

# Financial Results for the Nine Months ended September 30, FY2019

The AGC logo is displayed in a white rectangular box on the right side of the slide. The letters 'AGC' are in a bold, blue, sans-serif font. A small red square is positioned to the right of the letter 'G'.

**AGC Inc.**

**October 30, 2019**

Your Dreams, Our Challenge

■ <b>Financial results for the nine months ended September 30, 2019</b>	<b>P.3</b>
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# Financial Results for the Nine Months ended September 30, FY2019

# 1. Highlights of the Financial Results

# Highlights of the Financial Results for 1-3Q. FY2019

<b>Net sales</b>	<b>1,123.8 billion yen</b>	(down 2.4 billion yen, -0.2% YoY)
<b>Operating profit</b>	<b>73.6 billion yen</b>	(down 13.4 billion yen, -15.4% YoY)

- **Net sales**

increased due to

- shipment increase of life science products, electronics materials, and glass for display applications
- newly consolidated subsidiaries

however, declined due to

- depreciation of EUR
- selling price decline of caustic soda in Southeast Asia, as well as LCD glass substrates
- shipment decline of Automotive glass

- **OP declined due to**

- selling price decline of LCD glass substrates
- increase in depreciation due to start up of the new LCD glass substrates facility
- manufacturing cost increase of Automotive glass and Chemicals

# Consolidated Statements of Profit or Loss

	3Q			1-3Q Total			(100 million yen)
	FY2018	FY2019	Change	FY2018	FY2019	Change	
<b>Net Sales</b>	3,807	<b>3,863</b>	+ 56 *	11,262	<b>11,238</b>	▲ 24 *	
<b>Operating Profit</b>	267	<b>321</b>	+ 54	870	<b>736</b>	▲ 134	
other income/expenses	1	▲ <b>230</b>		34	▲ <b>224</b>		
<b>Business Profit</b>	268	<b>91</b>	▲ 177	904	<b>512</b>	▲ 392	
Financial income/cost	▲ 7	▲ <b>12</b>		6	▲ <b>7</b>		
<b>Profit before tax</b>	261	<b>79</b>	▲ 182	910	<b>505</b>	▲ 406	
income tax expenses	▲ 68	▲ <b>82</b>		▲ 187	▲ <b>144</b>		
<b>Profit for the period</b>	193	▲ <b>3</b>	▲ 196	724	<b>360</b>	▲ 363	
<b>attributable to owners of the parent</b>	168	▲ <b>34</b>	▲ 202	649	<b>289</b>	▲ 360	
attributable to non-controlling interests	25	<b>31</b>		75	<b>71</b>		
Forex(Average)	JPY/USD	111.46	<b>107.35</b>	109.61	<b>109.15</b>		
	JPY/EUR	129.63	<b>119.34</b>	130.97	<b>122.66</b>		
Crude Oil	\$/BBL (Dubai)	74.3	<b>61.2</b>	70.1	<b>64.0</b>		

\*Foreign exchange impact resulted in ▲10.7 billion yen for 3Q, and ▲21.4billion yen for 1-3Q total.

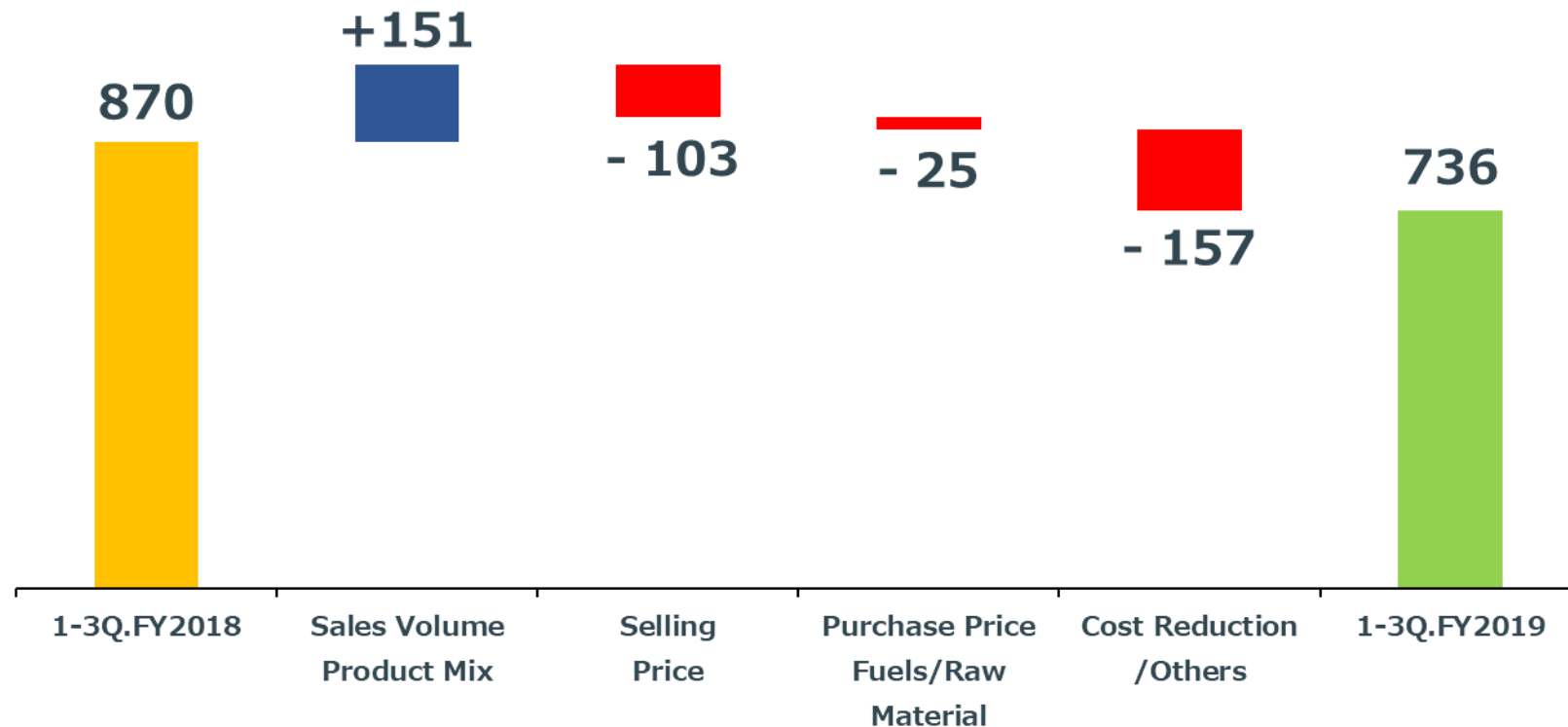
# YoY Performance Comparison by Business Segment

