

# Financial Results for the Nine Months ended September 30, 2020

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

**AGC Inc.**

October 29, 2020

Your Dreams, Our Challenge

<b>I. Financial Results for the nine months ended September 30, 2020</b>	<b>P.3</b>
<b>■ Financial Results for 3Q FY2020</b>	<b>P.4</b>
<b>1. Highlights of the Financial Results</b>	<b>P.5</b>
<b>2. Business &amp; Geographic Segment</b>	<b>P.14</b>
<b>■ Outlook for Full-year FY2020</b>	<b>P.21</b>
<b>Appendix</b>	<b>P.27</b>

# I. Financial Results for the Nine Months ended September 30, 2020

## Financial Results for 3Q FY2020 (YTD) :

		(YoY)	<u>impact from COVID-19</u>
<b>Net Sales</b>	<b>1012.8 bn JPY</b>	<b>(▲111.0 bn JPY)</b>	<b>▲144.0 bn JPY</b>
<b>Operating profit</b>	<b>40.6 bn JPY</b>	<b>(▲33.0 bn JPY)</b>	<b>▲53.5 bn JPY</b>

- Unaffected by Covid-19, the strategic businesses showed improved performance.
- Glass and chemicals had decline in net sales and profit, as severely affected by the COVID-19 crisis.

## Forecast for Full-year FY2020 :

		(YoY)	<u>impact from COVID-19</u>
<b>Net Sales</b>	<b>1,390.0 bn JPY</b>	<b>(▲128.0 bn JPY)</b>	<b>▲189.0 bn JPY</b>
<b>Operating profit</b>	<b>55.0 bn JPY</b>	<b>(▲46.6 bn JPY)</b>	<b>▲69.0 bn JPY</b>

- Glass and chemicals are experiencing significant COVID-19 impacts but will recover at a faster pace than expected.

# 1. Highlights of the Financial Results

# Highlights of the Financial Results for 3Q FY2020 (cumulative)

**AGC**

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(100 million JPY)

		FY2019 1-3Q Total	FY2020 1-3Q Total	Change	Major factors in the change (+) Increasing factors (-)Decreasing factors
<b>Net Sales</b>		11,238	<b>10,128</b>	▲ 1,110*	(+) Shipments increased in electronic materials, LCD glass substrates, and life science products. (-) Sales volume declined in architectural and automotive glass, and fluorochemical products. (-) Selling prices declined in architectural glass, chlor-alkali products in SEA, and LCD glass substrates.
<b>Operating Profit</b>		736	<b>406</b>	▲ 330	(+) Shipments increased in electronic materials, LCD glass substrates, and life science products. (-) Manufacturing costs deteriorated due to significant capacity adjustments at architectural and automotive glass production facility.
<b>Profit before tax</b>		505	<b>260</b>	▲ 245	(+) Impairment loss decreased. (-) Expenses posted for the structural improvement relating to the glass business in Europe
<b>Profit for the period Attributable to owners of the parent</b>		289	<b>135</b>	▲ 154	
<b>Forex (Average)</b>	<b>JPY/USD</b>	109.15	<b>107.59</b>		
	<b>JPY/EUR</b>	122.66	<b>120.90</b>		
<b>Crude Oil (Dubai, Average)</b>	<b>USD/BBL</b>	64.02	<b>41.40</b>		

\* FOREX impact was ▲13.9 billion JPY, change in the scope of consolidation was +6.4 billion JPY

# YoY Performance Comparison by Business Segment

- Net sales & operating profit declined in Glass, Chemicals, Ceramics/Other, but increased in Electronics

(100 million JPY)

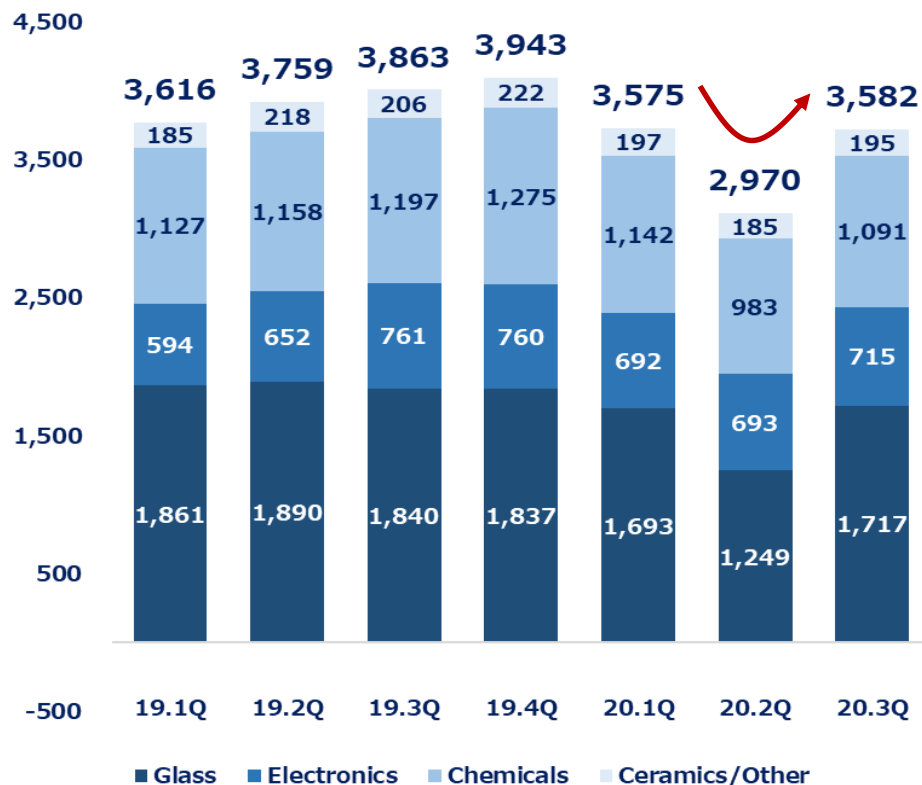
	FY2019		FY2020		Change	
	1-3Q Total		1-3Q Total		(b)-(a)	
	(a)	(b)	(a)	(b)	(a)	(b)
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Glass	5,592	97	4,659	▲ 219	▲ 934	▲ 316
Electronics	2,007	169	2,101	272	+ 94	+ 103
Chemicals	3,483	439	3,216	325	▲ 267	▲ 114
Ceramics/Other	610	31	577	29	▲ 33	▲ 2
Elimination	▲ 455	0	▲ 424	▲ 1	+ 30	▲ 1
<b>Total</b>	<b>11,238</b>	<b>736</b>	<b>10,128</b>	<b>406</b>	<b>▲ 1,110</b>	<b>▲ 330</b>

# QoQ Performance Trend

- While impact from Covid-19 still remains, Net sales and Operating profit improved to the 1Q level.

