

November 4, 2011  
 Corporate Name: Asahi Glass Co., Ltd.  
 (Code Number: 5201; TSE 1st section)  
 (URL: <http://www.agc.com>)  
 President & CEO: Kazuhiko Ishimura  
 Contact: Toshihiro Ueda, General Manager,  
 Corporate Communications & Investor Relations  
 (Tel: +81-3-3218-5603)

## Consolidated Financial Results for the Nine Months ended September 30, 2011

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

### 1. Financial results for the nine months ended September 30, 2011 (January 1 through September 30, 2011)

#### (1) Consolidated operating results

	For the nine months ended September 30, 2011		For the nine months ended September 30, 2010	
	Millions of yen	%	Millions of yen	%
Net sales	915,653	(4.7)	960,610	17.1
Operating income	136,306	(19.7)	169,792	332.1
Ordinary income	136,291	(19.7)	169,683	320.0
Net income	76,023	(30.5)	109,442	—
Net income per share - basic (yen)	65.21		93.74	
Net income per share - fully diluted (yen)	60.43		86.93	

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

#### (2) Consolidated financial position

	FY2011 third quarter (as of September 30, 2011)	FY2010 (as of December 31, 2010)
Total assets (Millions of yen)	1,697,577	1,764,038
Total net assets (Millions of yen)	831,577	849,815
Equity ratio (%)	46.5	45.8
Net assets per share (yen)	680.93	692.59

Reference: Total Shareholder's Equity at -End of FY2011 third quarter: 789,288 million yen  
 -End of FY2010: 808,242 million yen

### 2. Dividends

(Unit: yen)

	FY2010	FY2011	FY2011 (forecast)
End of first quarter	—	—	—
End of second quarter	12.00	13.00	—
End of third quarter	—	—	—
End of fiscal year	14.00	—	13.00
Total	26.00	—	26.00

Note: Revision of the forecast during this quarter: No

### 3. Forecast for FY2011 (January 1 through December 31, 2011)

	Full year	
	Millions of yen	%
Net sales	1,250,000	△3.0
Operating income	170,000	△25.8
Ordinary income	165,000	△27.3
Net income	90,000	△26.9
Net income per share (yen)	77.20	

Note: Revision of the forecast for FY2011 consolidated operating results during this quarter: Yes

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

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

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

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

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

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

i. Changes resulting from revisions to accounting standards: Yes

ii. Other changes: No

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

(4) Number of shares issued (common stock)

i.	Number of shares issued (including treasury stock) at the end of the period	
	-FY2011 third quarter (as of September 30, 2011):	1,186,705,905
	-FY2010 (as of December 31, 2010):	1,186,705,905
ii.	Number of treasury stock at the end of the period	
	-FY2011 third quarter (as of September 30, 2011):	27,569,312
	-FY2010 (as of December 31, 2010):	19,722,989
iii.	Average number of shares issued during the period	
	-For the nine months ended September 30, 2011:	1,165,747,526
	-For the nine months ended September 30, 2010:	1,167,534,246

\*Appropriate Use of Forecast and Other Information and Other Matters

The above-mentioned forecast reflects management's assumptions on the basis of currently available information, as such, contain risks and uncertainties. For matters concerning the above forecast, please see "(3) Qualitative Information Regarding the Forecast for Consolidated Operating Results" in "1. Qualitative Information Regarding Financial Statements" in Attached Documents on page 4.

**(Attached Documents)**

**INDEX**

1. Qualitative Information Regarding Financial Statements	2
(1) Qualitative Information Regarding Consolidated Operating Results	2
(2) Qualitative Information Regarding Consolidated Financial Position	3
(3) Qualitative Information Regarding the Forecast for Consolidated Operating Results	4
2. Other Information	5
(1) Overview of changes in significant subsidiaries	5
(2) Adoption of simplified accounting methods and/or special accounting methods	5
(3) Changes in accounting policies, procedures and methods of presentation	5
3. Consolidated Financial Statements	6
(1) Consolidated Balance Sheets	6
(2) Consolidated Statements of Income	8
(3) Consolidated Statements of Cash Flows	10
(4) Segment Information	11

Supplementary material is available on our website.