	3Q			1-3Q Total (100 million yen)		
	FY2018	<b>FY2019</b>	Change	FY2018	<b>FY2019</b>	Change
<b>Net sales</b>	3,807	<b>3,863</b>	+ 56	11,262	<b>11,238</b>	▲ 24
Glass	1,868	<b>1,840</b>	▲ 28	5,745	<b>5,592</b>	▲ 153
Electronics	646	<b>761</b>	+ 115	1,809	<b>2,007</b>	+ 198
Chemicals	1,252	<b>1,197</b>	▲ 54	3,549	<b>3,483</b>	▲ 66
Ceramics/Other	190	<b>206</b>	+ 16	588	<b>610</b>	+ 22
Elimination	▲ 149	▲ <b>142</b>	+ 7	▲ 430	▲ <b>455</b>	▲ 25
<b>Operation profit</b>	267	<b>321</b>	+ 54	870	<b>736</b>	▲ 134
Glass	29	<b>23</b>	▲ 6	184	<b>97</b>	▲ 87
Electronics	61	<b>109</b>	+ 48	159	<b>169</b>	+ 10
Chemicals	166	<b>177</b>	+ 11	503	<b>439</b>	▲ 64
Ceramics/Other	11	<b>11</b>	▲ 0	24	<b>31</b>	+ 7
Elimination	0	<b>1</b>	+ 1	▲ 0	<b>0</b>	+ 0

# Variance Analysis on OP (1-3Q.FY2018 vs. 1-3Q.FY2019)

¥ 13.4 bn down from the same period last year

(100 million yen)





# Variance Analysis on OP (3Q.FY2018 vs. 3Q.FY2019)

¥ 5.4 bn up from the same period last year

(100 million yen)



# QoQ Performance Comparison by Business Segment



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(100 million yen)

	2Q.FY2019	3Q.FY2019	Change	Change %
<b>Net sales</b>	3,759	<b>3,863</b>	+ 104	+2.8%
Glass	1,890	<b>1,840</b>	▲ 50	▲2.6%
Electronics	652	<b>761</b>	+ 109	+16.8%
Chemicals	1,158	<b>1,197</b>	+ 39	+3.4%
Ceramics/Other	218	<b>206</b>	▲ 12	
Elimination	▲ 160	▲ <b>142</b>	+ 18	
<b>Operation profit</b>	206	<b>321</b>	+ 115	+55.8%
Glass	39	<b>23</b>	▲ 16	▲40.6%
Electronics	35	<b>109</b>	+ 74	+213.2%
Chemicals	118	<b>177</b>	+ 60	+50.7%
Ceramics/Other	15	<b>11</b>	▲ 4	
Elimination	0	<b>1</b>	+ 1	

# Variance Analysis on OP (2Q.FY2019 vs. 3Q.FY2019)

¥ 11.5 bn up from last quarter

(100 million yen)



# Consolidated Statement of Financial Position

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	(100 million yen)		
	2018/12	<b>2019/9</b>	Change
Cash and cash equivalents	1,235	<b>1,237</b>	+ 2
Inventories	2,770	<b>2,882</b>	+ 112
Property, plant and equipment, Goodwill and Intangible assets	12,547	<b>13,003</b>	+ 457
Other assets	5,806	<b>5,488</b>	▲ 318
<b>Total assets</b>	<b>22,358</b>	<b>22,610</b>	+ 252
Interest-bearing debt	5,418	<b>6,059</b>	+ 641
Other liabilities	4,404	<b>4,274</b>	▲ 130
<b>Liabilities</b>	<b>9,822</b>	<b>10,333</b>	+ 511
Total equity attributable to owners of the parent	11,372	<b>11,085</b>	▲ 287
Non-controlling interests	1,164	<b>1,192</b>	+ 28
<b>Equity</b>	<b>12,536</b>	<b>12,277</b>	▲ 259
<b>Total liabilities and equity</b>	<b>22,358</b>	<b>22,610</b>	+ 252
<b>D/E ratio</b>	0.43	<b>0.49</b>	

Including  
+38.9 billion yen  
of the right-of-  
use assets, by  
adopting IFRS16.  
▲45.8 billion  
yen from foreign  
exchange  
fluctuation.

Including  
▲68.3 billion  
yen from foreign  
exchange  
fluctuation.

Including  
+39.2 billion yen  
of lease liabilities,  
by adopting  
IFRS16.

