

(TRANSLATION)

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Consolidated Quarterly Financial Results

(based on Japanese standards)

For the three months ended June 30, 2024

July 29, 2024

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 commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Quarterly financial results briefing session: Yes

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 – June 30, 2024)

(1) Consolidated Results of Operations

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

Three months ended June 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	%
2024	195,100	(3.3)	32,958	1.1	41,129	(1.3)	28,803	(5.0)
2023	201,771	(4.6)	32,594	(34.5)	41,675	(30.0)	30,324	(28.0)

Note: Consolidated comprehensive income: April-June 2024: ¥69,336 million (3.7)%
April-June 2023: ¥72,004 million (15.0)%

Three months ended June 30	Net income per share	Net income per share (diluted)
	Yen	Yen
2024	30.46	—
2023	31.82	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
June 30, 2024	1,952,557	1,745,559	88.7
March 31, 2024	1,926,037	1,719,200	88.6

(Reference) Equity: June 30, 2024: ¥1,731,752 million March 31, 2024: ¥1,705,556 million

2. Dividends

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Fiscal year-end	Full year
	Yen	Yen	Yen	Yen	Yen
FY2023	—	40.26	—	43.88	84.14
FY2024	—	—	—	—	—
FY2024 (forecast)	—	—	—	—	—

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

Note: The 2nd quarter-end and year-end dividends for FY2024 will be disclosed promptly upon their availability.

3. Consolidated Financial Forecasts for FY 2024 (April 1, 2024 – March 31, 2025)

(% for the 2Q cumulative period and the full year represents changes from the same quarter of the previous fiscal year and changes from the previous fiscal year, respectively.)

	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
2 nd Quarter (Cumulative)	385,200	(3.4)	68,600	3.1	87,700	1.8	64,100	0.3	67.78
Full year	784,300	(1.4)	143,000	0.8	173,900	(4.3)	125,300	(5.9)	132.50

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

*Notes

(1) Significant changes in the scope of consolidation during the three months ended June 30, 2024 : 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 in accounting principles 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)

	June 30, 2024	995,418,885 shares	March 31, 2024	1,003,073,989 shares
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2. Number of treasury stocks at the end of the period

	June 30, 2024	49,771,760 shares	March 31, 2024	57,426,048 shares
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3. Average number of shares during the period

	April-June 2024	945,647,359 shares	April-June 2023	952,918,966 shares
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* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Notes on appropriate use of the financial forecasts, other notes.

Any forward looking statements such as financial forecasts described in this report are subject to uncertain factors such as product 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 see "Financial Results Forecasts" on page 3 of the Accompanying Documents. The forecasts of the 2nd quarter-end and the year-end dividends for FY2024 will be disclosed promptly upon their availability.

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1. Results of Operations and Financial Position

(1) Overview of Results of Operations

Regarding the circumstances surrounding the FANUC Group during the first three-month period of the fiscal year ending March 31, 2025 (from April 1 to June 30, 2024), although there were signs of recovery in capital investment demand, the situation remained unpredictable in general due to concerns about the foreign exchange fluctuations, geopolitical risks and other factors. In addition, although inventory adjustments, which have continued since the second half of FY 2022 (the fiscal year ended March 31, 2023), are returning to an appropriate level, some adjustments are still continuing. Amidst these difficult conditions, the Company has done every effort for sales expansion and cost reduction, etc., to minimize the impact on the financial results through the concerted efforts of all departments, including sales divisions, R&D divisions, factories, service divisions, and administrative departments.

During the three months from April to June 2024, FANUC posted consolidated net sales totaling ¥195,100 million, down 3.3%, consolidated ordinary income totaling ¥41,129 million, down 1.3%, and net income attributable to owners of parent totaling ¥28,803 million, down 5.0%, 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 from the machine tool industry, the primary market for CNC systems, showed signs of recovery and strength in some markets, but in general, demand has been weak in each country around the world, including Japan, and sales of our CNC systems also declined. Net sales in the FA Division amounted to ¥47,971 million, down 3.4% compared with the corresponding period of the previous fiscal year.

