

August 5, 2010
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Consolidated Financial Results for the Six Months ended June 30, 2010

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

1. Financial results for the six months ended June 30, 2010 (January 1 through June 30, 2010)

(1) Consolidated operating results

	For the six months ended June 30, 2010		For the six months ended June 30, 2009	
	Millions of yen	%	Millions of yen	%
Net sales	641,780	24.2	516,527	—
Operating income	114,900	—	7,459	—
Ordinary income	112,440	—	9,245	—
Net income (loss)	74,365	—	(22,213)	—
Net income (loss) per share - basic (yen)	63.69		(19.02)	
Net income per share - fully diluted (yen)	59.07		—	

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

(2) Consolidated financial position

	FY2010 second quarter (as of June 30, 2010)	FY2009 (as of December 31, 2009)
Total assets (Millions of yen)	1,725,409	1,781,875
Total net assets (Millions of yen)	819,923	808,312
Equity ratio (%)	44.5	42.4
Net assets per share (yen)	657.69	646.53

Reference: Total Shareholder's Equity at -End of FY2010 second quarter: 767,858 million yen
 -End of FY2009: 754,883 million yen

2. Dividends

(Unit: yen)

	FY2009	FY2010	FY2010 (forecast)
End of first quarter	—	—	—
End of second quarter	8.00	12.00	—
End of third quarter	—	—	—
End of fiscal year	8.00	—	12.00
Total	16.00	—	24.00

Note: Revision of the forecast during this quarter: Yes

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

	Full year	
	Millions of yen	%
Net sales	1,300,000	13.2
Operating income	200,000	130.7
Ordinary income	190,000	117.9
Net income	110,000	450.4
Net income per share (yen)	94.22	

Note: Revision of the forecast for FY2010 consolidated operating results during this quarter: Yes

4. Others (For details, refer to "2. Other Information" in Attached Documents, beginning on page 5.)

(1) Changes in significant subsidiaries during this quarter: No

(Note) This item indicates whether there were changes in significant subsidiaries affecting the scope of consolidation during this quarter.

(2) Adoption of simplified accounting methods and/or accounting methods particular to the preparation of quarterly financial statements: Yes

(Note) This item indicates whether there was adoption of simplified accounting methods and/or special accounting methods for presenting quarterly consolidated financial statements.

(3) Changes in accounting policies, procedures and presentation methods for quarterly financial statements

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

(Note) This item indicates whether there were changes of accounting policies applied, procedures and disclosures for presenting quarterly consolidated financial statements, described in "Changes in key accounting standards for quarterly consolidated financial statements."

(4) Number of shares issued (common stock)

i. Number of shares issued (including treasury stock) at the end of the period	
-FY2010 second quarter (as of June 30, 2010):	1,186,705,905
-FY2009 (as of December 31, 2009):	1,186,705,905
ii. Number of treasury stock at the end of the period	
-FY2010 second quarter (as of June 30, 2010):	19,189,269
-FY2009 (as of December 31, 2009):	19,120,306
iii. Average number of shares issued during the period	
-For the six months ended June 30, 2010:	1,167,546,731
-For the six months ended June 30, 2009:	1,167,641,977

*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.

(Attached Documents)

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Supplementary material is available on our website.

1. Qualitative Information Regarding Financial Statements

(1) Qualitative Information Regarding Consolidated Operating Results

(i) Overview of consolidated business results for the second quarter of the fiscal year ending December 2010

For the second quarter of fiscal 2010 (from April 1, 2010 to June 30, 2010), while the global business environment around the Company, its subsidiaries and affiliates (hereinafter referred to as the “AGC Group” or simply as the “Group”) continued to be severe, the world economy made a moderate recovery due partly to various countries’ economic stimulus measures. However, concerns still remained as to whether the repercussions of issues such as the financial crisis in Greece and the financial system uneasiness centering in Europe would stagnate the economic recovery.

In Japan, overall production began to pick up reflecting a gradual increase in exports, although the employment situation remained severe. In Asia, the Chinese economy expanded driven mainly by robust domestic demand, while the economy in other countries made a recovery due to a rise in exports to China. The U.S. economy recovered moderately partly owing to the effects of various government programs, despite the continued weak business environment. In Europe, the economic environment remains severe, but the economy stopped contracting further.

