

July 3, 2003

Company: Asahi Glass Co., Ltd.
Code Number: 5201,
Tokyo Stock Exchange (First Section)
Representative: Shinya Ishizu, President & CEO
Contact: Shinichi Kawakami, General Manager,
Corporate Communications Division
TEL: +81-3-3218-5408
E-Mail: info-pr@om.agc.co.jp

Asahi Glass Acquisition of Additional Equity Stake in Hankuk Electric Glass Co., Ltd. making it a subsidiary

Asahi Glass Co., Ltd. decided at a meeting of the board of directors held on July 3, 2003 to acquire additional shares of Hankuk Electric Glass Co., Ltd. to make the South Korean firm a subsidiary. Through this acquisition of shares, Hankuk Electric Glass will be transformed from an equity-method-accounted affiliate of Asahi Glass to a consolidated subsidiary.

1. Purpose of equity acquisition

The move is aimed at enhancing the integrated group management of the Asahi Glass CRT glass bulb business by making Hankuk Electric Glass a fully-consolidated subsidiary.

2. Profile of New Subsidiary (Hankuk Electric Glass Co., Ltd.)

- (1) Trade name: Hankuk Electric Glass Co., Ltd.
- (2) Representative: Tokunosuke Koshida, Chairman and Representative Director
- (3) Headquartered: Kumi, South Korea
- (4) Established: May 1974
- (5) Major business: Manufacturing/marketing of glass bulbs for CRTs(cathode ray tubes)
- (6) Book closing month: December
- (7) Employees: 1,548 (as of April 30, 2003)
- (8) Location of major factories and offices: Kumi, South Korea
- (9) Capitalized stock value: 40,367 million won
- (10) Total outstanding shares: 8,073,375 shares
- (11) Shareholders and their stakes (pre-transaction)

Asahi Glass Co., Ltd.	30%
LG Electronics Co., Ltd.	20%
Nippon Electric Glass Co., Ltd.	12.76%
Other shareholders	37.24%

(12) Performance in recent years

Unit: Million won

	Fiscal 2001	Fiscal 2002	First quarter of fiscal 2003
Sales	580,687	640,391	117,414
Gross margin	379,090	440,440	28,387
Operating profit	180,242	173,418	23,028
Ordinary profit	188,198	177,355	27,380
Net profit	135,288	129,550	19,298
Total asset	638,695	743,652	746,791
Shareholders' equity	523,999	634,706	655,775
Per-share dividend	2,000 won	2,000 won	-

3. Seller of the equity shares

- (1) Trade name: Nippon Electric Glass Co., Ltd.
(2) Representative: Yuzo Izutsu, President
(3) Headquartered: Otsu, Shiga Prefecture
(4) Major business: Manufacturing/marketing of technical glass
(5) Relationship with Asahi Glass Co., Ltd.: No capital interest

4. Number/value of shares to be acquired and share allotment before and after acquisition

- (1) Pre-transaction number of shares: 2,422,014 (equity share: 30%)
(Number of voting shares: 2,422,014)
(2) Number of shares to be acquired: 1,030,000 (acquisition price: 55,256 million won)
(Number of voting shares: 1,030,000)
(3) Post-transaction number of shares: 3,452,014 (equity share: 42.76%)
(Number of voting shares: 3,452,014)

5. Schedule

- July 3, 2003: Decision to be made at meeting of the board
July 3, 2003: Stock certificates to be transferred

6. Future prospects

The effects of the equity transfer on the consolidated business results of the Company are unknown at present.