

Financial Results for the Three Months  
ended March 31, 2014

May 9, 2014

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

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# Financial Results for the Three Months ended March 31, 2014

# 1. Highlights of the Financial Results

# Summary of the Financial Results

億円(100million yen)

		FY2013	FY2014		
		1Q	1Q	増減 Change	% 増減 Change %
売上高	Net sales	3,064	3,291	+228	+7.4%
営業利益	Operating profit	178	128	-49	-27.8%
税引前四半期利益	Profit before tax	150	135	-16	-10.4%
親会社の所有者に 帰属する四半期純利益	Profit for the period attributable to owners of the parent	86	72	-14	-16.7%

売上高営業利益率	Operating profit margin	5.8%	3.9%
ROE*	Return on equity*	3.7%	2.7%

為替レート(期中平均) FOREX Average	JPY/USD	92.42	102.78
	JPY/EUR	122.04	140.79
原油 Crude Oil	\$/BBL (Dubai)	108.2	104.4

\*Return on Equity = Profit for the period attributable to owners of the parent / Total equity attributable to owners of the parent (average)

# Highlights of the Financial Results

Net sales                    329.1 billion yen (up 22.8 billion yen YoY)

Operating profit        12.8 billion yen (down 4.9 billion yen YoY)

The Group's sales increased thanks to increased shipments of glass products, centering on automotive glass, and chemicals, as well as the continued depreciation of the yen.

On the other hand, the Group's profits fell, affected by price increases of fuels and raw materials, sales price declines in the LCD glass substrate business and the architectural glass business in Eastern Europe, and reduced profitability of foreign subsidiaries due to the weak yen.

# Consolidated Statements of Profit or Loss

億円(100million yen)

	FY2013	FY2014	
	1Q	1Q	増減 Change
<b>売上高</b> Net sales	3,064	<b>3,291</b>	+228* (+7.4%)
<b>営業利益</b> Operating profit	178	<b>128</b>	-49 (-27.8%)
その他収支 Other income (expenses)	-19	<b>26</b>	
<b>事業利益</b> Business profit	159	<b>154</b>	-5 (-3.1%)
金融収支 Finance income (costs)	-8	<b>-19</b>	
<b>税引前四半期利益</b> Profit before tax	150	<b>135</b>	-16 (-10.4%)
法人税等 Income tax expenses	61	<b>54</b>	
<b>四半期純利益</b> Profit for the period	89	<b>81</b>	-8 (-9.1%)
<b>親会社の所有者に 帰属する四半期純利益</b> Profit for the period attributable to owners of the parent	86	<b>72</b>	-14 (-16.7%)
<b>非支配持分に 帰属する四半期純利益</b> Profit for the period attributable to non-controlling interests	3	<b>9</b>	

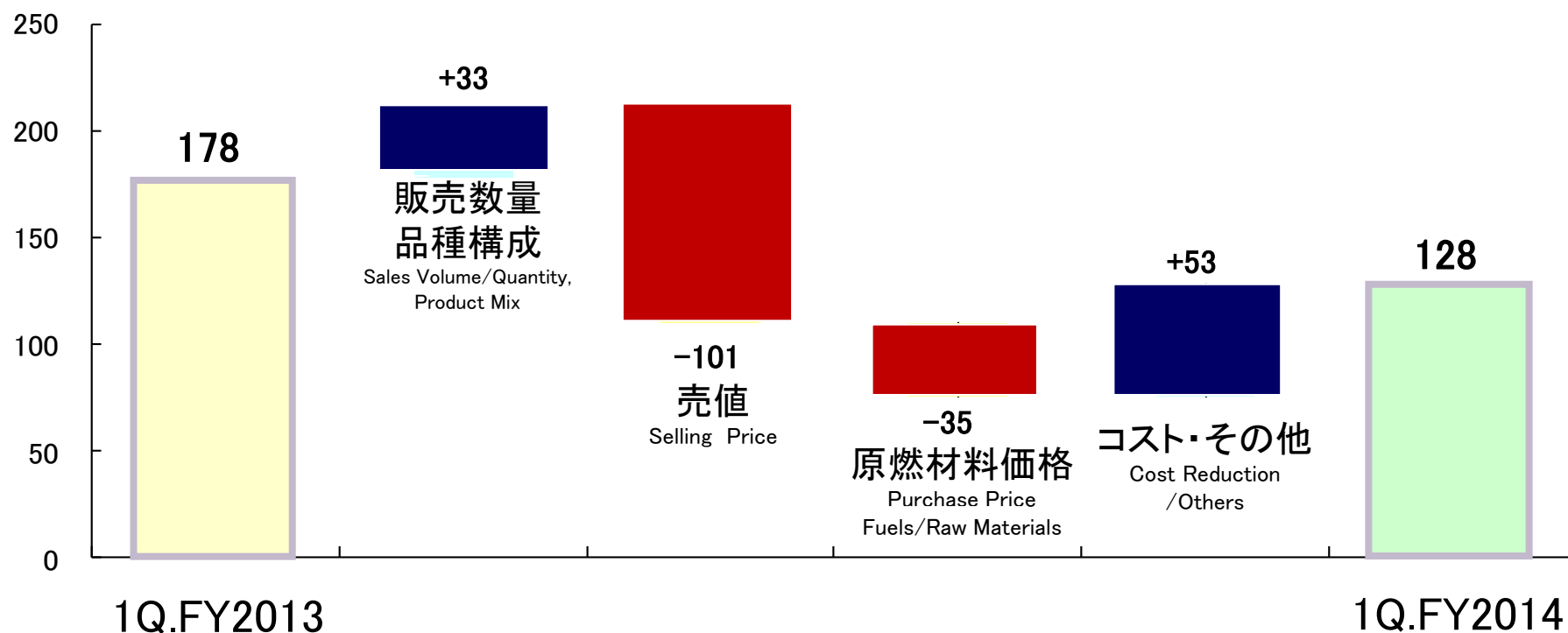
\* Foreign exchange fluctuation resulted in +18.1 billion yen in Net sales in 1Q FY2014.

