CORPORATE GOVERNANCE GUIDELINES

FANUC CORPORATION
Last Revision: December 23, 2021

Chapter 1 General Provisions

Article 1 (Purpose of Guidelines)

The purpose of these Guidelines is to set forth the overall principles and structure of corporate governance of our company.

Article 2 (Fundamental Concept of Corporate Governance)

We ensure the practice of "Strict Preciseness" and "Transparency," which are the basic principles of FANUC. We think it is important for the practical functioning of governance to share such easy-to-understand and simple principles among all officers and employees of the Group.

About "Strict Preciseness" and "Transparency"

Strict Preciseness The permanence and soundness of a company are created by Strict Preciseness. Transparency The corruption of an organization and the collapse of a company start from opacity.

By establishing a specific code of conduct while practicing "Strict Preciseness" and "Transparency," we will make efforts to maintain a high level of awareness of officers and employees of our Group into the future.

Article 3 (Organizational Structure)

FANUC has always worked on enhancing corporate governance based on our Basic Principles of "Strict Preciseness and Transparency." As we proceed in separating our supervisory and executive functions, in order to further strengthen the supervisory functions of the Board of Directors and speed up management decisions, we transitioned to Company with an Audit and Supervisory Committee, that allows us to establish an Audit and Supervisory Committee consisting of the Directors who are Audit and Supervisory Committee Members and to expand the delegation of decision-making authority for business execution from the Board of Directors to Directors. Thus, we are further endeavoring to enhance corporate governance and increase corporate value.

Chapter 2 Fundamental Principles of Our Group

Article 4 (Basic Management Policies)

The principle "Strict Preciseness and Transparency" mentioned in Article 2 (Fundamental Concept of Corporate Governance) above has been the fundamental principle since the foundation of our company, and applies not only to corporate governance, but also to the development of products, etc., and all other activities of officers and employees of our Group.

While firmly maintaining "Strict Preciseness and Transparency," our Group engages in business activities based on the "Basic Management Policies" listed in Exhibit 1.

Article 5 (Principle Regarding Relationship with Stakeholders)

We will manage the company while taking into consideration our all stakeholders.

Article 6 (Capital Policy)

In order to continuously develop in a sound manner and to fulfill our responsibilities to all our stakeholders, we will maintain a necessary and sufficient financial base with which we can deal with whatever challenges we face. In addition to this, we will make necessary investments to grow our business from time to time with the aim of contributing to the medium and long-term enhancement of corporate value, and we will also distribute profits to shareholders in the manner set forth in Exhibit 2 attached hereto.

Article 7 (Principle Regarding Cross-Shareholdings)

1 The Company will hold shares of other companies only when it is deemed necessary for the maintenance and expansion of the business of our Group from a medium and long-term perspective based on the benefits, such as the development of new products, the stable procurement of parts and materials, the maintenance of business relationships with customers, etc., upon considering the holding costs, etc. as well. Every year, we will perform an assessment based on such perspectives, and will strive to reduce the number of shares for which the holding significance is determined to be tenuous.

2 In exercising our voting rights of cross-held shares, we will comprehensively consider impact on our business and on management of such other companies, and other such matters, from a medium and long-term perspective, and then we will appropriately exercise such voting rights.

Article 8 (Whistle-Blowing System)

We will establish and appropriately operate a whistle-blowing system where employees, suppliers and other stakeholders can whistle-blow without fear of consequences.

Chapter 3 Board of Directors and Audit & Supervisory Committee

Article 9 (Structure of Board of Directors and Appointment and Dismissal of Candidates for Directors)

For candidates for directors, we will nominate, as inside directors, individuals who are expected to contribute to the enhancement of corporate values, considering their past commitment to business, and we will nominate, as outside directors, individuals who satisfy the requirements set forth in Article 10 below. The appointment and dismissal of the candidates for directors, including the President and CEO, shall be conducted through the deliberation of the Nomination and Remuneration Committee, which is chaired by independent outside directors and the majority of which is composed of independent outside directors. In such a structure,etc., the Board of Directors will aim for constructive and active deliberations.

Article 10 (Independence Criteria for Independent Outside Directors)

We will select, as candidates for independent outside directors, individuals who have no material conflicts of interest and are expected to freely make honest statements, etc., at the meetings of the Board of Directors and in other situations. (For example, it shall be ensured that sales to the individual's former workplace (organization) from the Company will be under 2% of the consolidated sales of the Company and vice versa, and that, in the case where the former workplace was a bank, there are no loans to the Company.)

Article 11 (Remuneration of Directors)

For remuneration of directors, we determine an amount of remuneration for inside directors (excluding directors who are Audit & Supervisory Committee members), basically based on their positions that consists

of performance-based remuneration, fixed remuneration and stock compensation. Outside directors receive an appropriate amount of fixed remuneration from the standpoint of ensuring independence. Remunerations for both inside and outside directors are determined by a resolution of the Board of Directors according to the limit approved at the shareholders' meeting. This decision shall be made through the deliberation of the Nomination and Remuneration Committee, which is chaired by independent outside directors and the majority of which is composed of independent outside directors.

