



**AGC Inc.**

ESG Online Briefing Session

September 4, 2023

## Event Summary

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<b>[Company Name]</b>	AGC Inc.
<b>[Company ID]</b>	5201-QCODE
<b>[Event Language]</b>	JPN
<b>[Event Type]</b>	Analyst Meeting
<b>[Event Name]</b>	ESG Online Briefing Session
<b>[Fiscal Period]</b>	
<b>[Date]</b>	September 4, 2023
<b>[Number of Pages]</b>	26
<b>[Time]</b>	17:00 – 18:06 (Total: 66 minutes, Presentation: 37 minutes, Q&A: 29 minutes)
<b>[Venue]</b>	Webcast
<b>[Venue Size]</b>	
<b>[Participants]</b>	
<b>[Number of Speakers]</b>	3
	Shinji Miyaji                      Representative Director, Senior Executive Vice President, CFO
	Tadashi Murano                  Senior Executive Officers, General Manager of Corporate Planning General Div.
	Chikako Ogawa                  General Manager of Corporate Communications & Investor Relations Division

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# Presentation

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**Ogawa:** Welcome to the 2023 ESG Briefing Session of AGC Inc. I'm Chikako Ogawa from Corporate Communications and Investor Relations Division. I'll be serving as the moderator.

Today's participants are Senior Executive Vice President, CFO, Shinji Miyaji and Senior Executive Officer, General Manager of Corporate Planning, General Division, Tadashi Murano.

First, CFO, Miyaji, will explain our long-term management strategy, Vision 2030. Murano will then talk about the promotion of sustainability management. We will then take questions. We are scheduled to end at 6:00 PM. Your cooperation is appreciated.

First, CFO, Miyaji.

**Miyaji:** Good afternoon. I'm Miyaji, the CFO.

The slide features a dark blue header with the text "Vision 2030" in white and the AGC logo (AGC Your Dreams, Our Challenge) in the top right corner. Below the header, a bullet point states: "Grow through well-balanced creation of social and economic value". A horizontal line separates this from a paragraph: "By providing **differentiated materials and solutions**, AGC strives to help realize a **sustainable society and become an excellent company** that grows and evolves continuously." Another horizontal line follows. The main content area is a light blue box with a dark blue bar at the top center reading "Greater Corporate Value". Below this bar, two columns are shown: "Social Value" on the left and "Economic Value" on the right. The "Social Value" column includes icons of a person, hands holding people, a house, a hand holding a heart, and a globe, with the text "Creation of the five social values" below. The "Economic Value" column includes an icon of stacked coins and the text "Stable ROE of 10% or higher". At the bottom of the light blue box, two white boxes with dark borders are connected by a large "X" symbol. The left box contains "Promotion of Sustainability Management" and the right box contains "Business Portfolio Transformation".

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4

Please look at page four of the slide. Here, you can see our Vision 2030.

AGC is in the materials business, and we bring about results, assuming certain applications. It takes time. Usually, we look ahead about 10 years in advance and see where we want to get to and then do the back-casting from there to build the three-year medium management plan and then into annual budget plans. That's how we have been running.

Looking at Vision 2030, as you can see, greater corporate value is what we are enhancing, looking at both the social value and economic value. As you can see at the top, by providing differentiated materials and solutions, we strive to help realize a sustainable society and become an excellent company that grows and evolves continuously.

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In addition to realizing a sustainable society, of course, realizing the sustainable society would be helpful in enhancing our corporate and economic value as well. Economic value cannot be ignored to create social value. We'll be pursuing both. Social value would result in economic value enhancement as well is our basic principle.

## Direction of the Business Portfolio Transformation



- Through the business management with its unique ambidextrous approach, we aim to build a business portfolio that is resilient to market fluctuations and has high asset efficiency, growth potential, and carbon efficiency.



Resilient to market fluctuations



High asset efficiency



High growth rate



High carbon efficiency

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6

Looking at page six.

For this, broadly, we are implementing the business portfolio transformation. We believe four aspects are important in terms of direction, as you can see here: resilient to market fluctuations; high asset efficiency; high growth rate; as well as high carbon efficiency, which is closely related to ESG.

Along these four axes, we are gradually transforming our business portfolio in this direction.

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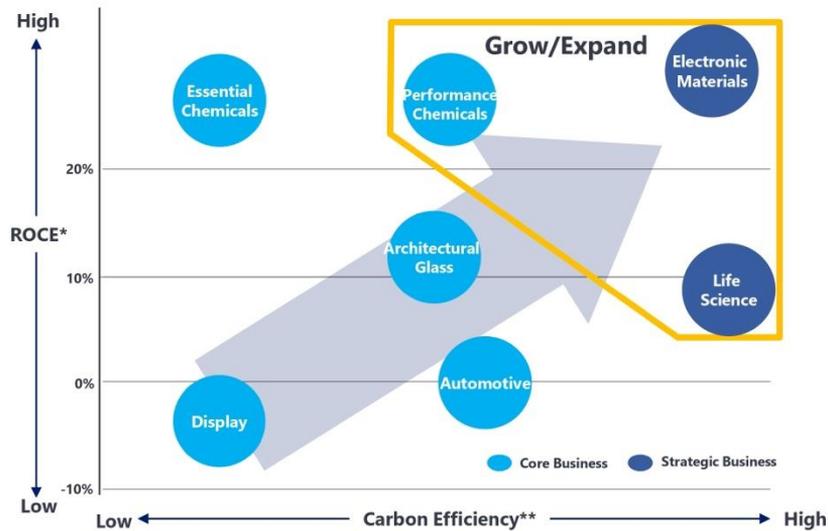
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## Direction of the Business Portfolio Transformation (Carbon efficiency and asset efficiency)

### Direction of the AGC Group's business portfolio



\*Created based on FY2022 results

\*\*Based on 2021 emissions per 2022 sales

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7

Next page. This is a very important slide. This graph shows each of our businesses in terms of ROCE asset efficiency on the Y axis and carbon efficiency on X axis.

Ideally, good carbon efficiency and high asset efficiency, those in the upper right-hand corner would be the best. For overall business, we are pushing all businesses in that direction. For that, the high carbon efficiency and high ROCE businesses, these growth businesses are to be expanded further. That will be essential. That's one very important aspect of our business portfolio.

Another thing we cannot forget is essential chemicals, architectural glass, automobile and display. For these, we have big assets and in terms of net sales, they account for a large proportion. These businesses need to be improved to enhance the overall business portfolio.

Starting from essential chemicals, those on the left-hand side are to have a better carbon efficiency and better ROCE, so not just growing the growth businesses; we are to promote the conventional businesses, our core businesses as well towards the upper right-hand corner.

