

The Group Philosophy “**Look Beyond**” of the AGC Group provides that all members of the AGC Group are expected to adopt and follow the four shared values of “Innovation & Operational Excellence,” “Sustainability for a Blue Planet,” “One Team with Diversity,” and “Integrity & Trust,” which shall serve as the basis for every action we take.

In addition to the above, the AGC Group declares its corporate social responsibility in the form of the “AGC Group Charter of Corporate Behavior,” which is intended to lead the group members properly toward realization of the Group Philosophy “**Look Beyond.**”

The AGC Group’s systems to ensure fair and legal business operations are as follows.

1. System to ensure compliance with the relevant laws and the Articles of Incorporation
(Compliance Program)

The AGC Group defines “Integrity & Trust” as one of the most important shared values in its Group Philosophy “**Look Beyond**” and establishes and strengthens its compliance program based thereon.

- (1) The President & CEO of the Company (hereinafter referred to as the President & CEO) nominates, among executive officers, the Chief Compliance Officer (CCO), who shall be responsible for overseeing the establishment and promotion of the AGC Group’s compliance program under the authorization of the President & CEO.
- (2) Under the CCO, as professional bodies for legal compliance and corporate ethics, the Company establishes a Global Compliance Leader and the Compliance Committee, which plan and implement compliance measures across the AGC Group.
- (3) To ensure behavior consistent with laws and corporate ethics, the “AGC Group Code of Conduct” (the “Code of Conduct”) sets out globally common and country/region-specific compliance requirements, and the AGC Group maintains its compliance system and promotes related education and training.
- (4) In order to handle whistle-blowing and consultation on compliance, the AGC Group sets up contact points (compliance hotline).
- (5) The actual status of compliance, the operation of whistle-blowing and consultation systems, and information on important legal issues identified under the AGC Group’s legal administration system shall be reported periodically to the Company’s Board of Directors (the “Board of Directors”) and the Audit & Supervisory Committee.
- (6) With regard to internal audit of the AGC Group, the Internal Audit Division and internal audit staff in each region shall audit managerial and operational systems as well as the legality and rationality of business execution pursuant to an annual auditing plan. Results of such internal audits shall be timely reported to the President & CEO and the Audit & Supervisory Committee, and further reported to the Board of Directors periodically.
- (7) In accordance with the Financial Instruments and Exchange Act in Japan, the AGC Group shall establish “AGC Group Internal Control over Financial Reporting Implementation

Regulations” and form the internal control system relating to financial reporting.

2. Information Retention and Management System regarding information pertaining to the execution of duties by Directors of the AGC Group (Information retention / management system)

- (1) Information pertaining to the execution of duties by Directors, as well as other important documents and information, shall be appropriately retained and managed pursuant to the applicable laws and the relevant internal rules of the AGC Group.
- (2) For such information and documents, the Group shall establish and disseminate a basic policy on information security and manage them in accordance with prescribed procedures, thereby ensuring their confidentiality, integrity, and availability.

3. System to control risk of damage of the AGC Group (Risk Management System)

The AGC Group shall establish “AGC Group Enterprise Risk Management Basic Policies” and form the risk management system and crisis response system.

- (1) According to the relevant internal rules, important risk factors for the AGC Group shall be specified, and the status of risk management shall be discussed and monitored periodically at the Company’s Management Committee (the "Management Committee") and the Board of Directors. As for individual risks associated with the operation of AGC Group businesses, Corporate Divisions, in-house Companies, and SBUs (Strategic Business Units) analyze risks and consider countermeasures for each business/project, which shall be deliberated at the Management Committee and the Board of Directors, as necessary. Regarding risks related to compliance, environment, disasters, product quality, etc. of the AGC Group, each responsible division of the Company shall appropriately issue and disseminate guidelines and conduct training and audits.
- (2) Preparing for unforeseen events that could seriously affect both operating results and financial condition of the AGC Group, and in accordance with the relevant internal rules, a crisis management report line shall be established so that critical information can be reported speedily and surely to the President & CEO and shared among relevant officers and employees. Upon the President & CEO’s judgment, the Group Taskforce Headquarters shall be set up immediately to enable prompt and appropriate initial response. In addition, business continuity plans (BCP) shall be formulated for important businesses to minimize the risk of business interruption in the event of a crisis.

4. System to ensure efficient and effective business execution of the AGC Group (System for efficient business execution)

As a basic policy for establishing the corporate governance structure, the Company clearly separates the management oversight function and the business execution function, reinforcing the oversight function while ensuring prompt decision-making in execution.

