

3. Consolidated Financial Results Forecasts for the Year Ending March 31, 2010 (April 1, 2009 – March 31, 2010)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of y	%	Millions of yen	%	Millions of	%	Yen
Fiscal period	200,000	(48.5)	22,600	(83.2)	31,100	(79.1)	20,500	(78.9)	98.65

We did not revised consolidated financial result forecasts.

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 quarterly 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)

September 30, 2009	239,508,317	March 31, 2009	239,508,317
	shares		shares

② Number of treasury stocks

September 30, 2009	43,701,530	March 31, 2009	31,713,226
	shares		shares

③ Average number of shares during the period

April-September 2009	203,795,436	April-September 2008	207,821,399
	shares		shares

Results of Operations and Financial Position

1. Results of Operations

Consolidated Financial Results for the First Half of Fiscal Year Ending March 31, 2010

During the six months from April to September 2009, a slight sign of recovery has emerged in some sectors of the economy despite the severe economic condition that continued in the rapid and serious global simultaneous recession triggered by the financial crises that started in the United States last September.

Under these circumstances, FANUC Group continued taking drastic actions to reduce its expenses.

During the first six months of the fiscal year ending March 31, 2010, FANUC Group posted consolidated net sales totaling ¥88,466 million, consolidated ordinary income totaling ¥14,750 million, and consolidated net income totaling ¥8,955 million.

Following is a summary of results for each business group:

[FA Group]

In the machine tool industry, a primary market for FANUC CNC systems, the Chinese machine tool industry was blessed with the substantial recovery of demands ahead of the rest of the world due to the effect of the economic stimulus package by the Chinese government. Both in the Japanese and the rest of the overseas markets, the machine tool demands remained low.

Based on above, CNC sales of FANUC Group were almost flat during the first half of this fiscal year except for the sales to China.

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

As a result, the FA Group posted consolidated sales of ¥47,369 million. FA Group sales accounted for 53.6 % of consolidated net sales.

[Robot Group]

The Robot Group made sales promotion efforts toward broader customer bases in the general industry such as the food and pharmaceutical industries, including the promotion of a new model “Genkotsu • Robot M-1iA,” which was introduced this April, for parts mounting and light parts assembly applications.

The Robot Group posted consolidated sales of ¥30,192 million. Robot Group sales accounted for 34.1% of consolidated net sales.

[Robomachine Group]

Sales of the ROBODRILL small machining centers to China have recovered.

Sales of the ROBOSHOT all electric injection molding machines to the domestic and overseas markets, especially to the Asian markets, showed a sign of recovery.

Sales of the ROBOCUT wire-cut electric discharge machines were sluggish both in the domestic and overseas markets.

The Robomachine Group posted consolidated sales of ¥10,905 million. Robomachine Group sales accounted for 12.3% of consolidated net sales.

2. Consolidated Financial Position

Financial Position

Total assets decreased ¥114,475 million to ¥855,966 million compared with the end of the previous fiscal year. This was mainly attributable to the decrease of ¥65,169 million in cash and deposits due to the decrease in the consolidated cash flows as described below, in addition to the decreases of ¥22,141 million in notes and accounts receivable and ¥11,763 million in investment securities.

Total liabilities decreased ¥21,725 million to ¥55,434 million compared with the end of the previous fiscal year.

Total net assets decreased ¥92,750 million to ¥800,532 million compared with the end of the previous fiscal year.

Cash Flows

Net decrease in consolidated cash and cash equivalents during the first half of the current fiscal year was ¥65,174 million, a decrease of ¥75,913 million from the same period of the previous fiscal year by the increase/decrease of cash flows given below in addition to the effect of the exchange rate of ¥5,840 million. As a result, consolidated cash and cash equivalents were ¥490,438 million at the end of the first half of the current fiscal year.

[Cash Flows from Operating Activities]

Consolidated net cash provided by operating activities during the first half of the current fiscal year totaled ¥36,604 million, a decrease of ¥15,942 million from the same period of the previous fiscal year. This decrease is mainly attributable to the decrease in income before income taxes for the previous quarter, which was more than offset by the decreases in receivables, inventories, and income taxes paid.

