

February 5, 2016

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Consolidated Financial Results for the Fiscal Year ended December 31, 2015 (IFRS basis)

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

1. Financial Results for FY2015 (January 1 through December 31, 2015)

(1) Consolidated Operating Results

(Percentage figures show year-on-year changes.)

	FY2015 (Jan. through Dec. 2015)		FY2014 (Jan. through Dec. 2014)	
	millions of yen	%	millions of yen	%
Net sales	1,326,293	(1.6)	1,348,308	2.1
Operating profit	71,172	14.6	62,131	(22.2)
Profit before tax	84,522	105.3	41,163	(7.3)
Profit for the year	46,287	126.1	20,475	7.6
Profit for the year attributable to owners of the parent	42,906	169.6	15,913	(1.4)
Total comprehensive income for the year	2,286	(95.4)	50,080	(76.8)
Basic earnings per share (yen)	37.12		13.77	
Diluted earnings per share (yen)	36.97		13.58	
Profit ratio to equity attributable to owners of the parent (%)	3.9		1.4	
Ratio of profit for the year to total assets (%)	4.2		2.0	
Ratio of operating profit to net sales (%)	5.4		4.6	

Reference: Share of profit of associates and joint ventures accounted for using equity method -FY2015; 2,357 million yen -FY2014; 2,597 million yen

(2) Consolidated Financial Position

	FY2015 (as of December 31, 2015)	FY2014 (as of December 31, 2014)
Total assets (millions of yen)	1,991,262	2,077,338
Total equity (millions of yen)	1,163,767	1,180,490
Equity attributable to owners of the parent (millions of yen)	1,094,172	1,113,126
Equity attributable to owners of the parent ratio (%)	54.9	53.6
Equity attributable to owners of the parent per share (yen)	946.48	963.04

(3) Consolidated Cash Flows

	FY2015 (Jan. through Dec. 2015)	FY2014 (Jan. through Dec. 2014)
Cash flows from operating activities (millions of yen)	187,170	135,790
Cash flows from investing activities (millions of yen)	(115,951)	(108,754)
Cash flows from financing activities (millions of yen)	(35,417)	(94,673)
Cash and cash equivalents at the end of the year (millions of yen)	104,831	69,655

2. Dividends

	(Base date)	FY2014	FY2015	FY2016(forecast)
Dividend per share	End of the first quarter (yen)	-	-	-
	End of the second quarter (yen)	9.00	9.00	9.00
	End of the third quarter (yen)	-	-	-
	End of the fiscal year (yen)	9.00	9.00	9.00
	Full fiscal year (yen)	18.00	18.00	18.00
Total dividend distribution (full fiscal year) (millions of yen)		20,805	20,808	-
Payout ratio (consolidated) (%)		130.7	48.5	83.2
Ratio of dividend distribution to equity attributable to owners of the parent (consolidated) (%)		1.9	1.9	-

3. Forecast for FY2016 (January 1 through December 31, 2016)

(Percentage figures show year-on-year changes.)

	First half		Full fiscal year	
	millions of yen	%	millions of yen	%
Net sales	680,000	3.3	1,400,000	5.6
Operating profit	30,000	(12.3)	75,000	5.4
Profit before tax	-	-	45,000	(46.8)
Profit for the year	-	-	30,000	(35.2)
Profit for the year attributable to owners of the parent	-	-	25,000	(41.7)
Basic earnings per share (yen)	-		21.63	

(Note) The forecast for the six months ending June 30, 2016 consists of forecast net sales and operating profit only.

*Notes

(1) Changes in Significant Subsidiaries during the Period under Review

(Changes in specific subsidiaries involving changes in the scope of consolidation): No

(2) Changes in Accounting Policies and Changes in Accounting Estimates

- i. Changes in accounting policies required by IFRS: Yes
- ii. Changes in accounting policies other than "i" above: No
- iii. Changes in accounting estimates: No

(Note) For details, please refer to "(5) Notes to the Consolidated Financial Statements, 2) Changes in Accounting Policies" on page 20.

(3) Number of Shares Issued (ordinary shares)

i . Number of shares issued (including treasury shares) at the end of the period	
-FY2015 (as of December 31, 2015):	1,186,705,905
-FY2014 (as of December 31, 2014):	1,186,705,905
ii . Number of treasury shares at the end of the period	
-FY2015 (as of December 31, 2015):	30,665,148
-FY2014 (as of December 31, 2014):	30,863,312
iii . Average number of shares issued during the period	
-FY2015 (Jan. through Dec. 2015):	1,155,953,526
-FY2014 (Jan. through Dec. 2014):	1,155,803,315

[Reference]

(1) Non-Consolidated Operating Results

(Percentage figures show year-on-year changes.)

	FY2015 (Jan. through Dec. 2015)		FY2014 (Jan. through Dec. 2014)	
	millions of yen	%	millions of yen	%
Net sales	495,835	(7.2)	534,408	(1.1)
Operating income	16,175	73.0	9,348	(38.1)
Ordinary income	43,250	(44.5)	77,943	79.6
Net income	36,534	(30.0)	52,184	40.5
Net income per share -basic (yen)	31.61		45.15	
Net income per share -fully diluted (yen)	31.48		43.50	

(2) Non-Consolidated Financial Position

	FY2015 (as of December 31, 2015)	FY2014 (as of December 31, 2014)
Total assets (millions of yen)	1,246,251	1,247,229
Total net assets (millions of yen)	633,026	612,733
Equity ratio (%)	50.6	49.0
Equity per share (yen)	545.58	528.24

Reference: Total Shareholders' Equity at -FY2015; 630,718 million yen
-FY2014; 610,558 million yen

*Appropriate Use of Forecast and Other Information and Other Matters

The above forecast is based on information available to the Company at the time of publication of this document and assumptions concerning uncertainties which might affect the AGC Group's future financial results. It is not intended to be a guarantee of future events, and may differ from actual results for various reasons. For matters concerning the above forecast, please see page 5 and 6.

*Supplementary Materials for the Financial Results

Supplementary materials are available on our website.

