

February 8, 2023

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 (Code Number: 5201; TSE Prime Market)
 (URL: <https://www.agc.com/>)
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Consolidated Financial Results for the Fiscal Year ended December 31, 2022 (IFRS basis)

(Figures are rounded down to the nearest million.)

1. Financial Results for FY2022 (January 1 through December 31, 2022)

(1) Consolidated operating results

(Percentage figures show year-on-year changes.)

	FY2022 (Jan. through Dec. 2022)		FY2021 (Jan. through Dec. 2021)	
	Millions of yen	%	Millions of yen	%
Net sales	2,035,874	19.9	1,697,383	20.2
Operating profit	183,942	(10.8)	206,168	172.1
Profit before tax	58,512	(72.1)	210,045	267.7
Profit for the year	22,505	(85.9)	159,062	286.4
Profit for the year attributable to owners of the parent	(3,152)	-	123,840	278.5
Total comprehensive income for the year	159,881	(41.9)	275,401	-
Basic earnings per share (yen)	(14.22)		559.11	
Diluted earnings per share (yen)	(14.22)		557.10	
Profit ratio to equity attributable to owners of the parent (%)	(0.2)		10.2	
Ratio of profit before tax to total assets (%)	2.1		8.1	
Ratio of operating profit to net sales (%)	9.0		12.1	

Reference: Share of profit of associates and joint ventures accounted for using equity method -FY2022; 1,236million yen -FY2021; 2,292million yen

(2) Consolidated financial position

	FY2022 (as of December 31, 2022)	FY2021 (as of December 31, 2021)
Total assets (millions of yen)	2,814,029	2,666,031
Total equity (millions of yen)	1,585,590	1,481,380
Equity attributable to owners of the parent (millions of yen)	1,390,254	1,314,161
Equity attributable to owners of the parent ratio (%)	49.4	49.3
Equity attributable to owners of the parent per share (yen)	6,271.35	5,930.27

(3) Consolidated cash flows

	FY2022 (Jan. through Dec. 2022)	FY2021 (Jan. through Dec. 2021)
Cash flows from operating activities (millions of yen)	217,146	326,713
Cash flows from investing activities (millions of yen)	(145,312)	(123,787)
Cash flows from financing activities (millions of yen)	(78,206)	(252,259)
Cash and cash equivalents at the end of the year (millions of yen)	209,716	195,830

2. Dividends

	(Base date)	FY2021	FY2022	FY2023(forecast)
Dividend per share	End of first quarter (yen)	-	-	-
	End of second quarter (yen)	80.00	105.00	105.00
	End of third quarter (yen)	-	-	-
	End of fiscal year (yen)	130.00	105.00	105.00
	Total (yen)	210.00	210.00	210.00
Total dividend distribution (full fiscal year) (millions of yen)		46,597	46,628	-
Payout ratio (consolidated) (%)		37.6	-	53.5
Ratio of dividend distribution to equity attributable to owners of the parent (consolidated) (%)		3.8	3.4	-

3. Forecast for FY2023 (January 1 through December 31, 2023)

(Percentage figures show year-on-year changes.)

	First half		Full fiscal year	
	Millions of yen	%	Millions of yen	%
Net sales	1,030,000	5.3	2,150,000	5.6
Operating profit	75,000	(35.0)	190,000	3.3
Profit before tax	-	-	147,000	151.2
Profit for the year	-	-	107,000	375.4
Profit for the year attributable to owners of the parent	-	-	87,000	-
Basic earnings per share (yen)	-	-	392.45	-

(Note) The forecast for the six months ending June 30, 2023 consists of net sales and operating profit only.

***Notes**

(1) Changes in significant subsidiaries during the period

(Changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New:	1	(Company name: AGC Vinythai Public Company Limited)
Exclusion:	1	(Company name: Vinythai Public Company Limited)

(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: Yes

(Note) For details, please refer to "(6) Notes to the Consolidated Financial Statements, 2) Changes in Accounting Policies 4) Changes in Accounting Estimates" on page 16.

(3) Number of Shares Issued (ordinary stock)

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

-FY2022 (as of December 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 (as of December 31, 2022):	5,383,924
-FY2021 (as of December 31, 2021):	5,517,627

iii. Average number of shares issued during the period

-FY2022 (Jan. through Dec. 2022):	221,647,536
-FY2021 (Jan. through Dec. 2021):	221,496,884

[Reference]

(1) Non-Consolidated Operating Results

(Percentage figures show year-on-year changes.)

	FY2022 (Jan. through Dec. 2022)		FY2021 (Jan. through Dec. 2021)	
	Millions of yen	%	Millions of yen	%
Net sales	631,791	11.5	566,777	12.2
Operating income	33,354	25.6	26,555	-
Ordinary income	103,783	(16.3)	124,006	199.9
Net income	46,693	(60.2)	117,246	-
Net income per share -basic (yen)	210.66		529.34	
Net income per share -fully diluted (yen)	210.07		527.43	

(Note) Net income per share-fully diluted(yen) for FY2020 is not shown because the Company posted a net loss per share.

(2) Non-Consolidated Financial Position

	FY2022 (as of December 31, 2022)	FY2021 (as of December 31, 2021)
Total assets (millions of yen)	1,339,262	1,363,848
Total net assets (millions of yen)	738,806	757,892
Equity ratio (%)	55.1	55.5
Equity per share (yen)	3,327.03	3,413.15

Reference: Total Shareholders' Equity at -FY2022; 737,548million yen
-FY2021; 756,360 million yen

*This consolidated financial statement is outside the scope of annual audit procedure.

*Appropriate Use of Forecast and Other Information and Other Matters

(Notes with regard to the forecast)

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. For matters concerning the above forecast, please see page 7.

(Supplementary Materials for the Financial Results)

Supplementary materials (Financial Results for FY2022) will be published on TD-net for viewing in Japan, and on our Website.

