

## (TRANSLATION)

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### Consolidated Annual Financial Results

(based on Japanese standards)  
For the Year ended March 31, 2020

April 24, 2020

Company name: FANUC CORPORATION Stock exchange listing: Tokyo Stock Exchange  
Stock code: 6954 URL: <https://www.fanuc.co.jp/eindex.html>  
Representative: (Title) President (Name) Kenji Yamaguchi  
Contact: (Title) Manager, Public Relations (Name) Keisuke Fujii TEL: (0555)84-5555  
Scheduled date of the Annual Meeting of Shareholders: June 26, 2020  
Scheduled date of commencing of dividend payments: June 29, 2020  
Scheduled date of filing the Securities Report: June 30, 2020  
Availability of supplementary briefing material on annual financial results: Available  
Schedule of annual financial results briefing session: Scheduled

#### 1. Consolidated Financial Results for the Year Ended March 31, 2020 (April 1, 2019 – March 31, 2020)

##### (1) Consolidated Results of Operations

(% represents changes from the previous term.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	YoY change %	Millions of yen	YoY change %	Millions of yen	YoY change %	Millions of yen	YoY change %
FY2019	508,252	(20.0)	88,350	(45.9)	102,816	(44.0)	73,371	(52.4)
FY2018	635,568	(12.5)	163,297	(28.9)	183,459	(26.5)	154,163	(15.3)

Note: Consolidated comprehensive income: FY2019: ¥ 57,377 million (61.6)% FY2018: ¥149,357 million (21.1)%

	Net income per share	Net income per share (diluted)	Return on equity	Ordinary income-to-total capital ratio	Operating income-to-net sales ratio
	Yen	Yen	%	%	%
FY2019	381.89	—	5.3	6.6	17.4
FY2018	795.34	—	10.6	10.9	25.7

(Reference) Equity in earnings of affiliates: FY2019: ¥8,752 million FY2018: ¥14,243 million

##### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2019	1,512,499	1,362,865	89.6	7,064.22
FY2018	1,625,340	1,445,146	88.5	7,417.70

(Reference) Equity: FY2019: ¥1,355,100 million FY2018: ¥1,437,775 million

##### (3) Consolidated Cash Flow Position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2019	144,872	(84,319)	(140,726)	515,008
FY2018	177,738	(123,343)	(172,868)	607,714

## 2. Dividends

(Cut-off date)	Dividends per share					Total amount of dividends (full year)	Payout ratio (consolidated)	Dividends-to-net assets Ratio (consolidated)
	1st Quarter	2nd Quarter	3rd Quarter	Year-end Dividends	Full year			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2018	—	598.19	—	404.92	1,003.11	194,435	126.1	13.4
FY2019	—	125.35	—	174.65	300.00	57,558	78.6	4.1
FY2020 (forecast)	—	—	—	—	—		—	

Note: The 2nd quarter-end dividends for the year ending March 31, 2019 consist of ordinary dividends of ¥252.87 and special dividends of ¥345.32.

Note: The year-end dividends for the year ending March 31, 2019 consist of ordinary dividends of ¥224.34 and special dividends of ¥180.58.

Note: The year-end dividends for the year ending March 31, 2020 consist of ordinary dividends of ¥103.79 and special dividends of ¥70.86.

Note: The forecasts of the 2nd quarter-end and year-end dividends for the year ending March 31, 2021, will be disclosed promptly upon their availability.

## 3. Consolidated Financial Forecasts for the second quarter of the Year Ending March 31, 2021 (April 1, 2020 – September 30, 2020)

(% for the 2Q cumulative period represents changes from the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of yen	YoY change %	Millions of yen	YoY change %	Millions of yen	YoY change %	Millions of yen	YoY change %	Yen
2 <sup>nd</sup> Quarter (Cumulative)	197,900	(24.2)	18,900	(61.4)	23,100	(59.5)	16,400	(59.2)	85.49

Note: The forecast for the consolidated financial results for the second quarter (cumulative) of the year ending March 31, 2021, takes the impacts of the coronavirus (COVID-19) into consideration, based on information that is currently available, and therefore is susceptible to significant change.

