

Financial Results for FY2023



AGC Inc.

February 7, 2024

Your Dreams, Our Challenge



Financial Results for FY2023	_____	P.03
1. Highlights of the Financial Results	_____	P.05
2. Business & Geographic Segment	_____	P.12
Outlook for FY2024	_____	P.22
Appendix	_____	P.30

Financial Results for FY2023

(YoY)

Net sales	2,019.3 bn JPY	(▲16.6 bn JPY)
Operating profit	128.8 bn JPY	(▲55.2 bn JPY)

- Net sales decreased due to the impact of the decline in sales prices for PVC and decrease in sales of biopharmaceuticals CDMO, despite higher sales in Automotive glass and the impact of foreign exchange rates.
- Operating profit decreased due to the above-mentioned lower sales factors and deteriorating manufacturing costs, despite lower raw materials and fuel costs.

Outlook for FY2024

(YoY)

Net sales	2,100.0 bn JPY	(+80.7 bn JPY)
Operating profit	150.0 bn JPY	(+21.2 bn JPY)

- Sales and operating profit will increase due to recovery in Electronics and Life Science.

Financial Results for FY2023

1. Highlights of the Financial Results

Highlights of the Financial Results for FY2023







* FOREX impact was +99.2 billion JPY, change in the scope of consolidation was ▲4.8 billion JPY

(100 million JPY)

	FY2022 Full-year	FY2023 Full-year	Change	Main factors in the change	
				(+) Increasing factors	(-) Decreasing factors
Net sales	20,359	20,193	▲ 166*	(+) Increase in sales prices of Automotive 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	1,839	1,288	▲ 552	In addition to the above, (+) Decline in raw materials and fuel prices	(-) Deterioration in manufacturing costs
Profit before tax	585	1,228	+ 643	In addition to the above, (+) Impairment loss was recorded in the same period of the previous year	(-) Gain on sales of land recorded in the same period of the previous year
Profit for the period Attributable to owners of the parent	▲ 32	658	+ 690		
FOREX (Average)	1USD	JPY 131.43	JPY 140.56		
	1EUR	JPY 138.04	JPY 152.00		
Crude oil (Dubai, Average)	USD/BBL	96.34	82.10		

YoY Performance Comparison by Business Segment

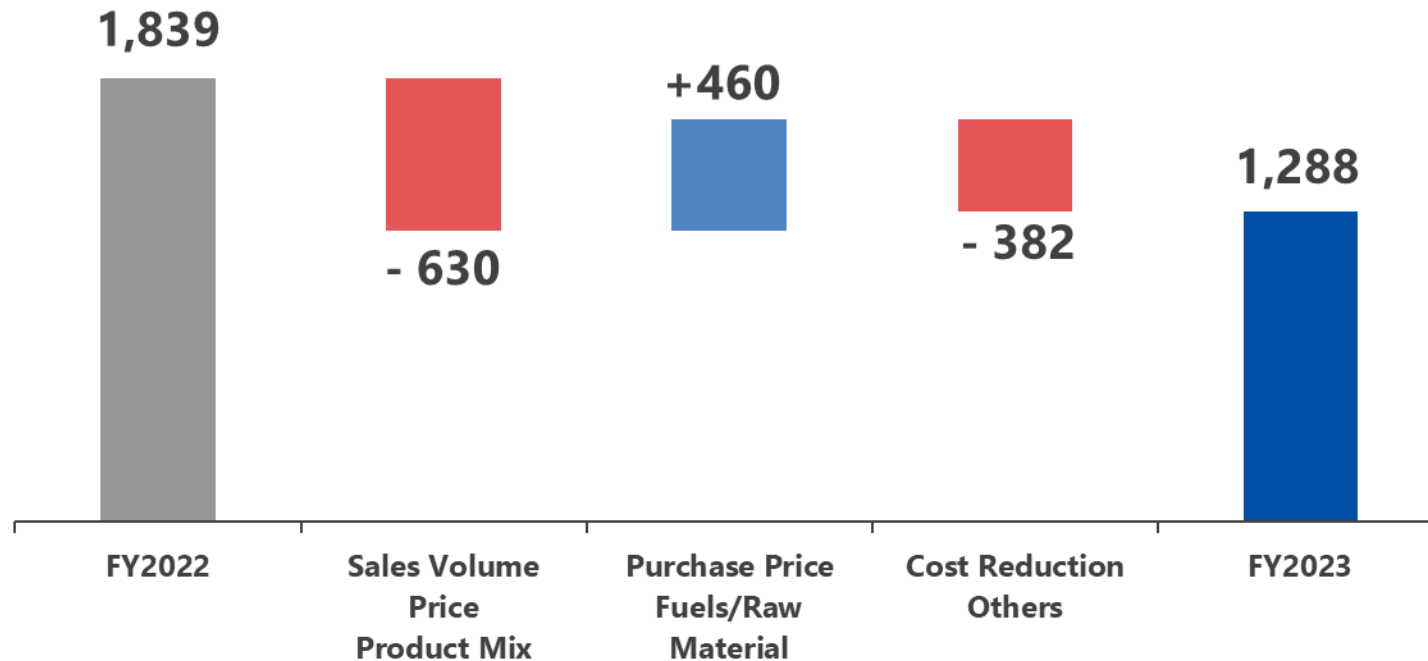
(100 million JPY)

	FY2022 Full-year (a)		FY2023 Full-year (b)		Change (b)-(a)	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
	 Architectural Glass	4,837	327	4,763	328	▲ 74
 Automotive	4,178	▲ 98	4,997	218	+ 819	+ 316
 Electronics	3,072	147	3,132	184	+ 60	+ 37
 Chemicals	6,604	1,261	5,741	648	▲ 863	▲ 613
 Life Science	1,418	169	1,268	▲ 124	▲ 150	▲ 292
 Ceramics/Other	866	37	834	33	▲ 32	▲ 3
Elimination	▲ 616	▲ 3	▲ 542	1	+ 74	+ 4
Total	20,359	1,839	20,193	1,288	▲ 166	▲ 552

Variance Analysis on OP (FY2023 vs. FY2022)

55.2 bn JPY down from last year

(100 million JPY)



Consolidated Statement of Financial Position

	(100 million JPY)		
	2022/12	2023/12	Change
Cash and cash equivalents	2,097	1,461	▲ 637
Inventories	4,365	4,541	+ 175
Property, plant and equipment, Goodwill and Intangible assets	15,148	16,312	+ 1,163
Other assets	6,530	7,017	+ 487
Total assets	28,140	29,330	+ 1,190
Interest-bearing debt	6,502	6,950	+ 448
Other liabilities	5,782	5,836	+ 54
Liabilities	12,284	12,787	+ 502
Total equity attributable to owners of the parent	13,903	14,471	+ 568
Non-controlling interests	1,953	2,073	+ 119
Equity	15,856	16,543	+ 687
Total liabilities and equity	28,140	29,330	+ 1,190
D/E ratio	0.41	0.42	

Foreign exchange
fluctuation
+ 83.3 billion yen

Foreign exchange
fluctuation
+ 142.6 billion yen

Foreign exchange
fluctuation
+ 78.4 billion yen

Consolidated Statement of Cash Flow

(100 million JPY)

Full-year	FY2022	FY2023
Profit before tax	585	1,228
Depreciation and amortization	1,857	1,753
Increase(decrease) in working capital	▲ 854	▲ 280
Others	584	▲ 576
Cash flows from operating activities	2,171	2,125
Cash flows from investing activities	▲ 1,453	▲ 1,798
Free cash flow	718	328
Changes in interest-bearing debt	17	93
Dividends paid	▲ 522	▲ 460
Others	▲ 277	▲ 713
Cash flows from financing activities	▲ 782	▲ 1,080
Effect of exchange rate changes on cash and cash equivalents	203	116
Net increase(decrease) in cash and cash equivalents	139	▲ 637

Share repurchases
▲ **50 billion yen**

CAPEX, Depreciation and R&D

Full-year	FY2022	FY2023
CAPEX	2,366	2,317
Architectural Glass	175	247
Automotive	298	263
Electronics	800	514
Chemicals	649	877
Life Science	431	399
Ceramics/Other	14	18
Elimination	▲ 2	▲ 1

	FY2022	FY2023
Depreciation	1,857	1,753
Architectural Glass	239	244
Automotive	325	319
Electronics	684	532
Chemicals	475	501
Life Science	115	139
Ceramics/Other	19	21
Elimination	▲ 1	▲ 2

(100 million JPY)

	FY2022	FY2023
R&D	523	573

Main projects for CAPEX

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

2. Business and Geographic Segments

Full-year	FY2022	FY2023	Change
Net sales	4,837	4,763	▲ 74*
Asia	1,469	1,584	+ 115
Europe & Americas	3,358	3,163	▲ 195
(Inter-segment)	10	16	+ 7
Operating profit	327	328	+ 0

* FOREX impact: +32.7 billion yen, Change in the Scope of Consolidation: +0.7 billion yen (100 million JPY)

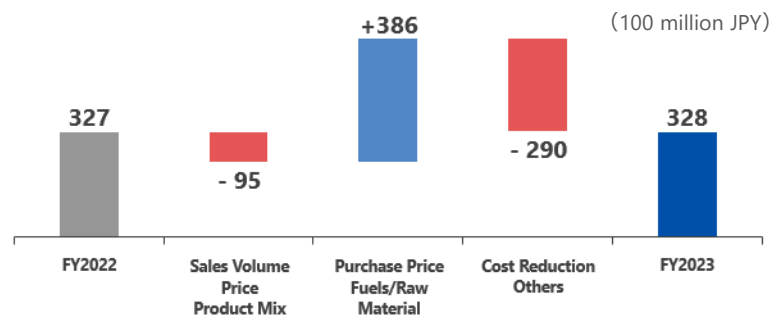
Asia

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

Europe & Americas

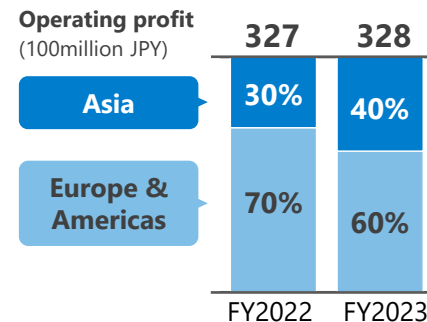
- Shipments declined in Europe, affected by the economic slowdown, and net sales decreased due to lower selling prices.
- Despite natural gas prices declined, manufacturing costs deteriorated.

