

February 5, 2021

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 (Code Number: 5201; TSE 1st section)
 (URL: <https://www.agc.com/>)
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Consolidated Financial Results for the Fiscal Year ended December 31, 2020 (IFRS basis)

(Fractions less than one million yen are rounded off.)

1. Financial Results for FY2020 (January 1 through December 31, 2020)

(1) Consolidated Operating Results

(Percentage figures show year-on-year changes.)

	FY2020 (Jan. through Dec. 2020)		FY2019 (Jan. through Dec. 2019)	
	millions of yen	%	millions of yen	%
Net sales	1,412,306	(7.0)	1,518,039	(0.3)
Operating profit	75,780	(25.4)	101,624	(15.7)
Profit before tax	57,121	(25.0)	76,213	(40.6)
Profit for the year	41,164	(25.9)	55,515	(45.6)
Profit for the year attributable to owners of the parent	32,715	(26.4)	44,434	(50.4)
Total comprehensive income for the year	(3,314)	-	60,495	279.9
Basic earnings per share (yen)	147.84		200.85	
Diluted earnings per share (yen)	147.24		199.95	
Profit ratio to equity attributable to owners of the parent (%)	2.9		3.9	
Ratio of profit for the year to total assets (%)	2.3		3.3	
Ratio of operating profit to net sales (%)	5.4		6.7	

Reference: Share of profit of associates and joint ventures accounted for using equity method -FY2020; 584million yen -FY2019; 1,088million yen

(2) Consolidated Financial Position

	FY2020 (as of December 31, 2020)	FY2019 (as of December 31, 2019)
Total assets (millions of yen)	2,534,458	2,335,415
Total equity (millions of yen)	1,243,039	1,282,636
Equity attributable to owners of the parent (millions of yen)	1,115,142	1,157,097
Equity attributable to owners of the parent ratio (%)	44.0	49.5
Equity attributable to owners of the parent per share (yen)	5,038.52	5,229.58

(3) Consolidated Cash Flows

	FY2020 (Jan. through Dec. 2020)	FY2019 (Jan. through Dec. 2019)
Cash flows from operating activities (millions of yen)	225,392	191,906
Cash flows from investing activities (millions of yen)	(230,248)	(182,636)
Cash flows from financing activities (millions of yen)	128,443	(17,284)
Cash and cash equivalents at the end of the year (millions of yen)	236,124	113,784

2. Dividends

	(Base date)	FY2019	FY2020	FY2021(forecast)
Dividend per share	End of the first quarter (yen)	-	-	-
	End of the second quarter (yen)	60.00	60.00	60.00
	End of the third quarter (yen)	-	-	-
	End of the fiscal year (yen)	60.00	60.00	60.00
	Full fiscal year (yen)	120.00	120.00	120.00
Total dividend distribution (full fiscal year) (millions of yen)		26,587	26,594	-
Payout ratio (consolidated) (%)		59.7	81.2	47.4
Ratio of dividend distribution to equity attributable to owners of the parent (consolidated) (%)		2.3	2.3	-

3. Forecast for FY2021 (January 1 through December 31, 2021)

(Percentage figures show year-on-year changes.)

	First half		Full fiscal year	
	millions of yen	%	millions of yen	%
Net sales	750,000	14.6	1,530,000	8.3
Operating profit	45,000	118.7	100,000	32.0
Profit before tax	-	-	87,000	52.3
Profit for the year	-	-	65,000	57.9
Profit for the year attributable to owners of the parent	-	-	56,000	71.2
Basic earnings per share (yen)	-		253.02	

(Note) The forecast for the six months ending June 30, 2021 consists of forecast net sales and operating profit only.

***Notes**

(1) Changes in significant subsidiaries during the period: No

(2) Changes in Accounting Policies and Changes in Accounting Estimates

- i. Changes in accounting policies required by IFRS: Yes
- ii. Changes in accounting policies other than "i" above: No
- iii. Changes in accounting estimates: No

(Note) For details, please refer to "(5) Notes to the Consolidated Financial Statements, 2) Changes in Accounting Policies" on page 16.

(3) Number of Shares Issued (ordinary shares)

i . Number of shares issued (including treasury shares) at the end of the period	
-FY2020 (as of December 31, 2020):	227,441,381
-FY2019 (as of December 31, 2019):	227,441,381
ii . Number of treasury shares at the end of the period	
-FY2020 (as of December 31, 2020):	5,813,165
-FY2019 (as of December 31, 2019):	5,870,670
iii . Average number of shares issued during the period	
-FY2020 (Jan. through Dec. 2020):	221,297,751
-FY2019 (Jan. through Dec. 2019):	221,232,494

[Reference]

(1) Non-Consolidated Operating Results

(Percentage figures show year-on-year changes.)

	FY2020 (Jan. through Dec. 2020)		FY2019 (Jan. through Dec. 2019)	
	millions of yen	%	millions of yen	%
Net sales	505,041	(2.3)	516,708	(4.7)
Operating income	(120)	-	5,920	(52.8)
Ordinary income	41,345	(75.6)	169,132	212.7
Net income	(39,748)	-	178,475	243.4
Net income per share -basic (yen)	(179.61)		806.73	
Net income per share -fully diluted (yen)	-		803.15	

(Note) Net income per share-fully diluted(yen) for FY2020 is not shown because the Company posted a net loss per share.

