

Last Update: July 9, 2025  
FANUC CORPORATION

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The corporate governance of FANUC CORPORATION (the “Company”) is described below.

## I. Basic Views on Corporate Governance and Basic Information on Capital Structure, Corporate Attributes and Other Matters

### 1. Basic Views

The Company conduct business activities aiming 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.

Knowing that corporate governance is essential to our business activities, we ensure they adhere to our basic principles, “Genmitsu (Strict Preciseness) and Tomei (Transparency)”.

We have adopted various measures to improve corporate governance such as increasing the ratio of our outside directors, and transitioning into a company guided by an Audit and Supervisory Committee. We will continue to strengthen corporate supervisory functions, accelerate the advancement of our business decision-making systems, and promote management efficiency, all with the goal of achieving sustainable growth and enhanced corporate value.

The Corporate Governance Guidelines (the “Guidelines”) is posted on the Company’s website to provide basic views and other matters concerning corporate governance of the Company.

(<https://www.fanuc.co.jp/en/sustainability/policy/guideline.html>)

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

The Company has implemented all of the Principles of the Corporate Governance Code which was revised in June 2021, including principles for the Prime Market.

[Disclosure Based on the Principles of the Corporate Governance Code] **Updated**

[Principle 1.4 Strategic Share Holdings (So-called “Cross-Shareholdings” in the Corporate Governance Code)]

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.

[Principle 1.7 Related Party Transactions]

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.

[Supplementary Principle 2.4.1 Ensuring Diversity when Promoting Core Human Resource Personnel]

1. Ensuring Diversity

Our Group-wide initiatives favor human resource diversity and respect the individuality of each employee, including their own value systems, encouraging each one of them to demonstrate their unique abilities (Diversity & Inclusion). This envisages greater organizational strength and sustainable growth.

2. Goals for Ensuring Diversity

[Proactive Recruitment and Promotion of Female Employees]

We proactively recruit women towards our goal of a 10% full-time female employee ratio.

- The recruitment website, extensively revamped in December 2024, not only introduces our unique welfare programs, such as the establishment of an in-house daycare center, but also features its expanded content designed to show what it would be like to work for the Company, including work styles tailored to different life stages and daily work schedules. In addition, we have posted summaries of discussions among female employees to provide a more realistic picture of how we are promoting diversity.
- In actual recruitment activities as well, we are implementing initiatives aimed at increasing the proportion of female employees in our company, such as encouraging our female employees to visit schools and support internship programs, and offering students opportunities for discussions on both work and personal life.
- We proactively promote talented women to executive employees. By doing so, we aim to increase the ratio of female executive employees from 2.8% (as of the end of March 2025) to 5% or more by 2030, and are working to identify and systematically develop female candidates for executive employees.

[Promotion of Mid-Career Recruits and Foreign Nationals]

We conduct fair recruitment based on each applicant's abilities and aptitude, regardless of their nationality or cultural background, and are committed to promoting flexible and optimal employment. Especially for mid-career recruitment, we carefully listen to both the needs of the recruiting departments and the applicant's preferences in order to avoid mismatches. As of the end of March 2025, mid-career recruits accounted for approximately one-quarter of all full-time employees, and opportunities for experienced and diverse personnel to thrive are expanding.

3. Policy on Human Resource Development and Work Environment Improvement, and Current Situation

[Initiatives to Promote Diversity]

- We launched the Diversity & Inclusion ("D&I") Project in January 2024 with the aim of fostering a corporate culture where all employees can work with peace of mind, regardless of gender, age, nationality, etc. This project promotes various initiatives to cultivate empathy toward D&I activities and encourage shifts in individual mindsets. In FY2024, we undertook initiatives to foster a corporate culture where employees can exchange opinions on more fulfilling work styles by holding roundtable discussions with the management and company-wide discussions, as well as by conducting employee surveys.
- In addition, we provide regular diversity training for all executives and employees to ensure the understanding of the significance and importance of promoting diversity and to foster a sense of ownership.

[Support for Balancing Work and Life]

Based on the “Plan of Action for the General Employers in accordance with the Act on the Promotion of Female Participation and Career Advancement in the Workplace” and other plans, we are taking the following measures.

- In order to help employees balance work with childcare, caregiving or medical treatment, we are working to create comfortable work environment for both female and male employees by enhancing welfare systems such as maternity leave, childcare leave, and reduced working hours until the graduation from elementary school, as well as by cutting back on long working hours, encouraging employees to take advantage of their annual leave days (80% or more), and introducing a system that permits annual leave to be taken on an hourly basis.

- We are promoting the use of childcare leave by male employees by raising awareness company-wide through disseminating pamphlets on childcare and family care leave systems, etc., as well as by establishing a consultation desk on support for balance of work and child/family care. (Rate of childcare leave uptake for FY2024: 91.2%)

- In FY2019, we opened an in-house daycare center for our employees within the head office premises. The daycare center proactively accepts infants from 0 years old and supports those on childcare leave to return to work in a flexible manner in accordance with their career aspirations.

[Building Networks among Female Employees]

- We are building a network through which senior female employees as mentors offer advice to junior female employees on their concerns.

For more details regarding our diversity-targeted efforts, please refer to information available on our website, Promotion of Employee Diversity & Equal Opportunity and ESG data book:

<https://www.fanuc.co.jp/en/sustainability/social/employees/diversity.html>

<https://fanuc.co.jp/en/sustainability/databook/index.html>

[Principle 2.6 Roles of Corporate Pension Funds as Asset Owners]

In order to secure future benefit resources in a stable manner while considering the risks, the corporate pension fund is making investments for the purpose of securing overall profits that are deemed to be necessary in the long term.

Under the fund, the Asset Management Committee, which is composed of executives and staff of the Accounting Department and the Human Resources Department, is established. The asset management policy and asset composition ratio according to policy are evaluated by the Asset Management Committee, and then determined at the Conference of Representatives. Investment status is monitored on a regular basis.

