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**Asahi Glass increases production capacity of large TFT LCD glass substrates
—Production of the world's largest size substrate—**

Asahi Glass Co. Ltd.

Asahi Glass Co., Ltd. (AGC) will increase its production capacity of glass substrate for TFT LCD (Thin Film Transistor Liquid Crystal Display). AGC establishes integrated glass substrate production lines capable of handling everything from the raw sheet production to polishing for 6th, 7th and 8th generation substrates (Production capacity: 4,000,000 m²/year), at its Takasago plant (Takasago, Hyogo-prefecture, Japan). The total investment is estimated at approximately 25 billion yen, with construction scheduled to start in July, 2005 and volume production scheduled to start in October of 2006.

As a result of these investments, the Takasago plant will have 2 furnaces including one which is currently under construction (scheduled to be operational in October, 2005). This will bring the plant to be the largest production base of TFT glass operations in Japan.

Demand for TFT LCD panels is in full swing for television sets as well as for personal computers, and is expected to rise at an annual rate of 20% in number of units. Also, production of large panels using 6th and 7th generation glass is in full-scale at TFT LCD panel manufacturers, and production with 8th generation glass, which will be the largest format of all, is also planned. Therefore, demand for glass is expected to be even stronger, mainly for the large formats, and it had become an urgent necessity for glass manufacturers to establish the capabilities to reliably supply 8th generation glass substrate, the largest format, in particular.

By leveraging its strengths in using the float process, AGC sets up the world's first production lines capable of handling 8th generation glass substrates at its Takasago Plant. This plant will have an integrated production structure that handles everything from raw sheet production to polishing.

The Takasago plant is currently the Group's only plant in Japan that develops and manufactures CRT (cathode ray tube) glass, and it will become the largest domestic production base of TFT glass, positioned as the Group's leading plant for display manufacturing operations.