

Consolidated Quarterly Financial Results
For the nine months ended December 31, 2008

January 27, 2009

Company name: FANUC LTD Stock exchange listing: Tokyo Stock Exchange
 Stock code: 6954 URL <http://www.fanuc.co.jp/>
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(Rounded off to the million yen)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2008 (April 1, 2008 – December 31, 2008)

(1) Consolidated Results of Operations

(% represents change from the corresponding previous nine months period)

Nine months ended December 31	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2008	331,194	—	123,234	—	135,991	—	83,497	—
2007	352,231	12.8	145,927	17.2	165,855	21.3	100,969	24.3

Nine months ended December 31	Net income per share basic	Net income per share diluted
	Yen	Yen
2008	401.78	—
2007	485.74	—

(2) Consolidated Financial Position

As of December 31	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
2008	1,011,915	916,707	87.7	4,272.21
2007	1,046,837	911,395	83.9	4,225.39

(Ref.) Equity ratio: December 2008 ¥887,774 million December 2007 ¥878,188 million

2. Dividends

	Dividends per share				
	June 30	Sept. 30	Dec. 31	Year end	Full year
	Yen	Yen	Yen	Yen	Yen
2007	—	93.21	—	90.14	183.35
2008	—	86.26	—	—	—
2008(forecast)	—	—	—	44.54	130.80

3. Consolidated Financial Result Forecasts for the year ending March 31, 2009 (April 1, 2008 – March 31, 2009)

	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	388,400	(17.1)	132,300	(30.2)	147,000	(30.0)	90,600	(28.7)	435.97

4. Others

(1) Important changes in scope of consolidation during the period: There has been no change.

(2) Application of simple accounting procedure and specific accounting procedure for preparing consolidated financial statements : Yes

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

① Changes associated with changes in accounting standards : Yes

② Other changes : No

(4) Number of shares outstanding (Common share)

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

December 31, 2008	239,508,317	Year ended	239,508,317
	shares	March 31, 2008	shares

② Number of treasury stocks

December 31, 2008	31,706,354	Year ended	31,672,220
	shares	March 31, 2008	shares

③ Average number of shares during the period

April-December 2008	207,816,434	April-December 2007	207,866,263
	shares		shares

(For Reference)

Consolidated Financial Results for the Three Months Ended December 31, 2008 (October 1, 2008 – December 31, 2008)

(% represents change from the corresponding previous three months period)

Three months ended December 31	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2008	103,146	—	35,500	—	36,403	—	23,745	—
2007	125,520	12.3	53,191	14.8	59,612	17.4	36,384	22.9

Three months ended December 31	Net income per share basic	Net income per share diluted
	Yen	Yen
2008	114.26	—
2007	175.05	—

Results of Operations and Financial Position

Results of Operations

Consolidated Financial Results for First Three Quarters of Fiscal Year Ending March 31, 2009

During the nine months from April to December 2008, the global recession triggered by the financial crises started in the United States deepened at an increased speed since September 2008. This, added with the strong yen, rapidly exacerbated our Group's business environment.

Under these circumstances FANUC posted consolidated net sales totaling ¥331,194 million, down 6.0%, consolidated ordinary income totaling ¥135,991 million, down 18.0%, and consolidated net income totaling ¥83,497 million, down 17.3% during the first three quarters of the fiscal year ending March 31, 2009 compared with the same period of the previous fiscal year.

Following is a summary of results for each business group:

[FA Group]

In Japan, the machine tool industry, a primary market for FANUC CNC systems, slowed down since October 2008 due to the rapid decline in demand mainly in the automotive and electronic related industries both in and outside Japan.

Overseas, demand from every corner of the world made a sharp downturn especially since October 2008.

Based on the above, CNC sales of FANUC Group decreased during the first three quarters of the fiscal year ending March 31, 2009 from the corresponding period of the previous fiscal year.

Sales for FANUC laser were steady in Japan.

As a result, the FA Group posted consolidated sales of ¥191,393 million, a 5.3% decrease compared with the same period of the previous fiscal year. FA Group sales accounted for 57.8 % of consolidated net sales.

[Robot Group]

Against the backdrop of the global automotive market downturn started in the third quarter of the fiscal year ending March 31, 2009, robot sales to automotive

related industries continued to suffer. On the other hand, robot sales to general industries remained strong mainly in Europe and the Americas.

The Robot Group posted consolidated sales of ¥88,211 million, a 3.5 % increase compared with the same period of the previous fiscal year. Robot Group sales accounted for 26.6 % of consolidated net sales.

