

# AGC Review

**AGC** ASAHI GLASS CO., LTD.

Newsletter for Shareholders Vol. 25

Issued in September 2014  
Code Number: 5201



## To Our Shareholders

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During the first half of fiscal 2014, the AGC Group saw an increase in net sales, which was underpinned by an increase in shipments in the Glass operations, mainly automotive glass, and the Chemicals operations, and the positive impact of the Japanese yen's depreciation. Our profits, on the other hand, fell from the corresponding period of the previous year, mainly due to lower sales prices of LCD glass substrates. As for dividend payments, the interim dividend will be 9 yen per share as forecast at the beginning of the fiscal year, and the year-end dividend will also be 9 yen per share as forecast, resulting in 18 yen per share for the full-year dividend.

Under the medium-term management plan **“Grow Beyond-2015,”** we are striving to increase the Group's corporate strength and working on various other issues to achieve the goal of becoming a truly strong AGC Group. Thanks to the effects of measures carried out so far, the Group's Glass operations became profitable in the second quarter of the current fiscal year, and its operating profit for the first half of fiscal 2014 increased 7 billion yen from a year earlier. All of us, including directors and employees, are committed to bringing the business back onto an upward trend during the period covered by the current medium-term management plan, while strengthening the foundations for growth and generating solid results.

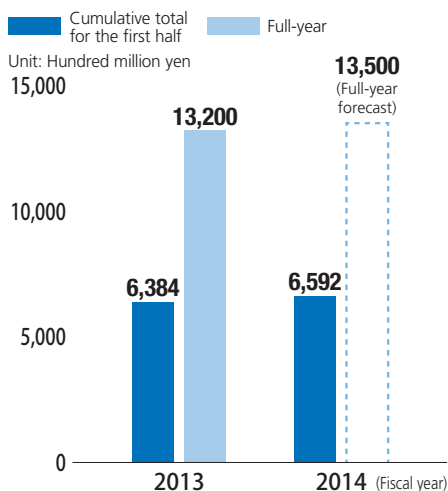
On behalf of the AGC Group, I would like to express my sincerest appreciation for your continued support.

**Kazuhiko Ishimura, President and CEO**

# Highlights of the Group's Financial Results

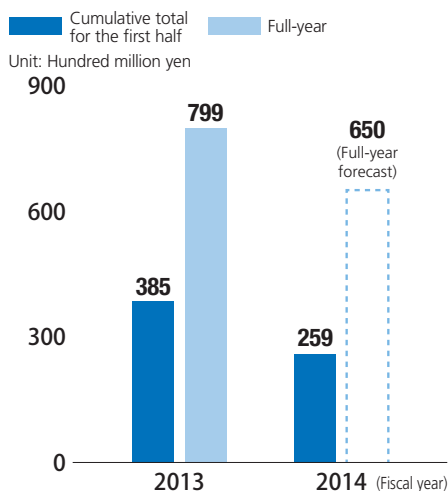
## Net sales

**6,592** Hundred million yen  
(up 3.2% year-on-year)



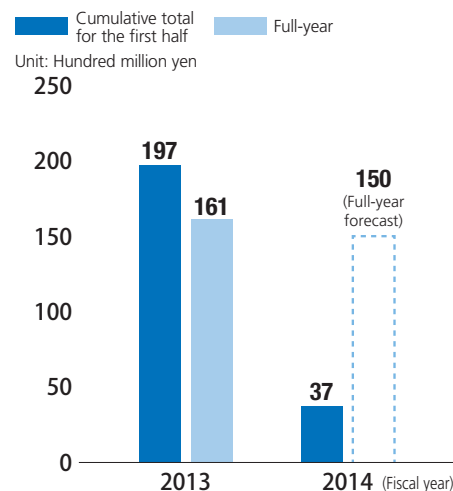
## Operating profit

**259** Hundred million yen  
(down 32.7% year-on-year)



## Profit for the year attributable to owners of the parent company

**37** Hundred million yen  
(down 81.3% year-on-year)



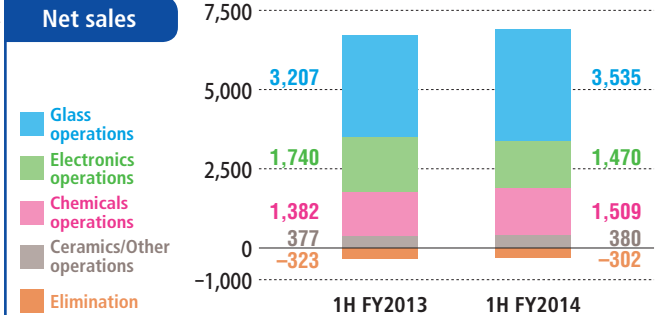
## Consolidated Statements of Profit or Loss (Summary)

