

# Life Science Business Q&A Session



**AGC Inc.**

September 29, 2025

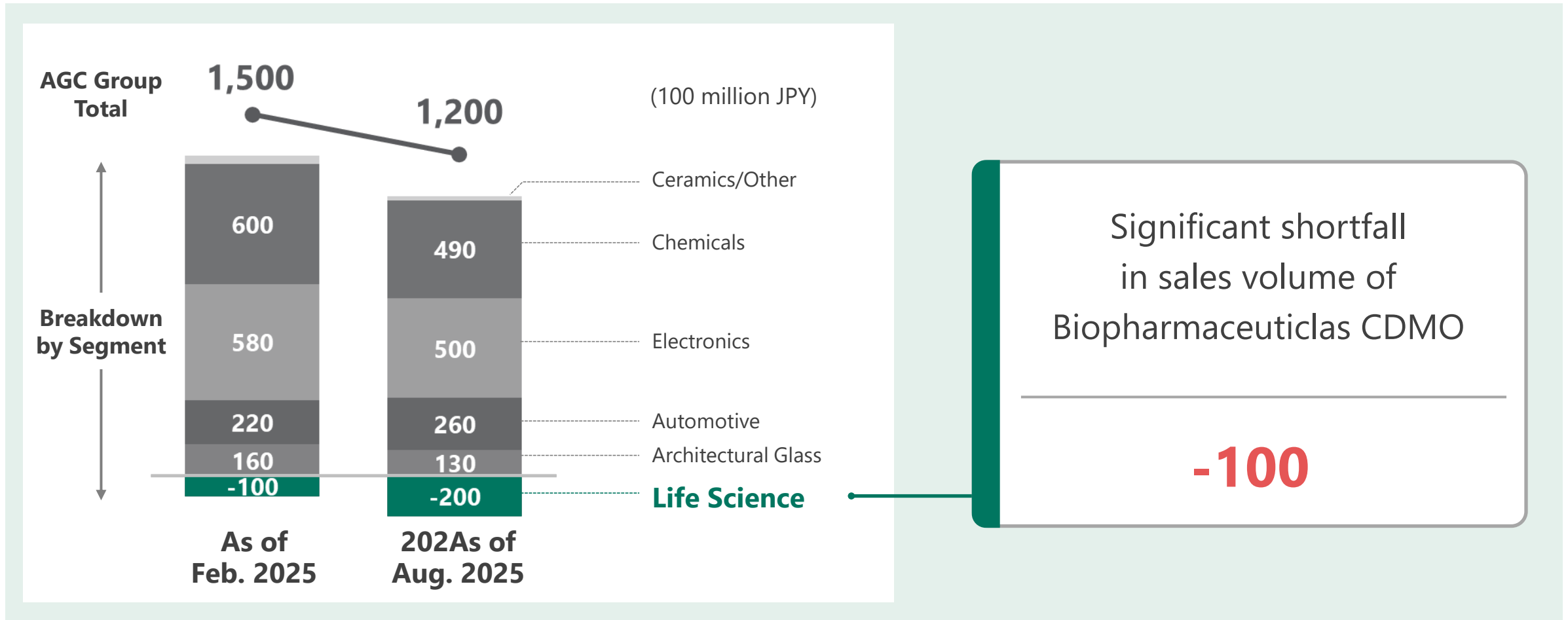
Your Dreams, Our Challenge

# Revised Operating Profit Forecast

From Q2 2025  
Financial Results  
Presentation Materials

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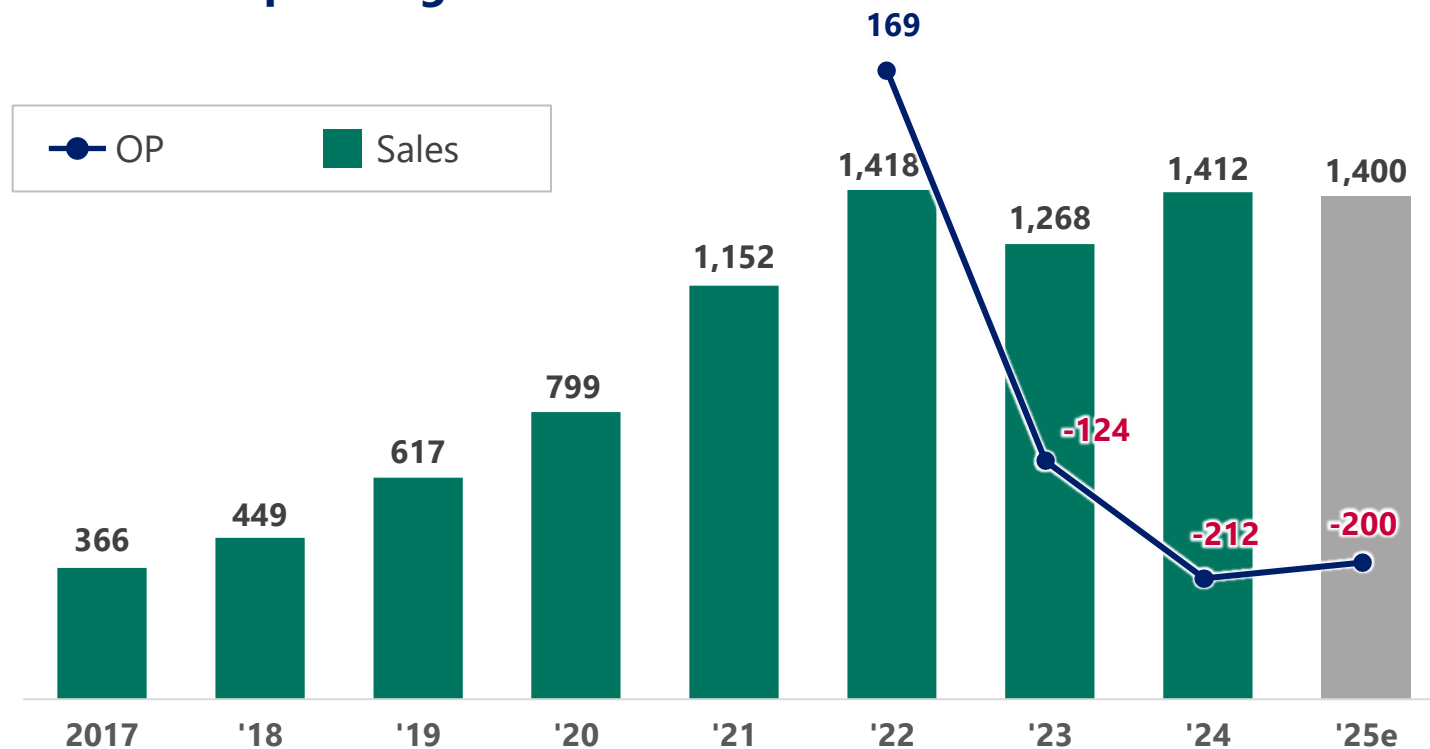
