(TRANSLATION)

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Supplementary Materials to the Notice of Convocation of The 52nd Ordinary General Meeting of Shareholders

Internet Disclosure Items

1. Matters Related to Business Report
2. Consolidated Statement of Changes in Net Assets
3. Notes to the Consolidated Financial Statements
4. Non-Consolidated Statement of Changes in Net Assets
5. Notes to the Non-Consolidated Financial Statements

The above materials are provided in accordance with Article 133, Paragraph 3 of the Ordinance for Enforcement of the Companies Act and Articles 133, Paragraph 4 and Articles 134, Paragraph 4 of the Rules of Corporate Accounting.

FANUC CORPORATION

Internet Disclosure Items

1. Matters Related to Business Report

(1) Directors and Audit & Supervisory Board Members of the Company

Overview of the limitation of liability agreements

The Company has entered into agreements with Outside Directors, Kazuo Tsukuda, Yasuo Imai, Masato Ono, and Naoko Yamazaki, and Outside Audit & Supervisory Board Members, Masaharu Sumikawa, Hidetoshi Yokoi, and Mieko Tomita, 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. The amount of the limit of liabilities for damages under such agreement shall be the amount of the minimum limit stipulated by laws and regulations.

(2) Accounting Auditor

1) Name of Accounting Auditor Ernst & Young ShinNihon LLC

2) Amount of fees, etc. paid to the Accounting Auditor in the fiscal year under review

(a)	Amount of fees, etc. as Accounting Auditor:	41 million yen
(b)	Total amount of cash and other proprietary benefits payable by the Company and its subsidiaries:	41 million yen

Notes 1. The amount of auditing fees is not distinguished under the auditing agreement concluded between the Company and the Accounting Auditor with respect to audits under the Companies Act and the audits under the Financial Instruments and Exchange Act. Therefore, the amount in (a) represents the sum of the fees for such audits.

2. The overseas subsidiaries of the Company are subject to audits by audit firms other than the Accounting Auditor of the Company.

3. The reason for the approval by the Audit & Supervisory Board of the amount of fees, etc. paid to the Accounting Auditor

In addition to obtaining the necessary documents and receiving reports from the Directors, the related internal divisions and the Accounting Auditor, the Audit & Supervisory Board examined the audit plans and the status of audit execution of the previous fiscal year as well as the basis for calculating the estimated fees, etc. for the fiscal year under review based on the "Practical Guidelines on Cooperation with Accounting Auditors" released by the Japan Audit & Supervisory Board Members Association, and has determined that the fee levels are reasonable and has consented to the amount of fees, etc.

3) Policy of determining dismissal or non-reappointment of the Accounting Auditor

The Company shall propose non-reappointment of the Accounting Auditor to the general meeting of shareholders by resolution of the Audit & Supervisory Board, as a general rule, in cases where it is deemed difficult for the Accounting Auditor to execute audits in an appropriate manner, in addition to dismissal of the Accounting Auditor by the Audit & Supervisory Board based on the provisions of Article 340 of the Companies Act.

(3) System to ensure the appropriateness of business activities

An overview of the resolution by the Board of Directors of the system to ensure the appropriateness of business activities is as follows.

1) Policy concerning the storage and management of information regarding the execution of the Company's Directors' duties:
Pursuant to its documentation rules, the Company shall document and store information on the execution of the Directors' duties. The Directors and Audit & Supervisory Board Members shall have access to such documents at all times.

2) Rules and schemes concerning management of the Company's exposure to the risk of loss:
The Company has established a Risk Management Committee and has created risk management policies in order to handle potential risks which may obstruct the continuation of the Company's business, increase in the Company's value, or sustainable development of the Company's activities, and shall engage in appropriate risk management under the supervision of the Board of Directors. Furthermore, the Internal Audit Department, which directly reports to the President of the Company, shall conduct internal audits regarding the status of risk management.

3) Policy to ensure efficient execution by the Company's Directors of their duties:
The Company shall ensure efficient execution by the Directors of their duties by using the following management policies:

(i) Deliberation of vital matters in various major meetings between Directors and mainemployees.

