



FOR IMMEDIATE RELEASE

AGC Releases New Medium-term Management Plan “*Grow Beyond-2015*”

-Becoming a “truly strong” AGC Group, AGC aims to bring its business back on the growth path -

Tokyo, February 7, 2013—AGC (Asahi Glass Co., Ltd.; Headquarters: Tokyo; President & CEO: Kazuhiko Ishimura) today announced its new medium-term management plan, “*Grow Beyond-2015*”, for the next three years starting 2013. Under this new plan, AGC aims to become a truly strong AGC Group to overcome various environmental changes, and bring its business back on the growth path.

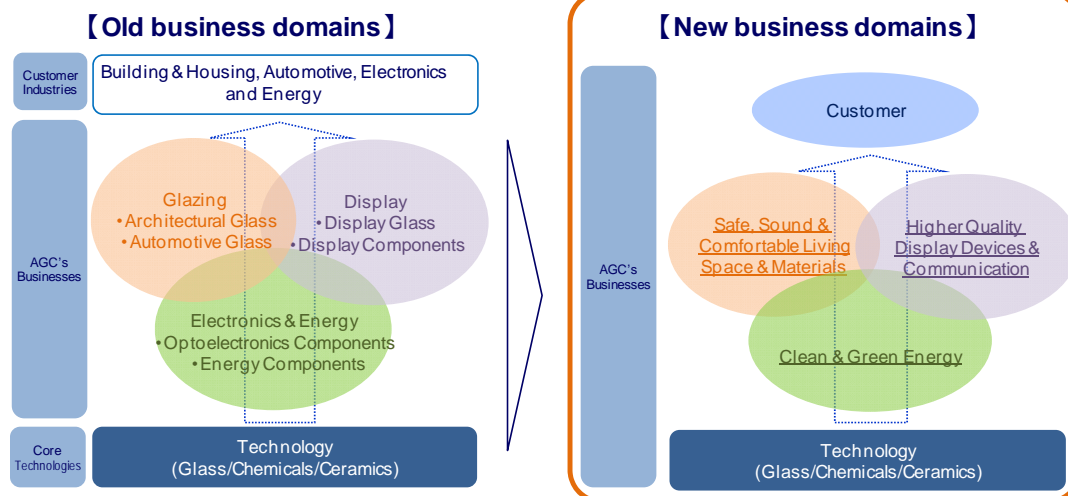
1. Revision to the Group’s business domains under the management policy, *Grow Beyond*

The AGC Group has revised its business domains under the management policy, *Grow Beyond*. Until last year, the AGC Group had used the three materials groups, “Glazing,” “Displays” and “Electronics & Energy,” as its business domains with a focus on four markets: building/housing, automotive, electronics and energy industries. In recent years, however, the Group’s business and product lines have been diversified, as exemplified in an increase in cross-industrial business activities, such as Smart City initiatives and infrastructure-related joint projects, and products which are used in various industries, notably displays and lighting materials. Consequently, it has become difficult for the Group to express all of its business activities by using the existing framework.

In addition, through the integration and advancement of technologies within the Group, the AGC Group have developed and released new materials and products which do not fit in the traditional business domains, and further integrated them with other materials and services. These initiatives have become increasingly active and are expected to be accelerated further in the future.

In order to achieve a dramatic growth under such circumstances, the AGC Group must redefine its business domains so as to steadily capture ever diversifying business opportunities which will continue to expand beyond the conventional framework of the “three material groups in the four industries.”

To this end, the Group revised its business domains by broadening the scope of its target customers without limiting to specific industries, and selected “Higher Quality Display Devices & Communication,” “Clean & Green Energy” and “Safe, Sound & Comfortable Living Space & Materials” as its new business domains in which a long-term growth is expected and the Group can fully make use of its long-established technology and expertise. In these business domains, the AGC Group will build closer ties with customers in wide-ranging industries and provide greater value to various cross-industrial businesses by leveraging its comprehensive strength.



