

AGCC *Review*

Newsletter for
Shareholders

Vol. **29**

Issued in September 2016

Publication for Communication with Shareholders

AGC ASAHI GLASS CO., LTD.

Code Number: 5201

To Our Shareholders

During the first half of fiscal 2016, the AGC Group's net sales declined from a year ago, due to factors including the Japanese yen's appreciation and a decrease in shipments in the display business. However, operating profit increased 5.7 billion yen year on year, due to the effects of a significant improvement in the glass business, mainly in Europe, and cost reductions achieved largely through reductions in raw material and fuel costs. With operating profit for the first half exceeding the forecast made at the beginning of the fiscal year, we raised the Group's full-year operating profit forecast from 75.0 billion yen to 84.0 billion yen.

Regarding dividend payments, the interim dividend was 9 yen per share, as forecast at the beginning of the fiscal year. The year-end dividend will also be 9 yen per share as forecast, resulting in a full-year dividend of 18 yen per share.

All of us at AGC, both directors and employees, are committed to achieving the management goals of **AGC Plus**, in our efforts to meet the expectations of our shareholders.

On behalf of the AGC Group, I would like to express my sincerest appreciation for your continued support.

Takuya Shimamura, President and CEO



Highlights of the Group's Financial Results

Key Points for the First Half of Fiscal 2016

Net sales

Net sales decreased from a year ago due to the effects of a stronger Japanese yen, decreased sales in the display business, and other factors.

Operating profit

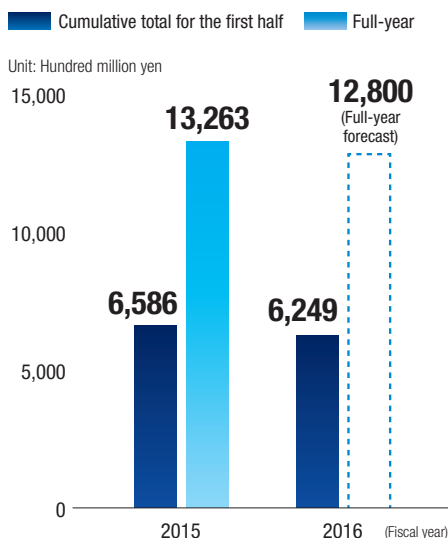
Operating profit increased, due largely to the effects of higher sales prices of architectural glass, increased shipment volumes of automotive glass, and cost reductions achieved by decline of raw material and fuel prices.

Profit for the year attributable to owners of the parent company

The decrease in profit for the year attributable to owners of the parent for fiscal 2016 was due to the impact of the income from revision of the defined benefit corporate pension plan posted during the six months ended June 30, 2015.

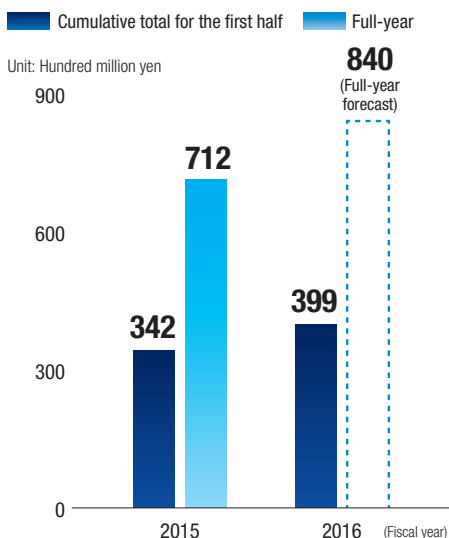
Net sales

6,249 hundred million yen
(down 5.1% year-on-year)



