February 8, 2012

Corporate Name: Asahi Glass Co., Ltd.
President & CEO: Kazuhiko Ishimura
(Code Number: 5201; TSE 1st section)
Contact: Toshihiro Ueda, General Manager,
Corporate Communications & Investor Relations
(Tel: +81-3-3218-5603)

Consolidated Financial Results for the Fiscal Year ended December 31, 2011

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

1. Financial Results for FY2011 (January 1 through December 31, 2011)

(1) Consolidated Operating Results

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

	FY2011 (Jan through Dec 2011)		FY2010 (Jan through Dec 2010)	
	millions of yen	%	millions of yen	%
Net sales	1,214,672	(5.8)	1,288,947	12.3
Operating income	165,663	(27.7)	229,205	164.4
Ordinary income	166,739	(26.5)	226,806	160.1
Net income	95,290	(22.6)	123,184	516.4
Net income per share -basic (yen)	81.90		105.52	
Net income per share -fully diluted (yen)	75.88		97.84	
Return on equity (%)	11.8		15.8	
Ratio of ordinary income to total assets (%)	9.7		12.8	
Ratio of operating income to net sales (%)	13.6		17.8	

Reference: Comprehensive income for -FY2011; 42,659 million yen((46.5%)) -FY2010; 79,809 million yen (-%)
Equity in gains (losses) of unconsolidated and affiliates for -FY2011; 1,506 million yen -FY2010; 2,188 million yen

(2) Consolidated Financial Position

	FY2011 (as of December 31, 2011)	FY2010 (as of December 31, 2010)
Total assets (millions of yen)	1,691,556	1,764,038
Total net assets (millions of yen)	850,460	849,815
Equity ratio (%)	47.7	45.8
Equity per share (yen)	698.51	692.59

Reference: Total Shareholders' Equity at -FY2011; 807,432million yen -FY2010; 808,242 million yen

(3) Consolidated Cash Flows

	FY2011 (Jan through Dec 2011)	FY2010 (Jan through Dec 2010)
Cash flows from operating activities (millions of yen)	152,223	285,669
Cash flows from investing activities (millions of yen)	(123,581)	(124,644)
Cash flows from financing activities (millions of yen)	(60,833)	(100,797)
Cash and cash equivalents at the end of the year (millions of yen)	117,558	152,792

2. Dividends

	(Base date)	FY2010	FY2011	FY2012(forecast)
Dividend per share	End of the first quarter (yen)	-	-	-
	End of the second quarter (yen)	12.00	13.00	13.00
	End of the third quarter (yen)	-	-	-
	End of the fiscal year (yen)	14.00	13.00	13.00
	Full fiscal year (yen)	26.00	26.00	26.00
Total dividend distribution (full fiscal year) (millions of yen)		30,347	30,197	-
Payout ratio (consolidated) (%)		24.6	31.7	37.6
Ratio of dividend distribution to stockholders' equity (consolidated) (%)		3.9	3.7	-

3. Forecast for FY2012 (January 1 through December 31, 2012)

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

	First half		Full fiscal year	
	millions of yen	%	millions of yen	%
Net sales	600,000	(2.2)	1,250,000	2.9
Operating income	60,000	(39.6)	140,000	(15.5)
Ordinary income	60,000	(41.7)	135,000	(19.0)
Net income	35,000	(38.6)	80,000	(16.0)
Net income per share (yen)	30.28		69.21	

4. Other Information

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

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

For details, refer to page 6-7.

(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: No

For details, refer to page 19-21.

(3) Number of Shares Issued (common stock)

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

-FY2011 (as of December 31, 2011):	1,186,705,905
-FY2010 (as of December 31, 2010):	1,186,705,905

ⅱ. Number of treasury stock at the end of the period

-FY2011 (as of December 31, 2011):	30,766,499
-FY2010 (as of December 31, 2010):	19,722,989

ⅲ. Average number of shares issued during the period

-FY2011 (as of December 31, 2011):	1,163,484,226
-FY2010 (as of December 31, 2010):	1,167,415,287

[Reference]

(1) Non-Consolidated Operating Results

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

	FY2011 (Jan through Dec 2011)		FY2010 (Jan through Dec 2010)	
	millions of yen	%	millions of yen	%
Net sales	560,474	(12.2)	638,521	21.0
Operating income	63,283	(51.0)	129,195	398.0
Ordinary income	87,233	(36.1)	136,583	338.3
Net income	53,780	(26.8)	73,495	-
Net income per share -basic (yen)	46.22		62.96	
Net income per share -fully diluted (yen)	42.83		58.38	

(2) Non-Consolidated Financial Position

	FY2011 (as of December 31, 2011)	FY2010 (as of December 31, 2010)
Total assets (millions of yen)	1,106,829	1,153,964
Total net assets (millions of yen)	528,836	532,896
Equity ratio (%)	47.6	46.1
Equity per share (yen)	456.12	455.55

Reference: Total Shareholders' Equity at -FY2011; 527,252 million yen
-FY2010; 531,619 million yen

*Appropriate Use of Forecast and Other Information and Other Matters

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 4-5.

(Attached Documents)

INDEX

Supplementary material is available on our website.

Qualitative Information and Financial Statements

1. Operating Results

(1) Analysis of Operating Results

Operating results for FY2011

For the fiscal year under review (from January 1, 2011 to December 31, 2011), 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") was driven by a gradual recovery trend in the first half of the year. In the second half of the year, however, such economic recovery stalled because of a slowdown in the expansion of exports and domestic demand among fast-growing countries in addition to the impact of fiscal and financial problems in Europe. In Japan, the business environment remained severe due to the Great East Japan Earthquake; however, the economy gradually picked up as production activities resumed following the restoration of the supply chain. In Asia, the overall economy expanded thanks to increases in exports and solid domestic demand although signs of economic deceleration were seen due to the impact of a decrease in exports to developed countries and the tight monetary policy in China. In the United States, while consumer spending remained stable, the economy recovered only slightly as the unemployment rate hovered at a high level and housing starts continued to be sluggish. In Europe, economic stagnation continued in the countries which pursued tight fiscal policy, while the economy slowed down in the second half of the year in Germany and some other countries which had been on a gradual recovery.