[Robomachine Group]

Domestic sales for the ROBODRILL small machining centers posted significant downturn in the third quarter of the fiscal year ending March 31, 2009, and overseas sales for ROBODRILL from the Asian countries, including China, also declined substantially, which led to a marked drop in total ROBODRILL sales.

Sales of the ROBOSHOT all electric injection molding machines decreased both in Japan and overseas due to softened facility investment.

Sales of the ROBOCUT wire-cut electric discharge machines to Japan continued significant decrease in the third quarter of the fiscal year ending March 31, 2009, which led to a slight decline of the overall sales during the nine months period. As a result, the Robomachine Group posted consolidated sales of ¥51,590 million, a 20.5% decrease compared with the same period of the previous fiscal year. Robomachine Group sales accounted for 15.6 % of consolidated net sales.

(2) Consolidated Financial Position

Financial Position

Total assets decreased ¥34,922 million to ¥1,011,915 million compared with the end of the previous fiscal year. This was mainly attributable to the decrease in consolidated cash flows described in the following section, which resulted in cash and cash equivalents decreasing ¥16,150 million, as well as the decreases in notes receivables, accounts receivables and products.

Total liabilities decreased ¥40,234 million to ¥95,208 million compared with the end of the previous fiscal year.

Total net assets increased by ¥5,312 million to ¥916,707 million compared with the end of the previous fiscal year.

Cash Flows

Net cash provided by operating activities totaled ¥69,461 million, consisting mainly of income for the period before income taxes, less income taxes paid.

Net cash used in investing activities totaled ¥22,331 million, mainly reflecting purchases of property, plant and equipment.

Net cash used in financing activities totaled ¥37,333 million, mainly for dividends paid.

As a result of the above increase and decrease of cash flow, less effect of exchange rate changes on cash and cash equivalents totaled ¥25,874 million, consolidated cash and cash equivalents decreased ¥16,077 million during the first three quarters period from April to December 2008.

(3) Consolidated Financial Forecast

Total year forecast announced at our financial statements announcement on October 28, 2008 shall be revised as below, due to simultaneous global recessions.

Consolidated Financial Forecast for Total Year Ending March 31, 2009

(Millions of yen)

	Previous Announcement (A)	Revised Announcement (B)	(B)－(A)	Inc./Dec. %
Sales	420,400	388,400	(32,000)	(7.6)
Operating Income	153,800	132,300	(21,500)	(14.0)
Ordinary Income	172,700	147,000	(25,700)	(14.9)
Net Income	103,300	90,600	(12,700)	(12.3)

Note) Fiscal term of FANUC Group's consolidated subsidiaries ends in December. The actual exchange rate for the period between January 1, 2008 and December 31, 2008 was at an average of ¥103.46/USD and ¥152.44/Euro.)

Non-Consolidated Financial Forecast for Total Year Ending March 31, 2009

(for reference only)

(Millions of yen)

	Previous Announcement (A)	Revised Announcement (B)	(B)－(A)	Inc./Dec. %
Sales	302,100	265,800	(36,300)	(12.0)
Operating Income	114,900	95,400	(19,500)	(17.0)
Ordinary Income	132,700	106,700	(26,000)	(19.6)

Net Income	82,400	66,500	(15,900)	(19.3)
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(4) Basic Policy on Return of Profit to Shareholders

In accordance with the revision of Consolidated Financial Forecast described above, the forecast of the year-end dividend announced at our financial statements announcement on October 28, 2008 shall be also revised as below, based on our Basic Policy of dividend.

	Interim dividends	Year-end dividends (forecast)	Annual dividends (forecast)	Payout ratio (forecast)
Previous Announcement	86.26 yen	62.87 yen	149.13 yen	30.0%
Revised Announcement	86.26 yen	44.54 yen	130.80 yen	30.0%

5. 【Consolidated Financial Statements】

(1) 【Consolidated Balance Sheet】

(Millions of Yen)

