

Financial Results for the Six Months ended June 30, FY2020

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.

July 31, 2020

Your Dreams, Our Challenge

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I. Financial Results for the Six Months ended June 30, FY2020

Financial Results for 2Q FY2020 (YTD) :

(YoY)

impact from COVID-19

Net Sales	654.5 bn JPY	(▲82.9 bn JPY)	▲99.0 bn JPY
Operating profit	20.6 bn JPY	(▲20.9 bn JPY)	▲36.5 bn JPY

- Electronic materials, LCD glass substrates, and life science business showed strong performance.
- Profit declined YoY owing to lower demand in architectural and automotive glass, affected by the COVID-19 crisis, and also due to decline in selling price.

Forecast for FY2020 :

(YoY)

impact from COVID-19

Net Sales	1,350.0 bn JPY	(▲168.0 bn JPY)	▲217.0 bn JPY
Operating profit	40.0 bn JPY	(▲61.6 bn JPY)	▲87.5 bn JPY

- Glass and chemicals businesses will significantly be affected by the COVID-19 crisis.

1. Highlights of the Financial Results

Highlights of the Financial Results for 2Q. FY2020

(100 million JPY)

	FY2019 1-2Q Total	FY2020 1-2Q Total	Change	Major factors in the change (+) Increasing factors (-)Decreasing factors
Net Sales	7,375	6,545	▲ 829*	(+) Shipments increased in electronic materials, LCD glass substrates, and life science. (-) Shipments declined in architectural and automotive glass. Selling prices declined in architectural glass, chlor-alkali products in SEA, and LCD glass substrates.
Operating Profit	415	206	▲ 209	(+) Shipments increased in electronic materials, LCD glass substrates, and life science. (-) Manufacturing costs deteriorated due to capacity adjustments of architectural and automotive glass facility.
Profit before tax	426	165	▲ 261	
Profit for the period Attributable to owners of the parent	323	114	▲ 208	
Forex (Average)				
JPY/USD	110.05	108.27		
JPY/EUR	124.32	119.30		
Crude Oil (Dubai, Average)				
USD/BBL	65.45	40.64		

* FOREX impact was ▲13.6 billion JPY, change in the scope of consolidation was +5.6 billion JPY

YoY Performance Comparison by Business Segment

(100 million JPY)

	FY2019		FY2020		Change		FY2020		Change	
	1-2QYTD(a)		1-2Q YTD(actual)(b)		(b)-(a)		1-2Q YTD (forecast as of May 18)(c)		(b)-(c)	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Glass	3,752	74	2,942	▲ 208	▲ 810	▲ 281	2,800	▲ 215	+ 142	+ 7
Electronics	1,246	60	1,386	174	+ 140	+ 114	1,400	170	▲ 14	+ 4
Chemicals	2,285	262	2,124	227	▲ 161	▲ 35	2,200	280	▲ 76	▲ 53
Ceramics/Other	404	20	382	14	▲ 22	▲ 6	400	15	▲ 18	▲ 1
Elimination	▲ 312	▲ 1	▲ 289	▲ 1	+ 24	▲ 0	▲ 300	0	+ 11	▲ 1
Total	7,375	415	6,545	206	▲ 829	▲ 209	6,500	250	+ 45	▲ 44

Impact from COVID-19 crisis on 2Q

■ Significant impact on Glass and Chemicals from COVID-19 crisis.

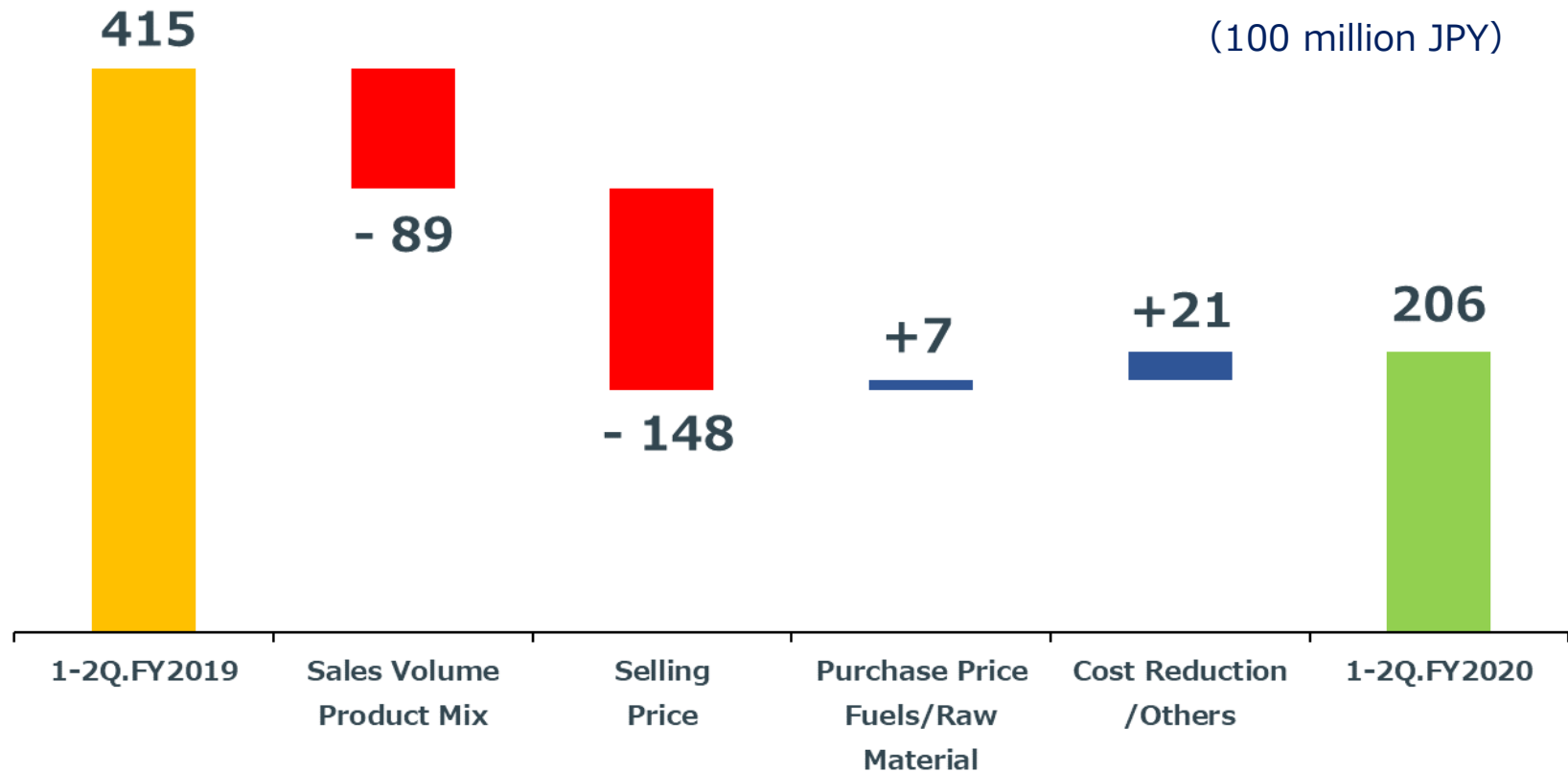
(Impact on 2Q : Net sales ▲88.0 bn JPY, OP ▲33.0 bn JPY)

	Impact on 1Q (JPY)	2Q	Impact on 2Q (JPY)
Glass	<p>Net sales ▲10.0 bn</p> <p>OP ▲3.0 bn</p>	<p>Architectural Glass</p> <ul style="list-style-type: none"> • Demand fell dramatically as restrictions on economic activity spread around the world. Manufacturing costs deteriorated due to capacity adjustments in all regions. <p>Automotive Glass</p> <ul style="list-style-type: none"> • Automotive production bottomed in February in China, in April in Western and Central Europe, the Americas, and Thailand, and in May in Japan. • Japan & Asia: shipments in China are back on track. Shipments in Japan, Thailand, and Indonesia declined compared to 1Q. • Americas & Europe: April shipments virtually zero. 	<p>Net sales ▲62.0 bn</p> <p>OP ▲24.0 bn</p>
Electronics	<p>Net sales ▲1.0 bn</p> <p>OP ▲0.5 bn</p>	<p>Display</p> <ul style="list-style-type: none"> • LCD glass substrates: no impact on shipments • Specialty glass for display applications: demand for smartphone declined <p>Electronic materials</p> <ul style="list-style-type: none"> • Optoelectronic materials, semiconductor-related materials: no major impact on shipments 	<p>Net sales ▲3.0 bn</p> <p>OP ▲1.0 bn</p>
Chemicals	No impact	<p>Chlor-alkali & Urethane</p> <ul style="list-style-type: none"> • Market conditions of chlor-alkali products worsened sharply from May due to factors such as lockdowns in Asian countries. <p>Fluorochemicals & Specialty</p> <ul style="list-style-type: none"> • Demand declined in fluorochemical related products such as for transportation and architectural use. <p>Life science</p> <ul style="list-style-type: none"> • No impact 	<p>Net sales ▲23.0 bn</p> <p>OP ▲8.0 bn</p>

Variance Analysis on OP (1-2Q.FY2020 vs. 1-2Q.FY2019) **AGC**

Your Dreams, Our Challenge

20.9 bn JPY down from the same period last year



Consolidated Statement of Financial Position

- Increased approximately 250.0 bn JPY in cash to ensure liquidity on hand, resulting in temporal rise of D/E.

