

February 5, 2008

## **Asahi Glass to Boost Glass Production Facilities for Solar Cells**

Asahi Glass Co., Ltd.

Asahi Glass Co., Ltd. (Head office: Tokyo; President & CEO: Masahiro Kadomatsu) has decided to enhance glass production facilities for solar cells. Spending about 13 billion yen in total, Asahi Glass will establish a new furnace for the cover glass of solar cells (production capacity: 240 tons/day; 7 million m<sup>2</sup>/year) and an AR coating line at subsidiary AGC Flat Glass (Suzhou) Co., Ltd. (Head office: Suzhou, Jiangsu, China), as well as set up an additional TCO coating line (production capacity: 6 million m<sup>2</sup>/year) at the Aichi plant (Taketoyo-cho, Chita-gun, Aichi Prefecture). The cover glass production facility is expected to start mass production in the second quarter 2009 and the TCO coating line in the fourth quarter 2008.

In recent years, the world market for photovoltaic power generation has been expanding amid mounting concern over global environment and energy issues. In 2007, photovoltaic power generation is expected to have grown to approximately 3.4 or 3.5GW, more than three times the amount generated in 2004. Such power generation is expected to increase sharply at 40% annually in the years to come. In the current market, crystal silicon solar cells represent the mainstream technology. However, due to the tightening supply-demand situation of silicon, the primary material, manufacturers are focusing on development and commercialization of various products such as thin film solar cells based on silicon-deposited glass.

With regard to crystal silicon solar cells, figured glass, which has template patterns on the surface to reduce reflection of sunlight, is used as cover glass to protect the silicon. Meanwhile, transparent conductive oxide (TCO)-coated glass has begun to be used for thin film solar cells. While strong demand is predicted for both kinds of glass, they are each required to have higher transmission than ordinary architectural glass and to be high-performance and high-quality products that can improve power-generating efficiency.

Asahi Glass already manufactures cover glass for solar cells in the U.S., Belgium and the Philippines. It now plans to establish a furnace and a line of AR coating, which can reduce the reflection of sunlight, in China, where the market is projected to expand rapidly. In order to improve our service, capacity increase is also on-going in Europe through the expansion of processing capacity in Belgium (edge working and tempering). The aim of those projects is to expand production capacity completing our worldwide network and to differentiate from competitors with higher production capacity and more value added. With regard to TCO glass, Asahi Glass manufactures glass substrates in the U.S. and Thailand, and applies coatings in the U.S. and Japan (Aichi plant). Asahi Glass now aims to substantially raise production capacity of TCO glass through expansion of the TCO coating line at the Aichi plant, and start of TCO production in Europe.

Asahi Glass has located the head office of AGC Flat Glass (In-House Company) in Belgium, which supervises Japan/Asia General Division, Europe General Division and North America General Division, when it shifted to the Global In-House Company system. The solar cell glass market is expanding worldwide, and the pace of market growth and technological innovation is fast and competition is fierce compared to conventional flat glass. In such circumstances, Asahi Glass will establish Solar SBU under the direct control of the head office in Belgium, and build global systems for development, manufacture, and sales. By achieving this, Asahi Glass will be able to timely enhance production capacity, and rapidly push ahead with technology development for innovative glass that can contribute to improving conversion efficiency from solar to electric energy.

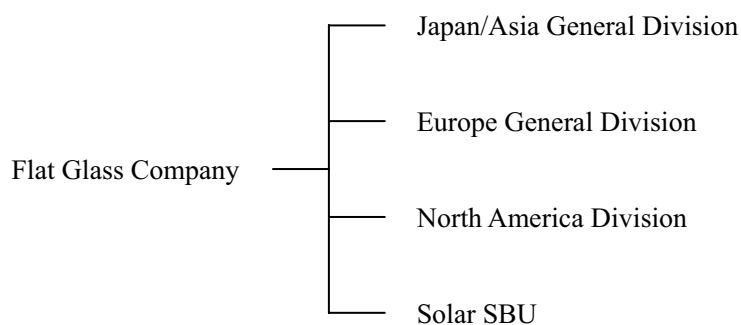
Under **“JIKKO-2010,”** the three-year medium-term management plan launched in 2008, Asahi Glass will proactively operate its solar cell glass business with the goal of posting sales of 60 billion from the business for fiscal 2010, up from 12 billion in fiscal 2007.

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

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<Reference>

#### 1. Organization of Flat Glass Company



#### 2. Production bases for solar cell glass substrates (after expansion of facilities)

##### (1) Cover glass

Japan/Asia: AGC Flat Glass Philippines Inc., **AGC Flat Glass (Suzhou) Co., Ltd.**

Europe: AGC Flat Glass Europe S.A.

North America: AGC Flat Glass North America, Inc.

##### (2) TCO glass

Japan/Asia: AGC Flat Glass (Thailand) Public Co., Ltd. (glass substrates), **Aichi Plant (coating)**

Europe: AGC Flat Glass Europe S.A. (coating)

North America: AGC Flat Glass North America, Inc. (glass substrates; coating)

### 3. Outline of AGC Flat Glass (Suzhou) Co., Ltd.

- (1) Location: Suzhou, Jiangsu, China
- (2) Representative: Keita Shikii, Charman
- (3) Establishment: April 2004
- (4) Capital: US\$40 million
- (5) Shareholders: Asahi Glass Co., Ltd.: 100%
- (6) Business activities: Production and sales of raw glass for automotives
- (7) Number of employees: 842 (as of the end of December 2007)

### 4. Outline of Aichi Plant

- (1) Location: 1, Asahi, Taketoyo-cho, Chita-gun, Aichi Prefecture
- (2) Representative: Tsuneo Kawaguchi, General Manager
- (3) Product: Automotive glass
- (4) Site area: About 600,000 m<sup>2</sup>
- (5) Number of employees: 997(as of the end of December 2007)

### 5. Solar cell structure (outline)

