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### **The AGC Group's Restoration Status**

Following the previous announcement on March 14 regarding the impact of the earthquake, AGC (Asahi Glass Co., Ltd.; Headquarters: Tokyo; President & CEO: Kazuhiko Ishimura) announces an update on the Group's restoration efforts as follows. The AGC Group is a raw materials manufacturer that produces chemicals that are indispensable for sustaining lifeline utilities, glass that is essential for the restoration of disaster-affected areas, and other wide range of products such as housing, automobiles and electronics that are deeply rooted in our lifestyle. The Group will continue to exert every possible effort to restore the affected facilities and support the reconstruction of affected areas.

#### **1. Employees**

AGC has confirmed the safety of all AGC Group employees. Several employees were slightly injured during the disaster.

#### **2. Facilities**

The following is the current status of disaster-affected facilities.

##### **(1) AGC Asahi Glass Kashima Plant (Kamisu, Ibaraki prefecture)**

###### **<Main products: Architectural glass and chemicals>**

Architectural Glass:

There was damage to a part of the float glass facility for architectural flat glass, and production has been suspended to date. As a result of the company's recovery efforts, the repair work is expected to be completed in a few days. AGC will continue restoration operations, aiming to restart production in mid April.

Chemicals:

There was also some damage to the manufacturing/shipment facilities for chemicals. Placing a particular priority on sodium bicarbonate that is used for ethical drugs, AGC has already restarted shipments of the product from inventories and is steadily preparing for production restart. Operations will resume gradually as soon as the supply of electricity, raw materials and fuels for manufacturing activities starts.

In addition, the loading berth used both for shipments of chemicals and for incoming shipments of raw materials for architectural float glass and chemicals has been damaged and a part of the facility cannot be used. To solve this problem, AGC is currently arranging alternative shipping/receiving methods.

**(2) AGC Asahi Glass Chiba Plant (Ichihara, Chiba prefecture)**

**<Main products: Chemicals>**

Due to a fire on the premises of a neighboring factory, AGC had voluntarily restricted access to the plant until March 14. After the restriction was lifted, AGC checked the status of the production facilities and conducted restoration operations. AGC placed priority on sodium hypochlorite, which is used for disinfection of drinking water, and restarted shipments of the product from inventory on March 17 and resumed production on March 20. Also, production of caustic soda, which is a raw material for sodium hypochlorite, and some other products has resumed as the in-house power generation facilities reopened on March 23. AGC will gradually resume production of the rest of the products as soon as electricity is secured for operations.

**(3) AGC Display Glass Yonezawa (Yonezawa, Yamagata prefecture)**

**<Main products: Small/Mid-sized LCD glass substrates>**

There was no critical damage to the building facilities of AGC Display Glass Yonezawa, which processes small/mid-sized LCD glass substrates, and production has resumed/continued. Meanwhile, among the company's outsourcers what handle a part of its processing operations, some building facilities have been damaged, and urgent restoration work is underway.

#### **(4) AGC Electronics Koriyama Plant (Koriyama, Fukushima prefecture)**

**<Main products: Optoelectronics materials and semiconductor related materials>**

AGC conducted restoration work and has resumed production of some products since late March. The plant will be able to resume production of all products in two to three weeks.

Production had been suspended at some of the plants for architectural processed glass in Tohoku/North Kanto region. At those locations, excluding the plants near the epicenters of the earthquake, restoration work has been completed and production has resumed.

### **3. Shipments**

#### **(1) Glass**

Until the operations of AGC Kashima plant resume, AGC will allocate existing inventories and shipments from other AGC Group's plants in and outside the country and make the utmost effort to prevent a supply shortage of architectural glass. While some variations of a certain products took time to ship from other plants and AGC had to limit accepting some orders immediately after the earthquake, the Group has already resumed order placement for those variations.

#### **(2) Electronics**

The impacts of the earthquakes and tsunamis are limited to small/mid-sized LCD glass substrates, and it is considered that impacts on AGC Group's overall flat panel display (FPD) business will be limited.

#### **(3) Chemicals**

At AGC Kashima plant, the major issue is how to secure the supply of electricity, raw materials and fuels, and AGC will continue discussing with relevant organizations to seek solutions on this matter. Also, the damage to the loading berth has hindered product shipments and incoming shipments of raw materials and fuels. AGC will respond to the situation by arranging an alternative shipping/receiving method.

At AGC Chiba plant, shipments of a certain products have already started as mentioned the above. AGC will continue discussing with relevant organizations to secure electricity supply, and strive to resume production for all the products at the plant.

#### **4. Financial impacts on the AGC Group's business performance**

As mentioned above, AGC exerts its full effort toward restoration of each business operation. At the same time, AGC leverages its group-wide strength by effectively providing production support from overseas offices and plants through its global network.

In terms of estimated damage from the disaster, AGC expects that the restoration costs will not become enormous under the current circumstances. At this moment, however, it is difficult to accurately assess the financial impacts on the Group's business performance due to the factors such as uncertainty about the country's future economic conditions. AGC will announce the financial impact on its performance as soon as the figures have been confirmed.

#### **5. Electricity saving measures**

In consideration of the ongoing serious electricity shortage, the AGC Group will cooperate in the nationwide electricity-saving efforts by reducing electricity use and implementing operation adjustment at Group's plants.