(ii) Approval of vital matters and reports on monthly settlement of accounts at meetings of the Board of Directors, to be held at least once per month.

4) Policy to ensure the execution by the Company's Directors and employees of their duties to comply with laws or ordinances and the Articles of Incorporation:
The Company shall offer training to the Directors and employees with regard to laws, ordinances, the Articles of Incorporation, and other internal rules to ensure that the execution of the duties of the Directors and employees complies with laws or ordinances and the Articles of Incorporation. Furthermore, the basic policy of having no affiliation with anti-social forces will be thoroughly made known to the Directors and employees, and unreasonable demands from anti-social forces will be handled systematically in collaboration with lawyers, police and other such experts and institutions outside the Company.

5) Policies to secure the appropriateness of business activities of the corporate group comprised of the Company and its subsidiaries:

(i) Policy regarding reporting to the Company of the execution of the duties of the Directors of the Company's subsidiaries.

(ii) Rules and other policies regarding management of exposure to the risk of loss of the Company's subsidiaries.

(iii) Policy to ensure efficient execution of the duties of the Directors of the Company's subsidiaries.

(iv) Policy to ensure that the execution of the duties of the Directors and employees of the Company's subsidiaries complies with laws or ordinances and the Articles of Incorporation:

The Company will strive to enhance corporate governance in our corporate group by thoroughly disseminating the group's code of conduct applied to our corporate group. Regarding important matters pertaining to the management of the Company's subsidiaries, prior approval shall be requested or a report shall be submitted to the Company, according to the "FANUC Group Company Regulations." Each subsidiary shall individually endeavor to implement proper and efficient management, but as the parent company, the Company shall provide guidance and supervision through relevant departments including the Internal Audit Department, in order to enforce the effectiveness of the corporate group's risk management and compliance, as deemed necessary.

6) Policy concerning the assignment of employees to assist the Company's Audit & Supervisory Board Members to execute their duties, when the Audit & Supervisory Board Members so request:
The Company shall assign its employees to assist the Audit & Supervisory Board Members to execute their duties whenever necessary.

7) Policies for reporting to the Company's Audit & Supervisory Board Members, and other policies to ensure effective audits by the Company's Audit & Supervisory Board Members:

(i) Policy for the Company's Directors and employees to report to the Company's Audit & Supervisory Board Members.

(ii) Policy for Directors, Audit & Supervisory Board Members or employees of the Company's subsidiaries, or a person who has received a report from a Director, Audit & Supervisory Board Member or employee of the Company's subsidiary to report to the Company's Audit & Supervisory Board Member.

By attending meetings of the Board of Directors and various major meetings set forth in 3) above, the Audit & Supervisory Board Members shall share information necessary for management with the Directors and employees. When Directors and employees detect any material fact of violation of laws and ordinances or the Articles of Incorporation, or incidents which could have a materially negative impact on the Company, they are required to immediately report such facts or incidents to the Audit & Supervisory Board Members.

8) Policy for protecting the person conducting the internal reporting in the above 7) (whistleblower) from retaliation for having reported:
The person reporting as in the above 7) (whistleblower) will not receive any disadvantageous treatment due to having reported to an Audit & Supervisory Board Member.

9) Matters concerning advance payment or reimbursement for expenses incurred from the execution of the Company's Audit & Supervisory Board Member's duties and other policies regarding processing of expenses or debts incurred from the execution of the Company's Audit & Supervisory Board Member's duties:
Requests for advance payment and others for expenses generated for the execution of an Audit & Supervisory Board Member's duties will be granted except in such cases where the expense is deemed unnecessary for the execution of the Audit & Supervisory Board Member's duties.