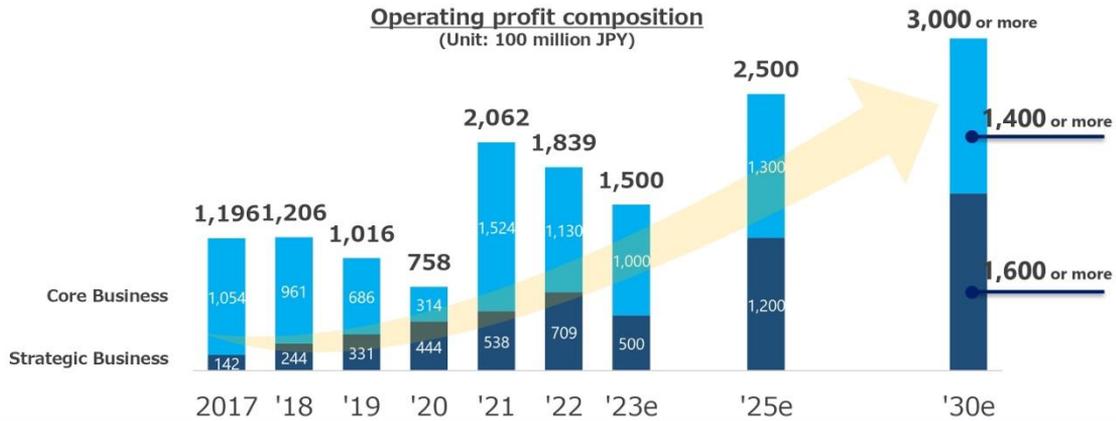
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# Business Portfolio Transformation (To-be image)

- Strategic businesses with high carbon & asset efficiencies are growing steadily.
- By 2030, profit from Strategic businesses will exceed 50% of the group-wide profit, demonstrating the effect of the business portfolio transformation.



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8

Page eight, this is my last slide.

Through these initiatives, we are to change the breakdown of the operating profit as well. Recently, in terms of the business portfolio transformation, we have been working on this for quite some time. Until last year, the dark blue portion, it's called the strategic businesses, these have been growing steadily. For FY2023 life science is going to be a bit stagnant, but we believe they can return to the growth trajectory starting next fiscal year. Towards 2025 and towards 2030, one-half of the profit is to come from these strategic businesses. That is the overall direction that we are aiming at.

That concludes my part of the presentation. Thank you for your attention.

**Murano:** Thank you. I'd like to talk about the promotion of sustainability management. My name is Murano from the Corporate Planning General Division.

For the business portfolio transformation, together with that, we will be promoting the sustainability management. I will speak in the order of E, S, and G, what we are doing at AGC.

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# TCFD Scenario Analyses

- We have conducted scenario analysis of climate change-related opportunities and risks in line with the TCFD framework, and developed management strategies and business plans to seize opportunities and reduce risks.

		Opportunities and risks	Occurrence time frames		
			Short	Medium	Long
<b>Below 2°C</b>					
<b>Transition risks</b>	Government policies, laws, and regulations	Increase in carbon prices	●	●	
	Reputation	Customer requests to reduce GHG emissions		●	
	Technologies	GHG emissions reductions at in-house power generation facilities		●	
<b>Opportunities</b>	Products and services	Expansion of building construction and renovation market	●	●	
		Expansion of solar power generation market	●	●	
		Expansion of hydrogen-related market		●	●
		Expansion of electric vehicle / fuel-cell vehicle market		●	●
		Expansion of next-generation coolants and solvents market		●	●
<b>4°C</b>					
<b>Physical risks</b>	Acute	Sudden disasters			●
	Chronic	Water stress			●
		Rising temperatures			●

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11

Slide 11.

First, the E part of ESG. Climate change related are the core. The risks and opportunities have been identified along TCFD framework. We have done the scenario analysis to capture the opportunities as well as to reduce the risks.

The opportunities and risks, as you can see in this slide, are being addressed in our businesses through our business strategy.

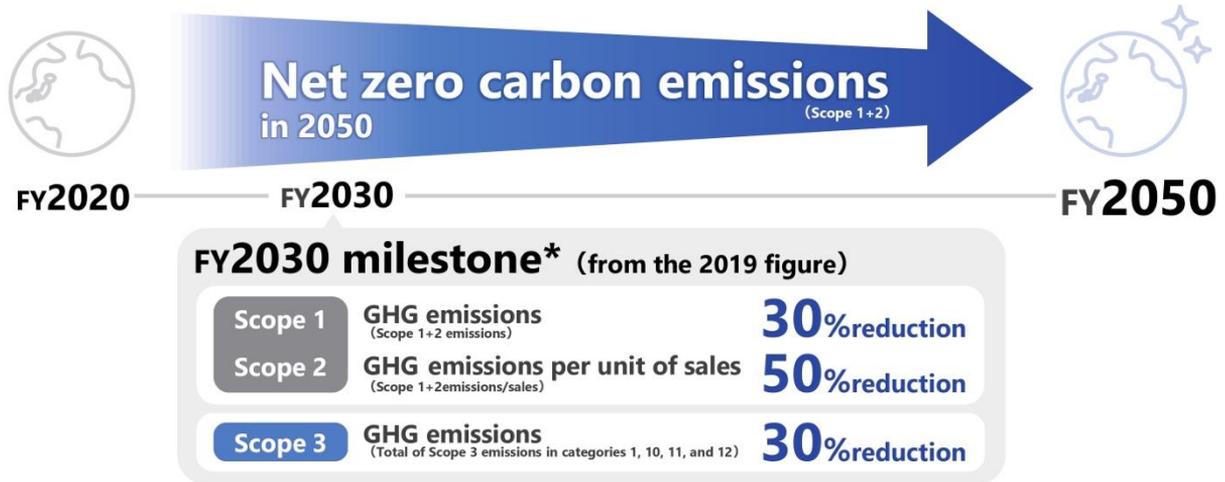
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# GHG Emission Reduction Target

- Established medium- and long-term GHG reduction targets in 2021 and steadily promote.



\*Electricity emission factors are based on the Sustainable Development Scenario presented by the IEA.

Next slide.

We are in the energy business, so the biggest challenge in the environment area is CO2, GHG emissions reduction. In our medium-term plan, we have already announced that by 2050, we are to realize a carbon net zero in Scopes 1 and 2, and as milestone towards that, in 2030, Scope 1 and Scope 2, 30% reduction in emissions and in terms of per unit of sales, 50% reduction; and for Scope 3, reduce GHG emissions by 30%.

This is in comparison to 2019. These are the targets that we have set for ourselves, and each business is working towards achieving these.

