AGC Inc.

ESG Online Briefing Session

September 26, 2025

Event Summary

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[Date]	September 26, 2025	
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	Hideyuki Kurata	Representative Director Executive Vice President & CTO
	Yuki Ihara	Executive Officer, General Manager of Sustainability Div., Corporate Planning General Div.
	Kazumi Tamaki	Executive Officer, General Manager of Corporate Communications & Investor Relations Division

Presentation

Tamaki: We will now begin the ESG Online Briefing Session of AGC Inc. I am Tamaki from the Corporate Communications & Investor Relations Division and will be serving as today's moderator.

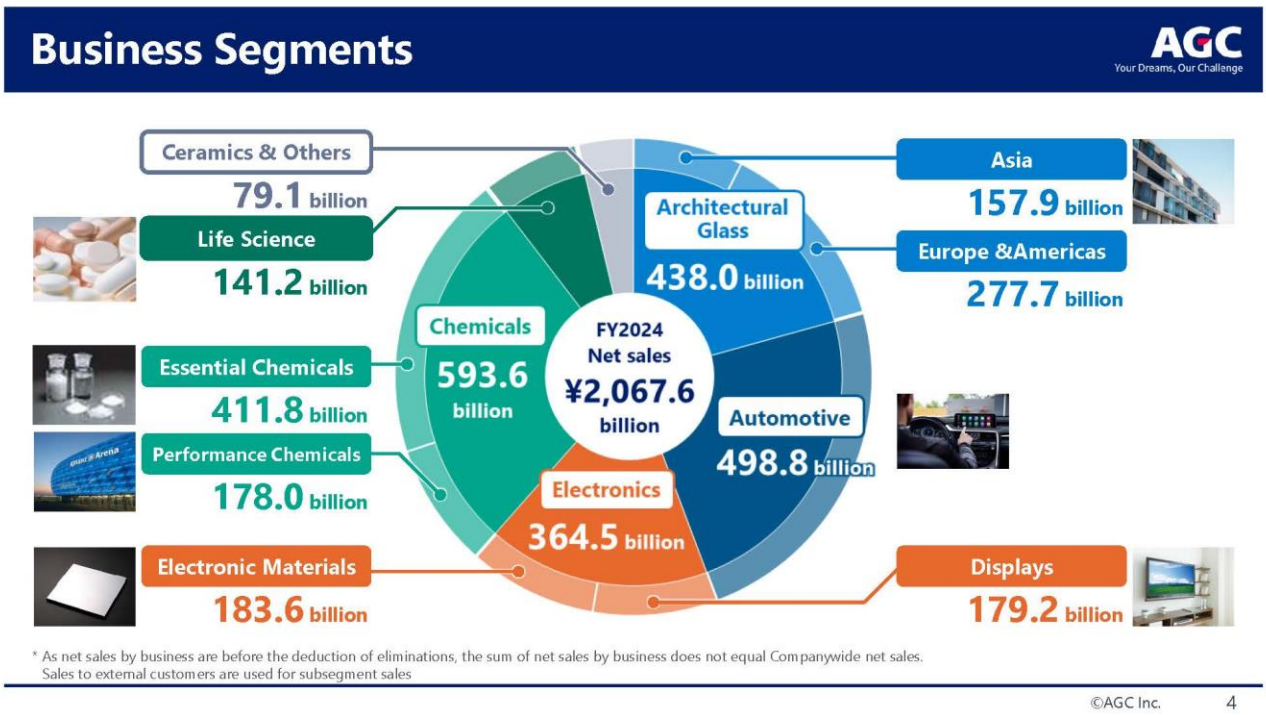
Now, let me introduce today's attendees. Here with us is Hideyuki Kurata, Representative Director, Executive Vice President & CTO, and Head of the Technology General Division. Also with us is Yuki Ihara, Executive Officer, General Manager of Sustainability Division, Corporate Planning General Division.

First, we will provide an explanation of the value creation model and management capital, after which we will move to a Q&A session. We plan to finish at 17:00. We appreciate your cooperation.

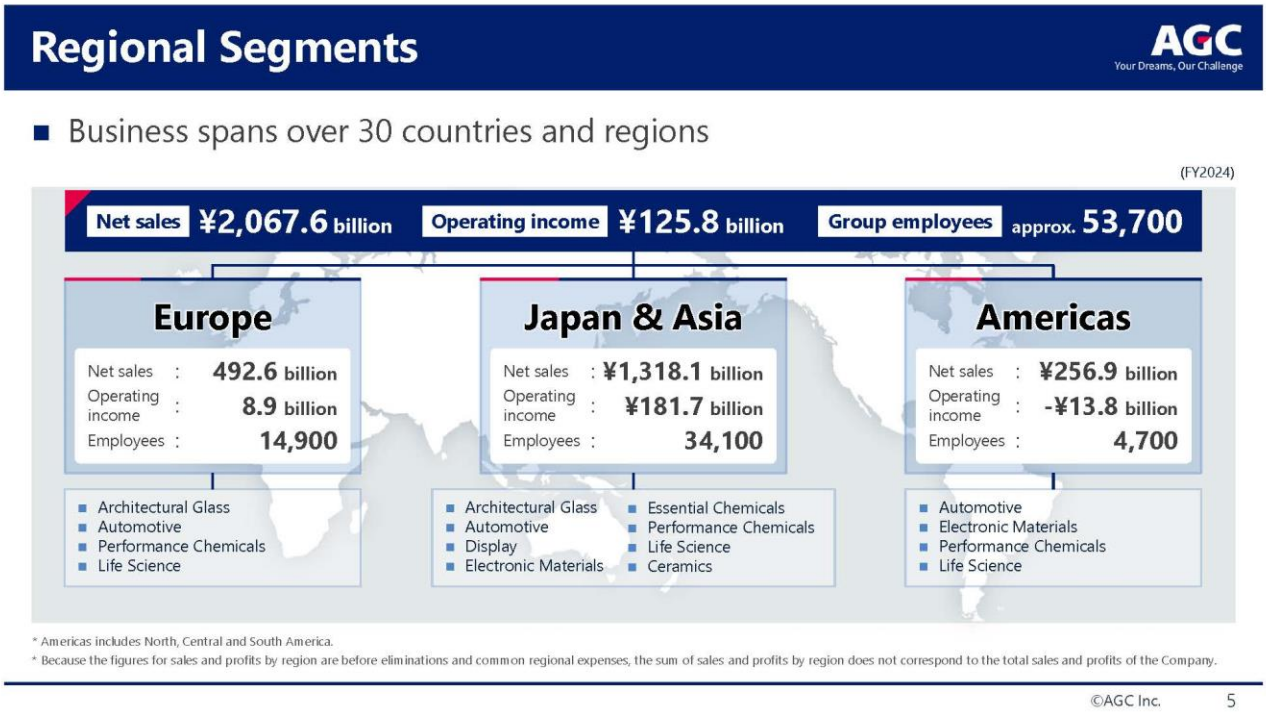
Now, Dr. Kurata, please go ahead.

Kurata: I am Kurata, CTO. Thank you for joining us today. Today, I will be explaining the Value creation model and the utilization of management capital.

First, an overview of the Company.



As shown in this pie chart, business segments related to glass include Architectural Glass and Automotive, which together account for about 45% of net sales. Electronics make up about 20%. Chemicals comprise 25%, and Life Science and Ceramics are about 10%. Thus, glass represents around half, and we operate across a broad range of businesses together with other high value-added products, such as Electronic Materials, Performance Chemicals, Essential Chemicals, and Life Science.



This shows the regional business deployment. Our sales are conducted globally in over 30 countries and regions. At the same time, we are also engaged in local manufacturing in those areas.

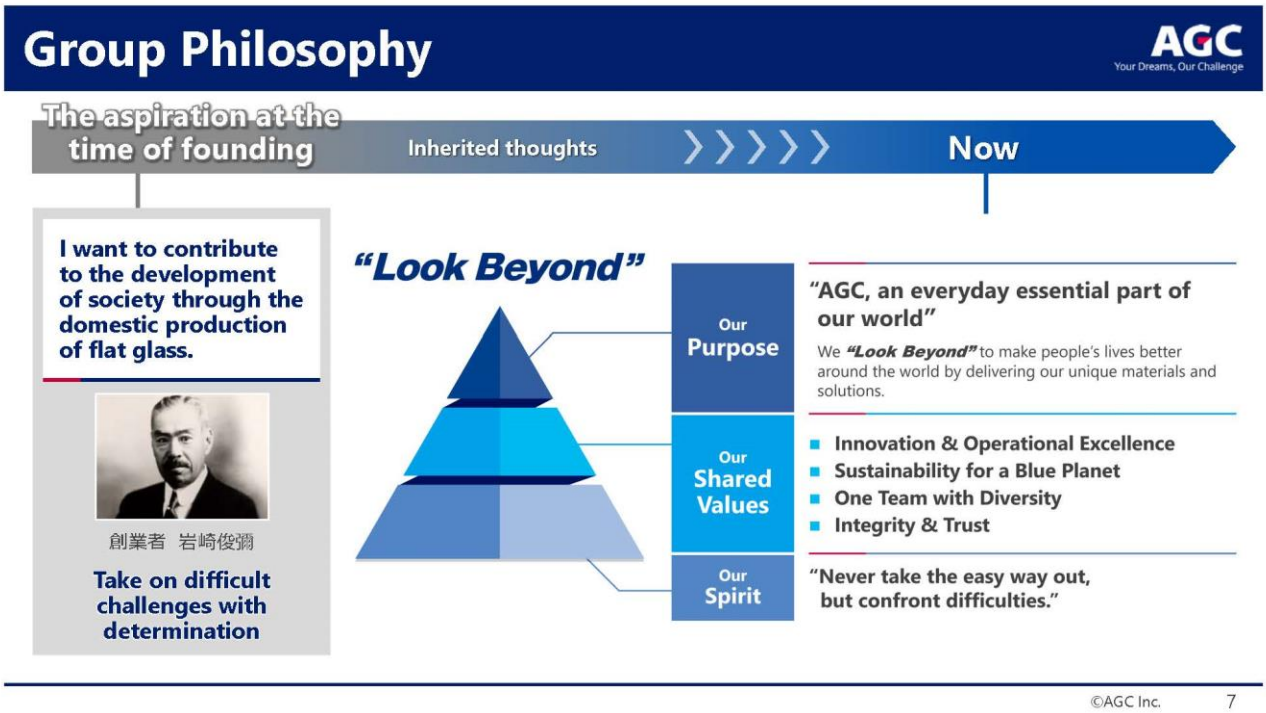
Europe, Japan & Asia, North America, South America. As shown in the box below, our business is widely spread across regions, with group employees numbering just under 54,000, conducting business worldwide.

Now, I would like to briefly look back on the history of our products and services over time.

Our starting point was in 1907 when our founder Toshiya Iwasaki established Asahi Glass, beginning with glass for architectural purposes.

Afterward, glass production was extremely difficult, and in the midst of this, World War I broke out. Soda ash, the primary raw material for glass, and bricks for building the glass furnaces, which are ceramics, could no longer be imported. Instead of giving up on glass production, we started producing soda ash in-house, which led to our entry into the chemicals business. Then, we also began producing ceramic bricks in-house, which led to the launch of our ceramics business, and its technologies are still being deployed today.

As shown above, along with the construction boom, motorization came, digital communication increased, television evolved, cameras shifted to digital, semiconductors advanced significantly, and more recently, the rise of generative AI has accelerated. In line with these changing times and needs, AGC has consistently provided materials and solutions. Through the evolution of products as shown here, AGC has continued operations for nearly 115 years.



