ASAHI GLASS ANNOUNCES REVISION OF CONSOLIDATED AND NONCONSOLIDATED RESULTS FORECASTS FOR FISCAL 2002

TOKYO — Asahi Glass Company, Limited, announced today it had revised its consolidated and nonconsolidated operating results forecasts for fiscal 2002, ending March 31, 2002, together with the implementation of additional restructuring measures, including the temporary expansion of its voluntary early retirement system.

1. Revised Full-term Consolidated Results Forecast

(For the fiscal year ending March 31, 2002)

(Millions of yen/%)

	Net sales	Operating	Ordinary	Net income
		income	income	(loss)
Initial forecast (A)				
(announced November 20, 2001)	¥1,260,000	¥ 62,000	¥44,000	¥10,000
Revised forecast (B)	1,260,000	57,000	37,000	(9,000)
Increase (decrease) (B-A)	0	(5,000)	(7,000)	(19,000)
Percent change	_	-8.1%	-15.9%	_
Fiscal 2001 results	¥1,312,829	¥111,652	¥98,026	¥24,724

2. Revised Full-Term Nonconsolidated Results Forecast

(For the fiscal year ending March 31, 2002)

(Millions of yen/%)

	Net sales	Operating income	Ordinary income	Net income (loss)
Initial forecast (A)				
(announced November 20, 2001)	¥550,000	¥(3,500)	¥ 6,000	¥ (3,000)
Revised forecast (B)	550,000	(6,000)	3,000	(18,000)
Increase (decrease) (B–A)	0	(2,500)	(3,000)	(15,000)
Percent change	_		-50.0%	_
Fiscal 2000 results	¥604,629	¥20,989	¥33,690	¥ 11,703

3. Reasons for Revision of Full-term Consolidated Results Forecast

Asahi Glass has not revised its consolidated net sales forecasts. However, with income in the chlor-alkali business likely to fall, the Company now expects

consolidated operating income to be ¥57.0 billion, down ¥5.0 billion from its initial forecast.

To ensure its ability to withstand the current harsh operating environment and enhance profitability, Asahi Glass has decided to implement additional restructuring measures in its cathode-ray tube (CRT) glass bulb and chemical operations. The Company expects these measures to generate a ¥41.0 billion extraordinary loss for the period and, as a consequence, expects to post a consolidated net loss of ¥9.0 billion, down from its initial forecast of net income of ¥19.0 billion.

The aforementioned ¥41.0 billion extraordinary loss included ¥38.0 billion in restructuring costs, comprising:

- Losses on the retirement of assets and costs related to the dismantling of equipment following the planned cessation of CRT glass bulb production at the Funabashi Factory (¥17.0 billion)
- Early retirement benefit payments to employees in the chemical and other businesses (¥6.0 billion)
- Losses on the retirement of assets and costs related to the dismantling of equipment following the cessation of commodity chemical production at the Kitakyushu Factory (¥8.0 billion)
- Losses on the retirement of assets and costs related to the dismantling of equipment following the scaling back of construction materials operations (¥2.0 billion)
- Losses on the retirement of assets and costs related to the dismantling of equipment following the spin-off of ceramics operations as a separate company (¥1.5 billion)
- Other restructuring costs (¥3.5 billion)

4. Reasons for Revision of Full-Term Nonconsolidated Results Forecast

Asahi Glass expects nonconsolidated net sales to be in line with the forecasts made at the time of its interim results presentation. Given the harsh economic environment in Japan, however, the Company now anticipates a nonconsolidated operating loss of ¥6.0 billion, ¥2.5 billion greater than expected at the interim. Moreover, as the aforementioned restructuring measures will primarily involve the parent company, Asahi Glass now expects a significant extraordinary loss at the nonconsolidated level and has revised its nonconsolidated net loss forecast for the full term to ¥18.0 billion, ¥15.0 greater than forecast at the interim.

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Reference

Forecast for Full-Term Consolidated Segment Results

(Millions of yen/%)

	Net sales			Operating income			
	First	Second	Full	First	Second	Full	
	half	half	term	half	half	term	
Glass and Related							
Operations	¥333,800	¥336,200	¥670,000	¥21,700	¥17,300	¥39,000	
Electronics and							
Display Operations	175,900	129,100	305,000	21,800	1,200	23,000	
Chemicals	130,400	134,600	265,000	400	(6,400)	(6,000)	
Operations							
Other Operations	44,400	45,600	90,000	600	400	1,000	
Corporate or							
elimination	(38,600)	(31,400)	(70,000)	(100)			
Total	¥645,800	¥614,200	¥1,260,000	¥44,300	¥12,700	¥57,000	