

June 20, 2006

Asahi Glass to Build a New PDP Glass Substrate Furnace in Korea

Asahi Glass Co., Ltd.

Asahi Glass Co., Ltd. (Headquarters: Tokyo; President: Masahiro Kadomatsu) has decided to build a new PDP (Plasma Display Panel) glass substrate furnace in Gumi-City, Kyungbuk, Korea. The Company has already established a new company in March this year, and is investing about 11 billion yen to build a new PDP glass substrate furnace. The Company plans to start construction of this furnace about June this year and start mass production about August 2007.

Asahi Glass currently manufactures PDP glass substrates using furnaces at the Kansai and Aichi Plants, and conducts cutting, end-face processing, and ITO coating at the Kansai and Keihin Plants and Hanwook Techno Glass Co., Ltd. (Headquarters: Gumi-City, Kyungbuk, Korea; Equity position: 70%). In addition, Asahi Glass plans to establish a new plant for processing large glass substrates in the old site of Osaka Power Plant of Kansai Electric Power Co., Inc. (Suminoe-ku, Osaka City), and start mass production about May 2007.

The PDP panel volume is forecast to rise to 17 million units in 2009 from 9.8 million units in 2006, demonstrating annual growth of about 20% during the period, and Asahi Glass predicts that demand for PDP glass substrates will continue to increase in the future. Accordingly, Asahi Glass has decided to establish a new company in Korea, and build a new glass substrate furnace there. As a result, Asahi Glass can establish an integrated production structure in Korea for PDP glass substrates, ranging from the manufacture of raw glass to glass processing operations, and continue to supply products to customers in a stable manner.

The outline of the new company is as follows.

- | | |
|------------------------|---|
| 1. Corporate name | Asahi PD Glass Korea Co., Ltd. |
| 2. Representative | Fumio Tomino |
| 3. Location | Gumi-City, Kyungbuk, South Korea |
| 4. Capital | 33 billion won |
| 5. Equity position | 100% owned by Asahi Glass |
| 6. Established | March 2006 |
| 7. Business activities | Manufacture of raw glass for PDP glass substrates |

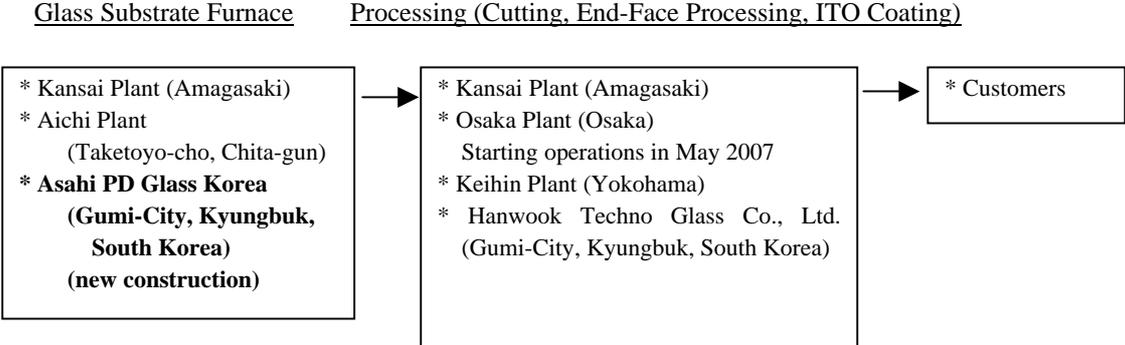
Asahi Glass started its production of PDP glass substrate (PD200) in 1996 at the Kansai Plant, becoming the world's pioneer in the field, and the Company still maintains a global market share of nearly 80% in this sector. In the future, the Company will strive to make proactive capital investment to offer higher quality, more advanced technologies and better services through stable product supply.

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

(Direct inquiries to: Yoshihiko Saito; Telephone: +81-3-3218-5509, E-mail: info-pr@agc.co.jp)

<Reference>

Flowchart of Asahi Glass' PDP Glass Substrate Manufacturing



Both PDP glass substrates and raw glass for automotive use are produced at furnace in Aichi Plant.