

## Semi-Annual Financial Results

### For the Six Months ended September 30, 2007

Corporate name:	FANUC LTD
Stock code:	6954
Stock exchange listing:	Tokyo Stock Exchange
URL:	<a href="http://www.fanuc.co.jp/">http://www.fanuc.co.jp/</a>
President and CEO:	Yoshiharu Inaba
Contact:	Hideo Kojima, Manager, IR Office
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Date of issue of Semi-Annual Financial Report:	December 26, 2007
Start of cash dividend payments:	December 3, 2007

#### 1. Consolidated Financial Results for the Six Months Ended September 30, 2007 (April 1, 2007 – September 30, 2007)

##### (1) Consolidated Results of Operations

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Six months ended September 30								
2007	226,711	13.1	92,736	18.5	106,244	23.6	64,585	25.2
2006	200,476	9.7	78,244	11.8	85,943	16.2	51,606	17.9
Year ended March 31, 2007	419,560	10.1	162,930	15.9	179,412	18.9	106,756	18.0

	Net income per share basic	Net income per share diluted
	Yen	Yen
Six months ended September 30		
2007	310.69	-
2006	241.01	-
Year ended March 31, 2007	499.83	-

##### (2) Consolidated financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
September 30				
2007	1,013,688	881,868	83.9	4,092.90
2006	955,207	833,548	84.9	3,784.57
March 31, 2007	951,664	820,556	83.4	3,816.91

##### (3) Consolidated Cash Flow Position

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Six months ended September 30				
2007	59,868	(15,160)	(17,023)	529,440
2006	60,991	(8,502)	(14,564)	510,990
Year ended March 31, 2007	125,520	(15,021)	(95,144)	495,540

## 2. Dividends

(Cut-off date)	Dividends per share		
	Interim dividends	Year-end dividends	Full year
	Yen	Yen	Yen
2006	72.50	77.50	150.00
2007	93.21	to be determined	to be determined
2007 (forecast)			

## 3. Consolidated Financial Results Forecasts for the Year Ending March 31, 2008 (April 1, 2007 – March 31, 2008)

Fiscal year	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	460,100	9.7	179,600	10.2	203,500	13.4	122,800	15.0	590.76

## 4. Other

(1) Important changes in scope of consolidation during the period: Not applicable

(2) Changes in accounting principles, procedures, disclosure methods, etc., pertaining to preparation of consolidated financial statements

① Changes associated with changes in accounting standards: Applicable

② Other changes: Not applicable

(3) Number of shares outstanding (Common share)

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

September 30, 2007 : 239,508,317 shares

September 30, 2006 : 239,508,317 shares

March 31, 2007 : 239,508,317 shares

② Number of treasury stocks

September 30, 2007 : 31,651,727 shares

September 30, 2006 : 25,399,918 shares

March 31, 2007 : 31,599,875 shares

For details, please see page 15

Note: 1. Equity in earnings (losses) of affiliated companies

For the six months ended September 30, 2007 : 7,749 million yen

For the six months ended September 30, 2006 : 3,274 million yen

For the year ended March 31, 2007 : 7,181 million yen

2. Equity capital at end of period

September 30, 2007 : 850,737 million yen

September 30, 2006 : 810,309 million yen

March 31, 2007 : 793,569 million yen

3. Percentages above represent changes from the corresponding previous six months period.

4. Figures are rounded off to the nearest million.

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Six Months Ended September 30, 2007 (April 1, 2007 – September 30, 2007)

(1) Non-Consolidated Results of Operations

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Six months ended September 30								
2007	170,749	14.4	68,060	16.2	76,358	20.9	49,189	26.2
2006	149,297	6.4	58,558	9.8	63,166	9.2	38,989	8.4
Year ended March 31, 2007	311,238	11.3	122,654	13.7	133,063	14.5	82,025	12.7

	Net income per share basic
	Yen
Six months ended September 30	
2007	236.63
2006	182.09
Year ended March 31, 2007	384.04

(2) Non-Consolidated financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
September 30				
2007	784,332	699,575	89.2	3,365.66
2006	783,556	705,802	90.1	3,296.47
March 31, 2007	752,668	667,854	88.7	3,212.25

Note: Equity capital at end of period

September 30, 2007 : 699,575 million yen

September 30, 2006 : 705,802 million yen

March 31, 2007 : 667,854 million yen

2. Non-Consolidated Financial Results Forecasts for the Year Ending March 31, 2008 (April 1, 2007 – March 31, 2008)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year	338,400	8.7	131,300	7.0	144,200	8.4	91,100	11.1	438.26

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

Note: The above forecasts are subject to uncertain factors such as supply and demand trends, industry competition and economic conditions in major markets. Actual results may differ from these forecasts. The above forecasts are amended from the forecasts as of April 24, 2007.

## **1. Results of Operations**

### **(1) Results of Operations**

#### ① Consolidated Financial Results for the First Half of the Fiscal Year Ending March 31, 2008

During the six months which ended September 30, 2007, the Japanese economy continued to grow, driven by continuous improvement in corporate earnings, and an increase in capital investment. The Japanese machine tool industry is expected to renew its record high annual orders achieved in the previous year again in 2007.

Overseas, the economies of China, South Korea, Taiwan and India continued to expand, while the European economy also made a steady progress.

