

July 31, 2013
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 (Code Number: 5201; TSE 1st section)
 (URL: <http://www.agc.com>)
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Consolidated Financial Results for the Six Months ended June 30, 2013

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

1. Financial results for the Six months ended June 30, 2013 (January 1 through June 30, 2013)

(1) Consolidated operating results

	For the six months ended June 30, 2013		For the six months ended June 30, 2012	
	Millions of yen	%	Millions of yen	%
Net sales	638,439	9.5	583,275	(5.0)
Operating income	34,074	(29.0)	47,975	(51.7)
Ordinary income	32,809	(31.1)	47,596	(53.8)
Net income	17,035	(45.2)	31,073	(45.5)
Net income per share - basic (yen)	14.74		26.88	
Net income per share - fully diluted (yen)	14.14		24.89	

Note: Percentage (%) figures show changes from the previous year's corresponding period.

Reference: Comprehensive income for - End of FY2013 second quarter; 115,112 million yen (122.8%)
 - End of FY2012 second quarter; 51,668 million yen (-30.4%)

(2) Consolidated financial position

	FY2013 second quarter (as of June 30, 2013)	FY2012 (as of December 31, 2012)
Total assets (Millions of yen)	2,039,294	1,899,373
Total net assets (Millions of yen)	1,095,572	996,949
Equity ratio (%)	50.8	49.6

Reference: Total Shareholder's Equity at -End of FY2013 second quarter: 1,036,662 million yen
 -End of FY2012: 941,842 million yen

2. Dividends

(Unit: yen)

	FY2012	FY2013	FY2013 (forecast)
End of first quarter	—	—	—
End of second quarter	13.00	13.00	—
End of third quarter	—	—	—
End of fiscal year	13.00	—	5.00
Total	26.00	—	18.00

Note: Revision of the forecast during this quarter: Yes

3. Forecast for FY2013 (January 1 through December 31, 2013)

	Full year	
	Millions of yen	%
Net sales	1,350,000	13.4
Operating income	70,000	(24.7)
Ordinary income	65,000	(25.0)
Net income	10,000	(77.2)
Net income per share (yen)	8.65	

Note: Revision of the forecast for FY2013 consolidated operating results during this quarter: Yes

***Notes**

- (1) Changes in significant subsidiaries during the period: No
- (2) Adoption of special accounting methods for preparing quarterly consolidated financial statements: Yes
(Note) For details, refer to "2. Summary Information (Notes)" in Attached Documents, beginning on page 5.
- (3) Changes in accounting policies, changes in accounting estimates, and retrospective restatements
- i. Changes resulting from revisions to accounting standards: No
 - ii. Changes other than "i" above: No
 - iii. Changes in accounting estimates: No
 - iv. Retrospective restatements: No
- (4) Number of shares issued (common stock)
- i. Number of shares issued (including treasury stock) at the end of the period
 - FY2013 second quarter (as of June 30, 2013): 1,186,705,905
 - FY2012 (as of December 31, 2012): 1,186,705,905
 - ii. Number of treasury stock at the end of the period
 - FY2013 second quarter (as of June 30, 2013): 30,920,218
 - FY2012 (as of December 31, 2012): 31,123,685
 - iii. Average number of shares issued during the period
 - For the six months ended June 30, 2013: 1,155,671,546
 - For the six months ended June 30, 2012: 1,155,934,130

***Appropriate Use of Forecast and Other Information and Other Matters**

The above forecast is based on information available to the Company at the time of publication of this document and assumptions concerning uncertainties which might affect the AGC Group's future financial results. It is not intended to be a guarantee of future events, and may differ from actual results for various reasons. For matters concerning the above forecast, please see "(3) Qualitative Information Regarding the Forecast for Consolidated Operating Results" in "1. Qualitative Information Regarding Financial Statements" in Attached Documents on page 4.

***Supplementary Materials for the Quarterly Financial Results**

Supplementary materials are available on our website.

(Attached Documents)

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1. Qualitative Information Regarding Financial Statements

(1) Qualitative Information Regarding Consolidated Operating Results

(i) Overview of consolidated business results for the six months ended June 30, 2013

During the six months ended June 30, 2013, the global economic environment surrounding the Company and its consolidated subsidiaries (hereinafter collectively referred to as the “AGC Group” or simply as the “Group”) had been characterized by a continued gradual recovery, despite the impact of fiscal and financial problems in Europe and a slowdown in the expansion of exports and domestic demand in fast-growing countries.

