

FOR IMMEDIATE RELEASE

Overview of Progress toward FY2017 Management Targets

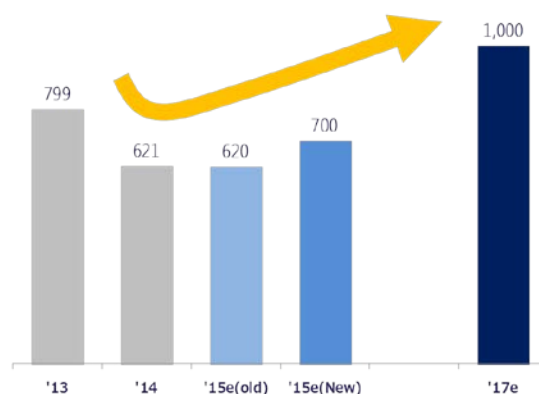
Tokyo, July 31, 2015—AGC (Asahi Glass Co., Ltd.; Head Office: Tokyo; President & CEO: Takuya Shimamura) announces an overview of the progress toward the Group’s FY2017 management targets under the management policy, *AGC plus*.

1. The AGC Group’s FY2017 Management Targets

On February 6, 2015, the AGC Group set the following financial targets to be achieved by the end of 2017 through the business management under the management policy, *AGC plus*. To achieve these numerical targets, the Group has been taking various measures for the three year period from 2015-2017 under the medium-term management plan, “*AGC plus-2017*”.

Management Policy		AGC plus	
		The AGC Group adds a “plus” by: <ul style="list-style-type: none"> • Providing safety, security and comfort to society; • Creating new value and functions for customers and business partners and building trust with them; • Enhancing job satisfaction among employees; and • Increasing the Group’s corporate value for investors. 	
Targets for 2017	Sales	¥ 1,600 billion	
	Operating profit	more than ¥ 100 billion	
	ROE	5% or above	
	D/E	0.5 or less	

As announced on July 21, the AGC Group made an upward revision to its financial forecast for the full fiscal year 2015. In the new forecast, operating profit is expected to reach 70 billion Japanese yen, up 13% from the previous period. The AGC Group will stop the profit decline this year, and aim to achieve an operating profit of at least 100 billion Japanese yen in 2017.



Operating profit (100 million yen)

2. The AGC Group's business portfolio and progress of ongoing business strategies

Under the management policy, *AGC plus*, the Group's asset allocation policies and strategic direction have been clarified based on the following business portfolio which was created by using the profitability and growth potential of each business.

	Growth	Cash generator	Strength building area
Glass	-Automotive glass	-Architectural glass (fast growing countries)	-Architectural glass (Developed countries)
Electronics	-Electronic materials -Glass for chemical strengthening -Ultra thin glass	- LCD glass	- PDP glass - Specialty glass
Chemicals	-Chlor-Alkali (Outside Japan) -Fluorichemicals -Life science		-Chlor-Alkali (Japan)

The following highlights the progress in each business segment.

Glass business:

<Growth area>

- The third automotive glass plant in China started operation in the first quarter of 2015. The AGC Group is planning to gradually increase the production capacity in China up to 3.6 million vehicles/year.
- The automotive glass plant in Mexico will start operation in the third quarter of 2015. The Group is planning to gradually increase the production capacity up to 750 thousand vehicles/year.
- The AGC Group acquired NordGlass, a Polish automotive repair glass company with the annual sales of 10 billion yen. The company will be included in the AGC Group's consolidation scope around the fourth quarter of 2015.

<Strength building area>

- Almost all of the major structural reforms on the architectural glass business in Europe were completed at the end of 2014. Now the focus will be in the rationalization of fabrication plants and distribution networks.
 - Will reorganize a glass fabrication plant, and review the distribution network in the Netherlands around the fourth quarter of 2015
 - Will shut down a laminated glass production plant in Belgium and transfer its operation around the first quarter of 2016
- The AGC Group will continue to implement necessary structural reforms and work on the marketing of high-performance/ value-added products

Electronics business:

<Growth area>

- The AGC Group started LGP glass business and expanded the product lineups of display related products.

<Cash generator>

- Investment to a LCD glass furnace in China will be done by utilizing existing facilities in Japan, thereby minimizing the investment amount. Production will start at the end of 2016 or early 2017.

<Strength building area>

- Following the termination of the PDP glass business, structural reforms took place in subsidiaries in South Korea.
- Structural reforms were implemented in some of the underperforming operations in the specialty glass business such as glass for industrial applications and projector materials.
- The above reforms have achieved the cost reduction of ¥2.5 billion /year.

Chemicals business:

<Growth area>

- The PVC production capacity in Vietnam is scheduled to be enhanced by 50%. The production is scheduled to start in the first quarter of 2016.
- The production capacity of chlor-alkali products in Indonesia will be increased by the end of 2015. The facility enhancement will double the production capacity of PVC, and will increase the production capacity of caustic soda by 40%.
- The AGC Group has decided to build a power generation plant in Indonesia to further solidify AGC's No.1 position in Southeast Asia. The power generation plant will start operation at the end of 2017.
- A new production facility for new-generation automotive refrigerant HFO-1234yf at the Chiba Plant in Japan started operation in the second quarter of 2015.

The AGC Group is planning to announce its mid-to-long term strategy in February 2016.

Under its management policy, *AGC plus*, the AGC Group will improve its business performance and aims to achieve a sustainable growth as it adds a “plus” to all stakeholders.

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