

TRANSLATION FOR REFERENCE PURPOSES ONLY

This is a translation of the Materials for the 101st Ordinary General Meeting of Shareholders (Matters omitted from paper-based documents delivered), dated March 4, 2026, which is prepared for reference purposes only. In the event of any discrepancy between the original Japanese text and this translated English text, the original Japanese text shall prevail.

March 4, 2026

Dear Shareholders:

Materials for the 101st Ordinary General Meeting of Shareholders
(Matters omitted from paper-based documents delivered)

Business Report

Status of Employees	1
Main Lenders	1
Matters Concerning Stock Acquisition Rights of the Company	2
Outline of Liability Limitation Contracts.....	3
Outline of Directors' and Officers' Liability Insurance Contracts.....	3
Matters Concerning Outside Officers	3
Matters Concerning Accounting Auditors.....	6
Corporate Policy over Internal Control and the Operational Status of Internal Control	7

Consolidated Financial Statements

Consolidated Statements of Changes in Equity	11
Notes to the Consolidated Financial Statements	12

Accounting Auditor's Audit Report Regarding Consolidated Financial Statements COPY
..... 28

Non-Consolidated Financial Statements

Balance Sheets	33
Statements of Operation	35
Statements of Changes in Net Assets.....	36
Notes to the Non-Consolidated Financial Statements	37

Accounting Auditor's Audit Report COPY 42

Audit & Supervisory Board's Audit Report COPY 46

Reference (Overview of Consolidated Statements of Cash Flows)	48
---------------------------------------------------------------------	----

The above matters are not stated in the paper-based documents delivered to shareholders who have made a request for delivery of such documents, based on the laws and regulations and Article 15 of the Company's Articles of Incorporation.

Status of Employees (as of December 31, 2025)

Segment	Number of Employees
Architectural Glass	12,697 persons
Automotive	15,997 persons
Electronics	10,832 persons
Chemicals	6,667 persons
Life Science	2,967 persons
Ceramics & Others	3,736 persons
Consolidated Total	52,896 persons

Note: The number of employees of the Company is 8,122 persons.

Main Lenders (as of December 31, 2025)

Lenders	Outstanding Balance of Debt
MUFG Bank, Ltd.	JPY 116.8 billion
Mizuho Bank, Ltd.	JPY 75.7 billion
The Norinchukin Bank	JPY 56.9 billion

Note: The outstanding balance of debt includes the debt from overseas local entities, etc. of the lenders.

Matters Concerning Stock Acquisition Rights of the Company

(1) Outline of Stock Acquisition Rights Held by the Officers (as of December 31, 2025)

The outline of the stock acquisition rights held by the officers is as follows:

Issue Date	Issue Price per Share	Exercise Price per Share	Term to Exercise the Rights	Officers' Status of Holding	Type and Number of Shares Envisaged
July 1, 2009 (Stock Compensation-type Stock Option)	JPY 2,435	JPY 1	July 2, 2009 through July 1, 2039	Director: 18 for 1 person	Company's ordinary shares: 3,600 shares
July 1, 2010 (Stock Compensation-type Stock Option)	JPY 3,100	JPY 1	July 2, 2010 through July 1, 2040	Directors: 25 for 2 persons	Company's ordinary shares: 5,000 shares
July 1, 2011 (Stock Compensation-type Stock Option)	JPY 3,100	JPY 1	July 2, 2011 through July 1, 2041	Directors: 30 for 2 persons	Company's ordinary shares: 6,000 shares
July 2, 2012 (Stock Compensation-type Stock Option)	JPY 1,265	JPY 1	July 3, 2012 through July 2, 2042	Directors: 110 for 3 persons	Company's ordinary shares: 22,000 shares
July 1, 2013 (Stock Compensation-type Stock Option)	JPY 1,775	JPY 1	July 2, 2013 through July 1, 2043	Directors: 65 for 3 persons	Company's ordinary shares: 13,000 shares
July 1, 2014 (Stock Compensation-type Stock Option)	JPY 1,940	JPY 1	July 2, 2014 through July 1, 2044	Directors: 73 for 3 persons	Company's ordinary shares: 14,600 shares
July 1, 2015 (Stock Compensation-type Stock Option)	JPY 2,590	JPY 1	July 2, 2015 through July 1, 2045	Directors: 97 for 3 persons	Company's ordinary shares: 19,400 shares
July 1, 2016 (Stock Compensation-type Stock Option)	JPY 1,710	JPY 1	July 2, 2016 through July 1, 2046	Directors: 137 for 3 persons	Company's ordinary shares: 27,400 shares
July 3, 2017 (Stock Compensation-type Stock Option)	JPY 3,555	JPY 1	July 4, 2017 through July 3, 2047	Directors: 102 for 3 persons	Company's ordinary shares: 20,400 shares

Note: As Outside Directors do not hold the Company's stock acquisition rights, the Directors in the table above do not include Outside Directors.

(2) Total Number of Stock Acquisition Rights, etc. (as of December 31, 2025)

The total number of the stock acquisition rights, etc. at the end of this business year, are as follows.

- a. Total number of the stock acquisition rights: 1,579
- b. Type and number of the shares envisaged by the stock acquisition rights: Company's ordinary shares: 315,800 shares

Outline of Liability Limitation Contracts

The Company has executed a contract with each Outside Director and each Audit & Supervisory Board Member to limit their liability arising under Article 423, Paragraph 1, of the Companies Act to the sum of the amounts prescribed in each Item of Article 425, Paragraph 1, of the Companies Act.

Outline of Directors' and Officers' Liability Insurance Contracts

The Company has executed a liability insurance contract (an insurance contract stipulated in Article 430-3, Paragraph 1, of the Companies Act) with an insurance company naming the Company's Directors, Audit & Supervisory Board Members and Executive Officers as insureds that covers liabilities borne by the insureds concerning the performance of their duties or from claims received regarding the pursuit of such liabilities. Insurance premiums are fully borne by the Company.

Matters Concerning Outside Officers

- a. Status of Important Concurrent Positions Held by Outside Officers in Other Companies and the Relationships Between these Companies and the Company (as of December 31, 2025)

Category	Name	Important Concurrent Positions
Outside Director	Hiroyuki Yanagi	Outside Director, Kirin Holdings Co., Ltd. Outside Director, Japan Airlines Co., Ltd. Outside Director, Mitsubishi Electric Corporation
	Keiko Honda	Professor, Graduate School of Commerce, Waseda University Outside Director, Mitsubishi UFJ Financial Group, Inc. Outside Director, Recruit Holdings Co., Ltd.
	Isao Teshirogi	Representative Director, President and CEO, Shionogi & Co., Ltd. Outside Director, Japan Exchange Group, Inc. Outside Director, Sumitomo Mitsui Financial Group, Inc.
	Koji Arima	Member of the Board, Chairman, DENSO CORPORATION Outside Audit & Supervisory Board Member, KDDI CORPORATION
Outside Audit & Supervisory Board Member	Isamu Kawashima	Outside Director, JAPAN PURE CHEMICAL CO., LTD. Outside Director, Sansei Technologies, Inc.
	Tatsuro Ishizuka	Outside Director, K&O Energy Group Inc. Outside Director, Tadano Ltd.
	Haruka Matsuyama	Partner, Hibiya Park Law Offices Outside Director, Tokio Marine Holdings, Inc. Outside Director, Mitsubishi Electric Corporation

Notes:

1. Among the important concurrent positions of the outside officers listed above, the Company has a business relationship in connection with pharmaceutical active ingredients and intermediates with Shionogi & Co., Ltd., where Mr. Isao Teshirogi is Chairman of the Board, Representative Director, President and CEO; however, the transaction amount accounts for less than 0.1 percent of the Company's net sales.
2. Except for the company described in note 1 above, the Company has no special relationship with the entities in which outside officers hold concurrent positions.

b. Status of Main Activities in this Business Year

(a) Outside Directors

Name	Attendance at Board of Directors Meetings	Status of Comments at the Board of Directors Meetings Outline of Duties Performed Concerning the Roles Expected to be Fulfilled
Hiroyuki Yanagi	13 out of 14 times	By applying abundant experience concerning overall corporate management, such as branding strategies and the use of digital technology, Mr. Yanagi raised questions precisely and provided recommendations from his professional viewpoint at the Board of Directors meetings. Thus, he duly fulfilled his management monitoring role. In addition, he served as the chairperson of the Board of Directors and contributed to enriching the Company's corporate governance by, among others, leading discussions at the Board of Directors meeting.
Keiko Honda	14 out of 14 times	By applying abundant experience concerning management and sustainability of enterprises and global organizations, Ms. Honda proactively raised questions and provided recommendations from her professional viewpoint at the Board of Directors meetings. Thus, she duly fulfilled her management monitoring role. In addition, she served as the chairperson of the Nominating Committee and contributed to enriching the Company's corporate governance by, among others, enhancing objectivity concerning the appointment of the Directors, Audit & Supervisory Board Members and Executive Officers.
Isao Teshirogi	14 out of 14 times	By applying abundant experience concerning overall corporate management as an incumbent Representative Director, President and CEO of a drug discovery-oriented pharmaceutical company, Mr. Teshirogi proactively raised questions and provided recommendations from his professional viewpoint at the Board of Directors meetings. Thus, he duly fulfilled his management monitoring role. In addition, he served as the chairperson of the Compensation Committee and contributed to enriching the Company's corporate governance by, among others, enhancing objectivity concerning the compensation of the Directors and Executive Officers.
Koji Arima	11 out of 11 times	By applying abundant experience in overall corporate management as Member of the Board, Chairman of a global company that provides advanced technologies, systems and products, Mr. Koji Arima proactively raised questions and provided recommendations from his professional viewpoint at the Board of Directors meetings. Thus, he duly fulfilled his management monitoring role. In addition, as a member of the Nominating Committee and the Compensation Committee, he contributed to enriching the enhancement of the Company's corporate governance by, among others, offering opinions and recommendations regarding officer appointments and officer remuneration.

Note: Mr. Koji Arima was appointed as a Director on March 28, 2025; accordingly, the number of Board meetings he was eligible to attend differs from that of the other Directors.

