

August 3, 2012
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 (Code Number: 5201; TSE 1st section)
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Consolidated Financial Results for the Six Months ended June 30, 2012

(Fractions less than one million yen are rounded off.)

1. Financial results for the six months ended June 30, 2012 (January 1 through June 30, 2012)

(1) Consolidated operating results

	For the six months ended June 30, 2012		For the six months ended June 30, 2011	
	Millions of yen	%	Millions of yen	%
Net sales	583,275	(5.0)	613,674	(4.4)
Operating income	47,975	(51.7)	99,258	(13.6)
Ordinary income	47,596	(53.8)	102,924	(8.5)
Net income	31,073	(45.5)	56,965	(23.4)
Net income per share - basic (yen)	26.88		48.82	
Net income per share - fully diluted (yen)	24.89		45.24	

Note: Percentage (%) figures show changes from the previous year's corresponding period.

Reference: Comprehensive income for - End of FY2012 second quarter; 51,668 million yen (-30.4%)
 - End of FY2011 second quarter; 74,264 million yen (-%)

(2) Consolidated financial position

	FY2012 second quarter (as of June 30, 2012)	FY2011 (as of December 31, 2011)
Total assets (Millions of yen)	1,791,134	1,691,556
Total net assets (Millions of yen)	887,806	850,460
Equity ratio (%)	47.0	47.7

Reference: Total Shareholder's Equity at -End of FY2012 second quarter: 841,698 million yen
 -End of FY2011: 807,432 million yen

2. Dividends

(Unit: yen)

	FY2011	FY2012	FY2012 (forecast)
End of first quarter	—	—	—
End of second quarter	13.00	13.00	—
End of third quarter	—	—	—
End of fiscal year	13.00	—	13.00
Total	26.00	—	26.00

Note: Revision of the forecast during this quarter: No

3. Forecast for FY2012 (January 1 through December 31, 2012)

	Full year	
	Millions of yen	%
Net sales	1,200,000	(1.2)
Operating income	100,000	(39.6)
Ordinary income	95,000	(43.0)
Net income	50,000	(47.5)
Net income per share (yen)	43.26	

Note: Revision of the forecast for FY2012 consolidated operating results during this quarter: Yes

***Notes**

- (1) Changes in significant subsidiaries during the period: No
- (2) Adoption of special accounting methods for preparing quarterly consolidated financial statements: Yes
(Note) For details, refer to "2.Summary Information (Notes)" in Attached Documents, beginning on page 5.
- (3) Changes in accounting policies, changes in accounting estimates, and retrospective restatements
- i. Changes resulting from revisions to accounting standards: No
 - ii. Changes other than "i" above: No
 - iii. Changes in accounting estimates: No
 - iv. Retrospective restatements: No
- (4) Number of shares issued (common stock)
- i. Number of shares issued (including treasury stock) at the end of the period
 - FY2012 second quarter (as of June 30, 2012): 1,186,705,905
 - FY2011 (as of December 31, 2011): 1,186,705,905
 - ii. Number of treasury stock at the end of the period
 - FY2012 second quarter (as of June 30, 2012): 30,771,867
 - FY2011 (as of December 31, 2011): 30,766,499
 - iii. Average number of shares issued during the period
 - For the six months ended June 30, 2012: 1,155,934,130
 - For the six months ended June 30, 2011: 1,166,940,520

***Appropriate Use of Forecast and Other Information and Other Matters**

The above-mentioned forecast reflects management's assumptions on the basis of currently available information, as such, contain risks and uncertainties. For matters concerning the above forecast, please see "(3) Qualitative Information Regarding the Forecast for Consolidated Operating Results" in "1. Qualitative Information Regarding Financial Statements" in Attached Documents on page 4.

***Supplementary Materials for the Quarterly Financial Results**

Supplementary materials are available on our website.