The consolidated financial results for the year ending March 31, 2021 is not reported, as it is not feasible at present, to rationally estimate how far the coronavirus (COVID-19) infection will further spread and this crisis will be overcome. The results will be announced as soon as disclosure is possible.

### \*Notes

#### (1) Changes in Significant Subsidiaries during the year ended March 31, 2020

(changes in specific subsidiaries that caused change in scope of consolidation) : No

#### (2) Changes in Accounting Principles and Accounting Estimates, and Revisions/Restatements

1. Changes associated with changes in accounting standards : Yes
2. Changes in accounting principles other than 1 : No
3. Changes in accounting estimates : No
4. Revisions/restatements : No

#### (3) Number of shares outstanding (Common shares)

1. Number of shares outstanding at the end of the period (including treasury stocks)
 

	March 31, 2020	204,031,841 shares	March 31, 2019	204,040,771 shares
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2. Number of treasury stocks
 

	March 31, 2020	12,205,848 shares	March 31, 2019	10,210,522 shares
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3. Average number of shares during the period	Year ended March 31, 2020	192,123,630 shares	Year ended March 31, 2019	193,834,048 shares
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(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Year Ended March 31, 2020 (April 1, 2019 – March 31, 2020)

(1) Non-Consolidated Results of Operations

(% represents changes from the previous term.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	YoY change %	Millions of yen	YoY change %	Millions of yen	YoY change %	Millions of yen	YoY change %
FY2019	352,407	(25.1)	37,992	(64.1)	67,586	(54.3)	54,697	(59.9)
FY2018	470,644	(17.9)	105,852	(39.5)	147,956	(24.6)	136,326	(7.7)

	Net income per share	Net income per share (diluted)
	Yen	Yen
FY2019	284.69	—
FY2018	703.31	—

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2019	1,177,585	1,084,633	92.1	5,654.25
FY2018	1,292,323	1,173,464	90.8	6,054.08

(Reference) Equity: FY2019: ¥1,084,633 million FY2018: ¥1,173,464 million

- \* The report of the annual financial results is not subject to audit by certified public accountant or audit firm.
- \* Any forward looking statements such as financial 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. For the details of the financial forecasts, please refer to "Future Outlook" on page 4 of the Accompanying Documents. The forecasts of the 2nd quarter-end and the year-end dividends for the year ending March 31, 2021, will be disclosed promptly upon their availability.

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## **1. Overview of Results of Operations and Financial Position**

### **(1) Overview of Results of Operations**

The overall business environment surrounding the FANUC Group during this period (from April 1, 2019 to March 31, 2020) was harsh, due primarily to the cautious approach to capital investment mainly in the Chinese market, stemming from the impact of the trade friction between the United States and China. In addition, as the impact of the coronavirus (COVID-19) became more severe towards the end of the period, the business environment became very difficult and unforeseeable.

Even under these circumstances, in order to continue management from a medium to long-term perspective, the FANUC Group promoted major initiatives consisting mainly of advancing product development featuring superior reliability and maintainability, establishing a manufacturing scheme to achieve high quality and short delivery time, and strengthening the service system that supports our customers' manufacturing activities, by uniting as one group under the slogans; "one FANUC", "Reliable, Predictable, Easy to Repair" and "Service First."

At the same time, to deal with the current strenuous market conditions, we have steadily fortified our corporate structure by reducing expenses and time, and streamlining business operations throughout the Company, as well as reviewing plans for equipment and facility investments according to priority.

During the fiscal year ended March 31, 2020, FANUC posted consolidated net sales totaling ¥508,252 million, down 20.0%, consolidated ordinary income totaling ¥102,816 million, down 44.0%, and consolidated net income totaling ¥73,371 million, down 52.4%, compared with the previous fiscal year.

(Note): "Net income" in "Overview of Results of Operations and Financial Position" means "Net income attributable to owners of parent" in the Consolidated Statements of Income.

During this period, "FANUC Robot R-2000iD/210FH," a product with cables integrated into its arm and featuring a good balance between design and function, won "Nikkan Kogyo Shimbun Best 10 New Product Awards 2019/Main Award" and the "Nikkei Business Daily Awards for Excellence/2019 Nikkei Superior Products and Services Awards." We also won a METI Minister's Award for Excellent Corporation Utilizing the Intellectual Property Rights System (open innovation promoter) in the "Intellectual Property Achievement Awards" run by the Japan Patent Office, METI.