In Europe, the economy remained weak due to continued high unemployment rates and declining consumer spending which were triggered by the fiscal crisis in some European countries. In Asia, economic conditions were generally favorable backed by its strong exports and consumer spending, despite the slowing economic growth in some countries, mainly in China. In Japan, the economy gradually picked up, driven by the recovery of exports and robust consumer spending. In the United States, the economy gradually recovered thanks to continued improvement in housing starts, though they remained at low levels, and stable consumer spending.

Under such a business environment, the AGC Group’s shipments of electronics-related products increased; however, the Group was also affected by a price decline in products and price increases in fuels and raw materials. As a result, the Group posted net sales of 638.4 billion yen, a 55.2 billion yen or 9.5% increase from the corresponding period of the previous year. Operating income decreased by 13.9 billion yen or 29.0 % year-on-year to 34.1 billion yen, and ordinary income decreased by 14.8 billion yen or 31.1 % to 32.8 billion yen. Net income was 17.0 billion yen, a 14.0 billion yen or 45.2 % decrease on a year-on-year basis.

(ii) Overview by reportable segment for the six months ended June 30, 2013

- Glass

In the flat glass business, shipments of architectural glass in Japan and Asia remained strong and shipments in North America were on a moderate recovery track. Meanwhile, shipments in Europe continued to be sluggish and, despite price improvement in some regions during the second quarter, price levels fell below the levels of the same period of the previous year. Shipments of glass for solar power systems decreased from the same period of the previous fiscal year as the tough competitive environment continued. Under such circumstances, sales from the flat glass business, which consists of architectural glass and glass for solar power systems, increased from the same period of the previous fiscal year mainly due to the impact of the weak yen, although the business environment continued to be harsh.

In the automotive glass business, the AGC Group’s shipments in Japan decreased from the same period of the previous fiscal year, reflecting a year-to-year decrease in auto production in the country. In Europe, shipments stayed around the same level despite a year-to-year decrease in auto production in the region. Shipments remained favorable in Asia and North America, leading to an increase in sales on a year-on-year basis partly thanks to the weak yen.

As a result, net sales from the Glass Operations for the six months ended June 30, 2013 were 320.7 billion yen, up 42.5 billion yen or a 15.3% increase from the same period of the previous fiscal year. Operating income decreased by 9.6 billion yen year on year to a loss of 10.6 billion yen.

- Electronics

Shipments of glass substrates for display devices and specialty glass for display applications increased from the same period of the previous fiscal year.

With regard to electronic materials, shipments of semiconductor-related products and optoelectronics materials for camera applications increased from the same period of the previous year. However, due to weak shipments of some products in this category, sales of electronic materials stayed around the same level as compared with the same period of the previous year.

As a result, net sales from the Electronics Operations for the six months ended June 30, 2013 were 174.0 billion yen, up 12.9 billion yen or a 8.0% increase from the same period of the previous fiscal year, and operating income was 37.6 billion yen, down 0.5 billion yen or a 1.3% decrease from the same period of the previous fiscal year.

- Chemicals

Sales from chlor-alkali products and urethane materials increased from the same period of the previous fiscal year, supported by strong shipments in Asia. In the category of fluorine products and specialty products, shipments of pharmaceutical and agrochemical intermediates and active ingredients remained buoyant. However, shipments of

certain products in the category decreased due to such effect as the economic slowdown in Europe. As a result, sales in the category of fluorine products and specialty products stayed around the same level as compared with the same period of the previous fiscal year.

As a result, net sales from the Chemicals Operations for the six months ended June 30, 2013 were 138.3 billion yen, up 10.3 billion yen or a 8.0% increase from the same period of the previous fiscal year, and operating income was 7.2 billion yen, down 2.8 billion yen or a 28.3% decrease from the same period of the previous fiscal year.

The following table shows major products in each reportable segment.

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.

In addition to the above products, the AGC Group also handles ceramics products, logistics/financial services, etc.

