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For Immediate Release

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Renovation of Corporate Governance and Management Structures

- Reformation of the Board, Appointment of Executive Officers and Introduction of “In-House Company System” -

Asahi Glass Co., Ltd. (head office: Tokyo; President: Shinya Ishizu, referred to as “AGC” hereunder) has been proceeding with enhancement of competitiveness and business restructuring under the “Shrink to Grow” corporate management strategy. In order to promote the management more conscious of shareholders value and to strengthen its consolidated group management on a global basis, AGC decided to reform its board, to newly appoint Executive Officers and to introduce “In-house Company System”, thus, renovate its corporate governance and management structures.

By this reformation, the number of Directors will substantially be reduced from 20 at present to 7. Also, Mr. Haruo Shimada, the Professor of Keio University, and Mr. Kakutaro Kitashiro, the Chairman of the Board of IBM Japan, Ltd., will be nominated as Directors, which is the first attempt for AGC to have independent directors from outside.

1. Reformation of the Board of Directors and Appointment of Executive Officers (following the ordinary general meeting of shareholders scheduled for late June)

The Board of Directors will be reformed and Executive Officers will be newly appointed. In order to strengthen the Board’s function to oversee the management, “oversight” and “execution” of management will be separated.

The new mission of the Board of Directors is defined as “to approve the basic policies, and to oversee the management, of the Asahi Glass Group (the “Group”)”. It is to discuss the basic policies and other major issues of the Group as well as those of AGC and to concentrate on oversight of management from the viewpoint of the Group as a whole. The structure of the Board of Directors will be reformed as follows:

1. Independent Directors are to be appointed from outside.
2. The term of directorship is to be one year. (Two years at present)
3. Special titles for senior Directors are to be abolished, while the Chairman of the Board is to be appointed.
4. Matters to be proposed at meetings of the Board of Directors are to be reviewed in order to clarify its authorities, and to promote substantial discussions at the Board.

Executive Officers, whose role is “to execute the management and business operations of the Group”, will be newly appointed. They will take their respective shares of responsibility under the leadership of President & Chief Executive Officer. The management decisions will be made

more promptly by giving greater authority to President & Chief Executive Officer, and a speedy management style will be achieved. The structure of Executive Officers is defined as follows:

1. The number of Executive Officers is to be not more than 30.
2. Executive Officers will consist of President & Chief Executive Officer, Senior Executive Vice President(s), Senior Executive Officer(s), and Executive Officer(s).
3. The term of office for Executive Officer is to be one year.

AGC believes that this renovation of management structure will enable a strategic and flexible decision-making at the management, and also, will enhance its corporate governance structure by clearly separating “oversight” and “execution” of management.

2. Introduction of In-house Company System (to be effective from 1st April)

As part of the renovation of management systems, AGC will introduce In-house Company System in order to clearly separate “Corporate (i.e. headquarter)” function and “business operating” function. The mission of the Corporate is to maximize the enterprise value of the Group as a whole, while greater autonomy in business operation is given to each in-house “Company”

The following four in-house Companies will be established with effect from 1st April. Flat glass and automotive glass businesses will shift into completely integrated global operations with some regional headquarters within their respective Companies.

1. “Flat Glass Company”: Integration of the existing Flat Glass & Construction Materials General Div. (excluding its Building Materials Div.) of AGC, its flat glass businesses in Asia, the flat glass businesses of Glaverbel Group (Head office: Belgium, referred to as “GVB” hereunder) and the flat glass businesses of AFG Industries, Inc (Head office: U.S.A., referred to as “AFG” hereunder). The Company will locate its headquarter in Brussels and will have three regional headquarters because this business is based on regional operations.
2. “Automotive Glass Company”: Integration of the existing Fabricated Glass General Div. of AGC, its automotive glass businesses in Asia, the automotive glass businesses of GVB, and the automotive glass businesses of AFG. In order to respond quickly to the customer needs, the Company will strengthen its integrated global operation through combination of functional management and regional management.
3. “Display Company”: To take over the function of the existing Display Glass General Div. It will have CRT Glass General Div. and FPD Glass General Div. in it.
4. “Chemicals Company”: To take over the function of the existing Chemicals General Div. It will have Business Management General Div. and Technology General Div. in it.

AGC believes that introduction of the In-house Company System will enable “Company Presidents” to make quick decisions under clear definition of responsibilities and authorities, and exercise autonomy in managing their respective business operations on a global basis.

3. Organization Chart of Asahi Glass Company