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# Variance Analysis on Operating Profit (1Q.FY2014 vs. 1Q.FY2013)

前年同期比 49 億円減益  
¥ 4.9 bn down from same period last year

億円 (100million yen)

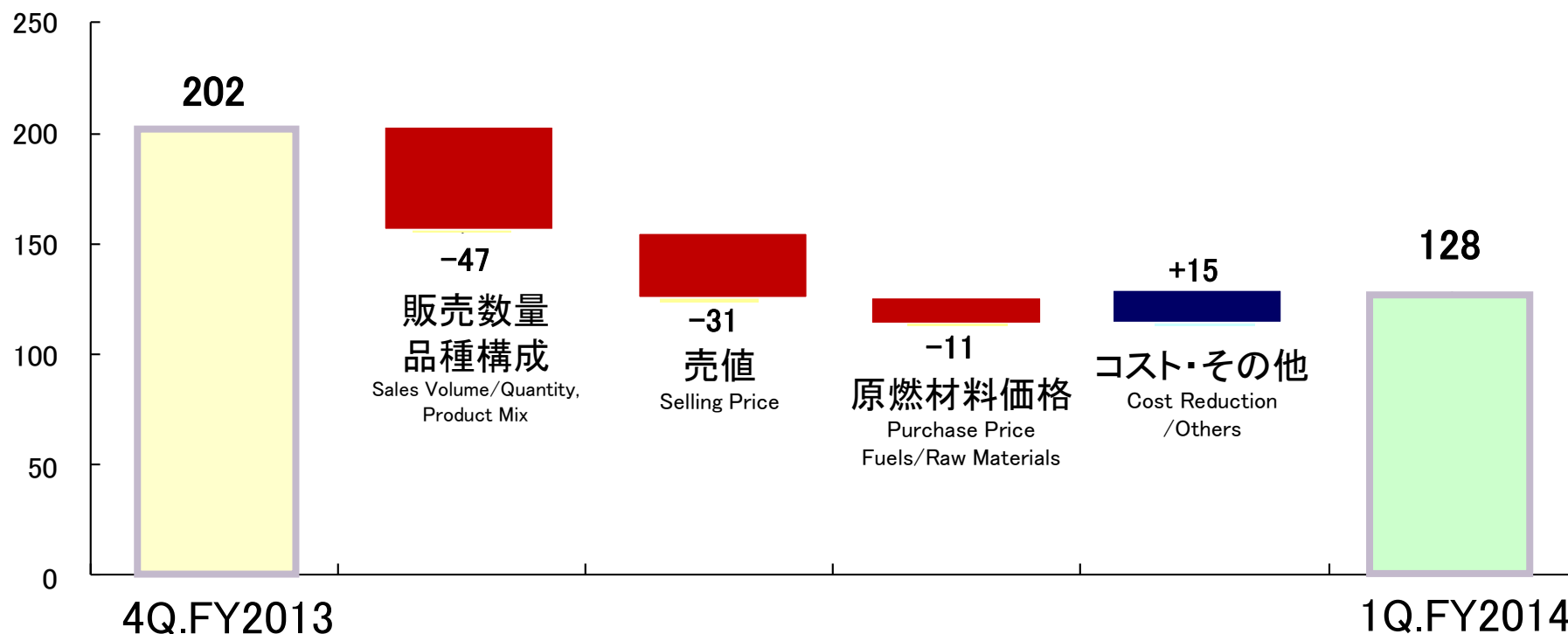




# Variance Analysis on Operating Profit (1Q.FY2014 vs. 4Q.FY2013)

前四半期比 74 億円減益  
¥ 7.4 bn down from last quarter

億円 (100million yen)



\* Results for 4Q of 2013 are unaudited.

