

Financial Results for the Six Months ended June 30, 2023

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

AGC Inc.

Aug 2, 2023

Your Dreams, Our Challenge



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Financial Results for 2Q FY2023

(YoY)

Net sales	985.3 bn JPY	(+7.0 bn JPY)
Operating profit	64.3 bn JPY	(▲51.0 bn JPY)
Profit for the period Attributable to owners of the parent	40.6 bn JPY	(▲30.6 bn JPY)

- Net sales increased thanks to higher sales prices in Automotive glass and Architectural glass, etc. as well as the impact of foreign exchange rates, despite the impact of the decline in sales prices for PVC.
- Operating profit decreased due to deteriorating manufacturing costs and higher raw material and fuel costs.

Outlook for FY2023 (Revised)

(vs. Feb. 8)

(YoY)

Net sales	2,050.0 bn JPY	(▲100 bn JPY)	(+14.1 bn JPY)
Operating profit	150.0 bn JPY	(▲40 bn JPY)	(▲33.9 bn JPY)

- We made downward revision due to the delayed market recovery of chlor-alkali products and the impact of delays in launching new lines for U.S. Biopharmaceuticals CDMO.

1. Highlights of the Financial Results

Highlights of the Financial Results for 2Q FY2023 (cumulative)








* FOREX impact was +51.9 billion JPY, change in the scope of consolidation was +0.7 billion JPY

(100 million JPY)

	FY2022 1-2Q Total	FY2023 1-2Q Total	Change	Main factors in the change	
				(+) Increasing factors	(-) Decreasing factors
Net sales	9,783	9,853	+ 70*	(+) Increase in sales prices of Automotive glass and Architectural glass (+) Increase in shipments of Automotive glass (+) Yen depreciation	(-) Decline in sales prices of PVC (-) Decrease in sales of Biopharmaceuticals CDMO and shipments of Fluorochemical-related products
Operating Profit	1,153	643	▲ 510	In addition to the above, (-) Deterioration in manufacturing costs (-) Increase in raw materials and fuel prices	
Profit before tax	1,176	660	▲ 516	In addition to the above, (+) FOREX gain (+) Gain on sale of shares of subsidiaries and associates	(-) Business structure improvement costs regarding Display business (Takasago site in Kansai Plant)
Profit for the period Attributable to owners of the parent	712	406	▲ 306		
FOREX (Average)	1USD	JPY 122.89	JPY 134.85		
	1EUR	JPY 134.25	JPY 145.79		
Crude oil (Dubai, Average)	USD/BBL	101.81	79.05		

YoY Performance Comparison by Business Segment

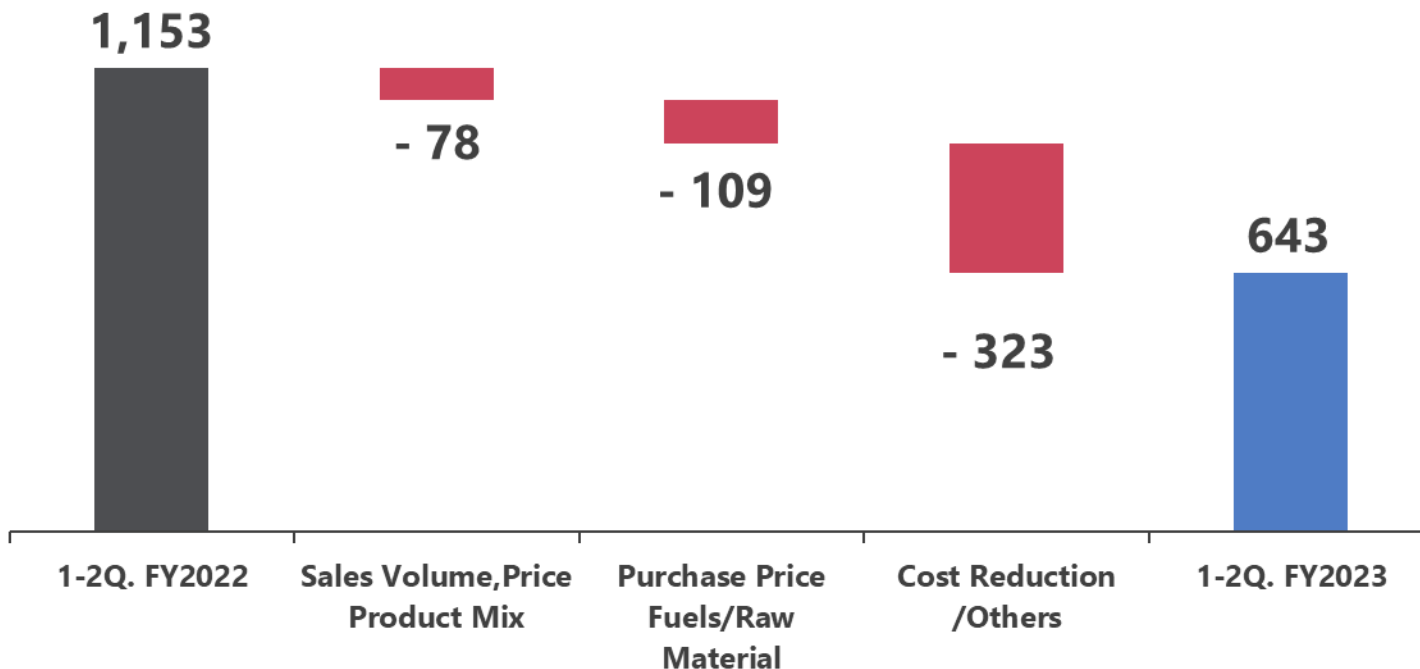
(100 million JPY)

	FY2022		FY2023		Change	
	1-2Q Total		1-2Q Total		(b)-(a)	
	(a)		(b)			
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
 Architectural Glass	2,257	205	2,398	186	+ 141	▲ 19
 Automotive	1,892	▲ 91	2,407	102	+ 515	+ 193
 Electronics	1,481	92	1,419	29	▲ 62	▲ 63
 Chemicals	3,336	824	2,828	309	▲ 509	▲ 514
 Life Science	710	102	680	6	▲ 30	▲ 97
 Ceramics/Other	435	25	394	14	▲ 41	▲ 11
 Elimination	▲ 328	▲ 3	▲ 273	▲ 3	+ 55	+ 0
Total	9,783	1,153	9,853	643	+ 70	▲ 510

Variance Analysis on OP(1-2Q.FY2023 vs. 1-2Q.FY2022)

51.0 bn JPY down from last year

(100 million JPY)



Consolidated Statement of Financial Position

	2022/12	2023/6	Change	
				(100 million JPY)
Cash and cash equivalents	2,097	1,688	▲ 409	
Inventories	4,365	4,741	+ 376	
Property, plant and equipment, Goodwill and Intangible assets	15,148	16,151	+ 1,003	Foreign exchange fluctuation +94.8 billion yen
Other assets	6,530	6,998	+ 469	
Total assets	28,140	29,579	+ 1,438	Foreign exchange fluctuation +158.8billion yen
Interest-bearing debt	6,502	7,083	+ 580	
Other liabilities	5,782	5,741	▲ 41	
Liabilities	12,284	12,824	+ 539	
Total equity attributable to owners of the parent	13,903	14,718	+ 816	
Non-controlling interests	1,953	2,037	+ 83	
Equity	15,856	16,755	+ 899	Foreign exchange fluctuation +89.3 billion yen
Total liabilities and equity	28,140	29,579	+ 1,438	
D/E ratio	0.41	0.42		

Consolidated Statement of Cash Flow

1-2Q Total	FY2022	FY2023	(100 million JPY)
Profit before tax		1,176	660
Depreciation and amortization		902	859
Increase(decrease) in working capital		▲ 527	▲ 403
Others		▲ 321	▲ 221
Cash flows from operating activities		1,230	894
Cash flows from investing activities		▲ 667	▲ 881
Free cash flow		562	13
Changes in interest-bearing debt		182	222
Dividends paid		▲ 289	▲ 233
Others		▲ 130	▲ 525
Cash flows from financing activities		▲ 237	▲ 536
Effect of exchange rate changes on cash and cash equivalents		272	115
Net increase(decrease) in cash and cash equivalents		597	▲ 409

CAPEX, Depreciation and R&D

1-2Q Total	FY2022	FY2023
CAPEX	1,051	1,052
Architectural Glass	75	100
Automotive	114	116
Electronics	416	293
Chemicals	314	396
Life Science	128	139
Ceramics/Other	6	10
Elimination	▲ 2	▲ 1
Depreciation	902	859
Architectural Glass	124	119
Automotive	154	156
Electronics	337	258
Chemicals	223	248
Life Science	54	68
Ceramics/Other	10	10
Elimination	▲ 1	▲ 1
R&D	249	270

(100 million JPY)

Main projects for CAPEX

- G11 investment in China (Electronics)
- Repairment for Display glass furnace (Electronics)
- Capacity enhancement of Electronic materials (Electronics)
- Capacity enhancement for Chlor-alkali in Southeast Asia (Chemicals)
- Capacity enhancement for Fluorochemical-related products (Chemicals)
- Capacity enhancement for Biopharmaceuticals CDMO and Small Molecule Pharmaceuticals and Agrochemicals CDMO (Life Science)

etc.

2. Business and Geographic Segments

Architectural Glass Segment

(100 million JPY)

1-2Q Total	FY2022	FY2023	Change
Net sales	2,257	2,398	+ 141*
Asia	681	759	+ 78
Europe & Americas	1,572	1,633	+ 61
(Inter-segment)	4	6	+ 2
Operating profit	205	186	▲ 19

* FOREX impact: +15.2 billion yen, Change in the Scope of Consolidation: +0.7 billion yen



Asia

- Despite shipments declined in all regions except Japan, net sales increased thanks to the rise in sales prices.

