

# Financial Results for the Three Months ended March 31, 2023



**AGC Inc.**

May 12, 2023

Your Dreams, Our Challenge



Financial Results for the Three Months Ended March 31, 2023	P.03
1. Highlights of the Financial Results	P.04
2. Business & Geographic Segment	P.11
Outlook for FY2023	P.21
Appendix	P.28

# Key points for today

## Financial Results for 1Q FY2023

(YoY)

<b>Net sales</b>	<b>489.2 bn JPY</b>	<b>(+16.5 bn JPY)</b>
<b>Operating profit</b>	<b>34.2 bn JPY</b>	<b>(▲23.5 bn JPY)</b>
<b>Profit for the period Attributable to owners of the parent</b>	<b>22.1 bn JPY</b>	<b>(▲8.5 bn JPY)</b>

- Net sales increased thanks to higher sales prices in Architectural glass and Automotive, as well as the impact of foreign exchange rates, despite the impact of the decline in sales prices for PVC.
- Operating profit decreased due to deteriorating manufacturing costs and higher raw material and fuel costs.

## Outlook for FY2023

(YoY)

<b>Net sales</b>	<b>2,150.0 bn JPY</b>	<b>(+114.1 bn JPY)</b>
<b>Operating profit</b>	<b>190.0 bn JPY</b>	<b>(+6.1 bn JPY)</b>

- No change was made from the forecast announced in February 2023.

# 1. Highlights of the Financial Results



# Highlights of the Financial Results for 1Q FY2023 (cumulative)








\* FOREX impact was +32.2 billion JPY, change in the scope of consolidation was +0.7 billion JPY

(100 million JPY)

		FY2022 1Q	FY2023 1Q	Change	Main factors in the change (+) Increasing factors (-)Decreasing factors
Net sales		4,727	4,892	+ 165*	(+) Shipments of Automotive glass increased. (+) Sales prices of Architectural glass and Automotive glass increased. (+) Yen depreciation (-) Sales prices of PVC decreased.
Operating Profit		578	342	▲ 235	In addition to the above, (-) Deterioration in Manufacturing costs (-) Increase in raw materials and fuel prices
Profit before tax		544	366	▲ 178	In addition to the above, (+) FOREX gain was posted.
Profit for the period Attributable to owners of the parent		305	221	▲ 85	
FOREX (Average)	1USD	JPY 116.20	JPY 132.34		
	1EUR	JPY 130.39	JPY 142.10		
Crude oil (Dubai, Average)	USD/BBL	95.57	80.32		

# YoY Performance Comparison by Business Segment

(100 million JPY)

	FY2022 1Q (a)		FY2023 1Q (b)		Change (b)-(a)	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
 Architectural Glass	1,040	73	<b>1,205</b>	<b>93</b>	+ 165	+ 20
 Automotive	936	▲ 33	<b>1,184</b>	<b>48</b>	+ 249	+ 81
 Electronics	760	80	<b>702</b>	<b>19</b>	▲ 57	▲ 61
 Chemicals	1,617	406	<b>1,410</b>	<b>172</b>	▲ 207	▲ 234
 Life Science	332	46	<b>332</b>	<b>6</b>	▲ 0	▲ 39
 Ceramics/Other	199	8	<b>199</b>	<b>6</b>	+ 1	▲ 3
 Elimination	▲ 157	▲ 2	<b>▲ 141</b>	<b>▲ 2</b>	+ 16	+ 0
<b>Total</b>	4,727	578	<b>4,892</b>	<b>342</b>	+ 165	▲ 235

# Variance Analysis on OP(1Q.FY2023 vs. 1Q.FY2022)

**23.5 bn JPY down from last year**

(100 million JPY)



# Consolidated Statement of Financial Position

	2022/12	2023/3	Change	(100 million JPY)
Cash and cash equivalents	2,097	<b>2,021</b>	▲ 76	
Inventories	4,365	<b>4,530</b>	+ 165	
Property, plant and equipment, Goodwill and Intangible assets	15,148	<b>15,389</b>	+ 241	Foreign exchange fluctuation +20.2 billion yen
Other assets	6,530	<b>6,572</b>	+ 42	
<b>Total assets</b>	28,140	<b>28,512</b>	+ 371	Foreign exchange fluctuation +35.3 billion yen
Interest-bearing debt	6,502	<b>7,061</b>	+ 558	
Other liabilities	5,782	<b>5,579</b>	▲ 203	
<b>Liabilities</b>	12,284	<b>12,639</b>	+ 355	
Total equity attributable to owners of the parent	13,903	<b>13,927</b>	+ 24	
Non-controlling interests	1,953	<b>1,946</b>	▲ 8	
<b>Equity</b>	15,856	<b>15,872</b>	+ 16	Foreign exchange fluctuation + 14.6 billion yen
<b>Total liabilities and equity</b>	28,140	<b>28,512</b>	+ 371	
<b>D/E ratio</b>	0.41	<b>0.44</b>		



# Consolidated Statement of Cash Flow

1Q	FY2022	FY2023	(100 million JPY)
Profit before tax	544	366	
Depreciation and amortization	427	424	
Increase(decrease) in working capital	▲ 266	▲ 387	
Others	▲ 101	▲ 102	
<b>Cash flows from operating activities</b>	603	301	
<b>Cash flows from investing activities</b>	▲ 305	▲ 471	
<b>Free cash flow</b>	298	▲ 170	
Changes in interest-bearing debt	283	460	
Dividends paid	▲ 289	▲ 233	
Others	▲ 3	▲ 168	
<b>Cash flows from financing activities</b>	▲ 8	58	
Effect of exchange rate changes on cash and cash equivalents	136	35	
<b>Net increase(decrease) in cash and cash equivalents</b>	426	▲ 76	

# CAPEX, Depreciation and R&D

1Q	FY2022	FY2023	(100 million JPY)
<b>CAPEX</b>	404	<b>487</b>	
Architectural Glass	40	<b>56</b>	
Automotive	43	<b>48</b>	
Electronics	166	<b>107</b>	
Chemicals	116	<b>204</b>	
Life Science	40	<b>67</b>	
Ceramics/Other	1	<b>4</b>	
Elimination	▲ 2	▲ 1	
<b>Depreciation</b>	427	<b>424</b>	
Architectural Glass	56	<b>58</b>	
Automotive	70	<b>77</b>	
Electronics	163	<b>128</b>	
Chemicals	107	<b>123</b>	
Life Science	26	<b>34</b>	
Ceramics/Other	5	<b>5</b>	
Elimination	▲ 0	▲ 0	
<b>R&amp;D</b>	120	<b>136</b>	

## Main projects for CAPEX

- Repairment for Display glass furnace (Electronics)
- G11 investment in China (Electronics)
- Capacity enhancement for Chlor-alkali in Southeast Asia (Chemicals)
- Capacity enhancement for Bio-pharmaceuticals (Life Science)

etc.

