



FY2006 Financial Results

&

Progress on the Medium –Term Management Plan

“JIKKO-2007”

Asahi Glass Co., Ltd.

February 5, 2007

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2006年度本決算

Financial Results for FY2006

決算のポイントと主要項目

Highlights of FY2006 Financial Results

今回の決算のポイント

Highlights of FY2006 Financial Results

- Sales of volume of glass substrates for TFT LCDs and PDPs were growing steadily.
- Flat glass market in Europe improved substantially.
- The Glass operations in Asia influenced by the sluggish domestic demand in some parts of Asia and by price hikes of raw materials and fuels.
- In the chlor-alkali & urethane business, selling price adjustments were not sufficient to offset the increasing costs of raw materials and fuels.
- Sales volume and selling prices of CRT glass remained sluggish.
- Extraordinary losses of 962 Oku-yen (net) posted, mainly because of the restructuring of the CRT business and the impairment losses on the goodwill in North America.

連結損益計算書

Consolidated Profit and Loss Statement

億円 Oku Yen

		FY2005	FY2006	% 増減 Change
売上高	Net Sales	15,267	16,205	6.1%
営業利益	Operating Profit	1,182	1,366	15.6%
金融収支	Interest & dividend	-76	-117	
持分法損益	Equity in earnings of unconsolidated companies	18	33	
その他	Others	65	62	
経常利益	Ordinary Profit	1,189	1,345	13.1%
特別損益	Extraordinary gains (losses)	-361	-962	
税前利益	Profit before Tax	828	383	-53.7%
法人税等	Income taxes	331	61	
少数株主損益	Minority interest in earnings (losses) of consolidated subsidiaries	-104	-128	
当期利益	Net Profit	600	450	-25.0%
売上高営業利益率	Operating Margin	7.7%	8.4%	

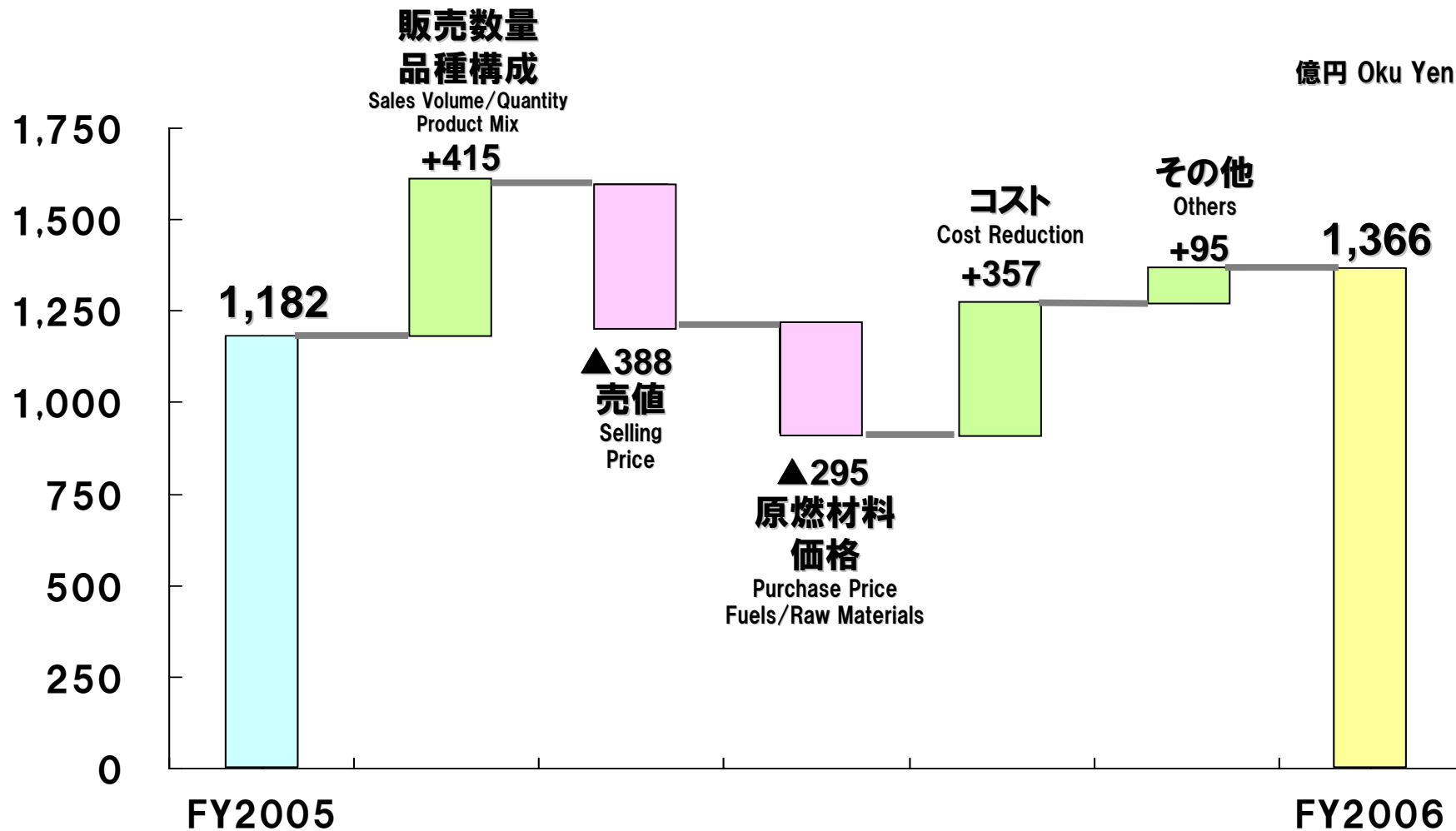
特別損益の内容

Breakdown of FY2006 Extraordinary Gains (Losses)

		億円 Oku Yen
		FY2006
構造改善費用	Expenses for restructuring programs	-575
CRT構造改善	Restructuring programs of CRT	-460
北米板ガラス構造改善	Restructuring programs of Flat Glass in NA	-45
自動車用ガラス構造改善	Restructuring programs of Automotive Glass	-50
固定資産減損	Impairment losses on long-lived assets	-456
AFG社のれん代減損	Impairment losses on the goodwill of AFG	-400
固定資産除却損	Loss on disposal of properties	-49
資産売却益	Gain on sale of properties	196
その他	Others	-79
特別損益 計	Extraordinary gains (losses)	-962

営業利益増減要因分析

Variance Analysis on Operating Profit



設備投資・減価償却費等

CAPEX, Depreciation & Others

億円 Oku Yen

		FY2005	FY2006
設備投資額	CAPEX	2,040	2,527
減価償却費	Depreciation	1,227	1,259
為替レート	Exchange Rate (JPY/USD)	110.95	116.40
(期中平均 Average Outstanding)	(JPY/EUR)	137.31	146.87

		05/12 Dec. 31 2005	06/12 Dec. 31 2006
有利子負債残高※	Interest-bearing debts※	5,294	5,749
D/E比率	D/E Ratio	0.56	0.58

※受取手形割引高を含む Including Notes discounted

連結貸借対照表

Consolidated Balance Sheets

億円 Oku Yen

		05/12	06/12	増減
		Dec. 31 2005	Dec. 31 2006	Change
資産の部	Assets	20,819	21,495	676
流動資産	Current assets	6,884	7,228	344
現金及び預金	Cash on hand & in banks	738	806	68
受取手形及び売掛金	Trade notes & accounts receivable	3,094	2,951	-144
棚卸資産	Inventories	2,380	2,482	102
その他	Others	672	989	317
固定資産	Fixed assets	13,933	14,265	332
有形・無形固定資産	Tangible-Intangible fixed assets	10,227	10,657	430
投資有価証券	Investments in securities	3,209	3,118	-91
その他	Others	497	490	-7
繰延資産	Deferred assets	2	2	0
資産合計	Total Assets	20,819	21,495	676

		05/12	06/12	増減
		Dec. 31 2005	Dec. 31 2006	Change
負債の部	Liabilities	11,299	11,578	279
仕入債務	Payables	2,782	2,655	-126
借入金(含むCP、社債)	Loans (include CP & Bonds)	5,289	5,749	459
その他	Others	3,228	3,174	-54
純資産の部※	Net Assets※	9,520	9,918	397
株主資本	Shareholders' equity	7,297	7,564	267
資本金	Common stock	905	905	0
資本剰余金	Additional paid-in capital	966	966	0
利益剰余金	Retained earnings	5,564	5,832	268
自己株式	Treasury stock	-137	-138	-1
評価・換算差額	Valuation & translation adjustments	1,229	1,541	311
新株予約権	Share subscription rights	-	0	-
少数株主持分	Minority Interests in Consolidated Subsidiaries	993	813	-181
負債・純資産合計	Total Liabilities & Net Assets	20,819	21,495	676

※新たな会計基準の導入により、従来の「資本の部」の記載が「純資産の部」に変更されています。なお、前期末「純資産の部」の数値については、同「資本の部」の数値を組み替えて表示しております。

*Presentation of “Net Assets” in the B/S is newly introduced in conformity to the Japanese accounting standard. Conventional “Total Shareholders' Equity” is reclassified into “Net Asset” in the B/S as of September 30, 2006 as well as December 31, 2005.

連結キャッシュフロー

Consolidated Statements of Cash Flows

		億円 Oku Yen	
		FY2005	FY2006
営業活動によるキャッシュ・フロー (a)	CF from operating activities (a)	1,855	1,740
税金等調整前純利益	Profit before income taxes & minority interest	828	383
減価償却費・固定資産減損・連調償却	Depreciation/Amortization/Impairment	1,620	1,794
運転資金増減	Increase (decrease) in working capital	-201	10
その他	Others	-391	-447
投資活動によるキャッシュ・フロー (b)	CF from investing activities (b)	-1,358	-2,125
固定資産取得	Purchase of property, plant & equipment	-1,973	-2,421
その他	Others	615	296
フリー・キャッシュ・フロー (a) + (b)	Free cash flow (a) + (b)	497	-385
財務活動によるキャッシュ・フロー	CF from financing activities	-674	359
借入金増減	Increase (decrease) in bank loans, bonds & CP	-120	560
支払配当	Dividends paid	-205	-200
その他	Others	-349	-2
現金等に係る換算差額	Effect of exchange rate changes on cash & cash equivalents	40	16
現金等の増加額	Changes in cash & cash equivalents	-137	-10

連結株主資本等変動計算書

Consolidated Statements of Changes in Net Assets

億円 Oku Yen

		株主資本 Shareholders' Equity					評価・換算 差額等	新株 予約権	少数 株主 持分	純資産 合計
		資本金	資本 剰余金	利益 剰余金	自己 株式	株主資本 合計				
		Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Shareholders' Equity TOTAL	Revaluation & Unrealized Gains	Share subscription rights	Minority Interests in Consolidated Subsidiaries	Net Assets TOTAL
2005年12月31日残高	Balance at Dec. 31 2005	905	966	5,564	-137	7,297	1,229	-	993	9,520
当連結会計年度中の変動額	Changes during the current period									
剰余金の配当	Dividends Declared	-	-	-182	-	-182	-	-	-	-182
当期純利益	Net Income	-	-	450	-	450	-	-	-	450
自己株式	Treasury Stock	-	-	0	-1	-1	-	-	-	-1
その他	Others	0	0	0	0	0	311	0	-181	130
合 計	Total	0	0	268	-1	267	311	0	-181	397
2006年12月31日残高	Balance at Dec. 31 2006	905	966	5,832	-138	7,564	1,541	0	813	9,918

