

(TRANSLATION)

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Consolidated Annual Financial Results

(based on Japanese standards)
For the Year ended March 31, 2022

April 26, 2022

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 the Annual Meeting of Shareholders: June 29, 2022

Scheduled date of commencing of dividend payments: June 30, 2022

Scheduled date of filing the Securities Report: June 30, 2022

Availability of supplementary briefing material on annual financial results: Available

Schedule of annual financial results briefing session: Scheduled

1. Consolidated Financial Results for the Year Ended March 31, 2022 (April 1, 2021 – March 31, 2022)

(1) Consolidated Results of Operations

(% represents changes from the previous term.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	YoY change %	Millions of yen	YoY change %	Millions of yen	YoY change %	Millions of yen	YoY change %
FY2021	733,008	33.0	183,240	62.9	213,395	65.8	155,273	65.2
FY2020	551,287	8.5	112,514	27.4	128,744	25.2	94,012	28.1

Note: Consolidated comprehensive income: FY2021: ¥ 201,257 million 62.2% FY2020: ¥ 124,079 million 116.3%

	Net income per share	Net income per share (diluted)	Return on equity	Ordinary income-to-total capital ratio	Operating income-to-net sales ratio
	Yen	Yen	%	%	%
FY2021	809.49	—	10.5	12.5	25.0
FY2020	490.11	—	6.8	8.2	20.4

(Reference) Equity in earnings of affiliates: FY2021: ¥23,126 million FY2020: ¥11,640 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2021	1,783,964	1,549,879	86.1	8,006.53
FY2020	1,625,191	1,435,554	87.7	7,431.58

(Reference) Equity: FY2021: ¥1,535,809 million FY2020: ¥1,425,479 million

(3) Consolidated Cash Flow Position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2021	125,581	(53,929)	(89,154)	574,655
FY2020	117,996	(16,770)	(53,132)	577,919

2. Dividends

(Cut-off date)	Dividends per share					Total amount of dividends (full year)	Payout ratio (consolidated)	Dividends-to-net assets Ratio (consolidated)
	1st Quarter	2nd Quarter	3rd Quarter	Year-end Dividends	Full year			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2020	—	87.93	—	206.14	294.07	56,407	60.0	4.1
FY2021	—	246.02	—	239.68	485.70	93,168	60.0	6.3
FY2022 (forecast)	—	—	—	—	—		—	

Note: The forecasts of the 2nd quarter-end and year-end dividends for the year ending March 31, 2023, will be disclosed promptly upon their availability.

3. Consolidated Financial Forecasts for the Year Ending March 31, 2023 (April 1, 2022 – March 31, 2023) (% for the 2Q cumulative period and for the full year represent changes from the same quarter of the previous fiscal year and 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	YoY change %	Millions of yen	YoY change %	Millions of yen	YoY change %	Millions of yen	YoY change %	Yen
2 nd Quarter (Cumulative)	410,800	16.9	97,300	3.6	113,900	5.6	83,000	5.5	432.70
Fiscal period	825,500	12.6	197,300	7.7	227,400	6.6	166,200	7.0	866.44

*Notes

(1) Changes in Significant Subsidiaries during the year ended March 31, 2022
(changes in specific subsidiaries that caused change in scope of consolidation) : No

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

1. Changes associated with changes in accounting standards : Yes
2. Changes in accounting principles other than 1 : No
3. Changes in accounting estimates : No
4. Revisions/restatements : No

Note: For details, please refer to “4. Consolidated Financial Statements and Primary Notes (5) Notes to Consolidated Financial Statements (Changes in accounting principles)” on Page 16 in Attachment.

(3) Number of shares outstanding (Common shares)

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

	March 31, 2022	201,909,397 shares	March 31, 2021	201,922,097 shares
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2. Number of treasury stocks

	March 31, 2022	10,089,875 shares	March 31, 2021	10,108,169 shares
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3. Average number of shares during the period

	Year ended March 31, 2022	191,817,323 shares	Year ended March 31, 2021	191,820,543 shares
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(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Year Ended March 31, 2022 (April 1, 2021 – March 31, 2022)

(1) Non-Consolidated Results of Operations

(% represents changes from the previous term.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	YoY change %	Millions of yen	YoY change %	Millions of yen	YoY change %	Millions of yen	YoY change %
FY2021	578,260	39.0	132,768	109.1	159,216	81.2	122,064	73.3
FY2020	415,939	18.0	63,481	67.1	87,889	30.0	70,451	28.8