# Consolidated Statement of Financial Position

億円(100million yen)

		2013/12	2014/3	増減
		Dec. 31, 2013	Mar. 31, 2014	Change
<b>資産の部</b>	Assets	21,206	20,233	-973
<b>流動資産</b>	Current assets	6,822	6,519	-302
現金及び現金 同等物	Cash and cash equivalents	1,326	1,221	-106
営業債権	Trade receivables	2,609	2,461	-148
棚卸資産	Inventories	2,366	2,380	+14
その他	Other current assets	520	457	-63
<b>非流動資産</b>	Non-current assets	14,385	13,714	-671
有形固定・ 無形資産及び のれん	Property, plant and equipment, Goodwill and Intangible assets	11,222	10,848	-374
金融資産	Financial assets	2,824	2,501	-323
その他	Other non-current assets	339	365	+26

		2013/12	2014/3	増減
		Dec. 31, 2013	Mar. 31, 2014	Change
<b>負債の部</b>	Liabilities	9,755	9,294	-461
営業債務	Trade payables	1,356	1,328	-27
有利子負債	Interest-bearing debt	5,750	5,455	-296
その他	Other liabilities	2,649	2,511	-138
<b>資本の部</b>	Equity	11,451	10,939	-512
親会社の所有者に 帰属する持分合計	Total equity attributable to owners of the parent	10,872	10,335	-537
資本金	Share capital	909	909	-
資本剰余金	Capital surplus	1,007	1,006	-0
利益剰余金	Retained earnings	6,417	6,433	+16
自己株式	Treasury stock	-299	-298	+1
その他の資本の 構成要素	Other components of equity	2,838	2,285	-553
非支配持分	Non-controlling interests	579	604	+25

<b>資産合計</b>	Total Assets	21,206	20,233	-973*
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<b>負債及び資本 合計</b>	Total Liabilities and Equity	21,206	20,233	-973*
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\* -36.8 billion yen due to foreign exchange fluctuation.

# Consolidated Statements of Cash Flows

億円(100million yen)

	FY2013	FY2014
	1Q	1Q
<b>営業活動によるキャッシュ・フロー (a)</b>	<b>406</b>	<b>405</b>
Cash flows from operating activities (a)		
税引前利益	150	135
Profit before tax		
減価償却費及び償却費	331	341
Depreciation and amortization expense		
運転資金増減	-35	44
Increase (decrease) in working capital		
その他	-40	-115
Others		
<b>投資活動によるキャッシュ・フロー (b)</b>	<b>-401</b>	<b>-208</b>
Cash flows from investing activities (b)		
固定資産取得	-419	-253
Purchase of property, plant and equipment and intangible assets		
その他	18	45
Others		
<b>フリー・キャッシュ・フロー (a)+(b)</b>	<b>4</b>	<b>197</b>
Free cash flow (a)+(b)		
<b>財務活動によるキャッシュ・フロー</b>	<b>-12</b>	<b>-290</b>
Cash flows from financing activities		
有利子負債の増減	170	-246
Changes in interest-bearing debt		
支払配当	-150	-58
Dividends paid		
その他	-32	14
Others		
<b>現金等に係る換算差額</b>	<b>69</b>	<b>-13</b>
Effect of exchange rate changes on cash and cash equivalents		
<b>現金等の増加額</b>	<b>62</b>	<b>-106</b>
Net increase(decrease) in cash and cash equivalents		

# CAPEX, Depreciation & Others

億円 (100million yen)

		FY2013	FY2014
		1Q	1Q
設備投資額	CAPEX	385	<b>235</b>
減価償却費	Depreciation	331	<b>341</b>
研究開発費	R&D	116	<b>115</b>

		2013/12	2014/3
		Dec. 31, 2013	Mar. 31, 2014
有利子負債残高	Interest-bearing debts	5,750	<b>5,455</b>
D/E比率	D/E ratio	0.50	<b>0.50</b>

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## 2. Information by Business and Geographic Segments

# Glass Segment (1)

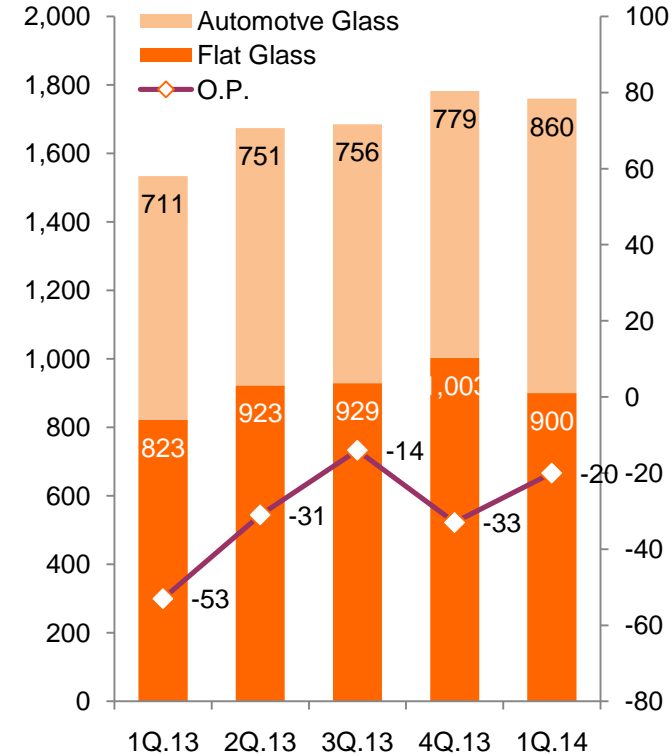
	売上高 Sales		営業利益 Operating profit	
	FY2013	FY2014	FY2013	FY2014
1Q	1,534	1,760 (+227)	-53	-20 (+33)

\* ( ) shows change from FY2013.