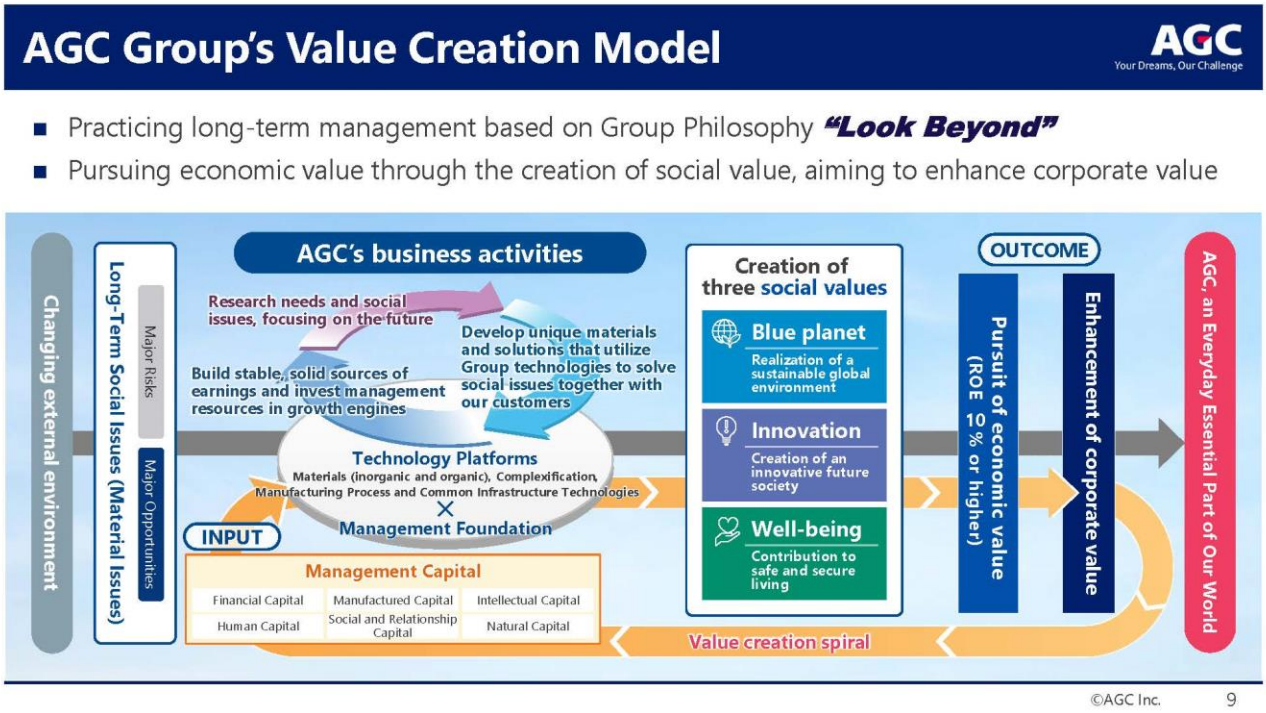
Now, let me explain our Group philosophy.

As mentioned earlier, in the days of our founding, Toshiya Iwasaki went through many hardships. His aspiration was to domestically produce sheet glass, because at that time, glass was almost entirely imported. Through domestic production, he aspired to contribute to the development of society, even enduring the difficulties such as producing his own bricks in order to start the chemicals business.

This spirit was carried forward. One part is our spirit on the right: "Never take the easy way out, but confront difficulties." Every AGC employee holds this spirit, a spirit of challenge.

And our purpose. At the founding, it was about domestically producing flat glass for construction, but now, as I explained, we operate globally. Therefore, we set our purpose as "AGC, an everyday essential part of our world."

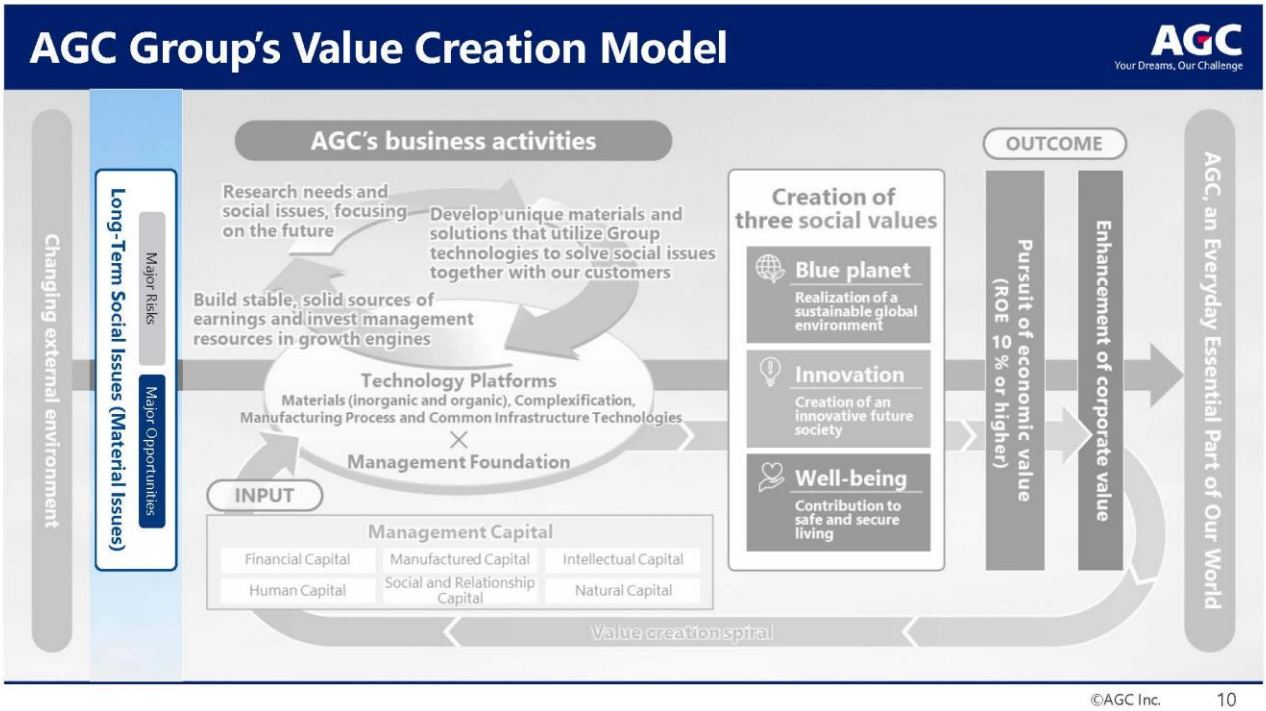
Then, our shared values, which are shared across the Company: Innovation & Operational Excellence, Sustainability for a Blue planet, One Team with Diversity, and Integrity & Trust. With these shared values, our Group philosophy, "Look Beyond," defines AGC as a company that always looks ahead.



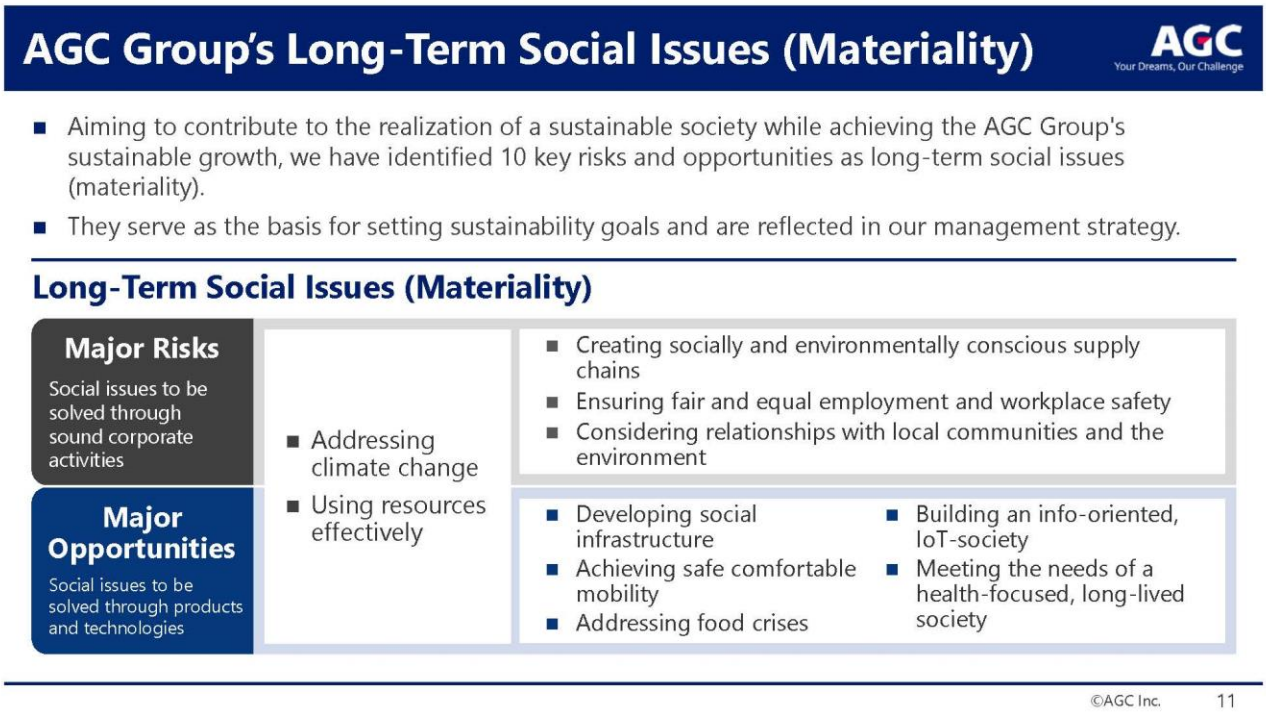
Now, this is AGC's value creation model.

On the far left is the changing external environment. As mentioned earlier, in every era, there are social demands accompanied by changing materials and products.

Our purpose is represented by the red on the far right: "AGC, an everyday essential part of our world." Bridging between that and external change is management with a long-term perspective. We call this long-term management, practiced in accordance with our corporate philosophy "Look Beyond," our AGC Group value creation model. Today, I will explain this model step by step.



First, we start on the left, moving toward the right. We begin with long-term social issues, material issues. That is our starting point.



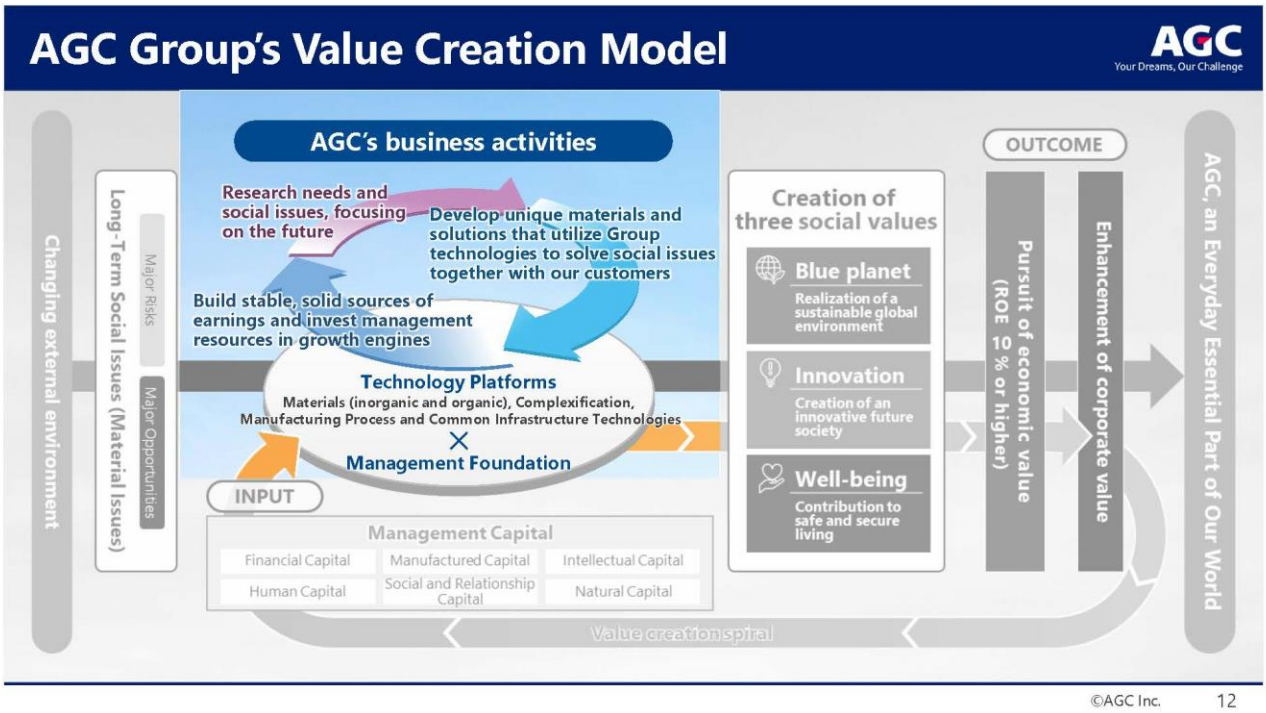
AGC Group's understanding of long-term social challenges, or materiality, can be divided into two, as shown above.

