

May 10, 2022
 Corporate Name: AGC Inc.
 (Code Number: 5201; TSE Prime Market)
 (URL: <https://www.agc.com/>)
 President & CEO: Yoshinori Hirai
 Contact: Chikako Ogawa, General Manager,
 Corporate Communications & Investor Relations Division
 (Tel: +81-3-3218-5603)

Consolidated Financial Results for the Three Months ended March 31, 2022 (IFRS basis)

(Figures are rounded down to the nearest million.)

1. Financial Results for the Three months ended March 31, 2022 (January 1 through March 31, 2022)

(1) Consolidated operating results

	For the Three months ended March 31, 2022		For the Three months ended March 31, 2021	
	Millions of yen	%	Millions of yen	%
Net sales	472,667	20.1	393,565	10.1
Operating profit	57,784	30.7	44,223	98.0
Profit before tax	54,354	23.1	44,152	176.9
Profit for the period	42,228	21.0	34,891	161.6
Profit for the period attributable to owners of the parent	30,545	6.0	28,804	112.8
Total comprehensive income for the period	117,498	19.2	98,613	-
Basic earnings per share (yen)	137.83		130.12	
Diluted earnings per share (yen)	137.40		129.61	

(2) Consolidated financial position

	FY2022 first quarter (as of March 31, 2022)	FY2021 (as of December 31, 2021)
Total assets (millions of yen)	2,821,193	2,666,031
Total equity (millions of yen)	1,561,908	1,481,380
Equity attributable to owners of the parent (millions of yen)	1,380,576	1,314,161
Equity attributable to owners of the parent ratio (%)	48.9	49.3

2. Dividends

(Unit: yen)

	FY2021	FY2022	FY2022 (forecast)
End of first quarter	-	-	-----
End of second quarter	80.00	-----	105.00
End of third quarter	-	-----	-
End of fiscal year	130.00	-----	105.00
Total	210.00	-----	210.00

Note: Revision of the dividends forecast from the latest official forecast: No

3. Forecast for FY2022 (January 1 through December 31, 2022)

	First half		Full year	
	Millions of yen	%	Millions of yen	%
Net sales	870,000	7.2	1,800,000	6.0
Operating profit	95,000	(0.2)	210,000	1.9
Profit before tax	-	-	197,000	(6.2)
Profit for the year	-	-	143,000	(10.1)
Profit for the year attributable to owners of the parent	-	-	115,000	(7.1)
Basic earnings per share (yen)	-	-	518.95	-

Note: Revision of the forecast for FY2022 consolidated operating results from the latest official forecast: No

The forecast for the six months ending June 30, 2022 consists of forecast net sales and operating profit only.

*Notes

(1) Changes in significant subsidiaries during the period: No

(2) Changes in Accounting Policies and Changes in Accounting Estimates

- i. Changes in accounting policies required by IFRS: Yes
- ii. Changes in accounting policies other than "i" above: No
- iii. Changes in accounting estimates: No

Note: For details, please refer to "1. Condensed Interim Consolidated Financial Statements (IFRS) (5) Notes to the Condensed Interim Consolidated Financial Statements, (Changes in Accounting Policies)" on page 10.

(3) Number of shares issued (common stock)

- i. Number of shares issued (including treasury stock) at the end of the period

-FY2022 first quarter (as of March 31, 2022):	227,441,381
-FY2021 (as of December 31, 2021):	227,441,381
- ii. Number of treasury stock at the end of the period

-FY2022 first quarter (as of March 31, 2022):	5,466,588
-FY2021 (as of December 31, 2021):	5,517,627
- iii. Average number of shares issued during the period

-For the three months ended March 31, 2022:	221,622,753
-For the three months ended March 31, 2021:	221,365,760

*This interim consolidated financial statement is outside the scope of quarterly review procedures.

*Appropriate Use of Forecast and Other Information and Other Matters

The above forecast is the assumptions of the Group's management on the basis of currently available information and, as such, contain risks and uncertainties. For this reason, investors are advised not to base investment decisions solely on these prospective results. Please note that actual results may materially differ from the projection due to such various factors as business and market environment the Group is active in, currency exchange rate fluctuations, and others.

*Supplementary Materials for the Quarterly Financial Results

Supplementary materials are available on our website.