## 2. Business and Geographic Segments

---

# Architectural Glass Segment

(100 million JPY)

1Q	FY2022	FY2023	Change
<b>Net sales</b>	1,040	<b>1,205</b>	+ 165 *
Asia	319	<b>373</b>	+ 54
Europe & Americas	719	<b>831</b>	+ 112
(Inter-segment)	2	<b>1</b>	▲ 1
<b>Operating profit</b>	73	<b>93</b>	+ 20

\* FOREX impact: +8.6 billion yen, Change in the Scope of Consolidation: +0.7 billion yen



## Europe & Americas

- Shipments declined in Europe, which was affected by the economic slowdown, but net sales increased thanks to the rise in sales prices and the impact of foreign exchange rates.

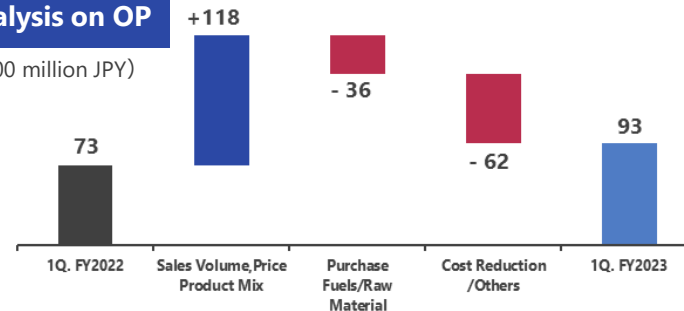


## Asia

- Despite shipments declined in all regions except Japan, net sales increased thanks to the rise in sales prices.

### Variance Analysis on OP

(100 million JPY)

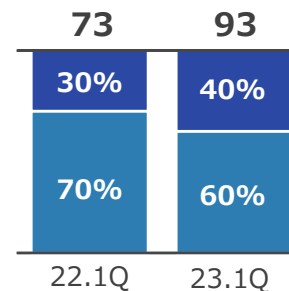


### Ratio of sub-segment to the operating profit (before common expense allocation)

Operating profit  
(100million JPY)

Asia

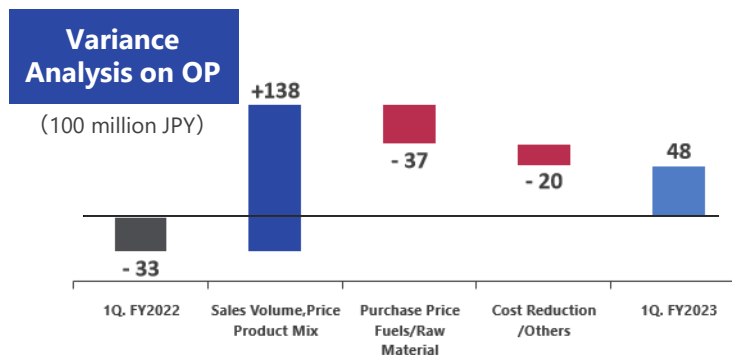
Europe & Americas



(100 million JPY)

1Q	FY2022	FY2023	Change
<b>Net sales</b>	936	<b>1,184</b>	+ 249 *
Automotive	935	<b>1,183</b>	+ 248
(Inter-segment)	1	<b>1</b>	+ 0
<b>Operating profit</b>	▲ 33	<b>48</b>	+ 81

\* FOREX impact: +8.3 billion yen, Change in the Scope of Consolidation: No impact



## Automotive Glass

- The group's shipment increased as the automobile production increased.
- Net sales increased thanks to the rise in sales prices, improvement of product mix and foreign exchange effects.

# Electronics Segment

(100 million JPY)

1Q	FY2022	FY2023	Change
<b>Net sales</b>	760	<b>702</b>	▲ 57 *
Display	450	<b>358</b>	▲ 92
Electronic Materials	304	<b>341</b>	+ 36
(Inter-segment)	5	<b>4</b>	▲ 2
<b>Operating profit</b>	80	<b>19</b>	▲ 61

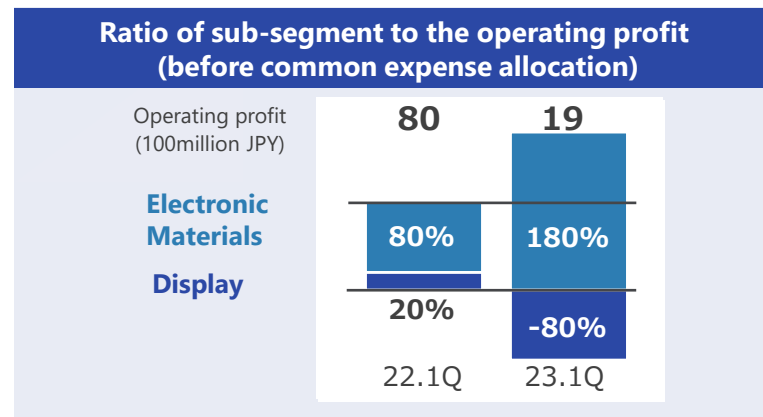
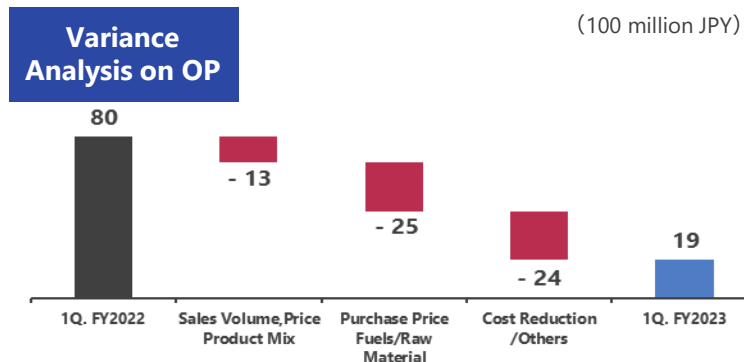
\* FOREX impact: +2.5 billion yen, Change in the Scope of Consolidation: No impact

## Display

- Shipments of LCD glass substrates and specialty glass for display applications decreased.
- Manufacturing costs deteriorated as affected by higher raw materials and fuel costs and lower equipment utilization rate.

## Electronic Materials

- Sales increased thanks to robust shipments of semiconductor-related products and the impact of foreign exchange rates.



# Reference: Display business earnings improvement

## ~Substantial reduction of production in Japan~

- Decided to terminate production of glass substrate products for LCDs at Takasago site in Kansai Plant as part of drastic measures to improve profitability of display business,
- Revitalizing the business toward ROCE10%

### Environmental changes in 2022

#### Supply/demand adjustment for display panels

- Repercussion stay-at-home demand such as TVs, etc.

#### Price hike for Fuels & materials, sharp depreciation of the JPY

- High fuel/materials costs, increased manufacturing costs caused by appreciation of Asian currencies

### Earnings improvement measures

- Withdraw from glass substrates with low profitability size & focus on glass substrates for large-sized display panels

- Pursue a drastic structural reform including consolidation of product lines

- Freeze investments except for selected ones necessary for business concentration to glass substrates for large-sized display panels

⇒ Quickly pave the way toward ROCE 10%

#### Decided to drastically reduce production in Japan as part of production line consolidation

- Terminate production of glass substrate products for LCDs at the Takasago site of the Kansai Plant by the end of 2023.

