

Jul 31, 2018

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 (Code Number: 5201; TSE 1st section)
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Consolidated Financial Results for the Six Months ended June 30, 2018 (IFRS basis)

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

1. Financial Results for the six months ended June 30, 2018 (January 1 through June 30, 2018)

(1) Consolidated operating results

	For the six months ended June 30, 2018		For the six months ended June 30, 2017	
	Millions of yen	%	Millions of yen	%
Net sales	745,499	8.0	689,989	10.4
Operating profit	60,305	22.4	49,286	23.6
Profit before tax	64,933	32.9	48,860	32.8
Profit for the period	53,115	25.6	42,301	45.2
Profit for the period attributable to owners of the parent	48,127	28.2	37,540	38.9
Total comprehensive income for the period	(10,369)	—	41,170	—
Basic earnings per share (yen)	213.05		163.29	
Diluted earnings per share (yen)	212.01		162.50	

*The Company consolidated its common shares at a ratio of five shares to one share on the effective date of July 1, 2017.

Accordingly, the basic earnings per share and the diluted earnings per share are calculated on the assumption that the consolidation of shares is conducted at the beginning of the preceding fiscal year.

(2) Consolidated financial position

	FY2018 second quarter (as of June 30, 2018)	FY2017 (as of December 31, 2017)
Total assets (millions of yen)	2,213,481	2,228,560
Total equity(millions of yen)	1,266,211	1,289,895
Equity attributable to owners of the parent (millions of yen)	1,158,391	1,184,034
Equity attributable to owners of the parent ratio (%)	52.3	53.1

2. Dividends

(Unit: yen)

	FY2017	FY2018	FY2018 (forecast)
End of first quarter	—	—	—
End of second quarter	10.00	55.00	—
End of third quarter	—	—	—
End of fiscal year	55.00	—	55.00
Total	—	—	110.00

Note: Revision of the forecast during this quarter: No

*The Company consolidated its common shares at a ratio of five shares to one share on the effective date of July 1, 2017.

Accordingly, figures for year-end dividends per share for fiscal year 2017 are amounts that take into account the consolidation of shares, and total annual dividends are shown as “-.” The scheduled year-end dividends per share for fiscal year 2017 without taking into account the consolidation of shares are 11 yen, and annual dividends per share are 21 yen.

3. Forecast for FY2018 (January 1 through December 31, 2018)

	Full year	
	Millions of yen	%
Net sales	1,550,000	5.9
Operating profit	135,000	12.8
Profit before tax	123,000	7.5
Profit for the year	92,000	16.0
Profit for the year attributable to owners of the parent	80,000	15.6
Basic earnings per share (yen)	354.02	

Note : Revision of the forecast for FY2018 consolidated operating results from the latest official forecast: Yes

*Notes

(1) Changes in significant subsidiaries during the period: Yes

(Company name:AGC Flat Glass Philippines, Inc.)

Note: For details, please refer to "1. Condensed Interim Consolidated Financial Statements (IFRS) (5) Notes to the Condensed Interim Consolidated Financial Statements, Changes in Significant Subsidiaries during the Period" on page 11.

(2) Changes in Accounting Policies and Changes in Accounting Estimates

- i. Changes in accounting policies required by IFRS: Yes
- ii. Changes in accounting policies other than "i" above: No
- iii. Changes in accounting estimates: No

Note: For details, please refer to "1. Condensed Interim Consolidated Financial Statements (IFRS) (5) Notes to the Condensed Interim Consolidated Financial Statements, Changes in Accounting Policies" on page 11.

(3) Number of shares issued (common stock)

- i. Number of shares issued (including treasury stock) at the end of the period
 - FY2018 second quarter (as of June 30, 2018): 231,978,181
 - FY2017 (as of December 31, 2017): 235,177,781
- ii. Number of treasury stock at the end of the period
 - FY2018 second quarter (as of June 30, 2018): 6,284,016
 - FY2017 (as of December 31, 2017): 9,204,032
- iii. Average number of shares issued during the period
 - For the six months ended June 30, 2018: 225,904,200
 - For the six months ended June 30, 2017: 229,898,363

Note: The Company consolidated its common shares at a ratio of five shares to one share on the effective date of July 1, 2017. Accordingly, the shares issued (including treasury stock) at end of term, the treasury stock and the average shares outstanding during the period are calculated on the assumption that the consolidation of shares is conducted at the beginning of the preceding fiscal year.

