

Consolidated Quarterly Financial Results (based on Japanese standards)
For the six months ended September 30, 2014

October 24, 2014

Company name: FANUC CORPORATION	Stock exchange listing: Tokyo Stock Exchange
Stock code: 6954	URL http://www.fanuc.co.jp
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1. Consolidated Financial Results for the Six months Ended September 30, 2014 (April 1, 2014 – September 30, 2014)

(1) Consolidated Results of Operations

(% represents change from the corresponding previous six months period)

Six months ended September 30	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2014	342,815	58.6	138,319	84.8	145,002	83.3	94,366	88.4
2013	216,125	(18.0)	74,862	(26.5)	79,121	(24.7)	50,096	(25.2)

Note: Comprehensive income April-September 2014 ¥105,656million 55.1%
 April-September 2013 ¥ 68,102million 22.7%

Six months ended September 30	Net income per share basic	Net income per share diluted
	Yen	Yen
2014	482.28	—
2013	255.98	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
September 30, 2014	1,462,314	1,285,720	87.5
March 31, 2014	1,343,904	1,199,863	88.8

(Ref.) Equity: September 30, 2014 ¥1,279,354 million March 31, 2014 ¥1,194,032 million

2. Dividends

	Dividends per share				
	June 30	Sept. 30	Dec. 31	Mar. 31 (Year end)	Full year
	Yen	Yen	Yen	Yen	Yen
2013	—	76.80	—	93.26	170.06
2014	—	144.69	—	—	—
2014(forecast)	—	—	—	—	—

Note: We have changed the forecasts of dividends from the latest ones.

Note: With regard to the forecasts of the year-end dividends for the year ending March 31, 2015, we expect to disclose them promptly after we become able to disclose them.

3. Consolidated Financial Results Forecasts for the Year Ending March 31, 2015 (April 1, 2014 – March 31, 2015) (% represents change from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal period	688,200	52.6	268,000	63.3	280,900	61.1	185,100	66.9	945.98

Note: We have not changed the forecasts of financial results from the latest ones.

4. Notes

(1) Important changes in scope of consolidation during the period
(Changes in certain subsidiaries requiring changes in scope of consolidation) : No

(2) Application of the accounting method specific to quarterly consolidated
financial statements : No

(3) Changes in accounting principles and accounting estimates, and revisions/restatements

① Changes associated with changes in accounting standards : Applicable

② Changes in accounting principles other than ① : No

③ Changes in accounting estimates : No

④ Revisions/restatements : No

Note: For details, please see "4. Other Information (3)Changes in accounting principles and accounting estimate, and revisions/restatements" on Page 6 in Attachment.

(4) Number of shares outstanding (Common share)

① Number of shares outstanding at the end of the period (including treasury stocks)				
	September 30, 2014	239,508,317	March 31, 2014	239,508,317
		shares		shares

② Number of treasury stocks				
	September 30, 2014	43,845,042	March 31, 2014	43,836,033
		shares		shares

③ Average number of shares during the period				
	April-September 2014	195,667,597	April-September 2013	195,704,121
		shares		shares

* Status of quarterly review

These quarterly financial results are not subject to the quarterly review based on the Financial Instruments and Exchange Law. The review process for the quarterly financial statements based on the Financial Instruments and Exchange Law has not been completed at the time of the disclosure of these results.

* Statements on the proper use of financial forecasts and other special notes

Any forecasts described in this report are subject to uncertain factors such as supply and demand trends, industry competition, economic conditions, and others in major markets. Actual results may differ from these forecasts. With regard to the forecasts of the year-end dividends for the year ending March 31, 2015, we expect to disclose them promptly after we become able to disclose them.

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1. Results of Operations and Financial Position

(1) Results of Operations

The business environment surrounding the FANUC group during the six months from April to September 2014 was as follows. Demands for CNC systems steadily increased in Japan, China, Europe, and in other countries, amidst a worldwide economic recovery trend in the machine tools industry. For the ROBOT business, demands continued to be high in the Americas and Europe. Moreover, there was lively activity in the short-term demands in a part of the IT industry as well.

