

February 5, 2007

## **Shut Down of North American Flat Glass Plant**

Asahi Glass Co., Ltd.

Asahi Glass Co., Ltd. (Head Office: Tokyo; President & CEO: Masahiro Kadomatsu) has decided to shut down the Cinnaminson Plant of AFG Industries, Inc. in the U.S., aiming to reduce costs for the flat glass business. This decision is in line with the Company's policy to improve earnings in North America as one of its priority measures for "*JIKKO-2007*", the three-year medium-term management plan started in 2005.

In the flat glass market of North America, where housing glass occupies a greater share, supply of such glass has remained excessive affected strongly by the declining housing market. This, combined with higher costs driven by price surge in raw materials and fuel, including natural gas, has been squeezing the Company's profitability in the region.

To cope with the deteriorated flat glass business in North America, the Company has implemented various measures, including the shutdown of a major processing glass operation in Canada and the automatization of float facilities, as well as launching a profitability improving project in 2006 through an overhaul of management. As a part of these efforts, the Company has decided this time to shut down the unprofitable Cinnaminson Plant of AFG Industries, which manufactures float glass, architectural-use product, hoping to improve supply-demand balance and raise the utilization rate of other production facilities. By this measure, the Company will decrease its flat glass production capacity in North America by about 10 %

The Company will continue to reduce costs through various measures, expand the business of value-added products, and implement measures for improving profitability.

For further information regarding these issues, please contact Shinichi Kawakami, General Manager, Corporate Communications and Investor Relations, Asahi Glass Co., Ltd.

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**[Reference]**

**1. Outline of AFG Industries, Inc.**

- (1) Location: Georgia, U.S.
- (2) Representative: Brad Kitterman
- (3) Products: Flat glass for construction and raw glass for automobiles
- (4) Capital: 553 million US\$
- (5) Equity position: Asahi Glass 100%
- (6) Production base: 8 float bases in North America
- (7) Number of employees: approx. 4,600

**2. Cinnaminson Plant of AFG Industries, Inc.**

- (1) Location: New Jersey, U.S.
- (2) Products: Clear float glass
- (3) Site area: approx. 240,000m<sup>2</sup>
- (4) Number of employees: approx. 200