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Consolidated Financial Results for the Six Months ended June 30, 2009

1. Financial results for the six months ended June 30, 2009 (January 1 through June 30, 2009)

(1) Consolidated operating results

	For the six months ended June 30, 2009		For the six months ended June 30, 2008	
	Millions of yen	%	Millions of yen	%
Net sales	516,527	-	774,134	(4.0)
Operating income	7,459	-	109,577	21.4
Ordinary income	9,245	-	95,747	1.0
Net income (loss)	(22,213)	-	48,017	(9.2)
Net income (loss) per share - basic (yen)	(19.02)	-	41.07	-
Net income per share - fully diluted (yen)	-	-	38.69	-

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

(2) Consolidated financial position

	FY2009 second quarter (as of June 30, 2009)	FY2008 (as of December 31, 2008)
Total assets (Millions of yen)	1,846,307	1,832,846
Total net assets (Millions of yen)	777,965	780,864
Equity ratio (%)	39.4	39.8
Net assets per share (yen)	623.17	625.51

Reference: Total Shareholder's Equity at -End of FY2009 second quarter: 727,632 million yen
 -End of FY2008 : 730,376 million yen

2. Dividend

(Unit: yen)

(Base date)	FY2008	FY2009	FY2009 (planned)
End of first quarter	-	-	_____
End of second quarter	12.00	8.00	_____
End of third quarter	-	_____	-
End of fiscal year	12.00	_____	8.00
Full fiscal year	24.00	_____	16.00

Note: Revision of outlook for dividends in the second quarter: No

3. Outlook for FY2009 (January 1 through December 31, 2009)

	FY2009 (Full year)	
	Millions of yen	%
Net sales	1,100,000	(23.8)
Operating income	40,000	(74.0)
Ordinary income	30,000	(72.7)
Net loss	(34,000)	-
Net loss per share (yen)	(29.12)	-

Note: Revision of outlook for FY2009 consolidated operating results in the second quarter: Yes

For detail about the outlook, please see our press release issued on August 3, 2009, "AGC Revises the Consolidated Outlook for the First Half and the Fiscal Year 2009".

4. Other Information

- (1) Changes in significant subsidiaries during the period under review
(Changes in specific subsidiaries involving changes in the scope of consolidation): No
- (2) Adoption of simplified accounting methods and accounting methods particular to the preparation of quarterly financial statements: Yes
- (3) Changes in accounting principles, procedures and presentation methods for quarterly financial statements
(Changes in key accounting standards for quarterly financial reporting)
- i. Changes resulting from revisions to accounting standards: Yes
 - ii. Other changes: Yes
- For details, refer to "4. Others" in Qualitative Information and Financial Statements, beginning on page 8-10.
- (4) Shares issued (common stock)
- i. Shares issued (including treasury stock) at the end of the period
 - FY2009 second quarter (as of June 30, 2009): 1,186,705,905
 - FY2008 (as of December 31, 2008): 1,186,705,905
 - ii. Treasury stock at the end of the period
 - FY2009 second quarter (as of June 30, 2009): 19,076,849
 - FY2008 (as of December 30, 2008): 19,048,781
 - iii. Average shares issued during the period
 - For the six months ended June 30, 2009: 1,167,641,977
 - For the six months ended June 30, 2008: 1,169,129,761

*Appropriate Use of Forecast and Other Information and Other Matters

The above-mentioned outlook reflects management's judgment on the basis of currently available information, as such, contain risks and uncertainties. For matters concerning the above outlook, please see page 6-7.

Qualitative Information and Financial Statements

Monetary amounts and indexes that provide comparison with the corresponding period of the previous year are shown for reference purpose only.

1. Qualitative Information Regarding Consolidated Operating Results

(1) Overview of consolidated business results for the second quarter of the fiscal year ending

December 2009

During the second quarter of fiscal year 2009 (April 1 through June 30, 2009), the global economic environment around AGC Group continued to be severe, affected by the financial crisis since the previous year.

In Japan, although imports and production began to recover, the overall economy still remained sluggish. In China and some other countries in Asia, the economy entered a recovery phase. Meanwhile, Europe and the U.S. continued to face difficult economic situations.

Giving an overview of the markets in which AGC Group operates, the demand continued to be weak in the housing and automotive markets, and the overall market conditions for chemical products were depressed. On the other hand, the demand for displays recovered steadily, increasing the operating rate of panel manufacturers.