(Attached Documents)

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Qualitative Information and Financial Statements

1. Operating Results

(1) Analysis of Operating Results

Operating results for FY2022

The AGC Group formulated the long-term management strategy “Vision 2030” in February 2021. Under the strategy, the Group aims to create sustainable economic and social value by transforming our “core businesses”, which form a solid and long-term stable earnings base, and “strategic businesses”, which are high-growth fields, to optimal business portfolios playing an integral role. To ensure the realization of the long-term management strategy Vision 2030, the Group formulated a medium-term management plan **AGC plus-2023** for the period from January 1, 2021 to December 31, 2023. The key strategies under the plan are further pursuit of ambidextrous management to deepen core businesses and explore strategic businesses, promotion of sustainability management, and gaining competitiveness by accelerating digital transformation.

During the fiscal year ended December 31, 2022 (January 1, 2022 to December 31, 2022), in strategic businesses the AGC Group decided to increase the production capacity of photomask blanks for EUV exposure in Japan, and also decided to increase the production capacity of synthetic drug CDMO at its site in Spain and gene and cell therapy CDMO at its base in the United States. In core businesses, the Group decided to strengthen the chlor-alkali business base in Southeast Asia by consolidating and reorganizing the three chlor-alkali businesses on the Indochina Peninsula and increase production capacity in Thailand. At the same time, the Group completed its withdrawal from the North American architectural glass business by transferring its shares in Solvay Soda Ash Joint Venture and Solvay Soda Ash Extension Joint Venture, both of which are U.S. manufacturers and distributors of soda ash. In addition, the Group’s business portfolio is being steadily transformed into an optimal one by deciding to sell the Group’s stake in Chinese subsidiary, AGC Flat Glass (Dalian) Inc., among other measures.

During the fiscal year ended December 31, 2022, the global economy surrounding the AGC Group continued to see a resumption in economic activities as movement and other restrictions caused by the COVID-19 pandemic were eased in many countries. However, the growth rate of the global economy slowed due to the impact of rising energy prices caused by the situation in Russia and Ukraine, global monetary tightening aimed at curbing inflation, and suppression of economic activity due to the re-spread of COVID-19 in China.

In this business environment, in strategic businesses, the performance of life science products and electronics products expanded steadily. In core businesses, the market for chlor-alkali and urethane, including caustic soda, was strong in the first half of the fiscal year. In architectural glass, sales prices rose mainly in Europe. In the automotive glass business, automobile production recovered moderately due to the easing of the impact from the shortage of parts supplies, mainly semiconductors, and AGC Group’s shipments also rose. Furthermore, sales prices rose mainly in Europe. In fluorine and specialty products, shipments of fluorine-related products increased, mainly for semiconductor-related applications. On the other hand, shipments of glass for displays decreased, but sales increased in core businesses as a whole.

As a result, net sales amounted to 2035.9 billion yen, up 338.5 billion yen, or a 19.9% increase, from the previous fiscal year partly due to the impact of foreign exchange rates. Operating profit decreased by 22.2 billion yen, or a 10.8% decrease, to 183.9 billion yen due to higher prices for raw materials, fuel, and electric power in all businesses, as well as a significant decrease in demand for LCD glass substrates. Profit before tax decreased by 151.5 billion yen, or a 72.1% decrease, to 58.5 billion yen due to impairment losses in the display business, printed circuit board materials business, architectural and automotive glass business in Russia, and the automotive glass business in Europe (excluding Russia). Profit for the year attributable to owners of the parent decreased by 127.0 billion yen to a loss of 3.2 billion yen.

Overview by reportable segment

(Unit: billions of yen)

	Net sales		Operating profit	
	FY2022	FY2021	FY2022	FY2021
Glass	901.5	734.3	22.9	27.3
Electronics	307.2	305.0	14.7	36.8
Chemicals	795.2	630.8	142.9	138.8
Ceramics/Other	86.6	79.4	3.7	3.5

	Net sales		Operating profit	
	FY2022	FY2021	FY2022	FY2021
Corporate or elimination	(54.7)	(52.0)	(0.3)	(0.2)
Total	2035.9	1697.4	183.9	206.2

Note: Figures are rounded to the nearest 100 million yen.

- Glass

In the category of architectural glass, shipments increased in Japan and Asia regions as demand recovered, but declined in Europe and South America, which were affected by the economic slowdown. Sales prices rose in all regions, mainly in Europe, on the back of high prices of raw materials and fuel. Although the Group transferred the architectural glass business in North America in August 2021, in addition to the above revenue increase factors, the impact of foreign exchange rates also contributed to the increase, and sales of architectural glass increased compared to the previous fiscal year. In the automotive glass business, automobile production recovered moderately due to the easing of the impact from the shortage of parts supplies, mainly semiconductors, and AGC Group's shipments also rose. Sales increased from the previous fiscal year due to higher sales prices mainly in Europe and the impact of foreign exchange rates.

As a result, net sales from Glass Operations for the fiscal year were 901.5 billion yen, up 167.3 billion yen, or a 22.8% increase, from the previous fiscal year. Operating profit decreased by 4.4 billion yen, or a 16.2% decrease, from the previous fiscal year to 22.9 billion yen due to the impact of higher natural gas prices in Europe.

- Electronics

Demand for LCD glass substrates decreased more than expected from the second half of the fiscal year. Sales decreased significantly from the previous fiscal year due to a decrease in shipments of special glass for displays. Sales of electronics materials increased from the previous fiscal year due to firm shipments of optoelectronics materials and semiconductor-related products, as well as the impact of foreign exchange rates.

As a result, net sales from Electronics Operations for the fiscal year were 307.2 billion yen, up 2.2 billion yen, or a 0.7% increase, from the previous fiscal year. Operating profit was 14.7 billion yen, down 22.1 billion, or a 60.1% decrease from the previous fiscal year, owing to a significant decrease in demand for glass substrates for LCDs, an increase in depreciation costs associated with the start-up of new facilities, and high raw material and fuel costs, despite the foregoing factors underlying the increase in sales.

