

FA&ROBOT&ROBOMACHINE
FANUC

ANNUAL REPORT **2015**

Year ended March 31, 2015



FANUC's Symbol "Keyaki" - Zelkova tree

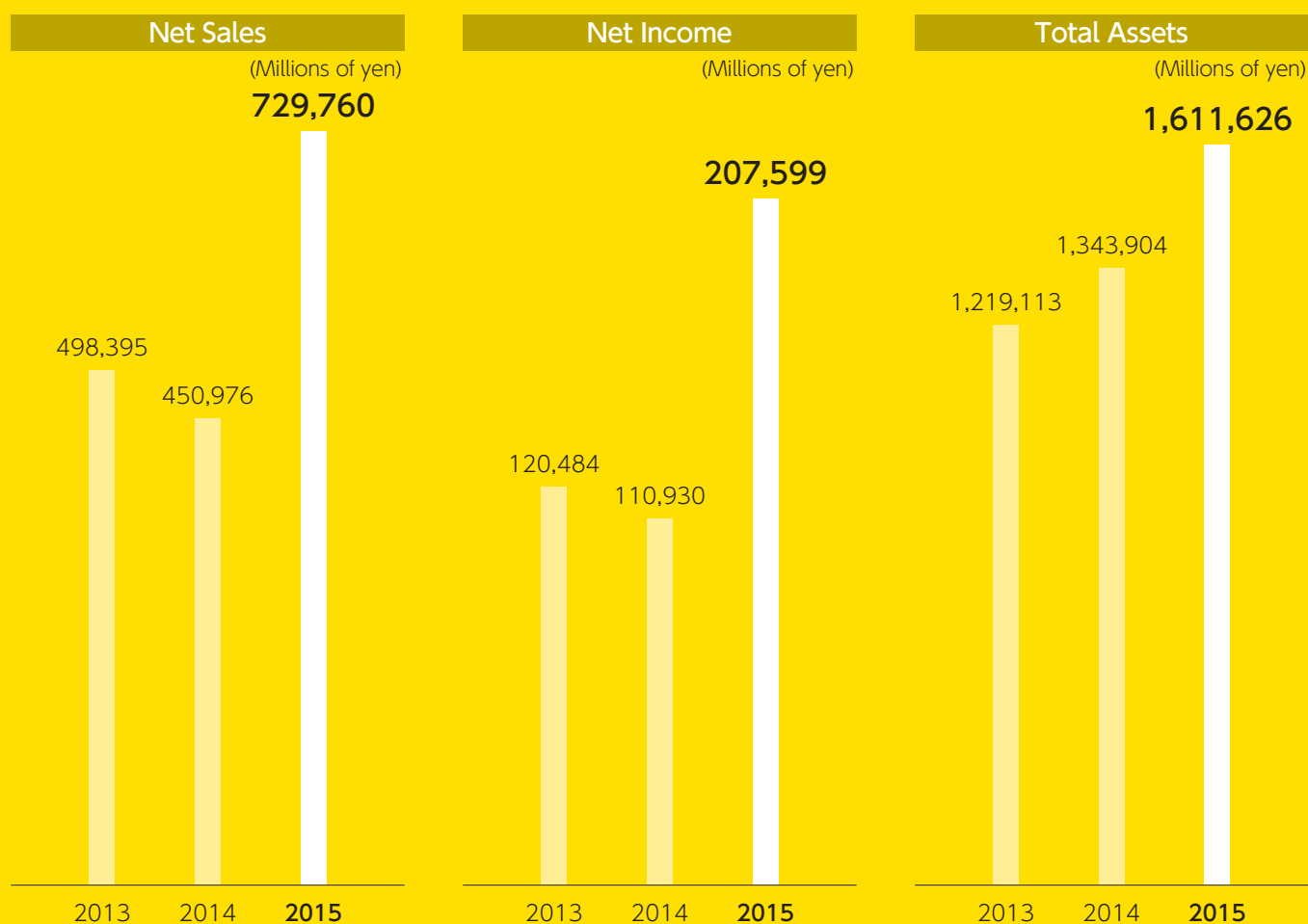
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➔ Financial Highlights (Consolidated)

	Millions of yen			Thousands of U.S. dollars
Years ended March 31	2013	2014	2015	2015
For the year:				
Net sales	¥ 498,395	¥ 450,976	¥ 729,760	\$ 6,081,333
Net income	120,484	110,930	207,599	1,729,992
At the year end:				
Total assets	¥ 1,219,113	¥ 1,343,904	¥ 1,611,626	\$13,430,217
Net assets	1,094,129	1,199,863	1,386,695	11,555,792
Per share data:				
	Yen			U.S. dollars
Net income	¥ 615.59	¥ 566.86	¥ 1,061.02	\$ 8.84
Cash dividends	184.68	170.06	636.62	5.31

Note : The U.S. dollar amounts shown above and elsewhere in this annual report are converted from yen, for convenience only, at the rate of ¥120 = U.S. \$1.00.



➔ A Message from the President



The three businesses of FA, ROBOT and ROBOMACHINE are unified with SERVICE as “one FANUC”, to provide innovation and reassurance to manufacturing sites around the world.

Reliable
Predictable
Easy to Repair

FANUC products are equipment that are used in customers' manufacturing sites. Under the slogan, “Reliable, Predictable, Easy to Repair”, FANUC strives to enhance operability in manufacturing sites throughout the world.

Service First 

Conforming to the spirit of “Service First”, FANUC provides lifetime maintenance to its products for as long as they are used by customers, through more than 240 service locations in 46 countries throughout the world.

The world economy improved during this period with continuous recovery and expansion in the Americas and continuous momentum of the economy towards an upturn in Europe. In Asia, despite risks of a downturn in China, the economy recovered mildly. The economy in Japan witnessed a mild upward trend as well.

In the markets surrounding the FANUC Group, an upsurge in capital investments in the machine tool industries in Japan and Asia, as well as in the automotive industry in the Americas, propelled demands, and demands continued to be robust for a segment in the IT industry throughout the period.

Against such a background, the FANUC Group has strengthened its unified efforts to attain stability and prosperity in its businesses, as well as to deepen the trust from customers regarding our products and services.

As a result, for the fiscal year ended March 31, 2015, FANUC posted con-

solidated net sales totaling ¥729,760 million, up 61.8%, consolidated ordinary income totaling ¥311,951 million, up 78.9%, and consolidated net income totaling ¥207,599 million, up 87.1%, compared with the previous fiscal year.

For the fiscal year ending March 31, 2016, due to factors including the expected decline in short-term demands from a segment in the IT industry, which was robust in the current fiscal year, the outlook is expected to be unclear.

In coping with such a situation, the FANUC Group will reconfirm its origins as a producer of equipment used in manufacturing sites, and shall be thorough in implementing our slogan of “Reliable / Predictable / Easy to Repair” in product development, in order to minimize downtime in our customers' factories and improve operability.

Furthermore, we shall practice our basic philosophy of “Service First” in

providing (1) high-level services based on FANUC's global standard throughout the world, and (2) “life-long maintenance” for as long as our customers use our products.

In addition, under the slogan of “One FANUC”, we shall take maximum advantage of our unique strength in providing integrated solutions from our FA, Robot and ROBOMACHINE divisions and our ability to respond to customer needs from around the world through group-wide efforts.

By exerting group-wide efforts in promoting such actions, we shall venture to deepen the sense of security and trust of customers in the FANUC Group to ensure the stability and growth of our core business, so that we shall persevere as a company.

Thank you for your continued support and assistance to FANUC.