# Consolidated Statement of Cash Flow



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	(100 million yen)			
	3Q		1-3Q Total	
	FY2018	FY2019	FY2018	FY2019
Profit before tax	261	<b>79</b>	910	<b>505</b>
Depreciation and amortization expense	309	<b>354</b>	919	<b>1,049</b>
Increase(decrease) in working capital	▲ 107	▲ <b>45</b>	▲ 281	▲ <b>228</b>
Others	▲ 51	<b>134</b>	▲ 332	<b>217</b>
<b>Cash flows from operating activities</b>	<b>412</b>	<b>521</b>	<b>1,217</b>	<b>1,541</b>
<b>Cash flows from investing activities</b>	▲ 410	▲ <b>300</b>	▲ 1,193	▲ <b>1,512</b>
<b>Free cash flow</b>	2	<b>221</b>	24	<b>30</b>
Changes in interest-bearing debt	363	▲ <b>84</b>	572	<b>310</b>
Dividends paid	▲ 124	▲ <b>133</b>	▲ 249	▲ <b>266</b>
Others	▲ 160	▲ <b>1</b>	▲ 171	▲ <b>26</b>
<b>Cash flows from financing activities</b>	79	▲ <b>218</b>	152	<b>17</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	18	▲ <b>20</b>	▲ 42	▲ <b>45</b>
<b>Net increase(decrease) in cash and cash equivalents</b>	99	▲ <b>17</b>	134	<b>2</b>

# CAPEX, Depreciation and R&D

(100 million yen)

	3Q		1-3Q Total	
	FY2018	FY2019	FY2018	FY2019
<b>CAPEX</b>	543	<b>498</b>	1,723	<b>1,510</b>
Glass	203	<b>202</b>	590	<b>559</b>
Electronics	181	<b>134</b>	655	<b>393</b>
Chemicals	156	<b>156</b>	470	<b>542</b>
Ceramics/Other	3	<b>7</b>	8	<b>16</b>
Elimination	▲ 0	▲ 0	▲ 1	▲ 1
<b>Depreciation</b>	309	<b>354</b>	919	<b>1,049</b>
Glass	123	<b>131</b>	359	<b>395</b>
Electronics	102	<b>113</b>	312	<b>341</b>
Chemicals	82	<b>100</b>	240	<b>282</b>
Ceramics/Other	3	<b>11</b>	9	<b>32</b>
Elimination	▲ 0	▲ 0	▲ 1	▲ 1
<b>R&amp;D</b>	121	<b>120</b>	338	<b>349</b>

# The Impact of FOREX and Change in the Scope of Consolidation (Compared with the same period of last year)

(100 million yen)

Net sales	Consolidated total*	Glass	Electronics	Chemicals
1-3Q.FY2019	<b>11,238</b>	<b>5,592</b>	<b>2,007</b>	<b>3,483</b>
Change vs. 1-3Q.FY2018	▲ 24	▲ 153	+ 198	▲ 66
[Change vs. 1-3Q.FY2018, excluding impacts below]	+ 41	+ 42	+ 98	▲ 99
Impact of FOREX	▲ 214	▲ 194	▲ 2	▲ 14
Impact of Change in the Scope of Consolidation	+ 149	-	+ 102	+ 47

\*The amount of consolidated total includes the amount of Ceramics/Other and elimination.  
Therefore it will not be equal to the sum of each segment shown in this presentation.

# 2. Business and Geographic Segments

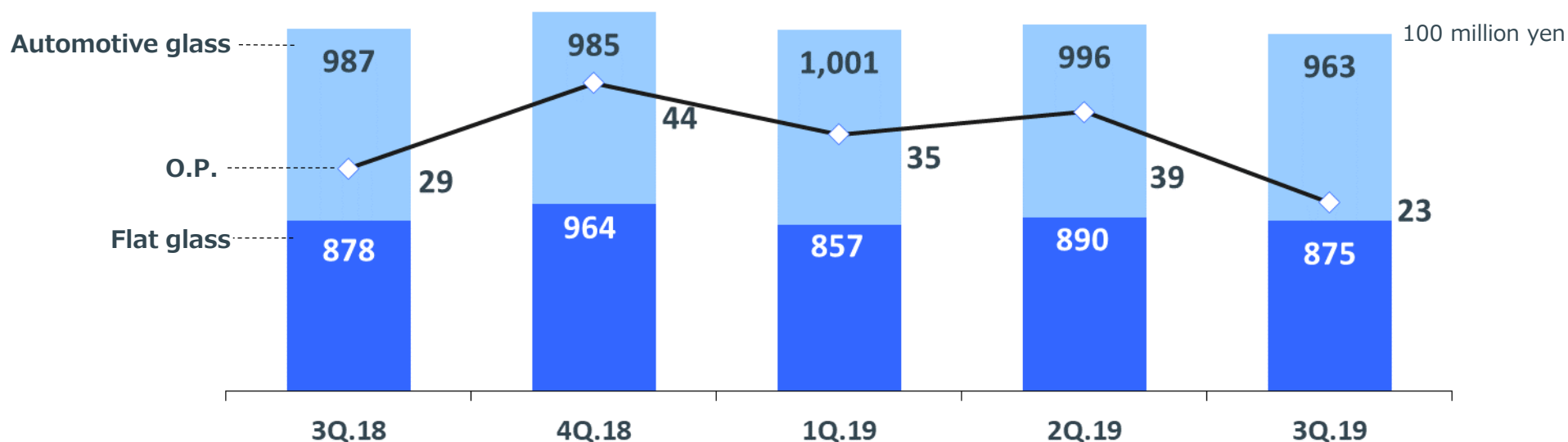


# Glass Segment (1)

	3Q			1-3Q Total		
	FY2018	FY2019	Change	FY2018	FY2019	Change
<b>Net sales</b>	1,868	<b>1,840</b> * <sup>1</sup>	▲ 28	5,745	<b>5,592</b> * <sup>2</sup>	▲ 153
Architectural Glass	878	<b>875</b>	▲ 3	2,624	<b>2,621</b>	▲ 3
Automotive Glass	987	<b>963</b>	▲ 24	3,112	<b>2,959</b>	▲ 152
(Inter-segment)	3	<b>3</b>		9	<b>12</b>	
<b>Operating profit</b>	29	<b>23</b>	▲ 6	184	<b>97</b>	▲ 87

\*1 Impact of FOREX: ▲8.54 billion yen, Impact of Change in the Scope of Consolidation: none (YoY)

\*2 Impact of FOREX: ▲19.4 billion yen, Impact of Change in the Scope of Consolidation: none (YoY)



## **[YoY comparison for the first nine months]**

### **[Net sales] Decreased**

#### **Architectural Glass**

- Shipments in Japan and Europe were firm. However, the results remained at same level YoY, due to depreciation of EUR.

