

## Consolidated Financial Results for the Three Months ended March 31, 2016 (IFRS basis)

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

### 1. Financial results for the Three months ended March 31, 2016 (January 1 through March 31, 2016)

#### (1) Consolidated operating results

	For the three months ended March 31, 2016		For the three months ended March 31, 2015	
	Millions of yen	%	Millions of yen	%
Net sales	307,997	(5.4)	325,596	(1.1)
Operating profit	16,708	4.9	15,935	24.3
Profit before tax	12,896	22.4	10,539	(21.9)
Profit for the period	9,770	90.1	5,139	(36.7)
Profit for the period attributable to owners of the parent	8,839	91.2	4,623	(35.8)
Total comprehensive income for the period	(56,925)	—	16,554	—
Basic earnings per share (yen)	7.65		4.00	
Diluted earnings per share (yen)	7.62		3.98	

#### (2) Consolidated financial position

	FY2016 first quarter (as of March 31, 2016)	FY2015 (as of December 31, 2015)
Total assets (millions of yen)	1,904,472	1,991,262
Total equity(millions of yen)	1,095,867	1,163,767
Equity attributable to owners of the parent (millions of yen)	1,028,626	1,094,172
Equity attributable to owners of the parent ratio (%)	54.0	54.9

### 2. Dividends

(Unit: yen)

	FY2015	FY2016	FY2016 (forecast)
End of first quarter	—	—	—
End of second quarter	9.00	—	9.00
End of third quarter	—	—	—
End of fiscal year	9.00	—	9.00
Total	18.00	—	18.00

Note: Revision of the forecast during this quarter: No

### 3. Forecast for FY2016 (January 1 through December 31, 2016)

	First half		Full year	
	Millions of yen	%	Millions of yen	%
Net sales	680,000	3.3	1,400,000	5.6
Operating profit	30,000	(12.3)	75,000	5.4
Profit before tax	-	-	45,000	(46.8)
Profit for the year	-	-	30,000	(35.2)
Profit for the year attributable to owners of the parent	-	-	25,000	(41.7)
Basic earnings per share (yen)	-		21.63	

Note : Revision of the forecast for FY2016 consolidated operating results during this quarter from the latest official forecast: No

Note 2: The forecast for the First half consists of forecast net sales and operating profit only.

**\*Notes**

(1) Changes in significant subsidiaries during the period: 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 "2. Summary Information (Notes) (2) Changes in Accounting Policies, Changes in Accounting Estimates and Retrospective Restatements" on page 5.

(3) Number of shares issued (common stock)

- i. Number of shares issued (including treasury stock) at the end of the period
  - FY2016 first quarter (as of March 31, 2016): 1,186,705,905
  - FY2015 (as of December 31, 2015): 1,186,705,905
- ii. Number of treasury stock at the end of the period
  - FY2016 first quarter (as of March 31, 2016): 30,512,468
  - FY2015 (as of December 31, 2015): 30,665,148
- iii. Average number of shares issued during the period
  - For the three months ended March 31, 2016: 1,156,108,541
  - For the three months ended March 31, 2015: 1,155,855,791

\*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 contains assumptions concerning uncertainties which might affect the AGC Group's future financial results. It is not intended to be a guarantee of future events, and may differ from actual results for various reasons. For matters concerning the above forecast, please see "(3) Explanation of the Forecast for Operating Results" in "1. Qualitative Information Regarding Financial Statements" in Attached Documents on page 4.

\*Supplementary Materials for the Quarterly Financial Results

Supplementary materials are available on our website.

**(Attached Documents)**

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## **1. Qualitative Information Regarding Financial Statements**

### **(1) Explanation of Operating Results**

#### **(i) Overview of consolidated business results for the three months ended March 31, 2016**

During the three months ended March 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, but weakness was seen in some regions. In Japan, the economy showed a gradual upward trend due to factors such as economic measures taken by the government, but a sense of uncertainty is increasing over the country’s economic outlook. The business conditions in Europe continued its gradual recovery and the economy in the United States was making a stable recovery with consumer spending growth. Slowdown in economic growth was observed in China and other emerging markets.