(Attached Documents)

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1. Qualitative Information Regarding Financial Statements

(1) Qualitative Information Regarding Consolidated Operating Results

(i) Overview of consolidated business results for the six months ended June 30, 2012

During the six months ended June 30, 2012, the global economic environment surrounding the Company and its consolidated subsidiaries (hereinafter collectively referred to as the “AGC Group” or simply as the “Group”) is characterized by a gradual recovery, but the pace of economic recovery decelerated due to a slowdown in the expansion of exports and domestic demand among fast-growing countries, in addition to the impact of fiscal and financial problems in Europe.

The European economy continued to decelerate due to continued high unemployment rates and declining consumer spending which were triggered by the fiscal crisis in some countries. In Asia, economic conditions were favorable backed by increases in exports and consumer spending while the economic growth in China slowed down. In Japan, the economy gradually picked up, driven by the recovery of consumer spending which had been sluggish since the Great East Japan Earthquake. In the United States, while housing starts remained at low levels, consumer spending supported its moderate economic recovery.

Under such a business environment, the AGC Group’s shipments in the glass and chemicals businesses grew mainly in Japan and Asia; however, the Group was also affected by price decline in electronics-related products and price increases in fuels and raw materials. As a result, the Group posted net sales of 583.3 billion yen, a 30.4 billion yen or 5.0% decrease from the corresponding period of the previous year. Operating income decreased by 51.3 billion yen or 51.7 % year-on-year to 48.0 billion yen, and ordinary income decreased by 55.3 billion yen or 53.8% to 47.6 billion yen. Net income was 31.1 billion yen, a 25.9 billion yen or 45.5% decrease on a year-on-year basis.

(ii) Overview by reportable segment for the six months ended June 30, 2012

- Glass

In the flat glass business, shipments of architectural glass in Japan increased from the same period of the previous fiscal year, which was affected by the Great East Japan Earthquake. Shipments in Asia also remained strong. Meanwhile, shipments in Europe and North America declined from the same period of the previous fiscal year due to the effects of deteriorating economic conditions in Europe, particularly Western Europe, and continued sluggish demand in North America. Shipments of glass for solar power systems decreased from the same period of the previous fiscal year due to such factors as slowing market growth and intensified competitive environment. As a result, sales from the flat glass business which consists of architectural glass and glass for solar power systems declined from the same period of the previous fiscal year.

In the automotive glass business, the AGC Group’s shipments in Europe were on the same level as the previous year despite a year-to-year decrease in auto production in the region due to the effects of deteriorating economic conditions. Shipments in Japan increased from the same period of the previous fiscal year, which was affected by the Great East Japan Earthquake. Shipments in Asia and North America also increased backed by strong auto production in each region, leading to an increase in sales from the same period of the previous fiscal year.

As a result, net sales from the Glass Operations for the six months ended June 30, 2012 were 278.2 billion yen, up 5.5 billion yen or 2.0% increase from the same period of the previous fiscal year, and operating loss was 0.9 billion yen, a 7.7 billion yen decrease from the same period of the previous fiscal year.

- Electronics

Shipments of glass substrates for display devices increased from the same period of the previous fiscal year along with a continuing recovery trend from the fourth quarter of 2011. The decline in the product prices in this category slowed in the second quarter; however, sales fell compared to the same period of the previous fiscal year due to large price decline in the first quarter.

With regard to electronic materials, shipments of optoelectronics materials for digital cameras increased from the same period of the previous fiscal year. However, shipments of semiconductor-related products decreased from the same period of the previous fiscal year due to sluggish demand, leading to a year-to-year decrease of sales in electronic materials as a whole.

As a result, net sales from the Electronics Operations for the six months ended June 30, 2012 were 161.1 billion yen, down 49.5 billion yen or 23.5% decrease from the same period of the previous fiscal year, and operating income was 38.1 billion yen, down 44.1 billion yen or 53.7% decrease from the same period of the previous fiscal year.