(Attached Documents)

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Qualitative Information and Financial Statements

1. Operating Results

(1) Analysis of Operating Results

Operating results for FY2015

During the fiscal year under review (from January 1, 2015 to December 31, 2015), the global economic environment surrounding the Company and its consolidated subsidiaries (hereinafter collectively referred to as the "AGC Group" or simply as the "Group") remained on a gradual recovery track. In Japan, the economy showed a gradual upward trend due to factors such as economic measures taken by the government while weakness can be seen in some areas in second half of this fiscal year. The business conditions in Europe continued its gradual recovery and the economy in the United States was making a stable recovery with consumer spending growth. Slowdown in economic growth was observed in China and other emerging markets.

Under such a business environment, the AGC Group posted net sales of 1,326.3 billion yen, down 22.0 billion yen, or a 1.6% decrease, from the previous year, mainly due to lower sales in the display business although there were some revenue growth factors such as the weak yen. Operating profit increased by 9.0 billion yen, or 14.6 % increase, year-on-year to 71.2 billion yen, thanks to the effect of structural reforms of the architectural glass business in Europe and North America and decline of raw materials and fuel prices. Profit before tax increased by 43.4 billion yen or 105.3% to 84.5 billion yen mainly due to the posting of "Income from revision of the defined benefit corporate pension plan", and profit for the year attributable to owners of the parent was 42.9 billion yen, a 27.0 billion yen or 169.6% increase on a year-on-year basis.

Overview by reportable segment

(Unit: billions of yen)

	Net sales		Operating profit	
	FY2015	FY2014	FY2015	FY2014
Glass	692.9	686.3	13.0	(0.2)
Electronics	288.6	319.7	29.0	37.0
Chemicals	318.5	317.2	30.5	24.1
Ceramics/Other	68.1	80.8	(1.6)	1.1
Corporate or elimination	(41.8)	(55.7)	0.1	0.2
Total	1,326.3	1,348.3	71.2	62.1

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

- Glass

In the flat glass business, shipments of architectural glass in Japan and Asia declined due to factors such as a backlash against last-minute demand before the consumption tax increase in Japan. Shipments in North America remained robust. In Europe, shipments increased in Western and Central Europe, but they declined in Eastern Europe due to the effects of a deterioration of the economic environment. As a result, sales of architectural glass decreased on a year-on-year basis.

In the automotive glass business, the AGC Group's sales increased on a year-on-year basis, boosted by robust demand in North America and a recovery of auto production in Western Europe and the weak yen, although auto production decreased in Japan, some Asian countries and Eastern Europe.

As a result, net sales from the Glass Operations for the fiscal year were 692.9 billion yen, up 6.6 billion yen or a 1.0% increase from the previous fiscal year. Operating profit/loss improved by 13.3 billion yen year-on-year to post a profit of 13.0 billion yen, mainly due to the effects of structural reforms in the European and North American architectural glass business and decline of raw materials and fuel prices.

- Electronics

Shipments of LCD glass substrates increased from the previous fiscal year, supported by strong demand; however, their sales prices decreased from the previous fiscal year. Shipments of specialty glass for display applications grew on a year-on-year basis. The AGC Group terminated shipments of plasma display panel products at the end of the third quarter of the FY 2014 as main customers withdrew from the business.

Regarding electronic materials, shipments of electronic materials had been favorable until the middle of this fiscal year, but sales on a full year basis were almost unchanged from the previous fiscal year, partly because shipments of some products declined in and after the fourth quarter of this fiscal year.

As a result, net sales from the Electronics Operations for the fiscal year were 288.6 billion yen, down 31.1 billion yen or a 9.7% decrease from the previous fiscal year. Operating profit was 29.0 billion yen, down 8.0 billion yen or a 21.6% decrease from the previous fiscal year .

- Chemicals

Sales of chlor-alkali products and urethane materials increased from the previous fiscal year, supported by strong shipments and the weak yen. Sales of fluorine products and specialty products decreased from the previous fiscal year, mainly because shipments of some products declined.

As a result, net sales from the Chemicals Operations for the fiscal year were 318.5 billion yen, up 1.2 billion yen or a 0.4% increase from the previous fiscal year, and operating profit was 30.5 billion yen, up 6.4 billion yen or a 26.7% increase from the previous fiscal year mainly thanks to the decline of raw materials and fuel prices.

(2) Qualitative Information Regarding Consolidated Financial Position

Overview of financial conditions

(Unit: billions of yen)

	FY2015	FY2014	Change
Total assets	1,991.3	2,077.3	(86.1)
Total liabilities	827.5	896.8	(69.4)
Total equity	1,163.8	1,180.5	(16.7)

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

- Total assets

Total assets as of the end of the fiscal year under review were 1,991.3 billion yen, down 86.1 billion yen from the end of the previous fiscal year. Total assets decreased mainly due to a decrease in property, plant and equipment stemming from the appreciation of the yen compared to the end of the previous fiscal year.

- Total liabilities

Total liabilities as of the end of the fiscal year under review were 827.5 billion yen, down 69.4 billion yen from the end of the previous fiscal year. This decrease was mainly due to a decrease in post-employment benefit liabilities which resulted from revision of the Company's defined benefit corporate pension plan.

- Total equity

Total equity as of the end of the fiscal year under review was 1,163.8 billion yen, down 16.7 billion yen from the end of the previous fiscal year. This decrease was primarily due to a decrease in exchange differences on translation of foreign operations affected by the appreciation of the yen compared to the end of the previous fiscal year, despite the greater retained earnings resulting from net profit.

Overview of cash flows

(Unit: billions of yen)

	FY2015	FY2014	Change
Cash flows from operating activities	187.2	135.8	51.4
Cash flows from investing activities	(116.0)	(108.8)	(7.2)
Cash flows from financing activities	(35.4)	(94.7)	59.3
Cash & cash equivalents as of end of period	104.8	69.7	35.2

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

The free cash flow for the fiscal year under review, which is the sum of cash flows from operating activities and investing activities, increased 44.2 billion yen or 163.4% from the previous year, to 71.2 billion yen mainly due to a increase in profit before tax.

