

(TRANSLATION)

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Consolidated Interim Financial Results

(based on Japanese standards)

For the six months ended September 30, 2024

October 25, 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 filing Japanese semi-annual report: November 11, 2024

Scheduled date of commencing dividend payments: December 2, 2024

Availability of supplementary briefing material on interim financial results: Yes

Interim financial results briefing session: Yes

(Amounts are rounded to the nearest million yen)

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

(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	%
2024	387,962	(2.7)	75,588	13.6	94,780	10.0	69,922	9.4
2023	398,695	(4.2)	66,536	(29.7)	86,153	(25.4)	63,937	(24.1)

Note: Consolidated comprehensive income: April-September 2024: ¥63,459 million (46.9)%
April-September 2023: ¥119,484 million (14.3)%

Six months ended September 30	Net income per share	Net income per share (diluted)
	Yen	Yen
2024	74.17	—
2023	67.10	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
September 30, 2024	1,902,485	1,699,658	88.6
March 31, 2024	1,926,037	1,719,200	88.6

(Reference) Equity: September 30, 2024: ¥1,686,101 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	—	44.51	—	—	—
FY2024 (forecast)	—	—	—	—	—

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

Note: The 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)

(% 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
Full year	787,800	(0.9)	150,800	6.3	184,900	1.7	134,300	0.9	142.99

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

*Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024 : No

(2) Adoption of Simplified and Specifically Applied Accounting Method for Interim 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 stock)
 September 30, 2024 995,418,885 shares March 31, 2024 1,003,073,989 shares

2. Number of treasury stocks at the end of the period
 September 30, 2024 59,791,911 shares March 31, 2024 57,426,048 shares

3. Average number of shares during the period
 April-September 2024 942,785,132 shares April-September 2023 952,897,144 shares

* The report of the interim financial results is not subject to audit by certified public accountant or audit firm.

* 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, including 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 4 of the Accompanying Documents. The forecasts of the year-end dividends for FY2024 will be disclosed promptly upon 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 six-month period of the fiscal year ending March 31, 2025 (from April 1 to September 30, 2024), the economy is gradually recovering, and capital investment appears to be picking up. However, the situation remained uncertain due to several factors, such as the impact of the continued high interest rates in the U.S. and Europe and concerns about the perspective of the Chinese economy. 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 six months ended September 30, 2024, FANUC posted consolidated net sales totaling ¥387,962 million, down 2.7%, consolidated ordinary income totaling ¥94,780 million, up 10.0%, and net income attributable to owners of parent totaling ¥69,922 million, up 9.4%, 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, remained firm in India and China where the government subsidy program provided a tailwind despite weak demand in each country around the world, including Japan, and sales of our CNC systems increased. Net sales in the FA Division amounted to ¥99,416 million, up 7.2% compared with the corresponding period of the previous fiscal year.

In the ROBOT Division, sales in Europe and the Americas were on par with the corresponding period of the previous fiscal year due to steady demand for both general industries and automobile-related industries, resulting from a backlog of orders from the previous period. In Japan, sales increased, driven by solid demand in automobile-related industries. 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 ¥163,116 million, down 15.2% compared with the corresponding period of the previous fiscal year.

In the ROBOMACHINE Division, sales of ROBODRILLS (compact machining centers) slightly increased from the corresponding period of the previous fiscal year despite 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 ¥56,928 million, up 12.8% 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 and other factors by actively introducing IT technology. Net sales in the Service Division amounted to ¥68,502 million, up 8.7% compared with the corresponding period of the previous fiscal year.

(2) Financial Position

① Assets, Liabilities and Net Assets

Total assets were ¥1,902,485 million, down ¥23,552 million compared with the end of the previous fiscal year.

Total liabilities were ¥202,827 million, down ¥4,010 million compared with the end of the previous fiscal year.

Total net assets were ¥1,699,658 million, down ¥19,542 million compared with the end of the previous fiscal year.