Under such a business environment, the AGC Group posted net sales of 308.0 billion yen, down 17.6 billion yen, or a 5.4% decrease, from the corresponding period of the previous year, due to such a reason as lower sales in the display business and the strong yen, etc. Operating profit increased by 0.8 billion yen, or 4.9 % increase, year-on-year to 16.7 billion yen, owing to the price hike of architectural glass and the increased shipments of automotive glass, as well as positive impacts from the decline of raw materials and fuel prices and cost-cut measures in all segments, although it was affected by the decreased shipments and price decline in the display business. Profit before tax was 12.9 billion yen, a 2.4 billion yen or 22.4% increase on a year-on-year basis, mainly due to a decrease in foreign exchange loss caused by the revaluation of yen denominated assets and liabilities at the end of the first quarter of this year. Profit for the period attributable to owners of the parent was 8.8 billion yen, a 4.2 billion yen or 91.2% increase on a year-on-year basis, thanks to a decrease in income tax expenses.

#### **(ii) Overview by reportable segment for the three months ended March 31, 2016**

##### **- Glass**

In the flat glass business, shipments of architectural glass in Japan and North America remained robust. In Europe, demand increased in Western and Central Europe, but remained sluggish in Eastern Europe due to the effects of a deterioration of the economic environment. Sales of architectural glass decreased on a year-on-year basis, mainly affected by the weak yen although sales prices of architectural glass products increased in many regions.

In the automotive glass business, auto production remained strong on the whole, although it was decreased in Japan and some emerging countries. Consequently, AGC Group’s sales increased on a year-on-year basis.

As a result, net sales from the Glass Operations for the three months ended March 31, 2016 were 170.9 billion yen, up 1.8 billion yen or a 1.1% increase from the same period of the previous fiscal year. Operating profit was 6.7 billion yen, up 4.7 billion yen or a 237.2% increase from the same period of the previous fiscal year, mainly due to the price hike of architectural glass and increase of shipment of automotive glass, and decline of raw materials and fuel prices.

##### **- Electronics**

Shipments of LCD glass substrates decreased from the previous fiscal year as affected by customers’ production adjustment. In addition, the sales prices of LCD glass substrates decreased from the previous fiscal year. Shipments of specialty glass for display applications decreased in the field of electric device applications on a year-on-year basis as affected by a slowdown of the smartphone market; however, the shipments for automotive use increased. Regarding electronic materials, shipments of optoelectronics materials decreased on a year-on-year basis as affected by a slowdown of the smartphone market.

As a result, net sales from the Electronics Operations for the three months ended March 31, 2016 were 58.7 billion yen, down 14.3 billion yen or a 19.6% decrease from the same period of the previous fiscal year, and operating profit was 2.4 billion yen, down 6.4 billion yen or a 72.8% decrease from the same period of the previous fiscal year.

##### **- Chemicals**

Sales of chlor-alkali products and urethane materials decreased from the previous fiscal year as the prices of some products declined as affected by the international market and also because of the strong yen, although shipments in Southeast Asia increased. In the categories of fluorine products and specialty products, sales decreased from the previous fiscal year mainly due to the decreased shipments of some products and the strong yen.

As a result, net sales from the Chemicals Operations for the three months ended March 31, 2016 were 72.6 billion yen, down 5.9 billion yen or a 7.5% decrease from the same period of the previous fiscal year, but operating profit

was 7.9 billion yen, up 1.9 billion yen or a 31.5% increase from the same period of the previous fiscal year, mainly due to the decline of raw materials and fuel prices.

The following table shows major products in each reportable segment.

Reportable segment	Main products
Glass	Float flat glass, Figured glass, Polished wired glass, Low-E glass, 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, 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	Raw materials for vinyl chloride polymer, 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.

## (2) Explanation of Financial Position

### - Total assets

Total assets as of the end of the first quarter under review were 1,904.5 billion yen, down 86.8 billion yen from the end of the previous fiscal year. Total assets decreased mainly because of a decrease in property, plant and equipment due to the appreciation of the yen compared to the end of the previous fiscal year, as well as a decrease in other financial assets resulting from a decline in listed stock prices.

