February 6, 2015

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Consolidated Financial Results for the Fiscal Year ended December 31, 2014 (IFRS basis)

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

1. Financial Results for FY2014 (January 1 through December 31, 2014)

(1) Consolidated Operating Results

(Percentage figures show year-on-year changes.)

	FY2014 (Jan. through Dec. 2014)		FY2013 (Jan. through Dec. 2013)	
	millions of yen	%	millions of yen	%
Net sales	1,348,308	2.1	1,320,006	10.9
Operating profit	62,131	(22.2)	79,894	(21.5)
Profit before tax	41,163	(7.3)	44,381	(40.8)
Profit for the year	20,475	7.6	19,023	(63.8)
Profit for the year attributable to owners of the parent	15,913	(1.4)	16,139	(66.7)
Total comprehensive income for the year	50,080	(76.8)	215,782	15.4
Basic earnings per share (yen)	13.77		13.97	
Diluted earnings per share (yen)	13.58		13.73	
Profit ratio to equity attributable to owners of the parent (%)	1.4		1.6	
Ratio of profit for the year to total assets (%)	2.0		2.2	
Ratio of operating profit to net sales (%)	4.6		6.1	

Reference: Share of profit of associates and joint ventures accounted for using equity method -FY2014; 2,597 million yen -FY2013; 1,007 million yen

(2) Consolidated Financial Position

	FY2014 (as of December 31, 2014)	FY2013 (as of December 31, 2013)
Total assets (millions of yen)	2,077,338	2,120,629
Total equity (millions of yen)	1,180,490	1,145,145
Equity attributable to owners of the parent (millions of yen)	1,113,126	1,087,216
Equity attributable to owners of the parent ratio (%)	53.6	51.3
Equity attributable to owners of the parent per share (yen)	963.04	940.69

(3) Consolidated Cash Flows

	FY2014 (Jan. through Dec. 2014)	FY2013 (Jan. through Dec. 2013)
Cash flows from operating activities (millions of yen)	135,790	167,371
Cash flows from investing activities (millions of yen)	(108,754)	(145,978)
Cash flows from financing activities (millions of yen)	(94,673)	(33,562)
Cash and cash equivalents at the end of the year (millions of yen)	69,655	132,649

2. Dividends

	(Base date)	FY2013	FY2014	FY2015(forecast)
Dividend per share	End of the first quarter (yen)	-	-	-
	End of the second quarter (yen)	13.00	9.00	9.00
	End of the third quarter (yen)	-	-	-
	End of the fiscal year (yen)	5.00	9.00	9.00
	Full fiscal year (yen)	18.00	18.00	18.00
Total dividend distribution (full fiscal year) (millions of yen)		20,804	20,805	-
Payout ratio (consolidated) (%)		128.8	130.7	59.4
Ratio of dividend distribution to equity attributable to owners of the parent (consolidated) (%)		2.1	1.9	-

3. Forecast for FY2015 (January 1 through December 31, 2015)

(Percentage figures show year-on-year changes.)

	First half		Full fiscal year	
	millions of yen	%	millions of yen	%
Net sales	700,000	6.2	1,420,000	5.3
Operating profit	26,000	0.3	62,000	(0.2)
Profit before tax	-	-	65,000	57.9
Profit for the year	-	-	40,000	95.4
Profit for the year attributable to owners of the parent	-	-	35,000	119.9
Basic earnings per share (yen)	-		30.28	

(Note) The forecast for the six months ending June 30, 2015 consists of forecast net sales and operating profit only.

***Notes**

(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 Policies and Changes in Accounting Estimates
i. Changes in accounting policies required by IFRS: Yes
ii. Changes in accounting policies other than "i" above: No
iii. Changes in accounting estimates: No

(Note) For details, please refer to "(5) Notes to the Consolidated Financial Statements, 2) Changes in Accounting Policies" on page 19.

(3) Number of Shares Issued (ordinary shares)

ⅰ. Number of shares issued (including treasury shares) at the end of the period

-FY2014 (as of December 31, 2014): 1,186,705,905

-FY2013 (as of December 31, 2013): 1,186,705,905

ⅱ. Number of treasury shares at the end of the period

-FY2014 (as of December 31, 2014): 30,863,312

-FY2013 (as of December 31, 2013): 30,945,903

ⅲ. Average number of shares issued during the period

-FY2014 (Jan. through Dec. 2014): 1,155,803,315

-FY2013 (Jan. through Dec. 2013): 1,155,720,349

[Reference]

(1) Non-Consolidated Operating Results

(Percentage figures show year-on-year changes.)

	FY2014 (Jan. through Dec. 2014)		FY2013 (Jan. through Dec. 2013)	
	millions of yen	%	millions of yen	%
Net sales	534,408	(1.1)	540,108	(0.6)
Operating income	9,348	(38.1)	15,108	(17.4)
Ordinary income	77,943	79.6	43,394	24.1
Net income	52,184	40.5	37,148	948.3
Net income per share -basic (yen)	45.15		32.14	
Net income per share -fully diluted (yen)	43.50		30.83	

(2) Non-Consolidated Financial Position

	FY2014 (as of December 31, 2014)	FY2013 (as of December 31, 2013)
Total assets (millions of yen)	1,247,229	1,244,448
Total net assets (millions of yen)	612,733	580,551
Equity ratio (%)	49.0	46.5
Equity per share (yen)	528.24	500.59

Reference: Total Shareholders' Equity at -FY2014; 610,558 million yen

-FY2013; 578,562 million yen

*Appropriate Use of Forecast and Other Information and Other Matters

The above forecast is based on information available to the Company at the time of publication of this document and assumptions concerning uncertainties which might affect the AGC Group's future financial results. It is not intended to be a guarantee of future events, and may differ from actual results for various reasons. For matters concerning the above forecast, please see page 5 and 6.