(4) Overview of the management of the system to ensure the appropriateness of business activities

1) Compliance system
The Company recognizes that "a company will last forever and be sound with Strict Preciseness" and "the corruption of an organization and downfall of a company start from a lack of Transparency." Based on these basic principles of "Strict Preciseness and Transparency," the Company has established the FANUC Code of Conduct and by widely communicating this Code of Conduct, it strives to raise the employee's awareness of compliance. The Company has also established a whistle-blowing system where employees, etc., can whistleblow without fear of consequences.

2) Risk management system
The Company has established a Risk Management Committee to identify and evaluate risks that could obstruct the continuation of the Company's business, increase in the Company's value, or sustainable development of the Company's activities. By also sharing the contents of the discussions of the Risk Management Committee with the Outside Directors and the Outside Audit & Supervisory Board Members, the Company strives to ensure the effectiveness of risk management.

3) Management of group companies
Regarding important matters pertaining to the management of the group companies, the Company's subsidiaries are required to request for prior approval by the Company or report to the Company, in accordance with the FANUC Group Company Regulations. The Company also strives to raise awareness of compliance among the subsidiaries, by applying the FANUC Code of Conduct to the subsidiaries and widely communicating the content to the employees and executives of the subsidiaries. Additionally, a whistle-blowing system where employees, etc. of the subsidiaries can whistleblow without fear of consequences is being successively introduced to the subsidiaries.

4) Execution of duties by Directors
The Company has introduced the Managing Officer System, and the Directors efficiently execute their duties based on internal rules that stipulate organizational structure, duties of organizations, duties and authorities of management, and other relevant matters. Additionally, in order for the Board of Directors to fulfill its monitoring and supervising functions in line with the field, Directors executing business activities disclose and explain accurate and timely information from the worksites to the Board of Directors and strive to ensure that discussions at the Board of Directors meetings are constructive.

5) Execution of duties by the Audit & Supervisory Board Members
Audit & Supervisory Board Members gather necessary information as appropriate in collaboration with the Accounting Auditor and the Internal Audit Department to efficiently carry out audit operations.

2. Consolidated Statement of Changes in Net Assets
(From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at March 31, 2020	69,014	96,265	1,351,122	(127,822)	1,388,579
Changes during the year					
Dividends of surplus			(50,369)		(50,369)
Net income attributable to owners of parent			94,012		94,012
Changes by merger			346		346
Change in equity from transactions with non-controlling shareholders		(270)			(270)
Purchase of treasury stock				(283)	(283)
Disposal of treasury stock		2		2	4
Retirement of treasury stock		(2)	(22,093)	22,095	–
Net change except shareholders' equity during the year					–
Total changes during the year	–	(270)	21,896	21,814	43,440
Balance at March 31, 2021	69,014	95,995	1, 373,018	(106,008)	1, 432,019

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income		
Balance at March 31, 2020	5,058	(26,608)	(11,929)	(33,479)	7,765	1,362,865
Changes during the year						
Dividends of surplus						(50,369)
Net income attributable to owners of parent						94,012
Changes by merger						346
Change in equity from transactions with non-controlling shareholders						(270)
Purchase of treasury stock						(283)
Disposal of treasury stock						4
Retirement of treasury stock						—
Net change except shareholders' equity during the year	11,852	21,759	(6,672)	26,939	2,310	29,249
Total changes during the year	11,852	21,759	(6,672)	26,939	2,310	72,689
Balance at March 31, 2021	16,910	(4,849)	(18,601)	(6,540)	10,075	1,435,554

3. Notes to the Consolidated Financial Statements

Notes to significant accounting policies for preparation of consolidated financial statements

1. Scope of consolidation

Number of consolidated subsidiaries and names of major consolidated subsidiaries

Number of consolidated subsidiaries: 35

Names of major consolidated 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

Among the subsidiaries, some companies such as FANUC KOSAN LTD are not included in the scope of consolidation.

The total amounts in terms of total assets, net sales, net income or loss (amount proportional to equity) and retained earnings (amount proportional to equity) of these unconsolidated subsidiaries are immaterial, as such, and do not materially impact the consolidated financial statements as a whole.