#### **Automotive Glass**

- Shipments in all regions decreased, excluding Japan and Russia. Depreciation of EUR also decreased sales.

### **[Operating profit] Decreased**

#### **Architectural Glass**

- OP increased due to firm shipments and selling price increase in Japan and Europe.

#### **Automotive Glass**

- Lower productivity caused cost increase in Japan.
- Manufacturing cost increased caused by glass furnace repair in Q1 2019 in Japan.

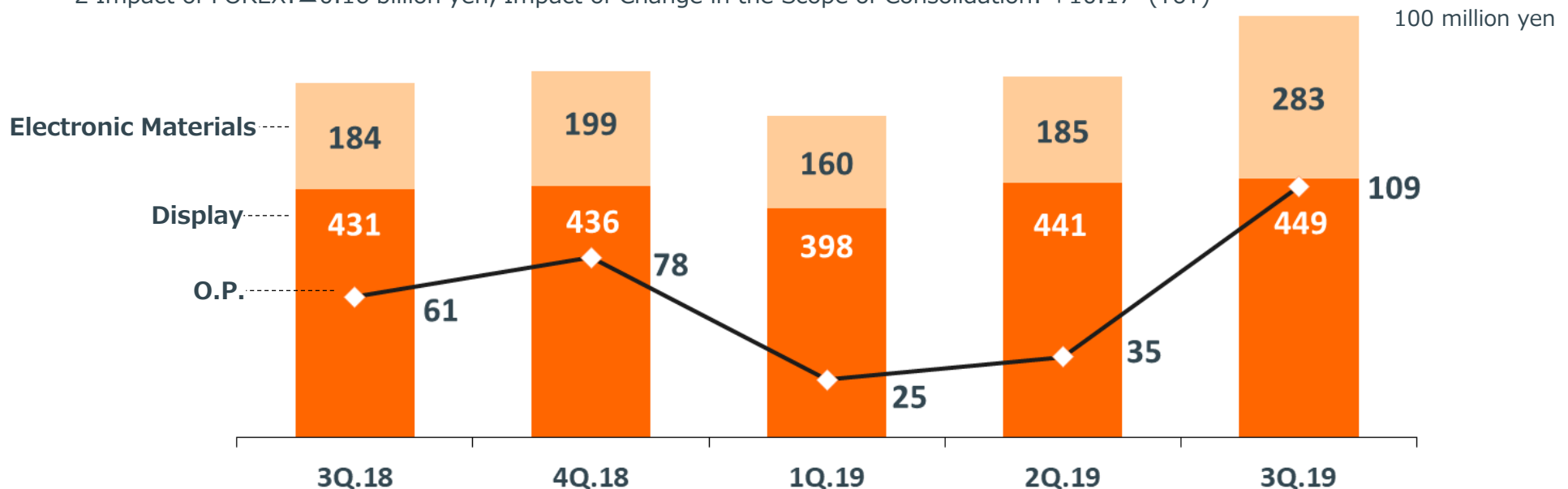
# Electronics Segment (1)

(100 million yen)

	3Q			1-3Q Total		
	FY2018	FY2019	Change	FY2018	FY2019	Change
<b>Net sales</b>	646	<b>761</b> <sup>*1</sup>	+ 115	1,809	<b>2,007</b> <sup>*2</sup>	+ 198
Display	431	<b>449</b>	+ 18	1,274	<b>1,288</b>	+ 14
Electronic Materials	184	<b>283</b>	+ 99	470	<b>629</b>	+ 159
(Inter-segment)	30	<b>28</b>		65	<b>91</b>	
<b>Operating profit</b>	61	<b>109</b>	+ 48	159	<b>169</b>	+ 10

\*1 Impact of FOREX: ▲0.21 billion yen, Impact of Change in the Scope of Consolidation: +4.66 (YoY)

\*2 Impact of FOREX: ▲0.16 billion yen, Impact of Change in the Scope of Consolidation: +10.17 (YoY)



## **[YoY comparison for the first nine months]**

### **[Net sales] Increased**

#### **Display**

- Shipments of LCD glass substrates increased YoY and price decline range shrunk.
- Shipments of Dragontrail™ were favorable for Specialty glass for display applications.

#### **Electronic materials**

- Shipments of optoelectronics materials and semiconductor-related electronic materials increased.
- Positive effect of newly consolidated subsidiaries, such as printed circuit board material businesses of Park Electrochemical (now AGC Nelco) and Taconic.

### **[Operating profit] Increased**

- Depreciation cost increased due to the start up of the new facility for LCD glass substrates.
- Shipments of optoelectronics materials, semiconductor-related electronic materials and specialty glass for display applications increased.

# Chemicals Segment (1)

(100 million yen)

	3Q			1-3Q Total		
	FY2018	FY2019	Change	FY2018	FY2019	Change
<b>Net sales</b>	1,252	<b>1,197</b> <sup>*1</sup>	▲ 54	3,549	<b>3,483</b> <sup>*2</sup>	▲ 66
Chlor-alkali & Urethane	848	<b>745</b>	▲ 103	2,339	<b>2,160</b>	▲ 179
Fluorochemicals & Specialty	304	<b>302</b>	▲ 2	877	<b>888</b>	+ 11
Life science	96	<b>147</b>	+ 51	313	<b>424</b>	+ 111
(Inter-segment)	3	<b>4</b>		19	<b>10</b>	
<b>Operating profit</b>	166	<b>177</b>	+ 11	503	<b>439</b>	▲ 64

\*1 Impact of FOREX: ▲1.75 billion yen, Impact of Change in the Scope of Consolidation: +2.03 (YoY)

\*2 Impact of FOREX: ▲1.39 billion yen, Impact of Change in the Scope of Consolidation: +4.73 (YoY)



## [YoY comparison for the first nine months]

### [Net sales] Decreased

#### **Chlor-alkali & Urethane**

- Selling price of caustic soda decreased in Southeast Asia.