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

#### **[FA Division]**

Demand in the machine tool industry, the primary market for FANUC CNC systems, declined in the Chinese market due mainly to the impact of the trade friction between the United States and

China, and demand for machines also dropped in Taiwan, which is heavily dependent on the Chinese market. In the face of the restraining of capital investments, demand declined in Japan and Europe as well. Sales in South Korea, as well as India which had performed solid in the previous period, remained sluggish due mainly to weak domestic demand. Across the world, automobile-related investment, which greatly impacts demand for machines, was stagnant. As a result, net sales of CNC systems of the FANUC Group decreased compared with the previous fiscal year.

With regard to our lasers, although we continued focusing efforts on expanding sales, competition with overseas manufacturers has been intensifying.

The FA Division posted consolidated sales totaling ¥143,247 million, down 32.1% compared with the previous fiscal year, and FA Division sales accounted for 28.3% of consolidated net sales.

### **[ROBOT Division]**

In the Robot Division, sales in the Americas were solid. In Japan, sales slightly increased for the automobile industry and slightly decreased for the general industries. Sales in China and Europe both for the automobile industry and for the general industries were sluggish. As a result, sales in the Robot Division as a whole decreased compared with the previous fiscal year.

The ROBOT Division posted consolidated sales totaling ¥202,491 million, down 6.9% compared with the previous fiscal year. ROBOT Division sales accounted for 39.8% of consolidated net sales.

### **[ROBOMACHINE Division]**

As there was almost no short-term demand in the IT-related industry for the ROBODRILLS (compact machining centers), we focused on expanding sales in the market for automobile parts. However, as the automobile-related market slowed down in the latter half of the period, sales decreased. In addition, sales of the ROBOSHOTS (electric injection molding machines) slightly decreased, although we made persistent efforts to expand sales mainly to automobile parts, IT-related, and medical markets. With regard to the ROBOCUTs (wire-cut electric discharge machines), sales also declined, mainly in the Chinese market.

The ROBOMACHINE Division posted consolidated sales totaling ¥74,912 million, down 34.9% compared with the previous fiscal year. ROBOMACHINE Division sales accounted for 14.7% of consolidated net sales.

### **[Service Division]**

The Service Division, under our slogan "Service First," reinforced our service system, increased efficiency through proactive introduction of IT technology, enhanced our service technology and improved our service tools. With maintaining a network of service centers counting 260 and more covering 108 countries around the world we are providing rapid maintenance service activities to

minimize downtime in our customers' factories.

The Service Division posted consolidated sales totaling ¥87,602 million, down 4.7% compared with the previous fiscal year. Service Division sales accounted for 17.2% of consolidated net sales.

## **(2) Overview of Financial Position**

Total assets were ¥1,512,499 million, down ¥112,841 million compared with the end of the previous fiscal year.

Total liabilities were ¥149,634 million, down ¥30,560 million compared with the end of the previous fiscal year.

Total net assets were ¥1,362,865 million, down ¥82,281 million compared with the end of the previous fiscal year.

We cancelled our treasury shares exceeding the 5% of the total number of issued shares (8,930 shares, ¥88 million) on May 31, 2019 based on the shareholder return policy stated on page 6. (There was no effect on the amount of total net assets.)

## **(3) Overview of Cash Flows**

Cash and cash equivalents (hereinafter "Cash") for this fiscal year amounted to ¥515,008 million, down ¥92,706 million from the end of the previous fiscal year.

(Cash flows from operating activities)

Cash provided by operating activities during this period amounted to ¥144,872 million, down ¥32,866 million from the previous fiscal year. This was mainly due to the decrease in income before income taxes.

(Cash flows from investing activities)

Cash used in investing activities during this period amounted to ¥84,319 million, down ¥39,024 million from the previous fiscal year. This was mainly because expenditure for the purchase of property, plant and equipment decreased.

