

## (TRANSLATION)

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

### Consolidated Quarterly Financial Results (based on Japanese standards) For the nine months ended December 31, 2017

January 26, 2018

Company name: FANUC CORPORATION Stock exchange listing: Tokyo Stock Exchange  
Stock code: 6954 URL: <http://www.fanuc.co.jp>  
Representative: (Title) Chairman (Name) Yoshiharu Inaba  
Contact: (Title) Manager, Public Relations (Name) Keisuke Fujii TEL: (0555) 84-5555  
Scheduled date of filing quarterly report: February 9, 2018  
Scheduled date of commencing 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, 2017 (April 1, 2017 – December 31, 2017)

(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	%
2017	535,994	37.3	169,235	51.6	185,618	48.4	136,314	47.3
2016	390,327	(19.9)	111,649	(35.4)	125,120	(32.5)	92,573	(27.3)

Note: Consolidated comprehensive income: April-December 2017 ¥163,570 million 87.2%  
April-December 2016 ¥87,376 million (25.6)%

Nine months ended December 31	Net income per share	Net income per share (diluted)
	Yen	Yen
2017	703.19	—
2016	477.45	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
December 31, 2017	1,683,188	1,440,061	85.2
March 31, 2017	1,564,769	1,369,457	87.1

(Reference) Equity: December 31, 2017 ¥1,433,772 million March 31, 2017 ¥1,363,155 million

2. Dividends

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end Dividends	Full year
	Yen	Yen	Yen	Yen	Yen
2016	—	186.20	—	208.98	395.18
2017	—	265.45	—	—	—
2017 (forecast)	—	—	—	—	—

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

Note: The forecasts of the year-end dividends for the year ending March 31, 2018 will be disclosed promptly upon their availability.

3. Consolidated Financial Forecasts for the Year Ending March 31, 2018 (April 1, 2017 – March 31, 2018)  
 (% represents changes from the previous fiscal year.)

Fiscal period	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
	716,000	33.3	224,900	46.8	243,400	44.2	180,200	41.1	929.62

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

\*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, 2017	204,059,017 shares	March 31, 2017	204,072,715 shares
2. Number of treasury stocks				
	December 31, 2017	10,217,017 shares	March 31, 2017	10,216,648 shares
3. Average number of shares during the period				
	April-December 2017	193,849,755 shares	April-December 2016	193,890,545 shares

\* The report of the quarterly financial results is not subject to the quarterly review.

\* 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. The forecasts of the year-end dividends for the year ending March 31, 2018 will be disclosed promptly upon their availability.

## Table of Contents of Accompanying Documents

1.	Results of Operations and Financial Position	2
	(1) Results of Operations	2
	(2) Financial Position	3
	(3) Financial Results Forecasts	3
2.	Consolidated Quarterly Financial Statements	5
	(1) Consolidated Quarterly Balance Sheet	5
	(2) Consolidated Quarterly Statement of Income and Consolidated Quarterly Statement of Comprehensive Income	6
	Consolidated Quarterly Statement of Income	6
	Consolidated Quarterly Statement of Comprehensive Income	7
3.	Other Information	8
	(1) Changes in Significant Subsidiaries during the period	8
	(2) Adoption of Simplified and Specifically Applied Accounting Method for Quarterly Consolidated Financial Reporting	8
	(3) Changes in Accounting Principles and Accounting Estimates, and Revisions/Restatements	8
	(4) Note on Premise of a Going Concern	8
	(5) Note on the Substantial Change in Shareholders' Equity	8

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

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

The FANUC Group's results for the third quarter (April to December 2017) are as follows.

In the FA Division, the machine tool industry, the primary market for FANUC CNC systems, continued to experience favorable performance in Japan, China, South Korea and other countries. Sales in Europe were also steady. With regard to our lasers, we established a new laser factory in Mibu-machi, Tochigi Prefecture, while we continue focusing our efforts on expanding sales of fiber laser oscillators. Net sales in the FA Division increased sharply compared with the corresponding period of the previous fiscal year.

In the Robot Division, sales continued to remain favorable in the Americas, Europe and China. Particularly, demands in the Americas and China were robust. Sales also remained steady in Japan. As a result, sales in the Robot Division increased sharply compared with the corresponding period of the previous fiscal year.

