



FOR IMMEDIATE RELEASE

## Progress of Mid-term Management Plan *"Grow Beyond-2012"*

**Tokyo, February 09, 2011** – AGC today announced the major business activities in 2010, the first year of the AGC Group's *"Grow Beyond-2012"*, its mid-term management plan. The company also highlighted the group's current progress, as well as future business activities and action plans to achieve the set targets.

AGC (Asahi Glass Co., Ltd.; Headquarters: Tokyo; President & CEO: Kazuhiko Ishimura) has been working to build foundations for growth under its management policy *Grow Beyond* as the AGC Group formulated the group's long-term growth picture "AGC's Aspirations for 2020" and the mid-term management plan *"Grow Beyond-2012"* in February 2010.

### 1. Progress in the First Year of *"Grow Beyond-2012"*

2010 was the first year of the group's three-year management plan, and AGC designated the year as a year to "energize" itself and leveraged the strength that it had gathered through group-wide improvements in yield and productivity in the previous year.

Net sales increased from the previous year to 1,288.9 billion yen, boosted by increased shipment of architectural glass, recovering shipment of automotive glass, solid shipment of glass substrates for flat panel displays and raised capacity utilization of fluorochemical production facilities. Operating income of 229.2 billion yen and net income of 123.2 billion yen both were all-time highs for the group, and 15.8% return on equity surpassed the 12% target. The debt-to-equity ratio decreased to 0.6.

A number of key measures for new growth were taken in the first year of the management plan:

#### Fast-growing markets

- Constructed a TFT-LCD glass substrate processing plant in Kunshan, China
- Began operating of one of the world's largest float glass furnaces in Russia

#### Environment

- Established marketing alliance with for energy-saving windows with Tostem Corporation
- Introduced glass-ceramics substrate for high-power LED lighting

#### Product launches

- World's first tempered glass for automotive front doors that cuts 99% of ultraviolet light (according to AGC as of December 2010, AGC estimates based on ISO9050)
- FONTEX, offering the world's fastest transmission speed for a commercial plastic optical fiber

### 2. Action Measures

#### Strengthened profitability of the existing businesses

##### Glass:

The AGC Group will meet local demands in each market by developing, manufacturing and marketing architectural glass products, such as energy-saving glass incorporating the latest coating technology. Automotive glass products offering energy savings for eco-friendly vehicles, as well as driver-comfort features, will be proactively marketed to customers. Productivity in group-wide glass businesses will be enhanced through the reduction of manufacturing costs wherever possible, from raw materials to final products. Also, operational efficiency will be improved by aligning worldwide manufacturing facilities more closely with demand.

#### Electronics and Displays:

Productivity and yield rates for the production of displays will be continuously strengthened, with plants in Japan, Taiwan and South Korea to be operated more flexibly in accordance with demand. The group will capitalize on the growing markets for thinner TFT-LCD glass substrates worldwide and TFT-LCD panels in China.

#### Chemicals:

Fluorochemicals will be differentiated from competitive brands and new applications will be developed for the aeronautic, automotive and solar energy fields. Production capacity will be boosted for chlor-alkali to meet soaring demands in Thailand and Indonesia. In addition, the Group will strengthen pharmaceutical and agrochemical intermediates business, improve productivity through process innovation, and continue further cost reduction efforts.

#### New foundations for growth

The management policy, *Grow Beyond*, also calls for the establishment of new foundations for growth. In the short term, the AGC Group will focus on the following two growing markets as part of the group's key measures for "Delivering technology solutions for climate change" and becoming a "Glass-technology-driven Company."

#### Specialty glass for displays:

The surging popularity of devices with visual displays, such as smartphones, tablet PCs and 3D televisions, is creating deeper and broader demand for high-quality glass. To seize this opportunity, the AGC Group will leverage on its own highly efficient float process technology developed through production of various specialty glass for electronic applications, such as flat-panel display glass substrates. Using this advanced technology, the company will begin stable mass production of high-end specialty glass for chemical strengthening, such as Dragontrail™, an extra-strong, scratch-resistant cover glass, which is highly demanded by the market. Launched in January, Dragontrail is now being produced in a highly efficient float-glass-furnace system, with an all-new furnace to be added later this year to meet fast-growing demand. To optimize the productivity of the group's all existing float glass furnaces for various electronic applications, management of their operations will be centralized. Also, wider uses of glass for chemical strengthening glass will be developed by leveraging the AGC Group's extensive expertise and established networks in markets for architectural, automotive and solar-panel glass.

#### Environment business:

In the promising solar-energy field, the AGC Group is targeting sales of 100 billion yen in 2015 by enhancing the performance and marketing of components, which will be achieved by synthesizing group-wide strengths in glass, chemicals and ceramics. For architectural glass, the group will develop, manufacture and market cutting-edge energy-saving glass suited ideally to local-market climates, by fully utilizing its coating facilities located around the world. In Japan, a new coating facility will be launched for high-end, energy-saving window glass, with some windows to be marketed through an alliance with Tostem Corporation. Efforts will be accelerated to develop new lightweight and heat-shield products for more eco-friendly vehicles, and products that offer drivers' comfort such as "UV Verre Premium," a UV-blocking tempered auto glass.

The AGC Group's three-year plan also emphasizes the cultivation of promising fast-growing markets, aiming to capitalize on increased economic activity in these markets during the Group's second round of globalization. In Russia, where the group began operating a world-class float glass furnace in 2010, rising demand for architectural and automotive glass offer excellent growth opportunities. In China, the group established a centralized office in the start of 2011 to better coordinate local operations, secure up-to-date market information and support new-business initiatives. In other emerging markets where the group seeks presence, such as Brazil, the AGC Group plans to launch full-scale operations for architectural and automotive glass.

Aiming to become a highly-profitable and fast-growing global enterprise under "AGC's Aspirations for 2020," AGC will continue to steadily implement the "*Grow Beyond-2012*" measures.



### **About the AGC Group**

The AGC Group, with Tokyo-based Asahi Glass Co., Ltd. at its core, is a world-leading supplier of flat, automotive and display glass, chemicals and other high-tech materials and components. Drawing on more than a century of technical innovation, the AGC Group has developed world-class expertise in fields including glass, fluorine chemistry and ceramics technologies. The group employs some 47,000 people worldwide and generates annual sales of more than 12 billion USD through business in about 30 countries. For more information, please visit [www.agc-group.com/en](http://www.agc-group.com/en).

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## Reference: AGC Group's Plans for Long-term Sustainable Growth

### AGC's Aspirations for 2020

AGC Group aspires to excel as a highly profitable and fast-growing global enterprise making contributions to a sustainable society by:

- Having strong and differentiated technologies
- Giving consideration to environmental friendliness not only of products but also for overall production processes and business activities
- Contributing to the development of fast-growing regions

### AGC's Management Policy



### Projected Business Structure in 2020