(Cash flows from financing activities)

Cash used in financing activities during this period amounted to ¥140,726 million, down ¥32,142 million from the previous fiscal year. This was mainly due to the decrease in dividends paid.

## **(4) Future Outlook**

Since it is difficult to rationally estimate how far the coronavirus (COVID-19) will further spread and when this crisis will be overcome, along with continuously having no expectations for a repetition

of the short-term demand from the IT-related industry and other uncertain factors, including changes in tariff policies of countries and foreign exchange fluctuation which reflect trade frictions, it is presumed that the situation will remain disturbing and unpredictable in general.

The forecast for the consolidated financial results for the second quarter (cumulative) of the year ending March 31, 2021, takes the impacts of the coronavirus (COVID-19) into consideration, based on information that is currently available, and therefore is subject to significant change.

Financial forecast for the second quarter (cumulative) of the year ending March 31, 2021

	Amount (Millions of yen)	Comparison with Previous year (%)
Net sales	197,900	(24.2)
Operating income	18,900	(61.4)
Ordinary income	23,100	(59.5)
Net income	16,400	(59.2)

Note: The currency rate applied to the period from April 1, 2020 to September 30, 2020 is averaged at 100 yen/US dollar and 115 yen/Euro.

**(5) Basic Policy on Return of Profit to Shareholders and Dividends for the Period ended March 31, 2020**

Our basic policy for distributing profits to shareholders is as follows:

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.

We have paid dividends based on the above shareholder return policy.

In addition, the Board of Directors resolved at meetings held on April 24, July 29, October 28,



2019, and January 29, 2020, to acquire treasury shares in amounts up to ¥50.0 billion, but given the extreme volatility of the stock market as a result of factors including trade friction between the United States and China and the new coronavirus pandemic, the amounts of treasury shares acquired did not reach the approved upper limits.

In addition to a dividend corresponding to a consolidated payout ratio of 60%, the proposed year-end dividend includes a special dividend, provided primarily from the difference between the upper limit amounts approved by the Board of Directors and the amounts of treasury shares actually acquired.

Dividends for this period are scheduled as follows:

	First half	Second half (forecast)	Full year (forecast)	Payout ratio
Current period (fiscal year ended March 31, 2020)	Yen 125.35	Yen 174.65 <small>(Ordinary dividend: 103.79) (Special dividend: 70.86)</small>	Yen 300.00 <small>(Ordinary dividend: 229.14) (Special dividend: 70.86)</small>	78.6%
(Reference) Previous period (fiscal year ended March 31, 2019)	Yen 598.19 <small>(Ordinary dividend: 252.87) (Special dividend: 345.32)</small>	Yen 404.92 <small>(Ordinary dividend: 224.34) (Special dividend: 180.58)</small>	Yen 1,003.11 <small>(Ordinary dividend: 477.21) (Special dividend: 525.90)</small>	126.1%

## **2. Management Policy**

### **(1) Basic Management Policy**

FANUC was the first to succeed in the development of NCs and servomechanism in Japan, in the private sector, and ever since this success in 1956, has consistently pursued factory automation.

With its three pillars consisting of the FA business, which comprises FANUC's basic technologies of NCs and servos, the ROBOT and ROBOMACHINE businesses, which apply these basic technologies, along with the business for "FIELD system" which is FANUC's open platform and flagship IoT product, FANUC contributes to the development of the manufacturing industry in Japan and overseas by promoting automation and efficiency in manufacturing.

### **(2) Challenges**

Mainly due to the impact of the global spread of the coronavirus (COVID-19), uncertainty is growing in the global economy, and we must continue to keep alert.

The FANUC Group places highest priority on preventing customers, partners, employees and their families from being infected by the coronavirus and also on preventing the spread. At the same time, we will maintain delivery of products and service activities for our customers.

Meanwhile, under these difficult circumstances, we will continue management from a medium to long-term perspective, focusing on the Company's future.

Guided by the slogan of "one FANUC," the FA, ROBOT, and ROBOMACHINE divisions of the FANUC Group will unite to provide total solutions, and combine our efforts as a Group to provide products and services to customers throughout the world.

