

**FOR IMMEDIATE RELEASE**

## **AGC to Make Kashima Chemical into a Subsidiary**

**Tokyo, December 18, 2012**—AGC (Asahi Glass Co., Ltd.; Head Office: Tokyo; President & CEO: Kazuhiko Ishimura) announced today that it has made an agreement with ADEKA Corporation (Head Office: Tokyo; President: Akio Kohri; hereinafter "ADEKA") with respect to the acquisition of all 787,500 ordinary shares of Kashima Chemical Co., Ltd. (hereinafter, "Kashima Chemical") held by ADEKA. Following the acquisition, Kashima Chemical will become AGC's subsidiary in which AGC takes a 78.75% stake.

The shares are scheduled to be transferred on December 25, 2012.

Epichlorohydrin produced by Kashima Chemical is used as a raw material for epoxy resins which are essential for automobile and electronics industries, etc., and demand for this product is expected to remain strong into the future. As Kashima Chemical becomes a subsidiary of AGC, AGC's Kashima Plant located adjacent to Kashima Chemical will achieve a greater operational stability and improved cost competitiveness by securing a supply destination for chlorine, which is produced at its electrolytic<sup>\*1</sup> line and is the main raw material of epichlorohydrin.

In addition, Kashima Chemical's long-established synthesis technologies<sup>\*2</sup> are expected to generate various synergistic effects in the product development of pharmaceutical and agrochemical intermediates and active ingredients, an area in which the AGC Group has been actively proceeding business activities in recent years.

The AGC Group will strive to improve the competitiveness of the Chemicals business, by enhancing its business strengths through the streamlining and consolidation of facilities in Japan, and actively promoting business development in fields where growth is anticipated.

\*1 Electrolysis of brine for producing caustic soda and chlorine

\*2 Synthetic technologies such as chlorination, hydroxylation, and amination.

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<Reference>

1. Outline of Kashima Chemical

(1) Company name: Kashima Chemical Co., Ltd.

(2) Established: November 27, 1968

(3) Head office location: 30 Towada, Kamisu City, Ibaraki Prefecture

(4) Representative: Masayoshi Nanba

(5) Capital: 1 billion yen

(6) Investment ratio: Current

AGC 39.375%; ADEKA 39.375%;

Mitsubishi Chemical Corporation 11.25%;

Mitsubishi Corporation 10.00%

Following the transfer of shares

AGC 78.75%; Mitsubishi Chemical Corporation 11.25%;

Mitsubishi Corporation 10.00%

(7) Business contents: Manufacture and sale of epichlorohydrin and allylchloride, etc.