2. Application of equity method

Number of equity method affiliates: 2

Names of the companies: BEIJING-FANUC Mechatronics CO., LTD.
SHANGHAI-FANUC Robotics CO., LTD.

The net income or loss (amount proportional to equity) and retained earnings (amount proportional to equity) of these unconsolidated subsidiaries and affiliated companies that are not accounted for by the equity method (such as FANUC KOSAN LTD) are immaterial, as such, and do not materially impact the consolidated financial statements as a whole.

3. Accounting policies

(1) Valuation standards and valuation methods of significant assets

(a) Securities

Available-for-sale securities

(Securities whose fair values are readily determinable)

Stated at fair value based on the market prices as of the closing date, etc. (Differences in valuation are included directly in net assets and the cost of securities sold is calculated by the moving average method.)

(Securities whose fair values are not readily determinable)

Stated at cost based on the moving average method.

(b) Inventories

Stated principally at cost by the specific identification method or at cost by the average method (the method of writing down book value in accordance with decreased profitability).

(2) Depreciation method of significant depreciable assets

(a) Property, plant and equipment

Property, plant and equipment are depreciated principally by the declining-balance method. However, for the Company and its domestic consolidated subsidiaries, buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998 and facilities attached to buildings and structures acquired on or after April 1, 2016 are depreciated using the straight-line method.

(b) Intangible assets

Intangible assets are amortized principally by the straight-line method. Software for internal use is amortized over its internal estimated useful life (5 years) using the straight-line method.

(3) Basis of recording significant provisions

(a) Allowance for doubtful accounts

The Company records allowance for doubtful accounts to prepare for possible losses on receivables or loans based on the historical default rates for ordinary receivables and on estimates of collectability for specific doubtful receivables.

(b) Warranty reserves

The Company records warranty reserves to allocate the accrual of warranty costs of the Company's goods to the net sales of the period based on historical experience. Additionally, necessary amounts are estimated individually for specific cases.

(4) Other important matters forming the basis of preparation of the consolidated financial statements

(a) Method of accounting for retirement benefits

- Method of attributing the projected retirement benefits to periods

  The benefit formula basis is applied as the method for attributing the expected retirement benefits to periods of service for the calculation of the retirement benefit obligation.

- Method of amortization of actuarial differences and past service cost

  Actuarial gain or loss is amortized in the year following the year in which the gain or loss is recognized primarily by the straight-line method over a period (10 years) which is shorter than the estimated average remaining years of service of the eligible employees.

  Past service cost is amortized as incurred by the straight-line method over a period (10 years) which is shorter than the estimated average remaining years of service of the eligible employees.

(b) Basis for the translation of foreign currency denominated assets and liabilities into Japanese yen

Monetary assets and liabilities denominated in foreign currency are translated into Japanese yen at the spot exchange rate on the closing date and translation differences are recognized as profit or loss in the corresponding fiscal year. Assets and liabilities of overseas subsidiaries and associates are translated into Japanese yen at the spot exchange rate on the closing date while revenue and expenses are translated into Japanese yen at the average exchange rate for the period and exchange differences are included in foreign currency translation adjustment under net assets.

(c) Accounting for consumption tax

The tax-excluded method is used.

Notes to changes in presentation methods

The Company has applied the "Accounting Standard for Disclosure of Accounting Estimates" (ASBJ Statement No. 31, March 31, 2020) from the fiscal year under review and provides notes to accounting estimates in the Notes to the Consolidated Financial Statements.

Notes to accounting estimates

Impairment of property, plant and equipment and intangible assets

1. Amount recorded in the consolidated financial statements for the fiscal year under review

   Given a significant decline in the market price of the land of Headquarters offices (carrying amount in the consolidated balance sheet: 78,971 million yen), which is categorized into jointly used assets, the Company has determined that there is an indication of impairment for jointly used assets.

2. Other information that contributes to understanding of accounting estimates

   Since there is an indication of impairment for jointly used assets, the Company conducted a test to determine whether an impairment loss needs to be recognized with a larger unit that covers jointly used assets and multiple asset groups related to the jointly used assets. As a result of the test, the total amount of undiscounted future cash flows was found to exceed the carrying amount, and thus no impairment loss was recognized.