Cash & cash equivalents as of the end of the period (net cash) increased 35.2 billion yen or 50.5% from the end of the previous year, to 104.8 billion yen mainly due to payment of dividends in financing activities.

- Cash flows from operating activities

Net cash from operating activities was 187.2 billion yen for the fiscal year under review, up 51.4 billion yen or 37.8% from the previous year.

- Cash flows from investing activities

Net cash used in investing activities increased by 7.2 billion yen or 6.6% year-on-year, to 116.0 billion yen. This expenditure includes capital investment with a focus on growth areas and industries.

- Cash flows from financing activities

Net cash used in financing activities for the fiscal year under review was 35.4 billion yen, down 59.3 billion yen or 62.6% from the previous year. This expenditure is mainly due to payment of dividends.

- Cash flow indices

	FY2014	FY2015
Equity attributable to owners of the parent ratio (%)	53.6	54.9
Equity attributable to owners of the parent ratio based on market value (%)	32.8	40.4
Number of years for debt redemption	3.7	2.5
Interest coverage ratio	20.5	34.3

(Notes) Equity attributable to owners of the parent ratio (%): Total equity attributable to owners of the parent / Total Assets

Equity attributable to owners of the parent ratio based on market value (%): Total market capitalization / Total Assets

Number of years for debt redemption: Interest-bearing debts/operating cash flows

Interest coverage ratio: Operating cash flows/interest payment

- All indices were computed using consolidated financial figures.
- Total market capitalization was computed based on the closing stock price at period-end multiplied by number of outstanding shares at period-end (after deducting treasury shares).
- Operating cash flows represent cash flows from operating activities on the consolidated statements of cash flows.
- Interest-bearing debts represent all debts on the consolidated financial position for which interest is paid. In addition, interest payment represents amount of interest paid on the consolidated statements of cash flows.

(3) Forecast for FY2016

Operating forecast for FY2016

(Unit: billions of yen)

	Net Sales	Operating profit	Profit before tax	Profit for the year	Profit for the year attributable to owners of the parent
FY 2016 (January 1 through December 31, 2016)	1,400.0	75.0	45.0	30.0	25.0
FY 2015 (January 1 through December 31, 2015)	1,326.3	71.2	84.5	46.3	42.9
Change (%)	5.6	5.4	(46.8)	(35.2)	(41.7)

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

Regarding the world economy outlook in 2016, in Japan, the economy is projected to remain on a recovery track while weakness can be seen in some areas. In Europe, the economy is expected to return to a gradual recovery path although there are concerns over the stagnant Eastern European economy. The North American economy is likely to remain strong. Slowdown in economic growth is expected in China and other emerging countries.

Under such a business environment, the shipments of architectural glass in Japan and Asia, and North America are expected to remain favorable. Although there are concerns that shipments might continue to be sluggish in Eastern Europe, shipments of architectural glass in Western and Central Europe are expected to increase gradually. In the automotive glass business, shipments are projected to remain stable despite a possible slowdown of automobile demand in some emerging countries.

Shipments of LCD glass substrates are likely to increase on a full-year basis, although shipments of LCD glass substrates are likely to decrease during the first half of the fiscal year from the previous year due to customers' production adjustment. The price decline of LCD glass substrates is expected to be continuously moderate. Shipments of specialty glass for display applications are predicted to remain favorable thanks to the progress in new applications. Shipments of electronics materials are likely to increase on a full-year basis, although the shipment of electronics materials is expected to decrease during the first half of the fiscal year.

Regarding chemical-related products, shipments of chlor-alkali products are expected to significantly increase thanks to the production start of new plants in Indonesia, and shipments of fluorine products are likely to remain favorable.

Taking into account the above factors, net sales of the AGC Group for the fiscal year ending December 31, 2016 are forecasted to be 1,400.0 billion yen, a year-on-year increase of 73.7 billion yen or 5.6%, and operating profit is forecasted to be 75.0 billion yen, up 3.8 billion yen or 5.4% from a year earlier. However, because the AGC Group posted Income from revision of the defined benefit plan for FY2015, profit before tax to be 45.0 billion yen, down 39.5 billion yen or 46.8% from the previous year and profit for the year attributable to owners of the parent is estimated to be 25.0 billion yen, down 17.9 billion yen or 41.7% from the previous year.

Average exchange rates assumed for the fiscal year ending December 31, 2016 are 120 yen to the U.S. dollar and 130 yen to the Euro.

Forecast of financial conditions for FY2016

Of the cash flows from operating activities, profit before tax is expected to decrease by 39.5 billion yen to 45.0 billion yen as compared with that for the fiscal year ended December 31, 2015. Depreciation expenses are expected to be 140.0 billion yen, up 2.6 billion yen from the previous fiscal year.

Of the cash flows from investing activities, capital expenditures are expected to increase 24.9 billion yen year-on-year to 150.0 billion yen.

As for financing activities, the AGC Group will repay interest-bearing debts and increase borrowings, in addition to dividend payments in accordance with the Group's dividend policy.

(4) Allocation and Distribution of Profits and Dividends

The AGC Group has revised its profit distribution policy following the formulation of the AGC Group's "Vision 2025." Under the revised policy, the AGC Group will continue to strive to proactively return profits to shareholders, aiming at the consolidated total shareholders return of 50% or more, including the annual dividend payment per share maintained at the current term's expected payment amount or more and the purchase of treasury stock, while giving comprehensive consideration to the Group's consolidated business results and future investment plans, among others. The AGC Group will also allocate retained earnings to R&D, capital investment as well as merger and acquisition activities, to strengthen its financial position and improve its corporate value.

In consideration of the Group's financial results for the fiscal year under review, the current business environment and future business developments, the Group paid an interim dividend of 9 yen per share and plans to pay a year-end dividend of 9 yen for FY 2015. Consequently, the total full year dividend payout for FY 2015 will be 18 yen per share.

With regard to dividend payments for FY 2016, the total full year dividend payout is scheduled to be 18 yen (9 yen per share for interim dividend, and 9 yen per share for year-end dividend) in light of the Group's financial forecasts.

