February 9, 2011

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Consolidated Financial Results for the Fiscal Year ended December 31, 2010

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

1. Financial results for FY2010 (January 1 through December 31, 2010)

(1) Consolidated operating results

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

	FY2010 (Jan through Dec 2010)		FY2009 (Jan through Dec 2009)	
	millions of yen	%	millions of yen	%
Net sales	1,288,947	12.3	1,148,198	(20.5)
Operating income	229,205	164.4	86,682	(43.7)
Ordinary income	226,806	160.1	87,207	(20.5)
Net income	123,184	516.4	19,985	(49.0)
Net income per share -basic (yen)	105.52		17.12	
Net income per share -fully diluted (yen)	97.84		17.04	
Return on equity (%)	15.8		2.7	
Ratio of ordinary income to total assets (%)	12.8		4.8	
Ratio of operating income to net sales (%)	17.8		7.5	

Reference: Equity in gains (losses) of unconsolidated and affiliates for -FY2010; 2,188 million yen -FY2009; (451) million yen

(2) Consolidated financial position

	FY2010 (as of December 31, 2010)	FY2009 (as of December 31, 2009)
Total assets (millions of yen)	1,764,038	1,781,875
Total net assets (millions of yen)	849,815	808,312
Equity ratio (%)	45.8	42.4
Equity per share (yen)	692.59	646.53

Reference: Total Shareholders' Equity at -FY2010; 808,242 million yen -FY2009; 754,883 million yen

(3) Consolidated cash flows

	FY2010 (Jan through Dec 2010)	FY2009 (Jan through Dec 2009)
Cash flows from operating activities (millions of yen)	285,669	180,683
Cash flows from investing activities (millions of yen)	(124,644)	(115,563)
Cash flows from financing activities (millions of yen)	(100,797)	(30,092)
Cash and cash equivalents at the end of the year (millions of yen)	152,792	95,869

2. Dividends

	(Base date)	FY2009	FY2010	FY2011(forecast)
Dividend per share	End of the first quarter (yen)	-	-	-
	End of the second quarter (yen)	8.00	12.00	13.00
	End of the third quarter (yen)	-	-	-
	End of the fiscal year (yen)	8.00	14.00	13.00
	Full fiscal year (yen)	16.00	26.00	26.00
Total dividend distribution (full fiscal year) (millions of yen)		18,681	30,347	-
Payout ratio (consolidated) (%)		93.5	24.6	23.3
Ratio of dividend distribution to stockholders' equity (consolidated) (%)		2.5	3.9	-

3. Forecast for FY2011 (January 1 through December 31, 2011)

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

	First half		Full fiscal year	
	millions of yen	%	millions of yen	%
Net sales	650,000	1.3	1,350,000	4.7
Operating income	100,000	△13.0	220,000	△4.0
Ordinary income	100,000	△11.1	215,000	△5.2
Net income	60,000	△19.3	130,000	5.5
Net income per share (yen)	51.41		111.40	

4. Other Information

(1) Changes in significant subsidiaries during the period under review

(Changes in specific subsidiaries involving changes in the scope of consolidation): Yes

New 0 company

Excluded 1company (Hunan HEG Electronic Glass Co., Ltd.)

For details, refer to page 10.

(2) Changes in accounting principles, procedures and presentation methods for financial statements

(Changes in key accounting standards for financial reporting)

ⅰ. Changes resulting from revisions to accounting standards: Yes

ⅱ. Other changes: Yes

For details, refer to page 20-23.

(3) Number of shares issued (common stock)

ⅰ. Number of shares issued (including treasury stock) at the end of the period

-FY2010 (as of December 31, 2010):	1,186,705,905
-FY2009 (as of December 31, 2009):	1,186,705,905

ⅱ. Treasury stock at the end of the period

-FY2010 (as of December 31, 2010):	19,722,989
-FY2009 (as of December 31, 2009):	19,120,306

[Reference]

(1) Non-Consolidated operating results

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

	FY2010 (Jan through Dec 2010)		FY2009 (Jan through Dec 2009)	
	millions of yen	%	millions of yen	%
Net sales	638,521	21.0	527,841	(18.3)
Operating income	129,195	398.0	25,945	(48.5)
Ordinary income	136,583	338.3	31,162	(44.7)
Net income	73,495	-	(42,174)	-
Net income per share -basic (yen)	62.96		(36.12)	
Net income per share -fully diluted (yen)	58.38		-	

(2) Non-Consolidated financial position

	FY2010 (as of December 31, 2010)	FY2009 (as of December 31, 2009)
Total assets (millions of yen)	1,153,964	1,097,753
Total net assets (millions of yen)	532,896	487,360
Equity ratio (%)	46.1	44.3
Equity per share (yen)	455.55	416.56

Reference: Total Shareholders' Equity at -FY2010; 531,619 million yen

-FY2009; 486,367 million yen

<u>*Appropriate Use of Forecast and Other Information and Other Matters</u>

The above-mentioned forecast reflects management's judgment on the basis of currently available information, as such, contain risks and uncertainties. For matters concerning the above forecast, please see page 8.

Qualitative Information and Financial Statements

1. Operating Results

(1) Analysis of operating results

Operating results for FY2010

For the fiscal year under review (from January 1, 2010 to December 31, 2010), the global economic environment which surrounds the Company and its consolidated subsidiaries (hereinafter collectively referred to as the "AGC Group" or simply as the "Group") is characterized by a gradual recovery in developed countries and economic expansion in emerging countries. In Japan, the economic conditions have made a turn towards recovery thanks to increased exports and other factors, despite continuously sluggish consumer spending. In China ans other Asian countries and regions, which has demonstrated notable economic growth, economic expansion continued due to solid domestic demand as well increases in exports. In the U.S., the economy gradually recovered, supported by consumer spending. In Europe, economic decline ceased, despite fiscal and financial anxieties that originated in Greece. In some countries such as in Germany, the economy has recovered.

Within such a business environment, the AGC Group posted net sales of 1,288.9 billion yen which was 140.7 billion yen or 12.3% increase compared to the previous year ("year-on-year"); operating income of 229.2 billion yen which was 142.5 billion yen or 164.4% increase year-on-year; ordinary income of 226.8 billion yen which was 139.6 billion yen or 160.1% increase year-on-year; and net income of 123.2 billion yen which was 103.2 billion yen or 516.4% increase year-on-year.

Overview by business segment (Unit: billions of yen)

	Net sales		Operating income	
	FY2010	FY2009	FY2010	FY2009
Glass	570.9	525.0	21.2	(35.0)
Electronics and Display	435.3	369.3	189.9	126.9
Chemicals	260.1	233.7	15.2	(7.7)
Other	77.3	68.9	3.0	2.0
Corporate or elimination	(54.7)	(48.7)	(0.1)	0.5
Total	1,288.9	1,148.2	229.2	86.7

Note: Figures are rounded to the nearest 10 million yen.

- Glass Operations

In the flat glass business, architectural glass shipments increased in all regions, and shipments of glass for solar power systems were also strong. However, sales increased only slightly compared to the previous year due to the effect resulting from appreciation of the yen. In the automotive glass business, shipments were continuously strong due to the effects of demand-oriented stimulus measures implemented in various countries. Sales in this business increased compared to the previous year.

As a result, net sales from the Glass Operations for the fiscal year were 570.9 billion yen which was 45.9 billion yen or 8.7% increase year-on-year, and operating income was 21.2 billion yen which was 56.2 billion yen increase year-on-year.

- Electronics and Display Operations

In the display business, shipments of glass substrates for flat panel displays (FPDs) were strong and sales in this business increased year-on-year as shipments for the full fiscal year increased year-on-year despite the effects of adjustments in operations conducted by panel makers in the second half of the year.

In the electronics materials business, sales increased year-on-year due to shipments of products such as optoelectronics materials and semiconductor-related materials.