In the Robomachine Division, sales of ROBODRILLS (small machining center), ROBOSHOTS (electric injection molding machine) and ROBOCUTs (wire-cut electric discharge machine) were steady for the automobile industry and also robust in general for IT-related industry, with short-term demand active in China and other countries. Accordingly, sales increased significantly compared with the corresponding period of the previous fiscal year.

Under these circumstances, the FANUC Group strived to earn customers' trust in our products and services to an even greater extent, by becoming united as one group under the slogans "one FANUC," "Reliable" "Predictable" "Easy to Repair," and "Service First." In addition, as well as proceeding with the application of AI technology to our products, we pressed forward with measures to achieve continuous development in our business, including expanding sales of FIELD system (FANUC Intelligent Edge Link and Drive system), an open platform in which various companies can participate that started operation in Japan in October 2017, as an IoT initiative.

Furthermore, as previously announced, a fire broke out on December 18, 2017 at FANUC SERVO LTD, a FANUC CORPORATION's subsidiary for manufacturing motors. We extend our sincere apologies for raising concern and inconveniencing nearby residents, our customers, and relevant institutions. Fortunately, there was no harm to any persons, and no permanent damage to the building from this fire. While the fire is expected to have effect on the production of certain motors, the production of standard SERVO MOTORS and SPINDLE MOTORS, which are produced in FANUC Headquarter factory, remain unaffected.

The performance of FANUC CORPORATION is not expected to be affected to the extent that it would reach the criteria for disclosure. The FANUC Group is uniting our efforts in doing everything that we can to recover from this damage and production has been gradually resumed.

As a result, during the nine months from April to December 2017, FANUC posted consolidated net sales totaling ¥535,994 million, up 37.3%, consolidated ordinary income totaling ¥185,618 million, up 48.4%, and consolidated net income totaling ¥136,314 million, up 47.3%, compared with the corresponding period of the previous fiscal year.

Looking at the performance by business group, the FA Division posted consolidated sales totaling ¥166,668 million, up 30.5%, the Robot Division posted consolidated sales totaling ¥167,056 million, up 22.6%, the Robomachine Division posted consolidated sales totaling ¥137,655 million, up 99.0%, and the Service Division posted consolidated sales totaling ¥64,615 million, up 12.8%, compared with the corresponding period of the previous fiscal year.

(Note): “Net income” in “Results of Operations and Financial Position” means “Net income attributable to owners of parent” in the Consolidated Statement of Income.

## **(2) Financial Position**

Total assets were ¥1,683,188 million, up ¥118,419 million compared with the end of the previous fiscal year.

Total liabilities were ¥243,127 million, up ¥47,815 million compared with the end of the previous fiscal year.

Total net assets were ¥1,440,061 million, up ¥70,604 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 (13,698 shares, ¥98 million) on May 31, 2017 based on the shareholder return policy we announced on April 27, 2015. (There was no effect on the amount of total net assets.)

## **(3) Financial Results Forecasts**

It is anticipated that our performance will remain favorable overall.

On the other hand, the situation is expected to remain unpredictable, due to concerns including foreign exchange fluctuation.

The present forecast for consolidated financial results for the year ending March 31, 2018 is as follows:

For the fiscal year 2017 (April 1, 2017 through March 31, 2018)

(Millions of yen)

	Previous forecast (released on October 25, 2017)	New forecast	Comparison with previous forecast (%)
Net sales	693,000	716,000	3.3
Operating income	209,100	224,900	7.6
Ordinary income	225,400	243,400	8.0
Net income	164,900	180,200	9.3

Note: The currency rate applied to the period from January 1, 2018 to March 31, 2018 is averaged at 105 yen/US dollar and 125 yen/euro.