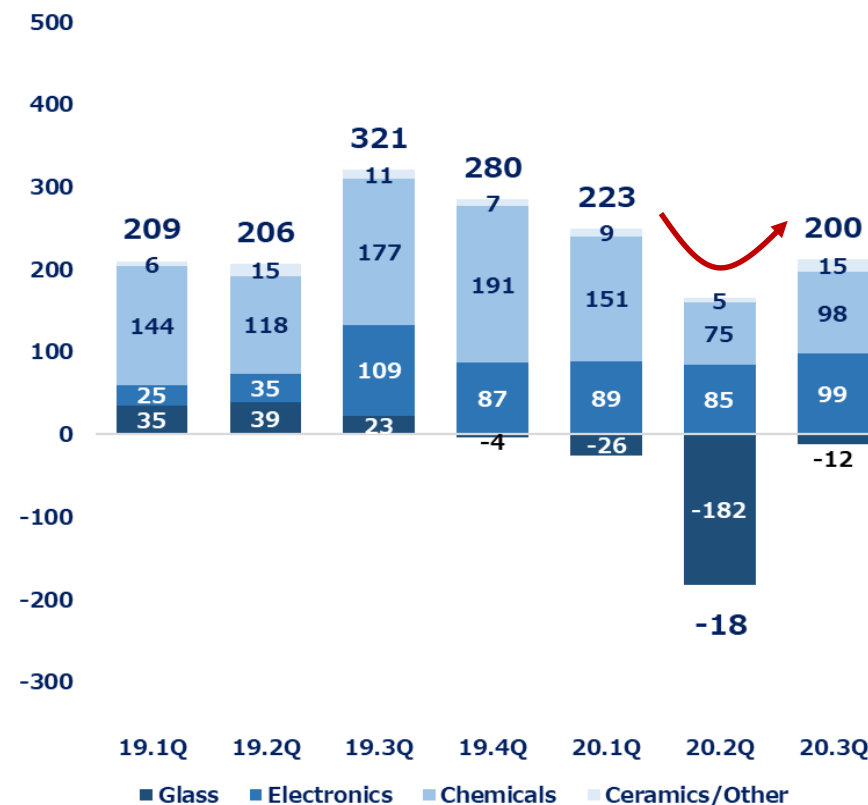
## Net sales

(100 million JPY)



## Operating profit

(100 million JPY)





# Impact from COVID-19 crisis on 3Q

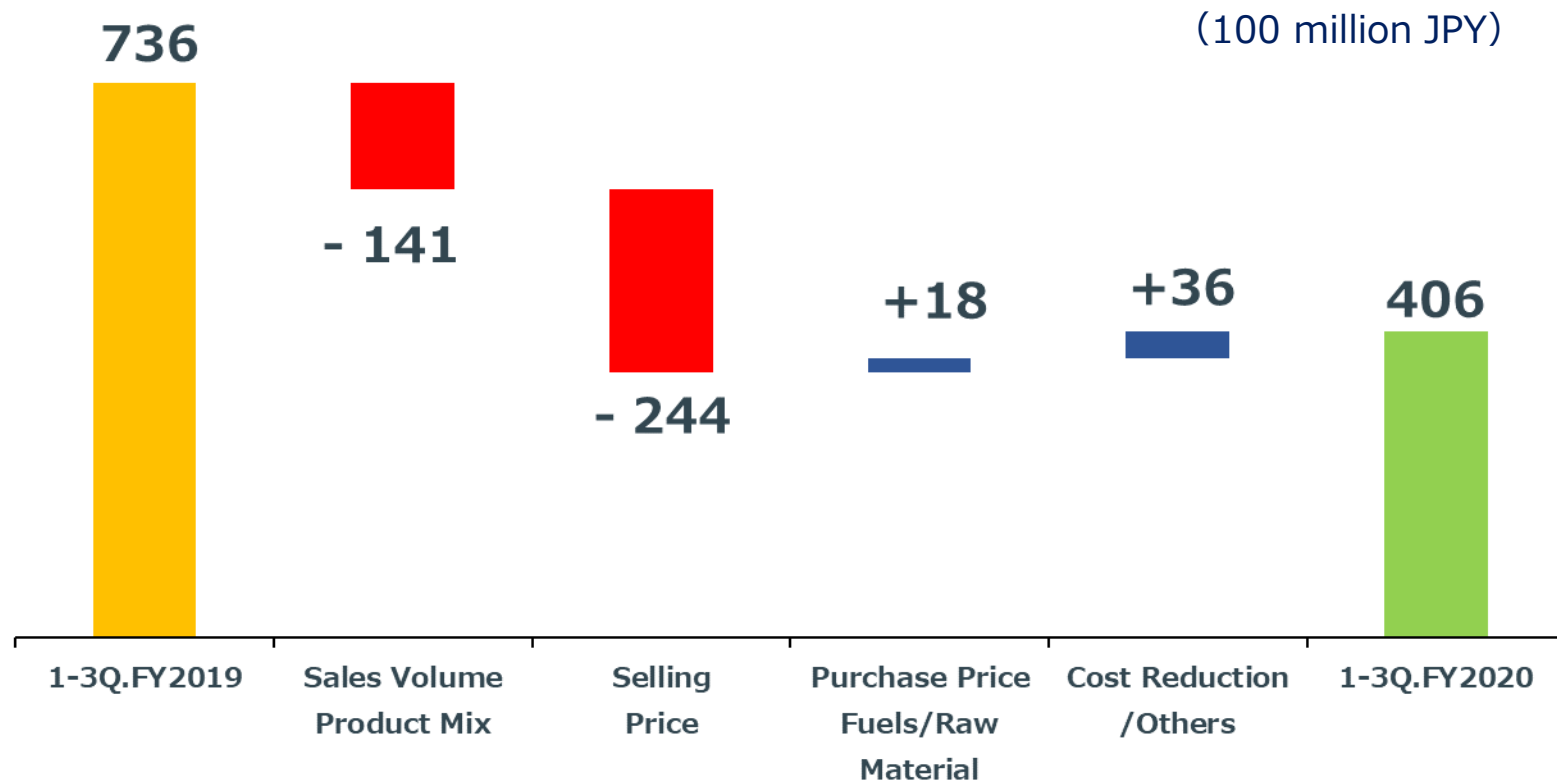
## ■ Recovering after hitting bottom in 2Q

	1Q	2Q	3Q	3Q
<b>Glass</b>	<b>Net sales</b> ▲10b yen  <b>Operating profit</b> ▲3b yen	<b>Net sales</b> ▲62b yen  <b>Operating profit</b> ▲24b yen	<b>Net sales</b> ▲20b yen  <b>Operating profit</b> ▲7b yen	<b>(Architectural glass)</b> •With resumption of economic activity, shipments in all regions increased in QoQ and asset utilization improved. <b>(Automotive glass)</b> • While the situation remains harsh, the shipments increased QoQ and capacity utilization improved due to the recovery of the global vehicle production.
<b>Electronics</b>	<b>Net sales</b> ▲1b yen  <b>Operating profit</b> ▲0.5b yen	<b>Net sales</b> ▲3b yen  <b>Operating profit</b> ▲1b yen	<b>Net sales</b> ▲2b yen  <b>Operating profit</b> ▲1b yen	<b>(Display)</b> •No significant impact on the shipments of LCD glass substrates •Shipments of specialty glass for display applications increased QoQ following the recovery of smartphone market <b>(Electronic materials)</b> •No significant impact on the shipments of optoelectronics/semiconductor related products.
<b>Chemicals</b>	No impacts	<b>Net sales</b> ▲23b yen  <b>Operating profit</b> ▲8b yen	<b>Net sales</b> ▲23b yen  <b>Operating profit</b> ▲9b yen	<b>(Chlor-alkali/urethane)</b> •In SEA, caustic soda market remains sluggish, but PVC market is recovering QoQ. <b>(Fluorochemicals/specialty chemicals)</b> •Although the demand decline in some of fluorochemical products alleviated, demand for transportation-related products declined QoQ. <b>(Life Science)</b> •Strong performance QoQ due to new contracts on Covid-19 vaccine development.
<b>Total</b>	<b>Net sales</b> ▲11b yen  <b>Operating profit</b> ▲3.5b yen	<b>Net sales</b> ▲88b yen  <b>Operating profit</b> ▲33b yen	<b>Net sales</b> ▲45b yen  <b>Operating profit</b> ▲17b yen	

# Variance Analysis on OP (1-3Q.FY2020 vs. 1-3Q.FY2019) **AGC**

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**33.0 bn JPY down from the same period last year**



# Consolidated Statement of Financial Position

- Increased in cash and cash equivalents amid the Covid-19 crisis, resulting in temporal rise of D/E.