- Operating profit forecast of Life Science was revised downward due to lower expected results



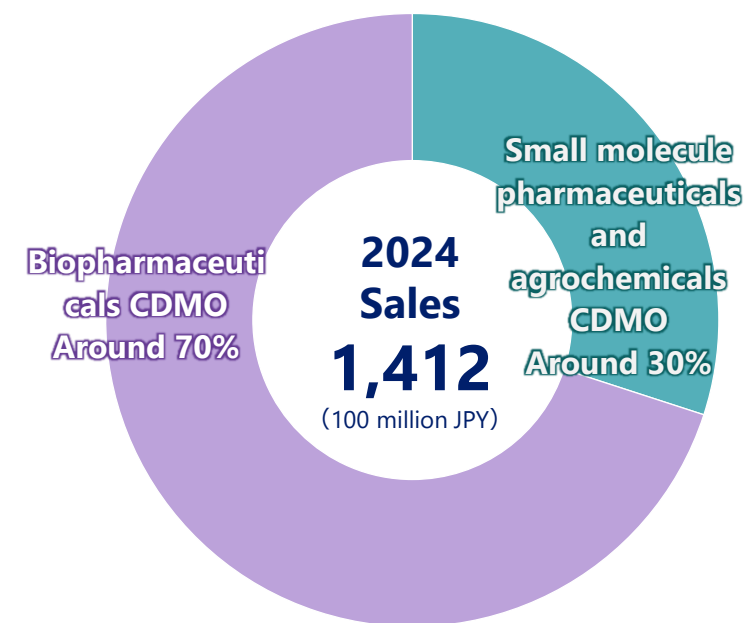
# Sales and Operating Profit Transition

- Sales grew significantly through M&As since 2016. Profitability declined after 2023 with change in market environment such as COVID related demand decline, as well as internal factors such as delay in start up of new facilities.

