

Publication for Communication with Shareholders

# AGC *Review*

Newsletter for  
Shareholders

Vol. **27**

Issued in September 2015



**AGC** ASAHI GLASS CO., LTD.

Code Number: 5201

## To Our Shareholders

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For the first half of fiscal 2015, the AGC Group's net sales remained nearly level with the results of a year ago, as a decline in sales in the Display business was offset by the positive impacts of the Japanese yen's depreciation and other factors. Meanwhile, operating profit increased 8.3 billion yen year-on-year, due to the effects of the restructuring measures taken in the Glass business and declines in raw material and fuel costs. With operating profit in the first half exceeding the forecast made at the beginning of the fiscal year, AGC raised the Group's full-year operating profit forecast from 62.0 billion yen to 70.0 billion yen.

Regarding dividend payments, the interim dividend was 9 yen per share, as forecast at the beginning of the fiscal year. The year-end dividend will also be 9 yen per share as forecast, resulting in a full-year dividend of 18 yen per share. All of us at AGC, both directors and employees, are committed to achieving a turnaround in earnings to bring the AGC Group back on a growth path this year and attaining the management goals of **AGC plus**, in our efforts to meet the expectations of our shareholders.

On behalf of the AGC Group, I would like to express my sincerest appreciation for your continued support.

**Takuya Shimamura, President and CEO**



# Highlights of the Group's Financial Results

## Key Points for the First Half of Fiscal 2015

### Net sales

Net sales were largely unchanged from a year ago as a decline in sales in the Display business, owing to the effects of lower sales prices of LCD glass and the termination of sales of plasma display panel products, was offset by the positive impacts of the Japanese yen's depreciation and other factors.

### Operating profit

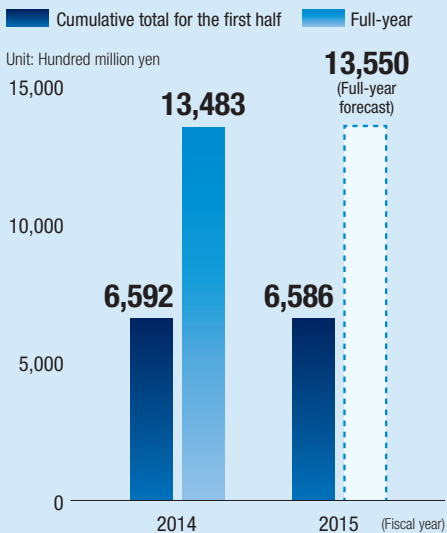
The increase in operating profit was underpinned by the effects of cost reductions, achieved mainly through the restructuring of the Glass business in Europe and the United States, as well as declines in raw material and fuel costs.

### Profit for the year attributable to owners of the parent company

The increase in profit for the year attributable to owners of the parent company was due to the effects of a gain from the revision of the defined benefit plan, totaling 36.1 billion yen.