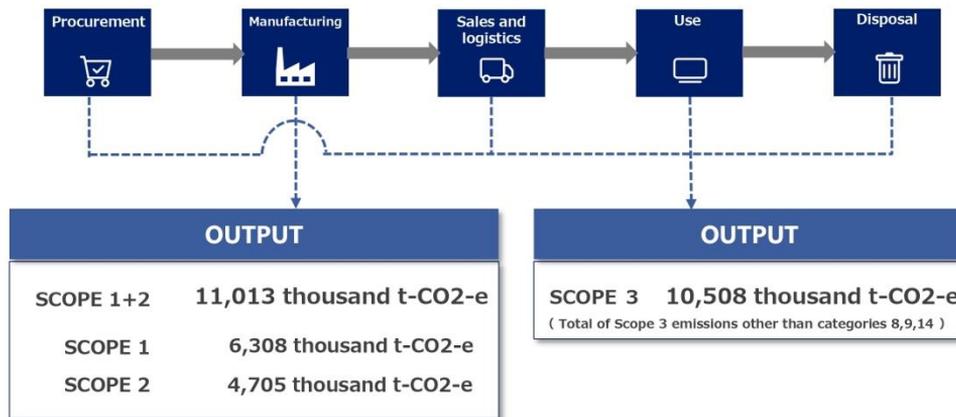
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# GHG Emissions and Breakdown by Scope (2022)

- GHG (CO<sub>2</sub>) emissions in 2022: 11,013 thousand t-CO<sub>2</sub>-e in Scope 1 and 2, 10,508 thousand t-CO<sub>2</sub>-e in Scope 3



Page 13.

More specifically, in 2022, this was the emissions results. In 2022, Scopes 1 and 2 on the left-hand side, Scope 3 on the right-hand side, as we have defined. Scopes 1 plus 2, 11,000 or 11 million tonnes and for Scope 3, 10.5 million tonnes.

Compared to 2019, the progress has been in 2020 in terms of emissions, 5% reduction and in terms of the per-unit of sales, approximately 30% reduction has been achieved.

Of course, we are reducing the emissions from existing businesses. But as we have explained in our business portfolio transformation, we are seeing an expansion of the high-carbon efficiency business like electronics and life science. As a result, we are seeing a steady reduction in terms of per unit of sales. That is the result for 2022.

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- Toward 2030, plan to prioritize electrification in Europe and Americas, and energy conservation in Asia.
- Toward 2050, aim to achieve the target by combining multiple technologies with a focus on electrification.
- We are reviewing this roadmap and considering in the global project.



\*Energized auxiliary heating

\*\*Ammonia, Hydrogen etc.

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15

On page 15, we are showing Scope 1 and Scope 2, a major issue in the area of glass business, especially the flat glass, float glass melting process, which is a major part of glass making.

The roadmap for GHG emission reduction in float glass melting process and our furnaces, you can see the technology roadmap shown here, very complicated, but the key point here is depending on the regions, the electricity eco-efficient and the initiatives are different.

AGC Group do business in Japan, Europe, and Asia, so technology and the progress are being combined. We are to have the best mix so that we can achieve the targets for 2030. Ultimately, net zero in 2050.

In particular, the point here is the introduction of the electric boosters and to conduct the demonstration tests and deployment of clean fuel as well as carbon recycle. By combining these initiatives, we are aiming at achieving our goals.

In terms of clean energy demonstration test introduction and deployment, in this year, as a part of the projects commissioned by NEDO, the ammonia demonstration test has been announced. In June of this year, the demonstration test succeeded, and we are moving into a further deployment here.

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## Reference: Global Project to Reduce GHG Emissions in Float Glass Melting Furnace



- Taking into account the life of the furnace, development and PoC of elemental technologies for mass production by 2030 is necessary to achieve the 2050 net zero carbon emissions target.
- Launched a **global project reporting directly to the CTO** to study GHG emission reduction strategy based on economic rationale.



### Project consideration

- Future cost simulation of energy prices, carbon costs, etc. in each country up to 2050.
- Verification of the economic rationale for mass production of elemental technologies based on future cost simulations.
- Prioritization and narrowing down the development of elemental technologies and formulating an overall technology strategy, including the global deployment of technologies within the AGC Group.

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16

Next page.

In float glass melting furnace, we are implementing various emissions reduction measures, so I'd like to go over them using different slides. As mentioned earlier, on a global scale, we are engaged in global glass business. In different regions, the process situation, characteristics, technology advancement level in different regions are to be combined so as to realize the differentiated process that cannot be emulated by our competitors. As a project under the direct leadership of CTO, we do have the project being implemented.

## Reference : Joint Development with Saint-Gobain for Industrial Decarbonization



- Started a joint development with Saint-Gobain to reduce GHG emissions in the flat glass manufacturing processes.
- Will start testing innovative new process (furnace) in the second half of 2024, which combines oxygen combustion with an improved electrified ratio.



**Create new innovation  
to accelerate decarbonization  
in the flat glass industry**

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17

The next slide shows one of the examples.

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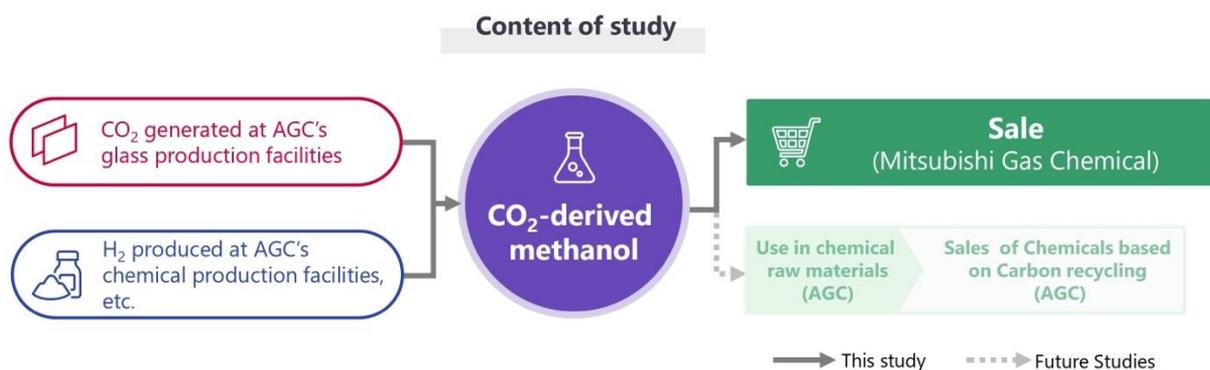
10

The two top glass manufacturers collaborating in this project, Saint-Gobain, a major producer in Europe, and AGC are to collaborate, so as to come up with innovative process technology demonstration test.

From H2 2024, this is to start, and we have already made announcements on this. This is innovation creation initiative unprecedented, so as to accelerate the CO2 reductions in the industry overall.

