

AGC Integrated Report 2026

For the Year Ended December 31, 2025



Focal Points of This Report

We will share the AGC Group’s current status and future outlook, and deepen our dialogue with our stakeholders.

The AGC Group’s purpose is to remain “an Everyday Essential Part of Our World” by delivering unique materials and solutions that support industries shaping the future and enhance the lives of people around the world. Even amid a rapidly changing business environment, we are steadily moving forward toward the sustainable enhancement of corporate value by making the fullest use of our long-established technological expertise, solid relationships of trust with our customers, and management capital such as human and natural capital.

This report is structured around four key themes: What AGC Aims to Be, How Will AGC Improve Profitability?, How Can Management Capital Increase Corporate Value?, and How Is Governance Being Strengthened? These themes reflect feedback received through dialogue with our stakeholders, including investors, as well as the progress of our initiatives. In line with these themes, We have sought to convey AGC’s philosophy, strategies, and the value creation story behind them in a way that is easier to understand.

We hope this report will help readers understand AGC’s current position and the path ahead, and thank for your continued interest and support as we take on new challenges.



Representative Director, President & CEO
Yoshinori Hirai



Aspirations embodied in the Cover

This cover illustrates the three social values that the AGC Group aims to create: “Blue planet” (realization of a sustainable global environment), “Innovation” (creation of an innovative future society), and “Well-being” (contribution to safe and secure living).



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Scope of This Report (Issued May 2026)

- Reporting Period January 1 to December 31, 2025
- Reporting Organizations AGC Inc. and its 175 consolidated subsidiaries in and outside Japan

Principal Expressions and Their Scope

- “The AGC Group” refers to the abovementioned reporting organizations.
- “AGC”: If there is no note, it is the same as the AGC Group.

Reference Framework

In preparing this report, the International Integrated Reporting Framework advocated by the IFRS (International Financial Reporting Standards) Foundation and the Guidance for Collaborative Value Creation published by the Ministry of Economy, Trade and Industry have been used as references.

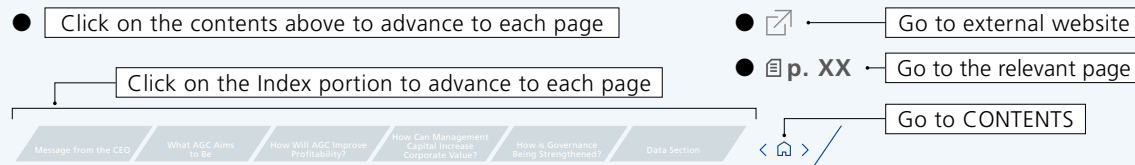
Forward-Looking Statements

Data and forward-looking statements in this integrated report are based on information available at the time of publishing. Actual business performance may differ significantly from forecasts owing to various factors. Accordingly, readers should not exclusively rely on these forward-looking statements. In addition, the Company bears no obligation to update these forward-looking statements based on new information, future events, or other factors.

Main Communication Tools of the AGC Group

Financial Information	Non-Financial Information
 <p>AGC Integrated Report 2026 (this report) Introducing a wide range of corporate policies, business strategies, and activities aimed at enhancing corporate value over the long term</p>	 <p>AGC Sustainability Data Book 2026 Reporting on non-financial data and policies for various initiatives aimed at achieving sustainability (Scheduled to be issued in August 2026)</p>
 <p>Financial Review 2025 (English version only) Reporting on financial matters, including business overviews and consolidated financial statements</p>	 <p>Shareholder and Investor Information Distributing detailed, timely IR information on the AGC Group to investors, with a focus on financial information</p>
 <p>The AGC Website Providing a broad range of in-depth, timely information on the AGC Group Also includes quantitative data on ESG</p>	 <p>Sustainability Reporting on non-financial data and policies for various initiatives aimed at achieving sustainability</p>

AGC Integrated Report 2026 Navigation Guide



Message from the CEO

We are committed to ensuring that AGC is “an Everyday Essential Part of Our World” by strengthening our businesses and implementing management based on long-term perspectives.

Representative Director, President & CEO

Yoshinori Hirai



Our Message—1 What AGC Aims to Be

Building a Company Against the Odds. Expanding From Glass to New Areas of Business

The AGC Group began Japan's first industrial production of flat glass in 1909, two years after the Company's founding in 1907. At the time, flat glass was largely imported, with domestic production viewed as extremely difficult. Toshiya Iwasaki, nephew to Mitsubishi Group founder Yataro Iwasaki, introduced flat glass manufacturing technology from Europe. Overcoming a number of challenges, he succeeded in producing flat glass in Japan, something everyone had given up on. The AGC Group is therefore founded on bold steps forward. This spirit is still alive and well today.

Later, imports of refractory bricks used in melting furnaces and soda ash, a raw material used to make glass,

were cut off with the outbreak of World War I. So, the Company began in-house production of these materials, too. Out of this was born the AGC Group's current Ceramics and Chemicals Businesses. Not just anyone could have made this shift to in-house production. The Company's ability to accomplish this, in my opinion, is also what led to the AGC Group's current form and our business diversification.

After World War II, the automobile and television industries emerged. The AGC Group also supplied automotive and CRT glass to these industries. CRT TVs then evolved into LCD TVs, and the AGC Group developed glass substrates for displays, turning it into a profitable business. In this way, we expanded our business into the field of electronics using the technologies we developed. This includes semiconductor-related and smartphone products. Our Chemicals Business has also created a series of high-performance, high-value-added products.

Many companies have glass as their core business. However, besides the AGC Group, I do not think any other has expanded beyond that into such a diverse range of businesses.

Two Organizational Cultures Shaping What Makes AGC Unique

The AGC Group's corporate culture, crafted over its 120-year history, consists of two distinct organizational cultures.

One culture encourages taking on new challenges. The founding spirit of “Never take the easy way out, but confront difficulties,” passed down by our founder, Toshiya Iwasaki, remains alive in the hearts and minds of our employees today. When faced with adversity or difficult decisions, these words inspire and encourage us to choose the more challenging path—a mindset deeply embedded across the organization.

The second culture promotes an open and transparent workplace. At the AGC Group, employees address one another using “-san,” regardless of position. Since joining the Company, I have never used a title when addressing my boss. Even now, as CEO, employees just call me “Hirai-san.” This culture of open communication not bound by hierarchical relationships is the foundation of our company. I believe it is this culture that encourages us to dare to take

Message from the CEO

on difficult challenges.

Essential to fostering such a corporate culture is the employee evaluation approach that focuses on merit rather than deducting points. The AGC Group's evaluation criteria give those who did not take on new challenges the lowest score, those who tried but did not succeed a higher score, and those who tried and succeeded the highest score. This allows each and every individual to bring enthusiasm to their work, and change and innovation to their respective fields. The AGC Group is unique because of this.

The AGC Group's Two Strengths

The AGC Group's strengths, fostered by these organizational cultures, can be broadly divided into two categories.

The first strength is the wide range of technologies we have acquired and developed over the years, handling from inorganic to organic materials. This enables us to provide unique materials and solutions ahead of emerging industries. Today, the AGC Group possesses advanced technologies in a variety of fields. And the systems we have in place mean we can quickly introduce these technologies in response to market and customer demands.

The second strength is our strong ties with leading companies in various industries. No matter how great the technologies we possess might be, as a materials manufacturer, that alone will not allow us to expand and contribute to society. Continuing to respond to extremely difficult and time-intensive requests from our customers and delivering meaningful results has allowed us to develop strong, long-lasting relationships with them. These strong relationships built on mutual trust encourage customers to bring their next requests to us. They are our competitive



advantages as well as a valuable asset.

Helping People Realize Their Dreams —The Future of the AGC Group

In 2018, the AGC Group established a brand statement: "Your Dreams, Our Challenge." This expresses our corporate stance and declares that we will challenge ourselves to make people's dreams a reality using our unique technologies and providing solutions, while building solid relationships of trust with our customers.

In 2025, we redefined "**Look Beyond**" our previous Group Vision, as our new Group Philosophy. We also updated the details behind it—Our Purpose, Our Shared Values, and Our Spirit—to align with the times. Based on this, we have defined "AGC, an Everyday Essential Part of Our World" as Our Purpose and committed ourselves to supporting leading industries and the lives of people around the world by providing unique materials and solutions.

The AGC Group aims to continue being a company with a strong presence, contributing through advanced technologies to the realization of the dreams and aspirations of society and people around the world.

Our Message—2

How Will AGC Improve Profitability?

Transitioning to a Revenue Structure Less Affected by Market Conditions, and Progress Made

In 2021, the AGC Group announced its Vision 2030. Since then, we have worked to promote both our existing Core Businesses and our Strategic Businesses. As a result, our Strategic Businesses now account for approximately half of our total profits. On the other hand, although there was a time in which we were able to generate large profits due to soaring market prices for essential chemicals—Core Businesses of ours—it also became clear that the business was structurally vulnerable to market downturns. As the leader of a business, I take this very seriously.

Having been appointed CEO at the beginning of 2021 in

the midst of the COVID-19 pandemic, I have been at the forefront of the AGC Group's management through the major environmental changes that followed. I became strongly aware that the reason behind the deteriorating performance was the fact that our individual businesses were not resilient enough to withstand market fluctuations. The same thing will happen again if a structure is not in place that can remain profitable even when market conditions deteriorate.

In order to rebuild our businesses, we need to let go of our old ways and make changes. Cutting costs tends to be the method of choice for business turnarounds. However, this only leads to temporary improvements, not subsequent growth. Therefore, we pushed forward with business structure reforms and focused on thoroughly improving productivity. This included the introduction of high-efficiency equipment. Along with this, we reviewed our pricing strategy. We have fundamentally changed our business structure, shifting from the conventional approach of assuming that prices will fall every year, to setting fair prices with the understanding of our customers, as well as increasing the added value of our products. Advanced technological capabilities were essential to this policy change. I believe our customers understood and accepted the price revisions because the AGC Group possesses highly regarded technologies. As a result, we were able to guide our business structure away from a pursuit of quantity and toward a focus on quality.

The AGC Group's Display Business and Automotive Business have implemented this approach by taking concrete steps. The Display Business is focused on large-sized glass substrates and has stopped lines with low productivity. And the Automotive Business has abandoned the assumption of chasing volume, focusing on high value-added products instead. In the choice between volume and a stronger business structure, we have consistently prioritized the latter. The structure of these businesses, as a result, has changed dramatically. Both have seen significant improvements in profitability. They have therefore demonstrated over the past several years that we can withstand fluctuating market conditions as long as we maintain a resilient business structure.

At the same time, not all of our businesses are at the same point. Our Life Science Business is still in the process of rebuilding. This business has exited locations that were generating large losses and instead concentrating on areas

Message from the CEO

where it can demonstrate its real strengths. The business is working to expand contract orders by strengthening sales and marketing, stabilize production by utilizing production technology and digital/AI technologies, and cut fixed costs by headcount reduction. With the market itself growing, the aim is to return to a growth trajectory by rebuilding the business structure. Our Essential Chemicals Business in Southeast Asia continues to face challenging pricing conditions due to an influx of low-priced products. This influx is a result of the Chinese property sector crisis. However, the product prices supplied from China are on a cash cost basis. Further price reductions we see as a cash loss. In other words, this business is currently in the most challenging phase, and the question is whether we can expand our margins given this environment. The Southeast Asian market itself continues to grow at about 4% per year. We are determined to capture this growth and improve our profitability while leveraging a market share in the region exceeding 50% and our strength that is producing in the locations closest to our customers.

Profitability Improvement and Asset Optimization Using ROCE

To ensure that these efforts to improve profitability are not limited to the results of individual businesses but are instead linked to the enhancement of corporate value for the entire company, the AGC Group has—as a management decision criterion—set a goal of ROCE 10% or higher for all businesses. ROCE is an indicator that can only be achieved by improving both the level of operating profit and the operating assets invested in the business simultaneously. It is unique in its ability to capture the profitability and capital efficiency of each business as a whole. The AGC Group positions ROCE as a core indicator of business management. We use it as a key management principle.

To improve operating profit, we will continue to reduce costs through stable production and productivity improvements, review pricing policies, and create higher added value. At the same time, it is necessary to optimize operating assets in order to raise ROCE. By carefully selecting investments, reducing inventories, and withdrawing from and selling businesses, we aim to bring operating assets down to an appropriate level. Our Automotive Business is already seeing the results of these efforts. Business structure reforms implemented over the last few years have enabled this

business to surpass ROCE 10% in 2025. And we aim to have this business exceed ROCE 15% in the next few years. Furthermore, in 2025, we steadily implemented initiatives aimed at optimizing our business assets. These included the decision to withdraw from and sell the Biopharmaceuticals CDMO Colorado (US) base, the Specialty Glass Business for chemical strengthening, the Polycarbonate Business, and AGC Coat-Tech Co., Ltd., which is involved in fluoroelastomer coatings and so on.

Capital investment exceeded 250 billion yen in recent years. But with the completion of large-scale capacity expansion investments in 2025, we will significantly curb new investments for the time being. This includes limiting investment to 190 billion yen in 2026 so that we can focus on recovering past investments. While we will continue to make the necessary investments in the maintenance and renewal of facilities and environmental measures, we will not make large-scale investments aimed at expanding production capacity.

Through these kinds of business operations and investment approaches, we will make steady improvements in ROCE so that we can increase profitability and capital efficiency. We also recognize that improving profitability through these efforts will ultimately lead to higher PBR. Steadily building on the transformation of our earnings structure and the optimization of assets will let us aim to achieve ROE 5% or more in 2026. And at an early point in 2027 and beyond, we will aim to reach ROE 8% or greater, exceeding the cost of shareholders' equity.

Our Message—3

How Can Management Capital Increase Corporate Value?

Strengthening Management Capital, With a Focus on Human Capital

The AGC Group has abundant management capital. We must utilize this to the fullest extent possible to enhance corporate value. The most important part of management capital is human capital. Human capital is not only about individual capabilities; it is also key to building strong, lasting relationships with customers. As is evident from our motto, “AGC People:

Driving our Growth!” we believe that the most important thing is for every individual to grow and become a trusted presence for our customers. This necessitates a free and open corporate culture that supports and celebrates those who take on challenges. Intellectual capital is the product of such people. Combined, they make the AGC Group's technological capabilities possible.

And to thrive in the future, it is also absolutely critical for the AGC Group as a materials manufacturer to find ways to utilize natural capital—environmental resources and so on. When I became CEO in 2021, we set out to reduce greenhouse gas (GHG) emissions. The AGC Group declared its goal of achieving carbon net zero (Scope 1, 2) by 2050. Since then, we have continued to work to solve social issues related to natural capital, such as resource circularity through the recycling and reuse of glass. One example is how we launched low-carbon glass in Europe. This glass maintains the same look, quality, and performance as conventional float flat glass while simultaneously reducing CO₂ emissions. From raw material procurement to distribution, these reductions total 40% or more when compared to conventional products.

Creating Innovation Out of Change

I can say with confidence that the AGC Group is home to diligent, talented human resources. However, I do not think we are allowing our people to realize their full potential. In general, the more serious and talented an individual is, the more they tend to anticipate risks ahead of time and avoid taking on challenges that can lead to failure. But given how our world is changing so rapidly, maintaining the status quo is not an option for the AGC Group. It is therefore important that we instill an awareness within the AGC Group that changing the way we work and the work itself will create new value.

At production facilities, the nature of work has already changed significantly as a result of discarding low-productivity equipment and concentrating resources on high-productivity equipment. At the front lines of sales, efforts are underway to shift pricing policies and reshape customer relationships—and even the structure of the industry itself—through close engagement with customers. We plan to further improve productivity going forward while also utilizing DX and generative AI.

Changes are, of course, also needed in regard to the employees working in research and development divisions.

Message from the CEO

I hope we see more and more people who are willing to take on new challenges—not only those who pursue their own areas of expertise to learn more but also those who are determined to innovate and offer the world something new. We are actively promoting open innovation to encourage this. Centering on the AGC Yokohama Technical Center, this work has already begun to deliver results.

Strengthening Competitiveness Through DX and Providing Value to Entire Supply Chains

The AGC Group began its DX initiatives with a focus on manufacturing and R&D. This has since expanded to a wide range of areas including sales, logistics, and administrative operations. Our plants are already working to enhance their manufacturing capabilities through productivity innovations, reduced costs, and shorter lead times by combining digital technology and manufacturing excellence. We are also using digital technology to speed up all processes, from R&D to actual production. We will make it possible to produce more advanced products, quicker, and with higher productivity, by leveraging AI-based materials informatics to enhance R&D, and developing digital twinning technology that will greatly contribute to stable operation for plants.

As of January 2026, the Information Systems Division and the Digital & Innovation Promotion Division were merged to further accelerate these efforts. The new organization—the Digital & Innovation Management Division—will report directly to the CEO. Our goal is to transform the way the AGC Group works and operates by fully utilizing digital technology and generative AI to dramatically improve efficiency and productivity, not only at production sites but in all of our business activities. In anticipation of the advent of an AI-driven society, we must make significant changes in the way we work by combining the roles played by AI and those played by people in an appropriate manner.

DX cannot be limited to the AGC Group. It is important that entire supply chains be connected digitally to improve efficiency and competitiveness. We are already working on streamlining our construction estimation process for architectural glass and our distribution of chemicals. And as we look to transform our business models, we aim to

create win-win relationships with our customers, business partners, and other stakeholders. This will let us provide new value to a wide range of customers and society as a whole.

Our Message—4

How Is Governance Being Strengthened?

Transitioning from a Company with an Audit and Supervisory Board to a Company with an Audit and Supervisory Committee

One of AGC's Shared Value the AGC Group promotes is "Integrity & Trust." Given this, we pride ourselves on being a company where intentional misconduct is extremely unlikely to occur. However, scandals are more likely to occur when individual organizations become a black box. A lack of interaction between organizations allows them to become isolated and siloed—breeding grounds for misconduct. With our in-house company system, the AGC Group must recognize this. We are therefore working to strengthen governance. One step is by having the corporate Internal Audit Division act as a bridge between organizations. And we are changing the system so that the presidents of each in-house company participate in group-wide management through regular communication.

AGC also transitioned from a company with an Audit and Supervisory Board to a company with an Audit and Supervisory Committee following this spring's general meeting of shareholders. As a result, six independent directors now have a majority, with the other four spots on the board held by internal directors. This has made it easier for outside oversight to take effect. Furthermore, the fact that conventional Audit and Supervisory Board members now have voting rights on the Board of Directors as directors who are also Audit and Supervisory Committee members will further strengthen corporate governance.

AGC recognizes the importance of our relationships with our stakeholders, especially our shareholders and investors. We have always endeavored to engage in dialogue whenever we had the opportunity. Going forward, we will



continue to listen to our shareholders and investors and will provide information in a more detailed and accessible manner.

To Our Stakeholders

Continuing to be "an Everyday Essential Part of Our World"

AGC is a materials manufacturer. It can take 10 to 20 years to go from research and development to commercialization to contributing to business. It takes time to move a business forward. At the same time, a wide range of changes and fluctuations are sure to occur in that time. Looking at the current global situation, authoritarian tendencies are on the rise in countries around the world. Free economic activity is being stifled. Even within a single country, conflicts are intensifying due to widening disparities. It is increasingly likely that we will experience fluctuations that rival or even surpass the COVID-19 pandemic. We must therefore create a position for ourselves where our current businesses have considerable resilience and can support us for the next 10 or 20 years. At the same time, it is important to create new businesses that match these new times.

I am renewing my commitment to building a resilient business structure that remains unshaken by changes, continuing to create new value, and making sure AGC is always "an Everyday Essential Part of Our World." I would greatly appreciate your continued understanding and support as we proceed.

Our Message 1

What AGC Aims to Be

The AGC Group Philosophy **“Look Beyond”**

“Look Beyond” is the AGC Group Philosophy on which all the activities of the Group are founded.

This word calls for the following mindset.

“Look Beyond” Anticipate and envision the future,

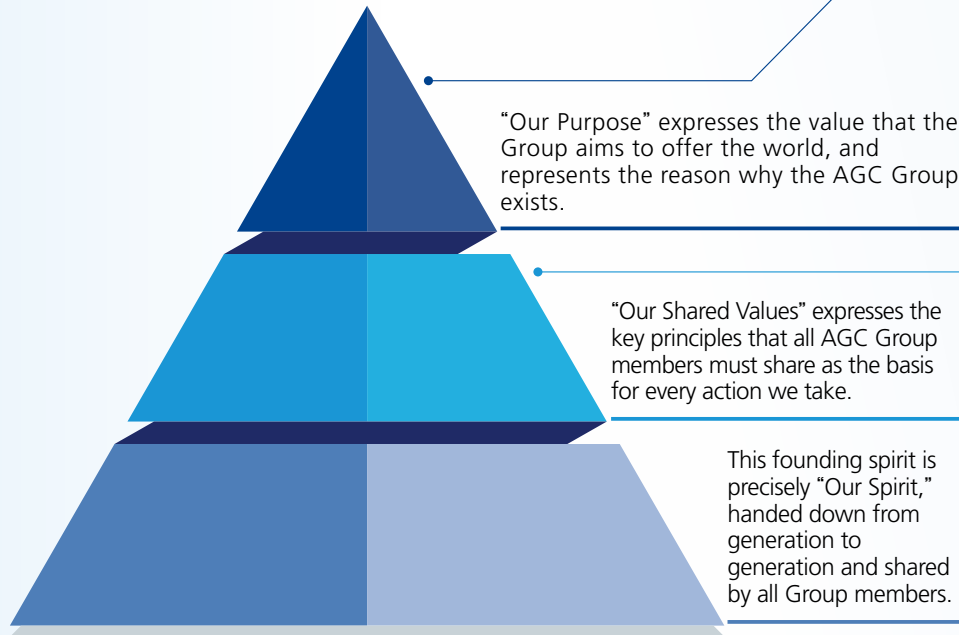
“Look Beyond” Have perspectives beyond our own fields of expertise, and

“Look Beyond” Pursue innovations, not becoming complacent with the status quo.

Through our philosophy of **“Look Beyond”**, we will continue to create value worldwide, demonstrating the vast potential of the Group’s entire organization.

The AGC Group Philosophy **“Look Beyond”**

“Look Beyond”



“Our Purpose” expresses the value that the Group aims to offer the world, and represents the reason why the AGC Group exists.

“Our Shared Values” expresses the key principles that all AGC Group members must share as the basis for every action we take.

This founding spirit is precisely “Our Spirit,” handed down from generation to generation and shared by all Group members.

Our Purpose

“AGC, an Everyday Essential Part of Our World”

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

We, the AGC Group, aim to continue being the “first choice” solution provider for our customers by building long-term, trust-based relationships with them through unique materials and solutions developed using our wide-ranging material and production technologies. We will continue offering products and solutions that customers and society need, thereby making people's lives better around the world every day.

Our Shared Values

Innovation & Operational Excellence

- We always **“Look Beyond”** and tirelessly pursue innovations in technology, products, and services.
- We aim for excellence in quality and efficiency through continuous improvement.
- We continually challenge ourselves to deliver value through innovation and operational excellence.

Sustainability for a Blue Planet

- We contribute to creating a sustainable society and constantly grow and evolve.
- We achieve economic value through fostering social value.
- We strive to create safe and secure workplaces.

One Team with Diversity

- We value different perspectives.
- We seek diverse capabilities and personalities of individuals of all backgrounds and beliefs, and by leveraging each other's strengths we create value as One Team.

Integrity & Trust

- We comply with all applicable laws and regulations, building open and fair relationships with all our stakeholders based on the highest ethical standards.
- We aim to achieve customer satisfaction and trust for all our products and services.
- We create trust with all stakeholders, internally and externally, by acting with integrity.

Our Spirit

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

These are the words of Toshiya Iwasaki who founded Asahi Glass Co., Ltd. in September, 1907.

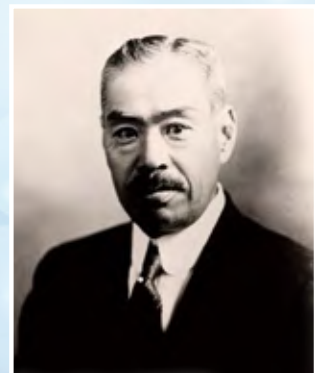
Our Story

While delivering differentiated materials and solutions to the world, the AGC Group has reflected the changing demand in each era and region by constantly evolving our business portfolio.



AGC's Response to the Demands of the Era

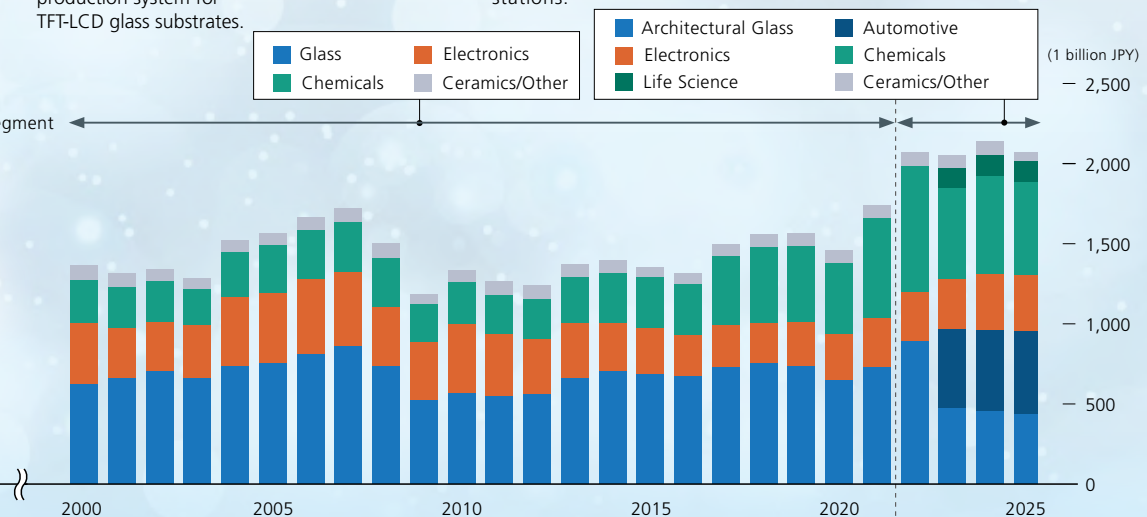
We began domestic production of flat glass.	We began production of glass bulbs for television cathode ray tubes.	We began the Automotive Glass Business in earnest.	We developed the FLEMION™ fluoropolymer ion-exchange membrane electrolysis method.	We improved production technologies and established a mass production system for TFT-LCD glass substrates.	We acquired a global biopharmaceutical CDMO.	We developed "glass antennas" to make windows into base stations.	Growth of semiconductor-related materials



Founder of AGC
Toshiya Iwasaki

Never take the easy way out, but confront difficulties. Trust is the best way to inspire people. Strive to develop technologies that will change the world. A sense of mission leads us to advance.

Net sales by segment



Our history of creating Unique Materials and Solutions

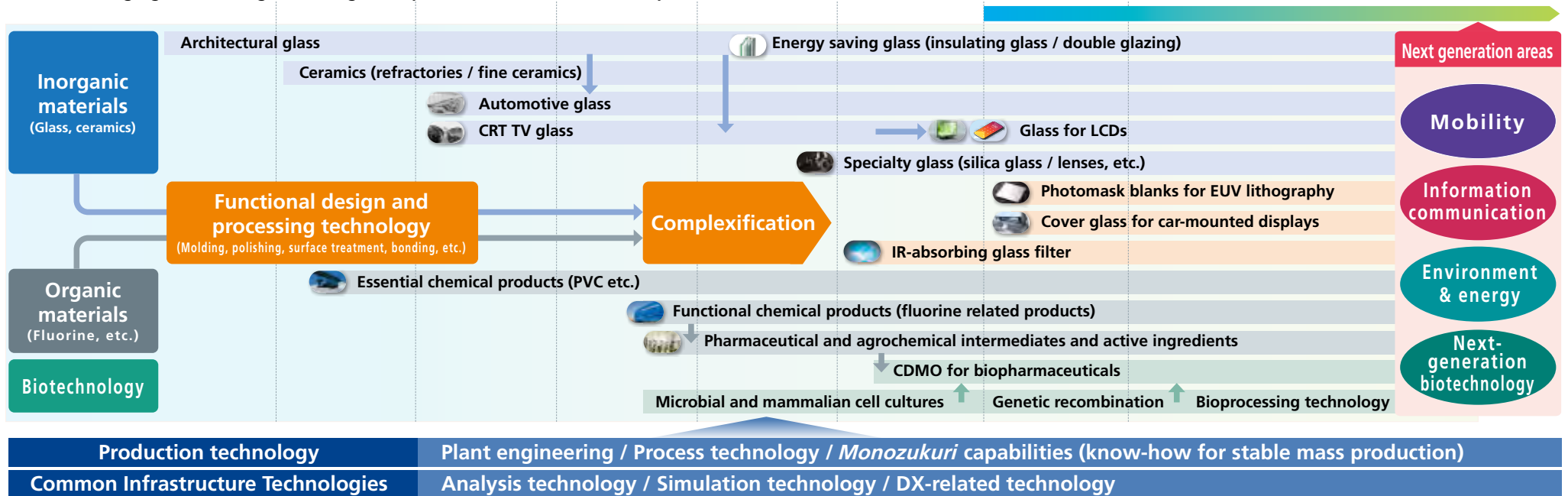
With the Glass Segment as its founding business, the AGC Group has extended the breadth of its business portfolio by providing materials and solutions that are indispensable to the advancement of industries in the fields of chemicals, ceramics, and electronics.

AGC's Technological Advantages Material technologies (inorganic and organic) with unique advantages, design and processing technology to realize high functionality, black-boxed manufacturing technologies (glass process, chemical process, bioprocess), and common infrastructure technologies

By cultivating and integrating these technological strengths, we have the unwavering power of a materials manufacturer, and have continuously delivered unique materials and solutions that respond to the changing needs of each era and local communities around the world.



→ Leveraging our existing technologies, expertise, and know-how to expand into new fields



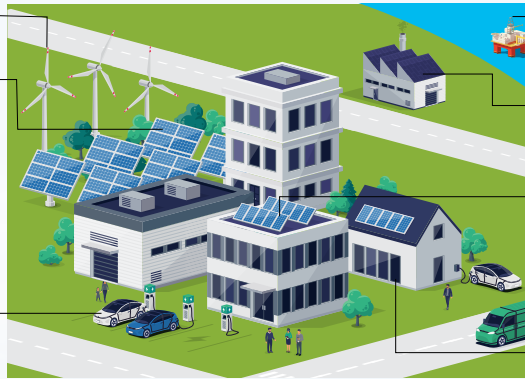
AGC, an Everyday Essential Part of Our World

With businesses in an extensive range of fields, the AGC Group supports the daily lives of people worldwide in a variety of ways. In this section, we introduce the three social values that the AGC Group aims to create: “Blue planet”, “Innovation”, and “Well-being.”

The Environmental Field

Our products that help create environment-friendly smart cities include glass for buildings and homes, solar power generation mirror glass, and next-generation refrigerants.

- Fluoropolymer resin for coatings
- Transparent conductive oxides substrates for photovoltaic devices
- Glass ceramic substrates for high-power LED lighting
- Fuel cell-related materials
- Refrigerants for automobile

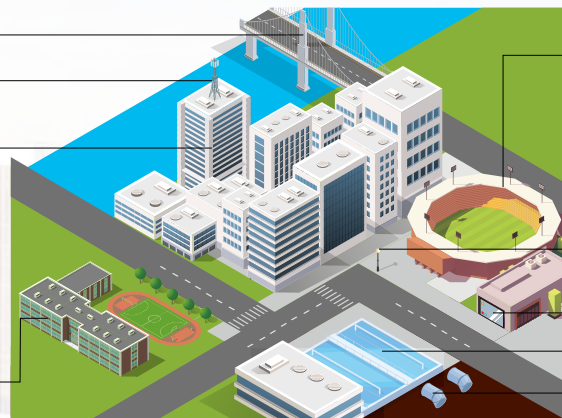


- Fluor elastomer rubber for oil-drilling equipment
- Refractories for waste-to-energy plants
- Protective fluoropolymer resin films for photovoltaic devices
- Eco-glass for homes

The Architectural and Social Infrastructure Fields

We offer architectural materials that help create reassuring, safe, and comfortable spaces as well as industrial materials that underpin social infrastructure.

- Fluoropolymer resin for coatings
- Copper-clad laminates for base stations
- Photovoltaic glass for buildings
- Glass for office buildings
- Glass antennas for base stations
- Anti-reflective architectural glass
- Laminated safety glass for public facilities

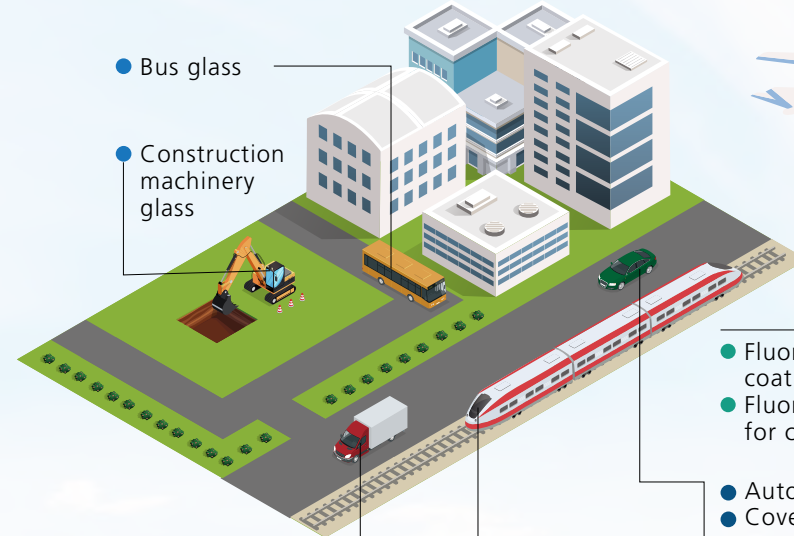


- Fluoropolymer films for membrane structures
- Materials for LED and OLED lighting
- Display-integrated mirrors
- Sodium hypochlorite (Disinfectant for drinking water)
- Polyvinyl chloride for water pipes

The Mobility Field

We provide a host of different products that are essential to transportation equipment and which contribute to the realization of next-generation mobility that is safe and comfortable, including lightweight, high-performance window glass and cover glass for car-mounted displays.

- Bus glass
- Construction machinery glass



- Railway glass
- Truck glass
- Refrigerants for automobile

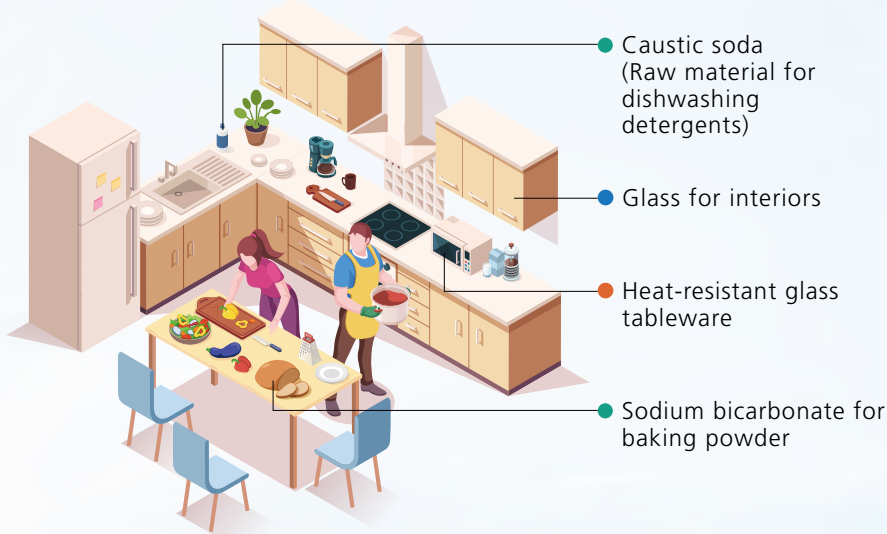
- Fluoropolymer resin for coatings
- Fluoropolymer resins for components
- Automotive glass
- Cover glass for car-mounted displays
- Electronic materials for advanced driver assistance systems
- Materials for LED and OLED lighting
- Polyurethane raw materials for car seats
- Fluoropolymer resins and rubber for automotive components

- Architectural Glass
- Automotive
- Electronics
- Chemicals
- Life Science
- Ceramics/Other

AGC, an Everyday Essential Part of Our World

The Consumer Products Field

We market products that bring comfort and convenience to daily life as well as many of the materials vital to their creation.



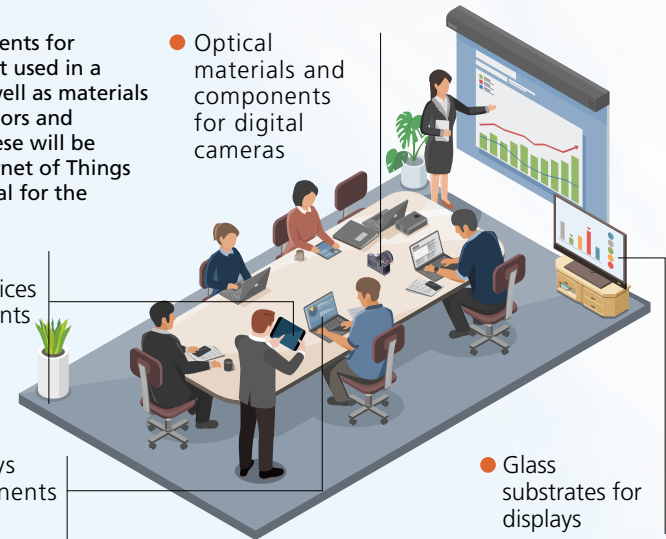
● Caustic soda (Raw material for hand soap)

- Architectural Glass
- Automotive
- Electronics
- Chemicals
- Life Science
- Ceramics/Other

The Electronics Field

We supply materials and components for displays and electronic equipment used in a variety of business situations as well as materials and components for semiconductors and communications equipment— these will be indispensable in the coming Internet of Things (IoT) and AI era as well as essential for the practical realization of 5G.

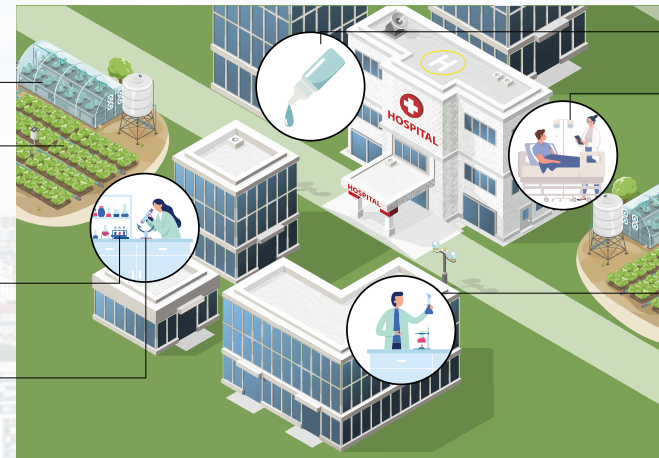
- Glass substrates for displays
- Cover glass for electronic devices
- Glass materials and components for optical equipment
- Fluoropolymer resins for electronic substrate materials
- Glass substrates for displays
- Glass materials and components for storage devices
- Fluoropolymer resins for electronic substrate materials



The Life Science Field

We provide materials and services for pharmaceuticals and agrochemicals that cater to demand resulting from population growth, food shortages, longer life expectancy, and increasingly sophisticated medical needs.

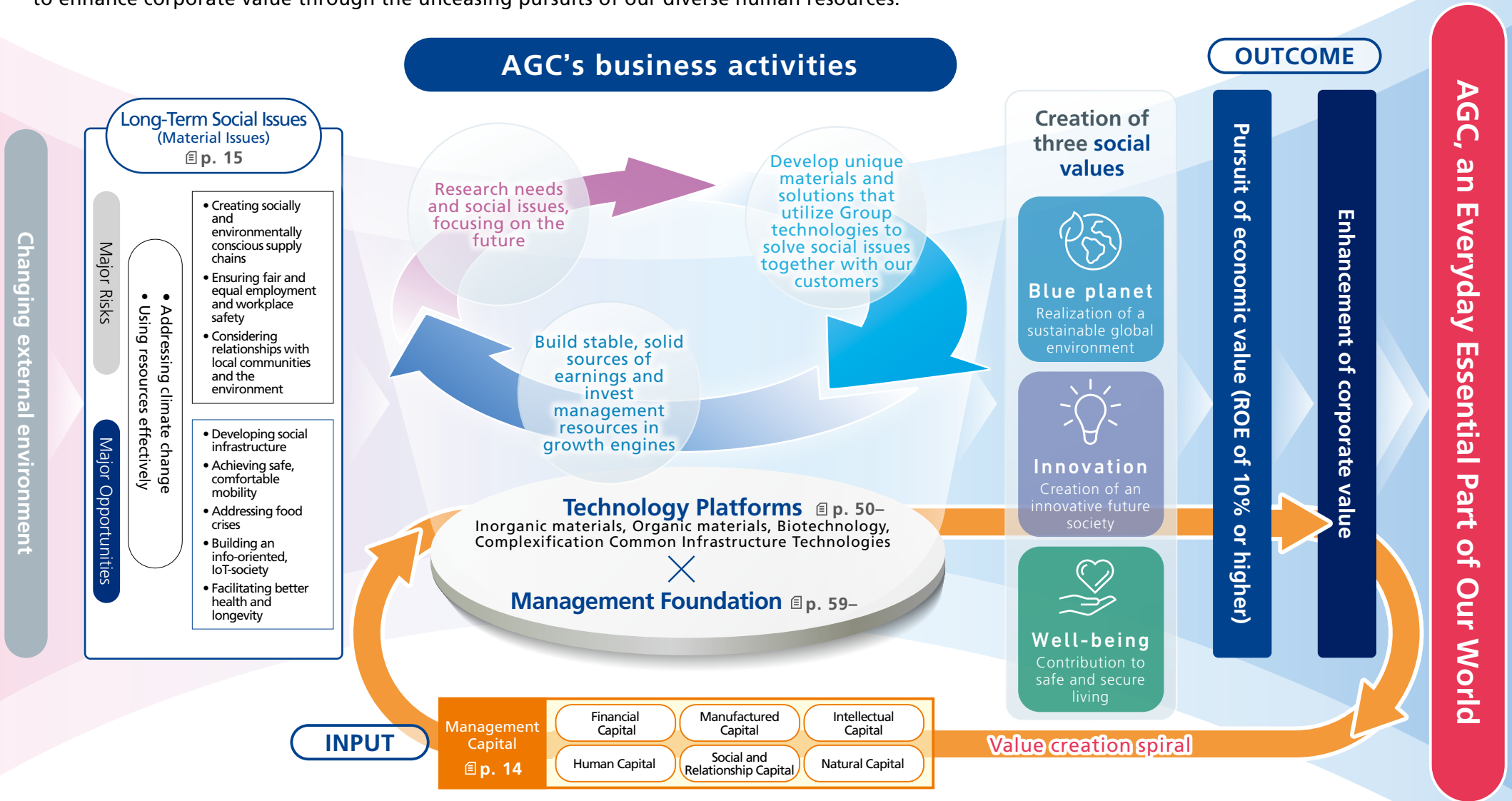
- Fluoropolymer resin films for greenhouses
- Agrochemical intermediates and active ingredients
- Bulking agents for liquid chromatography
- Laboratory glassware
- Tissue culture products







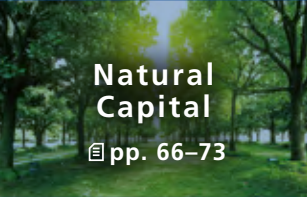

- Active ingredients for eye drops
- Sodium bicarbonate infusion solution for artificial dialysis
- Biopharmaceutical active ingredients
- Small-molecule pharmaceutical substances and intermediates

The AGC Group's Value Creation Model

In accordance with the AGC Group Philosophy **“Look Beyond,”** we conduct business management from a long-term perspective. Based on the technology and trust we have cultivated since our founding, we will pursue the creation of economic value through the creation of social value and aim to enhance corporate value through the unceasing pursuits of our diverse human resources.