売上高の内訳 Breakdown of Sales	小計 Sub total	日本・アジア Japan & Asia	アメリカ Americas	ヨーロッパ Europe	消去 Elimination
ガラス Glass	1,760	828	258	726	-51
板ガラス (建築用、ソーラー) Flat Glass : Architectural & Solar	900	366	109	465	-40
自動車用ガラス Automotive Glass	860	461	149	262	-12

億円 (100million yen)

四半期推移  
Performance Trend



\* Results for 2Q, 3Q and 4Q 2013 are unaudited.

# Glass Segment (2)

【YoY comparison for the first three months】

## [Architectural Glass]

- Japan/Asia : Shipments remained strong.
- Americas : Shipments remained strong.
- Europe : Shipments remained strong, but price levels remained low in Eastern Europe.

## [Automotive Glass]

- Shipments increased thanks to robust auto production.



# Electronics Segment (1)

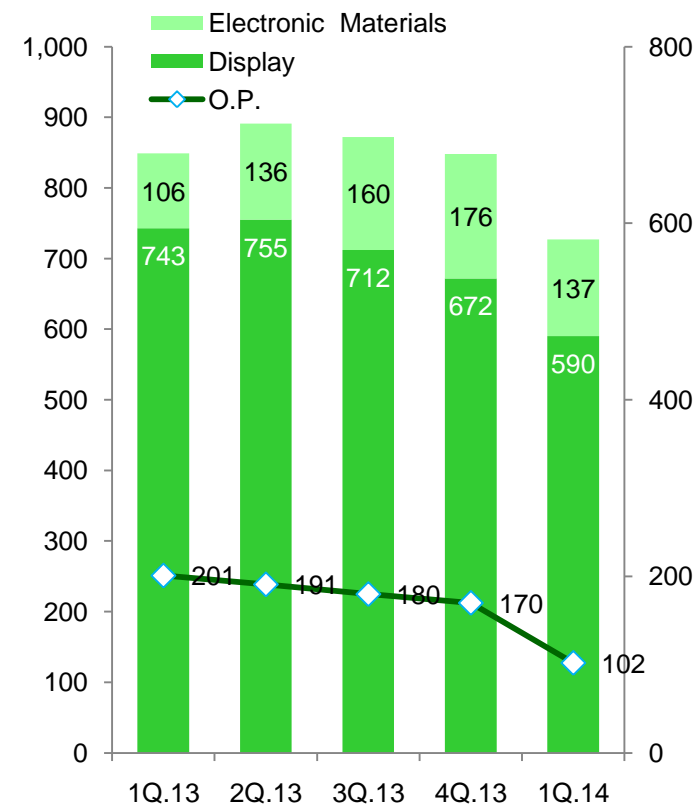
	売上高 Sales		営業利益 Operating profit	
	FY2013	FY2014	FY2013	FY2014
1Q	849	727 (-122)	201	102 (-99)

\* ( ) shows change from FY2013.

売上高の内訳 Breakdown of Sales	
ディスプレイ Display	590
電子部材 Electronic Materials	137

億円 (100million yen)

四半期推移  
Performance Trend



\* Results for 2Q, 3Q and 4Q 2013 are unaudited.

# Electronics Segment (2)

【YoY comparison for the first three months】

## 〔Display〕

- Shipments of TFT-LCD glass substrates increased but there was some impact from a decline in product prices.
- Shipments of PDP related products decreased by weakening demand.

## 〔Electronic Materials〕

- Shipments of semiconductor-related products and optoelectronics materials increased.

# Chemicals Segment (1)

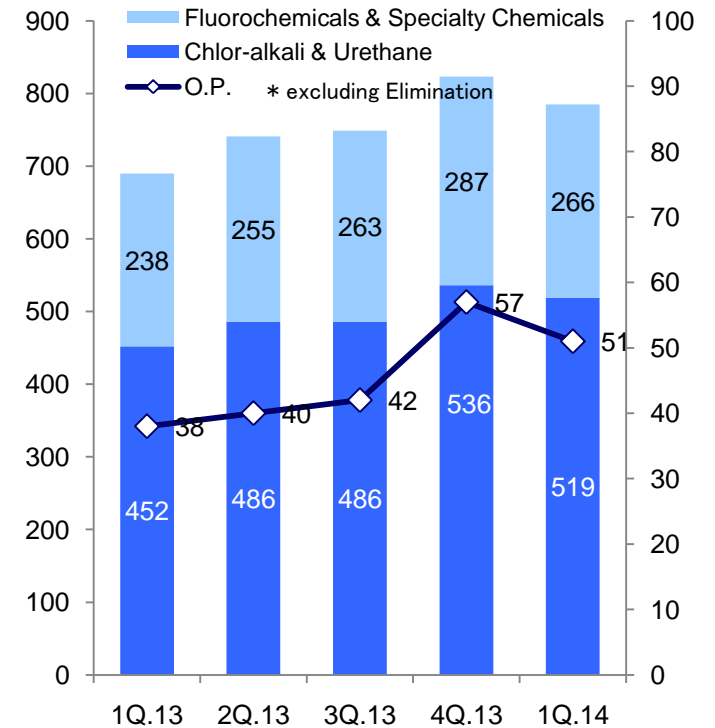
億円(100million yen)

1Q	売上高 Sales		営業利益 Operating profit	
	FY2013	FY2014	FY2013	FY2014
	666	763 (+96)	38	51 (+13)

\* ( ) shows change from FY2013.

