

## (TRANSLATION)

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### Consolidated Annual Financial Results

(based on Japanese standards)  
For the Year ended March 31, 2021

April 27, 2021

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  
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Scheduled date of the Annual Meeting of Shareholders: June 24, 2021  
Scheduled date of commencing of dividend payments: June 25, 2021  
Scheduled date of filing the Securities Report: June 30, 2021  
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, 2021 (April 1, 2020 – March 31, 2021)

(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 %
FY2020	551,287	8.5	112,514	27.4	128,744	25.2	94,012	28.1
FY2019	508,252	(20.0)	88,350	(45.9)	102,816	(44.0)	73,371	(52.4)

Note: Consolidated comprehensive income: FY2020: ¥ 124,079 million 116.3% FY2019: ¥57,377 million (61.6)%

	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	%	%	%
FY2020	490.11	—	6.8	8.2	20.4
FY2019	381.89	—	5.3	6.6	17.4

(Reference) Equity in earnings of affiliates: FY2020: ¥11,640 million FY2019: ¥8,752 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2020	1,625,191	1,435,554	87.7	7,431.58
FY2019	1,512,499	1,362,865	89.6	7,064.22

(Reference) Equity: FY2020: ¥1,425,479 million FY2019: ¥1,355,100 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
FY2020	117,996	(16,770)	(53,132)	577,919
FY2019	144,872	(84,319)	(140,726)	515,008

## 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	%	%
FY2019	—	125.35	—	174.65	300.00	57,558	78.6	4.1
FY2020	—	87.93	—	206.14	294.07	56,407	60.0	4.1
FY2021 (forecast)	—	—	—	—	—		—	

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 the 2nd quarter-end and year-end dividends for the year ending March 31, 2022, will be disclosed promptly upon their availability.

## 3. Consolidated Financial Forecasts for the second quarter of the Year Ending March 31, 2022 (April 1, 2021 – March 31, 2022)

(% for the 2Q cumulative period and for the full year represent changes from the same quarter of the previous fiscal year and 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	YoY change %	Millions of yen	YoY change %	Millions of yen	YoY change %	Millions of yen	YoY change %	Yen
2 <sup>nd</sup> Quarter (Cumulative)	348,200	51.1	87,700	171.3	97,400	154.8	70,800	151.8	369.11
Fiscal period	657,100	19.2	148,400	31.9	164,500	27.8	120,500	28.2	628.21

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 year ended March 31, 2021  
(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 : No
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, 2021	201,922,097 shares	March 31, 2020	204,031,841 shares
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2. Number of treasury stocks
 

	March 31, 2021	10,108,169 shares	March 31, 2020	12,205,848 shares
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3. Average number of shares during the period
 

	Year ended March 31, 2021	191,820,543 shares	Year ended March 31, 2020	192,123,630 shares
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(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Year Ended March 31, 2021 (April 1, 2020 – March 31, 2021)

(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 %
FY2020	415,939	18.0	63,481	67.1	87,889	30.0	70,451	28.8
FY2019	352,407	(25.1)	37,992	(64.1)	67,586	(54.3)	54,697	(59.9)

	Net income per share	Net income per share (diluted)
	Yen	Yen
FY2020	367.28	—
FY2019	284.69	—

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2020	1,236,223	1,116,242	90.3	5,819.40
FY2019	1,177,585	1,084,633	92.1	5,654.25

(Reference) Equity: FY2020: ¥1,116,242 million FY2019: ¥1,084,633 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 5 of the Accompanying Documents. The forecasts of the 2nd quarter-end and the year-end dividends for the year ending March 31, 2022, 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**

Regarding the business environment surrounding the FANUC Group during this period (April 1, 2020 – March 31, 2021), 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 from around the second quarter.

Under these circumstances, 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 and optimizing business operations, among other measures.

During the fiscal year ended March 31, 2021, FANUC posted consolidated net sales totaling ¥551,287 million, up 8.5%, consolidated ordinary income totaling ¥128,744 million, up 25.2%, and net income attributable to owners of parent totaling ¥94,012 million, up 28.1%, compared with the previous fiscal year.