2. New medium-term plan, *“Grow Beyond-2015”*

Under the new medium-term plan, *“Grow Beyond-2015”* for 2012-2015, the AGC Group aims to become a “truly strong” AGC Group, and undertake various measures in order to “strengthen/generate substantial results from growth foundations” and “bring the business back on an upward trend.”

(1) Strengthen/generate substantial results from growth foundations

The most important issue facing the AGC Group today is to build a new source of earnings to replace the waning FPD business. To address this issue, the Group established a growth strategy called “Three Strategies” in 2008 to achieve “Glass-technology-driven Company,” “Second Round of Globalization” and “Technology Solution for Environment and Energy.” Under *“Grow Beyond-2015”*, the AGC Group will increase the earnings of the growth foundations which the Group has built based on this “Three Strategies” and launch and pursue various new measures.

【Specific measures to be taken at each business domain】

< Safe, Sound & Comfortable Living Space & Materials >

Fast-growing markets such as Brazil, Russia, India, China and Southeast Asian countries expect a progress in infrastructure development and an increase in housing and automotive businesses with advancement in functionality. In addition, there will be increasing needs and demands in many countries for higher-quality life.

In this business domain, the AGC Group aims to increase sales of new products by 1.5 times in 2015 from the 2012 level. Specifically, the Group will integrate its glass, chemicals and ceramics technologies and accelerate the development and release of products which help people to live in a safe, secure, and comfortable environment.

(Product examples)

- High-performance heat insulating/shielding glass and fluoropolymer films to create more

comfortable living environment

- UV/IR reduction and other high-functional automotive glass to improve driving comfort
- Life science products such as pharmaceutical and agrochemical intermediates and active ingredients

< Higher Quality Display Devices & Communication >

Dissemination of smart phones and other high-performance information terminals has triggered a rapid advancement of communication/imaging devices, and this trend is expected to continue and further diversify into the future.

In this business domain, the AGC Group aims to triple the sales of new products in 2015 from the 2012 level. The AGC Group's products have contributed to the development and advancement of numerous communication/imaging devices so far, and it will continue to respond to the needs in cutting-edge areas and proactively release new products and expand the sales activities.

(Product examples)

- Specialty glass for chemical strengthening which is rapidly expanding its application as a cover glass for smart phones and other mobile devices.
- High-resolution LCD glass substrates with very low thermal compaction. While low thermal compaction is one of the key features of the Group's products, the rate has been further reduced in this particular glass substrate.
- Ultra-thin glass for practical applications through the Group's unique career glass technology, which allows handling of the glass at customer's production site.
- Glass interposers for Next-generation semiconductor applications, which is made available by the Group's micron hole drilling technology

< Clean & Green Energy >

Clean energy and energy-saving initiatives are drawing increasing attention, backed by rising concern over environmental problems and procurement of energy resources. In response to such a trend, various cross-industrial activities, notably the Smart City/Smart Mobility initiatives, have been underway.

In this business domain, the AGC Group aims to increase the sales of new products by 1.5 times in 2015 from the 2012 level. Specifically, the AGC Group, with its strong expertise in glass, chemicals and ceramics technologies, will promote higher-functional and higher-performance products which contribute to energy-saving and clean energy supply.

(Product examples)

- Energy-saving architectural glass, solar PV related materials and components, environment-friendly vehicles related materials, environment-responsive refrigerant, energy-saving lighting materials and fuel cell related materials to contribute to Smart City/Smart Mobility initiatives.

- High-functional architectural glass, fluoropolymers and ceramics materials to respond to demands for infrastructure development

< Specialty glass for chemical strengthening which provides solutions for all domains >

Specialty glass for chemical strengthening is one of the promising new products across all three business domains. The AGC Group will enhance the versatility of this product by making full use of its extensive customer base and experiences in various markets ranging from housing, automobile, display to solar, and aims to quintuple the sales of specialty glass for chemical strengthening in 2015 from the 2012 level.