[Cash Flows from Investing Activities]

Consolidated net cash used in investing activities during the first half of the current fiscal year totaled ¥6,339 million, a decrease of ¥5,687 million from the same period of the previous fiscal year, mainly reflecting the decrease in purchases of property, plant and equipment.

[Cash Flows from Financing Activities]

Consolidated net cash used in financing activities during the first half of the current fiscal year totaled ¥101,279 million, an increase of ¥81,928 million, due mainly to the increase of disbursement to buy back FANUC's own shares.

3. Outlook for the Fiscal Year Ending March 31, 2010

No revision has been made to the outlook for the Fiscal Year Ending March 31, 2010.

4. Basic Policy on Return of Profit to Shareholders

FANUC continues its efforts to enhance its business structure in order 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 has established a policy to link bonuses to 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 business.

For the fiscal year ending March 31, 2010, the interim dividend is ¥13.19 yen per share. With regard to the year-end dividends, we expect to disclose them promptly after we become able to disclose them.

Consolidated Balance Sheet

(Millions of Yen)

	September 30, 2009	March 31, 2009
Assets		
Current assets:		
Cash and deposits	490,588	555,757
Notes and accounts receivable – trade	27,943	50,084
Merchandise and finished goods	24,669	27,480
Work in process	19,617	24,092
Raw materials and supplies	5,206	8,223
Others	16,174	19,794
Allowance for doubtful accounts	(1,202)	(1,711)
Total current assets	582,995	683,719
Noncurrent assets		
Property, plant and equipment		
Land	112,863	112,611
Other, net	101,416	103,726
Total property, plant and equipment	214,279	216,337
Intangible assets		
Investments and other assets	1,013	1,145
Investment securities	54,378	66,141
Others	3,966	3,772
Allowance for doubtful accounts	(665)	(673)
Total investments and other assets	57,679	69,240
Total noncurrent assets	272,971	286,722
Total Assets	855,966	970,441
Liabilities		
Current liabilities:		
Notes and accounts payable – trade	6,727	11,732
Income taxes payable	4,634	14,946
Warranty reserves	4,394	5,193
Others	18,217	23,854
Total current liabilities	33,972	55,725
Noncurrent liabilities:		
Pension for retirement benefits	20,072	18,959
Others	1,390	2,475
Total noncurrent liabilities	21,462	21,434
Total Liabilities	55,434	77,159
Net Assets		
Shareholders' equity		
Capital stock	69,014	69,014
Capital surplus	96,258	96,258
Retained earnings	961,712	982,277
Treasury stocks	(310,481)	(221,049)
Total shareholders' equity	816,503	926,500
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	812	(32)
Foreign currency exchange adjustment	(43,072)	(58,451)
Total valuation and translation adjustments	(42,260)	(58,483)
Minority interests	26,289	25,265
Total net assets	800,532	893,282
Total liabilities and net assets	855,966	970,441

Consolidated Statement of Income

(Millions of Yen)

	Six months ended September 30	
	2008	2009
Net sales	228,048	88,466
Cost of goods sold	110,897	57,484
Gross profit	117,151	30,982
Selling, general and administrative expenses	29,417	18,414
Operating income	87,734	12,568
Non-operating income		
Interest income	3,364	1,257
Dividends income	1,628	814
Equity in earnings	3,752	—
Miscellaneous income	3,633	1,096
Total non-operating income	12,377	3,167
Non-operating expenses		
Equity in loss	—	837
Sales discounts	174	30
Miscellaneous expenses	349	118
Total non-operating expenses	523	985
Ordinary income	99,588	14,750
Income before income taxes and minority interests	99,588	14,750
Income taxes-current	38,587	3,828
Income taxes-deferred	(1,440)	1,692
Total taxes and others	37,147	5,520
Minority interests in income	2,689	275
Net income	59,752	8,955

Consolidated Statement of Income

(Millions of Yen)