Variance Analysis on OP



Ratio of sub-segment to the operating profit

(before common expense allocation)



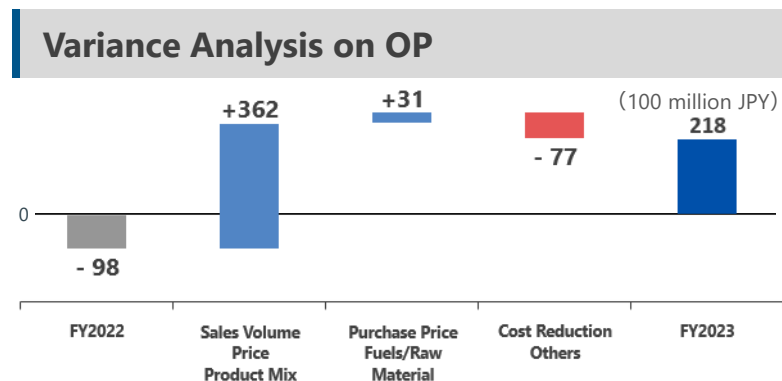
Full-year	FY2022	FY2023	Change
Net sales	4,178	4,997	+ 819*
Automotive	4,176	4,994	+ 818
(Inter-segment)	2	3	+ 1
Operating profit	▲ 98	218	+ 316

* FOREX impact: +25.7 billion yen,
Change in the Scope of Consolidation: No impact
(100 million JPY)



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.



Full-year	FY2022	FY2023	Change
Net sales	3,072	3,132	+ 60*
Display	1,554	1,607	+ 53
Electronic Materials	1,495	1,513	+ 17
(Inter-segment)	23	12	▲ 11
Operating profit	147	184	+ 37

* FOREX impact: +7.1 billion yen,
Change in the Scope of Consolidation: ▲4.7 billion yen
(100 million JPY)



Display

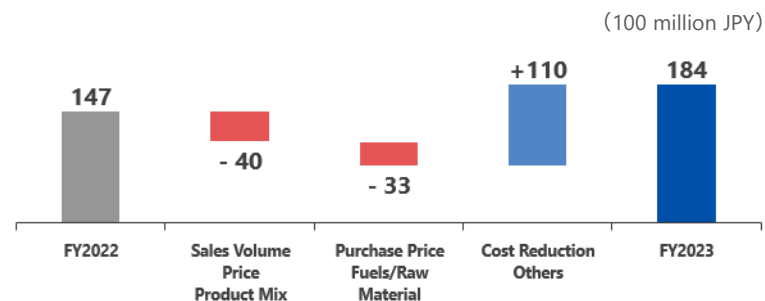
- Net sales increased mainly due to increase in shipments of LCD glass substrates.



Electronic Materials

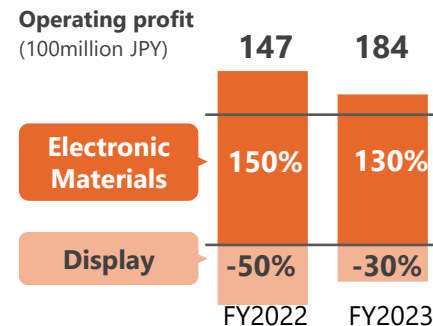
- Despite a decrease in shipments of optoelectronic materials, net sales increased thanks to the increased shipments of semiconductor-related products such as EUV mask blanks, as well as the impact of foreign exchange rates.

Variance Analysis on OP



Ratio of sub-segment to the operating profit

(before common expense allocation)



Launch the Display Business Structural Reform Project

- In addition to the existing earnings improvement measures, a project led by the CFO was launched to speed up and ensure the implementation of structural reforms.
- Target 10% ROCE in Display business during the new medium-term management plan

Earnings improvement measures

Promoting of business structure reforms, aiming to set a focus on glass substrates for large-sized display panels

Strengthening competitiveness through technological innovation

Revising of pricing policy

Business Structural Reform Project

Aim of the Project

Swiftly implement structural reforms under the leadership of top management

Full-year	FY2022	FY2023	Change
Net sales	6,604	5,741	▲ 863*
Essential Chemicals	4,898	4,028	▲ 870
Performance Chemicals	1,652	1,669	+ 17
(Inter-segment)	54	45	▲ 9
Operating profit	1,261	648	▲ 613

* FOREX impact: +25.4 billion yen,
Change in the Scope of Consolidation: No impact
(100 million JPY)

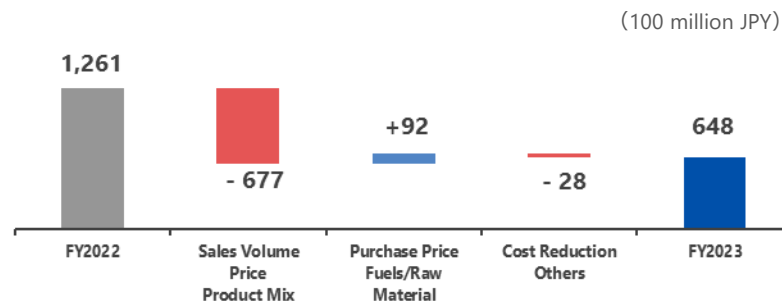
Essential Chemicals

- Sales prices of PVC and other products declined.

Performance Chemicals

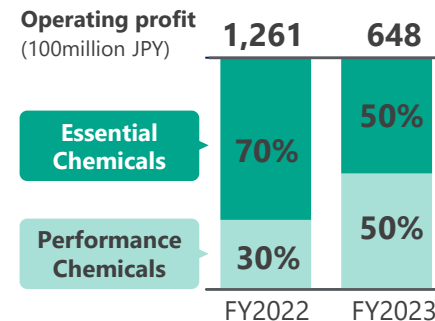
- Net sales remained at the same level as the previous year due to the rise in sales prices and foreign exchange effects, despite a decrease in shipments of Fluorochemical-related products.

Variance Analysis on OP



Ratio of sub-segment to the operating profit

(before common expense allocation)

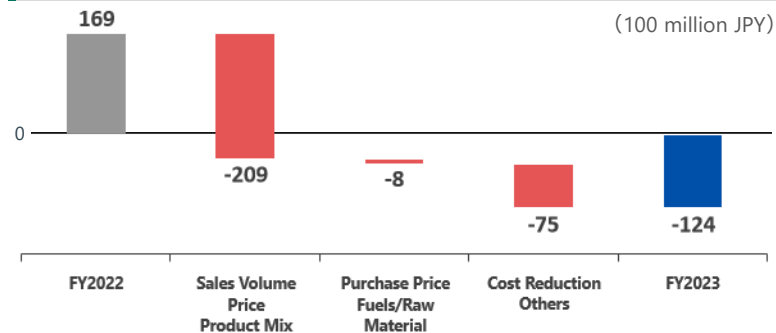


Full-year	FY2022	FY2023	Change
Net sales	1,418	1,268	▲ 150*
Life Science	1,381	1,239	▲ 142
(Inter-segment)	36	29	▲ 8
Operating profit	169	▲ 124	▲ 292

* FOREX impact: +8.0 billion yen,
Change in the Scope of Consolidation: No impact

(100 million JPY)

Variance Analysis on OP



Life Science

- Net sales decreased due to the disappearance of Covid-related special demand, reduced inflows of funds into biotech ventures, as well as the delay in launching new lines and review of production schedule, etc. of Biopharmaceuticals CDMO in the U.S.
- Upfront costs incurred associated with capacity expansion in the biopharmaceutical field.

- Business environment is recovering, but the **recovery is expected to be only moderate in 2024, with a full recovery in 2025.**
- New lines in the U.S. has **resumed full-scale commercial operations and is expected to contribute to earnings improvement from 2024.**

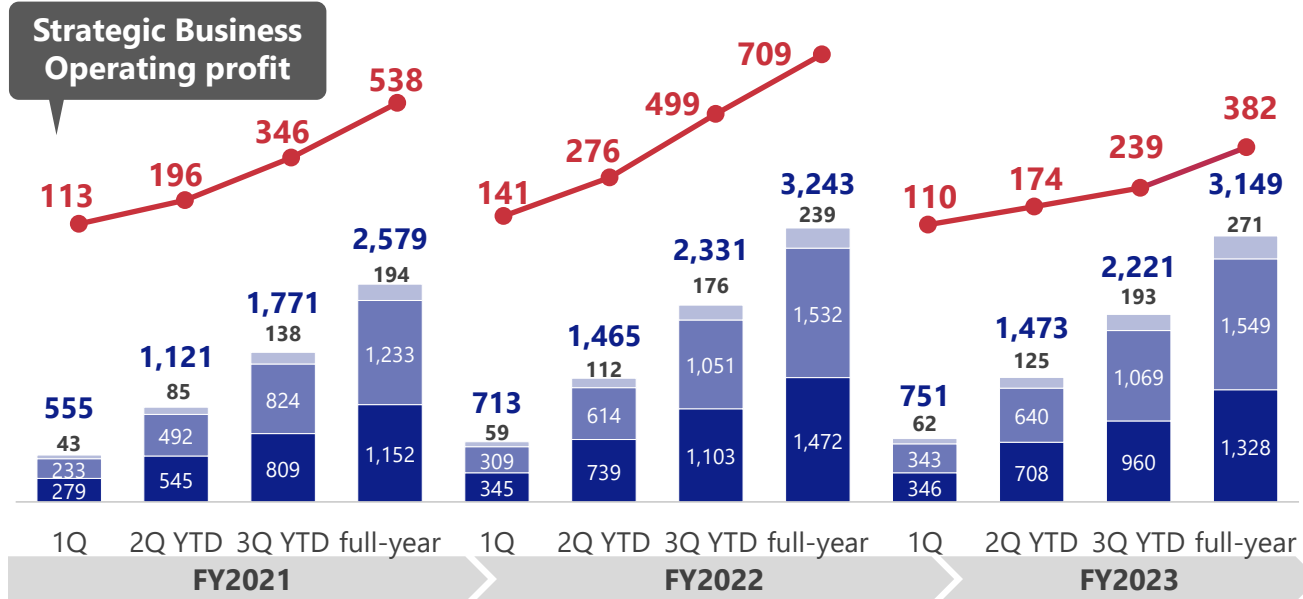
Issues	Current Situation*	Outlook
<p>Business situation</p> <p>Temporary leveling off due to repercussions of Covid-related special demand and reduced inflows of funds into biotech ventures.</p>	<p>Continued to be affected by reduced inflows of funds to biotech ventures, but signs of recovery</p>	<p>Market recovery slowly continues and full recovery is expected in 2025</p>
<p>Launch of new lines in the U.S.</p> <p>Delay in launching new lines at Boulder plant in the U.S.</p>	<p>Implemented drastic measures and commercial operation has begun by the end of 2023</p>	<p>Full-scale resumption of commercial operations in 2024, contributing to improved profitability</p>

Profit contribution of Strategic Businesses

- Biopharmaceuticals CDMO especially in the U.S. have been sluggish.
- Electronics also sluggish due to adjustments in the semiconductor and smartphone markets.

