

(TRANSLATION)

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# Financial Results for the six months Ended September 30, 2020

FANUC CORPORATION

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The 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.

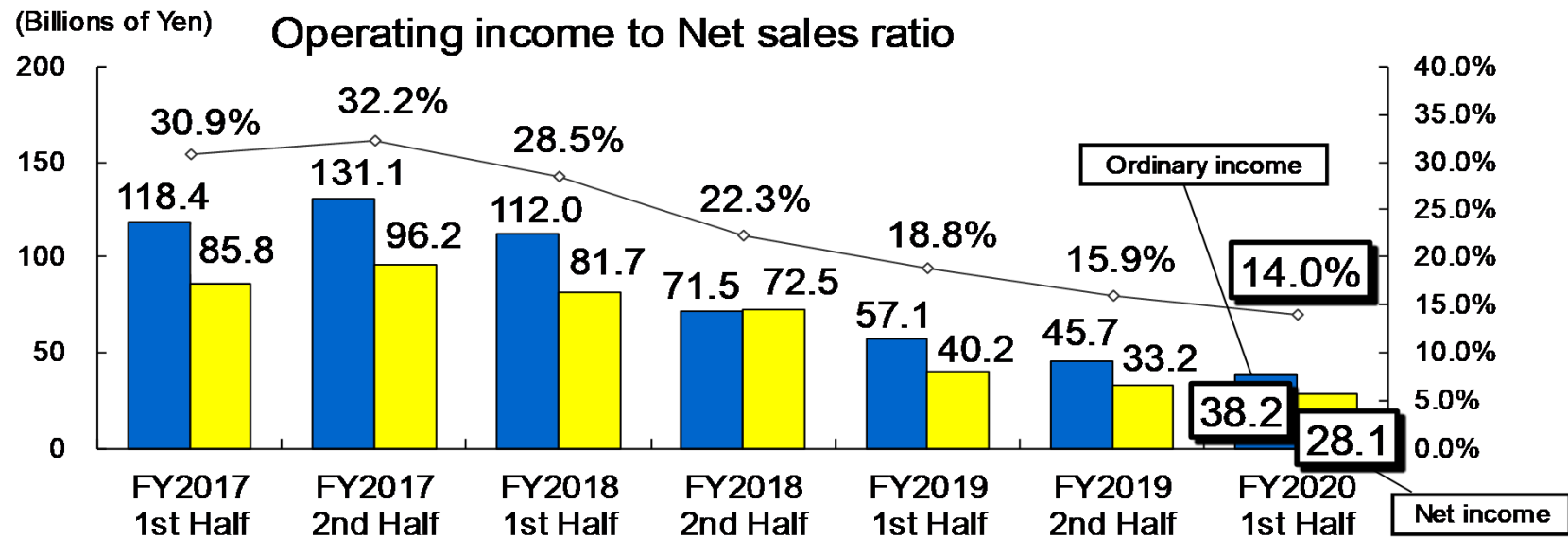
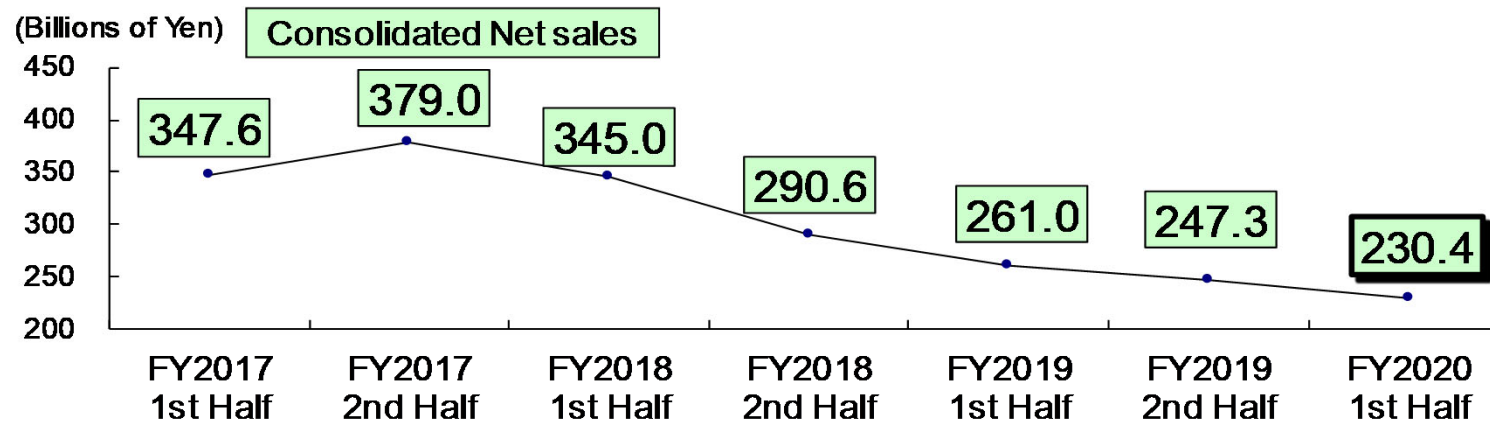
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Consolidated Financial Results  
for the 2<sup>nd</sup> Quarter (6 months) of FY2020