One is a significant risk. These are social challenges that must be solved through sound corporate activities. But it is not only risk; there are also important opportunities. These are social issues that can be addressed

through our products and technologies. We have identified and defined 10 key risks and opportunities related to this.

Some of these are both risks and opportunities, such as climate change and effective resource utilization. While we must reduce the risks, our company also holds solutions through its products that can sufficiently address these challenges.

The three major risks on the top must be steadily reduced, while the five opportunities on the bottom are regarded as opportunities for us to contribute. These are set as our sustainability goals and are reflected in our management strategy.



Now, let me move to the business activities.

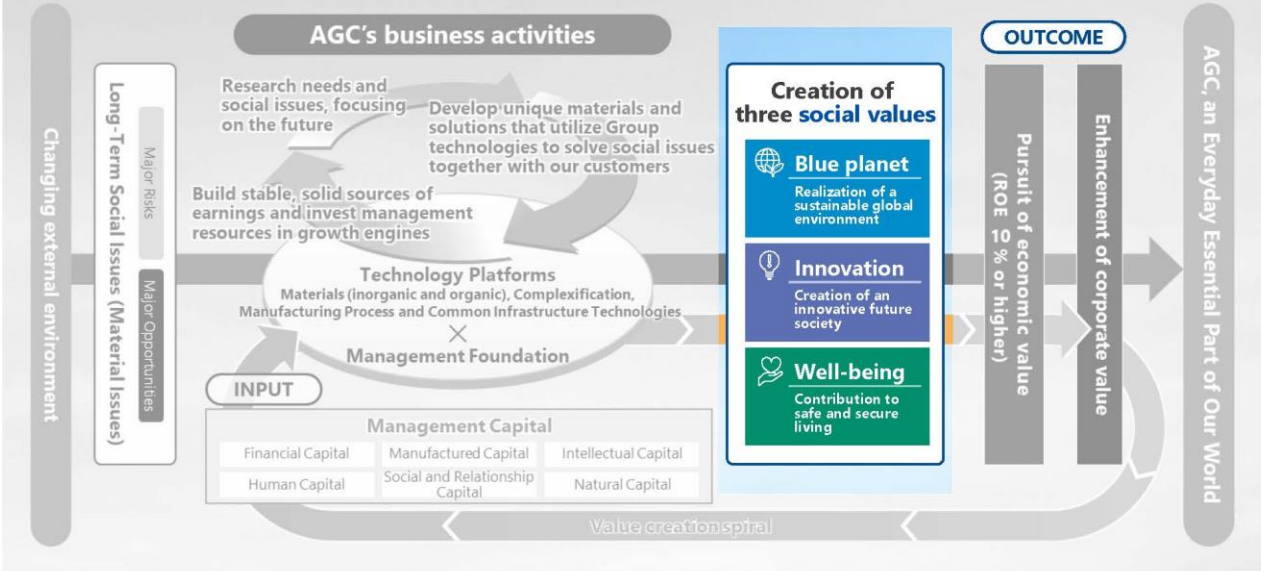
AGC Group's Business Activities

- Based on our unique, robust technological platforms and management foundation, we cycle through exploration, development, and resource allocation.

This diagram shows AGC's technology platform at its core.

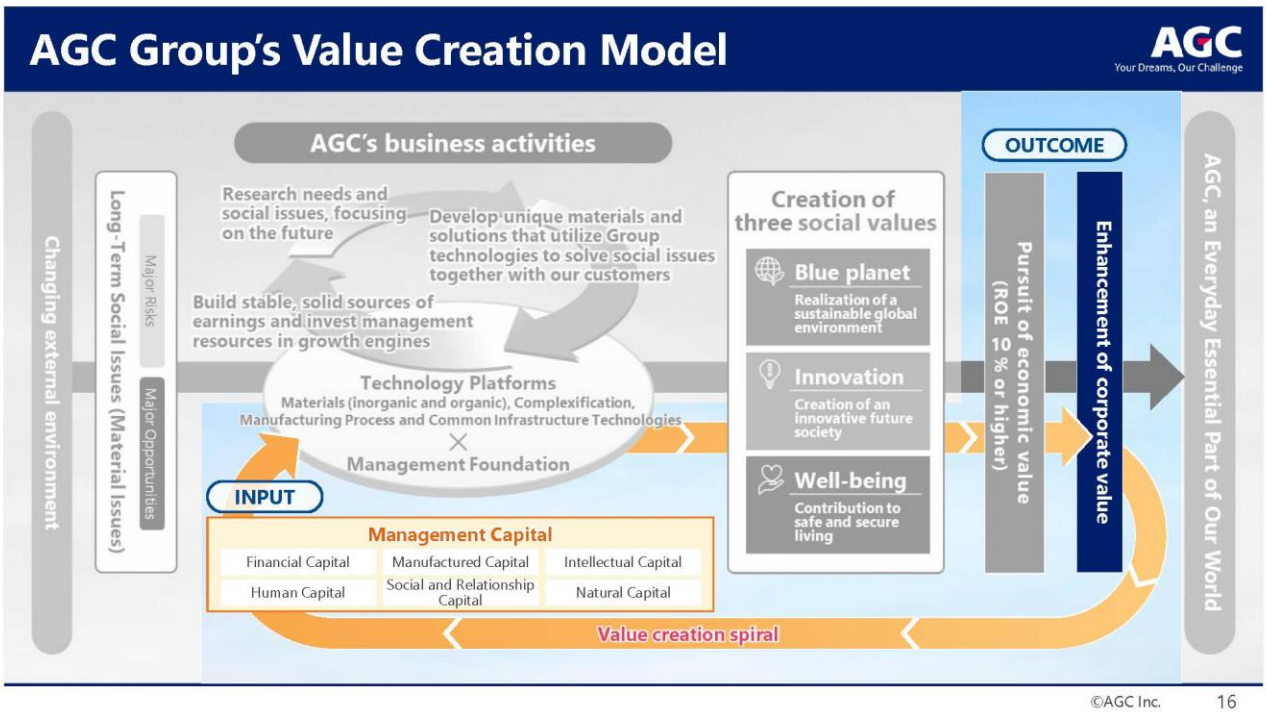
I will explain in more detail later, but our business activities involve combining this technology platform with our management foundation to generate a loop. The purple part of the loop represents exploration, capturing the needs of the era. The light blue part represents development efforts to solve social issues. These are solved by applying our management resources, using AGC's technology platform, which leads to commercialization, forming the cycle of business activities.

AGC Group's Value Creation Model



Next are three social values. Of course, we must fulfill these three social values, which correspond to our key opportunities.

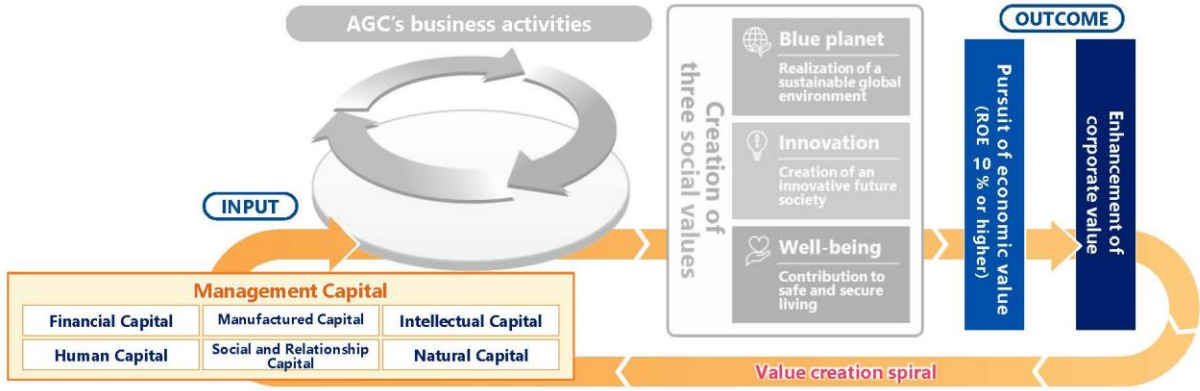
First, realization of a sustainable global environment, Blue planet. This involves reducing environmental impacts. Second, Innovation, or creation of an innovative future society, by providing materials and solutions that create new value. Third, Well-being. Supplying essential products for daily life, infrastructure, and businesses in a stable manner. These social values must be embedded into our products.



This links us to value enhancement.

Value Creation Spiral and Management Capital

- By circulating Value Creation Spiral that enhances corporate value through business activities, we achieve continuous value creation.
- By investing the management capital cultivated through this process into business activities, we further strengthen and accelerate the spiral cycle.



By fulfilling these three social values while simultaneously pursuing economic value, we realize what we call the value creation spiral. Through the coexistence of social and economic value, we enhance corporate value, which in turn reinforces our management capital. This capital, as a management foundation, further drives business activities, sustaining our spiral of growth.

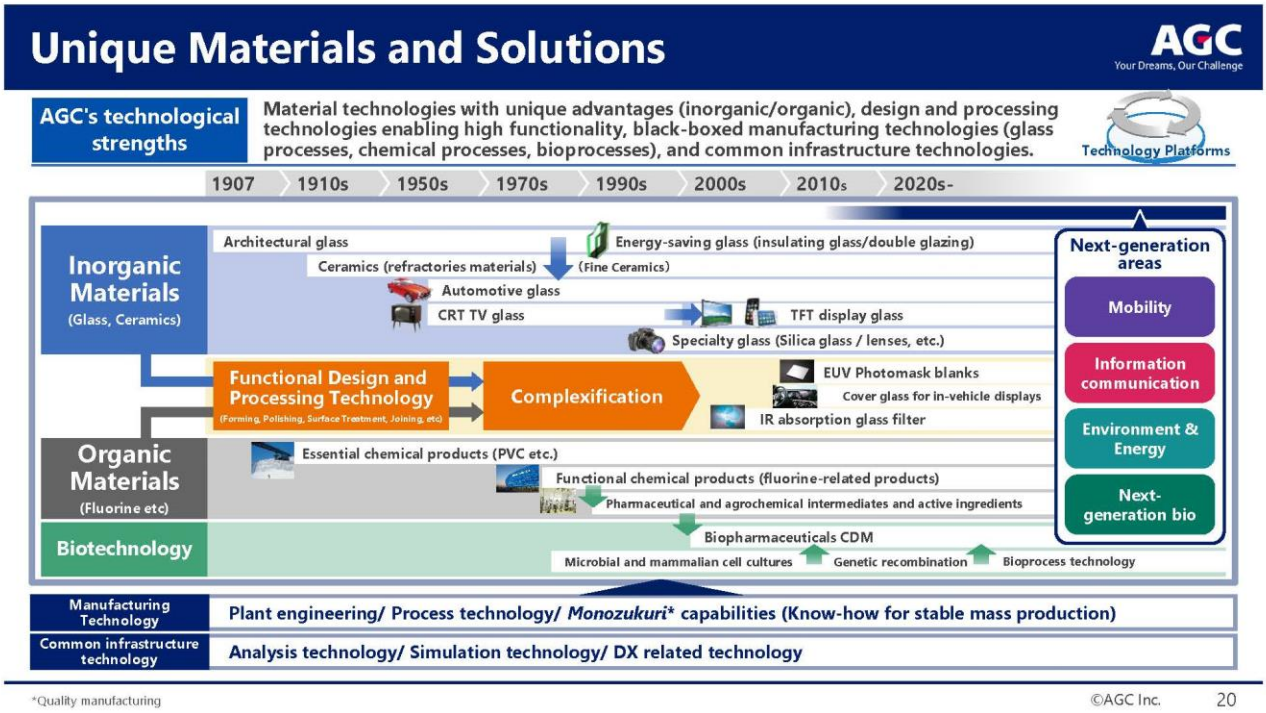
AGC Group's Management Capital

- Strengthen the six management capitals that are the source of value creation and maximize value creation through business activities.
- Details for Intellectual Capital and Human Capital in the next section.

