

TRANSLATION FOR REFERENCE PURPOSES ONLY

This is a translation of the Notice of Ordinary General Meeting of Shareholders dated March 5, 2015, and is prepared for reference purposes only. In the event of any discrepancy between the original Japanese and this translation, the Japanese text shall prevail.

**Notice of the 90th Ordinary General Meeting of Shareholders
(Held on March 27, 2015)**

Asahi Glass Company, Limited

(Security Code: 5201)

Contents

Notice of the 90th Ordinary General Meeting of Shareholders	4
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Attachment to the Notice of the 90th Ordinary General Meeting of Shareholders:

Business Report	6
1. Current Status of the AGC Group	6
2. Matters concerning the Company Shares	17
3. Matters concerning Stock Acquisition Rights of the Company	18
4. Matters concerning the Company Officers	21
5. Matters concerning Independent Accountants	31
6. Corporate Policy over Internal Control	32

Consolidated Financial Statements	35
Consolidated Statements of Financial Position	35
Consolidated Statements of Profit or Loss	36
Consolidated Statements of Changes in Equity	37
Notes to the Consolidated Financial Statements	39

Independent Accountants' Report on Consolidated Financial Statements	48
---	-----------

Non-Consolidated Financial Statements	50
Balance Sheets	50
Statements of Income	52
Statements of Changes in Net Assets	53
Notes to the Non-Consolidated Financial Statements	55

Independent Accountants' Report on Non-Consolidated Financial Statements	59
---	-----------

Board of Corporate Auditors' Report	61
--	-----------

Reference (Overview of Consolidated Statements of Cash Flows)	63
--	-----------

Reference Documents for the General Meeting of Shareholders:

Agenda Items and Reference Items

Item No. 1: Appropriation of retained earnings 64

Item No. 2: Election of Seven Directors 65

Item No. 3: Election of Two Corporate Auditors 70

Item No. 4: Delegation to the Board of Directors of the authority to decide matters concerning the offering of stock acquisition rights issued as stock options to employees of the Company and Directors and employees of the Company’s subsidiaries. 72

Exercise of Voting Rights through the Internet: Guidance 77

March 5, 2015

Kazuhiko Ishimura
Representative Director,
Asahi Glass Co., Ltd.
1-5-1, Marunouchi, Chiyoda-ku, Tokyo

Notice of the 90th Ordinary General Meeting of Shareholders

To Our Shareholders;

It is our pleasure to invite you to the 90th Ordinary General Meeting of Shareholders of Asahi Glass Co., Ltd. (hereinafter the “Company”) to be held as described below. If you are unable to attend the meeting in person, you may exercise your voting rights by using either of the following methods. Please review the attached Reference Documents for the General Meeting of Shareholders first and then exercise your voting rights.

Exercise of Voting Rights through Postal Mail

Please return the enclosed ballot form indicating your approval or disapproval of the proposals so that it is received no later than 5:00 p.m. on Thursday, March 26, 2015.

Exercise of Voting Rights through the Internet

Please exercise your voting rights via the Internet no later than 5:00 p.m. on Thursday, March 26, 2015 following the “Exercise of Voting Rights through the Internet: Guidance” described on pages 77-78 of this notice.

Meeting Details

- 1. Date and time:** 10:00 a.m. on Friday, March 27, 2015
- 2. Place:** Aoi, 2nd Floor, Palace Hotel Tokyo
1-1-1, Marunouchi, Chiyoda-ku, Tokyo

3. Agenda:

Items to be Reported:

- (1) The Business Report and the Consolidated Financial Statements for the 90th Fiscal Year (from January 1 to December 31, 2014), and audit reports with respect to the consolidated financial statements by the Company's Independent Accountants and the Board of Corporate Auditors
- (2) The Non-Consolidated Financial Statements for the 90th Fiscal Year (from January 1 to December 31, 2014)

Items to be Resolved:

- Item No. 1:** Appropriation of retained earnings
- Item No. 2:** Election of Seven Directors
- Item No. 3:** Election of Two Corporate Auditors
- Item No. 4:** Delegation to the Board of Directors of the authority to decide matters concerning the offering of stock acquisition rights issued as stock options to employees of the Company and Directors and employees of the Company's subsidiaries.

4. Exercise of Voting Rights

If you exercise your voting rights by both postal mail and Internet, the Internet vote shall be considered the valid vote. In the event that you cast your vote on the same agenda more than once using the Internet, the last vote cast shall be considered the valid vote.

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- If you attend the meeting in person, please submit the enclosed ballot form to the receptionist.
 - If any corrections to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements or Financial Statements are made, such corrections shall be posted on the Internet at the Company's website (<http://www.agc.com/english/ir/index.html>).

(Attachment to the Notice of the 90th Ordinary General Meeting of Shareholders)

Business Report

(from January 1 to December 31, 2014)

1. Current Status of the AGC Group

(1) Business summary and results

During the fiscal year under review, the global economic environment surrounding the AGC Group (the Company and its consolidated subsidiaries) continued to recover at a moderate pace. Specifically, while economic growth decelerated in China and other emerging countries, the economic conditions in Europe continued to pick up and the consumer spending in the United States maintained its stability. In Japan, the economy made a gradual recovery as business confidence was restored due to economic measures taken by the government and other factors.

In such a business environment, the AGC Group posted net sales of 1,348.3 billion yen, 28.3 billion yen or 2.1% increase from the previous fiscal year due to increased shipments of glass products, centering on automotive glass, and chemicals, as well as the continued depreciation of yen. However, the AGC Group was affected mainly by sales price declines of LCD glass substrates and sales price declines in Eastern Europe of architectural glass, by price increases of fuels and raw materials, and by reduced profitability in some foreign subsidiaries due to the depreciation of yen. As a result, operating profit decreased by 17.8 billion yen or 22.2 % to 62.1 billion yen from the previous fiscal year. Profit before tax decreased by 3.2 billion yen or 7.3% to 41.2 billion yen from the previous fiscal year. Profit for the year attributable to owners of the parent decreased by 0.2 billion yen or 1.4% to 15.9 billion yen from the previous fiscal year.

(Consolidated business results for the fiscal year under review)

Net sales:	1,348.3 billion yen	(up 2.1% from the previous year)
Operating profit:	62.1 billion yen	(down 22.2% from the previous year)
Profit before tax:	41.2 billion yen	(down 7.3% from the previous year)
Profit for the year attributable to owners of the parent:	15.9 billion yen	(down 1.4% from the previous year)

An overview by segment for the fiscal year under review is as follows.

Glass

Shipments of architectural glass increased from the previous fiscal year in all regions. Sales prices as a whole remained robust, while the sales price levels remained below the levels of the previous fiscal year in Eastern Europe. Sales of architectural glass increased from the previous fiscal year, reflecting the depreciation of yen.

In the automotive glass business, the AGC Group's shipments increased, as auto production as a whole remained robust despite decreases in some regions. Sales increased from the previous fiscal year, reflecting the depreciation of yen.

As a result of the above, net sales from the Glass Operations for the fiscal year were 712.7 billion yen, up 45.4 billion yen or 6.8% increase from the previous fiscal year. Operating profit/loss improved by 13.6 billion yen to 0.6 billion yen from the previous fiscal year, mainly due to the effects of structural reforms in the European architectural glass business in addition to increased sales of architectural and automotive glass.

Electronics

Shipments of LCD glass substrates and specialty glass for display applications increased from the previous fiscal year; however, their sales prices decreased from the previous fiscal year. Shipments of products related to plasma display panel decreased significantly as major customers terminated display panel production. Regarding electronic materials, shipments of both optoelectronics materials and semiconductor-related products increased from the previous fiscal year.

As a result of the above, net sales from the Electronics Operations for the fiscal year were 297.7 billion yen, down 48.3 billion yen or 14.0% decrease from the previous fiscal year. Operating profit was 36.2 billion yen, down 37.9 billion yen or 51.1% decrease from the previous fiscal year due to the price decline of LCD glass substrates and the reduction of profitability in some foreign subsidiaries due to the depreciation of yen.

Chemicals

Sales from chlor-alkali products and urethane materials increased from the previous fiscal year, due to robust shipments in Japan and Asia. In the category of fluorine products and specialty products, shipments of both fluorinated resins, and pharmaceutical and agrochemical intermediates and active ingredients remained robust, resulting in an increase in sales from the previous fiscal year.

As a result of the above, net sales from the Chemicals Operations for the fiscal year were 317.2 billion yen, up 26.6 billion yen or 9.1% increase from the previous fiscal year, and operating profit was 24.1 billion yen, up 6.4 billion yen or 35.8% increase from the previous fiscal year.

Other than the above, the AGC Group produces and sells ceramic products etc., and net sales thereof were 80.8 billion yen, up 2.3 billion yen or 2.9% increase from the previous fiscal year, and operating profit was 1.1 billion yen, down 0.2 billion yen or 12.7% decrease from the previous fiscal year.

(Net sales and operating profit by segment)

(Unit: billions of yen)

Segment	Net sales	Comparison with the previous fiscal year	Operating profit	Comparison with the previous fiscal year
Glass	712.7	+6.8%	0.6	
Electronics	297.7	-14.0%	36.2	-51.1%
Chemicals	317.2	+9.1%	24.1	+35.8%
Ceramics /Others	80.8	+2.9%	1.1	-12.7%
(Adjustments)	▲ 60.2		0.2	
Total (Consolidated basis)	1,348.3	+2.1%	62.1	-22.2%

Note:

Adjustments include the eliminations of net sales and operating profit related to intersegment transactions.

(2) Capital investment

In the fiscal year under review, the AGC Group conducted capital investment totaling 118.2 billion yen, which were spent on extended facilities in Indonesia to produce chlor-alkali products (Chemicals segment), etc.

(3) Funding

In the fiscal year under review, the AGC Group managed funding by using its own capital, through bank borrowings, as well as by issuing commercial paper.

(4) Corporate Reorganizations, etc.

AGC Flat Glass North America, a subsidiary of the Company, transferred as of December 29, 2014 its commercial fabrication glass business in the United States.

(5) Trends in assets and gains/losses

(Unit: billions of yen except per share amounts)

	IFRSs		
	88th Fiscal Year (reference) (January 2012 through December 2012)	89th Fiscal Year (January 2013 through December 2013)	90th Fiscal Year (for the fiscal year under review) (January 2014 through December 2014)
Net sales	1,190.0	1,320.0	1,348.3
Operating profit	101.8	79.9	62.1
Profit before tax	75.0	44.4	41.2
Profit for the year attributable to owners of the parent	48.4	16.1	15.9
Basic earnings per share (yen)	41.90	13.97	13.77
Equity attributable to owners of the parent	908.3	1,087.2	1,113.1
Equity attributable to owners of the parent per share (yen)	786.01	940.69	963.04
Total assets	1,916.4	2,120.6	2,077.3

	J-GAAP(Japanese Accounting Standards)	
	87th Fiscal Year (January 2011 through December 2011)	88th Fiscal Year (January 2012 through December 2012)
Net sales	1,214.7	1,190.0
Operating income	165.7	92.9
Ordinary income	166.7	86.6
Net income	95.3	43.8
Net income per share (yen)	81.90	37.88
Net assets	850.5	996.9
Net assets per share (yen)	698.51	815.04
Total assets	1,691.6	1,899.4

Note:

Beginning in the 89th Fiscal Year, the AGC Group has prepared the Consolidated Financial Statements based on the IFRSs, pursuant to the provision of Article 120, Paragraph 1 of the Ordinance for Companies Accounting. For reference, we have described financial figures for the 88th Fiscal Year prepared in accordance with the IFRSs.

(6) Issues to be addressed

The AGC Group formulated its group vision **“Look Beyond,”** under which we regard “Innovation and Operational Excellence,” “Diversity,” “Environment,” and “Integrity” as the most important values to be shared by the entire AGC Group.

Focusing on these values, we will tackle the following issues.

<< New Management Policy, *AGC plus* >>

In consideration of changes in the management structure, the AGC Group has established ***AGC plus*** as its new management policy.

AGC plus

The AGC Group adds a “plus” by:

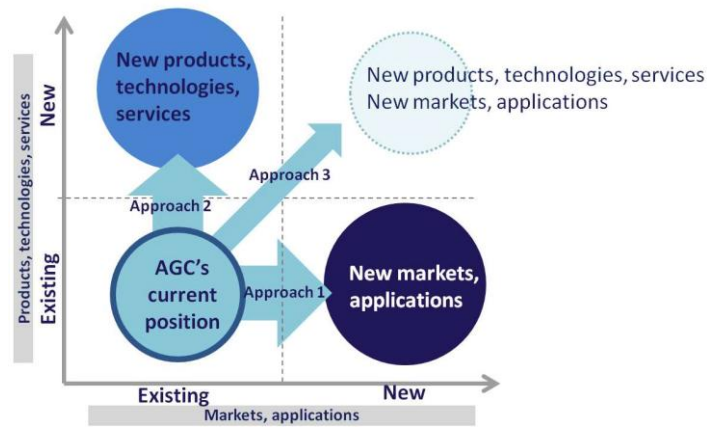
- Providing safety, security and comfort to society;
- Creating new value and functions for customers and business partners and building trust with them;
- Enhancing job satisfaction among employees; and
- Increasing the AGC Group’s corporate value for investors.

<To enhance the AGC Group’s corporate value>

●Increase the AGC Group’s sales by leveraging the AGC Group’s diverse resources and opportunities from a market-oriented perspective

The strength of the AGC Group is its diverse resources and opportunities: technologies and production facilities for glass, electronics, chemicals and ceramics; a wide-range of market access such as architectural, automobile, display and electronic industries; offices and plants across the world; and extensive human resources.

So far, ideas have tended to be come up with mostly based on technological standpoints of each business. Going forward, the AGC Group will strive to increase sales with the following three approaches by taking a market-oriented viewpoint and maximizing the AGC Group’s diverse resources and opportunities.



■ Approach 1: Explore new markets with existing products

The first approach is to expand existing products, technologies and services into new areas, markets and applications. The AGC Group will push forward with development of new markets and applications for existing products beyond the domains of each business, by fully utilizing its extensive technologies and access to markets.

■ Approach 2: Explore existing markets with new products

The second approach is to launch new products, technologies and services for existing markets and applications. The AGC Group will not only provide new products to existing markets, but also unite all technologies of the AGC Group to create new products without limiting the technologies to a technical basis specific to each business.

■ Approach 3: Explore new markets with new products

The third approach is to provide new products, technologies and services to new markets and applications. Though providing new products to new markets is a relatively difficult initiative among the three approaches, the AGC Group will focus on business development in this area from a long-term perspective.

● **Increase the AGC Group’s asset efficiency through well-focused allocation of management recourses**

The AGC Group will clarify the strategic direction for each business based on the portfolio that has been created based on the profitability and growth potential of each business, and allocate management resources in a well-focused manner.

	Growth	Cash generator	Strength building area
Glass	-Automotive glass	-Architectural glass (Fast growing countries)	-Architectural glass (Developed countries)
Electronics	-Electronic materials -Glass for chemical strengthening -Ultra thin glass	-LCD glass	
Chemicals	-Chlor-Alkali (Outside Japan) -Fluorichemicals -Life science		-Chlor-Alkali (Japan)

■Glass:

In the architectural glass business, the AGC Group will continue its strength-building efforts and structural reform. With regard to future development, the AGC Group will endeavor to increase asset efficiency and improve earnings by proactively using joint ventures rather than persistently trying to use the AGC Group's own resources. In the automotive glass business, we will solidify the AGC Group's market position as the global leader.