Article 12 (Delegation of Determinations Regarding Execution of Business)

In principle, the Board of Directors will delegate determinations regarding the execution of business to the President and CEO in order to make quick decisions, except matters that will be subject to arbitrary decisions by the Board of Directors as required by laws and regulations, and other important matters as set forth in the Regulations of the Board of Directors.

Article 13 (Personnel Who are to Play Active Roles in the Future)

We will give our personnel, who will play an active role in corporate management in the future, opportunities to attend important meetings, etc., and will thus make efforts to develop such personnel. With respect to the plan for the successors, such as the President and CEO, etc., we will strive to formulate and apply it through the deliberation of the Nomination and Remuneration Committee, which is chaired by independent outside directors and the majority of which is composed of independent outside directors.

Article 14 (Structure of Audit & Supervisory Committee and Candidates for Members)

The majority of the members of our Audit & Supervisory Committee will be outside directors as stipulated by the Companies Act. Full time Audit & Supervisory Committee members will be appointed, and clerical staff will be assigned with the aim of ensuring the effectiveness of the activities of the Audit & Supervisory Committee.

Article 15 (Acquisition of Information by Directors)

For the acquisition of information by directors who are Audit & Supervisory Committee members, the clerical staff will serve as the contact point, and for other directors, the Legal Department will be the contact. They will cooperate with all divisions and others concerned, in order to support the directors.

Article 16 (Nomination and Remuneration Committee)

With respect to the appointment and dismissal and remuneration of the directors, as well as the plan for the successors, such as the President and CEO, etc., we establish the Nomination and Remuneration Committee, which is chaired by independent outside directors and the majority of which is composed of independent outside directors, and we will secure the objectiveness, transparency, etc. of the procedures through the deliberation of such Committee.

Article 17 (Cooperation with Independent Outside Directors and Others)

An outside directors' communication meeting with participants consisting only of independent outside directors will be held to promote the exchange of information and sharing of views between the independent outside directors. Discussions will also be held regularly with independent outside directors, the President and CEO and others, which target the exchange of information and sharing of views in the same manner.

Article 18 (Transactions between Related Parties)

For transactions involving director conflicts of interest and the like, such directors must obtain approval of the Board of Directors as required by laws and regulations, and we will provide guidance to officers and employees from time to time so that they will not impair the shared interests of shareholders.

Article 19 (Training)

We will provide explanation to directors from time to time, focusing on important matters under laws and regulations. The section in charge will provide explanation about the overview of management of our company, etc., at the time of their assumption of office, especially to outside directors, and provide other such opportunities so that they can deepen their understanding about management of our company, and we will also provide opportunities for lectures, etc., by outside experts and provide other such opportunities, and thus provide them with necessary support.

Article 20 (Effectiveness, etc. of Board of Directors)

For the effectiveness, etc., of the Board of Directors, in addition to performing a survey of directors, we also provide opportunities to share opinions in a timely manner. In addition that, we have established a system where directors can give their opinions, evaluations, etc., from time to time. The results will be disclosed in the corporate governance report each year.

Article 21 (Dialogue with Shareholders)

We will hold dialogue with shareholders in the manner set forth in Exhibit 2 attached hereto.

First edition: December 1, 2015
Revision: December 21, 2018
Revision: April 24, 2019
Revision: June 27, 2019
Revision: October 28, 2019
Revision: January 29, 2020
Revision: July 6, 2021
Revision: December 23, 2021

Basic Management Policies

Vision

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

Management Policies

FANUC has consistently pursued factory automation since 1955 when it started the development of NCs (numerical controls).

The targets at its beginnings were to become a company, though small in size, having the robustness of a giant with roots firmly spread in the ground, and to concentrate on technology to go forward, by "walking a straight and narrow path." This is being pursued to this day.

In order to turn this vision into reality, the FANUC Group has established "Genmitsu (Strict Preciseness)" and "Tomei (Transparency)" as its basic principles. In these principles lie the belief that a company will last forever and be sound with strict preciseness, and that the corruption of an organization and downfall of a company will start from a lack of transparency.

FANUC engages in the FA, ROBOT and ROBOMACHINE businesses. The FA Unit encompasses basic technologies consisting of NCs, servos and lasers, which are also applied to the ROBOT and ROBOMACHINE Units. In addition, by actively incorporating IoT/AI technologies in all three areas, the company endeavors to make FANUC products more efficient for customers to use.

Being true to its origins as a supplier of capital goods, maintenance and service support is provided for FANUC products for as long as they are used by customers.