**Reference: Use of CCU Technology \*  
Started Considering Recycling of CO2 Generated during Glass Production** 

- Started to study the production and sale of methanol made from CO<sub>2</sub> emitted in the flat glass manufacturing process in collaboration with Mitsubishi Gas Chemical Company.
- In the future, we are considering using the CO<sub>2</sub> generated during glass production as a raw material for our chemicals business to link to internal carbon recycling.



\*Technology to capture and use CO<sub>2</sub>

Similarly, on next page, you can see another example.

CCU technology, the carbon collection and utilization. Together with Mitsubishi Gas Chemical Company, we have started the study in the production and sale of methanol made from CO<sub>2</sub>, which is emitted in the flat glass manufacturing process.

Also, we are considering using the CO<sub>2</sub> generated during the glass production as a raw material for our chemicals business, so methanol from CO<sub>2</sub> to be used as resources and materials. This is a long-term project. And through these, by 2030 and by 2050, we are to achieve the CO<sub>2</sub> reduction targets, respectively.

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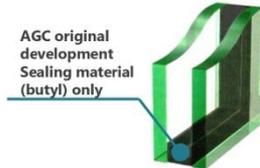
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- We developed a number of environmentally friendly products such as vacuum insulated glass, building integrated photovoltaic power generation glass.

### Thermocline™

Highly durable, long-life, high-insulation double glazing using AGC's original material, as well as easy recycling



### Vacuum-Insulating Glass [FINEO]

World-class thermal insulation performance and high durability. Addressing Renovation Demand in Europe



### BIPV\*

Building Integrated Photo Voltaics with power-generating cells sealed between the glass



### Low carbon glass

Significantly reduces GHG emissions during the product life cycle



\* Building Integrated PhotoVoltaics

● : Products that contribute to GHG emissions reduction

● : Products that contribute to a circular society

● : Products with reduced GHG emissions

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19

So far, I talked about the risks mainly, and if you can go to the next page, page 19, there were opportunities presented, and I'd like to discuss them as well.

With regard to CO<sub>2</sub>, obviously, in the glass manufacturing process, there is CO<sub>2</sub> generated. But at the same time, as you can see here, energy-saving glass or energy-saving technologies can be used for houses and buildings where CO<sub>2</sub> is generated, and you can reduce the CO<sub>2</sub> significantly. That's what we found.

Addressing these technologies, vacuum-insulating glass or BIPV, or building integrated photovoltaic, with power-generating cells, we have come up with a lot of technologies, and we are going to launch them in the market to increase the sales.

This Thermocline, which is double-glazing glass and vacuum-insulating glass, FINEO, and also glass and power-generating cells are integrated in the building, and you can use this in the seal between the glasses, BIPV.

And then the low-carbon glass can significantly reduce the GHG emissions overall from the product life cycle.

Those have been launched into the market.

As for other opportunities, there are architectural glass opportunities in Europe. Architectural glass or window renovations are accelerating.

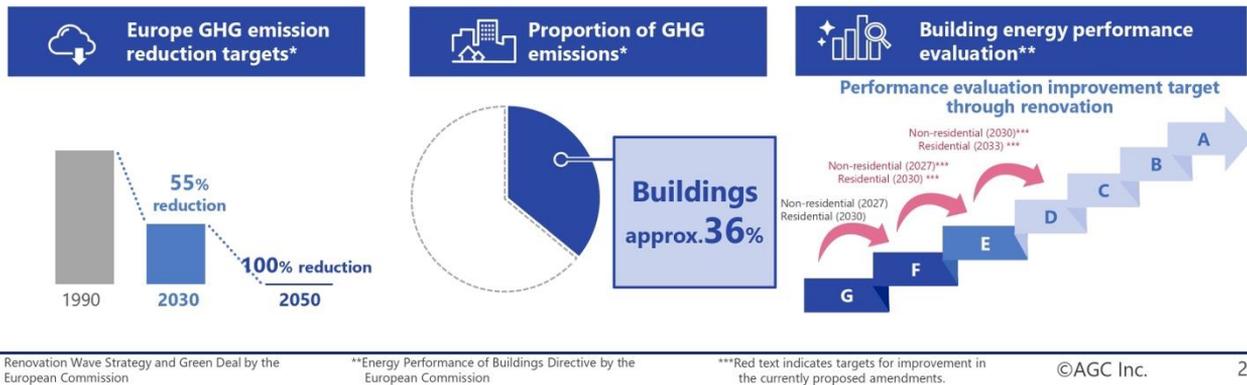
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# Expansion of Building Construction and Renovation Market AGC Our Dreams, Our Challenge

- The European Commission targets a 55% reduction in GHG emissions in Europe by 2030.\*
- Buildings account for about 36% of GHG emissions, 30-35 million buildings by 2030 (G-rated buildings, equivalent to 15% of existing buildings) will be subject to renovation.\*\*
- Improving the energy performance of buildings is essential, and the market for **highly insulating glass is expanding**.



As you can see here, European Commission has a target of 55% reduction in GHG emissions in Europe by 2030 as we announced. More specifically, the building accounts for 36% of GHG emissions. By 2030, there are 30 million to 35 million existing buildings in Europe, and those will be subject to renovation by 2030.

More specifically, you have to transform the buildings from energy-inefficient to energy-efficient ones and as for AGC Group, the energy performance improvement is essential. One key factor is the highly insulating glass, and that market is expected to expand continuously.

With regard to the system, as you can see at the right bottom, in Europe, the building energy performance evaluation has been introduced. From Grade G, you have to move up gradually, and there are subsidies that are provided as well. And so ordinary glass will be converted to highly insulating glasses, and that is what is expected to happen.

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## Reference: Growing Demand for Products with Small Carbon Footprints



- The trend toward green buildings has boosted the need for building materials with a small carbon footprint, and demand for AGC's **high-value-added low carbon glass\*** is growing.
- Low carbon glass production started in France following production in Belgium.



\*Float glass produced by AGC Glass Europe S.A., products with a carbon footprint reduced by at least 40% compared to Planibel's EPD (Environmental Product Declaration) values (INIÉS database).

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21

Next page.

In line with these developments, what are called green buildings are increasing in Europe. The less-carbon-footprint construction materials and glass is in demand because of that. AGC low-carbon glass has been introduced in Belgium first, and we're going to start the same process in France as well.

### Opportunities

## Growing Demand for High Value-Added Products Due to Expansion of Electric Vehicle / Fuel-cell Vehicle Market

- Demand for **high value-added automotive glass** will rise along with the expansion of electric vehicle / fuel-cell vehicle market toward a net-zero carbon society.