Accumulated Management Capital

Management Capital	Capital-related indicators	Approach and vision	Examples of initiatives to strengthen capital
 <p>Financial Capital pp. 39–46</p>	<ul style="list-style-type: none"> Total assets: ¥2,950.1 billion (as of the end of FY2025) Net sales for FY2025: ¥2,058.8 billion Operating profit for FY2025: ¥127.5 billion 	<p>We aim to achieve ROE of 5% or higher in FY2026, the final year of the AGC plus-2026 medium-term management plan, and to exceed ROE of 8%, surpassing the cost of equity, as early as possible starting in 2027.</p>	<ul style="list-style-type: none"> Implementation of measures for ROCE improvement Sharp reduction in new investments, focus on recovering the investments made to date Promoting dialogue with the market <p>For details, please refer to Dialogue with shareholders and investors on p. 43.</p>
 <p>Human Capital pp. 59–65</p>	<ul style="list-style-type: none"> Consolidated employees: 52,896 (as of the end of FY2025) Employee engagement score (Employee Enablement + Employee Engagement) 128 in FY2016 → 137 in FY2019 → 140 in FY2022 DX human resources (data scientists) 2020 → end of 2025 Advanced: 39 persons → 119 persons Basic/intermediate level, introductory level: 1,735 persons → 7,740 persons 	<p>At the AGC Group, we are promoting human capital management represented by "AGC People: Driving our Growth!" to achieve Vision 2030 and realize continuous corporate growth. Based on the "AGC People: Driving our Growth!" concept, we plan and implement human resources policies, set quantitative targets to measure their effectiveness, and monitor them to ensure steady progress.</p>	<ul style="list-style-type: none"> AGC Group Management Personnel Development Program System Establishment of competitive compensation and recruitment initiatives Measures to improve employee engagement Initiatives to develop technological and DX human resources
 <p>Manufactured Capital pp. 50–58</p>	<ul style="list-style-type: none"> Capital expenditure for FY2025: ¥251.3 billion Manufacturing sites in Japan, Asia, Europe, Americas, etc. 	<p>In all our businesses, we prioritize production technologies and facilities development in cooperation with product development. We will leverage the production technologies and engineering capabilities that we have refined over the years as our base, while using the acceleration of digital transformation (DX) to further enhance our capabilities.</p>	<ul style="list-style-type: none"> Deepen and expand basic technologies and production systems DX promotion in plants Introduction of equipment that contributes to reducing GHG emissions
 <p>Intellectual Capital pp. 50–56</p>	<ul style="list-style-type: none"> R&D expenses for FY2025: ¥60.3 billion Patents and utility models: 8,741 (as of the end of FY2025) 	<p>We constantly anticipate customer needs in our material and technology development, as we look toward long-term changes in society, markets, and technology. This has enabled us to meet the expectations of customers for solutions to challenges related to their products, and contributed to the creation of new value. We will create more new value by leveraging this stance and the spread of the AGC group's materials and technologies to continue generating expectations among our customers. In addition, we appropriately protect the outcomes of our technological development as intellectual property.</p>	<ul style="list-style-type: none"> Collaborate with external partners through open innovation Building a strategic intellectual property portfolio Award system for inventors for creating patents that contribute to the business Formulation and execution of standardization strategies and rule-making RX (Research Transformation): Transformation of R&D utilizing DX
 <p>Natural Capital pp. 66–73</p>	<ul style="list-style-type: none"> ISO 14001 certified Group companies (as of the end of FY2025) Global 86 companies Greenhouse gas emissions for FY2025* Scope 1, 2 emissions 9,604 thousand t-CO₂ Intensity per Unit of Sales 0.47 thousand t-CO₂/¥100 million Scope 3 emissions 10,374 thousand t-CO₂ * Actual results are preliminary values 	<p>We position natural capital, including natural resources, energy, and biodiversity, to be the foundation of our business, and regard the maintenance of its soundness as a source of long-term corporate value. We will strive to reduce environmental impact throughout the entire product, technology, and service lifecycle, create social value called "Blue planet," and achieve both a sustainable society and our own growth by addressing social issues such as decarbonization.</p>	<ul style="list-style-type: none"> Risk analysis and information disclosure based on the TCFD recommendations Reduction of GHG emissions and landfill disposal rate Development and provision of materials that contribute to the creation of renewable energy Provision of energy-saving and energy-generating products
 <p>Social and Relationship Capital pp. 43, 73</p>	<ul style="list-style-type: none"> Number of company visits to AGC Yokohama Technical Center: 250 to 300 per year Survey of business partner satisfaction: Conducted annually since 2008 for about 200 companies 	<p>Since our founding, we have expanded into various industries, where we have leveraged our contact points to continuously create new, market-driven applications. Through these efforts, we have built unshakeable relationships of trust with customers. The trust that we have built with customers will continue to be our strength, as we provide new value through collaboration with leaders in each industry.</p>	<ul style="list-style-type: none"> Development of innovative technologies with academia and other organizations, and new product development with client companies at the AO co-creation space at the AGC Yokohama Technical Center Dialogue through business partner meetings Regular exchange of opinions with NPOs and NGOs Strengthening the system of respect for human rights, including the supply chain

Materiality Identification

Following the process below, the AGC Group identifies long-term social issues (materialities) as major risks and major opportunities that might have an impact on the long-term direction of business and corporate value. We are currently reviewing and updating our identification of major risks and opportunities in light of recent trends in sustainability disclosure frameworks.

01 SDGs mapping

To enable analysis of our long-term social issues, we reconfirmed our current progress toward the realization of sustainability by using the 169 targets of the SDGs as the basis for an analysis of the types of social issues addressed by our existing products.

1. Focused on existing mainstay products in each business field
2. Calculated the "business impact score" for each product based on its sales and growth potential
3. Linked each product to the SDG targets to which it can contribute
4. Described the type of social value that the AGC Group is creating in relation to each SDG by taking into account the contributions of all products linked to a given target
5. Added up the total business impact score of all products linked to each type of social value
6. Corrected the business impact score for each type of social value based on the degree of contribution to addressing social issues
7. Set the corrected results as the social impact score and identified the top 15 types of notable social value

The above procedure identified fields where existing products can help address current social issues.

Energy saving, creation, and storage and climate change mitigation  	Construction of smart cities  
Provision of reliable, safe water resources 	Realization of safe, comfortable mobility  
	Health improvement and realization of longer life spans 

02 Analyzing social issues and trends

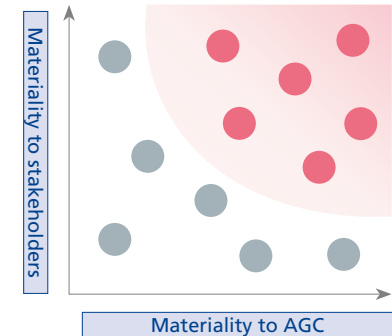
In light of its current contributions to the resolution of social issues, major risks and opportunities for the Group going forward were identified through analysis of future trends in social issues. (The analysis results were also used as basic information in preparing Vision 2030.)

1. Compiled a list of social issues

- 169 targets of the SDGs
- Sustainability megatrends (circular economy, etc.)
- Based on the Global Risks Report (World Economic Forum), compiled a list of items representing risks and opportunities for the AGC Group (79 items in total)

2. Assessed the materiality of the list of social issues

For the list of social issues extracted in the social issue trend analysis, mapping was conducted on the two axes of "Materiality to stakeholders" and "Materiality to AGC," and the degree of materiality was evaluated.



03 Identifying major risks and major opportunities

Based on the results of analyzing trends in social issues and in light of expert opinions, we identified major risks and major opportunities associated with simultaneously achieving sustainable development of society, and sustainable growth as a corporate group.

Major Risks

Social issues to be solved through sound corporate activities

- Addressing climate change
- Creating socially and environmentally conscious supply chains
- Ensuring fair and equal employment and workplace safety
- Considering relationships with local communities and the environment

Major Opportunities

Social issues to be solved through products and technologies

- Using resources effectively
- Developing social infrastructure
- Achieving safe, comfortable mobility
- Addressing food crises
- Building an info-oriented, IoT-society
- Facilitating better health and longevity

04 Decision made through discussions by the Board of Directors

These risks and opportunities are discussed and determined by the Sustainability Committee and the Board of Directors and were then used as the foundation for setting sustainability targets.

05 Reflecting in management strategies

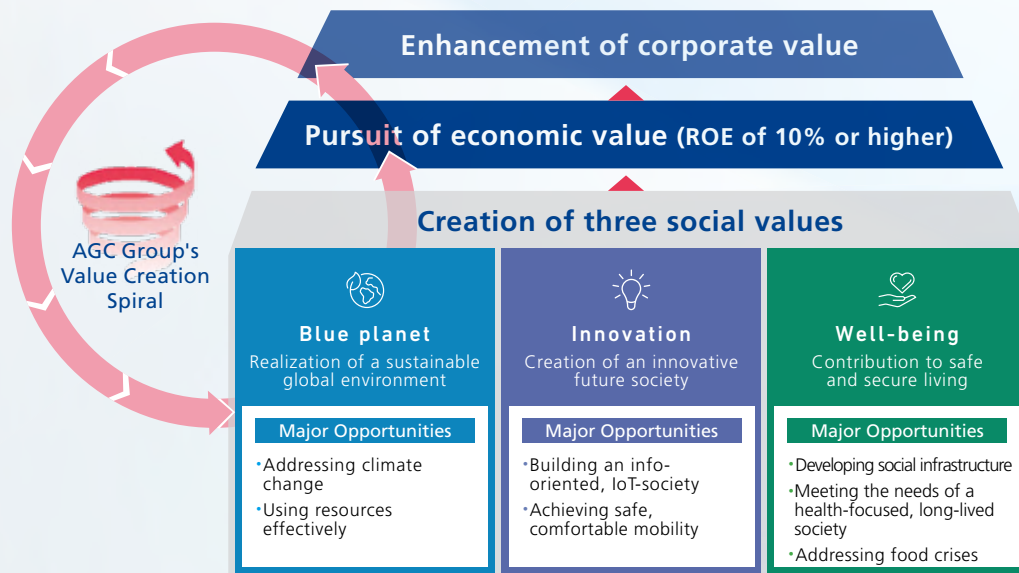
Please refer to the Sustainability Data Book for specific details on each of the major risks and opportunities and examples of our initiatives.

Long-Term Management Strategy

Long-Term Management Strategy: Vision 2030

Under Vision 2030, AGC has set the following aim: "By providing differentiated materials and solutions, AGC strives to help realize a sustainable society and become an excellent company that grows and evolves continuously." In realizing this aim, we will create social value by advancing various corporate activities and providing products and technologies. At the same time, we will create economic value by improving capital efficiency through the reform of business models and the creation of new businesses. Our first major strategy in this endeavor is business portfolio transformation. The AGC Group aims to expand Strategic Businesses (Electronics, Mobility, Life Science, Performance Chemicals) and accelerate growth while reforming business structures and models of Core Businesses (Architectural Glass, Automotive, Display, Essential Chemicals, Ceramics). In this way, the AGC Group plans to build a business portfolio resilient to market fluctuations with high asset efficiency, growth potential, and carbon efficiency. Our second major strategy is the promotion of sustainability management. Accordingly, we conduct business activities with the aim of minimizing any negative impact and maximizing any positive impact on the planet and society. While creating three social values through business activities, we will aim to realize a stable ROE of 10% or higher.

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



Social Values the AGC Group aims to Create

We contribute to the sustainability of the planet on which all life depends by reducing the environmental impact of our products from raw material procurement to use by customers.



Blue planet
Realization of a sustainable global environment

We contribute to the creation of innovative future society by providing materials and solutions that support the world's most advanced technologies.



Innovation
Creation of an innovative future society

We contribute to safe, secure, comfortable, and healthy lives by providing products necessary for daily life, infrastructure, and healthcare in a more stable manner.



Well-being
Contribution to safe and secure living

Three Social Values and Sustainability KPIs Message from the General Manager of Sustainability Division



We are steadily advancing measures to achieve our sustainability goals.

The Heart of AGC Value Creation Embodied by“Look Beyond”

AGC’s sustainability management is deeply rooted in our Group philosophy,“**Look Beyond**” With “AGC, an Everyday Essential Part of Our World” as our purpose, we have aimed to remain an indispensable presence in society, supporting the lives of people around the world with our unique materials and solutions. We therefore offer three social values: Blue planet, Innovation, Well-being. Their creation generates economic value and enhances corporate value. This value creation spiral is the fundamental concept behind AGC’s sustainability management.

Achieving Medium- to Long-Term Growth Through Sustainability Management

To tie this concept to effective management, we have established a governance structure with a Sustainability Committee chaired by the CEO. Sustainability perspectives are incorporated into management decisions. We plan

strategies and set goals starting at major opportunities and risks, with an emphasis on improving profitability, capital efficiency, and risk tolerance over the medium to long term.

Notably, we have established sustainability KPIs and monitor the status on an on-going basis to ensure that we as a company are steadily working to deepen our sustainability management, as set forth in our **AGC plus-2026** medium-term management plan. This enables us to quantitatively track how sustainability perspectives are embedded in our overall management, as well as the progress of our human capital management.

Sustainability KPIs

Solving Social Issues Through Our Business and Creating Opportunities for Growth

We index and monitor the status of representative businesses that create three social values—Blue planet, Innovation, Well-being—as KPIs to measure business growth from a sustainability point of view. Steady progress has been made in each of these areas as a result of our efforts.

The increase in the KPI for Blue planet shows that AGC is contributing to GHG reduction in society as a whole through sales of highly functional energy-saving glass and next-generation low-GWP refrigerants. Shipments of products contributing to GHG reduction are expanding, mainly in the chemical sector.

In terms of contributions to Innovation, the sales index shows the expansion of businesses that provide materials and solutions that support cutting-edge fields, starting with the semiconductor industry, and that are responsible for contributing to the next-generation society.

As a contribution to Well-being, in addition to supporting the development of critical day-to-day infrastructure in Southeast Asia with chlor-alkali products, we support people’s safe and secure lives through the development and stable supply of pharmaceutical products via CDMOs.

Strengthening the Management Foundation With a Focus on GHG Reductions and Human Capital

GHG emission reductions and employee engagement scores have been established as KPIs to measure the sustainability of our management foundation.

Reducing GHG emissions is an important factor in competitiveness, as energy prices and carbon costs are directly related to business profitability. We incorporate internal carbon pricing into investment decisions, visualize the relationships between reduction potentials and costs using

marginal abatement cost curves, and use these to formulate economically rational reduction plans. Under the banner “AGC People: Driving our Growth!” we are committed to fostering an organizational culture that allows us to maximize our strengths by emphasizing both the growth and motivation of employees and the creation of an environment to realize these.

Issues on the Horizon in the Final Year of the Medium-Term Management Plan

As we enter the final year of our medium-term management plan and look back on our efforts, the issues on the horizon that need to be addressed as we prepare to take the next step have become clearer.

As a materials manufacturer, our mission is to support people’s daily lives by utilizing the earth’s resources while also reducing environmental impacts from a long-term perspective. In addition to addressing climate change, we are also working to concretize policies and targets in environmental fields such as resource circularity and harmony with nature. We are also reassessing materiality given changes in the external environment and designing the next KPIs.

In the area of human rights, following the formulation of policies and the establishment of systems, we can now grasp the impact of human rights on business activities and take appropriate action. This requires efforts that look not only at our own company but also at entire value chains.

The driving force behind these efforts is none other than our people. Building on our current diversity initiatives, we will leverage the strengths of our diverse talent to create value for our organization.

Steadily Implement Needed Action without being swayed by Short-Term Trends

Even as national policies and public opinion change, global environmental issues and respect for human rights are management issues that must not be rolled back. We will steadily take needed action from a medium- to long-term perspective without being distracted by short-term trends.

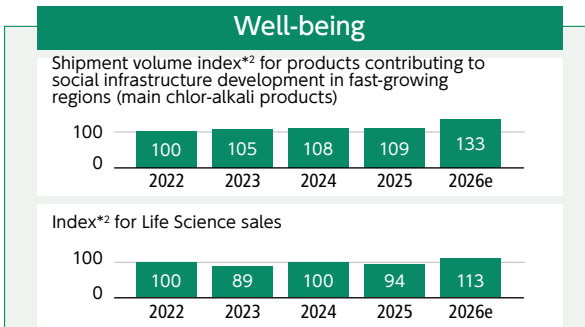
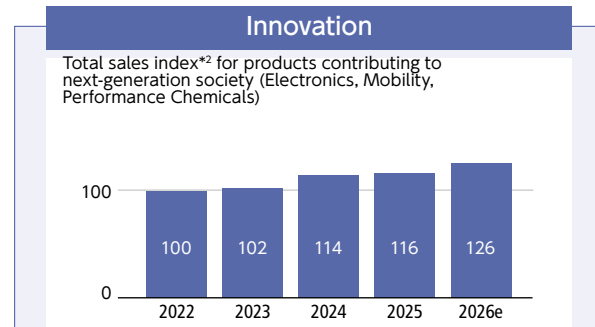
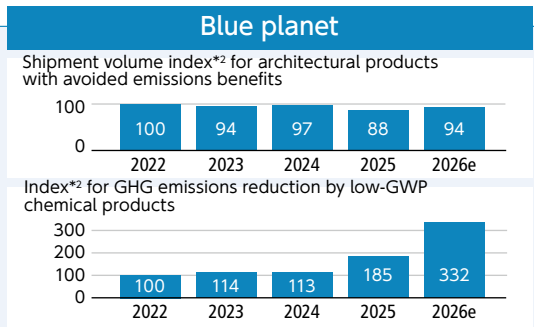
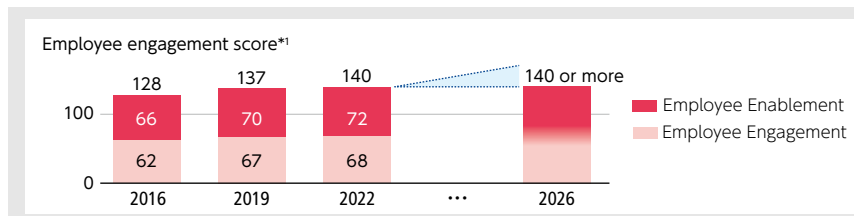
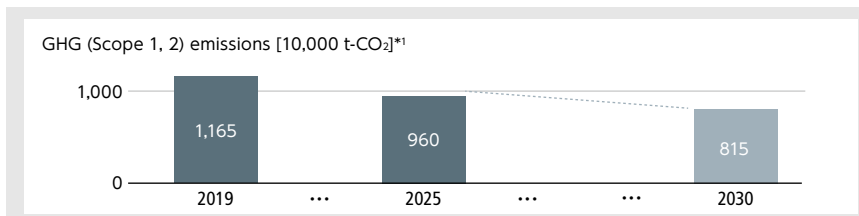
As General Manager of the Sustainability Division, I will incorporate these into strategies and KPIs, and drive execution to achieve growth and strengthen our competitiveness. We will not only passively respond to the demands of society. Instead, we will also partner with society to drive sustainable development as we work to achieve our own purpose.

Three Social Values and Sustainability KPIs

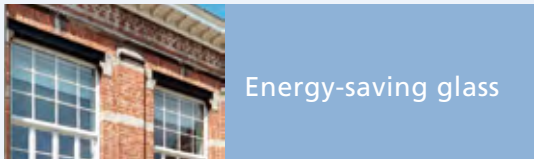
Progress in the AGC Group Sustainability KPIs

In light of trends in long-term social issues, the AGC Group sets long-term management strategy, business strategies, and sustainability goals and KPIs based on major opportunities and risks to achieve both contribution to a sustainable society and the sustainable growth of the Group.

Sustainability KPIs



Product Examples



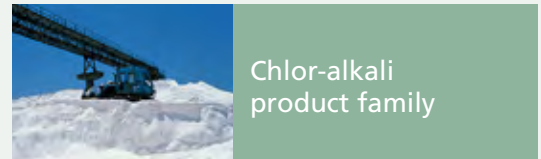
Energy-saving glass

AGC's Low-E double-glazing glass is glass with an insulating layer created by sealing dry gas (air, argon, etc.) between the glass panes to improve the thermal insulation performance of the glass. Low-E coating on the glass further enhances thermal insulation and heat shielding performance. It helps maintain a comfortable indoor environment, improves the efficiency of heating and cooling systems, and helps save energy.



Next-generation low-GWP refrigerant

AMOLEA® X and Y series are next-generation, environmentally friendly low-GWP refrigerants developed by AGC for air conditioners. The series reduced environmental impact while maintaining refrigerant performance. We are creating a safe, secure, comfortable and environmentally friendly world with chemical technology.

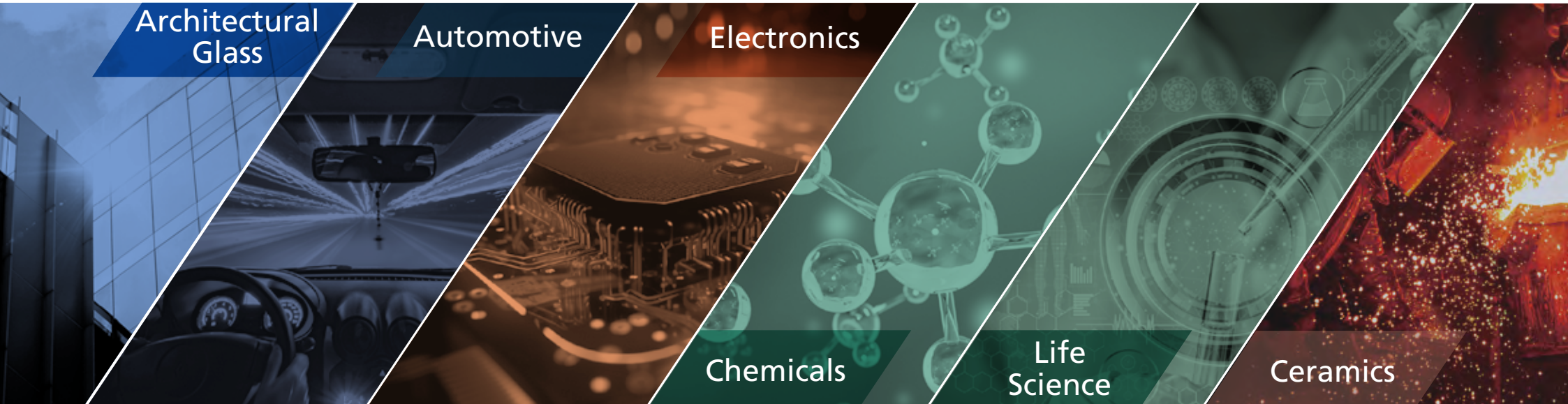


Chlor-alkali product family

Chlor-alkali products, primarily caustic soda and chlorine produced through the electrolysis of salt, are closely linked to our daily lives. As an example, sodium hypochlorite, which is produced from caustic soda and chlorine, is used as a disinfectant in water and sewage systems, a critical piece of infrastructure that underpins society.

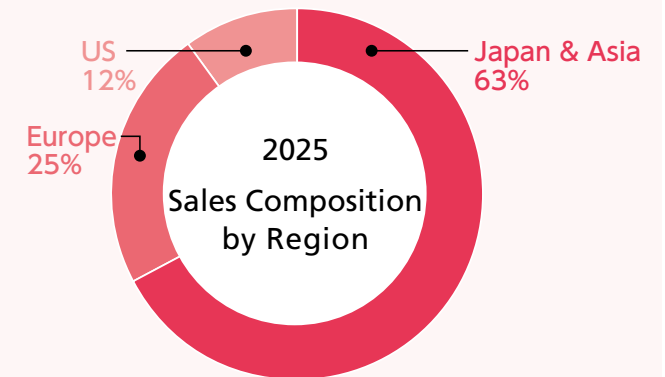
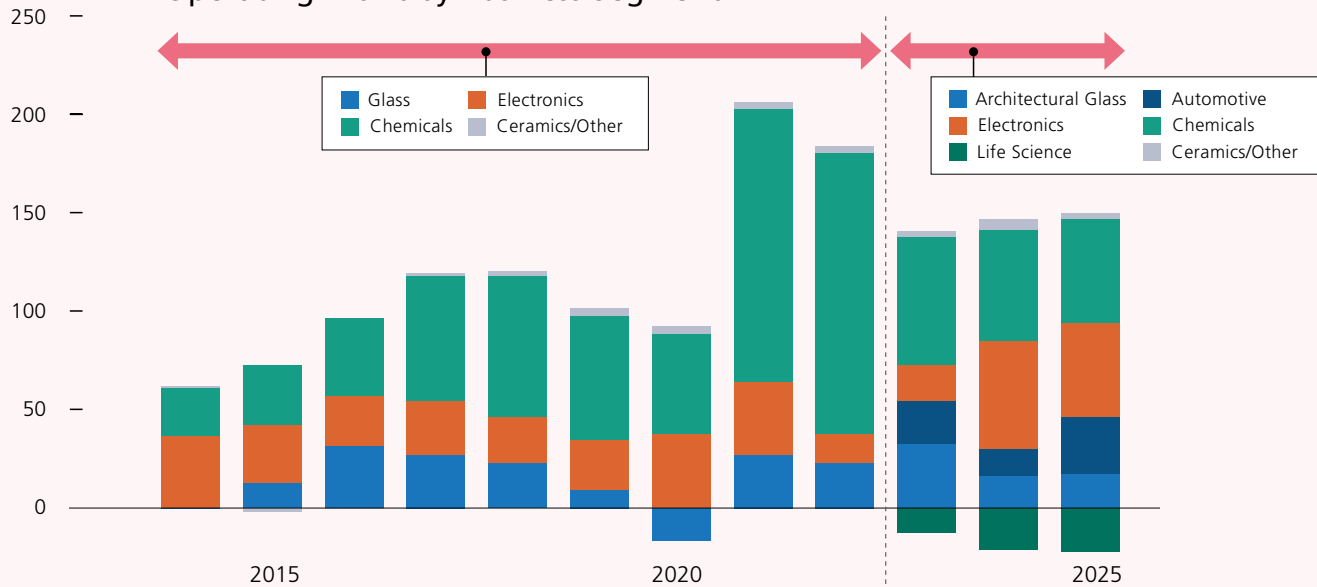
*1 Items reflected in executive remuneration. However, for GHG emissions, GHG emissions intensity per unit of net sales are used in the calculation of executive remuneration. *2 Indexes: Figures converted from 2023 on using 2022 as a base of 100.

Business Segments



(1 billion JPY)

Operating Profit by Business Segment



Architectural Glass

Business Overview

In 1909, AGC became the first Japanese company to successfully produce flat glass domestically, and today we hold the top class share in regions where we operate. Since the Group's founding, we developed the Architectural Glass Business as a stable earnings source. We grow new businesses with enhanced glass functionality and environmentally friendly glass. For example, in the glass market for residential and commercial buildings, and appliance and other industrial uses, we are developing high-performance glass products such as double-glazing and Vacuum insulating glass with heat shielding and insulation properties and laminated glass with excellent disaster and crime prevention performance.

Main Products

Float glass, laminated glass, double-glazing glass, vacuum insulating glass, Low-E glass, tempered glass, heat-resistant tempered glass, mirrors, colored glass, figured glass, wired glass

Competitors

Float flat glass: Saint-Gobain, Nippon Sheet Glass, Guardian



Top Class Share in Europe, Japan, etc.*

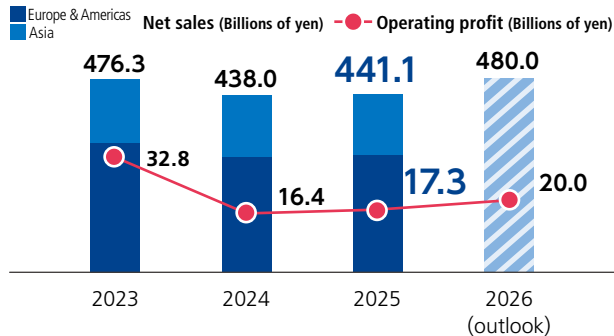
Float glass

Building Integrated Photovoltaics (BIPV)

Glass antenna

* (Based on fiscal 2026 estimates by AGC)

Business Performance



Business Environment

Architectural Glass Europe & Americas Business Opportunities

- Growth in demand for environmentally conscious products with improved energy efficiency
- Strong building renovation trend supported by European legislation
- Growing population and economic development in South America

Risks

- Geopolitical instability and economic volatility
- Decreased competitiveness in Europe due to EU policies (decarbonization, energy, trade policies)

Strengths

Leader in sustainable Innovation

We use technology leadership as an enabler to meet evolving sustainability demands both in production processes and new products

Business Excellence

Resulting in advanced performance, quality, and reliability for our customers

Product portfolio

The industry's most extensive product lineup, from commodity products to leading-edge high-value-added products

Value chain

Integrated value chain allowing us to innovate and adapt to market changes more quickly

People Expertise

A diverse and global team of highly skilled and dedicated professionals who drive innovation, operational excellence, and customer satisfaction.

Architectural Glass Asia Pacific Business

Opportunities

- Growing demand for environment-friendly products, such as products that improve energy efficiency and Building Integrated Photovoltaics (BIPV) products
- Technological differentiation through innovation in manufacturing technologies
- Window openings in buildings becoming a potential platform to serve a more sophisticated society's infrastructure by such solutions as glass antennas
- Permeation of high-value-added products and growing Asian markets such as Thailand and Indonesia, as well as Oceania

Risks

- Addressing climate change (reduction of GHG emissions from float glass furnaces, among others)
- Emergence of fierce competition as a result of oversupply in the region

Strengths

Development capability

Product and process development capabilities for high-performance glass, as represented by world-leading energy-saving glass

Manufacturing capability

Diverse manufacturing capabilities, from float glass to various coating and processing technologies

Proposal capability

Ability to offer value to customers

Supply chain

Robust supply chain underpinned by trust fostered over many years

Global network

Diverse human resources, who support the above mentioned strengths, as well as our global network

Architectural Glass Europe & Americas Company President Message



President of
Architectural Glass
Europe & Americas Company
Davide Cappellino

Continuing to be a Cornerstone of Value Creation and Success

Review of Fiscal 2025

Resilience Through Challenges

In FY2025, we continued to face challenging conditions, particularly in Europe, where demand was heavily affected by energy shocks, inflation and prolonged geopolitical instability. Against this backdrop, demonstrating resilience and decisive execution allowed us to quickly align capacity with market realities and implement rigorous cost controls, leading to stabilized performance and recovered margins over the course of the year.

These actions were reinforced by disciplined pricing measures and by capturing the value of investments made in recent years, especially in high-performance and value-added products. Growth in advanced coatings, safety glass and vacuum-insulated glass supported earnings quality and strengthened the business mix. In South America, steady demand and a strong market position enabled solid value creation, further balancing regional performance. Together, these efforts allowed us

to close the year with results that confirmed the effectiveness of its structural reforms.

Assessment of Current Status Toward the Final Year of the Medium-Term Management Plan

Strengthening Our Core

As **AGC plus-2026** reaches its final year, the external environment remains volatile, yet underlying business conditions have improved markedly. While the scale of market disruption was not anticipated when the plan was formulated, the response has reaffirmed our role as a reliable value generator within the Group.

In 2026, the full effects of earlier countermeasures will be realized. Capacity adjustments, cost-reduction initiatives and portfolio optimization have created a leaner and more focused business structure. Management attention is now concentrated on segments where we can deliver clear differentiation and market impact. With European demand expected to recover gradually later in 2026, the organization is positioned to respond quickly while maintaining discipline in asset utilization.

Outlook After This Medium-Term Management plan

From Operational Fitness to Value-Driven Global Expansion

Looking to 2027 and beyond our current plan, the focus shifts from stabilization to growth. After several years of uncertainty, the business is now structurally fitter – more competitive in cost, more selective in portfolio and better positioned to capture emerging opportunities. Growth is essential not only to support the Group's top line, but also to extend our contribution to society through advanced glass solutions.

In South America, the objective is to grow in step with rapidly evolving societal needs, expanding both volume and value-added offerings. In Europe, tightening regulations on building energy performance and carbon reduction are expected to unlock significant renovation demand, allowing us to lead the transition by supplying advanced low-carbon and high-efficiency glass products.

Technology will be a critical enabler. Sustainability requirements are reversing the commoditization of glass manufacturing, opening new avenues for differentiation. By industrializing learnings from pioneering initiatives

and strengthening R&D, we are reimagining the technological forefront supporting long-term competitiveness.

Toward Realizing Vision 2030

Making Architectural Glass Future Proof

Architectural glass stands at the origin of the Group's history and remains closely aligned with its long-term aspirations. In terms of well-being, glass enhances comfort, safety and the quality of living spaces. From a sustainability perspective, transforming glass production to meet future emissions standards is essential.

A central pillar in these efforts is the Volta project, which has demonstrated the production of high-quality architectural glass using a significantly higher share of electricity than traditional processes. Volta provides a practical foundation for rethinking glass manufacturing in a world moving toward stricter emissions regulations and carbon pricing mechanisms.

Combined with continued progress in circularity – such as expanding the recovery and reuse of external glass – these initiatives ensure that architectural glass remains compatible with the expectations of modern society and the direction of global regulation. Equally important is financial discipline. Efficient asset utilization, strong cash generation, and selective investment underpin our contribution to the Group's long-term value creation as Vision 2030 approaches.

Role of the In-house Company and How It Contributes to the Group

Extending Impact Through Collaboration and Commitment

Our strength lies not only in its own capabilities, but also in its integration within the AGC Group. Collaboration across in-house companies and corporate functions accelerates innovation, from sustainability technologies to next-generation products. By combining expertise from architectural, automotive and electronics glass, the organization is able to overcome technical limits and anticipate future market needs.

Guided by a sense of responsibility rooted in the Group's origins, we remain committed to ensuring that architectural glass continues to be a pillar of value creation – today, tomorrow, and well beyond 2030 – supporting both an enhanced, modern society and the long-term success of the AGC Group.

Architectural Glass Asia Pacific Company President Message



President of
Architectural Glass
Asia Pacific Company
Shigeki Yoshiba

Creating Social Value Through Higher Value-Added Products

Review of Fiscal 2025

Japan Businesses Performed Well, but Challenges Persisted in FY2025

The Architectural Glass Business in Japan performed relatively well in 2025. While the rise in construction material costs led to a decline in new housing starts and a corresponding drop in glass demand, the Japanese government's initiative to promote energy-saving renovations of homes and buildings boosted demand for renovations, and the growing needs for energy-efficient glass products made up for the decline in new construction demand. In response to rising manufacturing costs, we worked to secure profits by revising product prices.

In Asia outside of Japan, demand remained sluggish across Asia, particularly in China, and factors such as aggressive pricing by new competitors in Indonesia had a more severe impact than anticipated. Challenges remained both in Japan and elsewhere in Asia, such as manufacturing yields putting pressure on earnings.

Assessment of Current Status Toward the Final Year of the Medium-Term Management Plan

Working to Adjust Prices in Asia

Although market conditions in Japan remain challenging, we believe we will be able to deliver solid earnings. In addition to effective price adjustments supporting our business performance, on the demand side, government subsidies, originally scheduled to end in 2025, have been extended through 2026, so demand for home renovations is expected to continue. In Asia, the decline in prices in Indonesia bottomed in the second half of 2025 and has recently shown signs of a modest recovery. Furthermore, we have maintained the top market share in Indonesia thanks to the solid relationships built with our customers over many years. We will continue to demonstrate leadership in the market and advance our initiatives to stabilize prices.

To address productivity issues, we have formed a task force comprising relevant departments to identify the challenges that arose in 2025 and are working to prevent their recurrence. We will implement these measures across all our sites, drawing on the scientific expertise of the AGC Yokohama Technical Center, our R&D hub.

Outlook After This Medium-Term Management Plan

Shift to Higher Added Value in Products and Developing New Businesses

Our first priority moving forward is to add more value to our products. To secure stable profits without becoming subject to intense competition, we must move beyond the realm of commodities and differentiate ourselves through high-value-added products. For example, high-value-added products such as Low-E double-glazing glass, which contribute to energy saving and the reduction of GHG emissions in society, are characterized by its ability to achieve both economic and social value, and its adoption is growing in the Japanese market. In the Asian market as well, sales of products such as Low-E glass are growing in line with rising demand for energy-saving performance.

The second is to carve out new businesses. Our Architectural Glass Business covers the entire supply chain, from manufacturing to on-site installation. Leveraging this capability, we offer products such as *Miharumo™*, a camera installed on the interior side of windows that captures outdoor footage, and *WAVEATTOCH™*, a glass antenna that is also attached to the interior side to create a 5G coverage area outdoors. We have also begun a proof-of-concept trial

for *Miharumo™* to create a data-driven business based on selling the captured images as data. Through these high-value-added products, we are seeking to expand into new segments, which is a particular challenge for us in the Japanese market.

Toward Realizing Vision 2030

GHG Emission Reduction and Contribution to a Circular Economy

Vision 2030 lies as an extension of our efforts today to create economic value through the creation of social value. One example of creating social value is the environmental benefits achieved by reducing GHG emissions during the manufacturing process. Developing and deploying technologies to reduce the massive energy consumption and GHG emissions associated with glass manufacturing is a major long-term challenge. Because heavy carbon taxes are imposed on fossil fuels in Europe, the Architectural Glass Europe & Americas Company is already working to develop manufacturing technologies that use electricity, and we are also considering rolling this approach to other areas. This is a strength of the AGC Group, which operates on a global scale.

Another priority is contributing to the realization of a circular economy through recycling. While recycling entails costs such as collection, glass has the advantage that, horizontally recycling waste glass as cullet (scrap and fragments) and using it as a partial raw material for new glass products results in lower GHG emissions than manufacturing from virgin raw materials. We are currently working on developing technology to remove impurities from collected glass, with the aim of putting it into practical use in the future.

Role of the In-house Company and How It Contributes to the Group

Achieving Synergies from the Group's Strengths

Since the Architectural Glass Business is a core business within the AGC Group, we will work to improve our business performance so that we can fulfill our mission of generating stable profits and creating cash flow. We also aspire to be a frontrunner in achieving the AGC Group's goal of creating economic value through the creation of social value. To create further social value, we will collaborate with the Architectural Glass Europe & Americas Company and draw on the expertise of other companies to advance our ideation for the future. We are determined to leverage our strengths as a Group and generate a variety of synergies.

Automotive

Business Overview

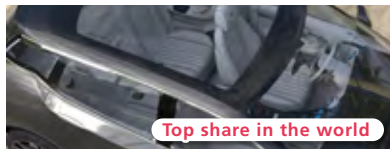
We have achieved a leading share of the global market for automotive glass by providing high-quality products, services, and solutions to global automotive manufacturers. The Automotive Glass Business, which is a Core Business, we produce and sell laminated glass, tempered glass and high value-added products. Additionally, in the Mobility Business, which is a Strategic Business, we are leading the industry in advanced coating and glass processing technologies, mainly in cover glass for car-mounted displays, and we intend to further expand sales in the future.

Competitors

Fuyao Glass Industry Group Co., Ltd., Saint-Gobain S.A., Nippon Sheet Glass Co., Ltd. (NSG Group), Corning Inc., etc.

Main Products

Laminated glass, tempered glass, 99% UV cut glass, infrared cut glass, Low-E glass, high insulating glass, light control glass, privacy glass, acoustic glass, lightweight glazing glass, water repellent door glass, snow- and ice-melting windshield glass, defogging glass, glass antennas, glass for head-up displays, encapsulated window, cover glass for car-mounted displays, cover glass for LiDAR, cover glass for pillars



Automotive glass

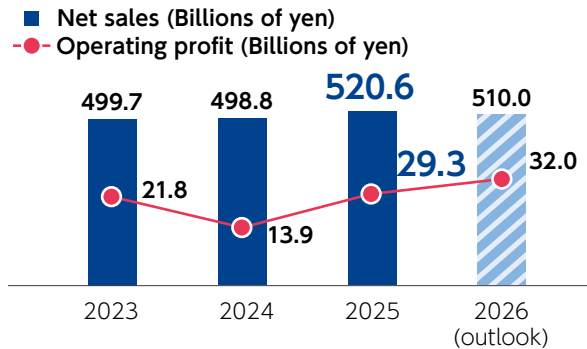


Cover glass for car-mounted displays



Light control glass (Off) / Light control glass (On)

Business Performance



Review of Fiscal 2025

Achieved Record Profits, but Still Tackling Regional Issues

In 2025, we recorded our highest ever profit, as cost increases in raw materials, fuel, etc., were offset by productivity and structural improvements, while further growth was driven by product mix enhancements and pricing policies, resulting in higher sales. However, the recent situation varies by region. In North America, although we strengthened support through group-wide efforts to stabilize the production and delivery system, improvements are still a work in progress. In Europe, shipment volume declined in a difficult market environment, but we secured increased revenue and profit through the improvement of indirect costs. However, the profit level is still insufficient due to unstable production operations. On the other hand, Japan achieved the planned budget by improving productivity and product mix, while China made progress in improving profitability through structural improvement, and the South American region also remained strong supported by vigorous market conditions. The Mobility Business focused on building an optimal production system capable of responding to a rapidly changing market and providing high function/high value-added products.

Business Environment

Opportunities

- Business opportunities and the expansion of high functional material needs arising from market changes represented by the CASE* trend
- Greater demand for high-speed communications and sensing technologies that enable autonomous driving
- Expansion of the use of materials that contribute to the automotive electrification
- Rising demand for comfortable vehicle interiors and for larger and more sophisticated car-mounted touch-panel displays

*Connected, Autonomous, Shared & Service (car sharing and services), Electric (electric vehicles)

Risks

- Increase in use of alternative technologies and materials to reduce the burden on the environment, such as GHG emissions
- Decline in automotive production and sales due to the uncertainty of the global economic outlook, etc.

Strengths

Relationships of trust

Strong relationships of trust built with many industry-leading global OEMs and various collaborative partners across different fields

Network

A global network that can provide products and services with manufacturing, sales and development bases around the world

Production technologies

World-class glass production technologies including coating and processing

Comprehensive technology capabilities

The AGC Group's technology development and comprehensive capabilities, which integrate glass, chemicals and electronics

Synergies

Synergies from having both the Core Automotive Glass Business and the Strategic Mobility Business

Automotive Company President Message



President of
Automotive Company
Hiroyuki Ohtani

Driving the Mobility Society with High-Functionality, High Value-Added Products

Current Assessment ahead of the Final Year of the Mid-Term Plan

Addressing Regional Issues

In FY2026, the final year of our mid-term plan, it is important that we steadily resolve regional issues and strengthen our business foundation so we can steadily build on our results. We will accelerate improvements particularly in North America and Europe. In North America, we will continue to strengthen and improve group-wide support to stabilize production and delivery systems. We are also working to build optimized systems through the consolidation of production lines. In Europe, our focus is on improvements by strengthening organizations that address production issues and enhance productivity. For Mobility Business—our Strategic Businesses—we need to formulate and execute strategies in a flexible manner while keeping abreast of rapidly changing market trends. Several new products are scheduled to be launched, and ensuring their successful

market rollout will be a critical priority.

Outlook Beyond This Mid-Term Plan

Reaffirming Our Value

During the next mid-term plan period, we will continue to adhere to our policy of “Volume to Value.” We will strive to manage our business with an emphasis on increasing added value, instead of relying on sales volume. Since entering the Automotive Glass Business, which is our current Core Businesses, we have been chosen by many automotive manufacturers and partners in various fields. By reflecting once again on why they continue to choose us and living up to their expectations, we will pursue the value the AGC Group provides and realize our “Volume to Value” policy. In doing so, it is important to realize that “Volume to Value” does not mean our Core Businesses will lose their role. Even if a product appears to be a commodity at first glance, if our customers still say, “We want to entrust this to AGC,” then that is where our value lies.

Automotive Company has both Core and Strategic Businesses. With our Core Business, we will continue to work on three initiatives: pricing policy, structural improvement, and enhancement of product functionality. Through these initiatives, we will improve profitability and efficiency and make our businesses more resilient. We believe it is crucial to leverage the cash generated there to promote high functionality and high added value in our Strategic Business area of Mobility. This will let us transform entire Automotive Company into a highly profitable entity.

Toward Our Vision for 2030

Providing Products and Services That Anticipate Customer Needs

Our vision for 2030 is to lead the realization of a sustainable mobility society (CASE) through unique components and solutions, and simultaneously continue developing ourselves. To achieve this vision, it is essential that we continue enhancing the functionality and added value of our products. The AGC Group possesses comprehensive technological capabilities that integrate glass, chemistry, and electronics, as well as glass production technologies that include coating and processing. By leveraging these capabilities to precisely control light, heat, and sound, we aim to help enhance the value of safety, comfort, and enjoyment. We will therefore

strive to accurately anticipate markets trends and customer needs and provide high-performance, high value-added products and services ahead of demand.

One example of such products is the FeellnGlass® Reflective Blade for HUD, which won an award at CES Innovation Awards® in January 2026. This is a glass panel for a head-up display (HUD) that projects information to assist drivers. AGC’s unique coating technology ensures clear visibility regardless of weather conditions, even when the driver is wearing polarized sunglasses. We will continue to lead the way in realizing a future mobility society by proactively proposing high-function, high value-added products and services like this.

Role of Automotive Company and How It Contributes to AGC group

Planning and Implementing Clear Strategies to Achieve Our Vision

In our Core Business of Automotive Glass, we will work to improve profitability and efficiency and generate long-term stable cash flow by continuing our pricing policy, structural improvement, and high functionality and added value initiatives. In addition, in our Strategic Business of Mobility, we will contribute to the growth of the AGC Group by ensuring we seize business opportunities and grow it into a highly profitable business. I believe this is the role the Automotive Company should play in the AGC Group.

Given how the business environment is changing in discontinuous ways, we cannot view the future as a simple extension of the present. Even in such times, we are determined to consistently fulfill our mission of leading the realization of a global mobility society by defining and executing a clear strategy toward the vision we seek to achieve.

Electronics

Business Overview

Display Business

■ Glass substrates for TFT-LCD and OLED

The Display Business has the second-largest* shares of the global markets for glass substrates for liquid crystal display (LCD) and glass substrates for organic light-emitting diode (OLED) display. We are further heightening our global competitiveness by using proprietary manufacturing methods and advanced production technologies, and new products with superior performance characteristics.

*AGC estimation based on sales

Competitors

Corning, Nippon Electric Glass

Electronic Materials Business

■ Optical related materials

We are expanding our business primarily in optoelectronic materials for new devices such as infrared ray-absorbing glass filters for smartphone cameras, and for LiDAR and AR/ MR glasses.

Main Products

High refractive index glass, DOE / diffusers, optical planar devices, IR cut filters, aspherical glass lenses, microlens arrays, and optical thin film

■ Semiconductor related materials

This business primarily offers synthetic fused silica glass, which has established a top share worldwide; EUV mask blanks; high-purity SiC jigs; CMP slurries; and manufacturing printed circuit board materials.

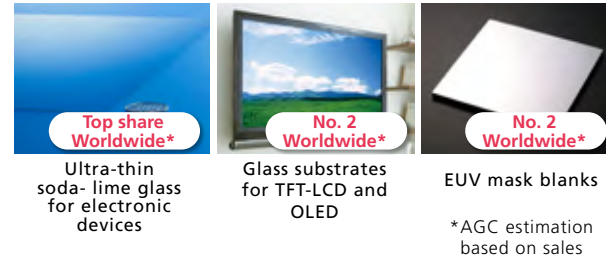
Main Products

Synthetic fused silica glass, silicon carbide, CMP slurry, EUV mask blanks, glass carriers, powdered glass and glass paste, materials for copper-clad laminates, industrial PTFE composites

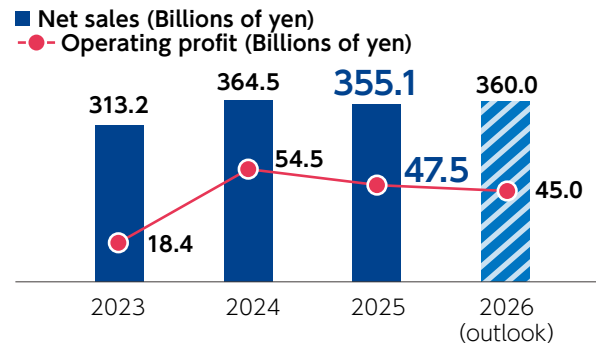
Competitors

EUV mask blanks: HOYA
CMP slurry: Resonac, Merck

Products with Top Market Share



Business Performance



Review of Fiscal 2025

Steady Earnings Improvement for Displays, Electronic Materials in an Adjustment Phase

As a whole, the Electronics Company reported lower sales and profits in FY2025 versus the previous year. In the Display Business, sales increased owing to a rise in shipments of glass substrates for TFT-LCD and OLED. Strengthened competitiveness through business structure reforms, pricing policy, and technological innovation has also contributed to a steady improvement in profitability. On the other hand, sales in the Electronic Materials Business declined year-on-year due to factors such as the transition period for optical components toward even higher functionality and a decrease in shipments of EUV mask blanks. Operating profit fell year-on-year owing to the factors mentioned above that contributed to the decline in sales as well as the recognition of costs incurred

as a result of the decision to exit business in Specialty Glass for Chemical Strengthening.

