

QA during the Presentation on the Financial Results for FY2015 and “Vision 2025”

【Overall company】

Q1. You have said, in the 15 page of presentation “Vision 2025”, that “with investments in the previous years, sales in FY2017 will increase 130 billion yen from FY2015”. What is the breakdown for that?

A1. One of the particularly large contributions, about 50 billion yen, is from expansion of facilities in Indonesia and Vietnam for chemicals business. Furthermore, a new automotive glass plant in Mexico, an automotive replacement glass company in Poland that has become a consolidated subsidiary, and the fluorochemicals business in Japan should account for 10 to 20 billion yen. By adding others, the total will come to 130 billion yen.

【Glass】

Q1. What is profitability of glass business going forward?

A1. The architectural glass business in the US is recovering steadily. Demand in Europe is also strong and the shipment volume is increasing. Russia is a concern, but the impact is small since it only accounts for a small ratio of total our business. Following the start of full operations of automotive glass plants in Mexico and China, we can expect increased profit contributions.

【Electronics】

Q1. What is your FY2016 1Q outlook for the electronics segment?

A1. The outlook is rather bleak as the volume for LCD glass may fall below the previous year’s figure, and the shipments of the electronic materials business are usually weak in 1Q. In addition, with respect to price declines of LCD glass, each year the range of price declines is becoming milder, and we think that trend will continue this year as well.

【Chemicals】

Q1. What is the background for the growth in sales of the fluorochemicals business in Japan?

A1. There are the commercialization of a new refrigerant, and the expansion of pharmaceutical and agrochemical intermediates. AGC's fluorine synthesis process is highly regarded from customers, and the business for contract product manufacturing is growing.