(2) Qualitative Information Regarding Consolidated Financial Position

- Total assets

Total assets were 2,039.3 billion yen as of the end of the second quarter under review, up 139.9 billion yen from the end of the previous fiscal year. This rise is mainly due to an increase in tangible fixed assets stemming from the weakening of the yen and an increase in investments in securities resulting from a rise in listed stock prices.

- Total liabilities

Total liabilities were 943.7 billion yen as of the end of the second quarter under review, up 41.3 billion yen from the end of the previous fiscal year. This rise is chiefly attributable to an increase in interest-bearing liabilities partly due to the weakening of the yen.

- Total net assets

Total net assets were 1,095.6 billion yen as of the end of the second quarter under review, up 98.6 billion yen from the end of the previous fiscal year. This rise is primarily due to a rise in foreign currency translation adjustments on the weakened yen and an increase in unrealized gains on securities, net of tax due to a higher value of listed stock.

(3) Qualitative Information Regarding the Forecast for Consolidated Operating Results

(Unit: billions of yen)

	Net Sales	Operating income	Ordinary income	Net income
Forecast for FY2013 announced on February 7, 2013 (A)	1,300.0	100.0	90.0	50.0
Revised forecast for FY2013 (B)	1,350.0	70.0	65.0	10.0
(B - A)	50.0	(30.0)	(25.0)	(40.0)
Actual results for FY 2012 (C) (January 1 through December 31, 2012)	1,190.0	92.9	86.6	43.8
(B - C) / C (%)	13.4	(24.7)	(25.0)	(77.2)

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

The global economy as a whole is expected to maintain moderate growth in 2013.

The business environment in the entire European region including Eastern Europe has become much more difficult than the Company's assumption made at the beginning of the year, and the demand and prices for architectural glass in the region are expected to be far below the initial projection.

With regard to glass substrates for display devices, the continuing depreciation of the yen is expected to further push up the production costs at overseas subsidiaries.

To turn around its business performance from next year onwards, the Company is going to implement structural reform in the architectural glass business in Europe and other businesses, which will result in additional extraordinary losses.

As a result, the forecast of the AGC Group's operating results for the fiscal year ending December 31, 2013 is expected to go below the forecast announced on February 7, 2013.

Average exchange rates assumed for the fiscal year ending December 31, 2013 have been revised to 100 yen to the U.S. dollar and 130 yen to the Euro.

[Important notes with regard to the forecast]

The above prospective results reflect the assumptions of the Group's management on the basis of currently available information and, as such, contain risks and uncertainties. For this reason, investors are advised 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. Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

Not applicable.

(2) Adoption of Special Accounting Methods for Preparing Quarterly Consolidated Financial Statements

(Calculation of tax expense)

Tax expense is computed by multiplying the quarterly net income before income taxes and minority interests by a reasonably estimated effective tax rate, after applying tax effect accounting against net income before income taxes and minority interests for the fiscal year including the second quarter under review.

However, in case the use of such effective tax rate makes the computation of tax expense significantly unreasonable, then tax expense is calculated by multiplying the quarterly net income before income taxes and minority interests by the statutory effective tax rate after adjustment of the quarterly net income before income taxes and minority interests with significant differences other than temporary differences.

(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Retrospective Restatements

Not applicable.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: millions of yen)

	FY2012 (as of December 31, 2012)	FY2013 second quarter (as of June 30, 2013)
Current Assets	651,248	687,157
Cash on hand and in banks	100,461	117,939
Trade notes and accounts receivable	249,572	253,221
Marketable securities	20,300	10,300
Finished products	92,919	100,129
Work in process	41,586	46,406
Raw materials and supplies	73,841	81,542
Other current assets	77,740	82,945
Allowance for bad debts	(5,173)	(5,328)
Fixed Assets	1,248,124	1,352,137
Tangible Fixed Assets	957,661	1,023,309
Buildings and structures	262,873	275,284
Machinery and equipment	510,689	532,203
Tools, fixtures and others	24,534	25,476
Land	78,231	82,403
Construction in progress	81,332	107,940
Intangible Fixed Assets	51,909	54,017
Investments and Other Assets	238,553	274,810
Investments in securities	195,897	236,876
Other investments	46,013	41,258
Allowance for bad debts	(3,357)	(3,324)
Total Assets	1,899,373	2,039,294