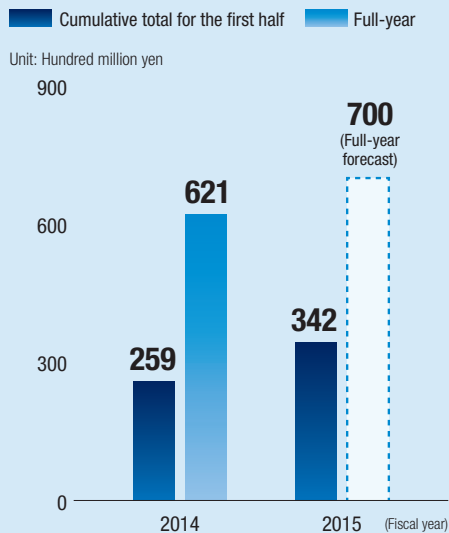
### Net sales

**6,586** hundred million yen  
(down 0.1% year-on-year)



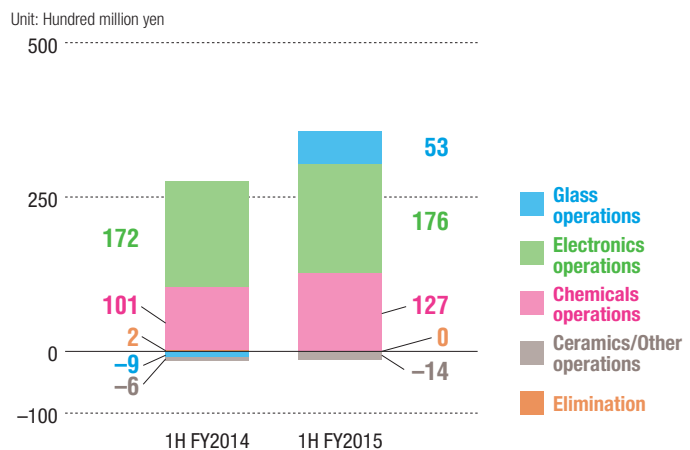
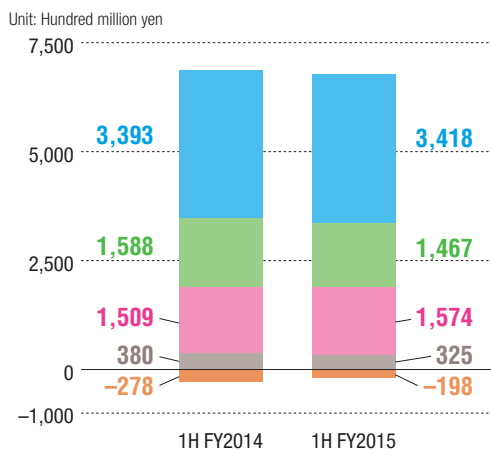
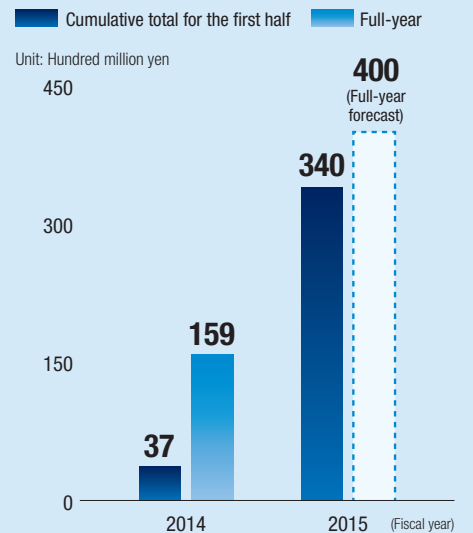
### Operating profit