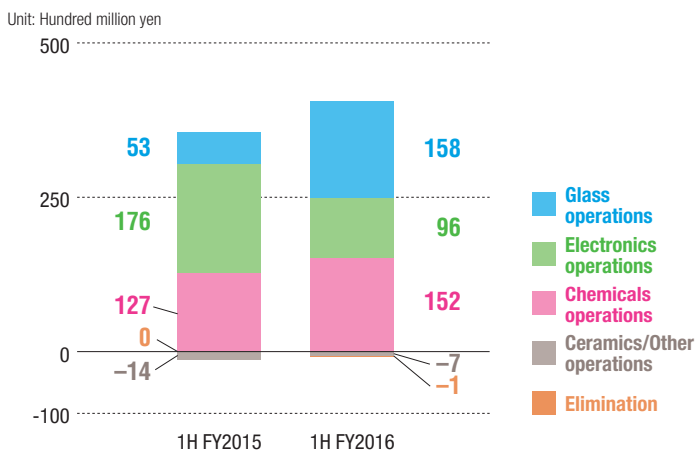
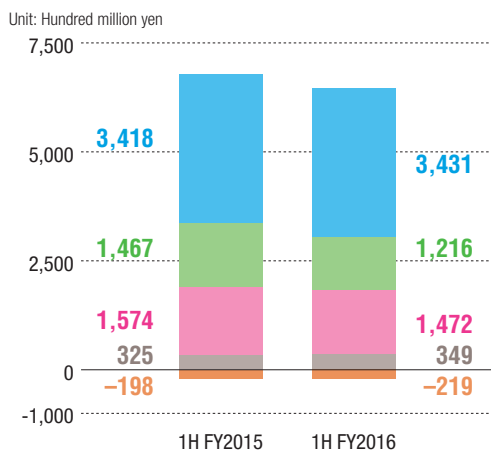
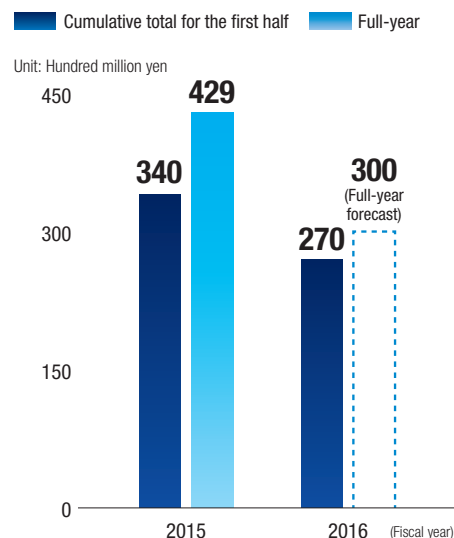
Operating profit

399 hundred million yen
(up 16.5% year-on-year)



Profit for the year attributable to owners of the parent company

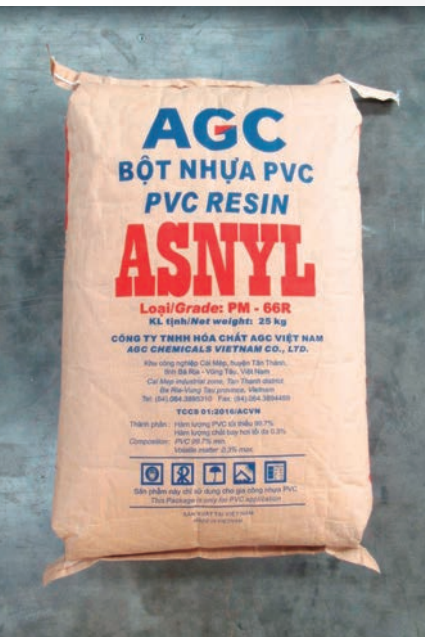
270 hundred million yen
(down 20.5% year-on-year)





▲ A view of P.T. Asahimas Chemical

Growth Strategy for the Chemicals Business in Southeast Asia



▲ Package of polyvinyl chloride (PVC) (AGC Chemicals Vietnam)

Under the management policy **AGC Plus**, the AGC Group has positioned its chlor-alkali business in Southeast Asia as a growth business. In this issue, we will explain our activities in this region.

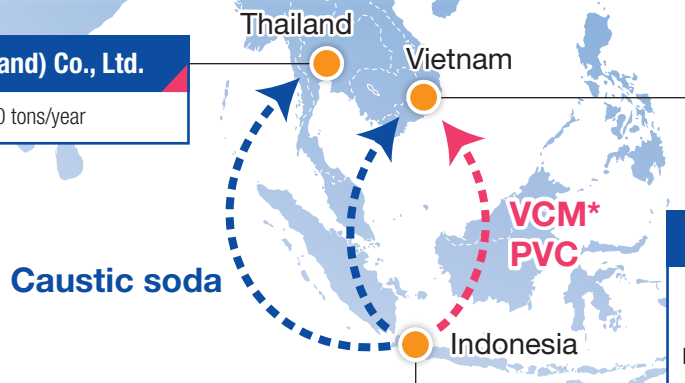
The market for essential chemicals such as caustic soda and polyvinyl chloride (PVC) in Southeast Asia is expected to grow more than 5% annually. P.T. Asahimas Chemical (ASC), one of the group companies in Indonesia, started working to increase its production capacity from 2013, in order to meet the growing demand for PVC, and launched production at its new facilities from the first quarter of this year.