*Supplementary Materials for the Financial Results

Supplementary materials are available on our website.

(Attached Documents)

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Qualitative Information and Financial Statements

1. Operating Results

(1) Analysis of Operating Results

Operating results for FY2014

During the fiscal year under review (from January 1, 2014 to December 31, 2014), the global economic environment surrounding the Company and its consolidated subsidiaries (hereinafter collectively referred to as the "AGC Group" or simply as the "Group") remained on a gradual recovery track. Specifically, while economic growth decelerated in China and other emerging markets, the business conditions in Europe picked up and the consumer spending in the United States maintained its stability. In Japan, the economy made a gradual recovery as business confidence was restored due to economic measures taken by the government and other factors.

Under such a business environment, the AGC Group posted net sales of 1,348.3 billion yen, a 28.3 billion yen or 2.1% increase from the previous fiscal year thanks to increased shipments of glass products, centering on automotive glass, and chemicals, as well as the continued depreciation of the yen. However, the Group was also affected by sales price declines in the LCD glass substrate business and the architectural glass business in Eastern Europe, price increases of fuels and raw materials, and reduced profitability of foreign subsidiaries due to the weak yen. As a result, operating profit decreased by 17.8 billion yen or 22.2 % year-on-year to 62.1 billion yen, and profit before tax decreased by 3.2 billion yen or 7.3% to 41.2 billion yen. Profit for the year attributable to owners of the parent was 15.9 billion yen, a 0.2 billion yen or 1.4% decrease on a year-on-year basis.

Overview by reportable segment (Unit: billions of yen)

	Net sales		Operating profit	
	FY2014	FY2013	FY2014	FY2013
Glass	712.7	667.3	0.6	(13.1)
Electronics	297.7	346.0	36.2	74.1
Chemicals	317.2	290.7	24.1	17.7
Ceramics/Other	80.8	78.6	1.1	1.2
Corporate or elimination	(60.2)	(62.5)	0.2	(0.1)
Total	1,348.3	1,320.0	62.1	79.9

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

- Glass

In the flat glass business, shipments of architectural glass increased from the previous fiscal year in all regions. Sales prices as a whole remained stable while the price levels remained below the levels of the previous fiscal year in Eastern Europe. Sales of architectural glass increased on a year-on-year basis, as it was also affected by the weak yen.

In the automotive glass business, the AGC Group's shipments increased, as auto production as a whole remained robust despite decreases in some regions. Sales increased on a year-on-year basis, reflecting the weak yen and the increased shipments .

As a result, net sales from the Glass Operations for the fiscal year were 712.7 billion yen, up 45.4 billion yen or a 6.8% increase from the previous fiscal year. Operating profit/loss improved by 13.6 billion yen year-on-year to post a profit of 0.6 billion yen, mainly due to the effects of structural reforms in the European architectural glass business in addition to increased sales of architectural and automotive glass.

- Electronics

Shipments of LCD glass substrates and specialty glass for display applications increased from the previous fiscal year; however, their sales prices decreased from the previous fiscal year. Shipments of plasma display panel products decreased significantly as major customers terminated display panel production.

Regarding electronic materials, shipments of both optoelectronics materials and semiconductor products increased from the previous fiscal year.

As a result, net sales from the Electronics Operations for the fiscal year were 297.7 billion yen, down 48.3 billion yen or a 14.0% decrease from the previous fiscal year. Operating profit was 36.2 billion yen, down 37.9 billion yen or a 51.1% decrease from the previous fiscal year due to the price decline in the LCD glass substrate business and the reduction of profitability of foreign subsidiaries affected by the progress of the weak yen.

- Chemicals

Sales from chlor-alkali products and urethane materials increased from the the previous fiscal year, supported by strong shipments in Japan and Asia. In the category of fluorine products and specialty products, shipments of pharmaceutical and agrochemical intermediates and active ingredients and fluorinated resin remained buoyant, resulting in sales increase from the previous fiscal year.

As a result, net sales from the Chemicals Operations for the fiscal year were 317.2 billion yen, up 26.6 billion yen or a 9.1% increase from the previous fiscal year, and operating profit was 24.1 billion yen, up 6.4 billion yen or a 35.8% increase from the previous fiscal year..

(2) Qualitative Information Regarding Consolidated Financial Position

Overview of financial conditions (Unit: billions of yen)

	FY2014	FY2013	Change
Total assets	2,077.3	2,120.6	(43.3)
Total liabilities	896.8	975.5	(78.6)
Total equity	1,180.5	1,145.1	35.3

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

- Total assets

Total assets as of the end of the fiscal year under review were 2,077.3 billion yen, down 43.3 billion yen from the previous year. This descent is mainly due to a decrease in cash and cash equivalents stemming from repayment or redemption of interest -bearing debt.

- Total liabilities

Total liabilities as of the end of the fiscal year under review were 896.8 billion yen, down 78.6 billion yen from the end of the previous year. This desent is chiefly attributable to repayment or redemption of interest-bearing debts.

- Total equity

Total equity as of the end of the fiscal year under review were 1,180.5 billion yen, up 35.3 billion yen from the end of the previous year. This increase reflects a rise in exchange differences on translation of foreign operations resulting from weakening of the yen.