Under such a business environment, shipments of the AGC Group's products increased in most part; however, due to price declines among electronics-related products and price increases of fuels and raw materials, the AGC Group posted net sales of 1,214.7 billion yen, a 74.3 billion yen or 5.8% decrease from the previous year. Operating income decreased by 63.5 billion yen or 27.7% year-on-year to 165.7 billion yen, and ordinary income decreased by 60.1 billion yen or 26.5% to 166.7 billion yen. Net income was 95.3 billion yen, a 27.9 billion yen or 22.6% decrease on a year-on-year basis.

Overview by reportable segment (Unit: billions of yen)

	Net sales		Operating income	
	FY2011	FY2010	FY2011	FY2010
Glass	554.4	558.8	9.9	18.3
Electronics	386.5	447.4	133.5	189.9
Chemicals	248.6	260.1	18.1	17.8
Other	83.9	77.3	4.0	3.2
Corporate or elimination	(58.8)	(54.7)	0.3	0.0
Total	1,214.7	1,288.9	165.7	229.2

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

- Glass

In the architectural glass business, shipments in Japan for the full year increased from the previous fiscal year due to strong demand, despite slumping temporarily in the first half of the fiscal year following the Great East Japan Earthquake. Shipments in Asia for the full year also increased from the previous fiscal year, supported by generally favorable demand, despite a decline in the fourth quarter caused by the effects of floods in Thailand. On the other hand, shipments in Europe underperformed in the latter half of the year, namely in Western Europe, due to the effects of deteriorating economic conditions, although demand had been recovering moderately until the middle of the year. Shipments in North America remained sluggish.

In the automotive glass business, shipments in Russia and China expanded. However, the AGC Group's shipments were affected significantly by the earthquakes and tsunami in Japan and the Thai floods, and consequently decreased from the previous fiscal year.

Shipments of glass for solar power systems increased from the previous fiscal year in line with market growth.

As a result, net sales from Glass Operations for the fiscal year were 554.4 billion yen, down 4.4 billion yen or 0.8% from the year before, and operating income was 9.9 billion yen, down 8.4 billion yen 46.1% from the previous fiscal year.

- Electronics

Affected by production adjustments at panel manufacturers, shipments of glass substrates for display devices slowed from the latter half of the second quarter through the third quarter, despite having been favorable in the first half of the year. Shipments took an upturn in the fourth quarter, but closed the year with only a slight full-year increase compared to the results of the year before. In addition, product prices fell in a larger range than they did before.

With regard to electronic materials, in the category of optoelectronics materials, shipments of products for digital cameras remained strong throughout the fiscal year. Shipments of semiconductor-related products weakened in the latter half of the year, despite having been strong in the first half.

As a result, net sales from Electronics Operations for the fiscal year were 386.5 billion yen, a year-on-year decrease of 60.9 billion yen or 13.6%, and operating income was 133.5 billion yen, down 56.4 billion yen or 29.7% from the year before.

- Chemicals

In Japan, shipments of chlor-alkali products and urethane materials for the full fiscal year declined from the previous year, due to the slump in the first half of the year caused by the Great East Japan Earthquake, although a recovery was seen from mid-year. Production of fluorine products was adversely impacted by the effects of the earthquake, however, shipments of high-function fluorine resin, water and oil repellents, and pharmaceutical and agrochemical intermediates and active ingredients remained buoyant. In Asia, shipments of chlor-alkali products were strong.

As a result, net sales from the Chemicals Operations for the fiscal year were 248.6 billion yen, a year-on-year decrease of 11.5 billion yen or 4.4 %, and operating income was 18.1 billion yen, up 0.3 billion yen or 1.5% from the year before.

(2) Qualitative Information Regarding Consolidated Financial Position

Overview of financial conditions (Unit: billions of yen)

	FY2011	FY2010	Change
Total assets	1,691.6	1,764.0	(72.5)
Total liabilities	841.1	914.2	(73.1)
Total net assets	850.5	849.8	0.6

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

- Total assets

Total assets as of the end of fiscal year under review were 1,691.6 billion yen, down 72.5 billion yen from the previous year. This fall is mainly due to a decrease in tangible fixed assets after the foreign currency translation with strengthening of the yen and in investments in securities caused by a fall in listed stocks prices.

- Total liabilities

Total liabilities as of the end of fiscal year under review were 841.1 billion yen, down 73.1 billion yen from the end of the previous year. This decline is chiefly attributable to a decrease in interest-bearing liabilities and in income taxes payable.

- Total net assets

Total net assets as of the end of the fiscal year under review were 850.5 billion yen, up 0.6 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)

	FY2011	FY2010	Change
Cash flows from operating activities	152.2	285.7	(133.4)
Cash flows from investing activities	(123.6)	(124.6)	1.1
Cash flows from financing activities	(60.8)	(100.8)	40.0
Cash & cash equivalents as of end of period	117.6	152.8	(35.2)

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

- Cash flows from operating activities

Net cash provided by operating activities was 152.2 billion yen for the fiscal year under review, down 133.4 billion yen from the previous year. This decrease is mainly due to a decrease in income before income taxes and minority interests and an increase in income taxes refunded.

- Cash flows from investing activities

Net cash used in investing activities decreased 1.1 billion yen year-on-year, to 123.6 billion yen. This expenditure includes activities such as capital investment with a focus on growth industries.

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, decreased 132.4 billion yen from the previous year, to 28.6 billion yen.