Under these favorable conditions, vigorous demand for facility enhancement continued, which helped FANUC to maintain record high levels in orders, production and sales on non-consolidated basis during the period.

The FANUC R&D group committed itself to developing and launching globally competitive products, adhering to FANUC's basic policy of achieving "high reliability," and promoting "intelligence," "ultra precision" and "high functionality". The FANUC production group focused on "automation" and "robotization" of its machining and assembly processes. Also, FANUC's purchasing, production and R&D groups worked closely together to minimize cost increases against the backdrop of rising costs of materials and procured goods.

As a result, during the six months which ended September 30, 2007, FANUC posted consolidated net sales totaling ¥ 226,711 million, up 13.1 %, consolidated ordinary income totaling ¥ 106,244 million, up 23.6 %, and consolidated net income totaling ¥ 64,585 million, up 25.2 % compared with the same period of the previous fiscal year.

Following is a summary of results for each business group:

#### [FA Group]

Although demand for the domestic market ceased to grow, the Japanese machine tool industry, a primary market for FANUC CNCs, remained strong in general, driven mainly by robust exports, especially to China and Europe to the machining industries, including construction machinery, aircraft, automotive and electric appliances.

Overseas, the machine tool industry also continued to make a steady progress in the energy, aircraft and construction machinery industries in Asia, especially in China, and Europe.

Based on above, CNC sales of FANUC Group remained at high levels compared with the previous period.

FANUC laser sales were also strong both in Japan and overseas.

As a result, the FA Group posted consolidated sales of ¥ 131,182 million, a 13.2 % increase compared with the same period of the previous fiscal year. FA Group sales accounted for 57.9 % of consolidated net sales.

#### [Robot Group]

Following the temporary falloff in the automotive projects in Japan and North America, the sale of FANUC robots to the automotive industries in these countries began to recover. Led by recovery of the North American automotive market, the South Korean and the Chinese automotive related industries remained strong. Sales to general industries in Europe and North America increased significantly, while sales in Japan also made a steady progress.

The Robot Group posted consolidated sales of ¥ 52,343 million, a 7.9 % up compared with the same period of the previous fiscal year. Robot Group sales accounted for 23.1 % of consolidated net sales.

#### [Robomachine Group]

Due mainly to decreasing demand in the digital consumer electronics, demand for the ROBOSHOT electric injection molding machines slowed down both in Japan and overseas, resulting in decreased sales. However, the markets for ROBOSHOTs, especially China, have begun to recover, leading to an expectation for increased sales in the latter half of the fiscal year.

In Japan, sales of ROBOCUT wire-cut electric discharge machines generally remained strong due to FANUC's vigorous efforts to develop demand in the new markets, although the capital investment in the Japanese die and mold industry stagnated. Overseas, sales to Europe remained strong. Also, the Asian markets are expected to expand, which will increase sales of ROBOCUTs.

Sales of the ROBODRILL CNC drills remained at high levels in Japan, mainly to the automotive component industry.

As a result, the Robomachine Group posted consolidated sales of ¥ 43,186 million, a 19.8 % increase compared with the same period of the previous fiscal year. Robomachine Group sales accounted for 19.0 % of consolidated net sales.

#### ② Outlook for the Fiscal Year Ending March 31, 2008

Although the current situation remains robust, there is a growing uncertainty due mainly to substantial cost increases in procured material such as iron and copper, and the United States' potential economic downturn stemming from the subprime loan issues.

Under these circumstances, the FANUC Group will continue to focus its efforts on R&D to develop highly competitive products with "high-reliability" as the base of product development, as well as with "intelligence", "high functionality" at "low-cost". In production activities, we will expand and strengthen our production capacity to meet the vigorous capital investments by significantly strengthening the production equipment of our factories with adding more intelligent robots in the factory lines, and by constructing new factories. In sales and service activities, FANUC Group will further promote sales in the markets of China and India, where sustainable growth is expected, while strengthening its presence in Eastern Europe, Russia and South America. We will also continue to increase our market shares in Japan, North America and Europe.

For the fiscal year ending March 31, 2008, FANUC forecasts consolidated net sales totaling ¥ 460,100 million, a 9.7 % increase compared with the previous fiscal year. Operating income is

forecast to total ¥ 179,600 million, up 10.2 % from the previous fiscal year, and ordinary income is forecast to total ¥ 203,500 million, up 13.4 %. Net income is forecast to total ¥ 122,800 million, up 15.0 %.

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

## **(2) Financial Position**

### **Balance Sheets**

Total assets increased ¥ 58,481 million to ¥ 1,013,688 million compared with the end of the previous fiscal year. This was mainly attributable to the growth in consolidated cash flows described in the following section, which resulted in cash and cash equivalents rising ¥ 18,475 million, and to an increase in fixed assets of ¥ 26,851 million.

Total liabilities rose ¥ 10,161 million to ¥ 131,820 million compared with the end of the previous fiscal year.

Total net assets amounted to ¥ 881,868 million, due mainly to the growth in retained earnings of ¥ 88,100 million from the end of the previous fiscal year.

### **Cash Flows**

Net cash provided by operating activities totaled ¥ 59,868 million, consisting mainly of income before income taxes and minority interests, less income taxes paid.

Net cash used in investing activities totaled ¥ 15,160 million, mainly reflecting purchases of tangible fixed assets.