Yoshiharu Inaba
President & CEO

➔ Summary of FANUC Business

FA Division

Main Products

- CNC
- Servo Motors
- LASER Oscillators

Results for Fiscal 2014

Consolidated sales was ¥252,585 million, up 13.4% compared with the previous fiscal year, accounting for 34.6% of consolidated net sales.



Refer to page 5 for details

Robot Division

Main Products

- Collaborative Robot
- Super Heavy Payload Robot
- Genkotsu-Robot

Results for Fiscal 2014

Consolidated sales was ¥181,988 million, up 23.9% compared with the previous fiscal year, accounting for 24.9% of consolidated net sales.



Refer to page 6 for details

Robomachine Division

Main Products

- ROBODRILL
- ROBOSHOT
- ROBOCUT
- ROBONANO

Results for Fiscal 2014

Consolidated sales was ¥295,187 million, up 262.3% compared with the previous fiscal year, accounting for 40.5% of consolidated net sales.



Refer to page 7 for details

➔ Business Report

FA Business Division

The machine tool industry, the primary market for FANUC CNC systems, experienced high demand not only in Japan but also in Asian countries, namely, China. Demand increased steadily in Europe as well.

In terms of development, FANUC's global standard CNC, the "FANUC Series 0i-MODEL F", was released in packages optimized for functions of the customers machines with additional selectable software packages. The operability of the "FANUC Series 30i-MODEL B" was also enhanced, with renewed design and operability through the new user-friendly interface which supports processing functions and enhances productivity.

In the field of servo, new models were released for large servo motors, synchronous built-in servo motors, and spindle motors. With this, the lineup of servo motors has been further expanded and enhanced to accommodate small to large size machines.

FANUC laser sales remained the same domestically and abroad.

New developments in laser included the addition of the CO₂ laser, "FANUC Laser C3000i-C", which is optimized for cutting thin sheets without sacrificing the high performance for cutting thick sheets.

In collaboration with Furukawa Electric Co., Ltd., FANUC is also engaging in developing fiber laser oscillators, which can rapidly cut thin metal sheets while retaining low power consumption, and there are high expectations for this area.



Series30i-MODEL B



α series SERVO



FIBER LASER

ROBOT Business Division

In overseas markets, the sales of robots continued to increase in the American markets and remained favorable in Europe. Sales were steady in Asian markets, mainly China, and also in Japan.

A key new development was the “Green Collaborative Robot CR-35iA”, which does not require a safety fence and enables robots and human operators to work together. CR-35iA is the first collaborative robot in the world to lift up to 35kg, and it stops moving when it comes into contact with humans. Work efficiency is improved through the joint operation of humans and robots for such tasks as moving heavy objects or attaching components. The CR-35iA is expected to pave the way for a new era of automation.

Also, we have further reinforced the M-2000iA series, the world’s largest vertical multi-joint type robot, and developed a new robot by doubling the payload capacity. The standard arm type is capable of transporting 2.3 tons of super-heavy work. The long arm type, with a vertical reach of 6.2 meters, can easily lift heavy objects weighing 1.7 tons. Due to these developments, the robotics market in the field of handling super-heavy objects, such as transporting finished automotive bodies, is expected to grow.

Furthermore, the multi-purpose intelligent “FANUC Robot R-2000 iC series”, which is the culmination of FANUC’s long years of experience and technology, has expanded to include a new 165kg payload and 210kg payload type.

A cylinder detection tool has been developed for the bin-picking robot to enable robotization for such tasks as placing cylindrical casting material into a heating furnace.

With such new products and new technologies, the range of application for FANUC robots is anticipated to expand substantially.



CR-35iA



M-2000iA



R-2000iC

ROBOMACHINE Business Division

The sales of ROBODRILL (small machining center) increased substantially due to robust short-term demands from a segment in the IT industry throughout the period. Sales in other industries within Japan and overseas increased steadily.

Introduction of a servo side door to the “FANUC ROBODRILL α -DiA series” facilitated automation with robots and reduced cycle time. Also, a center through 7MPa coolant spindle was developed to improve efficiency in drilling deep holes. The functions of the “FANUC ROBODRILL DDR/DDR-T”, which are rotary tables for high-speed, high-precision cutting, were enhanced so that cutting can be performed more speedily and heavier workpieces can be handled. As a result, more customer needs can be heeded to, and an increase in sales, mainly in machining of automotive components and dies, is anticipated.

The sales of ROBOSHOT (electric injection molding machine) increased steadily mainly in Japan and Asia. New developments in FANUC ROBOSHOT included the addition of a 130 tonnage and 220 tonnage clamping force to the “FANUC ROBOSHOT α -SiA series”, fortifying the product lineup. The combination of two types of resins - “two components molding” - has been achieved along with developments for facilitating robotization. With such progress, there are high expectations for increase in sales.

The sales of ROBOCUT (wire-cut electric discharge machine) increased steadily mainly in Japan and Europe. New developments included the introduction of a thermal displacement compensation function for the “FANUC ROBOCUT α -CiA series”, which enables high-precision cutting in environments with extremely volatile temperatures. By improving precision in cutting thick metal sheets, cutting of resin molds and large parts can be conducted more effectively.