Business Environment

Opportunities

- Rise in demand for infrastructure-related products indispensable for a data-driven society enabled by generative AI and big data
- Growing demand for back-end process materials that enable the further evolution of semiconductors
- Growth in demand for products essential for the safety, security, and comfort of autonomous driving-based mobility

Risks

- Measures to reduce GHG emissions
- Market trends in the electronics industry, which is undergoing rapid market changes

Strengths

- **Marketing capabilities and ability to offer customers solutions**
Marketing capabilities and ability to offer customers solutions that include technical support
- **Technology Development**
Technology development capabilities that enable us to handle everything from materials design, production, processing, and evaluation and analysis in-house
- **Production technologies**
Production technology for the efficient manufacturing of differentiated materials
- **Business development**
Ability to develop businesses globally
- **Product competitiveness**
Competitive products realized through our proprietary glass manufacturing methods, processing technologies, and development capabilities

Electronics Company President Message



President of
Electronics Company

Nobuyuki Suzuki

Becoming an “Essential Part of Our World” and Supporting an Info-Oriented Society

Assessment of Current Status Toward the Final Year of the Medium-Term Management Plan

Period of Steady Improvement in Earnings and Expansion of High Value-Added Products

Although the Display Business recorded a significant impairment loss in FY2022, it has shown substantial improvement during the period of the current medium-term management plan through profitability-enhancing measures such as improved productivity resulting from a focus on glass substrates for large-size displays and pricing policies. In the Electronic Materials Business, we steadily secured specifications for high-end semiconductors with products such as EUV mask blanks and CMP slurry for semiconductor-related materials, while also expanding our manufacturing capacity. Additionally, we expanded our lineup to address the growing semiconductor market by launching a new glass carrier for packaging used in the back-end processes of

semiconductors. In addition, our optical related materials business is growing steadily as we meet our customers' increasingly advanced technological requirements.

On the other hand, we implemented portfolio transformation within the Electronics Company to accelerate growth, including the decisions to exit business in Specialty Glass for Chemical Strengthening and the sale of the polycarbonate business in FY2025. Going forward, we plan to continue implementing measures to improve profitability in the Display Business, while in our Electronic Materials Business, we will promote the expansion of sales of high-value-added products and the launch of new offerings.

Outlook After This Medium-Term Management Plan

Strengthening Partnerships with Overseas Customers

Many of our customers in the Electronic Materials Business are leading companies in the global electronics industry. We believe that, in response to such requests from our customers, there will be an increasing need for us to provide proactive proposals and solutions moving forward. As part of our initiatives to achieve this, we are currently expanding our team of marketing talent targeting overseas markets. We will strengthen our partnership with our customers by establishing a local presence and increasing the frequency and number of points of contact for direct dialogue. Furthermore, we will focus on exploration and development in semiconductor back-end processes, such as glass carriers, glass core substrates, and optoelectronic fusion, where we expect market growth in the future. We will also strengthen our platforms to facilitate smooth communication with leading companies and promising startups in optical related materials.

In the Display Business, we have restored our performance through structural reforms and pricing policy; in addition, we aim to achieve a 10% ROCE at an early juncture by expanding the supply of competitive new products and enhancing customer satisfaction.

Toward Realizing Vision 2030

Also Engaging in Open Innovation

In the field of semiconductor-related materials, we develop and sell a wide range of products spanning from front-end to back-end processes. In packaging-related technologies, which constitute the back end of semiconductor manufacturing, key examples include glass carriers used in the manufacturing process, glass cores that are expected to replace conventional

resin-based core substrates, and optoelectronic fusion, which combines optical and electrical circuits. In addition to these products, CCL (copper-clad laminate), which is used in printed circuit boards, also holds the potential for even more dramatic growth as it addresses needs such as reducing transmission loss. We will position semiconductor-related products as the growth engine of the Electronics Company by capitalizing on the growth of the semiconductor market and addressing the technological needs of next-generation semiconductors.

In addition, in connection with our efforts in these areas, we have joined JOINT3*, a consortium to develop next-generation semiconductor packaging. We aim to contribute to the development of materials for next-generation semiconductor packaging by leveraging the AGC Group's diverse inorganic and organic material technologies, while pursuing open innovation through collaboration with other participating companies.

*A co-creation evaluation framework established by Resonac Corporation, with 27 participating companies (as of September 3, 2025).

Role of the In-house Company and How It Contributes to the Group

Contributing to the AGC Group's Growth Through Semiconductor-Related Businesses, etc. Becoming Increasingly Important as Social Infrastructure

In the Display Business, we hold the world's second-largest market share in glass substrates for TFT-LCD and OLED, making us “Essential Part of Our World” that supports infrastructure in an info-oriented society. In the Electronic Materials Business as well, we are one of the few companies producing high-end EUV mask blanks, while contributing to miniaturization and enhanced functionality of semiconductors through products such as CMP slurry and CCL. This not only supports our highly info-oriented society but also contributes to reducing the power consumption of data centers and other facilities, which has become a pressing issue in recent years.

Furthermore, since the Electronic Materials Business is characterized by high asset efficiency and low GHG emissions during production, an increase in the weighting of this business will lead to relative improvements in the AGC Group's asset and GHG emission efficiency. Building on the AGC Group's accumulated expertise in both organic and inorganic fields, the Electronics Company leverages its strength in providing end-to-end capabilities, from design and development to materials and processing, to support the AGC Group's growth by creating new components that are an “Essential Part of Our World” in key growth fields.

Chemicals

Business Overview

Integrated Chemicals

Chlor-Alkali (Japan)

We supply essential products stably to various industries, such as caustic soda and vinyl chloride monomer, both of which are produced through the electrolysis of brine.

Main Products

Caustic soda, vinyl chloride monomer, sodium hypochlorite, sodium bicarbonate

Urethane

Using propylene oxide as the basic raw material, we provide polypropylene glycol and other products, which are used in various fields including automobiles, construction, and electronics.

Main Products

Propylene oxide, propylene glycol, modified silicone

Performance Chemicals

Based on advanced organic synthesis technology, we provide various high function products, including Fluon® ETFE, a fluoropolymer with the top share in the world*1. Those products are used in a wide range of industries, centered on electronics, energy, and mobility.

Main Products

Fluoropolymers, elastomers, films, fluoropolymer resin for paint, gases and solvents, electrolyte polymers and membranes, water and oil repellents, coatings, fine silica

Competitors

Electrolytic soda manufacturers, fluorine product manufacturers, urethane raw material manufacturers

Essential Chemicals – SEA

In Southeast Asia, we are demonstrating a strong presence following the early development of Chlor-Alkali business in Thailand in the 1960s and Indonesia in the 1980s. Recently, in response to the expansion of demand in the Southeast Asian market, we acquired a leading Vietnamese vinyl chloride manufacturer*2 in 2014 and a listed (at that time) Thai company, Vinythai,*3 in 2017, contributing to regional development through stable supply taking advantage of the merits of intra-regional production.

*1 AGC estimation based on sales

*2 Currently AGC Chemicals Vietnam Co., Ltd.

*3 Currently AGC Vinythai PLC

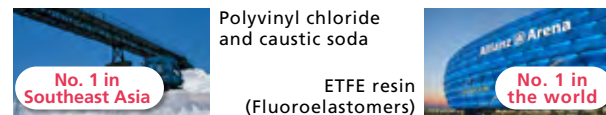
Main Products

Caustic soda, polyvinyl chloride and monomer, epichlorohydrin

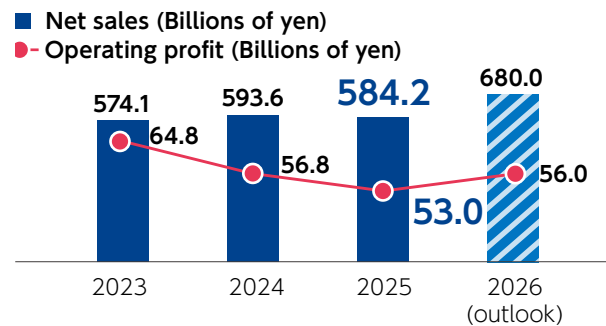
Competitors

Electrolytic soda manufacturers

Products with Top Market Shares



Business Performance



Review of Fiscal 2025

Although the Market Slumped, Essential Chemicals Business Was Supported by High Function Fluorine Products

Sales of Essential Chemicals decreased due to a decline in sales prices of caustic soda and PVC in Southeast Asia under the impact of the Chinese economy. Even in such an environment, we worked on the improvement of profitability by leveraging the merits of production in Southeast Asia, implementing a pricing strategy that uses our sales and logistics networks in the region, reducing sales costs and expanding margins by improving our sales ratio, and stably procuring and reducing the costs of raw materials. In addition, we started production at expanded facilities in Thailand to capture the steady growth of demand in the region. On the other hand, in addition to the thorough implementation of pricing policy, Performance Chemicals business supported overall chemicals earnings by increasing sales and shipments of high function fluorine products for growth areas such as electronics and mobility.

Business Environment

Opportunities

Integrated Chemicals

- Expansion of demand for ultra-high-frequency substrates, etc., in association with the spread of 5G and 6G
- The performance required of materials is becoming more sophisticated due to the higher functionality of products

Essential Chemicals – SEA

- Growth of the Southeast Asian market

Risks

Integrated Chemicals

- Trend toward stricter regulation of fluorine products in each country and region

Essential Chemicals – SEA

- Prolongation of economic stagnation in China and the continued weakness of vinyl chloride and caustic soda market conditions in Southeast Asia associated with it
- Trend toward carbon neutrality for electricity consumed in electrolysis

Strengths

Integrated Chemicals

Chemical Chain

Integrated business operations from upstream electrolysis process to downstream high function products (Performance Chemicals)

Material development and mass production technology

Development capabilities and mass production technologies based on advanced organic synthesis technologies

Global expansion

Global network of manufacturing, marketing, and technical service sites

Essential Chemicals – SEA

Sales and logistics networks

Strong market presence in Southeast Asia established through a regional concentration strategy as well as sales and logistics networks built up in these regions over many years

Collaboration

Collaboration among sites in Indonesia, Thailand, and Vietnam

Chemicals Company President Message



President of
Chemicals Company
Tatsuo Momii

Using Connections to Go Beyond Conventional Boundaries in Chemicals

Assessment of Current Status Toward the Final Year of the Medium-Term Management Plan

Kicking Off Our Work Toward Re-Growth in 2026

We were forced to revise downward the financial KPIs in this medium-term management plan from the original figures. I believe this is due to the fact that at the time of planning, we did not have an objective understanding of future market trends or of our own competitiveness. For example, with our Chemicals Company, the Southeast Asian market is the main battlefield for essential chemicals. And there, sales prices remained at low levels due to the sluggish Chinese economy. This meant results that differed significantly from our initial expectations. Performance Chemicals, one of AGC's Strategic Businesses, also saw unexpectedly stagnant demand and extremely slow product movement. In this final year of the current MTP, we are absolutely determined to meet our

revised plan given these reflections. We have also taken steps that will lead to the next MTP, such as the reorganization of the in-house company that took place in January 2026. While 2026 is the final year of the current MTP, it is also a year to kick off our work toward future re-growth.

Outlook After This Medium-Term Management Plan

Promoting "Volume to Value"

With the recent reorganization, the Japanese portion of the former Essential Chemicals Business was merged with the Performance Chemicals Business. Together, they formed the Integrated Chemicals General Division. We will integrate the entire chemical chain in Japan, from upstream (electrolysis) to downstream (various performance chemicals), and improve profitability by optimizing the entire chain, rather than pursuing profit for each product individually. At the same time, by spinning off the Chlor-Alkali Business in Southeast Asia, which has growth potential but whose profitability fluctuates greatly due to market conditions, we will strengthen our efforts to address issues specific to Southeast Asia and accelerate improvements aimed at profitability.

With this recent organizational restructuring, we will further emphasize "Volume to Value"—a direction the entire AGC Group is pursuing—in our next medium-term management plan. This will be shift to a business model that ensures we receive a solid return on the value of our products and business. For example, we aim to be a price leader so that the Southeast Asian market will not be affected by cheaper product lines from China and other countries. The AGC Group has significant production capacity in Southeast Asia. The establishment of our sales and distribution network in the region has allowed for a stable, long-term supply. We must be able to take advantage of these strengths and take control of market conditions. On the other hand, in a chemical chain where all products are connected, a stop at any one point affects the entire chain. In order to minimize the resulting lost profit, we will make concentrated and efficient maintenance investments in the most affected areas. This, too, is a part of "Volume to Value" and should lead to an improvement in ROCE for the AGC Group.

Toward Vision 2030

Increasing Interactions Across the Group

A new long-term strategy for the Chemicals Company was formulated in 2025. This strategy states: We will anticipate the future, go beyond existing boundaries, and leverage all available connections so that we can continue to create unique solutions. We have grown based on the connections in the chemical chain. Therefore, we want to expand the chemical chain vertically and horizontally while actively utilizing the connections we have among people, technology, and markets. We will place particular focus on increasing interactions between people across the Group. In 2025, we began an initiative to strengthen our access to the electronics market by bringing together a cross-section of personnel from different in-house companies and corporate divisions. In addition to electronics, the Integrated Chemicals business will also focus on mobility and energy. In these areas, too, we will go beyond the boundaries of chemicals through connections within the Group. This will allow us to contribute to the vision of the AGC Group.

Role of the In-house Company and How It Contributes to the Group

Becoming a Leader of the AGC Group

At the Chemicals Company, our mission is to create a safe, secure, comfortable, and environmentally friendly world through the power of chemistry. Achieving this mission will help the Group realize its purpose: AGC, an Everyday Essential Part of Our World. The Chemicals Company has a much stronger presence in the Group than it did a decade ago. We are fully aware of the responsibility that comes with this, and we will continue to inspire our employees to become leaders of the Group and to enable the in-house company to grow even larger.

Life Science

Business Overview

We are globally expanding our contract development and manufacturing organizations (CDMO)* business, which develops processes for and manufactures pharmaceuticals and agrochemicals.

In addition to small molecule pharmaceuticals and agrochemicals that leverage organic synthesis technology fostered in the Performance Chemicals Business, the Life Science Business is focusing on biopharmaceuticals, for which demand is growing worldwide, and the leading-edge gene and cell therapy fields. With business sites in Japan, Europe, and the United States, we will contribute to the safe, secure, comfortable, and healthy lives of people around the world by providing high-quality services that meet the diverse needs of customers in each market.

* Contract Development & Manufacturing Organization refers to a company that undertakes contract manufacturing of pharmaceuticals and other products, as well as developing manufacturing methods on a contract basis.

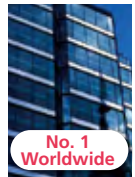
Main Products

Contract small molecule pharmaceutical and agrochemical development and manufacturing, contract biopharmaceutical development and manufacturing

Competitors

Global CDMO

Services with Top Market Share



Ex vivo gene therapy products Number of development and manufacturing contracts

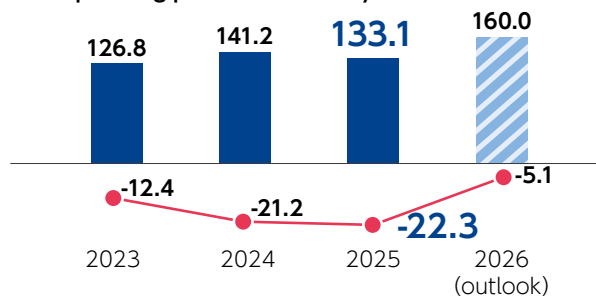
The cell and gene therapy field is a leading-edge area where players have a limited commercial track record globally, and we are one of the few CDMO for biopharmaceuticals with a proven history of successfully obtaining inspection approvals from both the U.S. Food and Drug Administration (FDA) and the European Medicines Agency (EMA). We have a world-class track record in ex vivo gene therapy products based on commercial product lines (AGC estimation).

No. 1 Worldwide

Business Performance

■ Net sales (Billions of yen)

● Operating profit (Billions of yen)



Review of Fiscal 2025

Implementing Structural Reform in Biopharmaceutical CDMO

In 2025, we revised down our operating profit forecast, mainly reflecting a decision to close our Colorado sites (Boulder and Longmont) in the biopharmaceutical CDMO business. Although the business remained profitable and experienced rapid growth until mid-2023, business performance deteriorated due to a combination of factors including a shortage of human and technical resources for facility expansion, delays in the construction of a new factory in Copenhagen, manufacturing issues at a U.S. facility, and a sharp decline in vaccine demand. Following on from 2024, we have continued to implement structural reforms while focusing on our core strength of single-use bag bioreactor (SUB) technology and have concentrated on ensuring stable production and securing new orders. Thanks to efforts aimed at continuous improvement, our Seattle site has delivered meaningful results, such as passing consecutive FDA pre-inspections for commercial pharmaceuticals, and has significantly improved its manufacturing and quality standards. Meanwhile, our CDMO business for small molecule pharmaceuticals and agrochemicals continues to perform well, and we have completed the expansion of our site in Spain. As another highlight, in the CDMO Leadership Awards, which are decided using survey-based scoring using feedback from customers, we received awards in four categories in the small molecule pharmaceutical CDMO and biopharmaceutical CDMO businesses. We have also received recognition for our commitment to sustainability and our effective use of human resources.

Business Environment

Opportunities

- Facilitating better health and longevity
- Addressing food crises
- Increase the demand for the outsourcing for pharmaceutical and agrochemical development and manufacturing

Risks

- Personnel shortages due to pharmaceutical and agrochemical market expansion
- New drug development stagnation and cancellation, partly due to drug price cuts, and changes in customer business strategies
- Fiercer competition as more new players enter the market

Strengths

Highly integrated global network

Globally integrated network that meets customer needs through sites in Japan, Europe, and the U.S.

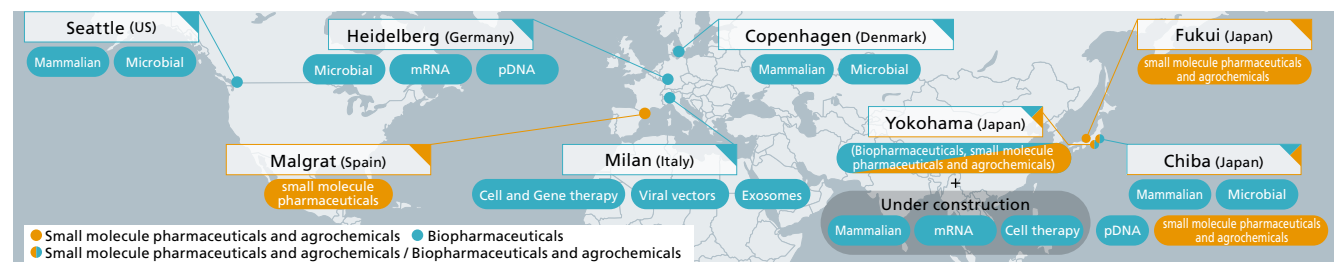
Trust and track record

Extensive track record of authority inspection, and pharmaceutical development and commercial manufacturing based on advanced quality assurance and technological development capabilities

High-standard, high-quality development and manufacturing services

Ability to use leading-edge technologies to provide the solutions for development and manufacturing

Global Service Deployment We have established a highly integrated cGMP system in **Japan, the U.S., and Europe**, and provide **the same high standard of development and manufacturing services in a wide range of fields** from any of these regions.



Life Science Company President Message



President of
Life Science Company
Tadashi Murano

“Turning Trust into Value” to Capture Growth Markets

Assessment of Current Status Toward the Final Year of the Medium-Term Management Plan

Expecting Improved Business Performance in 2026

Although the Life Science Company has expanded its facilities and pursued M&A over the past several years to keep pace with the growth of the CDMO market, its CDMO for biopharmaceuticals business has struggled to grow, resulting in business performance that fell short of the initial targets set in the current medium-term management plan (the “current MTP”). Against this backdrop, in FY2025, the company exited from its Colorado, U.S. sites, which had been a major cause of its weak earnings, and pivoted its strategy to focus on production using single-use bag bioreactors, an area where it has traditionally held a competitive advantage. In addition, the impact of strengthening our management structure at our sites in Europe and the U.S. are beginning to show, with improvements in metrics such as production quality and employee retention rates. Furthermore, efforts have been made to bolster technological capabilities and

staffing to accommodate the rapid expansion of production capacity. For these reasons, we anticipate an improvement in our business performance in FY2026. In contrast, the CDMO business for small molecule pharmaceuticals and agrochemicals has performed relatively well during the current MTP. To meet the strong demand for small molecule pharmaceuticals, we plan to expand manufacturing capacity at our site in Spain by about 30% and begin full-scale operations this year. Furthermore, in the agrochemicals field, while maintaining agrochemicals as our core business, we aim to establish a stable revenue structure by increasing the weighting of orders in specialty fields that leverage our long history in small molecule chemistry technologies.

Outlook After This Medium-Term Management Plan

Time to Focus on Building Trust and Expanding Orders

The CDMO sector is a field with assured medium- to long-term market growth, and to address this demand, we invested intensively in expanding production capacity during the current MTP. We are now entering a period in which we will achieve growth built on those investments. Manufacturers are expected to fulfill their fundamental role of reliably meeting demand and delivering high-quality products on time.

One challenge in this regard is to improve our production technology. In the pharmaceutical and agrochemical fields, where customer demands and technical standards continue to rise year after year, maintaining a high-quality and stable supply is no easy task. That said, AGC possesses production technology expertise cultivated through its businesses in glass, chemicals, and semiconductor-related products. We will work to embed the AGC Group’s know-how in areas such as automation and process management using digital technology across our three bases in Japan, the U.S., and Europe.

Another challenge is how to translate demand into orders. The CDMO business involves entrusted manufacturing, and a source of our competitiveness is the trust we build by meeting the expectations of our customers and the market. For pharmaceuticals, where compliance with extremely high regulatory and quality assurance standards are essential, the ability to provide high-quality, stable supplies is a key determinant in winning orders. We pleased to share that by 2027, a new R&D and manufacturing site for biopharmaceuticals CDMO will be up and running in Yokohama, thereby establishing a highly balanced platform across Japan, U.S., and Europe. We will focus on expanding our

order volume by leveraging this global network to the fullest and “turning trust into value.”

Toward Realizing Vision 2030

Combining Technology Acquired from Europe and the U.S. with the AGC Group’s Strengths

As a growth industry, the CDMO business is experiencing many new entrants from other fields; however, the AGC Group has established a unique position in the market thanks to its chemical and digital technologies cultivated over many years as a materials manufacturer. The pharmaceutical field has traditionally been dominated by Europe and the U.S., and AGC has expanded its presence in those regions through M&A. We believe that by integrating the technology and expertise held at these European and U.S. sites with the AGC Group’s strengths in digitalization and process management, we can further hone our competitive edge. The business model of adopting advanced technologies from Europe and the U.S. and elevating them to an even higher level parallels the evolution of the AGC Group’s founding Glass Business. Moreover, our track record of consistently producing and supplying products that meet our customers’ specifications in the Automotive Glass Business has strong affinity with the characteristics of our CDMO business, which supports our customers’ processes. The aim of our Life Science Business is to demonstrate the comprehensive capabilities cultivated by the AGC Group to become a leader that propels our industry forward.

Role of the In-house Company and How It Contributes to the Group

Contribution Through the Realization of Well-being

The AGC Group has identified “Well-being” as one of the pillars of social value it aims to create through sustainability management. As the global population continues to grow and age, the AGC Group’s Life Science Business, which contributes to the pharmaceutical and agrochemical fields, clearly demonstrates that our activities are directly linked to Well-being. The cell and gene therapy CDMO services at our site in Italy are a prime example of this, representing a groundbreaking business that directly contributes to enabling treatments for diseases that were previously untreatable. We also hope to continue contributing to the creation of social value within the Group going forward.

Ceramics

Business Overview

Refractories are AGC Ceramics' mainstay products. Playing a crucial role behind the scenes in social infrastructure, refractories are used in manufacturing equipment for core industries such as iron, cement, and glass as well as in waste incinerators and power plants. In addition, we provide total solution services from the design of glass furnaces to the sale of furnace materials and operational support as well as fine ceramics and other high-performance ceramic products. Through these businesses, we aim to contribute to energy and resource conservation and improved efficiency, with the goal of realizing a sustainable society.

Main Products

Fused cast refractories, monolithic refractories, bonded refractories, fine ceramics, and total solution services for glass-melting furnaces

Competitors

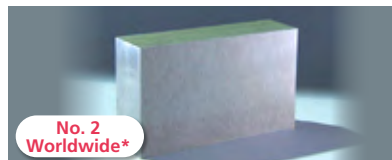
Fused cast refractories: Major overseas refractory makers

Monolithic refractories/combined refractories: Domestic and overseas refractory specialist makers

Fine ceramics: Advanced materials and electronic materials makers

Total solutions for glass-melting furnace: Engineering companies, furnace material makers

Products with Top Market Share



High performance zirconia Fused cast refractory bricks

*AGC estimation based on sales

Review of Fiscal 2025

Diverse Businesses Maintain Sales; Investments Strengthened Competitiveness

Although we faced global market fluctuations in FY2025, our products occupy a position supporting society's core processes, so net sales remained stable. This reflects increased sales volumes in low-dielectric fiber and other high-value-added applications, which offset volume declines in glass-related products for solar panels, and highlighted benefits of a diversified business portfolio. At the

same time, however, the sharp slowdown in the solar panel glass market led to oversupply in fused cast refractories, putting downward pressure on prices and margins and highlighting the profitability challenges we must address. In response, we undertook the renewal of our manufacturing facilities. We also started up a new electric furnace, making steady progress on investments to enhance our long-term competitiveness.

Business Environment

Opportunities

- Stability of the refractory market and the growth potential of high-performance ceramics
- Higher refractory demand for low-dielectric fiber glass
- Higher demand for solutions due to a decrease in skilled engineers in glass-melting furnace design and operation as well as refractory construction

Risks

- Shifts in refractory demand structure driven by carbon-neutral transformation of high-temperature industrial processes
- Intensifying competition in the glass and refractory markets due to a slowdown in China

Strengths

Reliability backed by more than 100 years of experience

Extensive lineup of products with reliable quality, wide selection of products, and ability to respond to stable plant operations accumulated since we began manufacturing refractory bricks for glass furnaces in 1916.

Creating new value through DX

By combining AGC's digital technologies with our manufacturing capabilities and technical services, we aim to create new value through the development of advanced materials, i-Construction initiatives, and support for the digitalization of our customers' facilities.

Ability to make proposals to achieve the SDGs

Sustainable proposals such as refractory recycling, labor-saving construction, electrification and energy-saving furnace design, super-insulating and high-electrical-resistance refractory materials, and high-efficiency operation support.



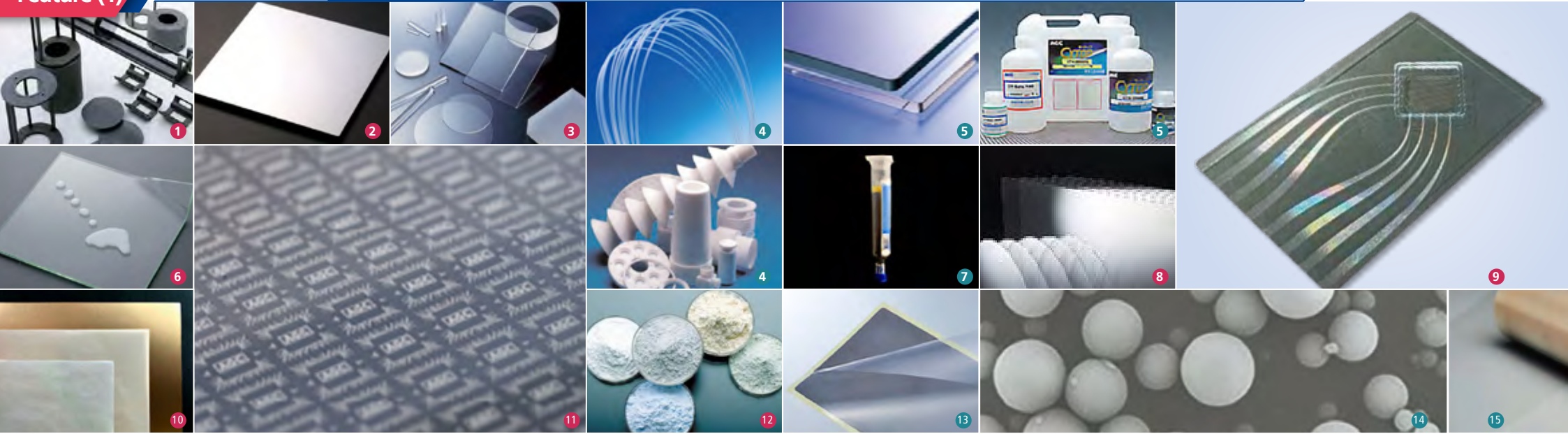
President of AGC Ceramics Co., Ltd.
Masaru Ota

As we enter the final year of the medium-term management plan, we believe the high-temperature industrial sector is at a major turning point. With carbon neutrality and labor shortages intensifying our customers' challenges, they increasingly expect more than a stable supply of materials and seek value-added solutions for their operations as a whole.

In FY2025, the demand fundamentals held firm, underpinned by the essential role our products play in social infrastructure. In contrast, market fluctuations for solar panel glass and the impact of front-loaded investments have led to issues such as declining profitability and ROCE. Recognizing this with urgency, we are now focused on improving ROCE as a priority by recouping our investments, enhancing our earnings structure, optimizing invested capital, and expanding value-added businesses.

In light of these circumstances, in our refractory business we are strengthening our capabilities in growth areas such as low-dielectric fiber while delivering greater added value and improving customers' productivity through total solutions, including design, installation, and operational support as well as DX proposals that help offset the decline in skilled workers. Furthermore, in the high-performance ceramics sector, we are applying the AGC Group's technological assets and open innovation to create new growth drivers.

Looking ahead to 2030 as an indispensable partner supporting high-temperature processes, we aim to achieve both a return to profitability through improved investment efficiency and asset turnover, and sustainable growth. Embodying the AGC Group's Purpose "AGC, an Everyday Essential Part of Our World," we will work to enhance our corporate value over the long term while upholding the values of quality, integrity, and pride.



● Electronics ● Performance Chemicals

1. Silicon carbide, 2. EUV mask blanks, 3. Synthetic quartz lens materials, 4. Raw materials for pellicle, 5. Semiconductor manufacturing equipment components, 6. CMP slurry, 7. Low dielectric underfill (under development), 8. Carrier glass for packaging, 9. Optical waveguide (under development), 10. CCL, 11. Glass core substrates (under development), 12. Glass frit, 13. Release film, 14. Silica for sealing materials, 15. Low-dielectric fluoropolymer resin

Staying ahead of evolution

Next-Generation Semiconductors Supported by AGC's Fundamental Technology

Value provision based on the accumulation and combination of technologies

Throughout a history exceeding 100 years, AGC has accumulated diverse fundamental technologies in inorganic and organic materials, processing and molding, and film deposition. AGC's great strength is that we have not only refined these technologies, but also created new value by combining them across fields. Against the backdrop of the accumulation and fusion of these fundamental technologies, AGC has provided wide ranging value in the semiconductor field.

Semiconductor manufacturing involves "front-end processes," where integrated circuits are etched onto wafers, and "back-end processes," where products are assembled using semiconductor chips cut from wafers. Semiconductor technology has evolved around "miniaturization," which increases the degree of

integration by narrowing the line width of circuits, and front-end process technology has been central so far. AGC has accumulated certain results in these front-end processes by providing materials that meet the strict requirements of semiconductor manufacturers.

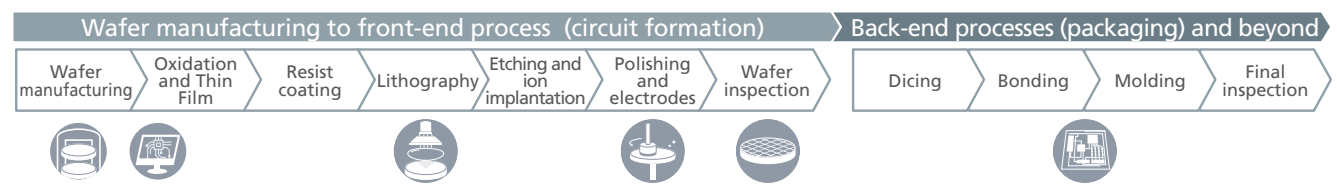
EUV mask blanks are a representative example of the high function products that fuse inorganic material technologies with processing technologies and deposition technologies. CMP slurries are also composite products that combine inorganic material microparticle processing technologies with polymer technologies and others to support miniaturization in front-end processes. AGC continues to provide new value in the front-end process field.

Possibilities of next-generation semiconductors pioneered from back-end processes

Meanwhile, the miniaturization that has supported the improvement of semiconductor performance is entering a phase of increasing technical and economic difficulty, making it difficult to sustain evolution by simply extending the conventional path. In such circumstances, back-end processes have attracted attention in recent years as the key to the realization of the further improvement of semiconductor performance.

Based on the material, processing and deposition technologies that we have cultivated in front-end processes, AGC is also looking ahead to new possibilities in back-end processes. Back-end processes, in which mounting structure and material design influence semiconductor performance, are an area with lots of room for technological evolution, and AGC is taking on the challenge of the next stage that will support this evolution.

Provision of diverse electronics and performance chemicals products from the front-end to the back-end processes of semiconductors



AGC, Supporting the Evolution of Packaging Technology

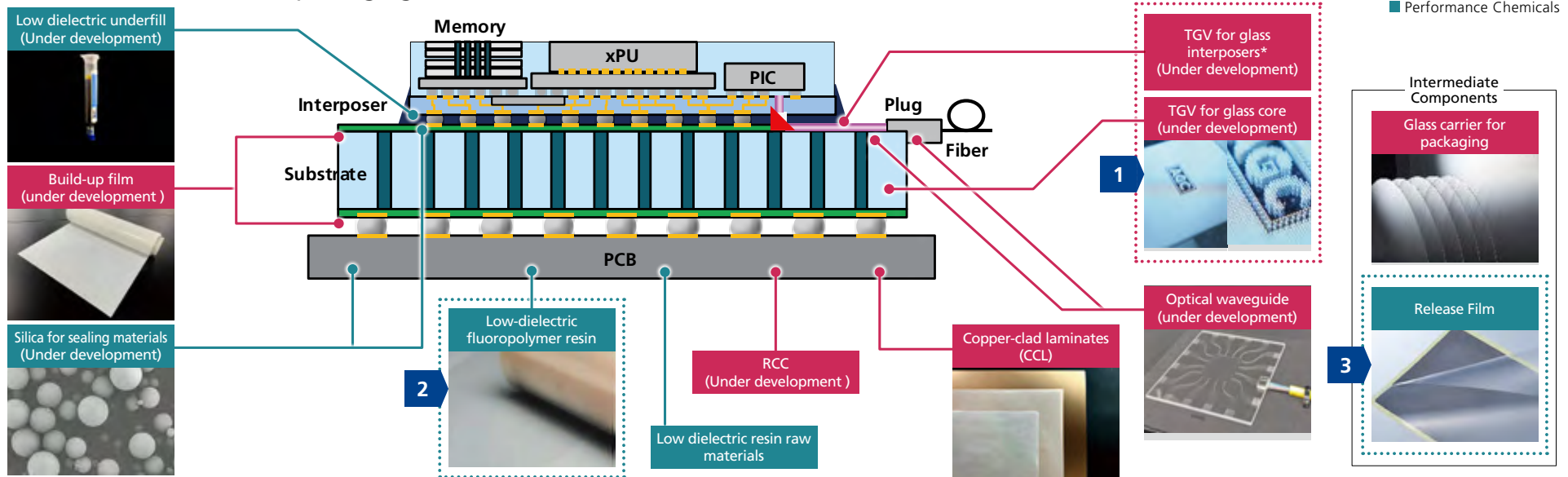
Miniaturization in front-end processes has promoted the improvement of semiconductor performance until now, but physical and economic limitations have become apparent in recent years and we are moving towards a situation in which it will be difficult to sustain evolution through miniaturization alone. As a result, the advancement of back-end processes, including three-dimensional mounting (3D mounting) whose demand is growing due to AI servers and other applications, has become an important theme for the industry as a whole.

In addition, while such structural changes are taking place, the total advanced packaging market is expected to grow to be worth at least 10.5 trillion yen by 2029, more than 1.6x its size in 2024 (research by Yole Intelligence, 2024).

AGC will contribute to the evolution of semiconductor packaging by combining functional design, processing, manufacturing, and common platform technologies, in addition to the materials technology it has cultivated over many years, for this rapidly expanding area of advanced


packaging. Through collaboration among diverse human resources and the fusion of unique material technologies across the inorganic and organic fields, we are promoting the development of solutions that meet customer demands for larger packages and higher frequencies. In addition, we are also working on the establishment of a packaging platform that will support higher speed and lower power consumption in the future by handling Co-Packaged Optics (CPO), which integrates electricity and optics in the same package.

Solutions for semiconductor packaging



1 TGV for glass core


This is a glass core substrate containing through glass-via (TGV). Precision processing of glass, which has excellent thermal and mechanical shape stability, low loss, and insulation properties, is expected to be able to contribute to larger packages, higher density and power savings. AGC, which is strong in precision processing technology, will support a wide range of applications and technological evolution for semiconductors, including 3D mounting.

Business Development, Advanced Semiconductor Packaging Group, Electronics Company
 Manager Joanne Yu Senior Manager Kohei Horiuchi

2 Low-dielectric fluoropolymer resin

Fluon+™ EA-2000 is a fluoropolymer resin with enhanced adhesion and dispersibility, while maintaining electrical properties. With our proprietary design technology, it improves processability and is suitable for multilayer substrates. It can also be supplied as a powder, film, or dispersion, depending on customer needs. This material helps improve the performance and reliability of advanced package substrates for AI servers.



Developing & Planning Division, Development General Div., Chemicals Company
 Applied Product Development Office Senior Manager Kotaro Yamada

3 Release film

Fluon® ETFE FILM for mold release, which is essential in advanced semiconductor packaging process, realizes stable packaging by combining excellent mold chase followability and film wrinkle suppression through a fusion of unique polymer design and processing technology. We will expand Fluon® ETFE FILM into next-generation packaging process in which package size becomes larger and larger.




New Product Development Department, Development General Div., Chemicals Company Film Group, Polymer Product Development Office
 Naoko Fukumoto Manager Takuya Kobayashi

Pick Up

AGC's Semiconductor-Related Products

Copper Clad Laminates (CCL) Support the Evolution of Packaging

AGC manufactures and sells copper clad laminates (CCL) for printed circuit boards (PCB). We have two types of CCL with different characteristics and are expanding into the automotive and satellite communication fields, as well as demand for AI servers. Our strengths lie in our proven solution proposal capabilities for customers and our in-house material design system independent of external procurement, with development, manufacturing, and marketing working together to address customer challenges.



General Manager, Multi Material Div., Electronic Materials General Div., Electronics Company

Satoshi Kondo

Competitive superiority centered on resin technology

CCL is a substrate material consisting of resin-impregnated glass cloth sandwiched between copper foil, and is used in the manufacture of PCBs for various electronic devices. PCBs for AI servers require high-performance CCL with excellent low dielectric properties that reduce loss during signal transmission in order to process large amounts of data stably at high speeds.

AGC's CCL business originated from the acquisition of two manufacturers in the United States from 2018 to 2019, and we are developing CCL using resin materials classified broadly into two categories. CCL made with thermoplastic fluororesin has excellent electrical properties and environmental resistance, and is suitable for use in a single layer. On the other hand, the strength of CCL made

with hydrocarbon thermoset resin is the ease of multilayering. Only a limited number of manufacturers have CCL with different characteristics like this.

The quality and performance of CCL is determined by three factors: the resin material; glass cloth; and copper foil. AGC is particularly strong in the design of resin materials. AGC's engineers absorbed the composition design know-how of the two acquired companies, and after a development period of about three years, we have built a system that allows us to design and manufacture unique resin materials from scratch. We know that being able to realize such initiatives is AGC's strength.

Last year, we launched a product that realizes unprecedentedly low transmission loss using a resin newly developed at AGC. As a result, we expect to be able to contribute to the higher performance of AI servers and other devices. In addition, this new product can realize the same performance while using glass cloth one grade lower than the advanced glass cloth used by other companies to express performance. Given the tight supply of advanced glass cloth in the industry currently, we think this product will be able to provide value to customers in terms of stable supply.

Expanding business domains starting with "switch and router board applications"

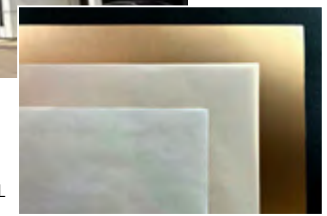
We will place products for AI servers at the core of future growth, first targeting "switch and router board applications," which require the highest performance. This field is at the core of ultra-high speed, high capacity communications and is an area where state-of-the-art low transmission loss CCL will be indispensable. We aim to

establish a top niche position in this market and expand into logic boards and other applications in the future. Moreover, resin coated copper (RCC), which is suited to the formation of multilayer circuits on PCBs, is also attracting attention and we are promoting its development.

The energy consumption of AI servers is enormous. By reducing transmission loss, high-performance CCL and RCC help lower heat generation and power consumption, contributing to the stable operation and energy efficiency of AI servers, while also enabling finer, higher-density wiring in PCB layers to address next-generation packaging challenges. From now on, we would like to respond to the advanced demands of customers through AGC's technological and comprehensive capabilities.



The Singapore plant that manufactures CCL



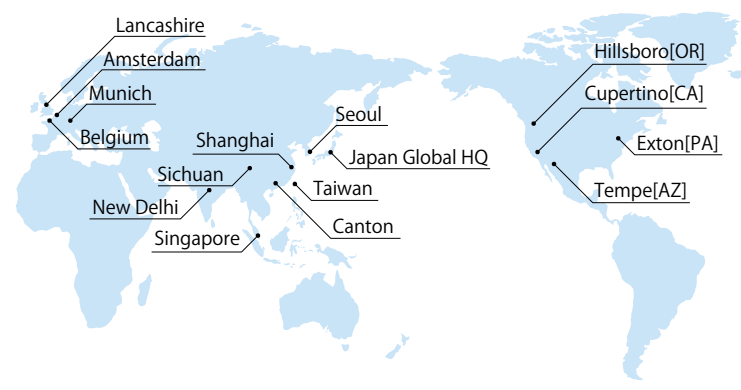
CCL

A Semiconductor-Related Global Network Able to Meet Customer Expectations

Strengthening our global network to provide more value to the increasingly sophisticated semiconductor industry

AGC provides various value in close proximity to customers through bases established in all areas of the world. In addition to sales and marketing, we have established technical service and evaluation functions locally and built a system that allows us to execute everything quickly from the grasping of issues to making proposals, and we use systems tailored to regional characteristics and partnerships to ensure both stable supply and advanced technical support. We will continue to promote the strengthening of our global network and enhance partnerships with customers.

AGC's network of semiconductor-related bases



Topic

Exhibiting at SEMICON

We exhibited at Semicon SEA, Taiwan, INDIA, West and Japan in 2025 to deepen dialogue with customers in all regions of the world widely. We gave presentations on AGC's advanced materials and solutions, and strived to grasp market trends and diverse needs. We will continue to promote the further strengthening of our global cooperation base and proposal capabilities.



Strengthening of technical services and marketing in Taiwan

AGC Electronics Taiwan (Hsinchu) is located in an area with a high concentration of leading semiconductor companies and is engaged in sales and marketing of essential components for cutting-edge semiconductor manufacturing processes such as CMP slurry and EUV mask blanks. Taiwan is the world's most cutting-edge semiconductor manufacturing site, and customers demand high quality and stable supply. In addition to its CMP slurry R&D base, AGC Electronics Taiwan has established the AGC Chemicals Technical Center to establish an environment in which everything from testing to evaluation can be completed on-site, enabling it to respond quickly to customer needs and provide advanced technical support and material proposals. We are also continuing initiatives for stable supply in cooperation with local partner companies to increase our presence in the Taiwanese market.



Certain results as a manufacturing and sales base in North America

AGC Electronics America (Hillsboro, Oregon) is a base located in one of America's leading clusters of advanced semiconductor industries, also known as Silicon Forest. Apart from manufacturing and sales of silicon carbide and CMP slurry for semiconductor manufacturing equipment, AGC Electronics America imports and sells semiconductor-related materials such as EUV mask blanks, and conducts marketing activities for next-generation semiconductor manufacturing processes, including packaging processes. It will celebrate the 30th anniversary of its establishment this year. We have been involved in the American semiconductor industry since the 1990s, and based on the network we have cultivated through quality and service trusted by customers, we are working positively on business expansion into the growing field of advanced semiconductor packaging, in addition to traditional semiconductor front-end processes. Further, we have established a system that allows us to provide the AGC Group's wide range of products and solutions in one stop, and are responding to the diverse needs of customers through proposals that lead to the creation of added value.



Buds of new business developing in Silicon Valley

AGC Business Development Americas (ABDA), based in Silicon Valley, is an organization that explores new business from a medium- to long-term perspective. Its mission is to dig up areas across the board that will bring about "discontinuous growth" beyond the boundaries of existing businesses in semiconductors and other cutting-edge fields.

ABDA plays the role of "knowledge hub," capturing technology, market trends, and potential needs quickly by repeatedly engaging in dialogue with local startups and customers, and returning the information to Head Office and each business division. By focusing on high-value-added areas where we can use AGC's strengths to nurture business seeds without being constrained by short-term numerical targets, we are increasing the accuracy of new business creation dramatically.

ABDA's activities, which sublimate global knowledge into the next Strategic Businesses, have become an engine that accelerates innovation throughout the Group as a whole and drives the sustainable improvement of corporate value.