   Although the assumptions used for these estimates are the best estimates at this point, uncertain economic conditions and the Group's business standing in the future may have a material impact on estimated future cash flows.

Notes to the consolidated balance sheet

1. Accumulated depreciation of property, plant and equipment: 402,064 million yen
2. Guaranteed obligations: 6 million yen

   The Company guarantees the obligations of employee mortgage loans.

Notes to consolidated statement of changes in net assets

1. Class and number of shares outstanding as of March 31, 2021
   Common stock: 201,922,097 shares

2. Dividends
   (1) Amount of dividends paid

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Dividend per share	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 26, 2020	Common stock	33,502 (13,593)	174.65 yen (70.86 yen)	March 31, 2020	June 29, 2020
Meeting of the Board of Directors held on October 29, 2020	Common stock	16,867	87.93 yen	September 30, 2020	December 1, 2020
Total		50,369			

Note: The amount in parentheses represents the special dividend.

(2) Dividends for which the record date falls in the fiscal year under review while the effective date will be in the next fiscal year

The Company will present the following proposal on dividends for common stock at the Ordinary General Meeting of Shareholders to be held on June 24, 2021.

1. Total amount of payout: 39,541 million yen
2. Dividend per share: 206.14 yen
3. Record date: March 31, 2021
4. Effective date: June 25, 2021

The source of dividends is expected to be retained earnings.

Notes to financial instruments

1. Status of financial instruments

(1) Basic policy to manage financial instruments

The Group relies on its resources to finance operations and does not raise funds from external resources. In addition, the Group does not enter into any derivative contracts.

(2) Nature and extent of risks arising from financial instruments

Deposits denominated in foreign currencies are exposed to the risk of exchange fluctuations. Receivables such as trade notes and trade accounts are exposed to customer credit risk and receivables denominated in foreign currencies that arise from overseas operations are exposed to the market risk of fluctuation in foreign currency exchange rates. Marketable securities are negotiable certificates of deposits, which are easily convertible into cash and within three months, and thus are exposed to an insignificant risk of price fluctuations. Investment securities, which mainly consist of stocks in companies with business relationships, are exposed to the risk of market price fluctuations. Payables such as trade notes and trade accounts are due within one year.

(3) Risk management for financial instruments

1) Credit risk (Risk of default, etc. of customers)

The Group, in accordance with the rules on receivables management, periodically monitors the status of key customers and manages the due dates and the balances of receivables by customer, to ensure early detection and mitigation of any concerns over collection associated with the deterioration of their financial position.

2) Market risk (Risk of fluctuation of exchanges rates, etc.)

The Group regularly monitors each yen equivalent of deposits denominated in foreign currencies to manage the market risk.

The Group regularly monitors the market price and the financial condition of the issuer (business partner) with respect to its investment securities and continuously reviews the holding status by taking into account its relationship with the business partner.

2. Fair value of financial instruments

The carrying amounts on the consolidated balance sheet, the fair values, and the difference thereof, as of March 31, 2021 are summarized as follows. Financial instruments whose fair values are not readily determinable are not included in the table below (See Note 2).

(Millions of yen)

	Carrying amount in the consolidated balance sheet (*)	Fair value (*)	Variance
(1) Cash and bank deposits	429,784	429,784	–
(2) Notes and accounts receivables	128,171	128,171	–
(3) Marketable securities and investment securities Available-for-sale securities	192,565	192,565	–
(4) Notes and accounts payables	(44,015)	(44,015)	–
(5) Accrued income taxes	(22,131)	(22,131)	–

(*) Amounts in parentheses denote items reported under liabilities.

Note 1. Calculation method of fair values of financial instruments and matters concerning securities

Assets

(1) Cash and bank deposits and (2) Notes and accounts receivables

The carrying amount is used, as their fair values approximate their carrying amounts due to their short maturities.