セグメント別・地域別の状況

Information by Business & Geographic Segment

事業別業績

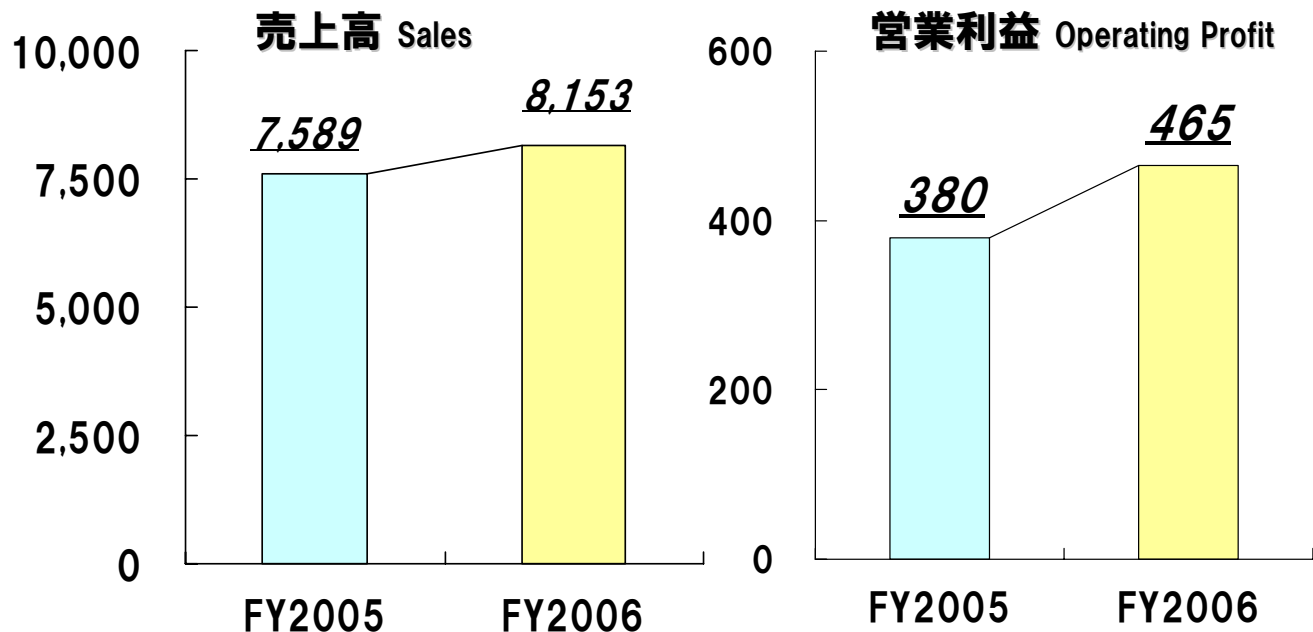
Performance by Business Segment

億円 Oku Yen

売上高	Sales	FY2005	FY2006	% 増減 Change
ガラス	Glass	7,589	8,153	7.4%
電子・ディスプレイ	Electronics & Display	4,438	4,766	7.4%
化学	Chemicals	3,004	3,076	2.4%
その他	Other	803	841	4.8%
消去	Elimination	-567	-631	-
全社計	Consolidated Total	15,267	16,205	6.1%

営業利益	Operating Profit	FY2005	FY2006	% 増減 Change	% 利益率 OP Margin
ガラス	Glass	380	465	22.4%	5.7%
電子・ディスプレイ	Electronics & Display	609	792	30.1%	16.6%
化学	Chemicals	163	78	-51.9%	2.5%
その他	Other	32	33	4.8%	3.9%
消去	Elimination	-1	-2	-	-
全社計	Consolidated Total	1,182	1,366	15.6%	8.4%

ガラス事業 Glass Operations

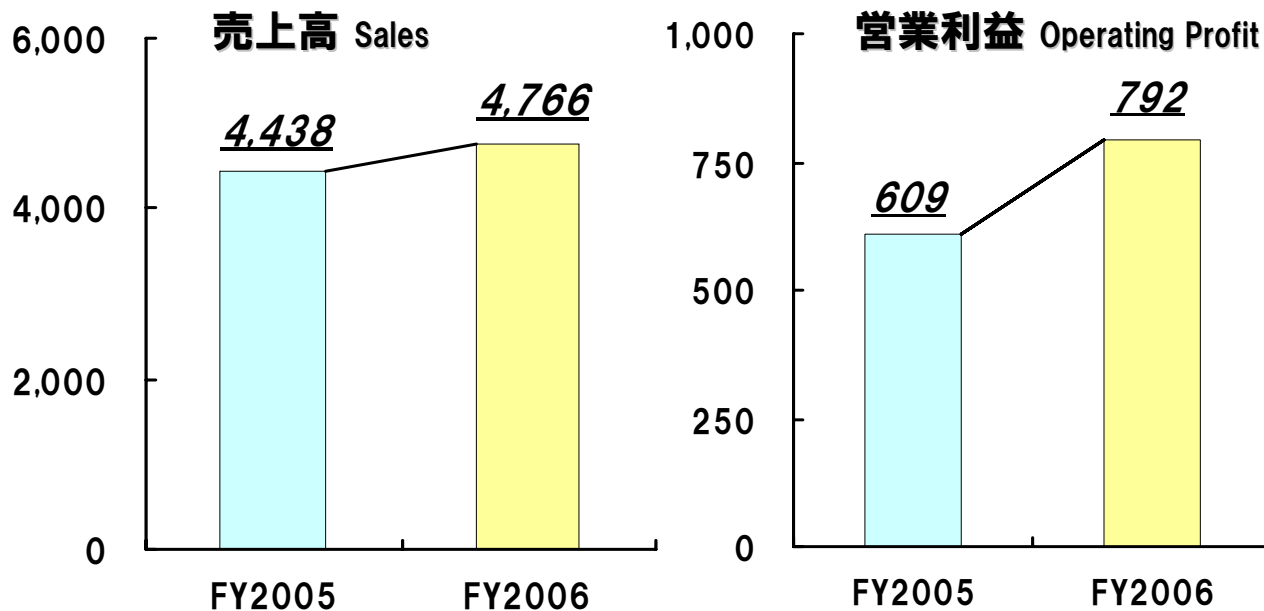


前年同期比 vs. FY2005	売上高 Sales	営業利益 Operating Profit
為替換算 の影響 Impact of FOREX	388	25
連結範囲 変更の影響 Impact of Consolidation Scope Change	0	0

- *Flat Glass:** Sales in the flat glass business, as a whole, increased compared with the previous year, thanks to the firm market in Europe. In addition, glass shipments grew at a solid pace in fast growing market such as Russia. Meanwhile, domestic demand declined in some parts of Asia, and suffered from higher prices of raw materials and fuels in every region of the world.
- *Automotive Glass:** Earnings increased from a year earlier because of a steady growth in worldwide automotive production particularly by Japanese-affiliated automakers, although the businesses in some parts of Asia were adversely impacted by their sluggish economies.
- *Other Glass:** Sales of other glass products such as fiberglass were favorable throughout the year period under review although earnings were affected by higher costs of raw materials & fuels.

電子・ディスプレイ事業 Electronics & Display Operations

"Look Beyond"



億円 Oku Yen		
前年同期比 vs. FY2005	売上高 Sales	営業利益 Operating Profit
為替換算 の影響 Impact of FOREX	164	-14
連結範囲 変更の影響 Impact of Consolidation Scope Change	26	-3

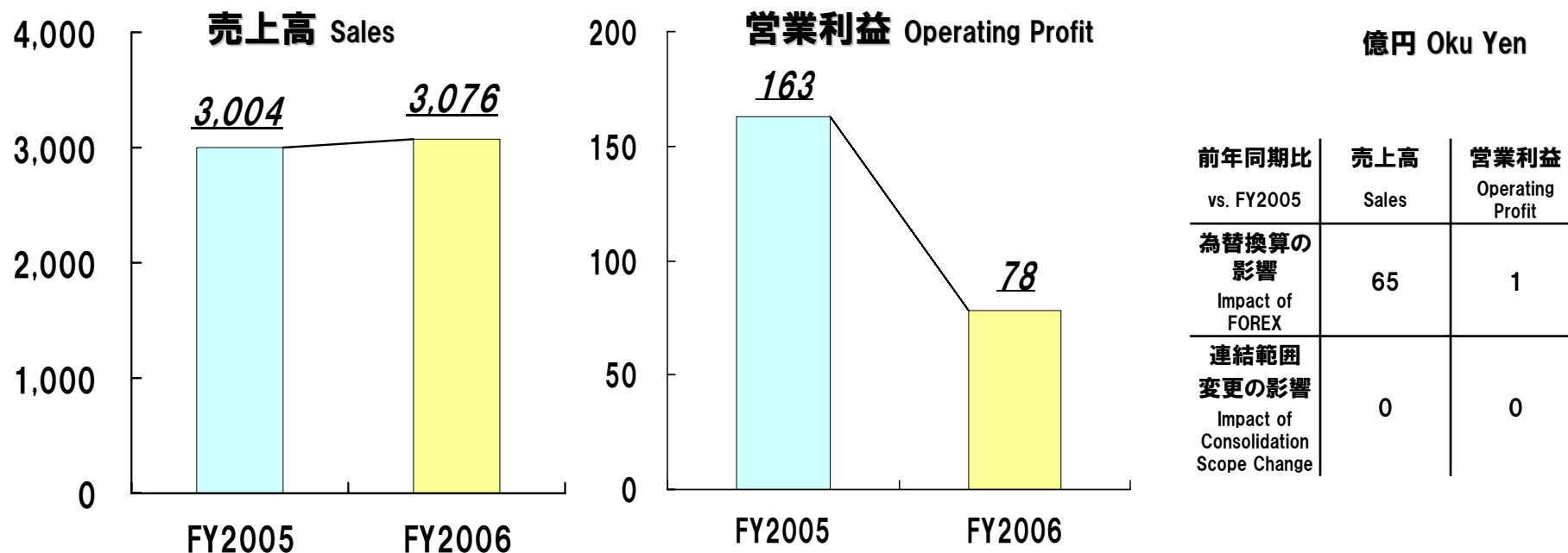
***Display:** Sales increased from the previous year due to strong shipments of glass substrates for TFT LCDs and PDPs, supported by a rise in demand for panels for shin-screen TVs and the spread of larger sizes of such panels. As for glass substrates for TFT LCDs, shipments for the entire period increased from a year earlier, although the rise in shipments slowed later in the year because of a physical damage to a furnace and repairs. Meanwhile, sales at CRT glass sector decreased from the previous year. And demand recovery was not as strong as anticipated and selling prices continued to fall. Therefore, the Group further reduced its production capacity of CRT glass by the end of Sept in 2006.

***Electronics:** Demand for LCD back-light tubes and synthetic quartz for semiconductor manufacturing equipment continued to grow. In the small-and medium-sized displays sector, sales of the products for automotive use showed a steady growth; however, products for mobile devices such as cellular phones suffered from lower selling prices.



The electronic materials business of the Elec. & Display operations includes the PDP-optical-performance-filters sector which had belonged to the Chemicals operations until FY2005

化学事業 Chemicals Operations



***Chlor-alkali & Urethane:**

Business continued to be sluggish. With regard to vinyl chloride-related products, prices of raw materials such as ethylene surged from the preceding year, but the higher cost could not be totally passed on to the products as a recovery in the market remained weak throughout the period.

***Fluorochemicals & Specialty:**

Demand for fluorinated resins, fluoropolymer films and liquid crystal materials remained steady, but this was not strong enough to compensate for the worsened results of the chlor-alkali&urethane business.

