

New Medium-Term Management Plan “Grow Beyond-2012”

The AGC Group has announced the establishment of a new medium-term management plan (MTP) for the Group entitled “**Grow Beyond-2012**” for the fiscal years 2010 to 2012. This follows the foundations for growth realized during the Group’s “**Grow Beyond-2010**” MTP. Both MTPs derive from the Group’s management policy **Grow Beyond**. The adoption of this new “**Grow Beyond-2012**” MTP reflects the Group’s confidence that it has completed the reforms necessary to cope with the rapid and significant change in its business environment and embodies a confidence that the worst of declines are past in the world economy.

Tasks in “Grow Beyond-2012”

Under our new medium-term management plan, “**Grow Beyond-2012**”, the AGC Group regards the next three years to be a period for ensuring growth.

The first task of “**Grow Beyond-2012**” is a full-fledged recovery of the company performance. The Group aims to attain the highest level of business performance, and by leveraging the cash flows generated through optimum performance, we will proceed with the **Grow Beyond** measures and ensuring our financial strength at the same time.

The second task is accelerating **Grow Beyond** measures. The Group will promote measures to build a foundation for growth by focusing on the following three themes using the Group’s core technologies in glass, chemicals, and ceramics: “glass-technology-driven company”; “delivering technology solutions for climate change”; and engaging in a “second round of globalization.”

Tasks in “Grow Beyond-2012”

- Achieve full-fledged recovery of the company performance
- Accelerate **Grow Beyond** measures

Investment Plan and Financial Targets

To address those tasks, the AGC Group plans to make capital expenditures totaling 450.0 billion yen over three years. In addition, the Group will proactively examine the possibility for investments and loans for M&A activities and strategic business alliances. Further, we will allocate 150.0 billion yen (three year total) to R&D activities with the particular focus on the development of energy-related businesses and electronic materials.

Investment Plan

- Capital expenditure: 450.0 billion yen (total for three years)
- In addition to capital expenditure, the Group will proactively examine the possibility for M&As and strategic business alliances.

R&D

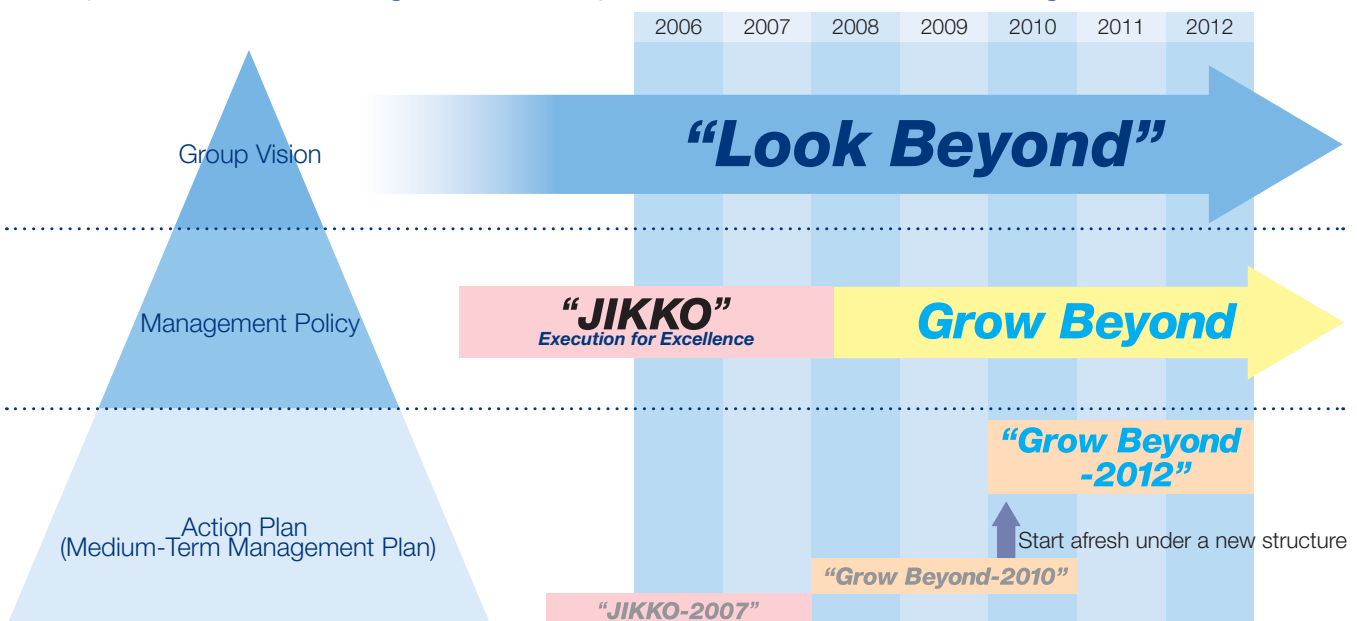
- R&D expenses: 150.0 billion yen (total for three years)