(100 million JPY)

1Q	FY2022	FY2023	Change
<b>Net sales</b>	1,617	<b>1,410</b>	▲ 207 *
Essential Chemicals	1,217	<b>1,009</b>	▲ 208
Performance Chemicals	385	<b>391</b>	+ 6
(Inter-segment)	14	<b>9</b>	▲ 5
<b>Operating profit</b>	406	<b>172</b>	▲ 234

\* FOREX impact: +10.2 billion yen, Change in the Scope of Consolidation: No impact



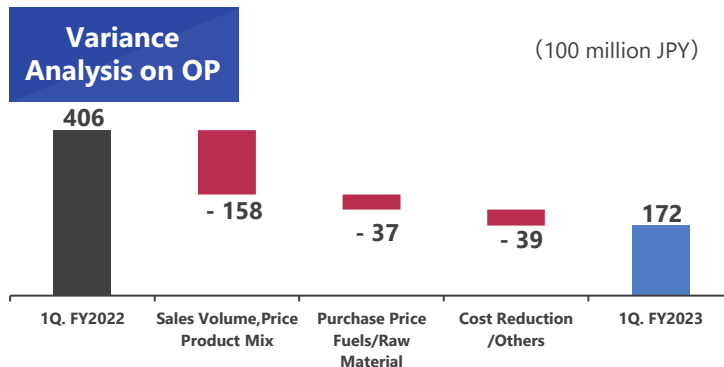
## Essential Chemicals

- Sales prices of PVC and other products decreased.

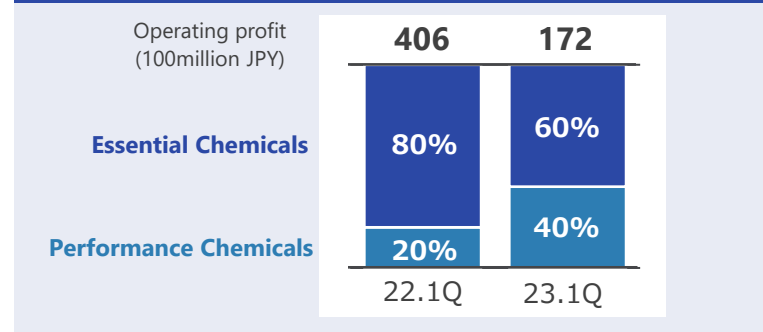


## Performance Chemicals

- Net sales increased thanks to the rise in sales prices and foreign exchange effects, despite a decrease in shipments of Fluorochemical-related products



### Ratio of sub-segment to the operating profit (before common expense allocation)

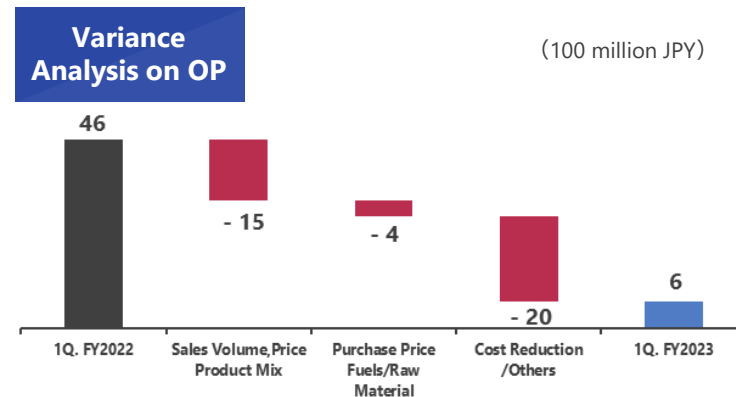




(100 million JPY)

1Q	FY2022	FY2023	Change
<b>Net sales</b>	332	<b>332</b>	▲ 0 *
Life Science	316	<b>321</b>	+ 5
(Inter-segment)	17	<b>11</b>	▲ 6
<b>Operating profit</b>	46	<b>6</b>	▲ 39

\* FOREX impact: +2.3 billion yen, Change in the Scope of Consolidation: No impact



## Life Science

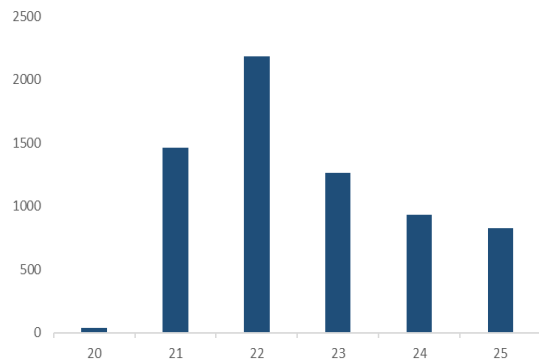
- CDMO contracts on the biopharmaceutical business decreased due to the disappearance of special demand for products related to the anti-coronavirus applications, but net sales remained at the same level as the previous year due to the impact of foreign exchange rates.
- Upfront costs incurred associated with capacity expansion in the biopharmaceutical field

# Reference: Changes surrounding the bio-CDMO business

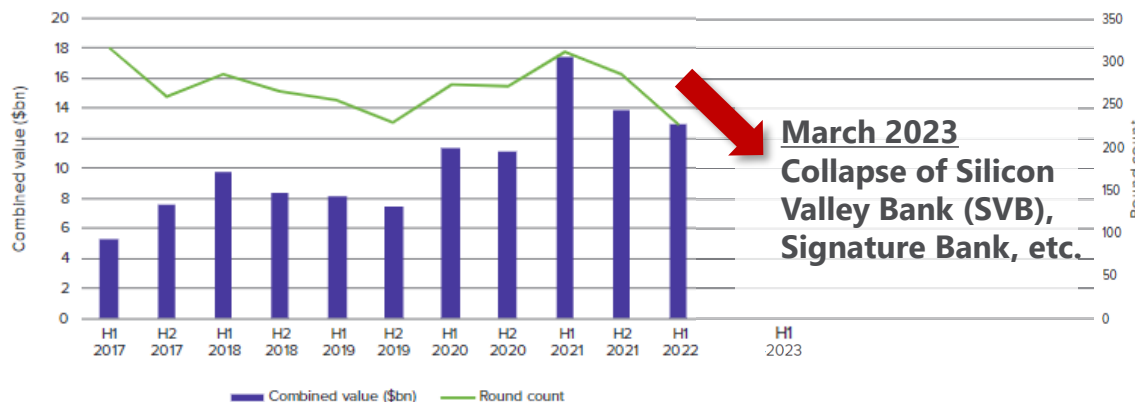
- In the mid- to long-term, the bio-CDMO market is expected to expand.
- In the short term, there are concerns about the disappearance of special demand related to anti-coronavirus applications and the impact of reduced inflows of funds into biotech ventures.

