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Consolidated Financial Results for the Fiscal Year ended December 31, 2016 (IFRS basis)

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

1. Financial Results for FY2016 (January 1 through December 31, 2016)

(1) Consolidated Operating Results

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

	FY2016 (Jan. through Dec. 2016)		FY2015 (Jan. through Dec. 2015)	
	millions of yen	%	millions of yen	%
Net sales	1,282,570	(3.3)	1,326,293	(1.6)
Operating profit	96,292	35.3	71,172	14.6
Profit before tax	67,563	(20.1)	84,522	105.3
Profit for the year	53,362	15.3	46,287	126.1
Profit for the year attributable to owners of the parent	47,438	10.6	42,906	169.6
Total comprehensive income for the year	26,193	-	2,286	(95.4)
Basic earnings per share (yen)	41.03		37.12	
Diluted earnings per share (yen)	40.85		36.97	
Profit ratio to equity attributable to owners of the parent (%)	4.3		3.9	
Ratio of profit for the year to total assets (%)	3.4		4.2	
Ratio of operating profit to net sales (%)	7.5		5.4	

Reference: Share of profit of associates and joint ventures accounted for using equity method -FY2016; 1,815 million yen -FY2015; 2,357 million yen

(2) Consolidated Financial Position

	FY2016 (as of December 31, 2016)	FY2015 (as of December 31, 2015)
Total assets (millions of yen)	1,981,451	1,991,262
Total equity (millions of yen)	1,168,743	1,163,767
Equity attributable to owners of the parent (millions of yen)	1,095,438	1,094,172
Equity attributable to owners of the parent ratio (%)	55.3	54.9
Equity attributable to owners of the parent per share (yen)	947.32	946.48

(3) Consolidated Cash Flows

	FY2016 (Jan. through Dec. 2016)	FY2015 (Jan. through Dec. 2015)
Cash flows from operating activities (millions of yen)	203,637	187,170
Cash flows from investing activities (millions of yen)	(113,596)	(115,951)
Cash flows from financing activities (millions of yen)	(46,450)	(35,417)
Cash and cash equivalents at the end of the year (millions of yen)	147,325	104,831

2. Dividends

	(Base date)	FY2015	FY2016	FY2017(forecast)
Dividend per share	End of the first quarter (yen)	-	-	-
	End of the second quarter (yen)	9.00	9.00	10.00
	End of the third quarter (yen)	-	-	-
	End of the fiscal year (yen)	9.00	9.00	50.00
	Full fiscal year (yen)	18.00	18.00	-
Total dividend distribution (full fiscal year) (millions of yen)		20,808	20,814	-
Payout ratio (consolidated) (%)		48.5	43.9	35.0
Ratio of dividend distribution to equity attributable to owners of the parent (consolidated) (%)		1.9	1.9	-

*The Company plans to consolidate its common shares at a ratio of five shares to one share on the effective date of July 1, 2017. Accordingly, figures for year-end dividends per share for fiscal year 2017 are amounts that take into account the consolidation of shares, and total annual dividends are shown as "-." The scheduled year-end dividends per share for fiscal year 2017 without taking into account the consolidation of shares are 10 yen, and annual dividends per share are 20 yen.
For information, refer to "Appropriate Use of Forecasts and Other Information and Other Matters"

3. Forecast for FY2017 (January 1 through December 31, 2017)

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

	First half		Full fiscal year	
	millions of yen	%	millions of yen	%
Net sales	650,000	4.0	1,350,000	5.3
Operating profit	45,000	12.8	105,000	9.0
Profit before tax	-	-	93,000	37.6
Profit for the year	-	-	72,000	34.9
Profit for the year attributable to owners of the parent	-	-	66,000	39.1
Basic earnings per share (yen)	-		285.38	

(Note) The forecast for the six months ending June 30, 2017 consists of forecast net sales and operating profit only.

* Concerning Basics earnings per share of the full year consolidated forecasts for fiscal year 2017, the effects of the consolidation of shares are taken into account. For information, refer to "Appropriate Use of Forecasts and Other Information and Other Matters"

***Notes**

(1) Changes in Significant Subsidiaries during the Period under Review
(Changes in specific subsidiaries involving changes in the scope of consolidation): No

(2) Changes in Accounting Policies and Changes in Accounting Estimates

i. Changes in accounting policies required by IFRS: No

ii. Changes in accounting policies other than "i" above: No

iii. Changes in accounting estimates: No

(Note) For details, please refer to "(5) Notes to the Consolidated Financial Statements, 2) Changes in Accounting Policies" on page 20.

(3) Number of Shares Issued (ordinary shares)

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

-FY2016 (as of December 31, 2016):	1,186,705,905
-FY2015 (as of December 31, 2015):	1,186,705,905

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

-FY2016 (as of December 31, 2016):	30,347,355
-FY2015 (as of December 31, 2015):	30,665,148

ⅲ. Average number of shares issued during the period

-FY2016 (Jan. through Dec. 2016):	1,156,255,690
-FY2015 (Jan. through Dec. 2015):	1,155,953,526

[Reference]

(1) Non-Consolidated Operating Results

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

	FY2016 (Jan. through Dec. 2016)		FY2015 (Jan. through Dec. 2015)	
	millions of yen	%	millions of yen	%
Net sales	483,078	(2.6)	495,835	(7.2)
Operating income	30,784	90.3	16,175	73.0
Ordinary income	49,288	14.0	43,250	(44.5)
Net income	24,153	(33.9)	36,534	(30.0)
Net income per share -basic (yen)	20.89		31.61	
Net income per share -fully diluted (yen)	20.80		31.48	

(2) Non-Consolidated Financial Position

	FY2016 (as of December 31, 2016)	FY2015 (as of December 31, 2015)
Total assets (millions of yen)	1,272,447	1,246,251
Total net assets (millions of yen)	639,795	633,026
Equity ratio (%)	50.1	50.6
Equity per share (yen)	551.19	545.58

Reference: Total Shareholders' Equity at -FY2016; 637,375 million yen
-FY2015; 630,718 million yen

*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 page 5 and 6.

*Supplementary Materials for the Financial Results

Supplementary materials are available on our website.

*Dividend outlook and forecast for operating results after the consolidation of shares

The Company plans to consolidate its common shares at the ratio of five shares to one share on the effective date of July 1, 2017, following approval of a proposal for the consolidation of shares at the 92nd Ordinary General Meeting of Shareholders held on March 30, 2017. Accordingly, the dividend outlook and forecast for operating results in the year ending December 31, 2017 excluding the impact of the consolidation of shares are as follows.