As the result of the above, the AGC Group posted net sales of 326.7 billion yen which was 46.5 billion yen or 16.6% increase compared to the corresponding period of the previous year (“year-on-year”); operating income of 61.0 billion yen which was 47.6 billion yen or 354.5% increase year-on-year; ordinary income of 56.4 billion yen which was 36.5 billion yen or 184.1% increase year-on-year; and net income of 34.6 billion yen which was 42.9 billion yen increase year-on-year.

(ii) Overview by business segment for the second quarter of the fiscal year ending December 2010

- Glass Operations

Sales in the flat glass business increased only slightly year-on-year mainly due to the foreign exchange rates affected by the weakening Euro, although increases were seen in shipments of glass for solar power systems in all regions and shipments of glass for construction in Japan, Asia and North America.

Sales of automotive glass increased from a year ago, as shipments remained strong partly due to the effects of measures taken by various countries to stimulate car demand.

As a result, net sales from the Glass operations for the second quarter was 144.9 billion yen which was 14.3 billion yen or 11.0% increase year-on-year, and operating income was 5.0 billion yen which was 18.3 billion yen increase year-on-year.

- Electronics and Display Operations

Sales in the display business increased year-on-year. Demand for glass substrates for flat panel displays (FPDs) continued to be robust, resulting in the AGC Group increasing shipments.

Sales of electronics materials increased year-on-year, as shipments of optical components and semiconductor-related materials remained on a recovery track.

As a result, net sales from the Electronics and Display operations for the second quarter was 114.6 billion yen which was 25.9 billion yen or 29.2% increase year-on-year, and operating income was 52.7 billion yen which was 23.4 billion yen or 79.9% increase year-on-year.

- Chemicals Operations

Sales in the chlor-alkali & urethane business increased year-on-year, reflecting continued strong shipments of caustic soda and vinyl chloride-related products in Japan as well as other Asian countries.

Sales in the fluorochemicals & specialty chemicals business increased from the same period last fiscal year because of the strong shipments buoyed by booming demand particularly for water and oil repellents and fluorinated resins.

As a result, net sales from the Chemicals operations for the second quarter was 63.0 billion yen which was 6.0 billion yen or 10.4% increase year-on-year, and operating income was 2.6 billion yen which was 5.3 billion yen increase year-on-year.

- Other Operations

In the ceramics business, sales increased year-on-year, as demand picked up both in the glass engineering sector and in the environment energy sector.

As a result, net sales from the Other operations for the second quarter was 18.2 billion yen which was 1.1 billion yen or 6.6% increase year-on-year, and operating income was 0.6 billion yen which was 0.5 billion yen or 347.9% increase year-on-year.

Main businesses by business segment are as follows:

Business segment	Product category	Main products
Glass Operations	Flat glass	Float flat glass, Figured glass, Polished wired glass, Heat-absorbing glass, Heat-reflective glass, Fabricated glass for architectural use (Insulating glass units, Security glass, Fire-resistant glass), Fabricated glass for industrial use, Glass for solar power system, etc.
	Automotive glass	Float glass for automotive, Automotive tempered glass, Automotive laminated glass, etc.
	Other glass	Lighting lamp glass products, Industrial glass product, etc.
Electronics and Display Operations	Displays	LCD glass substrates, PDP glass substrates, etc.
	Electronic materials	Optical filters for Displays, Optical membranes, Optoelectronics materials, LCD backlight glass tubes, Synthetic quartz glass, Glass frit and paste, Materials for semiconductor manufacturing equipment, etc.
Chemicals Operations	Chlor-alkali & Urethane	Vinyl chloride monomers, Caustic soda, Urethane materials, Gases, Solvents, etc.
	Fluorochemicals & specialty chemicals	Fluorinated resins, Water and oil repellents, Battery materials, Iodine-related materials, etc.
Other Operations		Ceramic products, etc. Logistics services, Financial services

(iii) Overview by geographic segment for the second quarter of the fiscal year ending December 2010

- Japan

Net sales in Japan for the second quarter was 194.2 billion yen which was 36.0 billion yen or 22.8% increase year-on-year, and operating income was 38.2 billion yen which was 33.8 billion yen or 765.9% increase year-on-year.

- Asia

Net sales in Asia for the second quarter was 127.5 billion yen which was 24.4 billion yen or 23.7% increase year-on-year, and operating income was 22.2 billion yen which was 5.1 billion yen or 29.6% increase year-on-year.

