

May 25, 2011

[Notice for our customers]

**AGC increases its global production capacity of fluorinated resin  
Fluon<sup>®</sup> ETFE by 50%**

AGC Chemicals, Fluoroproducts Division  
Asahi Glass Co., Ltd.

AGC Chemicals (“AGC”) announced on May 20<sup>th</sup> that the Company will strengthen its production capacity of Fluon<sup>®</sup> ETFE <sup>(Note 1)</sup>, high performance resin mainly used as a wire coating material or a film material, by 50%. The Company will make an investment of approximately 3 billion yen in its Kashima Plant (Kamisu City, Ibaraki Prefecture) to increase production facilities for Fluon<sup>®</sup> ETFE, with operations expected to commence in the third quarter of FY2012. Through this production capacity increase, AGC will meet brisk demand for ETFE and aim to achieve sales of 38 billion yen in FY2015.

Fluon<sup>®</sup> ETFE is a high-performance fluorinated resin that AGC began producing commercially for the first time in the world in 1975. It is widely used as a material in products such as automobiles and solar modules, and it has the following features: 1) good moldability due to its thermoplastic property, 2) excellent chemical resistance, 3) exceptionally high electrical insulation performance, and 4) good weatherability beyond 10 years with resistance to ultraviolet radiation. <sup>(Note 2)</sup>

Demand for ETFE in its main use as automotive wire coating has been growing solidly in recent years, against the backdrop of an increase in automotive production on a worldwide basis, notably in BRICs and other fast-growing markets. In addition, demand for solar cell back sheets is rising rapidly in the European and Chinese markets. As a result, the ETFE market is expanding at an annual rate of 15%.

AGC currently meets about 60% of the world’s demand for ETFE under global sales operations and production bases in Kashima (Japan), Chiba (Japan), and Thornton Cleveleys, Lancashire in the U.K. This addition to the production facilities will increase the AGC Group’s production capacity of ETFE by 50%. AGC will continue working to proactively meet needs in the ever-expanding ETFE market.

Notes:

1. ETFE (Ethylene-Tetra Fluoro Ethylene): Copolymer of ethylene (C<sub>2</sub>H<sub>4</sub>) and tetra fluoro ethylene (C<sub>2</sub>F<sub>4</sub>)
2. Main Applications of ETFE:
  - Wire coating materials used for automobiles, aircrafts, robots, etc., and liquid transport tubes
  - Components used in the manufacturing processes of semiconductors and LCDs
  - Films for solar cell back sheets, agricultural greenhouses and film-structure buildings.

Inquiries:

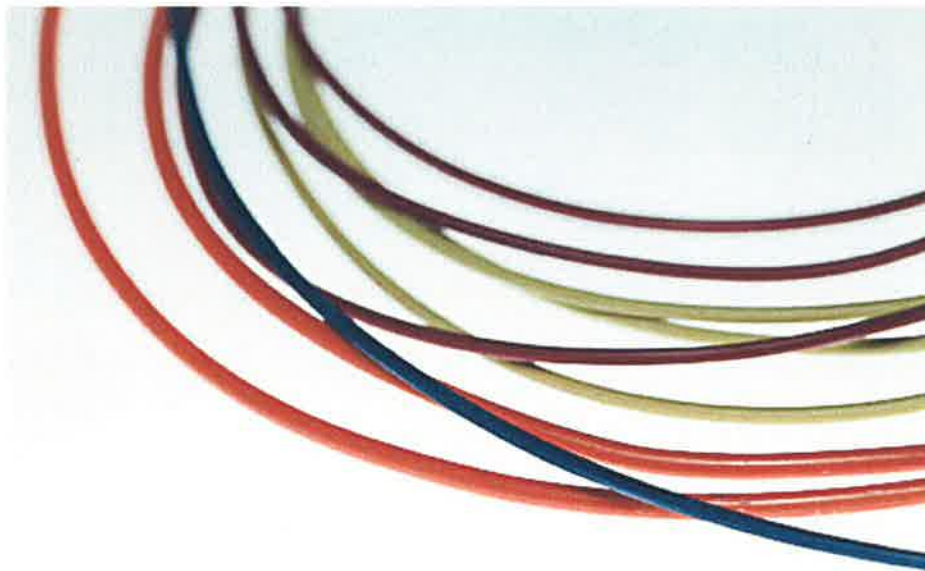
AGC Chemicals, Fluoroproducts Division

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## For reference

Wire coating material



Solar cell film