### - Total liabilities

Total liabilities as of the end of the first quarter under review were 808.6 billion yen, down 18.9 billion yen from the end of the previous fiscal year. This decrease was mainly due to a decrease in interest-bearing debt which includes the impact of the appreciating yen compared to the end of the previous fiscal year.

### - Total equity

Total equity as of the end of the first quarter under review was 1,095.9 billion yen, down 67.9 billion yen from the end of the previous fiscal year. This decrease was primarily due to a decrease in other components of equity resulting from appreciation of the yen compared to the end of the previous fiscal year and due to lower value of listed stock.

### (3) Explanation of the Forecast for Operating Results

(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
Forecast for FY2016 (A)	1,400.0	75.0	45.0	30.0	25.0
Actual results for FY 2015 (B) (January 1 through December 31, 2015)	1,326.3	71.2	84.5	46.3	42.9
(A - B) / B (%)	5.6	5.4	(46.8)	(35.2)	(41.7)

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

In 2016, the world economy is expected to maintain moderate growth on the whole, while weakness might be seen in some areas.

Under such a business environment, the shipments of architectural glass in Japan and Asia, and North America are expected to remain favorable. Although stagnation might persist in Eastern Europe, shipments of architectural glass in Western and Central Europe are expected to increase gradually. In the automotive glass business, shipments are projected to remain stable despite a possible slowdown of automobile demand in some emerging countries.

Shipments of LCD glass substrates are likely to increase on a full-year basis, although the shipment volume is likely to decrease during the first half of the fiscal year from the previous year due to customers' production adjustment. The price decline of LCD glass substrates is expected to diminish. Shipments of specialty glass for display applications are expected to increase on a full-year basis, although the outlook of the smartphone market for electric device applications is not clear. On the other hand, the shipments for automotive applications are likely to expand. In the category of electronics materials, shipments of optoelectronics materials are likely to decrease during the first half of the fiscal year, and will recover from the second half of the fiscal year. Shipments of semiconductor-related products are likely to be strong.

Regarding chemical-related products, shipments of chlor-alkali products are expected to significantly increase thanks to the production start of new plants in Indonesia, and shipments of fluorine products are likely to remain favorable.

Taking into account the above factors, net sales of the AGC Group for the fiscal year ending December 31, 2016 are forecasted to be 1,400.0 billion yen, a year-on-year increase of 73.7 billion yen or 5.6%, and operating profit is forecasted to be 75.0 billion yen, up 3.8 billion yen or 5.4% from a year earlier. However, because the AGC Group posted Income from revision of the defined benefit plan for FY2015, profit before tax to be 45.0 billion yen, down 39.5 billion yen or 46.8% from the previous year and profit for the year attributable to owners of the parent is estimated to be 25.0 billion yen, down 17.9 billion yen or 41.7% from the previous year.

Average exchange rates assumed for the fiscal year ending December 31, 2016 are 120 yen to the U.S. dollar and 130 yen to the Euro.

*[Important notes with regard to the forecast]*

*The above prospective results reflect the assumptions of the Group's management on the basis of currently available information and, as such, contain risks and uncertainties. For this reason, investors are advised not to base investment decisions solely on these prospective results. Please note that actual results may materially differ from the projection due to such various factors as business and market environment the Group is active in, currency exchange rate fluctuations, and others.*

## **2. Summary Information (Notes)**

(1) Changes in Significant Subsidiaries during the Period

Not applicable.

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

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

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

The Group calculated income tax expenses for the three months ended March 31, 2016, based on the estimated average annual effective tax rate.

