

## (TRANSLATION)

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### Consolidated Quarterly Financial Results

(based on Japanese standards)

For the six months ended September 30, 2020

October 29, 2020

Company name: FANUC CORPORATION Stock exchange listing: Tokyo Stock Exchange  
Stock code: 6954 URL: <https://www.fanuc.co.jp/eindex.html>  
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Scheduled date of filing quarterly report: November 6, 2020  
Scheduled date of commencing of dividend payments: December 1, 2020  
Availability of supplementary briefing material on quarterly financial results: Available  
Schedule of quarterly financial results briefing session: Scheduled

1. Consolidated Financial Results for the Six Months Ended September 30, 2020 (April 1, 2020 – September 30, 2020)

(1) Consolidated Results of Operations

(% represents changes from the previous corresponding Six-month period.)

Six months ended September 30	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2020	230,411	(11.7)	32,321	(34.1)	38,220	(33.1)	28,112	(30.0)
2019	260,953	(24.4)	49,024	(50.2)	57,090	(49.0)	40,185	(50.8)

Note: Consolidated comprehensive income: April-September 2020: ¥34,359 million 59.1%  
April-September 2019: ¥21,593 million (75.9)%

Six months ended September 30	Net income per share	Net income per share (diluted)
	Yen	Yen
2020	146.55	—
2019	208.91	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
September 30, 2020	1,503,237	1,363,826	90.2
March 31, 2020	1,512,499	1,362,865	89.6

(Reference) Equity: September 30, 2020: ¥1,355,196 million

March 31, 2020: ¥1,355,100 million

2. Dividends

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end Dividends	Full year
	Yen	Yen	Yen	Yen	Yen
FY2019	—	125.35	—	174.65	300.00
FY2020	—	87.93	—	—	—
FY2020 (forecast)	—	—	—	—	—

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

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

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

3. Consolidated Financial Forecasts for the Year Ending March 31, 2021 (April 1, 2020 – March 31, 2021)

(% represents changes from the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal period	502,500	(1.1)	85,400	(3.3)	96,300	(6.3)	71,800	(2.1)	374.30

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

Note: Actual results may differ from these forecasts, subject to various conditions, including how far the coronavirus (COVID-19) will further spread, and when the pandemic will end. We will promptly publish new information, which may greatly affect actual results if any, upon their availability.

\*Notes

(1) Changes in Significant Subsidiaries during the period  
(changes in specific subsidiaries that caused change in scope of consolidation) : No

(2) Adoption of Simplified and Specifically Applied Accounting Method for Quarterly Consolidated Financial Reporting : No

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

1. Changes associated with changes in accounting standards : No

2. Changes in accounting principles other than 1 : No

3. Changes in accounting estimates : No

4. Revisions/restatements : No

(4) Number of shares outstanding (Common shares)

1. Number of shares outstanding at the end of the period (including treasury stocks)	September 30, 2020	201,922,097 shares	March 31, 2020	204,031,841 shares
2. Number of treasury stocks	September 30, 2020	10,100,486 shares	March 31, 2020	12,205,848 shares
3. Average number of shares during the period	April-September 2020	191,823,779 shares	April-September 2019	192,359,131 shares

\* The report of the quarterly 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. The forecasts of the year-end dividends for the year ending March 31, 2021, will be disclosed promptly upon their availability.

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

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

Regarding the circumstances surrounding the FANUC Group during the first six-month period of the fiscal year ending March 31, 2021 (April 1, 2020 – September 30, 2020), the market conditions became harsh owing to factors including an ongoing global trend of reduction in capital investment due to the impact of the spread of the coronavirus (COVID-19). However, in addition to recovery first taking place in China, other regions also rebounded gradually in the latter part of the period. The FANUC Group has striven to maintain the delivery of products and service activities for our customers while placing utmost priority on preventing the spread of COVID-19. In addition, to deal with changing market conditions, we fortified our corporate structure by reducing expenses, reviewing unnecessary and non-urgent capital investment, and streamlining business operations, among other measures.

