

Financial Results for the Nine Months ended September 30, 2014

October 31, 2014

AGC ASAHI GLASS CO., LTD.

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Financial Results for the Nine Months ended September 30, 2014

1. Highlights of the Financial Results

Summary of the Financial Results

億円(100million yen)

		3Q			
		FY2013	FY2014	増減 Change	% 増減 Change %
売上高	Net sales	3,334	3,350	+16	+0.5%
営業利益	Operating profit	212	166	-47	-21.9%
税引前四半期利益	Profit before tax	63	87	+24	+38.9%
親会社の所有者に 帰属する四半期純利益	Profit for the period attributable to owners of the parent	-1	47	+48	-

1-3Q累計 (1-3Q Total)			
FY2013	FY2014	増減 Change	% 増減 Change %
9,719	9,942	+223	+2.3%
597	425	-173	-28.9%
376	267	-108	-28.8%
196	84	-112	-57.1%

売上高営業利益率	Operating profit margin	6.4%	4.9%
ROE*	Return on equity	-	1.8%

6.1%	4.3%
2.7%	1.0%

為替レート(期中平均) FOREX Average	JPY/USD	98.95	103.92
	JPY/EUR	131.05	137.76
原油 Crude Oil	\$/BBL (Dubai)	106.3	101.3

96.71	102.95
127.35	139.54
105.1	104.0

*Return on Equity = Profit for the period attributable to owners of the parent / Total equity attributable to owners of the parent (average)

Highlights of the Financial Results

【For the nine months ended September 30, 2014】

Net sales 994.2 billion yen (up 22.3 billion yen YoY)

Operating profit 42.5 billion yen (down 17.3 billion yen YoY)

The Group's sales increased thanks to increased shipments of glass products, centering on automotive glass, and chemicals, as well as the continued depreciation of the yen.

On the other hand, the Group's profits fell, affected by sales price declines in the LCD glass substrate business and the architectural glass business in Eastern Europe, price increases of fuels and raw materials, and reduced profitability of foreign subsidiaries due to the weak yen.

Consolidated Statements of Profit or Loss

億円(100million yen)

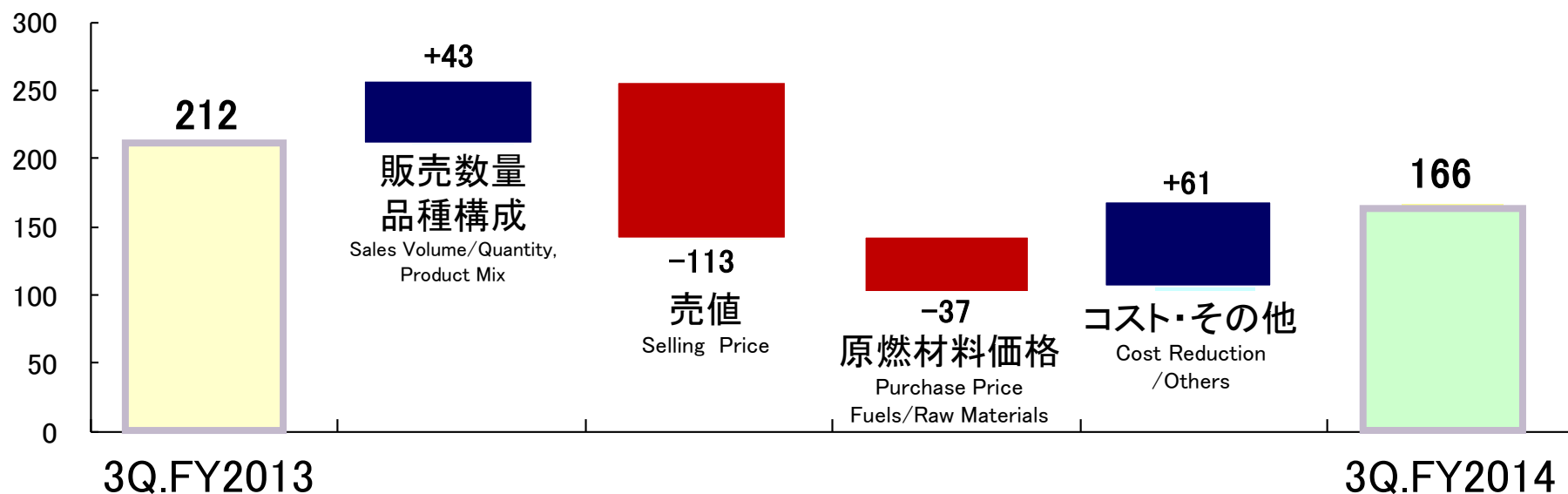
	3Q			1-3Q累計 (1-3Q Total)		
	FY2013	FY2014	増減 Change	FY2013	FY2014	増減 Change
売上高 Net sales	3,334	3,350	+16* (+0.5%)	9,719	9,942	+223* (+2.3%)
営業利益 Operating profit	212	166	-47 (-21.9%)	597	425	-173 (-28.9%)
その他収支 Other income (expenses)	-136	-62		-209	-122	
事業利益 Business profit	76	103	+27 (+35.6%)	388	302	-86 (-22.2%)
金融収支 Finance income (costs)	-13	-16		-13	-35	
税引前四半期利益 Profit before tax	63	87	+24 (+38.9%)	376	267	-108 (-28.8%)
法人税等 Income tax expenses	59	32		162	151	
四半期純利益 Profit for the period	4	55	+52 (-)	214	117	-97 (-45.5%)
親会社の所有者に 帰属する四半期純利益 Profit for the period attributable to owners of the parent	-1	47	+48 (-)	196	84	-112 (-57.1%)
非支配持分に 帰属する四半期純利益 Profit for the period attributable to non-controlling interests	4	8		18	32	

* Foreign exchange fluctuation resulted in +8.4 billion yen in Net sales in 3Q, and +33.8 billion yen in Net sales in 1-3Q total.