- Cash flows from financing activities

Net cash used in financing activities for the fiscal year under review was 60.8 billion yen for the fiscal year under review, down 40.0 billion yen from the previous year. This decrease 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 decreased 35.2 billion yen in comparison with that of the previous year, to 117.6 billion yen.

- Cash flow indices

	FY2008	FY2009	FY2010	FY2011
Equity ratio (%)	39.8	42.4	45.8	47.7
Equity ratio based on market value (%)	32.1	57.5	62.8	44.1
Number of years for debt redemption	2.9	3.3	1.8	3.2
Interest coverage ratio	14.0	17.4	44.4	25.2

(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 FY2012

Operating forecast for FY2012

(Unit: billions of yen)

	Net Sales	Operating income	Ordinary income	Net income
FY 2012 (January 1 through December 31, 2012)	1,250.0	140.0	135.0	80.0
FY 2011 (January 1 through December 31, 2011)	1,214.7	165.7	166.7	95.3
Change (%)	2.9	(15.5)	(19.0)	(16.0)

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

The global economy as a whole is expected to maintain moderate growth in 2012, although the pace of growth will slow.

The economy in Western Europe is likely to remain stagnant with countries implementing austerity budgets, which may have adverse effects on the economies of countries in Central and Eastern Europe. In North America, demand recovery in the building market will not come through before spring and the pace of economic recovery is expected to remain weak. Furthermore, even in China and other emerging countries that have continued to demonstrate high economic growth to date, driven by rising foreign and domestic demand, there are concerns over declines in exports to Europe and inflows of foreign capital. Consequently, the likelihood of a slowdown in the growth rates of those countries is increasing. Meanwhile, Japan is expected to start seeing active demand created by restoration efforts in areas devastated by the Great East Japan Earthquake, and there is anticipation of a recovery of economic conditions, although within a narrow range.

In such an environment, the AGC Group expects shipments of architectural glass to be strong in Japan and Asia, while shipments in North America are likely experience a moderate recovery. There is concern that shipments in Europe will be weak, due to economic uncertainty. Meanwhile, shipments of automotive glass are expected to increase year-on-year, given strong automobile demand in fast-growing markets and as shipments affected by the earthquake in Japan and flooding in Thailand in 2011 presumably return to normal levels. There is concern that shipments of glass for solar power systems will be bearish, considering the possibility of declines in installations of solar cell modules caused by shrinkage or cancellation of installation-promotion plans by the governments of some countries.

Shipments of glass substrates for display devices are expected to increase for the full year, although short-term demand for glass substrates may fluctuate due to production adjustments at panel manufacturers. Shipments of electronics materials are expected to be mostly favorable.

Likewise, shipments in both chlor-alkali & urethane, and fluorochemicals & specialty are also expected to remain strong.

It is possible that rising energy prices may have a certain impact on profit and loss.

Taking into account the above factors, net sales of the AGC Group for the fiscal year ending December 31, 2012 are estimated to be 1,250 billion yen, a year-on-year increase of 35.3 billion yen or 2.9%, operating income to be 140.0 billion yen, down 25.7 billion yen or 15.5% from a year earlier, and ordinary income to be 135.0 billion yen, down 31.7 billion yen or 19.0% from the previous year. Net income is estimated to be 80.0 billion yen, down 15.4 billion yen or 16.0% from the previous year.

Average exchange rates assumed for the fiscal year ending December 31, 2012 are 75 yen to the U.S. dollar and 100 yen to the Euro.

Forecast of financial conditions for FY2012

Of the cash flows from operating activities, income before income taxes and minority interest is expected to decrease compared with that for the fiscal year ended December 31, 2011. Depreciation expenses are expected to be almost the same level as the previous year at 110.0 billion yen.

Of the cash flows from investing activities, capital expenditures are expected to increase 37.3 billion yen year-on-year to 190.0 billion yen.

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

(4) Allocation and Distribution of Profits and Dividends

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.

In consideration of the Group's financial results for the fiscal year under review, the current business environment and future business developments, the Group paid an interim dividend of 13 yen per share and plans to pay a year-end dividend of 13 yen for FY 2011. Consequently, the total full year dividend payout for FY 2011 will be 26 yen per share.

With regard to dividend payments for FY 2012, the total full year dividend payout is scheduled to be 26 yen (13 yen per share for interim dividend, and 13 yen per share for year-end dividend) in light of the Group's financial forecasts.

