

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

Fiscal period	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of y	%	Millions of yen	%	Millions of	%	Yen
	207,400	(46.6)	47,200	(64.9)	51,400	(65.5)	33,600	(65.4)	168.17

We 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)

December 31, 2009	239,508,317	March 31, 2009	239,508,317
	shares		shares

② Number of treasury stocks

December 31, 2009	43,707,701	March 31, 2009	31,713,226
	shares		shares

③ Average number of shares during the period

April-December 2009	201,131,387	April-December 2008	207,816,434
	shares		shares

Results of Operations and Financial Position

1. Results of Operations

Consolidated Financial Results for First Three Quarters of Fiscal Year Ending March 31, 2010

During the nine months from April to December 2009, the economy in Japan has been picking up, although slowly, mainly driven by some improvements in economic conditions overseas. Globally, while the severe conditions continued in the United States and Europe, the economic recovery has started in China since the spring of 2009, and the Asian region including Korea, Taiwan, and India followed it.

Under these circumstances, FANUC Group is moving fast to build the production system to respond to the sudden increase of orders that emerged in the beginning of the third quarter of the current fiscal year. In the meantime, FANUC Group continued taking thorough actions to reduce its expenses.

During the first nine months of the fiscal year ending March 31, 2010, FANUC Group posted consolidated net sales totaling ¥141,018 million, consolidated ordinary income totaling ¥29,972million, and consolidated net income totaling ¥20,469 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 substantial recovery of demands emerged in the East Asia including China. The export demands from the same area have brought a sign of recovery in the Japanese machine tool industry. In the rest of the overseas markets, the machine tool demands remained low.

Based on above, CNC sales of FANUC Group started recovering in the beginning of the third quarter.

FANUC laser sales were sluggish both in Japan and overseas.

As a result, the FA Group posted consolidated sales of ¥72,974 million. FA Group sales accounted for 51.7 % of consolidated net sales.

[Robot Group]

The Robot Group made sales promotion efforts in the electronics parts assembly and high speed handling applications with the model "Genkotsu · Robot M-1*i*A," which was introduced last April. The Robot Group also focused sales promotion efforts on the general industry such as the food and pharmaceutical industries, which are picking up at a relatively high speed. Further, the "Genkotsu · Robot Series" was enhanced with the introduction of another model "Genkotsu · Robot M-3*i*A," which was introduced at the robot exhibition last November. This addition is expected to expand the market for the "Genkotsu · Robot Series" primarily to the handling applications in the food

and pharmaceutical industries. The Robot Group also focused on the promotion of robots in China, which showed a significant upturn of the economy.

The Robot Group posted consolidated sales of ¥44,508 million. Robot Group sales accounted for 31.6% of consolidated net sales.

[Robomachine Group]

Sales of the ROBODRILL small machining centers toward the Asian region recovered to the previous year level. Especially in China, sales increased over those of the same period of the previous fiscal year. At present, the ROBODRILL is being produced at the record high level.

Sales of the ROBOSHOT all electric injection molding machines to the domestic and overseas markets, especially to the Chinese market, started showing 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 ¥23,536 million. Robomachine Group sales accounted for 16.7% of consolidated net sales.

2. Consolidated Financial Position

Financial Position

Total assets decreased ¥118,634 million to ¥851,807 million compared with the end of the previous fiscal year. This was mainly attributable to the decrease of ¥69,014 million in cash and deposits due to the decrease in the consolidated cash flows as described below, in addition to the decreases of ¥16,786 million in notes and accounts receivable and ¥41,249 million in investment securities.

Total liabilities decreased ¥16,016 million to ¥61,143 million compared with the end of the previous fiscal year.

Total net assets decreased ¥102,618 million to ¥790,664 million compared with the end of the previous fiscal year.

Cash Flows

Net decrease in consolidated cash and cash equivalents during the first three quarters of the current fiscal year was ¥69,022 million, a decrease of ¥52,945 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 ¥2,964 million. As a result, consolidated cash and cash equivalents were ¥486,590 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 three quarters of the current fiscal year totaled ¥53,459 million, a decrease of ¥16,002 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 three quarters of the current fiscal year totaled ¥21,589 million, a decrease of ¥742 million from the same period of the previous fiscal year, mainly reflecting the payment of ¥8,557 million for acquisition of property, plant and equipment and the payment of ¥13,270 million for the receipt of assets associated with the dissolution of the joint venture.

[Cash Flows from Financing Activities]

Consolidated net cash used in financing activities during the first three quarters of the current fiscal year totaled ¥103,856 million, an increase of ¥66,523 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

We revised the forecast of consolidated financial results for the fiscal year ending March 31, 2010 originally announced on April 28, 2009. Please refer to "Notice Concerning Revision of the Forecast for FY2009" announced on January 29, 2010.