Variance Analysis on Operating Profit (3Q.FY2014 vs. 3Q.FY2013)

前年同期比 47 億円減益
 ¥ 4.7 bn down from same period last year

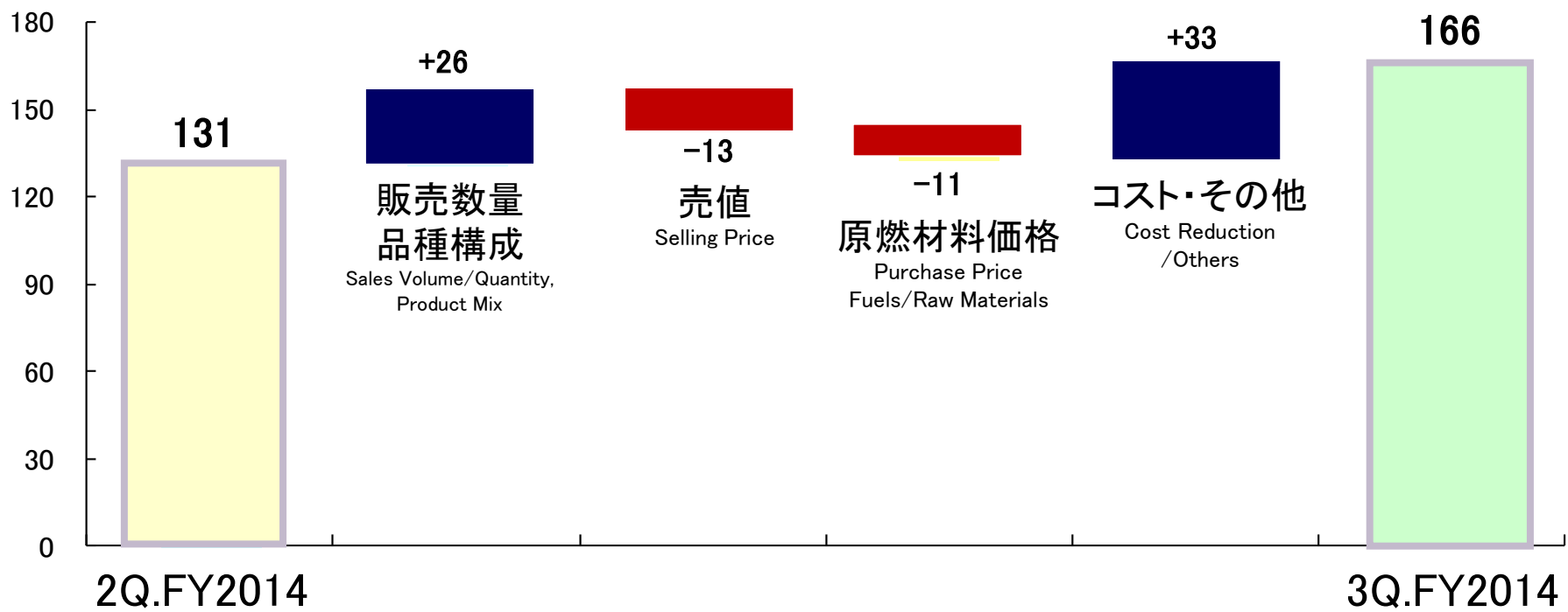
億円 (100million yen)



Variance Analysis on Operating Profit (3Q.FY2014 vs. 2Q.FY2014)

前四半期比 35 億円増益
¥ 3.5 bn up from last quarter

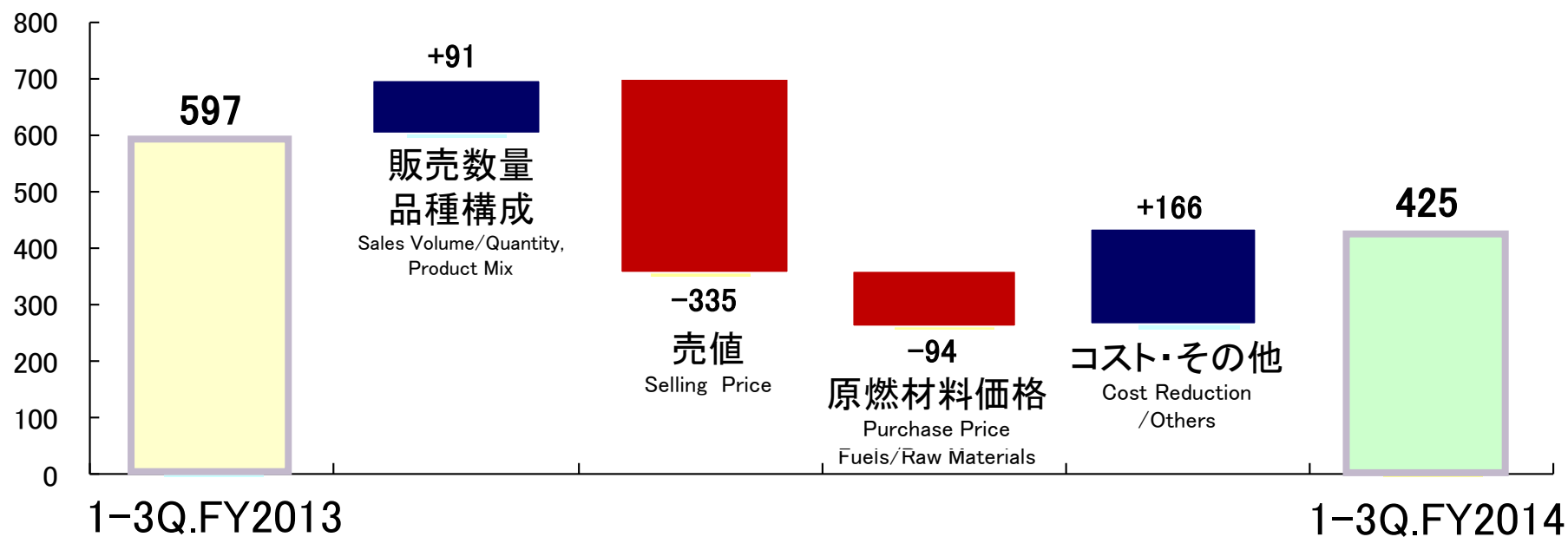
億円 (100million yen)