The party who is entrusted with the investment of the fund accepts the Japanese version of the Stewardship Code. The fund incorporates personnel who have the appropriate skills as well as having office workers attend outside seminars, etc. in order to improve their skills.

[Principle 3.1 Full Disclosure]

(i) Company Objectives (e.g., Business Principles), Business Strategies and Business Plans

1. Vision

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

2. Management Policies

FANUC has consistently pursued factory automation. The starting point was when a project team responsible for controls was established in 1955, which went on to successfully develop the first NC and servo system in the private sector in Japan, in 1956.

The targets at its beginnings were to become a company, though small in size, having the robustness of a giant with roots firmly spread in the ground, and to concentrate on technology to go forward, by “walking

a straight and narrow path.” This continues to this day.

In order to turn this vision into reality, the FANUC Group 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 Business encompasses basic technologies consisting of NCs, servos and lasers, which are also applied to the ROBOT and ROBOMACHINE Businesses. 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 business activities, the FANUC Group promotes automation and efficiency in customers’ factories, thus contributing to the development of manufacturing industries in Japan and overseas. FANUC intends to steadily grow in the field of factory automation, which is extremely promising in the mid-to-long term.

### 3. Management Strategies

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 making customers feel more secure and confident about our Group, as well as by adapting to severe changes in the environment.

#### < one FANUC >

Under the slogan of “one FANUC,” the three Businesses of FA, ROBOT and ROBOMACHINE along with SERVICE collaborate to offer total solutions. The Group bonds to support our customers throughout the world. This is a unique advantage of the FANUC Group which is leveraged 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 >

Upholding our fundamental perception that our products are capital goods to be used in manufacturing sites, FANUC develops products, meticulously ensuring that they are "Reliable," "Predictable," "Easy to Repair," 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 Competitiveness >

By narrowing down to our area of expertise of factory automation, and aggressively investing in R&D in this field, products which are highly competitive are developed and released. FANUC will also enhance its intellectual property portfolio.

#### < 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. Furthermore, “Lifetime Maintenance” assures customers that maintenance will be offered for as long as they use FANUC products. It should be noted that “Lifetime Maintenance,” which is difficult for our competitors to imitate, is a core competence of the FANUC Group, and shall continue to receive much attention.

#### < 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 will be 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, improving the work environment and motivating employees are considered important topics to be addressed. In addition, looking towards the future, FANUC strongly invests in human capital by employing necessary people and educating employees. Through such efforts, human capital is continuously enriched.

< Management Indices >

In addition to operating margins, ordinary margins, and ROE, market shares are regarded as being a critical management index. These are considered comprehensively in making management decisions. Furthermore, cost of capital shall be identified accurately, and a plus figure for a five-year average equity spread (difference between ROE and cost of capital) shall be our target.

(ii) Basic Views and Guidelines on Corporate Governance

We think it is important for the practical functioning of governance to share such an easy-to-understand and simple principle among all officers and employees of the Group.

We have the 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.

(iii) Board Policies and Procedures in Determining the Remuneration of the Senior Management and Directors

For remuneration of directors (except for directors who are Audit and Supervisory Committee Members), we determine an amount of remuneration of inside directors, basically based on their positions, that consists of performance-based remuneration, fixed remuneration and stock-based remuneration, and an appropriate amount of fixed remuneration of outside directors from the standpoint of ensuring independence, which are both determined by resolution of the Board of Directors to the extent approved at the shareholders' meeting. This decision shall be made by the Board of Directors after consultation with the Nomination and Remuneration Committee, which is chaired by independent outside director and the majority of which is composed of independent outside directors.

(iv) Board Policies and Procedures in the Appointment and Dismissal of Senior Management and the Nomination of Director Candidates

The appointment and dismissal of the candidates for directors, including the President and CEO, shall be conducted by the Board of Directors after consultation with the Nomination and Remuneration Committee, which is chaired by independent outside director and the majority of which is composed of independent outside directors.

(v) Explanations with Respect to the Appointment and Nomination of Individual Directors

Explanations on each of the appointment and nomination of candidates for directors upon their nomination  
For the reasons for electing candidates for directors, please refer to the Notice of Convocation of the Ordinary General Meeting of Shareholders posted on the Company's website.

(<https://www.fanuc.co.jp/en/ir/meeting/index.html>)

[Supplementary Principle 3.1.3 Sustainability Initiatives, etc.]

Our basic policy regarding sustainability is as follows:

“The FANUC Group will continue to provide indispensable values throughout the world in the field of factory automation, through our never-ending technical innovations, abiding by our basic principles of “Genmitsu and Tomei (Strict Preciseness and Transparency).”

Thus we will pursue enhancement of our corporate value and will contribute to the realization of a sustainable society.”

Please refer to our website for more details regarding our sustainability initiatives, etc.

[Top page of the Sustainability Site]

<https://www.fanuc.co.jp/en/sustainability/index.html>

[Investing in Human Capital (Sustainability Site : With Our Employees)]

<https://www.fanuc.co.jp/en/sustainability/social/employees/index.html>

[Investing in Intellectual Property (Sustainability Site : Intellectual Property)]

<https://www.fanuc.co.jp/en/sustainability/governance/intellectualproperty.html>

[Disclosure in Accordance with TCFD Recommendations]

<https://www.fanuc.co.jp/en/sustainability/environment/climate/tcf.html>

[Supplementary Principle 4.1.1 Roles and Responsibilities of the Board of Directors]

In June 2021, FANUC transitioned to a company guided by an Audit and Supervisory Committee, in order to further strengthen the supervisory role of the Board of Directors and accelerate management decision making. The Board of Directors’ primary function is to decide on important issues relating to basic management policy, and to oversee the status of business operations. The Board delegates important business execution decisions to the President and CEO, except for matters requiring the exclusive decision-making powers of the Board of Directors as stipulated by law, and important matters stipulated by Board of Directors regulations.