## Changes in demand related to anti-coronavirus applications\*

Market size (million \$)



## Change in inflows of venture capital to biotech ventures\*\*

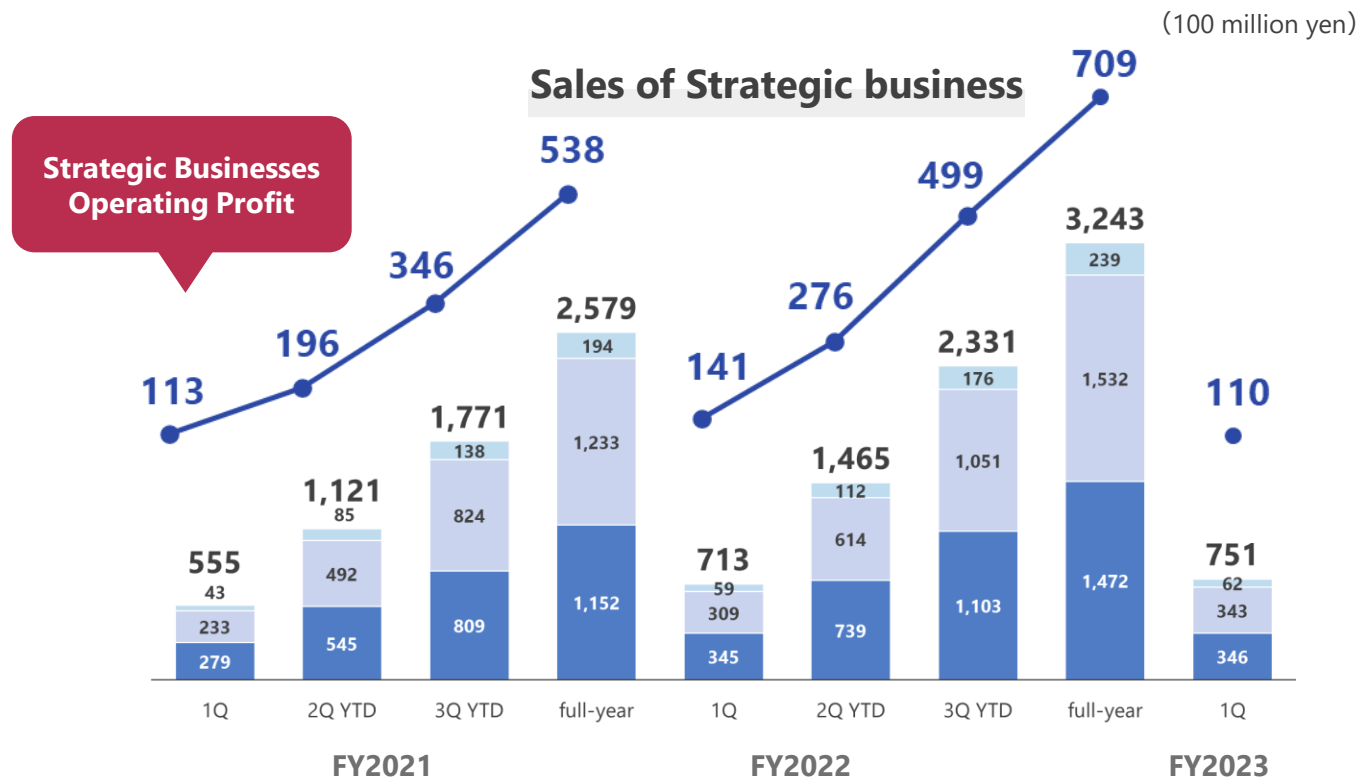


**March 2023**  
**Collapse of Silicon Valley Bank (SVB), Signature Bank, etc.**

**Special demand related to the anti-coronavirus applications disappeared.**

**In addition to the sharp increase in interest rates in the U.S., financial instability triggered by the bankruptcy of SVB is causing concern about a continued decline in the inflow of funds into biotech ventures.**

# Profit contribution of Strategic Business



## Main products & businesses

### Mobility

- Cover glass for car-mounted displays
- New materials for mobility, including 5G communications

### Electronics

- Semiconductor-related products
- Optoelectronics materials
- Next-generation high-speed communication related products
- Fluorinated products for electronics

### Life Science

- Synthetic pharmaceutical and agrochemical CDMO
- Biopharmaceutical CDMO
- Other life science products

# YoY Performance Comparison by Geographic Segment

1Q	FY2022	FY2023	Change	(100 million JPY)
<b>Net sales</b>	4,727	<b>4,892</b>	<b>+ 165</b>	
Japan &Asia	3,127	<b>2,998</b>	<b>▲ 129</b>	
Americas	456	<b>530</b>	<b>+ 73</b>	
Europe	1,143	<b>1,364</b>	<b>+ 221</b>	
<b>Operating profit</b>	578	<b>342</b>	<b>▲ 235</b>	
Japan &Asia	601	<b>326</b>	<b>▲ 274</b>	
Americas	23	<b>0</b>	<b>▲ 23</b>	
Europe	48	<b>128</b>	<b>+ 80</b>	
Cross-regional common expenses	▲ 94	<b>▲ 112</b>	<b>▲ 18</b>	

FOREX impact :

**+32.2 bn JPY**

Change in the scope of consolidation :

**+0.7 bn JPY**

# Outlook for FY2023








- No change was made from the forecast announced in February 2023.

		FY2022	FY2023e	(100 million JPY)
<b>Net sales</b>		20,359	<b>21,500</b>	
	(First half)	9,783	10,300	
<b>Operating profit</b>		1,839	<b>1,900</b>	
	(First half)	1,153	750	
<b>Profit before tax</b>		585	<b>1,470</b>	
<b>Profit for the year attributable to owners of the parent</b>		▲ 32	<b>870</b>	
<b>Dividend (JPY/share)</b>		210	<b>210</b>	
<b>Operating profit margin</b>		9.0%	8.8%	
<b>ROE</b>		-	6.3%*	
<b>FOREX (Average)</b>	<b>1 USD</b>	JPY 131.4	JPY 125.0	
	<b>1 EUR</b>	JPY 138.0	JPY 135.0	
<b>Crude oil (Dubai, Average)</b>	<b>USD/BBL</b>	96.3	85.0	
<b>Ethylene (CFR SEA)</b>	<b>USD/MT</b>	1,054	1,000	

\* ROE of FY2023e is calculated using the figures of Profit for the year attributable to owners of the parent as of Dec 31, 2022

# Outlook breakdown by Segment (Net sales and Operating profit)

(100 million JPY)

	FY2022 (a)		FY2023e (b)		Change (b)-(a)	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
 Architectural Glass	4,837	327	<b>5,000</b>	<b>360</b>	+ 163	+ 33
 Automotive	4,178	▲ 98	<b>4,700</b>	<b>80</b>	+ 522	+ 178
 Electronics	3,072	147	<b>3,400</b>	<b>380</b>	+ 328	+ 233
 Chemicals	6,604	1,261	<b>6,500</b>	<b>850</b>	▲ 104	▲ 411
 Life Science	1,418	169	<b>1,600</b>	<b>210</b>	+ 182	+ 41
 Ceramics/Other	866	37	<b>800</b>	<b>20</b>	▲ 66	▲ 17
 Elimination	▲ 616	▲ 3	<b>▲ 500</b>	<b>0</b>	+ 116	+ 3
<b>Total</b>	20,359	1,839	<b>21,500</b>	<b>1,900</b>	+ 1,141	+ 61

# Outlook by Business Segment (1)

## Outlook for FY2023



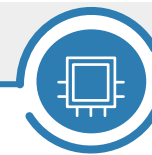
### Architectural Glass

- Despite concerns about inflation and economic slowdown in Europe, replacement demand for high heat-insulating glass for energy savings will support shipments.
- In Asia, shipments are expected to be robust for the factors such as growing demand for high heat-insulating and shielding glass.



