

January 20, 2005

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(Code Number: 5201; TSE 1st section)  
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**Early Adoption of Accounting for Impairment of Fixed Assets, and  
Change in Accounting Principles for Depreciation of Tangible Fixed Assets**

Asahi Glass Co., Ltd. (the “Company”) hereby announces that, at the Board of Directors meeting held on January 20, 2005, it has resolved to adopt accounting for impairment of fixed assets in the fiscal year ended December 2004 as well as change the accounting principles for tangible fixed assets (i.e. property, plant and equipment) to depreciate them to a nominal residual value of 1 yen.

**1. Early Adoption of Accounting for Impairment of Fixed Assets**

The Company has decided to adopt accounting for impairment of fixed assets before it becomes compulsory to gain a better understanding of the Company’s business performance and improve the quality of disclosure.

Anticipated amounts of impairment (extraordinary losses) in the fiscal year ended December 2004 are described as follows:

(Unit: billions of yen)

Items	Non-consolidated basis	Consolidated basis
Equipment	2.5	7.0
Land	3.0	1.0
Goodwill	-	6.0
Total	5.5	14.0

Please note that the anticipated amounts of impairment (extraordinary losses) described above are included in the outlook for the Company’s consolidated and non-consolidated business performance, which was announced on November 5, 2004.

## **2. Change in Accounting Principles for Depreciation of Tangible Fixed Assets**

While the Company and some of its consolidated subsidiaries have hitherto depreciate tangible fixed assets down to 5 % of acquisition prices, it has now decided to depreciate them down to a nominal residual value of 1 yen. This is due to the fact that expected proceeds from sale of those fully depreciated tangible fixed assets are nearly zero and their disposition would only cause some expenses.

Retroactively adopting the change in accounting principles for depreciation of tangible fixed assets, the Company plans to record an extraordinary loss of 15.0 billion yen on a consolidated basis, or 12.5 billion yen on a non-consolidated basis.

Please note that the anticipated amounts of the extraordinary losses described above are included in the outlook for the Company's consolidated and non-consolidated business performance, which was announced on November 5, 2004.