

Financial Results for the Nine Months ended September 30, 2015

October 29, 2015

AGC ASAHI GLASS CO., LTD.

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Financial Results for the Nine Months ended September 30, 2015

1. Highlights of the Financial Results

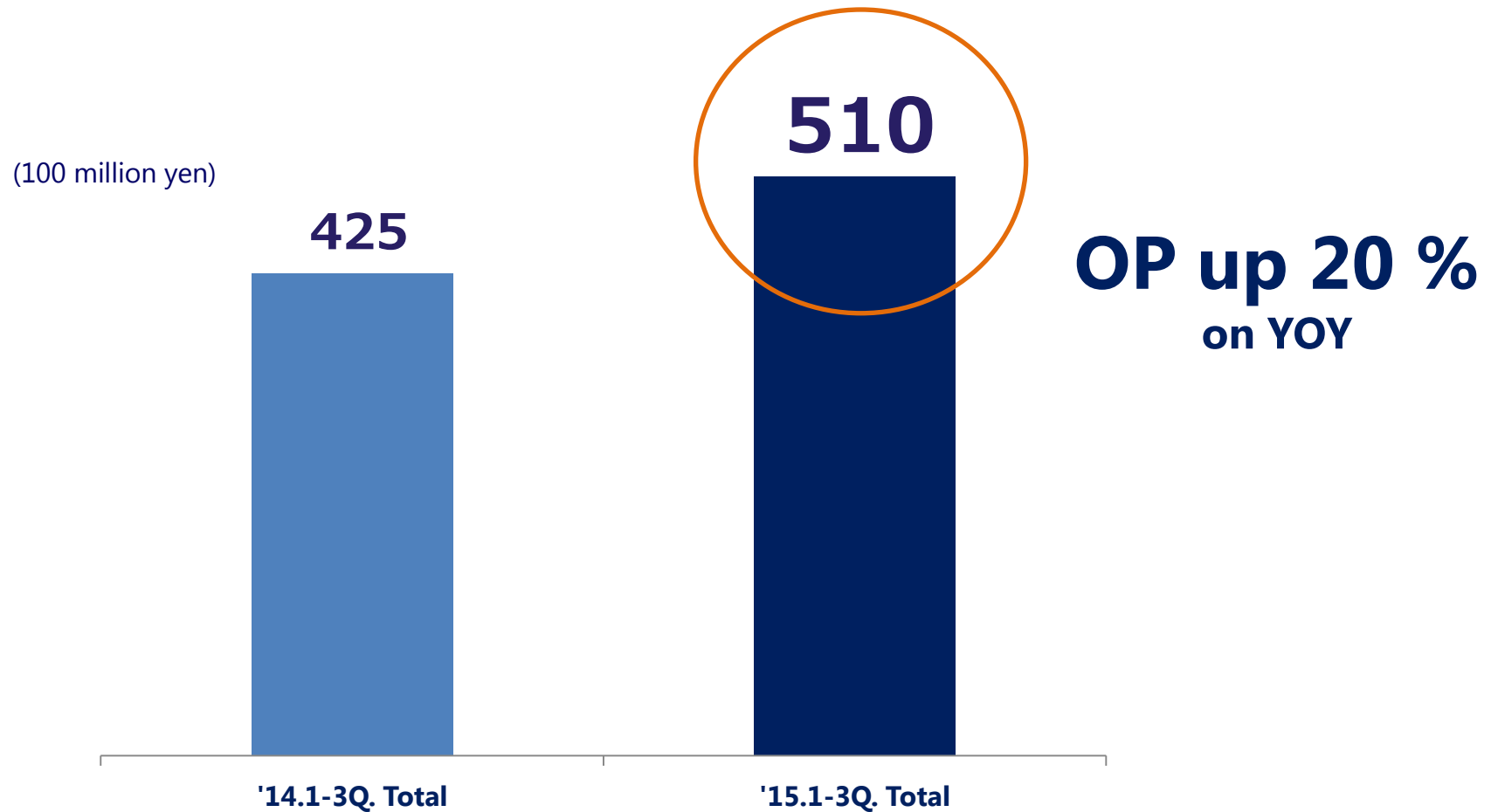
Net sales	989.6 billion yen (down 4.6 billion yen YoY)
Operating profit	51.0 billion yen (up 8.6 billion yen YoY)
Profit for the period attributable to owners of the parent	42.7 billion yen (up 34.3 billion yen YoY)

- ✓ **Net sales keeping same level from the same period of the previous fiscal year thanks to the weak yen in spite of lower sales in the display business**
- ✓ **OP up thanks to the effect of structural reforms of the architectural glass business and decline of raw materials and fuel prices**

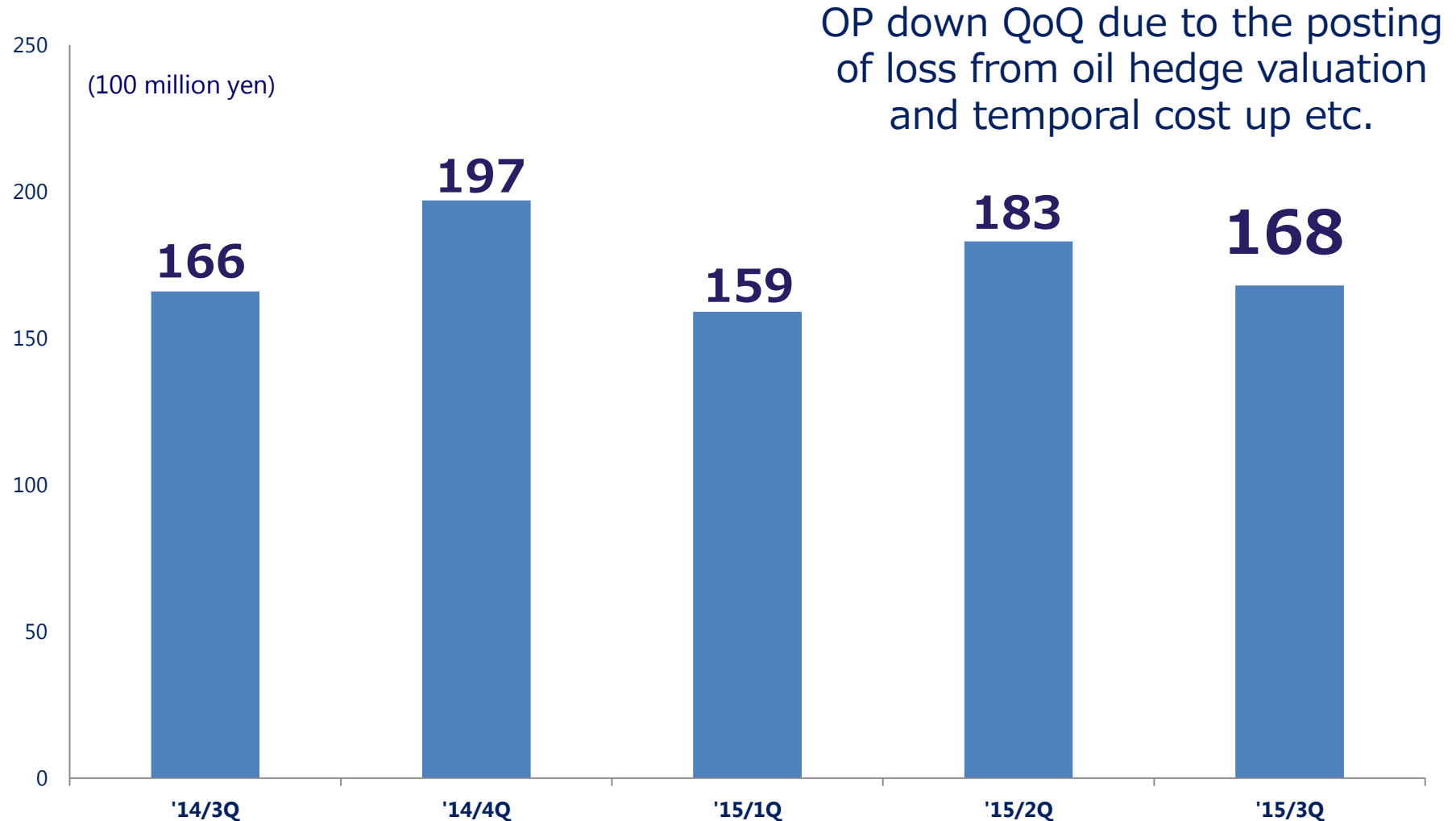
During the third quarter of FY 2015, there were temporal expenses such as loss from oil hedge valuation

- ✓ **Profit for the period attributed to owners of the parent up due to the posting of “Income from revision of the defined benefit corporate pension plan”**