As a result, net sales from the Electronics and Display Operations for the fiscal year were 435.3 billion yen which was 66.0 billion yen or 17.9% increase year-on-year, and operating income was 189.9 billion yen which was 63.0 billion yen or 49.6% increase year-on-year.

- Chemicals Operations

In the chlor-alkali & urethane business, sales increased year-on-year due to strong demand for caustic soda and vinyl chloride-related products during the course of the year.

In the fluorochemical & specialty chemicals business, demand mainly for water and oil repellents and fluorinated resins was strong. Sales increased from the previous fiscal year due to increased shipments resulting from the expansion of the fluorinated resin film market.

As a result, net sales resulting from Chemicals Operations for the fiscal year were 260.1 billion yen which was 26.4 billion yen or 11.3% increase year-on-year, and operating income was 15.2 billion yen which was 22.9 billion yen increase year-on-year.

- Other Operations

In the ceramics business, sales increased year-on-year due to the recovery of demand both in the glass engineering market and in the environmental energy market.

As a result, net sales from Other Operations for the fiscal year were 77.3 billion yen which was 8.4 billion yen or 12.2% increase year-on-year, and operating income was 3.0 billion yen which was 1.0 billion yen or 47.4% increase year-on-year.

Overview by geographic segment (Unit: billions of yen)

	Net sales		Operating income	
	FY2010	FY2009	FY2010	FY2009
Japan	777.6	658.6	138.1	27.5
Asia	495.7	418.0	89.7	78.3
The Americas	86.1	76.5	(5.1)	(12.5)
Europe	233.0	236.1	6.8	(6.5)
Corporate or elimination	(303.4)	(240.9)	(0.3)	(0.2)
Total	1,288.9	1,148.2	229.2	86.7

Note: Figures are rounded to the nearest 10 million yen.

- Japan

Net sales in Japan for the fiscal year were 777.6 billion yen which was 119.1 billion yen or 18.1% increase year-on-year, and operating income was 138.1 billion yen which was 110.6 billion yen or 401.8% increase year-on-year.

- Asia

Net sales in Asia for the fiscal year were 495.7 billion yen which was 77.7 billion yen or 18.6% increase year-on-year, and operating income was 89.7 billion yen which was 11.4 billion yen or 14.5% increase year-on-year.

- The Americas

Net sales in the Americas for the fiscal year were 86.1 billion yen which was 9.6 billion yen or 12.6% increase year-on-year, and operating loss was 5.1 billion yen which was a decrease of 7.4 billion yen from the previous fiscal year.

- Europe

Net sales in Europe for the fiscal year were 233.0 billion yen which was 3.1 billion yen or 1.3% decrease year-on-year, and operating income was 6.8 billion yen which was 13.3 billion yen increase year-on-year.

The overview by geographic segment is described in “Overview by business segment.”

(2) Analysis of financial conditions

Overview of financial conditions (Unit: billions of yen)

	FY2010	FY2009	Change
Total assets	1,764.0	1,781.9	(17.8)
Total liabilities	914.2	973.6	(59.3)
Total net assets	849.8	808.3	41.5

Note: Figures are rounded to the nearest 10 million yen.

- Total assets

  Total assets as of the end of fiscal year under review were 1,764.0 billion yen, down 17.8 billion yen from the previous year. This fall is mainly due to a decrease in tangible fixed assets.

- Total liabilities

  Total liabilities as of the end of the fiscal year under review were 914.2 billion yen, down 59.3 billion yen from the end of the previous year. This decline is chiefly attributable to a decrease in interest-bearing liabilities resulting from the repayment of loans.

- Total net assets

  Total net assets as of the end of the fiscal year under review were 849.8 billion yen, up 41.5 billion yen from the end of the previous year. This increase chiefly reflects an increase in retained earnings due to the posting of net income despite a decrease in foreign currency translation adjustments resulting from appreciation of the yen.

Overview of cash flows (Unit: billions of yen)

	FY2010	FY2009	Change
Cash flows from operating activities	285.7	180.7	105.0
Cash flows from investing activities	(124.6)	(115.6)	(9.1)
Cash flows from financing activities	(100.8)	(30.1)	(70.7)
Cash & cash equivalents as of end of period	152.8	95.9	56.9

Note: Figures are rounded to the nearest 10 million yen.

- Cash flows from operating activities

  Net cash provided by operating activities was 285.7 billion yen for the fiscal year under review, up 105.0 billion yen from the previous year. This increase is mainly due to an increase in income before income taxes and minority interests.

- Cash flows from investing activities

  Net cash used in investing activities increased 9.1 billion yen year-on-year, to 124.6 billion yen. This increase is mainly due to increased expenditures resulting from purchase of investments in subsidiaries.

  As a result, free cash flows for the fiscal year under review, which is the sum of cash flows from operating activities and investing activities, increased 95.9 billion yen from the previous year to 161.0 billion yen.

- Cash flows from financing activities

  Net cash used in financing activities for the fiscal year under review was 100.8 billion yen for the fiscal year under review, up 70.7 billion yen from the previous year. This increase is mainly due to the repayment of interest-bearing liabilities.

  As a result, the outstanding balance of cash and cash equivalents as of the end of the fiscal year under review increased 56.9 billion yen in comparison with that of the previous year, to 152.8 billion yen.

- Cash flow indices

	FY2007	FY2008	FY2009	FY2010
Equity ratio (%)	45.3	39.8	42.4	45.8
Equity ratio based on market value (%)	83.4	32.1	57.5	62.8
Number of years for debt redemption	2.2	2.9	3.3	1.8
Interest coverage ratio	13.3	14.0	17.4	44.4

(Notes) Equity ratio (%): (Net assets – minority interest – share subscription rights) / total assets

Equity 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 stock).*
- *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 balance sheets for which interest is paid. In addition, interest payment represents amount of interest paid on the consolidated statements of cash flows.*

(3) Forecast for FY2011

Operating forecast for FY2011

(Unit: billions of yen)

	Net Sales	Operating income	Ordinary income	Net income
FY 2011 (January 1 through December 31, 2011)	1,350.0	220.0	215.0	130.0
FY 2010 (January 1 through December 31, 2010)	1,288.9	229.2	226.8	123.2
Change (%)	4.7	(4.0)	(5.2)	5.5

Note: Figures are rounded to the nearest 10 million yen.

Although the overall global economy is expected to grow slightly in 2011 due to a gradual upward trend in the economies of developed countries as well as due to the boosted economic growth in emerging countries, there are concerns about oil price hikes and other factors.

Under these circumstances, shipments of architectural glass, automotive glass and glass for solar power systems are all expected to increase in the Glass Operations, although care must be exercised when anticipating the movement of demand in each region. In the Electronics & Display Operations, shipments of glass substrates for FPDs are expected to increase in line with the growth of the display market. Shipments of electronics materials are also expected to increase. In the Chemicals Operations, shipments of both chlor-alkali & urethane and fluorochemicals & specialty chemicals are expected to be strong.

Thanks to these positive forecast, the AGC Group expects that sales for FY2011 will increase year-on-year. The net profit, however, will be in the same range as the previous year due to factors such as a price increase in raw materials and fuels.

Based on the outlook described above, the AGC Group expects sales for FY2011 of 1,350.0 billion yen which is 61.1 billion yen or 4.7% increase year-on-year; operating income of 220.0 billion yen which is 9.2 billion yen or 4.0% decrease year-on-year; ordinary income of 215.0 billion yen which is 11.8 billion yen or 5.2% decrease year-on-year; and net income of 130.0 billion yen which is 6.8 billion yen or 5.5% increase year-on-year.

The assumed average exchange rate for the FY2011 is 85 yen to the U.S. dollar and 110 yen to the Euro.

