

March 25th, 2010

AGC sets up production base in China for TFT-LCD glass substrates

AGC Asahi Glass Co., Ltd.

AGC (Asahi Glass Co., Ltd.; Head Office: Tokyo; President & CEO: Kazuhiko Ishimura) has decided to open a new production base in Jiangsu, China for TFT-LCD (thin-film transistor liquid crystal display) glass substrates. Installed will be facilities to process (cutting and polishing) up to 8th generation glass substrates, and the start of volume production is currently scheduled in Autumn 2011.

Demand for TFT-LCD panels has remained relatively strong for both TV and PC applications, and is expected to continue to grow at a rate of 10 to 20% per year. The mother glass used in mainstream production methods of TFT-LCD panel manufacturers is large sized, and hence, there is a need for glass manufacturers to be capable of steadily supplying large sized glass substrates.

To date, in step with the growth of demand for glass substrates, AGC has expanded capacity and has strived to raise productivity at its existing facilities located in Japan, Korea and Taiwan. In Korea, operation of a new furnace has begun this year, following last year's. Expansions are going forward also in Taiwan to respond to demand growth.

AGC has been supplying orders from China by shipping from these existing production bases. However, plans to produce large sized TFT-LCD panels in China are arising one after another, and the future demand for large sized glass substrates is expected to grow greatly. Therefore, AGC has decided to set up this new facility capable of processing large sized glass substrates, and thereby establish a production system with enough flexibility to respond to the growth of the Chinese market in coordination with existing operations in Japan, Korea and Taiwan.

“The Second Round of Globalization” is one of the major focus points of AGC’s management policy *Grow Beyond*. We look to strengthen and expand our businesses and presence in the emerging countries

< Outline of the new subsidiary >

1. Corporate Name: AGC Display Glass (Kunshan) Co., Ltd
2. Representative: (To be assigned)
3. Location: Kunshan , Jiangsu province, People’s Republic of China
4. Amount of Capital: Approx. 35 million US\$ (approx. 3.1 billion Yen)

5. Shareholder: AGC Group 100%

6. Date of foundation: To be established in late March, 2010

7. Main line of business: Manufacturing (Processing) and sales of TFT-LCD glass substrate

For further information, please contact Toshihiro Ueda, General Manager of Corporate Communications & Investor Relations, **AGC** Asahi Glass Co., Ltd.

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