(2) Non-Consolidated Financial Position

	FY2020 (as of December 31, 2020)	FY2019 (as of December 31, 2019)
Total assets (millions of yen)	1,452,293	1,371,747
Total net assets (millions of yen)	681,320	752,067
Equity ratio (%)	46.8	54.7
Equity per share (yen)	3,068.94	3,388.75

Reference: Total Shareholders' Equity at -FY2020; 679,227 million yen
-FY2019; 749,795 million yen

<Reasons in Differences in Non-Consolidated Operating Results from the Previous Fiscal Year>

The company recorded an extraordinary loss of 73.6 billion yen on the valuation of shares of its consolidated subsidiary, AGC Glass Europe.S.A. (headquartered in Belgium; main business: production and sales of architectural glass and automotive glass) in its Non-Consolidated Operating Results for the fiscal year under review, due to a significant decline in the fair value of the shares attributable to the deterioration of the company's business performance. In addition, mainly due to decreased dividends from subsidiaries compared to the previous fiscal year, Ordinary income and Net income for the period for the fiscal year ended December 31, 2020 in Non-Consolidated Operating Results were lower than those of the previous year.

*This consolidated financial statement is outside the scope of annual audit procedure by an auditing firm.

*Appropriate Use of Forecast and Other Information and Other Matters

(Notes with regard to the forecast)

The above forecast is based on information available to the Company at the time of publication of this document and assumptions concerning uncertainties which might affect the AGC Group's future financial results. It is not intended to be a guarantee of future events, and may differ from actual results for various reasons. For matters concerning the above forecast, please see page 5 and 6.

(Supplementary Materials for the Financial Results

Supplementary materials(Financial Results for FY2020)will be published on TD-net for viewing in Japan, and on our website.

(Attached Documents)

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Qualitative Information and Financial Statements

1. Operating Results

(1) Analysis of Operating Results

Operating results for FY2020

During the fiscal year ended December 31, 2020, the global economy surrounding the AGC Group was impacted significantly by the COVID-19 pandemic. In China, although the economy slowed from February, it recovered from April onward. In Europe, the U.S. and Japan, the economy deteriorated rapidly from March, and signs of recovery were seen from July onward in conjunction with the gradual resumption of economic activity that started around May. However, the economy in Europe weakened once more from around December as infections started spreading again.

The AGC Group formulated the long-term management strategy Vision 2025 in 2016. Under the strategy, the Group aims to be a “Highly Profitable, Leading Global Material and Solution Provider” with two business pillars in Core Businesses for ensuring stable sources of earnings over the long term and Strategic Businesses for driving the growth of the Group as a whole. The Group positioned the three years starting in 2018 as “a period for laying the foundation to achieve the Vision 2025” and worked on the mid-term management plan **AGC plus-2020**.

During the fiscal year ended December 31, 2020, the final year of the plan, the AGC Group’s business performance was affected by a decline in demand for automotive glass, architectural glass, and fluorine-related products for use in transportation equipment due to the COVID-19 pandemic. On the other hand, electronic materials, LCD glass substrates, and life science products were not affected by the COVID-19 pandemic, and shipments of them increased. In addition, prices for caustic soda in Southeast Asia, LCD glass substrate, and architectural glass fell.

Given this business environment, the Group decided to significantly expand the supply system for EUVL mask blanks, under the Electronics category of the Strategic Businesses. Furthermore, in the life science business, the Group actively expanded its business, including the acquisitions of a biopharmaceutical API manufacturing plant in the U.S. and Molecular Medicine S.p.A. (now AGC Biologics S.p.A.), which is engaged in gene and cell therapy CDMO, as well as increasing production capacity in Japan and overseas. For the Core Businesses, initiatives to reduce fixed costs commenced in the glass business, including the closure of a glass furnace in Europe and personnel reductions, as the Group worked to improve earnings.

As a result, the AGC Group posted net sales of 1,412.3 billion yen, down 105.7 billion yen, or a 7.0% decrease from the previous fiscal year. Operating profit decreased by 25.8 billion yen, or a 25.4% decrease, from the previous fiscal year to 75.8 billion yen. Profit before tax decreased 19.1 billion yen, or a 25.0% decrease from the previous fiscal year to 57.1 billion yen. Profit for the year attributable to owners of the parent fell 11.7 billion yen, or a 26.4% decrease from the previous fiscal year to 32.7 billion yen.

Overview by reportable segment

(Unit: billions of yen)

	Net sales		Operating profit	
	FY2020	FY2019	FY2020	FY2019
Glass	651.0	742.9	(16.6)	9.3
Electronics	289.4	276.7	37.8	25.6
Chemicals	451.2	475.8	50.5	63.0
Ceramics/Other	81.1	83.2	4.2	3.9
Corporate or elimination	(60.3)	(60.6)	(0.1)	(0)
Total	1,412.3	1,518.0	75.8	101.6

Note: Figures are rounded to the nearest 100 million yen.

- Glass

Demand for architectural glass fell in all regions excluding some regions, such as South America, due to the impact of the spread of the COVID-19. In addition, we experienced falling prices in all regions except Japan and South America. For those reasons, the Group’s sales of architectural glass fell compared to the previous fiscal year.