- Chemicals

Sales from chlor-alkali products and urethane materials increased from the same period of the previous fiscal year, supported by a recovery trend of shipments in Japan, which had been affected by the Great East Japan Earthquake a year ago, and strong shipments in Asia. In the category of fluorine products and specialty products, shipments of high-function fluorine resin, and pharmaceutical and agrochemical intermediaries and active ingredients remained buoyant, increasing sales from the same period of the previous fiscal year.

As a result, net sales from the Chemicals Operations for the six months ended June 30, 2012 were 128.0 billion yen, up 8.4 billion yen or 7.1% increase from the same period of the previous fiscal year, and operating income was 10.0 billion yen, up 1.3 billion yen or 14.6% increase from the same period of the previous fiscal year.

The following table shows major products in each reportable segment.

Reportable segment	Main products
Glass	Float flat glass, Figured glass, Polished wired glass, Low-E glass, Fabricated glass for architectural use(Heat Insulating/shielding glass, Safety glass, Fire-resistant glass, Security glass, etc.), Automotive tempered glass, Automotive laminated glass, Glass for solar power system, Fabricated glass for industrial use, Decorative glass, etc.
Electronics	Glass substrate for display devices, Specialty glass for display applications, Display related materials, Optical membranes, Optoelectronics materials, Synthetic quartz glass, Glass frit and paste, Materials for semiconductor manufacturing equipment, Lighting glass products, etc.
Chemicals	Raw materials for vinyl chloride polymer, Caustic soda, Urethane, Gases, Solvents, Fluorinated resins, Water and oil repellents, Pharmaceutical and agrochemical intermediates and active ingredients, Iodine-related products, Battery materials, etc.

In addition to the above products, the AGC Group also handles ceramics products, logistics/financial services, etc.

(2) Qualitative Information Regarding Consolidated Financial Position

- Total assets

Total assets were 1,791.1 billion yen as of the end of the second quarter under review, up 99.6 billion yen from the end of the previous fiscal year. This rise is mainly due to an increase in funds on hand and tangible fixed assets after the foreign currency translation with the weakening of the yen.

- Total liabilities

Total liabilities were 903.3 billion yen as of the end of the second quarter under review, up 62.2 billion yen from the end of the previous fiscal year. This rise is chiefly attributable to an increase in interest-bearing liabilities from borrowings in preparation for bond redemption.

- Total net assets

Total net assets were 887.8 billion yen as of the end of the second quarter under review, up 37.3 billion yen from the end of the previous fiscal year. This rise is primarily due to greater retained earnings resulting from net income and an increase in unrealized gains on securities, net of tax caused by a rise in listed stocks prices.

(3) Qualitative Information Regarding the Forecast for Consolidated Operating Results

(Unit: billions of yen)

	Net Sales	Operating income	Ordinary income	Net income
Forecast for FY2012 announced on February 8, 2012 (A)	1,250.0	140.0	135.0	80.0
Revised forecast for FY2012 (B) *	1,200.0	100.0	95.0	50.0
(B - A)	(50.0)	(40.0)	(40.0)	(30.0)
Actual results for FY 2011 (C) (January 1 through December 31, 2011)	1,214.7	165.7	166.7	95.3
(B - C) / C (%)	(1.2)	(39.6)	(43.0)	(47.5)

Note: Figures are rounded to the nearest 100 million yen.

*Net sales and operating income have not been revised since the forecast revision announced on July 11, 2012.

The global economy as a whole is expected to maintain moderate growth in 2012; however, the uncertainty is increasing.

Given such an environment, shipments of architectural glass are expected to be strong in Japan and Asia, while recovery in shipments in North America is likely to remain moderate. There is concern that economic uncertainty might prolong the sluggish shipments in Europe. Meanwhile, shipments of automotive glass will increase year-to-year, as shipments affected by the Great East Japan Earthquake and flooding in Thailand in 2011 presumably return to normal levels and strong automobile demand in fast-growing markets are expected. Shipments of glass for solar power systems are expected to be bearish, considering factors such as slowing market growth and intensified competitive environment.