[Important notes with regard to the forecast]

The above prospective results reflect the judgment of the Group's management on the basis of currently available information and, as such, contain risks and uncertainties. For this reason, investors are recommended not to base investment decisions solely on these prospective results. Please note that actual results may materially differ from the projection due to such various factors as business and market environment the Group is active in, currency exchange rate fluctuations, and others.

2. Overview of the AGC Group

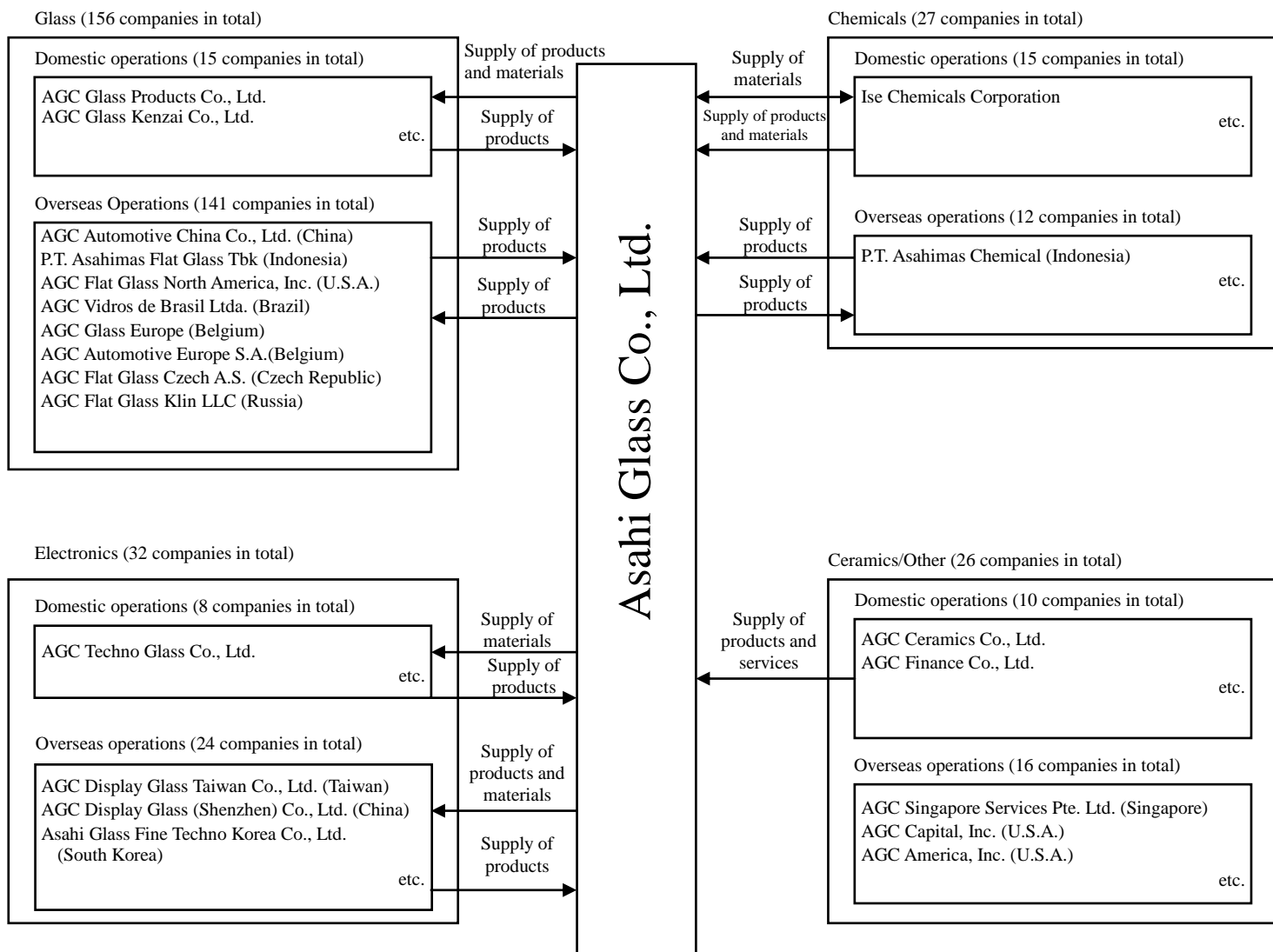
The AGC Group consists of the Company and its 227 subsidiaries and 46 affiliates, and its main businesses are as set out below.

The classification below is the same as that of the business segment information.

Reportable segment	Main products
Glass	Float flat glass, Figured glass, Polished wired glass, Low-E glass, Decorative glass, Fabricated glass for architectural use(Heat Insulating/shielding glass, Disaster-resistant/Security glass, Fire-resistant glass, etc.), Automotive glass, etc.
Electronics	LCD glass substrates, Specialty glass for display applications, Display related materials, Glass for solar power system, Fabricated glass for industrial use, Semiconductor process materials, Optoelectronics materials, Lighting glass products, Laboratory glass, etc.
Chemicals	Raw materials for vinyl chloride polymer, Caustic soda, Urethane, Fluorinated resins Water and oil repellents, Gases, Solvents, Pharmaceutical and agrochemical intermediates and active ingredients, Iodine-related products, etc.

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

The following shows the organization chart of the Company, its consolidated subsidiaries and its affiliates under the equity method in the AGC Group.



Note: The number of companies in each category does not include the Company.

3. Management Policy

(1) Fundamental Policy of Management

The AGC Group's "**Look Beyond**" is a corporate philosophy guiding the AGC Group's all business and CSR (Corporate Social Responsibility) activities. Under the Group Vision, "Our Mission" states the AGC Group's identity and the value the Group should deliver to society. In the light of the role it has played and the trust built up with customers and society since its foundation in 1907, the AGC Group has redefined "Our Mission" as shown below.

[Our mission]

AGC, an everyday essential part of our world
AGC's unique materials and solutions make people's lives better around the world every day

The Group Vision "**Look Beyond**" also defines the key values to be shared across the Group and the spirit to be inherited and passed on by each group member.

[Our shared values]

Innovation & Operational Excellence
Diversity
Environment
Integrity

[Our spirit]

Never take the easy way out but confront difficulties.

