

(TRANSLATION)

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Consolidated Quarterly Financial Results

(based on Japanese standards)

For the three months ended June 30, 2021

July 29, 2021

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: August 5, 2021

Scheduled date of commencing of dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Available

Schedule of quarterly financial results briefing session: Scheduled

1. Consolidated Financial Results for the Three Months Ended June 30, 2021 (April 1, 2021 – June 30, 2021)

(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	%
2021	185,293	69.6	52,070	370.0	57,960	341.1	40,295	343.2
2020	109,260	(18.8)	11,078	(61.3)	13,140	(59.0)	9,091	(61.0)

Note: Consolidated comprehensive income: April-June 2021: ¥47,920 million 278.8%
April-June 2020: ¥12,650 million (6.3)%

Three months ended June 30	Net income per share	Net income per share (diluted)
	Yen	Yen
2021	210.07	—
2020	47.39	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
June 30, 2021	1,625,732	1,443,540	88.1
March 31, 2021	1,625,191	1,435,554	87.7

(Reference) Equity: June 30, 2021: ¥1,432,815 million

March 31, 2021: ¥1,425,479 million

2. Dividends

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end Dividends	Full year
	Yen	Yen	Yen	Yen	Yen
FY2020	—	87.93	—	206.14	294.07
FY2021	—	—	—	—	—
FY2021 (forecast)	—	—	—	—	—

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

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 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	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
2 nd Quarter (Cumulative)	367,400	59.5	101,900	215.3	114,800	200.4	81,800	191.0	426.46
Fiscal period	727,600	32.0	194,400	72.8	216,400	68.1	156,000	65.9	813.30

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 : Yes
2. Changes in accounting principles other than 1 : No
3. Changes in accounting estimates : No
4. Revisions/restatements : No

Note: For details, please see “3. Other Information (3) Changes in Accounting Principles and Accounting Estimates, and Revisions/Restatements” on Page 8 in Attachment.

(4) Number of shares outstanding (Common shares)

1. Number of shares outstanding at the end of the period (including treasury stocks)

June 30, 2021	201,909,397	March 31, 2021	201,922,097
	shares		shares
2. Number of treasury stocks

June 30, 2021	10,097,478	March 31, 2021	10,108,169
	shares		shares
3. Average number of shares during the period

April-June 2021	191,812,543	April-June 2020	191,825,011
	shares		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. 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 the year ending March 31, 2022, 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 quarter (from April 1 to June 30, 2021), capital investment across the entire manufacturing sector which had been declining due to the impact of the spread of the coronavirus (COVID-19) increased. The outlook remained uncertain however, with fears of the renewed spread of COVID-19, a shortage in major components such as semiconductors, and the impact of friction between the United States and China.

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.

During the three months from April to June 2021, FANUC posted consolidated net sales totaling ¥185,293 million, up 69.6%, consolidated ordinary income totaling ¥57,960 million, up 341.1%, and net income attributable to owners of parent totaling ¥40,295 million, up 343.2%, 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 strong in China and India, and recovered overall, including in Europe and the Americas. Japan, South Korea, and Taiwan performed strongly, with an increase in exports to Europe and the Americas, in addition to the Chinese market. With regard to our lasers, the Chinese market and the European market are on a recovery trend, but competition from overseas manufacturers remains fierce. As a result, net sales in the FA Division amounted to ¥52,206 million, up 49.8% compared with the corresponding period of the previous fiscal year.

In the Robot Division, Sales in China remained strong, mainly in IT-related industries and for EVs, heavy machinery and construction machinery. Strong sales were also recorded in the United States, to general industries and to the automobile industry with EV-related demand. Demand from general industries in Europe remained strong, and sales increased. In Japan, sales are recovering after bottoming-out in October last year. As a result, net sales in the Robot Division amounted to ¥58,806 million, up 44.7% compared with the corresponding period of the previous fiscal year.

In the Robomachine Division, sales of the ROBODRILLs (compact machining centers) increased due to vigorous demand for use in the computer, tablet, and smartphone markets. Sales of the ROBOSHOTs (electric injection molding machines) increased due to strong demand from IT-related and medical markets. Sales of the ROBOCUTs (wire-cut electric discharge machines) also increased. As a result, net sales in the Robomachine Division amounted to ¥53,239 million, up 189.9% compared with the corresponding period of the previous fiscal year.

In the Service Division, sales recovered to the same level as in normal years. Net sales in the Service Division amounted to ¥21,042 million, up 36.5% compared with the corresponding period of the previous fiscal year.

(2) Financial Position

Total assets were ¥1,625,732 million, up ¥541 million compared with the end of the previous fiscal year.

Total liabilities were ¥182,192 million, down ¥7,445 million compared with the end of the previous fiscal year.

Total net assets were ¥1,443,540 million, up ¥7,986 million compared with the end of the previous fiscal year.

(3) Financial Results Forecasts

For a while, the Company anticipates strong demand in various areas in the fields of FA, Robots, and Robomachines, and as such, forecasts financial results for the first half of fiscal 2021 (the fiscal year ending March 31, 2022) and fiscal 2021, 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.

