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Consolidated Financial Results for FY2008 third quarter
 (January 1 through September 30, 2008)

1. Financial results for the nine months ended September 30, 2008 (Jan. 1 through Sep. 30, 2008)

(1) Consolidated operating results

	For the nine months ended September 30, 2008		For the nine months ended September 30, 2007		(Reference) For the year ended December 31, 2007
	Millions of yen	%	Millions of yen	%	Millions of yen
Net sales	1,159,015	(6.1)	1,234,041	2.7	1,681,238
Operating income	151,397	6.5	142,142	40.9	197,452
Ordinary income	126,770	(7.8)	137,538	39.7	187,878
Net income	62,812	(24.6)	83,355	29.2	69,634
Net income per share - basic (Yen)	53.75	-	71.05	-	59.35
Net income per share - fully diluted (Yen)	50.71	-	66.83	-	56.16

(Note) With respect to net sales, operating income, ordinary income and net income, percentage figures show % change from the previous year's corresponding period.

(2) Consolidated financial position

	For the nine months ended September 30, 2008	For the nine months ended September 30, 2007	(Reference) For the year ended December 31, 2007
Total assets (Millions of yen)	2,022,122	2,227,167	2,108,089
Total net assets (Millions of yen)	942,918	1,058,364	1,027,341
Equity ratio (%)	43.6	44.0	45.3
Net assets per share (Yen)	755.02	834.63	813.28

(3) Consolidated cash flows

(Unit: millions of yen)

	For the nine months ended September 30, 2008	For the nine months ended September 30, 2007	(Reference) For the year ended December 31, 2007
Cash flows from operating activities	153,705	162,889	245,748
Cash flows from investing activities	(204,458)	(161,202)	(209,819)
Cash flows from financing activities	40,768	6,815	(36,082)
Cash and cash equivalents at the end of period	36,381	59,432	52,275

(Note) The accompanying consolidated financial results have been prepared based in part on some simplified procedures for accounting principles, such as accounting for income taxes.

2. Dividend

(Unit: yen)

Dividend per share	FY2007 (ended Dec. 31, 2007)	FY2008 (ending Dec. 31, 2008)	
		Actual	Forecast
Interim	10.00	12.00	-
Year-end	10.00	-	12.00
Full-year	20.00	-	24.00

(Note) Interim dividend and year-end dividend for fiscal 2007 each include a commemorative dividend of 2.00 yen per share.

3. Outlook for FY2008, the fiscal year ending December 31, 2008 (Jan. 1 through Dec. 31, 2008)

	Full year	
	Millions of yen	%
Net sales	1,540,000	(8.4)
Operating Income	180,000	(8.8)
Ordinary income	148,000	(21.2)
Net income	65,000	(6.7)
Net income per share (Yen)	55.63	-

(Note)

1. The above-mentioned outlook reflects management's judgment on the basis of currently available information, as such, contain risks and uncertainties. Actual results may be different from the outlook.
2. Percentage figures show % change from the previous year's corresponding period.

Operating Results and Financial Conditions

1. Consolidated Operating Results

(1) Business review of the third quarter of 2008 (Nine-month period)

During the third quarter of 2008 (nine-month period from January 1 through September 30, 2008), prices of raw materials and fuels such as oil continued to be higher. Also, the global economy has been adversely affected by the aggravation of the worldwide financial crisis in the U.S. In Japan, the economy turned downward, affected by the lower profitability of the strong yen and weakened domestic and foreign demand owing to economic slowdowns overseas, mainly in the U.S. Other Asian countries saw its economy generally continue to expand, supported by ASEAN countries' strong export, despite a slowdown in growth in China after the Beijing Olympic Games. In Europe, the economy continued to be steady in Eastern Europe, including Russia, while Western Europe saw the economy slow down hurt by confusion in financial markets and a sustained high inflation rate.

As for the target markets of the AGC Group, the market for glass substrates for flat panel displays (FPDs) continued to be strong until the end of the first half of 2008, but the number of shipments was affected by the operational adjustment at panel manufacturers in the third quarter. The flat glass market remained sluggish in Japan and North America, and weakened in Europe. The market for chemical products was steady.