	(100 million JPY)		
	2019/12	2020/9	Change
Cash and cash equivalents	1,138	<b>3,114</b>	+ 1,976
Inventories	2,912	<b>2,872</b>	▲ 40
Property, plant and equipment, Goodwill and Intangible assets	13,516	<b>13,793</b>	+ 277
Other assets	5,788	<b>5,399</b>	▲ 389
<b>Total assets</b>	<b>23,354</b>	<b>25,179</b>	+ 1,825
Interest-bearing debt	6,028	<b>8,681</b>	+ 2,652
Other liabilities	4,500	<b>4,566</b>	+ 66
<b>Liabilities</b>	<b>10,528</b>	<b>13,246</b>	+ 2,718
Total equity attributable to owners of the parent	11,571	<b>10,712</b>	▲ 859
Non-controlling interests	1,255	<b>1,220</b>	▲ 35
<b>Equity</b>	<b>12,826</b>	<b>11,933</b>	▲ 893
<b>Total liabilities and equity</b>	<b>23,354</b>	<b>25,179</b>	+ 1,825
<b>D/E ratio</b>	0.47	<b>0.73</b>	

Foreign exchange fluctuation  
▲9.7 billion yen

Foreign exchange fluctuation  
▲62.9 billion yen

# Consolidated Statement of Cash Flow

(100 million JPY)

	1-3Q Total	
	FY2019	FY2020
Profit before tax	505	<b>260</b>
Depreciation and amortization	1,049	<b>1,072</b>
Increase(decrease) in working capital	▲ 228	<b>34</b>
Others	217	<b>186</b>
<b>Cash flows from operating activities</b>	<b>1,541</b>	<b>1,552</b>
<b>Cash flows from investing activities</b>	<b>▲ 1,512</b>	<b>▲ 1,736</b>
<b>Free cash flow</b>	<b>30</b>	<b>▲ 184</b>
Changes in interest-bearing debt	310	<b>2,507</b>
Dividends paid	▲ 266	<b>▲ 266</b>
Others	▲ 26	<b>▲ 27</b>
<b>Cash flows from financing activities</b>	<b>17</b>	<b>2,214</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>▲ 45</b>	<b>▲ 54</b>
<b>Net increase(decrease) in cash and cash equivalents</b>	<b>2</b>	<b>1,977</b>

(100 million JPY)

1-3Q Total

	FY2019	FY2020
<b>CAPEX</b>	1,510	<b>1,620</b>
Glass	559	<b>424</b>
Electronics	393	<b>522</b>
Chemicals	542	<b>663</b>
Ceramics/Other	16	<b>11</b>
Elimination	▲ 1	▲ 1
<b>Depreciation</b>	1,049	<b>1,072</b>
Glass	395	<b>385</b>
Electronics	341	<b>356</b>
Chemicals	282	<b>316</b>
Ceramics/Other	32	<b>15</b>
Elimination	▲ 1	▲ 1
<b>R&amp;D</b>	349	<b>336</b>

### 【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

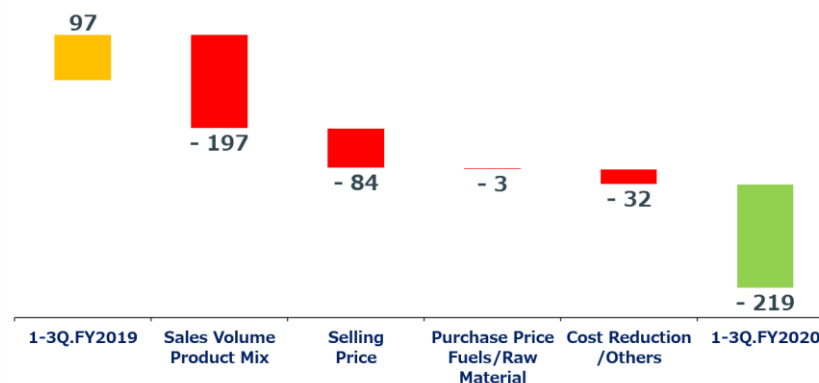
## 2. Business and Geographic Segments

(100 million JPY)

	1-3Q Total		Change	Change %
	FY2019	FY2020		
<b>Net sales</b>	5,592	<b>4,659</b>	▲ 934*	-16.7%
Architectural Glass	2,621	<b>2,348</b>	▲ 274	-10.4%
Automotive Glass (Inter-segment)	2,959	<b>2,293</b>	▲ 667	-22.5%
	12	<b>19</b>		
<b>Operating profit</b>	97	▲ 219	▲ 316	-326.4%

\* FOREX impact: ▲9.3 billion yen,  
Change in the Scope of Consolidation: +0.5 billion yen

## Variance Analysis on OP



### 〔Net sales〕 Decreased

#### Architectural Glass

- Significant decrease in shipments due to the Covid-19 crisis.
- Decline in selling prices in regions other than Japan. In Europe, selling prices increased QoQ as the demand and supply balance improved.

#### Automotive Glass

- Decline in group shipments due to decrease in worldwide vehicle production affected by COVID-19 crisis.

### 〔Operating profit〕 Decreased

#### Architectural Glass

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

#### Automotive Glass

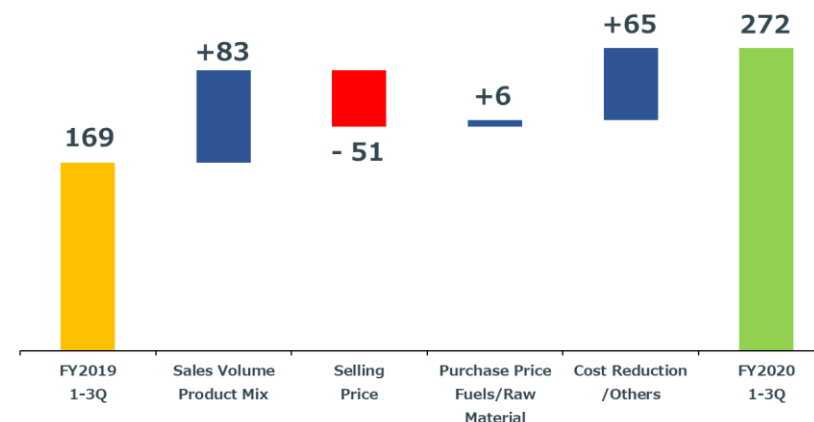
- In addition to decrease in shipments, manufacturing costs deteriorated due to significant capacity adjustments.