Overview of cash flows (Unit: billions of yen)

	FY2014	FY2013	Change
Cash flows from operating activities	135.8	167.4	(31.6)
Cash flows from investing activities	(108.8)	(146.0)	37.2
Cash flows from financing activities	(94.7)	(33.6)	(61.1)
Cash & cash equivalents as of end of period	69.7	132.6	(63.0)

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

The free cash flow for the fiscal year under review, which is the sum of cash flows from operating activities and investing activities, increased 5.6 billion yen or 26.4% from the previous year, to 27.0 billion yen mainly due to a decrease in capital investment.
Cash & cash equivalents as of the end of the period (net cash) decreased 63.0 billion yen or 47.5% from the end of the previous year, to 69.7 billion yen mainly due to repayment or redemption of interest-bearing debt in financing activities.

- Cash flows from operating activities

Net cash from operating activities was 135.8 billion yen for the fiscal year under review, down 31.6 billion yen or 18.9% from the previous year.

- Cash flows from investing activities

Net cash used in investing activities decreased by 37.2 billion yen or 25.5% year-on-year, to 108.8 billion yen. This expenditure includes capital investment with a focus on growth areas and industries.

- Cash flows from financing activities

Net cash used in financing activities for the fiscal year under review was 94.7 billion yen, up 61.1 billion yen or 182.1% from the previous year. This expenditure is mainly due to repayment or redemption of interest-bearing debt and payment of dividends.

- Cash flow indices

	FY2013	FY2014
Equity attributable to owners of the parent ratio (%)	51.3	53.6
Equity attributable to owners of the parent ratio based on market value (%)	35.6	32.8
Number of years for debt redemption	3.4	3.7
Interest coverage ratio	27.1	20.5

(Notes) Equity attributable to owners of the parent ratio (%): Total equity attributable to owners of the parent / Total Assets

Equity attributable to owners of the parent 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 shares).*
- *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 financial position for which interest is paid. In addition, interest payment represents amount of interest paid on the consolidated statements of cash flows.*

(3) Forecast for FY2015

Operating forecast for FY2015

(Unit: billions of yen)

	Net Sales	Operating profit	Profit before tax	Profit for the year	Profit for the year attributable to owners of the parent
FY 2015 (January 1 through December 31, 2015)	1,420.0	62.0	65.0	40.0	35.0
FY 2014 (January 1 through December 31, 2014)	1,348.3	62.1	41.2	20.5	15.9
Change (%)	5.3	(0.2)	57.9	95.4	119.9

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

In 2015, the world economy is expected to maintain moderate growth.

In Europe, the economy is expected to return to a gradual recovery path although there are concerns over the stagnant Eastern European economy. The North American economy is likely to further accelerate its pace of growth. China and other emerging countries will continue their economic growth although the growth rate will slow. In Japan, the economy is projected to remain on a recovery track though within a narrow range.

Under such a business environment, the AGC Group’s shipments of architectural glass are expected to increase as a whole although there are concerns that shipments would continue to be sluggish in Eastern Europe. Earnings from the architectural glass business are likely to improve thanks to restructuring measures in Europe and North America. In the automotive glass business, shipments are projected to increase from the previous fiscal year as demand for automobiles is forecast to grow mainly in emerging markets despite possible slowdown in some regions.

Shipments of LCD glass substrates are likely to remain stable. While there are concerns over the impact of the price decline, the rate of decline is expected to become much smaller than the previous year. Shipments of specialty glass for display applications are predicted to remain favorable. In the category of electronic materials, shipments of both semiconductor-related products and optoelectronics materials are likely to be strong.

Regarding chemical-related products, shipments of chlor-alkali products in Asia and shipments of fluorine products are likely to remain stable.

Taking into account the above factors, net sales of the AGC Group for the fiscal year ending December 31, 2015 are forecast to be 1,420.0 billion yen, a year-on-year increase of 71.7 billion yen or 5.3%. In light of possible price decline in certain products and a risk of decrease in profitability caused by the continued depreciation of the Japanese yen, however, operating profit is forecast to be 62.0 billion yen, down 0.1 billion yen or 0.2% from a year earlier, and profit before tax to be 65.0 billion yen, up 23.8 billion yen or 57.9% from the previous year. Profit for the year attributable to owners of the parent is estimated to be 35.0 billion yen, up 19.1 billion yen or 119.9% from the previous year.

Average exchange rates assumed for the fiscal year ending December 31, 2015 are 120 yen to the U.S. dollar and 140 yen to the Euro.

In addition, the AGC Group is forecast to post approximately 36.0 billion yen in other income for the second quarter of FY2015.

Forecast of financial conditions for FY2015

Of the cash flows from operating activities, profit before tax is expected to increase by 23.8 billion yen to 65.0 billion yen as compared with that for the fiscal year ended December 31, 2014. Depreciation expenses are expected to be 150.0 billion yen, up 12.8 billion yen from the previous fiscal year.

Of the cash flows from investing activities, capital expenditures are expected to increase 31.8 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 dividend payments 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.

In consideration of the Group's financial results for the fiscal year under review, the current business environment and future business developments, the Group paid an interim dividend of 9 yen per share and plans to pay a year-end dividend of 9 yen for FY 2014. Consequently, the total full year dividend payout for FY 2014 will be 18 yen per share.

With regard to dividend payments for FY 2015, the total full year dividend payout is scheduled to be 18 yen (9 yen per share for interim dividend, and 9 yen per share for year-end dividend) in light of the Group's financial forecasts.

[Important notes with regard to the forecast]

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.