During the six months from April to September 2020, FANUC posted consolidated net sales totaling ¥230,411 million, down 11.7%, consolidated ordinary income totaling ¥38,220 million, down 33.1%, and net income attributable to owners of parent totaling ¥28,112 million, down 30.0%, compared with the corresponding period of the previous fiscal year.

An overview of the results for each business division is as follows:

In the FA Division, demand in the machine tool industry, the primary market for FANUC CNC systems, recovered and remained strong in China. Demand in India is also undergoing a gradual recovery, mainly associated with agricultural machinery and motorcycles. Domestic demand in Japan, as well as in South Korea and Taiwan remained sluggish, and demand continued to decline in Europe as well, where the impact of lockdowns was significant in the first quarter. Nonetheless, every region is seeing gradual increases in demand with exports to the Chinese market. Global demand for lasers remained sluggish, and severe competition with overseas manufacturers continues. As a result, net sales in the FA Division amounted to ¥67,427 million, down 12.2% compared with the corresponding period of the previous fiscal year.

In the Robot Division, sales remained strong in China on account of IT-related sales, in addition to sales associated with EVs, construction machinery, heavy machinery and other types of machining equipment. In the Americas, sales for general industries were robust, and incorporating EV-related demand for the automobile industry, sales trended toward recovery. On the other hand, sales in Japan and Europe were sluggish. As a result, net sales in the Robot Division amounted to ¥88,037 million, down 10.7% from the corresponding period of the previous fiscal year.

In the Robomachine Division, sales of the ROBODRILLS (compact machining centers) increased, buoyed by gradually rising demand in the computer and tablet markets in China. Although sales of ROBOSHOTS (electric injection molding machines) decreased year-on-year, we focused efforts on expanding sales mainly in the medical market. With regard to ROBOCUTs (wire-cut electric discharge machines), sales fell in line with the sluggish market. As a result, net sales in the Robomachine Division

amounted to ¥39,451 million, down 3.3% compared with the corresponding period of the previous fiscal year.

The Service Division received fewer requests for the Company's services on account of suspended operations at customers' factories and falling factory operating rates, among others, due to the impact of lockdowns in countries throughout the world. However, requests for the Company's services are on a recovery trend in line with the resumption of economic activities. As a result, net sales in the Service Division amounted to ¥35,496 million, down 20.8% compared with the corresponding period of the previous fiscal year.

## **(2) Financial Position**

### **① Assets, Liabilities and Net Assets**

Total assets were ¥1,503,237 million, down ¥9,262 million compared with the end of the previous fiscal year.

Total liabilities were ¥139,411 million, down ¥10,223 million compared with the end of the previous fiscal year.

Total net assets were ¥1,363,826 million, up ¥961 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 (2,109,744 shares, ¥22,095 million) on May 29, 2020 based on the shareholder return policy that we announced on April 24, 2020. (This policy is written in the Consolidated Annual Financial Results for the Year ended March 31, 2020.) (There was no effect on the amount of total net assets.)

### **② Cash Flow**

Cash and cash equivalents (hereinafter "Cash") for the first half of the current fiscal year amounted to ¥497,471 million, down ¥17,537 million from the end of the previous fiscal year.

(Cash flow from operating activities)

Cash provided by operating activities during the six months ended September 30, 2020 amounted to ¥47,121 million, down ¥25,842 million compared with the same period of the previous fiscal year. This was mainly due to the decrease in income before income taxes.

(Cash flow from investing activities)

Cash used in investing activities during the six months ended September 30, 2020 amounted to ¥31,073 million, down ¥21,425 million compared with the same period of the previous fiscal year. This was mainly due to the decrease in the purchases of property, plant and equipment.

(Cash flow from financing activities)

Cash used in financing activities during the six months ended September 30, 2020 amounted to ¥34,385 million, down ¥80,450 million compared with the same period of the previous fiscal year. This was mainly due to the decrease in dividends paid.