(2) The AGC Group's "Vision 2025" and long-term management strategies

Under the new management team formed in 2015, the AGC Group has formulated the "Vision 2025" and long-term management strategies to accomplish it by taking into account changes in its business environment. The long-term management strategies consist of two pillars. One is Core Businesses, which serve as long-term stable sources of earnings, such as glass, chemicals, display glass and ceramics. And the other pillar is Strategic Businesses, which are expected to achieve high growth by targeting mobility, electronics and life science.

The AGC Group aims that, in 2025, the Group's Core Businesses will be serving as solid sources of earnings, and the Strategic Businesses will be driving further earnings growth, the AGC Group will continue being a highly profitable, leading global material and solution provider.



The AGC Group aims that, by 2025, the profit generated from the Strategic Businesses will double from the 2015 level and account for over 40% of the Group's overall earnings. In the final year of the Group's mid-term management plan **AGC plus-2017**, the Group's return on equity (ROE) will grow to be 5% or above, then 8% subsequently to consolidate its position as a global leading material and solution provider.

The following is the Group's basic policy toward the "Vision 2025."

- 1) Always look from market perspective, respond to customers' needs, and continue building trust with them
- 2) Achieve sustainable growth in both Core and Strategic Businesses by boldly pursuing strategic M&A opportunities along with the organic growth approach
- 3) Take advantage of high growth in Asia by leveraging regional operations and strategic action in the geographical area covering from Southeast Asia through the Middle East
- 4) Concentrate the Group's management resources into the business fields that have high earnings/growth potential and achieve the business structure with enhanced asset efficiency.

For the Core Businesses category, the AGC Group aims to build long-term stable sources of earnings through thorough portfolio management. In Asia, the Group will leverage regional operations and take strategic action in the geographical area covering from Southeast Asia through the Middle East in order to take advantage of high growth in the Asian region and use it as a growth opportunity.

For the Strategic Businesses category, the Group aims to establish highly profitable businesses through the expansion of high value-added businesses as it considers macroscopic changes in its business environment, such as the evolution of transportation infrastructure as exemplified by automated driving system, the progress of internet of things (IoT), and advancement of medical care and agriculture, as business opportunities.

For the implementation of the above measures, the AGC Group has budgeted a total one trillion Japanese yen for investments and R&D for the next five years, and has allocated additional 300 billion Japanese yen for M&A and other strategic investments for both Core and Strategic Businesses.

(3) The AGC Group’s management policy *AGC plus*, and mid-term management plan *AGC plus-2017*

<p style="text-align: center;">AGC plus</p> <p>The AGC Group adds a “plus” by:</p> <ul style="list-style-type: none"> • 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 Group’s corporate value for investors. 		AGC plus-2017 Target for 2017
	Sales	¥ 1,600 bn.
	Operating income	more than ¥ 100 bn.
	ROE	5% or above
	D/E	0.5 or less

Under the management policy *AGC plus*, the AGC Group aims to achieve the financial targets set under the mid-term management plan *AGC plus-2017* as each business pursues its strategic direction determined based on the business portfolio created with the profitability and growth potential, and the Group allocates management resources in a well-focused manner.

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

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 building, automobile, display and electronic industries; offices and plants across the world; and extensive human resources.

By making the full use of its strength, the AGC Group will strive to increase sales with the following three approaches: 1) Explore new markets with existing products, 2) Explore existing markets with new products and 3) Explore new markets with new products.

[Increase the Group’s asset efficiency through well-focused allocation of management resources]

The AGC Group will pursue well-focused allocation of management resources by clarifying the strategic direction of each business based on the portfolio that has been created based on the profitability and growth potential.

	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	- Specialty glass
Chemicals	-Chlor-Alkali (Outside Japan) -Fluorochemicals -Life science		-Chlor-Alkali (Japan)




The following are the strategic direction and financial target of each business segment.

Strategic direction		FY2017 Target
Glass  [Architectural glass] -Increase asset efficiency & improve earnings -Continue with strength building and structural reform -Stop doing all on our own and use joint venture & outsourcing opportunities [Automotive glass] -Solidify the No.1 position in the market through the growth of high performance products and geographical expansion of its business bases		ROS 5% Or more
Electronics  [LCD glass] -Reduce costs and keep the profitability level -Shift the production capacity to growing China [Electronic materials] -Concentrate the management resources in areas with growth potential [Applied glass materials] -"thin, light and strong glass" in various markets (in Electronics, building, automotive and solar applications)		ROS 10% or more
Chemicals  [Chlor-Alkali (Outside Japan)] -Capture business opportunities in the growing Southeast Asian market [Fluorochemicals] -Grow with globally increasing demand for high-performance materials [Life science] -Focus on the expanding pharmaceutical & agrochemical market		ROS 10% or more

■Progress in FY2015

While the Group's sales for FY2015 were 1,326.3 billion Japanese yen, falling below the Group's target set for FY2017, the operating profit increased to 71.2 billion Japanese yen from 62.1 billion Japanese yen in the previous year as a result of recovery in the architectural glass business in Americas and Europe and progress in structural reforms. In the past, the Group's Electronics business had accounted for more than half of the Group's earnings, but in FY2015, such an earnings structure has changed and the Group attained a more balanced earnings structure as the Glass, Electronics, and Chemicals business segments account for 18%, 40% and 42% respectively.

The following are major decisions and actions of the AGC Group in FY2015 in an effort to build a basis for its mid- to long-term growth.

Actions taken in FY2015	
Growth 	[Automotive glass] -New plant in Mexico and third automotive plant in China started operation. -Acquired NordGlass, an automotive replacement glass company in Poland Electronics : -Started the light guide plate glass business. Chemicals: -Decided to increase the PVC capacity in Vietnam by 50% -Decided to construct a power generation plant in Indonesia
Cash generator 	[Architectural glass (Fast growing countries)] -Decided to increase the Low-E glass production capacity in Thailand by 50%. LCD glass -Decided to relocate a LCD glass furnace to China from Japan
Strength-building area 	[Architectural glass (Developed countries)] -Implemented structural reforms in the architectural fabrication business in Europe. Electronics: -Implemented structural reforms in the PDP glass business and the specialty glass business.