	Net income per share	Net income per share (diluted)
	Yen	Yen
FY2021	636.35	—
FY2020	367.28	—

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2021	1,307,224	1,150,023	88.0	5,995.34
FY2020	1,236,223	1,116,242	90.3	5,819.40

(Reference) Equity: FY2021: ¥1,150,023 million FY2020: ¥1,116,242 million

- * The report of the annual 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. For the details of the financial forecasts, please refer to "Future Outlook" on page 5 of the Accompanying Documents. The forecasts of the 2nd quarter-end and the year-end dividends for the year ending March 31, 2023, will be disclosed promptly upon their availability.

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1. Overview of Results of Operations and Financial Position

(1) Overview of Results of Operations

Regarding the circumstances surrounding the FANUC Group during this fiscal year (April 1, 2021 – March 31, 2022), capital investment in the entire manufacturing sector, which had been declining due to the impact of the spread of the coronavirus (COVID-19), recovered and thus was made vigorously. The outlook has remained uncertain, however, due to the prolonged impact on manufacturing activities from a shortage in components such as semiconductors across global supply chains.

Under these circumstances, 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 particular, with regard to the shortages of semiconductors and other components, the entire company has become involved and has done every effort to minimize the impact of such shortages by taking measures such as utilizing alternative parts and even changing the design of our products.

Even under such difficult circumstances as these, the FANUC Group has pushed forward with initiatives towards future development, including the development of new products and new functions and increasing of production capacity at our factories.

In addition, amid the global push toward a carbon-free society, we recognize that climate change is an important management issue for the FANUC Group as we are doing business globally. Accordingly, we have set ourselves a long-term goal of achieving net-zero greenhouse gas emissions through the Group's business activities by 2050, and a medium-term goal of a 42% reduction in these same emissions by 2030 (relative to emissions for 2020). In order to achieve these goals, we will promote the installation of solar panels in-house and efforts towards energy-saving measures at our factories, etc. We will also push forward with efforts to make our company products even more energy-efficient.

During the fiscal year ended March 31, 2022, FANUC posted consolidated net sales totaling ¥733,008 million, up 33.0%, consolidated ordinary income totaling ¥213,395 million, up 65.8%, and net income attributable to owners of parent totaling ¥155,273 million, up 65.2%, compared with the previous fiscal year.

During fiscal year ended March 31, 2022, the "FANUC ROBOCUTs α -CiC Series" wire electrical-discharge machine, which, in addition to being designed to deliver high machining performance and operating rates, also pursues ease of use, won the "Nikkan Kogyo Shimbun Best 10 New Product Awards 2021/Main Award". Further, the collaborative robot "FANUC Robot CRX-10iA", which is equipped with all of "Safety", "Ease of Use" and "High Reliability" won the "Japan Techno-Economics Society Chairperson's Award" at the 10th Technology Management and Innovation Award sponsored by the Japan Techno-Economics Society. In addition, the "FANUC ROBOSHOTs α -SiB Series, equipped PANEL iH Pro display device"—the largest in the industry

with a 21.5-inch display device—that can simultaneously display two screens for showing such information as the operation condition settings, the molding process display, and peripheral device information, won the "Japan Society of Industrial Machinery Manufacturers Award at the 51st Machine Design Award(IDEA)".

The following is a summary of the results for each business division:

[FA Division]

In the FA Division, demand from the machine tool industry, the primary market for CNC systems, remained strong in all major markets, as evidenced by an increase on a global scale from Europe, the Americas, Asia, Japan as well as from China. Sales of the CNC systems for machine tools also increased in line with this increase in demand. In February 2022, the cumulative production number for the Company's CNC systems reached 5 million units.

With regard to our lasers, the Chinese market and the European market are on a recovery trend, but competition from overseas manufacturers remains fierce.

The FA Division posted consolidated sales totaling ¥226,165 million, up 51.5% compared with the previous fiscal year, and FA Division sales accounted for 30.9% of consolidated net sales.

[ROBOT Division]

In the ROBOT Division, sales in China remained strong, mainly in IT-related industries and for EVs, heavy machinery and construction machinery. Strong sales were also recorded in the United States, to general industries and the automobile industry with EV-related demand, and demand from general industries in Europe also remained strong. In Japan, there was a gradual recovery in terms of demand, with sales increasing compared with the corresponding period of the previous fiscal year. The ROBOT Division posted consolidated sales totaling ¥268,478 million, up 27.8% compared with the previous fiscal year. ROBOT Division sales accounted for 36.6% of consolidated net sales.