Forecast of financial conditions for FY2011

Of the cash flows from operating activities, income before income taxes and minority interest is expected to increase compared with that for the fiscal year ended December 31, 2010. Depreciation expenses are expected increase by 10.0 billion yen year-on-year to 120.0 billion yen due to an increase in capital expenditures.

Of the cash flows from investing activities, capital expenditures are expected to increase 82.6 billion yen year-on-year to 200.0 billion yen.

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

(4) Allocation and Distribution of Profits and Dividends

Based on its policy to maintain stable dividends, the AGC Group is doing its utmost to proactively return profits to shareholders by aiming for a dividend payout ratio (consolidated) of approximately 30%, while giving comprehensive consideration to 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.

Considering that the AGC Group posted a record net profit for the fiscal year ending December 31, 2010, the Company is planning to increase the total full year dividend payout by 2 yen from the last revised forecast (announced on November 5, 2010) to 26 yen (12 yen per share for interim dividend, and 14 yen per share for year-end dividend (provisional)). FY 2011 total full year dividend payout will be 26 yen (13 yen per share for interim dividend, and 13 yen per share for year-end dividend (provisional)) based on the Company's policy to maintain stable dividend payment.

*[Important notes with regard to the **forecast**]*

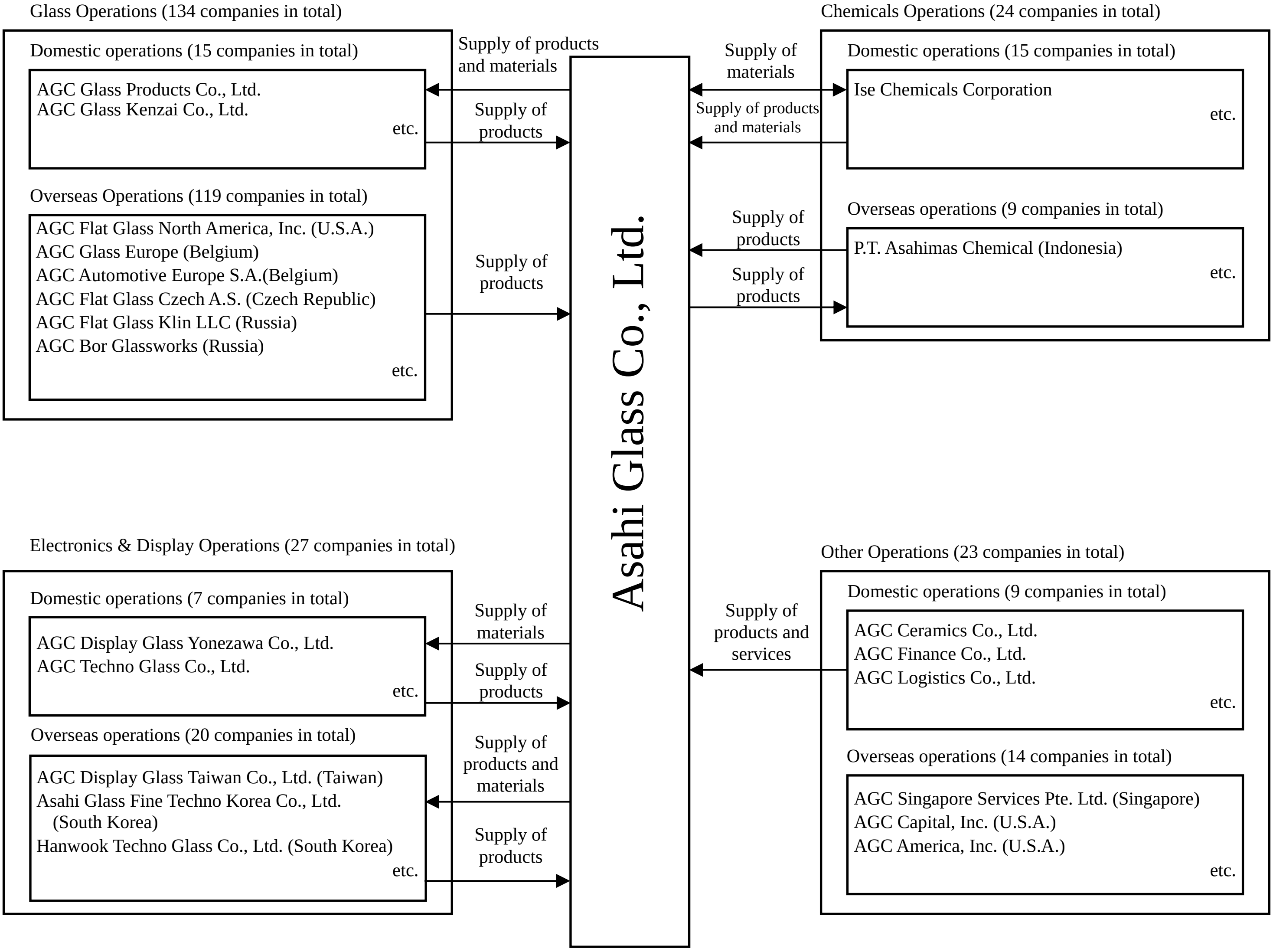
The above prospective results reflect the judgment of the Group's management on the basis of currently available information and, as such, contain risks and uncertainties. For this reason, investors are recommended not to base investment decisions solely on these prospective results. Please note that 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 215 subsidiaries and 45 affiliates, and its main businesses are as set out below. The classification below is the same as that of the business segment information.

<table>
<tr><th>Business segment</th><th>Product category</th><th>Main products</th></tr>
<tr><td rowspan="3">Glass Operations</td><td>Flat glass</td><td>Float flat glass, Figured glass, Polished wired glass, Heat-absorbing glass, Heat-reflective glass, Fabricated glass for architectural use(Insulating glass units, Security glass, Fire-resistant glass), Fabricated glass for industrial use, Glass for solar power system, etc.</td></tr>
<tr><td>Automotive glass</td><td>Float glass for automotive, Automotive tempered glass, Automotive laminated glass, etc.</td></tr>
<tr><td>Other glass</td><td>Lighting lamp glass products, Industrial glass product, etc.</td></tr>
<tr><td rowspan="2">Electronics and Display Operations</td><td>Displays</td><td>LCD glass substrates, PDP glass substrates, etc.</td></tr>
<tr><td>Electronic materials</td><td>Optical filters for Displays, Optical membranes, Optoelectronics materials, Synthetic quartz glass, Glass frit and paste, Materials for semiconductor manufacturing equipment, etc.</td></tr>
<tr><td rowspan="2">Chemicals Operations</td><td>Chlor-alkali & urethane</td><td>Vinyl chloride monomers, Caustic soda, Urethane materials, Gases, Solvents, etc.</td></tr>
<tr><td>Fluorochemicals & specialty chemicals</td><td>Fluorinated resins, Water and oil repellents, Battery materials, Iodine-related materials, etc.</td></tr>
<tr><td colspan="2">Other Operations</td><td>Ceramic products, etc.
Logistics services, Financial services</td></tr>
</table>

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.

During this fiscal year, Hunan HEG Electronic Glass Co., Ltd., a consolidated subsidiary of the Company, was excluded from the scope of consolidation.

3. Management Policy

(1) Fundamental Policy of Management

Based on the group vision *"Look Beyond,"* the AGC Group aims to excel as a highly profitable and fast-growing enterprise that supplies materials and components globally, based on its core technologies in glass, fluorine chemistry, and related fields. To achieve those aims, it is a fundamental management policy of the AGC Group to bolster its total corporate value by endeavoring to be the leader in each market in which it competes.

All members of the Group are expected to adopt and follow the four shared values of "Innovation & Operational Excellence," "Diversity," "Environment," and "Integrity."

(2) Targeted Corporate Index

The AGC Group aims to achieve ROE (return on equity) of 12% or more and D/E ratio (interest-bearing debt to net assets ratio) of 0.5 or below as specific financial targets of *"Grow Beyond-2012,"* the medium-term management plan for the three years from FY2010. It will strive to accomplish these financial goals by increasing asset turnover ratio, in addition to boosting profits.

