

June 15, 2006

Increasing Production Capacity of PDP Glass Substrates

Asahi Glass Co., Ltd.

Asahi Glass Co., Ltd. (Headquarters: Tokyo; President: Masahiro Kadomatsu) has decided to increase its production capacity of glass substrates used in PDPs (Plasma Display Panels). For this purpose, the Company will make an initial investment of about 15 billion yen in the old site of Osaka Power Plant of Kansai Electric Power Co., Inc. (Suminoe-ku, Osaka City) and establish a new plant for processing large PDP glass substrates. Asahi Glass plans to start construction of the new plant in about August this year and start mass production of large PDP glass substrates about May 2007.

The PDP panel volume is forecast to rise to 17 million units in 2009 from 9.8 million units in 2006, demonstrating annual growth of about 20% during the period. The Company predicts that the sizes of glass substrates will become increasingly larger, while demand for PDP glass substrates will continue to rise significantly in the future.

Asahi Glass, which has increased its glass substrate production capacity to meet the increase in demand, has decided to establish a new processing plant for cutting, end-face processing, and ITO coating of large glass substrates, in an aim to boost capabilities to meet further increases in demand and upsizing of glass substrates in the future. For the location of the new processing plant, the Company chose the old site of the Osaka Power Plant of Kansai Electric Power Co., Inc. This investment was made possible by invitations from the Osaka Prefecture and Osaka City governments, which allowed Asahi Glass to lease the premises and start construction at an early date. The site is situated in an efficient location in terms of utilization of existing infrastructure.

Asahi Glass started its production of PDP glass substrate (PD200) in 1996 at the Kansai Plant, becoming the world's pioneer in the field, and the Company still maintains global market share of nearly 80% in this sector. In the future, the Company will strive to make proactive capital investment to offer higher quality, more advanced technologies and better services through stable product supply.

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

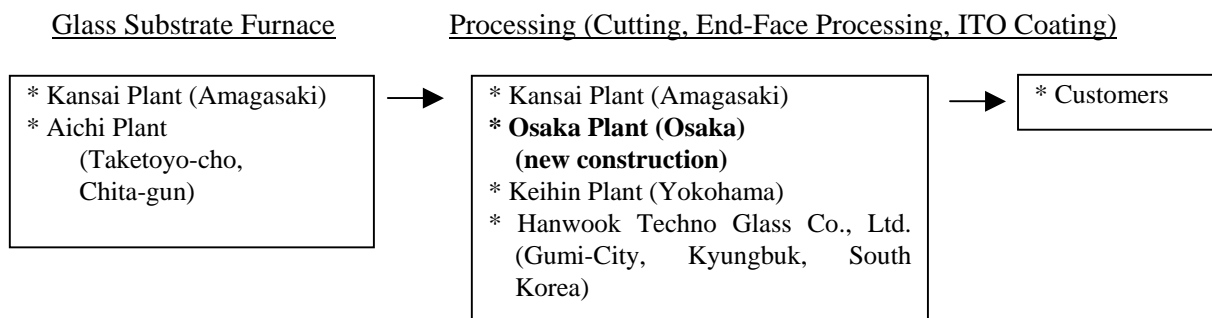
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<Reference>

Outline of new processing plant

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|------------------------------|--|
| (1) Name | (Tentative name) Osaka Plant |
| (2) Location | Hirabayashi Kita, Suminoe-ku, Osaka City |
| (3) Amount of investment | About 15 billion yen (initial stage) |
| (4) Start of construction | August 2006 (planned) |
| (5) Start of mass production | May 2007 (planned) |
| (6) Area of site | 40,000 m ² (initial stage) |
| (7) Business activities | Processing of PDP glass substrates |

Flowchart of Asahi Glass' PDP Glass Substrate Manufacturing



Both PDP glass substrates and raw glass for automotive use are produced at furnace in Aichi Plant.