Since FANUC products are production goods, we will be thorough in applying our slogan, "Reliable, Predictable, Easy to Repair" in product development, to minimize downtime in our customers' factories and improve their operating rates. Also, as a supplier of production goods, we will fulfill our responsibilities to our customers by building secure and reliable production system.

Furthermore, we will practice our basic policy of "Service First" in providing FANUC's global standard of high-level services anywhere in the world, and "lifetime maintenance" for as long as our customers use our products.

The FANUC Group believes that IoT and AI are indispensable technologies for continuing to develop and launch highly competitive products in the market. By actively adopting these technologies in FA, ROBOT, and ROBOMACHINE products, we will further increase customers' manufacturing efficiency.

Although the current market conditions surrounding our Company are harsh, the FANUC Group will implement initiatives from a long-term perspective, to make our corporate structure even

stronger by increasing product competitiveness, enhancing sales and support activities, as well as promoting automation and robotization of factories. In parallel, efforts will be made to reduce expenses and time, and streamline operations throughout the Company, as well as review equipment and facility investment plans according to priority.

The FANUC Group shall be thorough in pursuing “Strict Preciseness” and “Transparency,” which are FANUC’s basic principles, and unite as one to promote these measures. In this manner, we shall endeavor to gain more customer confidence and trust in the FANUC Group while adapting to dramatic changes in the environment, in our efforts to continue to grow forever.

### **3. Basic Way of Thinking Regarding the Choice of Accounting Standards**

In consideration of enabling the comparison of consolidated financial statements for designated periods and comparison with other companies, FANUC will continue its policy of generating consolidated financial statements according to Japanese standards for the foreseeable future.

#### 4. Consolidated Financial Statements and Primary Notes

##### (1) Consolidated Balance Sheets

(Millions of yen)

	March 31, 2019	March 31, 2020
<b>Assets</b>		
Current assets		
Cash and bank deposits	607,155	405,861
Notes and accounts receivables, trade	106,204	85,266
Marketable securities	15,000	126,700
Finished goods	71,042	65,122
Work in progress	55,174	51,979
Raw materials and supplies	29,930	25,450
Other current assets	24,302	10,833
Allowance for doubtful accounts	(1,123)	(831)
<b>Total current assets</b>	<b>907,684</b>	<b>770,380</b>
Noncurrent assets		
Property, plant and equipment		
Buildings	301,179	310,060
Machinery and equipment	55,823	60,216
Land	145,885	146,085
Construction in progress	56,715	65,458
Other, net	14,974	15,317
<b>Total property, plant and equipment</b>	<b>574,576</b>	<b>597,136</b>
Intangible assets	9,603	10,219
Investments and other assets		
Investment securities	86,674	83,337
Deferred income taxes	36,552	33,912
Net defined benefit asset	6,737	13,968
Others	3,970	4,003
Allowance for doubtful accounts	(456)	(456)
<b>Total investments and other assets</b>	<b>133,477</b>	<b>134,764</b>
<b>Total noncurrent assets</b>	<b>717,656</b>	<b>742,119</b>
<b>Total assets</b>	<b>1,625,340</b>	<b>1,512,499</b>

(Millions of yen)

	March 31, 2019	March 31, 2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payables, trade	36,567	26,974
Accrued income taxes	15,007	9,270
Warranty reserves	8,215	8,306
Other current liabilities	75,278	56,413
Total current liabilities	135,067	100,963
Long-term liabilities		
Net defined benefit liability	42,097	44,652
Other long-term liabilities	3,030	4,019
Total long-term liabilities	45,127	48,671
Total liabilities	180,194	149,634
<b>Net assets</b>		
Shareholders' equity		
Common stock	69,014	69,014
Capital surplus	96,265	96,265
Retained earnings	1,380,439	1,351,122
Treasury stock, at cost	(91,040)	(127,822)
Total shareholders' equity	1,454,678	1,388,579
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,111	5,058
Foreign currency translation adjustment	(6,677)	(26,608)
Remeasurements of defined benefit plans	(19,337)	(11,929)
Total accumulated other comprehensive income	(16,903)	(33,479)
Non-controlling interests	7,371	7,765
Total net assets	1,445,146	1,362,865
<b>Total liabilities and net assets</b>	<b>1,625,340</b>	<b>1,512,499</b>