Under such market circumstances, the Group posted net sales of 1,159.0 billion yen for the period under review, down 75.0 billion yen or 6.1% from the corresponding period of previous year; operating income of 151.4 billion yen, up 9.3 billion yen or 6.5%; and ordinary income of 126.8 billion yen, down 10.8 billion yen or 7.8%. Net income decreased 20.5 billion yen or 24.6% to 62.8 billion yen.

(2) Overview of the third quarter of 2008 by business segment

- Glass operations

Sales in the flat glass business decreased from the corresponding period of previous year. Demand remained strong in fast-growing markets such as Russia. Meanwhile, in Western Europe, prices dropped from a year earlier, and demand continued to weaken as the economy slowed down. In North America, to cope with weakened demand, the Group decided to stop some operations of flat glass production facilities and withdraw from the unprofitable glass fabrication business. In Japan, shipments decreased, affected by continued weak demand from the construction sector. Responding to price hikes in raw materials and fuels, the Group revised prices in all regions, however this failed to offset all cost increases.

In the automotive glass business, sales decreased slightly from the corresponding period of previous year because of a decline in auto production in North America, despite a steady rise in global auto production.

Sales of other glass business dropped slightly from the previous year because the Group fully

withdrew from the fiberglass business at the end of October 2007.

As a result, net sales from the Glass operations for the nine-month period under review decreased 51.2 billion yen or 8.0%, year-on-year, to 591.8 billion yen, and operating income decreased 27.4 billion yen or 53.7% to 23.6 billion yen.

- Electronics and Display operations

In the display business, shipments of glass substrates for FPDs significantly increased in the first half of this fiscal year. Overall sales rose from a year earlier, though the number of shipments of glass substrates for TFT LCDs was negatively affected by the operational adjustment at panel manufacturers in the third quarter.

In the electronics materials business, shipments of photonics components continued steady. Meanwhile the market for semiconductor process materials slackened, and shipments of some display materials slowed down. This decrease is also attributable to the Group's withdrawal from the business of small- and medium-sized display panels.

As a result, net sales from the Electronics and Display operations for the nine-month period under review decreased 26.0 billion yen or 7.8%, year-on-year, to 308.5 billion yen, and operating income increased 36.8 billion yen or 47.1% to 114.9 billion yen.

- Chemicals operations

In the chlor-alkali & urethane business, sales of the mainstay product caustic soda continued to be steady thanks to brisk demand both in Japan and abroad. Sales of vinyl chloride-related products also remained robust overseas.

In the fluorochemicals & specialty chemicals business, shipments of fluorinated resins for coating, and fluorinated resins remained strong.

In response to price hikes of raw materials and fuels, the Group revised prices of chlor-alkali & urethane-related products and fluorochemicals & specialty chemicals. However, this failed to fully offset the increased costs.

As a result, net sales from the Chemicals operations for the nine-month period under review increased 5.0 billion yen or 2.1%, year-on-year, to 240.4 billion yen, and operating income decreased 1.3 billion yen or 12.0% to 9.6 billion yen.

- Other operations

In the ceramics business, earnings remained steady thanks to strong demand both in the glass engineering sector and the environmental energy sector.

As a result, net sales from the Other operations for the nine-month period under review increased 2.0 billion yen or 3.2%, year-on-year, to 65.3 billion yen, and operating income advanced 1.4 billion yen or 65.0% to 3.5 billion yen.

Main businesses by segment are as follows:

Segment		Main business
Glass operations	Flat glass business	Flat glass for construction
	Automotive glass business	Automotive glass
	Other glass business	Lighting lamp glass products, Industrial glass products
Electronics & Display operations	Display business	Glass substrates for FPDs (TFT LCDs, PDPs, etc.) CRT glass
	Electronics materials business	Semiconductor process materials, display materials, photonics components, etc.
Chemicals operations	Chlor-alkali & urethane business	Caustic soda, vinyl chloride monomers, etc. Urethane-related products
	Fluorochemicals & specialty chemicals business	Fluorinated resins, water and oil repellents, fluorinated resins for coating, fluorinated elastomers, etc. Battery materials, crystal liquid materials, and iodine-related materials
Other operations		Ceramics-related products Logistics and financial services

2. Financial Conditions

- Total assets

Total assets as of the end of the period under review were 2,022.1 billion yen, down 86.0 billion yen from the end of the previous year. This is mainly attributable to a decrease in the yen translated amount of total assets held by the Group's foreign subsidiaries, as a result of a stronger yen, despite the increase in tangible fixed assets resulting from proactive capital investments in manufacturing facilities for TFT LCD glass substrates and flat glass in Europe.