### 3. Condensed Interim Consolidated Financial Statements (IFRS)

#### (1) Condensed Interim Consolidated Statements of Financial Position

(Unit: millions of yen)

	FY2015 (as of December 31, 2015)	FY2016 first quarter (as of March 31, 2016)
Assets		
Current assets		
Cash and cash equivalents	104,831	110,097
Trade receivables	241,294	228,247
Inventories	235,374	235,582
Other receivables	36,733	28,645
Income tax receivables	6,448	7,160
Other current assets	12,863	10,414
Total current assets	637,546	620,148
Non-current assets		
Property, plant and equipment	982,296	951,961
Goodwill	34,231	33,467
Intangible assets	27,456	26,106
Investments accounted for using equity method	38,850	38,618
Other financial assets	232,877	198,578
Deferred tax assets	30,108	30,027
Other non-current assets	7,896	5,562
Total non-current assets	1,353,716	1,284,323
Total assets	1,991,262	1,904,472

(Unit: millions of yen)

	FY2015 (as of December 31, 2015)	FY2016 first quarter (as of March 31, 2016)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	126,956	122,088
Short-term interest-bearing debt	34,989	41,566
Long-term interest-bearing debt due within one year	61,709	44,898
Other payables	98,678	100,609
Income tax payables	4,737	4,503
Provisions	1,887	1,901
Other current liabilities	17,198	17,584
Total current liabilities	346,157	333,152
Non-current liabilities		
Long-term interest-bearing debt	372,034	372,383
Deferred tax liabilities	32,666	14,741
Post-employment benefit liabilities	58,057	69,510
Provisions	12,821	13,034
Other non-current liabilities	5,758	5,782
Total non-current liabilities	481,338	475,451
Total liabilities	827,495	808,604
Equity		
Share capital	90,873	90,873
Capital surplus	100,802	100,748
Retained earnings	663,874	662,367
Treasury shares	(29,576)	(29,427)
Other components of equity	268,198	204,063
Total equity attributable to owners of the parent	1,094,172	1,028,626
Non-controlling interests	69,594	67,240
Total equity	1,163,767	1,095,867
Total liabilities and equity	1,991,262	1,904,472

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

(Condensed Interim Consolidated Statements of Profit or Loss)

(Unit: millions of yen)

	For the three months ended March 31, 2015 (Jan. 1 through Mar. 31, 2015)	For the three months ended March 31, 2016 (Jan. 1 through Mar. 31, 2016)
Net sales	325,596	307,997
Cost of sales	(243,732)	(228,673)
Gross profit	81,863	79,323
Selling, general and administrative expenses	(66,432)	(62,983)
Share of profit (loss) of associates and joint ventures accounted for using equity method	503	368
Operating profit	15,935	16,708
Other income	466	622
Other expenses	(4,712)	(2,815)
Business profit	11,689	14,515
Finance income	653	656
Finance costs	(1,803)	(2,275)
Net finance costs	(1,150)	(1,619)
Profit before tax	10,539	12,896
Income tax expenses	(5,399)	(3,125)
Profit for the period	5,139	9,770
Attributable to:		
Owners of the parent	4,623	8,839
Non-controlling interests	516	930
Earnings per share		
Basic earnings per share (yen)	4.00	7.65
Diluted earnings per share (yen)	3.98	7.62

## (Condensed Interim Consolidated Statements of Comprehensive Income)

(Unit: millions of yen)

	For the three months ended March 31, 2015 (Jan. 1 through Mar. 31, 2015)	For the three months ended March 31, 2016 (Jan. 1 through Mar. 31, 2016)
Profit for the period	5,139	9,770
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)	6,852	(8,968)
Net gain (loss) on revaluation of financial assets measured at FVTOCI <sup>(Note)</sup>	14,944	(22,063)
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(68)	9
Total	21,728	(31,022)
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	318	(297)
Exchange differences on translation of foreign operations	(10,660)	(35,391)
Share of other comprehensive income of associates and joint ventures accounted for using equity method	27	16
Total	(10,313)	(35,672)
Other comprehensive income, net of tax	11,414	(66,695)
Total comprehensive income for the period	16,554	(56,925)
Attributable to:		
Owners of the parent	17,115	(55,188)
Non-controlling interests	(561)	(1,736)

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

(3) Condensed Interim Consolidated Statements of Changes in Equity  
For the three months ended March 31, 2015

