

October 31, 2008

Corporate Name: Asahi Glass Co., Ltd.
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(Code Number: 5201; TSE 1st section)
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Notice of Merger with the Wholly-Owned Subsidiaries
Asahi Glass Urethane Co., Ltd. and Asahi-Penn Chemical Co., Ltd.

At the Board of Directors meeting held on October 31, 2008, Asahi Glass Co., Ltd. (the Company) made a resolution that the Company would merge with its wholly-owned consolidated Subsidiaries Asahi Glass Urethane Co., Ltd. and Asahi-Penn Chemical Co., Ltd. by the method of small scale merger and short form merger on January 1, 2009. Therefore, the Company would like to notify as follows.

The disclosure items and details for this merger have been partially omitted since it is a merger with wholly-owned Subsidiaries.

1. Purpose of merger

Asahi Glass Urethane Co., Ltd. manufactures raw materials such as Polyols for polyurethane and polyurethane products using propylene oxide supplied by the Company and sells the entire production volume through the Company.

Asahi-Penn Chemical Co., Ltd. manufactures organic chemical products such as Trichloroethylene using chlorine supplied by the Company and sells most of the production volume through the Company.

The Company decided to merge with Asahi Glass Urethane Co., Ltd. and Asahi-Penn Chemical Co., Ltd. for the business efficiency improvement and the cost reduction.

2. Summary of merger

(1) Schedule of merger

Board of Directors to approve the merger agreement

-October 31, 2008

Execution of the merger agreement

-October 31, 2008

Shareholders' meeting to approve the merger agreement:

-For the Company, this merger is a small scale merger as stipulated by Paragraph 3, Article 796 of the Corporation Law, and for Asahi Glass Urethane Co., Ltd. and Asahi-Penn Chemical Co., Ltd., this merger is a short form merger as stipulated by Paragraph 1, Article 784 of the Corporation Law. As such, none of these corporations will hold a shareholders' meeting to approve the merger agreement.

Effective date of merger

-January 1, 2009 (tentative)

(2) Method of merger

The Company will become a surviving company, and Asahi Glass Urethane Co., Ltd. and Asahi-Penn Chemical Co., Ltd. will be dissolved.

The Company holds the whole of the outstanding shares of Asahi Glass Urethane Co., Ltd., and Asahi-Penn Chemical Co., Ltd. , so the Company will not issue new shares or increase capital upon this merger.

3. Summary of merged companies

(1) surviving company

(As of June 30, 2008)

(1)	Trade name	Asahi Glass Co., Ltd.	
(2)	Business	Manufacturing and sales of glass products, chemical products, electronic and display materials	
(3)	Established	June 1, 1950	
(4)	Site of headquarter	1-12-1 Yuraku-cho, Chiyoda-ku, Tokyo	
(5)	Representative	Kazuhiko Ishimura, COO	
(6)	Capital	90,863 million yen	
(7)	Number of shares outstanding	1,186,689 thousand shares	
(8)	Capital stock (on a parent basis)	551,301 million yen	
(9)	Total assets (on a parent basis)	1,211,276 million yen	
(10)	Closing period	December	
(11)	Number of employees	6,043	
(12)	Major business partners	AGC Display Glass Taiwan Co., Ltd., Sharp Corporation, etc.	
(13)	Major shareholders and shareholding ratio	The Master Trust Bank of Japan (Trust account)	8.01%
		Japan Trustee Services Bank (Trust account)	6.58%
		Meiji Yasuda Life Insurance	4.05%
		Tokio Marine & Nichido Fire Insurance	3.98%
		Nippon Life Insurance	3.07%
(14)	Major Bank	The Bank of Tokyo-Mitsubishi UFJ, Ltd	

(15)	Results of the most recent fiscal years (millions of yen)			
	Closing Period	December 2005	December 2006	December 2007
	Sales	576,229	637,050	634,870
	Operating Profit	46,554	61,247	73,370
	Ordinary Profit	62,504	73,607	83,023
	Net Profit	43,008	(31,807)	52,863
	Net profit per share (yen)	36.81	(27.12)	45.06
	Dividend per share (yen)	15.00	16.00	20.00
	Capital stock per share (yen)	578.15	536.00	546.14

* () indicates losses.