Shipments of glass substrates for display devices are expected to remain on the recovery track that started in the fourth quarter of 2011. With regard to electronic materials, the market for semiconductor-related products is likely to recover in the latter half of the year. Shipments of optoelectronics materials for digital cameras will continue to be strong.

Shipments in the chemicals business are expected to be generally favorable.

Rising energy prices may possibly impact AGC group's overall profit and loss to a certain extent. Taking into account the above factors, net sales of the AGC Group for the fiscal year ending December 31, 2012 are estimated to be 1,200.0 billion yen, a year-to-year decrease of 14.7 billion yen or 1.2%, operating income to be 100.0 billion yen, down 65.7 billion yen or 39.6% from a year earlier, and ordinary income to be 95.0 billion yen, down 71.7 billion yen or 43.0% from the previous year. Net income is estimated to be 50.0 billion yen, down 45.3 billion yen or 47.5% from the previous year.

Average exchange rates assumed for the fiscal year ending December 31, 2012 are 80 yen to the U.S. dollar and 100 yen to the Euro.

[Important notes with regard to the forecast]

The above prospective results reflect the assumptions of the Group's management on the basis of currently available information and, as such, contain risks and uncertainties. For this reason, investors are advised 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. Summary Information (Notes)

(1) Changes in significant subsidiaries during the period

Not applicable.

(2) Adoption of special accounting methods for preparing quarterly consolidated financial statements

(Calculation of tax expense)

Tax expense is computed by multiplying the quarterly net income before income taxes and minority interests by a reasonably estimated effective tax rate, after applying tax effect accounting against net income before income taxes and minority interests for the fiscal year including the second quarter under review.

However, in case the use of such effective tax rate makes the computation of tax expense significantly unreasonable, then tax expense is calculated by multiplying the quarterly net income before income taxes and minority interests by the statutory effective tax rate after adjustment of the quarterly net income before income taxes and minority interests with significant differences other than temporary differences.

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatements

Not applicable.

(4) Additional Information

Effective from the first quarter, the Company adopted the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No. 24, December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24, December 4, 2009).

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: millions of yen)

	FY2011 (as of December 31, 2011)	FY2012 second quarter (as of June 30, 2012)
Current Assets	606,774	687,090
Cash on hand and in banks	98,789	96,301
Trade notes and accounts receivable	233,675	228,696
Marketable securities	25,000	81,000
Finished products	81,860	87,239
Work in process	42,541	43,598
Raw materials and supplies	69,922	71,543
Other current assets	59,977	83,493
Allowance for bad debts	(4,993)	(4,782)
Fixed Assets	1,084,781	1,104,043
Tangible Fixed Assets	842,563	853,679
Buildings and structures	235,645	236,079
Machinery and equipment	422,798	449,799
Tools, fixtures and others	19,871	20,758
Land	76,382	74,678
Construction in progress	87,865	72,363
Intangible Fixed Assets	37,108	37,522
Investments and Other Assets	205,110	212,841
Investments in securities	148,350	162,148
Other investments	59,352	54,070
Allowance for bad debts	(2,592)	(3,377)
Total Assets	1,691,556	1,791,134

(1) Consolidated Balance Sheets (continued)

(Unit: millions of yen)