In addition, AGC Chemicals Vietnam Co., Ltd. (ACVN), which became a group company in 2014, increased its PVC production capacity by 50% from the first half of this year. Through these increased production capacities, the AGC Group will tap booming demand in Southeast Asia and act strategically to expand business in this region by considering all of Southeast Asia as a single market.

Moreover, ASC is constructing a power plant to enhance the competitiveness of its chlor-alkali business by significantly reducing power rates, a major cost item of this business (the power plant is scheduled to commence operation in 2017). Through these measures, the AGC Group will further consolidate its position as the No. 1 regional manufacturer in the chlor-alkali business.

Operations in Southeast Asia

AGC Chemicals (Thailand) Co., Ltd.
Caustic soda: 350,000 tons/year



AGC Chemicals Vietnam Co., Ltd. (ACVN)

	At the time of acquisition in 2014	After capacity increase in 2016
PVC:	100,000 tons/year	150,000 tons/year

P.T. Asahimas Chemical (ASC)		
	Previous production capacity	After capacity increase in 2016
Caustic soda:	500,000 tons/year	700,000 tons/year
Raw materials for PVC (VCM):	400,000 tons/year	800,000 tons/year
		2018: Further capacity increase to 900,000 tons/year
PVC:	300,000 tons/year	550,000 tons/year

*Vinyl chloride monomer

AGC Develops Platform Screen Doors Equipped with Digital Signage

The AGC Group, jointly with Tokyu Corporation, Nippon Signal Co., Ltd., and Mitsubishi Electric Corporation, has developed platform screen doors equipped with digital signage that displays multimedia content. Demonstration tests have been conducted at Musashi Kosugi Station on the Tokyu Toyoko Line and Mizonokuchi Station on the Tokyu Oimachi Line since June 2016.

For this project, the AGC Group provided inoverre™, a glass integrated digital signage. inoverre™, developed by leveraging AGC's optical bonding technology, offers a great viewing experience.



▲ Multimedia platform screen door (for illustrative purposes)



Masayuki Nakagawa, AGC Fabritech Co., Ltd.

From a Project Member

inoverre™ was adopted as a new tool for disseminating information at train platforms, and has been highly acclaimed for its clearly displayed images and thinness. The AGC Group aims to promote the adoption of inoverre™ in a wide range of fields as it contributes to creating a world that is safe, secure, and comfortable, as well as provide new value in the digital signage market, which has growth potential.

AGC Expands Supply System of Cover Glass for Car-mounted Displays



▲ Car-mounted display (for illustrative purposes)

The AGC Group sells cover glass for car-mounted displays manufactured using Dragontrail™, a chemically strengthened specialty glass. Anticipating growing demand, the Group boosted production capacity for cover glass and began operation of new production facilities from this April.

AGC's cover glass for car-mounted displays is highly rated for its sophisticated design and feel delivered using a glass material, as well as for its user-friendliness and operability of car-mounted navigation systems and driving information display panels, which are achieved through the application of coating and decorative printing technologies. It has already been decided to be installed on more than 30 car models.

As a pioneer in manufacturing cover glass for car-mounted displays, the AGC Group will promote technological innovation and continue to provide products that offer new added value.

AGC's ATTOCH™ (PV Module Type) Adopted for First Time in Japan at Kirin Yokohama Beer Village

The AGC Group's ATTOCH™ (PV module-type) was adopted in Japan for the first time in the beer tasting room at Kirin Yokohama Beer Village.

ATTOCH™, low-emissivity (Low-E) glass for energy-saving window renovations, is highly rated for the following features: 1) it is a solution for both heat transmission in summer and cold air in winter, and its heat-insulation feature prevents unpleasant dew condensation, providing interior comfort; and 2) it can be installed with a shorter renovation work period and at a lower cost than conventional window renovation work. As a result, adoption of ATTOCH™ is spreading among office buildings and retail premises. The product installed at Kirin Yokohama Beer Village is equipped with a photovoltaic power-generation function.

