

March 16, 2007

Asahi Techno Glass Corporation determines to close its Nakayama Plant

Asahi Glass Co., Ltd.

Asahi Techno Glass Corporation (Headquarters: Funabashi City, Chiba Prefecture; President: Hiroshi Wakamura), a wholly-owned company of Asahi Glass Co., Ltd. (Headquarters: Tokyo; president: Masahiro Kadomatsu), has determined to close its Nakayama Plant (headquarters and plant) by the end of December 2008.

Asahi Techno Glass Nakayama Plant started production of glass for automobile headlights in 1966. Since then, the plant has expanded its businesses in various fields with its core special glass technologies such as glass frit, aluminum nitride substrates, and bio-related reagents in addition to borosilicate glass for glass products for physics and chemistry, heat-resistant glass products, and industrial glass tubes. However, Nakayama Plant, which produces various kinds of flagship borosilicate products in multiple lines for large size furnaces, faces big challenges such as coping with cost increase factors including the recent sharp price rise of raw materials and fuels and promoting drastic restructuring to improve quality.

Under such circumstances, Asahi Glass has determined to restructure the three-base production system at Nakayama Plant, Shizuoka Plant, and Thai Iwaki Glass in Thailand in order to improve the cost and quality competitiveness of the borosilicate glass-related businesses (scitech business, houseware business, and lighting and industrial business) of Asahi Techno Glass.

Nakayama Plant will be completely closed by the end of December 2008. At the same time, Asahi Glass will establish one new furnace and its incidental production and processing lines (total investment: about 4 billion yen) at Thai Iwaki Glass and Shizuoka Plant, respectively, to build up the most suitable production system.

In addition, Asahi Glass has determined to promote integrated operation, from April 1, 2007, of production, sales, and development for the scitech business, houseware business, and lighting and industrial business of Asahi Techno Glass which are based on the common technology of special glass.

We believe that this integrated operation will further accelerate common use of know-how and resources of special glass technology, and contribute to further growth of the special glass business.

* For further information, please contact Shinichi Kawakami, General Manager, Corporate Communications & Investor Relations, Asahi Glass Co., Ltd.

(Direct inquiries to: Keisuke Miida; telephone: +81-3-3218-5408; e-mail: info-pr@agc.co.jp)

References

Outline of Nakayama Plant (headquarters and plant) of Asahi Techno Glass Corporation

1. Location: 1-50-1 Gyoda, Funabashi City, Chiba Prefecture
2. Representative: Hiroshi Wakamura, President and CEO
3. Business fields: Scitech business (glass products for physics and chemistry etc.),
houseware business (heat-resistant glassware etc.),
industrial business (industrial glass tubes etc.),
glass frit business, aluminum nitride substrate business, tissue culture business, bio-related reagents, etc.
4. Start of operation: 1966
5. Site area: about 72,000 m²
6. Number of employees: 324 (as of the end of December 2006)