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

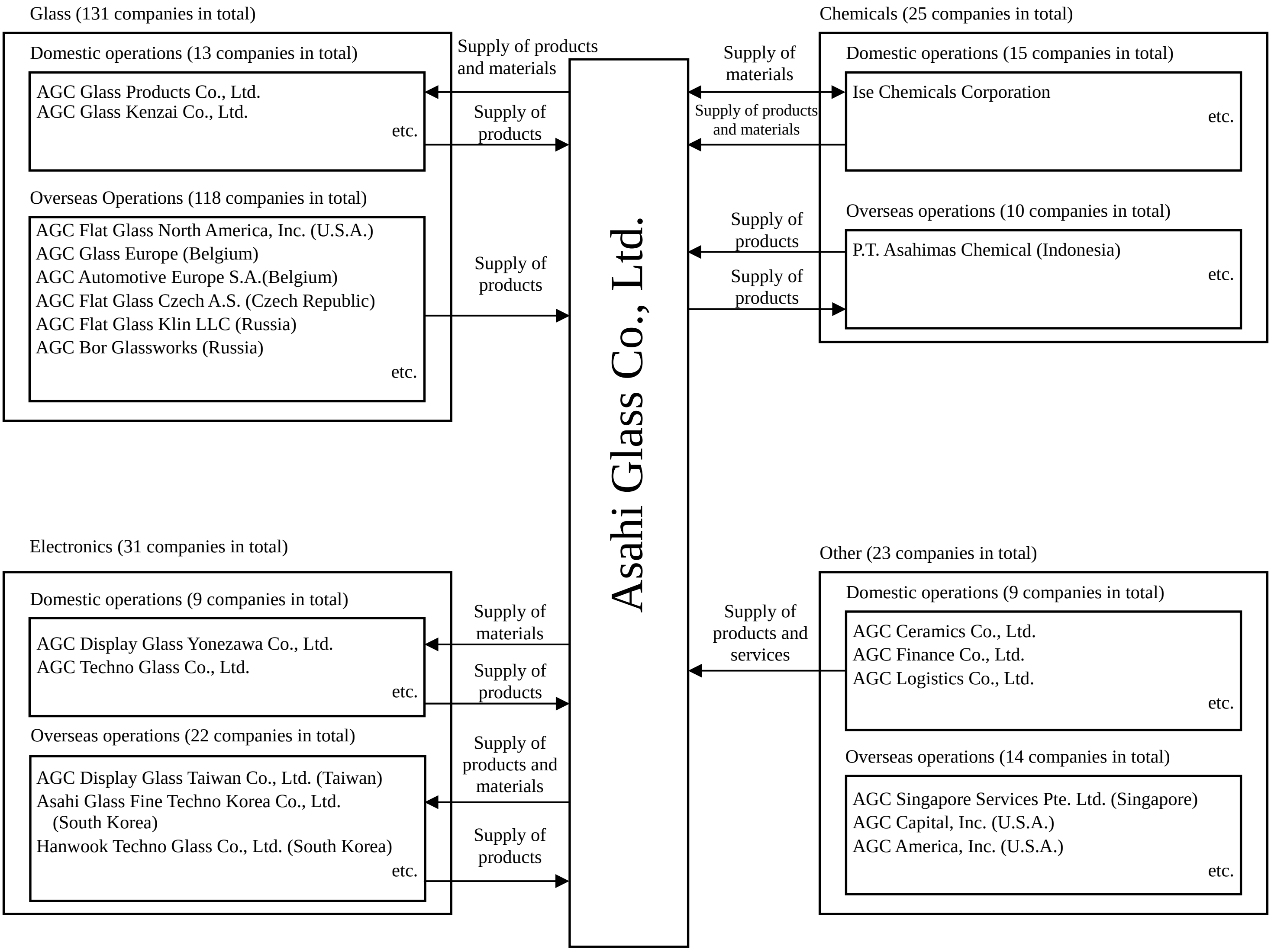
The above prospective results reflect the judgment of the Group's management on the basis of currently available information and, as such, contain risks and uncertainties. For this reason, investors are recommended not to base investment decisions solely on these prospective results. Please note that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

2. Overview of the AGC Group

The AGC Group consists of the Company and its 212 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.

Reportable segment	Main products
Glass	Float flat glass, Figured glass, Polished wired glass, Low-E glass, Fabricated glass for architectural use(Heat Insulating/shielding glass, Safety glass, Fire-resistant glass, Security glass, etc.), Automotive tempered glass, Automotive laminated glass, Glass for solar power system, Fabricated glass for industrial use, Decorative glass, etc.
Electronics	Glass substrate for display devices, Specialty glass for display applications, Display related materials, Optical membranes, Optoelectronics materials, Synthetic quartz glass, Glass frit and paste, Materials for semiconductor manufacturing equipment, Lighting glass products, etc.
Chemicals	Raw materials for vinyl chloride polymer, Caustic soda, Urethane, Gases, Solvents, Fluorinated resins, Water and oil repellents, Pharmaceutical and agrochemical intermediates and active ingredients, Iodine-related products, Battery materials, etc.

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



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

3. Management Policy

(1) Fundamental Policy of Management

Under the Group vision "***Look Beyond***" the AGC Group regards the values of "Innovation & Operational Excellence," "Diversity," "Environment" and "Integrity" as the four key values to be shared across the Group ("Our Shared Values"). Based on Our Shared Values, the AGC Group is committed to the following challenges.

(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 defines 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 stipulated in our management policy, ***Grow Beyond*** . Specifically, the Group aims to become a "glass-technology-driven company" by further advancing its glass technology and promoting business differentiation through the integration and development of the Group's core technologies in glass, chemicals, and ceramics. Also, the Group will "deliver technology solutions for environment/energy issues" by achieving energy reduction in its production processes and offering products created with the Group's core technologies. Moreover, the Group will strive to enhance its earnings capabilities in mature markets as part of its efforts in the "Second Round of Globalization," and expand business in fast-growing markets by taking measures suited to the situation of each region.
Together with the implementation of ***Grow Beyond*** measures, the AGC Group will ensure that the philosophies of "MONOZUKURI (quality manufacturing)," "the pursuit of quality" and "the improvement of customer satisfaction (CS)" will be further embedded as the DNA of the AGC Group, and build foundations for growth as each employee exerts their full potential under the slogan of "Our People are Our Strength."

(4) Action Measures

The AGC Group has been working on various issues under the Medium-term Management Plan "***Grow Beyond-2012***" from 2010 to 2012. During the year 2011, the Group set two specific initiatives, "building growth foundations" and "boosting profitability of existing businesses," as key action items.
Specifically, the Group strived for business expansion in fast-growing region, including the decision to make investment on production facilities for architectural/automotive glass in Brazil. Also, the Group actively launched sales of specialty glass for chemical strengthening and other new products. Moreover, the Group worked to expand the line-up of high value added products by taking measures such as the product line-up of energy-saving glass, and started the operation of a polishing plant for TFT LCD glass substrates in China.

<Changes in the business environment surrounding the AGC Group>

Today, the business environment surrounding the AGC Group is changing drastically. The growth of the Flat Panel Display (FPD) market is expected to slow down, and resource prices will continue to stay high. In the global economy, a high growth rate is expected in fast-growing markets while advanced economies will likely experience low growth.
To respond to such changes, the AGC Group will take the following measures with the objective of achieving further growth.