	AGC Group's Philosophy and Goals
Financial Capital	■ Quickly achieve ROE of at least 8% from 2027 onward ■ In 2030, operating profit of 300 billion yen or more, Strategic Business operating profit of 60% or more, ROE stable at 10% or higher, and D/E ratio of 0.5 or less
Manufactured Capital	■ Emphasizing production technology and equipment development in collaboration with product development
Intellectual Capital	■ Technology development that anticipates customer needs ■ Build a strategic intellectual property portfolio and appropriately protect and utilize technological development outcomes as intellectual property ■ Accelerating value creation through DX

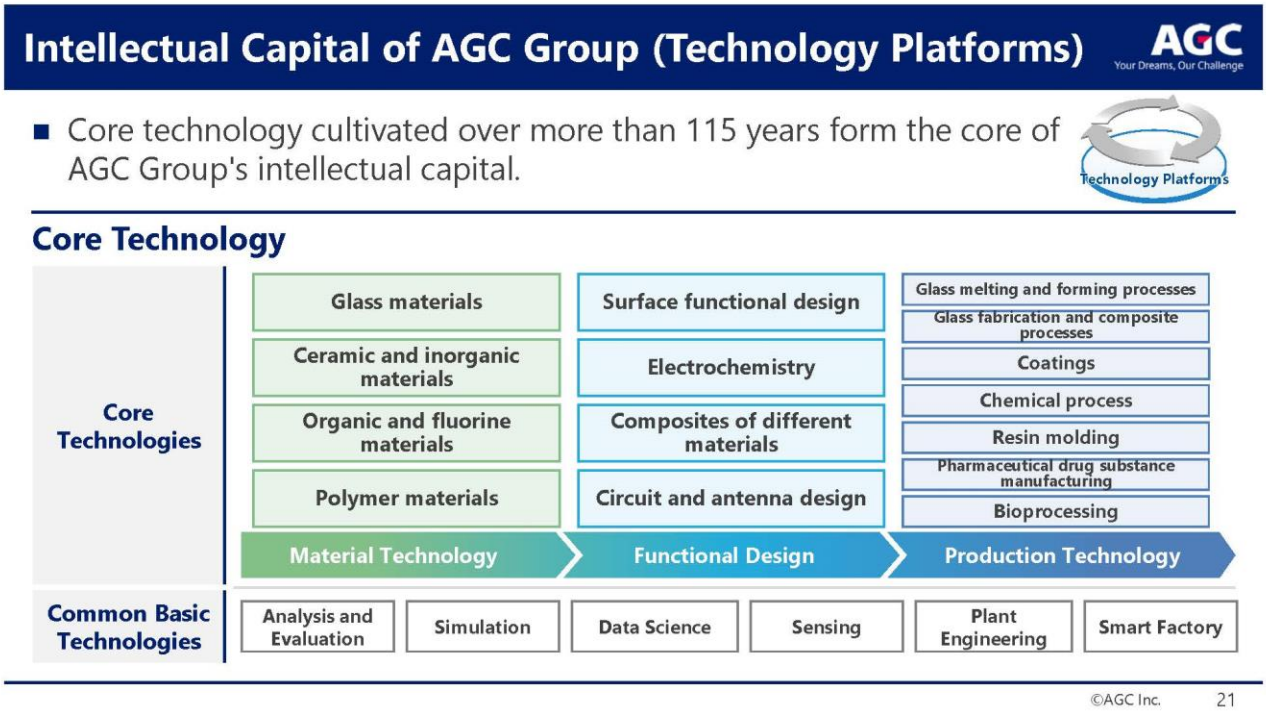
	AGC Group's Philosophy and Goals
Human Capital	■ Execute initiatives aligned with management strategy ■ Planning and executing initiatives based on "AGC People: Driving our Growth!" ■ Monitoring numerical targets
Social and Relationship Capital	■ Delivering new value through collaborative innovation
Natural Capital	■ Reduce environmental impacts throughout the entire life cycle of products, technologies, and services ■ Achieving both a sustainable society and our company's growth

These are the six management capitals: financial capital, manufacturing capital, intellectual capital, human capital, social & relationship capital, and natural capital. To maximize value creation through business activities, we strengthen each of these. Today, we will specifically explain in detail about intellectual capital and human capital.



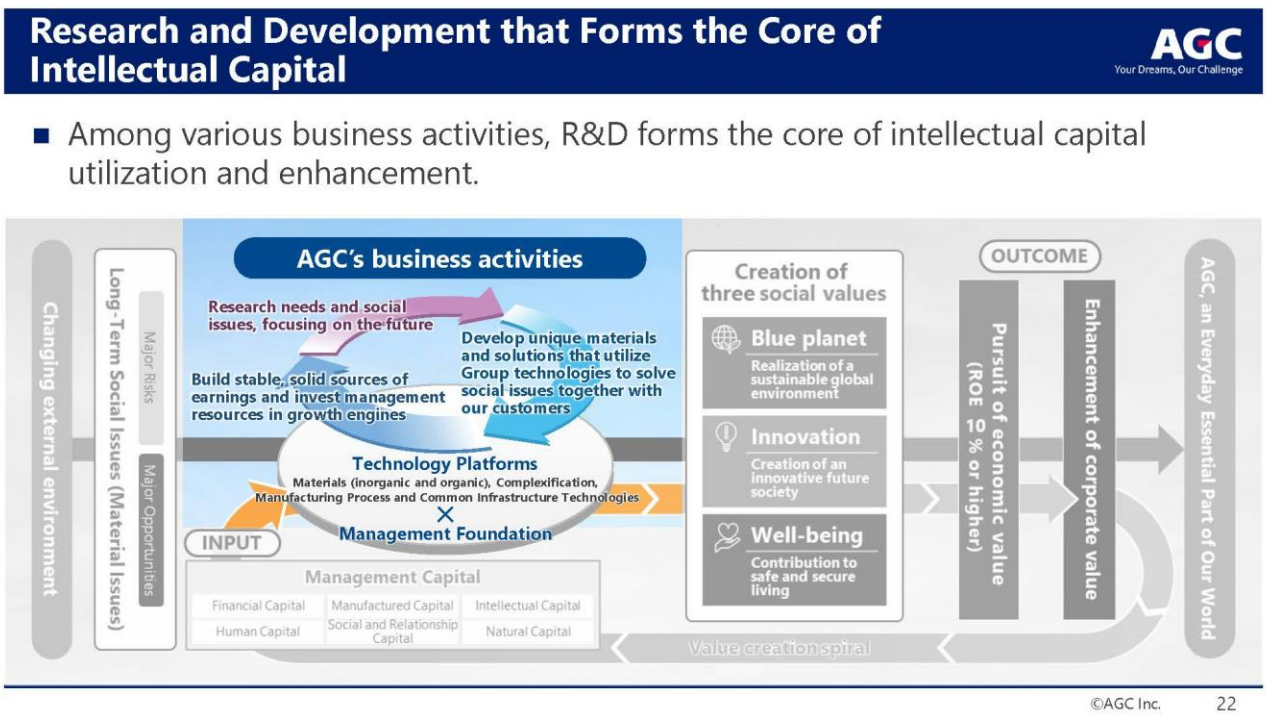
First, intellectual capital. Our strength lies in evolving our technologies in response to changing times. Inorganic materials such as glass and ceramics have advanced, giving rise to representative products shown on the right side of this slide. We have also extended our organic material chain into intermediates and active ingredients. Recently, there has been a technological convergence with biotechnology.

What is very important is that, even if we develop materials, if we cannot manufacture them, they cannot be sold. Therefore, we strengthen our manufacturing technologies, process technologies, engineering, as well as cross-company capabilities such as analytics, simulation, and DX. This is the technological background of our materials and solutions.

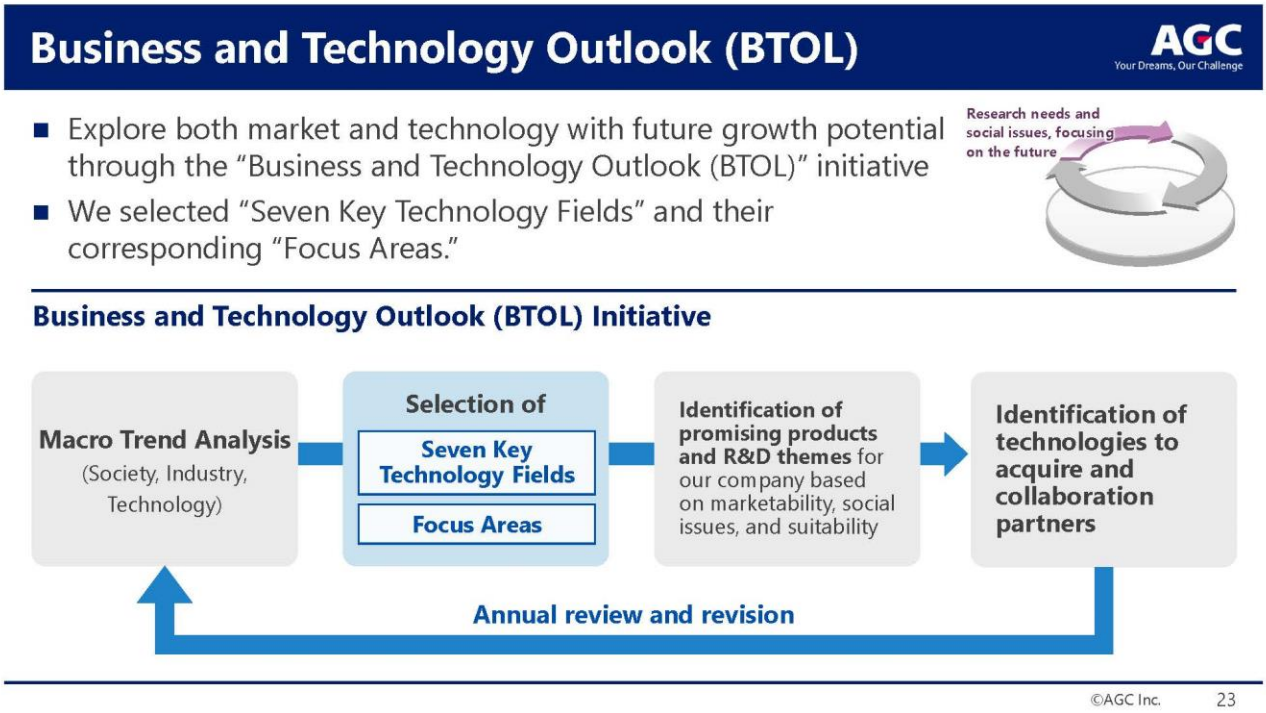


Let me now go into more detail about the AGC Group's technology platform. Over 115 years, we have accumulated these core technologies: materials technologies, functional design technologies, and production technologies. The basic approach is to add functions to materials and put them into manufacturing.

The box at the bottom shows our foundational technologies, which must be continuously reinforced while evolving in line with the times.

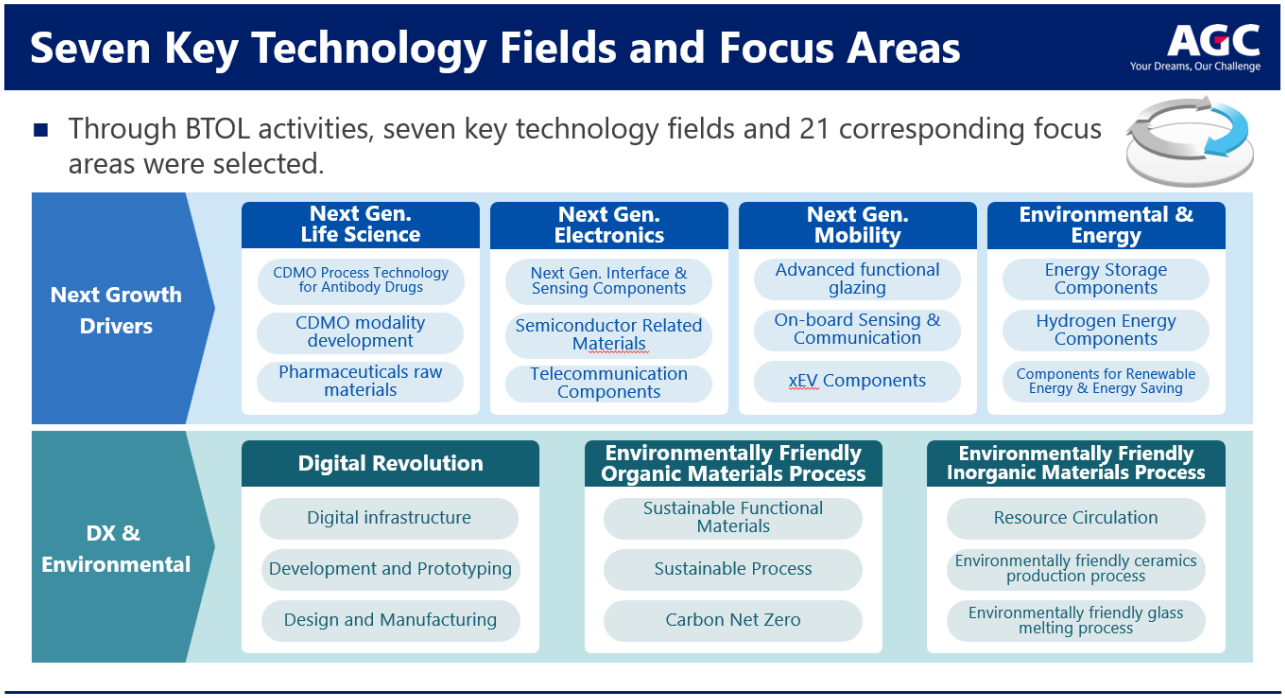


Here, let me explain the first loop of the three-arrow cycle.