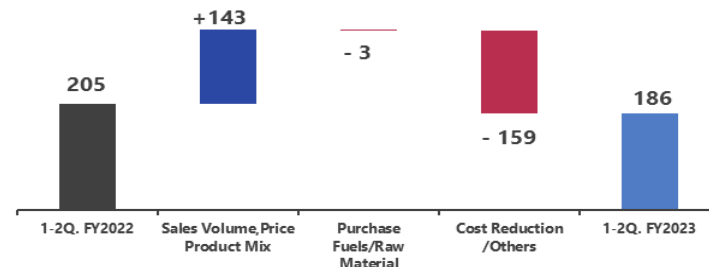


Europe & Americas

- Shipments declined in Europe, which was affected by the economic slowdown, but net sales increased thanks to the rise in sales prices and the impact of foreign exchange rates.
- Manufacturing costs deteriorated.

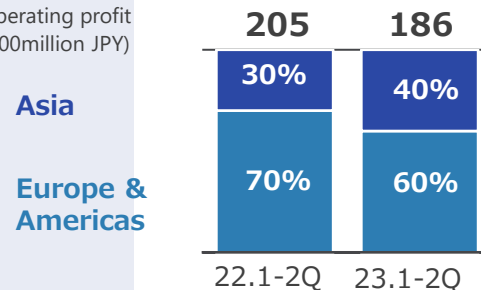
Variance Analysis on OP

(100 million JPY)



Ratio of sub-segment to the operating profit (before common expense allocation)

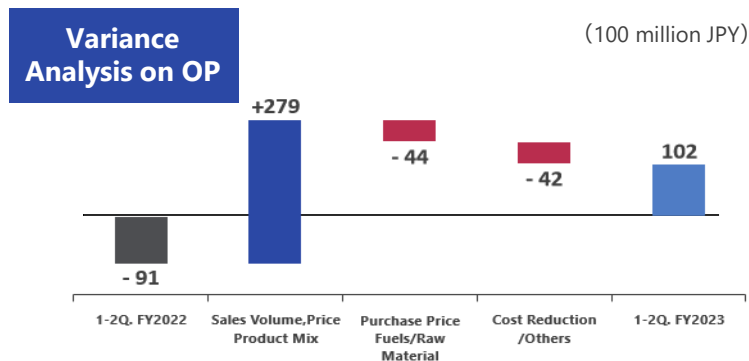
Operating profit (100million JPY)



(100 million JPY)

1-2Q累計	FY2022	FY2023	Change
Net sales	1,892	2,407	+ 515*
Automotive	1,891	2,405	+ 514
(Inter-segment)	1	2	+ 1
Operating profit	▲ 91	102	+ 193

* FOREX impact: +13.3 billion yen, Change in the Scope of Consolidation: No impact



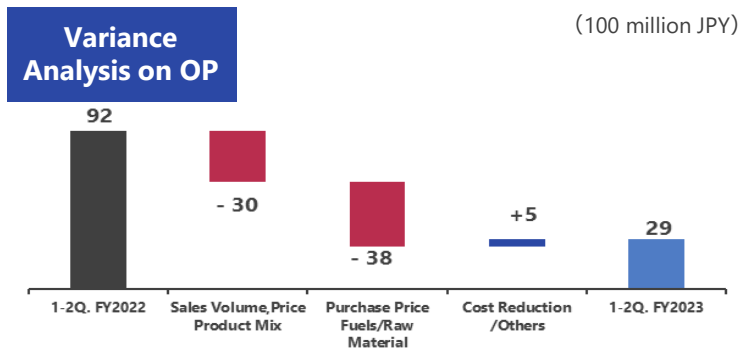
Automotive Glass

- The group's shipments increased as the automobile production increased.
- Net sales and operating profit increased thanks to the rise in sales prices, improvement of product mix and foreign exchange effects.

(100 million JPY)

1-2Q Total	FY2022	FY2023	Change
Net sales	1,481	1,419	▲ 62*
Display	870	783	▲ 87
Electronic Materials	600	631	+ 30
(Inter-segment)	11	5	▲ 6
Operating profit	92	29	▲ 63

* FOREX impact: +3.7 billion yen, Change in the Scope of Consolidation: No impact



Display

- Shipments of LCD glass substrates decreased.
- Raw materials and fuel costs increased.

Electronic Materials

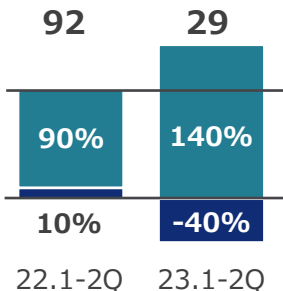
- Sales increased thanks to robust shipments of EUV mask blanks and other products, as well as the impact of foreign exchange rates.

Ratio of sub-segment to the operating profit (before common expense allocation)

Operating profit (100million JPY)

Electronic Materials

Display



- We aim for business turnaround by strengthening competitiveness through technological innovation and implementing pricing policies, in addition to structural improvement measures.

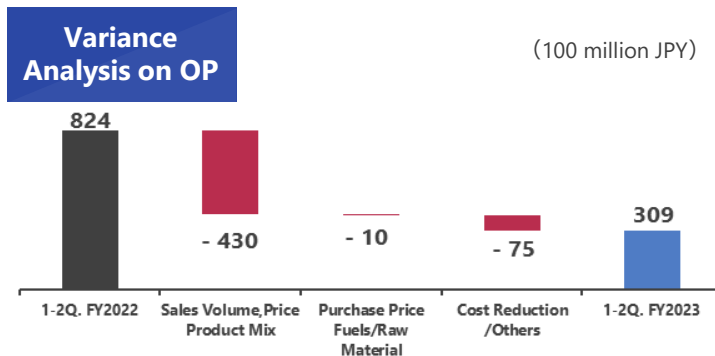


Targeting ROCE of 10% or more at an early stage

(100 million JPY)

1-2Q Total	FY2022	FY2023	Change
Net sales	3,336	2,828	▲ 509*
Essential Chemicals	2,515	2,008	▲ 507
Performance Chemicals	796	798	+ 3
(Inter-segment)	26	22	▲ 4
Operating profit	824	309	▲ 514

* FOREX impact: +15.3 billion yen, Change in the Scope of Consolidation: No impact

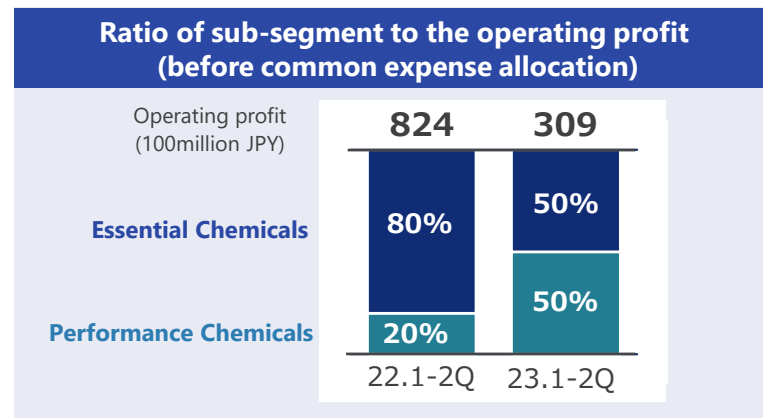


Essential Chemicals

- Sales prices of PVC and other products declined.

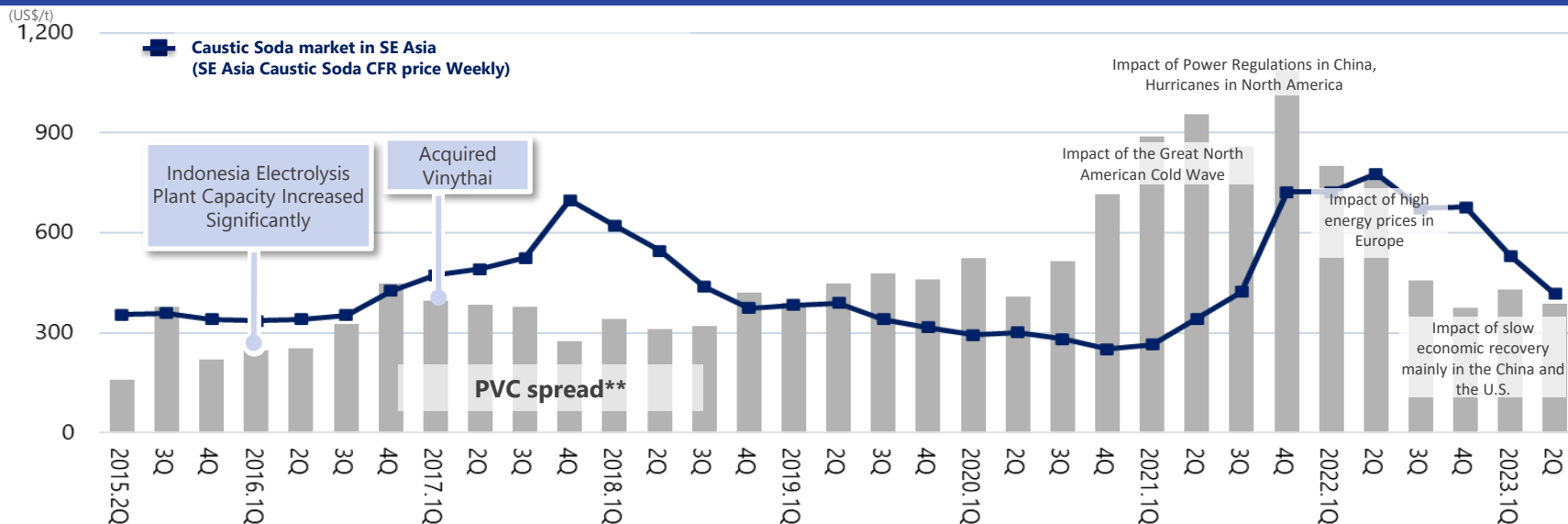
Performance Chemicals

- Net sales remained at the same level as the previous year due to the rise in sales prices and foreign exchange effects, despite a decrease in shipments of Fluorochemical-related products.



- Caustic soda and PVC market prices stagnated due to slow economic recovery mainly in the China and the U.S., and Ethylene market recovered moderately during the second quarter but PVC spread narrowed.