(3) Marketable securities and investment securities

Marketable securities are negotiable certificates of deposits (NCD), and as their fair values approximate their carrying amounts due to their short maturities, the carrying amounts are used as fair values. Investment securities are equity securities whose fair values are measured at the quoted market price at the stock exchange.

Marketable securities and investment securities are held as available-for-sale securities and the difference between the carrying amounts in the consolidated balance sheet and the acquisition costs with respect to such available-for-sale securities are as follows.

(Millions of yen)

	Type	Carrying amount in the consolidated balance sheet	Acquisition cost	Difference
Carrying amount in the consolidated balance sheet exceeds the acquisition cost	Equity securities	35,565	12,932	22,633
	Subtotal	35,565	12,932	22,633
Carrying amount in the consolidated balance sheet does not exceed the acquisition cost	Equity securities	—	—	—
	NCD	157,000	157,000	—
	Subtotal	157,000	157,000	—
Total		192,565	169,932	22,633

Liabilities

(4) Notes and accounts payables and (5) Accrued income taxes

The carrying amount is used, as their fair values approximate their carrying amounts due to their short maturities.

Note 2. Financial instruments whose fair values are not readily determinable

Given that unlisted stocks (carrying amount in the consolidated balance sheet: 73,647 million yen) have no market price and the future cash flows thereof cannot be estimated, they are deemed to be financial instruments whose fair values are not readily determinable and are thus not included in “(3) Marketable securities and investment securities, Available-for-sale securities.”

Note 3. Redemption schedule of monetary claims and securities with maturities after the consolidated closing date

(Millions of yen)

	Within 1 year	1-5 years	5-10 years	Due after 10 years
Cash and bank deposits	429,784	—	—	—
Notes and accounts receivables	128,171	—	—	—
Marketable securities and investment securities				
Available-for-sale securities with maturities	157,000	—	—	—
Total	714,955	—	—	—

Notes to per share information

Net assets per share	7,431.58 yen
Net income per share	490.11 yen

Significant subsequent events

(Share buyback)

At a meeting held on April 27, 2021, the Board of Directors of the Company authorized the repurchase of its common shares pursuant to Article 156 of the Companies Act as applied pursuant to Article 165, Paragraph 3 of the Companies 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. Summary of share buyback

(1) Class of shares to be repurchased:	Common shares
(2) Total number of shares to be repurchased:	Up to 2.5 million shares (1.30% of outstanding shares, excluding treasury shares)
(3) Aggregate amount of shares to be repurchased:	Up to 50.0 billion yen
(4) Method of share buyback:	Market purchase on the Tokyo Stock Exchange
(5) Buyback period:	April 28, 2021 – March 31, 2022

4. Non-Consolidated Statement of Changes in Net Assets
(From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity			
		Capital surplus		
	Common stock	Legal capital surplus	Other capital surplus	Total capital surplus
Balance at March 31, 2020	69,014	96,057	–	96,057
Changes during the year				
Reversal of reserve for reduction entry				
Dividends of surplus				
Net income				
Purchase of treasury stock				
Disposal of treasury stock			2	2
Retirement of treasury stock			(2)	(2)
Net change except shareholders' equity during the year				
Total changes during the year	–	–	–	–
Balance at March 31, 2021	69,014	96,057	–	96,057

	Shareholders' equity					
	Retained earnings					
		Other retained earnings				
	Legal retained earnings	Reserve for research and development	Reserve for reduction entry	General reserve	Retained earnings brought forward	Total retained earnings
Balance at March 31, 2020	8,252	311,800	38	303,580	418,982	1,042,652
Changes during the year						
Reversal of reserve for reduction entry			(3)		3	–
Dividends of surplus					(50,369)	(50,369)
Net income					70,451	70,451
Purchase of treasury stock						
Disposal of treasury stock						
Retirement of treasury stock					(22,093)	(22,093)
Net change except shareholders' equity during the year						
Total changes during the year	–	–	(3)	–	(2,008)	(2,011)
Balance at March 31, 2021	8,252	311,800	35	303,580	416,974	1,040,641