In 2016 and onward, the AGC Group will continue its efforts to achieve the financial target of each business segment by pursuing the strategic direction set under the mid-term management plan **AGC plus-2017**.

As a result of the proactive investments in the previous years, the AGC Group is expected to see a 130 billion yen increase in sales in FY2017 from the FY2015 result. In addition, the Group aims to achieve the operating profit of 100 billion yen in FY2017 by steadily making growth in new businesses and products in each business segment, including environmentally-friendly refrigerant, fluorinated resin, and life science in the Chemicals business, cover glass for automotive interior and optical components in the Electronics business, and Low-E glass and UV-cut glass for automotive use in the Glass business.

4. Basic Policy for adopting Accounting Standards

The AGC Group adopted International Financial Reporting Standards (IFRS) for its consolidated financial statements, starting with the annual financial statements for the fiscal year ending December 31, 2013, with the aim of increasing international comparability of financial information, offering greater convenience for domestic or foreign investors and enhancing the efficiency of the Group's management.

4. Consolidated Financial Statements (IFRS)

(1) Consolidated Statements of Financial Position

(Unit: millions of yen)

	FY2014 (as of December 31, 2014)	FY2015 (as of December 31, 2015)
Assets		
Current assets		
Cash and cash equivalents	69,655	104,831
Trade receivables	262,091	241,294
Inventories	239,497	235,374
Other receivables	37,036	36,733
Income tax receivables	7,607	6,448
Other current assets	11,289	12,863
Total current assets	627,178	637,546
Non-current assets		
Property, plant and equipment	1,066,193	982,296
Goodwill	36,269	34,231
Intangible assets	25,844	27,456
Investments accounted for using equity method	44,184	38,850
Other financial assets	236,057	232,877
Deferred tax assets	35,804	30,108
Other non-current assets	5,805	7,896
Total non-current assets	1,450,159	1,353,716
Total assets	2,077,338	1,991,262

(Unit: millions of yen)

	FY2014 (as of December 31, 2014)	FY2015 (as of December 31, 2015)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	131,147	126,956
Short-term interest-bearing debt	63,694	34,989
Long-term interest-bearing debt due within one year	33,508	61,709
Other payables	103,621	98,678
Income tax payables	5,775	4,737
Provisions	3,779	1,887
Other current liabilities	14,472	17,198
Total current liabilities	355,999	346,157
Non-current liabilities		
Long-term interest-bearing debt	402,054	372,034
Deferred tax liabilities	21,145	32,666
Post-employment benefit liabilities	99,687	58,057
Provisions	12,554	12,821
Other non-current liabilities	5,405	5,758
Total non-current liabilities	540,847	481,338
Total liabilities	896,847	827,495
Equity		
Share capital	90,873	90,873
Capital surplus	100,670	100,802
Retained earnings	641,866	663,874
Treasury shares	(29,784)	(29,576)
Other components of equity	309,501	268,198
Total equity attributable to owners of the parent	1,113,126	1,094,172
Non-controlling interests	67,364	69,594
Total equity	1,180,490	1,163,767
Total liabilities and equity	2,077,338	1,991,262

(2) Consolidated Statements of Profit or Loss and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Profit or Loss)

(Unit: millions of yen)

	FY2014 (Jan. 1 through Dec. 31, 2014)	FY2015 (Jan. 1 through Dec. 31, 2015)
Net sales	1,348,308	1,326,293
Cost of sales	(1,016,479)	(992,728)
Gross profit	331,829	333,565
Selling, general and administrative expenses	(272,295)	(264,750)
Share of profit (loss) of associates and joint ventures accounted for using equity method	2,597	2,357
Operating profit	62,131	71,172
Other income	12,218	46,009
Other expenses	(30,334)	(31,231)
Business profit	44,016	85,949
Finance income	5,662	6,021
Finance costs	(8,514)	(7,449)
Net finance costs	(2,852)	(1,427)
Profit before tax	41,163	84,522
Income tax expenses	(20,688)	(38,235)
Profit for the year	20,475	46,287
Attributable to:		
Owners of the parent	15,913	42,906
Non-controlling interests	4,561	3,380
Earnings per share		
Basic earnings per share (yen)	13.77	37.12
Diluted earnings per share (yen)	13.58	36.97

(Consolidated Statements of Comprehensive Income)

(Unit: millions of yen)

	FY2014 (Jan. 1 through Dec. 31, 2014)	FY2015 (Jan. 1 through Dec. 31, 2015)
Profit for the year	20,475	46,287
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss, net of tax		
Remeasurement of the net defined benefit liability (asset)	(15,546)	6,138
Net gain (loss) on revaluation of financial assets measured at FVTOCI ^(Note)	(3,610)	5,011
Share of other comprehensive income of associates and joint ventures accounted for using equity method	85	(12)
Total	(19,071)	11,137
Components of other comprehensive income that may be reclassified to profit or loss, net of tax		
Net gain (loss) in fair value of cash flow hedges	(681)	(1,872)
Exchange differences on translation of foreign operations	49,342	(53,308)
Share of other comprehensive income of associates and joint ventures accounted for using equity method	16	43
Total	48,677	(55,138)
Other comprehensive income, net of tax	29,605	(44,000)
Total comprehensive income for the year	50,080	2,286
Attributable to:		
Owners of the parent	42,007	1,596
Non-controlling interests	8,073	690

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

(3) Consolidated Statements of Changes in Equity
FY2014 (Jan. 1 through Dec. 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 as of January 1, 2014	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 as of December 31, 2014	90,873	100,670	641,866	(29,784)	(40,859)	86,402

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

FY2014 (Jan. 1 through Dec. 31, 2014)

(Unit: millions of yen)

	Equity attributable to owners of the parent			Total	Non-controlling interests	Total equity
	Other components of equity		Total			
	Net gain (loss) in fair value of cash flow hedges	Exchange differences on translation of foreign operations				
Balance as of January 1, 2014	(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 as of December 31, 2014	(734)	264,693	309,501	1,113,126	67,364	1,180,490