売上高の内訳 Breakdown of Sales	
クロールアルカリ・ウレタン Chlor-alkali & Urethane	519
フッ素化学・スペシャリティ Fluorochemicals & Specialty Chemicals	266
消去 Elimination	-22

四半期推移  
Performance Trend



\* Results for 2Q, 3Q and 4Q 2013 are unaudited.

# Chemicals Segment (2)

【YoY comparison for the first three months】

## [Chlor-alkali & Urethane]

- Japan & Asia continued to show strong performance.

## [Fluorochemicals & Specialty Chemicals]

- Shipments of fluorinated resin and pharmaceutical and agrochemical intermediates and active ingredients remained buoyant.

# YoY Performance Comparison by Business Segment

億円 (100million yen)

売上高	Sales	1Q.FY2013	1Q.FY2014	増減 Change	% 増減 Change %
ガラス	Glass	1,534	1,760	+227	+14.8%
電子	Electronics	849	727	-122	-14.4%
化学品	Chemicals	666	763	+96	+14.4%
セラミックス・その他	Ceramics/Other	153	155	+2	+1.5%
消去	Elimination	-139	-114	+25	-
全社計	Consolidated total	3,064	3,291	+228	+7.4%

営業利益	Operating profit	1Q.FY2013	1Q.FY2014	増減 Change	% 増減 Change %
ガラス	Glass	-53	-20	+33	-
電子	Electronics	201	102	-99	-49.4%
化学品	Chemicals	38	51	+13	+34.5%
セラミックス・その他	Ceramics/Other	-3	-6	-3	-
消去	Elimination	-5	2	+7	-
全社計	Consolidated total	178	128	-49	-27.8%

# Quarterly Performance Comparison by Business Segment

億円 (100million yen)

売上高	Sales	4Q.FY2013	1Q.FY2014	増減 Change	% 増減 Change %
ガラス	Glass	1,781	1,760	-21	-1.2%
電子	Electronics	848	727	-121	-14.3%
化学品	Chemicals	800	763	-37	-4.7%
セラミックス・その他	Ceramics/Other	215	155	-60	-27.9%
消去	Elimination	-163	-114	+49	-
全社計	Consolidated total	3,481	3,291	-190	-5.5%

営業利益	Operating profit	4Q.FY2013	1Q.FY2014	増減 Change	% 増減 Change %
ガラス	Glass	-33	-20	+13	-
電子	Electronics	170	102	-68	-40.1%
化学品	Chemicals	57	51	-7	-11.8%
セラミックス・その他	Ceramics/Other	5	-6	-11	-
消去	Elimination	2	2	-0	-
全社計	Consolidated total	202	128	-74	-36.5%

# YoY Performance Comparison by Geographic Segment

億円 (100million yen)

売上高	Sales	1Q.FY2013	1Q.FY2014	増減 Change	% 増減 Change %
日本・アジア	Japan & Asia	2,250	2,306	+56	+2.5%
アメリカ	Americas	262	323	+61	+23.3%
ヨーロッパ	Europe	653	777	+124	+18.9%
消去	Elimination	-102	-115	-13	-
全社計	Consolidated total	3,064	3,291	+228	+7.4%

営業利益	Operating profit	1Q.FY2013	1Q.FY2014	増減 Change	% 増減 Change %
日本・アジア	Japan & Asia	319	256	-63	-19.7%
アメリカ	Americas	-19	-22	-3	-
ヨーロッパ	Europe	-47	-32	+15	-
消去	Elimination	-1	3	+4	-
地域共通費用	Cross-regional common expenses	-74	-77	-3	-
全社計	Consolidated total	178	128	-49	-27.8%

# Quarterly Performance Comparison by Geographic Segment

億円 (100million yen)

売上高	Sales	4Q.FY2013	1Q.FY2014	増減 Change	% 増減 Change %
日本・アジア	Japan & Asia	2,511	2,306	-205	-8.2%
アメリカ	Americas	281	323	+43	+15.2%
ヨーロッパ	Europe	779	777	-2	-0.2%
消去	Elimination	-89	-115	-26	-
全社計	Consolidated total	3,481	3,291	-190	-5.5%

営業利益	Operating profit	4Q.FY2013	1Q.FY2014	増減 Change	% 増減 Change %
日本・アジア	Japan & Asia	339	256	-83	-24.4%
アメリカ	Americas	-41	-22	+19	-
ヨーロッパ	Europe	-12	-32	-20	-
消去	Elimination	-5	3	+8	-
地域共通費用	Cross-regional common expenses	-80	-77	+2	-
全社計	Consolidated total	202	128	-74	-36.5%



# The Impact of FOREX and Change in the Scope of Consolidation (Compared with 1Q.FY2013)

億円 (100million yen)

区分 Segment	売上高 Sales			
	全社計* Consolidated total*	ガラス Glass	電子 Electronics	化学品 Chemicals
1Q.FY2014	3,291	1,760	727	763
前年同期比 Change vs. 1Q.FY2013	+228	+227	-122	+96
[以下影響を除く前年同期比] Change like-for-like vs. 1Q.FY2013	+46	+91	-133	+64
為替換算の影響 Impact of FOREX	+181	+136	+11	+33
連結範囲変更の影響 Impact of Change in the Scope of Consolidation	—	—	—	—

\* The sum of the segment amounts may not equal the amount of consolidated total, because it includes the amount of Other Segment and elimination.