## **1. Qualitative Information Regarding Financial Statements**

### **(1) Qualitative Information Regarding Consolidated Operating Results**

#### **(i) Overview of consolidated business results for the third quarter of the fiscal year ending December 2011**

For the third quarter of fiscal 2011 (from July 1, 2011 to September 30, 2011), the global economic environment surrounding the Company and its consolidated subsidiaries (hereinafter collectively referred to as the “AGC Group” or simply as the “Group”) was on a track to gradual recovery. However, the upward trend was losing momentum because of the factors such as a slowdown in the expansion of domestic demand among fast-growing countries in addition to the impact of fiscal and monetary problems in Europe and the United States.

In Japan, the business environment remained severe due to the Great East Japan Earthquake; however, the economy was picking up as production activities resumed following the restoration of the supply chain. In Asia, the overall economy continued to expand due to increases in exports and solid domestic demand although China and some other Asian countries showed signs of economic deceleration. In Europe, economic stagnation continued in the countries which pursued tight fiscal policies, and at the same time, signs of economic slowdown were seen in Germany and some other countries that had been on a gradual recovery. In the United States, although consumer spending was picking up, the economy had only slight recovery as the unemployment rate hovered at a high level and housing starts remained sluggish.

Under such a business environment, shipments of the AGC Group’s products increased in general; however, due to price declines of the Group’s major products except for some products and price increases of fuels and raw materials, the AGC Group posted net sales of 302.0 billion yen for the third quarter of fiscal 2011, a 16.9 billion yen or 5.3% decrease from the corresponding period of the previous year. Operating income decreased by 17.8 billion yen or 32.5 % year-on-year to 37.0 billion yen, and ordinary income decreased by 23.9 billion yen or 41.7% to 33.4 billion yen. Net income was 19.1 billion yen, a 16.0 billion yen or 45.7% decrease on a year-on-year basis.

#### **(ii) Overview by reportable segment for the third quarter of the fiscal year ending December 2011**

##### **- Glass**

Shipments of architectural glass in Japan increased from the previous quarter as the production restriction caused by the Great East Japan Earthquake was resolved. Demand in Asia also continued to be strong. In Japan, shipments of Eco Glass were continuously on an increase out of growing public awareness for energy conservation. In Europe, the AGC Group’s shipments underperformed because the pace of demand recovery further slowed down due to the downturn in the economic conditions. Demand for architectural glass in North America remained sluggish.

In the automotive glass business, the Group’s shipments increased from the previous quarter due to restoration of the supply chain and subsequent recovery of automobile production both of which had been affected by the earthquake.

As for glass for solar power systems, shipments of glass for thin-film silicon type PV systems and glass for CSP systems were bearish while cover glass for crystal silicon type PV systems remained strong.

As a result, net sales and operating income from the Glass Operations for the third quarter under review were 143.6 billion yen and 1.8 billion yen respectively.

##### **- Electronics**

Affected by production adjustments at LCD panel manufacturers, shipments of glass substrates for display devices fell short of the previous quarter.

With regard to optoelectronics materials, shipments of products for digital cameras increased; however, the AGC Group’s shipments of semiconductor related products declined from the previous quarter due to the impact of the faltering market.

As a result, net sales and operating income from the Electronics Operations for the third quarter under review were 88.8 billion yen and 28.7 billion yen respectively.

## - Chemicals

In Japan, shipments of chlor-alkali products and urethane materials increased from the previous quarter as the production restriction due to the Great East Japan Earthquake was resolved. Shipments of fluorine products remained brisk.

In the Asian region, chlor-alkali products continued to have strong shipments.

As a result, net sales and operating income from the Chemicals Operations for the third quarter under review were 63.1 billion yen and 4.9 billion yen respectively.

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, Fabricated glass for architectural use(Heat Insulating/shielding glass, Safety glass, Fire-resistant glass, Security glass, etc.), Automotive tempered glass, Automotive laminated glass, Glass for solar power system, Fabricated glass for industrial use, Decorative glass, etc.
Electronics	Glass substrate for display devices, Specialty glass for display applications, Display related materials, Optical membranes, Optoelectronics materials, Synthetic quartz glass, Glass frit and paste, Materials for semiconductor manufacturing equipment, Lighting glass products, etc.
Chemicals	Raw materials for vinyl chloride polymer, Caustic soda, Urethane, Gases, Solvents, Fluorinated resins, Water and oil repellents, Pharmaceutical and agrochemical intermediates, Iodine-related products, Battery materials, etc.

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

For qualitative information on consolidated operating results for the first and second quarters of the fiscal year ending December 2011, please refer to “Consolidated Financial Results for the Three Months ended March 31, 2011” (released on May 11, 2011) and “Consolidated Financial Results for the Six Months ended June 30, 2011” (released on August 4, 2011).