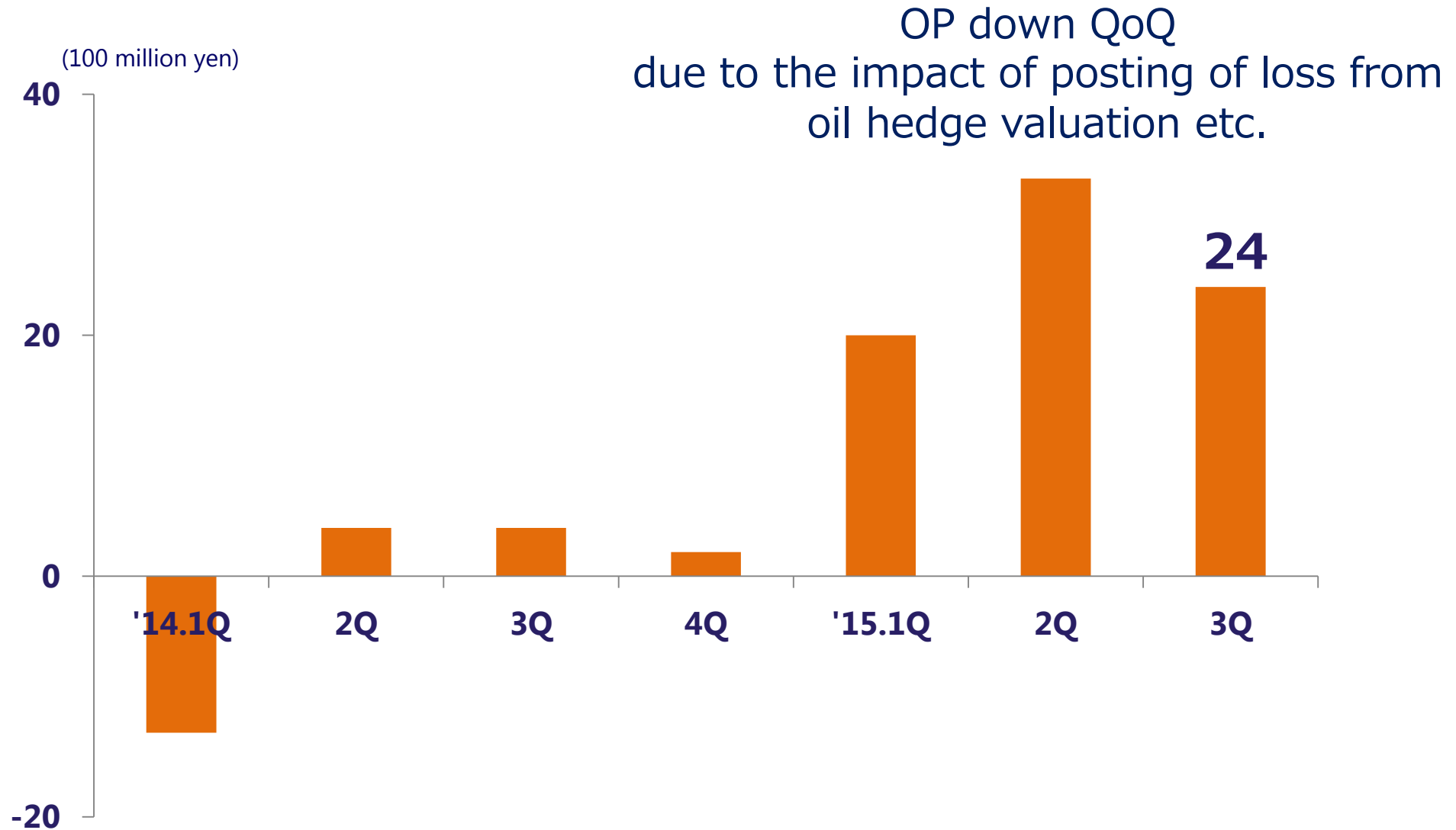
[1-3Q Total Operating profit]



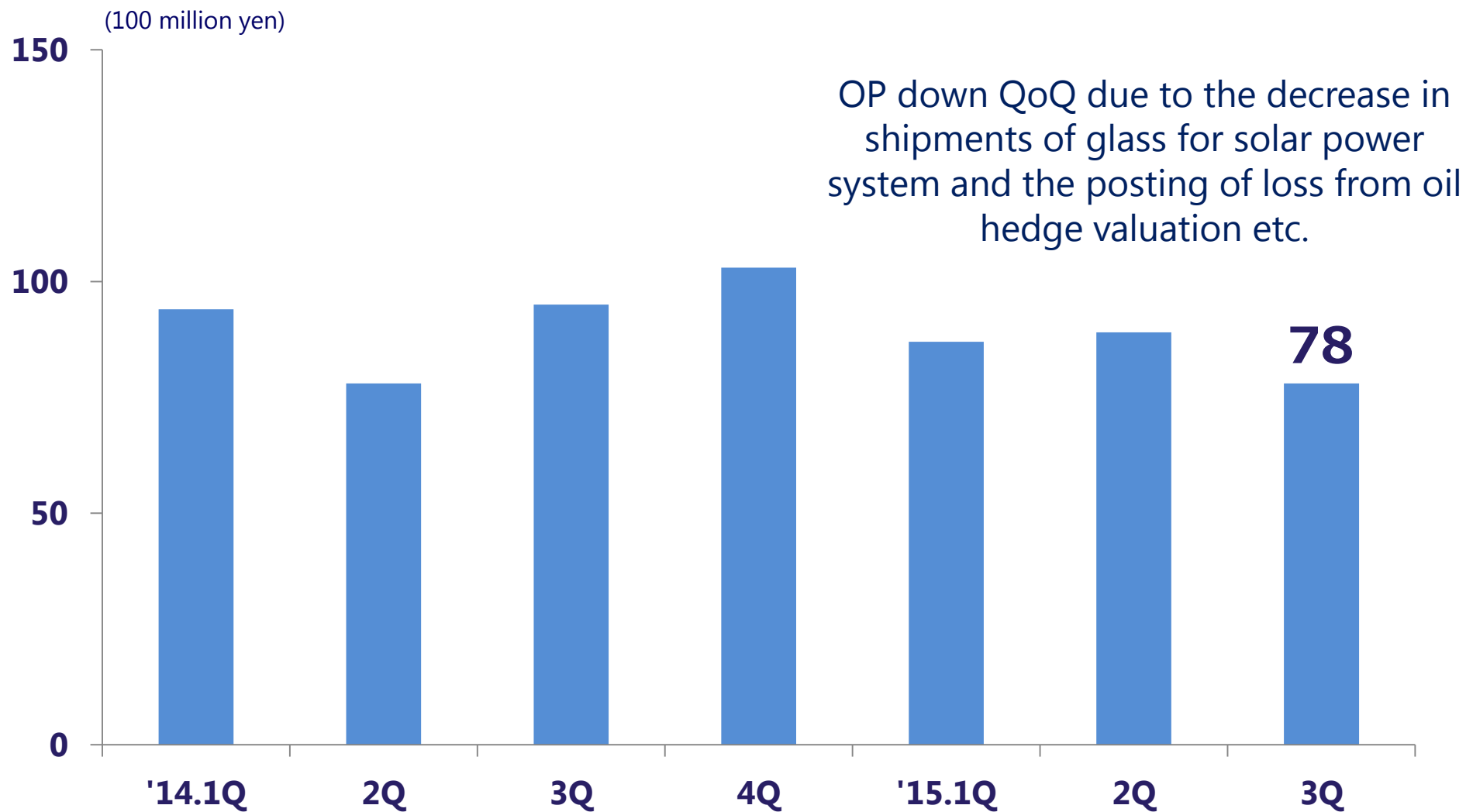
[Third Quarter Operating profit]



[Operating profit trend: Glass]