(100 million JPY)

	1-3Q Total		Change	Change %
	FY2019	FY2020		
<b>Net sales</b>	2,007	<b>2,101</b>	+ 94*	+4.7%
Display	1,288	<b>1,314</b>	+ 27	+2.1%
Electronic Materials (Inter-segment)	629	<b>742</b>	+ 113	+18.0%
	91	<b>45</b>		
<b>Operating profit</b>	169	<b>272</b>	+ 103	+60.9%

\* FOREX impact: ▲0.9 billion yen,  
Change in the Scope of Consolidation: +2.6 billion yen

## Variance Analysis on OP



### {Net sales} Increased

#### Display

- Increase in LCD glass substrate shipments; the range of price decline shrunk.
- As for specialty glass for display applications, decrease 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)

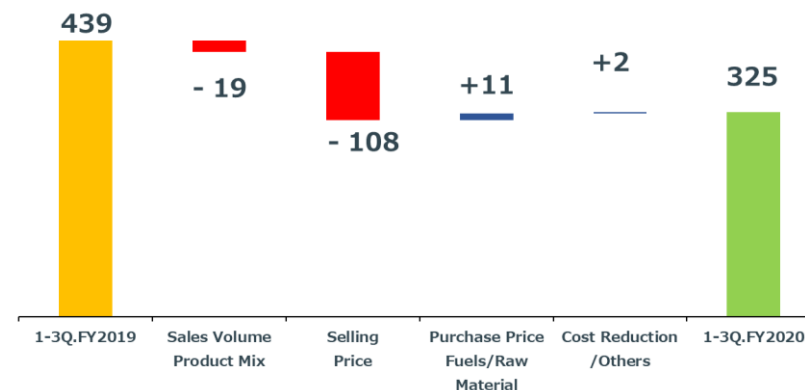


(100 million JPY)

	1-3Q Total		Change	Change %
	FY2019	FY2020		
<b>Net sales</b>	3,483	<b>3,216</b>	▲ 267*	-7.7%
Chlor-alkali & Urethane	2,160	<b>1,886</b>	▲ 274	-12.7%
Fluorochemicals & Specialty	888	<b>779</b>	▲ 109	-12.3%
Life science	424	<b>539</b>	+ 115	+27.1%
(Inter-segment)	10	<b>11</b>		
<b>Operating profit</b>	439	<b>325</b>	▲ 114	-26.0%

\* FOREX impact: ▲3.6 billion yen,  
Change in the Scope of Consolidation: +3.3billion yen

## Variance Analysis on OP



### 〔Net sales〕 Decreased

#### Chlor-alkali & Urethane

- Decrease in selling price of caustic soda and PVC in Southeast Asia. Meanwhile, selling price of PVC increased QoQ.

#### Fluorochemicals & Specialty Chemicals

- Decrease in shipments of fluorochemical related products for transportation use.

#### Life science

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

### 〔Operating profit〕 Decreased

- Decrease in selling prices of chlor-alkali products in Southeast Asia.

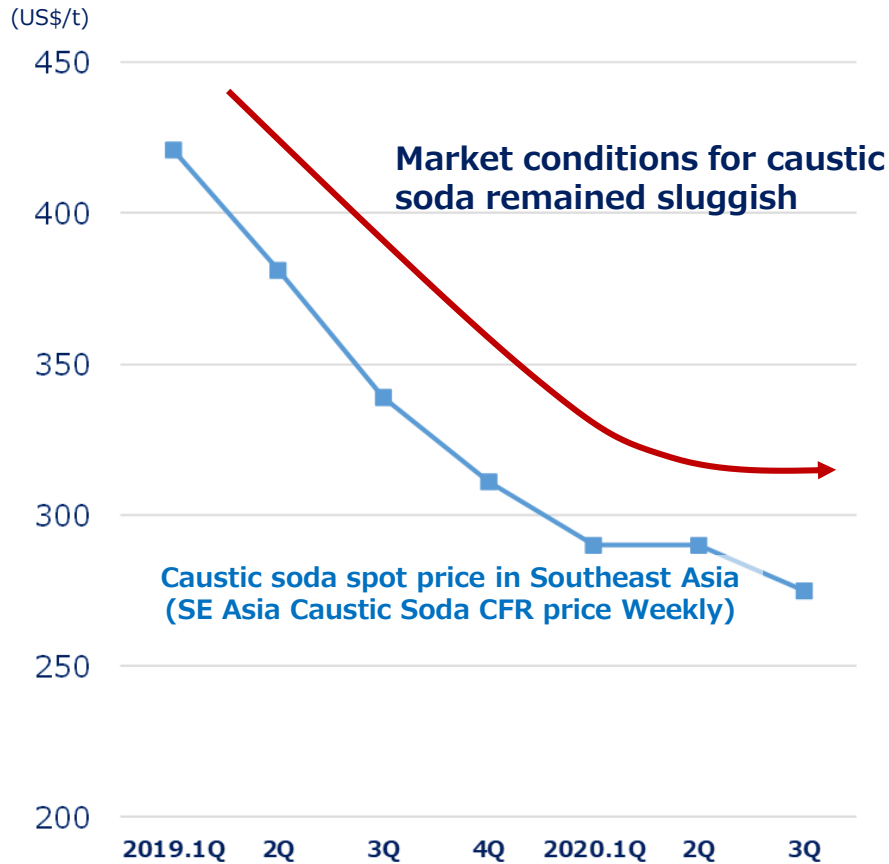
<Ratio of sub-segment to the operating profit\* of Chemicals Segment>

	19/1-3Q	20/1-3Q
Chlor-alkali & Urethane	60%	30%
Fuluorochemicals & Specialty	30%	40%
Life science	10%	30%