■Electronics:

In the LCD glass business, the AGC Group will shift the production capacity to China which is growing rapidly, and reduce costs and keep the profitability. In the applied glass materials business, the AGC Group will provide thin, light and strong glass in various markets, including electronics, architectural, automotive and solar applications. In the electronic materials business, the AGC Group will maintain growth by concentrating the management resources in areas with growth potential.

■Chemicals:

In the chlor-alkali business outside Japan, the AGC Group will take in the demand expansion of the growing Southeast Asian market. In the fluorochemicals business, the AGC Group will steadily grow on the globally increasing demand for high-performance materials. In the life science business, the AGC Group will strive to increase sales by focusing on the expanding pharmaceutical and agrochemical market.

Under its new management policy, **AGC plus**, the AGC Group aims at earnings recovery and sustainable growth by adding a "plus" to all stakeholders.

(7) Main business (as of December 31, 2014)

Segment	Main Products
Glass	Float flat glass, Figured glass, Polished wired glass, Low-E glass, Fabricated glass for architectural use (Heat Insulating/shielding glass, Safety glass, Fire-resistant glass, Security glass, etc.), Automotive tempered glass, Automotive laminated glass, Glass for solar power system, Fabricated glass for industrial use, Decorative glass, etc.
Electronics	Glass substrate for display devices, Specialty glass for display applications, Display related materials, Optical membranes, Optoelectronics materials, Synthetic quartz glass, Glass frit and paste, Materials for semiconductor manufacturing equipment, Lighting glass products, etc.
Chemicals	Raw materials for vinyl chloride polymer, Caustic soda, Urethane materials, Gases, Solvents, Fluorinated resins, Water and oil repellents, Pharmaceutical and agrochemical intermediates and active ingredients, Iodine-related products, etc.
Ceramics/ Others	Ceramic products, etc.

(8) Major offices and plants of the AGC Group (as of December 31, 2014)

The Company's major offices and plants are as follows. The Company's subsidiaries are as described in "(9) Major subsidiaries."

Name	Location	Name	Location
Head Office	Tokyo Prefecture	Aichi Plant	Aichi Prefecture
Kansai Plant	Hyogo Prefecture	Kashima Plant	Ibaraki Prefecture
Amagasaki Factory	Hyogo Prefecture	Sagami Plant	Kanagawa Prefecture
Takasago Factory	Kanagawa Prefecture	Research Center	Kanagawa Prefecture
Keihin Plant	Chiba Prefecture		
Chiba Plant			

(9) Major subsidiaries (as of December 31, 2014)

Subsidiary name	Location	Capital	Voting rights held by the Company (%)	Main business
Glass				
AGC Glass Kenzai Co., Ltd.	Tokyo Prefecture	¥450 million	100.0	Production and sales of flat glass, fabricated glass for architectural use and building materials
AGC Glass Products Co., Ltd.	Tokyo Prefecture	¥1,287 million	70.0	Production and sales of fabricated glass for architectural use, and cutting and sales of flat glass
Asahimas Flat Glass	Indonesia	217 billion rupiah	43.9	Production and sales of flat glass, automotive glass and fabricated glass for industrial use
AGC Flat Glass North America	U.S.A.	US\$1,258 million	100.0 (*)	Production and sales of flat glass and automotive glass
AGC Glass Brazil	Brazil	620 million real	100.0 (*)	Production and sales of flat glass and automotive glass
AGC Automotive Europe	Belgium	68 million euros	100.0 (*)	Production and sales of automotive glass
AGC Glass Europe	Belgium	346 million euros	100.0	Production and sales of flat glass
AGC Flat Glass Czech	Czech Republic	3,560 million koruna	100.0 (*)	Production and sales of flat glass
AGC Flat Glass Klin	Russia	4,259 million rubles	100.0 (*)	Production and sales of flat glass
AGC Bor Glassworks	Russia	418 million rubles	92.6 (*)	Production and sales of flat glass and automotive glass

Subsidiary name	Location	Capital	Voting rights held by the Company (%)	Main business
Electronics				
AGC Techno Glass Co., Ltd.	Shizuoka Prefecture	¥7,233 million	100.0	Production and sales of glass products for illumination, industrial use, laboratory and other medical uses, and production of optical membranes
AGC Display Glass Yonezawa Co., Ltd.	Yamagata Prefecture	¥400 million	100.0	Production and sales of glass for electronics
AGC Display Glass Taiwan	Taiwan	NT\$3,120 million	100.0 (*)	Production and sales of glass for electronics
AGC Display Glass (Shenzhen)	China	¥14,200 million	100.0	Production and sales of glass for electronics
Asahi Glass Fine Techno Korea	South Korea	227,000 million won	100.0 (*)	Production and sales of glass for electronics
Chemicals				
Ise Chemicals Corporation	Tokyo Prefecture	¥3,599 million	53.2	Production and sales of iodine-related products and metallic compounds, extraction and sales of natural gas
Asahimas Chemical	Indonesia	US\$63 million	52.5	Production and sales of caustic soda, raw materials for vinyl chloride polymer
Ceramics/Others				
AGC Ceramics Co., Ltd.	Tokyo Prefecture	¥3,500 million	100.0	Production and sales of various ceramic products
AGC Finance Co., Ltd.	Tokyo Prefecture	¥800 million	100.0	Factoring services for domestic affiliates
AGC Singapore Services	Singapore	US\$88 million	100.0	Procurement of funds and financing services for affiliates in Asia, and holding of shares in affiliates
AGC America	U.S.A.	US\$1,689 million	100.0	Holding of shares in affiliates in North America, and information collection
AGC Capital	U.S.A.	US\$20 million	100.0 (*)	Procurement of funds and financing for affiliates in North America

Note:

*indicates that the ratio includes investment through subsidiaries

(10) Employees (as of December 31, 2014)

Segment	Number of employees
Glass	31,253
Electronics	11,170
Chemicals	5,262
Ceramics/Others	3,429
Total (Consolidated basis)	51,114

Note:

Number of employees of the Company is 6,132.

(11) Major Lenders (as of December 31, 2014)**(Unit: billions of yen)**

Lenders	Outstanding balance of debt
Mitsubishi UFJ Trust and Banking Corporation	80.4
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	50.5
Meiji Yasuda Life Insurance Company	47.1
Mizuho Bank, Ltd.	23.1

2. Matters concerning the Company Shares (as of December 31, 2014)

(1) Number of authorized shares: 2,000,000,000 shares

(2) Number of outstanding shares: 1,186,705,905 shares

Note: The number of outstanding shares includes 30,863,312 shares of treasury shares.

(3) Number of shareholders: 80,557

(4) Major shareholders (Top 10)

Shareholder	Number of shares held	Percentage of shares held
	1,000 shares	%
The Master Trust Bank of Japan, Ltd. (Trust account)	54,084	4.68
Meiji Yasuda Life Insurance Company	48,078	4.16
Japan Trustee Services Bank, Ltd. (Trust account)	38,852	3.36
Tokio Marine & Nichido Fire Insurance Co., Ltd.	33,080	2.86
Barclays Securities Japan Limited	30,000	2.60
Nippon Life Insurance Company	27,471	2.38
The Asahi Glass Foundation	23,230	2.01
Mitsubishi Estate Co., Ltd.	22,703	1.96
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	20,686	1.79
Trust & Custody Services Bank, Ltd. (Investment trust collateral account)	19,909	1.72

Notes:

1. In addition to the above, there are 30,863,312 shares of treasury shares held by the Company.
2. Percentage of shares held is calculated excluding treasury shares.

3. Matters concerning Stock Acquisition Rights of the Company

(1) Outline of stock acquisition rights held by officers (as of December 31, 2014)

An outline of stock acquisition rights held by officers is as follows.

Date of issue	Issue price per share	Exercise price per share	Exercise period for the stock acquisition rights	Status of rights held by officers	Type and number of shares to be granted upon exercise of rights
July 2, 2007 (Stock Compensation-type Stock Option)	¥1,446	¥1	July 3, 2007 through July 2, 2037	Directors: 2 persons; 20 stock acquisition rights Corporate Auditor: 1 person; 10 stock acquisition rights	Company's ordinary shares: 30,000 shares
July 1, 2008 (Stock Compensation-type Stock Option)	¥1,006	¥1	July 2, 2008 through July 1, 2038	Directors: 3 persons; 49 stock acquisition rights Corporate Auditor: 1 person; 7 stock acquisition rights	Company's ordinary shares: 56,000 shares
July 1, 2009 (Stock Compensation-type Stock Option)	¥487	¥1	July 2, 2009 through July 1, 2039	Directors: 3 persons; 133 stock acquisition rights Corporate Auditor: 1 person; 21 stock acquisition rights	Company's ordinary shares: 154,000 shares
July 1, 2010 (Stock Compensation-type Stock Option)	¥620	¥1	July 2, 2010 through July 1, 2040	Directors: 3 persons; 92 stock acquisition rights Corporate Auditor: 1 person; 12 stock acquisition rights	Company's ordinary shares: 104,000 shares

Date of issue	Issue price per share	Exercise price per share	Exercise period for the stock acquisition rights	Status of rights held by officers	Type and number of shares to be granted upon exercise of rights
July 1, 2011 (Stock Compensation-type Stock Option)	¥620	¥1	July 2, 2011 through July 1, 2041	Directors: 3 persons; 111 stock acquisition rights Corporate Auditor: 1 person; 15 stock acquisition rights	Company's ordinary shares: 126,000 shares
July 1, 2011 (Ordinary-type Stock Option)	Gratis	¥964	July 1, 2014 through June 30, 2020	Director: 1 person; 5 stock acquisition rights	Company's ordinary shares: 5,000 shares
July 2, 2012 (Stock Compensation-type Stock Option)	¥253	¥1	July 3, 2012 through July 2, 2042	Directors: 4 persons; 306 stock acquisition rights Corporate Auditor: 1 person; 38 stock acquisition rights	Company's ordinary shares: 344,000 shares
July 1, 2013 (Stock Compensation-type Stock Option)	¥355	¥1	July 2, 2013 through July 1, 2043	Directors: 4 persons; 182 stock acquisition rights	Company's ordinary shares: 182,000 shares
July 1, 2014 (Stock Compensation-type Stock Option)	¥388	¥1	July 2, 2014 through July 1, 2044	Directors: 4 persons; 205 stock acquisition rights	Company's ordinary shares: 205,000 shares

Notes:

1. No outside Directors are included in the Directors of the above table, as no outside Directors hold stock acquisition rights issued by the Company.
2. All of the stock acquisition rights held by the Corporate Auditor were granted to him when he was an executive officer.

(2) Stock acquisition rights granted to employees and other persons during the fiscal year under review

An outline of stock acquisition rights granted by the Company to employees and other persons during the fiscal year under review is as follows.

Date of issue	Issue price per share	Exercise price per share	Exercise period for the stock acquisition rights	Status of grant to employees and other parties	Type and number of shares to be granted upon exercise of rights
July 1, 2014 (Stock Compensation-type Stock Option)	¥388	¥1	July 2, 2014 through July 1, 2044	Executive Officers who do not serve concurrently as Directors of the Company: 18 persons; 439 stock acquisition rights	Company's ordinary shares: 439,000 shares
July 1, 2014 (Ordinary-type Stock Option)	Gratis	¥607	July 1, 2017 through June 30, 2023	Employees of the Company: 72 persons; 330 stock acquisition rights	Company's ordinary shares: 330,000 shares
December 26, 2014 (Stock Compensation-type Stock Option)	¥370	¥1	December 27, 2014 through December 26, 2044	Executive Officer who does not serve concurrently as Directors of the Company: 1 person; 84 stock acquisition rights	Company's ordinary shares: 84,000 shares

(3) Total number of stock acquisition rights, etc. (as of December 31, 2014)

The total number of stock acquisition rights, etc. at the end of the fiscal year under review is as follows.

- a. Total number of stock acquisition rights: 5,702
- b. Type and number of shares to be granted upon exercise of rights
Company's ordinary shares: 5,702,000 shares

4. Matters concerning the Company Officers

(1) Directors and Corporate Auditors (as of December 31, 2014)

Title	Name	Responsibility and Significant Concurrent Positions
* Director (President & CEO)	Kazuhiko Ishimura	Overall Business Management (AGC Group Improvement Activities, Electronics Business and Business Development)
* Director (Senior Executive Vice President)	Yuji Nishimi	
Director (Senior Executive Officer)	Takashi Fujino	
Director (Senior Executive Officer)	Yoshinori Hirai	
Director	Masahiro Sakane	
Director	Hiroshi Kimura	
Director	Masako Egawa	
Corporate Auditor (full-time)	Shukichi Umemoto	
Corporate Auditor (full-time) (Outside Corporate Auditor)	Izumi Tamai	
Corporate Auditor (Outside Corporate Auditor)	Kenji Haga	
Corporate Auditor (Outside Corporate Auditor)	Toru Hara	Overall Business Management (Finance); GM of Office of the President Overall Business Management (Technology); GM of Technology General Division; Deputy Leader of AGC Group Improvement Activities and Business Development Councilor to Komatsu Ltd. Special Adviser of Japan Tobacco Inc. Executive Vice President of the University of Tokyo

Notes:

- * denotes a Representative Director of the Company.
- Yoshinori Hirai, Masako Egawa and Toru Hara were newly appointed as Director and Corporate Auditor respectively on March 28, 2014.
- Corporate Auditor Shukichi Umemoto has considerable knowledge about finance and accounting through many years of experience in the accounting sector of the Company.
- Corporate Auditor Izumi Tamai has considerable knowledge about finance and accounting through extensive experience in financial institutions.
- Corporate Auditor Toru Hara has considerable knowledge about finance and accounting through extensive experience in Bank of Japan.
- The details of significant concurrent positions held by outside officers are specified in “(2) Outside officers.”
- Yoshiaki Tamura and Hajime Sawabe retired from their positions as Director on March 28, 2014. Shigeru Hikuma retired from his position as Corporate Auditor on March 28, 2014.
- The Company has reported Directors of the Company, Masahiro Sakane, Hiroshi Kimura and Masako Egawa, and Corporate Auditors of the Company, Izumi Tamai, Kenji Haga and Toru Hara to Tokyo Stock Exchange, Inc. as independent officers.

9. The following changes were made to certain officers' titles and responsibilities as of January 1, 2015.

Title	Name	Responsibility and Significant Concurrent Positions
* Director & Chairman	Kazuhiko Ishimura	
* Director (Senior Executive Vice President)	Yuji Nishimi	Assistant to CEO
Director (Senior Executive Officer)	Takashi Fujino	Assistant to CEO
Director (Senior Executive Officer)	Yoshinori Hirai	Overall Business Management (Technology and Business Development); GM of Technology General Division; Oversight of Electronics Company and Applied Glass Materials General Division; Deputy Leader of AGC Group Improvement Activities

Note:

* denotes a Representative Director of the Company.

