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(Code Number: 5201; TSE 1st section)
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Asahi Glass Incurs Impairment Losses on Fixed Assets

Asahi Glass Co., Ltd. (the “Company”) incurred impairment losses on fixed assets in the fourth quarter of fiscal year ended December 31, 2005, as described below.

1. Impairment losses on fixed assets

In the fourth quarter of fiscal year ended December 31, 2005, the Company incurred impairment losses of approximately 33.0 billion yen on fixed assets at overseas subsidiaries that mainly manufacture cathode ray tube (CRT) glass.

Amid a decrease in demand for CRT glass worldwide, profitability of the CRT glass business declined in the fiscal year hurt by reduced sales volume, falling sales prices, and surging raw material and energy prices. Since it is expected that the business will continue to experience a downturn in demand, the Company plans to book impairment losses on some facilities of overseas subsidiaries that produce CRT glass.

With impairment losses having incurred by the third quarter of the fiscal year, the Company expects total impairment losses for the full fiscal year to be about 38.5 billion yen.

2. Effects of impairment losses on earnings

The Company will book the aforementioned impairment losses totaling an estimated 33.0 billion yen as an extraordinary loss for the fiscal year ended December 31, 2005. Due in large part to the impairment losses incurred, consolidated net income for the year is expected to fall to 60.0 billion yen from the forecast of 81.0 billion yen that the Company announced on November 9, 2005.