[Principle 4.9 Independence Standards and Qualification for Independent 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.)

[Supplementary Principle 4.10.1 Stance, authority, duty etc. regarding independence of 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 director and the majority of which is composed of independent outside directors, and we secure the objectiveness, transparency, etc. of the procedures through decision by the Board of Directors after consultation with such Committee.

[Supplementary Principle 4.11.1 Publication of Integration of Directors' Capabilities and Policies and Procedures Regarding the Appointment of Directors]

We maintain a skills matrix that lists the knowledge, experience, and capabilities of all directors, and publish it in the last page of this report.

Policies and procedures regarding the appointment of the Company's directors are as follows.

- Candidates for the position of inside director are expected to exhibit all or some skills of the following: "Corporate Management", "Research and Development", "Internationality", "ESG and sustainability", "Personnel, Labor affairs and HR Development", "Legal and Risk Management", and "Finance and Accounting". They are also expected to display, judging by their approach to business up to the current time, the potential to contribute to the enhancement of corporate value. Candidates for the position of outside director are expected to exhibit all or some of the above skills, and in addition are expected to have no conflict of interest, and to have ability to make forthright statements without hesitation at Board Meetings and on other occasions.

[Independence Criteria for Outside Directors]

To ensure their true independence, we require that candidates meet the following minimum conditions.

1. Sales to the individual's former workplace (organization) from the Company will be under 2% of the consolidated sales of the Company, and sales to the Company from the individual's former workplace will be under 2% of the consolidated sales of the individual's former workplace.
  2. The Company must not have any loans from the company from which the candidate comes (if the candidate comes from a bank.)
  3. The Company must not have any important transactions such as advisory contracts with the candidate or the firm he works for (if the candidate is a lawyer or other professional.)
  4. The candidate must not come from the audit firm that is the Company's Accounting Auditor.
  5. There must be no other particular reason that could give rise to a conflict of interest with the Company.
  6. The candidate must not be the spouse or a relative within the second degree of anyone who does not meet the above conditions 1 through 5.
- Candidates shall be expected to have an attendance rate of at least 75% at Board Meetings.
  - The appointment and dismissal of the candidates for directors, including the President and CEO, shall be conducted by the Board of Directors after consultation with the Nomination and Remuneration Committee, which is chaired by independent outside director and the majority of which is composed of independent outside directors.

[Supplementary Principle 4.11.2 The status of Directors Holding Concurrent Posts]

We disclose important concurrent posts of directors along with the reasons for being selected as a candidate, in the notice of convocation of the general meeting of shareholders where the elections of directors are proposed. Additionally, at least once a year, the status of directors holding of concurrent posts are checked and disclosed. (<https://www.fanuc.co.jp/en/ir/meeting/index.html>)

[Supplementary Principle 4.11.3 Analysis and Evaluation of Board of Directors Effectiveness]

#### 1. Evaluation Policy

In order to provide indispensable values throughout the world and to continue to be a company that is trusted by all stakeholders, we place great importance on corporate governance and thoroughly adhere to our basic principles, "Genmitsu (Strict Preciseness) and Tomei(Transparency)," making every effort to further strengthen supervisory functions, expedite decisions on business execution and improve management efficiency. As part of this effort, we evaluate the effectiveness of the Board of Directors every year.

## 2. Evaluation Process

The evaluation for the fiscal year 2024 was conducted based on insights given by external consultants for the purpose of understanding issues recognized by each director related to issues to be addressed, for example, matters deemed key to the effective fulfillment of roles and responsibilities of the Board of Directors (such as the structure and management of the Board of Directors and discussions on strategies), and also for the purpose of objectively confirming whether the Board of Directors is effectively fulfilling its role as expected by our shareholders and other stakeholders. We also confirmed the status of its efforts to address the issues recognized in the evaluation of the effectiveness of the Board of Directors of the previous fiscal year.

In the evaluation, external consultants conducted a questionnaire survey of all directors, and then based on the results of analysis compiled by those consultants, our Board of Directors conducted reporting and discussions.

## 3. Summary of Evaluation Results

Considering the results of analysis compiled by external consultants, our Board of Directors analyzed and evaluated the effectiveness of the Board of Directors as follows:

(1) Considering the current business environment facing the Company, as it is particularly expected of our Board of Directors to “supervise execution” and “candidly express opinions and proposal and multi-dimensional discussions about, for example, issues that are key to execution and issues that are deemed important by stakeholders,” the Board of Directors was confirmed as functioning effectively with high ratings given to the fact that it is composed of a diverse group of members who are ideal for fulfilling such functions and active discussions are held, and so on.

(2) In the evaluation of the effectiveness of the Board of Directors of the previous fiscal year, we recognized the following two points as issues:

(i) Supervision of the performance of duties by the execution side and presentation of opinions to strengthen the organizational structure to respond to significant changes in the external environment

(ii) Supervision of the performance of duties by the execution side and presentation of opinions to create a corporate culture and atmosphere that respect the spirit of challenge for sustainable growth of the Company

We recognize that, while actions relating to the strengthening of human resources, etc., are in place, we need to continuously address these issues.

(3) Further, through the current fiscal year’s evaluation, we have recognized (i) the need to provide opportunities to deliberate further on the plan regarding successors, such as the CEO, and (ii) the need to deepen discussions with the execution side on long-term management strategies and return on capital.

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

### [Supplementary Principle 4.14.2 Training Policy for Directors]

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 the 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 the 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.

### [Principle 5.1 Policy for Constructive Dialogue with Shareholders]

We have a Public Relations & 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 & 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 a Public Relations & Shareholder Relations 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 & Shareholder Relations Department works on the following as measures for the promotion of constructive dialogue with shareholders.

#### (i) Dialogue with Shareholders

The Public Relations & Shareholder Relations 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.