- The Americas

Net sales in the Americas for the second quarter was 23.9 billion yen which was 5.6 billion yen or 30.4% increase year-on-year, and operating loss was 0.9 billion yen which was 3.0 billion yen improve year-on-year.

- Europe

Net sales in Europe for the second quarter was 59.8 billion yen which was 2.0 billion yen or 3.3% decrease year-on-year, and operating income was 1.8 billion yen which was 6.6 billion yen increase year-on-year.

Being related to each business, the overview by geographic segment is described in "Overview by business segment for the second quarter of the fiscal year ending December 2010".

For qualitative information on consolidated operating results for the first quarter of the fiscal year ending December 2010, please refer to "Consolidated Financial Results for the Three Months ended March 31, 2010" (released on May 11, 2010).

(2) Qualitative Information Regarding Consolidated Financial Position

- Total assets

Total assets were 1,725.4 billion yen as of the end of the second quarter of fiscal 2010, down 56.5 billion yen from the end of the previous year. This fall is mainly because of lower tangible fixed assets and a decrease in investments in securities caused by a fall in listed stocks prices, despite an increase in trade notes and accounts receivable.

- Total liabilities

Total liabilities were 905.5 billion yen as of the end of the second quarter under review, down 68.1 billion yen from the end of the previous year. This fall is chiefly attributable to a decrease in interest-bearing debts by the repayment of bank loans, despite an increase in income taxes payable.

- Total net assets

Total net assets were 819.9 billion yen as of the end of the second quarter under review, up 11.6 billion yen from the end of the previous year. This increase is primarily due to greater retained earnings, despite a fall in foreign currency translation adjustments on the strong yen and a decrease in unrealized gains on securities, net of tax, caused by a fall in prices of listed stocks.

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

(Unit: billions of yen)

	Net Sales	Operating income	Ordinary income	Net income
Previous forecast for FY2010 announced on May 11th,2010 (A)	1,300.0	190.0	180.0	110.0
Revised forecast for FY2010 (B)	1,300.0	200.0	190.0	110.0
(B - A)	0	10.0	10.0	0
Actual result for FY 2009 (C) (January 1 through December 31, 2009)	1,148.2	86.7	87.2	20.0
(B - C) / C (%)	13.2	130.7	117.9	450.4

Note: All amounts are rounded to the nearest 10million yen.

In 2010, the global economy made a moderate recovery due partly to positive impacts of economic stimulus measures taken in various countries. Meanwhile, the prospects for the world economy remain uncertain because of the scale-down/ discontinuation of such stimulus measures, as well as impacts from the financial system uneasiness centering in Europe and the possible slow-down in the US economy.

In a climate of uncertain economic times, however, the operating results of the AGC Group for the second quarter of the consolidated cumulative period (from January 1, 2010 to June 30, 2010) showed strong performance. Based on the above factors, the AGC Group has revised its sales forecast for FY2010 from the previous announcement (May 11, 2010) as described above. The assumed average exchange rates in the second half are 90 yen to the U.S. dollar and 115 yen to the Euro. And, the exchange rate to the Euro has been revised from the previous announcement.

In addition, depreciation of tangible fixed assets had been calculated primarily using the declining-balance method in Japan, however, the Group have changed the method of calculation to straight-line method effective from this fiscal period. An approximately 20.0 billion yen decrease in depreciation expenses is anticipated as the result of this change, which has already been taken into account in its business forecast.

[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. Other Information

(1) Overview of changes in significant subsidiaries

Not applicable.

(2) Adoption of simplified accounting methods and/or special accounting methods

(i) Simplified accounting methods

(Valuation of inventories)

Inventories at the end of the second quarter are mainly calculated using a reasonable estimate based on actual inventories at the end of the previous fiscal year, in lieu of an actual physical inventory.

The carrying amount of inventories is reduced to estimated net realizable value only if their profitability has clearly decreased.

(Deferred tax assets and deferred tax liabilities)

The recoverability of deferred tax assets is determined based on the earnings projections and tax planning used in the previous fiscal year in case no significant change has been recognized in the managerial environment or situation in which temporary differences occur since the end of the previous fiscal year. If any significant change has been recognized in the managerial environment or situation in which temporary differences occur since the end of the previous fiscal year, the earnings projections and tax planning are used after reflecting the effects of such significant changes, in order to determine the recoverability.