(3) Medium- and Long-Term Strategies

The AGC Group has defined its aspirations for 2020 as follows.

We aspire to excel as a highly profitable and fast-growing global enterprise making contributions to a sustainable society by:
Having strong and differentiated technologies
Giving consideration to environmental friendliness not only of its products but also for overall production processes and business activities
Contributing to the development of fast-growing regions

To achieve these goals, the AGC Group will accelerate the implementation of measures displayed as *Grow Beyond*, our management policy, and build the foundations for growth, which is a top-priority issue. Specifically, we will advance our glass technology, as well as promote business differentiation by combining and developing the Group's core technologies in glass, chemicals, and ceramics in order to become a glass-technology-driven company. In addition, the Group will deliver technology solutions for climate change by energy reduction within production processes and by providing products based on its core technologies. The Group will also strive to enhance its earnings capabilities in mature markets as part of its efforts as the Second Round of Globalization, and expand its business in emerging markets by adopting necessary measures depending on regional circumstances.
When implementing *Grow Beyond* measures, we will focus our efforts on further embedding our philosophies related to the issues of "MONOZUKURI (quality manufacturing)," "the pursuit of quality" and "the improvement of customer satisfaction (CS)," as the DNA of the AGC Group. In addition, we will draw the best out of individual employees and build the foundations for growth under the slogan "Our People are Our Strength."

(4) Action measures

The AGC Group regards the three years from 2010 to 2012 as the period for ensuring growth toward achieving the aspirations for the AGC Group in 2020, and will take various measures within the Medium-term Management plant, *"Grow Beyond-2012."*
The AGC Group's performance in 2010 under this plan was the highest level ever achieved. Also, the Group is sustriving to achieve goals in relation to financial indices. The Group will strengthen the profitability of its existing business operations, and strive to build the foundations for growth.

Strengthening the profitability of existing business operations
In the Glass operations, the Group will promote the development, manufacturing and marketing of architectural glass products that can satisfy the needs of each region, and strive to strengthen the development of, and make proposals on, products for eco-friendly cars and products with improved comfort. In addition, the Group will strive to reduce costs by optimizing the operation of its facilities and physical distribution, and by further improving the productivity of overall operations, ranging from raw materials to final products.
In the Electronics and Display operations, the Group will ensure profitability by continuously improving productivity and yield ratios and through optimum operation of its facilities in line with the demand of the continuously growing flat panel display market.

In the Chemicals operations, the Group will strengthen its differentiation strategy within the fluorochemicals business, reinforce pharmaceutical/agrichemical intermediates, and expand the chlor-alkali business in Asia. The Group will also strive to improve productivity through process innovation and continuously reduce costs.

Building the foundation for growth

In order to build foundations for growth, the Group will, for the present, focus on the following business areas and pick up business development in growing areas as part of efforts toward becoming a glass-technology-driven company and toward delivering technology solutions for climate change.

Specialty display glass business operations

The diversification of televisions, mobile devices and other display applications is creating needs for more advanced functions. The Group will certainly seize this business opportunity and begin stable mass production of high-functional specialty glass, such as cover glass to protect the surface of touchscreen panels, by utilizing the highly-efficient floating method.

In addition, the Group will integrate the operations of all existing float facilities for electronics, flexibly respond to demands and optimize facility investments. The Group will also seek opportunities to utilize the technologies cultivated in the display business into other markets such as housing and automotives.

Environment-related business operations

With respect to solar-related business operations, the Group will make concerted efforts within the chemicals and ceramics business divisions as well as the glass business division in developing, manufacturing and marketing various components used in solar modules.

In the architectural glass business, the Group will develop, manufacture and market the most advanced energy-saving glass products and tailor them to each region by utilizing the strength of globally operating coating facilities. In Japan, the Group will build the foundations for offering energy-saving windows through business collaboration in relation to the windows business started in 2010. In the automotive glass business, the Group will accelerate the development of light-weight, high-performance automotive glass with excellent heat-blocking capabilities that are mainly used for eco-friendly car products, and aggressively make proposals in regard to such products.

In order to promote the "Second round of globalization," in Russia, the Group will leverage the world-class float glass furnace that started operating in 2010, to respond to rising demand in the country. In China, the Group established a centralized office in the start of 2011 to better coordinate local operations, secure up-to-date market information and support new-business initiatives. The AGC Group also plans to launch full-scale operations in other emerging markets that the Group seeks presence.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: millions of yen)

	FY2009 (as of December 31, 2009)	FY2010 (as of December 31, 2010)
Current Assets	558,509	626,916
Cash on hand and in banks	83,953	91,497
Trade notes and accounts receivable	225,480	237,962
Marketable securities	20,000	68,000
Finished products	77,647	74,122
Work in process	34,604	38,737
Raw materials and supplies	64,294	63,493
Deferred income taxes	16,419	21,450
Other current assets	41,746	36,712
Allowance for bad debts	(5,637)	(5,060)
Fixed Assets	1,223,366	1,137,122
Tangible Fixed Assets	928,285	861,395
Buildings and structures	255,371	242,257
Machinery and equipment	462,399	456,599
Tools and fixtures	14,259	13,501
Land	83,601	80,669
Lease assets	4,471	3,412
Construction in progress	108,182	64,955
Intangible Fixed Assets	36,213	39,482
Investments and other assets	258,867	236,244
Investments in securities	199,816	187,308
Long-term loans	6,788	5,489
Long-term prepaid expenses	2,287	1,954
Deferred income taxes	36,953	31,138
Other investments	15,111	13,032
Allowance for bad debts	(2,090)	(2,679)
Total Assets	1,781,875	1,764,038

(Unit: millions of yen)

	FY2009 (as of December 31, 2009)	FY2010 (as of December 31, 2010)
Current Liabilities	335,583	402,237
Trade notes and accounts payable	129,237	124,350
Short-term bank loans	64,046	60,388
Commercial paper	1,498	7,643
Current maturities of bonds	3,167	32,633
Other accounts payable	41,085	43,822
Accrued expenses	18,895	20,503
Income taxes payable	17,789	48,413
Deposits received	27,171	29,073
Accrued bonuses to employees	6,328	7,789
Accrued bonuses to directors	132	145
Reserve for scheduled repairs	2,807	3,152
Reserve for restructuring programs	4,723	1,793
Other current liabilities	18,700	22,526
Non-current Liabilities	637,979	511,985
Bonds issued	165,152	132,250
Bonds with subscription rights to shares	100,000	100,000
Long-term bank loans	263,483	172,362
Deferred income taxes	13,317	15,095
Accrued retirement benefits for employees	64,265	59,283
Accrued retirement benefits for directors and corporate auditors	399	299
Reserve for rebuilding furnaces	7,230	4,784
Reserve for restructuring programs	6,738	12,126
Other non-current liabilities	17,392	15,783
Total Liabilities	973,563	914,223
Shareholders' Equity	815,622	914,920
Common stock	90,873	90,873
Additional paid-in capital	96,961	96,961
Retained earnings	648,939	748,751
Treasury stock	(21,152)	(21,666)
Valuation and Translation Adjustments	(60,738)	(106,677)
Unrealized gains on securities, net of tax	42,593	38,555
Deferred gains or losses on hedges, net of tax	(299)	81
Foreign currency translation adjustments	(103,032)	(145,313)
Share Subscription Rights	992	1,276
Minority Interests in Consolidated Subsidiaries	52,436	40,296
Total Net Assets	808,312	849,815
Total Liabilities and Net Assets	1,781,875	1,764,038

(2) Consolidated Statements of Income (Unit: millions of yen)