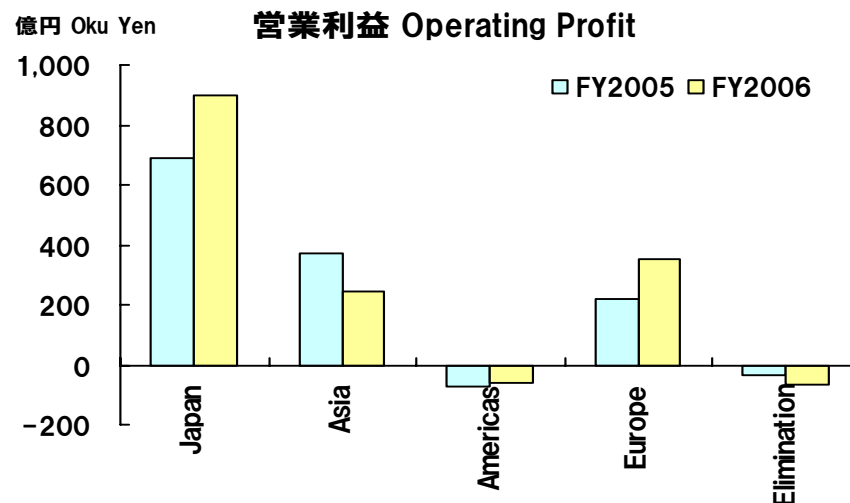
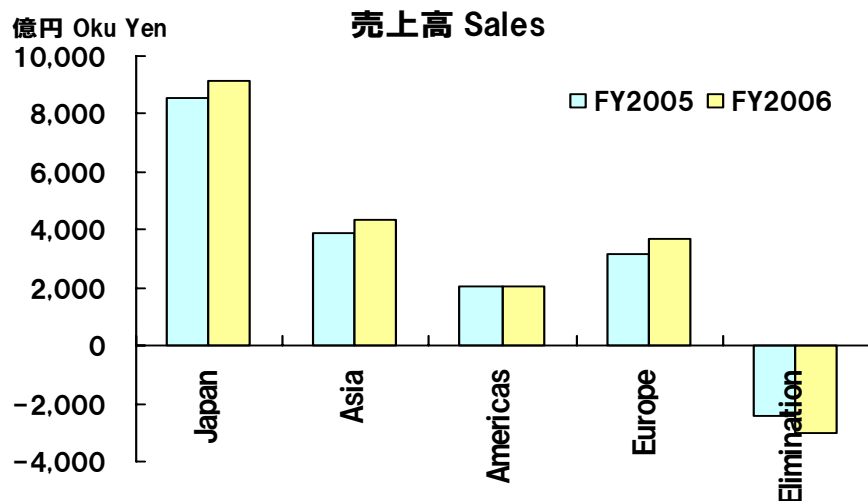
地域別業績

Performance by Geographic Segment

億円 Oku Yen

売上高	Sales	FY2005	FY2006	%増減 Change
日本	Japan	8,562	9,132	6.7%
アジア	Asia	3,907	4,363	11.7%
アメリカ	Americas	2,039	2,054	0.7%
ヨーロッパ	Europe	3,187	3,659	14.8%
消去	Elimination	-2,429	-3,003	-
全社計	Total	15,267	16,205	6.1%

営業利益	Operating Profit	FY2005	FY2006	%増減 Change
日本	Japan	688	897	30.4%
アジア	Asia	373	246	-34.0%
アメリカ	Americas	-70	-62	-
ヨーロッパ	Europe	222	354	59.6%
消去	Elimination	-32	-69	-
全社計	Total	1,182	1,366	15.6%



中期経営計画 “*JIKKO-2007*” 進捗説明

Progress on the Medium-Term Management Plan “*JIKKO-2007*”

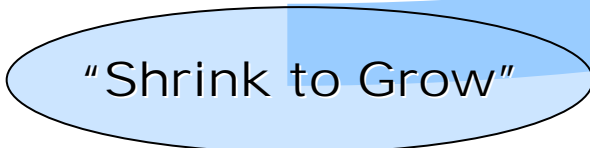
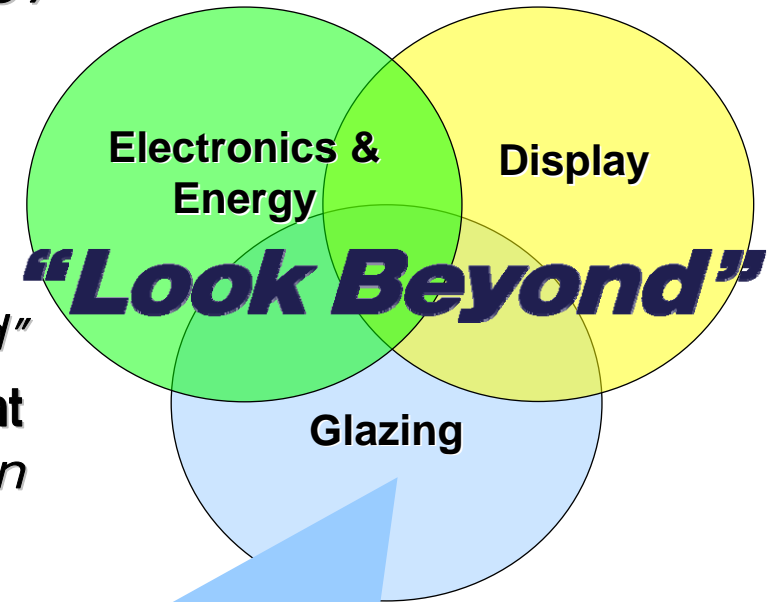
“JIKKO-2007” 施策の進捗状況

Progress Situation on the Medium-Term Management Plan *“JIKKO-2007”*

“JIKKO-2007” の位置づけ

Position of “JIKKO-2007”

- Aims to realize the Group Vision of “Look Beyond” through execution of key growth strategies consistent with the management policy of “JIKKO-Execution for Excellence”.



“Execute Growth Strategies”

“Establish the groundwork for future growth”

“JIKKO”
Execution for Excellence

“JIKKO-2007” 財務ターゲット

Financial Targets of “JIKKO-2007”

In order to continuously enhance shareholder value, we will strive to achieve an operating profit margin of 10% or more at an early date and maintain that level, while increasing the efficiency of assets.

	FY2004		FY2007 Outlook (images)
Sales	14,757 Oku-yen	➔	17,000 Oku-yen
Operating Profit	1,394 Oku-yen		1,800 Oku-yen
O/P Margin	9.4%		10.0%
D/E Ratio	0.64		0.4~0.5

As of January 2005, net sales were forecast to be 17,500 Oku Yen for the year through December 2007. However, this projection has been decreased by 500 Oku Yen, due to a possible decline in sales as a result of the Group's withdrawal from some businesses, including the filament business operated by Asahi Fiber Glass Co., Ltd.

“JIKKO-2007”の主要施策

Progress on the Medium-Term Management Plan “JIKKO-2007”

ディスプレイ事業 Display Operations

■TFT用ガラスに1000億円以上投資

To invest 1000 oku yen or more in the TFT glass business

■CRT事業の収益改善

To improve earnings in the CRT business

ガラス事業 Glass Operations

■新興市場で3基の新フロート窯の稼働を計画

To start operations of three new float furnaces in fast growing markets

北米地域 Businesses in North America

■北米事業の収益改善

To improve the business earnings in North America

E&E事業 E&E Operations

■エレクトロニクス&エネルギー(E&E)事業の本格的立ち上げ

To build foundation of Electronics & Energy (E&E) business

ディスプレイ事業

Display Business

Accelerating the shift of business focus from CRTs to FPDs

[CRT]

- Demand shifts to FPDs faster than expected
 - ⇒ Intensification of production through rapid restructuring in and after the latter half of 2006
- Consideration of reduction of businesses along with cost minimization & optimal order receiving

[FPD]

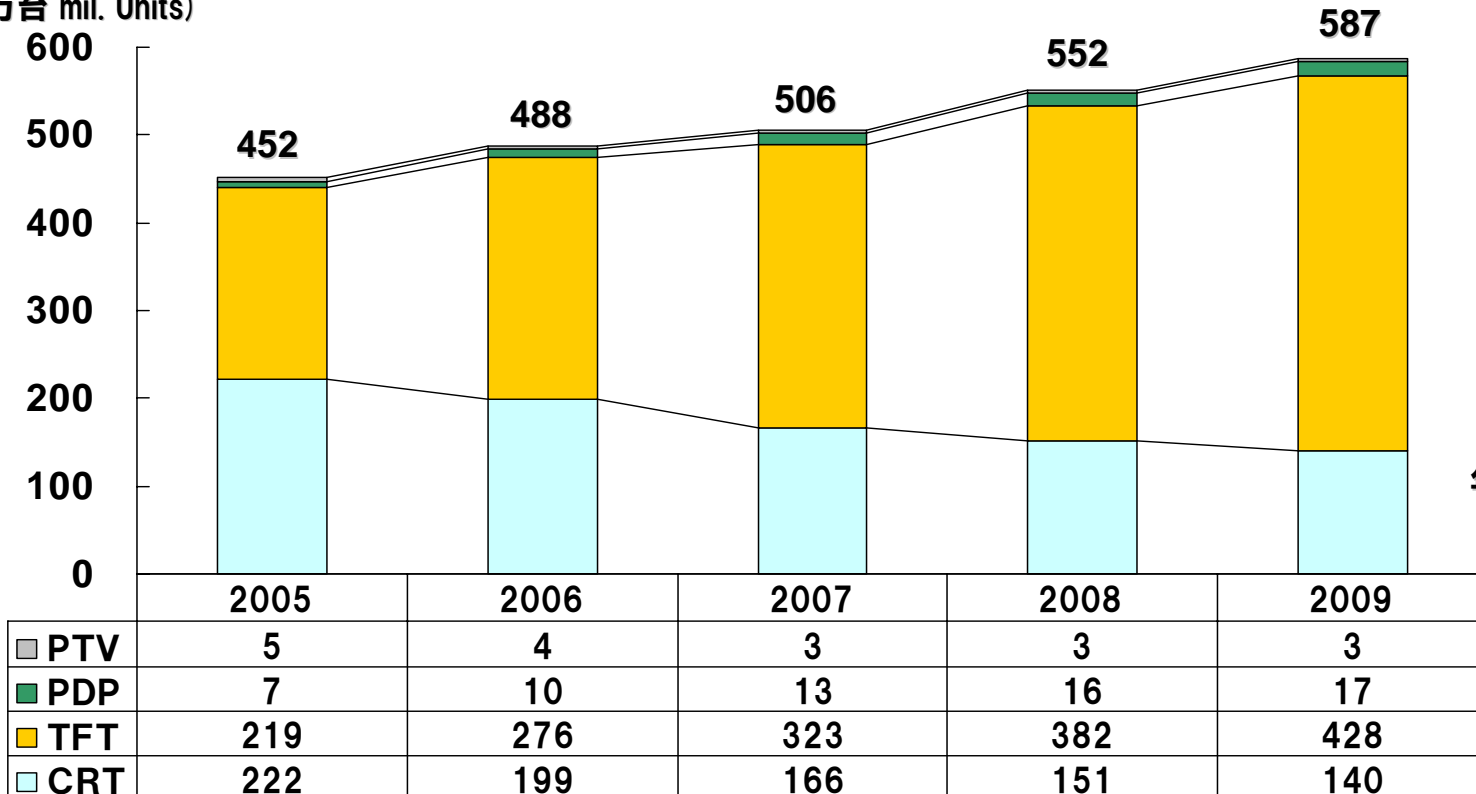
- Six TFT glass furnaces and one PDP glass furnace constructed or under construction (during this Medium-Term Management Plan)
 - Integrated mass production structure for TFT glass established in Japan, Taiwan and South Korea, as well as a structure for PDP glass established in Japan and South Korea
- In and after 2008, facilities to be expanded in a timely and careful manner, taken into full consideration with final demand and productivity improvement

ディスプレイ全需見通し

Market Outlook for Major Display Devices

■CRTからFPDへ需要は急速にシフト Rapid Shift to FPD from CRT

(百万台 mil. Units)



※デバイス数量ベース Figures are based on quantities of devices

※携帯電話用やPDA用などの中小型ディスプレイを除く

Figures are excluded for medium-sized displays, such as used in cellular phones and PDAs.