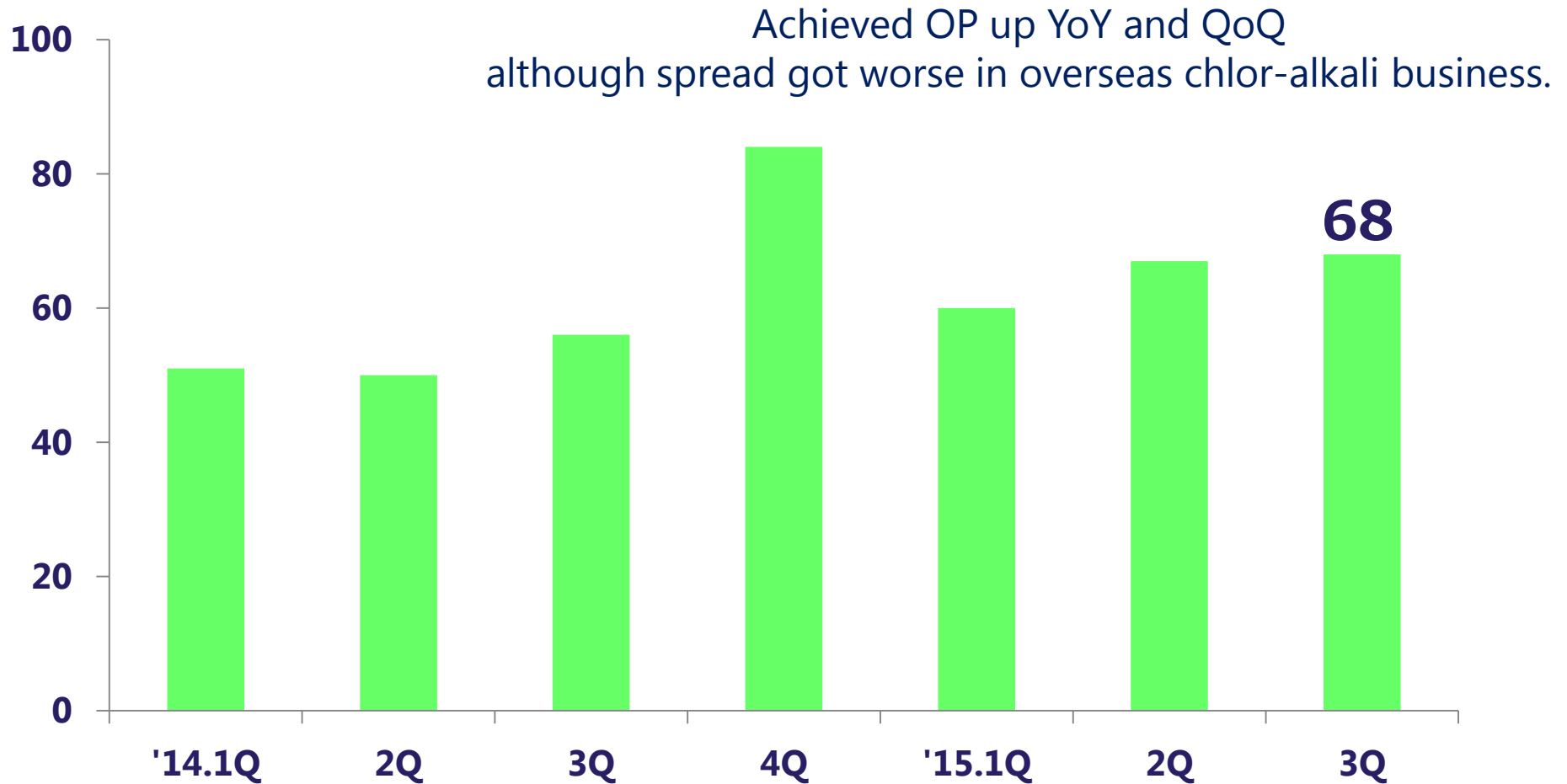


[Operating profit trend: Electronics]

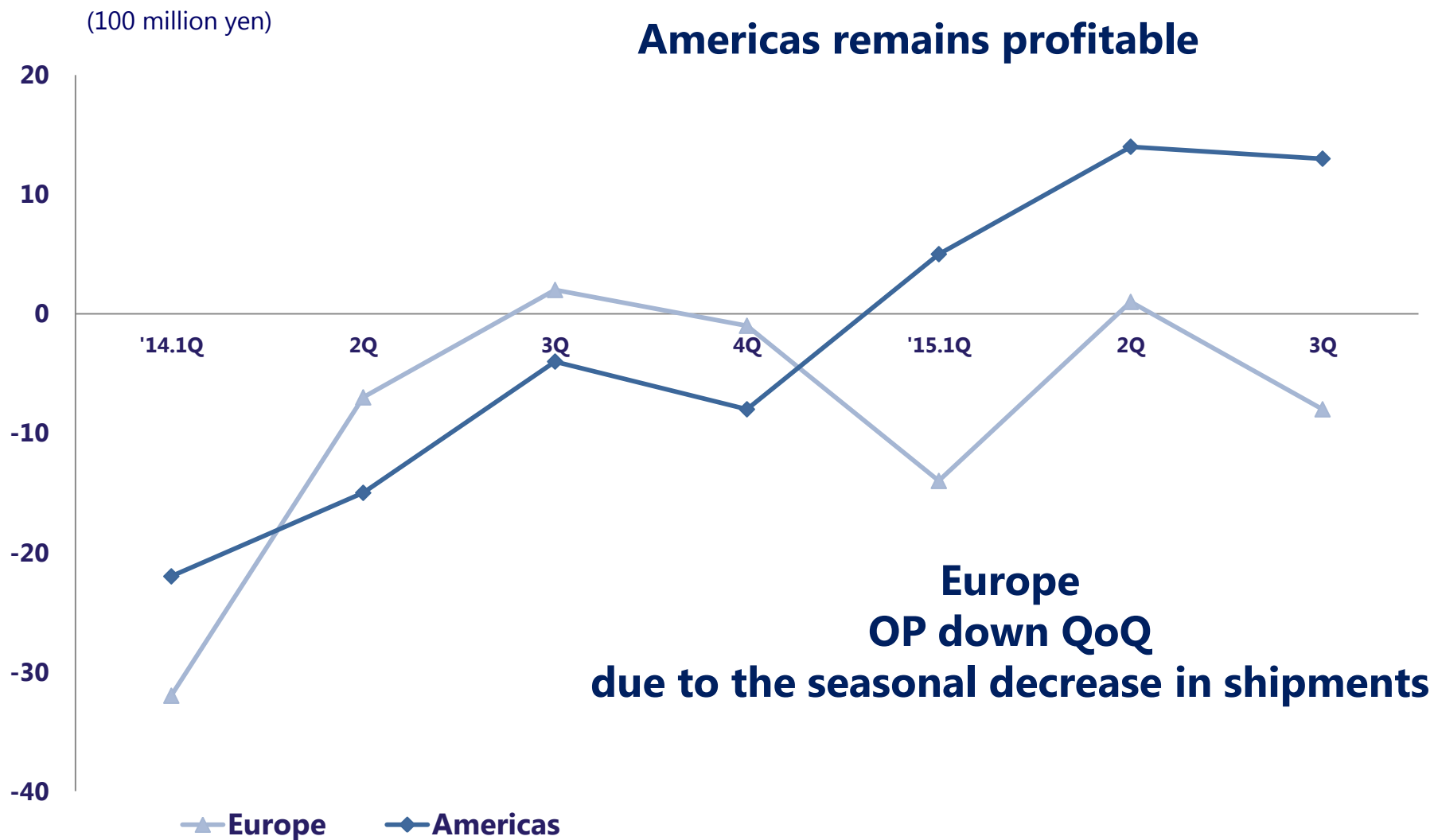


[Operating profit trend: Chemicals]

(100 million yen)



[Operating profit trend: Europe & Americas]



Summary of the Financial Results



	3Q				1Q-3Q total		(100 million yen)	
	FY2014	FY2015	Change	Change%	FY2014	FY2015	change	change%
Net Sales	3,350	3,310	-40	-1.2%	9,942	9,896	-46	-0.5%
Operating Profit	166	168	+2	+1.4%	425	510	+86	+20.1%
Profit before tax	87	149	+62	+71.3%	267	703	+435	+162.8%
Profit for the period attributable to owners of the parent	47	88	+40	+85.3	84	427	+343	+407.7%
Operating profit margin	4.9%	5.1%			4.3%	5.2%		
Forex(Average)	JPY/USD	103.92	122.23		102.95	120.89		
	JPY/EUR	137.76	135.98		139.54	134.77		
Crude Oil	\$/BBL (Dubai)	101.3	49.7		104.0	54.3		