(Reference) Executive Officers (as of January 1, 2015)

Title	Name	Responsibility
President & CEO	Takuya Shimamura	
* Senior Executive Vice President	Yuji Nishimi	Assistant to CEO
Executive Vice President	Yoshiaki Tamura	President of Glass Company
Senior Executive Officer	Marehisa Ishiko	GM of Automotive General Division, Glass Company
Senior Executive Officer	Jean-François Heris	GM of Building & Industrial General Division, Glass Company; President & CEO of AGC Glass Europe
* Senior Executive Officer	Takashi Fujino	Assistant to CEO
Senior Executive Officer	Yasumasa Nakao	GM of Technology General Division, Glass Company
* Senior Executive Officer	Yoshinori Hirai	Overall Business Management (Technology and Business Development); GM of Technology General Division; Oversight of Electronics Company and Applied Glass Materials General Division; Deputy Leader of AGC Group Improvement Activities
Senior Executive Officer	Tetsuo Tatsuno	GM of Finance & Control Office
Senior Executive Officer	Shinji Miyaji	Overall Business Management (Finance); GM of Office of the President; Deputy Leader of AGC Group Improvement Activities
Senior Executive Officer	Yoshinori Kobayashi	President of Electronics Company
Senior Executive Officer	Masao Nemoto	President of Chemicals Company
Executive Officer	Tadayuki Oi	GM of Strategy & Planning Office, Glass Company
Executive Officer	Shinichi Kawakami	GM of Human Resources & Administration Office
Executive Officer	Tokio Matsuo	GM of CSR Office
Executive Officer	Akinobu Shimao	President of AGC Ceramics Co., Ltd.
Executive Officer	Tomoya Takigawa	GM of Production Technology Center, Technology General Division
Executive Officer	Takashi Shimbo	Chief Representative of AGC Group for China
Executive Officer	Kimikazu Ichikawa	Chief Representative of AGC Group for Southeast Asia

Title	Name	Responsibility
Executive Officer	Kazuyoshi Watanabe	GM of Display Glass General Division, Electronics Company
Executive Officer	Kihachiro Okamoto	Deputy GM of Automotive General Division, Glass Company
Executive Officer	Shigekuni Inoue	GM of Applied Glass Materials General Division
Executive Officer	Hiroyuki Watanabe	GM of Research Center, Technology General Division
Executive Officer	Takayasu Ide	GM of Technology Management General Division, Chemicals Company
Executive Officer	Seigo Washinoue	Deputy GM of Display Glass General Div. , Electronics Company; GM of Marketing & Sales Management Div., Display Glass General Div., Electronics Company
Executive Officer	Kazuaki Koga	GM of Essential Chemicals General Div., Chemicals Company
Executive Officer	Kenzo Moriyama	Group Leader of Corporate Planning Group, Office of the President
Executive Officer	Takashizu Minato	GM of Performance Chemicals General Div., Chemicals Company
Executive Officer	Masahiro Takeda	Deputy GM of Building & Industrial General Div., Glass Company; GM of Japan/Asia Pacific Div., Building & Industrial General Div., Glass Company

Note:

Executive Officers marked with an asterisk serve concurrently as Directors.

(2)Outside officers

1) Significant concurrent positions held by outside officers in other companies and the relationships between these companies and the Company (as of December 31, 2014)

Position	Name	Significant concurrent positions
Outside Directors	Masahiro Sakane	Councilor to Komatsu Ltd. Outside Director of Tokyo Electron Limited. Outside Director of Nomura Holdings, Inc. Outside Director of Nomura Securities Co., Ltd. Outside Director of Takeda Pharmaceutical Company Limited
	Hiroshi Kimura	Special Adviser of Japan Tobacco Inc.
	Masako Egawa	Executive Vice President of the University of Tokyo

Notes:

1. Outside Corporate Auditors Izumi Tamai, Kenji Haga and Toru Hara hold no significant concurrent positions.
2. The Company has no special relationships of interest with companies in which outside officers hold concurrent positions. All of the outside officers meet the Company's standards for independence of outside officers. For details of these standards, please refer to page 69.

2) Major activities in the fiscal year under review

a. Outside Directors

Name	Participation in Board of Directors meetings	Activities
Masahiro Sakane	13 times out of 13	By making good use of his abundant experience in corporate management, such as driving an aggressive expansion of the construction machinery business in emerging countries, Masahiro Sakane actively asked questions and made proposals from his professional viewpoint at Board of Directors meetings. Thus, he fully fulfilled his management oversight function.
Hiroshi Kimura	13 times out of 13	By making good use of his abundant experience in corporate management, such as vigorously expanding operations globally corresponding to changes in the business environment, Hiroshi Kimura actively asked questions and made proposals from his professional viewpoint at Board of Directors meetings. Thus, he fully fulfilled his management oversight function.
Masako Egawa	9 times out of 10	By making good use of her abundant experience at global financial institutions and extensive knowledge of corporate management, such as the experience of research on the management and corporate governance of Japanese companies, Masako Egawa actively asked questions and made proposals from her professional viewpoint at Board of Directors meetings. Thus, she fully fulfilled her management oversight function.

Note:

The total number of Board of Directors meetings that Masako Egawa was able to attend is different from that of other Directors, as she was appointed to the position of Director on March 28, 2014.

b. Outside Corporate Auditors

Name	Participation in Board of Directors meetings	Participation in Board of Corporate Auditors meetings	Activities
Izumi Tamai	13 times out of 13	13 times out of 13	By making good use of many years of experience in financial institutions and extensive knowledge of finance and accounting, Izumi Tamai made comments, when necessary, at Board of Directors meetings and Board of Corporate Auditors meetings. He also conducted audits of every division and office as well as inspected every subsidiary, according to the audit policy formulated by the Board of Corporate Auditors. As a full-time Corporate Auditor, he fully performed his audit functions.
Kenji Haga	13 times out of 13	13 times out of 13	By making good use of many years of experience in research and development activities on various functional components at NOK Corporation, and involvement in corporate management etc., Kenji Haga made comments, when necessary, at Board of Directors meetings and Board of Corporate Auditors meetings. He also conducted audits of every division, according to the audit policy formulated by the Board of Corporate Auditors. Thus, he fully performed his audit functions.
Toru Hara	10 times out of 10	10 times out of 10	By making good use of many years of experience in the Bank of Japan, experience in a financial institution as the Full-time Corporate Auditor and extensive knowledge about financial and other affairs, Toru Hara made comments, when necessary, at Board of Directors meetings and Board of Corporate Auditors meetings. He also conducted audits of every division, according to the audit policy formulated by the Board of Corporate Auditors. Thus, he fully performed his audit functions.

Note:

The total number of Board of Directors meetings and Board of Corporate Auditors meetings that Toru Hara was able to attend is different from that of other Corporate Auditors, as he was appointed to the position of Corporate Auditor on March 28, 2014.

3) Outline of liability limitation contracts

The Company has executed a contract with each outside officer to limit his liability arising under Article 423, Paragraph 1 of the Corporation Law to the sum of the amounts prescribed in each Item of Article 425, Paragraph 1 of the Corporation Law.

(3) Compensation and other emoluments for Directors and Corporate Auditors

1) Compensation and other emoluments for Directors and Corporate Auditors: number of recipients and amount of payment

	Number of recipients and amount of payment		Breakdown					
			Fixed compensation		Performance-linked compensation			
			Monthly compensation		Bonus (Amount of bonuses for the fiscal year under review)		Stock Compensation-type stock options	
	Number of recipients	Amount of payment	Number of recipients	Amount of payment	Number of recipients	Amount of payment	Number of recipients	Amount of payment
Directors	persons	¥million	persons	¥million	persons	¥million	persons	¥million
	9	394	9	250	5	64	4	79
Outside Directors	4	48	4	48	—	—	—	—
Corporate Auditors	5	93	5	93	—	—	—	—
Outside Corporate Auditors	4	57	4	57	—	—	—	—

Notes:

1. “Number of recipients and amount of payment” and “Monthly compensation” include compensation for two Directors (including one outside Director) and one Corporate Auditor (outside Corporate Auditor) who retired from their positions at the close of the 89th Ordinary General Meeting of Shareholders held on March 28, 2014. “Bonus” includes a bonus for one Director who retired from his position at the close of the same meeting.
2. Composition of compensation for Directors and Corporate Auditors is as follows.

	Type of compensation		Eligible persons	Maximum compensation
Directors	Fixed compensation	Monthly compensation	All Directors	Up to ¥500 million per year (Approved at the 82nd Ordinary General Meeting of Shareholders on March 29, 2007)
	Performance-linked compensation	Performance-linked bonus	Directors who also serve as executive officers	(Of the above maximum compensation, ¥65 million per year for outside Directors. Approved at the 86th Ordinary General Meeting of Shareholders on March 30, 2011)
		Stock Compensation-type stock options	Directors excluding outside Directors	Up to ¥130 million per year (Approved at the 82nd Ordinary General Meeting of Shareholders on March 29, 2007)
Corporate Auditors	Fixed compensation	Monthly compensation	All Corporate Auditors	Up to ¥96 million per year (Approved at the 82nd Ordinary General Meeting of Shareholders on March 29, 2007)

2) Policy for determining compensation and other emoluments for officers

a. Details of compensation policy

i. Basic philosophy on compensation system

In its Compensation Principles, the Company sets out its basic stances and philosophies on overall compensation for officers as follows.

- The compensation system shall be one that enables the Company to attract, secure and reward diverse and talented personnel, in order to establish and expand the Company's edge over its peers.
- The compensation system shall be one that promotes continued improvement of corporate value, and in this way allows shareholders and management to share gains.
- The compensation system shall be one that gives motivations to achieve performance goals relating to management strategies for the AGC Group's continuous development.
- The decision-making process of determining compensations shall be objective and highly transparent.

ii. Composition of compensation

Compensation for the Company's officers consists of "Monthly compensation" as a fixed compensation and performance-linked compensation, such as "Bonuses" and "Stock Compensation-Type Stock Options." The amount of the Bonuses, which is aimed at motivating the Company's recipients to achieve their single-fiscal-year business results goals, varies depending on consolidated business results (including cash flows and economic value added (EVA)) for a single fiscal year. The Stock Compensation-Type Stock Options are intended to allow recipients to share benefits and risks associated with stock price fluctuations with our shareholders, and enhance their motivation and morale so as to raise business results and corporate value on a medium to long term basis.

Compensation consists of monthly compensation, Bonuses and Stock Compensation-Type Stock Options for Directors who also serve as Executive Officers, and monthly compensation and Stock Compensation-Type Stock Options for Directors who do not concurrently serve as executive officers and are not outside Directors. Meanwhile, only monthly compensation is paid for outside Directors and Corporate Auditors.

iii. Compensation level

The Compensation Committee verifies the level of compensation for the Company's officers by analyzing compensation data of major manufacturing companies obtained from the data compiled by a third-party organization, and comparing the said data with the Company's compensation level.

b. Compensation determination method

The Compensation Committee deliberates on matters such as the compensation system and level for Directors and Executive Officers, based on the Compensation Principles, makes proposals regarding them to the Board of Directors, and verifies the results of compensation payment, in order to increase the objectivity and transparency of the compensation determination process.

5. Matters concerning Independent Accountants

(1) Name:

KPMG AZSA LLC

(2) Compensation, etc.

Independent accountant's compensation for the fiscal year under review	¥76 million
(Amount of compensation for services that do not fall within Article 2, Paragraph 1 of the Certified Public Accountants Law)	(¥0 million)
Total amount of cash and other property profits to be paid by the Company and its subsidiaries to the independent accountant	¥138 million

Notes:

1. In the audit agreement between the Company and the independent accountant, the amounts of compensation for conducting auditing services in accordance with the Corporation Law and auditing in accordance with the Financial Instruments and Exchange Law are not separated, and the above amounts contain compensation and other remuneration for auditing services under the Financial Instruments and Exchange Law.
2. The Company pays compensation to the independent accountant for agreed procedural services, which do not fall within Article 2, Paragraph 1 of the Certified Public Accountants Law (i.e., non-audit services).
3. Of the major subsidiaries of the Company, AGC America, AGC Glass Europe and 13 other companies undergo audits by auditing firms other than the above-named independent accountant of the Company.

(3) Policy on decisions to either dismiss or not reappoint independent accountants

The Board of Corporate Auditors, by unanimous agreement, will dismiss the independent accountant if it is confirmed that the independent accountant falls under any item of Article 340 Paragraph 1 of the Corporation Law, and the Board determines it is necessary to dismiss that accountant.

After giving full consideration to the independent accountant's execution of its duties and various circumstances, the Board of Directors will, with the agreement of the Board of Corporate Auditors, or as requested by the Board of Corporate Auditors, submit to a general meeting of shareholders (when necessary) a proposal to dismiss or not reappoint the independent accountant.

6. Corporate Policy over Internal Control

The outline of the Board of Directors' resolution on the Company's basic policy for internal control is as follows.

(1) System to ensure compliance with relevant laws and the Articles of Incorporation (Compliance Program)

The AGC Group defines "Integrity" as one of the most important shared values in its vision **"Look Beyond"** and will continue to improve and strengthen its compliance program. More specifically, the AGC Group intends to establish a global Compliance Leader and a Compliance Committee tasked with planning, formulating and executing measures to ensure that business activities comply with applicable laws and corporate ethics. The AGC Group also plans to establish the "Code of Conduct (AGC Group Code of Conduct)" and implement educational and training activities on compliance.

The AGC Group intends to establish a contact point (helpline) for whistle-blowing and consulting on compliance matters. Meanwhile, all employees will be obliged to submit a written personal certificate every year that they will comply with the Code of Conduct. The actual status of compliance and other related matters will be reported to the Board of Directors periodically. The Internal Audit Office will conduct internal audits based on an annual auditing plan and other programs.

(2) Information retention and management system with respect to business operations by Directors (Information retention/management system)

The Company shall retain and manage important documents and information pursuant to applicable laws and internal rules. Confidentiality of important documents and information shall be maintained in accordance with the Company's basic policies for information security and personal information protection.

(3) Rules to manage risk of damage and other systems (Risk management system)

The AGC Group will formulate the "AGC Group Enterprise Risk Management Basic Policies," a basic policy for the AGC Group's risk management system, and establish risk control and crisis response systems. With regard to the risk management, important risk factors for the AGC Group will be specified in accordance with the relevant internal rules and the state of risk management shall be discussed periodically by the Management Committee and the Board of Directors. Regarding individual risks associated with business activities, each responsible division shall analyze such risks and discuss necessary countermeasures. If necessary and appropriate, the Management Committee and the Board of Directors shall deliberate the matters as well.

Each responsible division will be asked to formulate and announce respective guidelines for risks such as those associated with compliance, the environment, accidents, and product quality,

and conduct training sessions and internal audits whenever necessary.

As for crisis response, the AGC Group will prepare for unforeseen events that could seriously affect its operating results and financial conditions by establishing a crisis management report line and a system where initial measures can be taken speedily and appropriately in accordance with its internal rules.

(4) System to ensure efficient business execution by Directors (System for efficient business execution)

As its basic policy for establishing a corporate governance structure, the Company shall clearly separate the management oversight function and the business execution function, and will aim to reinforce management oversight and make quick decisions during business execution.

The Board of Directors, including outside Directors, shall decide on important matters and oversee the Company's business performance with regard to management oversight. The Company shall establish a Nomination Committee and a Compensation Committee (both non-statutory) to promote objectivity in the evaluation and selection of, and decision-making on compensation packages with respect to, Directors and executive officers.

Responsibility and authority for business execution shall be delegated to each Internal Company, or other body, in accordance with certain standards under the Internal Company System and the Executive Officer System. These business operations shall be managed and evaluated based on specific indicators for performance management.

Business operations shall be implemented in accordance with decision-making rules, including job description and business authorization rules, and periodically verified by internal audit.

(5) System to ensure fair and legal business transactions of the Company and its subsidiaries (Management system for AGC Group companies)

Certain important matters concerning the Company's subsidiaries shall be discussed by the Management Committee and the Board of Directors of the Company. The AGC Group plans to establish a Compliance Committee chaired by a Global Compliance Leader, establish global common compliance rules and country/region specific rules in the Code of Conduct (AGC Group Code of Conduct) and establish an AGC Group compliance system.

