

AGC

AGC plus

Progress toward FY2017 management targets

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Key message for today's presentation

1. The AGC Group has revised its OP forecast for FY2015 upward to ¥70 billion, aiming to get back on a growth track within this year.
2. Under the management policy **AGC plus** the AGC Group is making steady progress to enhance its corporate value.

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1. **AGC plus**

AGC Group's management policy

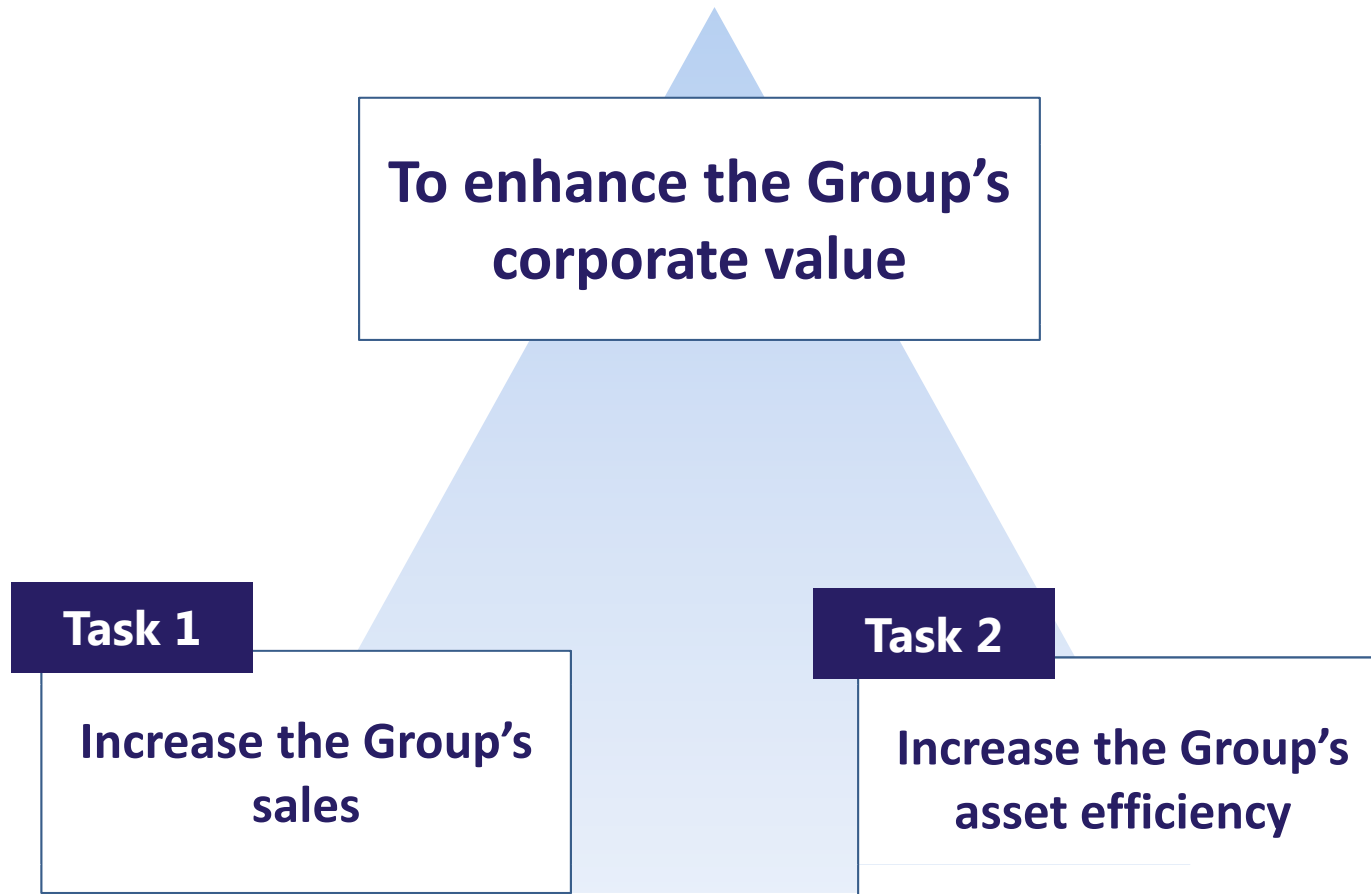
AGC plus

The AGC Group adds a “plus” by:

- Providing safety, security and comfort to society;
- Creating new value and functions for customers and business partners and building trust with them;
- Enhancing job satisfaction among employees; and
- Increasing the Group's corporate value for investors.