FY2015 (Jan. 1 through Dec. 31, 2015)

(Unit: millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Retained Earnings	Treasury shares	Other components of equity	
					Remeasurement of net defined benefit liability (asset)	Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)
Balance as of January 1, 2015	90,873	100,670	641,866	(29,784)	(40,859)	86,402
Changes in equity						
Comprehensive income						
Profit for the year	-	-	42,906	-	-	-
Other comprehensive income	-	-	-	-	5,856	4,998
Total comprehensive income for the year	-	-	42,906	-	5,856	4,998
Transactions with owners						
Dividends	-	-	(20,806)	-	-	-
Increase through treasury shares transactions	-	-	-	(57)	-	-
Decrease through treasury shares transactions	-	(0)	(84)	265	-	-
Changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	(7)	-	-	7
Share-based payment transactions	-	132	-	-	-	-
Others (business combinations and others)	-	-	-	-	-	-
Total transactions with owners	-	131	(20,898)	208	-	7
Balance as of December 31, 2015	90,873	100,802	663,874	(29,576)	(35,003)	91,408

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

FY2015 (Jan. 1 through Dec. 31, 2015)

(Unit: millions of yen)

	Equity attributable to owners of the parent			Total	Non-controlling interests	Total equity
	Other components of equity		Total			
	Net gain (loss) in fair value of cash flow hedges	Exchange differences on translation of foreign operations				
Balance as of January 1, 2015	(734)	264,693	309,501	1,113,126	67,364	1,180,490
Changes in equity						
Comprehensive income						
Profit for the year	-	-	-	42,906	3,380	46,287
Other comprehensive income	(1,829)	(50,336)	(41,310)	(41,310)	(2,690)	(44,000)
Total comprehensive income for the year	(1,829)	(50,336)	(41,310)	1,596	690	2,286
Transactions with owners						
Dividends	-	-	-	(20,806)	(763)	(21,570)
Increase through treasury shares transactions	-	-	-	(57)	-	(57)
Decrease through treasury shares transactions	-	-	-	180	-	180
Changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	7	-	-	-
Share-based payment transactions	-	-	-	132	-	132
Others (business combinations and others)	-	-	-	-	2,303	2,303
Total transactions with owners	-	-	7	(20,550)	1,539	(19,010)
Balance as of December 31, 2015	(2,563)	214,357	268,198	1,094,172	69,594	1,163,767

(4) Consolidated Statements of Cash Flows

(Unit: millions of yen)

	FY2014 (Jan. 1 through Dec. 31, 2014)	FY2015 (Jan. 1 through Dec. 31, 2015)
Cash flows from operating activities		
Profit before tax	41,163	84,522
Depreciation and amortization	137,199	137,381
Interest and dividend income	(5,618)	(5,921)
Interest expenses	7,542	6,477
Share of profit (loss) of associates and joint ventures accounted for using equity method	(2,597)	(2,357)
Loss (gain) on sale or disposal of non-current assets	1,247	(912)
Decrease (increase) in trade receivables	10,568	16,901
Decrease (increase) in inventories	4,183	(6,015)
Increase (decrease) in trade payables	(11,184)	64
Others	(10,837)	(23,502)
Subtotal	171,666	206,637
Interest and dividends received	6,479	6,365
Interest paid	(6,638)	(5,451)
Income taxes paid	(35,716)	(20,380)
Net cash from operating activities	135,790	187,170
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(113,966)	(126,491)
Proceeds from sale of property, plant and equipment	7,491	11,884
Purchase of other financial assets	(1,469)	(1,089)
Proceeds from sale and redemption of other financial assets	1,554	2,406
Others	(2,364)	(2,662)
Net cash used in investing activities	(108,754)	(115,951)
Cash flows from financing activities		
Changes in short-term interest-bearing debt	7,253	(26,399)
Proceeds from borrowing or issuing long-term interest-bearing debt	36,630	43,379
Repayment or redemption of long-term interest-bearing debt	(122,815)	(32,085)
Payment from purchase of shares in subsidiaries from non- controlling interests	(956)	-
Acquisition of treasury shares	(29)	(57)
Dividends paid	(16,181)	(20,806)
Others	1,424	551
Net cash used in financing activities	(94,673)	(35,417)
Effect of exchange rate changes on cash and cash equivalents	4,644	(623)
Net increase (decrease) in cash and cash equivalents	(62,994)	35,176
Cash and cash equivalents at beginning of year	132,649	69,655
Cash and cash equivalents at end of year	69,655	104,831

(5) Notes to the Consolidated Financial Statements

1) Basis of Preparations

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), based on the stipulations of Article 93 of the Ordinance on Consolidated Financial Statements. The Group's consolidated financial statements satisfy all of the requirements for a "Specified Company" prescribed by Article 1-2 of the Ordinance on Consolidated Financial Statements.

2) Changes in Accounting Policies

The significant accounting policies adopted for the Group's consolidated financial statements are the same as those for the consolidated financial statements for the fiscal year ended December 31, 2014, with the exception of the items described below.

The following are the accounting standards applied by the Group from the fiscal year 2015, in compliance with each transitional provision. The effect of the application of these standards on the Group's consolidated financial statement is immaterial.

IFRS	Title	Summaries of new IFRS and amendments
IFRS 9	Financial Instruments: Hedge accounting	Changes in hedge accounting
IAS 19	Employee Benefits	Clarification of accounting treatment of contribution from employees or third parties that are not related to years of service

"Operating profit" in the Group's consolidated statements of profit or loss is an indicator that facilitates like-on-like comparisons and evaluation of the Group's business performance on a continuous basis. Main items of "other income" and "other expenses" are foreign exchange gain and loss, gains on sale of non-current assets, losses on disposal of non-current assets, impairment loss and expenses for restructuring programs. "Business profit" includes all income and expenses before finance income, finance costs and income tax expenses.

3) Segment Information

The Group's reportable segments are components of the Group for which discrete financial information is available, and whose operating results are reviewed regularly by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess performance.

The Group has three in-house companies by product and service: Glass, Electronics, and Chemicals. Each in-house company operates worldwide, formulating comprehensive domestic and overseas strategies for its products and services.