	FY2011 (as of December 31, 2011)	FY2012 second quarter (as of June 30, 2012)
Current Liabilities	419,410	446,601
Trade notes and accounts payable	112,448	109,351
Short-term bank loans	47,552	58,906
Commercial paper	13,369	13,884
Current maturities of bonds	40,078	58,978
Current maturities of bonds with subscription right to shares	50,000	50,000
Income taxes payable	9,220	13,355
Other reserves	14,828	12,195
Other current liabilities	131,910	129,928
Non-current Liabilities	421,684	456,727
Bonds issued	92,014	71,974
Bonds with subscription right to shares	50,000	50,000
Long-term bank loans	184,485	238,605
Accrued retirement benefits for employees	58,591	57,337
Other reserves	10,192	12,655
Other non-current liabilities	26,401	26,154
Total Liabilities	841,095	903,328
Shareholders' Equity	970,480	986,529
Common stock	90,873	90,873
Additional paid-in capital	96,961	96,962
Retained earnings	812,533	828,579
Treasury stock	(29,888)	(29,885)
Total Accumulated Other Comprehensive Income	(163,047)	(144,831)
Unrealized gains on securities, net of tax	19,910	29,059
Deferred gains or losses on hedges, net of tax	47	38
Foreign currency translation adjustments	(183,005)	(173,930)
Share Subscription Rights	1,584	1,584
Minority Interests in Consolidated Subsidiaries	41,444	44,523
Total Net Assets	850,460	887,806
Total Liabilities and Net Assets	1,691,556	1,791,134

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(Unit: millions of yen)

	For the six months ended June 30, 2011 (Jan.1 through Jun.30, 2011)	For the six months ended June 30, 2012 (Jan.1 through Jun.30, 2012)
Net Sales	613,674	583,275
Cost of Sales	404,723	422,764
Gross profit	208,950	160,510
Selling, General and Administrative Expenses	109,691	112,534
Operating Income	99,258	47,975
Other Income	7,523	4,020
Interest income	685	645
Dividend income	1,695	1,597
Exchange gain, net	3,059	—
Equity in gains of unconsolidated subsidiaries and affiliates	1,084	954
Others	998	821
Other Expenses	3,857	4,400
Interest expenses	2,980	2,954
Exchange loss, net	—	302
Others	876	1,143
Ordinary Income	102,924	47,596
Extraordinary Gains	932	12,324
Gain on sale of properties	677	1,547
Reversal of provision for restructuring programs	184	—
Insurance income	—	9,981
Others	70	795
Extraordinary Losses	21,102	13,582
Loss on disposal of properties	1,628	3,895
Impairment loss on long-lived assets	—	1,213
Loss on disaster	6,077	—
Expenses for restructuring programs	8,344	5,496
Others	5,052	2,976
Income before income taxes and minority interests	82,755	46,338
Income Taxes	23,799	12,981
Income before minority interests	58,956	33,357
Minority Interests in Earnings of Consolidated Subsidiaries	1,991	2,284
Net Income	56,965	31,073

(Consolidated Statements of Comprehensive Income)

(Unit: millions of yen)

	For the six months ended June 30, 2011 (Jan.1 through Jun.30, 2011)	For the six months ended June 30, 2012 (Jan.1 through Jun.30, 2012)
Income before minority interest	58,956	33,357
Other Comprehensive Income		
Unrealized gains on securities, net of tax	(4,744)	9,152
Deferred gains or losses on hedges, net of tax	760	(8)
Foreign currency translation adjustments	19,059	8,953
Share of other comprehensive income of associates accounted for using equity method	233	212
Total Other Comprehensive Income	15,308	18,310
Comprehensive Income	74,264	51,668
Comprehensive income attributable to owners of the parent	71,940	49,290
Comprehensive income attributable to minority interests	2,324	2,378

(3) Consolidated Statements of Cash Flows

(Unit: millions of yen)

