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Corporate Name: Asahi Glass Co., Ltd.

(Code Number: 5201; TSE 1st section)

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Consolidated Financial Results for the Three Months ended March 31, 2017 (IFRS basis)

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

1. Financial Results for the Three months ended March 31, 2017 (January 1 through March 31, 2017)

(1) Consolidated operating results

	For the Three months ended March 31, 2017		For the Three months ended March 31, 2016	
	Millions of yen	%	Millions of yen	%
Net sales	335,340	8.9	307,997	(5.4)
Operating profit	22,222	33.0	16,708	4.9
Profit before tax	19,359	50.1	12,896	22.4
Profit for the period	22,137	126.6	9,770	90.1
Profit for the period attributable to owners of the parent	19,972	125.9	8,839	91.2
Total comprehensive income for the period	13,519	—	(56,925)	—
Basic earnings per share (yen)	17.33		7.65	
Diluted earnings per share (yen)	17.25		7.62	

(2) Consolidated financial position

	FY2017 first quarter (as of March 31, 2017)	FY2016 (as of December 31, 2016)
Total assets (millions of yen)	2,024,756	1,981,451
Total equity(millions of yen)	1,182,593	1,168,743
Equity attributable to owners of the parent (millions of yen)	1,088,083	1,095,438
Equity attributable to owners of the parent ratio (%)	53.7	55.3

2. Dividends

(Unit: yen)

	FY2016	FY2017	FY2017 (forecast)
End of first quarter	—	—	—
End of second quarter	9.00	—	10.00
End of third quarter	—	—	—
End of fiscal year	9.00	—	50.00
Total	18.00	—	—

Note: Revision of the forecast during this quarter: No

*The Company plans to consolidate 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 10 yen, and annual dividends per share are 20 yen.

For information, refer to "Appropriate Use of Forecasts and Other Information and Other Matters"

3. Forecast for FY2017 (January 1 through December 31, 2017)

	First half		Full year	
	Millions of yen	%	Millions of yen	%
Net sales	650,000	4.0	1,350,000	5.3
Operating profit	45,000	12.8	105,000	9.0
Profit before tax	—	—	93,000	37.6
Profit for the year	—	—	72,000	34.9
Profit for the year attributable to owners of the parent	—	—	66,000	39.1
Basic earnings per share (yen)	—		285.38	

Note : Revision of the forecast for FY2017 consolidated operating results from the latest official forecast: No

*Notes

(1) Changes in significant subsidiaries during the period: Yes (Company name: Vinythai Public Company Limited)

Note: For details, please refer to "2. Condensed Interim Consolidated Financial Statements (IFRS) (5) Notes to the Condensed Interim Consolidated Financial Statements, Changes in Significant Subsidiaries during the Period" on page 14.

(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 "2. Condensed Interim Consolidated Financial Statements (IFRS) (5) Notes to the Condensed Interim Consolidated Financial Statements, Changes in Accounting Policies" on page 14.

(3) Number of shares issued (common stock)

- i. Number of shares issued (including treasury stock) at the end of the period

-FY2017 first quarter (as of March 31, 2017):	1,186,705,905
-FY2016 (as of December 31, 2016):	1,186,705,905
- ii. Number of treasury stock at the end of the period

-FY2017 first quarter (as of March 31, 2017):	41,101,965
-FY2016 (as of December 31, 2016):	30,347,355
- iii. Average number of shares issued during the period

-For the three months ended March 31, 2017:	1,152,342,446
-For the three months ended March 31, 2016:	1,156,108,541

*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 based on information available to the Company at the time of publication of this document and contains assumptions concerning uncertainties which might affect the AGC Group's future financial results. It is not intended to be a guarantee of future events, and may differ from actual results for various reasons. For matters concerning the above forecast, please see "(3) Explanation of the Forecast for Operating Results" in "1. Qualitative Information Regarding Financial Statements" in Attached Documents on page 4.