<Group policy for addressing changing environment>

-Slowdown in the growth of the FPD market

With regard to glass substrate for display devices, the AGC Group will optimize the operation and geographical arrangement of production facilities to promptly respond to demand trends in an effort to build up the Group's business strength and maintain and secure profitability. Also, the Group will reduce costs through yield/productivity improvements.

In addition, the Group will secure new revenue sources by increasing profitability in the glass and chemicals businesses as well as through the development and sales of new products.

-High resource prices

The AGC Group will improve the energy efficiency of its production facilities to achieve greater cost competitiveness. Moreover, by seizing increasing energy-saving consciousness as a business opportunity, the Group will expand sales of energy-saving related products at an accelerated pace.

-Global economic trends

In developed countries, the AGC Group will boost profitability by strengthening cost competitiveness and expand the line-up of high value added products. In addition, the Group will expand its business in fast-growing markets where rapid growth is expected.

Based on the above mentioned policy, the AGC Group will be committed to the Group's future action items, "Further enhance the Group's strengths" and "Accelerate the building of growth foundations," as follows.

<Future Action Items>

"Further enhance the Group's strengths"

The AGC Group will boost profitability by improving yield/productivity improvements and optimizing the operation and geographical arrangement of production facilities to respond to demand trends. The following are the specific measures to be taken at each business.

-Electronics

In the display-related business, the Group will further improve yield/productivity and build up business strength through flexible facility operation that promptly responds to market trends.

-Glass

The AGC Group will pursue the development and implementation of energy-saving technologies in production processes, and increase the number of high value added products by leveraging state-of-art coating technologies. Also, the Group will strive for sales expansion in Germany, the largest flat glass market in Europe, through strategic business alliance with a German glass manufacturer, Interpane Glas Industrie AG.

-Chemicals

In the chlor-alkali business, the AGC Group will expand the operational capacity of its facilities in fast-growing markets, where growth is expected, to meet the needs of the markets. In the fluorochemicals & specialty business, the Group will set a focus on highly-functional/high value added products and expand the range of applications for these products.

"Accelerate the building of growth foundations"

The AGC Group will accelerate the building of growth foundations by integrating the Group's ***Grow Beyond*** measures, namely "Second Round of Globalization," "Glass-technology-driven-company" and "Delivering Technology Solutions for Environment/Energy Issues" as follows.

-"Second Round of Globalization"

In the fast-growing regions where the Group already has a presence, the AGC Group will make progress in expanding the production of TFT LCD glass substrates and sales of automotive glass in China. At the same time, the Group will steadily respond to the solid demand growth for architectural/automotive glass in markets such as Russia.

In Brazil where the Group is launching business, the Group will make full-fledged investment on production facilities for architectural/automotive glass. The Group will also explore opportunities for market entry into other fast-growing regions.

-"Glass-technology-driven-company"

The AGC Group will aggressively develop and market new display-related materials including smartphones, tablet PCs and OELD.

With regard to specialty glass for chemical strengthening, the Group will explore business opportunities in and outside the display business, and develop products/expand applications for solar, auto, housing and various other markets.

-"Delivering Technology Solutions for Environment/Energy Issues"

The AGC Group will pursue the development/sales expansion of energy-saving glass for housing and automotive applications as well as of LED lighting materials and other energy-saving related products. In addition, the Group will develop and market solar-related materials in all business domains.

In its production processes, the Group will establish and implement innovative production technologies for achieving drastic improvements in energy efficiency, and promote the Group's raw materials/resource recycling activities.

Through group-wide concerted efforts to steadily implement these future action items based on the "Group's policy to respond to changing business environment", the AGC Group will bring its business performance back on a growth track and achieve AGC aspirations for 2020.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: millions of yen)

	FY2010 (as of December 31, 2010)	FY2011 (as of December 31, 2011)
Current Assets	626,916	606,774
Cash on hand and in banks	91,497	98,789
Trade notes and accounts receivable	237,962	233,675
Marketable securities	68,000	25,000
Finished products	74,122	81,860
Work in process	38,737	42,541
Raw materials and supplies	63,493	69,922
Deferred income taxes	21,450	13,610
Other current assets	36,712	46,367
Allowance for bad debts	(5,060)	(4,993)
Fixed Assets	1,137,122	1,084,781
Tangible Fixed Assets	861,395	842,563
Buildings and structures	242,257	235,645
Machinery and equipment	456,599	422,798
Tools and fixtures	13,501	13,775
Land	80,669	76,382
Lease assets	3,412	6,096
Construction in progress	64,955	87,865
Intangible Fixed Assets	39,482	37,108
Investments and Other Assets	236,244	205,110
Investments in securities	187,308	148,350
Long-term loans	5,489	5,124
Long-term prepaid expenses	1,954	1,214
Deferred income taxes	31,138	42,441
Other investments	13,032	10,572
Allowance for bad debts	(2,679)	(2,592)
Total Assets	1,764,038	1,691,556

(Unit: millions of yen)