The internal audit system, compliance system and legal administration system of the AGC Group shall be established.

The current status of compliance related matters shall be periodically reported to the Board of Directors.

The Internal Audit Office and the internal audit staff in each region shall conduct internal audits on the Company's subsidiaries. They shall report the results of these audits promptly to the President & CEO and periodically to the Board of Directors.

In accordance with the Financial Instruments and Exchange Law in Japan and in order to

ensure creditability of AGC Group's financial report, the AGC Group shall establish a compliance system for financial reporting through establishing the "AGC Group Internal Control over Financial Reporting Implementation Regulations."

(6) Matters regarding Corporate Auditors

- a. Matters regarding staff to assist the Corporate Auditors in their activities in the event of requests from the Corporate Auditors for such assistance

The Company intends to set up the office of the Board of Corporate Auditors whose staff shall support Corporate Auditors in their activities.

- b. Matters regarding independence of Corporate Auditors' staff from Directors

Any change of staff in the above-mentioned office and the performance evaluation of such staff shall be subject to the consent of the Board of Corporate Auditors.

- c. System for reporting to the Corporate Auditors by Directors and employees and other systems regarding reporting to the Corporate Auditors

Directors and employees shall report to the Corporate Auditors any event that may violate laws and regulations or the articles of incorporation of the Company, or that which may cause substantial damage to the Company and other matters provided in relevant internal rules.

- d. Other systems to ensure effective audits by Corporate Auditors

Corporate Auditors shall attend important meetings such as meetings of the Management Committee. In addition, Representative Directors and Corporate Auditors shall hold meetings periodically.

The Company intends to establish a system in which Corporate Auditors can enhance the effectiveness of their audits through periodic meetings with internal audit divisions, such as the Internal Audit Office, and through cooperation with independent accountants and other parties.

*In this Business Report, amounts less than 100 million yen are rounded up or down to the nearest 100 million yen with five one-tenths or more of 100 million yen to be considered 100 million yen when they are indicated by the unit of a billion yen, and amounts less than 1 million yen are discarded when they are indicated by the unit of a million yen.

Consolidated Statements of Financial Position

(Unit: millions of yen)

	90th Fiscal Year (as of Dec. 31, 2014)	(Reference) 89th Fiscal Year (as of Dec. 31, 2013)
Assets	2,077,338	2,120,629
Current Assets	627,178	682,179
Cash and cash equivalents	69,655	132,649
Trade receivables	262,091	260,901
Inventories	239,497	236,611
Other receivables	37,036	35,446
Income tax receivables	7,607	7,305
Other current assets	11,289	9,265
Non-Current Assets	1,450,159	1,438,450
Property, plant and equipment	1,066,193	1,059,946
Goodwill	36,269	34,944
Intangible assets	25,844	27,272
Investments accounted for using equity method	44,184	39,336
Other financial assets	236,057	243,053
Deferred tax assets	35,804	29,743
Other non-current assets	5,805	4,154
Total Assets	2,077,338	2,120,629
Liabilities	896,847	975,484
Current Liabilities	355,999	448,018
Trade payables	131,147	135,559
Short-term interest-bearing debt	63,694	57,068
Long-term interest-bearing debt due within one year	33,508	125,618
Other payables	103,621	98,669
Income tax payables	5,775	15,055
Provisions	3,779	2,438
Other current liabilities	14,472	13,609
Non-Current Liabilities	540,847	527,465
Long-term interest-bearing debt	402,054	392,327
Deferred tax liabilities	21,145	29,267
Post-employment benefit liabilities	99,687	86,505
Provisions	12,554	14,147
Other non-current liabilities	5,405	5,217
Total Liabilities	896,847	975,484
Equity	1,180,490	1,145,145
Total Equity Attributable to Owners of the Parent	1,113,126	1,087,216
Share capital	90,873	90,873
Capital surplus	100,670	100,650
Retained earnings	641,866	641,740
Treasury shares	(29,784)	(29,884)
Other components of equity	309,501	283,835
Non-Controlling Interests	67,364	57,929
Total Equity	1,180,490	1,145,145
Total Liabilities and Equity	2,077,338	2,120,629

Consolidated Statements of Profit or Loss

(Unit: millions of yen)

	90th Fiscal Year (from Jan. 1 to Dec. 31, 2014)	(Reference) 89th Fiscal Year (from Jan. 1 to Dec. 31, 2013)
Net Sales	1,348,308	1,320,006
Cost of Sales	(1,016,479)	(971,031)
Gross Profit	331,829	348,974
Selling, General and Administrative Expenses	(272,295)	(270,087)
Share of Profit (Loss) of Associates and Joint Ventures Accounted for Using Equity Method	2,597	1,007
Operating Profit	62,131	79,894
Other Income	12,218	4,176
Other Expenses	(30,334)	(38,235)
Business Profit	44,016	45,835
Finance Income	5,662	5,137
Finance Costs	(8,514)	(6,591)
Net Finance Costs	(2,852)	(1,453)
Profit before Tax	41,163	44,381
Income Tax Expenses	(20,688)	(25,358)
Profit for the year	20,475	19,023
Attributable to:		
Owners of the Parent	15,913	16,139
Non-Controlling Interests	4,561	2,883

Consolidated Statements of Changes in Equity

Fiscal Year 2014 (from January 1, 2014 to December 31, 2014)

(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 at beginning of year	90,873	100,650	641,740	(29,884)	(25,940)	90,441
Changes in equity						
Comprehensive income						
Profit for the year	—	—	15,913	—	—	—
Other comprehensive income	—	—	—	—	(14,919)	(3,610)
Total comprehensive income for the year	—	—	15,913	—	(14,919)	(3,610)
Transactions with owners						
Dividends	—	—	(16,181)	—	—	—
Increase through treasury shares transactions	—	—	—	(29)	—	—
Decrease through treasury shares transactions	—	0	(34)	128	—	—
Changes in ownership interests in subsidiaries that do not result in loss of control	—	(166)	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	428	—	—	(428)
Share-based payment transactions	—	185	—	—	—	—
Others (business combinations and others)	—	—	—	—	—	—
Total transactions with owners	—	19	(15,787)	99	—	(428)
Balance at end of year	90,873	100,670	641,866	(29,784)	(40,859)	86,402

(Unit: millions of yen)

	Equity Attributable to Owners of the Parent				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	Total			
Balance at beginning of year	(69)	219,403	283,835	1,087,216	57,929	1,145,145
Changes in equity						
Comprehensive income						
Profit for the year	—	—	—	15,913	4,561	20,475
Other comprehensive income	(665)	45,289	26,094	26,094	3,511	29,605
Total comprehensive income for the year	(665)	45,289	26,094	42,007	8,073	50,080
Transactions with owners						
Dividends	—	—	—	(16,181)	(652)	(16,833)
Increase through treasury shares transactions	—	—	—	(29)	—	(29)
Decrease through treasury shares transactions	—	—	—	94	—	94
Changes in ownership interests in subsidiaries that do not result in loss of control	—	—	—	(166)	(789)	(956)
Transfer from other components of equity to retained earnings	—	—	(428)	—	—	—
Share-based payment transactions	—	—	—	185	—	185
Others (business combinations and others)	—	—	—	—	2,803	2,803
Total transactions with owners	—	—	(428)	(16,097)	1,361	(14,735)
Balance at end of year	(734)	264,693	309,501	1,113,126	67,364	1,180,490

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

(Reference) Fiscal Year 2013 (from January 1, 2013 to December 31, 2013)

(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 at beginning of year	90,873	100,423	655,421	(30,076)	(48,996)	48,402
Changes in equity						
Comprehensive income						
Profit for the year	—	—	16,139	—	—	—
Other comprehensive income	—	—	—	—	23,056	42,295
Total comprehensive income for the year	—	—	16,139	—	23,056	42,295
Transactions with owners						
Dividends	—	—	(30,047)	—	—	—
Increase through treasury shares transactions	—	—	—	(44)	—	—
Decrease through treasury shares transactions	—	—	(29)	237	—	—
Changes in ownership interests in subsidiaries that do not result in loss of control	—	100	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	256	—	—	(256)
Share-based payment transactions	—	126	—	—	—	—
Others (business combinations and others)	—	—	—	—	—	—
Total transactions with owners	—	227	(29,820)	192	—	(256)
Balance at end of year	90,873	100,650	641,740	(29,884)	(25,940)	90,441

(Unit: millions of yen)

	Equity Attributable to Owners of the Parent					Non-Controlling Interests	Total Equity
	Other Components of Equity			Total	Total		
	Net gain (loss) in fair value of cash flow hedges	Exchange differences on translation of foreign operations	Total				
Balance at beginning of year	174	92,083	91,663	908,304	52,443	960,747	
Changes in equity							
Comprehensive income							
Profit for the year	—	—	—	16,139	2,883	19,023	
Other comprehensive income	(244)	127,319	192,428	192,428	4,331	196,759	
Total comprehensive income for the year	(244)	127,319	192,428	208,567	7,214	215,782	
Transactions with owners							
Dividends	—	—	—	(30,047)	(549)	(30,597)	
Increase through treasury shares transactions	—	—	—	(44)	—	(44)	
Decrease through treasury shares transactions	—	—	—	208	—	208	
Changes in ownership interests in subsidiaries that do not result in loss of control	—	—	—	100	(2,079)	(1,978)	
Transfer from other components of equity to retained earnings	—	—	(256)	—	—	—	
Share-based payment transactions	—	—	—	126	—	126	
Others (business combinations and others)	—	—	—	—	900	900	
Total transactions with owners	—	—	(256)	(29,656)	(1,728)	(31,384)	
Balance at end of year	(69)	219,403	283,835	1,087,216	57,929	1,145,145	

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

Notes to the Consolidated Financial Statements

I. Significant Accounting Policies

1. Accounting standards of consolidated financial statements

The consolidated financial statements of the Company and its consolidated subsidiaries (the "AGC Group" or the "Group"), which comprise the consolidated statements of financial position, the consolidated statements of profit or loss and the consolidated statements of changes in equity, have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and in compliance with Paragraph 1 of Article 120 of the Company Accounting Regulations. The second sentence of Paragraph 1 of Article 120 prescribes the omission of certain disclosures required by IFRSs.

2. Scope of consolidation

Number of consolidated subsidiaries: 194

Major subsidiaries:

AGC Techno Glass Corporation, Ise Chemicals Corporation, AGC Glass Europe S.A. and AGC Flat Glass North America, Inc.

3. Application of equity method

Number of affiliated companies: 36

Major investments accounted for using equity method:

Asahi Tostem Exterior Building Materials Co., Ltd. and Schott-Flat Glass B.V.

4. Accounting standards

(1) Changes in Accounting Policies

The followings are the accounting standards and interpretations applied by the Group from the fiscal year 2014. These standards and interpretations do not have a material impact on the Group's consolidated financial statements.

Standards	Title	Summary of new standards and amendments
IAS 32	Financial Instruments: Presentation	Clarification of criteria for offsetting financial assets and liabilities and addition of application guidance
IAS 36	Impairment of Assets	Disclosure of recoverable amounts for non-financial assets
IAS 39	Financial Instruments: Recognition and Measurement	Continuing hedge accounting after derivative novations
IFRIC 21	Levies	Recognition of liabilities related to levies
IFRS 10 IFRS 12 IAS 27	Consolidated Financial Statements Disclosure of Interests in Other Entities Separate Financial Statements	Accounting for investments held by investment entities

(2) Early adoption of new standards

The AGC Group has early adopted IFRS 9 *Financial Instruments* (published in November 2009, amended in October 2010).

(3) Valuation of non-derivative financial assets

1) Financial assets measured at amortized cost:

Financial assets are classified as financial assets measured at amortized cost if the following two conditions are met:

- The foregoing financial assets are held within a Group business model whose objective is to hold the assets in order to collect contractual cash flows from the assets; and
- The contractual terms of the foregoing financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2) Financial assets measured at fair value through other comprehensive income:

The Group designates equity instruments as financial assets measured at fair value through other comprehensive income when an irrevocable election has been made on initial recognition to measure the gains and losses arising from change in the fair value of such instruments in other comprehensive income, and when such instruments are not classified as financial assets measured at amortized cost.

When the foregoing financial assets measured at fair value through other comprehensive income are derecognized, the cumulative gains or losses are reclassified from other components of equity to retained earnings.

(4) Valuation of derivative financial instruments

The AGC Group holds derivative financial instruments to hedge foreign exchange risk, interest risk and commodity price risk.

The Group initially recognizes derivative financial instruments at fair value, with the related transaction costs recognized in profit or loss when incurred. After initial recognition, derivative financial instruments are measured at fair value, with changes in fair value accounted for as follows, depending on whether or not derivatives qualify for hedge accounting:

- Derivatives not qualifying for hedge accounting

Changes in the fair value of derivative financial instruments which do not qualify for hedge accounting are recognized in profit or loss.

- Derivatives qualifying for hedge accounting

The effective portion of gains or losses on hedging instruments is recognized in other comprehensive income. The amounts recognized in other comprehensive income are reclassified to profit or loss in the reporting periods when the cash flows of the hedged items affect profit or loss. The ineffective portion of changes in the fair value of

hedging instruments is recognized in profit or loss.

(5) Valuation of inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories is measured based on the moving average method, and includes costs of purchase and costs of conversion (including fixed and variable manufacturing overheads). Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(6) Depreciation and amortization of assets

1) Property, plant and equipment (including leased assets):

Depreciation of property, plant and equipment is computed by the straight-line method.

2) Intangible assets (including leased assets):

Amortization of intangible assets is computed by the straight-line method.

(7) Basis for recognizing provisions

A provision is recognized when the AGC Group has a reasonably estimable legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of the time value of money is material, the estimated future cash flows are discounted to the present value using a pre-tax rate that reflects the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance costs.

(8) Employment benefits

Post-employment benefit plans comprise defined benefit plans and defined contribution plans.

1) Defined benefit plans

The obligations for defined benefit plans are recognized as the present value of defined benefit obligations less the fair value of any plan assets.

The present value of defined benefit obligations is calculated annually by qualified actuaries using the projected unit credit method. The discount rates are based on the market yields of high quality corporate bonds at the end of each reporting period that have terms consistent with the discount period, which is established as the estimated term of the post-employment benefit obligations through to the estimated dates for payments of future benefits in every fiscal year.

Actuarial gains and losses are recognized immediately in other comprehensive income when incurred, while past service costs and gains or losses on settlement are recognized in profit or loss.

2) Defined contribution plans

Expenses related to post-employment benefits for defined contribution plans are recognized as an expense at the time of contribution.

(9) Revenue

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, less returns, trade discounts and volume rebates. The Group recognizes revenue from the sale of goods when: the Group has transferred to the buyer the significant risks and rewards of ownership of the goods; it is probable that the economic benefits associated with the transaction will flow to the Group; the costs incurred or to be incurred in respect of the transaction and the possibility of product returns can be estimated reasonably; the Group does not retain continuing managerial involvement over the goods sold; the amount of revenue can be measured reliably.

(10) Operating profit and Business profit

"Operating profit" in the Group's 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.

(11) Translation into Japanese yen of foreign currency denominated assets or liabilities

Foreign currency transactions are translated into the respective functional currencies by applying the rates of exchange prevailing at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the prevailing exchange rates at the reporting date. Exchange differences are recognized as profit or loss. Exchange differences for any gains or losses on the assets and liabilities recognized in other comprehensive income are recognized in other comprehensive income.

