May 11, 2010
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Consolidated Financial Results for the Three Months ended March 31, 2010

1. Financial results for the three months ended March 31, 2010 (January 1 through March 31, 2010)

(1) Consolidated operating results

	For the three months ended March 31, 2010		For the three months ended March 31, 2009	
	Millions of yen	%	Millions of yen	%
Net sales	315,094	33.3	236,317	－
Operating income (loss)	53,934	－	(5,954)	－
Ordinary income (loss)	56,059	－	(10,598)	－
Net income (loss)	39,733	－	(13,991)	－
Net income (loss) per share - basic (yen)	34.03		(11.98)	
Net income per share - fully diluted (yen)	31.56		－	

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

(2) Consolidated financial position

	FY2010 first quarter (as of March 31, 2010)	FY2009 (as of December 31, 2009)
Total assets (Millions of yen)	1,822,860	1,781,875
Total net assets (Millions of yen)	850,558	808,312
Equity ratio (%)	43.6	42.4
Net assets per share (yen)	681.34	646.53

Reference: Total Shareholder's Equity at -End of FY2010 first quarter: 795,506 million yen
-End of FY2009: 754,883 million yen

2. Dividend

(Unit: yen)

	FY2009	FY2010	FY2010 (planned)
End of first quarter	－	－	――――
End of second quarter	8.00	――――	8.00
End of third quarter	－	――――	－
End of fiscal year	8.00	――――	8.00
Total	16.00	――――	16.00

Note: Revision of the outlook in the first quarter: No

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

	First half		Full year	
	Millions of yen	%	Millions of yen	%
Net sales	650,000	25.8	1,300,000	13.2
Operating income	105,000	－	190,000	119.2
Ordinary income	100,000	981.6	180,000	106.4
Net income	60,000	－	110,000	450.4
Net income per share (yen)	51.39		94.21	

Note: Revision of outlook for FY2010 consolidated operating results in the first quarter: Yes
For detail about the outlook, please see our press release issued on May 11, 2010, "AGC Revises the Consolidated Outlook for the First Half and the Fiscal Year 2010".

4. Other Information

(1) Changes in significant subsidiaries during the period under review (Changes in specific subsidiaries involving changes in the scope of consolidation): Yes

New 0 company

Excluded 1company (Hunan HEG Electronic Glass Co., Ltd.)

For details, refer to "4. Others" in Qualitative Information and Financial Statements, beginning on page 6.

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

For details, refer to "4. Others" in Qualitative Information and Financial Statements, beginning on page 6.

(3) Changes in accounting policies, 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 6.

(4) Shares issued (common stock)

i. Shares issued (including treasury stock) at the end of the period	
-FY2010 first quarter (as of March 31, 2010):	1,186,705,905
-FY2009 (as of December 31, 2009):	1,186,705,905
ii. Treasury stock at the end of the period	
-FY2010 first quarter (as of March 31, 2010):	19,144,871
-FY2009 (as of December 31, 2009):	19,120,306
iii. Average shares issued during the period	
-For the three months ended March 31, 2010:	1,167,570,089
-For the three months ended March 31, 2009:	1,167,648,479

*Appropriate Use of Forecast and Other Information and Other Matters

The above-mentioned outlook reflects management's assumptions on the basis of currently available information, as such, contain risks and uncertainties. For matters concerning the above outlook, please see "3. Qualitative Information Regarding the Outlook for Consolidated Operating Results" in Qualitative Information and Financial Statements, on page 5.

Qualitative Information and Financial Statements

1. Qualitative Information Regarding Consolidated Operating Results

(1) Overview of consolidated business results for the first quarter of the fiscal year ending December 2010

For the first quarter of fiscal 2010 (from January 1, 2010 to March 31, 2010), 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. However, the world economy improved moderately due partly to various countries' economic stimulus measures.

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 was on a recovery track 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 economy stopped contracting thanks to policies carried out by some countries such as measures to encourage consumers to replace their cars.

Reviewing the markets in which the AGC Group operates, demand in the housing market continued to be weak in countries other than those in Asia. In the automotive market, demand recovered due to various countries' measures to encourage car purchases. Demand in the display market continued to be steady.

