

**(TRANSLATION)**

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**Consolidated Quarterly Financial Results**  
(based on Japanese standards)  
For the nine months ended December 31, 2020

January 27, 2021

Company name: FANUC CORPORATION      Stock exchange listing: Tokyo Stock Exchange  
Stock code: 6954      URL: <https://www.fanuc.co.jp/eindex.html>  
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Scheduled date of filing quarterly report: February 9, 2021  
Scheduled date of commencing of dividend payments: -  
Availability of supplementary briefing material on quarterly financial results: Available  
Schedule of quarterly financial results briefing session: Scheduled

1. Consolidated Financial Results for the Nine Months Ended December 31, 2020 (April 1, 2020 – December 31, 2020)

(1) Consolidated Results of Operations

(% represents changes from the previous corresponding Nine-month period.)

Nine months ended December 31	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2020	375,229	(2.9)	65,263	(4.9)	75,397	(5.4)	55,344	(2.1)
2019	386,473	(22.1)	68,614	(48.8)	79,704	(47.1)	56,522	(56.1)

Note: Consolidated comprehensive income: April-December 2020      ¥71,131 million      45.0%  
April-December 2019      ¥49,060 million      (59.9)%

Nine months ended December 31	Net income per share	Net income per share (diluted)
	Yen	Yen
2020	288.52	—
2019	294.07	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
December 31, 2020	1,546,840	1,382,707	88.8
March 31, 2020	1,512,499	1,362,865	89.6

(Reference) Equity: December 31, 2020: ¥1,373,845 million      March 31, 2020: ¥1,355,100 million

2. Dividends

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end Dividends	Full year
	Yen	Yen	Yen	Yen	Yen
FY2019	—	125.35	—	174.65	300.00
FY2020	—	87.93	—	—	—
FY2020 (forecast)	—	—	—	—	—

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

Note: The year-end dividends for the year ended March 31, 2020 consist of ordinary dividends of ¥103.79 and special dividends of ¥70.86.

Note: The forecasts of year-end dividends for the year ending March 31, 2021 will be disclosed promptly upon their availability.

3. Consolidated Financial Forecasts for the Year Ending March 31, 2021 (April 1, 2020 – March 31, 2021)  
 (% represents changes from the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal period	532,300	4.7	105,800	19.8	119,500	16.2	88,200	20.2	459.80

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

Note: Actual results may differ from these forecasts, subject to various conditions, including how far the coronavirus (COVID-19) will further spread, and when the pandemic will end. We will promptly publish new information, which may greatly affect actual results if any, upon their availability.

\*Notes

(1) Changes in Significant Subsidiaries during the period  
 (changes in specific subsidiaries that caused change in scope of consolidation) : No

(2) Adoption of Simplified and Specifically Applied Accounting Method for Quarterly Consolidated Financial Reporting : No

(3) Changes in Accounting Principles and Accounting Estimates, and Revisions/Restatements

1. Changes associated with changes in accounting standards : No

2. Changes in accounting principles other than 1 : No

3. Changes in accounting estimates : No

4. Revisions/restatements : No

(4) Number of shares outstanding (Common shares)

1. Number of shares outstanding at the end of the period (including treasury stocks)	December 31, 2020	201,922,097 shares	March 31, 2020	204,031,841 shares
2. Number of treasury stocks	December 31, 2020	10,104,376 shares	March 31, 2020	12,205,848 shares
3. Average number of shares during the period	April-December 2020	191,822,350 shares	April-December 2019	192,206,650 shares

\* The report of the quarterly financial results is not subject to audit by certified public accountant or audit firm.

\* Any forward looking statements such as financial 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. The forecasts of the year-end dividends for the year ending March 31, 2021, will be disclosed promptly upon their availability.

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## **1. Results of Operations and Financial Position**

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

Regarding the circumstances surrounding the FANUC Group during the first nine-month period of the fiscal year ending March 31, 2021 (April 1, 2020 – December 31, 2020), the market conditions became harsh owing to factors including an ongoing global trend of reduction in capital investment due to the impact of the spread of the coronavirus (COVID-19). However, in addition to recovery first taking place in China, other regions also rebounded gradually from around the second quarter. The FANUC Group has striven to maintain the delivery of products and service activities for our customers while placing utmost priority on preventing the spread of COVID-19. In addition, to deal with changing market conditions, we fortified our corporate structure by reducing expenses and optimizing business operations, among other measures.