*Supplementary Materials for the Quarterly Financial Results

Supplementary materials are available on our website.

*Dividend outlook and forecast for operating results after the consolidation of shares

The Company plans to consolidate its common shares at the ratio of five shares to one share on the effective date of July 1, 2017, following approval of a proposal for the consolidation of shares at the 92nd Ordinary General Meeting of Shareholders held on March 30, 2017. Accordingly, the dividend outlook and forecast for operating results in the year ending December 31, 2017 excluding the impact of the consolidation of shares are as follows.

1. Dividend outlook for the year ending December, 2017

Dividends per share: Interim 10 yen (Note 1), Year-end 10 yen (Note 2)

2. Forecast for operating results in the year ending December 31, 2017

Basic earnings per share 57.08 yen

Notes:

1. The interim dividend will be paid out based on the number of shares before the consolidation of shares.

2. Represents the dividend amount excluding the impact of the consolidation of shares.

3. The annual dividend for the year ending December 31, 2017 (excluding the impact of the consolidation of shares) is 20 yen per share.

(Attached Documents)

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1. Qualitative Information Regarding Financial Statements

(1) Explanation of Operating Results

(i) Overview of consolidated business results for the three months ended March 31, 2017

During the three months ended March 31, 2017, the global economic environment surrounding the Company and its consolidated subsidiaries (hereinafter collectively referred to as the “AGC Group” or simply as the “Group”) remained on a gradual recovery track on the whole. In Japan, the economy showed a gradual upward trend thanks to factors such as economic measures taken by the government although some sections were lagging behind the recovery trend. The European economy made a gradual recovery and the United States continued its economic recovery along with increased consumer spending and other factors. The economy was picking up in China and other emerging countries.

Under such a business environment, due to such a reason as the increased volume of shipments at each business section as well as the consolidation of the companies acquired in 2017, the AGC Group posted net sales of 335.3 billion yen, up 27.3 billion yen, or a 8.9% increase, from the corresponding period of the previous year, operating profit increased by 5.5 billion yen, or 33.0 % increase, year-on-year to 22.2 billion yen, and profit before tax was 19.4 billion yen, a 6.5 billion yen or 50.1% increase on a year-on-year basis. Profit for the period attributable to owners of the parent was 20.0 billion yen, a 11.1 billion yen or 125.9% increase on a year-on-year basis, due to a decrease in corporate income tax expenses resulted from the tax refund for part of the withholding tax paid in the past in relation to dividend income from a Taiwanese subsidiary.

(ii) Overview by reportable segment for the three months ended March 31, 2017

- Glass

Sales of architectural glass increased on a year-on-year basis, mainly because shipments of architectural glass remained favorable in North America and selling prices increased in Europe as compared to the same period of the previous year. In the automotive glass business, shipments increased as overall auto production remained favorable. Consequently, the AGC Group’s sales increased from the same period of the previous fiscal year.

As a result, net sales from the Glass Operations for the three months ended March 31, 2017 were 177.0 billion yen, up 6.1 billion yen or a 3.6% increase from the same period of the previous fiscal year. Operating profit was 7.1 billion yen, up 0.4 billion yen or a 6.2% increase from the same period of the previous fiscal year, mainly due to the price hike of architectural glass in Europe that took place amid the increase of raw materials and fuel prices.

- Electronics

Regarding LCD glass substrates, the selling prices decreased but shipments increased from the same period of the previous fiscal year. Shipments of specialty glass for display applications increased from the same period of the previous fiscal year. Shipments of cover glass for car-mounted displays continued to expand. Regarding electronic materials, shipments of optoelectronics materials and semiconductor-related products increased from the same period of the previous fiscal year.

As a result, net sales from the Electronics Operations for the three months ended March 31, 2017 were 60.6 billion yen, up 1.9 billion yen or a 3.2% increase from the same period of the previous fiscal year, and operating profit was 4.2 billion yen, up 1.8 billion yen or a 75.4% increase from the same period of the previous fiscal year.