AGC Group has promoted drastic streamlining and rationalization measures all over the management areas after the middle of 2008 when the world economy turned into recession. Furthermore, we have tried all efforts to improve profitability and asset efficiency such as formulation of production system to match with market demand, improvement in the productivity by relocating existing resources and thorough cash management. Implementation of such measures together with the recovery in the shipments has successfully turned our operating performance back to recovery with the first quarter last year at the bottom.

As the result of the above, AGC Group posted net sales of 315.1 billion yen which was 78.8 billion yen or 33.3% increase compared to the corresponding period of the previous year ("year-on-year"); operating income of 53.9 billion yen which was 59.9 billion yen increase year-on-year; ordinary income of 56.1 billion yen which was 66.7 billion yen increase year-on-year; and net income of 39.7 billion yen which was 53.7 billion yen increase year-on-year.

(2) Overview by business segment for the first quarter of the fiscal year ending December 2010

- Glass Operations

Sales in the flat glass business increased year-on-year, due to a moderate recovery in shipments of glass for construction, whose demand had weakened affected by the deterioration of the world economy, as well as a restoration of prices in Europe in the previous fiscal year and shipments of glass for solar power systems increased steadily after the middle of the previous fiscal year. Meanwhile glass for construction, both shipments and prices were weak year-on-year in regions other than Asia because of some seasonal factors.

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 first quarter was 140.5 billion yen which was 26.7 billion yen or 23.4% increase year-on-year, and operating income was 2.6 billion yen which was 18.4 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 of such glass.

Sales of electronics materials increased year-on-year, as shipments recovered gradually after the middle of the previous fiscal year due to the economic recovery of the semiconductor-related markets.

As a result, net sales from the Electronics and Display operations for the first quarter was 109.3 billion yen which was 43.6 billion yen or 66.5% increase year-on-year, and operating income was 49.4 billion yen which was 37.4 billion yen or 311.0% increase year-on-year.

- Chemicals Operations

Sales in the chlor-alkali & urethane business increased year-on-year, reflecting continued strong demand for caustic soda and vinyl chloride-related products and the revision of prices of vinyl chloride-related products that was made to cope with a rise in raw materials prices.

Sales in the fluorochemicals & specialty chemicals business increased from the same period last fiscal year because of an overall recovery in shipments.

As a result, net sales from the Chemicals operations for the first quarter was 61.3 billion yen which was 9.1 billion yen or 17.3% increase year-on-year, and operating income was 1.9 billion yen which was 4.9 billion yen increase year-on-year.

- Other Operations

In the ceramics business, sales decreased year-on-year, as demand was sluggish both in the glass engineering sector and in the environment energy sector.

As a result, net sales from the Other operations for the first quarter was 16.4 billion yen which was 0.7 billion yen or 4.4% increase year-on-year, and operating income was 0.2 billion yen which was 0.4 billion yen or 73.9% decrease 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

(3) Overview by geographic segment for the first quarter of the fiscal year ending December 2010

- Japan

Net sales in Japan for the first quarter was 194.5 billion yen which was 68.4 billion yen or 54.3% increase year-on-year, and operating income was 34.9 billion yen which was 51.6 billion yen increase year-on-year.

- Asia

Net sales in Asia for the first quarter was 119.9 billion yen which was 39.9 billion yen or 49.8% increase year-on-year, and operating income was 19.8 billion yen which was 2.5 billion yen or 14.7% increase year-on-year.

- The Americas

Net sales in the Americas for the first quarter was 21.9 billion yen which was 2.6 billion yen or 13.3% increase year-on-year, and operating loss was 1.4 billion yen which was 2.1 billion yen improve year-on-year.

- Europe

Net sales in Europe for the first quarter was 57.6 billion yen which was 4.6 billion yen or 8.8% increase year-on-year, and operating loss was 0.2 billion yen which was 1.5 billion yen improve year-on-year.

Being related to each business, the overview by geographic segment is described in “(2) Overview by business segment for the first quarter of the fiscal year ending December 2010”.

2. Qualitative Information Regarding Consolidated Financial Position

- Total assets

Total assets were 1,822.9 billion yen as of the end of the first quarter of fiscal 2010, up 41.0 billion yen from the previous year. This rise is mainly because of increases in negotiable certificates of deposit (marketable securities) and trade notes and accounts receivable.