(100 million JPY)

	2019/12	2020/6	Change	
Cash and cash equivalents	1,138	3,826	+ 2,688	
Inventories	2,912	2,936	+ 24	
Property, plant and equipment, Goodwill and Intangible assets	13,516	13,524	+ 8	Foreign exchange fluctuation ▲35.3 billion yen
Other assets	5,788	5,064	▲ 724	
Total assets	23,354	25,350	+ 1,996	Foreign exchange fluctuation ▲55.5billion yen
Interest-bearing debt	6,028	8,919	+ 2,891	
Other liabilities	4,500	4,260	▲ 240	
Liabilities	10,528	13,179	+ 2,651	
Total equity attributable to owners of the parent	11,571	10,935	▲ 636	
Non-controlling interests	1,255	1,237	▲ 18	
Equity	12,826	12,171	▲ 655	
Total liabilities and equity	23,354	25,350	+ 1,996	
D/E ratio	0.47	0.73		

Consolidated Statement of Cash Flow

(100 million JPY)

	1-2Q Total	
	FY2019	FY2020
Profit before tax	426	165
Depreciation and amortization	695	722
Increase(decrease) in working capital	▲ 183	37
Others	83	191
Cash flows from operating activities	1,020	1,115
Cash flows from investing activities	▲ 1,212	▲ 1,044
Free cash flow	▲ 191	70
Changes in interest-bearing debt	394	2,801
Dividends paid	▲ 133	▲ 133
Others	▲ 26	▲ 6
Cash flows from financing activities	235	2,663
Effect of exchange rate changes on cash and cash equivalents	▲ 25	▲ 45
Net increase(decrease) in cash and cash equivalents	18	2,688

(100 million JPY)

1-2Q Total

	FY2019	FY2020
CAPEX	1,011	1,116
Glass	357	282
Electronics	259	364
Chemicals	386	465
Ceramics/Other	9	6
Elimination	▲ 0	▲ 0
Depreciation	695	722
Glass	264	260
Electronics	228	238
Chemicals	182	214
Ceramics/Other	21	10
Elimination	▲ 0	▲ 0
R&D	229	219

[Major projects for CAPEX]

- New plant for cover glass for car-mounted displays in China /Glass
- Repairment for TFT glass substrates/ Electronics
- G11 investment in China/Electronics
- Acquisition of a bio pharmaceutical API manufacturing facility/ Chemicals
- Capacity enhancement of synthetic pharmaceutical /Chemicals
- Capacity enhancement on fluorochemical/ Chemicals and others

[Major factors for increase in depreciation cost]

- Power plant in PT Asahimas Chemical, starting operation from 2Q 2019.
- and others

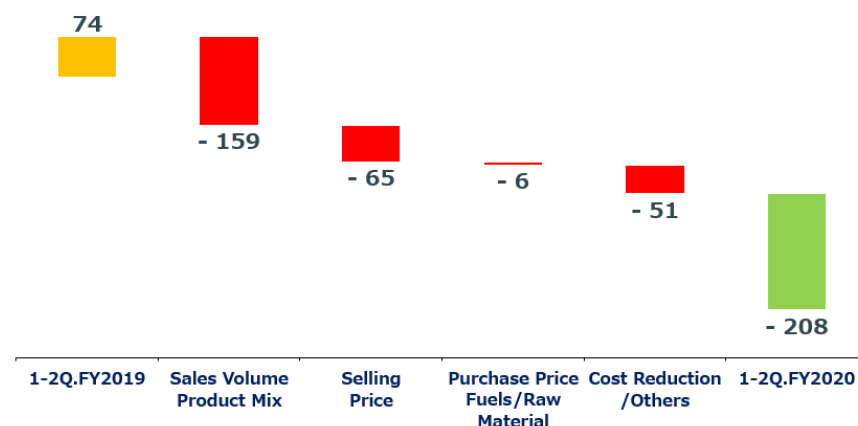
2. Business and Geographic Segments

(100 million JPY)

	1-2Q Total		
	FY2019	FY2020	Change
Net sales	3,752	2,942	▲ 810*
Architectural Glass	1,747	1,507	▲ 240
Automotive Glass (Inter-segment)	1,997 9	1,423 12	▲ 573
Operating profit	74	▲ 208	▲ 281

* FOREX impact: ▲9.7 billion yen,
Change in the Scope of Consolidation: +0.3 billion yen

Variance Analysis on OP



〔Net sales〕 Decreased

Architectural Glass

- Decline in shipment due to COVID-19 crisis, and decline in selling price in Europe and other regions.

Automotive Glass

- Decline in Group shipments due to decrease in automotive production in all regions from COVID-19 crisis.

〔Operating profit〕 Decreased

Architectural Glass

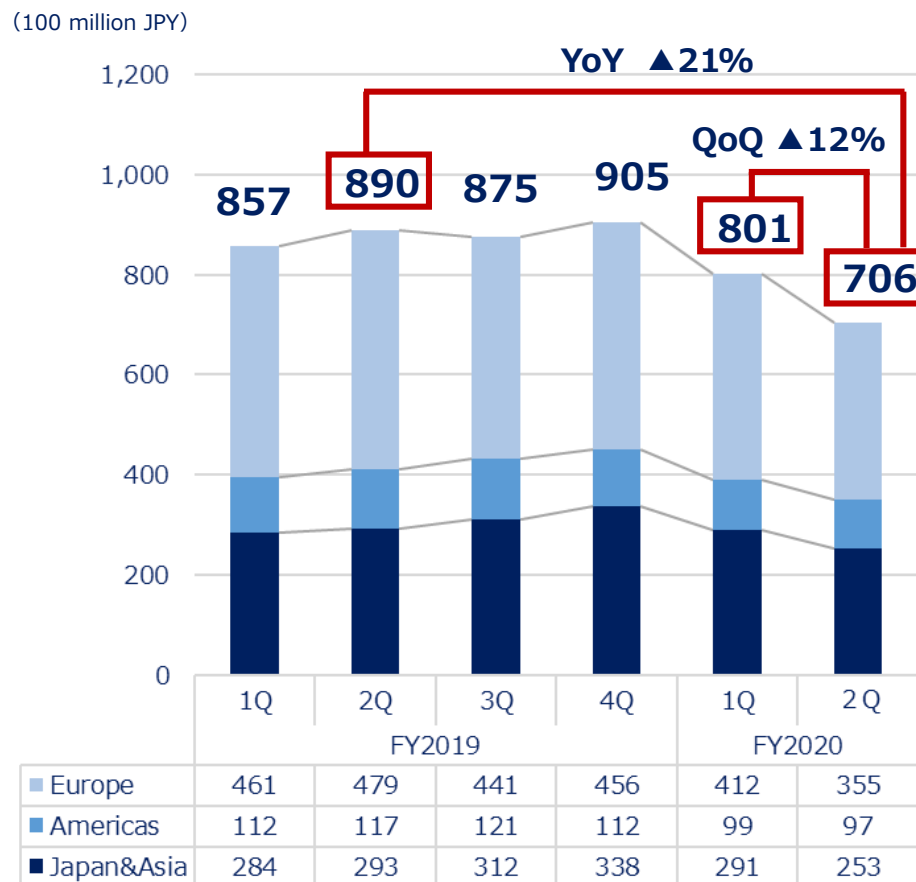
- In addition to decrease in shipment and selling price, manufacturing costs deteriorated due to significant capacity adjustments.

Automotive Glass

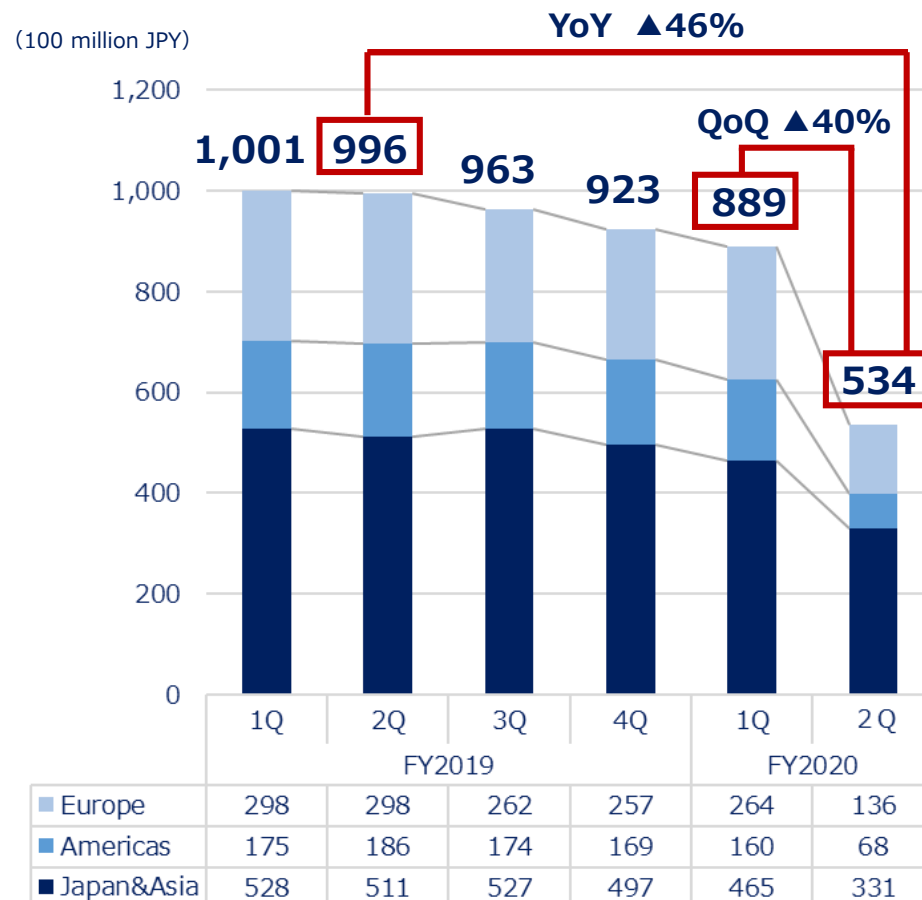
- In addition to decrease in shipment, manufacturing costs deteriorated due to significant capacity adjustments.