(2) extinct company

(As of June 30, 2008)

(1)	Trade name	Asahi Glass Urethane Co., Ltd.	Asahi-Penn Chemical Co., Ltd.
(2)	Business	Manufacturing raw materials such as Polyols for polyurethane and polyurethane products	Manufacturing and sales of organic chemical products such as Trichloroethylene
(3)	Established	July 16, 1974	February 25, 1966
(4)	Site of headquarter	25 Touwada, Kamisu-shi, Ibaraki	10 Goi-kaigan, Ichihara-shi, Chiba
(5)	Representative	Hiroki Fukuda, CEO	Yoshimi Murayama, CEO
(6)	Capital	1,120 million yen	1,152 million yen
(7)	Number of shares outstanding	2,240 thousand shares	2,304 thousand shares
(8)	Capital stock (on a parent basis)	1,734 million yen	2,839 million yen
(9)	Total assets (on a parent basis)	11,195 million yen	7,503 million yen
(10)	Closing period	December	December
(11)	Number of employees	87	52
(12)	Major business partners	Asahi Glass Co., Ltd.	Asahi Glass Co., Ltd.
(13)	Major shareholders and shareholding ratio	Asahi Glass Co., Ltd. 100%	Asahi Glass Co., Ltd. 100%
(14)	Major Bank	The Bank of Tokyo-Mitsubishi UFJ, Ltd	The Bank of Tokyo-Mitsubishi UFJ, Ltd
(15)	Capital relationship	Asahi Glass Urethane Co., Ltd. is a wholly-owned subsidiary of Asahi Glass Co., Ltd.	Asahi-Penn Chemical Co., Ltd. is a wholly-owned subsidiary of Asahi Glass Co., Ltd.
(16)	Human relationship	CEO of Asahi Glass Urethane Co., Ltd. is an employee of Asahi Glass Co., Ltd.	CEO of Asahi-Penn Chemical Co., Ltd. is an employee of Asahi Glass Co., Ltd.

(17)	Transaction relationship	Asahi Glass Urethane Co., Ltd. supplies the entire production volume of Polyols and Polyurethane to Asahi Glass Co., Ltd.			Asahi-Penn Chemical Co., Ltd. supplies most of the production volume of organic chemical products such as Trichloroethylene to Asahi Glass Co., Ltd.		
(18)	Results of the most recent fiscal years (millions of yen)						
	Trade name	Asahi Glass Urethane Co., Ltd.			Asahi-Penn Chemical Co., Ltd.		
	Closing Period	December 2005	December 2006	December 2007	December 2005	December 2006	December 2007
	Sales	14,392	17,265	18,324	11,731	12,855	14,158
	Operating Profit	4	51	54	571	661	428
	Ordinary Profit	0	41	17	570	662	430
	Net Profit	(6)	(213)	14	332	75	240
	Net profit per share (yen)	(3.11)	(95.47)	6.45	144.29	32.87	104.35
	Dividend per share (yen)	0.00	0.00	0.00	0.00	260.41	43.40
	Capital stock per share (yen)	868.50	772.50	776.68	1,357.70	1,388.57	1,232.51

* () indicates losses.

4. Conditions after Merger

- (1) Trade name: Asahi Glass Co., Ltd.
- (2) Business: Manufacturing and sales of glass products, chemical products, electronic and display materials
- (3) Site of headquarter: 1-12-1 Yuraku-cho, Chiyoda-ku, Tokyo
- (4) Representative: Kazuhiko Ishimura, COO
- (5) Capital: 90,863 million yen* (As of June 30, 2008)
- (6) Total assets(Consolidated): 2,115,806 million yen (As of June 30, 2008)
- (7) Total net assets(Consolidated): 1,035,286 million yen (As of June 30, 2008)
- (8) Closing period: December
- (9) Future prospect: The business efficiency improvement and the cost reduction of the AGC Group are expected as a result of this merger. Further, the influences of this merger are deemed insignificant.

* There will be no increase of capital as a result of merger.