*This interim consolidated financial statement is outside the scope of quarterly review procedures.

*Appropriate Use of Forecast and Other Information and Other Matters

The above forecast is 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.

*Supplementary Materials for the Quarterly Financial Results

Supplementary materials are available on our website.

(Attached Documents)

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1. Condensed Interim Consolidated Financial Statements (IFRS)**(1) Condensed Interim Consolidated Statements of Financial Position**

(Unit: millions of yen)

	FY2017 (as of December 31, 2017)	FY2018 second quarter (as of June 30, 2018)
Assets		
Current assets		
Cash and cash equivalents	126,417	129,884
Trade receivables	260,497	248,107
Inventories	261,708	263,842
Other receivables	43,774	49,600
Income tax receivables	5,570	4,491
Other current assets	24,554	28,111
Total current assets	722,522	724,037
Non-current assets		
Property, plant and equipment	1,060,601	1,073,524
Goodwill	78,757	75,736
Intangible assets	58,038	55,604
Investments accounted for using equity method	39,575	37,387
Other financial assets	234,896	212,531
Deferred tax assets	23,157	20,203
Other non-current assets	11,011	14,457
Total non-current assets	1,506,038	1,489,443
Total assets	2,228,560	2,213,481

(Unit: millions of yen)

	FY2017 (as of December 31, 2017)	FY2018 second quarter (as of June 30, 2018)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	159,489	142,298
Short-term interest-bearing debt	73,666	61,636
Long-term interest-bearing debt due within one year	63,629	86,031
Other payables	127,580	156,714
Income tax payables	12,210	9,303
Provisions	1,893	1,330
Other current liabilities	16,819	14,288
Total current liabilities	455,288	471,604
Non-current liabilities		
Long-term interest-bearing debt	351,789	361,249
Deferred tax liabilities	59,492	40,323
Post-employment benefit liabilities	50,585	56,075
Provisions	10,045	7,104
Other non-current liabilities	11,463	10,911
Total non-current liabilities	483,376	475,665
Total liabilities	938,665	947,269
Equity		
Share capital	90,873	90,873
Capital surplus	101,420	101,479
Retained earnings	735,653	760,437
Treasury shares	(43,629)	(29,803)
Other components of equity	299,716	235,404
Total equity attributable to owners of the parent	1,184,034	1,158,391
Non-controlling interests	105,860	107,819
Total equity	1,289,895	1,266,211
Total liabilities and equity	2,228,560	2,213,481

(2) Condensed Interim Consolidated Statements of Profit or Loss and Consolidated Statements of Comprehensive Income

(Condensed Interim Consolidated Statements of Profit or Loss)

(Unit: millions of yen)

	For the six months ended June 30, 2017 (Jan. 1 through June. 30, 2017)	For the six months ended June 30, 2018 (Jan. 1 through June. 30, 2018)
Net sales	689,989	745,499
Cost of sales	(504,235)	(539,682)
Gross profit	185,753	205,816
Selling, general and administrative expenses	(137,696)	(146,217)
Share of profit (loss) of associates and joint ventures accounted for using equity method	1,229	705
Operating profit	49,286	60,305
Other income	1,839	8,017
Other expenses	(3,108)	(4,661)
Business profit	48,017	63,661
Finance income	4,326	5,701
Finance costs	(3,483)	(4,429)
Net finance costs	842	1,271
Profit before tax	48,860	64,933
Income tax expenses	(6,558)	(11,818)
Profit for the period	42,301	53,115
Attributable to:		
Owners of the parent	37,540	48,127
Non-controlling interests	4,760	4,987
Earnings per share		
Basic earnings per share (yen)	163.29	213.05
Diluted earnings per share (yen)	162.50	212.01

(Condensed Interim Consolidated Statements of Comprehensive Income)

(Unit: millions of yen)

	For the six months ended June 30, 2017 (Jan. 1 through June. 30, 2017)	For the six months ended June 30, 2018 (Jan. 1 through June. 30, 2018)
Profit for the period	42,301	53,115
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss, net of tax		
Remeasurement of the net defined benefit liability (asset)	1,031	(2,661)
Net gain (loss) on revaluation of financial assets measured at FVTOCI ^(Note)	(2,170)	(9,322)
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(23)	118
Total	(1,161)	(11,864)
Components of other comprehensive income that may be reclassified to profit or loss, net of tax		
Net gain (loss) in fair value of cash flow hedges	(623)	337
Exchange differences on translation of foreign operations	699	(51,973)
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(44)	16
Total	31	(51,620)
Other comprehensive income, net of tax	(1,130)	(63,484)
Total comprehensive income for the period	41,170	(10,369)
Attributable to:		
Owners of the parent	37,701	(11,639)
Non-controlling interests	3,468	1,270