ROBODRILL



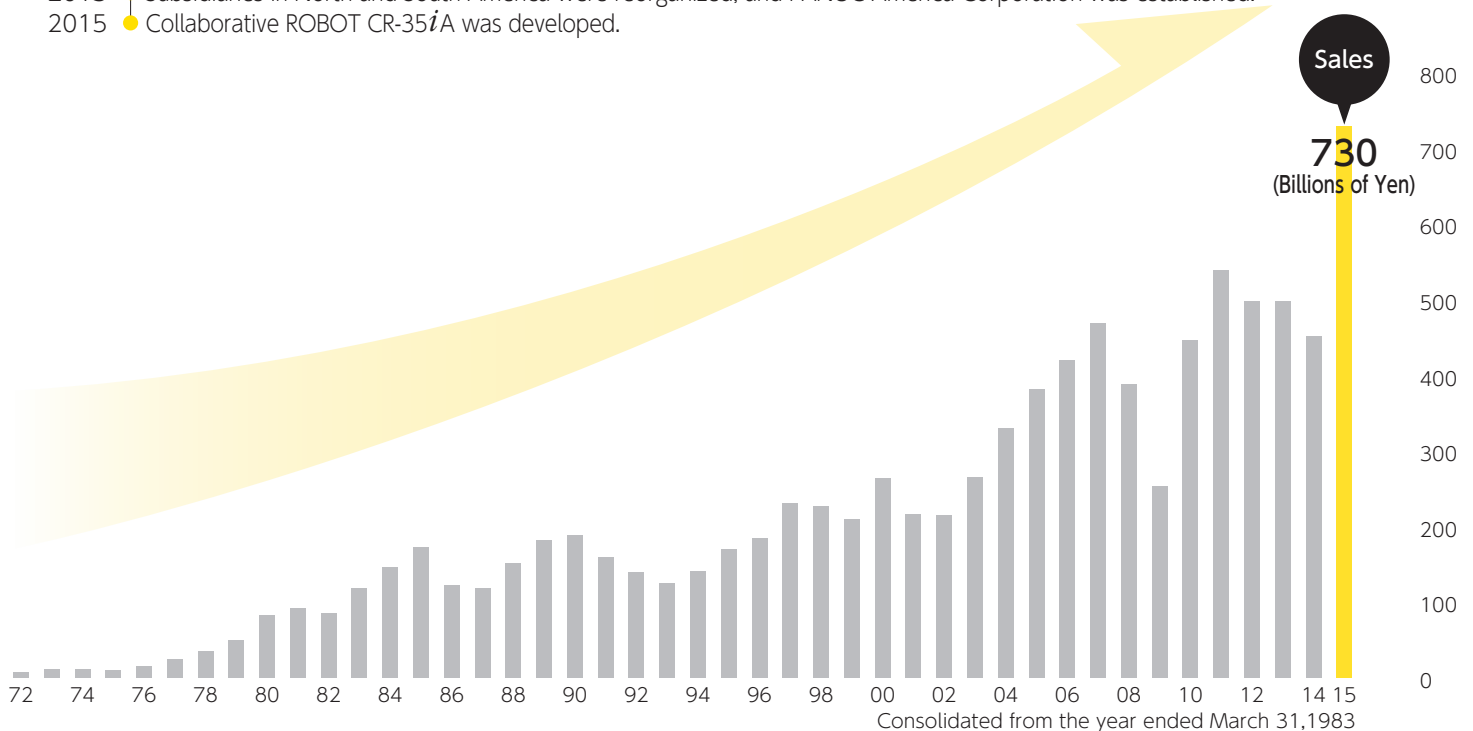
ROBOSHOT



ROBOCUT

➔ History of FANUC

- 1956 ● The first NC and SERVO systems in the Japanese private sector were developed successfully.
- 1959 ● The first electro-hydraulic pulse motor was developed.
- 1972 ● FANUC was established.
- CNC was introduced.
- NC Drill was developed.
- 1974 ● ROBOTS were developed and installed in FANUC factories.
- The production and sale of DC SERVO MOTORS were started under GETTYS MANUFACTURING., INC license.
- 1975 ● Wire-cut electric discharge machine was completed.
- 1977 ● FANUC USA CORPORATION was established.
- The commercial production and shipment of ROBOTS started (ROBOT-MODEL1).
- 1978 ● KOREA NUMERIC CORPORATION was jointly established by FANUC and Hwacheon Machinery Works, Co. Ltd.
- FANUC EUROPE S.A. was established.
- 1980 ● The Fuji Factory was completed.
- 1982 ● GMFanuc Robotics Corporation was jointly established in the U.S.A. by FANUC and General Motors.
- AC SERVO MOTOR was developed.
- 1984 ● The headquarters were moved to the foot of Mt. Fuji.
- All-electric plastics injection molding machine, "FANUC AUTOSHOT" was developed.
- 1985 ● FANUC series 0 was developed.
- 1986 ● FANUC TAIWAN Corporation was established.
- GE Fanuc Automation Corporation was jointly established in the U.S.A. by FANUC and General Electric.
- Digital SERVO was completed.
- 1987 ● CO₂ LASER was developed.
- 1989 ● The Tsukuba Factory was constructed.
- 1992 ● GMFanuc Robotics Corporation was restructured to FANUC's wholly owned share holding company, FANUC Robotics Corporation, together with its subsidiaries.
- BEIJING-FANUC Mechatronics CO., LTD was jointly established by FANUC and the Beijing Machine Tool Research Institute.
- FANUC INDIA LIMITED was established.
- 1997 ● SHANGHAI-FANUC Robotics CO., LTD. was jointly formed in China by FANUC and Shanghai Mechanical & Electric Industrial Investment Corp.
- 1999 ● The commercial production of 16i Series CNC started.
- 2003 ● The commercial production of intelligent ROBOTS started.
- The commercial production of 30i Series CNC started.
- 2009 ● The joint venture with General Electric Company was resolved and joint venture's FA operations in the Americas were transferred to FANUC America Corporation.
- The commercial production of the Genkotsu-Robot, a Parallel Link Robot, started.
- 2012 ● European subsidiaries were reorganized, and FANUC Europe Corporation was established.
- 2013 ● Subsidiaries in North and South America were reorganized, and FANUC America Corporation was established.
- 2015 ● Collaborative ROBOT CR-35*i*A was developed.



Financial Section

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➔ Ten-Year Financial Summary

Years ended March 31	2006	2007	2008	2009
Net sales	¥ 381,074	¥ 419,560	¥ 468,399	¥ 388,271
Operating income	140,589	162,930	189,564	134,449
Operating income as a percentage of net sales	36.9%	38.8%	40.5%	34.6%
Income before income taxes and minority interests	150,832	179,412	211,875	149,148
Net income	90,438	106,756	127,030	97,162
Current assets	637,566	675,944	750,328	683,719
Current liabilities	82,433	100,810	104,151	55,725
Total assets	903,410	951,664	1,046,837	970,441
Net assets	795,228	820,556	911,395	893,282

Per share data (Yen and U.S. Dollars):

Net income:				
Basic	420.01	499.83	611.14	467.55
Diluted	—	—	—	—
Cash dividends	96.00	150.00	183.35	140.27
Net assets	3,614.17	3,816.91	4,225.39	4,177.28

Note : The U.S. dollar amounts shown above and elsewhere in this annual report are converted from yen, for convenience only, at the rate of ¥120 = U.S.\$1.00.

Millions of yen, except for per share data						Thousands of U.S. dollars, except for per share data	
2010	2011	2012	2013	2014	2015	2015	
¥ 253,393	¥ 446,201	¥ 538,492	¥ 498,395	¥ 450,976	¥ 729,760	\$ 6,081,333	
55,024	189,757	221,834	184,821	164,134	297,839	2,481,992	
21.7%	42.5%	41.2%	37.1%	36.4%	40.8%	40.8%	
55,826	193,495	228,578	191,242	174,360	311,951	2,599,592	
37,511	120,155	138,819	120,484	110,930	207,599	1,729,992	
623,573	753,992	848,669	906,440	1,027,801	1,273,355	10,611,292	
56,188	89,589	115,270	92,973	99,449	172,611	1,438,425	
891,651	1,013,000	1,130,625	1,219,113	1,343,904	1,611,626	13,430,217	
812,657	894,494	985,322	1,094,129	1,199,863	1,386,695	11,555,792	
187.75	613.75	709.20	615.59	566.86	1,061.02	8.84	
—	—	—	—	—	—	—	
56.33	184.13	212.77	184.68	170.06	636.62	5.31	
4,133.89	4,550.71	5,013.69	5,565.64	6,102.20	7,049.39	58.74	

➔ Consolidated Statements of Income

Years ended March 31	Millions of yen			Thousands of U.S. dollars (Note 3)
	2013	2014	2015	2015
Net sales	¥ 498,395	¥ 450,976	¥ 729,760	\$6,081,333
Cost of goods sold (Note 9)	258,670	227,189	350,746	2,922,883
Gross profit	239,725	223,787	379,014	3,158,450
Selling, general and administrative expenses (Note 9)	54,904	59,653	81,175	676,458
Operating income	184,821	164,134	297,839	2,481,992
Other income (expenses):				
Interest income	1,952	2,300	2,628	21,900
Equity in earnings (loss) of affiliates	2,932	5,452	9,886	82,383
Other, net (Note 10)	1,537	2,474	1,598	13,317
	6,421	10,226	14,112	117,600
Income before income taxes and minority interests	191,242	174,360	311,951	2,599,592
Income taxes:				
Current	69,133	62,036	111,261	927,175
Deferred	1,120	812	(8,162)	(68,017)
Income before minority interests	120,989	111,512	208,852	1,740,434
Minority interests in income of consolidated subsidiaries	505	582	1,253	10,442
Net income	¥ 120,484	¥ 110,930	¥ 207,599	\$1,729,992
		Yen		U.S. dollars (Note 3)
Amounts per share of common stock:				
Net income	¥ 615.59	¥ 566.86	¥ 1,061.02	\$ 8.84
Cash dividends	184.68	170.06	636.62	5.31

See notes to the consolidated financial statements.