To enhance the Group's corporate value

- ◆ The AGC Group aims to increase both sales and asset efficiency.

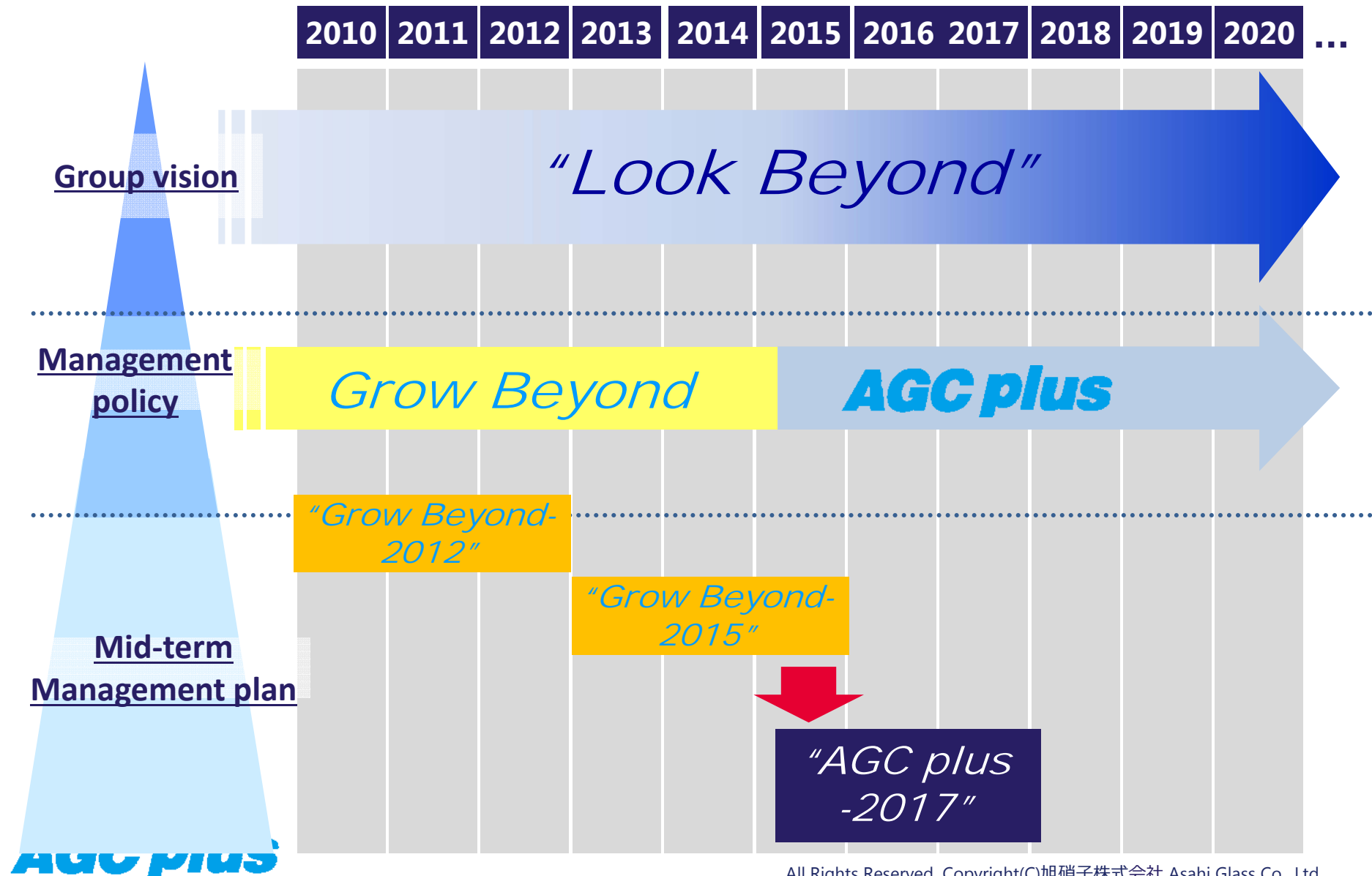


The AGC Group's Business portfolio

◆ Based on the following business portfolio, created by using profitability and growth potential as the yardsticks, the Group decides asset allocation strategies.