- Chemicals

Sales of chlor-alkali and urethane increased from the previous fiscal year due to strong market conditions for caustic soda and the impact of foreign exchange rates. In fluorine and specialty chemicals, sales increased from the previous fiscal year due to a large increase in shipments of fluorine-related products, mainly for semiconductor-related application. In the life science category, sales increased from the previous fiscal year due to an increase in contracts for synthetic pharmaceuticals, agrochemicals, and biopharmaceuticals.

As a result, net sales from Chemical Products for the fiscal year were 795.2 billion yen, up 164.4 billion yen, or a 26.1% increase, from the previous fiscal year. Operating profit increased by 4.2 billion yen, or a 3.0% increase, from the previous fiscal year to 142.9 billion yen.

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, Optoelectronic 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.

In addition to the above products, the AGC Group also handles ceramics products, logistics/financial services, etc.

Due to a change of corporate structure, the Company amended the reportable segment of cover glass for carmounted 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.

(2) Qualitative Information Regarding Consolidated Financial Position

Overview of financial conditions

(Unit: billions of yen)

	FY2022	FY2021	Change
Total assets	2,814.0	2,666.0	148.0
Total liabilities	1,228.4	1,184.7	43.8
Total equity	1,585.6	1,481.4	104.2

Note: Figures are rounded to the nearest 100 million yen.

- Total assets

Total assets as of the end of the fiscal year under review were 2,814.0 billion yen, up 148.0 billion yen from the end of the previous fiscal year. This increase was mainly due to an increase in inventories.

- Total liabilities

Total liabilities as of the end of the fiscal year under review were 1,228.4 billion yen, up 43.8 billion yen from the end of the previous fiscal year. This increase was mainly due to an increase in interest-bearing debt.

- Total equity

Total equity as of the end of the fiscal year under review was 1,585.6 billion yen, up 104.2 billion yen from the end of the previous fiscal year. This increase was mainly due to an increase in exchange differences on translation of foreign operations affected by the depreciation of the yen compared to the end of the previous fiscal year.

Overview of cash flows

(Unit: billions of yen)

	FY2022	FY2021	Change
Cash flows from operating activities	217.1	326.7	(109.6)
Cash flows from investing activities	(145.3)	(123.8)	(21.5)
Cash flows from financing activities	(78.2)	(252.3)	174.1
Cash & cash equivalents as of end of period	209.7	195.8	13.9

Note: Figures are rounded to the nearest 100 million yen.

The free cash flow for the fiscal year under review, which is the sum of cash flows from operating activities and investing activities, was 71.8 billion yen (positive 202.9 billion yen in the previous year) mainly due to profit before tax and proceeds from sale of other financial assets. On the other hand, there were repayment of interest-bearing debt and payment of dividends in cash flows from financing activities. Cash & cash equivalents as of the end of the period (net cash) increased 13.9 billion yen or 7.1% from the end of the previous year to 209.7 billion yen.

- Cash flows from operating activities

Net cash from operating activities for the fiscal year under review was 217.1 billion yen, down 109.6 billion yen or 33.5% from the previous year.

- Cash flows from investing activities

Net cash used in investing activities for the fiscal year under review was 145.3 billion yen, up 21.5 billion yen or 17.4% from the previous year. This expenditure was mainly due to purchase of property, plant and equipment.

- Cash flows from financing activities

Net cash used in financing activities for the fiscal year under review was 78.2 billion yen, down 174.1 billion yen or 69.0% from the previous year. This expenditure was mainly due to repayment of interest-bearing debt and payment of dividends.

- Cash flow indices

	FY2021	FY2022
Equity attributable to owners of the parent ratio (%)	49.3	49.4
Equity attributable to owners of the parent ratio based on market value (%)	45.7	34.7
Number of years for debt redemption	1.8	3.0
Interest coverage ratio	49.7	25.4

(Notes) Equity attributable to owners of the parent ratio (%): Total equity attributable to owners of the parent / Total Assets

Equity attributable to owners of the parent ratio based on market value (%): Total market capitalization / Total Assets

Number of years for debt redemption: Interest-bearing debts/operating cash flows

Interest coverage ratio: Operating cash flows/interest payment

- All indices were computed using consolidated financial figures.
- Total market capitalization was computed based on the closing stock price at period-end multiplied by number of outstanding shares at period-end (after deducting treasury shares).
- Operating cash flows represent cash flows from operating activities on the consolidated statements of cash flows.
- Interest-bearing debts represent all debts on the consolidated financial position for which interest is paid. In addition, interest payment represents amount of interest paid on the consolidated statements of cash flows.

(3) Forecast for FY2023

Operating forecast for FY2023

(Unit: billions of yen)

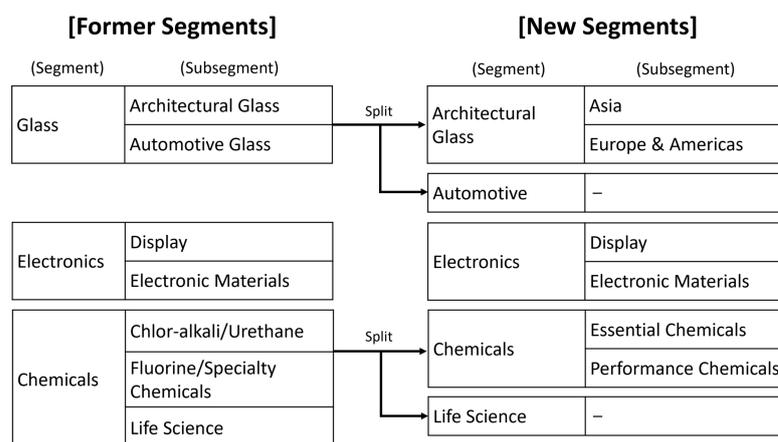
	Net Sales	Operating profit	Profit before tax	Profit for the year	Profit for the year attributable to owners of the parent
FY 2023 (January 1 through December 31, 2023)	2,150.0	190.0	147.0	107.0	87.0
FY 2022 (January 1 through December 31, 2022)	2,035.9	183.9	58.5	22.5	(3.2)
Change (%)	5.6	3.3	151.2	375.4	-

Note: Figures are rounded to the nearest 100 million yen.