※ 2006年は見込み、2007年以降は予測

Figures for 2006&2007 are estimates.

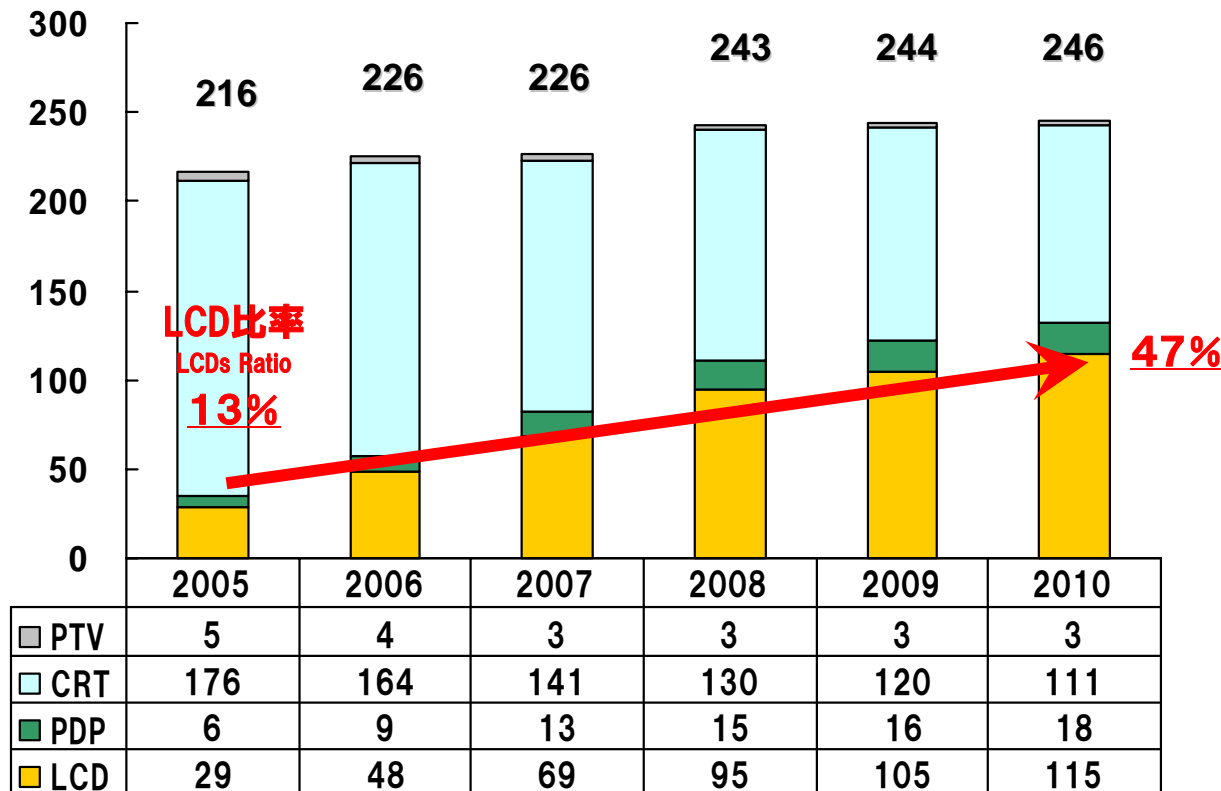
テレビ需要見通し

Market Outlook for TV

■テレビ需要のうちLCD比率は大幅に増加

Ratio of LCDs rising sharply among TV demand

(百万台 mil. Units)



※ 2006年は見込み、2007年以降は当社予測
 Figures for 2006&2007 are estimates.

ディスプレイ事業 [CRT用ガラス]

“Look Beyond”

Display Operations [CRT Glass]

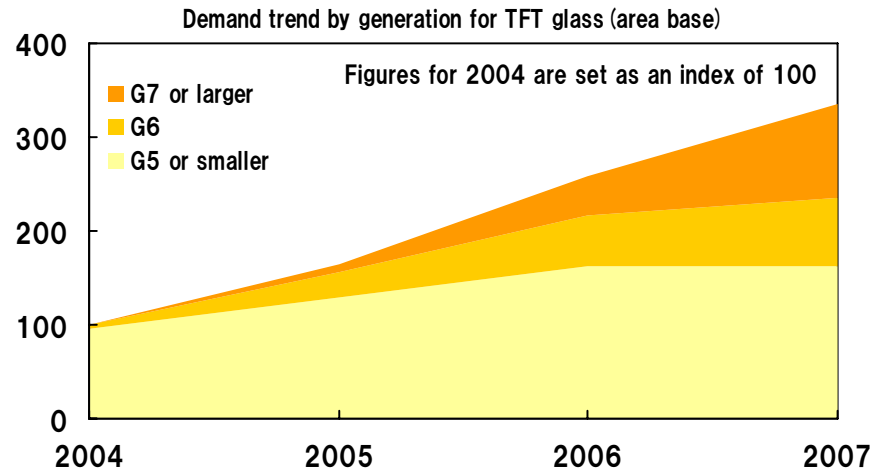
- Demand declined faster than had been expected, and restructuring delayed.
 - Improvement has been accelerated to intensify production since the second half of 2006.
 - Production capacity to be reduced up to 40% of its peak by the end of March 2007
 - Fixed assets were impaired.
 - Reduced balance of the fixed assets to almost zero, excluding saleable assets

- In the remaining plants, continuous reduction of business will be considered as well as cost minimization and optimal order receiving.

ディスプレイ事業 [TFT用ガラス基板]

“Look Beyond”

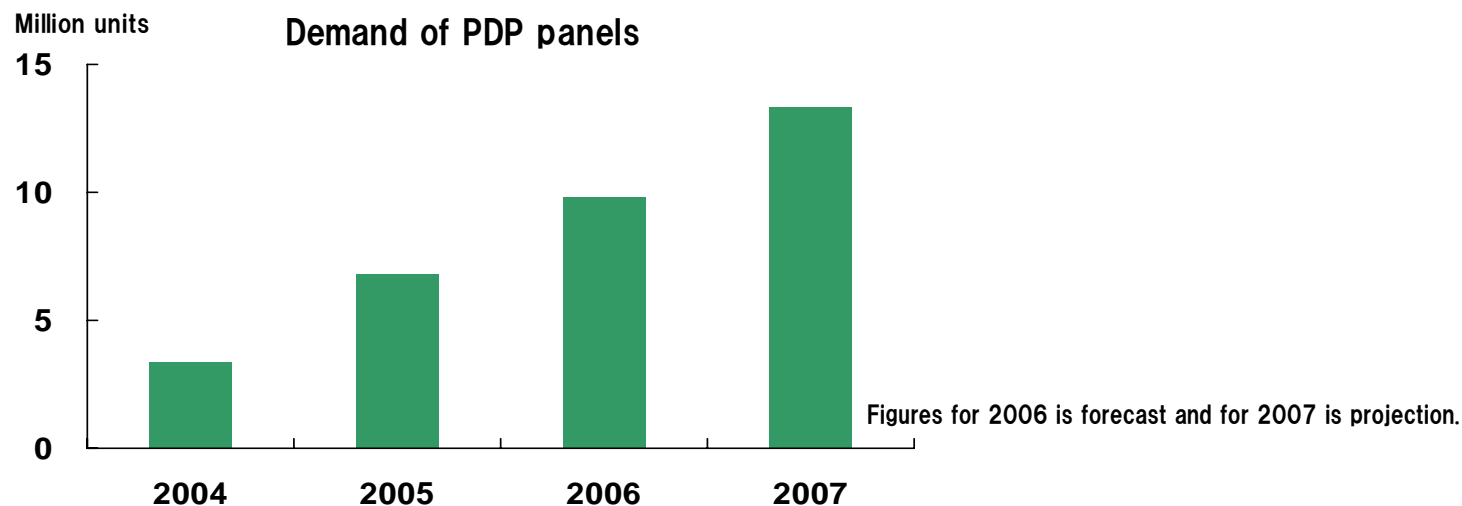
Display Operations [TFT Glass Substrates]



- 1,000 Oku-yen or more for a capital investment during this Medium-Term Management Plan
production capacity: 14million m2 (per year) as of end 2004 → 42 million m2 (per year) as of end 2007
- Demand for glass substrates expanding more rapidly than at the initial forecast of this Medium-Term Management Plan
Increase of ratio of LCDs on TV x Progress of larger size on LCDs
- Further increases of AGC's competitive edge by environmentally-friendly and “float method + polishing facility for large glass substrates”
- Intention to respond to the expanding market , while improving relationships with customers and productivity of existing facilities

ディスプレイ事業 [PDP用ガラス基板]

Display Operations [PDP Glass Substrates]



- Preparing for demand increase, a new furnace is being built in South Korea, in addition to one in Japan.
Scheduled to start mass production: around August 2007
- A new plant for processing large PDP glass substrates is under construction in Kansai plant (Suminoe).
Scheduled to start mass production: around May 2007
- Customer satisfaction will be enhanced by carrying out operations where customers are,
and production efficiency will be improved.

ガラス事業

Glass Operations

Business environment in this Medium-Term Management Plan

➤ Positive

- F** Recovering W.EU economy
- F A** Growth in Russia & E.EU
- A** Good performance by Japanese auto-makers

➤ Negative

- F A** High energy cost (heavy oils etc)
- F A** Sluggish economy in some parts of Asia
- F** Increasing of cheap imports to Japan-Asia region
- F** Unstable outlook of construction economy in North America

Business Expansion & Improving profitability with current operations

- F A** Expand production capacity in the fast growing markets
- F** Differentiation by automotive raw glass, value-added speciality glass for construction, and enhancement of solar glass
- F A** Improve operations by Build & Scrap in Europe&North America
- F A** Continue with cost down to improve profitability

Capacity Expansion in the fast growing markets

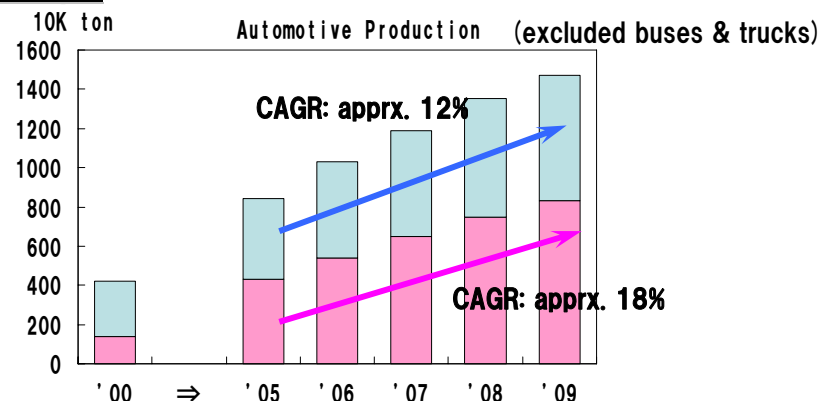
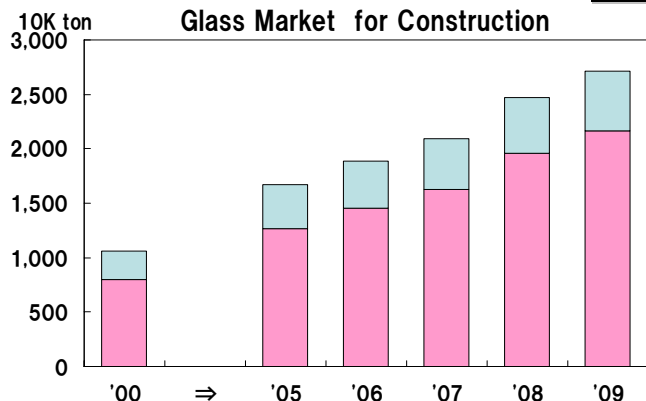
[Flat Glass]

- Russia (Mar 2005) , China (Suzhou: May 2006) : Started mass production
(Czech: Scheduled to start mass production in the beginning of 2008)

[Automotive Glass]

- Hungary (beginning of 2006) : Started mass production
(China No.2 plant at Foshan in Guangdong Province: Scheduled to start mass production in the 1st quarter of 2008)

Market in China and C&E Europe



*Russia's flat glass market is expected to grow by about 8% annually in and after 2005.