(ii) 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. Deferred income taxes are included in income taxes.

(3) Changes in accounting policies, procedures and methods of presentation

(i) Changes to the accounting standards for revenues from completed construction and cost of completed construction

With regard to recognizing revenues and costs of long-term construction contracts, the Company adopted the "Accounting Standard for Construction Contracts" (ASBJ Statement No. 15, December 27, 2007) and the "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18, December 27, 2007) beginning in the first quarter. Accordingly, the percentage-of-completion method (the construction progress rate is estimated using the cost proportion method) was applied to construction contracts which started during the first quarter in case the percentage of completion of the construction works at the end of the second quarter under review was reasonably estimated. Meanwhile, the completed-contract method was applied to other construction works.

This change has no effect on operating income, ordinary income and income before income taxes and minority interests or segment information for the six months ended June 30, 2010 under review.

(ii) Changes to depreciation method for tangible fixed assets

Previously, the Company had computed depreciation of tangible fixed assets mainly using the declining-balance method in Japan and the straight-line method overseas. However, in order to unify accounting procedures within the AGC Group, the Company changed the method of computing such depreciation in Japan mainly to the straight-line method beginning in the first quarter.

Consequently, depreciation expenses decreased by 11,452 million yen for the six months ended June 30, 2010 under review. Meanwhile, operating income, ordinary income and income before income taxes and minority interests increased by 11,328 million yen, 11,450 million yen and 11,452 million yen, respectively.

The effects of this change on segment information are mentioned in the relevant section.

(iii) Adoption of Accounting Standards for Business Combinations

Effective from the second quarter under review, the Company adopted the "Accounting Standard for Business Combinations" (ASBJ Statement No.21, December 26, 2008), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22, December 26, 2008), the "Partial amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No.23, December 26, 2008), the "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No.7, December 26, 2008), the "Revised Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No.16, December 26, 2008), and the "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No.10, December 26, 2008).

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: millions of yen)

	FY2010 second quarter (as of June 30, 2010)	FY2009 (as of December 31, 2009)
Current assets	576,561	558,509
Cash on hand and in banks	86,851	83,953
Trade notes and accounts receivable	236,300	225,480
Marketable securities	30,000	20,000
Finished products	71,195	77,647
Work in process	38,199	34,604
Raw materials and supplies	61,983	64,294
Other current assets	56,947	58,166
Allowance for bad debts	(4,916)	(5,637)
Fixed assets	1,148,848	1,223,366
Tangible Fixed Assets	880,914	928,285
Buildings and structures	247,191	255,371
Machinery and equipment	457,521	462,399
Tools, fixtures and others	16,958	18,731
Land	81,031	83,601
Construction in progress	78,211	108,182
Intangible Fixed Assets	31,926	36,213
Investments and other assets	236,007	258,867
Investments in securities	169,350	199,816
Other investments	69,151	61,141
Allowance for bad debts	(2,494)	(2,090)
Total Assets	1,725,409	1,781,875

(1) Consolidated Balance Sheets (continued)

(Unit: millions of yen)

	FY2010 second quarter (as of June 30, 2010)	FY2009 (as of December 31, 2009)
Current Liabilities	334,957	335,583
Trade notes and accounts payable	117,998	129,237
Short-term bank loans	37,648	64,046
Commercial paper	9,628	1,498
Current maturities of bonds	1,000	3,167
Income taxes payable	40,224	17,789
Other reserves	9,549	13,991
Other current liabilities	118,907	105,852
Non-current Liabilities	570,528	637,979
Bonds issued	163,855	165,152
Bonds with subscription right to shares	100,000	100,000
Long-term bank loans	206,668	263,483
Accrued retirement benefits for employees	60,868	64,265
Reserve for rebuilding furnaces	4,729	7,230
Other reserves	4,952	7,137
Other non-current liabilities	29,453	30,709
Total liabilities	905,485	973,563
Shareholders' equity	880,576	815,622
Common stock	90,873	90,873
Additional paid-in capital	96,961	96,961
Retained earnings	713,963	648,939
Treasury stock	(21,221)	(21,152)
Valuation and translation adjustments	(112,718)	(60,738)
Unrealized gains on securities, net of tax	27,498	42,593
Deferred gains or losses on hedges, net of tax	(957)	(299)
Foreign currency translation adjustments	(139,259)	(103,032)
Share Subscription Rights	999	992
Minority Interests in Consolidated Subsidiaries	51,066	52,436
Total Net Assets	819,923	808,312
Total Liabilities and Net Assets	1,725,409	1,781,875