In the Automotive glass business, the Group’s shipments declined, due to the decline in global automobile production, which was influenced by COVID-19 pandemic and the deteriorating business confidence. For those reasons, the Group’s sales of automotive glass fell compared to the previous year.

As a result, net sales of the Glass Operations for the fiscal year were 651.0 billion yen, a decrease of 92.0 billion yen, or 12.4% decrease, from the previous fiscal year. Operating profit recorded a loss of 16.6 billion yen, a decrease of 25.8 billion

yen from the previous fiscal year, owing to the abovementioned factors underlying the decrease in sales as well as an increase in manufacturing costs due to significant capacity adjustments for production facilities.

- Electronics

In the display business, shipments of specialty glass for display applications decreased because of lower smartphone sales due to the impact of the COVID-19 pandemic. On the other hand, although selling prices for LCD glass substrate fell, shipments increased. As a result, net sales in the display business increased from the previous fiscal year. Regarding electronic materials, the AGC Group's shipments of both optoelectronic materials and semiconductor-related products such as EUVL mask blanks increased. Net sales of the printed circuit board business of Taconic, which was acquired in June 2019, also contributed. Consequently, sales in the category of electronic materials increased from the previous fiscal year.

As a result, net sales from the Electronics Operations for the fiscal year were 289.4 billion yen, up 12.7 billion yen, or a 4.6% increase, from the previous fiscal year. Operating profit was 37.8 billion yen, up 12.2 billion yen, or a 47.8% increase, from the previous fiscal year.

- Chemicals

Sales of chlor-alkali products and urethane products decreased from the previous fiscal year, mainly because of the decrease in shipments due to impact of the COVID-19 pandemic and a decline in selling prices of caustic soda in Southeast Asia. In the categories of fluorochemicals and specialty, sales declined from the previous fiscal year because of a decline in shipments of fluorine-related products for use in transportation equipment such as aircraft due to the impact of the COVID-19 pandemic. In the life science category, sales increased from the previous fiscal year due to an increase in the number of contracts for both synthetic agrochemicals and biopharmaceuticals.

As a result, net sales of the Chemicals Operations for the fiscal year were 451.2 billion yen, down 24.6 billion yen, or a 5.2% decrease, from the previous fiscal year. Operating profit was 50.5 billion yen, down 12.5 billion yen, or a 19.8% decrease, from the previous fiscal year.

The main products of each reportable segment are as follows.

Reportable segment	Main products
Glass	Float flat glass, Figured glass, Polished wired glass, Low-E glass, Decorative glass, Fabricated glass for architectural use (Heat Insulating/shielding glass, Disaster-resistant/Security glass, Fire-resistant glass, etc.), Automotive glass, Cover glass for car-mounted displays, etc.
Electronics	LCD glass substrates, OLED glass substrates, Specialty glass for display applications, Display related materials, Glass for solar power system, Fabricated glass for industrial use, Semiconductor process materials, Optoelectronic materials, Printed circuit board materials, Lighting glass products, Laboratory use ware, etc.
Chemicals	Polyvinyl chloride, Vinyl chloride monomer, Caustic soda, Urethane, Fluorinated resins, Water and oil repellents, Gases, Solvents, Pharmaceutical and agrochemical intermediates and active ingredients, Iodine-related products, etc.

In addition to the above products, the AGC Group also handles ceramics products, logistics/financial services, etc.

(2) Qualitative Information Regarding Consolidated Financial Position

Overview of financial conditions

(Unit: billions of yen)

	FY2020	FY2019	Change
Total assets	2,534.5	2,335.4	199.0
Total liabilities	1,291.4	1,052.8	238.6
Total equity	1,243.0	1,282.6	(39.6)

Note: Figures are rounded to the nearest 100 million yen.

- Total assets

Total assets as of the end of the fiscal year under review were 2,534.5 billion yen, up 199.0 billion yen from the end of the previous fiscal year. This increase was mainly due to an increase in cash and cash equivalents.

- Total liabilities

Total liabilities as of the end of the fiscal year under review were 1,291.4 billion yen, up 238.6 billion yen from the end of the previous fiscal year. This increase was mainly due to an increase in interest-bearing debt.

- Total equity

Total equity as of the end of the fiscal year under review was 1,243.0 billion yen, down 39.6 billion yen from the end of the previous fiscal year. This decrease was mainly due to a decrease in exchange differences on translation of foreign operations affected by the appreciation of the yen compared to the end of the previous fiscal year.

Overview of cash flows

(Unit: billions of yen)

	FY2020	FY2019	Change
Cash flows from operating activities	225.4	191.9	33.5
Cash flows from investing activities	(230.2)	(182.6)	(47.6)
Cash flows from financing activities	128.4	(17.3)	145.7
Cash & cash equivalents as of end of period	236.1	113.8	122.3

Note: Figures are rounded to the nearest 100 million yen.

The free cash flow for the fiscal year under review, which is the sum of cash flows from operating activities and investing activities, was negative 4.9 billion yen (positive 9.3 billion yen in the previous year) mainly due to a decrease in profit before tax and proceeds from sale of other financial assets. Cash & cash equivalents as of the end of the period (net cash) increased 122.3 billion yen or 107.5% from the end of the previous year to 236.1 billion yen mainly due to proceeds from borrowing long-term interest-bearing debt in financing activities.

- Cash flows from operating activities

Net cash from operating activities for the fiscal year under review was 225.4 billion yen, up 33.5 billion yen or 17.4% from the previous year.