- Chemicals

Sales of chlor-alkali products and urethane materials increased from the same period of the previous fiscal year mainly because of increased shipments from the capacity expansion of production facilities in Indonesia and the consolidation of Vinythai Public Company Limited acquired in 2017. In the categories of fluorine products and specialty products, sales increased from the same period of the previous fiscal year resulting from the consolidation of CMC Biologics acquired in 2017 and robust shipments of existing chemical products.

As a result, net sales from the Chemicals Operations for the three months ended March 31, 2017 were 91.7 billion yen, up 19.1 billion yen or a 26.3% increase from the same period of the previous fiscal year, and operating profit was 11.1 billion yen, up 3.2 billion yen or a 39.8% increase from the same period of the previous fiscal year.

The following table shows major products in each reportable segment.

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.

In addition to the above products, the AGC Group also handles ceramics products, logistics/financial services, etc.

(2) Explanation of Financial Position

- Total assets

Total assets as of the end of the first quarter under review were 2,024.8 billion yen, up 43.3 billion yen from the end of the previous fiscal year. Total assets increased mainly because of goodwill and property, plant and equipment due to the acquisition of CMC Biologics and Vinythai Public Company Limited.

- Total liabilities

Total liabilities as of the end of the first quarter under review were 842.2 billion yen, up 29.5 billion yen from the end of the previous fiscal year. This increase was mainly due to the acquisition of CMC Biologics and Vinythai Public Company Limited.

- Total equity

Total equity as of the end of the first quarter under review was 1,182.6 billion yen, up 13.9 billion yen from the end of the previous fiscal year. Total equity increased mainly because of non-controlling interests due to the acquisition of Vinythai Public Company Limited, despite decrease from share repurchase and decrease in other components of equity resulting from lower value of listed stock.

(3) Explanation of the Forecast for Operating Results

(Unit: billions of yen)

	Net Sales	Operating profit	Profit before tax	Profit for the year	Profit for the year attributable to owners of the parent
Forecast for FY2017 (A)	1,350.0	105.0	93.0	72.0	66.0
Actual results for FY 2016 (B) (January 1 through December 31, 2016)	1,282.6	96.3	67.6	53.4	47.4
(A - B) / B (%)	5.3	9.0	37.6	34.9	39.1

Note: Figures are rounded to the nearest 100 million yen.

In 2017, the world economy is expected to maintain moderate growth on the whole, but there is uncertainty over its future outlook as affected by national policies around the world and other factors.

Under such a business environment, the shipments of architectural glass are expected to make a gradual increase in many regions. In the automotive glass business, shipments are projected to remain favorable as a whole despite uncertainty over the recovery of automobile demand in some emerging countries.

Regarding LCD glass substrates, shipments are likely to increase from the previous year and the range of price decline is expected to shrink. Shipments of specialty glass for display applications are expected to increase from the previous year. The shipments of cover glass for car-mounted displays will continue to expand. In the category of electronics materials, shipments of optoelectronics materials and semiconductor-related products are expected to increase from the previous fiscal year.

The companies that the Company decided to acquire in the previous year have become consolidated in the AGC Group's financial statements. Regarding shipments of chemical-related products, chlor-alkali products are expected to increase as capacity expansion at manufacturing facilities in Indonesia will contribute to the business performance throughout the year, and fluorine products and life science products will remain favorable.

Taking into account the above factors, net sales of the AGC Group for the fiscal year ending December 31, 2017 are forecasted to be 1,350.0 billion yen, up 67.4 billion yen or a 5.3% increase from a year earlier, and operating profit is forecasted to be 105.0 billion yen, up 8.7 billion yen or a 9.0% increase year on year. Profit before tax will be 93.0 billion yen, up 25.4 billion yen or a 37.6% increase from the previous fiscal year, and profit for the year attributable to owners of the parent is estimated to be 66.0 billion yen, up 18.6 billion yen or a 39.1% increase from the previous fiscal year.