	For the six months ended June 30, 2011 (Jan. 1 through Jun.30, 2011)	For the six months ended June 30, 2012 (Jan.1 through Jun.30, 2012)
Cash Flows from Operating Activities		
Income before income taxes and minority interests	82,755	46,338
Depreciation and amortization	55,361	56,877
Impairment loss on long-lived assets	—	1,213
Amortization of goodwill	800	767
Increase (decrease) in reserves	1,930	(788)
Interest and dividend income	(2,380)	(2,243)
Interest expenses	2,995	2,954
Exchange loss (gain), net	(2,503)	(782)
Equity in losses (gains) of unconsolidated subsidiaries and affiliates	(1,084)	(954)
Loss (gain) on sale and valuation of investment securities	31	(238)
Loss on sale and disposal of property, plant and equipment	950	2,348
Decrease (increase) in trade notes and accounts receivable	16,185	4,944
Decrease (increase) in inventories	(25,351)	(7,752)
Increase (decrease) in trade notes and accounts payable	(5,095)	(3,679)
Others	9,544	2,505
Subtotal	134,137	101,509
Interest and dividends received	3,866	2,962
Interest paid	(2,951)	(2,827)
Income taxes (paid) refunded	(43,726)	(9,482)
Net cash provided by operating activities	91,326	92,161
Cash Flows from Investing Activities		
Payments for time deposits due over three months	(14,224)	(111)
Proceeds from refund of time deposits due to over three months	16,414	8,808
Purchase of property, plant and equipment	(65,577)	(69,959)
Proceeds from sale of property, plant and equipment	2,244	4,222
Purchase of investments in securities, unconsolidated subsidiaries and affiliates	(543)	(2,666)
Proceeds from sale and redemption of investments in securities, unconsolidated subsidiaries and affiliates	364	2,738
Purchase of investments in subsidiaries	(1,295)	—
Others	(1,319)	(1,448)
Net cash used in investing activities	(63,936)	(58,416)
Cash Flows from Financing Activities		
Increase (decrease) in short-term loans and commercial paper	(6,402)	(5,654)
Proceeds from long-term debt	9,430	78,995
Repayments of long-term debt	(11,002)	(6,317)
Redemption of bonds	(760)	(745)
Proceeds from stock issuance to minority shareholders	513	252
Purchase of treasury stock	(65)	(8)
Dividends paid	(16,337)	(15,027)
Others	(1,540)	(1,542)
Net cash (used in) provided by financing activities	(26,165)	49,952
Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,838	1,621
Changes in Cash and Cash Equivalents	3,063	85,319
Cash and Cash Equivalents at Beginning of Year	152,792	117,558
Cash and Cash Equivalents at End of Year	155,855	202,878

(4) Segment Information

Information on net sales, profits or losses by reportable segment

For the six months ended June 30, 2011 (January 1 through June 30, 2011)

(Unit: millions of yen)

	Reportable segments			Other	Total	Adjustments	Amount reported on statement of income
	Glass	Electronics	Chemicals				
Sales							
(1)Sales to customers	272,281	209,776	118,039	13,576	613,674	—	613,674
(2)Inter-segment sales/transfers	425	821	1,502	24,583	27,333	(27,333)	—
Total sales	272,707	210,598	119,541	38,160	641,007	(27,333)	613,674
Segment income (Operating income)	6,717	82,265	8,722	1,453	99,158	100	99,258

(Note)

1. "Other" is a business category that is not part of the reportable segment. This category includes ceramics products, etc.
2. Adjustments of segment income of 100 million yen include adjustments of inventories related to inter-segment transactions.

For the six months ended June 30, 2012 (January 1 through June 30, 2012)

(Unit: millions of yen)

	Reportable segments			Other	Total	Adjustments	Amount reported on statement of income
	Glass	Electronics	Chemicals				
Sales							
(1)Sales to customers	277,510	160,558	126,376	18,829	583,275	—	583,275
(2)Inter-segment sales/transfers	714	539	1,608	29,182	32,044	(32,044)	—
Total sales	278,224	161,097	127,985	48,012	615,320	(32,044)	583,275
Segment income (Loss) (Operating income)	(943)	38,125	9,998	869	48,051	(75)	47,975

(Note)

1. "Other" is a business category that is not part of the reportable segment. This category includes ceramics products, etc.
2. Adjustments of segment income of -75 million yen include adjustments of inventories related to inter-segment transactions.