During this period, the new collaborative robot "FANUC Robot CRX Series", which is equipped with all of "Safety", "Ease of Use" and "High Reliability" won the "Nikkan Kogyo Shimbun Best 10 New Product Awards 2020/Main Award," the "Nikkei Business Daily Awards/2020 Nikkei Superior Products and Services Awards," and the METI Minister's Award in METI's Ninth Robot Awards program.

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

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

In the FA Division, demand from the machine tool industry, the primary market for CNC systems, recovered earlier and remained strong in China. Demand in India is also undergoing a recovery, especially for agricultural machinery and motorcycles. Although demand in Japan, Europe, South Korea, and Taiwan had remained sluggish, these countries are seeing gradual increases in demand with machine exports to the Chinese market and other markets. As a result, net sales of CNC systems of the FANUC Group increased compared with the previous fiscal year.

With regard to our lasers, the Chinese market and the European market are on a recovery trend, but competition from overseas manufacturers remains fierce.

The FA Division posted consolidated sales totaling ¥149,240 million, up 4.2% compared with the previous fiscal year, and FA Division sales accounted for 27.1% of consolidated net sales.

### **[ROBOT Division]**

In the ROBOT Division, sales to the general industries in the Americas were strong, and sales to the automobile industry also increased due to EV-related demand. In China, in addition to IT-related sales, sales for EVs, construction machinery, heavy machinery, and other machining applications were also strong. In Europe, sales to the general industrial sector were strong, but sales to the automobile industry declined year on year due to a trough in capital investment, and sales were sluggish in Japan. The ROBOT Division posted consolidated sales totaling ¥210,024 million, up 3.7% compared with the previous fiscal year. ROBOT Division sales accounted for 38.1% of consolidated net sales.

### **[ROBOMACHINE Division]**

In the ROBOMACHINE Division, sales of the ROBODRILLs (compact machining centers) increased due to a sharp increase in demand from the latter part of the period, mainly in China, for use in the computer, tablet, and smartphone markets. Sales of the ROBOSHOTs (electric injection molding machines) also recovered from the latter part of the fiscal year due to an increase in demand from IT-related and medical markets, mainly in China, Europe and the United States. With regard to the ROBOCUTs (wire-cut electric discharge machines), sales recovered from the latter part of the fiscal year, but declined year on year.

The ROBOMACHINE Division posted consolidated sales totaling ¥114,518 million, up 52.9% compared with the previous fiscal year. ROBOMACHINE Division sales accounted for 20.8% of consolidated net sales.

### **[Service Division]**

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 in the first quarter. However, requests for the Company's services recovered thereafter. The Service Division posted consolidated sales totaling ¥77,505 million, down 11.5% compared with the previous fiscal year. Service Division sales accounted for 14.0% of consolidated net sales.

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

Total assets were ¥1,625,191 million, up ¥112,692 million compared with the end of the previous fiscal year.

Total liabilities were ¥189,637 million, up ¥40,003 million compared with the end of the previous

fiscal year.

Total net assets were ¥1,435,554 million, up ¥72,689 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 (stated in the financial results for the fiscal year ended March 31, 2020, which were announced on April 24, 2020). (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 ¥577,919 million, up ¥62,911 million from the end of the previous fiscal year.

(Cash flows from operating activities)

Cash provided by operating activities during this period amounted to ¥117,996 million, down ¥26,876 million from the previous fiscal year. This was mainly due to the increase in the trade receivables.

(Cash flows from investing activities)

Cash used in investing activities during this period amounted to ¥16,770 million, down ¥67,549 million from the previous fiscal year. This was mainly because of 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 ¥53,132 million, down ¥87,594 million from the previous fiscal year. This was mainly due to the decrease in dividends paid.

#### (4) Future Outlook

For a while, the Company anticipates strong demand in various areas such as IT in the fields of FA, ROBOTs, and ROBOMACHINEs, and as such, forecasts consolidated financial results for fiscal 2021 (the fiscal year ending March 31, 2022), as follows.