- Cash flows from investing activities

Net cash used in investing activities for the fiscal year under review was 230.2 billion yen, up 47.6 billion yen or 26.1% from the previous year. This expenditure was mainly due to purchase of property, plant and equipment and purchase of subsidiaries.

- Cash flows from financing activities

Net cash from financing activities for the fiscal year under review was 128.4 billion yen (expenditure of 17.3 billion yen in the previous year). This increase is mainly due to proceeds from borrowing long-term interest-bearing debt.

- Cash flow indices

	FY2019	FY2020
Equity attributable to owners of the parent ratio (%)	49.5	44.0
Equity attributable to owners of the parent ratio based on market value (%)	37.2	31.5
Number of years for debt redemption	3.1	3.5
Interest coverage ratio	14.7	28.9

(Notes) Equity attributable to owners of the parent ratio (%): Total equity attributable to owners of the parent / Total Assets

Equity attributable to owners of the parent ratio based on market value (%): Total market capitalization / Total Assets

Number of years for debt redemption: Interest-bearing debts/operating cash flows

Interest coverage ratio: Operating cash flows/interest payment

- All indices were computed using consolidated financial figures.
- Total market capitalization was computed based on the closing stock price at period-end multiplied by number of outstanding shares at period-end (after deducting treasury shares).
- Operating cash flows represent cash flows from operating activities on the consolidated statements of cash flows.
- Interest-bearing debts represent all debts on the consolidated financial position for which interest is paid. In addition, interest payment represents amount of interest paid on the consolidated statements of cash flows.

(3) Forecast for FY2021

Operating forecast for FY2021

(Unit: billions of yen)

	Net Sales	Operating profit	Profit before tax	Profit for the year	Profit for the year attributable to owners of the parent
FY 2021 (January 1 through December 31, 2021)	1,530.0	100.0	87.0	65.0	56.0
FY 2020 (January 1 through December 31, 2020)	1,412.3	75.8	57.1	41.2	32.7
Change (%)	8.3%	32.0%	52.3%	57.9%	71.2%

Note: Figures are rounded to the nearest 100 million yen.

The global economy in 2021 will remain uncertain due to the continued spread of the COVID-19 pandemic, although the global economy is expected to continue showing signs of recovery. We will need to continue to carefully monitor the economic impact of any renewed spread of infections.

In such an environment, shipments for architectural glass are expected to recover moderately in many regions, as global automobile production increases compared to the previous fiscal year, shipments for automotive glass are expected to recover moderately.

In the category of display glass products, shipments of LCD glass substrates to China are expected to increase. The range of decline in selling prices is expected to shrink. Shipments of specialty glass for display applications is expected to increase due to a recovery in the smartphone market. In the category of electronics materials, shipments of semiconductor-related products such as EUVL mask blanks and optoelectronic materials are expected to increase, mainly due to growth of the semiconductor-related market and an increase in demand for products for mobile devices. On the other hand, depreciation expenses are expected to increase in conjunction with the start-up of new facilities for LCD glass substrate and semiconductor-related products.

In the Chemicals business, a moderate recovery is expected in shipments of chlor-alkali products and urethane products. A moderate recovery is expected in shipments of fluorine products and specialty products due to a recovery in demand for fluorine-related products for use in automotives and semiconductors. Shipments of life science products are expected to increase considerably from the previous fiscal year as an increase in the number of contracts for COVID-19-related pharmaceuticals is expected in addition to an increase in the number of contracts for both synthetic agrochemicals and biopharmaceuticals.

Taking into account the above factors, net sales of the AGC Group for the fiscal year ending December 31, 2021 are forecasted to be 1,530.0 billion yen, up 117.7 billion yen, or a 8.3% increase from the previous fiscal year, and operating profit is forecasted to be 100.0 billion yen, up 24.2 billion yen, or a 32.0% increase from the previous fiscal year. Profit before tax will be 87.0 billion yen, up 29.9 billion yen from the previous fiscal year, and profit for the year attributable to owners of the parent is estimated to be 56.0 billion yen, up 23.3 billion yen from the previous fiscal year. The average exchange rates assumed for the fiscal year ending December 31, 2021 are 105 yen to the U.S. dollar and 125 yen to the Euro.

Forecast of financial conditions for FY2021

Regarding cash flows from operating activities, profit before tax is expected to increase by 29.9 billion yen to 87.0 billion yen as compared with that for the fiscal year ended December 31, 2020. Depreciation expenses are expected to be 160.0 billion yen, up 16.3 billion yen from the previous fiscal year.

Of the cash flows from investing activities, capital expenditures are expected to decrease 41.3 billion yen year-on-year to 200.0 billion yen.

As for financing activities, the AGC Group will repay and borrow interest-bearing debts and increase borrowings, in addition to dividend payments in accordance with the Group's dividend policy.

(4) Allocation and Distribution of Profits and Dividends

While maintaining financial soundness, the AGC Group will prioritize the use of cash generated from core businesses for capital investment in strategic businesses and other areas necessary for future growth, M&A, and R&D. With regards to the return of profit to shareholders, the Company will maintain stable dividends with a target consolidated dividend payout ratio of 40% while comprehensively considering such factors as consolidated business performance in the fiscal year under review and future demand for funds. In addition, the Company implements flexible acquisition of treasury shares as a shareholder return policy that contributes to enhancing capital efficiency.

