February 16, 2004

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Asahi Glass reports Consolidated Financial Results for the Year Ended December 31, 2003

1. Consolidated results for the year ended December 2003 (from April 1, 2003 to December 31, 2003)

(1) Consolidated operating results

	Current fiscal year (ended December 31, 2003)	Previous fiscal year (ended March 31, 2003)
Net sales (millions of Yen)	1,242,956	1,295,011
Operating income (millions of Yen)	83,187	67,475
Ordinary income (millions of Yen)	75,414	56,761
Net income (millions of Yen)	53,641	(3,918)
Net income per share -basic (yen)	45.65	(3.37)
Net income per share -fully diluted (yen)	43.17	-
Return on equity (%)	9.1	(0.7)
Ratio of ordinary income to total assets (%)	4.2	3.1
Ratio of ordinary income to net sales (%)	6.1	4.4

(2) Consolidated financial position

	Current fiscal year (ended December 31, 2003)	Previous fiscal year (ended March 31, 2003)
Total assets (millions of Yen)	1,806,611	1,786,513
Total shareholders' equity (millions of Yen)	622,798	553,835
Equity ratio (%)	34.5	31.0
Equity per share (yen)	530.57	471.79

(3) Consolidated cash flows (Unit: millions of yen)

	Current fiscal year (ended December 31, 2003)	Previous fiscal year (ended March 31, 2003)
Cash flows from operating activities	147,883	177,264
Cash flows from investing activities	(61,461)	(114,687)
Cash flows from financing activities	(92,331)	(60,913)
Cash and cash equivalents at the end of the year	55,915	55,282

(4) Scope of consolidation and equity method affiliates

Number of consolidated subsidiaries	251 companies
Number of unconsolidated subsidiaries to which equity method was applied	2 companies
Number of equity method affiliates	36 companies

Changes in scope of consolidation; Consolidated subsidiaries; (increase) 51 companies (decrease) 13 companies
Equity method affiliates; (increase) 2 companies (decrease) 7 companies

2. Outlook for the next fiscal year ending December 2004 (from January 1, 2004 to December 31, 2004)

	1st half	Full year
Net sales (millions of Yen)	690,000	1,420,000
Ordinary income (millions of Yen)	42,000	91,000
Net income (millions of Yen)	36,000	58,000
Forecasted net income per share (full year) (Yen)	-	49.42

(Note)
1. Equity in earnings of unconsolidated subsidiaries and affiliates;
   Year ended December 2003: 2,541 millions of Yen   Year ended March 2003: 4,234 millions of Yen
2. Number of average yearly shares (consolidated basis);
   Year ended December 2003: 1,173,759,534 shares   Year ended March 2003: 1,174,435,244 shares
3. Number of outstanding shares at end of year (consolidated basis);
   Year ended December 2003: 1,173,705,662 shares   Year ended March 2003: 1,173,820,448 shares
4. All financial information has been prepared in accordance with accounting principles generally accepted in Japan.
5. Rounded off to millions of Yen.
6. Because the Company's fiscal year ended December 2003 includes only 9 months due to the change of its fiscal year-end, year-on-year comparisons were not presented.
7. The above-mentioned outlook reflects forecasts on the basis of currently available information and actual results may be different. For matters concerning the above outlook, please see Page 12 of the attached materials.

Overview of the AGC Group

Asahi Glass Company, Limited (the “Company”) (“AGC”) Group consists of the Company and its 336 subsidiaries and 67 affiliates.
The main business description of the Company, its consolidated subsidiaries, and affiliates under the equity method is as set out below. The same classification is used in the business segment information.

Segment	Main Business		Main companies
Glass Operations	Flat Glass Automotive Glass Other Glass	Japan	The Company, Asahi Glass Building Materials, AGC AX, Asahi Glass Exterior Building Materials, Asahi Fiber Glass, Asahi Techno Glass* 30 other consolidated subsidiaries 3 companies under the equity method (38 companies in total)
		Overseas	(Asia) Asahimas Flat Glass (Indonesia), Thai-Asahi Glass Public (Thailand) (America) 18 group companies of AFG Industries (head office in the United States) (Europe) 103 group companies of Glaverbel S.A. (head office in Belgium) 16 other consolidated subsidiaries 16 companies under the equity method (155 companies in total)
Electronics and Display Operations	CRT (Cathode-Ray Tube) Glass FPD (Flat Panel Display) Glass Electronic Materials	Japan	The Company, Optrex, Asahi Glass Fine Techno 6 other subsidiaries Companies under the equity method; ELNA* 1 other company (10 companies in total)
		Overseas	(Asia) Asahi Techno Vision (Singapore), Pacific Glass (Taiwan), Asahi Glass Fine Techno Taiwan (Taiwan), Hankuk Electric Glass (Korea), Siam Asahi Technoglass (Thailand) (America) Optrex America (U.S.) (Europe) Optrex Europe (Germany) 13 other consolidated subsidiaries Companies under the equity method; Shanghai Asahi Electronic Glass (China) 4 other companies (25 companies in total)
Chemicals Operations	Fluorochemicals Chlor-Alkalis Urethanes and Others Other Chemicals	Japan	The company, Asahi Glass Urethane, Seimi Chemical, Keiyo Monomer, Asahi Glass Engineering, Ise Chemicals* 12 other consolidated companies Companies under the equity method; Catalysts & Chemicals Industries 4 other companies (22 companies in total)
		Overseas	(Asia) Asahimas Chemical (Indonesia), Thasco Chemical (Thailand) (America) Asahi Glass Fluoropolymers U.S.A. (U.S.) (Europe) Asahi Glass Fluoropolymers UK (England) 9 other consolidated subsidiaries 6 companies under the equity method (19 companies in total)
Other Operations	Ceramics Service-ralated Business	Japan	Asahi Distribution & Delivery, A.G. Finance, Asahi Glass Machinery, Asahi Glass Ceramics 7 other consolidated subsidiaries (11 companies in total)
		Overseas	(America) Asahi Glass America (U.S.) 7 other consolidated subsidiaries 1 company under the equity method (9 companies in total)

(Note)
1. The Company is not included in the total number of companies in the classification of operations.
2. Main subsidiaries and affiliates designated by a ‘*’ are listed on securities markets in Japan.
   Asahi Techno Glass (Second Section of the Tokyo Stock Exchange)
   Ise Chemicals (Second Section of the Tokyo Stock Exchange)
   ELNA (Second Section of the Tokyo Stock Exchange)

Management Policy

1. Fundamental Management Policy

It is the fundamental management policy of Asahi Glass, as a leading multinational supplier of materials and components based on its core technologies in glass, fluorine chemistry, and other related fields, to strive to enhance the aggregate business value of its Group by constantly looking toward the future with a forward-looking vision that extends beyond its own realm of business.

All corporate and personal members of the Group are expected to think and act in full accord with "innovation and operational excellence," "diversity," "environment," and "integrity," which have been identified as the four most important corporate values to be shared and pursued among themselves.

2. Allocation and Distribution of Profits

Asahi Glass pledges to maintain stable dividends, and will calculate dividends based on a consideration of various factors including consolidated results and dividend payout ratio, to ensure that the expectations of its shareholders will be met. Asahi Glass will also allocate retained earnings to R&D, capital investment and mergers and acquisitions with a view to strengthening its financial position and enhancing shareholder value.