Under such a business environment, AGC Group posted net sales of 280.2 billion yen which was 116.5 billion yen or 29.4% decrease compared to the corresponding period of the previous year (“year-on-year”); operating income of 13.4 billion yen which was 42.1 billion yen or 75.8% decrease year-on-year; ordinary income of 19.8 billion yen which was 38.3 billion yen or 65.9% decrease year-on-year; and net loss of 8.2 billion yen which was 28.1 billion yen decrease year-on-year.

(2) Overview by business segment for the second quarter of the fiscal year ending December 2009

- Glass Operations

Sales in the flat glass business decreased year-on-year. In Europe, despite the weak demand and lower prices than in the previous year, we have been trying to restore prices mainly in Russia. In Japan and North America, the construction sector’s continuing weak demand caused decrease of shipments. In Asia, shipments remained slow in general, but some countries saw demand improve. In the second quarter, shipments of glass for solar power system, which had dropped since the end of the previous year, recovered to the same level as in the corresponding period of the previous year partly because of a support by government policies in some countries.

In the automotive glass business, sales decreased from the corresponding period of the previous year owing to a decline in auto production in North America, Europe, Japan and Asia.

As a result, net sales from the Glass operations for the second quarter was 130.6 billion yen which was 72.2 billion yen or 35.6% decrease year-on-year, and operating loss was 13.4 billion yen which was 23.7 billion yen decrease year-on-year.

- Electronics and Display Operations

While sales in the display business dropped year-on-year, AGC Group's shipments rapidly recovered following a rebound of demand for glass substrates for flat panel displays (FPDs).

In the electronics materials business, sales deteriorated year-on-year because its overall shipment volume was low due to the continuing weak demand.

As a result, net sales from the Electronics and Display operations for the second quarter was 88.7 billion yen which was 17.9 billion yen or 16.8% decrease year-on-year, and operating income was 29.3 billion yen which was 10.5 billion yen or 26.4% decrease year-on-year.

- Chemicals Operations

In the chlor-alkali & urethane business, although foreign demand for vinyl chloride-related products recovered, overall shipments decreased.

In the fluorochemicals & specialty chemicals business, shipments of water and oil repellent and fluorinated resins declined in particular, affected by continuing weak demand.

As a result, net sales from the Chemicals operations for the second quarter was 57.1 billion yen which was 23.0 billion yen or 28.8% decrease year-on-year, and operating loss was 2.7 billion yen which was 7.0 billion yen decrease year-on-year.

- Other Operations

In the ceramics business, both the glass engineering sector and the environmental energy sector saw a decline in demand.

As a result, net sales from the Other operations for the second quarter was 17.0 billion yen which was 4.0 billion yen or 19.1% decrease year-on-year, and operating income was 0.1 billion yen which was 1.0 billion yen or 87.4% decrease year-on-year.

Main businesses by business segment are as follows:

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

(3) Overview by geographic segment for the second quarter of the fiscal year ending December 2009

- Japan

Net sales in Japan for the second quarter was 158.2 billion yen which was 44.5 billion yen or 22.0% decrease year-on-year, and operating income was 4.4 billion yen which was 20.5 billion yen or 82.3% decrease year-on-year.

- Asia

Net sales in Asia for the second quarter was 103.1 billion yen which was 16.3 billion yen or 13.7% decrease year-on-year, and operating income was 17.1 billion yen which was 5.3 billion yen or 23.5% decrease year-on-year.

- The Americas

Net sales in the Americas for the second quarter was 18.3 billion yen which was 17.9 billion yen or 49.5% decrease year-on-year, and operating loss was 3.8 billion yen which was 3.3 billion yen decrease year-on-year.

- Europe

Net sales in Europe for the second quarter was 61.8 billion yen which was 41.9 billion yen or 40.4% decrease year-on-year, and operating loss was 4.8 billion yen which was 15.0 billion yen decrease year-on-year.

The overview by geographic segment is described in “(2) Overview by business segment for the second quarter of the fiscal year ending December 2009”.

For qualitative information on consolidated operating results for the first quarter of the fiscal year ending December 2009, please refer to “Consolidated Financial Results for FY2009 first quarter” (released on May 11, 2009).