Variance Analysis on Operating Profit (1-3Q.FY2014 vs. 1-3Q.FY2013)

前年同期比 173 億円減益
¥ 17.3 bn down from same period last year

億円 (100million yen)



Consolidated Statement of Financial Position

億円(100million yen)

		2013/12	2014/9	増減
		Dec. 31, 2013	Sep. 30, 2014	Change
資産の部	Assets	21,206	20,566	-640
流動資産	Current assets	6,822	6,451	-370
現金及び現金同等物	Cash and cash equivalents	1,326	995	-332
営業債権	Trade receivables	2,609	2,500	-109
棚卸資産	Inventories	2,366	2,441	+75
その他	Other current assets	520	516	-5
非流動資産	Non-current assets	14,385	14,115	-270
有形固定・無形資産及びのれん	Property, plant and equipment, Goodwill and Intangible assets	11,222	11,018	-204
金融資産	Financial assets	2,824	2,740	-84
その他	Other non-current assets	339	357	+18

		2013/12	2014/9	増減
		Dec. 31, 2013	Sep. 30, 2014	Change
負債の部	Liabilities	9,755	9,111	-644
営業債務	Trade payables	1,356	1,289	-66
有利子負債	Interest-bearing debt	5,750	5,236	-514
その他	Other liabilities	2,649	2,585	-64
資本の部	Equity	11,451	11,455	+4
親会社の所有者に帰属する持分合計	Total equity attributable to owners of the parent	10,872	10,824	-48
資本金	Share capital	909	909	-
資本剰余金	Capital surplus	1,007	1,006	-0
利益剰余金	Retained earnings	6,417	6,344	-74
自己株式	Treasury stock	-299	-298	+1
その他の資本の構成要素	Other components of equity	2,838	2,863	+25
非支配持分	Non-controlling interests	579	631	+52

資産合計	Total Assets	21,206	20,566	-640*
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負債及び資本合計	Total Liabilities and Equity	21,206	20,566	-640*
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* +2.4 billion yen due to foreign exchange fluctuation.

Consolidated Statements of Cash Flows

億円(100million yen)

	3Q		1-3Q累計 (1-3Q Total)	
	FY2013	FY2014	FY2013	FY2014
営業活動によるキャッシュ・フロー (a) Cash flows from operating activities (a)	290	225	1,167	985
税引前利益 Profit before tax	63	87	376	267
減価償却費及び償却費 Depreciation and amortization expense	335	338	1,009	1,021
運転資金増減 Increase (decrease) in working capital	-51	-26	-59	-28
その他 Others	-57	-174	-159	-276
投資活動によるキャッシュ・フロー (b) Cash flows from investing activities (b)	-366	-272	-1,122	-721
固定資産取得 Purchase of property, plant and equipment and intangible assets	-374	-271	-1,148	-763
その他 Others	8	-0	26	42
フリー・キャッシュ・フロー (a)+(b) Free cash flow (a)+(b)	-76	-47	45	264
財務活動によるキャッシュ・フロー Cash flows from financing activities	-91	-398	-166	-620
有利子負債の増減 Changes in interest-bearing debt	70	-292	183	-465
支払配当 Dividends paid	-150	-104	-300	-162
その他 Others	-10	-3	-49	7
現金等に係る換算差額 Effect of exchange rate changes on cash and cash equivalents	-12	45	100	24
現金等の増加額 Net increase(decrease) in cash and cash equivalents	-178	-399	-22	-332

CAPEX, Depreciation & Others

億円(100million yen)

		3Q	
		FY2013	FY2014
設備投資額	CAPEX	354	314
減価償却費	Depreciation	335	338
研究開発費	R&D	120	109

1-3Q累計 (1-3Q Total)	
FY2013	FY2014
1,091	850
1,009	1,021
348	340

		2013/12 Dec. 31, 2013	2014/9 Sep. 30, 2014
有利子負債残高	Interest-bearing debts	5,750	5,236
D/E比率	D/E ratio	0.50	0.46

2. Information by Business and Geographic Segments

Glass Segment (1)