Reference/Net sales trend of Glass business

Net sales of architectural glass



Net sales of automotive glass

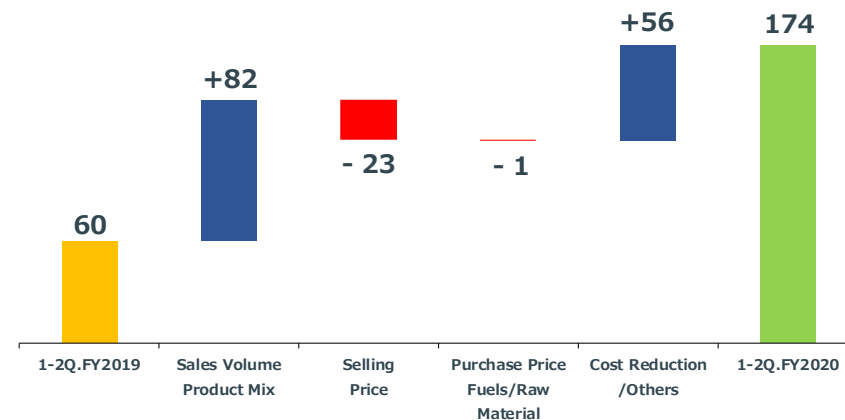


(100 million JPY)

	1-2Q Total		Change
	FY2019	FY2020	
Net sales	1,246	1,386	+ 140*
Display	838	866	+ 28
Electronic Materials (Inter-segment)	345 62	485 34	+ 140
Operating profit	60	174	+ 114

* FOREX impact: ▲0.7 billion yen,
Change in the Scope of Consolidation: +2.9 billion yen

Variance Analysis on OP



{Net sales} Increased

Display

- Increase in LCD glass substrate shipments, price decline range shrinking.
- Specialty glass for display applications; decline in shipments of Dragontrail™.

Electronic materials

- Increase in shipments of optoelectronic materials and semiconductor-related products. (i.e. EUVL mask blanks)
- Contribution from newly consolidated printed circuit board business of Taconic.

{Operating profit} Increased

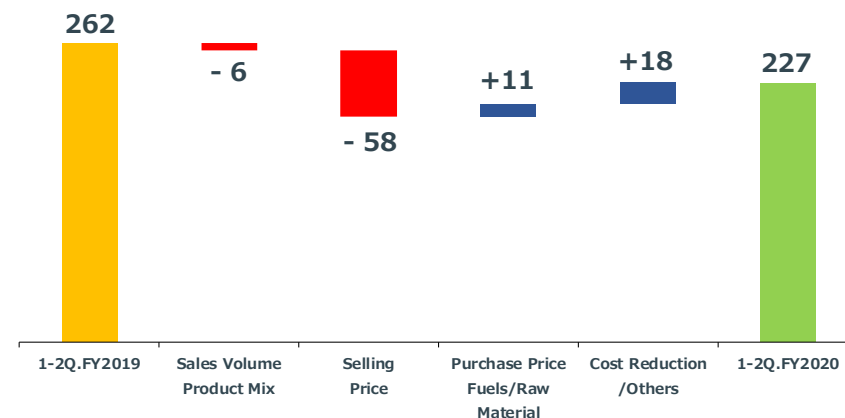
- Increase in shipments of optoelectronic materials and semiconductor-related products. (i.e. EUVL mask blanks)

(100 million JPY)

	1-2Q Total		
	FY2019	FY2020	Change
Net sales	2,285	2,124	▲ 161*
Chlor-alkali & Urethane	1,415	1,254	▲ 161
Fluorochemicals & Specialty	586	529	▲ 57
Life science	278	333	+ 55
(Inter-segment)	7	8	
Operating profit	262	227	▲ 35

* FOREX impact: ▲3.0 billion yen,
Change in the Scope of Consolidation: +2.4 billion yen

Variance Analysis on OP



〔Net sales〕 Decreased

Chlor-alkali & Urethane

- Decrease in selling price of caustic soda and PVC in Southeast Asia.

Fluorochemicals & Specialty Chemicals

- Decrease in shipments of fluorochemical related products such as for transportation and architectural use.

Life science

- Increase in number of contracts for synthetic pharmaceutical and bio pharmaceuticals.

〔Operating profit〕 Decreased

- Decrease in selling price of caustic soda and PVC in Southeast Asia.

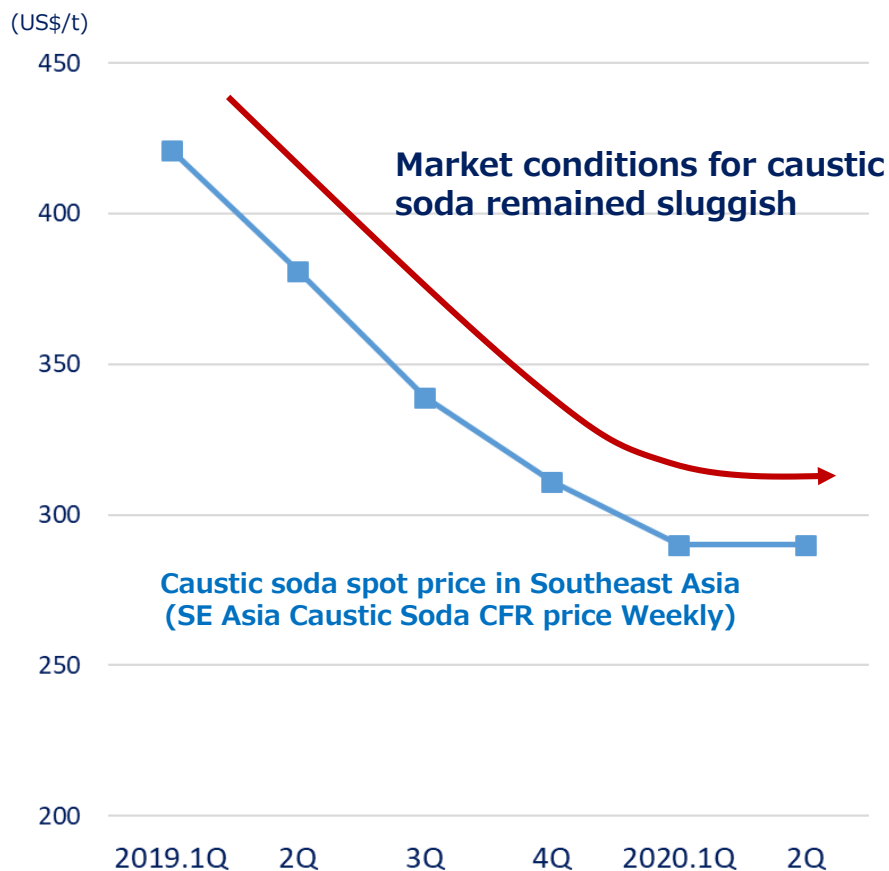
<Ratio of sub-segment to the operating profit* of Chemicals Segment>

	19/1-2Q	20/1-2Q
Chlor-alkali & Urethane	60%	40%
Fluorochemicals & Specialty	30%	40%
Life science	10%	20%

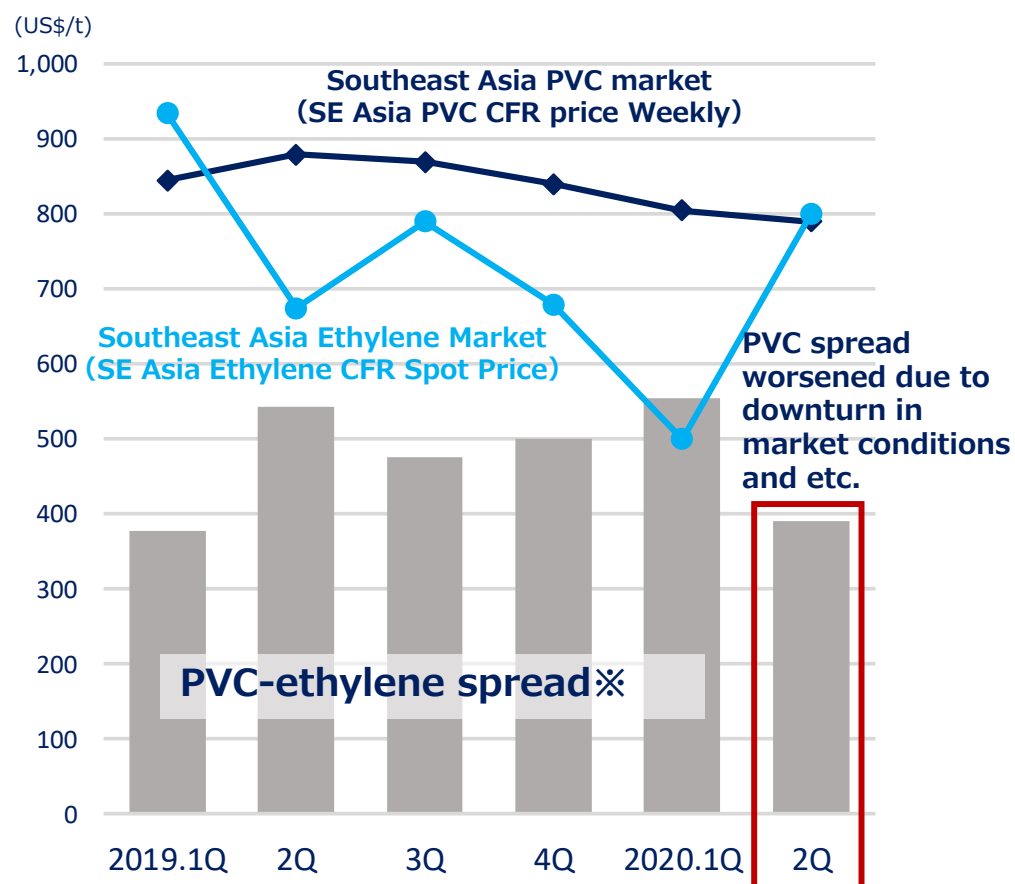
*Before allocation of common costs.