Global economic growth rate in 2023 is expected to slow compared to 2022. There is a need to carefully monitor the risks of recession, such as rising global inflation, prolonged monetary tightening, and worsening of the situation in Russia and Ukraine.

In such an environment, the outlook for each business is as follows.

The segments will be changed as follows from fiscal 2023.



- Architectural Glass

In the category of architectural glass, although inflation and economic slowdown are expected to be a concern in Europe, demand for replacement with highly insulating glass for energy reduction is expected to support the Group's shipments. In Japan and Asia regions, the Group's shipments are expected to increase due to increased demand for highly insulating and thermal glass.

- Automotive

In the automotive category, automobile production will recover moderately due to the easing of the impact from the shortage of parts supplies, mainly semiconductors, and the Group's shipments are also expected to recover. In addition, the Group expects to see the effects of the pricing policies it has been working on.

- Electronics

In the category of display glass products, revenue from LCD glass substrates are expected to improve due to a recovery in demand for LCD panels and a decrease in depreciation and amortization expenses, in addition to the implementation of structural reform measures. In specialty glass for displays, although demand for smartphones is expected to slow, orders from major customers are expected to grow and shipments are expected to increase. In the category of electronics materials, shipments of optoelectronics materials are expected to level off due to the slowdown in the smartphone market, while shipments of semiconductor-related products, mainly mask blanks for EUV exposure, are expected to remain steady. Shipments of printed circuit board materials are expected to increase, due to expansion of communications infrastructure and automotive demand in the second half of the year, despite concerns about the continued impact of U.S.-China trade friction and other factors.

- Chemicals

Essential chemicals market prices are expected to bottom out at the end of last year and recover moderately, but are expected to be below the level of the previous year for the full year. The Group's shipments of performance chemicals are expected to increase as shipments of fluorine-related products for use in semiconductors and automobiles remain steady.

- Life Science

Shipments of life science products are expected to increase from the previous fiscal year owing to an increase in the number of contracts for both synthetic agrochemicals and pharmaceuticals and biopharmaceuticals.

Taking into account the above factors, net sales of the AGC Group for the fiscal year ending December 31, 2023 are forecasted to be 2,150.0 billion yen, up 114.1 billion yen, or a 5.6% increase from the previous fiscal year, and operating profit is forecasted to be 190.0 billion yen, up 6.1 billion yen, or a 3.3% increase from the previous fiscal year. Profit before tax will be 147.0 billion yen, up 88.5 billion yen, or a 151.2% increase from the previous fiscal year, and profit for the year attributable to owners of the parent is estimated to be 87.0 billion yen, up 90.2 billion yen increase from the previous fiscal year. The average exchange rates assumed for the fiscal year ending December 31, 2023 are 125 yen to the U.S. dollar and 135 yen to the Euro.

Forecast of financial conditions for FY2023

Regarding cash flows from operating activities, profit before tax is expected to increase by 88.5 billion yen to 147.0 billion

yen as compared with that for the fiscal year ended December 31, 2022. Depreciation expenses are expected to be 188.0 billion yen, up 2.4 billion yen from the previous fiscal year.

Of the cash flows from investing activities, capital expenditures are expected to increase 63.4 billion yen year-on-year to 300.0 billion yen.

As for financing activities, the AGC Group will repay and borrow interest-bearing debts and increase borrowings, in addition to dividend payments in accordance with the Group's dividend policy.

(4) Allocation and Distribution of Profits and Dividends

While maintaining financial soundness, the AGC Group will prioritize the use of cash generated from core businesses for capital investment in strategic businesses and other areas necessary for future growth, M&A, and R&D. With regards to the return of profit to shareholders, the Company will maintain stable dividends with a target consolidated dividend payout ratio of 40% while comprehensively considering such factors as consolidated business performance in the fiscal year under review and future demand for funds. In addition, the Company implements flexible acquisition of treasury shares as a shareholder return policy that contributes to enhancing capital efficiency.

In consideration of the AGC Group's financial results for the fiscal year under review, the business environment and the outlook for future operations and other factors, the Company paid an interim dividend of 105 yen per share and plans to pay a year-end dividend of 105 yen for FY 2022.

With regard to dividend payments for the fiscal year ending December 31, 2023, the total full year dividend payout is scheduled to be 105 yen per share for interim dividend, and 105 yen per share for year-end dividend in light of the AGC Group's financial forecasts.

[Important notes with regard to the forecast]

The above prospective results reflect the judgment of the Group's management on the basis of currently available information and, as such, contain risks and uncertainties. For this reason, investors are recommended 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.

2. Basic Policy for adopting Accounting Standards

The AGC Group adopted International Financial Reporting Standards (IFRS) for its consolidated financial statements, starting with the annual financial statements for the fiscal year ending December 31, 2013, with the aim of increasing international comparability of financial information, offering greater convenience for domestic or foreign investors and enhancing the efficiency of the Group's management.