(b) Outside Audit & Supervisory Board Members

Name	Attendance at Board of Directors Meetings	Attendance at Audit & Supervisory Board Meetings	Status of Comments at the Board of Directors Meetings and Audit & Supervisory Board Meetings Outline of Duties Performed Concerning the Roles Expected to be Fulfilled
Isamu Kawashima	14 out of 14 times	14 out of 14 times	By applying extensive experience in accounting sector and abundant knowledge as an audit & supervisory board member at an IT enterprise providing social solutions globally, Mr. Kawashima made comments, as necessary, at the Board of Directors meetings and Audit & Supervisory Board meetings. He also conducted audits of the Company's divisions and places of business, as well as inspections of subsidiaries, according to the audit policy made by the Audit & Supervisory Board. As a full-time Audit & Supervisory Board Member, he duly performed his audit roles and contributed to enriching the Company's corporate governance.
Tatsuro Ishizuka	14 out of 14 times	14 out of 14 times	By applying abundant experience in corporate management at a global manufacturer that has been addressing the switch to sustainable business models early on, Mr. Ishizuka made comments, as necessary, at the Board of Directors meetings and Audit & Supervisory Board meetings. He also conducted audits of the Company's divisions according to the audit policy made by the Audit & Supervisory Board. Thus, he duly performed his audit roles and contributed to enriching the Company's corporate governance.
Haruka Matsuyama	14 out of 14 times	14 out of 14 times	By applying extensive experience in the legal community as well as specialized knowledge concerning laws and compliance, Ms. Matsuyama made comments, as necessary, at the Board of Directors meetings and Audit & Supervisory Board meetings. She also conducted audits of the Company's divisions according to the audit policy made by the Audit & Supervisory Board. Thus, she duly performed her audit roles and contributed to enriching the Company's corporate governance.

Matters Concerning Accounting Auditors

(1) Name
KPMG AZSA LLC

(2) Amount of Compensation, etc.

Amount of compensation, etc. as the Accounting Auditor regarding this business year	JPY 158 million
(of which the amount of compensation, etc. for services that do not fall within Article 2, Paragraph 1, of the Certified Public Accountants Act)	(JPY 2 million)
Total amount of monetary or other economic benefit to be paid by the Company and its subsidiaries to the Accounting Auditor	JPY 248 million

Notes:

1. The Audit & Supervisory Board checks the contents of Accounting Auditor's audit plan, its status for performance of duties, the basis of calculating compensation estimates, etc. and as a result of comprehensive review gives consent to the Accounting Auditor's compensation, etc. in accordance with Article 399, Paragraph 1, of the Companies Act.
2. In the audit agreement between the Company and the Accounting Auditor, the amount for audit based on the Companies Act and audit based on the Financial Instruments and Exchange Act are not separated; thus, the above amount contains the compensation, etc. for audit based on the Financial Instruments and Exchange Act.
3. The Company pays compensation to the Accounting Auditor for procedural services that have been entrusted and agreed upon as services other than those under Article 2, Paragraph 1, of the Certified Public Accountants Act (i.e., non-audit services).
4. Some of the important overseas subsidiaries of the Company are audited by audit firms other than the Company's Accounting Auditor.

(3) Policy on Decisions to Dismiss or not Reappoint the Accounting Auditors

The Audit & Supervisory Board, by unanimous agreement, will dismiss the Accounting Auditor if it is deemed that the Accounting Auditor falls under the grounds stipulated in Items of Article 340, Paragraph 1, of the Companies Act and merits dismissal. In addition, when considered necessary after taking comprehensive account of the Accounting Auditor's independence, performance status of its duties, etc., the Audit & Supervisory Board will determine the contents of the proposal concerning the removal or non-reappointment of the Accounting Auditor to be submitted to a General Meeting of Shareholders.

Corporate Policy over Internal Control and the Operational Status of Internal Control

The contents of the Board of Directors' resolution on the corporate policy over internal control and the outline of the operational status of internal control are as follows.

(1) Corporate Policy over Internal Control (as of December 31, 2025)

The Group Philosophy "*Look Beyond*" of the AGC Group provides that all members of the AGC Group are expected to adopt and follow the four shared values of "Innovation & Operational Excellence", "Sustainability for a Blue Planet", "One Team with Diversity" and "Integrity & Trust", which shall serve as the basis for every action they take.

In addition to the above, the AGC Group declares its corporate social responsibility in the form of "AGC Group Charter of Corporate Behavior", which is intended to lead the group members properly toward realization of the Group Philosophy "*Look Beyond*".

Systems to ensure fair and legal business transactions are as follows.

a. System to ensure compliance with the relevant laws and the Articles of Incorporations (Compliance Program)

The AGC Group defines "Integrity & Trust" as one of the most important shared values in its Group Philosophy "*Look Beyond*" and establishes and strengthens its compliance program based thereon.

More specifically, the President & CEO of the Company (hereinafter referred to as the President & CEO) nominates, among executive officers, the Chief Compliance Officer (abbreviated to CCO) who shall be responsible to control over the establishment and promotion of the AGC Group's compliance program under the authorization of the President & CEO. Further, the Company establishes the Compliance Committee as a professional body for legal compliance and corporate ethics. Chaired by a Global Compliance Leader, this Committee shall plan, formulate and execute a compliance program. It shall establish global common compliance rules and country/region specific rules in the Code of Conduct (AGC Group Code of Conduct) and establish the compliance system as AGC Group as well as promote educational activities therefore to ensure business conduct based on laws and corporate ethics.

In order to handle whistle-blowing and consultation on compliance, the AGC Group sets up contact points (compliance hotline). All the corporate officers and employees of the Company and executives of subsidiaries are obligated to submit the personal certificate.

Actual status of compliance and usage of whistle-blowing and consultation system on compliance of the AGC Group shall be reported to the Board of Directors of the Company (hereinafter referred to as the Board of Directors) periodically.

The Company shall also establish a legal administration system of the AGC Group to grasp information on important legal issues, which shall be reported to the Board of Directors periodically.

With regard to internal audit of the AGC Group, the Internal Audit Division and the internal audit staff in each region shall audit managerial and operational systems as well as legality and rationality of execution of business process, pursuant to an annual auditing plan. Results of such internal audits shall be timely reported to the President & CEO and further to the Board of Directors periodically.

In accordance with "Financial Instruments and Exchange Act" in Japan, the AGC Group shall establish "AGC Group Internal Control over Financial Reporting Implementation Regulations" and form the compliance system for financial reporting.

b. Information Retention and Management System with respect to business operations of the AGC Group (Information retention / management system)

Retention and management of important business documents and information shall be made pursuant to the applicable laws and the relevant internal rules of the AGC Group.

Confidentiality and security of important business documents and information shall be maintained in accordance with the applicable procedures provided in the Information Security Policy to be made available through the Company.

c. System to control risk of damage of the AGC Group (Risk Management System)

The AGC Group shall establish "AGC Group Enterprise Risk Management Basic Policies" and form the risk management system and crisis management system.

According to the relevant internal rules, important risk factors for the AGC Group shall be specified and control of these factors shall be discussed and monitored periodically at the Management Committee of the Company (hereinafter referred to as the Management Committee) and the Board of Directors. As for the risks associated with business activities of the AGC Group, each Corporate Division, in-house Company and SBU analyzes the risks of individual operations and projects and discusses necessary countermeasures. If necessary and appropriate, the Management Committee and the Board of Directors deliberate the matters as well.

Each responsible division provides and announces a respective guideline over those risks associated with compliance, environment, accidents and product quality etc. of the AGC Group and conducts training sessions and/or internal audits if necessary and appropriate.

Preparing for unforeseen events that could seriously affect both operating results and financial condition of the AGC Group, in accordance with the relevant internal rules, a crisis management report line has been established so that critical information can be reported speedily and surely to the President & CEO, and further distributed and shared among the officers and the employees concerned. The Company shall establish the system where the Group Taskforce Headquarters can be set up immediately upon the President & CEO's judgment, in order to take initial measures without delay and appropriately.

d. System to ensure efficient and effective business execution of the AGC Group (System for efficient business execution)

As basic policy over corporate governance structure, the Company clearly distinguishes management oversight function and business execution function, aiming at realization of reinforced business oversight and quick decision making at the business execution.

As to management oversight, in the Company the Board of Directors including outside directors shall decide on the important business matters and oversee the business performance of the AGC Group. In addition, the Nominating Committee and the Compensation Committee (both non-statutory) are established in order to warrant objectivity of evaluation/selection and compensation package with respect to directors and executive officers of the Company.

Authorities and duties with respect to business execution are delegated to each in-house Company and SBU in accordance with a certain standard under the in-house Company System and the Executive Officer System in the Company. These business operations are managed and evaluated in accordance with specific consolidated key performance index established in line with the AGC Group's basic management policy and its performance target.

Business transactions in the AGC Group shall be conducted in accordance with the internal decision making rules including business authorization rules and job descriptions. These operations shall be monitored and verified by internal audit periodically.

e. System to report matters concerning business execution of executives of subsidiaries to the Company (System for reports to AGC by AGC Group companies)

Subsidiaries shall report certain matters concerning business operations, etc. to the Company. Of such matters, important ones shall be reported to the Management Committee and/or the Board of Directors. Under the compliance system and legal administration system of the AGC Group, subsidiaries shall quickly report any important compliance issue, important legal issue, etc. of the subsidiaries to the Company. These matters shall be reported to the Board of Directors periodically.

The internal audit division shall timely report the results of internal audit conducted over subsidiaries to the President & CEO and further to the Board of Directors periodically.

f. Matters related to the audit system of the Audit & Supervisory Board Members

(a) Staff to the Audit & Supervisory Board Members

The Company establishes the Staff Office of the Audit & Supervisory Board to support activities of the Audit & Supervisory Board Members.

(b) Independence of the said Staff to the Audit & Supervisory Board Members from Directors

Change of Staff of the Audit & Supervisory Board and performance evaluation of such staff shall be subject to the consent of the Audit & Supervisory Board.

(c) Ensuring of effectiveness of the Audit & Supervisory Board Members' directions to the said Staff

Staff of the Audit & Supervisory Board shall not concurrently serve as employees of other departments. Such staff shall exclusively perform duties related to the Audit & Supervisory Board and follow directions of the Audit & Supervisory Board Members.

(d) System for reports to the Audit & Supervisory Board Members by Directors and employees of the Company, Directors and employees of subsidiaries, or those who received report from them

The Directors and employees of the Company shall report to the Audit & Supervisory Board Members any event that may violate the laws and regulations or articles of incorporation of the Company, or do substantial damage to the Company, and other matters provided in the relevant internal rules.

Subsidiaries shall report to the Company any event that may violate the laws and regulations or articles of incorporation of the Company, or do substantial damage to the Company. Divisions to which these matters are reported shall quickly report them to the Audit & Supervisory Board Members of the Company.

(e) System to ensure that those who made reports described in the preceding item shall not receive disadvantageous treatments on the ground that they made the said report

The AGC Group shall ban disadvantageous treatments and retaliatory action against those who made reports concerning the violation of Code of Conduct, etc. under the AGC Group Code of Conduct, and keep employees of the AGC Group well informed.