Non-monetary assets and liabilities are translated at the exchange rate at the date of the transaction.

Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on the acquisition of foreign operations, are translated into Japanese yen at the exchange rates prevailing at the reporting date. Income and expenses of foreign operations are translated into Japanese yen at the average exchange rate for the period.

(12) Hedge accounting method

1) Hedge accounting method:

Cash flow hedges

2) Hedging instruments and hedged items:

Hedging instruments: commodity swap contracts

Hedged items: fuel etc.

3) Basic rules and policies for hedging:

The Group uses derivative financial instruments to reduce their exposure to market

risks from fluctuation in commodity prices that may occur in the ordinary course of business.

4) Assessment of hedge effectiveness:

The effectiveness of hedges is assessed by comparing the cumulative total of the market changes in the hedged item with the cumulative total of the market changes in the hedging instrument, during the period from the start of hedging to the assessment.

(13) Goodwill

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Impairment test of goodwill is performed annually, regardless of any indication of impairment. Impairment loss for goodwill is not reversed in subsequent periods.

(14) Others

1) Accounting for consumption tax

Consumption tax is not included in the amounts of respective revenue and cost or expense items.

2) Application of consolidated taxation system

The Company has adopted the consolidated tax return system for the calculation of income taxes.

3) Amounts concerning financial statements

Amounts below one million yen are rounded down.

II. Notes to the Consolidated Statements of Financial Position

1. Assets pledged as collaterals

Property, plant and equipment: 2,753 million yen

Debt secured by collateral: 11,044 million yen

The shares of consolidated subsidiaries amounting to ¥20,593 million which are eliminated on consolidation are also pledged.

2. Allowance for doubtful accounts directly deducted from assets:

Trade receivables: 6,104 million yen

Other financial assets: 3,546 million yen

3. Accumulated depreciation and impairment losses on property, plant and equipment:

1,942,386 million yen

4. Guaranteed obligation:

228 million yen

III. Notes to the Consolidated Statements of Profit or Loss

1. Other Income

		(Unit: millions of yen)
Foreign exchange gains		4,954
Gains on sale of non-current assets		3,822
Others		3,441
	Total	<u>12,218</u>

2. Other Expenses

(Unit: millions of yen)

Losses on disposal of non-current assets	(5,070)
Impairment losses	(860)
Expenses for restructuring programs	(19,200)
Others	(5,202)
Total	(30,334)

IV. Notes to the Consolidated Statements of Changes in Equity

1. Type and number of outstanding shares

Number of outstanding shares as of December 31, 2014:

Ordinary share: 1,186,705,905 shares

2. Dividends

(1) Dividend payments

Date of approval	Type of shares	Total amount of dividends	Dividends per share	Record date	Effective date
March 28, 2014 Ordinary General Meeting of Shareholders	Ordinary shares	¥5,778 million	¥5.00	December 31, 2013	March 31, 2014
July 31, 2014 Board of Directors meeting	Ordinary shares	¥10,402 million	¥9.00	June 30, 2014	September 8, 2014

(2) Dividends whose record date is attributable to the year ended December 31, 2014 but to be effective after the said year

An agenda will be submitted, as follows, concerning the year-end dividends in the appropriation of retained earnings for approval at the Ordinary General Meeting of Shareholders to be held on March 27, 2015.

Total amount of dividends: 10,402 million yen
 Resource of dividends: Retained earnings
 Dividends per share: 9.00 yen
 Record date: December 31, 2014
 Effective date: March 30, 2015

3. Share subscription rights

(1) Share subscription rights are presented as a part of capital surplus.

(2) Number of shares subject to the share subscription rights

Category	Share subscription rights issued	Type of shares	Number of shares as of December 31, 2014
Asahi Glass Company, Ltd.	Share subscription rights issued in July 2007 (Compensation-Type Stock Option)	Ordinary shares	153,000 shares
	Share subscription rights issued in July 2008 (Compensation-Type Stock Option)	Ordinary shares	176,000 shares
	Share subscription rights issued in July 2009 (Compensation-Type Stock Option)	Ordinary shares	546,000 shares
	Share subscription rights issued in July 2009 (Ordinary-Type Stock Option)	Ordinary shares	70,000 shares
	Share subscription rights issued in July 2010 (Compensation-Type Stock Option)	Ordinary shares	376,000 shares
	Share subscription rights issued in September 2010 (Ordinary-Type Stock Option)	Ordinary shares	188,000 shares
	Share subscription rights issued in July 2011 (Compensation-Type Stock Option)	Ordinary shares	430,000 shares

	Share subscription rights issued in July 2011 (Ordinary-Type Stock Option)	Ordinary shares	176,000 shares
	Share subscription rights issued in July 2012 (Compensation-Type Stock Option)	Ordinary shares	1,020,000 shares
	Share subscription rights issued in March 2013 (Compensation-Type Stock Option)	Ordinary shares	278,000 shares
	Share subscription rights issued in July 2013 (Compensation-Type Stock Option)	Ordinary shares	592,000 shares
	Share subscription rights issued in July 2014 (Compensation-Type Stock Option)	Ordinary shares	644,000 shares
	Share subscription rights issued in December 2014 (Compensation-Type Stock Option)	Ordinary shares	84,000 shares

V. Notes to Financial Instruments

1. Status of financial instruments

(1) Policy for financial instruments

The AGC Group manages funds using only safe financial assets with high liquidity, and implements stable and low-cost fund procurement by utilizing the capital market such as taking out borrowings from financial institutions or issuing corporate bonds. The Group uses derivative transactions only to evade risks accompanying its business activities, including exchange-rate fluctuation risks, interest-rate fluctuation risks and product price fluctuation risks, and does not enter into derivative transactions for speculative purposes.

(2) Details of financial instruments, their risks and their risk management system

Trade notes and accounts receivable, which are operating receivables, are exposed to the credit risks of customers. To manage these risks, each Group company performs due date controls and balance controls for each customer, and identifies and mitigates risks regarding the collection of receivables caused by factors such as deterioration of financial conditions at an early stage, in accordance with each company's credit management rules.

Other receivables are other miscellaneous receivables and others.

Financial assets measured at fair value through other comprehensive income are equity instruments which are included in other financial assets. These are mainly shares of companies which the Group does business with, and such instruments are exposed to the market price fluctuation risks. To manage these risks, the Group regularly monitors the market value condition and whether such securities are necessary for its operations.

Most of the Group's trade notes and accounts payable, which are operating payables, are due within one year.

Other payables are other miscellaneous payables and others.

Borrowings and corporate bonds are exposed to liquidity risks. The Group manages these risks by diversifying fund procurement methods, establishing commitment lines with various financial institutions, and keeping an appropriate balance between direct and indirect fund procurements and a proper mixture of short-term and long-term borrowings and corporate bonds. Floating-interest rate borrowings are exposed to interest-rate fluctuation risks. For some long-term floating-rate borrowings, the Group uses interest rate swap transactions to avoid the interest-rate fluctuation risks and convert the floating rates into fixed rates.

Moreover, the AGC Group operates businesses globally, and is therefore exposed to currency

risks associated with transactions undertaken in currencies other than individual functional currency. To manage currency risk, the Group hedges currency risk with forward exchange contracts and currency swap agreements.

Derivative transactions are executed and managed in accordance with the internal rules that stipulate the authority of transactions. Outstanding derivatives and the position of gain or loss on derivatives are regularly reported to the top management. In those derivative transactions, the Group uses only creditworthy financial institutions to reduce credit risks.

(3) Supplementary explanation about fair values of financial instruments

The fair values of financial instruments include values based on market prices and reasonably calculated values if market prices are unavailable. As variable assumptions are incorporated into the calculation of said values, they may vary if different assumptions are used.

2. Fair values of financial instruments

The carrying amounts and fair values of financial instruments as of December 31, 2014 are as follows:

(Unit: millions of yen)

	Carrying amount	Fair value
Cash and cash equivalents	69,655	69,655
Trade receivables	262,091	262,091
Other receivables	25,435	25,435
Other financial assets		
Financial assets measured at fair value through other comprehensive income	219,081	219,081
Others	16,627	16,627
Trade payables	131,147	131,147
Other payables	84,507	84,507
Interest-bearing debts		
Borrowings	400,304	408,067
Commercial paper	24,425	24,425
Corporate bonds	69,859	73,360
Lease obligations	4,667	4,667
Derivatives(*)	(2,723)	(2,723)
Other non-current liabilities		
Other financial liabilities	36	36

(*) Receivables and payables arising from derivative transactions are presented in net values. Amount in parentheses indicate payables.

(Note) Calculation method for the fair values of financial instruments

(Financial assets measured at fair value through other comprehensive income)

When market values are available, such values are used as fair values of the financial instruments. The fair values whose market values are unavailable are measured by using the method of discounted future cash flows, by third party appraisals, or by other appropriate measurement techniques.

(Borrowings)

As short-term borrowings are settled on a short-term basis, their fair values approximate their carrying amounts.

The fair values of long-term borrowings are calculated by the sum of the principal and nominal interest payments that would apply if similar borrowings were conducted anew. For long-term borrowings at floating interest rates, however, the fair values approximate the carrying amounts because the interest rates are adjusted regularly at fixed intervals.

(Corporate bonds)

Fair values of corporate bonds are calculated based on market prices.

(Derivatives)

The prices of derivatives that are indicated by financial institutions with which the Group has signed contracts are used as their fair values.

(Financial instruments other than above mentioned)

Financial instruments other than above mentioned are settled mainly on a short-term basis, and their fair values approximate their carrying amounts.

VI. Notes to Per Share Information

1. Equity attributable to owners of the parent per share	963.04 yen
2. Basic earnings per share	13.77 yen

Independent Accountants' Report on Consolidated Financial Statements

Independent Auditor's Report

February 3, 2015

The Board of Directors
Asahi Glass Company, Limited

KPMG AZSA LLC

Toshiya Mori
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Ayumu Nakajima
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Mitsutake Mamiya
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the related notes of Asahi Glass Co., Ltd. as at December 31, 2014 and for the year from January 1, 2014 to December 31, 2014 in accordance with Article 444-4 of the Companies Act.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the latter part of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required by International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above, which were prepared in accordance with the latter part of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required by International Financial Reporting Standards, present fairly, in all material respects, the financial position and the results of operations of Asahi Glass Co., Ltd. and its consolidated subsidiaries for the period, for which the consolidated financial statements were prepared.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Note:

Board of Corporate Auditors' Report on Consolidated Financial Statements is included in Board of Corporate Auditors' Report (please refer to page 61-62).

Balance Sheets

(Unit: millions of yen)

	90th Fiscal Year (as of Dec. 31, 2014)	(Reference) 89th Fiscal Year (as of Dec. 31, 2013)
Assets	1,247,229	1,244,448
Current Assets	360,946	353,995
Cash on hand and in banks	5,825	8,467
Trade notes receivable	4,991	6,458
Trade accounts receivable	121,005	110,120
Marketable securities	-	42,000
Finished goods	27,734	27,820
Work in process	21,369	23,584
Raw materials and supplies	19,811	20,266
Prepaid expenses	1,794	2,127
Deferred tax assets	5,424	4,822
Short-term loans receivable	119,726	83,608
Other accounts receivable	27,169	22,051
Other current assets	6,166	2,735
Allowance for doubtful debts	(74)	(68)
Non-current Assets	886,283	890,452
Tangible Fixed Assets	270,202	292,696
Buildings	70,265	72,544
Structures	19,251	19,319
Machinery and equipment	125,170	140,300
Vehicle and other transportation equipment	143	168
Tools, furniture and fixtures	6,751	6,771
Land	28,413	28,440
Leased assets	4,471	5,131
Construction in progress	15,734	20,021
Intangible Fixed Assets	7,366	8,535
Software	6,828	7,845
Other intangible fixed assets	538	690
Investments and Other Assets	608,714	589,220
Investments in securities	213,528	220,499
Investments in affiliates (stock)	252,489	263,872
Investments in affiliates (others)	86,137	74,002
Long-term loans receivable	51,613	25,604
Long-term receivables, overdue	4,019	4,120
Long-term prepaid expenses	718	1,001
Other investments	2,944	2,843
Allowance for doubtful debts	(2,737)	(2,725)
Total Assets	1,247,229	1,244,448

Balance Sheets

(Unit: millions of yen)

	90th Fiscal Year (as of Dec. 31, 2014)	(Reference) 89th Fiscal Year (as of Dec. 31, 2013)
Liabilities	634,496	663,896
Current Liabilities	301,154	312,413
Trade accounts payable	96,491	91,573
Short-term borrowings	122,390	65,910
Commercial Paper	16,000	-
Current maturities of bonds	-	40,000
Current maturities of bonds with subscription rights to shares	-	50,000
Other accounts payable	17,770	17,616
Accrued expenses	3,707	3,851
Income tax payable	-	3,669
Advances received	76	218
Deposits received	34,667	32,385
Accrued bonuses to employees	4,172	4,174
Accrued bonuses to directors	64	62
Reserve for scheduled repairs	1,477	1,847
Reserve for restructuring programs	2,355	-
Other current liabilities	1,981	1,103
Non-current Liabilities	333,341	351,483
Bonds	70,000	70,000
Long-term borrowings	205,000	218,000
Deferred tax liabilities	20,515	20,855
Accrued retirement benefits for employees	29,632	34,973
Reserve for loss on debt guarantees	1,340	254
Reserve for restructuring programs	552	552
Other non-current liabilities	6,301	6,847
Total Liabilities	634,496	663,896
Net Assets	612,733	580,551
Shareholders' Equity	526,295	490,192
Common stock	90,873	90,873
Capital surplus	91,165	91,164
Additional paid-in capital	91,164	91,164
Other capital surplus	0	-
Retained earnings	374,042	338,038
Legal reserve	22,618	22,618
Other retained earnings	351,423	315,420
Special depreciation reserve	852	1,066
Reserve for advanced depreciation of tangible fixed assets	11,490	12,055
General reserve	275,000	250,000
Retained earnings carried forward	64,080	52,298
Treasury stock, at cost	(29,784)	(29,884)
Valuation and Translation Adjustments	84,262	88,369
Unrealized gains on securities, net of tax	84,262	88,369
Share Subscription Rights	2,175	1,989
Total Net Assets	612,733	580,551
Total Liabilities and Net Assets	1,247,229	1,244,448

Statements of Income

(Unit: millions of yen)

	90th Fiscal Year (from Jan. 1 to Dec. 31, 2014)	(Reference) 89th Fiscal Year (from Jan. 1 to Dec. 31, 2013)
Net Sales	534,408	540,108
Cost of Sales	415,361	410,488
Gross Profit	119,047	129,619
Selling, General and Administrative Expenses	109,699	114,511
Operating Income	9,348	15,108
Non-operating Income	72,690	32,791
Interest income	867	581
Dividend income	63,084	25,873
Others	8,738	6,335
Non-operating Expenses	4,095	4,504
Interest expenses	3,653	4,140
Others	441	364
Ordinary Income	77,943	43,394
Extraordinary Gains	1,972	2,264
Gain on sale of properties	1,727	1,859
Gain on sale of investments in securities	152	405
Reversal of allowance for doubtful debts	93	-
Extraordinary Loss	25,849	4,708
Loss on disposal of properties	2,969	2,150
Impairment loss on long-lived assets	850	-
Loss on write-down of investments in securities	46	321
Loss on devaluation of investments in affiliates	13,594	778
Reserve for loss on debt guarantees	1,085	212
Expenses for allowance for doubtful debts	105	163
Expenses for restructuring programs	5,609	-
Expenses for special environmental protection measures	1,588	1,081
Income before Income Taxes	54,066	40,951
Income Taxes		
Current	574	3,691
Deferred	1,307	110
Net Income	52,184	37,148

