

## Consolidated Quarterly Financial Results

For the three months ended June 30, 2006

**Company name: FANUC LTD**

**Stock listing: Tokyo Stock Exchange Stock code: 6954 URL <http://www.fanuc.co.jp/>**

**Head Office: Yamanashi Prefecture**

**Representative: Yoshiharu Inaba, President and CEO**

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### 1. Items Related to the Creation of This Report

- (1) Adoption of simplified accounting practices: Not applicable
- (2) Changes from accounting methods used in recent fiscal years: Not applicable
- (3) Additions to and deletions from consolidated subsidiaries and affiliates
- Additions: Consolidated subsidiaries: None, Affiliates: None
- Deletions: Consolidated subsidiaries: None, Affiliates: None

### 2. Consolidated Financial Results for the Three Months Ended June 30, 2006 (April 1, 2006 through June 30, 2006)

#### (1) Consolidated Results of Operation

Three months ended June 30

(Figures less than ¥1 million have been omitted.)

	Net Sales		Operating Income		Ordinary income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
2006	96,727	9.8	38,225	12.3	41,463	16.2
2005	88,074	21.5	34,046	30.6	35,683	26.2
(For reference) Year ended March 31, 2006	381,074		140,589		150,832	

	Net Income		Net Income per Share Basic	Net Income per Share Diluted
	Millions of Yen	%	Yen	Yen
2006	24,512	19.7	114.48	---
2005	20,476	20.3	95.57	---
(For reference) Year ended March 31, 2006	90,437		420.01	---

Note: Percentages above represent changes from the corresponding previous three months period.

**(2) Consolidated Financial Position**

June 30

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per Share
	Millions of Yen	Millions of Yen	%	Yen
2006	902,794	807,644	87.0	3,668.63
2005	799,858	694,982	86.9	3,243.83
(For reference) March 31, 2006	903,409	774,418	85.7	3,614.17

**3. Consolidated Financial Results Forecasts for the Year Ending March 31, 2007**

Consolidated financial results forecasts both for the first half year and the full year for the fiscal year ending March 31, 2007 are the same as those announced at April 24, 2006.

## **Outline of Financial Results for the Three Months Ended June 30, 2006**

*Millions of yen*

Item	Three months ended June 30, 2006	Three months ended June 30, 2005	YoY Change (%)	Year ended March 31, 2006
Net sales	96,727	88,074	9.8	381,074
Operating income	38,225	34,046	12.3	140,589
Ordinary income	41,463	35,683	16.2	150,832
Net income	24,512	20,476	19.7	90,437
Net income per share	114.48 yen	95.57 yen	19.8	420.01 yen

Consolidated Financial Results  
for the Three Months Ended June 30, 2006

During the three months from April to June 2006, the Japanese economy continued to recover, as reflected in increased corporate profitability driven by expanding market demand and capital investment.

Overseas, China, South Korea, Taiwan, India and the United States continued to grow at a strong pace, while Europe recovered modestly.

In these circumstances, FANUC posted net sales totaling ¥96,727 million, a 9.8% increase compared with the corresponding period of the previous fiscal year. Ordinary income rose 16.2% to ¥41,463 million, and net income grew 19.7% to ¥24,512 million.

Below is a summary of results for each business group:

[FA Group]

Domestic sales of CNC systems remained strong at a plateau due mainly to increased capital investment in machining sectors of various industries, as well as production capacity expansion by machine tool builders to meet demand.

Sales to the United States and Europe increased, while Asian markets, specifically China, contributed greatly to sales growth.

The Laser business was also profitable both in Japan and overseas.

As a result, the FA Group posted sales of ¥55,670 million, a 8.1% increase from the corresponding period of the previous fiscal year, which accounted for 57.5% of total sales.

[Robot Group]

Although Japanese and the U.S. automotive projects, which had attracted a high level of investment, reached a cyclical trough, non-automotive industries, including material handling and machining applications, achieved steady growth. FANUC continues to focus its efforts on increasing sales of combination systems with robots and machine tools.