(f) Matters related to policy on procedures for reimbursement of expenses that occurred from performance of duties of the Audit & Supervisory Board Members

The Company shall quickly handle expenses paid by the Audit & Supervisory Board Members, excluding cases where the said expenses are judged to be unnecessary for performance of duties of the Audit & Supervisory Board Members.

(g) Other system to ensure effective audit by the Audit & Supervisory Board Members

The Audit & Supervisory Board Members shall attend at the important meeting such as the Management Committee, the Mid-Term Plan & Budget Committee, and the Monthly Performance Monitoring Meeting etc. In addition, Representative Directors shall have periodical meetings with the Audit & Supervisory Board Members.

Meetings between the Audit & Supervisory Board Members and Internal Audit Division etc. shall be held periodically so that the Audit & Supervisory Board Members may have access to information respecting the results and the proceedings of internal audit. The Company establishes the system where the Audit & Supervisory Board Members may enhance effectiveness of its audit through exchange of views and information with the Internal Audit Division and the Accounting Auditors, etc.

(2) Outline of the Operational Status of Internal Control

The outline of the operational status of internal control is as follows.

a. System to ensure compliance with the relevant laws and the Articles of Incorporations (Compliance Program)

The AGC Group has established the position of Chief Compliance Officer (CCO), an executive officer to whom the President & CEO delegates authority, responsible for the overall management and promotion of the AGC Group's compliance program and reporting to the President & CEO on the status of such duties.

The "AGC Group Code of Conduct" has been established, and all employees of the Company and executives of subsidiaries are required to submit a personal certificate pledging compliance with the Code of Conduct, and compliance with laws and regulations and corporate ethics is strictly enforced. Periodic compliance education is conducted to ensure conduct in line with laws and corporate ethics.

A compliance hotline is set up as a contact point for whistle-blowing and consultation to prevent and detect misconduct, etc. at an early stage.

The status of compliance in the AGC Group, the operation of the compliance hotline, and important legal matters are reported to the Board of Directors periodically.

Internal audits of the Company and its subsidiaries are conducted pursuant to the annual audit plan, etc., and the results of audits are reported periodically to the Board of Directors.

The "AGC Group Internal Control over Financial Reporting Implementation Regulations" have been established, and internal control over financial reporting is maintained, operated, and evaluated.

b. Information Retention and Management System with respect to business operations of the AGC Group (Information retention / management system)

The "AGC Group Common Information Security Policy" has been established, under which important documents and information are retained and managed.

Periodic self-assessments on information security and education for employees are conducted to ensure rigorous information management.

c. System to control risk of damage of the AGC Group (Risk Management System)

In accordance with the "AGC Group Enterprise Risk Management Basic Policies," risk factors that could have a significant impact on the AGC Group's management are specified, and efforts are made to enhance and improve both the level of control to suppress risk occurrence and the level of response when risks materialize.

A Business Continuity Plan (BCP) has been formulated in preparation for large-scale accidents and disasters. Exercises (e.g., earthquake drills) are conducted to raise awareness of the BCP, ensure thorough dissemination, and improve its effectiveness.

d. System to ensure efficient and effective business execution of the AGC Group (System for efficient business execution)

The Board of Directors consists of 8 members, including 4 outside directors, and is chaired by an outside director. In this fiscal year, it met 14 times to decide important matters of the AGC Group and supervise the status of business execution.

The Nominating Committee and the Compensation Committee (both non-statutory) have been established as advisory bodies to the Board; the majority of each committee's members are outside directors and each committee is chaired by an outside director. In this fiscal year, the Nominating Committee met 13 times and the Compensation Committee met 6 times, thereby increasing objectivity in the evaluation, selection, and compensation of the Company's Directors and Executive Officers.

The Board conducts analyses and evaluation of its own effectiveness.

With respect to business execution, substantial authority is delegated to Executive Officers, including the President & CEO, to accelerate decision-making.

e. System to report matters concerning business execution of executives of subsidiaries to the Company (System for reports to AGC by AGC Group companies)

A reporting system from subsidiaries to the Company has been established, under which important matters relating to subsidiaries (certain matters concerning business operations, etc., compliance issues, legal issues, etc.) are reported to the Company.

Internal audits of subsidiaries are conducted pursuant to the annual audit plan; the results are reported to the President & CEO as necessary and to the Board of Directors periodically.

f. Matters related to the audit system of the Audit & Supervisory Board Members

(a) Staff to the Audit & Supervisory Board Members

The Staff Office of the Audit & Supervisory Board has been established to support the Audit & Supervisory Board Members.

(b) Independence of the said Staff to the Audit & Supervisory Board Members from Directors

Under internal rules, personnel changes, evaluations, etc. of staff of the Staff Office of the Audit & Supervisory Board require the consent of the Audit & Supervisory Board.

(c) Ensuring of effectiveness of the Audit & Supervisory Board Members' directions to the said Staff

Staff members of the Staff Office of the Audit & Supervisory Board are assigned exclusively and perform duties in accordance with directions from the Audit & Supervisory Board Members.

(d) System for reports to the Audit & Supervisory Board Members by Directors and employees of the Company, Directors and employees of subsidiaries, or those who received report from them

Reports to the Audit & Supervisory Board are made in accordance with internal rules.

(e) System to ensure that those who made reports described in the preceding item shall not receive disadvantageous treatments on the ground that they made the said report

Under the "AGC Group Code of Conduct," disadvantageous treatment and retaliatory action against

whistle-blowers are prohibited and well informed to employees.

(f) Matters related to policy on procedures for reimbursement of expenses that occurred from performance of duties of the Audit & Supervisory Board Members

Expenses paid by the Audit & Supervisory Board Members for business are promptly handled.

(g) Other system to ensure effective audit by the Audit & Supervisory Board Members

The Audit & Supervisory Board Members attend important internal meetings such as the Board of Directors and the Management Committee and express opinions as necessary.

The Audit & Supervisory Board Members hold periodic meetings, etc. and exchange views with the Representative Directors and the Internal Audit Division, etc., to enhance the effectiveness of audits.

Reference: Status of Corporate Governance

For details on the Company's approach to corporate governance, including the "AGC Group Corporate Governance Basic Policy," please visit the Company's website below:

<https://www.agc.com/en/company/governance/index.html>

Consolidated Statements of Changes in Equity

101st Fiscal Year (from January 1, 2025 to December 31, 2025)

(Unit: millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurements of defined benefit plans	Net change in revaluation of financial assets measured at FVTOCI (Note)
Balance as of January 1, 2025	90,873	95,781	744,766	(26,767)	23,921	18,687
Changes in equity						
Comprehensive income						
Profit for the year	-	-	69,162	-	-	-
Other comprehensive income	-	-	-	-	(14,792)	3,493
Total comprehensive income for the year	-	-	69,162	-	(14,792)	3,493
Transactions with owners						
Dividends	-	-	(44,586)	-	-	-
Acquisition of treasury shares	-	-	-	(15)	-	-
Disposal of treasury shares	-	-	(224)	459	-	-
Changes in ownership interests in subsidiaries that do not result in loss of control	-	0	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	3,796	-	-	(3,796)
Share-based payment transactions	-	83	-	-	-	-
Others (business combinations and others)	-	-	-	-	-	-
Total transactions with owners	-	83	(41,014)	444	-	(3,796)
Balance as of December 31, 2025	90,873	95,864	772,913	(26,323)	9,128	18,384

	Equity attributable to owners of the parent					Non-controlling interests	Total equity
	Other components of equity			Total	Total		
	Cash flow hedges	Exchange differences on translation of foreign operations	Total				
Balance as of January 1, 2025	(497)	489,023	531,134	1,435,787	235,909	1,671,697	
Changes in equity							
Comprehensive income							
Profit for the year	-	-	-	69,162	10,308	79,470	
Other comprehensive income	(1,204)	36,964	24,459	24,459	3,916	28,375	
Total comprehensive income for the year	(1,204)	36,964	24,459	93,621	14,224	107,846	
Transactions with owners							
Dividends	-	-	-	(44,586)	(6,993)	(51,579)	
Acquisition of treasury shares	-	-	-	(15)	-	(15)	
Disposal of treasury shares	-	-	-	235	-	235	
Changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	0	(21)	(21)	
Transfer from other components of equity to retained earnings	-	-	(3,796)	-	-	-	
Share-based payment transactions	-	-	-	83	-	83	
Others (business combinations and others)	-	-	-	-	3,475	3,475	
Total transactions with owners	-	-	(3,796)	(44,282)	(3,539)	(47,821)	
Balance as of December 31, 2025	(1,702)	525,987	551,798	1,485,126	246,595	1,731,722	

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

Notes to the Consolidated Financial Statements

I. Significant Accounting Policies

1. Accounting standards of consolidated financial statements

The consolidated financial statements of AGC Inc. ("the Company") and its consolidated subsidiaries (the "AGC Group" or the "Group"), which comprise the consolidated statements of financial position, the consolidated statements of profit or loss and the consolidated statements of changes in equity, have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and in compliance with Article 120-1 of the Ordinance of Company Accounting. The latter part of Article 120-1 of the Ordinance of Company Accounting prescribes the omission of certain disclosures required by IFRSs.

2. Scope of consolidation

Number of consolidated subsidiaries: 175

Major subsidiaries:

AGC Techno Glass Co., Ltd., Ise Chemicals Corporation, AGC Glass Europe and AGC Flat Glass North America, Inc.

Due to liquidation and other events, 11 companies were excluded from the scope of consolidation in the fiscal year ended December 31, 2025.

3. Application of equity method

Number of companies using equity method: 21

Major investments accounted for using equity method:

Asahi India Glass, Ltd. and Schott-Flat Glass B.V.

4. Accounting standards

(1) Changes in Accounting Policies

The material accounting policies adopted for the Group's Consolidated Financial Statements are the same as those for the Consolidated Financial Statements for the fiscal year ended December 31, 2024.

(2) Valuation of non-derivative financial assets

1) Financial assets measured at amortized cost:

Financial assets are classified as financial assets measured at amortized cost if the following two conditions are met:

- The foregoing financial assets are held within a Group business model whose objective is to hold the assets in order to collect contractual cash flows from the assets; and
- The contractual terms of the foregoing financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2) Financial assets measured at fair value through other comprehensive income:

The Group designates equity instruments as financial assets measured at fair value through other comprehensive income when an irrevocable election has been made on initial recognition to measure the gains and losses arising from change in the fair value of such instruments in other comprehensive income, and when such instruments are not classified

as financial assets measured at amortized cost.