#### **Fluorochemicals & Specialty Chemicals**

- Despite slowdown in demand for semiconductor-related products, sales increased due to firm sales of iodine-related products.

#### **Life Science**

- Increase in number of contracts in biopharmaceuticals.
- Positive effect of newly consolidated Malgrat Pharma Chemicals ( now AGC Pharma Chemicals Europe).

### [Operating profit] Decreased

- Selling price of caustic soda decreased in Southeast Asia.
- Increase of manufacturing cost due to periodic large scale facility maintenance, as well as increase in electricity cost in Japan.

# YoY Performance Comparison by Geographic Segment

	3Q			1-3Q Total			(100 million yen)
	FY2018	<b>FY2019</b>	Change	FY2018	<b>FY2019</b>	Change	
<b>Net sales</b>	3,807	<b>3,863</b>	+ 56	11,262	<b>11,238</b>	▲ 24	
Japan &Asia	2,572	<b>2,617</b>	+ 45	7,366	<b>7,391</b>	+ 25	
Americas	396	<b>431</b>	+ 35	1,232	<b>1,303</b>	+ 70	
Europe	839	<b>814</b>	▲ 24	2,663	<b>2,544</b>	▲ 120	
<b>Operating profit</b>	267	<b>321</b>	+ 54	870	<b>736</b>	▲ 134	
Japan &Asia	347	<b>373</b>	+ 26	995	<b>848</b>	▲ 147	
Americas	13	<b>8</b>	▲ 6	46	<b>45</b>	▲ 1	
Europe	27	<b>37</b>	+ 11	128	<b>136</b>	+ 7	
Closs-regional common expenses	▲ 120	▲ <b>96</b>	+ 23	▲ 298	▲ <b>292</b>	+ 6	

# Quarterly Performance Comparison by Geographic Segment

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(100 million yen)

	2Q.FY2019	3Q.FY2019	Change	Change %
<b>Net sales</b>	3,759	<b>3,863</b>	+ 104	+2.8%
Japan & Asia	2,433	<b>2,617</b>	+ 184	+7.5%
Americas	443	<b>431</b>	▲ 12	▲2.6%
Europe	882	<b>814</b>	▲ 68	▲7.7%
<b>Operating profit</b>	206	<b>321</b>	+ 115	+55.8%
Japan & Asia	234	<b>373</b>	+ 139	+59.1%
Americas	16	<b>8</b>	▲ 9	▲53.1%
Europe	57	<b>37</b>	▲ 20	▲35.2%
Cross-regional common expenses	▲ 102	▲ <b>96</b>	+ 5	-



# YoY Performance Comparison by Geographic Segment (1-3Q)

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(100 million yen)

		Japan & Asia	Americas	Europe	Inter- segment	Total	
Glass	Flat glass	<b>1-3Q.FY2019</b>	<b>889</b>	<b>350</b>	<b>1,382</b>	-	<b>2,621</b>
		1-3Q.FY2018	836	340	1,449	-	2,624
	Automotive	<b>1-3Q.FY2019</b>	<b>1,566</b>	<b>535</b>	<b>859</b>	-	<b>2,959</b>
	glass	1-3Q.FY2018	1,568	558	986	-	3,112
		<b>1-3Q.FY2019</b>	<b>2,455</b>	<b>885</b>	<b>2,241</b>	<b>12</b>	<b>5,592</b>
		1-3Q.FY2018	2,404	897	2,435	9	5,745
Electronics	<b>1-3Q.FY2019</b>	<b>1,775</b>	<b>134</b>	<b>7</b>	<b>91</b>	<b>2,007</b>	
	1-3Q.FY2018	1,651	93	-	65	1,809	
Chemicals	<b>1-3Q.FY2019</b>	<b>2,894</b>	<b>284</b>	<b>295</b>	<b>10</b>	<b>3,483</b>	
	1-3Q.FY2018	3,059	242	228	19	3,549	
Ceramics/Other	<b>1-3Q.FY2019</b>	<b>268</b>	-	-	<b>342</b>	<b>610</b>	
	1-3Q.FY2018	252	-	-	337	588	
Elimination	<b>1-3Q.FY2019</b>	-	-	-	<b>▲ 455</b>	<b>▲ 455</b>	
	1-3Q.FY2018	-	-	-	▲ 430	▲ 430	
Total Net Sales	<b>1-3Q.FY2019</b>	<b>7,391</b>	<b>1,303</b>	<b>2,544</b>	-	<b>11,238</b>	
	1-3Q.FY2018	7,366	1,232	2,663	-	11,262	

# YoY Performance Comparison by Geographic Segment (3Q)

Your Dreams, Our Challenge

(100 million yen)

		Japan & Asia	Americas	Europe	Inter- segment	Total	
Glass	Flat glass	<b>3 Q .FY2019</b>	<b>312</b>	<b>121</b>	<b>441</b>	-	<b>875</b>
		3 Q .FY2018	290	111	477	-	878
	Automotive	<b>3 Q .FY2019</b>	<b>527</b>	<b>174</b>	<b>262</b>	-	<b>963</b>
	glass	3 Q .FY2018	518	177	292	-	987
		<b>3 Q .FY2019</b>	<b>839</b>	<b>295</b>	<b>704</b>	<b>3</b>	<b>1,840</b>
		3 Q .FY2018	808	287	769	3	1,868
Electronics	<b>3 Q .FY2019</b>	<b>680</b>	<b>50</b>	<b>3</b>	<b>28</b>	<b>761</b>	
	3 Q .FY2018	585	31	-	30	646	
Chemicals	<b>3 Q .FY2019</b>	<b>999</b>	<b>87</b>	<b>108</b>	<b>4</b>	<b>1,197</b>	
	3 Q .FY2018	1,102	78	69	3	1,252	
Ceramics/Other	<b>3 Q .FY2019</b>	<b>99</b>	-	-	<b>107</b>	<b>206</b>	
	3 Q .FY2018	77	-	-	113	190	
Elimination	<b>3 Q .FY2019</b>	-	-	-	<b>▲ 142</b>	<b>▲ 142</b>	
	3 Q .FY2018	-	-	-	▲ 149	▲ 149	
Total Net Sales	<b>3 Q .FY2019</b>	<b>2,617</b>	<b>431</b>	<b>814</b>	-	<b>3,863</b>	
	3 Q .FY2018	2,572	396	839	-	3,807	