3. Trading Unit of Common Shares

Asahi Glass finds it a useful measure of revitalizing the market to lower the trading unit of its shares, and recognizes the matter as one of its important management issues. It is the policy of the Company to deal with this matter on the basis of future stock market conditions as well as market trends on trading unit.

4. Targeted Management Index

The Company aims to steadily improve ROE from the viewpoint of enhancing capital efficiency, targeting an ROE of 10% during the term in *"**Shrink to Grow 2005**"* initiatives (from the fiscal year ended in December 2003 to the fiscal year ending in December 2005.)

5. Medium- and Long-term Strategies

The Company defines the following as important management strategies: the concentration of management resources on three major business areas (materials and components for the Glazing, Display, and Electronics & Energy fields); enhancing competitiveness to utilize the strength of the group; and implementing management as a global team. In order to realize such strategies, the Company does its utmost across the board to promote the medium-term management plan, *"**Shrink to Grow**"* initiatives.

In the *"**Shrink to Grow**,"* the Company implements: 1) *Shrink* measures by reviewing less competitive businesses and slashing costs; 2) *Grow* measures by building global competitiveness in core operations through mergers and acquisitions and by launching new businesses with superior earnings potential; and 3) "management system reforms" to simplify its organization and decision-making processes and motivate its employees.

Under the *"**Shrink to Grow 2005**,"* which includes "*shrink*" measures over the three-year period from the fiscal year ended December 2003 to the fiscal year ending December 2005, the Company has been instituting structural reforms in domestic chemicals operations, exterior siding boards operations, cathode-ray tube (CRT) glass operations, and other areas. For its "*grow*" measures, the Company has been aggressively endeavoring to bolster its operations of flat glass and automotive glass in growing market, as well as its electronics and display business, which keeps in line with rapid growth of the digital electrical appliance market such as liquid crystal displays (LCDs) and plasma display panels (PDPs).

Also, the Company is implementing reforms of management system such as the corporate governance system, reinforcing a compliance system, and performing measures to vitalize global human resources.

6. Issues to Contend with

With its business environment changing significantly, the Company recognizes that it is most important to steadily implement "***Shrink to Grow***" initiatives so as to continue to enhance its corporate value.

The flat and automotive glass operations are faced with the issue of proactive business expansion in the areas such as China, Southeast Asia, Russia, and Mexico, where high growth can be expected. Driven by the restructuring of less competitive businesses such as operations of exterior siding board and other glass in Japan, the segment intends to grow steadily by focusing on high performance glass products for construction such as glass for crime prevention as well as insulation and solar control.

With respect to the electronics and display operations, the Company will strive to achieve high growth by aggressively developing its rapidly growing operations of thin-film transistor liquid crystal display (TFT LCD) glass substrates as well as PDP glass substrates, and by taking measures to ensure global production optimization for the CRT glass operations.

For its chemicals operations, the Company will seek to steadily execute structural reforms in lower-margin businesses such as the domestic Chlor-Alkali operations, with identifying higher valued-added fluorochemicals and organic and inorganic specialty operations as core business of the future.

As another key challenge, the Company will actively strive to reduce its interest-bearing liabilities and to build a solid financial structure by focusing on more strategic and secure capital investments.

7. Risks Associated with Operations

The Company's operating results may be impacted not only by trends in the construction and building materials industry, automotive industry, and electronics and display industry, but also by currency exchange rate fluctuations, stock market conditions, and other factors.

Based on the initiatives of "***Shrink to Grow***," the Company will focus on select operations, introduce cost cutting measures, and strive to bolster profitability by withdrawing from less competitive business and introducing high value-added products to the markets. As a result of these structural reforms, it may incur extraordinary losses.

8. Basic Policy of Corporate Governance and Introduction of Related Measures

The Company's basic policy on the establishment of its corporate governance system is to clearly separate the oversight and management functions, and to distinguish between corporate function and operational function of the latter.

More specifically, in the annual general shareholders' meeting held in June 2002, the Company decided to reform the structure of the Board of Directors whose functions were redefined as the "body that approves basic policies and oversees the management of the Group". The meeting also resolved that the number of directors should be reduced from twenty to seven, including two independent directors, and that the term of office of directors should be shortened to one-year. At the same time, the Company introduced so called "executive officer system", in which executive officers (with a one-year term of office) are clearly distinguished from directors under Japan's Commercial Code, and are responsible for the execution of the Group's management and business operations. During the current year, a total of 14 meetings of the Board of Directors were held to oversee the Group's management execution. At these meetings, decisions were made on nomination of executive officers for the following year and candidates for directorship for the following term of office, and other important matters, such as the acquisition and disposal of important assets as well as business and financial plans for the next year, were approved.

In June 2003, the Company established two discretionary organizations, namely the Nominating Committee and the Compensation Committee, to further strengthen its corporate governance system and improve the objectivity in evaluation, nomination and remuneration of directors and executive officers.

The Nominating Committee is an advisory committee of the Board of Directors, and consists of four directors in total, including two independent directors. The committee met four times in total during the current year, and executive officers and candidates for directorship for the next year, including new President&CEO, were recommended to the Board of Directors.

The Compensation Committee is also an advisory committee of the Board of Directors, and consists of four directors in total, including two independent directors. The Compensation Committee met a total of six times during the current year and in January 2004, during which it analyzed the existing remuneration system for directors and executive officers. The meetings were used to draft remuneration principles and strategies, which were used as the basis of revisions to the remuneration system that were proposed to the Board of Directors, so that shareholders and management can seek for a common interest, and management can be motivated to achieve performance goals designed to ensure the Group's continuous development.

The Company adopts the statutory auditor system, and three of the four statutory auditors are independent. The Board of Statutory Auditors met a total of ten times during the current year. Each statutory auditor attended meetings of the Board of Directors and other important meetings of the Company, inspected important documents, audited each department of the head office and other offices, investigated subsidiaries, and reported the results to the Board of Statutory Auditors. In addition, the board of statutory auditors received an independent accountants' report regarding the auditing method and results, prepared the audit report of the Board of Statutory Auditors based on the audit results obtained during the year, and submitted it to the Board of Directors.