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.

##### Full-year financial forecast for the year ended March 31, 2022

	Amount (Millions of yen)	Ratio of change from the previous fiscal year (%)
Net sales	657,100	19.2
Operating income	148,400	31.9
Ordinary income	164,500	27.8
Net income attributable to owners of parent	120,500	28.2

Note: The currency rate applied to the period from April 1, 2021 to March 31, 2022 is averaged at 105 yen/US dollar and 125 yen/Euro.

#### (5) Basic Policy on Return of Profit to Shareholders and Dividends for the Period ended March 31, 2021

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.



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, 2021)	Yen 87.93	Yen 206.14	Yen 294.07	60.0%
(Reference) Previous period (fiscal year ended March 31, 2020)	Yen 125.35	Yen 174.65 (Ordinary dividend: 103.79) (Special dividend: 70.86)	Yen 300.00 (Ordinary dividend: 229.14) (Special dividend: 70.86)	78.6%

## **2. Management Policy, Business Environment, Challenges, and Other Matters**

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

The FANUC Group 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.

It has sought to become a tough company which, although it may be small, has the strength of a giant firmly rooted in the ground with an unwavering focus on competitive technology—a goal it set in its early years. It endeavors to walk straight in a “narrow path.”

In order to achieve this ideal model, the FANUC Group has set “Strict Preciseness and Transparency” as its basic principles. What lies behind these principles is the philosophy that a company will last forever and be sound with strict preciseness and the corruption of an organization and downfall of a company start from a lack of transparency.

The Group will continue to provide customers with value indispensable for the world through development of products with focus placed on the FA business, which encompasses basic technologies consisting of NCs, servos and lasers, and the ROBOT and ROBOMACHINE business where these basic technologies are applied, and the IoT business targeting manufacturing sites.

Based on its starting point as a supplier of production goods, FANUC also offers service with a policy of not terminating support of FANUC products as long as they are used by customers.

Through such activities, the FANUC GROUP aims to contribute to the development of manufacturing industries in Japan and overseas by enhancing automation and efficiency in customers' factories, and pursue steady growth in the area of factory automation, which is expected to grow over the medium to long term.

### **(2) Business Environment and Challenges**

As FANUC products are production goods that are significantly affected by economic changes, we continue management from a long-term perspective without being affected by short-term events.

The trade friction between the U.S. and China has prolonged, and with the impacts of the global

spread of COVID-19, it is anticipated that the situation will remain difficult and unpredictable for some time. On the other hand, the demand for factory automation is expected to grow over the medium to long-term.

Guided by the slogan “one FANUC,” the FANUC Group will take maximum advantage of our unique strength in uniting our FA, ROBOT, and ROBOMACHINE Divisions to jointly provide total solutions and take care of customers throughout the world. In particular, we perceive collaboration between CNC machine tools and ROBOTS, and between ROBOMACHINES and ROBOTS, as one of our key themes, and will develop products accordingly.

In addition, the FANUC Group will adhere to its origins as a producer of production goods to be used at manufacturing sites, and will be thorough in implementing our slogan “Reliable”, “Predictable”, “Easy to Repair” in product development, to minimize downtime in our customers’ factories and improve their operating rates. Moreover, we will develop products with an even greater focus on ease of use, in order to respond to the increase in demands for factory automation, as acquiring skilled workers becomes more difficult.

Furthermore, we will practice our basic policy of “Service First” in providing high-level maintenance services pursuant to FANUC’s global standard anywhere in the world, and “lifetime maintenance” for as long as our customers use our products. In particular, we will continue to focus on “lifetime maintenance,” as it is one of the core strengths of the FANUC Group, which is difficult for competitors to imitate.