3. Consolidated Financial Statements (IFRS)

(1) Consolidated Statements of Financial Position

(Unit: millions of yen)

	FY2021 (as of December 31, 2021)	FY2022 (as of December 31, 2022)
Assets		
Current assets		
Cash and cash equivalents	195,830	209,716
Trade receivables	295,161	315,808
Inventories	330,101	436,516
Other receivables	65,472	60,614
Income tax receivables	3,518	5,094
Other current assets	25,186	35,260
Total current assets	915,271	1,063,009
Non-current assets		
Property, plant and equipment	1,323,868	1,350,769
Goodwill	112,916	92,768
Intangible assets	69,913	71,290
Investments accounted for using equity method	31,197	24,609
Other financial assets	116,624	94,075
Deferred tax assets	27,611	40,778
Other non-current assets	68,628	76,728
Total non-current assets	1,750,759	1,751,019
Total assets	2,666,031	2,814,029
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	196,435	214,332
Short-term interest-bearing debt	36,820	69,750
Long-term interest-bearing debt due within one year	88,599	122,254
Other payables	199,169	211,855
Income tax payables	42,411	27,283
Provisions	1,207	1,310
Other current liabilities	34,764	23,211
Total current liabilities	599,408	669,999
Non-current liabilities		
Long-term interest-bearing debt	477,774	458,237
Deferred tax liabilities	35,814	28,851
Post-employment benefit liabilities	53,805	45,578
Provisions	12,064	17,783
Other non-current liabilities	5,782	7,989
Total non-current liabilities	585,241	558,439
Total liabilities	1,184,650	1,228,439
Equity		
Share capital	90,873	90,873
Capital surplus	81,621	97,094
Retained earnings	927,830	889,827
Treasury shares	(26,933)	(26,586)
Other components of equity	240,769	339,046
Total equity attributable to owners of the parent	1,314,161	1,390,254
Non-controlling interests	167,219	195,335
Total equity	1,481,380	1,585,590
Total liabilities and equity	2,666,031	2,814,029

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

(Unit: millions of yen)

	FY2021 (Jan. 1 through Dec. 31, 2021)	FY2022 (Jan. 1 through Dec. 31, 2022)
Net sales	1,697,383	2,035,874
Cost of sales	(1,184,383)	(1,506,492)
Gross profit	512,999	529,381
Selling, general and administrative expenses	(309,123)	(346,675)
Share of profit (loss) of associates and joint ventures accounted for using equity method	2,292	1,236
Operating profit	206,168	183,942
Other income	56,672	27,156
Other expenses	(52,592)	(153,892)
Business profit	210,247	57,206
Finance income	6,533	10,603
Finance costs	(6,735)	(9,297)
Net finance income (costs)	(202)	1,306
Profit before tax	210,045	58,512
Income tax expenses	(50,982)	(36,007)
Profit (loss) for the year	159,062	22,505
Attributable to:		
Owners of the parent	123,840	(3,152)
Non-controlling interests	35,222	25,657
Earnings per share		
Basic earnings (loss) per share (yen)	559.11	(14.22)
Diluted earnings (loss) per share (yen)	557.10	(14.22)

(Consolidated Statements of Comprehensive Income)

(Unit: millions of yen)

	FY2021 (Jan. 1 through Dec. 31, 2021)	FY2022 (Jan. 1 through Dec. 31, 2022)
Profit for the year	159,062	22,505
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss, net of tax		
Remeasurements of defined benefit plans	24,397	16,598
Net change in revaluation of financial assets measured at FVTOCI ^(Note)	9,360	921
Share of other comprehensive income of associates and joint ventures accounted for using equity method	16	8
Total	33,774	17,528
Components of other comprehensive income that will be reclassified to profit or loss, net of tax		
Cash flow hedges	4,744	(2,905)
Exchange differences on translation of foreign operations	77,819	122,753
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(0)	-
Total	82,563	119,847
Other comprehensive income, net of tax	116,338	137,376
Total comprehensive income for the year	275,401	159,881
Attributable to:		
Owners of the parent	231,244	116,449
Non-controlling interests	44,156	43,431

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

(3) Consolidated Statements of Changes in Equity
FY2021 (Jan. 1 through Dec. 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	
					Remeasurements of defined benefit plans	Net change in 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 year	-	-	123,840	-	-	-
Other comprehensive income	-	-	-	-	24,276	9,370
Total comprehensive income for the year	-	-	123,840	-	24,276	9,370
Transactions with owners						
Dividends	-	-	(31,045)	-	-	-
Acquisition of treasury shares	-	-	-	(586)	-	-
Disposal of treasury shares	-	-	(537)	1,823	-	-
Changes in ownership interests in subsidiaries that do not result in loss of control	-	1,242	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	16,870	-	-	(16,870)
Share-based payment transactions	-	(655)	-	-	-	-
Others (business combinations and others)	-	(2,467)	-	-	-	-
Total transactions with owners	-	(1,879)	(14,712)	1,237	-	(16,870)
Balance as of December 31, 2021	90,873	81,621	927,830	(26,933)	(6,927)	43,896

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

FY2021 (Jan. 1 through Dec. 31, 2021)

(Unit: millions of yen)

	Equity attributable to owners of the parent			Total	Non-controlling interests	Total equity
	Other components of equity					
	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 year	-	-	-	123,840	35,222	159,062
Other comprehensive income	4,513	69,245	107,404	107,404	8,934	116,338
Total comprehensive income for the year	4,513	69,245	107,404	231,244	44,156	275,401
Transactions with owners						
Dividends	-	-	-	(31,045)	(3,821)	(34,867)
Acquisition of treasury shares	-	-	-	(586)	-	(586)
Disposal of treasury shares	-	-	-	1,285	-	1,285
Changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	1,242	(1,012)	230
Transfer from other components of equity to retained earnings	-	-	(16,870)	-	-	-
Share-based payment transactions	-	-	-	(655)	-	(655)
Others (business combinations and others)	-	-	-	(2,467)	-	(2,467)
Total transactions with owners	-	-	(16,870)	(32,226)	(4,834)	(37,060)
Balance as of December 31, 2021	4,952	198,847	240,769	1,314,161	167,219	1,481,380