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock, at cost	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at March 31, 2020	(127,822)	1,079,901	4,732	4,732	1,084,633
Changes during the year					
Reversal of reserve for reduction entry		–			–
Dividends of surplus		(50,369)			(50,369)
Net income		70,451			70,451
Purchase of treasury stock	(283)	(283)			(283)
Disposal of treasury stock	2	4			4
Retirement of treasury stock	22,095	–			–
Net change except shareholders' equity during the year			11,806	11,806	11,806
Total changes during the year	21,814	19,803	11,806	11,806	31,610
Balance at March 31, 2021	(106,008)	1,099,704	16,538	16,538	1,116,242

5. Notes to the Non-Consolidated Financial Statements

<u>Notes to significant accounting policies</u>

1. Valuation standards and valuation methods of securities

Shares of subsidiaries and associates

Stated at cost based on the moving average method

Available-for-sale securities

(Securities whose fair values are readily determinable)

Stated at fair value based on the market prices as of the closing date, etc. (Differences in valuation are included directly in net assets and the cost of securities sold is calculated by the moving average method.)

(Securities whose fair values are not readily determinable)

Stated at cost based on the moving average method.

2. Valuation standards and valuation methods of inventories

Finished goods and work in progress: Stated at cost by the specific identification method or at cost by the average method (the method of writing down book value in accordance with decreased profitability.)

Raw materials: Stated at cost determined by the most recent purchase price method.

Supplies: Stated at cost determined by the first-in-first-out method.

3. Depreciation method of noncurrent assets

(1) Property, plant and equipment

Property, plant and equipment are depreciated by the declining-balance method. However, buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998 and facilities attached to buildings and structures acquired on or after April 1, 2016 are depreciated using the straight-line method.

(2) Intangible assets

Intangible assets are amortized by the straight-line method. Software for internal use is amortized over its internal estimated useful life (5 years) using the straight-line method.

4. Basis for recording provisions

(1) Allowance for doubtful accounts

The Company records allowance for doubtful accounts to prepare for possible losses on receivables or loans based on the historical default rates for ordinary receivables and on estimates of collectability for specific doubtful receivables.

(2) Warranty reserves

The Company records warranty reserves to allocate the accrual of warranty costs of the Company's goods to the net sales of the period based on historical experience. Additionally, necessary amounts are estimated individually for specific cases.

(3) Allowance for employees' retirement benefits

The Company records a provision for retirement benefits to provide retirement benefits to employees based on the projected amount of retirement benefit obligations and pension assets at the end of the fiscal year under review.

Allowance for employees' retirement benefits and defined benefit cost are accounted for as follows.

1) Method of attributing the projected retirement benefits to periods

The benefit formula basis is applied as the method for attributing the expected retirement benefits to period of service for the calculation of the retirement benefit obligation.

2) Method of amortization of actuarial differences and past service cost

Actuarial gain or loss is amortized in the year following the year in which the gain or loss is recognized primarily by the straight-line method over a period (10 years) which is shorter than the estimated average remaining years of service of the eligible employees.

Past service cost is amortized as incurred by the straight-line method over a period (10 years) which is shorter than the estimated average remaining years of service of the eligible employees.

The accounting treatment of unrecognized actuarial differences and unrecognized past service cost is different from that used in the Group's consolidated balance sheet.

5. Accounting for consumption tax

The tax-excluded method is used.

Notes to changes in presentation methods

The Company has applied the "Accounting Standard for Disclosure of Accounting Estimates" (ASBJ Statement No. 31, March 31, 2020) from the fiscal year under review and provides notes to accounting estimates in the Notes to the Non-Consolidated Financial Statements.