The FANUC Group believes that IoT and AI are indispensable technologies for FANUC to continue developing and launching highly competitive products to the market. By aggressively adopting these technologies in all areas of FA, ROBOT, and ROBOMACHINE products, we will further promote customers’ production efficiency. We will continue to develop IoT technologies, such as the “FIELD system” open platform. With regard to AI technologies, we will develop functions that will be useful in actual manufacturing sites. For technologies that the Company does not possess, we will continue to actively collaborate with other companies, and strive to engage in speedy development.

We will pursue measures to strengthen our corporate structure from a long-term perspective, such as reinforcing product competitiveness, strengthening sales and service activities, promoting automatization and robotization in factories, and enhancing administrative efficiency. In addition, as a supplier of production goods, we are establishing multiple production sites and service centers in order to fulfill our responsibilities as a supplier and maintain service activities under any circumstance. Furthermore, we are also fortifying our supply chain by increasing the number of parts suppliers and maintaining appropriate inventory levels for parts.

Along with such activities, the FANUC Group is also striving to maintain its strong corporate structure by reducing expenses and time, and streamlining business operations. In addition, we consider human resources as being most vital for achieving medium and long-term growth. From this perspective, we will work on the key issues of creating better working environments for our employees and further improving employee motivation.

With regard to management, we will focus even more on the fact that FANUC’s products can

make major contributions to the achievement of SDGs. In addition to the operating income ratio, ordinary income ratio, and ROE, market shares will also be considered to be an important business indicator, and decisions will be made comprehensively with these in mind.

As a pressing issue, the FANUC Group is prioritizing the prevention of COVID-19 infection among its customers, partners, employees, and family members, along with containing its spread, while striving to continue to provide products and services to customers.

The FANUC Group will continue to thoroughly practice our basic principles of “Strict Preciseness and Transparency,” and promote such measures united as one group in all aspects, in order to gain more customer confidence and trust in the FANUC Group while adapting to dramatic changes in the environment, in our efforts to become a company that will continue 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, 2020	March 31, 2021
<b>Assets</b>		
Current assets		
Cash and bank deposits	405,861	429,784
Notes and accounts receivables, trade	85,266	128,171
Marketable securities	126,700	157,000
Finished goods	65,122	81,253
Work in progress	51,979	52,008
Raw materials and supplies	25,450	31,007
Other current assets	10,833	11,253
Allowance for doubtful accounts	(831)	(782)
<b>Total current assets</b>	<b>770,380</b>	<b>889,694</b>
Noncurrent assets		
Property, plant and equipment		
Buildings	310,060	309,113
Machinery and equipment	60,216	59,863
Land	146,085	148,389
Construction in progress	65,458	44,408
Other, net	15,317	15,073
<b>Total property, plant and equipment</b>	<b>597,136</b>	<b>576,846</b>
Intangible assets	10,219	9,952
Investments and other assets		
Investment securities	83,337	109,212
Deferred income taxes	33,912	31,141
Net defined benefit asset	13,968	4,772
Others	4,003	3,998
Allowance for doubtful accounts	(456)	(424)
<b>Total investments and other assets</b>	<b>134,764</b>	<b>148,699</b>
<b>Total noncurrent assets</b>	<b>742,119</b>	<b>735,497</b>
<b>Total assets</b>	<b>1,512,499</b>	<b>1,625,191</b>

(Millions of yen)

	March 31, 2020	March 31, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payables, trade	26,974	44,015
Accrued income taxes	9,270	22,131
Warranty reserves	8,306	8,860
Other current liabilities	56,413	60,112
Total current liabilities	100,963	135,118
Long-term liabilities		
Net defined benefit liability	44,652	49,379
Other long-term liabilities	4,019	5,140
Total long-term liabilities	48,671	54,519
Total liabilities	149,634	189,637
<b>Net assets</b>		
Shareholders' equity		
Common stock	69,014	69,014
Capital surplus	96,265	95,995
Retained earnings	1,351,122	1,373,018
Treasury stock, at cost	(127,822)	(106,008)
Total shareholders' equity	1,388,579	1,432,019
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,058	16,910
Foreign currency translation adjustment	(26,608)	(4,849)
Remeasurements of defined benefit plans	(11,929)	(18,601)
Total accumulated other comprehensive income	(33,479)	(6,540)
Non-controlling interests	7,765	10,075
Total net assets	1,362,865	1,435,554
<b>Total liabilities and net assets</b>	<b>1,512,499</b>	<b>1,625,191</b>

