

October 31, 2007

**Announcement of Commencement of Tender Offer for the Stocks of Hankuk
Electric Glass Co., Ltd.**

Asahi Glass Co., Ltd.

Asahi Glass Co., Ltd. ("AGC") has announced the decision at the meeting of its Board of Directors on October 31, 2007 to acquire the stocks of Hankuk Electric Glass Co., Ltd. by way of a tender offer as described below.

1. Purpose of Tender Offer

In the field of displays including those for television sets and personal computers, the shift from CRTs to flat panel displays is progressing at an accelerated speed. As more and more CRT manufacturers, as the AGC's customers, are forced to withdraw from business, AGC has implemented measures to restructure its production system which includes stopping its CRT glass production in Japan, Southeast Asia and elsewhere.

As a result, AGC is currently continuing with CRT glass business in two production bases, one in South Korea and the other in China, through Hankuk Electric Glass (42.76% owned by AGC) which is the target company of this tender offer. However, AGC expects the environment surrounding this business to change even more rapidly in the future.

To respond to the rapid changes in this business environment, it is necessary to operate business more proactively and carry out management measures more promptly. Hence, with the aim of advancing those measures vigorously and actively, AGC has decided to purchase the target company's shares held by its minority shareholders by means of the tender offer.

Upon completion of the tender offer, AGC plans to have the target company voluntarily delist itself subject to the approval of authority concerned in South Korea.

LG Electronics, Inc., the second largest shareholder holding 20% of the shares of the target company, has heretofore been involved with the target company's business operations, and has agreed to remain involved, along with AGC, in its future operations.

2. Outline of Tender Offer, etc.

(1) Overview of Target Company

(As of June 30, 2007)

(i)	Corporate name	Hankuk Electric Glass Co., Ltd.	
(ii)	Business operation	Manufacture and sale of CRT glass	
(iii)	Date established	May 23, 1974	
(iv)	Location of head office	150 Gongdan-dong, Gumi-si, South Korea	
(v)	Representative	Reizo Fukuda, Chairman and CEO	
(vi)	Capital	40,366,875,000 won	
(vii)	Major shareholders and percentages of shares held	AGC: 42.76% LG Electronics, Inc.: 20.00%	
(viii)	Relationship between tender offeror and target company	Capital relationship	AGC holds 42.76% of the stocks of Hankuk Electric Glass.
		Human relationship	Four of the seven directors and one of the three corporate auditors of Hankuk Electric Glass are either executive officers or employees of AGC. In addition, some of the employees of Hankuk Electric Glass are those dispatched from AGC.
		Business relationship	AGC licenses its CRT glass manufacturing technology to Hankuk Electric Glass.
		Status as a related party	Hankuk Electric Glass falls into the category of a related party by virtue of the fact that it is a consolidated subsidiary of AGC.

(2) Tender Offer Period

From November 2 , 2007 (Friday) to November 21, 2007 (Wednesday) (for a total of 20 days)

(3) Tender Offer Price

30,000 won per share of common stock

(4) Basis for Calculation of Tender Offer Price

The AGC's tender offer price of 30,000 won per share of common stock is equivalent to the weighted average value of the daily closing prices of the tender target company's common stock on the Korean Stock Exchange for a period of two months up to and excluding October 31, 2007 (23,985 won), plus a premium of 25.1%. AGC has determined this tender offer price by comprehensively taking into account various factors, such as the market's evaluation (stock price) of the target company's common stock, the target company's financial conditions and future cash flows.

(5) Number of Stock Certificates and Other Items to Be Purchased

Types of stocks	(i) Number to be purchased in terms of stocks	(ii) Number of anticipated excess in terms of stocks
Stock certificates	3,006,686 shares	None
Equity warrants	None	None
Bonds with equity warrants	None	None
Stock certificates and other depositary receipts	None	None
Sum total	3,006,686 shares	None

(6) Changes in Percentages of Stock Certificates and Other Items Held Resulting from the Tender Offer

Number of voting rights associated with the stock certificates and other items held by AGC before the tender offer	3,452,014	(Percentage of stock certificates and other items held before the tender offer: 42.76%)
Number of voting rights associated with stock certificates and other items to be purchased	3,006,686	(Percentage of stock certificates and other items held after the tender offer: 80.00%)
Number of voting rights held by aggregate shareholders of subject target company	8,073,375	

(7) Purchase Cost

Approximately 90.2 billion won (equivalent to approximately 11.7 billion yen at the exchange rate of 1 won = 0.13 yen)

(8) Method of Settlement

(i) Name and location of the head office of the securities company, bank, and other organizations in charge of the settlement of subject tender offer, etc.

Daewoo Securities Co., Ltd.:

Daewoo Securities Building, 34-3 Yoido-dong, Youngdeunpro-gu, Seoul, South Korea

(ii) Date of settlement

November 27, 2007 (Tuesday)

(iii) Method of settlement

AGC will promptly forward, by postal mail, a notice letter of purchase to the address indicated by a tendering shareholder in a tender offer application form upon completion of the tender offer period. On the settlement date, the purchase price will be transferred and credited to the account with Daewoo Securities Co., Ltd. opened and designated by the tendering shareholder. The stocks subject to the relevant

tender offer will be transferred from tendering shareholders' accounts to AGC's tender offer account.

(9) Other Terms and Method of Tender Offer

AGC is planning to purchase all the outstanding aggregate number of shares issued by the target company other than those currently held by AGC and the second largest shareholder, LG Electronics, Inc. If the number of shares actually purchased turns out to be less than the planned number of shares slated for the tender offer, then AGC will purchase all the shares brought in for the tender offer.

(10) Date of Notification of Tender Offer

November 1, 2007 (Thursday)

(11) Tender Offer Agent

Daewoo Securities Co., Ltd.

3. Miscellaneous

This tender offer is expected to have only a negligible effect on AGC's consolidated and non-consolidated operating results.

For further information, please contact the followings.

<In South Korea>

Prain, Inc.

(Direct inquiries to : Min-kuk Jun; Telephone: +82-11-9920-6032; E-mail: anne@prain.com)

<In other countries>

Shinichi Kawakami, General Manager, Corporate Communications and Investor Relations,
Asahi Glass Co., Ltd.

(Direct inquiries to: Yoshihiko Saito; Telephone: +81-3-3218-5509; E-mail: info-pr@agc.co.jp)