1. Dividend outlook for the year ending December, 2017

Dividends per share: Interim 10 yen (Note 1), Year-end 10 yen (Note 2)

2. Forecast for operating results in the year ending December 31, 2017

Basic earnings per share 57.08 yen

Notes:

1. The interim dividend will be paid out based on the number of shares before the consolidation of shares.
2. Represents the dividend amount excluding the impact of the consolidation of shares.
3. The annual dividend for the year ending December 31, 2017 (excluding the impact of the consolidation of shares) is 20 yen per share.

(Attached Documents)

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Qualitative Information and Financial Statements

1. Operating Results

(1) Analysis of Operating Results

Operating results for FY2016

During the fiscal year under review (from January 1, 2016 to December 31, 2016), the global economic environment surrounding the Company and its consolidated subsidiaries (hereinafter collectively referred to as the "AGC Group" or simply as the "Group") remained on a gradual recovery track on the whole. In Japan, the economy showed a gradual upward trend thanks to factors such as economic measures taken by the government although some sections were lagging behind the recovery trend. The European economy made a gradual recovery and the United States continued its economic recovery along with increased consumer spending and other factors. The economy was picking up in China and other emerging countries. Under such a business environment, the AGC Group posted net sales of 1,282.6 billion yen for the period under review, down 43.7 billion yen or a 3.3% decrease from the previous year, due to such reasons as the strong yen. Operating profit increased by 25.1 billion yen or up 35.3 % year-on year to 96.3 billion yen, owing to positive factors including increased shipments of automotive glass and chemical products, the price hike of architectural glass and the cost decrease mainly from the decline of raw materials and fuel prices. Profit before tax was 67.6 billion yen, down 17.0 billion yen or a 20.1% decrease on a year-on-year basis mainly due to the impact of the income from revision of the defined benefit corporate pension plan posted during the six months ended June 30, 2015. Profit for the year attributable to owners of the parent was 47.4 billion yen, up 4.5 billion yen or a 10.6% increase on a year-on-year basis primarily because of a decrease income tax expenses.

Overview by reportable segment (Unit: billions of yen)

	Net sales		Operating profit	
	FY2016	FY2015	FY2016	FY2015
Glass	680.0	692.9	31.8	13.0
Electronics	258.1	288.6	25.0	29.0
Chemicals	316.6	318.5	40.0	30.5
Ceramics/Other	70.8	68.1	(0.2)	(1.6)
Corporate or elimination	(42.9)	(41.8)	(0.3)	0.1
Total	1,282.6	1,326.3	96.3	71.2

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

- Glass

Shipments of architectural glass remained robust in Europe and North America and stayed at the same level as the same period of the previous year in Japan and other Asian countries. Sales decreased on a year-on-year basis, mainly affected by the strong yen, although selling prices increased mainly in Europe and North America.

In the automotive glass business, both shipments and sales increased from the same period of the previous year owing to increased auto production in Europe, China and North America. Consequently, AGC Group's sales increased on a year-on-year basis.

As a result, net sales from the Glass Operations for the fiscal year were 680.0 billion yen, down 12.9 billion yen or a 1.9% decrease from the previous fiscal year. Operating profit was 31.8 billion yen, up 18.8 billion yen or a 143.9% increase mainly due to the strong shipments of automotive glass, the increased selling prices of architectural glass products, and the decline of raw materials and fuel prices.

- Electronics

Regarding LCD glass substrates, the selling prices decreased but shipments increased year on year. Shipments of specialty glass for display applications decreased in the field of electric device applications on a year-on-year basis while the shipments of cover glass for car-mounted displays increased. Shipments of glass for solar power systems decreased from the previous year.

Regarding electronic materials, shipments of optoelectronics materials decreased on a year-on-year basis despite a recovery in the second half of the year.

As a result, net sales from the Electronics Operations for the fiscal year, were 258.1 billion yen, down 30.4 billion yen or a 10.5% decrease, and operating profit was 25.0 billion yen, down 4.1 billion yen or a 14.0% decrease from the previous fiscal year.

- Chemicals

Sales of chlor-alkali products and urethane materials increased year on year as shipments in Southeast Asia were strong and new facilities in Indonesia started operation. In the categories of fluorine products and specialty products, sales decreased year on year mainly because shipments of some products decreased and the Japanese yen remained strong.

As a result, net sales from the Chemicals Operations for the fiscal year, were 316.6 billion yen, down 1.9 billion yen or a 0.6% decrease from the previous fiscal year. Operating profit was 40.0 billion yen, up 9.5 billion yen or a 31.0% increase from the previous fiscal year, mainly due to an increase in the sales volume and a decline of raw materials and fuel prices.

(2) Qualitative Information Regarding Consolidated Financial Position

Overview of financial conditions (Unit: billions of yen)

	FY2016	FY2015	Change
Total assets	1,981.5	1,991.3	(9.8)
Total liabilities	812.7	827.5	(14.8)
Total equity	1,168.7	1,163.8	5.0

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

- Total assets

Total assets as of the end of the fiscal year under review were 1,981.5 billion yen, down 9.8 billion yen from the end of the previous fiscal year. Total assets decreased mainly due to a decrease in property, plant and equipment stemming from the appreciation of the yen compared to the end of the previous fiscal year.

- Total liabilities

Total liabilities as of the end of the fiscal year under review were 812.7 billion yen, down 14.8 billion yen from the end of the previous fiscal year. This decrease was mainly due to repayment or redemption of interest-bearing debt.

- Total equity

Total equity as of the end of the fiscal year under review was 1,168.7 billion yen, up 5.0 billion yen and remained at the same level as the end of the previous fiscal year.

Overview of cash flows (Unit: billions of yen)

	FY2016	FY2015	Change
Cash flows from operating activities	203.6	187.2	16.5
Cash flows from investing activities	(113.6)	(116.0)	2.4
Cash flows from financing activities	(46.5)	(35.4)	(11.0)
Cash & cash equivalents as of end of period	147.3	104.8	42.5

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

The free cash flow for the fiscal year under review, which is the sum of cash flows from operating activities and investing activities, increased 18.8 billion yen or 26.4% from the previous year, to 90.0 billion yen mainly due to an increase in operating profit. Cash & cash equivalents as of the end of the period (net cash) increased 42.5 billion yen or 40.5% from the end of the previous year, to 147.3 billion yen mainly due to repayment or redemption of long-term interest-bearing debt and payment of dividends in financing activities.

- Cash flows from operating activities

Net cash from operating activities was 203.6 billion yen for the fiscal year under review, up 16.5 billion yen or 8.8% from the previous year.