(2) Consolidated Statements of Income
For the six months ended June 30, 2010 (January 1 through June 30)

(Unit: millions of yen)

	For the six months ended June 30, 2009 (Jan. 1 through June 30, 2009)	For the six months ended June 30, 2010 (Jan. 1 through June 30, 2010)
Net Sales	516,527	641,780
Cost of Sales	393,709	416,623
Gross profit	122,818	225,157
Selling, General and Administrative Expenses	115,358	110,256
Operating Income	7,459	114,900
Other Income	13,574	5,030
Interest income	971	648
Dividend income	1,858	1,350
Exchange gain, net	4,933	—
Equity in gains of unconsolidated subsidiaries and affiliates	—	1,475
Others	5,811	1,556
Other Expenses	11,788	7,491
Interest expenses	5,772	3,288
Exchange loss, net	—	2,728
Equity in losses of unconsolidated subsidiaries and affiliates	794	—
Others	5,221	1,473
Ordinary Income	9,245	112,440
Extraordinary Gains	502	3,021
Gain on sale of properties	195	565
Gain on sale of investments in securities	—	1,139
Reversal of provision for restructuring programs	172	176
Others	134	1,140
Extraordinary Losses	32,203	3,849
Loss on disposal of properties	2,643	1,247
Impairment loss on long-lived assets	9,624	191
Expenses for restructuring programs	18,285	419
Others	1,649	1,990
Income (Loss) before income taxes and minority interests	(22,454)	111,612
Income taxes	1,640	34,588
Minority interests in earnings (losses) of consolidated subsidiaries	(1,882)	2,658
Net Income (Loss)	(22,213)	74,365

For the three months ended June 30, 2010 (April 1 through June 30)

(Unit: millions of yen)

	For the three months ended June 30, 2009 (Apr. 1 through June 30, 2009)	For the three months ended June 30, 2010 (Apr. 1 through June 30, 2010)
Net Sales	280,210	326,686
Cost of Sales	208,041	209,335
Gross profit	72,169	117,350
Selling, General and Administrative Expenses	58,754	56,384
Operating Income	13,414	60,965
Other Income	11,684	3,013
Interest income	427	353
Dividend income	1,607	1,194
Exchange gain, net	5,758	—
Equity in gains of unconsolidated subsidiaries and affiliates	—	645
Others	3,891	819
Other Expenses	5,255	7,598
Interest expenses	2,792	1,613
Exchange loss, net	—	5,723
Equity in losses of unconsolidated subsidiaries and affiliates	400	—
Others	2,062	261
Ordinary Income	19,843	56,380
Extraordinary Gains	422	1,690
Gain on sale of properties	115	233
Reversal of provision for restructuring programs	172	347
Reversal of allowance for obligation related to legal proceedings	—	459
Gain on negative goodwill	—	398
Others	134	251
Extraordinary Losses	27,375	2,183
Loss on disposal of properties	879	777
Impairment loss on long-lived assets	9,624	—
Expenses for restructuring programs	16,125	118
Others	746	1,286
Income (Loss) before income taxes and minority interests	(7,109)	55,888
Income taxes	4,328	20,264
Minority interests in earnings (losses) of consolidated subsidiaries	(3,216)	992
Net Income (Loss)	(8,222)	34,632

(3) Consolidated Statements of Cash Flows

(Unit: millions of yen)

