



AGC Report 2009



AGC

One Group, One Name

On Asahi Glass Company's 100th anniversary in September 2007, we adopted "AGC" as the unified corporate brand for the entire AGC Group. Accordingly, each Group company, including overseas companies, incorporated "AGC" in their legal names.

By designating AGC as a globally unified corporate brand, we intend to strengthen the sense of community and cooperation among AGC Group employees while clearly communicating the AGC Group's broad-ranging business domains to stakeholders in an easy-to-understand manner. Through such efforts, we will accelerate our global growth strategy.



Nardini Distilleries Research & Events Center
- Photographer M. Danesin - Architect M. Fuksas



Top Message

- 2 Under the new Management Policy **Grow Beyond**, we will build the foundations for growth.

AGC Group Vision, “Look Beyond” Management Policy **Grow Beyond**

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Delivering Technology Solutions for Climate Change
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Communication Tools

The AGC Group promotes communication with stakeholders through various measures.

General corporate activities

“AGC Report”

Company brochure and annual report introducing the AGC Group’s vision as well as business highlights.

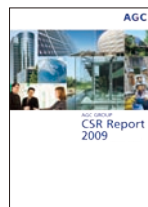
(This report)



CSR activities

“CSR Report”

Report on The AGC Group’s social and environmental activities based on our “AGC Group Charter of Corporate Behavior.”



Comprehensive information Website

Offers a broad introduction of the AGC Group through timely information disclosure.



AGC Group Website
<http://www.agc-group.com>

Financial information

“Financial Review”

Report listing the AGC Group’s business outline and financial information including a consolidated financial statement.



Activities of each corporate site

“Site Report”

* On sites in Japan only

Introduces environmental, workplace safety and health, security and disaster prevention and other activities at Asahi Glass plants and main Group companies.



Asahi Glass
CSR Website
<http://www.agc.co.jp/english/csr/>



Asahi Glass
Investor Relations
Website
<http://www.agc.co.jp/english/ir/>

Under the new Management Policy the foundations for growth.



The year 2008 was a year of turbulence. While the AGC Group achieved record high operating income in the first half of the year, income and profits declined in the latter half due to the impact of the global recession. It is not, however, the AGC Group alone that faces the challenges brought about by the economic crisis. What is important for the AGC Group is that we gather sufficient strength to prepare ourselves for the period of demand recovery, which is certain to come. We will not hold back, but continue to actively invest our resources in areas such as development of technology to prevent climate change, and cultivation of global-minded personnel.

The new Management Policy *Grow Beyond* has been formulated to realize the AGC Group Vision.

The AGC Group believes that the prerequisite to corporate existence is to fulfill its social responsibility and to obtain trust from society. In addition, we aspire to meet the expectations of society and to continue to grow as a corporation. Upon assuming the post of President and COO last year, I formulated the new Management Policy ***Grow Beyond*** in order to realize the AGC Group Vision, ***“Look Beyond”***, announced in 2002. Crucial themes highlighted in ***Grow Beyond*** are: “Build foundations for growth” and “Our people are our strength – each employee must exert their maximum strength aiming at growth as a whole Group.”

We will build the foundations for growth, and aspire to become a true global company.

The AGC Group will closely look at mid- to long-term changes in the market as we focus on the following three viewpoints to build the foundations for growth.

Grow Beyond, we will build

1 We will deliver technology solutions for climate change.

Addressing climate change is a major issue for the AGC Group, as this is relevant to the continuation of our business. It also provides us with an important opportunity to contribute to society through our business. Production of glass requires a large amount of energy. It is duly our responsibility to improve this situation, and the AGC Group is determined to make sincere efforts toward this end. We also firmly believe that, we will be able to contribute to solutions for climate change, by leveraging our glass, chemicals and ceramics technologies to develop high-efficiency photovoltaic materials and energy-saving glass, and by promoting global penetration of these products.

2 Glass-technology-driven Company: We will serve new needs through differentiation of the AGC Group's core technologies.

The AGC Group will contribute to society around the world by enhancing our core glass technology. We are, for example, developing technology that halves the energy consumption required for production. This will enable dramatic improvement of production efficiency, as well as substantial reduction of both environmental burden and manufacturing cost. We will also provide our products with higher added value by further promoting integration of glass, chemicals and ceramics technologies.

3 Second Round of Globalization: We aspire to make a further leap forward as a global company.

The AGC Group will continue to closely monitor and anticipate trend shifts in the world and reinforce our global management strength. The Group currently operates business in Asia, Europe and North America. In addition, we will work to take on new challenges

to launch operations in new countries and regions that are expected to grow rapidly, such as BRICs, with a view to providing the best products to customers around the world. In order to gain acceptance in new markets, we will strive to construct new business models tailored to the culture and practices of each country.

Under the slogan of "Our People are Our Strength," we will promote the growth of our employees and the Group.

The "people" are what performs various tasks and thus supports the growth of the AGC Group. Under the slogan of "Our People are Our Strength," we will provide opportunities that allow our employees who aspire to grow to exert their maximum strength, so they can grow with AGC Group. By creating a virtuous cycle of growth of both our people and the Group, we will gather strength as a company to assure continued growth of the Group.

Approximately 50,000 employees of the AGC Group work in some 30 countries and regions with different commercial practices and social needs. Each employee will adopt and follow the four Shared Values in the Group Vision "**Look Beyond**" and fulfill their social responsibilities in their respective countries and regions, as well as provide products and services with high added value. Through this approach, we are aiming at becoming a true global company that can meet the expectations of society.

Kazuhiko Ishimura
President & COO





AGC Group Vision

Through unceasing reform and innovation, we will accelerate growth under unified global management. To this end, all members of the AGC Group around the world share our Group Vision and continue to work in unison to take on new challenges.

“Look Beyond”

We, the AGC Group, “Look Beyond” to make the world a brighter place.

As a global materials and components supplier, based on our core technologies in glass, fluorine chemistry and their related fields, we will continue to:

- “Look Beyond”*** ... Anticipate and envision the future,
- “Look Beyond”*** ... Have perspectives beyond our own fields of expertise and
- “Look Beyond”*** ... Pursue innovations, not becoming complacent with the status quo.

By “Looking Beyond,” we will continue to create value worldwide, demonstrating the vast potential of the Group’s entire organization.

Our Shared Values

Our four Shared Values are to be adopted and followed by all members of the Group and are of the foremost importance in accomplishing Our Mission. These Shared Values, described below, will serve as the basis for every judgment we make and action we take collectively and individually.

■ Innovation & Operational Excellence

We will continuously pursue innovations in technology, products, services, business models and human resources. We will continuously improve our operations for maximum efficiency and quality in every activity and at all times strive for the highest possible standard of performance.

■ Diversity

We will respect individuals with different cultures, capabilities and personalities, and our global management will operate without regard to nationality, gender or background.

■ Environment

We, as good global citizens, will shoulder the responsibility to contribute to a sustainable society in harmony with nature.

■ Integrity

We will build open and fair relationships with all of our stakeholders based on the highest ethical standards.



Management Policy

Grow Beyond

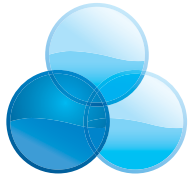
To achieve further growth as a leading global company with glass business as our core, we will closely look at mid- to long-term structural changes in the market and seize opportunities in a timely manner as we continue to operate under our Management Policy.



By around 2030, the global environment in terms of market structure, resources and energy is forecasted to change dramatically. China, South America, India and other countries are expected to be the major markets in addition to the advanced countries. There is a possibility that, against a background of growing nationalism over natural resources, shifting of manufacturing bases from consumption areas to raw material rich areas or countries where raw materials are cheaper, such as the Middle East and Russia, will become even more critical. Climate change will need to be addressed in a more serious and earnest manner.

The AGC Group must anticipate and closely look at such changes and respond to them in a timely manner to continue to grow further as a leading global company with glass business at its core. The Management Policy **Grow Beyond** has been formulated to lead the Group’s endeavors toward this end.

Grow Beyond means “grow and change” beyond conventional frameworks such as business areas, regions, markets and existing technologies. It places top priority on building the next foundations for growth.



Grow Beyond

Delivering Technology Solutions for Climate Change

In order to contribute to the prevention of climate change, the AGC Group will further the development and promotion of products with high CO₂ reduction effects such as those for photovoltaic use and fuel cells. In addition, we will actively implement measures to improve the energy efficiency of our production technologies as a glass and chemicals manufacturer consuming a large amount of energy.

● Group-wide promotion of solar business

The photovoltaic market is expected to grow continuously. The AGC Group will gather its technological strength in the glass, chemicals and ceramics areas to cater to various types of photovoltaics.

● Approach to the development of technologies for reduction of CO₂ emissions

Production process:

The AGC Group is working to realize practical application of an innovative technology called “in-flight melting.”

In-flight melting is a method through which raw materials for glass are melted while in the air, using a combustion flame, such as plasma, of 2,000 degrees Celsius or higher.

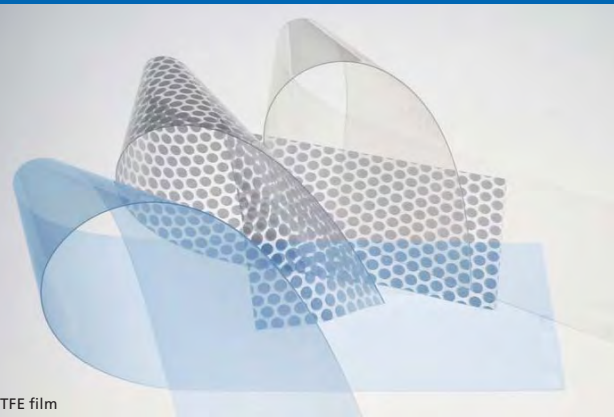
In-flight melting enables dramatic reduction of time required to melt and homogenize glass, and the production facility can be substantially smaller in scale compared to conventional furnaces, thus the energy consumption and CO₂ emissions in manufacturing are expected to be halved.

Products and business opportunities:

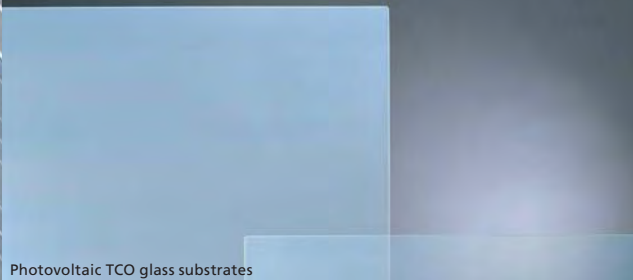
The Group will venture into new growth areas including photovoltaic products, windows with high levels of thermal insulation and lightweight glass for automobiles. In addition, we will seek to expand our Chemicals operation in areas such as the development of technology for collection and decomposition of greenhouse gasses, and technology for high thermal insulation materials.



Photovoltaic cover glass

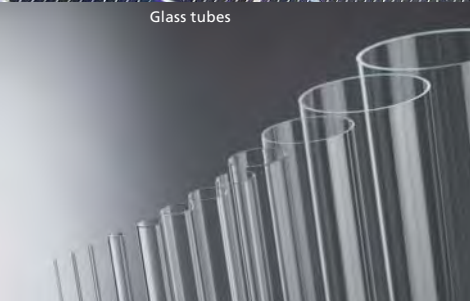


ETFE film



Photovoltaic TCO glass substrates

Stuttgart Art Museum (Low-E glass)/Germany ©AGC Flat Glass Europe



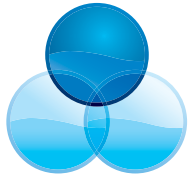
Glass tubes

Ceramics sputtering target

Homes in amazing environment (double glazing with high thermal insulation)/Netherlands



Glass frit



Grow Beyond

Second Round of Globalization

We will make another leap forward as a global enterprise. Anticipating global changes in the business environment such as the growth of the BRICs, we will strengthen the Group's global management capability and we will also start our business in areas where we have had no previous business operations in order to build new foundations for our future growth.

● Continuous development of business in new growth regions and cost-competitive areas

We will strive to further increase profitability in Japan, Asia, Europe and North America where existing operational bases of the Group are located.