Reference/Market trend of caustic Soda and PVC in Southeast Asia

Caustic soda spot price



PVC spot price



Source : Bloomberg

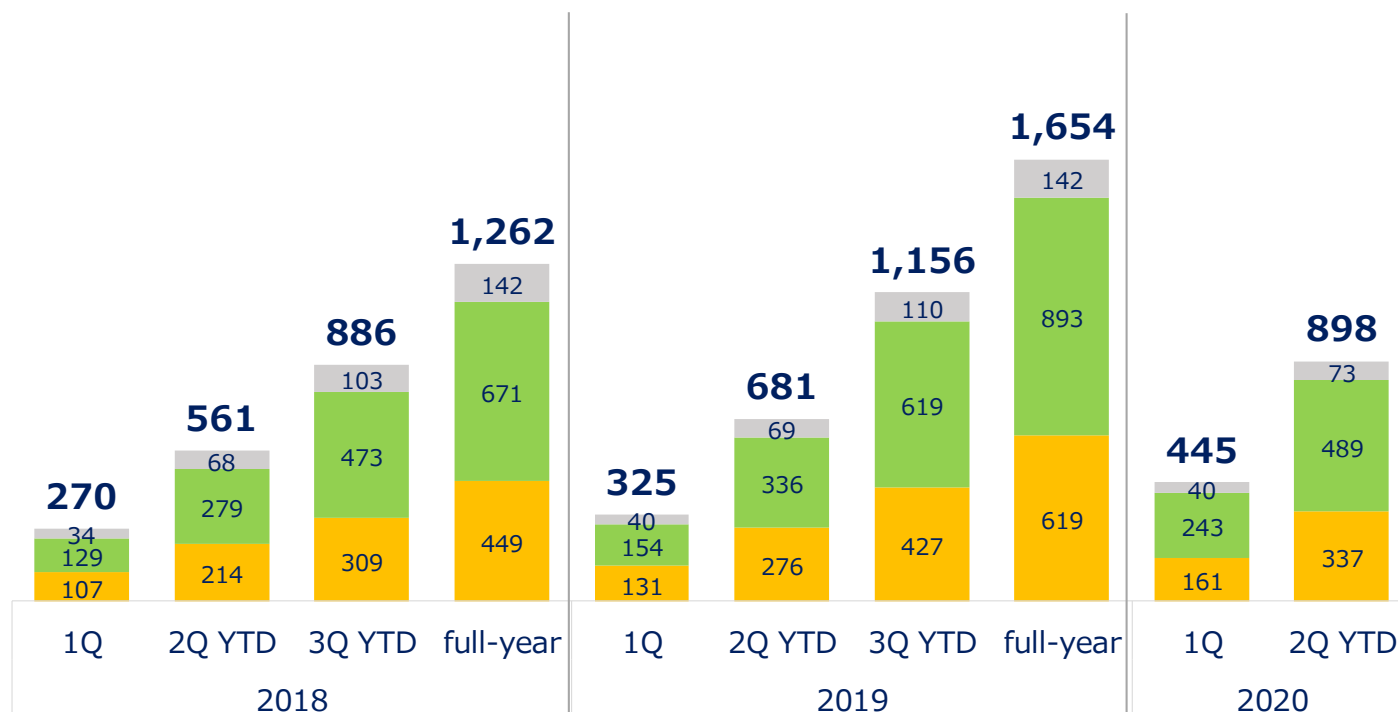
※PVC-ethylene spread calculation; PVC spot market price - (ethylene market price X 0.5)

Profit contribution of Strategic Business

- OP growing steadily, limited impact from COVID-19 crisis.

100 million JPY

Sales of Strategic business



Major 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

- Synthetic pharmaceutical and agrochemical
- Bio CDMO

(100m JPY)

	2018	2019	2020
OP (strategic business)	36	77	144
Contribution ratio	12%	13%	70%

YoY Performance Comparison by Geographic Segment

	1-2Q Total (100 million JPY)		
	FY2019	FY2020	Change
Net sales	7,375	6,545	▲ 829
Japan & Asia	4,775	4,431	▲ 344
Americas	871	682	▲ 189
Europe	1,729	1,433	▲ 296
Operating profit	415	206	▲ 209
Japan & Asia	475	419	▲ 56
Americas	37	▲ 17	▲ 54
Europe	99	▲ 24	▲ 123
Cross-regional common expenses	▲ 196	▲ 172	+ 24

FOREX impact :
▲ 13.6 bn JPY

Change in the scope of consolidation :
+ 5.6 bn JPY

Outlook for FY2020

- Large impact from COVID-19, leading to decline in net sales and OP.
- Profit before tax onwards will be disclosed when reasonable estimation is available, as additional expenses for restructuring and other measures are yet to be determined.

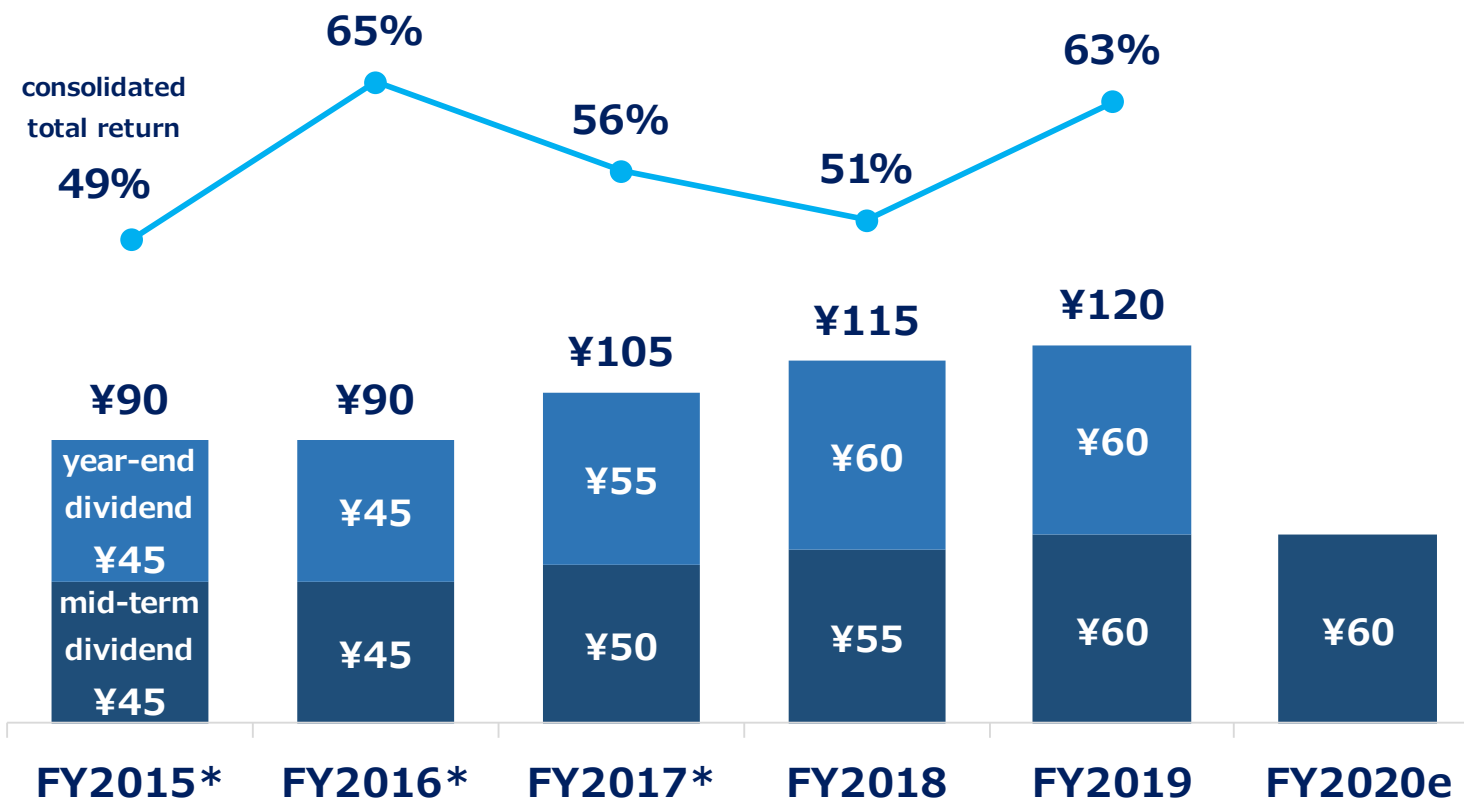
(100 million JPY)

	FY2019 full-year	FY2020e As of Feb 5, 2020 full year	FY2020e As of May 18, 2020 full-year	FY2020e updated full-year	Impact from COVID-19 full-year
Net sales	15,180	15,500	–	13,500	▲2,170
Operating profit	1,016	1,200	–	400	▲875
Profit before tax	762	1,070	–	to be reviewed	
Profit for the year attributable to owners of the parent	444	690	–	to be reviewed	
Dividend (JPY/share)	120	130	–	to be reviewed	
Operating profit margin	6.7%	7.7%	–	3.0%	
ROE	3.9%	6.0%*	–	–	
Forex (Average)					
JPY/USD	109.1	110.0	–	109.1	
JPY/EUR	122.1	120.0	–	119.6	
Crude Oil (Dubai, Average)					
USD/BBL	63.5	60.0	–	42.8	
Ethylene (CFR SEA)					
USD/MT	823	800	–	600	

* ROE of FY2020e is calculated using the figures of Profit for the year attributable to owners of the parent as of Dec 31, 2019

Shareholder's Return Policy

- The shareholder's return policy is to maintain the consolidated total return of 50% or more, including share buyback. While dividend payment is to be at the current level or higher than the previous annual payment per share.
- Year-end dividend will be determined taking into account such factor as additional expenses that may arise from the implementation of restructuring measures and business environment and earnings forecast from this point onwards.



* Dividend per share/year from 2015 to 2017 is calculated reflecting the share consolidation implemented on July 2016.

Outlook breakdown by Segment (Net sales and Operating profit)

- Large impact from COVID-19, significantly on Glass and Chemicals, leading to decline in net sales and OP.

(100 million JPY)

	FY2019 full-year(a)		FY2020 full-year forecast updated (b)		Change (b)-(a)		FY2020 full-year forecast as of Feb 5 (c)		Change (b)- (c)	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Glass	7,429	93	5,900	▲ 400	▲ 1,529	▲ 493	7,200	170	▲ 1,300	▲ 570
Electronics	2,767	256	2,900	330	+ 133	+ 74	3,000	310	▲ 100	+ 20
Chemicals	4,758	630	4,500	450	▲ 258	▲ 180	5,100	700	▲ 600	▲ 250
Ceramics/Other	832	39	850	20	+ 18	▲ 19	900	20	▲ 50	+ 0
Elimination	▲ 606	▲ 0	▲ 650	0	▲ 44	+ 0	▲ 700	0	+ 50	+ 0
Total	15,180	1,016	13,500	400	▲ 1,680	▲ 616	15,500	1,200	▲ 2,000	▲ 800

Forecast by Business Segment (1)

- Glass business: utilization rate improving after bottoming out in 2Q, but is expected to take some time for demand to fully recover, particularly for automotive glass.