	For the six months ended June 30, 2009 (Jan. 1 through June 30, 2009)	For the six months ended June 30, 2010 (Jan. 1 through June 30, 2010)
Cash Flows from Operating Activities		
Income (Loss) before income taxes and minority interests	(22,454)	111,612
Depreciation and amortization	64,931	54,985
Impairment loss on long-lived assets	9,624	191
Amortization of goodwill	746	695
Increase (Decrease) in reserves	(10,553)	(9,608)
Interest and dividends income	(2,830)	(1,998)
Interest expenses	5,772	3,288
Exchange loss (gain), net	(5,398)	3,401
Equity in losses (gains) of unconsolidated subsidiaries and affiliates	794	(1,475)
Loss (Gain) on sale and valuation of investment securities	691	(1,093)
Loss on sale and disposal of property, plant and equipment	2,447	681
Decrease (Increase) in trade notes and accounts receivable	7,271	(19,908)
Decrease (Increase) in inventories	29,282	(4,250)
Increase (Decrease) in trade notes and accounts payable	(58,293)	(3,110)
Others	10,542	14,478
Subtotal	32,575	147,889
Interest and dividends received	3,810	3,320
Interest paid	(5,165)	(3,409)
Income taxes (paid) refunded	1,572	(9,137)
Net cash provided by operating activities	32,793	138,662
Cash Flows from Investing Activities		
Payments for time deposits due over three months	(15,411)	(12,708)
Proceeds from refund of time deposits due over three months	23,165	12,044
Purchases of property, plant and equipment	(77,811)	(53,115)
Proceeds from sale of property, plant and equipment	710	1,413
Purchases of investments in securities, unconsolidated subsidiaries and affiliates	(165)	(962)
Proceeds from sale and redemption of investments in securities, unconsolidated subsidiaries and affiliates	172	2,514
Others	(4,498)	(705)
Net cash used in investment activities	(73,836)	(51,518)
Cash Flows from Financing Activities		
Increase (Decrease) in short-term bank loans and commercial paper	(88,566)	1,753
Proceeds from long-term debt	120,792	210
Repayments of long-term debt	(7,068)	(59,593)
Proceeds from issuance of bonds	72,464	—
Redemption of bonds	(8,137)	(2,729)
Purchase of treasury stock	(49)	(79)
Dividends paid	(14,011)	(9,340)
Others	(1,135)	(1,383)
Net cash provided by (used in) financing activities	74,287	(71,163)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,714	(2,468)
Changes in Cash and Cash Equivalents	34,958	13,511
Cash and Cash Equivalents at Beginning of Period	59,772	95,869
Cash and Cash Equivalents at End of Period	94,731	109,380

(4) Segment Information

1. Business Segment

For the three months ended June 30, 2009 (April 1 through June 30, 2009)

(Unit: millions of yen)

	Glass	Electronics and Display	Chemicals	Other	Total	Corporate or elimination	Consolidated total
Sales							
(1)Sales to customers	129,949	88,632	56,358	5,269	280,210	—	280,210
(2)Inter-segment sales/transfers	657	55	697	11,771	13,180	(13,180)	—
Total sales	130,607	88,688	57,055	17,040	293,391	(13,180)	280,210
Operating income (Loss)	(13,382)	29,297	(2,707)	142	13,350	64	13,414

(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

For the three months ended June 30, 2010 (April 1 through June 30, 2010)

(Unit: millions of yen)

	Glass	Electronics and Display	Chemicals	Other	Total	Corporate or elimination	Consolidated total
Sales							
(1)Sales to customers	144,154	114,344	62,237	5,949	326,686	—	326,686
(2)Inter-segment sales/transfers	767	283	770	12,216	14,038	(14,038)	—
Total sales	144,922	114,627	63,007	18,166	340,725	(14,038)	326,686
Operating income	4,964	52,717	2,612	636	60,930	35	60,965

(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, glass for solar cells, construction materials and others

Electronics and Display : Electronic components, FPD (liquid crystal display, PDP) glass substrates and others

Chemicals : Caustic soda, chlorine and its derivative products, fluorochemical products, ion-exchange membranes and others

Other : Ceramics and others

For the six months ended June 30, 2009 (January 1 through June 30, 2009)

(Unit: millions of yen)

	Glass	Electronics and Display	Chemicals	Other	Total	Corporate or elimination	Consolidated total
Sales							
(1)Sales to customers	243,463	153,995	108,052	11,015	516,527	—	516,527
(2)Inter-segment sales/transfers	972	317	1,256	21,750	24,297	(24,297)	—
Total sales	244,436	154,313	109,308	32,766	540,824	(24,297)	516,527
Operating income (Loss)	(29,171)	41,315	(5,716)	741	7,168	291	7,459

(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. Changes in accounting policies, procedures and methods of presentation

The AGC Group has applied "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, July 5, 2006) from the first quarter ended March 31, 2009. As a result of this change, operating loss in Glass business segment increased 1,470 million yen, operating income in Electronics and Display business segment declined 919 million yen, operating loss in Chemicals business segment increased 2,039 million yen, operating income in Other business segment declined 61 million yen, and operating income in Corporate or elimination declined 1 million yen.