In consideration of the AGC Group's financial results for the fiscal year under review, the business environment and the outlook for future operations and other factors, the Company paid an interim dividend of 60 yen per share and plans to pay a year-end dividend of 60 yen for FY 2020.

With regard to dividend payments for the fiscal year ending December 31, 2021, the total full year dividend payout is scheduled to be 60 yen per share for interim dividend, and 60 yen per share for year-end dividend in light of the AGC Group's financial forecasts.

[Important notes with regard to the forecast]

The above prospective results reflect the judgment of the Group's management on the basis of currently available information and, as such, contain risks and uncertainties. For this reason, investors are recommended not to base investment decisions solely on these prospective results. Please note that actual results may materially differ from the projection due to such various factors as business and market environment the Group is active in, currency exchange rate fluctuations, and others.

2. Basic Policy for adopting Accounting Standards

The AGC Group adopted International Financial Reporting Standards (IFRS) for its consolidated financial statements, starting with the annual financial statements for the fiscal year ending December 31, 2013, with the aim of increasing international comparability of financial information, offering greater convenience for domestic or foreign investors and enhancing the efficiency of the Group's management.

3. Consolidated Financial Statements (IFRS)

(1) Consolidated Statements of Financial Position

(Unit: millions of yen)

	FY2019 (as of December 31, 2019)	FY2020 (as of December 31, 2020)
Assets		
Current assets		
Cash and cash equivalents	113,784	236,124
Trade receivables	264,102	266,177
Inventories	291,224	274,835
Other receivables	46,387	62,468
Income tax receivables	6,849	5,169
Other current assets	20,263	16,186
Total current assets	742,612	860,962
Non-current assets		
Property, plant and equipment	1,177,691	1,246,885
Goodwill	103,946	118,063
Intangible assets	69,964	72,660
Investments accounted for using equity method	33,204	32,014
Other financial assets	138,053	130,919
Deferred tax assets	21,297	25,944
Other non-current assets	48,644	47,008
Total non-current assets	1,592,802	1,673,495
Total assets	2,335,415	2,534,458

(Unit: millions of yen)

	FY2019 (as of December 31, 2019)	FY2020 (as of December 31, 2020)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	152,502	151,874
Short-term interest-bearing debt	78,439	106,884
Long-term interest-bearing debt due within one year	80,101	87,163
Other payables	140,722	186,310
Income tax payables	8,867	12,426
Provisions	3,968	1,563
Other current liabilities	17,887	17,676
Total current liabilities	482,490	563,898
Non-current liabilities		
Long-term interest-bearing debt	444,301	593,912
Deferred tax liabilities	41,846	35,153
Post-employment benefit liabilities	62,454	64,736
Provisions	8,286	12,353
Other non-current liabilities	13,399	21,363
Total non-current liabilities	570,288	727,519
Total liabilities	1,052,778	1,291,418
Equity		
Share capital	90,873	90,873
Capital surplus	92,593	83,501
Retained earnings	811,589	818,701
Treasury shares	(28,468)	(28,170)
Other components of equity	190,510	150,236
Total equity attributable to owners of the parent	1,157,097	1,115,142
Non-controlling interests	125,538	127,897
Total equity	1,282,636	1,243,039
Total liabilities and equity	2,335,415	2,534,458

(2) Consolidated Statements of Profit or Loss and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Profit or Loss)

(Unit: millions of yen)

	FY2019 (Jan. 1 through Dec. 31, 2019)	FY2020 (Jan. 1 through Dec. 31, 2020)
Net sales	1,518,039	1,412,306
Cost of sales	(1,115,323)	(1,053,243)
Gross profit	402,715	359,062
Selling, general and administrative expenses	(302,179)	(283,867)
Share of profit (loss) of associates and joint ventures accounted for using equity method	1,088	584
Operating profit	101,624	75,780
Other income	12,743	6,743
Other expenses	(38,365)	(22,812)
Business profit	76,002	59,711
Finance income	13,906	5,903
Finance costs	(13,696)	(8,492)
Net finance costs	210	(2,589)
Profit before tax	76,213	57,121
Income tax expenses	(20,698)	(15,957)
Profit for the year	55,515	41,164
Attributable to:		
Owners of the parent	44,434	32,715
Non-controlling interests	11,080	8,448
Earnings per share		
Basic earnings per share (yen)	200.85	147.84
Diluted earnings per share (yen)	199.95	147.24

(Consolidated Statements of Comprehensive Income)

(Unit: millions of yen)

	FY2019 (Jan. 1 through Dec. 31, 2019)	FY2020 (Jan. 1 through Dec. 31, 2020)
Profit for the year	55,515	41,164
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss, net of tax		
Remeasurement of the net defined benefit liability (asset)	6,702	(41)
Net gain (loss) on revaluation of financial assets measured at FVTOCI ^(Note)	5,844	(3,258)
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(799)	(2)
Total	11,748	(3,302)
Components of other comprehensive income that may be reclassified to profit or loss, net of tax		
Net gain (loss) in fair value of cash flow hedges	(811)	1,173
Exchange differences on translation of foreign operations	(5,956)	(42,349)
Total	(6,767)	(41,175)
Other comprehensive income, net of tax	4,980	(44,478)
Total comprehensive income for the year	60,495	(3,314)
Attributable to:		
Owners of the parent	48,239	(6,426)
Non-controlling interests	12,256	3,111