(Billions of Yen)	FY2019 1st Half Actual	FY2020 1st Half Forecast	FY2020 1st Half Actual	Change from 1st Half of FY2019	Change from Previous Forecast
Net sales	261.0	212.4	230.4	-11.7%	+8.5%
Cost of sales	164.4	150.2	156.7	-4.7%	+4.3%
【to Net sales】	63.0%	70.7%	68.0%		
Operating income	49.0	20.4	32.3	-34.1%	+58.4%
【to Net sales】	18.8%	9.6%	14.0%		
Ordinary income	57.1	25.9	38.2	-33.1%	+47.6%
【to Net sales】	21.9%	12.2%	16.6%		
Extraordinary income or loss	-2.0	-	-	-	-
Net income	40.2	18.7	28.1	-30.0%	+50.3%
【to Net sales】	15.4%	8.8%	12.2%		
FX Rate					
Yen/1USD	108.63	103.81	106.92	-1.6%	+3.0%
Yen/1EUR	121.42	116.74	121.30	-0.1%	+3.9%

※“Net income” means “Net income attributable to owners of parent”.

Half-yearly Changes in Consolidated Sales and Profit/Loss



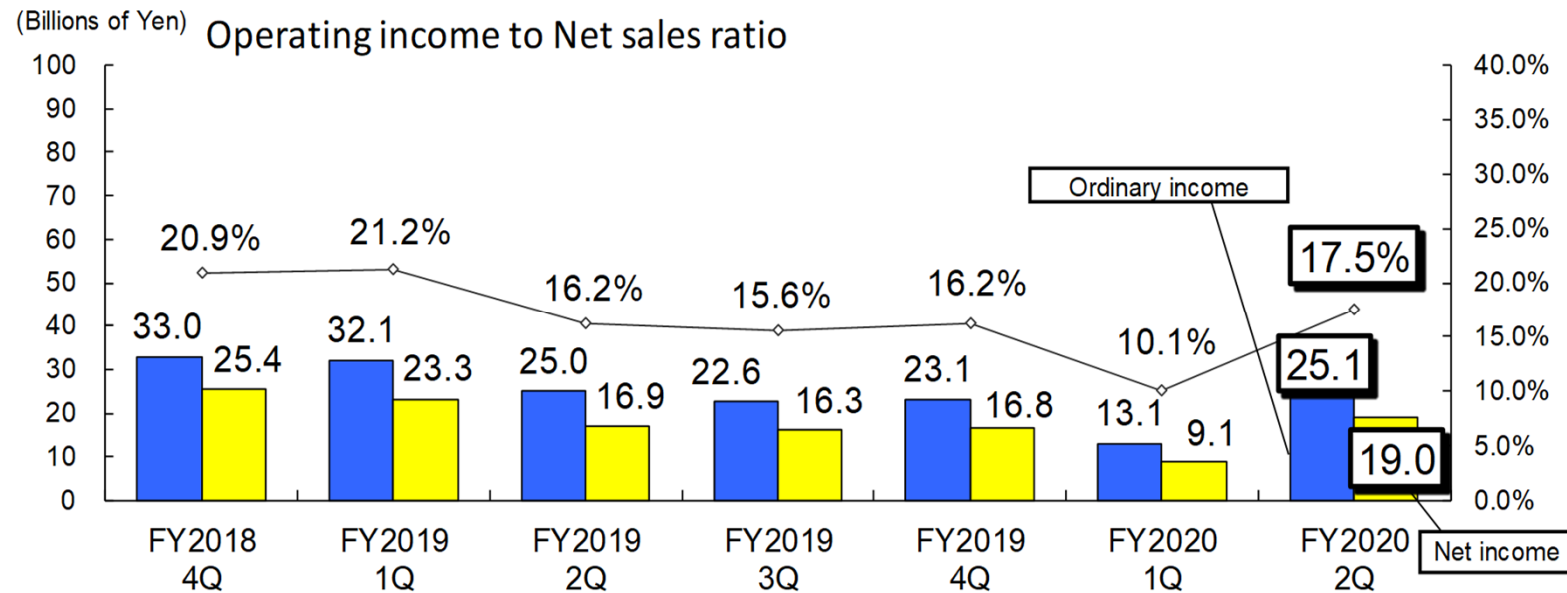
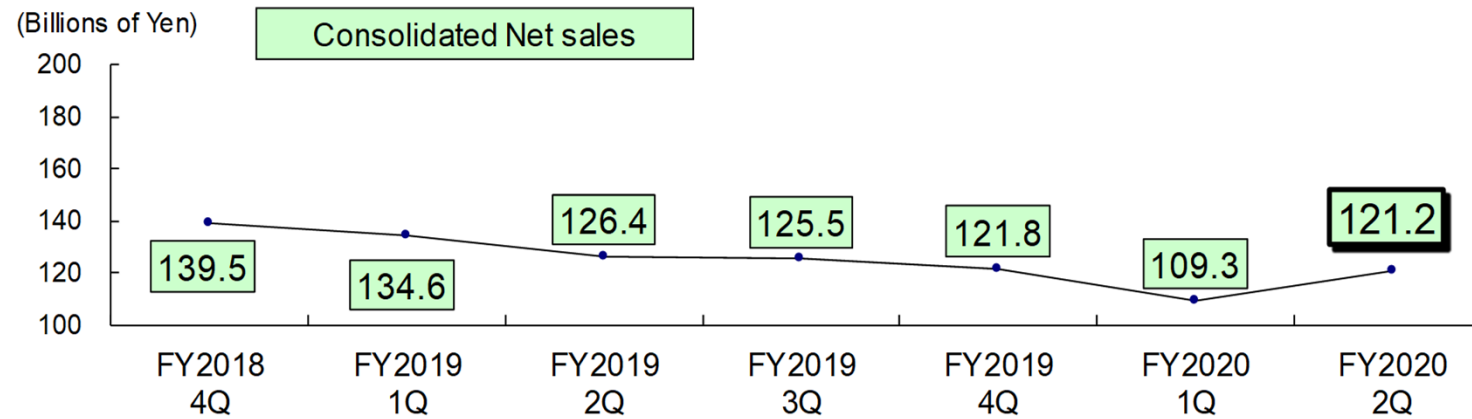
※“Net income” means “Net income attributable to owners of parent”.