[ROBOMACHINE Division]

In the ROBOMACHINE Division, sales of the ROBODRILLS (compact machining centers) increased, due to demand for use in the personal computer and tablet markets in China. Sales of the ROBOSHOTS (electric injection molding machines) increased due to strong demand from IT-related and medical markets. Sales of the ROBOCUTs (wire electrical-discharge machines) increased due to strong demand from IT-related and automobile component markets.

The ROBOMACHINE Division posted consolidated sales totaling ¥144,633 million, up 26.3% compared with the previous fiscal year. ROBOMACHINE Division sales accounted for 19.7% of consolidated net sales.

[Service Division]

In the Service Division, sales recovered to the same level as in normal years.

The Service Division posted consolidated sales totaling ¥93,732 million, up 20.9% compared with the previous fiscal year. Service Division sales accounted for 12.8% of consolidated net sales.

(2) Overview of Financial Position

Total assets were ¥1,783,964 million, up ¥158,773 million compared with the end of the previous fiscal year.

Total liabilities were ¥234,085 million, up ¥44,448 million compared with the end of the previous fiscal year.

Total net assets were ¥1,549,879 million, up ¥114,325 million compared with the end of the previous fiscal year.

(3) Overview of Cash Flows

Cash and cash equivalents (hereinafter "Cash") for this fiscal year amounted to ¥574,655 million, down ¥3,264 million from the end of the previous fiscal year.

(Cash flows from operating activities)

Cash provided by operating activities during this period amounted to ¥125,581 million, up ¥7,585 million from the previous fiscal year. This was mainly due to the increase in the income before income taxes.

(Cash flows from investing activities)

Cash used in investing activities during this period amounted to ¥53,929 million, up ¥37,159 million from the previous fiscal year. This was mainly because proceeds from withdrawal of time deposits decreased.

(Cash flows from financing activities)

Cash used in financing activities during this period amounted to ¥89,154 million, up ¥36,022 million from the previous fiscal year. This was mainly due to the increase in dividends paid.

(4) Future Outlook

The outlook is uncertain owing to factors such as the increased geopolitical risk and effect of the spread of COVID-19, and the Company anticipates an impact from soaring costs for components, raw materials, and logistics. However, the Company expects that strong demand will continue in various areas in the fields of FA, ROBOT, and ROBOMACHINE, and as such, the Company forecasts consolidated financial results for fiscal 2022 (the fiscal year ending March 31, 2023), as follows.

Full-year financial forecast for the year ended March 31, 2023

	Amount (Millions of yen)	Ratio of change from the previous fiscal year (%)
Net sales	825,500	12.6
Operating income	197,300	7.7
Ordinary income	227,400	6.6
Net income attributable to owners of parent	166,200	7.0

Note: The currency rate applied to the period from April 1, 2022 to March 31, 2023 is averaged at 125 yen/US dollar and 135 yen/Euro.

(5) Basic Policy on Return of Profit to Shareholders and Dividends for the Period ended March 31, 2022

Our basic policy for distributing profits to shareholders is as follows:

1. Dividends

We have set a dividend payout ratio of 60% as our basic policy.

2. Share buybacks

We will buy back our own shares in a flexible manner depending on the level of our stock price, taking into account the balance with our investments for growth.

3. Cancellation of treasury shares

We limit the number of our treasury shares to 5% of the total number of shares issued. As a general rule, we will cancel any portion exceeding that limit every fiscal year.

Dividends for this period are scheduled as follows:

	First half	Second half (forecast)	Full year (forecast)	Payout ratio
Current period (fiscal year ended March 31, 2022)	Yen 246.02	Yen 239.68	Yen 485.70	60.0%
(Reference) Previous period (fiscal year ended March 31, 2021)	Yen 87.93	Yen 206.14	Yen 294.07	60.0%

2. Management Policy, Business Environment, Challenges, and Other Matters

(1) Basic Management Policy

FANUC has consistently pursued factory automation since 1955 when it started the development of NCs (numerical controls).

The targets at its beginnings were to become a company, though small in size, having the robustness of a giant with roots firmly spread in the ground, and to concentrate on technology to go forward, by “walking a straight and narrow path.” This is being pursued to this day.