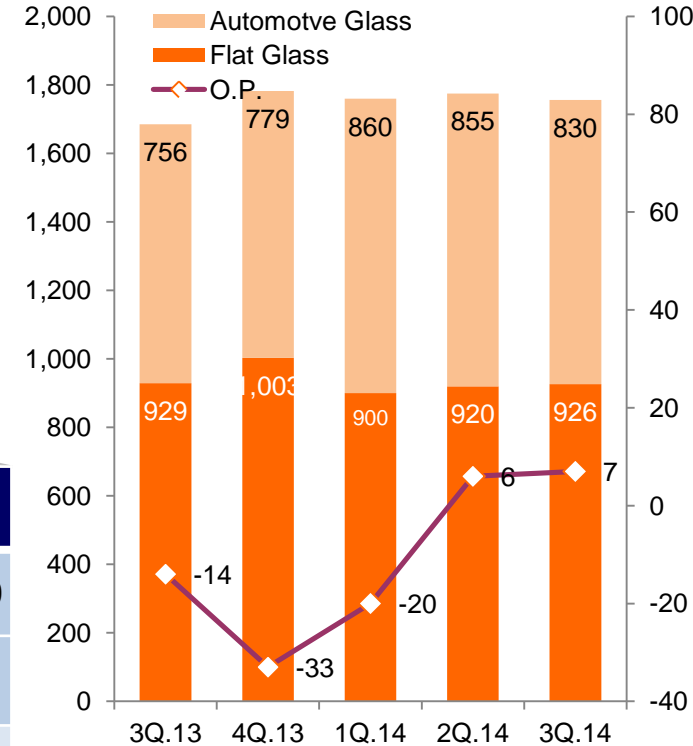
億円 (100million yen)

	売上高 Sales		営業利益 Operating profit	
	FY2013	FY2014	FY2013	FY2014
3Q	1,685	1,756 (+71)	-14	7 (+21)
1-3Q累計 1-3Q Total	4,892	5,290 (+399)	-98	-7 (+91)

* () shows change from FY2013.

売上高の内訳 Breakdown of Sales		小計 Sub total	日本・アジア Japan & Asia	アメリカ Americas	ヨーロッパ Europe	消去 Elimination
ガラス Glass	3Q	1,756	799	283	713	-39
	1-3Q累計 1-3Q Total	5,290	2,411	819	2,192	-131
板ガラス (建築用、ソーラー) Flat Glass : Architectural & Solar	3Q	926	363	118	471	-26
	1-3Q累計 1-3Q Total	2,745	1,082	335	1,420	-92
自動車用ガラス Automotive Glass	3Q	830	436	166	242	-14
	1-3Q累計 1-3Q Total	2,545	1,329	483	772	-39

四半期推移
Performance Trend



* Results for 4Q 2013 are unaudited.

Glass Segment (2)

【YoY comparison for the first nine months】

[Architectural Glass]

- Japan/Asia : Shipments remained strong.
- Americas : Shipments remained strong.
- Europe : Shipments remained strong. Prices have been improving since 2Q, but the price levels in Eastern Europe remained below the level of the same period of the previous year.

[Automotive Glass]

- Shipments increased thanks to robust auto production.

Electronics Segment (1)

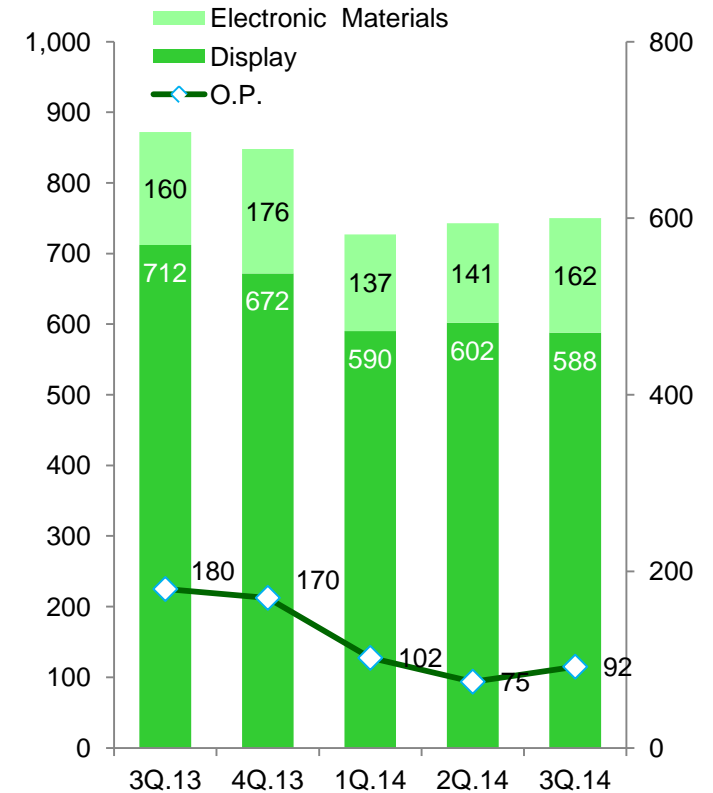
億円 (100million yen)

	売上高 Sales		営業利益 Operating profit	
	FY2013	FY2014	FY2013	FY2014
3Q	872	750 (-122)	180	92 (-87)
1-3Q累計 1-3Q Total	2,612	2,220 (-392)	571	269 (-302)

* () shows change from FY2013.

売上高の内訳 Breakdown of Sales		
ディスプレイ Display	3Q	588
	1-3Q累計 1-3Q Total	1,780
電子部材 Electronic Materials	3Q	162
	1-3Q累計 1-3Q Total	439

四半期推移
Performance Trend



* Results for 4Q 2013 are unaudited.

Electronics Segment (2)

【YoY comparison for the first nine months】

〔Display〕

- Shipments of TFT-LCD glass substrates increased, but a decline in the sales prices affected the operating results.
- Shipments of PDP related products decreased due to weakening demand.

〔Electronic Materials〕

- Shipments of semiconductor-related products and optoelectronics materials increased.

