September 28, 2007

Closure of Fluorochemicals Production Base in U.S. (Bayonne, NJ Plant)

Asahi Glass Co., Ltd.

Asahi Glass Co., Ltd. (Head Office: Tokyo; President & CEO: Masahiro Kadomatsu) has decided to shut down the Bayonne, NJ Plant of AGC Chemicals Americas, Inc. at the end of December 2007, stopping production of fluorochemicals there. This decision is in line with the Company's policy to improve earnings in North America as one of its priority measures for "***JIKKO-2007"***, the three-year medium-term management plan started in 2005, under which it has implemented various measures including progressing the productivity of the fluorochemicals business by replacing manufacturing equipment.

Aiming to globally expand our fluorinated resin business, a growth field of the chemicals business, in 1999 the Company purchased the U.K. and U.S. fluorinated resin businesses of Imperial Chemical Industries PLC (ICI), then established Asahi Glass Fluoropolymers U.K. Ltd. (presently AGC Chemicals Europe, Ltd.) in the U.K. and Asahi Glass Fluoropolymers USA, Inc. (presently AGC Chemicals Americas, Inc.) in the U.S. Under this framework, the Company operates the fluorochemicals business.

AGC Chemicals Americas runs three business bases: the Bayonne Plant (Bayonne, New Jersey), which produces and sells fluorinated resin PTFE and fluorinated solvent AK-225; the Thorndale Plant (Thorndale, Pennsylvania), which operates the fluorinated resin compound business; and the Technical Center (Exton, Pennsylvania), which sells fluorochemical products and offers related services.

While the Company previously determined to concentrate on its fluorochemicals business, including shifting to high-performance products, more recently it has substantially reviewed its strategy for this business in the U.S. due to the deterioration of profitability in the PTFE business. As a result, the Company has decided to stop production of PTFE and AK-225 at the Bayonne Plant and shut that plant down. Now the Company will focus on and continue its fluorinated resin compound business at the company's Thorndale Plant, enhance services at its Technical Center located in Exton and increase imports and sales of high-performance fluorinated resin Fluon®ETFE and fluoelastomer AFLAS®, which are manufactured at our production bases in Japan and the U.K.

The Company will continue its efforts to optimize development, production and sales systems for the fluorochemicals business, which it operates worldwide (mainly in Japan, the U.K. and the U.S.), improve profitability of this business in the U.S. and provide customers with higher quality solutions.

For further information, please contact Shinichi Kawakami, General Manager, Corporate Communications and Investor Relations, Asahi Glass Co., Ltd.
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Reference:

1. Outline of AGC Chemicals Americas, Inc.

(1) Location: State of New Jersey, U.S.
(2) Representative: Masumi Suehiro
(3) Establishment: January 2004 (through a merger between AGA Chemicals and Asahi Glass Fluoropolymers USA)
(4) Business activities: Production and sales of various fluorochemical products
(5) Capital: 75.1 million US dollars
(6) Equity position: AGC America, Inc.: 100% (AGC America is a wholly-owned subsidiary of Asahi Glass Co., Ltd.)
(7) Production bases: Bayonne Plant and Thorndale Plant
(8) Number of employees: 270 (as of the end of September 2007)

2. Outline of AGC Chemicals Americas' Bayonne Plant

(1) Location: State of New Jersey, U.S.
(2) Business activities: Production and sales of fluorinated resin PTFE and fluorinated solvent AK-225
(3) Site area: Approx. 140,000 m^2
(4) Number of employees: 157 (as of the end of September 2007)

3. PTFE

A fluorinated resin with outstanding chemical and heat resistance that is processed into forms such as sheets, tubes and tapes and used for semiconductor products and automobile parts.

4. AK-225

A fluorinated solvent which is excellent in incombustibility, cleaning capability and drying properties and used for cleaning resin components and as a diluent solvent.

5. Fluorinated resin compounds

Materials that are used before they have been shaped and are made by mixing additives with fluorinated resin as a base to give them new functions.