## Sales and Operating Profit Transition (100 million JPY)



## Sales by Services



\*Only sales is disclosed as a sub-segment within the Chemicals segment before 2021.  
Life Science as a stand-alone segment is disclosed after 2022 (2022 figures are for reference only).

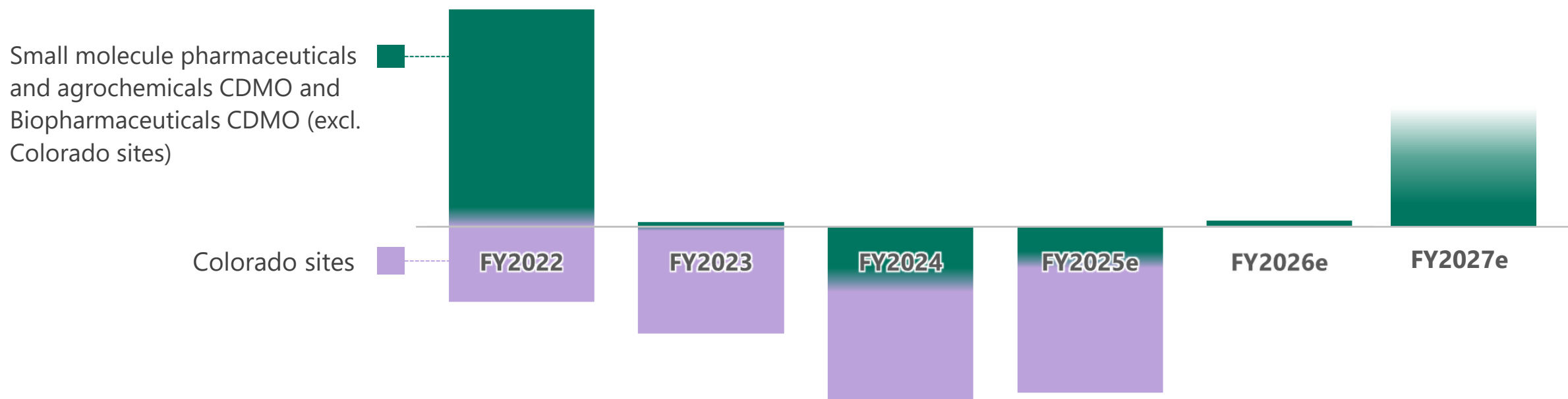
# Structural Reforms: the US Colorado Site

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- Strategically reviewing the biopharmaceuticals CDMO business' US Colorado sites (Boulder and Longmont), which has been the main loss factor of Life Science. Efforts to transfer the business sites are being initiated
- Recover profitability of the Life Science segment by 2026 as initially planned

## Operating Profit Outlook of Life Science Segment



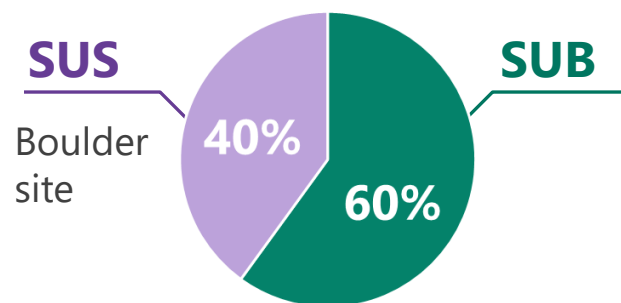
# Focus on Single Use Bag (SUB)