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

(3) Consolidated Statements of Changes in Equity
 FY2019 (Jan. 1 through Dec. 31, 2019)

(Unit: millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurement of net defined benefit liability (asset)	Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)
Balance as of January 1, 2019	90,873	94,368	773,760	(28,821)	(37,767)	70,288
Impact of change in accounting policy	-	-	(168)	-	-	-
Restated balance as of January 1, 2019	90,873	94,368	773,591	(28,821)	(37,767)	70,288
Changes in equity						
Comprehensive income						
Profit for the year	-	-	44,434	-	-	-
Other comprehensive income	-	-	-	-	6,322	5,816
Total comprehensive income for the year	-	-	44,434	-	6,322	5,816
Transactions with owners						
Dividends	-	-	(26,582)	-	-	-
Acquisition of treasury shares	-	-	-	(15)	-	-
Disposal of treasury shares	-	-	(172)	368	-	-
Changes in ownership interests in subsidiaries that do not result in loss of control	-	(286)	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	20,318	-	-	(20,318)
Share-based payment transactions	-	73	-	-	-	-
Others (business combinations and others)	-	(1,562)	-	-	-	-
Total transactions with owners	-	(1,775)	(6,436)	352	-	(20,318)
Balance as of December 31, 2019	90,873	92,593	811,589	(28,468)	(31,445)	55,786

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

FY2019 (Jan. 1 through Dec. 31, 2019)

(Unit: millions of yen)

	Equity attributable to owners of the parent			Total	Non-controlling interests	Total equity
	Other components of equity		Total			
	Net gain (loss) in fair value of cash flow hedges	Exchange differences on translation of foreign operations				
Balance as of January 1, 2019	103	174,399	207,023	1,137,204	116,399	1,253,604
Impact of change in accounting policy	-	-	-	(168)	(117)	(286)
Restated balance as of January 1, 2019	103	174,399	207,023	1,137,035	116,281	1,253,317
Changes in equity						
Comprehensive income						
Profit for the year	-	-	-	44,434	11,080	55,515
Other comprehensive income	(768)	(7,565)	3,804	3,804	1,175	4,980
Total comprehensive income for the year	(768)	(7,565)	3,804	48,239	12,256	60,495
Transactions with owners						
Dividends	-	-	-	(26,582)	(3,529)	(30,112)
Acquisition of treasury shares	-	-	-	(15)	-	(15)
Disposal of treasury shares	-	-	-	195	-	195
Changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	(286)	(480)	(766)
Transfer from other components of equity to retained earnings	-	-	(20,318)	-	-	-
Share-based payment transactions	-	-	-	73	-	73
Others (business combinations and others)	-	-	-	(1,562)	1,009	(552)
Total transactions with owners	-	-	(20,318)	(28,177)	(2,999)	(31,177)
Balance as of December 31, 2019	(665)	166,833	190,510	1,157,097	125,538	1,282,636

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurement of net defined benefit liability (asset)	Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)
Balance as of January 1, 2020	90,873	92,593	811,589	(28,468)	(31,445)	55,786
Changes in equity						
Comprehensive income						
Profit for the year	-	-	32,715	-	-	-
Other comprehensive income	-	-	-	-	241	(3,257)
Total comprehensive income for the year	-	-	32,715	-	241	(3,257)
Transactions with owners						
Dividends	-	-	(26,591)	-	-	-
Acquisition of treasury shares	-	-	-	(13)	-	-
Disposal of treasury shares	-	-	(143)	311	-	-
Changes in ownership interests in subsidiaries that do not result in loss of control	-	(1,442)	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	1,131	-	-	(1,131)
Share-based payment transactions	-	(218)	-	-	-	-
Others (business combinations and others)	-	(7,431)	-	-	-	-
Total transactions with owners	-	(9,091)	(25,603)	297	-	(1,131)
Balance as of December 31, 2020	90,873	83,501	818,701	(28,170)	(31,203)	51,397

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

	Equity attributable to owners of the parent			Total	Non-controlling interests	Total equity
	Other components of equity		Total			
	Net gain (loss) in fair value of cash flow hedges	Exchange differences on translation of foreign operations				
Balance as of January 1, 2020	(665)	166,833	190,510	1,157,097	125,538	1,282,636
Changes in equity						
Comprehensive income						
Profit for the year	-	-	-	32,715	8,448	41,164
Other comprehensive income	1,104	(37,231)	(39,142)	(39,142)	(5,336)	(44,478)
Total comprehensive income for the year	1,104	(37,231)	(39,142)	(6,426)	3,111	(3,314)
Transactions with owners						
Dividends	-	-	-	(26,591)	(4,291)	(30,883)
Acquisition of treasury shares	-	-	-	(13)	-	(13)
Disposal of treasury shares	-	-	-	167	-	167
Changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	(1,442)	(559)	(2,001)
Transfer from other components of equity to retained earnings	-	-	(1,131)	-	-	-
Share-based payment transactions	-	-	-	(218)	-	(218)
Others (business combinations and others)	-	-	-	(7,431)	4,098	(3,332)
Total transactions with owners	-	-	(1,131)	(35,528)	(753)	(36,281)
Balance as of December 31, 2020	439	129,602	150,236	1,115,142	127,897	1,243,039