High value-added products associated with expansion of electric vehicle / fuel-cell vehicle market (e.g.)



**1** Smart glazing



**2** Low-E glass



**3** Electrolyte polymers for fuel cells



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22

Next page, please.

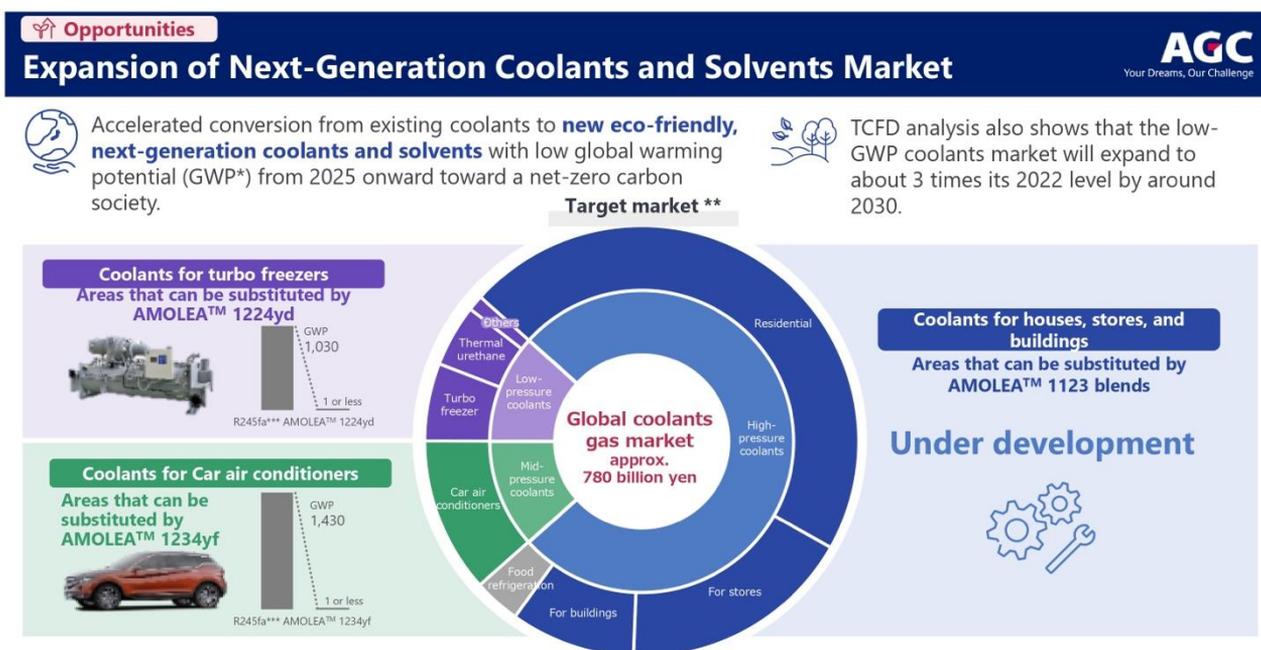
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Likewise, again opportunities. Aside from architectural glass, EV, and electric vehicles, fuel-cell vehicles, FCVs, markets are expected to expand and AGC products will be in higher demand.

One example is light control glass on the sun roof of the vehicles, it is going to be introduced and light will be automatically controlled; the second one is Low-E glass, the heat will be shut down and insulated with this glass; and the third one is once the hydrogen society comes in the future, fuel-cell vehicles are expected to be used and electrolyte polymers for fuel cells are expected to increase going forward. In AGC Group already, we are working on the technologies from the top-down process.



\* GWP (Global Warming Potential) is a coefficient that expresses the greenhouse effect as a multiple of that of CO<sub>2</sub>.

\*\* 2020 AGC estimates

\*\*\* Existing products

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As for essential chemicals or functional chemicals markets, we are also doing some activities: next-generation coolant and solvents.

The existing coolants or refrigerants measured by GWP will have to be less. The coolants and solvents with less GWP are now being accelerated. Around 2030, the market is expected to be tripled compared to the present scale.

As for the part of AGC, there's AMOLEA, as you can see on the left. Depending on the applications, the progresses in the products are shown. Coolants for turbo freezers, the GWP will be less than 1 from 1,030, which is the present one. There is going to be a great contribution to environmental protection.

And also, car air conditioner coolants, similar products are going to be developed and help this grow. Also, coolants for houses, stores, and buildings, there are different types, but we believe that this is something that we can cover and the products that will address this are under development.

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## Products that Reduce Environmental Impact (Summary)

- We promote product development and other measures with the aim of reducing environmental impact throughout the product lifecycle.
- Aiming for growth by balancing social and economic value.

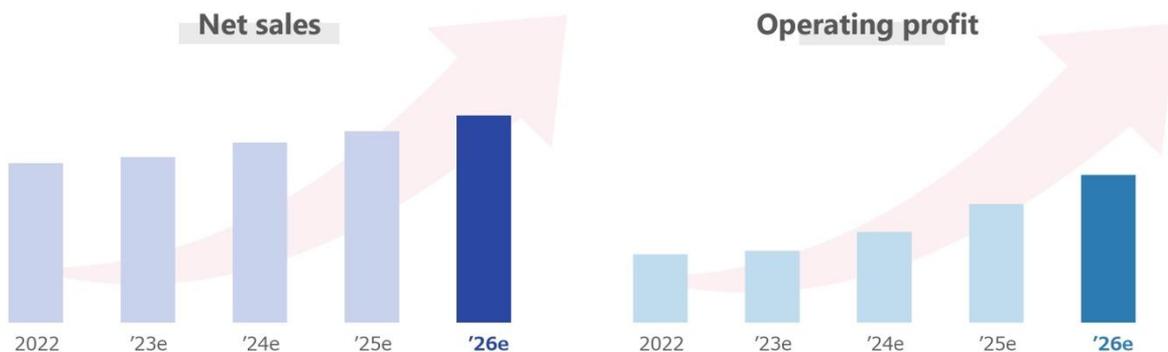
Glass	Electronics	Chemicals	Ceramics
<ul style="list-style-type: none"> <li>- Float flat glass (products using recycled raw materials, Thinned glass)</li> <li>- Low-E double glazing glass</li> <li>- Coating glass</li> <li>- Photovoltaics-embedded glass</li> <li>- Thinned glass(chemically strengthened glass)</li> <li>- Automotive glass</li> </ul> <p>etc.</p>	<ul style="list-style-type: none"> <li>- Display glass (products using recycled raw materials)</li> <li>- Float cover glass for PV module</li> <li>- Optical Materials</li> <li>- Materials for high-speed communication</li> <li>- High power LED glass ceramics substrate</li> </ul> <p>etc.</p>	<ul style="list-style-type: none"> <li>- Environmentally friendly refrigerant and solvents</li> <li>- Materials for fuel cells</li> <li>- Fluoropolymer</li> <li>- Fluoropolymer resin for coatings</li> <li>- Fluoropolymer resin for solar cell</li> </ul> <p>etc.</p>	<ul style="list-style-type: none"> <li>- Refractory (products using recycled raw materials)</li> <li>- High thermal insulation ceramic wall for furnace</li> <li>- Refractory/engineering for biomass power boilers</li> </ul> <p>etc.</p>

What I have discussed so far is summarized in page 24.