	FY2009 (Jan 1 through Dec 31, 2009)	FY2010 (Jan 1 through Dec 31, 2010)
Net Sales	1,148,198	1,288,947
Cost of Sales	826,995	838,022
Gross profit	321,202	450,924
Selling, General and Administrative Expenses	234,520	221,719
Operating Income	86,682	229,205
Other Income	21,271	8,635
Interest income	1,735	1,276
Dividend income	2,801	2,627
Exchange gain, net	9,683	—
Equity in gains of unconsolidated subsidiaries and affiliates	—	2,188
Others	7,051	2,542
Other Expenses	20,746	11,034
Interest expenses	10,038	6,258
Interest on commercial papers	112	17
Bond issuance cost	2,835	—
Exchange loss, net	—	2,837
Equity in losses of unconsolidated subsidiaries and affiliates	451	—
Others	7,307	1,920
Ordinary Income	87,207	226,806
Extraordinary Gains	4,445	4,983
Gain on sale of properties	2,879	1,597
Gain on sale of investments in securities, unconsolidated subsidiaries and affiliates	4	1,401
Gain on sale of investments in subsidiaries	289	102
Reversal of reserve for rebuilding furnaces	842	—
Gain on negative goodwill	—	1,042
Others	429	838
Extraordinary Losses	51,153	39,631
Loss on disposal of properties	6,681	4,953
Impairment loss on long-lived assets	18,341	12,410
Expenses for restructuring programs	24,940	15,396
Others	1,190	6,871
Income before income taxes and minority interests	40,499	192,158
Income Taxes		
Current	20,092	60,232
Deferred	(259)	2,940
Minority Interests in Earnings of Consolidated Subsidiaries	680	5,801
Net Income	19,985	123,184

(3) Consolidated Statements of Changes in Net Assets (Unit: millions of yen)

	FY2009 (as of December 31, 2009)	FY2010 (as of December 31, 2010)
Shareholders' Equity		
Common stock		
Balance at the end of previous period	90,873	90,873
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of period	90,873	90,873
Additional paid-in capital		
Balance at the end of previous period	96,961	96,961
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of period	96,961	96,961
Retained earnings		
Balance at the end of previous period	660,237	648,939
Changes of items during the period		
Dividends declared	(23,352)	(23,350)
Net income	19,985	123,184
Disposal of treasury stock	(31)	(20)
Effect of changes in accounting policies applied to foreign subsidiaries	(8,293)	-
Change of scope of equity method	394	-
Total changes of items during the period	(11,298)	99,812
Balance at the end of period	648,939	748,751
Treasury stock		
Balance at the end of previous period	(21,140)	(21,152)
Changes of items during the period		
Increase of treasury stock	(92)	(609)
Disposal of treasury stock	79	95
Total changes of items during the period	(12)	(514)
Balance at the end of period	(21,152)	(21,666)
Total Shareholders' Equity		
Balance at the end of previous period	826,932	815,622
Changes of items during the period		
Dividends declared	(23,352)	(23,350)
Net income	19,985	123,184
Increase of treasury stock	(92)	(609)
Disposal of treasury stock	47	74
Effect of changes in accounting policies applied to foreign subsidiaries	(8,293)	-
Change of scope of equity method	394	-
Total changes of items during the period	(11,310)	99,298
Balance at the end of period	815,622	914,920

(Unit: millions of yen)

	FY2009 (as of December 31, 2009)	FY2010 (as of December 31, 2010)
Valuation and translation adjustments		
Unrealized gains on securities, net of tax		
Balance at the end of previous period	25,328	42,593
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	17,264	(4,037)
Total changes of items during the period	17,264	(4,037)
Balance at the end of period	42,593	38,555
Deferred gains or losses on hedges, net of tax		
Balance at the end of previous period	(3,805)	(299)
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	3,506	380
Total changes of items during the period	3,506	380
Balance at the end of period	(299)	81
Land revaluation reserve		
Balance at the end of previous period	62	-
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	(62)	-
Total changes of items during the period	(62)	-
Balance at the end of period	-	-
Foreign currency translation adjustments		
Balance at the end of previous period	(118,142)	(103,032)
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	15,109	(42,281)
Total changes of items during the period	15,109	(42,281)
Balance at the end of period	(103,032)	(145,313)
Total valuation and translation adjustments		
Balance at the end of previous period	(96,556)	(60,738)
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	35,818	(45,938)
Total changes of items during the period	35,818	(45,938)
Balance at the end of period	(60,738)	(106,677)
Share Subscription Rights		
Balance at the end of previous period	672	992
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	319	283
Total changes of items during the period	319	283
Balance at the end of period	992	1,276
Minority Interests in Consolidated Subsidiaries		
Balance at the end of previous period	49,815	52,436
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	2,620	(12,139)
Total changes of items during the period	2,620	(12,139)
Balance at the end of period	52,436	40,296

(Unit: millions of yen)

	FY2009 (as of December 31, 2009)	FY2010 (as of December 31, 2010)
Total Net Assets		
Balance at the end of previous period	780,864	808,312
Changes of items during the period		
Dividends declared	(23,352)	(23,350)
Net income	19,985	123,184
Increase of treasury stock	(92)	(609)
Disposal of treasury stock	47	74
Effect of changes in accounting policies applied to foreign subsidiaries	(8,293)	-
Change of scope of equity method	394	-
Net changes of items other than shareholders' equity during the period	38,758	(57,795)
Total changes of items during the period	27,448	41,503
Balance at the end of period	808,312	849,815

(4) Consolidated Statements of Cash Flows (Unit: millions of yen)

	FY2009 (Jan 1 through Dec 31, 2009)	FY2010 (Jan 1 through Dec 31, 2010)
Cash Flows from Operating Activities		
Income before income taxes and minority interests	40,499	192,158
Depreciation and amortization	136,672	109,966
Impairment loss on long-lived assets	18,341	12,410
Amortization of goodwill	1,464	1,409
Increase (decrease) in reserves	(14,990)	1,256
Interest and dividend income	(4,536)	(3,904)
Interest expenses	10,038	6,258
Exchange loss (gain), net	(6,264)	6,213
Equity in losses (gains) of unconsolidated subsidiaries and affiliates	451	(2,188)
Loss (gain) on sale and valuation of investment securities	345	(1,346)
Loss on sale and disposal of property, plant and equipment	3,802	3,356
Decrease (increase) in trade notes and accounts receivable	(14,132)	(24,455)
Decrease (increase) in inventories	53,224	(12,315)
Increase (decrease) in trade notes and accounts payable	(39,191)	3,578
Others	6,227	20,167
Subtotal	191,951	312,565
Interest and dividends received	7,023	5,626
Interest paid	(10,410)	(6,431)
Income taxes (paid) refunded	(7,880)	(26,090)
Net cash provided by operating activities	180,683	285,669
Cash Flows from Investing Activities		
Payments for time deposits due over three months	(35,005)	(31,928)
Proceeds from refund of time deposits due to over three months	50,131	32,712
Purchase of property, plant and equipment	(133,259)	(114,222)
Proceeds from sale of property, plant and equipment	6,888	3,661
Purchase of investments in securities	(271)	(1,747)
Purchase of investments in subsidiaries	—	(14,318)
Proceeds from sale and redemption of investments in securities, unconsolidated subsidiaries and affiliates	220	3,487
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(2,515)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	—	115
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	726	—
Others	(4,993)	109
Net cash used in investing activities	(115,563)	(124,644)
Cash Flows from Financing Activities		
Increase (decrease) in short-term loans and commercial paper	(200,416)	1,304
Proceeds from long-term debt	142,549	472
Repayments of long-term debt	(75,575)	(71,725)
Proceeds from issuance of bonds	169,628	—
Redemption of bonds	(40,844)	(2,729)
Purchase of treasury stock	(92)	(609)
Dividends paid	(23,352)	(23,350)
Others	(1,989)	(4,158)
Net cash used in financing activities	(30,092)	(100,797)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,068	(3,305)
Changes in Cash and Cash Equivalents	36,096	56,922
Cash and Cash Equivalents at Beginning of Year	59,772	95,869
Cash and Cash Equivalents at End of Year	95,869	152,792

(5) Summary of significant accounting policies

1) Scope of Consolidation

The Company had 215 subsidiaries as of December 31, 2010 (221 as of December 31, 2009). The consolidated financial statements include the accounts of the Company and 178 (178 for December 31, 2009) of its subsidiaries. The definition of subsidiary is based on the substantive existence of controlling power.

