ASAHI GLASS COMPANY

March 1, 2006

Stephen L. Johnson
Administrator
Environmental Protection Agency
1200 Pennsylvania Avenue, N.W. [1101-A]
Washington, DC 20460

RE: Asahi Glass commitment to PFOA/PFCA Stewardship Program

Dear Administrator Johnson:

I am pleased to inform you that AGC Chemicals Asahi Glass Co., Ltd. ("AGC"), will participate in the PFOA/PFCA Stewardship Program that you announced in your January 25, 2006 letter to me.

This letter has five parts. Part I is the introduction. Part II describes the commitments AGC is making to reduce emissions from its fluoropolymer manufacturing plants, and to reduce PFOA content in its PTFE aqueous dispersion ("AD") products, the only class of fluoropolymer products that it manufactures with significant PFOA residuals. Part III describes the commitments AGC is making to reduce potential environmental loadings of PFOA and longer chain length PFCAs from its fluorotelomer products. Since emissions from AGC's flurotelomer manufacturing operations are already negligible (including its manufacture of PFNA, a polymerization aid) it is not making any quantitative emission reduction commitments for these manufacturing operations. Part IV describes AGC's commitments to transparency, and addresses the other remaining issues raised in your January 25 letter. Part V is the conclusion.

I. INTRODUCTION

As you are aware, AGC is a global producer of fluropolymers and fluorotelomer products, and been an industry leader in efforts to reduce direct environmental loadings of PFOA and

longer chain length perfluorinated carboxyclic acids ("PFCAs") and indirect loadings of these chemicals via their precursors. AGC's most recent accomplishment in this area was the early February launch of the AsahiGuard E-Series product line. A copy of AGC's announcement of this important new development is attached to this letter; in broad summary, the E-Series products are a new class of fluorotelomer products that do not include any PFOA or longer chain length PFCAs, or any eight carbon or longer chain length chemicals that could potentially degrade to PFOA or longer chain length PFCAs. As is discussed more fully below, this new product line is the centerpiece of Asahi's strategy for achieving the goals of the stewardship program for fluorotelomer products. As EPA is aware, Asahi has also been a leader in stewardship programs to reduce emissions from its fluropolymer manufacturing operations, through a global commitment to install demonstrated pollution control technologies at its plants, and to reduce PFOA residuals in its AD products. The commitments AGC is making in this letter reflect its continuing commitment to effective product stewardship programs in this important area.

II. AGC Emission Reduction and Product Content Reduction Commitments for Fluoropolymers

AGC has three Fluoropolymer manufacturing plants: Chiba, Japan, Hillhouse, United Kingdom and Bayonne, New Jersey. AGC commits to the goal of achieving a 95 % reduction in its global PFOA emissions from these plants, by 2010. The base year for this program is 2000. Baseline emissions will be the total emissions into all environmental media from all three of these plants in the base year. Progress toward the goal will be measured on a global basis, i.e., in each reporting cycle, the emissions into all environmental media from each plant will be totaled; total global emissions will be calculated; the total will then be compared with the base year total.

AGC has already committed, along with other Fluoropolymer Manufacturing Group ("FMG") members, to the goal of achieving a 90% reduction in the APFO content of its AD products, by the end of 2006. AGC reaffirms that commitment and further commits to the goal of achieving a 95% reduction in the APFO content of AD products by 2010.

AGC is also committing to the goal of achieving the practical elimination of APFO in both emissions and PTFE product content, by the year 2015. We caution, however, that achieving this goal is dependent on the development, demonstration and availability to AGC of new technology, as well as market acceptance of products utilizing new technology.