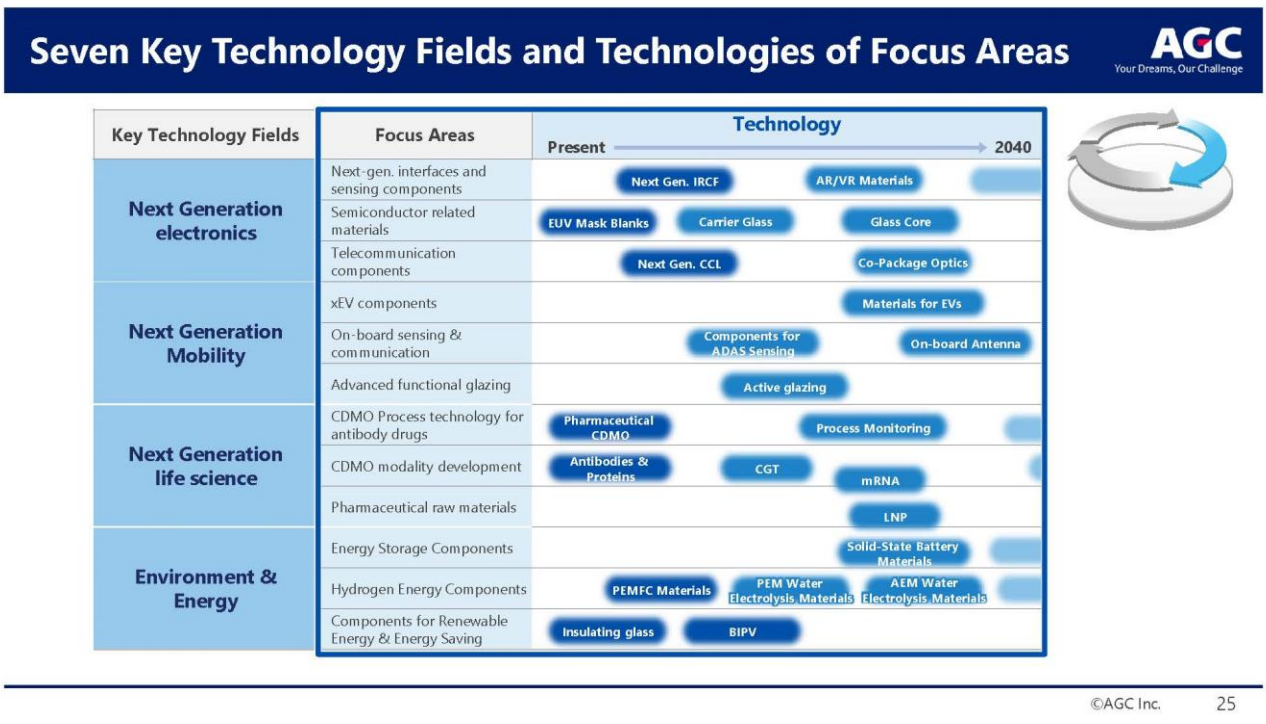


The first loop is exploration. We use a method called Business and Technology Outlook, which involves analyzing macro trends, identifying seven key technology fields and focus areas where AGC can leverage strengths. Based on this, we select research and development themes by evaluating market potential and relevance to our businesses and technologies.

At the same time, we either develop necessary technologies in-house or choose partners for collaboration. We review these annually to establish hypotheses, make projections of future focus areas, and validate them.

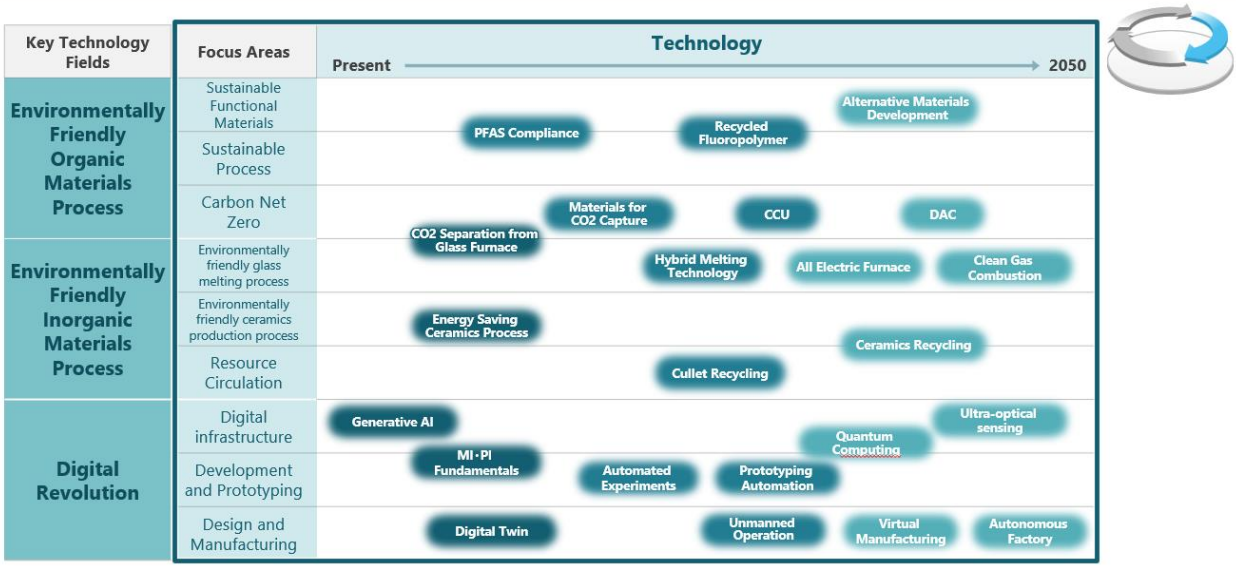


Now, based on those focus areas, we define seven key fields. As shown in the chart above, the top four serve as our growth drivers, while the bottom three are foundational technologies. We allocate management and development resources to them.



I will not go into detail about each area, but the horizontal axis represents time, spanning up to 2040, while the vertical axis lists focus areas. Given the speed of change, the target horizon is around 10 years.

Seven Key Technology Fields and Technologies of Focus Areas



As I mentioned earlier, this foundational technology has a somewhat long-term perspective, extending to around 2050. We include items while looking 20 years ahead and proceed with development accordingly.

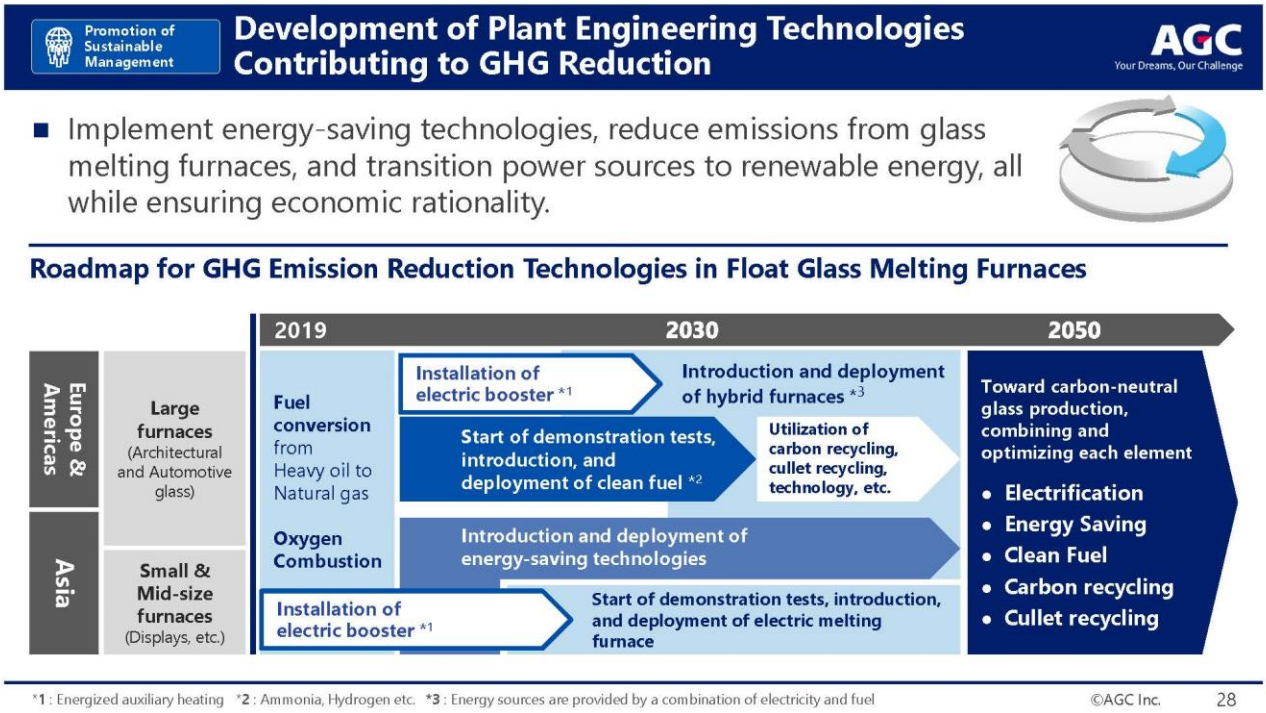
Research and Development Enhancement: Supporting Concepts and Initiatives

- Strengthening research and development is a key element in advancing sustainability management.
- Accelerate research and development enhancement by pursuing DX and open innovation.

Concepts and Initiatives	Description	Examples
Sustainability Management	Corporate management practices to enhance sustainability of AGC Group	■ Development of plant engineering technologies contributing to GHG reduction ■ Development and expansion of environmentally friendly products ■ Material development contributing to technological innovation ■ Diversification of talent and efficient work practices
Strengthened Competitiveness through Accelerated DX	Advancing digital transformation technologies to improve operational efficiency and enhance competitiveness	■ Utilize digital technology across diverse business functions to transform operations through DX
Open Innovation	Accelerate the development of innovative materials and solutions through collaboration with internal and external partners	■ Global operations of new business exploration hubs ■ Establish co-creation hubs with customers and external partners

The concept and initiatives that support this research and development are presented here. We are currently focusing on three key points.