In order to turn this vision into reality, the FANUC Group has established “Genmitsu (Strict Preciseness)” and “Tomei (Transparency)” as its basic principles. In these principles lie the belief that a company will last forever and be sound with strict preciseness, and that the corruption of an organization and downfall of a company will start from a lack of transparency.

FANUC engages in the FA, ROBOT and ROBOMACHINE businesses. The FA Unit encompasses basic technologies consisting of NCs, servos and lasers, which are also applied to the ROBOT and ROBOMACHINE Units. In addition, by actively incorporating IoT・AI technologies in all three areas, the company endeavors to make FANUC products more efficient for customers to use.

Being true to its origins as a supplier of capital goods, maintenance and service support is provided for FANUC products for as long as they are used by customers.

Through such activities, the FANUC Group contributes to the development of manufacturing industries in Japan and overseas, by promoting automation and efficiency in customers’ factories. FANUC expects to steadily grow in the field of factory automation, which is extremely promising in the mid-to-long term.

(2) Business Environment and Challenges

As FANUC products are production goods that are significantly affected by economic changes, we continue management from a long-term perspective without being affected by short-term events.

Regarding the business environment surrounding the FANUC Group, with increased geopolitical risk and the impact of the increasing spread of COVID-19 and others, it is anticipated that the situation will remain difficult and unpredictable for some time. On the other hand, the demand for

factory automation is expected to grow over the mid-to-long term.

Guided by the slogan “one FANUC,” the FANUC Group will take maximum advantage of our unique strength in uniting our FA, ROBOT, and ROBOMACHINE Divisions to jointly provide total solutions and take care of customers throughout the world. In particular, we perceive collaboration between CNC machine tools and Robots, and between Robomachines and Robots, as one of our key themes, and will develop products accordingly.

In addition, the FANUC Group will adhere to its origins as a producer of production goods to be used at manufacturing sites, and will be thorough in implementing our slogan “Reliable”, “Predictable”, “Easy to Repair” in product development, to minimize downtime in our customers’ factories and improve their operating rates. Moreover, we will develop products with an even greater focus on ease of use, in order to respond to the increase in demands for factory automation, as acquiring skilled workers becomes more difficult.

Furthermore, we will practice our basic policy of “Service First” in providing high-level maintenance services pursuant to FANUC’s global standard anywhere in the world, and “lifetime maintenance” for as long as our customers use our products. In particular, we will continue to focus on “lifetime maintenance,” as it is one of the core strengths of the FANUC Group, which is difficult for competitors to imitate.

The FANUC Group believes that IoT · AI are indispensable technologies for FANUC to continue developing and launching highly competitive products to the market. By aggressively adopting these technologies in all areas of FA, ROBOT, and ROBOMACHINE products, we will further promote customers’ production efficiency. We will continue to develop IoT technologies, such as the “FIELD system” open platform. With regard to AI technologies, we will develop functions that will be useful in actual manufacturing sites. For technologies that the Company does not possess, we will continue to actively collaborate with other companies, and strive to engage in speedy development.

We will pursue measures to strengthen our corporate structure from a long-term perspective, such as reinforcing product competitiveness, strengthening sales and service activities, promoting automatization and robotization in factories, and enhancing administrative efficiency. In addition, as a supplier of production goods, we are establishing multiple production sites and service centers in order to fulfill our responsibilities as a supplier and maintain service activities under any circumstance. Furthermore, we are also fortifying our supply chain by increasing the number of parts suppliers and maintaining appropriate inventory levels for parts.

Along with such activities, the FANUC Group is also striving to maintain its strong corporate structure by reducing expenses and time, and streamlining business operations. In addition, we consider human resources as being most vital for achieving medium and long-term growth. From this perspective, we will work on the key issues of creating better working environments for our employees and further improving employee motivation.

With regard to management, we will focus even more on the fact that FANUC’s products can make major contributions to the achievement of SDGs. In addition to the operating income ratio, ordinary income ratio, and ROE, market shares will also be considered to be an important business indicator, and decisions will be made comprehensively with these in mind.

As a pressing issue, the FANUC Group is prioritizing the prevention of COVID-19 infection among its customers, partners, employees, and family members, along with containing its spread, while striving to continue to provide products and services to customers.