➔ Consolidated Statements of Comprehensive Income

Years ended March 31	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Income before minority interests	¥120,989	¥111,512	¥208,852	\$1,740,433
Other comprehensive income				
Valuation difference on available-for-sale securities	982	2,171	2,370	19,750
Foreign currency translation adjustment	24,683	26,987	22,178	184,817
Remeasurements of defined benefit plans	—	—	(2,736)	(22,800)
Share of other comprehensive income of affiliates accounted for using equity method	2,033	5,597	4,687	39,058
Total other comprehensive income	27,698	34,755	26,499	220,825
Comprehensive income	¥148,687	¥146,267	¥235,351	\$1,961,258
Comprehensive income attributable to:				
Owners of parent	147,644	145,139	233,467	1,945,558
Minority interests	1,043	1,128	1,884	15,700

➔ Consolidated Balance Sheets

	Millions of yen		Thousands of U.S. dollars (Note 3)
As of March 31	2014	2015	2015
ASSETS			
Current assets:			
Cash and bank deposits	¥823,670	¥871,236	\$7,260,300
Receivables, trade:			
Accounts and notes	91,698	135,127	1,126,058
Allowance for doubtful accounts	(1,920)	(2,164)	(18,033)
Marketable securities	93	120,000	1,000,000
Finished goods	43,857	54,280	452,333
Work in progress	35,559	42,859	357,158
Raw materials and supplies	8,079	11,662	97,183
Deferred income taxes (Note 11)	20,706	26,686	222,383
Other current assets	6,059	13,669	113,909
Total current assets	1,027,801	1,273,355	10,611,291
Investments (Note 5)	49,417	71,396	594,967
Property, plant and equipment, at cost:			
Land	117,543	125,893	1,049,108
Buildings	224,764	225,144	1,876,200
Machinery and equipment	140,998	146,174	1,218,117
Construction in progress	6,395	8,009	66,742
Less accumulated depreciation	(227,227)	(239,295)	(1,994,125)
Property, plant and equipment, net	262,473	265,925	2,216,042
Intangible assets:			
Goodwill	3,689	—	—
Other intangible assets	524	950	7,917
Total intangible assets	4,213	950	7,917
Total assets	¥1,343,904	¥1,611,626	\$13,430,217
LIABILITIES AND NET ASSETS			
Current liabilities:			
Payables, trade	¥26,192	¥40,572	\$338,100
Accrued income taxes	30,787	72,219	601,825
Warranty reserves	5,409	6,546	54,550
Other current liabilities	37,061	53,274	443,950
Total current liabilities	99,449	172,611	1,438,425
Long-term liabilities:			
Net defined benefit liability (Note 6)	40,456	47,534	396,117
Other long-term liabilities	4,136	4,786	39,883
Total long-term liabilities	44,592	52,320	436,000
NET ASSETS			
Shareholders' equity:			
Common stock:			
Authorized - 400,000,000 shares			
Issued - 239,508,317 shares	69,014	69,014	575,117
Capital surplus	96,270	96,277	802,308
Retained earnings	1,340,809	1,500,635	12,505,292
Treasury stock, at cost :			
2014 - 43,836,033 shares	(312,299)	—	—
2015 - 43,863,212 shares	—	(312,855)	(2,607,125)
Total shareholders' equity	1,193,794	1,353,071	11,275,592
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	5,112	7,482	62,350
Foreign currency translation adjustment	3,138	29,372	244,767
Remeasurements of defined benefit plans	(8,012)	(10,748)	(89,567)
Total accumulated other comprehensive income	238	26,106	217,550
Minority interests	5,831	7,518	62,650
Total net assets	1,199,863	1,386,695	11,555,792
Total liabilities and net assets	¥1,343,904	¥1,611,626	\$13,430,217

See notes to the consolidated financial statements.

➔ Consolidated Statements of Changes in Net Assets

	Millions of yen								
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Minority interests	Total net assets
Balance at March 31, 2012	¥69,014	¥96,265	¥1,180,556	(¥311,394)	¥1,959	(¥55,077)	—	¥3,999	¥985,322
Cumulative effects of changes in accounting policies									—
Restated balance	¥69,014	¥96,265	¥1,180,556	(¥311,394)	¥1,959	(¥55,077)	—	¥3,999	¥985,322
Cash dividends			(39,468)						(39,468)
Net income			120,484						120,484
Purchase of treasury stock				(246)					(246)
Disposal of treasury stock		3		4					7
Change of scope of consolidation									
Net change except shareholder's equity during the year					982	26,178		870	28,030
Balance at March 31, 2013	¥69,014	¥96,268	¥1,261,572	(¥311,636)	¥2,941	(¥28,899)	—	¥4,869	¥1,094,129
Cumulative effects of changes in accounting policies									—
Restated balance	¥69,014	¥96,268	¥1,261,572	(¥311,636)	¥2,941	(¥28,899)	—	¥4,869	¥1,094,129
Cash dividends			(31,086)						(31,086)
Net income			110,930						110,930
Change caused by merger			(607)						(607)
Purchase of treasury stock				(665)					(665)
Disposal of treasury stock		2		2					4
Net change except shareholder's equity during the year					2,171	32,037	(8,012)	962	27,158
Balance at March 31, 2014	¥69,014	¥96,270	¥1,340,809	(¥312,299)	¥5,112	¥3,138	(¥8,012)	¥5,831	¥1,199,863
Cumulative effects of changes in accounting policies			(¥1,452)						(¥1,452)
Restated balance	¥69,014	¥96,270	¥1,339,357	(¥312,299)	¥5,112	¥3,138	(¥8,012)	¥5,831	¥1,198,411
Cash dividends			(46,559)						(46,559)
Net income			207,599						207,599
Change caused by merger									
Purchase of treasury stock				(559)					(559)
Disposal of treasury stock		7		3					10
Change of scope of consolidation			238						238
Net change except shareholder's equity during the year					2,370	26,234	(2,736)	1,687	27,555
Balance at March 31, 2015	¥69,014	¥96,277	¥1,500,635	(¥312,855)	¥7,482	¥29,372	(¥10,748)	¥7,518	¥1,386,695

	Thousands of U.S. dollars (Note 3)								
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Minority interests	Total net assets
Balance at March 31, 2014	\$575,117	\$802,250	\$11,173,409	(\$2,602,492)	\$42,600	\$26,150	(\$66,767)	\$48,592	\$9,998,859
Cumulative effects of changes in accounting policies			(\$12,100)						(\$12,100)
Restated balance	\$575,117	\$802,250	\$11,161,309	(\$2,602,492)	\$42,600	\$26,150	(\$66,767)	\$48,592	\$9,986,759
Cash dividends			(387,992)						(387,992)
Net income			1,729,992						1,729,992
Change caused by merger									
Purchase of treasury stock				(4,658)					(4,658)
Disposal of treasury stock		58		25					83
Change of scope of consolidation			1,983						1,983
Net change except shareholder's equity during the year					19,750	218,617	(22,800)	14,058	229,625
Balance at March 31, 2015	\$575,117	\$802,308	\$12,505,292	(\$2,607,125)	\$62,350	\$244,767	(\$89,567)	\$62,650	\$11,555,792

See notes to the consolidated financial statements.