Consolidated Financial Results  
for the 2<sup>nd</sup> Quarter (3 months) of FY2020

(Billions of Yen)	FY2019 2Q (Jul~Sep)	FY2020 1Q (Apr~Jun)	FY2020 2Q (Jul~Sep)	Change from 2Q of FY2019	Change from 1Q of FY2020
Net sales	126.4	109.3	121.2	-4.1%	+10.9%
Cost of sales	82.3	77.8	78.9	-4.1%	+1.4%
【to Net sales】	65.1%	71.2%	65.1%		
Operating income	20.4	11.1	21.2	+4.0%	+91.8%
【to Net sales】	16.2%	10.1%	17.5%		
Ordinary income	25.0	13.1	25.1	+0.2%	+90.9%
【to Net sales】	19.8%	12.0%	20.7%		
Extraordinary income or loss	-2.0	-	-	-	-
Net income	16.9	9.1	19.0	+12.5%	+109.2%
【to Net sales】	13.4%	8.3%	15.7%		
FX Rate					
Yen/1USD	107.35	107.62	106.22	-1.1%	-1.3%
Yen/1EUR	119.34	118.48	124.11	+4.0%	+4.8%

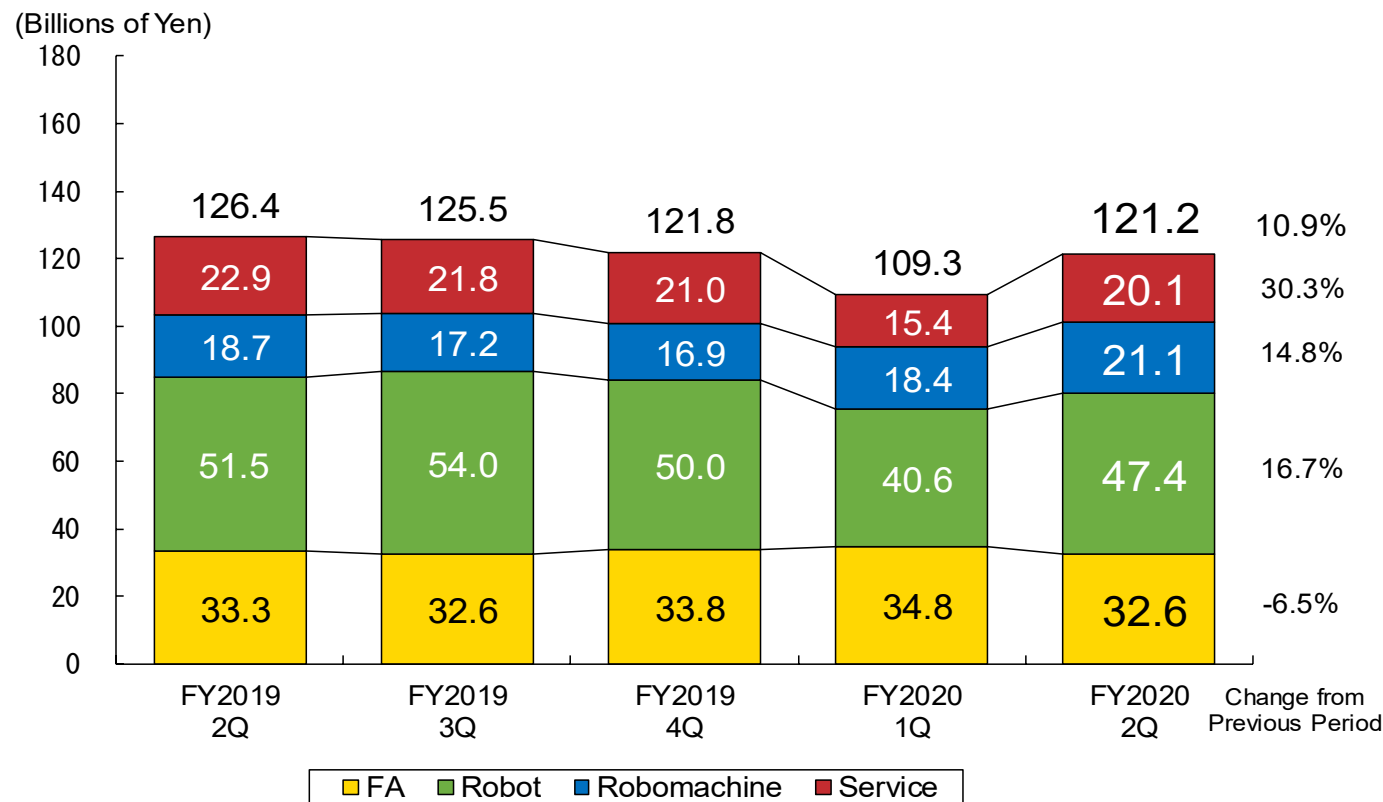
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Quarterly Changes in Consolidated Sales and Profit/Loss

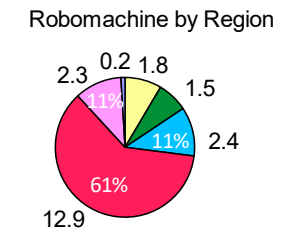
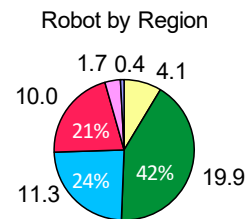
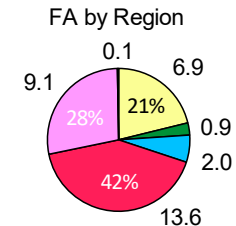


※“Net income” means “Net income attributable to owners of parent”.