Chlor-alkali market in Southeast Asia*



*Based on Bloomberg month-end data

**PVC spread: PVC market price- (Ethylene market price×0.5)

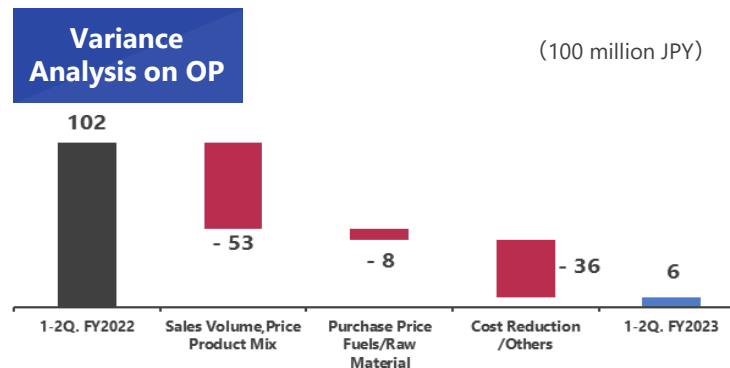
(100 million JPY)

1-2Q Total	FY2022	FY2023	Change
Net sales	710	680	▲ 30*
Life Science	692	667	▲ 25
(Inter-segment)	18	13	▲ 5
Operating profit	102	6	▲ 97

* FOREX impact: +4.2 billion yen, Change in the Scope of Consolidation: No impact

Life Science

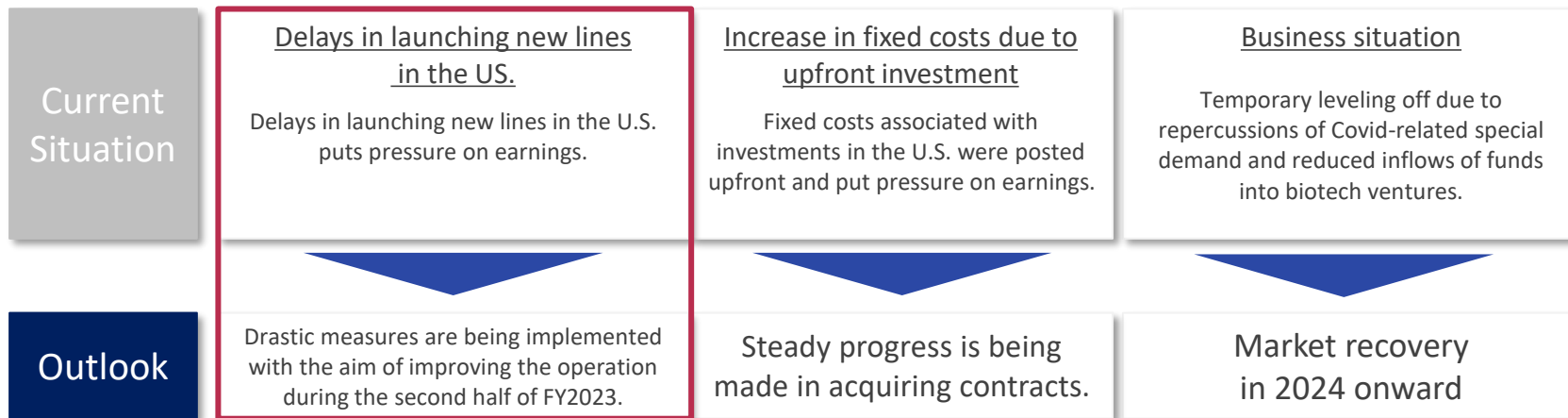
- Sales of Biopharmaceuticals CDMO decreased due to the disappearance of special demand for products related to the anti-coronavirus applications, reduced inflows of funds into biotech ventures and delays in launching new lines for Biopharmaceuticals CDMO in the U.S.
- Upfront costs incurred associated with capacity expansion in the biopharmaceutical field.



- Europe and Japan remains steady; the U.S. has been in a struggle.
- Performance is expected to improve in 2024 onward due to market recovery and improved operations at newly launched lines in the U.S.

Biggest challenge

Factors Contributing to the Deterioration of U.S. Biopharmaceuticals CDMO Earnings and Outlook

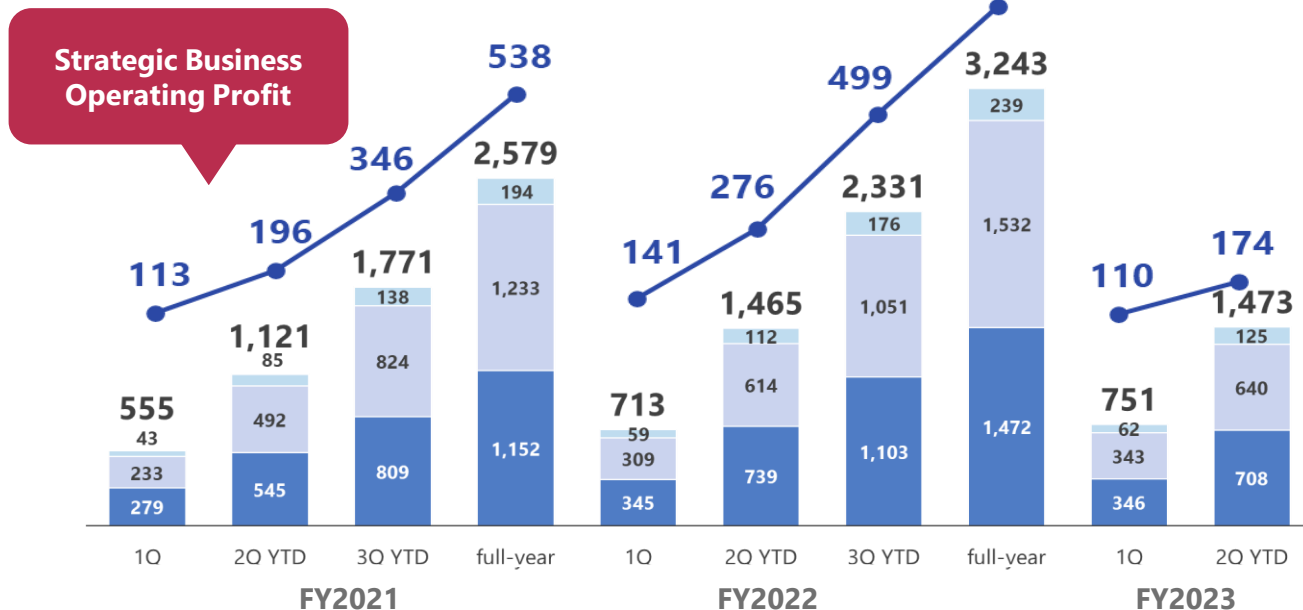


Profit contribution of Strategic Businesses

- FY2023 will be affected by adjustments in the semiconductor and smartphone markets, in addition to the poor performance of Biopharmaceuticals CDMO in the U.S.

(100 million yen)

Sales of Strategic business



Main products & businesses

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

- Small Molecule Pharmaceuticals and Agrochemicals CDMO
- Biopharmaceutical CDMO
- Other life science products

YoY Performance Comparison by Geographic Segment

1-2Q Total	FY2022	FY2023	Change
	(100 million JPY)		
Net sales	9,783	9,853	+ 70
Japan &Asia	6,347	6,055	▲ 292
Americas	971	1,098	+ 127
Europe	2,465	2,700	+ 235
Operating profit	1,153	643	▲ 510
Japan &Asia	1,137	631	▲ 506
Americas	43	▲ 4	▲ 46
Europe	172	243	+ 71
Cross-regional common expenses	▲ 199	▲ 227	▲ 28

FOREX impact :

+51.9 bn JPY

Change in the scope of consolidation :

+0.7 bn JPY

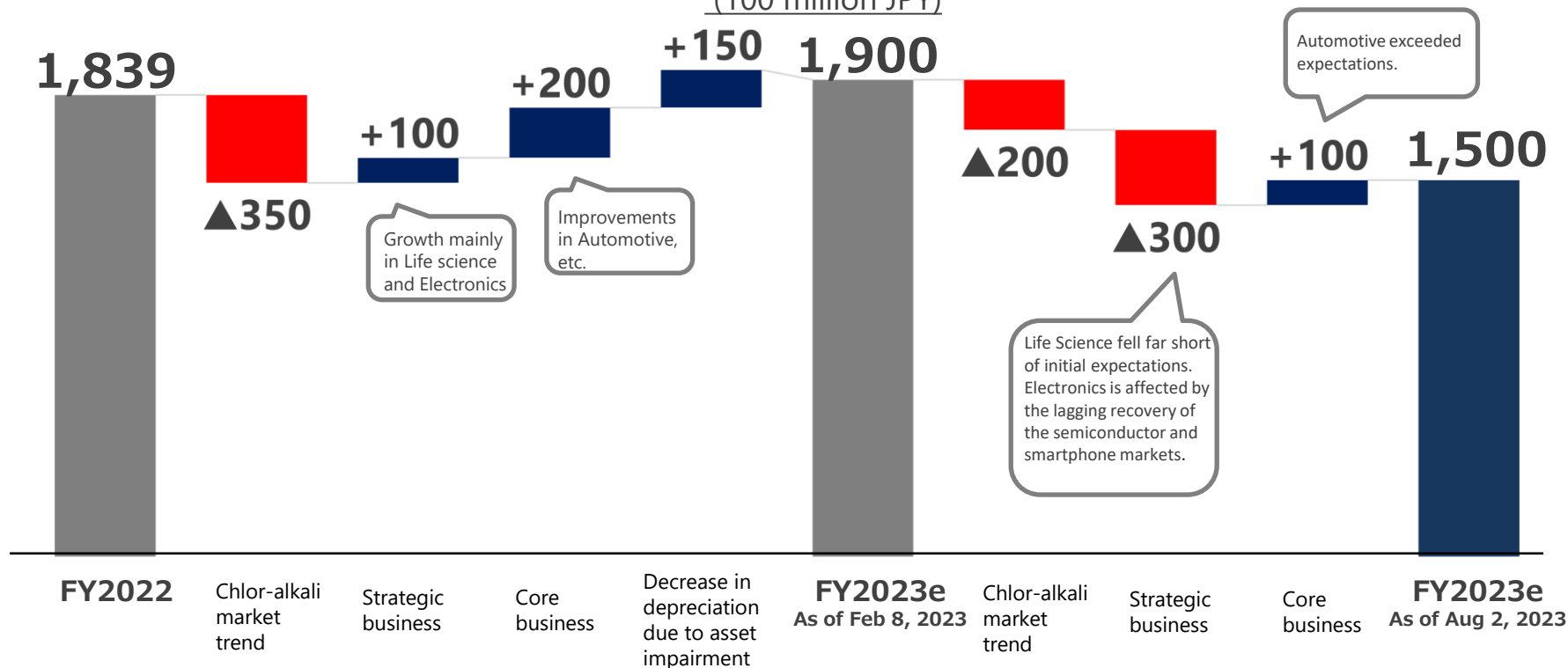
Outlook for FY2023

- Operating profit is expected to decrease from the previous year and from the initial forecast due to the delayed market recovery of chlor-alkali products, as well as the significant impact of delay in launching new lines for U.S. Biopharmaceuticals CDMO.