➔ Consolidated Statements of Cash Flows

	Millions of yen			Thousands of U.S. dollars (Note 3)
Years ended March 31	2013	2014	2015	2015
Cash flows from operating activities				
Income before income taxes and minority interests	¥191,242	¥174,360	¥311,951	\$2,599,592
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:				
Depreciation and amortization	17,867	18,394	21,685	180,708
Allowance for doubtful accounts	(865)	123	223	1,858
Allowance for employees' retirement benefits	1,401	(28,475)	—	—
Net defined benefit liability	—	40,090	6,081	50,675
Interest and dividend income	(2,767)	(3,590)	(3,665)	(30,542)
Equity in earnings of affiliates, net	(2,932)	(5,452)	(9,886)	(82,383)
Decrease (increase) in receivables, trade	20,004	(4,418)	(37,331)	(311,092)
Decrease (increase) in inventories	19,948	(9,488)	(17,712)	(147,600)
(Decrease) increase in payables, trade	(10,021)	2,159	11,723	97,692
Other	8,751	(3,189)	1,266	10,550
Cash generated from operations	242,628	180,514	284,335	2,369,458
Interest and dividends received	4,495	5,596	6,379	53,158
Income taxes paid	(88,735)	(61,262)	(68,891)	(574,091)
Other	460	711	1,089	9,075
Net cash provided by operating activities	158,848	125,559	222,912	1,857,600
Cash flows from investing activities				
Purchases of property, plant and equipment	(44,445)	(16,623)	(21,427)	(178,558)
Purchases of investment securities	—	—	(3,355)	(27,958)
Proceeds from sales of investment securities	5	541	1	8
Other	476	(386)	(145)	(1,209)
Net cash used in investing activities	(43,964)	(16,468)	(24,926)	(207,717)
Cash flows from financing activities				
Purchases of treasury stock	(240)	(661)	(549)	(4,575)
Dividends paid	(39,426)	(31,100)	(46,568)	(388,067)
Other	(172)	(168)	(197)	(1,641)
Net cash used in financing activities	(39,838)	(31,929)	(47,314)	(394,283)
Effect of exchange rate changes on cash and cash equivalents	15,636	17,633	16,425	136,875
Net increase (decrease) in cash and cash equivalents	90,682	94,795	167,097	1,392,475
Cash and cash equivalents at beginning of year	637,069	727,751	823,669	6,863,908
Increase in cash and cash equivalents from newly consolidated subsidiaries	—	—	470	3,917
Increase in cash and cash equivalents caused by merger between consolidated and non-consolidated subsidiaries	—	1,123	—	—
Cash and cash equivalents at end of year	¥727,751	¥823,669	¥991,236	\$8,260,300

See notes to the consolidated financial statements.

➔ Notes to the Consolidated Financial Statements

1. Basis of preparation

The accompanying consolidated financial statements of FANUC CORPORATION (the “Company”) and its consolidated subsidiaries (together, the “Group”) are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and have been compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

In preparing the accompanying consolidated financial statements, the Company has made certain reclassifications and rearrangements to the consolidated financial statements prepared in Japan in order to present them in a format which is more familiar to readers outside Japan.

2. Summary of significant accounting policies

(a) Principles of consolidation

The consolidated financial statements include the accounts of the Company and, with minor exceptions, the subsidiaries under its control. Intercompany accounts and significant intercompany transactions have been eliminated in consolidation.

The investments in unconsolidated subsidiaries and affiliated companies over which the Company exerts substantial influence are, with minor exceptions, stated at their underlying equity value.

Goodwill is amortized over a period of five years.

(b) Cash equivalents

The Group considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

(c) Translation of foreign currency accounts

All monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates in effect at the balance sheet date. Foreign exchange gain or loss on translation is recognized in the consolidated statements of income.

Assets and liabilities of the consolidated subsidiaries outside Japan are translated into Japanese yen at the applicable year-end rates except for shareholders’ equity which is translated at the historical rates. Differences arising from translation are reflected as “Foreign currency translation adjustments” in a separate component of net assets. Income and expense accounts are translated at the average rates for the year.

(d) Valuation of securities

Securities other than investments in affiliates are classified as available-for-sale securities (“Other securities”) and include securities other than trading securities and securities held to maturity. Other securities whose fair value is readily determinable are stated at fair value with the corresponding unrealized gain or loss, net of taxes, recorded directly as a separate component of net assets. Other securities whose fair value is not readily determinable are stated at moving average cost. The cost of other securities sold is calculated by the moving average method.

(e) Allowance for doubtful accounts

The allowance for doubtful accounts is provided at an amount deemed sufficient to cover estimated future losses.

(f) Inventories

Raw materials and purchased components are stated primarily at cost determined by the most recent purchase price method.

Work in progress is stated at actual cost which includes direct costs for materials and labor and overhead manufacturing costs including depreciation.

Finished goods are stated principally at cost (the valuation method) by the average method.

(g) Property, plant and equipment and depreciation

Property, plant and equipment, including significant renewals and additions, is stated at cost.

Depreciation is computed principally by the declining-balance method at rates based on the estimated useful lives of the respective assets which vary according to general classification, type of construction, and use.

Maintenance and repairs, including minor renewals and improvements, are charged to income as incurred.

(h) Warranty reserves

The Group provides warranty reserves for goods sold under warranty agreements. Estimates for these warranty reserves are based primarily on historical experience. In addition, they are calculated with reference to current information concerning specific issues.

(i) Retirement benefits

Effective from the beginning of the current fiscal year, the Company adopted the "Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan ("ASBJ") Statement No. 26, issued on May 17, 2012) and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, issued on May 17, 2012), with respect to the provisions described in the main clause of Paragraph 35 of the Standard and in the main clause of Paragraph 67 of the Guidance,

whereby the method of calculating retirement benefit obligation and service cost has been revised. Based on this revision, the method of attributing expected retirement benefits to periods has been changed from straight-line basis to benefit formula basis, while the method of determining discount rates has been changed.

Concerning the application of the "Accounting Standards for Retirement Benefits", based on the provisional treatment set out in Paragraph 37 of the Standard, the effects of changes in the method of calculating retirement benefit obligation and service cost is stated as an adjustment to retained earnings at the beginning of the current fiscal year.

The benefit formula basis is applied as the method for attributing the expected retirement benefits to periods of service for the calculation of the retirement benefit obligation.

Actuarial gain or loss is amortized in the year following the year in which the gain or loss is recognized primarily by the straight-line method over a period (10-11 years) which is shorter than the estimated average remaining years of service of the eligible employees.

Past service cost is being amortized as incurred by the straight-line method over a period (10-11 years) which is shorter than the estimated average remaining years of service of the eligible employees.

(j) Revenue recognition

In general, sales of products, other than those exported, are recognized in the accounts upon acceptance by the customers. Export sales are recognized as of the respective dates of shipment.

(k) Income taxes

Deferred income taxes are provided by the asset and liability method. Deferred income tax assets and liabilities are determined based on the temporary differences between the financial statements and the tax bases of the assets and liabili-

ties, using the enacted tax rates which will be in effect during the years in which the differences are expected to reverse.

(l) Net income per share

Net income per share is calculated based on the net income available for distribution to shareholders of common stock and the weighted-average number of shares of common stock outstanding during the year.

(m) Shareholders' equity

The Companies Act of Japan provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than capital reserve) and retained earnings (other than legal reserve) be transferred to capital reserve and legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the capital stock account. Such distributions can be made at any time by resolution of the shareholders, or by the Board of Directors if certain conditions are met.

3. U.S. dollar amounts

The Company and its domestic consolidated subsidiaries maintain their books of account in yen. The U.S. dollar amounts included in the accompanying consolidated financial statements and the notes thereto represent the arithmetic results of translating yen into dollars at $\text{¥}120 = \text{U.S.}\1.00 , the approximate rate of exchange prevailing on March 31, 2015.

U.S. dollar amounts are presented solely for the convenience of the reader and the translation is not intended to imply that assets and liabilities which originate in yen have been or could readily be converted, realized or settled in U.S. dollars at the above or any other rate.

4. Financial instruments

Basic policy to manage financial instruments and related risk

(1) Group policy for financial instruments

The Company and its consolidated subsidiaries rely on their own resources to finance operations, and do not raise funds from external resources.