Through these efforts, the AGC Group aims at achieving ROE (Return on Equity) of 12% or more and a D/E ratio (Debt/Equity ratio) of 0.5 or less.

Financial targets

- ROE of 12% or more
- D/E ratio of 0.5 or less

Group Vision and Management Policy, New Medium-Term Management Plan



Principal Measures of “Grow Beyond-2012” by Business

Glass Business

The AGC Group aims at continuing to be a global leader by maintaining a solid presence in developed countries and by aggressively expanding business in emerging countries.

The AGC Group considers that demand for both architectural and automotive glass bottomed out in 2009 and will recover with the growth of emerging markets such as China, but recovery in developed countries will be slow.

Given such an environment, the AGC Group will enhance its cost competitiveness by radically improving productivity and production yields, while continuing to adjust the capacity utilization rate of its facilities in response to the demand. We will promote development and production of high added-value products such as solar products, and press ahead with developing and expanding sales of eco-friendly glass products that meet the needs of each region.

Solar-related Business

We will make concerted efforts throughout the Group to develop, manufacture, and sell solar-related components.

While growth of the solar power market slowed slightly due to the influence of the economic crisis, it is getting back on track for strong growth. In addition to the solar power market, the market for

concentrating solar power generation systems is also expected to expand rapidly.

In these markets, the AGC Group will work to develop, manufacture, and sell not only glass but also solar-related components, using the Group's technologies in glass, chemicals, and ceramics.

Electronics and Display Business

In the display business, the AGC Group will build a flexible production system.

The AGC Group will respond to the FPD market, which is expected to grow at an annual average rate of 10% or more, by increasing productivity and production yields of existing facilities and making new investments. In addition, we will respond to the expanding production of FPD panels in China.

In the electronics materials business, we will focus further on building mass-production technology and increasing productivity and production yields.

The semiconductor-related market is considered to have bottomed out in 2009 and is currently heading toward recovery. The personal

computer (PC) market is expected to continue growing at an annual average rate on the order of 10%. In response to growth in these markets, we will strive to develop mass-production technologies and increase productivity and production yields.

We will accelerate releases of new products by capitalizing on our marketing and development capabilities.

We will accelerate releases of new products in such fields as energy, display, semiconductor/electronic components, and lighting by differentiating our products with our special glass and chemicals technologies, and proactively capturing needs for glass, which are diversifying and growing at an accelerating pace.

Chemicals Business

The AGC Group will strengthen its business competitiveness by improving productivity, such as by consolidating production bases for intermediate fluorine materials, and taking other measures.

In addition, the Group will focus on expanding sales of products in environment- and energy-related markets including solar-related

components, fluorochemicals, and urethane products that have smaller effects on the environment.

In Asia, we will enhance the capacities of facilities for basic chemicals by capturing market growth and boost sales of fluorine chemicals that meet the needs of emerging markets.

Ceramics Business

Taking advantage of possessing the ceramics technologies, the AGC Group will contribute to the development of glass-related businesses by extending the operating lives of facilities, differentiating products through higher quality, and developing furnace materials that improve

production yields.

The Group will also focus on expanding sales in the environment and energy fields, including solar-related components.