Notes to accounting estimates

Impairment of property, plant and equipment and intangible assets

1. Amount recorded in the non-consolidated financial statements for the fiscal year under review
   Given a significant decline in the market price of the land of Headquarters offices (carrying amount in the non-consolidated balance sheet: 78,971 million yen), which is categorized into jointly used assets, the Company has determined that there is an indication of impairment for jointly used assets.
2. Other information that contributes to understanding of accounting estimates
   Same as "2. Other information that contributes to understanding of accounting estimates" in "Notes to accounting estimates, Notes to the Consolidated Financial Statements."

Notes to non-consolidated balance sheet

1. Accumulated depreciation of property, plant and equipment: 367,722 million yen

2. Guaranteed obligations: 6 million yen
   The Company guarantees the obligations of employee mortgage loans.

3. Monetary receivables from and payables to subsidiaries and associates

Short-term monetary receivables:	39,440 million yen
Short-term monetary payables:	2,544 million yen
Long-term monetary receivables:	900 million yen

Notes to non-consolidated statement of income

Transactions with subsidiaries and associates

Sales to subsidiaries and associates:	275,744 million yen
Purchases from subsidiaries and associates:	13,386 million yen
Non-operating transactions with subsidiaries and associates:	23,775 million yen

Notes to non-consolidated statement of changes in net assets

Class and number of shares of treasury stock at the end of the fiscal year under review
Common stock: 10,108,169 shares

Notes to tax effect accounting

1. Breakdown of major causes for deferred tax assets and deferred tax liabilities

Deferred tax assets	
Allowance for employees' retirement benefits	9,846 million yen
Depreciation	11,864 million yen
Accrued enterprise taxes	1,018 million yen
Accrued expenses	4,570 million yen
Investment securities	1,146 million yen
Other	10,679 million yen
Gross deferred tax assets	39,123 million yen
Valuation allowance	(2,459) million yen
Total deferred tax assets	36,664 million yen
Deferred tax liabilities	
Prepaid pension costs	(2,309) million yen
Valuation difference on available-for-sale securities	(6,080) million yen
Other	(43) million yen
Total deferred tax liabilities	(8,432) million yen
Net deferred tax assets	28,232 million yen

Notes to related-party transactions

Subsidiaries and affiliated companies

Classifi-cation	Company name	Ratio of voting rights ownership (owned)	Relationship with related party	Details of the transaction	Transaction amount (Millions of yen)	Account	Balance as of March 31, 2021 (Millions of yen)
Subsidiary	FANUC America Corporation	(Ownership) Direct 100%	Sales of the Company's products	Sales of FA, robots, and Robomachines	55,385	Accounts receivable, trade	6,777
Subsidiary	FANUC Europe Corporation	(Ownership) Direct 100%	Sales of the Company's products	Sales of FA, robots, and Robomachines	44,464	Accounts receivable, trade	4,850
Affiliate	BEIJING-FANUC Mechatronics CO., LTD.	(Ownership) Direct 50%	Sales of the Company's products	Sales of FA	54,612	Accounts receivable, trade	4,490
Affiliate	SHANGHAI-FANUC Robotics CO., LTD.	(Ownership) Direct 50%	Sales of the Company's products	Sales of robots	48,947	Accounts receivable, trade	11,552

Business conditions and the policy for the determination of business conditions

Notes 1. Transaction prices are determined by taking into account general market prices.

2. The transaction amount and the balance as of March 31, 2021 do not include consumption tax.

Notes to per share information

Net assets per share 5,819. 40 yen

Net income per share 367. 28 yen

Significant subsequent events

(Share buyback)

At a meeting held on April 27, 2021, the Board of Directors of the Company authorized the repurchase of its common shares pursuant to Article 156 of the Companies Act as applied pursuant to Article 165, Paragraph 3 of the Companies 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. Summary of share buyback

(1) Class of shares to be repurchased: Common shares
(2) Total number of shares to be repurchased: Up to 2.5 million shares
(1.30% of outstanding shares, excluding treasury shares)
(3) Aggregate amount of shares to be repurchased: Up to 50.0 billion yen
(4) Method of share buyback: Market purchase on the Tokyo Stock Exchange
(5) Buyback period: April 28, 2021 – March 31, 2022