

## Consolidated Financial Results for the Three Months ended March 31, 2015 (IFRS basis)

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

### 1. Financial results for the Three months ended March 31, 2015 (January 1 through March 31, 2015)

#### (1) Consolidated operating results

	For the three months ended March 31, 2015		For the three months ended March 31, 2014	
	Millions of yen	%	Millions of yen	%
Net sales	325,596	(1.1)	329,116	7.4
Operating profit	15,935	24.3	12,821	(27.8)
Profit before tax	10,539	(21.9)	13,486	(10.4)
Profit for the period	5,139	(36.7)	8,116	(9.1)
Profit for the period attributable to owners of the parent	4,623	(35.8)	7,199	(16.7)
Total comprehensive income for the period	16,554	-	(47,322)	-
Basic earnings per share (yen)	4.00		6.23	
Diluted earnings per share (yen)	3.98		6.06	

#### (2) Consolidated financial position

	FY2015 first quarter (as of March 31, 2015)	FY2014 (as of December 31, 2014)
Total assets (millions of yen)	2,033,514	2,077,338
Total equity(millions of yen)	1,187,382	1,180,490
Equity attributable to owners of the parent (millions of yen)	1,119,845	1,113,126
Equity attributable to owners of the parent ratio (%)	55.1	53.6

### 2. Dividends

(Unit: yen)

	FY2014	FY2015	FY2015 (forecast)
End of first quarter	—	—	—
End of second quarter	9.00	—	9.00
End of third quarter	—	—	—
End of fiscal year	9.00	—	9.00
Total	18.00	—	18.00

Note: Revision of the forecast during this quarter: No

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

	First half		Full 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 1: Revision of the forecast for FY2015 consolidated operating results during this quarter: No

Note 2: 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: 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 "2. Summary Information (Notes) (2) Changes in Accounting Policies, Changes in Accounting Estimates and Retrospective Restatements" on page 5.

(3) Number of shares issued (common stock)

i. Number of shares issued (including treasury stock) at the end of the period	
-FY2015 first quarter (as of March 31, 2015):	1,186,705,905
-FY2014 (as of December 31, 2014):	1,186,705,905
ii. Number of treasury stock at the end of the period	
-FY2015 first quarter (as of March 31, 2015):	30,840,957
-FY2014 (as of December 31, 2014):	30,863,312
iii. Average number of shares issued during the period	
-For the three months ended March 31, 2015:	1,155,855,791
-For the three months ended March 31, 2014:	1,155,775,631

**\*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 contains 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 "(3) Explanation of the Forecast for 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) Explanation of Operating Results**

#### **(i) Overview of consolidated business results for the three months ended March 31, 2015**

During the three months ended March 31, 2015, 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 continued picking 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 factors such as economic measures taken by the government.

Under such a business environment, the AGC Group posted net sales of 325.6 billion yen, down 3.5 billion yen, or a 1.1% decrease, from the corresponding period of the previous year, due to such a reason as lower sales in the display business. Operating profit increased by 3.1 billion yen, or 24.3 %, year-on-year to 15.9 billion yen, thanks to the effect of structural reforms of the architectural glass business in Europe and North America and decline of raw materials and fuel prices. Profit before tax decreased by 2.9 billion yen or 21.9% to 10.5 billion yen due to the foreign exchange loss caused by the revaluation of yen denominated assets and liabilities at the end of the first quarter of this year. Profit for the period attributable to owners of the parent was 4.6 billion yen, a 2.6 billion yen or 35.8% decrease on a year-on-year basis.

#### **(ii) Overview by reportable segment for the three months ended March 31, 2015**

##### **- Glass**

In the flat glass business, shipments of architectural glass in Japan and Asia declined due to factors such as a backlash against last-minute demand before the consumption tax increase in Japan. Shipments in North America remained robust. In Europe, shipments increased in Western and Central Europe, but they declined in Eastern Europe due to the effects of a deterioration of the economic environment. Sales prices remained strong in all regions, but affected by the weak euro, sales of architectural glass decreased on a year-on-year basis.

In the automotive glass business, the AGC Group’s sales increased on a year-on-year basis, boosted by a recovery of auto production in Western Europe and robust demand in North America, although auto production decreased in Japan and Eastern Europe.

As a result, net sales from the Glass Operations for the three months ended March 31, 2015 were 169.1 billion yen, down 0.8 billion yen or a 0.5% decrease from the same period of the previous fiscal year. Operating profit/loss improved by 3.3 billion yen year-on-year to post a profit of 2.0 billion yen, mainly due to the effects of structural reforms in the European and North American architectural glass business.