Sales of Strategic business

(100 million yen)



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

(100 million JPY)

Full-year	FY2022	FY2023	Change
Net sales	20,359	20,193	▲ 166
Japan &Asia	13,027	12,734	▲ 293
Americas	2,078	2,191	+ 114
Europe	5,254	5,267	+ 13
Operating profit	1,839	1,288	▲ 552
Japan &Asia	1,871	1,526	▲ 345
Americas	72	▲ 99	▲ 172
Europe	314	335	+ 22
Cross-regional common expenses	▲ 417	▲ 474	▲ 57

FOREX impact :

+99.2 bn JPY

Change in the scope of consolidation :

▲4.8 bn JPY

Outlook for FY2024







- Net sales and Operating profit increased mainly due to recovery in Electronics and Life sciences.

(100 million JPY)

		FY2023	FY2024e
Net sales		20,193	21,000
	(First half)	9,853	10,000
Operating profit		1,288	1,500
	(First half)	643	600
Profit before tax		1,228	1,050
Profit for the year attributable to owners of the parent		658	530
Dividend (JPY/share)		210	210
Operating profit margin		6.4%	7.1%
ROE		4.6%	3.7%*
FOREX (Average)	1 USD	JPY 140.6	JPY 140.0
	1 EUR	JPY 152.0	JPY 160.0
Crude oil (Dubai, Average)	USD/BBL	82.1	85.0
Ethylene (CFR SEA)	USD/MT	889	980

Outlook breakdown by Segment (Net sales and Operating profit)

(100 million JPY)

	FY2023 (a)		FY2024e (b)		Change (b)-(a)	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
 Architectural Glass	4,763	328	4,600	300	▲ 163	▲ 28
 Automotive	4,997	218	5,100	230	+ 103	+ 12
 Electronics	3,132	184	3,300	330	+ 168	+ 146
 Chemicals	5,741	648	6,200	600	+ 459	▲ 48
 Life Science	1,268	▲ 124	1,400	30	+ 132	+ 154
 Ceramics/Other	834	33	800	10	▲ 34	▲ 23
Elimination	▲ 542	1	▲ 400	0	+ 142	▲ 1
Total	20,193	1,288	21,000	1,500	+ 807	+ 212

Outlook for FY2024



Architectural Glass

Asia

- In Japan and Asia regions, the Group's shipments are expected to be robust due to increased demand for highly insulating and thermal glass.

Europe & Americas

- Although economic growth is expected to be weak in Europe, demand for replacement with highly insulating glass for energy reduction is expected to support the Group's shipments



Automotive

- Automobile production and the Group's shipments are expected to be flat year on year. We expect to see the effects of our pricing policy and structural reforms that we have been working on.



Electronics

Display

- Profitability of LCD glass substrates will improve due to the earnings improvement measures as well as a recovery in demand for LCD panels.
- Shipments of specialty glass for display will increase due to a recovery in the smartphone market and increased orders from our major customers.

Electronic Materials

- Shipments of semiconductor-related products will increase mainly photomask blanks for EUV lithography.
- Shipments of optoelectronics materials will recover due to the recovery of the smartphone market.

Outlook for FY2024



Chemicals

Essential Chemicals

- Demand in Southeast Asia will remain strong, but there are concerns that market recovery will take time due to the sluggish Chinese economy.

Performance Chemicals

- Shipment will increase due to higher demand for Fluorochemical-related products for semiconductors and transportation application.



Life Science

- Contract sales of synthetic pharmaceuticals and agrochemicals CDMO are expected to remain flat year on year.
- Although biopharmaceuticals CDMO business will be affected by reduced inflow of funds to biotech ventures, contract sales will increase due to the resumption of commercial operation of a new line in the U.S., which had been delayed.

Outlook of CAPEX, Depreciation and R&D

Full year	FY2023	FY2024e
CAPEX	2,317	2,500
Architectural Glass	247	350
Automotive	263	200
Electronics	514	400
Chemicals	877	1,160
Life Science	399	370
Ceramics/Other	18	20
Elimination	▲ 1	0

	FY2023	FY2024e
Depreciation	1,753	1,850
Architectural Glass	244	250
Automotive	319	340
Electronics	532	550
Chemicals	501	530
Life Science	139	170
Ceramics/Other	21	10
Elimination	▲ 2	0

(100 million JPY)

	FY2023	FY2024e
R&D	573	600

Main projects for CAPEX

- Capacity enhancement for chlor-alkali in Southeast Asia (Chemicals)
- Capacity enhancement for fluorochemical-related products (Chemicals)
- Capacity enhancement for biopharmaceuticals CDMO (Life Science)
- Capacity enhancement for electronic materials (Electronics) etc.

Change in Shareholder Return Policy (1)

- In order to further strengthen our existing stance of maintaining stable dividends, we will change the index used for shareholder return from consolidated dividend payout ratio to the dividend on equity ratio (DOE), which is less affected by single-year operating results.

Current policy

- Maintain stable dividends with a **consolidated dividend payout ratio of 40%**
- Flexibly conduct share buyback



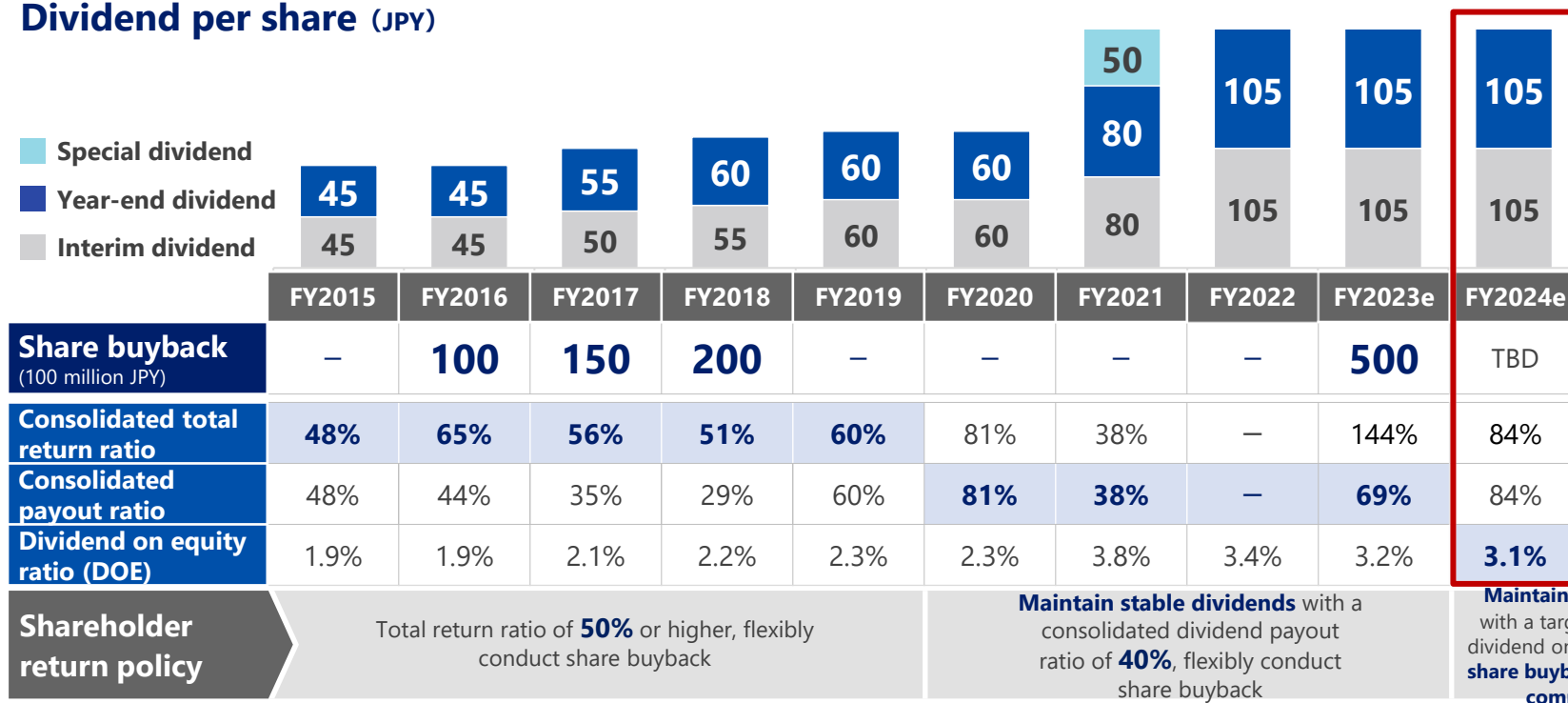
New policy

- Maintain stable dividends with a target of approx. **3% dividend on equity ratio (DOE)**
- Share buyback decisions are based on comprehensive consideration of investment projects, cash position, and other factors

Change in Shareholder Return Policy(2)

- In 2024, the dividend amount will be the same as 2023.

Dividend per share (JPY)









* The Company consolidated its common shares at a ratio of 5 shares to 1 share on July 1, 2017, and per-share data is recalculated.