## (2) Qualitative Information Regarding Consolidated Financial Position

### - Total assets

Total assets were 1,697.6 billion yen as of the end of the third quarter under review, down 66.5 billion yen from the end of the previous year. This fall is mainly due to a decrease in tangible fixed assets after the foreign currency translation with strengthening of the yen.

### - Total liabilities

Total liabilities were 866.0 billion yen as of the end of the third quarter under review, down 48.2 billion yen from the end of the previous year. This fall is chiefly attributable to a decrease in income taxes payable.

### - Total net assets

Total net assets were 831.6 billion yen as of the end of the third quarter under review, down 18.2 billion yen from the end of the previous year. This decrease is primarily due to a fall in foreign currency translation adjustments on the strengthening yen.

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

(Unit: billions of yen)

	Net Sales	Operating income	Ordinary income	Net income
Revised forecast for FY2011 announced on May 11, 2011 (A)	1,280.0	200.0	195.0	115.0
Revised forecast for FY2011 (B)	1,250.0	170.0	165.0	90.0
(B - A)	△30.0	△30.0	△30.0	△25.0
Actual result for FY 2010 (C) (January 1 through December 31, 2010)	1,288.9	229.2	226.8	123.2
(B - C) / C (%)	△3.0	△25.8	△27.3	△26.9

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

The AGC Group's shipments of glass substrates for display devices during the third quarter of the current fiscal year fell short of the forecast as production adjustments at LCD panel manufacturers have lasted longer than expected. While the shipments have bottomed out, careful attention must be paid to the demand situation as uncertainty surrounding the global economy is rising.

Also, the flood damage in Thailand is creating confusion in the industry's supply chain, and a certain influence on the AGC Group's results is expected to be inevitable.

Under such circumstances, the consolidated operating results of the AGC Group for the fiscal year ending December 31, 2011 are expected to fall short of the full year forecast announced on May 11, 2011.

The assumed average exchange rate for the fourth quarter of fiscal 2011 has been revised from the previous announcement to 76 yen to the U.S. dollar and 106 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. Other Information**

### **(1) Overview of changes in significant subsidiaries**

Not applicable.

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

#### **(i) Simplified accounting methods**

(Valuation of inventories)

Inventories at the end of the third 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 third quarter under review.

However, in case the use of such effective tax rate makes the computation of tax expense significantly unreasonable, then tax expense is calculated by multiplying the quarterly net income before income taxes and minority interests by the statutory effective tax rate after adjustment of the quarterly net income before income taxes and minority interests with significant differences other than temporary differences. Deferred income taxes are included in income taxes.

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

#### **(i) Application of Accounting Standard for Equity Method of Accounting for Investments and Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method**

Effective from the first quarter, the Company adopted the “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, March 10, 2008) and the “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method” (ASBJ Practical Issues Task Force No.24, March 10, 2008).

The impact of this change on ordinary income and income before income taxes and minority interests for the nine months ended September 30, 2011 under review is immaterial.

#### **(ii) Application of Accounting Standard for Asset Retirement Obligations**

Effective from the first quarter, the AGC Group adopted the “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No.18, March 31, 2008) and the “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No.21, March 31, 2008).

The impact of this change on operating income, ordinary income and income before income taxes and minority interests for the nine months ended September 30, 2011 under review is immaterial.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Unit: millions of yen)

	FY2011 third quarter (as of September 30, 2011)	FY2010 (as of December 31, 2010)
Current assets	620,153	626,916
Cash on hand and in banks	88,164	91,497
Trade notes and accounts receivable	224,279	237,962
Marketable securities	40,000	68,000
Finished products	83,918	74,122
Work in process	47,060	38,737
Raw materials and supplies	74,707	63,493
Other current assets	66,575	58,163
Allowance for bad debts	(4,551)	(5,060)
Fixed assets	1,077,423	1,137,122
Tangible Fixed Assets	826,472	861,395
Buildings and structures	233,276	242,257
Machinery and equipment	428,904	456,599
Tools, fixtures and others	16,495	16,914
Land	75,716	80,669
Construction in progress	72,079	64,955
Intangible Fixed Assets	37,267	39,482
Investments and other assets	213,683	236,244
Investments in securities	155,890	187,308
Other investments	60,839	51,615
Allowance for bad debts	(3,046)	(2,679)
Total Assets	1,697,577	1,764,038



**(1) Consolidated Balance Sheets (continued)**

(Unit: millions of yen)