Chemicals Segment (1)

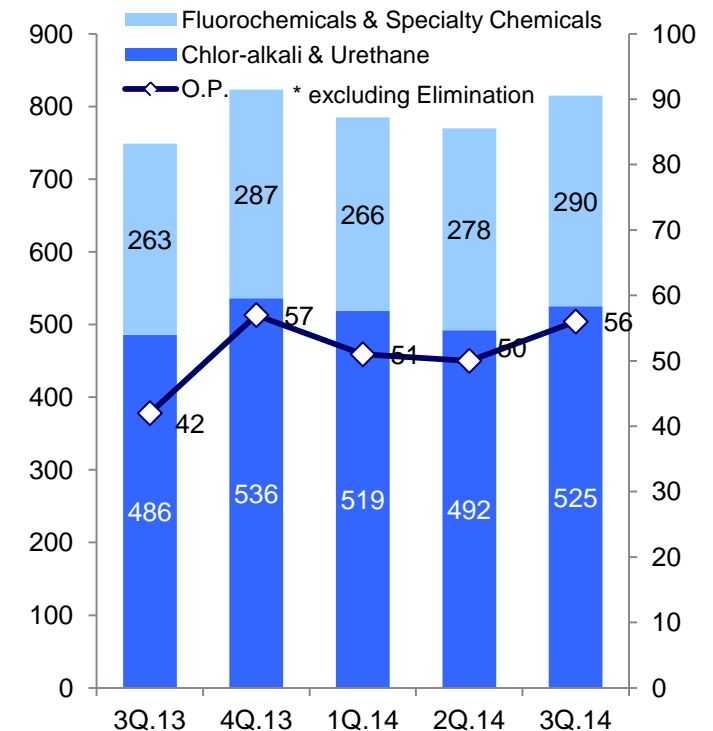
億円 (100million yen)

	売上高 Sales		営業利益 Operating profit	
	FY2013	FY2014	FY2013	FY2014
3Q	724	788 (+64)	42	56 (+14)
1-3Q累計 1-3Q Total	2,107	2,297 (+191)	120	157 (+37)

* () shows change from FY2013.

売上高の内訳 Breakdown of Sales		
クロールアルカリ・ウレタン Chlor-alkali & Urethane	3Q	525
	1-3Q累計 1-3Q Total	1,536
フッ素化学・スペシャリティ Fluorochemicals & Specialty Chemicals	3Q	290
	1-3Q累計 1-3Q Total	834
消去 Elimination	3Q	-27
	1-3Q累計 1-3Q Total	-73

四半期推移
Performance Trend



* Results for 4Q 2013 are unaudited.

Chemicals Segment (2)

【YoY comparison for the first nine months】

[Chlor-alkali & Urethane]

- Japan & Asia continued to show strong performance.

[Fluorochemicals & Specialty Chemicals]

- Shipments of fluorinated resin and pharmaceutical and agrochemical intermediates and active ingredients remained buoyant.

YoY Performance Comparison by Business Segment

億円 (100million yen)

		3Q		
		FY2013	FY2014	増減 Change
売上高	Sales			
ガラス	Glass	1,685	1,756	+71
電子	Electronics	872	750	-122
化学品	Chemicals	724	788	+64
セラミックス・その他	Ceramics/Other	193	223	+29
消去	Elimination	-139	-166	-26
全社計	Consolidated total	3,334	3,350	+16

1-3Q累計 (1-3Q Total)			
	FY2013	FY2014	増減 Change
	4,892	5,290	+399
	2,612	2,220	-392
	2,107	2,297	+191
	570	603	+33
	-462	-468	-6
	9,719	9,942	+223

		FY2013	FY2014	増減 Change
営業利益	Operating profit			
ガラス	Glass	-14	7	+21
電子	Electronics	180	92	-87
化学品	Chemicals	42	56	+14
セラミックス・その他	Ceramics/Other	4	10	+5
消去	Elimination	0	0	-0
全社計	Consolidated total	212	166	-47

	FY2013	FY2014	増減 Change
	-98	-7	+91
	571	269	-302
	120	157	+37
	7	4	-4
	-3	2	+5
	597	425	-173

Quarterly Performance Comparison by Business Segment

億円 (100million yen)

売上高	Sales	2Q.FY2014	3Q.FY2014	増減 Change	% 増減 Change %
ガラス	Glass	1,774	1,756	-19	-1.0%
電子	Electronics	743	750	+7	+0.9%
化学品	Chemicals	747	788	+42	+5.6%
セラミックス・その他	Ceramics/Other	225	223	-2	-1.0%
消去	Elimination	-188	-166	+22	-
全社計	Consolidated total	3,300	3,350	+50	+1.5%

営業利益	Operating profit	2Q.FY2014	3Q.FY2014	増減 Change	% 増減 Change %
ガラス	Glass	6	7	+2	+30.2%
電子	Electronics	75	92	+17	+22.9%
化学品	Chemicals	50	56	+6	+11.7%
セラミックス・その他	Ceramics/Other	0	10	+10	-
消去	Elimination	-0	0	+0	-
全社計	Consolidated total	131	166	+35	+26.4%

YoY Performance Comparison by Geographic Segment

億円 (100million yen)

		3Q		
売上高	Sales	FY2013	FY2014	増減 Change
日本・アジア	Japan & Asia	2,407	2,340	-67
アメリカ	Americas	290	349	+59
ヨーロッパ	Europe	738	769	+30
消去	Elimination	-100	-108	-7
全社計	Consolidated total	3,334	3,350	+16

1-3Q累計 (1-3Q Total)		
FY2013	FY2014	増減 Change
7,058	6,910	-147
837	1,016	+179
2,135	2,348	+213
-311	-333	-22
9,719	9,942	+223

営業利益	Operating profit	FY2013	FY2014	増減 Change
日本・アジア	Japan & Asia	335	249	-86
アメリカ	Americas	-23	-4	+19
ヨーロッパ	Europe	-17	2	+19
消去	Elimination	3	-1	-4
地域共通費用	Cross-regional common expenses	-86	-81	+6
全社計	Consolidated total	212	166	-47