Net cash used in financing activities totaled ¥ 17,023 million, mainly of payment of dividends.

As a result, consolidated cash and cash equivalents at the end of the subject period amounted to ¥ 33,900 million in surplus.

### **(3) Basic Policy on Return of Profit to Shareholders**

FANUC continues its efforts to enhance its business structure to return profit, which is linked to FANUC's consolidated business results, to its shareholders going forward. While it is our basic policy to provide stable dividend payments to our shareholders, FANUC will also strive to secure a payout ratio of at least 30% of its consolidated net income for the full business year. In addition, FANUC will buy back its own shares as necessary, in consideration of stock market conditions.

As is the case with dividend payments, FANUC maintains a policy to link bonuses to its board members and employees, who strive to secure profitability under severe market competition, to consolidated net income.

Since FANUC operates in a fiercely competitive leading-edge industry—characterized by rapid technological innovation—the Company will use its retained earnings under its medium- to long-term plan to develop new products, robotize its production processes and strengthen its overseas businesses.

In the fiscal year ending March 31, 2008, dividend payments are planned as follows:

	Interim Dividends	Year-end Dividends (forecast)	Annual Dividends (forecast)	Payout Ratio (consolidated)
2008	93.21 yen <sup>*</sup>	to be determined	to be determined	-
2007(reference)	72.50 yen	77.50 yen	150 yen	30%

\* The payout ratio of the interim dividends for the six months ended September 30, 2007 is at 30 %.

### **2. FANUC Group Companies Status**

Disclosure of the FANUC Group companies' business description diagram and their business status is omitted, as there have been no changes to the status from the most recent annual security report announced on June 28, 2007.

### **3. Management Policy**

Disclosure of the Management Policy is omitted, as there have been no changes to the company's management policy from the most recent semi-annual security report announced on October 27, 2007. The above-mentioned semi-annual financial results are available at the following websites:

The URL of the website of FANUC LTD

<http://www.fanuc.co.jp/>

The URL of the website of Tokyo Stock Exchange, Inc. (The Company Search page of Listed Company Information)

<http://www.tse.or.jp/listing/compsearch/index.html>

## Consolidated Statements of Income

*Millions of yen*

Item	Six months ended September 30, 2006		Six months ended September 30, 2007		YoY Change		(Reference) Year ended March 31, 2007	
		%		%		%		%
Net Sales	200,476	100.0	226,711	100.0	26,235	13.1	419,560	100.0
Cost of Sales	94,649	47.2	105,073	46.3	10,424	11.0	200,069	47.7
Gross profit	105,827	52.8	121,638	53.7	15,811	14.9	219,491	52.3
Selling, general and administrative expenses	27,583	13.8	28,902	12.8	1,319	4.8	56,561	13.5
Operating income	78,244	39.0	92,736	40.9	14,492	18.5	162,930	38.8
Non-operating income								
Interest and dividends income	2,830		4,476		1,646		6,441	
Equity in earnings	3,274		7,749		4,475		7,181	
other	2,257		1,802		(455)		4,313	
Total non-operating income	8,361	4.2	14,027	6.2	5,666	67.8	17,935	4.3
Non-operating expenses								
other	662		519		(143)		1,453	
Total non-operating expenses	662	0.3	519	0.2	(143)	(21.5)	1,453	0.3
Ordinary income	85,943	42.9	106,244	46.9	20,301	23.6	179,412	42.8
Reversal of reserve for retirement benefits of directors and auditors	-	-	1,901	0.8	1,901	-	-	-
Income before income taxes and minority interests	85,943	42.9	108,145	47.7	22,202	25.8	179,412	42.8
Income taxes - current	31,878	15.9	37,956	16.7	6,078	19.1	67,988	16.2
Income taxes - deferred	610	0.3	2,698	1.2	2,088	342.3	614	0.2
Minority interest in income	1,849	1.0	2,906	1.3	1,057	57.1	4,054	1.0
Net income	51,606	25.7	64,585	28.5	12,979	25.2	106,756	25.4