The accounts of the remaining 37 (43 as of December 31, 2009) unconsolidated subsidiaries are excluded from consolidated financial statements since the aggregate amounts of these subsidiaries in terms of combined assets, net sales, net income (loss) and retained earnings (accumulated deficit) are immaterial in relation to those of the consolidated financial statements of the Companies.

2) Principles of Consolidation

For the purposes of preparing the consolidated financial statements, all significant intercompany transactions, account balances and unrealized profits among the Companies have been eliminated. At December 31, 2010 and 2009, the financial year-end of all the consolidated subsidiaries matches that of the Company.

In the elimination of investments in subsidiaries, the assets and liabilities of the subsidiaries, including the portion attributable to minority shareholders, are evaluated using the fair value at the time the Company acquired control of the respective subsidiaries.

Goodwill and negative goodwill that occurred on or before March 31, 2010 are amortized over a period of 20 years on a straight-line basis. Negative goodwill that occurred on or after April 1, 2010 is recognized as profit in the fiscal year when the said negative goodwill occurred.

Legal reserves of consolidated subsidiaries provided subsequent to the acquisition of such subsidiaries are included in retained earnings and are not shown separately in the consolidated financial statements.

3) Investments in Unconsolidated Subsidiaries and Affiliates under the Equity Method

The Company had 37 (43 as of December 31, 2009) unconsolidated subsidiaries and 45 (43 as of December 31, 2009) affiliates as of December 31, 2010. Affiliates are defined to include those which are 15% or more owned and those that are subject to exercise of influence over the management of the affiliates by the investor company.

The equity method is applied only to investments in major companies (30 and 28 companies at December 31, 2010 and 2009, respectively). The investments in the remaining unconsolidated subsidiaries and affiliates are stated at cost or less, because they do not have a material effect on the consolidated financial statements.

4) Translation of Foreign Currency Financial Statements (Accounts of Overseas Subsidiaries and Affiliates)

All the assets and liabilities of overseas consolidated subsidiaries and overseas affiliates accounted for by the equity method are translated into yen at the current exchange rates prevailing at the balance sheet dates, except common stock and additional paid-in capital accounts which are translated at the historical rates. Revenues and expenses are translated by the average exchange rates prevailing during each period. The resulting differences are recorded as“Foreign currency translation adjustments”and“Minority Interests in Consolidated Subsidiaries”in Net Assets in the Consolidated Balance Sheets.

5) Translation of Foreign Currency Transactions

Revenue and expense items arising from transactions denominated in foreign currencies are translated into yen at the rates effective at the respective transaction dates.

Foreign currencies and monetary receivables and payables denominated in foreign currencies are translated into yen at the current exchange rates prevailing at the respective balance sheet dates and the resulting translation gain or loss is included in determination of net income for the period.

6) Valuation of Securities

Securities other than securities of subsidiaries and affiliated companies are stated at market value. Differences between market value and acquisition costs are recorded as“Unrealized gains on securities, net of tax”in Net Assets. The cost of securities sold is calculated by the moving-average method. Securities without market value are stated at cost determined by the moving-average method. Declines in the value of securities, other than those which are deemed to be temporary, are reflected in current income.

7) Inventories

Inventories are mainly stated at cost determined by the moving-average method (the method of reducing the book value of inventories when their contribution to profitability declines).

8) Property, Plant and Equipment

Depreciation of property, plant and equipment is principally computed by the straight-line method over the estimated useful lives of the assets.

9) Intangible Assets

Amortization of intangible assets is computed by the straight-line method.

10) Lease Assets related to financial lease transactions not involving the transfer of ownership

Depreciation of lease assets related to financial lease transactions not involving the transfer of ownership is calculated by the straight-line method over the lease periods, which are deemed as the useful lives, assuming no residual value.

For financial lease transactions not involving the transfer of ownership, of which transactions commenced before December 31, 2008, accounting method for ordinary operating lease transactions is applied.

11) Certain Accrued Expenses Items

Certain accrued expense items, which are essentially an estimate of amounts to be determined in future years, are provided by the Companies. The basis for recognizing such accrued expenses is as follows:

(ⅰ) Allowance for bad debts

"Allowance for bad debts" is provided for at an amount sufficient to cover possible losses on the collection of receivables by taking the historical loan loss ratio. For certain doubtful receivables, the uncollectible amounts are estimated based on a review of the collectibility of individual receivables.

(ⅱ) Accrued bonuses to employees

"Accrued bonuses to employees" is provided for based on the estimated amount to be paid to employees after the balance sheet date for their services rendered during the current period.

(ⅲ) Accrued bonuses to directors

"Accrued bonuses to directors" is provided for based on the estimated amount to be paid to directors after the balance sheet date for their services rendered during the current period.

(ⅳ) Accrued retirement benefits for directors

"Accrued retirement benefits for directors" is provided for at certain domestic subsidiaries based on the estimated amount to be paid to directors and corporate auditors under the Companies' internal rules.

(ⅴ) Reserve for rebuilding furnaces

"Reserve for rebuilding furnaces" is provided for based on the estimated costs to be incurred at the next periodic special repair works on its facilities over the service period until the next repair works.

(ⅵ) Reserve for restructuring programs

"Reserve for restructuring programs" represents reasonably estimated costs arising from the additional severance compensation program related to restructuring, and the restructuring of certain businesses of the Companies.

12) Accounting for Retirement Benefits to Employees

Recognition of accrued retirement benefits to employees is based on actuarial valuation of projected benefit obligations and fund assets.

The prior service cost is amortized on a straight-line basis over the average remaining service period of employees (mainly 13 years), from the year when it is incurred.

Actuarial gains/losses are amortized on a straight-line basis over average remaining service period of employees (mainly 13 years), in the year subsequent to when it is incurred.

13) Accounting for Consumption Tax

Consumption tax is imposed at the flat rate of 5% on all Japanese domestic consumption of goods and services (with certain exemptions). The consumption tax withheld upon sale, and consumption tax paid on purchases of goods and services, are not included in the amounts of respective revenue and cost or expense items in the accompanying Consolidated Statements of Income.

14) Income Taxes

The Company has adopted the consolidated tax return system for the calculation of income taxes. Under the consolidated tax return system, the Company consolidates all wholly owned domestic subsidiaries based on the Japanese tax regulations.

15) Derivative Financial Instruments

The Companies use financial instruments to reduce its exposure to market risks from fluctuations in foreign currency exchange rates, interest rates, and oil prices that may occur in the ordinary course of business.

The basic rules and policies are determined by the Board of Directors, and the results of the transactions, including balances and gains/losses, are periodically reported to management. The controls over the transaction and position balances of foreign currency derivatives are monitored by the accounting/finance departments and the controls over the transactions and position balances of commodity derivatives are monitored by the procurement department.

Hedging instruments mainly include foreign currency swap contracts, interest rate swap contracts and commodity swap contracts.

Hedging items mainly include bonds, borrowings and fuel oil.

Derivatives are recorded at fair value.

16) Cash and Cash Equivalents in the Consolidated Statements of Cash Flows

“Cash and cash equivalents”comprises cash on hand, bank deposits available for withdrawal on demand, and short-term investments due within three months or less and substantially free from any price fluctuation risk.