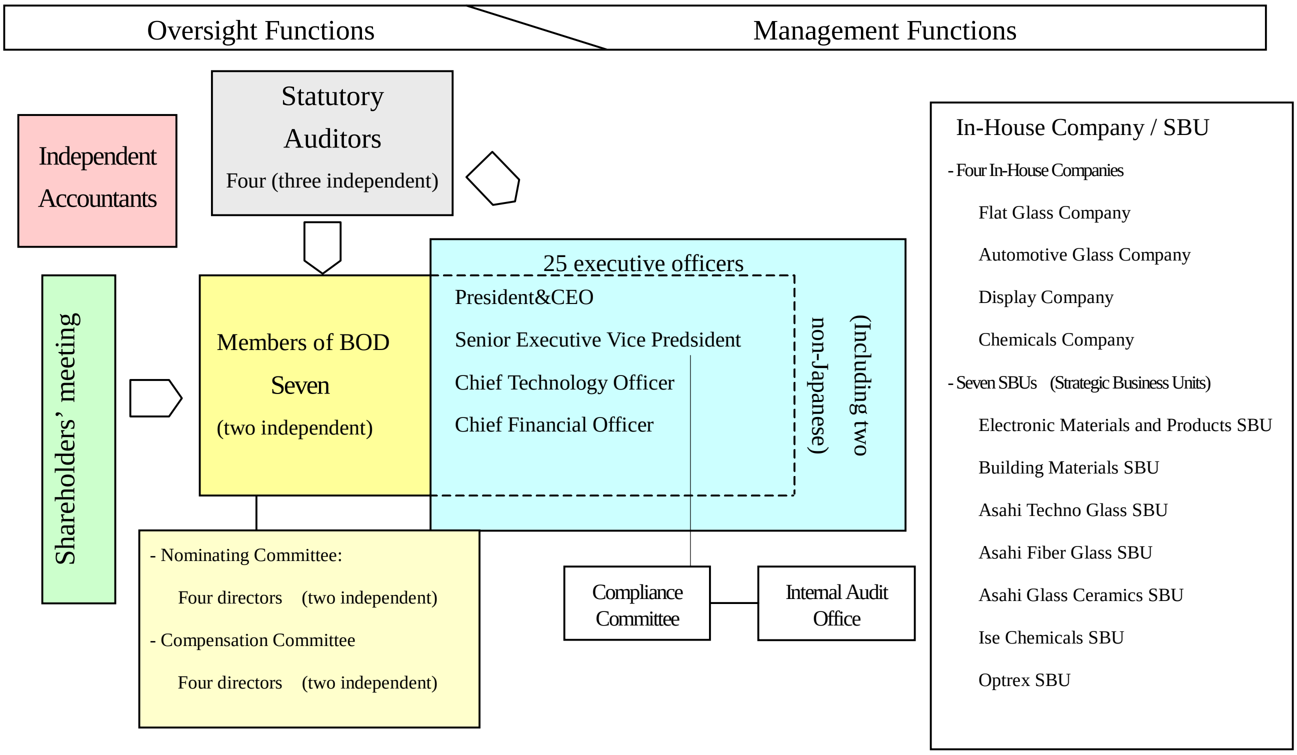
As a management execution system, the Company introduced the In-House Company system in April 2002. With the introduction of this system, the Company changed its business operation system from a region-by-region basis operation system to a globally consolidated management system. It substantially transferred responsibility and authority for management function to each In-House Company or Strategic Business Unit (SBU).

A business unit of which sales exceed approximately 200 billion yen and which operates its businesses on a global basis is defined as In-House Company. Based on this, the Company has established four In-House Companies that conduct operations for “Flat Glass,” “Automotive Glass,” “Display,” and “Chemicals.” Business units that are smaller than this are regarded as SBUs. The Company has seven SBUs at present.

In the Group vision of *“**Look Beyond**”* that was announced in April 2002, the Group defined that “integrity” was one of the most important values to be shared throughout the Group. It has therefore endeavored to establish and strengthen a compliance system based on this value. For instance, the Company established a Compliance Committee under the President&CEO responsible for legal compliance, and this committee serves as the professional body for the legal compliance and corporate ethics. The committee is chaired by a Senior Executive Vice President, and plans, formulates and executes compliance measures for the entire Group. Also, to ensure complete adherence to rules of behavior based on the law and corporate ethics, the Company has drafted and announced a set of principles and standards, and is introducing them to the Group in Japan and overseas. Moreover, the Company has set up a contact point for reporting and consultation at an office of an independent law firm as a help-line, in addition to the internal reporting contact used in the past, and has obliged executives to submit statements of compliance with the code of conduct.

As a function to assist the Board of Directors and the President&CEO, the Internal Audit Office is striving to monitor establishment and operation of an internal control system for the Group, support those for each In-House Company/SBU, and build a global internal audit system that includes foreign subsidiaries.

The office has been conducting these activities in full cooperation with statutory auditors.



Oversight Functions
Management Functions
Independent Accountants
Statutory Auditors
Four (three independent)
Shareholders' meeting
Members of BOD
Seven
(two independent)
25 executive officers
President&CEO
Senior Executive Vice Predsident
Chief Technology Officer
Chief Financial Officer
(Including two non-Japanese)
- Nominating Committee:
Four directors (two independent)
- Compensation Committee
Four directors (two independent)
Compliance Committee
Internal Audit Office
In-House Company / SBU
- Four In-House Companies
Flat Glass Company
Automotive Glass Company
Display Company
Chemicals Company
- Seven SBUs (Strategic Business Units)
Electronic Materials and Products SBU
Building Materials SBU
Asahi Techno Glass SBU
Asahi Fiber Glass SBU
Asahi Glass Ceramics SBU
Ise Chemicals SBU
Optrex SBU

Operating Results and Financial Conditions

At its 78th general meeting of shareholders held on June 27, 2003, the Company revised its Articles of Incorporation, with the result that the Company's fiscal year-end was changed from March 31 to December 31.

As a temporary measure for this change, the current fiscal year runs for nine months, from April 1, 2003 to December 31, 2003. Accordingly, no year-on-year comparison was presented for performances this year.

1. Overview of the Current Period

(Unit: Billions of Yen) (Unit: Yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Current fiscal year (Year ended December 2003) April 2003-December 2003	1,243.0	83.2	75.4	53.6	45.65
Previous fiscal year (Year ended March 2003) April 2002-March 2003	1,295.0	67.5	56.8	(3.9)	(3.37)

During the current period, the Japanese economy showed signs of recovery. Exports increased, mainly to other countries in Asia, and private capital spending rose steadily, although personal consumption remained weak. The effects of severe acute respiratory syndrome (SARS) on Asian economies were minimal, and countries such as China and Thailand have generally enjoyed strong growth. The U.S. economy slowed temporarily with the effects of the war in Iraq, but subsequently began to recover. The European economy also slowed and posted a generally sluggish performance, with certain exceptions of Eastern Europe such as Russia, but there were some signs of a slight recovery toward the year-end.

In this environment, the Company endeavored to expand its TFT LCD glass substrate and PDP glass substrate businesses, which both benefit from rapidly growing markets. It also sought to improve profitability by continuing with the initiatives of "***Shrink to Grow***" to reform its business structure and reduce costs. These initiatives included the closure of the Funabashi plant in Japan, which manufactures CRT glass, and the withdrawal from the manufacture of CRT glass in North America.

As a result, sales for the current year reached 1,243.0 billion yen, operating income stood at 83.2 billion yen, ordinary income was 75.4 billion yen, and net income amount to 53.6 billion yen.

Since the Company paid no interim dividend because of the change in its fiscal year, it plans to pay a year-end dividend of 6.75 yen per share (9.00 yen per share on an annualized basis).

2. Overview by Segment

- Performance by business

(Unit: Billions of Yen)

	Net sales		Operating income	
	Current year	Previous year	Current year	Previous year
Glass	664.7	708.4	35.5	37.8
Electronics and Display	337.0	309.9	38.5	27.6
Chemicals	227.1	261.3	7.7	1.4
Other	64.2	69.5	1.5	0.8
Elimination or unallocated amount	(50.1)	(54.1)	(0.1)	0.0
Total	1,243.0	1,295.0	83.2	67.5

- Performance by region

(Unit: Billions of Yen)

	Net sales		Operating income	
	Current year	Previous year	Current year	Previous year
Japan	680.2	775.8	26.2	15.2
Asia	263.9	217.1	35.3	26.6
Americas	176.7	183.3	4.9	6.3
Europe	274.0	258.5	17.1	19.4
Elimination or unallocated amount	(151.8)	(139.8)	(0.3)	(0.1)
Total	1,243.0	1,295.0	83.2	67.5

- Glass operations

The Company's glass operations consist of flat glass operations for construction and automotive glass operations, both of which are conducted globally, and other glass operations for exterior siding boards and other applications, which are mainly conducted domestically.