- Cash flows from investing activities

Net cash used in investing activities decreased by 2.4 billion yen or 2.0% year-on-year, to 113.6 billion yen. This expenditure includes capital investment with a focus on growth areas and industries.

- Cash flows from financing activities

Net cash used in financing activities for the fiscal year under review was 46.5 billion yen, up 11.0 billion yen or 31.2% from the previous year. This expenditure is mainly due to repayment or redemption of long-term interest-bearing debt and payment of dividends.

- Cash flow indices

	FY2015	FY2016
Equity attributable to owners of the parent ratio (%)	54.9	55.3
Equity attributable to owners of the parent ratio based on market value (%)	40.4	46.5
Number of years for debt redemption	2.5	2.1
Interest coverage ratio	34.3	28.8

(Notes) Equity attributable to owners of the parent ratio (%): Total equity attributable to owners of the parent / Total Assets

Equity attributable to owners of the parent 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 shares).*
- *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 financial position for which interest is paid. In addition, interest payment represents amount of interest paid on the consolidated statements of cash flows.*

(3) Forecast for FY2017

Operating forecast for FY2017

(Unit: billions of yen)

	Net Sales	Operating profit	Profit before tax	Profit for the year	Profit for the year attributable to owners of the parent
FY 2017 (January 1 through December 31, 2017)	1,350.0	105.0	93.0	72.0	66.0
FY 2016 (January 1 through December 31, 2016)	1,282.6	96.3	67.6	53.4	47.4
Change (%)	5.3	9.0	37.6	34.9	39.1

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

In 2017, the world economy is expected to maintain moderate growth on the whole, but there is uncertainty over its future outlook as affected by national policies around the world and other factors.

Under such a business environment, the shipments of architectural glass are expected to make a gradual increase in many regions. In the automotive glass business, shipments are projected to remain stable as a whole despite uncertainty over the recovery of automobile demand in some emerging countries.

Regarding LCD glass substrates, shipments are likely to increase from the previous year and the range of price decline is expected to shrink. Shipments of specialty glass for display applications are expected to increase from the previous year. The shipments of cover glass for car-mounted displays will continue to expand. In the category of electronics materials, shipments of optoelectronics materials and semiconductor-related products are expected to increase from the previous fiscal year.

Regarding chemical-related products, shipments of chlor-alkali products are expected to increase as the new manufacturing facilities in Indonesia will operate throughout the year from this year. Shipments of fluorine products and life science products will remain favorable. In addition, the companies that the Company decided to acquire in 2016 will be consolidated and the Group’s sales are expected to increase accordingly.

Taking into account the above factors, net sales of the AGC Group for the fiscal year ending December 31, 2017 are forecasted to be 1,350.0 billion yen, up 67.4 billion yen or a 5.3% increase from a year earlier, and operating profit is forecasted to be 105.0 billion yen, up 8.7 billion yen or a 9.0% increase year on year. Profit before tax will be 93.0 billion yen, up 25.4 billion yen or a 37.6% increase from the previous fiscal year and profit for the year attributable to owners of the parent is estimated to be 66.0 billion yen, up 18.6 billion yen or a 39.1% increase from the previous fiscal year. Average exchange rates assumed for the fiscal year ending December 31, 2017 are 110 yen to the U.S. dollar and 120 yen to the Euro.

Forecast of financial conditions for FY2017

Of the cash flows from operating activities, profit before tax is expected to increase by 25.4 billion yen to 93.0 billion yen as compared with that for the fiscal year ended December 31, 2016. Depreciation expenses are expected to be 130.0 billion yen, up 8.2 billion yen from the previous fiscal year.

Of the cash flows from investing activities, capital expenditures are expected to increase 34.0 billion yen year-on-year to 160.0 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

The AGC Group has revised its profit distribution policy following the formulation of the AGC Group's "Vision 2025." Under the revised policy, the AGC Group will continue to strive to proactively return profits to shareholders , aiming at the consolidated total shareholders return of 50% or more, including the annual dividend payment per share maintained at the current term's expected payment amount or more and the purchase of treasury stock, while giving comprehensive consideration to the Group's 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 9 yen per share and plans to pay a year-end dividend of 9 yen for FY 2016. Consequently, the total full year dividend payout for FY 2016 will be 18 yen per share.

With regard to dividend payments for the fiscal year ending December 31, 2017, the total full year dividend payout is scheduled to be 10 yen per share for interim dividend, and 50 yen per share for year-end dividend in light of the Group's financial forecasts. The Company plans to consolidate its common shares at a ratio of five shares to one share on the effective date of July 1, 2017. Accordingly, figures for year-end dividends per share for fiscal year 2017 are amounts that take into account the consolidation of shares. The scheduled year-end dividends per share for fiscal year 2017 without taking into account the consolidation of shares are 10 yen, and annual dividends per share are 20 yen.

[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.