Statements of Changes in Net Assets

Fiscal Year 2014 (from January 1, 2014 to December 31, 2014)

(Unit: millions of yen)

	Shareholders' Equity							
	Common Stock	Capital Surplus		Legal reserve	Retained Earnings			
		Additional paid-in capital	Other capital surplus		Other retained earnings			
					Special depreciation reserve	Reserve for advanced depreciation of tangible fixed assets	General reserve	Retained earnings carried forward
Balance at beginning of year	90,873	91,164	-	22,618	1,066	12,055	250,000	52,298
Changes during the current period								
Reversal of special depreciation reserve	-	-	-	-	(213)	-	-	213
Reversal of reserve for advanced depreciation of tangible fixed assets	-	-	-	-	-	(565)	-	565
Provision for general reserve	-	-	-	-	-	-	25,000	(25,000)
Dividends declared	-	-	-	-	-	-	-	(16,181)
Net income	-	-	-	-	-	-	-	52,184
Acquisition of treasury stock	-	-	-	-	-	-	-	-
Disposal of treasury stock	-	-	0	-	-	-	-	-
Net changes other than shareholders' equity	-	-	-	-	-	-	-	-
Total changes during the current period	-	-	0	-	(213)	(565)	25,000	11,781
Balance at end of year	90,873	91,164	0	22,618	852	11,490	275,000	64,080

(Unit: millions of yen)

	Shareholders' Equity		Valuation and Translation Adjustments	Share Subscription Rights	Total Net Assets
	Treasury stock, at cost	Total Shareholders' Equity	Unrealized gains on securities, net of tax		
Balance at beginning of year	(29,884)	490,192	88,369	1,989	580,551
Changes during the current period					
Reversal of special depreciation reserve	-	-	-	-	-
Reversal of reserve for advanced depreciation of tangible fixed assets	-	-	-	-	-
Provision for general reserve	-	-	-	-	-
Dividends declared	-	(16,181)	-	-	(16,181)
Net income	-	52,184	-	-	52,184
Acquisition of treasury stock	(29)	(29)	-	-	(29)
Disposal of treasury stock	128	129	-	-	129
Net changes other than shareholders' equity	-	-	(4,107)	185	(3,921)
Total changes during the current period	99	36,103	(4,107)	185	32,182
Balance at end of year	(29,784)	526,295	84,262	2,175	612,733

(Reference) Fiscal Year 2013 (from January 1, 2013 to December 31, 2013)

(Unit: millions of yen)

	Shareholders' Equity						
	Common Stock	Capital Surplus	Retained Earnings				
		Additional paid-in capital	Legal reserve	Other retained earnings			
				Special depreciation reserve	Reserve for advanced depreciation of tangible fixed assets	General reserve	Retained earnings carried forward
Balance at beginning of year	90,873	91,164	22,618	109	12,687	276,000	19,552
Changes during the current period							
Provision for special depreciation reserve	-	-	-	1,019	-	-	(1,019)
Reversal of special depreciation reserve	-	-	-	(62)	-	-	62
Provision for reserve for advanced depreciation of tangible fixed assets	-	-	-	-	53	-	(53)
Reversal of reserve for advanced depreciation of tangible fixed assets	-	-	-	-	(684)	-	684
Reversal of general reserve	-	-	-	-	-	(26,000)	26,000
Dividends declared	-	-	-	-	-	-	(30,047)
Net income	-	-	-	-	-	-	37,148
Acquisition of treasury stock	-	-	-	-	-	-	-
Disposal of treasury stock	-	-	-	-	-	-	(29)
Net changes other than shareholders' equity	-	-	-	-	-	-	-
Total changes during the current period	-	-	-	956	(631)	(26,000)	32,746
Balance at end of year	90,873	91,164	22,618	1,066	12,055	250,000	52,298

(Unit: millions of yen)

	Shareholders' Equity		Valuation and Translation Adjustments	Share Subscription Rights	Total Net Assets
	Treasury stock, at cost	Total Shareholders' Equity	Unrealized gains on securities, net of tax		
Balance at beginning of year	(30,076)	482,928	46,429	1,862	531,220
Changes during the current period					
Provision for special depreciation reserve	-	-	-	-	-
Reversal of special depreciation reserve	-	-	-	-	-
Provision for reserve for advanced depreciation of tangible fixed assets	-	-	-	-	-
Reversal of reserve for advanced depreciation of tangible fixed assets	-	-	-	-	-
Reversal of general reserve	-	-	-	-	-
Dividends declared	-	(30,047)	-	-	(30,047)
Net income	-	37,148	-	-	37,148
Acquisition of treasury stock	(44)	(44)	-	-	(44)
Disposal of treasury stock	237	208	-	-	208
Net changes other than shareholders' equity	-	-	41,939	126	42,066
Total changes during the current period	192	7,264	41,939	126	49,330
Balance at end of year	(29,884)	490,192	88,369	1,989	580,551

Notes to the Non-Consolidated Financial Statements

The accompanying financial statements of the Company have been prepared in accordance with the provisions set forth in the Corporation Law and its related accounting regulations, and in conformity with the accounting principles generally accepted in Japan, which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards.

I. Significant Accounting Policies

1. Valuation of assets

(1) Valuation of securities

Investments in subsidiaries and affiliates:

Investments in subsidiaries and affiliates are stated at cost based on the moving average method.

Other securities:

Securities with market value:

Securities with market value are stated at the quoted market prices prevailing at the end of the fiscal year. Differences between market value and acquisition costs are recorded as “Unrealized gains on securities, net of tax” in Net Assets. The cost of securities sold is calculated by the moving average method.

Securities without market value:

Securities without market value are mainly stated at cost determined by the moving average method.

(2) Valuation of derivative financial instruments

Derivatives are stated at fair value.

(3) Valuation of inventories

Inventories are mainly carried at cost calculated using the moving average method. They are written down to their net realizable value if their profitability declines.

2. Depreciation and amortization of fixed assets

(1) Tangible fixed assets

Depreciation is computed by the straight-line method.

(2) Intangible fixed assets

Amortization of intangible assets is computed by the straight-line method.

(3) Leased assets related to finance lease transactions not involving the transfer of ownership

Depreciation of leased assets related to finance lease transactions not involving the transfer of ownership is calculated by the straight-line method over the lease periods, which are deemed as the useful lives, assuming no residual value.

3. Basis for recognizing certain reserves and accrued expense items

(1) Allowance for doubtful debts

“Allowance for doubtful debts” is provided at an amount sufficient to cover possible losses on the collection of receivables by taking the historical loan loss ratio. For certain doubtful

receivables, the uncollectible amounts are estimated based on a review of the collectability of individual receivables.

(2) Accrued bonuses to employees

“Accrued bonuses to employees” is provided based on the estimated amount to be paid to employees after the balance sheet date for their services rendered during the current period.

(3) Accrued bonuses to directors

“Accrued bonuses to directors” is provided based on the estimated amount to be paid to directors after the balance sheet date for their services rendered during the current period.

(4) Reserve for scheduled repairs

“Reserve for scheduled repairs” is provided based on the estimated amount to be paid for the next periodic inspection of the facilities and estimated costs for repair work considering the service period until the next periodic inspection.

(5) Accrued retirement benefits for employees

Recognition of accrued retirement benefits for employees is based on actuarial valuation of projected benefit obligations and fund assets.

Past service cost is amortized on a straight-line basis over the average remaining service period of employees (13 years), from the year when it is incurred.

Actuarial gain/loss is amortized on a straight-line basis over the average remaining service period of employees (13 years), starting from the following year after incurred.

(6) Reserve for loss on debt guarantees

“Reserve for loss on debt guarantees” is provided based on the estimated value of losses that would accrue from a possible execution of loan guarantees for the Company’s affiliates.

(7) Reserve for restructuring programs

“Reserve for restructuring programs” is reasonably estimated based on costs arising from additional severance compensation program related to restructuring and restructuring of certain businesses and subsidiaries.

4. Other significant matters regarding the preparation of financial statements

(1) Accounting for consumption tax

Consumption tax is not included in the amounts of respective revenue and cost or expense items.

(2) Application of consolidated taxation system

The Company has adopted the consolidated tax return system for the calculation of income taxes.

(3) Amounts presented in financial statements

Amounts below one million yen are rounded down.

5. Changes in accounting policies

Application of “Accounting Standard for Retirement Benefits”

As applications of the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012 (hereinafter, the “Statement No. 26”)) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012 (hereinafter, the

“Guidance No. 25”) are permitted for the fiscal year beginning on April 1, 2013, the Company has applied the Statement No. 26 and the Guidance No. 25 effective January 1, 2014. Due to this application, the Company has reviewed the determination of retirement benefit obligations and current service costs and has changed the method of attributing expected benefit to periods from a straight-line basis to a benefit formula basis. Along with this, the Company has changed the method used to determine discount rates based on the average remaining service period for employees to a method that uses a single weighted average discount rate reflecting the expected payment period as well as the amount for each payment period.

As a result of the application, there was no impact to the opening balance of retained earnings and income before income taxes for the year ended December 31, 2014.

II. Notes to the Balance Sheet

1. Accumulated depreciation on tangible fixed assets:	653,353 million yen
2. Commitments and contingent liabilities	
Guarantee of loans:	124,554 million yen
3. Monetary receivables from/payables to subsidiaries and affiliates	
Short-term receivables from subsidiaries and affiliates:	177,677 million yen
Long-term receivables from subsidiaries and affiliates:	55,204 million yen
Short-term payables to subsidiaries and affiliates:	96,797 million yen

III. Notes to the Statement of Income

Transaction with subsidiaries and affiliates

Sales to subsidiaries and affiliates:	191,497 million yen
Purchases from subsidiaries and affiliates:	245,004 million yen
Non operating transactions with subsidiaries and affiliates:	61,452 million yen

IV. Notes to the Statement of Changes in Net Assets

Type and number of outstanding treasury stock as of December 31, 2014:

Common stock:	30,863,312 shares
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V. Notes to Tax Effect Accounting

Major components of deferred tax assets include loss on devaluation of investments in affiliates and accrued retirement benefits for employees. The major components of deferred tax liabilities are unrealized gains on securities and gains on establishment of trust for retirement benefits.

Adjustment of deferred tax assets and deferred tax liabilities due to changes in corporate tax rate

On March 31, 2014, the "Act on Partial Revision of the Income Tax Act, etc." (Act No.10 of 2014) was promulgated, which abolished special corporation tax for reconstruction from the fiscal year beginning on or after April 1, 2014. Accordingly, the effective tax rate used for the calculation of deferred tax assets and deferred tax liabilities was changed to 35.4% from the

previous 37.8% for temporary differences that are expected to be reversed from the year beginning on January 1, 2015. The effect due to this tax changes is immaterial.

VI. Notes to Fixed Assets used under Lease Contracts

In addition to the leased assets recorded in the Balance Sheet, office equipments such as computers are accounted for using the same method as operating lease transactions.

VII. Related Party Transactions

(Unit: millions of yen)

Attribute	Company name	Voting right ratio held	Relationship with related party	Transaction	Transaction amount	Account item	Year-end balance
Subsidiary	AGC America Inc.	Possession; Directly 100%	Holding of shares in affiliates in North America, and information collection	Lending (Note1)	55,218	Short-term loans	95,234
Subsidiary	AGC Glass Europe	Possession; Directly 100%	Production and sales of flat glass	Lending (Note2)	28,084	Long-term loans	41,808
Subsidiary	AGC Finance Co., Ltd.	Possession; Directly 100%	Factoring services for domestic affiliates	Factoring (Note3)	15,676	Trade accounts payable	31,329

Transaction amounts are exclusive of consumption tax, while year-end balances are inclusive of consumption tax.

In addition to the above, the Company uses deposits held by its subsidiaries at financial institutions as the Company's operating funds through the cash management services offered by financial institutions. The average balance is 100,804 million yen, and year-end balance is 104,390 million yen.

Notes:

1. Interest rates on loans are determined based on the market interest rates at the time of financing. The amount of loans transactions to be funded repeatedly represents average balance during the period.
2. Interest rates on loans are determined based on the market interest rates at the time of financing.
3. The amount of factoring transactions represents the monthly average transaction amount.

VIII. Notes to Per Share Information

1. Net assets per share 528.24 yen
2. Net income per share 45.15 yen

Independent Accountants' Report on Non-Consolidated Financial Statements

Independent Auditor's Report

February 3, 2015

The Board of Directors
Asahi Glass Company, Limited

KPMG AZSA LLC

Toshiya Mori
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Ayumu Nakajima
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Mitsutake Mamiya
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the financial statements, comprising the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the supplementary schedules of Asahi Glass Co., Ltd. as at December 31, 2014 and for the year from January 1, 2014 to December 31, 2014 in accordance with Article 436-2-1 of the Companies Act.

Management's Responsibility for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements and the supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supplementary schedules. The procedures selected depend on our

judgement, including the assessment of the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of Asahi Glass Co., Ltd. for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Board of Corporate Auditors' Report

Board of Corporate Auditor's Report

We, the Board of Corporate Auditors, have discussed the Company directors' business activities during the 90th fiscal year, which lasted from January 1, 2014 to December 31, 2014, based on audit reports prepared by each corporate auditor, and prepared our audit report as described below.

1. Methods and details of audits by corporate auditors and the Board of Corporate Auditors

The Board of Corporate Auditors formulated an audit policy, audit schedule, and other audit related items, received reports from each corporate auditor (on the implementation and results of audits), from the directors of the Company, the independent accountant, and other parties on the conduct of their business activities, and requested explanations from them when necessary.

In accordance with the Standards for Auditing by Corporate Auditors, the audit policy, schedule, and other audit related items that were determined by the Board of Corporate Auditors, each corporate auditor: communicated well with directors, internal audit divisions, and other bodies; gathered information and improved the audit environment; attended Board of Directors meetings and other important meetings; received reports from directors and internal audit divisions on the conduct of their business activities; requested explanations from the directors and internal audit divisions when necessary; reviewed significant approval documents; and conducted inspections at the Company's head office and other principle offices. Each corporate auditor also regularly received reports from directors and employees on the resolutions of the Board of Directors regarding the establishment of a system for ensuring that the business activities of the directors are in compliance with laws and the Articles of Incorporation of the Company. The corporate auditors also received reports on other systems needed to ensure the appropriateness of a joint-stock company's business activities, and on the construction and operations of the system (internal control system) established based on the said resolutions. Each corporate auditor verified such establishment and operations. With regard to internal control over financial reporting, we received reports from Directors, etc. and KPMG AZSA LLC on the evaluation of the said internal control and audit status, and requested explanations from them when necessary.

Each corporate auditor strove to communicate well and exchange information with directors and corporate auditors of the subsidiaries, received reports from the subsidiaries on their businesses whenever necessary, and conducted inspections at some subsidiaries. Through these methods, each corporate auditor examined the business report and the appended specifications for the fiscal year under review.