## Consolidated Balance Sheets

*Millions of yen*

Item	September 30, 2006		September 30, 2007		YoY Change		(Reference) March 31, 2007	
		%		%		%		%
(Assets)	955,207	100.0	1,013,688	100.0	58,481	6.1	951,664	100.0
Current assets	686,637	71.9	718,267	70.9	31,630	4.6	675,944	71.0
Cash and cash equivalents	511,232		529,707		18,475		495,796	
Notes and accounts receivable trade	94,045		101,129		7,084		97,805	
Inventories	62,867		66,190		3,323		62,854	
Other	21,677		24,201		2,524		22,386	
Allowance for doubtful accounts	(3,184)		(2,960)		224		(2,897)	
Fixed assets	268,570	28.1	295,421	29.1	26,851	10.0	275,720	29.0
Tangible fixed assets	197,847		211,305		13,458		200,622	
Intangible fixed assets	1,553		1,573		20		1,441	
Investments and other assets	69,170		82,543		13,373		73,657	
Total	955,207	100.0	1,013,688	100.0	58,481	6.1	951,664	100.0
(Liabilities)	121,659	12.7	131,820	13.0	10,161	8.4	131,108	13.8
Current liabilities	93,927	9.8	100,584	9.9	6,657	7.1	100,810	10.6
Notes and accounts payable - trade	26,287		24,653		(1,634)		24,914	
Accrued income taxes	31,708		37,359		5,651		39,079	
Provisions for after-sales service	5,315		5,312		(3)		5,516	
Other	30,617		33,260		2,643		31,301	
Long-term liabilities	27,732	2.9	31,236	3.1	3,504	12.6	30,298	3.2
Reserve for retirement benefits of employees	17,582		19,087		1,505		18,488	
Reserve for retirement benefits of directors and auditors	1,957		-		(1,957)		2,539	
Other	8,193		12,149		3,956		9,271	
(Net Assets)	833,548	87.3	881,868	87.0	48,320	5.8	820,556	86.2
Owners' equity	801,178	83.9	823,520	81.2	22,342	2.8	775,689	81.5
Common stock	69,014	7.2	69,014	6.8	-	0.0	69,014	7.3
Capital surplus	96,222	10.1	96,236	9.5	14	0.0	96,229	10.1
Retained earnings	790,604	82.8	878,704	86.7	88,100	11.1	830,232	87.2
Treasury stock	(154,663)	(16.2)	(220,434)	(21.8)	(65,771)	42.5	(219,786)	(23.1)
Valuation and translation adjustments	9,131	1.0	27,217	2.7	18,086	198.1	17,880	1.9
Unrealized gains on other marketable securities	3,959	0.4	2,811	0.3	(1,148)	(29.0)	3,525	0.4
Translation adjustments	5,172	0.6	24,406	2.4	19,234	371.9	14,355	1.5
Minority interests	23,239	2.4	31,131	3.1	7,892	34.0	26,987	2.8
Total	955,207	100.0	1,013,688	100.0	58,481	6.1	951,664	100.0

## Consolidated Statements of Changes in Shareholders' Equity

Six months ended September 30, 2007

*Millions of yen*

	Shareholders' equity				
	Common stock	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance at March 31, 2007	69,014	96,229	830,232	(219,786)	775,689
Changes during this term					
Dividends of retained earnings			(16,113)		(16,113)
Net income			64,585		64,585
Purchase of treasury stock				(658)	(658)
Disposal of treasury stock		7		10	17
Changes during this term not related to shareholders' equity					
Total changes during this term	-	7	48,472	(648)	47,831
Balance at September 30, 2007	69,014	96,236	878,704	(220,434)	823,520

	Valuation/translation gains or losses			Minority interests	Total net assets
	Net unrealized gains or losses on securities	Deferred hedging gains or losses	Total valuation/translation on gains or losses		
Balance at March 31, 2007	3,525	14,355	17,880	26,987	820,556
Changes during this term					
Dividends of retained earnings					(16,113)
Net income					64,585
Purchase of treasury stock					(658)
Disposal of treasury stock					17
Changes during this term not related to shareholders' equity	(714)	10,051	9,337	4,144	13,481
Total changes during this term	(714)	10,051	9,337	4,144	61,312
Balance at September 30, 2007	2,811	24,406	27,217	31,131	881,868

the year ended March 31, 2007

Millions of yen

	Shareholders' equity				
	Common stock	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance at March 31, 2006	69,014	96,215	753,436	(154,309)	764,357
Changes during this term					
Dividends of retained earnings			(29,442)		(29,442)
Directors' bonuses			(473)		(473)
Net income			106,756		106,756
Purchase of treasury stock				(65,496)	(65,496)
Disposal of treasury stock		13		20	33
Others			(46)		(46)
Changes during this term not related to shareholders' equity					
Total changes during this term	-	13	76,795	(65,476)	11,332
Balance at March 31, 2007	69,014	96,229	830,232	(219,786)	775,689

	Valuation/translation gains or losses			Minority interests	Total net assets
	Net unrealized gains or losses on securities	Deferred hedging gains or losses	Total valuation/translation on gains or losses		
Balance at March 31, 2006	4,791	5,269	10,060	20,810	795,228
Changes during this term					
Dividends of retained earnings					(29,442)
Directors' bonuses					(473)
Net income					106,756
Purchase of treasury stock					(65,496)
Disposal of treasury stock					33
Others					(46)
Changes during this term not related to shareholders' equity	(1,266)	9,086	7,820	6,176	13,996
Total changes during this term	(1,266)	9,086	7,820	6,176	25,328
Balance at March 31, 2007	3,525	14,355	17,880	26,987	820,556

