

# Financial Results for FY2024



**AGC Inc.**

Feb. 7, 2025

Your Dreams, Our Challenge



|   |      |
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## Financial Results for FY2024

(100 million JPY)  
(YoY)

|  |        |          |
|--|--------|----------|
| Net sales  | 20,676 | (+483)   |
| Operating profit   | 1,258  | (-29)    |
| Profit for the period attributable to owners of the parent | - 940  | (-1,598) |

■ Net sales increased thanks to the positive effect of foreign exchange rates and increase in sales in Electronics, despite decline in sales prices for Architectural Glass, decrease in revenue due to transfer of the Russian business, decrease in shipments of automotive glass, decline in sales prices for caustic soda and PVC in Chemicals.

■ Operating profit decreased due to the above-mentioned factors leading to a decrease in revenue, as well as cost deterioration in Automotive and Life Science, despite lower raw materials and fuel prices.

■ Profit for the period attributable to owners of the parent decreased due to the impact of other expenses incurred in 1H, including impairment losses related to Biopharmaceuticals CDMO in Life Science and losses on sale of shares of subsidiaries and associates in connection with the transfer of the Russian business.

## Outlook for FY2025

(100 million JPY)  
(YoY)

|  |        |          |
|--|--------|----------|
| Net sales  | 21,500 | (+824)   |
| Operating profit   | 1,500  | (+242)   |
| Profit for the period attributable to owners of the parent | 800    | (+1,740) |

■ Sales and operating profit will increase due to recovery in Life Science and Automotive.

# Financial Results for FY2024

# 1. Highlights of the Financial Results

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# Highlights of the Financial Results for FY2024

(100 million JPY)

|   |                | FY2023<br>Full-year | FY2024<br>Full-year | Change  |
|---|----------------|---------------------|---------------------|---------|
| <b>Net sales</b>  |                | 20,193              | <b>20,676</b>       | + 483*  |
| <b>Operating profit</b>   |                | 1,288               | <b>1,258</b>        | - 29    |
| <b>Profit before tax</b>  |                | 1,228               | <b>- 501</b>        | - 1,728 |
| <b>Profit for the period attributable to owners of the parent</b> |                | 658                 | <b>- 940</b>        | - 1,598 |
| <b>FOREX (Average)</b>  | <b>1USD</b>    | JPY 140.56          | <b>JPY 151.58</b>   |         |
|   | <b>1EUR</b>    | JPY 152.00          | <b>JPY 163.95</b>   |         |
| <b>Crude oil (Dubai, Average)</b>                                 | <b>USD/BBL</b> | 82.10               | <b>79.61</b>        |         |

## Main factors in the change

( + ) Increasing factors ( - ) Decreasing factors

( + ) Yen depreciation  
( + ) Increase in shipments of Electronic Materials and higher sales prices of LCD glass substrates  
( - ) Decline in sales prices and decrease in revenue due to transfer of the Russian business in Architectural Glass  
( - ) Decrease in shipments of Automotive  
( - ) Decline in sales prices of caustic soda and PVC

( + ) Decline in raw materials and fuel costs  
( - ) Decline in sales prices and decrease in shipments mentioned above  
( - ) Cost deterioration in Automotive and Life Science

In addition to the above,  
( - ) Other expenses related to Life Science (Biopharmaceuticals CDMO)  
( - ) Other expenses related to transfer of Architectural Glass and Automotive businesses in Russia

\* FOREX impact was +941,  
change in the scope of consolidation was -290

# Other Income/Expenses Breakdown for FY2024







- Impairment losses related to Life Science (Biopharmaceuticals CDMO) and losses on sale of shares of subsidiaries and associates accompanying the transfer of the Russian business were recorded in the first half of the year.

(100 million JPY)

|  | FY2024        | Factors   |
|--|---------------|---|
| <b>Other income</b>  | <b>172</b>    |   |
| <b>Other expenses</b>  | <b>-1,877</b> |   |
| <b>Impairment losses</b>                                       | <b>-1,248</b> | <b><u>Life Science Biopharmaceuticals CDMO (-1,183)</u></b><br>- Goodwill -606 (Denmark, Italy and the U.S.)<br>- Fixed and other intangible assets -577 (the U.S.) |
| <b>Losses on sale of shares of subsidiaries and associates</b> | <b>-365</b>   | Business transfer of Russian subsidiaries (-360)  |
| <b>Losses on disposal of fixed assets</b>                      | <b>-65</b>    |   |
| <b>Expenses for restructuring programs</b>                     | <b>-106</b>   |   |
| <b>Others</b>  | <b>-93</b>    |   |

# Performance Comparison by Business Segment

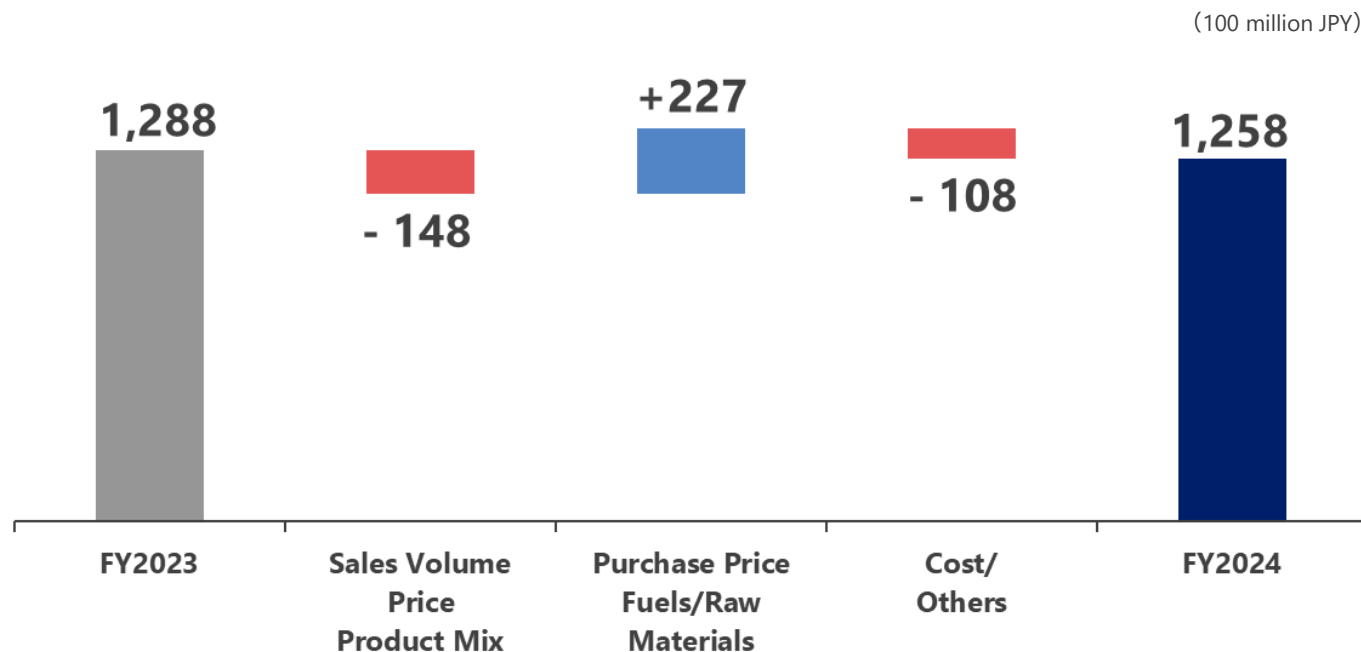
(100 million JPY)

|  | FY2023<br>Full-year<br>(a) |                  | FY2024<br>Full-year<br>(b) |                  | Change<br>(b)-(a) |                  |
|--|----------------------------|------------------|----------------------------|------------------|-------------------|------------------|
|  | Net sales                  | Operating profit | Net sales                  | Operating profit | Net sales         | Operating profit |
|  Architectural Glass | 4,763                      | 328              | <b>4,380</b>               | <b>164</b>       | - 383             | - 164            |
|  Automotive          | 4,997                      | 218              | <b>4,988</b>               | <b>139</b>       | - 9               | - 79             |
|  Electronics         | 3,132                      | 184              | <b>3,645</b>               | <b>545</b>       | + 514             | + 361            |
|  Chemicals           | 5,741                      | 648              | <b>5,936</b>               | <b>568</b>       | + 195             | - 80             |
|  Life Science        | 1,268                      | - 124            | <b>1,412</b>               | <b>- 212</b>     | + 144             | - 88             |
|  Ceramics/Other      | 834                        | 33               | <b>791</b>                 | <b>51</b>        | - 42              | + 18             |
| Elimination  | - 542                      | 1                | <b>- 477</b>               | <b>4</b>         | + 65              | + 2              |
| <b>Total</b>   | 20,193                     | 1,288            | <b>20,676</b>              | <b>1,258</b>     | + 483             | - 29             |



# Variance Analysis on OP (FY2024 vs FY2023)

## 2.9 billion JPY down from last year



### Sales Volume, Price and Product Mix

- Decline in sales prices for Architectural Glass and caustic soda and PVC in Chemicals
- Decrease in shipments of Automotive

### Purchase Price of Fuels/Raw Materials

- Decline in raw materials and fuel costs in Architectural Glass

### Cost/Others

- Cost deterioration in Automotive and Life Science

# Consolidated Statement of Financial Position

|  | 2023/12 | 2024/12       | Change |   |
|--|---------|---------------|--------|---|
|  |         |               |        | (100 million JPY)   |
| Cash and cash equivalents  | 1,461   | <b>1,080</b>  | - 381  |   |
| Inventories  | 4,541   | <b>4,541</b>  | + 1    |   |
| Property, plant and equipment,<br>Goodwill and Intangible assets | 16,312  | <b>16,529</b> | + 218  | Foreign exchange fluctuation<br><b>+894</b><br>Effect of impairment loss<br><b>-1,248</b> |
| Other assets   | 7,017   | <b>6,746</b>  | - 271  |   |
| <b>Total assets</b>  | 29,330  | <b>28,897</b> | - 433  | Foreign exchange fluctuation<br><b>+1,401</b>   |
| Interest-bearing debt  | 6,950   | <b>6,497</b>  | - 453  |   |
| Other liabilities  | 5,836   | <b>5,682</b>  | - 154  |   |
| <b>Liabilities</b>   | 12,787  | <b>12,180</b> | - 607  |   |
| Total equity attributable to owners of the parent                | 14,471  | <b>14,358</b> | - 113  |   |
| Non-controlling interests  | 2,073   | <b>2,359</b>  | + 287  | Foreign exchange fluctuation<br><b>+966</b>   |
| <b>Equity</b>  | 16,543  | <b>16,717</b> | + 174  |   |
| <b>Total liabilities and equity</b>                              | 29,330  | <b>28,897</b> | - 433  |   |
| <b>D/E ratio</b>   | 0.42    | <b>0.39</b>   |        |   |

# Consolidated Statement of Cash Flow

(100 million JPY)

| Full-year  | FY2023         | FY2024         |
|--|----------------|----------------|
| Profit before tax  | 1,228          | - 501          |
| Depreciation and amortization  | 1,753          | 1,813          |
| Increase(decrease) in working capital                                    | - 280          | 94             |
| Others   | - 576          | 1,442          |
| <b>Cash flows from operating activities</b>                              | <b>2,125</b>   | <b>2,848</b>   |
| <b>Cash flows from investing activities</b>                              | <b>- 1,798</b> | <b>- 1,956</b> |
| <b>Free cash flows</b>   | <b>328</b>     | <b>892</b>     |
| Changes in interest-bearing debt   | 93             | - 790          |
| Dividends paid   | - 460          | - 446          |
| Others   | - 713          | - 84           |
| <b>Cash flows from financing activities</b>                              | <b>- 1,080</b> | <b>- 1,319</b> |
| <b>Effect of exchange rate changes on cash and cash equivalents etc.</b> | <b>116</b>     | <b>46</b>      |
| <b>Net increase(decrease) in cash and cash equivalents</b>               | <b>- 637</b>   | <b>- 381</b>   |

Effect of impairment loss  
**+1,248**

Effect of loss on sale of subsidiaries and associates not accompanying cash outflow  
**+365**

Cash inflow effect from sale of subsidiaries and associates  
**+221**

# CAPEX, Depreciation and R&D

(100 million JPY)

| Full-year           | FY2023 | FY2024       |
|---------------------|--------|--------------|
| <b>CAPEX</b>        | 2,317  | <b>2,575</b> |
| Architectural Glass | 247    | <b>338</b>   |
| Automotive          | 263    | <b>355</b>   |
| Electronics         | 514    | <b>406</b>   |
| Chemicals           | 877    | <b>1,082</b> |
| Life Science        | 399    | <b>358</b>   |
| Ceramics/Other      | 18     | <b>37</b>    |
| Elimination         | - 1    | <b>- 0</b>   |

| Full-year           | FY2023 | FY2024       |
|---------------------|--------|--------------|
| <b>Depreciation</b> | 1,753  | <b>1,813</b> |
| Architectural Glass | 244    | <b>249</b>   |
| Automotive          | 319    | <b>324</b>   |
| Electronics         | 532    | <b>532</b>   |
| Chemicals           | 501    | <b>535</b>   |
| Life Science        | 139    | <b>157</b>   |
| Ceramics/Other      | 21     | <b>18</b>    |
| Elimination         | - 2    | <b>- 2</b>   |

| Full-year      | FY2023 | FY2024     |
|----------------|--------|------------|
| <b>R&amp;D</b> | 573    | <b>618</b> |

## FY2024 Main projects for CAPEX

- Repairment for architectural glass furnace (Architectural Glass)
- Repairment for display glass furnace (Electronics)
- Capacity enhancement for Electronic Materials (Electronics)
- Capacity enhancement for chlor-alkali in Southeast Asia (Chemicals)

- Capacity enhancement for fluorine-related products (Chemicals)
- Capacity enhancement for Biopharmaceuticals CDMO and Small molecule pharmaceuticals and agrochemicals CDMO (Life Science)

etc.

## 2. Status of Segments



# Architectural Glass Segment

| Full-year               | FY2023 | FY2024       | Change |
|-------------------------|--------|--------------|--------|
| <b>Net sales</b>        | 4,763  | <b>4,380</b> | - 383* |
| Asia                    | 1,584  | <b>1,579</b> | - 5    |
| Europe & Americas       | 3,163  | <b>2,777</b> | - 386  |
| (Inter-segment)         | 16     | <b>24</b>    | + 8    |
| <b>Operating profit</b> | 328    | <b>164</b>   | - 164  |

\* FOREX impact: +223,  
Change in the Scope of Consolidation: -202  
(100 million JPY)



## Asia

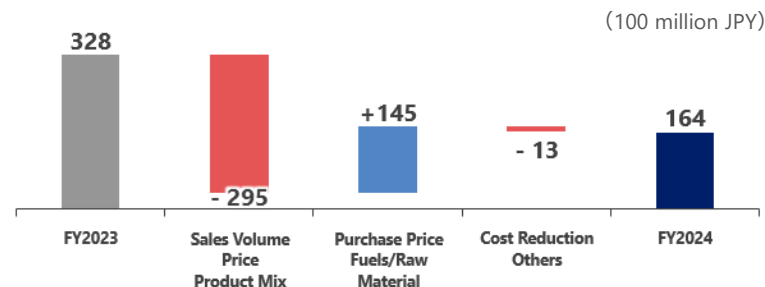
- Net sales remained flat due to positive effect of foreign exchange rates, despite decrease in shipments.



## Europe & Americas

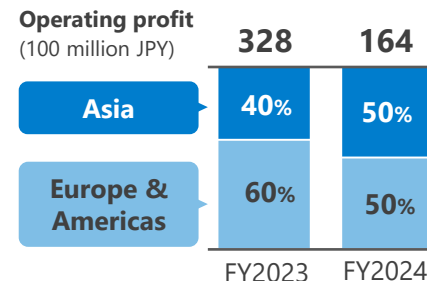
- Net sales decreased due to lower sales prices in Europe and negative impact from the transfer of the Russian business, despite positive effect of foreign exchange rates.

## Variance Analysis on OP



## Sub-segment ratio to the operating profit

(before common expense allocation)



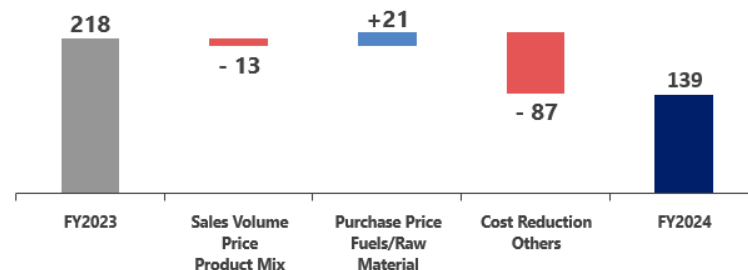
| Full-year               | FY2023 | FY2024       | Change |
|-------------------------|--------|--------------|--------|
| <b>Net sales</b>        | 4,997  | <b>4,988</b> | - 9*   |
| Automotive              | 4,994  | <b>4,986</b> | - 8    |
| (Inter-segment)         | 3      | <b>2</b>     | - 1    |
| <b>Operating profit</b> | 218    | <b>139</b>   | - 79   |

\* FOREX impact: +269,  
Change in the Scope of Consolidation: -56

(100 million JPY)

## Variance Analysis on OP

(100 million JPY)



## Automotive

- Net sales remained flat due to positive effect of foreign exchange rates, etc., despite decrease in Group's shipments as the automobile production decreased mainly in Japan and Europe.
- Operating profit deteriorated due to increase in manufacturing costs mainly caused by production and shipping issues in the U.S.

| Full-year               | FY2023 | FY2024       | Change |
|-------------------------|--------|--------------|--------|
| <b>Net sales</b>        | 3,132  | <b>3,645</b> | + 514* |
| Display                 | 1,607  | <b>1,792</b> | + 185  |
| Electronic Materials    | 1,513  | <b>1,836</b> | + 323  |
| (Inter-segment)         | 12     | <b>18</b>    | + 6    |
| <b>Operating profit</b> | 184    | <b>545</b>   | + 361  |

\* FOREX impact: +88,  
Change in the Scope of Consolidation: -25  
(100 million JPY)



## Display

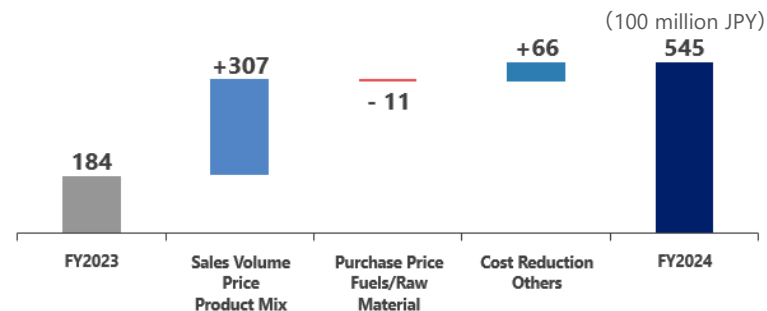
- Net sales increased due to increase in shipments and pricing policy revision of LCD glass substrates.