② Cash Flows

Cash and cash equivalents (hereinafter "Cash") for the six months ended September 30, 2024 amounted to ¥481,139 million, down ¥45,742 million from the end of the previous fiscal year.

(Cash flows from operating activities)

Cash provided by operating activities during the six months ended September 30, 2024 amounted to ¥147,294 million, up ¥72,082 million compared with the same period of the previous fiscal year. This was mainly due to a turn in (increase) decrease in inventories from an increase to a decrease.

(Cash flows from investing activities)

Cash used in investing activities during the six months ended September 30, 2024 amounted to ¥99,056 million, up ¥65,293 million compared with the same period of the previous fiscal year. This was mainly due to the increase in payments into time deposits.

(Cash flows from financing activities)

Cash used in financing activities during the six months ended September 30, 2024 amounted to ¥84,491 million, up ¥28,788 million compared with the same period of the previous fiscal year. This was mainly due to the increase in share buybacks.

(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 FY 2024 (the fiscal year ending March 31, 2025), as follows.

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

(Millions of yen)

	Previous forecast (announced on July 29, 2024) [A]	New forecast [B]	Comparison with Previous forecast (%) [(B-A) / A]
Net sales	784,300	787,800	0.4%
Operating income	143,000	150,800	5.5%
Ordinary income	173,900	184,900	6.3%
Net income attributable to owners of parent	125,300	134,300	7.2%

Note: The currency rate applied to the period from October 1, 2024 to March 31, 2025 is expected to average at 135 yen/US dollar and 150 yen/Euro.

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

(Millions of yen)

	March 31, 2024	September 30, 2024
Assets		
Current assets		
Cash and bank deposits	522,979	553,020
Notes receivables, trade	18,990	18,461
Accounts receivable, trade	136,931	112,529
Marketable securities	16,100	16,300
Finished goods	147,545	126,683
Work in progress	91,929	87,982
Raw materials and supplies	123,072	118,021
Other current assets	20,206	23,126
Allowance for doubtful accounts	(1,487)	(1,662)
Total current assets	1,076,265	1,054,460
Noncurrent assets		
Property, plant and equipment		
Buildings, net	326,373	328,281
Land	163,593	163,074
Other, net	117,789	112,630
Total property, plant and equipment	607,755	603,985
Intangible assets	9,823	9,100
Investments and other assets		
Investment securities	184,434	186,684
Others	47,864	48,356
Allowance for doubtful accounts	(104)	(100)
Total investments and other assets	232,194	234,940
Total noncurrent assets	849,772	848,025
Total assets	1,926,037	1,902,485

(Millions of yen)

	March 31, 2024	September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payables, trade	42,938	34,299
Accrued income taxes	5,490	16,730
Warranty reserves	10,021	9,373
Other current liabilities	98,441	92,233
Total current liabilities	156,890	152,635
Long-term liabilities		
Net defined benefit liability	42,437	42,402
Other long-term liabilities	7,510	7,790
Total long-term liabilities	49,947	50,192
Total liabilities	206,837	202,827
Net assets		
Shareholders' equity		
Common stock	69,014	69,014
Capital surplus	95,995	95,995
Retained earnings	1,540,398	1,549,789
Treasury stock, at cost	(143,573)	(164,565)
Total shareholders' equity	1,561,834	1,550,233
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,740	18,388
Foreign currency translation adjustment	127,754	121,811
Remeasurements of defined benefit plans	(5,772)	(4,331)
Total accumulated other comprehensive income	143,722	135,868
Non-controlling interests	13,644	13,557
Total net assets	1,719,200	1,699,658
Total liabilities and net assets	1,926,037	1,902,485

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

Consolidated Interim Statement of Income
2nd quarter (cumulative)

(Millions of yen)

