

October 12, 2006

Asahi Glass to Newly Build a Second Automotive Glass Plant in China

Asahi Glass Co., Ltd.

Asahi Glass Co., Ltd. (Head Office: Tokyo; President: Masahiro Kadomatsu) announced it will newly build an automotive glass plant in Foshan, Guangdong Province, its second plant in China. To this end, the Company will start construction of this automotive glass (laminated glass and tempered glass) plant with investments totaling about 6.5 billion yen in early 2007, and mass production is scheduled to start in the first quarter of 2008.

Output of automobiles in China has sharply risen since its entry into the WTO in 2002, amounting to 5.71 million units in 2005, up about 13% from the previous year. The figure made China the world's third in auto production following the U.S. and Japan, overtaking Germany. Chinese production of automobiles is expected to continue growing about 8% annually, exceeding 9 million in 2010, almost the same level as that of Japan. In response, demand for automotive glass is forecasted to increase substantially.

After its 1995 capital tie-up with an automotive glass firm in Qinhuangdao, Hebei Province (present AGC Automotive (China) Co., Ltd.), Asahi Glass made the local firm a wholly owned subsidiary in 2003, and increased its production capacity to about 1.2 million car sets in total per year by installing the latest facilities in 2004, to strengthen and improve its automotive glass business. As a result of adding the capacity for about 1 million car sets per year this time at the second plant, the Company will be able to establish a supply system for about 2.2 million car sets in total per year in China. The Company will continuously work to strengthen and accelerate its supply system to offer higher quality automotive glass products on a global basis.

The Nanhai Science and Technology Industrial Park, Foshan, in Guangdong Province, the planned location for the second plant, was chosen by comprehensively taking into consideration all the important aspects: mainly operations of automakers, infrastructure including roads and electric power, distance required for transport of raw glass from the Company's production base, which is located in Suzhou, Jiangsu Province and began operations in May 2006, etc.

The outline of the second plant is as follows:

1. Location: Nanhai Science and Technology Industrial Park, Foshan , Guangdong Province
2. Total investment amount: About 6.5 billion yen
3. Start of production: First quarter of 2008 (planned)
4. Production capacity: Laminated glass and tempered glass for automotive use
 - Existing plant: Approximately 1.2 million car sets/year
 - Second plant: Approximately 1 million car sets/year
 - Total: Approximately 2.2 million car sets/year

Asahi Glass currently holds 30% of the world market share for automotive glass. Through this capital investment, the Company aims to secure nearly the same level of market share for automotive glass as in the rest of the world in the Chinese passenger car and SUV markets, and to stably offer higher quality products, technologies and services.

For further information, please contact Shinichi Kawakami, General Manager, Corporate Communications and Investor Relations, Asahi Glass Co., Ltd.

(Direct inquiries to Yoshihiko Saito: Tel: +81-3-3218-5509 Email: infor-pr@agc.c.jp)