

Consolidated Quarterly Financial Results (based on Japanese standards)
For the nine months ended December 31, 2015

January 28, 2016

Company name: FANUC CORPORATION

Stock exchange listing: Tokyo Stock Exchange

Stock code: 6954

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

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1. Consolidated Financial Results for the Nine months Ended December 31, 2015 (April 1, 2015 – December 31, 2015)

(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 attributable to shareholders of parent company | |
|----------------------------------|-----------------|-------|------------------|--------|-----------------|--------|---|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| 2015 | 487,591 | (7.4) | 172,831 | (18.4) | 185,413 | (16.8) | 127,301 | (14.8) |
| 2014 | 526,406 | 60.9 | 211,910 | 85.4 | 222,851 | 82.6 | 149,453 | 93.9 |

Note: Comprehensive income April-December 2015 ¥117,435 million (35.8)%
 April-December 2014 ¥182,934 million 55.5%

| Nine months ended December 31 | Net income per share, basic | Diluted net income per share |
|----------------------------------|-----------------------------|------------------------------|
| | Yen | Yen |
| 2015 | 650.70 | — |
| 2014 | 763.82 | — |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio |
|-------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| December 31, 2015 | 1,521,053 | 1,351,745 | 88.4 |
| March 31, 2015 | 1,611,626 | 1,386,695 | 85.6 |

Ref.: Equity: December 31, 2015 ¥1,344,617 million March 31, 2015 ¥1,379,177 million

2. Dividends

| | Dividends per share | | | | |
|-----------------|---------------------|----------|---------|--------------------|-----------|
| | June 30 | Sept. 30 | Dec. 31 | Mar. 31 (Year end) | Full year |
| | Yen | Yen | Yen | Yen | Yen |
| 2014 | — | 144.69 | — | 491.93 | 636.62 |
| 2015 | — | 281.86 | — | — | — |
| 2015 (forecast) | — | — | — | — | — |

Note: We have not changed the forecasts of dividends from the latest ones.

Note: With regard to the forecasts of the year-end dividends for the year ending March 31, 2016, we expect to disclose them promptly after we become able to disclose them.

3. Consolidated Financial Results Forecasts for the Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)

(% represents change from the same period of the previous year.)

| Fiscal period | Net sales | | Operating income | | Ordinary income | | Net income attributable to shareholders of parent company | | Net income per share |
|---------------|-----------------|--------|------------------|--------|-----------------|--------|---|--------|----------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| | 617,400 | (15.4) | 210,100 | (29.5) | 226,900 | (27.3) | 157,500 | (24.1) | 805.07 |

Note: We have changed the forecasts of financial results from the latest ones.

4. Notes

(1) Changes in significant subsidiaries during the nine months ended December 31, 2015
(Changes in specific subsidiaries requiring changes in scope of consolidation) : No

(2) Application of the accounting method specific to quarterly consolidated
financial statements : No

(3) Changes in accounting principles, changes in accounting estimates, and revisions/restatements

① Changes associated with changes in accounting standards : Applicable

② Changes in accounting principles other than ① : No

③ Changes in accounting estimates : No

④ Revisions/restatements : No

Note: For details, please see "3. Other Information (3) Changes in Accounting Principles, Changes in Accounting Estimates, and Revisions/Restatements" on Page 7 in Attachment.

(4) Number of shares outstanding (Common share)

| | | | | |
|---|-------------------|-----------------------|----------------|-----------------------|
| ① Number of shares outstanding at the end of the period (including treasury stocks) | | | | |
| | December 31, 2015 | 205,942,215 shares | March 31, 2015 | 239,508,317 shares |

| | | | | |
|-----------------------------|-------------------|----------------------|----------------|----------------------|
| ② Number of treasury stocks | | | | |
| | December 31, 2015 | 10,312,766 shares | March 31, 2015 | 43,863,212 shares |

| | | | | |
|--|---------------------|-----------------------|---------------------|-----------------------|
| ③ Average number of shares during the period | | | | |
| | April-December 2015 | 195,636,338 shares | April-December 2014 | 195,664,394 shares |

* Status of quarterly review

These quarterly financial results are not subject to the quarterly review based on the Financial Instruments and Exchange Law. The review process for the quarterly financial statements based on the Financial Instruments and Exchange Law has not been completed at the time of the disclosure of these results.