Consolidated Balance Sheet

(Millions of Yen)

	December 31, 2009	March 31, 2009
Assets		
Current assets:		
Cash and deposits	486,743	555,757
Notes and accounts receivable – trade	33,298	50,084
Merchandise and finished goods	23,840	27,480
Work in process	21,062	24,092
Raw materials and supplies	5,229	8,223
Others	15,601	19,794
Allowance for doubtful accounts	(1,412)	(1,711)
Total current assets	584,361	683,719
Noncurrent assets		
Property, plant and equipment		
Land	115,599	112,611
Other, net	98,234	103,726
Total property, plant and equipment	213,833	216,337
Intangible assets		
Goodwill	23,005	314
Other	678	831
Total intangible assets	23,683	1,145
Investments and other assets		
Investment securities	24,892	66,141
Others	5,703	3,772
Allowance for doubtful accounts	(665)	(673)
Total investments and other assets	29,930	69,240
Total noncurrent assets	267,446	286,722
Total Assets	851,807	970,441
Liabilities		
Current liabilities:		
Notes and accounts payable – trade	12,789	11,732
Income taxes payable	3,346	14,946
Warranty reserves	4,070	5,193
Others	19,773	23,854
Total current liabilities	39,978	55,725
Noncurrent liabilities:		
Pension for retirement benefits	20,891	18,959
Others	274	2,475
Total noncurrent liabilities	21,165	21,434
Total Liabilities	61,143	77,159
Net Assets		
Shareholders' equity		
Capital stock	69,014	69,014
Capital surplus	96,258	96,258
Retained earnings	970,643	982,277
Treasury stocks	(310,530)	(221,049)
Total shareholders' equity	825,385	926,500
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	701	(32)
Foreign currency exchange adjustment	(38,421)	(58,451)
Total valuation and translation adjustments	(37,720)	(58,483)
Minority interests	2,999	25,265
Total net assets	790,664	893,282
Total liabilities and net assets	851,807	970,441

Consolidated Statement of Income

(Millions of Yen)

	Nine months ended December 31	
	2008	2009
Net sales	331,194	141,018
Cost of goods sold	164,609	86,085
Gross profit	166,585	54,933
Selling, general and administrative expenses	43,351	27,981
Operating income	123,234	26,952
Non-operating income		
Interest income	5,009	1,727
Dividends income	1,763	2,855
Equity in earnings	5,525	—
Miscellaneous income	3,965	1,082
Total non-operating income	16,262	5,664
Non-operating expenses		
Equity in loss of affiliates	—	991
Loss on valuation of investment securities	2,779	—
Patent litigation settlement	—	1,364
Miscellaneous expenses	726	289
Total non-operating expenses	3,505	2,644
Ordinary income	135,991	29,972
Extraordinary loss		
Loss on dissolving joint venture	—	4,237
Total extraordinary losses	—	4,237
Income before income taxes and minority interests	135,991	25,735
Income taxes-current	50,092	5,737
Income taxes-deferred	(1,525)	(866)
Total taxes and others	48,567	4,871
Minority interests in income	3,927	395
Net income	83,497	20,469

Consolidated Statement of Income

(Millions of Yen)

	Three months ended December 31	
	2008	2009
Net sales	103,146	52,552
Cost of goods sold	53,712	28,601
Gross profit	49,434	23,951
Selling, general and administrative expenses	13,934	9,794
Operating income	35,500	14,157
Non-operating income		
Interest income	1,645	469
Dividends income	135	2,041
Equity in earnings	1,773	—
Miscellaneous income	332	214
Total non-operating income	3,885	2,724
Non-operating expenses		
Equity in loss of affiliates	—	153
Loss on valuation of investment securities	2,779	—
Patent litigation settlement	—	1,364
Miscellaneous expenses	203	142
Total non-operating expenses	2,982	1,659
Ordinary income	36,403	15,222
Extraordinary loss		
Loss on dissolving joint venture	—	4,237
Total extraordinary losses	—	4,237
Income before income taxes and minority interests	36,403	10,985
Income taxes-current	11,504	1,909
Income taxes-deferred	(84)	(2,558)
Total taxes and others	11,420	(649)
Minority interests in income	1,238	120
Net income	23,745	11,514

