the foregoing items; and (6) Any and all businesses incidental or relating to any of the foregoing items. 	<p>Article 2 (Objectives) The objectives of the Company shall be to carry on the following business:</p> <ul style="list-style-type: none"> (1) } (2) } (3) } (No change) (4) } (5) <u>Development and sale of services and software related to information processing and communication, and sale of apparatus related thereto;</u> (6) } (7) } (No change)

Item 3 Election of Thirteen (13) Directors

The term of office of the thirteen (13) Directors will expire at the conclusion of the meeting. Accordingly, the election of the following thirteen (13) Directors (all of whom are renominated) is proposed.

The thirteen (13) candidates for Director are as follows:

Candidates' number	Name (Date of birth)	Personal history, position, responsibilities and significant concurrent posts of other entities		Number of shares of the Company held by candidate
1	Yoshiharu Inaba (July 23, 1948)	April 1973 September 1983 June 1989 June 1992 June 1995 May 2001 June 2003 June 2016	Joined Isuzu Motors Limited Joined the Company Appointed Director (<i>Member of the Board</i>) of the Company Appointed Senior Vice President (<i>Member of the Board</i>) of the Company Appointed Executive Vice President (<i>Member of the Board</i>) of the Company Appointed Senior Executive Vice President (<i>Representative Member of the Board</i>) of the Company Appointed President and CEO (<i>Representative Member of the Board</i>) of the Company Appointed Chairman and CEO (<i>Representative Member of the Board</i>) of the Company (to the present)	5,000 shares
2	Kenji Yamaguchi (August 6, 1968)	April 1993 October 2000 June 2003 April 2007 June 2008 February 2012 October 2013 June 2016	Joined the Company Manager, Section 1, Dept. 1 of Robot Laboratory of the Company General Manager, Manufacturing Technology of the Company General Manager, Headquarters Factories of the Company General Manager, Factories of the Company Appointed Executive Vice President (<i>Member of the Board</i>) of the Company Appointed Senior Executive Vice President (<i>Member of the Board</i>) of the Company Appointed Senior Executive Vice President (<i>Representative Member of the Board</i>) of the Company Appointed President and COO (<i>Representative Member of the Board</i>) of the Company (to the present) General Manager, FA Business Division of the Company (to the present)	2,000 shares
3	Hiroyuki Uchida (June 12, 1958)	April 1982 April 1996 June 1997 April 2001 June 2006 October 2013 June 2016	Joined the Company Deputy General Manager, Servo Laboratory of the Company Appointed Director (<i>Member of the Board</i>) of the Company Appointed Senior Vice President (<i>Member of the Board</i>) of the Company Appointed Executive Vice President (<i>Member of the Board</i>) of the Company Appointed Senior Executive Vice President (<i>Representative Member of the Board</i>) of the Company General Manager, ROBOMACHINE Business Division of the Company (to the present) Appointed Senior Executive Vice President and CTO (<i>Representative Member of the Board</i>) of the Company (to the present)	1,896 shares

