



**FOR IMMEDIATE RELEASE**

## **AGC to Build its Third Chinese Automotive Glass Plant at Production Unit in Suzhou**

**Tokyo, October 10, 2013**—AGC (Asahi Glass Co., Ltd.; Head office: Tokyo; President & CEO: Kazuhiko Ishimura) announces that it has decided to newly establish an auto glass plant at its subsidiary AGC Flat Glass (Suzhou) Co., Ltd. (Head office: Suzhou, Jiangsu Province, China; AFS), the third of its kind in China. AGC will gradually stop running the manufacturing facilities for photovoltaic cover glass at AFS, which are currently in operation, and convert the relevant assets into a plant for producing automotive glass. From now on, AGC will invest a total of about 4.5 billion yen in this project, planning to start mass-producing automotive glass in the first quarter of 2015.

In China, auto production is expected to exceed 20 million units in 2013 and, even after that, continue growing at a high rate of 5% annually. Because of this, demand for automotive glass is projected to increase steadily. Since its 1995 investment in an automotive glass company in Qinhuangdao, Hebei Province, AGC has strengthened and improved the automotive glass business, and it established an automotive glass plant in Foshan, Guangdong Province in 2006. To cope with growing demand for automotive glass, AGC considers it necessary to further expand production capacity for this glass.

Meanwhile, selling prices of the cover glass of solar cells are rapidly dropping due to excessive capital investments by Chinese glass manufacturers. Against this backdrop, in 2012, AGC closed a photovoltaic cover glass plant in the U.S., and stopped producing raw glass for photovoltaic cover glass in the Philippines. Despite such measures, however, profitability of the photovoltaic cover glass business is deteriorating as the situation of lower prices for such glass has not been improved, hurt by excessive supply.

Under such business circumstances, AGC has decided to convert the photovoltaic cover glass plant of AFS into an automotive glass plant. AFS satisfies the conditions for newly establishing an automotive glass plant given the following factors: (1) many automakers are operating in the area around AFS, (2) AFS produces raw glass for automotive glass, and (3) after discontinuing the production of photovoltaic cover glass, the relevant assets can be used effectively for the manufacture of automotive glass.

The third automotive glass plant will have an annual production capacity to equip approximately 1.2 million vehicles in total, and such number for AGC in the whole of China, including this plant, will increase to about 3.6 million in total.

AGC will continuously strive to improve its business performance through implementing profitability-improvement measures, and steadily capture demand growing in emerging countries, aiming to enhance and firmly establish a foundation for growth.

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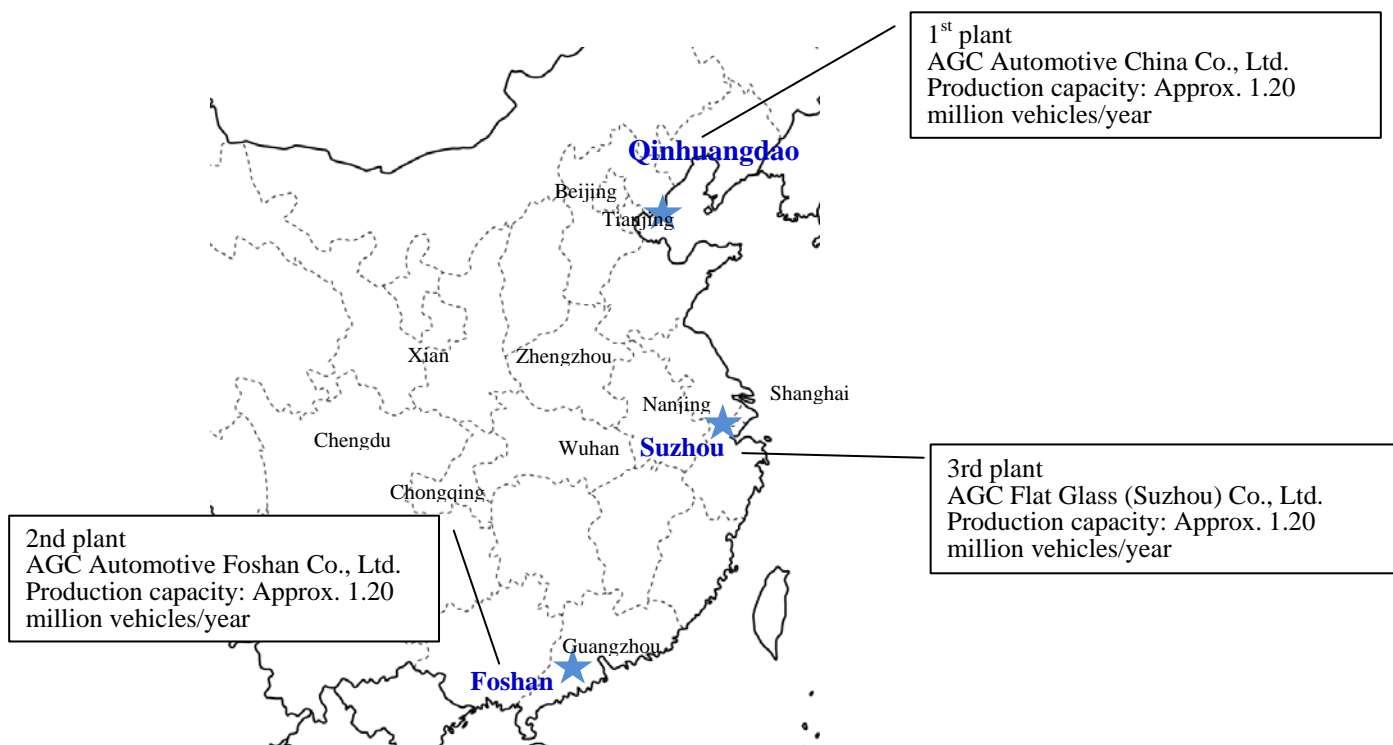
**AGC** Asahi Glass Co., Ltd.

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<Reference>

**1. Outline of the third automotive glass plant**

- 1. Location: No. 158 Wang-Jiang Road, Suzhou Industrial Park, Jiangsu Province
- 2. Total investment amount: About 4.5 billion yen
- 3. Start of production: First quarter of 2015 (planned)
- 4. Production capacity: Laminated glass and tempered glass for automobiles
  - Existing plant: Approximately 2.40 million vehicles/year
  - Third plant: Approximately 1.20 million vehicles/year
  - Total: Approximately 3.60 million vehicles/year



**2. Outline of the photovoltaic cover glass business**

(1) Major events until now

- 2012 Closed the photovoltaic cover glass plant (Kingsport Plant) of AGC Flat Glass North America, Inc.
- 2012 Stopped the production of raw glass for photovoltaic cover glass at AGC Flat Glass Philippines Inc.

(2) Production bases now in operation

- Raw glass for photovoltaic cover glass:
  - AGC Flat Glass (Suzhou) Co., Ltd.
  - AGC Glass Europe (Reux Plant)
- Processing (tempering and AR coating):
  - AGC Flat Glass (Suzhou) Co., Ltd.
  - AGC Glass Europe (Reux Plant)
  - AGC Flat Glass Philippines Inc.