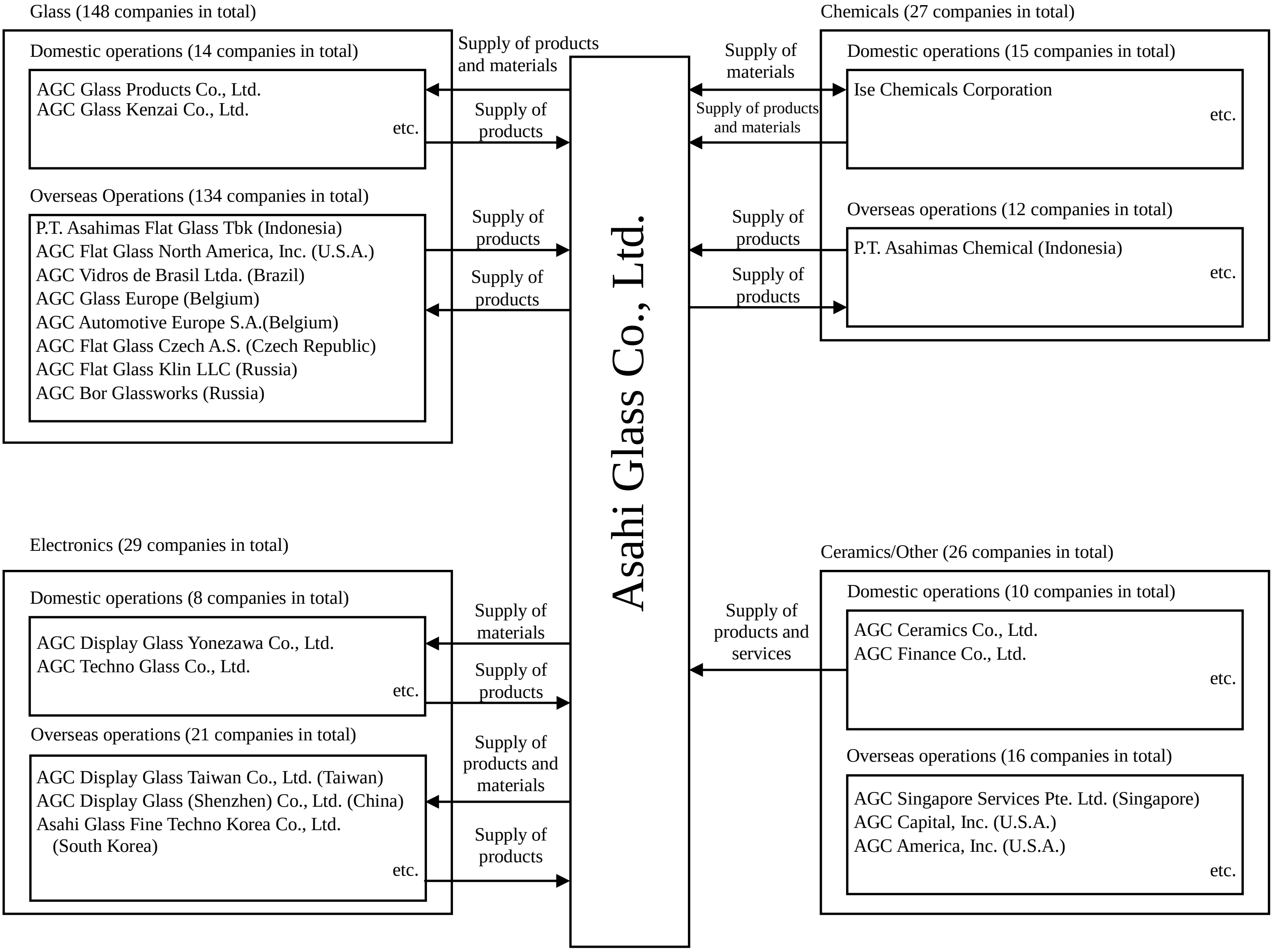
2. Overview of the AGC Group

The AGC Group consists of the Company and its 219 subsidiaries and 46 affiliates, and its main businesses are as set out below. The classification below is the same as that of the business segment information.

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, etc.

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

The following shows the organization chart of the Company, its consolidated subsidiaries and its affiliates under the equity method in the AGC Group.



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

3. Management Policy

(1) Fundamental Policy of Management

Under the Group vision ***"Look Beyond"***, the AGC Group regards the values of "Innovation & Operational Excellence," "Diversity," "Environment" and "Integrity" as the key values to be shared across the Group ("Our Shared Values"). Based on these Shared Values, the AGC Group is committed to the following challenges.

(2) New Management Policy, *AGC plus*

In consideration of changes in the management structure, the AGC Group has established ***AGC plus*** as its new management policy.

AGC plus

The AGC Group adds a "plus" by:

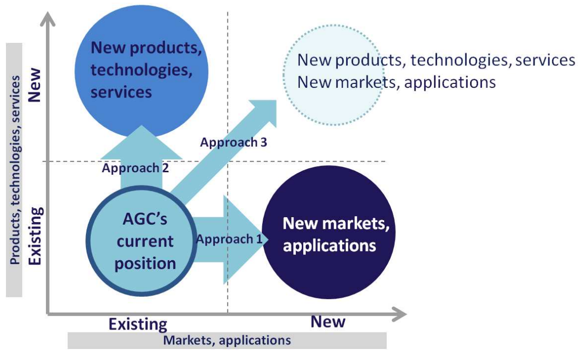
- Providing safety, security and comfort to society;
- Creating new value and functions for customers and business partners and building trust with them;
- Enhancing job satisfaction among employees; and
- Increasing the Group's corporate value for investors.