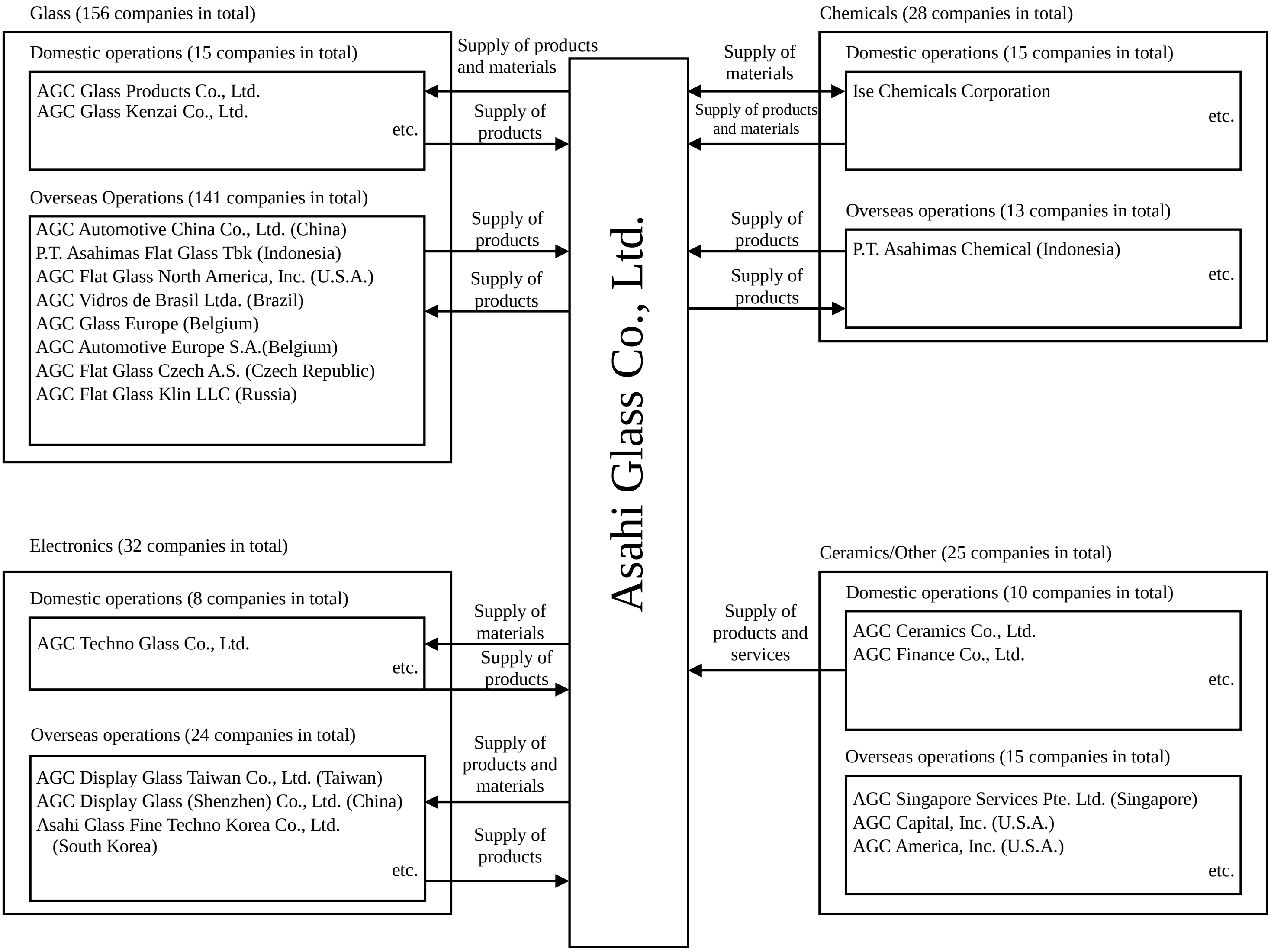
2. Overview of the AGC Group

The AGC Group consists of the Company and its 230 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, Decorative glass, Fabricated glass for architectural use(Heat Insulating/shielding glass, Disaster-resistant/Security glass, Fire-resistant glass, etc.), Automotive glass, etc.
Electronics	LCD glass substrates, Specialty glass for display applications, Cover glass for car-mounted displays, Display related materials, Glass for solar power system, Fabricated glass for industrial use, Semiconductor process materials, Optoelectronics materials, Lighting glass products, Laboratory glass, etc.
Chemicals	Polyvinyl chloride, Vinyl chloride monomer, Caustic soda, Urethane, Fluorinated resins, Water and oil repellents, Gases, Solvents, Pharmaceutical and agrochemical intermediates and active ingredients, Iodine-related products, etc.

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

The AGC Group's ***"Look Beyond"*** is a corporate philosophy guiding the AGC Group's all business and CSR (Corporate Social Responsibility) activities. Under the Group Vision, "Our Mission" states the AGC Group's identity and the value the Group should deliver to society.

[Our mission]
AGC, an everyday essential part of our world
AGC's unique materials and solutions make people's lives better around the world every day

The Group Vision ***"Look Beyond"*** also defines the key values to be shared across the Group and the spirit to be inherited and passed on by each group member.

[Our shared values]
Innovation & Operational Excellence
Diversity
Environment
Integrity

[Our spirit]
Never take the easy way out but confront difficulties.

(2) Progress in the AGC Group's mid-term management plan ***AGC plus-2017***

AGC plus

The AGC Group adds a "plus" by:
- Providing safety, security and comfort to society;
- Creating new value and functions for customers and business partners and building trust with them;
- Enhancing job satisfaction among employees; and
- Increasing the Group's corporate value for investors.

	AGC plus-2017 Target for 2017
Sales	¥ 1,600 bn.
Operating income	more than ¥ 100 bn.
ROE	5% or above
D/E	0.5 or less

Under the management policy AGC plus, the AGC Group aims to achieve the financial targets set under the mid-term management plan ***AGC plus-2017***. It will do so as each business pursues its strategic direction, determined based on the business portfolio created according to the profitability and growth potential, and the Group will allocate management resources in a well-focused manner.

The following are major decisions and actions of the AGC Group implemented in FY2015 and thereafter based on the business portfolio, toward attaining the financial targets.

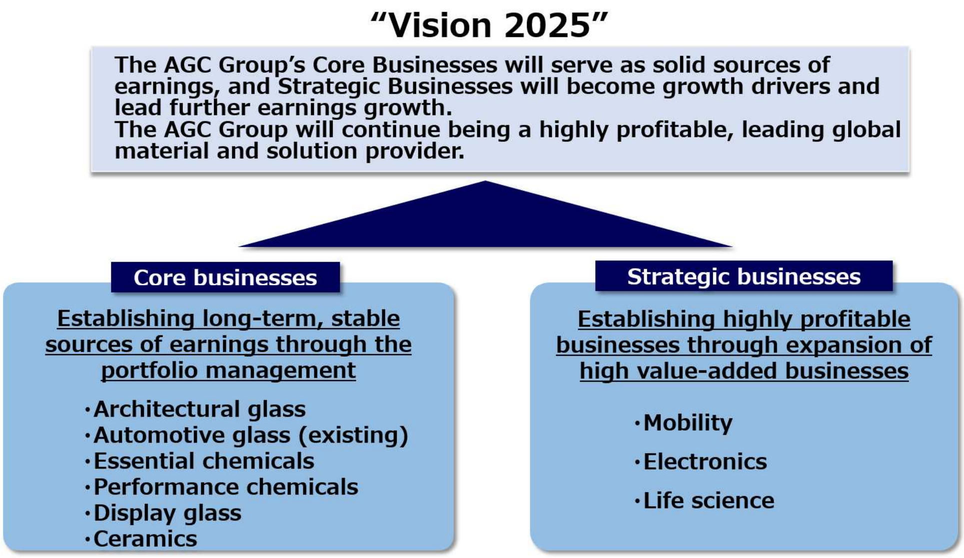
Category of portfolio	Major actions taken
Growth	**Overseas chlor-alkali** ・Increased the production capacity (Indonesia and Vietnam) **Automotive glass** ・Expanded production base (China) and established a new production base (Mexico) ・Started operation of a new float glass plant (Indonesia) **Specialty glass for chemical strengthening** ・Increased the production capacity for cover glass for car-mounted displays (Japan)
Cash Generator	**LCD glass substrate** ・Relocated an LCD glass facility (China) **Architectural glass** ・Started operation of a coating glass plant (Thailand, Indonesia, Saudi Arabia)
Strength-building area	**Architectural glass** ・Structural reforms started producing visible effects (Europe and the Americas) **Specialty glass for electronic applications** ・Withdrew from the HDD glass substrate business (China and Japan)