In addition, we monitored and verified whether the independent accountant implemented appropriate audits while maintaining its independent position, received reports from the independent accountant on the conduct of their operations, and requested explanations from them when we believed it necessary. We also received notification from the independent accountant, saying that it had established the "Systems to Ensure Independent Accountants' Appropriate Execution of Duties" (Article 131 of the Ordinance for Companies Accounting), and we requested explanations from it. Through these methods, we reviewed the non-consolidated financial statements (the balance sheet, the statement of income, the statement of changes in net assets and notes) and their appended specifications as well as the consolidated financial statements (the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the notes in accordance with the latter part of Article 120-1 of the Ordinance for Companies Accounting that prescribes some omissions of disclosure items required by International Financial Reporting Standards), for the fiscal year under review.

2. Conclusions of the audit

(1) Business report, etc.

- a. We find that the business report and its appended specifications fairly present the position of the Company in terms of compliance with applicable laws and ordinances as well as the Company's Articles of Incorporation.
- b. We find there was no unjust conduct or serious violation of laws and ordinances or the Company's Articles of Incorporation committed by any directors in the execution of their duties.
- c. We find that the resolutions of the Board of Directors regarding the internal control system are proper and correct. We find nothing that needs to be pointed out concerning the directors' performance of their duties regarding the internal control system.

We received reports from Directors, etc. and KPMG AZSA LLC saying that internal control over financial reporting was effective at the time of preparing this Auditor's Report.

(2) Non-consolidated financial statements and appended specifications

We find the methods and the conclusions of the audit conducted by KPMG AZSA LLC to be proper and correct.

(3) Consolidated financial statements

We find the methods and the conclusions of the audit conducted by KPMG AZSA LLC to be proper and correct.

February 5, 2015

Board of Corporate Auditors
Asahi Glass Co., Ltd.

Shukichi Umemoto
Full-time Corporate Auditor

Izumi Tamai
Full-time Corporate Auditor

Kenji Haga
Corporate Auditor

Toru Hara
Corporate Auditor

Note: Corporate Auditors, Izumi Tamai, Kenji Haga and Toru Hara are outside Corporate Auditors in accordance with Article 2-16 and Article 335, Paragraph 3 of the Corporation Law.

Reference

Overview of Consolidated Statements of Cash Flows

(Unit: millions of yen)

	90th Fiscal Year (from Jan.1 to Dec.31, 2014)	89th Fiscal Year (Reference) (from Jan.1 to Dec.31, 2013)
Net Cash From Operating Activities	135,790	167,371
Net Cash Used in Investing Activities	(108,754)	(145,978)
Net Cash Used in Financing Activities	(94,673)	(33,562)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	4,644	11,001
Changes in Cash and Cash Equivalents	(62,994)	(1,168)
Cash and Cash Equivalents at Beginning of Year	132,649	133,818
Cash and Cash Equivalents at End of Year	69,655	132,649

Reference Documents for the General Meeting of Shareholders

Agenda Items and Reference Items

Item No. 1: Appropriation of retained earnings

Based on its policy to maintain stable dividends, the Company is doing its utmost to proactively return profits to shareholders by aiming for a dividend payout ratio (consolidated) of approximately 30%, while giving comprehensive consideration to consolidated business results and future investment plans, among others. The Company will also allocate retained earnings to R&D and investment in facilities/debt and equity investment, as well as merger and acquisition activities, to strengthen its financial position and improve its corporate value.

Retained earnings for the fiscal year under review are proposed to be appropriated under this basic policy as follows.

1. Year-end dividends

In consideration of the business results for the fiscal year under review, the business environment, the outlook for future operations and other factors, the Company proposes that year-end dividends be 9 yen per share.

- (1) Matters related to appropriation of retained earnings to dividends and the total appropriated amount
 - 9 yen per share of the Company's ordinary share
 - Total amount: 10,402,583,337 yen
- (2) Effective date of payment of dividends
 - March 30, 2015

If this proposal is approved as proposed, dividends for the fiscal year under review, including interim dividends, will be 18 yen per share.

2. Appropriation of retained earnings

- (1) Item of retained earnings to be increased and the amount thereof
 - General reserve: 32,000,000,000 yen
- (2) Item of retained earnings to be decreased and the amount thereof
 - Retained earnings carried forward: 32,000,000,000 yen

Item No. 2: Election of Seven Directors

As Director Takashi Fujino will resign on March 25, 2015 and the tenures of Directors Kazuhiko Ishimura, Yuji Nishimi, Yoshinori Hirai, Masahiro Sakane, Hiroshi Kimura and Masako Egawa (six persons) will expire at the end of this general meeting, we request that seven Directors be elected.

The Director candidates are as follows:

Name (Date of birth)	Brief personal history, title, responsibility and significant concurrent positions	Number of the Company's shares owned
1 Kazuhiko Ishimura (born Sep. 18, 1954)	Apr., 1979 Joined the Company Jan., 2006 Executive Officer Jan., 2007 Senior Executive Officer and GM of Electronics & Energy General Division. Mar., 2008 Director and President & COO Jan., 2010 Director and President & CEO Jan., 2015 Director & Chairman (incumbent)	127,000
2 Takuya Shimamura (born Dec. 25, 1956) (newly nominated)	Apr., 1980 Joined the Company Jan., 2009 Executive Officer and GM of Planning & Coordination Office, Chemicals Company Jan., 2010 Executive Officer and President of Chemicals Company Jan., 2013 Senior Executive Officer and President of Electronics Company Jan., 2015 President & CEO (incumbent)	16,000
3 Yoshinori Hirai (born Aug. 19, 1959)	Apr., 1987 Joined the Company Jan., 2012 Executive Officer and GM of Business Development Office Jan., 2014 Senior Executive Officer and GM of Technology General Division Mar., 2014 Director and Senior Executive Officer and GM of Technology General Division (incumbent) [responsibility] Overall Business Management (Technology and Business Development); GM of Technology General Division; Oversight of Electronics Company and Applied Glass Materials General Division; Deputy Leader of AGC Group Improvement Activities	18,000
4 Shinji Miyaji (born Nov. 4, 1958) (newly nominated)	Aug., 1990 Joined the Company Jan., 2010 Executive Officer and Group Leader of Corporate Planning Group, Office of the President Nov., 2012 Executive Officer; Senior Vice President of AGC Flat Glass North America Feb., 2013 Executive Officer and Regional President of North America, Glass Company Oct., 2013 Executive Officer and GM of Strategy Office, Glass Company Jan., 2014 Executive Officer and GM of Electronics General Division, Electronics Company Jan., 2015 Senior Executive Officer and GM of Office of the President (incumbent) [responsibility] Overall Business Management (Finance); GM of Office of the President; Deputy Leader of AGC Group Improvement Activities	21,000

Name (Date of birth)	Brief personal history, title, responsibility and significant concurrent positions	Number of the Company's shares owned
5 〈 Candidate for outside Director position〉 Masahiro Sakane (born Jan. 7, 1941)	Apr., 1963 Joined Komatsu Ltd. Jun., 1989 Director of said company Jun., 1994 Managing Director of said company Jun., 1997 Executive Managing Director of said company Jun., 1999 Executive Vice President of said company Jun., 2001 President of said company Jun., 2003 President & CEO of said company Jun., 2007 Chairman of the Board of said company Mar., 2011 Director of the Company(incumbent) Apr., 2013 Director and Councilor of Komatsu Ltd. Jun., 2013 Councilor to said company (incumbent) [significant concurrent positions] Councilor to Komatsu Ltd. Outside Director of Tokyo Electron Limited Outside Director of Nomura Holdings, Inc. Outside Director of Nomura Securities Co., Ltd. Outside Director of Takeda Pharmaceutical Company, Limited	13,000
<p>【Reasons for the nomination of the candidate for outside Director, etc.】 Masahiro Sakane has served as President & CEO and Chairman of the Board of Komatsu Ltd. and has abundant experience in corporate management at Komatsu Ltd., which is vigorously involved in the construction machinery business in emerging countries. With such experience, it is believed that he will be able to make proposals to the Company's overall management, which is expected to enhance our corporate governance. Hence, we have chosen him as an outside Director candidate.</p> <p>Nomura Securities Co., Ltd., where he serves as an outside Director, received a business improvement order from the Financial Services Agency in August 2012 in connection with its employees' action of leaking corporate information on public offerings of shares. He had made proposals from the perspective of legal compliance at the Board of Directors meetings of Nomura Securities Co., Ltd.. Subsequent to the detection of the information leakage, he has stated opinions aiming at preventing a similar incident.</p> <p>【Tenures of office of outside Directors from the time of appointment】 4 years (at the close of this general meeting of shareholders)</p> <p>【Participation in Board of Directors meetings (The fiscal year under review)】 13 times out of 13</p>		

Name (Date of birth)	Brief personal history, title, responsibility and significant concurrent positions	Number of the Company's shares owned
<p>6</p> <p>< Candidate for outside Director position ></p> <p>Hiroshi Kimura (born Apr. 23, 1953)</p>	<p>Apr., 1976 Joined Japan Tobacco and Salt Public Corporation (currently Japan Tobacco Inc.)</p> <p>Jun., 1999 Director of said company</p> <p>Jun., 2001 Resigned as Director of said company</p> <p>Jun., 2005 Director of said company</p> <p>Jun., 2006 President & CEO of said company</p> <p>Jun., 2012 Chairman of the Board of said company</p> <p>Mar., 2013 Director of the Company (incumbent)</p> <p>Jun., 2014 Special Advisor of Japan Tobacco Inc. (incumbent)</p> <p>[significant concurrent position]</p> <p>Special Advisor of Japan Tobacco Inc.</p>	<p>6,000</p>
<p>【Reasons for the nomination of the candidate for outside Director】 Hiroshi Kimura has served as President & CEO and Chairman of the Board of Japan Tobacco Inc. and has abundant experience in corporate management at Japan Tobacco Inc., which is vigorously expanding operations globally corresponding to changes in the business environment. With such experience, it is believed that he will be able to make proposals to the Company's overall management, which is expected to enhance its corporate governance. Hence, we have chosen him as an outside Director candidate.</p> <p>【Tenures of office of outside Directors from the time of appointment】 2 years (at the close of this general meeting of shareholders)</p> <p>【Participation in Board of Directors meetings (The fiscal year under review)】 13 times out of 13</p>		

Name (Date of birth)	Brief personal history, title, responsibility and significant concurrent positions	Number of the Company's shares owned
7 〈 Candidate for outside Director position〉 Masako Egawa (born Sep. 7, 1956)	Apr., 1980 Joined Citibank, N.A. Tokyo Branch Sep., 1986 Joined Salomon Brothers Inc. New York Head Office Jun., 1988 Joined Salomon Brothers Asia Ltd. Tokyo Branch Dec., 1993 Joined S.G. Warburg & Co., Ltd. Tokyo Branch Nov., 2001 Executive Director of the Harvard Business School Japan Research Center Apr., 2009 Executive Vice President of the University of Tokyo (incumbent) Mar., 2014 Director of the Company (incumbent) [significant concurrent position] Executive Vice President of the University of Tokyo	2,000
<p>【Reasons for the nomination of the candidate for outside Director】 Masako Egawa has abundant experience at global financial institutions and extensive knowledge about corporate management through, among others, her experience of research on the management and corporate governance of Japanese companies. With such experience, it is believed that she will be able to make proposals to the Company's overall management, which is expected to enhance its corporate governance. Hence, we have chosen her as an outside Director candidate. While she has not been involved directly in corporate management except for as an outside Director or an outside Corporate Auditor, we have concluded that she is able to duly perform the duties of an outside Director for the reasons mentioned above.</p> <p>【Tenures of office of outside Directors from the time of appointment】 1 year (at the close of this general meeting of shareholders)</p> <p>【Participation in Board of Directors meetings (The fiscal year under review)】 9 times out of 10 (since the appointment in March 28, 2014)</p>		

Notes:

1. There are no special conflicts of interest between the Company and Director candidates.

2. Outline of the liability limitation contract

The Company has executed a contract with each of Masahiro Sakane, Hiroshi Kimura and Masako Egawa to limit their liability arising under Article 423, Paragraph 1 of the Corporation Law, to the sum of the amounts prescribed in each Item of Article 425, Paragraph 1 of the Corporation Law. If they are elected as proposed, the Company will continue the said contracts.

3. The Company has reported Masahiro Sakane, Hiroshi Kimura and Masako Egawa to Tokyo Stock Exchange, Inc. as independent officers. If they are elected as proposed, they will continue their service as independent officers.

Masahiro Sakane, Hiroshi Kimura and Masako Egawa meet the Company's standards for independence of outside officers (please refer to page 69).

Reference: Standards for independence of outside officers

The Company has set the following standards to ensure the independence of outside officers.

- (1) An outside officer shall not be a business executing person (referring to a director except an outside director, an executive officer or an employee; the same hereinafter) of any company of a group of consolidated companies (a “consolidated corporate group”, which consists of a parent company and its subsidiaries, excluding the AGC Group) to which a company competing with the AGC Group in the AGC Group’s key business areas belongs. In addition, an outside officer shall not hold 10% or more of the voting rights of a company belonging to such consolidated corporate group, and shall not be a business executing person of a company which holds 10% or more of voting rights of a company belonging to such consolidated corporate group.
- (2) An outside officer shall not have received 10.0 million yen or more per year, except for officers’ remuneration*, from the AGC Group in the past three years.
* Officers’ remuneration refers to, with respect to outside directors, directors’ remuneration and, with respect to outside corporate auditors, auditors’ remuneration.
- (3) An outside officer shall not have been a business executing person of a company belonging to a consolidated corporate group, which has the AGC Group as a major business counterparty, in the past three years. A consolidated corporate group which has the AGC Group as a major business counterparty shall be one with sales to the AGC Group exceeding 2% of consolidated net sales of the said consolidated corporate group for its most recent fiscal year.
- (4) An outside officer shall not have been a business executing person of a company belonging to a consolidated corporate group which is a major business counterparty of the AGC Group, in the past three years. A consolidated corporate group which is a major business counterparty of the AGC Group shall be one with sales of the AGC Group to such consolidated corporate group exceeding 2% of the AGC Group’s consolidated net sales for the most recent fiscal year.
- (5) An outside officer shall not have been an employee of auditing firms that conduct audits on the AGC Group in the past three years.
- (6) An outside officer shall not be a major shareholder of the Company (who owns 10% or more of the voting rights in the Company) nor a business executing person of any of the major shareholders.
- (7) In addition to above, the absence of serious conflicts of interest between the Company and an outside officer, or any matter between the Company and an outside officer that may damage his or her independence.

Item No. 3: Election of Two Corporate Auditors

As Corporate Auditor Izumi Tamai will resign and the tenure of Corporate Auditor Kenji Haga will expire at the end of this general meeting, we propose that two Corporate Auditors be elected.

This agenda item has been approved by the Board of Corporate Auditors.