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

(Millions of yen)

	Years ended March 31	
	2020	2021
Net sales	508,252	551,287
Cost of goods sold	326,095	349,327
Gross profit	182,157	201,960
Selling, general and administrative expenses	93,807	89,446
Operating income	88,350	112,514
Non-operating income		
Interest income	3,861	2,088
Dividends income	1,444	1,339
Equity in earnings of affiliates	8,752	11,640
Miscellaneous income	2,733	3,330
Total non-operating income	16,790	18,397
Non-operating expenses		
Removal expenses of noncurrent assets	971	523
Loss on valuation of investment securities	454	772
Donations	300	481
Miscellaneous expenses	599	391
Total non-operating expenses	2,324	2,167
Ordinary income	102,816	128,744
Extraordinary losses		
Impairment loss	1,973	—
Total extraordinary losses	1,973	—
Income before income taxes	100,843	128,744
Income taxes-current	24,450	32,385
Income taxes-deferred	1,776	101
Total taxes and others	26,226	32,486
Net income	74,617	96,258
Net income attributable to non-controlling interests	1,246	2,246
Net income attributable to owners of parent	73,371	94,012

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Years ended March 31	
	2020	2021
Net income	74,617	96,258
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,053)	11,852
Foreign currency translation adjustment	(18,634)	22,072
Remeasurements of defined benefit plans	7,408	(6,672)
Share of other comprehensive income of affiliates accounted for using equity method	(1,961)	569
Total other comprehensive income	(17,240)	27,821
Comprehensive income	57,377	124,079
Comprehensive income attributable to:		
Owners of parent	56,796	120,951
Non-controlling interests	581	3,128

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

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					—
Change in equity from transactions with non-controlling shareholders					—
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						—
Change in equity from transactions with non-controlling shareholders						—
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

Year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at March 31, 2020	69,014	96,265	1,351,122	(127,822)	1,388,579
Cumulative effects of changes in accounting policies					—
Restated balance	69,014	96,265	1,351,122	(127,822)	1,388,579
Changes during the year:					
Dividends of surplus			(50,369)		(50,369)
Net income attributable to owners of parent			94,012		94,012
Changes by merger			346		346
Change in equity from transactions with non-controlling shareholders		(270)			(270)
Purchase of treasury stock				(283)	(283)
Disposal of treasury stock		2		2	4
Retirement of treasury stock		(2)	(22,093)	22,095	—
Net change except shareholders' equity during the year					—
Total changes during the year	—	(270)	21,896	21,814	43,440
Balance at March 31, 2021	69,014	95,995	1,373,018	(106,008)	1,432,019

	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, 2020	5,058	(26,608)	(11,929)	(33,479)	7,765	1,362,865
Cumulative effects of changes in accounting policies						—
Restated balance	5,058	(26,608)	(11,929)	(33,479)	7,765	1,362,865
Changes during the year:						
Dividends of surplus						(50,369)
Net income attributable to owners of parent						94,012
Changes by merger						346
Change in equity from transactions with non-controlling shareholders						(270)
Purchase of treasury stock						(283)
Disposal of treasury stock						4
Retirement of treasury stock						—
Net change except shareholders' equity during the year	11,852	21,759	(6,672)	26,939	2,310	29,249
Total changes during the year	11,852	21,759	(6,672)	26,939	2,310	72,689
Balance at March 31, 2021	16,910	(4,849)	(18,601)	(6,540)	10,075	1,435,554

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

(Millions of yen)