		FY2020 3Q-4Q total			COVID-19 impact (JPY)
Glass	Architectural glass				
	• Given resumption of economic activity, gradual recovery expected from 2Q bottom.				
	● Shipment forecast for float glass (YoY)				
		Japan & Asia	Americas	Europe	
	3 Qe	▲ mid 10% range	▲ mid 10% range	▲ mid single-digit %	
	4 Qe	▲ low 10% range	▲ low single-digit	▲ low 10% range	
	Automotive glass				
	• Japan & Asia : Given resumption of economic activity, gradual recovery in shipments bottoming out from 2Q. Trend of recovery in China and Japan, but Thailand and Indonesia will remain sluggish in 2H.				
	• Americas : From April-May to be the bottom, shipments gradually recovered but 2H onward will still be sluggish due to uncertainty caused from spread of COVID-19.				
	• Europe : Given resumption of economic activity, shipments will recover in May, from April as the bottom, but still will be sluggish in 2H onward.				
● Automobile production forecast (YoY)※					
	Japan	Americas	Europe		
3 Qe	▲ 20%	▲ 2%	▲ 9%		
4 Qe	▲ 12%	▲ 5%	▲ 7%		
※IHS Markit data as of July 16, 2020.					
				Net sales	▲69.0 bn
				OP	▲29.0 bn

Forecast by Business Segment (2)

- **Electronics** : display and electronic materials will remain robust, but demand for smartphone cover glass estimated to have impact from decline in demand.
- **Chemicals** : Life science remains robust. Performance of Chlor-alkali & Urethane and Fluorochemicals & Specialty will decline, given economic slowdown in Southeast Asia and lower demand for transportation related.

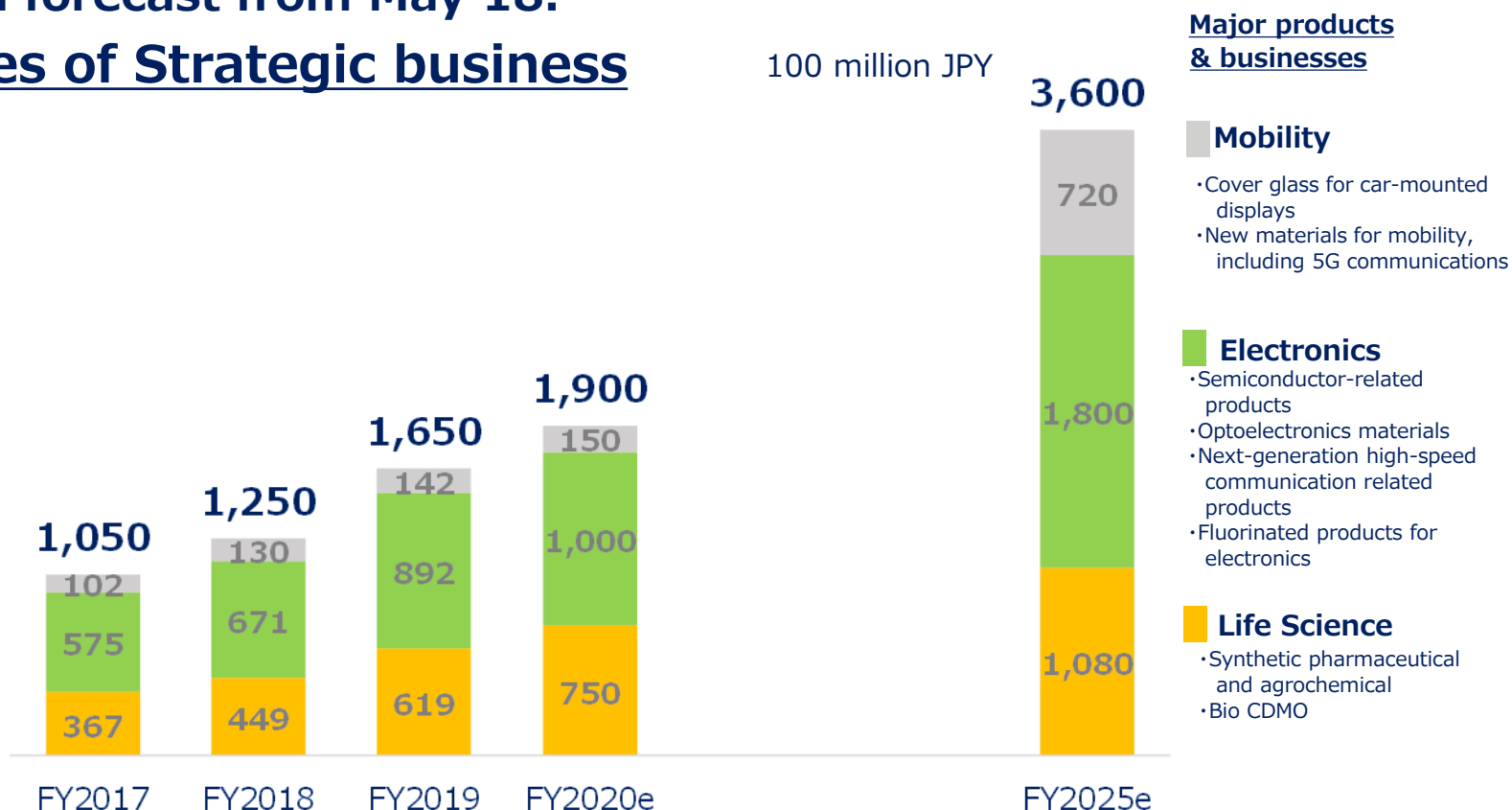
	FY2020 3Q-4Q total	COVID-19 impact
Electronics	<p>Display</p> <ul style="list-style-type: none"> • LCD glass substrates shipments will be flat YoY with stable demand from our main customer. Forecast for 3Q(QoQ); shipment to be flat and price decline rage to be milder. • Lower demand for specialty glass for display applications for smartphones. <p>Electronic materials</p> <ul style="list-style-type: none"> • No major impact on shipment for semiconductor related and optoelectronic materials. 	<p>Net sales ▲11.0 bn</p> <p>OP ▲4.0 bn</p>
Chemicals	<p>Chlor-alkali & Urethane</p> <ul style="list-style-type: none"> • Moderate recovery in caustic soda and PVC demand in Southeast Asia. Demand for urethane will remain sluggish due to decrease in demand for automotive and architectural use. <p>Fluorochemicals & Specialty</p> <ul style="list-style-type: none"> • Robust shipments for some products, such as for medical gowns and semiconductor related, but weak demand for automotive, aviation, and architecture related. <p>Life Science</p> <ul style="list-style-type: none"> • Remain robust, increase in contracts related to COVID-19 treatments and vaccines. 	<p>Net sales ▲38.0 bn</p> <p>OP ▲18.0 bn</p>

Profit contribution of Strategic Business

- Steady expansion in business results with limited impact from COVID-19 crisis.
- No change in forecast from May 18.

Sales of Strategic business

100 million JPY



Major 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

- Synthetic pharmaceutical and agrochemical
- Bio CDMO

OP (strategic business)	120	210	265	300	900	(100m JPY)
Contribution ratio	10%	17%	26%	75%	40%	

- No change from initial forecast as of Feb.5, for CAPEX and Depreciation.

(100 million yen)

Full year

	FY2019	FY2020e
CAPEX	2,077	2,200
Glass	804	600
Electronics	558	810
Chemicals	690	770
Ceramics/Other	25	20
Elimination	▲ 1	0
Depreciation	1,434	1,500
Glass	525	510
Electronics	473	510
Chemicals	394	440
Ceramics/Other	43	40
Elimination	▲ 1	0
R&D	475	490*

* Revised from 53.0 bn JPY as of Feb.5

II . Measures against COVID-19 crisis

The AGC Group is placing top priority on ensuring the health and safety of all stakeholders, including employees and their families, customers, and business partners, and continuing measures to prevent spread of COVID-19.

1. Ensure liquidity on hand

- Adequate cash is ensured through bank borrowings, etc.
(increased approximately 250.0 bn JPY compared to December 31, 2019)

2. Implement measures to improve profitability

- Adjusting capacity in line with demand in architectural and automotive glass markets.
- Accelerate transformation of the portfolio by continuing to invest aggressively in growth business and strengthen prioritization of investments.
- Cost reduction.

3. Accelerate business transformation

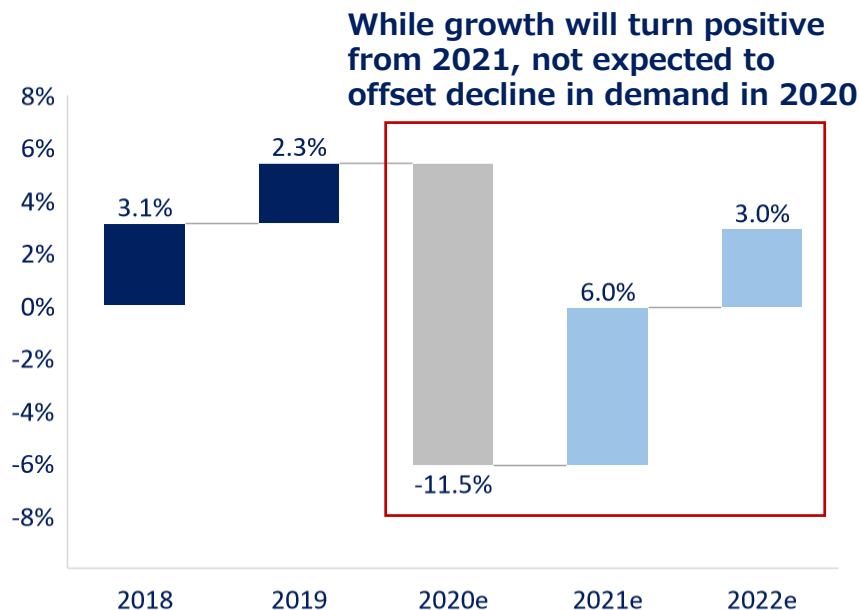
- Actively promote digital transformation (DX) in all operations and accelerate business transformation.