(1) Consolidated Balance Sheets (continued)

(Unit: millions of yen)

	FY2012 (as of December 31, 2012)	FY2013 second quarter (as of June 30, 2013)
Current Liabilities	372,816	402,725
Trade notes and accounts payable	118,893	121,727
Short-term bank loans	69,141	71,650
Commercial paper	11,862	16,964
Current maturities of bonds	20,000	42,570
Income taxes payable	15,325	11,342
Other reserves	13,419	11,916
Other current liabilities	124,173	126,552
Non-current Liabilities	529,607	540,996
Bonds issued	92,294	70,000
Bonds with subscription right to shares	50,000	50,000
Long-term bank loans	289,683	309,079
Accrued retirement benefits for employees	59,681	66,764
Other reserves	9,076	9,016
Other non-current liabilities	28,870	36,136
Total Liabilities	902,423	943,721
Shareholders' Equity	984,023	986,210
Common stock	90,873	90,873
Additional paid-in capital	96,961	96,961
Retained earnings	826,265	828,248
Treasury stock	(30,076)	(29,873)
Total Accumulated Other Comprehensive Income	(42,181)	50,452
Unrealized gains on securities, net of tax	48,615	74,597
Deferred gains or losses on hedges, net of tax	174	(18)
Foreign currency translation adjustments	(90,971)	(24,127)
Share Subscription Rights	1,862	1,789
Minority Interests in Consolidated Subsidiaries	53,243	57,120
Total Net Assets	996,949	1,095,572
Total Liabilities and Net Assets	1,899,373	2,039,294

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

(Unit: millions of yen)

	For the six months ended June 30, 2012 (Jan.1 through Jun.30, 2012)	For the six months ended June 30, 2013 (Jan.1 through Jun.30, 2013)
Net Sales	583,275	638,439
Cost of Sales	422,764	484,030
Gross profit	160,510	154,408
Selling, General and Administrative Expenses	112,534	120,334
Operating Income	47,975	34,074
Other Income	4,020	4,407
Interest income	645	725
Dividend income	1,597	1,934
Equity in gains of unconsolidated subsidiaries and affiliates	954	509
Others	821	1,237
Other Expenses	4,400	5,671
Interest expenses	2,954	2,970
Exchange loss, net	302	2,171
Others	1,143	529
Ordinary Income	47,596	32,809
Extraordinary Gains	12,324	1,068
Gain on sale of properties	1,547	326
Gain on sale of investments in securities	—	404
Insurance income	9,981	—
Others	795	337
Extraordinary Losses	13,582	6,325
Loss on disposal of properties	3,895	2,850
Impairment loss on long-lived assets	1,213	—
Expenses for restructuring programs	5,496	2,520
Others	2,976	955
Income before income taxes and minority interests	46,338	27,552
Income Taxes	12,981	9,194
Income before minority interests	33,357	18,357
Minority Interests in Earnings of Consolidated Subsidiaries	2,284	1,322
Net Income	31,073	17,035

(Consolidated Statements of Comprehensive Income)

(Unit: millions of yen)

	For the six months ended June 30, 2012 (Jan.1 through Jun.30, 2012)	For the six months ended June 30, 2013 (Jan.1 through Jun.30, 2013)
Income before minority interests	33,357	18,357
Other Comprehensive Income		
Unrealized gains on securities, net of tax	9,152	25,996
Deferred gains or losses on hedges, net of tax	(8)	(193)
Foreign currency translation adjustments	8,953	68,493
Share of other comprehensive income of associates accounted for using equity method	212	2,458
Total Other Comprehensive Income	18,310	96,754
Comprehensive Income	51,668	115,112
Comprehensive income attributable to owners of the parent	49,290	109,668
Comprehensive income attributable to minority interests	2,378	5,443

(3) Consolidated Statements of Cash Flows

(Unit: millions of yen)