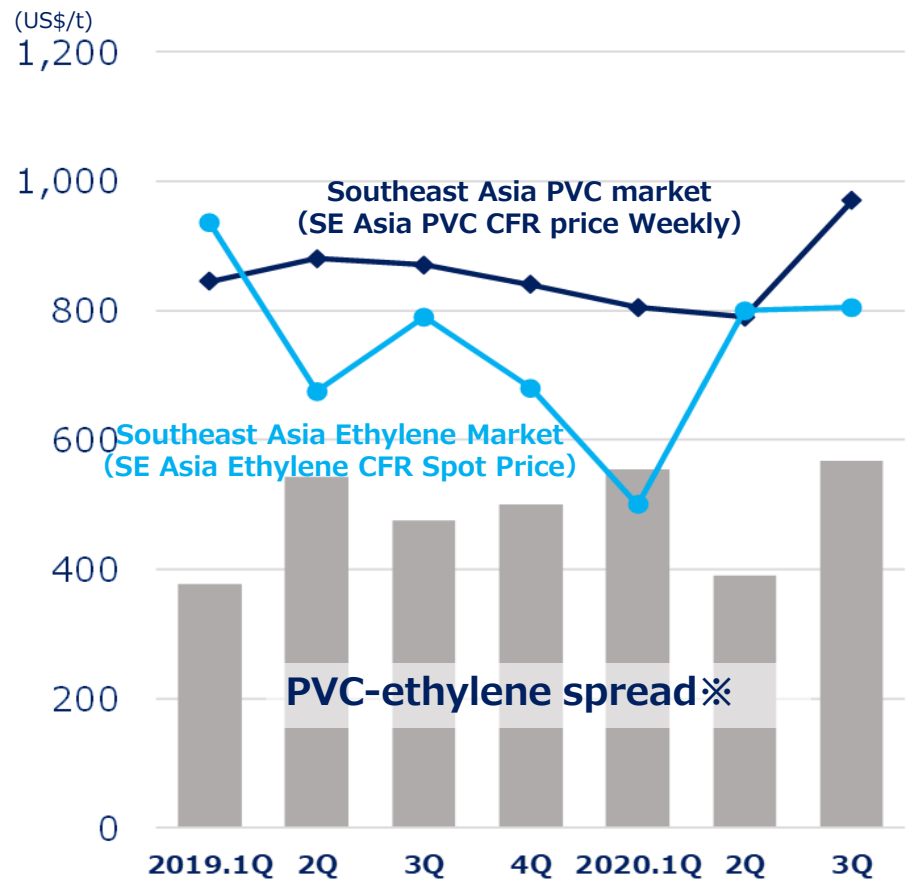
\*Before allocation of common costs.

# Reference: Market trend of caustic Soda and PVC in Southeast Asia

## Caustic soda spot price



## PVC spot price



Source : Bloomberg

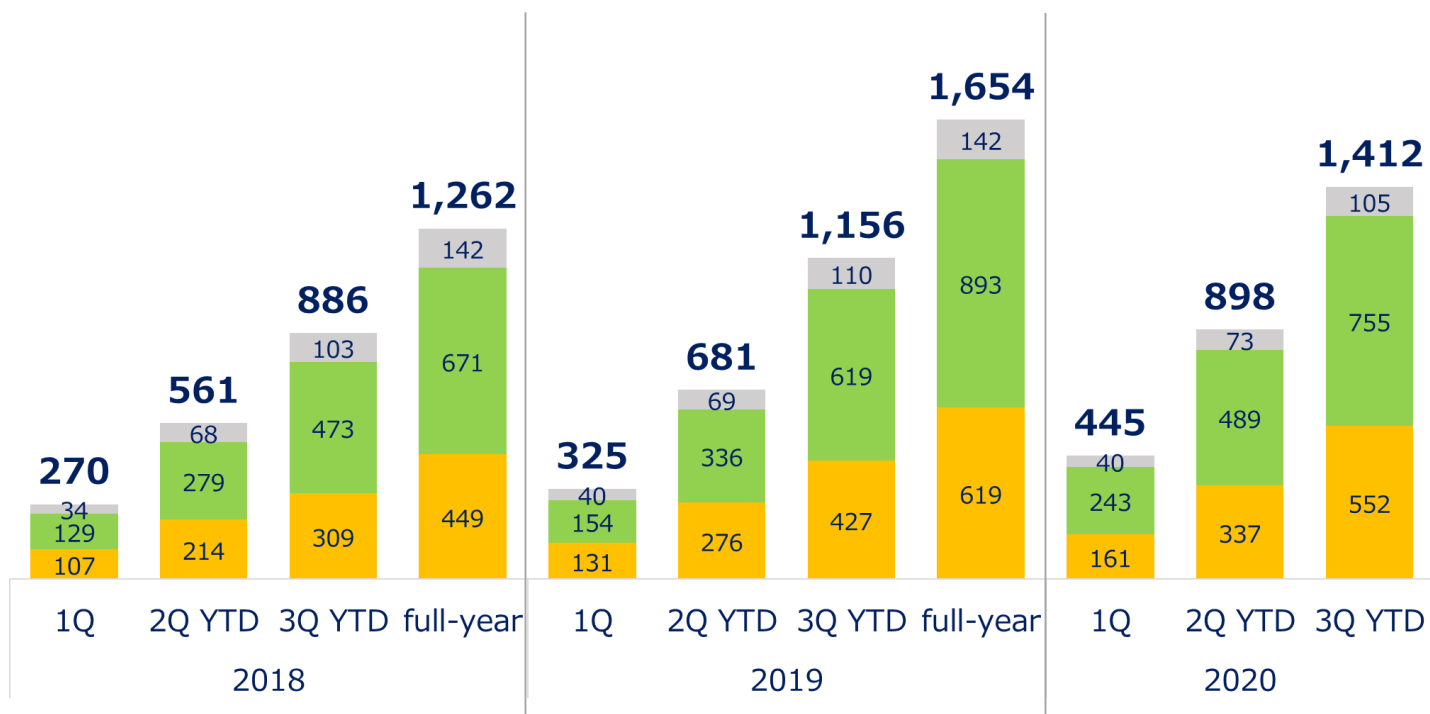
※PVC-ethylene spread calculation; PVC spot market price - (ethylene market price X 0.5)

# 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 Pharmaceuticals

(100m JPY)

OP (strategic business)	36	77	131	207	43	84	183	268	75	144	249
Contribution ratio	12%	13%	15%	17%	21%	20%	25%	26%	34%	70%	61%

# YoY Performance Comparison by Geographic Segment

	1-3Q Total (100 million JPY)		
	FY2019	<b>FY2020</b>	Change
<b>Net sales</b>	11,238	<b>10,128</b>	▲ 1,110
Japan & Asia	7,391	<b>6,771</b>	▲ 621
Americas	1,303	<b>1,110</b>	▲ 192
Europe	2,544	<b>2,247</b>	▲ 297
<b>Operating profit</b>	736	<b>406</b>	▲ 330
Japan & Asia	848	<b>661</b>	▲ 187
Americas	45	<b>6</b>	▲ 39
Europe	136	<b>4</b>	▲ 131
Cross-regional common expenses	▲ 292	▲ <b>265</b>	+ 27

FOREX impact :  
▲ 13.9 bn JPY

Change in the scope of consolidation :  
+ 6.4 bn JPY

# Outlook for Full-year FY2020

# Full-year FY2020 Outlook

- Though recovering after hitting bottom in 2Q, YoY decline in net sales and OP.