Consolidated Statement of Financial Position



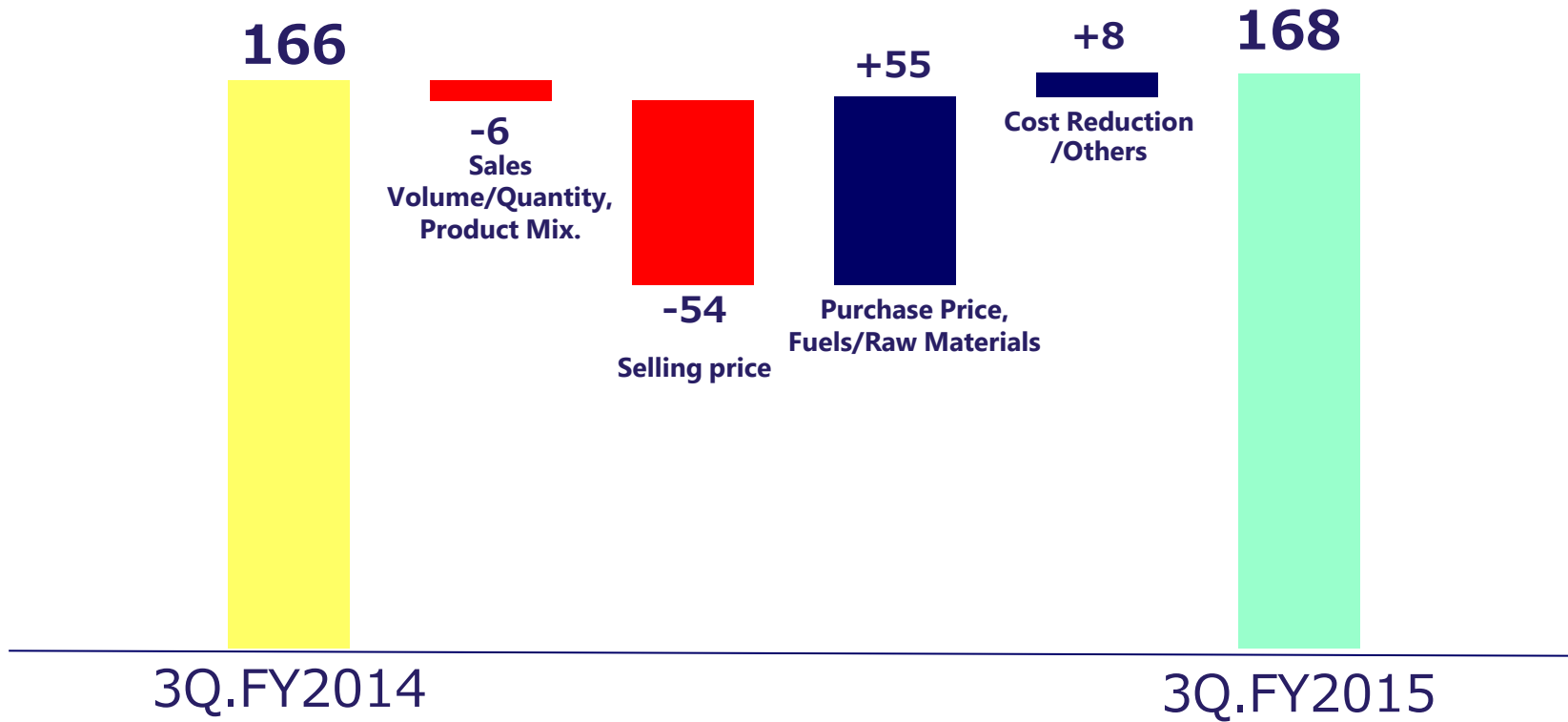
	3Q			1-3Q Total		
	FY2014	FY2015	Change	FY2014	FY2015	Change
	(100 million yen)					
Net Sales	3,350	3,310	-40*	9,942	9,896	-46*
Operating Profit	166	168	+2	425	510	+86
other income/expenses	-62	-5		-122	206	
Business Profit	103	163	+60	302	716	+414
Financial income/cost	-16	-14		-35	-14	
Profit before tax	87	149	+62	267	703	+435
income tax expenses	32	57		151	257	
Profit for the period	55	92	+37	117	446	+329
attributable to owners of the parent	47	88	+40	84	427	+343
attributable to non-controlling interests	8	4		32	19	

* Foreign exchange fluctuation resulted in +13.0 billion yen in Net sales in 3Q, and +38.6 billion yen in Net sales in 1-3Q total.

Variance Analysis on OP(3Q.FY2015 vs. 3Q.FY2014) **AGC**

¥0.2 bn. up from the same period last year

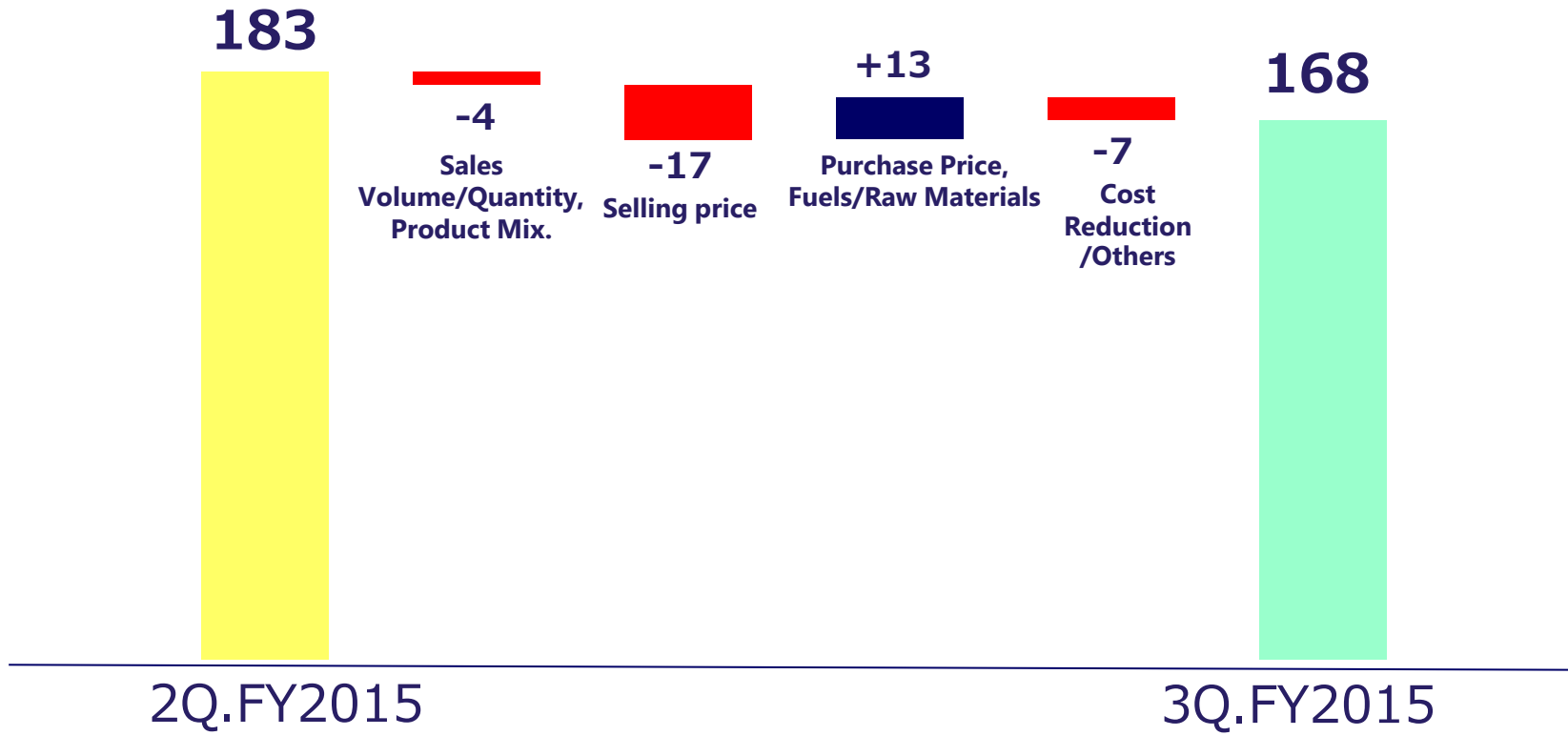
(100 million yen)



