

QA regarding Announcement of Financial Results for FY2010 Second Quarter

<Glass Operations>

Q1. How is the price hike of glass for construction progressing in Europe?

A1. We raised prices in Europe from spring this year, and the price hike progressed partially. We will continue our efforts to raise prices.

Q2. Please tell me about the sales and profit from glass for solar power systems.

A2. We cannot disclose the actual figure of sales and profit. The sales of glass for solar power systems are growing more than initially expected. However, as the solar business may possibly be influenced by the world economy, we have a cautious outlook for the second half of 2010.

Q3. You said the shipments of automotive glass remain uncertain due to the government subsidies for buyers of new eco-friendly vehicles end in Japan in the second half. Will you tell me about its recent development?

A3. The shipments have not fallen recently in Japan. However, we will carefully look at how the situation develops after the government subsidies ends at the end of September

<Electronics and Display Operations>

Q1. What is the actual shipment volume of TFT LCD glass substrates in the second quarter and the outlook for the third quarter onward?

A1. The volume of the shipments in the second quarter increased by less than 10% on quarter-on-quarter basis. As for the third quarter onward, we will ship out according to the market condition.

Q2. Do you have a plan to start a new furnace for TFT LCD glass?

A2. We would like to make an appropriate investment plan by taking demand into consideration.

Q3. Will you tell me AGC's current amount of sales for cover glass for displays and the future outlook?

A3. We cannot disclose the actual figure of sales. As we see its field growing from now on, we will respond to various business expansions and keep a closer eye on the market.

<Overall Companies>

Q1. While you said that there would be a lot of concerns about the business outlook for the second half of 2010, has your company actually been affected by them?

A1. We have not been actually affected yet. However, there are some anxieties that economic recovery stagnates due to the financial crisis in Greece and the financial system uneasiness centering in Europe. Especially, the world economic trend in the latter half of the second half is uncertain.

Q2. Given that you revised your assumed yen-euro exchange rate to 115 yen per euro for the second half of the year, how much do you think that will affect your business results?

A2. Considering our exchange rate sensitivity, the impact on the company's annual sales volume and profit is expected to be 2 billion yen and less than 100 million yen respectively, with a fluctuation of 1 yen per euro.

Q3. Extraordinary losses in the first half amounted to 800 million yen, while the annual total will be 20 billion yen according to your plan. Do you think extraordinary losses will reach the planned amount?

A3. We expect to post extraordinary losses of about 20 billion yen on a full-year basis as planned.

Q4. Are there any factors that could drastically increase costs in or after the third quarter?

A4. At this stage, there are no factors that would largely increase costs in the third quarter. However, in case that the sales volume falls in or after the fourth quarter, that might lead to a reduction in the capacity utilization rate.

Q5. Why didn't you upwardly revise net income for the current year?

A5. The main reason is that some areas with higher-tax rates are expected to show a larger profit increase than our initial expectation, and that might push up the income taxes on the consolidated basis.