Implement Measures to Improve Profitability

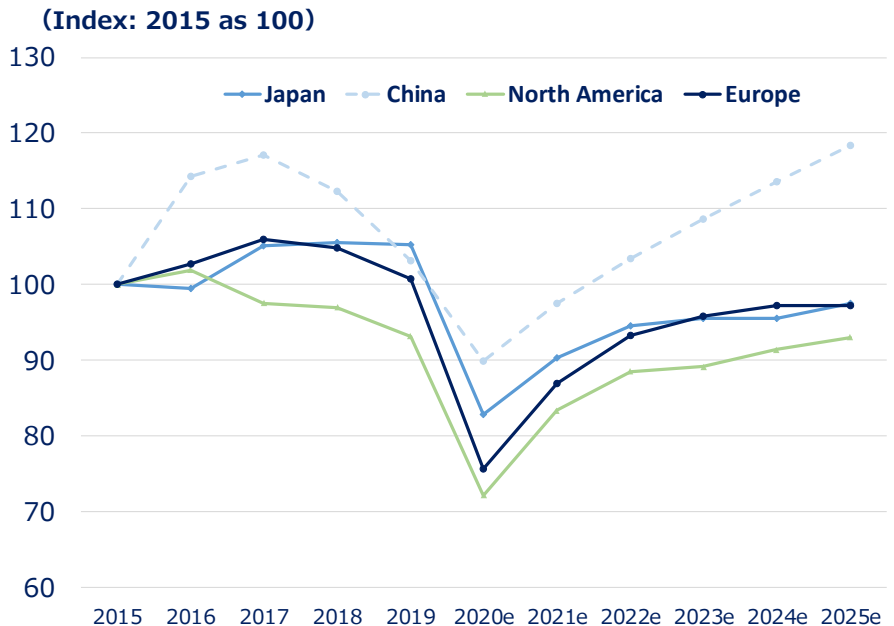
Core business ~Glass business ~

- Market recovery expected to take 2-3 years.
- Adapt production to local demand on a site by site basis and improve asset efficiency.

European construction market growth rate*1



Forecast of Automobile production by region*2



- Adjust capacity in line with demand.
- Planning approximately 1,000 redundancies at HQ of AGC Glass Europe and automotive glass plant in Chuderice, Czech Rep.
- In addition to above, implementing drastic cost reduction.

*1 Source: chart made by AGC, based on 89th Euroconstruct Conference Data, as of June 12, 2020.

*2 Source : IHS Markit data as of July 16, 2020.

Core business ~Chlor-alkali business~

- Temporary profit downturn of Chlor-alkali business given impact of economic slowdown due to COVID-19 crisis in Southeast Asia.
- Southeast Asia will be back on a growth trajectory after the end of COVID-19 crisis, and earnings will increase followed by aggressive investment.

GDP growth rate



Source : Asian Development Outlook Supplement 2020 (June 2020) - GDP Growth

AGC's Strength

- Strong market position in Southeast Asia.

Share on production capacity base*



- No plans by other companies to expand large-scale electrolysis facilities.
- Increasing flow of ethylene, the raw material for PVC, into Southeast Asia from other regions.
- Procurement advantages are expected to be maintained or expanded for ethylene due to additional expansion of ethylene producing facilities in Asia and flow of shale-derived ethylene and derivatives from the U.S..

● Ethylene supply capacity(global)[※] unit: thousand tons

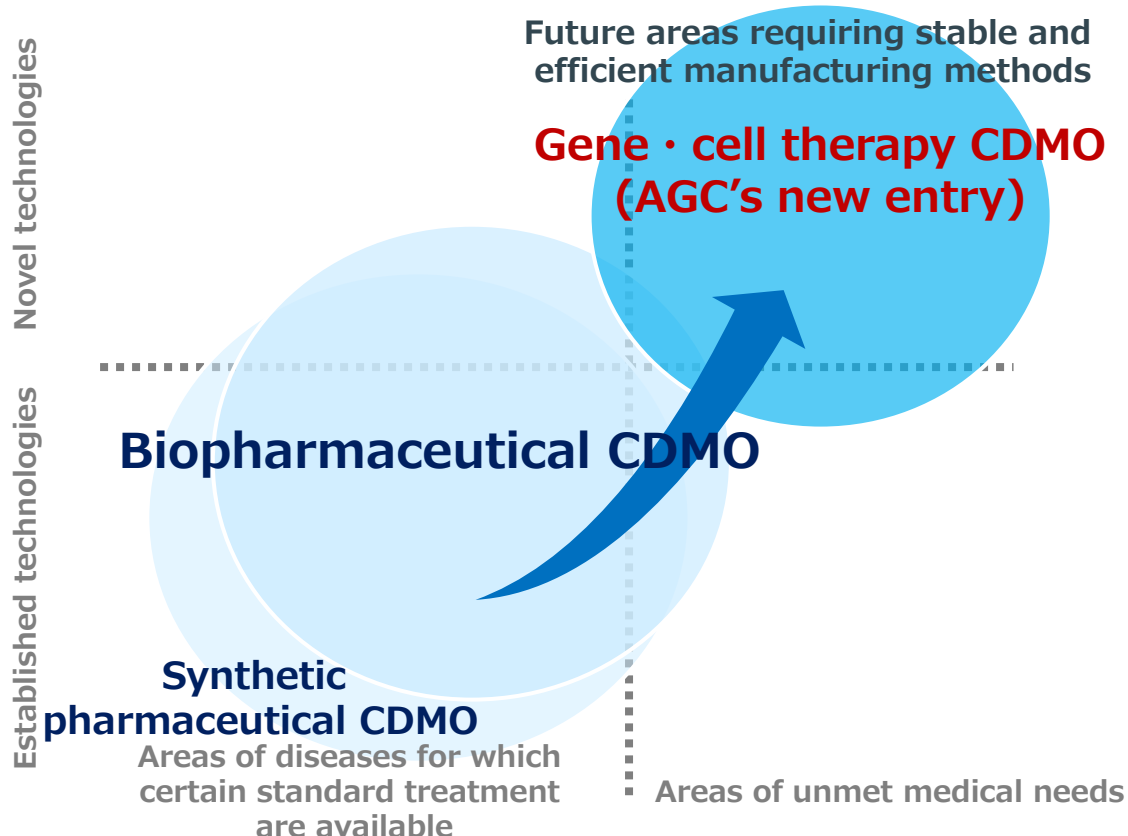
	2019 (estimation)	2023 (estimation)
supply capacity	186,572	219,550

※Source: Forecast of Global Supply and Demand Trends for Petrochemical Products (October,2019) issued by METI

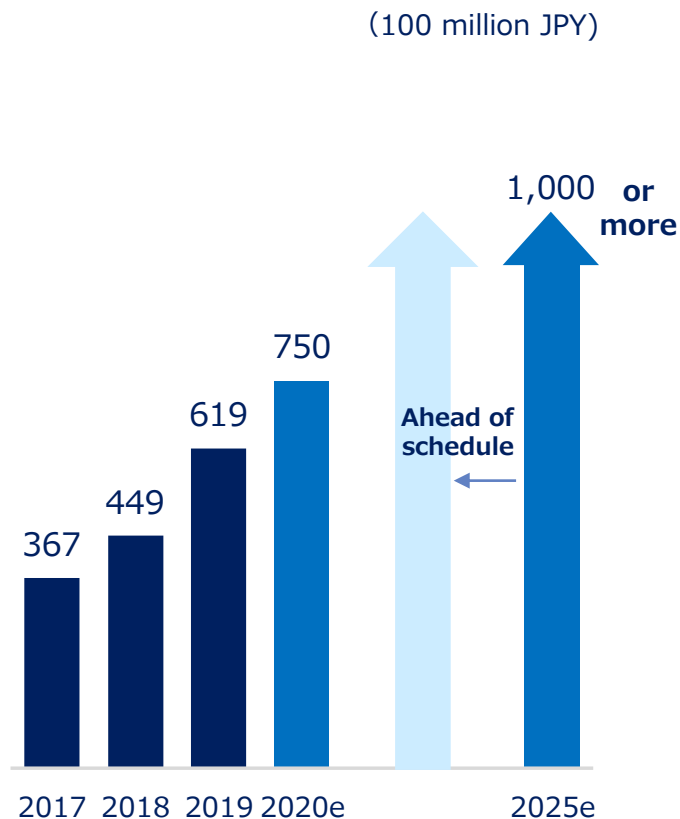
*Share on production capacity base : Australia/NZ is not included for caustic soda, and included for PVC.

- Expect to achieve the target of net sales 100 bn JPY two to three years ahead of the initial schedule, FY2025, by aggressive investment including M&A.
- Expanding business fields of CDMO into gene therapy by acquisition of MolMed in Italy.
- Increase in contracts related to COVID-19 treatments and vaccines.