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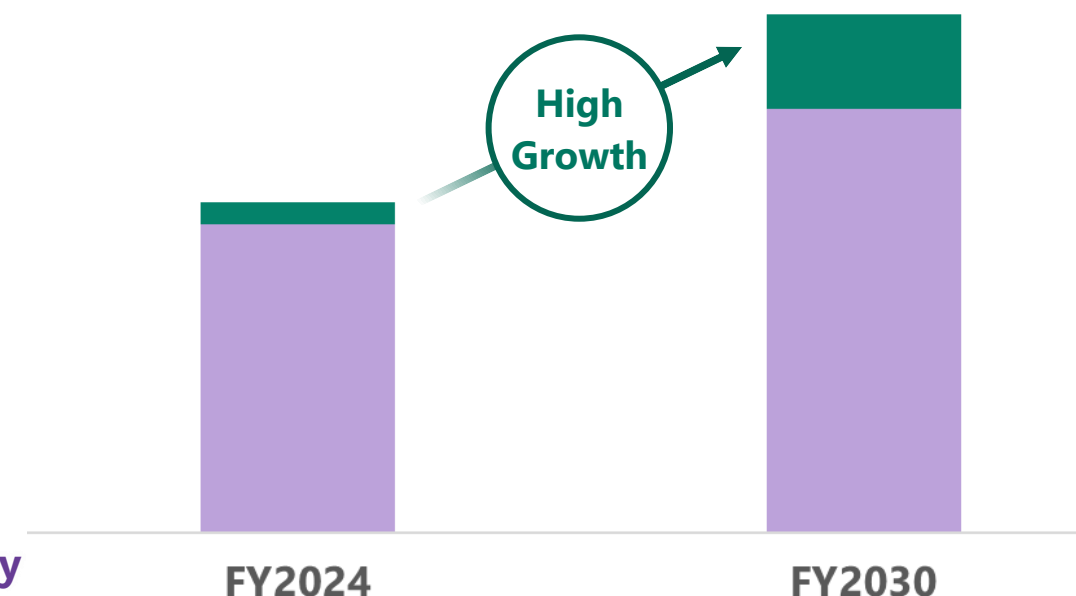
- Refocusing on SUB<sup>\*1</sup>, service offerings where AGC has an established global network
- High growth is expected for small- to mid-sized drug market where SUB technology is targeted

## AGC's SUB/SUS Production Capacity<sup>\*2</sup>



## Growth Rate of Antibody Drug Market<sup>\*3</sup>

- Small- to mid-sized drug market (orphan drugs, etc.)
- Large-sized drug market (blockbuster, biosimilars, etc.)



## Antibody Drug CDMO Market

Target market	Clinical phase		Small- to mid-sized drugs (orphan drugs, etc.)	Large-sized drugs (blockbuster, biosimilars, etc.)
	(Early-stage development)	(Late-stage development)		
Size of bioreactor	500L~2,000L	2,000L~	~20,000L	>20,000L * multiple bioreactors
	Target of SUB technology		Target of SUS technology	

\*1 SUB (Single-Use Bag) \*2 As of June 2025 \*3 Estimated by AGC's based on EvaluatePharma, Globaldata. Only includes commercial drugs

# Continue to Nurture Life Science Business as Strategic Business

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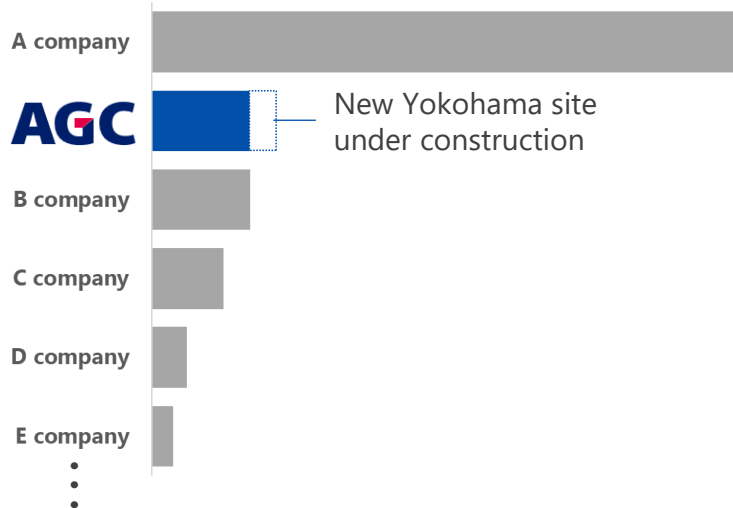
- Nurture Life Science segment which includes Biopharmaceuticals CDMO as a strategic business that will become one of the pillars of our future growth
- Leveraging our accumulated strengths, we will return the business back to a growth trajectory at the earliest

## AGC's Strengths

- AGC is a pioneer of SUB technology. Current capacity ranks 2nd largest globally
- Production sites are balanced in Europe, US and Japan, showing a tailwind despite growing geopolitical risk
- Abundant track record of inspections in three regions