(100 million JPY)

	FY2019	FY2020e	FY2020e	Impact from
	full-year	As of July 31, 2020 full year	updated	COVID-19
			full-year	full-year
<b>Net sales</b>	15,180	13,500	<b>13,900</b>	<b>▲1,890</b>
<b>Operating profit</b>	1,016	400	<b>550</b>	<b>▲690</b>
<b>Profit before tax</b>	762	to be reviewed	<b>350</b>	
<b>Profit for the year attributable to owners of the parent</b>	444	to be reviewed	<b>180</b>	
<b>Dividend (JPY/share)</b>	120	to be reviewed	<b>120</b>	
<b>Operating profit margin</b>	6.7%	3.0%	4.0%	
<b>ROE</b>	3.9%	—	1.6% <sup>※</sup>	
<b>Forex (Average)</b>				
	<b>JPY/USD</b>	109.1	109.1	106.9
	<b>JPY/EUR</b>	122.1	119.6	121.9
<b>Crude Oil (Dubai, Average)</b>	<b>USD/BBL</b>	63.5	42.8	42.3
<b>Ethylene (CFR SEA)</b>	<b>USD/MT</b>	823	600	684

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

# Outlook breakdown by Segment (Net sales and Operating profit)

- Net sales and OP expected to see decline in Glass and Chemicals, increase in Electronics

(100 million JPY)

	FY2019 full-year(a)		FY2020 full-year forecast updated (b)		Change (b)-(a)		FY2020 full-year forecast as of July 31 (c)		Change (b)- (c)		Impact from COVID-19	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Glass	7,429	93	6,300	▲ 270	▲ 1,129	▲ 363	5,900	▲ 400	+ 400	+ 130	▲ 1,120	▲ 415
Electronics	2,767	256	2,900	340	+ 133	+ 84	2,900	330	+ 0	+ 10	▲ 70	▲ 30
Chemicals	4,758	630	4,500	450	▲ 258	▲ 180	4,500	450	+ 0	+ 0	▲ 700	▲ 245
Ceramics/Other	832	39	800	30	▲ 32	▲ 9	850	20	▲ 50	+ 10	+ 0	+ 0
Elimination	▲ 606	▲ 0	▲ 600	0	+ 6	+ 0	▲ 650	0	+ 50	+ 0	+ 0	+ 0
<b>Total</b>	<b>15,180</b>	<b>1,016</b>	<b>13,900</b>	<b>550</b>	<b>▲ 1,280</b>	<b>▲ 466</b>	<b>13,500</b>	<b>400</b>	<b>+ 400</b>	<b>+ 150</b>	<b>▲ 1,890</b>	<b>▲ 690</b>

# Outlook by Business Segment

- While globally on a recovery track, impact of 2nd wave of Covid-19 is a concern for Europe. (Covid-19 impact for 4Q: Net sales ▲45b yen, OP ▲15.5b yen)

	Outlook for 4Q.FY2020	performance	Covid-19 impact
<b>Glass</b>	<p><b>(Architectural glass)</b></p> <ul style="list-style-type: none"> <li>Excluding Japan, shipments will fall on QoQ as the region enters a low-demand season.</li> <li>Impact of second wave of COVID-19 is a concern for Europe.</li> </ul> <p><b>(Automotive glass)</b></p> <ul style="list-style-type: none"> <li>Entering a low-demand season, group shipments will be down.</li> <li>Impact of second wave of COVID-19 is a concern for Europe.</li> </ul>	<p>Net sales 164.1b yen</p> <p>Operating profit ▲5.1b yen</p>	<p>Net sales ▲20b yen</p> <p>Operating profit ▲7.5b yen</p>
<b>Electronics</b>	<p><b>(Display)</b></p> <ul style="list-style-type: none"> <li>Shipments of LCD glass substrates will stay at the same level QoQ. Prices decline will be within the first half of single digit(%).</li> <li>Specialty glass for display applications will have lower shipments QoQ as affected from the customer composition.</li> </ul> <p><b>(Electronic materials)</b></p> <ul style="list-style-type: none"> <li>Shipment of semiconductor/optoelectronics materials will remain strong.</li> </ul>	<p>Net sales 79.9b yen</p> <p>Operating profit 6.8b yen</p>	<p>Net sales ▲1b yen</p> <p>Operating profit ▲0.5b yen</p>
<b>Chemicals</b>	<p><b>(Chlor-alkali/urethane)</b></p> <ul style="list-style-type: none"> <li>Demands for chlor-alkali products in SEA will recover gradually.</li> </ul> <p><b>(Fluorine/specialty)</b></p> <ul style="list-style-type: none"> <li>While demand for aircraft use, etc. will be sluggish due to Covid-19, demand for automobile and architectural use will recover gradually.</li> </ul> <p><b>(Life Science)</b></p> <ul style="list-style-type: none"> <li>Business will remain robust with new contracts for Covid-19 vaccine development.</li> </ul>	<p>Net sales 128.4b yen</p> <p>Operating profit 12.5b yen</p>	<p>Net sales ▲24b yen</p> <p>Operating profit ▲7.5b yen</p>



# Profit contribution of Strategic Business

- Steady expansion in business results with limited impact from COVID-19 crisis.
- Revised from the May 18 announcement. Electronics and Chemicals are expected to perform better.

## 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 Pharmaceuticals

<b>OP (strategic business)</b>	<b>120</b>	<b>210</b>	<b>268</b>	<b>320*</b>	<b>900</b>	(100m JPY)
<b>Contribution ratio</b>	<b>10%</b>	<b>17%</b>	<b>26%</b>	<b>58%</b>	<b>40%</b>	

\*May 18 announcement: Net Sales 190b yen (Electronics 100b yen, Life science 75b yen, Mobility 15b yen), Operating profit 30b yen

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

(100 million JPY)

Full year

	FY2019	FY2020e
<b>CAPEX</b>	2,077	<b>2,200</b>
Glass	804	<b>600</b>
Electronics	558	<b>810</b>
Chemicals	690	<b>770</b>
Ceramics/Other	25	<b>20</b>
Elimination	▲ 1	<b>0</b>
<b>Depreciation</b>	1,434	<b>1,500</b>
Glass	525	<b>510</b>
Electronics	473	<b>510</b>
Chemicals	394	<b>440</b>
Ceramics/Other	43	<b>40</b>
Elimination	▲ 1	<b>0</b>
<b>R&amp;D</b>	475	<b>480*</b>