Unit: Hundred million yen

	1H FY2014 (January 1, 2014 through June 30, 2014)	1H FY2013 (January 1, 2013 through June 30, 2013)	Amount of increase/ decrease	Rate of increase/ decrease
Net sales	6,592	6,384	207	3.2%
Operating profit	259	385	-126	-32.7%
Other income (expenses)	(60)	(73)	13	
Business profit	199	312	-113	-36.2%
Finance income (costs)	(19)	1	-20	
Profit before tax	180	313	-133	-42.4%
Income tax expenses	119	103	16	
Profit for the year	61	210	-149	-70.9%
Profit for the year attributable to owners of the parent company	37	197	-160	-81.3%
Profit for the year attributable to non- controlling interests	24	14	10	

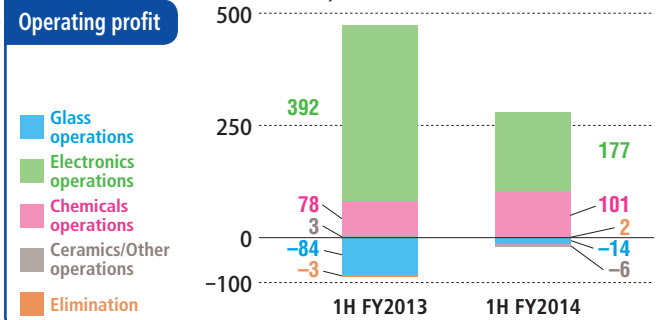
### Net sales

Unit: Hundred million yen



### Operating profit

Unit: Hundred million yen



## Consolidated Statements of Financial Position (Summary)

Unit: Hundred million yen

	End of 1H FY2014 (June 30, 2014)	End of FY2013 (December 31, 2013)	Amount of increase/ decrease
Current assets	6,700	6,822	-122
Non-current assets	13,795	14,385	-589
Total assets	20,495	21,206	-711
Liabilities	9,427	9,755	-328
Total equity	11,068	11,451	-383
Total liabilities and equity	20,495	21,206	-711

## Consolidated Statements of Cash Flows (Summary)

Unit: Hundred million yen

	1H FY2014 (January 1, 2014 through June 30, 2014)	1H FY2013 (January 1, 2013 through June 30, 2013)
Cash flows from operating activities	759	876
Cash flows from investing activities	(449)	(756)
Free cash flow	310	120
Cash flows from financing activities	(221)	(75)
Effect of exchange rate changes on cash and cash equivalents	(21)	112
Net increase (decrease) in cash and cash equivalents	67	156

Aiming to contribute to a sustainable society, the AGC Group is proactively promoting global business development with a focus on emerging markets, and launching new products that reduce environmental impact.

## AGC's High Performance Fluon®ETFE Film Is Used in the Stadium at the Singapore Sports Hub

AGC's high performance Fluon®ETFE Film is used in the National Stadium of Singapore that was just completed in June. Located at the Singapore Sports Hub, this multi-purpose stadium has a retractable roof, and its approximately 20,000m<sup>2</sup> of the movable rooftop is covered with Fluon®ETFE Film, which significantly reduces the load of the roof and also allows large amounts of light to pass through, enabling nighttime illumination effects to amplify the visual experience of spectators.

Fluon®ETFE Film is used extensively at world-class sporting and exposition venues, with notable examples including Brazil's Itaipava Arena Pernambuco where 2014 FIFA World Cup Brazil™ matches were played. In Southeast Asia, the National Stadium of Singapore is the first large stadium to use Fluon®ETFE Film.