When the foregoing financial assets measured at fair value through other comprehensive income are derecognized from transactions such as sales, the cumulative gains or losses are reclassified from other components of equity to retained earnings.

3) Financial assets measured at fair value through profit or loss:

The Group measures financial assets at fair value and recognizes any changes in the fair value of such assets as profit or loss, unless the foregoing financial assets are classified as financial assets measured at amortized cost or financial assets measured at fair value through other comprehensive income.

(3) Valuation of non-derivative financial liabilities

The Group recognizes the following as non-derivative financial liabilities: trade payables, other payables, and interest-bearing debt (borrowings, commercial paper, corporate bonds, bonds with subscription rights to shares (excluding share subscription rights)), among other items.

The foregoing financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, non-derivative financial liabilities are measured at amortized cost using the effective interest method.

The Group derecognizes financial liabilities when the obligation specified in the contract is exempted, cancelled or expired.

(4) Valuation of derivative financial instruments

The AGC Group holds derivative financial instruments to hedge foreign exchange risk, interest risk and commodity price risk.

The Group initially recognizes derivative financial instruments at fair value, with the related transaction costs recognized in profit or loss when incurred. After initial recognition, derivative financial instruments are measured at fair value, with changes in fair value accounted for as follows, depending on whether or not derivatives qualify for hedge accounting:

- Derivatives not qualifying for hedge accounting
Changes in the fair value of derivative financial instruments which do not qualify for hedge accounting are recognized in profit or loss.
- Derivatives qualifying for hedge accounting
The effective portion of gains or losses on hedging instruments is recognized in other comprehensive income. The amounts recognized in other comprehensive income are reclassified to profit or loss in the reporting periods when the cash flows of the hedged items affect profit or loss. The ineffective portion of changes in the fair value of hedging instruments is recognized in profit or loss.

(5) Valuation of inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories is measured based on the moving average method and includes costs of purchase and costs of conversion (including fixed and variable manufacturing overheads). Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(6) Depreciation and amortization of assets

1) Property, plant and equipment (including Right-of-use assets):

Depreciation of property, plant and equipment is computed by the straight-line method.

2) Intangible assets (including Right-of-use assets):

Amortization of intangible assets is computed by the straight-line method.

(7) Basis for recognizing provisions

A provision is recognized when the AGC Group has a reasonably estimable legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of the time value of money is material, the estimated future cash flows are discounted to the present value using a pre-tax rate that reflects the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance costs.

(8) Employment benefits

Post-employment benefit plans comprise defined benefit plans and defined contribution plans.

1) Defined benefit plans

The obligations for defined benefit plans are recognized as the present value of defined benefit obligations less the fair value of any plan assets. If the defined benefit plans have a surplus, the net defined benefit assets are limited to the present value of any future economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The present value of defined benefit obligations is calculated annually by qualified actuaries using the projected unit credit method. The discount rates are based on the market yields of high quality corporate bonds at the end of each reporting period that have terms consistent with the discount period, which is established as the estimated term of the post-employment benefit obligations through to the estimated dates for payments of future benefits in every fiscal year.

Actuarial gains and losses are recognized immediately in other comprehensive income when incurred, while past service costs and gains or losses on settlement are recognized in profit or loss.

2) Defined contribution plans

Expenses related to post-employment benefits for defined contribution plans are recognized as an expense at the time of contribution.

(9) Revenue

The Group adopts IFRS 15 "*Revenue from Contracts with Customers*", and revenue is recognized based on the following five-step model.

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when the entity satisfies a performance obligation

The Group sells a range of products including architectural glass, automotive glass, glass substrates for displays, electronic materials, essential chemicals, performance chemicals, and life science products. For the sales of these products, revenue is recognized upon delivery of these products as its performance obligation is satisfied when customers obtain control over these products at the time of delivery. For revenue associated with construction works such as the installation of architectural glass and contract development and manufacturing services for biological active pharmaceutical ingredient (API), revenue is recognized according to the progress toward completion of the performance obligation. Progress toward completion is measured in the input method based on the costs incurred, etc. Also, revenue is measured at the consideration promised in contracts with customers, less discounts, rebates, returned products, and other items.

(10) Operating profit and Business profit

"Operating profit" in the Group's consolidated statements of profit or loss is an indicator that facilitates continuous comparisons and evaluations of the Group's business performance. Main items of "other income" and "other expenses" are foreign exchange gains and losses, gains on sale of non-current assets, losses on disposal of non-current assets, impairment losses and expenses for restructuring programs. "Business profit" includes all income and expenses before finance income, finance costs and income tax expenses.

(11) Translation into Japanese yen of foreign currency denominated assets or liabilities

Foreign currency transactions are translated into the respective functional currencies by applying the rates of exchange prevailing at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the prevailing exchange rates at the reporting date. Exchange differences are recognized as profit or loss. Exchange differences for any gains or losses on the assets and liabilities recognized in other comprehensive income are recognized in other comprehensive income.

Non-monetary assets and liabilities are translated at the exchange rate at the date of the transaction.

Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on the acquisition of foreign operations, are translated into Japanese yen at the exchange rates prevailing at the reporting date. Income and expenses of foreign operations are translated into Japanese yen at the average exchange rate for the period.

(12) Hedge accounting method

1) Hedge accounting method:

Cash flow hedges

2) Hedging instruments and hedged items:

Hedging instruments: commodity swap contracts, forward exchange contracts

Hedged items: Raw materials and fuel, foreign currency transaction etc.

3) Basic rules and policies for hedging:

The Group uses derivative financial instruments to reduce their exposure to market risks from fluctuation in commodity prices and in foreign exchange rates that may occur in the ordinary course of business.

4) Assessment of hedge effectiveness:

In applying cash flow hedges, the Group evaluates at the inception whether the hedge will be effective.

After that, the Group also evaluates continuously whether the derivative will be highly effective in offsetting the effects of changes in future cash flows of the hedged item.

(13) Goodwill

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Impairment test of goodwill is performed annually, regardless of any indication of impairment.

Impairment loss for goodwill is not reversed in subsequent periods.

(14) Others

1) Application of Japanese Group Relief System

The Company and some consolidated subsidiaries apply the Japanese Group Relief System.

2) Amounts concerning financial statements

Amounts below one million yen are rounded down.

II. Notes to accounting estimates

The following is a list of items for which the amount was recorded in the consolidated financial statements for the fiscal year ended December 31, 2025 based on accounting estimates, and which may have a significant impact on the consolidated financial statements for the following fiscal year.

1. Impairment losses on non-financial assets

The amount recorded in the consolidated financial statements for the fiscal year ended December 31, 2025

Property, plant and equipment	1,652,885 million yen
Goodwill	52,100 million yen
Intangible assets	55,430 million yen

For non-financial assets other than inventories and deferred tax assets, the AGC Group assesses at the end of each fiscal year whether there is any indication of impairment for each asset or the cash-generating unit to which the asset belongs. An impairment test is performed if there is any indication of impairment. Goodwill is tested for impairment once a year, regardless of whether

there is any indication of impairment. The recoverable amount of an asset or cash-generating unit is calculated based on the higher of its value in use or its fair value less costs of disposal. In calculating the value in use, the estimated future cash flows are discounted to the present value using a pre-tax rate that reflects the time value of money and the risks specific to the asset. In calculating the fair value less costs of disposal, cost approach or market approach, etc. are used. If the recoverable amount of property, plant and equipment, goodwill, and intangible assets recorded in the Group's consolidated statement of financial position falls below the book value due to a decline in profitability or other reasons, an impairment loss may be recognized, which may have a significant impact on the amount of property, plant and equipment, goodwill, and intangible assets in the Group's consolidated financial statements for the following fiscal year.

2. Estimates of the useful lives and residual values of property, plant and equipment and intangible assets

The amount recorded in the consolidated financial statements for the fiscal year ended

December 31, 2025

Property, plant and equipment	1,652,885 million yen
Intangible assets	55,430 million yen

Property, plant and equipment, except for land and other non-depreciable tangible fixed assets, are depreciated using the straight-line method over their estimated useful lives, based on the maximum depreciable amount, which is the acquisition cost minus the residual value. Intangible assets with finite useful lives are amortized using the straight-line method over their estimated useful lives. Estimated useful lives and residual values are reviewed at the end of each fiscal year and revised as necessary. Due to changes in the business environment and other factors, it may be necessary to revise useful lives and residual values, which may have a significant impact on the amounts of property, plant and equipment and intangible assets in the consolidated financial statements for the next fiscal year.

3. Recoverability of deferred tax assets

The amount recorded in the consolidated financial statements for the fiscal year ended

December 31, 2025

Deferred tax assets	42,971 million yen
---------------------	--------------------

Deferred tax assets are recognized for all deductible temporary differences, tax loss carryforwards and tax credit carryforwards to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be utilized, and are reviewed at the end of each fiscal period to determine whether deferred tax assets are recognized only to the extent that it is probable that tax benefits will be realized. The recoverability of such assets is determined by taking into account future taxable income plan and tax planning. Estimates of future taxable income may be affected by a decline in profitability and other factors, which may have a significant impact on the amount of deferred tax assets in the consolidated financial statements for the following fiscal year.

4. Actuarial assumptions for defined benefit plans

The amount recorded in the consolidated financial statements for the fiscal year ended December 31, 2025

Prepaid pension cost (Note)	57,679 million yen
Liabilities for retirement benefits	50,147 million yen

(Note) Prepaid pension cost is included in "Other current assets" or "Other non-current assets" in the consolidated statement of financial position.

The amount of obligation for defined benefit pension plans is recognized as the present value of the defined benefit obligation less the plan assets. The present value of the defined benefit obligation and service cost, etc. are calculated based on actuarial assumptions. Actuarial assumptions require estimates and judgments about various variables such as discount rates. Actuarial assumptions may be affected by consequences of uncertain economic conditions changes in the future or by the revision or promulgation of related laws and regulations. If a review becomes necessary, it may have a significant impact on the amount of defined benefit obligations in the consolidated financial statements for the following fiscal year.

III. Notes to the Consolidated Statements of Financial Position

1. Allowance for doubtful accounts directly deducted from assets:

Trade receivables:	3,658 million yen
Other financial assets:	1,301 million yen

2. Accumulated depreciation and impairment losses on property, plant and equipment:

3,324,638 million yen

IV. Notes to the Consolidated Statements of Profit or Loss

1. Other Income

	(Unit: millions of yen)
Foreign exchange gain	793
Gains on sale of fixed assets	26,225
Others	6,934
Total	<u>33,953</u>

(Note) Gains on sale of fixed assets includes a gain of 16,880 million yen from the sale of land the Company owned in Koto-ku, Tokyo.