(6) Changes in accounting principles

1) Changes in the accounting standards for revenues from completed construction and cost of completed construction

With regard to recognizing revenues and costs of long-term construction contracts, the Company adopted the "Accounting Standard for Construction Contracts" (ASBJ Statement No. 15, December 27, 2007) and the "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18, December 27, 2007) from this fiscal year. Accordingly, the percentage-of-completion method (the construction progress rate is estimated using the cost proportion method) was applied to construction contracts which started during this fiscal year in case the percentage of completion of the construction works at the end of this fiscal year was reasonably estimated. Meanwhile, the completed-contract method was applied to other construction works. This change has no effect on operating income, ordinary income and income before income taxes and minority interests or segment information for this fiscal year.

2) Changes in depreciation method for tangible fixed assets

Previously, the Company had computed depreciation of tangible fixed assets mainly using the declining-balance method in Japan and the straight-line method overseas. However, in order to unify accounting procedures within the AGC Group, the Company changed the method of computing such depreciation in Japan mainly to the straight-line method from this fiscal year. Consequently, depreciation expenses decreased by 24,406 million yen for the year ended December 31, 2010. Meanwhile, operating income, ordinary income and income before income taxes and minority interests increased by 24,175 million yen, 24,402 million yen and 24,406 million yen, respectively. The effects of this change on segment information are mentioned in the relevant section.

3) Application of Accounting Standards for Business Combinations

Effective from April 1, 2010, the Company adopted the "Accounting Standard for Business Combinations" (ASBJ Statement No.21, December 26, 2008), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22, December 26, 2008), the "Partial amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No.23, December 26, 2008), the "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No.7, December 26, 2008), the "Revised Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No.16, December 26, 2008), and the "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No.10, December 26, 2008).

4) Application of Partial Amendments to Accounting Standard for Retirement Benefit

The AGC Group has applied the "Partial Amendments to 'Accounting Standard for Retirement Benefits' (Part 3)" (ASBJ Statement No. 19, July 31, 2008) from this fiscal year. This change has no effect on the profit and loss of this fiscal year, since actuarial differences will be amortized from the following fiscal year. The difference in retirement benefit obligations that arises due to the application of this accounting standard is immaterial.

(7) Notes of consolidated financial statements

(a) Segment information

1) Business Segment

FY2009 (Jan 1 through Dec 31, 2009) (Unit: millions of yen)

	Glass	Electronics and Display	Chemicals	Other	Total	Corporate or elimination	Consolidated total
Ⅰ Sales and Operating income							
Sales							
(1) Sales to customers	522,143	368,559	230,932	26,562	1,148,198	-	1,148,198
(2) Inter-segment sales/transfers	2,865	781	2,763	42,326	48,738	(48,738)	-
Total sales	525,008	369,341	233,696	68,889	1,196,936	(48,738)	1,148,198
Operating expenses	560,032	242,399	241,424	66,849	1,110,705	(49,189)	1,061,516
Operating income (loss)	(35,023)	126,942	(7,727)	2,039	86,231	451	86,682
Ⅱ Assets, Depreciation and amortization and Capital expenditures							
Assets	698,994	672,404	251,033	202,871	1,825,303	(43,427)	1,781,875
Depreciation and amortization	52,159	61,605	22,069	1,279	137,114	(441)	136,672
Impairment loss on long-lived assets	5,479	16,088	2,096	4,098	27,763	-	27,763
Capital expenditures	45,888	60,165	17,595	1,288	124,937	-	124,937

(Note)

1. Business segmentation is based on the similarity of manufacturing process and sales market.
2. Main products included in each business segment:
   - Glass : Flat and automotive glass, construction materials and others
   - Electronics and Display : Electronic components, FPD (liquid crystal display, PDP) glass substrates, CRT glass bulbs and others
   - Chemicals : Caustic soda, chlorine and its derivative products, fluorochemical products, ion-exchange membranes and others
   - Other : Ceramics and others
3. Total assets included in the“Corporate or elimination”amounted to 234,593 million yen. The amount primarily represents the parent company's excess operating funds (cash on hand and in banks), long-term investment funds (investments in securities), etc.
4. 9,422 million yen of impairment loss on long-lived assets is recorded as expenses for restructuring programs.
5. Changes in accounting policies, procedures, and methods of presentation

   AGC Group has applied“Accounting Standard for Measurement of Inventories”(ASBJ Statement No. 9, July 5, 2006) effective from this fiscal year. As a result of this change, operating loss in Glass business segment increased 865 million yen, operating income in Electronics and Display business segment declined 875 million yen, operating loss in Chemicals business segment increased 816 million yen, and operating income in Corporate or elimination declined 431 million yen for the fiscal year ended December 31, 2009.
6. Changes in useful lives of tangible fixed assets

   In the light of the amendment to the Corporation Tax Act (Law Partially Revising the Income Tax Law and other laws, Law No. 23; April 30, 2008), the Company and its domestic consolidated subsidiaries reviewed useful lives of tangible fixed assets to reflect actual conditions. As a result of this change, operating loss in Glass business segment increased 179 million yen, operating income in Electronics and Display business segment declined 10,244 million yen, operating loss in Chemicals business segment increased 1,091 million yen, operating income in Other business segment declined 521 million yen, and operating income in Corporate or elimination increased 48 million yen for the fiscal year ended December 31, 2009.

FY2010 (Jan 1 through Dec 31, 2010) (Unit: millions of yen)

	Glass	Electronics and Display	Chemicals	Other	Total	Corporate or elimination	Consolidated total
Ⅰ Sales and Operating income							
Sales							
(1) Sales to customers	568,115	433,801	256,654	30,376	1,288,947	-	1,288,947
(2) Inter-segment sales/transfers	2,806	1,500	3,423	46,929	54,659	(54,659)	-
Total sales	570,921	435,301	260,078	77,305	1,343,607	(54,659)	1,288,947
Operating expenses	549,758	245,391	244,856	74,299	1,114,305	(54,563)	1,059,742
Operating income	21,163	189,909	15,221	3,006	229,301	(96)	229,205
Ⅱ Assets, Depreciation and amortization and Capital expenditures							
Assets	628,478	646,550	250,948	215,651	1,741,628	22,410	1,764,038
Depreciation and amortization	42,836	51,539	14,772	1,030	110,179	(212)	109,966
Impairment loss on long-lived assets	4,802	8,018	21	828	13,670	-	13,670
Capital expenditures	34,620	66,902	14,958	958	117,439	-	117,439

(Note)

1. Business segmentation is based on the similarity of manufacturing process and sales market.
2. Main products included in each business segment:
   - Glass : Flat and automotive glass, glass for solar cells, construction materials and others
   - Electronics and Display : Electronic components, FPD (liquid crystal display, PDP) glass substrates and others
   - Chemicals : Caustic soda, chlorine and its derivative products, fluorochemical products, ion-exchange membranes and others
   - Other : Ceramics and others
3. Total assets included in the"Corporate or elimination"amounted to 265,329 million yen. The amount primarily represents the parent company's excess operating funds (cash on hand and in banks), long-term investment funds (investments in securities), etc.
4. 1,260million yen of impairment loss on long-lived assets is recorded as expenses for restructuring programs.
5. Changes to depreciation method for tangible fixed assets

   Previously, the Company had computed depreciation of tangible fixed assets mainly using the declining-balance method in Japan and the straight-line method overseas. However, in order to unify accounting procedures within the AGC Group, the Company changed the method of computing such depreciation in Japan to the straight-line method from this fiscal year. Consequently, operating income in Glass business segment increased 5,252million yen, operating income in Electronics and Display business segment increased 12,663million yen, operating income in Chemicals business segment increased 6,054 million yen, and operating income in Other business segment increased 205 million yen.