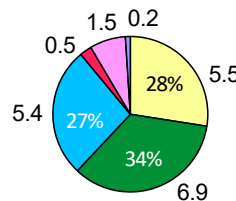
Consolidated Sales by Division



2Q of FY2020



Service by Region

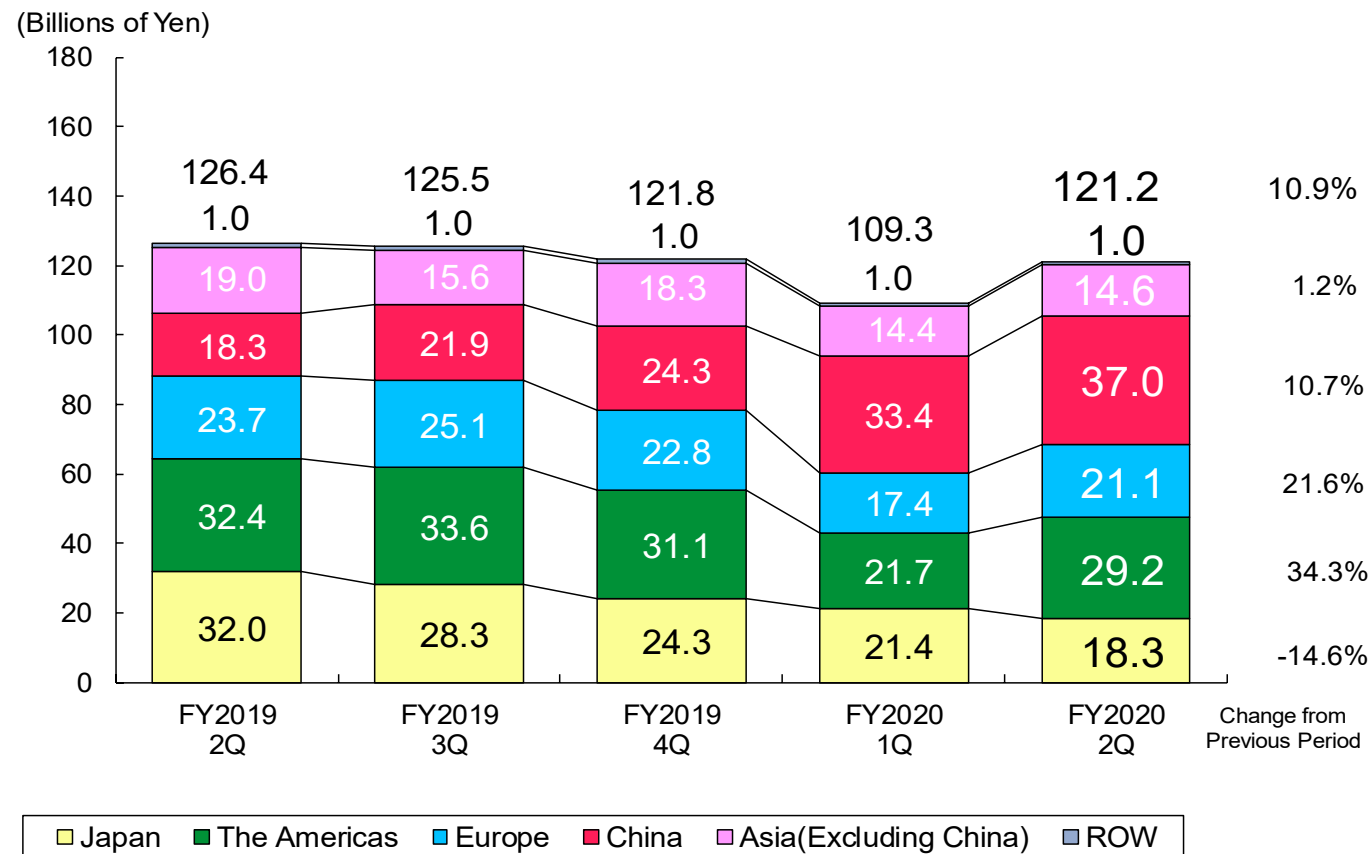


※The consolidated net sales does not include the service business in China, which is operated by the equity method affiliates.

Results for the 2nd Quarter (3 months) [Comparison with FY2020 1Q]

- FA → Sales decreased in Japan, Europe and Korea. Sales increased in India. Sales remained strong in China.
- Robot → Sales for general industries were robust and sales for the automobile industry trended toward recovery in the Americas. Sales increased in Europe. Sales remained strong in China.
- Robomachine → Sales of ROBODRILL in China increased. Sales of ROBOSHOT and ROBOCUT decreased.
- Service → Sales increased as compared with the first quarter effected by lockdowns and other factors.