(4) Consolidated Statements of Cash Flows

(Unit: millions of yen)

	FY2019 (Jan. 1 through Dec. 31, 2019)	FY2020 (Jan. 1 through Dec. 31, 2020)
Cash flows from operating activities		
Profit before tax	76,213	57,121
Depreciation and amortization	143,361	143,716
Impairment losses	24,454	1,213
Interest and dividend income	(13,578)	(5,702)
Interest expenses	12,281	7,620
Share of profit (loss) of associates and joint ventures accounted for using equity method	(1,088)	(584)
Loss (gain) on sale or disposal of non-current assets	2,463	9,378
Decrease (increase) in trade receivables	(2,979)	(3,328)
Decrease (increase) in inventories	(9,079)	11,691
Increase (decrease) in trade payables	(4,518)	(605)
Others	(7,086)	24,574
Subtotal	220,444	245,095
Interest and dividends received	13,753	6,244
Interest paid	(13,073)	(7,786)
Income taxes paid	(29,217)	(18,160)
Net cash from operating activities	191,906	225,392
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(197,928)	(191,469)
Proceeds from sale of property, plant and equipment	7,350	4,404
Purchase of other financial assets	(3,790)	(33,106)
Proceeds from sale and redemption of other financial assets	51,302	20,911
Purchase of subsidiaries or other businesses	(40,093)	(27,019)
Others	523	(3,969)
Net cash used in investing activities	(182,636)	(230,248)
Cash flows from financing activities		
Changes in short-term interest-bearing debt	12,653	28,896
Proceeds from borrowing or issuing long-term interest-bearing debt	80,313	228,064
Repayment or redemption of long-term interest-bearing debt	(81,636)	(99,167)
Payments for acquisition of interests in subsidiaries from non- controlling interests	-	(2,001)
Proceeds from non-controlling interests	1,500	3,540
Acquisition of treasury shares	(15)	(13)
Dividends paid	(26,582)	(26,591)
Dividends paid to non-controlling interests	(3,529)	(4,291)
Others	14	6
Net cash used in financing activities	(17,284)	128,443
Effect of exchange rate changes on cash and cash equivalents	(1,704)	(1,246)
Net increase (decrease) in cash and cash equivalents	(9,719)	122,340
Cash and cash equivalents at beginning of year	123,503	113,784
Cash and cash equivalents at end of year	113,784	236,124

(5) Notes to the Consolidated Financial Statements

1) Basis of Preparations

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), based on the stipulations of Article 93 of the Ordinance on Consolidated Financial Statements. The Group's consolidated financial statements satisfy all of the requirements for a "Specified Company" prescribed by Article 1-2 of the Ordinance on Consolidated Financial Statements.

2) Changes in Accounting Policies

The significant accounting policies adopted for the Group's Consolidated Financial Statements are the same as those for the Consolidated Financial Statements for the fiscal year ended December 31, 2019, with the exception of the items described below.

The following are the accounting standards applied by the Group from fiscal year 2020, in compliance with each transitional provision. The effect of the application of the following standards on the Group's Consolidated Financial Statements is immaterial.

IFRS	Title	Summaries of new IFRS and amendments
IFRS 3 (amended in October 2018)	Business Combinations	Clarification of the definition of a business
IAS 1 IAS 8 (amended in October 2018)	Presentation of Financial Statements Accounting Policies, Change in Accounting Estimates and Errors	Clarification of the definition of materiality

3) Significant Accounting Policies

"Operating profit" in the Group's consolidated statements of profit or loss is an indicator that facilitates like-on-like comparisons and evaluation of the Group's business performance on a continuous basis. Main items of "other income" and "other expenses" are foreign exchange gain and loss, gains on sale of non-current assets, losses on disposal of non-current assets, impairment loss and expenses for restructuring programs. "Business profit" includes all income and expenses before finance income, finance costs and income tax expenses.

4) Segment Information

The Group's reportable segments are components of the Group for which discrete financial information is available, and whose operating results are reviewed regularly by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess performance.

The Group had four in-house companies by product and service: Building & Industrial Glass, Automotive, Electronics and Chemicals. Each in-house company operates worldwide, formulating comprehensive domestic and overseas strategies for its products and services.

Building & Industrial Glass and Automotive share the same float glass manufacturing facilities (glass melting furnace) etc., which are the largest assets and situated the highest upstream in the supply chain. The two in-house companies share assets and liabilities, and ratio of utilization is influenced by fluctuations of demand and supply. Considering these situations, it is difficult to divide financial statements for the two in-house companies. Therefore, the Group prepares the financial statements of Building & Industrial Glass and Automotive as the Glass segment. In addition, decisions on assigning management resources are closely tied to the results of each business and inseparable from their performance evaluation. Therefore, with the participation of presidents of both in-house companies, the Group has established a "Glass Segment Council," which primarily functions to maintain synergies and maximize overall production in the Glass segment, and collaborates to maximize profits for the Group. Based on these circumstances, the Group reports the Glass segment as one.

Thus, the Group has three reportable segments: Glass, Electronics, and Chemicals.

The main products of each reportable segment are as follows.