FY2022 (Jan. 1 through Dec. 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	
					Remeasurements of defined benefit plans	Net change in 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 (loss) for the year	-	-	(3,152)	-	-	-
Other comprehensive income	-	-	-	-	16,363	932
Total comprehensive income for the year	-	-	(3,152)	-	16,363	932
Transactions with owners						
Dividends	-	-	(52,162)	-	-	-
Acquisition of treasury shares	-	-	-	(342)	-	-
Disposal of treasury shares	-	-	(221)	689	-	-
Changes in ownership interests in subsidiaries that do not result in loss of control	-	(3,110)	-	-	(30)	(0)
Transfer from other components of equity to retained earnings	-	-	17,534	-	-	(17,534)
Share-based payment transactions	-	(22)	-	-	-	-
Others (business combinations and others)	-	18,605	-	-	-	-
Total transactions with owners	-	15,472	(34,849)	347	(30)	(17,534)
Balance as of December 31, 2022	90,873	97,094	889,827	(26,586)	9,405	27,294

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

FY2022 (Jan. 1 through Dec. 31, 2022)

(Unit: millions of yen)

	Equity attributable to owners of the parent			Total	Non-controlling interests	Total equity
	Other components of equity		Total			
	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 (loss) for the year	-	-	-	(3,152)	25,657	22,505
Other comprehensive income	(3,052)	105,358	119,601	119,601	17,774	137,376
Total comprehensive income for the year	(3,052)	105,358	119,601	116,449	43,431	159,881
Transactions with owners						
Dividends	-	-	-	(52,162)	(12,786)	(64,948)
Acquisition of treasury shares	-	-	-	(342)	-	(342)
Disposal of treasury shares	-	-	-	468	-	468
Changes in ownership interests in subsidiaries that do not result in loss of control	422	(4,182)	(3,790)	(6,901)	(2,529)	(9,431)
Transfer from other components of equity to retained earnings	-	-	(17,534)	-	-	-
Share-based payment transactions	-	-	-	(22)	-	(22)
Others (business combinations and others)	-	-	-	18,605	-	18,605
Total transactions with owners	422	(4,182)	(21,325)	(40,356)	(15,315)	(55,671)
Balance as of December 31, 2022	2,321	300,024	339,046	1,390,254	195,335	1,585,590

(4) Consolidated Statements of Cash Flows

(Unit: millions of yen)

	FY2021 (Jan. 1 through Dec. 31, 2021)	FY2022 (Jan. 1 through Dec. 31, 2022)
Cash flows from operating activities		
Profit before tax	210,045	58,512
Depreciation and amortization	166,756	185,656
Impairment losses	34,450	128,447
Interest and dividend income	(5,826)	(8,067)
Interest expenses	6,424	9,040
Share of profit (loss) of associates and joint ventures accounted for using equity method	(2,292)	(1,236)
Loss (gain) on sale or disposal of fixed assets	4,324	(6,151)
Decrease (increase) in trade receivables	(18,280)	(4,180)
Decrease (increase) in inventories	(48,647)	(84,114)
Increase (decrease) in trade payables	36,226	2,859
Others	(21,646)	16,032
Subtotal	361,533	296,798
Interest and dividends received	6,663	11,401
Interest paid	(6,569)	(8,540)
Income taxes refund (paid)	(34,913)	(82,512)
Cash flows from operating activities	326,713	217,146
Cash flows from investing activities		
Purchase of property, plant and equipment, and intangible assets	(210,572)	(223,921)
Proceeds from sale of property, plant and equipment	4,776	17,722
Purchase of other financial assets	(42,107)	(20,520)
Proceeds from sale and redemption of other financial assets	73,040	68,646
Proceeds from sale of shares of subsidiaries and associates or other businesses	49,599	15,548
Others	1,476	(2,787)
Cash flows from investing activities	(123,787)	(145,312)
Cash flows from financing activities		
Changes in short-term interest-bearing debt	(73,868)	29,004
Proceeds from borrowing or issuing long-term interest-bearing debt	63,673	95,576
Repayment or redemption of long-term interest-bearing debt	(205,619)	(122,910)
Payments for acquisition of interests in subsidiaries from non- controlling interests	(1,271)	(26,368)
Proceeds from non-controlling interests	-	11,317
Acquisition of treasury shares	(586)	(342)
Dividends paid	(31,045)	(52,162)
Dividends paid to non-controlling interests	(3,821)	(12,950)
Others	280	630
Cash flows from financing activities	(252,259)	(78,206)
Effect of exchange rate changes on cash and cash equivalents	9,039	20,257
Net increase (decrease) in cash and cash equivalents	(40,294)	13,885
Cash and cash equivalents at the beginning of the year	236,124	195,830
Cash and cash equivalents at the end of the year	195,830	209,716

(5) Notes regarding assumption of a going concern

Not applicable

(6) Notes to the Consolidated Financial Statements

1) Basis of Preparation

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), based on the stipulations of Article 93 of the Ordinance on Consolidated Financial Statements. The Group's consolidated financial statements satisfy all of the requirements for a "Specified Company" prescribed by Article 1-2 of the Ordinance on Consolidated Financial Statements.

2) Changes in Accounting Policies

The significant 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, 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 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

3) Significant Accounting Policies

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

4) Changes in Accounting Estimates

Change in significant accounting estimates in consolidated financial statements for the fiscal year 2022 is as follow.

(Impairment losses)

In the fiscal year under review, due to sluggish sales of TVs and PCs and cost increases resulting from the weak yen and soaring raw material and fuel prices, signs of impairment, such as a significant decline in profitability, were recognized for tangible fixed assets related to the display business included in the Electronics segment, and an impairment loss of 73,673 million yen was recognized by comparing their book value and recoverable amount. The recoverable amount is based on the fair value less disposal costs.