Average exchange rates assumed for the fiscal year ending December 31, 2017 are 110 yen to the U.S. dollar and 120 yen to the Euro.

[Important notes with regard to the forecast]

The above prospective results reflect 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.

2. Condensed Interim Consolidated Financial Statements (IFRS)

(1) Condensed Interim Consolidated Statements of Financial Position

(Unit: millions of yen)

	FY2016 (as of December 31, 2016)	FY2017 first quarter (as of March 31, 2017)
Assets		
Current assets		
Cash and cash equivalents	147,325	92,022
Trade receivables	241,476	238,502
Inventories	227,284	237,060
Other receivables	37,972	35,026
Income tax receivables	7,201	6,336
Other current assets	12,176	14,669
Total current assets	673,436	623,618
Non-current assets		
Property, plant and equipment	937,869	978,071
Goodwill	34,859	92,570
Intangible assets	27,400	28,656
Investments accounted for using equity method	36,889	44,275
Other financial assets	232,216	217,185
Deferred tax assets	29,421	31,052
Other non-current assets	9,358	9,326
Total non-current assets	1,308,015	1,401,138
Total assets	1,981,451	2,024,756

(Unit: millions of yen)

	FY2016 (as of December 31, 2016)	FY2017 first quarter (as of March 31, 2017)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	137,590	137,015
Short-term interest-bearing debt	36,689	51,876
Long-term interest-bearing debt due within one year	66,669	87,357
Other payables	110,829	126,580
Income tax payables	10,173	7,482
Provisions	4,259	2,002
Other current liabilities	11,279	12,609
Total current liabilities	377,490	424,923
Non-current liabilities		
Long-term interest-bearing debt	330,609	308,465
Deferred tax liabilities	22,110	17,551
Post-employment benefit liabilities	66,865	69,921
Provisions	10,701	9,494
Other non-current liabilities	4,929	11,806
Total non-current liabilities	435,216	417,239
Total liabilities	812,707	842,162
Equity		
Share capital	90,873	90,873
Capital surplus	101,237	101,306
Retained earnings	690,890	701,991
Treasury shares	(29,259)	(39,197)
Other components of equity	241,696	233,109
Total equity attributable to owners of the parent	1,095,438	1,088,083
Non-controlling interests	73,305	94,510
Total equity	1,168,743	1,182,593
Total liabilities and equity	1,981,451	2,024,756

(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 three months ended March 31, 2016 (Jan. 1 through Mar. 31, 2016)	For the three months ended March 31, 2017 (Jan. 1 through Mar. 31, 2017)
Net sales	307,997	335,340
Cost of sales	(228,673)	(244,572)
Gross profit	79,323	90,768
Selling, general and administrative expenses	(62,983)	(69,146)
Share of profit (loss) of associates and joint ventures accounted for using equity method	368	600
Operating profit	16,708	22,222
Other income	622	1,016
Other expenses	(2,815)	(3,256)
Business profit	14,515	19,981
Finance income	656	1,212
Finance costs	(2,275)	(1,834)
Net finance costs	(1,619)	(622)
Profit before tax	12,896	19,359
Income tax expenses	(3,125)	2,778
Profit for the period	9,770	22,137
Attributable to:		
Owners of the parent	8,839	19,972
Non-controlling interests	930	2,165
Earnings per share		
Basic earnings per share (yen)	7.65	17.33
Diluted earnings per share (yen)	7.62	17.25

(Condensed Interim Consolidated Statements of Comprehensive Income)

(Unit: millions of yen)