【To enhance the Group's corporate value】

1) Increase the Group's sales by leveraging the Group's diverse resources and opportunities from a market-oriented perspective

Strength of the AGC Group is its diverse resources and opportunities: technologies and production facilities for glass, electronics, chemicals and ceramics; a wide-range of market access such as building, automobile, display and electronic industries; offices and plants across the world; and extensive human resources.

So far, ideas have tended to be come up with mostly based on technological standpoints of each business. Going forward, the AGC Group will strive to increase sales with the following three approaches by taking a market-oriented viewpoint and maximizing the Group's diverse resources and opportunities.



Approach 1: Explore new markets with existing products

The first approach is to expand existing products, technologies and services into new areas, markets and applications. The AGC Group will push forward with development of new markets and applications for existing products beyond the domains of each business, by fully utilizing its extensive technologies and access to markets.

Approach 2: Explore existing markets with new products

The second approach is to launch new products, technologies and services for existing markets and applications. The AGC Group will not only provide new products to existing markets, but also unite all technologies of the Group to create new products without limiting the technologies to technical basis specific to each business.

Approach 3: Explore new markets with new products

The third approach is to provide new products, technologies and services to new markets and applications. Though providing new products to new markets is a relatively difficult initiative among the three approaches, the AGC Group will focus on business development in this area from a long-term perspective.

2) Increase the Group's asset efficiency through well-focused allocation of management recourses

The AGC Group will clarify the strategic direction for each business based on the portfolio that has been created based on the profitability and growth potential of each business, and allocate management resources in a well-focused manner.

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

Glass:

In the architectural glass business, the AGC Group will continue its strength-building efforts and structural reform. With regard to future development, the Group will endeavor to increase asset efficiency and improve earnings by proactively using joint ventures rather than persistently trying to use the Group's own resources. In the automotive glass business, we will solidify the Group's market position as the global leader.

Through these measures, the AGC Group aims to raise the operating profit margin of the Glass segment to 5% or more in 2017.

Electronics:

In the LCD glass business, the AGC Group will shift the production capacity to China which is growing rapidly, and reduce costs and keep the profitability. In the applied glass materials business, the Group will provide thin, light and strong glass in various markets, including electronics, architectural, automotive, solar applications. In the electronic materials business, the Group will maintain growth by concentrating the management resources in areas with growth potential.

Through these efforts, the AGC Group aims to boost the operating profit margin of the Electronics segment to 10% or more in 2017.

Chemicals:

In the chlor-alkali business outside Japan, the AGC Group will take in the demand expansion of the growing Southeast Asian market. In the fluorochemicals business, the Group will grow on the globally increasing demand for high-performance materials. In the life science business, the Group will strive to increase sales by focusing on the expanding pharmaceutical & agrochemical market.

Through these measures, we will aim to raise the operating profit margin of the Chemicals segment to 10% or more in 2017.

(3) The AGC Group's Financial targets for 2017

The AGC Group has set its financial targets for 2017 as follows, through business management based on the new management policy.

Sales: 1,600.0 billion yen, Operating income: more than 100.0 billion yen, ROE: 5% or above, D/E: 0.5 or less

Total capital expenditure for a three-year period from 2015 to 2017 will be 400 billion yen, less than the depreciation cost. By focusing on asset efficiency and allocating available assets in growth areas, the Group expects the Glass segment and the Electronics segment to respectively account for 35% of the total, with the Chemicals segment accounting for 30%.

The AGC Group aims to realize a well-balanced earnings structure among the Glass, Electronics and Chemicals segments through the business management described in the section (2) 2), intensive investment in growth areas, additional structural reforms, mergers and acquisitions (M&As) and alliances.

With regard to allocation of profits, based on its policy to maintain stable dividends, the AGC Group maintains the target dividend payout ratio of 30% and is doing its utmost to proactively return profits to its shareholders, while giving comprehensive consideration to its business results and future investment plans, among others.

Under its new management policy, ***AGC plus***, the AGC Group aims at earnings recovery and sustainable growth by adding a "plus" to all stakeholders.

4.Consolidated Financial Statements (IFRS)

(1) Consolidated Statements of Financial Position

(Unit: millions of yen)

	FY2013 (as of December 31, 2013)	FY2014 (as of December 31, 2014)
Assets		
Current assets		
Cash and cash equivalents	132,649	69,655
Trade receivables	260,901	262,091
Inventories	236,611	239,497
Other receivables	35,446	37,036
Income tax receivables	7,305	7,607
Other current assets	9,265	11,289
Total current assets	682,179	627,178
Non-current assets		
Property, plant and equipment	1,059,946	1,066,193
Goodwill	34,944	36,269
Intangible assets	27,272	25,844
Investments accounted for using equity method	39,336	44,184
Other financial assets	243,053	236,057
Deferred tax assets	29,743	35,804
Other non-current assets	4,154	5,805
Total non-current assets	1,438,450	1,450,159
Total assets	2,120,629	2,077,338

(Unit: millions of yen)

	FY2013 (as of December 31, 2013)	FY2014 (as of December 31, 2014)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	135,559	131,147
Short-term interest-bearing debt	57,068	63,694
Long-term interest-bearing debt due within one year	125,618	33,508
Other payables	98,669	103,621
Income tax payables	15,055	5,775
Provisions	2,438	3,779
Other current liabilities	13,609	14,472
Total current liabilities	448,018	355,999
Non-current liabilities		
Long-term interest-bearing debt	392,327	402,054
Deferred tax liabilities	29,267	21,145
Post-employment benefit liabilities	86,505	99,687
Provisions	14,147	12,554
Other non-current liabilities	5,217	5,405
Total non-current liabilities	527,465	540,847
Total liabilities	975,484	896,847
Equity		
Share capital	90,873	90,873
Capital surplus	100,650	100,670
Retained earnings	641,740	641,866
Treasury shares	(29,884)	(29,784)
Other components of equity	283,835	309,501
Total equity attributable to owners of the parent	1,087,216	1,113,126
Non-controlling interests	57,929	67,364
Total equity	1,145,145	1,180,490
Total liabilities and equity	2,120,629	2,077,338

