

May 11, 2011

## **AGC to Build Second Production Base in China for Large-sized TFT-LCD Glass Substrates**

**AGC** Asahi Glass Co., Ltd.

AGC (Asahi Glass Co., Ltd.; Head Office: Tokyo; President & CEO: Kazuhiko Ishimura) announced today that it will set up a second production base for TFT-LCD (thin-film transistor liquid crystal display) glass substrates in Shenzhen, China. This new facility will be equipped with a processing line for up to 8th generation glass substrates. Volume production is scheduled to start in the summer of 2012.

With the increasing sales of LCD televisions and personal computers mainly in fast growing countries, the worldwide market for flat panel displays is expected to continue to grow at a rate of over 10% annually. In particular, demand for TFT-LCD panels is surging in China and production bases for large-sized LCD panels are scheduled to be set up one after another in the region, which will in turn further boost the demand for large-sized glass substrates used for panel production.

AGC has been supplying orders from China by shipping from the existing production bases in Japan, South Korea and Taiwan. In response to growing demand for large-sized glass substrates, the Company announced the construction of a processing facility in Kunshan, China last March, and volume production will commence in or after the middle of this year. This time, the Company has decided to set up a second processing facility in the country and enhance the production system of the AGC Group in order to ensure that the Group catches up with the demand in the Chinese market which is expected to grow further.

AGC is determined to further expand businesses and increase its presence in fast growing countries under the Second Round of Globalization initiative, one of the key pillars of the AGC Group's management policy *Grow Beyond*.

### <Outline of the new subsidiary>

1. Corporate Name: AGC Display Glass (Shenzhen) Co., Ltd.
2. Location: Shenzhen, Guangdong province, People's Republic of China
3. Amount of Capital: 2.2 billion yen
4. Shareholder: AGC Group 100%
5. Date of Foundation: March 2011
6. Main Line of Business: Manufacturing (Processing) and sales of TFT-LCD glass substrates

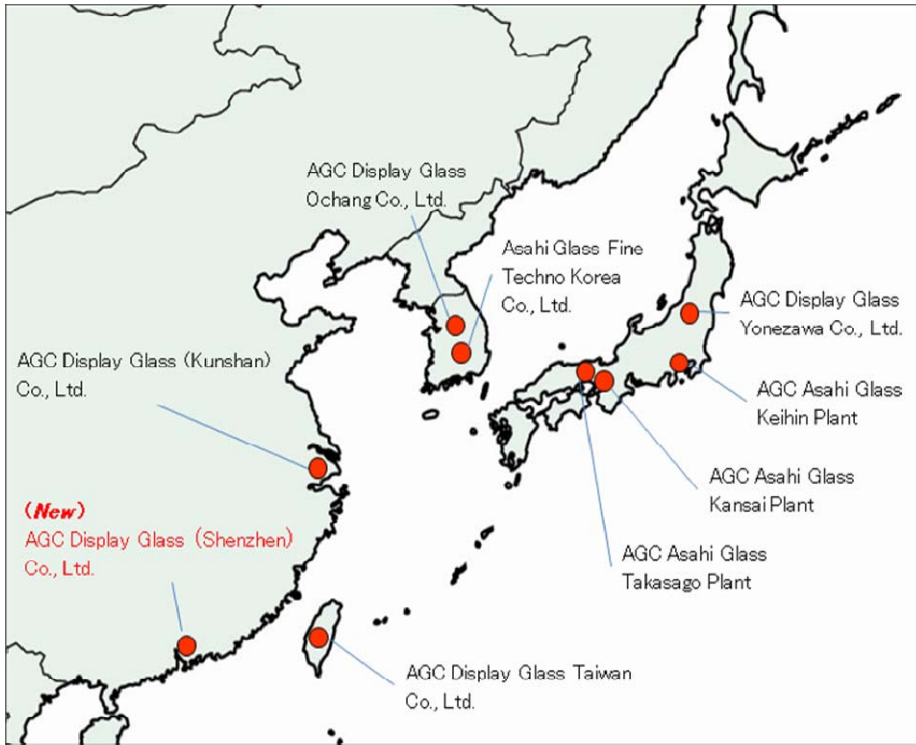
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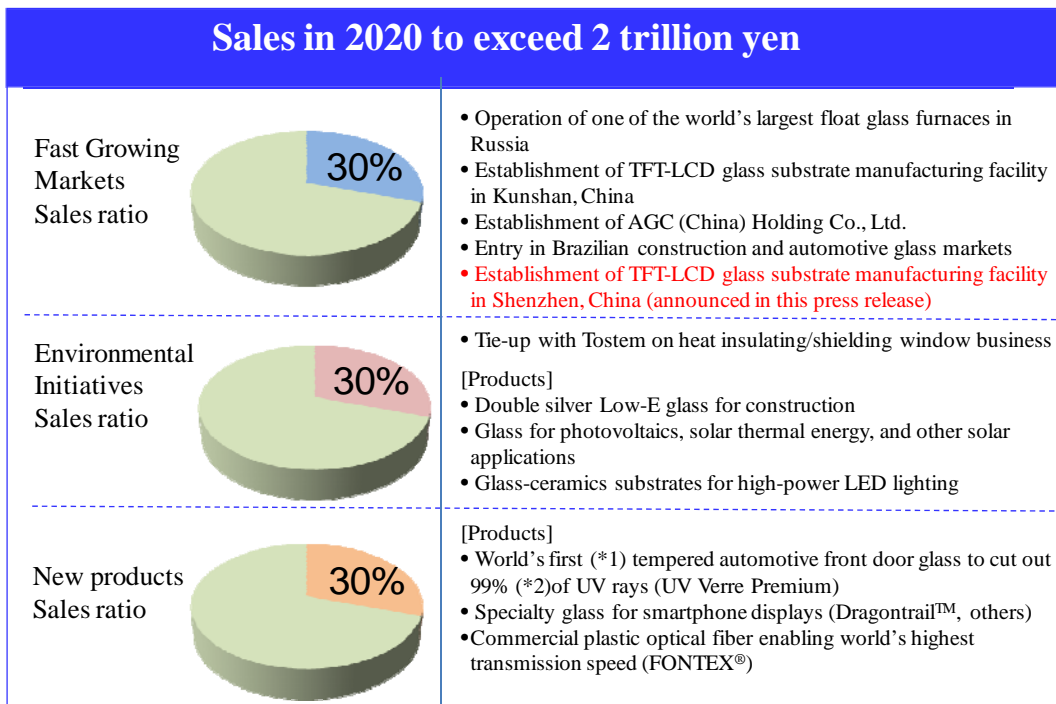
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<Reference>

1. Production Bases for TFT-LCD Glass Substrates



2. 2020 Business Forecast, by Investment/Product



\* Based on AGC data as of December 2010

\* Calculated by AGC based on ISO9050