The FANUC Group will continue to thoroughly practice our basic principles of “Strict Preciseness and Transparency,” and promote such measures united as one group in all aspects, in order to gain more customer confidence and trust in the FANUC Group while adapting to dramatic changes in the environment, in our efforts to become a company that will continue forever.

3.Basic Way of Thinking Regarding the Choice of Accounting Standards

In consideration of enabling the comparison of consolidated financial statements for designated periods and comparison with other companies, FANUC will continue its policy of generating consolidated financial statements according to Japanese standards for the foreseeable future.

4. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	March 31, 2021	March 31, 2022
Assets		
Current assets		
Cash and bank deposits	429,784	423,515
Notes and accounts receivables, trade	128,171	150,195
Marketable securities	157,000	177,700
Finished goods	81,253	114,228
Work in progress	52,008	80,006
Raw materials and supplies	31,007	55,330
Other current assets	11,253	14,996
Allowance for doubtful accounts	(782)	(1,024)
Total current assets	889,694	1,014,946
Noncurrent assets		
Property, plant and equipment		
Buildings, net	309,113	326,459
Machinery and equipment	59,863	56,665
Land	148,389	155,369
Construction in progress	44,408	24,292
Other, net	15,073	15,348
Total property, plant and equipment	576,846	578,133
Intangible assets	9,952	8,933
Investments and other assets		
Investment securities	109,212	135,709
Deferred tax assets	31,141	34,607
Net defined benefit asset	4,772	7,809
Others	3,998	4,252
Allowance for doubtful accounts	(424)	(425)
Total investments and other assets	148,699	181,952
Total noncurrent assets	735,497	769,018
Total assets	1,625,191	1,783,964

(Millions of yen)

	March 31, 2021	March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payables, trade	44,015	49,473
Accrued income taxes	22,131	37,572
Warranty reserves	8,860	10,739
Other current liabilities	60,112	79,818
Total current liabilities	135,118	177,602
Long-term liabilities		
Net defined benefit liability	49,379	51,693
Other long-term liabilities	5,140	4,790
Total long-term liabilities	54,519	56,483
Total liabilities	189,637	234,085
Net assets		
Shareholders' equity		
Common stock	69,014	69,014
Capital surplus	95,995	96,082
Retained earnings	1,373,018	1,441,559
Treasury stock, at cost	(106,008)	(105,950)
Total shareholders' equity	1,432,019	1,500,705
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,910	15,204
Foreign currency translation adjustment	(4,849)	36,087
Remeasurements of defined benefit plans	(18,601)	(16,187)
Total accumulated other comprehensive income	(6,540)	35,104
Non-controlling interests	10,075	14,070
Total net assets	1,435,554	1,549,879
Total liabilities and net assets	1,625,191	1,783,964

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Millions of yen)

	Years ended March 31	
	2021	2022
Net sales	551,287	733,008
Cost of goods sold	349,327	437,374
Gross profit	201,960	295,634
Selling, general and administrative expenses	89,446	112,394
Operating income	112,514	183,240
Non-operating income		
Interest income	2,088	2,055
Dividends income	1,339	1,137
Equity in earnings of affiliates	11,640	23,126
Miscellaneous income	3,330	5,956
Total non-operating income	18,397	32,274
Non-operating expenses		
Removal expenses of noncurrent assets	523	644
Loss on sales and retirement of non-current assets	85	410
Donations	481	397
Litigation settlement	—	288
Miscellaneous expenses	1,078	380
Total non-operating expenses	2,167	2,119
Ordinary income	128,744	213,395
Extraordinary losses		
Loss from money transfer scam at foreign subsidiary	—	478
Total extraordinary losses	—	478
Income before income taxes	128,744	212,917
Income taxes-current	32,385	57,721
Income taxes-deferred	101	(3,294)
Total taxes and others	32,486	54,427
Net income	96,258	158,490
Net income attributable to non-controlling interests	2,246	3,217
Net income attributable to owners of parent	94,012	155,273

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Years ended March 31	
	2021	2022
Net income	96,258	158,490
Other comprehensive income		
Valuation difference on available-for-sale securities	11,852	(1,706)
Foreign currency translation adjustment	22,072	30,969
Remeasurements of defined benefit plans	(6,672)	2,414
Share of other comprehensive income of affiliates accounted for using equity method	569	11,090
Total other comprehensive income	27,821	42,767
Comprehensive income	124,079	201,257
Comprehensive income attributable to:		
Owners of parent	120,951	196,917
Non-controlling interests	3,128	4,340