2. Qualitative Information Regarding Consolidated Financial Position

- Total assets

Total assets as of the end of the second quarter under review were 1,846.3 billion yen, up 13.5 billion yen from the end of the previous year. This growth is mainly because of an increase in investments in securities caused by rising prices of listed stocks in spite of a decrease in inventories.

- Total liabilities

Total liabilities as of the end of the second quarter under review were 1,068.3 billion yen, up 16.4 billion yen from the end of the previous year. This rise is chiefly attributable to an increase in interest-bearing debts associated with bonds issued and borrowings despite a decrease in accounts payable.

- Total net assets

Total net assets as of the end of the second quarter under review were 778.0 billion yen, down 2.9 billion yen from the end of the previous year. This drop mainly reflects a decrease in retained earnings, as a result of posting a net loss for the six months ended June 30, 2009 and dividend payments in spite of an increase in unrealized gains on securities, net of tax caused by rising prices of listed stocks.

3. Qualitative Information Regarding the Outlook for Consolidated Operating Results

(Unit: billions of yen)

	Net Sales	Operating income	Ordinary income	Net income(loss)
FY 2009 (January 1 through December 31, 2009)	1,100.0	40.0	30.0	(34.0)
FY 2008 (January 1 through December 31, 2008)	1,444.3	154.0	109.8	39.2
Change (%)	(23.8%)	(74.0%)	(72.7%)	-

In 2009, the global economy still remains uncertain and is not expected to make a full-fledged recovery, although there are some signs of recovery.

Under such circumstances, in the Glass operations, the AGC Group forecasts shipments of flat glass will continue to be low in North America, Europe, Japan and Asia throughout the year. Shipments of automotive glass are also estimated to remain sluggish, but will likely improve gradually in the second half. To cope with weak demand, we will improve productivity, suspend or stop operations of facilities, and reduce inventories in each region, aiming to improve performance in the second half. Concerning glass for solar power system, its shipments are expected to continue recovering. In the Electronics and Display operations, we foresee the robust demand for FPD glass substrates will continue in the third quarter. About the Chemicals operations, overall demand is estimated to remain sluggish. Further, the Group has decided to cease the automotive glass operations at Kitakyushu Plant by the end of December 2009.

Based on the outlook for the business conditions described above, as the Group have announced with “AGC Revises the Consolidated Outlook for the First Half and the Fiscal Year 2009” on August 3, 2009, the AGC Group expects sales for FY2009 of 1,100.0 billion yen; operating income of 40.0 billion yen; ordinary income of 30.0 billion yen; and net loss of 34.0 billion yen with restructuring programs and so on. The assumed average exchange rate for the second half of FY2009 in the revised outlook is 95 yen to the U.S. dollar and 135 yen to the Euro, changed from the previous announcement.

[Important notes with regard to the outlook]

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

4. Other

(1) Significant changes in subsidiaries (scope of consolidation) during the period

Not applicable.

(2) Application of simplified accounting methods or special accounting methods for preparing quarterly consolidated financial statements

(i) Simplified accounting methods

(Method of calculating depreciation of tangible fixed assets)

For assets depreciated using the declining-balance method, depreciation expenses applicable to the fiscal year are calculated on a pro-rata basis.

(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 an estimated effective tax rate, which is reasonably estimated 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, if the use of such effective tax rate makes the computation of tax expense significantly irrational, then tax expense is calculated by multiplying the quarterly net income before income taxes and minority interests by the statutory effective tax rate after adjusting 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 in the financial statements.

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

(i) Application of the Accounting Standard for Quarterly Financial Reporting and related guidance

From the first quarter ended March 31, 2009, AGC group applies the “Accounting Standard for Quarterly Financial Reporting” (Accounting Standards Board of Japan (ASBJ) Statement No. 12, March 14, 2007) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14, March 14, 2007).

(ii) Application of the Accounting Standard for Measurement of Inventories

Inventories were previously stated at the lower of cost or market value, cost being determined by the moving-average method. From the first quarter ended March 31, 2009, inventories are mainly stated at cost determined by the moving-average method, with the adoption of the “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9, July 5, 2006) under review (inventories are written down based on a decline in profitability on the balance sheet). This has declined operating income, ordinary income for the six months ended June 30, 2009 by 4,492 million yen, and increased net loss before income taxes and minority interests for the same period by 4,492 million yen respectively. The effects on segment information are mentioned in the relevant section.