Consolidated Statements of Cash Flow

Nine months ended December 31

Item	2008	(Millions of yen) 2009
Net cash provided by (used in) operating activities:		
Income before income taxes and minority interests	135,991	25,735
Depreciation and amortization	10,682	9,553
Increase (decrease) in reserve for doubtful accounts	242	(327)
Increase (decrease) in provision for retirement benefits	1,936	1,864
Interest and dividend income	(6,771)	(4,581)
Equity in (earnings) losses of affiliates	(5,525)	991
Decrease (increase) in notes and accounts receivable-trade	7,118	17,494
Decrease (increase) in inventories	(1,386)	11,639
Increase (decrease) in notes and accounts payable-trade	(5,902)	746
Other, net	(117)	2,310
Sub-total	136,268	65,424
Interest and dividends income received	8,181	5,795
Income taxes paid	(75,921)	(16,904)
Other, net	933	(856)
Net cash provided by (used in) operating activities	69,461	53,459
Net cash provided by (used in) investing activities:		
Purchases of property, plant and equipment	(19,013)	(8,557)
Purchases of investment securities	(2,123)	(70)
Proceeds from sales of investment securities	1,432	—
Payment for purchasing of associated assets and liabilities relating to joint venture dissolution	—	(13,270)
Other, net	(2,627)	308
Net cash provided by (used in) investing activities	(22,331)	(21,589)
Net cash provided by (used in) financing activities:		
Purchase of treasury stock	(396)	(89,504)
Cash dividends paid	(36,669)	(13,826)
Other, net	(268)	(526)
Net cash provided by (used in) financing activities	(37,333)	(103,856)
Effect of exchange rate changes on cash and cash equivalents	(25,874)	2,964
Net increase (decrease) in cash and cash equivalents	(16,077)	(69,022)
Cash and cash equivalents at beginning of period	565,994	555,612
Cash and cash equivalents at end of the period	549,917	486,590

(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 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	42,677	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

Three months period ended December 31, 2009 (October 1 – December 31, 2009)

(Millions of Yen)

	Japan	Americas	Europe	Asia	Total	Eliminated or Corporation	Consolidated
Net Sales							
(1) Sales to unaffiliated customers	28,688	8,561	7,915	7,388	52,552	—	52,552
(2) Inter-segment sales	15,336	105	59	84	15,584	(15,584)	—
Total	44,024	8,666	7,974	7,472	68,136	(15,584)	52,552
Operating income	10,644	472	401	1,038	12,555	1,602	14,157

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

Nine months period ended December 31, 2009 (April 1 – December 31, 2009)

(Millions of Yen)

	Japan	Americas	Europe	Asia	Total	Eliminated or Corporation	Consolidated
Net Sales							
(1) Sales to unaffiliated customers	65,032	28,116	26,175	21,695	141,018	—	141,018
(2) Inter-segment sales	32,890	454	242	218	33,804	(33,804)	—
Total	97,922	28,570	26,417	21,913	174,822	(33,804)	141,018
Operating income	16,754	1,367	999	3,149	22,269	4,683	26,952

【Overseas Sales】

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%

Three months period ended December 31, 2009 (October 1 – December 31, 2009)

(Millions of Yen)

	Americas	Europe	Asia	Other Areas	Total
I Overseas sales	9,297	8,087	22,895	160	40,439
II Consolidated sales					52,552
III Overseas sales as % of consolidated net sales	17.7%	15.4%	43.6%	0.3%	77.0%

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%

Nine months period ended December 31, 2009 (April 1 – December 31, 2009)

(Millions of Yen)

	Americas	Europe	Asia	Other Areas	Total
I Overseas sales	30,025	26,060	51,916	987	108,988
II Consolidated sales					141,018
III Overseas sales as % of consolidated net sales	21.3%	18.5%	36.8%	0.7%	77.3%

(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 ¥89,481 million during the first half of the current consolidated fiscal year to ¥310,530 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 – December 31, 2008	April 1 – December 31, 2009	Inc./Dec. (%)
Net sales	331,194	141,018	(57.4)
Operating income	123,234	26,952	(78.1)
Ordinary income	135,991	29,972	(78.0)
Net income	83,497	20,469	(75.5)
Net income per share (Yen)	401.78	101.77	(74.7)

(Millions of Yen)

	October 1 – December 31, 2008	October 1 – December 31, 2009	Inc./Dec. (%)
Net sales	103,146	52,552	(49.1)
Operating income	35,500	14,157	(60.1)
Ordinary income	36,403	15,222	(58.2)
Net income	23,745	11,514	(51.5)
Net income per share (Yen)	114.26	58.80	(48.5)

Consolidated Net Sales Per Division

(Millions of Yen)

Division	April 1 – December 31, 2008		April 1 – December 31, 2009		Inc./Dec. (%)
		%		%	
FA Group	191,393	57.8	72,974	51.7	(61.9)
Robot Group	88,211	26.6	44,508	31.6	(49.5)
Robomachine Group	51,590	15.6	23,536	16.7	(54.4)
Total	331,194	100.0	141,018	100.0	(57.4)

Overseas sales of total	227,133	68.6	108,988	77.3	(52.0)
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(Millions of Yen)

Division	October 1 – December 31, 2008		October 1 – December 31, 2009		Inc./Dec. (%)
		%		%	
FA Group	59,422	57.6	25,605	48.8	(56.9)
Robot Group	30,815	29.9	14,316	27.2	(53.5)
Robomachine Group	12,909	12.5	12,631	24.0	(2.2)
Total	103,146	100.0	52,552	100.0	(49.1)

Overseas sales of total	70,943	68.8	40,439	77.0	(43.0)
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