* Statements on the proper use of financial forecasts and other special notes

Any forecasts described in this report are subject to uncertain factors such as supply and demand trends, industry competition, economic conditions, and others in major markets. Actual results may differ from these forecasts. With regard to the forecasts of the year-end dividends for the year ending March 31, 2016, we expect to disclose them promptly after we become able to disclose them.

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1. Results of Operations and Financial Position

(1) Results of Operations

Regarding the FANUC Group's results during the nine months from April to December 2015, for the FA Group, sales to the machine tool industry—the primary market for our products—remained largely unchanged in Europe and Americas. However, sales in China further slowed down, the impact of which has spread across Taiwan and South Korea as well. In addition, the FA Group saw a slight weakness in Japan at the end of the period. Under these circumstances, overall net sales for the FA Group decreased compared with the corresponding period of the previous fiscal year.

In the Robot Group, not only did demand remain high in the Americas and Europe, but were also active in China. As a result, these markets became the driving force for the overall sales growth. In addition, demands were steadily increasing in both the automotive industry and general industries in Japan, and on the whole, results for the Robot Group remained favorable.

For the Robomachine Group, affected by a significant decline in short-term demands from the IT industry, net sales of ROBODRILL (small machining center) fell significantly, compared with the previous fiscal year during which time demand was prevalent throughout the year. Nevertheless, sales of ROBODRILL to the automotive industry, as well as sales of ROBOSHOT (electric injection molding machine) and ROBOCUT (wire-cut electric discharge machine) all remained steady.

Under these circumstances, the FANUC Group strived to make customers trust our products and services to an even greater extent, by becoming united as one group under the slogans: "One FANUC", "It will not break. We'll inform you before it breaks. Even if it breaks, we'll fix it right away." and "Service First," so that we can achieve stability and further development in our business.

As a result, during the nine months from April to December 2015, FANUC posted consolidated net sales totaling ¥487,591 million, down 7.4%, consolidated ordinary income totaling ¥185,413 million, down 16.8%, and consolidated net income totaling ¥127,301 million, down 14.8%, compared with the corresponding period of the previous fiscal year.

Looking at the performance by business group, the FA Group posted consolidated sales totaling ¥133,874 million, down 13.1%, the Robot Group posted consolidated sales totaling ¥143,070 million, up 22.6%, the Robomachine Group posted consolidated sales totaling ¥148,849 million, down 25.4%, and the Service Group posted consolidated sales totaling ¥61,798 million, up 10.3%, compared with the corresponding period of the previous fiscal year.

※ "Net income" in "Results of Operations and Financial Position" means "Net income attributable to shareholders of parent company" in the Statement of Income.

(2) Financial Position

Total assets decreased ¥90,573 million to ¥1,521,053 million compared with the end of the previous fiscal year. The main decrease is ¥139,317 million in cash and deposits.

Total liabilities decreased ¥55,623 million to ¥169,308 million compared with the end of the previous fiscal year.

Total net assets decreased ¥34,950 million to ¥1,351,745 million from the end of the previous fiscal year.

We cancelled our treasury stock exceeding 5% of the total number of issued shares on June 10, 2015 (33,566,102 shares, ¥239,471 million) based on the new shareholder return policy we announced on April 27, 2015. (There was no effect on the amount of total net assets.)

(3) Financial Results Forecasts

There is increasing uncertainty about the prospects of the business environment surrounding the FANUC Group due to factors including continuous sluggish demands in China. Our financial forecasts at present for the fiscal year 2015 (April 1, 2015 through March 31, 2016) are set out below.