Through such activities, the FANUC Group contributes to the development of manufacturing industries in Japan and overseas, by promoting automation and efficiency in customers' factories. FANUC expects to steadily grow in the field of factory automation, which is extremely promising in the mid-to-long term.

Management Strategy

FANUC is thorough in implementing its basic principles of "Genmitsu (Strict Preciseness)" and "Tomei (Transparency)," and promotes the following policies united as a group. By doing so, the FANUC Group aims to become an ever-lasting organization by increasing our customers' feelings of assurance and trust towards us, as well as by adapting to severe changes in the environment.

< one FANUC >

Under the slogan of "one FANUC," the three Units of FA, ROBOT and ROBOMACHINE collaborate to offer total solutions, and the Group bonds together to take good care of our customers throughout the world. This is a unique advantage of the FANUC Group which we leverage to the fullest.

Especially, the combined usage of CNC machines and ROBOTs, and the automation of ROBOMACHINEs with ROBOTs, are perceived as key concepts in developing products.

< Reliable Predictable Easy to Repair >

Considering our foundation as a producer of capital goods that are used in manufacturing sites, FANUC is meticulous in ensuring that our products are "Reliable, Predictable, Easy to Repair" in their development, to minimize downtime and maximize the operating rate in our customers' factories.

< Ease of Use >

As demands for factory automation increase while acquiring skilled workers becomes more difficult, further emphasis is placed on ease of use in developing products, to deal with this situation.

< Strengthening Competitivity >

In order to develop highly competitive products and introduce them to the market, FANUC vigorously invests in research and development. By narrowing down to our area of expertise, which is factory automation, and aggressively investing in R&D in this area, products which are highly competitive are developed and released. This leads to the fulfillment of intellectual property.

< Service First >

"Service First" is a basic policy followed by the FANUC Group. Through "Service First," high level maintenance service in line with FANUC's global standards are provided anywhere in the world, as well as "Lifetime Maintenance" of FANUC products for as long as they are used by our customers. Particularly, lifetime maintenance, which is difficult for our competitors to imitate, is a primary feature of the FANUC Group, which shall continue to be focused on.

< Fortifying the Corporate Structure >

Basic policies from the past to make the company stronger will be promoted from a long-term perspective. These include making our products more competitive, strengthening sales and service activities, advancing factory automation and robotization, reducing expenses and time, and streamlining operations.

< IoT / AI Technology >

By actively applying IoT and AI technologies to all fields of FA, ROBOT and ROBOMACHINE, customers' manufacturing processes are made more efficient.

< Responsibility to Supply >

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

< Enrichment of Human Capital >

From the viewpoint that human resources is most vital for mid-to-long term growth, improvements in the work environment and motivation of employees are considered important topics to be addressed. In addition, looking towards the future, FANUC strongly invests in human capital to employ necessary people and educate employees. Through such efforts, human capital is continuously enriched.

< Management Indices >

In addition to operating margins, ordinary margins and ROE, market shares are regarded as being critical management indices. Assessments and judgments are made comprehensively based on such indices.

< Actions to Prevent Infection >

Highest priority is placed on the prevention of infection and spread of infection to our customers, partners, employees and their families as well as the community. FANUC shall continue to supply products and offer services to our customers placing safety first.

Exhibit 2

Notice Concerning Shareholder Return Policy

（※Approved by the Board of Directors on April 24, 2019.）

1. Dividends

We have set a dividend payout ratio of 60% as our basic policy.

2. Share buybacks

We will buy back our own shares in a flexible manner depending on the level of our stock price, taking into account the balance with our investments for growth.

3. Cancellation of treasury shares

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

Exhibit 3

Policy on Dialogue with Shareholders

We have an Public Relations & SR (Shareholder Relations) Department to serve as a point of contact in relation to constructive dialogue with shareholders, and we are taking the following actions.

1. Overview of Public Relations & SR (Shareholder Relations) Department

We think we should promote dialogue with shareholders, for the sustainable growth of the company and the medium and long-term enhancement of corporate value, while putting emphasis on our core business. We have an Public Relations & SR Department, as a section responsible for the promotion of constructive dialogue with shareholders both within and outside Japan.

2. Policy on Promotion of Constructive Dialogue with Shareholders

The Public Relations & SR Department works on the following as measures for the promotion of constructive dialogue with shareholders.

(1) Dialogue with Shareholders

The Public Relations & SR Department actively promotes dialogue by providing shareholders with opportunities to participate in various meetings, factory tours, etc. Dialogues are lively, except that information that is likely to be regarded as insider information or may interfere with our business activities is not discussed.

(2) Opinions, etc. Provided in Dialogue

To promote the sustainable growth of our company and the medium and long-term enhancement of corporate value, we will make efforts to utilize opinions, etc., provided by shareholders through such dialogues.

3. Point of Contact for Dialogue

Contact information is posted on our website (https://www.fanuc.co.jp/en/ir/index.html)

End.