	FY2011 third quarter (as of September 30, 2011)	FY2010 (as of December 31, 2010)
<b>Current Liabilities</b>	409,516	402,237
Trade notes and accounts payable	122,486	124,350
Short-term bank loans	78,618	60,388
Commercial paper	12,493	7,643
Current maturities of bonds	48,987	32,633
Income taxes payable	14,431	48,413
Other reserves	22,631	12,880
Other current liabilities	109,868	115,925
<b>Non-current Liabilities</b>	456,482	511,985
Bonds issued	107,082	132,250
Bonds with subscription right to shares	100,000	100,000
Long-term bank loans	148,437	172,362
Accrued retirement benefits for employees	57,844	59,283
Reserve for rebuilding furnaces	5,566	4,784
Other reserves	11,320	12,425
Other non-current liabilities	26,231	30,878
<b>Total liabilities</b>	865,999	914,223
<b>Shareholders' equity</b>	953,519	914,920
Common stock	90,873	90,873
Additional paid-in capital	96,961	96,961
Retained earnings	793,267	748,751
Treasury stock	(27,582)	(21,666)
<b>Valuation and translation adjustments</b>	(164,231)	(106,677)
Unrealized gains on securities, net of tax	22,088	38,555
Deferred gains or losses on hedges, net of tax	299	81
Foreign currency translation adjustments	(186,620)	(145,313)
<b>Share Subscription Rights</b>	1,576	1,276
<b>Minority Interests in Consolidated Subsidiaries</b>	40,712	40,296
<b>Total Net Assets</b>	831,577	849,815
<b>Total Liabilities and Net Assets</b>	1,697,577	1,764,038

**(2) Consolidated Statements of Income****For the nine months ended September 30, 2011 (January 1 through September 30)**

(Unit: millions of yen)

	For the nine months ended September 30, 2010 (Jan.1 through Sep 30, 2010)	For the nine months ended September 30, 2011 (Jan.1 through Sep 30, 2011)
Net Sales	960,610	915,653
Cost of Sales	624,974	611,324
Gross profit	335,636	304,329
Selling, General and Administrative Expenses	165,843	168,022
Operating Income	169,792	136,306
Other Income	7,886	6,682
Interest income	954	1,019
Dividend income	1,545	1,883
Exchange gain, net	1,382	1,338
Equity in gains of unconsolidated subsidiaries and affiliates	2,011	1,317
Others	1,992	1,124
Other Expenses	7,994	6,698
Interest expenses	4,773	4,489
Others	3,221	2,208
Ordinary Income	169,683	136,291
Extraordinary Gains	4,467	2,171
Gain on sale of properties	1,260	1,698
Gain on sale of investments in securities	1,136	101
Gain on negative goodwill	1,042	—
Others	1,027	372
Extraordinary Losses	7,933	23,430
Loss on disposal of properties	2,628	2,952
Impairment loss on long-lived assets	191	—
Loss on disaster	—	6,163
Expenses for restructuring programs	2,630	8,548
Others	2,483	5,766
Income before Income Taxes and Minority Interests	166,217	115,032
Income Taxes	52,343	35,494
Income before Minority Interests	—	79,537
Minority Interests in Earnings of Consolidated Subsidiaries	4,431	3,514
Net Income	109,442	76,023

**For the three months ended September 30, 2011 (July 1 through September 30)**

(Unit: millions of yen)

	For the three months ended September 30, 2010 (July.1 through Sep 30, 2010)	For the three months ended September 30, 2011 (July.1 through Sep 30, 2011)
Net Sales	318,829	301,979
Cost of Sales	208,350	206,600
Gross profit	110,478	95,379
Selling, General and Administrative Expenses	55,586	58,330
Operating Income	54,891	37,048
Other Income	5,584	881
Interest income	306	333
Dividend income	194	188
Exchange gain, net	4,111	—
Equity in gains of unconsolidated subsidiaries and affiliates	535	233
Others	436	125
Other Expenses	3,232	4,562
Interest expenses	1,484	1,509
Exchange loss, net	—	1,721
Others	1,747	1,331
Ordinary Income	57,243	33,366
Extraordinary Gains	1,454	1,280
Gain on sale of properties	695	1,020
Gain on negative goodwill	644	—
Others	114	260
Extraordinary Losses	4,092	2,370
Loss on disposal of properties	1,380	1,324
Expenses for restructuring programs	2,210	217
Others	501	827
Income before Income Taxes and Minority Interests	54,604	32,276
Income Taxes	17,755	11,695
Income before Minority Interests	—	20,581
Minority Interests in Earnings of Consolidated Subsidiaries	1,772	1,522
Net Income	35,077	19,058