National Stadium's roof using Fluon®ETFE Film

## AGC Donates Natural Disaster-resistant Glass to Tornado-stricken Koshigaya City in Saitama Prefecture, Japan

AGC has donated approximately 143m<sup>2</sup> of its disaster-resistant glass, which effectively prevents damage during earthquakes, typhoons or strong winds, to the school gymnasium of Minami Koshigaya Elementary School, in Koshigaya City, Saitama Prefecture. The school's gymnasium is a designated evacuation center, and the donation was made to support the city which suffered terrible damage from a tornado in September 2013.

AGC has been promoting the Glass Power Campaign since October 2005, donating disaster-resistant glass to promote safety measures at designated evacuation centers across Japan. Koshigaya City is the 35th recipient under the campaign. A presentation ceremony was held at Koshigaya City Hall on February 7, with the mayor of Koshigaya attending.

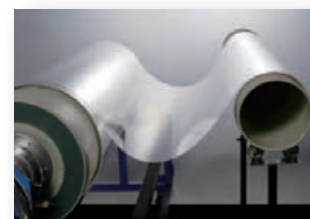


Class visit at Minami Koshigaya Elementary School on February 14

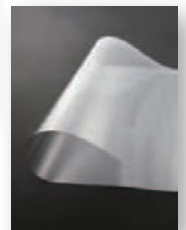
## AGC Succeeds in Rolling SPOOL™, a 0.05mm-thick Sheet Glass, Resulting in the World's Thinnest Float Glass

AGC has successfully rolled ultra-thin glass SPOOL™ into a roll 100m long. At 0.05mm thick, it is the world's thinnest glass manufactured using the float process.

SPOOL ultra-thin glass is lightweight and flexible, and has excellent features unique to a glass material, including transparency, heat resistance, and electrical insulation. With all these advantages, SPOOL has great potential for cutting-edge applications such as flexible displays and organic EL lighting. Thanks to AGC's unique technique for rolling ultra-thin glass, SPOOL is compatible with the roll-to-roll production process, which is currently under development by customers. AGC will continue to provide optimal solutions to customers by pursuing extensive, advanced glass production technologies.



Rolled 0.05mm SPOOL™



SPOOL™—0.05mm ultra-thin glass

### Other Topics

- March:** AGC develops AMOLEA™, a new refrigerant for air-conditioning systems with a low environmental impact of about one-sixth that of conventional products
- June:** AGC awarded Silver Class CSR rating by RobecoSAM, the world's leading SRI rating company
- July:** AGC and Obeikan Glass team up to produce and market architectural glass in the Middle East



Management of Obeikan Glass Company of Saudi Arabia and AGC Glass Europe



## AGC's glass roofs for player benches supplied at all 12 venues of the 2014 FIFA World Cup Brazil™

Luís Figo, former member of the Portuguese national football team, is the official ambassador for AGC's Glass Roof for Player Benches.

One year has passed since the world's first glass-roof benches were launched at the FIFA Confederations Cup Brazil 2013. For the 2014 FIFA World Cup Brazil™ held this summer, AGC provided the World Cup stadiums with further advanced glass-roof benches.

The glass used for the bench roofs is Dragontrail™, a specialty glass for chemical strengthening. It is one of the strongest in the world and is used extensively as a cover glass for smartphones and tablet PCs. Other components of the player benches consist of AGC-made materials as well, including FRP frames coated with Lumiflon™, seats and cushions. The rear portion of the bench has an anti-reflective coating applied on the glass, making its reflective properties 13 times lower than conventional glass to ensure the best-possible visual experience for football fans.

The glass-roof benches, showcasing AGC technologies, could only have been delivered by AGC, which has long-established technological expertise in architectural glass, automotive glass, and glass for electronics and displays, as well as chemical technologies.

Glass-roof benches feature clear visibility from the stands and safety and comfort for players, along with a stylish design. This innovation added new value to the world's largest sporting event.

AGC will continue to provide value that is unique to the AGC Group, by leveraging its extensive products and technologies in the fields of glass, electronics, and chemicals.



# The ABCs of AGC

AGC supplied all glass components for Arena Corinthians, which hosted the opening match of the 2014 FIFA World Cup Brazil™.



CREDIT: AMADEU CARVALHO

Arena Corinthians' West façade

Glass-roof benches were not the only AGC products used at the 2014 FIFA World Cup Brazil™.

AGC was selected as an official supplier for Arena Corinthians, a football stadium in São Paulo that hosted the opening match, and supplied all of the glass used in the stadium.