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

From the first quarter ended March 31, 2009 under review, the Group applies the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ Practical Issues Task Force No. 18, May 17, 2006) and has made necessary adjustments for consolidated financial statements. This adjustment has reduced the beginning balance of retained earnings by 8,293 million yen, also the ending balance is reduced by same amount. The impact of this change on operating income, ordinary income, net loss before income taxes and minority interests, and segment information for the six months ended June 30, 2009 is immaterial.

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

Previously, the accounting treatment for finance lease transactions not involving the transfer of ownership followed the same method as for operating lease transactions. Now that it is allowed to apply the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13; Business Accounting Council Committee No. 1, June 17, 1993; revised March 30, 2007) and the “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16; the Japanese Institute of Certified Public Accountants, Accounting Committee, January 18, 1994; revised March 30, 2007) starting from the quarterly consolidated financial statements for the fiscal year beginning April 1, 2008 or later, the Company has adopted this standard and guidance beginning the first quarter under review, and thus the accounting treatment for such transactions follows the method for ordinary purchase and sales transactions. Depreciation of finance lease assets related to finance lease transactions not involving the transfer of ownership is calculated by the straight-line method over the lease periods, which are deemed as the useful lives, assuming no residual value. The impact of this change on operating income, ordinary income, net loss before income taxes and minority interests, and segment information for the six months ended June 30, 2009 is immaterial. Finance lease transactions not involving the transfer of ownership, however, transactions that commenced before the fiscal year when this accounting standard is first applied are continuously accounted for using the same method as for operating lease transactions.

(v) Changes in useful lives of tangible fixed assets

In the light of the amendment to the Corporation Tax Act (Law Partially Revising the Income Tax Law and other laws, Law No. 23; April 30, 2008), the Company and its domestic consolidated subsidiaries reviewed useful lives of tangible fixed assets to reflect actual conditions. As a result, operating income, ordinary income for the six months ended June 30, 2009 are declined by 5,095million yen, and net loss before income taxes and minority interests for the same period are increased by 5,095 million yen, respectively, compared with the results under the previous method. The effects on segment information are mentioned in the relevant section.

Consolidated Balance Sheets

(Unit: millions of yen)

	FY2009 second quarter (as of June 30, 2009)	FY2008 (as of December 31, 2008)
Current assets	582,753	592,704
Cash on hand and in banks	81,970	83,774
Trade notes and accounts receivable	207,132	208,599
Marketable securities	28,000	-
Finished products	91,075	106,800
Work in process	41,495	49,575
Raw materials and supplies	71,269	70,730
Other current assets	67,721	78,399
Allowance for bad debts	(5,910)	(5,175)
Fixed assets	1,263,553	1,240,142
Tangible Fixed Assets	970,753	958,588
Buildings and structures	250,887	248,500
Machinery and equipment	474,241	467,494
Tools and fixtures	16,168	16,042
Land	89,868	94,764
Construction in progress	139,587	131,786
Intangible Fixed Assets	38,408	41,175
Investments and other assets	254,391	240,377
Investments in securities	197,974	172,791
Other investments	59,146	69,394
Allowance for bad debts	(2,729)	(1,807)
Total Assets	1,846,307	1,832,846

Consolidated Balance Sheets(continued)

(Unit: millions of yen)

	FY2009 second quarter (as of June 30, 2009)	FY2008 (as of December 31, 2008)
Current Liabilities	466,482	631,524
Trade notes and accounts payable	110,828	165,394
Short-term bank loans	158,697	210,855
Commercial paper	6,297	35,562
Current maturities of bonds	38,141	43,994
Income taxes payable	12,260	10,573
Other reserves	16,199	25,602
Other current liabilities	124,056	139,541
Non-current Liabilities	601,859	420,457
Bonds issued	165,292	95,593
Long-term bank loans	328,979	211,605
Accrued retirement benefits for employees	64,083	59,784
Reserve for rebuilding furnaces	11,386	18,747
Other reserves	5,917	5,441
Other non-current liabilities	26,200	29,284
Total liabilities	1,068,342	1,051,982
Shareholders' equity	782,799	826,932
Common stock	90,873	90,873
Additional paid-in capital	96,961	96,961
Retained earnings	616,084	660,237
Treasury stock	(21,120)	(21,140)
Valuation and translation adjustments	(55,166)	(96,556)
Unrealized gains on securities, net of tax	43,070	25,328
Deferred gains or losses on hedges, net of tax	(1,584)	(3,805)
Asset revaluation reserve	-	62
Foreign currency translation adjustments	(96,652)	(118,142)
Share Subscription Rights	669	672
Minority Interests in Consolidated Subsidiaries	49,662	49,815
Total Net Assets	777,965	780,864
Total Liabilities and Net Assets	1,846,307	1,832,846