We will also consider establishment of new business models, different from those in existing markets, in newly emerging markets that are expected to grow rapidly.

In addition, we will enhance operations in the Shanghai base.

● Reinforcement of our global organization and management strength

In order to roll out global operations, both our organization and our employees need the ability to think and act globally.

We will further reinforce the Group's global organizational capability in existing markets in Japan, Asia, Europe and North America, and build such capability in new regions at the same time.

We will also endeavor to enhance our organization and management skills by cultivating human resources who can exert their full potential in a global arena, without regard to nationality, gender or background.



Group members in Thailand



Group members in Belgium



Group member in the United States



Group members in Thailand



Group member in Belgium



Group members in Russia



Group member in China



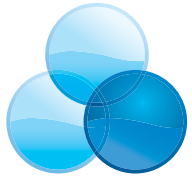
Group members in Japan



Group members in Belgium



Group members in the United Kingdom



Grow Beyond

Glass-Technology-Driven Company

We will differentiate our business by the following measures: to refine the AGC Group's glass technologies we have accumulated over years, to combine glass, chemicals and ceramics technologies to provide our customers with higher value, to save costs drastically through the innovation of production processes, and to develop new business models through the use of IT (Information Technology).

● **Differentiation of glass-related technologies, the source of our growth**

As a Glass-technology-driven company, we have set three directions for our business operation: "create higher added value," "achieve overwhelming cost-competitiveness through innovation of manufacturing processes" and "actively promote establishment of new business models that transcend typical manufacturing."

To this end, the AGC Group will enhance development of new glass compositions, develop high-quality materials through integrated operation, and establish innovative production technologies such as in-flight melting. We will also enhance our production technology by fully utilizing our comprehensive strengths including technologies in chemicals and ceramics.

● **Differentiation in the area of Electronics & Energy**

We will further refine our technological strength created through integration of glass, chemicals and ceramics technologies in the Electronics & Energy area, which will become the engine for growth in the future.

Antwerp's Law Courts (Belgium) ©AGC Flat Glass Europe



Synthetic quartz glass



Jigs for manufacturing semiconductors (Silicon carbide)



Group member in Germany



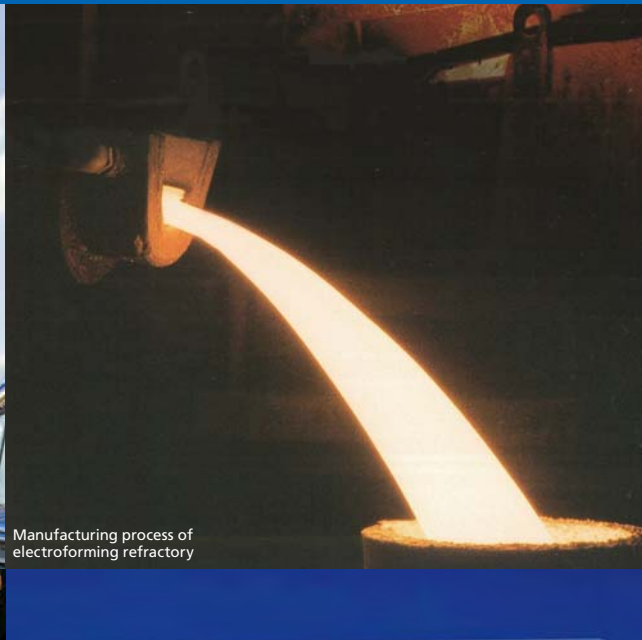
Group members in the United States

Group member in Belgium



Micro glass lenses

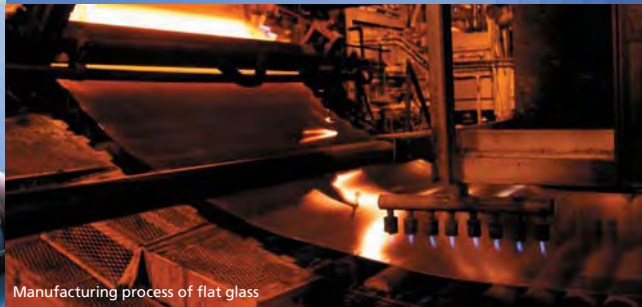
Manufacturing process of flat glass



Manufacturing process of electroforming refractory

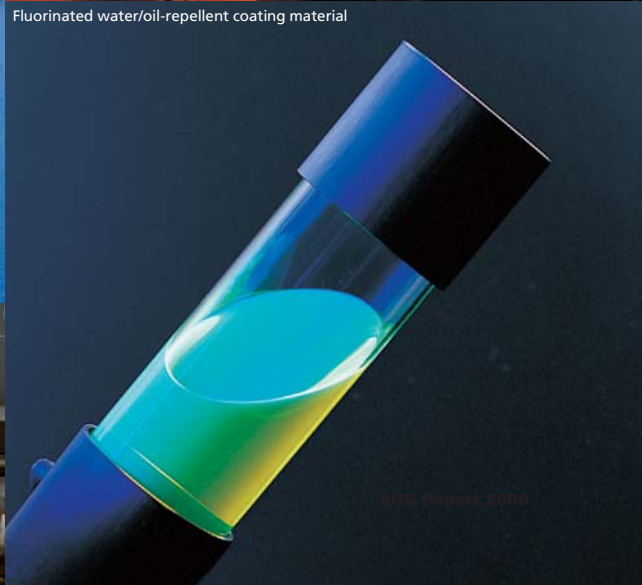


TFT LCD glass substrates



Manufacturing process of flat glass

Fluorinated water/oil-repellent coating material



Medium-Term Management Plan “*Grow Beyond-2010*”

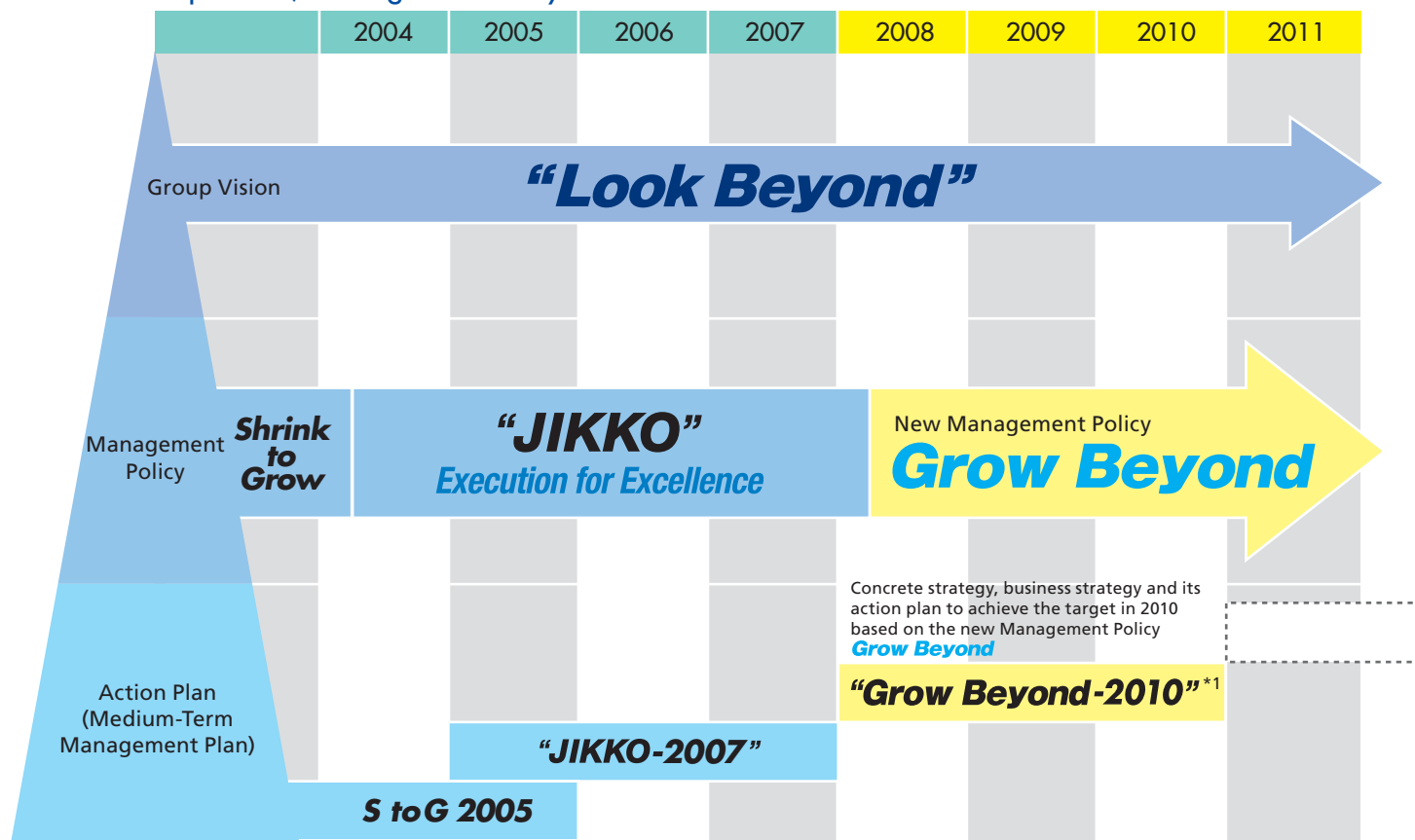
The AGC Group has formulated a three-year Medium-Term Management Plan, “*Grow Beyond-2010*”, starting in 2008, under its Management Policy **Grow Beyond**. The Group has been executing various measures to realize the basic concepts of the Management Plan, which are “Build foundations for growth” and “Enhance business strength and competitiveness.”

Against the backdrop of the recent rapidly

deteriorating economic conditions, we have added a new concept, “Responding to sudden changes in the business environment” to the Medium-Term Management Plan.

We will respond flexibly to the change of demand by taking measures such as adjustment of production output while accelerating R&D activities and cultivation of human resources, through which we can gather our strengths in order to make huge leaps when demand recovers, which is surely to come.

Group Vision, Management Policy and Action Plan



*1 Renamed from “**JIKKO-2010**” in 2009

AGC Group Management Policy
Grow Beyond

Current economic circumstances



Medium-Term Management Plan
“Grow Beyond-2010”

- Build foundations for growth
- Enhance business strength and competitiveness
- Respond to sudden change of business environment

Four Major Issues in Building Foundations for Growth

1 Group-wide promotion of solar business

While short-term growth is slowing due to deteriorating economic conditions, the solar business is expected to grow in the future as solar power draws wide attention as the next-generation energy. We will make group-wide efforts to promote the development of our solar business.

2 Addressing the climate change issue

As a high energy-consuming glass manufacturer, the AGC Group will develop CO₂ reduction technologies for production processes, as well as expand the use of technologies for reduction of CO₂ emissions in our products.

3 Second round of globalization

We will continuously develop and operate business in new growth regions and cost-competitive regions.

4 Execution of various measures across In-House Companies to become a glass-technology driven company

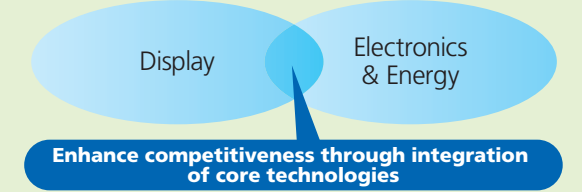
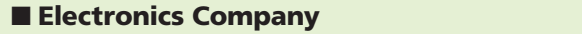
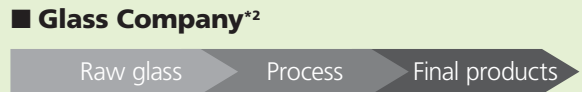
We will leverage the strengths of the AGC Group, which possesses chemicals and ceramics technologies in addition to glass technologies, and pursue synergy across the entire Group.