For the fiscal year 2015 (April 1, 2015 through March 31, 2016)

(Millions of yen)

| | Previous forecast (released on October 27, 2015) | New forecast | Comparison with Previous forecast (%) |
|------------------|--|--------------|---|
| Net sales | 630,900 | 617,400 | (2.1) |
| Operating income | 218,400 | 210,100 | (3.8) |
| Ordinary income | 236,300 | 226,900 | (4.0) |
| Net income | 162,500 | 157,500 | (3.1) |

Note: The estimated currency rates applied to the period from January 2016 to March 2016 are 115 yen/US dollar and 125 yen/euro on average.

2. Consolidated Financial Statements
(1) Consolidated Quarterly Balance Sheet

(Millions of Yen)

| | March 31, 2015 | December 31, 2015 |
|--|----------------|-------------------|
| Assets | | |
| Current assets: | | |
| Cash and deposits | 871,236 | 731,919 |
| Notes and accounts receivable – trade | 135,127 | 98,305 |
| Securities | 120,000 | 145,000 |
| Merchandise and finished goods | 54,280 | 56,000 |
| Work in process | 42,859 | 40,932 |
| Raw materials and supplies | 11,662 | 12,059 |
| Deferred income tax | 26,686 | 21,319 |
| Others | 13,669 | 13,537 |
| Allowance for doubtful accounts | (2,164) | (1,728) |
| Total current assets | 1,273,355 | 1,117,343 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Land | 125,893 | 130,970 |
| Other, net | 140,032 | 192,832 |
| Total property, plant and equipment | 265,925 | 323,802 |
| Intangible assets | 950 | 3,147 |
| Investments and other assets | | |
| Investment securities | 59,753 | 63,498 |
| Others | 11,643 | 13,263 |
| Allowance for doubtful accounts | (0) | (0) |
| Total investments and other assets | 71,396 | 76,761 |
| Total noncurrent assets | 338,271 | 403,710 |
| Total Assets | 1,611,626 | 1,521,053 |
| Liabilities | | |
| Current liabilities: | | |
| Notes and accounts payable – trade | 40,572 | 30,253 |
| Income taxes payable | 72,219 | 7,444 |
| Warranty reserves | 6,546 | 6,945 |
| Others | 53,274 | 72,226 |
| Total current liabilities | 172,611 | 116,868 |
| Noncurrent liabilities | | |
| Liability related to retirement benefits | 47,534 | 49,232 |
| Others | 4,786 | 3,208 |
| Total noncurrent liabilities | 52,320 | 52,440 |
| Total Liabilities | 224,931 | 169,308 |
| Net Assets | | |
| Shareholders' equity | | |
| Capital stock | 69,014 | 69,014 |
| Capital surplus | 96,277 | 96,211 |
| Retained earnings | 1,500,635 | 1,237,151 |
| Treasury stock | (312,855) | (73,755) |
| Total shareholders' equity | 1,353,071 | 1,328,621 |
| Accumulated other comprehensive income (loss) | | |
| Valuation difference on available-for-sale securities | 7,482 | 5,996 |
| Foreign currency translation adjustment | 29,372 | 21,698 |
| Accumulated adjustment to retirement benefits | (10,748) | (11,698) |
| Total accumulated other comprehensive income (loss) | 26,106 | 15,996 |
| Non-Controlling Interests in Consolidated Subsidiaries | 7,518 | 7,128 |
| Total Net Assets | 1,386,695 | 1,351,745 |
| Total Liabilities and Net Assets | 1,611,626 | 1,521,053 |

(2) Consolidated Quarterly Statement of Income and
Consolidated Quarterly Statement of Comprehensive Income

Consolidated Quarterly Statement of Income

(Millions of Yen)