# Outlook for FY2019

# FY2019 Outlook

Your Dreams, Our Challenge

(100 million yen)

	FY2018	FY2019 Forecast	Change	Change %
<b>Net sales</b>	15,229	<b>15,400</b>	+171	+1.1%
<b>Operating profit</b>	1,206	<b>1,050</b>	▲156	▲12.9%
<b>Profit before tax</b>	1,284	<b>750</b>	▲534	▲41.6%
<b>Profit for the year attributable to owners of the parent</b>	896	<b>410</b>	▲486	▲54.2%
<b>Dividend (yen/share)</b>	115	<b>120</b>		
<b>Operating profit margin</b>	7.9%	<b>6.8%</b>		
<b>ROE</b>	7.7%	<b>3.6%</b> <sup>*1</sup>		
<b>Forex (Average)</b>	JPY/USD	110.43	<b>109.4</b>	
	JPY/EUR	130.42	<b>122.0</b> <sup>*2</sup>	
<b>Crude oil</b>	\$/BBL(Dubai)	69.4	<b>63.0</b> <sup>*3</sup>	
<b>Ethylene</b>	USD/MT (CFR SEA)	1,141	<b>838</b> <sup>*4</sup>	

\*1 The ROE forecast of FY2019 is calculated based on the "Total equity attributable to owners of the parent" as of end of Dec 2018.

\*2 Assumption for FY2019 Q4: 120.0 JPY/EUR.

\*3 Assumption for FY2019 Q4: 60.0 \$/BBL(Dubai).

\*4 Assumption for FY2019 Q4: 800 USD/MT.

# FY2019 Outlook (2)

(100 million yen)

	FY2018	<b>FY2019e</b>	Change	Change %
<b>Net sales</b>	15,229	<b>15,400</b>	+ 171	+ 1.1%
Glass	7,698	<b>7,500</b>	▲ 198	▲ 2.6%
Electronics	2,478	<b>2,800</b>	+ 322	+ 13.0%
Chemicals	4,844	<b>4,900</b>	+ 56	+ 1.2%
Ceramics/Other	790	<b>850</b>	+ 60	
<b>Operating profit</b>	1,206	<b>1,050</b>	▲ 156	▲ 12.9%
Glass	228	<b>145</b>	▲ 83	▲ 36.4%
Electronics	237	<b>230</b>	▲ 7	▲ 3.0%
Chemicals	711	<b>650</b>	▲ 61	▲ 8.6%
Ceramics/Other	28	<b>25</b>	▲ 3	

\* Since the total figures of the Net sales and Operating profit includes elimination, they will not be equal to the sum of each segment shown in this presentation.

## 【Q4 Outlook (QoQ comparison)】

### 【Glass】

#### Architectural Glass

- Shipments expected to increase in Japan and Europe, due to high demand season.
- However, Europe and North America may be affected by the economic slowdown.

#### Automotive Glass

- Productivity in Japan showing improvement.
- Shipments in Europe and North America may decrease.
- Shipments of cover glass for car-mounted displays are expected to be firm.

### 【Electronics】

- LCD glass substrates: shipments forecasted to decrease and range of decline in selling price are expected to be milder.
- Specialty glass for display applications: shipments forecasted to decrease due to seasonality.
- Electronic materials: After passing the peak season in Q3, shipments of optoelectronic materials are forecasted to decrease.

## 【Q4 Outlook (QoQ comparison)】

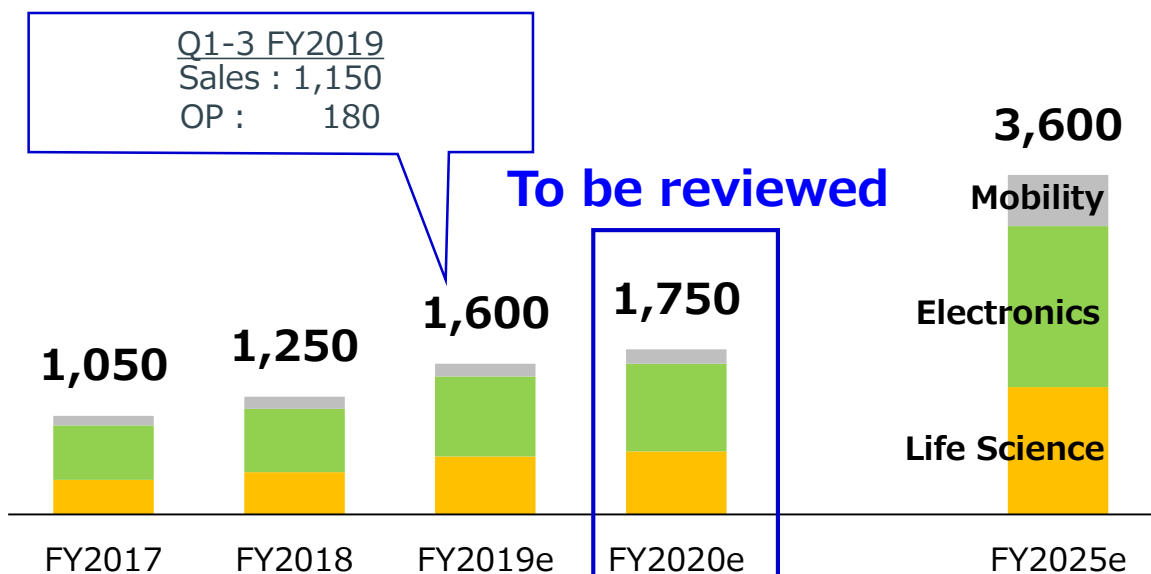
### 【Chemicals】

- **Chlor-alkali & Urethane:** forecasted to be flat. Selling price of caustic soda may remain weak, however offset by price decline of ethylene.
- **Fluorochemicals & Specialty:** forecasted to improve slightly due to seasonality.
- **Life science:** shipments of synthetic pharmaceuticals/agrochemicals expected to increase.