- Total liabilities

Total liabilities were 972.3 billion yen as of the end of the first quarter under review, down 1.3 billion yen. This fall is chiefly attributable to a decrease in interest-bearing debts by the repayment of long-term bank loans, despite increases in income taxes payable and other accounts payable related to capital investment.

- Total net assets

Total net assets were 850.6 billion yen as of the end of the first quarter under review, up 42.2 billion yen. This increase is primarily due to greater retained earnings as a result of higher net income and a rise in foreign currency translation adjustments on the weakened yen, despite the payment of dividends.

3. Qualitative Information Regarding the Outlook for Consolidated Operating Results

(Unit: billions of yen)

	Net Sales	Operating income	Ordinary income	Net income
FY 2010 (January 1 through December 31, 2010)	1,300.0	190.0	180.0	110.0
FY 2009 (January 1 through December 31, 2009)	1,148.2	86.7	87.2	20.0
Change (%)	13.2	119.2	106.4	450.4

The global economic environment has shown signs of picking up in various regions in 2010. Emerging countries such as China are expected to see economic growth.

Under such economic environments, actual shipments in almost all of our businesses exceeded those of our forecast at the beginning of the current fiscal year. Especially, shipments of FPD glass substrate achieved steady results following the fourth quarter last fiscal year. Also, shipments of automotive glass showed steady recovery trend thanks to automotive demand stimulus measures taken by the governments in various countries. As a result, prospective results for the second quarter of the consolidated cumulative period are expected to outperform those we released on February 10, 2010.

Meanwhile, the outlook for the global economy remains uncertain, and there are concerns about reactionary downturn of the economy in case economic pump-priming measures in relevant countries are abolished or downsized.

Based on the outlook described above, the AGC Group expects sales for FY2010 of 1,300.0 billion yen which is 151.8 billion yen or 13.2% increase year-on-year; operating income of 190.0 billion yen which is 103.3 billion yen or 119.2% increase year-on-year; ordinary income of 180.0 billion yen which is 92.8 billion yen or 106.4% increase year-on-year; and net income of 110.0 billion yen which is 90.0 billion yen or 450.4% increase year-on-year. The assumed average exchange rates are 90 yen to the U.S. dollar and 120 yen to the Euro. And, the exchange rate to the Euro was changed from the previous annaouncement.

In addition, depreciation of tangible fixed assets had been calculated by the Group primarily using the declining-balance method in Japan, however, we have changed the method of calculation to straight-line method effective from this fiscal period. 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 our business forecast.

[Important notes with regard to the outlook]

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.*

4. Others

(1) Changes in significant subsidiaries during the period (Changes in specific subsidiaries involving changes in the scope of consolidation)

During the first quarter under review, Hunan HEG Electronic Glass Co., Ltd., a consolidated subsidiary of the Company, was excluded from the scope of consolidation due to the transfer of all of its interests to Hunan Xiangtou Electronic Development Co., Ltd. and Omnisun International Investment Co., Ltd.

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

(i) Simplified accounting methods

(Valuation of inventories)

Inventories at the end of the first 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 first 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 for preparing quarterly consolidated financial statements

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

With regard to rencognizing revenues and costs of long-term construction constracts, 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 under review. 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 under review in case the percentage of completion of the construction works at the end of the said quarter was reasonably estimated. Meanwhile, the completed-contract method was applied to other construction works.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 first quarter 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 under review.

Consequently, depreciation expenses decreased by 5,573 million yen for the first quarter under review. Meanwhile, operating income, ordinary income and income before income taxes and minority interests increased by 5,539 million yen, 5,572 million yen and 5,573 million yen, respectively.

