

October 26, 2006

Asahi Glass to Boost LCD Backlight Glass Tube Production Capacity

Asahi Glass Co., Ltd.

Asahi Glass Co., Ltd. (Head office: Tokyo; President: Masahiro Kadomatsu) has decided to substantially increase its production capacity of the specialty glass tubes for the backlight lamps used to illuminate LCD (liquid crystal display) panels. Investing a total of 11.0 billion yen, the Company aims to raise output of such tubes at the Shizuoka plant of its wholly-owned Asahi Techno Glass Corporation subsidiary to 600 tons per month, by enhancing furnaces and production lines at existing facilities'. The relevant construction is expected to be complete by spring 2007.

Under the "*JIKKO-2007*" medium-term business plan, which was launched in 2005, Asahi Glass is cultivating *Electronics & Energy* as its third mainstay business. Since its entry into the LCD backlight glass tube business in 2004, the Company has enhanced the relevant facilities at the Shizuoka plant of Asahi Techno Glass, bringing new dedicated furnaces on-stream one after another. The Company's glass tubes for backlight applications is an eco-friendly product (that uses no arsenic, antimony or other toxic substances at all) and still satisfies customer needs. Hence, the product earns high marks among customers amid the recently growing concerns for environmental protection.

Demand for glass tubes for LCD panel backlight lamps is rapidly growing, while the sales volume of LCD televisions is sharply increasing worldwide as well as the spread of larger LCD panels is bringing about more use of glass tubes. The market for such glass tubes is expected to total about 13,000 tons in 2006 and 24,000 tons in 2008. In response, Asahi Glass will reinforce the supply system for these glass tubes in 2007, seeking to secure at least a 30% share of the world market by 2008.

Asahi Glass is dedicated to continue to provide a stable supply of superior quality products to customers and proactively implement capital expenditures while leveraging its strengths in environmental protection.

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

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<Reference>

1. Outline of Asahi Techno Glass Corporation

- (1) Corporate name: Asahi Techno Glass Corporation
- (2) Location: 1-50-1 Gyoda, Funabashi, Chiba
- (3) CEO: Hiroshi Wakamura, President and CEO
- (4) Capital: 7,233 million yen
- (5) Equity ownership: 100% owned by Asahi Glass
- (6) Major manufacturing bases:
 - Nakayama Plant (1-50-1 Gyoda, Funabashi, Chiba)
 - Shizuoka Plant (3583-5 Kawajiri, Yoshida-cho, Haibara-gun, Shizuoka)
 - Thai Iwaki Glass Co., Ltd. (Thailand)
- (7) Business activities: Production and sales of glass tubes for LCD backlight lamps, glass for automotive lighting (headlights, signal lamps, etc.), specialty glass products such as physico-medical applications, and houseware products such as heat-resistant glass kitchenware
- (8) Incorporation: January 1, 1999 (established October 24, 1883)
- (9) Number of employees: 1,728 (on a consolidated basis as of the end of June 2006)



2. Supply chain for LCD backlight glass tubes