Variance Analysis on OP(3Q.FY2015 vs. 2Q.FY2015) **AGC**

¥1.5 bn. down from the last quarter

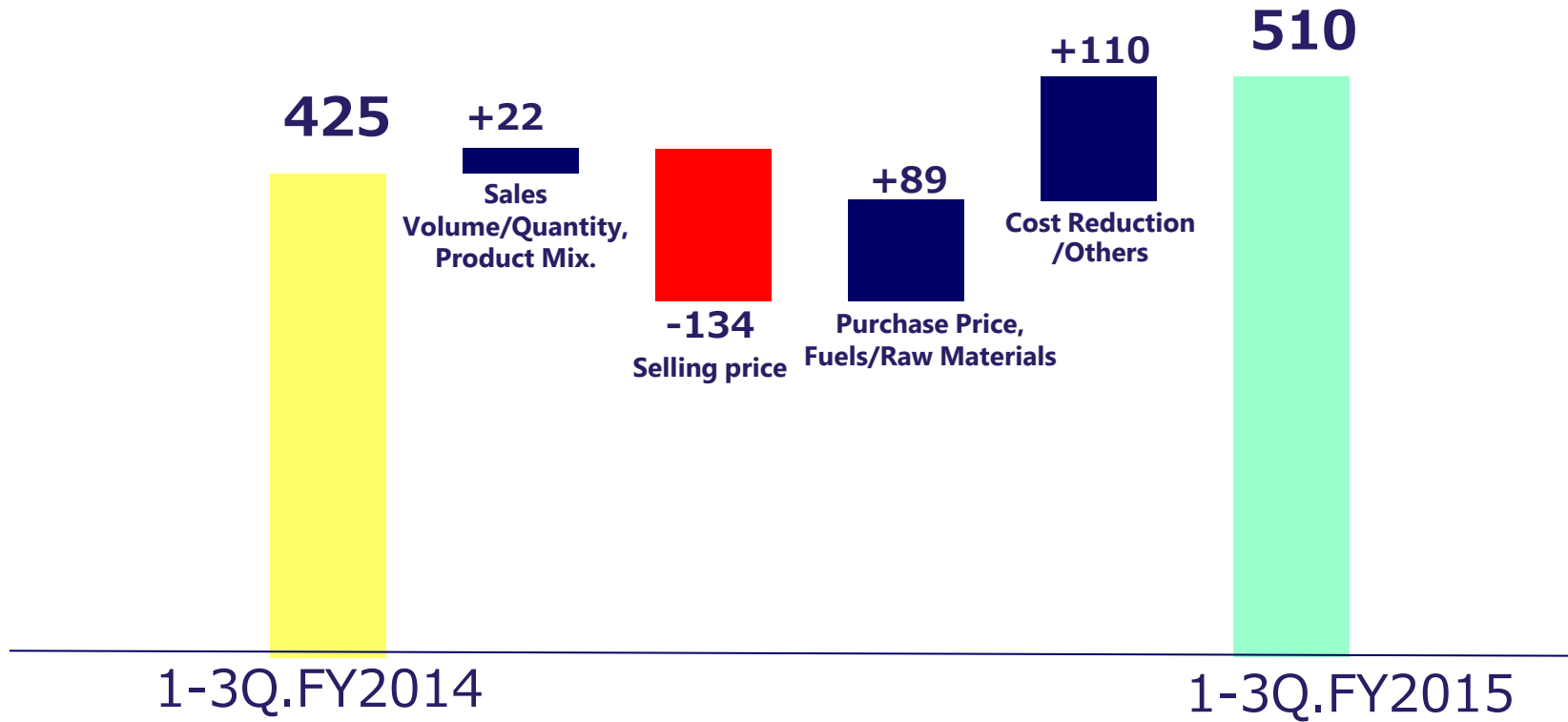
(100 million yen)



Variance Analysis on OP(1-3Q.FY2015 vs. 1-3Q.FY2014) **AGC**

¥8.6 bn. up from the same period last year

(100 million yen)



Consolidated Statement of Financial Position



	2014/12	2015/9	Change	(100 million yen)
Cash and cash equivalents	697	703	+6	
Inventories	2,395	2,431	+36	
Property, plant and equipment, Goodwill and Intangible assets	11,283	10,558	-726	
Other assets	6,399	6,061	-338	
Total assets	20,773	19,752	-1,021*	
Interest-bearing debt	4,993	4,802	-190	
Other liabilities	3,976	3,498	-478	
Liabilities	8,968	8,300	-668	
Total equity attributable to owners of the parent	11,131	10,790	-341	
Non-controlling interests	674	662	-12	
Equity	11,805	11,452	-353	
Total liabilities and equity	20,773	19,752	-1,021*	
D/E ratio	0.42	0.42	* -87.4 billion yen due to foreign exchange fluctuation	

Consolidated Statement of Cash Flow



	3Q		1-3Q Total <small>(100 million yen)</small>	
	FY2014	FY2015	FY2014	FY2015
Profit before tax	87	149	267	703
Depreciation and amortization expense	338	344	1,021	1,036
Increase(decrease) in working capital	-26	-79	-28	-49
Others	-174	-62	-276	-421
Cash flows from operating activities	225	352	985	1,268
Cash flows from investing activities	-272	-431	-721	-955
Free cash flow	-47	-80	264	313
Changes in interest-bearing debt	-292	-25	-465	-79
Dividend paid	-104	-104	-162	-208
Others	-3	-3	7	-3
Cash flows from financing activities	-398	-132	-620	-290
Effect of exchange rate changes on cash and cash equivalents	45	-29	24	-17
Net increase(decrease) in cash and cash equivalents	-399	-241	-332	6

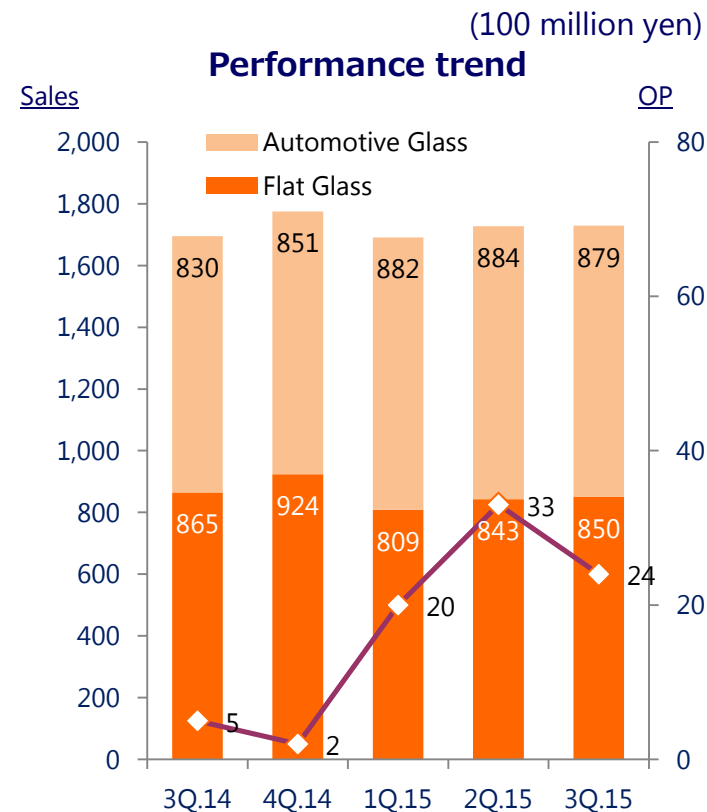
	3Q		1-3Q Total <small>(100 million yen)</small>	
	FY2014	FY2015	FY2014	FY2015
CAPEX	314	358	850	917
Depreciation	338	344	1,021	1,036
R&D	109	94	340	288

2. Information by Business and Geographic Segment

■ Earnings improved significantly thanks to the effect of structural reforms in Europe & America and lower raw materials and fuel prices.

	3Q			1-3Q Total		
	FY2014	FY2015	Change	FY2014	FY2015	Change
Net Sales	1,695	1,730	+35	5,088	5,148	+60
Operating profit	5	24	+19	-5	77	+82

Breakdown of sales		Sub total	Japan & Asia	Americas	Europe	Elimination
Glass	3Q	1,730	744	333	694	-41
	1-3Q Total	5,148	2,207	965	2,114	-138
Flat glass	3Q	850	306	124	449	-28
	1-3Q Total	2,502	882	372	1,346	-98
Automotive glass	3Q	879	439	209	245	-13
	1-3Q Total	2,645	1,325	593	767	-41



* The figures are different from the results for the previous fiscal year disclosed previously because net sales and operating profit for 2014 have been adjusted to reflect the reorganization. The adjusted results for 4Q of 2014 are unaudited.

【YoY comparison for the first nine months】

[Architectural Glass]

- Japan/Asia : Shipments decreased due to a backlash against last-minute demand before the consumption tax increase in Japan.
- Americas : Shipments remained strong.
- Europe : Shipments remained strong in Western and Central Europe. In Eastern Europe shipments declined due to its sluggish demand.

[Automotive Glass]

- Sales increased thanks to recovery of auto production in Western Europe and robust demand in North America and the weak yen, although auto production decreased in Japan, some Asian countries and Eastern Europe.