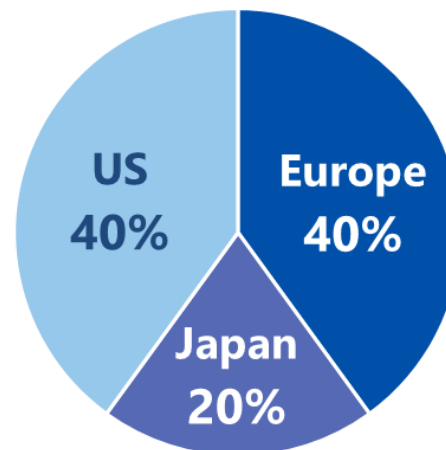
## SUB Market Players

Antibody (mammalian cells): Production capacity of major competitors\*1



## AGC's Production Capacity by Regions\*2

Total ratio of 500-5,000L SUB bioreactors



## Inspection Track Record

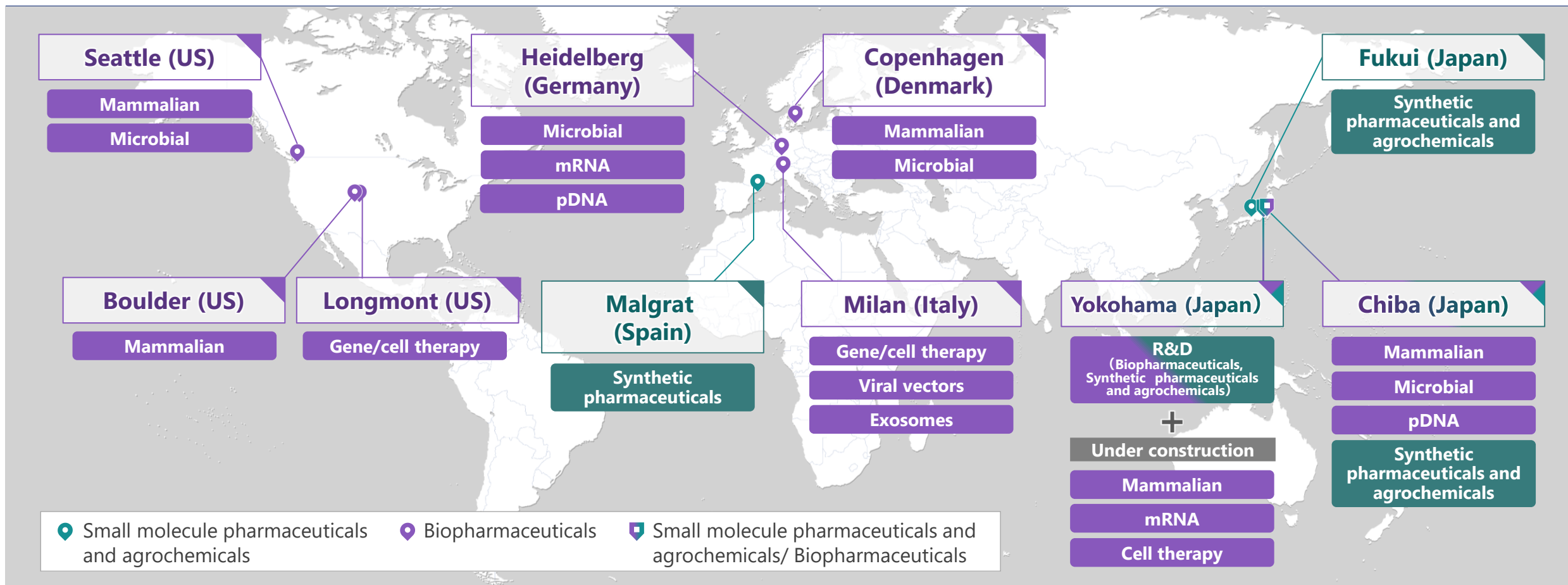
	FDA U.S. Food and Drug Administration	EMA European Medicines Agency	PMDA Pharmaceuticals and Medical Devices Agency
Seattle	●	●	●
Copenhagen	●	●	●
Heidelberg	●	●	●
Milan	●	●	
Chiba			●

\*1 As of June 2025

\*2 After the start of operations of new Yokohama site

# Life Science Global Operations

- We have established a highly integrated **cGMP system** in Japan, the U.S., and Europe, and provide the same **high standard of development and manufacturing services** in a **wide range of fields** from any of these regions.



