

August 05, 2003

For Immediate Release

Asahi Glass Reports Consolidated Results for Fiscal 2003 1st Quarter

TOKYO – Asahi Glass Company, Ltd. released its consolidated operating results for 1st quarter of fiscal 2003, ended June 30, 2003. Net sales amounted to ¥316,967million. Operating profit and recurring profit edged up to ¥16,853 million and ¥15,494 million, respectively. The Company posted consolidated net profit of ¥16,198 million.

Operating Results

Glass and Related Operations

The Glass segment comprises Flat Glass business, Automotive Glass business and Other Glass business, including materials for housing exteriors.

In the Flat Glass business, unit prices declined in Europe because of a slowdown in the European economy, while sales were sluggish in the United States because of a decrease in demand for use in buildings. Outside Japan, shipments were brisk in Asia on the back of steady demand. In Japan, sales of glass for crime prevention grew sharply.

In the Automotive Glass business, earnings were depressed in Europe as productivity and mix were impacted by softening demand and new product introductions. Shipments were relatively flat in North America due to a decline in automotive production and sales. Demand rose considerably in China and Thailand. In Japan, shipments were brisk especially for compact cars and high-value-added products such as infrared ray-cutting glass.

In the Other Glasses business, shipments of materials for housing exteriors remained inactive due to sluggish housing starts.

As a result, sales of the Glass segment stood at ¥170,374 million, with an operating income of ¥7,091 million.

Electronics and Display Operations

The segment of Electronics and Display is made up of Displays, which handles glass for cathode-ray tubes (CRTs) and glass substrates for flat-panel displays (FPDs), and Electronic Materials.

Shipments of CRT glass remained sluggish due to weak demand for use in computer monitors, and for TV in Europe and United States. Meanwhile, in the category of FPD glass, sales of glass substrates for thin film transistor (TFT) liquid crystal displays (LCDs) and glass substrates for plasma display panels (PDPs) increased, as was the case in the previous fiscal year. In the electronic parts category, shipments of reflex color LCDs, used in cellular phones, frit and paste for PDPs and optical pickup parts were brisk.

The Electronics and Display segment posted sales of ¥77,741 million and an operating income of ¥7,651 million.

Chemicals Operations

The Chemicals segment consists of Chlor-Alkalis, including caustic soda, Fluorochemicals, mainly handling fluorinated resins, and Urethane and Other Chemicals.

Sales of the Chlor-Alkalis division were robust in Southeast Asia thanks to brisk demand.

In the Fluorochemicals category, despite strong sales of water- and oil-repellent agents and optical filters for PDPs, the PTFE business in the United States and Europe was lackluster because of flat demand.

In the sector of Urethane and Other Chemicals, materials for lithium ion batteries sold very well.

As a result, sales of the Chemicals segment came to ¥65,889 million, while the operating income stood at ¥1,851 million.

Other Operations

The segment of Other Operations is made up of Ceramics and Service-related Business, including logistics and finance.

It posted sales of ¥17,885 million and recorded operating income of ¥313 million.

Outlook for the Fiscal 2003

Since Hunkuk Electric Glass will be consolidated company from second quarter of this fiscal year, and Glass operation in Europe and U.S. were depressed, the Company revises its consolidated operating results forecasts for the fiscal 2003 first half, ending September 30, and full term, ending December 31, 2003, which were announced on May 15. For the first half, the Company projects consolidated net sales of ¥660 billion, operating profit of ¥36 billion, recurring profit of ¥31 billion, and net income of ¥22 billion. For the full term, the Company projects consolidated net sales of ¥1,220 billion, operating profit of ¥76 billion, recurring profit of ¥65 billion, and net income of ¥42 billion. For your reference, the fiscal 2003 term will only be 9 months from April 1, 2003 to December 31, 2003, due to the change of the accounting term to the calendar year.

Disclaimer regarding Outlook for Fiscal 2003

The above-mentioned prospective results reflect management's judgment on the basis of currently available information and, as such, contain risks and uncertainties. It is recommended that investment decisions not be made solely on the basis of these prospective results as actual results may differ materially from such prospective results for the reasons such as, but not limited to, economic conditions effecting the Company's operating environment, market trends and fluctuations in foreign exchange rates.