Candidates' number	Name (Date of birth)	Personal history, position, responsibilities and significant concurrent posts of other entities		Number of shares of the Company held by candidate
4	Yoshihiro Gonda (July 24, 1960)	April 1984 October 2000 June 2001 June 2007 February 2012 October 2013 June 2016	Joined the Company Assistant to the Group Executive, Finance Group (Purchasing) of the Company Appointed Director (<i>Member of the Board</i>) of the Company Appointed Executive Vice President (<i>Member of the Board</i>) of the Company Appointed Senior Executive Vice President (<i>Member of the Board</i>) of the Company Appointed Senior Executive Vice President (<i>Representative Member of the Board</i>) of the Company General Manager, Corporate Administration Division of the Company (to the present) Appointed Senior Executive Vice President and CFO (<i>Representative Member of the Board</i>) of the Company (to the present)	1,964 shares
5	Kiyonori Inaba (February 13, 1978)	January 2009 May 2013 June 2013 October 2013 June 2016	Joined the Company General Manager, Robot Laboratory of the Company Appointed Director (<i>Member of the Board</i>) of the Company Appointed Executive Vice President (<i>Member of the Board</i>) of the Company General Manager, ROBOT Business Division of the Company (to the present) Appointed Executive Vice President (<i>Member of the Board</i>) of the Company (to the present)	1,000 shares
6	Hiroshi Noda (May 8, 1963)	April 1989 January 2002 June 2003 March 2011 October 2013 May 2014 June 2016	Joined the Company Senior Vice General Manager, CNC Laboratory of the Company Appointed Director (<i>Member of the Board</i>) of the Company Appointed Senior Vice President (<i>Member of the Board</i>) of the Company Appointed Executive Vice President (<i>Member of the Board</i>) of the Company Vice General Manager (R&D), FA Business Division of the Company (to the present) Appointed Executive Vice President (<i>Member of the Board</i>) of the Company (to the present)	1,000 shares
7	Katsuo Kohari (August 12, 1942)	April 1968 May 1976 April 2003 June 2003 June 2012 October 2013 May 2014 October 2014 June 2016	Joined Fujitsu Limited Transferred to the Company Assistant to General Manager for Sales and Service of the Company Appointed Director (<i>Member of the Board</i>) of the Company Appointed Senior Vice President (<i>Member of the Board</i>) of the Company Appointed Executive Vice President (<i>Member of the Board</i>) of the Company Vice General Manager (Sales), FA Business Division of the Company (to the present) General Manager, Service Division of the Company (to the present) Appointed Executive Vice President (<i>Member of the Board</i>) of the Company (to the present)	5,116 shares
8	Shunsuke Matsubara (December 4, 1961)	April 1984 June 2000 June 2001 July 2012 October 2013 June 2016	Joined the Company Senior Vice General Manager, Servo Laboratory of the Company Appointed Director (<i>Member of the Board</i>) of the Company Appointed Senior Vice President (<i>Member of the Board</i>) of the Company Appointed Executive Vice President (<i>Member of the Board</i>) of the Company General Manager, Research & Development Administration Division of the Company (to the present) Appointed Executive Vice President (<i>Member of the Board</i>) of the Company (to the present)	1,000 shares

Candidates' number	Name (Date of birth)	Personal history, position, responsibilities and significant concurrent posts of other entities		Number of shares of the Company held by candidate
9	Toshiya Okada (August 21, 1961)	April 1984 August 1999 June 2012 May 2014 June 2016	Joined the Company Manager, Legal Department of the Company (to the present) Appointed Senior Vice President (<i>Member of the Board</i>) of the Company Appointed Executive Vice President (<i>Member of the Board</i>) of the Company Vice General Manager, Corporate Administration Division of the Company (to the present) Appointed Executive Vice President (<i>Member of the Board</i>) of the Company (to the present)	1,300 shares
10	Richard E. Schneider (August 14, 1956)	February 1984 July 1991 September 1997 June 2006 June 2011 June 2013 October 2013 April 2016 July 2016	Joined FANUC America Corporation Appointed Vice President of the company Appointed President of the above company Appointed Director (<i>Member of the Board</i>) of the Company Appointed Executive Vice President (<i>Member of the Board</i>) of the Company Appointed Director (<i>Member of the Board</i>) of the Company (to the present) Appointed President and CEO of FANUC America Corporation Appointed Chairman and CEO of the company Appointed Chairman (<i>Member of the Board</i>) of the company (to the present)	500 shares
11	Kazuo Tsukuda (September 1, 1943)	April 1968 June 1999 April 2002 June 2003 April 2008 April 2013 June 2013 June 2015	Joined Mitsubishi Heavy Industries, Ltd. Appointed Director (<i>Member of the Board</i>) of Mitsubishi Heavy Industries, Ltd. Appointed Managing Director (<i>Member of the Board</i>) of Mitsubishi Heavy Industries, Ltd. Appointed President (<i>Member of the Board</i>) of Mitsubishi Heavy Industries, Ltd. Appointed Chairman (<i>Member of the Board</i>) of Mitsubishi Heavy Industries, Ltd. Appointed Senior Executive Advisor (<i>Member of the Board</i>) of Mitsubishi Heavy Industries, Ltd. Appointed Senior Corporate Advisor of Mitsubishi Heavy Industries, Ltd. (to the present) Appointed Director (<i>Member of the Board</i>) of the Company (to the present) (Significant concurrent posts of other entities) Senior Corporate Advisor of Mitsubishi Heavy Industries, Ltd. Outside Director of Mitsubishi Research Institute, Inc. Outside Director of Keihan Holdings Co., Ltd. Outside Director (Audit and Supervisory Committee Member) of Yamaguchi Financial Group, Inc.	0 shares