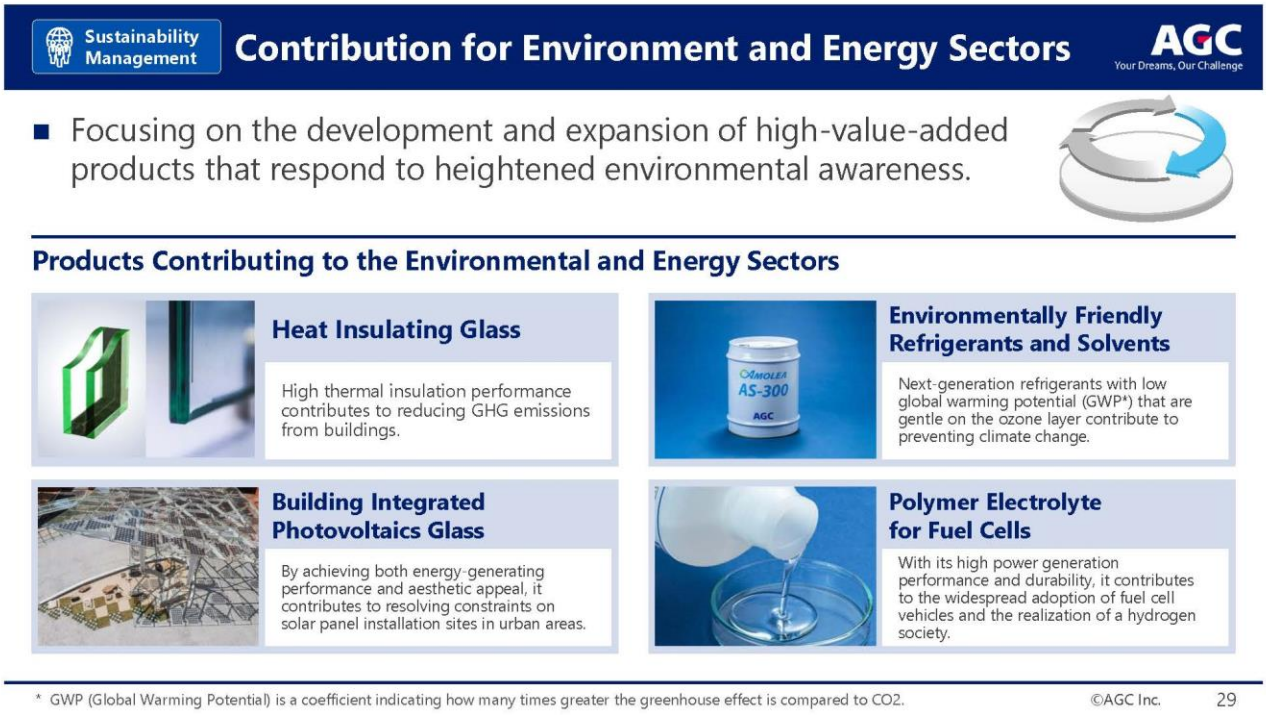
The first is advancing sustainability management. Naturally, we promote sustainability management that reduces CO2 load and supply chain load. The second is accelerating DX to transition toward higher value-added work. The third is promoting open innovation. We are focusing on these three areas.



First, I would like to explain our initiatives for promoting sustainability management, specifically the reduction of GHG emissions.

This is about a melting furnace for float glass. To produce glass, we must apply significant heat to melt sand. Until around 2019, we were still using heavy oil as fuel. We have since switched to natural gas. Moreover, we are implementing oxygen combustion instead of air combustion to increase efficiency.

Another method is the use of electric boosters. By melting with electricity, CO2 emissions can be avoided. Furthermore, we are testing the replacement of natural gas with clean fuels such as ammonia or hydrogen. In addition, energy-saving measures such as recycling, for example, collecting used glass from customers and reusing it as raw material, we are steadily advancing technical development toward achieving net zero carbon emissions by 2050.

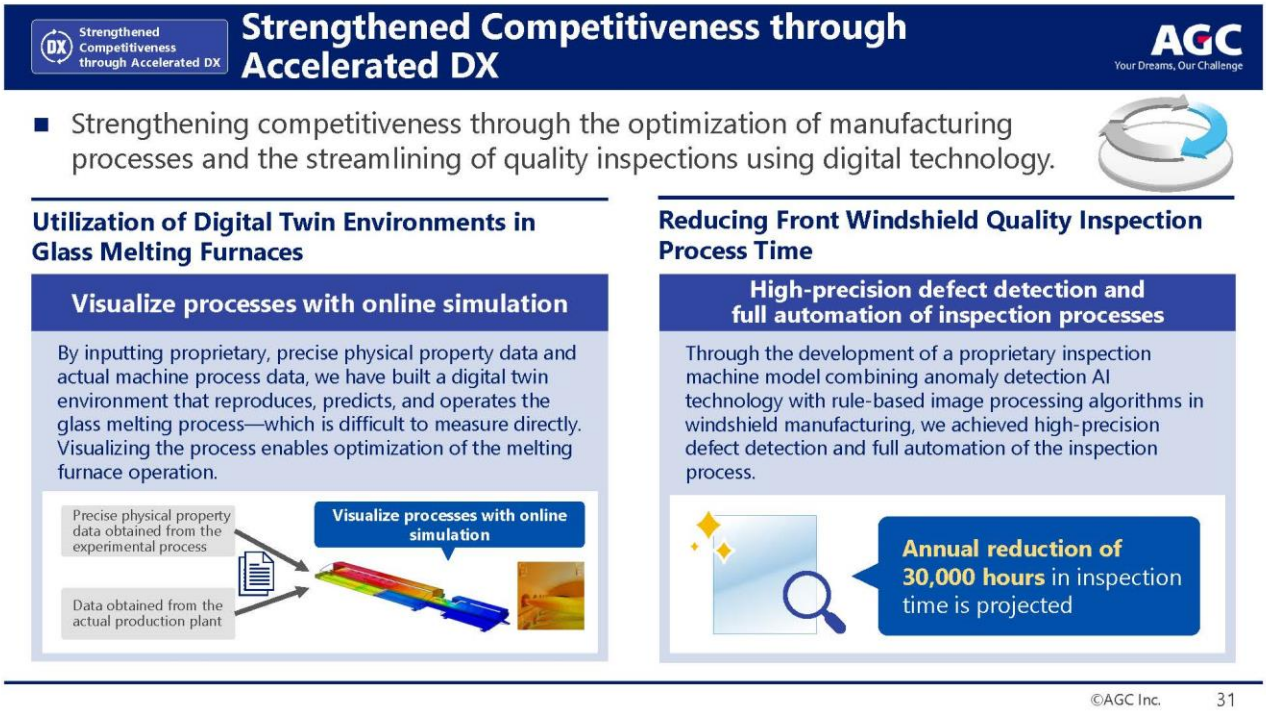


In addition to reducing our own CO2 emissions, we also contribute through our products to the reduction of global CO2.

For example, heat insulating glass. This includes double-glazing or vacuum double-glazing, which improve insulation and reduce the burden of heating and cooling in households. In Japan, where space for solar power is limited, we provide BIPV products, integrating solar power generation into walls or standard windows. In addition, we are developing eco-friendly refrigerants for air conditioners, as well as new-generation energy solutions such as electrolyte polymers for fuel cells, all contributing to the environment and energy fields.

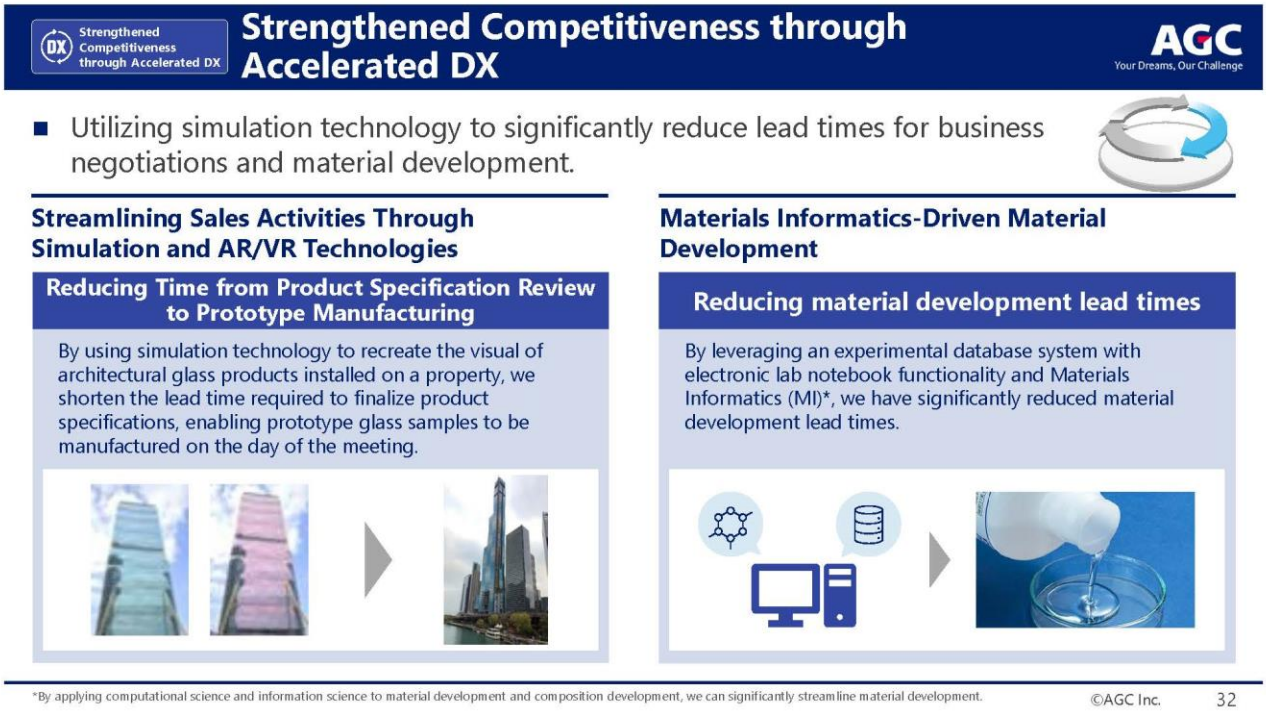
We also contribute to semiconductors, which are becoming more efficient and integrating more memory into smaller devices. Three examples of our leading-edge semiconductor products are shown here.

For example, ceria-based CMP slurry is used for planarization in the most advanced fine processing. This is also one of our strategic products. Then there are EUV photomask blanks used for 2-nanometer and below processes. Furthermore, as semiconductor circuits face limits with increasing integration, attention is shifting toward packaging. High-density, multilayer packaging uses our glass substrates, along with low dielectric silica and fluorine. In addition, as not only electrical but also optical signals are being used, what is called optoelectronic integration, we are developing and delivering optical waveguides.



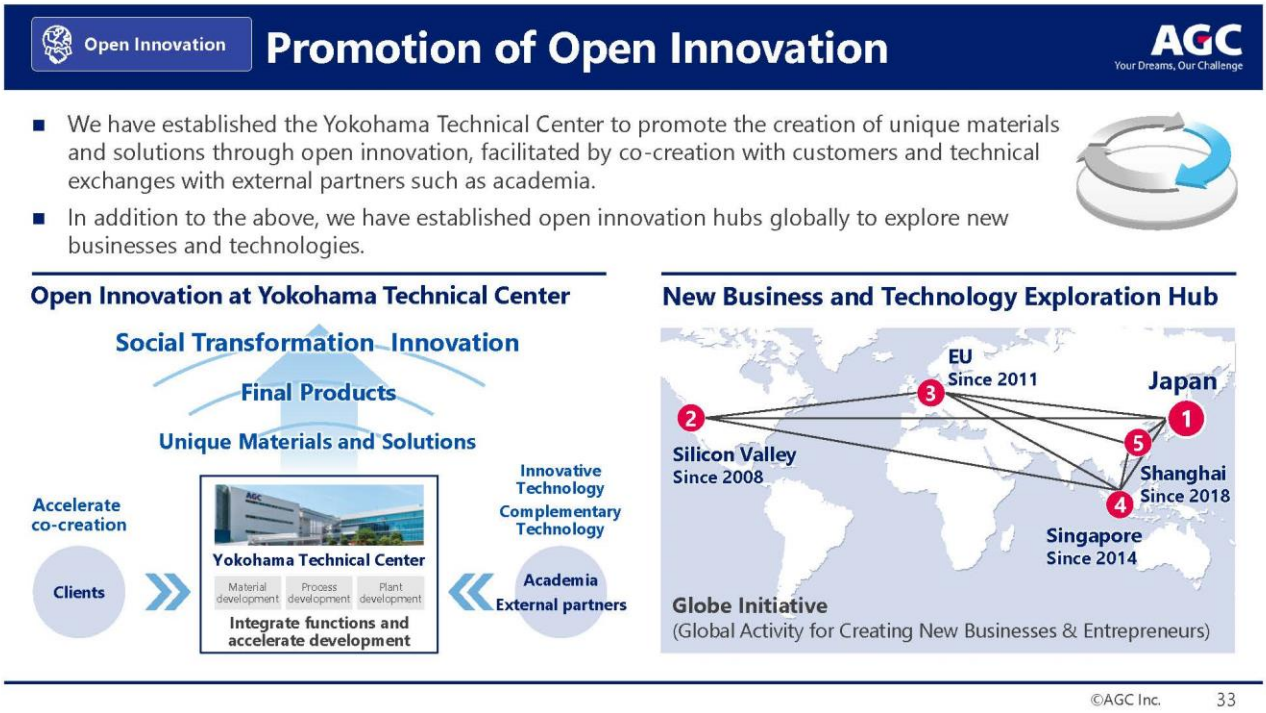
Next is DX. This has many applications. On the left is a digital twin of a glass melting furnace. Since glass is melted at nearly 1,500 degrees, it is difficult to directly observe or measure inside. By simulating operations using an online simulator while running the plant, we can optimize processes through the digital twin.

