February 10th, 2010

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Consolidated Financial Results for the Fiscal Year ended December 31st, 2009

(Figures of less than 1 million yen have been omitted.)

1. Financial results for FY2009 (January 1st through December 31st, 2009)

(1) Consolidated operating result (Percentage figures show change from the previous year's corresponding period.)

	FY2009 (Jan. through Dec. 2009)		FY2008 (Jan. through Dec. 2008)	
	millions of yen	%	millions of yen	%
Net sales	1,148,198	(20.5)	1,444,317	(14.1)
Operating income	86,682	(43.7)	154,013	(22.0)
Ordinary income	87,207	(20.5)	109,756	(41.6)
Net income	19,985	(49.0)	39,178	(43.7)
Net income per share -basic (yen)	17.12		33.53	
Net income per share -fully diluted (yen)	17.04		33.52	
Return on equity (%)	2.7		4.7	
Ratio of ordinary income to total assets (%)	4.8		5.6	
Ratio of operating income to net sales (%)	7.5		10.7	

Reference: Equity in earnings (losses) of unconsolidated and affiliates for -FY2009; (451) million yen
-FY2008; (629) million yen

(2) Consolidated financial position

	FY2009 (as of December 31st, 2009)	FY2008 (as of December 31st, 2008)
Total assets (millions of yen)	1,781,875	1,832,846
Total net assets (millions of yen)	808,312	780,864
Equity ratio (%)	42.4	39.8
Equity per share (yen)	646.53	625.51

Reference: Total Shareholders' Equity at -FY2009; 754,883 million yen
-FY2008; 730,376 million yen

(3) Consolidated cash flows

	FY2009 (Jan. through Dec. 2009)	FY2008 (Jan. through Dec. 2008)
Cash flows from operating activities (millions of yen)	180,683	205,270
Cash flows from investing activities (millions of yen)	(115,563)	(260,526)
Cash flows from financing activities (millions of yen)	(30,092)	73,558
Cash and cash equivalents at the end of the year (millions of yen)	95,869	59,772

2. Dividends

	(Base date)	FY2008	FY2009	FY2010 (planned)
Dividend per share	End of first quarter (yen)	-	-	-
	End of second quarter (yen)	12.00	8.00	8.00
	End of third quarter (yen)	-	-	-
	End of fiscal year (yen)	12.00	8.00	8.00
	Full fiscal year (yen)	24.00	16.00	16.00
Total dividend distribution (full fiscal year) (millions of yen)		28,024	18,681	-
Payout ratio (consolidated) (%)		71.6	93.5	20.8
Ratio of dividend distribution to stockholders' equity (consolidated) (%)		3.3	2.5	-

3. Outlook for FY2010 (January 1st through December 31st, 2010)

(Percentage figures show change from the previous year's corresponding period.)

	First half		Full fiscal year	
	millions of yen	%	millions of yen	%
Net sales	600,000	16.2	1,300,000	13.2
Operating income	75,000	905.4	160,000	84.6
Ordinary income	70,000	657.1	150,000	72.0
Net income	40,000	-	90,000	350.3
Forecasted net income per share (yen)	34.26		77.08	

4. Other Information

(1) Changes in significant subsidiaries during the period under review
(Changes in specific subsidiaries involving changes in the scope of consolidation): No

(2) Changes in accounting principles, procedures and presentation methods for financial statements
(Changes in key accounting standards for financial reporting)

i. Changes resulting from revisions to accounting standards: Yes
ii. Other changes: Yes

For details, refer to page 23-28.

(3) Shares issued (common stock)

i. Shares issued (including treasury stock) at the end of the period
   -FY2009 (as of December 31st, 2009): 1,186,705,905
   -FY2008 (as of December 31st, 2008): 1,186,705,905
ii. Treasury stock at the end of the period
   -FY2009 (as of December 31st, 2009): 19,120,306
   -FY2008 (as of December 31st, 2008): 19,048,781

*Appropriate Use of Forecast and Other Information and Other Matters

The above-mentioned outlook reflects management's judgment on the basis of currently available information, as such, contain risks and uncertainties. For matters concerning the above outlook, please see page 8-9.

Qualitative Information and Financial Statements

1. Operating Results

(1) Analysis of operating results

Operating results for FY2009

For the fiscal year under review (from January 1st, 2009 to December 31st, 2009), the global economic environment around the Company and its consolidated subsidiaries (hereinafter collectively referred to as the "AGC Group" or simply as the "Group") continued to be severe, notably in the first half of the period, due to the global economic downturn.

In Japan, although exports and production showed signs of picking up, the economic conditions in the region remained harsh throughout the year. While the economy remained sluggish in Asia in the first half, business conditions in China headed toward recovery with the expansion of domestic demand from the middle of the year, and economic activities in other countries picked up due to positive factors including the increase in exports for China. In Europe and the U.S., economic conditions remained tough though the economic stimulus measures proved effective.

Giving an overview of the markets in which the AGC Group operates, although the demand had continued to be weak in the housing and automotive markets, the automotive market started to show signs of recovery from the middle of the year due partly to the effect of demand stimulus measures. In the meantime, the display market was strong after the second quarter.

Under such a business environment, AGC Group took all-out measures to streamline its business in all areas ranging from management to operations. Furthermore, to respond swiftly to the rapidly changing business climate, AGC Group made every effort to improve profitability and asset efficiency by establishing a production system meeting demand trend, improving productivity leveraging spare facilities and personnel and managing cash thoroughly. However, while our business conditions turned to recovering trend in the second half due to these efforts, net sales, operating income, ordinary income, and net income were lower than the ones in the previous fiscal year under the influence of decreasing demand and sluggish market, throughout the year.

As a result, AGC Group posted net sales of 1,148.2 billion yen which was 296.1 billion yen or 20.5% decrease compared to the previous year ("year-on-year"); operating income of 86.7 billion yen which was 67.3 billion yen or 43.7% decrease year-on-year; ordinary income of 87.2 billion yen which was 22.5 billion yen or 20.5% decrease year-on-year; and net income of 20.0 billion yen which was 19.2 billion yen or 49.0% decrease year-on-year.

Overview by business segment (Unit: billions of yen)

	Net sales		Operating income	
	FY2009	FY2008	FY2009	FY2008
Glass	525.0	741.3	(35.0)	18.7
Electronics and Display	369.3	372.7	126.9	126.6
Chemicals	233.7	303.1	(7.7)	3.9
Other	68.9	96.6	2.0	5.0
Corporate or elimination	(48.7)	(69.4)	0.5	(0.1)
Total	1,148.2	1,444.3	86.7	154.0

- Glass Operations

Sales in the flat glass business decreased year-on-year because shipments declined in Japan, North America and Europe while the demand recovered in Asia, notably in China, after the second quarter. In Europe, while prices dropped sharply with a slump in demand, the Group adjusted the capacity utilization rate of its facilities to meet the weak demand, and has been trying to restore prices since the second quarter of the year. In the meantime, although the growth in shipments of glass for solar power systems temporarily slowed down, it got back on a recovery track after the middle of the year.

In the automotive glass business, shipments began to recover after the middle of the year due to the effect of demand stimulus measures implemented in various countries. However, shipments for the full fiscal year remained at low levels and sales in this business decreased year-on-year. Further, the Group ceased the automotive glass operations at the Kitakyushu Plant in December 2009.

As a result, net sales from the Glass operations for the fiscal year was 525.0 billion yen which was 216.3 billion yen or 29.2% decrease year-on-year, and operating loss was 35.0 billion yen which was 53.7 billion yen worse year-on-year.