		FY2022	FY2023e As of Aug 2, 2023	FY2023e As of Feb 8, 2023	(100 million JPY)
Net sales		20,359	20,500	21,500	
	(First half)	9,783	9,853	10,300	
Operating profit		1,839	1,500	1,900	
	(First half)	1,153	643	750	
Profit before tax		585	1,070	1,470	
Profit for the year attributable to owners of the parent		▲ 32	590	870	
Dividend (JPY/share)		210	210	210	
Operating profit margin		9.0%	7.3%	8.8%	
ROE		-	4.2%	6.3% *	
FOREX (Average)	1 USD	JPY 131.4	JPY 135.0	JPY 125.0	
	1 EUR	JPY 138.0	JPY 150.0	JPY 135.0	
Crude oil (Dubai, Average)	USD/BBL	96.3	81.0	85.0	
Ethylene (CFR SEA)	USD/MT	1,054	870	1,000	

2023 Operating Profit Forecast

Change in operating profit forecast for FY2023
(100 million JPY)










*Operating profit trends for 2022-23 are estimated in units of 5 billion yen, so totals do not match.

Outlook breakdown by Segment (Net sales and Operating profit)

- Although Automotive exceeded initial expectations, the forecasts were revised downward as Electronics, Chemicals, and Life Science fell short of initial expectations.

(100 million JPY)

	FY2022 (a)		FY2023e (b) As of Aug 2, 2023		Change (b)-(a)		FY2023e(c) As of Feb 2, 2023		Change (b)-(c)	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
 Architectural Glass	4,837	327	4,800	360	▲ 37	+ 33	+ 5,000	360	▲ 200	+ 0
 Automotive	4,178	▲ 98	4,700	170	+ 522	+ 268	+ 4,700	80	+ 0	+ 90
 Electronics	3,072	147	3,300	250	+ 228	+ 103	+ 3,400	380	▲ 100	▲ 130
 Chemicals	6,604	1,261	6,000	710	▲ 604	▲ 551	+ 6,500	850	▲ 500	▲ 140
 Life Science	1,418	169	1,350	▲ 10	▲ 68	▲ 179	+ 1,600	210	▲ 250	▲ 220
 Ceramics/Other	866	37	850	20	▲ 16	▲ 17	+ 800	20	+ 50	+ 0
 Elimination	▲ 616	▲ 3	▲ 500	0	+ 116	+ 3	▲ 500	0	+ 0	+ 0
Total	20,359	1,839	20,500	1,500	+ 141	▲ 339	+ 21,500	1,900	▲ 1,000	▲ 400

2H Outlook by Business Segment (1)

Outlook for FY2023 2H (vs 2023 1H)



Architectural Glass

Asia

- Shipments are expected to be robust for the factors such as growing demand for high heat-insulating and shielding glass.

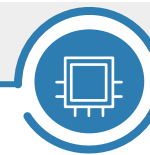
Europe & Americas

- Despite concerns about inflation and economic slowdown in Europe, replacement demand for high heat-insulating glass for energy savings will support shipments.



Automotive

- Although the effects of the ongoing supply shortage of semiconductors and other components will continue to ease, and the effects of the pricing policy that has been pursued for some time will contribute, the business is expected to be affected by seasonal declines in shipments.



Electronics

Display

- Shipments of LCD glass substrates will increase due to recovery in demand for LCD panels.
- Shipments of specialty glass for display will increase as orders from major customers grow.

Electronic Materials

- Shipments of optoelectronics materials will increase due to demand season, despite the slowdown in the smartphone market.
- Shipments of semiconductor-related products will increase mainly photomask blanks for EUV.

Outlook for FY2023 2H (vs 2023 1H)



Chemicals

Essential Chemicals

- Market recovery has been delayed due to slow economic recovery in China and the U.S., but the market will slowly recover along with the economic recovery.

Performance Chemicals

- Although the slowdown in the semiconductor and smartphone markets will cause fluorine-related products for some applications to level off, shipments will increase due to strong demand for products for transportation machinery and other applications.



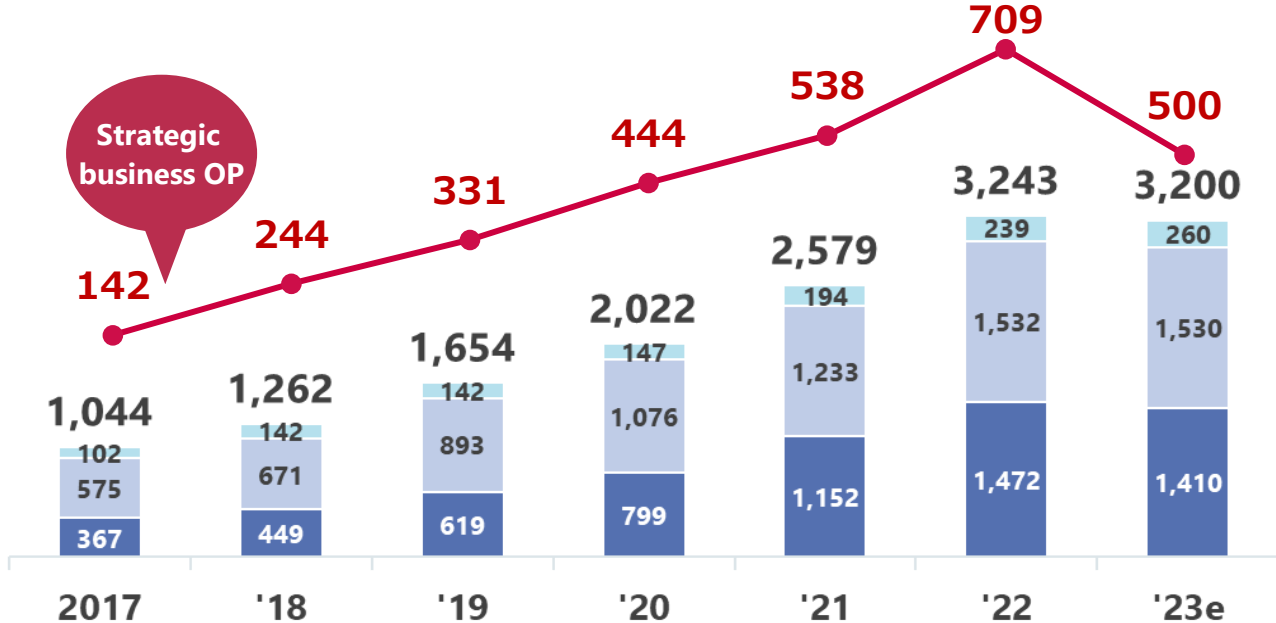
Life Science

- Although sales of and Small Molecule Pharmaceuticals and Agrochemicals CDMO will remain strong, in Biopharmaceuticals CDMO, the impact of the disappearance of special demand for products related to the anti-coronavirus applications and reduced inflows of funds into biotech ventures will continue.
- The newly production lines for Biopharmaceuticals CDMO in the U.S. will be expected to improve during the second half of FY2023.

Outlook of Strategic businesses

- Sales growth is expected to be sluggish and profit is expected to decline in 2023.
- The businesses will return to growth trajectory after 2024 along with a recovery in biopharmaceutical CDMO and expansion of semiconductor-related products such as EUV mask blanks.

Strategic business net sales (100 million JPY)



Main products & businesses

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

- Small Molecule Pharmaceuticals and Agrochemicals CDMO
- Biopharmaceutical CDMO
- Other life science products

CAPEX, Depreciation and R&D

Full year	FY2022	FY2023e
CAPEX	2,366	3,000
Architectural Glass	175	250
Automotive	298	270
Electronics	800	930
Chemicals	649	950
Life Science	431	580
Ceramics/Other	14	20
Elimination	▲ 2	0
Depreciation	1,857	1,880
Architectural Glass	239	240
Automotive	325	330
Electronics	684	620
Chemicals	475	520
Life Science	115	150
Chemicals	19	20
Elimination	▲ 1	0
R&D	523	580

(100 million yen)

Main projects for CAPEX

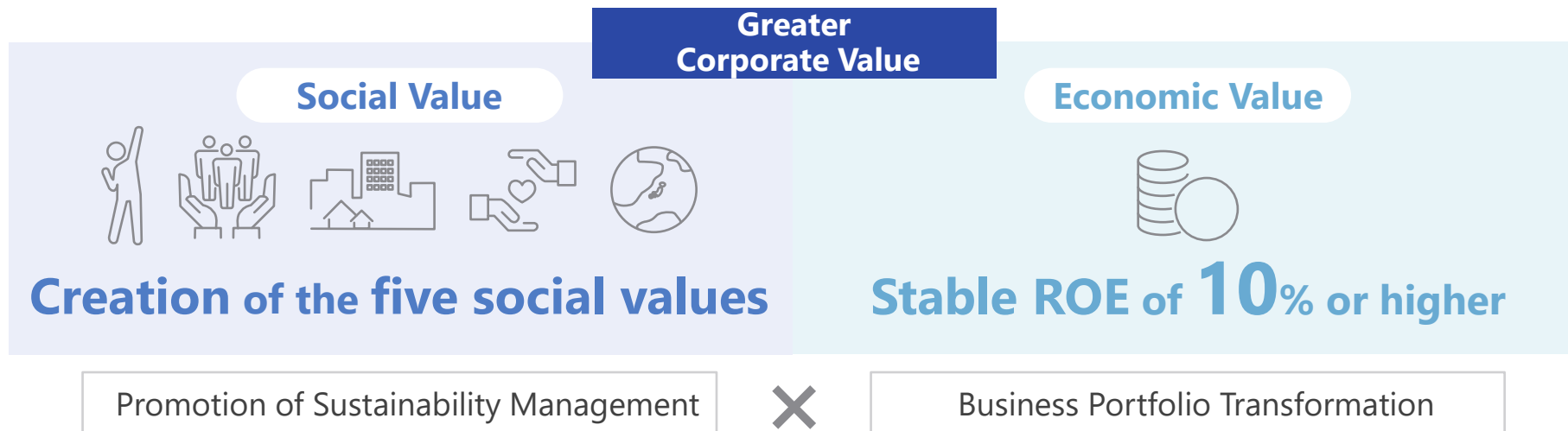
- G11 investment in China (Electronics)
- Capacity enhancement of Electronic materials (Electronics)
- Capacity enhancement for Chlor-alkali in Southeast Asia (Chemicals)
- Capacity enhancement of Biopharmaceuticals CDMO (Life Science)

etc.