In addition, they do not enter into any derivative contracts.

(2) Nature and extent of risks arising from financial instruments

Receivables such as trade notes and trade accounts are exposed to customer credit risk and receivables denominated in foreign currencies that arise from overseas operations are exposed to the market risk of fluctuation in foreign currency exchange rates. Investment securities, which mainly consist of stocks in companies with business relationships, are exposed to the risk of market price fluctuations.

Payables such as trade notes and trade accounts are mostly due within one year.

(3) Risk management for financial instruments

(i) Management of credit risk

The Group monitors due dates and manages balances of receivables by customer on the basis of internal guideline and periodically checks credit risks of key customers taking into account their financial position and other factors.

(ii) Management of market risk

The Group regularly monitors the market price and the financial condition of the issuer with respect to its securities and continuously reviews the investment made in each company, taking into account its relationship with the counterparty.

Fair value of financial instruments

The carrying amount and fair value of financial instruments at March 31, 2014 and 2015 are summarized as follows. Financial instruments whose fair value is not readily determinable are not included in the table below.

2014	Millions of yen			Thousands of U.S. dollars		
	Carrying amount	Fair value	Variance	Carrying amount	Fair value	Variance
Cash and bank deposits	¥823,670	¥823,670	—	\$7,260,300	\$7,260,300	—
Notes and accounts receivables	91,698	91,698	—	1,126,058	1,126,058	—
Marketable securities and investment securities						
Other securities	9,415	9,415	—	1,133,742	1,133,742	—
Notes and accounts payables	(26,192)	(26,192)	—	(338,100)	(338,100)	—
Income taxes payable	(30,787)	(30,787)	—	(601,825)	(601,825)	—

Cash and bank deposits, Notes and accounts receivable

The carrying value of “cash and bank deposits” and “notes and accounts receivables” approximate fair value due to their short maturities.

Marketable securities and investment securities

Marketable securities are negotiable certificates of deposit, and the carrying value of those approximate fair value due to their short maturities.

Investment securities are equity securities whose fair value is measured at the quoted market price at the stock exchange.

See Note 5 for information on the fair value of investment securities by classification.

Notes and accounts payables

The carrying value of notes and accounts payables approximate fair value due to their short maturities.

The carrying amount of financial instruments whose fair value is not readily determinable at March 31, 2014 and 2015, is as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Unlisted stock (consolidated balance sheet amount)	¥32,329	¥43,704	\$364,200

Redemption schedule after fiscal year-end for monetary assets and securities with maturity dates as of March 31, 2014 and 2015 is as follows:

2014

	Millions of yen			
	Within 1 year	1 - 5 years	5 - 10 years	Due after 10 years
Cash and bank deposits	¥823,670	—	—	—
Notes and accounts receivables	91,698	—	—	—
Investment securities				
Other securities with Maturity				
(1) Governmental bond	—	1	—	—
(2) Negotiable certificates of deposit	—	—	—	—
Total	¥915,368	¥1	—	—

2015

	Millions of yen			
	Within 1 year	1 - 5 years	5 - 10 years	Due after 10 years
Cash and bank deposits	¥ 871,236	—	—	—
Notes and accounts receivables	135,127	—	—	—
Investment securities				
Other securities with Maturity				
(1) Governmental bond	—	—	—	—
(2) Negotiable certificates of deposit	120,000	—	—	—
Total	¥1,126,363	—	—	—

2015

	Thousands of U.S. dollars			
	Within 1 year	1 - 5 years	5 - 10 years	Due after 10 years
Cash and bank deposits	\$7,260,300	—	—	—
Notes and accounts receivables	1,126,058	—	—	—
Investment securities				
Other securities with Maturity				
(1) Governmental bond	—	—	—	—
(2) Negotiable certificates of deposit	1,000,000	—	—	—
Total	\$9,386,358	—	—	—

5. Other securities and investments

Other securities whose fair value was determinable at March 31, 2014 and 2015 are summarized as follows:

2014		Millions of yen		
	Type of securities	Book value reflected in the balance sheet	Acquisition cost	Net
Other securities with unrealized gain	Equity securities	¥9,414	¥3,299	¥6,115
	Subtotal	9,414	3,299	6,115
Other securities with unrealized loss	Negotiable certificates of deposit	—	—	—
	Bonds	1	1	—
	Subtotal	1	1	—
Total		¥9,415	¥3,300	¥6,115

2015		Millions of yen		
	Type of securities	Book value reflected in the balance sheet	Acquisition cost	Net
Other securities with unrealized gain	Equity securities	¥ 16,049	¥ 6,754	¥9,295
	Subtotal	16,049	6,754	9,295
Other securities with unrealized loss	Negotiable certificates of deposit	120,000	120,000	—
	Bonds	—	—	—
	Subtotal	120,000	120,000	—
Total		¥ 9,415	¥ 3,300	¥6,115

2015		Thousands of U.S. dollars		
	Type of securities	Book value reflected in the balance sheet	Acquisition cost	Net
Other securities with unrealized gain	Equity securities	\$ 133,742	\$ 56,284	\$77,458
	Subtotal	133,742	56,284	77,458
Other securities with unrealized loss	Equity securities	1,000,000	1,000,000	—
	Bonds	—	—	—
	Subtotal	1,000,000	1,000,000	—
Total		\$ 78,458	\$ 27,500	\$50,958

Other securities sold during the years ended March 31, 2014 and 2015 are not presented since they are insignificant

Investments at March 31, 2014 and 2015 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Investments in affiliates	¥32,252	¥43,627	\$363,558
Other securities	9,491	16,127	134,392
Allowance for doubtful accounts	(1)	(0)	0
Other	7,675	11,642	97,017
Total	¥49,417	¥71,396	\$594,967

6. Retirement benefits

The Company and its domestic consolidated subsidiaries provide employees' pension fund plans and lump-sum severance payment plans as their defined benefit pension plans.

Certain overseas consolidated subsidiaries also provide defined benefit pension plans and defined contribution pension plans.

Information on the pension plans for the year ended March 31, 2015 is as follows:

1. Defined Benefit Pension Plans

(1) Changes in projected benefit obligation (PBO)

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
PBO at beginning of year	¥111,128	¥128,341	\$1,069,508
Cumulative effects of changes in accounting policies	—	2,234	\$18,617
Restated balance	¥111,128	¥130,575	\$1,088,125
Service cost	3,711	4,717	39,308
Interest cost	2,756	2,731	22,758
Actuarial gain or loss	8,809	7,749	64,575
Benefit payments	(2,141)	(2,498)	(20,816)
Influence of exchange	2,524	3,649	30,408
Other	1,554	376	3,134
PBO at end of year	¥128,341	¥147,299	\$1,227,492

(2) Changes in the fair value of plan assets

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Fair value of plan assets at beginning of year	¥83,921	¥87,885	\$732,375
Expected return on plan assets	1,501	1,598	13,317
Actuarial gain or loss	(1,294)	2,319	19,325
Employer contribution	3,618	6,670	55,583
Benefit payments	(1,247)	(1,419)	(11,825)
Influence of exchange	1,410	2,748	22,900
Other	(24)	(36)	(300)
Fair value of plan assets at end of year	¥87,885	¥99,765	\$831,375

(3) Amount recognized in consolidated balance sheet at end of year

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
PBO in savings-type pension plan	¥124,484	¥142,913	\$1,190,942
Fair value of plan assets	(87,885)	(99,765)	(831,375)
PBO in non-savings-type pension plan	36,599	43,148	359,567
Net amount of liability and asset recognized in consolidated balance sheet	3,857	4,386	36,550
	40,456	47,534	396,117
Net defined benefit liability	40,456	47,534	396,117
Net amount of liability and asset recognized in consolidated balance sheet	¥ 40,456	¥ 47,534	\$ 396,117