**342** hundred million yen  
(up 32.1% year-on-year)

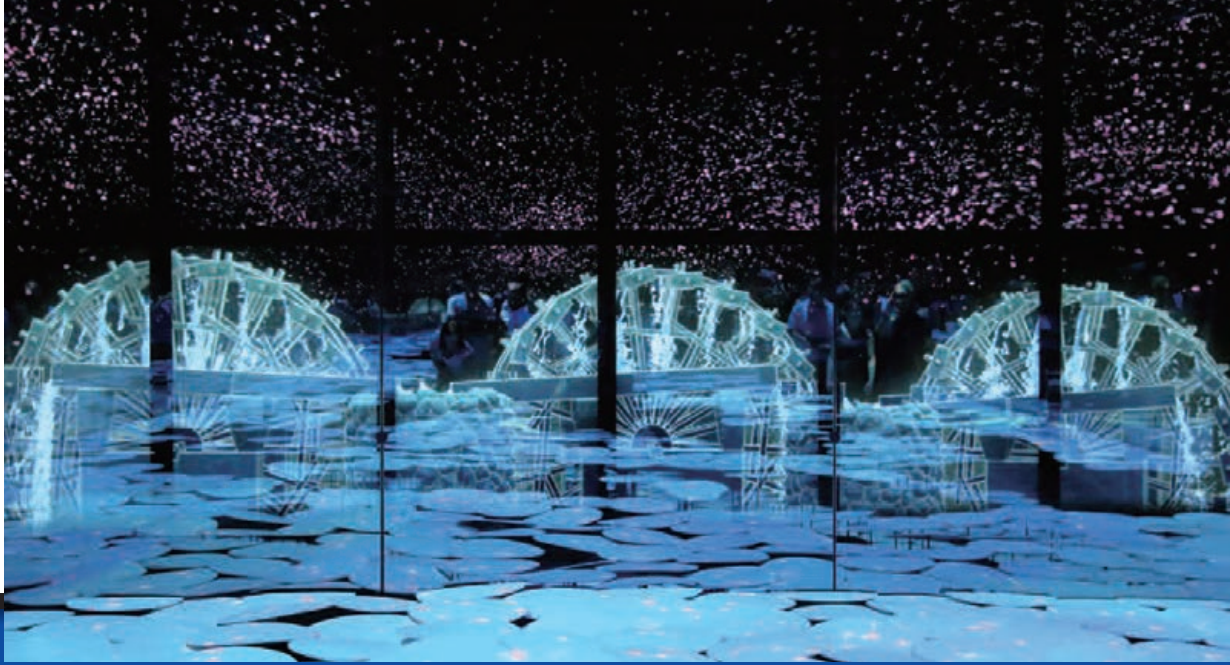


### Profit for the year attributable to owners of the parent company

**340** hundred million yen  
(up 821.0% year-on-year)







# EXPO Milano 2015

The AGC Group is an official sponsor of the Japan and Belgium pavilions at EXPO Milano 2015.



◀ infoverre™ used as media tables

\* By attaching a display monitor directly to the back of a glass tabletop, infoverre™ provides bright and clear images with minimum light reflection.

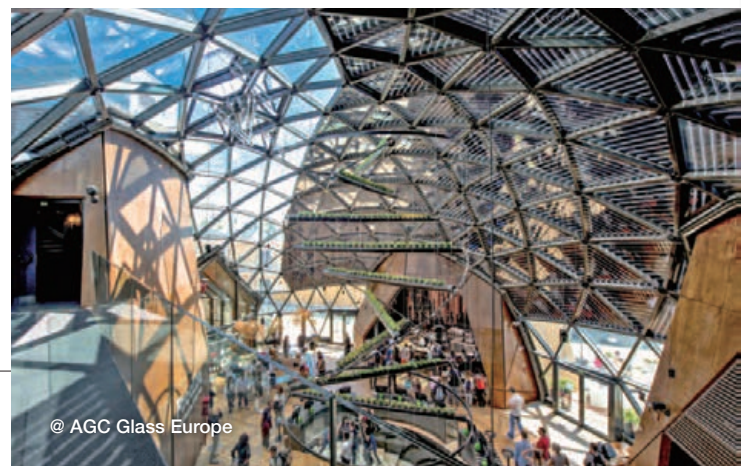
▲ Exterior of the Japan pavilion

The AGC Group has provided products for the Japan and Belgium pavilions at EXPO Milano 2015, which is being hosted by Milan, Italy, from May 1 to October 31.

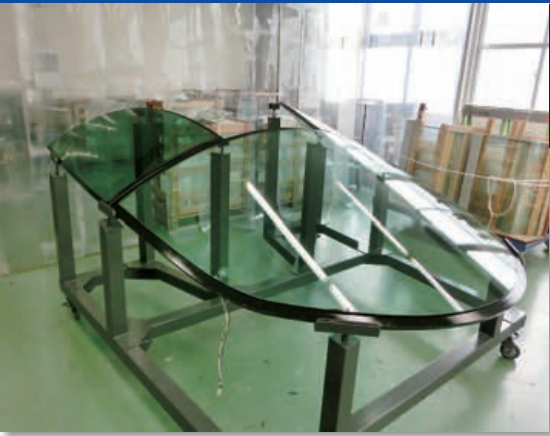
The AGC Group's glass materials add a refined glass feeling to the architecture of the Japan pavilion, which was designed to illustrate a beautiful integration of traditional culture and advanced technologies developed in Japan. In addition, as demonstrated by the digital-signage media tables and half mirrors that create the illusion of a larger space, the AGC Group's technologies have helped to enhance the entertainment and artistic aspects of the pavilions.