2. Other Expenses

		(Unit: millions of yen)
Losses on disposal of fixed assets		(7,494)
Impairment losses		(9,687)
Expenses for restructuring programs		(10,205)
Others		(3,352)
	Total	<u>(30,741)</u>

(Note)

In the fiscal year 2025, AGC Biologics, Inc., a contract developer and manufacturer of biopharmaceutical APIs included within the Life Science segment, saw a significant decrease in terms of its forecast for future orders and operations and have decided to proceed with structural reforms regarding the Boulder site and the Longmont site in Colorado, USA. Accordingly, the cash-generating units to which property, plant and equipment and intangible assets belonged were classified, resulting in the cash-generating unit showing signs of impairment. As a result of an impairment test, we recognized an impairment loss of ¥7,724 million, since the recoverable amount based on the fair value minus the disposal costs, was lower than the book value of the cash-generating unit.

The total amount of impairment losses included in expenses for restructuring programs was 2,773 million yen.

V. Notes to the Consolidated Statements of Changes in Equity

1. Type and number of outstanding shares

Number of outstanding shares as of December 31, 2025:

Ordinary share: 217,434,681 shares

2. Dividends

(1) Dividend payments

Date of approval	Type of shares	Total amount of dividends	Dividends per share	Record date	Effective date
March 28, 2025 Ordinary General Meeting of Shareholders	Ordinary shares	¥22,289 million	¥105.00	December 31, 2024	March 31, 2025
August 1, 2025 Board of Directors meeting	Ordinary shares	¥22,297 million	¥105.00	June 30, 2025	September 8, 2025

*The year-end dividend includes dividend payment of ¥33 million paid for the shares held by the Board Incentive Plan (BIP) Trust.

*The interim dividend includes dividend payment of ¥32 million paid for the shares held by the BIP Trust.

(2) Dividends whose record date is attributable to the year ended December 31, 2025 but to be effective after the said year

An agenda will be submitted, as follows, concerning the year-end dividends in the appropriation of retained earnings for approval at the Ordinary General Meeting of Shareholders to be held on March 27, 2026. Total amount of dividends includes dividend payment of ¥32 million paid for the shares held by the BIP Trust.

Total amount of dividends:	22,298 million yen
Resource of dividends:	Retained earnings
Dividends per share:	105.00 yen
Record date:	December 31, 2025
Effective date:	March 30, 2026

3. Share subscription rights

(1) Share subscription rights are presented as a part of capital surplus.

(2) Number of shares subject to the share subscription rights

Category	Share subscription rights issued	Type of shares	Number of shares as of December 31, 2025
The Company	Share subscription rights issued in July 2009 (Compensation-Type Stock Option)	Ordinary shares	3,600 shares
	Share subscription rights issued in July 2010 (Compensation-Type Stock Option)	Ordinary shares	5,000 shares
	Share subscription rights issued in July 2011 (Compensation-Type Stock Option)	Ordinary shares	6,000 shares
	Share subscription rights issued in July 2012 (Compensation-Type Stock Option)	Ordinary shares	43,800 shares
	Share subscription rights issued in July 2013 (Compensation-Type Stock Option)	Ordinary shares	26,400 shares
	Share subscription rights issued in July 2014 (Compensation-Type Stock Option)	Ordinary shares	49,800 shares
	Share subscription rights issued in July 2015 (Compensation-Type Stock Option)	Ordinary shares	42,000 shares
	Share subscription rights issued in February 2016 (Compensation-Type Stock Option)	Ordinary shares	5,200 shares
	Share subscription rights issued in July 2016 (Compensation-Type Stock Option)	Ordinary shares	75,800 shares
	Share subscription rights issued in March 2017 (Compensation-Type Stock Option)	Ordinary shares	23,600 shares
	Share subscription rights issued in July 2017 (Compensation-Type Stock Option)	Ordinary shares	34,600 shares

*The shares are calculated based on the number of shares after the share consolidation (5 shares for 1 share) effective from July 1, 2017.

VI. Notes to the Revenue

1. Disaggregation of revenue

The Group has five reportable segments: Architectural Glass, Automotive, Electronics, Chemicals and Life Science.

Net sales are broken down by product group and region.

The reconciliations of the disaggregated revenue with the Group's sales components are as follows.

(1) Disaggregation by product groups

(Unit: millions of yen)

Architectural Glass		438,811
Automotive		520,324
Electronics	Display	184,712
	Electronic Materials	168,514
	Subtotal	353,227
Chemicals	Essential Chemicals	383,363
	Performance Chemicals	196,124
	Subtotal	579,487
Life Science		129,420
Ceramics/Others		37,560
Total		2,058,832

(2) Disaggregation by geographical segments

(Unit: millions of yen)

	Architectural Glass	Automotive	Electronics	Chemicals	Life Science	Ceramics /Others	Total
Japan/Asia	153,546	260,548	305,745	514,594	27,005	37,560	1,299,000
Americas	29,807	114,574	46,515	34,541	18,567	-	244,006
Europe	255,457	145,201	966	30,351	83,847	-	515,825
Total	438,811	520,324	353,227	579,487	129,420	37,560	2,058,832

Note: Sales by region are based on the location of each company, and "Brazil" is included in "Americas."

In the Architectural Glass segment, the Group sells architectural figured glass, architectural processing glass, etc., and primarily sells globally to residential and office building-related companies. Additionally, in certain regions, the Group delivers and installs related products.

In the Automotive segment, the Group supplies automotive glass, automotive display cover glass, etc. Main customers are domestic and overseas automobile manufacturers.

In the Electronics segment, the Group delivers glass for display such as Glass substrates for TFT-LCD/OLED, Specialty Glass for displays, Materials for semiconductor, Optical materials. Main customers are domestic and overseas electronics companies.

In the Chemicals segment, the Group supplies essential chemicals, performance chemical products, etc., and sells them globally, mainly through wholesalers such as trading companies,

as well as the sales bases of the Group, etc.

In the Life Science segment, the Group performs contract development and manufacturing globally for synthetic pharmaceutical and agrochemical intermediates and active ingredients, biopharmaceuticals, etc. Main customers are pharmaceutical and agrochemical-related companies.

These are accounted for in accordance with the policies described in “4. Accounting Standards” under “I. Significant Accounting Policies”. The consideration for performance obligations is mainly recovered within one year after performance obligations are satisfied. In addition, the consideration for performance obligations does not include a significant financing component.

2. Contract balances

Information on contract assets and liabilities arising from contracts with customers is as follows:

(Unit: millions of yen)

	FY2025 (as of January 1, 2025)	FY2025 (as of December 31, 2025)
Contract Assets	5,322	4,757
Contract Liabilities	48,390	36,577

Contract assets primarily relate to the Group’s rights to receive consideration for performance obligations that have been completed, but not yet billed for, as of the reporting date. Contract assets are reclassified as receivables when the Group’s right to payment becomes unconditional. Contract liabilities mainly relate to consideration received from customers before the Group delivers products to them, based on receivables management and other considerations. The revenue recognized during the fiscal year ended December 31, 2025, included balance of contract liabilities at the beginning of the fiscal year of ¥25,153 million.

3. Transaction price allocated to the remaining performance obligations

The Group applies the practical expedients for exemption on disclosure of information on remaining performance obligations that have original expected duration of one year or less. The Group has no significant transactions with original expected duration exceeding one year. In addition, there are no significant amounts in consideration from contracts with customers that are not included in transaction prices.

4. Assets recognized from the costs of obtaining or fulfilling contracts with customers

There are no assets recognized from the costs of obtaining or fulfilling contracts with customers as of the year ended December 31, 2025. In addition, if the amortization period of the assets that the Group otherwise would have recognized is one year or less, the Group applies the practical expedient of recognizing the incremental costs of obtaining the contract as an expense when incurred.

VII. Notes to Financial Instruments

1. Status of financial instruments

(1) Policy for financial instruments

The AGC Group manages funds using only safe financial assets with high liquidity and implements stable and low-cost fund procurement by utilizing the capital market such as taking out borrowings from financial institutions or issuing corporate bonds. The Group uses derivative transactions only to evade risks accompanying its business activities, including exchange-rate fluctuation risks, interest-rate fluctuation risks and product price fluctuation risks, and does not enter into derivative transactions for speculative purposes.

(2) Details of financial instruments, their risks and their risk management system

Trade notes and accounts receivable, which are operating receivables, are exposed to the credit risks of customers. To manage these risks, the Group performs due date controls and balance controls for each customer and identifies and mitigates risks regarding the collection of receivables caused by factors such as deterioration of financial conditions at an early stage, in accordance with credit management rules.

Other receivables are accounts receivable, etc.

Among other financial assets, equity instruments, which are financial assets measured at fair value through other comprehensive income, and debt instruments, which are financial assets measured at fair value through profit or loss, are mainly shares of companies with which the Group has business relationships, and are exposed to the risk of market price fluctuations. The Group exams trend of market values and business needs as appropriate.

Most of the Group's trade notes and accounts payable, which are operating payables, are due within one year.

Other payables are other miscellaneous payables and others.

Borrowings, corporate bonds and the other interest-bearing debts are exposed to liquidity risks. The Group manages these risks by diversifying fund procurement methods, establishing commitment lines with various financial institutions, and keeping an appropriate balance between direct and indirect fund procurements and a proper mixture of short-term and long-term borrowings and corporate bonds. Floating-interest rate borrowings are exposed to interest-rate fluctuation risks.

For some long-term floating-rate borrowings, the Group uses interest rate swap transactions to avoid the interest-rate fluctuation risks and convert the floating rates into fixed rates.

Moreover, the AGC Group operates businesses globally, and is therefore exposed to currency risks associated with transactions undertaken in currencies other than individual functional currency. To manage currency risk, the Group hedges currency risk with forward exchange contracts and currency swap agreements.

Derivative transactions are executed and managed in accordance with the internal rules that stipulate the authority of transactions. Outstanding derivatives and the position of gain or loss on derivatives are regularly reported to the top management. In those derivative transactions, the Group uses only creditworthy financial institutions to reduce credit risks.

(3) Supplementary explanation about fair values of financial instruments

The fair values of financial instruments include values based on market prices and reasonably calculated values if market prices are unavailable. As variable assumptions are incorporated into the calculation of said values, they may vary if different assumptions are used.