### Automotive

- The Company's shipments are expected to increase as a result of a gradual recovery in automobile production due to the easing of the effects of component supply shortages, particularly in semiconductors.
- The pricing policy review, which has been underway for some time, are expected to take effect further.
- Energy prices in Europe will settle down, but global wages and raw fuel prices in Asia and other regions are expected to continue to rise.
- Effects of structural improvements in Europe and other regions are expected to emerge.



### Electronics

#### Display

- Profitability of LCD glass substrates will improve due to the promotion of structural reform measures as well as a recovery in demand for LCD panels and a decrease in the depreciation.
- Shipments of specialty glass for display will increase as orders from major customers grow.

#### Electronic Materials

- Optoelectronics materials are leveling off due to the slowdown in the smartphone market, but semiconductor-related products, mainly photomask blanks for EUV lithography, will remain robust.
- Shipments of circuit board materials will increase due to the demand growth of the communication infrastructure and the in-vehicle market.



## Outlook for FY2023



### Chemicals

#### Essential Chemicals

- Market conditions are expected to recover moderately after bottoming out at the end of last year, but will remain below the previous year's level for the year.

#### Performance Chemicals

- Shipments will increase following the strong demand for fluorine-related products mainly for semiconductor-related applications and transportation machinery.

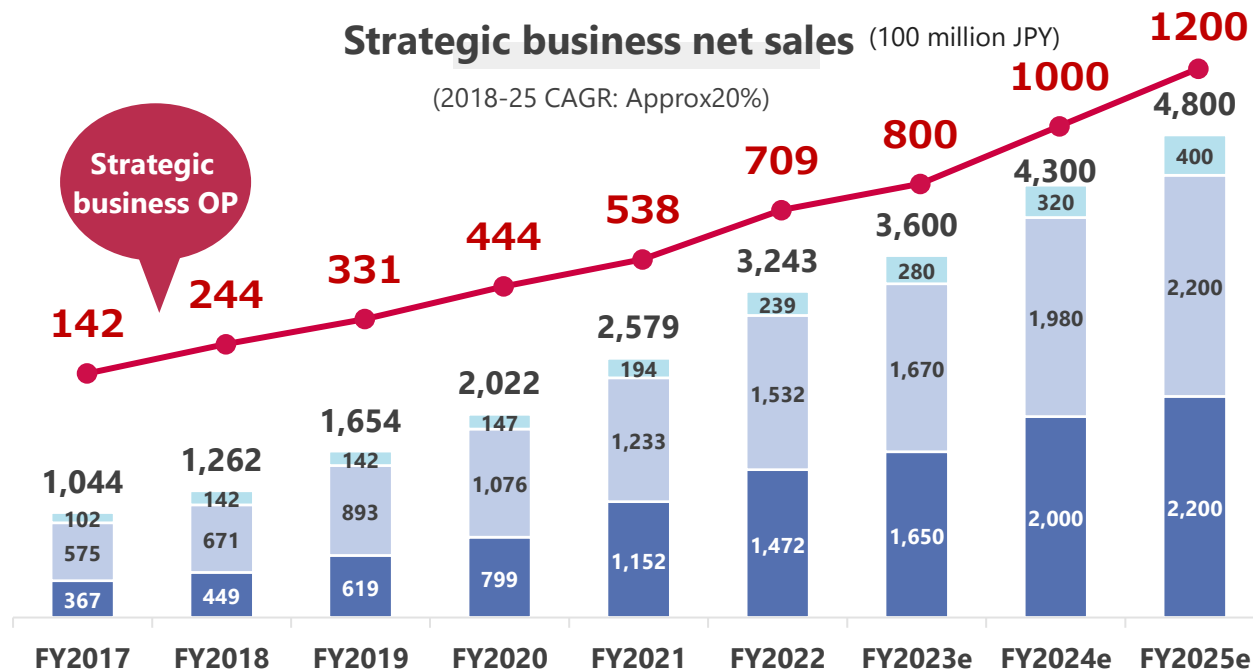


### Life Science

- Although CDMO contracts will increase for both synthetic pharmaceuticals and agrochemicals and biopharmaceuticals, there are concerns about the impact of the disappearance of special demand for products related to the anti-coronavirus applications in biopharmaceuticals CDMO and reduced inflows of funds into biotech ventures.
- Expenses are expected to be incurred upfront due to capacity expansion.

# Outlook of Strategic businesses

- Steady expansion in the medium term, but growth slows slightly in 2023.



## Main products & businesses

### Mobility

- Cover glass for car-mounted displays
- New materials for mobility, including 5G communications

### Electronics

- Semiconductor-related products
- Optoelectronics materials
- Next-generation high-speed communication related products
- Fluorinated products for electronics

### Life Science

- Synthetic pharmaceutical and agrochemical CDMO
- Biopharmaceutical CDMO
- Other life science products

# CAPEX, Depreciation and R&D

Full year	FY2022	FY2023e
<b>CAPEX</b>	2,366	<b>3,000</b>
Architectural Glass	175	<b>250</b>
Automotive	298	<b>270</b>
Electronics	800	<b>930</b>
Chemicals	649	<b>950</b>
Life Science	431	<b>580</b>
Ceramics/Other	14	<b>20</b>
Elimination	▲ 2	<b>0</b>
<b>Depreciation</b>	1,857	<b>1,880</b>
Architectural Glass	239	<b>240</b>
Automotive	325	<b>330</b>
Electronics	684	<b>620</b>
Chemicals	475	<b>520</b>
Life Science	115	<b>150</b>
Chemicals	19	<b>20</b>
Elimination	▲ 1	<b>0</b>
<b>R&amp;D</b>	523	<b>580</b>

(100 million yen)






## Main projects for CAPEX

- G11 investment in China (Electronics)
- Capacity enhancement of Electronic materials (Electronics)
- Capacity enhancement for Chlor-alkali in Southeast Asia (Chemicals)
- Capacity enhancement of Bio-pharmaceuticals (Life Science)

and others

# Appendix

# ROCE & EBITDA by Segment

		Operating profit		EBITDA*		ROCE		Operating assets	
		2021	2022	2021	2022	2021	2022	2021	2022
	<b>Glass</b>	273	229	819	794	4.6%	3.6%	6,000	6,300
	(Reference) Architectural Glass	—	327	—	566	—	10.9%	—	3,000
	(Reference) Automotive	—	▲ 98	—	227	—	▲ 3.0%	—	3,300
	<b>Electronics</b>	368	147	971	830	5.9%	2.6%	6,250	5,650
	<b>Chemicals</b>	1,388	1,429	1,887	2,020	21.5%	18.1%	6,450	7,900
	(Reference) Chemicals	—	1,261	—	1,736	—	23.3%	—	5,400
	(Reference) Life Science	—	169	—	284	—	6.7%	—	2,500
	<b>Ceramics/Others</b>	35	37	55	56	14.0%	18.4%	250	200
	<b>Elimination</b>	▲ 2	▲ 3	▲ 3	▲ 4	—	—	—	—
<b>Total</b>		<b>2,062</b>	<b>1,839</b>	<b>3,729</b>	<b>3,696</b>	<b>10.9%</b>	<b>9.2%</b>	<b>18,950</b>	<b>20,050</b>

