

Under the New Medium-Term Management Plan “**Grow Beyond-2012**” We will Accelerate the Building of Foundations for Growth.



For the AGC Group, 2009 was a year for gathering our strength for the future. To respond swiftly to a rapidly changing business climate, the AGC Group took measures to streamline its businesses in all areas ranging from management to operations. In particular, the AGC Group made every effort to improve profitability and asset efficiency by taking measures such as establishing a production system that responds to demand trends, improving productivity by leveraging spare facilities and personnel, and optimizing cash management. In addition to our own efforts, the global economy gradually strengthened at the end of 2009, helping our business to recover. However, the global economic downturn hastened changes in the market structures, creating a need for us to accelerate the introduction of measures to cope with these changes.

Contributing to a Sustainable Society by Accelerating *Grow Beyond* Measures

At the time we initially formulated our management policy **Grow Beyond**, we assumed that climate change and resource problems would become more serious and our market structure would change more dramatically with the growing importance of emerging markets by 2030. In reality, however, the market structure has been changing faster than expected. In order to respond to these drastic changes, the AGC Group needs to accelerate **Grow Beyond** measures. In addition, we believe that we must contribute to the creation of a “Sustainable Society” which, as we realized, is indispensable not only from the viewpoints of climate change and resource problems but also from a more comprehensive global viewpoint. Based on this recognition, we have clearly defined our aspirations for 2020 as follows, and set them as major policies of the AGC Group.

AGC’s Aspirations for 2020

AGC Group aspires to excel as a highly profitable and fast-growing global enterprise making contributions to a sustainable society by:

- . Having strong and differentiated technologies
- . Giving consideration to environmental friendliness not only of products but also for overall production processes and business activities
- . Contributing to the development of fast-growing regions

Building Foundations for Growth to Become a Truly Leading Global Enterprise

To achieve our aspirations for 2020, we will implement measures focusing on the following three points.

① Delivering technology solutions for climate change

—We will give due consideration to the environment in all our business operations.

Although climate change is a serious issue that could threaten the business continuity of the AGC Group, it also provides a great opportunity for us to contribute to society through our business. Recognizing our responsibility as a glass manufacturer belonging to an industry that consumes great volumes of energy, we earnestly strive to reduce energy consumption in our manufacturing processes. For example, we are developing technologies that will halve the energy consumption during the production process. Achieving significant energy-savings through technological innovations can minimize environmental burden and drastically reduce costs at the same time. Moreover we are now developing materials and parts for photovoltaic devices which can enhance power generation efficiency and highly energy-saving glass by taking advantage of our glass, chemical, and ceramics technologies. By promoting these products worldwide, we will deliver technology solutions for climate change.

② Glass-technology-driven company

—We will meet new needs through our strong and differentiated technologies.

The AGC Group will further differentiate our businesses by refining our core technologies. For example, we will advance our glass technology to produce high added-value and energy-saving glass products. Moreover, by integrating our glass, chemical, and ceramics technologies in a more proactive manner, we will provide our customers with products of higher value.

③ Second round of globalization

—As a global company, we will also contribute to the growth of emerging regions.

The AGC Group will further enhance businesses in developed regions including Japan, Europe and North America and will also expand operations in fast-growing regions. In addition to the areas where we have already established bases such as China, Russia, India, and Southeast Asia, we will take on the challenge of starting businesses in the countries and regions we have yet to enter and will contribute to the development of local communities through our business activities. In furthering our business in fast-growing regions, we will consider the use of global human resources and the establishment of a business model that differs from those used in developed regions.

Bringing Our People and Organization Together under the Slogan of “Our People are Our Strength”

It is indeed “our people” that actually perform various tasks necessary to build a growth foundation for the Group, tackling problem-solving and any other issues. Recognizing this, we offer sufficient growth opportunities to employees who have high motivation toward their own growth and are highly committed to their work. As the staff gain experience through such opportunities, they will be able to tackle more challenging tasks and this in turn will allow them to grow further. In addition, the AGC Group employs approximately 50,000 employees. One of our strength is that these employees are working in some 30 countries and regions with different commercial practices and social needs. Each employee will adopt and follow the four Shared Values in the Group Vision **“Look Beyond”** and fulfill their social responsibilities in their respective countries and regions, as well as provide products and services with high added value. Through this approach, we are aiming at becoming a true, leading global company which society expects further growth.

Kazuhiko Ishimura
President & CEO