2. Fair values of financial instruments

The carrying amounts and fair values of financial instruments as of December 31, 2025 are as follows:

(Unit: millions of yen)

	Carrying amount	Fair value
Cash and cash equivalents	94,671	94,671
Trade receivables	324,396	324,396
Other receivables	20,299	20,299
Other financial assets		
Financial assets measured at FVTOCI ^(*1)	35,484	35,484
Financial assets measured at FVTPL ^(*1)	7,000	7,000
Others	17,161	17,161
Trade payables	210,036	210,036
Other payables	151,210	151,210
Interest-bearing debts (short-term, long-term)		
Borrowings	454,391	452,928
Commercial paper	12,981	12,981
Corporate bonds	99,789	94,505
Derivatives ^(*2)	5,210	5,210
Other current liabilities	462	462
Other non-current liabilities	2,682	2,682

(*1) FVTOCI: Fair Value Through Other Comprehensive Income / FVTPL: Fair Value Through Profit or Loss

(*2) Receivables and payables arising from derivative transactions are presented in net values. Amounts in parentheses indicate payables.

(Note) Calculation method for the fair values of financial instruments

The fair value of financial instruments is categorized into three levels based on inputs used to measure fair value, as follows:

Inputs include stock prices, exchange rates, and interest rates as well as indexes related to commodity prices, etc.

- Level 1: Quoted prices in active markets
- Level 2: Observable prices other than quoted prices included within Level 1
- Level 3: Inputs not based on observable market data

i) Financial assets and liabilities measured at fair value.

The fair value of financial assets and financial liabilities is determined as follows.

(Derivatives)

Foreign exchange contracts are mainly based on forward exchange rates and prices quoted by financial institutions with which contracts are concluded. Interest rate contracts are mainly based on prices quoted by financial institutions with which contracts are concluded.

Commodity contracts are mainly based on prices quoted by counterparties with whom contracts are concluded. In each case, the financial instruments are classified as Level 2 in the fair value hierarchy.

(Financial assets measured at fair value through other comprehensive income)

The Group measures financial assets at fair value when market values are available, and classifies such assets as Level 1 in the fair value hierarchy. The Group estimates fair values of financial instruments whose market values are unavailable using either the discounted future cash flows method, third-party appraisal, or another appropriate measurement technique. Such financial instruments are classified as Level 3 in the fair value hierarchy.

(Financial assets measured at fair value through profit or loss)

The Group measures financial assets at fair value when market values are available, and classifies such assets as Level 1 in the fair value hierarchy. The Group estimates fair values of financial instruments whose market values are unavailable using either the discounted future cash flows method, third-party appraisal, or another appropriate measurement technique. Such financial instruments are classified as Level 3 in the fair value hierarchy.

ii) Financial assets and liabilities measured at amortized cost

The fair value of financial assets and liabilities measured at amortized cost is determined as follows.

(Financial assets measured at amortized cost)

Each receivable is categorized by period, and its fair value is the present value of future cash flows discounted by an interest rate that reflects time to maturity and credit risk.

(Loans payable)

As short-term loans payable is settled on a short-term basis, their fair values approximate their carrying amounts.

The fair values of long-term loans payable are calculated by the total sum of the principal and interest discounted by the interest rates that would apply if similar borrowings were conducted anew. For long-term loans payable at floating interest rates, however, the fair values approximate the carrying amounts because the interest rates are adjusted regularly at fixed intervals.

(Corporate bonds)

Fair values of corporate bonds are calculated based on market prices.

(Financial liabilities measured at amortized cost other than the above)

Each payable is categorized by period, and its fair value is the present value of future cash flows discounted by an interest rate that reflects time to maturity and credit risk.

Financial assets and financial liabilities measured at amortized cost are classified as Level 2 in the fair value hierarchy.

3. Fair value hierarchy

The following table is an analysis of financial instruments measured at fair value by valuation methods.

(Unit: millions of yen)

	Level 1	Level 2	Level 3	Total
Derivative financial assets	-	12,924	-	12,924
Derivatives not designated as hedges	-	12,859	-	12,859
Derivatives designated as hedges	-	65	-	65
Equity instruments	25,033	-	10,450	35,484
Financial assets measured at FVTOCI ^(Note)	25,033	-	10,450	35,484
Debt instruments	-	-	7,000	7,000
Financial assets measured at FVTPL ^(Note)	-	-	7,000	7,000
Derivative financial liabilities	-	7,713	-	7,713
Derivatives not designated as hedges	-	5,719	-	5,779
Derivatives designated as hedges	-	1,933	-	1,933

Note: FVTOCI: Fair Value Through Other Comprehensive Income / FVTPL: Fair Value Through Profit or Loss

The presence of any financial instruments subject to significant transfers between fair value hierarchy levels is determined at the end of every period. There were no financial instruments subject to significant transfers between the fair value hierarchy levels during the fiscal year ended December 31, 2025.

There were no significant changes in "Financial assets measured at fair value through other comprehensive income" classified as Level 3 during the fiscal year ended December 31, 2025.

Derivative financial assets are included in "Other current assets" and "Other financial assets" in the consolidated statements of financial position.

Equity instruments and debt instruments are included in "Other financial assets" in the consolidated statements of financial position.

Derivative financial liabilities are included in "Other current liabilities" and "Other non-current liabilities" in the consolidated statements of financial position.

Changes in financial instruments categorized within Level 3 of the fair value hierarchy during the year are as follows:

(Unit: millions of yen)

Balance as of January 1	14,115
Purchases	4,154
Sales	(489)
Other comprehensive income	(314)
Other changes	(14)
Balance as of December 31	17,450

VIII. Notes to Per Share Information

1. Equity attributable to owners of the parent per share	7,003.63 yen
2. Basic earnings per share	326.20 yen

IX. Notes to Business Combinations

There are no significant transactions to disclose.

X. Notes to Significant Subsequent Events

There are no items to disclose.

Accounting Auditor's Audit Report Regarding Consolidated Financial Statements COPY

Independent Auditor's Report

February 4, 2026

To the Board of Directors of AGC Inc.:

KPMG AZSA LLC
Tokyo Office, Japan

Noriaki Habuto
Designated Limited Liability
Partner
Engagement Partner
Certified Public Accountant

Tsutomu Ogawa
Designated Limited Liability
Partner
Engagement Partner
Certified Public Accountant

Takahiro Kajiwara
Designated Limited Liability
Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the related notes of AGC Inc. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at December 31, 2025 and for the year from January 1, 2025 to December 31, 2025 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with the latter part of Article 120-1 of the Ordinance of Company

Accounting that prescribes some omissions of disclosure items required by International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan (including those that are relevant to audits of the financial statements of public interest entities), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board and its Members are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board and its Members for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the latter part of Article 120-1 of the Ordinance

of Company Accounting that prescribes some omissions of disclosure items required by International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with the latter part of Article 120-1 of the Ordinance of Company Accounting that prescribes some omissions of disclosure items required by International Financial Reporting Standards.

Audit & Supervisory Board and its Members are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of

the audit is not to express an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with the latter part of Article 120-1 of the Ordinance of Company Accounting that prescribes some omissions of disclosure items required by International Financial Reporting Standards, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board and its Members regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board and its Members with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of

Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

[Notes to the Reader of Independent Auditor's Report:]

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act for the conveniences of the reader.

Balance Sheets

(Unit: millions of yen)

	(Reference) 100th Fiscal Year (as of Dec. 31, 2024)	101st Fiscal Year (as of Dec. 31, 2025)
Assets	1,328,766	1,412,791
Current Assets	369,567	408,817
Cash on hand and in banks	607	554
Trade notes receivable	6,426	6,220
Trade accounts receivable	143,001	147,394
Merchandise and finished goods	47,403	50,096
Work in process	54,048	67,059
Raw materials and supplies	41,647	39,475
Prepaid expenses	4,980	5,105
Short-term loans receivable	44,521	61,170
Other accounts receivable	23,878	20,112
Allowance for doubtful accounts	(8,939)	–
Other current assets	11,991	11,628
Non-current Assets	959,198	1,003,973
Tangible Fixed Assets	329,502	355,034
Buildings	80,435	81,855
Structures	21,767	21,980
Machinery and equipment	131,692	122,278
Vehicle and other transportation equipment	93	164
Tools, furniture and fixtures	8,863	9,156
Land	27,529	27,460
Leased assets	653	459
Construction in progress	58,467	91,678
Intangible Fixed Assets	7,667	9,112
Software	7,286	8,763
Other intangible fixed assets	380	348
Investments and Other Assets	622,028	639,827
Investments in securities	25,974	20,291
Investments in subsidiaries and affiliates (stock)	310,283	309,900
Investments in subsidiaries and affiliates (others)	156,698	159,649
Long-term loans receivable	83,291	97,283
Long-term receivables, overdue	94	96
Long-term prepaid expenses	2,887	3,778
Prepaid pension cost	18,726	30,028
Deferred tax assets	10,243	5,432
Others	13,896	13,432
Allowance for doubtful accounts	(68)	(66)
Total Assets	1,328,766	1,412,791

Balance Sheets

(Unit: millions of yen)

	(Reference) 100th Fiscal Year (as of Dec. 31, 2024)	101st Fiscal Year (as of Dec. 31, 2025)
Liabilities	648,003	661,757
Current Liabilities	407,067	423,768
Trade accounts payable	114,473	118,682
Short-term borrowings	132,655	202,971
Commercial papers	47,000	–
Current portion of bonds payable	20,000	–
Other accounts payable	35,730	39,395
Accrued expenses	5,659	5,970
Income taxes payable	7,679	5,794
Deposits received	28,932	33,932
Accrued bonuses to employees	5,596	5,535
Accrued bonuses to directors	122	143
Reserve for scheduled repairs	4,403	5,007
Other current liabilities	4,814	6,334
Non-current Liabilities	240,936	237,988
Bonds	70,000	100,000
Long-term borrowings	157,921	124,620
Accrued retirement benefits for employees	5,089	5,198
Reserve for loss on debt guarantees	34	32
Reserve for restructuring programs	96	96
Reserve for loss on litigation	3,955	3,914
Other non-current liabilities	3,840	4,128
Total Liabilities	648,003	661,757
Net Assets	680,762	751,034
Shareholders' Equity	666,648	739,905
Share capital	90,873	90,873
Capital surplus	91,164	91,164
Additional paid-in capital	91,164	91,164
Retained earnings	511,378	584,191
Legal reserve	22,618	22,618
Other retained earnings	488,760	561,573
Reserve for advanced depreciation of tangible fixed assets	13,202	15,286
General reserve	343,000	343,000
Retained earnings carried forward	132,558	203,286
Treasury shares, at cost	(26,767)	(26,323)
Valuation and Translation Adjustments	13,274	10,436
Unrealized gains and loss on securities, net of taxes	13,274	10,436
Share Subscription Rights	839	691
Total Net Assets	680,762	751,034
Total Liabilities and Net Assets	1,328,766	1,412,791