Although domestic demand for flat glass operations leveled off, sales of high-value added products, such as glass for crime prevention, expanded. Elsewhere in Asia, sales gains were recorded on the strength of steady demand in Thailand, Indonesia and China. In North America, despite strong demand for residential use, sales remained sluggish, mainly because of a declining demand in commercial segment. In Europe, demand has grown at a healthy pace and sales were brisk in Central and Eastern Europe (particularly in Russia). In contrast, Western Europe remained in low gear until the early fall of 2003, mainly because of economic weakness, but signs of a recovery in demand began to appear toward the end of the year.

Sales for the automotive glass business in Japan remained at the same level as the previous year due to weaker domestic demand and a slight decline in exports but this was offset by more value-added sales. Sales in Asia outside Japan were strong due to higher automotive production fueled by economic growth in China, India, and Thailand. In North America, automotive production was down, but automotive glass revenues increased thanks to higher sales of value-added products, such as encapsulated glass parts. But earnings in North America were affected by higher costs coming from an unusually high level of new model start-ups which were incurred in the first half of 2003. In Europe, sales increased slightly because of a higher portion of value added products while automotive production in Europe was essentially level with the previous year. European profits increased modestly and were temporarily affected by costs associated with the launch of new products and the initiation of new models.

In other glass operations, profitability improved slightly as a result of sales of exterior siding boards slightly recovering, and structural reform measures adopted at Asahi Techno Glass Corporation.

As a result, sales for the glass operations stood at 664.7 billion yen, with operating income of 35.5 billion yen.

- Electronics and Display operations

Electronics and display operations consist of display operations for CRT glass and glass substrates for flat panel displays (FPDs), in addition to the electronic materials operations.

Demand for CRT glass declined in the second half of the first quarter (April to June), as did prices, a result of the worsening economic situation in Europe, the outbreak of SARS and other factors. Demand recovered rapidly from the latter half of the second quarter (July to September), and the price decline eased toward the fourth quarter. In response to declining local demand, the Company withdrew from the production of CRT glass in North America in June 2003, and also ceased CRT operations at the Funabashi plant in October 2003 as domestic demand declined. Also, to respond to the shift of CRT manufacturers to China, the Company acquired additional shares in Hankuk Electric Glass Co., Ltd., which is planning to expand into the Chinese market. This company became the Company’s consolidated subsidiary from the second quarter (April to June).

Sales of FPD glass were strong, with sustained growth in the shipments of the Company’s TFT LCD glass substrates and PDP glass substrates, a reflection of substantial increases in the sales volume of LCD monitors for personal computers, LCD televisions, PDPs, and other products.

In its electronic materials operations, the Company enjoyed strong growth in shipments of reflective color LCDs for cellular phones, glass frit and paste for PDPs, optical pickup elements used in DVD players/recorders, and other products.

As a result, sales for the electronics and display operations reached 337.0 billion yen, while operating income stood at 38.5 billion yen.

- Chemicals operations

The Company’s chemicals operations consist of the Chlor-Alkali operations for caustic soda and other products, the fluorochemicals operations for fluorinated resins, fluoropolymer films and fluorinated gases and solvents, and urethanes and other chemicals.

The Chlor-Alkali operations benefited from the sustained strength of the sales registered by the Thai and Indonesian subsidiaries, a reflection of strong demand in China and Southeast Asia. Thanks to the positive effects of cost-cutting initiatives introduced in Japan, as well as comparatively steady demand backed by the increased exports, the earnings at the chemicals business recovered.

With respect to the fluorochemicals operations, sales of water and oil repellents, optical filters for PDPs, and other products were extremely strong. In contrast, demand for the PTFE operations in North America failed to recover, and remained soft.

As a result, sales for the Company’s chemicals operations were 227.1 billion yen, while operating income was 7.7 billion yen.

- Other operations

Other operations include ceramics operations, as well as logistics and engineering services.

Sales for ceramics operations were strong as the Company improved its cooperative production system in Japan and China in the glass engineering field, and sales of fine ceramics increased. But a decline in the sales of service operations resulted in sales for other operations ending at 64.2 billion yen, with operating income of 1.5 billion yen.

3. Financial Conditions

(Unit: Billions of Yen)

	Current year	Previous year
Cash flows from operating activities	147.9	177.3
Cash flows from investing activities	(61.5)	(114.7)
Cash flows from financing activities	(92.3)	(60.9)
Cash and cash equivalents at end of year	55.9	55.3

- Cash flows from operating activities

Cash flows from operating activities for the current year increased 147.9 billion yen with gains in income before income taxes as a result of higher earnings in the electronics and display operations, the improved profitability of chemicals operations, and other factors, partially offset by increases in working capital, etc.

- Cash flows from investing activities

Cash flows from investing activities for the current year decreased 61.5 billion yen, although the Company recorded gains on sales of investment securities, with expenditures for the acquisition of fixed assets such as manufacturing and processing equipment for larger TFT LCD glass substrates in the electronics and display operations.

As a result, free cash flows (total cash flows from operating and investing activities) amounted to 86.4 billion yen.

- Cash flows from financing activities

Cash flows from financing activities for the current year decreased 92.3 billion yen because of debt repayment, redemption of corporate bonds issued by the company and its U.S. subsidiary, dividend payments, and other factors.

As a result, the balance of cash and cash equivalents at the end of the year was 55.9 billion yen.

- Cash flow indices

	Year ended March 2001	Year ended March 2002	Year ended March 2003	Year ended December 2003
Net worth ratio (%)	32.2	31.0	31.0	34.5
Net worth ratio (%) based on market value	54.8	50.1	41.8	57.2
Number of years for debt redemption	4.7	5.7	3.9	-
Interest coverage ratio	5.9	5.6	10.2	12.2

(Note)

Net worth ratio(%): Net worth/total assets

Net worth ratio (%) based on market value: Total market capitalization/total assets

Number of years for debt redemption: Interest-bearing debts/operating cash flows

Interest coverage ratio: Operating cash flows/interest payment

- *All indices were computed using consolidated financial figures.*
- *Total market capitalization was computed based on the closing stock price at year-end multiplied by number of outstanding shares at year-end (after deducting treasury stock).*
- *Operating cash flows represent cash flows from operating activities on the consolidated statements of cash flows.*
- *Interest-bearing debts represent all debt on the consolidated balance sheets for which interest is paid. In addition, interest payment represents the amount of interest paid on the consolidated statements of cash flows.*
- *Since the Company's fiscal period ended December 2003 is only nine months because of the change in its fiscal year-end, the number of years for debt redemption was not presented.*

4. Outlook for the Next Fiscal Year

Because the Company changed its fiscal year-end, no year-on-year comparison was made for the outlook for the next fiscal year.

(Unit: Billions of Yen)

	Net sales	Operating income	Ordinary income	Net income
Next fiscal year (Year ending December 2004) January 2004 to December 2004	1,420.0	100.0	91.0	58.0
Current fiscal year (Year ended December 2003) April 2003 to December 2003	1,243.0	83.2	75.4	53.6

The Japanese economy is likely to remain some distance from a full-scale recovery in the next fiscal year, given the slow recovery in personal consumption. Nonetheless, the economy should continue to post a gradual recovery. In Asia outside Japan, China and Southeast Asian economies will continue to record strong economic growth. In the United States, the recovery that started last year is expected to continue during the current year. In Europe, the economies in Central and Eastern Europe including Russia will remain robust, and Western Europe will continue to benefit from the recovery trend that began in the fall of last year.