## Electronic Materials

- Net sales increased due to higher shipments of semiconductor-related materials such as EUV mask blanks and optoelectronic materials, as well as the positive effect of foreign exchange rates.

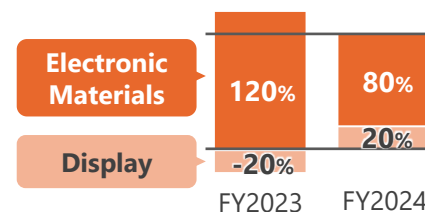
## Variance Analysis on OP



## Sub-segment ratio to the operating profit

(before common expense allocation)

Operating profit  
(100 million JPY)





| Full-year               | FY2023 | FY2024       | Change |
|-------------------------|--------|--------------|--------|
| <b>Net sales</b>        | 5,741  | <b>5,936</b> | + 195* |
| Essential Chemicals     | 4,028  | <b>4,118</b> | + 90   |
| Performance Chemicals   | 1,669  | <b>1,780</b> | + 111  |
| (Inter-segment)         | 45     | <b>39</b>    | - 6    |
| <b>Operating profit</b> | 648    | <b>568</b>   | - 80   |

\* FOREX impact: +274,

Change in the Scope of Consolidation: No impact

(100 million JPY)



## Essential Chemicals

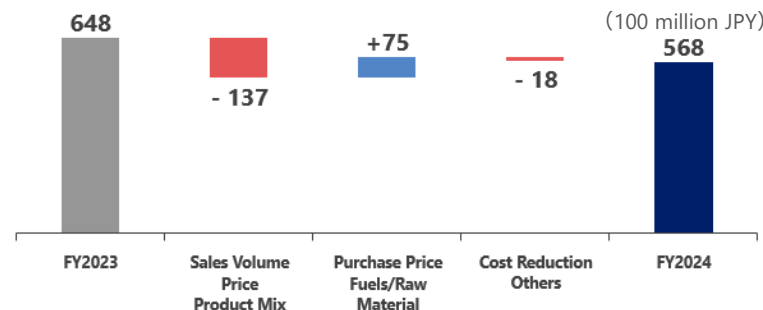
- Net sales remained flat due to positive effect of foreign exchange rates despite lower sales prices of caustic soda and PVC.



## Performance Chemicals

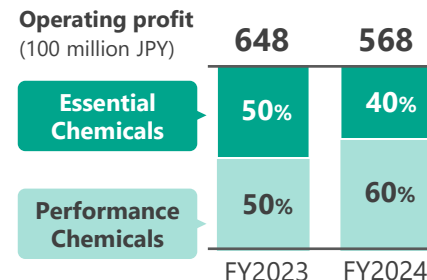
- Net sales increased due to higher sales prices and positive effect of foreign exchange rates.

## Variance Analysis on OP



## Sub-segment ratio to the operating profit

(before common expense allocation)



| Full-year               | FY2023 | FY2024       | Change |
|-------------------------|--------|--------------|--------|
| <b>Net sales</b>        | 1,268  | <b>1,412</b> | + 144* |
| Life Science            | 1,239  | <b>1,373</b> | + 134  |
| (Inter-segment)         | 29     | <b>39</b>    | + 10   |
| <b>Operating profit</b> | -124   | <b>-212</b>  | - 88   |

\* FOREX impact: +75,

Change in the Scope of Consolidation: No impact

(100 million JPY)

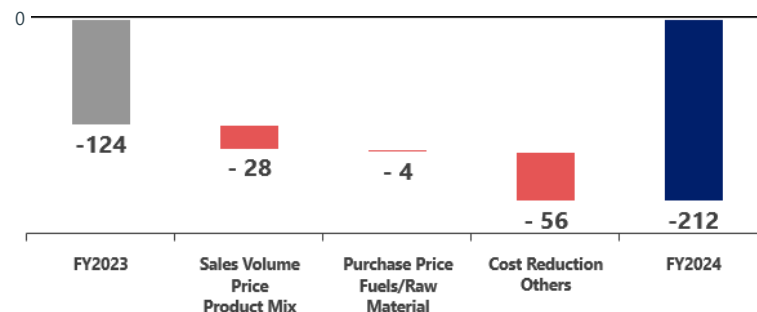


## Life Science

- Despite the impact of disappearance of Covid-related special demand, net sales increased due to the impact of foreign exchange rates, one-off revenues associated with the settlement of contracted projects, and increase in contracts.
- Upfront costs incurred associated with capacity expansion in Biopharmaceuticals CDMO.

## Variance Analysis on OP

(100 million JPY)

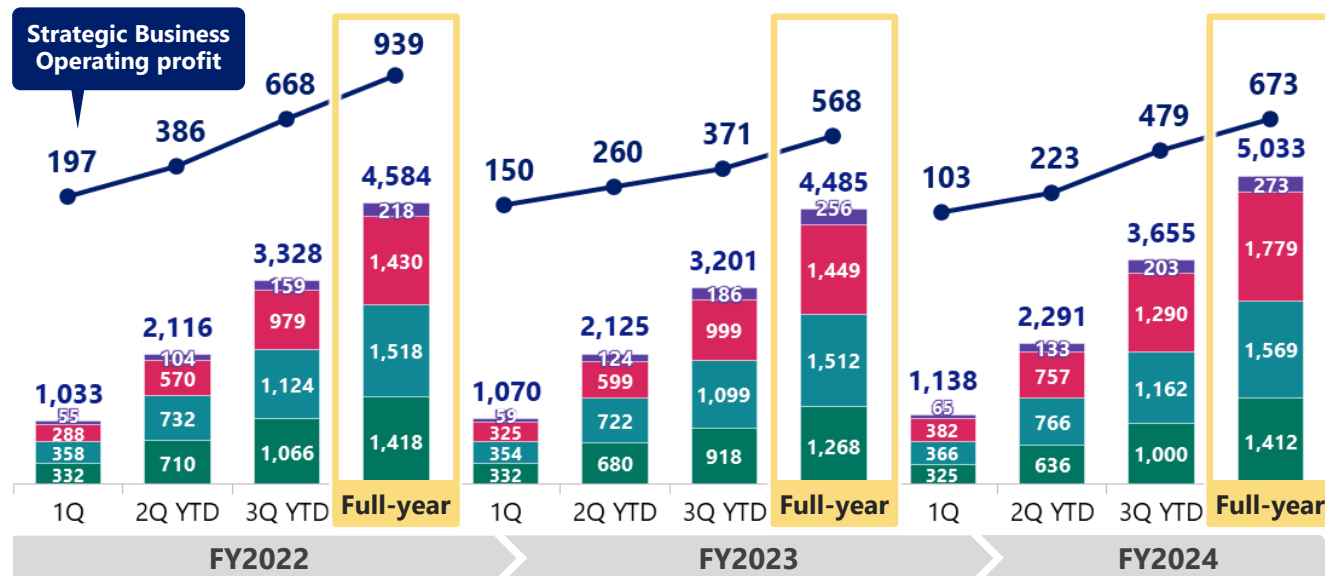


# Strategic Businesses' contribution

- Net sales and operating profit increased YoY driven by sales growth of semiconductor-related products in Electronics, despite lower profitability in Life Science.

## Net Sales of Strategic businesses

(100 million JPY)



### Main products & businesses

#### Mobility

- Cover glass for car-mounted displays
- High value-added products for CASE

#### Electronics

- Semiconductor-related products
- Optoelectronic materials
- Next-generation high-speed communication materials

#### Performance Chemicals







- High performance fluorine products for various industries

#### Life Science

- CDMO for synthetic pharmaceuticals and agrochemicals
- CDMO for Biopharmaceuticals

# ROCE and EBITDA by Segment

(100 million JPY)

|  | Operating profit |              | EBITDA* |              | ROCE   |                | Operating assets |               |
|--|------------------|--------------|---------|--------------|--------|----------------|------------------|---------------|
|  | FY2023           | FY2024       | FY2023  | FY2024       | FY2023 | FY2024         | FY2023           | FY2024        |
|  <b>Architectural Glass</b> | 328              | <b>164</b>   | 572     | <b>413</b>   | 10.6%  | <b>5.5%</b>    | 3,100            | <b>3,000</b>  |
|  <b>Automotive</b>          | 218              | <b>139</b>   | 537     | <b>464</b>   | 6.4%   | <b>4.2%</b>    | 3,400            | <b>3,350</b>  |
|  <b>Electronics</b>         | 184              | <b>545</b>   | 715     | <b>1,076</b> | 3.1%   | <b>9.2%</b>    | 6,000            | <b>5,950</b>  |
|  <b>Chemicals</b>           | 648              | <b>568</b>   | 1,148   | <b>1,102</b> | 10.4%  | <b>7.8%</b>    | 6,200            | <b>7,250</b>  |
|  <b>Life Science</b>        | - 124            | <b>- 212</b> | 15      | <b>- 55</b>  | - 4.3% | <b>- 10.1%</b> | 2,900            | <b>2,100</b>  |
|  <b>Ceramics/Others</b>     | 33               | <b>51</b>    | 55      | <b>69</b>    | 16.7%  | <b>25.6%</b>   | 200              | <b>200</b>    |
| <b>Elimination</b>   | 1                | <b>4</b>     | - 0     | <b>2</b>     | -      | -              | -                | -             |
| <b>Total</b>   | 1,288            | <b>1,258</b> | 3,041   | <b>3,071</b> | 5.9%   | <b>5.8%</b>    | 21,800           | <b>21,850</b> |

# Outlook for FY2025

# Assumptions for Major Economies and Markets in 2025

- Although the overall economic environment will continue to be sluggish, positive effects are expected in some markets.

| Economies and Markets                 | Assumptions for 2025   | Businesses Particularly Affected          |
|---------------------------------------|--|---|
| <b>Global Economy</b>                 | <b>More uncertainty</b> over geopolitical risks such as trade friction between US and China, and trends in exchange rates and interest rates | All businesses (+ -)                      |
| <b>European Economy</b>               | Economy <b>stagnation continues</b>  | Architectural Glass, Automotive (-)       |
| <b>Chinese Economy</b>                | Economy <b>remains at a low level</b>  | Essential Chemicals (-)                   |
| <b>US Economy</b>                     | Economy <b>continues to be strong</b>  | Electronics (+)                           |
| <b>Automobile Market</b>              | <b>Demand for high-functional products continues</b> despite <b>weaker automobile production</b>   | Automotive (+ -)                          |
| <b>Caustic Soda and PVC Market</b>    | PVC price in Southeast Asia <b>remains at a low level</b>  | Essential Chemicals (-)                   |
| <b>Semiconductor Market</b>           | Demand for semiconductors <b>grows</b>   | Electronics and Performance Chemicals (+) |
| <b>Smartphone Market</b>              | <b>Demand for high-functional products continues</b> while <b>smartphone production remains flat</b>   | Electronics (+)                           |
| <b>TV Market</b>                      | <b>Demand for larger-size TV screen continues</b> while <b>TV sales volume remains flat</b>  | Display (+)                               |
| <b>Biopharmaceuticals CDMO Market</b> | On a <b>gradual recovery</b> track bottoming out in 2023   | Life Science (+)                          |

# Outlook for FY2025

- Net sales and operating profit will increase thanks to improvements in Automotive and Life Science amongst a challenging business environment.







(100 million JPY)

|   |                | <b>FY2024</b> | <b>FY2025e</b> |
|---|----------------|---------------|----------------|
| <b>Net sales</b>  |                | 20,676        | <b>21,500</b>  |
|   | (First half)   | 10,152        | 10,500         |
| <b>Operating profit</b>   |                | 1,258         | <b>1,500</b>   |
|   | (First half)   | 567           | 650            |
| <b>Profit before tax</b>  |                | - 501         | <b>1,350</b>   |
| <b>Profit for the year attributable to owners of the parent</b> |                | - 940         | <b>800</b>     |
| <b>Dividend (JPY/share)</b>                                     |                | 210           | <b>210</b>     |
| <b>Operating profit margin</b>                                  |                | 6.1%          | 7.0%           |
| <b>ROE *</b>  |                | - 6.5%        | 5.6%           |
| <b>FOREX (Average)</b>  | <b>1 USD</b>   | JPY 151.6     | JPY 150.0      |
|   | <b>1 EUR</b>   | JPY 164.0     | JPY 160.0      |
| <b>Crude oil (Dubai, Average)</b>                               | <b>USD/BBL</b> | 79.6          | 80.0           |

\* ROE of FY2025e is calculated using the figures of Total equity attributable to owners of the parent as of Dec. 31, 2024

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

(100 million JPY)

|  | FY2024 (a) |                  | FY2025e       |                  | Change (b)-(a) |                  |
|--|------------|------------------|---------------|------------------|----------------|------------------|
|  | Net sales  | Operating profit | Net sales     | Operating profit | Net sales      | Operating profit |
|  <b>Architectural Glass</b> | 4,380      | 164              | <b>4,400</b>  | <b>160</b>       | + 20           | - 4              |
|  <b>Automotive</b>          | 4,988      | 139              | <b>5,000</b>  | <b>220</b>       | + 12           | + 81             |
|  <b>Electronics</b>         | 3,645      | 545              | <b>3,700</b>  | <b>580</b>       | + 55           | + 35             |
|  <b>Chemicals</b>           | 5,936      | 568              | <b>6,500</b>  | <b>600</b>       | + 564          | + 32             |
|  <b>Life Science</b>        | 1,412      | - 212            | <b>1,500</b>  | <b>- 100</b>     | + 88           | + 112            |
|  <b>Ceramics/Other</b>      | 791        | 51               | <b>700</b>    | <b>40</b>        | - 91           | - 11             |
| <b>Elimination</b>   | - 477      | 4                | <b>- 300</b>  | <b>0</b>         | + 177          | - 4              |
| <b>Total</b>   | 20,676     | 1,258            | <b>21,500</b> | <b>1,500</b>     | + 824          | + 242            |



# Outlook by Business Segment (1)

## Outlook for FY2025 (vs FY2024)



### Architectural Glass

#### Asia

- Shipments are expected to be robust, underpinned by demand for highly heat shielding/insulating glass.

#### Europe & Americas

- Weak economy in Europe continues to have a negative impact.



### Automotive

- Automobile production is expected to be robust in Asia but decrease in Europe and the U.S. The Group's shipments overall are expected to be at the same level as the previous year.
- Profitability is expected to improve due to ongoing earnings improvement measures.
- In the U.S. in particular, improvement measures including pricing and structural reforms will be accelerated together with production and shipping issues being resolved..



### Electronics

#### Display

- LCDs profitability expected to improve with solid demand on top of progress of earnings improvement measures.

#### Electronic Materials

- Shipments of semiconductor-related materials such as EUV mask blanks will increase.
- Shipments of optoelectronic materials will slightly decrease.

## Outlook for FY2025 (vs FY2024)



### Chemicals

#### Essential Chemicals

- Shipments are expected to increase driven by launch of the expanded facility in Thailand.

#### Performance Chemicals

- Shipment will increase due to higher demand for fluorine-related products for semiconductors and transportation application.



### Life Science

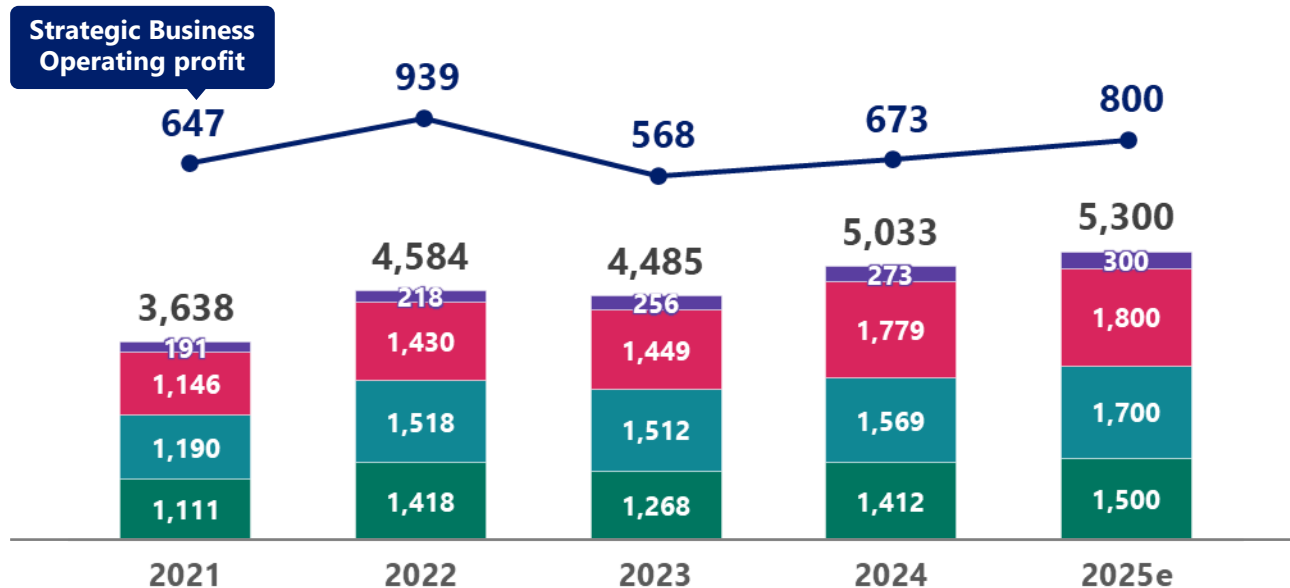
- Sales of Small molecule pharmaceuticals and agrochemicals CDMO are expected to remain flat year on year.
- Profitability of the Biopharmaceuticals CDMO will improve driven by increase in contracts and effects of structural reform measures.