# Outlook for FY2014

# FY2014 Forecast

IFRS

億円(100million yen)

		FY2013		FY2014 見通し FY2014 Forecast			
		上期 <sup>*1</sup> First Half	通期 Full-Year	上期 First Half	通期 Full-Year	増減 Change	% 増減 Change %
売上高	Net sales	6,385	13,200	7,000	14,000	+800	+6.1%
営業利益	Operating profit	386	799	300	750	-49	-6.1%
【参考】 営業利益(日本基準)	[Reference] Operating profit (J-GAAP)	-	(707)	-	(700)	(-7)	(-1.0%)
税引前利益	Profit before tax	-	444	-	400	-44	-9.9%
親会社の所有者に 帰属する当期純利益	Profit for the year attributable to owners of the parent	-	161	-	200	+39	+23.9%
一株当たり配当金	Dividend (Yen/Share)		18		18		
売上高営業利益率	Operating profit margin		6.1%		5.4%		
ROE <sup>*2</sup>	Return on equity <sup>*2</sup>		1.6%		1.8%		
為替レート(期中平均) FOREX Average	JPY/USD	97.65		110.0 <sup>*3</sup>			
	JPY/EUR	129.68		150.0 <sup>*3</sup>			
原油	Crude Oil	\$ /BBL (Dubai)		105.5			
				100.0 <sup>*3</sup>			

\* 1 Results for first half 2013 are unaudited.

\*2 Return on equity = Profit for the year attributable to owners of the parent / Total equity attributable to owners of the parent (average)

ROE of FY2014 Forecast is calculated by using the Total equity attributable to owners of the parent as of Dec.31, 2013.

\* 3 Assumption for FY2014

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# Business Outlook for FY2014 (1)

## [Glass]

### ● Architectural Glass

Japan/Asia : Shipments are expected to remain strong.

Americas : Shipments are expected to remain strong.

Europe : Shipments might continue to be sluggish,  
but earnings will improve through restructuring  
measures.

### ● Automotive Glass

Shipments are expected to increase driven by strong demand in fast-growing markets.

# Business Outlook for FY2014 (2)

## [Electronics]

- Shipments of TFT-LCD glass substrates and specialty glass for display applications are expected to be strong for the full year.
- PDP related products are expected to be adversely affected by weakening demand.
- Shipments of electronic materials are expected to remain strong.

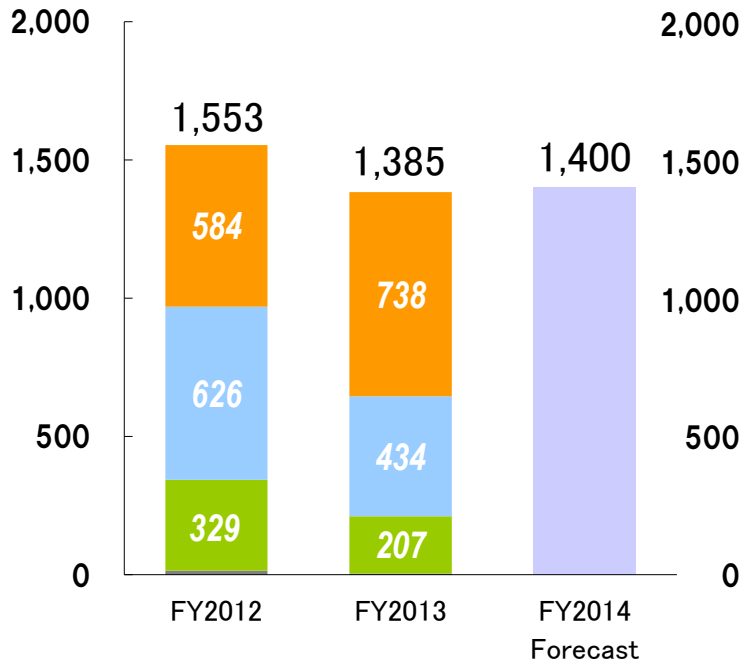
## [Chemicals]

- Shipments of chlor-alkali products in Asia and shipments of fluorochemicals related products are expected to remain strong.