2) Geographic Segment

FY2009 (Jan 1 through Dec 31, 2009) (Unit: millions of yen)

	Japan	Asia	The Americas	Europe	Total	Corporate or elimination	Consolidated total
Ⅰ Sales and Operating income							
Sales							
(1) Sales to customers	475,185	375,142	66,287	231,582	1,148,198	-	1,148,198
(2) Inter-segment sales	183,370	42,833	10,165	4,494	240,864	(240,864)	-
Total sales	658,556	417,976	76,452	236,076	1,389,062	(240,864)	1,148,198
Operating expenses	631,036	339,663	88,930	242,563	1,302,194	(240,678)	1,061,516
Operating income (loss)	27,519	78,312	(12,477)	(6,486)	86,867	(185)	86,682
Ⅱ Assets	706,286	513,827	94,972	335,746	1,650,832	131,043	1,781,875

(Note)

1. Segmentation of countries and regions is based on geographic proximity.
2. Major countries and regions are as follows:

   Asia : Indonesia, Singapore, Thailand, Taiwan, China and South Korea

   The Americas : U.S.A. and Canada

   Europe : Belgium, Netherlands, Italy, Spain, Czech Republic, Germany, France, U.K. and Russia
3. Changes in accounting policies, procedures, and methods of presentation

   AGC Group has applied"Accounting Standard for Measurement of Inventories"(ASBJ Statement No. 9, July 5, 2006) from this fiscal year. As a result of this change, operating income in Japan geographic segment decreased 2,987 million yen for the fiscal year ended December 31, 2009.
4. Changes in useful lives of tangible fixed assets

   In the light of the amendment to the Corporation Tax Act (Law Partially Revising the Income Tax Law and other laws, Law No. 23; April 30, 2008), the Company and its domestic consolidated subsidiaries reviewed useful lives of tangible fixed assets to reflect actual conditions. As a result of this change, operating income in Japan geographic segment decreased 11,988 million yen for the fiscal year ended December 31, 2009.

FY2010 (Jan 1 through Dec 31, 2010) (Unit: millions of yen)

	Japan	Asia	The Americas	Europe	Total	Corporate or elimination	Consolidated total
Ⅰ Sales and Operating income							
Sales							
(1) Sales to customers	540,724	443,541	78,606	226,075	1,288,947	-	1,288,947
(2) Inter-segment sales	236,887	52,128	7,474	6,886	303,376	(303,376)	-
Total sales	777,612	495,669	86,081	232,961	1,592,324	(303,376)	1,288,947
Operating expenses	639,524	405,988	91,173	226,159	1,362,845	(303,103)	1,059,742
Operating income (loss)	138,087	89,681	(5,091)	6,801	229,478	(273)	229,205
Ⅱ Assets	724,319	544,859	78,105	278,023	1,625,308	138,730	1,764,038

(Note)

1. Segmentation of countries and regions is based on geographic proximity.
2. Major countries and regions are as follows:

   Asia : Indonesia, Singapore, Thailand, Taiwan, China and South Korea

   The Americas : U.S.A.

   Europe : Belgium, Netherlands, Italy, Spain, Czech Republic, Germany, France, U.K. and Russia
3. Changes to depreciation method for tangible fixed assets

   Previously, the Company had computed depreciation of tangible fixed assets mainly using the declining-balance method in Japan and the straight-line method overseas. However, in order to unify accounting procedures within the AGC Group, the Company changed the method of computing such depreciation in Japan to the straight-line method from this fiscal year. Consequently, operating income in Japan geographic segment increased 24,175 million yen.

3) Overseas Sales

FY2009 (Jan 1 through Dec 31, 2009) (Unit: millions of yen)

	Asia	The Americas	Europe	Other	Total
Overseas sales	404,897	69,439	234,598	12,691	721,626
Percentage of Overseas sales to Consolidated sales	35.3%	6.0%	20.4%	1.1%	62.8%

(Note)

1. Segmentation of countries and regions is based on geographic proximity.
2. Major countries and regions are as follows:
   Asia : Indonesia, Singapore, Thailand, Taiwan, China and South Korea
   The Americas : U.S.A. and Canada
   Europe : Belgium, Netherlands, Italy, Spain, Czech Republic, Germany, France and Russia
   Other : Oceania, Middle East and Africa
3. Overseas sales consist of exports from the Company and domestic consolidated subsidiaries and sales of overseas consolidated subsidiaries, excluding those from transactions with Japan.

FY2010 (Jan 1 through Dec 31, 2010) (Unit: millions of yen)

	Asia	The Americas	Europe	Other	Total
Overseas sales	495,017	79,132	228,787	14,473	817,411
Percentage of Overseas sales to Consolidated sales	38.4%	6.1%	17.7%	1.2%	63.4%

(Note)

1. Segmentation of countries and regions is based on geographic proximity.
2. Major countries and regions are as follows:
   Asia : Indonesia, Singapore, Thailand, Taiwan, China and South Korea
   The Americas : U.S.A.
   Europe : Belgium, Netherlands, Italy, Spain, Czech Republic, Germany, France and Russia
   Other : Oceania, Middle East and Africa
3. Overseas sales consist of exports from the Company and domestic consolidated subsidiaries and sales of overseas consolidated subsidiaries, excluding those from transactions with Japan.

(b) Per Share Information

	FY2009 (as of December 31, 2009)	FY2010 (as of December 31, 2010)
Net assets per share (yen)	646.53	692.59
Net income per share-basic (yen)	17.12	105.52
Net income per share-fully diluted (yen)	17.04	97.84

Note : Net income per share was calculated on the basis of the following data.

	FY2009 (as of December 31, 2009)	FY2010 (as of December 31, 2010)
Net income per share-basic		
Net income (millions of yen)	19,985	123,184
Net income not attributable to common shareholders (millions of yen)	-	-
Net income attributable to common shareholders (millions of yen)	19,985	123,184
Average number of common shares outstanding (thousands of shares)	1,167,623	1,167,415
Net income per share-fully diluted		
Net income adjusted for latent shares (millions of yen)	-	-
-Interest expense, net of tax (millions of yen)	-	-
Number of increase in common shares (thousands of shares)	5,449	91,563
-Bonds with subscription rights to shares (thousands of shares)	4,195	90,090
-Warrant for stock option (thousands of shares)	1,253	1,473
Potential common stock with anti-dilutive effect, excluded from the computation of "Net income per share-fully-diluted".	Warrant for stock option (1,794 share subscription rights)	Warrant for stock option (1,332 share subscription rights)

5. Others

1. Changes in significant management indicators

(Unit: billions of yen)

	FY2009	FY2010	For the Six months ended June, 2011 Forecast	FY2011 Forecast
Net sales	1,148.2	1,288.9	650.0	1,350.0
Operating income	86.7	229.2	100.0	220.0
Ordinary income	87.2	226.8	100.0	215.0
Net income	20.0	123.2	60.0	130.0
Net income per share (yen)	17.12	105.52	51.41	111.40

(Unit: billions of yen)

	FY2009 (as of Dec. 31, 2009)	FY2010 (as of Dec. 31, 2010)
Interest-bearing debts	600.7	508.5
Total net assets	808.3	849.8
D/E ratio	0.74	0.60

2. Capital expenditures, depreciation and amortization, R&D actual/forecast

(Unit: billions of yen)

	FY2009	FY 2010	FY 2011 Forecast
Capital expenditures	124.9	117.4	200.0
Depreciation and amortization	136.7	110.0	120.0
Research and development costs	45.0	39.4	50.0

3. Exchange rates

		FY 2009				FY 2010			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Yen/US Dollar	Average	95.20	96.76	92.81	90.12	90.75	91.29	85.03	82.22
	End of period	98.23	96.01	90.21	92.10	93.04	88.48	83.82	81.49
Yen/Euro	Average	123.20	133.45	132.97	132.60	123.71	114.83	111.45	110.39
	End of period	129.84	135.53	131.72	132.00	124.92	107.81	114.24	107.90

	FY2011 Forecast
Yen/US Dollar	85
Yen/Euro	110