(Attached Documents)

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1. Condensed Interim Consolidated Financial Statements (IFRS)

(1) Condensed Interim Consolidated Statements of Financial Position

(Unit: millions of yen)

	FY2021 (as of December 31, 2021)	FY2022 first quarter (as of March 31, 2022)
Assets		
Current assets		
Cash and cash equivalents	195,830	238,419
Trade receivables	295,161	314,097
Inventories	330,101	365,301
Other receivables	65,472	57,610
Income tax receivables	3,518	2,896
Other current assets	25,186	39,121
Total current assets	915,271	1,017,447
Non-current assets		
Property, plant and equipment	1,323,868	1,369,137
Goodwill	112,916	117,664
Intangible assets	69,913	73,601
Investments accounted for using equity method	31,197	33,519
Other financial assets	116,624	116,409
Deferred tax assets	27,611	27,422
Other non-current assets	68,628	65,990
Total non-current assets	1,750,759	1,803,745
Total assets	2,666,031	2,821,193
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	196,435	207,269
Short-term interest-bearing debt	36,820	59,919
Long-term interest-bearing debt due within one year	88,599	106,778
Other payables	199,169	213,628
Income tax payables	42,411	32,488
Provisions	1,207	1,453
Other current liabilities	34,764	40,856
Total current liabilities	599,408	662,394
Non-current liabilities		
Long-term interest-bearing debt	477,774	483,842
Deferred tax liabilities	35,814	34,731
Post-employment benefit liabilities	53,805	53,480
Provisions	12,064	17,834
Other non-current liabilities	5,782	7,002
Total non-current liabilities	585,241	596,891
Total liabilities	1,184,650	1,259,285
Equity		
Share capital	90,873	90,873
Capital surplus	81,621	81,026
Retained earnings	927,830	933,419
Treasury shares	(26,933)	(26,699)
Other components of equity	240,769	301,956
Total equity attributable to owners of the parent	1,314,161	1,380,576
Non-controlling interests	167,219	181,331
Total equity	1,481,380	1,561,908
Total liabilities and equity	2,666,031	2,821,193

(2) Condensed Interim Consolidated Statements of Profit or Loss and Consolidated Statements of Comprehensive Income

(Condensed Interim Consolidated Statements of Profit or Loss)

(Unit: millions of yen)

	For the three months ended March 31, 2021 (Jan. 1 through Mar. 31, 2021)	For the three months ended March 31, 2022 (Jan. 1 through Mar. 31, 2022)
Net sales	393,565	472,667
Cost of sales	(276,425)	(336,240)
Gross profit	117,139	136,426
Selling, general and administrative expenses	(73,597)	(79,273)
Share of profit (loss) of associates and joint ventures accounted for using equity method	682	631
Operating profit	44,223	57,784
Other income	5,028	3,858
Other expenses	(4,031)	(7,283)
Business profit	45,220	54,359
Finance income	923	1,590
Finance costs	(1,991)	(1,594)
Net finance costs	(1,068)	(4)
Profit before tax	44,152	54,354
Income tax expenses	(9,260)	(12,126)
Profit for the period	34,891	42,228
Attributable to:		
Owners of the parent	28,804	30,545
Non-controlling interests	6,087	11,683
Earnings per share		
Basic earnings per share (yen)	130.12	137.83
Diluted earnings per share (yen)	129.61	137.40

(Condensed Interim Consolidated Statements of Comprehensive Income)

(Unit: millions of yen)

	For the three months ended March 31, 2021 (Jan. 1 through Mar. 31, 2021)	For the three months ended March 31, 2022 (Jan. 1 through Mar. 31, 2022)
Profit for the period	34,891	42,228
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss, net of tax		
Remeasurement of the net defined benefit liability (asset)	5,271	(284)
Net gain (loss) on revaluation of financial assets measured at FVTOCI ^(Note)	8,767	3,840
Share of other comprehensive income of associates and joint ventures accounted for using equity method	2	2
Total	14,041	3,557
Components of other comprehensive income that may be reclassified to profit or loss, net of tax		
Net gain (loss) in fair value of cash flow hedges	382	4,433
Exchange differences on translation of foreign operations	49,297	67,278
Total	49,680	71,712
Other comprehensive income, net of tax	63,721	75,270
Total comprehensive income for the period	98,613	117,498
Attributable to:		
Owners of the parent	87,057	95,743
Non-controlling interests	11,555	21,755

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

(3) Condensed Interim Consolidated Statements of Changes in Equity
For the three months ended March 31, 2021