# FY2019 Outlook (3)

## Sales (Strategic business)

(100 m yen)



### Major products & business

#### Mobility

- Cover glass for car-mounted displays
- New materials for mobility, including 5G communications.

#### Electronics

- Semiconductor-related products
- Optoelectronics materials
- Next-generation high-speed communication related products
- Fluorinated products for electronics

#### Life Science

- Synthetic pharmaceutical and agrochemical
- Bio CDMO

OP (Strategic business)	120	210	240*	400	900
Contribution ratio	10%	17%	23%	25%	40%

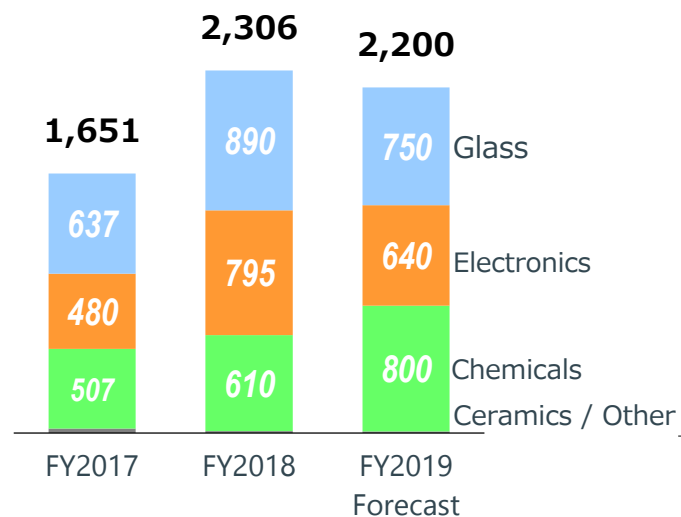
(100 m yen)

\* Changed from the initial forecast as of February 6<sup>th</sup>, 2019. Sales: 1,450 (100m) yen, OP 280 (100m) yen.

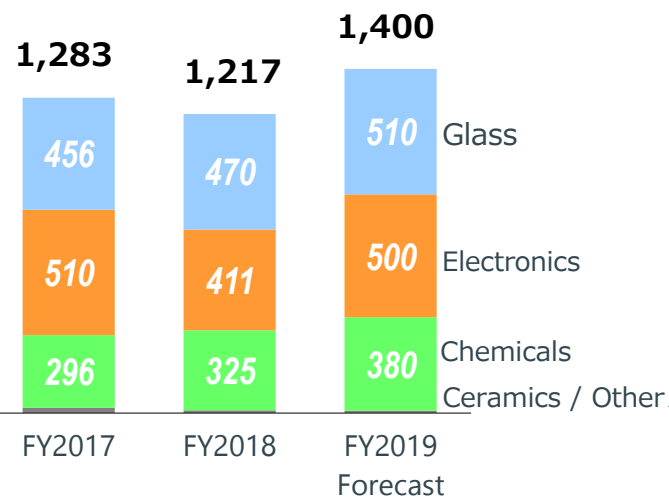


(100 million yen)

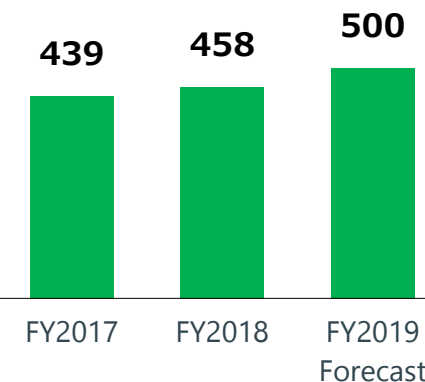
## CAPEX (excluding M&A)