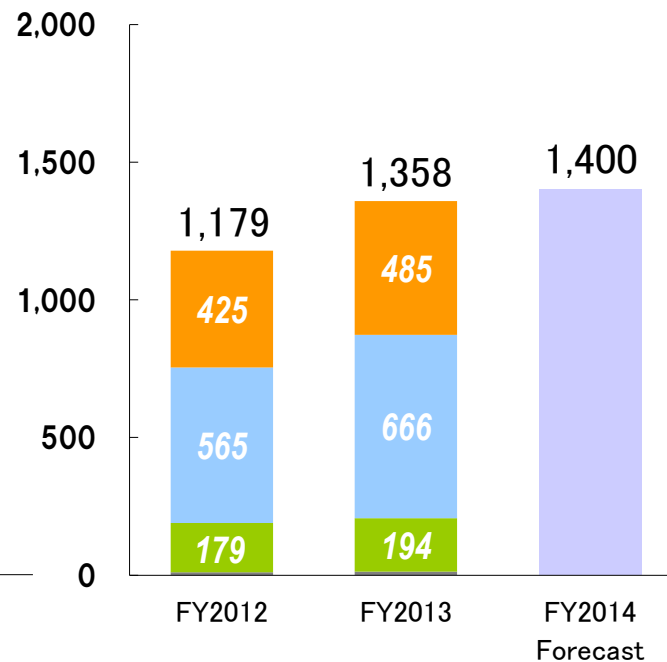
# CAPEX / Depreciation / R&D

億円 (100million yen)