**(2) Consolidated Statements of Income and Comprehensive Income**  
**Consolidated Statements of Income**

(Millions of yen)

	Years ended March 31	
	2019	2020
Net sales	635,568	508,252
Cost of goods sold	369,761	326,095
Gross profit	265,807	182,157
Selling, general and administrative expenses	102,510	93,807
Operating income	163,297	88,350
Non-operating income		
Interest income	4,195	3,861
Dividends income	1,510	1,444
Equity in earnings of affiliates	14,243	8,752
Miscellaneous income	4,222	2,733
Total non-operating income	24,170	16,790
Non-operating expenses		
Removal expenses of noncurrent assets	1,955	971
Loss on valuation of investment securities	47	454
Donations	292	300
Miscellaneous expenses	1,714	599
Total non-operating expenses	4,008	2,324
Ordinary income	183,459	102,816
Extraordinary income		
Gain on transfer of benefit obligation relating to employees' pension fund	25,081	—
Total extraordinary income	25,081	—
Extraordinary losses		
Impairment loss	—	1,973
Total extraordinary losses	—	1,973
Income before income taxes	208,540	100,843
Income taxes-current	48,977	24,450
Income taxes-deferred	4,794	1,776
Total taxes and others	53,771	26,226
Net income	154,769	74,617
Net income attributable to non-controlling interests	606	1,246
Net income attributable to owners of parent	154,163	73,371

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Years ended March 31	
	2019	2020
Net income	154,769	74,617
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,979)	(4,053)
Foreign currency translation adjustment	(1,946)	(18,634)
Remeasurements of defined benefit plans	4,780	7,408
Share of other comprehensive income of affiliates accounted for using equity method	(4,267)	(1,961)
Total other comprehensive income	(5,412)	(17,240)
Comprehensive income	149,357	57,377
Comprehensive income attributable to:		
Owners of parent	148,906	56,796
Non-controlling interests	451	581

### (3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2019 (April 1, 2018 - March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at March 31, 2018	69,014	96,265	1,398,977	(91,020)	1,473,236
Cumulative effects of changes in accounting policies					—
Restated balance	69,014	96,265	1,398,977	(91,020)	1,473,236
Changes during the year:					
Dividends of surplus			(173,665)		(173,665)
Net income attributable to owners of parent			154,163		154,163
Changes by merger			1,121		1,121
Purchase of treasury stock				(187)	(187)
Disposal of treasury stock		6		4	10
Retirement of treasury stock		(6)	(157)	163	—
Net change except shareholders' equity during the year					
Total changes during the year	—	—	(18,538)	(20)	(18,558)
Balance at March 31, 2019	69,014	96,265	1,380,439	(91,040)	1,454,678



	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at March 31, 2018	13,090	(619)	(24,117)	(11,646)	6,040	1,467,630
Cumulative effects of changes in accounting policies						—
Restated balance	13,090	(619)	(24,117)	(11,646)	6,040	1,467,630
Changes during the year:						
Dividends of surplus						(173,665)
Net income attributable to owners of parent						154,163
Changes by merger						1,121
Purchase of treasury stock						(187)
Disposal of treasury stock						10
Retirement of treasury stock						—
Net change except shareholders' equity during the year	(3,979)	(6,058)	4,780	(5,257)	1,331	(3,926)
Total changes during the year	(3,979)	(6,058)	4,780	(5,257)	1,331	(22,484)
Balance at March 31, 2019	9,111	(6,677)	(19,337)	(16,903)	7,371	1,445,146

Year ended March 31, 2020 (April 1, 2019 - March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at March 31, 2019	69,014	96,265	1,380,439	(91,040)	1,454,678
Cumulative effects of changes in accounting policies			(63)		(63)
Restated balance	69,014	96,265	1,380,376	(91,040)	1,454,615
Changes during the year:					
Dividends of surplus			(102,541)		(102,541)
Net income attributable to owners of parent			73,371		73,371
Changes by merger					—
Purchase of treasury stock				(36,875)	(36,875)
Disposal of treasury stock		4		5	9
Retirement of treasury stock		(4)	(84)	88	—
Net change except shareholders' equity during the year					
Total changes during the year	—	—	(29,254)	(36,782)	(66,036)
Balance at March 31, 2020	69,014	96,265	1,351,122	(127,822)	1,388,579