(100 million yen)

\* EBITDA=Operating profit +Depreciation

## Impact on OP

### Exchange rate



**500 million yen\*loss**  
if yen appreciated by 1%

\*Impact when all  
currencies fluctuate at the  
same proportion against  
JPY

### Crude oil



**420 million yen\* loss**  
if increased by 1 dollar  
per barrel

\*excluding impact of oil  
hedging

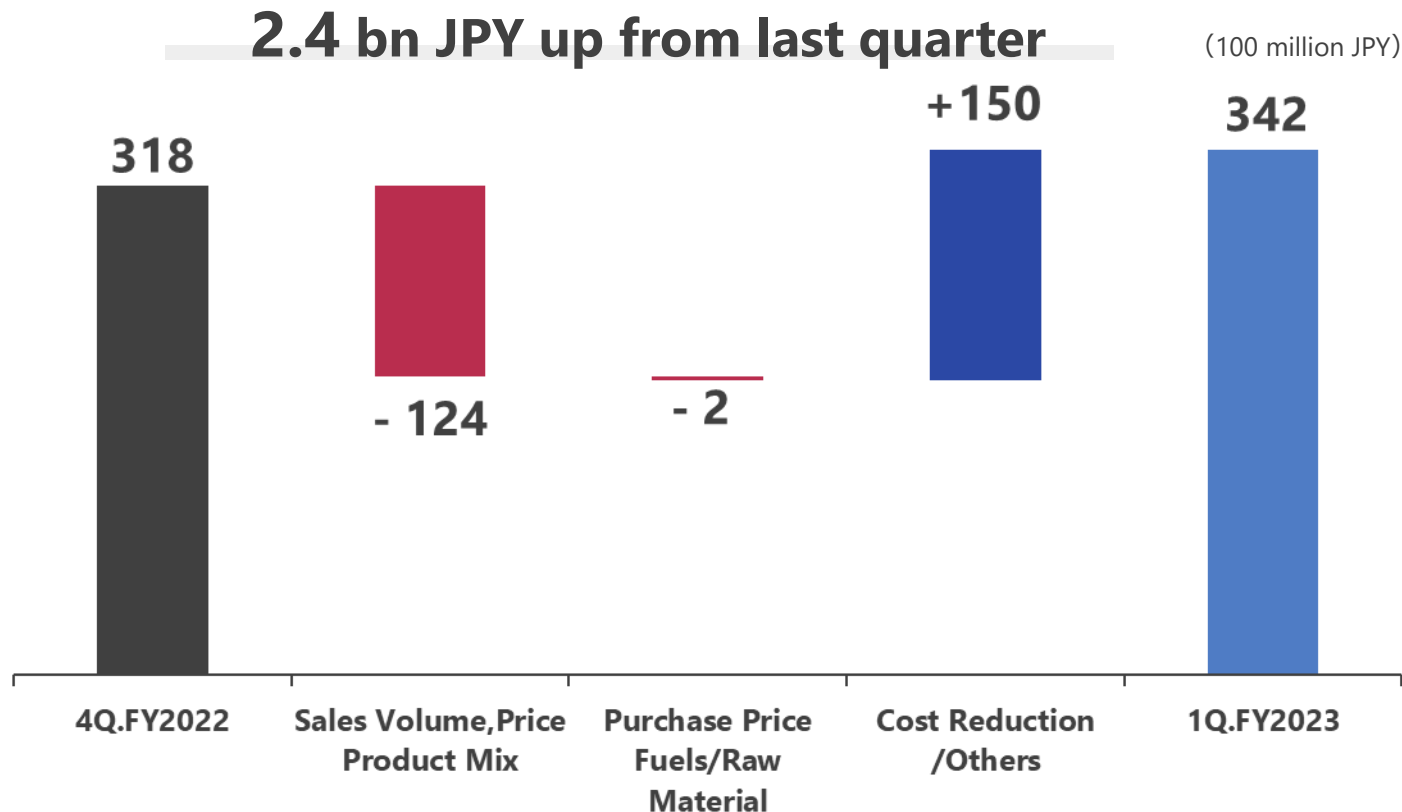
### Chemicals market



- 1 Caustic soda**  
\$1M loss if the international  
market down by \$1
- 2 PVC spread**  
\$1.2M loss\* if decreased  
by \$1








\*PVC spread:  
PVC market - (ethylene  
market×0.5)

# Variance Analysis on OP(1Q.FY2023 vs. 4Q.FY2022)



# YoY Performance Comparison by Geographic Segment

(100 million JPY)

		Japan& Asia	Americas	Europe	Inter-segment	Total
 Architectural Glass	1 Q.FY2023	373	72	758	1	1,205
	1 Q.FY2022	319	64	655	2	1,040
 Automotive	1 Q.FY2023	602	224	358	1	1,184
	1 Q.FY2022	510	182	243	1	936
 Electronics	1 Q.FY2023	617	78	4	4	702
	1 Q.FY2022	681	70	3	5	760
 Chemicals	1 Q.FY2023	1,243	84	74	9	1,410
	1 Q.FY2022	1,452	77	73	14	1,617
 Life Science	1 Q.FY2023	79	72	170	11	332
	1 Q.FY2022	83	63	169	17	332
 Ceramics/Other	1 Q.FY2023	85	-	-	115	199
	1 Q.FY2022	81	-	-	117	199
 Elimination	1 Q.FY2023	-	-	-	▲ 141	▲ 141
	1 Q.FY2022	-	-	-	▲ 157	▲ 157
Total Net Sales	1 Q.FY2023	2,998	530	1,364	-	4,892
	1 Q.FY2022	3,127	456	1,143	-	4,727



# Business Performance (1)

Architectural Glass	1Q.22	2Q.22	3Q.22	4Q.22	1Q.23	(100 million JPY)
<b>Net Sales</b>	<b>1,040</b>	<b>1,216</b>	<b>1,247</b>	<b>1,334</b>	<b>1,205</b>	
Asia	319	361	384	405	373	
Europe & Americas	719	853	861	925	831	
(Inter Segment)	2	2	2	4	1	
<b>Operating profit</b>	<b>73</b>	<b>132</b>	<b>86</b>	<b>36</b>	<b>93</b>	
Automotive	1Q.22	2Q.22	3Q.22	4Q.22	1Q.23	
<b>Net Sales</b>	<b>936</b>	<b>956</b>	<b>1,112</b>	<b>1,174</b>	<b>1,184</b>	
Automotive	935	956	1,111	1,174	1,183	
(Inter Segment)	1	0	0	1	1	
<b>Operating profit</b>	<b>▲ 33</b>	<b>▲ 58</b>	<b>▲ 63</b>	<b>56</b>	<b>48</b>	
Electronics	1Q.22	2Q.22	3Q.22	4Q.22	1Q.23	
<b>Net Sales</b>	<b>760</b>	<b>722</b>	<b>777</b>	<b>814</b>	<b>702</b>	
Display	450	420	346	338	358	
Electronic Materials	304	296	425	470	341	
(Inter Segment)	5	6	6	6	4	
<b>Operating profit</b>	<b>80</b>	<b>12</b>	<b>31</b>	<b>24</b>	<b>19</b>	