# History of Life Science Business

- In 1973, the Life Science Team was launched as a research unit, and commercial operations began in the 80s.

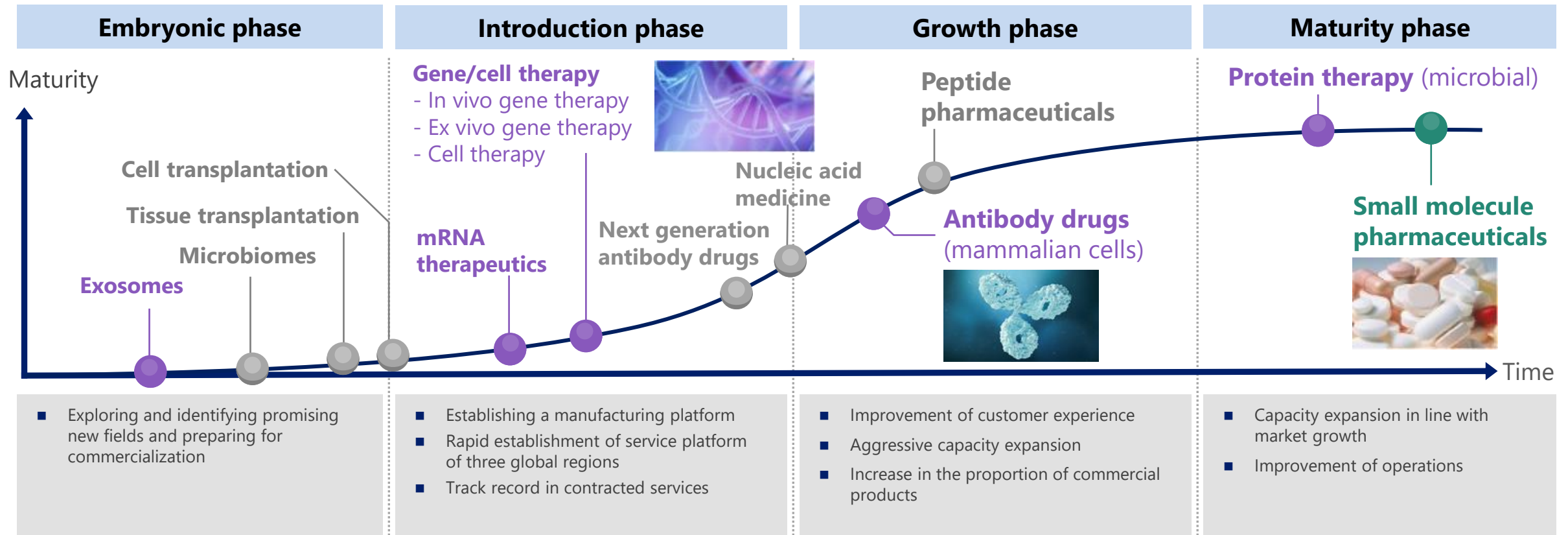
**1973 Launched The Life Science Team to investigate the applicability of AGC's fluorination technology to pharmaceutical & agrochemical production**

Small molecule pharmaceuticals/agrochemicals	Biopharmaceuticals
<b>1985</b> Started contract manufacture/supply of fluorinated intermediates for use in antibiotics	<b>1984</b> Formed the Biochemical Group focused on biopharmaceutical development
<b>1997</b> Established AGC Wakasa Fine Chemicals (currently AGC Wakasa Chemicals)	<b>2000</b> Formally launched the protein contract manufacturing business
<b>2003</b> Established a GMP-compliant manufacturing facility for clinical stage drug substances & intermediates at Chiba Plant	<b>2016</b> Acquired biopharmaceuticals CDMO in German (currently Heidelberg site)
<b>2008</b> Obtained marketing approval for tafluprost, an anti-glaucoma drug substance	<b>2017</b> Acquired biopharmaceuticals CDMO with sites in Europe and US (currently Seattle & Copenhagen sites)
<b>2013</b> Established a new plant, Kaminaka Plant, in the Wakasa Techno-Valley (AGC Wakasa Chemicals)	<b>2020</b> Established new mammalian cell culture facility at Chiba Plant
<b>2019</b> Acquired drug substance manufacturing plant in Spain (currently AGC Pharma Chemicals Europe)	<b>2020</b> Acquired biopharmaceutical drug substance manufacturing plant in US (currently Boulder site)
<b>2019</b> Increased GMP compliant production capacity 10-fold at Chiba Plant	<b>2020</b> Acquired gene/cell therapy CDMO in Italy (currently Milan site)
<b>2022</b> Facility expansion at AGC Pharma Chemicals Europe	<b>2021</b> Acquired U.S. gene therapy manufacturing plant (currently Longmont site)
<b>2024</b> Facility expansion at Kaminaka Plant of AGC Wakasa Chemicals	<b>2023</b> Started mRNA CDMO service (Heidelberg site)
<b>2025</b> Facility expansion at AGC Pharma Chemicals Europe	<b>2024</b> Facility expansion at Copenhagen site