Given these circumstances, the company will bolster profitability by aggressively investing its resources in growth areas, and by executing structural reforms in relatively less competitive businesses as well as cost reduction measures, based on strategic and rapid decision-making.

In its glass operations, the Company will promote cost reduction initiatives by comparing three major business areas — namely Japan and Asia, America, and Europe — and by incorporating the strengths of the other areas in flat glass operations. In its automotive glass operations, the Company will endeavor to expand its business in growth areas such as China and Thailand, improve productivity, and sell high value-added products.

For the electronics and display operations, the Company will strive to grow demand for TFT LCD glass substrates and PDP glass substrates in the rapidly expanding FPD market. For CRT glass operations, the Company will endeavor to reduce costs and sell high value-added products by promoting a global production optimization system that corresponds to a drive of CRT manufacturers that are shifting their business to China. In the electronic materials operations, it is expected that strong growth in shipments for LCDs for cellular phones, optical pickup elements used in DVD players/recorders, and other products, is continuing.

In its chemicals operations, the Chlor-Alkalis market is expected to grow steadily. Among the fluorochemicals operations, the Company will endeavor to focus on sales of PDP optical filters, etc., and to undertake continuous structural reform of the PTFE operations in the United States.

Among other operations, the ceramics unit is expected to enjoy sustained, steady growth.

As a result, the Company projects sales for the next fiscal year will reach 1,420.0 billion yen, operating income will stand at 100.0 billion yen, ordinary income will be 91.0 billion yen and net income will be 58.0 billion yen. In addition, the company assumes an average exchange rate throughout the next fiscal year of 105 yen to the US dollar and 129 yen to the euro.

[Important matters concerning the outlook]

The above prospective results reflect management’s judgment on the basis of currently available information and, as such, contain risks and uncertainties. For this reason, investors are recommended not to base investment decisions solely on these prospective results.

Consolidated Balance Sheets

(Unit: Millions of Yen)

	Year ended Dec. 2003 (December 31, 2003)	Year ended March 2003 (March 31, 2003)	Increase (Decrease)
Current Assets	582,060	549,255	32,805
Cash on hand and in banks	61,882	56,880	5,001
Trade notes and accounts receivable	259,870	241,232	18,638
Inventories	203,643	187,324	16,319
Deferred income taxes	11,096	13,128	(2,032)
Other current assets	53,499	57,589	(4,089)
Allowance for bad debts	(7,932)	(6,900)	(1,031)
Fixed Assets	1,224,015	1,236,730	(12,715)
Tangible Fixed Assets	810,213	798,867	11,345
Buildings and structures	223,238	217,202	6,081
Machinery and equipment	414,639	414,635	3
Tools and fixtures	18,038	18,244	(205)
Land	112,387	109,462	2,925
Construction in progress	41,863	39,322	2,541
Intangible Fixed Assets	104,858	111,758	(6,900)
Investments, etc.	308,943	326,104	(17,161)
Investment in securities	251,837	241,002	10,834
Long-term loans	10,881	11,827	(945)
Long-term prepaid expenses	8,369	8,709	(340)
Deferred income taxes	20,234	45,279	(25,045)
Other investments	20,653	23,237	(2,583)
Allowance for bad debts	(3,032)	(3,951)	918
Deferred Assets	535	527	8
Total Assets	1,806,611	1,786,513	20,098

(Note) Because of the change in fiscal year end, the Company's fiscal period ended December 2003 is only 9 months.

Consolidated Balance Sheets (continued)

(Unit: Millions of Yen)

	Year ended Dec. 2003 (December 31, 2003)	Year ended March 2003 (March 31, 2003)	Increase (Decrease)
Current Liabilities	489,319	569,874	(80,555)
Trade notes and accounts payable	161,434	161,495	(60)
Short-term bank loans	113,525	109,087	4,438
Commercial paper	5,368	58,845	(53,476)
Current maturities of bonds	22,402	77,266	(54,863)
Accounts payable, other	60,131	60,058	73
Income taxes payable	19,315	13,264	6,050
Accrued expenses	13,882	11,094	2,787
Deposits received	30,153	26,232	3,921
Accrued bonuses to employees	5,250	9,158	(3,908)
Reserve for scheduled repairs	1,593	2,447	(854)
Reserve for restructuring programs	6,185	-	6,185
Other current liabilities	50,076	40,924	9,151
Non-current Liabilities	583,784	590,803	(7,018)
Bonds issued	307,344	295,496	11,847
Long-term bank loans	125,627	144,987	(19,359)
Deferred income taxes	24,250	33,989	(9,739)
Accrued retirement benefits	69,013	57,025	11,987
Accrued retirement bonuses to directors	2,015	-	2,015
Reserve for rebuilding furnaces	13,713	16,267	(2,553)
Reserve for restructuring programs	7,522	23,304	(15,781)
Other non-current Liabilities	34,296	19,732	14,564
Total Liabilities	1,073,103	1,160,677	(87,574)
Minority Interest in Consolidated Subsidiaries	110,709	71,999	38,709
Shareholders' Equity	622,798	553,835	68,963
Common stock	90,472	90,472	-
Additional paid-in capital	84,395	84,395	0
Retained earnings	449,958	404,817	45,140
Asset revaluation reserve	121	117	3
Unrealized gains on securities	43,243	8,912	34,331
Foreign currency translation adjustments	(44,175)	(33,752)	(10,423)
Treasury stocks	(1,216)	(1,127)	(89)
Total Liabilities and Shareholders' Equity	1,806,611	1,786,513	20,098

(Note) Because of the change in fiscal year end, the Company's fiscal period ended December 2003 is only 9 months.

Consolidated Statements of Income

(Unit: Millions of Yen)

	Year ended December 2003 (April 2003 to Dec. 2003)	Year ended March 2003 (April 2002 to March 2003)
Net Sales	1,242,956	1,295,011
Cost of Sales	941,342	1,000,501
Selling, General and Administrative Expenses	218,427	227,034
Operating income	83,187	67,475
Other Income	13,002	14,811
Interest and dividend income	4,014	4,675
Equity in earnings of unconsolidated subsidiaries and affiliates	2,541	4,234
Others	6,446	5,900
Other Expenses	20,775	25,524
Interest expenses	11,569	16,030
Interest expenses on commercial paper	205	604
Others	9,000	8,889
Ordinary Income	75,414	56,761
Extraordinary Gains	27,841	28,937
Gain on sale of properties	13,721	15,332
Gain on sale of investments in securities	10,890	6,823
Others	3,229	6,782
Extraordinary Losses	17,549	79,964
Loss on disposal of properties	5,546	12,403
Loss on impairment of fixed assets	5,728	-
Loss on write-down of investments in securities	175	44,220
Loss on restructuring programs	-	18,720
Others	6,097	4,620
Income before income taxes	85,707	5,734
Income taxes	18,359	13,259
Deferred income taxes	2,505	(9,107)
Minority interest in earnings of consolidated subsidiaries	11,201	5,499
Net Income (Loss)	53,641	(3,918)

(Note) Because the Company's fiscal year ended December 2003 includes only 9 months due to the change of its fiscal year-end, year-on-year comparison was not presented.