In addition, due to the deterioration of the Russia-Ukraine situation, transactions of products, etc., and provision of information technology and other services between the AGC Group companies in West Central Europe and Russia were significantly restricted. Accordingly, the cash generation unit was changed from the current consolidated fiscal year, and the architectural glass business and the automotive glass business in Russia were separated from the European architectural glass business and the European automotive glass business, respectively. Due to the sluggish demand for automobiles triggered by the situation in Russia and Ukraine, the Group recognized an impairment loss of 6,700 million yen for property, plant and equipment related to the automotive glass business in Europe (Western and Central Europe) included in the Glass segment, based on a comparison of the book value and recoverable amount, as there were signs of impairment, including a decline in future profitability. In addition, due to the deterioration in the economic environment caused by the protracted situation in Russia and Ukraine, the Group recognized impairment losses on property, plant and equipment related to the architectural glass and automotive glass businesses in Russia,

including a decline in future profitability. As a result of comparing the book value with the recoverable amount, the Group recognized impairment losses of 9,922 million yen in the architectural glass business and 3,664 million yen in the automotive glass business. In addition, in light of the decline in demand affected by U.S.-China trade function and COVID-19 pandemic in China, the AGC Group recognized impairment losses of 32,223 million yen in property, plant and equipment, goodwill, and intangible assets related to a portion of the super high-end CCL business and the industrial film business (printed circuit board materials business, etc.) included in the Electronics segment, as a result of comparing their book values and recoverable values, due to signs of impairment such as a significant decline in profitability. The recoverable amount is based on the value in use.

5) 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, Optoelectronic 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.

FY2021 (Jan.1 through Dec.31, 2021)

(Unit: millions of yen)

	Reportable segments			Ceramics/ Other	Total	Adjustments	Amount reported on consolidated financial statements
	Glass	Electronics	Chemicals				
Sales to external customers	732,230	303,049	629,487	32,615	1,697,383	-	1,697,383
Intersegment sales	2,026	1,920	1,304	46,777	52,028	(52,028)	-
Total sales	734,257	304,969	630,792	79,392	1,749,411	(52,028)	1,697,383
Segment profit (loss) (Operating profit)	27,324	36,785	138,756	3,497	206,363	(195)	206,168
Profit for the year	-	-	-	-	-	-	159,062
Other items							
Depreciation and amortization	54,588	60,328	49,958	1,991	166,866	(110)	166,756
Impairment losses (Non-financial assets)	19,022	15,401	26	-	34,450	-	34,450
Capital expenditures	50,882	69,593	94,180	2,150	216,806	(303)	216,503
Investments accounted for using equity method	22,029	1,487	4,011	3,669	31,197	-	31,197

The amounts of intersegment sales are primarily based on market prices and manufacturing cost.

“Ceramics/Other” mainly handles ceramics products, logistics and financial services.

Moreover, the above amounts of impairment losses (non-financial assets) include the amounts of impairment losses recorded as expenses for restructuring programs.

FY2022 (Jan.1 through Dec.31, 2022)

(Unit: millions of yen)

	Reportable segments			Ceramics/ Other	Total	Adjustments	Amount reported on consolidated financial statements
	Glass	Electronics	Chemicals				
Sales to external customers	900,354	304,918	793,159	37,442	2,035,874	-	2,035,874
Intersegment sales	1,174	2,294	2,027	49,159	54,656	(54,656)	-
Total sales	901,528	307,212	795,187	86,602	2,090,530	(54,656)	2,035,874
Segment profit (loss) (Operating profit)	22,893	14,677	142,944	3,678	184,193	(251)	183,942
Profit for the year	-	-	-	-	-	-	22,505
Other items							
Depreciation and amortization	56,466	68,361	59,034	1,940	185,802	(146)	185,656
Impairment losses (Non-financial assets)	22,152	106,085	84	125	128,447	-	128,447
Capital expenditures	47,341	79,995	107,988	1,442	236,767	(214)	236,553
Investments accounted for using equity method	18,134	1,168	3,852	1,453	24,609	-	24,609

The amounts of intersegment sales are primarily based on market prices and manufacturing cost.

“Ceramics/Other” mainly handles ceramics products, logistics and financial services.

Moreover, the above amounts of impairment losses (non-financial assets) include the amounts of impairment losses recorded as expenses for restructuring programs.

6) Notes to Consolidated Statements of Profit or Loss

Other Income

(Unit: millions of yen)

	FY2021 (Jan. 1 through Dec. 31, 2021)	FY2022 (Jan. 1 through Dec. 31, 2022)
Foreign exchange gain	10,955	-
Gains on sale of fixed assets	2,361	14,786
Gains on sale of shares of subsidiaries and associates	1,431	8,556
Gains on transfer of business	28,010	-
Gains on reclassification of foreign currency translation adjustments for foreign operations due to liquidation decision	7,504	-
Others	6,410	3,813
Total	56,672	27,156

Gains on sale of fixed assets during the year ended December 31, 2022 includes a gain of 14,263 million yen from the sale of land the Company owned in Amagasaki City, Hyogo Prefecture.

Other Expenses

(Unit: millions of yen)

	FY2021 (Jan. 1 through Dec. 31, 2021)	FY2022 (Jan. 1 through Dec. 31, 2022)
Foreign exchange loss	-	(4,025)
Losses on disposal of fixed assets	(6,685)	(8,635)
Impairment losses	(34,450)	(128,447)
Expenses for restructuring programs	(5,159)	(9,641)
Others	(6,296)	(3,142)
Total	(52,592)	(153,892)

7) Earnings Per Share

Basic earnings per share

Basic earnings per share and the basis for calculating basic earnings per share are as follows:

	FY2021 (Jan. 1 through Dec. 31, 2021)	FY2022 (Jan. 1 through Dec. 31, 2022)
Profit (loss) for the year attributable to owners of the parent (millions of yen)	123,840	(3,152)
Weighted average number of ordinary shares outstanding (thousands of shares)	221,496	221,647
Basic earnings (loss) per share (yen)	559.11	(14.22)

Diluted earnings per share

Diluted earnings per share and the basis for calculating diluted earnings per share are as follows:

	FY2021 (Jan. 1 through Dec. 31, 2021)	FY2022 (Jan. 1 through Dec. 31, 2022)
Profit (loss) for the year attributable to owners of the parent (millions of yen)	123,840	(3,152)
Adjustments to profit or loss used to calculate diluted earnings per share (millions of yen)	-	-
Profit (loss) used to calculate diluted earnings per share (millions of yen)	123,840	(3,152)

Weighted average number of ordinary shares outstanding (thousands of shares)	221,496	221,647
Effects of dilutive potential ordinary shares		
Stock options based on subscription rights (thousands of shares)	798	-
Diluted weighted average number of ordinary shares outstanding (thousands of shares)	222,295	221,647
Diluted earnings (loss) per share (yen)	557.10	(14.22)

In the fiscal year ended December 31, 2022, the exercise of stock options using the stock acquisition rights method reduced net loss per share, and as a result, potential ordinary shares have no dilution effect.

