

FOR IMMEDIATE RELEASE

AGC to Establish an Integrated Production System in China for TFT-LCD Glass Substrates

Tokyo, April 17, 2015—AGC (Asahi Glass Co., Ltd.; Head Office: Tokyo; President & CEO: Takuya Shimamura) announced today that it is to build a furnace for TFT-LCD glass substrates in Huizhou, Guangdong Province, having signed a Memorandum of Understanding for investment with Huizhou Zhongkai High-tech Industrial Development Zone on April 16. This will enable the AGC Group to establish an integrated production system from raw glass to processing in China, where demand continues to grow. In this project, AGC will transplant cutting-edge production facilities from Japan, which will lead to a significant reduction in capital investment. The new subsidiary is scheduled to be established in mid-2015, with operation slated to start at the end of 2016 or early 2017.

Demand for TFT-LCD panels continues to be strong for use in TVs, mobile devices, and IT applications, with the market expected to continue growing at an annual rate of more than five percent in the future. In particular, demand for TFT-LCD panels is projected to grow faster in the Chinese market than in the global market, requiring an integrated production system to be established in China to secure stable supplies of large glass substrates.

To accommodate demand growth in China, AGC has established a supply system by setting up a processing facility for large glass substrates in Kunshan, Jiangsu Province, and Shenzhen, Guangdong Province. The Company has now decided to relocate a cutting-edge glass substrate production facility from Japan to reinforce the stable supply system and ensure the Group meets demand in the Chinese market, which is forecasted to grow further.

AGC aims to enhance the Group's corporate value as set out in the new management policy *AGC plus*, by ensuring it catches up with growing demand in China, while increasing the asset efficiency of the LCD glass substrate business.

<Outline of the new subsidiary>

1. Corporate Name: AGC Display Glass (Huizhou) Co., Ltd.
2. Representative: To be determined
3. Location: Huizhou, Guangdong Province, People's Republic of China
4. Shareholder: AGC 100%
5. Main Line of Business: Manufacture and sale of TFT-LCD glass substrates

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<Reference>

Production Bases for TFT-LCD Glass Substrates