FY2013	FY2014	増減 Change
988	744	-244
-62	-41	+21
-94	-37	+58
-2	4	+6
-232	-246	-14
597	425	-173

Quarterly Performance Comparison by Geographic Segment

億円 (100million yen)

売上高	Sales	2Q.FY2014	3Q.FY2014	増減 Change	% 増減 Change %
日本・アジア	Japan & Asia	2,265	2,340	+75	+3.3%
アメリカ	Americas	343	349	+6	+1.7%
ヨーロッパ	Europe	803	769	-34	-4.3%
消去	Elimination	-110	-108	+3	-
全社計	Consolidated total	3,300	3,350	+50	+1.5%

営業利益	Operating profit	2Q.FY2014	3Q.FY2014	増減 Change	% 増減 Change %
日本・アジア	Japan & Asia	239	249	+10	+4.2%
アメリカ	Americas	-15	-4	+11	-
ヨーロッパ	Europe	-7	2	+9	-
消去	Elimination	2	-1	-3	-
地域共通費用	Cross-regional common expenses	-88	-81	+7	-
全社計	Consolidated total	131	166	+35	+26.4%

The Impact of FOREX and Change in the Scope of Consolidation (Compared with 1-3Q.FY2013)

億円 (100million yen)

区分 Segment	売上高 Sales			
	全社計* Consolidated total*	ガラス Glass	電子 Electronics	化学品 Chemicals
1-3Q.FY2014	9,942	5,290	2,220	2,297
前年同期比 Change vs. 1-3Q.FY2013	+223	+399	-392	+191
[以下影響を除く前年同期比] Change like-for-like vs. 1-3Q.FY2013	-138	+141	-417	+117
為替換算の影響 Impact of FOREX	+338	+248	+25	+62
連結範囲変更の影響 Impact of Change in the Scope of Consolidation	+24	+10	-	+11

* The sum of the segment amounts may not equal the amount of consolidated total, because it includes the amount of Other Segment and elimination.

Outlook for FY2014

FY2014 Forecast

億円(100million yen)

		FY2013	FY2014 見通し FY2014 Forecast		
		通期 Full-Year	通期 Full-Year	対前年比 vs. FY2013	対前年比% vs. FY2013 %
売上高	Net sales	13,200	13,500	+300	+2.3%
営業利益	Operating profit	799	650	-149	-18.6%
税引前利益	Profit before tax	444	350	-94	-21.1%
親会社の所有者に 帰属する当期純利益	Profit for the year attributable to owners of the parent	161	150	-11	-7.1%
売上高営業利益率	Operating profit margin	6.1%	4.8%		
ROE* ¹	Return on equity	1.6%	1.4%		
為替レート(期中平均) FOREX Average	JPY/USD	97.65	105.0 ^{*2}		
	JPY/EUR	129.68	140.0 ^{*2}		
原油	Crude Oil	\$/BBL (Dubai)	105.5	100.0 ^{*2}	
一株当たり配当金	Dividend (Yen/Share)	18	18		

*2 Assumption for FY2014

*1 Return on equity = Profit for the year attributable to owners of the parent / Total equity attributable to owners of the parent (average)

ROE of FY2014 Forecast is calculated by using the Total equity attributable to owners of the parent as of Dec.31, 2013.

Business Outlook for FY2014 (1)

[Glass]

● Architectural Glass

- Japan/Asia : Shipments are expected to remain strong.
- Americas : Shipments are expected to remain strong.
- Europe : Shipments have not recovered in full scale, but restructuring measures will help improve the earnings.

● Automotive Glass

Shipments are expected to increase driven by strong demand in fast-growing markets.

Business Outlook for FY2014 (2)

[Electronics]

- Shipments of TFT-LCD glass substrates are expected to remain stable for the full year. Meanwhile, the sales prices are expected to decline compared to the previous fiscal year.
- Shipments of PDP related products are expected to fall significantly because major customers are scheduled to stop production.
- Shipments of electronic materials are expected to remain strong.

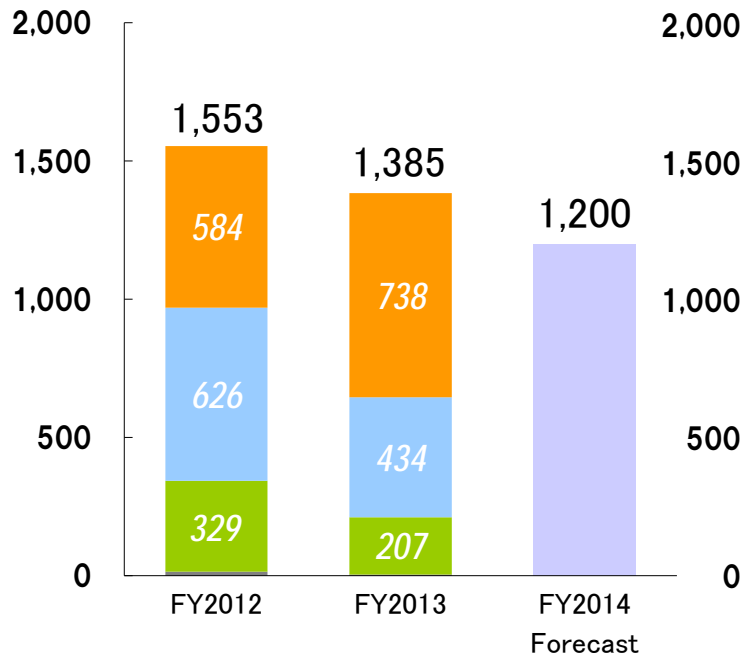
[Chemicals]

- Shipments of chlor-alkali products in Asia and shipments of fluorochemicals related products are expected to remain strong.