In the ROBOT Division, although demand was slightly sluggish in Europe and the Americas for general industries, sales increased due to strong demand in automobile-related industries resulting from a backlog of orders from the previous period. In Japan, the recovery trend continued in automobile-related industries, resulting in increased sales. In China, however, sales decreased due to a slight drop in demand for EV-related industries, which had previously been strong, as well as weak demand for infrastructure-related industries and electronic industries. As a result, net sales in the ROBOT Division amounted to ¥84,142 million, down 12.8% compared with the corresponding period of the previous fiscal year.

In the ROBOMACHINE Division, sales of ROBODRILLS (compact machining centers) have remained flat due to continued weakness both in Japan and overseas markets. Sales of ROBOSHOTS (electric injection molding machines) increased due to rising demand in China. Sales of ROBOCUTs (wire electrical-discharge machines) decreased, due in part to the suspension of shipments of the ROBOCUTs with European specifications caused by the possibility of being subject to tests which were non-compliant with EMC harmonized standards. As a result, net sales in the ROBOMACHINE Division amounted to ¥29,164 million, up 14.4% compared with the corresponding period of the previous fiscal year.

In the Service Division, with an emphasis on our policy of "Service First," we are strengthening the service system and improving efficiency by actively introducing IT technology. Net sales in the Service Division amounted to ¥33,823 million, up 12.2% compared with the corresponding period of the previous fiscal year.

(2) Financial Position

Total assets were ¥1,952,557 million, up ¥26,520 million compared with the end of the previous fiscal year.

Total liabilities were ¥206,998 million, up ¥161 million compared with the end of the previous fiscal year.

Total net assets were ¥1,745,559 million, up ¥26,359 million compared with the end of the previous fiscal year.

(3) Financial Results Forecasts

As the financial results have been stronger than originally planned at the time of the previous announcement, the Company changes the financial results forecasts for the first half of FY 2024 (the fiscal year ending March 31, 2025) and the FY2024, as follows.

For the first half of the FY 2024 (April 1, 2024 through September 30, 2024)

(Millions of yen)

	Previous forecast (announced on April 24, 2024) [A]	New forecast [B]	Comparison with Previous forecast (%) [(B-A) / A]
Net sales	364,000	385,200	5.8%
Operating income	61,000	68,600	12.5%
Ordinary income	76,400	87,700	14.8%
Net income attributable to owners of parent	53,800	64,100	19.1%

For the FY 2024 (April 1, 2024 through March 31, 2025)

(Millions of yen)

	Previous forecast (announced on April 24, 2024) [A]	New forecast [B]	Comparison with Previous forecast (%) [(B-A) / A]
Net sales	746,400	784,300	5.1%
Operating income	121,000	143,000	18.2%
Ordinary income	149,400	173,900	16.4%
Net income attributable to owners of parent	107,300	125,300	16.8%

Note: The currency rate applied to the period from July 1, 2024 to March 31, 2025 is expected to average at 145 yen/US dollar and 155 yen/Euro.

2. Consolidated Quarterly Financial Statements
(1) Consolidated Quarterly Balance Sheet

(Millions of yen)

	March 31, 2024	June 30, 2024
Assets		
Current assets		
Cash and bank deposits	522,979	562,603
Notes receivables, trade	18,990	20,715
Accounts receivable, trade	136,931	124,799
Marketable securities	16,100	16,100
Finished goods	147,545	147,714
Work in progress	91,929	89,589
Raw materials and supplies	123,072	119,458
Other current assets	20,206	26,721
Allowance for doubtful accounts	(1,487)	(1,598)
Total current assets	1,076,265	1,106,101
Noncurrent assets		
Property, plant and equipment		
Buildings, net	326,373	324,965
Land	163,593	165,016
Other, net	117,789	125,294
Total property, plant and equipment	607,755	615,275
Intangible assets	9,823	9,474
Investments and other assets		
Investment securities	184,434	174,570
Others	47,864	47,245
Allowance for doubtful accounts	(104)	(108)
Total investments and other assets	232,194	221,707
Total noncurrent assets	849,772	846,456
Total assets	1,926,037	1,952,557

(Millions of yen)