4. Changes in useful lives of tangible fixed assets

In the light of the amendment to the Corporation Tax Law (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 81 million yen, operating income in Electronics and Display business segment declined 4,495 million yen, operating loss in Chemicals business segment increased 494 million yen, operating income in Other business segment declined 47 million yen, and operating income in Corporate or elimination increased 23 million yen.

For the six months ended June 30, 2010 (January 1 through June 30, 2010)

(Unit: millions of yen)

	Glass	Electronics and Display	Chemicals	Other	Total	Corporate or elimination	Consolidated total
Sales							
(1)Sales to customers	283,781	223,310	122,853	11,834	641,780	—	641,780
(2)Inter-segment sales/transfers	1,659	575	1,467	22,743	26,446	(26,446)	—
Total sales	285,441	223,886	124,321	34,577	668,226	(26,446)	641,780
Operating income	7,560	102,107	4,515	792	114,976	(76)	114,900

(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, glass for solar cells, construction materials and others

Electronics and Display : Electronic components, FPD (liquid crystal display, PDP) glass substrates and others

Chemicals : Caustic soda, chlorine and its derivative products, fluorochemical products, ion-exchange membranes and others

Other : Ceramics and others

3. Changes to depreciation method for tangible fixed assets

Previously, the Company had computed depreciation of tangible fixed assets mainly using the declining-balance method in Japan and the straight-line method overseas. However, in order to unify accounting procedures within the AGC Group, the Company changed the method of computing such depreciation in Japan to the straight-line method beginning in the first quarter .

Consequently, operating income in Glass business segment increased 2,386 million yen, operating income in Electronics and Display business segment increased 6,101 million yen, operating income in Chemicals business segment increased 2,743 million yen, and operating income in Other business segment increased 97 million yen.

2. Geographic Segment

For the three months ended June 30, 2009 (April 1 through June 30, 2009)

(Unit: millions of yen)

	Japan	Asia	The Americas	Europe	Total	Corporate or elimination	Consolidated total
Sales							
(1)Sales to customers	110,487	93,004	16,021	60,697	280,210	—	280,210
(2)Inter-segment sales/transfers	47,698	10,101	2,274	1,122	61,196	(61,196)	—
Total sales	158,185	103,106	18,295	61,819	341,406	(61,196)	280,210
Operating income (Loss)	4,410	17,119	(3,809)	(4,758)	12,962	452	13,414

(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

For the three months ended June 30, 2010 (April 1 through June 30, 2010)

(Unit: millions of yen)

	Japan	Asia	The Americas	Europe	Total	Corporate or elimination	Consolidated total
Sales							
(1)Sales to customers	130,120	115,967	22,093	58,505	326,686	—	326,686
(2)Inter-segment sales/transfers	64,065	11,543	1,765	1,269	78,644	(78,644)	—
Total sales	194,185	127,511	23,858	59,774	405,330	(78,644)	326,686
Operating income (Loss)	38,185	22,180	(850)	1,813	61,327	(362)	60,965

(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.

Europe : Belgium, Netherlands, Italy, Spain, Czech Republic, Germany, France, U.K. and Russia

For the six months ended June 30, 2009 (January 1 through June 30, 2009)

(Unit: millions of yen)

	Japan	Asia	The Americas	Europe	Total	Corporate or elimination	Consolidated total
Sales							
(1)Sales to customers	207,759	165,224	31,149	112,394	516,527	—	516,527
(2)Inter-segment sales/transfers	76,536	17,937	6,466	2,350	103,291	(103,291)	—
Total sales	284,296	183,161	37,615	114,745	619,819	(103,291)	516,527
Operating income (Loss)	(12,228)	34,412	(7,336)	(6,501)	8,346	(886)	7,459

(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

The AGC Group has applied "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, July 5, 2006) from the first quarter ended March 31, 2009. As a result of this change, operating loss in Japan geographic segment increased 4,492 million yen.

4. Changes in useful lives of tangible fixed assets

In the light of the amendment to the Corporation Tax Law (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 Japan geographic segment increased 5,095 million yen.