	Three months ended September 30	
	2008	2009
Net sales	114,957	42,735
Cost of goods sold	59,210	27,523
Gross profit	55,747	15,212
Selling, general and administrative expenses	15,203	8,877
Operating income	40,544	6,335
Non-operating income		
Interest income	1,555	527
Dividends income	216	79
Equity in earnings	2,120	—
Miscellaneous income	1,941	355
Total non-operating income	5,832	961
Non-operating expenses		
Equity in loss	—	449
Sales discounts	87	16
Loss on sales and retirement of noncurrent assets	72	37
Miscellaneous expenses	42	51
Total non-operating expenses	201	553
Ordinary income	46,175	6,743
Income before income taxes and minority interests	46,175	6,743
Income taxes-current	20,215	2,479
Income taxes-deferred	(1,588)	228
Total taxes and others	18,627	2,707
Minority interests in income	1,233	26
Net income	26,315	4,010

Consolidated Statements of Cash Flow

Six months ended September 30

Item	2008	(Millions of yen) 2009
Cash flows from operating activities:		
Income before income taxes and minority interests	99,588	14,750
Depreciation and amortization	6,900	6,223
Increase in reserve for doubtful receivables	(247)	(568)
Decrease in reserve for employees' retirement benefits	1,156	1,125
Interest and dividend income	(4,992)	(2,071)
Equity in earnings of affiliates, net	(3,752)	837
(Increase) decrease in receivables, trade	(2,858)	23,786
(Increase) decrease in inventories	(4,600)	12,013
(Decrease) increase in payables, trade	(3,166)	(5,369)
Other	(1,847)	(4,678)
Sub-total	86,182	46,048
Interest and dividends received	6,459	3,154
Income taxes paid	(40,988)	(12,878)
Other	893	280
Net cash provided by operating activities	52,546	36,604
Cash flows from investing activities:		
Purchases of property, plant and equipment	(12,126)	(5,556)
Purchases of investment securities	(606)	—
Proceeds from sales of investment securities	1,051	—
Other	(345)	(783)
Net cash used in investing activities	(12,026)	(6,339)
Cash flows from financing activities:		
Payment for purchases of treasury stock	(270)	(89,467)
Dividends paid	(18,713)	(11,235)
Other	(368)	(577)
Net cash used in financing activities	(19,351)	(101,279)
Effect of exchange rate changes on cash and cash equivalents	(10,430)	5,840
Net increase (decrease) in cash and cash equivalents	10,739	(65,174)
Cash and cash equivalents at beginning of year	565,994	555,612
Cash and cash equivalents at end of the period	576,733	490,438

(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】

Three months period ended September 30, 2008 (July 1 – September 30, 2008)

(Millions of Yen)

	Japan	Americas	Europe	Asia	Total	Eliminated or Corporation	Consolidated
Net Sales							
(1) Sales to unaffiliated customers	51,353	17,941	22,748	22,915	114,957	—	114,957
(2) Inter-segment sales	29,652	1,031	273	198	31,154	(31,154)	—
Total	81,005	18,972	23,021	23,113	146,111	(31,154)	114,957
Operating income	32,442	1,491	3,385	4,088	41,406	(862)	40,544

Three months period ended September 30, 2009 (July 1 – September 30, 2009)

(Millions of Yen)

	Japan	Americas	Europe	Asia	Total	Eliminated or Corporation	Consolidated
Net Sales							
(1) Sales to unaffiliated customers	18,253	10,200	7,535	6,747	42,735	—	42,735
(2) Inter-segment sales	8,854	122	75	64	9,115	(9,115)	—
Total	27,107	10,322	7,610	6,811	51,850	(9,115)	42,735
Operating income	3,549	376	119	1,035	5,079	1,256	6,335

Six months period ended September 30, 2008 (April 1 – September 30, 2008)

(Millions of Yen)

	Japan	Americas	Europe	Asia	Total	Eliminated or Corporation	Consolidated
Net Sales							
(1) Sales to unaffiliated customers	109,394	31,865	42,568	44,221	228,048	—	228,048
(2) Inter-segment sales	64,859	1,493	504	430	67,286	(67,286)	—
Total	174,253	33,358	43,072	44,651	295,334	(67,286)	228,048
Operating income	71,083	2,933	6,761	8,558	89,335	(1,601)	87,734

Six months period ended September 30, 2009 (April 1 – September 30, 2009)

(Millions of Yen)