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at March 31, 2020	69,014	96,265	1,351,122	(127,822)	1,388,579
Changes during the year:					
Dividends of surplus			(50,369)		(50,369)
Net income attributable to owners of parent			94,012		94,012
Changes by merger			346		346
Change in equity from transactions with non-controlling shareholders		(270)			(270)
Purchase of treasury stock				(283)	(283)
Disposal of treasury stock		2		2	4
Retirement of treasury stock		(2)	(22,093)	22,095	—
Net change except shareholders' equity during the year					—
Total changes during the year	—	(270)	21,896	21,814	43,440
Balance at March 31, 2021	69,014	95,995	1,373,018	(106,008)	1,432,019

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at March 31, 2020	5,058	(26,608)	(11,929)	(33,479)	7,765	1,362,865
Changes during the year:						
Dividends of surplus						(50,369)
Net income attributable to owners of parent						94,012
Changes by merger						346
Change in equity from transactions with non-controlling shareholders						(270)
Purchase of treasury stock						(283)
Disposal of treasury stock						4
Retirement of treasury stock						—
Net change except shareholders' equity during the year	11,852	21,759	(6,672)	26,939	2,310	29,249
Total changes during the year	11,852	21,759	(6,672)	26,939	2,310	72,689
Balance at March 31, 2021	16,910	(4,849)	(18,601)	(6,540)	10,075	1,435,554

Year ended March 31, 2022 (April 1, 2021 - March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at March 31, 2021	69,014	95,995	1,373,018	(106,008)	1,432,019
Changes during the year:					
Dividends of surplus			(86,732)		(86,732)
Net income attributable to owners of parent			155,273		155,273
Changes by merger					—
Change in equity from transactions with non-controlling shareholders					—
Purchase of treasury stock				(234)	(234)
Disposal of treasury stock		220		159	379
Retirement of treasury stock		(133)		133	—
Net change except shareholders' equity during the year					—
Total changes during the year	—	87	68,541	58	68,686
Balance at March 31, 2022	69,014	96,082	1,441,559	(105,950)	1,500,705

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at March 31, 2021	16,910	(4,849)	(18,601)	(6,540)	10,075	1,435,554
Changes during the year:						
Dividends of surplus						(86,732)
Net income attributable to owners of parent						155,273
Changes by merger						—
Change in equity from transactions with non-controlling shareholders						—
Purchase of treasury stock						(234)
Disposal of treasury stock						379
Retirement of treasury stock						—
Net change except shareholders' equity during the year	(1,706)	40,936	2,414	41,644	3,995	45,639
Total changes during the year	(1,706)	40,936	2,414	41,644	3,995	114,325
Balance at March 31, 2022	15,204	36,087	(16,187)	35,104	14,070	1,549,879

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Years ended March 31	
	2021	2022
Cash flows from operating activities		
Income before income taxes	128,744	212,917
Depreciation and amortization	45,102	47,077
Increase (decrease) in allowance for doubtful accounts	(121)	195
Increase (decrease) in net defined benefit liability	4,252	1,851
(Increase) decrease in net defined benefit asset	9,040	(2,232)
Interest and dividend income	(3,427)	(3,192)
Equity in (earnings) losses of affiliates	(11,640)	(23,126)
(Increase) decrease in receivables, trade	(37,122)	(14,498)
(Increase) decrease in inventories	(16,828)	(74,740)
Increase (decrease) in payables, trade	15,239	2,758
Other	(2,985)	12,445
Subtotal	130,254	159,455
Interest and dividends received	7,082	8,056
Income taxes paid	(20,153)	(43,332)
Other	813	1,402
Net cash provided by operating activities	117,996	125,581
Cash flows from investing activities		
Payments into time deposits	(31,849)	(29,199)
Proceeds from withdrawal of time deposits	40,021	12,012
Purchases of property, plant, and equipment	(21,768)	(34,363)
Other	(3,174)	(2,379)
Net cash used in investing activities	(16,770)	(53,929)
Cash flows from financing activities		
Purchases of treasury stock	(283)	(234)
Dividends paid	(50,484)	(86,799)
Other	(2,365)	(2,121)
Net cash used in financing activities	(53,132)	(89,154)
Effect of exchange rate changes on cash and cash equivalents	14,465	14,238
Net increase (decrease) in cash and cash equivalents	62,559	(3,264)
Cash and cash equivalents at beginning of year	515,008	577,919
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	352	—
Cash and cash equivalents at end of year	577,919	574,655

(5) Notes to Consolidated Financial Statements

(Note on premise of a going concern)

Not applicable

(Changes in accounting principles)

(Application of Accounting Standard for Revenue Recognition)

The Company has applied "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020) and others from the beginning of the fiscal year ending March 31, 2022. Under Accounting Standard for Revenue Recognition, the Company recognizes revenue at the time when control over the promised goods or services is transferred to the customer, in an amount equal to the consideration expected to be received for the said goods or services.