Against such a background, the FANUC group continued to enhance high-performance and high-intelligence while sticking to the basics of high reliability, and to enhance robotization in manufacturing its products to further improve competitiveness.

As a result, during the first half of the current fiscal year, FANUC posted consolidated net sales totaling ¥342,815 million, up 58.6%, consolidated ordinary income totaling ¥145,002 million, up 83.3%, and consolidated net income totaling ¥94,366 million, up 88.4%, compared with the corresponding period of the previous fiscal year.

Looking at the performance by business group, the FA Group posted consolidated sales totaling ¥130,399 million, up 18.9%, the Robot Group posted consolidated sales totaling ¥86,504 million, up 17.5% and the Robomachine Group posted consolidated sales totaling ¥125,912 million, up 283.2%, compared with the corresponding period of the previous fiscal year.

(2) Financial Position

Total assets increased ¥118,410 million to ¥1,462,314 million compared with the end of the previous fiscal year. The main increase is ¥119,907 million in securities (negotiable certificates of deposit).

Total liabilities increased ¥32,553 million to ¥176,594 million compared with the end of the previous fiscal year.

Total net assets increased ¥85,857 million to ¥1,285,720 million compared with the end of the previous fiscal year.

(3) Financial Results Forecasts

The forecasts for the fiscal year ending March 31, 2015 are ¥688,200 million for consolidated net sales, ¥268,000 million for consolidated operating income, ¥280,900 million for consolidated ordinary income, and ¥185,100 million for consolidated net income, as announced on September 25, 2014, as business performance improved on the whole, and the short-term increase in demands in a part of the IT industry is expected in the second half as well as in the first half of the year.

2. Consolidated Quarterly Balance Sheet

(Millions of Yen)

	March 31, 2014	September 30, 2014
Assets		
Current assets:		
Cash and deposits	823,670	760,492
Notes and accounts receivable – trade	91,698	134,168
Securities	93	120,000
Merchandise and finished goods	43,857	49,961
Work in process	35,559	39,107
Raw materials and supplies	8,079	9,443
Deferred income tax	20,706	24,516
Others	6,059	9,204
Allowance for doubtful accounts	(1,920)	(2,126)
Total current assets	1,027,801	1,144,765
Noncurrent assets		
Property, plant and equipment		
Land	117,543	124,584
Other, net	144,930	139,939
Total property, plant and equipment	262,473	264,523
Intangible Assets	4,213	2,040
Investments and other assets		
Investment securities	41,744	42,791
Others	7,674	8,196
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	49,417	50,986
Total noncurrent assets	316,103	317,549
Total Assets	1,343,904	1,462,314
Liabilities		
Current liabilities:		
Notes and accounts payable – trade	26,192	31,033
Income taxes payable	30,787	47,723
Warranty reserves	5,409	5,928
Others	37,061	44,913
Total current liabilities	99,449	129,597
Noncurrent liabilities:		
Liability related to retirement benefits	40,456	41,844
Others	4,136	5,153
Total noncurrent liabilities	44,592	46,997
Total Liabilities	144,041	176,594
Net Assets		
Shareholders' equity		
Capital stock	69,014	69,014
Capital surplus	96,270	96,274
Retained earnings	1,340,809	1,415,713
Treasury stocks	(312,299)	(312,465)
Total shareholders' equity	1,193,794	1,268,536
Accumulated other comprehensive income(loss)		
Valuation difference on available-for-sale securities	5,112	5,966
Foreign currency translation adjustment	3,138	12,659
Accumulated adjustment to retirement benefits	(8,012)	(7,807)
Total accumulated other comprehensive income(loss)	238	10,818
Minority interests	5,831	6,366
Total net assets	1,199,863	1,285,720
Total liabilities and net assets	1,343,904	1,462,314