北米事業

Businesses in North America

Restructuring of entire businesses in North America

- **Flat glass business:** Renewed management, re-started the profit improvement plan

Shut-down of unprofitable plant: Cinnaminson Plant

- **Automotive glass business:** Proceed continuous measures to improve cost competitiveness

Build & Scrap and productivity improvements:

Down size Mexico operation (closure of Mexico Automotive Glass plant)

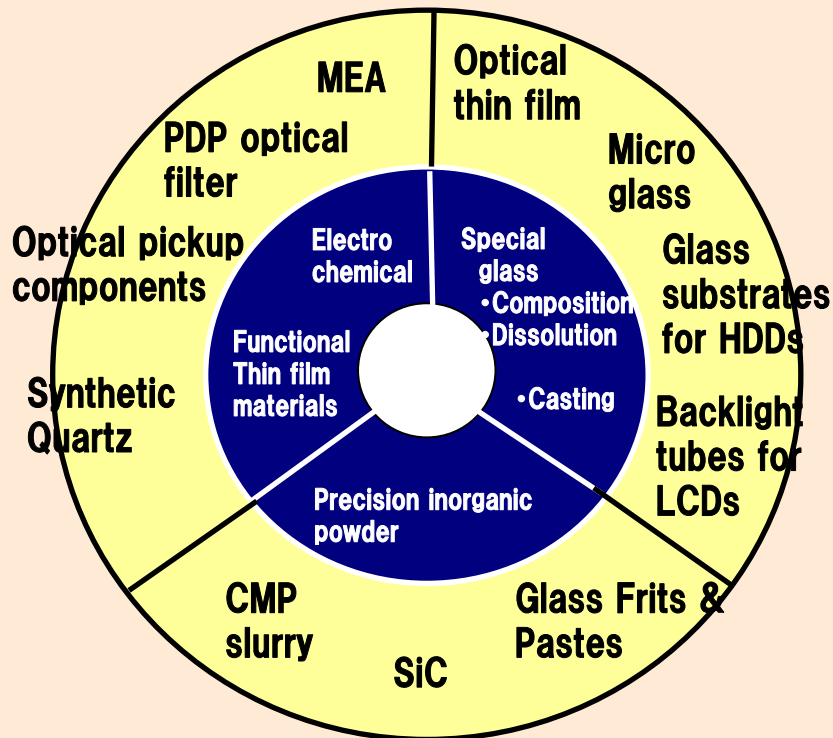
Re-build glass assembly operations

- **Fluorochemicals business :**

Despite of the productivity progress, improvement in the overall business delayed. From now on, necessary measures to be implemented without delay.

The Group strengthen the foundation development phase to prepare full scale of operation

■ Steadily growing "future business seeds" in the core-technology fields of the Group



Core technologies of the Group in glass & fluorine chemistry

- Composition, dissolution and casting of special functional glass
- Precision inorganic powder
- Electro chemical
- Functional thin film material

エレクトロニクス & エネルギー事業

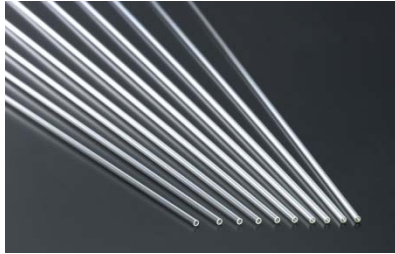
Electronics & Energy Operations



[Semiconductor Processing Materials]

Synthetic Quartz, SiC, CMP slurry etc

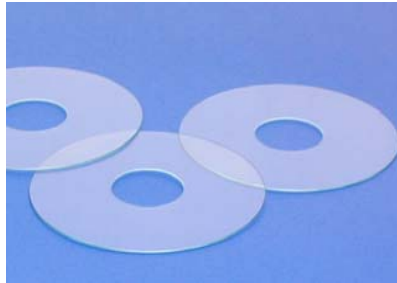
- Grew-up of Synthetic Quartz as current core business
- Developed CMP slurry with epoch-making planarization performance



[Display Materials]

Backlight Tube for LCDs, Optical filters for PDPs, Glass Frits & Pastes

- Large increase of shipment on backlight tubes for LCDs



[Photonics Components]

Optical pickup components, Micro glass, Glass substrates for HDDs etc

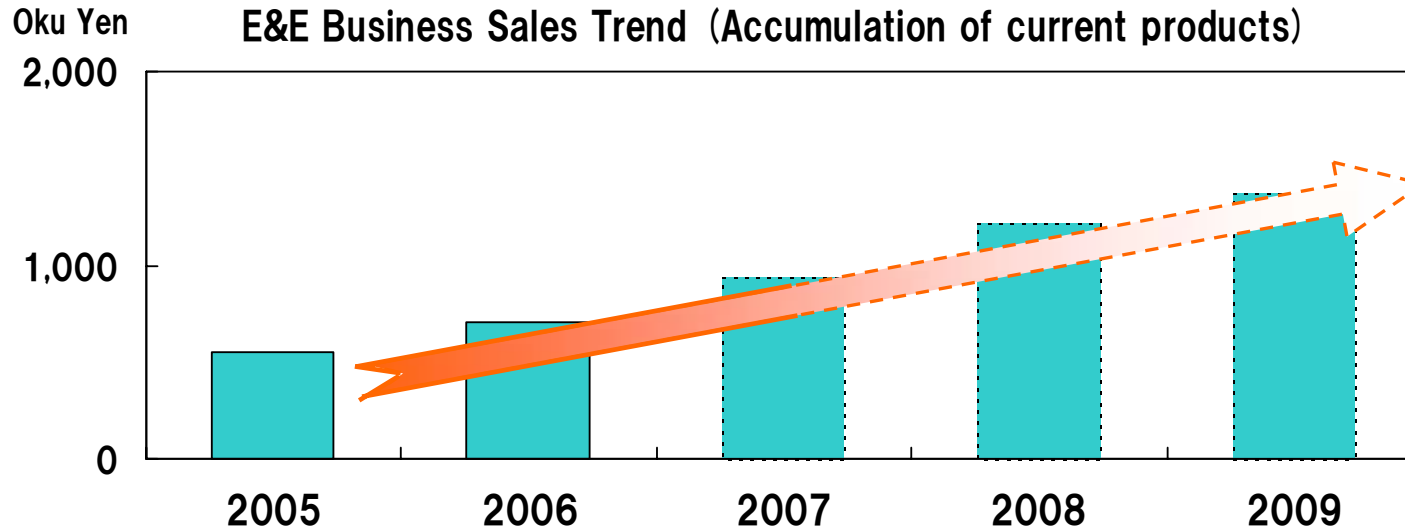
- Entered business of glass substrates for HDDs, and realized the concentrated production in Thailand
- Acquisition of Matsushita Optical Component (Micro glass)

エレクトロニクス & エネルギー事業

"Look Beyond"

Electronics & Energy Operations

- The business of photonics components, such as optical pickup components, expected to grow in addition to the businesses of synthetic quartz and LCD backlight tubes, both currently favorable.



Sales growth ratio by products domain

※ Figures for 2005 are set as an index of 100

Semiconductor processing materials	100	→	150	→	200
Display materials	100	→	160	→	200
Photonics Components	100	→	180	→	350

化学事業

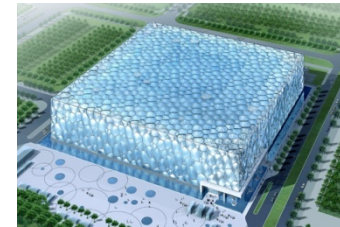
Chemicals Operations

[Fluorochemicals & Specialty Chemicals Business]

- Fluorinated resins ETFE: Ensuring the capability of stable supply corresponding to the market expansion

Enhancement plan: Kashima (2005 & 2008: planned), England (2007: planned)

- Fluorinated film: Creating the demand by capitalizing of products' originality



- Water and oil repellents (Asahi Guard E-series)

By Started operation of eco-friendly facilities at Chiba Plant, environment-focused business has been implementing ahead of its competitors.

[Chlor-alkali & Urethane Business]

- Obtaining Regional No.1 share in domestic and in overseas for caustic soda & electrolysis-related products
- Shifting from commodity products to custom-made & high-performance products for Urethane business

グループ・ブランド統一

Unification of Group Brand

- Taking the opportunity of 100th Anniversary of Asahi in September 2007
- The companies in the group will incorporate “AGC” in their legal names and adopt the newly designed logo



2002 : Announced group vision “*Look Beyond*”

2007 : Unify the group brand globally under **AGC**

- Stakeholders will easily recognize the wide range of technologies, products and services covered by the AGC Group.
- Unification of Group Brand strengthen the sense of community and cooperation among Group’s employees.