III. AGC Commitments for Fluorotelomers

As noted above, the centerpiece of AGC's strategy for reducing potential environmental loadings of PFOA and higher chain length PFCAs from its flurotelomer products is its new E-series product line, which has been specifically engineered to eliminate chemicals that have the potential to degrade to PFOA and higher chain length PFCAs. AGC has made a substantial capital investment in this new product line, including building a new plant in Japan to make these products. AGC intents to offer its E-series products in the marketplace, as substitutes for current technology products. As pointed out in our December 22 letter to Suzan Hazen, the success of this substitution strategy is dependent on market acceptance of these products. Moreover, as noted in the announcement of the launch of the E-series product line, AGC's new plant currently only has a capacity equal to 25% of its production capacity for conventional fluorotelomer products. While Asahi is fully prepared to make the capital investment needed to increase its capacity to produce E-series products, it must proceed down this path in a prudent, stepwise fashion that permits it, among other things, to gauge market acceptance to the products, and to develop and obtain regulatory clearances on a world-wide basis for additional products in the line. These considerations, inevitably, have an important influence on the goals that AGC can commit to in the stewardship program.

With these considerations in mind, AGC is making the following commitments to reduce the potential contribution to PFOA and higher chain length PFCA environmental loadings from its fluorotelomer products:

- AGC will work toward practical elimination by 2015 of PFOA, higher chain length PFCAs and telomer-based chemicals that may degrade to PFOA or higher chain length PFCAs ("precursors"). Its near term goal will be to achieve a 75% reduction by 2010. The base year for measuring progress toward these goals will be 2004.
- The "precursors" for this program will include residuals in fluorotelomer-based polymeric products such as C-2 alcohols, olefins, iodides and unreacted monomers, where C is 8 or any higher even number. Also included will be low molecular weight chemicals and oligomer chemicals with molecular weight of a few thousand daltons both of which compose part of fluorotelomer products.
- The fluorotelomer products that will be included in this program are not only AGC's conventional fluorotelomer-based polymeric products but also its other products that are manufactured from C8 or longer chain length starting materials/feed stocks. These "other" products include low molecular weight and oligomer products such as surfactants, leveling agents, paper treating agents and other performance chemical products. AGC believes it is very important that these "other" products be included in the program, because of their large volume and their potential to degrade to PFOA and longer chain length PFCAs, depending on their chemistry. Since the product

commitments EPA has requested for precursors can be interpreted only to cover residual reactants, it is arguable that these "other" products are not included in the EPA stewardship program. Accordingly, AGC urges EPA to clarify the scope of the program in this regard, and to insure that other manufacturers are committed to including these "other" products in the stewardship program, as well.

AGC will measure progress toward these goals as follows: For fluorotelomer-based polymeric products, PFOA, higher chain length PFCAs, and precursor chemicals, as defined above (e.g., residual fluorinated monomers), will be quantified. For the "other" products, all telomer-based starting materials used to manufacture the products will be counted as precursors. These will be summed to produce annual total and the total will then be compared with the base year total.

As noted above, AGC is not committing to quantitative emission reduction targets for its fluorotelomer manufacturing operations, because emissions from them already are negligible. However, AGC commits to achieving reductions in fluorotelomer manufacturing emissions, as a consequence of shifting fluorotelomer production to AGC's new E-series products, and away from the production of conventional fluorotelomer products.

IV. OTHER ISSUES

Your January 25 letter also asked participating companies to commit to making annual reports of their progress toward program goals, to submit their baseline data by October 31, 2006, and to commit to work with EPA and other participating companies to develop analytical methods for measuring the target chemicals in the program by 2010. AGC makes these commitments. AGC also reaffirms its general commitment to support continued research to better understand sources, pathways of exposure and potential risks.

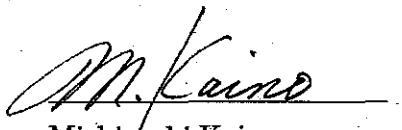
IV. CONCLUSION

In conclusion, I want to emphasize how pleased AGC is to be a participant in this program. However, I also want to sound an important note of caution: The regulatory concerns about PFOA and higher chain length PFCAs are global in scope, as you are well aware. Moreover, the commitments that AGC is making involve huge potential expenditures, and this is true for the other companies participating in the stewardship program as well. Accordingly, if the participating companies are to remain competitive on a world wide basis, it is critical that the playing field be leveled by insuring the participation of all companies that participate in these markets throughout the world. Importantly, at this point in time, this includes companies in

China and Russia. We urge EPA to conduct an appropriate outreach program to obtain the participation of all manufacturers of fluoropolymer and fluorotelomer products, wherever they are located, and to ask for the assistance of sister regulatory agencies around the world in achieving this objective. Since the PFOA/PFCA issues are truly global issues, broad participation is essential, not just to insure a level playing field in the market place, but also to insure that the overall goal of reducing environmental loadings of these chemicals is achieved.

