



February 5, 2007

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**Asahi Glass To Abolish Directors' Retirement Benefit Program,
Introduce Stock Compensation-Type Stock Options**

As part of its revision to the directors' compensation system, Asahi Glass Co., Ltd. (hereafter referred to as the "Company"), decided at its Board of Directors meeting held on February 5, 2007 to submit an agenda concerning "Revision of Amount of Remuneration, etc. for Directors and Decision on the Details of Stock Compensation-Type Stock Options," for approval at the 82nd Ordinary General Meeting of Shareholders to be held on March 29, 2007. Such revision is submitted for approval on the premise that the directors' retirement benefit program will be abolished and stock compensation-type stock options will be introduced.

1. Abolishment of the directors' retirement benefit program
 - (1) At the close of the 82nd Ordinary General Meeting of Shareholders to be held on March 29, 2007, the Company will abolish the retirement benefit program for its directors. For the avoidance of doubt, the Company has not instituted a retirement benefit program for independent directors.
 - (2) In connection with the above abolishment, the Company will pay retirement benefits to incumbent directors for the period from their assumption of office until the end of the said General Meeting of Shareholders, in accordance with the Company's standards. The payment will be made to directors when they have resigned from their posts of both director and executive officer, after obtaining approval at the said General Meeting of Shareholders.

2. Introduction of stock compensation-type stock options
 - (1) Purpose;

The Company will introduce stock compensation-type stock options so that directors (excluding independent directors) can share the benefits and risks related to stock price fluctuations with shareholders, and so that they may be increasingly motivated and willing to improve the Company's stock price and corporate value.
 - (2) Issuance of the stock acquisition rights;
 - i. Beneficiaries and their number
Directors of the Company (excluding independent directors): Four

ii. Type and number of shares to be issued upon the exercise of the rights

The type of shares to be issued upon the exercise of the stock acquisition rights shall be the Company's common stock. Each stock acquisition right entails the right to acquire 1,000 shares (hereafter referred to as the "Number of Shares Granted").

If the Company conducts a stock split (including a gratis allotment of the Company's common shares) or a reverse stock split after the resolution date of the 82nd Ordinary General Meeting of Shareholders, the Company shall make necessary adjustments if it deems it appropriate to adjust the Number of Shares Granted.

iii. Number of stock acquisition rights

The number of stock acquisition rights to be allotted within one year after each business year's Ordinary General Meeting of Shareholders shall be determined so that the amount obtained by multiplying the fair value per stock acquisition right as of the date of allotting stock acquisition rights (hereafter referred to as the "Allotment Date") by the number of allotted stock acquisition rights is less than 130 million yen (the amount of directors' compensation, etc. paid in stock compensation-type stock options). (Note)

Note: The newly implemented Corporation Law (Law No. 86 of 2005) stipulates that stock acquisition rights allotted to directors as stock options shall be included in directors' compensation, etc. In response, after approval obtained at the 82nd Ordinary General Meeting of Shareholders, the Company will issue the stock acquisition rights on the condition that the annual amount of directors' compensation, etc. (excluding independent directors) in stock compensation-type stock options should be less than 130 million yen.

iv. Assets to be contributed at the time of exercise of the rights

The amount of assets to be contributed at the time of exercise of each stock acquisition right is obtained by multiplying the number of allotted shares by 1 yen per share (the amount to be paid per share issued upon the exercise of stock acquisition rights).

v. Exercise period for the rights

The exercise period shall be within 30 years from the day after the Allotment Date.

However, the period when stock acquisition rights can be actually exercised shall be basically limited to 10 years from the day after the beneficiary loses the position as director and executive officer, as described in vii below.

vi. Restrictions on acquisition of the rights through transfer

The approval of the Board of Directors is required for the acquisition of the rights through transfer.

vii. Other conditions for the exercise of the rights

The beneficiary may exercise stock acquisition rights for only 10 years from the day after he

or she loses the position as director and executive officer of the Company.

Other conditions for the exercise of the rights shall be determined at the Board of Directors' meeting, which decides on matters concerning the distribution of stock acquisition rights.

[Reference]

By resolution of the Board of Directors meeting, the Company plans to issue the stock acquisition rights as stock options, which feature the same details as described above, for the Company's executive officers who do not serve concurrently as director of the Company.