Appendix

ROCE & EBITDA by Segment

(100 million yen)

	Operating profit		EBITDA*		ROCE		Operating assets	
	2022	2023	2022	2023	2022	2023	2022	2023
 Architectural Glass	327	328	566	572	10.9%	10.6%	3,000	3,100
 Automotive	▲ 98	218	227	537	▲3.0%	6.4%	3,300	3,400
 Electronics	147	184	830	715	2.6%	3.1%	5,650	6,000
 Chemicals	1,261	648	1,736	1,148	23.3%	10.4%	5,400	6,200
 Life Science	169	▲ 124	284	15	6.7%	▲4.3%	2,500	2,900
 Ceramics/Others	37	33	56	55	18.4%	16.7%	200	200
Elimination	▲ 3	1	▲ 4	0	—	—	—	—
Total	1,839	1,288	3,696	3,041	9.2%	5.9%	20,050	21,800

Impact on OP



Exchange rate

600 million yen* gain
if yen depreciated by 1%

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



Crude oil

280 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

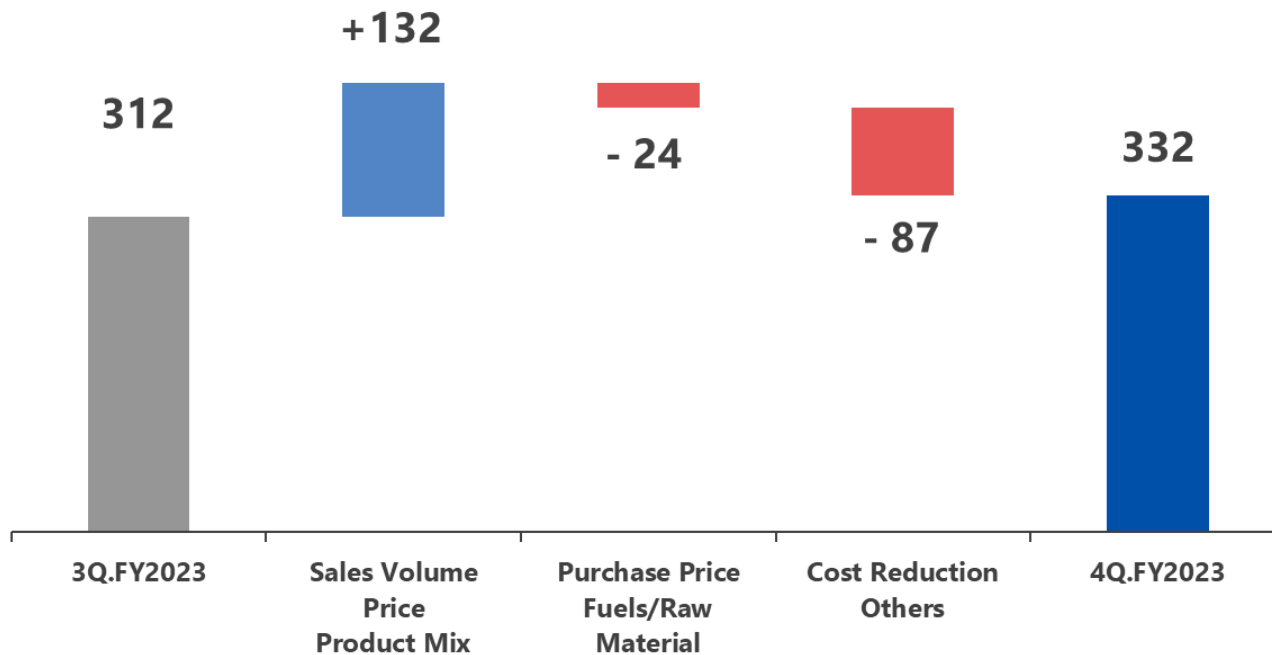
\$1.2M loss* if decreased by \$1

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

Variance Analysis on OP(4Q.FY2023 vs. 3Q.FY2023)

2.0 bn JPY up from last quarter

(100 million JPY)



Variance Analysis on OP(4Q.FY2023 vs. 4Q.FY2022)







1.4 bn JPY up from last year

(100 million JPY)









YoY Performance Comparison by Geographic Segment

(100 million JPY)

		Japan& Asia	Americas	Europe	Inter-segment	Total
 Architectural Glass	4 Q .FY2023	424	72	713	7	1,216
	4 Q .FY2022	405	99	826	4	1,334
 Automotive	4 Q .FY2023	697	273	365	0	1,335
	4 Q .FY2022	581	222	370	1	1,174
 Electronics	4 Q .FY2023	765	106	3	4	878
	4 Q .FY2022	725	81	2	6	814
 Chemicals	4 Q .FY2023	1,329	73	73	11	1,486
	4 Q .FY2022	1,465	82	66	13	1,626
 Life Science	4 Q .FY2023	72	45	221	13	350
	4 Q .FY2022	74	71	197	9	352
 Ceramics/Other	4 Q .FY2023	125	-	-	107	232
	4 Q .FY2022	103	-	-	115	218
Elimination	4 Q .FY2023	-	-	-	▲ 142	▲ 142
	4 Q .FY2022	-	-	-	▲ 148	▲ 148
Total Net Sales	4 Q .FY2023	3,413	568	1,374	-	5,354
	4 Q .FY2022	3,354	555	1,462	-	5,370

YoY Performance Comparison by Geographic Segment

(100 million JPY)

		Japan& Asia	Americas	Europe	Inter-segment	Total
 Architectural Glass	FY2023	1,584	295	2,867	16	4,763
	FY2022	1,469	327	3,031	10	4,837
 Automotive	FY2023	2,564	1,012	1,418	3	4,997
	FY2022	2,132	843	1,202	2	4,178
 Electronics	FY2023	2,770	338	11	12	3,132
	FY2022	2,771	267	11	23	3,072
 Chemicals	FY2023	5,111	320	265	45	5,741
	FY2022	5,982	309	260	54	6,604
 Life Science	FY2023	308	226	706	29	1,268
	FY2022	299	332	750	36	1,418
 Ceramics/Other	FY2023	397	-	-	437	834
	FY2022	374	-	-	492	866
Elimination	FY2023	-	-	-	▲ 542	▲ 542
	FY2022	-	-	-	▲ 616	▲ 616
Total Net Sales	FY2023	12,734	2,191	5,267	-	20,193
	FY2022	13,027	2,078	5,254	-	20,359

Business Performance (1)

Architectural Glass	1Q.22	2Q.22	3Q.22	4Q.22	1Q.23	2Q.23	3Q.23	4Q.23	(100 million JPY)
Net Sales	1,040	1,216	1,247	1,334	1,205	1,192	1,150	1,216	
Asia	319	361	384	405	373	386	401	424	
Europe & Americas	719	853	861	925	831	802	745	785	
(Inter Segment)	2	2	2	4	1	5	4	7	
Operating profit	73	132	86	36	93	93	83	59	
Automotive	1Q.22	2Q.22	3Q.22	4Q.22	1Q.23	2Q.23	3Q.23	4Q.23	
Net Sales	936	956	1,112	1,174	1,184	1,223	1,255	1,335	
Automotive	935	956	1,111	1,174	1,183	1,221	1,255	1,335	
(Inter Segment)	1	0	0	1	1	1	1	0	
Operating profit	▲ 33	▲ 58	▲ 63	56	48	54	59	56	
Electronics	1Q.22	2Q.22	3Q.22	4Q.22	1Q.23	2Q.23	3Q.23	4Q.23	
Net Sales	760	722	777	814	702	717	835	878	
Display	450	420	346	338	358	425	418	406	
Electronic Materials	304	296	425	470	341	290	414	468	
(Inter Segment)	5	6	6	6	4	2	3	4	
Operating profit	80	12	31	24	19	11	69	85	

Business Performance (2)

Chemicals	1Q.22	2Q.22	3Q.22	4Q.22	1Q.23	2Q.23	3Q.23	4Q.23	(100 million JPY)
Net Sales	1,617	1,720	1,641	1,626	1,410	1,418	1,428	1,486	
Essential Chemicals	1,217	1,298	1,199	1,184	1,009	999	1,002	1,018	
Performance Chemicals	385	410	427	429	391	407	414	457	
(Inter Segment)	14	12	15	13	9	13	12	11	
Operating profit	406	418	250	187	172	137	170	169	
Life Science	1Q.22	2Q.22	3Q.22	4Q.22	1Q.23	2Q.23	3Q.23	4Q.23	
Net Sales	332	378	356	352	332	348	238	350	
Life Science	316	376	347	342	321	346	235	337	
(Inter Segment)	17	2	9	9	11	2	3	13	
Operating profit	46	57	53	14	6	▲ 1	▲ 83	▲ 46	

Trend of shipment and price

			2022				2023				
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
YoY comparision											
Glass	Architectural (AGC)	Japan & Asia	shipment	+ 10%	+low 10% range	+mid single-digit	-high single-digit	-high single-digit	-10%	-low single-digit	+mid single-digit
			price	+high 10% range	+high 10% range	+mid 20% range	20%	+high 20% range	+low 30% range	+high 20% range	+mid 20% range
		Europe	shipment	+low 10% range	-low single-digit	-low 10% range	-high 10% range	-high 10% range	-low 10% range	-low single-digit	-mid single-digit
			price	+mid 40% range	+low 60% range	+high 70% range	+low 50% range	+high 10% range	-mid 10% range	-high 30% range	-mid 30% range
	Automobile production*1	Japan	volume	-14%	-15%	+24%	+9%	+13%	+27%	+13%	+12%
		North America	volume	-2%	+11%	+23%	+8%	+10%	+15%	+8%	+4%
Europe & Russia		volume	-17%	-4%	+22%	+7%	+18%	+17%	+8%	+6%	
Electronics	Display panel demand*2	Global area	+4%	-4%	-9%	-7%	-15%	+4%	+11%	-5%	

*1 Source : S&P global data as of January 5, 2024.

*2 Source : Omdia-Display Long-Term Demand Forecast Tracker – 3Q23 Pivot

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

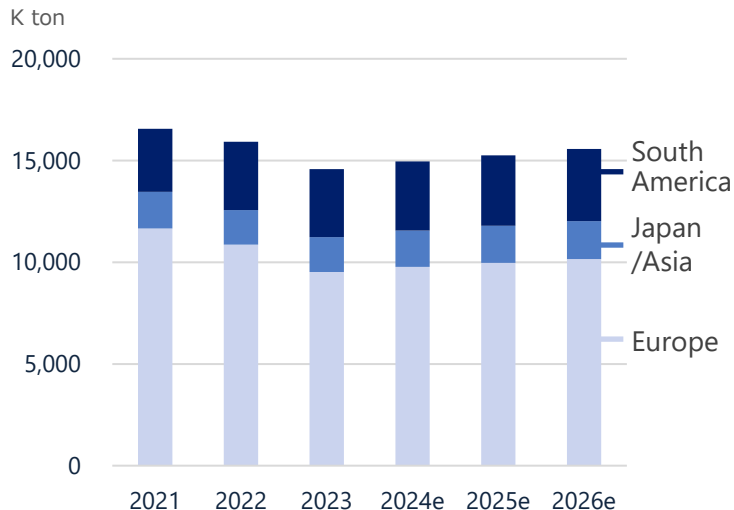
		IFRS				
		19/12	20/12	21/12	22/12	23/12
Net sales	Million JPY	1,518,039	1,412,306	1,697,383	2,035,874	2,019,254
Operating profit	Million JPY	101,624	75,780	206,168	183,942	128,779
OP margin	%	6.7	5.4	12.1	9.0	6.4
Attributable to owners of the parent	Million JPY	44,434	32,715	123,840	△ 3,152	65,798
Return on equity (ROE) *1	%	3.9	2.9	10.2	△ 0.2	4.6
Return on assets (ROA) *2	%	4.4	3.1	7.9	6.7	4.5
Equity ratio	%	50	44	49	49	49
D/E (Interest-bearing debts ÷ Net assets)	times	0.47	0.63	0.41	0.41	0.42
CF from Operating Activities/Interest-bearing debt	times	0.32	0.29	0.54	0.33	0.31
Earnings per share (EPS) *3	JPY	200.85	147.84	559.11	△ 14.22	304.73
Cash dividends per share	JPY	120	120	210	210	210
EBITDA *4	Million JPY	231,857	208,459	383,226	253,209	315,965
Exchange rates (average)	JPY/USD	109.05	106.82	109.80	131.43	140.56
	JPY/EUR	122.07	121.81	129.89	138.04	152.00

*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

- Amid demand for environmental responsiveness, **renovation demand and demand for environmentally friendly products are increasing.**
- With a focus on high value-added products that lead to energy saving & creation, AGC aims to build businesses that are less susceptible to economic fluctuations.

