

October 4, 2007

Asahi Glass to Expand Output Capacity of Large TFT-LCD Glass Substrates
- Establishment of a production system for the world's largest 10G glass substrates -

Asahi Glass Co., Ltd.

Asahi Glass Co., Ltd. (Head Office: Tokyo; President & CEO: Masahiro Kadomatsu) has decided to increase production capacity of glass substrates for TFT-LCD (thin film transistor-liquid crystal display). Spending about 30 billion yen in total, Asahi Glass will establish a production furnace (output capacity: 5 million m²/year) and a polishing line, for up to 10th generation substrates, at its Takasago Plant (Takasago, Hyogo Prefecture). The production furnace is expected to start mass production respectively in Autumn 2008 and the polishing line is forecasted to start in 2009.

Demand for TFT liquid crystal panels is now in full swing for television sets as well as for personal computers, and is expected to rise at an annual rate of 20% on a unit basis. In addition, many TFT liquid crystal panel manufacturers currently produce panels by using large 6th generation or larger mother glass. Production of panels with using 10th generation glass substrates, the world's largest, is also scheduled. Given this trend, the supply-demand situation of glass substrates is expected to even tighten, centering on large sizes, and glass manufacturers will be forced to build structures for stably supplying large glass substrates.

Until now, Asahi Glass has boosted production capacity of glass substrates in Japan, South Korea and Taiwan in response to a rise in demand, and has promoted technology development for large glass substrates. The company will now establish a new production furnace and a polishing line at Takasago Plant that will be capable of handling even 10th generation glass substrates, responding to projected stronger demand and larger mother glass sizes. As the company's largest domestic production base of TFT glass, the Takasago Plant currently operates two production furnaces for TFT glass substrates and a polishing line that can handle up to 8th generation glass substrates. The plant's existing human resources and infrastructure can therefore be used effectively for this project, and a building space for the project can be secured within the plant site without needing to acquire or lease additional land. Thus, the plant indeed offers a favorable location and key benefits for this project.

Asahi Glass will continue to expand facilities as necessary, while giving full consideration to trends in demand for glass substrates and an increase in production capacity at its existing manufacturing facilities in Japan, South Korea and Taiwan, and will also stably supply products that meet the needs of customers by leveraging its strengths in the float production method and technologies for polishing large glass substrates.

For further information on this press release, please contact Shinichi Kawakami, General Manager, Corporate Communications and Investor Relations, Asahi Glass Co., Ltd.

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Reference

1. Asahi Glass production bases for TFT-LCD glass substrates

Japan: Keihin Plant, Kansai Plant, Takasago Plant and AGC Display Glass Yonezawa Co., Ltd.
(Yonezawa, Yamagata Prefecture)

Taiwan: AGC Display Glass Taiwan Co., Ltd.

South Korea: Asahi Glass Fine Techno Korea Co., Ltd.

2. Outline of the Takasago Plant

(1) Location: 5-6-1 Umei, Takasago, Hyogo Prefecture

(2) Representative: Takeshi Harano, Plant Manager

(3) Products: TFT-LCD glass substrates and materials for SiC-based semiconductor devices

(4) Site area: About 380,000m²