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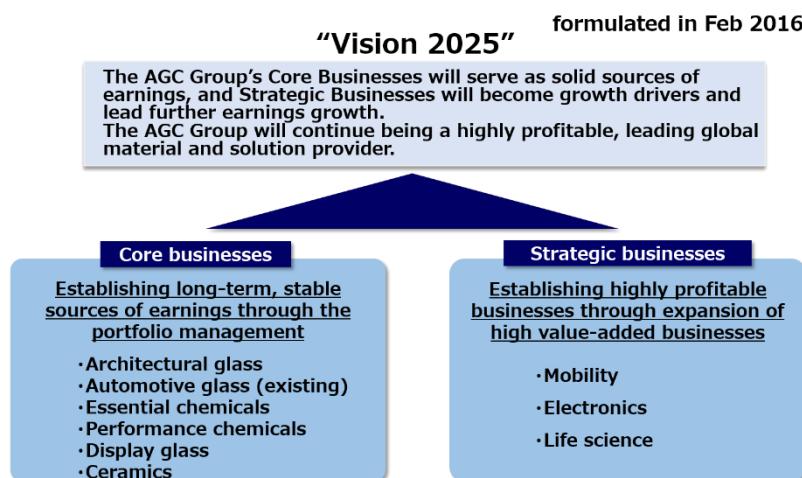
Progress in the Mid-term Management Plan and Initiatives to Drive Further Growth

AGC Inc. (Headquarters: Tokyo; President: Takuya Shimamura) hereby announces the progress in the AGC Group's mid-term management plan ***AGC plus-2020***, which it formulated in February 2018, as well as the initiatives to drive further growth.

1. Progress in AGC's mid-term management plan ***AGC plus-2020***

The Company established the AGC Group's "Vision 2025" and a long-term management strategy to achieve this goal as follows.

AGC Group's long-term strategy



We formulated ***AGC plus-2020*** in February 2018, positioning the three-year period from 2018 to 2020 as "a period for laying the foundation to achieve the Vision 2025" with the main management financial targets and key action items as follows.

Management financial targets

	FY2020 Target	FY2025 Target
Operating profit	160.0 billion yen or more	229.2 billion yen or more (record high)
ROE	8% or more	10% or more
Strategic business contribution ratio	25% or more	40% or more
D/E	0.5 or less	0.5 or less

Key action items

- Develop high-value added businesses that do not get affected by market fluctuations
- Promote growth strategies for strategic businesses
- Concentrate management resources in growth regions/where we can win
- Achieve sustainable growth through strategic M&As

In fiscal 2018, the initial year for the mid-term management plan ***AGC plus-2020***, as a result of each division conducting business operations in line with the key action items, the AGC Group achieved net sales of 1,522.9 billion Japanese yen, which is an increase from 1,463.5 billion Japanese yen in the previous year. Operating profit increased to 120.6 billion Japanese yen from 119.6 billion Japanese yen in the previous year, and the strategic business contribution ratio to operating profit increased to 17% from 10% in the previous year. Profit attributable to owners of the parent was 89.6 billion Japanese yen, which is an increase of 69.2 billion Japanese yen from the previous year due to such factors as the increase in operating profit as well as an improvement in other income and expenditure. ROE improved to 7.7% from 6.1% in the previous year.

In addition, the Group engaged in investment aimed at future growth, including significantly enhancing its supply system for EUV lithography photomask blanks in Japan, increasing PVC production capacity in Indonesia, and increasing production capacity for biopharmaceutical products in the United States and Japan, and decided to acquire the electronics business of US-based Park Electrochemical Corp. as well as Malgrat Pharm Chemicals, S.L.U. of Spain.

The AGC Group will continue to engage actively in investment aimed at achieving future growth in fiscal 2019, the second year of its mid-term management plan ***AGC plus-2020***.

Due to the increasing burden of depreciation from these investments as well as other factors, the margin of profit growth in fiscal 2019 will remain modest as in the previous year. However, as the investments that the AGC Group has decided on so far will start to make a full-scale contribution to profit in fiscal 2020, the Group believes that it will be able to achieve the management financial targets, including operating profit and ROE, set out in its mid-term management plan ***AGC plus-2020***.