Accelerate global growth strategy

経営方針 “JIKKO” イニシアチブ

“Look Beyond”

Management Policy “JIKKO” Initiatives

Settled seven “Major Initiatives” including permeation of the Group Vision and improvement of ES, making a concerted effort throughout the Group to achieve these Initiatives



■ Quality Manufacturing and Reinforcement of Production Site Expertise

➤ Opened AGC Monozukuri training Center in July 2006

Cultivating human resources with mottos of “Education of theory and practice”* *To foster personnel through integrated education by academic and practical learning”

➤ Launched of the “Professional System” and “Meister System

➤ Expands inheriting technology & skills to the entire Group, starting with affiliates in Asia (from 2007)

■ Raising CS and Quality Management

➤ Promoted activities to heighten the value of each person’s work under the mottoes of “Incorporating the concept of CS into every working day”

➤ Launched the “CS commendation” aiming at spread of good examples and promotion activities

**“JIKKO-2007” 最終年度(2007年)
の業績見通し**
Outlook of FY2007 as the Final Year of “JIKKO-2007”

"JIKKO-2007" 財務ターゲット

"Look Beyond"

Financial Targets of "JIKKO-2007"

Forecasted to achieve an O/P margin of 10%

	FY2004 Results	FY2007 Outlook images	FY2007 Forecasted Outlook
Sales	14,757 Oku-yen	17,000 Oku-yen	16,700 Oku-yen
Operating Profit	1,394 Oku-yen	1,800 Oku-yen	1,800 Oku-yen
O/P Margin	9.4%	10.0%	<u>10.8%</u>
D/E Ratio	0.64	0.4~0.5	0.5

主要項目見通し

FY2007 Estimates

億円 Oku Yen

		FY2006	FY2007e		通期比較
		通期	中間期	通期	% 増減
		Fiscal Year	First Half	Fiscal Year	Change
売上高	Net Sales	16,205	8,100	16,700	3.1%
営業利益	Operating Profit	1,366	850	1,800	31.8%
金融収支	Interest & dividend	-117		-140	
持分法損益	Equity in earnings of unconsolidated companies	33		40	
その他	Others	62		0	
経常利益	Ordinary Profit	1,345	800	1,700	26.4%
特別損益	Extraordinary gains (losses)	-962		-400	
税前利益	Profit before Tax	383		1,300	
法人税等	Income taxes	61		350	
少数株主損益	Minority interest in earnings (losses) of consolidated Subsidiaries	-128		50	
当期利益	Net Profit	450	440	900	100.0%

ROE (%) ※1	5.1%	9.9%
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※1 ROE=当期利益/(株主資本+評価・換算差額等)

FY2007eのROEは、FY2006末時点の株主資本等を使用

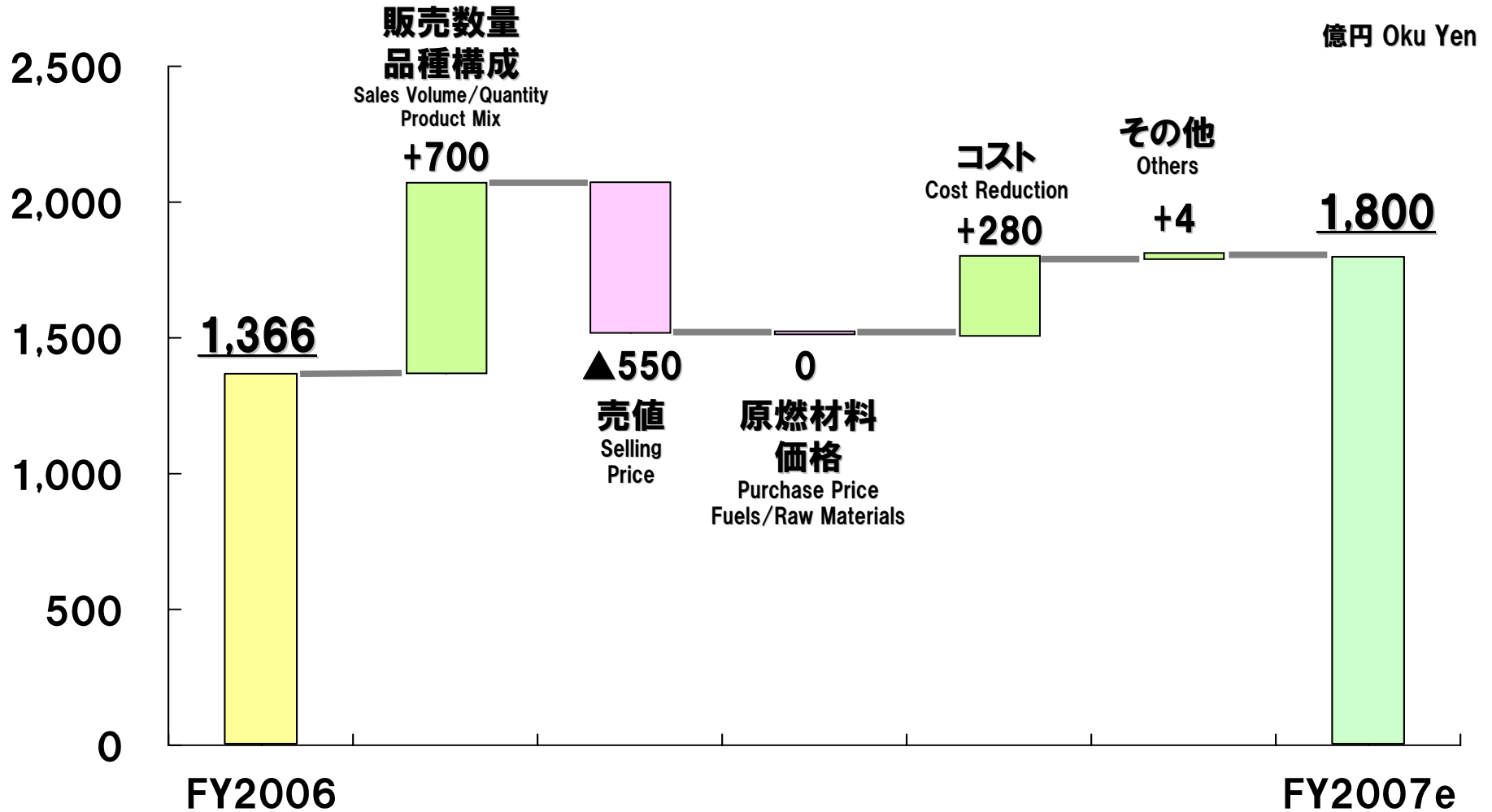
ROE= Net Profit / (Shareholders' Equity + Valuation & Translation Adjustments)

ROE of FY2007e is calculated by using the Shareholders' equity, etc. as of Dec. 31, 2006.

		FY2006		FY2007e	
為替レート FOREX	円/USD	JPY/USD	116.4	115.0	
	円/EUR	JPY/EUR	146.9	150.0	
原油 Crude Oil	\$/バレル (Dubai)	\$/BBL	61.5	60.0	

営業利益達成計画

Variance Analysis on Operating Profit



事業別業績見通し(1)

Estimates by Business Segment

億円 Oku Yen

売上高	Sales	FY2006	FY2007	% 増減 Change
ガラス	Glass	8,153	8,300	1.8%
電子・ディスプレイ	Electronics & Display	4,766	5,000	4.9%
化学	Chemicals	3,076	3,100	0.8%
その他	Other	841	900	7.0%
消去	Elimination	-631	-600	-
全社計	Consolidated Total	16,205	16,700	3.1%

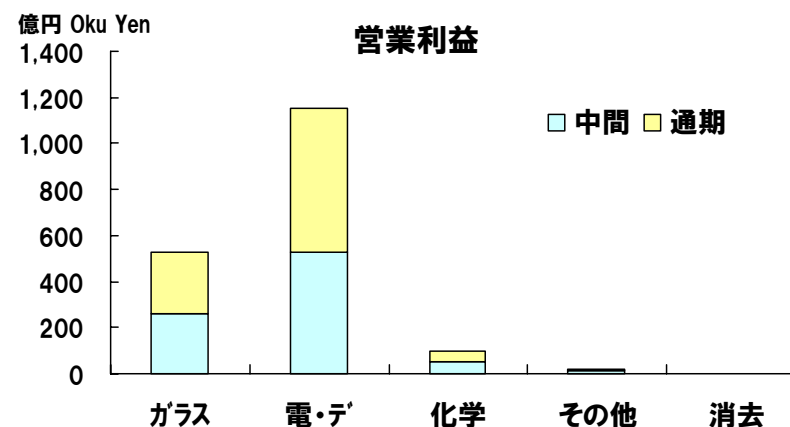
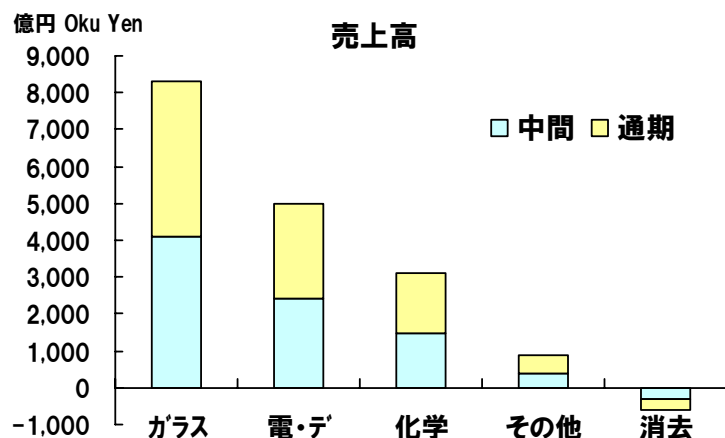
営業利益	Operating Profit	FY2006	FY2007	% 増減 Change	% 利益率 OP Margin
ガラス	Glass	465	530	14.0%	6.4%
電子・ディスプレイ	Electronics & Display	792	1,150	45.2%	23.0%
化学	Chemicals	78	100	27.5%	3.2%
その他	Other	33	20	-39.4%	2.2%
消去	Elimination	-2	0	-	-
全社計	Consolidated Total	1,366	1,800	31.8%	10.8%

事業別業績見通し(2)

Estimates by Business Segment

億円 Oku Yen

FY2007		売上高		営業利益	
		Sales		Operating Profit	
		中間期	通期	中間期	通期
		First Half	Fiscal Year	First Half	Fiscal Year
ガラス	Glass	4,100	8,300	260	530
電子・ディスプレイ	Electronics & Display	2,400	5,000	530	1,150
化学	Chemicals	1,500	3,100	50	100
その他	Others	400	900	10	20
消去	Elimination	-300	-600	0	0
全社計	Total	8,100	16,700	850	1,800



地域別業績見通し

Estimates by Geographic Segment

億円 Oku Yen

売上高	Sales	FY2006	FY2007	%増減Change
日本	Japan	9,132	9,500	4.0%
アジア	Asia	4,363	4,800	10.0%
アメリカ	Americas	2,054	1,900	-7.5%
ヨーロッパ	Europe	3,659	3,700	1.1%
消去	Elimination	-3,003	-3,200	-
全社計	Total	16,205	16,700	3.1%

営業利益	Operating Profit	FY2006	FY2007	%増減Change
日本	Japan	897	930	3.7%
アジア	Asia	246	480	94.9%
アメリカ	Americas	-62	40	-
ヨーロッパ	Europe	354	360	1.8%
消去	Elimination	-69	-10	-
全社計	Total	1,366	1,800	31.8%

付属資料

Appendix

事業セグメントと事業内容

“Look Beyond”

Business Segments & Operations

Actual results on 2006: 億円 Oku Yen

Segment	Company/SBU	Main products		Sales		OP	
Glass	Flat Glass Company	Flag Glass	Flat glass, Double glazing, Figured glass, Wired glass, Heat reflective glass, Heat absorbing glass, Value-added speciality glass, Mirror		5,150	8,153	465
	Automotive Glass Company	Automotive Glass	Laminated glass, Tempered glass		3,009		
	Asahi Fiber Glass SBU	Others	Glass fiber products		526		
	Asahi Techno Glass SBU (glass)		Speciality glass (i.e. fluorescent light glass)				
	Elimination				-532		
Electronics & Display	Display Company	Display	CRT	CRT glass	3,179	4,766	792
			FPD	TFT LCD glass, PDP glass, TN/STN glass			
	Electronics Materials&Products SBU, Asahi Techno Glass (Electronics related Products) Optrex SBU Elimination	Electronic Materials	Optoelectronics, Frit&paste, Semiconductor-related products		1,615		
			small-&medium-sized displays				
Chemicals	Chemicals Company	Fluoro-chemicals	Fluorinated resins, Gases&Solvents, Water&Oil repellent agents, Ion-exchange membrane, Pharmaceutical intermediates & bulks		-28		
		Chlor-Alkalis	Soda ash, Caustic soda, Caustic potassium, Hydrochloric acid, Vinyl chloride products, Urethane				
	Ise Chemical SBU	Iodine related products and others			1,054		
Elimination				1,950	3,076	78	
Others	Asahi Glass Ceramics & others	Refractory related products and others		209			
Elimination				-137			
Total					841	33	
					-631	-2	
					16,205	1,366	

地域・事業マトリックス(FY2006)