	FY2010 (as of December 31, 2010)	FY2011 (as of December 31, 2011)
Current Liabilities	402,237	419,410
Trade notes and accounts payable	124,350	112,448
Short-term bank loans	60,388	47,552
Commercial paper	7,643	13,369
Current maturities of bonds	32,633	40,078
Current maturities of bonds with subscription right to shares	—	50,000
Other accounts payable	43,822	64,808
Accrued expenses	20,503	18,157
Income taxes payable	48,413	9,220
Deposits received	29,073	24,247
Accrued bonuses to employees	7,789	8,746
Accrued bonuses to directors	145	115
Reserve for scheduled repairs	3,152	3,280
Reserve for restructuring programs	1,793	2,686
Other current liabilities	22,526	24,696
Non-current Liabilities	511,985	421,684
Bonds issued	132,250	92,014
Bonds with subscription rights to shares	100,000	50,000
Long-term bank loans	172,362	184,485
Deferred income taxes	15,095	10,383
Accrued retirement benefits for employees	59,283	58,591
Accrued retirement benefits for directors and corporate auditors	299	313
Reserve for rebuilding furnaces	4,784	—
Reserve for restructuring programs	12,126	9,878
Other non-current liabilities	15,783	16,017
Total Liabilities	914,223	841,095
Shareholders' Equity	914,920	970,480
Common stock	90,873	90,873
Additional paid-in capital	96,961	96,961
Retained earnings	748,751	812,533
Treasury stock	(21,666)	(29,888)
Total Accumulated Other Comprehensive Income	(106,677)	(163,047)
Unrealized gains on securities, net of tax	38,555	19,910
Deferred gains or losses on hedges, net of tax	81	47
Foreign currency translation adjustments	(145,313)	(183,005)
Share Subscription Rights	1,276	1,584
Minority Interests in Consolidated Subsidiaries	40,296	41,444
Total Net Assets	849,815	850,460
Total Liabilities and Net Assets	1,764,038	1,691,556

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Consolidated Statements of Income)

(Unit: millions of yen)

	FY2010 (Jan 1 through Dec 31, 2010)	FY2011 (Jan 1 through Dec 31, 2011)
Net Sales	1,288,947	1,214,672
Cost of Sales	838,022	823,955
Gross profit	450,924	390,716
Selling, General and Administrative Expenses	221,719	225,053
Operating Income	229,205	165,663
Other Income	8,635	10,134
Interest income	1,276	1,481
Dividend income	2,627	3,063
Exchange gain, net	—	2,699
Equity in gains of unconsolidated subsidiaries and affiliates	2,188	1,506
Others	2,542	1,383
Other Expenses	11,034	9,058
Interest expenses	6,258	5,995
Interest on commercial papers	17	33
Exchange loss, net	2,837	—
Others	1,920	3,029
Ordinary Income	226,806	166,739
Extraordinary Gains	4,983	8,217
Gain on sale of properties	1,597	2,896
Gain on sale of investments in securities, unconsolidated subsidiaries and affiliates	1,401	52
Gain on sale of investments in subsidiaries	102	—
Reversal of reserve for rebuilding furnaces	—	4,520
Gain on negative goodwill	1,042	—
Others	838	747
Extraordinary Losses	39,631	31,597
Loss on disposal of properties	4,953	4,947
Impairment loss on long-lived assets	12,410	729
Loss on disaster	—	9,209
Expenses for restructuring programs	15,396	8,888
Loss related to competition law case	—	3,599
Others	6,871	4,224
Income before income taxes and minority interests	192,158	143,359
Income Taxes		
Current	60,232	30,786
Deferred	2,940	12,440
Income before minority interests	—	100,131
Minority Interests in Earnings of Consolidated Subsidiaries	5,801	4,841
Net Income	123,184	95,290

(Consolidated Statements of Comprehensive Income)

(Unit: millions of yen)

	FY2010 (Jan 1 through Dec 31, 2010)	FY2011 (Jan 1 through Dec 31, 2011)
Income before minority interests	－	100,131
Other Comprehensive Income		
Unrealized gains on securities, net of tax	－	(18,649)
Deferred gains or losses on hedges, net of tax	－	(33)
Foreign currency translation adjustments	－	(38,124)
Share of other comprehensive income of associates accounted for using equity method	－	(664)
Total Other Comprehensive Income	－	*2 (57,472)
Comprehensive Income	－	*1 42,659
Comprehensive income attributable to owners of the parent	－	38,920
Comprehensive income attributable to minority interests	－	3,739

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

	FY2010 (as of December 31, 2010)	FY2011 (as of December 31, 2011)
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	648,939	748,751
Changes of items during the period		
Dividends declared	(23,350)	(31,507)
Net income	123,184	95,290
Disposal of treasury stock	(20)	(1)
Total changes of items during the period	99,812	63,781
Balance at the end of period	748,751	812,533
Treasury stock		
Balance at the end of previous period	(21,152)	(21,666)
Changes of items during the period		
Increase of treasury stock	(609)	(8,262)
Disposal of treasury stock	95	41
Total changes of items during the period	(514)	(8,221)
Balance at the end of period	(21,666)	(29,888)
Total Shareholders' Equity		
Balance at the end of previous period	815,622	914,920
Changes of items during the period		
Dividends declared	(23,350)	(31,507)
Net income	123,184	95,290
Increase of treasury stock	(609)	(8,262)
Disposal of treasury stock	74	39
Total changes of items during the period	99,298	55,560
Balance at the end of period	914,920	970,480

(Unit: millions of yen)

	FY2010 (as of December 31, 2010)	FY2011 (as of December 31, 2011)
Accumulated other comprehensive income		
Unrealized gains on securities, net of tax		
Balance at the end of previous period	42,593	38,555
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	(4,037)	(18,645)
Total changes of items during the period	(4,037)	(18,645)
Balance at the end of period	38,555	19,910
Deferred gains or losses on hedges, net of tax		
Balance at the end of previous period	(299)	81
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	380	(33)
Total changes of items during the period	380	(33)
Balance at the end of period	81	47
Foreign currency translation adjustments		
Balance at the end of previous period	(103,032)	(145,313)
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	(42,281)	(37,691)
Total changes of items during the period	(42,281)	(37,691)
Balance at the end of period	(145,313)	(183,005)
Total accumulated other comprehensive income		
Balance at the end of previous period	(60,738)	(106,677)
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	(45,938)	(56,370)
Total changes of items during the period	(45,938)	(56,370)
Balance at the end of period	(106,677)	(163,047)
Share Subscription Rights		
Balance at the end of previous period	992	1,276
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	283	307
Total changes of items during the period	283	307
Balance at the end of period	1,276	1,584
Minority Interests in Consolidated Subsidiaries		
Balance at the end of previous period	52,436	40,296
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	(12,139)	1,147
Total changes of items during the period	(12,139)	1,147
Balance at the end of period	40,296	41,444

