

December 25, 2007

Company Name: Asahi Glass Co., Ltd.
President & CEO: Masahiro Kadomatsu
(Code No.: 5201; TSE 1st section)
Contact: Shinichi Kawakami, General Manager,
Corporate Communications & Investor Relations
(Tel: +81-3-3218-5509)

Asahi Glass Announces Transfer of Shares in Optrex Corporation

Asahi Glass Co., Ltd. (the “Company”) decided at its Board of Directors’ meeting held on December 25, 2007 to transfer all the shares that it holds in Optrex Corporation, a subsidiary of the Company which manufactures and sells small- to medium-size liquid crystal display devices and other electronic and optical display devices, as described below.

1. Reasons for the share transfer

Asahi Glass, under its group vision, “*Look Beyond*”, is committed to concentrating its management resources on its core businesses, and is continuously reviewing the possibilities of revising its business portfolio and reallocating its management resources in the process of carrying out its three-year medium-term management plan, “*JIKKO-2007*”, which it implemented in 2005.

Optrex manufactures and sells in-vehicle devices, cellular phones, and small- to medium-size liquid crystal display devices for commercial and industrial uses. Although devices for in-vehicle purposes fared well, Optrex added up the operating loss, for the fiscal year ended December 31, 2006, owing to the negative effects of price declines caused by stiff competition in the cell-phone market.

In such circumstances, Asahi Glass has so far considered various initiatives for the small- and medium-size display business, such as structural reforms and business alliances to improve profitability on the premise of business continuity or withdrawal by divestiture. However, judging that only small synergistic effects would be realized in the businesses in which Asahi Glass Group would proactively invest in future, the Company decided to transfer all its shares in Optrex, in accordance with the Company’s management policy to concentrate management resources on the core businesses.

The transferee will be a fund operated by Japan Industrial Partners, Inc.

2. Profile of the subsidiary (as of November 30, 2007)

- (1) Trade name: Optrex Corporation
- (2) Representative: Shoji Atsuta, President and CEO
- (3) Location: Higashi-nippori 5-7-18, Arakawa-ku, Tokyo, Japan

- (4) Established: July 1976
- (5) Major operations: Manufacture and sale of small- and medium-size liquid crystal display devices and other electronic and optical display devices
- (6) Closing of accounts: December 31
- (7) Number of employees: 346
- (8) Capital: 2,500 million yen
- (9) Total number of shares outstanding: 5 million

* Since Optrex plans to increase its capital (by 8 billion yen) by issuing 10 million new shares in February 2008, the total number of shares outstanding after the capital increase is expected to be 15 million. The amount of capital after the capital increase is unclear at present.

(10) Shareholders and ownership ratio: Asahi Glass: 60%; Mitsubishi Electric: 40%

(11) Operational results in recent business years (Unit: Millions of yen)

	Fiscal year ended December 2005	Fiscal year ended December 2006
Net sales	90,899	84,639
Operating income	1,312	(666)
Net income	1,524	(1,695)
Net assets	66,524	61,451

3. Profile of the transferee

Asahi Glass will transfer all its shares in Optrex to Japan Industrial Partners Fund II and Japan Industrial Partners Fund II Parallel, funds operated by Japan Industrial Partners, Inc.

Trade name	Japan Industrial Partners, Inc.	Japan Industrial Partners Fund II	Japan Industrial Partners Fund II Parallel
Representative	Hidemi Moue	Partners with unlimited liability Japan Industrial Partners, Inc. Hidemi Moue, President and CEO	Partners with unlimited liability Japan Industrial Partners, Inc. Hidemi Moue, President and CEO
Head office	2-1-1 Marunouchi, Chiyoda-ku, Tokyo	2-1-1 Marunouchi, Chiyoda-ku, Tokyo	2-1-1 Marunouchi, Chiyoda-ku, Tokyo
Major operations	Administration, management and other ancillary operations related to funds to be used for business reorganization	Management of partnership assets based on agreement for investment limited liability partnership	Management of partnership assets based on agreement for investment limited liability partnership
Relationship with Asahi Glass	Not applicable in relation to capital, human and transaction relationships	Not applicable in relation to capital, human and transaction relationships	Not applicable in relation to capital, human and transaction relationships

4. Percentage of shares to be transferred, transfer price, holdings before and after the transfer

Since Optrex plans to increase capital (by 8 billion yen) by issuing 10 million new shares in February 2008, the total number of shares outstanding after the capital increase is expected to be

15 million. Though Asahi Glass plans to receive 60% (4.8 billion yen) of the capital increase, and accordingly the Company will then own 9 million shares in Optrex (ownership of 60%), the Company will transfer all those shares.

- (1) Number of shares owned before transfer: 9 million (ownership: 60%)
- (2) Number of shares to be transferred: 9 million
(Transfer price: 6 million yen)
- (3) Number of shares owned after transfer: 0

5. Schedule

- December 25, 2007: Board of Directors' meeting
- February 2008 (planned): Date for transferring share certificates

6. Future outlook

While the Company is expected to incur extraordinary losses of about 3.8 billion yen on a consolidated basis and about 6.3 billion yen on a non-consolidated basis, for the fiscal year ending December 31, 2007, the impact has already factored into the outlook of operating results.