	March 31, 2024	June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payables, trade	42,938	43,383
Accrued income taxes	5,490	7,349
Warranty reserves	10,021	10,517
Other current liabilities	98,441	95,322
Total current liabilities	156,890	156,571
Long-term liabilities		
Net defined benefit liability	42,437	42,812
Other long-term liabilities	7,510	7,615
Total long-term liabilities	49,947	50,427
Total liabilities	206,837	206,998
Net assets		
Shareholders' equity		
Common stock	69,014	69,014
Capital surplus	95,995	95,995
Retained earnings	1,540,398	1,508,568
Treasury stock, at cost	(143,573)	(124,438)
Total shareholders' equity	1,561,834	1,549,139
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,740	20,513
Foreign currency translation adjustment	127,754	167,969
Remeasurements of defined benefit plans	(5,772)	(5,869)
Total accumulated other comprehensive income	143,722	182,613
Non-controlling interests	13,644	13,807
Total net assets	1,719,200	1,745,559
Total liabilities and net assets	1,926,037	1,952,557

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

Consolidated Quarterly Statement of Income
1st quarter (cumulative)

(Millions of yen)

	Three months ended June 30, 2023 (cumulative)	Three months ended June 30, 2024 (cumulative)
Net sales	201,771	195,100
Cost of goods sold	136,058	127,338
Gross profit	65,713	67,762
Selling, general and administrative expenses	33,119	34,804
Operating income	32,594	32,958
Non-operating income		
Interest income	969	1,629
Dividends income	273	269
Equity in earnings of affiliates	6,684	6,186
Miscellaneous income	1,868	769
Total non-operating income	9,794	8,853
Non-operating expenses		
Donations	104	242
Miscellaneous expenses	609	440
Total non-operating expenses	713	682
Ordinary income	41,675	41,129
Income before income taxes	41,675	41,129
Income taxes-current	11,749	9,275
Income taxes-deferred	(987)	2,074
Total taxes and others	10,762	11,349
Net income	30,913	29,780
Net income attributable to non-controlling interests	589	977
Net income attributable to owners of parent	30,324	28,803

Consolidated Quarterly Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2023 (cumulative)	Three months ended June 30, 2024 (cumulative)
Net income	30,913	29,780
Other comprehensive income		
Valuation difference on available-for-sale securities	2,291	(1,227)
Foreign currency translation adjustment	35,955	30,983
Remeasurements of defined benefit plans	779	(97)
Share of other comprehensive income of affiliates accounted for using equity method	2,066	9,897
Total other comprehensive income	41,091	39,556
Comprehensive income for the three months ended June 30	72,004	69,336
Comprehensive income attributable to:		
Owners of parent	70,906	67,694
Non-controlling interests	1,098	1,642

3. Other Information

- (1) Significant changes in the scope of consolidation during the three months ended June 30, 2024: 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:

The Company cancelled 7,655,104 treasury stocks based on the resolution of the Board of Directors meeting held on April 24, 2024. As a result, treasury stocks of the Company, including the decrease due to the sale of odd-lot shares, decreased by ¥19,135 million during the three months ended June 30, 2024, resulting in treasury stocks of ¥124,438 million as of June 30, 2024.

(6) Note on Segment Information, etc.:
(Segment information)

Three months ended June 30, 2023 (April 1, 2023 – June 30, 2023) and
Three months ended June 30, 2024 (April 1, 2024 – June 30, 2024)

FANUC Group, as a comprehensive supplier of factory automation (FA) systems, focuses on the single business segment of the development, production, and sales of CNC systems and related application products based on CNC system technologies, which are used in automated production systems.

In FANUC Group, its CNCs and servo motors are used to manufacture all of its products. For this reason, the investment 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 makes investment decisions as a whole group and has one single business segment. Thus, the segment information is not stated herein.

(7) Note on Statement of Cash Flows:

Quarterly consolidated statements of cash flows have not been prepared for the three months ended June 30, 2024. Depreciation and amortization expenses (including amortization expenses related to intangible assets apart from goodwill) for the three months ended June 30, 2024 are as follows.

	Three months ended June 30, 2023 (April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (April 1, 2024 to June 30, 2024)
Depreciation and amortization expenses	¥11,633 million	¥11,119 million