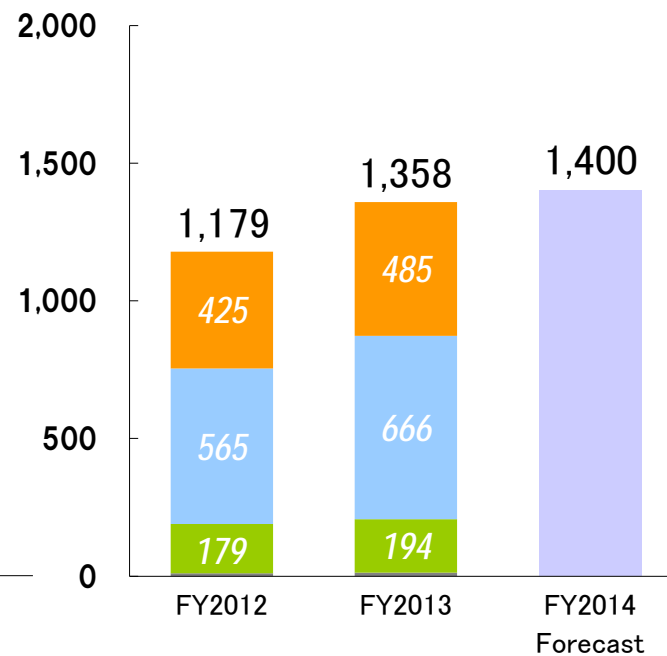
CAPEX / Depreciation / R&D

億円(100million yen)