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

(3) Condensed Interim Consolidated Statements of Changes in Equity
For the six months ended June 30, 2017

(Unit: millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurement of net defined benefit liability (asset)	Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)
Balance as of January 1, 2017	90,873	101,237	690,890	(29,259)	(45,106)	95,891
Changes in equity						
Comprehensive income						
Profit for the period	-	-	37,540	-	-	-
Other comprehensive income	-	-	-	-	992	(2,169)
Total comprehensive income for the period	-	-	37,540	-	992	(2,169)
Transactions with owners						
Dividends	-	-	(10,407)	-	-	-
Acquisition of treasury shares	-	-	-	(10,024)	-	-
Disposal of treasury shares	-	-	(85)	202	-	-
Cancellation of treasury shares	-	-	(10,315)	10,315	-	-
Transfer from other components of equity to retained earnings	-	-	3,505	-	-	(3,505)
Share-based payment transactions	-	26	-	-	-	-
Others (business combinations and others)	-	-	-	-	-	-
Total transactions with owners	-	26	(17,303)	493	-	(3,505)
Balance as of June 30, 2017	90,873	101,263	711,127	(28,765)	(44,114)	90,216

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

For the six months ended June 30, 2017

(Unit: millions of yen)

	Equity attributable to owners of the parent			Total	Non-controlling interests	Total equity
	Other components of equity		Total			
	Net gain (loss) in fair value of cash flow hedges	Exchange differences on translation of foreign operations				
Balance as of January 1, 2017	225	190,686	241,696	1,095,438	73,305	1,168,743
Changes in equity						
Comprehensive income						
Profit for the period	-	-	-	37,540	4,760	42,301
Other comprehensive income	(665)	2,004	161	161	(1,292)	(1,130)
Total comprehensive income for the period	(665)	2,004	161	37,701	3,468	41,170
Transactions with owners						
Dividends	-	-	-	(10,407)	(2,208)	(12,615)
Acquisition of treasury shares	-	-	-	(10,024)	-	(10,024)
Disposal of treasury shares	-	-	-	117	-	117
Cancellation of treasury shares	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	(3,505)	-	-	-
Share-based payment transactions	-	-	-	26	-	26
Others (business combinations and others)	-	-	-	-	21,926	21,926
Total transactions with owners	-	-	(3,505)	(20,288)	19,717	(570)
Balance as of June 30, 2017	(440)	192,690	238,352	1,112,851	96,491	1,209,343

For the six months ended June 30, 2018

(Unit: millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurement of net defined benefit liability (asset)	Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)
Balance as of January 1, 2018	90,873	101,420	735,653	(43,629)	(32,480)	105,270
Impact of change in accounting policy	-	-	(244)	-	-	-
Restated balance as of January 1, 2018	90,873	101,420	735,408	(43,629)	(32,480)	105,270
Changes in equity						
Comprehensive income						
Profit for the period	-	-	48,127	-	-	-
Other comprehensive income	-	-	-	-	(2,630)	(9,310)
Total comprehensive income for the period	-	-	48,127	-	(2,630)	(9,310)
Transactions with owners						
Dividends	-	-	(12,428)	-	-	-
Acquisition of treasury shares	-	-	-	(1,506)	-	-
Disposal of treasury shares	-	-	(48)	165	-	-
Cancellation of treasury shares	-	-	(15,166)	15,166	-	-
Transfer from other components of equity to retained earnings	-	-	4,544	-	-	(4,544)
Share-based payment transactions	-	59	-	-	-	-
Others (business combinations and others)	-	-	-	-	-	-
Total transactions with owners	-	59	(23,099)	13,826	-	(4,544)
Balance as of June 30, 2018	90,873	101,479	760,437	(29,803)	(35,111)	91,415

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

For the six months ended June 30, 2018

(Unit: millions of yen)