Business fields of AGC's Life science



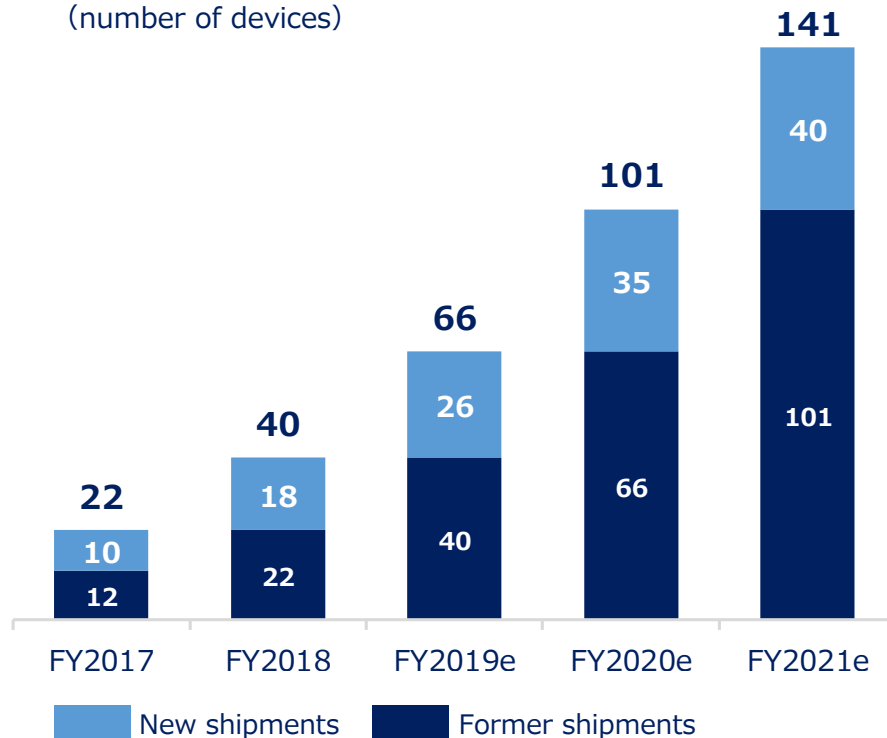
Net sales of Life Science business



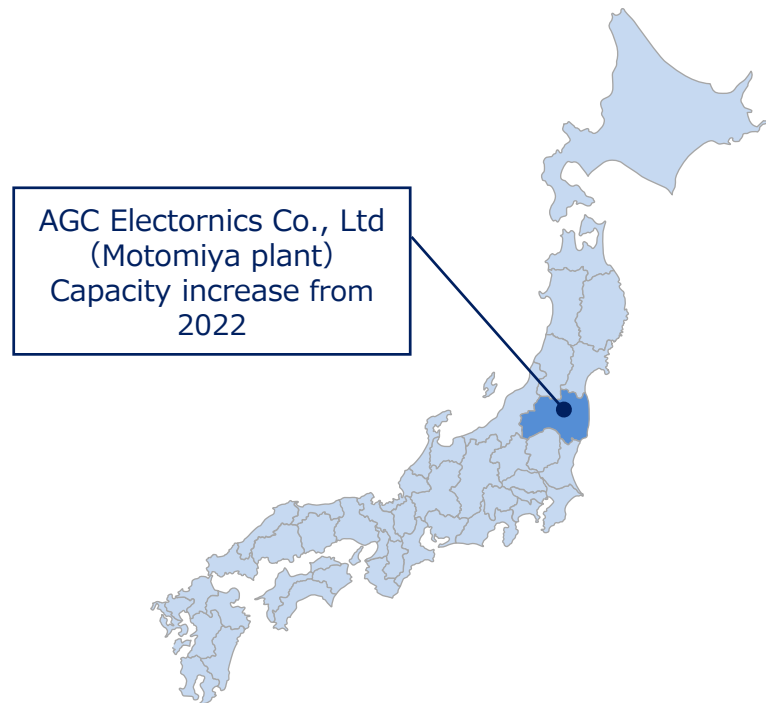
- EUV mask blanks market is expected to grow significantly from 2021 onward, backed by development progress of memory-related applications, in addition to logic-related applications.
- Expanding EUV mask blanks manufacturing capacity, in response to demand growth.
- Aim for market share of 50% and net sales over 40.0 bn JPY in FY2025.

EUVL device shipments

(number of devices)



Expansion of EUVL mask blanks capacity



Accelerate Business Transformation

Accelerate Business Transformation

~Actively Promote DX in All Operations~

- In 2017, to promote DX Group-wide, established a dedicated department, Smart AGC promotion Division, in the Corporate Planning General Division.
- Utilize the latest digital technology to strengthen competitiveness and create new value added.

R&D (Smart R&D)

Introduce VR, AR and MI at development sites



- Speed up development of materials
- Utilize as a sales tool

Production (Smart Factory)

Develop and introduce AI Q&A systems



- Create glass manufacturing artisans using AI

Distribution (Smart Logistics)

Introduce pallet IoT system



- Reduce pallet loss
- Improve transportation efficiency

Streamline infrastructure operations

- Introduce RPA:** Aiming to reduce at least 10,000 hour of worktime by end of 2020.
- Introduce electronic approval system:** Significant streamlining of approval flow

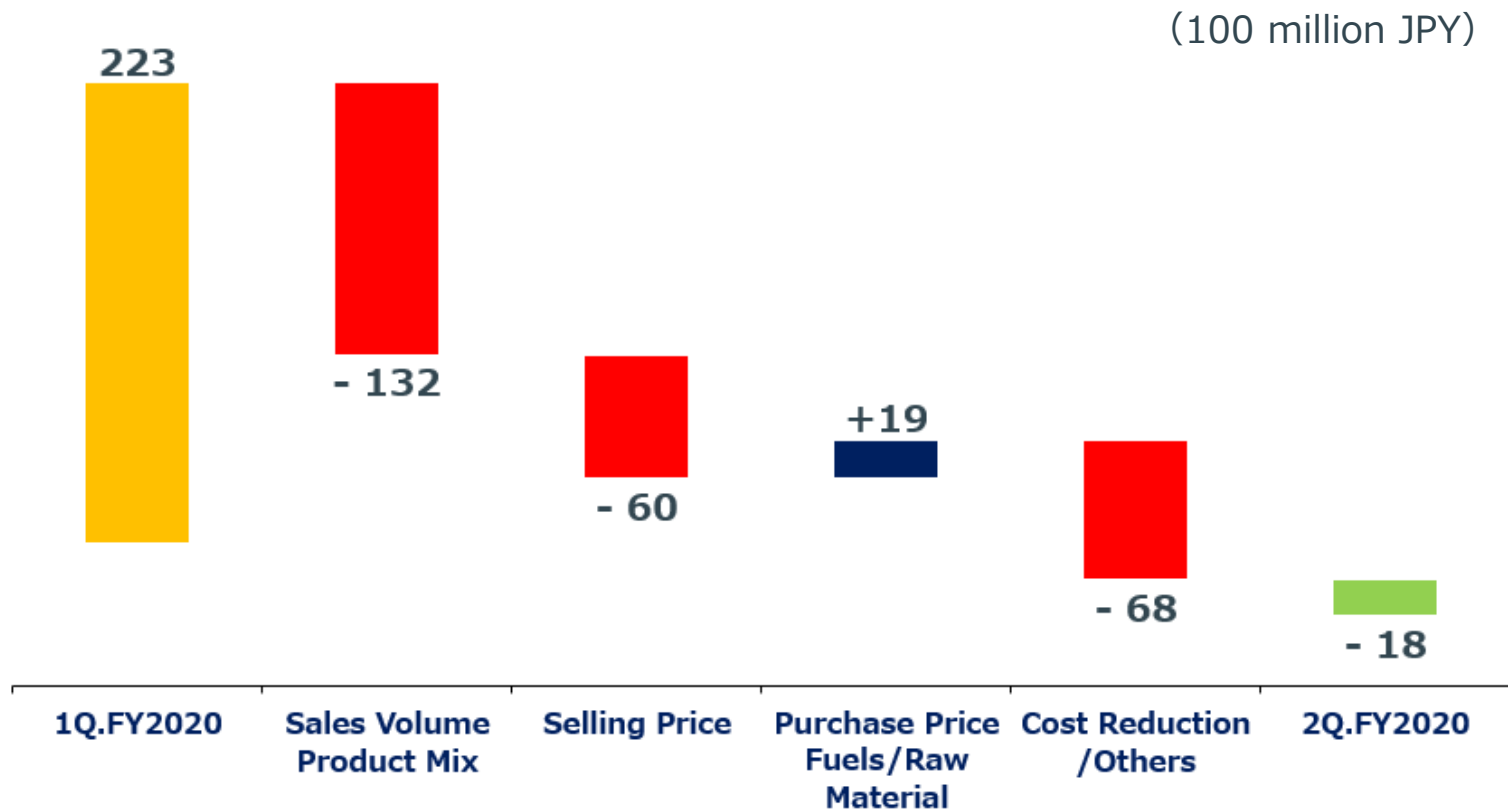
Human resource development

Establish original data scientist training program **Data Science Plus**.
Train 50 high level data scientists by 2022.

Appendix

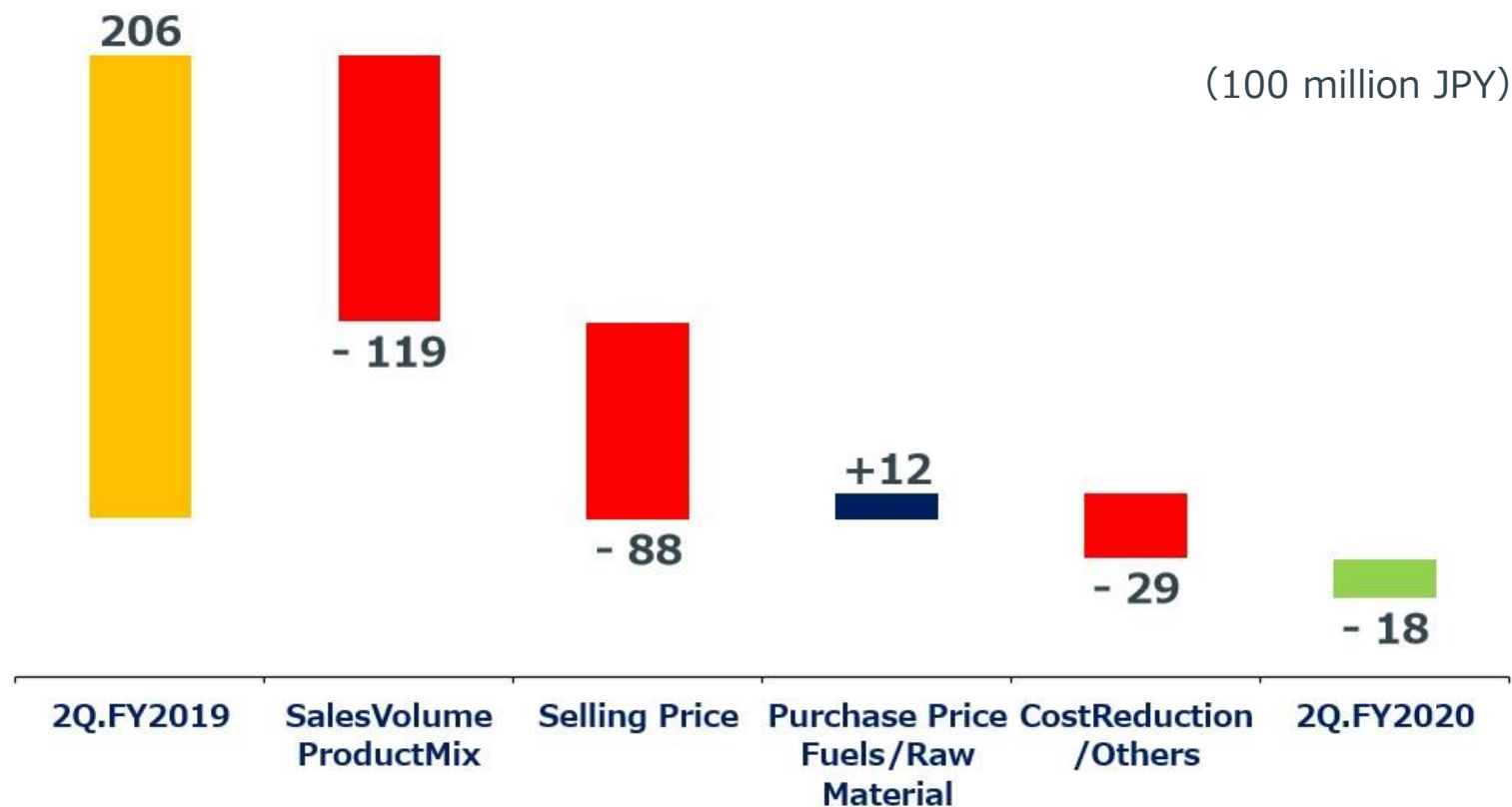
Variance Analysis on OP (2Q.FY2020 vs. 1Q.FY2020)