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at March 31, 2019	9,111	(6,677)	(19,337)	(16,903)	7,371	1,445,146
Cumulative effects of changes in accounting policies						(63)
Restated balance	9,111	(6,677)	(19,337)	(16,903)	7,371	1,445,083
Changes during the year:						
Dividends of surplus						(102,541)
Net income attributable to owners of parent						73,371
Changes by merger						—
Purchase of treasury stock						(36,875)
Disposal of treasury stock						9
Retirement of treasury stock						—
Net change except shareholders' equity during the year	(4,053)	(19,931)	7,408	(16,576)	394	(16,182)
Total changes during the year	(4,053)	(19,931)	7,408	(16,576)	394	(82,218)
Balance at March 31, 2020	5,058	(26,608)	(11,929)	(33,479)	7,765	1,362,865

**(4) Consolidated Statements of Cash Flows**

(Millions of yen)

	Years ended March 31	
	2019	2020
<b>Cash flows from operating activities</b>		
Income before income taxes	208,540	100,843
Depreciation and amortization	39,709	45,913
Impairment loss	—	1,973
Increase (decrease) in allowance for doubtful accounts	(200)	(261)
Increase (decrease) in net defined benefit liability	(25,320)	2,762
(Increase) decrease in net defined benefit asset	(6,732)	(7,456)
Interest and dividend income	(5,705)	(5,305)
Equity in (earnings) losses of affiliates, net	(14,243)	(8,752)
(Increase) decrease in receivables, trade	67,500	18,358
(Increase) decrease in inventories	(6,249)	10,288
Increase (decrease) in payables, trade	(16,393)	(8,646)
Other	3,855	14,118
Subtotal	244,762	163,835
Interest and dividends received	13,662	11,965
Income taxes paid	(79,985)	(29,655)
Other	(701)	(1,273)
Net cash provided by operating activities	177,738	144,872
<b>Cash flows from investing activities</b>		
Payments into time deposits	(60,142)	(32,248)
Proceeds from withdrawal of time deposits	67,357	28,672
Purchases of property, plant, and equipment	(125,324)	(75,429)
Other	(5,234)	(5,314)
Net cash used in investing activities	(123,343)	(84,319)
<b>Cash flows from financing activities</b>		
Purchases of treasury stock	(183)	(36,870)
Dividends paid	(173,571)	(102,546)
Other	886	(1,310)
Net cash used in financing activities	(172,868)	(140,726)
Effect of exchange rate changes on cash and cash equivalents	(580)	(12,533)
Net increase (decrease) in cash and cash equivalents	(119,053)	(92,706)
Cash and cash equivalents at beginning of year	725,903	607,714
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	864	—
Cash and cash equivalents at end of year	607,714	515,008

## (5) Notes to Consolidated Financial Statements

(Note on premise of a going concern)

Not applicable

(Changes in Accounting Principles)

(Adoption of IFRS 16 Leases)

Subsidiaries which adopt the International Financial Reporting Standards have adopted IFRS 16 Leases (hereinafter referred to as "IFRS 16") since this fiscal year 2019. As a result, lessees have recorded all leases, in principle, as assets and liabilities in the balance sheet.

The adoption of IFRS 16 is subject to transitional treatment, and the cumulative effect of the change in the accounting policy was recorded in retained earnings at the beginning of this fiscal year 2019.

The impact of the adoption of this accounting standard on the consolidated financial statements is immaterial.

(Financial Accounting Standards Board Accounting Standards Codification 606 — Revenue From Contracts With Customers)

Subsidiaries adopting the US-GAAP have started to apply Financial Accounting Standards Board Accounting Standards Codification "Revenue from Contracts with Customers" (hereinafter referred to as "ASC 606") since this fiscal year 2019.

As a result of this change, revenue is recognized at the time the promised goods or services are transferred to the customer, in an amount that reflects the consideration expected to be received in exchange for the goods or services.