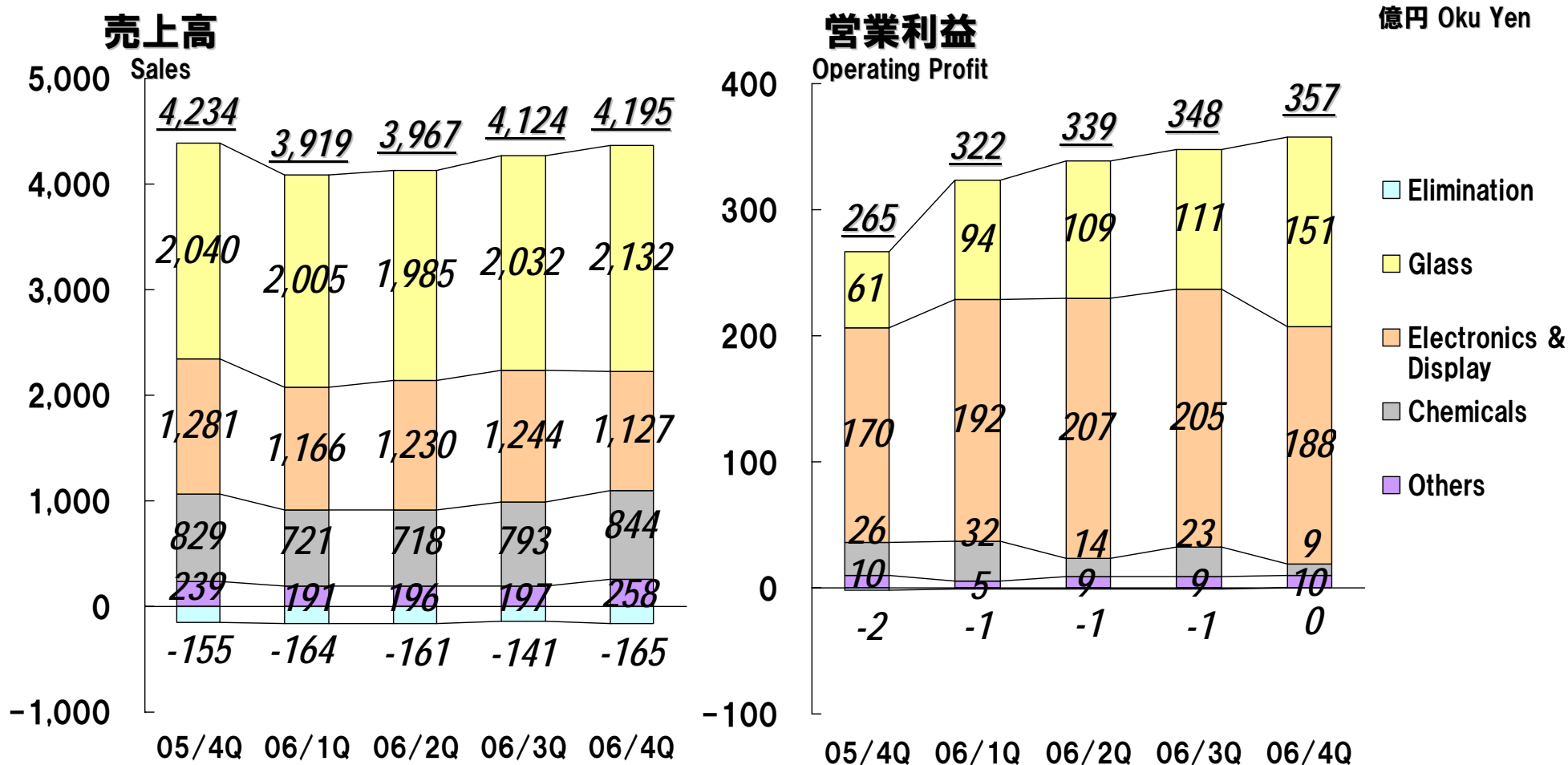
Sales/Operating Profit by Business & Geographic Segment (FY2006)

億円 Oku Yen

FY2006	日本 Japan		アジア Asia		アメリカ Americas		ヨーロッパ Europe		消去 Elimination		合計 Total	
	売上高 Sales	営業利益 OP	売上高 Sales	営業利益 OP	売上高 Sales	営業利益 OP	売上高 Sales	営業利益 OP	売上高 Sales	営業利益 OP	売上高 Sales	営業利益 OP
区分 Business												
ガラス Glass	2,938	148	749	31	1,587	-57	3,321	345	-441	-2	8,153	465
電子・ ディスプレイ Electronics & Display	3,689	639	2,817	204	357	6	204	8	-2,301	-65	4,766	792
化学 Chemicals	2,203	78	752	6	155	-5	134	1	-167	-1	3,076	78
その他 Others	811	33	55	5	4	-5	2	0	-30	0	841	33
消去 Elimination	-508	-1	-9	0	-48	1	-2	0	-64	-2	-631	-2
合計 Total	9,132	897	4,363	246	2,054	-62	3,659	354	-3,003	-69	16,205	1,366

セグメント別業績推移

Performance Trend by Business Segment



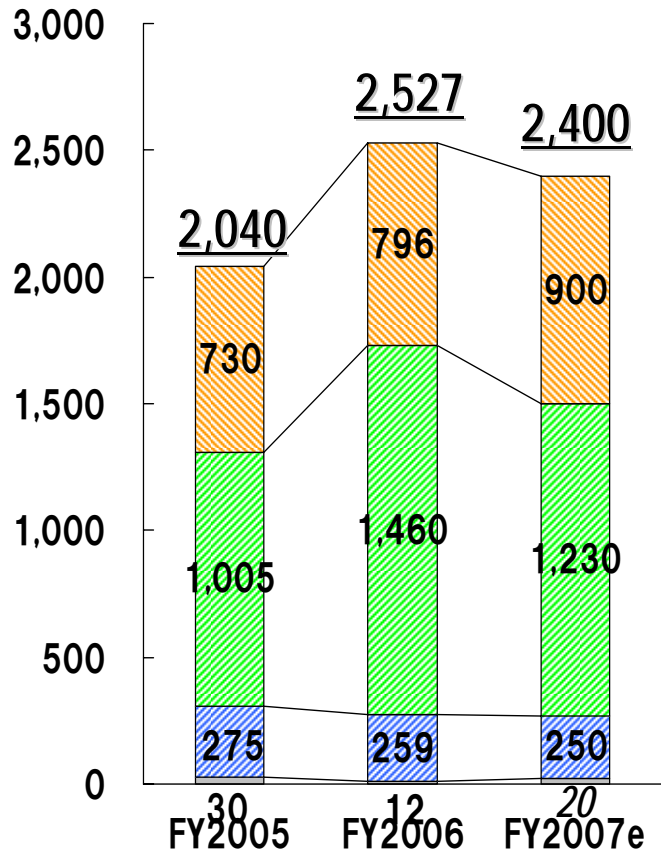
* 中間期実績から1Q実績を差し引いたものを2Qとして、1-3Q実績から中間期実績を差し引いたものを3Qとして、また通期実績から1-3Q実績を差し引いたものを4Qとして、参考記載しています。
 *For your reference, 2Q represents "1Q results" subtracted from "1H results", 3Q represents "1H results" subtracted from "9 months results", and 4Q represents "FY results" subtracted from "9 months results".