# Service Deployment | Modality

- For pharmaceutical CDMOs, formulate business strategies according to modality\* and market maturity.



\* Classification of methods and means of basic technologies for drug discovery for pharmaceuticals

# Ongoing Investment for Life Sciences Segment

Service		Site	Overview of the investment	Launch
<b>Biopharmaceuticals CDMO</b>	<p>Completed image (at AGC Yokohama Technical Center)</p> 	<b>Yokohama</b>	<ul style="list-style-type: none"> <li>■ Expanding development and manufacturing capabilities for biopharmaceuticals, mRNA therapeutics, and cell therapies using animal cells</li> <li>■ Mammalian cell bioreactors at one of the largest scales among CDMOs in Japan* (5,000Lx2, 2,000Lx4)</li> <li>■ Investment amount: approximately 50 billion JPY</li> </ul>	<b>End of 2026</b>
<b>Small molecule pharmaceuticals CDMO</b>	 	<b>Spain</b>	<ul style="list-style-type: none"> <li>■ To meet robust demand for small molecule pharmaceuticals, manufacturing capacity expansion by approximately</li> <li>■ Facility capable of manufacturing high-potency active pharmaceutical ingredients (HPAPIs) to be introduced.</li> <li>■ Investment amount: approximately 12 billion JPY</li> </ul>	<b>1H 2026</b>



## Four wins in CDMO Leadership awards 2025

### AGC Biologics

- Biopharmaceuticals (Area : Global)
- Cell & gene therapy (Area : Global)
- Best quality management system award

### AGC Pharma Chemicals

- Best manufacturing capability award



## High rating in EcoVadis sustainability award



**Platinum**

- AGC Pharma Chemicals Europe (Spain)



**Gold**

- AGC Wakasa Chemicals



**Silver**

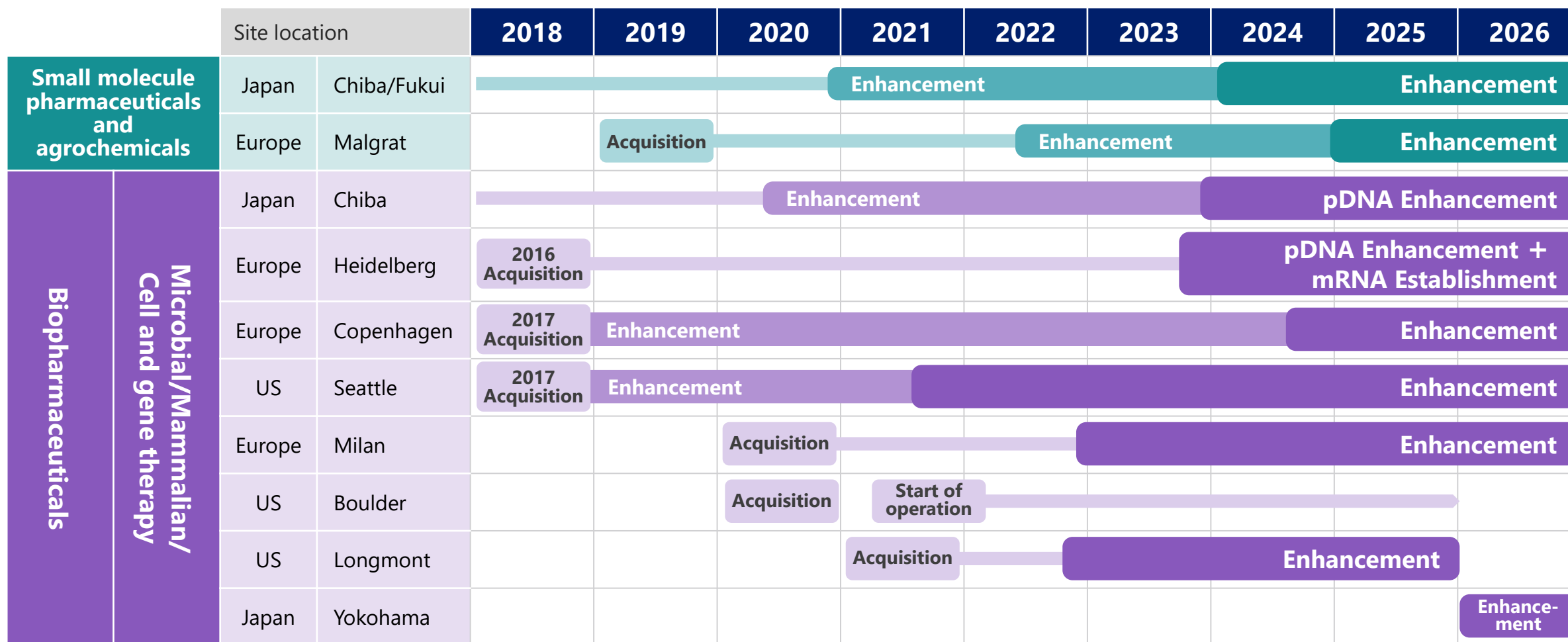
- AGC Biologics (Copenhagen)
- AGC Chiba factory