The AGC Group's initiatives for Corporate Value Enhancement

Grow through well-balanced creation of social and economic value

By providing **differentiated materials and solutions**, AGC strives to help realize a **sustainable society and become an excellent company** that grows and evolves continuously.

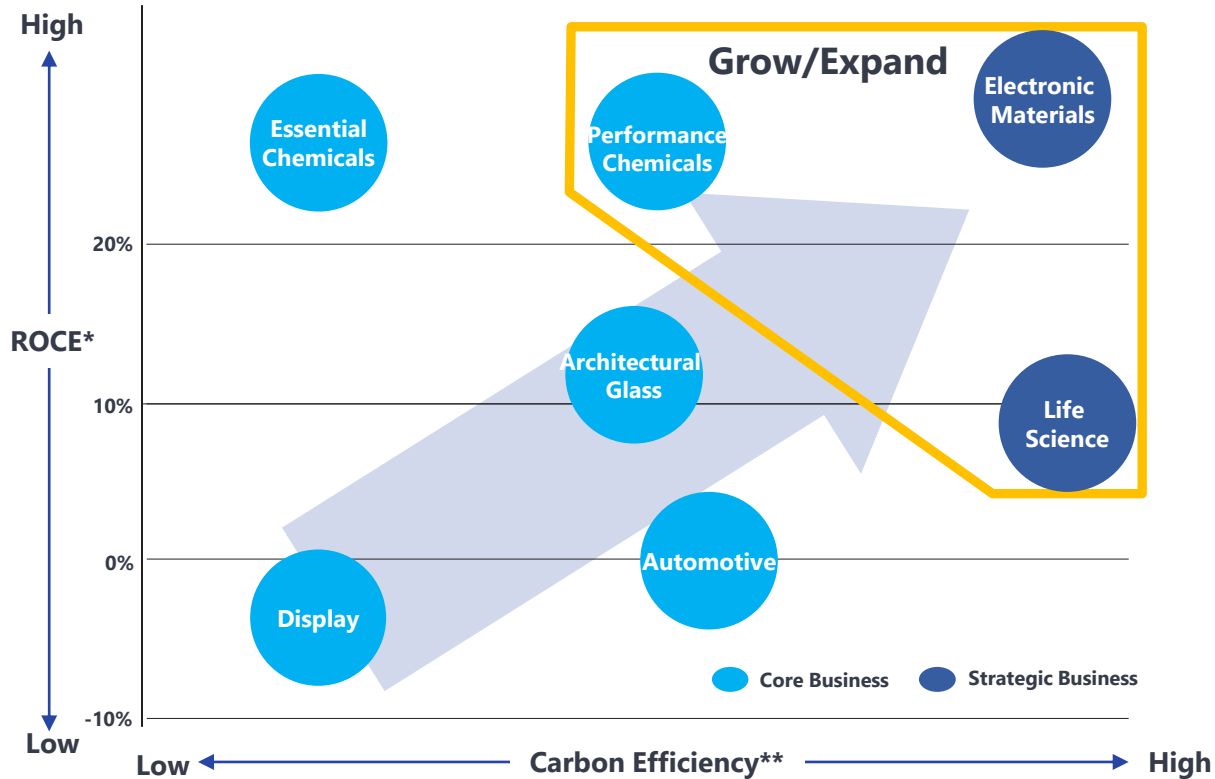


Direction of the Business Portfolio Transformation (1)

- Through the business management with its unique ambidextrous approach, we aim to build a business portfolio that is resilient to market fluctuations and has high asset efficiency, growth potential, and carbon efficiency.



Direction of the Business Portfolio Transformation (2)

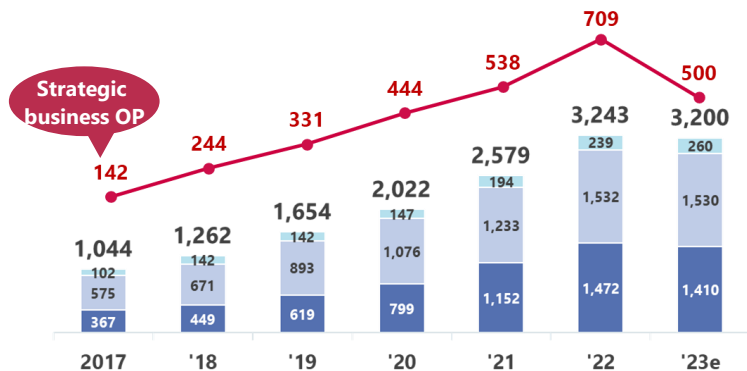


Progress in Business Portfolio Transformation (1)

- Strategic business will expand over the medium term, but sales is expected to hit a plateau and profits are expected to decline in 2023 .
- While being affected by market conditions, the profitability of the core business has improved and become more stable thanks to price revisions and structural reforms.

Strategic business

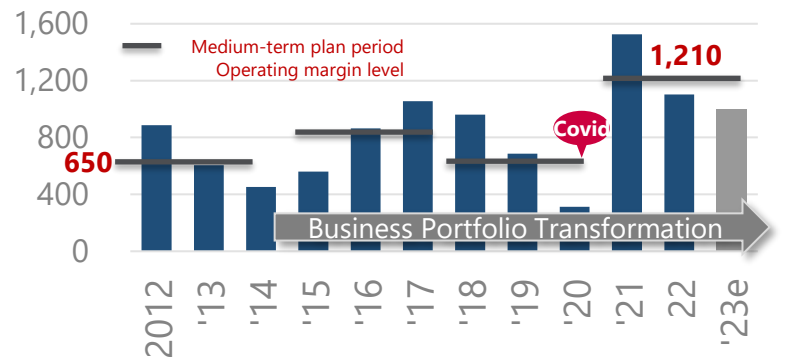
Strategic business net sales (100 million JPY)



Plateaued in 2023

Core business

Core business operating profit (100 million JPY)



Improved profitability and stability

(2) Strategic business

- Although there will be some adjustments in 2023 due to market conditions and other factors, in the medium to long term, the strategic businesses will grow along with the market expansion.

	Current situation		Medium/Long-term outlook	
<p>Electronics</p>	<p>While EUV mask blanks show robust growth, the overall business remains standstill in 2023 as affected by the semiconductor and smartphone markets.</p>		<p>In addition to growth of EUV mask blanks, the business will achieve a high growth along with the recovery of the semiconductor market.</p>	
<p>Life Science</p>	<p>Sales of Biopharmaceuticals CDMO decrease due to the disappearance of special demand for products related to the anti-coronavirus applications, reduced inflows of funds into biotech ventures and delays in launching new lines for Bio-CDMO in the U.S.</p>		<p>In 2024 onward, the business will go back to the growth trend following normalization of newly launched lines in the U.S. Bio-CDMO and the market recovery.</p>	
<p>Mobility</p>	<p>Speed of the business expansion is slower than expected due to the lagging progress of CASE technology.</p>		<p>The business will expand together with the progress of CASE technology.</p>	

Progress in Business Portfolio Transformation

(3) Core business

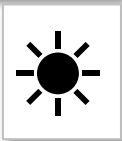
- The core businesses have achieved stable profitability and improved asset efficiency.

	Current situation		Medium/Long-term outlook	
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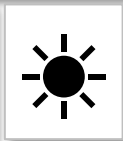


Architectural Glass

The profit improved due to price revisions and structural reforms.



The profitability will remain stable as favorable winds, such as good house renovation demand, will continue.

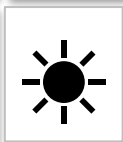



Automotive

The business started to generating profits along with the progress in the revision of pricing policy and structural reforms.



Profitability and asset efficiency are expected to improve as a result of improvements in the macro environment, such as the elimination of the semiconductor shortage, and the promotion of profit improvement measures that are being undertaken.




Display

We are reviewing the existing structural reforms and pricing policies.



The profit will improve starting in 2024 as a result of market recovery, structural reforms and pricing policy revisions.




Chemicals

【Essential Chemicals】
Although market conditions have not recovered and remain at a low level, a certain level of profit is secured due to high market position.

【Performance Chemicals】
The business have been standstill as affected by the semiconductor and smartphone markets.



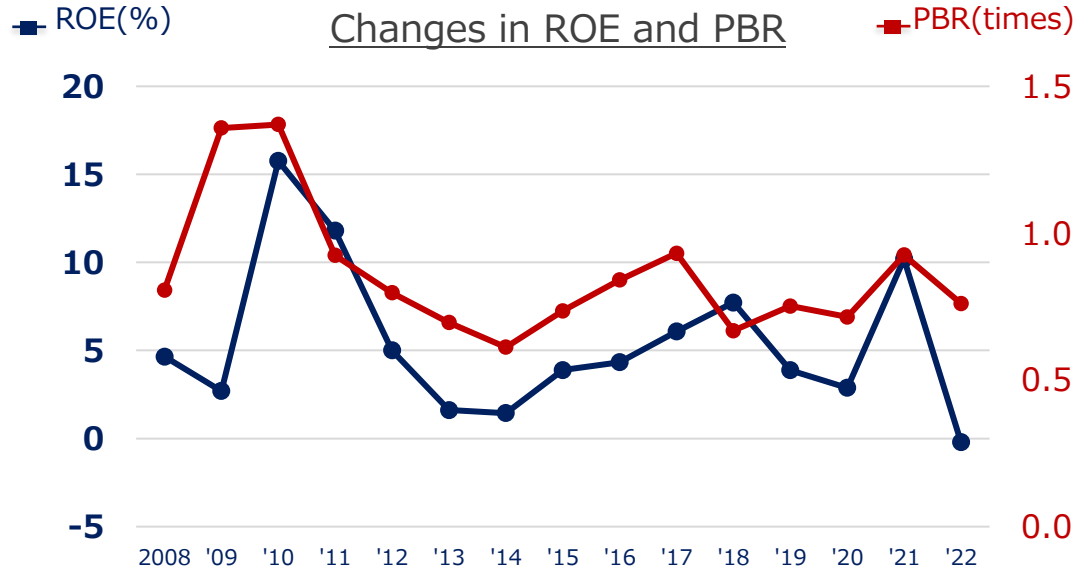
【Essential Chemicals】
The market will recover gradually, and the profit will pick up.