## Consolidated Statements of Cash Flow

*Millions of yen*

Item	Six months ended September 30, 2006	Six months ended September 30, 2007	(Reference) Year ended March 31, 2007
Cash flows from operating activities:			
Income before income taxes and minority interest	85,943	108,145	179,412
Depreciation and amortization	5,056	5,728	10,610
Increase(Decrease) in reserve for doubtful receivables	(175)	(11)	(542)
Decrease (Increase) in reserve for employees' retirement benefits	1,064	459	1,801
Interest and dividend income	(2,830)	(4,476)	(6,441)
Equity in earnings of affiliates, net (increase) decrease in	(3,274)	(7,749)	(7,181)
receivables, trade	(2,506)	(2,509)	(6,025)
(Increase) decrease in inventories	(2,551)	(2,145)	(711)
(Decrease) increase in payables, trade	8,398	(971)	6,328
Other	(1,438)	(4,690)	(341)
Sub-total	87,687	91,781	176,910
Interest and dividends received	3,320	5,412	6,990
Income taxes paid	(30,702)	(39,860)	(59,218)
Other	686	2,535	838
Net cash provided by operating	60,991	59,868	125,520
Cash flows from investing activities:			
Purchases of property, plant and equipment	(8,040)	(14,968)	(13,952)
Purchases of investment	(247)	-	(251)
Other	(215)	(192)	(818)
Net cash used in investing activities	(8,502)	(15,160)	(15,021)
Cash flows from financing activities:			
Payment for purchases of treasury stock	(394)	(663)	(65,519)
Dividends paid	(13,950)	(16,088)	(29,396)
Other	(220)	(272)	(229)
Net cash used in financing activities	(14,564)	(17,023)	(95,144)
Effect of exchange rate changes on cash and cash equivalents	1,725	6,215	8,845
Net increase (decrease) in cash and cash equivalents	39,650	33,900	24,200
Cash and cash equivalents at beginning of year	471,340	495,540	471,340
Cash and cash equivalents at end of the period	510,990	529,440	495,540

## Segment Information

### 1. Segment Information by Categories of Business

FANUC Group focuses on the development and production of CNC systems and related application products based on FANUC's CNC system technologies. Ultimately, FANUC CNC systems and the related application products are used in automated production systems. FANUC Group concentrates its business activities on the development and production of CNC systems, related application products and their systems and maintains its position as a comprehensive manufacturer supplying those products and systems.

### 2. Geographic Segment Information

Six months ended September 30, 2006 (April 1, 2006 - September 30, 2006)

Millions of yen

	Japan	Americas	Europe	Asia	Total	Eliminations and corporate	Consolidated
Sales							
(1) Unaffiliated customers	101,408	31,560	29,615	37,893	200,476	—	200,476
(2) Inter-segment sales	51,786	895	316	147	53,144	(53,144)	—
Total	153,194	32,455	29,931	38,040	253,620	(53,144)	200,476
Operating expenses	91,521	29,088	25,833	28,910	175,352	(53,120)	122,232
Operating income	61,673	3,367	4,098	9,130	78,268	(24)	78,244

Six months ended September 30, 2007 (April 1, 2007 - September 30, 2007)

Millions of yen

	Japan	Americas	Europe	Asia	Total	Eliminations and corporate	Consolidated
Sales							
(1) Unaffiliated customers	113,329	29,344	41,392	42,646	226,711	—	226,711
(2) Inter-segment sales	61,706	1,038	550	206	63,500	(63,500)	—
Total	175,035	30,382	41,942	42,852	290,211	(63,500)	226,711
Operating expenses	103,595	26,978	34,646	32,330	197,549	(63,574)	133,975
Operating income	71,440	3,404	7,296	10,522	92,662	74	92,736

(Reference)

Year ended March 31, 2007 (April 1, 2006 - March 31, 2007)

Millions of yen

	Japan	Americas	Europe	Asia	Total	Eliminations and corporate	Consolidated
Sales							
(1) Unaffiliated customers	212,039	63,656	64,395	79,469	419,560	—	419,560
(2) Inter-segment sales	107,985	2,798	750	334	111,866	(111,866)	—
Total	320,024	66,454	65,145	79,803	531,426	(111,866)	419,560
Operating expenses	190,742	59,548	55,704	60,740	366,734	(110,104)	256,630
Operating income	129,282	6,906	9,441	19,062	164,691	(1,761)	162,930

(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: Americas: U.S. and Canada

Europe : Luxembourg and Germany

Asia : Korea, Taiwan and India

### 3. Overseas Sales

Six months ended September 30, 2006 (April 1, 2006 - September 30, 2006)

*Millions of yen*

	Americas	Europe	Asia	Other	Total
I Overseas sales	38,248	30,409	60,786	1,076	130,519
II Consolidated net sales					200,476
III Overseas sales as a percentage of consolidated net sales	19.1%	15.2%	30.3%	0.5%	65.1%

Six months ended September 30, 2007 (April 1, 2007 - September 30, 2007)

*Millions of yen*

	Americas	Europe	Asia	Other	Total
I Overseas sales	36,304	42,295	76,344	1,140	156,083
II Consolidated net sales					226,711
III Overseas sales as a percentage of consolidated net sales	16.0%	18.6%	33.7%	0.5%	68.8%

(Reference)

Year ended March 31, 2007 (April 1, 2006 - March 31, 2007)

*Millions of yen*

	Americas	Europe	Asia	Other	Total
I Overseas sales	76,634	65,432	127,026	2,636	271,728
II Consolidated net sales					419,560
III Overseas sales as a percentage of consolidated net sales	18.3%	15.6%	30.3%	0.6%	64.8%

(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:

Americas: U.S. and Canada

Europe : Luxembourg, Germany, France, UK and Italy

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

Other : Australia

Information per share

Six months ended September 30, 2006	Six months ended September 30, 2007	(Reference) Year ended March 31, 2007
Net assets per share 3,784.57 yen	Net assets per share 4,092.90 yen	Net assets per share 3,816.91 yen
Net income pershare 241.01 yen	Net income pershare 310.69 yen	Net income pershare 499.83 yen

Note: Net income per share is calculated based on the followings:

