

May 25, 2007

Reduction of CRT Glass Production Capacity

Asahi Glass Co., Ltd.

Asahi Glass Co., Ltd. (Head Office: Tokyo; President & CEO: Masahiro Kadomatsu) has decided to stop operations of production furnaces at CRT glass production bases in Singapore and Thailand by the end of June this year. This decision is in line with the Company's policy to continuously downsize the CRT glass business to improve profitability of this business as part of an important measure for "*JIKKO-2007*," the three-year medium-term management plan started in 2005.

The Company projects demand for CRT glass used in personal computers and televisions will drastically decline to about 120 - 130 million units for the fiscal year ending December 2007, from around 200 million units in fiscal 2006, due to a rapid shift towards flat panel displays like TFT LCDs. Profitability of the Company's CRT business deteriorated, hurt by a fall in sales volume, a drop in sales prices and a surge in the costs of raw materials and fuel.

Due to such decline in demand for CRT glass, the Company has executed various measures to improve profitability, including the withdrawal from CRT glass production in Japan, Indonesia and Taiwan, but also decided to restructure its production system because such decline is expected to continue in the future too. Under this restructuring plan, the Company will reduce its CRT glass production capacity by about 40% by stopping all operations in Singapore (Asahi Techno Vision (Singapore) Pte., Ltd., one panel production furnace) and Thailand (Siam Asahi Technoglass Co., Ltd., one panel production furnace, one funnel production furnace). As a result, the Company's CRT glass production capacity decreased about 70% from 2004 when the Company had the largest capacity for such production.

The Company will continue panel and funnel production in China and South Korea for its CRT glass business.

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. Corporate outline

(1) Asahi Techno Vision (Singapore) Pte., Ltd.

- A. Location: Tuas Avenue, Singapore
- B. Representative: Mikio Fujita
- C. Capital: 121 million Singapore dollars
- D. Equity position: Asahi Glass (100%)
- E. Product: CRT glass (panel)

(2) Siam Asahi Technoglass Co., Ltd.

- A. Location: Chonburi, Thailand
- B. Representative: Takashi Sugiyama
- C. Capital: 1600 million THB
- D. Equity position: Asahi Glass (100%)
- E. Product: CRT glass (panel, funnel)

2. Composition of CRT glass

CRT glass is composed of three parts: a panel on which the moving image is displayed, a funnel which is located behind this, and a neck tube which accommodates an electron gun.