Consolidated Financial Highlights

(Unit: Billions of yen)

	April 1, 2003 –June 30, 2003	April 1, 2002 –March 31, 2003
Net Sales	317.0	1,295.0
Operating Profit	16.9	67.5
Recurring Profit	15.5	56.8
Net Income (Loss)	16.2	(3.9)
Net Income (Loss) per Share – Primary (Unit: yen)	13.80	(3.37)

Consolidated Results according to Business Segment

(Unit: Billions of yen)

	Sales		Operating Profit	
	April 1, 2003 –June 30, 2003	April 1, 2002 – March 31, 2003	April 1, 2003 –June 30, 2003	April 1, 2002 – March 31, 2003
Glass	170.4	708.4	7.1	37.8
Electronics & Display	77.7	309.9	7.7	27.6
Chemicals	65.9	261.3	1.9	1.4
Others	17.9	69.5	0.3	0.8
Elimination	(14.9)	(54.1)	(0)	(0)
Total	317.0	1,295.0	16.9	67.5

Consolidated Results forecasts according to Business Segment

(Unit: Billions of yen)

	April 1 – September 30		October 1-December 31		April 1-December 31	
	Sales	Operating Profit	Sales	Operating Profit	Sales	Operating Profit
Glass	350	15	300	17	650	32
Electronics & Display	170	18	140	20	310	38
Chemicals	135	2	95	2	230	4
Others	35	1	35	1	70	2
Elimination	(30)	0	(10)	0	(40)	0
Total	660	36	560	40	1,220	76

Consolidated Balance Sheet

(Unit: Millions of yen)

	1 st Quarter of Fiscal 2003	Fiscal year ended March 31, 2003
Cash on hand and in banks	47,811	56,880
Trade notes & accounts receivable	263,284	266,881
Inventories	202,513	187,324
Other current assets	48,566	45,069
Allowance for bad debts	(7,224)	(6,900)
Current Assets	554,951	549,255
Tangible Fixed Assets	805,364	798,867
Intangible Fixed Assets	112,377	111,758
Investments in securities	255,890	241,002
Other investments	22,346	23,237
Other fixed Assets	59,138	65,816
Allowance for bad debts	(3,474)	(3,951)
Fixed Assets	1,251,643	1,236,730
Deferred Assets	554	527
Total Assets	1,807,148	1,786,513
Payables	208,264	221,553
Commercial paper, short-term bank loans and current maturities of bonds	183,855	245,198
Other current liabilities	126,030	103,122
Current Liabilities	518,150	569,874
Bonds issued and long-term bank loans	481,057	440,483
Other long-term liabilities	155,278	150,319
Long-term Liabilities	636,335	590,803
Total Liabilities	1,154,485	1,160,677
Minority Interest	74,474	71,999
Common shares	90,472	90,472
Additional paid-in capital	84,395	84,395
Retained earnings	412,138	404,817
Assets revaluation reserve	117	117
Revaluation of investment in securities	21,740	8,912
Adjustments on foreign currency translation	(29,518)	(33,752)
Treasury shares	(1,157)	(1,127)
Shareholders' Equity	578,188	553,835
Total Liabilities, Minority Interest & Shareholders' Equity	1,807,148	1,786,513

Consolidated Statement of Income

(Unit: Millions of yen)

	1 st Quarter of Fiscal 2003	Fiscal year ended March 31, 2003
Net Sales	316,967	1,295,011
Cost of Goods Sold	244,400	1,000,501
Selling, General & Administrative Expenses	55,714	227,034
Operating Profit	16,853	67,475
Interest and dividend income	1,291	4,675
Equity in earnings of non-consolidated subsidiaries and affiliates	1,387	4,234
Other non-operating income	1,232	5,900
Non-Operating Income	3,911	14,811
Interest expenses	3,901	16,635
Other non-operating expenses	1,368	8,889
Non-Operating Expenses	5,270	25,524
Recurring Profit	15,494	56,761
Extraordinary Profit	14,017	28,937
Extraordinary Losses	2,556	79,964
Net Income before Taxes	26,955	5,734
Taxes	8,430	4,152
Minority interests in earnings of consolidated subsidiaries	2,326	5,499
Net Income (Loss)	16,198	(3,918)

For further information, please contact:

Mr. Shinichi Kawakami

General Manager, Corporate Communications Division

Asahi Glass Co., Ltd.

12-1 Yurakucho 1-chome,

Chiyoda-ku, Tokyo 100-8405, Japan

Tel: (03) 3218-5408 Fax: (03) 3201-5390

URL: <http://www.agc.co.jp/english/>