(Unit: millions of yen)

	FY2010 (as of December 31, 2010)	FY2011 (as of December 31, 2011)
Total Net Assets		
Balance at the end of previous period	808,312	849,815
Changes of items during the period		
Dividends declared	(23,350)	(31,507)
Net income	123,184	95,290
Increase of treasury stock	(609)	(8,262)
Disposal of treasury stock	74	39
Net changes of items other than shareholders' equity during the period	(57,795)	(54,914)
Total changes of items during the period	41,503	645
Balance at the end of period	849,815	850,460

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

	FY2010 (Jan 1 through Dec 31, 2010)	FY2011 (Jan 1 through Dec 31, 2011)
Cash Flows from Operating Activities		
Income before income taxes and minority interests	192,158	143,359
Depreciation and amortization	109,966	110,056
Impairment loss on long-lived assets	12,410	729
Amortization of goodwill	1,409	1,573
Increase (decrease) in reserves	1,256	(3,958)
Interest and dividend income	(3,904)	(4,544)
Interest expenses	6,258	5,995
Exchange loss (gain), net	6,213	980
Equity in losses (gains) of unconsolidated subsidiaries and affiliates	(2,188)	(1,506)
Loss (gain) on sale and valuation of investment securities	(1,346)	230
Loss on sale and disposal of property, plant and equipment	3,356	2,051
Decrease (increase) in trade notes and accounts receivable	(24,455)	(3,829)
Decrease (increase) in inventories	(12,315)	(23,077)
Increase (decrease) in trade notes and accounts payable	3,578	(848)
Others	20,167	(2,873)
Subtotal	312,565	224,339
Interest and dividends received	5,626	6,278
Interest paid	(6,431)	(6,030)
Income taxes (paid) refunded	(26,090)	(72,363)
Net cash provided by operating activities	285,669	152,223
Cash Flows from Investing Activities		
Payments for time deposits due over three months	(31,928)	(31,505)
Proceeds from refund of time deposits due to over three months	32,712	32,124
Purchase of property, plant and equipment	(114,222)	(139,517)
Proceeds from sale of property, plant and equipment	3,661	16,340
Purchase of investments in securities	(1,747)	(612)
Purchase of investments in subsidiaries	(14,318)	(1,315)
Proceeds from sale and redemption of investments in securities, unconsolidated subsidiaries and affiliates	3,487	2,287
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	—
Others	109	(1,382)
Net cash used in investing activities	(124,644)	(123,581)
Cash Flows from Financing Activities		
Increase (decrease) in short-term loans and commercial paper	1,304	8,746
Proceeds from long-term debt	472	69,237
Repayments of long-term debt	(71,725)	(69,122)
Redemption of bonds	(2,729)	(28,439)
Proceeds from stock issuance to minority shareholders	—	1,008
Purchase of treasury stock	(609)	(8,262)
Dividends paid	(23,350)	(31,507)
Others	(4,158)	(2,494)
Net cash used in financing activities	(100,797)	(60,833)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(3,305)	(3,040)
Changes in Cash and Cash Equivalents	56,922	(35,233)
Cash and Cash Equivalents at Beginning of Year	95,869	152,792
Cash and Cash Equivalents at End of Year	152,792	117,558

(5) Summary of Significant Accounting Policies

1) Scope of Consolidation

The Company had 212 subsidiaries as of December 31, 2011 (215 as of December 31, 2010). The consolidated financial statements include the accounts of the Company and 179 (178 for December 31, 2010) of its subsidiaries. The definition of subsidiary is based on the substantive existence of controlling power.

The accounts of the remaining 33 (37 as of December 31, 2010) 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, 2011 and 2010, 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 33 (37 as of December 31, 2010) unconsolidated subsidiaries and 45 (45 as of December 31, 2010) affiliates as of December 31, 2011. 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 (31 and 30 companies at December 31, 2011 and 2010, 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.

(Additional information) Reversal of "Reserve for rebuilding furnaces"

With regard to periodic special repair works on its facilities, the entire amount was reversed at the end of the fiscal year under review because repair works are now construction of new furnaces under capital expenditure, which was originally started as regular 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) Application of Accounting Standard for Equity Method of Accounting for Investments and Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method

Effective from this fiscal year, the Company adopted the "Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No. 16, March 10, 2008) and the "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (ASBJ Practical Issues Task Force No.24, March 10, 2008).

The impact of this change on ordinary income and income before income taxes and minority interests is immaterial.

2) Application of Accounting Standard for Asset Retirement Obligations

Effective from this fiscal year, the AGC Group adopted the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No.18, March 31, 2008) and the "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No.21, March 31, 2008).

The impact of this change on operating income, ordinary income and income before income taxes and minority interests is immaterial.

(7) Additional Information

1)Application of Accounting Standers for Presentation of Comprehensive Income

Effective from fiscal year under review, the Company has adopted the "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25, June 30, 2010). However, the amounts of "Accumulated other comprehensive income" and of "Total accumulated other comprehensive income" for the previous fiscal year have been presented by "Valuation and translation adjustments" and "Total valuation and translation adjustments", respectively.

(8) Notes of Consolidated Financial Statements

(a) Consolidated Statements of Comprehensive Income

FY2011 (Jan 1 through Dec 31, 2011)

*1 Comprehensive income during the fiscal year prior to the fiscal year under review

Comprehensive income attributable to owners of the parent	77,245	million yen
Comprehensive income attributable to minority interests	2,563	
Total	79,809	

*2 Other comprehensive income during the fiscal year prior to the fiscal year under review

Unrealized gains on securities, net of tax	(4,038)	million yen
Deferred gains or losses on hedges, net of tax	380	
Foreign currency translation adjustments	(45,391)	
Share of other comprehensive income of associates accounted for using equity method	(126)	
Total	(49,176)	

(b) Segment Information

1) Business Segment

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

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. 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. 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

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.