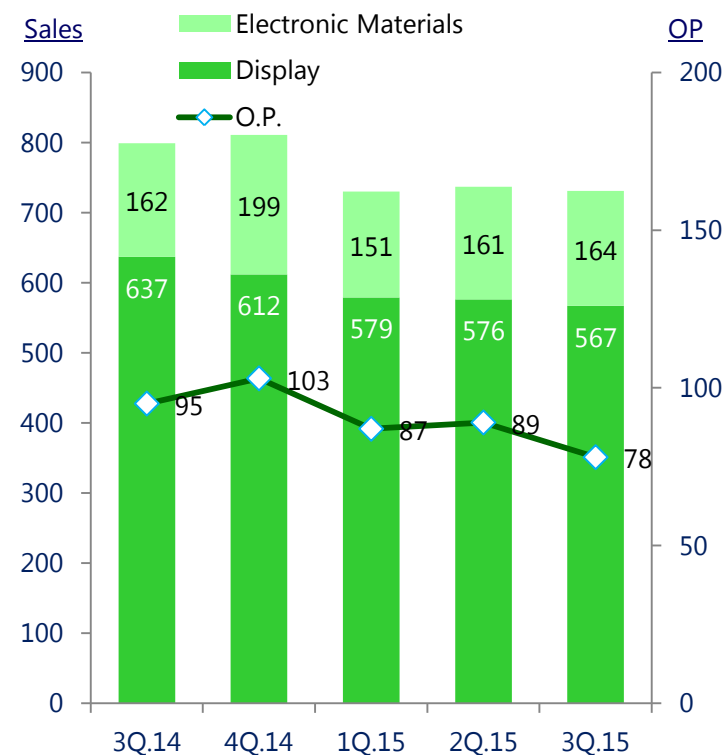
■ Cost reduction efforts and growth of non-LCD glass products minimize the impact of LCD glass price decline.

	3Q			1-3Q Total		
	FY2014	FY2015	Change	FY2014	FY2015	Change
Net sales	798	731	-67	2,386	2,198	-188
Operating profit	95	78	-17	267	254	-13

Breakdown of sales

Display	3Q	567
	1-3Q Total	1,722
Electronic Materials	3Q	164
	1-3Q Total	476

Performance trend (100 million yen)



* The figures are different from the results for the previous fiscal year disclosed previously because net sales and operating profit for 2014 have been adjusted to reflect the reorganization. The adjusted results for 4Q of 2014 are unaudited.

【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 specialty glass for display application increased.
- Sales declined due to the end of PDP related product shipments.

[Electronic Materials]

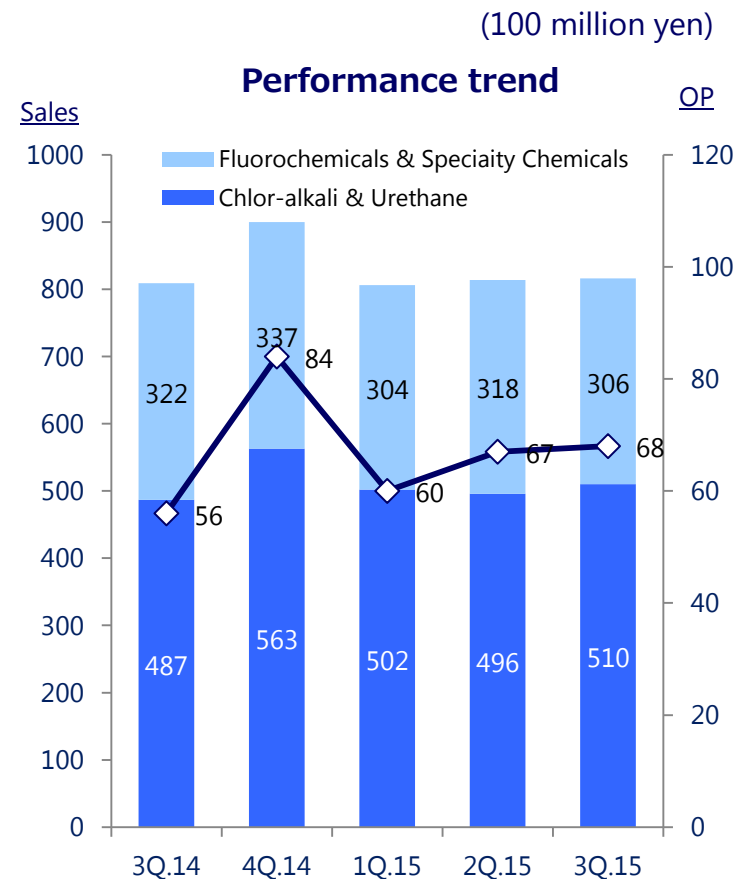
- Shipments of optoelectronics materials and semiconductor process-related products increased.

Steady improvement on a YoY and QoQ basis.

	3Q			1-3Q Total		
	FY2014	FY2015	Change	FY2014	FY2015	Change
Net sales	788	791	+3	2,297	2,365	+68
Operating profit	56	68	+12	157	196	+39

Breakdown of sales

Chlor-alkali & Urethane	3Q	510
	1-3Q Total	1,508
Fluorochemicals & Specialty Chemicals	3Q	306
	1-3Q Total	928
Elimination	3Q	-25
	1-3Q Total	-70



* The figures are different from the results for the previous fiscal year disclosed previously because net sales and operating profit for 2014 have been adjusted to reflect the reorganization.

【YoY comparison for the first nine months】

〔Chlor-alkali & Urethane〕

- Shipments remained strong.

〔Fluorochemicals & Specialty Chemicals〕

- Shipments declined in some products was offset by the effect of yen depreciation.

YoY Performance Comparison by Business Segment



	3Q			1-3Q Total			(100 million yen)
	FY2014	FY2015	Change	FY2014	FY2015	Change	
Net sales	3,350	3,310	-40	9,942	9,896	-46	
Glass	1,695	1,730	+35	5,088	5,148	+60	
Electronics	798	731	-67	2,386	2,198	-188	
Chemicals	788	791	+3	2,297	2,365	+68	
Ceramics/Other	223	153	-70	603	477	-125	
Elimination	-154	-95	+59	-432	-292	+140	
Operation profit	166	168	+2	425	510	+86	
Glass	5	24	+19	-5	77	+82	
Electronics	95	78	-17	267	254	-13	
Chemicals	56	68	+12	157	196	+39	
Ceramics/Other	10	-4	-14	4	-18	-22	
Elimination	0	1	+1	2	2	0	

Quarterly Performance Comparison by Business Segment

(100 million yen)

	2Q. FY2015	3Q. FY2015	Change	Change%
Net sales	3,330	3,310	-20	-0.6%
Glass	1,727	1,730	+3	+0.2%
Electronics	737	731	-6	-0.8%
Chemicals	789	791	+2	+0.2%
Ceramics/Other	186	153	-34	-18.1%
Elimination	-110	-95	+15	-
Operating profit	183	168	-15	-8.2%
Glass	33	24	-9	-26.5%
Electronics	89	78	-11	-12.3%
Chemicals	67	68	+1	+2.2%
Ceramics/Other	-6	-4	+2	-
Elimination	-0	1	+1	-

YoY Performance Comparison by Geographic Segment **AGC**

	3Q			1-3Q Total (100 million yen)		
	FY2014	FY2015	Change	FY2014	FY2015	Change
Net Sales	3,350	3,310	-40	9,942	9,896	-46
Japan/Asia	2,340	2,275	-65	6,910	6,813	-97
Americas	349	401	+52	1,016	1,177	+161
Europe	769	738	-30	2,348	2,264	-85
Elimination	-108	-105	+3	-333	-358	-26
Operation profit	166	168	+2	425	510	+86
Japan/Asia	249	235	-14	744	722	-22
Americas	-4	13	+17	-41	32	+72
Europe	2	-8	-10	-37	-21	+15
Elimination	-1	-1	0	4	-4	-8
Cross-regional common expenses	-81	-73	+8	-246	-218	+28

Quarterly Performance Comparison by Geographic Segment **AGC**

	2Q. FY2015	3Q. FY2015	Change	(100 million yen) Change%
Net Sales	3,330	3,310	-20	-0.6%
Japan/Asia	2,267	2,275	+8	+0.4%
Americas	400	401	+2	+0.4%
Europe	779	738	-40	-5.1%
Elimination	-115	-105	+10	-
Operation profit	183	168	-15	-8.2%
Japan/Asia	239	235	-4	-1.7%
Americas	14	13	-0	-1.5%
Europe	0	-8	-8	-
Elimination	0	-1	-1	-
Cross-regional common expenses	-71	-73	-2	-

The Impact of FOREX and Change in the Scope of Consolidation (Compared with 1-3Q.FY2014)

Net sales	(100 million yen)			
	Consolidated total*	Glass	Electronics	Chemicals
1-3Q. FY2015	9,896	5,148	2,198	2,365
Change vs. 1-3Q. FY2014	-46	+60	-188	+68
Change like-for-like vs. 1-3Q. FY2014	-499	-147	-231	-125
Impact of FOREX	+386	+190	+43	+144
Impact of Change in the Scope of Consolidation	+67	+16	-	+49

* 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 FY2015

Net sales	1,355.0 billion yen (up 6.7 billion yen YoY)
Operating profit	70.0 billion yen (up 7.9 billion yen YoY)
Profit for the year attributable for the owners of the parent	40.0 billion yen (up 24.1 billion yen YoY)

- ✓ Net sales is forecast to increase thanks to increased shipments of glass and chemicals, as well as continuation of the weak yen.
- ✓ Operating profit is forecast to increase thanks to the effect of structural reforms of the architectural glass business in Europe & America and decline of raw materials and fuel prices.
- ✓ Profit for the year attributable for the owners of the parent is forecast to increase because of factors such as posting of other income associated with the revision the corporate pension plan.