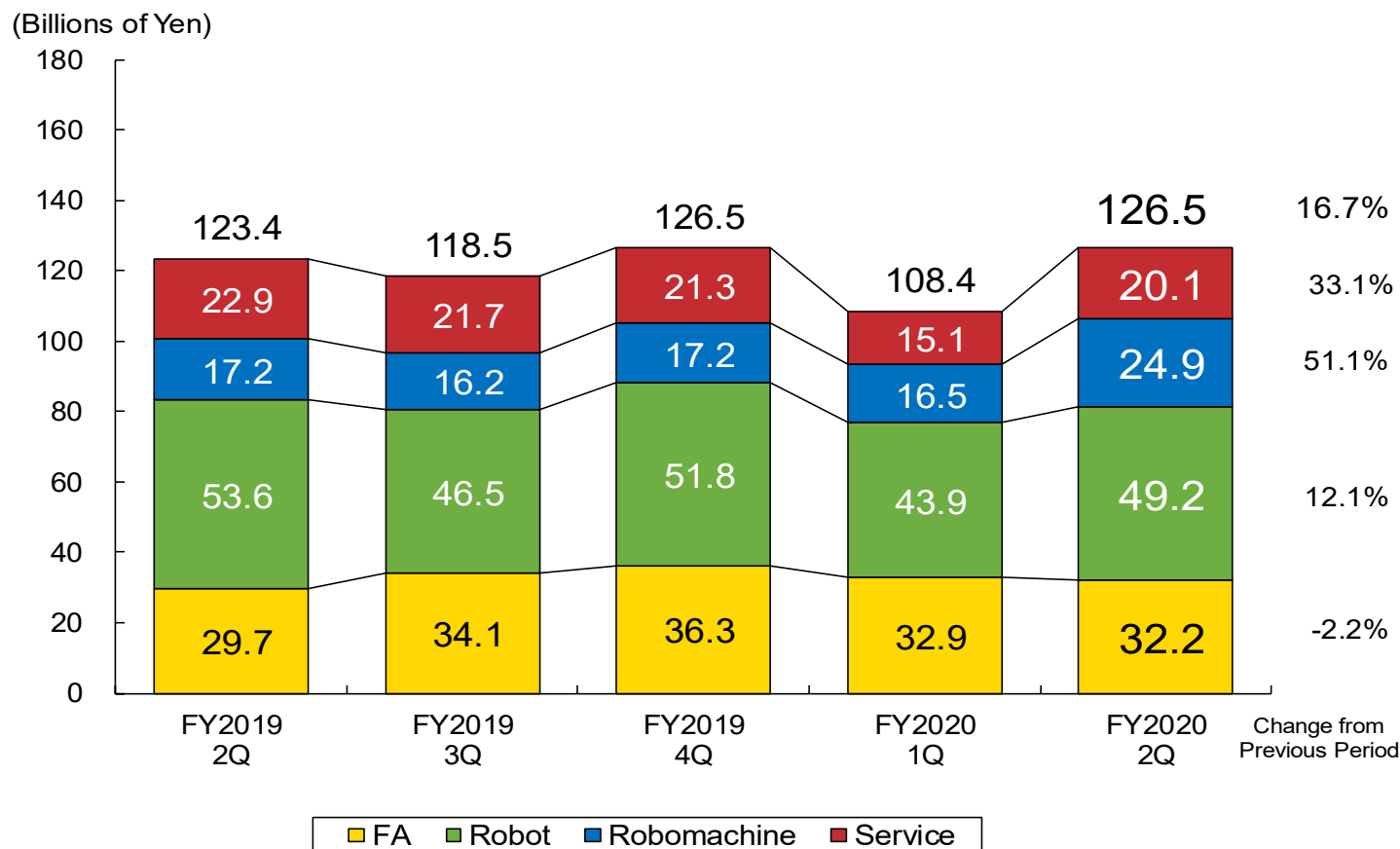
Consolidated Sales by Region



Results for the 2nd Quarter (3 months) [Comparison with FY2020 1Q]

- Japan → Sales of FA and Robomachine decreased.
- The Americas → Sales of Robot increased because sales for general industries were robust and sales for the automobile industry trended toward recovery.
- Europe → Sales of Robot increased. Sales of FA decreased.
- China → Sales of ROBODRILL increased. Sales of FA and Robot remained strong.
- Asia (Excluding China) → Sales of FA increased in India and decreased in Korea.