	December 31, 2008	March 31, 2008
Assets		
Current assets:		
Cash and cash equivalents	550,087	566,237
Notes and accounts receivable – trade	80,690	93,844
Products	27,904	33,427
Raw materials	8,153	6,308
Work in process	27,296	27,142
Others	24,398	26,064
Allowance for doubtful accounts	(2,792)	(2,694)
Total current assets	715,736	750,328
Fixed assets:		
Tangible fixed assets		
Land	112,799	113,143
Others	105,264	98,912
Total fixed assets	218,063	212,055
Intangible assets	1,245	1,394
Investments and other assets		
Investment securities	75,470	81,083
Others	1,423	1,995
Allowance for doubtful accounts	(22)	(18)
Total investments and other assets	76,871	83,060
Total Fixed Assets	296,179	296,509
Total Assets	1,011,915	1,046,837
Liabilities		
Current liabilities:		
Notes and accounts payable – trade	16,537	24,812
Accrued income taxes	14,215	41,052
Provisions for after-sales service	6,338	6,462
Others	29,491	31,825
Total current liabilities	66,581	104,151
Long-term liabilities:		
Reserve for retirement allowance	21,692	20,194
Others	6,935	11,097
Total long-term liabilities	28,627	31,291
Total Liabilities	95,208	135,442
Net Assets		
Shareholders' equity		
Capital	69,014	69,014
Capital surplus	96,268	96,256
Retained earnings	968,612	921,775
Treasury stocks	(221,006)	(220,691)
Total shareholders' equity	912,888	866,354
Adjustments for valuation, foreign currency exchange and others		
Gain/loss on other marketable securities	185	1,677
Foreign currency exchange adjustment	(25,299)	10,157
Total adjustments for valuation, foreign currency exchange and others	(25,114)	11,834
Minority interests	28,933	33,207
Total Net Assets	916,707	911,395
Total Liabilities and Net Assets	1,011,915	1,046,837

(2) 【Consolidated Statement of Income】

(Millions of Yen)

	Nine months ended December 31, 2008
Net sales	331,194
Cost of goods sold	164,609
Gross profit	166,585
Selling, general and administrative expenses	43,351
Operating income	123,234
Non-operating income	
Interest income	5,009
Dividends income	1,763
Equity in earnings	5,525
Miscellaneous income	3,965
Total non-operating income	16,262
Non-operating expenses	
Loss on revaluation of investments in securities	2,779
Miscellaneous expenses	726
Total non-operating expenses	3,505
Ordinary income	135,991
Net income before taxes	135,991
Taxes	50,092
Tax adjustments	(1,525)
Total taxes and others	48,567
Minority interests	3,927
Net income	83,497

(Millions of Yen)

	Three months ended December 31, 2008
Net sales	103,416
Cost of goods sold	53,712
Gross profit	49,434
Selling, general and administrative expenses	13,934
Operating income	35,500
Non-operating income	
Interest income	1,645
Dividends income	135
Equity in earnings	1,773
Miscellaneous income	332
Total non-operating income	3,885
Non-operating expenses	
Loss on revaluation of investments in securities	2,779
Miscellaneous expenses	203
Total non-operating expenses	2,982
Ordinary income	36,403
Net income before taxes	36,403
Taxes	11,504
Tax adjustments	(84)
Total taxes and others	11,420
Minority interests	1,238
Net income	23,745

(3) 【Consolidated Statements of Cash Flow】

(Millions of Yen)

	Nine months ended December 31, 2008
Cash flows from operating activities	
Income before income tax and other adjustments	135,991
Depreciation and amortization	10,682
Increase (Decrease) in reserve for doubtful receivables	242
Increase (Decrease) in reserve for employees' retirement benefit	1,936
Interest and dividend income	(6,771)
Decrease (Increase) in equity in earnings of affiliates, net	(5,525)
Decrease (Increase) in receivables, trade	7,118
Decrease (Increase) in inventories	(1,386)
Increase (Decrease) in payables, trade	(5,902)
Others	(117)
Subtotal	136,268
Interest and dividends received	8,181
Income taxes paid	(75,921)
Others	933
Cash flows from operating activities	69,461
Cash flows from investing activities	
Purchases of property, plant and equipment	(19,013)
Purchases of investment securities	(2,123)
Proceeds from sales of investment securities	1,432
Others	(2,627)
Cash flows from investing activities	(22,331)
Cash flows from financing activities	
Payment for purchases of treasury stocks	(396)
Dividends paid	(36,669)
Others	(268)
Cash flows from financing activities	(37,333)
Effect of exchange rate changes on cash and cash equivalents	(25,874)
Net Increase (Decrease) in cash and cash equivalents	(16,077)
Cash and cash equivalents at the beginning of the year	565,994
Cash and cash equivalents at the end of the period	549,917

- (4) Note on premise of a going concern
Not applicable

(5) Segment Information

【Segment Information by Category of Business】

The products of FANUC Group are CNC systems and their applications based on its CNC system technologies for the use in automated production systems. FANUC Group focuses its operation solely on providing these products and their combined systems.