Consequently, the Robot Group posted sales of ¥23,400 million, a 2.9% rise over the corresponding period of the previous fiscal year, which accounted for 24.2% of total sales.

[Robomachine Group]

Sales of ROBOSHOT AI electric injection molding machines were strong in Japan, the United States and Asia, specifically China, driven by increased sales to information technology, electronic components and automotive parts related industries.

Sales of ROBOCUT wire-cut electric discharge machines and ROBODRILL CNC drills continued to post a high level of growth in Japan. In the Asian markets, too, sales of these products, mainly to automotive, motorcycle and information technology industries, expanded.

As a result, the Robomachine Group posted sales of ¥17,656 million, a 27.5% increase compared with the corresponding period of the previous fiscal year, which was the previous record high. Robomachine Group sales accounted for 18.3% of total sales.

**Outlook for the Fiscal Year Ending March 31, 2007**

At present, FANUC's forecast for the fiscal year ending March 31, 2007 is not expected to change from the forecast announced in April 2006, which forecasts as follows:

	(Millions of yen)	
	FY first half	Full year
Consolidated net sales	¥189,600	¥384,800
Operating income	68,300	136,700
Ordinary income	73,000	147,300
Net income	43,200	88,400

Note: The above outlook is subject to change due to unpredictable factors, including changes in product supply and demand trends in key markets, competition, and the overall economic climate.

## Consolidated Net Sales by Group

*Millions of yen*

Group	Three months ended June 30, 2006		Three months ended June 30, 2005		YoY Change (%)	Year ended March 31, 2006	
		%		%			%
FA Group	55,670	57.5	51,483	58.5	8.1	209,922	55.1
Robot Group	23,400	24.2	22,744	25.8	2.9	108,226	28.4
Robomachine Group	17,656	18.3	13,847	15.7	27.5	62,924	16.5
Total	96,727	100.0	88,074	100.0	9.8	381,074	100.0

Overseas sales	63,026	65.2	56,354	64.0	11.8	241,812	63.5
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## Consolidated Statements of Income

*Millions of yen*

Item	Three months ended June 30, 2006		Three months ended June 30, 2005		YoY Change (%)	Year ended March 31, 2006	
		%		%			%
Net sales	96,727	100.0	88,074	100.0	9.8	381,074	100.0
Cost of sales	45,567	47.1	43,554	49.5	4.6	192,363	50.5
Gross profit	51,160	52.9	44,520	50.5	14.9	188,711	49.5
Selling, general and administrative expenses	12,935	13.4	10,474	11.9	23.5	48,121	12.6
Operating income	38,225	39.5	34,046	38.6	12.3	140,589	36.9
Non-operating income							
Interest and dividends income	1,339		768			3,166	
Equity in earnings	1,548		881			5,531	
Other	541		513			3,026	
Total non-operating income	3,429	3.5	2,164	2.5	58.5	11,724	3.1
Non-operating expenses							
Foreign exchange loss	—		229			—	
Other	190		297			1,481	
Total non-operating expenses	190	0.2	526	0.6	(63.9)	1,481	0.4
Ordinary income	41,463	42.8	35,683	40.5	16.2	150,832	39.6
Income before income taxes and minority interests	41,463	42.8	35,683	40.5	16.2	150,832	39.6
Income taxes	16,085	16.6	14,532	16.5	10.7	57,775	15.2
Minority interest in income	865	0.9	674	0.8	28.3	2,619	0.7
Net income	24,512	25.3	20,476	23.2	19.7	90,437	23.7

## CONSOLIDATED BALANCE SHEETS

(Millions of Yen)