Our Message 2

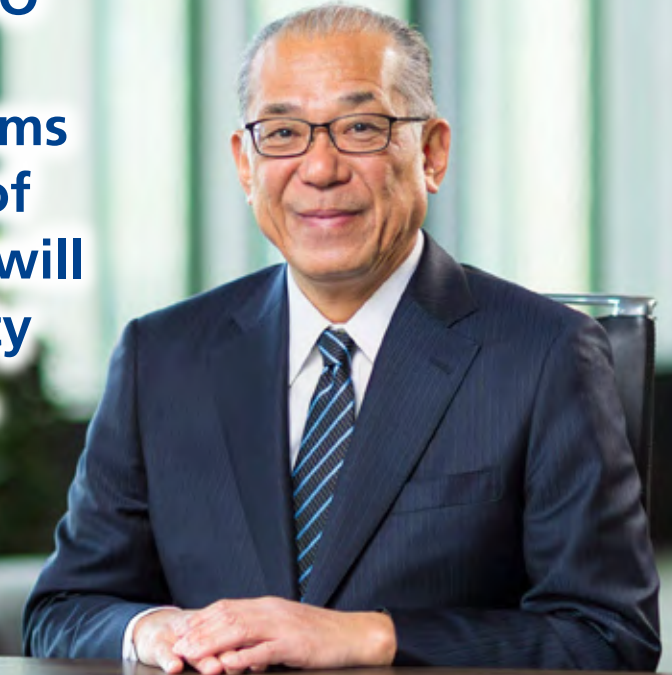
How Will AGC Improve Profitability?

Message from the CFO

We will work on reforms with a healthy sense of urgency and a strong will to improve profitability as quickly as possible.

Representative Director,
Executive Vice President, CFO

Yoshio Takegawa



On Assuming the Position of CFO

When I joined Asahi Glass (now AGC) in 1988, I was assigned to the then Central Research Laboratory. My first six years were spent at the laboratory, and then I was transferred to the Sagami Plant where automotive glass is manufactured. I have been involved in manufacturing ever since. After working in automotive glass production management and architectural glass management, I was assigned to an automotive glass manufacturing site in China in 2011. The site was in a slump. The mission I was given was to “turn the business around in two years.” I was also told that if I did not achieve profitability, the Company would withdraw from the business. It was tough, but the Company managed to return to profitability in those two years. After this, I became General Manager of the Automotive Company’s Asia

General Division and General Manager of the Strategic Planning Department within the Corporate Planning General Division. Following these roles, I was appointed President of the Automotive Company. The Automotive Business had been in the red since the COVID-19 pandemic. However, in just three years, we recovered and saw record profits twice.

So, although my career has mainly involved *monozukuri* sites and the businesses themselves, I will do my utmost as CFO—utilizing my experience in getting sites and businesses back on their feet and down-to-earth, realistic strategies—to help our company recover and further increase our corporate value.

Message from the CFO

A Downward Revision for the Fourth Consecutive Year Is Extremely Serious

When I left my position as business head and was appointed CFO, I noticed there was a lack of a sense of crisis within the Company in spite of the weak performance. Prioritizing a visually appealing finish seemed to be the main focus. While workloads are increasing, it feels like there is a lack of substantive discussion going on.

When I became President of the Automotive Company, a similar mood prevailed there, too. At the time, the Automotive Business had been in the red for three consecutive fiscal years. The Company was in a state of emergency where withdrawal from the business was a serious consideration if nothing were to be done. Nevertheless, there was no sense of urgency. Plenty of people were relaxed and ready to take it easy. We instilled the needed sense of urgency by conveying that the business itself might cease to exist if performance did not recover. Along with this, we implemented various reforms.

One that had an immediate effect was price revision, i.e., a review of sales prices. I instructed sales personnel to negotiate with the customer to get them to approve the price revision. Overcoming hesitation and opposition, the Company moved forward with the price revision. The next step was structural reforms. In addition to reducing the workforce by 1,000 employees at sites in Europe, China, and other regions, we adopted the slogan "Volume to Value," disposed of low-productivity facilities and concentrated resources on high-productivity facilities. And we shifted to high-function and high-value-added products. Any one of these measures alone would not be enough. If we only raised prices, we would not be able to capture the next model. We would simply see an excess capacity in the future. If we only proceeded with structural reforms, the business itself would shrink. By simultaneously implementing pricing policies, structural reforms, and a shift to high functionality and high added value, and doing so completely, we were able to change the personnel's mindset and achieve a V-shaped recovery.

My approach as a CFO is exactly the same. While we were able to avoid a decline in profits for the fourth consecutive year, an operating profit of 127.5 billion yen and ROE 4.7% are not satisfactory figures for the 2025. More than anything, we recognize that the fact that we

have had to revise our business performance downward for four consecutive years is an extremely serious situation. It could result in a loss of trust from our shareholders, investors, and other stakeholders.

In 2026, we plan to achieve an operating profit of 150 billion yen and ROE 5.2%. We have factored in a variety of risks, but we will not let our guard down as we continue to work toward achieving our goals.

Measures Aimed at Improved Profitability

The most pressing issue for the Company is to improve profitability as quickly as possible. The basic strategy is to reduce the assets held while at the same time shifting from volume to value, thereby increasing asset efficiency. Specifically, we will improve ROE and increase PBR through price optimization, structural reforms to achieve an appropriate balance between supply and demand and to improve and stabilize productivity, and focusing on high functionality and high added value.

This can be viewed from the perspective of the six management capitals as follows. All are premised on natural capital and social and relational capital. Starting here, we will temporarily reduce our manufacturing capital, whose expansion and growth investments have plateaued, while making maximum use of intellectual capital, a strength of ours. We will develop our human capital to aim for high functionality and high added value. The result should be a recovery and improvement of our financial capital. I will describe the challenges each business faces and the measures to be implemented going forward given the above.

For the Architectural Glass Business, demand continues to be sluggish in Europe. However, prices remain at appropriate levels due to an improved supply-demand balance, including the suspension of float glass furnaces. In Japan, renovation demand is underpinning the market and boosting profitability. In contrast, competition in Southeast Asia is intensifying due to competitors entering the market from China, Korea, and other countries. Going forward, we will continue to promote price revisions and a focus on high added value in Japan and Europe with the aim of



maintaining and expanding profits. At the same time, we believe business structure reforms are necessary in Southeast Asia, where conditions are proving difficult. These will include price revisions and greater exports.

Despite production troubles in Europe and North America, the Automotive Business achieved ROCE 10% in 2025 thanks to three measures: pricing policy, business structure reform, and a focus on high functionality and high added value. Going forward, although demand for automobiles in developed countries is not expected to increase and the shift to EVs is slower than originally anticipated, we aim to increase ROCE to 15% within the next few years by maintaining a sharp focus on high functionality and high added value.

With the Electronics Business, the Display Division is implementing measures aimed at improving profits such as increased productivity through a focus on large-screen display glass substrates, pricing policy, and the launch of competitive new products. The result is a steady improvement in ROCE. By continuing to take such steps, we aim to achieve ROCE 10% as quickly as possible. Electronic Materials has seen somewhat stagnant earnings growth in optoelectronics due to the transition period toward higher functionality. However, this business is set to be on a recovery track next year. Growth in semiconductor-related materials continues. We will focus on technological development and expanded sales of advanced materials such as mask blanks for EUV lithography.

Looking at the Essential Chemicals Business in Southeast Asia saw a significant decrease in profits compared to initial expectations due to a deterioration in market conditions caused by the influx of extremely inexpensive Chinese products into the Southeast Asian market.

Message from the CFO

However, we expect the market to gradually recover as the Chinese government is expected to abolish their export value-added tax refund*. Given this, we will ensure that we capture the growing demand and premium market within the Southeast Asian region. Integrated Chemicals will focus on high-margin products in the three areas of electronics, energy, and mobility.

Looking at the Life Science Business, the CDMO for biopharmaceuticals business posted an operating loss of 22.3 billion yen in 2025. This was mainly due to the struggling site in Colorado (US) and increased fixed costs for expanded facilities that started operation in Europe in the previous fiscal year. While production is currently stabilizing, there are still uncertainties. Profitability will remain difficult to achieve in 2026. We aim to return to profitability through increased orders in 2027. Small Molecule Pharmaceuticals and Agrochemicals CDMO remains steady.

The year 2026 is the final year of the **AGC plus-2026** medium-term management plan. For now, we hope to complete the aforementioned measures and have each business achieve ROCE 10% or more as quickly as possible. We also must thoroughly examine why such a large discrepancy occurred between the planned and actual results, and whether the plan was appropriate or not in order to avoid repeating the same mistakes when we formulate the next medium-term management plan. Having done this, we will get to work on a more accurate plan.

*Projected as of March 2026

A Freeze on Major Capital Investments for the Next Few Years

Over the past several years, we have invested nearly 250 billion yen in capital expenditures each year. Looking at these investments, those to expand production capacity for the Chemicals Business and Life Science Business were large-scale investments, but each had its own distinct characteristics. When investing in capacity expansion for our chlor-alkali product production facilities in Thailand, which began operations in 2025, we conducted thorough research beforehand and made the investment decision while also considering the possibility of a market downturn. However, we could not have predicted the collapse of the

real estate bubble in China and the subsequent sudden and massive influx of inexpensive PVC resin products into the Southeast Asian market.

In contrast, investments in biopharmaceutical manufacturing facilities in Colorado, US, need to be examined thoroughly. Up until then, our basic strategy had been to provide contract manufacturing services using manufacturing facilities suitable for high-mix low-volume production. However, the Colorado manufacturing site was a plant with large-capacity culture tanks. This was an investment in a facility different from that which had been handled previously. Although there were some concerns within the Company regarding the investment, the decision was made to invest because the Company deemed it to be necessary for the expansion of our Biopharmaceuticals CDMO. We must thoroughly examine whether the risk assessment at that time was sufficient, whether we considered not only the benefits of the investment but also the extent of possible damage in a worst-case scenario. This is a lesson we can learn from going forward.

In this way, several large investments have continued in the past few years, but large-scale investments ended in 2025. At least for the time being, no new large-scale investments will be made. Our focus will be on recovering past investments. Of course, the necessary investments will be made, but we intend to strengthen the screening function in place and will select investments carefully.

Determining Appropriate Cash Flow Allocation

In addition to improving profitability and recouping past expansion investments, we want to do even more. We want to, namely, strengthen the entire company's capabilities to improve operational efficiency and future value creation. Starting in 2025, CFO-led activities to improve operational efficiency have been promoted with Value-Based-Working (VBW) as the fundamental idea. A related company-wide cross-functional project has also been launched. While the project is geared toward value creation, we believe that thorough waste reduction will also help reduce costs.

By fully implementing the company-wide and business-

specific initiatives described above, we will increase the amount of cash on hand. We will then carefully consider how to use it, including share buybacks, shareholder returns, debt repayment, and strategic investments for the future.

Our current basic shareholder return policy is to maintain stable dividends, with a target dividend on equity attributable to owners of the parent (DOE) of approximately 3%. We intend to maintain the same dividend amount per share in 2026 as in 2025. Looking ahead to 2027 and beyond, we will assess the progress of our business recovery. We will consider revisions as necessary as we strive to maintain a sound financial structure.

No Pessimism—Just Reforms That Build on a High-Quality Human Resource Foundation

While our performance has been weak, I am not the least bit pessimistic. I am in awe of the great human resources we have at AGC. At the same time, this strength has not been fully translated into performance. My thought is that the cause of this may be the way in which priorities have been set. Stop doing what does not need to be done, and use that time and energy to do work that is truly valuable. This is what I want us to do.

We cannot change the past, but I am convinced that we can change the future if we continue to maintain and develop our culture of valuing people, and if we work to reform with a strong will and a healthy sense of crisis. I am determined to do what I must as CFO to make this possible. Thank you for your understanding.

How Will AGC Improve Profitability?

Review of the Medium-Term Management Plan

The AGC Group is committed to remaining “an Everyday Essential Part of Our World” by addressing the transformations required in each era. In 2016, we defined existing businesses as our Core Businesses and new businesses in growth areas as Strategic Businesses to promote ambidextrous strategy. In 2021, we formulated the long-term management strategy Vision 2030 and as “Corporate Transformation Chapter 2,” we clarified the direction for business portfolio transformation and declared our commitment to further accelerate corporate transformation. From 2024, the current medium-term management plan, **AGC plus-2026**, was launched with the initiatives “evolution of ambidextrous strategy,” “deepening of sustainability management,” “promoting of value creation DX,” and “strengthening of the management foundation.”



How Will AGC Improve Profitability?

To realize our long-term management strategy, Vision 2030, the Group is implementing initiatives based on the strategies of its medium-term management plan **AGC plus-2026** (the “current MTP”), which was formulated in February 2024.

By transforming its business structure by pursuing the use and development of differentiated materials and solutions, the AGC Group aims to build a business portfolio resilient to market fluctuations with high asset efficiency, growth potential, and carbon efficiency.

The basic strategies of the current MTP are as follows.

Evolution of “ambidextrous strategy”	<ul style="list-style-type: none"> ● Accelerate business portfolio transformation by pursuing the use and development of differentiated materials and solutions ● Continue to strengthen the earnings base and cash generation capabilities of core businesses ● Revise the scope of strategic businesses, accelerate business growth, and explore next generation areas
Deepening of sustainability management	<ul style="list-style-type: none"> ● Accelerate integrated management, including financial KPIs, by redefining the social value that we provide and setting sustainability KPIs
Promoting of value creation DX	<ul style="list-style-type: none"> ● Strengthen competitiveness through digital × <i>monozukuri</i> capabilities ● Streamline and strengthen the entire supply chain
Strengthening of the management foundation	<ul style="list-style-type: none"> ● Strengthen group governance ● Promote human capital management ● Further strengthen the alignment between business strategy and technology platform

When the current MTP was formulated, the financial KPIs for 2026 were set at operating profit of 230 billion yen and ROE of 8% or higher. However, we revised our target downward in February 2025 due to the economic slowdowns in China and Europe as well as a significant shortfall in sales volume in the Life Science Business. Furthermore, we have set the following financial KPIs for 2026 factoring the shortfall versus sales targets in the Electronic Materials Business (EUV mask blanks and optoelectronics) and the Life Science Business as well as the outlook for weak prices in the Essential Chemicals Business in Southeast Asia.

		Announced in February 2024	Announced in February 2026	
Financial KPIs	Operating profit	230.0 billion yen	150.0 billion yen	Cost of Equity Capital**
	Strategic Businesses Operating Profit	130.0 billion yen	80.0 billion yen	Approx. 7%
	EBITDA*	440.0 billion yen	333.0 billion yen	WACC**
	ROE	8% or higher	5% or higher (5.2% forecast)	Approx. 5%
	D/E ratio	0.5 or less		

* EBITDA=Operating profit + Depreciation ** 2023–2025 average. Calculated by Capital Asset Pricing Model (CAPM)

We aim to achieve ROE of 5% or higher in FY2026, the final year of the current MTP, and to exceed ROE of 8%, exceeding the cost of shareholder’s equity, as early as possible starting in 2027. The following initiatives will be implemented to achieve these targets.

Toward Improved Profitability

(i) Improvement of ROCE

The AGC Group uses ROCE as a business management indicator to improve ROE. Please refer to “Initiatives to Improve ROCE” on for specific issues and measures to address them.

(ii) Status and initiatives for each business

Electronics Business

While semiconductor-related markets continue to expand, growth slowed in 2025 despite the solid profitability generated by highly differentiated products with high market shares. Optoelectronics is currently in the transition phase toward further advanced functionality, and we aim to return to growth through steady execution of this transition. Meanwhile, growth in semiconductor-related materials continues to grow overall, and we aim to return to a growth trajectory of EUV mask blanks by focusing on R&D and sales expansion in cutting-edge fields.

Integrated Chemicals Business

Our diverse and differentiated product portfolio is contributing to high profitability amid an expanding electronics market, driven primarily by semiconductors. In addition, through organizational restructuring, we have optimized our entire chemical supply chain in Japan and established a structure that enhances operational agility and profitability. For Performance Chemicals, we will focus on the three high profitable product categories of electronics, energy, and mobility to further enhance profitability.

How Will AGC Improve Profitability?

Automotive Business

We achieved a ROCE of over 10% in 2025 through initiatives to improve earnings, namely pricing policy, structural reform, and higher functionality and high added value. By continuing these initiatives, we aim to reach ROCE of 15% within the next few years.

Architectural Glass Business

While demand remains weak in Europe, prices are being maintained at appropriate levels owing to improvements in the supply-demand balance. We aim to strengthen profitability by expanding sales of highly thermal-insulation, solar-control products such as Low-E double-glazing glass and vacuum insulating glass, and by continuing to reduce costs. In Japan, supported by renovation demand, we will advance our pricing policy and expand sales of high-value-added products by leveraging the Company's strong customer base, with the aim of improving profitability. Although demand in Southeast Asia is expected to grow moderately, competition is intensifying, and we will continue to strengthen our sales and distribution channels while pursuing high added value. In South America, demand remains firm amid economic growth, and we will strive to further improve profitability by promoting high value added products.

Display Business

Strengthened competitiveness through structural reforms, pricing policy, and technological innovation led to a steady improvement in profitability. We will continue to implement these initiatives with the goal of achieving a ROCE of 10%.

Essential Chemicals Business – SEA

Demand within Southeast Asia region is expanding at an annual average rate of approx. 4%, with demand for caustic soda in particular increasing due to its use in alumina and nickel refining within Indonesia. Meanwhile, market prices for PVC and caustic soda remain sluggish due to the weak Chinese economy and India's decision to postpone anti-dumping duties. Given such supply-demand and pricing conditions, we will maximize the advantages of regional production in Southeast Asia and increase the weighting of sales within the region to reduce logistics and other sales costs, thereby increasing our margins. At the same time, we will secure a stable supply of ethylene produced within the region to increase our competitiveness in terms of securing raw materials and improve profitability.

Life Science Business

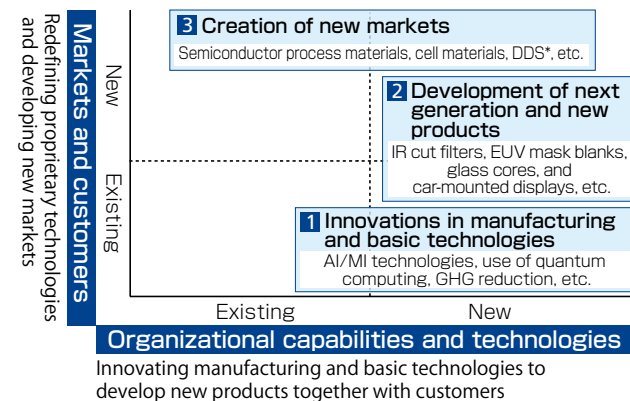
The microbial and cell and gene therapy fields in biopharmaceutical CDMO and small molecule pharmaceutical and agrochemical CDMO have maintained stable quality and a steady track record. On the other hand, winning orders for mammalian cell fields in biopharmaceuticals CDMO, which accounts for half of net sales in the Life Science Business, faces challenges in securing orders. We are therefore rolling out improvement measures such as strengthening sales and marketing, leveraging the Group's production technology capabilities, and reducing costs.

While we expect a recovery in the overall performance of the Life Science Business thanks to cost structure improvements and the stabilized production following the exit from our U.S.

Colorado sites, we anticipate a return to profitability in 2027, as it will take time for the increased orders in the mammalian cell field to have a full impact.

(iii) Direction of R&D investment

The AGC Group is actively investing in R&D to drive sustained growth and strengthen competitiveness. To improve investment efficiency, we have implemented a framework that selects development areas based on two dimensions; the market dimension and technology dimension. Based on this framework, we have defined the following direction for future development and will strengthen our investments in cutting-edge, high-value-added fields.

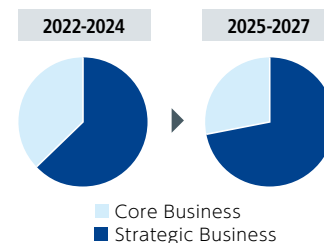


*DDS: Drug Delivery System (Technologies that deliver drugs to the required site in the body, in the required amount, and for the required duration)

Direction of R&D investment

- Selection of development fields according to market and technology perspectives
- Increasing the weighting of strategic fields

R&D investment areas



Development initiatives

<p>2 Development of next generation and new products</p> <p>AGC's Reflective Blade for HUD Named CES Innovation Awards® 2026 Honoree</p>	<p>3 Creation of new markets</p>
<p>1 Innovations in manufacturing and basic technologies</p> <p>2 Development of next generation and new products</p>	<p>3 Creation of new markets</p> <p>AGC and the University of Tokyo Achieve Laser Glass Processing at One Million Times Faster than the Conventional Speed</p>

How Will AGC Improve Profitability?

Expansion of Semiconductor-related Business

Based on the above direction, we will further strengthen our investment in semiconductor-related R&D and accelerate our business expansion.

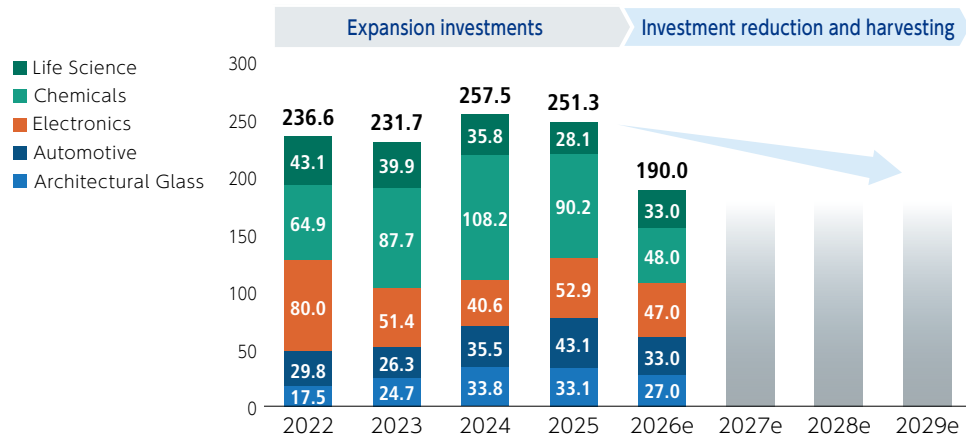
In the front-end processes of semiconductor manufacturing, we have supplied materials that meet the strict requirements of semiconductor manufacturers, centered on EUV mask blanks and CMP slurry. While we will continue to enhance the value we provide in front-end processes, we will also focus on the back-end processes, which are expected to directly contribute to further improvements in semiconductor performance, and strive to launch new technologies and products. The AGC Group's strength lies in its comprehensive expertise in inorganic and organic materials and functional design and processing technologies, enabling it to deliver solutions that combine these elements. We will leverage these strengths to the fullest with a particular focus on expanding our semiconductor packaging technologies and solutions.

(iv) Capital expenditure

From 2018 to 2025, we have invested over 200 billion yen in capital expenditure each year. These investments were primarily aimed at large-scale capacity expansion in the Chemicals Business and Life Science Business, which was mostly completed by 2025.

Starting in 2026, we will significantly reduce new investments and focus on improving ROCE by maximizing the utilization of existing facilities, with the aim of recouping investments made to date.

Capital expenditure (1 billion JPY)



(v) Shareholder returns

Our basic policy on shareholder returns is to provide stable dividends on equity (DOE), of approximately 3% as a guideline, calculated based on equity attributable to owners of the parent. We plan to maintain the dividend per share for 2026 at the 2025 level.

We will review our shareholder return policy for 2027 and beyond after assessing the status of our business performance recovery and will consider revising it as needed.

- Stable dividends with a target DOE* of approx. 3%
- The dividend per share for 2026 will be maintained at the 2025 level
- From 2027, we will consider reviewing our shareholder return policy in line with business recovery

*Ratio of dividends attributable to owners of parent company

Dividend per share(JPY)

	2022	2023	2024	2025	2026e	
Special dividend	50	105	105	105	105	
Year-end dividend	80	105	105	105	105	
Interim dividend	80	105	105	105	105	
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026e
Share buyback (100 million JPY)	—	—	500	—	—	TBD
Consolidated total return ratio	38%	—	145%	—	64%	58%
Consolidated dividend payout ratio	38%	—	69%	—	64%	58%
DOE	3.8%	3.4%	3.2%	3.1%	3.0%	3.0%

Shareholder return policy

Maintain stable dividends with a consolidated dividend payout ratio of **40%**, flexibly conduct share buyback

Maintain stable dividends with a target of DOE of approx. **3%**, share buybacks will be judged comprehensively

How Will AGC Improve Profitability?

Dialogue with Shareholders and Investors

The AGC Group is committed to transparent disclosure of information and fostering constructive dialogue with its shareholders and investors to promote sustainable corporate growth and the increase of corporate value over the mid- to long-term.

Dialogue results in FY2025	
<p>101st Ordinary General Meeting of Shareholders (Held on March 27, 2026)</p>	<p>Number of shareholders attending the meeting: 240 Percentage of shareholders exercising voting rights: 72.10%</p>
<p>Briefings for individual shareholders</p>	<p>Dialogue sessions with CFO Number of participants: 144</p> <p>AGC Yokohama Technical Center tour Number of participants: 20</p>
<p>Financial results briefings</p>	<p>Total of 4 times</p>
<p>Business briefings ESG briefings Facility tours</p>	<ul style="list-style-type: none"> • Life Science Business Q&A session • ESG briefing • Tour of the Kashima Plant
<p>Pick up 1 Small-group meetings with an independent director</p>	<p>Total 2 times, 23 attendees</p>
<p>Pick up 2 Small-group meeting with the CEO</p>	<p>1 time, 7 attendees</p>
<p>Individual interviews, conferences, overseas roadshows, etc.</p>	<p>Total 336, 754 attendees</p>

Pick up 1 Small-group meetings with an independent director

In February and December 2025, we held small-group meetings with institutional investors and Mr. Hiroyuki Yanagi, an independent director who serves as Chairperson of the Board of Directors.

[Examples of Q&A]

Institutional investor: I understand that you are stepping down as an independent director. Looking back on your tenure in the role, what do you perceive the challenges facing AGC to be?

Yanagi: AGC is at a pivotal point in the Company's future management. In this context, it is necessary to further improve the precision of business decisions. At present, there is still scope to strengthen the corporate division's analytical capabilities, and each in-house company must also break away from established practices and preconceptions. I have consistently told the company presidents that I want them to participate in management not only in their own business area but also from a company-wide perspective.

Pick up 2 Small-group meeting with the CEO

A small-group meeting was held in August 2025 among sell-side analysts and CEO Hirai.

[Examples of Q&A]

Analyst: How do you plan to improve margins in the automotive business in North America, which is a promising market for you? I would like to hear about measures other than pricing policy.

Hirai: Not just at our company, but as a general trend, capabilities in *monozukuri* (quality manufacturing) have been on the decline in North America. We aim to secure higher margins by taking advantage of automation and DX to build production systems that are not overly reliant on human resources.

Topic

Dialogue session between securities analysts and the Company's CFO and employees

In September 2025, a dialogue session was held among analysts from securities firms and the Company's CFO and its employees. The dialogue session was livestreamed to employees, and approximately 870 employees participated, including those who watched the archived recording afterward. During this dialogue session, employees provided numerous comments primarily regarding the following points.

- A deeper understanding of AGC from the perspective of the capital markets
- A sense of urgency regarding the status quo, in which AGC has not yet achieved the level of business performance expected by the capital markets
- Growing awareness of the importance of improving profitability



How Will AGC Improve Profitability?

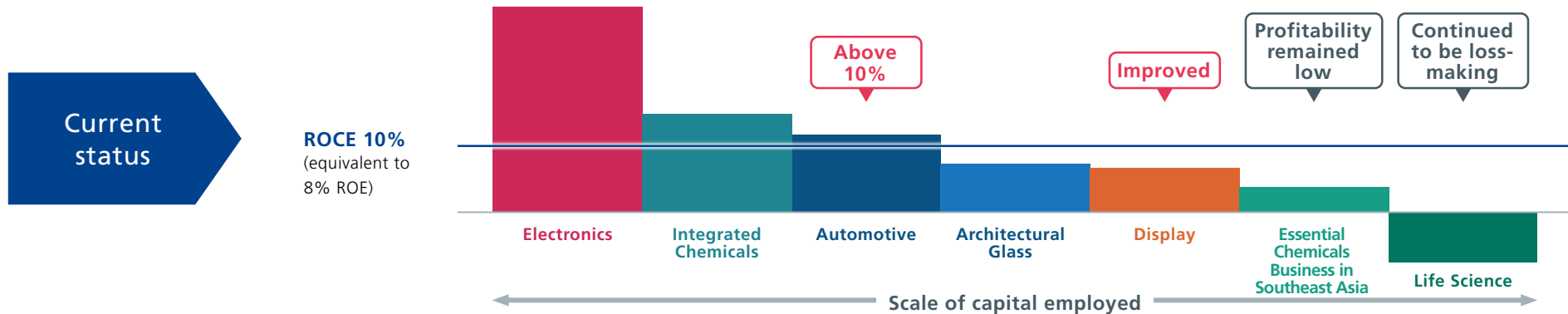
Initiatives to Improve ROCE

The AGC Group uses ROCE^{*1} as the basis for business management to improve ROE. The Electronics and Integrated Chemicals^{*2} businesses have achieved high profitability through product differentiation, and we aim to maintain a high level of ROCE going forward. In contrast, insufficient profitability in businesses with large asset bases has put downward pressure on ROCE across the company as a whole. Accordingly, we continue to address this issue by positioning operating profit improvement and capital employed optimization in these businesses as urgent priorities. As a result, the Automotive Business achieved a ROCE of

higher than 10% in 2025, while improvements are also proceeding in the Display Business^{*2}. However, improvement in Essential Chemicals business in Southeast Asia and the Life Science Business is still a work in progress.

*1 ROCE = Operating profit for the current fiscal year / Capital employed at the end of the current fiscal year; operating profit for each business is before allocation of common expenses
 · Measures to improve operating profit: price increases, SG&A expense reductions, downsizing or restructuring of underperforming businesses, etc.
 · Measures to reduce operating assets: reduction of fixed assets, elimination of excess inventory, etc.
 *2 Excluding business in Specialty Glass for Chemical Strengthening

FY2025 ROCE (before common expenses allocation) and Size of Capital Employed by Business



Measures for ROCE improvement

Operating profit improvement

- Cost reduction** (Stable production and productivity improvement)
- Pricing policies**
- High added value**

Optimization of operating asset

- Meticulous investment selection**
- Inventory reduction**
- Sale of or exit from business**

Major exits announced in 2025

Life Science Segment	U.S. Colorado sites of biopharmaceuticals CDMO (production using large-scale SUS bioreactor)
Electronics Segment	Business in Specialty Glass for Chemical Strengthening Polycarbonate business
Chemicals Segment	AGC Coat-Tech Co., Ltd.

How Will AGC Improve Profitability?

ROCE Improvement Measures by Business Segment

Electronics

We will expand our business by focusing on high value-added products while enhancing capacity in line with market growth, thereby maintaining a high level of ROCE.

■ ROCE Trend (%)

Year	ROCE Trend (%)
2023	~12%
2024	~14%
2025	~11%
2026 (outlook)	~10%

Integrated Chemicals

Starting with revenue growth in Performance Chemicals, which is positioned at the downstream end of the chemical chain, we will accelerate our focus on our three key areas: electronics, energy, and mobility. At the same time, we will strengthen our upstream chlor-alkali business as the foundation supporting our overall operations, and drive efforts to maximize value across the entire chemical chain and improve capital efficiency.

■ ROCE Trend (%)

Year	ROCE Trend (%)
2023	~12%
2024	~11%
2025	~12%
2026 (outlook)	~10%

Automotive

We have been working to improve our ROCE by establishing an optimal production structure through productivity enhancements and structural reforms, and by pursuing appropriate price levels through our pricing policy. As a result, we achieved ROCE of over 10% in 2025. Going forward, in addition to continuing the measures outlined above, we aim to achieve ROCE of 15% by accelerating our efforts to enhance functionality and add value.

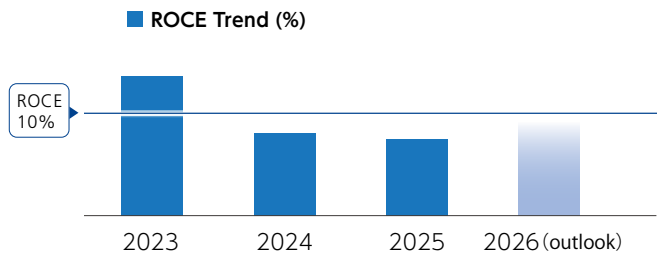
■ ROCE Trend (%)

Year	ROCE Trend (%)
2023	~11%
2024	~10%
2025	~12%
2026 (outlook)	~15%

How Will AGC Improve Profitability?

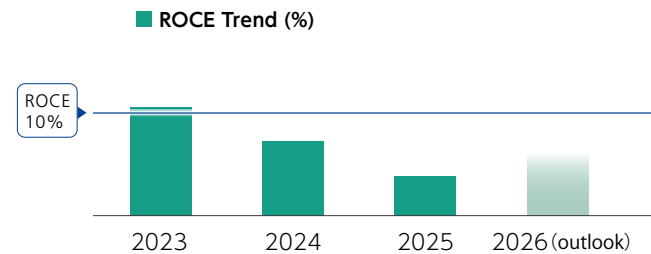
Architectural Glass

We will strengthen our business foundation through measures such as expanding sales of high-value-added products, pursuing appropriate price levels, streamlining our business portfolio, and reducing costs, including improving productivity through DX. Through such endeavors, we aim to generate stable cash flow and achieve our company-wide target of 10% ROCE.



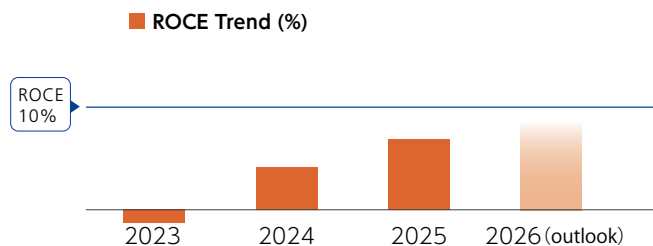
Essential Chemicals – SEA

While capturing the steady growth in demand within Southeast Asia, we will implement appropriate pricing strategies that leverage our regional sales and logistics networks. Additionally, we will focus our resources on addressing region-specific challenges, such as reducing manufacturing costs and securing a stable supply of competitive raw materials, to improve profitability.



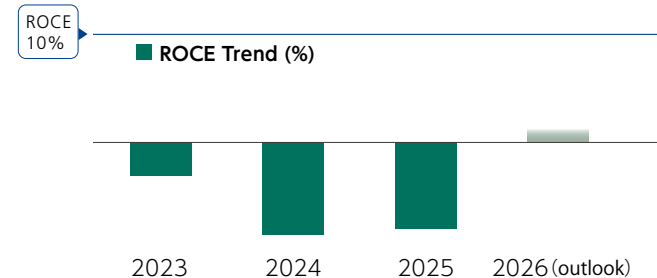
Display

We are making progress as planned toward our ROCE target through profit improvement measures including promoting structural reforms to set a focus on glass substrates for large displays, reviewing our pricing policy, and enhancing competitiveness through technological innovation. By continuing these initiatives, we aim to reach ROCE of 10% in 2027.



Life Science

Measures to improve operating profit include strengthening sales and marketing activities, acquiring high-value-added projects, reviewing unit prices (in light of inflation, etc.), improving productivity including the use of AI and DX, reducing SG&A expenses, and optimizing our project portfolio. We will also strive to improve working capital by freezing major investments (to enhance the utilization of existing assets) and reviewing contracted projects, while striving to reduce the balance of capital employed.



Our Message 3

How Can Management Capital Increase Corporate Value?

Message from the CTO

We embed innovation into daily operations through a systematic framework, enhancing corporate value.

Representative Director,
Executive Vice President, CTO,
General Manager of the Technology
General Division

Hideyuki Kurata



Technology Development Driving Business Activities

For AGC, technology development is the driving force behind our business activities. This is grounded in the founding spirit of “contributing to society through materials and solutions,” established when we pioneered the domestic production of flat glass. Since its founding, AGC has consistently pursued the development and advancement of new technologies, and whenever society or industry has changed, we have been quick to provide optimal solutions to meet customers’ needs. AGC has a corporate culture of embracing new technologies in response to changes in the world and continually challenging itself to create new value. Our strengths lie in the accumulation of technologies cultivated and refined over time, a strong talent pool with advanced skills and know-how and the organizational capability to fully utilize their talents, as well as strong ties with valued customers and industries built on mutual trust.

Our ability to drive innovation through organizational capability has also been highly regarded externally. In February 2026, we received the “Systematic Award” at the inaugural Systematic Innovation Management Awards, organized by the Executive Innovation Committee. This award recognizes companies that conduct innovation activities within a systematic framework, and AGC’s system for generating innovation in an organizational and continuous manner, rather than relying on individuals, was highly praised. It means that AGC’s strength lies not in one-off technological developments, but in a company-wide framework that continuously generates new technologies and new businesses.

AGC’s System for Generating Innovation in an Organizational and Continuous Manner

To achieve the goals of the **AGC plus-2026** medium-term management plan, the Technology General Division is

advancing the following measures.

The first measure is to choose promising themes. A critical factor in technology development is the selection of a theme with strong potential to contribute to the business. One of the initiatives supporting this is the Business and Technology Outlook (BTOL) activities. Before we started this activity, we used to review macro trends in technology and the market each time we formulated a medium- to long-term plan. However, technology, customers, and the market environment change on a daily basis. In the BTOL activity, macro trends in society, industry, and technology are analyzed from a medium- to long-term perspective. AGC then determines the technological areas and development themes that should be prioritized, and reflects the future direction of technological development in a roadmap. This is then reviewed annually in light of changes in technology and market conditions.

In this BTOL activity, we have identified seven priority technical areas. While working with customers to

Message from the CTO

determine the direction of development, we ensure strategic alignment across divisions and prioritize key development themes. As a result, AGC's technologies can be applied in a focused and agile manner to promising themes. In this way, to utilize company-wide R&D investment more efficiently, we are always thinking about "what to stop, what to start, and what to continue and strengthen" in technology development. Within the limits of our development resources, we restructure our portfolio by selecting or deselecting themes.

In advancing these themes, the Technology General Division and business divisions coordinate their strategies to improve development efficiency and manage themes using Discovery-Driven Planning (DDP). Scenario review meetings are held for each theme, evaluating market, technology, sustainability, and other factors from multiple perspectives from the theme selection stage onward. Technology and business hypotheses are also verified in line with development progress, and themes are revised, discontinued, or strengthened accordingly. Through this type of theme management, the direction of research is clarified and themes are further refined.

The second measure is "ambidextrous development." Ambidextrous development is the concept of balancing right-handed development to strengthen existing businesses with left-handed development to create new businesses. In right-handed development, we utilize co-creation activities with customers and open innovation with academia to move forward efficiently. Left-handed development is driven primarily by corporate projects (in the Business Development Division, etc.). In these projects, incubation is pursued from the start through collaboration



with the business divisions and the Intellectual Property Division. We have established a pipeline ensuring a smooth handoff from development to the Business Development Division and then to the business divisions. About five projects are underway here at any given time. Incubation within the Business Development Division and the transfer to in-house companies have already begun to gain momentum, with the themes of all-solid-state lithium-ion electrolytes and fine ceramics being developed for commercialization. Furthermore, we have plans in 2026 to establish mechanisms for proposing and encouraging innovative and challenging themes.

The third measure is to increase the diversity of our human resources. We have positioned the Yokohama Technical Center (YTC) as a global research hub, and are promoting personnel exchanges with AGC Technovation Center at AGC Europe, and the recruitment of overseas talent. In addition, regular personnel exchanges involving dozens of employees take place between in-house companies and the Technology General Division, to avoid the stagnation of human resources.

The fourth measure is value creation and securing a competitive advantage through DX. In January 2026, the Digital & Innovation Promotion Division and the Information Systems Division were merged to form the Digital & Innovation Management Division reporting directly to the CEO. In the Technology General Division, we have established the RX Promotion Office within the Innovative Technology Laboratories. This office collaborates with the Digital & Innovation Management Division, which drives group-wide DX, to advance RX (Research Transformation), the transformation of R&D utilizing DX. We develop data analysis tools for materials informatics, which greatly improves the efficiency of materials development by using computational science and informatics. There are numerous examples of these tools being used to speed up materials development and improve processes.

Practicing Technology Exploration and New Business Development Through Open Innovation

Opened in 2021, YTC is our central hub for technology

development and our base for open innovation. Every year, it welcomes approximately 500 organizations from Japan and overseas, two-thirds of whom are company representatives with potential future business ties or academic researchers engaged in new technology development through open innovation. In this way, we avoid the self-reliance that researchers tend to fall prey to, and vigorously explore innovative technologies and the creation of new products and businesses through partnerships and collaborations with external parties.

As specific examples of open innovation, we are working to create new technological fields through large-scale collaborations with the University of Tokyo, Nagoya University, Institute of Science Tokyo, and others, representing an advanced form of industry-academia collaboration. We also focus on exploring and cultivating new technologies and markets through collaboration with venture capital firms such as Japan Material Technologies, UMI, and ATAC, as well as with startups connected through those firms.

These open innovation efforts have already led to concrete results. These include: the launch of a figured glass pilot line by AGC Glass Europe, a wholly owned subsidiary of AGC, and Saint-Gobain, that significantly reduces CO₂ emissions, and is supported by the EU Innovation Fund; the development of ultra-high-speed laser processing technology for glass in collaboration with the Graduate School of Engineering at the University of Tokyo; and participation in the "Development of Mass Production Technology and Field Demonstration of Glass Perovskite Solar Cells" project, selected under the NEDO (New Energy and Industrial Technology Development Organization) "Green Innovation Fund Project / Next Generation Solar Cell Demonstration Project." In addition, we are promoting open innovation in the logistics field. The joint transport initiative led by the Transportation Digital Business Conference (TDBC), a general incorporated association in which we serve as subcommittee leader, and traevo Inc., received the Minister's Award at the 8th Japan Open Innovation Prize (JOIP) from Japan's Ministry of Land, Infrastructure, Transport and Tourism (MLIT). Through logistics DX driven by cross-industry co-creation, we are working to enhance overall supply chain efficiency and sophistication, including streamlining transportation and reducing CO₂ emissions.

In parallel with these efforts, we are also promoting

Message from the CTO

internal open innovation. By remodeling and reorganizing YTC's research building and consolidating each in-house company's business division laboratory into YTC, we are eliminating the adverse effects of a vertically structured organization, and combining our expertise and strengths across a wide range of fields. This has led to the creation of new business areas and differentiation from competitors.

In addition to YTC, we have established open innovation hubs in Cupertino (Silicon Valley), Frankfurt, Singapore, and Shanghai to explore new business opportunities, and are promoting our Globe Activity (Global Activity for Creating New Businesses & Entrepreneurs) to advance open innovation worldwide.

Shifting from "Defensive IP" to "Strategic IP"

The intellectual property that AGC has accumulated to date has mainly served a "defensive IP" role, protecting specific products and businesses from imitation and infringement. Going forward, we will shift to "strategic IP", broadly applying and monetizing the value of our accumulated intellectual property without limiting ourselves to current products and businesses. Rather than defaulting to "defensive IP" as before, we need a strategy that actively utilizes intellectual property on a global scale to realize "strategic IP." Concrete initiatives include the creation of high-impact patent portfolios targeting other companies, and the formation of standardization rules, all with an awareness of the value chain and market. We also use IP analytics to contribute to new and existing business strategies.

Regarding efforts to develop patent portfolios with high impact on other companies, we have accelerated the creation of business-contributing patents by introducing an "award system for inventors" that evaluates inventions based on their level of impact on other companies.

AGC is also actively promoting standardization to contribute to rule-making in global markets. In addition, we are developing activities aimed at creating new markets. To this end, we are strengthening cooperation with and dispatching personnel to Europe-based organizations such as JBCE (Japanese Business Council in Europe) to help formulate rules for Japan, China, and Europe.

Furthermore, by utilizing IP data analysis to identify new business opportunities in diverse fields and uncover potential new value in existing businesses, we contribute to both new

business development and current business strategy.

By leveraging these initiatives and fully utilizing our intellectual property, we will achieve sustainable enhancement of corporate value.

Cultivating the Next Generation of Talent Through Diverse Career Paths

Under the slogan "AGC People: Driving our Growth!" we believe that the development and utilization of technical human resources, who account for approximately 80% of our new graduate hires, is key to further enhancing corporate value. Around 30% of employees in the Technology General Division at our corporate headquarters hold a doctoral degree*. In addition, each year we send several employees to top-tier universities overseas, providing opportunities for them to pursue degrees and conduct cutting-edge research. In this way, by participating in world-leading research networks, we are gathering information and building global relationships. We have also established a special researcher (fellow) system within our HR framework, and introduced a technical talent system for developing world-leading experts in specific technical fields.

*Including those expected to obtain a doctoral degree

For the creation of new businesses, we dispatch personnel to overseas Globe Activity bases, providing them with opportunities to explore global business opportunities and build international networks. We also send personnel to venture capital firms to gain valuable practical experience such as serving as independent directors of investee companies, while sharpening their business acumen in a dynamic environment where new technologies and businesses are created. Through the provision of such diverse career paths, I believe the mission of the division under the CTO's responsibility is to continuously develop the next generation of talent to lead AGC.

However, it is also a fact that some individuals overestimate potential risks and avoid taking on difficult challenges. In addition, there is no small number of researchers who remain within their own areas of expertise and are unwilling to actively engage with other fields or departments. To break away from this status quo and enable all personnel to maximize their potential, it is



essential to foster a culture that encourages and recognizes challenge, to revitalize personal interaction including participation in global networks, and to strengthen dialogue with management. Going forward, we intend to place even greater emphasis on creating structures and mechanisms for this purpose.

Steadily Laying the Groundwork for Corporate Value Enhancement

The Technology General Division is the engine driving AGC's growth and innovation. It continuously creates new technologies and products that exceed customer expectations, and achieves overwhelming cost competitiveness through innovative production technology. It also seeds and incubates large-scale business themes with an eye to the future. While none of these tasks are easy, they are goals that AGC, with its talented and diverse workforce, must pursue.

Under a corporate culture of pushing limits and striving to evolve, we find joy and purpose in our work as we provide indispensable materials and solutions to the world.

At AGC, we are steadily laying the groundwork to enhance corporate value in all fields of business. Just as our display and automotive businesses have returned to a growth trajectory, we expect similar results to emerge across other business domains, strategic businesses, and new business areas. We hope you look forward to our future progress.

Technology and Innovation

Enhancing corporate value by leveraging core technologies under our value creation and technology development strategies

The AGC Group is working on continuous value creation under its long-term management strategy, "Vision 2030," which is "to contribute to the realization of a sustainable society by providing differentiated materials and solutions, and grow and evolve continuously." While creating social value through the provision of products and technologies and various corporate activities, we are pursuing economic value through business portfolio transformation and new business creation. To this end, all related departments work together towards the improvement of corporate value, from the business seed and development theme search phase to the selection of themes, specific technological development and commercialization.