Reportable segment	Main products
Glass	Float flat glass, Figured glass, Polished wired glass, Low-E glass, Decorative glass, Fabricated glass for architectural use (Heat Insulating/shielding glass, Disaster-resistant/Security glass, Fire-resistant glass, etc.), Automotive glass, Cover glass for car-mounted displays, etc.
Electronics	LCD glass substrates, OLED glass substrates, Specialty glass for display applications, Display related materials, Glass for solar power system, Fabricated glass for industrial use, Semiconductor process materials, Optoelectronic materials, Printed circuit board materials, Lighting glass products, Laboratory use ware, etc.
Chemicals	Polyvinyl chloride, Vinyl chloride monomer, Caustic soda, Urethane, Fluorinated resins, Water and oil repellents, Gases, Solvents, Pharmaceutical and agrochemical intermediates and active ingredients, Iodine-related products, etc.

FY2019 (Jan.1 through Dec.31, 2019)

(Unit: millions of yen)

	Reportable segments			Ceramics/ Other	Total	Adjustments	Amount reported on consolidated financial statements
	Glass	Electronics	Chemicals				
Sales to external customers	740,920	265,215	474,417	37,485	1,518,039	-	1,518,039
Inter-segment sales or transfers	2,013	11,463	1,360	45,756	60,594	(60,594)	-
Total sales	742,934	276,678	475,778	83,241	1,578,633	(60,594)	1,518,039
Segment profit (loss) (Operating profit)	9,266	25,581	62,961	3,850	101,659	(34)	101,624
Profit for the year	-	-	-	-	-	-	55,515
Other items							
Depreciation and amortization	52,500	47,265	39,355	4,334	143,456	(94)	143,361
Capital expenditure	80,394	55,841	69,011	2,487	207,736	(75)	207,661
Investments accounted for using equity method	26,284	1,194	2,702	3,024	33,204	-	33,204

The amounts of inter-segment sales or transfers are primarily based on market prices and manufacturing cost.
“Ceramics/Other” mainly handles ceramics products, logistics and financial services.

FY2020 (Jan.1 through Dec.31, 2020)

(Unit: millions of yen)

	Reportable segments			Ceramics/ Other	Total	Adjustments	Amount reported on consolidated financial statements
	Glass	Electronics	Chemicals				
Sales to external customers	648,394	283,025	449,739	31,145	1,412,306	-	1,412,306
Inter-segment sales or transfers	2,570	6,327	1,416	49,976	60,291	(60,291)	-
Total sales	650,965	289,353	451,156	81,122	1,472,597	(60,291)	1,412,306
Segment profit (loss) (Operating profit)	(16,579)	37,797	50,477	4,226	75,922	(142)	75,780
Profit for the year	-	-	-	-	-	-	41,164
Other items							
Depreciation and amortization	50,968	47,896	43,004	1,927	143,796	(79)	143,716
Capital expenditure	64,141	80,686	95,216	1,536	241,581	(232)	241,348
Investments accounted for using equity method	25,032	1,338	2,428	3,215	32,014	-	32,014

The amounts of inter-segment sales or transfers are primarily based on market prices and manufacturing cost.
“Ceramics/Other” mainly handles ceramics products, logistics and financial services.

5) Notes to Consolidated Statements of Profit or Loss

Other Income

(Unit: millions of yen)

	FY2019 (Jan. 1 through Dec. 31, 2019)	FY2020 (Jan. 1 through Dec. 31, 2020)
Foreign exchange gain	5,983	3,608
Gains on sale of non-current assets	2,241	516
Reversal of provisions for restructuring programs	805	589
Others	3,713	2,028
Total	12,743	6,743

Other Expenses

(Unit: millions of yen)

	FY2019 (Jan. 1 through Dec. 31, 2019)	FY2020 (Jan. 1 through Dec. 31, 2020)
Losses on disposal of non-current assets	(4,705)	(9,894)
Impairment losses	(24,454)	(1,213)
Expenses for restructuring programs	(6,492)	(7,951)
Others	(2,713)	(3,752)
Total	(38,365)	(22,812)

6) Earnings Per Share

Basic earnings per share

Basic earnings per share and the basis for calculating basic earnings per share are as follows:

	FY2019 (Jan. 1 through Dec. 31, 2019)	FY2020 (Jan. 1 through Dec. 31, 2020)
Profit for the year attributable to owners of the parent (millions of yen)	44,434	32,715
Weighted average number of ordinary shares outstanding (thousands of shares)	221,232	221,297
Basic earnings per share (yen)	200.85	147.84

Diluted earnings per share

Diluted earnings per share and the basis for calculating diluted earnings per share are as follows:

	FY2019 (Jan. 1 through Dec. 31, 2019)	FY2020 (Jan. 1 through Dec. 31, 2020)
Profit for the year attributable to owners of the parent (millions of yen)	44,434	32,715
Adjustments to profit or loss used to calculate diluted earnings per share (millions of yen)	-	-
Profit or loss used to calculate diluted earnings per share (millions of yen)	44,434	32,715

Weighted average number of ordinary shares outstanding (thousands of shares)	221,232	221,297
Effects of dilutive potential ordinary shares		
Stock options based on subscription rights (thousands of shares)	994	895
Diluted weighted average number of ordinary shares outstanding (thousands of shares)	222,226	222,193

Diluted earnings per share (yen)	199.95	147.24
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7) Notes on Significant Subsequent Events

No items to report