# Outlook of Strategic Businesses

- Sales are expected to increase in all strategic businesses.
- Operating profit is expected to increase driven by improvement of the Life Science business.

## Sales of Strategic businesses

(100 Million JPY)



### Main products & businesses

#### Mobility

- Cover glass for car-mounted displays
- High value-added products for CASE

#### Electronics

- Semiconductor-related products
- Optoelectronic materials
- Next-generation high-speed communication materials

#### Performance Chemicals

- High performance fluorine products for various industries

#### Life Science

- CDMO for synthetic pharmaceuticals and agrochemicals
- CDMO for biopharmaceuticals

# Outlook of CAPEX, Depreciation and R&D

(100 million JPY)

| Full-year           | FY2024 | FY2025e      |
|---------------------|--------|--------------|
| <b>CAPEX</b>        | 2,575  | <b>2,400</b> |
| Architectural Glass | 338    | <b>350</b>   |
| Automotive          | 355    | <b>330</b>   |
| Electronics         | 406    | <b>560</b>   |
| Chemicals           | 1,082  | <b>800</b>   |
| Life Science        | 358    | <b>330</b>   |
| Ceramics/Other      | 37     | <b>30</b>    |
| Elimination         | - 0    | <b>0</b>     |

| Full-year           | FY2024 | FY2025e      |
|---------------------|--------|--------------|
| <b>Depreciation</b> | 1,813  | <b>1,870</b> |
| Architectural Glass | 249    | <b>260</b>   |
| Automotive          | 324    | <b>330</b>   |
| Electronics         | 532    | <b>540</b>   |
| Chemicals           | 535    | <b>570</b>   |
| Life Science        | 157    | <b>150</b>   |
| Ceramics/Other      | 18     | <b>20</b>    |
| Elimination         | - 2    | <b>0</b>     |

| Full-year      | FY2024 | FY2025e    |
|----------------|--------|------------|
| <b>R&amp;D</b> | 618    | <b>620</b> |

## FY2025 Main projects for CAPEX

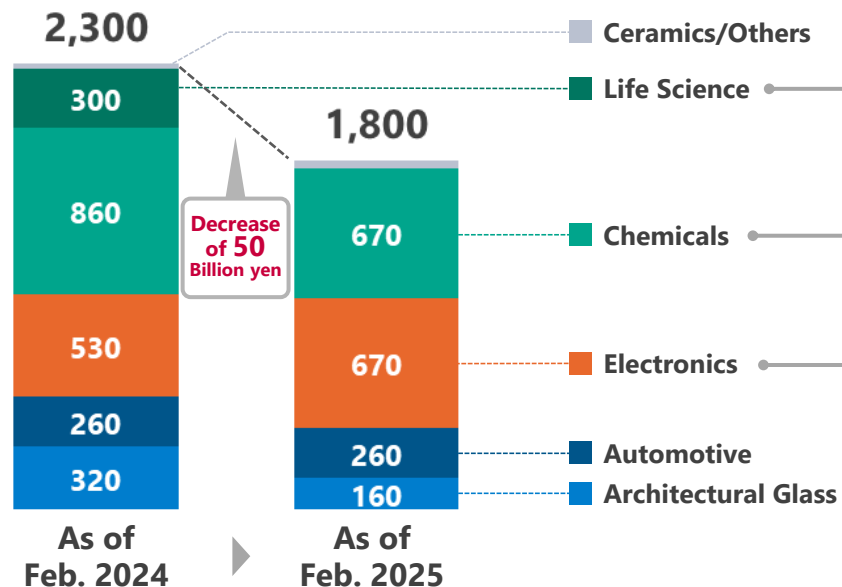
- Repairment for architectural glass furnace (Architectural Glass)
- Repairment for display glass furnace (Electronics)
- Capacity enhancement for Electronic Materials (Electronics)
- Capacity enhancement for chlor-alkali in Southeast Asia (Chemicals)
- Capacity enhancement for fluorine-related products (Chemicals)
- Capacity enhancement for Biopharmaceuticals CDMO and Small molecule pharmaceuticals and agrochemicals CDMO (Life Science)

# Revision of FY2026 Targets

# FY2026 Operating Profit Target Revision

- Operating profit target for FY2026 is revised downward to 180 billion yen.

## FY 2026 Operating Profit (100 Million JPY)



## [Major Variances]

■ Substantial underachievement in sales volume **-300**

■ Sluggish market price of chlor-alkali products  
■ Weaker than expected fluorine-related products market **-190**

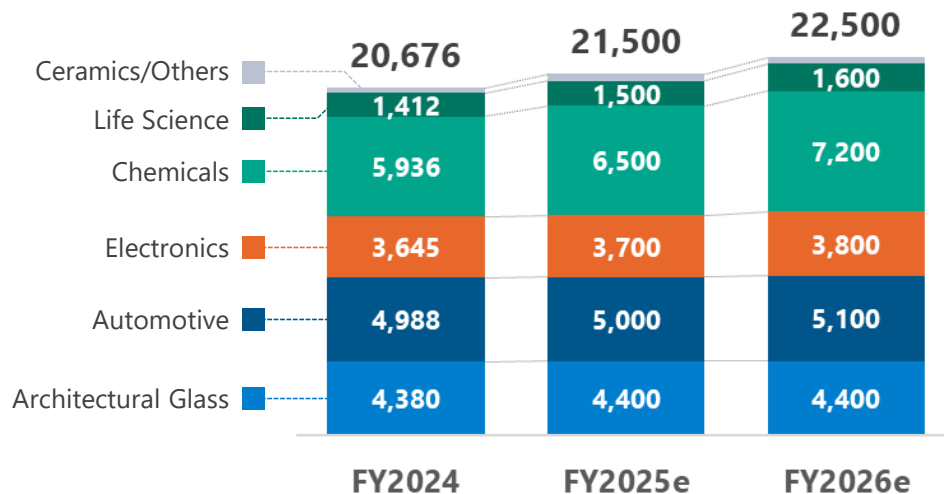
■ Sales growth in electronics products **+140**

■ Economic slowdown in Europe  
■ Slower growth in demand in Asia **-160**

# AGC plus-2026 outlook by business segments

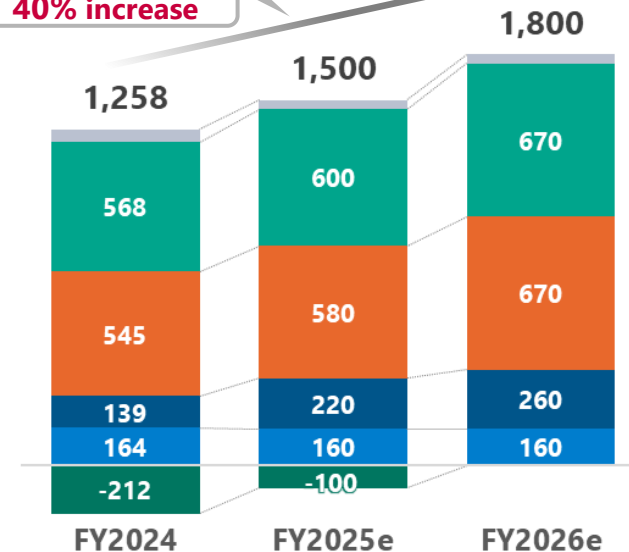
- Operating profit for 2026 will increase by 40% from 2024.
- Life Science will return to profit in 2026.

## Net Sales (100 Million JPY)



## Operating Profit (100 Million JPY)

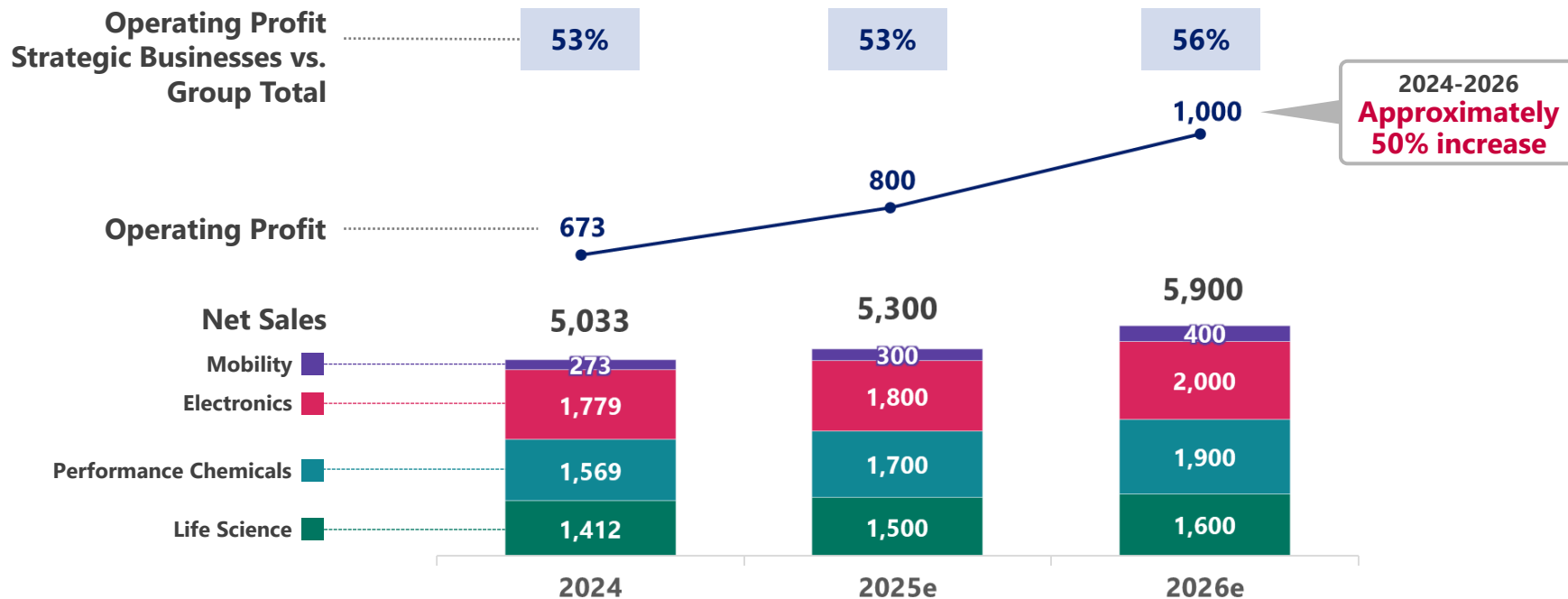
2024-2026  
**Approximately  
40% increase**



# Strategic Businesses outlook

- Strategic businesses will drive the overall growth.

## Net Sales and Operating Profit of Strategic Businesses (100 Million JPY)

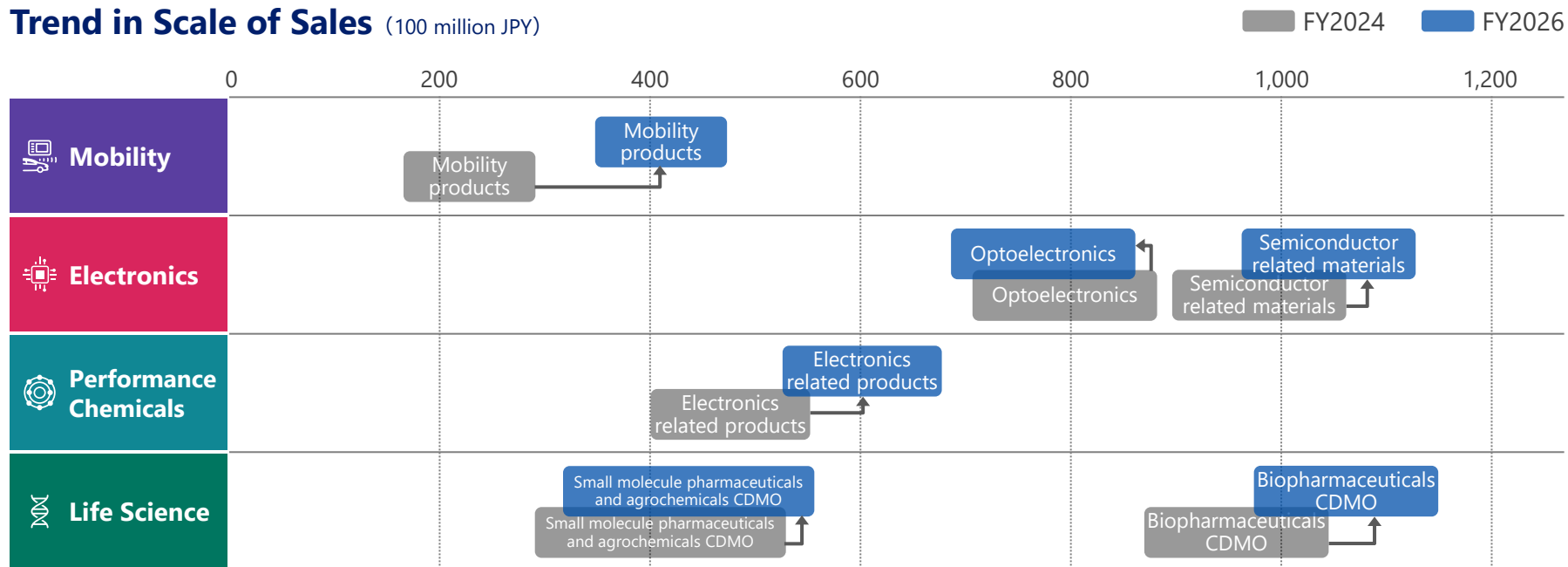




# Sales outlook of Strategic Business Products

- Businesses will expand smoothly while optoelectronics will experience a brief stagnation.

**Trend in Scale of Sales** (100 million JPY)



# **Towards Achievement of Profitability that Exceeds Cost of Shareholders' Equity**

The AGC logo is located in the top right corner. It consists of the letters 'AGC' in a bold, dark blue sans-serif font, with a small red square positioned between the 'G' and 'C'.

**AGC Inc.**

Feb. 7, 2025

Your Dreams, Our Challenge

# AGC plus-2026 Strategy (Announced in Feb. 2024)

- To realize Vision 2030, we will accelerate corporate transformation and maximize corporate value.

## Evolution of “ambidextrous strategy”

- Accelerate business portfolio transformation by pursuing the use and development of differentiated materials and solutions
- Continue to strengthen the earnings base and cash generation capabilities of core businesses
- Revise the scope of strategic businesses, accelerate business growth, and explore next-generation area

### Deepening of Sustainability Management

- Accelerate integrated management, including financial KPIs, by redefining the social value that we provide and setting sustainability KPIs

### Promotion of value creation DX

- Strengthen competitiveness through digital × *monozukuri* capabilities
- Streamline and strengthen the entire supply chain

### Strengthening of the management foundation

- Strengthen group governance
- Promote human capital management
- Further strengthen the alignment between business strategy and technology platform

# 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**

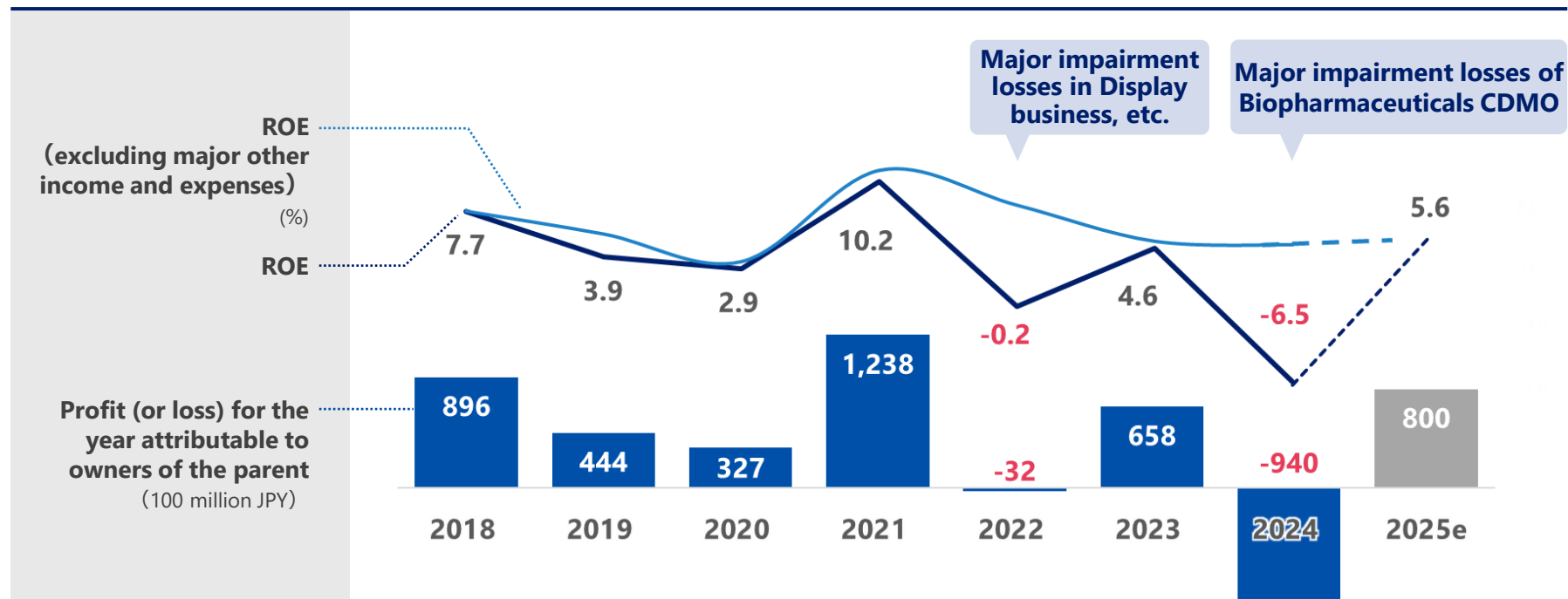


# AGC plus-2026 Current Business Situations

|                   | Core Business  | Strategic Business  |
|-------------------|--|---|
| Vision            | Long-term, stable sources of earnings  | Creation and expansion of highly profitable businesses  |
| Current Situation |  <b>Display</b> Smooth profitability improvement through structural reforms   |  <b>Life Science</b> Biopharmaceuticals CDMO profitability improving             |
|                   |  <b>Essential Chemicals</b> Continued negative effects of the sluggish market   |  <b>Performance Chemicals</b> Sales improvements by growth measures              |
|                   |  <b>Automotive</b> Smooth profitability improvement despite production issues in the US   |  <b>Electronics</b> Growing as planned due to growth in the semiconductor market |
|                   |  <b>Architectural Glass</b> Transfer of the Russian business and continued negative effects of economic slowdown in Europe and Southeast Asia |  <b>Mobility</b> Small business scale, but growing steadily                      |
| Issue             | <div>■ ROE remains low, and as a result, PBR is consistently below 1</div>   |   |