(2) Consolidated Statements of Profit or Loss and Consolidated Statements of Comprehensive Income

（Consolidated Statements of Profit or Loss）

(Unit: millions of yen)

	FY2013 (Jan. 1 through Dec. 31, 2013)	FY2014 (Jan. 1 through Dec. 31, 2014)
Net sales	1,320,006	1,348,308
Cost of sales	(971,031)	(1,016,479)
Gross profit	348,974	331,829
Selling, general and administrative expenses	(270,087)	(272,295)
Share of profit (loss) of associates and joint ventures accounted for using equity method	1,007	2,597
Operating profit	79,894	62,131
Other income	4,176	12,218
Other expenses	(38,235)	(30,334)
Business profit	45,835	44,016
Finance income	5,137	5,662
Finance costs	(6,591)	(8,514)
Net finance costs	(1,453)	(2,852)
Profit before tax	44,381	41,163
Income tax expenses	(25,358)	(20,688)
Profit for the year	19,023	20,475
Attributable to:		
Owners of the parent	16,139	15,913
Non-controlling interests	2,883	4,561
Earnings per share		
Basic earnings per share (yen)	13.97	13.77
Diluted earnings per share (yen)	13.73	13.58

(Consolidated Statements of Comprehensive Income)

(Unit: millions of yen)

	FY2013 (Jan. 1 through Dec. 31, 2013)	FY2014 (Jan. 1 through Dec. 31, 2014)
Profit for the year	19,023	20,475
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss, net of tax		
Remeasurement of the net defined benefit liability (asset)	23,163	(15,546)
Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)	42,318	(3,610)
Share of other comprehensive income of associates and joint ventures accounted for using equity method	383	85
Total	65,865	(19,071)
Components of other comprehensive income that may be reclassified to profit or loss, net of tax		
Net gain (loss) in fair value of cash flow hedges	(117)	(681)
Exchange differences on translation of foreign operations	131,138	49,342
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(126)	16
Total	130,893	48,677
Other comprehensive income, net of tax	196,759	29,605
Total comprehensive income for the year	215,782	50,080
Attributable to:		
Owners of the parent	208,567	42,007
Non-controlling interests	7,214	8,073

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

(3) Consolidated Statements of Changes in Equity

FY2013 (Jan. 1 through Dec. 31, 2013)

(Unit: millions of yen)

	Equity attributable to owners of the parent					
					Other components of equity	
	Share capital	Capital surplus	Retained Earnings	Treasury shares	Remeasurement of net defined benefit liability (asset)	Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)
Balance as of January 1, 2013	90,873	100,423	655,421	(30,076)	(48,996)	48,402
Changes in equity						
Comprehensive income						
Profit for the year	–	–	16,139	–	–	–
Other comprehensive income	–	–	–	–	23,056	42,295
Total comprehensive income for the year	–	–	16,139	–	23,056	42,295
Transactions with owners						
Dividends	–	–	(30,047)	–	–	–
Increase through treasury shares transactions	–	–	–	(44)	–	–
Decrease through treasury shares transactions	–	–	(29)	237	–	–
Changes in ownership interests in subsidiaries that do not result in loss of control	–	100	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	256	–	–	(256)
Share-based payment transactions	–	126	–	–	–	–
Others (business combinations and others)	–	–	–	–	–	–
Total transactions with owners	–	227	(29,820)	192	–	(256)
Balance as of December 31, 2013	90,873	100,650	641,740	(29,884)	(25,940)	90,441

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

FY2013 (Jan. 1 through Dec. 31, 2013)

(Unit: millions of yen)

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Total		
	Net gain (loss) in fair value of cash flow hedges	Exchange differences on translation of foreign operations	Total			
Balance as of January 1, 2013	174	92,083	91,663	908,304	52,443	960,747
Changes in equity						
Comprehensive income						
Profit for the year	−	−	−	16,139	2,883	19,023
Other comprehensive income	(244)	127,319	192,428	192,428	4,331	196,759
Total comprehensive income for the year	(244)	127,319	192,428	208,567	7,214	215,782
Transactions with owners						
Dividends	−	−	−	(30,047)	(549)	(30,597)
Increase through treasury shares transactions	−	−	−	(44)	−	(44)
Decrease through treasury shares transactions	−	−	−	208	−	208
Changes in ownership interests in subsidiaries that do not result in loss of control	−	−	−	100	(2,079)	(1,978)
Transfer from other components of equity to retained earnings	−	−	(256)	−	−	−
Share-based payment transactions	−	−	−	126	−	126
Others (business combinations and others)	−	−	−	−	900	900
Total transactions with owners	−	−	(256)	(29,656)	(1,728)	(31,384)
Balance as of December 31, 2013	(69)	219,403	283,835	1,087,216	57,929	1,145,145

FY2014 (Jan. 1 through Dec. 31, 2014)

(Unit: millions of yen)