Candidates' number	Name (Date of birth)	Personal history, position, responsibilities and significant concurrent posts of other entities		Number of shares of the Company held by candidate
12	Yasuo Imai (October 22, 1948)	July 1971 July 2002 July 2003 July 2004 July 2006 April 2007 June 2007 April 2008 June 2011 June 2015 April 2017	<p>Joined the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry)</p> <p>Appointed Director - General of Manufacturing Industries Bureau of the ministry</p> <p>Appointed Commissioner of Japan Patent Office</p> <p>Appointed Adviser of Japan Industrial Policy Research Institute</p> <p>Appointed Senior Managing Executive Officer, Executive Vice President of Pipe & Tube Company, of Sumitomo Metal Industries, Ltd (currently Nippon Steel & Sumitomo Metal Corporation)</p> <p>Appointed Senior Managing Executive Officer, President of Pipe & Tube Company of the company</p> <p>Appointed Director & Senior Managing Executive Officer (<i>Member of the Board</i>), President of Pipe & Tube Company of the company</p> <p>Appointed Director & Executive Vice President (<i>Member of the Board</i>), President, Pipe & Tube Company of the company</p> <p>Appointed President, Chief Operating Officer (<i>Member of the Board</i>) of AIR WATER INC.</p> <p>Appointed Director (<i>Member of the Board</i>) of the Company (to the present)</p> <p>Appointed Director, Vice Chairman of the Board of AIR WATER INC. (to the present)</p> <p>(Significant concurrent posts of other entities) Director, Vice Chairman of the Board of AIR WATER INC.</p>	0 shares
13	Masato Ono (November 4, 1950)	April 1974 March 2006 June 2007 June 2012 June 2013	<p>Joined Dai-ichi Kangyo Bank, Ltd.</p> <p>Appointed Executive Officer of Mizuho Bank, Ltd.</p> <p>Appointed Deputy President and Representative Director of Mizuho Financial Group, Inc.</p> <p>Appointed President and CEO (Member of the Board) of Total Insurance Service Limited (to the present)</p> <p>Appointed Director (<i>Member of the Board</i>) of the Company (to the present)</p> <p>(Significant concurrent posts of other entities) President and CEO (Member of the Board) of Total Insurance Service Limited Outside Director of Nippon Light Metal Holdings Company, Ltd.</p>	0 shares

Notes:

1. Kazuo Tsukuda, Yasuo Imai, and Masato Ono are candidates for Outside Director as defined in Article 2, Item 15 of the Companies Act of Japan.

2. Matters concerning candidates for Outside Director

(1) Kazuo Tsukuda

In order to develop the Company's business steadily and to enhance its corporate value, it is quite effective to introduce to the Board of Directors an outsider's eye with a broad perspective and excellent insight. Kazuo Tsukuda has been providing the Company with extremely valuable advice, with his outstanding knowledge of manufacturing and extensive experience in management, having a deep understanding of the Company's business.

Although Kazuo Tsukuda had served as Chairman and President of Mitsubishi Heavy Industries, Ltd., he meets the Company's criteria for independence of Outside Directors and Outside Audit & Supervisory Board Members (see the bottom of the last page), and there is no risk of independence being affected by that position.