Architectural Glass Demand Outlook*1



Environmentally Friendly Products (examples)



Warm-edge highly insulated double glazing



Vacuum insulated Glass

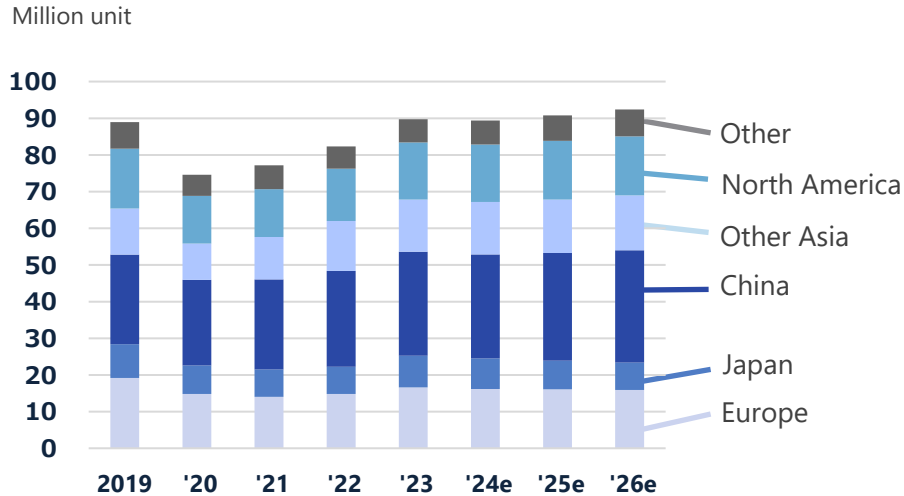


BIPV module*2

Automotive Business Environment

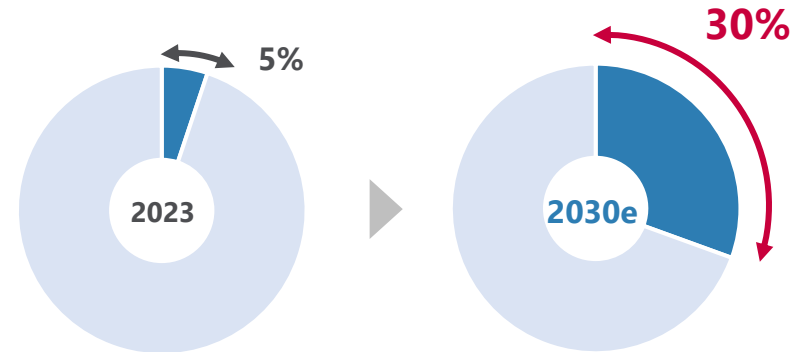
- Lower the break-even point and strengthen the resilience against market fluctuations by review of pricing policy, realigning its manufacturing structure, converting facilities to those with higher efficiency and promoting DX initiatives
- Increase the percentage of high value-added products such as CASE-related applications to improve the profitability

Automobile Production (by region) *



AGC's High value-added products (%)

- Mobility products **
- Other products

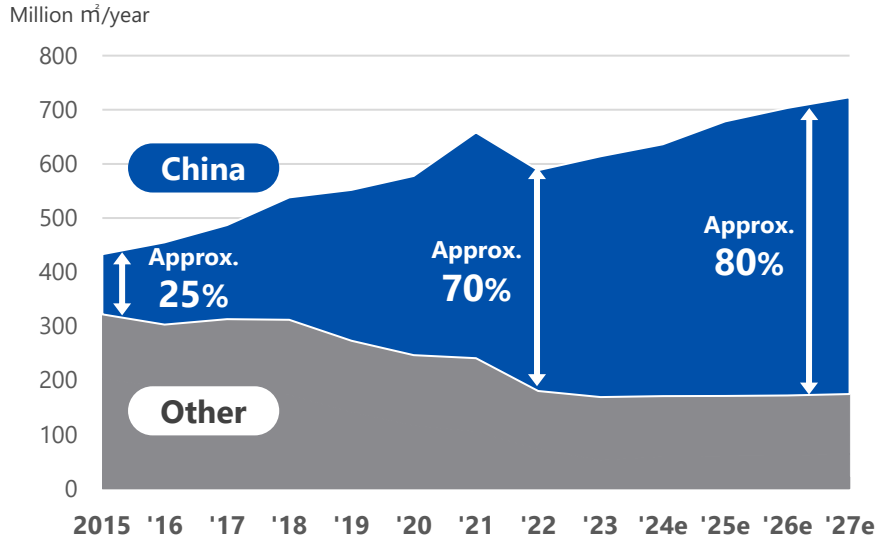


*: Based on S&P global **: Car mounted Display Glass, sensor, antennas, products with added functions and values such as Low-E, light control etc.

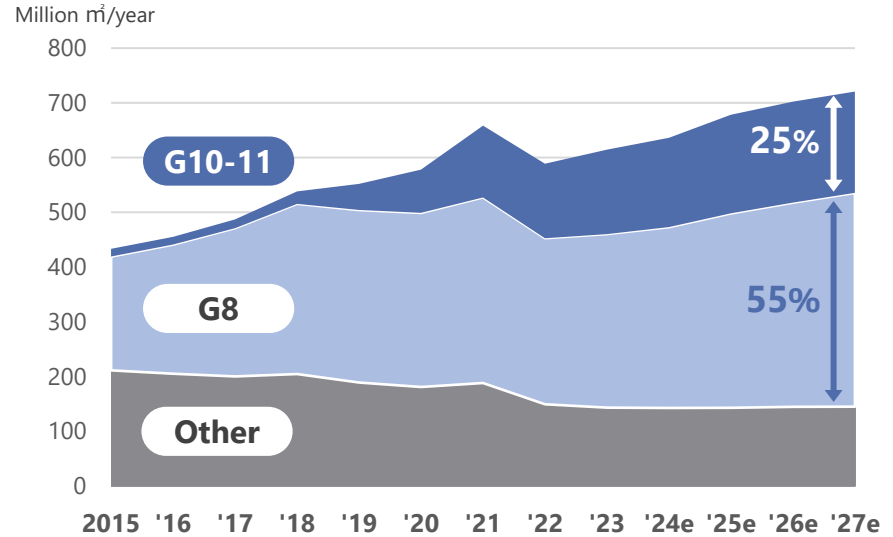
Display Business Environment

- Demand in China will continue to expand further

Demand for LCD Glass (by region)



Demand for LCD Glass (by generation)



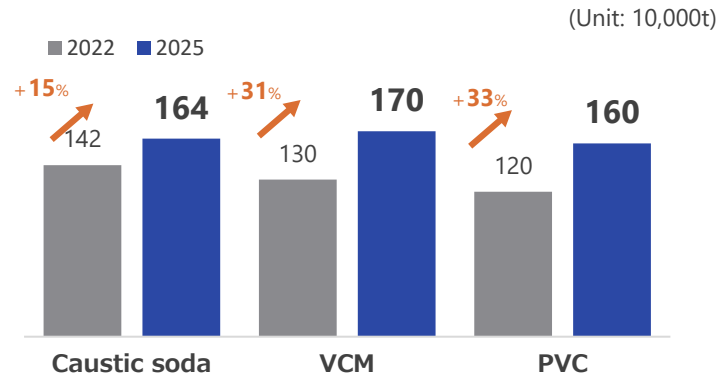
Source: AGC's estimate

Essential Chemicals Overview

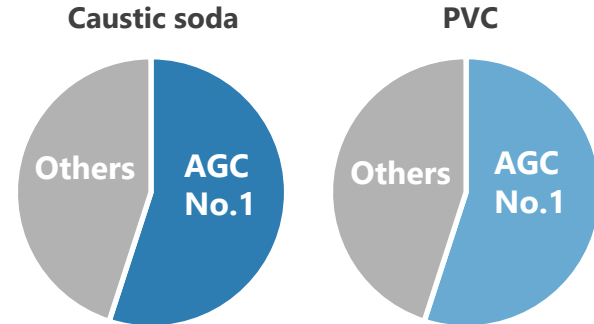
- Investment of over 100 billion yen determined in 2022 is progressing as planned for launch in 2025
- Further strengthening our position in Southeast Asia.
- Steadily capturing demand in Southeast Asia, which is growing at 4% per year.

Keep considering capacity enhancement aiming at a production system of 2 million tons per year by 2030.

Southeast Asia Chlor-Alkali Production Capacity



Market share based on production capacity in Southeast Asia (after expansion)



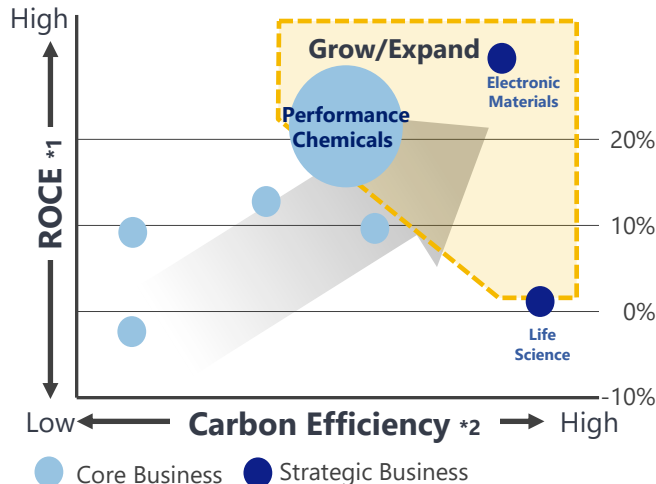
Market share based on production capacity: Caustic soda does not include Australia/NZ in the region, PVC includes Australia/NZ in the region

Performance Chemicals Overview(1)

- **Growing business** with high asset and carbon efficiency.
- Highly rated in global niche markets requiring **high technical characteristics**.
- **Aiming for sales of 300 billion yen or more** by 2030.