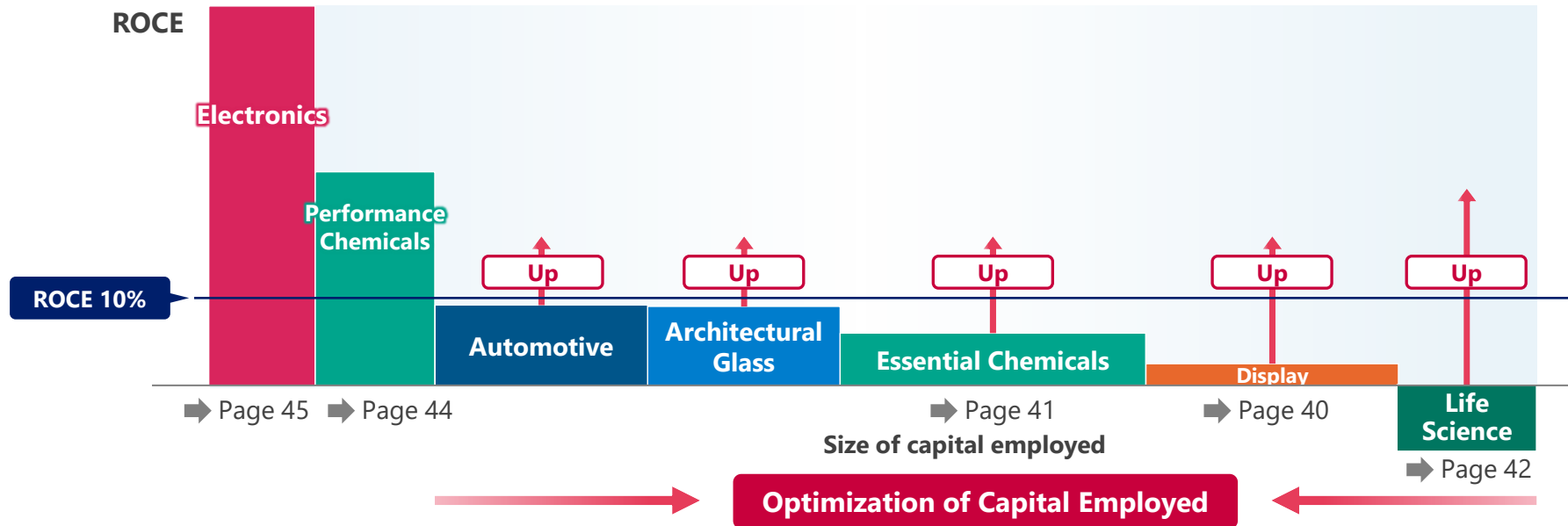
# Current ROE

- ROE has remained at a low level due to factors such as impairment losses and losses incurred as a result of business transfers



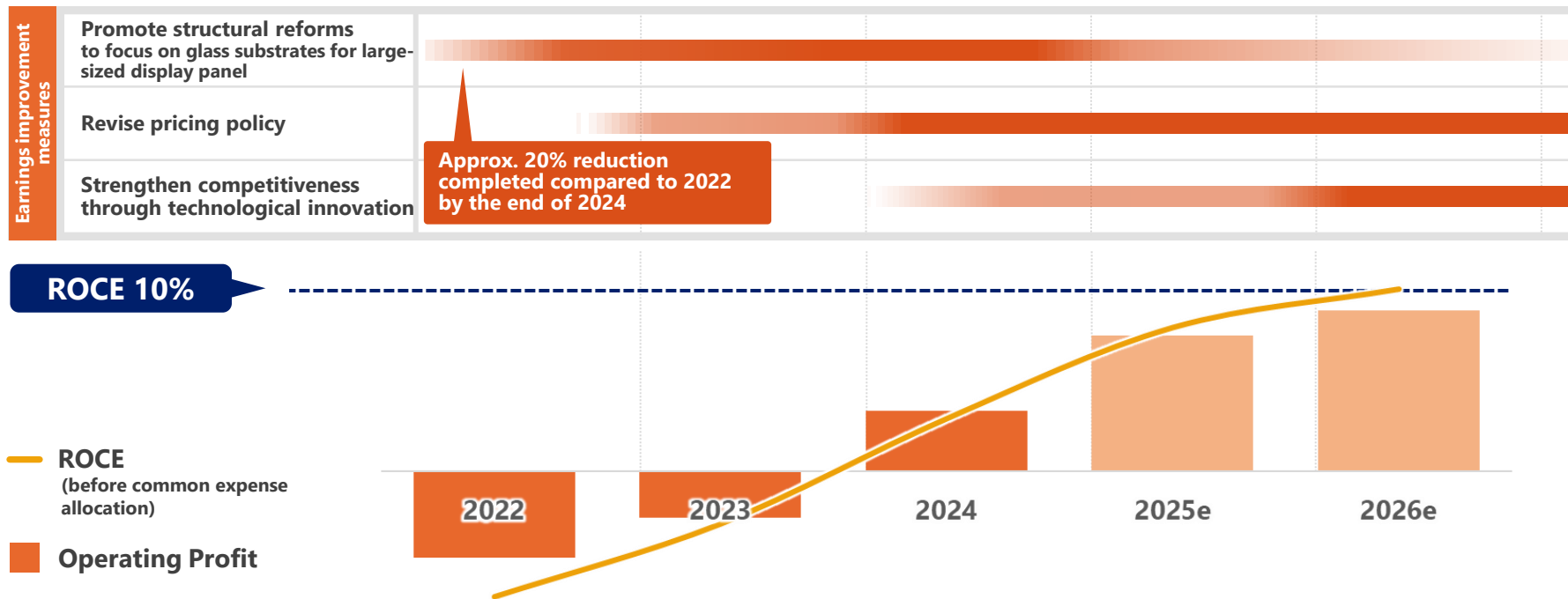
- Low-profit businesses with large capital employed are dragging down AGC Group's ROCE.
- Urgent need to improve profitability and asset efficiency of these businesses.

## FY2024 ROCE and Size of Capital Employed by Business (before common expense allocation)



# Initiatives of Display

- On track to achieve ROCE target of 10% by 2026 through implementation of earnings improvement measures





# Initiatives of Essential Chemicals

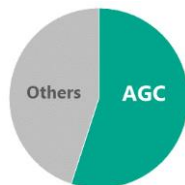
- We will capture the strong demand in Southeast Asia with increased production capacity in Thailand.
- Improve profitability by leveraging our high market share to implement our supply chain strategy.

## Supply & Demand Balance and Price Outlook in Southeast Asia

- Demand expands at an average of 4% per annum, leaving the region to continue importing chlor-alkali products.
- Caustic soda demand is increasing for use in alumina and nickel refining.
- PVC price will remain at a low level due to sluggish Chinese economy.

## Market share\* in Southeast Asia (after expansion)

Caustic Soda

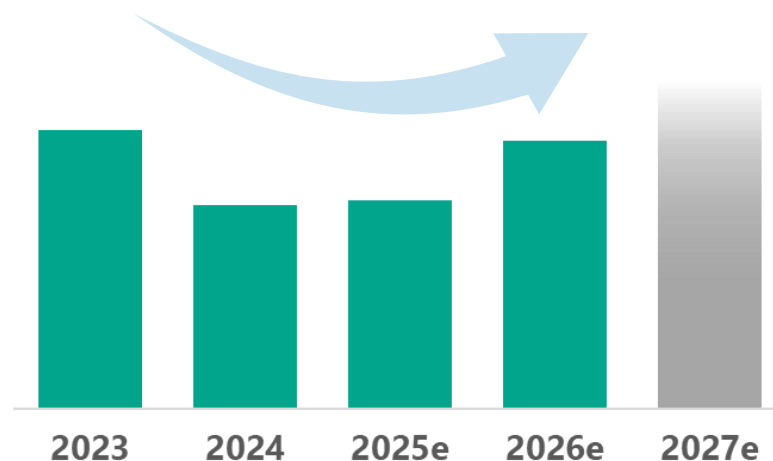


PVC



## Operating Profit Outlook for Essential Chemicals

- The expanded facility in Thailand to start operation in 2025.
- Expected to contribute to profits from 2026 onwards.



\*Market share based on production capacity: Australia/NZ excluded from the region for caustic soda, while included for PVC.

# Initiatives of Biopharmaceuticals CDMO

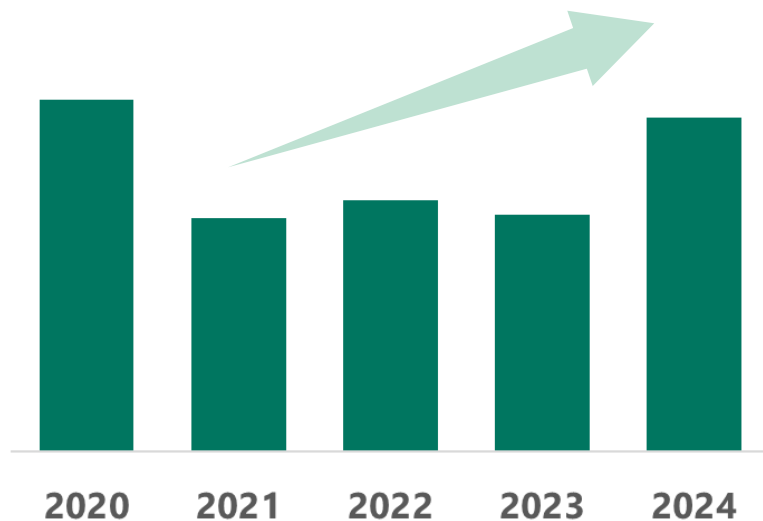
- Business situation has improved after implementation of profit improvement measures at each site.

| Regions | Sites      | Modalities                   | Previous Situations   | Progress of Measures   | Effects   |
|---------|------------|------------------------------|---|--|---|
| U.S.    | Seattle    | Microbial/<br>Mammalian cell | <b>1</b> Substantial underachievement in sales volume   | <div>✓ Headcount reduction completed</div> <div>✓ Improved operations and 3 FDA approvals obtained</div> | <b>1.7 billion JPY</b> per year fixed cost reduction (1 billion JPY in 2024)<br><br>Positive impact on future sales and order-taking activities |
|         | Longmont   | Gene and Cell Therapy        | <b>2</b> Orders fell short of expectations driven by slow market growth of gene and cell therapy market | <div>✓ Idled production</div>  | <b>2.5 billion JPY</b> per year fixed cost reduction (effective from 2025)  |
|         | Boulder    | Mammalian cell               | <b>3</b> Delay in start-up of a new line  | <div>✓ Commercial production already started</div>   | Gradual increase in utilization. Improved profitability, to return to profit in 2027  |
| Europe  | Copenhagen | Microbial/<br>Mammalian cell | <b>4</b> Expansion delayed due to construction labor shortage   | <div>✓ Expanded facilities already in operation</div>  | Smooth increase in contracts  |

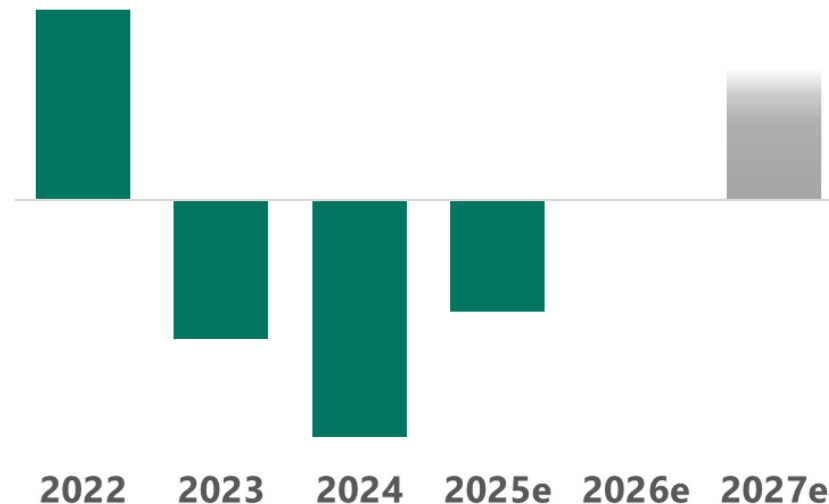
# Business Performance Outlook for Life Science

- We will recover profitability by ensuring to win the increasing proposals to customers of Biopharmaceuticals CDMO.

## Proposal to Customers (value)\* in Biopharmaceuticals CDMO



## Operating Profit Outlook for Life Science Segment

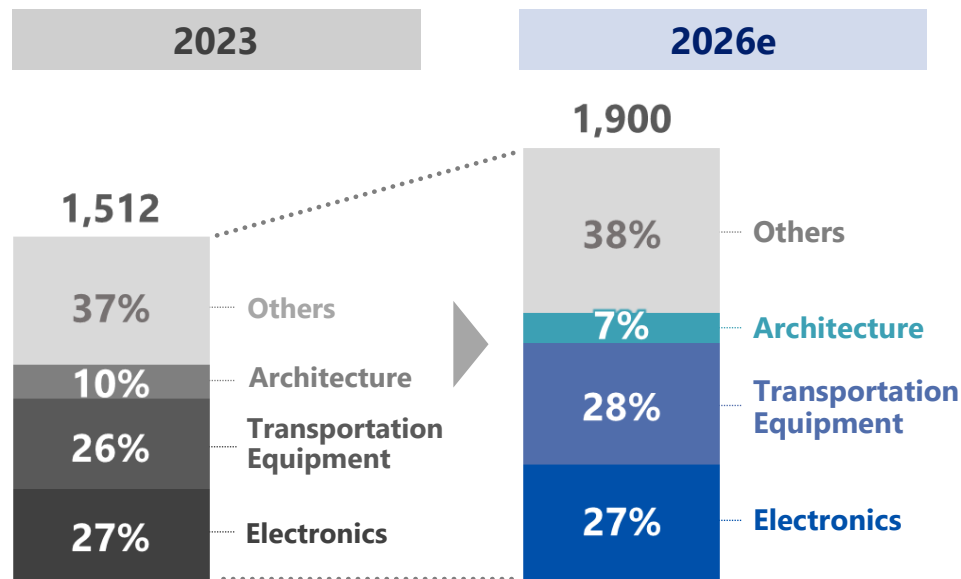


\* A leading indicator of sales. Sales will be recorded after a certain period of time (usually 1-2 years) after signature of contracts.

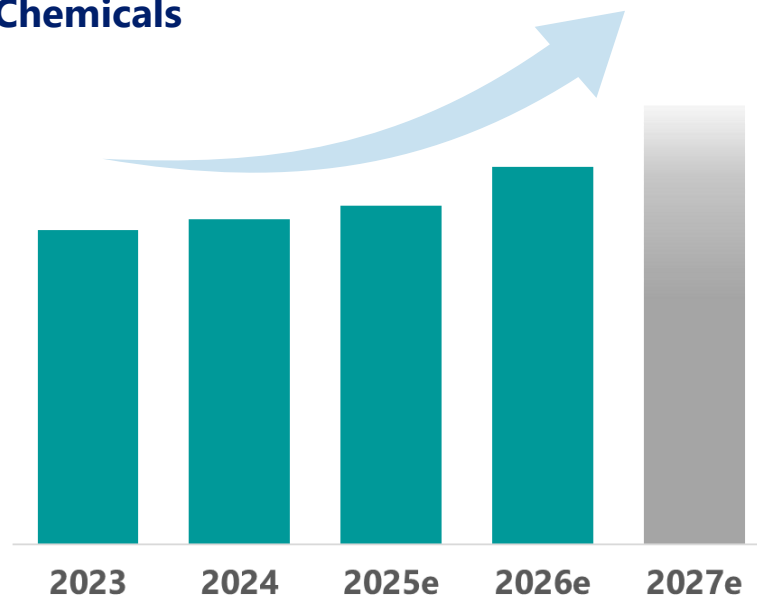
# Initiatives of Performance Chemicals

- We will increase sales by capacity expansion in response to increased demand for semiconductors and transportation equipment.