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

5. Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Unit: millions of yen)

	FY2010 first quarter (as of March 31,2010)	FY2009 (as of December 31, 2009)
Current assets	594,681	558,509
Cash on hand and in banks	84,871	83,953
Trade notes and accounts receivable	235,933	225,480
Marketable securities	43,000	20,000
Finished products	76,811	77,647
Work in process	37,921	34,604
Raw materials and supplies	64,630	64,294
Other current assets	57,089	58,166
Allowance for bad debts	(5,577)	(5,637)
Fixed assets	1,228,179	1,223,366
Tangible Fixed Assets	932,432	928,285
Buildings and structures	256,253	255,371
Machinery and equipment	485,565	462,399
Tools, fixtures and others	17,710	18,731
Land	83,969	83,601
Construction in progress	88,933	108,182
Intangible Fixed Assets	34,301	36,213
Investments and other assets	261,446	258,867
Investments in securities	204,625	199,816
Other investments	59,001	61,141
Allowance for bad debts	(2,180)	(2,090)
Total Assets	1,822,860	1,781,875

(1)Quarterly Consolidated Balance Sheets (continued)

(Unit: millions of yen)

	FY2010 first quarter (as of March 31, 2010)	FY2009 (as of December 31, 2009)
Current Liabilities	350,143	335,583
Trade notes and accounts payable	124,112	129,237
Short-term bank loans	57,143	64,046
Commercial paper	3,160	1,498
Current maturities of bonds	3,186	3,167
Income taxes payable	26,782	17,789
Other reserves	16,661	13,991
Other current liabilities	119,096	105,852
Non-current Liabilities	622,158	637,979
Bonds issued	165,112	165,152
Bonds with subscription right to shares	100,000	100,000
Long-term bank loans	248,217	263,483
Accrued retirement benefits for employees	63,872	64,265
Reserve for rebuilding furnaces	8,010	7,230
Other reserves	6,666	7,137
Other non-current liabilities	30,279	30,709
Total liabilities	972,302	973,563
Shareholders' equity	845,991	815,622
Common stock	90,873	90,873
Additional paid-in capital	96,961	96,961
Retained earnings	679,331	648,939
Treasury stock	(21,174)	(21,152)
Valuation and translation adjustments	(50,485)	(60,738)
Unrealized gains on securities, net of tax	45,789	42,593
Deferred gains or losses on hedges, net of tax	(616)	(299)
Foreign currency translation adjustments	(95,658)	(103,032)
Share Subscription Rights	996	992
Minority Interests in Consolidated Subsidiaries	54,055	52,436
Total Net Assets	850,558	808,312
Total Liabilities and Net Assets	1,822,860	1,781,875

(2)Quarterly Consolidated Statements of Income

For the three months ended March 31, 2010 (January 1 through March 31)

(Unit: millions of yen)

	For the three months ended Mar. 31, 2009 (Jan. 1 through Mar. 31, 2009)	For the three months ended Mar. 31, 2010 (Jan. 1 through Mar. 31, 2010)
Net Sales	236,317	315,094
Cost of Sales	185,668	207,287
Gross profit	50,649	107,807
Selling, General and Administrative Expenses	56,603	53,872
Operating Income (loss)	(5,954)	53,934
Other Income	2,714	5,011
Interest income	544	295
Dividend income	250	155
Exchange gain, net	－	2,994
Equity in gains of unconsolidated subsidiaries and affiliates	－	830
Others	1,919	736
Other Expenses	7,358	2,887
Interest expenses	2,980	1,675
Exchange loss, net	824	－
Equity in losses of unconsolidated subsidiaries and affiliates	393	－
Others	3,159	1,212
Ordinary Income (loss)	(10,598)	56,059
Extraordinary Gains	80	1,516
Gain on sale of properties	80	332
Gain on sale of investments in securities	－	1,056
Others	－	127
Extraordinary Losses	4,827	1,851
Loss on disposal of properties	1,763	469
Impairment loss on long-lived assets	－	191
Expenses for restructuring programs	2,160	472
Others	902	718
Income (Loss) before income taxes and minority interests	(15,345)	55,724
Income taxes	(2,687)	14,324
Minority interests in earnings of consolidated subsidiaries	1,333	1,666
Net Income (Loss)	(13,991)	39,733

(3)Quarterly Consolidated Statements of Cash Flows

(Unit: millions of yen)