Consolidated Statements of Shareholders' Equity

(Unit: Millions of Yen)

	Year ended December 2003 (April 2003 to Dec. 2003)	Year ended March 2003 (April 2002 to March 2003)
(Additional paid-in capital)		
Balance at the beginning of year	84,395	84,395
Increase	0	-
Gain on sales of treasury stock	0	-
Balance at the end of year	84,395	84,395
(Retained earnings)		
Balance at the beginning of year	404,817	419,644
Increase	54,287	843
Net income	53,641	-
Increase due to inclusion of new subsidiaries in consolidation	646	843
Increase due to the reversal of asset revaluation reserve	0	-
Decrease	9,147	15,669
Net loss	-	3,918
Dividends declared	5,282	10,573
Directors' bonuses	11	49
Decrease due to inclusion of new affiliated companies in consolidation	3,735	547
Decrease due to asset revaluation of overseas subsidiaries	118	581
Balance at the end of year	449,958	404,817

(Note) Because of the change in fiscal year end, the Company's fiscal period ended December 2003 is only 9 months.

Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

	Year ended December 2003 (April 2003 to Dec. 2003)	Year ended March 2003 (April 2002 to March 2003)
I. Cash Flows from Operating Activities		
Income before income taxes	85,707	5,734
Depreciation and amortization	99,899	108,981
Amortization of goodwill	3,086	1,999
(Decrease) increase in reserves	(3,038)	(12,093)
Interest and dividend income	(4,014)	(4,675)
Interest expenses and Commercial paper interest	11,774	16,635
Exchange loss (gain)	907	428
Equity in earnings of unconsolidated subsidiaries and affiliates	(2,541)	(4,234)
Loss on sale of securities and properties, etc.	(12,853)	47,176
Decrease (increase) in receivables	(10,004)	4,457
Decrease (increase) in inventories	(9,073)	17,812
Increase (decrease) in payables	7,401	4,551
Others	(609)	8,255
Subtotal	166,640	195,026
Interest and dividend received	7,047	7,519
Interest paid	(12,131)	(17,362)
Income taxes paid	(13,671)	(7,918)
Net cash provided by operating activities	147,883	177,264
II. Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(108,180)	(107,436)
Proceeds from sale of property, plant and equipment	19,231	21,615
Payments for purchase of investments in securities	(24,768)	(55,789)
Proceeds from sale of investments in securities	52,553	32,467
Others	(298)	(5,545)
Net cash used in investing activities	(61,461)	(114,687)
III. Cash Flows from Financing Activities		
(Decrease) increase in short-term loans and commercial paper	(51,905)	(88,273)
Proceeds from long-term borrowings	30,489	87,914
Repayments of long-term borrowings	(45,449)	(85,855)
Proceeds from issuance of bonds	35,000	70,459
Redemption of bonds	(76,202)	(20,908)
Payments for purchase of subsidiary's convertible bonds	-	(11,541)
Proceeds from sale of borrowed securities	22,469	-
Dividends paid	(6,409)	(11,654)
Others	(325)	(1,053)
Net cash used in financing activities	(92,331)	(60,913)
IV. Effect on Exchange Rate Changes on Cash and Cash Equivalents	(1,660)	(116)
V. (Decrease) increase in Cash and Cash Equivalents	(7,570)	1,546
VI. Cash and Cash Equivalents at Beginning of Year	55,282	52,784
Cash and cash equivalents held by newly consolidated subsidiaries net of those held by deconsolidated subsidiaries	8,203	951
Cash and Cash Equivalents at End of Year	55,915	55,282

(Note) Because of the change in fiscal year end, the Company's fiscal period ended December 2003 is only 9 months.

Notes

1. Summary of significant accounting policies

(1) Scope of Consolidation

The Company had 336 subsidiaries as of December 31, 2003 (327 as of March 31, 2003). The consolidated financial statements include the accounts of the Company and 251 (213 for March 31, 2003) of its subsidiaries.

The definition of subsidiaries is based on the substantive existence of controlling power.

The accounts of the remaining 85 (114 for March 31, 2003) unconsolidated subsidiaries are excluded from consolidation since the aggregate amounts of these subsidiaries in terms of combined assets, net sales, net income (loss) and retained earnings (accumulated deficit) are immaterial in relation to those of the consolidated financial statements of the Companies.

(2) Investments in Unconsolidated Subsidiaries and Affiliates and Equity Method

The Company had 85 (114 for March 31, 2003) unconsolidated subsidiaries and 67 (73 for March 31, 2003) affiliates as of December 31, 2003. Affiliates are defined to include those, which are owned 15% or more or those that are subject to exercise of influence over the management of the affiliates by the investor company.

The equity method is applied only to investments in major companies (38 and 43 companies at December 31, 2003 and March 31, 2003, respectively).

The investments in the remaining unconsolidated subsidiaries and affiliates are stated at cost or less, because they do not have a material effect on the consolidated statements.

(3) Translation of Foreign Currency Financial Statements (Accounts of Overseas Subsidiaries and Affiliates)

The translation into yen of foreign currency financial statements of overseas consolidated subsidiaries and overseas affiliates accounted for by the equity method is made by the method prescribed by the Japanese Accounting Standards, under which the translation of foreign currency accounts into yen is made by applying the current exchange rates prevailing at the balance sheet dates, except that the common stock and additional paid-in capital accounts are translated at the historical rates. Revenues and expenses are translated by the average exchange rates prevailing during each year. The resulting differences are recorded as "Foreign currency translation adjustments," a separate component of Shareholders' Equity in the Consolidated Balance Sheets.

(4) Translation of Foreign Currency Translations

Revenue and expense items arising from transactions denominated in foreign currencies are translated into yen in general at the rates effective at the respective transaction dates.

Foreign currencies and monetary receivables and payables denominated in foreign currencies are translated into yen at the current exchange rates prevailing at the respective balance sheet dates and the resulting translation gain or loss is included in determination of net income for the year.

(5) Valuation of Securities

Securities with market value other than securities of subsidiaries and affiliated companies are stated at market value. Differences between market value and original purchased amount are classified as "Unrealized gains on securities" in Shareholders' Equity, net of tax. The cost of securities sold is calculated by the moving-average method. Securities without market value are stated at cost by the moving-average method. Temporary declines in the value of securities are reflected in current income.

(6) Inventories

Inventories are mainly stated at the lower of cost or market value, cost being determined by the moving-average method.

(7) Property, Plant and Equipment

Depreciation by the Company and its domestic consolidated subsidiaries is principally computed by the declining-balance method, at rates based on the estimated useful lives of assets.

Depreciation by overseas consolidated subsidiaries is principally computed by the straight-line method over the estimated useful lives of the assets.

(8) Amortization

Amortization of intangible assets is computed by the straight-line method, principally over five years.

(9) Certain Accrued Expenses Items

Certain accrued expenses, which are essentially an estimate of amounts to be determined in future years, are provided by the Companies. The basis of recognizing such accrued expenses is as follows:

(i) Allowance for bad debts

"Allowance for bad debts" is provided in an amount sufficient to cover possible losses on the collection of receivables. For certain probable doubtful receivables the uncollectible amounts are estimated based on a review of the collectibility of individual receivables.

(ii) Accrued bonuses to employees

"Accrued bonuses to employees" is provided for an amount based on the estimated amount to be paid to employees during the summer as applicable for their services during the six-month period ended on the balance sheet date.

(iii) Reserve for rebuilding furnaces

"Reserve for rebuilding furnaces" is provided for an amount based on estimated costs to be incurred in the next periodic repair works on its facilities over the service period until the next repair works.