Reforming System toward the Enhancement of Business Strength and Competitiveness

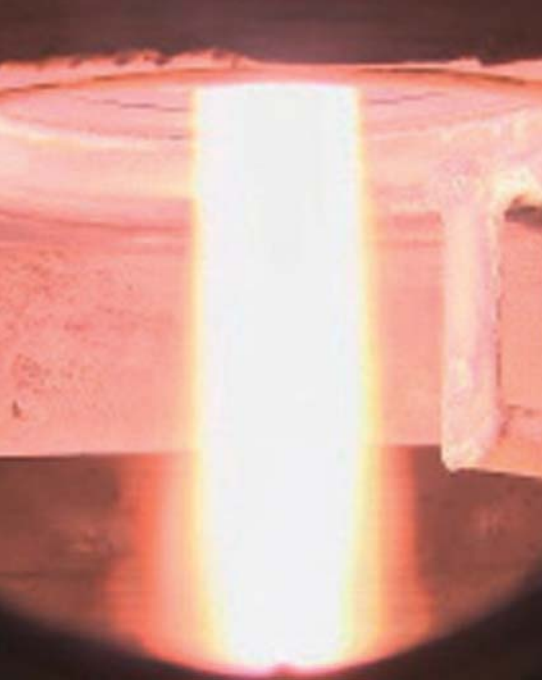
The AGC Group has implemented organizational changes as of July 21, 2009.

The former Flat Glass Company and the former Automotive Glass Company have been integrated to form “Glass Company” so as to further enhance competitiveness through seamless production and operation ranging from raw glass production, processing and making into final glass products.

Also, the former Display Company and the former Electronics & Energy General Division have been integrated into the “Electronics Company.” By integrating core technologies in the respective fields and generating differentiated technologies, we will establish a system that can supply the products catering to market needs in a further timely manner.



*2 In-house Companies are business units that operate globally, generally with net sales of over 200 billion yen.



Plasma combustion flame in an in-flight melting furnace

Research & Development

Research & Development creating the future of the AGC Group

Since its foundation, the AGC Group has developed its core technologies centered on glass, fluorine and chemistry, and ceramics technologies.

We will work to realize the concepts articulated in the Management Policy **Grow Beyond** through sophistication, combination and application of our core technologies, based on the knowledge we have accumulated.

Core technologies — the driving force behind building the foundations for growth, and development of new businesses

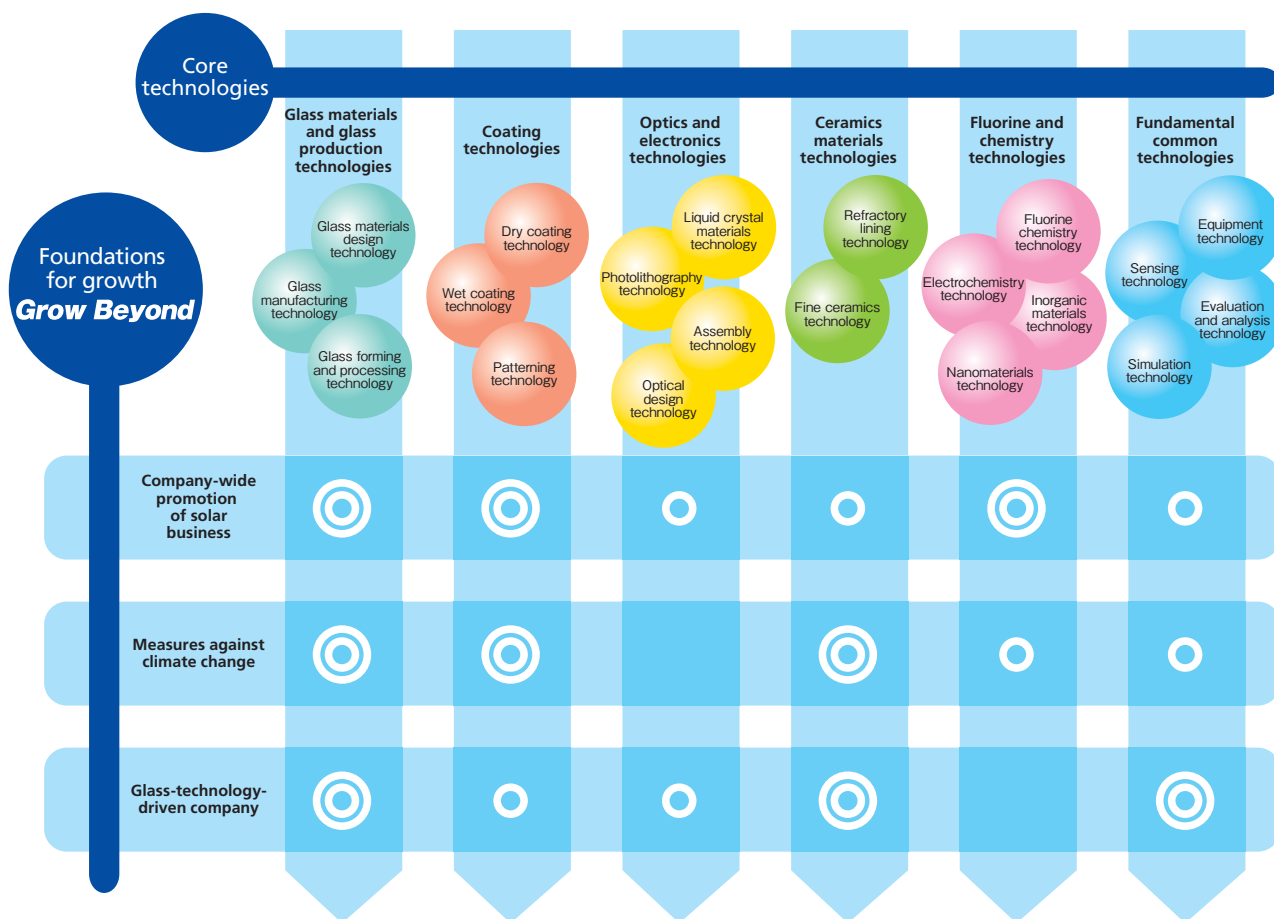
The AGC Group positions “glass materials and glass production technologies,” “coating technologies,” “optics and electronics technologies,” “ceramics material technologies” and “fluorine and chemistry technologies,” as well as “fundamental common technologies” that support the above, as its current core technologies.

In turn, our Management Policy **Grow Beyond**

articulates “company-wide promotion of solar business,” “measures against climate change” and “Glass-technology-driven company” as the foundations for growth.

We will strive to build the foundations for growth set forth in **Grow Beyond** through sophistication, combination and application of our core technologies.

Core technologies of the AGC Group and foundations for growth set forth in **Grow Beyond**



We anticipate changes of the times and carry out seamless operations ranging from basic research to product development

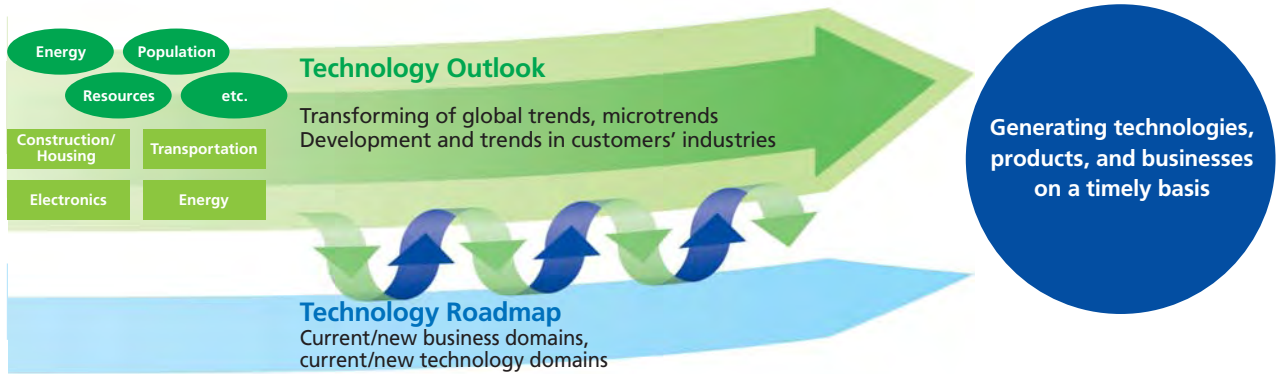
The AGC Group formulates a Technology Roadmap based on our Technology Outlook that looks at various trends with a long-term vision, and thereby sets the direction of our technology strategy.

In R&D, the Research Center handles basic, long-term, innovative, and inter-business themes. Development Centers affiliated with the business departments of each In-House Company or Strategic Business Unit (SBU) enhance production

technologies and undertake product development in close contact with customers. Meanwhile, the Engineering Center undertakes the development of innovative production technologies and equipment technologies. In addition, the Production Technology Development Center was established in 2008 to propel and promote the realization of a "Glass-technology-driven company."

Technology Outlook and Technology Roadmap, which define the direction of technology strategies

We work to develop and create technologies, products and businesses in a timely manner by globally sharing our Technology Outlook and Technology Roadmap.



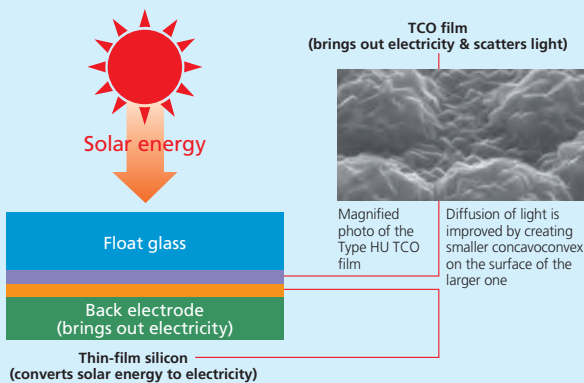
Latest innovative technologies of the AGC Group

Solar business Measures against climate change

"Transparent conductive oxide (TCO) film" improves power generation efficiency of thin film silicon solar cells

The AGC's TCO film has unique characteristics: high conductivity with low electric resistance and a very efficient solar light diffusion property. Although our first product, Type U TCO became the world's standard, its ability to diffuse incoming solar light, measured by haze rate, was about 10%. AGC launched the Type VU TCO with improved haze rate and further unveiled the development of Type HU TCO, which can diffuse up to 90% of incoming solar light through our original nano-scale film forming technology. The unique concavoconvex shape of Type HU TCO makes it possible for the coating to reflect solar light in a more complex manner in order to confine more light to the photovoltaic layer for superior power generation efficiency. The AGC Group also possesses a technology to coat TCO continuously onto float glass at the time the glass is produced. We will further endeavor, in our development activities, to meet the needs of customers.

Thin-film silicon type

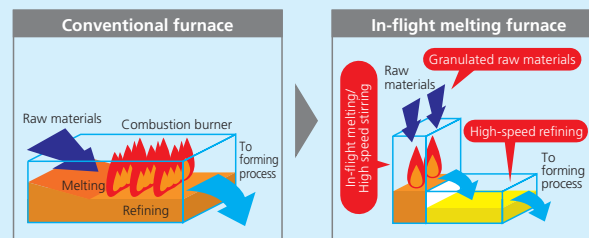


Measures against climate change Glass-technology-driven company

"In-flight melting technology" that halves the energy required during the glass production process

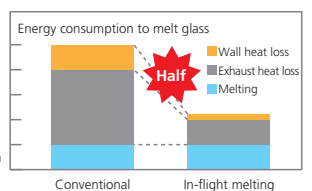
One of the technologies under development at the AGC Group to reduce CO₂ emissions during the production process is the in-flight melting technology. With this technology, granulated raw material mixtures are prepared prior to feeding them into the furnace. These granules are then injected into a furnace and instantaneously melted by a combustion flame, such as plasma, at a temperature of over 2,000°C to produce high-quality glass without air bubbles, using a small amount of energy. Applied to mass production, this technology will enable halving CO₂ emissions and energy consumption during the production process.