	For the six months ended June 30, 2012 (Jan.1 through Jun 30, 2012)	For the six months ended June 30, 2013 (Jan.1 through Jun 30, 2013)
Cash Flows from Operating Activities		
Income before income taxes and minority interests	46,338	27,552
Depreciation and amortization	56,877	67,389
Impairment loss on long-lived assets	1,213	—
Amortization of goodwill	767	960
Increase (decrease) in reserves	(788)	2,495
Interest and dividend income	(2,243)	(2,660)
Interest expenses	2,954	2,970
Exchange loss (gain), net	(782)	(7,285)
Equity in losses (gains) of unconsolidated subsidiaries and affiliates	(954)	(509)
Loss (gain) on sale and valuation of investment securities	(238)	(91)
Loss on sale and disposal of property, plant and equipment	2,348	2,524
Decrease (increase) in trade notes and accounts receivable	4,944	12,152
Decrease (increase) in inventories	(7,752)	(6,225)
Increase (decrease) in trade notes and accounts payable	(3,679)	(6,457)
Others	2,505	2,896
Subtotal	101,509	95,711
Interest and dividends received	2,962	3,270
Interest paid	(2,827)	(3,158)
Income taxes (paid) refunded	(9,482)	(8,172)
Net cash provided by operating activities	92,161	87,651
Cash Flows from Investing Activities		
Payments for time deposits due over three months	(111)	(230)
Proceeds from refund of time deposits due to over three months	8,808	397
Purchase of property, plant and equipment	(69,959)	(77,452)
Proceeds from sale of property, plant and equipment	4,222	2,020
Purchase of investments in securities, unconsolidated subsidiaries and affiliates	(2,666)	(946)
Proceeds from sale and redemption of investments in securities, unconsolidated subsidiaries and affiliates	2,738	2,281
Purchase of investments in subsidiaries	—	(1,978)
Others	(1,448)	(1,680)
Net cash used in investing activities	(58,416)	(77,590)
Cash Flows from Financing Activities		
Increase (decrease) in short-term loans and commercial paper	(5,654)	10,341
Proceeds from long-term debt	78,995	25,292
Repayments of long-term debt	(6,317)	(24,302)
Proceeds from issuance of bonds	—	20,000
Redemption of bonds	(745)	(20,000)
Proceeds from stock issuance to minority shareholders	252	—
Purchase of treasury stock	(8)	(19)
Dividends paid	(15,027)	(15,022)
Others	(1,542)	(1,848)
Net cash provided by (used in) financing activities	49,952	(5,558)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,621	11,143
Changes in Cash and Cash Equivalents	85,319	15,646
Cash and Cash Equivalents at Beginning of Year	117,558	133,818
Cash and Cash Equivalents at End of Period	202,878	149,464

(4) Segment Information

Information on net sales, profits or losses by reportable segment

For the six months ended June 30, 2012 (January 1 through June 30, 2012)

(Unit: millions of yen)

	Reportable segments			Ceramics/ Other	Total	Adjustments	Amount reported on statement of income
	Glass	Electronics	Chemicals				
Sales							
(1)Sales to customers	277,510	160,558	126,376	18,829	583,275	—	583,275
(2)Inter-segment sales/transfers	714	539	1,608	29,182	32,044	(32,044)	—
Total sales	278,224	161,097	127,985	48,012	615,320	(32,044)	583,275
Segment income (loss) (Operating income)	(943)	38,125	9,998	869	48,051	(75)	47,975

(Note)

1. “Ceramics/Other”, renewed from “Other”, consists of business segments that are not included in the reportable segments.
2. Adjustments of segment income of -75 million yen include adjustments of inventories related to inter-segment transactions.

For the six months ended June 30, 2013 (January 1 through June 30, 2013)

(Unit: millions of yen)

	Reportable segments			Ceramics/ Other	Total	Adjustments	Amount reported on statement of income
	Glass	Electronics	Chemicals				
Sales							
(1)Sales to customers	318,765	168,297	136,813	14,563	638,439	—	638,439
(2)Inter-segment sales/transfers	1,968	5,733	1,438	23,112	32,253	(32,253)	—
Total sales	320,734	174,031	138,251	37,675	670,692	(32,253)	638,439
Segment income (loss) (Operating income)	(10,558)	37,613	7,173	176	34,405	(331)	34,074

(Note)

1. “Ceramics/Other”, renewed from “Other”, consists of business segments that are not included in the reportable segments.
2. Adjustments of segment income of -331 million yen include adjustments of inventories related to inter-segment transactions.