#### (ii) Opinions, etc. Provided in Dialogue

To promote the sustainable growth of the 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>)

[The status of dialogue with shareholders]

Details on the status of dialogue with shareholders and investors for the year ended 31 March 2025 are on our website (<https://www.fanuc.co.jp/en/sustainability/governance/shareholder.html>).

[Supplementary Principle 5.2.1 Basic Policy on Business Portfolio]

- As a comprehensive supplier of factory automation (FA), including FA, ROBOT, and ROBOMACHINE products, the FANUC Group conducts business activities primarily focused on the development manufacturing, and sales of CNC systems for automated production systems, and applied products based on CNC system technologies.

- The FANUC Group will assess its products and technologies at least once a year from the perspectives including market growth potential and return on capital, and will optimize and continuously review the allocation of management resources.

### **Action to Implement Management That Is Conscious of Cost of Capital and Stock Price**

Content of Disclosure	Disclosure of Initiatives (Update)
Availability of English Disclosure	Available
Date of Disclosure Update	December 28, 2023

#### Explanation of Actions

Our Company will accurately identify its cost of capital, and shall target the average equity spread (difference between ROE and cost of capital) for five years to become a plus figure.

Furthermore, the effects of investments in fixed assets, R&D, and human capital among others, will be assessed in consideration of profitability and capital efficiency along with the economic environment in a comprehensive

manner at board meetings, to make judgments on investments which will further contribute to improving the value of our Company.

## 2. Capital Structure

Foreign Shareholding Ratio	More than 30%
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[Status of Major Shareholders] **Updated**

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	223,658,800	23.97
Custody Bank of Japan, Ltd. (Trust Account)	96,898,500	10.38
Citibank, N.A. - NY, as Depositary Bank for Depositary Shareholders	26,141,138	2.80
JPMorgan Chase Bank 380055	24,638,070	2.64
State Street Bank and Trust Company 505001	22,138,219	2.37
State Street Bank West Client - Treaty 505234	19,556,770	2.10
State Street Bank and Trust Company 505103	16,416,043	1.76
BNYM AS AGT/CLTS 10 PERCENT	15,302,906	1.64
JPMorgan Chase Bank 385781	14,867,300	1.59
The Bank of New York Mellon 140040	14,835,995	1.59

Controlling Shareholder (excluding Parent Company)	—
Parent Company	None

Supplementary Explanation **Updated**

- The Company holds 62,155 thousand shares of treasury stock, but they are excluded from the above list of the major shareholders.

## 3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime Market
Fiscal Year-End	March
Type of Business	Electric Appliances
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1,000
Net Sales (consolidated) as of the End of the Previous Fiscal Year	From ¥100.0 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 10 to less than 50

## 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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## 5. Other Special Circumstances which may have Material Impact on Corporate Governance

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## II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

### 1. Organizational Composition and Operation

Organization Form	Company with an Audit and Supervisory Committee
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#### [Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	18
Term of Office of Directors Stipulated in Articles of Incorporation	1 year
Chairperson of the Board <b>Updated</b>	Outside Director
Number of Directors <b>Updated</b>	10
Appointment of Outside Directors	Appointed
Number of Outside Directors	6
Number of Independent Directors	6

#### Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Naoko Yamazaki	Other											
Hiroto Uozumi	From another company								△			
Yoko Takeda	From another company											
Hidetoshi Yokoi	Academic											
Mieko Tomita	Lawyer											
Shigeo Igashima	CPA											

\* Categories for "Relationship with the Company"

\* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

\* "●" when a close relative of the director presently falls or has recently fallen under the category;

"▲" when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries

b. Executive or non-executive director of a parent company of the Company

c. Executive of a fellow subsidiary company of the Company

d. A party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the Company or an executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)

i. Executive of a company, between which and the Company's outside directors are mutually appointed (the director himself/herself only)

j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)

k. Others

Outside Directors' Relationship with the Company (2)

Name	Audit and Supervisory Committee Member	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Naoko Yamazaki		○	—	<p>Naoko Yamazaki has extensive knowledge of advanced aerospace engineering and manned spacecraft systems, including robotic arms, as an engineer. She is well versed in science and technology, as well as risk management including crisis management, and has experienced extremely challenging environments as an astronaut. With her wealth of experience and insight, she has appropriately executed her duties as outside director in providing the Company with supervision over and advice on the business. We expect that she will continue to contribute to the Company's Board of Directors from an independent position.</p> <p>She does not correspond to any of the matters as defined by financial instrument exchanges that may involve conflict of interests with general shareholders, and is therefore deemed to be independent.</p>
Hiroto Uozumi		○	<p>Although the Group has business transactions with Hitachi, Ltd., at which Hiroto Uozumi served as Vice President and Executive Officer, the transaction value accounts for less than 0.5% of consolidated net sales of both of the companies. Therefore, there is no risk of his independence being affected by this position.</p>	<p>Hiroto Uozumi has a background in planning and designing nuclear power systems and manufacturing major equipment as the Head of nuclear power business at Hitachi, Ltd. He is familiar with manufacturing and company management due to his experience holding important positions at Hitachi, Ltd. and Hitachi-GE Nuclear Energy, Ltd. In addition, as the Company aims to be carbon-neutral by 2050, it is expected that his knowledge of power and energy systems, as well as decarbonization, will be utilized. With his wealth of experience and insight, he has appropriately executed his duties as outside director in providing the Company with supervision over and advice on the business. We expect that he will continue to contribute to the Company's Board of Directors from an independent position.</p> <p>He does not correspond to any of the matters as defined by financial instrument exchanges that may involve conflict of interests with general shareholders, and is therefore deemed to be independent.</p>