(Unit: millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurement of net defined benefit liability (asset)	Net gain (loss) on revaluation of financial assets measured at FVTOCI ^(Note)
Balance as of January 1, 2021	90,873	83,501	818,701	(28,170)	(31,203)	51,397
Changes in equity						
Comprehensive income						
Profit for the period	-	-	28,804	-	-	-
Other comprehensive income	-	-	-	-	5,315	8,766
Total comprehensive income for the period	-	-	28,804	-	5,315	8,766
Transactions with owners						
Dividends	-	-	(13,297)	-	-	-
Acquisition of treasury shares	-	-	-	(3)	-	-
Disposal of treasury shares	-	-	(84)	632	-	-
Changes in ownership interests in subsidiaries that do not result in loss of control	-	880	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	2,668	-	-	(2,668)
Share-based payment transactions	-	(424)	-	-	-	-
Others (business combinations and others)	-	(229)	-	-	-	-
Total transactions with owners	-	227	(10,714)	629	-	(2,668)
Balance as of March 31, 2021	90,873	83,728	836,792	(27,541)	(25,887)	57,495

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

For the three months ended March 31, 2021

(Unit: millions of yen)

	Equity attributable to owners of the parent			Total	Non-controlling interests	Total equity
	Other components of equity					
	Net gain (loss) in fair value of cash flow hedges	Exchange differences on translation of foreign operations	Total			
Balance as of January 1, 2021	439	129,602	150,236	1,115,142	127,897	1,243,039
Changes in equity						
Comprehensive income						
Profit for the period	-	-	-	28,804	6,087	34,891
Other comprehensive income	406	43,764	58,253	58,253	5,468	63,721
Total comprehensive income for the period	406	43,764	58,253	87,057	11,555	98,613
Transactions with owners						
Dividends	-	-	-	(13,297)	(2,022)	(15,320)
Acquisition of treasury shares	-	-	-	(3)	-	(3)
Disposal of treasury shares	-	-	-	548	-	548
Changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	880	(556)	324
Transfer from other components of equity to retained earnings	-	-	(2,668)	-	-	-
Share-based payment transactions	-	-	-	(424)	-	(424)
Others (business combinations and others)	-	-	-	(229)	-	(229)
Total transactions with owners	-	-	(2,668)	(12,525)	(2,579)	(15,104)
Balance as of March 31, 2021	846	173,366	205,821	1,189,674	136,873	1,326,548

For the three months ended March 31, 2022

(Unit: millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurement of net defined benefit liability (asset)	Net gain (loss) on revaluation of financial assets measured at FVTOCI ^(Note)
Balance as of January 1, 2022	90,873	81,621	927,830	(26,933)	(6,927)	43,896
Changes in equity						
Comprehensive income						
Profit for the period	-	-	30,545	-	-	-
Other comprehensive income	-	-	-	-	(200)	3,847
Total comprehensive income for the period	-	-	30,545	-	(200)	3,847
Transactions with owners						
Dividends	-	-	(28,850)	-	-	-
Acquisition of treasury shares	-	-	-	(6)	-	-
Disposal of treasury shares	-	-	(117)	239	-	-
Changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	4,011	-	-	(4,011)
Share-based payment transactions	-	(10)	-	-	-	-
Others (business combinations and others)	-	(585)	-	-	-	-
Total transactions with owners	-	(595)	(24,955)	233	-	(4,011)
Balance as of March 31, 2022	90,873	81,026	933,419	(26,699)	(7,127)	43,732

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

For the three months ended March 31, 2022

(Unit: millions of yen)

	Equity attributable to owners of the parent			Total	Non-controlling interests	Total equity
	Other components of equity		Total			
	Net gain (loss) in fair value of cash flow hedges	Exchange differences on translation of foreign operations				
Balance as of January 1, 2022	4,952	198,847	240,769	1,314,161	167,219	1,481,380
Changes in equity						
Comprehensive income						
Profit for the period	-	-	-	30,545	11,683	42,228
Other comprehensive income	4,193	57,358	65,198	65,198	10,072	75,270
Total comprehensive income for the period	4,193	57,358	65,198	95,743	21,755	117,498
Transactions with owners						
Dividends	-	-	-	(28,850)	(7,642)	(36,492)
Acquisition of treasury shares	-	-	-	(6)	-	(6)
Disposal of treasury shares	-	-	-	122	-	122
Changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	(4,011)	-	-	-
Share-based payment transactions	-	-	-	(10)	-	(10)
Others (business combinations and others)	-	-	-	(585)	-	(585)
Total transactions with owners	-	-	(4,011)	(29,328)	(7,642)	(36,971)
Balance as of March 31, 2022	9,146	256,205	301,956	1,380,576	181,331	1,561,908

(4) Condensed Interim Consolidated Statements of Cash Flows

(Unit: millions of yen)