##### **- Electronics**

Shipments of LCD glass substrates increased from the previous fiscal year, supported by strong demand; however, their sales prices decreased from the previous fiscal year. Shipments of specialty glass for display applications grew on a year-on-year basis. The AGC Group terminated shipments of plasma display panel products at the end of the third quarter of the previous fiscal year as main customers withdrew from the business. Regarding electronic materials, shipments of both optoelectronics materials and semiconductor process-related materials rose on a year-on-year basis.

As a result, net sales from the Electronics Operations for the three months ended March 31, 2015 were 73.0 billion yen, down 5.0 billion yen or a 6.4% decrease from the same period of the previous fiscal year, and operating profit was 8.7 billion yen, down 0.7 billion yen or a 7.3% decrease from the same period of the previous fiscal year due to the reduction of profitability of foreign subsidiaries affected by the factors mentioned above and also the progress of the weak yen.

##### **- Chemicals**

Sales of chlor-alkali products and urethane materials increased from the previous fiscal year, supported by strong shipments in Asia. In the categories of fluorine products and specialty products, sales were almost unchanged from the previous fiscal year partly due to the weak yen, although shipments of some products declined on a year-on-year basis.

As a result, net sales from the Chemicals Operations for the three months ended March 31, 2015 were 78.5 billion yen, up 2.2 billion yen or a 2.9% increase from the same period of the previous fiscal year, and operating profit was 6.0 billion yen, up 1.0 billion yen or a 19.2% 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, Decorative glass, Fabricated glass for architectural use (Heat Insulating/shielding glass, Disaster-resistant/Security glass, Fire-resistant glass, etc.), Automotive glass, etc.
Electronics	LCD glass substrates, Specialty glass for display applications, Display related materials, Glass for solar power system, Fabricated glass for industrial use, Semiconductor process materials, Optoelectronics materials, Lighting glass products, Laboratory glass, etc.
Chemicals	Raw materials for vinyl chloride polymer, Caustic soda, Urethane, Fluorinated resins, Water and oil repellents, Gases, Solvents, 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.

## (2) Explanation of Financial Position

### - Total assets

Total assets as of the end of the first quarter under review were 2,033.5 billion yen, down 43.8 billion yen from the end of the previous fiscal year. This descent is mainly due to a decrease in property, plant and equipment stemming from the weakening of the euro.

### - Total liabilities

Total liabilities as of the end of the first quarter under review were 846.1 billion yen, down 50.7 billion yen from the end of the previous fiscal year. This descent is chiefly attributable to repayment or redemption of interest-bearing debt.

### - Total equity

Total equity as of the end of the first quarter under review was 1,187.4 billion yen, up 6.9 billion yen and remained at the same level as the end of the previous fiscal year.

### (3) Explanation of the Forecast for Operating Results

(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
Forecast for FY2015 announced on February 6, 2015 (A)	1,420.0	62.0	65.0	40.0	35.0
Actual results for FY 2014 (B) (January 1 through December 31, 2014)	1,348.3	62.1	41.2	20.5	15.9
(A - B) / B (%)	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.

Under such a business environment, shipments of architectural glass as a whole are expected to increase despite possible slowdown in Eastern Europe. Earnings from the architectural glass business are also expected to improve thanks to restructuring measures in Europe and North America. In the automotive glass business, sales are projected to increase from the previous fiscal year as demand for automobiles is forecast to grow 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 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 optoelectronics materials and semiconductor process-related products 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.

*[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) Changes in Accounting Policies, Changes in Accounting Estimates and Retrospective Restatements

The significant accounting policies adopted for the Group's condensed interim consolidated financial statements are the same as those for the consolidated financial statements for the fiscal year ended December 31, 2014, with the exception of the items described below.

The Group calculated income tax expenses for the three months ended March 31, 2015, based on the estimated average annual effective tax rate.

The following are the accounting standards applied by the Group from the fiscal year 2015, in compliance with each transitional provision. The effect of the application of these standards on the Group's condensed interim consolidated financial statements is immaterial.