Positioning in the Business Portfolio

Positioned as a **growth business** with high ROCE and carbon efficiency



Global Niche Top Strategy

Strengths in technological development using the properties of fluorine

Worldwide No.1^{*3} Share



Fluoropolymer resin ETFE



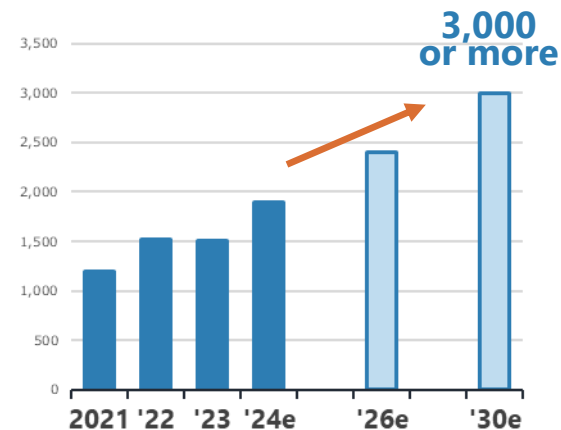
Electrolyte polymer for fuel cells



Fluoropolymer resin for on-site coatings

Performance chemicals*4 sales trend

(unit : 100 million JPY)



*1: Created based on FY2023 results *2: Based on 2022 emissions per 2023 sales

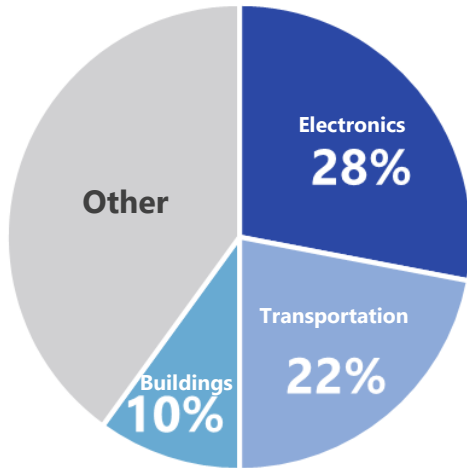
*3: AGC's estimate as of Jan 2024

Performance Chemicals Overview(2)

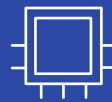
- Approx. 60% of the demand is for the main applications such as Electronics, Transportation (automobile, aircraft) and Buildings.
- The remaining consists of demand in various and specific fields.

Net Sales by Application (2022)*

* Revised classification of some products.



Electronics



Transportation

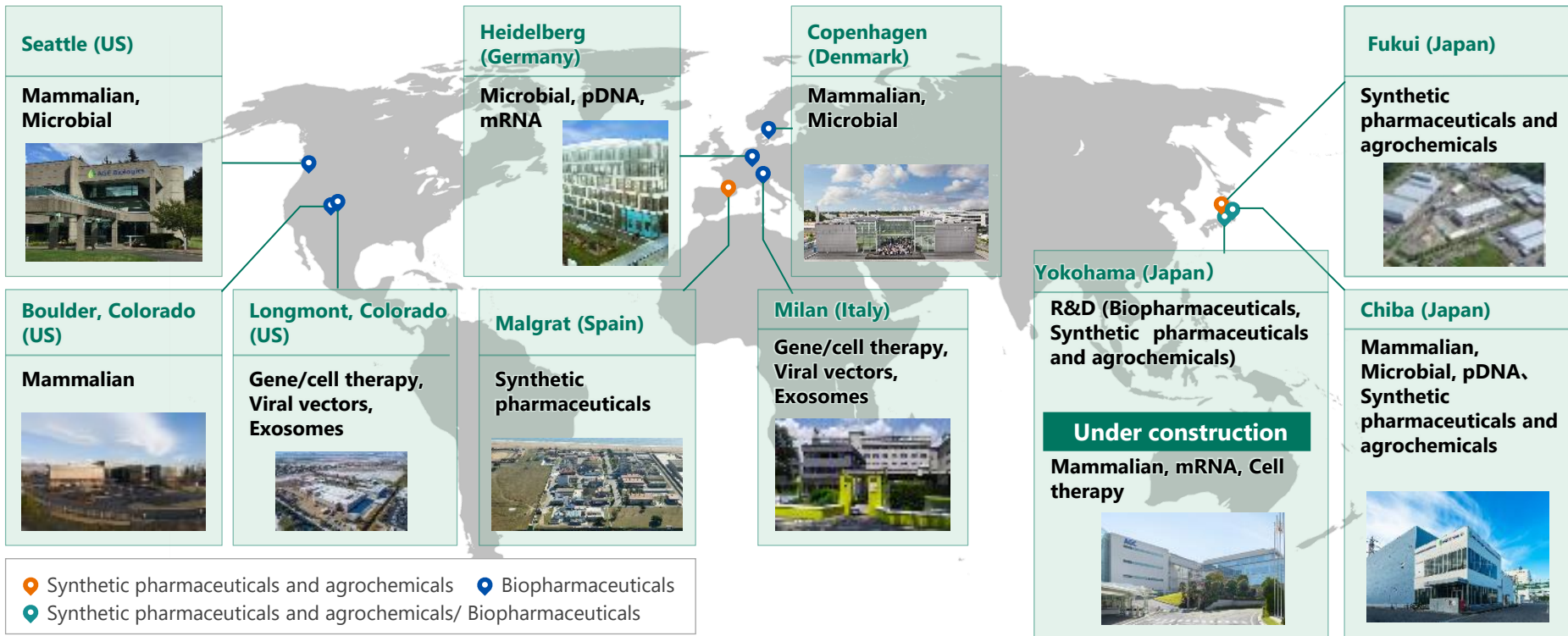


Buildings



Life Science Overview(1)

- We have established a highly integrated **cGMP system with 10 bases** in Japan, the U.S., and Europe, and provide the same **high standard of development and manufacturing services** in a **wide range of fields** from any of these regions.



- **Addresses a wide range of production scale needs that change as development progresses**

- Small molecule pharmaceuticals: We have kilo-lab pilot facilities suitable for small volume production in early-stage development and large-scale reactors for commercial use.

- Biopharmaceuticals: Ahead of other companies, we introduced **SUBs***, which are strong in the flexible production from small to medium scale of mammalian cells, the current mainstream. **Currently, our SUB production capacity is the global No. 2**.**

In 2020, **large-scale SUS***** bioreactors were introduced to meet the needs for large commercial products such as blockbuster drugs.

- On the strength of our SUB's abundant capacity and track record, **we are building up contracts for early-stage development projects and working with customers to nurture them into late-stage development and commercialization that are expected to generate long-term contract, resulting in continued growth over the medium to long term.**

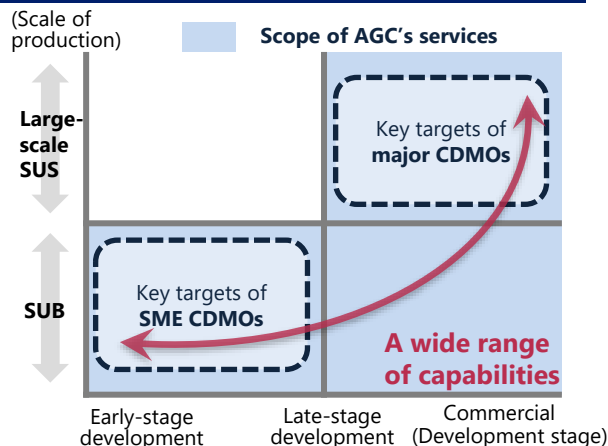
Scope of AGC's services in the biopharmaceutical business



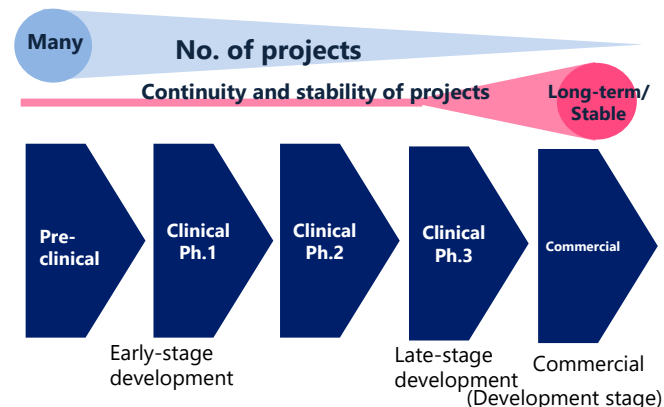
*****Large-scale SUS:**
Large stainless steel bioreactors. Suitable for large scale commercial pharmaceutical production.



***SUB:**
A bioreactor that uses single-use bags, which are disposable containers. Since no washing of the bioreactor is required, it is highly efficient and suitable for small- to medium-scale multi-product production.



Changes in the nature of contracted projects as development progresses

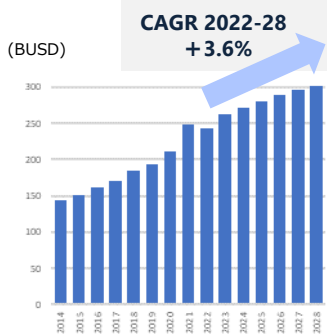


Life Science Overview(3)

- Advanced quality and manufacturing control systems and strict inspections by regulators are essential for Commercial and/or Late-stage development projects
- To ensure the early launch of pipelines for which significant development investment has been made, **Customers (pharmaceutical companies) tend to seek outsourcing to trusted and proven CDMOs**
- Through many years of experience as a CDMO, **AGC has gained a wealth of manufacturing and inspection track record, as well as customer trust.** The number of commercial pharmaceutical contracts has increased as a result.

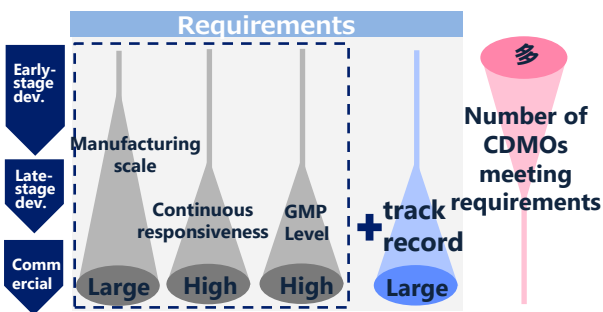
Creating a virtuous cycle where the more projects we complete, the more projects we obtain.

Pharmaceutical R&D Expenses*



R&D expenses increase year by year. Return on investment by early and reliable launch of new drugs is essential.