	Equity attributable to owners of the parent			Total	Non-controlling interests	Total equity
	Other components of equity		Total			
	Net gain (loss) in fair value of cash flow hedges	Exchange differences on translation of foreign operations				
Balance as of January 1, 2018	548	226,377	299,716	1,184,034	105,860	1,289,895
Impact of change in accounting policy	-	-	-	(244)	-	(244)
Restated balance as of January 1, 2018	548	226,377	299,716	1,183,790	105,860	1,289,650
Changes in equity						
Comprehensive income						
Profit for the period	-	-	-	48,127	4,987	53,115
Other comprehensive income	373	(48,199)	(59,767)	(59,767)	(3,716)	(63,484)
Total comprehensive income for the period	373	(48,199)	(59,767)	(11,639)	1,270	(10,369)
Transactions with owners						
Dividends	-	-	-	(12,428)	(2,265)	(14,694)
Acquisition of treasury shares	-	-	-	(1,506)	-	(1,506)
Disposal of treasury shares	-	-	-	116	-	116
Cancellation of treasury shares	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	(4,544)	-	-	-
Share-based payment transactions	-	-	-	59	-	59
Others (business combinations and others)	-	-	-	-	2,954	2,954
Total transactions with owners	-	-	(4,544)	(13,758)	688	(13,069)
Balance as of June 30, 2018	921	178,178	235,404	1,158,391	107,819	1,266,211

(4) Condensed Interim Consolidated Statements of Cash Flows

(Unit: millions of yen)

	For the six months ended June 30, 2017 (Jan. 1 through June. 30, 2017)	For the six months ended June 30, 2018 (Jan. 1 through June. 30, 2018)
Cash flows from operating activities		
Profit before tax	48,860	64,933
Depreciation and amortization	62,652	60,991
Interest and dividend income	(4,103)	(5,649)
Interest expenses	3,387	3,994
Share of profit (loss) of associates and joint ventures accounted for using equity method	(1,229)	(705)
Loss (gain) on sale or disposal of non-current assets	972	626
Decrease (increase) in trade receivables	8,476	5,803
Decrease (increase) in inventories	(15,098)	(11,300)
Increase (decrease) in trade payables	(7,369)	(11,950)
Others	(2,371)	(3,849)
Subtotal	94,176	102,894
Interest and dividends received	4,597	5,816
Interest paid	(3,998)	(3,877)
Income taxes paid	(5,110)	(24,394)
Net cash from operating activities	89,664	80,439
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(56,798)	(92,188)
Proceeds from sale of property, plant and equipment	2,444	4,552
Purchase of other financial assets	(3,400)	(2,573)
Proceeds from sale and redemption of other financial assets	11,995	10,090
Purchase of subsidiaries	(76,661)	(525)
Proceeds from sale of shares of subsidiaries	-	3,352
Others	119	(1,001)
Net cash used in investing activities	(122,300)	(78,293)
Cash flows from financing activities		
Changes in short-term interest-bearing debt	3,297	(9,424)
Proceeds from borrowing or issuing long-term interest-bearing debt	41,679	81,090
Repayment or redemption of long-term interest-bearing debt	(37,991)	(50,726)
Proceeds from non-controlling interests	-	2,940
Acquisition of treasury shares	(10,024)	(1,506)
Dividends paid	(10,407)	(12,428)
Dividends paid to non-controlling interests	(2,208)	(2,265)
Others	(372)	(313)
Net cash used in financing activities	(16,026)	7,365
Effect of exchange rate changes on cash and cash equivalents	(531)	(6,044)
Net increase (decrease) in cash and cash equivalents	(49,194)	3,467
Cash and cash equivalents at the beginning of the period	147,325	126,417
Cash and cash equivalents at the end of the period	98,130	129,884

(5) Notes to the Condensed Interim Consolidated Financial Statements

(Changes in Significant Subsidiaries during the Period)

During the six months ended June 30, 2018, AGC Flat Glass Philippines, Inc. was excluded from the scope of consolidation due to transferring its shares.

(Changes in Accounting Policies)

The significant accounting policies adopted for the Group's condensed interim consolidated financial statements are the same as those for the consolidated financial statements for the fiscal year ended December 31, 2017, with the exception of the items described below.

Beginning from the fiscal year 2018, the Group has adopted IFRS 15 "Revenue from Contracts with Customers". When applying IFRS 15, as a transition measure the Group applies this standard retrospectively with the cumulative effects of initially applying this standard recognized at the date of initial application.

In accordance with the adoption of IFRS 15, revenue is recognized based on the following five-step model.