【Performance Chemicals】
The profit will improve as a result of capacity expansion and market recovery.



Challenge of improving PBR

- ROE and PBR fluctuations strongly correlated with each other.



Improving and stabilizing ROE is the top priority for PBR improvement.

Realization of business management focused on cost of capital and stock price

- PBR improvement has long been recognized as an important management issue.
- TSE disclosure requests will be reviewed internally, including the Board of Directors.

Initiatives and issues to be addressed

【Current initiatives】

- Announced ROE target (stable ROE of 10% by 2030) with an awareness of the cost of shareholders' equity.
- Flexible share buybacks and a stable dividend payout ratio of 40% on a consolidated basis.

【Issues to be addressed】

- We promote business portfolio transformation through aggressive investment in growth businesses. Growth businesses are expanding steadily, but PBR remains low because ROE target cannot be achieved due to restructuring costs, impairment losses, etc.

Current policy

- We aim to achieve a stable ROE of 8% or more as early as possible by expanding the strategic businesses, with the core business serving as a long-term stable earnings base.

AGC Group's Brand Statement

Never take the easy way out, but confront difficulties
Trust is the best way to inspire people
Strive to develop technologies that will change the world
A sense of mission leads us to advance

For more than a century, AGC has been guided by these founding spirits. Our unique materials, solutions and reliable partnerships have facilitated leading innovations across diverse industries and markets.






Today, by working with others to combine knowledge and advanced technology, we help make ever greater achievements possible, and bring bolder ideas to life

The background of the slide features a silhouette of two mountain climbers on a rocky peak. One climber is positioned higher on the rock, leaning forward and holding a rope. The second climber is lower down, also holding onto the rope, appearing to be in the process of ascending. The scene is set against a dramatic sky with a gradient from a deep blue at the top to a bright orange and yellow near the horizon, suggesting a sunset or sunrise. The overall mood is one of challenge and achievement.

Your Dreams, Our Challenge

Appendix

ROCE & EBITDA by Segment

	Operating profit		EBITDA*		ROCE		Operating assets	
	2021	2022	2021	2022	2021	2022	2021	2022
 Glass	273	229	819	794	4.6%	3.6%	6,000	6,300
(Reference) Architectural Glass	—	327	—	566	—	10.9%	—	3,000
(Reference) Automotive	—	▲ 98	—	227	—	▲ 3.0%	—	3,300
 Electronics	368	147	971	830	5.9%	2.6%	6,250	5,650
 Chemicals	1,388	1,429	1,887	2,020	21.5%	18.1%	6,450	7,900
(Reference) Chemicals	—	1,261	—	1,736	—	23.3%	—	5,400
(Reference) Life Science	—	169	—	284	—	6.7%	—	2,500
 Ceramics/Others	35	37	55	56	14.0%	18.4%	250	200
 Elimination	▲ 2	▲ 3	▲ 3	▲ 4	—	—	—	—
Total	2,062	1,839	3,729	3,696	10.9%	9.2%	18,950	20,050

(100 million yen)

* EBITDA=Operating profit +Depreciation

Impact on OP

Exchange rate



500 million yen*loss
if yen appreciated by 1%

*Impact when all
currencies fluctuate at the
same proportion against
JPY

Crude oil



310 million yen* loss
if increased by 1 dollar
per barrel

*excluding impact of oil
hedging

Chemicals market



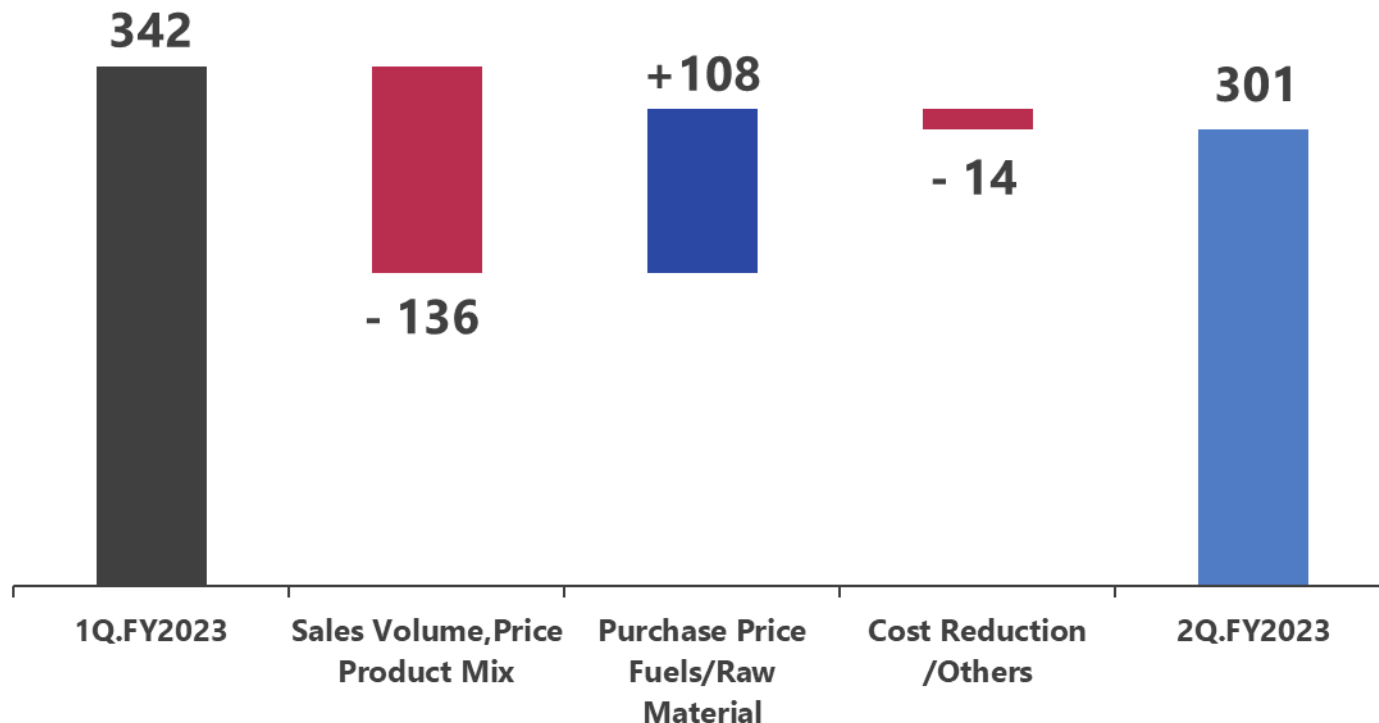
- 1 Caustic soda**
\$1M loss if the international
market down by \$1
- 2 PVC spread**
\$1.2M loss* if decreased
by \$1

*PVC spread:
PVC market - (ethylene
market×0.5)

Variance Analysis on OP(2Q.FY2023 vs. 1Q.FY2023)








4.2 bn JPY down from last quarter

(100 million JPY)










YoY Performance Comparison by Geographic Segment

(100 million JPY)

		Japan& Asia	Americas	Europe	Inter-segment	Total
 Architectural Glass	2Q .FY2023	386	73	728	5	1,192
	2Q .FY2022	361	80	773	2	1,216
 Automotive	2Q .FY2023	604	252	365	1	1,223
	2Q .FY2022	472	201	283	0	956
 Electronics	2Q .FY2023	642	71	3	2	717
	2Q .FY2022	651	62	3	6	722
 Chemicals	2Q .FY2023	1,261	83	62	13	1,418
	2Q .FY2022	1,575	74	59	12	1,720
 Life Science	2Q .FY2023	79	90	177	2	348
	2Q .FY2022	75	98	203	2	378
 Ceramics/Other	2Q .FY2023	85	-	-	110	195
	2Q .FY2022	86	-	-	150	236
 Elimination	2Q .FY2023	-	-	-	▲ 132	▲ 132
	2Q .FY2022	-	-	-	▲ 171	▲ 171
Total Net Sales	2Q .FY2023	3,057	568	1,336	-	4,961
	2Q .FY2022	3,221	515	1,321	-	5,057

YoY Performance Comparison by Geographic Segment

(100 million JPY)

		Japan& Asia	Americas	Europe	Inter-segment	Total
 Architectural Glass	1-2 Q .FY2023	759	146	1,487	6	2,398
	1-2 Q .FY2022	681	143	1,429	4	2,257
 Automotive	1-2 Q .FY2023	1,206	475	723	2	2,407
	1-2 Q .FY2022	982	383	526	1	1,892
 Electronics	1-2 Q .FY2023	1,259	148	7	5	1,419
	1-2 Q .FY2022	1,332	133	6	11	1,481
 Chemicals	1-2 Q .FY2023	2,504	166	136	22	2,828
	1-2 Q .FY2022	3,028	151	132	26	3,336
 Life Science	1-2 Q .FY2023	158	162	348	13	680
	1-2 Q .FY2022	158	161	372	18	710
 Ceramics/Other	1-2 Q .FY2023	170	-	-	224	394
	1-2 Q .FY2022	167	-	-	268	435
 Elimination	1-2 Q .FY2023	-	-	-	▲ 273	▲ 273
	1-2 Q .FY2022	-	-	-	▲ 328	▲ 328
Total Net Sales	1-2 Q .FY2023	6,055	1,098	2,700	-	9,853
	1-2 Q .FY2022	6,347	971	2,465	-	9,783