- Electronics and Display Operations

Sales in the display business increased year-on-year on the strength of the rapid increase in the AGC Group’s shipments from the latter half of the first quarter following a rebound in demand for glass substrates for flat panel displays (FPDs).

In the electronics materials business, although shipments have been recovering gradually since the second half of the year, shipments for the full fiscal year remained at low levels and sales decreased year-on-year.

As a result, net sales from the Electronics and Display operations for the fiscal year was 369.3 billion yen which was 3.4 billion yen or 0.9% decrease year-on-year, and operating income was 126.9 billion yen which was 0.4 billion yen or 0.3% increase year-on-year.

- Chemicals Operations

In the chlor-alkali & urethane business, sales decreased year-on-year. Shipments in Asia remained robust over the course of the year. Meanwhile, shipments in Japan dropped compared with the previous fiscal year but have been picking up gradually since the middle of the year.

In the fluorochemicals & specialty chemicals business, shipments of fluorinated resin dropped sharply in particular and sales decreased compared with the previous fiscal year.

As a result, net sales from the Chemicals operations for the fiscal year was 233.7 billion yen which was 69.4 billion yen or 22.9% decrease year-on-year, and operating loss was 7.7 billion yen which was 11.6 billion yen worse year-on-year.

- Other Operations

In the ceramics business, sales decreased year-on-year due to the decline in demand both in the glass engineering market and in the environmental energy market.

As a result, net sales from the Other operations for the fiscal year was 68.9 billion yen which was 27.7 billion yen or 28.7% decrease year-on-year, and operating income was 2.0 billion yen which was 3.0 billion yen or 59.4% decrease year-on-year.

Overview by geographic segment (Unit: billions of yen)

	Net sales		Operating income	
	FY2009	FY2008	FY2009	FY2008
Japan	658.6	810.8	27.5	77.7
Asia	418.0	419.1	78.3	56.9
The Americas	76.5	128.1	(12.5)	(4.4)
Europe	236.1	355.3	(6.5)	25.7
Corporate or elimination	(240.9)	(269.0)	(0.2)	(2.0)
Total	1,148.2	1,444.3	86.7	154.0

- Japan

Net sales in Japan for the fiscal year was 658.6 billion yen which was 152.3 billion yen or 18.8% decrease year-on-year, and operating income was 27.5 billion yen which was 50.2 billion yen or 64.6% decrease year-on-year.

- Asia

Net sales in Asia for the fiscal year was 418.0 billion yen which was 1.1 billion yen or 0.3% decrease year-on-year, and operating income was 78.3 billion yen which was 21.4 billion yen or 37.5% increase year-on-year.

- The Americas

Net sales in the Americas for the fiscal year was 76.5 billion yen which was 51.6 billion yen or 40.3% decrease year-on-year, and operating loss was 12.5 billion yen which was 8.1 billion yen worse year-on-year.

- Europe

Net sales in Europe for the fiscal year was 236.1 billion yen which was 119.2 billion yen or 33.6% decrease year-on-year, and operating loss was 6.5 billion yen which was 32.2 billion yen worse year-on-year.

Being related to each business, the overview by geographic segment is described in "Overview by business segment."

(2) Analysis of financial conditions

Overview of financial conditions (Unit: billions of yen)

	FY2009	FY2008	Change
Total assets	1,781.9	1,832.8	(51.0)
Total liabilities	973.6	1,052.0	(78.4)
Total net assets	808.3	780.9	27.4

- Total assets

Total assets as of the end of the fiscal year under review were 1,781.9 billion yen, down 51.0 billion yen from the previous year. This fall is mainly because of a decrease in inventories despite an increase in investments in securities caused by a rise in prices of listed stocks.

- Total liabilities

Total liabilities as of the end of the fiscal year under review were 973.6 billion yen, down 78.4 billion yen from the end of the previous year. This decline is chiefly attributable to a decrease in trade notes and accounts payable.

- Total net assets

Total net assets as of the end of t the fiscal year under review were 808.3 billion yen, up 27.4 billion yen from the end of the previous year. This increase chiefly reflects an increase in unrealized gains on securities, net of tax, caused by a rise in listed stocks prices despite a decline in retained earnings caused mainly by payment of dividends.

Overview of cash flows

(Unit: billions of yen)

	FY2009	FY2008	Change
Cash flows from operating activities	180.7	205.3	(24.6)
Cash flows from investing activities	(115.6)	(260.5)	145.0
Cash flows from financing activities	(30.1)	73.6	(103.7)
Cash & cash equivalents as of end of period	95.9	59.8	36.1

- Cash flows from operating activities

Net cash provided by operating activities was 180.7 billion yen for the fiscal year under review, down 24.6 billion yen from the previous year. This drop is mainly because of a decrease in income before income taxes and minority interests.

- Cash flows from investing activities

Net cash used in investing activities decreased 145.0 billion yen year-on-year, to 115.6 billion yen. During the fiscal year under review, the AGC Group mainly made capital expenditures with a focus on important strategic investments and repairs within the extent of annual depreciation amount.

As a result, free cash flows for the fiscal year under review, which is the sum of cash flows from operating activities and investing activities, increased 120.4 billion yen from the previous year to 65.1 billion yen.

- Cash flows from financing activities

Net cash provided by financing activities for the fiscal year under review was minus 30.1 billion yen, down 103.7 billion yen from the previous year. This drop mainly reflects an increase in repayment of borrowings and commercial papers.

As a result, the outstanding balance of cash and cash equivalents as of the end of the fiscal year under review increased 36.1 billion yen in comparison with that of the previous year, to 95.9 billion yen.

- Cash flow indices

	FY2006	FY2007	FY2008	FY2009
Equity ratio (%)	42.4	45.3	39.8	42.4
Equity ratio based on market value (%)	78.0	83.4	32.1	57.5
Number of years for debt redemption	3.3	2.2	2.9	3.3
Interest coverage ratio	9.5	13.3	14.0	17.4

(Notes) Equity ratio (%): (Net assets – minority interest – share subscription rights) / total assets
Equity 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 period-end multiplied by number of outstanding shares at period-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 debts on the consolidated balance sheets for which interest is paid. In addition, interest payment represents amount of interest paid on the consolidated statements of cash flows.*

(3) Outlook for FY2010

<u>Operating outlook for FY2010</u>

(Unit: billions of yen)

	Net Sales	Operating income	Ordinary income	Net income
FY 2010 (January 1st through December 31st, 2010)	1,300.0	160.0	150.0	90.0
FY 2009 (January 1st through December 31st, 2009)	1,148.2	86.7	87.2	20.0
Change (%)	13.2%	84.6%	72.0%	350.3%

The outlook for the global economy in 2010 remains uncertain, and there are concerns about an ongoing economic slowdown in developed countries, while emerging countries including China are expected to see economic growth.

In Glass Operations, we expect shipments of flat glass and automotive glass to recover gradually, notably in emerging countries. In the meantime, we expect shipments of glass for solar power systems to continue increasing. In the Electronics & Display Operations, we forecast that shipments of glass substrates for FPDs will remain robust and those of electronics materials will continue to recover gradually. In the Chemicals Operations, we expect the chlor-alkali & urethane business will remain steady and fluorochemicals & specialty chemicals business will improve slowly.

Depreciation of tangible fixed assets has been computed by the Company and its domestic consolidated subsidiaries principally using the declining-balance method; however, we will change the method of computing depreciation expenses to the straight-line method over the estimated useful lives of the assets, effective from the FY2010, to prepare for the application of International Financial Reporting Standards (IFRS) and integrate accounting process within the Group companies. As a result of this change, depreciation expenses are expected to decrease by about 20 billion yen.