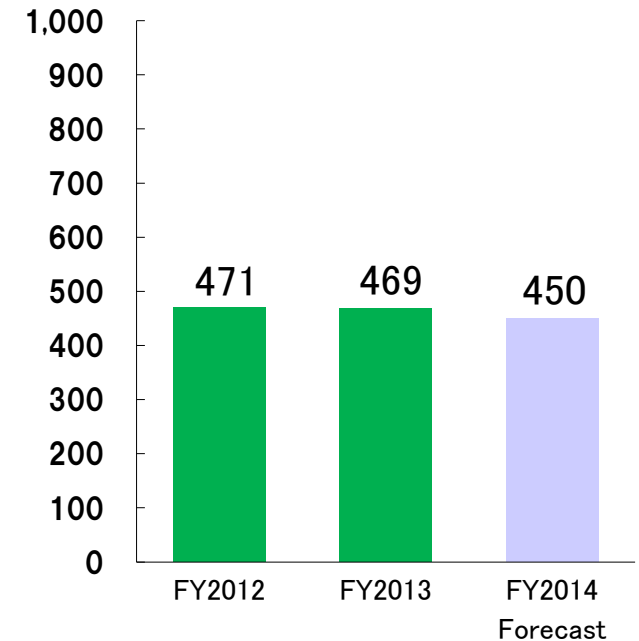
設備投資 CAPEX



減価償却費 Depreciation



研究開発費 R&D



■ ガラス
Glass

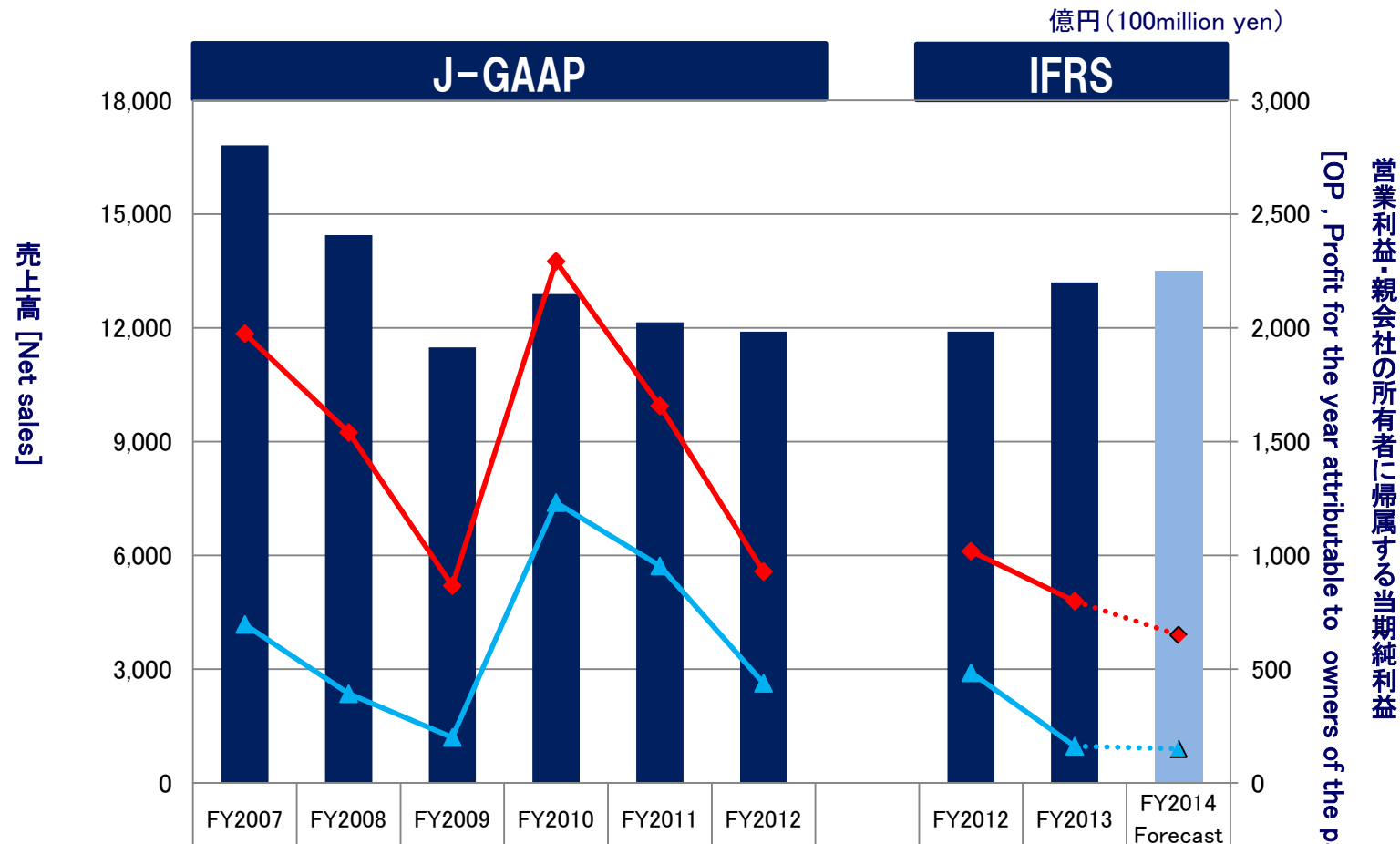
■ 電子
Electronics

■ 化学品
Chemicals

■ セラミックス・その他
Ceramics/Other

Appendix

Changes in the Financial Results



■ 売上高	Net sales	16,812	14,443	11,482	12,889	12,147	11,900	11,900	13,200	13,500
◆ 営業利益	Operating profit	1,975	1,540	867	2,292	1,657	929	1,018	799	650
▲ 親会社の所有者に帰属する当期純利益*	Profit for the year attributable to owners of the parent*	696	392	200	1,232	953	438	484	161	150
営業利益率	Operating profit margin	11.7%	10.7%	7.5%	17.8%	13.6%	7.8%	8.6%	6.1%	4.8%
一株当たり配当金	Cash dividends per share (yen)	¥20	¥24	¥16	¥26	¥26	¥26	¥26	¥18	¥18

Financial Index

			J-GAAP						IFRS	
			07/12	08/12	09/12	10/12	11/12	12/12	12/12	13/12
自己資本当期純利益率(ROE) ^{*1}	Return on equity ^{*1}	%	7.5%	4.7%	2.7%	15.8%	11.8%	5.0%	5.8%	1.6%
総資産営業利益率(ROA) ^{*2}	Return on assets ^{*2}	%	9.3%	7.8%	4.8%	12.9%	9.6%	5.2%	5.6%	4.0%
自己資本比率	Equity ratio	%	45%	40%	42%	46%	48%	50%	47%	51%
D/E(有利子負債・純資産比率)	Debt/Equity ratio	倍 times	0.52	0.77	0.74	0.60	0.57	0.54	0.56	0.50
営業CF/有利子負債	CF from Operating Activities/Interest-bearing debt	倍 times	0.46	0.34	0.30	0.56	0.31	0.31	0.32	0.29
一株当たり当期純利益(EPS)	Earnings per share	円 Yen	59.35	33.53	17.12	105.52	81.90	37.88	41.90	13.97
EBITDA ^{*3}	EBITDA ^{*3}	億円 100mil Yen	2,555	2,199	1,873	3,084	2,594	1,928	2,000	1,866

*1 【J-GAAP】 Return on equity = Net Income / (Shareholders' Equity (average) + Accumulated other comprehensive income (average))

【IFRS】 Return on equity = Profit for the year attributable to owners of the parent / Total equity attributable to owners of the parent (average)

*2 Return on assets = Operating profit / Total assets (average)

*3 Earnings before interest, tax, depreciation and amortization(EBITDA) = Profit before tax + Depreciation + Interest expenses

為替レート Exchange rates			FY2013					FY2014				
			1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q	
円/ドル JPY/USD	期中平均	Average	92.42	98.76	98.95	100.46	97.65	102.78	102.16	103.92	-	105.0 ^{*4}
	期末	At quarter end	94.05	98.59	97.75	105.39	105.39	102.92	101.36	109.45		
円/ユーロ JPY/EUR	期中平均	Average	122.04	128.95	131.05	136.69	129.68	140.79	140.07	137.76	-	140.0 ^{*4}
	期末	At quarter end	120.73	128.53	131.87	145.05	145.05	141.65	138.31	138.87		

*4 Assumption for FY2014

Major Press Releases in FY2014

Date	Summary
January 23	AGC to supply Honeywell with HFO-1234yf -new-generation automobile refrigerant
February 3	AGC to enhance production capacity of ultra-thin glass in Thailand
March 19	AGC develops AMOLEA™, a new refrigerant for air-conditioning systems with a low environmental impact of about one-sixth that of conventional products
April 24	2014 FIFA World Cup Brazil™ glass roof for player benches unveiled
May 26	AGC succeeds in rolling SPOOL™, a 0.05 mm-thick sheet glass
June 24	AGC awarded silver class CSR rating by RobecoSAM, the world's leading SRI rating company
June 27	Shutdown of a subsidiary's plant in Europe
July 1	AGC and Obeikan Glass plan to team up to produce and market solar control glass in the Middle East
July 23	AGC to revise prices of architectural glass products in Japan
August 27	AGC develops AFLIC™, specialty thin sheet glass for architectural use, by utilizing cover glass technologies for smartphones
September 3	AGC to enhance float glass production in Indonesia

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