## Sales and Breakdown Outlook\*by Application





## Operating Profit outlook for Performance Chemicals





- EUV mask blanks achieved sales of 40 billion yen in 2024, one year ahead of the initial target
- Semiconductor-related materials will continue to grow driven by AI demand while Optoelectronics will experience a brief stagnation

## Market Trends and Strategies

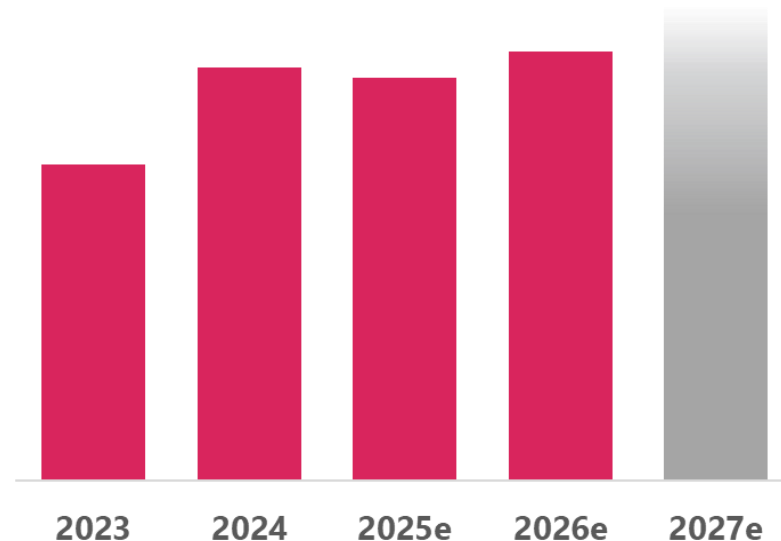
### Semiconductor-related materials

|  |   |
|--|---|
| <br><b>Market Trend</b> | Market is expanding due to increased demand for cutting-edge semiconductors for AI etc. |
| <br><b>Strategy</b>     | <b>Expand sales to high-end market</b>  |

### Optoelectronics

|  |   |
|--|---|
| <br><b>Market Trend</b> | Growth slows due to saturation of smartphone market   |
| <br><b>Strategy</b>     | <b>Launch differentiated products combining high-performance and composite technologies</b> |

## Operating Profit Outlook for Electronics



1

## Profit structure improvement

### ① Pricing Policy

Implement Value-based Pricing Group-wide

### ② Cost Reduction

- Reduce cost by reducing investments and improving productivity
- Launch a Group-wide cost reduction project led by the CFO

### ③ Timely implementation of structural improvement measures

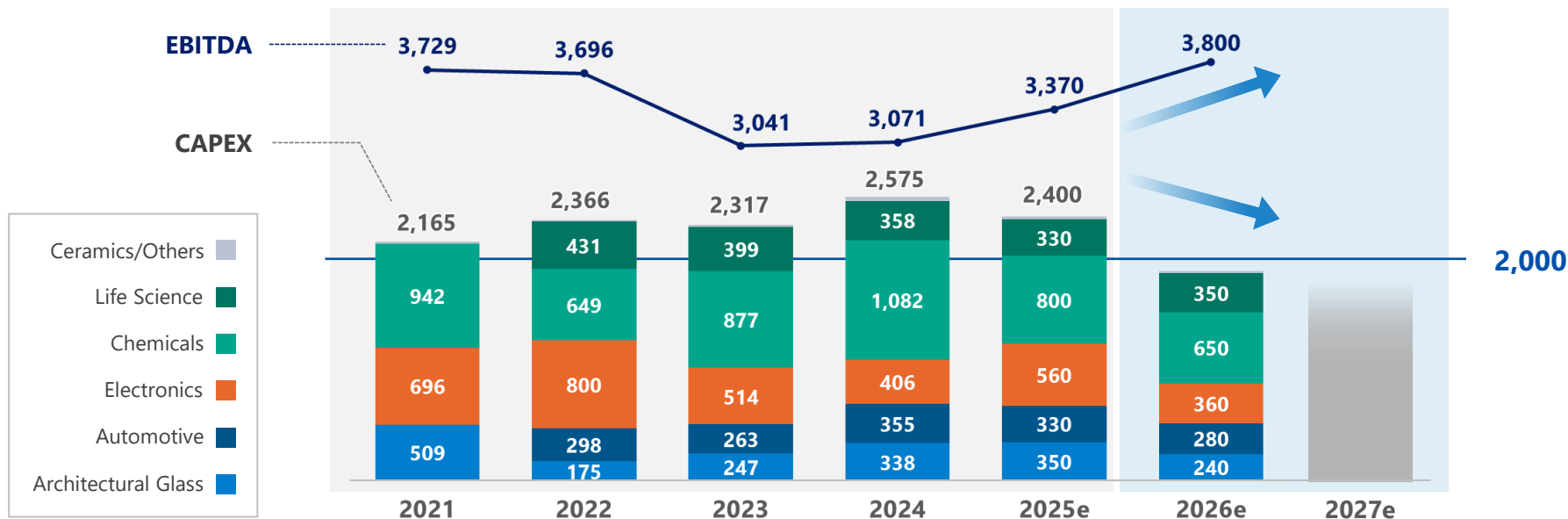
2

## Portfolio Transformation

- Continue to pursue a business portfolio that is resilient to market fluctuations, has high asset efficiency, growth potential and carbon efficiency by promoting ambidextrous strategy

- Large investments round will be completed in 2025.
- We will focus on cash generation from 2026 onwards to prepare for the next growth.

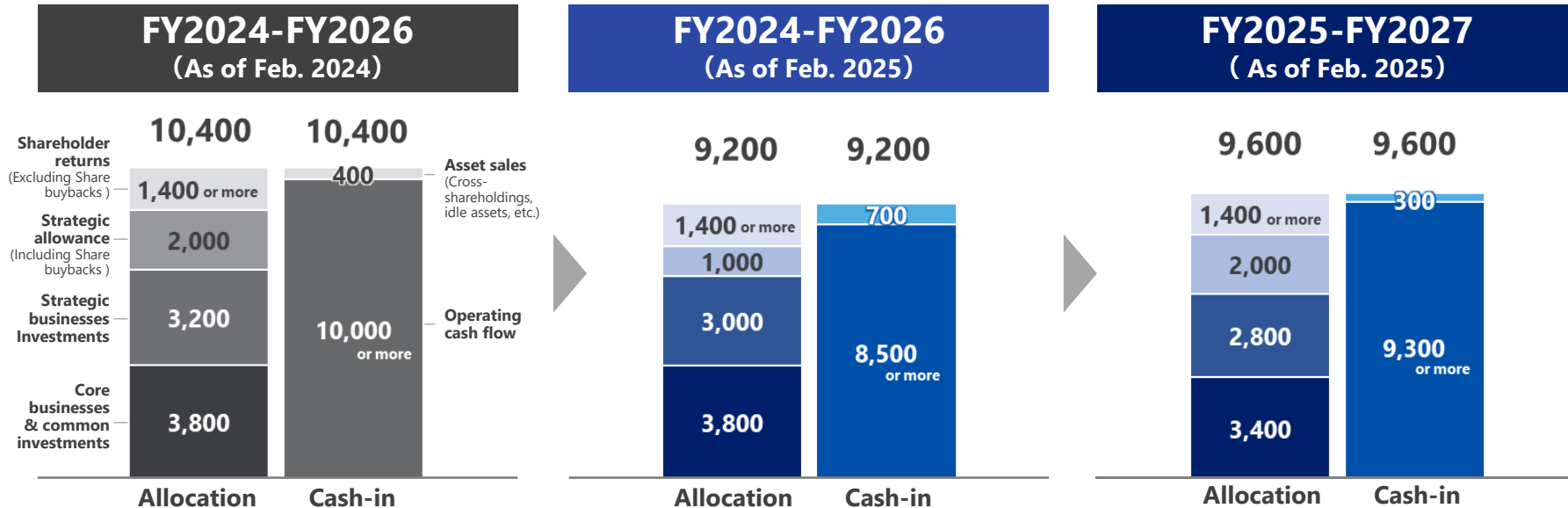
## Capex and EBITDA Outlook (100 million JPY)



# Capital Allocation Policy

- Strategic allowance budget will be secured in FY2025-FY2027 due to improved profitability and reduced investments after reduction in FY2024-FY2026 attributable to cash-in decrease.
- Share buybacks will be determined considering investment projects, cash position and other factors.

(100 million JPY)





# Medium-term Management Plan *AGC plus-2026*

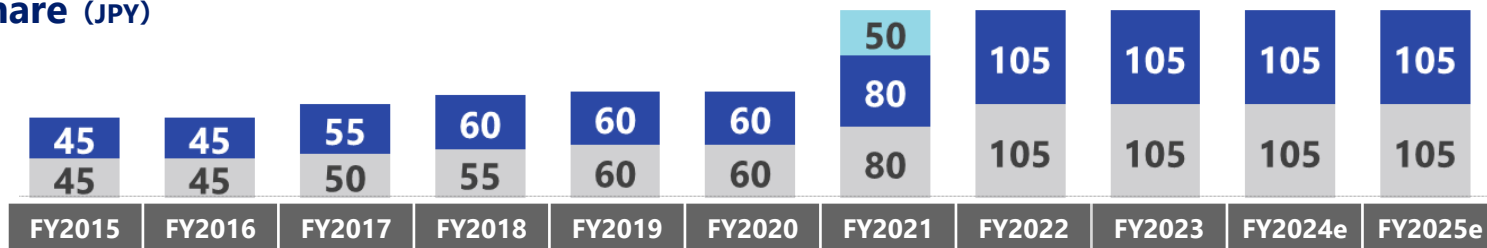
## Financial KPIs (Revised)

- Toward the achievement of profitability that exceeds cost of shareholders' equity, we aim to achieve an ROE of 8% or more as early as possible from 2027 onwards, despite the downward revision to the 2026 initial targets.

|                   |   | 2025        | 2026                       |                            | 2030            |
|-------------------|---|-------------|----------------------------|----------------------------|-----------------|
| (100 Million JPY) |   | Outlook     | Targets<br>As of Feb. 2024 | Targets<br>As of Feb. 2025 | Targets         |
| Financial KPIs    | Operating Profit<br>(100 million JPY)                       | 1,500       | 2,300                      | 1,800                      | 3,000 or higher |
|                   | Strategic Business<br>Operating Profit<br>(100 million JPY) | 800         | 1,300                      | 1,000                      | 1,900 or higher |
|                   | EBITDA*<br>(100 million JPY)                                | 3,370       | 4,400                      | 3,800                      |                 |
|                   | ROE   | 5.6%        | 8% or higher               | 7% or higher               | 10% or higher   |
|                   | D/E Ratio   | 0.5 or less |                            |                            |                 |

**AGC**  
Your Dreams. Our Challenge.

- ## Dividend per share (JPY)



**Maintain stable dividends** with a target of approx. **3%** dividend on equity ratio (DOE), **share buyback will be judged comprehensively**

# Towards Achievement of Profitability that Exceeds Cost of Shareholders' Equity (Summary)

- We will maintain the financial targets in the AGC Group Vision 2030
- Toward the achievement of profitability that exceeds cost of shareholders' equity, we will steadily implement measures based on AGC plus-2026 and aim to achieve an ROE of 8% or higher as early as possible from 2027 onwards.

2024 - 2026

**AGC plus-2026**

## Evolution of "ambidextrous strategy"

■ Deepening of sustainability management  
■ Promotion of value creation DX

■ Strengthening of the management foundation

### Targets for Fiscal 2026

OP

230.0 billion yen → **180.0 billion yen**  
or more

ROE

8% or higher → **7% or higher**

Strategic Business OP

**50%** or more

D/E ratio

**0.5** or less

2027 -

**Vision  
2030**

By providing differentiated materials and solutions, AGC strives to help realize a sustainable society and become an excellent company that grows and evolves continuously.

OP

**300.0 billion yen**  
or more

ROE

Stable at **10%**  
or higher

Strategic Business OP

**60%** or more

D/E Ratio

**0.5** or less







# Appendix

# 1. Financial Results for FY2024



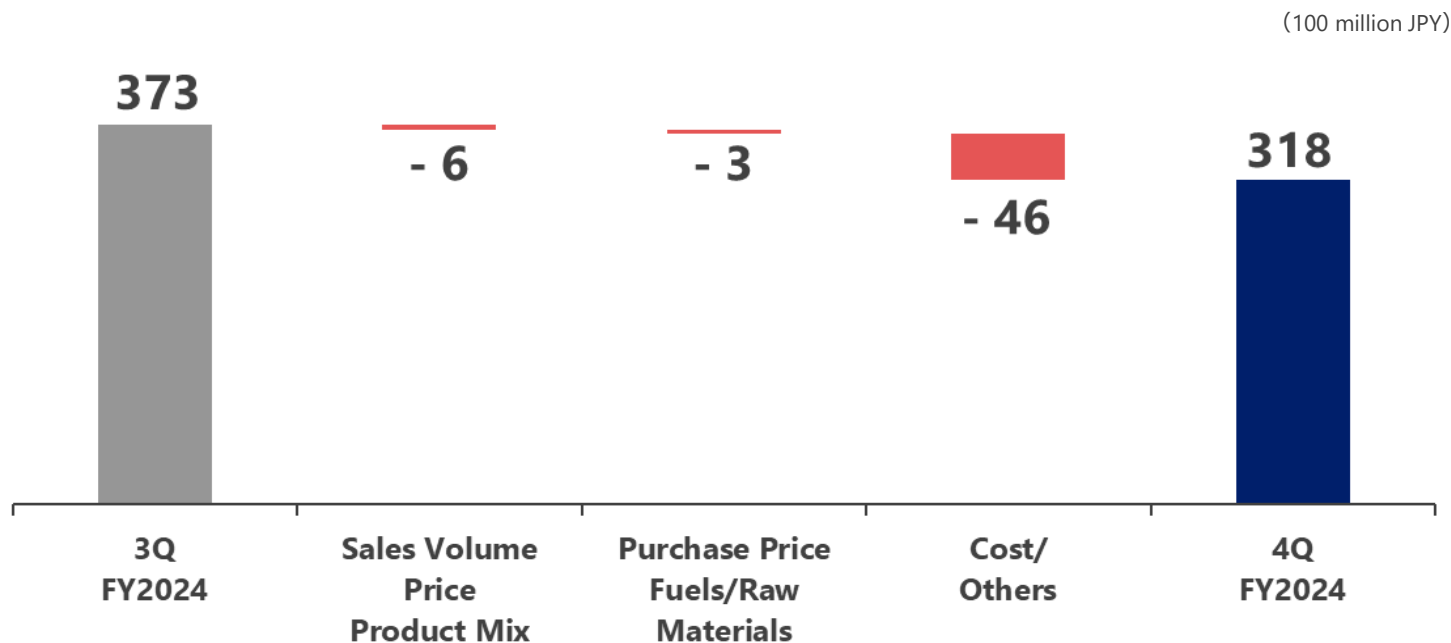
# Breakdown by Segment (Net sales and Operating profit)

(100 million JPY)

|   | FY2024<br>Full-year (As of Aug. 2024)<br>(a) |                  | FY2024<br>Full-year (Result)<br>(b) |                  | Change<br>(b)-(a) |                  |
|---|--|------------------|-------------------------------------|------------------|-------------------|------------------|
|   | Net sales                                    | Operating profit | Net sales                           | Operating profit | Net sales         | Operating profit |
|  Architectural Glass | 4,600  | 230              | <b>4,380</b>                        | <b>164</b>       | - 220             | - 66             |
|  Automotive          | 5,100  | 230              | <b>4,988</b>                        | <b>139</b>       | - 112             | - 91             |
|  Electronics         | 3,500  | 450              | <b>3,645</b>                        | <b>545</b>       | + 145             | + 95             |
|  Chemicals           | 6,200  | 600              | <b>5,936</b>                        | <b>568</b>       | - 264             | - 32             |
|  Life Science        | 1,300  | - 240            | <b>1,412</b>                        | <b>- 212</b>     | + 112             | + 28             |
|  Ceramics/Other      | 900  | 30               | <b>791</b>                          | <b>51</b>        | - 109             | + 21             |
| Elimination   | - 600  | 0                | <b>- 477</b>                        | <b>4</b>         | + 123             | + 4              |
| <b>Total</b>  | <b>21,000</b>                                | <b>1,300</b>     | <b>20,676</b>                       | <b>1,258</b>     | <b>- 324</b>      | <b>- 42</b>      |

# Variance Analysis on OP (4Q FY2024 vs 3Q FY2024)

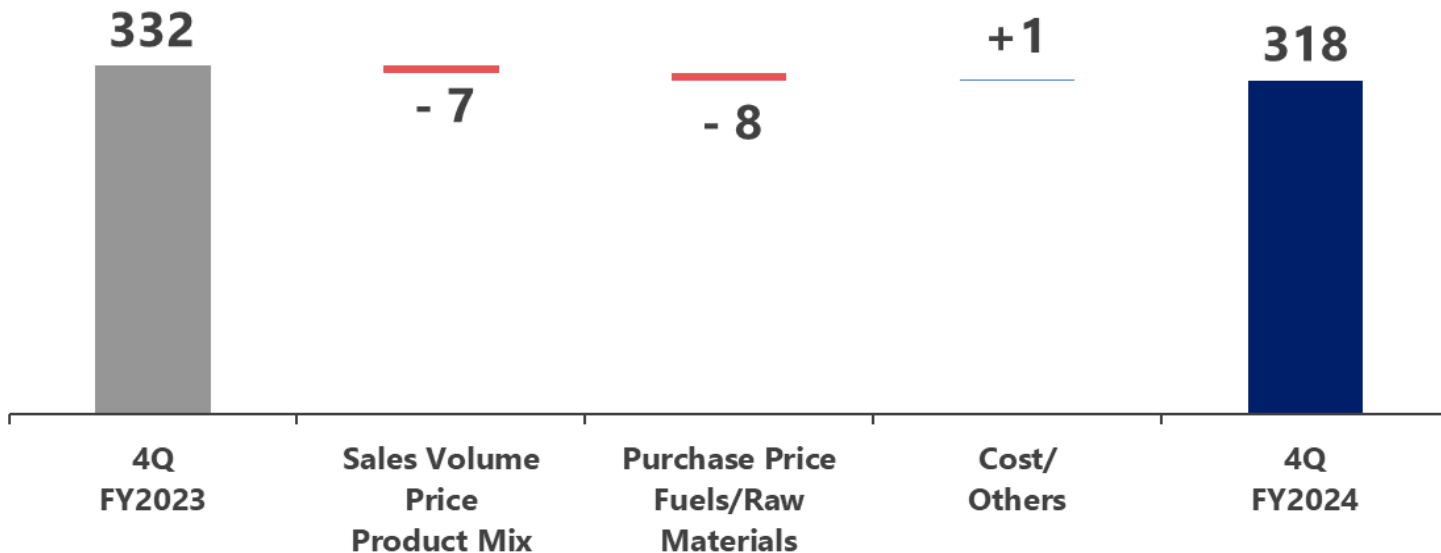
**5.5 billion JPY down from last quarter**



# Variance Analysis on OP (4Q FY2024 vs 4Q FY2023)

**1.4 billion JPY down from last year**

(100 million JPY)





# YoY Performance Comparison by Geographic Segment

(100 million JPY)

| Full-year                      | FY2023 | FY2024        | Change       |
|--------------------------------|--------|---------------|--------------|
| <b>Net sales</b>               | 20,193 | <b>20,676</b> | <b>+ 483</b> |
| Japan & Asia                   | 12,734 | <b>13,181</b> | <b>+ 447</b> |
| Americas                       | 2,191  | <b>2,569</b>  | <b>+ 378</b> |
| Europe                         | 5,267  | <b>4,926</b>  | <b>- 341</b> |
| <b>Operating profit</b>        | 1,288  | <b>1,258</b>  | <b>- 29</b>  |
| Japan & Asia                   | 1,526  | <b>1,817</b>  | <b>+ 291</b> |
| Americas                       | - 99   | <b>- 138</b>  | <b>- 38</b>  |
| Europe                         | 335    | <b>89</b>     | <b>- 246</b> |
| Cross-regional common expenses | - 474  | <b>- 510</b>  | <b>- 36</b>  |

