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Asahi Glass Announces Revision of Operating Results Outlook (Consolidated and Non-consolidated)

The following revisions have been made to the outlook of consolidated operating results announced on May 11, 2005 and non-consolidated operating results announced on February 16, 2005, for the first half of fiscal year 2005 (January 1 through June 30, 2005) and for the full fiscal year 2005 (January 1 through December 31, 2005).

1. Revised outlook of consolidated operating results for the first half of fiscal year ending December 2005 (January 1 through June 30, 2005) (Unit: Millions of yen, %)

	Net sales	Operating income	Ordinary income	Net income
Previously announced outlook (A) (announced on May 11, 2005)	750,000	70,000	67,000	41,000
Outlook as revised this time (B)	730,000	62,000	63,000	44,000
Change (B-A)	(20,000)	(8,000)	(4,000)	3,000
Change (%) (B-A)/A	(2.7)	(11.4)	(6.0)	7.3
Previous period (actual results for first half of fiscal year ended December 31, 2004)	715,114	65,666	64,651	59,463

2. Revised outlook of consolidated operating results for the full fiscal year ending December 2005 (January 1 through December 31, 2005) (Unit: Millions of yen, %)

	Net sales	Operating income	Ordinary income	Net income
Previously announced outlook (A) (announced on May 11, 2005)	1,550,000	145,000	138,000	83,000
Outlook as revised this time (B)	1,500,000	130,000	126,000	81,000
Change (B-A)	(50,000)	(15,000)	(12,000)	(2,000)
Change (%) (B-A)/A	(3.2)	(10.3)	(8.7)	(2.4)
Previous period (actual results for full fiscal year ended December 31, 2004)	1,475,726	139,403	135,688	78,287

3. Reasons for revision (consolidated)

(1) First half of fiscal year ending December 2005

In the Electronics and Display operations, glass substrates for liquid crystal displays (LCDs) and plasma display panels (PDPs) enjoyed continued robust sales, while cathode ray tube (CRT) glass sales have been sluggish amid the added pressure of falling prices.

In addition, the sales of small and medium-sized flat panel displays (FPDs) for cellular phones have also slowed down. Accordingly, the business results are expected to fall below initial projections for this term. With regard to the Glass operations, the European flat glass market experienced a severe winter in the first quarter, causing somewhat lower performance than initially planned. The Chemicals operations, on the other hand, are expected to show somewhat higher performance than planned due to comparatively strong sales especially in the chlor-alkali & urethane business. And the prices of raw materials and energies were increasing in this term.

For the reasons above, net sales, operating income, and ordinary income are expected to fall short of their predicted values.

(2) Full fiscal year ending December 2005

In the Electronics and Display operations, sales of LCD and PDP glass substrates is expected to be favorable, while CRT glass sales continue to perform poorly and the rise in raw material and energy prices is anticipated in the second half of the year as well. Therefore, it is expected that net sales, operating income, ordinary income and net income will all fall short of their predicted values.

4. Revised outlook of non-consolidated operating results for the first half of fiscal year ending December 2005 (January 1 through June 30, 2005) (Unit: Millions of yen, %)

	Net sales	Operating income	Ordinary income	Net income
Previously announced outlook (A) (announced on February 16, 2005)	270,000	16,000	20,000	13,000
Outlook as revised this time (B)	270,000	20,000	33,000	26,000
Change (B-A)	0	4,000	13,000	13,000
Change (%) (B-A)/A	0.0	25.0	65.0	100.0
Previous period (actual results for first half of fiscal year ended December 31, 2004)	282,251	13,666	15,969	30,321

5. Revised outlook of non-consolidated operating results for the full fiscal year ending December 2005 (January 1 through December 31, 2005) (Unit: Millions of yen, %)

	Net sales	Operating income	Ordinary income	Net income
Previously announced outlook (A) (announced on February 16, 2005)	560,000	35,000	39,000	25,000
Outlook as revised this time (B)	560,000	38,000	50,000	36,000
Change (B-A)	0	3,000	11,000	11,000
Change (%) (B-A)/A	0.0	8.6	28.2	44.0
Previous period (actual results for full fiscal year ended December 31, 2004)	579,875	37,152	41,257	33,268

6. Reasons for revision (non-consolidated)

(1) First half of fiscal year ending December 2005

In the Electronics and Display operations, though CRT glass sales remained sluggish amid falling prices, the business of LCD and PDP glass substrates enjoyed continued good performance. In addition, sales of the chlor-alkali & urethane business remained comparatively robust in the Chemicals operations. Due to these factors, it is therefore expected that operating income will outperform the previous outlook. As dividends received from affiliates have increased in addition to the increase in operating income, ordinary income and net income are expected to also outperform the previous outlook for this term.

(2) Full fiscal year ending December 2005

In the Electronics and Display operations, sales of CRT glass are expected to remain sluggish in the second half of the year, but it is projected that annual results will exceed initial expectations since sales of LCD and PDP glass substrates are expected to remain robust.

(Supplementary Information)

Outlook of consolidated operating results by business segment

— Fiscal year ending December 31, 2005

(Unit: Billions of yen)

Business segment	Net sales			Operating income		
	Previously announced outlook	Outlook as revised this time	Change	Previously announced outlook	Outlook as revised this time	Change
Glass	740.0	740.0	0.0	51.0	48.0	(3.0)
Electronics and Display	500.0	440.0	(60.0)	75.0	61.0	(14.0)
Chemicals	295.0	295.0	0.0	17.0	19.0	2.0
Others	75.0	75.0	0.0	2.0	2.0	0.0
Corporate or Elimination	(60.0)	(50.0)	10.0	-	-	-
Consolidated total	1,550.0	1,500.0	(50.0)	145.0	130.0	(15.0)