	For the three months ended March 31, 2016 (Jan. 1 through Mar. 31, 2016)	For the three months ended March 31, 2017 (Jan. 1 through Mar. 31, 2017)
Profit for the period	9,770	22,137
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)	(8,968)	(1,294)
Net gain (loss) on revaluation of financial assets measured at FVTOCI ^(Note)	(22,063)	(6,015)
Share of other comprehensive income of associates and joint ventures accounted for using equity method	9	(9)
Total	(31,022)	(7,319)
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	(297)	(523)
Exchange differences on translation of foreign operations	(35,391)	(787)
Share of other comprehensive income of associates and joint ventures accounted for using equity method	16	12
Total	(35,672)	(1,299)
Other comprehensive income, net of tax	(66,695)	(8,618)
Total comprehensive income for the period	(56,925)	13,519
Attributable to:		
Owners of the parent	(55,188)	12,951
Non-controlling interests	(1,736)	567

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

(3) Condensed Interim Consolidated Statements of Changes in Equity
For the three months ended March 31, 2016

(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, 2016	90,873	100,802	663,874	(29,576)	(35,003)	91,408
Changes in equity						
Comprehensive income						
Profit for the period	-	-	8,839	-	-	-
Other comprehensive income	-	-	-	-	(8,980)	(22,048)
Total comprehensive income for the period	-	-	8,839	-	(8,980)	(22,048)
Transactions with owners						
Dividends	-	-	(10,404)	-	-	-
Increase through treasury shares transactions	-	-	-	(2)	-	-
Decrease through treasury shares transactions	-	-	(47)	151	-	-
Changes in ownership interests in subsidiaries that do not result in loss of control	-	16	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	105	-	-	(105)
Share-based payment transactions	-	(69)	-	-	-	-
Others (business combinations and others)	-	-	-	-	-	-
Total transactions with owners	-	(53)	(10,346)	148	-	(105)
Balance as of March 31, 2016	90,873	100,748	662,367	(29,427)	(43,983)	69,254

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

For the three months ended March 31, 2016

(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, 2016	(2,563)	214,357	268,198	1,094,172	69,594	1,163,767
Changes in equity						
Comprehensive income						
Profit for the period	-	-	-	8,839	930	9,770
Other comprehensive income	(281)	(32,718)	(64,028)	(64,028)	(2,666)	(66,695)
Total comprehensive income for the period	(281)	(32,718)	(64,028)	(55,188)	(1,736)	(56,925)
Transactions with owners						
Dividends	-	-	-	(10,404)	(197)	(10,601)
Increase through treasury shares transactions	-	-	-	(2)	-	(2)
Decrease through treasury shares transactions	-	-	-	104	-	104
Changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	16	(419)	(402)
Transfer from other components of equity to retained earnings	-	-	(105)	-	-	-
Share-based payment transactions	-	-	-	(69)	-	(69)
Others (business combinations and others)	-	-	-	-	(1)	(1)
Total transactions with owners	-	-	(105)	(10,356)	(617)	(10,974)
Balance as of March 31, 2016	(2,845)	181,638	204,063	1,028,626	67,240	1,095,867

For the three months ended March 31, 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	-	-	19,972	-	-	-
Other comprehensive income	-	-	-	-	(1,325)	(6,013)
Total comprehensive income for the period	-	-	19,972	-	(1,325)	(6,013)
Transactions with owners						
Dividends	-	-	(10,407)	-	-	-
Increase through treasury shares transactions	-	-	-	(10,007)	-	-
Decrease through treasury shares transactions	-	-	(30)	69	-	-
Transfer from other components of equity to retained earnings	-	-	1,566	-	-	(1,566)
Share-based payment transactions	-	69	-	-	-	-
Others (business combinations and others)	-	-	-	-	-	-
Total transactions with owners	-	69	(8,871)	(9,938)	-	(1,566)
Balance as of March 31, 2017	90,873	101,306	701,991	(39,197)	(46,431)	88,312