(Current applications)

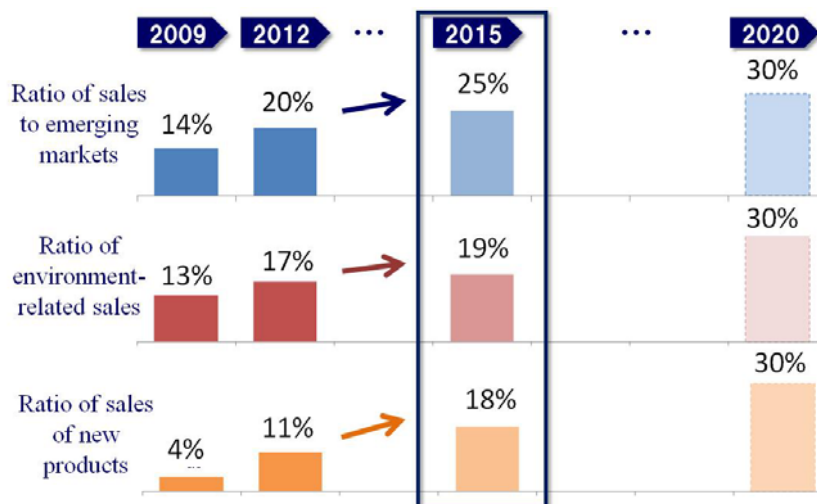
- Scheduled to be used in the instrument panels of luxury vehicles in Europe and North America, which will be the world's first automotive application
- Major manufacturers are positively considering the use of the product in their new-type solar panels.
- Developing new applications such as energy-saving window panes for residential housing and express train cars.

【Regional strategies】

Among fast-growing markets, the AGC Group will focus on Russia where the Group has a strong market presence, Brazil where new business launch is progressing, and the Asian region.

- In China where various business activities have already been underway, the Group will strengthen each of these activities at the initiative of AGC (China) Holding Co., Ltd. By widening the scope and steadily capturing business opportunities in the growing market, the Group aims to double the sales in the country in 2015 from the 2012 level.
- In Southeast Asia where the Group has already built solid business foundations, the AGC Group will increase the sales by 1.3 times in 2015 from the 2012 level. Specifically, the Group is scheduled to set up the regional headquarters in Singapore in 2013, based on which the Group will explore business opportunities and develop new businesses across Southeast Asia.

By promoting the measures for strengthen/generate substantial results from growth foundations as described above, the Group aims to increase the sales ratio of emerging markets, environment-related businesses and new products in 2015 to 25%, 19% and 18% of the total sales respectively, making a steady progress toward the Group's target of achieving the sales ratio of 30% for all three sections in 2020.



(2) Bring the business back on an upward trend

The AGC Group has been facing drastic changes in its business environment since achieving a record high operating income in 2010. In order to promptly put the business back on the upward trend during the next three years, the Group will focus on the following two initiatives: “establishing a solid revenue stream from growth foundations” and “strengthening the Group’s earnings structure” of the existing businesses.

- Establishing a solid revenue stream from growth foundations

The Group will strengthen and expand the growth foundations it has developed, and at the same time, move forward with creation of new foundations for future growth.

- Strengthening the Group’s earnings structure

The Group will accelerate the measures it has been working on to date, namely building of an optimal manufacturing system and improvement of productivity through innovative technology, in every business activities. In addition, it will enhance the sales capabilities and increase the efficiency of the back office.

The following measures will be taken for each business segment.

< Electronics >

In this business segment, the Group aims to improve the overall business performance by maintaining the profitability in the FPD business and generating earnings from new products sales.

- With regard to TFT glass substrates, the Group will build a solid earnings structure which can more effectively withstand changes in the market environment, through business expansion in China, conversion to higher-efficiency manufacturing facilities and optimization of the overall float facility operations in the Electronics division to match the market demand.
- The Group will also generate greater earnings from its growth foundations based on the release of a new product AN Wizus™, a high-resolution LCD display glass, and the expansion of sales activities



for new products in the fields of specialty glass for chemical strengthening and optical materials.

