

Briefing on Operating Results for FY2009 and Medium-term Management Plan “Grow Beyond-2012”

<New Medium-term Management Plan “Grow Beyond-2012”>

Q1. The capital expenditures of 450.0 billion yen you expect under the new medium-term management plan somewhat give the impression that you are curbing capital spending. Do you consider the period of the new medium-term management plan to be a period in which to reinforce your financial position?

A1. We expect to post 450 billion yen for capital expenditure. Besides this expenditure, we might also make investments for M&A and business alliances.

Q2. Will you raise fresh funds by means such as issuing convertible bonds as you did on November 25, 2009?

A2. Some M&A deals could require more funds than expected, but we are not considering such fund procurements at present.

Q3. As you expect to increase the ratio of sales in emerging markets, which regions will you enter to boost sales? And, in this connection, on what and how much will you invest?

A3. We will expand our business in Thailand, Indonesia, China, Russia, and some other countries where we have already made inroads, as well as other regions we haven't entered yet.

Q4. You are aiming for a dividend payout ratio of 30%. If you pay a dividend of 16 yen for 2010, the dividend payout ratio would be 21%. Can I assume that the dividend payout ratio will rise to 30% after 2011?

A4. Under our dividend policy, we aim not only for a dividend payout ratio of 30%, but also for stable payments. Because we also consider future growth to be a way of returning profits to shareholders, we would like to pay stable dividends and return profits to shareholders by taking consolidated financial results and future investment plans into consideration.

Q5. What do you mean “by combining glass, chemical and ceramics technologies” as a glass-technology-driven company?

A5. We can add more value to glass using chemical technology and generate new products. Enhancing ceramics technologies, we can extend the useful lives of facilities, differentiate products in terms of quality and improve production yields, which would help differentiate us as a glass company from others.

<Glass Operations>

Q1. You posted deficits in Japan and the U.S. How will you improve the situation?

A1. We will continue with demand-based operations, improve productivity, cut costs and expand sales of high-value-added products to improve profits.

Q2. You mentioned enhancing profitability in North America. Are you planning to post extraordinary losses by implementing restructuring programs in North America?

A2. In North America, we began a drastic restructuring program in April 2008, and have been continuing demand-based operations since then. We are not planning to post additional extraordinary losses at present. We will continue with demand-based operations, improve productivity, cut costs, and expand sales of high-value-added products to improve profits.

Q3. Please tell me about the demand trend for glass for solar power systems.

A3. Although the demand for glass for solar power system slowed down temporarily, it got back onto a recovery track in the second half of the year—both glass used for the covers of crystalline silicon solar cells and for the TCO glass substrates of thin film solar cells.

#### <Electronics and Display Operations>

Q1. Tell me about TFT-LCD glass shipments in 2009.4Q and give an overview of 1Q and 2010.

A1. Shipment volume increased in 4Q from 3Q. We expect shipments to remain strong in 1Q and demand in the large FPD market to continue growing at an average annual rate of 10% or more in 2010, and the demand in the glass market to grow as well.

Q2. Do you have plans to start up a new furnace?

A2. We will take into account the productivity and production yield improvements of our current furnaces, as well as demand, and decide on the investment plan.

#### <Chemicals Operations>

Q1. You posted a deficit for chemicals operations. How will you improve the situation?

A1. The fluorochemicals and specialty chemicals business showed a gradual recovery in latter half of the year. In the chlor-alkali and urethane business, shipments in Asia remained robust over the course of the year and seem to be continuing to recover. We will aim at further growth by capturing demand in growing markets and for products related to the environment.

#### <Overall company >

Q1. Please give me details of impairment losses on long-lived asset and expenses for restructuring programs you posted in 2009, and how they will affect profits.

A1. Expenses for restructuring programs are those related to structural reforms in the CRT business and the glass business in Europe and North America. Impairment losses on long-lived assets comprise those related to the electronics materials business and valuation losses on land we own. The effects of structural reforms total around 25.0 billion yen.

Q2. Please give me details of the extraordinary losses you are expecting to post in 2010.

A2. Even if we don't expect to post large expenses for restructuring programs this year, regular repairs to furnaces always have the possibility of eliminating residual book value, and there might be a certain amount of impairment losses on long-lived assets. We have projected extraordinary losses of around 20.0 billion yen on a regular and global basis.

Q3. Your operating outlook for 2010 seems very conservative. May I ask you to give earnings projections by business segment?

A3. We cannot give forecasts by business segment. The outlook for the global economy remains uncertain and there is still some anxiety over a *double-dip recession* in developed countries. Under such circumstances we forecast business results prudently.

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