### (3) Consolidated Statements of Cash Flows

(Unit: millions of yen)

	For the nine months ended September 30, 2010 (Jan.1 through Sep. 30, 2010)	For the nine months ended September 30, 2011 (Jan.1 through Sep. 30, 2011)
<b>Cash Flows from Operating Activities</b>		
Income before income taxes and minority interests	166,217	115,032
Depreciation and amortization	81,998	82,746
Impairment loss on long-lived assets	191	—
Amortization of goodwill	1,035	1,192
Increase (Decrease) in reserves	(130)	9,297
Interest and dividend income	(2,499)	(2,902)
Interest expenses	4,773	4,489
Exchange loss (gain), net	3,999	2,184
Equity in losses (gains) of unconsolidated subsidiaries and affiliates	(2,011)	(1,317)
Loss (Gain) on sale and valuation of investment securities	(1,090)	137
Loss on sale and disposal of property, plant and equipment	1,367	1,254
Decrease (Increase) in trade notes and accounts receivable	(14,619)	4,522
Decrease (Increase) in inventories	(10,157)	(36,878)
Increase (Decrease) in trade notes and accounts payable	(1,397)	4,064
Others	2,982	(14,212)
Subtotal	230,658	169,608
Interest and dividends received	3,846	4,416
Interest paid	(4,895)	(4,534)
Income taxes (paid) refunded	(18,061)	(66,149)
Net cash provided by operating activities	211,548	103,341
<b>Cash Flows from Investing Activities</b>		
Payments for time deposits due over three months	(24,039)	(23,481)
Proceeds from refund of time deposits due over three months	23,408	24,454
Purchases of property, plant and equipment	(83,511)	(102,266)
Proceeds from sale of property, plant and equipment	2,267	14,430
Purchases of investments in securities, unconsolidated subsidiaries and affiliates	(1,231)	(590)
Purchase of investments in subsidiaries	—	(1,315)
Proceeds from sale and redemption of investments in securities, unconsolidated subsidiaries and affiliates	2,571	1,284
Proceeds from purchase of investments in consolidated subsidiaries resulting in change in scope of consolidation	115	—
Others	(254)	(1,236)
Net cash used in investment activities	(80,672)	(88,721)
<b>Cash Flows from Financing Activities</b>		
Increase (Decrease) in short-term bank loans and commercial paper	1,235	7,271
Proceeds from long-term debt	369	9,430
Repayments of long-term debt	(66,606)	(13,974)
Redemption of bonds	(2,729)	(5,815)
Proceeds from stock issuance to minority shareholders	—	1,008
Purchase of treasury stock	(95)	(5,952)
Dividends paid	(23,350)	(31,507)
Others	(2,665)	(1,874)
Net cash used in financing activities	(93,842)	(41,414)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(2,187)	(3,226)
Changes in Cash and Cash Equivalents	34,847	(30,020)
Cash and Cash Equivalents at Beginning of Period	95,869	152,792
Cash and Cash Equivalents at End of Period	130,716	122,771

## (4) Segment Information

### 1. Business Segment

For the three months ended September 30, 2010 (July 1 through September 30, 2010) (Unit: millions of yen)

	Glass	Electronics and Display	Chemicals	Other	Total	Corporate or elimination	Consolidated total
Sales							
(1)Sales to customers	140,028	104,834	65,004	8,962	318,829	—	318,829
(2)Inter-segment sales/transfers	736	332	772	10,246	12,087	(12,087)	—
Total sales	140,764	105,166	65,776	19,209	330,916	(12,087)	318,829
Operating income	6,143	43,263	4,692	813	54,913	(22)	54,891

(Note)

1. Business segmentation is based on the similarity of manufacturing process and sales market.

2. Main products included in each business segment:

- Glass : Flat and automotive glass, glass for solar cells, construction materials and others
- Electronics and Display : Electronic components, FPD (liquid crystal display, PDP) glass substrates and others
- Chemicals : Caustic soda, chlorine and its derivative products, fluorochemical products, ion-exchange membranes and others
- Other : Ceramics and others

For the nine months ended September 30, 2010 (January 1 through September 30, 2010) (Unit: millions of yen)