< Glass >

The Group will regain the growth and earnings capabilities of the Glass business by capturing demand in fast-growing countries, and achieving a prompt recovery of the Europe and North American businesses.

- In all regions, the Group will increase the earnings of the overall regional business by accelerating the market launch of high value added products such as energy-saving architectural glass and high-functional automotive glass.
- The Group will steadily capture the growing demand in the fast-growing markets including Southeast Asia, Russia and Brazil, and make it a main pillar of its earnings.
- In Europe where the economy continues to be sluggish, the AGC Group will strengthen its earnings structure through measures such as further cost reduction of architectural glass under the optimal manufacturing system to match the market demand, sales expansion in and around Germany and acceleration of new coating product development through a closer alliance with Interpane, and strengthening of the Group's presence in the automotive glass market.
- In North America where the market environment appears to be improving, the Group will achieve a prompt business recovery through measures such as restart of cost-competitive float furnace operations, accelerated release of high value added products, execution of region-concentrated strategies, rebuilding of its architectural glass processing business and enhancement of the Group's presence in the automotive glass market.

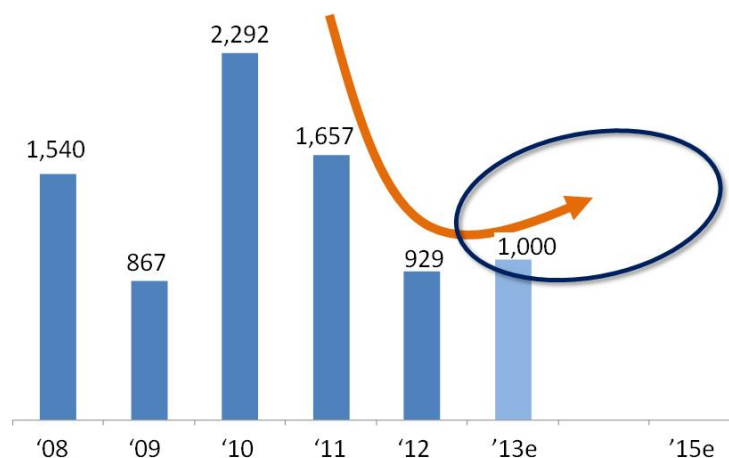
< Chemicals >

The Group will enhance the revenue stream from the existing growth foundations and position the Chemicals business as one of the Group's growth drive.

- The Group will steadily gain earnings from the existing growth foundations through measures such as business expansion in Southeast Asia, expansion of sales activities for high value added/high-functional fluorine related products, and strengthening of the life science business.
- The Group will build a more robust earnings structure by increasing the efficiency of the manufacturing facilities for the electrolysis business in Japan which has recently completed a restructuring, and also by proactively responding to energy issues.

Through the measures mentioned above, the AGC will shift from the current dependence on earnings of the FPD business and set its foothold for growth on the Glass and Chemicals business segments, in an effort to bring the Group's business back on an upward trend.

【 Projected changes in operating income 】



3. Financial targets and strategies under “Grow Beyond-2015”

The Group’s capital investment for the three years between 2013 and 2015 is scheduled to be 440 billion yen, which will be mainly invested for the enhancement of the growth foundations in the new business domains and the improvement to the existing manufacturing processes.

The Group will also be proactively engaged in R&D activities. The estimated investment for the next three years will be 150 billion yen in total, and the Group will focus its R&D on the main themes of innovation technology, energy-saving manufacturing process technology, and the development of environmental/energy-saving products and display related products.

With regard to the financial targets, the Group aims to achieve ROE of 12% or above and the D/E ratio of 0.5% or less.

Through successful implementation of all these measures under “Grow Beyond-2015”, the AGC Group will move its business back on the growth track toward future development.

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