# Business Performance (2)

Chemicals	1Q.22	2Q.22	3Q.22	4Q.22	1Q.23	(100 million JPY)
<b>Net Sales</b>	<b>1,617</b>	<b>1,720</b>	<b>1,641</b>	<b>1,626</b>	<b>1,410</b>	
Essential Chemicals	1,217	1,298	1,199	1,184	1,009	
Performance Chemicals	385	410	427	429	391	
(Inter Segment)	14	12	15	13	9	
<b>Operating profit</b>	<b>406</b>	<b>418</b>	<b>250</b>	<b>187</b>	<b>172</b>	
Life Science	1Q.22	2Q.22	3Q.22	4Q.22	1Q.23	
<b>Net Sales</b>	<b>332</b>	<b>378</b>	<b>356</b>	<b>352</b>	<b>332</b>	
Life Science	316	376	347	342	321	
(Inter Segment)	17	2	9	9	11	
<b>Operating profit</b>	<b>46</b>	<b>57</b>	<b>53</b>	<b>14</b>	<b>6</b>	

## Trend of shipment and price

				2022				2023
				1Q	2Q	3Q	4Q	1Q
YoY comparison								
Glass	Architectural (AGC)	Japan & Asia	shipment	+10%	+low 10% range	+mid single-digit	-high single-digit	-high single-digit
			price	+high 10% range	+high 10% range	+mid 20% range	20%	+high 20% range
		Europe	shipment	+low 10% range	-low single-digit	-low 10% range	-high 10% range	-high 10% range
			price	+mid 40% range	+low 60% range	+high 70% range	+low 50% range	+high 10% range
	Automobile production*1	Japan	volume	-14%	-15%	+24%	+8%	+9%
		North America	volume	-2%	+11%	+23%	+8%	+7%
		Europe & Russia	volume	-17%	-4%	+22%	+7%	+11%
Electronics	Display panel demand*2	Global	area	+4%	-4%	-9%	-7%	-17%

\*1 Source : S&P global data as of April 4, 2023.

\*2 Source : Omdia-Display Long-Term Demand Forecast Tracker – 4Q22 Pivot

Results are not an endorsement of AGC Inc. Any reliance on these results is at the third-party's own risk.

		IFRS				
		18/12	19/12	20/12	21/12	22/12
Net sales	Million JPY	1,522,904	1,518,039	1,412,306	1,697,383	2,035,874
Operating profit	Million JPY	120,555	101,624	75,780	206,168	183,942
OP margin	%	7.9	6.7	5.4	12.1	9.0
Attributable to owners of the parent	Million JPY	89,593	44,434	32,715	123,840	△ 3,152
Return on equity (ROE) * <sup>1</sup>	%	7.7	3.9	2.9	10.2	△ 0.2
Return on assets (ROA) * <sup>2</sup>	%	5.4	4.4	3.1	7.9	6.7
Equity ratio	%	51	50	44	49	49
D/E (Interest-bearing debts ÷ Net assets)	times	0.43	0.47	0.63	0.41	0.41
CF from Operating Activities/Interest-bearing debt	times	0.35	0.32	0.29	0.54	0.33
Earnings per share(EPS) * <sup>3</sup>	JPY	399.51	200.85	147.84	559.11	△ 14.22
Cash dividends per share	JPY	115	120	120	210	210
EBITDA * <sup>4</sup>	Million JPY	259,425	231,857	208,459	383,226	253,209
Exchange rates (average)	JPY/USD	110.43	109.05	106.82	109.80	131.43
	JPY/EUR	130.42	122.07	121.81	129.89	138.04

\*1 Profit for the year attributable to owners of the parent/Total equity attributable to owners of the parent(average)

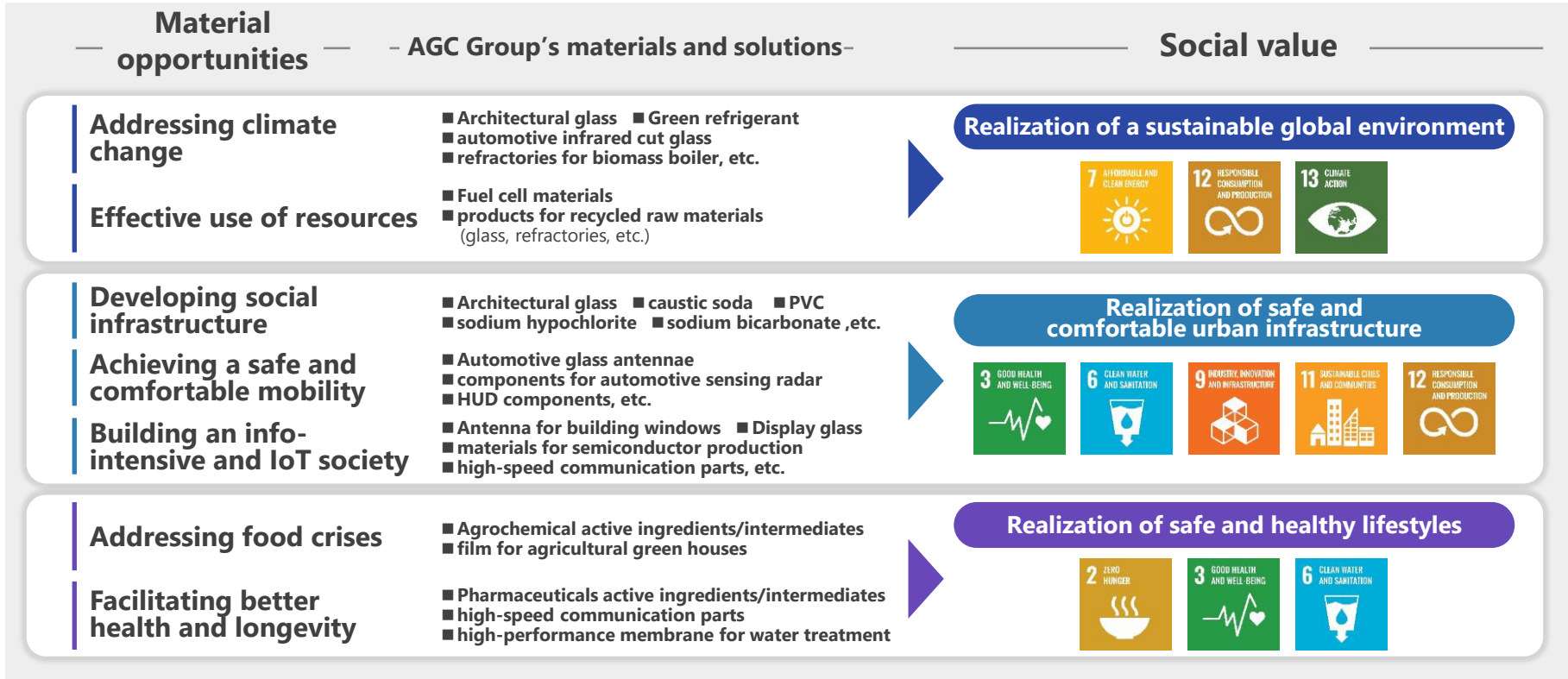
\*2 Operating profit/Total assets(average)

\*3 Earnings per share is adjusted to reflect the 5 into 1 share consolidation implemented on July 2017.