We're extensively addressing these. In terms of ESG, the social value and economic value can be coexistent in the growth and that is what we are aiming for.

## Products Contributing to the Environment and Energy Field—Net Sales and Operating Income

- Expected to account for **approx.11% of net sales\*** and **approx.13% of operating profit\*** in 2023.
- Seize opportunities for market expansion and achieve business growth.



\* Consolidated bases

On page 25, more specifically, what is going to be the impact that we can see out of these?

If you just focus on environment and energy, in 2023, 11% of net sales and 13% of operating profit is expected approximately. We have shared with you some products like energy-saving insulating glass or next-generation

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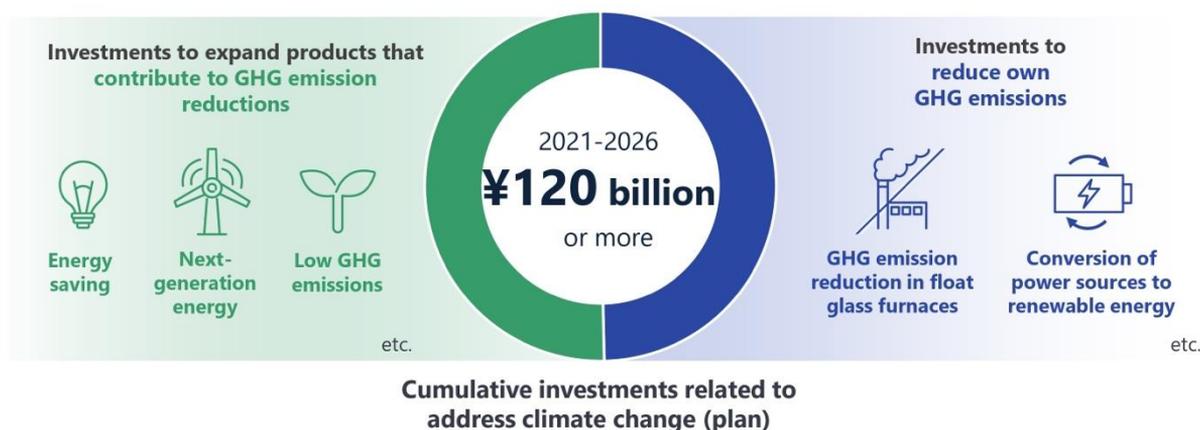
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refrigerants or coolants for chemicals. Those are the focal points to help grow the net sales and operating profits for the mid-term.

## Future Investment Plans for Overall Addressing Climate Change



- We will invest more than ¥120 billion\* over 6 years to 2026 to address climate change.



\*Excludes R&D expenses

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26

For these initiatives, CO2 and GHG reduction is going to be invested in. The products that will contribute in this regard will also be subject to investment between 2021 and 2026. More than JPY120 billion in investment is planned.

Today, we are focusing on ESG and especially focused on E. And if you look at the sustainability as a whole, in AGC Group, in addition to E, or environment, there is intermediate for pharmaceuticals like in life science and in special chemicals, the sodium hypochlorite for sterilizing the tap water, there are many different products that can also contribute in this regard. We would like to contribute to social values and link them to economic growth for AGC Group as a whole.

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## External Evaluation: CDP's A list for Climate Change/Acquire SBT certification

- CDP 2022 A list for climate change for its cutting-edge initiatives and proactive information disclosure
- SBT\* certification acquired in December 2022

<Rating of Climate Change by CDP>



<SBT certification>



\* Science Based Target. Global climate change initiative.

Next page, please.

In climate change area, in CDP 2022 A list is where we are selected. And in December last year, we have acquired SBT certification.

## "AGC People: the driver of our growth!"

- We aim to enable each and every employee to reach their full potential, creating an organization that is stronger than the sum of its parts, and achieving our business strategies and organizational targets while delivering corporate and individual growth.



Now please go to page 29.

To support these vital initiatives, the social-related activities that we are implementing as well. "AGC people: the driver of our growth!" In other words, we aim to enable each and every employee to reach their full

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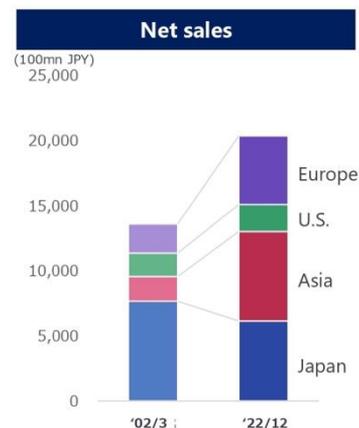
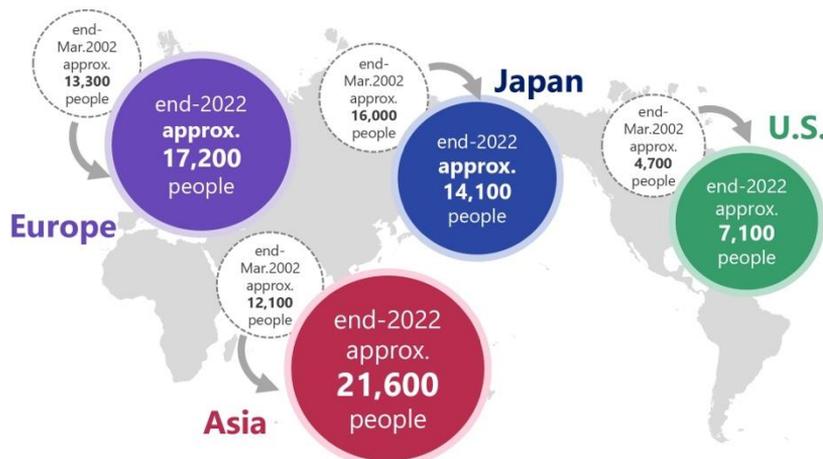
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potential, creating an organization that is stronger than the sum of its parts to achieve our business strategies and organizational targets while delivering corporate individual growth. We consider this as AGC Group's corporate culture.

## A Global Team of Diverse Human Resources



- Diversification of human resources compared to the end of March 2002, before the introduction of the in-house company on the global basis.
- Deployment of diverse human resources in each region in accordance with the business portfolio strategy



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On the next slide, you can see that we have very diversified human resources within our group.