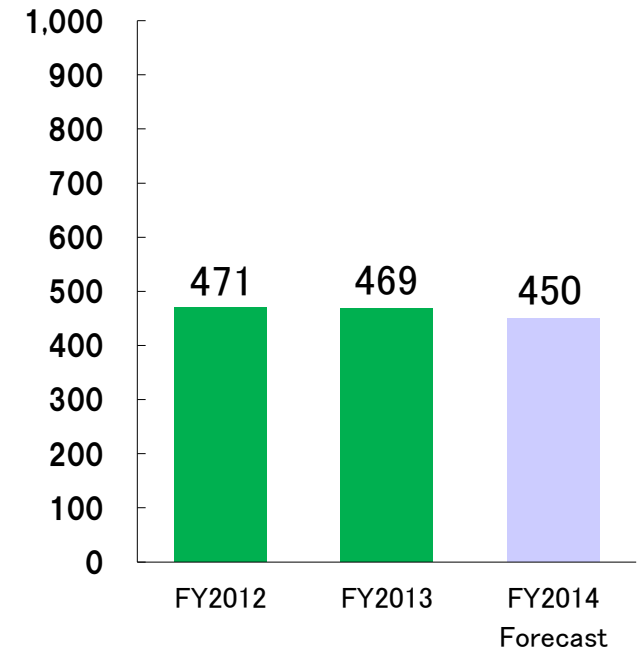
## 設備投資 CAPEX



## 減価償却費 Depreciation



## 研究開発費 R&D



■ ガラス  
Glass

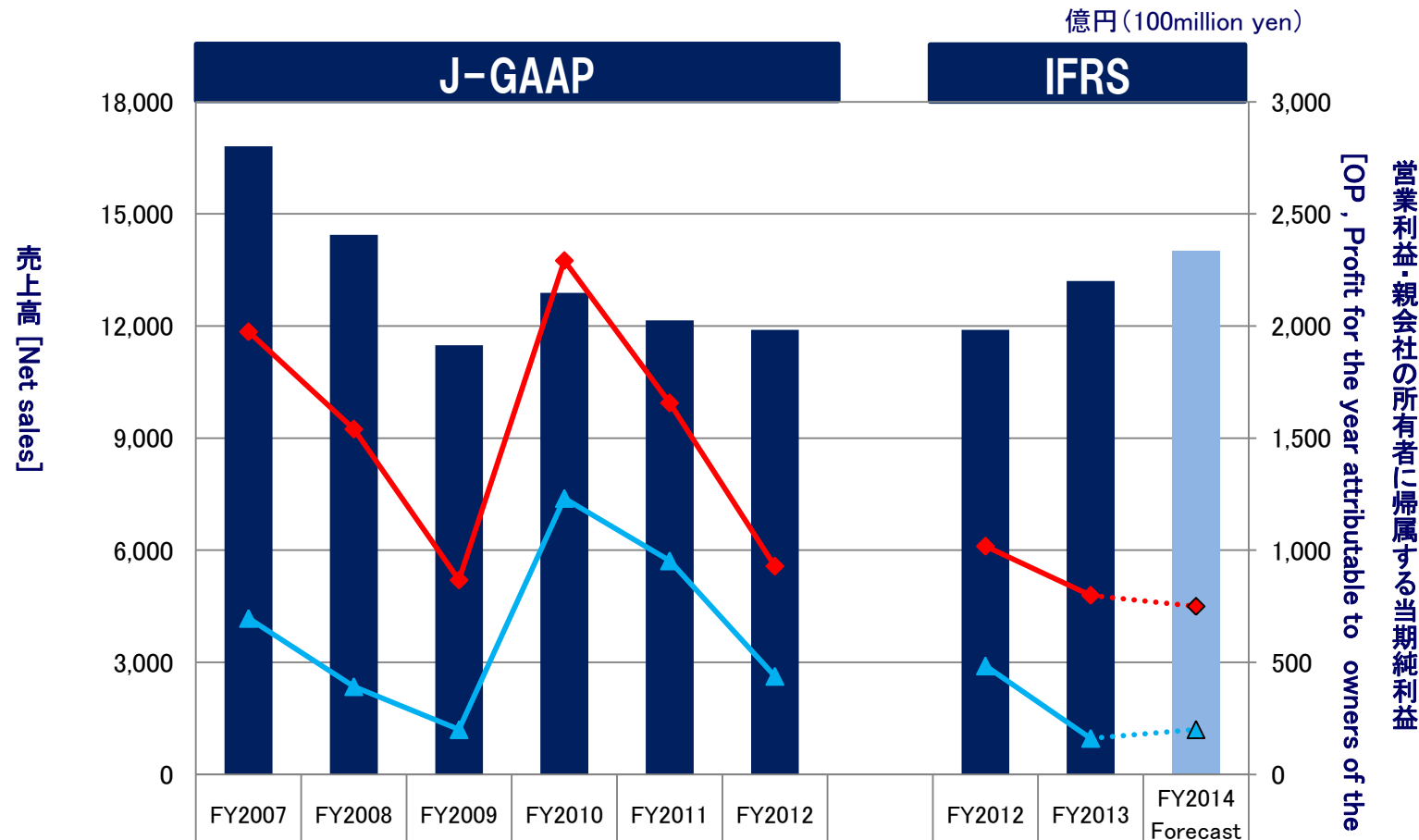
■ 電子  
Electronics

■ 化学品  
Chemicals

■ セラミックス・その他  
Ceramics/Other

# Appendix

# Changes in the Financial Results



■ 売上高	Net sales	16,812	14,443	11,482	12,889	12,147	11,900	11,900	13,200	14,000
◆ 営業利益	Operating profit	1,975	1,540	867	2,292	1,657	929	1,018	799	750
▲ 親会社の所有者に帰属する当期純利益 *	Profit for the year attributable to owners of the parent *	696	392	200	1,232	953	438	484	161	200
営業利益率	Operating profit margin	11.7%	10.7%	7.5%	17.8%	13.6%	7.8%	8.6%	6.1%	5.4%
一株当たり配当金	Cash dividends per share (yen)	¥20	¥24	¥16	¥26	¥26	¥26	¥26	¥18	¥18



# Financial Index

			J-GAAP						IFRS	
			07/12	08/12	09/12	10/12	11/12	12/12	12/12	13/12
自己資本当期純利益率(ROE) <sup>*1</sup>	Return on equity <sup>*1</sup>	%	7.5%	4.7%	2.7%	15.8%	11.8%	5.0%	5.8%	1.6%
総資産営業利益率(ROA) <sup>*2</sup>	Return on assets <sup>*2</sup>	%	9.3%	7.8%	4.8%	12.9%	9.6%	5.2%	5.6%	4.0%
自己資本比率	Equity ratio	%	45%	40%	42%	46%	48%	50%	47%	51%
D/E(有利子負債・純資産比率)	Debt/Equity ratio	倍 times	0.52	0.77	0.74	0.60	0.57	0.54	0.56	0.50
営業CF/有利子負債	CF from Operating Activities/Interest-bearing debt	倍 times	0.46	0.34	0.30	0.56	0.31	0.31	0.32	0.29
一株当たり当期純利益(EPS)	Earnings per share	円 Yen	59.35	33.53	17.12	105.52	81.90	37.88	41.90	13.97
EBITDA <sup>*3</sup>	EBITDA <sup>*3</sup>	億円 100mil Yen	2,555	2,199	1,873	3,084	2,594	1,928	2,000	1,866

\*1 【J-GAAP】 Return on equity = Net Income / (Shareholders' Equity (average) + Accumulated other comprehensive income (average))

【IFRS】 Return on equity = Profit for the year attributable to owners of the parent / Total equity attributable to owners of the parent (average)

\*2 Return on assets = Operating profit / Total assets (average)

\*3 Earnings before interest, tax, depreciation and amortization(EBITDA) = Profit before tax + Depreciation + Interest expenses

為替レート Exchange rates			FY2013				FY2014			
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
円/ドル JPY/USD	期中平均	Average	92.42	98.76	98.95	100.46	102.78	110.0 <sup>*4</sup>		
	期末	At quarter end	94.05	98.59	97.75	105.39	102.92			
円/ユーロ JPY/EUR	期中平均	Average	122.04	128.95	131.05	136.69	140.79	150.0 <sup>*4</sup>		
	期末	At quarter end	120.73	128.53	131.87	145.05	141.65			

\*4 Assumption for FY2014

# Major Press Releases in FY2014

Date	Summary
January 23	AGC to supply Honeywell with HFO-1234yf -new-generation automobile refrigerant
January 27	AGC's high performance Fluon®ETFE Film used in natural turf stadium in Sochi, Russia
February 3	AGC to enhance production capacity of ultra-thin glass in Thailand
March 6	AGC establishes the first technical center for the chemicals business in Shanghai city, China
March 6	AGC's laminated glass contributes to safety of 300m-tall skyscraper "Abeno Harukas" in Osaka
March 19	AGC develops AMOLEA™, a new refrigerant for air-conditioning systems with a low environmental impact of about one-sixth that of conventional products
April 9	AGC appoints Luís Figo as official ambassador for 2014 FIFA World Cup Brazil™ glass roof for player benches
April 24	2014 FIFA World Cup Brazil™ glass roof for player benches unveiled
April 24	AGC's Dragontrail™ selected by 37 electronic device brands
April 24	AGC supplies all glass for Arena Corinthians

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