We propose the reelection of Kazuo Tsukuda, who has continued to contribute to the Company's Board of Directors from an independent position as Outside Director.

In addition, the Company has appointed Outside Director Kazuo Tsukuda as an Independent Director as defined by the Tokyo Stock Exchange and has duly notified the Tokyo Stock Exchange.

His term of office as Outside Director of the Company will have been two (2) years at the conclusion of the coming shareholder meeting.

Kazuo Tsukuda attended 12 out of 13 meetings of the Board of Directors that were held in the fiscal year under review.

(2) Yasuo Imai

After joining in the Ministry of International Trade and Industry (currently, the Ministry of Economy, Trade and Industry), Yasuo Imai had experience of being posted overseas as General Manager of the Washington Office of Japan National Oil Corporation. He successfully held a number of positions starting from the post of Deputy Director-General, Director-General of the Petroleum Department of Agency for Natural Resources and Energy. Subsequently he moved to

the post of Director-General of the Manufacturing Industries Bureau, and then to the post of Commissioner of the Japan Patent Office. Based on these experiences, Yasuo Imai, being familiar with foreign affairs, has a global perspective and extensive knowledge concerning manufacturing industry and the protection of intellectual property, etc. At the same time, he is a currently active corporate executive and is also knowledgeable about corporate management due to his over 10 years experience in business. Yasuo Imai has been providing the Company with extremely valuable advice as Outside Director with his extensive experience in various fields and from his broad vision.

Although Yasuo Imai serves as Director, Vice Chairman of the Board of AIR WATER INC., he meets the Company's criteria for independence of Outside Directors and Outside Audit & Supervisory Board Members (see the bottom of the last page), and there is no risk of his independence being affected by that position.

We propose the reelection of Yasuo Imai, who has continued to contribute to the Company's Board of Directors from an independent position as Outside Director.

In addition, the Company has appointed Outside Director Yasuo Imai as an Independent Director as defined by the Tokyo Stock Exchange and has duly notified the Tokyo Stock Exchange.

His term of office as Outside Director of the Company will have been two (2) years at the conclusion of the coming shareholder meeting.

Yasuo Imai attended all of 13 meetings of the Board of Directors that were held in the fiscal year under review.

(3) Masato Ono

Our company has specialized in business activities in the narrow field of the automation of manufacturing and as such the Board of Directors consists mostly of Directors with engineering background focusing on its core business. Given this context, Masato Ono has been providing the Company with extremely valuable advice on enhancing corporate value from a totally different point of view, contributing to active discussions at the meeting of the Board of Directors based on his many years of experience in management of financial institutions.

Although Masato Ono has served as Deputy President and Representative Director of Mizuho Financial Group, Inc., he meets the Company's criteria for independence of Outside Directors and Outside Audit & Supervisory Board Members (see the bottom of the last page), (The Company has never applied for a loan from any banks of Mizuho Financial Group.), it has been over nine (9) years since he retired as Director of the Mizuho Financial Group, Inc. and there is no risk of his independence being affected by that position.

We propose the reelection of Masato Ono, who has continued to contribute to the Company's Board of Directors from an independent position as Outside Director.

In addition, the Company has appointed Outside Director Masato Ono as an Independent Director as defined by the Tokyo Stock Exchange and has duly notified the Tokyo Stock Exchange.

His term of office as Outside Director of the Company will have been four (4) years at the conclusion of the coming shareholder meeting.

Masato Ono has attended all of 13 meetings of the Board of Directors that were held in the fiscal year under review.

3. We have entered into an agreement with Kazuo Tsukuda, Yasuo Imai and Masato Ono limiting their liability for damages as defined under Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the Companies Act.

(For Reference) 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 of the following conditions.

1. Business transactions between the Company and the company from which the candidate comes must amount to less than 2% of the respective consolidated sales of both companies.
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.

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