Technology General Division will continuously generate innovations that will shape the next 50 or 100 years to realize a sustainable society, but we think it is important to search for and to select commercialization themes. Based on analysis of macro trends and markets, AGC will establish focus areas for technological development from a long-term perspective and formulate a roadmap in line with the direction of AGC's "business portfolio transformation." This is the BTOL described below (), and is an important activity in which customers, business divisions, and Technology General Division work together to align strategies and the direction of development.

We will advance technological development while establishing "what to discontinue, what to continue and strengthen, and what to start anew" for the selected themes using Discovery-Driven Planning (DDP). The probability of success and the profitability of commercialization can be expected to improve as a result of collaboration with business divisions and incubation of business at an early stage.

In development, we will steadily implement four key measures of contributing to the acceleration of CX through ambidextrous development, enhancing competitiveness by accelerating DX, promotion of sustainability management, and promotion of open innovation, aiming for certain results.

Under "ambidextrous development," "right-handed development" means: [1] innovating production and basic technologies; and [2] developing next-generation products and new products together with customers. We will aim for the

improvement of the essential competitiveness of existing business with [1], and for the evolution and expansion of core and strategic business with [2]. On the other hand, "left-handed development" means [3] redefining owned capabilities (existing production and basic technologies) and developing new markets. This is an approach that will create new business by predicting major changes that could occur in the future.

The results of development will be strengthened, leading to

strong and competitive business by formulating and executing strong intellectual property, standardization and rule-making strategies that exert impacts on other companies from early stages of development.

Value Creation Strategy

Flow of Commercialization	Theme Search → Theme Selection → Technology Development → Commercialization
Development Strategy (Improve development efficiency)	Macro trends, market analysis, and roadmap formulation (BTOL)
	Discovery-Driven Planning (DDP)
	Open innovation
IP strategy (Maximizing value of intangible assets)	Creation of patents that contribute to the business (Award system to encourage the creation of strategic IP)
Standardization Strategy	Formulation and execution of standardization strategies and rule-making

Enhancement of corporate value

Technology Development Strategy

Contributing to the acceleration of corporate transformation (CX) through "ambidextrous development"

- Continuing to search for new products and new strategic business areas
- Smooth business start-up and stable production through the evolution and expansion of basic technologies
- Well-balanced development activities and proactive IP and standardization strategies

Enhancing competitiveness by accelerating DX

- Transform all processes by anticipating increasingly sophisticated DX such as AI
- Productivity innovation through DX

Promotion of sustainability management

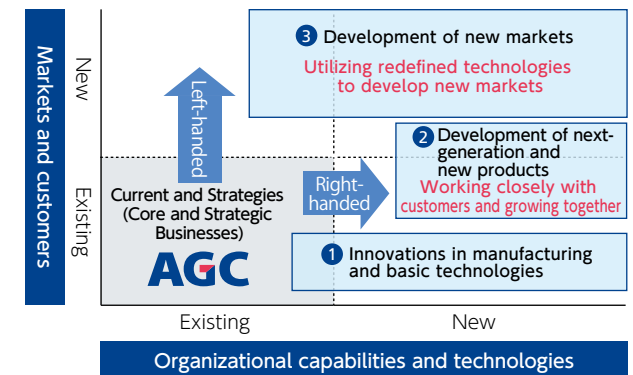
- Certain promotion of DE&I* and the building of relationships between the Company and individuals who grow together.
- Strengthening of business competitiveness by leveraging sustainability

Promotion of open innovation

Creating value through collaborative creation that anticipates the future and creating solutions by acquiring complementary and innovative technologies

Ambidextrous Development

- Right-handed development: Innovating manufacturing and basic technologies to develop new products together with customers
- Left-handed development: Redefining proprietary technologies and developing new markets



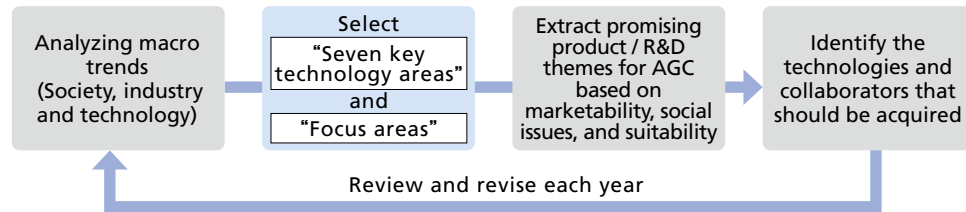
[Please click here for more details. Technology Development Strategy | Technology and Innovation | AGC](#)

Technology and Innovation

BTOL activities

AGC implements Business and Technology Outlook (BTOL) activities for the formulation of medium and long-term development strategies. These are activities to organize the future image from the macro trends of the business environment (Business) and technology (Technology) from a medium-to long-term perspective, and reflect the results in the roadmap that shows the direction of AGC's technology development.

Business and Technology Outlook (BTOL) activities



For trends in the business environment, we analyzed trends in society as a whole and in industry, and in conjunction with technology trends, narrowed them down to seven key technology areas and focus areas, taking into consideration "marketability and business potential" x "their suitability for AGC." And in order to keep pace with the rapid changes in the external environment in recent years, we conduct a review each year.

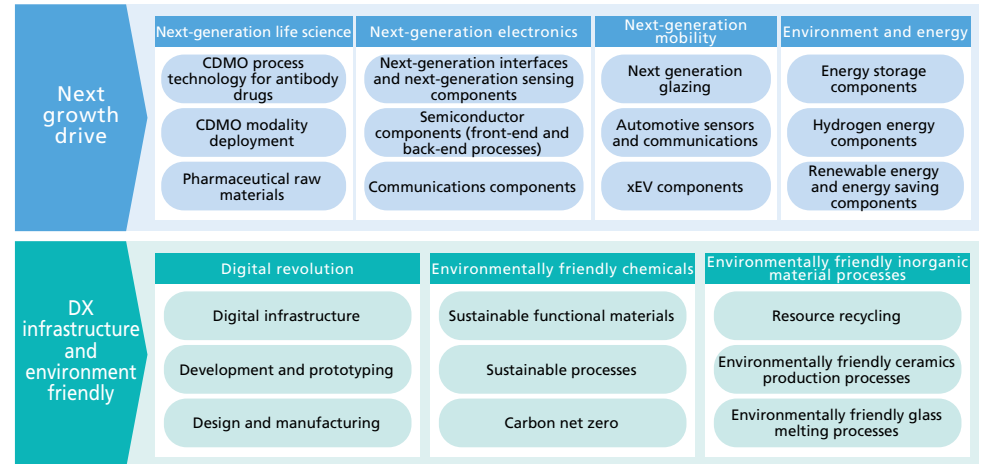
Within AGC, these activities are shared between Technology General Division and business divisions, and reflected in roadmaps for individual development themes while aligning the direction and strategy of technology development.

The seven key technology areas are divided into "next growth drive" areas related to the strategic business and new business that will drive AGC's future growth, and "DX infrastructure and environmental friendly" areas related to the strengthening of existing business and fundamental technologies. From these, we have further extracted and defined 21 focus areas that are important to AGC.

For the key technology areas and focus areas established like this, we will create a technology roadmap with a medium- to long-term timeline and reflect it in development theme strategy.

We would like to accelerate development by sharing these technology roadmaps with customers and using them to discuss future directions and engage in collaborative creation activities.

Through BTOL activities, we selected seven key technology areas and 21 focus areas



Creation of medium- to long-term technology roadmaps for the seven key technology areas

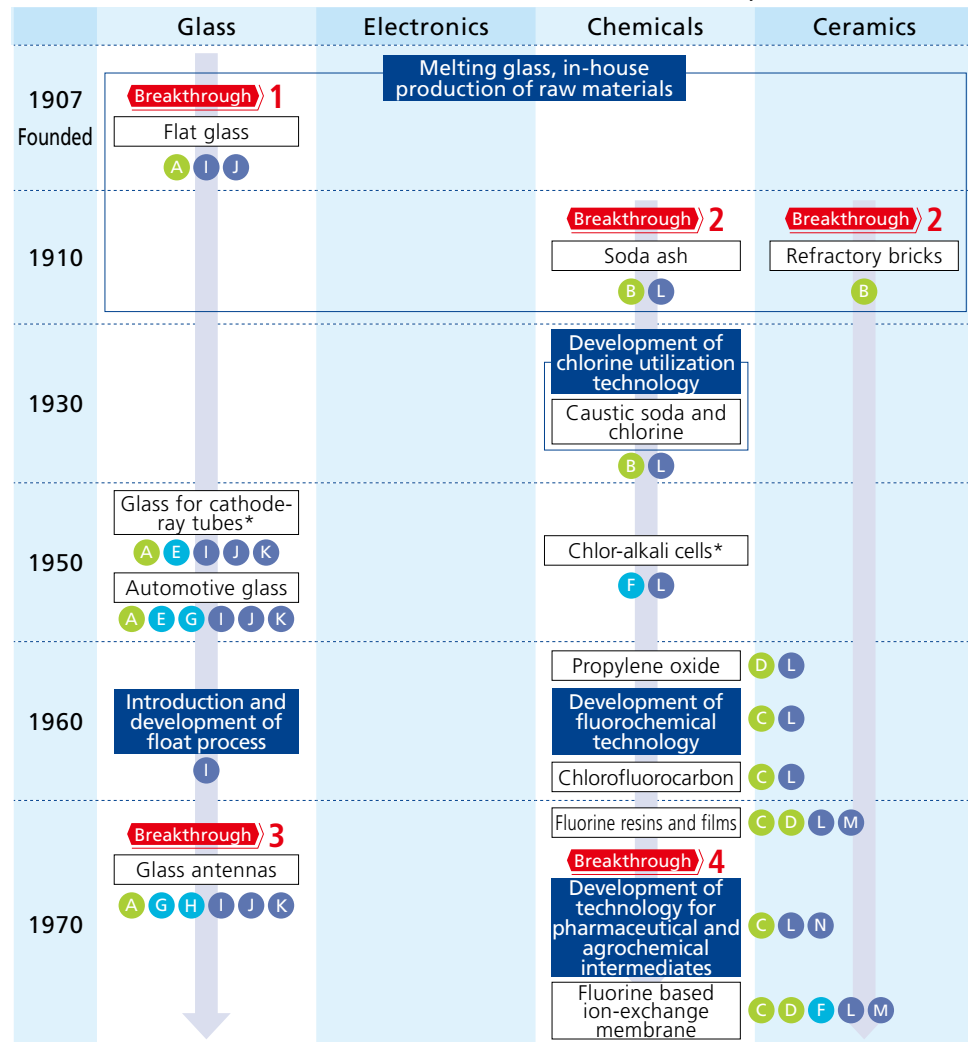


Technology and Innovation

Driving AGC innovation through core technologies

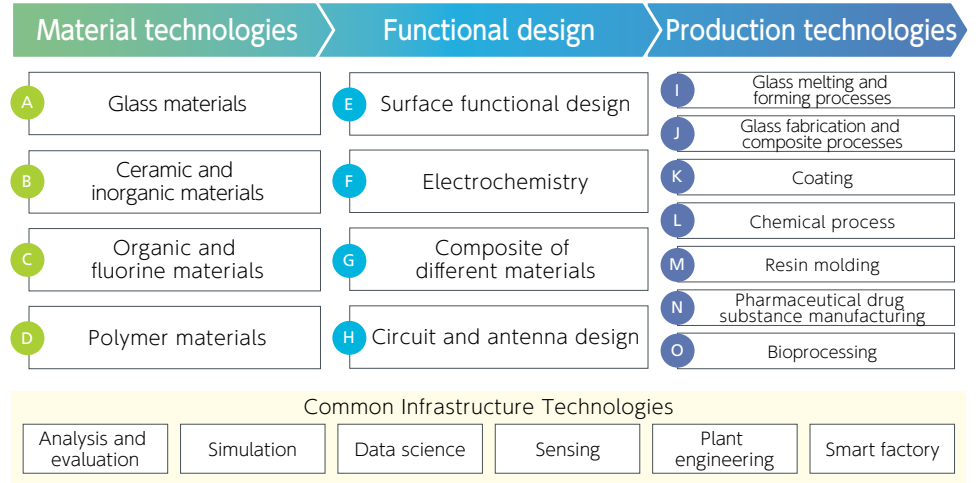
Under its purpose, “AGC, an Everyday Essential Part of Our World,” AGC has overcome environmental changes and difficulties by combining core technologies based on its uniquely superior material technologies, functional design technologies that realize high functionality, and production technologies. Going forward, AGC will continue to leverage its core technologies to create social and economic value and enhance corporate value.

* Currently withdrawn from business



[Core Technologies | Technology Development and Innovation](#)
 For details, please see here.

Core technologies



Breakthrough 1 Succeeded in domestic production of flat glass with a sense of challenge and mission

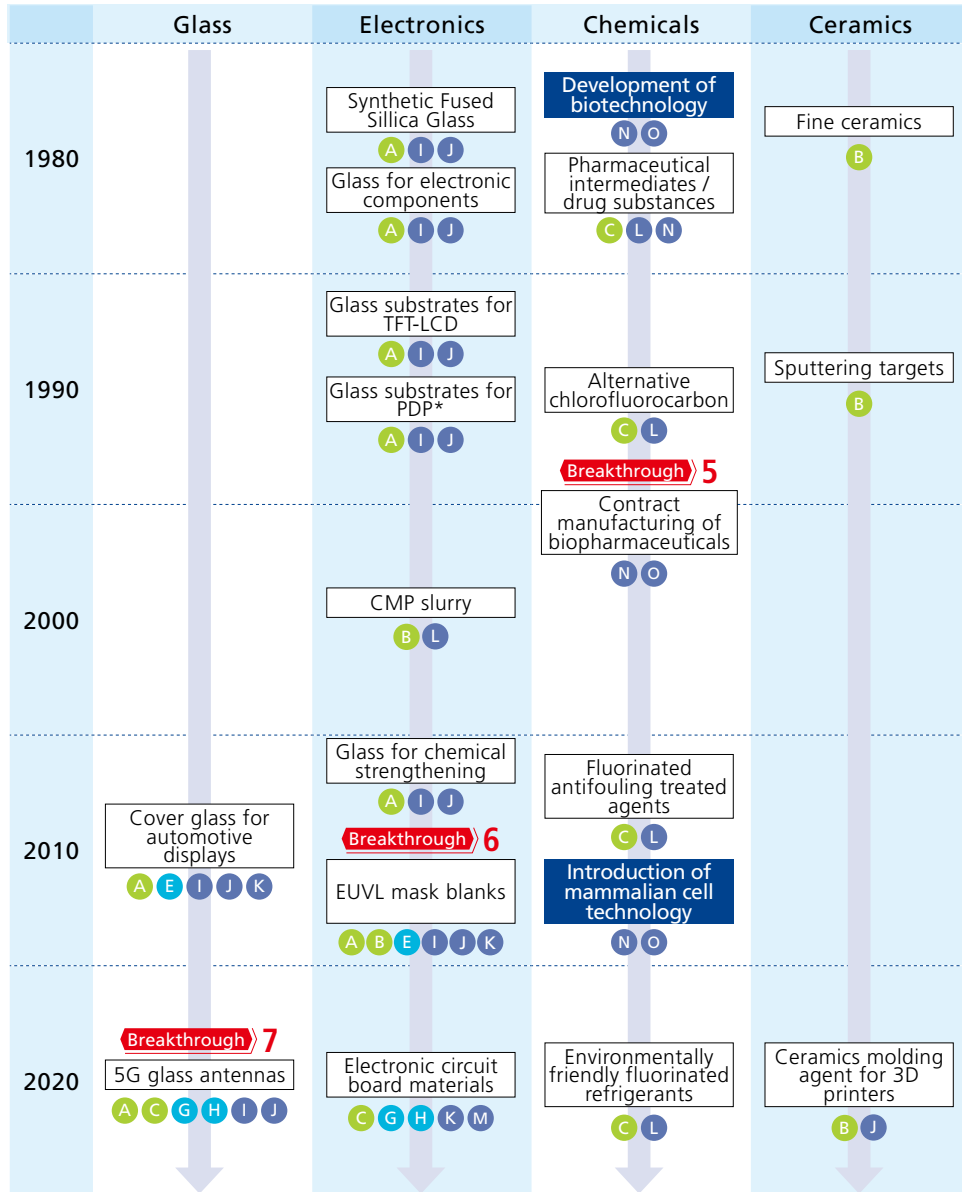
When AGC was founded in 1907, modernization was progressing and many buildings were being constructed and demand for window glass increased. But since flat glass could not be manufactured domestically, Japan relied on imports from Europe. The switch to the domestic production of flat glass was extremely difficult, and although many of our predecessors took on the challenge, they did not succeed. Born into a Mitsubishi family, Toshiya Iwasaki took on the challenge of this difficult business with a sense of mission: “I want to accomplish something for the people living in this country.” Toshiya, who had experienced studying chemistry at the University of London, introduced technology from Belgium and succeeded in the switch to domestic production. The founding spirit of taking on the challenge of difficulties and supporting the world with materials and open innovation are still alive and well at AGC today.

Breakthrough 2 Converted supply disruptions caused by World War I into “internal production x business diversification”

World War I made it impossible to import soda ash, a raw material for glass, and refractory bricks, which are essential for glass melting furnaces. Although AGC faced this business continuity crisis soon after its founding, its sense of mission to continue supplying glass domestically led it to work on its own production of soda ash and refractory bricks, thereby establishing a self-sufficient system. This sense of mission and response to crisis became the cornerstone of our current Chemicals and Ceramics businesses and the model for a strong business portfolio that will survive changing times.

Technology and Innovation

* Currently withdrawn from business



Breakthrough 3-7 Collaboration on “Glass Antenna” + “5G Glass Antenna” with customers

The automotive industry is currently undergoing the “CASE” paradigm shift (Connected, Autonomous, Shared & Services, Electric) and the importance of vehicle communication functions is increasing. In 1970, at the dawn of the radio industry, the spread of radio required antennas, but the pole antennas of the time presented challenges in terms of design and breakage, so glass antennas were sought. AGC did not have antenna technology, but with the belief that future automobiles would surely require communication capabilities, we gathered amateur radio operators within the Company and successfully developed products from scratch.

Even in recent years, we succeeded in a world-first demonstration test of 5G communication antennas in the millimeter wave band, which is required for even faster communication, jointly with telecommunications carriers and equipment manufacturers.

These can be described as examples of ambidextrous development (2), activities that anticipate future needs and create innovative new products in co-creation with customers.

[Mobility | Technology and Innovation](#)
For details, please see here.

[Success in world-first communication using a glass antenna for 5G terminals compatible with the 28 GHz band | News](#)
For details, please see here.

Breakthrough 4-5 From development of technology for pharmaceutical and agrochemical intermediates using fluorine technology to bio-CDMO

In the 1970s, it became known that fluorine-containing compounds showed high bioactivity and good efficacy as pharmaceuticals and agrochemicals. AGC also began development from around 1975 using fluorination technology and precision fluorine compound synthesis technology cultivated over many years, and for more than 40 years we have provided contract services from development to manufacturing of pharmaceutical and agrochemical intermediates, APIs and active ingredients matched to the needs of customers. In particular, we support customers with strict quality control and stable production adapted to cGMP (Current Good Manufacturing Practice) for pharmaceuticals, and our synthetic pharmaceuticals business is growing steadily.

From the 1980s on, we also introduced biotechnology and developed unique ASPEX* technology using fission yeast. Later, in the 2000s, we acquired Biomeva, CMC and other companies, obtaining manufacturing technologies that use microorganisms and mammalian cells, and expanded our biopharmaceutical business as AGC Biologics.

*Asahi Glass Schizosaccharomyces pombe Expression System (a protein expression system using the fission yeast Schizosaccharomyces pombe, independently developed by AGC when it was still Asahi Glass)

Breakthrough 6 Realization of extremely high quality requirements through a long-term product development and combination of core technologies

EUV mask blanks are the original plate material for cutting-edge semiconductor lithography using light with a very short wavelength of 13.5 nm (extreme ultraviolet light) and are indispensable for the manufacture of cutting-edge semiconductors such as AI-chip. Exceptionally high quality is required and only two manufacturers in the world are capable of supplying the product. AGC has been following the roadmap of semiconductors and continued to develop from a long-term perspective since the days of the previous generation of excimer-laser lithography. In 2003, we were approached by SEMATECH, an American consortium developing semiconductor manufacturing technology, when it launched a project to develop EUV lithography technology, and development began in earnest. We succeeded in mass production in 2017 using the synthetic quartz technology, polishing technology and coating technology that we have cultivated over many years.

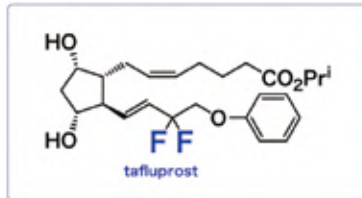
Technology and Innovation

Examples of new product development through the combination of core technologies

Synthetic pharmaceutical CDMO, agrochemical CDMO and drug discovery business

Fluorine-containing compounds are used in many pharmaceuticals and agrochemicals because they have high bioactivity and show good efficacy as pharmaceuticals and agrochemicals. AGC uses fluorination technology and precision fluorine compound synthesis technology cultivated over many years, and has provided contract development and manufacturing services to customers for more than 40 years.

Tafuprost, an active pharmaceutical ingredient developed jointly with Santen Pharmaceutical Co., Ltd., and its molecular structure



Note: Example of a fluorine-containing compound

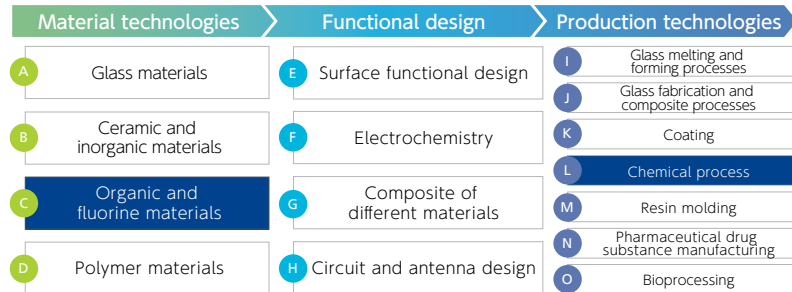
New concept HMI (human-machine interface) solutions that realize a safe and comfortable mobility society

For the realization of safer and more comfortable mobility, the cockpit, which plays an important role as the interface with the driver and passengers, is required to have a human-machine interface (HMI) with high usability, safety and design quality. AGC has developed and proposed "FeellnGlass® Reflective Blade for HUD," a reflective panel for automotive use that combines high information visibility and compatibility with automobile interior design for the realization of a new cockpit concept. The innovativeness of this concept was evaluated highly at CES2026, where it received the Innovation Award.



Core technologies that support products

(Synthetic pharmaceutical CDMO, agrochemical CDMO and drug discovery business)

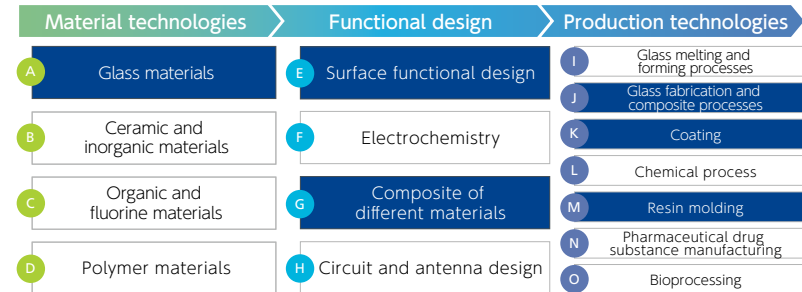


Synthetic pharmaceutical CDMO, agrochemical CDMO and drug discovery business **Technical element** C, L

Since the bioactivity of fluorine-containing compounds is affected by their interactions with receptors, it is also important to optimize the position of the fluorine introduced into a molecule. AGC provides contract services ranging from the development to manufacturing of intermediates and APIs and active ingredients using its expertise in the precision synthesis and mass production technologies (C, L) of fluorine compounds. In particular, we support customers with strict quality control and stable production adapted to cGMP (Current Good Manufacturing Practice) for pharmaceuticals.

Core technologies that support products

(FeellnGlass® Reflective Blade for HUD)



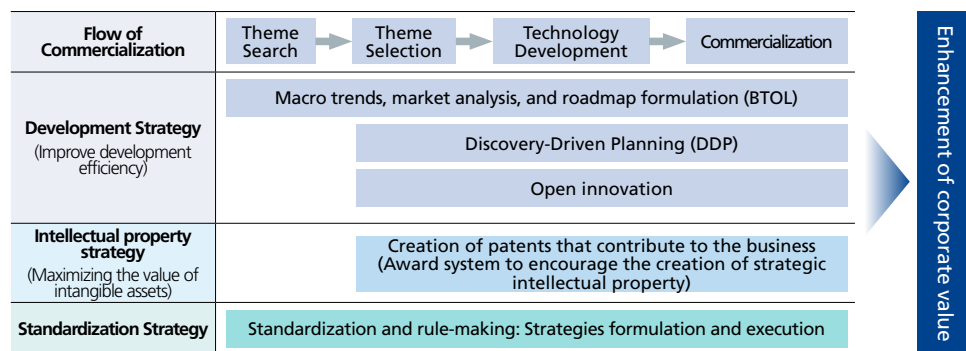
FeellnGlass Reflective Blade for HUD **Technical element** A, E, G, J, K, M

We have realized the strength and safety required for automotive interior parts by combining strong glass materials with chemically strengthened treatment and uniquely designed modular processing. Furthermore, AGC's unique special coating on the glass surface ensures image visibility even when wearing polarized sunglasses. It can aggregate various content and information from driving support information to entertainment, and is expected to be a solution that brings innovation to cockpit design.

Intellectual Property

Intellectual property strategy

At AGC, there are various systems to create new values. As shown in the figure below, systems related to intellectual property and standardization include “Standardization and rule-making: Strategies formulation and execution,” “Award system for inventors for creating patents that contribute to the business.”



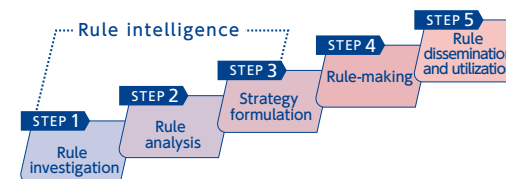
Standardization and rule-making: Strategies formulation and execution

At AGC, we are actively promoting standardization to contribute to rule-making in global markets and society. In particular, the CTO oversees standardization activities not only to adapt to a changing society and address new market sectors, but also to create new societies and markets, driving strategic rule-making activities.

While defining the ideal state and roadmap for standardization activities toward 2035 as part of the AGC Group strategy, a dedicated standardization department within the corporate division is responsible for cross-sectional foundational areas throughout the company and also provides global support for standardization activities in each business division.

The CTO also chairs the company-wide standardization strategy meetings, which consist of representatives from various divisions and overseas bases, promoting the planning and execution of strategic activities that contribute to the creation of next-generation societies and the establishment of competitive advantage. We share a list of standardization activities implemented in each division, organize the strategies and issues of each activity, and strengthen information sharing and internal collaboration among divisions. AGC divides the steps for standardization and rule-making into five stages: (1) rule investigation, (2) rule analysis, (3) strategy formulation, (4) rule-making, and (5) rule dissemination and utilization. In particular, we are strengthening strategy formulation by positioning the processes of up to planning of strategy formulation as rule intelligence. In addition, we are developing global strategic activities with a focus on regions where standardization and rule-making activities are active, such as Europe and China. We are also promoting initiatives to strengthen policy collaboration in each country. Furthermore, we are strengthening our activities to integrate open and closed strategies with intellectual property strategies and business strategies.

To develop standardization human resources, we are implementing standardization education, while defining the roles of standardization personnel in AGC’s professional system and promoting certification. In the CNA (Cross-divisional Network Activity) of the standardization strategy, we are rolling out self-directed activities for individual and organizational growth and evolution. In our “Job Challenge” in-house secondary job system, we are also promoting skill development through standardized tasks such as rule intelligence. In 2024, we contributed to the development of external human resources by participating as a lecturer in the Ministry of Economy, Trade and Industry’s Standardization Strategy Human Resources Education Pilot Program.



AGC actively participates in standardization activities at international standardization organizations such as ISO (International Organization for Standardization) and IEC (International Electrotechnical Commission), as well as in related activities conducted by consortiums in various regions and industries around the world. In ISO, we have taken the lead in the standardization of ZEB*1 and are using its technical specifications to promote ZEB dissemination activities, primarily targeting emerging countries in Asia. Also, in IEC, we have led the standardization of methods for evaluating the strength of smartphone cover glass, contributing to healthy market growth and the proper evaluation of AGC’s products. Furthermore, we are actively participating in the efforts for circular economy, the environment, biodiversity, hydrogen technology, nanotechnology, construction, materials, and paint within ISO, and for avoided emission*2 and fuel cells technology within IEC. We are also proactively participating in initiatives to standardize electronic displays. In Building Integrated Photovoltaics (BIPV), we have been leading the creation of JSA (Japanese Standards Association) standards with the aim of achieving both “energy creation” and “consideration for natural capital.” In the field of next-generation mobility, we are participating in industry associations to standardize functional window glass, in-vehicle displays, pedestrian protection, and other technologies.

Standardization activities and examples

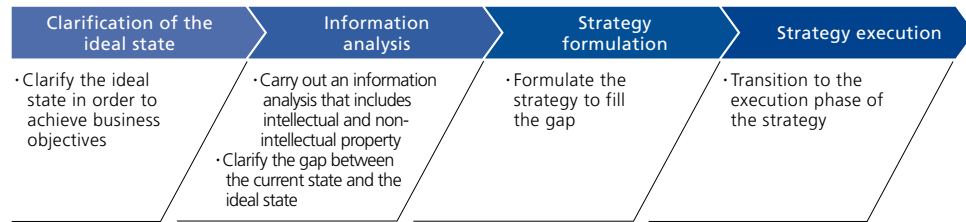
CTO Companywide standardization activities Corporate divisions, Business divisions, Overseas bases	Standardization of ZEB¹ in ISO	Issue technical specifications on methodologies for realizing ZEB and contribute to the dissemination of ZEB
	Standardization of the circular economy in ISO	Development of indicators for the recyclability of products, etc., and frameworks for extended producer responsibility, etc. thereby contributing to the effective use of resources
	Standardization of avoided emission² in IEC	Contribution to the reduction of GHG emissions throughout product lifecycles, from raw materials procurement through to disposal and recycling

*1 Net-zero energy buildings: Buildings designed to achieve net-zero use of primary energy
 *2 The quantified GHG emissions reductions resulting from evaluated products that help reduce environmental impact throughout their entire life cycles

Intellectual Property

Formulation and execution of strategies based on intellectual property information and non-intellectual property information

The strategy on how to build and utilize our intellectual property portfolio for the maximization of business value is important. At AGC, we are advancing formulation and execution of strategies through the following steps.



[Example of strategy] intellectual property activities in sulfide solid-state electrolytes used in all-solid-state automotive batteries

AGC has successfully developed a new production technology for the mass production of sulfide solid-state electrolytes used in all-solid-state batteries for automotive applications by employing a unique melting method combining glass and chemical technologies.

Building on this technology, although we are a latecomer to the all-solid-state battery field, we are working closely with our R&D and business incubation divisions to actively pursue intellectual property initiatives. Through patent filing and prosecution, we have filed a cumulative total of approximately 70 applications to date for this technology and are continuing to expand our patent portfolio.

Our intellectual property activities are contributing to strengthening the Mobility Business, which we have positioned as a Strategic Business.

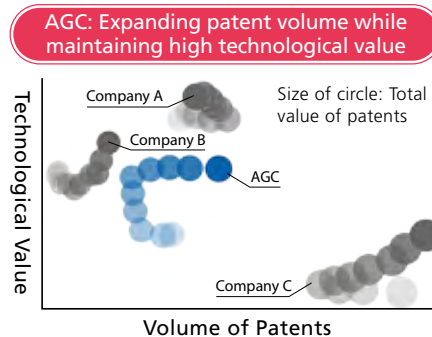


Building a strategic intellectual property portfolio

The figure on the right is a graph showing the annual changes in the quantity and quality of AGC's and competitors' patent portfolios over time, drawn by AGC using LexisNexis® PatentSight+ data from LexisNexis of the U.S.

Through our award system for inventors, in which the award paid upon registration of a patent is determined by AGC using original criteria including innovativeness and originality of the invention and its impact over competitors, we are expanding patent volume while maintaining high technological value.

Changes in Patent Technological Value and Volume (AGC vs Competitors)



AGC: Expanding patent volume while maintaining high technological value

Strengthening the intellectual property portfolio in Strategic Businesses and new businesses

The Intellectual Property Division promotes “ambidextrous development” from a company-wide perspective under the supervision of the CTO, coordinating closely with the Technology General Division to build a strategic intellectual property portfolio.

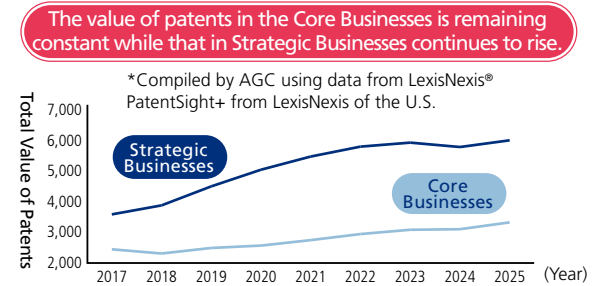
While continuing to strengthen the intellectual property portfolio of our Core Businesses, we have also focused in recent years on expanding our Strategic Businesses and new businesses (see the figure on the right).

With regard to Strategic Businesses and new business initiatives, we are strengthening our intellectual property portfolios in new areas, including sulfide solid-state electrolytes for all-solid-state batteries, which are relevant to next-generation mobility, to augment semiconductor materials and other the technological fields we have been developing for some time.

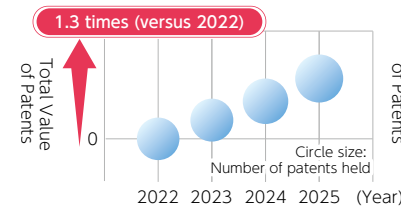
The figures below show the changes in the total patent value of our strategic businesses, semiconductor materials, etc. and sulfide solid-state electrolytes used in all-solid-state batteries. The total value of patents for semiconductor materials, etc. has increased by approximately 1.3 times over the past three years, while the number of patents held has increased by approximately 1.4 times. Also, total value of patents for sulfide solid-state electrolytes used in all-solid-state batteries has increased by approximately 11 times over the past three years, while the number of patents held has increased by approximately 8 times.

In this way, driven by proactive investment in new technologies, the total value of our patents has steadily increased. We are creating strategic intellectual property that contributes to future business growth and building a competitive intellectual property portfolio.

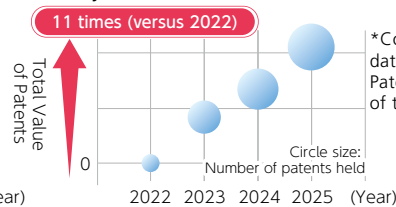
Changes in Total Value of Patents in Core and Strategic Businesses*



Total Value of Patents for Semiconductor Materials, etc.*



Total Value of Patents for Sulfide Solid-State Electrolytes Used in All-Solid-State Batteries*



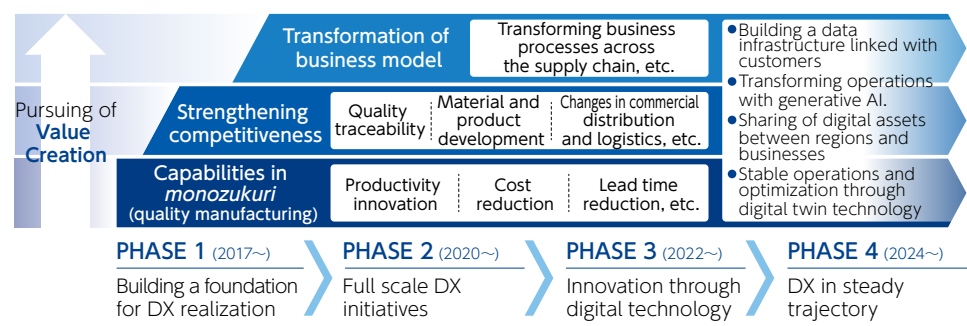
*Compiled by AGC using data from LexisNexis® PatentSight+ from LexisNexis of the U.S.

Utilization of intellectual property

AGC is working to optimize its company-wide intellectual property portfolio while also actively pursuing initiatives to monetize its patents. Our patents on materials have significant potential for application across various business fields, and we are committed to further enhancing our corporate value by proactively leveraging our patent portfolio, including through licensing agreements with other companies.

Creating New Value Through DX

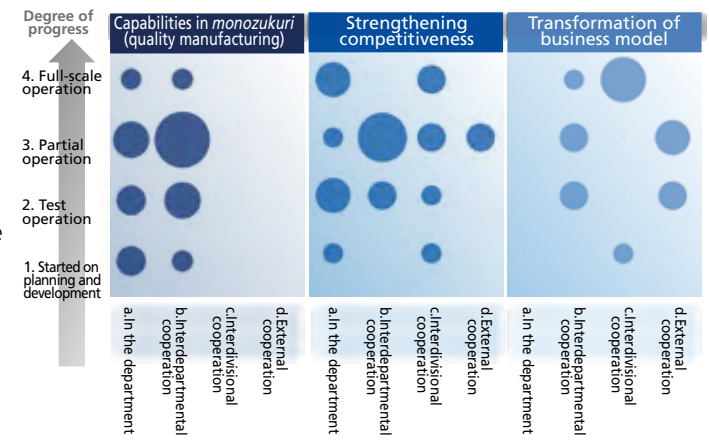
The AGC Group began its DX initiatives with a focus on manufacturing and R&D, and has since expanded to a wide range of areas including sales, logistics, and administrative operations. Along with raising "promotion of value creation DX" as one of the major strategies of our medium-term management plan "AGC plus-2026", we will continue to position DX as a lever for our corporate transformation, aiming to leverage digital technology for ongoing transformation and put DX on a steady trajectory. The three main initiative areas of this value creation DX are "Capabilities in *monozukuri* (quality manufacturing)," "Strengthening competitiveness" and "Transformation of business model." Through these initiatives, we will pursue economic value through the creation of social value and accelerate the spiral of corporate value improvement to achieve the sustainable growth of the AGC Group and the maximization of its corporate value.



We have set "reduction in work time of all employees due to generative AI" as one of the indicators to evaluate the effects generated by the implementation of DX strategy. Its targets and progress are as follows.

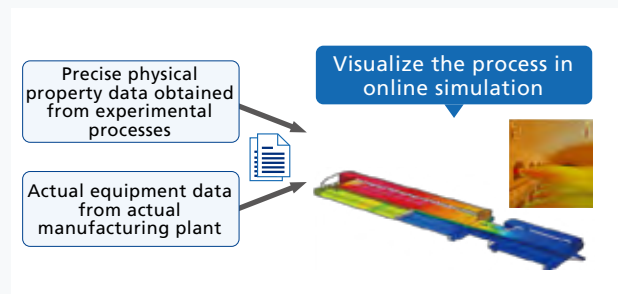
End of FY2024	End of FY2025	Target for the end of FY2026
110,000 hours	470,000 hours (cumulative total of 580,000 hours)	Cumulative total of 1 million hours

In addition, we have created a DX Activity Matrix that visualizes the number of themes in the three main initiative areas mentioned above to monitor the progress of DX strategy. In each initiative area, cases where diverse stakeholders have collaborated leading to results have progressed steadily.



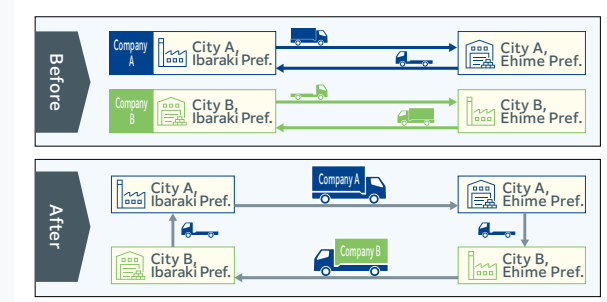
Capabilities in *monozukuri* (quality manufacturing) Digital twin of the glass melting process

Optimizes operating conditions by reproducing in digital space the high-temperature environment in the glass melting furnace using process data and unique automatic simulation technology.



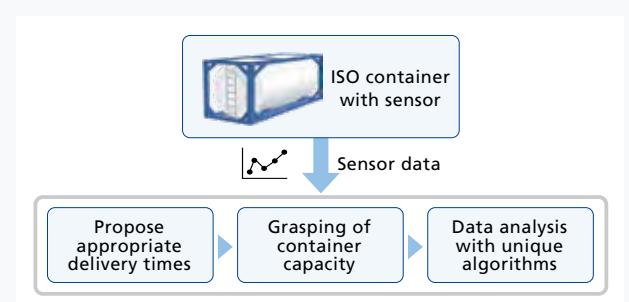
Strengthening competitiveness Joint transportation partner search service

Realizes efficient transport that transcends corporate boundaries through a service that matches the most suitable joint transport partners.



Transformation of business model ISO container content grasping service

Using proprietary algorithms to analyze sensor data, we enable customers to monitor remaining product volumes in containers and streamline inventory management.



Improvement of the Quality of Automotive Windshields Based on the Introduction of AI Technology



Digital Science Group, Technology Development Management Div., Asia General Div., Automotive Company

Shuto Hayashibara
(First left, affiliation and position are as of the time of the interview)

(Organization)
Asia General Div., Automotive Company
Production Management Div., Technology Development Management Div., Quality Assurance Div.
Technology Office
Technology Strategy & Planning Office

Aichi Plant
Glass B Division
Facilities & Engineering Center

Conventional problems in windshield quality inspections

The reduction of the risk of defects caused by the state of lamination of windshields was an issue for many years. Until now, visual inspections of the state of lamination were also carried out because of the diversity of models, but it was necessary to improve quality by further increasing the accuracy of detection and aim for the effective use of human resources.

Greater accuracy of defect detection and a switch to full automation of the inspection process

Quality improvement and the reduction of inspection work-hours
(Expected reduction of 30,000 inspection hours per year)

Highly accurate defect detection and a switch to full automation of the inspection process in windshield manufacturing through the development of a uniquely developed inspection machine model combining AI anomaly detection technology and rule-based image processing algorithms



Switch to full automation of windshield inspections with a combination of AI anomaly detection and rule-based algorithms

Automotive windshields produced by AGC's Automotive Business have a three-layer structure with an interlayer film sandwiched between two sheets of glass, and reducing the risk of defects caused by the state of lamination was an issue for many years. Visual inspections of the state of lamination that influences quality were also carried out until now, but we aimed for the improvement of quality by further increasing the accuracy of detection. In addition to the wide variety of glass shapes and black print designs for each car model, complex patterns unique to lamination appear even on good products, so discrimination was extremely difficult.

The answer we figured out for this issue is an inspection machine that combines "AI anomaly detection" and "rule-based" algorithms. Typical "AI classification" requires training with a large number of images of both good and bad products.

AI anomaly detection on the other hand learns only the "state of good products" and detects anything that deviates from that as an anomaly. Since we did not reach the target accuracy with AI anomaly detection on its own, we developed a two-step algorithm that further narrows down defect candidates extracted by the AI using rules (area and

brightness thresholds) based on the knowledge of our own department.

In the development process, I myself participated in "accompanied DX training" both inside and outside the company, and repeated trial and error while receiving advice from experts from research laboratories and outside the company. As a result, we were able to achieve extremely high accuracy with a 0% miss rate and a 0% over-detection rate in inspections using a large number of images, about 50,000.

Accelerate quality improvement and data use by pursuing on-site operability

What we emphasized most on this project was how to make the developed technology take root in the field. The AI model requires additional training each time production of a new car model starts, but continuous operation cannot be expected if development staff handle the training each time. Therefore, we developed dedicated software internally that allows on-site staff with no programming knowledge to perform AI learning and management easily at the touch of a button. By doing so, a system has been established that allows manufacturing sites to take the initiative in implementing highly accurate AI inspections.

In addition, we also devised the system configuration. Initially, a dedicated AI inspection PC was added to

communicate with the existing line, but currently, AI functions are integrated within the existing inspection machine software and have evolved into a form that can be integrated into a PLC (control unit) without additional hardware. This integration has reduced the time and effort of deployment greatly and lowered the hurdles to introducing the system to other lines dramatically.

Since full-scale operation started in October 2024, inspection machines using this AI anomaly detection have produced results steadily. We are planning to complete the rollout to all domestic lines by the end of 2026, and then expand to plants around the world after that. This initiative is expected to reduce inspection work hours by about 30,000 hours per year, and since it is now possible to link highly accurate AI judgment results with manufacturing process data and create a database, quality improvements are expected due to things like advanced quality control and FB to processes. This will enable the further promotion of the realization of "defect-free" manufacturing processes.

This "AI anomaly detection + rule based algorithm" concept is a highly versatile model that can be applied widely to image inspections of other products. We would like to share this case as a "successful experience" for the AGC Group as a whole and make the foundations for creating a virtuous cycle of quality and productivity by mastering the use of AI.

Human Resources Message from the General Manager of the Human Resources Division



Senior Executive Officer and General Manager of the Human Resources Division

Junichi Kobayashi

Human Capital Management Promoting “AGC People: Driving our Growth!” and Helping Further Enhance Corporate Value

Promoting Four AGC People: Driving our Growth! Initiatives to Enhance Corporate Value

Under the slogan “AGC People: Driving our Growth!” we are promoting human capital management to enhance corporate value.

AGC’s corporate culture places importance on open communication, taking on challenges, and encouraging initiative. Based on this, we are working on policies in accordance with the following four strategic directions.

The first is to leverage diverse talent. We are creating an environment where talented individuals with diverse attributes, experiences, and personalities who share a common purpose can collaborate across divisions and countries and contribute to value creation. The challenge is to further increase the diversity of group management talents. The diversity of nationalities and regions among

those in management positions is insufficient to support the global reach of our businesses. As a company that generates about 70% of its sales overseas, this is something we absolutely must change. One example is how last year we began a major overhaul of our selection training program for members in the Asia region. The aim is to systematically expand the talent pool that will lead management in the future. In addition, in terms of gender diversity, we have set targets of 30% female directors and 20% female executive officers by 2030. Progress toward these targets is being monitored.

The second is to support self-initiated growth by individuals and enhance organizational capacity in a continual manner. Based on engagement surveys, we recognize that one challenge facing us is to improve each and every employee’s sense of growth. Based on this recognition, we have implemented initiatives to support proactive career development and mechanisms to encourage independent learning. One such initiative is cross-divisional network activity (CNA). CNA is a skill-axis network that connects people with the same skills and expertise beyond departmental or in-house company. Community activities are underway based on a total of 41 skills. We support the continued growth of every individual through this platform for learning.