In-flight melting technology



Energy consumption for glass melting could be reduced by more than half

- Extremely small-scale furnace
- Drastically shorter time for melting & refining (within a second for in-flight melting; several hours for homogenizing & refining through high speed stirring)



AGC Group Now



Stuttgart Art Museum (Germany) ©AGC Flat Glass Europe

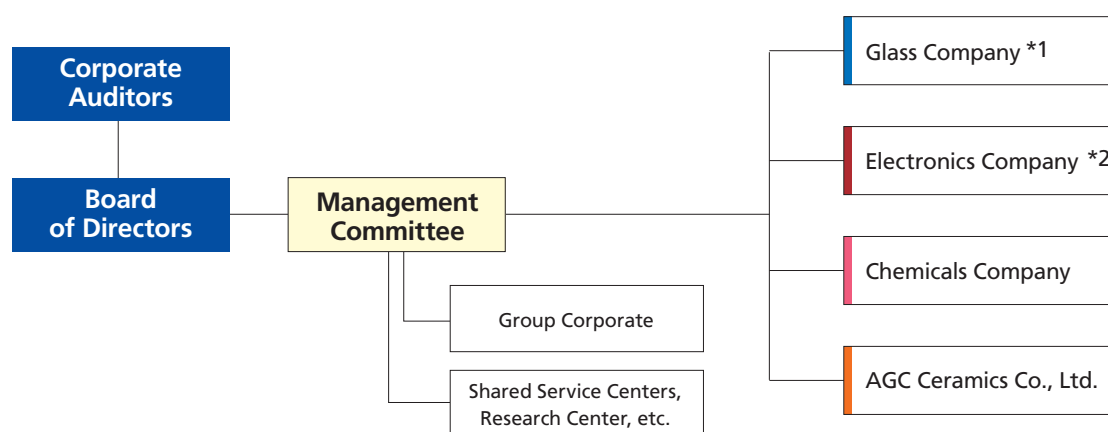
To foster a deeper and clearer understanding of the AGC Group, we introduce our recent overall business-related activities in the following section. This includes a review of our business results for the fiscal year ended December 31, 2008, and an overview of each business segment, as well as a description of our corporate social responsibility (CSR) initiatives.

Corporate Data

■ Name	Asahi Glass Co., Ltd.
■ Head Office	1-12-1, Yurakucho, Chiyoda-ku, Tokyo 100-8405 JAPAN
■ Founded	September 8, 1907
■ Incorporated	June 1, 1950
■ Capital	90,873 million yen
■ Outstanding stock	1,186,705,905 shares
■ Employees	6,110 (non-consolidated) 47,770 (consolidated)
■ Consolidated Group companies	192 (151 overseas)

As of the end of December 2008

Organization Data



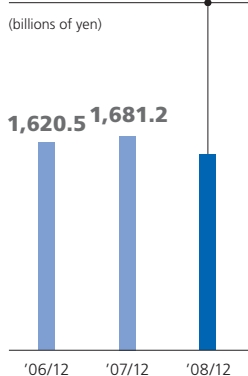
*1: The former Flat Glass Company and the former Automotive Glass Company have been integrated to form "Glass Company"

*2: The former Display Company and the former Electronics & Energy General Division have been integrated to form "Electronics Company"

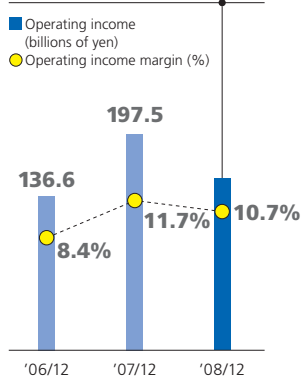
Organizational changes implemented as of July 21, 2009

Consolidated Financial Highlights

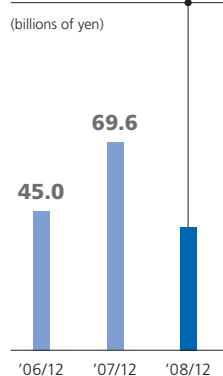
Net Sales ¥1,444.3 billion



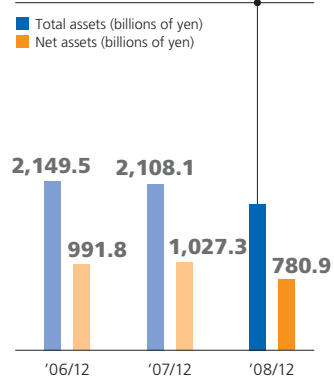
Operating income ¥154.0 billion



Net income ¥39.2 billion

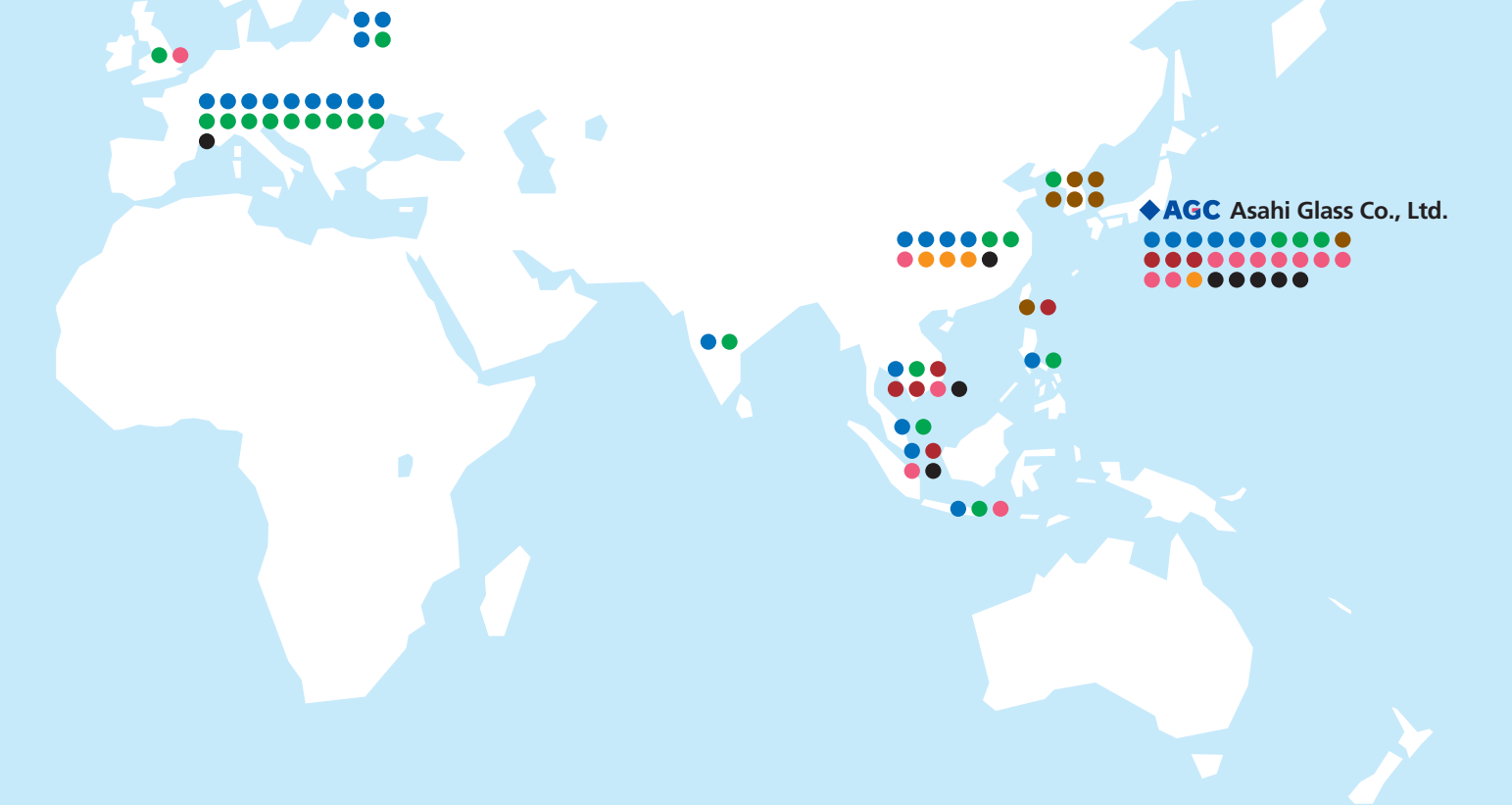


Total assets ¥1,832.8 billion



AGC Group around the World

As a global supplier of materials including glass, electronic materials, chemicals and ceramics, the AGC Group carries out its business activities in Japan, Asia, Europe and North America, backed by approximately 50,000 employees in roughly 30 countries and regions worldwide.



AGC Global Network

◆ AGC Asahi Glass Co., Ltd.

Japan

- AGC Glass Kenzai Co., Ltd.
- AGC Okinawa Glass Kenzai Co., Ltd.
- AGC Glass Products Co., Ltd.
- AGC Façade & Interior Engineering Co., Ltd.
- AGC Amenitech Co., Ltd.
- AGC Fabritech Co., Ltd.
- AGC Automotive AMC Co., Ltd.
- AGC Automotive ACC Co., Ltd.
- AGC Automotive Takahashi Co., Ltd.
- AGC Display Glass Yonezawa Co., Ltd.
- AGC Electronics Co., Ltd.
- AGC Techno Glass Co., Ltd.
- AGC Micro Glass Co., Ltd.
- Ise Chemicals Corporation
- AGC Si-Tech Co., Ltd.
- AGC Engineering Co., Ltd.
- AGC Seimi Chemical Co., Ltd.
- AGC Coat-Tech Co., Ltd.
- AGC Polymer Material Co., Ltd.
- AGC Green-Tech Co., Ltd.
- AGC Wakasa Chemicals Co., Ltd.
- AGC Matex Co., Ltd.
- AGC Ceramics Co., Ltd.
- AGC Research Institute Co., Ltd.
- AGC Insurance Management Co., Ltd.

- AGC Finance Co., Ltd.
- AGC Logistics Co., Ltd.
- AGC Technology Solutions Co., Ltd.

Asia

Thailand

- AGC Flat Glass (Thailand) Public Co., Ltd.
- AGC Automotive (Thailand) Co., Ltd.
- AGC Electronics (Thailand) Co., Ltd.
- AGC Techno Glass (Thailand) Co., Ltd.
- AGC Micro Glass (Thailand) Co., Ltd.
- AGC Chemicals (Thailand) Co., Ltd.
- AGC Technology Solutions (Thailand) Co., Ltd.

Indonesia

- P.T. Asahimas Flat Glass, Tbk
- P.T. Asahimas Chemical

Singapore

- AGC Flat Glass Asia Pacific Pte. Ltd.
- AGC Electronics Singapore Pte. Ltd.
- AGC Chemicals Asia Pacific Pte. Ltd.
- AGC Singapore Services Pte. Ltd.

Malaysia

- AGC Flat Glass (Malaysia) Sdn. Bhd.
- MCIS Safety Glass Sdn. Bhd.

Philippines

- AGC Flat Glass Philippines, Inc.
- AGC Automotive Philippines, Inc.

Taiwan

- AGC Display Glass Taiwan Co., Ltd.
- AGC Electronics Taiwan Co., Ltd.