| | Nine months ended December 31, 2014 | Nine months ended December 31, 2015 |
|---|--|--|
| Net sales | 526,406 | 487,591 |
| Cost of goods sold | 256,414 | 253,517 |
| Gross profit | 269,992 | 234,074 |
| Selling, general and administrative expenses | 58,082 | 61,243 |
| Operating income | 211,910 | 172,831 |
| Non-operating income | | |
| Interest income | 1,995 | 1,830 |
| Dividend income | 708 | 1,080 |
| Equity method income | 6,879 | 9,032 |
| Miscellaneous income | 1,799 | 2,012 |
| Total non-operating income | 11,381 | 13,954 |
| Non-operating expenses | | |
| Loss on sales and retirement of noncurrent assets | 72 | 777 |
| Donation | 28 | 283 |
| Miscellaneous expenses | 340 | 312 |
| Total non-operating expenses | 440 | 1,372 |
| Ordinary income | 222,851 | 185,413 |
| Income before income taxes | 222,851 | 185,413 |
| Income taxes-current | 76,941 | 54,117 |
| Income taxes-deferred | (4,249) | 3,461 |
| Total taxes and others | 72,692 | 57,578 |
| Net income | 150,159 | 127,835 |
| Net income attributable to non-controlling interests | 706 | 534 |
| Net income attributable to shareholders of parent company | 149,453 | 127,301 |

Consolidated Quarterly Statement of Comprehensive Income

(Millions of Yen)

| | Nine months ended December 31, 2014 | Nine months ended December 31, 2015 |
|--|--|--|
| Net income | 150,159 | 127,835 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 819 | (1,486) |
| Foreign currency translation adjustment | 30,545 | (6,608) |
| Adjustment to retirement benefit | 312 | (950) |
| Share of other comprehensive income of affiliates accounted for using equity method | 1,099 | (1,356) |
| Total other comprehensive income | 32,775 | (10,400) |
| Comprehensive income for the nine months ended December 31 | 182,934 | 117,435 |
| Comprehensive income attributable to: | | |
| Owners of parent | 181,552 | 117,191 |
| Non-controlling interests | 1,382 | 244 |

3. Other Information

- (1) Changes in Significant Subsidiaries during the Nine Months Ended December 31, 2015 : (changes in specific subsidiaries requiring changes in scope of consolidation): None
- (2) Application of the Accounting Method Specific to Quarterly Consolidated Financial Statements : None
- (3) Changes in Accounting Principles, Changes in Accounting Estimates, and Revisions/Restatements :

Changes in accounting principles
(Application of Accounting Standard for Business Combinations and other standards)

FANUC CORPORATION has adopted the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013, hereinafter the “Business Combinations Standard”), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013, hereinafter the “Consolidated Financial Statements Standard”), the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013, hereinafter the “Business Divestitures Standard”) and others effective from the first quarter of the consolidated fiscal year. Accordingly, the Company’s accounting policies have been changed: the difference arising from a change in the Company’s ownership interest in a subsidiary over which the Company continues to have control are being recorded as capital surplus, and acquisition costs are being expensed in the consolidated fiscal year in which they are incurred. In addition, for business combinations to be performed at and after the beginning of the first quarter of the consolidated fiscal year, the method has been changed to reflect adjustments to the provisional amount arising from the finalization of the tentative accounting treatment relating to the purchase price allocation in the consolidated financial statements for the quarter to which the date of business combination belongs.

In addition, the expression for quarterly net income, etc. has been changed, and “minority interests” has been changed to “non-controlling interests.” In order to reflect these changes, the consolidated financial statements for the nine-month period of the previous fiscal year, as well as the full-year period of the previous fiscal year have been reclassified.

The Business Combinations Standard and others were adopted in accordance with transitional treatments stipulated in Paragraph 58-2 (4) of the Business Combinations Standard, Paragraph 44-5 (4) of the Consolidated Financial Statements Standard and Paragraph 57-4 (4) of the Business Divestitures Standard, and they have been prospectively adopted from the beginning of the first quarter of the consolidated fiscal year.

This change has no impact on the consolidated financial statements of the third quarter of the current fiscal year.

(4) Note on Premise of a Going Concern:

None

(5) Note on the Substantial Change in the Shareholders' Equity:

Based on a resolution approved at a meeting of the Board of Directors held on May 29, 2015, the Company cancelled 33,566,102 shares of treasury stock on June 10, 2015. As a result, capital surplus decreased by ¥71 million, retained earnings decreased by ¥239,400 million, and treasury stock decreased by ¥239,471 million, for the nine months ended December 31, 2015.