	Six months ended September 30, 2023 (cumulative)	Six months ended September 30, 2024 (cumulative)
Net sales	398,695	387,962
Cost of goods sold	265,752	243,645
Gross profit	132,943	144,317
Selling, general and administrative expenses	66,407	68,729
Operating income	66,536	75,588
Non-operating income		
Interest income	2,133	3,405
Dividends income	1,731	1,746
Equity in earnings of affiliates	14,358	13,942
Miscellaneous income	3,359	2,430
Total non-operating income	21,581	21,523
Non-operating expenses		
Foreign exchange loss	—	704
Miscellaneous expenses	1,964	1,627
Total non-operating expenses	1,964	2,331
Ordinary income	86,153	94,780
Income before income taxes	86,153	94,780
Income taxes-current	30,900	24,062
Income taxes-deferred	(9,794)	(1,073)
Total taxes and others	21,106	22,989
Net income	65,047	71,791
Net income attributable to non-controlling interests	1,110	1,869
Net income attributable to owners of parent	63,937	69,922

Consolidated Interim Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2023 (cumulative)	Six months ended September 30, 2024 (cumulative)
Net income	65,047	71,791
Other comprehensive income		
Valuation difference on available-for-sale securities	2,265	(3,352)
Foreign currency translation adjustment	44,908	(23,717)
Remeasurements of defined benefit plans	1,299	1,441
Share of other comprehensive income of affiliates accounted for using equity method	5,965	17,296
Total other comprehensive income	54,437	(8,332)
Comprehensive income for the six months ended September 30	119,484	63,459
Comprehensive income attributable to:		
Owners of parent	117,536	62,068
Non-controlling interests	1,948	1,391

(3) Consolidated Interim Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2023 (cumulative)	Six months ended September 30, 2024 (cumulative)
Cash flows from operating activities		
Income before income taxes	86,153	94,780
Depreciation and amortization	23,346	22,655
Increase (decrease) in allowance for doubtful accounts	(23)	227
Increase (decrease) in net defined benefit liability	354	165
(Increase) decrease in net defined benefit asset	1,245	1,054
Interest and dividend income	(3,864)	(5,151)
Equity in (earnings) losses of affiliates	(14,358)	(13,942)
(Increase) decrease in receivables, trade	24,657	24,618
(Increase) decrease in inventories	(15,092)	21,561
Increase (decrease) in payables, trade	(5,785)	(6,785)
Other	(6,397)	(8,859)
Subtotal	90,236	130,323
Interest and dividends received	22,290	28,878
Income taxes paid	(37,149)	(12,528)
Other	(165)	621
Net cash provided by operating activities	75,212	147,294
Cash flows from investing activities		
Payments into time deposits	(6,013)	(80,000)
Proceeds from withdrawal of time deposits	—	3,462
Purchases of property, plant, and equipment	(24,932)	(21,361)
Other	(2,818)	(1,157)
Net cash used in investing activities	(33,763)	(99,056)
Cash flows from financing activities		
Purchases of treasury stock	(996)	(40,261)
Dividends paid	(51,745)	(41,493)
Other	(2,962)	(2,737)
Net cash used in financing activities	(55,703)	(84,491)
Effect of exchange rate changes on cash and cash equivalents	11,171	(9,489)
Net increase (decrease) in cash and cash equivalents	(3,083)	(45,742)
Cash and cash equivalents at beginning of period	476,953	526,881
Cash and cash equivalents at end of period	473,870	481,139

3. Other Information

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024
(Changes in specific subsidiaries that caused change in scope of consolidation): None

(2) Adoption of Simplified and Specifically Applied Accounting Method for Interim
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 shares of treasury stock based on the resolution of the Board of Directors meeting held on April 24, 2024. The Company also acquired 10,070,000 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, etc., increased by ¥20,992 million during the six months ended September 30, 2024, resulting in treasury stocks of ¥164,565 million as of September 30, 2024.

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

Six months ended September 30, 2023 (April 1, 2023 – September 30, 2023) and

Six months ended September 30, 2024 (April 1, 2024 – September 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.