	Glass	Electronics and Display	Chemicals	Other	Total	Corporate or elimination	Consolidated total
Sales							
(1)Sales to customers	423,810	328,145	187,858	20,796	960,610	—	960,610
(2)Inter-segment sales/transfers	2,395	907	2,239	32,990	38,533	(38,533)	—
Total sales	426,206	329,053	190,097	53,786	999,143	(38,533)	960,610
Operating income	13,704	145,371	9,208	1,606	169,890	(98)	169,792

(Note)

1. Business segmentation is based on the similarity of manufacturing process and sales market.

2. Main products included in each business segment:

- Glass : Flat and automotive glass, glass for solar cells, construction materials and others
- Electronics and Display : Electronic components, FPD (liquid crystal display, PDP) glass substrates and others
- Chemicals : Caustic soda, chlorine and its derivative products, fluorochemical products, ion-exchange membranes and others
- Other : Ceramics and others

3. Changes to depreciation method for tangible fixed assets

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

Consequently, operating income in Glass business segment increased 3,783 million yen, operating income in Electronics and Display business segment increased 9,285 million yen, operating income in Chemicals business segment increased 4,320 million yen, and operating income in Other business segment increased 149 million yen.

## 2. Segment Information

### (1) Outline of reportable segments

The Group's reportable segments are components of the Group for which discrete financial information is available, and whose operating results are regularly reviewed by the chief operating decision maker to determine the allocation of management resources and to assess business performance.

The Group has three In-House Companies by product and service: Glass, Electronics, and Chemicals. Each In-House Company operates worldwide, formulating comprehensive domestic and overseas strategies for its products and services.

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

The main products of each reportable segment are as follows.

Reportable segment	Main products
Glass	Float flat glass, Figured glass, Polished wired glass, Low-E glass, Fabricated glass for architectural use(Heat Insulating/shielding glass, Safety glass, Fire-resistant glass, Security glass, etc.), Automotive tempered glass, Automotive laminated glass, Glass for solar power system, Fabricated glass for industrial use, Decorative glass, etc.
Electronics	Glass substrate for display devices, Specialty glass for display applications, Display related materials, Optical membranes, Optoelectronics materials, Synthetic quartz glass, Glass frit and paste, Materials for semiconductor manufacturing equipment, Lighting glass products, etc.
Chemicals	Raw materials for vinyl chloride polymer, Caustic soda, Urethane, Gases, Solvents, Fluorinated resins, Water and oil repellents, Pharmaceutical and agrochemical intermediates, Iodine-related products, Battery materials, etc.

### (2) Information on net sales, profits or losses by reportable segment

For the nine months ended September 30, 2011 (January 1 through September 30, 2011) (Unit: millions of yen)

	Reportable segments			Other	Total	Adjustments	Amount reported on statement of income
	Glass	Electronics	Chemicals				
Sales							
(1)Sales to customers	415,710	298,232	180,185	21,525	915,653	—	915,653
(2)Inter-segment sales/transfers	621	1,197	2,442	37,915	42,177	(42,177)	—
Total sales	416,331	299,429	182,628	59,441	957,831	(42,177)	915,653
Segment income (Operating income)	8,479	110,943	13,647	3,081	136,152	154	136,306

(Note)

1. The "Other" business category, which handles ceramics products, etc., is not included among the reportable segments.
2. Adjustments of segment income of 154 million yen include adjustments of inventories related to inter-segment transactions.

For the three months ended September 30, 2011 (July 1 through September 30, 2011)

(Unit: millions of yen)

	Reportable segments			Other	Total	Adjustments	Amount reported on statement of income
	Glass	Electronics	Chemicals				
Sales							
(1)Sales to customers	143,428	88,455	62,146	7,948	301,979	—	301,979
(2)Inter-segment sales/transfers	195	375	940	13,332	14,844	(14,844)	—
Total sales	143,624	88,831	63,086	21,281	316,823	(14,844)	301,979
Segment income (Operating income)	1,762	28,678	4,924	1,628	36,994	53	37,048

(Note)

1. The “Other” business category, which handles ceramics products, etc., is not included among the reportable segments.
2. Adjustments of segment income of 53 million yen include adjustments of inventories related to inter-segment transactions.

(Additional information)

Beginning from the first quarter of the fiscal year, the Company adopted the “Accounting Standard for Disclosures about Segments of an Enterprise and Related information (ASBJ Statement No. 17, March 27, 2009) and the “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related information” (ASBJ Guidance No. 20, March 21, 2008).