The third is to promote the creation of new value through the enhancement of on-site capabilities that also take advantage of chemical reaction of knowledge and digital transformation. Because AGC operates under an in-house company system, it is easy to fall into a rigid vertical silos. There is a real risk that knowledge and human resources will become stuck in such closed environments. To prevent these silos from forming, it is important to ensure the mobility of human resources and actively encourage interaction both inside and outside the Company. Last year, tens of personnel from our research and development divisions were placed in business divisions. This is part of a systematic effort to broaden their experience through personnel exchange. In addition to these initiatives, the aforementioned CNA helps prevent organizational silos by connecting people and knowledge across functions based on skills, thereby promoting collaboration beyond organizational boundaries and the integration of knowledge.

The fourth is improving employee engagement and fostering a corporate culture. We identify issues through

periodic engagement surveys conducted throughout the Group. Improvements are then possible to implement. The survey results show that while scores have steadily improved in many areas, we see challenges remain in the areas of growth opportunities and operational efficiency. In terms of growth opportunities, we have introduced a system in which supervisors and subordinates meet to discuss not only the progress in their work but also their careers. We have also introduced systems such as in-house side jobs. And to improve operational efficiency, we are promoting company-wide improvement activities based on the fundamental concept of Value-Based-Working. In addition to these, each department formulates and implements measures according to its own operational characteristics and organizational situation.

AGC’s approach to human capital management is to realize our purpose and increase corporate value through a virtuous cycle of these four initiatives.

Developing and Promoting of Group Management Human Resources from a Company-Wide Perspective with an Eye to the Future

Because AGC has adopted an in-house company system, talented human resources tend to stay within one company. To address this issue, we have established an HR Committee. Members include the CEO, CFO, CTO, company presidents, and the General Manager of the Human Resources Division. The committee discusses and promotes the development and promotion of human resources from the perspective of overall group optimization, with the aim of developing next-generation management personnel who can lead the Group.

Advances in generative AI and changing demographics are changing the nature of work significantly. By accurately grasping these changes and maximizing the potential of our human resources through future-oriented human investment under our human capital management slogan “AGC People: Driving our Growth!” we will realize AGC’s purpose and ensure sustainable growth in corporate value.

Human Resources

AGC's human capital management, "AGC People: Driving our Growth!"

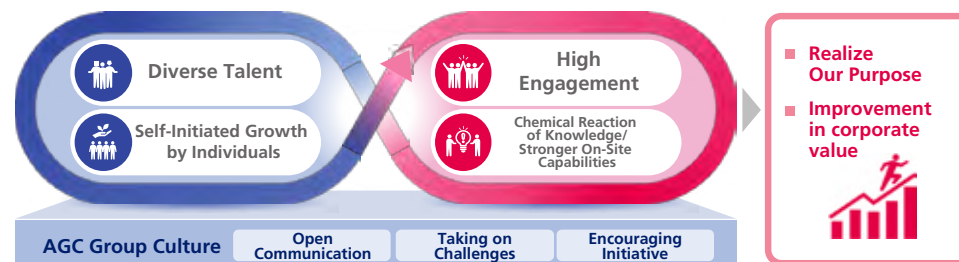
AGC's human capital management, "AGC People: Driving our Growth!"

AGC's diverse people are committed to realizing Our Purpose as stated in the Group Philosophy "Look Beyond" and enabling sustainable corporate growth.

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

Based on the "AGC People: Driving our Growth!" concept, we plan and implement human resources policies, set quantitative targets to measure their effectiveness, and monitor them to ensure steady progress. The AGC Group enhances corporate value by creating social and economic value through human capital management, encapsulated in the phrase "AGC People: Driving our Growth!"

AGC People: Driving our Growth!



"AGC People: Driving our Growth!"	Ideal state	Issues	Examples of priority measures	Monitoring indicators/ Examples of management
Diverse Talent p. 61	Creating an environment where talents with diverse attributes, experiences, and personalities who share a common purpose can come together across divisions and countries and participate in decision-making and value creation	Fostering a diverse pool of management talents to lead the Group (increasing the proportion of foreign human resources and women in management)	Management of the HR Committee, which discusses the development and placement of management talents Global selection of candidates for management talents Development and support of candidates for management talents that takes into account their diversity and individuality	Periodic reviews of placement and development by the HR Committee AGC's 2030 female talent ratio (Percentage of female officers: 30%, percentage of female executive officers: 20%, percentage of female managers: 8%)
Self-Initiated Growth by Individuals p. 62	Providing opportunities for each individual to continuously develop and demonstrate their strengths, skills, and personality in a self-initiated manner	Continually providing optimal training programs tailored to the times and the environment Enhancing each employee's feeling of personal growth	Establishing a system to visualize individual skills and career aspirations Providing support programs for proactive and self-motivated career development	CNA* participants / Number of events Rank-specific training Number of employees engaged in in-house secondary jobs Challenge Career System
Improving Employee Engagement and Fostering Corporate Culture p. 63	Under a corporate culture that places importance on open communication, taking on challenges, and encouraging initiative, we aim to enhance the vitality of each individual and maximize the performance of the organization as a whole	Maintain high positive response rate in engagement survey questions Decrease in negative response rate	Continuous implementation of a system that recognizes challenges and achievements Management visits to sites (sharing the values of senior management) Leaders' interviews (sharing the values of managers)	Executive remuneration (engagement score is one of the indicators) Continuation of AGC Group CEO Awards ceremony Number of dialogue meetings held / Number of sites
Chemical Reaction of Knowledge/ Stronger On-Site Capabilities p. 64	Aiming to increase human resources who can generate new innovations and value through diverse collaboration both within and outside the Company, while also improving on-site <i>monozukuri</i> capabilities	Further exchange of human resources between research laboratories and business divisions Strengthening on-site capabilities in manufacturing, sales, and development through DX	Revitalizing cross-divisional networks beyond the area of expertise Revitalizing exchange of human resources by consolidating R&D sites Encouraging employees to obtain Ph.D. degrees Supporting the acquisition of new skills, including DX and data utilization	Number of transfers between divisions reporting to the CTO (e.g., Technology General Division) and business divisions Number of Ph.D. holders / Percentage Number of external joint projects Training of DX human resources, examples of DX utilization

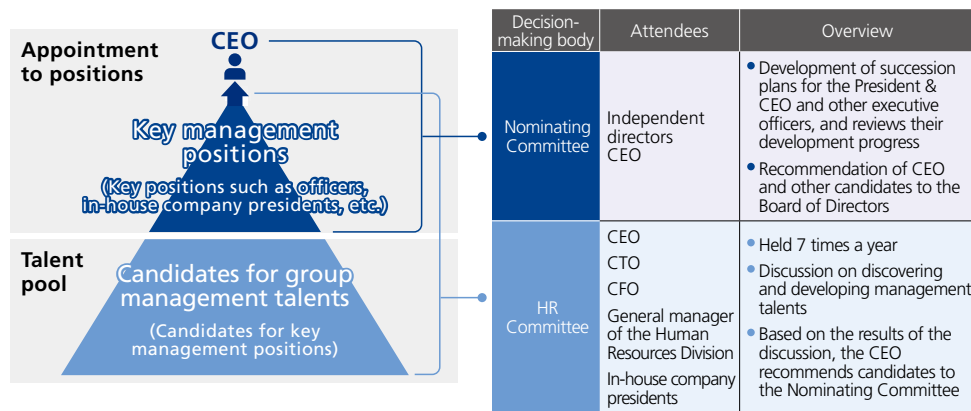
*CNA (Cross-divisional Network Activity): Network activity across departments/divisions

Diverse Talent

Developing group management talents

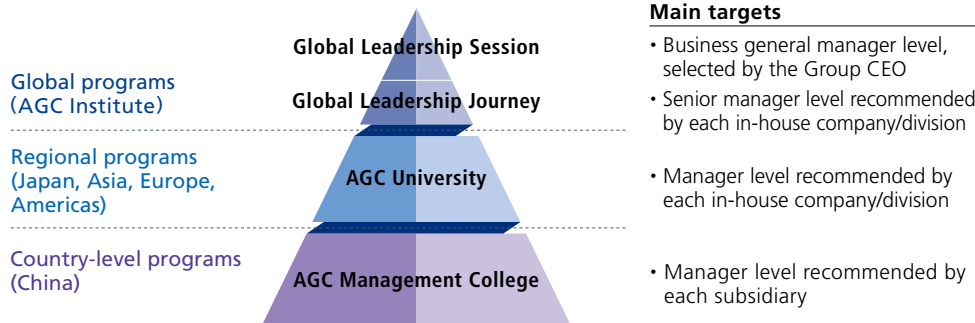
In order to develop group management talents, the AGC Group selects key management positions globally, then successor candidates are identified as a talent pool, and systematic assignment and training are implemented.

Development of global-level management talents is carried out from the three perspectives of growth through work, mentorship and coaching, and training, with development plans formulated and implemented according to the experience and challenges of each individual.



The candidates are strategically assigned to important cross-divisional or cross-regional positions. In addition, we conduct 360-degree appraisals and carry out mentoring and coaching in line with the needs of individual personnel to support their personal growth. In addition, to enhance the effectiveness of training, we encourage employees to participate in various selective training programs to gain the experience and knowledge necessary for management talents, such as those led by independent directors.

AGC Group Management Talents Development Program System



Ensuring diversity among managers (executive and management levels) and promoting women's empowerment

Diversity is one of the four values of the corporate vision **"Look Beyond"** and is the foundation of the AGC Group as well as a source of competitive advantage. Our business management encourages innovation and value creation by providing opportunities for diverse talent to realize their full potential and is promoting mindset shifts, development, and placement in an integrated manner.

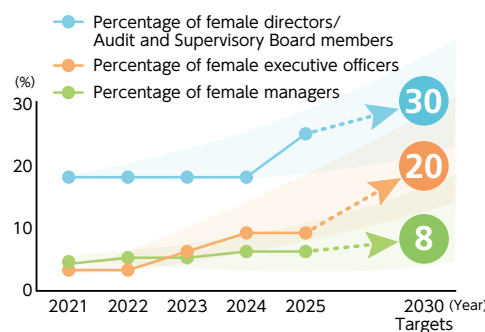
Through diversity training and unconscious bias training, we are working to foster a mindset among supervisors and employees that respects diverse values and enables fair and objective decision-making.

For female talent expected to take on future management and business leadership roles, we implement development programs based on individual development plans. Through initiatives such as an executive mentoring program for women at the general manager level and opportunities to engage in dialogue with external female officers, we support the acquisition of the experience and knowledge necessary for a management perspective, strategic thinking, and decision-making. We also encourage our high-potential talent to broaden their horizons and hone their leadership skills by participating in external leadership development programs for women.

Ensuring diversity in decision-making is one of the important themes in the AGC Group, which has set the target of having women account for 30% of its officers, 20% of its executive officers, and 8% of its managers (AGC Inc.), by 2030. To achieve these goals, we are actively recruiting women, implementing systematic talent development programs, and fostering a culture that transforms diversity into a strength. We are beginning to see tangible results from these initiatives.

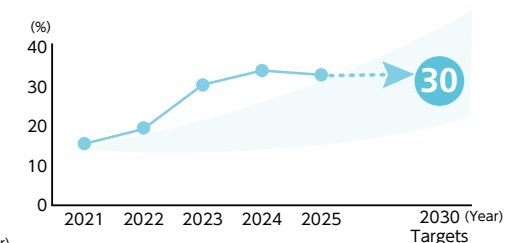
The AGC Group as a whole has a female manager ratio of approximately 15% as of FY2025, which has been rising each year. Women are actively contributing to key positions such as president, CFO, general counsel, quality division manager, strategy division manager, and plant manager at major Group companies in Japan and overseas. Going forward, we will continue to actively promote the appointment of female employees at the Group level from the perspective of ensuring diversity.

2030 Targets for the active participation of women



Examples of initiatives to promote the active participation of women*

•Targets and achievements for female new graduates recruited for General Career-Track Positions



*Initiatives at AGC Inc.

Diverse Talent

Establishment of competitive compensation and recruitment initiatives

People are the driving force behind the AGC Group's growth, and we will continue to ensure future growth by acquiring and utilizing human resources with diverse strengths.

Establishment of competitive compensation

The AGC Group benchmarks the compensation levels of peer companies in the countries and regions where each company is located and provides competitive levels of compensation. In Japan in particular, the competition for talent is intensifying due to the declining birthrate and aging population. AGC Inc. has implemented annual wage increases of approximately 5–6% from 2022 to 2025 to secure and maintain competitive wage levels compared to its industry peers.

AGC new graduate career-track positions (technical): recruitment activities by department and job category

AGC Inc. hires around 100 new graduates with technical degrees for career-track positions every year. We recruit according to department and job category to prevent mismatches among new hires and maximize the potential of our human resources. Careful communication through departmental job-specific briefings, open company events, etc., deepens mutual understanding and enhances the fit of human resources. This has helped to keep AGC Inc.'s career-track employees' retention rate at a high level over the first three years of employment.

Diversification of recruitment routes (mid-career hiring, referral hiring, rehiring system for resigned employees)

To support the advancement of its business strategy and talent portfolio, AGC Inc. is acquiring human resources through a variety of routes, including new graduate hiring, mid-career hiring, employee referral hiring, and a rehiring system for resigned. In recent years, the ratio of mid-career hires among all full-time employees at AGC Inc. has been steadily increasing. Talent with diverse expertise and experience has become firmly established within the organization, contributing to its enhanced competitiveness.

Since we began full-scale referral hiring in 2022, it has contributed to securing human resources that resonate with our values and culture, and has contributed to strong retention and early impact after joining the Company. In addition, we have expanded the number of employees eligible for the registration system for reemployment of resigned employees, providing to alumni with experience and expertise gained outside the Company the opportunity to once again contribute to the AGC Group. We will continue to prioritize building a talent portfolio aligned with our business strategy and work to attract and retain competitive talent through diverse recruitment routes.

Ratio of mid-career hires to full-time employees

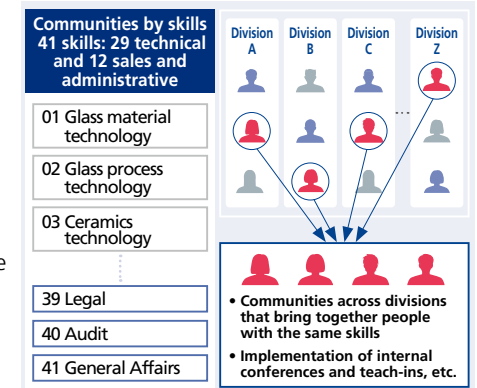


Self-Initiated Growth by Individuals

Visualization of skills and CNA (Cross-divisional Network Activity)

Visualization of skills

The AGC Group introduced its proprietary human resources database, "Skill Map," in 2010. This system consists of registering employees by specialty, making it possible to visualize which employees with what skills are available in which departments of which companies. This promotes effective utilization of human resources and facilitates communication. As of the end of January 2026, approximately 6,600 employees are registered in Skill Map, covering 29 technical categories and 12 sales and administrative categories. This information is also used to create a technical human resources portfolio. For example, we use this information to visualize the gap between current technical human resources and future human resource needs for each division, and to consider human resource management measures to fill that gap.



CNA (Cross-divisional Network Activity): Network activity across departments/divisions

In the CNA program, employees engage proactively in cross-divisional activities with other employees who have the same skill. Each community, organized around a skill, holds internal academic conferences and workshops related to specialized technologies (such as marketing subcommittees and technical exchange meetings). It also hosts lectures by external speakers, contributing to the sharing of knowledge both inside and outside the Company as well as to human resource development. Since 2023, the number of activity participants exceeded 10,000 globally each year. In this way, CNA provides forum where employees can connect with members of other organizations based on their skills and intellectual curiosity, receive stimulation from internal and external networks, and learn on their own initiative. Furthermore, we will strive to develop and evolve AGC's unique organizational culture as a place where the Company supports such activities and fosters creative interaction, leading to diversity and generating new value from a wealth of ideas.

Example of CNA activity: CNA COM

CNA COM is an annual event where leaders and members of Skill/JUKU* gather to add further impetus for their activities. In 2025, under the theme "Let's Spark a Chemical Reaction of Knowledge from CNA!," a total of 106 participants, including 53 community representatives and staff from domestic and international sites, participated. Through presentations and poster sessions, where participants introduced their activities and shared challenges, the seeds of collaboration between communities began to take root. The event served as an opportunity to reaffirm the value of CNA, as the management team expressed their expectations for mutual learning and growth, cross-functional collaboration, and innovation.

*A JUKU is a cross-functional initiative (such as Digital Marketing JUKU) that goes beyond specific skills or expertise; instead, it is based on themes or areas of interest, with experts in those fields serving as leaders to provide learning opportunities.

Self-Initiated Growth by Individuals

Proactive and self-motivated career development

HDC program

AGC Inc. emphasizes the importance of self-motivated learning in line with each employee's individual career goals. After discussing plans for skills and career development using a tool called HDC (Human resources Development Communication) for supervisors and their subordinates, employees at AGC Inc. can choose from a wide range of training options in line with their needs.

A robust array of training and support systems

We value the attitude of taking initiative in building one's own career and have developed training and support systems that support the growth aspirations of all employees. In addition to rank-specific training and training to enhance skills, we offer elective training that individuals can choose based on their own priorities and interests. In addition, we support employees' voluntary learning through a cafeteria plan for development (learning points) that promotes external learning and self-improvement. Through these initiatives, we are working to foster a culture where employees think for themselves and continue to learn.

 [Human Resource Development \(Training\)](#)

"Job Challenge" in-house secondary job system

AGC Inc. has established a new in-house program "Job Challenge" in which employees can assume a secondary position in another division internally. Employees can allot up to 20% of their workload to their secondary position under the program, which provides support for independent skills development, career development, and reskilling. The program was introduced officially in 2023, with more than 130 AGC Inc. employees participating to date. For example, applications for a Job Challenge program introduced by the Human Resources Division (expanding CNA activities to overseas bases) included a diverse group of employees from multiple departments, seeking to leverage the personal networks they had built through their work both in Japan and overseas.

Challenge Career System

AGC Inc. has introduced the "Challenge Career System" in 1999, to encourage employees to apply for the positions of their choice. The system consists of a "talent recruitment system," in which employees can apply for positions advertised by each department once a month, and a "desired job entry system," in which employees can apply for positions in other departments and are selected on an individual basis. This system contributes to the placement of the right people to new businesses and areas that need to be strengthened as well as to the revitalization of the organization.

Improving Employee Engagement and Fostering Corporate Culture

Improving employee engagement

Engagement Surveys

Since 2005, we have conducted employee engagement surveys every three years as a general rule to improve employee engagement by better understanding the current situation facing individual employees, the Company, and workplaces. Among the 14 survey question categories, we place the most importance on the "employee engagement" and "employee enablement" categories since they also influence the results of other categories. Key drivers that have a significant impact on both categories are monitored and necessary measures are implemented to continuously improve engagement.

Since 2023, we have conducted an annual simplified survey to regularly monitor the effectiveness of initiatives based on large-scale surveys and the state of the organization, and to leverage the results for ongoing engagement improvement activities.

2026 is the year we will conduct a large-scale survey, and we plan to make the questions easier to understand and incorporate measures to ensure that the survey results can be utilized more effectively than in the past. Since the large-scale survey provides visualized results broken down by workplace unit, we will establish a framework that makes it easier to incorporate the perspective of improving engagement into daily work and organizational management. Each workplace will endeavor to improve engagement, thereby promoting the realization of "AGC People: Driving our Growth!"

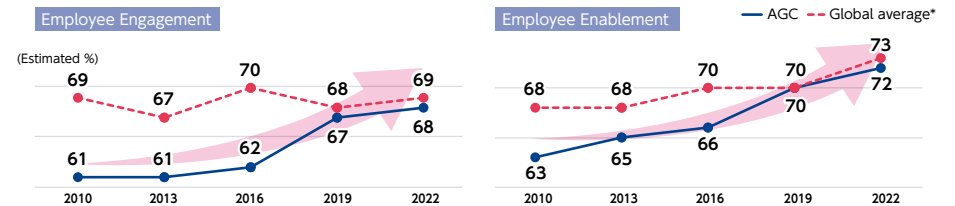
 Results of Previous Large-Scale Survey: Refer to [the AGC Integrated Report 2023](#).

Improvements based on engagement survey results

The scores for "employee engagement" and "employee enablement" each increased nearly 10 points versus 2010 and are in line with the global average score of the surveyed companies. We believe that division-specific measures have contributed to the improvement of the scores in addition to the dialogue meetings between management and employees, which have been ongoing since 2015, and the company-wide promotion of cross-departmental networking activities (CNA).

Survey Scores and Comparison with Global Average

Up nearly 10 points, now in line with global average



*Global average: Approx. 600 companies, 6.6 million employees

Chemical Reaction of Knowledge / Stronger On-Site Capabilities

Developing talents to create technical strengths

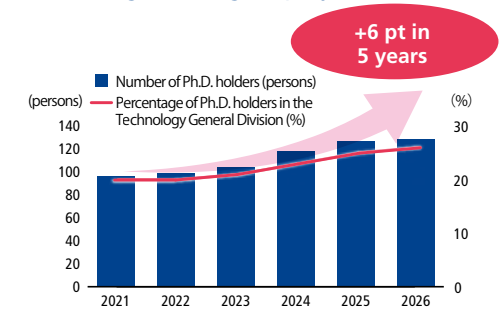
Since its founding, the AGC Group has created materials and products that support society in response to the demands of the times. We have nurtured material technologies with unique advantages, composite technologies that enhance the functionality of materials, black-boxed manufacturing technologies, and common basic technologies such as for analysis and simulation, which are the source of our current technical strengths. We have established a personalized career path and training system that supports the development of technical talent through involvement in the development of such materials and products. This system accommodates individuals who progress from elementary engineers to mid-level engineers, those who move from mid-level engineers to management positions, and those who further enhance their expertise and advance to professional fellows.

Ph.D. holders

Furthermore, AGC Inc.'s Technology General Division is focusing on actively promoting researchers with Ph.D. degrees. Through ongoing recruitment of new Ph.D. graduates and encouragement of employees to obtain Ph.D., 26% of our Technology General Division employees hold Ph.D. and are active in a variety of career paths, including not only basic research but also applied research and commercialization.

*As of January 1, 2026. Those affiliated with the Materials Integration Laboratories, Innovative Technology Laboratories, and projects

Number of Ph.D. Holders in the Technology General Division and Its Percentage Among Employees



Academic placement of Ph.D. holders and collection of cutting-edge technologies

We are contributing to the creation of next-generation businesses and the establishment of competitive advantages in growth sectors by engaging Ph.D. holders in AGC's world-leading research networks in key growth areas and incorporating cutting-edge technologies into product development and other initiatives.

Dispatch to cutting-edge research networks (academia) in growth fields where AGC focuses its efforts

Incorporating cutting-edge technology into product development and other areas

Strengthening incentives for executives to improve engagement

In **AGC plus-2026**, the employee engagement scores were added as a performance indicator for stock compensation for executive officers (including those also serving as directors). This strengthens the incentive for management to work on improving engagement.

AGC Group CEO Awards

We have established the AGC Group CEO Awards as an opportunity to cross organizational boundaries and recognize and praise one another's daily efforts and achievements. This year, nominations are received from around the world, out of which max. 41 projects that embody AGC's four key values will receive the AGC Group CEO Award, and the **"Look Beyond"** Award will be presented to the most outstanding initiative among them. The award-winning activities are shared on the Company's intranet portal, and award ceremonies are held in Japan/Asia, Europe, and the Americas.



A scene from the AGC Group CEO Awards

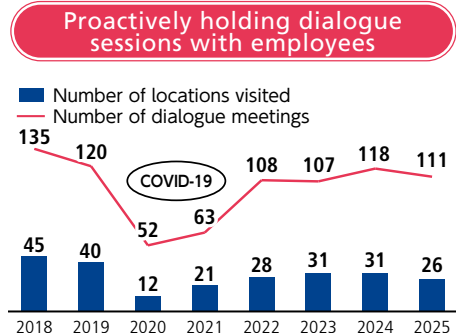
Dialogue between management and employees

Management actively conducts dialogue sessions with employees at domestic and overseas sites to foster a corporate culture that nurtures innovation through open exchange of ideas and mutual growth among employees with diverse perspectives. In 2025, the group CEO alone conducted 111 dialogue sessions at 26 locations. The dialogue sessions proceed in a relaxed atmosphere where participants are free to discuss any topic without a preset agenda. The AGC Group believes a transparent organizational culture built on psychological safety is the foundation of all corporate activities. We will continue working to foster and embed an even stronger culture across the organization. In addition, we periodically hold "town hall meetings," which connect our global bases, helping to foster a sense of unity within the Group.



CEO dialogue session (AGC Flat Glass (Thailand) PLC. Chonburi Factory)

Number of CEO Dialogue Sessions Held



Proactively holding dialogue sessions with employees

Chemical Reaction of Knowledge / Stronger On-Site Capabilities

Developing human resources who promote value creation DX

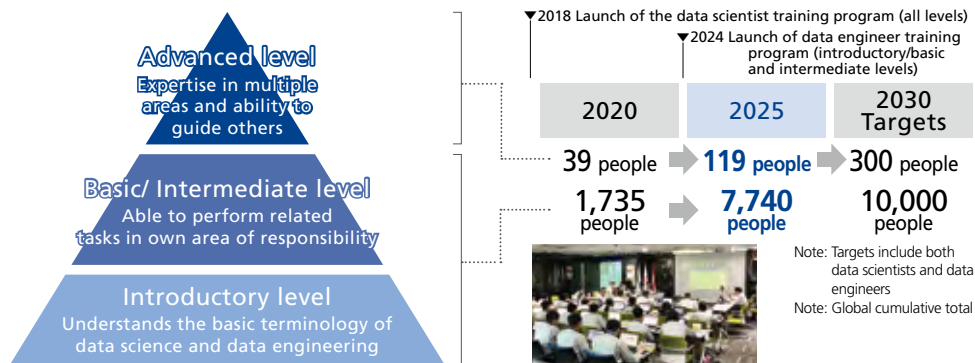
In order to develop dual-skilled personnel who combine expertise in their respective operational fields with competence in digital technologies, which is indispensable for value creation DX, the basic strategy of our medium-term management plan, we have established a multi-layered curriculum.

Establishing a multi-layered human resource development system tailored to job duties

DX training for managers	Improvement of DX business strategy planning capabilities (2021-) Program aimed at developing leaders who can exploit digital technologies to implement corporate transformation that aligns with the strategies of in-house companies	Targeting 400 participants by 2030 187 participants as of end-2025
Data-driven human resource development	Launch of the data scientist training program (2018-) Launch of the data engineer training program (2024-)	
Data utilization training for plant technicians	Heightening operational excellence at production sites (2021-) Goal is to further enhance <i>monozukuri</i> on-site capabilities by promoting data-driven visualization, in addition to intuition, know-how, and experience	
Groupwide awareness raising and education	Strengthening employees' focus on digital transformation (2018-)	

Data-driven human resource development

We are developing a data utilization training program to accelerate the AGC Group's value creation DX. Launched in 2018, the data scientist training program consists of three levels: introductory, basic and intermediate, and advanced. In response to changing times and on-site needs, we completely revamped our curriculum in 2024 and have rolled it out to all the AGC Group overseas sites. The number of advanced-level people, or those capable of independently executing data utilization-related



tasks and contributing to the resolution of operational issues, reached 119, exceeding the target of 100 people by 2025. In addition, we launched new introductory and basic and intermediate levels of our data engineer training program in 2024.

Global roll-out of human resource development for data utilization

We are also promoting human development at our overseas site to accelerate the AGC Group's DX for value creation through data utilization on a global scale. In 2025, we conducted the data scientist training program in China, Indonesia, and Thailand. Participants communicate with one another across organizational boundaries to learn not only the fundamental theories and processes of data science but also how to apply data science to solve their own business challenges, thereby driving DX at each site.



Training in action

Developing human resources through the AGC Group's improvement and innovation activities

The AGC Group is systematically developing core talent at all levels to drive business process innovation and enhance its competitiveness through digital x *monozukuri* capabilities. "Basic Education on Improvement Activities" is mainly targeted at new employees to foster their interest in and awareness of participation in improvement. In addition, through the Kaizen (Improvement) Leader Development Program—targeted primarily at younger employees—and the more advanced Kaizen Manager Development Program, participants learn both in lectures and through practical projects how to apply scientific methods for logical and quantitative improvements, formulate improvement strategies based on high-value issues that contribute to management, and lead cross-divisional innovation initiatives. To date, approximately 1,800 Kaizen Leaders and 300 Kaizen Managers have completed the program and are driving improvement and innovation activities at sites around the world.

Developing human resources to realize intellectual property strategies

The AGC Group emphasizes employee training related to intellectual property rights, such as patent applications and research. In Japan, we conduct intellectual property education at the initial stage of employment, while in-house companies, technology divisions, and research divisions also conduct intellectual property education. Further, at overseas Group companies, intellectual property training tailored to local conditions is provided. In addition, AGC Inc. has introduced the award system for inventors to incentivize researchers to work on inventions that result in the obtaining of patents.

Environment

Basic Policy

The AGC Group recognizes that global environmental issues such as climate change, resource depletion, and biodiversity loss can be a factor that leads to business continuity risks and supply chain instability. It is also aware that its own business activities exert an impact on the environment. Various environmental issues including climate change are themes that companies must address responsibly while also representing sources of new growth opportunities. The AGC Group considers harmony with the global environment to be one of the most important aspects of its business activities. By turning environmental challenges into growth opportunities, we are working to achieve a sustainable society, strengthen the resilience of our business and enhance our long-term corporate value.

The AGC Group considers compliance with laws and regulations at its sites around the world to be a prerequisite for its business, and is working to reduce environmental impact throughout the entire value chain, from raw materials procurement to product usage and disposal.

Environmental Materialities

Taking into account social trends and long-term perspectives, the AGC Group has identified the four themes below as environmental materialities (priority issues).

- Response to climate change
- Using resources effectively
- Relationships with local communities and environmental considerations
- Creating socially and environmentally conscious supply chains

These materialities are based on an assessment of both the impact of our business activities on the environment and society, and the impact of environmental changes on our business, and are positioned as priority issues in management.

 Details on the identification of materiality: Please refer to p. 15

Environmental Policy

The AGC Group has established the AGC Group Environment Policy to set out its Group philosophy, “**Look Beyond**” and its fundamental approach to

addressing environmental issues. In the AGC Group Environment Policy, we declare our commitment to achieving both social and corporate sustainability by contributing to the realization of a decarbonized society, a circular economy, and a society in harmony with nature throughout the entire value chain.


Contribution to Decarbonization 

Contribution to a Circular Economy 

Contribution to Harmony with Nature 

In the medium-term management plan **AGC plus-2026** rolled out in 2024, the AGC Group redefined the social value it aims to create through its business activities into three pillars: Blue planet, Innovation, and Well-being. Among these, “Blue planet” aims to contribute to the realization of a sustainable global environment by reducing environmental impact throughout the entire value chain, from raw materials to product usage and disposal, thereby contributing to the sustainability of Earth, on which all life depends. This aims to contribute to reducing the environmental impact on society through the provision of solutions via products and technologies, with the goal of achieving business growth through the resolution of global issues, thereby enhancing corporate value.

We also consider the realization of nature-positive society to be important from the perspective of building a resilient society and ensuring the sustainability of our business through the conservation and restoration of natural capital. Natural capital, including biodiversity, is a fundamental management resource that underpins the value creation of the AGC Group, and we believe that maintaining and restoring its soundness is essential for long-term business continuity.

 [AGC Group Environment Policy](#)
For details, please see here.

Environmental Information Disclosure

Based on the AGC Group’s environmental policies and strategies, with regard to climate change, we are committed to disclosing information in accordance with the disclosure framework based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). At the same time, we refer to the IFRS Sustainability Disclosure Standards issued by the ISSB, which incorporate the recommendations of the TCFD. In addition, with regard to the conservation of natural capital, we are communicating systematic and step-by-step initiatives while referring to the disclosure framework established by the Task Force on Nature-related Financial Disclosures (TNFD).

Environmental Governance Structure

Governance and oversight centered on the Board of Directors

The AGC Group considers addressing social issues, including the environment, to be an important factor in formulating its management strategy, and has established a oversight structure led by the Board of Directors. The Board of Directors deliberates and resolves on the Group’s overall management targets and management policies for particularly important environmental risks and opportunities. In addition, the AGC Group’s Board of Directors includes independent directors with expertise in sustainability and the global environment as members.


Indicators for evaluating executive compensation

Under **AGC plus-2026**, which aims for the deepening of sustainability management, Scope 1 and 2 GHG emissions intensity per unit of net sales has been incorporated as a key indicator for determining stock compensation for directors and executive officers. This indicator is incorporated into the compensation system alongside financial KPIs such as ROE, EBITDA, and relative TSR, strengthening incentives for management to work toward improving sustainable corporate value, including climate change response.

Promotion structure at management and executive levels

Sustainability Committee

The AGC Group has established a Sustainability Committee to serve as an advisory body to the CEO, which deliberates on environmental issues such as climate change, resource depletion, and biodiversity loss in alignment with the Company’s management strategy. The details are reported to the Board of Directors twice a year.

 Details on the Sustainability Committee:
Please refer to p. 83.

Environment

Strategy

Environmental DIRO*¹ Identified

The AGC Group is using the TNFD disclosure framework and the LEAP approach² to identify and analyze its points of contact with natural capital, and sequentially identifying risks and opportunities, starting with areas that are highly relevant to the business.

*1 Dependencies, Impact, Risks, and Opportunities

*2 Locate, Evaluate, Assess, and Prepare

Dependencies

The AGC Group's business activities rely on the following natural capital and social infrastructure.

- ◆ **Energy supply:** The AGC Group uses fossil fuels and electricity, especially in high-temperature processes such as glass manufacturing
- ◆ **Water resources:** Large amounts of water are used for multiple purposes, including cooling, cleaning, and reaction processes in the manufacturing operations.
- ◆ **Natural resources and raw materials:** Natural materials such as silica sand, soda ash, rare metals, and palm oil are utilized
- ◆ **Climate stability:** Business continuity depends on the stability of climatic conditions such as temperature, precipitation, and frequency of disasters
- ◆ **Regulatory and policy environment:** Business activities depend on compliance with legal frameworks such as carbon pricing systems, environmental standards, and hazardous substance regulations

Impacts

The AGC Group's business activities have the following impacts.

- ◆ **Environmental impacts of raw materials procurement:** Impact on ecosystems and land use due to mineral resource extraction and agricultural land development
- ◆ **Impact on the atmosphere, including greenhouse gases:** GHG emissions across the value chain, and emissions of air pollutants within legal limits
- ◆ **Impact on water discharge and water quality:** Impact of water discharge containing water pollutants within legal standards, and thermal and chemical stress on aquatic ecosystems
- ◆ **Use and discharge of hazardous substances:** Use of specific substances in some products
- ◆ **Indirect impacts on biodiversity:** Impacts through raw

materials procurement, such as deforestation, water pollution, and soil alteration as well as impacts on ecosystems resulting from the use and disposal of plastics

- ◆ **Provision of products and solutions that contribute to addressing environmental issues**

Risks

The AGC Group recognizes the following environment-related risks arising from dependencies and impacts.

- ◆ **Transition risk (climate change)**
 - Increase in costs due to stricter regulations such as the introduction of carbon pricing
 - Decrease in market demand for high-emission products
- ◆ **Physical risks (climate and disasters)**
 - Operational interruptions and damage to facilities caused by extreme weather such as floods, heat waves, and drought
 - Production constraints due to regional scarcity of water resources
- ◆ **Resource constraints and price fluctuation risks**
 - Supply uncertainties and cost increases for mineral and biological resources
- ◆ **Compliance and reputation risk**
 - Damage to reputation due to non-compliance with international environmental standards, including existing laws and regulations
 - Materialization of environmental and social issues throughout the supply chain

Opportunities

The AGC Group recognizes the following opportunities through addressing environmental issues.

- ◆ **Development of products that contribute to a low-carbon society**
 - Contributing to avoided CO₂ emissions for customers through the provision of energy-efficient, lightweight, and durable products
- ◆ **Use of renewable energy and resources**
 - Transformation of the cost structure and improvement in ESG ratings and stakeholder evaluations through the introduction of renewable energy and the use of recycled materials
- ◆ **Building a green supply chain**
 - Gaining stakeholder trust through procurement standards that require consideration for the environment and third-party certification such as RSPO
- ◆ **Products and technologies with reduced environmental impact**
 - Strengthening market competitiveness through the selection of materials with low impact on natural capital and improvements in manufacturing processes

- ◆ **Strengthening the brand through environmental initiatives**

Staying ahead of regulatory changes and improving medium- to long-term reputation among investors, customers, and local communities

Furthermore, the following relationships have been clarified regarding the interplay between dependencies and impacts.

- ◆ **Examples of synergistic relationships include:**
 - Chemical manufacturing, which is highly dependent on water resources, faces increased production risks during water shortages
 - Glass manufacturing is relatively highly dependent on upstream natural resources, and if society takes measures to reduce the impact of extraction and logistics on ecosystems, procurement risks may increase
 - Businesses with high environmental impact face increased risks of stricter regulations and reputational decline
- ◆ **Examples of antagonistic relationships include:**
 - Reduction of environmental impact creates new product development and market opportunities (e.g., low-carbon glass, use of recycled materials)
 - Environmental risk countermeasures lead to technological innovation and strengthen competitiveness (e.g., improved energy efficiency, wastewater reuse)

Scenarios Used for Environmental DIRO Assessment

The AGC Group uses multiple external scenarios and analysis tools to identify and assess the relationship between its business activities and a wide range of environmental issues. Specifically, we utilize the following international assessment tools.

- ENCORE (Natural Capital Finance Alliance): Visualization of the dependencies and impacts of natural capital and business activities
- Biodiversity Risk Filter (WWF): Biodiversity risk assessment by region
- SBTN (Science Based Targets Network) sector materiality tool: Materiality screening of nature-related issues

In addition to the above, with regard to climate change, we conduct both quantitative and qualitative analyses of transition risks—such as carbon pricing and regulatory tightening—and physical risks—such as rising temperatures and extreme weather events. These assessments are based on climate-related scenarios, including the Net Zero Emissions by 2050 Scenario (the NZE Scenario, which aims to limit temperature rise to 1.5°C above pre-industrial levels), the Announced Pledges Scenario

Environment

(APS), which reflects announced national climate commitments, and the RCP8.5 Scenario (representing a scenario with approximately 4°C warming).

Direct Operation Locations in Priority Areas

Recognizing that one of the identified dependencies and impacts may involve potential effects on biodiversity from direct operations, the AGC Group conducted biodiversity risk assessments at each of its sites.

As a result, it was confirmed that, at present, there are no cases in which our business activities are having a significant impact on specific species. On the other hand, in cases where our involvement can contribute to avoiding biodiversity loss or

to conserving and restoring biodiversity, we are actively engaged in related initiatives.

Risk and Impact Management

The AGC Group recognizes that environmental DIRO (dependencies, impacts, and opportunities) interact with each other and have a significant impact on environmental strategies. We are conducting analysis and strategy development in accordance with the LEAP approach developed

and recommended by TNFD, based on the assumption that these relationships are not unidirectional but rather a complex web of both synergistic and antagonistic relationships.

Process of the Organization for Managing Environmental DIRO

The results of risk identification and analysis are deliberated by the Sustainability Committee and reported to the Board of Directors. Each business division conducts risk assessments at each site and continuously monitors and improves its processes.

Integration into Company-wide Risk Management

The AGC Group promotes risk assessment and response under an enterprise risk management (ERM) framework in order to comprehensively identify and manage environment-related risks from an enterprise-wide perspective. In risk assessments conducted every three years, risks related to climate change, resource depletion, and biodiversity loss are identified from multiple perspectives, and the items selected as major risks are subject to deliberation and oversight by the Management Committee and the Board of Directors, based on the AGC Group Enterprise Risk Management Basic Policies before company-wide countermeasures are implemented.

Furthermore, we identify environmental impacts in the value chain beyond our own activities and require all business partners to comply with the AGC Group Integrated Green Procurement Guidelines to ensure environmentally responsible procurement.

AGC's Approach to PFAS

Generally, 'PFAS' (per- and polyfluoroalkyl substances) are defined as a group of chemical substances that contains at least one fully fluorinated carbon atom. There are said to be more than 12,000 types of PFAS*. Among those 12,000 types of PFAS, only four groups of substances, i.e., PFOS, PFOA, PFHxS and LC-PFCAs (Long Chain Perfluorocarboxylic Acids), their salts, and related compounds are currently listed under the Stockholm Convention because they have been found to be persistent in the environment and bioaccumulative, and may have potential adverse effects for the environment and living organisms. Among these listed substances, the AGC Group has never manufactured PFOS or PFHxS, and it discontinued the use, manufacture, and sale of PFOA and LC-PFCAs prior to their

Main Business Impact and Response Based on Climate-related Scenarios

Main categories	Risks/ Opportunities	Scenarios	Financial Impact	Responses
Transition risks	Carbon Price Increase	Developed countries: US\$180/t-CO ₂ Emerging regions: US\$125/t-CO ₂ (2035/NZE (1.5°C)*1)*2	Up to US\$1,368 million/year Note: Assumes no change from 2024 emissions level (Scope 1 and 2 GHG emissions) Note: Considers possible introduction of carbon pricing in each country and region by 2035 consolidated basis/NZE (1.5°C)	<ul style="list-style-type: none"> Fuel conversion, oxygen combustion, electrification of float glass melting furnaces Reduce electricity consumption intensity and introduce renewable energy in chlor-alkali electrolysis facilities Promote investment in decarbonization through an internal carbon pricing system Business portfolio evaluation and business operations taking carbon efficiency into account
Physical risks	Acute Physical Risks (Floods)	2050/RCP8.5 (4°C)*3	0.21 billion yen/year (18 sites in Japan and other countries)	<ul style="list-style-type: none"> Installation of flood and storm surge prevention equipment
Opportunities	Building renovation market	2030/APS (less than 2°C)*4	Renovation rates in Europe to double by 2030 compared to 2020	<ul style="list-style-type: none"> Sales of window glass that excels in heat insulation and recyclability Sales of Building Integrated Photovoltaics (BIPV)
	Market for next-generation refrigerants and solvents	2030/APS (less than 2°C)	Low-GWP refrigerant market expected to expand 2.2x in size by around 2030 compared to 2019	<ul style="list-style-type: none"> Sales of next-generation refrigerants and solvents
	Hydrogen market	2030/NZE (1.5°C)	Increased electrolyzer installation capacity (cumulative) (4.9 GW to 558 GW in 2024)	<ul style="list-style-type: none"> Sales of materials related to the production and use of hydrogen

*1 NZE (Net Zero Emissions by 2050 Scenario): A scenario developed by the International Energy Agency (IEA) that assumes the achievement of the goal of limiting the global temperature rise from pre-industrial times to less than 1.5°C
 *2 Calculated based on multiple scenarios; the results for the NZE scenario, which represents the maximum risk, are presented
 *3 RCP8.5 scenario: Climate scenario for acute physical risks (e.g., heavy rainfall, typhoons, high temperatures, drought, etc.) projecting a temperature rise of around 4°C from pre-industrial levels
 *4 APS (Announced Pledges Scenario): A scenario that reflects the NDC (Nationally Determined Contribution) targets decided by each country based on the Paris Agreement

Environment

listing under the Stockholm Convention.

As there is an extremely large variety of types of fluorinated compounds, each with its own different properties, we believe that PFAS should not be regulated collectively, and regulations on PFAS should be tailored to the properties of each group of substances. Because each fluorinated compound has chemically unique properties, current potential alternatives to PFAS do not offer the same level of performance in many applications. As a responsible manufacturer of fluorinated products, the AGC Group complies with applicable laws and regulations, and continues to take voluntary measures to strengthen emission management across our manufacturing processes and to make ongoing investments in technologies aimed at reducing emissions. Furthermore, since the 1990s, the AGC Group has been working on the proper disposal of used products, such as collection and destruction of used fluorinated refrigerants. We are also working on the resource circulation of calcium fluoride under third-party verification. We responsibly manage chemicals throughout their entire life cycle. Through this, we contribute to building a circular society for fluorine resources and reducing environmental impact footprint.

*See "PFAS Master List of PFAS Substances," United States Environmental Protection Agency.

Metrics and Targets

With the launch of **AGC plus-2026**, which aims for the deepening of sustainability management, the AGC Group has set new sustainability KPIs, and is strengthening the management of progress. As risk and opportunity assessment indicators related to the environment, we set Scope 1, 2, and 3 GHG emission reduction targets, and reflect them in management decision-making. We have also established monitoring indicators for products contributing to avoided GHG emissions.

Based on the results of environmental DIRO analysis, in addition to the sustainability KPIs of GHG emissions reduction and products contributing to GHG reductions, we identify issues from various perspectives such as proper use of water, reduction of pollutants, and prevention of environmental accidents. We are also promoting activities for setting mid- to long-term goals while aiming to achieve short-term KPIs.

Targets and Indicators

Theme	KPIs and Monitoring Indicators	Sustainability KPIs
Climate change	Scope 1 and 2 GHG emissions	★
	Scope 1 and 2 GHG emissions intensity per unit of net sales	
	Scope 3 GHG emissions	
	Shipment volume index for architectural products with avoided emissions benefits	★
	Index for GHG emissions reduction by low-GWP chemical products	★
	Percentage of major suppliers setting GHG emissions reduction targets	
	Percentage of high water risk sites where measures are implemented	
Depletion of resources	Percentage of measures implemented at high water risk sites: 100%	
Environmental pollution	Landfill disposal rate: 1% or less	
Environmental accidents	Number of serious environmental incidents: 0	
Common	Implementation of activities related to biodiversity conservation: All sites	

Risks and opportunity indicators

Risks

With respect to climate change, AGC Group manages Scope 1, 2, and 3 GHG emissions as KPIs and is promoting initiatives to realize a decarbonized society. Our 2030 GHG emissions reduction targets have been validated by the SBTi as aligned with well-below 2°C pathway.