(100 million yen)

	FY2014	FY2015 Forecast	Change	Change%
Net sales	13,483	13,550	+67	+0.5%
Operating profit	621	700	+79	+12.7%
Profit before tax	412	730	+318	+77.3%
Profit for the year attributable to owners of the parent	159	400	+241	+151.4%
Dividend (yen/share)	18	18		
Operating profit margin	4.6%	5.2%		
ROE	1.4%	3.6%		
Forex (Average)	JPY/USD	105.85	120.0	
	JPY/EUR	140.42	135.0	
Crude oil	\$/BBL(Dubai)	96.5	53.3	

•ROE of FY2015 Forecast is calculated by using the Total equity attributable to owners of the parent as of Dec.31, 2014.

* Assumption for 4Q. FY2015 : **50.0**.

【QoQ comparison with 3Q.】

〔Glass〕

- Architectural Glass

Western Europe : Shipments are expected to increase as the peak demand season comes.

Prices are expected to remain upside as the tight demand and supply situation continues.

Japan : Shipments are expected to increase due to the recovery in the housing starts.

Americas : Shipments are expected to remain at high level.

- Automotive Glass

Sales are expected to remain strong globally despite possible slowdown in some emerging countries.

- Loss for oil hedge valuation posted in the third quarter is not expected to happen again.

【QoQ comparison with 3Q.】

〔Electronics〕

- Shipments of TFT-LCD glass substrates will decrease, if customers make adjustment to their production. However, the volume decline is expected to be kept within the expected range.
- Loss for oil hedge valuation posted in the third quarter is not expected to happen again.

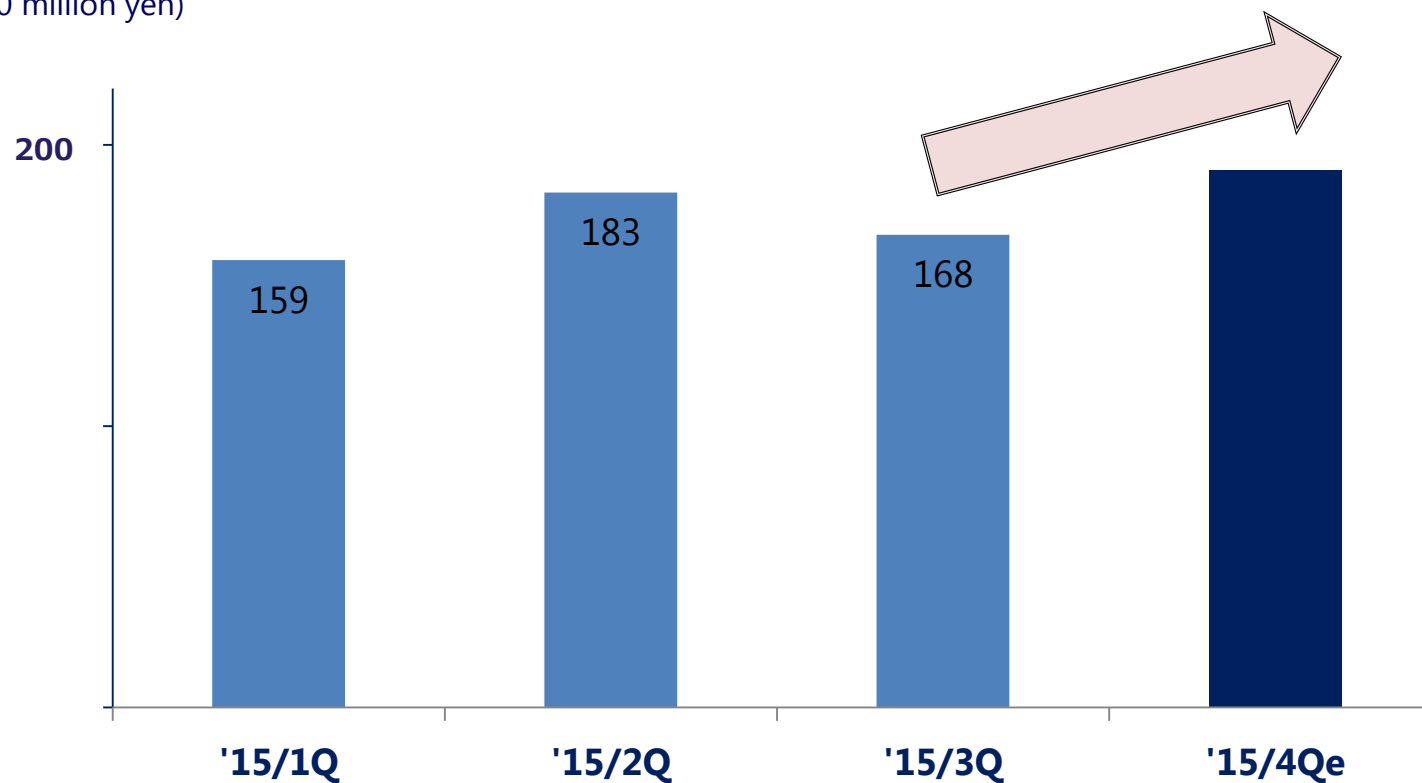
〔Chemicals〕

- Chlor-alkali (Overseas): Shipments are expected to increase thanks to the high demand season. Spread is expected to expand due to the price decline of ethylene materials.
- Fluorochemicals & Specialty Chemicals: Shipments are expected to increase thanks to the high demand season.

[Quarter Operating profit trend]

- * Sales in glass and chemical business are expected to increase
- * The loss for oil hedge valuation is not expected to happen again

(100 million yen)



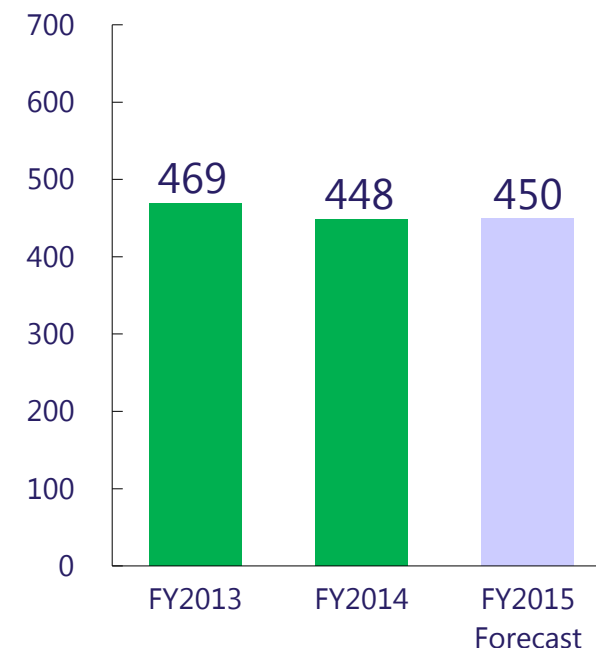
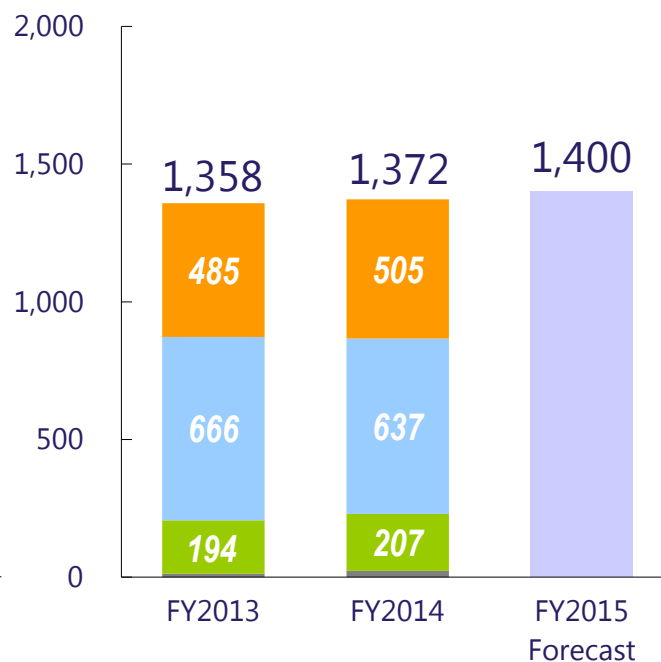
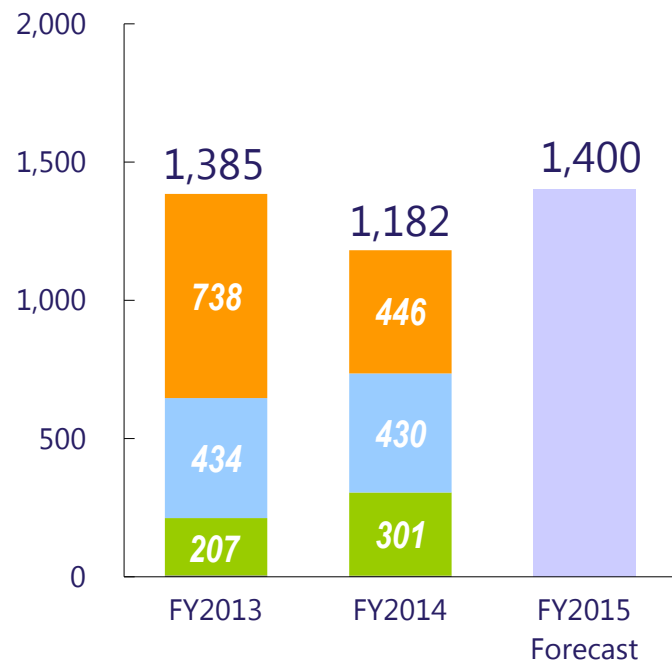
Operating Profit for FY2015 is estimated to be over 70 billion yen.