Supplement to Consolidated Financial Results

1. Consolidated Results (April ~ December, 2015)

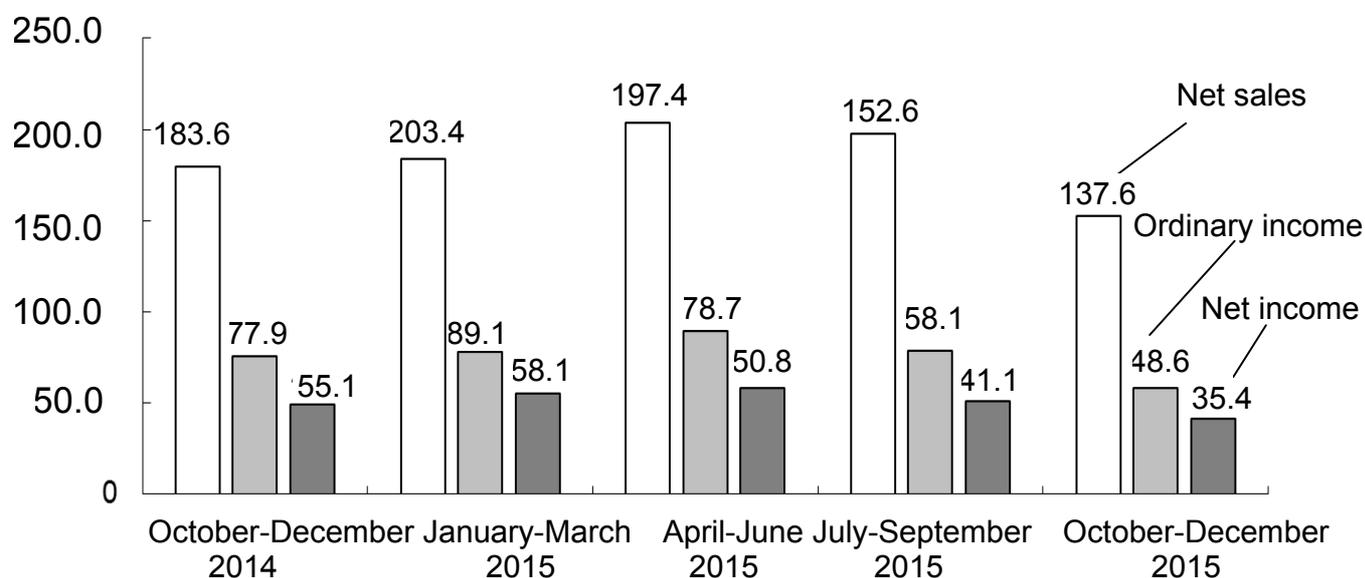
- | | |
|---|--|
| 1) Net income | 127.3 billion yen (15% down from the same period of last year) |
| 2) Net sales | 487.6 billion yen (7% down from the same period of last year) |
| 3) Operating income | 172.8 billion yen (18% down from the same period of last year) |
| Ordinary income | 185.4 billion yen (17% down from the same period of last year) |
| Ordinary income to net sales ratio 38% | |
| 4) Sales by Group | |
| FA | 133.9 billion yen (13% down from the same period of last year) |
| Robot | 143.1 billion yen (23% up from the same period of last year) |
| Robomachine | 148.8 billion yen (25% down from the same period of last year) |
| Service | 61.8 billion yen (10% up from the same period of last year) |
| 5) Orders | 455.4 billion yen (17% down from the same period of last year) |

2. Consolidated Results Forecast for the Year ending March 31, 2016

(April 1, 2015 ~ March 31, 2016)

- | | |
|------------------|--|
| Net sales | 617.4 billion yen (15% down from the same period of last year) |
| Operating income | 210.1 billion yen (30% down from the same period of last year) |
| Ordinary income | 226.9 billion yen (27% down from the same period of last year) |
| Net income | 157.5 billion yen (24% down from the same period of last year) |

3. Quarterly Changes of Consolidated Financial Results (Billions of yen)



※ “Net income” in this Supplement means “Net income attributable to shareholders of parent company.”