IFRS	Title	Summaries of new IFRS and amendments
IFRS 9	Financial Instruments: Hedge accounting	Changes in hedge accounting
IAS 19	Employee Benefits	Clarification of accounting treatment of contribution from employees or third parties that are not related to years of service

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

### 3. Condensed Interim Consolidated Financial Statements (IFRS)

#### (1) Condensed Interim Consolidated Statements of Financial Position

(Unit: millions of yen)

	FY2014 (as of December 31, 2014)	FY2015 first quarter (as of March 31, 2015)
Assets		
Current assets		
Cash and cash equivalents	69,655	78,420
Trade receivables	262,091	240,017
Inventories	239,497	241,048
Other receivables	37,036	29,291
Income tax receivables	7,607	6,249
Other current assets	11,289	11,382
Total current assets	627,178	606,409
Non-current assets		
Property, plant and equipment	1,066,193	1,034,036
Goodwill	36,269	34,197
Intangible assets	25,844	24,282
Investments accounted for using equity method	44,184	43,809
Other financial assets	236,057	251,166
Deferred tax assets	35,804	34,352
Other non-current assets	5,805	5,259
Total non-current assets	1,450,159	1,427,104
Total assets	2,077,338	2,033,514



(Unit: millions of yen)

	FY2014 (as of December 31, 2014)	FY2015 first quarter (as of March 31, 2015)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	131,147	125,092
Short-term interest-bearing debt	63,694	38,898
Long-term interest-bearing debt due within one year	33,508	49,243
Other payables	103,621	102,009
Income tax payables	5,775	5,908
Provisions	3,779	3,134
Other current liabilities	14,472	13,391
Total current liabilities	355,999	337,678
Non-current liabilities		
Long-term interest-bearing debt	402,054	379,858
Deferred tax liabilities	21,145	25,095
Post-employment benefit liabilities	99,687	87,047
Provisions	12,554	11,187
Other non-current liabilities	5,405	5,265
Total non-current liabilities	540,847	508,453
Total liabilities	896,847	846,132
Equity		
Share capital	90,873	90,873
Capital surplus	100,670	100,656
Retained earnings	641,866	636,080
Treasury shares	(29,784)	(29,757)
Other components of equity	309,501	321,993
Total equity attributable to owners of the parent	1,113,126	1,119,845
Non-controlling interests	67,364	67,536
Total equity	1,180,490	1,187,382
Total liabilities and equity	2,077,338	2,033,514

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

(Condensed Interim Consolidated Statements of Profit or Loss)

(Unit: millions of yen)

	For the three months ended March 31, 2014 (Jan. 1 through Mar. 31, 2014)	For the three months ended March 31, 2015 (Jan. 1 through Mar. 31, 2015)
Net sales	329,116	325,596
Cost of sales	(248,307)	(243,732)
Gross profit	80,808	81,863
Selling, general and administrative expenses	(68,289)	(66,432)
Share of profit (loss) of associates and joint ventures accounted for using equity method	302	503
Operating profit	12,821	15,935
Other income	5,323	466
Other expenses	(2,753)	(4,712)
Business profit	15,392	11,689
Finance income	539	653
Finance costs	(2,445)	(1,803)
Net finance costs	(1,906)	(1,150)
Profit before tax	13,486	10,539
Income tax expenses	(5,369)	(5,399)
Profit for the period	8,116	5,139
Attributable to:		
Owners of the parent	7,199	4,623
Non-controlling interests	917	516
Earnings per share		
Basic earnings per share (yen)	6.23	4.00
Diluted earnings per share (yen)	6.06	3.98

## (Condensed Interim Consolidated Statements of Comprehensive Income)

(Unit: millions of yen)

	For the three months ended March 31, 2014 (Jan. 1 through Mar. 31, 2014)	For the three months ended March 31, 2015 (Jan. 1 through Mar. 31, 2015)
Profit for the period	8,116	5,139
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)	(3,929)	6,852
Net gain (loss) on revaluation of financial assets measured at FVTOCI <sup>(Note)</sup>	(20,531)	14,944
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(21)	(68)
Total	(24,482)	21,728
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	(420)	318
Exchange differences on translation of foreign operations	(30,551)	(10,660)
Share of other comprehensive income of associates and joint ventures accounted for using equity method	15	27
Total	(30,956)	(10,313)
Other comprehensive income, net of tax	(55,439)	11,414
Total comprehensive income for the period	(47,322)	16,554
Attributable to:		
Owners of the parent	(47,966)	17,115
Non-controlling interests	644	(561)

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

(3) Condensed Interim Consolidated Statements of Changes in Equity  
For the three months ended March 31, 2014

(Unit: millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					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 period	—	—	7,199	—	—	—
Other comprehensive income	—	—	—	—	(3,933)	(20,524)
Total comprehensive income for the period	—	—	7,199	—	(3,933)	(20,524)
Transactions with owners						
Dividends	—	—	(5,778)	—	—	—
Increase through treasury shares transactions	—	—	—	(5)	—	—
Decrease through treasury shares transactions	—	—	(1)	63	—	—
Transfer from other components of equity to retained earnings	—	—	133	—	—	(133)
Share-based payment transactions	—	(49)	—	—	—	—
Others (business combinations and others)	—	—	—	—	—	—
Total transactions with owners	—	(49)	(5,647)	58	—	(133)
Balance as of March 31, 2014	90,873	100,601	643,293	(29,825)	(29,873)	69,783