Based on the outlook described above, the AGC Group expects sales for FY2010 of 1,300.0 billion yen which is 151.8 billion yen or 13.2% increase year-on-year; operating income of 160.0 billion yen which is 73.3 billion yen or 84.6% increase year-on-year; ordinary income of 150.0 billion yen which is 62.8 billion yen or 72.0% increase year-on-year; and net income of 90.0 billion yen which is 70.0 billion yen or 350.3% increase year-on-year. The assumed average exchange rate for the FY2010 is 90 yen to the U.S. dollar and 130 yen to the Euro.

Outlook of financial conditions for FY2010

Of the cash flows from operating activities, income before income taxes and minority interests is expected to increase compared with that for the fiscal year ended December 31, 2009. Depreciation expenses are expected to fall 16.7 billion yen from FY2009 to 120.0 billion yen in accordance with the change in the method of depreciation of property, plant and equipment by the Company and its main domestic consolidated subsidiaries from the declining-balance method to the straight-line method.

Of the cash flows from investing activities, capital expenditures are expected to increase 25.1 billion yen year-on-year to 150.0 billion yen.

As for financing activities, the AGC Group will repay interest-bearing debts and increase borrowings, in addition to paying dividends in accordance with the Group's dividend policy.

(4) Allocation and Distribution of Profits and Dividends

Based on its policy to maintain stable dividends, the AGC Group is doing its utmost to proactively return profits to shareholders by aiming for a dividend payout ratio (consolidated) of approximately 30%, while giving comprehensive consideration to consolidated business results and future investment plans, among others. The AGC Group will also allocate retained earnings to R&D, capital investment as well as merger and acquisition activities, to strengthen its financial position and improve its corporate value.

Though in the midst of a tough business environment, in consideration of maintaining stable dividends, the Company paid the interim dividend of 8 yen per share, the year-end dividend of 8 yen per share; as a result, the Company paid the full-year dividend of 16 yen.

With respect to the dividends for the FY2010, the Company, in light of its operating results, plans to pay an interim dividend of 8 yen per share and a year-end dividend of 8 yen; as a result, the full-year dividend will be 16 yen per share.

[Important notes with regard to the outlook]

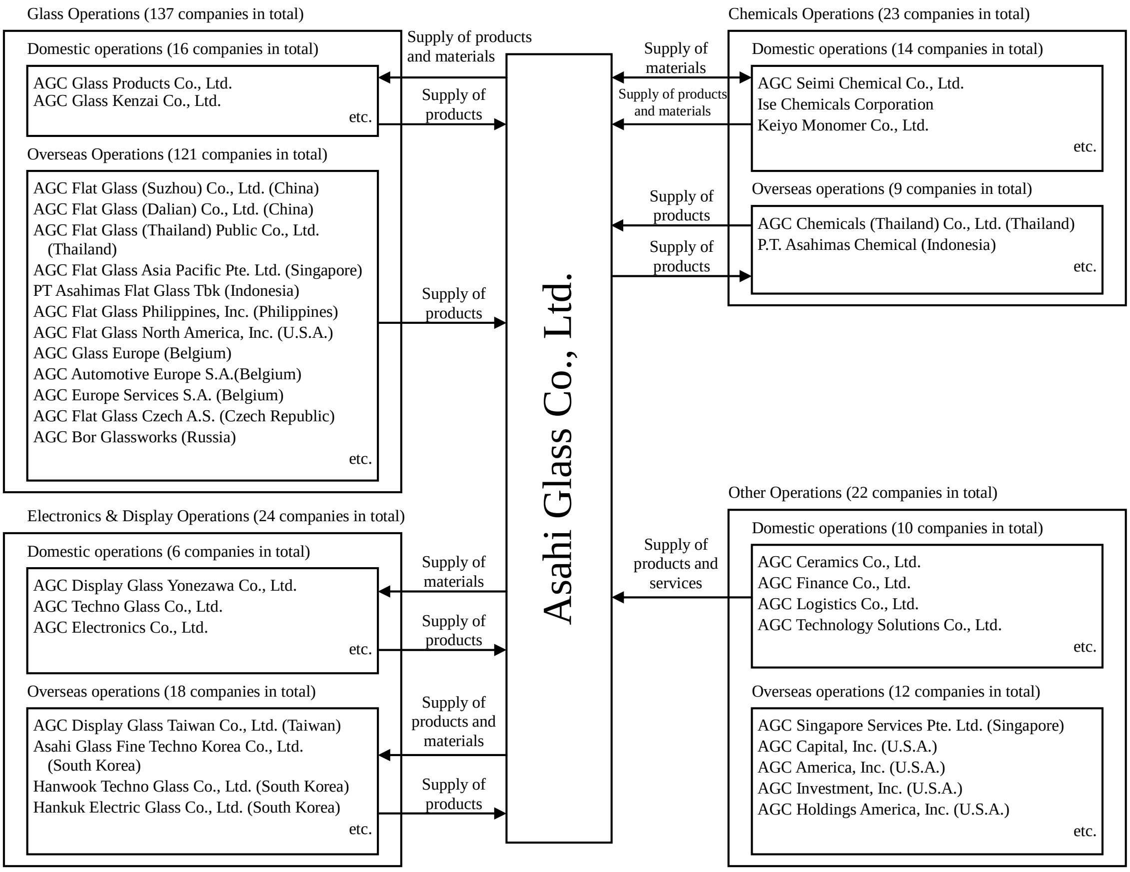
The above prospective results reflect the judgment of the Group's management on the basis of currently available information and, as such, contain risks and uncertainties. For this reason, investors are recommended not to base investment decisions solely on these prospective results. Please note that actual results may materially differ from the projection due to such various factors as business and market environment the Group is active in, currency exchange rate fluctuations, and others.

2. Overview of the AGC Group

The AGC Group consists of the Company and its 221 subsidiaries and 43 affiliates, and its main businesses are as set out below. The classification below is the same as that of the business segment information.

<table>
<tr><th colspan="2">Business segment</th><th>Main products</th></tr>
<tr><td rowspan="3">Glass Operations</td><td>Flat glass business</td><td>Float flat glass, Figured glass, Polished wired glass, Heat-absorbing glass, Heat-reflective glass, Fabricated glass for architectural use, Fabricated glass for industrial use, Glass for solar power system, etc.</td></tr>
<tr><td>Automotive glass business</td><td>Automotive tempered glass, Automotive laminated glass, etc.</td></tr>
<tr><td>Other glass business</td><td>Lighting lamp glass products, Industrial glass product, etc.</td></tr>
<tr><td rowspan="2">Electronics and Display Operations</td><td>Displays business</td><td>LCD glass substrates, PDP glass substrates, Glass bulbs for cathode-ray tubes, etc.</td></tr>
<tr><td>Electronic materials business</td><td>Glass frit and paste, Materials for semiconductor manufacturing equipment, Synthetic quartz glass, Optoelectronics materials, Optical filters for PDPs, LCD backlight glass tubes, Optical membranes, etc.</td></tr>
<tr><td rowspan="2">Chemicals Operations</td><td>Chlor-alkali & urethane business</td><td>Vinyl chloride monomers, Caustic soda, Urethane materials, Gases, Solvents, etc.</td></tr>
<tr><td>Fluorochemicals & specialty chemicals business</td><td>Fluorinated resins, Water and oil repellents, Battery materials, Iodine-related materials, etc.</td></tr>
<tr><td colspan="2">Other Operations</td><td>Ceramic products,
Logistics services, Financial services, etc.</td></tr>
</table>

The relations among the Company, its consolidated subsidiaries and its affiliates under the equity method in the AGC Group is as shown below.