(Unit: millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					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 period	-	-	4,623	-	-	-
Other comprehensive income	-	-	-	-	6,578	14,940
Total comprehensive income for the period	-	-	4,623	-	6,578	14,940
Transactions with owners						
Dividends	-	-	(10,402)	-	-	-
Increase through treasury shares transactions	-	-	-	(14)	-	-
Decrease through treasury shares transactions	-	(0)	(6)	41	-	-
Share-based payment transactions	-	(13)	-	-	-	-
Others (business combinations and others)	-	-	-	-	-	-
Total transactions with owners	-	(14)	(10,409)	27	-	-
Balance as of March 31, 2015	90,873	100,656	636,080	(29,757)	(34,281)	101,342

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

For the three months ended March 31, 2015

(Unit: millions of yen)

	Equity attributable to owners of the parent			Total	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				
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 period	-	-	-	4,623	516	5,139
Other comprehensive income	346	(9,373)	12,492	12,492	(1,078)	11,414
Total comprehensive income for the period	346	(9,373)	12,492	17,115	(561)	16,554
Transactions with owners						
Dividends	-	-	-	(10,402)	(451)	(10,854)
Increase through treasury shares transactions	-	-	-	(14)	-	(14)
Decrease through treasury shares transactions	-	-	-	34	-	34
Share-based payment transactions	-	-	-	(13)	-	(13)
Others (business combinations and others)	-	-	-	-	1,184	1,184
Total transactions with owners	-	-	-	(10,396)	733	(9,663)
Balance as of March 31, 2015	(387)	255,319	321,993	1,119,845	67,536	1,187,382

For the three months ended March 31, 2016

(Unit: millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					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 period	-	-	8,839	-	-	-
Other comprehensive income	-	-	-	-	(8,980)	(22,048)
Total comprehensive income for the period	-	-	8,839	-	(8,980)	(22,048)
Transactions with owners						
Dividends	-	-	(10,404)	-	-	-
Increase through treasury shares transactions	-	-	-	(2)	-	-
Decrease through treasury shares transactions	-	-	(47)	151	-	-
Changes in ownership interests in subsidiaries that do not result in loss of control	-	16	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	105	-	-	(105)
Share-based payment transactions	-	(69)	-	-	-	-
Others (business combinations and others)	-	-	-	-	-	-
Total transactions with owners	-	(53)	(10,346)	148	-	(105)
Balance as of March 31, 2016	90,873	100,748	662,367	(29,427)	(43,983)	69,254

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

For the three months ended March 31, 2016

(Unit: millions of yen)

	Equity attributable to owners of the parent			Total	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				
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 period	-	-	-	8,839	930	9,770
Other comprehensive income	(281)	(32,718)	(64,028)	(64,028)	(2,666)	(66,695)
Total comprehensive income for the period	(281)	(32,718)	(64,028)	(55,188)	(1,736)	(56,925)
Transactions with owners						
Dividends	-	-	-	(10,404)	(197)	(10,601)
Increase through treasury shares transactions	-	-	-	(2)	-	(2)
Decrease through treasury shares transactions	-	-	-	104	-	104
Changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	16	(419)	(402)
Transfer from other components of equity to retained earnings	-	-	(105)	-	-	-
Share-based payment transactions	-	-	-	(69)	-	(69)
Others (business combinations and others)	-	-	-	-	(1)	(1)
Total transactions with owners	-	-	(105)	(10,356)	(617)	(10,974)
Balance as of March 31, 2016	(2,845)	181,638	204,063	1,028,626	67,240	1,095,867

## (4) Condensed Interim Consolidated Statements of Cash Flows

(Unit: millions of yen)