Business Performance (1)

Architectural Glass	1Q.22	2Q.22	3Q.22	4Q.22	1Q.23	2Q.23	(100 million JPY)
Net Sales	1,040	1,216	1,247	1,334	1,205	1,192	
Asia	319	361	384	405	373	386	
Europe & Americas (Inter Segment)	719 2	853 2	861 2	925 4	831 1	802 5	
Operating profit	73	132	86	36	93	93	
Automotive	1Q.22	2Q.22	3Q.22	4Q.22	1Q.23	2Q.23	
Net Sales	936	956	1,112	1,174	1,184	1,223	
Automotive (Inter Segment)	935 1	956 0	1,111 0	1,174 1	1,183 1	1,221 1	
Operating profit	▲ 33	▲ 58	▲ 63	56	48	54	
Electronics	1Q.22	2Q.22	3Q.22	4Q.22	1Q.23	2Q.23	
Net Sales	760	722	777	814	702	717	
Display Electronic Materials (Inter Segment)	450 304 5	420 296 6	346 425 6	338 470 6	358 341 4	425 290 2	
Operating profit	80	12	31	24	19	11	

Business Performance (2)

Chemicals	1Q.22	2Q.22	3Q.22	4Q.22	1Q.23	2Q.23	(100 million JPY)
Net Sales	1,617	1,720	1,641	1,626	1,410	1,418	
Essential Chemicals	1,217	1,298	1,199	1,184	1,009	999	
Performance Chemicals	385	410	427	429	391	407	
(Inter Segment)	14	12	15	13	9	13	
Operating profit	406	418	250	187	172	137	
Life Science	1Q.22	2Q.22	3Q.22	4Q.22	1Q.23	2Q.23	
Net Sales	332	378	356	352	332	348	
Life Science	316	376	347	342	321	346	
(Inter Segment)	17	2	9	9	11	2	
Operating profit	46	57	53	14	6	▲ 1	

Trend of shipment and price

				2022				2023		
				1Q	2Q	3Q	4Q	1Q	2Q	
YoY comparison										
Glass	Architectural (AGC)	Japan & Asia	shipment	+10%	+low 10% range	+mid single-digit	-high single-digit	-high single-digit	-10%	
			price	+high 10% range	+high 10% range	+mid 20% range	20%	+high 20% range	+low 30% range	
		Europe	shipment	+low 10% range	-low single-digit	-low 10% range	-high 10% range	-high 10% range	-low 10% range	
			price	+mid 40% range	+low 60% range	+high 70% range	+low 50% range	+high 10% range	-mid 10% range	
	Automobile production*1	Japan	volume	-14%	-15%	+24%	+9%	+12%	+30%	
		North America	volume	-2%	+11%	+23%	+8%	+10%	+14%	
Europe & Russia		volume	-17%	-4%	+22%	+7%	+18%	+12%		
Electronics	Display panel demand*2	Global	area	+4%	-4%	-9%	-7%	-15%	+3%	
Spot market price										
Chemicals	Chlor-alkali (Southeast Asia)	Caustic soda ^{*3}	price	USD/MT	722	777	673	677	530	417
		PVC ^{*3}	price	USD/MT	1,407	1,350	933	823	893	817
		Ethylene ^{*3}	price	USD/MT	1,213	1,175	952	895	928	862

*1 Source : S&P global data as of July 4, 2023.

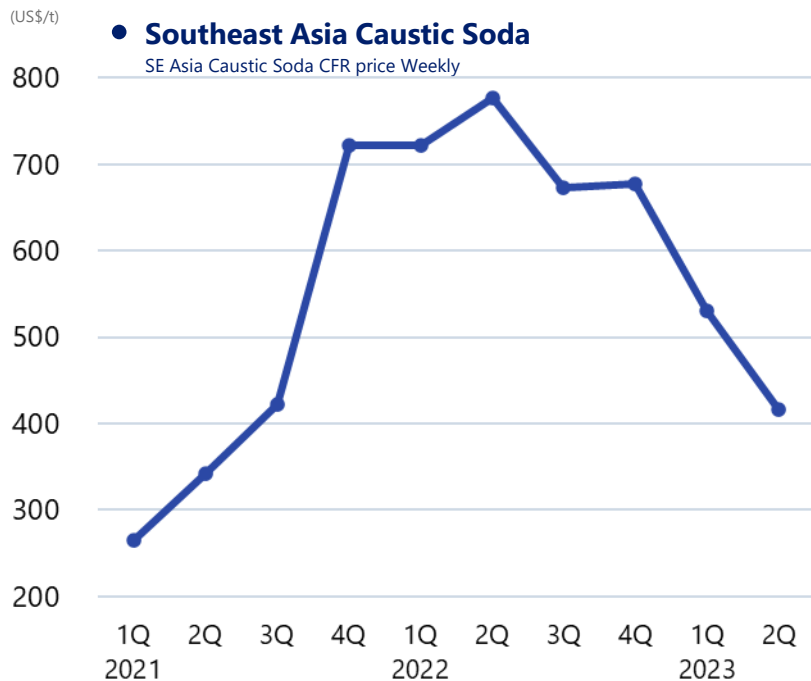
*2 Source : Omdia-Display Long-Term Demand Forecast Tracker – 1Q23 Pivot

Results are not an endorsement of AGC Inc. Any reliance on these results is at the third-party's own risk.

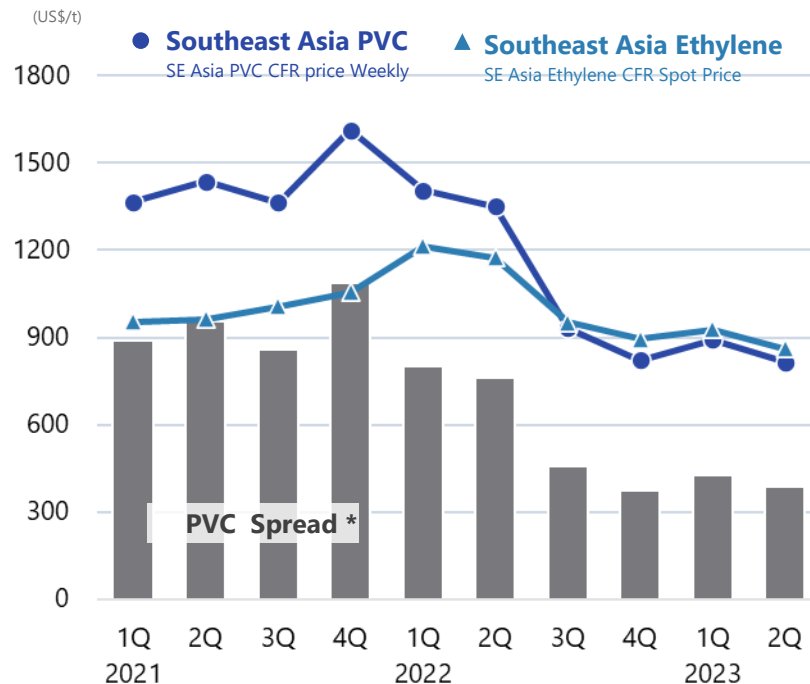
*3 Source : Bloomberg

Reference: Market trend of Caustic Soda and PVC in Southeast Asia

Caustic Soda



PVC



*PVC-ethylene spread calculation: PVC spot market price - (ethylene market price X 0.5)

		IFRS				
		18/12	19/12	20/12	21/12	22/12
Net sales	Million JPY	1,522,904	1,518,039	1,412,306	1,697,383	2,035,874
Operating profit	Million JPY	120,555	101,624	75,780	206,168	183,942
OP margin	%	7.9	6.7	5.4	12.1	9.0
Attributable to owners of the parent	Million JPY	89,593	44,434	32,715	123,840	△ 3,152
Return on equity (ROE) *1	%	7.7	3.9	2.9	10.2	△ 0.2
Return on assets (ROA) *2	%	5.4	4.4	3.1	7.9	6.7
Equity ratio	%	51	50	44	49	49
D/E (Interest-bearing debts ÷ Net assets)	times	0.43	0.47	0.63	0.41	0.41
CF from Operating Activities/Interest-bearing debt	times	0.35	0.32	0.29	0.54	0.33
Earnings per share(EPS) *3	JPY	399.51	200.85	147.84	559.11	△ 14.22
Cash dividends per share	JPY	115	120	120	210	210
EBITDA *4	Million JPY	259,425	231,857	208,459	383,226	253,209
Exchange rates (average)	JPY/USD	110.43	109.05	106.82	109.80	131.43
	JPY/EUR	130.42	122.07	121.81	129.89	138.04

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

*2 Operating profit/Total assets(average)

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

*4 EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) = Profit before taxes + Depreciation + Interest expenses

For other financial indicators, please see here.  https://www.agc.com/ir/pdf/data_all.pdf

Social Value to be created by AGC

- AGC creates the following five social values through its business activities.