Note: The number of companies in each category does not include the Company.

AGC Glass Europe has changed its company name from AGC Flat Glass Europe.

3. Management Policy

(1) Fundamental Policy of Management

Based on the group vision "*Look Beyond*," the AGC Group aims to excel as a highly profitable and fast-growing enterprise that supplies materials and components globally, based on its core technologies in glass, fluorine chemistry, and related fields. To achieve those aims, it is a fundamental management policy of the AGC Group to bolster its total corporate value by endeavoring to be the leader in each market in which it competes.

All members of the Group are expected to adopt and follow the four shared values of "Innovation & Operational Excellence," "Diversity," "Environment," and "Integrity."

(2) Targeted Corporate Index

The AGC Group aims to achieve ROE (return on equity) of 12% or more and D/E ratio (interest-bearing debt to net assets ratio) of 0.5 or below as specific financial targets of "*Grow Beyond-2012*," the medium-term management plan for the three years from FY2010. It will strive to accomplish these financial goals by increasing asset turnover ratio, in addition to boosting profits.

(3) Medium- and Long-Term Strategies

The business environment surrounding the AGC Group has changed significantly due to the recession arising from the financial crisis, and we are assuming that changes in the market structure, including global warming issues, importance of emerging markets, and rising of resource problems, will occur as early as 2020, which is earlier than the year 2030 we assumed when we drew up the management policy, *Grow Beyond*. To accommodate such significant structural changes, the AGC Group aims to excel as a highly profitable and fast-growing global enterprise in 2020 by achieving the following aspirations as a company making contributions to a sustainable society.

- Having strong and differentiated technologies
- Giving consideration to environmental friendliness not only for products but also for overall production processes and business activities
- Contributing to the development of newly developing regions

To achieve those goals, the AGC Group will accelerate implementation of *Grow Beyond* measures and build the foundations for growth, which is our top-priority issue. Specifically, we will advance our glass technology, as well as promote business differentiation by combining and developing the Group's core technologies in glass, chemicals, and ceramics, to become a "Glass-technology-driven Company." In addition, the Group will deliver technology solutions for climate change by energy reduction in production processes and providing products based on its core technologies. The Group will also strive to enhance its earnings capabilities in mature markets as part of its efforts for the

"Second Round of Globalization," and build a business model that accommodates regional needs to facilitate further business expansion in emerging markets.

When implementing *Grow Beyond* measures, we will focus our efforts on further embedding the mindset on which we have placed emphasis under the previous management policy *"JIKKO,"* including "quality manufacturing," "pursuit of quality," and "improvement of customer satisfaction (CS)," as the DNA of the AGC Group. In addition, we will appoint the right person for the right job by the considering the skills of each employee under the slogan "Our People are Our Strength," to draw the best out of individual employees and build the foundations for growth. On top of this, we will draw up and formulate strategies throughout the Group and implement them speedily under a project system, to press ahead in a timely and steady way with *Grow Beyond* measures.

(4) Issues Confronting the AGC Group

The AGC Group regards the next three years as the period for ensuring growth toward achieving the aspirations for the AGC Group in 2020 and the newly formulated *"Grow Beyond-2012"* Medium-term Management Plan released in February 2010.

Under the *"Grow Beyond-2012,"* the Group will strive to recover earnings totally. Specifically, the Group aims to achieve the highest level of performance and strike a good balance between financial strength and promoting *Grow Beyond* measures based on cash flows generated by recovered earnings.

Meanwhile, the AGC Group will proactively investigate the possibilities of capital investment, M&A deals, and strategic business alliances, as well as focusing on research and development in energy and electronics materials fields, to accelerate implementation of *Grow Beyond* measures.

The Group will take the following actions in each business.

- Glass

  Making the most of the last year's integration of Flat Glass Company and Automotive Glass Company, AGC Group will radically improve the productivity and enhance cost competitiveness in the overall Glass Operations. In addition, we will proactively expand business in emerging markets where demand is expected to grow, while working on a radical improvement of the profitability in North America. The Group will also focus efforts on expanding sales of high value-added products including glass for photovoltaic use and glass for concentrating solar power, which promise to grow, and establish a leading position in this field.

- Electronics and Display

  In the display business, AGC Group will strive to build a flexible production system that will allow it to respond to the anticipated growth of the market.

In the electronics materials business, we will further focus on building mass-production technologies and increasing productivity. In addition, we will promote product differentiation with our technologies in special glass and chemicals, and accelerate the release of new products by capitalizing on our marketing and development capabilities.

- Chemicals

The Group will strengthen its competitiveness by improving productivity and expanding sales in growing markets and environment and energy-related markets.

- Ceramics

We will take advantage of having ceramics technologies within the Group and enhance the development capabilities that support a "Glass-technology-driven Company."

- Solar-related Products

We will make concerted efforts throughout the Group to develop, manufacture, and sell solar-related components that have future growth potential, utilizing the Group's technologies in glass, chemicals, and ceramics with a view to exploring wide-ranging fields including photovoltaic and concentrating solar power generation, in which the Group has the capabilities to make contributions.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: millions of yen)

	FY2008 (as of December. 31, 2008)	FY2009 (as of December. 31, 2009)
Current Assets	592,704	558,509
Cash on hand and in banks	83,774	83,953
Trade notes and accounts receivable	208,599	225,480
Marketable securities	-	20,000
Inventories	227,106	-
Finished products	-	77,647
Work in process	-	34,604
Raw materials and supplies	-	64,294
Deferred income taxes	19,836	16,419
Other current assets	58,563	41,746
Allowance for bad debts	(5,175)	(5,637)
Fixed Assets	1,240,142	1,223,366
Tangible Fixed Assets	958,588	928,285
Buildings and structures	248,500	255,371
Machinery and equipment	467,494	462,399
Tools and fixtures	16,042	14,259
Land	94,764	83,601
Lease assets	-	4,471
Construction in progress	131,786	108,182
Intangible Fixed Assets	41,175	36,213
Investments and other assets	240,377	258,867
Investments in securities	172,791	199,816
Long-term loans	6,704	6,788
Long-term prepaid expenses	4,237	2,287
Deferred income taxes	46,136	36,953
Other investments	12,315	15,111
Allowance for bad debts	(1,807)	(2,090)
Total Assets	1,832,846	1,781,875

(Unit: millions of yen)

	FY2008 (as of December. 31, 2008)	FY2009 (as of December. 31, 2009)
Current Liabilities	631,524	335,583
Trade notes and accounts payable	165,394	129,237
Short-term bank loans	210,855	64,046
Commercial paper	35,562	1,498
Current maturities of bonds	43,994	3,167
Other accounts payable	55,268	41,085
Accrued expenses	29,507	18,895
Income taxes payable	10,573	17,789
Deposits received	31,296	27,171
Accrued bonuses to employees	7,392	6,328
Accrued bonuses to directors	170	132
Reserve for scheduled repairs	2,375	2,807
Reserve for restructuring programs	1,140	4,723
Reserve for EU competition-law-related expenses	14,523	-
Other current liabilities	23,469	18,700
Non-current Liabilities	420,457	637,979
Bonds issued	95,593	165,152
Bonds with subscription rights to shares	-	100,000
Long-term bank loans	211,605	263,483
Deferred income taxes	13,454	13,317
Accrued retirement benefits for employees	59,784	64,265
Accrued retirement benefits for directors and corporate auditors	427	399
Reserve for rebuilding furnaces	18,747	7,230
Reserve for restructuring programs	5,013	6,738
Other non-current liabilities	15,829	17,392
Total Liabilities	1,051,982	973,563
Shareholders’ Equity	826,932	815,622
Common stock	90,873	90,873
Additional paid-in capital	96,961	96,961
Retained earnings	660,237	648,939
Treasury stock	(21,140)	(21,152)
Valuation and Translation Adjustments	(96,556)	(60,738)
Unrealized gains on securities, net of tax	25,328	42,593
Deferred gains or losses on hedges, net of tax	(3,805)	(299)
Asset revaluation reserve	62	-
Foreign currency translation adjustments	(118,142)	(103,032)
Share Subscription Rights	672	992
Minority Interests in Consolidated Subsidiaries	49,815	52,436
Total Net Assets	780,864	808,312
Total Liabilities and Net Assets	1,832,846	1,781,875