Please contact me if you have any questions.

Sincerely yours



Michiyoshi Kaino
Senior Executive Officer
President Chemicals Company
Asahi Glass Co., Ltd.

Attachment

cc: Charles M. Auer, Director, OPPT

FOR IMMEDIATE RELEASE
February 9, 2006

New Asahi Glass "AsahiGuard E-SERIES" Fluorinated Water and Oil Repellent Will Be Free of PFOA, PFOA Precursors and Related Substances

[New products include no PFOA or related chemicals currently under regulatory scrutiny]

TOKYO – February 9, 2006 – Asahi Glass Co., Ltd., headquartered in Tokyo, today announced the introduction of AsahiGuard E-SERIES, a new line of telomer chemicals that serve as fluorinated water and oil repellents for textile and paper. These new products are free of perfluorooctanoic acid (PFOA), PFOA precursors and related substances.

Recently, the United States Environmental Protection Agency has asked companies manufacturing telomer chemicals and fluoropolymers to participate in a global stewardship program. Participating companies would commit to reduce and work toward ultimately eliminating facility emissions and product content of PFOA, PFOA precursors and related higher homolog chemicals. These chemicals are now also drawing increasing attention in Japan and other countries. AsahiGuard E-Series products do not include any of these chemicals.

AsahiGuard E-Series products have already been certified in Japan under its Chemical Substances Control Law, and they have been cleared for commercial distribution and use under the U.S. Toxic Substances Control Act (TSCA), with the company to complete additional required testing. The company is also in the process of obtaining appropriate regulatory clearances for the introduction of AsahiGuard E-Series products in Europe, Canada and other countries. Regulatory clearances are also being sought to enable use in applications that come into contact with food products.

AsahiGuard E-SERIES is the latest incarnation of AsahiGuard, the groundbreaking fluorinated water and oil repellent first launched in 1971. AsahiGuard products are now

used in a wide range of fields to treat materials such as paper, non-woven fabrics, leather, textile and many others. Their superior water and oil repellency and durability, compared to paraffin and silicone-based water and oil repellents, have ensured their popularity and marketability.

To produce AsahiGuard E-SERIES products, Asahi Glass has commenced operations of a dedicated large-scale manufacturing facility at the company's Chiba plant in Japan. Additionally, Asahi Glass has launched marketing activities in Japan, the U.S. and Europe. The capacity provided by this dedicated facility represents approximately 25 percent of the current AsahiGuard manufacturing capacity.

Asahi Glass positions fluorine and specialty chemicals as a growing business and will continue to provide customers with high-quality solutions through high-performance fluorochemical products that meet the ever-diversifying needs of customers.

About Asahi Glass

Asahi Glass was established in 1907 and was Japan's first commercial manufacturer of flat glass. Since then, the company has expanded its operations to include chemicals, as well as glass for construction materials, automobiles and display glass for LCDs, PDPs and other applications. Capitalizing on its glass and fluorochemical technologies, the company also diversified into the electronics field.

For further information, please contact:
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Glossary of Terms:

Note 1: PFOA

PFOA is used as a polymerization aid in the manufacture of fluoropolymers and is present in trace quantities as impurities in fluorinated water and oil repellents.

Note 2: Precursors

Substances that change into other substances via decomposition. In this case, those chemicals that decompose to generate PFOA and/or related higher homolog chemicals.

Note 3: Related higher homolog Chemicals

Substances with a structure similar to PFOA (8-carbon) and larger carbon numbers. Examples include perfluorononanoic acid (9-carbon) and perfluorodecanoic acid (10-carbon).

Note 4: Chemical Substances Control Law in Japan

Law concerning the Examination and Regulation of Manufacture, etc. of Chemical Substances.