24.1 bn JPY down from last quarter



Variance analysis on OP (2Q.FY2020 vs. 2Q.FY2019)

22.4 bn JPY down from last year



YoY Performance Comparison by Geographic Segment



Your Dreams, Our Challenge

(100 million JPY)

		Japan & Asia	Americas	Europe	Inter- segment	Total	
Glass	Flat glass	1-2 Q .FY2020	544	196	767	-	1,507
		1-2 Q .FY2019	577	229	941	-	1,747
	Automotive glass	1-2 Q .FY2020	796	228	400	-	1,423
		1-2 Q .FY2019	1,039	362	596	-	1,997
		1-2 Q .FY2020	1,340	424	1,167	12	2,942
		1-2 Q .FY2019	1,616	590	1,537	9	3,752
Electronics	1-2 Q .FY2020	1,240	105	6	34	1,386	
	1-2 Q .FY2019	1,095	85	4	62	1,246	
Chemicals	1-2 Q .FY2020	1,703	152	261	8	2,124	
	1-2 Q .FY2019	1,894	197	188	7	2,285	
Ceramics/Other	1-2 Q .FY2020	148	-	-	234	382	
	1-2 Q .FY2019	169	-	-	235	404	
Elimination	1-2 Q .FY2020	-	-	-	▲ 289	▲ 289	
	1-2 Q .FY2019	-	-	-	▲ 312	▲ 312	
Total Net Sales	1-2 Q .FY2020	4,431	682	1,433	-	6,545	
	1-2 Q .FY2019	4,775	871	1,729	-	7,375	

YoY Performance Comparison by Geographic Segment

Your Dreams, Our Challenge

(100 million JPY)

		Japan & Asia	Americas	Europe	Inter- segment	Total	
Glass	Flat glass	2 Q .FY2020	253	97	355	-	706
		2 Q .FY2019	293	117	479	-	890
	Automotive glass	2 Q .FY2020	331	68	136	-	534
		2 Q .FY2019	511	186	298	-	996
		2 Q .FY2020	584	165	491	8	1,249
		2 Q .FY2019	805	303	777	5	1,890
Electronics		2 Q .FY2020	620	57	3	13	693
		2 Q .FY2019	579	44	2	26	652
Chemicals		2 Q .FY2020	780	70	129	5	983
		2 Q .FY2019	956	95	104	4	1,158
Ceramics/Other		2 Q .FY2020	71	-	-	113	185
		2 Q .FY2019	93	-	-	126	218
Elimination		2 Q .FY2020	-	-	-	▲ 139	▲ 139
		2 Q .FY2019	-	-	-	▲ 160	▲ 160
Total Net Sales		2 Q .FY2020	2,055	292	623	-	2,970
		2 Q .FY2019	2,433	443	882	-	3,759

(100 million JPY)

Glass	2Q.18	3Q.18	4Q.18	1Q.19	2Q.19	3Q.19	4Q.19	1Q.20	2Q.20
Net Sales	1,934	1,868	1,953	1,861	1,890	1,840	1,837	1,693	1,249
Architectural Glass	879	878	964	857	890	875	905	801	706
Automotive Glass	1,052	987	985	1,001	996	963	923	889	534
(Inter Segment)	3	3	4	4	5	3	9	3	8
Operating profit	78	29	44	35	39	23	▲ 4	▲ 26	▲ 182

Electronics	2Q.18	3Q.18	4Q.18	1Q.19	2Q.19	3Q.19	4Q.19	1Q.20	2Q.20
Net Sales	603	646	670	594	652	761	760	693	693
Display	424	431	436	398	441	449	460	433	433
Electronic Materials	150	184	199	160	185	283	276	238	247
(Inter Segment)	29	30	34	36	26	28	24	22	13
Operating profit	41	61	78	25	35	109	87	89	85

Chemicals	2Q.18	3Q.18	4Q.18	1Q.19	2Q.19	3Q.19	4Q.19	1Q.20	2Q.20
Net Sales	1,150	1,252	1,295	1,127	1,158	1,197	1,275	1,142	983
Chlor-alkali & Urethane	744	848	827	705	710	745	768	695	559
Fluorochemicals & Specialty	285	304	328	287	299	302	311	283	247
Life science	107	96	136	132	146	147	193	160	173
(Inter Segment)	13	3	3	3	4	4	3	4	5
Operating profit	167	166	209	144	118	177	191	151	75

Trend of shipment and price

				2019				2020		
				1Q	2Q	3Q	4Q	1Q	2Q	
YoY comparision										
Glass	Architectural (AGC)	Japan & Asia	shipment	-high single-digit	flat	-low single-digit	flat	-low single-digit	-high single-digit	
			price (Japan)	+mid single-digit	+mid single-digit	+low single-digit	+low single-digit	+low single-digit	+mid single-digit	
		North America	shipment	-low single-digit	+mid single-digit	+low single-digit	-high single-digit	-high single-digit	-low 20% range	
			price	flat	-low single-digit	-mid single-digit	-mid single-digit	-high single-digit	-mid single-digit	
		Europe	shipment	+low single-digit	+low single-digit	-low single-digit	-low single-digit	flat	-low 20% range	
			price	-low single-digit	-low single-digit	-low single-digit	-high single-digit	-low 10% range	-mid 20% range	
	Automobile production*1	Japan	volume	+0%	+5%	+5%	-10%	-7%	-47%	
		North America	volume	-3%	-3%	-1%	-9%	-11%	-69%	
		Europe & Russia	volume	-4%	-7%	+1%	-5%	-17%	-62%	
Electronics	Display panel demand*2	Global	area	+6%	+6%	+3%	+4%	-0%	-0%	
Spot market price										
Chemicals	Chlor-alkali (Southeast Asia)	Caustic soda*3	price	USD/MT	421	381	339	311	290	290
		PVC*3	price	USD/MT	845	880	870	840	805	790
		Ethylene*3	price	USD/MT	935	675	790	680	500	800

*1 Source : IHS Markit data as of July 16, 2020.

*2 Source : Omdia, display-long-term-demand-forecast-tracker-pivot-q1-2020.

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

*3 Source : Bloomberg

		IFRS				
		15/12	16/12	17/12	18/12	19/12
Net sales	Million JPY	1,326,293	1,282,570	1,463,532	1,522,904	1,518,039
Operating profit	Million JPY	71,172	96,292	119,646	120,555	101,624
OP margin	%	5.4	7.5	8.2	7.9	6.7
Attributable to owners of the parent	Million JPY	42,906	47,438	69,225	89,593	44,434
Return on equity (ROE) *1	%	3.9%	4.3%	6.1%	7.7%	3.9%
Return on assets (ROA) *2	%	3.5%	4.8%	5.7%	5.4%	4.4%
Equity ratio	%	55%	55%	53%	51%	50%
D/E (Interest-bearing debts • Net assets)	times	0.40	0.37	0.38	0.43	0.47
CF from Operating Activities/Interest-bearing debt	times	0.40	0.47	0.42	0.35	0.32
Earnings per share(EPS) *3	JPY	185.60	205.14	302.12	399.51	200.85
Cash dividends per share	JPY	90	90	105	115	120
EBITDA *4	Million JPY	228,381	195,767	249,880	259,425	231,857
Exchange rates (average)	JPY/USD	121.05	108.84	112.19	110.43	109.05
	JPY/EUR	134.31	120.33	126.66	130.42	122.07

*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

Major Press Release in FY2020

Date	Summary
February 4	AGC Recognized for Its Water Risk Initiatives, Named to the CDP "Water Security A List 2019", the Highest Rank
May 12	AGC Introduces "Pallet IoT System" to Improve Logistics Efficiency
May 17	AGC Decides to Launch Voluntary Tender Offer for Shares of MolMed
April 7	AGC to Expand its Spanish Synthetic Pharmaceutical Production Base
May 14	AGC to Manufacture COVID-19 Vaccine for AdaptVac
May 14	CytoDyn's New Drug Candidate for COVID-19 'Leronlimab', Manufactured by AGC, to Begin Clinical Trials in the US
May 18	Notice regarding Revision to First Half and Full Year Consolidated Financial Forecasts and Dividend Forecast for Fiscal Year Ending December 31, 2020
May 21	AGC to Manufacture COVID-19 DNA Vaccine Intermediate for Takara Bio
June 2	AGC Acquires Biopharmaceutical Commercial Facility in Colorado, U.S.A.
June 3	AGC Completes Development of 5G-compatible 'Glass Antenna that Adds Cellular Base Station Capabilities to Windows'
June 4	AGC Contracted by Novavax to Manufacture Adjuvant for COVID-19 Vaccine Candidate
July 2	AGC and FRONTEO Co-develop "Takumi KIBIT," an AI-driven Q&A System
July 20	AGC Contracted by Molecular Partners AG for the Manufacture of an Anti-COVID-19 DARPin® Program being Developed
July 28	Definitive results of the totalitarian voluntary public tender offer promoted by AGC Biologics Italy S.p.A. on all ordinary shares of MolMed S.p.A.



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END

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