(2) Consolidated Statements of Income

(Unit: millions of yen)

	FY2008 (Jan. 1 through Dec. 31, 2008)	FY2009 (Jan. 1 through Dec. 31, 2009)
Net Sales	1,444,317	1,148,198
Cost of Sales	1,024,877	826,995
Gross profit	419,439	321,202
Selling, General and Administrative Expenses	265,426	234,520
Operating Income	154,013	86,682
Other Income	16,729	21,271
Interest income	3,291	1,735
Dividend income	3,980	2,801
Exchange gain, net	-	9,683
Others	9,457	7,051
Other Expenses	60,985	20,746
Interest expenses	14,002	10,038
Interest on commercial papers	-	112
Bond issuance cost	-	2,835
Exchange loss, net	30,302	-
Equity in losses of unconsolidated subsidiaries and affiliates	629	451
Others	16,051	7,307
Ordinary Income	109,756	87,207
Extraordinary Gains	9,335	4,445
Gain on sale of properties	4,998	2,879
Gain on sale of investments in securities, unconsolidated subsidiaries and affiliates	658	4
Gain on sale of investments in securities, consolidated subsidiaries	-	289
Reversal of reserve for rebuilding furnaces	-	842
Reversal of reserve for EU competition-law-related expenses	3,269	-
Others	408	429
Extraordinary Losses	49,013	51,153
Loss on disposal of properties	7,411	6,681
Impairment loss on long-lived assets	11,920	18,341
Loss on sale of investments in securities, consolidated subsidiaries	235	-
Expenses for restructuring programs	23,276	24,940
Others	6,169	1,190
Income before income taxes and minority interests	70,078	40,499
Income Taxes		
Current	23,096	20,092
Deferred	1,818	(259)
Minority Interests in Earnings of Consolidated Subsidiaries	5,984	680
Net Income	39,178	19,985

(3) Consolidated Statements of Changes in Net Assets

(Unit: millions of yen)

	FY2008 (as of December. 31, 2008)	FY2009 (as of December. 31, 2009)
Shareholders' Equity		
Common stock		
Balance at the end of previous period	90,859	90,873
Changes of items during the period		
Conversion of convertible bonds	13	-
Total changes of items during the period	13	-
Balance at the end of period	90,873	90,873
Additional paid-in capital		
Balance at the end of previous period	96,948	96,961
Changes of items during the period		
Conversion of convertible bonds	13	-
Total changes of items during the period	13	-
Balance at the end of period	96,961	96,961
Retained earnings		
Balance at the end of previous period	633,421	660,237
Changes of items during the period		
Dividends declared	(25,747)	(23,352)
Net income	39,178	19,985
Disposal of treasury stock	(69)	(31)
Increase due to change of accounting standards at the European subsidiaries	13,454	-
Effect of changes in accounting policies applied to foreign subsidiaries	-	(8,293)
Change of scope of equity method	-	394
Total changes of items during the period	26,815	(11,298)
Balance at the end of period	660,237	648,939
Treasury stock		
Balance at the end of previous period	(14,034)	(21,140)
Changes of items during the period		
Increase of treasury stock	(7,422)	(92)
Disposal of treasury stock	316	79
Total changes of items during the period	(7,105)	(12)
Balance at the end of period	(21,140)	(21,152)
Total Shareholders' Equity		
Balance at the end of previous period	807,195	826,932
Changes of items during the period		
Conversion of convertible bonds	26	-
Dividends declared	(25,747)	(23,352)
Net income	39,178	19,985
Increase of treasury stock	(7,422)	(92)
Disposal of treasury stock	246	47
Increase due to change of accounting standards at the European subsidiaries	13,454	-
Effect of changes in accounting policies applied to foreign subsidiaries	-	(8,293)
Change of scope of equity method	-	394
Total changes of items during the period	19,737	(11,310)
Balance at the end of period	826,932	815,622

(Unit: millions of yen)

	FY2008 (as of December. 31, 2008)	FY2009 (as of December. 31, 2009)
Valuation and translation adjustments		
Unrealized gains on securities, net of tax		
Balance at the end of previous period	102,028	25,328
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	(76,700)	17,264
Total changes of items during the period	(76,700)	17,264
Balance at the end of period	25,328	42,593
Deferred gains or losses on hedges, net of tax		
Balance at the end of previous period	2,034	(3,805)
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	(5,839)	3,506
Total changes of items during the period	(5,839)	3,506
Balance at the end of period	(3,805)	(299)
Land revaluation reserve		
Balance at the end of previous period	62	62
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	-	(62)
Total changes of items during the period	-	(62)
Balance at the end of period	62	-
Foreign currency translation adjustments		
Balance at the end of previous period	43,115	(118,142)
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	(161,257)	15,109
Total changes of items during the period	(161,257)	15,109
Balance at the end of period	(118,142)	(103,032)
Total valuation and translation adjustments		
Balance at the end of previous period	147,240	(96,556)
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	(243,797)	35,818
Total changes of items during the period	(243,797)	35,818
Balance at the end of period	(96,556)	(60,738)
Share Subscription Rights		
Balance at the end of previous period	392	672
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	280	319
Total changes of items during the period	280	319
Balance at the end of period	672	992
Minority Interests in Consolidated Subsidiaries		
Balance at the end of previous period	72,512	49,815
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	(22,697)	2,620
Total changes of items during the period	(22,697)	2,620
Balance at the end of period	49,815	52,436

(Unit: millions of yen)

	FY2008 (as of December. 31, 2008)	FY2009 (as of December. 31, 2009)
Total Net Assets		
Balance at the end of previous period	1,027,341	780,864
Changes of items during the period		
Conversion of convertible bonds	26	-
Dividends declared	(25,747)	(23,352)
Net income	39,178	19,985
Increase of treasury stock	(7,422)	(92)
Disposal of treasury stock	246	47
Increase due to change of accounting standards at the European subsidiaries	13,454	-
Effect of changes in accounting policies applied to foreign subsidiaries	-	(8,293)
Change of scope of equity method	-	394
Net changes of items other than shareholders' equity during the period	(266,214)	38,758
Total changes of items during the period	(246,477)	27,448
Balance at the end of period	780,864	808,312

(4) Consolidated Statements of Cash Flows

(Unit: millions of yen)