【Segment Information by Region】

Nine months period ended December 31, 2008 (April 1 – December 31, 2008) (Millions of Yen)

	Japan	Americas	Europe	Asia	Total	Eliminated or Corporation	Consolidated
Net Sales							
(1) Sales to unaffiliated customers	152,071	49,152	64,177	65,794	331,194	—	331,194
(2) Inter-segment sales	91,480	2,309	682	592	95,063	(95,063)	—
Total	243,551	51,461	64,859	66,386	426,257	(95,063)	331,194
Operating income	95,578	4,638	9,988	13,354	123,558	(324)	123,234

Three months period ended December 31, 2008 (October 1 – December 31, 2008) (Millions of Yen)

	Japan	Americas	Europe	Asia	Total	Eliminated or Corporation	Consolidated
Net Sales							
(1) Sales to unaffiliated customers	42,667	17,287	21,609	21,573	103,146	—	103,146
(2) Inter-segment sales	26,621	816	178	162	27,777	(27,777)	—
Total	69,298	18,103	21,787	21,735	130,923	(27,777)	103,146
Operating income	24,495	1,705	3,227	4,796	34,223	1,277	35,500

【Overseas Sales】

Nine months period ended December 31, 2008 (April 1 – December 31, 2008) (Millions of Yen)

	Americas	Europe	Asia	Other Areas	Total
I Overseas sales	57,879	64,736	102,484	2,034	227,133
II Consolidated sales					331,194
III Overseas sales as % of consolidated net sales	17.5%	19.6%	30.9%	0.6%	68.6%

Three months period ended December 31, 2008 (October 1 – December 31, 2008) (Millions of Yen)

	Americas	Europe	Asia	Other Areas	Total
I Overseas sales	20,082	21,532	28,813	516	70,943
II Consolidated sales					103,146
III Overseas sales as % of consolidated net sales	19.5%	20.9%	27.9%	0.5%	68.8%

- (6) There have been no significant changes in the amount of shareholders' equity.

(For Reference)
Summary of The Financial Results

(Millions of Yen)

	April 1 – December 31, 2007	April 1 – December 31, 2008	Inc./Dec. (%)
Net sales	352,231	331,194	(6.0)
Operating income	145,927	123,234	(15.6)
Ordinary income	165,855	135,991	(18.0)
Net income	100,969	83,497	(17.3)
Net income per share (Yen)	485.74	401.78	(17.3)

(Millions of Yen)

	October 1 – December 31, 2007	October 1 – December 31, 2008	Inc./Dec. (%)
Net sales	125,520	103,146	(17.8)
Operating income	53,191	35,500	(33.3)
Ordinary income	59,612	36,403	(38.9)
Net income	36,384	23,745	(34.7)
Net income per share (Yen)	175.05	114.26	(34.7)

(For Reference)
Consolidated Net Sales Per Division

(Millions of Yen)

Division	April 1 – December 31, 2007		April 1 – December 31, 2008		Inc./Dec. (%)
		%		%	
FA Group	202,078	57.4	191,393	57.8	(5.3)
Robot Group	85,254	24.2	88,211	26.6	3.5
Robomachine Group	64,899	18.4	51,590	15.6	(20.5)
Total	352,231	100.0	331,194	100.0	(6.0)

Overseas sales of total	242,828	68.9	227,133	68.6	(6.5)
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(Millions of Yen)

Division	October 1 – December 31, 2007		October 1 – December 31, 2008		Inc./Dec. (%)
		%		%	
FA Group	70,896	56.5	59,422	57.6	(16.2)
Robot Group	32,912	26.2	30,815	29.9	(6.4)
Robomachine Group	21,712	17.3	12,909	12.5	(40.5)
Total	125,520	100.0	103,146	100.0	(17.8)

Overseas sales of total	86,745	69.1	70,943	68.8	(18.2)
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(For Reference)
Consolidated Financial Statements of the Corresponding Period Last Year

(Consolidated Statement of Income)