	Growth	Cash generator	Strength building area
Glass	-Automotive glass	-Architectural glass (fast growing countries)	-Architectural glass (Developed countries)
Electronics	-Electronic materials -Glass for chemical strengthening - Ultra thin glass	- LCD glass	- PDP glass - Specialty glass
Chemicals	- Chlor-Alkali (Outside Japan) - Fluorochemicals - Life science		-Chlor-Alkali (Japan)

Mid-term management plan "AGC plus-2017"



"AGC plus-2017" management targets

Management Policy		<p style="text-align: center;">AGC plus</p> <p>The AGC Group adds a "plus" by:</p> <ul style="list-style-type: none"> • Providing safety, security and comfort to society; • Creating new value and functions for customers and business partners and building trust with them; • Enhancing job satisfaction among employees; and • Increasing the Group's corporate value for investors.
Targets for 2017	Sales	<p style="text-align: center;">¥ 1,600 billion</p>
	Operating profit	<p style="text-align: center;">more than ¥ 100 billion</p>
	ROE	<p style="text-align: center;">5% or above</p>
	D/E	<p style="text-align: center;">0.5 or less</p>

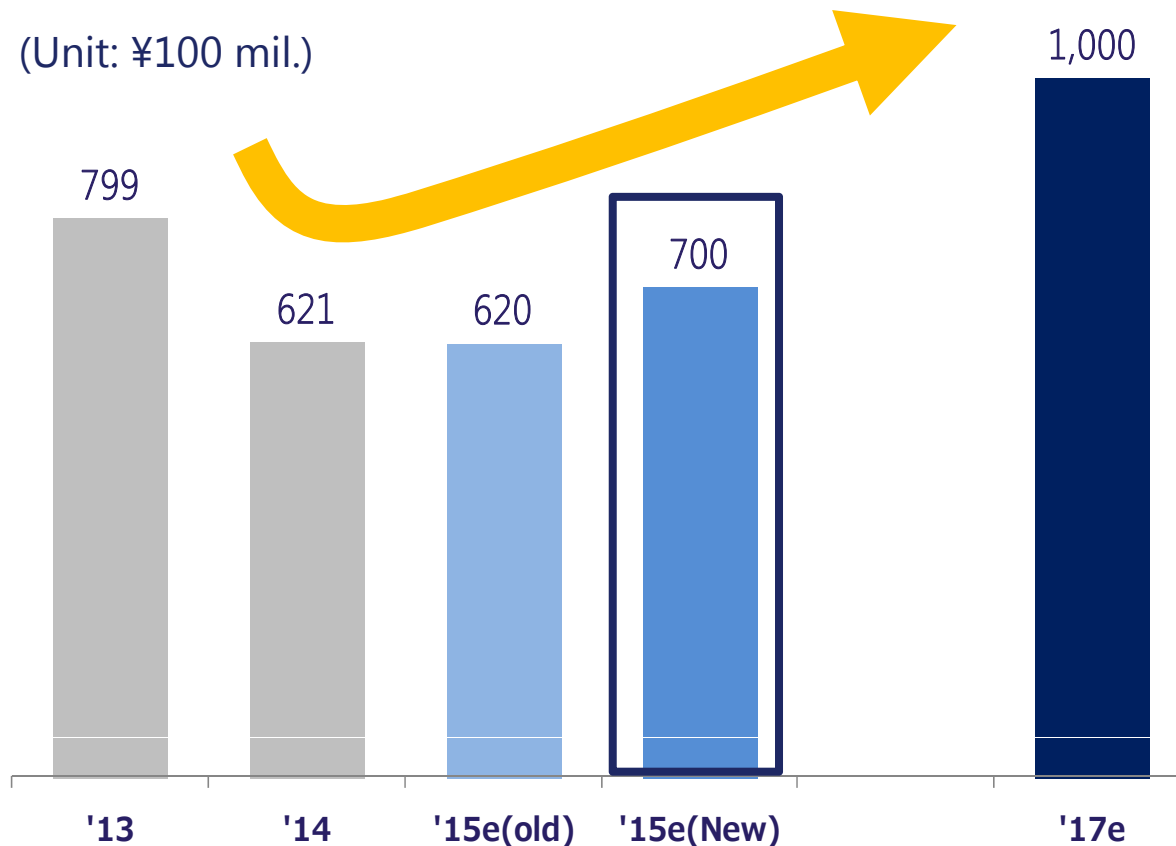
The AGC Group's mid-to-long term strategy