The Corporate Auditor candidates are as follows:

Name (Date of birth)	Brief personal history, title and significant concurrent positions	Number of the Company's shares owned
<p>1</p> <p>〈Candidate for outside Corporate Auditor position〉</p> <p>Yasushi Marumori (born Sep. 19, 1957)</p> <p>(newly nominated)</p>	<p>Apr., 1981 Joined The Mitsubishi Bank, Limited (presently The Bank of Tokyo-Mitsubishi UFJ, Ltd.)</p> <p>Apr., 2008 Executive Officer of said company</p> <p>May, 2011 Managing Executive Officer of said company</p> <p>Jun., 2012 Retired as Managing Executive Officer of said company</p> <p>Jun., 2012 Director & Senior Executive Vice President of Mitsubishi UFJ Research and Consulting Co., Ltd.</p> <p>Dec., 2014 Director of said company (incumbent)</p> <p>[significant concurrent position] Director of Mitsubishi UFJ Research and Consulting Co., Ltd. (scheduled to retire as Director on Mar., 26, 2015) Outside Corporate Auditor of The Nanto Bank, Ltd.</p>	<p>0</p>
<p>【Reasons for the nomination of the candidate for outside Corporate Auditor】</p> <p>Yasushi Marumori has many years of experience at financial institutions and extensive knowledge about financial and other affairs. Thus, he is expected to fulfill the role of corporate auditor for the Company from a professional perspective. Hence, we have chosen him as an outside corporate auditor candidate.</p>		

Name (Date of birth)	Brief personal history, title and significant concurrent positions	Number of the Company's shares owned
2 <Candidate for outside Corporate Auditor position> Hiroshi Kawamura (born Jan. 16, 1952) (newly nominated)	Apr., 1977 Public Prosecutor, Tokyo District Public Prosecutors Office	0
	Jul.,2008 Director-General, Trial Department, Supreme Public Prosecutors Office	
	Jan., 2009 Chief Prosecutor, Chiba District Public Prosecutors Office	
	Apr., 2010 Chief Prosecutor, Yokohama District Public Prosecutors Office	
	Jan., 2012 Superintending Prosecutor of Sapporo High Public Prosecutors Office	
	Jan., 2014 Superintending Prosecutor of Nagoya High Public Prosecutors Office	
	Jan., 2015 Retired as Superintending Prosecutor of Nagoya High Public Prosecutors Office	
【Reasons for the nomination of the candidate for outside Corporate Auditor】 Hiroshi Kawamura has abundant experience in the legal sector, serving as Superintending Prosecutor of the Sapporo High Public Prosecutors Office and the Nagoya High Public Prosecutors Office successively, as well as a high degree of knowledge about laws and compliance. With such experience and knowledge, he is expected to fulfill the role of Corporate Auditor of the Company. Hence, we have chosen him as an outside Corporate Auditor candidate. While he has not been involved in corporate management, we have concluded that he is able to duly perform the duties of an outside Corporate Auditor for the reasons mentioned above.		

Notes:

1. There are no special conflicts of interest between the Company and the Corporate Auditor candidates.
2. Outline of the liability limitation contract
 If Yasushi Marumori and Hiroshi Kawamura are elected as proposed, the Company will execute a contract with each of them to limit their liability arising under Article 423, Paragraph 1 of the Corporation Law to the sum of the amounts prescribed in each Item of Article 425, Paragraph 1 of the Corporation Law.
3. If Yasushi Marumori and Hiroshi Kawamura are elected as proposed, they will be independent officers as set forth by Tokyo Stock Exchange, Inc. Yasushi Marumori and Hiroshi Kawamura meet the Company's standards for independence of outside officers (please refer to page 69).

Item No. 4: Delegation to the Board of Directors of the authority to decide matters concerning the offering of stock acquisition rights issued as stock options to employees of the Company and Directors and employees of the Company's subsidiaries.

Pursuant to Articles 236, 238 and 239 of the Corporation Law, the Company requests approval to delegate, to the Board of Directors, the authority to decide certain matters concerning the offering of stock acquisition rights issued as stock options to employees of the Company, and to Directors and employees of the Company's subsidiaries. We propose that this matter be approved.

1. Reasons for offering persons the right to subscribe to stock acquisition rights with especially preferential terms

To implement the stock options system, which is designed to further enhance the motivation and willingness of employees of the Company and Directors and employees of the Company's subsidiaries to improve the Group's performance resulting in the enhancement of the Company's corporate value.

2. Terms and maximum number of stock acquisition rights which the Board of Directors is authorized to offer pursuant to this resolution

(1) Maximum number of stock acquisition rights to be offered:

Up to 380 stock acquisition rights

(2) Amount to be paid in exchange for grant of stock acquisition rights:

Each stock acquisition right is to be granted without consideration.

(3) Terms of the stock acquisition rights

1) Type and number of stock subject to stock acquisition rights

The maximum number of shares to be granted is 380,000 ordinary shares of the Company. Each stock acquisition right carries the right to acquire 1,000 shares (hereinafter, the "Number of Stocks Granted"). If the Company conducts a stock split (including allotment of the Company's ordinary shares to shareholders without consideration; hereinafter, the same shall apply) or a reverse stock split of the Company's ordinary shares after the date when a resolution for this Item was passed at the General Meeting of Shareholders (hereinafter, the "Date of the Resolution"), the Number of Stocks Granted shall be adjusted according to the formula shown below. Any fractional shares (less than one share) resulting from such adjustment will be rounded down.

$$\begin{array}{l} \text{Number of Stocks} \\ \text{Granted} \\ \text{after adjustment} \end{array} = \begin{array}{l} \text{Number of Stocks} \\ \text{Granted} \\ \text{before adjustment} \end{array} \times \begin{array}{l} \text{Stock split} \\ \text{(or reverse stock split)} \\ \text{ratio} \end{array}$$

In addition to the above, should there be any inevitable event after the Date of the Resolution requiring an adjustment to the Number of Stocks Granted, an adjustment to the Number of Stock Granted shall be made to the extent reasonable.

2) Method of calculating the value of assets to be contributed upon the exercise of the stock acquisition rights:

The amount to be contributed upon the exercise of each stock acquisition right shall be calculated by multiplying the amount to be paid for each share granted upon the exercise of the stock acquisition rights (hereinafter, the “Exercise Price”) by the Number of Stocks Granted.

The Exercise Price shall be the average of the closing prices of the Company’s ordinary shares on the Tokyo Stock Exchange (including an indicative price [*kehaihyoji*], hereinafter the “Closing Price”) of each of the 30 trading days (excluding trading days without Closing Prices) commencing on the 45th trading day preceding the day that next follows the day on which such stock acquisition rights are allotted (hereinafter, the “Allotment Date”) and any fraction of less than one yen shall be rounded up to the nearest yen. If such average value is lower than the Closing Price on the Allotment Date, the Exercise Price shall be the said Closing Price on the Allotment Date.

In the event the Company conducts a stock split or a reverse stock split after the Allotment Date, the Exercise Price shall be adjusted in accordance with the formula below, and any resulting fraction of less than one yen shall be rounded up to the nearest yen.

$$\begin{array}{l} \text{Exercise} \\ \text{Price after} \\ \text{adjustment} \end{array} = \begin{array}{l} \text{Exercise} \\ \text{Price before} \\ \text{adjustment} \end{array} \times \frac{1}{\text{Stock split (or reverse stock split) ratio}}$$

Furthermore, if the Company issues new ordinary shares or disposes of treasury shares at less than market price, the Exercise Price shall be adjusted in accordance with the formula shown below, and any resulting fraction of less than one yen shall be rounded up to the nearest yen; provided that no adjustment to the Exercise Price shall be made when the issuance of new shares or the disposal of treasury shares is made pursuant to the exercise of stock acquisition rights (including those attached to bonds with stock acquisition rights) or in exchange for acquisition by the Company of its bonds with stock acquisition rights:

$$\text{Exercise Price after adjustment} = \frac{\text{Exercise Price before adjustment} \times \text{Number of outstanding shares} + \frac{\text{Number of newly issued shares} \times \text{Subscription Price per share}}{\text{Stock price before new issue}}}{\text{Number of outstanding shares} + \text{Number of newly issued shares}}$$

In the above formula, “Number of outstanding shares” denotes the number obtained by subtracting the number of shares of treasury stock owned by the Company from the number of shares of outstanding ordinary shares. In the event of the disposal of treasury shares, the “Number of newly issued shares” and “Stock price before new issue” are to be replaced with “Number of treasury shares to be disposed” and “Stock price before disposal,” respectively.

3) Exercise period for stock acquisition rights:

The exercise period shall be six years commencing on the day next following the third anniversary of the Allotment Date.

4) Increases in capital and capital reserves when stocks are issued upon the exercise of the stock acquisition rights:

- i. The amount of the increase in capital that shall occur when stock is issued upon the exercise of stock acquisition rights shall be one-half of the maximum increase in the amount of capital that is permissible under Article 17, Paragraph 1 of the Corporate Calculation Rules, and any resultant fraction less than one yen shall be rounded up to the nearest yen.
- ii. The amount of the increase in capital reserves when stock is issued pursuant to the exercise of stock acquisition rights shall be calculated by deducting the increase in capital made pursuant to (i) above from the maximum permissible increase in the amount of capital described in (i) above.

5) Restriction on acquisition of stock acquisition rights by transfer

Approval by the Board of Directors is required for acquisition of stock acquisition rights by transfer.

6) Causes and conditions for acquisition of the stock acquisition rights by the Company

In case any of the following proposals is approved at a General Meeting of Shareholders, the Company may acquire free of charge stock acquisition rights on a date separately determined by the Board of Directors:

- (i) Proposal of a merger agreement in which the Company is dissolved;
- (ii) Proposal of a corporate split agreement (*kaisha bunkatsu*) or plan in which the Company is to be split; or

- (iii) Proposal of a share exchange agreement or share transfer plan in which the Company is to become a wholly-owned subsidiary.

7) Matters related to the termination of stock acquisition rights on the occasion of organizational restructuring and grant of stock acquisition rights of the Company to be reorganized:

If the Company engages in a merger (limited only to the case in which the Company is dissolved), absorption-type corporate split, incorporation-type corporate split, share exchange, or share transfer (hereinafter, collectively, “Organizational Restructuring”), the Company shall, subject to the following conditions, grant stock acquisition rights of any of the companies described in (α) to (ε) of Article 236 Paragraph 1 Item 8 of the Corporation Law (hereinafter, the “Company to be Reorganized”), as applicable, to each holder of outstanding stock acquisition rights (hereinafter, the “Outstanding Stock Acquisition Rights”) just before the Organizational Restructuring takes effect.

In this case, the Outstanding Stock Acquisition Rights shall be terminated and the Company to be Reorganized shall issue new stock acquisition rights.

Provided that, in accordance with the following conditions, the provision to the effect that stock acquisition rights of the Company to be Reorganized shall be granted in such case is provided for in an absorption-type merger agreement, incorporation-type merger agreement, absorption-type corporate split agreement, incorporation-type corporate split plan, share exchange agreement or share transfer plan.

- (i) *Number of stock acquisition rights of the Company to be Reorganized to be granted:*

The number of stock acquisition rights to be granted to each acquisition rights holder shall be equal to the number of the Outstanding Stock Acquisition Rights the stock acquisition rights holder holds.

- (ii) *Type of stock of the Company to be Reorganized that will be subject to stock acquisition rights:*

The type of stock shall be ordinary shares of the Company to be Reorganized.

- (iii) *Number of shares of the stock of the Company to be Reorganized that will be subject to stock acquisition rights:*

The number of shares of the stock shall be determined in accordance with a method similar to 1) above, taking into account the conditions, etc. for Organizational Restructuring.

- (iv) *Value of assets to be contributed upon the exercise of stock acquisition rights:*

The value of assets to be contributed upon the exercise of each of the stock acquisition rights to be granted shall be the subscription amount per share after the reorganization calculated by adjusting the Exercise Price prescribed in above 2) taking into account the conditions, etc. for the Organizational Restructuring

multiplied by the number of shares of the Company to be Reorganized to be issuable upon the exercise of the said stock acquisition rights in accordance with (iii) above.

(v) *Exercise period of the stock acquisition rights:*

From the date of commencement of the exercisable period of the stock acquisition rights prescribed in 3) above or the effective date of the Organizational Restructuring, whichever is the later, to the expiration date of the exercisable period of the stock acquisition rights prescribed in 3) above.

(vi) *Matters related to the capital and capital reserves to be increased if stocks are issued upon the exercise of stock acquisition rights:*

Such matters shall be determined in accordance with 4) above.

(vii) *Restriction on the acquisition of stock acquisition rights by transfer:*

Approval by the Board of Directors of the Company to be Reorganized shall be required for acquisition of stock acquisition rights by transfer.

(viii) *Causes and conditions for Acquisition of stock acquisition rights by the Company:*

Such causes and conditions shall be determined in accordance with 6) above.

8) Treatment of fractional shares of less than one share arising from the exercise of stock acquisition rights:

Any fractional shares (less than one share) in the stocks to be delivered to stock acquisition right holders resulting from the exercise of stock acquisition rights shall be disregarded.

9) Other Conditions for Exercise of Stock Acquisition Rights

- (i) No Stock Acquisition Rights may be exercised in part.
- (ii) The person to whom the Stock Acquisition Rights are allotted (hereinafter referred to as the "Allottee") may exercise such Stock Acquisition Rights in accordance with the Agreement Concerning Allotment of Stock Acquisition Rights (hereinafter referred to as the "Agreement") executed between the Company and the Allottee even after the Allottee loses his/her status as a director, executive officer or employee of the Company or of its affiliates.
- (iii) In case of the death of the Allottee, his/her heir may exercise the Stock Acquisition Rights of the Allottee in accordance with the Agreement.
- (iv) The holder of stock acquisition rights may not exercise any Stock Acquisition Rights that he/she has abandoned.
- (v) Other conditions for exercise shall be as set forth in the Agreement.

Exercise of Voting Rights through the Internet: Guidance

Please acknowledge the following points when exercising your voting rights through the Internet.

Note

1. Website to exercise Voting Rights

- (1) If you wish to exercise your voting rights via the Internet, you may access the Company's designated voting website (<http://www.evotep.jp/>) from a personal computer, a smart phone or a mobile phone (i-mode, EZweb or Yahoo! Keitai). (Please note that this service is unavailable between the hours of 2:00 a.m. and 5:00 a.m. daily.)
- (2) Please understand that shareholders may not be able to exercise voting rights from a personal computer or smart phone depending on their Internet environments and factors such as their security settings.
- (3) When exercising voting rights from a mobile phone, please use i-mode, EZweb or Yahoo! Keitai service. In order to ensure security, such exercising cannot be made through mobile terminals which cannot send encrypted information (SSL communication) or transmit data.
- (4) Internet votes must be cast no later than 5:00 p.m. on Thursday, March 26, 2015. Please cast your vote as early as possible to provide ample time for counting of all votes.

Note: i-mode, EZweb and Yahoo! are trademarks or registered trademarks of NTT DoCoMo, Inc., KDDI Corporation, and Yahoo! Inc. of the U.S., respectively.

2. To cast your vote using the Internet

- (1) Access the abovementioned website, enter the "Login ID" and "Temporary password" that were enclosed with your ballot form and follow the on-screen guidance to enter whether you approve or disapprove the proposal.
- (2) Once you have logged in, please change the "Temporary password" to avoid unauthorized access (so called "spoofing") and falsification of votes.

3. If you have cast more than one vote

- (1) In the event you exercise your voting rights both by postal mail and through the Internet, the Internet vote shall be considered the valid vote.
- (2) In the event you cast your vote on the same agenda more than once using the Internet, the last vote cast shall be considered the valid vote.

4. Please note that any fees (including Internet connection charges) incurred in accordance with the access of Internet voting right shall be borne by the shareholders in question.

5. For inquiries:

Computer System Inquiries

Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation (Help Desk)

Telephone: 0120-173-027 (toll free)

Operating hours: 9:00 a.m. - 9:00 p.m.

Other Inquiries

Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation

Telephone: 0120-232-711 (toll free)

Operating hours: 9:00 a.m. - 5:00 p.m. (except Saturdays, Sundays and National Holidays)

To institutional investors:

Voting for our shareholders meeting may be handled through the “Electronic Voting Platform for Institutional Investors,” a platform for voting operated by ICJ, Inc.

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