- Total liabilities

Total liabilities as of the end of the period under review stood at 1,079.2 billion yen, down 1.5 billion yen from the end of the previous year. This decline is chiefly attributable to a decrease in the yen translated amount of total liabilities held by the Group's foreign subsidiaries, as a result of a stronger yen, in spite of an increase in interest-bearing debts reflecting active capital investments.

- Total net assets

Total net assets as of the end of the period were 942.9 billion yen, down 84.4 billion yen from the end of the previous year. This drop reflects a decrease in Foreign currency translation adjustments, as a result of a stronger yen, as well as a fall in Unrealized gains on securities, net of tax, caused by a price drop of listed shares, despite an increase in retained earnings in line with net income for the period under review.

Consolidated Balance Sheets

(Unit: millions of yen)

	As of September 30, 2007	As of September 30, 2008	As of December 31, 2007
Assets			
Current assets	726,520	653,700	677,119
Cash on hand and in banks	87,344	65,233	82,399
Trade notes and accounts receivable	313,493	272,467	286,460
Inventories	265,982	250,548	237,686
Other current assets	66,964	71,451	76,686
Allowance for bad debts	(7,263)	(6,001)	(6,114)
Fixed assets	1,500,426	1,368,422	1,430,758
Tangible fixed assets	1,079,066	1,036,467	1,053,158
Intangible fixed assets	52,375	45,458	45,224
Investments in securities	309,035	237,467	287,342
Other fixed assets	63,060	51,009	47,467
Allowance for bad debts	(3,112)	(1,981)	(2,434)
Deferred assets	219	-	211
Total assets	2,227,167	2,022,122	2,108,089
Liabilities			
Current liabilities	580,075	669,642	644,637
Payables	256,843	242,613	241,564
Bonds and short-term bank loans	191,368	294,520	234,533
Other current liabilities	131,863	132,508	168,540
Non-current liabilities	588,727	409,561	436,110
Bonds and long-term bank loans	415,091	290,862	296,700
Other non-current liabilities	173,636	118,699	139,409
Total liabilities	1,168,803	1,079,203	1,080,748
Net assets			
Shareholders' equity	820,614	850,552	807,195
Common stock	90,842	90,871	90,859
Additional paid-in capital	96,934	96,960	96,948
Retained earnings	646,852	683,924	633,421
Treasury stock	(14,014)	(21,203)	(14,034)
Valuation and translation adjustments	158,838	31,041	147,240
Unrealized gains on securities, net of tax	120,576	63,484	102,028
Deferred gains or losses on hedges, net of tax	694	2,163	2,034
Asset revaluation reserve	63	62	62
Foreign currency translation adjustments	37,503	(34,668)	43,115
Share subscription rights	389	668	392
Minority interests in consolidated subsidiaries	78,521	60,655	72,512
Total net assets	1,058,364	942,918	1,027,341
Total liabilities and net assets	2,227,167	2,022,122	2,108,089

Consolidated Statements of Income

(Unit: millions of yen)

	For the nine months ended Sep. 30, 2007 (Jan. 1 through Sep. 30, 2007)	For the nine months ended Sep. 30, 2008 (Jan. 1 through Sep. 30, 2008)	Change		For the year ended Dec. 31, 2007 (Jan. 1 through Dec. 31, 2007)
				(%)	
Net sales	1,234,041	1,159,015	(75,026)	(6.1)	1,681,238
Cost of sales	881,621	806,863	(74,757)	(8.5)	1,199,912
Selling, general and administrative expenses	210,277	200,754	(9,523)	(4.5)	283,874
Operating income	142,142	151,397	9,254	6.5	197,452
Other income	15,047	13,850	(1,196)	(7.9)	19,705
Interest and dividend income	5,080	5,119	39	0.8	7,468
Equity in earnings of unconsolidated subsidiaries and affiliates	3,908	2,091	(1,816)	(46.5)	3,869
Others	6,058	6,639	580	9.6	8,367
Other expenses	19,652	38,476	18,824	95.8	29,279
Interest expenses	13,036	10,578	(2,457)	(18.8)	17,313
Others	6,616	27,898	21,282	321.7	11,965
Ordinary income	137,538	126,770	(10,767)	(7.8)	187,878
Extraordinary gains	14,168	6,447	(7,720)	(54.5)	27,230
Extraordinary losses	30,790	27,095	(3,694)	(12.0)	112,881
Income before income taxes and minority interests	120,915	106,122	(14,793)	(12.2)	102,227
Income taxes	36,088	36,521	433	1.2	30,132
Minority interest in earnings of consolidated subsidiaries	1,472	6,788	5,315	361.1	2,460
Net income	83,355	62,812	(20,542)	(24.6)	69,634