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

For the three months ended March 31, 2014

(Unit: millions of yen)

	Equity attributable to owners of the parent			Total	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				
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 period	—	—	—	7,199	917	8,116
Other comprehensive income	(405)	(30,304)	(55,166)	(55,166)	(272)	(55,439)
Total comprehensive income for the period	(405)	(30,304)	(55,166)	(47,966)	644	(47,322)
Transactions with owners						
Dividends	—	—	—	(5,778)	(359)	(6,137)
Increase through treasury shares transactions	—	—	—	(5)	—	(5)
Decrease through treasury shares transactions	—	—	—	61	—	61
Transfer from other components of equity to retained earnings	—	—	(133)	—	—	—
Share-based payment transactions	—	—	—	(49)	—	(49)
Others (business combinations and others)	—	—	—	—	2,212	2,212
Total transactions with owners	—	—	(133)	(5,772)	1,852	(3,919)
Balance as of March 31, 2014	(474)	189,099	228,535	1,033,477	60,426	1,093,903

For the three months ended March 31, 2015

(Unit: millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurement of net defined benefit liability (asset)	Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)
Balance as of January 1, 2015	90,873	100,670	641,866	(29,784)	(40,859)	86,402
Changes in equity						
Comprehensive income						
Profit for the period	—	—	4,623	—	—	—
Other comprehensive income	—	—	—	—	6,578	14,940
Total comprehensive income for the period	—	—	4,623	—	6,578	14,940
Transactions with owners						
Dividends	—	—	(10,402)	—	—	—
Increase through treasury shares transactions	—	—	—	(14)	—	—
Decrease through treasury shares transactions	—	(0)	(6)	41	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	—
Share-based payment transactions	—	(13)	—	—	—	—
Others (business combinations and others)	—	—	—	—	—	—
Total transactions with owners	—	(14)	(10,409)	27	—	—
Balance as of March 31, 2015	90,873	100,656	636,080	(29,757)	(34,281)	101,342

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

For the three months ended March 31, 2015

(Unit: millions of yen)

	Equity attributable to owners of the parent			Total	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				
Balance as of January 1, 2015	(734)	264,693	309,501	1,113,126	67,364	1,180,490
Changes in equity						
Comprehensive income						
Profit for the period	—	—	—	4,623	516	5,139
Other comprehensive income	346	(9,373)	12,492	12,492	(1,078)	11,414
Total comprehensive income for the period	346	(9,373)	12,492	17,115	(561)	16,554
Transactions with owners						
Dividends	—	—	—	(10,402)	(451)	(10,854)
Increase through treasury shares transactions	—	—	—	(14)	—	(14)
Decrease through treasury shares transactions	—	—	—	34	—	34
Transfer from other components of equity to retained earnings	—	—	—	—	—	—
Share-based payment transactions	—	—	—	(13)	—	(13)
Others (business combinations and others)	—	—	—	—	1,184	1,184
Total transactions with owners	—	—	—	(10,396)	733	(9,663)
Balance as of March 31, 2015	(387)	255,319	321,993	1,119,845	67,536	1,187,382

## (4) Condensed Interim Consolidated Statements of Cash Flows

(Unit: millions of yen)

	For the three months ended March 31, 2014 (Jan. 1 through Mar. 31, 2014)	For the three months ended March 31, 2015 (Jan. 1 through Mar. 31, 2015)
Cash flows from operating activities		
Profit before tax	13,486	10,539
Depreciation and amortization	34,082	33,807
Interest and dividend income	(528)	(632)
Interest expenses	1,999	1,635
Share of profit (loss) of associates and joint ventures accounted for using equity method	(302)	(503)
Loss (gain) on sale or disposal of non-current assets	(27)	605
Decrease (increase) in trade receivables	10,406	19,303
Decrease (increase) in inventories	(5,595)	(8,201)
Increase (decrease) in trade payables	(406)	(1,859)
Others	(3,860)	6,895
Subtotal	49,252	61,587
Interest and dividends received	486	651
Interest paid	(2,034)	(1,582)
Income taxes paid	(7,186)	(5,654)
Net cash from operating activities	40,518	55,001
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(25,267)	(29,582)
Proceeds from sale of property, plant and equipment	3,995	5,064
Purchase of other financial assets	(608)	(386)
Proceeds from sale and redemption of other financial assets	482	192
Others	593	47
Net cash used in investing activities	(20,805)	(24,664)
Cash flows from financing activities		
Changes in short-term interest-bearing debt	(2,567)	(21,380)
Proceeds from borrowing or issuing long-term interest-bearing debt	35,627	8,019
Repayment or redemption of long-term interest-bearing debt	(57,675)	(183)
Acquisition of treasury shares	(5)	(14)
Dividends paid	(5,778)	(10,402)
Others	1,431	495
Net cash used in financing activities	(28,968)	(23,466)
Effect of exchange rate changes on cash and cash equivalents	(1,339)	1,894
Net increase (decrease) in cash and cash equivalents	(10,595)	8,765
Cash and cash equivalents at the beginning of the period	132,649	69,655
Cash and cash equivalents at the end of the period	122,054	78,420