During the nine months from April to December 2020, FANUC posted consolidated net sales totaling ¥375,229 million, down 2.9%, consolidated ordinary income totaling ¥75,397 million, down 5.4%, and net income attributable to owners of parent totaling ¥55,344 million, down 2.1%, compared with the corresponding period of the previous fiscal year.

An overview of the results for each business division is as follows:

In the FA Division, demand in the machine tool industry, the primary market for FANUC CNC systems, recovered earlier and remained strong in China. Demand in India is also undergoing a recovery, mainly associated with agricultural machinery and motorcycles. Although demand in Japan, Europe, South Korea, and Taiwan had remained sluggish, they are seeing gradual increases in demand with machine exports to the Chinese market. Global demand for lasers remained sluggish, and severe competition with overseas manufacturers continues. As a result, net sales in the FA Division amounted to ¥105,064 million, down 4.0% compared with the corresponding period of the previous fiscal year.

In the Robot Division, sales remained strong in China on account of IT-related sales, in addition to sales associated with EVs, construction machinery and heavy machinery and sales to machining factories. In the Americas also, sales for general industries were robust, and incorporating EV-related demand for the automobile industry, sales recovered to the same level as that in the corresponding period of the previous fiscal year. In Europe, although sales for general industries were robust, sales decreased compared with the corresponding period of the previous fiscal year as capital investment in the automobile industry saw a trough in capital investment. Sales in Japan were sluggish. As a result, net sales in the Robot Division amounted to ¥143,410 million, down 6.0% from the corresponding period of the previous fiscal year.

In the Robomachine Division, sales of the ROBODRILLs (compact machining centers) increased, buoyed by rising demand in the computer and tablet markets in China. Although sales of ROBOSHOTs (electric injection molding machines) decreased year-on-year, we focused efforts on expanding sales mainly in the medical market. With regard to ROBOCUTs (wire-cut electric discharge machines), sales fell in line with the sluggish market. As a result, net sales in the Robomachine Division amounted to ¥70,906 million, up 22.3% compared with the corresponding period of the previous fiscal year.

The Service Division received fewer requests for the Company's services on account of suspended operations at customers' factories and falling factory operating rates, among others, due to the impact of lockdowns in countries throughout the world in the first quarter. However, requests for the

Company's services have been on a recovery trend thereafter. As a result, net sales in the Service Division amounted to ¥55,849 million, down 16.1% compared with the corresponding period of the previous fiscal year.

## (2) Financial Position

Total assets were ¥1,546,840 million, up ¥34,341 million compared with the end of the previous fiscal year.

Total liabilities were ¥164,133 million, up ¥14,499 million compared with the end of the previous fiscal year.

Total net assets were ¥1,382,707 million, up ¥19,842 million compared with the end of the previous fiscal year.

We cancelled our treasury shares exceeding the 5% of the total number of issued shares (2,109,744 shares, ¥22,095 million) on May 29, 2020 based on the shareholder return policy that we announced on April 24, 2020. (This policy is written in the Consolidated Annual Financial Results for the Year ended March 31, 2020.) (There was no effect on the amount of total net assets.)

## (3) Financial Results Forecasts

The Company anticipates strong demand in various areas such as IT and EV-related in the fields of FA, Robots, and Robomachines, and as such, forecasts consolidated financial results for fiscal 2020 (the fiscal year ending March 31, 2021), as follows.

However, actual results may differ from these forecasts, subject to various conditions, including how far the coronavirus (COVID-19) will further spread, and when the pandemic will end. We will promptly publish new information, which may greatly affect actual results if any, upon their availability.

For the fiscal year 2020 (April 1, 2020 through March 31, 2021)

(Millions of yen)

	Previous forecast (released on October 29, 2020)	New forecast	Comparison with Previous forecast (%)
Net sales	502,500	532,300	5.9
Operating income	85,400	105,800	23.9
Ordinary income	96,300	119,500	24.1
Net income attributable to owners of parent	71,800	88,200	22.8

Note: The currency rate applied to the period from January 1, 2021 to March 31, 2021 is averaged at 100 yen/US dollar and 120 yen/Euro.