Yoko Takeda		○	—	<p>Yoko Takeda has extensive knowledge of economic and financial conditions, having conducted research analysis of finance and the economy, and made various policy proposals at Mitsubishi Research Institute, Inc. In addition, she has various other experiences, including activities as government commissioner on the Industrial Structure Council, etc.</p> <p>With her wealth of experience and insight, she has appropriately executed her duties as outside director in providing the Company with supervision over and advice on the business. We expect that she will continue to contribute to the Company's Board of Directors from an independent position.</p> <p>She does not correspond to any of the matters as defined by financial instrument exchanges that may involve conflict of interests with general shareholders, and is therefore deemed to be independent.</p>
Hidetoshi Yokoi	○	○	—	<p>Hidetoshi Yokoi has extensive knowledge in manufacturing, having been engaged in research and education at the university and in activities at the Japan Science and Technology Agency to solve problems in society to meet its demands. He has played an appropriate role in audits of business execution as Outside Director who is an Audit and Supervisory Committee Member. We expect that he will continue to contribute to the Board of Directors and the Audit and Supervisory Committee from an independent position.</p> <p>He does not correspond to any of the matters as defined by financial instrument exchanges that may involve conflict of interests with general shareholders, and is therefore deemed to be independent.</p>

Mieko Tomita	○	○	—	Mieko Tomita has specialized knowledge and broad insights cultivated as a lawyer. She provides advice on strengthening the audits and supervision of the Company's business and corporate governance, as well as maintaining and improving compliance. She has also played an appropriate role in audits of business execution as Outside Director who is an Audit and Supervisory Committee Member. We expect that she will continue to contribute to the Board of Directors and the Audit and Supervisory Committee from an independent position. She does not correspond to any of the matters as defined by financial instrument exchanges that may involve conflict of interests with general shareholders, and is therefore deemed to be independent.
Shigeo Igashima	○	○	—	Shigeo Igashima has professional experience as a certified public accountant and tax accountant over many years, and has extensive knowledge of financial accounting and internal control. He has played an appropriate role in audits of business execution as Outside Director who is an Audit and Supervisory Committee Member. We expect that he will continue to contribute to the Board of Directors and the Audit and Supervisory Committee from an independent position. He does not correspond to any of the matters as defined by financial instrument exchanges that may involve conflict of interests with general shareholders, and is therefore deemed to be independent.

**[Audit and Supervisory Committee]****Composition of Members and Attribution of Chairperson Updated**

	Total Number of Members	Number of Full-time Committee Members	Number of Internal Directors	Number of Outside Directors	Chairman
Audit and Supervisory Committee	4	1	1	3	Outside Director

Appointment of Directors and Employees who are to assist the Audit and Supervisory Committee in its duties	Appointed
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**Matters concerning the independence of these directors and employees from Executive Directors**

As follows:

- (i) The Secretariat of the Audit and Supervisory Committee shall be established to assist in the duties of the Committee.
- (ii) The employees belonging to the Secretariat of the Audit and Supervisory Committee shall assist in the duties of the Audit and Supervisory Committee according to the instructions of the Committee. Further, when an employee belonging to the Secretariat of the Audit and Supervisory Committee receives any instruction from the Committee relating to its duties, he/she shall be free from the command and control of any director or employee other than the directors who are the Audit and Supervisory Committee Members with respect to such work so instructed.
- (iii) The employees belonging to the Secretariat of the Audit and Supervisory Committee have a confidentiality obligation regarding the content of instructions given by the Committee or a member of the Committee.
- (iv) The Audit and Supervisory Committee (or if the Committee nominates a specific member of the Committee, such member of the Committee) shall be consulted in advance regarding personnel affairs such as recruitment, transfer, performance appraisal, etc., of the employees belonging to the Secretariat of the Audit and Supervisory Committee.
- (v) Directors and employees shall pay attention not to impede the independence of the employees belonging to the Secretariat of the Audit and Supervisory Committee.

**Status of Coordination among Audit and Supervisory Committee, Accounting Auditor and the Internal Audit Department**

The status of internal audits and internal controls are reported by the Internal Audit Department and accounting audits are reported by the accounting auditor at the Audit and Supervisory Committee to the Directors who are the members of the Committee to ensure mutual cooperation and maintain close relationships with the auditing (including internal auditing) and supervisory sections.



**[Establishment of Voluntary Committee]**

Establishment of Voluntary Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established
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**Status of Establishment of Voluntary Committee, Composition of Members and Attribution of  
Chairperson**


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	Name of Committee	Total Number of Members	Number of Full-time Committee Members	Number of Internal Directors	Number of Outside Directors	Number of Outside Experts	Number of Others	Chairman
Committee Corresponding to Nomination Committee	Nomination and Remuneration Committee	6	0	2	4	0	0	Outside Director
Committee Corresponding to Remuneration Committee	Nomination and Remuneration Committee	6	0	2	4	0	0	Outside Director

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**Supplementary Explanation Updated**


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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 director and the majority of which is composed of independent outside directors, and we secure the objectiveness, transparency, etc. of the procedures through decision by the Board of Directors after consultation with such Committee.

The composition of the Nomination and Compensation Committee was changed in December 2021, and the ratio of outside directors on the committee is now 66.7%. (Previously, the ratio was 60%)

(Names of Constituents)

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

**[Independent Directors]**

Number of Independent Directors	6
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**Matters relating to Independent Directors**


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The Company has designated all of its outside directors who satisfy the qualification for an independent director as independent director.

With regard to Independent outside directors, 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. Sales to the individual's former workplace (organization) from the Company will be under 2% of the consolidated sales of the Company, and sales to the Company from the individual's former workplace will be under 2% of the consolidated sales of the individual's former workplace.
2. The Company must not have any loans from the company from which the candidate comes (if the candidate comes from a bank.)
3. The Company must not have any important transactions such as advisory contracts with the candidate or the firm he works for (if the candidate is a lawyer or other professional.)
4. The candidate must not come from the audit firm that is the Company's Accounting Auditor.
5. There must be no other particular reason 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.