FOREX impact







**+941**

Change in the scope of consolidation

**-290**







# YoY Performance Comparison by Geographic Segment

(100 million JPY)

|  |                  | Japan& Asia  | Americas   | Europe       | Inter-segment | Total        |
|--|------------------|--------------|------------|--------------|---------------|--------------|
|  <b>Architectural Glass</b> | <b>4Q FY2024</b> | <b>444</b>   | <b>67</b>  | <b>565</b>   | <b>6</b>      | <b>1,083</b> |
|  | 4Q FY2023        | 424          | 72         | 713          | 7             | 1,216        |
|  <b>Automotive</b>           | <b>4Q FY2024</b> | <b>665</b>   | <b>260</b> | <b>312</b>   | <b>1</b>      | <b>1,238</b> |
|  | 4Q FY2023        | 697          | 273        | 365          | 0             | 1,335        |
|  <b>Electronics</b>          | <b>4Q FY2024</b> | <b>831</b>   | <b>138</b> | <b>3</b>     | <b>4</b>      | <b>977</b>   |
|  | 4Q FY2023        | 765          | 106        | 3            | 4             | 878          |
|  <b>Chemicals</b>           | <b>4Q FY2024</b> | <b>1,399</b> | <b>78</b>  | <b>53</b>    | <b>12</b>     | <b>1,542</b> |
|  | 4Q FY2023        | 1,329        | 73         | 73           | 11            | 1,486        |
|  <b>Life Science</b>        | <b>4Q FY2024</b> | <b>62</b>    | <b>81</b>  | <b>260</b>   | <b>10</b>     | <b>412</b>   |
|  | 4Q FY2023        | 72           | 45         | 221          | 13            | 350          |
|  <b>Ceramics/Other</b>       | <b>4Q FY2024</b> | <b>121</b>   | <b>-</b>   | <b>- 7</b>   | <b>55</b>     | <b>170</b>   |
|  | 4Q FY2023        | 125          | -          | -            | 107           | 232          |
| <b>Elimination</b>   | <b>4Q FY2024</b> | <b>-</b>     | <b>-</b>   | <b>-</b>     | <b>- 88</b>   | <b>- 88</b>  |
|  | 4Q FY2023        | -            | -          | -            | - 142         | - 142        |
| <b>Total Net Sales</b>   | <b>4Q FY2024</b> | <b>3,523</b> | <b>625</b> | <b>1,186</b> | <b>-</b>      | <b>5,334</b> |
|  | 4Q FY2023        | 3,413        | 568        | 1,374        | -             | 5,354        |

# YoY Performance Comparison by Geographic Segment

(100 million JPY)

|   |               | Japan& Asia   | Americas     | Europe       | Inter-segment | Total         |
|---|---------------|---------------|--------------|--------------|---------------|---------------|
|  <b>Architectural Glass</b> | <b>FY2024</b> | <b>1,579</b>  | <b>288</b>   | <b>2,489</b> | <b>24</b>     | <b>4,380</b>  |
|   | FY2023        | 1,584         | 295          | 2,867        | 16            | 4,763         |
|  <b>Automotive</b>          | <b>FY2024</b> | <b>2,490</b>  | <b>1,097</b> | <b>1,399</b> | <b>2</b>      | <b>4,988</b>  |
|   | FY2023        | 2,564         | 1,012        | 1,418        | 3             | 4,997         |
|  <b>Electronics</b>         | <b>FY2024</b> | <b>3,096</b>  | <b>522</b>   | <b>9</b>     | <b>18</b>     | <b>3,645</b>  |
|   | FY2023        | 2,770         | 338          | 11           | 12            | 3,132         |
|  <b>Chemicals</b>           | <b>FY2024</b> | <b>5,324</b>  | <b>324</b>   | <b>250</b>   | <b>39</b>     | <b>5,936</b>  |
|   | FY2023        | 5,111         | 320          | 265          | 45            | 5,741         |
|  <b>Life Science</b>        | <b>FY2024</b> | <b>255</b>    | <b>339</b>   | <b>780</b>   | <b>39</b>     | <b>1,412</b>  |
|   | FY2023        | 308           | 226          | 706          | 29            | 1,268         |
|  <b>Ceramics/Other</b>      | <b>FY2024</b> | <b>436</b>    | <b>-</b>     | <b>-</b>     | <b>355</b>    | <b>791</b>    |
|   | FY2023        | 397           | -            | -            | 437           | 834           |
| <b>Elimination</b>  | <b>FY2024</b> | <b>-</b>      | <b>-</b>     | <b>-</b>     | <b>- 477</b>  | <b>- 477</b>  |
|   | FY2023        | -             | -            | -            | - 542         | - 542         |
| <b>Total Net Sales</b>  | <b>FY2024</b> | <b>13,181</b> | <b>2,569</b> | <b>4,926</b> | <b>-</b>      | <b>20,676</b> |
|   | FY2023        | 12,734        | 2,191        | 5,267        | -             | 20,193        |

# Business Performance (1)

(100 million JPY)

| <b>Architectural Glass</b> | 1Q FY2023    | 2Q FY2023    | 3Q FY2023    | 4Q FY2023    | 1Q FY2024    | 2Q FY2024    | 3Q FY2024    | 4Q FY2024    |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Net sales</b>           | <b>1,205</b> | <b>1,192</b> | <b>1,150</b> | <b>1,216</b> | <b>1,103</b> | <b>1,144</b> | <b>1,050</b> | <b>1,083</b> |
| Asia                       | 373          | 386          | 401          | 424          | 352          | 386          | 397          | 444          |
| Europe & Americas          | 831          | 802          | 745          | 785          | 746          | 750          | 648          | 632          |
| (Inter-Segment)            | 1            | 5            | 4            | 7            | 5            | 8            | 6            | 6            |
| <b>Operating profit</b>    | <b>93</b>    | <b>93</b>    | <b>83</b>    | <b>59</b>    | <b>42</b>    | <b>60</b>    | <b>38</b>    | <b>24</b>    |

| <b>Automotive</b>       | 1Q FY2023    | 2Q FY2023    | 3Q FY2023    | 4Q FY2023    | 1Q FY2024    | 2Q FY2024    | 3Q FY2024    | 4Q FY2024    |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Net sales</b>        | <b>1,184</b> | <b>1,223</b> | <b>1,255</b> | <b>1,335</b> | <b>1,242</b> | <b>1,277</b> | <b>1,231</b> | <b>1,238</b> |
| Automotive              | 1,183        | 1,221        | 1,255        | 1,335        | 1,240        | 1,278        | 1,231        | 1,237        |
| (Inter-Segment)         | 1            | 1            | 1            | 0            | 1            | - 1          | 1            | 1            |
| <b>Operating profit</b> | <b>48</b>    | <b>54</b>    | <b>59</b>    | <b>56</b>    | <b>48</b>    | <b>58</b>    | <b>9</b>     | <b>25</b>    |

| <b>Electronics</b>      | 1Q FY2023  | 2Q FY2023  | 3Q FY2023  | 4Q FY2023  | 1Q FY2024  | 2Q FY2024  | 3Q FY2024  | 4Q FY2024  |
|-------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Net sales</b>        | <b>702</b> | <b>717</b> | <b>835</b> | <b>878</b> | <b>825</b> | <b>868</b> | <b>975</b> | <b>977</b> |
| Display                 | 358        | 425        | 418        | 406        | 428        | 473        | 421        | 470        |
| Electronic Materials    | 341        | 290        | 414        | 468        | 394        | 391        | 547        | 503        |
| (Inter-Segment)         | 4          | 2          | 3          | 4          | 3          | 4          | 7          | 4          |
| <b>Operating profit</b> | <b>19</b>  | <b>11</b>  | <b>69</b>  | <b>85</b>  | <b>72</b>  | <b>128</b> | <b>164</b> | <b>181</b> |

# Business Performance (2)

(100 million JPY)

| <b>Chemicals</b>        | 1Q FY2023    | 2Q FY2023    | 3Q FY2023    | 4Q FY2023    | 1Q FY2024    | 2Q FY2024    | 3Q FY2024    | 4Q FY2024    |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Net sales</b>        | <b>1,410</b> | <b>1,418</b> | <b>1,428</b> | <b>1,486</b> | <b>1,436</b> | <b>1,468</b> | <b>1,490</b> | <b>1,542</b> |
| Essential Chemicals     | 1,009        | 999          | 1,002        | 1,018        | 1,005        | 1,006        | 1,034        | 1,072        |
| Performance Chemicals   | 391          | 407          | 414          | 457          | 421          | 453          | 447          | 458          |
| (Inter-Segment)         | 9            | 13           | 12           | 11           | 10           | 8            | 8            | 12           |
| <b>Operating profit</b> | <b>172</b>   | <b>137</b>   | <b>170</b>   | <b>169</b>   | <b>136</b>   | <b>140</b>   | <b>170</b>   | <b>121</b>   |

| <b>Life Science</b>     | 1Q FY2023  | 2Q FY2023  | 3Q FY2023   | 4Q FY2023   | 1Q FY2024   | 2Q FY2024   | 3Q FY2024   | 4Q FY2024   |
|-------------------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Net sales</b>        | <b>332</b> | <b>348</b> | <b>238</b>  | <b>350</b>  | <b>325</b>  | <b>311</b>  | <b>364</b>  | <b>412</b>  |
| Life Science            | 321        | 346        | 235         | 337         | 309         | 307         | 354         | 402         |
| (Inter-Segment)         | 11         | 2          | 3           | 13          | 16          | 4           | 10          | 10          |
| <b>Operating profit</b> | <b>6</b>   | <b>- 1</b> | <b>- 83</b> | <b>- 46</b> | <b>- 63</b> | <b>- 79</b> | <b>- 26</b> | <b>- 45</b> |

| <b>Total</b>            | 1Q FY2023    | 2Q FY2023    | 3Q FY2023    | 4Q FY2023    | 1Q FY2024    | 2Q FY2024    | 3Q FY2024    | 4Q FY2024    |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Net sales</b>        | <b>4,892</b> | <b>4,961</b> | <b>4,985</b> | <b>5,354</b> | <b>4,987</b> | <b>5,165</b> | <b>5,190</b> | <b>5,334</b> |
| <b>Operating profit</b> | <b>342</b>   | <b>301</b>   | <b>312</b>   | <b>332</b>   | <b>241</b>   | <b>325</b>   | <b>373</b>   | <b>318</b>   |

## Trend of shipment and price

|                 |  |                      |          | 2023               |                |                   |                   | 2024              |                    |                   |                   |
|-----------------|--|----------------------|----------|--------------------|----------------|-------------------|-------------------|-------------------|--------------------|-------------------|-------------------|
|                 |  |                      |          | 1Q                 | 2Q             | 3Q                | 4Q                | 1Q                | 2Q                 | 3Q                | 4Q                |
| YoY comparision |  |                      |          |                    |                |                   |                   |                   |                    |                   |                   |
| Glass           | Architectoral<br>(AGC)                 | Japan & Asia         | shipment | -high single-digit | -10%           | -low single-digit | +mid single-digit | -mid 10% range    | +high single-digit | +low single-digit | -mid single-digit |
|                 |  |                      | price    | +high 20% range    | +low 30% range | +high 20% range   | +mid 20% range    | +mid single-digit | -mid single-digit  | -mid single-digit | -mid single-digit |
|                 |  | Europe* <sup>3</sup> | shipment | -mid 10% range     | -mid 10% range | -low single-digit | -mid single-digit | flat              | +high single-digit | -mid single-digit | flat              |
|                 |  |                      | price    | +high 20% range    | -low 10% range | -low 40% range    | -40%              | -mid 30% range    | -30%               | -mid 10% range    | -mid 10% range    |
|                 | Automobile<br>production* <sup>1</sup> | Japan                | volume   | +13%               | +27%           | +13%              | +12%              | -13%              | -5%                | -7%               | -7%               |
|                 |  | North America        | volume   | +10%               | +15%           | +8%               | +6%               | +2%               | +0%                | -4%               | -3%               |
|                 |  | Europe* <sup>3</sup> | volume   | +25%               | +16%           | +5%               | +6%               | -3%               | -6%                | -6%               | -13%              |
| Electronics     | Display panel<br>demand* <sup>2</sup>  | Global               | area     | -14%               | +5%            | +11%              | -4%               | +10%              | +5%                | +0%               | +10%              |

\*<sup>1</sup> Source : S&P global data as of January 10, 2025.

\*<sup>2</sup> Source : Omdia-Display Long-Term Demand Forecast Tracker – 3Q24 Pivot

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

\*<sup>3</sup> Excluding Eastern Europe

# Financial Index

|  |             | IFRS      |           |           |           |           |
|--|-------------|-----------|-----------|-----------|-----------|-----------|
|  |             | 20/12     | 21/12     | 22/12     | 23/12     | 24/12     |
| Net sales  | Million JPY | 1,412,306 | 1,697,383 | 2,035,874 | 2,019,254 | 2,067,603 |
| Operating profit   | Million JPY | 75,780    | 206,168   | 183,942   | 128,779   | 125,835   |
| OP margin  | %           | 5.4       | 12.1      | 9.0       | 6.4       | 6.1       |
| Profit for the year attributable to owners of the parent | Million JPY | 32,715    | 123,840   | - 3,152   | 65,798    | - 94,042  |
| Return on equity (ROE) *1                                | %           | 2.9       | 10.2      | - 0.2     | 4.6       | - 6.5     |
| Return on assets (ROA) *2                                | %           | 3.1       | 7.9       | 6.7       | 4.5       | 4.3       |
| Equity ratio   | %           | 44        | 49        | 49        | 49        | 50        |
| D/E (Interest-bearing debts ÷ Net assets)                | Times       | 0.63      | 0.41      | 0.41      | 0.42      | 0.39      |
| CF from Operating Activities/Interest-bearing debt       | Times       | 0.29      | 0.54      | 0.33      | 0.31      | 0.44      |
| Earnings per share (EPS)                                 | JPY         | 147.84    | 559.11    | - 14.22   | 304.73    | - 443.71  |
| Cash dividends per share                                 | JPY/year    | 120       | 210       | 210       | 210       | 210       |
| EBITDA *3  | Million JPY | 208,459   | 383,226   | 253,209   | 315,965   | 147,842   |
| Exchange rates (average)                                 | JPY/USD     | 106.82    | 109.80    | 131.43    | 140.56    | 151.58    |
|  | JPY/EUR     | 121.81    | 129.89    | 138.04    | 152.00    | 163.95    |

\*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 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)

# External Evaluations

|   |   |  |   |
|---|---|--|---|
| <br>FTSE4Good                                      | <b>FTSE4Good Index Series</b>                   | <br>SCIENCE<br>BASED<br>TARGETS<br><small>DRIVING AMBITIOUS CORPORATE CLIMATE ACTION</small>  | <b>SBTi "WB2°C" GHG Reduction Target</b>  |
| <br>FTSE Blossom<br>Japan Index                    | <b>FTSE Blossom Japan Index</b>                 | <br>NIKKEI<br><b>Smart Work</b><br>★★★★ 2024  | <b>4 stars awarded in the 7th<br/>Nikkei "Smart Work<br/>Management" survey</b> |
| <br>FTSE Blossom<br>Japan Sector<br>Relative Index | <b>FTSE Blossom Japan Sector Relative Index</b> | <br>GOLD   Top 5%<br>SILVER   Top 15%<br>BRONZE   Top 35%<br>ecovadis<br>Sustainability Rating<br>NOV 2024<br>ecovadis<br>Sustainability Rating<br>OCT 2024<br>ecovadis<br>Sustainability Rating<br>JUL 2024 | <b>Highly rated by EcoVadis in<br/>Sustainability Evaluations</b>               |
| <br>S&P/JPX<br>カーボン<br>エフィシエント<br>指数               | <b>S&amp;P/JPX Carbon Efficient Index</b>       | <br>Top 100<br>Global<br>Innovator<br>2023<br>Clarivate   | <b>Clarivate Top 100 Global<br/>Innovator 2023</b>                              |
| <br>CDP<br>DISCLOSER<br>2023                       | <b>CDP Climate Change Report 2023<br/>"A-"</b>  | <br>DX銘柄2024<br>Digital Transformation  | <b>DX Brand 2024</b><br>in recognition of digital transformation<br>efforts     |



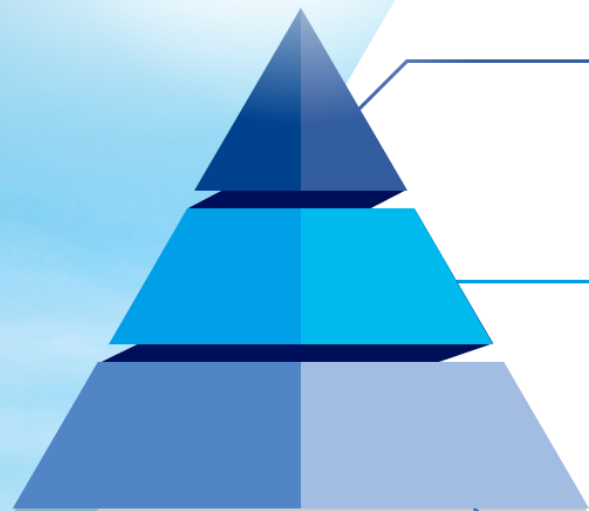
# Major Press Releases in FY2024

|  Date |  Summary   |
|--|--|
| January 30   | AGC to Build New Facility in Kitakyushu City for FORBLUE™ S-SERIES, Fluorinated Ion-Exchange Membrane Suitable for Green Hydrogen Production |
| February 7   | Notice Regarding the Revision of Calculation Method for Stock Compensation to Directors, etc. of the Company                                 |
| February 7   | Announcement Regarding Change in Shareholder Return Policy   |
| February 8   | AGC Formulates New Medium-term Management Plan AGC plus-2026   |
| February 22  | Position and Policy Regarding Reduction in the Trading Unit of the Company's Shares  |
| February 28  | Completed transfer of Russian operations   |
| March 25   | AGC Achieves Additional Success in Demonstration Test of Solar Panel Cover Glass Recycling   |
| April 5  | AGC Obtains Its First Environmental Product Declaration for Architectural Glass Products in Japan  |
| May 7  | Notice Concerning Termination of Production Activities at AGC Techno Glass (Thailand) Co., Ltd.  |
| August 7   | AGC Develops Innovative Fluoropolymers Manufacturing Process   |
| September 5  | AGC Group Achieves Cradle to Cradle Certified® Product Standard for Float & Coated Glass Products in Asia                                    |
| December 24  | AGC to Redefine <b>“Look Beyond”</b> as the Group Philosophy   |
| December 24  | AGC Begins Research on Ethylene Production Using CO2 as Raw Material   |

## ***2. AGC plus-2026***



## ***“Look Beyond”***



### **Our Purpose**

#### **“AGC, an everyday essential part of our world”**

We ***“Look Beyond”*** to make people’s lives better around the world by delivering our unique materials and solutions.