	FY2008 (Jan. 1 through Dec. 31, 2008)	FY2009 (Jan. 1 through Dec. 31, 2009)
I. Cash Flows from Operating Activities		
Income before income taxes and minority interests	70,078	40,499
Depreciation and amortization	135,317	136,672
Impairment loss on long-lived assets	11,920	18,341
Amortization of goodwill	1,971	1,464
Decrease in reserves	(21,663)	(14,990)
Interest and dividend income	(7,271)	(4,536)
Interest expenses and commercial paper interest	14,469	-
Interest expenses	-	10,038
Exchange loss (gain), net	23,872	(6,264)
Equity in losses of unconsolidated subsidiaries and affiliates	629	451
Loss on sale and valuation of investment securities	-	345
Loss on sale and disposal of property, plant and equipment	-	3,802
Gain on sale of securities and properties, etc., net	2,017	-
Decrease (increase) in trade notes and accounts receivable	45,590	(14,132)
Decrease (increase) in inventories	(22,849)	53,224
Increase (decrease) in trade notes and accounts payable	5,533	(39,191)
Others	7,445	6,227
Subtotal	267,059	191,951
Interest and dividends received	8,626	7,023
Interest paid	(14,670)	(10,410)
Income taxes (paid) refunded	-	(7,880)
Income taxes paid	(59,022)	-
Income taxes refunded	3,278	-
Net cash provided by operating activities	205,270	180,683
II. Cash Flows from Investing Activities		
Payments for time deposits due over three months	(52,572)	(35,005)
Proceeds from refund of time deposits due to over three months	46,084	50,131
Purchase of property, plant and equipment	(254,205)	(133,259)
Proceeds from sale of property, plant and equipment	8,731	6,888
Purchase of investments in securities, unconsolidated subsidiaries and affiliates	(12,118)	(271)
Proceeds from sale and redemption of investments in securities, unconsolidated subsidiaries and affiliates	4,619	220
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	-	726
Others	(1,065)	(4,993)
Net cash used in investing activities	(260,526)	(115,563)
III. Cash Flows from Financing Activities		
Increase (decrease) in short-term loans and commercial paper	145,593	(200,416)
Proceeds from long-term debt	88,997	142,549
Repayments of long-term debt	(15,293)	(75,575)
Proceeds from issuance of bonds with subscription rights to shares	-	169,628
Redemption of bonds	(110,068)	(40,844)
Purchase of treasury stock	(7,491)	(92)
Dividends paid	(25,747)	(23,352)
Others	(2,431)	(1,989)
Net cash provided by (used in) financing activities	73,558	(30,092)

(Unit: millions of yen)

	FY2008 (Jan. 1 through Dec. 31, 2008)	FY2009 (Jan. 1 through Dec. 31, 2009)
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	(10,325)	1,068
V. Changes in Cash and Cash Equivalents	7,977	36,096
VI. Cash and Cash Equivalents at Beginning of Year	52,275	59,772
Cash and cash equivalents held by newly consolidated subsidiaries, net of those held by deconsolidated subsidiaries	(480)	-
Ⅶ. Cash and Cash Equivalents at End of Year	59,772	95,869

(5) Summary of significant accounting policies

1) Scope of Consolidation

The Company had 221 subsidiaries as of December 31, 2009 (238 as of December 31, 2008). The consolidated financial statements include the accounts of the Company and 178 (192 for December 31, 2008) of its subsidiaries. The definition of subsidiary is based on the substantive existence of controlling power.

The accounts of the remaining 43 (46 as of December 31, 2008) unconsolidated subsidiaries are excluded from consolidated financial statements 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) Principles of Consolidation

For the purposes of preparing the consolidated financial statements, all significant intercompany transactions, account balances and unrealized profits among the Companies have been eliminated. At December 31, 2009 and 2008, the financial year-end of all the consolidated subsidiaries matches that of the Company.

In the elimination of investments in subsidiaries, the assets and liabilities of the subsidiaries, including the portion attributable to minority shareholders, are evaluated using the fair value at the time the Company acquired control of the respective subsidiaries.

Goodwill and negative goodwill are principally amortized over a period of 20 years on a straight-line basis.

Legal reserves of consolidated subsidiaries provided subsequent to the acquisition of such subsidiaries are included in retained earnings and are not shown separately in the consolidated financial statements.

3) Investments in Unconsolidated Subsidiaries and Affiliates under the Equity Method

The Company had 43 (46 as of December 31, 2008) unconsolidated subsidiaries and 43 (46 as of December 31, 2008) affiliates as of December 31, 2009. Affiliates are defined to include those which are 15% or more owned and 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 (28 and 29 companies at December 31, 2009 and 2008, 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 financial statements.

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

All the assets and liabilities of overseas consolidated subsidiaries and overseas affiliates accounted for by the equity method are translated into yen at the current exchange rates prevailing at the balance sheet dates, except common stock and additional paid-in capital accounts which are translated at the historical rates. Revenues and expenses are translated by the average exchange rates prevailing during each period. The resulting differences are recorded as “Foreign currency translation adjustments” and “Minority Interests in Consolidated Subsidiaries” in Net Assets in the Consolidated Balance Sheets.

5) Translation of Foreign Currency Transactions

Revenue and expense items arising from transactions denominated in foreign currencies are translated into yen 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 period.

6) Valuation of Securities

Securities other than securities of subsidiaries and affiliated companies are stated at market value. Differences between market value and acquisition costs are recorded as “Unrealized gains on securities, net of tax” in Net Assets. The cost of securities sold is calculated by the moving-average method. Securities without market value are stated at cost determined by the moving-average method. Declines in the value of securities, other than those which are deemed to be temporary, are reflected in current income.

7) Inventories

Inventories are mainly stated at cost determined by the moving-average method (the method of reducing the book value of inventories when their contribution to profitability declines).

8) 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 the assets.

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

9) Intangible Assets

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

10) Lease Assets related to financial lease transactions not involving the transfer of ownership

Depreciation of lease assets related to financial lease transactions not involving the transfer of ownership is calculated by the straight-line method over the lease periods, which are deemed as the useful lives, assuming no residual value.

For financial lease transactions not involving the transfer of ownership, of which transactions commenced before December 31, 2008, accounting method for ordinary operating lease transactions is applied.

11) Certain Accrued Expenses Items

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

(i) Allowance for bad debts

“Allowance for bad debts” is provided for at an amount sufficient to cover possible losses on the collection of receivables by taking the historical loan loss ratio. For certain 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 based on the estimated amount to be paid to employees after the balance sheet date for their services rendered during the current period.

(iii) Accrued bonuses to directors

"Accrued bonuses to directors" is provided for based on the estimated amount to be paid to directors after the balance sheet date for their services rendered during the current period.

(iv) Accrued retirement benefits for directors

"Accrued retirement benefits for directors" is provided for at certain domestic subsidiaries based on the estimated amount to be paid to directors and corporate auditors under the Companies' internal rules.

(v) Reserve for rebuilding furnaces

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

(vi) Reserve for restructuring programs

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

12) 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.

The prior service cost is amortized on a straight-line basis over the average remaining service period of employees (mainly 13 years), from the year when it is incurred.

Actuarial gains/losses are amortized on a straight-line basis over average remaining service period of employees (mainly 13 years), in the year subsequent to when it is incurred.

13) 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 on 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.

14) Income Taxes

The Company has adopted the consolidated tax return system for the calculation of income taxes. Under the consolidated tax return system, the Company consolidates all wholly owned domestic subsidiaries based on the Japanese tax regulations.

15) Derivative Financial Instruments

The Companies use financial instruments to reduce its exposure to market risks from fluctuations in foreign currency exchange rates, interest rates, and oil prices that may occur in the ordinary course of business.

The basic rules and policies are determined by the Board of Directors, and the results of the transactions, including balances and gains/losses, are periodically reported to management. The controls over the transaction and position balances of foreign currency derivatives are monitored by the accounting/finance departments and the controls over the transactions and position balances of commodity derivatives are monitored by the procurement department.