Statements of Operation

(Unit: millions of yen)

	(Reference) 100th Fiscal Year (from Jan. 1, to Dec. 31, 2024)	101st Fiscal Year (from Jan. 1, to Dec. 31, 2025)
Net Sales	653,726	652,667
Cost of sales	470,181	457,951
Gross Profit	183,545	194,715
Selling, general and administrative expenses	154,475	154,409
Operating Income	29,069	40,306
Non-operating Income	73,496	90,201
Interest income	5,881	5,663
Dividend income	61,193	81,042
Others	6,421	3,494
Non-operating Expenses	8,300	9,616
Interest expenses	7,300	7,905
Others	999	1,711
Ordinary Income	94,265	120,891
Extraordinary Gains	16,251	27,153
Gain on sale of properties	101	21,151
Gain on sale of investments in securities	16,101	4,543
Gain on sale of investments in subsidiaries and affiliates	-	1,416
Reversal of reserve for loss on debt guarantees	-	1
Reversal of reserve for restructuring programs	47	-
Reversal of reserve for loss on litigation	-	41
Extraordinary Loss	125,143	12,122
Loss on disposal of properties	4,192	5,930
Impairment losses	3,513	1,212
Loss on valuation of investments in securities	100	15
Loss on valuation of investments in subsidiaries and affiliates	109,733	83
Reserve for loss on debt guarantees	2	-
Provision for allowance for doubtful accounts	2,815	821
Expenses for restructuring programs	-	2,518
Expenses for special environmental protection measures	830	1,539
Reserve for loss on litigation	3,955	-
Income(Loss) before Income Taxes	(14,626)	135,922
Income taxes		
Current	8,462	12,246
Deferred	(2,263)	6,052
Net Income(Loss)	(20,825)	117,623

Statements of Changes in Net Assets

101st Fiscal Year (from January 1, 2025 to December 31, 2025)

(Unit: millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus		Legal reserve	Retained earnings			
		Additional paid-in capital	Other capital surplus		Other retained earnings			
					Special depreciation reserve	Reserve for advanced depreciation of tangible fixed assets	General reserve	Retained earnings carried forward
Balance at beginning of year	90,873	91,164	-	22,618	-	13,202	343,000	132,558
Changes during the current period								
Provision of reserve for tax purpose reduction entry of non-current assets	-	-	-	-	-	3,204	-	(3,024)
Reversal of reserve for tax purpose reduction entry of non-current assets	-	-	-	-	-	(1,120)	-	1,120
Reversal of general reserve	-	-	-	-	-	-	-	-
Dividends declared	-	-	-	-	-	-	-	(44,586)
Net income	-	-	-	-	-	-	-	117,623
Acquisition of treasury shares	-	-	-	-	-	-	-	-
Disposal of treasury shares	-	-	-	-	-	-	-	(224)
Cancellation of treasury shares	-	-	-	-	-	-	-	-
Net changes other than shareholders' equity	-	-	-	-	-	-	-	-
Total changes during the current period	-	-	-	-	-	2,084	-	70,728
Balance at end of year	90,873	91,164	-	22,618	-	15,286	343,000	203,286

	Shareholders' equity		Valuation and translation adjustments	Share subscription rights	Total net assets
	Treasury shares, at cost	Total shareholders' Equity	Unrealized gains and loss on securities, net of taxes		
Balance at beginning of year	(26,767)	666,648	13,274	839	680,762
Changes during the current period					
Provision of reserve for tax purpose reduction entry of non-current assets	-	-	-	-	-
Reversal of reserve for tax purpose reduction entry of non-current assets	-	-	-	-	-
Reversal of general reserve	-	-	-	-	-
Dividends declared	-	(44,586)	-	-	(44,586)
Net income	-	117,623	-	-	117,623
Acquisition of treasury shares	(15)	(15)	-	-	(15)
Disposal of treasury shares	459	235	-	-	235
Cancellation of treasury shares	-	-	-	-	-
Net changes other than shareholders' equity	-	-	(2,837)	(148)	(2,986)
Total changes during the current period	444	73,257	(2,837)	(148)	70,271
Balance at end of year	(26,323)	739,905	10,436	691	751,034

Notes to the Non-Consolidated Financial Statements

The accompanying financial statements of the Company have been prepared in accordance with the provisions set forth in the Corporation Law and its related accounting regulations, and in conformity with the accounting principles generally accepted in Japan, which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards.

I. Significant Accounting Policies

1. Valuation of assets

(1) Valuation of securities

Investments in subsidiaries and affiliates:

Investments in subsidiaries and affiliates are stated at cost based on the moving average method. Valuation losses are recognized when the real value of subsidiaries and affiliates that do not have a market price has declined significantly.

Other securities:

Other than securities without market value:

Securities other than securities without market value are stated at the quoted market prices. Differences between market value and acquisition costs are recorded as "Unrealized gains on securities, net of taxes" in Net Assets. The cost of securities sold is calculated by the moving average method.

Securities without market value:

Securities without market value are mainly stated at cost determined by the moving average method.

(2) Valuation of derivative financial instruments

Derivatives are stated at fair value.

(3) Valuation of inventories

Inventories are mainly carried at cost calculated using the moving average method. They are written down to their net realizable value if their profitability declines.

2. Depreciation and amortization of fixed assets

(1) Tangible fixed assets

Depreciation is computed by the straight-line method.

(2) Intangible fixed assets

Amortization of intangible assets is computed by the straight-line method.

(3) Leased assets related to finance lease transactions not involving the transfer of ownership

Amortization of leased assets related to finance lease transactions not involving the transfer of ownership is calculated by the straight-line method over the lease periods, which are deemed as the useful lives, assuming no residual value.

3. Basis for recognizing certain reserves and accrued expense items

(1) Allowance for doubtful accounts

“Allowance for doubtful accounts” is provided at an amount sufficient to cover possible losses on the collection of receivables by taking the historical receivables loss ratio. For certain doubtful receivables, the uncollectible amounts are estimated based on the collectability of individual receivables.

(2) Accrued bonuses to employees

“Accrued bonuses to employees” is provided based on the estimated amount to be paid to employees after the balance sheet date for their services rendered during the current period.

(3) Accrued bonuses to directors

“Accrued bonuses to directors” is provided based on the estimated amount to be paid to directors after the balance sheet date for their services rendered during the current period.

(4) Reserve for scheduled repairs

“Reserve for scheduled repairs” is provided based on the estimated amount to be paid for the next periodic inspection of the facilities and estimated costs for repair work considering the service period until the next periodic inspection.

(5) Accrued retirement benefits for employees

Recognition of accrued retirement benefits for employees is based on actuarial valuation of projected benefit obligations and pension assets.

Past service cost is amortized on a straight-line basis over the average remaining service period of employees (13 years), from the year when it is incurred.

Actuarial gain/loss is amortized on a straight-line basis over the average remaining service period of employees (13 years), starting from the following year after incurred.

(6) Reserve for loss on debt guarantees

“Reserve for loss on debt guarantees” is provided based on the estimated value of losses that would accrue from a possible execution of loan guarantees for the Company’s subsidiaries and affiliates.

(7) Reserve for restructuring programs

“Reserve for restructuring programs” is reasonably estimated based on costs arising mainly from additional severance compensation program related to restructuring and restructuring of certain businesses.

(8) Reserve for loss on litigation

“Reserve for loss on litigation” is reasonably estimated based on costs arising from the litigation losses that are expected to occur in the future.

4. Accounting standards for revenue and expenses

Revenue is recognized based on the following five-step model.

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when the entity satisfies a performance obligation

The Company sells a range of products including architectural glass, automotive glass, glass substrates for displays, electronic materials, essential chemicals, performance chemicals, and life science products. For the sales of these products, revenue is

recognized upon delivery of these products as its performance obligation is satisfied when customers obtain control over these products at the time of delivery. For contract development and manufacturing services for biological active pharmaceutical ingredient (API), revenue is recognized according to the progress toward completion of the performance obligation. Progress is measured by the input method based on the costs incurred, etc. based on the costs incurred. Also, revenue is measured at the consideration promised in contracts with customers, less discounts, rebates, returned products, and other items.

5. Other significant matters regarding the preparation of financial statements

(1) Application of Japanese Group Relief System

The Company adopts Japanese Group Relief System.

(2) Amounts presented in financial statements

Amounts below one million yen are rounded down.

(3) Accounting for retirement benefits for employees

Accounting methods for unrecognized actuarial gains and losses and unrecognized prior service costs related to retirement benefits differ from those applied in the consolidated financial statements.

II. Notes to accounting estimates

Items for which the amount was recorded in the financial statements for the fiscal year ended December 31, 2025 based on accounting estimates, and which may have a significant impact on the financial statements for the following fiscal year, are as follows.

(1) Valuation of investments in and loans to subsidiaries and affiliates

Investments in subsidiaries and affiliates (stock)	309,900 million yen
----------------------------------------------------	---------------------

Investments in subsidiaries and affiliates (others)	159,649 million yen
-----------------------------------------------------	---------------------

The Company recognizes valuation losses on shares and investments in affiliates that do not have a market price when the real value has declined significantly. In the event of a deterioration in the business performance of an affiliate, the real value of the company may decline significantly, and a valuation loss may be incurred, which may have a significant impact on the amount of investments in subsidiaries and affiliated companies in the Company's financial statements for the following fiscal year.

Loans to subsidiaries and affiliates	158,349 million yen
--------------------------------------	---------------------

Loans to subsidiaries and affiliates are individually evaluated for collectability and the estimated uncollectible amount is recorded as allowance for doubtful accounts. In the event of a deterioration in the business performance of an affiliate, it may have a significant impact on the amount of loans to affiliated companies in the Company's financial statements for the following fiscal year.

(2) Impairment losses on tangible fixed assets

Tangible fixed assets	355,034 million yen
-----------------------	---------------------

Information on the content of accounting estimates is omitted, as the same content is provided in the notes to the consolidated financial statements.

III. Notes to the Balance Sheet

1. Accumulated depreciation on tangible fixed assets:	726,703 million yen
2. Commitments and contingent liabilities	
Guarantee of loans:	120,976 million yen
3. Monetary receivables from/payables to subsidiaries and affiliates	
Short-term receivables from subsidiaries and affiliates:	130,598 million yen
Long-term receivables from subsidiaries and affiliates:	97,214 million yen
Short-term payables to subsidiaries and affiliates:	205,444 million yen

IV. Notes to the Statement of Operation

1. Transaction with subsidiaries and affiliates	
Sales to subsidiaries and affiliates:	211,049 million yen
Purchases from subsidiaries and affiliates:	278,357 million yen
Non-operating transactions with subsidiaries and affiliates:	89,174 million yen

2. Gain on sale of properties

Information on gain on sale of properties is omitted, as the same content is provided in the notes to the consolidated financial statements.