設備投資・減価償却費・研究開発費

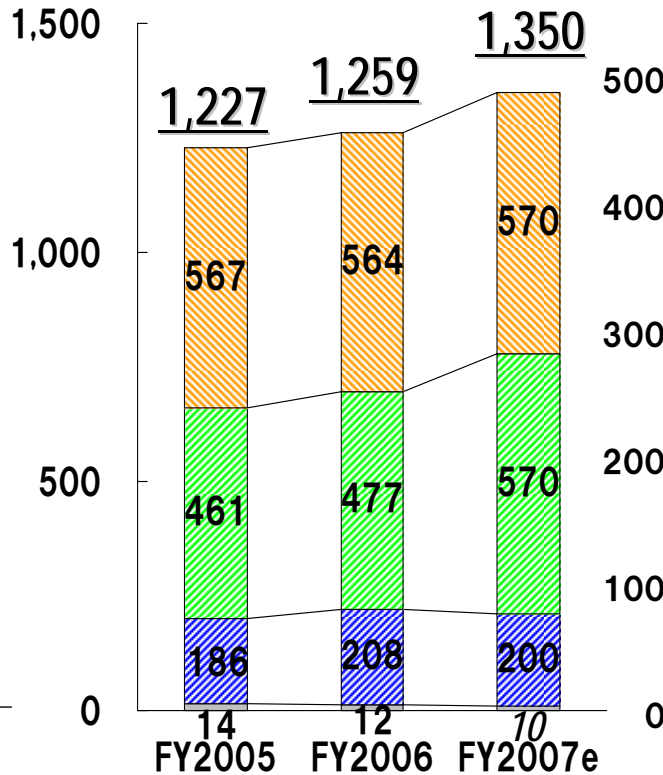
CAPEX / Depreciation / R&D

億円 Oku Yen

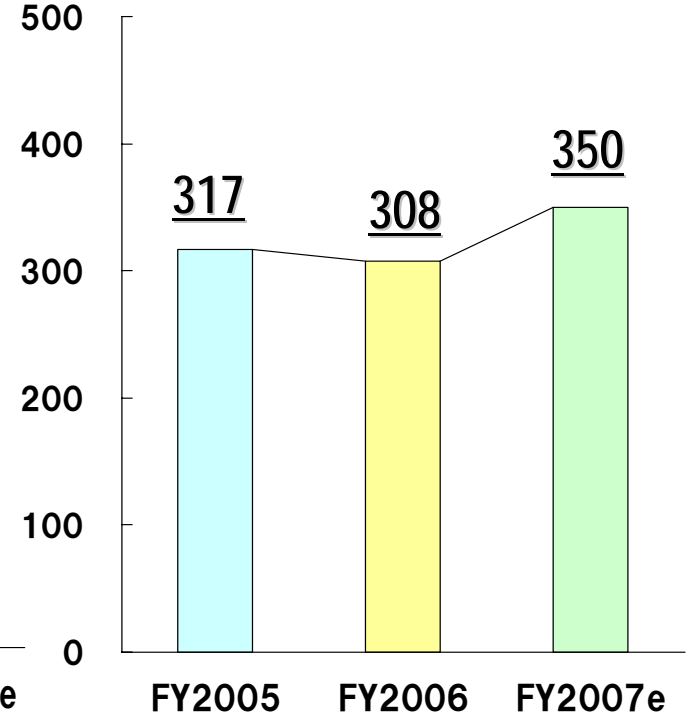
設備投資 CAPEX



減価償却費 Depreciation



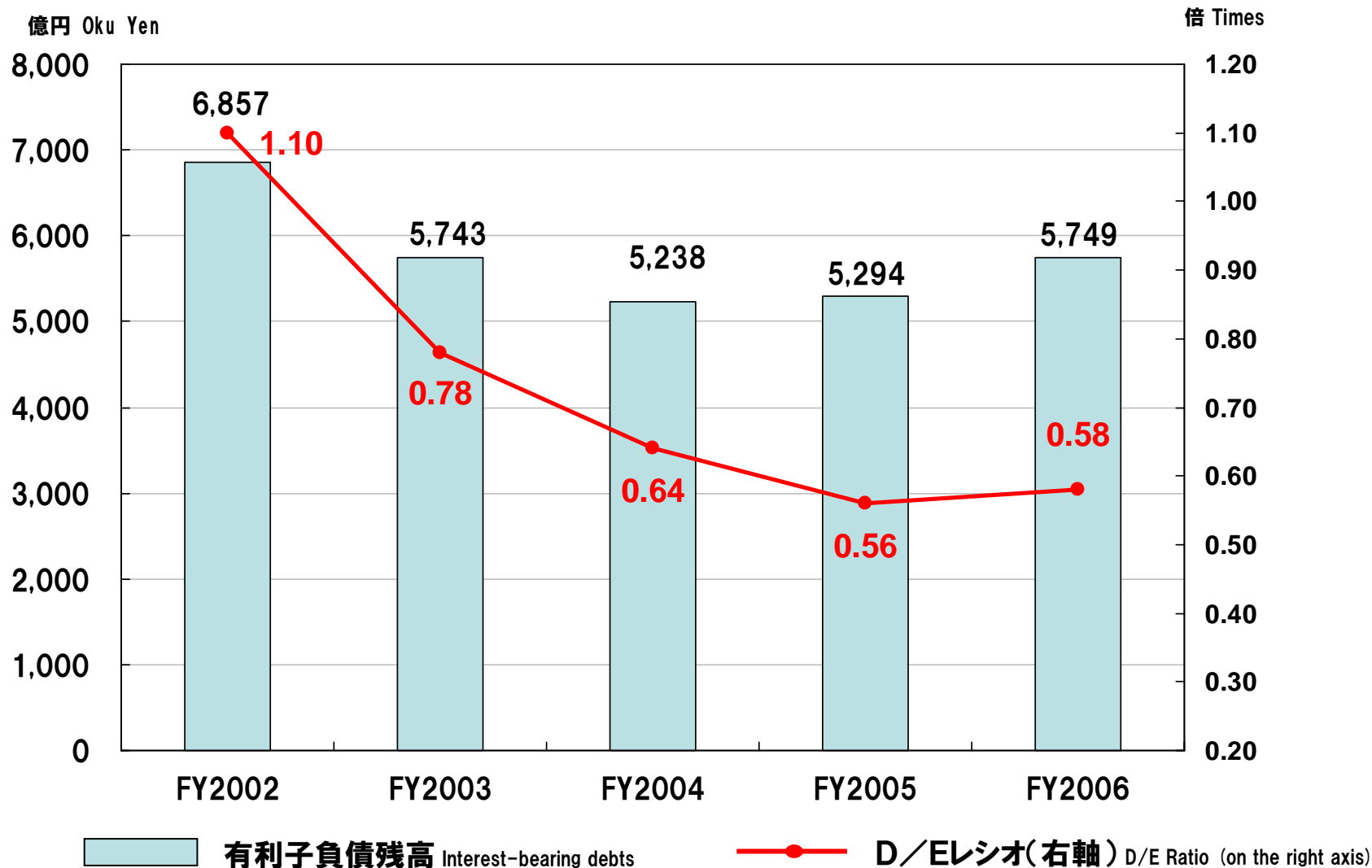
研究開発費 R&D



■ ガラス Glass
 ■ 電子・ディスプレイ Electronics & Display
 ■ 化学 Chemicals
 ■ その他 Others

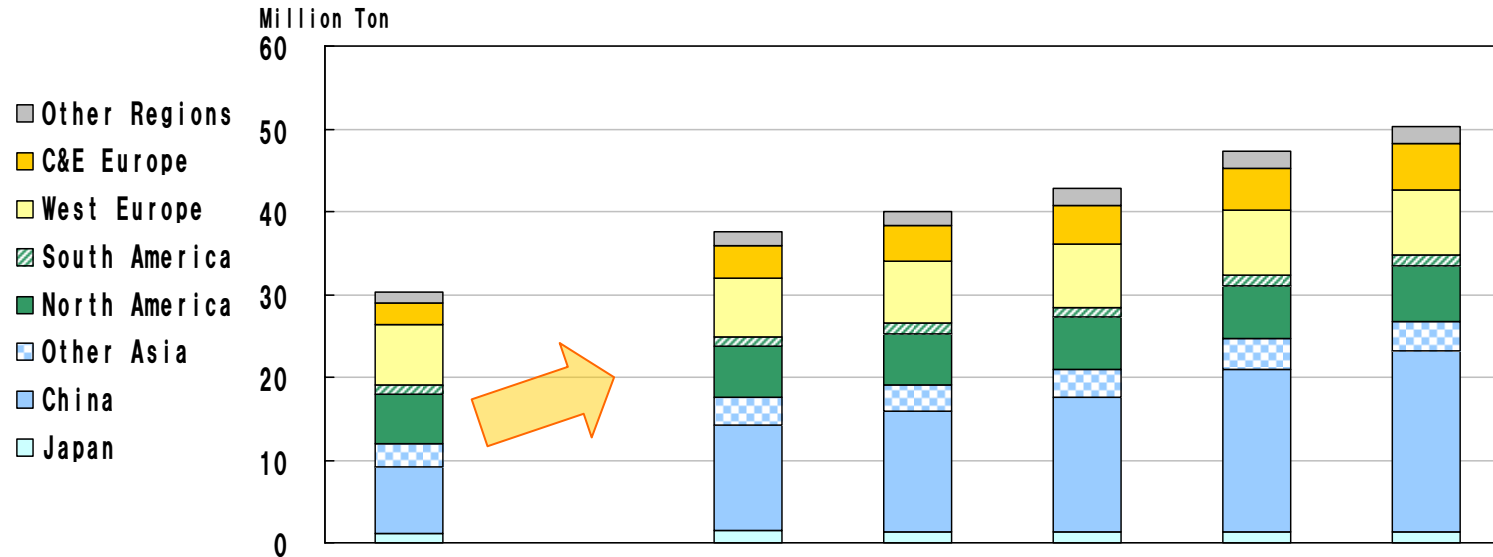
有利子負債残高の推移

Balance of Interest-bearing debts



板ガラス需要見通し

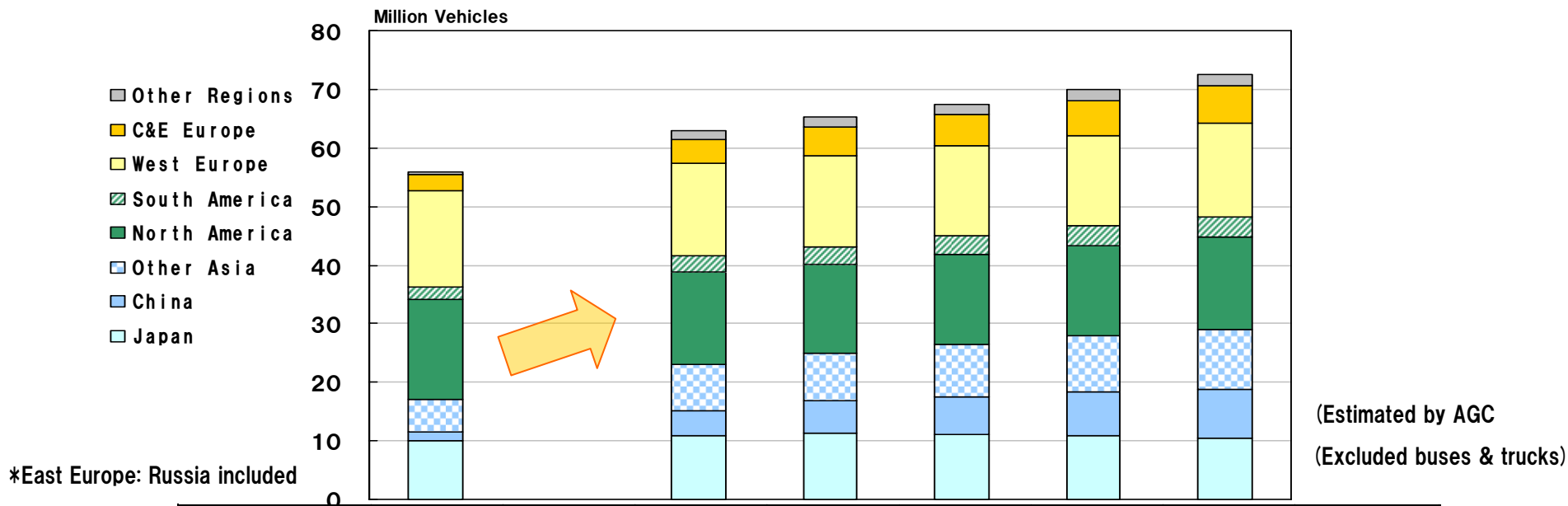
Flat Glass Market



	2000	=>	2005	2006	2007	2008	2009	CAGR 05-09
Japan	1.2		1.5	1.3	1.4	1.4	1.4	-0.7%
China	8.0		12.7	14.5	16.2	19.6	21.7	14.3%
Other Asia	2.7		3.4	3.3	3.4	3.6	3.7	2.5%
North America	6.1		6.1	6.2	6.3	6.5	6.6	2.0%
South America	1.1		1.1	1.2	1.2	1.2	1.3	2.9%
West Europe	7.2		7.1	7.5	7.6	7.8	8.0	2.8%
C&E Europe	2.6		4.0	4.3	4.7	5.1	5.5	8.4%
Other Regions	1.3		1.6	1.7	2.0	2.0	2.1	7.4%
World Total	30.1		37.4	40.1	42.9	47.2	50.2	7.6%

自動車生産台数見通し

Automotive Production Outlook



	2000年	=>	2005年	2006年	2007年	2008年	2009年	05-09 CAGR
Japan	10.1		10.8	11.4	11.0	10.8	10.5	-0.7%
China	1.4		4.3	5.4	6.5	7.5	8.3	17.9%
Other Asia	5.5		7.9	8.1	8.9	9.6	10.3	6.7%
North America	17.2		15.8	15.3	15.4	15.5	15.7	-0.1%
South America	2.0		2.8	3.0	3.2	3.4	3.5	5.4%
West Europe	16.4		15.8	15.5	15.4	15.3	15.9	0.2%
C&E Europe	2.8		4.1	4.9	5.4	6.0	6.4	11.5%
Other Regions	0.6		1.4	1.6	1.7	1.9	1.9	8.6%
World Total	56.1		63.0	65.2	67.5	70.0	72.6	3.6%

財務指標

Financial Index

				01/3	02/3	03/3	03/12*	04/12	05/12	06/12
売上高	Sales	億円	Oku Yen	13,128	12,632	12,950	12,430	14,757	15,267	16,205
営業利益	Operating Profit	億円	Oku Yen	1,117	590	675	832	1,394	1,182	1,366
当期利益	Net Income	億円	Oku Yen	247	-126	-39	536	783	600	450
株主資本利益率(ROE)	Return on Equity	%	%	4.1%	-2.1%	-0.7%	9.1%	11.8%	7.7%	5.1%
総資産利益率(ROA)	Return on Assets	%	%	5.9%	3.1%	3.7%	4.6%	7.6%	6.0%	6.5%
投資資本利益率(ROI)	Return on Investment	%	%	9.1%	4.8%	5.6%	7.2%	11.9%	9.5%	10.0%
株主資本比率	Equity Ratio	%	%	32%	31%	31%	35%	37%	41%	42%
D/Eレシオ	D/E Ratio	倍	times	0.98	1.08	1.10	0.78	0.64	0.56	0.58
営業CF/有利子負債	CF from Operating Activities/Interest-bearing debt	倍	times	0.21	0.18	0.26	0.26	0.44	0.35	0.30
EBITDA	EBITDA	億円	Oku Yen	2,092	1,689	1,765	1,831	2,720	2,409	2,625

*03/12は、決算日変更のため9ヶ月変則決算

※Nine months of April 2003 through December 2003, respectively

Disclaimer

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