



Corporate Name: Asahi Glass Co., Ltd.
President & CEO: Takuya Shimamura
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An Announcement to Set Up a Subsidiary in China

Tokyo, December 13, 2016—AGC Asahi Glass (AGC) announced that it had resolved at a meeting of the Board of Directors on December 13, 2016, to establish a new production base for TFT-LCD glass substrates in Shenzhen, Guangdong Province, China.

1. Purpose to set up the New Company

Aiming to enhance corporate value under its management policy, **AGC plus**, AGC has decided to establish a new production base for the 11th generation* of TFT-LCD glass substrates in Shenzhen, Guangdong Province, China, to meet expanding demand in China, while improving asset efficiency in LCD glass substrates business.

After a new company is established jointly with Shenzhen China Star Optoelectronics Semiconductor Display Technology Co., Ltd., a glass substrate processing line will be installed at the plant. Mass-production is planned to start in 2019.

AGC has been enhancing its supply system to meet expanding demand for glass in China by establishing processing bases that support the 8th generation of glass substrates in Kunshan, Jiangsu Province, and Shenzhen, Guangdong Province, as well as a base to manufacture raw glass for TFT-LCDs in Huizhou, Guangdong Province. This new glass substrate-processing base, supporting the 11th generation, will be established to meet demand in the Chinese market, which is expected to expand further in the future.

Please note that this project is subject to approval from the antitrust authorities.

* Size of the 11th generation glass substrate: 3370 mm×2940 mm

2. Overview of the New Company

- i. Name: AGC Advanced Electronics Display Glass (Shenzhen) Co., Ltd.
- ii. Established: 3Q/2017 (scheduled)
Location: Guangming New District High-Tech Zone, Shenzhen, Guangdong Province, People's Republic of China
- iv. Capital: 10.8 billion yen
- v. Shareholding ratios: AGC: 70%; Shenzhen China Star Optoelectronics Semiconductor Display Technology Co., Ltd.: 30%
- vi. Representative: TBD
- vii. Fiscal year-end: December
- viii. Description of business: Manufacturing (processing) and distribution of TFT-LCD glass substrates

<Media inquiries>

Junichi Kobayashi, General Manager, Corporate Communications & Investor Relations Office

AGC Asahi Glass

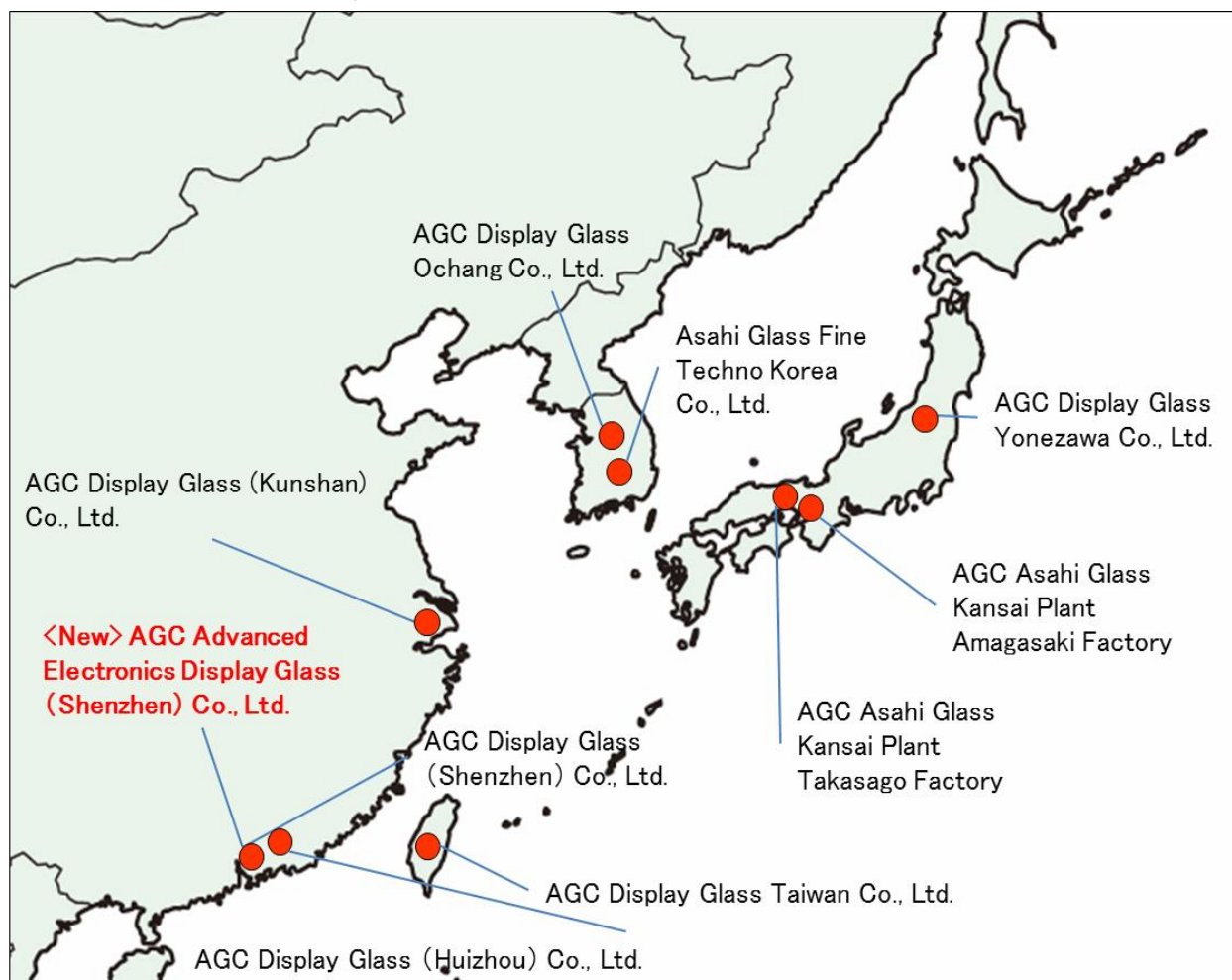
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3. Future Prospects

Establishment of this joint venture has no impacts on our consolidated performance of FY 2016 (as of December 31, 2016).

<Reference>

Production bases for TFT-LCD glass substrates



<Reference Information>

About the AGC Group

AGC Asahi Glass (or also called AGC, Registered Company name: Asahi Glass Co., Ltd., Headquarters: Tokyo, President & CEO: Takuya Shimamura) is the parent company of the AGC Group, a world-leading glass solution provider and supplier of flat, automotive and display glass, chemicals, ceramics and other high-tech materials and components. Based on more than a century of technical innovation, the AGC Group has developed a wide range of cutting-edge products. The AGC Group employs some 50,000 people worldwide and generates annual sales of approximately 1.3 trillion Japanese yen through business in about 30 countries. For more information, please visit www.agc-group.com.

<Media inquiries>

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