Consolidated Statements of Income

For the six months ended June 30, 2009 (January 1 through June 30) (Unit: millions of yen)

	For the six months ended June 30, 2009 (Jan. 1 through June 30, 2009)
Net Sales	516,527
Cost of Sales	393,709
Gross profit	122,818
Selling, General and Administrative Expenses	115,358
Operating Income	7,459
Other Income	13,574
Interest income	971
Dividend income	1,858
Exchange gain, net	4,933
Others	5,811
Other Expenses	11,788
Interest expenses	5,772
Equity in losses of unconsolidated subsidiaries and affiliates	794
Others	5,221
Ordinary Income	9,245
Extraordinary Gains	502
Gain on sale of properties	195
Reversal of provision for restructuring programs	172
Others	134
Extraordinary Losses	32,203
Loss on disposal of properties	2,643
Impairment loss on long-lived assets	9,624
Expenses for restructuring programs	18,285
Others	1,649
Loss before income taxes and minority interest	(22,454)
Income taxes	1,640
Minority interests in losses of consolidated subsidiaries	(1,882)
Net loss	(22,213)

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

(Unit: millions of yen)

	For the three months ended June 30, 2009 (Apr. 1 through June 30, 2009)
Net Sales	280,210
Cost of Sales	208,041
Gross profit	72,169
Selling, General and Administrative Expenses	58,754
Operating Income	13,414
Other Income	11,684
Interest income	427
Dividend income	1,607
Exchange gain, net	5,758
Others	3,891
Other Expenses	5,255
Interest expenses	2,792
Equity in losses of unconsolidated subsidiaries and affiliates	400
Others	2,062
Ordinary Income	19,843
Extraordinary Gains	422
Gain on sale of properties	115
Reversal of provision for restructuring programs	172
Others	134
Extraordinary Losses	27,375
Loss on disposal of properties	879
Impairment loss on long-lived assets	9,624
Expenses for restructuring programs	16,125
Others	746
Loss before income taxes and minority interest	(7,109)
Income taxes	4,328
Minority interests in losses of consolidated subsidiaries	(3,216)
Net loss	(8,222)

Consolidated Statements of Cash Flows

(Unit: millions of yen)

	For the six months ended June 30, 2009 (Jan. 1 through June 30, 2009)
I. Cash Flows from Operating Activities	
Loss before income taxes and minority interests	(22,454)
Depreciation and amortization	64,931
Impairment loss on long-lived assets	9,624
Amortization of goodwill	746
Decrease in reserves	(10,553)
Interest and dividends income	(2,830)
Interest expenses	5,772
Exchange loss (gain), net	(5,398)
Equity in losses of unconsolidated subsidiaries and affiliates	794
Loss on sale and valuation of investment securities	691
Loss on sale and disposal of property, plant and equipment	2,447
Decrease in trade notes and accounts receivable	7,271
Decrease in inventories	29,282
Decrease in trade notes and accounts payable	(58,293)
Others	10,542
Subtotal	32,575
Interest and dividends received	3,810
Interest paid	(5,165)
Income taxes (paid) refunded	1,572
Net cash provided by operating activities	32,793
II. Cash Flows from Investing Activities	
Decrease in time deposits due over three months	(15,411)
Increase in time deposits due over three months	23,165
Purchase of property, plant and equipment	(77,811)
Proceeds from sale of property, plant and equipment	710
Purchase of investments in securities, unconsolidated subsidiaries and affiliates	(165)
Proceeds from sale and redemption of investments in securities, unconsolidated subsidiaries and affiliates	172
Others	(4,498)
Net cash used in investment activities	(73,836)
III. Cash Flows from Financing Activities	
Decrease in short-term loans and commercial paper	(88,566)
Proceeds from long-term debt	120,792
Repayments of long-term debt	(7,068)
Proceeds from issuance of bonds	72,464
Redemption of bonds	(8,137)
Purchase of treasury stock	(49)
Dividends paid	(14,011)
Others	(1,135)
Net cash provided by financing activities	74,287
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,714
V. Changes in Cash and Cash Equivalents	34,958
VI. Cash and Cash Equivalents at Beginning of Period	59,772
VII. Cash and Cash Equivalents at End of Period	94,731