### (3) Financial Results Forecasts

The Company anticipates that in addition to strong IT-related demand, demand for robots will increase, and as such, forecasts consolidated financial results for fiscal 2020 (the fiscal year ending March 31, 2021), as follows.

However actual results may differ from these forecasts, subject to various conditions, including how far the coronavirus (COVID-19) will further spread, and when the pandemic will end. We will promptly publish new information, which may greatly affect actual results if any, upon their availability.

For the fiscal year 2020 (April 1, 2020 through March 31, 2021)

(Millions of yen)

	Previous forecast (released on July 28, 2020)	New forecast	Comparison with Previous forecast (%)
Net sales	423,300	502,500	18.7%
Operating income	38,500	85,400	121.8%
Ordinary income	47,700	96,300	101.9%
Net income attributable to owners of parent	34,500	71,800	108.1%

Note: The currency rate applied to the period from October 1, 2020 to March 31, 2021 is averaged at 100 yen/US dollar and 120 yen/Euro.

## 2. Consolidated Quarterly Financial Statements

### (1) Consolidated Quarterly Balance Sheet

(Millions of yen)

	March 31, 2020	September 30, 2020
<b>Assets</b>		
Current assets		
Cash and bank deposits	405,861	402,246
Notes and accounts receivables, trade	85,266	83,715
Marketable securities	126,700	126,700
Finished goods	65,122	69,114
Work in progress	51,979	46,357
Raw materials and supplies	25,450	28,583
Other current assets	10,833	10,913
Allowance for doubtful accounts	(831)	(786)
<b>Total current assets</b>	<b>770,380</b>	<b>766,842</b>
Noncurrent assets		
Property, plant and equipment		
Buildings	310,060	313,699
Land	146,085	147,168
Other, net	140,991	127,148
<b>Total property, plant and equipment</b>	<b>597,136</b>	<b>588,015</b>
Intangible assets	10,219	9,921
Investments and other assets		
Investment securities	83,337	90,518
Others	51,883	48,398
Allowance for doubtful accounts	(456)	(457)
<b>Total investments and other assets</b>	<b>134,764</b>	<b>138,459</b>
<b>Total noncurrent assets</b>	<b>742,119</b>	<b>736,395</b>
<b>Total assets</b>	<b>1,512,499</b>	<b>1,503,237</b>

(Millions of yen)

	March 31, 2020	September 30, 2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payables, trade	26,974	27,345
Accrued income taxes	9,270	8,458
Warranty reserves	8,306	7,619
Other current liabilities	56,413	46,413
Total current liabilities	100,963	89,835
Long-term liabilities		
Net defined benefit liability	44,652	45,558
Other long-term liabilities	4,019	4,018
Total long-term liabilities	48,671	49,576
Total liabilities	149,634	139,411
<b>Net assets</b>		
Shareholders' equity		
Common stock	69,014	69,014
Capital surplus	96,265	96,265
Retained earnings	1,351,122	1,323,984
Treasury stock, at cost	(127,822)	(105,810)
Total shareholders' equity	1,388,579	1,383,453
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,058	10,680
Foreign currency translation adjustment	(26,608)	(27,942)
Remeasurements of defined benefit plans	(11,929)	(10,995)
Total accumulated other comprehensive income	(33,479)	(28,257)
Non-controlling interests	7,765	8,630
Total net assets	1,362,865	1,363,826
<b>Total liabilities and net assets</b>	<b>1,512,499</b>	<b>1,503,237</b>



**(2) Consolidated Quarterly Statement of Income and  
Consolidated Quarterly Statement of Comprehensive Income**  
Consolidated Quarterly Statement of Income