	Years ended March 31	
	2020	2021
<b>Cash flows from operating activities</b>		
Income before income taxes	100,843	128,744
Depreciation and amortization	45,913	45,102
Impairment loss	1,973	—
Increase (decrease) in allowance for doubtful accounts	(261)	(121)
Increase (decrease) in net defined benefit liability	2,762	4,252
(Increase) decrease in net defined benefit asset	(7,456)	9,040
Interest and dividend income	(5,305)	(3,427)
Equity in (earnings) losses of affiliates, net	(8,752)	(11,640)
(Increase) decrease in receivables, trade	18,358	(37,122)
(Increase) decrease in inventories	10,288	(16,828)
Increase (decrease) in payables, trade	(8,646)	15,239
Other	14,118	(2,985)
Subtotal	163,835	130,254
Interest and dividends received	11,965	7,082
Income taxes paid	(29,655)	(20,153)
Other	(1,273)	813
Net cash provided by operating activities	144,872	117,996
<b>Cash flows from investing activities</b>		
Payments into time deposits	(32,248)	(31,849)
Proceeds from withdrawal of time deposits	28,672	40,021
Purchases of property, plant, and equipment	(75,429)	(21,768)
Other	(5,314)	(3,174)
Net cash used in investing activities	(84,319)	(16,770)
<b>Cash flows from financing activities</b>		
Purchases of treasury stock	(36,870)	(283)
Dividends paid	(102,546)	(50,484)
Other	(1,310)	(2,365)
Net cash used in financing activities	(140,726)	(53,132)
Effect of exchange rate changes on cash and cash equivalents	(12,533)	14,465
Net increase (decrease) in cash and cash equivalents	(92,706)	62,559
Cash and cash equivalents at beginning of year	607,714	515,008
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	352
Cash and cash equivalents at end of year	515,008	577,919

(5) **Notes to Consolidated Financial Statements**

(Note on premise of a going concern)

Not applicable

(Segment information, etc.)

1. Segment information

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

Year ended March 31, 2021 (April 1, 2020 – March 31, 2021)

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, 2020 – March 31, 2021)

(1) Information by product and service

(Millions of yen)

	FA	ROBOT	ROBOMACHINE	Service	Total
Net sales to unaffiliated customers	149,240	210,024	114,518	77,505	551,287

(2) Information by region

◎ Net sales

(Millions of yen)

Japan	Americas	Europe	Asia	Other	Total
82,456	120,738	85,413	258,814	3,866	551,287

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

◎ Property, plant and equipment, at cost

(Millions of yen)

Japan	Other	Total
518,299	58,547	576,846

(Per share data)

Fiscal year 2019 (April 1, 2019 – March 31, 2020)		Fiscal year 2020 (April 1, 2020 – March 31, 2021)	
Net assets per share	7,064.22 yen	Net assets per share	7,431.58 yen
Net income per share	381.89 yen	Net income per share	490.11 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 2019 (April 1, 2019 – March 31, 2020)	Fiscal year 2020 (April 1, 2020 – March 31, 2021)
Net income attributable to owners of parent (Millions of yen)	73,371	94,012
Amount not accruing to common shares (Millions of yen)	—	—
Net income attributable to owners of parent, assigned to common share (Millions of yen)	73,371	94,012
Average number of shares outstanding (Thousands of share)	192,124	191,821

(Significant subsequent events)

(Share Buyback)

At a meeting held on April 27, 2021, the Board of Directors of FANUC CORPORATION authorized the repurchase of its common shares pursuant to Article 156 of the Company Act as applied pursuant to paragraph 3 of Article 165 of the Company Act, as described below.

1. Purpose of share buyback:

To maintain the flexibility and mobility of the company's capital policy, in response to changes in the management environment

2. Summary of share buyback:

- |     |  |  |
|-----|--|--|
| (1) | Class of shares to be repurchased            | Common shares  |
| (2) | Total number of shares to be repurchased     | Up to 2.5 million shares<br>(1.30% of outstanding shares*) |
| (3) | Aggregate amount of shares to be repurchased | Up to 50 billion yen                                       |
| (4) | Method of share buyback                      | Market purchase on the Tokyo Stock Exchange                |
| (5) | Buyback period                               | April 28, 2021 – March 31, 2022                            |

\*Excluding treasury shares