	For the three months ended March 31, 2015 (Jan. 1 through Mar. 31, 2015)	For the three months ended March 31, 2016 (Jan. 1 through Mar. 31, 2016)
Cash flows from operating activities		
Profit before tax	10,539	12,896
Depreciation and amortization	33,807	31,405
Interest and dividend income	(632)	(641)
Interest expenses	1,635	1,637
Share of profit (loss) of associates and joint ventures accounted for using equity method	(503)	(368)
Loss (gain) on sale or disposal of non-current assets	605	381
Decrease (increase) in trade receivables	19,303	6,867
Decrease (increase) in inventories	(8,201)	(5,844)
Increase (decrease) in trade payables	(1,859)	(899)
Others	6,895	13,793
Subtotal	61,587	59,226
Interest and dividends received	651	712
Interest paid	(1,582)	(2,416)
Income taxes paid	(5,654)	(5,956)
Net cash from operating activities	55,001	51,566
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(29,582)	(30,879)
Proceeds from sale of property, plant and equipment	5,064	837
Purchase of other financial assets	(386)	(2,600)
Proceeds from sale and redemption of other financial assets	192	1,222
Others	47	179
Net cash used in investing activities	(24,664)	(31,239)
Cash flows from financing activities		
Changes in short-term interest-bearing debt	(21,380)	7,907
Proceeds from borrowing or issuing long-term interest-bearing debt	8,019	9,776
Repayment or redemption of long-term interest-bearing debt	(183)	(20,196)
Payment from purchase of shares in subsidiaries from non- controlling interests	-	(402)
Acquisition of treasury shares	(14)	(2)
Dividends paid	(10,402)	(10,404)
Others	495	(423)
Net cash used in financing activities	(23,466)	(13,746)
Effect of exchange rate changes on cash and cash equivalents	1,894	(1,314)
Net increase (decrease) in cash and cash equivalents	8,765	5,265
Cash and cash equivalents at the beginning of the period	69,655	104,831
Cash and cash equivalents at the end of the period	78,420	110,097

(5) Notes to the Condensed Interim Consolidated Financial Statements

(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, 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	Raw materials for vinyl chloride polymer, Caustic soda, Urethane, Fluorinated resins, Water and oil repellents, Gases, Solvents, Pharmaceutical and agrochemical intermediates and active ingredients, Iodine-related products, etc.

For the three months ended March 31, 2015 (January 1 through March 31, 2015)

(Unit: millions of yen)

	Reportable segments			Ceramics/ Other	Total	Adjustments	Amount reported on condensed interim consolidated statements of profit or loss
	Glass	Electronics	Chemicals				
Sales to external customers	168,813	72,783	77,648	6,349	325,596	-	325,596
Inter-segment sales or transfers	272	227	825	7,500	8,825	(8,825)	-
Total sales	169,086	73,011	78,474	13,850	334,421	(8,825)	325,596
Segment profit (loss) (Operating profit)	1,991	8,738	6,045	(878)	15,897	38	15,935
Profit for the period	-	-	-	-	-	-	5,139

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.

For the three months ended March 31, 2016 (January 1 through March 31, 2016)

(Unit: millions of yen)

	Reportable segments			Ceramics/ Other	Total	Adjustments	Amount reported on condensed interim consolidated statements of profit or loss
	Glass	Electronics	Chemicals				
Sales to external customers	170,717	58,311	72,366	6,600	307,997	-	307,997
Inter-segment sales or transfers	159	419	219	10,171	10,969	(10,969)	-
Total sales	170,877	58,731	72,586	16,771	318,966	(10,969)	307,997
Segment profit (loss) (Operating profit)	6,714	2,374	7,947	(374)	16,662	45	16,708
Profit for the period	-	-	-	-	-	-	9,770

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.

(Notes to Other Income and Other Expenses)

**Other Income**

(Unit: millions of yen)

	For the three months ended March 31 2015 (Jan. 1 through Mar. 31, 2015)	For the three months ended March 31, 2016 (Jan. 1 through Mar. 31, 2016)
Gains on sale of non-current assets	-	105
Others	466	517
Total	466	622

**Other Expenses**

(Unit: millions of yen)

	For the three months ended March 31, 2015 (Jan. 1 through Mar. 31, 2015)	For the three months ended March 31, 2016 (Jan. 1 through Mar. 31, 2016)
Foreign exchange loss	(2,235)	(398)
Losses on disposal of non-current assets	(592)	(486)
Expenses for restructuring programs	(1,531)	(381)
Others	(353)	(1,548)
Total	(4,712)	(2,815)