	For the three months ended Mar. 31, 2009 (Jan. 1 through Mar. 31, 2009)	For the three months ended Mar. 31, 2010 (Jan. 1 through Mar. 31, 2010)
Ⅰ.Cash Flows from Operating Activities		
Income (Loss) before income taxes and minority interests	(15,345)	55,724
Depreciation and amortization	34,038	27,086
Impairment loss on long-lived assets	―	191
Amortization of goodwill	353	351
Increase (Decrease) in reserves	(3,377)	2,973
Interest and dividends income	(795)	(450)
Interest expenses	2,980	1,675
Exchange loss (gain), net	(1,906)	(1,843)
Equity in losses (gains) of unconsolidated subsidiaries and affiliates	393	(830)
Loss (Gain) on sale and valuation of investment securities	281	(908)
Loss on sale and disposal of property, plant and equipment	1,683	137
Decrease (Increase) in trade notes and accounts receivable	18,954	(8,874)
Decrease (Increase) in inventories	6,108	(2,912)
Increase (Decrease) in trade notes and accounts payable	(50,111)	(6,373)
Others	6,515	8,933
Subtotal	(227)	74,880
Interest and dividends received	670	399
Interest paid	(2,726)	(1,730)
Income taxes (paid) refunded	(1,472)	(5,046)
Net cash provided by (used in) operating activities	(3,757)	68,503
Ⅱ.Cash Flows from Investing Activities		
Payments for time deposits due over three months	(7,955)	(5,600)
Proceeds from refund of time deposits due over three months	10,792	4,557
Purchase of property, plant and equipment	(47,878)	(20,361)
Proceeds from sale of property, plant and equipment	260	705
Purchase of investments in securities, unconsolidated subsidiaries and affiliates	(64)	(41)
Proceeds from sale and redemption of investments in securities,unconsolidated subsidiaries and affiliates	61	2,131
Others	(4,929)	(209)
Net cash used in investment activities	(49,712)	(18,819)
Ⅲ.Cash Flows from Financing Activities		
Increase (Decrease) in short-term loans and commercial paper	(3,958)	(4,275)
Proceeds from long-term debt	34,003	―
Repayments of long-term debt	(1,812)	(13,044)
Proceeds from issuance of bonds	72,464	―
Purchase of treasury stock	(19)	(26)
Dividends paid	(14,011)	(9,340)
Others	(1,032)	(1,124)
Net cash provided by (used in) financing activities	85,634	(27,812)
Ⅳ.Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,112	813
Ⅴ.Changes in Cash and Cash Equivalents	33,277	22,685
Ⅵ.Cash and Cash Equivalents at Beginning of Period	59,772	95,869
Ⅶ.Cash and Cash Equivalents at End of Period	93,050	118,554

(4)Segment Information

1. Business Segment

For the three months ended March 31, 2009 (January 1 through March 31, 2009) (Unit: millions of yen)

	Glass	Electronics and Display	Chemicals	Other	Total	Corporate or elimination	Consolidated total
Sales							
(1)Sales to customers	113,514	65,363	51,694	5,746	236,317	－	236,317
(2)Inter-segment sales/transfers	315	261	559	9,979	11,116	(11,116)	－
Total sales	113,829	65,625	52,253	15,725	247,433	(11,116)	236,317
Operating income (Loss)	(15,788)	12,017	(3,009)	598	(6,181)	227	(5,954)

(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 1,743 million yen, operating income in Electronics and Display business segment declined 2,021 million yen, operating loss in Chemicals business segment increased 1,286 million yen, operating income in Other business segment declined 16 million yen, and operating income in Corporate or elimination declined 8 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 45 million yen, operating income in Electronics and Display business segment declined 2,390 million yen, operating loss in Chemicals business segment increased 232 million yen, operating income in Other business segment declined 14 million yen, and operating income in Corporate or elimination increased 13 million yen.

For the three months ended March 31, 2010 (January 1 through March 31, 2010) (Unit: millions of yen)

	Glass	Electronics and Display	Chemicals	Other	Total	Corporate or elimination	Consolidated total
Sales							
(1)Sales to customers	139,626	108,966	60,615	5,884	315,094	—	315,094
(2)Inter-segment sales/transfers	891	291	697	10,526	12,407	(12,407)	—
Total sales	140,518	109,258	61,313	16,411	327,501	(12,407)	315,094
Operating income	2,596	49,390	1,902	156	54,046	(111)	53,934

(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 under review.