**3. Consolidated Quarterly Statement of Income
and Consolidated Quarterly Statement of Comprehensive Income**

Consolidated Statement of Income for the Six months from April to September 2014

(Millions of Yen)

	Six months ended September 30	
	2013	2014
Net sales	216,125	342,815
Cost of goods sold	112,998	166,165
Gross profit	103,127	176,650
Selling, general and administrative expenses	28,265	38,331
Operating income	74,862	138,319
Non-operating income		
Interest income	1,084	1,377
Dividend income	463	207
Equity method income	2,243	4,323
Miscellaneous income	1,000	1,076
Total non-operating income	4,790	6,983
Non-operating expenses		
Sales discount	45	62
Miscellaneous expenses	486	238
Total non-operating expenses	531	300
Ordinary income	79,121	145,002
Income before income taxes and minority interests	79,121	145,002
Income taxes-current	28,095	52,977
Income taxes-deferred	630	(2,698)
Total taxes and others	28,725	50,279
Income before minority interests	50,396	94,723
Minority interests in income	300	357
Net income	50,096	94,366

Consolidated Statement of Comprehensive Income for the Six months from April to September 2014

	(Millions of Yen)	
	Six months ended September 30	
	2013	2014
Income before minority interests	50,396	94,723
Other Comprehensive Income		
Valuation difference on available-for-sale securities	1,413	853
Foreign currency translation adjustment	12,944	11,431
Adjustment to retirement benefit	—	206
Share of other comprehensive income of affiliates accounted for using equity method	3,349	(1,557)
Total other comprehensive income	17,706	10,933
Comprehensive income for the six months ended September 30	68,102	105,656
Comprehensive income attributable to:		
Owners of parent	67,528	104,946
Minority interests	574	710

4. Other Information

- (1) Important changes in scope of consolidation during the period: No
- (2) Application of the accounting method specific to quarterly consolidated financial statements: No
- (3) Changes in accounting principles and accounting estimate, and revisions/restatements :

Changes in accounting principles
(Application of Accounting Standard for Retirement Benefits)

FANUC CORPORATION has applied the Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (ASBJ) Statement No.26 of May 17, 2012) and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No.25 of May 17, 2012) to the main clause stipulated in Article 35 of the Accounting Standard for Retirement Benefits and Article 67 of the Guidance on Accounting Standard for Retirement Benefits since the first quarter of the current fiscal year.

Under the new standard, the calculation of liabilities for retirement benefits and service costs has been revised and the method of attributing expected benefits to periods has been changed from straight-line basis to benefit formula basis. The determination of the discount rate has been changed as well.

In accordance with transitional accounting as stipulated in Article 37 of the Accounting Standard for Retirement Benefits, the effect of the changes in accounting policies arising from the revision of liabilities for retirement benefits and service costs is recognized in retained earnings, at the beginning of the first half of the current fiscal year.

As a result of adjustments, liabilities for retirement benefits have increased by 2,234 million yen, and retained earnings have decreased by 1,452 million yen at the beginning of the first half of the current fiscal year. The impact on the profit/loss of the first half of the fiscal year (year to date) is negligible.

- (4) Note on premise of a going concern: No
- (5) Note on the substantial change in shareholders' equity: No

Supplement to Consolidated Financial Results

1 Consolidated Results (April~September, 2014)

- 1) Net income 94.4 billion yen (1.9 times from the same period of last year)
- 2) Net sales 342.8 billion yen (1.6 times from the same period of last year)
- 3) Operating income 138.3 billion yen (1.8 times from the same period of last year)
 Ordinary income 145.0 billion yen (1.8 times from the same period of last year)
Ordinary income to net sales ratio 42.3%
- 4) Sales by Group
 - FA 130.4 billion yen (1.2 times from the same period of last year)
 - Robot 86.5 billion yen (1.2 times from the same period of last year)
 - Robomachine 125.9 billion yen (3.8 times from the same period of last year)
- 5) Orders 355.4 billion yen (1.6 times from the same period of last year)

2 Quarterly Changes of Consolidated Financial Results (Billions of yen)