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

For the three months ended March 31, 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	-	-	-	19,972	2,165	22,137
Other comprehensive income	(512)	830	(7,020)	(7,020)	(1,598)	(8,618)
Total comprehensive income for the period	(512)	830	(7,020)	12,951	567	13,519
Transactions with owners						
Dividends	-	-	-	(10,407)	(1,295)	(11,702)
Increase through treasury shares transactions	-	-	-	(10,007)	-	(10,007)
Decrease through treasury shares transactions	-	-	-	39	-	39
Transfer from other components of equity to retained earnings	-	-	(1,566)	-	-	-
Share-based payment transactions	-	-	-	69	-	69
Others (business combinations and others)	-	-	-	-	21,933	21,933
Total transactions with owners	-	-	(1,566)	(20,306)	20,637	331
Balance as of March 31, 2017	(287)	191,516	233,109	1,088,083	94,510	1,182,593

(4) Condensed Interim Consolidated Statements of Cash Flows

(Unit: millions of yen)

	For the three months ended March 31, 2016 (Jan. 1 through Mar. 31, 2016)	For the three months ended March 31, 2017 (Jan. 1 through Mar. 31, 2017)
Cash flows from operating activities		
Profit before tax	12,896	19,359
Depreciation and amortization	31,405	31,101
Interest and dividend income	(641)	(922)
Interest expenses	1,637	1,769
Share of profit (loss) of associates and joint ventures accounted for using equity method	(368)	(600)
Loss (gain) on sale or disposal of non-current assets	381	197
Decrease (increase) in trade receivables	6,867	11,773
Decrease (increase) in inventories	(5,844)	(7,214)
Increase (decrease) in trade payables	(899)	(4,912)
Others	13,793	5,124
Subtotal	59,226	55,675
Interest and dividends received	712	1,135
Interest paid	(2,416)	(2,459)
Income taxes paid	(5,956)	516
Net cash from operating activities	51,566	54,867
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(30,879)	(26,579)
Proceeds from sale of property, plant and equipment	837	1,919
Purchase of other financial assets	(2,600)	(3,334)
Proceeds from sale and redemption of other financial assets	1,222	4,627
Purchase of subsidiaries	-	(76,661)
Others	179	171
Net cash used in investing activities	(31,239)	(99,855)
Cash flows from financing activities		
Changes in short-term interest-bearing debt	7,907	11,799
Proceeds from borrowing or issuing long-term interest-bearing debt	9,776	10,679
Repayment or redemption of long-term interest-bearing debt	(20,196)	(10,259)
Payment from purchase of shares in subsidiaries from non- controlling interests	(402)	-
Acquisition of treasury shares	(2)	(10,007)
Dividends paid	(10,404)	(10,407)
Dividends paid to non-controlling interests	(197)	(1,295)
Others	(226)	(205)
Net cash used in financing activities	(13,746)	(9,695)
Effect of exchange rate changes on cash and cash equivalents	(1,314)	(618)
Net increase (decrease) in cash and cash equivalents	5,265	(55,302)
Cash and cash equivalents at the beginning of the period	104,831	147,325
Cash and cash equivalents at the end of the period	110,097	92,022

(5) Notes to the Condensed Interim Consolidated Financial Statements

(Changes in Significant Subsidiaries during the Period)

During the three months ended March 31, 2017, the Company acquired shares of Vinythai Public Company Limited from Solvay, and has included it in the scope of consolidation.

(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, 2016, with the exception of the items described below.

The following are the accounting standards applied by the Group from the fiscal year 2017, in compliance with each transitional provision. The effect of the application of these standards on the Group's condensed interim consolidated financial statements is immaterial.

IFRS	Title	Summaries of new IFRS and amendments
IAS 7 (amended in January 2016)	Statement of Cash Flows	Additional disclosure of changes in liabilities arising from financing activities
IAS 12	Income Taxes	Clarification of recognition of deferred tax assets related unrealized loss

"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 three months ended March 31, 2017, 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 fiscal year 2016.

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 in the past had three in-house companies by product and service: Glass, Electronics and Chemicals. However, to better focus on market aspects, on January 1, 2017 the Group split Glass Company into two entities: "Building & Industrial Glass Company" and "Automotive Company." As a result, four in-house companies constitute the Group.