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

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

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

4. Changes in useful lives of tangible fixed assets

In the light of the amendment to the Corporation Tax Act (Law Partially Revising the Income Tax Law and other laws, Law No. 23; April 30, 2008), the Company and its domestic consolidated subsidiaries reviewed useful lives of tangible fixed assets to reflect actual conditions. As a result of this change, operating 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, 2009 (January 1 through June 30, 2009).

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

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

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

4. Changes in useful lives of tangible fixed assets

In the light of the amendment to the Corporation Tax Act (Law Partially Revising the Income Tax Law and other laws, Law No. 23; April 30, 2008), the Company and its domestic consolidated subsidiaries reviewed useful lives of tangible fixed assets to reflect actual conditions. As a result of this change, operating loss in Japan geographic segment increased 5,095 million yen for the six months ended June 30, 2009 (January 1 through June 30, 2009).

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%

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.

Supplementary Information

(1) Consolidated Statements of Income

(Unit: millions of yen)

	For the six months ended June 30, 2008 (Jan. 1 through June 30, 2008)
Net Sales	774,134
Cost of Sales	534,147
Gross profit	239,987
Selling, General and Administrative Expenses	130,409
Operating Income	109,577
Other Income	10,146
Interest and dividend income	4,136
Equity in earnings of unconsolidated subsidiaries and affiliates	1,776
Others	4,233
Other Expenses	23,977
Interest expenses	7,086
Others	16,891
Ordinary Income	95,747
Extraordinary Gains	5,741
Gain on sale of properties	5,187
Gain on sale of investments in securities, unconsolidated subsidiaries and affiliates	427
Others	126
Extraordinary Losses	23,796
Loss on disposal of properties	2,137
Impairment loss on long-lived assets	5,386
Expenses for restructuring programs	15,274
Others	998
Income before income taxes and minority interest	77,691
Income Taxes	
Current	23,169
Deferred	2,068
Minority Interests in Earnings of Consolidated Subsidiaries	4,435
Net Income	48,017

Note :The results for the first half of FY2008, ended June 30, 2008, are stated using figures disclosed under the guidelines of the Tokyo Stock Exchange effective at the time of announcement only. The guidelines differ from the quarterly accounting standards defined and published by Accounting Standards Board of Japan that are applied for the first time from the current fiscal year.

(2) Consolidated Statements of Cash Flows

(Unit: millions of yen)

	For the six months ended June 30, 2008 (Jan. 1 through June 30, 2008)
I. Cash Flows from Operating Activities	
Income before income taxes and minority interest	77,691
Depreciation and amortization	64,837
Impairment loss on long-lived assets	5,386
Amortization of goodwill	928
Decrease in reserves	(13,968)
Interest and dividend income	(4,136)
Interest expenses and commercial paper interest	7,289
Exchange loss (gain), net	6,833
Equity in earnings of unconsolidated subsidiaries and affiliates	(1,776)
Gain on sale of investments in securities and properties, etc.	(3,276)
Increase in trade notes and accounts receivable	(3,784)
Increase in inventories	(12,650)
Decrease in trade notes and accounts payable	(4,221)
Others	21,926
Subtotal	141,079
Interest and dividend received	4,934
Interest paid	(7,639)
Income taxes paid	(36,213)
Income taxes refunded	2,783
Net cash provided by operating activities	104,945
II. Cash Flows from Investing Activities	
Decrease in time deposits due over three months	(24,094)
Increase in time deposits due over three months	15,968
Purchase of property, plant and equipment	(124,503)
Proceeds from sale of property, plant and equipment	8,074
Purchases of investments in securities, unconsolidated subsidiaries and affiliates	(10,239)
Proceeds from sale and redemption of investments in securities, unconsolidated subsidiaries and affiliates	3,300
Others	(1,075)
Net cash used in investing activities	(132,569)
III. Cash Flows from Financing Activities	
Increase in short-term bank loans and commercial paper	37,848
Proceeds from long-term debts	12,967
Repayments of long-term debts	(10,047)
Redemption of bonds	(3,037)
Purchase of treasury stock	(7,248)
Dividends paid	(13,896)
Others	49
Net cash provided by financing activities	16,635
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	(2,436)
V. Changes in Cash and Cash Equivalents	(13,424)
VI. Cash and Cash Equivalents at Beginning of Period	52,275
Cash and cash equivalents held by newly consolidated Subsidiaries, net of those held by deconsolidated subsidiaries	(588)
Cash and Cash Equivalents at End of Period	38,263