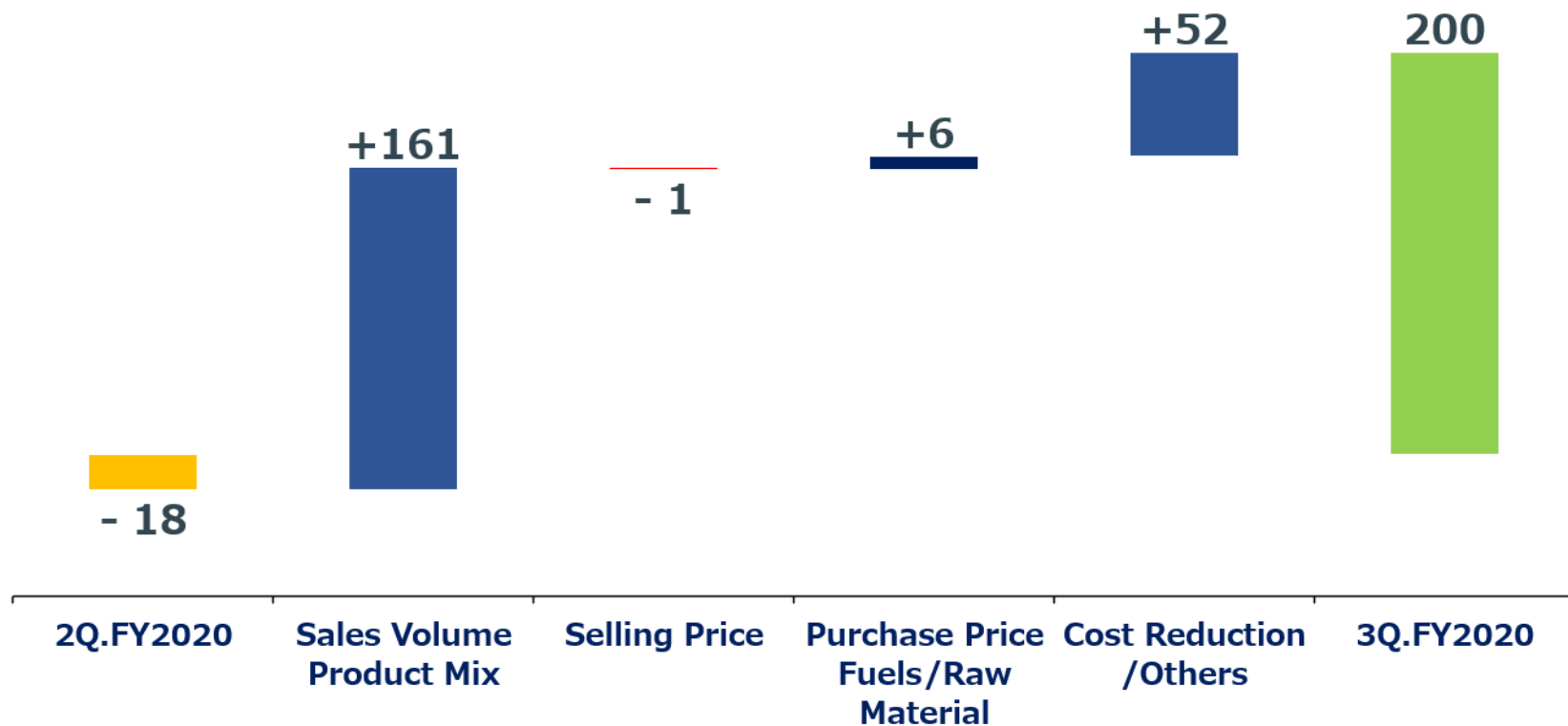
\* Revised from 49.0 bn JPY as of July.31

# Appendix

# Variance Analysis on OP (3Q.FY2020 vs. 2Q.FY2020)

**21.8 bn JPY up from last quarter**

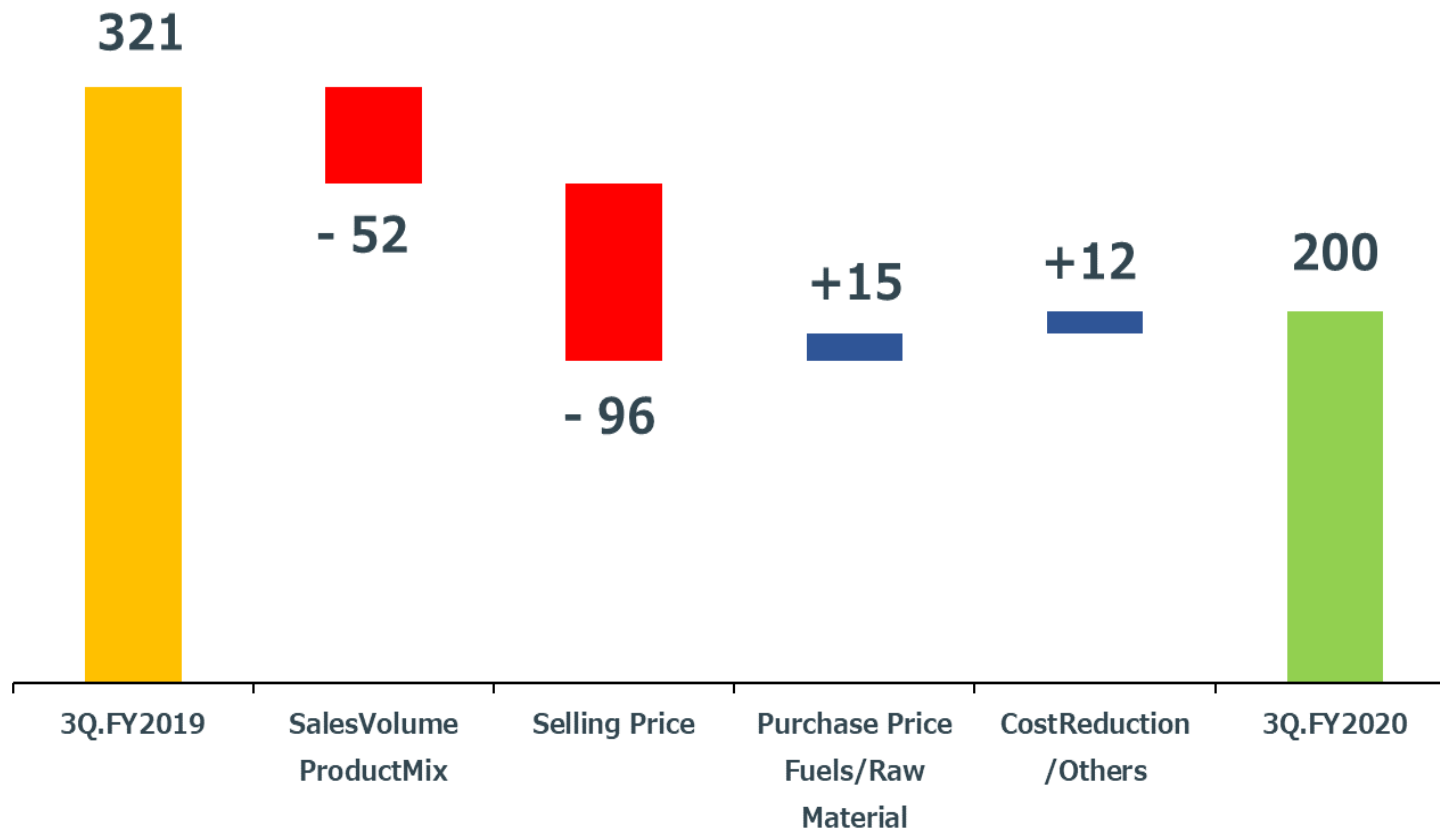
(100 million JPY)



# Variance analysis on OP (3Q.FY2020 vs. 3Q.FY2019)

**12.1 bn JPY down from last year**

(100 million JPY)



# YoY Performance Comparison by Geographic Segment



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(100 million JPY)

		Japan & Asia	Americas	Europe	Inter- segment	Total	
Glass	Flat glass	<b>1-3Q.FY2020</b>	<b>822</b>	<b>318</b>	<b>1,207</b>	-	<b>2,348</b>
		1-3Q.FY2019	889	350	1,382	-	2,621
	Automotive glass	<b>1-3Q.FY2020</b>	<b>1,251</b>	<b>396</b>	<b>646</b>	-	<b>2,293</b>
		1-3Q.FY2019	1,566	535	859	-	2,959
		<b>1-3Q.FY2020</b>	<b>2,073</b>	<b>714</b>	<b>1,853</b>	<b>19</b>	<b>4,659</b>
		1-3Q.FY2019	2,455	885	2,241	12	5,592
Electronics	<b>1-3Q.FY2020</b>	<b>1,883</b>	<b>166</b>	<b>8</b>	<b>45</b>	<b>2,101</b>	
	1-3Q.FY2019	1,775	134	7	91	2,007	
Chemicals	<b>1-3Q.FY2020</b>	<b>2,588</b>	<b>231</b>	<b>386</b>	<b>11</b>	<b>3,216</b>	
	1-3Q.FY2019	2,894	284	295	10	3,483	
Ceramics/Other	<b>1-3Q.FY2020</b>	<b>227</b>	-	-	<b>350</b>	<b>577</b>	
	1-3Q.FY2019	268	-	-	342	610	
Elimination	<b>1-3Q.FY2020</b>	-	-	-	<b>▲ 424</b>	<b>▲ 424</b>	
	1-3Q.FY2019	-	-	-	▲ 455	▲ 455	
Total Net Sales	<b>1-3Q.FY2020</b>	<b>6,771</b>	<b>1,110</b>	<b>2,247</b>	-	<b>10,128</b>	
	1-3Q.FY2019	7,391	1,303	2,544	-	11,238	