At the Belgium pavilion, a variety of AGC Group's glass products, including heat-insulating glass, heat reflection glass, photovoltaic glass substrates, and glass for interior design, are used to create a comfortable and unique environment.

▼ Interior of the Belgium pavilion



The AGC Group aims to achieve an earnings recovery and sustainable growth by adding “plus” value for all stakeholders: providing safety, security, and comfort to society; and creating new value and functions for customers and business partners, and building trust with them.



Glass business

The AGC Group supplies all the glass components of the Hokuriku Shinkansen Line

The AGC Group’s safety glass for railroad cars is installed in all rolling stock of the Hokuriku Shinkansen Line, which commenced operation on March 14, 2015.

The AGC Group’s glass used for the windshield of the driver’s cabin ensures high visibility while achieving a streamlined, stylish design. The window glass for the train cars has high thermal- and sound-insulating properties, providing a safe and comfortable ride for passengers. All other glass components used in the train cars, including glass used for front lamp covers, glass for destination display boards, and interior glass, are also products of the AGC Group.

The AGC Group has 50 years of experience manufacturing safety glass for high-speed railways, including Shinkansen bullet trains. The AGC Group will continue to develop and provide high value-added products that support safe and comfortable transportation by leveraging its diverse array of materials and technologies.

▲ The windshield glass has a sharper curvature than that used in conventional Shinkansen bullet trains, to match the streamlined shape of the Hokuriku Shinkansen Line.

Electronics business

The AGC Group to establish an integrated production system for TFT-LCD glass substrates in China

The AGC Group has decided to build a furnace for TFT-LCD glass substrates in Huizhou, Guangdong Province, China. This will enable the AGC Group to establish an integrated production system from raw glass to processing in China, where demand continues to grow.

In this investment project, the AGC Group will transplant cutting-edge production facilities from Japan, which will lead to a significant reduction in capital investment. Operation of the furnace is slated to start at the end of 2016 or early 2017.

The AGC Group aims to enhance the Group’s corporate value as set out in the new management policy **AGC plus**, by ensuring that it captures growing demand in China while increasing the asset efficiency of the LCD glass substrate business.



▲ Production bases for TFT-LCD glass substrates

Chemicals business

The AGC Group builds a new production facility for HFO-1234yf automotive refrigerant



▲ New production facility at the Chiba Plant

The AGC Group held a ceremony to mark the completion of a new production facility for its new HFO-1234yf automotive refrigerant, constructed at its Chiba Plant.

HFO-1234yf refrigerant for automobile air conditioners is a new environment-friendly product with a very low global-warming potential (GWP) of 1/1,300 compared to conventional refrigerants. HFO-1234yf is drawing attention from automobile makers not only in Japan but also in Europe and the United States.

The AGC Group has been focusing research and development on environment-friendly low-GWP refrigerants, and has established production technologies for HFO-1234yf ahead of its competitors. By leveraging its long-established technological development capabilities in fluorochemicals, the AGC Group will actively roll out new products that will contribute to reducing environmental load and creating a comfortable living environment for communities.



# Q&A from Shareholders

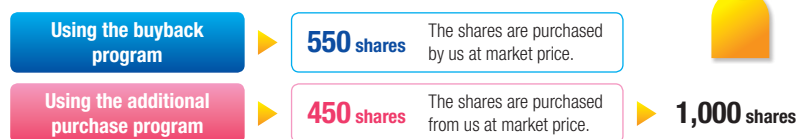
Q

I hold shares of AGC representing less than one unit. Can I sell the fractional shares on the stock market?

We offer share buyback/additional purchase request programs for shareholders holding less than one unit of shares (less than 1,000 shares).