On the left-hand side, you can see the changes in the number of employees from 2002 to 2022. Especially in regions outside of Japan, you can see the number of employees growing. Similarly, in terms of net sales, as shown on the right-hand side, we have been growing the net sales outside of Japan, in accordance with growth in the number of employees outside of Japan.

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**Reference:**

**Brazil Site Established by the Best of Japan, Europe and the U.S.**



- The project to launch AGC Vidros do Brazil, AGC’s first full-scale entry into South America, brought together expertise engineers from 13 countries, including Italy, France, the Czech Republic, Belgium, and Japan, as One Team to make it a success.



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31

Let me be more specific, looking at the ensuing slides. Page 31.

This is for architectural glass and automotive glass. Our base in Brazil, the very first South American base for AGC, as you can see, we have engineers from 13 countries, Italy, France, the Czech Republic, Belgium, Japan, and others as One Team. So far, we have been very successful in expanding our business in Brazil.

**Global Site Expansion Capabilities**



- **Expanding Life Science business globally** by leveraging know-how accumulated through proactive overseas expansion since the Company’s founding.

**Milestones in global expansion**

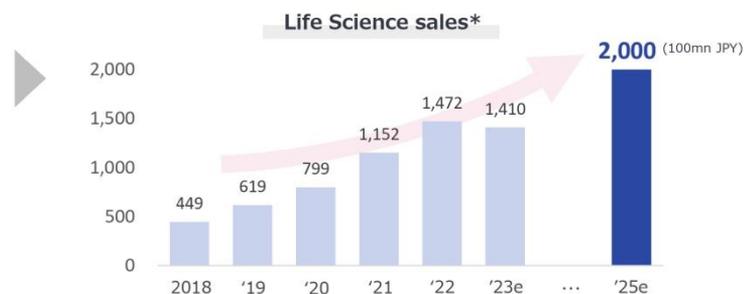
Expansion to over 30 countries and regions

1956	<b>India</b>	Glass manufacturing company established
1964	<b>Thailand</b>	Entry into the sheet glass market
1972	<b>Indonesia</b>	Glass business started
1981	<b>Belgium</b>	full-scale entry into European flat glass market
1985	<b>North America</b>	Full-scale entry into automotive glass business
1992	<b>China</b>	Rollout of flat glass business
2000	<b>Taiwan</b>	Start of production of LCD glass substrates
2003	<b>South Korea</b>	Start of production of PDP glass
2004	<b>Hungary</b>	Start of automobile glass business
2012	<b>Germany</b>	Glass business alliance
2013	<b>Brazil</b>	Entered glass market
2014	<b>Vietnam</b>	Rollout of chemicals business
2016	<b>Mexico</b>	Rollout of automobile glass business
2019	<b>Morocco</b>	Rollout of automobile glass business

**Global expansion of Life Science business**



Started global operations in 2016 and now has 10 sites in 6 countries (Germany, Denmark, United States, Italy, Spain)



\*Life science sales as a strategic business

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32

Next page. On the left-hand side, you can see the milestones in our global expansion. In 1956, we started the business in India, and in over 30 countries and regions we are operating.

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More recently, as shown on the right-hand side, we are expanding on a global scale, our life science business. There are bases in 10 sites in 6 countries, including Japan.

In terms of net sales, you can see a steady growth. For the life science business, our global talent is leveraged for the business development.

## Reference: Life Science Business Technology Transfer Project



- The know-how accumulated through many years of experience in the mammalian cell business at the Copenhagen site will be deployed at the Chiba site through active exchange of human resources and technology.
- Further business growth based on the strength of a structure that can provide high-quality services at any location under integrated global management.



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33

Page 33.

In the life science business area, especially the biotechnology and pharmaceutical ingredients, CDMO, we do have the business of technology transfer in life science. In Copenhagen, in Denmark, we do have the expertise accumulated through many years of experience in mammalian cell business, and that expertise has been transferred to our Chiba site. And in three locations, Japan, Europe, and North America, we are expanding our overall life science business for the overall growth on a global scale.

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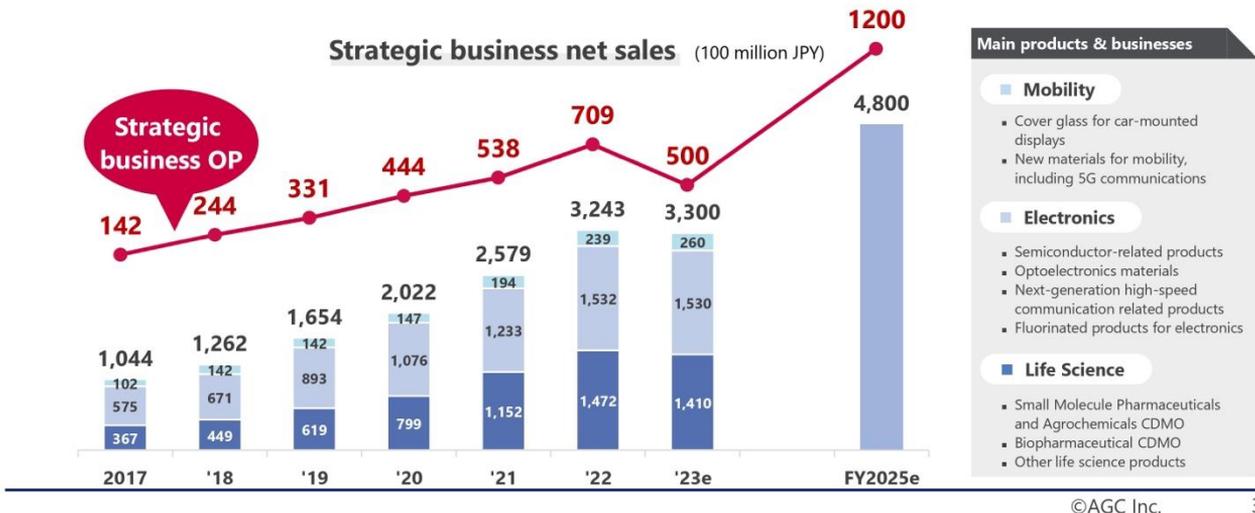
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## Reference : Growth of Strategic Businesses

- Global management basis and diversity of human resources support the growth of strategic businesses.



In the area of life science, of course, that is part of our strategic business. Similarly, in electronics and mobility, which are other parts of our strategic business, again, we have the global base and the diversified talent, which are to bring about the synergy effect.

In 2023, there is a temporary stagnation, but we do have a big target for 2025, and we are confident that we can reach there.