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 continues to report 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 three months ended March 31, 2016 (January 1 through March 31, 2016)

(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	170,717	58,311	72,366	6,600	307,997	-	307,997
Inter-segment sales or transfers	159	419	219	10,171	10,969	(10,969)	-
Total sales	170,877	58,731	72,586	16,771	318,966	(10,969)	307,997
Segment profit (loss) (Operating profit)	6,714	2,374	7,947	(374)	16,662	45	16,708
Profit for the period	-	-	-	-	-	-	9,770

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 three months ended March 31, 2017 (January 1 through March 31, 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	176,848	60,261	91,237	6,993	335,340	-	335,340
Inter-segment sales or transfers	145	362	445	8,141	9,094	(9,094)	-
Total sales	176,993	60,623	91,683	15,134	344,435	(9,094)	335,340
Segment profit (loss) (Operating profit)	7,133	4,164	11,106	(317)	22,086	135	22,222
Profit for the period	-	-	-	-	-	-	22,137

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 three months ended March 31 2016 (Jan. 1 through Mar. 31, 2016)	For the three months ended March 31, 2017 (Jan. 1 through Mar. 31, 2017)
Gains on sale of non-current assets	105	280
Others	517	735
Total	622	1,016

Other Expenses

(Unit: millions of yen)

	For the three months ended March 31 2016 (Jan. 1 through Mar. 31, 2016)	For the three months ended March 31, 2017 (Jan. 1 through Mar. 31, 2017)
Foreign exchange loss	(398)	(2,507)
Losses on disposal of non-current assets	(486)	(477)
Expenses for restructuring programs	(381)	(66)
Others	(1,548)	(204)
Total	(2,815)	(3,256)

(Notes on Significant Subsequent Events)

Cancellation of treasury shares

At the Board of Directors Meeting held on May 9, 2017, the Company resolved to cancel its treasury stock pursuant to the provisions of Article 178 of the Companies Act.

- i. Type of shares to be cancelled: common shares
- ii. Total number of shares to be cancelled: 10,817,000 shares
- iii. Scheduled cancellation date: May 31, 2017
- iv. Total number of outstanding shares (after cancellation): 1,175,888,905 shares

(Others)

i. Consolidation of shares and change in share unit

At the Board of Directors meeting held on October 31, 2016, the Company resolved to submit a proposal for share consolidation to its 92nd Ordinary General Meeting of Shareholders to be held on March 30, 2017. At the same time, the Company resolved a change in share unit contingent on the approval of the proposal regarding the share consolidation at the Ordinary General Meeting of Shareholders. The proposal regarding the share consolidation was approved at the Ordinary General Meeting of Shareholders. By following this approval, the number of share unit of the common shares will change from 1,000 shares to 100 shares, and also, every five shares held by shareholders recorded in the register of shareholders as of the end of June 30, 2017 will be consolidated into one share on July 1, 2017.

Effect on per share information

Assuming that the share consolidation had taken place at the start of the previous period, per share information for the three months ended March 31, 2016 and 2017 would be as follows.

	For the three months ended March 31, 2016 (Jan. 1 through Mar. 31, 2016)	For the three months ended March 31, 2017 (Jan. 1 through Mar. 31, 2017)
Basic earnings per share (yen)	38.23	86.66
Diluted earnings per share (yen)	38.08	86.25

ii. Refund for withholding tax

AGC's subsidiary in Singapore has claimed a refund for part of the withholding tax related to the dividend paid by AGC's subsidiary in Taiwan under the Double Taxation Avoidance Agreement between Taiwan and Singapore. The withholding tax was paid to the Taiwan Government from 2014 to 2016. This claim was accepted and the AGC Group received notification of the tax refund on March 10, 2017. The amount of tax refund was 5,947 million yen, and therefore the income tax expenses in the first quarter of the fiscal year 2017 has decreased.