   Consequently, operating income in Glass business segment increased 1,100 million yen, operating income in Electronics and Display business segment increased 3,112 million yen, operating income in Chemicals business segment increased 1,279 million yen, and operating income in Other business segment increased 46 million yen.

2. Geographic Segment

For the three months ended March 31, 2009 (January 1 through March 31, 2009) (Unit: millions of yen)

	Japan	Asia	The Americas	Europe	Total	Corporate or elimination	Consolidated total
Sales							
(1)Sales to customers	97,272	72,219	15,127	51,697	236,317	―	236,317
(2)Inter-segment sales/transfers	28,838	7,835	4,192	1,228	42,094	(42,094)	―
Total sales	126,110	80,055	19,319	52,925	278,412	(42,094)	236,317
Operating income (Loss)	(16,639)	17,293	(3,526)	(1,742)	(4,615)	(1,338)	(5,954)

(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 5,075 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 2,669 million yen.

For the three months ended March 31, 2010 (January 1 through March 31, 2010) (Unit: millions of yen)

	Japan	Asia	The Americas	Europe	Total	Corporate or elimination	Consolidated total
Sales							
(1)Sales to customers	131,316	107,957	19,153	56,667	315,094	―	315,094
(2)Inter-segment sales/transfers	63,217	11,978	2,727	889	78,813	(78,813)	―
Total sales	194,534	119,936	21,880	57,556	393,907	(78,813)	315,094
Operating income (Loss)	34,941	19,829	(1,414)	(205)	53,151	783	53,934

(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 under review.

   Consequently, operating income in Japan geographic segment increased 5,539 million yen.

3. Overseas Sales

For the three months ended March 31, 2009 (January 1 through March 31, 2009) (Unit: millions of yen)

	Asia	The Americas	Europe	Other	Total
Overseas sales	77,803	15,488	52,753	3,290	149,336
Consolidated sales					236,317
Percentage of Overseas sales to Consolidated sales	32.9%	6.6%	22.3%	1.4%	63.2%

(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 March 31, 2010 (January 1 through March 31, 2010) (Unit: millions of yen)

	Asia	The Americas	Europe	Other	Total
Overseas sales	118,096	19,117	57,031	3,729	197,974
Consolidated sales					315,094
Percentage of Overseas sales to Consolidated sales	37.5%	6.1%	18.1%	1.1%	62.8%

(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.

6. Other information

(1) Operating results

(Unit: billions of yen)

	For the three months ended Mar. 31, 2009	For the three months ended Mar. 31, 2010	FY2009
Net sales	236.3	315.1	1,148.2
Operating income (loss)	(6.0)	53.9	86.7
Ordinary income (loss)	(10.6)	56.1	87.2
Net income (loss)	(14.0)	39.7	20.0
Net income (loss) per share (yen)	(11.98)	34.03	17.12

(2) Major items

(Unit: billions of yen)

	For the three months ended Mar. 31, 2009	For the three months ended Mar. 31, 2010	FY2009
Capital expenditures	45.6	26.2	124.9
Depreciation and amortization	34.0	27.1	136.7
Interest expenses & dividend income	(2.2)	(1.2)	(5.6)

(Unit: billions of yen)

	FY2009 first quarter (as of Mar. 31, 2009)	FY2010 first quarter (as of Mar. 31, 2010)	FY2009 (as of Dec. 31, 2009)
Interest-bearing debts	703.3	580.2	600.7
Total net assets	746.7	850.6	808.3
D/E ratio	0.94	0.68	0.74

(3) Outlook for FY 2010 operating results

(Unit: billions of yen)

	First half of FY2010	FY2010
Net sales	650.0	1,300.0
Operating income	105.0	190.0
Ordinary income	100.0	180.0
Net income	60.0	110.0
Capital expenditures	―	150.0
Depreciation and amortization	―	120.0
Research and development costs	―	50.0

(4) Exchange rates

	FY2009 First quarter		FY2010 First quarter		FY 2009		FY 2010
	Average	End of period	Average	End of period	Average	End of period	Outlook
Yen / US Dollar	95.20	98.23	90.75	93.04	93.72	92.10	90
Yen / Euro	123.20	129.84	123.71	124.92	130.56	132.00	120*

*Changed from the previous outlook of 130 yen to the Euro which was announced on February 10, 2010.