Realization of safe and comfortable urban infrastructure



Low-E glass for building



UV cut glass for vehicles



Polyvinyl Chloride Resin

Realization of safe and healthy lifestyles



Pharmaceuticals (intermediate/active ingredients)



Agrochemicals (intermediate/active ingredients)



ETFE film for agricultural green-houses

Maintenance of a healthy and secure society



Relationship with local communities



Consideration for local environment



Human rights in supply chains

Creation of fair and safe workplaces



Workplace safety



Diversity



Employee engagement

Realization of a sustainable global environment



Response to climate change



Effective use of resources

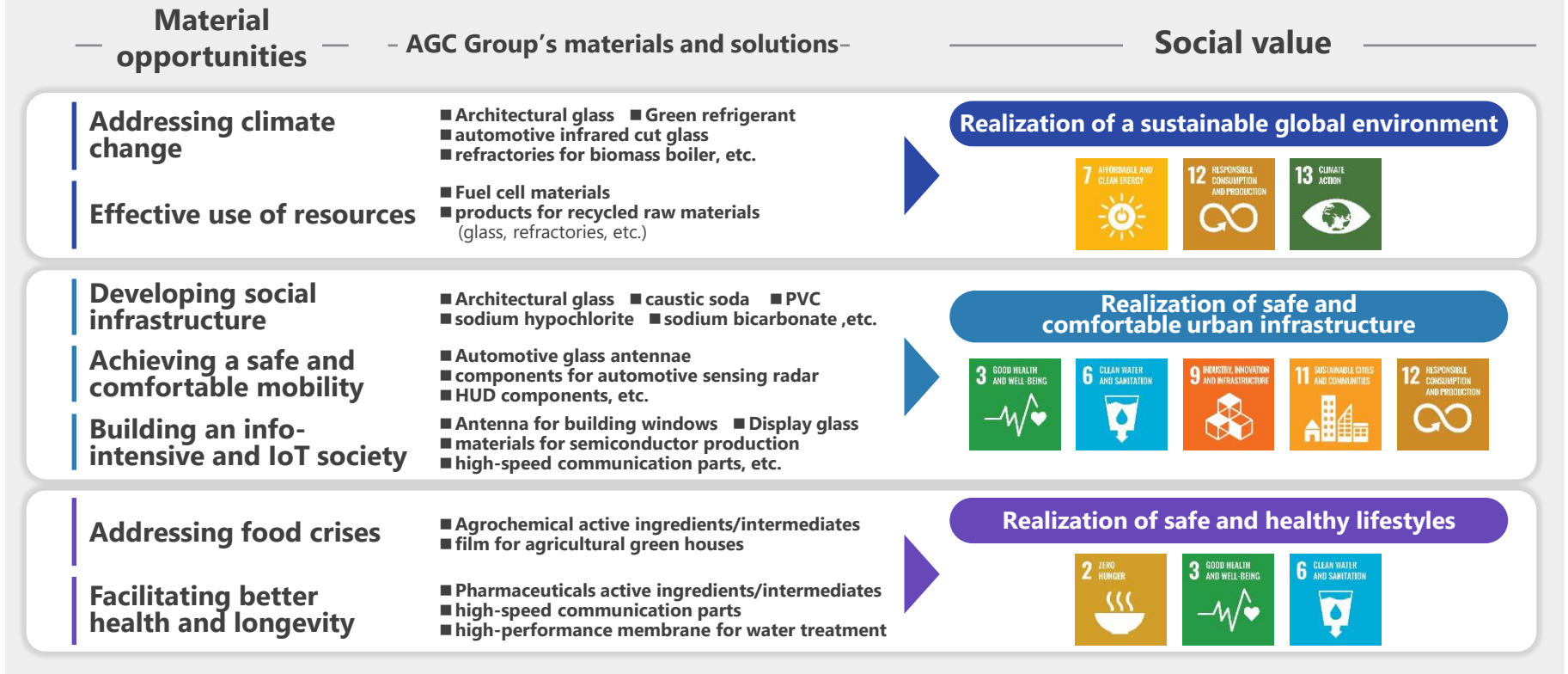
Economic value to be created by AGC Group

- Continuously grow/evolve to achieve **stable ROE of 10% or higher**
- In 2030, **the strategic businesses account for more than half of the group's operating profit.**

		2022(actual)	2023	2025	2030	2050
Economic value	Operating profit	183.9billion yen	150.0billion yen	250.0billion yen	300.0billion yen or more	
	Strategic Business OP	70.9billion yen	50.0billion yen	120.0billion yen	160.0billion yen or more	
	EBITDA*	369.6billion yen	338.0billion yen	480.0billion yen		
	ROE	-	4.2%	Stable ROE of 10% or higher		
	D/E	0.41	0.5 or less			

* EBITDA=Operating profit +Depreciation

Sustainability : Products and technologies to create social value



Sustainability : Create social value through healthy corporate activities

— Material risks — - AGC Group corporate activities—

Addressing climate change

- Continuous energy-saving
- development of production technology / facilities to reduce GHG emissions, etc.

Effective use of resources

- Use of recycled raw materials/materials, Reduction of land, etc.

Creating a socially and environmental-conscious supply chain

- Supplier selection based on respect for human rights / environmental protection

Ensuring fair and equal employment and workplace safety

- Reduce water usage
- protect biodiversity
- prevent environment accidents
- supporter-making, etc.

Considering relationships with local communities and the environment

- Increase employee engagement
- prevention of serious disaster / accidents requiring a leave, etc.

Social value

Realization of a sustainable global environment



Contributing to the maintenance of a healthy and secure society



Contributing to the creation of fair and safe workplaces



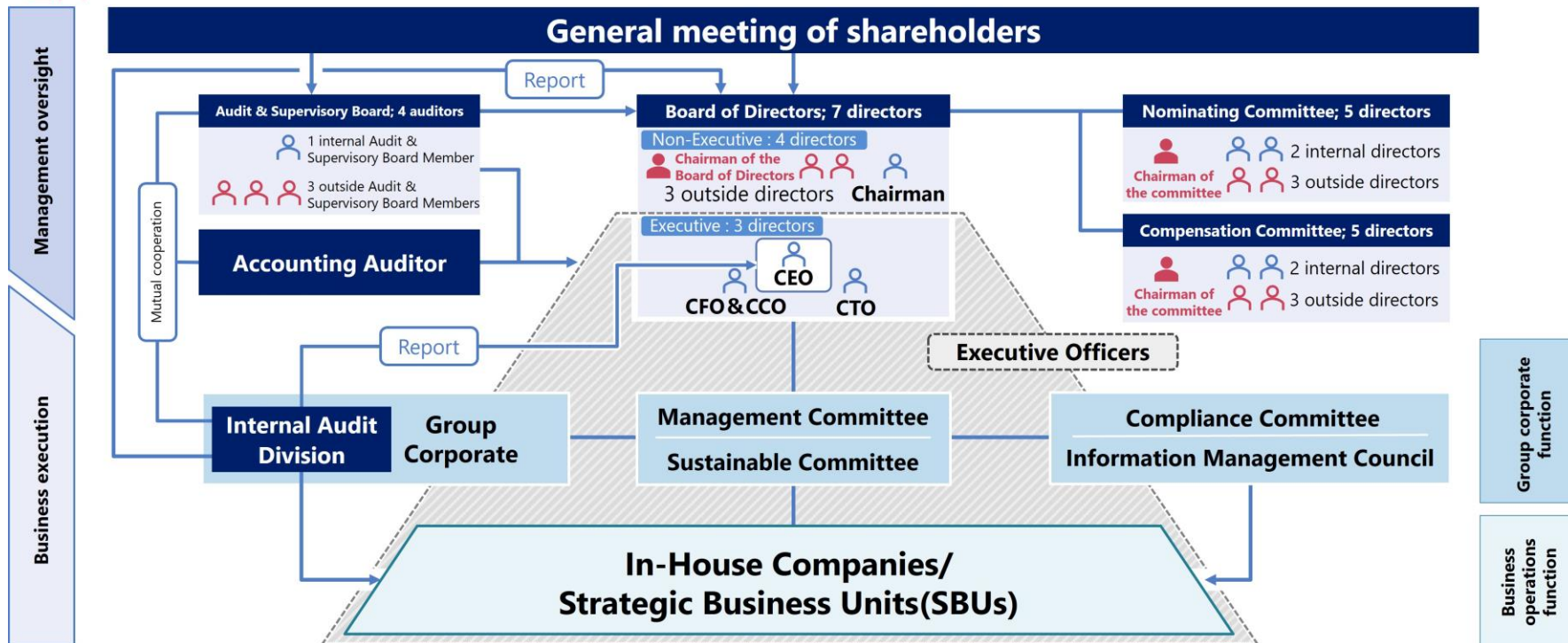
AGC's Corporate Governance Structure



: Internal directors or internal Audit & Supervisory Board Member



: Outside directors or outside Audit & Supervisory Board Members who satisfy Company's "Standards for independence of outside officers"





FTSE4Good Index Series



FTSE Blossom Japan Index



CDP Climate Change A
CDP Supplier Engagement Leader



SBTi "WB2°C" GHG Reduction Target



4 stars awarded in the 6th Nikkei "Smart Work Management" survey



"White 500" Company

in recognition of initiatives to promote strategic health management for its employees



EcoVadis Supplier Evaluations



PLATINUM rated for the Kashima plant and AGC Pharma Chemicals Europe
Highly rated in several other domestic and international locations



DX Brand 2023

in recognition of digital transformation efforts

Major Press Release in FY2023

 Date	 Summary
January 12	AGC to Receive Certification from SBTi for its "WB2°C" GHG Reduction Target
January 23	AGC to Develop Digital Twin Technology for Glass Melting Process and Begins Operational Verification in Float Furnaces
February 6	AGC and Saint-Gobain Partner for the Decarbonization of Flat Glass Manufacturing
February 8	AGC Has Started Considering Transfer of its Business in Russia
February 8	Notice Concerning Change in Reportable Segments
February 8	Announcement regarding Share Repurchases
February 8	Notice Regarding Posting of Impairment Losses and Differences between Forecast and Actual Consolidated Financial Results for Fiscal Year Ended December 31, 2022
March 16	AGC Recognized as a "Supplier Engagement Leader" Company with the Highest Rating in the "Supplier Engagement Rating " by CDP
March 23	AGC to Expand Production Capacity for Fluorochemical Products
April 17	AGC Develops Process Digital Twin for Chemical Plants and Begins Operation at Vinyl Chloride Monomer Manufacturing Plant in Indonesia
April 27	AGC to Boost Production Capacity of EUVL Photomask Blanks
May 12	AGC Decides to discontinue production of LCD glass substrate products at Kansai Plant (Takasago Factory) in Japan
June 19	AGC Builds and Launches "ChatAGC," an In-House Conversational AI Tool
June 27	World's First Demonstration Test of Glass Production Using Ammonia as Fuel in Actual Production Furnace

END

Disclaimer:

- This material is solely for information purposes and should not be construed as a solicitation. Although this material (including the financial projections) has been prepared using information we currently believe reliable, AGC Inc. does not take responsibility for any errors and omissions pertaining to the inherent risks and uncertainties of the material presented.
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The logo for AGC, featuring the letters 'AGC' in a bold, blue, sans-serif font. A small red square is positioned to the right of the letter 'G'.

Your Dreams, Our Challenge