As a result of the aforementioned actions, the AGC Group achieved net sales for FY2016 of 1,282.6 billion Japanese yen, which is a decrease from 1,326.3 billion Japanese yen in the previous year mainly due to the effects of unfavorable exchange rate fluctuations. However, operating profit increased to 96.3 billion Japanese yen from 71.2 billion Japanese yen in the previous year as a result of a recovery in the glass business in Europe and the Americas and growth in the chemicals business. In addition, ROE improved to 4.3% from 3.9% in the previous year due to the increase in operating profit, etc. Further, the Group's efforts for portfolio management have created a balanced earnings structure whereby the Glass, Electronics, and Chemicals business segments produce profits in good proportions. As described above, the AGC Group made substantial progress in FY2016 toward the achievement of the financial targets set in ***AGC plus-2017***.

In FY2017, the final year of the mid-term management plan ***AGC plus-2017***, the AGC Group will continue to pursue the strategic direction set under ***AGC plus-2017***. We believe doing so will lead to the attainment of the financial targets, including operating profit and ROE, set under the management plan. Moreover, we see achieving the target as only a stepping stone and will continue to promote portfolio management and allocate management resources in a well-focused manner toward driving further growth and attaining an ROE of 8% or more by FY2020.

(3) Initiatives to drive further growth

In February 2016, the AGC Group formulated "Vision 2025" as detailed below and long-term management strategies to accomplish it.



The AGC Group drew up its basic policy comprising the following four principles toward Vision 2025.

1. Always look from the market's perspective, respond to customers' needs, and continue building trust with them;
2. Achieve sustainable growth in both Core and Strategic Businesses by boldly pursuing strategic M&A opportunities along with the organic growth approach;
3. Take advantage of high growth in Asia by leveraging regional operations and strategic action in the geographical area covering from Southeast Asia through the Middle East; and
4. Concentrate the Group's management resources on business fields that have high earnings/growth potential and achieve a business structure that has enhanced asset efficiency.

In FY2016, the AGC Group decided to make a growth investment in accordance with the basic policy by utilizing the strategic investment budget of 300 billion yen established mainly for M&A opportunities. For instance, the AGC Group acquired Vinythai PCL (Thailand) in the essential chemicals business and CMC Biologics (Denmark, USA) and Biomeva GmbH (Germany) in the life science business. The AGC Group projects that the growth investment implemented in FY2015 and thereafter will produce additional sales of 200 billion yen for FY2018 (compared to the level for FY2015).

The AGC Group has positioned 2017 as a **"year of aggressively implementing strategic initiatives, and accelerate its re-growth toward the realization of the AGC Group's Vision 2025."** Based on this policy, we will focus our efforts on reaping the benefits of growth investment which we have decided for both the Core and Strategic Businesses, as well as continuing to implement growth measures proactively. For the Core Business category, the AGC Group aims to establish long-term stable sources of earnings through thorough portfolio management. For the Strategic Business category, the AGC Group aims to expand high value-added businesses by implementing the following measures in each business field.

Mobility: Offer products such as next-generation glass-mounted communication antenna and fuel cell materials by capturing changes in the business environment and infrastructure surrounding automobiles.

Electronics: Respond to the sophistication of data entry devices, speed-up of communication and higher-density data storage. Do so by expanding the existing consumer goods business for semiconductor processes and developing next-generation products such as sensor materials and EUV mask blanks.

Life science: Expand the life science business through organic synthesis technology and the contract development and manufacturing business for pharmaceutical and agrochemical ingredients, which have already taken off. Also, develop the life science business by utilizing the production bases in Europe and the U.S. and mammalian cell technology the AGC Group obtained through acquisitions.

The AGC Group will continue being a leading global material and solution provider that supports people's lives around the world with its materials and solutions.

4. Basic Policy for adopting Accounting Standards

The AGC Group adopted International Financial Reporting Standards (IFRS) for its consolidated financial statements, starting with the annual financial statements for the fiscal year ending December 31, 2013, with the aim of increasing international comparability of financial information, offering greater convenience for domestic or foreign investors and enhancing the efficiency of the Group's management.

5. Consolidated Financial Statements (IFRS)

(1) Consolidated Statements of Financial Position

(Unit: millions of yen)

	FY2015 (as of December 31, 2015)	FY2016 (as of December 31, 2016)
Assets		
Current assets		
Cash and cash equivalents	104,831	147,325
Trade receivables	241,294	241,476
Inventories	235,374	227,284
Other receivables	36,733	37,972
Income tax receivables	6,448	7,201
Other current assets	12,863	12,176
Total current assets	637,546	673,436
Non-current assets		
Property, plant and equipment	982,296	937,869
Goodwill	34,231	34,859
Intangible assets	27,456	27,400
Investments accounted for using equity method	38,850	36,889
Other financial assets	232,877	232,216
Deferred tax assets	30,108	29,421
Other non-current assets	7,896	9,358
Total non-current assets	1,353,716	1,308,015
Total assets	1,991,262	1,981,451

(Unit: millions of yen)

	FY2015 (as of December 31, 2015)	FY2016 (as of December 31, 2016)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	126,956	137,590
Short-term interest-bearing debt	34,989	36,689
Long-term interest-bearing debt due within one year	61,709	66,669
Other payables	98,678	110,829
Income tax payables	4,737	10,173
Provisions	1,887	4,259
Other current liabilities	17,198	11,279
Total current liabilities	346,157	377,490
Non-current liabilities		
Long-term interest-bearing debt	372,034	330,609
Deferred tax liabilities	32,666	22,110
Post-employment benefit liabilities	58,057	66,865
Provisions	12,821	10,701
Other non-current liabilities	5,758	4,929
Total non-current liabilities	481,338	435,216
Total liabilities	827,495	812,707
Equity		
Share capital	90,873	90,873
Capital surplus	100,802	101,237
Retained earnings	663,874	690,890
Treasury shares	(29,576)	(29,259)
Other components of equity	268,198	241,696
Total equity attributable to owners of the parent	1,094,172	1,095,438
Non-controlling interests	69,594	73,305
Total equity	1,163,767	1,168,743
Total liabilities and equity	1,991,262	1,981,451

(2) Consolidated Statements of Profit or Loss and Consolidated Statements of Comprehensive Income