The application of this accounting standard has no effect on the Company's consolidated financial statements.

(Application of the Accounting Standard for Fair Value Measurement)

The Company has applied "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019; hereinafter, "Fair Value Accounting Standards") and others from the beginning of the fiscal year ending March 31, 2022. In accordance with the transitional treatment set forth in Article 19 of Fair Value Accounting Standards and Article 44-2 of "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), the Company has applied prospectively a new accounting policy prescribed by Fair Value Accounting Standards and others.

The application of this accounting standard has no effect on the Company's consolidated financial statements.

(Changes in presentation methods)

(Consolidated statement of income related)

In the previous consolidated fiscal year, "Loss on valuation of investment securities" under "Non-operating expenses" was shown independently.

However, as its monetary significance has become negligible, starting from the current consolidating fiscal year, it is shown after including in "Miscellaneous expenses" under "Non-operating expenses".

Also, "Loss on sales and retirement of non-current assets" shown after including in "Miscellaneous expenses" under "Non-operating expenses" in the previous consolidated fiscal year. However as its monetary significance has become substantial, starting from the current consolidating fiscal year, it is shown independently.

For incorporating this revision of the presentation method, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

As a result, "Loss on valuation of investment securities" of ¥772 million and "Miscellaneous expenses" of ¥391 million shown under "Non-operating expenses" have been reclassified as "Loss on sales and retirement of non-current assets" of ¥85 million and "Miscellaneous expenses" of ¥1,078 million.

(Segment information, etc.)

1. Segment information

Year ended March 31, 2021 (April 1, 2020 – March 31, 2021) and

Year ended March 31, 2022 (April 1, 2021 – March 31, 2022)

FANUC Group focuses on the development, production, and sales of CNC systems and related application products based on FANUC's CNC system technologies as a comprehensive supplier of factory automation (FA) systems. Ultimately, FANUC CNC systems and the related application products are used in automated production systems.

FANUC Group uses its CNCs and servo motors to manufacture all of its products. For this reason, the decision is made, taking into consideration the status of orders, sales and production of all

products, in addition to the status of particular products.

As mentioned above, FANUC Group runs only one business segment based on the decision that the entire group makes for investment. Thus, the segment information is not stated herein.

2. Relevant information

Year ended March 31, 2022 (April 1, 2021 – March 31, 2022)

(1) Information by product and service

	(Millions of yen)				
	FA	ROBOT	ROBOMACHINE	Service	Total
Net sales to unaffiliated customers	226,165	268,478	144,633	93,732	733,008

(2) Information by region

◎ Net sales

(Millions of yen)					
Japan	Americas	Europe	Asia	Other	Total
111,090	149,735	120,847	346,022	5,314	733,008

Note: Net sales are broken down by country or region where customers are located.

◎ Property, plant and equipment, at cost

(Millions of yen)		
Japan	Other	Total
501,528	76,605	578,133

(Per share data)

Fiscal year 2020 (April 1, 2020 – March 31, 2021)		Fiscal year 2021 (April 1, 2021 – March 31, 2022)	
Net assets per share	7,431.58 yen	Net assets per share	8,006.53 yen
Net income per share	490.11 yen	Net income per share	809.49 yen
Net diluted income per share is not stated herein as there exist no dilutive shares.		Net diluted income per share is not stated herein as there exist no dilutive shares.	

Note: Net income per share is calculated based on the following:

	Fiscal year 2020 (April 1, 2020 – March 31, 2021)	Fiscal year 2021 (April 1, 2021 – March 31, 2022)
Net income attributable to owners of parent (Millions of yen)	94,012	155,273
Amount not accruing to common shares (Millions of yen)	—	—
Net income attributable to owners of parent, assigned to common share (Millions of yen)	94,012	155,273
Average number of shares outstanding (Thousands of share)	191,821	191,817

(Significant subsequent events)

Not applicable