	Equity attributable to owners of the parent					
					Other components of equity	
	Share capital	Capital surplus	Retained Earnings	Treasury shares	Remeasurement of net defined benefit liability (asset)	Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)
Balance as of January 1, 2014	90,873	100,650	641,740	(29,884)	(25,940)	90,441
Changes in equity						
Comprehensive income						
Profit for the year	–	–	15,913	–	–	–
Other comprehensive income	–	–	–	–	(14,919)	(3,610)
Total comprehensive income for the year	–	–	15,913	–	(14,919)	(3,610)
Transactions with owners						
Dividends	–	–	(16,181)	–	–	–
Increase through treasury shares transactions	–	–	–	(29)	–	–
Decrease through treasury shares transactions	–	0	(34)	128	–	–
Changes in ownership interests in subsidiaries that do not result in loss of control	–	(166)	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	428	–	–	(428)
Share-based payment transactions	–	185	–	–	–	–
Others (business combinations and others)	–	–	–	–	–	–
Total transactions with owners	–	19	(15,787)	99	–	(428)
Balance as of December 31, 2014	90,873	100,670	641,866	(29,784)	(40,859)	86,402

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

FY2014 (Jan. 1 through Dec. 31, 2014)

(Unit: millions of yen)

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Total		
	Net gain (loss) in fair value of cash flow hedges	Exchange differences on translation of foreign operations	Total			
Balance as of January 1, 2014	(69)	219,403	283,835	1,087,216	57,929	1,145,145
Changes in equity						
Comprehensive income						
Profit for the year	−	−	−	15,913	4,561	20,475
Other comprehensive income	(665)	45,289	26,094	26,094	3,511	29,605
Total comprehensive income for the year	(665)	45,289	26,094	42,007	8,073	50,080
Transactions with owners						
Dividends	−	−	−	(16,181)	(652)	(16,833)
Increase through treasury shares transactions	−	−	−	(29)	−	(29)
Decrease through treasury shares transactions	−	−	−	94	−	94
Changes in ownership interests in subsidiaries that do not result in loss of control	−	−	−	(166)	(789)	(956)
Transfer from other components of equity to retained earnings	−	−	(428)	−	−	−
Share-based payment transactions	−	−	−	185	−	185
Others (business combinations and others)	−	−	−	−	2,803	2,803
Total transactions with owners	−	−	(428)	(16,097)	1,361	(14,735)
Balance as of December 31, 2014	(734)	264,693	309,501	1,113,126	67,364	1,180,490

(4) Consolidated Statements of Cash Flows

(Unit: millions of yen)

	FY2013 (Jan. 1 through Dec. 31, 2013)	FY2014 (Jan. 1 through Dec. 31, 2014)
Cash flows from operating activities		
Profit before tax	44,381	41,163
Depreciation and amortization	135,751	137,199
Interest and dividend income	(5,096)	(5,618)
Interest expenses	6,437	7,542
Share of profit (loss) of associates and joint ventures accounted for using equity method	(1,007)	(2,597)
Loss (gain) on sale or disposal of non-current assets	2,505	1,247
Decrease (increase) in trade receivables	10,216	10,568
Decrease (increase) in inventories	(3,712)	4,183
Increase (decrease) in trade payables	542	(11,184)
Others	(3,635)	(10,837)
Subtotal	186,382	171,666
Interest and dividends received	5,885	6,479
Interest paid	(6,175)	(6,638)
Income taxes paid	(18,721)	(35,716)
Net cash from operating activities	167,371	135,790
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(148,477)	(113,966)
Proceeds from sale of property, plant and equipment	4,510	7,491
Purchase of other financial assets	(3,005)	(1,469)
Proceeds from sale and redemption of other financial assets	3,091	1,554
Others	(2,097)	(2,364)
Net cash used in investing activities	(145,978)	(108,754)
Cash flows from financing activities		
Changes in current interest-bearing debt	1,149	7,253
Proceeds from borrowing or issuing long-term interest-bearing debt	59,274	36,630
Repayment or redemption of long-term interest-bearing debt	(58,684)	(122,815)
Payment from purchase of shares in subsidiaries from non-controlling interests	(1,978)	(956)
Acquisition of treasury shares	(44)	(29)
Dividends paid	(30,047)	(16,181)
Others	(3,230)	1,424
Net cash used in financing activities	(33,562)	(94,673)
Effect of exchange rate changes on cash and cash equivalents	11,001	4,644
Net increase (decrease) in cash and cash equivalents	(1,168)	(62,994)
Cash and cash equivalents at beginning of year	133,818	132,649
Cash and cash equivalents at end of year	132,649	69,655

(5) Notes to the Consolidated Financial Statements

1) Basis of Preparations

The Group’s consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), based on the stipulations of Article 93 of the Ordinance on Consolidated Financial Statements. The Group’s consolidated financial statements satisfy all of the requirements for a “Specified Company” prescribed by Article 1-2 of the Ordinance on Consolidated Financial Statements.

2) Changes in Accounting Policies

The significant accounting policies adopted for the Group's consolidated financial statements are the same as those for the consolidated financial statements for the fiscal year ended December 31, 2013.

"Operating profit" in the Group's consolidated statements of profit or loss is an indicator that facilitates like-on-like comparisons and evaluation of the Group's business performance on a continuous basis. Main items of "other income" and "other expenses" are foreign exchange gain and loss, gains on sale of non-current assets, losses on disposal of non-current assets, impairment loss and expenses for restructuring programs. "Business profit" includes all income and expenses before finance income, finance costs and income tax expenses.

The following are the accounting standards and interpretations applied by the Group from the fiscal year 2014. These standards and interpretations do not have a material impact on the Group's consolidated financial statements.