(iv) Reserve for restructuring programs

"Reserve for restructuring programs" represents reasonably estimated loss arising from additional severance compensation program related to restructuring, and restructuring of certain businesses of the Companies.

(10) Accounting for Retirement Benefits to Employees

Recognition of accrued retirement benefits to employees is based on actuarial valuation of projected benefit obligations and fund assets.

Prior service cost is amortized over average remaining service period of employees (mainly 13 years), from the year when it is incurred. Actuarial gain/loss is amortized over average remaining service period of employees (mainly 13 years), from the year next to the year when it is incurred.

(11) Accounting for Consumption Tax

Consumption tax is imposed at the flat rate of 5% on all Japanese domestic consumption of goods and services (with certain exemptions).

The consumption tax withheld upon sale and consumption tax paid by the Company and its domestic subsidiaries on its purchases of goods and services are not included in the amounts of respective revenue and cost or expense items in the accompanying Consolidated Statements of Income. The consumption tax withheld and consumption tax paid are recorded as assets or liabilities and the net balance is included either in "Other current assets" or "Other current liabilities" of the Consolidated Balance Sheets, as the case may be.

(12) Accounting Method for Hedge

The gain or loss on valuation of financial instruments was deferred over the period of the hedging contract together with the offsetting loss or gain deferral of the hedged items.

Hedging instruments include mainly foreign currency swap contracts, interest rate swap contracts and commodity swap contracts.

Hedging items include mainly bond and fuel oil.

The Companies use financial instruments to hedge market risk such as fluctuation of foreign currency exchange rates and interest rates, and oil prices incurred in the ordinary course of business.

(13) Derivatives

Derivatives are recorded at fair value.

In order to reduce exposure to risk of foreign currency exchange rate fluctuations and interest rate hike on the Companies' bank borrowings and oil price hike, the Companies entered into forward foreign exchange contracts, currency option contracts, currency swap contracts, interest rate swap contracts, forward rate agreements, interest rate cap contracts, interest rate floor contracts, interest rate swaption contracts, oil swap contracts, metal swap contracts and oil option contracts.

(14) Cash and Cash Equivalents in the Consolidated Statements of Cash Flows

"Cash and cash equivalents" comprises cash on hand, bank deposits that are withdrawable on demand and short-term investments due within three months and substantially free from any price fluctuation risk.

2. Notes to consolidated financial statements

(1) Notes to Consolidated balance sheets

(Unit: Millions of Yen, except specified otherwise)

		Year ended December 2003		Year ended March 2003	
1. Accumulated depreciation for tangible fixed assets		1,248,756		1,192,724	
2. Notes discounted		-		-	
3. Endorsed notes for transfer		5,810		5,267	
4. Treasury stock		1,536,835	shares	1,422,049	shares
5. Guaranteed obligations		11,332		11,725	
6. Goodwill included in intangible fixed assets		87,494		93,117	
7. Collateralized assets and obligations					
Assets pledged as collaterals;	Securities	7		-	
	Tangible fixed assets	40,247		35,374	
	Total	40,255		35,374	
Debt covered by the collaterals;	Short-term loans	1,388		2,661	
	Long-term loans	4,899		7,525	
	Total	6,288		10,186	

8. When the consolidated fiscal year-end is a bank holiday, the Company considers that notes that mature on that day have been settled on the maturity date. The settled amount is as follows.

	Year ended December 2003	Year ended March 2003
Notes receivable	7,104	-

(2) Notes to Consolidated statements of income

(Unit: Millions of Yen)

	Year ended December 2003	Year ended March 2003
1. Amortization of goodwill included in the selling, general and administrative expenses	3,086	1,999
2. Research and development costs included in the general and administrative expenses and manufacturing costs	27,333	30,867

(3) Notes to Consolidated statements of cash flows

Reconciliation of cash and cash equivalents to accounts on the consolidated balance sheets

(Unit: Millions of Yen)

	Year ended December 2003	Year ended March 2003
Cash on hand and in banks	61,882	56,880
Short-term loans receivable included in other current assets	1,013	1,013
Total	62,895	57,894
Time deposits due over three months	(6,979)	(2,611)
Cash and cash equivalents	55,915	55,282

Segment Information

1. Segment Information classified by Industrial Segment (Business Segment)

(1) Year ended December 2003 (April 2003 to December 2003) (Unit: Millions of Yen)

	Glass	Electronics and Display	Chemicals	Other	Total	Corporate or elimination	Consolidated total
I Sales and Operating income							
Sales							
(1) Sales to customers	662,322	335,496	218,124	27,012	1,242,956	-	1,242,956
(2) Inter-segment sales/transfers	2,359	1,495	8,997	37,218	50,071	(50,071)	-
Total	664,682	336,992	227,121	64,231	1,293,027	(50,071)	1,242,956
Operating expenses	629,132	298,513	219,431	62,688	1,209,765	(49,996)	1,159,769
Operating income	35,549	38,479	7,690	1,542	83,262	(74)	83,187
II Assets, Depreciation and amortization and Capital expenditures							
Assets	822,492	468,943	276,558	249,103	1,817,097	(10,485)	1,806,611
Depreciation and amortization	50,028	31,041	17,579	1,329	99,980	(80)	99,899
Capital expenditures	48,874	50,512	10,198	769	110,354	-	110,354

(2) Year ended March 2003 (April 2002 to March 2003) (Unit: Millions of Yen)

	Glass	Electronics and Display	Chemicals	Other	Total	Corporate or elimination	Consolidated total
I Sales and Operating income							
Sales							
(1) Sales to customers	705,344	307,799	250,358	31,508	1,295,011	-	1,295,011
(2) Inter-segment sales/transfers	3,094	2,085	10,971	37,979	54,131	(54,131)	-
Total	708,439	309,884	261,330	69,487	1,349,142	(54,131)	1,295,011
Operating expenses	670,662	282,324	259,940	68,721	1,281,649	(54,113)	1,227,535
Operating income	37,776	27,559	1,389	766	67,492	(17)	67,475
II Assets, Depreciation and amortization and Capital expenditures							
Assets	835,397	405,997	292,901	255,605	1,789,901	(3,388)	1,786,513
Depreciation and amortization	53,462	32,761	21,471	1,356	109,051	(69)	108,981
Capital expenditures	53,261	26,665	17,647	709	98,284	-	98,284

(Note) Total assets included in the "Corporate or elimination" amounted to 206,107 millions of Yen (for the year ended December 2003) and 206,183 millions of Yen (for the year ended March 2003). These amounts primarily represent the parent company's excess operating funds (cash on hand and in banks), long-term investment funds (investments in securities), etc.