## Depreciation



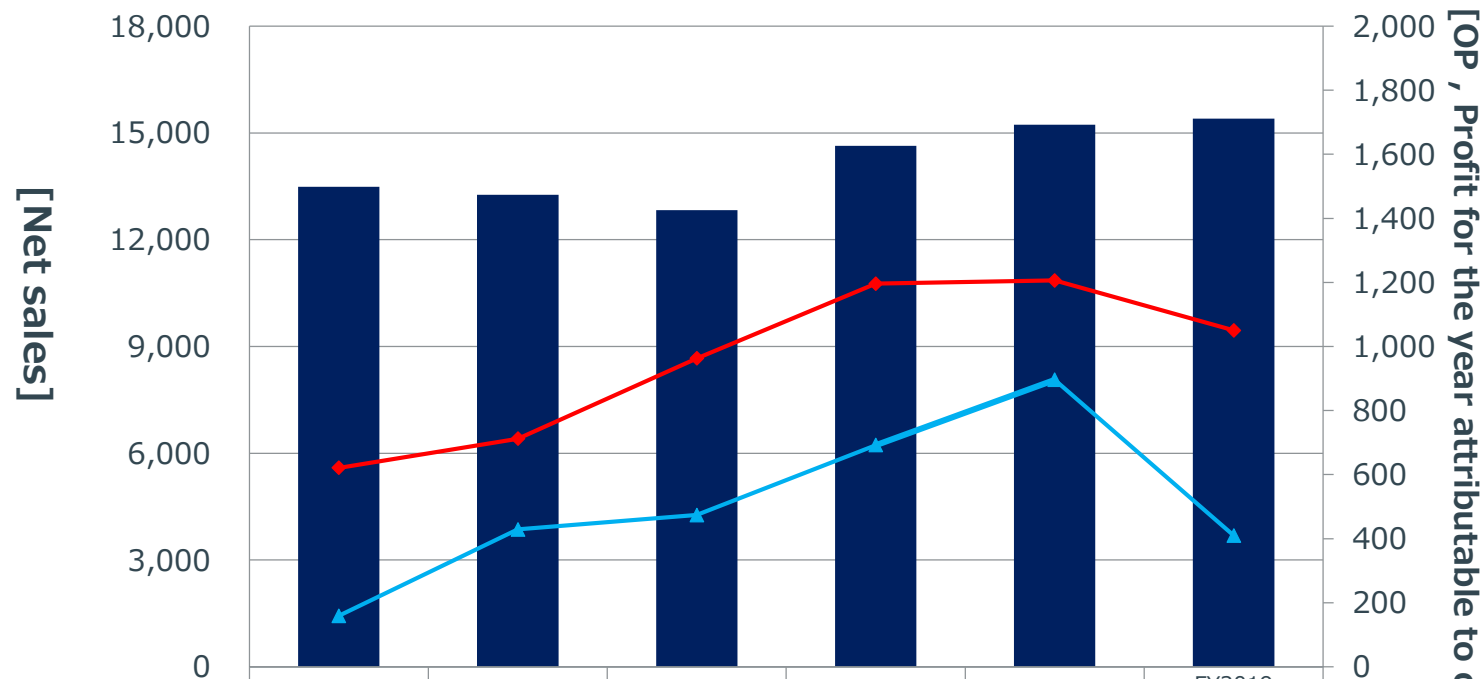
## R&D



# Appendix

# Changes in the Financial Results

(100 million yen)



Net sales	13,483	13,263	12,826	14,635	15,229	15,400
Operating profit	621	712	963	1,196	1,206	1,050
Profit for the year attributable to owners of the parents	159	429	474	692	896	410
Operating profit margin	4.6%	5.4%	7.5%	8.2%	7.9%	6.8%
Dividend per share	¥90	¥90	¥90	¥105	¥115	¥120

(※) Dividend (per share) is adjusted to reflect the 5 into 1 share consolidation implemented on 1 July 2017.

		IFRS				
		14/12	15/12	16/12	17/12	18/12
Return on equity <sup>*1</sup>	%	1.4%	3.9%	4.3%	6.1%	7.7%
Return on assets <sup>*2</sup>	%	3.0%	3.5%	4.8%	5.7%	5.4%
Equity ratio	%	54%	55%	55%	53%	51%
Debt/Equity ratio	times	0.42	0.40	0.37	0.38	0.43
CF from Operating Activities/Interest-bearing debt	times	0.27	0.40	0.47	0.42	0.35
Earnings (per share) <sup>*3</sup>	Yen	68.85	185.60	205.14	302.12	399.51
EBITDA <sup>*4</sup>	100 million yen	1,859	2,284	1,958	2,499	2,594

\*1 Return on equity = Profit for the year attributable to owners of the parent / Total equity attributable to owners of the parent (average)

\*2 Return on assets = Operating profit / Total assets (average)

\*3 Earnings (per share) is adjusted to reflect the 5 into 1 share consolidation implemented on 1 July 2017.

\*4 Earnings before interest, tax, depreciation and amortization(EBITDA) = Profit before tax + Depreciation + Interest expenses

Exchange rates		FY2018					FY2019			
		1 Q	2 Q	3 Q	4 Q	Ave.	1 Q	2 Q	3 Q	
JPY / USD	Average	108.30	109.07	111.46	112.90	110.43	110.20	109.90	107.35	110.0*
	At quarter end	106.24	110.54	113.57	111.00	111.00	110.99	107.79	107.92	
JPY / EURO	Average	133.22	130.06	129.63	128.78	130.42	125.15	123.49	119.34	120.0*
	At quarter end	130.52	127.91	132.14	127.00	127.00	124.56	122.49	118.02	

\*Assumption for Q4 FY2019.

# Major Press Release in FY2019 (1)

Date	Summary
February 6	Notification of Dividends from Surplus (Dividend Increase)
February 19	AGC to acquire global operations of the Advanced Dielectric Division of US-based Taconic
March 4	AGC Completes Acquisition of Spanish Synthetic Pharmaceutical Active Ingredient Manufacturing Plant Malgrat Pharma Chemicals
April 2	Notice regarding Secondary Offering of Shares
May 20	AGC Develops Flexible Antenna Design Technology for Millimeter Wave with Ultra-low Transmission Loss
May 24	Decision Regarding Endorsement of the Recommendations of “Task Force on Climate-related Financial Disclosures (TCFD)”
May 29	DOCOMO, AGC and Ericsson Achieve World’s First 5G Communication Using Glass Antenna for 28 GHz
May 31	AGC Publishes the “AGC Integrated Report 2019”
June 12	AGC completes acquisition of US-based Taconic’s global operations of the Advanced Dielectric Division
July 23	AGC to Revise Pricing for Architectural Glass Products in Japan
July 30	Notice regarding Revision to Full Year Consolidated Financial Forecast for Fiscal Year Ending December 31, 2019
September 12	AGC Establishes a New Production Plant in China to Produce Large 3D/Complex-shaped Cover Glass for Car-mounted Displays
October 1	AGC contributes DOCOMO’s Deployment of Wireless Service Areas Using Glass Antennas to Add Cellular Base Station Functions to Windows
October 8	Notice regarding Impairment losses and Revision to Full Year Consolidated Financial Forecast for Fiscal Year Ending December 31, 2019

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