IFRS	Title	Summaries of new IFRS and amendments
IAS 32	Financial Instruments: Presentation	Clarification of criteria for offsetting financial assets and liabilities and addition of application guidance
IAS 36	Impairment of Assets	Disclosure of recoverable amounts for non-financial assets
IAS 39	Financial Instruments: Effectiveness testing	Continuing hedge accounting after derivative novations
IFRIC 21	Levies	Recognition of liabilities related to levies
IFRS 10	Consolidated Financial Statement	Accounting for investments held by investment entities
IFRS 12	Disclosure of Interests in Other Entities	
IAS 27	Separate Financial Statements	

3) Segment Information

The Group's reportable segments are components of the Group for which discrete financial information is available, and whose operating results are reviewed regularly by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess performance.

The Group has three in-house companies by product and service: Glass, Electronics, and Chemicals. Each in-house company operates worldwide, formulating comprehensive domestic and overseas strategies for its products and services.

Thus, the Group has three reportable segments: Glass, Electronics, and Chemicals.

The main products of each reportable segment are as follows.

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, etc.

FY2013 (Jan.1 through Dec.31, 2013)

(Unit: millions of yen)

	Reportable segments			Ceramics/ Other	Total	Adjustments	Amount reported on consolidated financial statements
	Glass	Electronics	Chemicals				
Sales to external customers	664,239	334,710	287,960	33,096	1,320,006	—	1,320,006
Inter-segment sales or transfers	3,102	11,261	2,712	45,461	62,537	(62,537)	—
Total sales	667,341	345,971	290,673	78,557	1,382,543	(62,537)	1,320,006
Segment profit (loss) (Operating profit)	(13,068)	74,089	17,743	1,231	79,996	(102)	79,894
Profit for the year	—	—	—	—	—	—	19,023
Other items							
Depreciation and amortization	48,521	66,582	19,375	1,459	135,938	(187)	135,751
Capital expenditure	73,840	43,405	20,704	710	138,661	(181)	138,480
Investments accounted for using equity method	33,653	2,224	1,611	1,847	39,336	—	39,336

The amounts of inter-segment sales or transfers are primarily based on market prices and manufacturing cost.

"Ceramics/Other" mainly handles ceramics products, logistics and financial services.

FY2014 (Jan.1 through Dec.31, 2014)

(Unit: millions of yen)

	Reportable segments			Ceramics/ Other	Total	Adjustments	Amount reported on consolidated financial statements
	Glass	Electronics	Chemicals				
Sales to external customers	709,044	292,940	314,694	31,628	1,348,308	—	1,348,308
Inter-segment sales or transfers	3,667	4,745	2,545	49,201	60,160	(60,160)	—
Total sales	712,712	297,686	317,240	80,829	1,408,469	(60,160)	1,348,308
Segment profit (Operating profit)	564	36,225	24,096	1,075	61,961	170	62,131
Profit for the year	—	—	—	—	—	—	20,475
Other items							
Depreciation and amortization	50,453	63,732	20,657	2,521	137,364	(164)	137,199
Capital expenditure	44,593	42,979	30,117	543	118,232	(62)	118,169
Investments accounted for using equity method	36,092	2,413	2,835	2,843	44,184	—	44,184

The amounts of inter-segment sales or transfers are primarily based on market prices and manufacturing cost.
"Ceramics/Other" mainly handles ceramics products, logistics and financial services.

4) Notes to Consolidated Statements of Profit or Loss

Other Income

(Unit: millions of yen)

	FY2013 (Jan. 1 through Dec. 31, 2013)	FY2014 (Jan. 1 through Dec. 31, 2014)
Foreign exchange gain	-	4,954
Gains on sale of non-current assets	1,964	3,822
Others	2,212	3,441
Total	4,176	12,218

Other Expenses

(Unit: millions of yen)

	FY2013 (Jan. 1 through Dec. 31, 2013)	FY2014 (Jan. 1 through Dec. 31, 2014)
Foreign exchange loss	(7,818)	-
Losses on disposal of non-current assets	(4,469)	(5,070)
Impairment loss	(4,355)	(860)
Expenses for restructuring programs	(17,430)	(19,200)
Others	(4,161)	(5,202)
Total	(38,235)	(30,334)

5) Earnings Per Share

Basic earnings per share

Basic earnings per share and the basis for calculating basic earnings per share are as follows:

	FY2013 (Jan. 1 through Dec. 31, 2013)	FY2014 (Jan. 1 through Dec. 31, 2014)
Profit for the year attributable to owners of the parent (millions of yen)	16,139	15,913
Weighted average number of ordinary shares outstanding (thousands of shares)	1,155,720	1,155,803
Basic earnings per share (yen)	13.97	13.77

Diluted earnings per share

Diluted earnings per share and the basis for calculating diluted earnings per share are as follows:

	FY2013 (Jan. 1 through Dec. 31, 2013)	FY2014 (Jan. 1 through Dec. 31, 2014)
Profit for the year attributable to owners of the parent (millions of yen)	16,139	15,913
Adjustments to profit or loss used to calculate diluted earnings per share (millions of yen)	405	375
Profit or loss used to calculate diluted earnings per share (millions of yen)	16,544	16,288
Weighted average number of ordinary shares outstanding (thousands of shares)	1,155,720	1,155,803
Effects of dilutive potential ordinary shares		
Bonds with subscription rights to shares (thousands of shares)	45,690	39,806
Stock options based on subscription rights (thousands of shares)	3,618	4,128
Diluted weighted average number of ordinary shares outstanding (thousands of shares)	1,205,028	1,199,738
Diluted earnings per share (yen)	13.73	13.58