(4) Components of defined benefit cost

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Service cost	¥3,711	¥4,717	\$39,308
Interest cost	2,756	2,731	22,758
Expected return on plan assets	(1,501)	(1,598)	(13,316)
Amortization of actuarial gain or loss	(173)	832	6,933
Amortization of past service cost	(302)	(303)	(2,525)
Other	13	20	167
Defined benefit cost	¥4,504	¥6,399	\$53,325

(5) Remeasurements of defined benefit plans, before tax

The components (before adjustment of tax effect) are as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Past service cost	—	(¥303)	(\$2,525)
Actuarial gain or loss	—	(3,762)	(31,350)
Total	—	(¥4,065)	(\$33,875)

(6) Remeasurements of defined benefit plans

The components (before adjustment of tax effect) are as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Unrecognized actuarial gain or loss	(¥749)	(¥444)	(\$3,700)
Unrecognized past service cost	13,370	16,897	140,808
Total	¥12,621	¥16,453	\$137,108

(7) Plan assets

1) Components of plan assets

The components are as follows:

	2014	2015
Debt securities	80%	76%
Cash and bank deposits	19%	23%
Other	1%	1%
Total	100%	100%

2) Expected rate of return on plan assets

The expected rate of return on plan assets is determined based on the current and estimated future rates of return on various pension assets.

(8) Actuarial assumptions

	2014	2015
Discount rate	1.5 - 4.4%	1.5 - 4.7%
Expected rate of return on plan assets	1.5 - 3.0%	1.5 - 3.0%
Expected rate of salary increase	—	2.5 - 4.3%

2. Defined Contribution Pension Plans

Contribution of consolidated subsidiaries to the plan are ¥546 million (\$4,550 thousand).

7. Leases

For finance leases that do not transfer ownership with the starting date of the lease transaction falling on and before March 31, 2008, lease payments are recognized as expenses. Information relating to finance leases that do not transfer ownership for which starting date of the lease transaction falls on and before March 31, 2008, as of, and for the years ended March 31, 2014 and 2015, is summarized as follows :

	Millions of yen		
	Acquisition cost	Less accumulated depreciation	Net carrying amount
Machinery and equipment	—	—	—
	—	—	—

	Millions of yen		
	Acquisition cost	Less accumulated depreciation	Net carrying amount
Machinery and equipment	—	—	—
	—	—	—

	Thousands of U.S. dollars		
	Acquisition cost	Less accumulated depreciation	Net carrying amount
Machinery and equipment	—	—	—
	—	—	—

Interest has not been deducted in determining the acquisition cost of the machinery and equipment presented above or the related depreciation expense.

Future rent payments, including interest, under operating leases subsequent to March 31, 2014 and 2015 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Due within one year	¥ 577	¥ 777	\$ 6,475
Due after one year	¥ 849	¥1,441	\$12,008
Total	¥1,426	¥2,218	\$18,483

8. Contingent liabilities

Contingent liabilities with respect to guarantees for employees' mortgage loans with banks at March 31, 2014 and 2015 amounted to 104 million and ¥75 million (\$625 thousand), respectively.

9. Research and development expenses

Research and development expenses charged to manufacturing costs and selling, general and administrative expenses for the years ended March 31, 2013, 2014 and 2015 are summarized as follows:

Millions of yen			Thousands of U.S. dollars
2013	2014	2015	2015
¥ 20,148	¥ 18,372	¥ 28,105	\$ 234,208

10. Other income (expenses)-Other, net

Other, net for the years ended March 31, 2013, 2014 and 2015 consisted of the following:

	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Dividend income	¥ 815	¥1,290	¥1,037	\$ 8,642
Loss on sales and disposal of fixed assets	(281)	(163)	(906)	(7,550)
Exchange gain or loss, net	34	222	(43)	(358)
Miscellaneous, net	969	1,125	1,510	12,583
Total	¥1,537	¥2,474	¥1,598	\$13,317

11. Income taxes

Net deferred tax assets at March 31, 2014 and 2015 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
Deferred tax assets:			
Net defined benefit liability	¥ 13,432	¥ 15,834	\$ 131,950
Unrealized profit on inventories and property, plant and equipment	7,554	8,713	72,608
Depreciation	6,070	7,548	62,900
Accrued enterprise taxes	2,210	4,545	37,875
Investment securities	1,146	1,032	8,600
Other	12,257	15,933	132,775
Gross deferred tax assets	42,669	53,605	446,708
Valuation allowance	(1,157)	(1,041)	(8,675)
Total deferred tax assets	41,512	52,564	438,033
Deferred tax liabilities:			
Undistributed earnings of affiliated companies	(13,072)	(12,234)	(101,950)
Other	(3,732)	(6,624)	(55,200)
Total deferred tax liabilities	(16,804)	(18,858)	(157,150)
Net deferred tax assets (liabilities)	¥ 24,708	¥ 33,706	\$ 280,883

Reconciliation of the statutory income tax rate to the effective income tax rate for the years ended March 31, 2013, 2014 and 2015 was as follows:

	2013	2014	2015
Japanese statutory income tax rate	—	—	35.0%
Tax exemption	—	—	-1.6%
Dividend income not taxable	—	—	-3.2%
Tax rate difference of foreign subsidiaries	—	—	-1.5%
Elimination of dividends received	—	—	3.5%
Loss associated with the dissolution of joint venture	—	—	—
Amortization of goodwill	—	—	—
Equity in earnings of affiliates	—	—	-1.1%
Undistributed earnings of affiliated companies	—	—	—
Other	—	—	1.9%
Effective income tax rate	—	—	33.0%

The above information for the years ended March 31 2013 and 2014 is not presented because, as permitted, the difference between the statutory income tax rate and the effective income tax rate was less than 5% of the statutory income tax rate.

12. Segment information

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 CNC's and servo motors in 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.

Relevant Information

Information by product and service

		Millions of yen			Thousands of U.S. dollars
		2013	2014	2015	2015
Net sales: Unaffiliated customers					
FA	¥200,118	¥222,643	¥252,585	\$2,104,875	
ROBOT	¥119,149	¥146,866	¥181,988	\$1,516,567	
ROBOMACHINE	¥179,128	¥ 81,467	¥295,187	\$2,459,891	
Total	¥498,395	¥450,976	¥729,760	\$6,081,333	

Information by region

		Millions of yen			Thousands of U.S. dollars
		2013	2014	2015	2015
Net sales: Unaffiliated customers					
Japan	¥107,213	¥105,706	¥123,593	\$1,029,942	
America	¥ 84,334	¥103,012	¥124,057	\$1,033,808	
Europe	¥ 55,051	¥ 71,981	¥ 87,970	\$ 733,083	
Asia	¥249,783	¥168,015	¥391,577	\$3,263,142	
Other	¥ 2,014	¥ 2,262	¥ 2,563	\$ 21,358	
Total	¥498,395	¥450,976	¥729,760	\$6,081,333	

13. Derivative transactions

Not applicable as the Group does not enter into any derivative contracts.

14. Related-party transactions

No related-party transactions were recorded for the years ended March 31, 2014 and 2015.