	For the three months ended March 31, 2021 (Jan. 1 through Mar. 31, 2021)	For the three months ended March 31, 2022 (Jan. 1 through Mar. 31, 2022)
Cash flows from operating activities		
Profit before tax	44,152	54,354
Depreciation and amortization	38,633	42,731
Interest and dividend income	(745)	(840)
Interest expenses	1,704	1,489
Share of profit (loss) of associates and joint ventures accounted for using equity method	(682)	(631)
Loss (gain) on sale or disposal of non-current assets	2,050	726
Decrease (increase) in trade receivables	6,998	(6,359)
Decrease (increase) in inventories	(4,659)	(22,655)
Increase (decrease) in trade payables	(1,329)	2,373
Others	16,336	16,231
Subtotal	102,460	87,420
Interest and dividends received	745	854
Interest paid	(1,750)	(1,475)
Income taxes refund (paid)	(10,185)	(26,498)
Net cash from operating activities	91,270	60,301
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(49,844)	(40,667)
Proceeds from sale of property, plant and equipment	179	312
Purchase of other financial assets	(14,445)	(10,051)
Proceeds from sale and redemption of other financial assets	17,553	20,305
Others	(663)	(400)
Net cash from investing activities	(47,220)	(30,500)
Cash flows from financing activities		
Changes in short-term interest-bearing debt	5,307	19,465
Proceeds from borrowing or issuing long-term interest-bearing debt	18,160	26,365
Repayment or redemption of long-term interest-bearing debt	(23,070)	(17,502)
Payments for acquisition of subsidiary's interests from non- controlling interests	(890)	-
Acquisition of treasury shares	(3)	(6)
Dividends paid	(13,297)	(28,850)
Dividends paid to non-controlling interests	(2,022)	(286)
Others	29	20
Net cash from financing activities	(15,786)	(795)
Effect of exchange rate changes on cash and cash equivalents	5,026	13,582
Net increase (decrease) in cash and cash equivalents	33,289	42,588
Cash and cash equivalents at the beginning of the period	236,124	195,830
Cash and cash equivalents at the end of the period	269,414	238,419

(5) Notes to the Condensed Interim Consolidated Financial Statements

(Notes regarding assumption of a going concern)

Not applicable

(Changes in Accounting Policies)

The significant accounting policies adopted for the Group's Condensed Interim Consolidated Financial Statements are the same as those for the Consolidated Financial Statements for the fiscal year ended December 31, 2021, with the exception of the items described below.

The following are the accounting standards applied by the Group from fiscal year 2022, in compliance with each transitional provision. The effect of the application of the following standards on the Group's Condensed Interim Consolidated Financial Statements is immaterial.

IFRS	Title	Summaries of new IFRS and amendments
IAS 16 (amended in May 2020)	Property, Plant and Equipment	Property, Plant and Equipment - Proceeds before Intended Use
IAS 37 (amended in May 2020)	Provisions, Contingent Liabilities and Contingent Assets	Onerous Contracts - Cost of Fulfilling a Contract
IFRS 3 (amended in May 2020)	Business Combinations	Reference to the Conceptual Framework

"Operating profit" in the Group's Condensed Interim 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.

The Group calculated income tax expenses for the three months ended March 31, 2022, based on the estimated average annual effective tax rate.

(Changes in Accounting Estimates)

In preparing the Group's Condensed Interim Consolidated Financial Statements, judgments, estimates and assumptions are made that affect the reported amounts of assets, liabilities, income and expenses. Therefore accounting estimates could differ from actual results.

Estimates and assumptions that have a significant effect on the amounts recognized in the Group's condensed interim consolidated financial statements are in principle the same as the preceding fiscal year.

Estimates and their assumptions are reviewed continuously. The effect of reviewing estimates and assumptions are recognized in the period in which those estimates and assumptions were reviewed and in future periods.

(Segment Information)

The Group's reportable segments are components of the Group for which discrete financial information is available, and whose operating results are reviewed regularly by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess performance.

The Group had five in-house companies by product and service: Architectural Glass Europe & Americas, Architectural Glass Asia Pacific, Automotive, Electronics and Chemicals. Each in-house company operates worldwide, formulating comprehensive domestic and overseas strategies for its products and services. (The Group has divided Building & Industrial Glass Company into Architectural Glass Europe & Americas Company and Architectural Glass Asia Pacific Company on July 1st 2021)

Architectural Glass Europe & Americas, Architectural Glass Asia Pacific and Automotive share the same float glass manufacturing facilities (glass melting furnace) etc., which are the largest assets and situated the highest upstream in the supply chain. The three in-house companies share assets and liabilities, and ratio of utilization is influenced by fluctuations of demand and supply. Considering these situations, it is difficult to divide financial statements for the three in-house companies. Therefore, the Group prepares the financial statements of Architectural Glass Europe & Americas, Architectural Glass Asia Pacific and Automotive as the Glass segment. In addition, decisions on assigning management resources are closely tied to the results of each business and inseparable from their performance evaluation. Therefore, with the participation of presidents of three in-house companies, the Group has established a "Glass Segment Council," which primarily functions to maintain synergies and maximize overall production in the Glass segment, and collaborates to maximize profits for the Group. Based on these circumstances, the Group reports the Glass segment as one.