	Six months ended September 30, 2006	Six months ended September 30, 2007	(Reference) Year ended March 31, 2007
Net income (Millions of yen)	51,606	64,585	106,756
Amount not accruing to shareholders (Millions of yen)	-	-	-
(Earnings appropriated for directors' bonuses)	-	-	-
Net income assigned to common share (Millions of yen)	51,606	64,585	106,756
Average number of shares outstanding (Thousands of share)	214,120	207,877	213,586

Significant subsequent events

None

## Non-Consolidated Statements of Income

*Millions of yen*

Item	Six months ended September 30, 2006		Six months ended September 30, 2007		YoY Change		(Reference) Year ended March 31, 2007	
		%		%		%		%
Net Sales	149,297	100.0	170,749	100.0	21,452	14.4	311,238	100.0
Cost of Sales	76,703	51.4	88,566	51.9	11,863	15.5	160,004	51.4
Gross profit	72,594	48.6	82,183	48.1	9,589	13.2	151,234	48.6
Selling, general and administrative expenses	14,036	9.4	14,123	8.2	87	0.6	28,580	9.2
Operating income	58,558	39.2	68,060	39.9	9,502	16.2	122,654	39.4
Non-operating income								
Interest and dividends income	3,381		7,062		3,681		7,637	
other	1,938		1,804		(134)		4,248	
Total non-operating income	5,319	3.6	8,866	5.1	3,547	66.7	11,885	3.8
Non-operating expenses								
other	711		568		(143)		1,476	
Total non-operating expenses	711	0.5	568	0.3	(143)	(20.1)	1,476	0.4
Ordinary income	63,166	42.3	76,358	44.7	13,192	20.9	133,063	42.8
Non-recurring profit	-	-	1,901	1.1	1,901	-	-	-
Income before income taxes and minority	63,166	42.3	78,259	45.8	15,093	23.9	133,063	42.8
Income taxes - current	25,373	17.0	29,259	17.1	3,886	15.3	52,991	17.0
Income taxes - deferred	(1,196)	(0.8)	(189)	(0.1)	1,007	(84.2)	(1,953)	(0.6)
Net income	38,989	26.1	49,189	28.8	10,200	26.2	82,025	26.4

## Non-Consolidated Balance Sheets

Millions of yen

Item	September 30, 2006		September 30, 2007		YoY Change		(Reference) March 31, 2007	
		%		%		%		%
(Assets)	783,556	100.0	784,332	100.0	776	0.1	752,668	100.0
Current assets	501,385	64.0	493,170	62.9	(8,215)	(1.6)	469,512	62.4
Cash and cash equivalents	393,842		374,268		(19,574)	(5.0)	357,704	
Notes receivable-trade	26,845		29,366		2,521	9.4	29,753	
Accounts receivable-trade	32,854		39,069		6,215	18.9	34,330	
Inventories	38,644		39,147		503	1.3	38,476	
Other	11,083		12,785		1,702	15.4	10,736	
Allowance for doubtful accounts	(1,883)		(1,465)		418	(22.2)	(1,487)	
Fixed Assets	282,171	36.0	291,162	37.1	8,991	3.2	283,156	37.6
Tangible fixed assets	177,311		187,859		10,548	5.9	178,468	
Buildings	51,074		53,181		2,107	4.1	53,528	
Land	96,616		104,691		8,075	8.4	96,662	
Other	29,621		29,987		366	1.2	28,278	
Intangible fixed assets	852		839		(13)	(1.5)	844	
Investments and other assets	104,008		102,464		(1,544)	(1.5)	103,844	
Investment securities	12,780		11,016		(1,764)	(13.8)	12,206	
Stocks of subsidiaries and affiliates	83,695		83,623		(72)	(0.1)	83,624	
Other	7,552		7,843		291	3.9	8,032	
Allowance for doubtful accounts	(19)		(18)		1	(5.3)	(18)	
Total	783,556	100.0	784,332	100.0	776	0.1	752,668	100.0
(Liabilities)	77,754	9.9	84,757	10.8	7,003	9.0	84,813	11.3
Current liabilities	61,172	7.8	68,463	8.7	7,291	11.9	66,787	8.9
Accounts payable-trade	19,978		21,053		1,075	5.4	18,841	
Accounts payable-other	5,805		7,216		1,411	24.3	6,511	
Accrued income taxes	26,286		29,807		3,521	13.4	32,183	
Provisions for after sales service	2,140		2,366		226	10.6	2,444	
Other	6,963		8,021		1,058	15.2	6,808	
Long-term liabilities	16,582	2.1	16,294	2.1	(288)	(1.7)	18,026	2.4
Reserve for retirement benefits of employees	14,624		16,294		1,670	11.4	15,487	
Reserve for retirement benefits of directors and	1,958		-		(1,958)	(100.0)	2,539	
(Net Assets)	705,802	90.1	699,575	89.2	(6,227)	(0.9)	667,854	88.7
Owners' equity	701,932	89.6	696,764	88.8	(5,168)	(0.7)	664,329	88.3
Common stock	69,014	8.8	69,014	8.8	-	-	69,014	9.2
Capital surplus	96,074	12.3	96,088	12.2	14	0.0	96,081	12.8
Capital reserve	96,057		96,057		-	-	96,057	
Other additional paid-in capital	17		31		14	82.4	23	
Retained earnings	691,507	88.3	752,096	95.9	60,589	8.8	719,020	95.5
Legal reserve	8,252		8,252		-	-	8,252	
Voluntary reserve	683,255		743,844		60,589	8.9	710,768	
Reserve for R&D	311,800		311,800		-	-	311,800	
Reserve for special depreciation	42		16		(26)	(61.9)	24	
Reserve for deduction entries	77		72		(5)	(6.5)	74	
Special reserve	303,580		303,580		-	-	303,580	
Retained earnings carried forward	67,756		128,376		60,620	89.5	95,291	
Treasury stock	(154,663)	(19.8)	(220,434)	(28.1)	(65,771)	42.5	(219,786)	(29.2)
Valuation and translation adjustments	3,870	0.5	2,811	0.4	(1,059)	(27.4)	3,525	0.4
Unrealized gains on other marketable securities	3,870	0.5	2,811	0.4	(1,059)	(27.4)	3,525	0.4
Total	783,556	100.0	784,332	100.0	776	0.1	752,668	100.0