➔ NON-CONSOLIDATED STATEMENTS OF INCOME

Years ended March 31	Millions of yen			Thousands of U.S. dollars
	2013	2014	2015	2015
Net sales	¥407,289	¥324,469	¥554,448	\$4,620,400
Cost of goods sold	216,747	176,679	283,370	2,361,417
Gross profit	190,542	147,790	271,078	2,258,983
Selling, general and administrative expenses	27,921	25,596	40,651	338,758
Operating income	162,621	122,194	230,427	1,920,225
Other income (expenses):				
Interest income	212	275	364	3,033
Dividend income	8,597	9,932	32,419	270,158
Other, net	972	1,027	1,324	11,034
	9,781	11,234	34,107	284,225
Income before income taxes	172,402	133,428	264,534	2,204,450
Income taxes:				
Current	60,881	45,984	88,194	734,950
Deferred	339	446	(4,987)	(41,558)
	61,220	46,430	83,207	693,392
Net income	¥111,182	¥ 86,998	¥181,327	\$1,511,058
		Yen		U.S. dollars
Net income per share:	¥ 568.06	¥ 444.56	¥ 926.74	\$ 7.72

Note: The U.S. dollar amounts are converted from yen, for convenience only, at the rate of ¥120 = U.S.\$1.00.

➔ NON-CONSOLIDATED BALANCE SHEETS

As of March 31	Millions of yen		Thousands of U.S. dollars
	2014	2015	2015
ASSETS			
Current assets:			
Cash and bank deposits	¥ 634,111	¥ 670,413	\$ 5,586,775
Receivables, trade:			
Accounts and notes	39,688	41,920	349,333
Subsidiaries and affiliates	18,888	27,815	231,792
Allowance for doubtful accounts	(545)	(651)	(5,425)
Marketable securities	—	120,000	1,000,000
Inventories	50,699	65,034	541,950
Deferred income taxes	8,336	13,775	114,792
Other current assets	3,681	10,312	85,933
Total current assets	754,858	948,618	7,905,150
Investments and other assets:			
Subsidiaries and affiliates	107,337	107,086	892,383
Deferred income taxes	10,251	9,744	81,200
Other	9,586	16,220	135,167
Total investments and other assets	127,174	133,050	1,108,750
Property, plant and equipment, at cost:			
Land	106,945	114,250	952,083
Buildings	202,592	199,893	1,665,775
Machinery and equipment	127,476	131,474	1,095,617
Construction in progress	6,153	5,997	49,975
	443,166	451,614	3,763,450
Accumulated depreciation	(206,938)	(216,364)	(1,803,033)
Property, plant and equipment, net	236,228	235,250	1,960,417
Intangible assets	263	596	4,967
Total assets	¥ 1,118,523	¥ 1,317,514	\$ 10,979,284
LIABILITIES AND NET ASSETS			
Current liabilities:			
Payables, trade:			
Accounts	¥ 19,684	¥ 28,777	\$ 239,808
Subsidiaries and affiliates	823	906	7,550
Accrued expenses	13,279	25,495	212,458
Accrued income taxes	26,863	64,548	537,900
Warranty reserves	2,012	2,651	22,092
Other current liabilities	2,374	3,186	26,550
Total current liabilities	65,035	125,563	1,046,358
Long-term liabilities:			
Allowance for employees' retirement benefits	25,410	28,777	239,808
Asset retirement obligations	2,825	2,811	23,425
Total long-term liabilities	28,235	31,588	263,233
NET ASSETS			
Shareholders' equity:			
Common stock:			
Authorized - 400,000,000 shares			
Issued - 239,508,317 shares	69,014	69,014	575,117
Capital surplus	96,122	96,128	801,067
Retained earnings	1,167,462	1,300,778	10,839,817
Treasury stock, at cost	(312,299)	(312,855)	(2,607,125)
Total shareholders' equity	1,020,299	1,153,065	9,608,876
Valuation and translation adjustments:			
Net unrealized holding gain on other securities	4,954	7,298	60,816
Total net assets	1,025,253	1,160,363	9,669,692
Total liabilities and net assets	¥ 1,118,523	¥ 1,317,514	\$ 10,979,283

FANUC Global Service Network

Over 240 Offices in 46 Countries and Growing



FANUC CORPORATION (Headquarters)
Oshino-Mura, Yamanashi, Japan



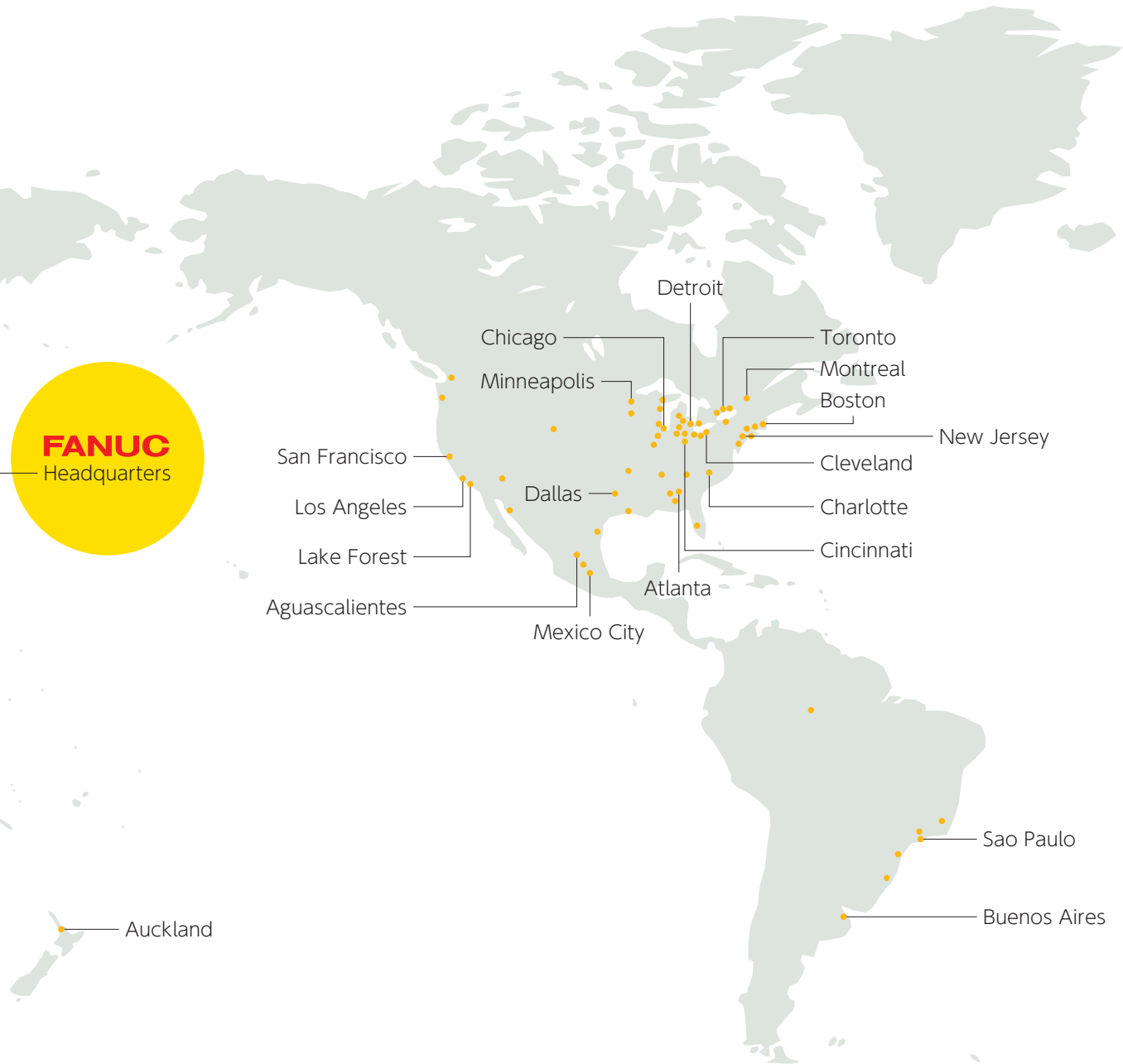
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