（Consolidated Statements of Profit or Loss）

(Unit: millions of yen)

	FY2015 (Jan. 1 through Dec. 31, 2015)	FY2016 (Jan. 1 through Dec. 31, 2016)
Net sales	1,326,293	1,282,570
Cost of sales	(992,728)	(933,623)
Gross profit	333,565	348,946
Selling, general and administrative expenses	(264,750)	(254,469)
Share of profit (loss) of associates and joint ventures accounted for using equity method	2,357	1,815
Operating profit	71,172	96,292
Other income	46,009	4,078
Other expenses	(31,231)	(31,534)
Business profit	85,949	68,837
Finance income	6,021	6,127
Finance costs	(7,449)	(7,401)
Net finance costs	(1,427)	(1,274)
Profit before tax	84,522	67,563
Income tax expenses	(38,235)	(14,200)
Profit for the year	46,287	53,362
Attributable to:		
Owners of the parent	42,906	47,438
Non-controlling interests	3,380	5,923
Earnings per share		
Basic earnings per share (yen)	37.12	41.03
Diluted earnings per share (yen)	36.97	40.85

（Consolidated Statements of Comprehensive Income）

(Unit: millions of yen)

	FY2015 (Jan. 1 through Dec. 31, 2015)	FY2016 (Jan. 1 through Dec. 31, 2016)
Profit for the year	46,287	53,362
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss, net of tax		
Remeasurement of the net defined benefit liability (asset)	6,138	(10,335)
Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)	5,011	4,996
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(12)	97
Total	11,137	(5,241)
Components of other comprehensive income that may be reclassified to profit or loss, net of tax		
Net gain (loss) in fair value of cash flow hedges	(1,872)	2,757
Exchange differences on translation of foreign operations	(53,308)	(24,716)
Share of other comprehensive income of associates and joint ventures accounted for using equity method	43	31
Total	(55,138)	(21,927)
Other comprehensive income, net of tax	(44,000)	(27,169)
Total comprehensive income for the year	2,286	26,193
Attributable to:		
Owners of the parent	1,596	21,452
Non-controlling interests	690	4,740

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

(3) Consolidated Statements of Changes in Equity

FY2015 (Jan. 1 through Dec. 31, 2015)

(Unit: millions of yen)

	Equity attributable to owners of the parent					
					Other components of equity	
	Share capital	Capital surplus	Retained Earnings	Treasury shares	Remeasurement of net defined benefit liability (asset)	Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)
Balance as of January 1, 2015	90,873	100,670	641,866	(29,784)	(40,859)	86,402
Changes in equity						
Comprehensive income						
Profit for the year	-	-	42,906	-	-	-
Other comprehensive income	-	-	-	-	5,856	4,998
Total comprehensive income for the year	-	-	42,906	-	5,856	4,998
Transactions with owners						
Dividends	-	-	(20,806)	-	-	-
Increase through treasury shares transactions	-	-	-	(57)	-	-
Decrease through treasury shares transactions	-	(0)	(84)	265	-	-
Transfer from other components of equity to retained earnings	-	-	(7)	-	-	7
Share-based payment transactions	-	132	-	-	-	-
Others (business combinations and others)	-	-	-	-	-	-
Total transactions with owners	-	131	(20,898)	208	-	7
Balance as of December 31, 2015	90,873	100,802	663,874	(29,576)	(35,003)	91,408

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

FY2015 (Jan. 1 through Dec. 31, 2015)

(Unit: millions of yen)

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity					
	Net gain (loss) in fair value of cash flow hedges	Exchange differences on translation of foreign operations	Total	Total		
Balance as of January 1, 2015	(734)	264,693	309,501	1,113,126	67,364	1,180,490
Changes in equity						
Comprehensive income						
Profit for the year	-	-	-	42,906	3,380	46,287
Other comprehensive income	(1,829)	(50,336)	(41,310)	(41,310)	(2,690)	(44,000)
Total comprehensive income for the year	(1,829)	(50,336)	(41,310)	1,596	690	2,286
Transactions with owners						
Dividends	-	-	-	(20,806)	(763)	(21,570)
Increase through treasury shares transactions	-	-	-	(57)	-	(57)
Decrease through treasury shares transactions	-	-	-	180	-	180
Transfer from other components of equity to retained earnings	-	-	7	-	-	-
Share-based payment transactions	-	-	-	132	-	132
Others (business combinations and others)	-	-	-	-	2,303	2,303
Total transactions with owners	-	-	7	(20,550)	1,539	(19,010)
Balance as of December 31, 2015	(2,563)	214,357	268,198	1,094,172	69,594	1,163,767

FY2016 (Jan. 1 through Dec. 31, 2016)

(Unit: millions of yen)

	Equity attributable to owners of the parent					
					Other components of equity	
	Share capital	Capital surplus	Retained Earnings	Treasury shares	Remeasurement of net defined benefit liability (asset)	Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)
Balance as of January 1, 2016	90,873	100,802	663,874	(29,576)	(35,003)	91,408
Changes in equity						
Comprehensive income						
Profit for the year	-	-	47,438	-	-	-
Other comprehensive income	-	-	-	-	(10,102)	4,998
Total comprehensive income for the year	-	-	47,438	-	(10,102)	4,998
Transactions with owners						
Dividends	-	-	(20,811)	-	-	-
Increase through treasury shares transactions	-	-	-	(24)	-	-
Decrease through treasury shares transactions	-	-	(126)	341	-	-
Changes in ownership interests in subsidiaries that do not result in loss of control	-	323	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	515	-	-	(515)
Share-based payment transactions	-	112	-	-	-	-
Others (business combinations and others)	-	-	-	-	-	-
Total transactions with owners	-	435	(20,422)	316	-	(515)
Balance as of December 31, 2016	90,873	101,237	690,890	(29,259)	(45,106)	95,891

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

FY2016 (Jan. 1 through Dec. 31, 2016)

(Unit: millions of yen)

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Total		
	Net gain (loss) in fair value of cash flow hedges	Exchange differences on translation of foreign operations	Total			
Balance as of January 1, 2016	(2,563)	214,357	268,198	1,094,172	69,594	1,163,767
Changes in equity						
Comprehensive income						
Profit for the year	-	-	-	47,438	5,923	53,362
Other comprehensive income	2,788	(23,671)	(25,986)	(25,986)	(1,182)	(27,169)
Total comprehensive income for the year	2,788	(23,671)	(25,986)	21,452	4,740	26,193
Transactions with owners						
Dividends	-	-	-	(20,811)	(542)	(21,354)
Increase through treasury shares transactions	-	-	-	(24)	-	(24)
Decrease through treasury shares transactions	-	-	-	214	-	214
Changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	323	(620)	(297)
Transfer from other components of equity to retained earnings	-	-	(515)	-	-	-
Share-based payment transactions	-	-	-	112	-	112
Others (business combinations and others)	-	-	-	-	132	132
Total transactions with owners	-	-	(515)	(20,185)	(1,030)	(21,216)
Balance as of December 31, 2016	225	190,686	241,696	1,095,438	73,305	1,168,743