## Consolidated Orders by Division

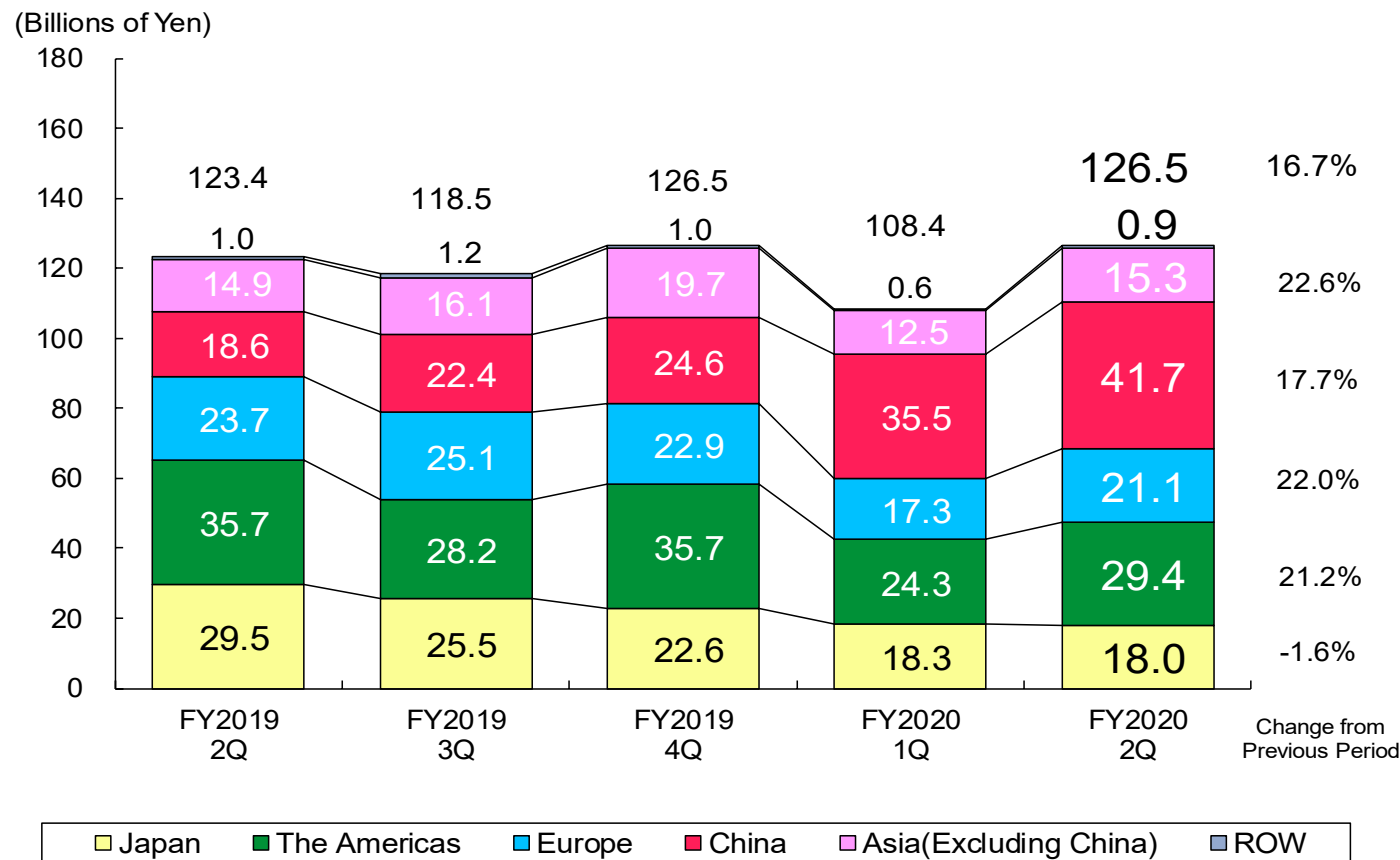


### Results for the 2nd Quarter (3 months) [Comparison with FY2020 1Q]

- FA → Orders decreased in Japan and Europe. Orders increased in Korea, Taiwan and India. Orders remained strong in China.
- Robot → Orders for general industries were robust and orders for the automobile industry trended toward recovery in the Americas. Orders increased in Europe. Orders remained strong in China. Orders decreased in Japan.
- Robomachine → Orders of ROBODRILL in China increased. Orders of ROBOSHOT and ROBOCUT increased.
- Service → Orders increased as compared with the first quarter effected by lockdowns and other factors.



Consolidated Orders by Region



Results for the 2nd Quarter (3 months) [Comparison with FY2020 1Q]

- Japan → Orders of FA and Robot decreased.
- The Americas → Orders of Robot increased because orders for general industries were robust and orders for the automobile industry trended toward recovery.
- Europe → Orders of Robot increased. Orders of FA decreased.
- China → Orders of ROBODRILL increased. Orders of FA and Robot remained strong.