	Japan	Americas	Europe	Asia	Total	Eliminated or Corporation	Consolidated
Net Sales							
(1) Sales to unaffiliated customers	36,344	19,555	18,260	14,307	88,466	—	88,466
(2) Inter-segment sales	17,554	349	183	134	18,220	(18,220)	—
Total	53,898	19,904	18,443	14,441	106,686	(18,220)	88,466
Operating income	5,883	895	598	2,111	9,487	3,081	12,568

【Overseas Sales】

Three months period ended September 30, 2008 (July 1 – September 30, 2008)

(Millions of Yen)

	Americas	Europe	Asia	Other Areas	Total
I Overseas sales	20,841	22,648	34,817	885	79,191
II Consolidated sales					114,957
III Overseas sales as % of consolidated net sales	18.1%	19.7%	30.3%	0.8%	68.9%

Three months period ended September 30, 2009 (July 1 – September 30, 2009)

(Millions of Yen)

	Americas	Europe	Asia	Other Areas	Total
I Overseas sales	10,896	7,449	14,115	415	32,875
II Consolidated sales					42,735
III Overseas sales as % of consolidated net sales	25.5%	17.4%	33.0%	1.0%	76.9%

Six months period ended September 30, 2008 (April 1 – September 30, 2008)

(Millions of Yen)

	Americas	Europe	Asia	Other Areas	Total
I Overseas sales	37,797	43,204	73,671	1,518	156,190
II Consolidated sales					228,048
III Overseas sales as % of consolidated net sales	16.6%	18.9%	32.3%	0.7%	68.5%

Six months period ended September 30, 2009 (April 1 – September 30, 2009)

(Millions of Yen)

	Americas	Europe	Asia	Other Areas	Total
I Overseas sales	20,728	17,973	29,021	827	68,549
II Consolidated sales					88,466
III Overseas sales as % of consolidated net sales	23.4%	20.3%	32.9%	0.9%	77.5%

(6) Note on the substantial change in the shareholders' equity:

FANUC LTD bought back its own shares on August 21, 2009 based on the resolution made at its board of directors' meeting held on August 20, 2009. This buy back of its own shares as well as the purchase of its odd shares increased its treasury shares by ¥89,432 million during the first half of the current consolidated fiscal year to ¥310,481 million at the end of the first half of the current consolidated fiscal year.

(For Reference)

Summary of The Quarterly Financial Results

(Millions of Yen)

	April 1 – September 30, 2008	April 1 – September 30, 2009	Inc./Dec. (%)
Net sales	228,048	88,466	(61.2)
Operating income	87,734	12,568	(85.7)
Ordinary income	99,588	14,750	(85.2)
Net income	59,752	8,955	(85.0)
Net income per share (Yen)	287.52	43.94	(84.7)

(Millions of Yen)

	July 1 – September 30, 2008	July 1 – September 30, 2009	Inc./Dec. (%)
Net sales	114,957	42,735	(62.8)
Operating income	40,544	6,335	(84.4)
Ordinary income	46,175	6,743	(85.4)
Net income	26,315	4,010	(84.8)
Net income per share (Yen)	126.64	20.07	(84.2)

Consolidated Net Sales Per Division

(Millions of Yen)

Division	April 1 – September 30, 2008		April 1 – September 30, 2009		Inc./Dec. (%)
		%		%	
FA Group	131,971	57.8	47,369	53.6	(64.1)
Robot Group	57,396	25.2	30,192	34.1	(47.4)
Robomachine Group	38,681	17.0	10,905	12.3	(71.8)
Total	228,048	100.0	88,466	100.0	(61.2)

Overseas sales of total	156,190	68.5	68,549	77.5	(56.1)
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(Millions of Yen)

Division	July 1 – September 30, 2008		July 1 – September 30, 2009		Inc./Dec. (%)
		%		%	
FA Group	64,125	55.8	21,499	50.3	(66.5)
Robot Group	32,778	28.5	14,803	34.6	(54.8)
Robomachine Group	18,054	15.7	6,433	15.1	(64.4)
Total	114,957	100.0	42,735	100.0	(62.8)

Overseas sales of total	79,191	68.9	32,875	76.9	(58.5)
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