Thus, the Group has three reportable segments: Glass, Electronics, and Chemicals.

Due to a change of corporate structure, the Company amended the reportable segment of cover glass for car-mounted displays from the "Electronics" and "Glass" segment to the "Glass" segment in FY2022.

Segment information in FY2021 is based on the classification of reportable segments in FY2022.

The main products of each reportable segment are as follows.

Reportable segment	Main products
Glass	Float flat glass, Figured glass, Polished wired glass, Low-E glass, Decorative glass, Fabricated glass for architectural use (Heat Insulating/shielding glass, Disaster-resistant/Security glass, Fire-resistant glass, etc.), Automotive glass, Cover glass for car-mounted displays, etc.
Electronics	LCD glass substrates, OLED glass substrates, Specialty glass for display applications, Display related materials, Glass for solar power system, Fabricated glass for industrial use, Semiconductor process materials, Optoelectronics materials, Printed circuit board materials, Lighting glass products, Laboratory use ware, etc.
Chemicals	Polyvinyl chloride, Vinyl chloride monomer, Caustic soda, Urethane, Fluorinated resins, Water and oil repellents, Gases, Solvents, Pharmaceutical and agrochemical intermediates and active ingredients, Biotechnological products, Iodine-related products, etc.

For the three months ended March 31, 2021 (January 1 through March 31, 2021)

(Unit: millions of yen)

	Reportable segments			Ceramics/ Other	Total	Adjustments	Amount reported on condensed interim consolidated statements of profit or loss
	Glass	Electronics	Chemicals				
Sales to external customers	179,904	69,108	137,002	7,549	393,565	-	393,565
Inter-segment sales or transfers	659	418	307	10,075	11,461	(11,461)	-
Total sales	180,564	69,527	137,309	17,624	405,026	(11,461)	393,565
Segment profit (loss) (Operating profit)	9,516	8,726	25,478	394	44,114	108	44,223
Profit for the period	-	-	-	-	-	-	34,891

The amounts of inter-segment sales or transfers are primarily based on market prices and manufacturing cost. “Ceramics/Other” mainly handles ceramics products, logistics and financial services.

For the three months ended March 31, 2022 (January 1 through March 31, 2022)

(Unit: millions of yen)

	Reportable segments			Ceramics/ Other	Total	Adjustments	Amount reported on condensed interim consolidated statements of profit or loss
	Glass	Electronics	Chemicals				
Sales to external customers	197,320	75,406	191,819	8,121	472,667	-	472,667
Inter-segment sales or transfers	304	547	362	11,741	12,955	(12,955)	-
Total sales	197,624	75,953	192,181	19,863	485,623	(12,955)	472,667
Segment profit (loss) (Operating profit)	3,962	7,987	45,164	847	57,962	(177)	57,784
Profit for the period	-	-	-	-	-	-	42,228

The amounts of inter-segment sales or transfers are primarily based on market prices and manufacturing cost. “Ceramics/Other” mainly handles ceramics products, logistics and financial services.

(Notes to Other Income and Other Expenses)

Other Income

(Unit: millions of yen)

	For the three months ended March 31, 2021 (Jan. 1 through Mar. 31, 2021)	For the three months ended March 31, 2022 (Jan. 1 through Mar. 31, 2022)
Foreign exchange gain	2,970	3,213
Others	2,058	644
Total	5,028	3,858

Other Expenses

(Unit: millions of yen)

	For the three months ended March 31, 2021 (Jan. 1 through Mar. 31, 2021)	For the three months ended March 31, 2022 (Jan. 1 through Mar. 31, 2022)
Losses on disposal of non-current assets	(2,142)	(753)
Expenses for restructuring programs	(1,194)	(6,164)
Others	(694)	(366)
Total	(4,031)	(7,283)

The total amount of impairment losses included in expenses for restructuring programs was no amount and ¥908 million during the ended March 31, 2021 and 2022 respectively.

(Notes on Significant Subsequent Events)

No items to report