Shares of less than one unit (less than 1,000 shares) cannot be purchased or sold on the stock market. Accordingly, we offer the following programs for requests to buy back shares of less than one unit or additional purchases of shares. For more details on the procedures, please check with the securities company where you have an account.

[Example] A shareholder who holds 550 shares of AGC



We do not charge for handling the buyback/additional purchase of shares of less than one unit.<sup>(1)</sup>

<sup>(1)</sup> Regarding the handling charge paid to the securities company where you have an account, please check with the securities company.

There is no handling charge for requesting the buyback or additional purchase of shares for fractional shares recorded in special accounts.

Q

Where can AGC's products be found?

The AGC Group introduces examples of applications of its products on the Company website (<http://www.agc.com/hakken/>).

You will find that the AGC Group's products actually include products you see in your everyday life. (The website is available in Japanese only.)



## Corporate Outline

(as of June 30, 2015)

**Trade name:** Asahi Glass Company, Limited

**Founded:** September 8, 1907

**Incorporated:** June 1, 1950

**Capital:** ¥90,873,373,264

**Head office:**

Shin-Marunouchi Building, 1-5-1 Marunouchi,  
Chiyoda-ku, Tokyo 100-8405

**Phone:** +81-3-3218-5096

**Number of consolidated subsidiaries:**

194 (including 156 companies overseas)

## State of Stock

(as of June 30, 2015)

**Number of shares outstanding:** 1,186,705,905

**Number of shareholders:** 66,950

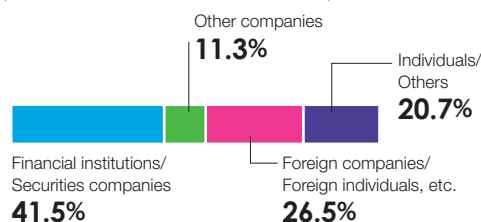
**Shareholders who own shares of one unit or more:**

56,094

## Shareholder Composition

(as of June 30, 2015)

(Shareholders who own one unit or more)



## Information about Shares

**Fiscal year:** January 1 to December 31

**Ordinary general shareholders' meeting:** March

**Shareholder registration date for entitlement to exercise:**

Voting rights at ordinary general shareholders' meeting: December 31

Rights to receive annual dividend payment: December 31

Rights to receive interim dividend payment: June 30

**Public notice:** Electronic public notices  
<http://www.agc.com>

**Shareholder Registrar/Special Account Administrator:**

Mitsubishi UFJ Trust and Banking Corporation

Inquiries/Mailing address:

Securities Agency Division, 7-10-11

Higashisuna, Koto-ku, Tokyo 137-8081

Securities Agency Division, Mitsubishi UFJ

Trust and Banking Corporation

Phone: 0120-232-711 (toll free within Japan)

### Payment of dividends:

As stated in the Articles of Incorporation, dividends not claimed within five years from the starting date of payment are no longer payable. We therefore urge shareholders to claim all payable dividends at the earliest convenient date.

Dividends that the shareholder has not received will be paid at the Mitsubishi UFJ Trust and Banking Corporation.

### To shareholders owning shares constituting less than one unit:

Shareholders owning shares constituting less than one unit (1-999 shares) of AGC may request AGC to purchase such shares/sell additional shares. For the details of such procedures, including requests for necessary forms, please notify the following place of contact.

## Contact Information for Inquiries Regarding Shares

| Shareholders who have an account with securities companies, etc.              | Shareholders who have a special account  |
|---|--|
| Name of securities companies or other entities with which you have an account | Mitsubishi UFJ Trust and Banking Corporation (our Special Account Administrator)<br>Phone: 0120-232-711 (toll free within Japan)<br>When shareholders holding shares in the Special Account wish to register their change of address, designate or change the bank account for receiving dividends, purchase shares constituting less than one unit, or process an account transfer, please contact the Special Account Administrator via the toll-free number 0120-244-479 (there is an automated voice answering service 24 hours a day) and ask for the relevant application forms. |