On the right is quality inspection for windshields. Surface defects are critical because a windshield crack can lead to severe accidents. Until recently, inspections took about 30,000 hours annually, but with machine learning and AI combined with measuring systems, inspections can now be automated, reducing the time to nearly zero. This shortens work while improving safety.



On the left is an example in sales applications. Using AR and VR technologies, we can show glass samples to customers as if they were there on-site, and promptly produce samples with data. On the right is an example: we won an order for skyscrapers along the Hudson River. Because the client, the property owner, could quickly decide on materials, the building could open earlier, which is a direct value for the customer.

Another example is materials informatics. Instead of repetitive experiments, AI is used to identify materials, accelerating evaluation and shortening lead times.



Another key factor is open innovation. We make use of open innovation in providing solutions we cannot achieve alone.

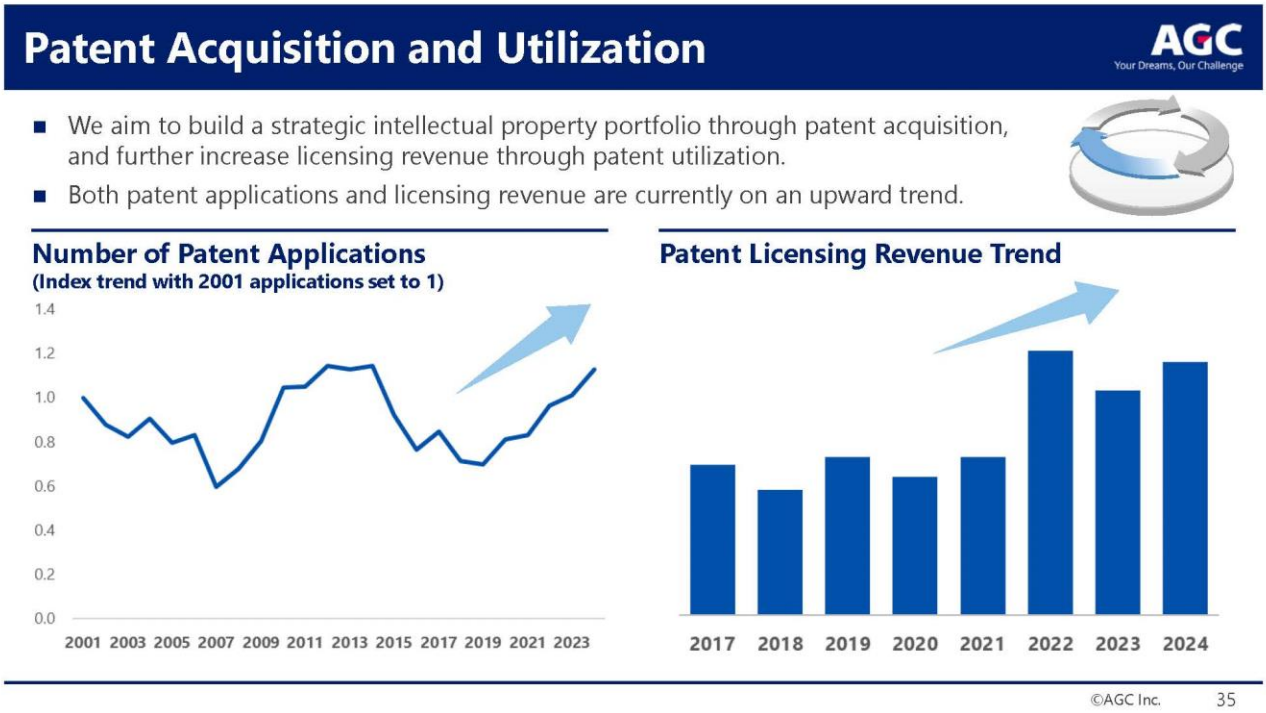
In 2021, we opened the AGC Yokohama Technical Center. As shown above, we consolidated departments covering materials, processes, and equipment design, and established an open innovation organization. This allows academia, external partners, and customers to gather and co-create solutions.

In addition, we have five overseas innovation bases in Japan, Shanghai, Singapore, Europe, and Silicon Valley for new business and technology exploration.

I have explained our research and development activities, and in advancing this, we focus on three directions.

First, leveraging our current capabilities to enter new markets, which means new businesses. Second, developing new generations and new products within existing businesses. Third, innovating production and foundational technologies. These three areas are roughly in a ratio of 1:2:1, and we cannot afford to weaken any of them, so we maintain a balanced approach in development.

Especially since we value our core technologies, we do not pursue entirely unrelated business ventures but focus on our strengths.



Regarding R&D, I will also add that intangible assets such as patents are critical.

Patents, while essential for protecting our technologies, are also strategic assets for us, serving not only defensive but offensive purposes. We aim for patents with wide application possibilities.

Since these are materials, we provide technology for multiple potential applications, not just a single use. As a result, licensing revenue may also increase. By balancing defense and offense, we maximize the use of intangible fixed assets, placing great importance on intellectual property.

On the left is the number of patent applications, indexed to 2001. Although the number of patents has fluctuated a bit, with some patents being increased and others concentrated, depending on the flow of products and changes in the market, I think it is fair to say that we are currently accumulating new intellectual property for the future. I think that will be related to strategic projects.

As for the licensing revenue, you can see that it has been growing year by year as well, as you can see on the right.

That concludes my explanation about intellectual capital. Next, Ms. Ihara will explain our initiatives regarding human capital.

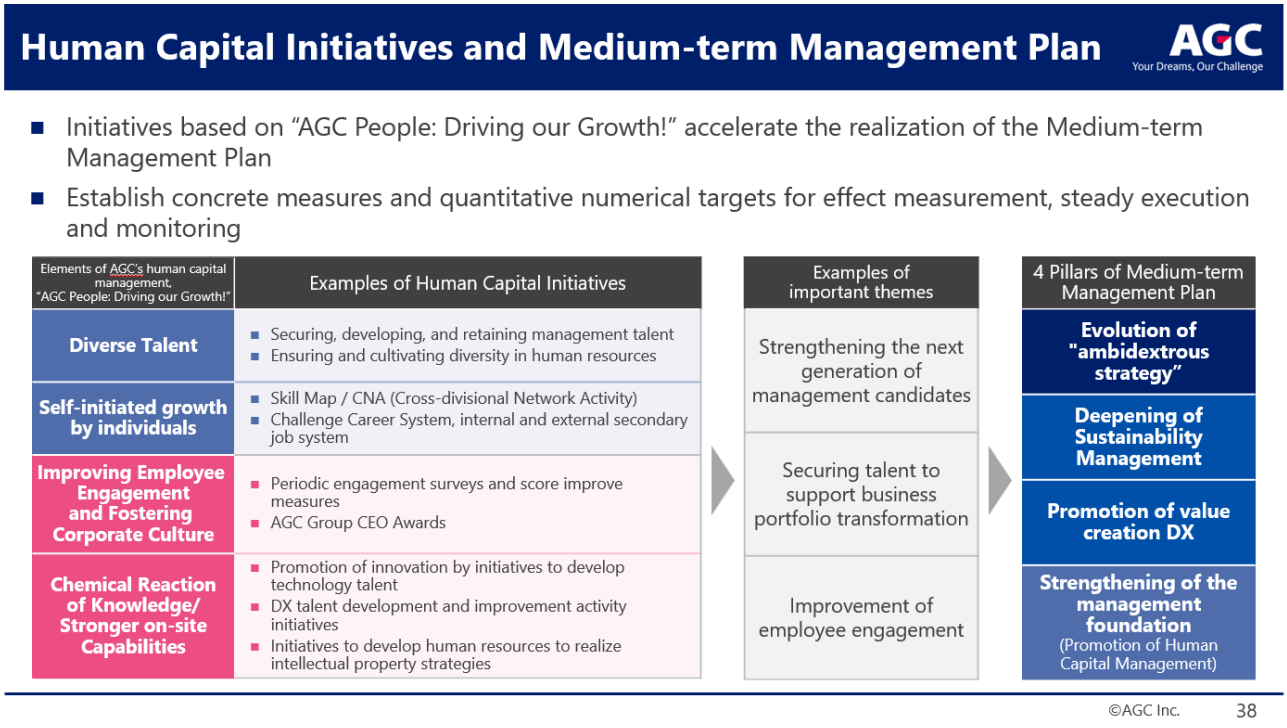
Ihara: Now, I will explain about human capital, focusing particularly today on the development of technical and DX personnel.

First, this is the slide we call AGC People: Driving our Growth! At its foundation lies AGC's Group culture. This represents the desirable corporate culture we aim for: open communication, encouragement of challenges, and an emphasis on self-initiative. We have continuously strengthened, nurtured, and enhanced these qualities, and our ongoing commitment to further foster them serves as the foundation of our approach.

Building on this corporate culture, we leverage diverse talents, draw out the strengths and individuality of each employee, and enable them to make the most of these qualities in their work. In this way, each individual grows autonomously. We create systems to support this, which in turn enhances individual engagement, sparks cross-fertilization of ideas, and strengthens our on-site capabilities.

As was explained earlier, our purpose is to make people’s lives better around the world through our unique materials and solutions. This is our purpose, and by realizing it, our corporate value will increase.

As a result, diverse talent will continue to join our company, and they will grow autonomously, increasing their engagement. This creates a continuous cycle that keeps turning. This is the philosophy behind our human resources initiatives, and AGC’s talent management implements various measures aligned with this approach.



This chart shows HR initiatives aligned with AGC People. There are many measures; only some are highlighted here.

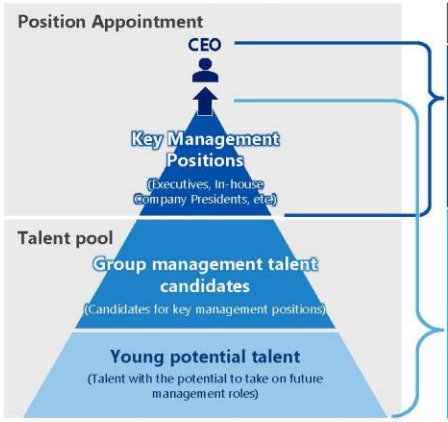
On the right are the four pillars of AGC's medium-term management plan: advancing our ambidextrous strategy, strengthening sustainability management, driving value-creation DX, and reinforcing our management foundation. In order to achieve them, here are examples of critical HR themes to work on. They are strengthening the next generation of management candidates, securing talent to transform the business portfolio, and enhancing employee engagement.

Management Talent: Identification, Development and Retention

AGC Your Dreams, Our Challenge

- Identify next-generation management talent with a long-term perspective and implement systematic development and placement

Decision-making Body for Personnel Placement in Key Management Positions



Decision-making Body	Attendee	Overview	Prioritized Experience and Specific Development and Placement Measures
Nominating Committee	Independent Director CEO Chairman	■ Develop succession plans for the President and other executive officers and review their development status ■ Recommend candidates such as the CEO to the board of directors	■ **Experience in cross-departmental and cross-regional key positions** ■ 360-degree evaluations and assessments aimed at supporting growth ■ Participation in training sessions led by outside directors
HR Committee	CEO CFO CTO GM of Human Resources Div. In-house Company President	■ Held seven times a year ■ Discussing the discovery and development of management talent ■ **Based on the results of the discussion, the CEO will recommend candidates to the nomination committee.**	■ **Career experience focused on becoming a management candidate (experience across multiple businesses, participation in global management and projects, etc.)** ■ Participation in the group management talent development program

This illustrates the system for identifying and developing management talent, or more specifically, the decision-making body involved in this process. In terms of discovering and developing management talent, we organize talent pools by grade or, more appropriately, by age and experience group. We create these talent pools broken down by age and experience groups, and each year, we discuss candidates submitted from each company and officially recognize these talent pools annually. This process is carried out through discussions and decisions by the HR Committee, which repeats this cycle every year.