Note :The results for the first half of FY2008, ended June 30, 2008, are stated using figures disclosed under the guidelines of the Tokyo Stock Exchange effective at the time of announcement only. The guidelines differ from the quarterly accounting standards defined and published by Accounting Standards Board of Japan that are applied for the first time from the current fiscal year.

(3) Segment Information

[Business Segment]

For the six months ended June 30, 2008 (January 1 to June 30, 2008)

(Unit: millions of yen)

	Glass	Electronics and Display	Chemicals	Other	Total	Corporate or elimination	Consolidated Total
Sales							
Sales to customers	396,194	206,254	155,681	16,004	774,134	-	774,134
Inter-segment sales/transfers	1,159	1,575	1,518	24,680	28,933	(28,933)	-
Total sales	397,353	207,829	157,199	40,684	803,067	(28,933)	774,134
Operating income	18,612	82,179	6,973	1,840	109,606	(28)	109,577

[Geographic Segment]

For the six months ended June 30, 2008 (January 1 to June 30, 2008)

(Unit: millions of yen)

	Japan	Asia	The Americas	Europe	Total	Corporate or elimination	Consolidated total
Sales							
Sales to customers	319,904	193,949	65,797	194,482	774,134	-	774,134
Inter-segment sales/transfers	83,934	38,716	6,333	2,311	131,297	(131,297)	-
Total sales	403,839	232,666	72,131	196,794	905,431	(131,297)	774,134
Operating income (loss)	50,683	43,120	(1,886)	19,595	111,513	(1,936)	109,577

[Overseas Sales]

For the six months ended June 30, 2008 (January 1 to June 30, 2008)

(Unit: millions of yen)

	Asia	The Americas	Europe	Other	Total
Overseas sales	210,097	67,391	195,778	11,723	484,990
Percentage of overseas sales to Consolidated sales	27.1%	8.7%	25.3%	1.5%	62.6%

(4) Other Information

(i) Operating results

(Unit: billions of yen)

	For the six months ended June 30, 2008	For the six months ended June 30, 2009	FY2008
Net sales	774.1	516.5	1,444.3
Operating income	109.6	7.5	154.0
Ordinary income	95.7	9.2	109.8
Net income (loss)	48.0	(22.2)	39.2
Net income (loss) per share (yen)	41.07	(19.02)	33.53

(ii) Major items

(Unit: billions of yen)

	For the six months ended June 30, 2008	For the six months ended June 30, 2009	FY2008
Capital expenditures	119.6	70.7	252.1
Depreciation and amortization	64.8	64.9	135.3
Interest expenses & dividend income	(3.2)	(3.0)	(7.2)

(Unit: billions of yen)

	FY2008 second quarter (as of June 30, 2008)	FY2009 second quarter (as of June 30, 2009)	FY2008 (as of December 31, 2008)
Interest-bearing debts	557.5	697.4	597.6
Total net assets	1,035.3	778.0	780.9
D/E ratio	0.54	0.90	0.77

(iii) Outlook for FY 2009 operating results (Unit: billions of yen)

	FY2009
Net sales	1,100.0
Operating income	40.0
Ordinary income	30.0
Net loss	(34.0)
Capital expenditures	143.0
Depreciation and amortization	145.0
Research and development costs	42.0

(iv) Exchange rates

	FY2008 First half		FY2009 Second quarter		FY 2008		FY 2009 Second half
	Average	End of period	Average	End of period	Average	End of period	Outlook
Yen / US Dollar	104.61	106.42	96.76	96.01	102.81	91.03	95
Yen / Euro	161.55	168.07	133.45	135.53	152.07	127.96	135

*The average exchange rate for FY2009 represents the average rate for the second quarter (three months), while the average exchange rate for FY2008 represents the average rate for the year to date.