	June 30				March 31, 2006	
	2006		2005			
<b>ASSETS</b>	902,794	100.0%	799,858	100.0%	903,409	100.0%
Current assets:	636,438	70.5	555,855	69.5	637,565	70.6
Cash and time deposits	472,717		388,459		471,575	
Notes and accounts receivable - trade	86,282		86,907		89,881	
Inventories	61,343		64,132		59,858	
Other	19,442		19,622		19,577	
Allowance for doubtful accounts	(3,348)		(3,266)		(3,327)	
Fixed assets:	266,355	29.5	244,003	30.5	265,843	29.4
Tangible fixed assets	196,021		192,236		196,092	
Intangible fixed assets	1,570		1,639		1,627	
Investments and other assets	68,763		50,127		68,123	
<b>TOTAL ASSETS</b>	<b>902,794</b>	<b>100.0</b>	<b>799,858</b>	<b>100.0</b>	<b>903,409</b>	<b>100.0</b>
<b>LIABILITIES</b>	95,149	10.5	86,252	10.8	108,181	12.0
Current liabilities:	68,736	7.6	65,347	8.2	82,433	9.1
Notes and accounts payable - trade	19,598		19,398		17,665	
Accrued income taxes	17,845		15,053		30,560	
Provisions for after-sales service	4,854		3,416		4,910	
Other	26,437		27,480		29,297	
Long-term liabilities:	26,413	2.9	20,904	2.6	25,747	2.9
Reserve for retirement benefits of employees	16,968		18,031		16,459	
Reserve for retirement benefits of directors and auditors	1,577		1,316		1,535	
Other	7,867		1,556		7,752	
<b>NET ASSETS</b>	807,644	89.5	—	—	—	—
Shareholders' equity	774,273	85.8	—	—	—	—
Common stock	69,014		—	—	—	—
Capital surplus	96,215		—	—	—	—
Retained earnings	763,544		—	—	—	—
Treasury stock	(154,501)		—	—	—	—
Adjustments for valuation, foreign currency exchange and others	11,271	1.2	—	—	—	—
Unrealized gains on other marketable securities	4,150		—	—	—	—
Foreign currency exchange adjustment	7,120		—	—	—	—
Minority interests	22,099	2.5	—	—	—	—
<b>Total liabilities and net assets</b>	<b>902,794</b>	<b>100.0</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

(Millions of Yen)

	June 30				March 31, 2006	
	2006		2005			
MINORITY INTERESTS						
Minority interests	—	—	18,624	2.3	20,810	2.3
SHAREHOLDERS' EQUITY	—	—	694,982	86.9	774,418	85.7
Common stock	—	—	69,014	8.6	69,014	7.6
Capital surplus	—	—	96,211	12.0	96,215	10.7
Retained earnings	—	—	690,157	86.3	753,436	83.4
Unrealized gains on other marketable securities	—	—	1,133	0.2	4,791	0.5
Foreign currency exchange adjustment	—	—	(8,177)	(1.0)	5,269	0.6
Treasury stock	—	—	(153,357)	(19.2)	(154,309)	(17.1)
TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	—	—	799,858	100.0	903,409	100.0

## Overseas Sales

Three months ended June 30, 2006 (April 1 – June 30, 2006)

*Millions of yen*

	America	Europe	Asia	Other	Total
I Overseas sales	18,341	14,527	29,544	612	63,026
II Consolidated net sales					96,727
III Overseas sales as a percentage of consolidated net sales	19.0%	15.0%	30.6%	0.6%	65.2%

Three months ended June 30, 2005 (April 1 – June 30, 2005)

*Millions of yen*

	America	Europe	Asia	Other	Total
I Overseas sales	17,449	15,142	23,470	292	56,354
II Consolidated net sales					88,074
III Overseas sales as a percentage of consolidated net sales	19.8%	17.2%	26.7%	0.3%	64.0%

Year ended March 31, 2006 (April 1, 2005 – March 31, 2006)

*Millions of yen*

	America	Europe	Asia	Other	Total
I Overseas sales	79,705	56,591	103,489	2,025	241,812
II Consolidated net sales					381,074
III Overseas sales as a percentage of consolidated net sales	20.9%	14.9%	27.2%	0.5%	63.5%

(Note) Method to categorize countries or regions and principal countries or regions included in each category

(1) Method to categorize countries or regions: geographical proximity

(2) Principal countries or regions included in each category:

America: U.S. and Canada

Europe: Luxembourg, Germany, France, UK and Italy

Asia: Korea, Taiwan, China, Malaysia, India and Singapore

Other: Australia