- (1) As to management oversight, in the Company the Board of Directors, composed of a majority of Independent Directors, shall decide the AGC Group’s basic management policy and important matters, and oversee the status of business execution. In addition, the Nominating Committee and the Compensation Committee (both non-statutory) are established to ensure objectivity in evaluation/selection and compensation regarding the Company’s directors and executive officers.
- (2) As to business execution, in the Company, responsibilities and authorities for execution are delegated to each in-house Company and SBU in accordance with defined standards under the in-house Company System and the Executive Officer System. Business

operations are managed and evaluated based on specific consolidated performance indicators established in line with the AGC Group's management policies and performance targets. Business execution in the AGC Group shall be conducted in accordance with decision-making rules including business authorization rules and job descriptions, and its operational status shall be periodically verified by internal audits.

5. System to report matters concerning business execution of executives of subsidiaries to the Company (System for reports to AGC by AGC Group companies)

- (1) Subsidiaries shall report to the Company certain matters concerning business operations based on the Company's reporting standards. In the event of a crisis, subsidiaries shall promptly report to the Company in accordance with the crisis management report line. Of such reports, important matters shall be reported to the Board of Directors and the Audit & Supervisory Committee.
- (2) The Internal Audit Division shall report the results of internal audits conducted over subsidiaries to the President & CEO and the Audit & Supervisory Committee on a timely basis, and periodically to the Board of Directors.

6. Matters related to the audit system of the Audit & Supervisory Committee

The Company shall appoint a full-time Audit and Supervisory Committee Member and designate all Audit and Supervisory Committee Members as members vested with authority to investigate operations and property, establishing a system that enables audits and related investigations.

(1) Staff to the Audit & Supervisory Committee

The Company shall establish the Audit & Supervisory Committee Office to support activities of the Audit and Supervisory Committee Members.

(2) Independence of the said Staff to the Audit & Supervisory Committee from Directors

Changes in personnel and performance evaluations of the Audit & Supervisory Committee Office staff shall be subject to the consent of the Audit & Supervisory Committee.

(3) Ensuring the effectiveness of directions by the Audit and Supervisory Committee Members to the said Staff

Staff of the Audit & Supervisory Committee Office shall not concurrently serve in other departments; they shall exclusively perform duties related to the Audit & Supervisory Committee and follow directions of the Audit and Supervisory Committee Members.

(4) System for reports to the Audit and Supervisory Committee Members by Directors and employees of the Company, Directors and employees of subsidiaries, or those who received reports from them

- (i) Directors and employees of the Company shall report to the Audit and Supervisory Committee Members any event that may violate laws or the Articles of Incorporation of the Company, any event that may cause substantial damage to the Company, and other matters provided in the relevant internal rules.
- (ii) Subsidiaries shall report to the Company any event that may violate laws or the Articles of Incorporation or may cause substantial damage to the Company. Divisions to which these matters are reported shall quickly report them to the Audit and Supervisory Committee Members of the Company.

(5) System to ensure that those who made reports described in the preceding item shall

not receive disadvantageous treatments on the ground that they made the said report.

Under the Code of Conduct, the AGC Group shall prohibit disadvantageous treatment or retaliatory action against those who report Code of Conduct violations and shall keep the AGC Group's employees and officers well informed.

(6) Matters related to policy on procedures for reimbursement of expenses that occurred from performance of duties of the Audit and Supervisory Committee Members

The Company shall promptly handle expenses paid by the Audit and Supervisory Committee Members, except where such expenses are judged to be unnecessary for the performance of their duties.

(7) Other systems to ensure effective audit by the Audit and Supervisory Committee Members

- (i) Audit and Supervisory Committee Members shall attend important meetings such as the Management Committee, the Mid-Term Plan & Budget Committee, and the Monthly Performance Monitoring Meeting, and shall hold periodic meetings with Directors other than Audit and Supervisory Committee Members.
- (ii) The Audit & Supervisory Committee shall hold periodic meetings with the Internal Audit Division to discuss audit policies and plans and shall receive reports from the Internal Audit Division on the progress and results of audits.
- (iii) Audit and Supervisory Committee Members may, as necessary, instruct the Internal Audit Division to investigate or verify the establishment and operation status of the internal control system. If instructions from the Audit and Supervisory Committee Members and from the President & CEO differ, the Internal Audit Division shall prioritize the instructions from the Audit and Supervisory Committee Members. Personnel matters and performance evaluations concerning the General Manager of the Internal Audit Division shall be discussed between the President & CEO and the Audit and Supervisory Committee Members.
- (iv) The Audit & Supervisory Committee shall enhance the effectiveness of audits through collaboration and exchange of reports and opinions with the Internal Audit Division, the Accounting Auditors, etc.

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