# YoY Performance Comparison by Geographic Segment



Your Dreams, Our Challenge

(100 million JPY)

		Japan & Asia	Americas	Europe	Inter- segment	Total	
Glass	Flat glass	<b>3 Q .FY2020</b>	<b>279</b>	<b>121</b>	<b>440</b>	-	<b>840</b>
		3 Q .FY2019	312	121	441	-	875
	Automotive glass	<b>3 Q .FY2020</b>	<b>455</b>	<b>168</b>	<b>246</b>	-	<b>869</b>
		3 Q .FY2019	527	174	262	-	963
		<b>3 Q .FY2020</b>	<b>734</b>	<b>290</b>	<b>686</b>	<b>7</b>	<b>1,717</b>
		3 Q .FY2019	839	295	704	3	1,840
Electronics		<b>3 Q .FY2020</b>	<b>643</b>	<b>60</b>	<b>2</b>	<b>10</b>	<b>715</b>
		3 Q .FY2019	680	50	3	28	761
Chemicals		<b>3 Q .FY2020</b>	<b>884</b>	<b>78</b>	<b>125</b>	<b>3</b>	<b>1,091</b>
		3 Q .FY2019	999	87	108	4	1,197
Ceramics/Other		<b>3 Q .FY2020</b>	<b>79</b>	-	-	<b>115</b>	<b>195</b>
		3 Q .FY2019	99	-	-	107	206
Elimination		<b>3 Q .FY2020</b>	-	-	-	<b>▲ 135</b>	<b>▲ 135</b>
		3 Q .FY2019	-	-	-	▲ 142	▲ 142
Total Net Sales		<b>3 Q .FY2020</b>	<b>2,340</b>	<b>428</b>	<b>814</b>	-	<b>3,582</b>
		3 Q .FY2019	2,617	431	814	-	3,863

(100 million JPY)

<b>Glass</b>	3Q.18	4Q.18	1Q.19	2Q.19	3Q.19	4Q.19	1Q.20	2Q.20	3Q.20
<b>Net Sales</b>	1,868	1,953	1,861	1,890	1,840	1,837	1,693	1,249	1,717
Architectural Glass	878	964	857	890	875	905	801	706	840
Automotive Glass	987	985	1,001	996	963	923	889	534	869
(Inter Segment)	3	4	4	5	3	9	3	8	7
<b>Operating profit</b>	29	44	35	39	23	▲ 4	▲ 26	▲ 182	▲ 12

<b>Electronics</b>	3Q.18	4Q.18	1Q.19	2Q.19	3Q.19	4Q.19	1Q.20	2Q.20	3Q.20
<b>Net Sales</b>	646	670	594	652	761	760	693	693	715
Display	431	436	398	441	449	460	433	433	448
Electronic Materials	184	199	160	185	283	276	238	247	257
(Inter Segment)	30	34	36	26	28	24	22	13	10
<b>Operating profit</b>	61	78	25	35	109	87	89	85	99

<b>Chemicals</b>	3Q.18	4Q.18	1Q.19	2Q.19	3Q.19	4Q.19	1Q.20	2Q.20	3Q.20
<b>Net Sales</b>	1,252	1,295	1,127	1,158	1,197	1,275	1,142	983	1,091
Chlor-alkali & Urethane	848	827	705	710	745	768	695	559	632
Fluorochemicals & Specialty	304	328	287	299	302	311	283	247	250
Life science	96	136	132	146	147	193	160	173	207
(Inter Segment)	3	3	3	4	4	3	4	5	3
<b>Operating profit</b>	166	209	144	118	177	191	151	75	98



## Trend of shipment and price

				2019				2020			
				1Q	2Q	3Q	4Q	1Q	2Q	3Q	
<b>YoY comparison</b>											
Glass	Architectural (AGC)	Japan & Asia	shipment	-high single-digit	flat	-low single-digit	flat	-low single-digit	-high single-digit	+mid single-digit	
			price (Japan)	+mid single-digit	+mid single-digit	+low single-digit	+low single-digit	+low single-digit	+mid single-digit	+low single-digit	
		North America	shipment	-low single-digit	+mid single-digit	+low single-digit	-high single-digit	-high single-digit	-low 20% range	+low single-digit	
			price	flat	-low single-digit	-mid single-digit	-mid single-digit	-high single-digit	-mid single-digit	-high single-digit	
		Europe	shipment	+low single-digit	+low single-digit	-low single-digit	-low single-digit	flat	-low 20% range	+low single-digit	
	price		-low single-digit	-low single-digit	-low single-digit	-high single-digit	-low 10% range	-mid 20% range	-high 10% range		
	Automobile production* <sup>1</sup>	Japan	volume	+0%	+5%	+5%	-10%	-7%	-48%	-12%	
		North America	volume	-3%	-3%	-1%	-9%	-11%	-68%	+1%	
		Europe & Russia	volume	-4%	-7%	+1%	-5%	-17%	-62%	-8%	
Electronics	Display panel demand* <sup>2</sup>	Global	area	+6%	+6%	+3%	+4%	-0%	+4%	+10%	
<b>Spot market price</b>											
Chemicals	Chlor-alkali (Southeast Asia)	Caustic soda* <sup>3</sup>	price	USD/MT	421	381	339	311	290	290	275
		PVC* <sup>3</sup>	price	USD/MT	845	880	870	840	805	790	970
		Ethylene* <sup>3</sup>	price	USD/MT	935	675	790	680	500	800	805

\*<sup>1</sup> Source : IHS Markit data as of October 16, 2020.

\*<sup>2</sup> Source : Omdia-2020-Q2-Display Long-Term Demand Forecast Tracker-Pivot

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

\*<sup>3</sup> 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](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
March 17	AGC Decides to Launch Voluntary Tender Offer for Shares of MolMed
April 7	AGC to Expand its Spanish Synthetic Pharmaceutical Production Base
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'
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 27	AGC to Make Drastic Expansion to Supply System for EUVL Mask Blanks
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.
August 18	AGC Expands Contract with Novavax for Manufacture of Adjuvant for COVID-19 Vaccine Candidate
September 1	Nagoya University and AGC Launch New Industry-Academia Comprehensive Collaboration from Theme Exploration to New Business Launch
September 10	AGC Curved-Large Cover Glass for Car-mounted Displays to Be Used in New 2021 Cadillac Escalade
October 28	AGC Biologics Expands Cell and Gene Therapy CDMO Services



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**END**

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