8) Notes on Significant Subsequent Events

(Changes in Reportable segments)

At the Board of Directors meeting held on January 19, 2023, regarding the reportable segments from FY2023 onwards, it was resolved that (1) the former Glass segment will be divided into Architectural Glass and Automotive, and (2) the former Chemicals segment will be divided into Chemicals and Life Science.

Until FY2022, The Group has 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 has operated worldwide, formulating comprehensive domestic and overseas strategies for its products and services.

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, the Group has prepared 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 have been 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. Based on these circumstances, the Group has reported the Glass segment as one.

On the other hand, in the architectural glass business and automotive glass business, the architectural glass business will shift to high-value-added products and businesses in the midstream and downstream regions. In the automotive glass business, expansion into the mobility sector will be a strategic pillar, and the relative weight of float strategies in both businesses is declining. In addition, the Group decided to terminate the "Glass Segment Council" in FY2022.

In addition, we have determined that Architectural Glass Europe & Americas and Architectural Glass Asia Pacific companies share common economic characteristics, because they are united in their efforts to share information on technological development and production related to float and architectural processing, and to create social value of GHG reduction and product contribution to climate change issues, and to take a common commitment for long-term profitability indicators and others.

As a result of the above, in view of the decrease in the number of common items to be considered in the development of the business and the shift to a business operation that emphasizes the uniqueness of strategy and speed of decision-making in both the architectural glass and automotive businesses, the Group has decided to reorganize its reportable segments with Architectural Glass Europe & Americas and Architectural Glass Asia Pacific as the Architectural Glass segment and Automotive as the Automotive segment.

In addition, as of January 1, 2023, Chemicals was divided into the Chemicals and Life science, and the reportable segments will be reviewed in accordance with this organizational change. The Chemicals will further concentrate on its core businesses, the essential chemicals business and the performance chemicals business, in order to achieve growth, and the life science business, which has been designated as one of the strategic businesses, was established as an internal company organization under the direct supervision of the CEO, with the aim of further expanding the business by making better use of management resources throughout the company.

Information regarding the amounts of net sales, profit or loss, and other items by reportable segment in FY2022 under review according to the reportable segment classification after the change is as follows.

FY2022 (Jan.1 through Dec.31, 2022)

(Unit: millions of yen)

	Reportable segments					Ceramics/ Other	Total	Adjustments	Amount reported on consolidated financial statements
	Architectural Glass	Automotive	Electronics	Chemicals	Life Science				
Sales to external customers	482,714	417,639	304,918	655,013	138,146	37,442	2,035,874	-	2,035,874
Intersegment sales	988	186	2,294	5,367	3,640	49,159	61,636	(61,636)	-
Total sales	483,702	417,825	307,212	660,380	141,787	86,602	2,097,510	(61,636)	2,035,874
Segment profit (loss) (Operating profit)	32,716	(9,822)	14,677	126,085	16,862	3,678	184,197	(255)	183,942
Profit for the year	-	-	-	-	-	-	-	-	22,505
Other items									
Depreciation and amortization	23,918	32,547	68,361	47,489	11,544	1,940	185,802	(146)	185,656
Impairment losses (Non-financial assets)	11,339	10,813	106,085	84	-	125	128,447	-	128,447
Capital expenditures	17,535	29,805	79,995	64,886	43,101	1,442	236,767	(214)	236,553
Investments accounted for using equity method	12,567	5,567	1,168	3,852	-	1,453	24,609	-	24,609

The amounts of intersegment are primarily based on market prices and manufacturing cost.

"Ceramics/Other" mainly handles ceramics products, logistics and financial services.

Moreover, the above amounts of impairment losses (non-financial assets) include the amounts of impairment losses recorded as expenses for restructuring programs.

(Plan of Transferring of Russian Business)

The AGC Group is primarily engaged in the architectural and automotive glass businesses in Russia. Amidst the uncertain situation in Russia, we have suspended investments, including periodic repairs to our glass production furnaces from March 2022, keeping in mind our employees and customers, and have been closely monitoring the situation. We have recently begun considering the transfer of our businesses in Russia. The Group's policy is to select a transferee that will continue the businesses. At present, it is difficult to reasonably estimate the impact of these events on the consolidated financial statements.

(Purchase of Treasury Stock)

At the Board of Directors meeting held on February 8, 2023, the Company resolved to purchase treasury stock pursuant to the provisions of Article 156 of the Companies Act applied by replacing pursuant to the provisions of Article 165, Paragraph 3 of the same.

Reasons for the purchase of treasury stock

The Company acquires treasury stock for the purpose of returning profits to shareholders and improving capital efficiency.

Details of the matters pertaining to the purchase

- | | |
|---|---|
| (1) Class of stock to be purchased: | Common stock of the Company |
| (2) Total number of shares to be purchased: | 16 million shares (upper limit)
(7.2% of total shares outstanding (excluding treasury stock)) |
| (3) Total amount of stock purchase: | 50,000 million yen (upper limit) |
| (4) Period of purchase: | February 9, 2023, to September 22, 2023 |
| (5) Method of purchase: | Market purchase |
| (6) Others: | The Company plans to cancel all treasury stock acquired through this transaction by resolution of the Board of Directors in accordance with Article 178 of the Companies Act. |