India

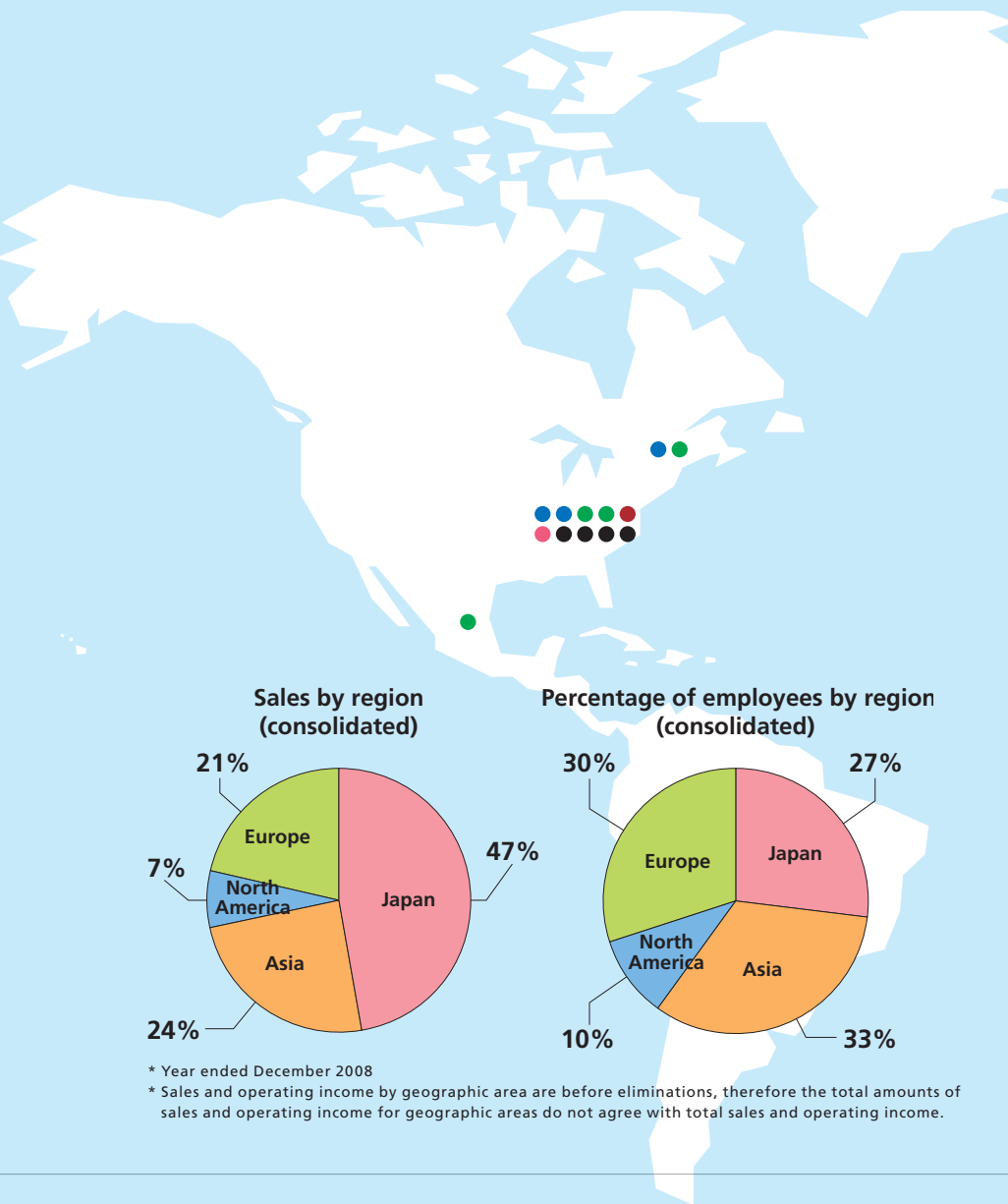
- Asahi India Glass Co., Ltd.

China

- AGC Flat Glass (Dalian) Co., Ltd.
- AGC Flat Glass (Suzhou) Co., Ltd.
- AGC Flat Glass Protech (Shenzhen) Co., Ltd.
- AGC Flat Glass (Hong Kong) Co., Ltd.
- AGC Automotive China Co., Ltd.
- AGC Automotive Foshan Co., Ltd.
- AGC Chemicals Trading (Shanghai) Co., Ltd.
- Zibo Asahi Glass Alumina Materials Co., Ltd.
- Zibo GT Industrial Ceramics Co., Ltd.
- Plibrico (Dalian) Industries Co., Ltd.
- AGC Shanghai Co., Ltd.

Korea

- Korea Autoglass Corporation
- Hankuk Electric Glass Co., Ltd.
- Hanwook Techno Glass Co., Ltd.



Japan

Number of employees	approx. 13,000
Net sales	¥810.8 billion
Operating income	¥77.7 billion
Main business	Flat glass, automotive glass, display glass, electronic materials, chemicals, ceramics

Asia

Number of employees	approx. 15,800
Net sales	¥419.1 billion
Operating income	¥56.9 billion
Main business	Flat glass, automotive glass, display glass, electronic materials, chemicals, ceramics

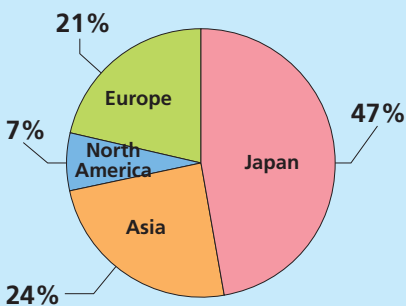
North America

Number of employees	approx. 4,700
Net sales	¥128.1 billion
Operating income	¥-4.4 billion
Main business	Flat glass, automotive glass, electronic materials, chemicals

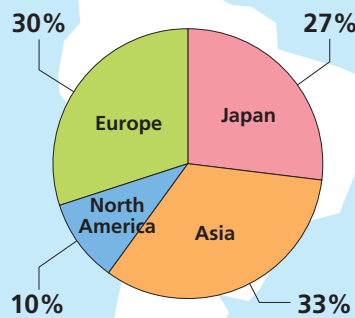
Europe

Number of employees	approx. 14,300
Net sales	¥355.3 billion
Operating income	¥25.7 billion
Main business	Flat glass, automotive glass, chemicals

Sales by region (consolidated)



Percentage of employees by region (consolidated)



* Year ended December 2008

* Sales and operating income by geographic area are before eliminations, therefore the total amounts of sales and operating income for geographic areas do not agree with total sales and operating income.

- Asahi Glass Fine Techno Korea Co., Ltd.
- Asahi PD Glass Korea Co., Ltd.
- AGC Display Glass Ochang Co., Ltd.

North America

The United States

- AGC Flat Glass North America, Inc.
- AGC Soda Corporation
- AGC Automotive Americas Co.
- AGC Automotive Americas R&D, Inc.
- AGC Electronics America
- AGC Chemicals Americas, Inc.
- AGC America, Inc.
- AGC Capital, Inc.
- AGC Investment, Inc.
- AGC Holdings America, Inc.

Canada

- AGC Flat Glass North America Ltd.
- AGC Automotive Canada, Inc.

Mexico

- AGC Automotive Glass Mexico, S.A. de C.V.

Europe

Belgium

- AGC Flat Glass Europe S.A.
- AGC Flat Glass Coating

- AGC Flat Glass Roux
- AGC Automotive Europe
- AGC Automotive Belgium
- AGC Europe

Netherlands

- AGC Flat Glass Netherlands B.V.
- AGC Automotive Replacement Glass Netherlands B.V.

The United Kingdom

- AGC Automotive UK, Ltd.
- AGC Chemicals Europe, Ltd.

Czech Republic

- AGC Flat Glass Czech a.s.
- AGC Automotive Czech a.s.

Russia

- AGC Bor Glassworks OJSC
- AGC Flat Glass Vostok LLC
- AGC Flat Glass Klin LLC

France

- AGC France S.A.S.

Italy

- AGC Flat Glass Italia S.r.l
- AGC Automotive Italia S.r.l

Spain

- AGC Flat Glass Iberica S.A.

Germany

- AGC Automotive Germany GmbH

Hungary

- AGC Automotive Hungary Ltd.

Poland

- AGC Gdansk Sp. z o.o

Turkey

- AGC Automotive Adapazari uretim san, ve tic. A.S.

- Flat glass
- Automotive glass
- Display
- Electronics & Energy
- Chemicals
- Ceramics
- Others

As of end of April 2009, companies such as equity method affiliates that do not incorporate the "AGC" brand in their names are included.

Outline by Business Segment

Glass Operations

2008 Overview

In the flat glass business, demand continued to weaken as the economy slowed down in Western Europe, as well as in fast-growing markets such as Russia during the fourth quarter. Shipments decreased in Japan as well. In addition, the AGC Group revised prices in Japan, Asia, and North America, however, this failed to offset all cost increases. On the other hand, shipments of glass for photovoltaic use remained strong.

In the automotive glass business, sales decreased from the previous year because of a decline in auto production from the fourth quarter in all regions.

Sales of other glass businesses fell from the previous year.

The appreciation of the yen that developed toward the end of the year was also one of the factors contributing to the decline in net sales of each operation.

As a result, net sales from the Glass operations for the year decreased 124.7 billion yen, or 14.4%, from the previous year to 741.3 billion yen, and operating income decreased 45.0 billion yen or 70.7% to 18.7 billion yen.

Main Products

Flat glass

- Float flat glass, figured glass, polished wired glass, heat-absorbing glass, heat-reflective glass, architectural glass, fabricated glass for industrial use, etc.
- Glass for photovoltaic use

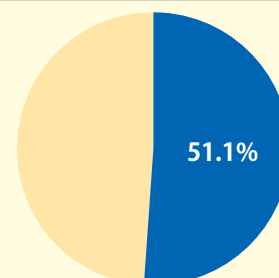
Automotive glass

Tempered glass for automobiles, laminated glass for automobiles, etc.

Other glass

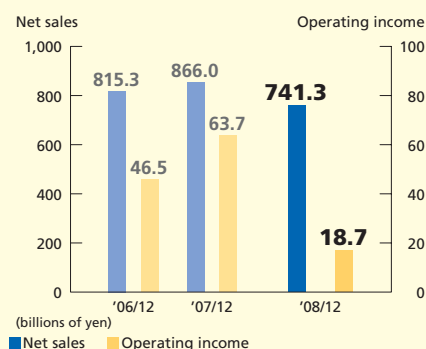
Lighting lamp glass products, Industrial glass products, etc.

Share of sales



Year ended December 2008
Sales to customers

Net Sales/Operating Income



Electronics and Display Operations

2008 Overview

In the display business, shipments of glass substrates for FPDs significantly increased in the first half of this fiscal year. However, overall sales for the whole year decreased from a year earlier, because, due to the operational adjustment at panel manufacturers, shipments of glass substrates for TFT LCDs decreased in the second half of the year. And also, overall shipments of display glass sharply declined in the fourth quarter.

In the electronic materials business, although shipments of photonics components in particular continued to be steady in the first half of the year, they decreased in the fourth quarter. Net sales of the electronic materials business as a whole decreased from the previous year as a result of the AGC Group's withdrawal from the business of small- and medium-sized display panels.

As a result, net sales from the Electronics and Display operations for the year decreased 92.5 billion yen or 19.9% from the previous year to 372.7 billion yen, and operating income increased 8.4 billion yen or 7.1% to 126.6 billion yen.

Main Products

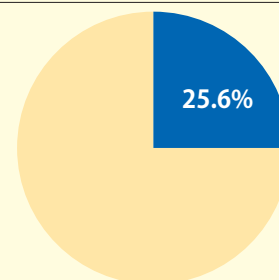
Display

LCD glass substrates, PDP glass substrates, glass bulbs for cathode-ray tubes, etc.

Electronic materials

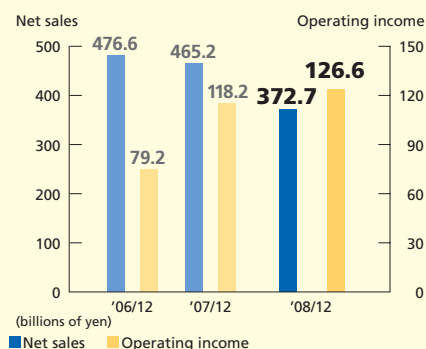
Glass frit and paste, materials for semiconductor-manufacturing equipment, synthetic quartz glass, optoelectronics materials, optical filters for PDPs, LCD backlight glass tubes, optical thin film products, etc.

Share of sales



Year ended December 2008
Sales to customers

Net Sales/Operating Income



Chemicals Operations

2008 Overview

In the chlor-alkali & urethane business, sales of the caustic soda continued to be steady. Sales of vinyl chloride-related products also remained robust overseas until the middle of 2008; but demand declined and price weakened in the fourth quarter. In the fluorochemicals & specialty chemicals business, demand rapidly declined in the fourth quarter.

In response to price hikes of raw materials and fuels, the AGC Group revised its prices of products in both businesses. However, this failed to fully offset the increased costs.

As a result, net sales from the Chemicals operations for the year decreased 16.2 billion yen or 5.1% from the previous year to 303.1 billion yen, and operating income decreased 8.6 billion yen or 69.0% to 3.9 billion yen.