(100 million yen)

CAPEX

Depreciation

R&D

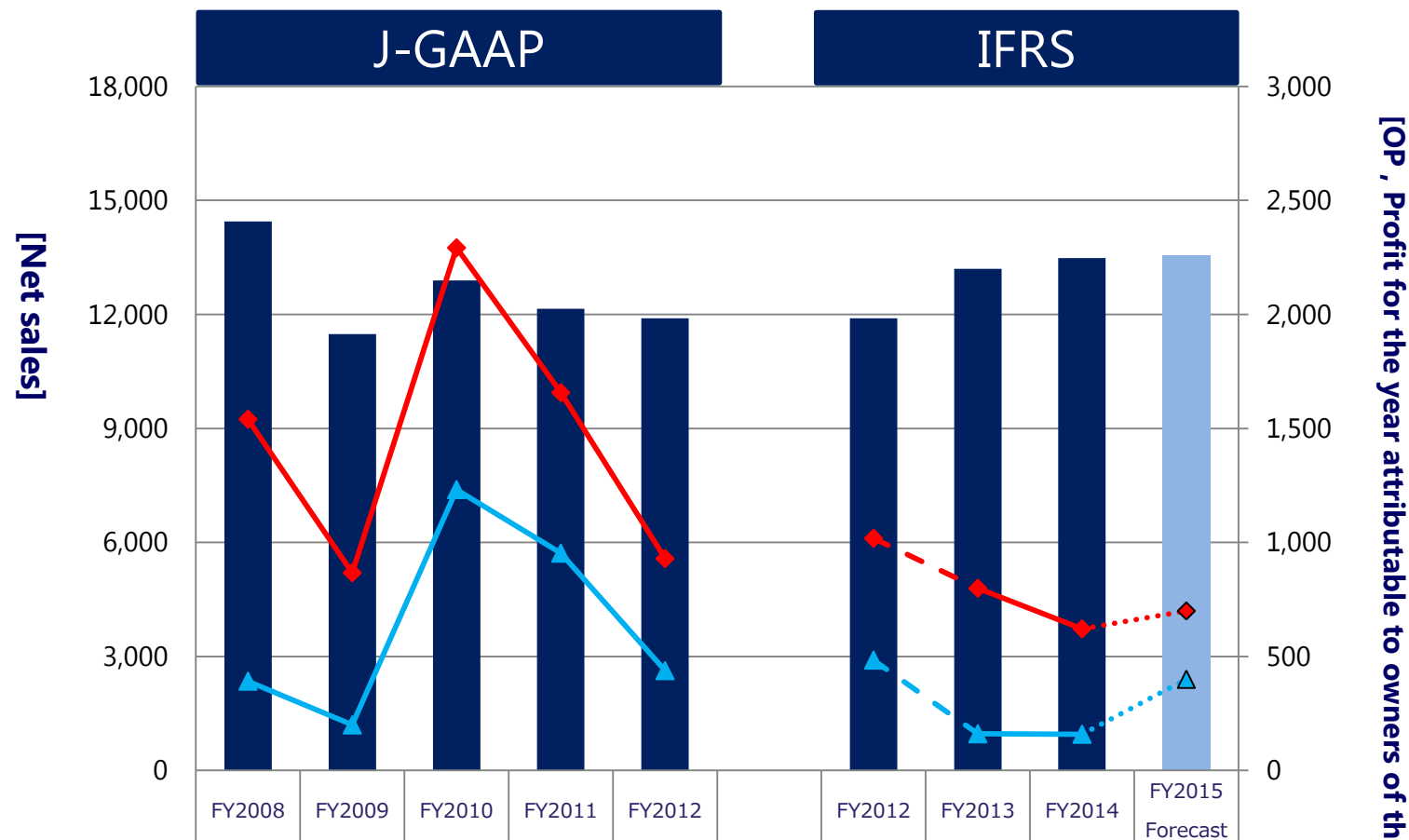


■ Glass
 ■ Electronics
 ■ Chemicals
 ■ Ceramics / Other

Appendix

Changes in the Financial Results

(100 million yen)



■ Net sales	14,443	11,482	12,889	12,147	11,900		11,900	13,200	13,483	13,550
◆ Operating profit	1,540	867	2,292	1,657	929		1,018	799	621	700
▲ Profit for the year attributable to owners of the parent*	392	200	1,232	953	438		484	161	159	400
Operating profit margin	10.7%	7.5%	17.8%	13.6%	7.8%		8.6%	6.1%	4.6%	5.2%
Dividend per share	¥24	¥16	¥26	¥26	¥26		¥26	¥18	¥18	¥18

* Net income in J-GAAP.

		J-GAAP						IFRS		
		07/12	08/12	09/12	10/12	11/12	12/12	12/12	13/12	14/12
Return on equity ^{*1}	%	7.5%	4.7%	2.7%	15.8%	11.8%	5.0%	5.8%	1.6%	1.4%
Return on assets ^{*2}	%	9.3%	7.8%	4.8%	12.9%	9.6%	5.2%	5.6%	4.0%	3.0%
Equity ratio	%	45%	40%	42%	46%	48%	50%	47%	51%	54%
Debt/Equity ratio	times	0.52	0.77	0.74	0.60	0.57	0.54	0.56	0.50	0.42
CF from Operating Activities/Interest-bearing debt	times	0.46	0.34	0.30	0.56	0.31	0.31	0.32	0.29	0.27
Earnings per share	Yen	59.35	33.53	17.12	105.52	81.90	37.88	41.90	13.97	13.77
EBITDA ^{*3}	100 million yen	2,555	2,199	1,873	3,084	2,594	1,928	2,000	1,866	1,859

*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

Exchange rates		FY2014					FY2015			
		1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q
JPY / USD	Average	102.78	102.16	103.92	114.54	105.85	119.09	121.36	122.23	120.0 ^{*4}
	At quarter end	102.92	101.36	109.45	120.55	120.55	120.17	122.45	119.96	
JPY / EUR	Average	140.79	140.07	137.76	143.07	140.42	134.18	134.16	135.98	135.0 ^{*4}
	At quarter end	141.65	138.31	138.87	146.54	146.54	130.32	137.23	134.97	

*4 Assumption for FY2015

Date	Summary
February 4	AGC Exhibits at "Milan Design Week", World's Largest Design Festival, for First Time
March 5	AGC Becomes Official Sponsor of Japan Pavilion at EXPO Milano 2015
March 25	AGC to Enhance PVC Production Capacity in Vietnam by 50%
April 7	AGC to Increase Production Capacity of Solar Control Low-E Glass in Thailand
April 8	AGC to Construct Power Plant in Indonesia
April 17	AGC to Establish an Integrated Production System in China for TFT-LCD Glass Substrates
April 28	AGC Acquires NordGlass (Poland), Active in Automotive Replacement Glass
June 3	AGC Releases "infoverre™ MIRROR," Enabling Unique Information Display on Mirror
July 14	AGC Supplies "XCV™ " Glass Substrate for LGPs that Enable Extra-thin LCD TVs
September 30	AGC to Release Fluon® LM-ETFE LH-8000 for New Application Areas

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