2. Progress toward FY2017 management targets

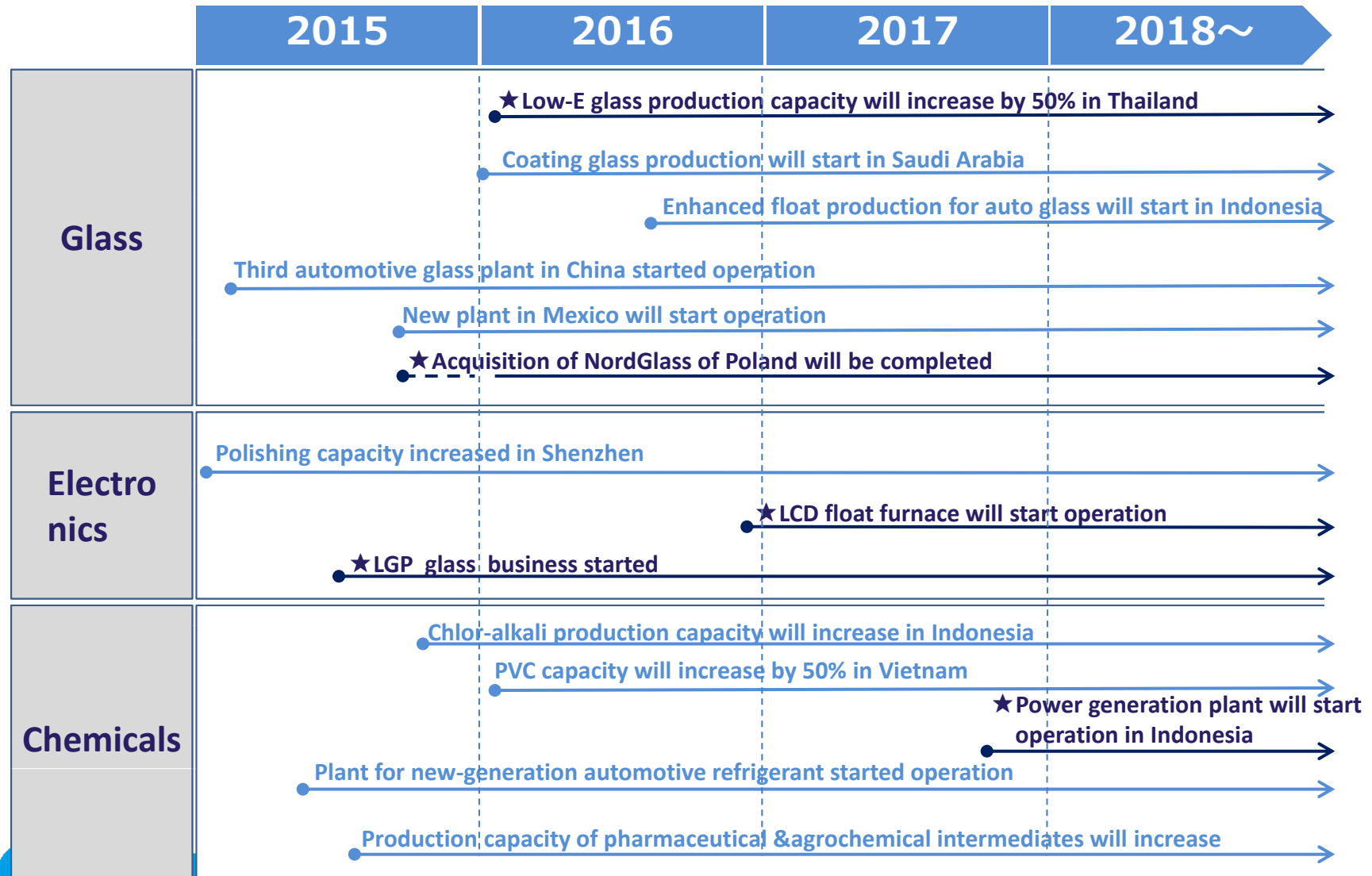
To achieve FY2017 management targets

With great confidence, we will turn OP upward in 2015.
We also aim to achieve ¥100 billion in 2017 by taking measures timely and successfully.