Main Products

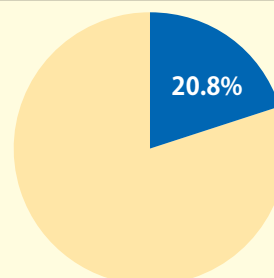
Chlor-alkali & urethane

Vinyl chloride monomers, caustic soda, urethane materials, etc.

Fluorochemicals & specialty chemicals

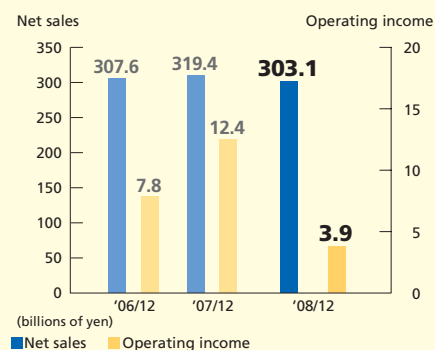
Fluoropolymers, fluorinated gases and solvents, fluorinated water and oil repellents, battery materials, iodine-related materials, etc.

Share of sales



Year ended December 2008
Sales to customers

Net Sales/Operating Income



Other Operations

2008 Overview

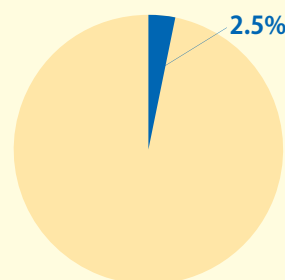
In the ceramics business, earnings remained steady thanks to strong demand both in the glass engineering sector and the environmental energy sector.

As a result, net sales from the Other operations for the year increased 8.9 billion yen or 10.2% from the previous year to 96.6 billion yen, and operating income increased 1.8 billion yen or 57.4% to 5.0 billion yen.

Main Products

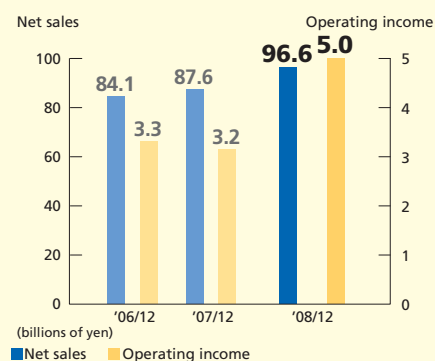
Ceramics products, etc.

Share of sales



Year ended December 2008
Sales to customers

Net Sales/Operating Income



Glass Operations

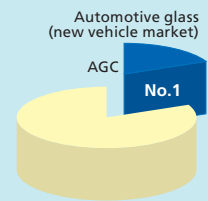
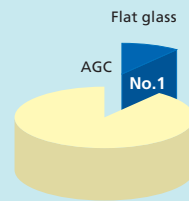


Glass Pyramid, Moerenuma Park (Photo by Shinkenchiku-sha)

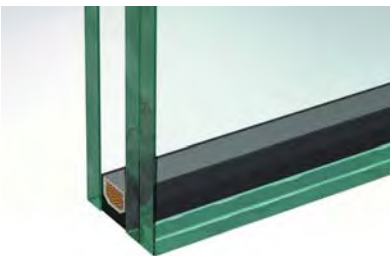
As part of our business foundation, we constantly strive to meet customer needs for superior performance by providing an extensive line-up of products, with a leading global share.

Glass Operations covers businesses with focus on flat glass and its use in architectural, automotive, and solar (photovoltaic) fields and maintains a leading share in these fields on a global basis. The architectural flat glass business is operated on a regional basis, with regions devising their respective product line-ups matching the particular characteristics of their respective geographic regions. The automotive glass business is characterized by global scale and operation, in line with the requirements of an automotive industry that operates on a global basis.

Global market ranking*



*AGC estimates



Low-E double-glazed glass featuring high insulation and heat-shielding properties



Low-E double-glazed glass is used in Margaret Hall, Sagami Women's University



Photovoltaic cover glass "Solite™"



Safety glass for automobile windshields that will hold together when shattered



Tempered glass for automobile side windows, shock-resistant and specially treated to shatter into granules if broken

Flat glass

Expanding business by promoting enhanced use of glass for photovoltaic and energy-saving applications

The flat glass business currently operates approximately 40 float glass furnaces around the world, supplying a wide variety of glass products to markets in Europe, North America, Japan and Asia. It has been actively promoting a higher usage of energy-saving glass (Low-E double-glazed glass) and glass for photovoltaic use. The flat glass business undertakes manufacturing of glass in an environment-friendly manner through efficient processes that have minimal impact on the environment. The flat glass business has a well-focused marketing network to promote the use of glass products matching the local trends and characteristics of geographic regions. "Benchmarking" and "Sharing of Best Practices" are the regular features that are being promoted in the pursuit of "Continuous Improvement" across the Group.

Photovoltaic TCO*1 glass substrates



*1 TCO: Transparent Conductive Oxide film

Automotive glass

Developing high-value added products and expanding business in emerging markets

The automotive glass business operates production in 14 countries, and has R&D centers in three regions: Japan, the United States and Europe. Through its global network, high-quality products and services are provided in a timely manner to the global production bases of automakers. In 2007, the Automotive Global Training Center opened within the Group's Aichi Plant. By raising awareness of the AGC Group's unique approach to "monozukuri (quality manufacturing)" around the globe, through the automotive glass business, we endeavor to become "the most respected automotive parts supplier in the world."

Automotive Global Training Center



TOPICS

Sale of PairPlus™ Ecoglass*2 for remodeling begins

"PairPlus™" is glass that incorporates an attachment frame into double glazing so that the unit can be installed in a single glazing sash used in an existing house. This new glass features high energy-saving performance, which helps improve the energy efficiency of air conditioning in both summer and winter. Compared to a single sheet of glass, its insulation property is three times as good, while its heat-shielding is twice as good. PairPlus™ is available in various sizes, including a slim type that ensures smooth operation of screen doors. All product variations meet a 3-star or higher level based on the Grading System for Energy Saving Building Materials*3.

The AGC Group will cater to the needs of the rapidly growing remodeling market, and commit itself to the improvement of the living environment, also contributing to the global environment at the same time, by enhancing the efficiency of glass through the development of various new products.

*2 Ecoglass is the trade name for low-emissive double-glazing products approved by the Flat Glass Manufacturers Association of Japan (including AGC).

*3 Grading System for Energy Saving Building Materials

An indicator of providing product quality information in relation to thermal insulation of individual windows, glass and sashes, in accordance with the Grading System for Energy Saving Building Materials under the Energy Conservation Act (Act on the Rational Use of Energy). Stars are used to rate glass energy-saving materials based on their JIS thermal insulation performance ratings. A greater number of stars indicates higher thermal insulation performance.

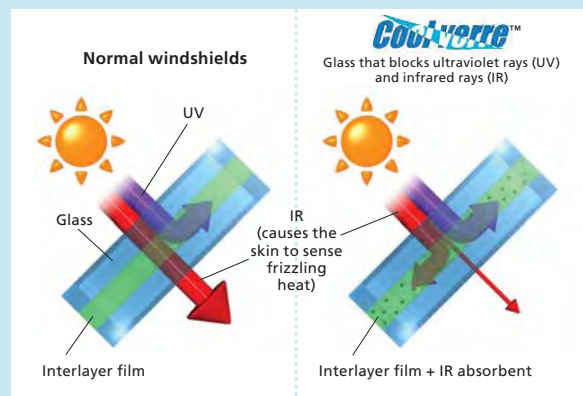


The structure of "PairPlus™"

Coolverre™: contributing to improved energy-saving performance of automobiles via glass technology

Coolverre™ is an automotive glass that blocks infrared rays (IR) and ultraviolet rays (UV). It substantially blocks the median infrared rays that cause the skin to sense frizzling heat from sunbeams, thus dramatically reducing the heat and unpleasantness felt by drivers. As a result, time and energy required to lower temperatures by air conditioning is reduced. Coolverre™ is an innovative thermal insulating laminated glass that realizes less energy consumption and improved driving environment in an automobile.

Coolverre™ is the first IR-blocking laminated glass in the world that features radio wave transmission, and it can be utilized with sensor devices that use antennas and radio waves.



Comparison between normal windshields and Coolverre™

Electronics and Display Operations

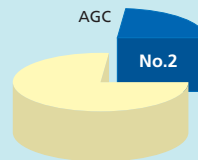


We supply materials that are indispensable in numerous industries, and support the advancement of displays and other devices.

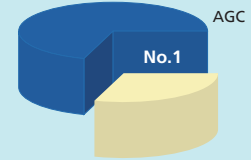
Electronics and Display Operations covers businesses with focus on “display” and “electronic materials.” The display business offers glass for all major types of displays, including thin film transistor liquid crystal displays (TFT LCDs) and plasma display panels (PDPs), and enjoys a leading share of the global market in this area. The electronic materials business deals with the areas, such as the technologies supporting the information and communications industry and fuel cells, which are expected to grow remarkably in the years ahead.

Global market ranking*

Glass substrates for TFT LCDs



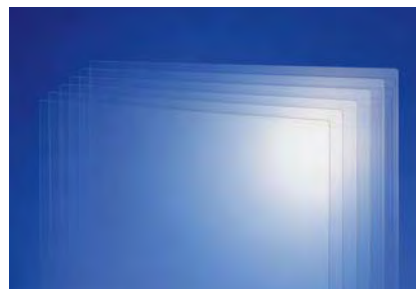
Glass substrates for PDPs



*AGC estimates



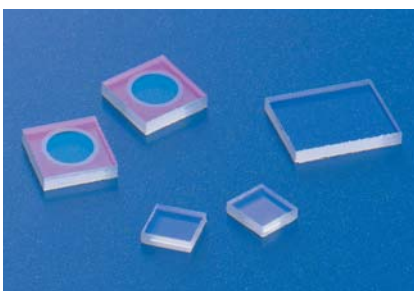
Glass substrates for PDPs



Glass substrates for TFT LCDs



Synthetic quartz glass



Optical planar devices



LCD backlight tubes



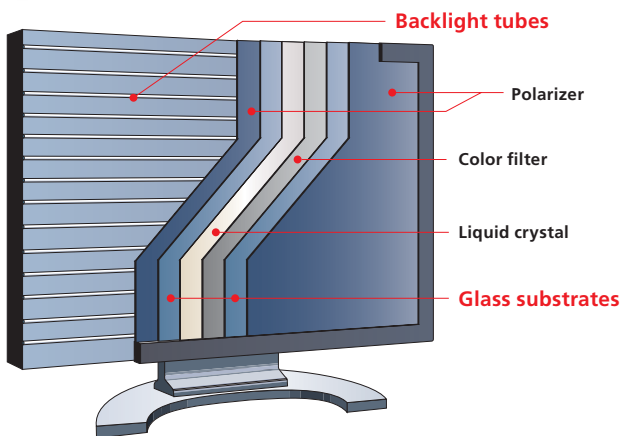
Micro glass lenses

Display

Providing high-added value products through production processes with reduced environmental burden

The AGC Group manufactures glass substrates for various types of displays, including thin film transistor liquid crystal displays (TFT LCDs), the current mainstream elements for LCD televisions, and plasma display panels (PDPs), as well as display glass for cathode ray tubes (CRTs). The AGC Group will develop and offer products with high added value by responding to various market trends that include the shift from CRTs to flat panel displays (FPDs) in addition to increasingly larger-sized LCD panels. The Group will also continue to improve its production system and enhance the productivity of existing facilities, as well as develop new production facilities.

The structure of LCD

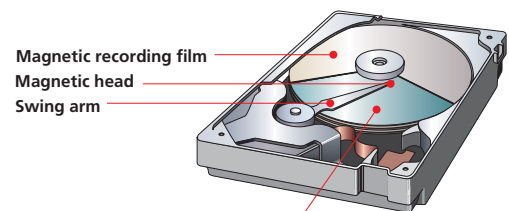


Electronic materials

Creation of new businesses through promotion of speedy development

The AGC Group is targeting electronics and energy fields, focusing on the sectors of "semiconductor process materials," "display materials," "photonics components," "storage materials," and "energy materials" to cultivate this business as next-generation growth pillars. The Group will endeavor to create new businesses by reinforcing its production technologies to provide high-added value products utilizing our strength of integrated production starting from raw materials and through the promotion of R&D in growth areas such as optical planar devices, micro glass lenses for digital cameras and mobile phones.