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when the entity satisfies a performance obligation

The Group sells a range of products including architectural glass, automotive glass, glass substrates for displays, electronic materials, chlor-alkali & urethane, fluorochemicals & specialty chemicals, and life science products. Because customers obtain control over the products at the time of delivery, for sales of these products the performance obligation is judged to have been satisfied and revenue is therefore recognized upon delivery of the products. For revenue associated with construction works such as the installation of architectural glass, revenue is recognized according to the progress toward completion of the performance obligation. Measurement of progress toward completion is performed according to the input method based on the costs incurred, etc.

Furthermore, revenue is measured at the consideration promised in contracts with customers, less discounts, rebates, returned products, and other items.

When consideration is received from a customer prior to fulfillment of the performance obligation, the amount is recognized as a contract liability.

As a result of identifying the contracts with customers and the performance obligations in the contracts and calculating the value of the transactions based on the five-step model indicated above, for certain transactions a difference in the measurement of the consideration received from customers arises compared with the revenue is that would have been recognized based on the previous accounting standard.

As a result, compared with the application of the former accounting standard, in the condensed interim consolidated statements of financial position for the beginning of fiscal year 2018, trade receivables decreased by 524 million yen, deferred tax assets increased by 280 million yen, and retained earnings decreased by 244 million yen. For the end as of June 30, 2018, trade receivables decreased by 499 million yen, deferred tax assets increased by 281 million yen, and retained earnings and other components of equity decreased by 201 million yen and 17 million yen, respectively.

Moreover, in the condensed interim consolidated statements of profit or loss for the six months ended June 30, 2018, net sales increased by 39 million yen, and income tax expenses decreased by 3 million yen.

With the exception of the standards described above, the following are the accounting standards applied by the Group from fiscal year 2018, in compliance with each transitional provision. The effect of the application of the following standards on the Group's condensed interim consolidated financial statements is immaterial.

IFRS	Title	Summaries of new IFRS and amendments
IFRS 2 (Amended in June 2016)	Share-based Payment	Clarifications of classification and measurement of share-based payment transactions
IFRS 9 (Amended in July 2014)	Financial Instruments	Changes in classification and measurement of financial instruments, and introduction of impairment requirements based on a forward-looking expected loss impairment model
IFRIC 22	Foreign Currency Transactions and Advance Consideration	Clarification of exchange rate to use on initial recognition of the related assets, expenses or income, when an entity has received or paid advance consideration in a foreign currency

"Operating profit" in the Group's condensed interim consolidated statements of profit or loss is an indicator that facilitates continuous comparisons and evaluations of the Group's business performance. Main items of "other income" and "other expenses" are foreign exchange gains and losses, gains on sale of non-current assets, losses on disposal of non-current assets, impairment losses and expenses for restructuring programs. "Business profit" includes all income and expenses before finance income, finance costs and income tax expenses.

The Group calculated income tax expenses for the six months ended June 30, 2018, based on the estimated average annual effective tax rate.

(Changes in Accounting Estimates)

In preparing the Group's condensed interim consolidated financial statements, judgments, estimates and assumptions are made that affect the reported amounts of assets, liabilities, income and expenses. Therefore accounting estimates could differ from actual results.

Estimates and assumptions that have a significant effect on the amounts recognized in the Group's condensed interim consolidated financial statements are in principle the same as the preceding fiscal year.

Estimates and their assumptions are reviewed continuously. The effect of reviewing estimates and assumptions are recognized in the period in which those estimates and assumptions were reviewed and in future periods.

(Segment Information)

The Group's reportable segments are components of the Group for which discrete financial information is available, and whose operating results are reviewed regularly by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess performance.

The Group had four in-house companies by product and service: Building & Industrial Glass, Automotive, Electronics and Chemicals. Each in-house company operates worldwide, formulating comprehensive domestic and overseas strategies for its products and services.

Building & Industrial Glass and Automotive share the same float glass manufacturing facilities (glass melting furnace) etc., which are the largest assets and situated the highest upstream in the supply chain. The two in-house companies share assets and liabilities, and ratio of utilization is influenced by fluctuations of demand and supply. Considering these situations, it is difficult to divide financial statements for the two in-house companies. Therefore, the Group prepares the financial statements of Building & Industrial Glass and Automotive as the Glass segment. In addition, decisions on assigning management resources are closely tied to the results of each business and inseparable from their performance evaluation. Therefore, with the participation of presidents of both in-house companies, the Group has established a "Glass Segment Council," which primarily functions to maintain synergies and maximize overall production in the Glass segment, and collaborates to maximize profits for the Group. Based on these circumstances, the Group reports the Glass segment as one.