## Non-Consolidated Statements of Changes in Shareholders' Equity

Six months ended September 30

Millions of yen

	Shareholders' equity										
	Common stock	Capital surplus			Legal reserve	Retained earnings					Total Retained earnings
		Capital reserve	Other additional paid-in capital	Total capital surplus		Other retained earnings					
						Reserve for R&D	Reserve for special depreciation	Reserve for deduction entries	Special reserve	Retained earnings carried forward	
Balance at March 31, 2007	69,014	96,057	23	96,081	8,252	311,800	24	74	303,580	95,291	719,020
Changes during this term											
Reversal of reserve for special depreciation							(7)			7	-
Reversal of reserve for advanced depreciation								(2)		2	-
Dividends of retained earnings										(16,113)	(16,113)
Net income										49,189	49,189
Purchase of treasury stock											
Disposal of treasury stock			7	7							
Changes during this term not related to shareholders' equity											
Total changes during this term	-	-	7	7	-	-	(7)	(2)	-	33,085	33,076
Balance at September 30, 2007	69,014	96,057	31	96,088	8,252	311,800	16	72	303,580	128,376	752,096

	Shareholders' equity		Valuation/translation gains or losses		Total net assets
	Treasury stock	Total shareholder s' equity	Unrealized gains or losses on securities	Total Valuation/tr anslation gains or losses	
Balance at March 31, 2007	(219,786)	664,329	3,525	3,525	667,854
Changes during this term					
Reversal of reserve for special depreciation		-			-
Reversal of reserve for advanced depreciation		-			-
Dividends of retained earnings		(16,113)			(16,113)
Net income		49,189			49,189
Purchase of treasury stock	(658)	(658)			(658)
Disposal of treasury stock	10	17			17
Changes during this term not related to shareholders' equity			(714)	(714)	(714)
Total changes during this term	(648)	32,435	(714)	(714)	31,721
Balance at September 30, 2007	(220,434)	696,764	2,811	2,811	699,575

(Reference)  
Year ended March 31, 2007

Millions of yen

	Shareholders' equity										
	Common stock	Capital surplus			Retained earnings						
		Capital reserve	Other additional paid-in capital	Total capital surplus	Legal reserve	Other retained earnings					Total Retained earnings
						Reserve for R&D	Reserve for special depreciation	Reserve for deduction entries	Special reserve	Retained earnings carried forward	
Balance at March 31, 2006	69,014	96,057	10	96,067	8,251	294,800	61	81	286,580	77,135	666,909
Changes during this term											
Reserving of reserve for R&D						17,000				(17,000)	-
Reversal of reserve for special depreciation							(37)			37	-
Reversal of reserve for advanced depreciation								(7)		7	-
Reserving of special reserve									17,000	(17,000)	-
Dividends of retained earnings										(29,442)	(29,442)
Directors' bonuses										(473)	(473)
Net income										82,025	82,025
Purchase of treasury stock											
Disposal of treasury stock			13	13							
Changes during this term not related to shareholders' equity (net)											
Total changes during this term	-	-	13	13	-	17,000	(37)	(7)	17,000	18,154	52,110
Balance at March 31, 2007	69,014	96,057	23	96,081	8,252	311,800	24	74	303,580	95,291	719,020

	Shareholders' equity		Valuation/translation gains or losses		Total net assets
	Treasury stock	Total Shareholders' equity	Unrealized gains or losses on securities	Total Valuation/translation gains or losses	
Balance at March 31, 2006	(154,309)	677,681	4,791	4,791	682,473
Changes during this term					
Reserving of reserve for R&D		-			-
Reversal of reserve for special depreciation		-			-
Reversal of reserve for advanced depreciation		-			-
Reserving of special reserve		-			-
Dividends of retained earnings		(29,442)			(29,442)
Directors' bonuses		(473)			(473)
Net income		82,025			82,025
Purchase of treasury stock	(65,496)	(65,496)			(65,496)
Disposal of treasury stock	20	33			33
Changes during this term not related to shareholders' equity (net)			(1,266)	(1,266)	(1,266)
Total changes during this term	(65,476)	(13,353)	(1,266)	(1,266)	(14,619)
Balance at March 31, 2007	(219,786)	664,329	3,525	3,525	667,854

(Reference)