For the first half of the fiscal year 2021 (April 1, 2021 through September 30, 2021)

(Millions of yen)

	Previous forecast (released on April 27, 2021) [A]	New forecast [B]	Increase from previous forecast (%) [(B-A) / A]
Net sales	348,200	367,400	5.5
Operating income	87,700	101,900	16.2
Ordinary income	97,400	114,800	17.9
Net income attributable to owners of parent	70,800	81,800	15.5

For the fiscal year 2021 (April 1, 2021 through March 31, 2022)

(Millions of yen)

	Previous forecast (released on April 27, 2021) [A]	New forecast [B]	Increase from previous forecast (%) [(B-A) / A]
Net sales	657,100	727,600	10.7
Operating income	148,400	194,400	31.0
Ordinary income	164,500	216,400	31.6
Net income attributable to owners of parent	120,500	156,000	29.5

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

2. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheet

(Millions of yen)

	March 31, 2021	June 30, 2021
Assets		
Current assets		
Cash and bank deposits	429,784	415,339
Notes and accounts receivables, trade	128,171	130,455
Marketable securities	157,000	156,900
Finished goods	81,253	83,999
Work in progress	52,008	55,057
Raw materials and supplies	31,007	35,626
Other current assets	11,253	14,728
Allowance for doubtful accounts	(782)	(821)
Total current assets	889,694	891,283
Noncurrent assets		
Property, plant and equipment, net		
Buildings	309,113	321,109
Land	148,389	153,867
Other, net	119,344	97,481
Total property, plant and equipment	576,846	572,457
Intangible assets	9,952	9,725
Investments and other assets		
Investment securities	109,212	112,591
Others	39,911	40,100
Allowance for doubtful accounts	(424)	(424)
Total investments and other assets	148,699	152,267
Total noncurrent assets	735,497	734,449
Total assets	1,625,191	1,625,732

(Millions of yen)

	March 31, 2021	June 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payables, trade	44,015	38,270
Accrued income taxes	22,131	17,017
Warranty reserves	8,860	8,833
Other current liabilities	60,112	63,332
Total current liabilities	135,118	127,452
Long-term liabilities		
Net defined benefit liability	49,379	49,548
Other long-term liabilities	5,140	5,192
Total long-term liabilities	54,519	54,740
Total liabilities	189,637	182,192
Net assets		
Shareholders' equity		
Common stock	69,014	69,014
Capital surplus	95,995	95,995
Retained earnings	1,373,018	1,373,639
Treasury stock, at cost	(106,008)	(105,928)
Total shareholders' equity	1,432,019	1,432,720
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,910	16,181
Foreign currency translation adjustment	(4,849)	1,852
Remeasurements of defined benefit plans	(18,601)	(17,938)
Total accumulated other comprehensive income	(6,540)	95
Non-controlling interests	10,075	10,725
Total net assets	1,435,554	1,443,540
Total liabilities and net assets	1,625,191	1,625,732

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

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net sales	109,260	185,293
Cost of goods sold	77,782	107,440
Gross profit	31,478	77,853
Selling, general and administrative expenses	20,400	25,783
Operating income	11,078	52,070
Non-operating income		
Interest income	729	461
Dividends income	184	198
Equity in earnings of affiliates	1,447	4,657
Miscellaneous income	566	789
Total non-operating income	2,926	6,105
Non-operating expenses		
Removal expenses of noncurrent assets	138	52
Donations	215	68
Miscellaneous expenses	511	95
Total non-operating expenses	864	215
Ordinary income	13,140	57,960
Extraordinary losses		
Loss from money transfer scam at foreign subsidiary	—	541
Total extraordinary losses	—	541
Income before income taxes	13,140	57,419
Income taxes-current	2,615	14,551
Income taxes-deferred	1,002	1,679
Total taxes and others	3,617	16,230
Net income	9,523	41,189
Net income attributable to non-controlling interests	432	894
Net income attributable to owners of parent	9,091	40,295

Consolidated Quarterly Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net income	9,523	41,189
Other comprehensive income		
Valuation difference on available-for-sale securities	3,294	(729)
Foreign currency translation adjustment	1,142	2,222
Remeasurements of defined benefit plans	441	663
Share of other comprehensive income of affiliates accounted for using equity method	(1,750)	4,575
Total other comprehensive income	3,127	6,731
Comprehensive income for the three months ended June 30	12,650	47,920
Comprehensive income attributable to:		
Owners of parent	12,177	46,930
Non-controlling interests	473	990

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:
(Changes in accounting principles)
(Application of Accounting Standard for Revenue Recognition, etc.)
The Company has applied “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020), etc. from the beginning of the three months from April 1 to June 30, 2021. Under Accounting Standard for Revenue Recognition, the Company recognizes revenue at the time when control over the promised goods or services is transferred to the customer, in an amount equal to the consideration expected to be received for the said goods or services.
The application of this accounting standard has no effect on the Company’s consolidated quarterly financial statements.
- (Application of the Accounting Standard for Fair Value Measurement)
The Company has applied “Accounting Standard for Fair Value Measurement” (ASBJ Statement No.30, July 4, 2019; hereinafter, “Fair Value Accounting Standards”) and others from the beginning of the first three months from April 1 to June 30, 2021. In accordance with the transitional treatment set forth in Article 19 of Fair Value Accounting Standards and Article 44-2 of “Accounting Standard for Financial Instruments” (ASBJ Statement No.10, July 4, 2019), the Company has applied prospectively a new accounting policy prescribed by Fair Value Accounting Standards and others. The application of this accounting standard has no effect on the Company’s consolidated quarterly financial statements.
- (4) Note on Premise of a Going Concern: None
- (5) Note on the Substantial Change in Shareholders’ Equity: None