Arena Corinthians features a design heavily accented by glass, and a total of 72,000m<sup>2</sup> of glass weighing 1,500 tons is used for VIP lounges and balustrades, in addition to the East façade, which features the world's

largest video screen with a total surface area of 3,400m<sup>2</sup>, and the West façade, which expresses in curved glass the waving action of a goal net after a ball hits it. AGC's Planibel Clearvision, an exceptionally clear glass\*, is used for all of the stadium's glass, further setting off the stadium's characteristic exterior.

\*An extremely clear glass, which successfully controls the bluish tinge unique to glass by reducing its iron content

## Corporate Outline

(as of June 30, 2014)

**Trade name:** Asahi Glass Company, Limited

**Founded:** September 8, 1907

**Incorporated:** June 1, 1950

**Capital:** ¥90,873,373,264

**Head office:**

Shin-Marunouchi Building, 1-5-1 Marunouchi,  
Chiyoda-ku, Tokyo 100-8405

**Phone:** +81-3-3218-5096

**Number of consolidated subsidiaries:**

203 (including 166 companies overseas)

## State of Stock

(as of June 30, 2014)

**Number of shares outstanding:** 1,186,705,905

**Number of shareholders:** 81,075

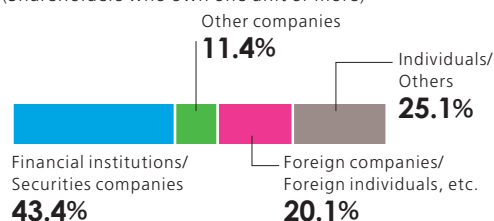
**Shareholders who own shares of one unit or more:**

69,608

## Shareholder Composition

(as of June 30, 2014)

(Shareholders who own one unit or more)



## Information about Shares

**Fiscal year:** January 1 to December 31

**Ordinary general shareholders' meeting:** March

**Shareholder registration date for entitlement to exercise:**

Voting rights at ordinary general shareholders' meeting: December 31

Rights to receive annual dividend payment: December 31

Rights to receive interim dividend payment: June 30

**Public notice:** Electronic public notices

<http://www.agc.com>

**Shareholder Registrar/Special Account Administrator:**

Mitsubishi UFJ Trust and Banking Corporation

Inquiries/Mailing address:

Securities Agency Division, 7-10-11

Higashisuna, Koto-ku, Tokyo 137-8081

Securities Agency Division, Mitsubishi UFJ

Trust and Banking Corporation

Phone: 0120-232-711 (toll free within Japan)

## Contact Information for Inquiries Regarding Shares

Shareholders who have an account with securities companies, etc.	Shareholders who have a special account
Name of securities companies or other entities with which you have an account	<b>Mitsubishi UFJ Trust and Banking Corporation (our Special Account Administrator)</b> <b>Phone: 0120-232-711 (toll free within Japan)</b> When shareholders holding shares in the Special Account wish to register their change of address, designate or change the bank account for receiving dividends, purchase shares constituting less than one unit, or process an account transfer, please contact the Special Account Administrator via the toll-free number 0120-244-479 (there is an automated voice answering service 24 hours a day) and ask for the relevant application forms.

## Information about "withholding tax rate" concerning dividends, etc. of listed shares, etc.

With the termination of the application of the reduced tax rate under the securities tax system, a withholding tax rate of 20% (income tax: 15%; residents' tax: 5%) is applied to dividends, etc. of listed shares, etc., which are paid on and after January 1, 2014. Also, pursuant to the Special Measures for Securing Financial Resources Necessary for Reconstruction from the Great East Japan Earthquake, 2.1% of the income tax is additionally imposed as Special Reconstruction Income Tax up to December 31, 2037.

	From January 1, 2013 to December 31, 2013	From January 1, 2014 to December 31, 2037
Income tax	7%	15%
Special Reconstruction Income Tax	<u>0.147%</u>	<u>0.315%</u>
Resident tax	3%	5%
Total	10.147%	20.315%

- These tax rates are applied in the case of withholding at the source. However, resident tax will not be collected in the case of domestic corporations.
- Since this provides only general information on the Special Reconstruction Income Tax on dividends etc. of listed shares, etc., there are cases where it is not applicable. For further information, please make inquiries to your nearby tax office, licensed tax accountants, or such like.
- This information was compiled based on data as of June 2014.