The AGC Group's growth strategy

◆ We will aggressively invest in growth areas.



Growth initiative—Automotive glass (China)

- Third plant in China started operation in 1Q/2015.
- Gradually increase the production capacity in China up to 3.6 million vehicles/year.



Growth initiative—Automotive glass (Mexico)

- Operation in Mexico will start in 3Q/2015.
- Then, gradually increase the production capacity up to 750 thousand vehicles/year



Growth initiative

—Automotive replacement glass (Poland)

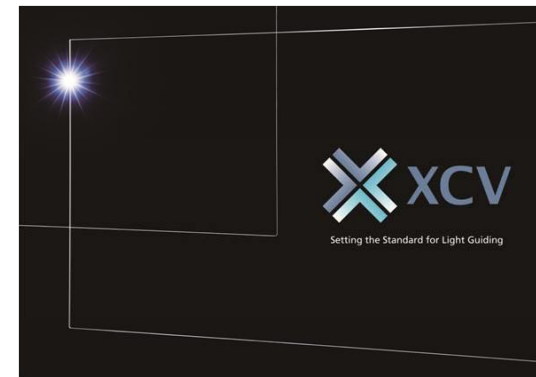
Acquired NordGlass (annual sales 10 billion yen). Will be consolidated around 4Q 2015.



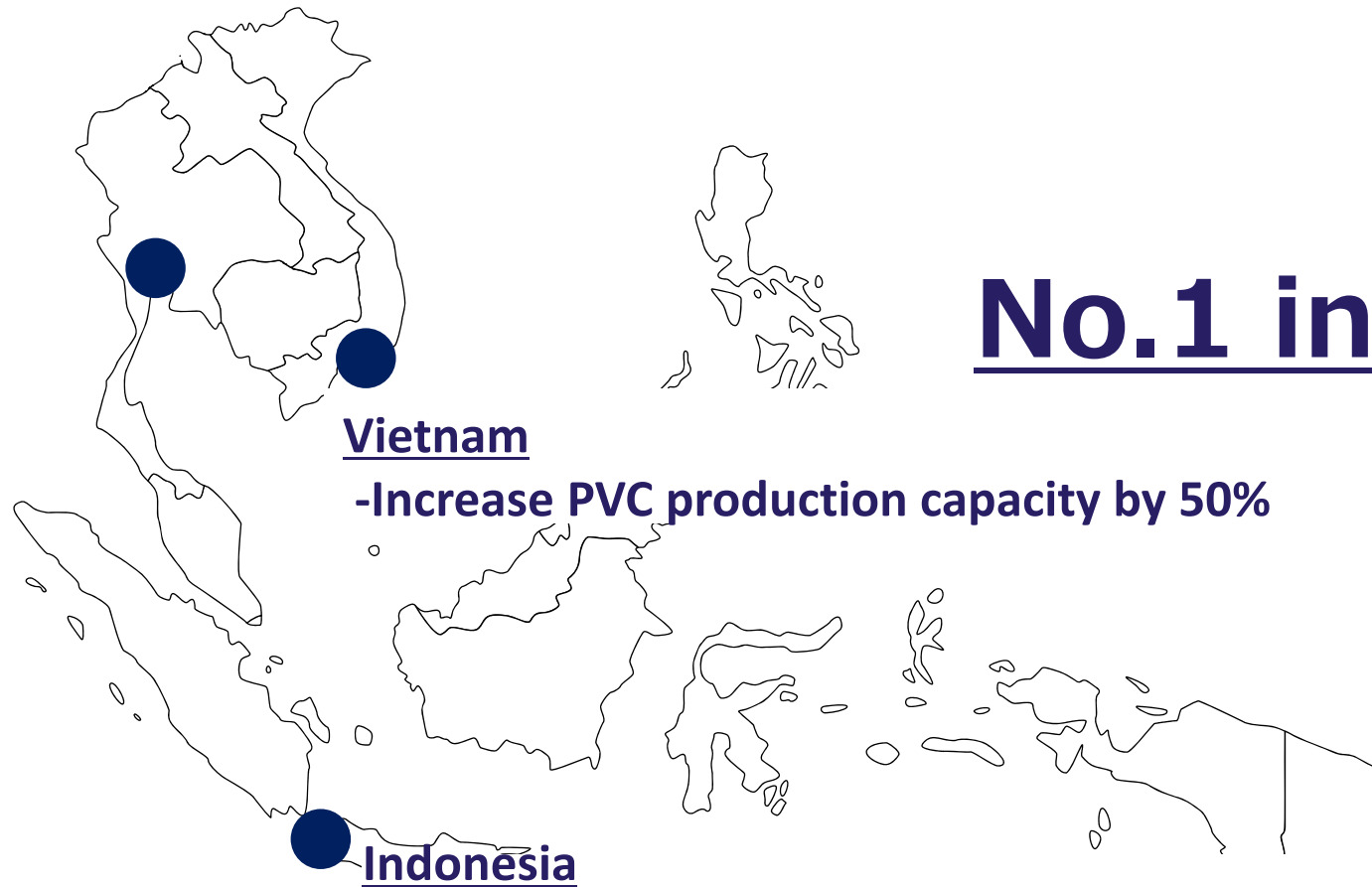
[Poland]