### **Our Shared Values**

- **Innovation & Operational Excellence**
- **Sustainability for a Blue Planet**
- **One Team with Diversity**
- **Integrity & Trust**

### **Our Spirit**

**“Never take the easy way out, but confront difficulties.”**

# Medium to Long-term Initiatives for Value Creation

|      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|

## Corporate transformation Chapter 1

Defined “Core businesses” and “Strategic businesses” and promoted the ambidextrous way of business management

## Corporate transformation Chapter 2

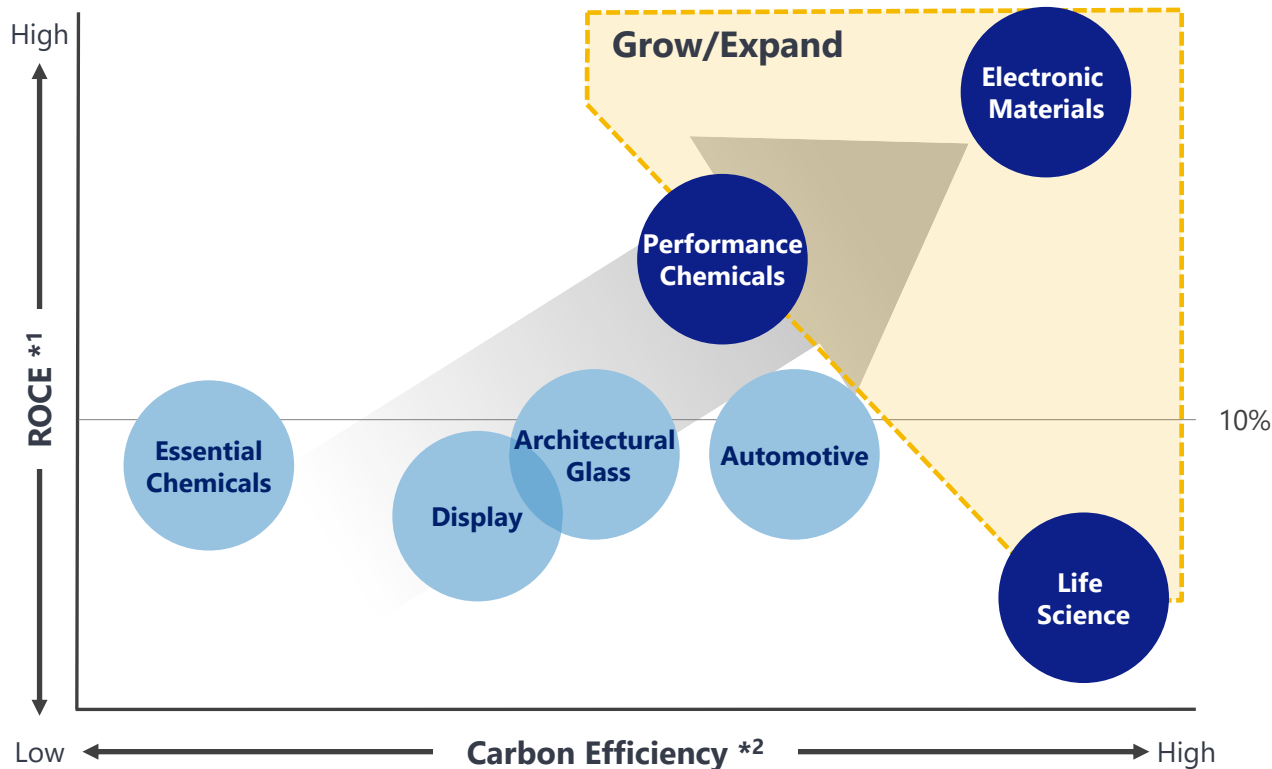
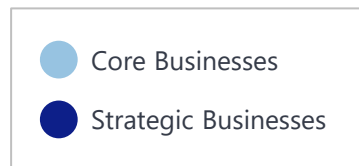
Clarified the direction of the Group’s business portfolio transformation and declared on the acceleration of the initiative

## Vision 2030

**By providing differentiated materials and solutions,** AGC strives to help realize a **sustainable society and become an excellent company** that grows and evolves continuously.

# Direction of the Business Portfolio Transformation (Carbon Efficiency · ROCE)

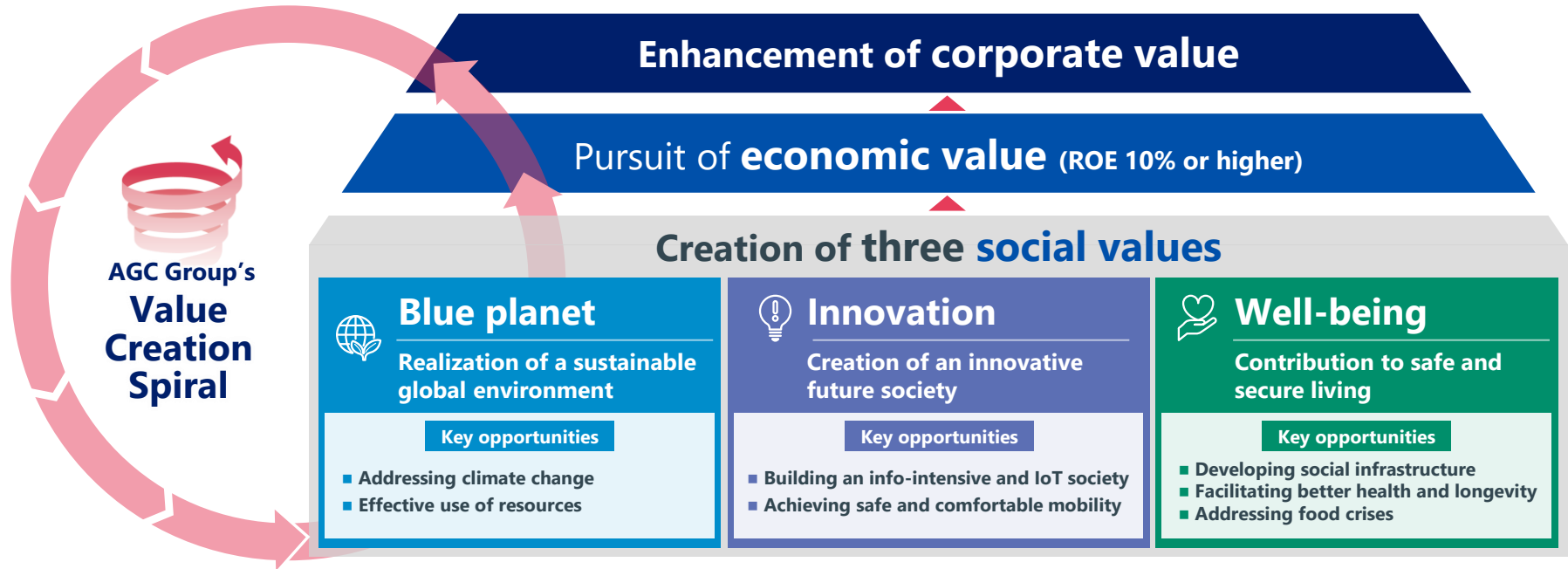
## Direction of the Business Portfolio



**ROCE** : (OP of the year) ÷ (Operating asset at the year-end),  
OP for each business is before allocation of common expenses

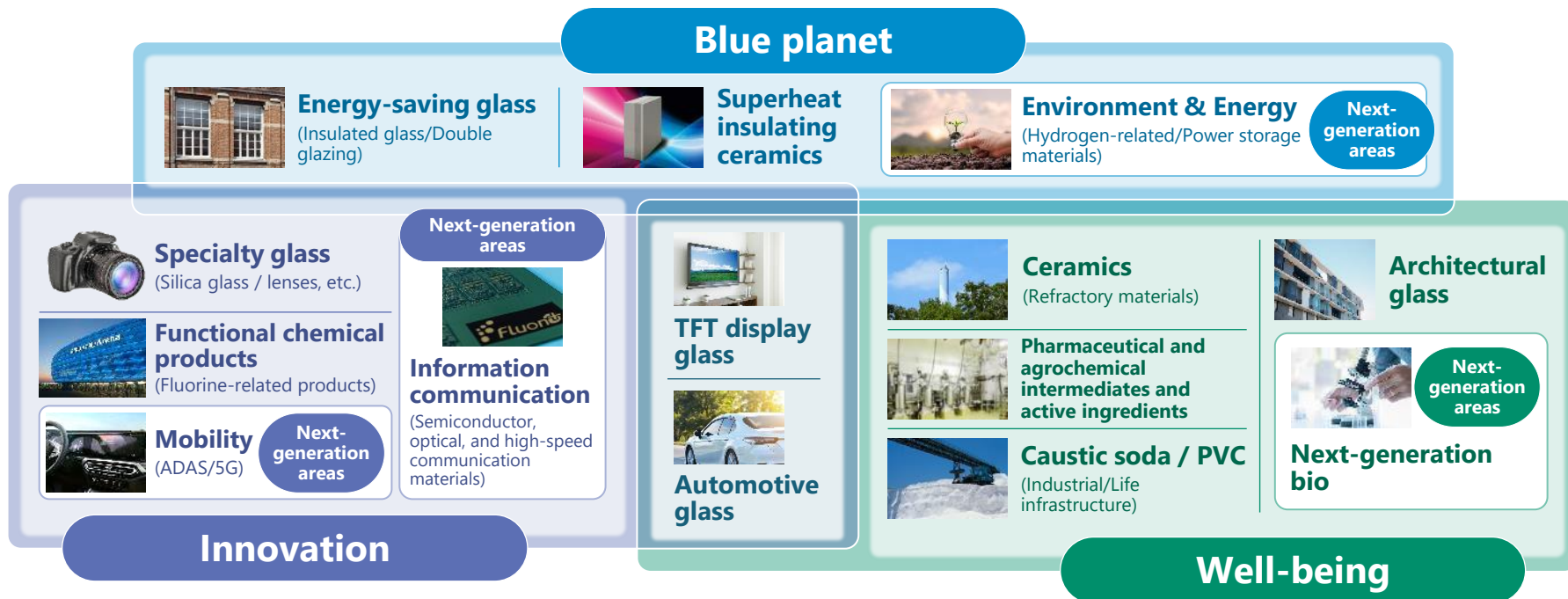
# AGC Group's Value Creation Spiral

- The AGC Group will create economic value through the creation of social value to achieve a spiral of enhanced corporate value.



# Social Value Created by the AGC Group

- AGC has created social values by expanding its business that contributes to the development of society and industry.



# Sustainability KPIs

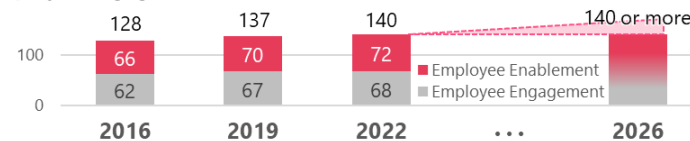
- We will achieve sustainable growth by improving sustainability KPIs through business activities.

## Sustainability KPIs

GHG (Scope 1 + 2) emissions [10,000 ton]\*<sup>1</sup>

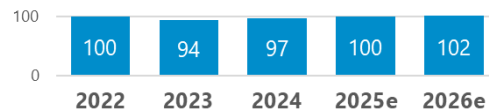


Employee engagement score\*<sup>1</sup>

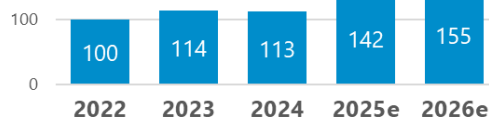


### Blue planet

Shipment volume index for architectural products contributing to GHG reductions\*<sup>2</sup>



Index for GHG emissions reduction by low-GWP Chemical products\*<sup>2</sup>



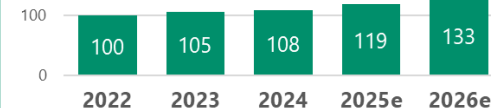
### Innovation

Total sales index for products contributing to next-generation society (Electronics, Mobility, Performance Chemicals)\*<sup>2</sup>

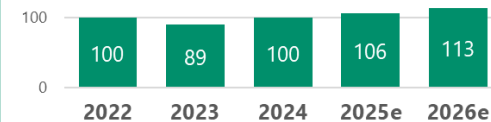


### Well-being

Shipment volume index for products contributing to social infrastructure development in fast-growing regions (main chlor-alkali products)\*<sup>2</sup>



Index for Life Science sales\*<sup>2</sup>



\*<sup>1</sup> Items reflected in executive remuneration. However, for GHG emissions, GHG emissions per unit of GHG emissions sales are used in the calculation of executive remuneration.

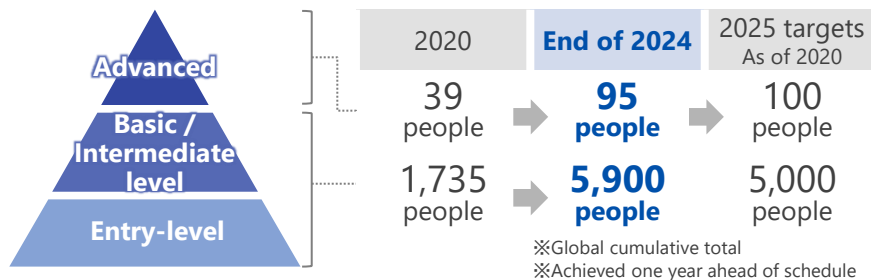
\*<sup>2</sup> Indexes: Figures converted from 2023 on using 2022 as a base of 100.



# Promotion of value creation DX



## Development of Data Scientists



## Business Reform / Efficiency

(Proprietary AI ChatAGC)



Add RAG (search expansion generation) function for global use

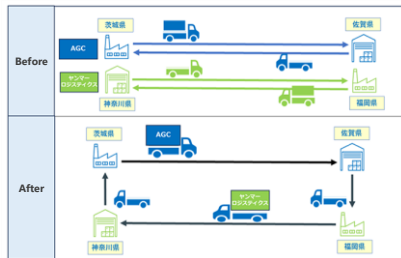
**Reduction in work hours:**  
**approx. 110,000 hours** (2024 estimate)



## Value Creation to Society

(Case in Logistics DX)

In collaboration with various companies, we have started **joint transportation initiatives** to respond to logistics crisis.



## Value Creation to Customers

AGC has started a support service for bottle glass manufacturing furnaces based on its digital technology and manufacturing know-how.



## Selected as a DX brand

(4th time  
in 3 consecutive years)



DX銘柄2022  
Digital Transformation



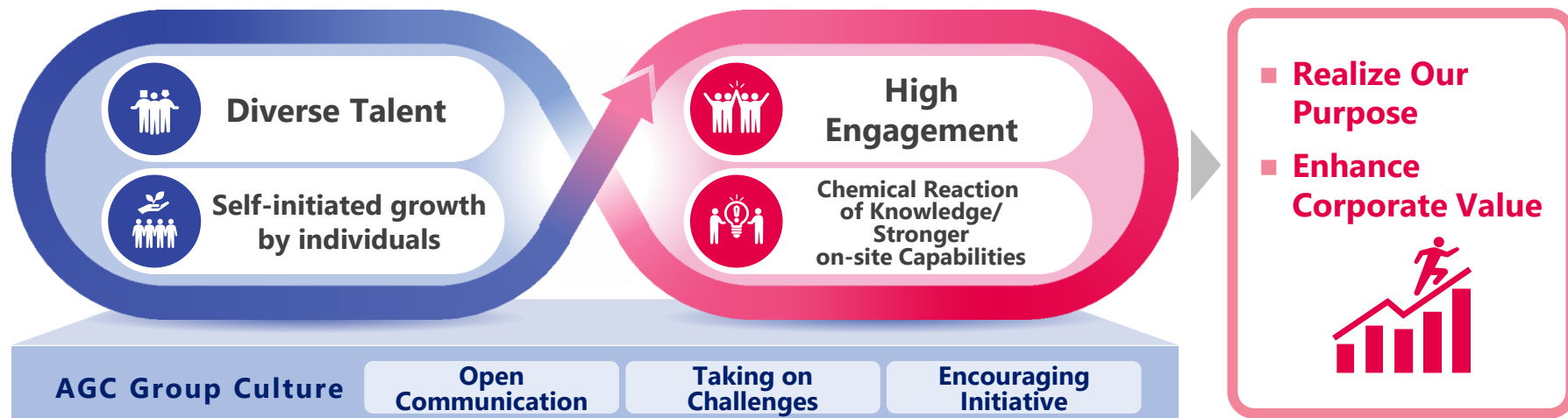
DX銘柄2023  
Digital Transformation



DX銘柄2024  
Digital Transformation

## AGC People: Driving our Growth!

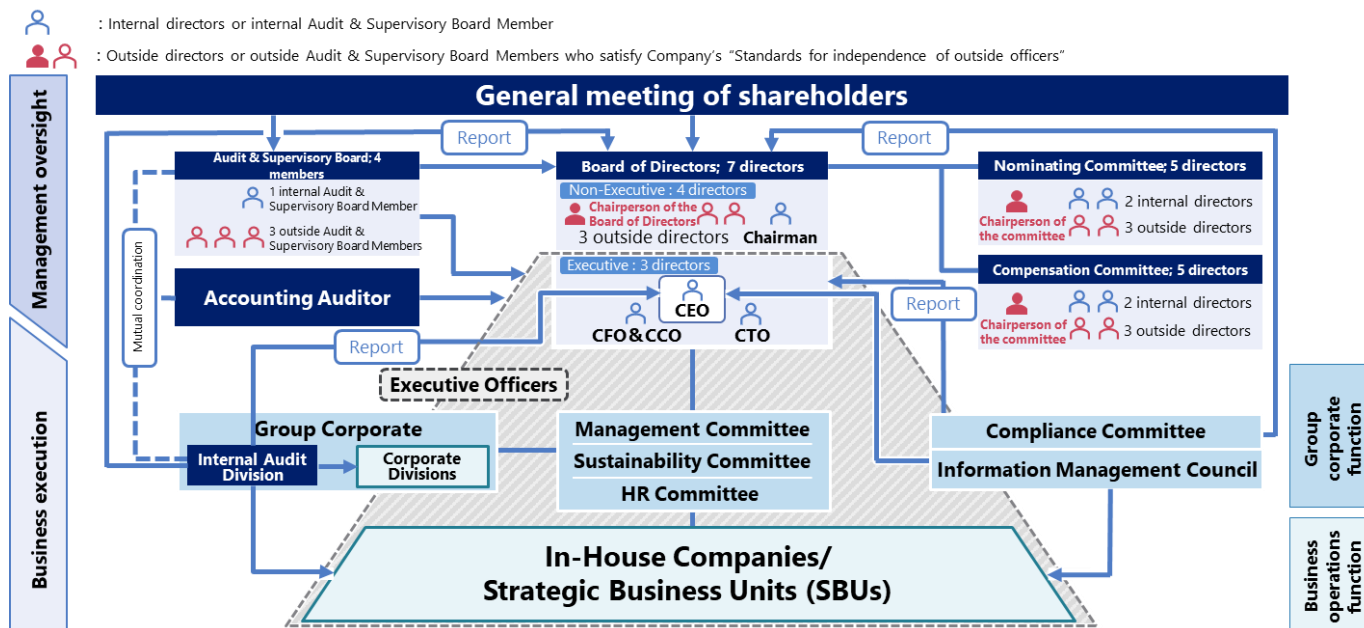
- Our corporate culture places importance on open communication, taking on challenges, and encouraging initiative. We will unlock the unique strengths and abilities of each individual and encourage continuous learning and professional development.
- A highly engaged organization with constantly improving individuals will enhance corporate value by utilizing external and internal collaboration to promote chemical reaction of knowledge and stronger on-site capabilities.