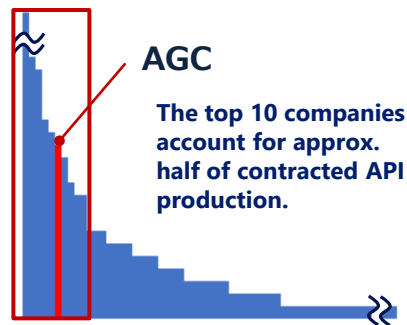
Changes in the level of requirements for CDMOs as development progresses



Due to the risk of lost opportunities caused by delayed launch schedules, **"track record" is an important requirement** for CDMO selection, especially for late-stage development and commercial projects, as it is a proof of capability.

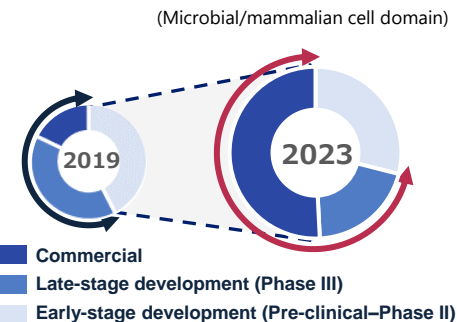
Limited number of CDMOs with an extensive track record in late-stage development and commercial projects.

Comparison of biopharmaceutical API contracts**



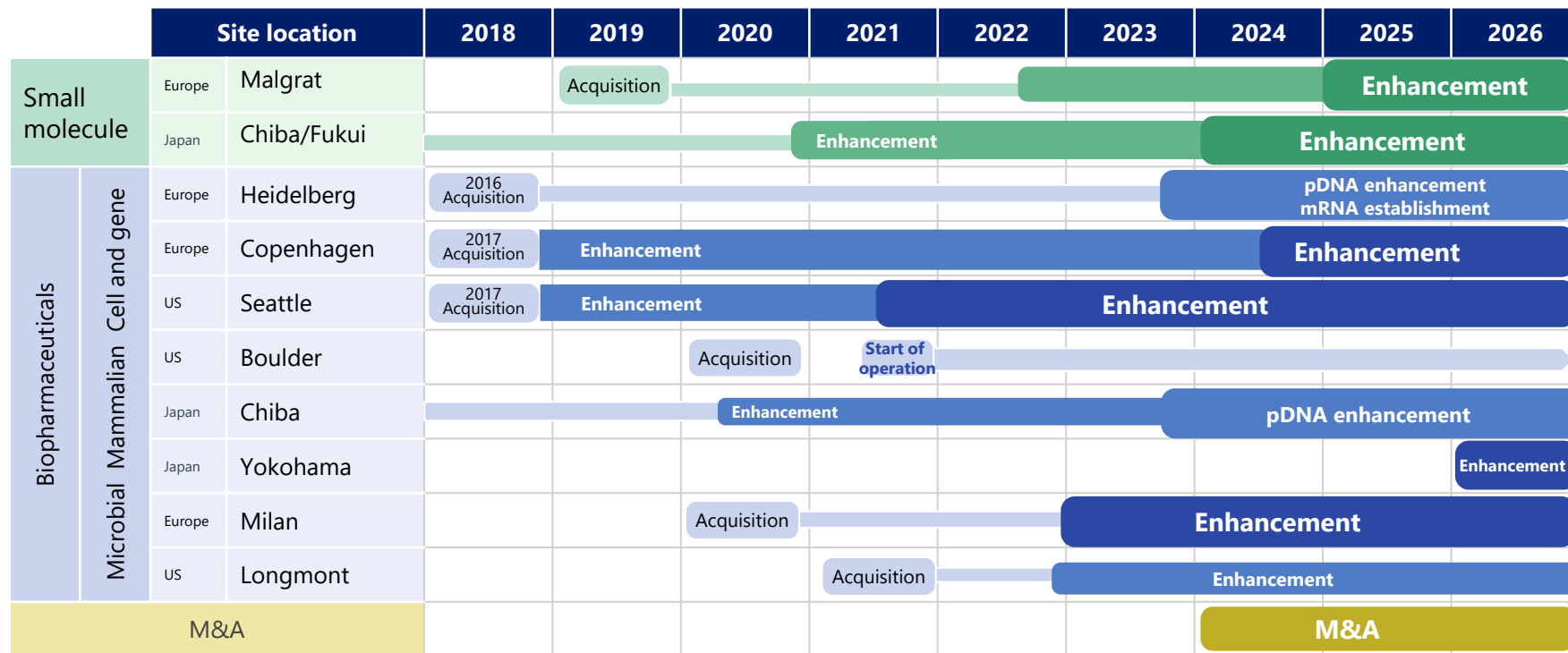
Projects are concentrated in some CDMOs, including AGC. The track record gained from such projects will become a strength, leading to a virtuous cycle that will increase the number of further contracts.

Percentage of biopharmaceutical CDMO contracts (value)



Ratio of commercial projects increased. Continued mid- to long-term growth in commercial products due to the prospect of long-term, continuous contracts.

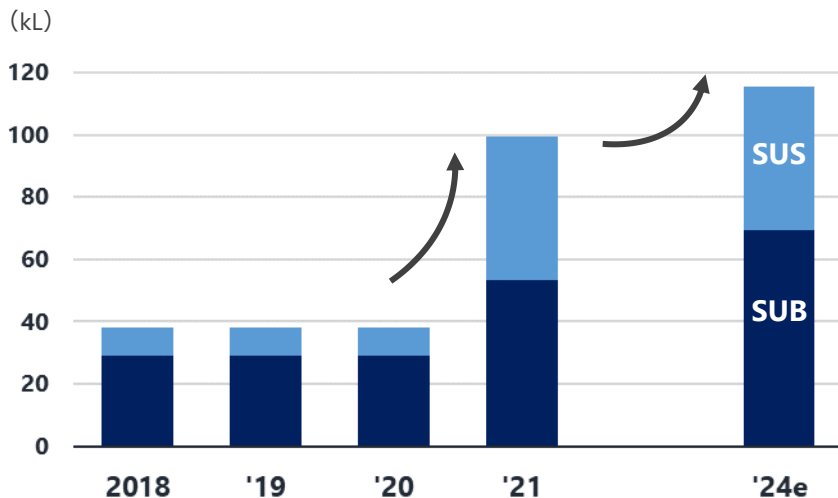
Life Science Overview(4)



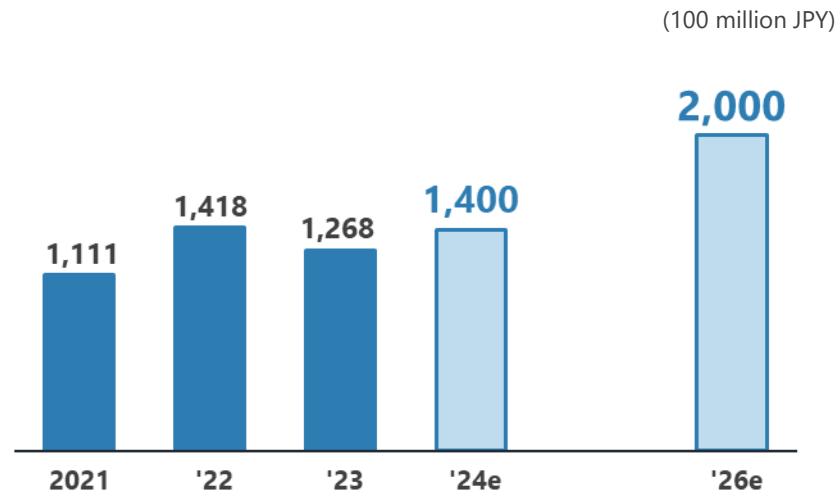
(The expressions are based on the start of operation)

- Supplement the growth of the bio CDMO industry and further expand business through timely capacity expansion.
- Aiming to exceed **200 billion yen** in sales by 2026.

Biopharmaceuticals CDMO Production Capacity (Mammalian only)

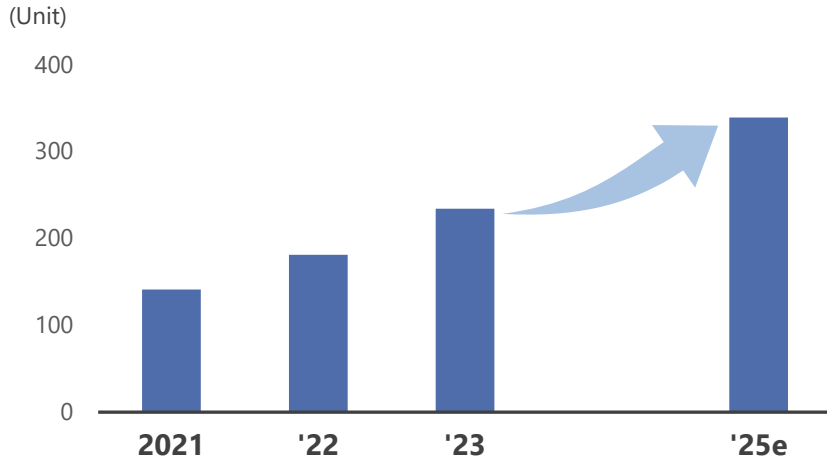


Life Science Net Sales

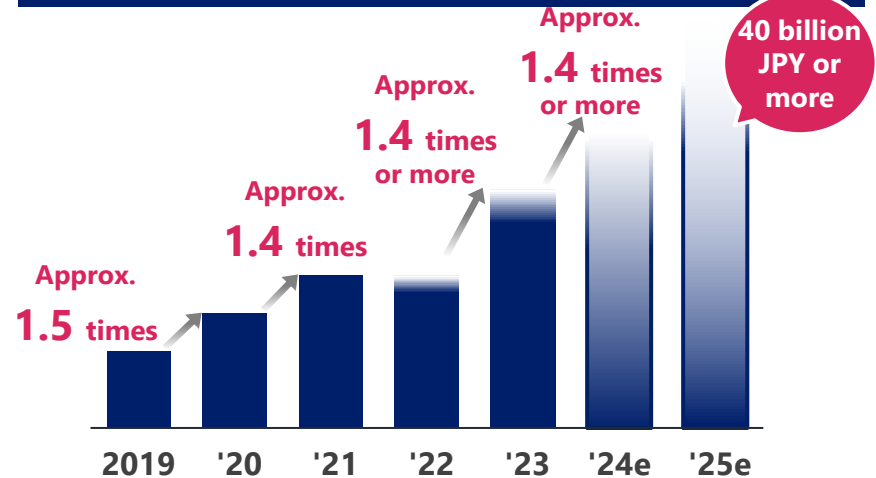


- Applications of AGC's EUV mask blanks are expanding to include memory, in addition to logic.
- According to EUV lithography system shipment forecasts, future demand growth is expected.
- We will continue to invest aggressively in line with market growth.