(5) Notes to the Condensed Interim Consolidated Financial Statements

(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.

Due to a change of corporate structure, the Company partially amended the reportable segment of fabricated glass for industrial use and glass for solar power systems from the "Glass" segment to the "Electronics" segment in FY2015.

Segment information in FY2014 is based on the classification of reportable segments in FY2015.

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, Decorative glass, Fabricated glass for architectural use (Heat Insulating/shielding glass, Disaster-resistant/Security glass, Fire-resistant glass, etc.), Automotive glass, etc.
Electronics	LCD glass substrates, Specialty glass for display applications, Display related materials, Glass for solar power system, Fabricated glass for industrial use, Semiconductor process materials, Optoelectronics materials, Lighting glass products, Laboratory glass, etc.
Chemicals	Raw materials for vinyl chloride polymer, Caustic soda, Urethane, Fluorinated resins, Water and oil repellents, Gases, Solvents, Pharmaceutical and agrochemical intermediates and active ingredients, Iodine-related products, etc.

For the three months ended March 31, 2014 (January 1 through March 31, 2014)

(Unit: millions of yen)

	Reportable segments			Ceramics/ Other	Total	Adjustments	Amount reported on condensed interim consolidated statements of profit or loss
	Glass	Electronics	Chemicals				
Sales to external customers	169,598	77,339	75,562	6,615	329,116	—	329,116
Inter-segment sales or transfers	297	681	690	8,923	10,593	(10,593)	—
Total sales	169,895	78,021	76,252	15,539	339,709	(10,593)	329,116
Segment profit (loss) (Operating profit)	(1,283)	9,431	5,072	(594)	12,625	195	12,821
Profit for the period	—	—	—	—	—	—	8,116

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.

For the three months ended March 31, 2015 (January 1 through March 31, 2015)

(Unit: millions of yen)

	Reportable segments			Ceramics/ Other	Total	Adjustments	Amount reported on condensed interim consolidated statements of profit or loss
	Glass	Electronics	Chemicals				
Sales to external customers	168,813	72,783	77,648	6,349	325,596	—	325,596
Inter-segment sales or transfers	272	227	825	7,500	8,825	(8,825)	—
Total sales	169,086	73,011	78,474	13,850	334,421	(8,825)	325,596
Segment profit (loss) (Operating profit)	1,991	8,738	6,045	(878)	15,897	38	15,935
Profit for the period	—	—	—	—	—	—	5,139

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.

(Notes to Other Income and Other Expenses)

**Other Income**

(Unit: millions of yen)

	For the three months ended March 31, 2014 (Jan. 1 through Mar. 31, 2014)	For the three months ended March 31, 2015 (Jan. 1 through Mar. 31, 2015)
Foreign exchange gain	4,069	—
Gains on sale of non-current assets	586	—
Others	666	466
Total	5,323	466

**Other Expenses**

(Unit: millions of yen)

	For the three months ended March 31, 2014 (Jan. 1 through Mar. 31, 2014)	For the three months ended March 31, 2015 (Jan. 1 through Mar. 31, 2015)
Foreign exchange loss	—	(2,235)
Losses on disposal of non-current assets	(559)	(592)
Expenses for restructuring programs	(599)	(1,531)
Others	(1,594)	(353)
Total	(2,753)	(4,712)

(Subsequent Events)

As of April 21, 2015, AGC revised its defined benefit corporate pension plan and transferred a portion of this defined benefit corporate pension plan to the defined contribution pension scheme. Following the revision, the Company forecasts that it will post Other Income of approximately 36.1 billion yen for the second quarter consolidated accounting period.