## Outline of Financial Results for Six Months Ended September 30, 2007

### 1. Consolidated Financial Results

Millions of yen

Item	Six months ended September 30, 2006	Six months ended September 30, 2007	(Reference) Year ended March 31, 2007	YoY Change
Net sales	200,476	226,711	419,560	13.1 %
Operating income	78,244	92,736	162,930	18.5
Ordinary income	85,943	106,244	179,412	23.6
Net income	51,606	64,585	106,756	25.2
Net income per share (Yen)	241.01 yen	310.69 yen	499.83 yen	28.9

### 2. Non-Consolidated Financial Results

Millions of yen

Item	Six months ended September 30, 2006	Six months ended September 30, 2007	(Reference) Year ended March 31, 2007	YoY Change
Net sales	149,297	170,749	311,238	14.4 %
Operating income	58,558	68,060	122,654	16.2
Ordinary income	63,166	76,358	133,063	20.9
Net income	38,989	49,189	82,025	26.2
Dividends per share (Yen)	72.50 yen (Interim Dividends)	93.21 yen (Interim Dividends)	150 yen (Interim dividends: 72.50 yen Year-end dividends: 77.50 yen)	—
Net income per share (Yen)	182.09 yen	236.63 yen	384.04 yen	30.0

(Reference)

**Consolidated Net Sales by Group**

*Millions of yen*

Group	Six months ended September 30, 2006		Six months ended September 30, 2007		YoY Change	(Reference) Year ended March 31, 2007	
		%		%			%
FA Group	115,909	57.8 %	131,182	57.9 %	13.2 %	242,890	57.9 %
Robot Group	48,530	24.2 %	52,343	23.1 %	7.9 %	103,266	24.6 %
Robomachine Group	36,037	18.0 %	43,186	19.0 %	19.8 %	73,404	17.5 %
Total	200,476	100.0 %	226,711	100.0 %	13.1 %	419,560	100.0 %
Overseas Sales	130,519	65.1 %	156,083	68.8 %	19.6 %	271,728	64.8 %

(Reference)

**Non-Consolidated Net Sales by Group**

*Millions of yen*

Group	Six months ended September 30, 2006		Six months ended September 30, 2007		YoY Change	(Reference) Year ended March 31, 2007	
		%		%			%
FA Group	91,802	61.4 %	100,548	58.9 %	9.5 %	191,207	61.4 %
Robot Group	23,892	16.0 %	30,468	17.8 %	27.5 %	52,096	16.7 %
Robomachine Group	33,603	22.6 %	39,733	23.3 %	18.2 %	67,935	21.9 %
Total	149,297	100.0 %	170,749	100.0 %	14.4 %	311,238	100.0 %
Overseas Sales	83,266	55.8 %	104,395	61.1 %	25.4 %	172,635	55.5 %

(Reference)

**Consolidated Net Sales by Group**

*Millions of yen*

Group	Three months ended September 30, 2006		Three months ended September 30, 2007		YoY change
		%		%	
FA Group	60,238	58.1%	67,461	56.9%	12.0%
Robot Group	25,130	24.2%	28,767	24.3%	14.5%
Robomachine Group	18,380	17.7%	22,304	18.8%	21.4%
Total	103,748	100.0%	118,532	100.0%	14.3%

Overseas Sales	67,492	65.1%	82,752	69.8%	22.6%
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(Reference)

**Consolidated Statements of Income**

Millions of yen

Item	Three months ended September 30, 2006		Three months ended September 30, 2007		YoY Change	
		%		%		%
Net Sales	103,748	100.0	118,532	100.0	14,784	14.3
Cost of Sales	49,081	47.3	56,698	47.8	7,617	15.5
Gross profit	54,667	52.7	61,834	52.2	7,167	13.1
Selling, general and administrative expenses	14,648	14.1	14,258	12.1	(390)	(2.7)
Operating income	40,019	38.6	47,576	40.1	7,557	18.9
Non-operating income						
Interest and dividends income	1,491		2,343		852	
Equity in earnings	1,726		6,442		4,716	
Other	1,715		808		(907)	
Total	4,932	4.8	9,593	8.1	4,661	94.5
Non-operating expenses						
Other	472		1,597		1,125	
Total	472	0.5	1,597	1.4	1,125	238.4
Ordinary income	44,479	42.9	55,572	46.9	11,093	24.9
Income before income taxes and minority interests	44,479	42.9	55,572	46.9	11,093	24.9
Income taxes	16,403	15.8	19,950	16.9	3,547	21.6
Minority interest in income	983	1.0	1,452	1.2	469	47.7
Net income	27,093	26.1	34,170	28.8	7,077	26.1

(Reference)

**Overseas Sales**

Three months ended September 30, 2006 (July 1, 2006 - September 30, 2006)

*Millions of yen*

	Americas	Europe	Asia	Other	Total
I Overseas sales	19,906	15,881	31,242	463	67,492
II Consolidated net sales					103,748
III Overseas sales as a percentage of consolidated net sales	19.2%	15.3%	30.1%	0.5%	65.1%

Three months ended September 30, 2007 (July 1, 2007 - September 30, 2007)

*Millions of yen*

	Americas	Europe	Asia	Other	Total
I Overseas sales	19,643	22,308	40,210	591	82,752
II Consolidated net sales					118,532
III Overseas sales as a percentage of consolidated net sales	16.5%	18.8%	33.9%	0.6%	69.8%