\*4 EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) = Profit before taxes + Depreciation + Interest expenses

**For other financial indicators, please see here.**  [https://www.agc.com/ir/pdf/data\\_all.pdf](https://www.agc.com/ir/pdf/data_all.pdf)

# Sustainability : Products and technologies to create social value



# Sustainability : Create social value through healthy corporate activities

## — Material risks — - AGC Group corporate activities—

### Addressing climate change

- Continuous energy-saving
- development of production technology / facilities to reduce GHG emissions, etc.

### Effective use of resources

- Use of recycled raw materials/materials, Reduction of land, etc.

### Creating a socially and environmental-conscious supply chain

- Supplier selection based on respect for human rights / environmental protection

### Ensuring fair and equal employment and workplace safety

- Reduce water usage
- protect biodiversity
- prevent environment accidents
- supporter-making, etc.

### Considering relationships with local communities and the environment

- Increase employee engagement
- prevention of serious disaster / accidents requiring a leave, etc.

## Social value

### Realization of a sustainable global environment



### Contributing to the maintenance of a healthy and secure society



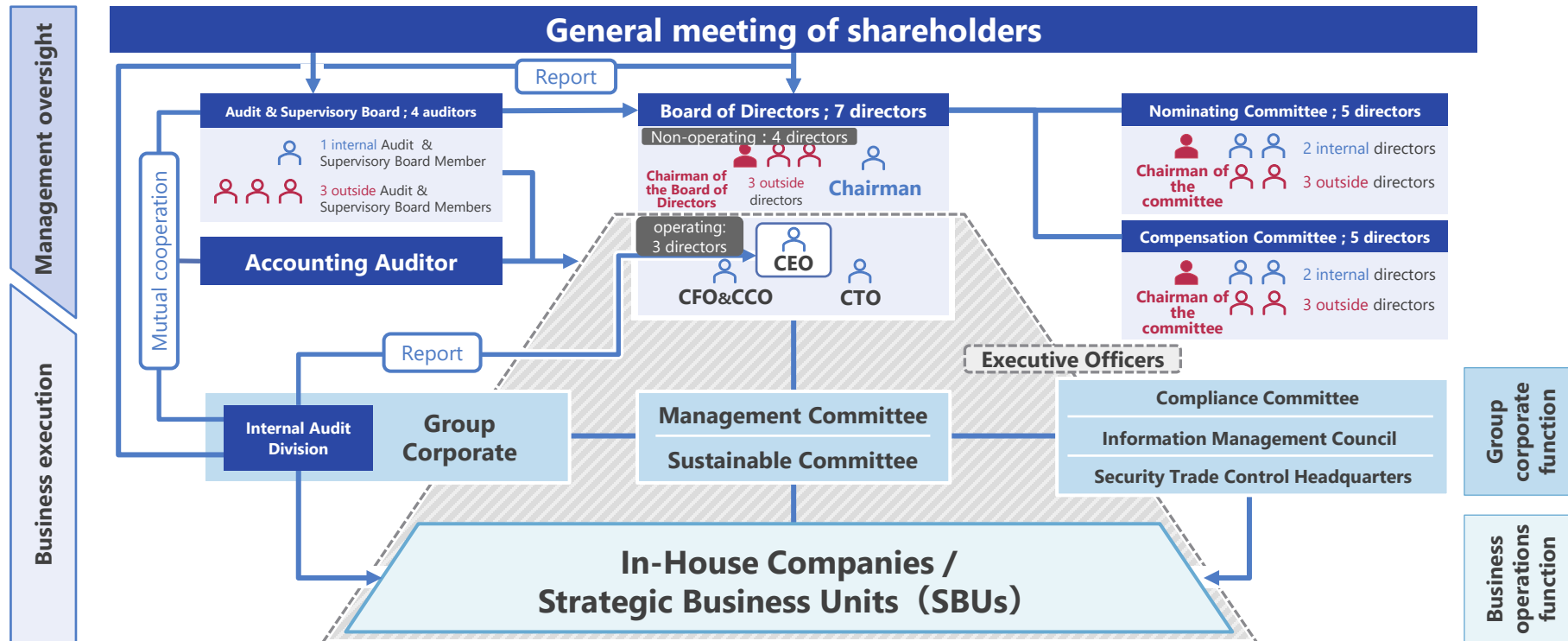
### Contributing to the creation of fair and safe workplaces



# AGC's Corporate Governance Structure

 : Internal directors or internal Audit & Supervisory Board Member

 : Outside directors or outside Audit & Supervisory Board Members who satisfy Company's "Standards for independence of outside officers"





**FTSE4Good Index Series**



**FTSE Blossom Japan Index**



**CDP Climate Change A**  
**CDP Supplier Engagement Leader**



**SBTi "WB2°C" GHG Reduction Target**



**4 stars awarded in the 6th Nikkei "Smart Work Management" survey**



**"White 500" Company**

in recognition of initiatives to promote strategic health management for its employees



**EcoVadis Supplier Evaluations**

PLATINUM rated for the Kashima plant and AGC Pharma Chemicals Europe  
Highly rated in several other domestic and international locations

**Clarivate Top 100 Global Innovator 2023**



**DX Brand 2022**

in recognition of digital transformation efforts



# Major Press Release in FY2023

 Date	 Summary
January 12	AGC to Receive Certification from SBTi for its "WB2°C" GHG Reduction Target
January 23	AGC to Develop Digital Twin Technology for Glass Melting Process and Begins Operational Verification in Float Furnaces
January 27	AGC to AGC Boosts Efficiency of Architectural Glass Quotation Process with DX
February 6	AGC and Saint-Gobain Partner for the Decarbonization of Flat Glass Manufacturing
February 8	AGC Has Started Considering Transfer of its Business in Russia
February 8	Notice Concerning Change in Reportable Segments
February 8	Announcement regarding Share Repurchases
February 8	Notice Regarding Posting of Impairment Losses and Differences between Forecast and Actual Consolidated Financial Results for Fiscal Year Ended December 31, 2022
March 16	AGC Recognized as a "Supplier Engagement Leader" Company with the Highest Rating in the "Supplier Engagement Rating " by CDP
March 23	AGC to Expand Production Capacity for Fluorochemical Products
April 17	AGC Develops Process Digital Twin for Chemical Plants and Begins Operation at Vinyl Chloride Monomer Manufacturing Plant in Indonesia
April 27	AGC to Boost Production Capacity of EUVL Photomask Blanks

# END

**Disclaimer:**

- This material is solely for information purposes and should not be construed as a solicitation. Although this material (including the financial projections) has been prepared using information we currently believe reliable, AGC Inc. does not take responsibility for any errors and omissions pertaining to the inherent risks and uncertainties of the material presented.
- We ask that you exercise your own judgment in assessing this material. AGC Inc. is not responsible for any losses that may arise from investment decisions based on the forecasts and other numerical targets contained herein.
- Copyright AGC Inc.  
No duplication or distribution without prior consent of AGC Inc.



Your Dreams, Our Challenge