Business segment	Major Investments and Timing for Appearance of Results
Glass	<p><u>Expand “earning power” in regions where we can win backed by stable markets</u></p> <p>【Architectural Glass】</p> <ul style="list-style-type: none"> • Improve productivity and fuel efficiency by renovating facilities in Europe (2020) • Start operations at new furnace in Brazil (2019) <p>【Automotive Glass】</p> <ul style="list-style-type: none"> • Start operations at new plant in Morocco (2019)
Electronics	<p><u>Significant growth in electronic materials business</u></p> <p>【Display Glass】</p> <ul style="list-style-type: none"> • Start operations at new G11 TFT-LCD glass facility in China (2019) <p>【Electronics Materials】</p> <ul style="list-style-type: none"> • Increase EUV lithographic photomask blank capacity in Japan (increase in stages from 2019)
Chemicals	<p><u>Significant growth in life science business</u></p> <p>【Chlor-alkali】</p> <ul style="list-style-type: none"> • Expand PVC production capacity in Indonesia (2021) <p>【Fluorine】</p> <ul style="list-style-type: none"> • Increase capacity for fluorine products in Japan (2021) <p>【Life Science】</p> <ul style="list-style-type: none"> • Increase capacity for GMP-compliant synthetic pharmaceuticals in Japan (2020) • Increase capacity for biopharmaceuticals in U.S. (2020)

2. Strategic Business initiatives to drive further growth

One of the key action items under the mid-term management plan **AGC plus-2020** sets out promoting growth strategies in Strategic Businesses (mobility, electronics, and life science).

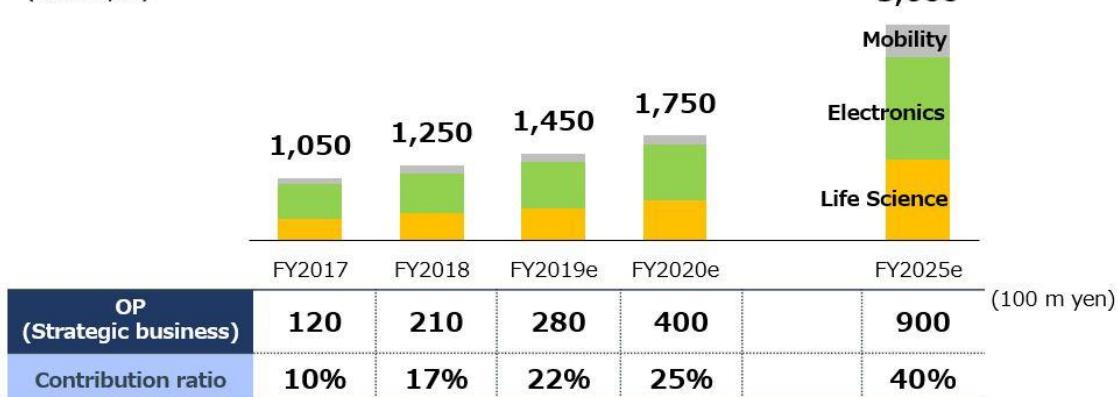
The main initiatives for the future in each of these businesses are as follows.

Mobility	Seize the environment and infrastructure changes surrounding transportation systems as opportunities <ul style="list-style-type: none"> • Further expand existing cover glass for car-mounted display business • Develop glass with diverse functions, including information display and sensors, and new products using electronics and chemicals technologies, to expand business
Electronics	<ul style="list-style-type: none"> • Continue to expand sales of optoelectronic materials • Expand sales of high-end consumables such as EUV lithography photomask blanks and CMP slurry in semiconductor-related components for which market expansion is expected • Sell materials and products for copper clad laminate (CCL), a printed substrate material, to expand business amid accelerating evolution of communications technology, such as 5G <p>Also leverage AGC's antenna technology and customer base to expand glass antenna business for 5G communication base stations and 5G car-mounted antenna business</p>
Life science	<p>Amid expectations of high growth in pharmaceuticals and agrochemicals markets;</p> <ul style="list-style-type: none"> • Leverage and strengthen global operating system built through M&As in both synthetic pharmaceuticals and biopharmaceuticals sectors • Explore new business opportunities in cell therapy and regenerative medicine sectors

By implementing the aforementioned strategies, the AGC Group aims to achieve the targets for the strategic business contribution ratio to operating profit set out in its mid-term management plan **AGC plus-2020** (fiscal 2020: 25%, fiscal 2025: 40%).

[Sales (Strategic business)]

(100 m yen)



The AGC Group will achieve sustainable growth and provide value for all stakeholders by implementing the strategies set out in its mid-term management plan **AGC plus-2020** and achieving the management financial targets.

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