Consolidated Statements of Cash Flows

(Unit: millions of yen)

	For the nine months ended Sep. 30, 2007 (January 1 through September 30, 2007)	For the nine months ended Sep. 30, 2008 (January 1 through September 30, 2008)	For the year ended Dec. 31, 2007 (January 1 through December 31, 2007)
Cash flows from operating activities			
Income before income taxes and minority interests	120,915	106,122	102,227
Depreciation and amortization of goodwill	100,222	102,176	137,050
Impairment loss on long-lived assets	1,367	5,386	19,055
Equity in earnings of unconsolidated subsidiaries and affiliates	(3,908)	(2,091)	(3,869)
(Increase) decrease in receivables	(26,614)	(3,981)	(22,192)
(Increase) decrease in inventories	(13,119)	(29,670)	(2,363)
Increase (decrease) in payables	4,856	18,650	18,526
Others	(17,162)	9,060	14,157
Subtotal	166,557	205,654	262,591
Interest received/paid and dividends received	(6,786)	(4,531)	(9,565)
Income taxes paid	3,118	(47,416)	(7,278)
Net cash provided by operating activities	162,889	153,705	245,748
Cash flows from investing activities			
Purchases of property, plant and equipment	(190,632)	(197,373)	(245,191)
Proceeds from sale of property, plant and equipment	19,907	8,286	28,918
Purchase of investments in securities, unconsolidated subsidiaries and affiliates	(772)	(11,761)	(5,366)
Proceeds from sale and redemption of investments in securities, unconsolidated subsidiaries and affiliates	10,576	3,870	2,945
Others	(280)	(7,480)	8,874
Net cash used in investing activities	(161,202)	(204,458)	(209,819)
Cash flows from financing activities			
Increase in bank loans, bonds and CP	29,634	75,763	(12,833)
Dividends paid	(22,753)	(25,747)	(23,387)
Others	(64)	(9,247)	138
Net cash provided by financing activities	6,815	40,768	(36,082)
Effect of exchange rate changes on cash and cash equivalents	(1,231)	(5,321)	269
Changes in cash and cash equivalents	7,271	(15,305)	114
Cash and cash equivalents at beginning of period	52,627	52,275	52,627
Cash and cash equivalents held by newly consolidated subsidiaries net of those held by deconsolidated subsidiaries	(466)	(588)	(466)
Cash and cash equivalents at end of period	59,432	36,381	52,275

Segment Information

1. Business Segment

For the nine months ended September 30, 2007 (January 1 through September 30, 2007) (Unit: millions of yen)

	Glass	Electronics and Display	Chemicals	Other	Total	Corporate or elimination	Consolidated total
Sales to customers	639,543	333,128	232,615	28,753	1,234,041	-	1,234,041
Inter-segment sales/transfers	3,471	1,342	2,815	34,546	42,176	(42,176)	-
Total sales	643,015	334,470	235,431	63,300	1,276,217	(42,176)	1,234,041
Operating expenses	592,003	256,317	224,530	61,205	1,134,057	(42,159)	1,091,898
Operating income	51,011	78,153	10,901	2,094	142,160	(17)	142,142

For the nine months ended September 30, 2008 (January 1 through September 30, 2008) (Unit: millions of yen)

	Glass	Electronics and Display	Chemicals	Other	Total	Corporate or elimination	Consolidated total
Sales to customers	589,597	306,677	237,975	24,765	1,159,015	-	1,159,015
Inter-segment sales/transfers	2,248	1,805	2,438	40,583	47,075	(47,075)	-
Total sales	591,845	308,482	240,414	65,348	1,206,090	(47,075)	1,159,015
Operating expenses	568,248	193,548	230,826	61,892	1,054,515	(46,897)	1,007,618
Operating income	23,597	114,934	9,588	3,455	151,575	(178)	151,397