Thus, the Group has three reportable segments: Glass, Electronics, and Chemicals.

Due to a change of corporate structure, the Company partially amended the reportable segment of fabricated glass for industrial use and glass for solar power systems from the "Glass" segment to the "Electronics" segment in FY2015.

Segment information in FY2014 is based on the classification of reportable segments in FY2015.

The main products of each reportable segment are as follows.

Reportable segment	Main products
Glass	Float flat glass, Figured glass, Polished wired glass, Low-E glass, Decorative glass, Fabricated glass for architectural use (Heat Insulating/shielding glass, Disaster-resistant/Security glass, Fire-resistant glass, etc.), Automotive glass, etc.
Electronics	LCD glass substrates, Specialty glass for display applications, Display related materials, Glass for solar power system, Fabricated glass for industrial use, Semiconductor process materials, Optoelectronics materials, Lighting glass products, Laboratory glass, etc.
Chemicals	Raw materials for vinyl chloride polymer, Caustic soda, Urethane, Fluorinated resins, Water and oil repellents, Gases, Solvents, Pharmaceutical and agrochemical intermediates and active ingredients, Iodine-related products, etc.

FY2014 (Jan.1 through Dec.31, 2014)

(Unit: millions of yen)

	Reportable segments			Ceramics/ Other	Total	Adjustments	Amount reported on consolidated financial statements
	Glass	Electronics	Chemicals				
Sales to external customers	684,607	317,378	314,694	31,628	1,348,308	-	1,348,308
Inter-segment sales or transfers	1,682	2,280	2,545	49,201	55,710	(55,710)	-
Total sales	686,289	319,659	317,240	80,829	1,404,019	(55,710)	1,348,308
Segment profit (loss) (Operating profit)	(238)	37,027	24,096	1,075	61,961	170	62,131
Profit for the year	-	-	-	-	-	-	20,475
Other items							
Depreciation and amortization	48,210	65,975	20,657	2,521	137,364	(164)	137,199
Capital expenditure	41,835	45,737	30,117	543	118,232	(62)	118,169
Investments accounted for using equity method	36,092	2,413	2,835	2,843	44,184	-	44,184

The amounts of inter-segment sales or transfers are primarily based on market prices and manufacturing cost.

"Ceramics/Other" mainly handles ceramics products, logistics and financial services.

FY2015 (Jan.1 through Dec.31, 2015)

(Unit: millions of yen)

	Reportable segments			Ceramics/ Other	Total	Adjustments	Amount reported on consolidated financial statements
	Glass	Electronics	Chemicals				
Sales to external customers	691,411	286,858	315,636	32,388	1,326,293	-	1,326,293
Inter-segment sales or transfers	1,495	1,723	2,821	35,744	41,785	(41,785)	-
Total sales	692,906	288,582	318,457	68,132	1,368,079	(41,785)	1,326,293
Segment profit (loss) (Operating profit)	13,046	29,043	30,528	(1,557)	71,061	110	71,172
Profit for the year	-	-	-	-	-	-	46,287
Other items							
Depreciation and amortization	48,269	64,692	22,034	2,524	137,520	(139)	137,381
Capital expenditure	42,328	29,375	52,664	764	125,133	(29)	125,103
Investments accounted for using equity method	31,424	1,848	2,796	2,780	38,850	-	38,850

The amounts of inter-segment sales or transfers are primarily based on market prices and manufacturing cost.
 "Ceramics/Other" mainly handles ceramics products, logistics and financial services.

4) Notes to Consolidated Statements of Profit or Loss

Other Income

(Unit: millions of yen)

	FY2014 (Jan. 1 through Dec. 31, 2014)	FY2015 (Jan. 1 through Dec. 31, 2015)
Foreign exchange gain	4,954	-
Gains on sale of non-current assets	3,822	6,133
Income from revision of the defined benefit plan	-	36,071
Others	3,441	3,804
Total	12,218	46,009

As of April 21, 2015, the Company revised its defined benefit corporate pension plan and transferred a portion of this defined benefit corporate pension plan to the defined contribution pension scheme. As a result, the Company posted "Income from revision of the defined benefit plan" for the second quarter consolidated accounting period.

Other Expenses

(Unit: millions of yen)

	FY2014 (Jan. 1 through Dec. 31, 2014)	FY2015 (Jan. 1 through Dec. 31, 2015)
Foreign exchange loss	-	(3,460)
Losses on disposal of non-current assets	(5,070)	(5,220)
Impairment loss	(860)	(5,107)
Expenses for restructuring programs	(19,200)	(13,058)
Others	(5,202)	(4,384)
Total	(30,334)	(31,231)

5) Earnings Per Share

Basic earnings per share

Basic earnings per share and the basis for calculating basic earnings per share are as follows:

	FY2014 (Jan. 1 through Dec. 31, 2014)	FY2015 (Jan. 1 through Dec. 31, 2015)
Profit for the year attributable to owners of the parent (millions of yen)	15,913	42,906
Weighted average number of ordinary shares outstanding (thousands of shares)	1,155,803	1,155,953
Basic earnings per share (yen)	13.77	37.12

Diluted earnings per share

Diluted earnings per share and the basis for calculating diluted earnings per share are as follows:

	FY2014 (Jan. 1 through Dec. 31, 2014)	FY2015 (Jan. 1 through Dec. 31, 2015)
Profit for the year attributable to owners of the parent (millions of yen)	15,913	42,906
Adjustments to profit or loss used to calculate diluted earnings per share (millions of yen)	375	-
Profit or loss used to calculate diluted earnings per share (millions of yen)	16,288	42,906

Weighted average number of ordinary shares outstanding (thousands of shares)	1,155,803	1,155,953
Effects of dilutive potential ordinary shares		
Bonds with subscription rights to shares (thousands of shares)	39,806	-
Stock options based on subscription rights (thousands of shares)	4,128	4,690
Diluted weighted average number of ordinary shares outstanding (thousands of shares)	1,199,738	1,160,644

Diluted earnings per share (yen)	13.58	36.97
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