#### [Incentives]

Incentive Policies for Directors	Implementation of Performance-based Remuneration System
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#### Supplementary Explanation

The Supplementary Explanation is indicated in "Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods" below.

#### Recipients of Stock Options

#### Supplementary Explanation

#### [Director Remuneration]

Disclosure of Individual Directors' Remuneration	Selected Directors on an individual basis
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#### Supplementary Explanation

The Company discloses the information of remuneration above in accordance with the relevant laws and regulations including the Companies Act, the Financial Instruments and Exchange Act, and the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc.

#### Policy on Determining Remuneration Amounts and Calculation Methods

Established **Updated**

#### Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

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

The Company has established a policy for determining the details of remunerations for individual directors (excluding the Directors who are Audit and Supervisory Committee Members; the same applies hereinafter in this paragraph) (hereinafter, "Policy") in place as outlined below:

- Fixed remunerations shall be determined according to the position of each director.
- Performance-based remunerations shall be, in principle, linked to the current net income attributable to the shareholders of the parent company, as is the case with shareholder returns, and 80% of the amount of

performance-based remunerations shall be determined by taking into account factors such as profit margin and ROE. The remaining 20%, as non-financial indicators, shall be paid according to evaluation standards. “Employee Engagement”, “External ESG Evaluation Score” and “GHG Emission Reduction” are applied as such evaluation standards.

- Stock-based remuneration shall be provided as remuneration of restricted stock, taking various factors, such as the degree of contribution of the director, into consideration in a comprehensive manner.
- Remuneration for directors comprises fixed remuneration, performance-based remuneration and stock-based remuneration whose ratios shall be set considering his/her position, responsibility, performance, etc., in a comprehensive manner.
- Remuneration of outside directors shall comprise fixed remuneration only.

The Policy shall be determined by a resolution of the Board of Directors.

As for remunerations for the Directors who are Audit and Supervisory Committee Members, the amount of remuneration for the individual Directors who are Audit and Supervisory Committee Members shall be determined by consultation among the Directors who are Audit and Supervisory Committee Members.

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

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

- (a) Fixed remuneration: The ceiling annual amount of ¥800 million (including ceiling amount of ¥100 million for outside directors)
- (b) Performance-linked remuneration: The ceiling amount, which is set at 0.7% of net income attributable to owners of parent for the fiscal year prior to the General Meeting of Shareholders at which they are appointed or reappointed (provided, however, it shall not exceed a three-year amount of fixed remuneration)
- (c) Stock compensation: The annual ceiling amount for the total amount of monetary compensation claims paid as remuneration for restricted stock is ¥350 million. The upper limit of the total number of shares of restricted stock to be allotted in each fiscal year is no more than 28,000

However, on or after the date of approval by the 52nd Ordinary General Meeting of Shareholders held on June 24, 2021, this total number of shares of Restricted Stock may be adjusted within reasonable limits if a stock split (including an allotment of the Company’s common stock without consideration) or a reverse stock split of the Company’s common stock takes place, or if other similar circumstances arise in which adjustments become necessary to the total number of shares of the Company’s Restricted Stock to be allotted.

Note: On April 1, 2023, the Company performed a 5-for-1 stock split of common shares. The upper limit of the total number of shares of restricted stock to be allotted in each fiscal year is therefore no more

than 140,000.

As of the conclusion of the Ordinary General Meeting of Shareholders, the number of directors (excluding the Directors who are the Audit and Supervisory Committee Members) was six (6), and it was three (3) excluding the outside directors.

As for the aggregate amount of remunerations for the Directors who are the Audit and Supervisory Committee Members, it was approved at the 52nd Ordinary General Meeting of Shareholders held on June 24, 2021 to be capped at 200 million yen annually.

As of the conclusion of the Ordinary General Meeting of Shareholders, the number of Directors who are Audit and Supervisory Committee Members was five (5).

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

When considering remuneration levels, the Company selects benchmark companies and refers to remuneration levels based on the results of surveys conducted by external third-party professional organizations. For the determination of the amount of remuneration, the Board of Directors determines the details of the amount of remunerations for the directors (excluding the directors who are the Audit and Supervisory Committee Members) after consultation with the Nomination and Remuneration Committee, majority of which are independent outside directors and chaired by an outside director. Since the amounts of remunerations for individual directors are determined through such procedures, the Board of Directors judges that their details are in line with the Policy.

**[Supporting System for Outside Directors]**

For the acquisition of information by directors who are Audit and Supervisory Committee members, the secretariat of the Audit and Supervisory Committee 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.

**Status of Persons who have Retired as Representative Director and President, etc.**

Information on Persons Holding Advisory Positions (*Sodanyaku, Komon*, etc.) after Retiring as Representative Director and President, etc. **Updated**

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration, etc.)	Date when former role as president/ CEO ended	Term
Yoshiharu Inaba	Special Advisor	Advice upon request from the management	Full time, with remuneration	June 27, 2025	Fixed term

Number of Persons Holding Advisory Positions (*Sodanyaku*, *Komon*, etc.) After Retiring as Representative Director and President, etc. One (1) **Updated**

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Other Related Matters **Updated**

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Special Advisor is not involved in management decision-making. “June 27, 2025” in the above table is the date of Yoshiharu Inaba’s retirement as the Chairman.

## **2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) **Updated****

The Company is a company with an Audit and Supervisory Committee.

The Company has a Board of Directors comprised of 10 directors (including 6 outside directors), as well as an Audit and Supervisory Committee comprised of 4 directors (including 3 outside directors).

A Nomination and Remuneration Committee, which is chaired by independent outside director and the majority of which is comprised of independent outside directors, has been established to consult the appointment and dismissal of directors and their remuneration, in order to ensure objectivity and transparency of the procedures.

Ernst & Young ShinNihon LLC is in charge of the accounting audit of the Company.