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

(Millions of yen)

	March 31, 2020	December 31, 2020
<b>Assets</b>		
Current assets		
Cash and bank deposits	405,861	427,591
Notes and accounts receivables, trade	85,266	93,719
Marketable securities	126,700	126,800
Finished goods	65,122	74,284
Work in progress	51,979	49,909
Raw materials and supplies	25,450	28,499
Other current assets	10,833	11,696
Allowance for doubtful accounts	(831)	(786)
<b>Total current assets</b>	<b>770,380</b>	<b>811,712</b>
Noncurrent assets		
Property, plant and equipment		
Buildings	310,060	310,628
Land	146,085	147,609
Other, net	140,991	123,088
<b>Total property, plant and equipment</b>	<b>597,136</b>	<b>581,325</b>
Intangible assets	10,219	9,771
Investments and other assets		
Investment securities	83,337	98,835
Others	51,883	45,656
Allowance for doubtful accounts	(456)	(459)
<b>Total investments and other assets</b>	<b>134,764</b>	<b>144,032</b>
<b>Total noncurrent assets</b>	<b>742,119</b>	<b>735,128</b>
<b>Total assets</b>	<b>1,512,499</b>	<b>1,546,840</b>

(Millions of yen)

	March 31, 2020	December 31, 2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payables, trade	26,974	45,614
Accrued income taxes	9,270	9,169
Warranty reserves	8,306	8,467
Other current liabilities	56,413	51,204
<b>Total current liabilities</b>	<b>100,963</b>	<b>114,454</b>
Long-term liabilities		
Net defined benefit liability	44,652	45,656
Other long-term liabilities	4,019	4,023
<b>Total long-term liabilities</b>	<b>48,671</b>	<b>49,679</b>
<b>Total liabilities</b>	<b>149,634</b>	<b>164,133</b>
<b>Net assets</b>		
Shareholders' equity		
Common stock	69,014	69,014
Capital surplus	96,265	95,995
Retained earnings	1,351,122	1,334,349
Treasury stock, at cost	(127,822)	(105,905)
<b>Total shareholders' equity</b>	<b>1,388,579</b>	<b>1,393,453</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,058	13,536
Foreign currency translation adjustment	(26,608)	(22,645)
Remeasurements of defined benefit plans	(11,929)	(10,499)
<b>Total accumulated other comprehensive income</b>	<b>(33,479)</b>	<b>(19,608)</b>
Non-controlling interests	7,765	8,862
<b>Total net assets</b>	<b>1,362,865</b>	<b>1,382,707</b>
<b>Total liabilities and net assets</b>	<b>1,512,499</b>	<b>1,546,840</b>

**(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, 2019	Nine months ended December 31, 2020
Net sales	386,473	375,229
Cost of goods sold	246,931	245,226
Gross profit	139,542	130,003
Selling, general and administrative expenses	70,928	64,740
Operating income	68,614	65,263
Non-operating income		
Interest income	2,958	1,686
Dividends income	1,260	1,197
Equity in earnings of affiliates	6,756	7,723
Miscellaneous income	1,923	2,397
Total non-operating income	12,897	13,003
Non-operating expenses		
Foreign exchange losses	471	1,223
Loss on valuation of investment securities	-	648
Miscellaneous expenses	1,336	998
Total non-operating expenses	1,807	2,869
Ordinary income	79,704	75,397
Extraordinary losses		
Impairment loss	1,973	-
Total extraordinary losses	1,973	-
Income before income taxes	77,731	75,397
Income taxes-current	17,878	17,865
Income taxes-deferred	2,387	755
Total taxes and others	20,265	18,620
Net income	57,466	56,777
Net income attributable to non-controlling interests	944	1,433
Net income attributable to owners of parent	56,522	55,344



## Consolidated Quarterly Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net income	57,466	56,777
Other comprehensive income		
Valuation difference on available-for-sale securities	528	8,478
Foreign currency translation adjustment	(7,009)	5,131
Remeasurements of defined benefit plans	1,827	1,430
Share of other comprehensive income of affiliates accounted for using equity method	(3,752)	(685)
Total other comprehensive income	(8,406)	14,354
Comprehensive income for the nine months ended December 31	49,060	71,131
Comprehensive income attributable to:		
Owners of parent	48,384	69,215
Non-controlling interests	676	1,916

### 3. Other Information

- |   |      |
|---|------|
| (1) Changes in Significant Subsidiaries during the Period<br>(changes in specific subsidiaries that caused change in scope of consolidation):   | None |
| (2) Adoption of Simplified and Specifically Applied Accounting Method<br>for Quarterly Consolidated Financial Reporting:  | None |
| (3) Changes in Accounting Principles and Accounting Estimates, and<br>Revisions/Restatements:   | None |
| (4) Note on Premise of a Going Concern:   | None |
| (5) Note on the Substantial Change in Shareholders' Equity:<br>As resolved at the Board of Directors' meetings held on April 24, 2020, the Company cancelled 2,109,744 treasury shares on May 29, 2020. As a result, the Company's retained earnings and treasury stock each decreased by ¥22,095 million during the nine months ended December 31, 2020. |      |