- Asia (Excluding China) → Orders of FA increased in Korea, Taiwan and India.

Capital Investment ・ Depreciation and amortization ・  
 Research and development expenses

(Billions of Yen)	FY2019 1st Half (Apr~Sep)	FY2019 Full Year	FY2020 1st Half (Apr~Sep)	Change from 1st Half of FY2019
Capital Investment	44.4	70.5	10.6	-33.8
Depreciation and amortization	22.2	45.9	21.7	-0.5
Research and development expenses	26.4	51.3	23.4	-3.0

Consolidated Financial Results Forecasts

(Billions of Yen)	FY2019	FY2020 Forecast		Change from FY2019	Change from Previous Forecast
		Previous forecast	New forecast		
Net sales	508.3	423.3	502.5	-1.1%	+18.7%
Cost of sales	326.1	299.8	330.3	+1.3%	+10.2%
【to Net sales】	64.2%	70.8%	65.7%		
Operating income	88.3	38.5	85.4	-3.3%	+121.8%
【to Net sales】	17.4%	9.1%	17.0%		
Ordinary income	102.8	47.7	96.3	-6.3%	+101.9%
【to Net sales】	20.2%	11.3%	19.2%		
Extraordinary income or loss	-2.0	-	-	-	-
Net income	73.4	34.5	71.8	-2.1%	+108.1%
【to Net sales】	14.4%	8.2%	14.3%		
FX Rate					
Yen/1USD	108.74	101.91	103.46	-4.9%	+1.5%
Yen/1EUR	120.82	115.87	120.65	-0.1%	+4.1%