(4) Consolidated Statements of Cash Flows

(Unit: millions of yen)

	FY2015 (Jan. 1 through Dec. 31, 2015)	FY2016 (Jan. 1 through Dec. 31, 2016)
Cash flows from operating activities		
Profit before tax	84,522	67,563
Depreciation and amortization	137,381	121,803
Interest and dividend income	(5,921)	(6,039)
Interest expenses	6,477	6,400
Share of profit (loss) of associates and joint ventures accounted for using equity method	(2,357)	(1,815)
Loss (gain) on sale or disposal of non-current assets	(912)	3,627
Decrease (increase) in trade receivables	16,901	(5,427)
Decrease (increase) in inventories	(6,015)	2,457
Increase (decrease) in trade payables	64	15,039
Others	(23,502)	19,614
Subtotal	206,637	223,223
Interest and dividends received	6,365	6,495
Interest paid	(5,451)	(7,080)
Income taxes paid	(20,380)	(19,001)
Net cash from operating activities	187,170	203,637
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(126,491)	(118,379)
Proceeds from sale of property, plant and equipment	11,884	4,195
Purchase of other financial assets	(1,089)	(3,418)
Proceeds from sale and redemption of other financial assets	2,406	7,007
Others	(2,662)	(3,001)
Net cash used in investing activities	(115,951)	(113,596)
Cash flows from financing activities		
Changes in short-term interest-bearing debt	(26,399)	5,114
Proceeds from borrowing or issuing long-term interest-bearing debt	43,379	31,030
Repayment or redemption of long-term interest-bearing debt	(32,085)	(59,985)
Payment from purchase of shares in subsidiaries from non-controlling interests	-	(402)
Acquisition of treasury shares	(57)	(24)
Dividends paid	(20,806)	(20,811)
Others	551	(1,371)
Net cash used in financing activities	(35,417)	(46,450)
Effect of exchange rate changes on cash and cash equivalents	(623)	(1,098)
Net increase (decrease) in cash and cash equivalents	35,176	42,493
Cash and cash equivalents at beginning of year	69,655	104,831
Cash and cash equivalents at end of year	104,831	147,325

(5) Notes to the Consolidated Financial Statements

1) Basis of Preparations

The Group’s consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), based on the stipulations of Article 93 of the Ordinance on Consolidated Financial Statements. The Group’s consolidated financial statements satisfy all of the requirements for a “Specified Company” prescribed by Article 1-2 of the Ordinance on Consolidated Financial Statements.

2) Changes in Accounting Policies

The significant accounting policies adopted for the Group's consolidated financial statements are the same as those for the consolidated financial statements for the fiscal year ended December 31, 2015.

3) Significant Accounting Policies

"Operating profit" in the Group's consolidated statements of profit or loss is an indicator that facilitates like-on-like comparisons and evaluation of the Group's business performance on a continuous basis. Main items of "other income" and "other expenses" are foreign exchange gain and loss, gains on sale of non-current assets, losses on disposal of non-current assets, impairment loss and expenses for restructuring programs. "Business profit" includes all income and expenses before finance income, finance costs and income tax expenses.

4) Segment Information

The Group's reportable segments are components of the Group for which discrete financial information is available, and whose operating results are reviewed regularly by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess 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, Decorative glass, Fabricated glass for architectural use (Heat Insulating/shielding glass, Disaster-resistant/Security glass, Fire-resistant glass, etc.), Automotive glass, etc.
Electronics	LCD glass substrates, Specialty glass for display applications, Cover glass for car-mounted displays, Display related materials, Glass for solar power system, Fabricated glass for industrial use, Semiconductor process materials, Optoelectronics materials, Lighting glass products, Laboratory glass, etc.
Chemicals	Polyvinyl chloride, Vinyl chloride monomer, Caustic soda, Urethane, Fluorinated resins, Water and oil repellents, Gases, Solvents, Pharmaceutical and agrochemical intermediates and active ingredients, Iodine-related products, etc.

FY2015 (Jan.1 through Dec.31, 2015)

(Unit: millions of yen)

	Reportable segments			Ceramics/ Other	Total	Adjustments	Amount reported on consolidated financial statements
	Glass	Electronics	Chemicals				
Sales to external customers	691,411	286,858	315,636	32,388	1,326,293	-	1,326,293
Inter-segment sales or transfers	1,495	1,723	2,821	35,744	41,785	(41,785)	-
Total sales	692,906	288,582	318,457	68,132	1,368,079	(41,785)	1,326,293
Segment profit (loss) (Operating profit)	13,046	29,043	30,528	(1,557)	71,061	110	71,172
Profit for the year	-	-	-	-	-	-	46,287
Other items							
Depreciation and amortization	48,269	64,692	22,034	2,524	137,520	(139)	137,381
Capital expenditure	42,328	29,375	52,664	764	125,133	(29)	125,103
Investments accounted for using equity method	31,424	1,848	2,796	2,780	38,850	-	38,850

The amounts of inter-segment sales or transfers are primarily based on market prices and manufacturing cost.

"Ceramics/Other" mainly handles ceramics products, logistics and financial services.

FY2016 (Jan.1 through Dec.31, 2016)

(Unit: millions of yen)

	Reportable segments			Ceramics/ Other	Total	Adjustments	Amount reported on consolidated financial statements
	Glass	Electronics	Chemicals				
Sales to external customers	679,071	257,069	314,392	32,037	1,282,570	-	1,282,570
Inter-segment sales or transfers	936	1,069	2,207	38,727	42,940	(42,940)	-
Total sales	680,007	258,139	316,599	70,765	1,325,511	(42,940)	1,282,570
Segment profit (loss) (Operating profit)	31,825	24,985	39,998	(217)	96,591	(298)	96,292
Profit for the year	-	-	-	-	-	-	53,362
Other items							
Depreciation and amortization	42,553	55,675	21,535	2,159	121,924	(120)	121,803
Capital expenditure	50,275	42,866	32,449	532	126,124	(99)	126,025
Investments accounted for using equity method	30,763	1,881	1,696	2,547	36,889	-	36,889

The amounts of inter-segment sales or transfers are primarily based on market prices and manufacturing cost.
“Ceramics/Other” mainly handles ceramics products, logistics and financial services.

