

November 25, 2009

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Announcement regarding the Issuance of Zero Coupon Convertible Bonds due 2012 and 2014

Asahi Glass Company, Limited (the "Company") hereby notifies the following issuance of Zero Coupon Convertible Bonds due 2012 (bonds with stock acquisition rights, *tenkanshasaigata shinkabuyoyakuken-tsuki shasai*, hereinafter referred to as the "2012 Bonds") and of Zero Coupon Convertible Bonds due 2014 (bonds with stock acquisition rights, *tenkanshasaigata shinkabuyoyakuken-tsuki shasai*, hereinafter referred to as the "2014 Bonds", and together with the 2012 Bonds, the "Bonds") resolved at the meeting of the Board of Directors held on November 25, 2009. Approval in-principle has been received for the listing of the Bonds on the Singapore Exchange Securities Trading Limited.

Use of Proceeds

The net proceeds of the issue of Bonds will be used primarily as follows: (i) approximately ¥70,000 million on capital expenditure aimed at strengthening and expanding existing businesses with further growth potential and on development of, and investment in, future growth businesses; and (ii) the balance on the repayment of interest-bearing debt, in order to respond to funding needs required for taking various measures for the purposes of establishing a foundation for growth.

Overview of the Bonds

Securities Offered	2012 Bonds: ¥45,000,000,000 in aggregate principal amount of Zero Coupon Convertible Bonds due 2012 (bonds with stock acquisition rights, <i>tenkanshasaigata shinkabu yoyakuken-tsuki shasai</i>). 2014 Bonds: ¥45,000,000,000 in aggregate principal amount of Zero Coupon Convertible Bonds due 2014 (bonds with stock acquisition rights, <i>tenkanshasaigata shinkabu yoyakuken-tsuki shasai</i>).
Options	The Company has granted to the managers in respect of the 2012 Bonds and the 2014 Bonds, options in respect of the 2012 Bonds and the 2014 Bonds (exercisable by a joint lead manager in respect of the relevant Bonds at any time up to and including 8th December, 2009 (London time)), to subscribe for, under certain circumstances, up to a further ¥5,000,000,000 in aggregate principal amount of each of the 2012 Bonds and the 2014 Bonds, respectively.

Note: This announcement is intended as general information regarding Asahi Glass Company, Limited's issuance of convertible bonds. This announcement does not constitute an offer of, or the solicitation of an offer to buy or subscribe for the Bonds or the Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, the Bonds and the Shares issuable upon exercise of, or upon acquisition by the Company of, the Stock Acquisition Rights (together, the "Securities") have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account of, U.S. persons (as defined in Regulation S of the Securities Act ("Regulation S")). The Securities may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Stabilisation: FSA.

Issue Prices	2012 Bonds: 100.0 per cent, 2014 Bonds: 100.0 per cent.
Offer Prices	2012 Bonds: 100.0 per cent, 2014 Bonds: 100.0 per cent.
Coupon	Zero percent.
Exercise of Stock Acquisition Rights	<p>Subject to and upon compliance with the provisions for the relevant series (the "Series") of Bonds, any holder of a Bond may exercise the Stock Acquisition Right relating to such Bond, at any time on and after, in the case of all the Bonds, 28th December, 2009 up to, and including, the close of business (at the place where the Stock Acquisition Right is to be exercised) on 31st October, 2012 (in the case of the 2012 Bonds) and 31st October, 2014 (in the case of the 2014 Bonds) (but in no event thereafter) (unless the relevant Bonds have been previously redeemed, acquired or purchased and cancelled or become due and repayable, and except in certain other limited circumstances), to acquire fully-paid and non-assessable shares of common stock of the Company (the "Shares").</p> <p>However, in the case of the 2014 Bonds, prior to (but not including) 1st February, 2013, and subject to the terms and conditions of the 2014 Bonds (the "2014 Bonds Conditions"), a Bondholder may exercise its Stock Acquisition Rights only if, as of the last day of any calendar quarter, the Closing Price (as defined in the 2014 Bonds Conditions) of the Shares for any 20 Trading Days (as defined in the 2014 Bonds Conditions) in a period of 30 consecutive Trading Days ending on the last Trading Day of such calendar quarter is more than 120 per cent. of the Conversion Price (as defined in the 2014 Bonds Conditions) in effect on the last Trading Day of such calendar quarter. If this condition is satisfied, then the holder of the 2014 Bonds may (subject to certain conditions) exercise the Stock Acquisition Rights relating to such 2014 Bonds on and after the first day of the following calendar quarter until the end of such quarter (or, in the case of the calendar quarter commencing on 1st January, 2013, until 31st January, 2013), provided the relevant Deposit Date (as defined in the 2014 Bonds Conditions) falls during the Exercise Period (as defined in the 2014 Bonds Conditions). The above conditions to the exercise of the Stock Acquisition Rights in respect of the 2014 Bonds shall not be applicable, in general, (i) if a notice of redemption is given to the Bondholders, (ii) if specified corporate transactions occur with respect to the Company or (iii) during any period in which any rating assigned to the Company's long-term senior debt or the 2014 Bonds (if rated) is below a specified level or certain other ratings events occur.</p>
Acquisition of the Bonds at the Option of the Company	On or after 1st August, 2012 (in the case of the 2012 Bonds) and on or after 1st August, 2014 (in the case of the 2014 Bonds), the Company may (subject to certain conditions) give notice to the Bondholders to acquire from them all, but not some only, of the Bonds of relevant series outstanding on the Acquisition Option Date (as defined in the terms and conditions of the relevant Series of Bonds). All such Bonds of the relevant Series shall be deemed to be so acquired by the Company (and each Bondholder will be bound to agree to such acquisition) in exchange for (i) the Acquisition Shares (as defined in the terms and conditions of the relevant Series of Bonds) to be issued with effect as of the Acquisition Option Date, and (ii) the Adjustment Amount (as defined in the terms and

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conditions of the relevant Series of Bonds), if any, payable on the Acquisition Option Date, each to be determined in accordance with the terms and conditions for the relevant Series. In order to effect delivery of any Acquisition Shares, Bondholders will be required to deliver a Share Settlement Notice (as defined in the terms and conditions of the relevant Series of Bonds) no later than the Determination Date (as defined in the terms and conditions of the relevant Series of Bonds).

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