The structure of hard disk drive



Glass substrates for hard disk drive
Magnetic disks used to record information on personal computers are made by forming a film of magnetic material on a glass substrate. A high degree of precision is required for this glass substrate, as even a microscopic irregularity will affect the forming of the film.

TOPICS

Acquisition of a Korean company engaged in polishing large glass substrates for TFT LCDs

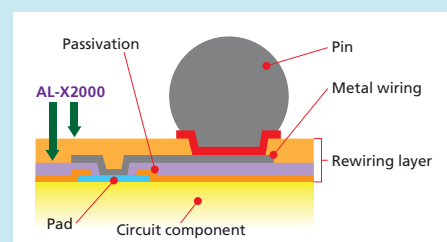
In 2008, the AGC Group acquired a wholly owned Korean subsidiary of Germany's SCHOTT AG that engaged in polishing large glass substrates for TFT LCDs, and established a new company, AGC Display Glass Ochang Co., Ltd. As the new company offers an ideal location for the AGC Group to respond to the growing market demand for TFT LCD glass substrates, the Group positions AGC Display Glass Ochang as the second production base in Korea, following Asahi Glass Fine Techno Korea Co., Ltd., and will establish a more flexible production structure in the country.

The Group will continue to expand facilities as necessary, while giving full consideration to trends in demand for glass substrates as well as an increase in production capacity at its existing manufacturing facilities in Japan, South Korea and Taiwan, and will also stably supply products that meet the needs of customers by leveraging its strengths to the utmost in the float production method and technologies for polishing large glass substrates.

Development of a new photosensitive insulating film for manufacturing of semiconductor devices

The AGC Group successfully developed a new photosensitive insulating film that makes use of fluorine chemistry, one of AGC's core technologies. The main target application of the new photosensitive insulating film (product name: AL-Polymer X2000 Series) is for multilayer interconnection of semiconductor devices, which are becoming increasingly fast and miniaturized.

The new product satisfies the required performances, such as low-temperature curing, a very low dielectric constant and loss, as well as high flexibility, and thus facilitates multilayer interconnection.



Chemicals Operations and Other Operations



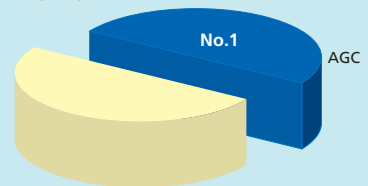
We provide a wide selection of materials extending from basic chemicals to high-performance chemicals.

Chemicals Operations conducts businesses with focus on "chlor-alkali & urethane" and "fluorochemicals & specialty chemicals," and it enjoys a leading global share in fluoropolymers (ETFE) for highly functional fluoropolymer films and other essential applications.

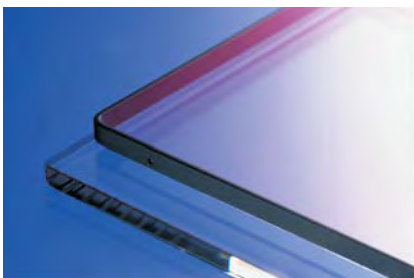
Other operations include ceramics, logistics and engineering businesses.

Global market ranking*

Fluoropolymers (ETFE)



*AGC estimates



CYTOP™ transparent fluoropolymers for pellicle coating in semiconductor applications



Akashi Bridge treated with highly weather-resistant Lumiflon™ fluoropolymer coating



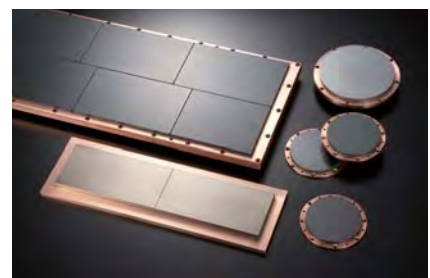
Asahi Guard™ fluorinated water and oil repellents for coating



Flemion™ ion-exchange membranes



AFLAS™ fluoroelastomers



Ceramics sputtering target

Chemicals Operations and Other Operations

Fulfilling the latest needs through chemical technologies: extensive operations in ceramics, logistics and engineering

■ Chemicals Operations

The AGC Group's Chemicals Operation was originally established to internally supply soda ash needed to manufacture flat glass. During the intervening years, the Group has utilized chlorine, a byproduct of the caustic soda production process, to develop numerous value-added products, including fluorinated products, which in turn has propelled the expansion of our business domains. The AGC Group carries out integrated manufacturing of products, ranging from basic chemicals to high-performance chemicals. From raw materials to end products, throughout the entire manufacturing process, the Group makes efforts to produce products in an environmentally-friendly manner.

■ Crude salt is the raw material of basic chemicals, which in turn leads to the development of performance chemicals



■ F-Clean™, a high-performance fluoropolymer film with additional functions for greenhouse coverings



■ Roiceram™-C fine ceramics (silicon carbide)



The AGC Group provides a broad range of products, from basic chemicals such as caustic soda to high-performance chemicals such as fluoropolymer films. The "chlor-alkali & urethane business" offers such chlor-alkali products as caustic soda and vinyl chloride monomer, as well as urethane-related products centering on polyols. Meanwhile, the "fluorochemicals & specialty chemicals business" offers fluorochemicals, mainly fluoropolymers, fluoropolymer films, fluorinated water and oil repellents, gases and solvents, as well as such specialty products as battery materials, liquid crystal materials and fine silica.

■ Other Operations

The Other Operations are composed of the ceramics business and a host of service-related businesses that include logistics and engineering.

TOPICS

Developing Fluon® PTFE E-SERIES without using PFOA as polymerization surfactant

Polytetrafluoroethylene (PTFE) products are used in various applications, including coating cooking pans as well as electric wires used for precision electronic devices. Traditionally, perfluorooctanoic acid (PFOA) has been widely used worldwide as a polymerization surfactant for PTFE products, due to its high chemical stability and cost effectiveness. However, there have been concerns expressed about the persistence in the environment of some fluorochemicals, including PFOA. Therefore, in 2006, the US Environmental Protection Agency (USEPA) initiated a program to reduce PFOA contents in products by 95% by 2010 and to zero by 2015. Since then, the Agency has been asking manufacturers of fluorinated chemicals around the world to participate in the program.

In response, AGC Chemicals Company embarked on the development of a surfactant that did not contain PFOA*, capitalizing on its proprietary fluorination technology. As a result, in September 2008, we released the Fluon® PTFE E-SERIES as a PFOA-free, environmentally friendly fluorinated resin. Within 2010, we will make all our PTFE products PFOA-free.

* At or above the detection limit



Products using Fluon® PTFE

AGC Group's CSR

For the AGC Group, the pursuit of its group vision **"Look Beyond"** represents the fulfillment of its CSR. We regard it our mission to **"Look Beyond"** to make the world a brighter place.

In accomplishing this mission, all employees of the AGC Group are encouraged to take action based on the Group's shared values of "Innovation & Operational Excellence," "Diversity," "Environment," and "Integrity." We would thereby like to achieve sustainable growth as a socially trusted corporate group. As a declaration of our commitment to achieving this target, we have formulated the AGC Group Charter of Corporate Behavior, as shown below.

AGC Group Charter of Corporate Behavior (Established on June 1, 2007)

The AGC Group strives to be a company trusted by all its stakeholders, a company that meets the expectations of the world business community to grow and develop responsibly, and a company that significantly contributes to a healthier global society. We in the AGC Group will achieve these goals by practicing the following principles that are based on our shared values of **"Look Beyond"**.

Integrity: Sincere Behavior

1. The AGC Group will develop and provide useful goods and services of superior quality, while giving due consideration to safety and the environment, and will strive for customer satisfaction and loyalty.
2. The AGC Group will understand and comply with applicable laws and regulations in the countries in which it does business.
3. The AGC Group will promote fair trade and conduct its operations in accordance with the principle of fair competition and all applicable laws and regulations. The Group will support the development of appropriate competition laws.
4. The AGC Group will maintain sound relationships with government agencies and other responsible organizations. The Group will not support organizations that threaten the order and security of society.
5. The AGC Group will properly manage and safeguard its own proprietary information, intellectual property, and other assets and will respect the property rights and interests of its customers and other business partners.

Environment and Safety: With Due Consideration

6. The AGC Group regards environmental conservation as an essential responsibility of global citizens and will proactively contribute to the development of a sustainable society.
7. The AGC Group will seek to implement technological innovations and new product developments that reflect due consideration for the environment and will participate in ongoing activities to preserve the environment and safety and security at work.
8. The AGC Group will maintain its workplaces with a proper regard to occupational health and safety for the people related to the business activities of the Group.

Diversity: Respect for People

9. The AGC Group will respect cultural diversity in race, ethnicity, religion, language, gender, and background.
10. The AGC Group will respect people's diverse capabilities and personal dignity in the Group's business activities and will create fair and open environments at its workplaces without discrimination.
11. The AGC Group will not engage in forced labor or child labor and will not tolerate infringements of human rights.

Harmony with Society: From "Responsibility" to "Reliability"

12. The AGC Group will strive to be a trusted corporate citizen, fulfilling its responsibilities to the communities in which it does business.
13. The AGC Group will build productive and proper relationships with business partners and encourage them to adhere to business principles consistent with its own.
14. The AGC Group will communicate responsibly with customers, local citizens, shareholders, and other members of society by disclosing information in a fair and appropriate manner.

The management of all AGC Group companies, recognizing that it is their responsibility to realize the spirit of this Charter, will take the initiative to achieve an understanding of the Charter within all Group companies and the companies with which they do business. We will pay attention to the voices of our stakeholders, both internal and external, and promote the development and implementation of systems that will enhance ethical corporate behavior under the vision **"Look Beyond"**.

In the case of any behavior contrary to the principles of this Charter, we will work to identify the cause and prevent a recurrence, making it clear to those inside and outside Group companies that the situation is being addressed diligently. We will take appropriate corrective and disciplinary actions when necessary.

CSR Activities based on "AGC Group Charter of Corporate Behavior"

■ Integrity: Sincere Behavior

Compliance

The AGC Group is committed to increasing the fairness and transparency of its business operations, regarding strict compliance as the basis for Our Shared Value, Integrity, and as a premise for its sustainability as a corporate citizen.

Quality and Customer Satisfaction (CS)

The AGC Group is committed to improving quality in every aspect of its business operations by implementing process reform to improve the quality of its products and services in order to increase customer satisfaction and by changing employee's ways of thinking based on the idea of incorporating the concept of CS into each employee's daily work processes.

■ Environment and Safety: With Due Consideration

Environmental Activities

The AGC Group, being fully aware of the high environmental impact of its operations, regards the environment as one of its most important management priorities, and all Group companies are committed to contributing to developing a sustainable society.

Occupational Health & Safety

Based on the management's principle that "no production should be operated without assurance of safety," the AGC Group is ensuring occupational health and safety at its production sites by applying its Occupational Health & Safety Management System (OHSMS) and securing the equipment's safety.

Industrial Safety & Security

The AGC Group has been implementing measures to minimize the damage caused by accidents. Specifically, we are trying to prevent contingencies (accidents and natural disasters) and to promptly and appropriately take action in the case of actual occurrence.

■ Diversity: Respect for People

Employee Satisfaction (ES): Employee Job Satisfaction and Pride in Accomplishment

The AGC Group relies on the capabilities of its employees as a basis of increasing its corporate value and improves its work environment to enable all the employees to work with satisfaction and pride in their daily operations and to share mutual respect based on the value of diversity.

■ Harmony with Society: From "Responsibility" to "Reliability"

Community Relations

The AGC Group is engaged in a variety of community relations, including support of academic and research activities and education as well as community activities in Japan and overseas with the aim of contributing to further enhancing a healthier society as a responsible corporate citizen.