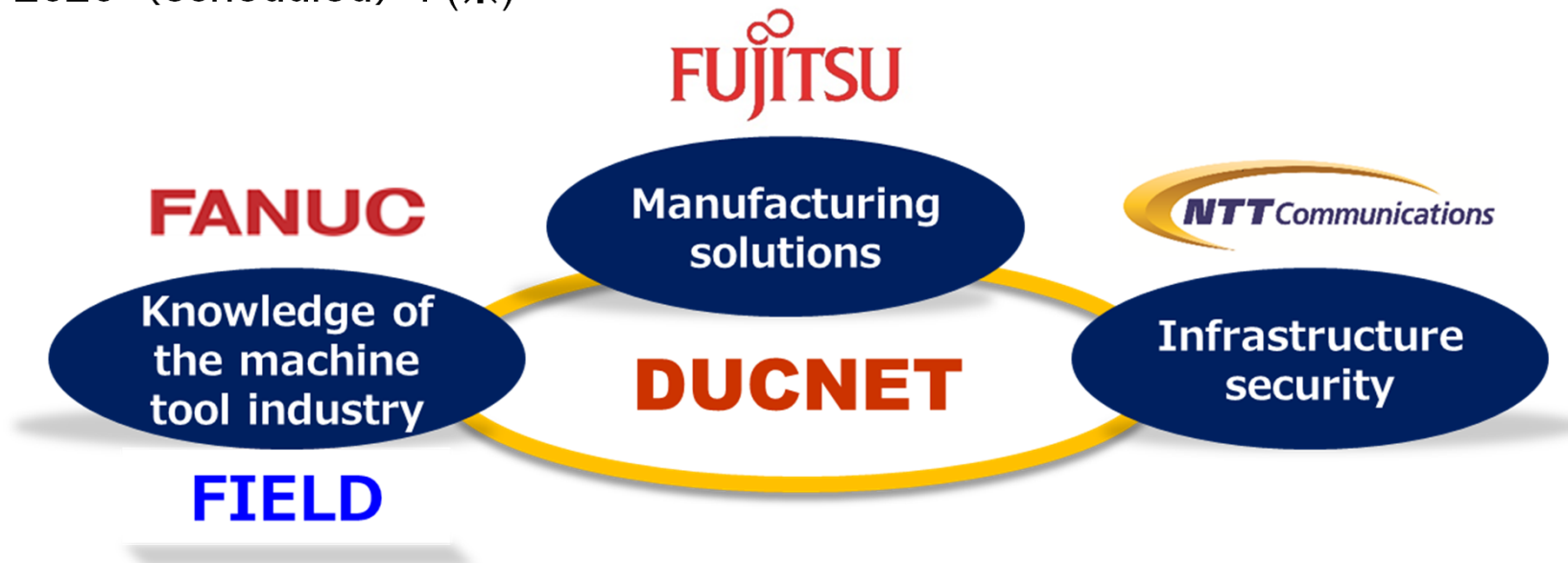
FY2020 3Q~FY2020 4Q  
Assumed FX Rate

100Yen / 1USD  
120Yen / 1EUR

※“Net income” means “Net income attributable to owners of parent”.

## FUJITSU, FANUC and NTT Communications Establish a Joint Venture to Accelerate Digital Transformation in Manufacturing

FUJITSU Limited, FANUC CORPORATION, and NTT Communications Corporation will establish DUCNET Co., Ltd. a new company that will offer a cloud service to support digital transformation (DX) first in the machine tool industry and subsequently in the broader manufacturing industry, in November 2020 (scheduled) . (※)



(※) DUCNET Co., Ltd. is going to be established and start the business after clearance by the competent antitrust authorities.

“DUCNET” will commence operations in November 2020, and is scheduled to start providing cloud services in April 2021.

Going forward, “DUCNET” will contribute to further strengthening the manufacturing capabilities of companies that use “Digital Utility Cloud” with the aim of building an ecosystem in which each participating company, including machine manufacturers, machine users, trading companies, and IT vendors, can be a service provider and a service user.

**[Company Information]**

1. Company Name : DUCNET Co., Ltd
2. Capital : 250 million yen (Shareholders: FUJITSU 40%, FANUC 30%, NTT Com 30%)
3. Establishment : Scheduled for November 2020
4. Start of business : Scheduled for November 2020

**“FANUC's approach to this project”**

- Brush up for the Performance of Service while using DUCNET for FANUC's own DX
- Trying to create a DX service for the machine tool industry and provide it through the ecosystem created by DUCNET.

## **"Digital Utility Cloud Service" provided by DUCNET**

- 1) DUC platform  
Deploy services safely and securely in a space protected by high security
- 2) Trust SNS ( Communication tool )  
All SNS data can be managed and reused by users (know-how)
- 3) Storage service  
Supports large-capacity data sharing outside the company and AI search (planned) for multi-item data
- 4) EC store  
Supports digital content license management and subscription sales

## **Service to be provided by FANUC using "Digital Utility Cloud "**

- 1) Remote maintenance tool  
Supports machine tool failure diagnosis
- 2) AI search tool  
Search for digital information such as manuals
- 3) Visual guidance  
Visual manual creation tool