Scope 1 and 2

The AGC Group has formulated a decarbonization roadmap centered on the following initiatives as part of its transition plan to achieve carbon net zero¹ by 2050. As a mid-term goal, we have set a target of reducing Scope 1 and 2 GHG emissions

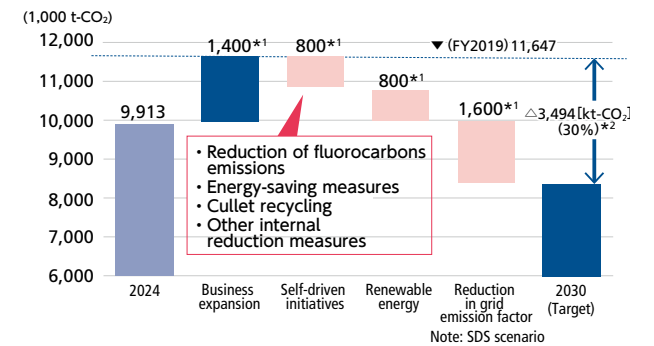
by 30% compared to 2019 levels by 2030², and are promoting phased reductions through the introduction of renewable energy, fuel conversion, and process improvements.

In addition, the AGC Group has set a target to reduce Scope 1,2 GHG emissions per unit of net sales by 50% by 2030 compared to 2019 levels, as part of our efforts to realize sustainable business operations.

*1 Scope 1,2

*2 The electricity emission coefficient for 2030 is based on the figures determined using the Sustainable Development Scenario (SDS) published by the International Energy Agency (IEA).

GHG Emissions Reduction Pathway to 2030 (Created in 2025 based on 2024 results)



*1 All values marked with an asterisk are rounded.
*2 Including reductions achieved through business portfolio transformation.

Scope 3

We target a 30% reduction by 2030 from 2019 levels for Category 1 (purchased goods and services), Category 10 (processing of sold products), Category 11 (use of sold products), and Category 12 (end-of-life treatment of sold products), which account for approximately 70% of Scope 3 GHG emissions. In addition, we have established an engagement target to encourage suppliers representing 30% of Scope 3 GHG emissions from Categories 1 and 3 to obtain SBT-validated target by 2027, and are promoting emissions reductions throughout the entire value chain.

Environment

Opportunities

The AGC Group sees climate change as a new growth opportunity and is advancing the expansion of products that contribute to environmental and energy solutions. The AGC Group will continue to leverage and expand areas where we can contribute to reducing GHG emissions through products in the environment and energy field.

We have set the following as part of our sustainability KPIs for **AGC plus-2026** to visualize the value created through addressing climate change. These indices use 2022 as the baseline (100), and by continuously monitoring growth from 2023 onward, we are advancing the creation of social value through our products.

- Architectural glass products: Accelerate the spread of energy-efficient high-insulation glass by setting “the shipment volume index for architectural products contributing to GHG reductions” as a KPI
- Low-GWP chemical products: Promote market growth of low-GWP refrigerants and solvents by using “index for avoided GHG emissions enabled by low-GWP products” as a KPI

Scope 1, 2 and Scope 3 GHG emissions volume and reduction policy

Scope 1 and 2

Approximately 99% of the AGC Group's Scope 1, 2 GHG emissions originate from its Glass Business (Architectural and Automotive), Electronics Business, and Chemicals Business. Of these emissions, approximately 50% come from the combined Glass and Electronics Businesses, and approximately 50% come from the Chemicals Business.

Glass Business and Electronics Business

In the Glass and Electronics Businesses, glass melting furnaces account for approximately 70% of Scope 1 and 2 GHG emissions, making their electrification and shift to clean fuels a top priority. The AGC Group formulates strategies based on forecasts of GHG emission factors for electricity in each country and implements optimal measures for each region.

- Europe & Americas: We are prioritizing the introduction of electric boosters (electric heating assistance) due to the progress of electricity decarbonization.
- Asia: Due to the relatively slow progress of electricity decarbonization, we will prioritize the introduction of energy-saving technologies.

In the long run, we will reduce GHG emissions from glass production by expanding the use of low-carbon fuels and strengthening the cullet recycling. We are also actively exploring the potential application of carbon capture, utilization, and storage (CCUS) technologies, including CO₂ recovery and utilization (CCU) as well as geological storage, for emissions from glass melting furnace operations.

Chemicals Business

The majority of Scope 1 and 2 GHG emissions from the Chemicals Business are derived from the electricity used to operate chlor-alkali electrolysis facilities. Approximately 40% of the emissions come from on-site power generation, and the remaining approximately 60% comes from electricity purchased externally. In response, we are rolling out multiple measures at chemical production sites with a view to expanding the supply of renewable energy in the market. Furthermore, we are expanding our procurement of electricity from renewable energy sources and ensuring long-term stability through extended procurement contracts. Furthermore, we are switching to energy-saving electrolyzers to improve energy efficiency.

Scope 3

About 70% of the AGC Group's Scope 3 GHG emissions come from Category 1 (purchased products and services) and from Categories 10–12 (processing, use, and end-of-life treatment of sold products). Such emission reductions require cooperation throughout the entire value chain, and we place great importance on strengthening ties with our business partners.

Emission reduction strategies throughout the value chain

To reduce Scope 3 GHG emissions, we are promoting engagement with suppliers and encouraging them to reduce their major sources of emissions. Specific initiatives

underway include the following.

- Supporting suppliers in obtaining SBTi-validated targets: Encouraging business partners to obtain SBTi-validated emissions reduction targets to promote decarbonization throughout the supply chain
- GHG emissions data collection for raw materials: Collecting primary data for each raw material through surveys and quantitatively evaluating the reduction efforts of each material supplier
- Visualization of emissions throughout the supply chain: Conducting more accurate Scope 3 GHG emissions calculations and strengthening environmental impact assessments for each product

Priority measures by category

Category 1 (Purchased goods and services)

We are promoting the use of low-carbon materials and recycled materials to reduce GHG emissions in the raw materials procurement.

Categories 10–12 (Processing, use, and end-of-life treatment of sold products)

We are strengthening the development and market introduction of environmentally conscious products such as high-insulation glass, materials for ZEVs, and low-GWP refrigerants and solvents to reduce GHG emissions during the product use phase. Furthermore, we are promoting the development of product recycling technologies with the aim of reducing environmental impact throughout the entire product life cycle.

Metrics Used to Assess and Manage Dependencies and Impacts

As a foundation for appropriately understanding and managing our dependencies on and impacts of all natural capital, we have established global environmental management guidelines and are centrally managing environment-related data through a shared cloud system.

Environment

Initiatives to Achieve Environmental Targets

The AGC Group incorporates consideration for natural capital and biodiversity into its management strategy and is implementing multifaceted initiatives at the policy, technological, partnership, and operational levels.

Contribution to System Formation and Standardization

Environmental issues cannot be resolved through the efforts of individual companies alone, and it is essential to develop social infrastructure such as systems and standards. The AGC Group contributes to the creation of a common foundation for a sustainable society by incorporating its expertise in products and processes into system design and participating in cross-industry standard setting.

As a notable achievement in the BIPV field, AGC led the development of a JSA standard establishing a new scoring-based indicator to visualize natural capital considerations in renewable energy procurement.

[JSA Standard Establishing a Land-Use Efficiency Scoring Method for Solar-Powered Buildings Comes into Effect](#)

In addition, we are actively involved in international standardization activities such as ISO, IEC, and CEN, providing technical support for the development of standards on themes such as recycled water utilization, circularity indicators, biomass material evaluation, and biodiversity considerations. We are also participating in discussions regarding revisions to the Extended Producer Responsibility (EPR) schemes, particularly in Europe, and providing our perspective as a materials manufacturer on the design of a circular economy.

Visualizing Environmental Value through Products and Certifications

Along with transparent information disclosure, the AGC Group is actively pursuing third-party certification. This also helps enhance the environmental value of our customers.

As an example, AGC Glass Europe S. A. was the first company in Europe in 2010 to obtain Cradle to Cradle (C2C) certification for flat glass and coated glass. Architectural Glass Asia Pacific Company has obtained Environmental Product Declarations (EPDs) for architectural float glass and other products in Japan and Asia.

These products are eligible to contribute toward credits points as environmentally friendly products in green building certification systems such as LEED, WELL, BREEAM, and DGNB, and also comply with national procurement policies and green procurement standards in various countries.

Value Creation through Intellectual Property and Scientific Knowledge

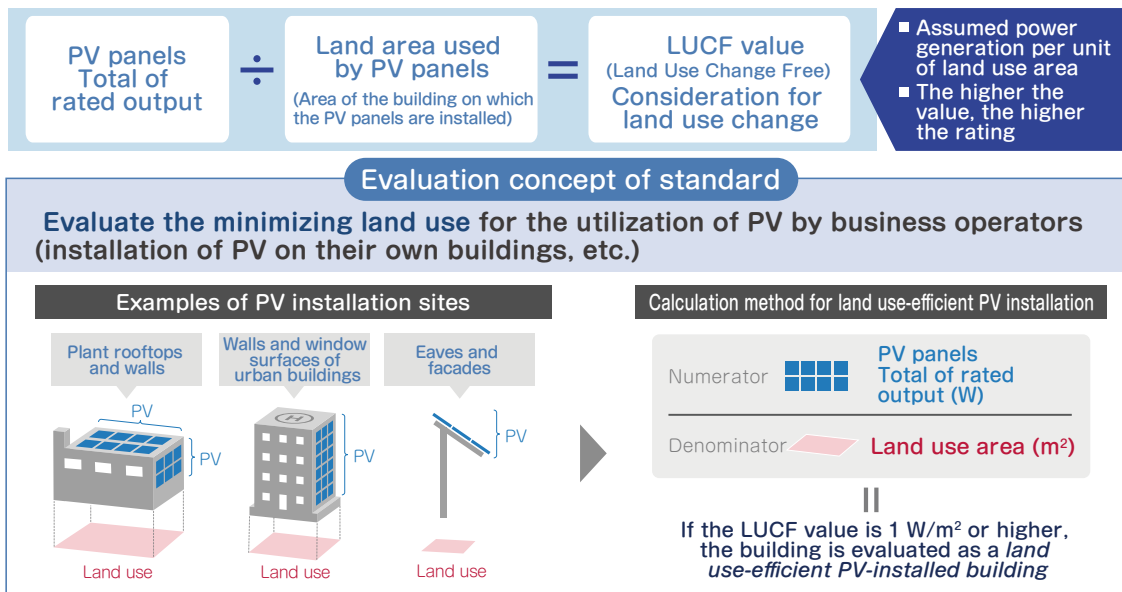
Securing innovative environmental technologies and supporting intellectual property strategies are indispensable to transforming solutions to environmental challenges into economic value. The AGC Group considers acquiring patents related to environmental technologies to be part of its management strategy, and is promoting the protection of technologies for products and processes that contribute to solving environmental issues, as well as their diffusion into the markets.

As of December 2024, AGC held 692 patents related to SDG Goals 7 (Affordable and Clean Energy), 12 (Responsible Consumption and Production), and 13 (Climate Action), accounting for approximately 11% of its total patent portfolio.

In addition, to put natural capital assessment into practical application, in 2023 we established the AGC Nature Positive Assessment Research Field, a joint industry-academic program with the Graduate School of Engineering, Hokkaido University. In this program, we are working to establish methods for quantitatively assessing the positive and negative impacts of corporate activities on natural capital, utilizing environmental performance data that we have accumulated over many years.

[Hokkaido University and AGC Establish the "AGC Nature Positive Assessment Research Division" to Foster New Industry Creation](#)

Method for Calculating the Land Use Efficiency Score for Buildings, etc. under This JSA Standard



Method for Calculating the Land Use Efficiency Score for Buildings, etc. under This JSA Standard

PV panels
Total of
rated output



Land area used
by PV panels
(Area of the building on which
the PV panels are installed)



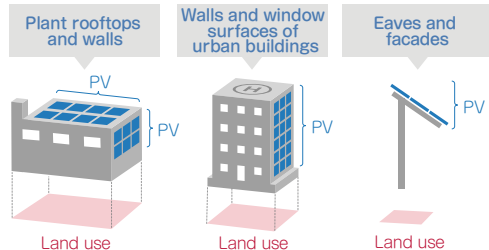
LUCF value
(Land Use Change Free)
Consideration for
land use change

- Assumed power generation per unit of land use area
- The higher the value, the higher the rating

Evaluation concept of standard

Evaluate the minimizing land use for the utilization of PV by business operators (installation of PV on their own buildings, etc.)

Examples of PV installation sites



Calculation method for land use-efficient PV installation

$$\frac{\text{PV panels Total of rated output (W)}}{\text{Land use area (m}^2\text{)}}$$

If the LUCF value is 1 W/m² or higher, the building is evaluated as a *land use-efficient PV-installed building*

Environment

Environmental Initiatives Across the Value Chain (Architectural Glass Business)

The AGC Group is committed to reducing greenhouse gas emissions, resource consumption, and waste throughout the entire life cycle of its architectural glass products, aiming to achieve both environmental sustainability and high product performance. Through these initiatives, we aim to strengthen our ability to adapt to future cost structures and enhance our reputation, thereby maximizing long-term corporate value.

Dismantling and procurement

We are beginning to establish closed loop recycling systems in both Japan and Europe to collect post-consumer waste glass—previously discarded by customers—and reuse it as a raw material. Recycling 1 ton of waste glass reduces the use of natural resources by 1.2 tons, GHG emissions by 0.6 ton, and industrial waste landfill by 1.0 ton (according to AGC research).

Initiatives in Japan

- AGC and Yokohama City Launch Japan's First Closed-Loop Recycling Demonstration Project for Public Building Window Glass
- Initiates Collaboration with NPC incorporated to Expand Horizontal Recycling of Solar panel cover glass

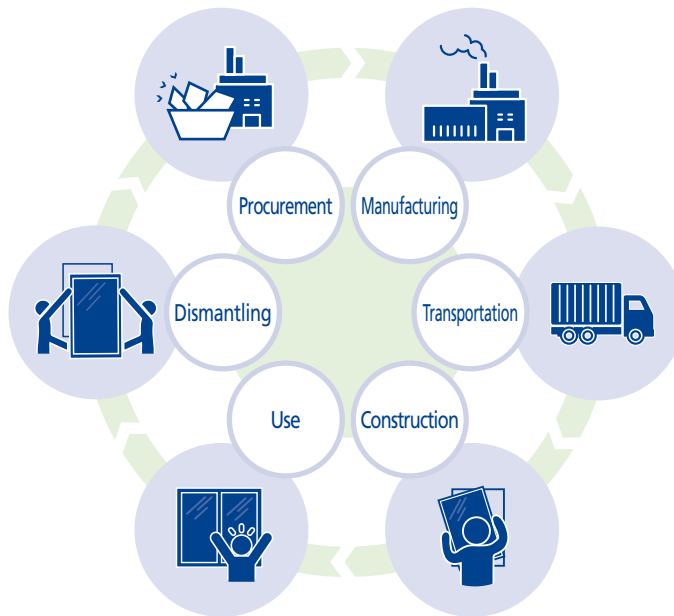
Initiatives in Europe

- Architectural glass: Recycling initiatives
- AGC Glass Europe and SOLAR MATERIALS announce a strategic partnership to advance on PV flat glass circularity

Contribution to Decarbonization

Contribution to a Circular Economy

Contribution to Harmony with Nature



Manufacturing

Most GHG emissions from glass manufacturing originate from glass melting furnaces. To achieve carbon net zero by 2050 and meet our interim 2030 target, we are implementing measures such as the introduction of innovative melting technologies, fuel switching, and electrification. These initiatives are incorporated into region-specific emission reduction roadmaps, taking into account projected reductions in regional electricity emission factors. In addition, we are actively working to develop new technologies through collaborations and partnerships with other companies and research institutions.

Technology Roadmap for Reducing GHG Emissions in Float Glass Melting Furnace (from 2024 ESG Briefing Session)

Inauguration of Revolutionary Volta Flat Glass Production Line

Contribution to Decarbonization

Contribution to Harmony with Nature

Use

The thermal insulation performance of windows has a significant impact on the overall energy efficiency of a building. By installing high-insulation double-glazed windows, the need for heating and cooling can be reduced, thereby contributing to lower GHG emissions. The AGC Group offers a wide range of energy-saving glass products to meet diverse needs, both for new construction and renovations of existing buildings. In addition, we provide energy-generating solutions such as building-integrated photovoltaic (BIPV) glass. We also disclose the environmental performance of our products by globally obtaining Environmental Product Declarations (EPDs).

Contribution to Decarbonization

Contribution to a Circular Economy

Construction

The AGC Group provides comprehensive support for the adoption of energy-saving and energy-generating products, covering everything from the design stage to installation and construction. To ensure that our innovative products can be used safely and effectively, we also work closely with partner companies to establish appropriate installation methods.

AGC Glass Kenzai received the Minister of Economy, Trade and Industry Award at the Energy Conservation Grand Prize 2023 for "ZEBot service, which supports ZEB conversion and energy/CO2 saving in existing buildings" (Japanese article only)

Developed a method for installing solar panels on exterior walls in collaboration with Nozawa (Japanese article only)

Contribution to Decarbonization

Transportation

Given the nature of glass products, reducing the environmental impact of transportation is a key challenge. The AGC Group works closely with logistics partners and customers to promote efficient, low-carbon distribution. We also perform finishing processes such as lamination and coating at or near production sites with glass melting furnaces, thereby minimizing product transportation. In Japan, we are working with our distributors to improve logistics efficiency and reduce GHG emissions during transportation.

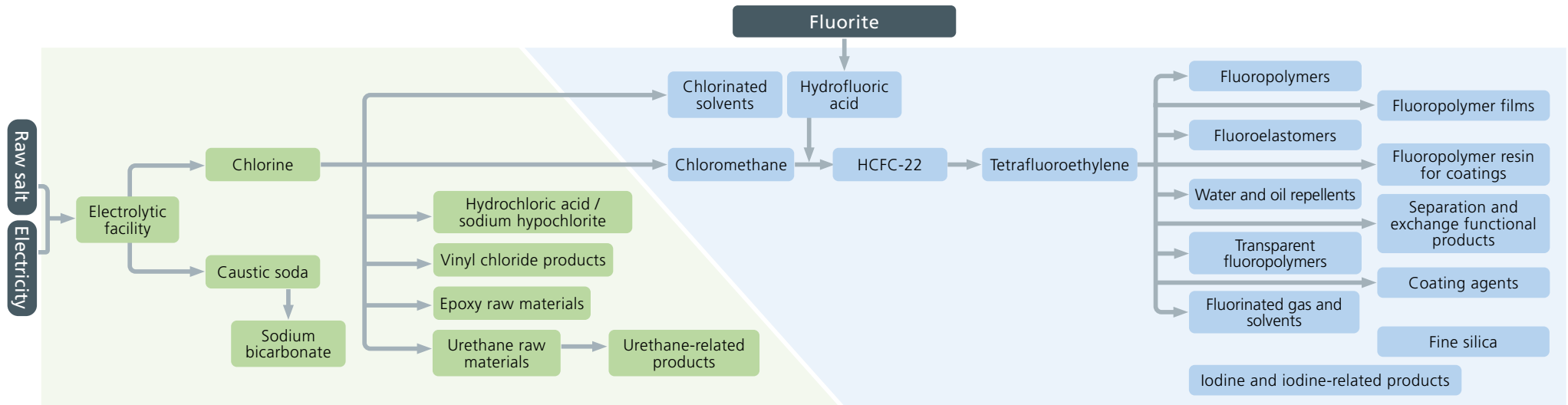
Contribution to Decarbonization

Environment

Environmental Initiatives Across the Value Chain (Chemicals Business)

The AGC Group's Chemicals Company is distinguished not only by its efforts in energy efficiency and resource circularity, but also by the fact that its products themselves are designed to help address global environmental challenges.

By creating environmental value, we are expanding business opportunities while contributing to a sustainable society and enhancing our corporate value.



Essential Chemicals Chlor-alkali products, urethane products

Supporting daily lives as a raw material for chemical products

Contribution to Decarbonization

Manufacturing

We reduce electricity consumption in caustic soda production by utilizing our proprietary energy-efficient ion-exchange membranes.

Contribution to Decarbonization

Transportation

The Kashima Plant conducts environmentally conscious transportation of sodium bicarbonate.

[Improving transportation efficiency using RFID tags \(Japanese article only\)](#)

Contribution to Harmony with Nature

Use of products (ACLESYA)

ACLESYA, a neutralizing agent for exhaust gas treatment derived from sodium bicarbonate, safely removes air pollutants and contributes to cleaner air.

Contribution to Decarbonization

Use of products (Urethane-related products)

Urethane-related products are used as insulation materials for buildings. It is an essential material for green architecture.

Contribution to Decarbonization

Development process (Use of captured CO₂)

We are promoting initiatives for the utilization of captured CO₂.

[AGC Begins Research on Ethylene Production Using CO₂ as Raw Material](#)

[Started study on production and sales of circular carbon methanol made from CO₂ generated from glass production](#)

Performance Chemicals* Fluorochemicals, specialty chemicals

Contributing to the environment through various products and services

Contribution to Decarbonization

Use of products (Next-generation refrigerant AMOLEA™)

AMOLEA™ 1234yf and 1224yd are next-generation refrigerants that are ozone layer friendly and have a global warming potential (GWP) of less than 1.

[The AMOLEA™ Innovation story](#)

Contribution to Decarbonization

Use of products (Separation and exchange functional products)

The FORBLUE™ family of separation and exchange functional products is used in fuel cells and other key components that support the transition to a hydrogen society.

[About FORBLUE™](#)

Contribution to a Circular Economy

Post-use collection and reuse

We recover and decompose used fluorocarbons from customers for reuse as raw materials, and also recycle calcium fluoride contained in wastewater generated during our manufacturing processes.

* Includes some products not made from fluorine

Respect for Human Rights

1 Fundamental Approach / Formulation and Announcement of Human Rights Policy

The AGC Group has stipulated “Respect for People” in the AGC Group Charter of Corporate Behavior and the AGC Group Human Rights Policy, and acts in accordance with the “UN Guiding Principles on Business and Human Rights” and other internationally recognized human rights standards. As part of our corporate responsibility to respect human rights, we promote human rights-conscious business activities not only within the AGC Group but also throughout our supply chain. As part of these efforts, we have incorporated our human rights principles into the AGC Group Purchasing Policy and request our business partners’ cooperation.

-  [Charter of Corporate Behavior](#)
-  [AGC Group Human Rights Policy](#)
-  [Purchasing Policy](#)

2 Management Structure

In accordance with the AGC Group Human Rights Policy, the Company conducts human rights-related initiatives in collaboration with relevant divisions. The “Human Rights Issue Liaison Meeting,” composed of relevant divisions responsible for addressing salient human rights issues across the AGC Group, is held twice a year and led by the General Manager of the Sustainability Division. It shares information on the AGC Group human rights-related issues and promotes the development and maintenance of a human rights due diligence framework aligned with international standards.

Particularly important issues are discussed by the Sustainability Committee, which is attended by the CEO, CTO, CFO, and all division heads. The discussions of the Sustainability Committee are reported to the Board of Directors twice a year.

3 Human Rights Due Diligence

1. Identification, specification, and assessment of human rights risks

We analyzed and evaluated the characteristics of our business areas, business activities, and value chains, and our stakeholders, and identified 14 items as human rights issues to consider. From these, we identified five salient human rights issues that have a particularly significant impact on human rights and on which the AGC Group should focus its efforts to reduce potential risks.

2. Identification of priority issues and measures to prevent and mitigate adverse impacts / Monitoring of implementation status and results


We are implementing the measures outlined in the table below for the five salient human rights issues identified by the AGC Group.

Furthermore, as part of our regular self-assessments of human rights and labor practices, we conduct self-assessments covering 14 human rights issues for AGC Group to consider. In 2025, self-assessments were conducted at 167 AGC Group companies, and any cases requiring correction have been promptly addressed.

3. Explanation and disclosure to internal and external stakeholders


In accordance with the AGC Group Human Rights Policy, we report on the progress of our initiatives to address adverse human rights impacts on our website and in our Sustainability Data Book.

In addition, the AGC Group UK subsidiary (AGC Chemicals Europe, Ltd.) discloses a Modern Slavery & Human Trafficking Statement.

 [Modern Slavery & Human Trafficking Statement](#)

4 Grievance Mechanism

We have established a system to receive reports from all stakeholders, including those within our supply chain, through our internal harassment contact desk, our compliance hotline for reporting incidents both inside and outside the AGC Group, and our Procurement Compliance Consultation Desk. Furthermore, we are working to strengthen our complaint processing mechanisms using the contact desk operated by Japan Center for Engagement and Remedy on Business and Human Rights (JaCER). For more details, please refer to the AGC Sustainability Data Book.

 [Sustainability Data Book](#)

The salient human rights issues for the AGC Group	Relevant stakeholders	Prevention and mitigation measures and initiatives / Monitoring of implementation status and results
Worker's health and safety	Employees People involved in the supply chain	<ul style="list-style-type: none"> • In order to foster a culture of safety in the workplace, we are identifying weaknesses in our organization through assessments by third-party experts and prioritizing improvements. • When building, expanding, or modifying facilities, the AGC Group conducts risk assessments based on its Prior Safety Assessment System and verifies that the facilities are safe. • Through network meetings, we review health and productivity management and work styles, explain measures, and exchange opinions, working as a unified group to improve the working environment and create a comfortable workplace.
Rights of local people	People in local communities	<ul style="list-style-type: none"> • The AGC Group engages in regular dialogue with residents living near its domestic plants and members of neighborhood associations. We provide information on the current status of the plant and hold discussions in advance to explain any matters that may affect the surrounding community. AGC Inc. held a total of 71 dialogue sessions in 2025.
Conflict minerals (responsible mineral procurement)	People involved in the supply chain	<ul style="list-style-type: none"> • At the AGC Annual Suppliers Meeting, attended by our CEO, we disseminate our Purchasing Policy, which includes content on respect for human rights. • To identify potential risks and make improvements, we conduct a questionnaire survey on sustainable procurement for our business partners and encourage them to make improvements if any issues are identified.
Raw materials procurement	People involved in the supply chain People in local communities	
Discrimination and harassment in the workplace and employment	Employees People involved in the supply chain	<ul style="list-style-type: none"> • We have conducted employee engagement surveys every three years as a general rule to improve employee engagement by better understanding the current situation facing individual employees, the Company, and workplaces. • The Group organizes various training programs for its business partners to promote manufacturing and human resource development with an awareness of the entire supply chain. • Harassment prevention and compliance training programs and endeavors are conducted to ensure a healthy work environment free from discrimination and harassment.

Note: Detailed explanations are also in the AGC Sustainability Data Book

Our Message 4

How Is Governance Being Strengthened?

Dialogue Between Independent Directors



Former Chairperson of the Board of Directors
Hiroyuki Yanagi



Independent Director Chairperson of the Board of Directors
Koji Arima

Let's reaffirm our AGC-ness and break through current barriers

AGC's Strengths and Weaknesses—It Is Difficult to See How Governance and Earning Power Are Connected

Yanagi What I have felt as an Independent Director is that AGC has a long-standing tradition of boldly taking on challenges and embracing a spirit of innovation in new value creation. Don't play defensively—take risks. I believe that this accumulation of efforts has shaped AGC's culture. In addition, the Company has established a structure to centralize compliance matters from all its global offices, and few companies maintain such a rigorous level of governance.

On the other hand, there are challenges. One issue is that, as seen in the investments made over the past few years, there is a lack of a sufficiently objective grand design. I believe that is a reason why some of the investments in the Life Science Business did not produce the expected results. Second, as an organization, there are still aspects of the framework for mounting a full-scale, collective effort that remain incomplete. I feel that there is a tendency to place too much emphasis on organizational strength along the vertical axis (business divisions), while there are still challenges in leveraging Group's corporate functions (indirect departments along the horizontal

axis) to facilitate cross-functional collaboration. Third, there is still a tendency to be bound by past conventions. For example, AGC operates under an in-house company system, and company presidents from divisions other than the one related to agenda did not attend the Management Committee meetings. However, when it comes to business operations and investment decisions, isn't a perspective that transcends the boundaries of individual in-house companies becoming increasingly necessary? I believe we should move beyond past traditions and create more opportunities for company presidents to engage in discussions from the perspective of what is best for the AGC Group.

Based on various recent lessons learned, our efforts to improve the precision of investment decisions have definitely evolved, and our Management Committee has shifted to a format where company presidents from other divisions attend and participate in discussions depending on the agenda.

Arima AGC has adopted a management strategy known as "ambidextrous management," which involves simultaneously strengthening its core businesses and developing new ones. While that is praiseworthy in itself, looking at the reality, we have been posting impairment losses over several fiscal years. There are certainly challenges involved in operating businesses with differing markets and business models simultaneously. Even taking that into account, we are in a situation that cannot be overlooked.

Could the root cause be that we have lost sight of the fundamental purpose of governance: why we practice it in the first

place? Governance is not just about strengthening management. It also aims to enhance a company's competitiveness and profitability, and if we overlook that perspective, its meaning is lost. In this regard, I feel it is difficult to see how governance and earning power are connected in AGC today.

There are also times when I feel that individuals' own thinking and concerns could be brought to the forefront a bit more. To cite an example, although the periodic reporting from each function on its various initiatives are well organized and easy to follow, they do not sufficiently bring to the fore the responsible staff members' own thoughts and opinions regarding newly identified issues that have emerged through addressing these challenges, or where greater emphasis should be placed moving forward. If such communication becomes even more lively, I expect that the capabilities of AGC's human resources will contribute even more significantly to enhancing the value of the entire organization.

Change in Institutional Design—the Aim Is More Thorough Discussion and to Encourage the Executive Team

Yanagi I supported the change to a company with an Audit and Supervisory Committee not because there was any problem with the previous institutional design, but because I saw it as a symbolic expression of our determination to use this transition as an opportunity to change the way we execute our

Dialogue Between Independent Directors

business and manage the Company. AGC's Board of Directors has always had the advantage of being compact in size, which enables active and substantive discussion. This transition will also help us make even better use of that strength.

Arima Generally speaking, the purpose of transitioning to a company with an Audit and Supervisory Committee is to strengthen oversight functions while delegating authority to the executive side to increase its speed. However, in AGC's case, the aim of this transition in terms of strengthening the oversight function is not to control and constrain everything, but rather to engage in more careful discussion and review of business operations and to provide stronger support and encouragement to the executive side. Furthermore, regarding the delegation of authority, it is the unanimous decision of the Board of Directors to proceed step by step while monitoring the situation.

Yanagi As Chairperson of the Board of Directors, I have until now strived to clarify what to focus on and how to approach each agenda item. However, with the transition to a company with an Audit and Supervisory Committee, the Chairperson will take a proactive role in organizing agenda items and key issues and facilitating deeper discussion. I believe the Chairperson's governance will become more effective than ever before.

AGC's *Monozukuri** — Here Again, AGC's Strengths and Weaknesses Are Apparent

Yanagi I feel that AGC's strengths and weaknesses are also apparent in its *monozukuri*. AGC's strength lies in robust *monozukuri* culture, which values technology and is grounded in its spirit of "Never take the easy way out, but confront difficulties." The development of EUV mask blanks is a prime example of this. The Company spent nearly 15 years overcoming repeated setbacks to create what is arguably one of the most delicate and complex products in human history. I have heard from the engineers who were involved in the development that there were stages when they felt like giving up. I was particularly impressed, however, by how the management team strongly encouraged and supported them even in such situations. I think AGC's fierce dedication to technology is wonderful.

On the other hand, AGC, for example, lacks a function to oversee manufacturing, and I get the impression that its *monozukuri* is also siloed. In manufacturing, it is important to manage productivity, quality, cost, delivery, safety, morale,

and the environment (PQCDSME) in a cross-sectional and standardized manner using a matrix of man, machine, material, and method (4Ms), but in my opinion, AGC has room to improve in these concepts. It appeared that standardization was lacking due to differences in products, equipment, and processes. Also, since the business is primarily B2B, I get the impression that their potential to create their own market is lacking.

Arima As a veteran of an automotive parts manufacturer with a deeply embedded culture of continuous improvement, I place great importance on how well AGC's senior management understands the frontlines. I am concerned about whether there is a disconnect between senior management and the frontlines and intend to monitor the situation closely. Of course, AGC also has excellent examples such as EUV mask blanks where everyone from senior management to frontline developers worked as one in a vertically integrated structure to create innovative products. There is certainly still room for such initiatives to expand further in the future, and I am looking forward to that.

AGC employees are generally highly competent, and there are times when I feel they could enjoy their work even more if they were better able to apply their skills. Particularly in Strategic Business areas and R&D, if there is an even stronger spirit of challenge to create something new that surprises competitors, there is potential for innovation on an even greater scale. Likewise, in downstream *monozukuri*, if a stronger mindset takes hold of enhancing added value with our own hands and creating better products ourselves, the frontlines will become even more energized. It is this kind of passion that is the driving force at the frontlines of *monozukuri*. *Quality manufacturing

Toward Improved Profitability—Let's Take on Challenges Without Hesitation and Become a Group That Creates New Value

Yanagi Investors are expressing concern over the downward revision to our earnings forecasts and the fact that ROE remains stagnant while the PBR continues to be below 1x. We have been addressing three key challenges following extensive discussions at the Board of Directors. The first is structural reforms in our architectural glass, automotive glass, and display businesses, which are segments subject to significant market fluctuations. I am pleased to note that we have already achieved tangible results in these areas. The second is tackling the Chlor-

Alkali Business in Southeast Asia. Even though the business commands a high market share in the region, the impact of low-priced imports from China is clearly showing up in our earnings, so I feel there may still be scope for refinement in terms of the business's fundamental resilience. The third is rebuilding the Life Science Business. I do not believe the decision itself to make large-scale investments with the aim of turning this business into a major pillar of our future operations was wrong, but there were challenges in business validation and post-merger integration (PMI). Over the past few years, we have faced these three challenges at nearly the same time. In response to each of them, we have continued to implement structural reforms and verify the viability of each business, and are making progress with our action plans.

Arima Large-scale bioreactor cultivation in the U.S., which resulted in significant losses, was AGC's first experience in this area. Once we decided to enter that field, it was crucial to pinpoint in advance the key bottlenecks and the critical success factors; in other words, to map out a clear path to success. I believe that this was not done sufficiently, and as a result, we were unable to take the necessary steps.

Yanagi Not only that, despite this being a venture that would determine the Company's future, I believe the initiative remained largely confined to the business division and was not turned into a company-wide initiative involving the full engagement of the corporate divisions as well. Put another way, this means if we address these issues, the business should become stable going forward.

Yanagi I have decided to step down as Chairperson of the Board of Directors and pass the torch to Mr. Arima. Although AGC has been through a difficult phase, I believe it will regain its true character as a company that never shies away in the face of adversity and continues to take on new challenges. Through this, I hope AGC will become an organization that continues to create new value while carrying forward the AGC brand and its legacy.

Arima I intend to carry on Mr. Yanagi's aspirations, interpret them in my own way, and dedicate myself to doing everything I can to the best of my ability. What AGC needs now is to return to the fundamental question of what AGC-ness is and to identify the reasons why that distinctive character is not being fully demonstrated. I am convinced that AGC will be able to achieve even greater growth if we can break through that barrier.

Message from the Independent Director Chairperson of Nominating Committee



Independent Director
Chairperson of the Nominating Committee
Isao Teshirogi

Eliminating the negative effects of organizational silos and coming together as a company to improve business performance

Is There Any Laxity or Half-Heartedness in Business Management as a Result of Business Diversification?

Although AGC's financial results for the year ended December 31, 2025 halted our decline in profits, we had to revise our earnings forecast downward for the fourth consecutive fiscal year. This is a serious situation for us; shareholders and investors must be wondering, why is AGC so off on its forecasts? The main reason for the poor performance was bad investments. A portion of those funds was entrusted to us by shareholders. The executives responsible for those businesses must be more prudent in using them. Without ultra-long-term policies and strategies in place that look ahead to 2040 and 2050, there is a real danger that investments will be made in the interest of

short-term profits. The impairment losses and so on in Life Sciences that we are seeing also relate to this.

AGC operates in a variety of industrial fields. This is a strength for us, as it means that even if one business underperforms, the other businesses can make up for those negative impacts. As a result, the Company as a whole does not suffer any significant damage. However, there is a concern that this may lead to laxity or half-heartedness in business management. The weak performance of the past few years may partially be a result of the negative sides of this diversification.

The Risks of Organizational Silos

Another risk of operating multiple businesses is organizational silos. Whoever in charge of a given business tends to focus only on that specific business, meaning they lose sight of the performance of other businesses and the Company as a whole. Recently, however, we have established a system for company presidents to discuss with each other to promote overall optimization. My hope is that each in-house company will work with a greater sense of unity and a determination to improve our consolidated performance no matter what.

Facing the reality of three consecutive fiscal years of declining profits and four consecutive fiscal years of downward revisions to earnings forecasts, both internal and independent directors at meetings of the Board of Directors are engaged in robust discussions about why this happened and what is needed to overcome this reality and improve performance. These active discussions will also continue going forward.

The Next Generation of Leaders will Need to Demonstrate Flexibility and Adaptability

The development of the next generation of leaders, especially CEO succession plans, is another major theme of the Board of Directors. Given our increasingly complex world and the rapidly changing business environment we see today, in my opinion, CEOs need to demonstrate a certain softness and flexibility.

AGC may operate with a BtoB business model, but the product-out approach common among material manufacturers is out of the question. Even a market-in approach is outdated. AGC's goal going forward must be market creation. We need to create our own markets and provide materials and solutions so that we can achieve an

overwhelming first-mover advantage. To do so, the next generation of CEOs must be able to accept changes in the times and markets in a positive manner, and respond with flexibility and adaptability. I believe it is necessary to promote younger talent to executive officer positions in order to cultivate such human resources.

Strengthening Governance Through the Transition to a Company with an Audit and Supervisory Committee

In 2026, AGC transitioned from a company with an Audit and Supervisory Board to a company with an Audit and Supervisory Committee. This created a management structure with a majority made up of independent directors.

Generally speaking, independent directors are often viewed as needing to focus solely on acting as a monitoring board, overseeing management on behalf of shareholders. However, this is only the case when management is doing well. When performance is not as strong, as in the case with AGC, I think independent directors should be active participants in discussions about how business should be executed and the appropriateness of investments, and offer harsh critiques at times.

At the same time, some may worry that a company with an Audit and Supervisory Committee will allow independent directors to decide company policies and strategies through a majority vote in an aggressive manner. But this is, in fact, not the case; bringing in objective perspectives from outside the Company has allowed us to create a structure with more effective governance.

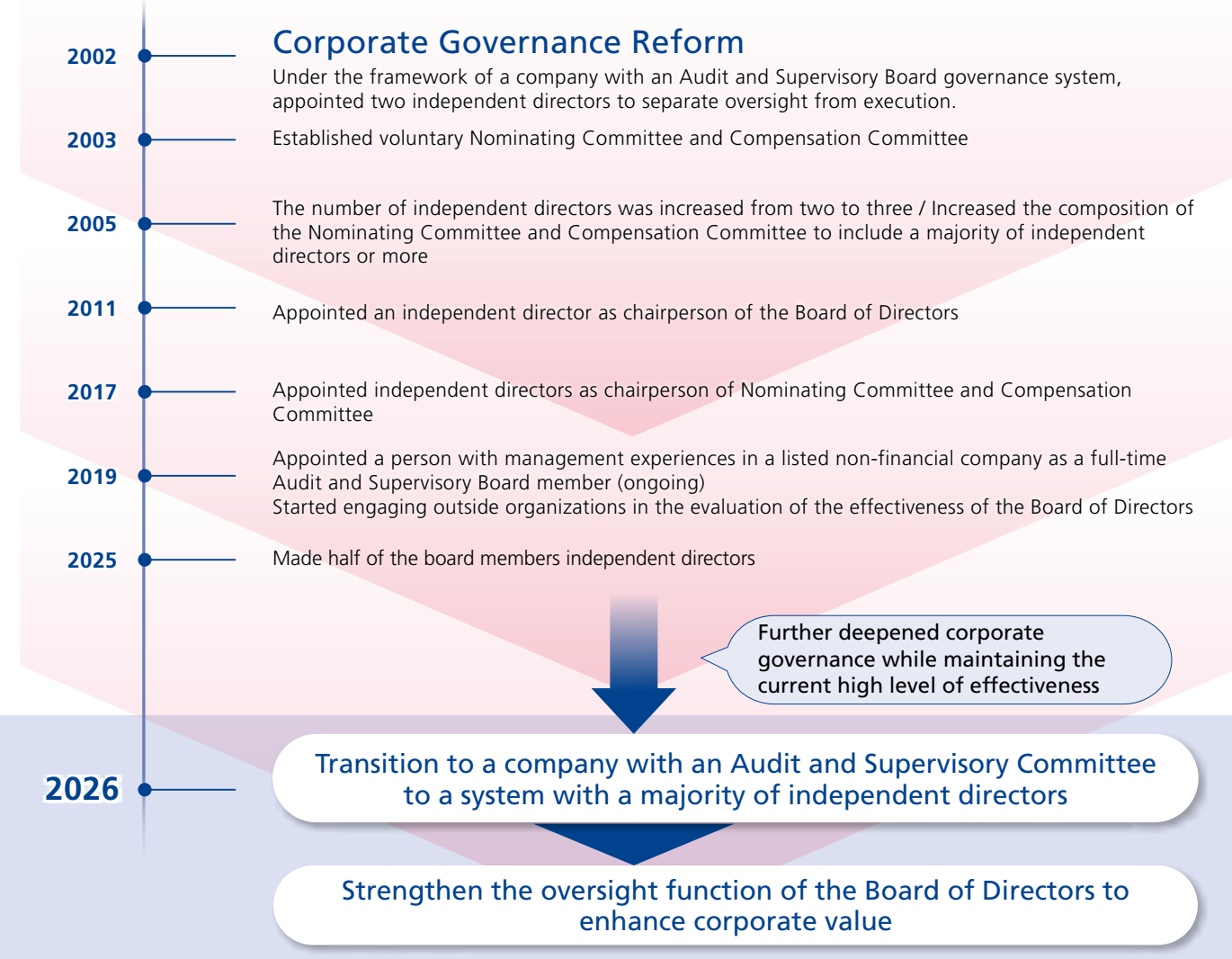
First and Foremost, Achieving Our 2026 Plan Is Essential

Just as AGC lists "Integrity & Trust" as one of Our Shared Values, I believe we are a company that embodies these ideas the most, even when looking at other companies in Japan. However, this integrity can sometimes lead to a lack of flexibility. I believe it is the role of independent directors to bring in outside perspectives to help the Company gain new insights and make necessary course corrections. The immediate challenge we face is achieving our 2026 Plan. In addition, I want us to contribute to the Company's continued growth in 2027 and beyond by taking full advantage of our expertise and experience.

Improvement of the Corporate Governance System

The AGC Group has established the AGC Group Corporate Governance Basic Policy and is committed to enhancing and strengthening corporate governance across the Group under Our Purpose, Our Shared Values, and Our Spirit as articulated in our Group Philosophy **“Look Beyond”** in order to promote sustainable corporate growth and the increase of corporate value over the mid- to long-term.

Milestones in strengthening our corporate governance system



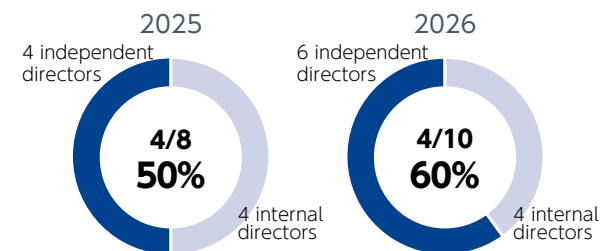
Milestones in strengthening the system

Since the early 2000s, the AGC Group has been working to bolster and enhance its corporate governance. In 2002, we shifted to a system that clearly separates the management oversight and business execution functions and invited two independent directors. In 2003, we established a voluntary Nominating Committee and Compensation Committee. In 2005, we took proactive measures, including increasing the number of independent directors to three. In addition, independent directors have been appointed to serve as the chairperson of the Board of Directors since 2011 and as the chairpersons of the Nominating Committee and Compensation Committee since 2017, further enhancing the objectivity and transparency of management oversight. In 2015, we formulated the AGC Group Corporate Governance Basic Policy, and reaffirmed our commitment to strengthening and enhancing corporate governance to promote sustainable corporate growth and the increase of corporate value over the mid- to long-term.

Following in the footsteps of this evolution, in 2026, the Company will transition from a company with an Audit and Supervisory Board to a company with an Audit and Supervisory Committee, and will establish a Board of Directors where independent directors constitute the majority to further strengthen its oversight function.

AGC will continue to maintain and evolve its corporate governance system to support the enhancement of corporate value.

Proportion of Independent Directors



Overview of Basic Policy and System of Corporate Governance

Basic Policy

Under the AGC Group Philosophy **“Look Beyond”** the AGC Group (comprising AGC Inc. and its subsidiaries) sets out “Our Purpose,” “Our Shared Values,” and “Our Spirit.” “Our Purpose” expresses the reason why we exist and the value we want to provide: “AGC, an Everyday Essential Part of Our World.” The AGC Group creates additional value by providing safety, security, and comfort to society, creating new value and functions for customers and business partners, and building trust with them, enhancing job satisfaction among employees, increasing the Group’s corporate value for investors, and building a better future for the coming generations. By delivering meaningful value for diverse stakeholders, the AGC Group seeks to promote sustainable corporate growth and the increase of corporate value over the mid- to long-term.

Corporate governance is a vital management foundation to realize these objectives, and the AGC Group is committed to continually pursuing an optimal corporate governance model for the Group.