5) Notes to Consolidated Statements of Profit or Loss

Other Income

(Unit: millions of yen)

	FY2015 (Jan. 1 through Dec. 31, 2015)	FY2016 (Jan. 1 through Dec. 31, 2016)
Gains on sale of non-current assets	6,133	1,251
Income from revision of the defined benefit plan	36,071	-
Others	3,804	2,827
Total	46,009	4,078

As of April 21, 2015, the Company revised its defined benefit corporate pension plan. As a result, the Company recognized "Income from revision of the defined benefit plan" in the second quarter of the previous year.

Other Expenses

(Unit: millions of yen)

	FY2015 (Jan. 1 through Dec. 31, 2015)	FY2016 (Jan. 1 through Dec. 31, 2016)
Foreign exchange loss	(3,460)	(196)
Losses on disposal of non-current assets	(5,220)	(4,878)
Impairment loss	(5,107)	(10,318)
Expenses for restructuring programs	(13,058)	(11,315)
Others	(4,384)	(4,826)
Total	(31,231)	(31,534)

6) Earnings Per Share

Basic earnings per share

Basic earnings per share and the basis for calculating basic earnings per share are as follows:

	FY2015 (Jan. 1 through Dec. 31, 2015)	FY2016 (Jan. 1 through Dec. 31, 2016)
Profit for the year attributable to owners of the parent (millions of yen)	42,906	47,438
Weighted average number of ordinary shares outstanding (thousands of shares)	1,155,953	1,156,255
Basic earnings per share (yen)	37.12	41.03

Diluted earnings per share

Diluted earnings per share and the basis for calculating diluted earnings per share are as follows:

	FY2015 (Jan. 1 through Dec. 31, 2015)	FY2016 (Jan. 1 through Dec. 31, 2016)
Profit for the year attributable to owners of the parent (millions of yen)	42,906	47,438
Adjustments to profit or loss used to calculate diluted earnings per share (millions of yen)	-	-
Profit or loss used to calculate diluted earnings per share (millions of yen)	42,906	47,438
Weighted average number of ordinary shares outstanding (thousands of shares)	1,155,953	1,156,255
Effects of dilutive potential ordinary shares		
Stock options based on subscription rights (thousands of shares)	4,690	4,956
Diluted weighted average number of ordinary shares outstanding (thousands of shares)	1,160,644	1,161,212
Diluted earnings per share (yen)	36.97	40.85

7) Notes on Significant Subsequent Events

(Acquisition of shares of CMC Biologics)

At the Board of Directors meeting held at the Company on November 29, 2016, a resolution was passed to enter into an agreement to acquire 100% of the shares of CMC Biologics (“CMC”), a world-leading biologics manufacturer of active pharmaceutical ingredients (“API”), and make it a subsidiary. The agreement was entered on December 15, 2016. CMC is a contract development and manufacturing organization (“CDMO”(*1)), offering biological API manufacturing services with mammalian and microbial hosts. The acquisition was completed on February 1, 2017.

Outline of the acquisition

① Name of the acquiree: CMC Biologics

② Location: Denmark (Copenhagen) and USA (Seattle and Berkeley)

③ Main business: Offering contract services for the development and manufacturing of biologics APIs

④ Main reason for the acquisition

The AGC Group launched the biopharmaceuticals contract manufacturing business in the early 2000s and has since been engaged in the microbial CMO(*2) business mainly in Japan. The acquisition of CMC is part of AGC’s strategy to expand its biologics CDMO operations by acquiring its mammalian biopharmaceuticals manufacturing technologies as well as its customer base in Europe and the U.S., the major markets for biopharmaceuticals. The business integration with CMC will enable AGC to offer world-leading biologics CDMO API services globally, backed by advanced technologies and reliable quality, and contribute to pharmaceutical manufacturers, patients, and society.

⑤ Acquisition date: February 1, 2017

⑥ Legal structure of acquisition: Acquisition of shares

⑦ Value of the shares acquired: 60 billion JPY (Approx.)

The value of the shares acquired may be adjusted due to the contingent consideration arrangement contained in the agreement to acquire such shares.

⑧ Amount and cause of goodwill arising from the acquisition and the value of assets and liabilities of CMC to be transferred to the company as of the closing date: Not yet determined.

(*1) CDMO: A contract development & manufacturing organization, which is a company that provides contract services for the development of manufacturing methods as well as for the manufacturing

(*2) CMO: Contract manufacturing organization

(Share repurchases)

At the Board of Directors meeting held on February 7, 2017, the Company resolved to repurchase its own shares in accordance with Article 156 of the Companies Act applicable pursuant to paragraph 3, Article 165 of the Act.

Purpose for the share repurchases

In order to enhance the shareholder return and to improve the capital efficiency

Details of the share repurchases program

① Type of shares to be repurchased: Common shares of the Company

② Total number of shares to be repurchased: Up to 15 million shares (This number represents 1.3% of total outstanding shares excluding treasury stock)

③ Total repurchase amount: Up to 10 billion yen

④ Repurchase period: From February 8 to March 24, 2017

⑤ Other: The Company plans to cancel all of the shares repurchased under this program following the resolution of the Board of Directors, pursuant to the provisions of Article 178 of the Companies Act.

8) Others

(Acquisition of shares of Vinythai Public Company Limited)

At the Board of Directors meeting held at the Company on December 14, 2016, a resolution was passed to enter into an agreement with Solvay Group (“Solvay”) to acquire shares of Solvay’s Thai subsidiary Vinythai Public Company Limited (“Vinythai”) and to make it a subsidiary. The agreement was entered on the same day.

Outline of the acquisition

① Name of the acquiree: Vinythai Public Company Limited

② Main business: Manufacturing and sales of chemicals products

③ Main reason for the acquisition

The AGC Group puts strategic focus on the enhancement of its Chlor-Alkali business in Southeast Asia. The caustic soda and polyvinyl chloride (PVC) markets in Southeast Asia are projected to grow at around 5% per year. The acquisition of Vinythai will give the AGC Group a PVC production base in Thailand, following Indonesia and Vietnam.

④ Legal structure of acquisition: Acquisition of shares

⑤ Value of the shares acquired: 10,448 million baht

⑥ Voting rights ratio after acquisition of shares: 58.77%

Vinythai is a public company listed on the Stock Exchange of Thailand. After completion of the share acquisition, the Company will commence procedures for a tender offer for the remaining outstanding shares in Vinythai pursuant to the Thai securities law and related rules.