## Awarded for Top Employer 2025

- AGC Pharma Chemicals Europe (Spain)

# Investment of Life Science Segment



# Life Science Segment

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	FY2024 1-2Q Total	FY2025 1-2Q Total	Change
<b>Net sales</b>	636	<b>635</b>	- 1*
Life Science	616	<b>617</b>	+ 0
(Inter-segment)	20	<b>18</b>	- 1
<b>Operating profit</b>	-141	<b>-119</b>	+ 22

\* FOREX impact: -9,  
Change in the Scope of Consolidation: No impact

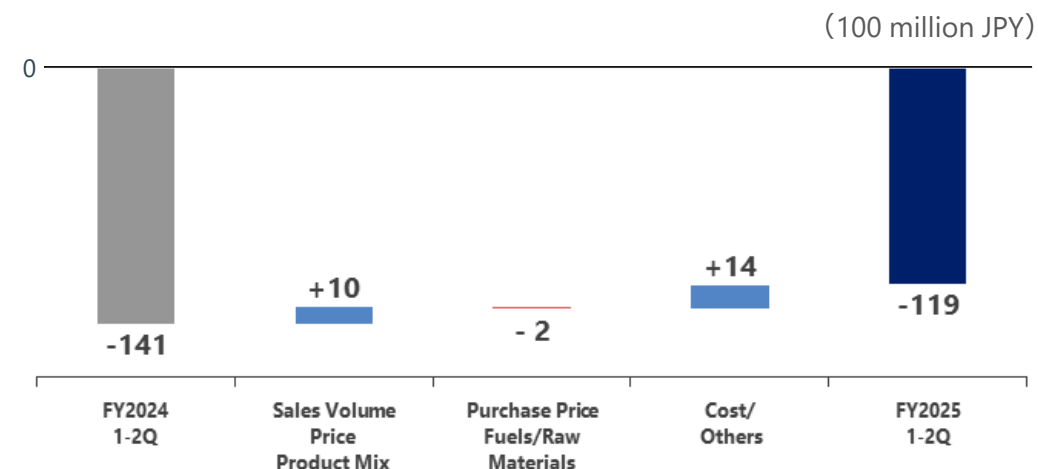
(100 million JPY)



## Life Science

- Net sales remained flat.
- Production issues at Boulder site (U.S.) and disappearance of one-off revenues associated with the settlement of projects booked in the previous year, despite increase in shipments due to start up of an expanded Biopharmaceuticals CDMO facility.

## Variance Analysis on OP





## Life Science

- Sales of Small molecule pharmaceuticals and agrochemicals CDMO are expected to increase.
- Loss of Biopharmaceuticals CDMO will decrease due to sales increase of Denmark site and structural reform of Colorado sites.

**END**



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