## **3. Reasons for Adoption of Current Corporate Governance System**

FANUC has always worked on enhancing corporate governance based on our Basic Principles of “Strict Preciseness and Transparency.” In 2021, 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. As a Company with an Audit and Supervisory Committee, the Company is working to further strengthen the supervisory functions of the Board of Directors and speed up management decision-making, such as by developing and refining relevant rules. In addition, an optional Nomination and Remuneration Committee has been established to ensure objectivity and transparency of procedures regarding the appointment and dismissal of directors and their remuneration.

### III. Implementation of Measures for Shareholders and Other Stakeholders

#### 1. Measures to Vitalize the General Shareholder Meetings and

##### Smooth Exercise of Voting Rights **Updated**

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

#### 2. IR Activities **Updated**

	Supplementary Explanations	Explanation by Representative
Regular Briefings for Analysts and Institutional Investors	After the announcement, conference calls are held.	Yes
Posting of IR Materials on the Website	Reference materials related to financial results have been posted on the Company's website.	
Establishment of Department and/or Placement of a Manager in Charge of IR	The Company established a Public Relations & Shareholder Relations Department, and has held constructive dialogues with shareholders both at home and abroad.	

#### 3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Implementation of Environmental Activities, CSR Activities, etc.	FANUC Group's environmental activities and CSR activities are open to public through Integrated Report and Sustainability Report. They are available on the website of the Company. <Integrated report> <a href="https://www.fanuc.co.jp/en/ir/annualreport/index.html">https://www.fanuc.co.jp/en/ir/annualreport/index.html</a> <Sustainability report> <a href="https://www.fanuc.co.jp/en/sustainability/report/index.html">https://www.fanuc.co.jp/en/sustainability/report/index.html</a>

#### **IV. Matters Related to the Internal Control System**

##### **1. Basic Views on Internal Control System and the Progress of System Development**

###### **(1) System to ensure that duties of the Company's Directors and employees are performed in compliance with laws and regulations and the Company's Articles of Incorporation**

Education on laws and regulations and the Articles of Incorporation and other internal rules shall be provided to the directors and employees and other measures shall be taken to ensure that duties of directors and employees are performed in compliance with laws and regulations and the Articles of Incorporation.

###### **(2) Rules and other systems 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) System to ensure that duties of the Company's Directors are performed efficiently**

The Managing Officer System shall be introduced to ensure that duties of the directors will be performed efficiently according to the internal rules providing for the organizational structure, division of duties, official authority, etc.

###### **(4) System for the storage and management of information concerning the performance of duties of the Company's Directors**

Information concerning the performance of duties of the directors shall be recorded and stored in accordance with the internal rules. Directors shall be able to access such information at any time.

###### **(5) System to ensure the appropriateness of operations in the corporate group consisting of the Company and its subsidiaries**

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) Matters concerning employees who are to assist the Audit and Supervisory Committee in its duties and matters concerning the effectiveness of instructions to such employees**

(i) The Secretariat of the Audit and Supervisory Committee shall be established to assist in the duties of the

Committee.

- (ii) The employees belonging to the Secretariat of the Audit and Supervisory Committee shall assist in the duties of the Audit and Supervisory Committee according to the instructions of the Committee. Further, when an employee belonging to the Secretariat of the Audit and Supervisory Committee receives any instruction from the Committee relating to its duties, he/she shall be free from the command and control of any director or employee other than the Directors who are the Audit and Supervisory Committee Members with respect to such work so instructed.
- (iii) The employees belonging to the Secretariat of the Audit and Supervisory Committee have a confidentiality obligation regarding the content of instructions given by the Committee or a member of the Committee.

**(7) Matters concerning the independence of the employees who are to assist the Audit and Supervisory Committee**

- (i) The Audit and Supervisory Committee (or if the Committee nominates a specific member of the Committee, such member of the Committee) shall be consulted in advance regarding personnel affairs such as recruitment, transfer, performance appraisal, etc., of the employees belonging to the Secretariat of the Audit and Supervisory Committee.
- (ii) Directors and employees shall pay attention not to impede the independence of the employees belonging to the Secretariat of the Audit and Supervisory Committee.

**(8) System for reporting to the Audit and Supervisory Committee**

- (i) Directors and employees shall provide an appropriate report promptly upon any request for reporting on matters relating to the execution of business made by the Audit and Supervisory Committee or any member of the Committee nominated by the Committee.
- (ii) Directors and employees shall immediately report the details of any matter they discover which may seriously affect the business or financial conditions of the Company or its subsidiaries to the Audit and Supervisory Committee or any member of the Committee nominated by the Committee.
- (iii) No person who provides a report as under (i) or (ii) above shall be treated disadvantageously due to such reporting.

**(9) System to otherwise ensure that auditing by the Audit and Supervisory Committee will be carried out effectively**

- (i) The Audit and Supervisory Committee or any member of the Committee nominated by the Committee shall have meetings with the Company's Directors (other than the Audit and Supervisory Committee Members) as appropriate to exchange opinions on the management policy, any issues to be dealt with by the Company, major risks surrounding the Company, enhancement of the environment for auditing by the Audit and Supervisory Committee, important audit issues, etc.
- (ii) Directors and employees may not reject a request by the Audit and Supervisory Committee or any member of the Committee nominated by the Committee for expenses to consult with attorneys, certified accountants and other external experts or to entrust any investigation, appraisal or other affairs as necessary for them to carry out audits, unless such expenses so requested are deemed unnecessary for the performance of



duties of the Audit and Supervisory Committee or the member of the Committee nominated by the Committee.

## 2. Basic Views on Eliminating Anti-Social Forces

The Company has no relationship with anti-social forces or organizations that threaten order and safety of society. The Company is a member of the Council for Measures for Corporate Protection in Yamanashi, and has established a system to closely cooperate with external specialists such as attorneys at law and the police as well as relevant public agencies.