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

Hedging items mainly include bonds, borrowings and fuel oil.

Derivatives are recorded at fair value.

16) Cash and Cash Equivalents in the Consolidated Statements of Cash Flows

"Cash and cash equivalents" comprises cash on hand, bank deposits available for withdrawal on demand, and short-term investments due within three months or less and substantially free from any price fluctuation risk.

(6) Changes in accounting principles

1) Application of the Accounting Standard for Measurement of Inventories

Inventories were previously stated at the lower of cost or market value, cost being determined by the moving-average method. Effective from this fiscal year, inventories are mainly stated at cost determined by the moving-average method, with the adoption of the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, July 5, 2006) under review (inventories are written down based on a decline in profitability on the balance sheet). This has declined operating income, ordinary income, and net income before income taxes and minority interests for the fiscal year ended December 31, 2009 by 2,987 million yen respectively. The effects on segment information are mentioned in the relevant section.

2) Application of the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements

Effective from this fiscal year, the AGC Group has adopted "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force No. 18, May 17, 2006) and has made necessary adjustments for consolidated financial statements. This adjustment has reduced the beginning balance of retained earnings by 8,293 million yen, also the ending balance is reduced by same amount. The impact of this change on operating income, ordinary income, net income before income taxes and minority interests, and segment information for the fiscal year ended December 31, 2009 is immaterial.

3) Application of the Accounting Standard for Lease Transactions and related guidance

Previously, the accounting treatment for finance lease transactions not involving the transfer of ownership followed the same method as for operating lease transactions. Effective from this fiscal year, the AGC Group has adopted "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13; Business Accounting Council Committee No. 1, June 17, 1993; revised March 30, 2007) and the "Guidance on Accounting

Standard for Lease Transactions" (ASBJ Guidance No. 16; the Japanese Institute of Certified Public Accountants, Accounting Committee, January 18, 1994; revised March 30, 2007), and thus the accounting treatment for such transactions follows the method for ordinary purchase and sales transactions. Depreciation of finance lease assets related to finance lease transactions not involving the transfer of ownership is calculated by the straight-line method over the lease periods, which are deemed as the useful lives, assuming no residual value. The impact of this change on operating income, ordinary income, net income before income taxes and minority interests, and segment information for the fiscal year ended December 31, 2009 is immaterial. Finance lease transactions not involving the transfer of ownership, however, transactions that commenced before the fiscal year when this accounting standard is first applied are continuously accounted for using the same method as for operating lease transactions.

4) Changes in useful lives of tangible fixed assets

In the light of the amendment to the Corporation Tax Act (Law Partially Revising the Income Tax Law and other laws, Law No. 23; April 30, 2008), the Company and its domestic consolidated subsidiaries reviewed useful lives of tangible fixed assets to reflect actual conditions. As a result, operating income, ordinary income, and net income before income taxes and minority interests for the fiscal year ended December 31, 2009 are declined by 11,988 million yen respectively, compared with the results under the previous method. The effects on segment information are mentioned in the relevant section.

(7) Amendments to the basis of preparation

(Consolidated balance sheet)

In accordance with the AGC Group's adoption of "Cabinet Office Ordinance on the Partial Revision of Regulation for Terminology, Forms and Preparation of Financial Statements" (Cabinet Office Ordinance No. 50, August 7, 2008), the items which were presented as "Inventories" in the previous fiscal year are separately presented as "Finished products," "Work in process" and "Raw materials and supplies" effective from this fiscal year.

The amounts of "Finished products," "Work in process," and "Raw materials and supplies" included in "Inventories" in the previous fiscal year were 106,800 million yen, 49,575 million yen and 70,730 million yen, respectively.

(Consolidated statements of income)

The item that was included in "Others" in "Other Expenses" in the previous fiscal year, which specifically was "Interest on commercial papers" is separately presented effective from this fiscal year. The amount of" Interest on commercial papers" in the previous fiscal year was 466 million yen.

(Consolidated cash flow statement)

1. In accordance with the introduction of XBRL to EDINET, the item which was presented as "Interest expenses and commercial paper interest" in the previous fiscal year is separately presented as "Interest expenses" and "Others" effective from this fiscal year to improve comparability of consolidated financial statements. The amounts of "Interest expenses" and "Others" included in the previous fiscal year were

14,002 million yen and 466 million yen, respectively.

2. In accordance with the introduction of XBRL to EDINET, the items which were presented as "Gain on sale of securities and properties, etc., net" in the previous fiscal year are separately presented as "Loss on sale and valuation of investment securities", "Loss on sale and disposal of property, plant and equipment" and "Others" effective from this fiscal year to improve the comparability of consolidated financial statements.

   The amounts of "Loss on sale and valuation of investment securities", "Loss on sale and disposal of property, plant and equipment" and "Others" included in the previous fiscal year were (398) million yen, 2,412 million yen and 2 million yen, respectively.

(8) Notes of consolidated financial statements

(a) Segment information

1) Business Segment

FY2008 (Jan. 1 through Dec. 31, 2008) (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	738,082	370,576	299,874	35,783	1,444,317	-	1,444,317
(2) Inter-segment sales/transfers	3,214	2,124	3,262	60,789	69,389	(69,389)	-
Total sales	741,297	372,700	303,136	96,572	1,513,706	(69,389)	1,444,317
Operating expenses	722,618	246,115	299,279	91,555	1,359,568	(69,264)	1,290,303
Operating income	18,678	126,585	3,857	5,017	154,138	(125)	154,013
II Assets, Depreciation and amortization, Impairment and Capital expenditures							
Assets	752,526	654,853	274,264	254,893	1,936,538	(103,691)	1,832,846
Depreciation and amortization	57,760	56,403	20,076	1,284	135,524	(207)	135,317
Impairment loss on long-lived assets	14,121	9,759	666	-	24,547	-	24,547
Capital expenditures	102,957	124,291	23,768	1,129	252,147	-	252,147

FY2009 (Jan. 1 through Dec. 31, 2009) (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	522,143	368,559	230,932	26,562	1,148,198	-	1,148,198
(2) Inter-segment sales/transfers	2,865	781	2,763	42,326	48,738	(48,738)	-
Total sales	525,008	369,341	233,696	68,889	1,196,936	(48,738)	1,148,198
Operating expenses	560,032	242,399	241,424	66,849	1,110,705	(49,189)	1,061,516
Operating income (loss)	(35,023)	126,942	(7,727)	2,039	86,231	451	86,682
II Assets, Depreciation and amortization and Capital expenditures							
Assets	698,994	672,404	251,033	202,871	1,825,303	(43,427)	1,781,875
Depreciation and amortization	52,159	61,605	22,069	1,279	137,114	(441)	136,672
Impairment loss on long-lived assets	5,479	16,088	2,096	4,098	27,763	-	27,763
Capital expenditures	45,888	60,165	17,595	1,288	124,937	-	124,937

(Note)

1. Business segmentation is based on the similarity of manufacturing process and sales market.
2. Main products included in each business segment:

Glass : Flat and automotive glass, construction materials and others
Electronics and Display : Electronic components, FPD (liquid crystal display, PDP) glass substrates, CRT glass bulbs and others
Chemicals : Caustic soda, chlorine and its derivative products, fluorochemical products, ion-exchange membranes and others
Other : Ceramics and others

3. Total assets included in the “Corporate or elimination” amounted to 180,029 million yen (FY2008) and 234,593 million yen (FY2009). 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.
4. 12,626 million yen (FY2008) and 9,422 million yen (FY2009) of impairment loss on long-lived assets are recorded as expenses for restructuring programs.
5. Changes in accounting policies, procedures, and methods of presentation
AGC Group has applied “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9, July 5, 2006) effective from this fiscal year. As a result of this change, operating loss in Glass business segment increased 865 million yen, operating income in Electronics and Display business segment declined 875 million yen, operating loss in Chemicals business segment increased 816 million yen, and operating income in Corporate or elimination declined 431 million yen for the fiscal year ended December 31, 2009.
6. Changes in useful lives of tangible fixed assets
In the light of the amendment to the Corporation Tax Act (Law Partially Revising the Income Tax Law and other laws, Law No. 23; April 30, 2008), the Company and its domestic consolidated subsidiaries reviewed useful lives of tangible fixed assets to reflect actual conditions. As a result of this change, operating loss in Glass business segment increased 179 million yen, operating income in Electronics and Display business segment declined 10,244 million yen, operating loss in Chemicals business segment increased 1,091 million yen, operating income in Other business segment declined 521 million yen, and operating income in Corporate or elimination increased 48 million yen for the fiscal year ended December 31, 2009.