The AGC Group will continue to provide products that contribute to energy savings and make peoples' lives more comfortable.



▲ Tasting Room at Kirin Yokohama Beer Village

Request for Registration of Social Security and Tax Number for Tax Procedures Related to Shares

The Social Security and Tax Number you received from your local municipality is required for tax procedures related to shares. For that reason, shareholders need to register their Social Security and Tax Numbers with the securities companies, etc., where they have an account.

Use of Social Security and Tax Number for Tax Procedures Related to Shares

As required by laws and regulations, the Social Security and Tax Numbers of shareholders will be entered in payment records and submitted to the tax office.

Main payment records

- Payment record for dividends
- Payment record for transfers of shares due to reasons such as shareholders' requests to purchase fractional unit shares

For Inquiries on Registering Your Social Security and Tax Number

Shareholders whose shares are managed through an account with a securities company

⇒Please contact your securities company.

Shareholders who do not have an account with a securities company

⇒Please contact the toll-free dial below.

Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation
Tel: 0120-232-711 (toll free within Japan)

Corporate Outline

(as of June 30, 2016)

Name

-Company name: AGC Asahi Glass

-Registered company name:

Asahi Glass Company, Limited

Founded: September 8, 1907

Incorporated: June 1, 1950

Capital: ¥90,873,373,264

Head office:

Shin-Marunouchi Building, 1-5-1 Marunouchi, Chiyoda-ku, Tokyo 100-8405

Phone: +81-3-3218-5096

Number of consolidated subsidiaries:

202 (including 164 companies overseas)

State of Stock

(as of June 30, 2016)

Number of shares outstanding: 1,186,705,905

Number of shareholders: 65,374

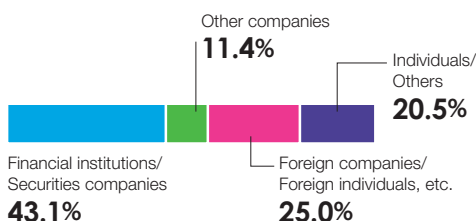
Shareholders who own shares of one unit or more:

54,786

Shareholder Composition

(as of June 30, 2016)

(Shareholders who own one unit or more)



Information about Shares

Fiscal year: January 1 to December 31

Ordinary general shareholders' meeting: March

Shareholder registration date for entitlement to exercise:

Voting rights at ordinary general shareholders' meeting: December 31

Rights to receive annual dividend payment: December 31

Rights to receive interim dividend payment: June 30

Public notice: Electronic public notices

<http://www.agc.com>

Shareholder Registrar/Special Account Administrator:

Mitsubishi UFJ Trust and Banking Corporation

Inquiries/Mailing address:

Securities Agency Division, 7-10-11

Higashisuna, Koto-ku, Tokyo 137-8081

Securities Agency Division, Mitsubishi UFJ

Trust and Banking Corporation

Phone: 0120-232-711 (toll free within Japan)

Payment of dividends:

As stated in the Articles of Incorporation, dividends not claimed within five years from the starting date of payment are no longer payable. We therefore urge shareholders to claim all payable dividends at the earliest convenient date.

Dividends that the shareholder has not received will be paid at the Mitsubishi UFJ Trust and Banking Corporation.

To shareholders owning shares constituting less than one unit:

Shareholders owning shares constituting less than one unit (1-999 shares) of AGC may request AGC to purchase such shares/sell additional shares. For the details of such procedures, including requests for necessary forms, please notify the following place of contact.

Contact Information for Inquiries Regarding Shares

Shareholders who have an account with securities companies, etc.	Shareholders who have a special account
Name of securities companies or other entities with which you have an account	<p>Mitsubishi UFJ Trust and Banking Corporation (our Special Account Administrator)</p> <p>Phone: 0120-232-711 (toll free within Japan)</p> <p>When shareholders holding shares in the Special Account wish to register their change of address, designate or change the bank account for receiving dividends, purchase shares constituting less than one unit, or process an account transfer, please contact the Special Account Administrator via the toll-free number 0120-244-479 (there is an automated voice answering service 24 hours a day) and ask for the relevant application forms.</p>