For the six months ended June 30, 2010 (January 1 through June 30, 2010)

(Unit: millions of yen)

	Japan	Asia	The Americas	Europe	Total	Corporate or elimination	Consolidated total
Sales							
(1)Sales to customers	261,436	223,925	41,246	115,172	641,780	—	641,780
(2)Inter-segment sales/transfers	127,283	23,522	4,492	2,158	157,458	(157,458)	—
Total sales	388,719	247,448	45,739	117,330	799,238	(157,458)	641,780
Operating income (Loss)	73,126	42,010	(2,265)	1,607	114,479	421	114,900

(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.

Europe : Belgium, Netherlands, Italy, Spain, Czech Republic, Germany, France, U.K. and Russia

3. Changes to depreciation method for tangible fixed assets

Previously, the Company had computed depreciation of tangible fixed assets mainly using the declining-balance method in Japan and the straight-line method overseas. However, in order to unify accounting procedures within the AGC Group, the Company changed the method of computing such depreciation in Japan to the straight-line method beginning in the first quarter.

Consequently, operating income in Japan geographic segment increased 11,328 million yen.

3. Overseas Sales

For the three months ended June 30, 2009 (April 1 through June 30, 2009)

(Unit: millions of yen)

	Asia	The Americas	Europe	Other	Total
Overseas sales	100,010	16,430	60,618	2,871	179,930
Consolidated sales					280,210
Percentage of Overseas sales to Consolidated sales	35.7%	5.9%	21.6%	1.0%	64.2%

(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.

For the three months ended June 30, 2010 (April 1 through June 30, 2010)

(Unit: millions of yen)

	Asia	The Americas	Europe	Other	Total
Overseas sales	128,998	21,286	58,371	2,983	211,639
Consolidated sales					326,686
Percentage of Overseas sales to Consolidated sales	39.5%	6.5%	17.9%	0.9%	64.8%

(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.

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.

For the six months ended June 30, 2009 (January 1 through June 30, 2009)

(Unit: millions of yen)

	Asia	The Americas	Europe	Other	Total
Overseas sales	177,813	31,919	113,372	6,161	329,266
Consolidated sales					516,527
Percentage of Overseas sales to Consolidated sales	34.4%	6.2%	21.9%	1.2%	63.7%

(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.

For the six months ended June 30, 2010 (January 1 through June 30, 2010)

(Unit: millions of yen)

	Asia	The Americas	Europe	Other	Total
Overseas sales	247,094	40,403	115,402	6,712	409,614
Consolidated sales					641,780
Percentage of Overseas sales to Consolidated sales	38.5%	6.3%	18.0%	1.0%	63.8%

(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.

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.

4. Supplementary Information

(1) Changes in significant management indicators

(Unit: billions of yen)

	For the six months ended June 30, 2009	For the six months ended June 30, 2010	FY2009	FY2010 Forecast
Net sales	516.5	641.8	1,148.2	1,300.0
Operating income	7.5	114.9	86.7	200.0
Ordinary income	9.2	112.4	87.2	190.0
Net income (loss)	(22.2)	74.4	20.0	110.0
Net income (loss) per share (yen)	(19.02)	63.69	17.12	94.22

	FY2009 second quarter (as of June 30, 2009)	FY2010 second quarter (as of June 30, 2010)	FY2009 (as of Dec. 31, 2009)
Interest-bearing debts	697.4	522.1	600.7
Total net assets	778.0	819.9	808.3
D/E ratio	0.90	0.64	0.74

(2) Capital expenditures, depreciation and amortization, R&D actual/forecast

(Unit: billions of yen)

	For the six months ended June 30, 2009	For the six months ended June 30, 2010	FY2009	FY2010 Forecast
Capital expenditures	70.7	59.8	124.9	150.0
Depreciation and amortization	64.9	55.0	136.7	120.0
Research and development costs	22.2	18.7	45.0	50.0

(3) Exchange rates

		FY2009				FY 2010			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Yen / US Dollar	Average	95.20	96.76	92.81	90.12	90.75	91.29	90	
	End of period	98.23	96.01	90.21	92.10	93.04	88.48		
Yen / Euro	Average	123.20	133.45	132.97	132.60	123.71	114.83	115 *	
	End of period	129.84	135.53	131.72	132.00	124.92	107.81		

*The rate has been revised from the previous forecast (1Euro=120yen) announced on May 11, 2010.