## Initiatives Related to Human Rights Due Diligence in the Supply Chain

- The AGC Group conducts procurement activities in accordance with the AGC Group Purchasing Policy, which aims for responsible mineral procurement and a socially and environmentally responsible supply chain
- Questionnaire on compliance with the AGC Group Purchasing Policy launched in 2020
- Aiming to improve sustainability throughout the supply chain by **gradually expanding the scope of the questionnaire**

	Scope of questionnaire			
	Major AGC parent suppliers	Top global suppliers	High risk mineral suppliers	Major suppliers at sites of each Company
'20-'21	✓	✓		
'22-'23	✓	✓	✓	
'23-Plan	✓	✓	✓	✓

Scope of the questionnaire will be expanded over time



Next page is the last portion or rather, the social part, the supply chain and human rights in the supply chain. Page 36.

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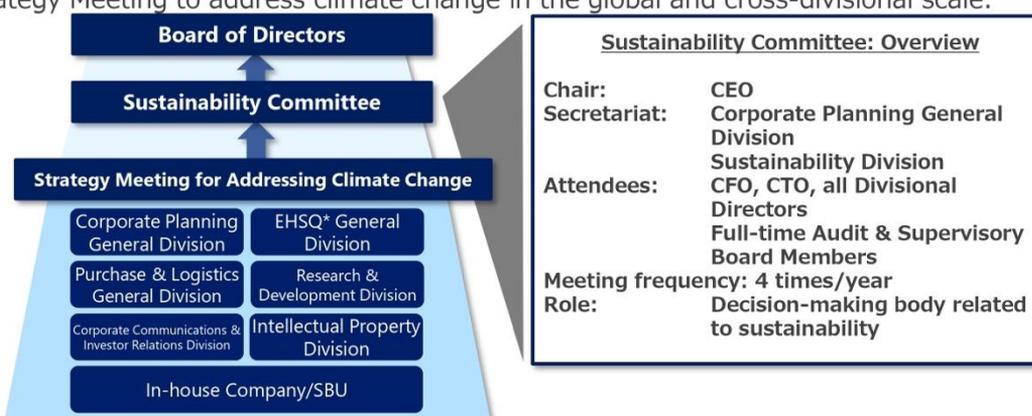
In AGC Group, in each of the businesses, starting from the raw materials to the products, there's a long supply chain and human rights due diligence is something that we are working on right now. In accordance with AGC Group purchase policy, we have started the questionnaire in 2020, and we have been gradually expanding the scope of the questionnaire so that we can enhance sustainability for the whole supply chain.

You can see the average questionnaire score on the right bottom, and we believe that there has been gradual improvement that has been made.

## AGC's Sustainability Management Governance Structure



- The Sustainability Committee is positioned on the same footing as the Management Committee. Further, under the supervision of the Board of Directors, the Sustainability Committee is responsible for deciding and monitoring the execution of initiatives related to sustainability, including environmental activities.
- We hold Strategy Meeting to address climate change in the global and cross-divisional scale.



\*Environment, Health & Safety, Quality

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38

Now the last part of ESG, the governance, page 38, please.

In AGC Group, sustainability management is one of the priorities. Therefore, under the monitoring of the Board of Directors, Sustainability Committee is positioned on the same footing as a Management Committee, which is the top-priority committee.

Deciding and monitoring the execution of initiatives is what this committee is responsible for. The CEO is the chair of this committee and all the heads of the functions are sitting on this committee. The progress and the policies of the whole group are looked at.

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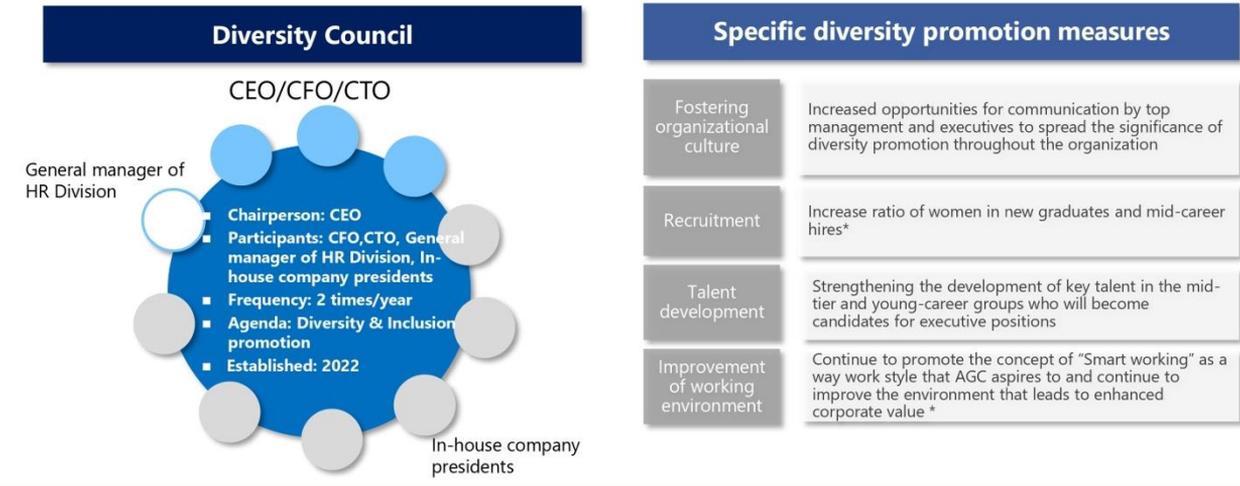
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# Diversity Council

- The Diversity Council was established in 2022 to build an environment where diverse people can make the most of their individual abilities, and accelerate diversity & inclusion promotion measures.



\*Measures at AGC Inc.

One of the sustainability is the diversity of talent. And with regard to diversity in 2022, we have established a Diversity Council to have cross-functional information sharing. The Diversity Council is also chaired by the CEO, the top of this executive function, and all the heads of the functions are sitting on this council as well to promote diversity.

## AGC Group's Brand Statement

Never take the easy way out, but confront difficulties  
 Trust is the best way to inspire people  
 Strive to develop technologies that will change the world  
 A sense of mission leads us to advance

For more than a century, AGC has been guided by these founding spirits. Our unique materials, solutions and reliable partnerships have facilitated leading innovations across diverse industries and markets.

Today, by working with others to combine knowledge and advanced technology, we help make ever greater achievements possible, and bring bolder ideas to life

# Your Dreams, Our Challenge

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Page 40 is the last one, and I'd like to wrap up my presentation.

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AGC Group is focusing on ESG to promote sustainability management and that's one of the pillars of mid-term plan. Since the foundation, in AGC, we have been working together with society and, as a result, we can achieve economic growth as well. That is what we are going to continue to pursue.

That's all. Thank you very much for your attention.

[END]

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