Title of accounts	Nine months ended December 31, 2007		
	Millions of yen		(%)
Net sales		352,231	100.0
Cost of goods sold		162,191	46.0
Gross profit		190,040	54.0
Selling, general and administrative expenses		44,113	12.6
Operating income		145,927	41.4
Non-operating income			
Interest income and dividends	6,766		
Equity in earnings	11,352		
Miscellaneous income	2,447	20,565	5.8
Non-operating expenses			
Miscellaneous expenses	637	637	0.1
Ordinary income		165,855	47.1
Extraordinary income	1,901	1,901	0.5
Net income before taxes		167,756	47.6
Taxes	57,169		
Tax adjustments	5,204	62,373	17.6
Minority Interest in income		4,414	1.3
Net income		100,969	28.7

(Consolidated Statement of Income)

Title of accounts	October 1 – December 31, 2007
Net sales	125,520
Cost of goods sold	57,118
Gross profit	68,402
Selling, general and administrative expenses	15,211
Operating income	53,191
Non-operating income	
Interest income and dividends	2,290
Equity in earnings	3,603
Miscellaneous income	646
Total	6,539
Non-operating expenses	
Miscellaneous expenses	118
Total	118
Ordinary income	59,612
Net income before taxes	59,612
Taxes	21,719
Minority Interest in income	1,509
Net income	36,384

(Cash Flow Statement)

(Millions of Yen)

	Nine months ended December 31, 2007
Cash flows from operating activities	
Income before income tax and other adjustments	167,756
Depreciation and amortization	8,950
Increase (Decrease) in reserve for doubtful receivables	(60)
Increase (Decrease) in reserve for employees' retirement benefits	1,193
Interest income and dividends	(6,766)
Equity in earnings	(11,352)
(Decrease) Increase in receivables, trade	(4,335)
(Decrease) Increase in inventories	(2,631)
Increase (Decrease) in payables, trade	4,550
Others	(6,049)
Subtotal	151,256
Interest and dividends received	7,687
Income taxes paid	(71,595)
Others	2,756
Cash flows from operating activities	90,104
Cash flows from investing activities	
Purchases of property, plant and equipment	(20,157)
Purchases of investment securities	(138)
Others	(416)
Cash flows from investing activities	(20,711)
Cash flows from financing activities	
Payment for purchases of treasury stocks	(864)
Dividends paid	(35,482)
Others	(257)
Cash flows from financing activities	(36,603)
Effect of exchange rate changes on cash and cash equivalents	(337)
Net Increase (Decrease) in cash and cash equivalent	32,453
Cash and cash equivalents at the beginning of the year	495,540
Cash and cash equivalents at the end of the period	527,993

(3) Segment Information

【Segment Information by Category of Business】

The products of FANUC Group are CNC systems and their applications based on its CNC system technologies for the use in automated production systems. FANUC Group focuses its operation solely on providing these products and their combined systems.

【Segment Information by Region】

Nine months period ended December 31, 2007 (April 1 – December 31, 2007) (Millions of Yen)

	Japan	Americas	Europe	Asia	Total	Eliminated or Corporation	Consolidated
Net Sales							
(1) Sales to unaffiliated customers	174,833	49,700	62,308	65,390	352,231	—	352,231
(2) Inter-segment sales	95,458	1,680	797	328	98,263	(98,263)	—
Total	270,291	51,380	63,105	65,718	450,494	(98,263)	352,231
Operating income	112,406	5,454	11,258	16,134	145,252	675	145,927

Three months period ended December 31, 2007 (October 1 – December 31, 2007) (Millions of Yen)

	Japan	Americas	Europe	Asia	Total	Eliminated or Corporation	Consolidated
Net Sales							
(1) Sales to unaffiliated customers	61,504	20,356	20,916	22,744	125,520	—	125,520
(2) Inter-segment sales	33,752	642	247	122	34,763	(34,763)	—
Total	95,256	20,998	21,163	22,866	160,283	(34,763)	125,520
Operating income	40,966	2,050	3,962	5,612	52,590	601	53,191

【Overseas Sales】

Nine months period ended December 31, 2007 (April 1 – December 31, 2007) (Millions of Yen)

	Americas	Europe	Asia	Other Areas	Total
I Overseas sales	60,123	63,399	117,304	2,002	242,828
II Consolidated sales					352,231
III Overseas sales as % of consolidated net sales	17.1%	18.0%	33.3%	0.5%	68.9%

Three months period ended December 31, 2007 (October 1 – December 31, 2007) (Millions of Yen)

	Americas	Europe	Asia	Other Areas	Total
I Overseas sales	23,819	21,103	40,959	864	86,745
II Consolidated sales					125,520
III Overseas sales as % of consolidated net sales	19.0%	16.8%	32.6%	0.7%	69.1%