2) Geographic Segment

FY2008 (Jan. 1 through Dec. 31, 2008) (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	632,512	346,303	115,843	349,657	1,444,317	-	1,444,317
(2) Inter-segment sales	178,323	72,795	12,214	5,621	268,955	(268,955)	-
Total sales	810,836	419,099	128,057	355,278	1,713,272	(268,955)	1,444,317
Operating expenses	733,128	362,151	132,410	329,532	1,557,223	(266,919)	1,290,303
Operating income (loss)	77,707	56,947	(4,352)	25,745	156,049	(2,036)	154,013
II Assets	833,697	480,130	104,554	356,399	1,774,782	58,063	1,832,846

FY2009 (Jan.1 through Dec.31, 2009) (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	475,185	375,142	66,287	231,582	1,148,198	-	1,148,198
(2) Inter-segment sales	183,370	42,833	10,165	4,494	240,864	(240,864)	-
Total sales	658,556	417,976	76,452	236,076	1,389,062	(240,864)	1,148,198
Operating expenses	631,036	339,663	88,930	242,563	1,302,194	(240,678)	1,061,516
Operating income (loss)	27,519	78,312	(12,477)	(6,486)	86,867	(185)	86,682
II Assets	706,286	513,827	94,972	335,746	1,650,832	131,043	1,781,875

(Note)
1. Segmentation of countries and regions is based on geographic proximity.
2. Major countries and regions are as follows:
Asia : Indonesia, Singapore, Thailand, Taiwan, China and South Korea
The Americas : U.S.A. and Canada
Europe : Belgium, Netherlands, Italy, Spain, Czech Republic, Germany, France, U.K. and Russia
3. Changes in accounting policies, procedures, and methods of presentation

AGC Group has applied "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, July 5, 2006) from this fiscal year. As a result of this change, operating income in Japan geographic segment decreased 2,987 million yen for the fiscal year ended December 31, 2009.

4. Changes in useful lives of tangible fixed assets

In the light of the amendment to the Corporation Tax Act (Law Partially Revising the Income Tax Law and other laws, Law No. 23; April 30, 2008), the Company and its domestic consolidated subsidiaries reviewed useful lives of tangible fixed assets to reflect actual conditions. As a result of this change, operating income in Japan geographic segment decreased 11,988 million yen for the fiscal year ended December 31, 2009.

3) Overseas Sales

FY2008 (Jan.1 through Dec.31, 2008) (Unit: millions of yen)

	Asia	The Americas	Europe	Other	Total
Overseas sales	376,066	121,041	355,473	22,666	875,249
Percentage of Overseas sales to Consolidated sales	26.0%	8.4%	24.6%	1.6%	60.6%

FY2009 (Jan.1 through Dec.31, 2009) (Unit: millions of yen)

	Asia	The Americas	Europe	Other	Total
Overseas sales	404,897	69,439	234,598	12,691	721,626
Percentage of Overseas sales to Consolidated sales	35.3%	6.0%	20.4%	1.1%	62.8%

(Note)

1. Segmentation of countries and regions is based on geographic proximity.
2. Major countries and regions are as follows:
   - Asia : Indonesia, Singapore, Thailand, Taiwan, China and South Korea
   - The Americas : U.S.A. and Canada
   - Europe : Belgium, Netherlands, Italy, Spain, Czech Republic, Germany, France and Russia
   - Other : Oceania, Middle East and Africa
3. Overseas sales consist of exports from the Company and domestic consolidated subsidiaries and sales of overseas consolidated subsidiaries, excluding those from transactions with Japan.

(b) Per Share Information

	FY2008 (as of December. 31, 2008)	FY2009 (as of December. 31, 2009)
Net assets per share	625.51	646.53
Net income per share-basic	33.53	17.12
Net income per share-fully diluted	33.52	17.04

Notes: Net income per share was calculated on the basis of the following data.

	FY2008 (as of December. 31, 2008)	FY2009 (as of December. 31, 2009)
Net income per share-basic		
Net income (millions of yen)	39,178	19,985
Net income not attributable to common shareholders	-	-
Net income attributable to common shareholders	39,178	19,985
Average number of common shares outstanding (thousands of shares)	1,168,394	1,167,623
Net income per share-fully diluted		
Net income adjusted for latent shares	-	-
-Interest expense, net of tax (millions of yen)	-	-
Number of increase in common shares (thousands of shares)	564	5,449
-Bonds with subscription rights to shares (thousands of shares)	-	4,195
-Warrant for stock option (thousands of shares)	564	1,253
Potential common stock with anti-dilutive effect, excluded from the computation of “Net income per share -fully-diluted”.	Warrant for stock option (1,794 share subscription rights)	Warrant for stock option (1,794 share subscription rights)

5. Others

(Supplementary information on the financial results)

1. Operating results

(Unit: billions of yen)

	FY2008	FY2009
Net sales	1,444.3	1,148.2
Operating income	154.0	86.7
Ordinary income	109.8	87.2
Net income	39.2	20.0
Net income per share (yen)	33.53	17.12

2. Major item

(Unit: billions of yen)

	FY2008	FY 2009
Capital expenditures	252.1	124.9
Depreciation and amortization	135.3	136.7
Research and development costs	37.7	45.0
Interest expenses & dividend income	(7.2)	(5.6)

(Unit: billions of yen)

	FY2008 (as of December 31, 2008)	FY2009 (as of December 31, 2009)
Interest-bearing debts	597.6	600.7
Total net assets	780.9	808.3
D/E ratio	0.77	0.74
Number of employees at end of period	47,770	47,618

3. Scope of consolidation

	FY2008 (as of December 31, 2008)	FY2009 (as of December 31, 2009)
Number of consolidated subsidiaries	192	178
Number of equity method affiliates	29	28

(1) Newly consolidated subsidiaries : -
Excluded : 14 companies (Asahi Glass Urethane Co., Ltd. etc.)
(2) New equity method affiliates : -
Excluded : 1 companies

4. Outlook for FY2010 operating result

(Unit: billions of yen)

	First half	Full fiscal year
Net sales	600.0	1,300.0
Operating income	75.0	160.0
Ordinary income	70.0	150.0
Net income	40.0	90.0
Capital expenditures	-	150.0
Depreciation and amortization	-	120.0
Research and development costs	-	50.0

5. Exchange rates

	FY 2008		FY 2009		FY 2010
	Average	End of period	Average	End of period	Outlook
Yen/US Dollar	102.81	91.03	93.72	92.10	90
Yen/Euro	152.07	127.96	130.56	132.00	130