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Net sales	260,953	230,411
Cost of goods sold	164,390	156,680
Gross profit	96,563	73,731
Selling, general and administrative expenses	47,539	41,410
Operating income	49,024	32,321
Non-operating income		
Interest income	2,059	1,237
Dividends income	1,008	744
Equity in earnings of affiliates	4,888	4,948
Miscellaneous income	1,614	1,173
Total non-operating income	9,569	8,102
Non-operating expenses		
Foreign exchange losses	485	812
Loss on valuation of investment securities	—	648
Miscellaneous expenses	1,018	743
Total non-operating expenses	1,503	2,203
Ordinary income	57,090	38,220
Extraordinary losses		
Impairment loss	1,973	—
Total extraordinary losses	1,973	—
Income before income taxes	55,117	38,220
Income taxes-current	14,205	9,159
Income taxes-deferred	87	71
Total taxes and others	14,292	9,230
Net income	40,825	28,990
Net income attributable to non-controlling interests	640	878
Net income attributable to owners of parent	40,185	28,112

## Consolidated Quarterly Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Net income	40,825	28,990
Other comprehensive income		
Valuation difference on available-for-sale securities	296	5,621
Foreign currency translation adjustment	(18,792)	824
Remeasurements of defined benefit plans	1,355	934
Share of other comprehensive income of affiliates accounted for using equity method	(2,091)	(2,010)
Total other comprehensive income	(19,232)	5,369
Comprehensive income for the six months ended September 30	21,593	34,359
Comprehensive income attributable to:		
Owners of parent	21,566	33,333
Non-controlling interests	27	1,026

**(3) Consolidated Quarterly Statement of Cash Flow**

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
<b>Cash flows from operating activities</b>		
Income before income taxes	55,117	38,220
Depreciation and amortization	22,209	21,725
Impairment loss	1,973	—
Increase (decrease) in allowance for doubtful accounts	(222)	(55)
Increase (decrease) in net defined benefit liability	319	758
Decrease (increase) in net defined benefit asset	455	437
Interest and dividend income	(3,067)	(1,982)
Equity in (earnings) losses of affiliates, net	(4,888)	(4,948)
(Increase) decrease in receivables, trade	9,195	830
(Increase) decrease in inventories	2,944	(1,103)
Increase (decrease) in payables, trade	(9,393)	384
Other	4,115	(2,995)
Subtotal	78,757	51,271
Interest and dividends received	9,721	5,633
Income taxes paid	(15,943)	(9,961)
Other	428	178
Net cash provided by operating activities	72,963	47,121
<b>Cash flows from investing activities</b>		
Payments into time deposits	(14,413)	(28,979)
Proceeds from withdrawal of time deposits	14,228	14,345
Purchases of property, plant, and equipment	(49,432)	(14,627)
Other	(2,881)	(1,812)
Net cash used in investing activities	(52,498)	(31,073)
<b>Cash flows from financing activities</b>		
Purchases of treasury stock	(35,769)	(85)
Dividends paid	(78,439)	(33,561)
Other	(627)	(739)
Net cash used in financing activities	(114,835)	(34,385)
Effect of exchange rate changes on cash and cash equivalents	(12,361)	448
Net increase (decrease) in cash and cash equivalents	(106,731)	(17,889)
Cash and cash equivalents at beginning of period	607,714	515,008
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	352
Cash and cash equivalents at end of period	500,983	497,471

### 3. Other Information

- |   |      |
|---|------|
| (1) Changes in Significant Subsidiaries during the period (changes in specific subsidiaries that caused change in scope of consolidation):  | None |
| (2) Adoption of Simplified and Specifically Applied Accounting Method for Quarterly Consolidated Financial Reporting:   | None |
| (3) Changes in Accounting Principles and Accounting Estimates, and Revisions/Restatements:  | None |
| (4) Note on Premise of a Going Concern:   | None |
| (5) Note on the Substantial Change in Shareholders' Equity:<br>As resolved at the Board of Directors' meetings held on April 24, 2020, the Company cancelled 2,109,744 treasury shares on May 29, 2020. As a result, the Company's retained earnings and treasury stock each decreased by ¥22,095 million during the six months ended September 30, 2020. |      |