2. Segment Information classified by Geographic Area (Regional Segment)

(1) Year ended December 2003 (April 2003 to December 2003) (Unit: Millions of Yen)

	Japan	Asia	The Americas	Europe	Total	Corporate or elimination	Consolidated total
I Sales and Operating income Sales							
(1) Sales to customers	595,110	207,341	168,515	271,988	1,242,956	-	1,242,956
(2) Inter-segment sales/transfers	85,040	56,589	8,199	2,010	151,840	(151,840)	-
Total	680,151	263,931	176,715	273,999	1,394,797	(151,840)	1,242,956
Operating expenses	653,905	228,643	171,797	256,919	1,311,266	(151,496)	1,159,769
Operating income	26,245	35,287	4,918	17,079	83,531	(343)	83,187
II Assets	799,193	334,755	197,264	326,482	1,657,695	148,915	1,806,611

(2) Year ended March 2003 (April 2002 to March 2003) (Unit: Millions of Yen)

	Japan	Asia	The Americas	Europe	Total	Corporate or elimination	Consolidated total
I Sales and Operating income Sales							
(1) Sales to customers	697,963	165,486	176,484	255,077	1,295,011	-	1,295,011
(2) Inter-segment sales/transfers	77,877	51,638	6,853	3,414	139,783	(139,783)	-
Total	775,841	217,124	183,337	258,491	1,434,795	(139,783)	1,295,011
Operating expenses	760,658	190,487	177,056	239,052	1,367,254	(139,719)	1,227,535
Operating income	15,182	26,637	6,280	19,439	67,540	(64)	67,475
II Assets	800,254	277,194	213,998	317,290	1,608,738	177,775	1,786,513

3. Overseas Sales

(1) Year ended December 2003 (April 2003 to December 2003) (Unit: Millions of Yen)

	Asia	The Americas	Europe	Other	Total
Overseas sales	272,218	171,006	273,987	9,396	726,609
Percentage of Overseas sales to Consolidated sales	21.9%	13.8%	22.0%	0.8%	58.5%

(2) Year ended March 2003 (April 2002 to March 2003) (Unit: Millions of Yen)

	Asia	The Americas	Europe	Other	Total
Overseas sales	265,540	183,109	265,937	9,080	723,667
Percentage of Overseas sales to Consolidated sales	20.5%	14.1%	20.5%	0.7%	55.9%

Securities

1. Investment in Securities with Market Values

(Unit: Millions of Yen)

	Year ended December 2003 (December 31, 2003)			Year ended March 2003 (March 31, 2003)		
	Acquisition cost	Amount recorded on the consolidated balance sheet	Difference	Acquisition cost	Amount recorded on the consolidated balance sheet	Difference
Securities whose acquisition costs are less than the corresponding amounts recorded on the consolidated balance sheet						
(1) Stocks	98,438	163,451	65,013	55,952	74,216	18,263
(2) Bonds	1,459	1,531	71	1,365	1,420	55
(3) Others	8,075	8,140	65	-	-	-
Sub-total	107,973	173,123	65,150	57,317	75,636	18,318
Securities whose acquisition costs are more than the corresponding amounts recorded on the consolidated balance sheet						
(1) Stocks	8,696	7,619	(1,076)	67,953	63,291	(4,662)
(2) Bonds	-	-	-	-	-	-
(3) Others	-	-	-	-	-	-
Sub-total	8,696	7,619	(1,076)	67,953	63,291	(4,662)
Total	116,669	180,743	64,074	125,271	138,928	13,656

2. Investment in Securities without Market Values

(Unit: Millions of Yen)

	Year ended December 2003 (December 31, 2003)	Year ended March 2003 (March 31, 2003)
Unlisted stocks	26,317	26,747
Unlisted bonds	54	112

3. Investment in Securities Sold during the Fiscal Year

(Unit: Millions of Yen)

	Year ended December 2003 (April 2003 to December 2003)	Year ended March 2003 (April 2002 to March 2003)
Proceed from sale of securities	51,293	26,148
Gross realized gains	10,907	6,831
Gross realized losses	40	2,662

Retirement Benefit Plans

Employees of the Companies (excluding directors and corporate auditors) are generally entitled to lump-sum retirement benefits determined based on the average rate of pay, length of service and conditions under which the terminations occur.

In addition, the Company and its certain subsidiaries have adopted funded non-contributory and contributory pension plans.

The pension plans of the Company and its certain domestic subsidiaries provide for a lump-sum payment or pension payments for life generally after the age of 60, at the option of the employee with at least 20 years of participation in the plan. Those employees retiring with less than 20 years of participation are entitled to a lump-sum payment of the current value of their vested benefits. The amount of retirement benefits to be paid by the Company and its certain domestic subsidiaries are, in most cases, reduced by the benefits payable under the pension plans.

The information for the pension and retirement benefit plan is summarized as follows:

(Unit: Millions of Yen)

	Year ended December 2003 (December 31, 2003)	Year ended March 2003 (March 31, 2003)
Projected Benefit Obligation:		
Projected benefit obligation	(423,310)	(414,581)
Plan assets	272,196	217,755
Unfunded projected benefit obligation	(151,114)	(196,826)
Unrecognized actuarial loss	(93,391)	(148,475)
Unrecognized prior service cost	(6,793)	(4,969)
	(64,515)	(53,320)
Prepaid pension costs	(4,498)	(3,706)
Accrued retirement benefits	69,013	57,025
Retirement Benefit Costs:		
Service cost	11,620	12,693
Interest cost	9,493	12,121
Expected return on plan assets	(4,981)	(8,145)
Recognized actuarial loss	8,974	4,729
Amortization of prior service cost	(525)	(533)
Retirement benefit costs for the year	24,580	20,866
Basis of Calculation for Projected Benefit Obligation:		
Attribution method for projected benefit obligation	Straight-line method	Straight-line method
Discount rate	Mainly 2.5%	Mainly 2.5%
Expected rate of return on plan assets	Mainly 3.5%	Mainly 4.0%
Amortization term for prior service cost	Mainly 13 years	Mainly 13 years
Amortization term for actuarial loss/gain	Mainly 13 years	Mainly 13 years

Supplementary Information for Consolidated Results for Fiscal 2003

1. Operating results for the year ended December 2003 (Unit: 100 million Yen)

	Year ended December 2003	Year ended March 2003
Net sales	12,430	12,950
Operating income	832	675
Ordinary income	754	568
Net income	536	(39)
Total shareholders' equity	6,228	5,538
Net income per share	45.65	(3.37)

2. Major items (Unit: 100 million Yen)

	Year ended December 2003	Year ended March 2003
Capital expenditures	1,104	983
Depreciation and amortization	999	1,090
Research and development costs	273	309
Interest-bearing debts	5,743	6,857
Interest expenses & dividend income	(78)	(120)
D/E ratio	0.78	1.10
Number of employees at end of year	55,732	53,728

3. Scope of consolidation

	Year ended December 2003	Year ended March 2003
Number of consolidated subsidiaries	251	213
Number of equity method affiliates	38	43

(1) Newly consolidated subsidiaries: 51 companies (Hankuk Electric Glass Co., Ltd., etc.)
Excluded: 13 companies (Marufuku Glass Building Materials [sold], etc.)
(2) Newly equity method affiliates: 2 companies (Korea Auto Glass, etc.)
Excluded: 7 companies (Hankuk Electric Glass Co., Ltd. [classified as a consolidated subsidiary], etc.)

4. Outlook for the next fiscal year ending December 2004 (Unit: 100 million Yen)

	Full year	1st half
Net sales	14,200	6,900
Operating income	1,000	470
Ordinary income	910	420
Net income	580	360
Capital expenditures	1,500	
Depreciation and amortization	1,150	
Research and development costs	330	

5. Outlook for operating results classified by business segment (Unit: 100 million Yen)

	Net sales (Full year)	Operating income (Full year)
Glass	7,300	430
Electronics and Display	3,900	470
Chemicals	2,700	80
Other	800	20
Elimination	(500)	0
Total	14,200	1,000

6. Exchange rates

	Year ended December 2003		Year ended March 2003		Year ended December 2004
	Yearly average	End of year	Yearly average	End of year	Outlook
Yen/Dollar	115.73	107.13	124.83	119.80	105
Yen/Euro	131.68	133.74	118.29	125.08	129