## 2. Consolidated Quarterly Financial Statements

### (1) Consolidated Quarterly Balance Sheet

	(Millions of yen)	
	March 31, 2017	December 31, 2017
<b>Assets</b>		
Current assets		
Cash and bank deposits	629,761	623,320
Notes and accounts receivables, trade	120,787	145,588
Marketable securities	145,000	145,000
Finished goods	60,580	77,542
Work in progress	43,892	51,334
Raw materials and supplies	13,864	20,471
Other current assets	47,047	48,599
Allowance for doubtful accounts	(1,287)	(1,413)
Total current assets	<u>1,059,644</u>	<u>1,110,441</u>
Noncurrent assets		
Property, plant and equipment		
Buildings	195,765	213,626
Land	134,400	137,237
Other, net	76,225	109,956
Total property, plant and equipment	<u>406,390</u>	<u>460,819</u>
Intangible assets	4,687	6,383
Investments and other assets		
Investment securities	72,195	88,905
Others	21,855	16,642
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	<u>94,048</u>	<u>105,545</u>
Total noncurrent assets	<u>505,125</u>	<u>572,747</u>
Total assets	<u>1,564,769</u>	<u>1,683,188</u>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payables, trade	36,011	49,326
Accrued income taxes	22,994	30,391
Warranty reserves	6,994	7,415
Other current liabilities	54,716	86,345
Total current liabilities	<u>120,715</u>	<u>173,477</u>
Long-term liabilities		
Net defined benefit liability	71,175	66,132
Other long-term liabilities	3,422	3,518
Total long-term liabilities	<u>74,597</u>	<u>69,650</u>
Total liabilities	<u>195,312</u>	<u>243,127</u>
<b>Net assets</b>		
Shareholders' equity		
Common stock	69,014	69,014
Capital surplus	96,208	96,265
Retained earnings	1,307,254	1,351,501
Treasury stock, at cost	(90,677)	(90,922)
Total shareholders' equity	<u>1,381,799</u>	<u>1,425,858</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,594	14,981
Foreign currency translation adjustment	(710)	16,166
Remeasurements of defined benefit plans	(26,528)	(23,233)
Total accumulated other comprehensive income	<u>(18,644)</u>	<u>7,914</u>
Non-controlling interests	6,302	6,289
Total net assets	<u>1,369,457</u>	<u>1,440,061</u>
Total liabilities and net assets	<u>1,564,769</u>	<u>1,683,188</u>

**(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, 2016	Nine months ended December 31, 2017
Net sales	390,327	535,994
Cost of goods sold	<u>220,330</u>	<u>295,732</u>
Gross profit	<u>169,997</u>	<u>240,262</u>
Selling, general and administrative expenses	<u>58,348</u>	<u>71,027</u>
Operating income	<u>111,649</u>	<u>169,235</u>
Non-operating income		
Interest income	1,678	2,324
Dividends income	1,346	1,393
Equity in earnings of affiliates	7,393	11,742
Miscellaneous income	<u>4,229</u>	<u>3,951</u>
Total non-operating income	<u>14,646</u>	<u>19,410</u>
Non-operating expenses		
Loss on sales and retirement of noncurrent assets	150	498
Real estate acquisition tax	11	805
Loss on fire	-	991
Miscellaneous expenses	<u>1,014</u>	<u>733</u>
Total non-operating expenses	<u>1,175</u>	<u>3,027</u>
Ordinary income	<u>125,120</u>	<u>185,618</u>
Income before income taxes	<u>125,120</u>	<u>185,618</u>
Income taxes-current	34,315	52,815
Income taxes-deferred	<u>(2,033)</u>	<u>(3,864)</u>
Total taxes and others	<u>32,282</u>	<u>48,951</u>
Net income	<u>92,838</u>	<u>136,667</u>
Net income attributable to non-controlling interests	<u>265</u>	<u>353</u>
Net income attributable to owners of parent	<u>92,573</u>	<u>136,314</u>

Consolidated Quarterly Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Net income	92,838	136,667
Other comprehensive income		
Valuation difference on available-for-sale securities	2,929	6,387
Foreign currency translation adjustment	(531)	16,557
Remeasurements of defined benefit plans	1,059	3,295
Share of other comprehensive income of affiliates accounted for using equity method	<u>(8,919)</u>	<u>664</u>
Total other comprehensive income	<u>(5,462)</u>	<u>26,903</u>
Comprehensive income for the nine months ended December 31	<u>87,376</u>	<u>163,570</u>
Comprehensive income attributable to:		
Owners of parent	87,223	162,871
Non-controlling interests	153	699

### 3. Other Information

- |  |      |
|--|------|
| (1) Changes in Significant Subsidiaries during the period (changes in specific subsidiaries that caused change in scope of consolidation): | None |
| (2) Adoption of Simplified and Specifically Applied Accounting Method for Quarterly Consolidated Financial Reporting:                      | None |
| (3) Changes in Accounting Principles and Accounting Estimates, and Revisions/Restatements:   | None |
| (4) Note on Premise of a Going Concern:  | None |
| (5) Note on the Substantial Change in Shareholders' Equity:  | None |