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FOR IMMEDIATE RELEASE

**ASAHI GLASS REPORTS RESULTS
FOR THE FIRST HALF OF FISCAL 1998**

TOKYO — Asahi Glass Company, Limited, today reported its nonconsolidated operating results for the first half of fiscal 1998, ended September 30, 1997. Net sales totaled ¥432,758 million (\$3,577 million), a decline of 0.3% from the first half of fiscal 1997. In contrast, ordinary income rose 4.7%, to ¥15,062 million (\$124 million), while net income increased 5.6%, to ¥10,026 million (\$83 million).

Net income per share was ¥8.53 (\$0.070), up from ¥8.08. Asahi Glass declared an interim dividend of ¥4.50 (\$0.037) per common share, on a par with the previous year's interim dividend.

Operating Results

Despite firm growth in private-sector capital investment, the Japanese economy remained stagnant in the first half of fiscal 1998 as a number of negative factors, including an increase in the consumption tax, dampened both consumer spending and housing investment.

In this environment, intensified marketing activities enabled Asahi Glass to maintain sales at approximately the same level as the first half of the previous period. Moreover, Companywide efforts to improve efficiency and rationalize operations contributed to solid growth in income.

Glass and Related Operations

Sales of glass and related operations edged down 0.3% in the period under review, to ¥224,567 million (\$1,856 million), and accounted for 51.9% of net sales.

Although sales of energy-efficient double-glazing units increased, overall sales were hindered by sagging demand for float glass, sashes and fire-resistant siding board, which drove down sales of flat glass and construction materials.

Sales of fabricated glass were up from the first half of fiscal 1997. This result reflected rising automobile exports, which offset sagging domestic sales and enabled domestic automakers to maintain stable production levels.

In contrast, sales of glass bulbs declined owing to sagging exports, notably those to customers in Southeast Asia, which countered higher sales to domestic customers.

Chemicals Operations

Sales of chemical products decreased 1.5%, to ¥148,450 million (\$1,227 million), and represented 34.3% of net sales, as flagging demand for caustic soda and polyvinyl chloride offset steady growth in sales of fluorinated fine chemical products, and contributions from major plant exports.

Ceramics and Refractories Operations

Ceramics operations generated sales of ¥11,685 million (\$97 million), down 1.4% and equivalent to 2.7% of net sales, owing to reduced demand for refractories to customers in the glass industry.

Electronics Operations

Increased sales of integrated circuits for information and telecommunications equipment and firm demand for glass substrates for liquid-crystal displays bolstered sales of electronics products 5.7%, to ¥37,330 million (\$309 million) and accounted for 8.6% of net sales.

Other Operations

Other operations, which include health and other equipment, generated sales of ¥10,724 million (\$89 million), a decline of 2.9%, and equivalent to 2.5% of net sales.

Outlook for Fiscal 1998

The outlook for Japan's economy in the coming year remains guarded, reflecting uncertainty about prospects for consumer spending, fluctuations in the foreign exchange market, the government's economic stimulus measures and the economic climate in Southeast Asia.

On September 8, Asahi Glass celebrated its 90th anniversary. Regarding this as an opportune time to take steps to secure its prosperity in the 21st century, the Company has reaffirmed its commitment to

- identifying and cultivating crucial new businesses and products
- consolidating management of domestic and overseas operations to strengthen the capabilities and profitability of the entire Asahi Glass Group
- reinforcing quality control systems and customer-oriented marketing capabilities in all businesses.

For the current fiscal year, ending March 31, 1998, Asahi Glass forecasts nonconsolidated net sales of ¥890,000 million (\$7,355 million), a year-to-year decline of 1.5%, ordinary income of ¥31,000 million (\$256 million), an increase of 2.3%, and net income of ¥20,000 million (\$165 million), a gain of 5.1%. The Company expects to pay a year-end dividend of ¥4.5 (\$0.037) per common share, as well as a special dividend of ¥1.00 (\$0.008) to commemorate its 90th anniversary, bringing the annual dividend to ¥10.00 (\$0.083 per share).

Note:

Yen figures in this report have been translated into U.S. dollars at the rate of ¥121.0=\$1.00, the prevailing rate on September 30, 1997.

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Nonconsolidated Financial Highlights

Asahi Glass Company, Limited

Millions of yen/ Percent

	April 1, 1997 – September 30, 1997	April 1, 1996 – September 30, 1996	Y-on-Y Change (%)
Net sales	¥432,758	¥434,228	(0.3)
Operating income	7,017	4,682	49.9
Ordinary income	15,062	14,379	4.7
Net income	10,026	9,490	5.6
Exports	93,767	102,388	(8.4)
Export ratio	21.7%	23.6%	

Sales by Operation/ Percentage of Net Sales

Glass and related operations	¥224,567	51.9%	¥225,224	51.9%	(0.3)
Chemicals operations	148,450	34.3	150,770	34.7	(1.5)
Ceramics and refractories operations	11,685	2.7	11,856	2.7	(1.4)
Electronics operations	37,330	8.6	35,330	8.2	5.7
Other operations	10,724	2.5	11,046	2.5	(2.9)
	¥432,758	100.0%	¥434,228	100.0%	(0.3)

Per Share Data (in yen)

Net income	¥ 8.53	¥ 8.08
Interim dividend	4.50	4.50
Annual dividend	10.00	9.00

Nonconsolidated Statements of Income

Asahi Glass Company, Limited

	Millions of Yen	
	April 1, 1997 – September 30, 1997	April 1, 1996 – September 30, 1996
Net Sales	¥432,758	¥434,228
Cost of Sales	374,335	377,903
Selling, General and Administrative Expenses	51,406	51,642
Operating income	7,017	4,682
Other Income and Expenses:		
Other Income:		
Interest and dividend income	9,190	8,777
Others	3,940	4,651
	13,131	13,428
Other Expenses:		
Interest expenses	2,237	2,297
Others	2,849	1,433
	5,086	3,730
Ordinary Income	15,062	14,379
Extraordinary Income:		
Gains on sales of fixed assets	820	4,197
Gains on sales of investment securities	1,022	—
Gains on sales of shares in subsidiaries	—	2,718
	1,842	6,915
Extraordinary Losses:		
Loss on disposal of fixed assets	2,062	1,804
Loss on foreign currency translation	—	2,500
Special annuity consideration	1,915	—
	3,977	4,305
Net income before income taxes	12,926	16,990
Reserve for income taxes	2,900	7,500
Net income after taxes	10,026	9,490
Earnings Carried Forward from the Previous Year	14,543	12,660
Unappropriated retained earnings at year-end	¥24,569	¥22,151