FY2007 (January 1 to December 31, 2007) (Unit: millions of yen)

	Glass	Electronics and Display	Chemicals	Other	Total	Corporate or elimination	Consolidated total
Sales to customers	861,348	463,690	315,601	40,598	1,681,238	-	1,681,238
Inter-segment sales/transfers	4,683	1,474	3,757	47,027	56,943	(56,943)	-
Total sales	866,031	465,164	319,359	87,625	1,738,181	(56,943)	1,681,238
Operating expenses	802,367	347,002	306,909	84,437	1,540,717	(56,930)	1,483,786
Operating income	63,663	118,162	12,449	3,188	197,464	(12)	197,452

2. Geographic Segment

For the nine months ended September 30, 2007 (January 1 through September 30, 2007) (Unit: millions of yen)

	Japan	Asia	The Americas	Europe	Total	Corporate or elimination	Consolidated total
Sales to customers	501,825	279,593	139,745	312,877	1,234,041	-	1,234,041
Inter-segment sales/transfers	144,202	55,811	7,585	6,089	213,688	(213,688)	-
Total sales	646,027	335,404	147,331	318,966	1,447,729	(213,688)	1,234,041
Operating expenses	582,719	297,240	151,400	273,326	1,304,687	(212,788)	1,091,898
Operating income (loss)	63,308	38,163	(4,069)	45,639	143,042	(899)	142,142

For the nine months ended September 30, 2008 (January 1 through September 30, 2008) (Unit: millions of yen)

	Japan	Asia	The Americas	Europe	Total	Corporate or elimination	Consolidated total
Sales to customers	485,665	290,398	96,041	286,909	1,159,015	-	1,159,015
Inter-segment sales/transfers	128,383	59,650	9,176	3,614	200,823	(200,823)	-
Total sales	614,048	350,048	105,217	290,523	1,359,839	(200,823)	1,159,015
Operating expenses	547,434	286,499	108,121	264,005	1,206,060	(198,441)	1,007,618
Operating income (loss)	66,614	63,549	(2,903)	26,518	153,778	(2,381)	151,397

FY2007 (January 1 to December 31, 2007) (Unit: millions of yen)

	Japan	Asia	The Americas	Europe	Total	Corporate or elimination	Consolidated total
Sales to customers	689,832	385,708	182,727	422,970	1,681,238	-	1,681,238
Inter-segment sales/transfers	211,121	83,453	9,125	7,376	311,077	(311,077)	-
Total sales	900,953	469,162	191,852	430,347	1,992,315	(311,077)	1,681,238
Operating expenses	805,211	409,684	199,719	371,746	1,786,362	(302,576)	1,483,786
Operating income (loss)	95,742	59,477	(7,866)	58,600	205,953	(8,501)	197,452

Supplementary Information

1. Operating results

(Unit: billions of yen)

	For the 9 months ended September 30, 2007	For the 9 months ended September 30, 2008	FY2007
Net sales	1,234.0	1,159.0	1,681.2
Operating income	142.1	151.4	197.5
Ordinary income	137.5	126.8	187.9
Net income	83.4	62.8	69.6
Net income per share (yen)	71.05	53.75	59.35

2. Major items

(Unit: billions of yen)

	For the 9 months ended September 30, 2007	For the 9 months ended September 30, 2008	FY2007
Capital expenditures	179.4	196.1	231.1
Depreciation and amortization	98.5	100.7	134.7
Interest expenses & dividend income	(9.1)	(5.8)	(11.0)

(Unit: billions of yen)

	As of Sep. 30, 2007	As of Sep. 30, 2008	FY 2007
Interest-bearing debts	606.5	585.4	531.2
Total net assets	1,058.4	942.9	1,027.3
D/E ratio	0.57	0.62	0.52

3. Exchange rates

	For the 9 months ended September 30, 2007		For the 9 months ended September 30, 2008		FY 2007	
	Average	End of period	Average	End of period	Average	End of period
Yen / US Dollar	119.27	115.43	105.41	103.57	117.71	114.15
Yen / Euro	160.98	163.38	160.86	149.05	161.99	166.66