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, Decorative glass, Fabricated glass for architectural use (Heat Insulating/shielding glass, Disaster-resistant/Security glass, Fire-resistant glass, etc.), Automotive glass, etc.
Electronics	LCD glass substrates, Specialty glass for display applications, Cover glass for car-mounted displays, Display related materials, Glass for solar power system, Fabricated glass for industrial use, Semiconductor process materials, Optoelectronics materials, Lighting glass products, Laboratory use ware, etc.
Chemicals	Polyvinyl chloride, Vinyl chloride monomer, Caustic soda, Urethane, Fluorinated resins, Water and oil repellents, Gases, Solvents, Pharmaceutical and agrochemical intermediates and active ingredients, Iodine-related products, etc.

For the six months ended June 30, 2017 (January 1 through June 30, 2017)

(Unit: millions of yen)

	Reportable segments			Ceramics/ Other	Total	Adjustments	Amount reported on condensed interim consolidated statements of profit or loss
	Glass	Electronics	Chemicals				
Sales to external customers	356,602	121,530	195,804	16,052	689,989	-	689,989
Inter-segment sales or transfers	411	873	890	17,696	19,871	(19,871)	-
Total sales	357,013	122,403	196,694	33,748	709,861	(19,871)	689,989
Segment profit (loss) (Operating profit)	13,959	9,110	25,995	113	49,178	107	49,286
Profit for the period	-	-	-	-	-	-	42,301

The amounts of inter-segment sales or transfers are primarily based on market prices and manufacturing cost.
“Ceramics/Other” mainly handles ceramics products, logistics and financial services.

For the six months ended June 30, 2018 (January 1 through June 30, 2018)

(Unit: millions of yen)

	Reportable segments			Ceramics/ Other	Total	Adjustments	Amount reported on condensed interim consolidated statements of profit or loss
	Glass	Electronics	Chemicals				
Sales to external customers	381,005	118,945	228,113	17,435	745,499	-	745,499
Inter-segment sales or transfers	581	949	1,606	22,377	25,515	(25,515)	-
Total sales	381,587	119,894	229,720	39,813	771,015	(25,515)	745,499
Segment profit (loss) (Operating profit)	15,288	10,024	33,680	1,316	60,310	(4)	60,305
Profit for the period	-	-	-	-	-	-	53,115

The amounts of inter-segment sales or transfers are primarily based on market prices and manufacturing cost.
“Ceramics/Other” mainly handles ceramics products, logistics and financial services.

(Notes to Other Income and Other Expenses)

Other Income

(Unit: millions of yen)

	For the six months ended June 30 2017 (Jan. 1 through June. 30, 2017)	For the six months ended June 30, 2018 (Jan. 1 through June. 30, 2018)
Foreign exchange gain	-	1,918
Gains on sale of non-current assets	405	1,510
Gains on sale of shares of subsidiaries	-	1,633
Others	1,434	2,954
Total	1,839	8,017

Other Expenses

(Unit: millions of yen)

	For the six months ended June 30, 2017 (Jan. 1 through June. 30, 2017)	For the six months ended June 30, 2018 (Jan. 1 through June. 30, 2018)
Foreign exchange loss	(986)	-
Losses on disposal of non-current assets	(1,377)	(2,137)
Expenses for restructuring programs	(255)	(181)
Others	(488)	(2,341)
Total	(3,108)	(4,661)

(Notes on Significant Subsequent Events)

Share repurchases

At the Board of Directors meeting held on July 31, 2018, the Company resolved to repurchase its own shares in accordance with Article 156 of the Companies Act applicable pursuant to paragraph 3, Article 165 of the Act.

Purpose for the share repurchases

In order to enhance the shareholder return and to improve the capital efficiency

Details of the share repurchases program

1. Type of shares to be repurchases: Common shares of the Company
2. Total number of shares to be repurchased: Up to 6 million shares
(This number represents 2.7% of total outstanding shares excluding treasury stock)
3. Total repurchase amount: Up to 20 billion yen
4. Repurchase period: From August 1, 2018 to October 31, 2018
5. Other: The Company plans to cancel all of the shares repurchased under this program following the resolution of the Board of Directors, pursuant to the provisions of Article 178 of the Companies Act.