# The AGC Group's Corporate Governance Structure

## Basic Policy on the Governance Structure

- The company strengthens management oversight functions through clear separation of the management oversight and business execution functions
- Clearly separating the group corporate and business operations functions to accelerate decision-making in business execution and improve management efficiency



# Compensation System

- Variable compensation is adopted for all directors. In addition to bonuses linked to the performance of the organization in a single year, stock-based compensation has been introduced, linked to performance and other factors during the medium-term management plan period.

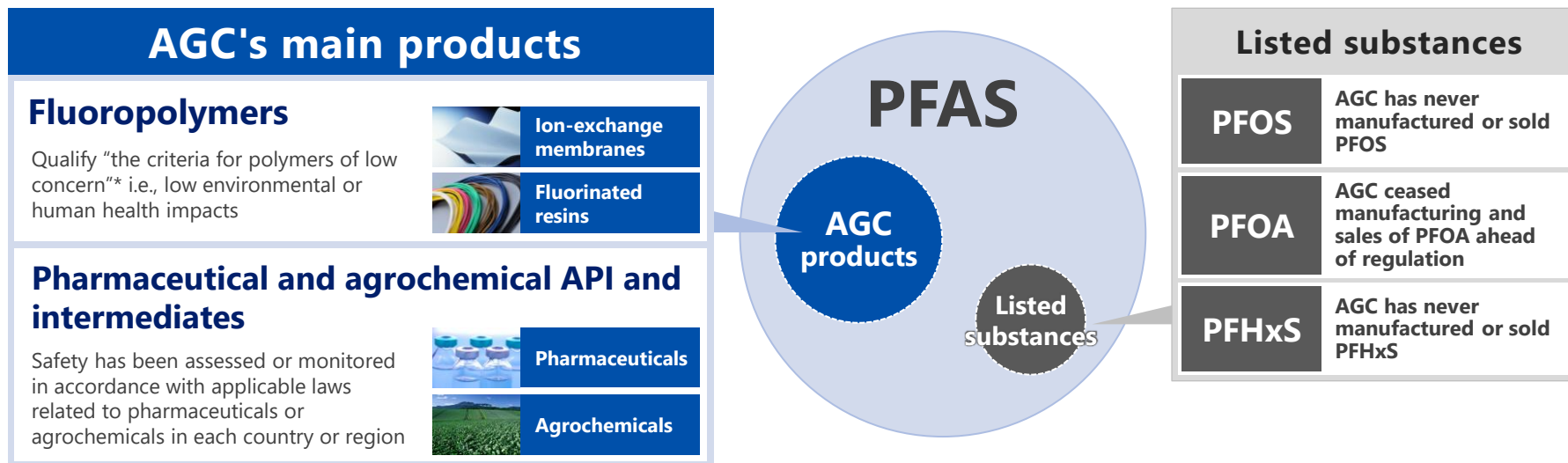
| Composition of Compensation   |                      |                       |                    |
|---|----------------------|-----------------------|--------------------|
|   | Fixed Compensation   | Variable Compensation |                    |
|   | Monthly Compensation | Bonus                 | Stock Compensation |
| Director and President & CEO  | 35%                  | 30%                   | 35%                |
| Directors who concurrently serve as Executive Officers (excluding President & CEO)      | 50%                  | 25%                   | 25%                |
| Directors who do not concurrently serve as Executive Officers* (Director & Chairperson) | 60%                  |                       | 40%                |
| Outside Director *  | 90%                  |                       | 10%                |

※If none of the above applies, it shall be deliberated by the Compensation Committee and resolved by the Board of Directors.

|                    | Classification           | Performance Indicators                       | Reason for Selection  | Weighting |
|--------------------|--------------------------|--|---|-----------|
| Bonus              | Financial Indicators     | ROCE (return on capital employed)            | Improve business profitability and asset efficiency   |           |
|                    |                          | Cash flow                                    | Generate cash flows   |           |
| Stock Compensation | Financial Indicators     | ROE  | Key performance objective for long-term and medium-term plan periods  | 30%       |
|                    |                          | EBITDA                                       | Improve cash generation capacity and profitability  | 30%       |
|                    | Stock Price Indicators   | Relative TSR (against TOPIX)                 | Further sharing gains with shareholders   | 20%       |
|                    | Non-Financial Indicators | GHG Emission intensity per unit of net sales | Aiming to contribute to the realization of a sustainable global environment                                       | 10%       |
|                    |                          | Employee Engagement                          | Aiming for the growth of the company through the growth of each employee and the demonstration of their abilities | 10%       |

\*The stock-based compensation for directors (including outside directors) who do not also serve as executive officers consists only of a fixed portion. The fixed portion of the stock-based compensation is not linked to company performance, but is linked only to the company's share price.

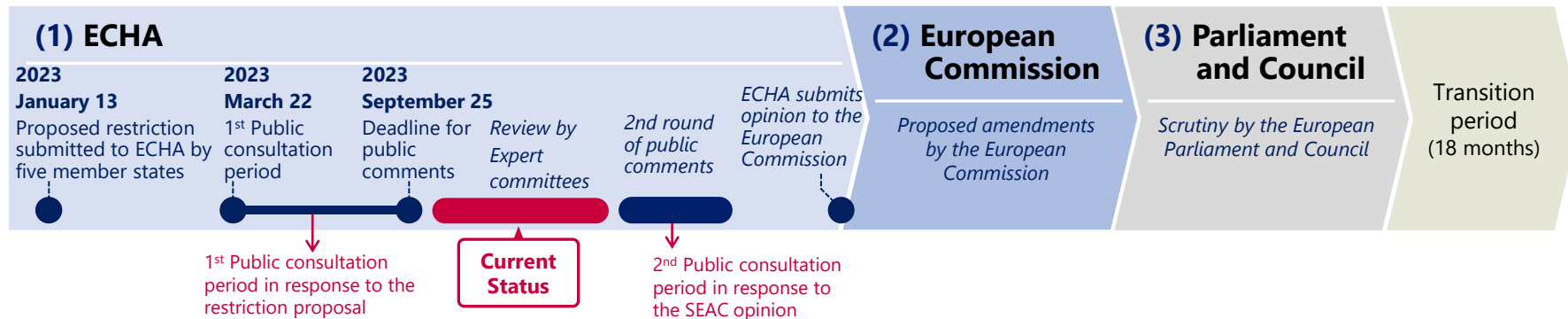
- Of the PFAS (umbrella term for approximately 12,000 types of fluorine compounds), three substances are listed as Persistent Organic Pollutants under the Stockholm Convention. AGC does not currently handle any of these listed substances.
- To fulfill its corporate social responsibility, AGC Group is working to minimize environmental impacts resulting from our business activities and contribute to resolving global environmental issues through our products, based on scientific evidence.



- The expert committees of the European Chemicals Agency (ECHA) is currently reviewing the proposal of the universal PFAS restriction.
- The ECHA's review process is taking time due to the significant number of public comments received, and the timing of the second public consultation and the time frame for the subsequent regulatory process is currently unclear.
- AGC Group has submitted its comments for the 1st public consultation.

## Review process of the proposal of the universal PFAS regulation in Europe

- (1) After two rounds of public consultation by ECHA, the expert committee submits their final opinion
- (2) The European Commission prepares a draft regulation referring the final opinion submitted, and the REACH Committee, consisting of member states, deliberates on and adopts the draft.
- (3) The adopted legislation enters into force after being scrutinized by the European Parliament and Council



## Impact on Operating Profit



### Exchange rate

**700 million JPY\*** gain  
if yen depreciated by 1%

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



### Crude oil

**260 million JPY\*** loss  
if per barrel price increased  
by 1 dollar

\*excluding impact of oil hedging



### Chemicals market

#### 1 Caustic soda

**\$1 million** gain if the  
International market risen by \$1

#### 2 PVC spread

**\$1.2 million** gain\* if  
increased by \$1

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

- Implementation of the following three profit improvement measures will lead to a recovery in business performance, with 10% ROCE by 2025.

## Volume to Value

Three pillars  
of earnings improvement

### 1 Pricing Policy

Continued pursuit of appropriate price level

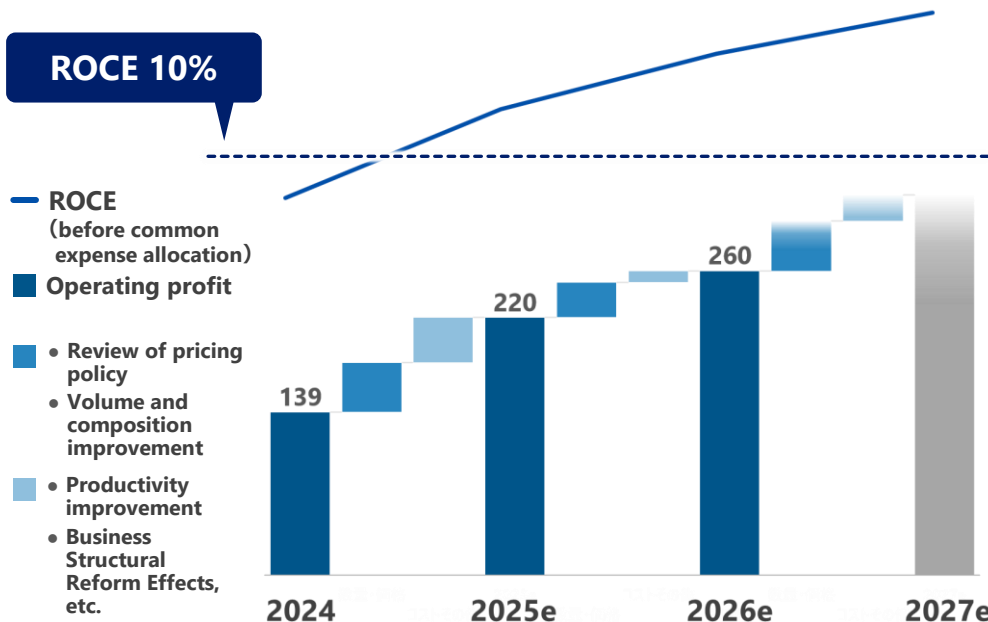
### 2 Structural Reform

Thorough productivity improvement, including introduction of high-efficiency equipment

### 3 Higher Functionality and High Added Value

Increase ratio of high value-added products in line with CASE expansion, etc.

## Automotive Operating Profit and ROCE Outlook





# Initiatives of Architectural Glass

- Architectural glass aims for stable cash generation as a core business by strengthening and transforming its business structure in response to the regional demand.

## Market Trends and Strategies

### Europe & Americas



Market Trend

Low demand to continue



Strategy

**Stabilize earnings through production adjustments in response to demand, strengthening of downstream businesses, and capturing renovation demand, etc.**

### Asia



Market Trend

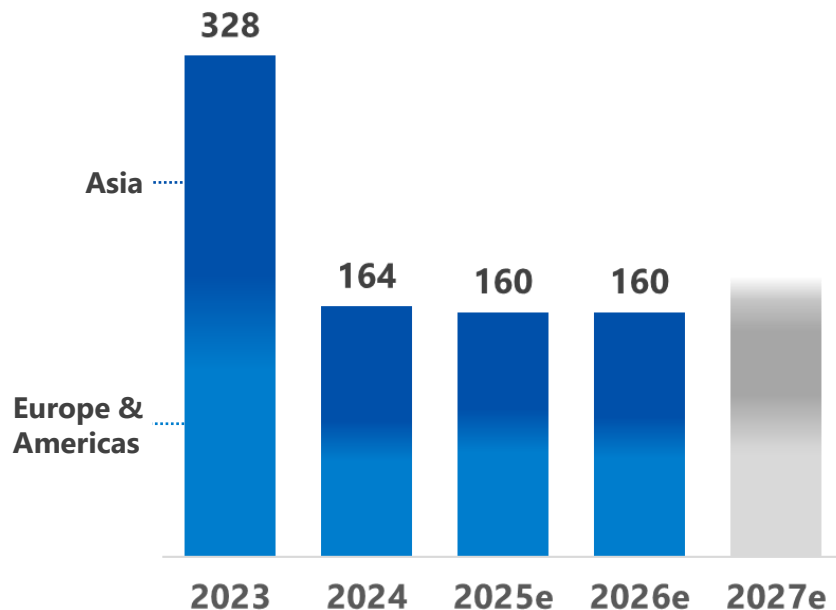
Renovation demand underpins shipments in Japan, while demand gradually increases in Southeast Asia



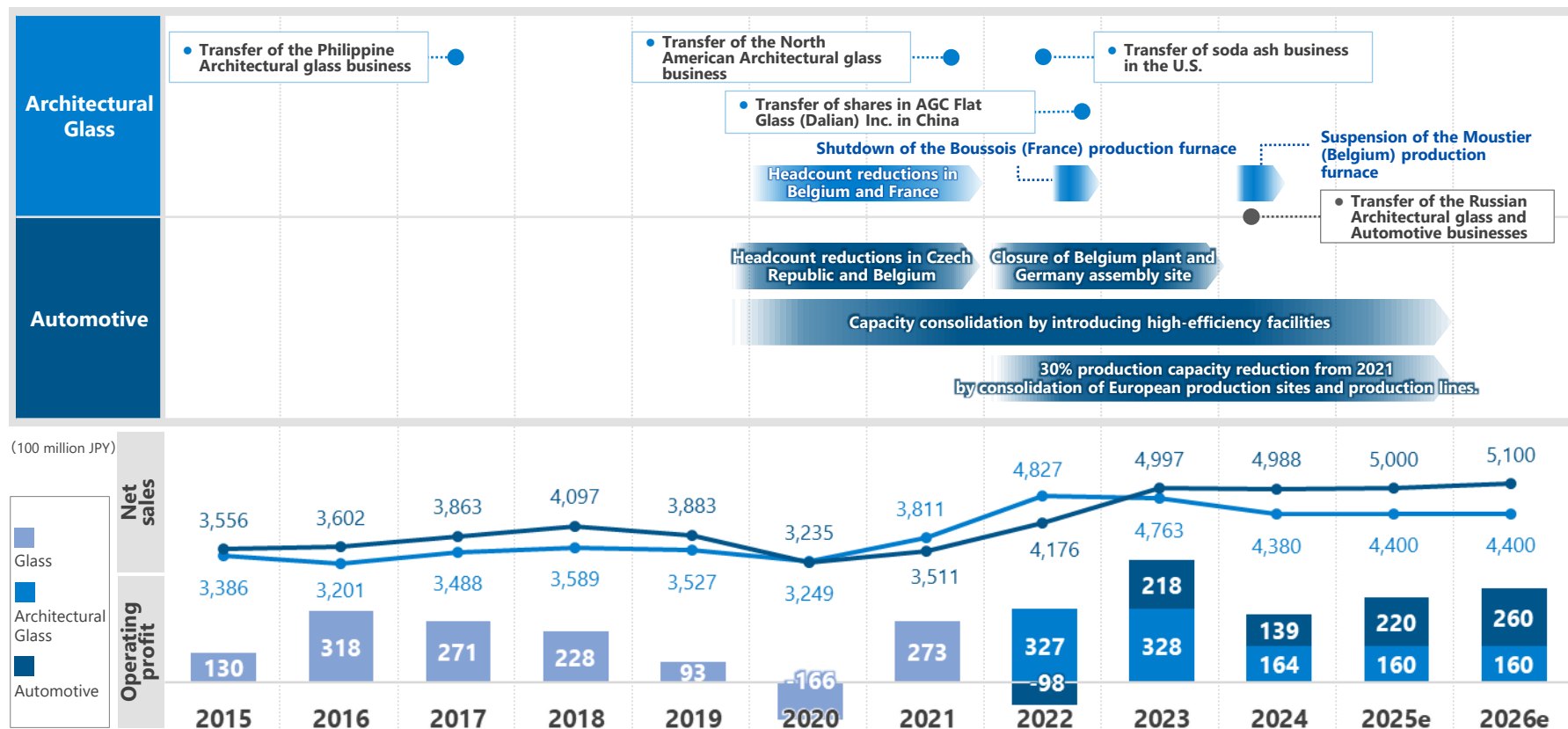
戦略

**Strengthen competitiveness through pricing policies in Japan, and by strengthening sales & distribution channels and increasing high-value-added products in Southeast Asia.**

## Architectural Glass Operating Profit Outlook



# Structural Reforms in Architectural Glass and Automotive



# END

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Your Dreams, Our Challenge