Cumulative number of EUV lithography equipment shipments*



AGC Group's EUV Mask Blanks Net Sales



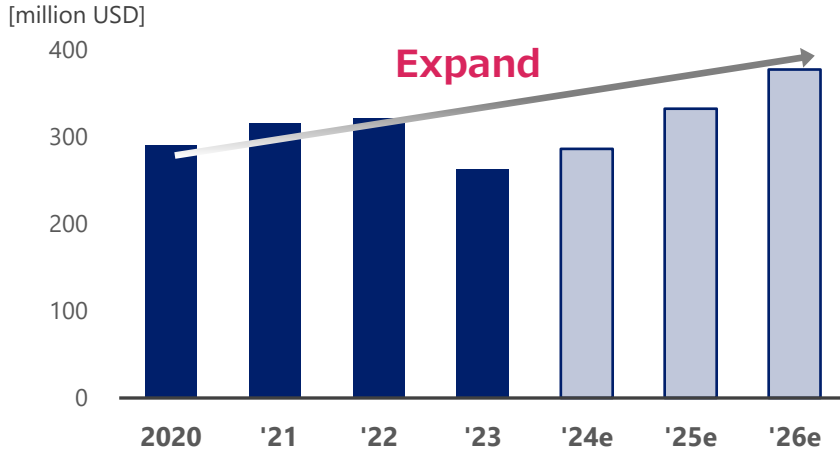
* Based on estimates by ASML



CMP Slurry

Despite stagnation in 2023, the ceria slurry market will expand in the medium to long term due to aggressive investment in current nodes in addition to advanced nodes.

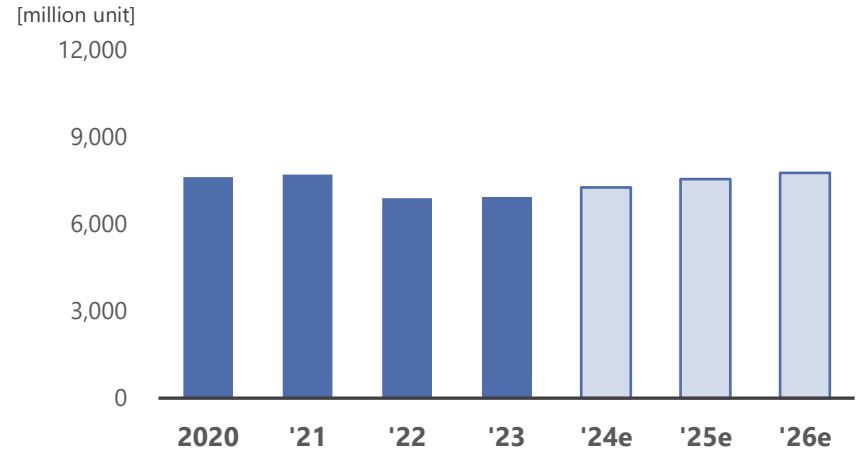
Ceria slurry market



Optoelectronics materials

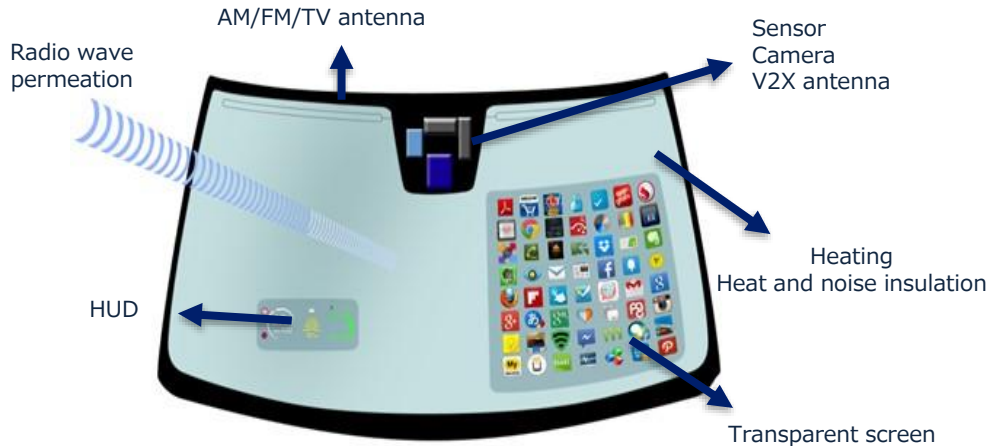
Although the growth rate is sluggish recently due to the stagnant smartphone market, the total number of cameras installed will increase due to market recovery in the medium to long term.

Image sensor for cameras



- Make sure to seize business opportunities with a view to **the market changes brought about by CASE**
- Contribute to earnings by starting mass production of automotive display glass in China

Automotive glass



Providing not only materials but also solutions through the use of glass displays and the addition of communication functions

Cover glass for car-mounted displays



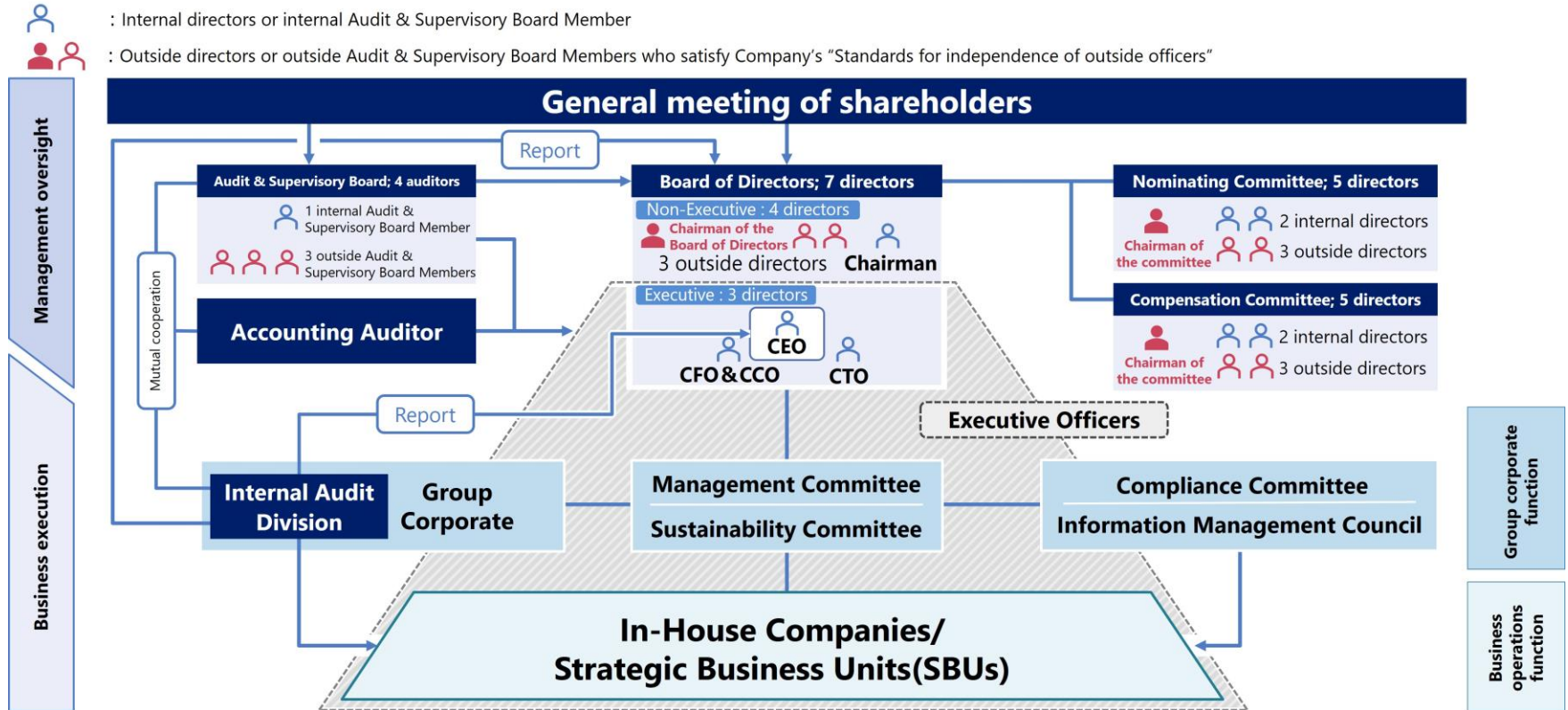
Adopted in the LEXUS RX released in 2019 and other models and has the No.1 share worldwide

Car-mounted antenna compatible with 5G













Successful development of 5G-compatible glass antenna together with NTT DOCOMO and Ericsson



AGC's Corporate Governance Structure



External evaluations

 FTSE4Good	FTSE4Good Index Series	 NIKKEI Smart Work ★★★★ 2024	4 stars awarded in the 7th Nikkei "Smart Work Management" survey
 FTSE Blossom Japan Index	FTSE Blossom Japan Index	 健康経営優良法人 Health and productivity No.1-1500	"White 500" Company in recognition of initiatives to promote strategic health management for its employees
 S&P/JPX カーボン エフィシエント 指数	S&P/JPX Carbon Efficient Index	 GOLD 2023 ecovadis Sustainability Rating PLATINUM 2022 ecovadis Sustainability Rating SILVER 2022 ecovadis Sustainability Rating	EcoVadis Supplier Evaluations PLATINUM rated for the Kashima plant and AGC Pharma Chemicals Europe Highly rated in several other domestic and international locations
 CDP SUPPLIER ENGAGEMENT LEADER 2022	CDP Climate Change A CDP Supplier Engagement Leader	 Top 100 Global Innovator 2023 Clarivate	Clarivate Top 100 Global Innovator 2023
 SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION	SBTi "WB2°C" GHG Reduction Target	 DX銘柄2023 Digital Transformation	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
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
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 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
August 31	Start of Study on Production and Sales of the World's First Circular Carbon Methanol Made from CO2 Generated from Glass Production
September 6	AGC Successfully Develops Proprietary Electrolyte Production Technology for All-Solid-State Batteries
September 25	Announcement regarding the Status of Share Repurchases and the Completion of the Share Repurchase Program
October 12	Announcement regarding Cancellation of Shares
October 26	AGC Achieves Success in Demonstration Test of Glass Production Using Hydrogen as Fuel
November 7	AGC Achieves Success in Demonstration Test of Solar Panel Cover Glass Recycling
December 21	AGC Decides to Expand its Biopharmaceutical CDMO Capability in Yokohama, Japan

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.
- We ask that you exercise your own judgment in assessing this material. AGC Inc. is not responsible for any losses that may arise from investment decisions based on the forecasts and other numerical targets contained herein.
- Copyright AGC Inc.
No duplication or distribution without prior consent of AGC Inc.

The logo for AGC, consisting of 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