3. Expenses for restructuring programs

The total amount of impairment losses included in expenses for restructuring programs is 2,518million yen.

V. Notes to the Statement of Changes in Net Assets

Type and number of treasury shares as of December 31, 2025:

Common stock:	5,383,659 shares
---------------	------------------

Note: The number of treasury shares at the end of the period includes 313,157 shares owned by the Board Incentive Plan (BIP) Trust.

VI. Notes to Tax Effect Accounting

Major components of deferred tax assets include loss on devaluation of investments in subsidiaries and affiliates, impairment losses, expenses for restructuring programs and accrued retirement benefits for employees. The major components of deferred tax liabilities are unrealized gains on securities, gains on establishment of trust for retirement benefits and reserve for tax purpose reduction entry of non-current assets.

The Company adopts Japanese Group Relief System. Accordingly, the accounting treatment of corporate and local income taxes and disclosure of related tax effect accounting are in accordance with the "Practical Solution on the Accounting and Disclosure Under Japanese Group Relief System of Accounting and Disclosure for Group Companies" (ASBJ Practical Solution No. 42, August 12, 2021).

VII. Related Party Transactions

(Unit: millions of yen)

Attribute	Company name	Voting right ratio held	Relationship with related party	Transaction	Transaction amount	Account item	Year-end balance
Subsidiary	AGC Electronics Co., Ltd.	Possession; Directly 100%	Manufacturing and sales of semiconductor processing materials and Optoelectronic materials	Lending (Note)	2,559	Short-term loans and Long-term loans	40,050
Subsidiary	AGC Biologics A/S.	Possession; Directly 100%	Contract development and manufacturing for biological active pharmaceutical ingredients (APIs)	Lending (Note)	14,360	Short-term loans and Long-term loans	45,160
Subsidiary	AGC Pharma Chemicals Europe,S.L.U.	Possession; Directly 100%	Contract development and manufacturing for synthetic pharmaceutical ingredients and intermediates	Lending (Note)	4,997	Short-term loans and Long-term loans	22,967
Subsidiary	AGC Display Glass (Shenzhen) Inc.	Possession; Directly 100%	Manufacturing and sales of LCD glass substrates	Borrowing (Note)	13,137	Short-term borrowings	24,819
Subsidiary	AGC Singapore Services Pte.Ltd.	Possession; Directly 100%	Procurement of funds and financing services for affiliates in Asia, and holding of shares in affiliates	Borrowing (Note)	24,110	Short-term borrowings	94,718

The Company uses deposits held by its subsidiaries at financial institutions as the Company's operating funds through the cash management services offered by financial institutions. The average balance is 13,520 million yen, and year-end balance is 15,705 million yen.

Note:

Interest rates on loans and borrowings are determined based on the market interest rates at the time of financing.

VIII. Notes to Revenue Recognition

The information that forms the basis for understanding revenues from contracts with customers is identical in the "Notes to Consolidated Financial Statements VI, Notes to the Revenues," and therefore, notes have been omitted.

IX. Notes to Per Share Information

1. Net assets per share 3,538.50 yen

Note: Upon calculating net assets per share, the number of treasury shares subtracted from the total number of issued shares at the end of the period includes the Company's stock owned by the BIP Trust (number of shares at the end of period: 313,157).

2. Net income per share 554.77 yen

Note: Upon calculating earnings per share, the number of treasury shares subtracted in computing the average number of shares outstanding includes the Company's stock owned by the BIP Trust (the average number of issued shares outstanding during the period: 315,299).

X. Notes to Significant Subsequent Events

There are no items to disclose.

Accounting Auditor's Audit Report COPY

Independent Auditor's Report

February 4, 2026

To the Board of Directors of AGC Inc.:

KPMG AZSA LLC
Tokyo Office, Japan

Noriaki Habuto
Designated Limited Liability
Partner
Engagement Partner
Certified Public Accountant

Tsutomu Ogawa
Designated Limited Liability
Partner
Engagement Partner
Certified Public Accountant

Takahiro Kajiwara
Designated Limited Liability
Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the financial statements, which comprise the balance sheet, the statement of operation, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules ("the financial statements and the accompanying supplementary schedules") of AGC Inc. ("the Company") as at December 31, 2025 and for the year from January 1, 2025 to December 31, 2025 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the accompanying supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally

accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, (including those that are relevant to audits of the financial statements of public interest entities), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board and its Members are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board and its Members for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary

schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board and its Members are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our objectives are to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the accompanying supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the accompanying supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going

concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the accompanying supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the financial statements and the accompanying supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the accompanying supplementary schedules, including the disclosures, and whether the financial statements and the accompanying supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board and its Members regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board and its Members with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

[Notes to the Reader of Independent Auditor's Report:]

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.]

Audit & Supervisory Board's Audit Report COPY

Audit & Supervisory Board's Audit Report

Concerning the performance of the duties by the Directors for the 101st business year from January 1, 2025, to December 31, 2025, the Audit & Supervisory Board has prepared this audit report upon deliberations based on the audit reports prepared by each Audit & Supervisory Board Member and reports as follows.

1. Auditing methods and their details by the Audit & Supervisory Board Members and Audit & Supervisory Board

- (1) The Audit & Supervisory Board formulated an audit policy, audit plan, etc., received reports from each Audit & Supervisory Board Member on the implementation status and results of audits, received reports from the Directors or others and the Accounting Auditor on the status of performance of their duties, and requested explanations from them as necessary.
- (2) In accordance with the Standards for Auditing established by the Audit & Supervisory Board, audit policy, audit plan, etc., each Audit & Supervisory Board Member sought to communicate with the Directors, internal audit divisions and other personnel; endeavored to gather information and to prepare the audit environment; and conducted audit through the following methods.
 - (a) Attend the Board of Directors meetings and other important meetings; receive reports from the Directors and personnel on the status of performance of their duties; request explanations as necessary; review important approval documents, etc.; and inspect the status of operations and assets at the head office and other main places of business. In addition, on the subsidiaries, seek communication and information exchange with the directors, audit & supervisory board members or others of the subsidiaries, receive reports from the subsidiaries on their business as necessary, and conduct inspections at some subsidiaries.
 - (b) On the contents of the resolution of the Board of Directors and the system prepared based on such resolution concerning the preparation of the system for ensuring that the performance of the duties by the Directors complies with the laws and regulations and the Articles of Incorporation and other systems necessary to ensure the proper operation of the corporate group comprising the Company and its subsidiaries (Internal Control Systems), receive reports from the Directors and other personnel regularly and verify on the status of their establishment and operation. On internal control over financial reporting, we received reports from the Directors or others and KPMG AZSA LLC on the evaluation and audit status of such internal control and requested explanations as necessary.
 - (c) Monitor and verify whether the Accounting Auditor maintained an independent standpoint and conducted audits properly; receive reports from the Accounting Auditor on the performance status of its duties and request explanations as necessary. Also receive from the Accounting Auditor notice to the effect that it prepares the "systems for ensuring that the performance of the duties by the Accounting Auditor is being carried out properly" (Article 131 of the Regulations on Corporate Accounting) and request explanations as necessary.

Based on the above methods, we reviewed on the business report and the annexed detailed statements thereof, non-consolidated financial statements (the balance sheets, the statements of operation, the statements of changes in net assets and the notes to the non-consolidated financial statements) and their supplementary schedules, and the consolidated financial statements (the consolidated statements of financial position, the consolidated statements of profit or loss, the consolidated statements of changes in equity and the notes to the consolidated financial statements which are, pursuant to the latter part of Article 120, Paragraph 1, of the Regulations on Corporate Accounting, prepared by omitting some disclosure items required by International Financial Reporting Standards) regarding this business year.

2.Result of the audit

(1) Audit result of the business report, etc.

- (a) We acknowledge that the business report and the annexed detailed statements thereof present the situation of the Company correctly in accordance with the laws and regulations and the Articles of Incorporation.
- (b) We acknowledge that there was no wrongful act or serious fact of violation of the laws and regulations or the Articles of Incorporation concerning the performance of the duties by the Directors.
- (c) We acknowledge that the contents of the resolution of the Board of Directors concerning the internal control system is appropriate. Furthermore, we also acknowledge that nothing needs to be pointed out on the contents stated in the business report concerning such internal control system and the performance of the duties by the Directors concerning such internal control system.

We received reports from the Directors or others and KPMG AZSA LLC stating that on the internal control over financial reporting, it is effective at the time of preparing this Audit & Supervisory Board's audit report.

(2) Audit result of the non-consolidated financial statements and their supplementary schedules

We acknowledge that the methods and results of the audit conducted by the Accounting Auditor, KPMG AZSA LLC, are appropriate.

(3) Audit result of the consolidated financial statements

We acknowledge that the methods and results of the audit conducted by the Accounting Auditor, KPMG AZSA LLC, are appropriate.

February 5, 2026

Audit & Supervisory Board

AGC Inc.

Isamu Kawashima, Full-time Audit & Supervisory Board Member [Seal] & Tatsuro Ishizuka, Audit & Supervisory Board Member [Seal]

Naoko Araki, Full-time Audit & Supervisory Board Member [Seal] & Haruka Matsuyama, Audit & Supervisory Board Member [Seal]

Note: Audit & Supervisory Board Members, Isamu Kawashima, Tatsuro Ishizuka and Haruka Matsuyama, are outside Audit & Supervisory Board Members prescribed in Article 2, Item 16, and Article 335, Paragraph 3, of the Companies Act.

[As stated first above, please note that this part as well as other parts of the translated English text is prepared for reference purposes only. In the event of any discrepancy between the original Japanese text and this translated English text, the original Japanese text shall prevail.]

END

Reference (Overview of Consolidated Statements of Cash Flows)

(Unit: millions of yen)

	100 th Term (From Jan. 1, 2024 To Dec. 31, 2024)	101 st Term (From Jan. 1, 2025 To Dec. 31, 2025)
Cash Flows from Operating Activities	284,815	274,476
Cash Flows from Investing Activities	(195,583)	(178,404)
Cash Flows from Financing Activities	(131,949)	(114,054)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	5,350	3,952
Net changes in cash and cash equivalents resulting from transfer to assets held for sale	(707)	712
Net Increase (Decrease) in Cash and Cash Equivalents	(38,073)	(13,316)
Cash and Cash Equivalents at Beginning of Year	146,061	107,988
Cash and Cash Equivalents at End of Year	107,988	94,671