## V. Others

### 1. Adoption of Anti-Takeover Measures

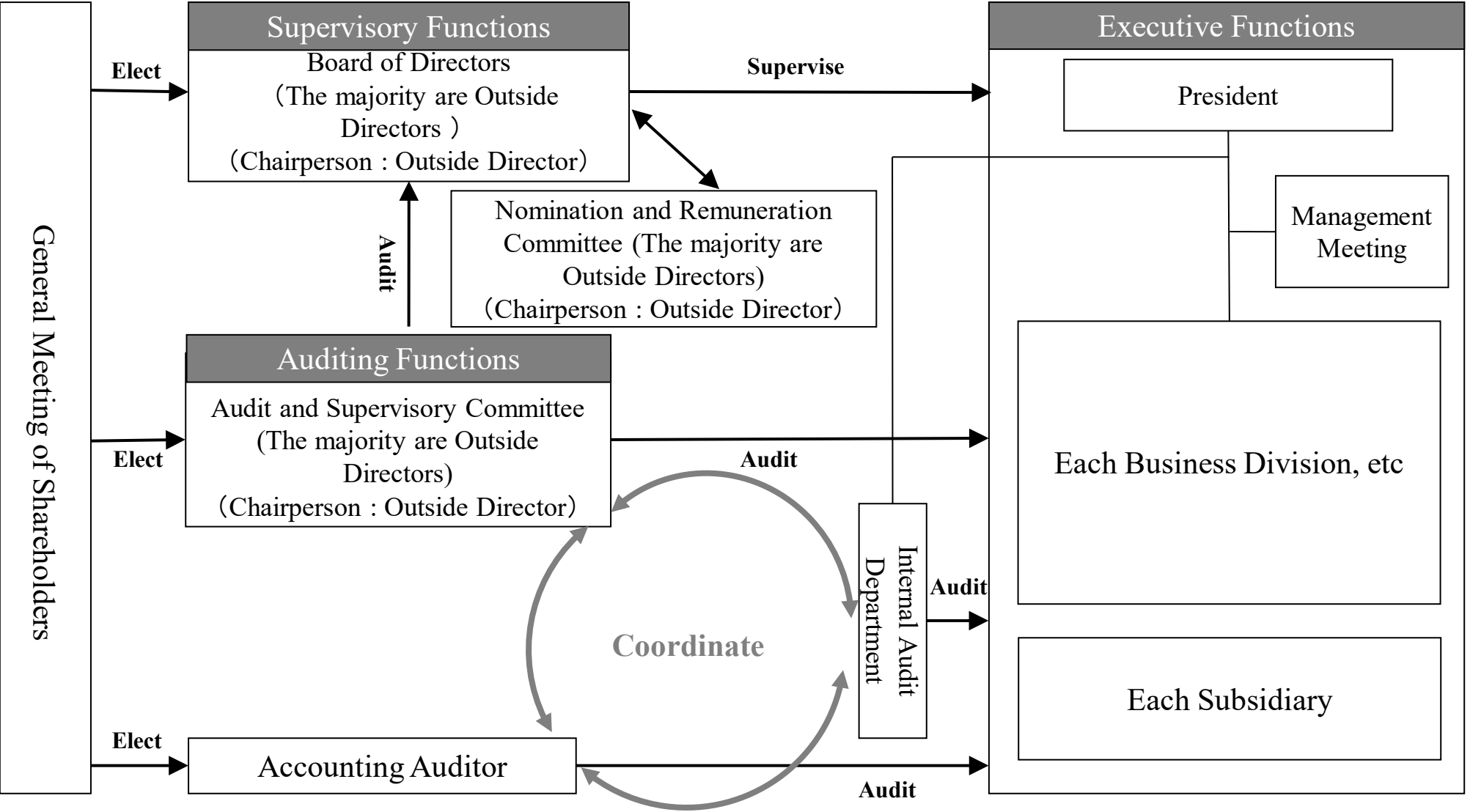
Adoption of Anti-Takeover Measures	Not Adopted
Supplementary Explanation	

### 2. Other Matters Concerning Corporate Governance System

The Company has an internal system as follows for the purpose of timely disclosure of corporate information.

- (1) Information on the Company and its subsidiaries that may be subject to obligation for timely disclosure shall be collected by the departments of the Company which are in charge of information disclosure (Legal Department, Public Relations & Shareholder Relations Department, Finance & Accounting Department, etc.).
- (2) The departments of the Company which are mainly in charge of information disclosure shall evaluate whether timely disclosure is required or not, pursuant to the Financial Instruments and Exchange Act, rules for timely disclosure in financial instruments exchanges, etc.
- (3) The departments of the Company which are in charge of information disclosure shall make a report to President and CEO without delay, and shall make timely disclosure of determined material facts and financial results after obtaining approval from or reporting to the Board of Directors, as well as disclose facts which occurred regardless of the Company's intent, immediately after they occurred.

Overview of the Company’s Internal Control System



## Skills Matrix for Directors

Name			Gender	Corporate Management	Research and Development	Inter-nationality	ESG and sustainability	Personnel, Labor affairs and HR Development	Legal and Risk Management	Finance and Accounting
Kenji Yamaguchi			Male	●	●	●	●	●	●	●
Ryuji Sasuga			Male	●		●	●		●	●
Michael J. Cicco			Male	●	●	●	●	●	●	
Naoko Yamazaki		Outside	Female		●	●	●		●	
Hiroto Uozumi		Outside	Male	●	●	●	●	●	●	
Yoko Takeda		Outside	Female			●	●	●		●
Toshiya Okada	Audit and Supervisory Committee Member		Male				●		●	
Hidetoshi Yokoi	Audit and Supervisory Committee Member	Outside	Male		●	●	●			
Mieko Tomita	Audit and Supervisory Committee Member	Outside	Female				●	●	●	
Shigeo Igashima	Audit and Supervisory Committee Member	Outside	Male				●			●