4)Segment Information

(1) Outline of Reportable Segments

The Group's reportable segments are components of the Group for which discrete financial information is available, and whose operating results are regularly reviewed by the chief operating decision maker to determine the allocation of management resources and to assess business performance.

The Group has three In-House Companies by product and service: Glass, Electronics, and Chemicals. Each In-House Company operates worldwide, formulating comprehensive domestic and overseas strategies for its products and services.

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

The main products of each reportable segment are as follows.

Reportable segment	Main products
Glass	Float flat glass, Figured glass, Polished wired glass, Low-E glass, Fabricated glass for architectural use(Heat Insulating/shielding glass, Safety glass, Fire-resistant glass, Security glass, etc.), Automotive tempered glass, Automotive laminated glass, Glass for solar power system, Fabricated glass for industrial use, Decorative glass, etc.
Electronics	Glass substrate for display devices, Specialty glass for display applications, Display related materials, Optical membranes, Optoelectronics materials, Synthetic quartz glass, Glass frit and paste, Materials for semiconductor manufacturing equipment, Lighting glass products, etc.
Chemicals	Raw materials for vinyl chloride polymer, Caustic soda, Urethane, Gases, Solvents, Fluorinated resins, Water and oil repellents, Pharmaceutical and agrochemical intermediates and active ingredients, Iodine-related products, Battery materials, etc.

(2) Methods of Calculating Sales, Income or Loss, Assets and Other Items by Reportable Segment

Accounting procedures for reportable business segments are generally the same as those for statements in “Summary of Significant Accounting Policies.” Income of reportable segments is presented as operating income. The amounts of inter-segment sales/transfers are primarily based on market prices and manufacturing cost.

(3) Information on Net Sales, Income or Losses, Assets, Liabilities and Others by Reportable Segment

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

	Reportable segments			Other	Total	Adjustments	Amount reported on statement of income
	Glass	Electronics	Chemicals				
Sales (1)Sales to customers (2)Inter-segment sales/transfers	 555,999 2,801	 445,917 1,501	 256,654 3,423	 30,376 46,929	 1,288,947 54,656	 — (54,656)	 1,288,947 —
Total sales	558,800	447,419	260,078	77,305	1,343,604	(54,656)	1,288,947
Segment income	18,286	189,861	17,824	3,220	229,192	12	229,205
Segment assets	619,422	661,491	258,577	202,136	1,741,628	22,410	1,764,038
Other items Depreciation and amortization Investments in equity method affiliated companies Increase in property, plant and equipment, and intangible assets	 41,943 18,540 34,334	 51,878 1,152 66,960	 15,355 3,722 15,186	 1,000 706 958	 110,179 24,121 117,439	 (212) — —	 109,966 24,121 117,439

(Note)

1. The "Other" business category, which handles ceramics products, etc., is not included among the reportable segments.
2. Adjustments of segment income of 12 million yen include adjustments of inventories related to inter-segment transactions.
3. Total assets included in the "Adjustments" 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.

FY2011 (Jan.1 through Dec.31, 2011) (Unit: millions of yen)

	Reportable segments			Other	Total	Adjustments	Amount reported on statement of income
	Glass	Electronics	Chemicals				
Sales							
(1)Sales to customers	553,339	385,041	245,056	31,235	1,214,672	－	1,214,672
(2)Inter-segment sales/transfers	1,084	1,470	3,516	52,679	58,751	(58,751)	－
Total sales	554,423	386,512	248,573	83,915	1,273,424	(58,751)	1,214,672
Segment income	9,855	133,502	18,083	3,969	165,409	253	165,663
Segment assets	620,016	665,579	256,568	214,452	1,756,618	(65,062)	1,691,556
Other items							
Depreciation and amortization	40,731	52,065	16,394	1,076	110,267	(211)	110,056
Investments in equity method affiliated companies	17,236	1,102	2,621	723	21,684	－	21,684
Increase in property, plant and equipment, and intangible assets	50,367	80,240	19,489	2,608	152,705	－	152,705

(Note)

1. The "Other" business category, which handles ceramics products, etc., is not included among the reportable segments.
2. Adjustments of segment income of 253 million yen include adjustments of inventories related to inter-segment transactions.
3. Total assets included in the "Adjustments" amounted to 202,844 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.

(Additional information)

Beginning from this fiscal year, the Company adopted the "Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (ASBJ Statement No. 17, March 27, 2009) and the "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (ASBJ Guidance No. 20, March 21, 2008).

(c) Per Share Information

	FY2010 (as of December 31, 2010)	FY2011 (as of December 31, 2011)
Net assets per share (yen)	692.59	698.51
Net income per share-basic (yen)	105.52	81.90
Net income per share-fully diluted (yen)	97.84	75.88

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

	FY2010 (as of December 31, 2010)	FY2011 (as of December 31, 2011)
Net income per share-basic		
Net income (millions of yen)	123,184	95,290
Net income not attributable to common shareholders (millions of yen)	-	-
Net income attributable to common shareholders (millions of yen)	123,184	95,290
Average number of common shares outstanding (thousands of shares)	1,167,415	1,163,484
Net income per share-fully diluted		
Net income adjusted for latent shares (millions of yen)	-	1
Number of increase in common shares (thousands of shares)	91,563	92,354
-Bonds with subscription rights to shares (thousands of shares)	90,090	90,400
-Warrant for stock option (thousands of shares)	1,473	1,954
Potential common stock with anti-dilutive effect, excluded from the computation of "Net income per share-fully-diluted"	Warrant for stock option (1,332 share subscription rights)	Warrant for stock option (931share subscription rights)