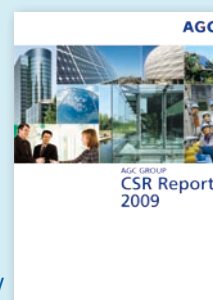
Communication

The AGC Group actively and appropriately discloses its corporate information in a timely manner so as to maintain sufficient communication with its stakeholders. Such frequent communication helps us incorporate their opinions and requests into our CSR-related activities and achieve their understanding and support of our activities.

For more details,

see
**AGC Group
CSR Report 2009**

Asahi Glass CSR Website
<http://www.agc.co.jp/english/csr/>

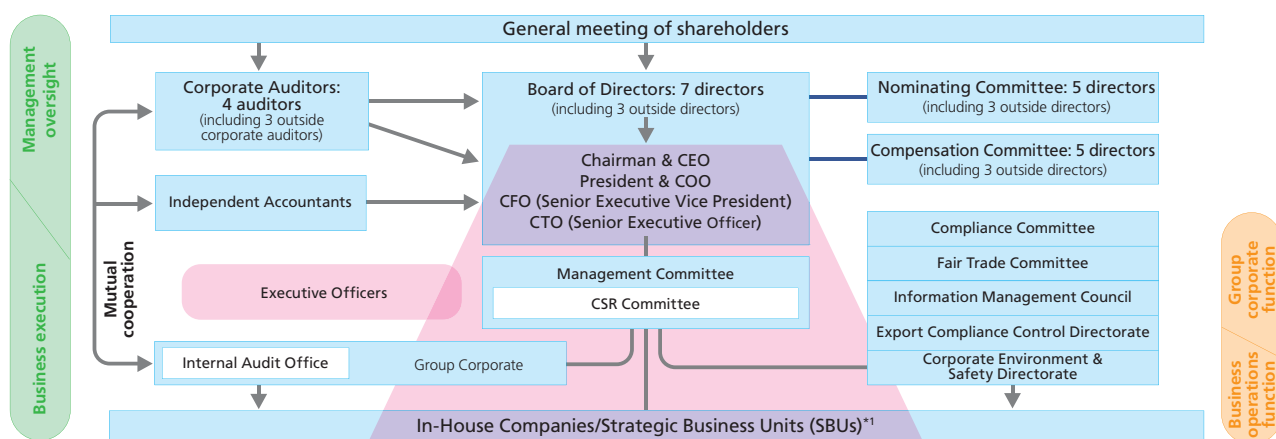


Corporate Governance

As its basic policy on corporate governance, Asahi Glass clearly separates the functions of “oversight” and “execution” of management, aiming to reinforce the management oversight function while ensuring quick decision making in management execution. Under this basic policy, we have implemented various measures to improve our corporate governance system, including the appointment of outside directors, the adoption of an executive officer system, and the establishment of a non-statutory Nominating Committee and a Compensation Committee.

As part of our efforts regarding corporate governance, we have decided to revise the directors’ compensation system in

view of discussions by the Compensation Committee and the Board of Directors in March 2007. We abolished the retirement benefit program for directors and introduced stock compensation-type stock options to share the benefits and risks related to stock price fluctuations with shareholders. Furthermore, regarding top management, we decided to establish the positions of “Chairman & CEO” and “President & COO” in 2008, together with reinforcing the Group’s strategic planning capabilities and enhancing efficiency and acceleration of all aspects of business execution. By implementing these measures, we continue to enhance our corporate governance.



*1 In-House Companies are business units that operate globally, generally with net sales of over 200 billion yen. Business units with smaller scales are categorized as Strategic Business Units (SBUs).

CSR Promotion System

The AGC Group established its CSR Committee in 2005. This Committee, which serves as an in-house organization to fulfill CSR by the Group, is chaired by the President & COO and composed of the CFO, CTO, and the heads of the In-House Companies and SBUs. It discusses the Group’s CSR-related policies and issues. Moreover, we hold monthly meetings of the staff members actually engaged in CSR at each organization, where attendees discuss the measures needed to solve specific issues.

Internal Control

Asahi Glass decided on its basic policy over internal control at the Board of Directors meeting held in May 2006. Subsequently, we partially revised the policy reflecting the changes of our situation, including the establishment of the AGC Group Code of Conduct in October 2008.

The items for basic policy for internal control

- (1) Compliance program
- (2) Information retention and management system
- (3) Risk management system
- (4) System to ensure efficient and effective business execution
- (5) System for management of group companies
- (6) Matters regarding auditors

Internal Control over Financial Reporting

As for internal control over financial reporting, we have built up a mechanism to establish, operate, and assess internal controls pursuant to the Financial Instruments and Exchange Law, promulgated in June 2006. Using this mechanism, we started the full implementation of internal control over financial reporting in fiscal 2009.

Risk Management

Based on its basic corporate policy over internal control, the AGC Group makes it a rule to identify important risk factors and report and examine the state of risk management periodically at the meetings of the Management Committee and the Board of Directors.

In identifying important risk factors, we conduct questionnaire surveys across the Group to create a risk map that indicates the impact and frequency of possible risks, which we use to evaluate the significance of the risk factors. Then the Management Committee and the Board of Directors discuss the factors at their meetings, and the related In-House Companies and SBUs formulate the action plans to implement the Plan, Do, Check, and Act (PDCA) cycle for the continuous improvement of their risk management levels.

Formulation of a business continuity plan (BCP)

Regarding important risk factors, we are implementing measures to formulate and operate business continuity plans (BCPs) for large-scale accidents and disasters. Specifically, we are taking countermeasures against earthquakes in Japan (see Topic below) and new type of pandemic influenza^{*2}.

*2 The new type of pandemic influenza is a disease caused by flu viruses from animals, in particular from birds. The viruses do not usually infect humans, but some viruses mutate so that they can infect humans, grow in humans, and be efficiently passed from human to human.

Board of Directors, Corporate Auditors and Executive Officers

Board of Directors



Masahiro Kadomatsu
Representative Director
Chairman of the Board
Chairman & CEO



Kazuhiko Ishimura
Representative Director
President & COO



Takashi Matsuzawa
Representative Director
Senior Executive Vice
President & CFO



Katsuhisa Kato
Director
Senior Executive Officer & CTO



Kunihiro Matsuo
Director (Outside)
(Attorney At Law,
Kunihiro Matsuo Law Office)



Hajime Sawabe
Director (Outside)
(Representative Director
Chairman,
TDK Corporation)



Toru Nagashima
Director (Outside)
(Chairman of the Board,
Teijin Limited)

Executive Officers

Masahiro Kadomatsu
Chairman & CEO

Kazuhiko Ishimura
President & COO

Senior Executive Vice Presidents

Takashi Wada
President of Glass Company

Takashi Matsuzawa
CFO

Yuji Nishimi
President of Electronics Company

Executive Vice President

Akio Endo
Deputy President of Glass Company

Senior Executive Officers

Michiyoshi Kaino
President of Chemicals Company

Kei Yonamoto
Vice President, Automotive,
Glass Company

Katsuhisa Kato
CTO

Akira Toyama
GM of Research Center

Shukichi Umemoto
GM of Finance & Control Office

Yasutoshi Hirata
GM of Human Resources &
Administration Office

Executive Officers

Tetsuji Kakimoto
Technical Director of Japan/Asia Pacific,
Glass Company

Masafumi Ohinata
GM of Electronics General Div.,
Electronics Company

Masayuki Kamiya
Vice President, Planning and Coordination,
Glass Company

Eiichi Kudo
GM of CSR Office

Toru Kawatsura
Assistant to President of Glass Company

Nozomu Taguchi
GM of Electronic Glass General Div.,
Electronics Company

Satoshi Kamata
GM of Business Management General Div.,
Chemicals Company

Tadayuki Oi
Vice President, Technology,
Glass Company

Yasumasa Nakao
Leader of Global Technology Promotion &
Integration Project

Marehisa Ishiko
Regional President of Japan/Asia Pacific,
Glass Company

Yoshiaki Tamura
GM of Display General Div.,
Electronics Company

Jean-François Heris
Regional President of Europe,
Glass Company, and President & CEO of
AGC Flat Glass Europe S.A.

Shinichi Kawakami
Deputy GM of Human Resources &
Administration Office

Takashi Fujino
GM of Corporate Planning

Takuya Shimamura
GM of Planning & Coordination Office,
Chemicals Company

Tetsuo Tatsuno
Deputy GM of Finance & Control Office

(Abbreviation)
"GM": General Manager

Corporate Auditors

Takashi Terashima

Izumi Tamai
(Outside)

Kozo Tsukagoshi
(Outside)

Koji Ogaki
(Outside)

AGC Milestones 1907–2009



1907

Asahi Glass Company founded in Amagasaki, Hyogo Pref.

1925

Shoko Glass Co., Ltd. established in China.



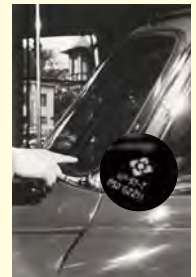
1950

Asahi Glass Company incorporated.

1954



Asahi Special Glass Co. established to manufacture glass bulbs for TV CRTs.



1956

Asahi Processed Glass Co. established and manufacture of automotive glass begins.

The Indo-Asahi Glass Co., Ltd. established in India.

1907-1949 The Early Years

1950-2001 Era of Growth and Expansion



1909

Production of Belgian-type hand-blown sheet glass, the first sheet glass successfully manufactured in Japan, begins.

1917

Japan's first soda ash produced using ammonium method.

1928

Production of ordinary sheet glass using Fourcault process begins.



1933

Caustic soda production using lime process begins.

1938

Production of tempered glass and laminated glass begins.

1954

Production of double-glazing units begins.

1966

Production of float glass begins.



1961

Asahi Glass moves into organic chemicals, manufacturing propylene oxide and propylene glycol.



2002

- Glaverbel made into a wholly owned subsidiary.
- AGC Group Vision **"Look Beyond"** formulated.
- Global In-House Company System introduced.



1981

- Asahi Glass acquires Glaverbel S.A. glass company in Belgium.

1991

- Asahi Glass Foundation creates the "Blue Planet Prize" to honor those who help solve environmental problems.

1992

- AFG Industries, Inc. of the U.S.A acquired.

2004

- "**JIKKO**" management policy introduced.

2005

- Electronics & Energy General Division newly established.

AGC

2007

- Group brand unified as "AGC."
- Asahi Glass Company's 100th anniversary

2008

- New management policy **Grow Beyond** introduced.
- New medium-term management plan **"Grow Beyond-2010"** started. (Renamed from "**JIKKO-2010**" in 2009)

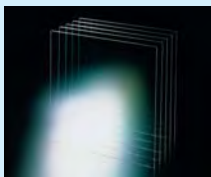
2009

- Glass Company newly established. (on July 21, 2009)
- Electronics Company newly established. (on July 21, 2009)

2002- Toward Global Management Scheme

1990

- "CYTOP™" transparent fluoropolymer developed.



1985

- Production of alkali-free glass and synthetic quartz glass begins.

1980

- AZEC System of caustic soda manufacturing using ion-exchange membrane developed.

1975

- Production of "Asahi Guard™" fluorinated water and oil repellents and "Aflon COP" fluorinated resins begins.
- Ion-exchange membrane method for manufacturing caustic soda developed.

1998

- Mass production of a new alkali-free glass for TFT LCDs commenced.



1996

- Production of "PD200" glass substrate for plasma display panels (PDPs) begins.

2006

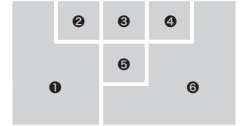
- Fluon® highly functional ETFE fluoropolymer film selected for the main stadium and the venue for aquatic events at the Summer Games in Beijing.



2004

- Fluon® highly functional ETFE fluoropolymer film utilized at the Munich stadium, the venue for the opening match of the football (soccer) world competition in Germany.





About the photographs on the cover:

- ❶ Naberezhnaya Tower (Russia)
 - ❷ Optical planar devices
 - ❸ Fluon® ETFE FILM
 - ❹ Automotive glass
 - ❺ TFT LCD glass substrates
 - ❻ Avignon Station (France)
- ©AGC Flat Glass Europe

*Soy ink is used for this Report



ASAHI GLASS CO., LTD.

URL: <http://www.agc-group.com>

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