As shown on the left, there is a talent pool for young potential talent, followed by a group of candidates for group management talent at a slightly higher grade. Above that level is the executive layer.

The HR Committee discusses the two lower talent pools, focusing on how these recognized talents can gain broader experience and have discussions to ensure they acquire valuable experiences that prepare them to become future management talent candidates.

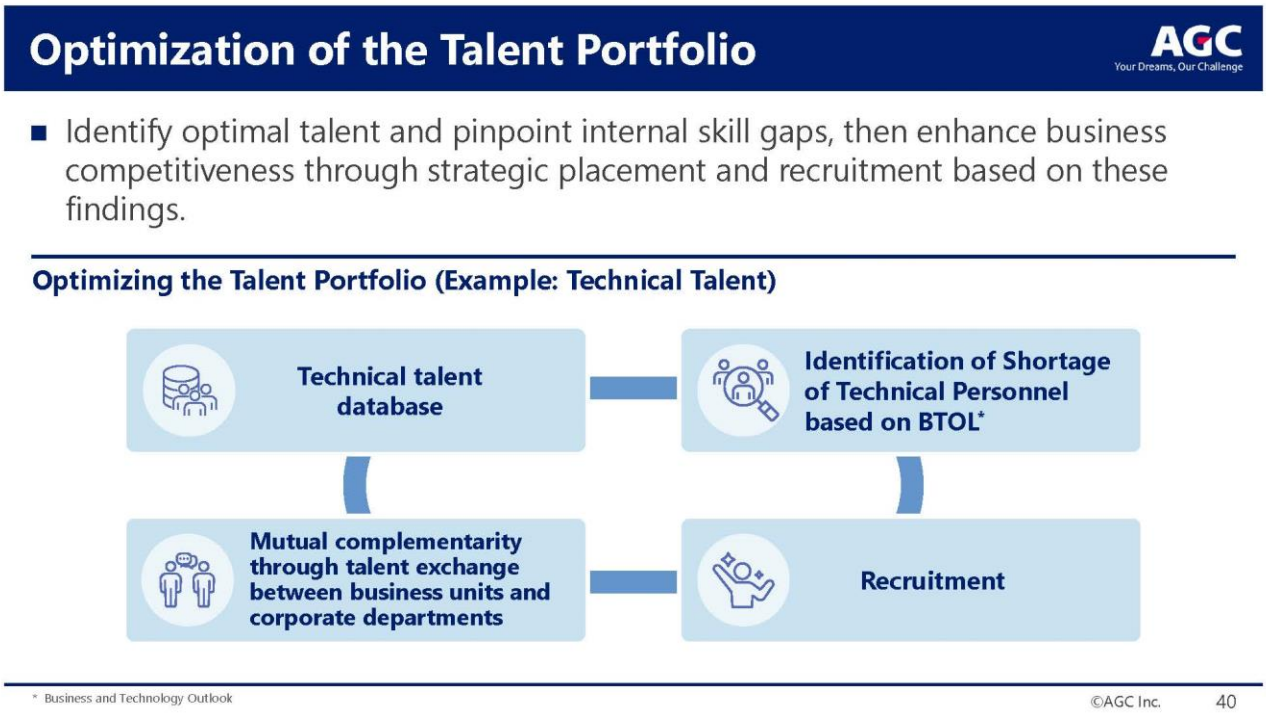
For technical talent specifically, career development involves both corporate research institute experience and business division experience. We create individual development plans, including job rotations, aligned with individual growth designs.

Some individuals benefit from gaining experience in business management, so there are people who not only conduct research in the laboratories but also gain experience in managing businesses and operations. Those who acquire such broad experience then grow into the talent pool for the next level of management. That is how the process works.

The Nomination Committee is supposed to discuss the development of the first and second generation talent pools in the succession plan of the president, executive officers, and directors, and to review the progress of development. Similarly, whether this layer has a wide range of experience suitable for the so-called management level, whether they have experienced multiple businesses, or how to create opportunities for them to experience it. In fact, we believe that experience in managing businesses in Europe and the United

States is important, and how and when should we have them experience this? The Nomination Committee is responsible for reviewing the progress of development while discussing such matters.

Here as well, for technical talent, it is important whether they have experience in the multiple organizations or experience in Europe and the US. Therefore, we design development plans to ensure such experiences can be obtained.



This is the optimization of the talent portfolio. This is also an example of technical talent.

For technical talent, we have created an internal database that records basic attribute information, career aspirations, skills, and the research themes they have been involved in so far.

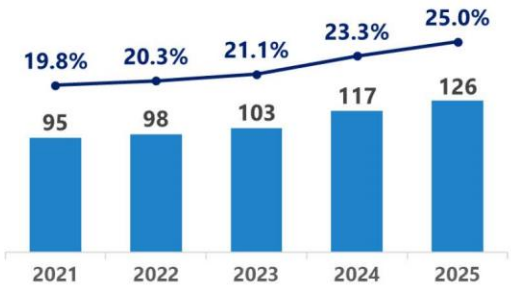
As Dr. Kurata explained earlier, we review our Business and Technology Outlook every year. By comparing this with the database, we identify where we lack the technical talent needed for future development. For those gaps, we either recruit externally or make use of internal reskilling opportunities, enabling employees to broaden their skills through diverse experiences.

In addition, this database helps balance resources between corporate research institutes and business divisions, addressing shortages in one area while offsetting surpluses in another. Thus, this database is applied not only for talent development and acquisition but also for optimizing resource allocation.

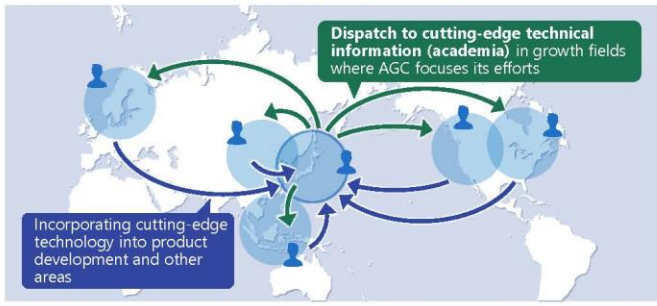
Securing and Utilizing Technical Talent

- 30%*1 of members in the Technology Division hold a Ph.D.
- Ph.D. holders participate in the world's most advanced research networks, contributing to the creation of next-generation businesses and the establishment of competitive advantages in growth areas.

Ph.D. holders in the Technology Division*2



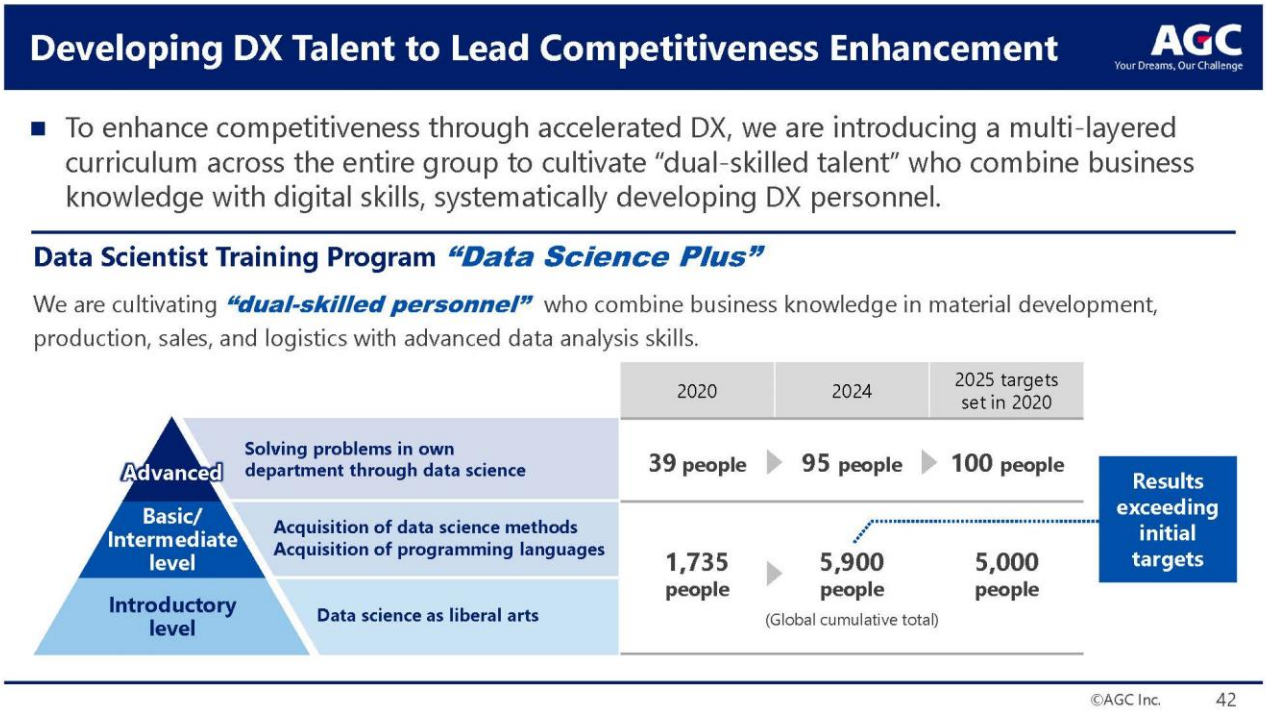
Academic placement of Ph.D. holders and collection of cutting-edge technologies



*1 Including prospective acquirers *2 As of January 1, 2025

We are increasing the number and percentage of PhDs in the technical development sector over the past few years. Currently, about 30% of the staff in this division hold PhDs. Some are recruited as new graduates, some are hired mid-careers, and others earn their PhD after joining AGC, supported by company assistance programs. Through this mix, we are strengthening the pool of PhD-level talent.

These PhD holders collaborate with various academic institutions worldwide, acquiring new knowledge and leveraging networks for new developments, thereby contributing to the creation of next-generation businesses and securing competitive advantages in growth areas.



This is about DX talent. We have been working on this since 2020, establishing a structured program to systematically nurture DX personnel. Each year, we set a target number, and the pool has steadily grown. We have already achieved our 2025 target. We are now setting the next target for 2030.

AGC's unique approach is that DX talent are not only people with technical skills in DX, such people are, of course, necessary, but what matters as well is having people who understand core business functions such as development, manufacturing, production, sales, logistics, and marketing. Those people then acquire technological and data science skills, becoming dual-skilled personnel who understand both business and data management.

With this, they can promote DX that is truly useful at the frontline. We are developing and strengthening such talent under this approach, and we plan to continue increasing this pool of dual-skilled employees.

The slides prepared today end here, but we also have many other initiatives to strengthen the skills of technical personnel. For example, we have a skill map system, where employees can register their skills. Based on these registered skills, cross-organizational network activities are organized.

Employees with common skills gather to form teams and proactively improve their expertise together. Such initiatives are very active within the Company.

Through this, employees can deepen the skills they already possess, or register to learn new skills they do not yet have, thereby broadening their capabilities. This provides both opportunities for specialization and for reskilling, supported by our HR systems as a platform.

In our research institutes, the role of middle management is extremely important. To trigger knowledge innovation, middle managers must draw out from their teams what interests they have, where they wish to develop their careers, and which skills they want to deepen. By nurturing these aspirations and forming internal teams that connect them to development, we believe that true knowledge innovation can occur through effective collaboration with middle management.

In our research institutes, in recent years we have been strengthening initiatives for middle management. These include holding dialogue sessions on how to cultivate their teams, as well as introducing programs called facilitation training, which focus on how to bring out the voices of team members. We have been enhancing such training to improve the facilitation skills of middle managers.

We believe that by preparing opportunities for employees to enhance their skills in a cross-organizational manner, beyond the boundaries of organizational structures, employees at AGC can experience a real sense of personal growth.

What is important here is that our analysis shows the strongest correlation with improved engagement scores comes from employees experiencing a sense of growth. For this reason, as well, we are creating mechanisms and implementing initiatives in various areas to ensure employees can feel this sense of growth, thereby enhancing their engagement.

This takes a long time. Feeling a sense of growth does not instantly cause engagement scores to rise sharply; rather, it is something that steadily builds over time through consistent, continuous effort. Although the results do not appear immediately, we believe this is an extremely important initiative, and we hope it will be viewed with a long-term perspective.

That is all from me.

[END]