As a measure in applying this accounting standard, a method is adopted of recognizing the cumulative effects of applying this standard, adjusting retained earnings at the beginning of this fiscal year 2019. The impact of the adoption of this accounting standard on the consolidated financial statement is immaterial.

(Changes in presentation methods)

(Consolidated statement of income related)

In the previous consolidated fiscal year, "Loss on sales and retirement of noncurrent assets" under "Non-operating expenses" was shown independently.

However, as its monetary significance has become negligible, starting from the current consolidating fiscal year, it is shown after including in "Miscellaneous expenses" under "Non-operating expenses".

Also, "Loss on valuation of investment securities" and "Donations" shown after including in "Miscellaneous expenses" under "Non-operating expenses" in the previous consolidated fiscal year. However as its monetary significance has become substantial, starting from the current consolidating fiscal year, it is shown independently.

For incorporating this revision of the presentation method, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

As a result, "Loss on sales and retirement of noncurrent assets" of ¥1,059 million and "Miscellaneous expenses" of ¥994 million shown under "Non-operating expenses" have been reclassified as "Loss on valuation of investment securities" of ¥47 million, "Donations" of ¥292 million and "Miscellaneous expenses" of ¥1,714 million.

(Segment information, etc.)

### 1. Segment information

Year ended March 31, 2019 (April 1, 2018 – March 31, 2019) and

Year ended March 31, 2020 (April 1, 2019 – March 31, 2020)

FANUC Group focuses on the development, production, and sales of CNC systems and related application products based on FANUC's CNC system technologies as a comprehensive supplier of

factory automation (FA) systems. Ultimately, FANUC CNC systems and the related application products are used in automated production systems.

FANUC Group uses CNCs and servo motors in all of its products. For this reason, the decision is made, taking into consideration the status of orders, sales and production of all products, in addition to the status of particular products.

As mentioned above, FANUC Group runs only one business segment based on the decision that the entire group makes for investment. Thus, the segment information is not stated herein.

## 2. Relevant information

Year ended March 31, 2020 (April 1, 2019 – March 31, 2020)

### (1) Information by product and service

	(Millions of yen)				
	FA	ROBOT	ROBOMACHINE	Service	Total
Net sales to unaffiliated customers	143,247	202,491	74,912	87,602	508,252

### (2) Information by region

#### ◎ Net sales

(Millions of yen)					
Japan	Americas	Europe	Asia	Other	Total
117,134	125,121	99,157	162,941	3,899	508,252

Note: Net sales are broken down by country or region where customers are located.

#### ◎ Property, plant and equipment, at cost

As the amount of the property, plant and equipment, at cost located in Japan constitute more than 90% of those stated in the consolidated balance sheets, the statement on the information about them is omitted.

### (Per share data)

Fiscal year 2018 (April 1, 2018 – March 31, 2019)		Fiscal year 2019 (April 1, 2019 – March 31, 2020)	
Net assets per share	7,417.70 yen	Net assets per share	7,064.22 yen
Net income per share	795.34 yen	Net income per share	381.89 yen
Net diluted income per share is not stated herein as there exist no dilutive shares.		Net diluted income per share is not stated herein as there exist no dilutive shares.	

Note: Net income per share is calculated based on the following:

	Fiscal year 2018 (April 1, 2018 – March 31, 2019)	Fiscal year 2019 (April 1, 2019 – March 31, 2020)
Net income attributable to owners of parent (Millions of yen)	154,163	73,371
Amount not accruing to common shares (Millions of yen)	—	—
Net income attributable to owners of parent, assigned to common share (Millions of yen)	154,163	73,371
Average number of shares outstanding (Thousands of share)	193,834	192,124

(Significant subsequent events)

(The Cancellation of Treasury Shares)

At a meeting held on April 24, 2020, the Board of Directors of FANUC CORPORATION resolved to cancel its treasury shares pursuant to the provision of Article 178 of the Company Act.

- (1) Class of shares to be cancelled : Common shares
- (2) Number of shares to be cancelled : 2,109,744 shares  
(1.03% of the shares outstanding before cancellation)
- (3) Date of cancellation : May 29, 2020
- (4) The number of outstanding shares after cancellation : 201,922,097 shares