Growth initiative—New business

Started LGP glass
business to open up a
new display market.



Growth initiative—Chlor-Alkali (Outside Japan)



No.1 in SE Asia

Vietnam

-Increase PVC production capacity by 50%

Indonesia

**-Increase chlor-alkali production capacity by the end of 2015.
(caustic soda: 40% increase, PVC: double)**

**-Start the operation of power generation plant at the end of 2017,
which will further solidify AGC's No.1 position in SE Asia.**

AGC plus

Growth initiative

—New-generation automotive refrigerant

A new plant
started operation in
2Q, 2015.

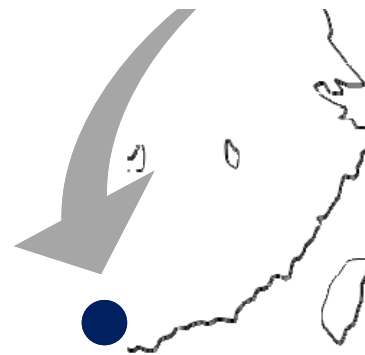


**New production facility at the Chiba Plant
in Japan**

Cash generator - Electronics

	Cash generator	Measures
Electronics	- LCD glass	- Decided to relocate a LCD glass furnace to China from Japan

Minimize the investment amount by utilizing existing facilities in Japan. Production will start at the end of 2016 or early 2017.



Strength building initiative - Glass

	Strength building	Measures
Glass	- Architectural glass (Developed countries)	<p><Europe> Major structural reforms have been completed in 2014. Now the focus will be in rationalization of fabrication plants and distribution network.</p> <ul style="list-style-type: none"> -Reorganize glass activities in the Netherlands around 4Q, 2015 - Shutdown laminated glass production plant in Belgium and transfer its operation around 1Q, 2016.

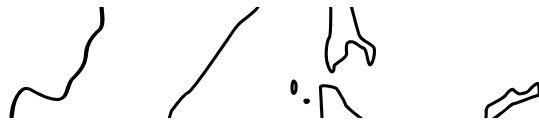
<Measures to be taken in Architectural glass business going forward>

-Continue to implement strength building/ structural reform measures

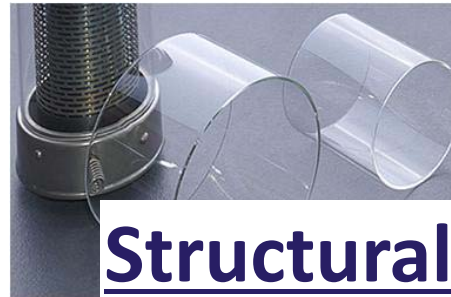
-Focus on the marketing of high-performance/ value-added products

Strength building initiative—Electronics

	Strength building	Measures
Electronics	<ul style="list-style-type: none"> - PDP glass - Specialty glass 	<ul style="list-style-type: none"> - Structural reform due to business termination - Structural reform of unprofitable business



Glass for industrial applications



Structural reform of PDP glass business

Structural reforms of specialty glass



Cost reduction effect :
¥2.5 billion /year



Projector materials

Towards the management targets in 2017

[Operating profit]

(Unit: ¥100 mil.)

1,000



700

AGC plus '13

'14

'15e

'17e

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