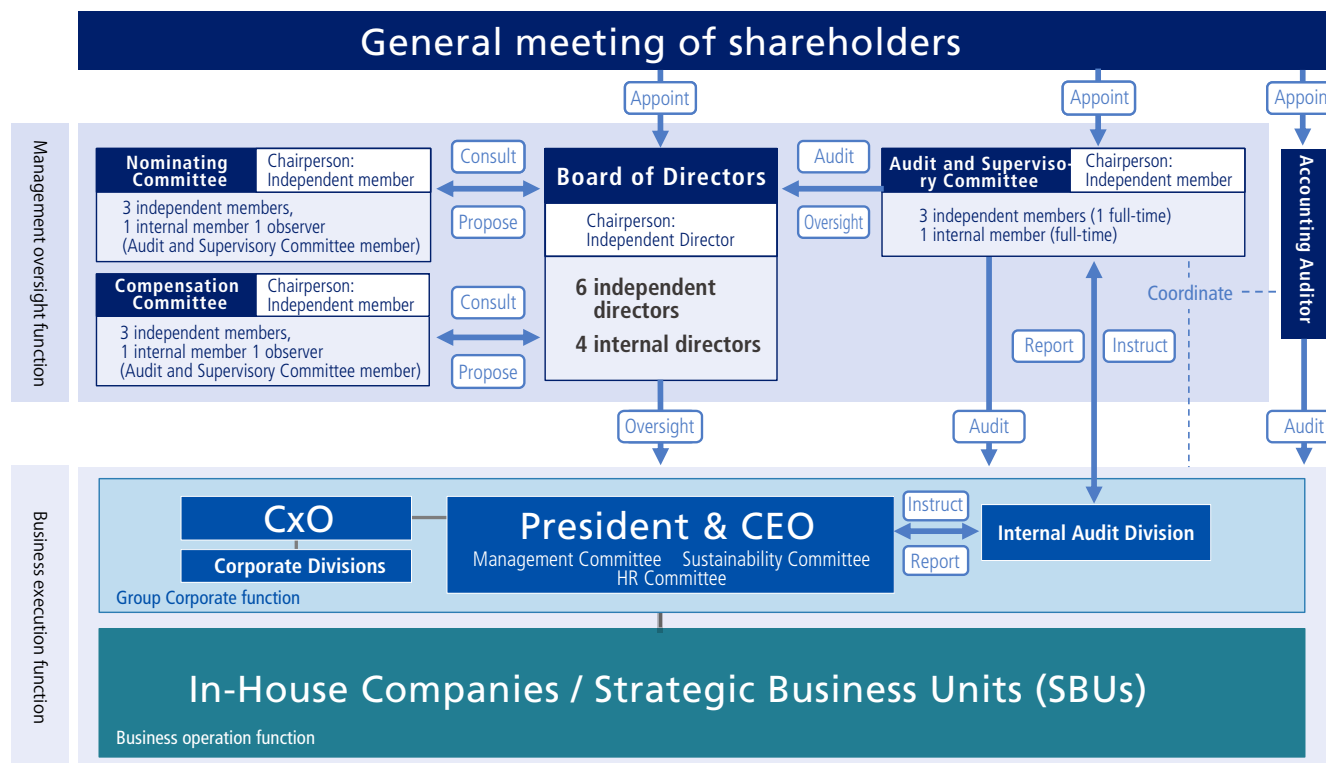
The cornerstones of the AGC Group’s corporate governance initiatives are as follows.

- (1) AGC Inc. respects the rights and equal treatment of shareholders and promotes constructive dialogue with them.
- (2) The AGC Group promotes cooperation with a diverse range of stakeholders (including shareholders, investors, customers, business partners, employees, future generations, and local communities) and endeavors to build relationships of trust.
- (3) The AGC Group ensures appropriate disclosure of information to stakeholders and ensures transparency in such disclosure.
- (4) The Board of Directors and the Audit and Supervisory Committee of AGC Inc. serve as the core of the corporate governance system, make timely and decisive decisions, and exercise effective oversight and audit functions.

Based on the foregoing basic views on corporate governance, we have set out the Basic Policy for the AGC Group’s corporate governance—namely, the roles and responsibilities, rules, and governance framework.

Please see here for [the AGC Group Corporate Governance Basic Policy.](#)

Corporate Governance System



- Clearly separated management oversight and business execution functions
- A majority of the Board of Directors consists of independent directors, and an independent director serves as chairperson
- The Company has established a Nominating Committee and a Compensation Committee to deliberate on the appointment, dismissal, and compensation of the President & CEO, etc. Both committees are composed of a majority of independent directors, and independent directors serve as chairpersons of both committees
- The Board of Directors has substantially delegated authority for management decision-making to the President & CEO, etc.
- Streamlined and improved the efficiency of decision-making through the adoption of an in-house company system (quasi-subidiaries within the Group) that clearly separates corporate functions from business execution functions
- Management Committee, Sustainability Committee, and HR Committee established as advisory bodies to the President & CEO
- The Audit and Supervisory Committee, in collaboration with the Internal Audit Division and the accounting auditor, audits and oversees the performance of duties by directors (excluding directors who are Audit and Supervisory Committee members)

Corporate Governance System

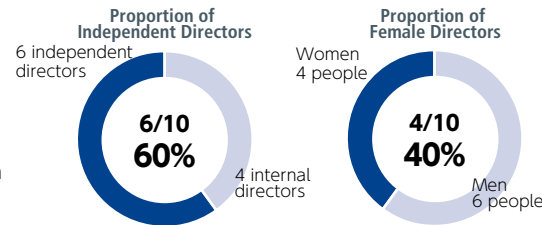
For further details, please refer to the [Corporate Governance Report](#) submitted to the Tokyo Stock Exchange.

Composition and Role of Oversight and Auditing Bodies

Board of Directors

● Composition

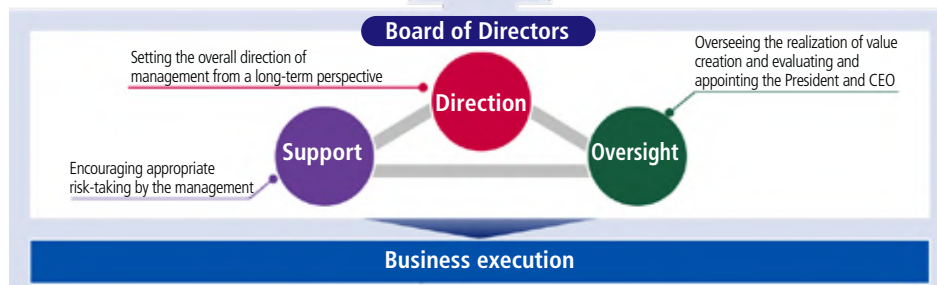
AGC's Board of Directors consists of 10 directors, including six independent directors. The chairperson of the Board of Directors is an independent director, which contributes to ensuring objectivity and transparency in the deliberation process.



● Roles (see figure below)

With the transition to a company with an Audit and Supervisory Committee, the role of the Board of Directors has been redefined as "Setting the overall direction of management from a long-term perspective," "Encouraging appropriate risk-taking by the management," and "Overseeing the realization of value creation and evaluating and appointing the President and CEO." We will build a structure that maximizes these roles and deepen discussions to accelerate the AGC Group's value creation.

Realization of value creation based on AGC's competitive advantage



Nominating Committee

● Composition

This committee consists of four directors, a majority of whom are independent directors. In addition, the chairperson of the committee is an independent director, ensuring the objectivity, transparency, and accountability of the decision-making process regarding the nomination of officers. Also, one Audit and Supervisory Committee member attends as an observer.

● Roles

The committee deliberates on matters pertaining to the election and dismissal of directors, as well as the President & CEO and other executive officers and their requirements, among others. The committee also deliberates on succession plans for the President & CEO, etc., and is responsible for monitoring the systematic development of candidates in accordance with such plans. In

addition, the committee is responsible for selecting candidates for directors, as well as the President & CEO and other executive officers, and proposing them to the Board of Directors.

Compensation Committee

● Composition

This committee consists of four directors, a majority of whom are independent directors. In addition, the chairperson of the committee is an independent director, ensuring the objectivity, transparency, and accountability of the decision-making process regarding officer compensation. Also, one Audit and Supervisory Committee member attends as an observer.

● Roles

The committee deliberates on matters pertaining to the compensation of directors, as well as the President & CEO and other executive officers. In addition, the committee assumes the roles of deliberating the principles, strategies, and systems of compensation for directors (excluding directors who are Audit and Supervisory Committee members), directors who are Audit and Supervisory Committee members, and executive officers, making proposals to the Board of Directors, and examining the evaluations of performance and results of payment of compensation for each executive officer.

Audit and Supervisory Committee

● Composition

The committee consists of four directors, three of whom, representing a majority, are independent directors who meet the criteria for independent officers. Three of the Audit and Supervisory Committee members are female. Two Audit and Supervisory Committee members, including one independent director, have been designated as full-time members, and all Audit and Supervisory Committee members have been designated as selected members with the authority to investigate business operations and assets, thereby establishing a system under which investigations necessary for audits can be conducted.

● Roles

As an independent body entrusted by the shareholders, the committee audits the performance of duties by directors (excluding directors who are Audit and Supervisory Committee members). In addition, the Audit and Supervisory Committee makes decisions regarding the appointment, dismissal, and compensation of directors (excluding directors who are Audit and Supervisory Committee members), thereby playing a key role in the company's oversight functions.

Topic: Agenda setting process by independent director chairperson

To enhance the objectivity and transparency of our Board of Directors, we have had an independent director serve as the chairperson of the Board since 2011. Furthermore, based on the agenda and proposed schedule prepared by the secretariat, the chairperson identifies the key issues to be addressed at the Board of Directors meeting and the direction of the discussion, and decides on the final agenda.

Corporate Governance System

Operational Status of Oversight and Auditing Bodies

Board of Directors

In FY2025, a total of 14 meetings of the Board of Directors were held to oversee the AGC Group's business execution, and to approve important matters such as the selection of director candidates, the provisional appointment and final appointment of next executive officers, the acquisition and disposal of significant assets, and budgets.

[Resolutions and agenda items]

- Business portfolio / Capital policy / Capital allocation / Corporate governance system – change of corporate governance structure / Revision of basic management policies (basic corporate governance policies, etc.)

[Reporting items]

- Follow-up on investment projects / Progress of succession plans for CEOs, etc. / Sustainability activities / Status and verification of cross-shareholdings

Nominating Committee

In FY2025, the Nominating Committee met a total of 13 times to deliberate on various matters, including succession planning for the CEO and other officers. The main topics of discussion were as follows.

- Succession planning for CEO, etc. / Evaluation of presidents' performance and reappointment decision / Assessment of next-generation candidates / Revision of skill matrix guidelines / Revision of Nominating Committee rules

Compensation Committee

In FY2025, the Compensation Committee met a total of 6 times to deliberate on various matters, including the setting of targets for performance-linked compensation, and made proposals to the Board of Directors. The main topics of discussion were as follows.

- Review of executive remuneration in accordance with changes in corporate governance structure / Establishment of director compensation limits

Audit and Supervisory Committee (Operating Status of Audit and Supervisory Board in FY2025)

In FY2025, 14 meetings of the Audit and Supervisory Board were held. The Audit and Supervisory Board met monthly prior to the Board of Directors meetings and as needed. The content of the resolutions, discussions, and reports made by the Audit and Supervisory Board throughout the year is as follows, and each meeting lasted approximately 2.5 hours.

[Resolutions and matters to be discussed]

- Selection of the chairperson of the Audit and Supervisory Board and full-time Audit and Supervisory Board members / Audit policy and audit plan of the Audit and Supervisory Board / Reappointment of the accounting auditor / Approval of the audit report and the

accounting auditor's audit fees / Matters concerning the remuneration of auditors [Reporting items]

- Audit results for the Head Office departments, branch offices, and other entities, and investigation results regarding subsidiaries and other entities / Summaries and outcomes of the Management Committee and other important meetings attended / Audit results from the accounting auditor, etc.

Refinement of operational status of oversight and auditing bodies

◆ Improvement of Board meetings with more focus on discussion by significantly reducing time for explanations

Explanatory videos with voice synthesized AI have been distributed in advance, as a measure to enhance the effectiveness of the Board of Directors even further, thereby allowing the majority of the Board's deliberation time to be used for discussions. As a result of these initiatives, discussions at Board meetings have become lively, and each director is better able to conduct in-depth discussions and oversight utilizing their experience and expertise in their respective roles.

◆ Improvement of the quality of discussion by continuously innovating agenda-setting for Board meetings and off-site meetings

As we transition to a company with an Audit and Supervisory Committee, we are redefining the role of the Board of Director while innovating agenda-setting for Board meetings and off-site meetings to improve the quality of discussion.

◆ Enhancement of the support system for independent directors to enhance the quality of the Board's discussions and oversight even further

The Corporate Planning General Division, which is the secretariat of the Board, provides notifications of Board of Directors' meetings to independent directors, delivers related documents and videos to them in advance, and provides prior explanations of the agenda items of meetings as needed. Improvements are continuously made by incorporating the opinions of directors on administration. The Audit and Supervisory Committee Office is tasked with assisting the duties of the independent Audit and Supervisory Committee members, including the convening of the Audit and Supervisory Committee; participation in important meetings; and arranging meetings with the representative directors, independent directors other than Audit and Supervisory Committee members, the Internal Audit Division, and the accounting auditor. Additionally, regular meetings for exchange of opinion between independent directors other than Audit and Supervisory Committee members and Audit and Supervisory Committee members are held to activate communication and enhance quality of discussions among independent directors.

◆ Establishment of an effective audit system through reinforced coordination

Audit and Supervisory Committee members endeavor to enhance the effectiveness of audits by coordinating with the accounting auditors and the Internal Audit Division, which executes internal audit functions; by holding meetings and obtaining information about the progress and results of accounting and internal audits; by regularly reporting and conducting exchanges of opinions.

Corporate Governance System

Evaluation of the Effectiveness of the Board of Directors

AGC believes that continuously strengthening and enhancing its corporate governance is vital to promoting sustainable corporate growth and the increase of corporate value over the mid- to long-term. As part of these efforts, the Company carries out an annual analysis and evaluation of the effectiveness of the Board of Directors based on the AGC Group Corporate Governance Basic Policy, with the goal of improving the effectiveness of the Board and increasing stakeholder trust in AGC's corporate governance.

Evaluation method

AGC has evaluated the effectiveness of the Board of Directors every year. Moreover, approximately every three years the Company enlists the help of an external organization, thereby enhancing the objectivity of the evaluation. In FY2025, an external organization was enlisted to conduct the analysis and evaluation.

Evaluation Process in Fiscal 2025

1 Self-evaluation based on questionnaires answered by directors and Audit and Supervisory Board members (September 2025)

The highlights of the evaluation are as follows:

- Overall evaluation of the Board of Directors: roles and responsibilities of the Board and management execution, and the status of deliberations
- Composition of the Board of Directors: the Board of Directors size, composition, diversity, etc.
- Operation of the Board of Directors: frequency of meetings, deliberation time, selection of agenda items, and appropriateness of materials and explanations
- Board of Directors meeting deliberations: basic management policies, risks, succession plans, and corporate culture
- Audit and Supervisory Board: diversity and cooperation with the Board of Directors
- Operation of advisory committees (Nominating Committee, Compensation Committee): deliberation time, selection of agenda items, provision of information, etc.

2 Interviews with directors and Audit and Supervisory Board members (October 2025)

The external organization conducted individual interviews with all eight directors and all four Audit and Supervisory Board members, confirming their questionnaire responses and obtaining additional feedback.

3 Reporting and confirmation by Board of Directors (January 2026)

The Board of Directors reviewed and confirmed the results of the analysis and evaluation conducted by the external organization, together with the status of implementation of initiatives taken since the previous year.

Review of Evaluation Results and Future Initiatives

Status of responses to future initiatives set forth in the 2024 assessment

In FY2025, the Board of Directors implemented the following initiatives, primarily based on the evaluation results from the previous fiscal year.

- (1) **Continuing and deepening appropriate discussions for enhancing corporate value**
 - The Board of Directors has further deepened discussions to meet the expectations of capital markets at Board meetings and off-site meetings, including corporate value creation scenarios, the business portfolio, and capital policy and capital allocation, etc.
- (2) **Enhancing and deepening management oversight functions**
 - The systems for timely follow-up on investments resolved upon by the Board and for enabling the Board to check their progress as needed has been established.
- (3) **Enhancing oversight and discussion of succession plans for the CEO, etc., by the Board**
 - Oversight of the progress of succession plans for the CEO, etc., by the Board was enhanced. And, the items consulted by the Board to the Nominating Committee were more sufficiently discussed at the Board.

Implementation of corrective measures (Major improvement measures)

Summary of 2025 Evaluation Results

The analysis and evaluation conducted by the external organization confirmed that the effectiveness of the Board of Directors has been secured. As characteristics of the Company's Board of Directors, the external organization pointed out that the Board comprises members with diverse and extensive knowledge and experience, that the Audit and Supervisory Board (and its members) contributes to enhancing effectiveness, and that the Company is continuously working to strengthen corporate governance. At the same time, the external organization identified several areas where further action is expected, including deeper discussions regarding the roles of the Board of Directors, the manner in which management reports to and provides information to the Board, and further enhancements to the operation of the Nominating Committee.

With the aim of further strengthening the oversight function of the Board of Directors, the Company transitioned to a company with an Audit and Supervisory Committee effective March 27, 2026, resulting in a Board structure in which independent directors constitute a majority. In connection with this transition, the roles of the Board of Directors were redefined and clarified as: "Setting the overall direction of management from a long-term perspective," "Encouraging appropriate risk-taking by the management," and "Overseeing the realization of value creation and evaluating and appointing the President and CEO." Going forward, taking into account the results of the analysis and evaluation by the external organization described above, the Company will advance the following initiatives related to establishing a framework that enables the Board of Directors to fully perform its redefined roles:

- (1) **Continuation and deepening of appropriate discussions for "Setting the overall direction of management from a long-term perspective"**
- (2) **Enhancement of monitoring for "Encouraging appropriate risk-taking by the management"**
- (3) **Further refinement of the operation of the Nominating Committee to achieve "Overseeing the realization of value creation and evaluating and appointing the President and CEO"**

Future initiatives

Corporate Governance System

Business execution structure

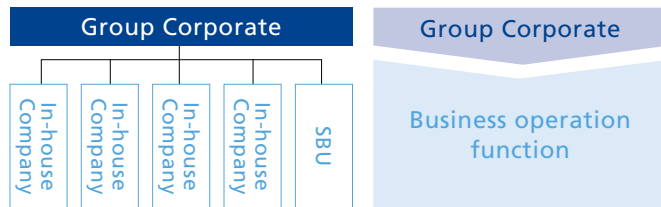
The business execution functions are assured by the President & CEO and other executive officers. The Management Committee, etc. has been established as an advisory body to the President & CEO to deliberate business execution decision and business management monitoring. The Company has adopted an in-house company system (quasi-subidiaries within the Group) and global consolidated management system for business execution. Responsibilities and authorities related to business execution are substantially delegated to in-house companies and strategic business units (SBUs).

Management control system under the in-house company system

Under the in-house company system, AGC has separated of the roles and functions of the Group Corporate and in-house companies / SBUs in management execution and clarified the scopes of responsibility and authority, thereby accelerating management decision-making and increasing its efficiency.

The Group Corporates aim to maximize the corporate value of the entire Group by formulating the Group philosophy and management strategies, formulating Group business portfolio policies, establishing the Group's policies on the fundamental elements of business management, and providing common management platforms.

In-house companies and SBUs, which have received a substantial transfer of responsibility and authority for business execution, operate their businesses using the management resources entrusted to them by the Group Corporate, with the aim of maximizing their own business value.



Major organizations in business execution functions

Management Committee

The Management Committee has been established as an advisory body to the President & CEO to deliberate on decision making for the Group's management and oversee the business management in the AGC Group. The President & CEO, CFO, and CTO attend this Committee's meetings, nominating other participants in accordance with the matters being discussed, ensuring more in-depth deliberations from a range of perspectives on matters such as basic management policies for the AGC Group and important investments for in-house companies and SBUs.

Sustainability Committee

The Sustainability Committee has been established as a body to report and deliberate decisions on basic policies and measures for the AGC Group's sustainability management initiatives that create the three social values based on long-term social issue. The Sustainability Committee has an organizational rank equivalent to that of the Management Committee, is chaired by the

President & CEO, and attended by the CFO, CTO, all heads of In-house company / SBU and corporate division as well as Audit and Supervisory Committee members as observers. The committee meets four times a year, and its findings are reported to the Board of Directors twice a year.

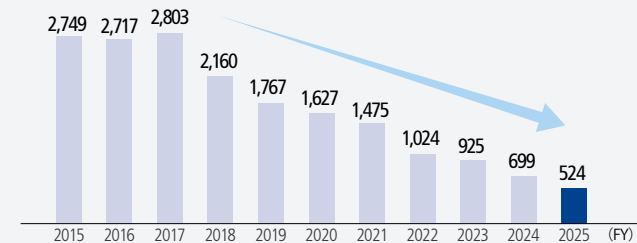
HR Committee

In February 2025, the HR Committee has been established as an advisory body to the President & CEO, to deliberate important matters related to human capital in the AGC Group. It has an organizational rank equivalent to that of the Management Committee, and is held seven times a year, in principle with the President & CEO, CFO, CTO, General Manager of the Human Resources Division, and Presidents of in-house companies attending its meetings. The details of those meetings are reported to the Board of Directors every year. This Committee deliberates themes such as the selection and development of management personnel for the Group and the promotion of diversity, thus promoting human capital management in the AGC Group.

Topic Steady reduction of cross-shareholdings

- In principle, the Company does not hold shares for policy purposes, including cross-shareholdings, except where the Company determines that holding a limited number of shares in investee companies help maintain and strengthen medium- to long-term relationships with those companies and thereby enhance the AGC Group's corporate value.
- Every year, the Board of Directors shall assess, on a case-by-case basis, each cross-shareholding from a medium- to long-term perspective, by comprehensively examining, among other factors, the purpose of the holding and whether the associated risks and returns are commensurate with the Company's estimated cost of capital, and shall verify whether continued holding is justified. Where the rationale for continued ownership has weakened, the Company shall reduce or unwind such holdings.
- As of the end of 2025, cross-shareholdings amounted to 58 issues with a total value of ¥52.4 billion (of which one issue with a value of ¥33.5 billion was classified as a deemed holding).
- We will continue to work toward further reducing the balance.

Balance of cross-shareholdings* (100 million JPY)



*End of year balance including shares deemed to be held by the Company

Compensation System

Basic Policy

The Company sets out, as its compensation principles, its basic philosophies on overall compensation for officers as follows.

- The compensation system shall be one that enables the Company to attract, secure and reward diverse and talented personnel, in order to establish and expand the Company's edge over its peers.
- The compensation system shall be one that promotes continued improvement of corporate values, and in this way allows shareholders and management to share gains.
- The compensation system shall be one that motivates the management to achieve performance goals relating to management strategies for the AGC Group's continuous development.
- The decision-making process of compensation shall be objective and highly transparent.

Compensation Determination Method

The Compensation Committee, chaired by an independent director and composed of a majority of independent directors, deliberates on matters such as the compensation system and compensation amounts for directors and executive officers based on the Compensation Principles, makes proposals in that regard to the Board of Directors, and verifies the results of compensation payments in order to increase the objectivity and transparency of the compensation determination process.

Compensation to Directors and Audit and Supervisory Board Members (2025)

	Number of recipients	Total payment (millions of yen)		Number of recipients	Total payment (millions of yen)
Directors	8	690	Audit and Supervisory Board member	5	104
Independent directors only	4	73	Independent directors only	3	68

Composition of Compensation

For AGC Group, which provides materials and solutions created from product development based on a long-term perspective, medium- to long-term technological development and investments in human resources and equipment are sources of competitiveness in addition to the Group's single-year business strategy. Accordingly, the Group has introduced an incentive system as one of the means for AGC's officers to take a balanced view of the short, medium, and long term and to further motivate them to achieve their goals for each time frame.

In addition to bonuses linked to the organizational performance for a single fiscal year, the Group has introduced stock-based compensation where the number of shares granted is determined based on performance and other factors within the period of a given medium-term management plan. Under the stock-based compensation system, officers must retain the granted shares during their terms of office, with the aim of motivating them to contribute to the improvement of corporate value over the medium to long term and to create shared gains between officers and shareholders.

We use the following performance indicators for stock-based compensation for a given period of

medium-term management plan, with the aim of enhancing medium- to long-term corporate value, raising awareness of company-wide performance, and achieving shared gains with shareholders.

Classification	Performance Indicators	Reason for Selection	Weighting
Financial Index	ROE	Key performance objective for long-term and medium-term plan periods	30%
	EBITDA	Improve cash generation capacity and profitability	30%
Stock Price Indicators	Relative TSR (against TOPIX)*1	Further sharing gains with shareholders	20%
Non-Financial Indicators	GHG emissions intensity per unit of net sales*2	Aiming to contribute to the realization of a sustainable global environment	10%
	Employee engagement	Aiming for the growth of the Company through the growth of each employee and the demonstration of their abilities	10%

*1 Relative TSR (against TOPIX): TSR stands for Total Shareholder Return and means the total investment yield for shareholders that combines capital gains and dividends (total shareholder yield). Relative TSRs (against TOPIX) compares the Company's TSR with the average TSR of TOPIX constituents in the covered period.

*2 GHG emissions intensity per unit of net sales: An indicator that divides the Company Group's amount of emitted GHG (Greenhouse Gas) by net sales, which shows the carbon efficiency in the business activities

Composition of Compensation *1

	Fixed Compensation		Variable Compensation	
	Monthly Compensation	Bonus	Stock Compensation	
Directors President & CEO	35%	30%	35%	
Directors who concurrently serve as executive officers (excluding President & CEO)	50%	25%	25%	
Directors who do not concurrently serve as executive officers*2 (Director & Chairman)	60%		40%	
Directors who do not concurrently serve as executive officers*2 (excluding Director & Chairman and directors who are Audit and Supervisory Committee members)		90%	10%	

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

*2 Stock compensation for directors who do not concurrently serve as executive officers (including Independent directors) consists only of the fixed portion. The fixed portion of stock compensation is not linked to the business performance of the Company, and is only linked to the share price of the Company.

Compensation System

Variable Compensation

	Bonus	Stock Compensation
Composition	The compensation for each officer's position is adjusted based on the consolidated performance indicators for the fiscal year, with the aim of further enhancing their motivation to meet the annual performance targets.	The plan is intended to enhance the motivation to contribute to medium- to long-term improvements in corporate value and to promote sharing of gains with shareholders, as well as to further enhance the motivation to achieve the performance targets in the medium-term management plan. Compensation under the plan consists of a performance-linked component, whereby the Company issues AGC shares—the number of which varies in accordance with each officer's position and their level of achievement of the consolidated performance indicators in the medium-term management plan—and a fixed component, whereby a fixed number of AGC's shares are issued in accordance with each officer's position.
Performance Indicators	Performance indicators shall be return (operating profit) on capital employed (calculated by dividing operating profit by operating assets) and cash flows, given the importance of improving business profitability and asset efficiency, as well as of generating cash flows.	In addition to the financial indicators ROE (weighted at 30%) and EBITDA (also 30%), the Company uses a stock price indicator, TSR relative to TOPIX (20%), and non-financial indicators, GHG emissions intensity per unit of net sales (10%) and employee engagement (10%).
Variable Elements	The amount shall vary in accordance with the level of achievement of the target for return (operating profit) on capital employed and the level of improvement of cash flows compared with the previous year. Further, the amount shall vary within a range of 0% to 200% of the standard payment amount, in principle, with consideration for factors including companywide performance, improvement of non-financial capital and progress in business portfolio conversion, as well as individual performance.	The performance-linked component is calculated as a weighted average with prescribed ratios (25% for the first year, 25% for the next year, and 50% for the final year) regarding the level of achievement of financial indicators (ROE and EBITDA) in each year during the medium-term management plan. In addition, stock price indicators and non-financial indicators are calculated based on the degree of achievement of the targets at the end of the medium-term management plan. As a general rule, it shall vary in the range of 0–200% of the standard payment amount. Officers shall continue to hold AGC shares acquired through the stock-based compensation system following the conclusion of the medium-term management plan until they retire from office.
Compensation Results Based on 2025 Performance Indicators	2025 Results -Return (operating profit) on capital employed was 5.4% (adjusted amount), compared with a target of 6.9%. -Cash flow indicator increased compared with the previous year. -In light of the two indicators above and a special evaluation, bonuses to be paid to directors serving concurrently as executive officers were set at 100% of the standard payment amount.	2025 Results -ROE was 4.7%, compared to the target of 8.4% set during the initial formulation of the medium-term management plan for the fiscal year ending December 31, 2026, the final year of the medium-term management plan. -EBITDA was ¥307.3 billion (calculated simply by adding operating profit and depreciation and amortization), compared to the target of ¥441.0 billion set during the initial formulation of the medium-term management plan for the fiscal year ending December 31, 2026, the final year of the medium-term management plan.
Targets	2026 Targets Given the importance of increasing the profitability and asset efficiency of businesses and generating cash flows, return on capital employed and cash flows will be used as performance indicators.	Medium-Term Management Plan (2026) Targets Among the performance indicators used for stock compensation, the targets for the financial indicators, ROE and EBITDA, for the fiscal year ending December 31, 2026 are as follows. ROE: 8.4% or more EBITDA: ¥441.0 billion or more

Introduction to Directors (as of March 31, 2026)

<Directors>



Years of service: 12
Number of the Company's shares held: 48,800
Important concurrent positions: None



Years of service: 5
Number of the Company's shares held: 15,700
Important concurrent positions: None



Years of service: 0
Number of the Company's shares held: 11,000
Important concurrent positions: None

Please see here for the career summaries of directors and other details.

For information about executive officers, please see here.



Years of service: 1
Number of the Company's shares held: 700
Important concurrent positions:
Representative Member of the Board, Chairman,
DENSO CORPORATION
Outside Audit and Supervisory Board Member, KDDI
CORPORATION



Years of service: 4
Number of the Company's shares held: 400
Important concurrent positions:
Chairman of the Board, Representative Director, President
and CEO, Shionogi & Co., Ltd.
Outside Director, Japan Exchange Group, Inc.
Outside Director, Sumitomo Mitsui Financial Group, Inc.



Years of service: 0
Number of the Company's shares held: 0
Important concurrent positions:
Specially Appointed Professor, Graduate School of
Social Data Science, Hitotsubashi University
Outside Director, Marubeni Corporation

<Directors who are Audit and Supervisory Committee Members>



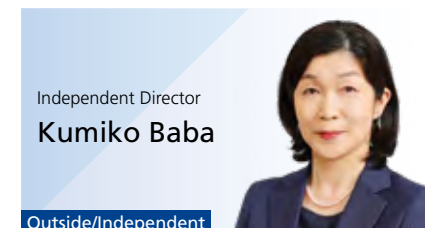
Years of service: 3
Number of the Company's shares held: 600
Important concurrent positions:
Outside Director, JAPAN PURE CHEMICAL CO., LTD.
Outside Director, Sansai Technologies, Inc.



Years of service: 1
Number of the Company's shares held: 3,700
Important concurrent positions: None



Years of service: 3
Number of the Company's shares held: 300
Important concurrent positions:
Attorney, Hibiya Park Law Offices
Outside Director, Tokio Marine Holdings, Inc.
Outside Director, Mitsubishi Electric Corporation



Years of service: 0
Number of the Company's shares held: 0
Important concurrent positions:
Advisor, JFE Engineering Corporation
Outside Director (Audit and Supervisory Committee
Member), SWCC Corporation

Officers

Skills of Directors

◎ Indicates chairperson

Name	Posts	Board of Directors	Nominating Committee	Compensation Committee	Audit and Supervisory Committee	Global Business Management	Legal & Compliance	Finance & Accounting	Environment & Social	Sales & Marketing	Manufacturing & R&D	IT, DX
Yoshinori Hirai	Representative Director, President & CEO	○	○	○		●			●	●	●	●
Hideyuki Kurata	Representative Director & CTO	○				●			●	●	●	●
Yoshio Takegawa	Representative Director & CFO	○				●		●		●	●	
Koji Arima	Independent directors	◎	○	○		●			●	●	●	●
Isao Teshirogi	Independent directors	○	◎	○		●			●	●	●	
Yuri Okina	Independent directors	○	○	◎				●	●			
Isamu Kawashima	Independent Director and Audit and Supervisory Committee Member (Full-time)	○			◎	●	●	●				
Naoko Araki	Director and Audit and Supervisory Committee Member (Full-time)	○			○		●		●			
Haruka Matsuyama	Independent Director and Audit and Supervisory Committee Member	○			○		●		●			
Kumiko Baba	Independent Director and Audit and Supervisory Committee Member	○			○	●	●	●				

Reason for Selection of Each Skill and Definitions of Skills

The AGC Group uses a skills matrix for the purpose of verifying whether human resources are being properly selected by providing a visual representation to determine if the overall composition of the Board of Directors is well balanced in terms of knowledge, skills, and experience.

There are seven skill categories that relate to three perspectives, which are corporate governance, strategic coherence, and business characteristics. The Company examines whether it is necessary to reassess these skills when the corporate governance structure changes and when new medium-term management plans are formulated.

Perspectives

1 Governance

Consistency with the functions required of the Board of Directors

2 Strategic Coherence

Key strategies of **AGC plus-2026**

- Evolution of ambidextrous strategy
- Deepening of sustainability management
- Promoting of value creation DX
- Strengthening of the management foundation

3 Business Characteristics

Includes diverse specialized skills

	Skills	Definitions of skills
Foundational skills required for management oversight	Global Business Management	The ability to make long-term policy decisions and to oversee the management of a corporation from a global perspective as well as the perspectives of business portfolios and human resource management
	Global management	The ability to oversee management of a corporation from a global perspective
	Business portfolio management	The ability to oversee the optimal allocation of management resources while considering an optimal balance of businesses
	Human resource management	The ability to oversee the status of development and management of human resources linked to management strategies
	Legal & Compliance	The ability to oversee management with a perspective based on knowledge of legal and compliance matters
	Finance & Accounting	The ability to oversee financial strategies and corporate accounting linked to management strategies with knowledge of financial and accounting matters
Diverse specialized skills	Environment & Social	The ability to oversee management with a perspective based on knowledge necessary to achieve both a sustainable global environment and society and sustainable growth
	Sales & Marketing	The ability to support the execution of sales and marketing strategies while understanding changes in the external environment and the needs of customers
	Manufacturing & R&D	The ability to support the execution of the development of new products through research and technological innovation, as well as the operation and improvement of production systems
	Manufacturing	The ability to support execution of the management and reform of production organizations with knowledge of manufacturing technologies as well as of production and quality management
	Research and development	The ability to support execution in the development of new products using research and technological innovation
	IT, DX	The ability to support execution in the transformation of business models, business processes, etc. through the use of data and digital technologies

Compliance

Compliance is the fundamental premise underlying the AGC Group's business activities. To that end, the AGC Group Code of Conduct sets forth group-wide requirements for all employees in the workplace. This Code of Conduct comprises global requirements of business conduct that all employees must follow, regardless of country or region, and regional requirements that take into account the difference in laws, regulations, and business customs of those areas, including supplementary explanations on universal items.

The working regulations of each AGC Group company state that a violation of the AGC Group Code of Conduct is grounds for disciplinary action. In addition, if an employee voluntarily consults about or reports his or her own Code of Conduct violation, this will be taken into consideration when determining disciplinary action. The AGC Group has introduced a system in which its employees periodically submit a personal certification to follow the AGC Group Code of Conduct. The goal of the system is to ensure that all employees renew their awareness of compliance and take a fresh look at business affairs and the workplace.

Initiative: Compliance training and surveys

The AGC Group continuously provides ongoing face-to-face training and e-learning related to compliance for officers and employees. In addition, we use surveys to gauge the level of compliance awareness and recognition of hotlines, and implement any necessary measures based on the results.



Risk Management

The Group has established the AGC Group Enterprise Risk Management Basic Policies based on its Corporate Policy over Internal Control, the establishment of which was approved by a resolution of the Board of Directors. Through enterprise risk management (ERM) framework developed under these basic policies, we formulate guidelines for responding to risks that may affect the Group's management objectives and have established a system to prevent the occurrence of risks and minimize their impact if they do occur.

In our ERM process, the CEO judges strategic risks at the Management Committee, Business Strategy Meeting, etc. For other risks, in accordance with the AGC Group Three Lines of Defense Model, Group Corporate Division (second line of defense) directs Business Divisions (first line of defense) on policies for responding in the event of accidents, disasters, or other crises. Additionally, the Internal Audit Division (third line of defense) audits the status of risk management.

Furthermore, within the AGC Group, risks that require particularly intensive monitoring in consideration of their significance in terms of impact on management and the likelihood of their occurrence are selected as key risks. The Group implements measures to mitigate such risks and conducts annual group-wide self-assessments to continuously improve the level of risk management.

Initiative: Establishment and Improvement of Business Continuity Plan (BCP)

The AGC Group has established four basic policies for responding in the event of accidents, disasters, or other crises. These policies are: "human life and safety first," "prevention of secondary disasters," "contribution to and co-existence with society," and "business continuity." Each business division and site develop its own BCP. In 2025, we issued the AGC Group Business Continuity Plan (BCP) Development Guidelines, which set out a recommended process for developing BCPs, thereby promoting standardization of plans, while advancing initiatives to enhance their effectiveness based on business impact analyses and risk assessments for critical operations.

Information Security

The AGC Group established the AGC Group Information Security Basic Policy, to promote the appropriate storage, use, and management of information assets as well as the protection of personal information.

Under the AGC Group Information Security Basic Policy, the AGC Group has formulated its management regulations and guidelines based on the AGC Group's common initiative items and in line with ISO 27000, the international standard for information security management systems, and has put the necessary management system in place. We have also established a dedicated Computer Security Incident Response Team (CSIRT) and response procedures to minimize the impact of any serious information security incidents. Depending on the severity of the impact, a Group Task Force Headquarters will be established and will respond in accordance with the AGC Group Rules for Crisis Management and Business Continuity Management.

To maintain stable transactions with its customers, we are reinforcing initiatives under this structure for tackling the increasing threat of cyberattacks. We have formulated Groupwide common management regulations based on international standards for measures to address the security of our information systems and production equipment as well as improve our protection and detection solution. At the same time, we have put in place a management system under which we are working to improve structures and carry out training with a view to strengthening our ability to respond quickly in the event of an information security incident occurring. Furthermore, in light of the diversification of working patterns in the post-COVID-19 era, we have responded by strengthening our existing security measures related to remote work.

Initiative: Implementation of information security education

We are striving to raise awareness of information security by providing training to new graduates and mid-career hires upon joining as well as annual training to existing employees, in order to respond appropriately to cyberattacks and other security risks.

Financial Data

Organizations covered in the report: AGC Inc. and its consolidated subsidiaries Reporting period: January 1 to December 31

Business Results

	2017	2018	2019	2020	2021	2022	2023	2024	2025
	(Millions of yen)								
Net sales	1,463,532	1,522,904	1,518,039	1,412,306	1,697,383	2,035,874	2,019,254	2,067,603	2,058,832
Operating profit	119,646	120,555	101,624	75,780	206,168	183,942	128,779	125,835	127,465
Profit before tax	114,424	128,404	76,213	57,121	210,045	58,512	122,775	(50,050)	124,758
Profit (loss) for the year	79,297	101,991	55,515	41,164	159,062	22,505	82,484	(77,924)	79,470
Profit (loss) for the year attributable to owners of the parent	69,225	89,593	44,434	32,715	123,840	(3,152)	65,798	(94,042)	69,162
Cash flows from operating activities	203,504	189,287	191,906	225,392	326,713	217,146	212,546	284,815	274,476
Cash flows from investing activities	(209,560)	(194,450)	(182,636)	(230,248)	(123,787)	(145,312)	(179,790)	(195,583)	(178,404)
Free cash flow	(6,055)	(5,162)	9,269	(4,855)	202,926	71,834	32,755	89,232	96,072

Major Investment Indices

	2017	2018	2019	2020	2021	2022	2023	2024	2025
	(Millions of yen)								
Market value	1,102,751	758,662	869,552	796,764	1,216,595	974,298	1,109,050	980,315	1,101,180
Return on equity attributable to owners of the parent (ROE)*1	6.1%	7.7%	3.9%	2.9%	10.2%	—	4.6%	—	4.7%
Return on assets (ROA)*2	5.7%	5.4%	4.4%	3.1%	7.9%	6.7%	4.5%	4.3%	4.4%
Price / earnings ratio (PER) (times)	16.15	8.59	19.57	24.35	9.82	(309.07)	17.18	(10.42)	15.92
Price / book value ratio (PBR) (times)	0.93	0.67	0.75	0.71	0.93	0.70	0.77	0.68	0.74
Return on invested capital (ROIC)*3	4.1%	5.0%	2.4%	1.6%	5.9%	(0.1%)	2.9%	(4.0%)	2.9%
EBITDA*4	249,879	259,424	231,856	208,458	383,226	253,209	315,965	147,842	319,147
Earnings (loss) per share (yen)*5	300.65	397.58	199.95	147.24	557.10	(14.22)	304.01	(443.71)	325.67
Cash dividends per share (yen)*5	105.00	115.00	120.00	120.00	210.00	210.00	210.00	210.00	210.00
Consolidated total return ratio	34.8%	28.8%	59.7%	81.2%	37.6%	—	68.9%	—	64.4%

*1 Return on equity attributable to owners of percent = Profit (loss) for the year attributable to owners of the parent / Equity attributable to owners of the parent

*2 Return on assets = Operating profit / Total assets

*3 Return on invested capital = Profit (loss) for the year attributable to owners of the parent / Average invested capital. Invested capital = Total equity + Interest-bearing debt

*4 Earnings before interest, tax, depreciation, and amortization (EBITDA) = Profit before taxes + Depreciation + Interest expenses

*5 The Company consolidated its common shares at a ratio of 5 shares to 1 share on July 1, 2017. Accordingly, per-share data has been recalculated.

Financial Data

Asset and Efficiency Indicators

	2017	2018	2019	2020	2021	2022	2023	2024	2025
	(Millions of yen)								
Total assets	2,228,560	2,235,776	2,335,415	2,534,458	2,666,031	2,814,029	2,932,991	2,889,665	2,950,077
Property, plant and equipment	1,060,601	1,108,934	1,177,691	1,246,885	1,323,868	1,350,769	1,457,950	1,550,862	1,652,885
Inventories	261,708	277,014	291,224	274,835	330,101	436,516	454,056	454,143	465,415
Trade receivables	260,497	260,111	264,102	266,177	295,161	315,808	338,850	332,442	324,396
Total asset turnover (times)^{*6}	0.70	0.68	0.66	0.58	0.65	0.74	0.70	0.71	0.71
Tangible fixed asset turnover (times)^{*7}	1.46	1.40	1.33	1.16	1.32	1.52	1.44	1.37	1.29
Inventory turnover (months)^{*8}	2.8	2.9	3.1	3.2	3.1	3.1	3.5	3.5	3.5
Receivables turnover (months)^{*9}	2.1	2.1	2.1	2.3	2.0	1.8	1.9	1.9	1.9

Indicators of Stability

	2017	2018	2019	2020	2021	2022	2023	2024	2025
	(Millions of yen)								
Shareholders' equity^{*10}	1,184,034	1,137,204	1,157,097	1,115,142	1,314,161	1,390,254	1,447,080	1,435,787	1,485,126
Equity ratio	53.1%	50.9%	49.5%	44.0%	49.3%	49.4%	49.3%	49.7%	50.3%
Debt-to-equity ratio (times)^{*11}	0.38	0.43	0.47	0.63	0.41	0.41	0.42	0.39	0.37

*1 Return on equity attributable to owners of percent = Profit (loss) for the year attributable to owners of the parent / Equity attributable to owners of the parent

*2 Return on assets = Operating profit / Total assets

*3 Return on invested capital = Profit (loss) for the year attributable to owners of the parent / Average invested capital. Invested capital = Total equity + Interest-bearing debt

*4 Earnings before interest, tax, depreciation, and amortization (EBITDA) = Profit before taxes + Depreciation + Interest expenses

*5 The Company consolidated its common shares at a ratio of 5 shares to 1 share on July 1, 2017. Accordingly, per-

share data has been recalculated.

*6 Total asset turnover = Net sales / Total assets Average of beginning and ending balance

*7 Tangible fixed asset turnover = Net sales / Tangible fixed assets (Property, plant and equipment) Average of beginning and ending balance

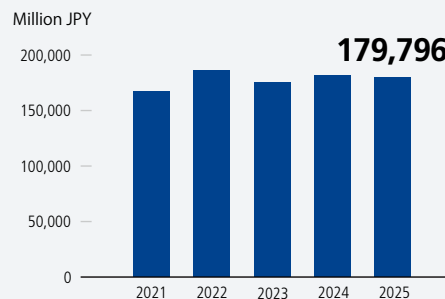
*8 Inventory turnover = Inventories / (Cost of sales / 12) Average of beginning and ending balance

*9 Receivables turnover = Trade notes and accounts receivable (Trade receivables) / (Net sales / 12)

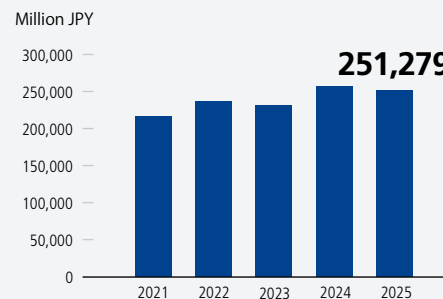
*10 Shareholders' equity = Net assets – Treasury shares – Minority interests

*11 Debt-to-equity ratio = Interest-bearing debt / Net assets (equity)

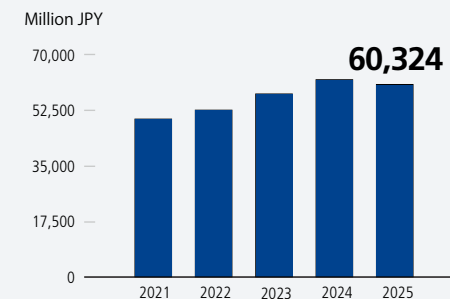
Depreciation



Capital Expenditure

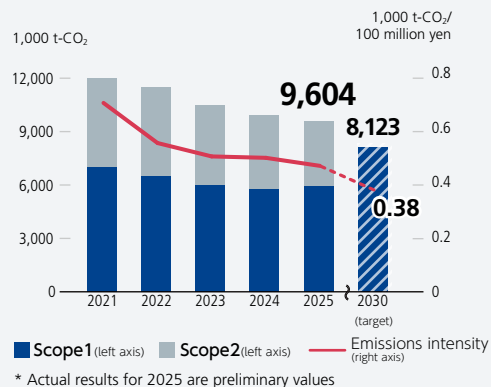


R&D



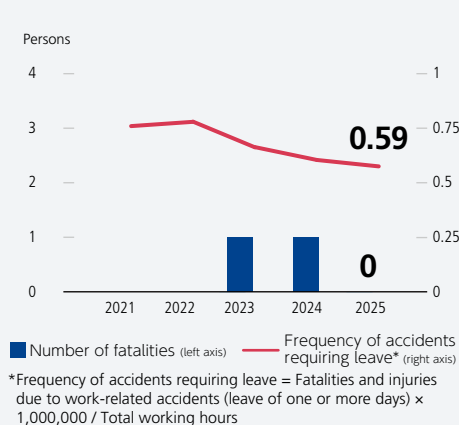
Non-Financial Highlights

GHG Emissions (Scope 1, 2)



We aim to achieve carbon net zero by 2050, a 30% reduction in GHG emissions by 2030 compared to 2019, and a 50% reduction in GHG emissions per unit of sales by 2030.

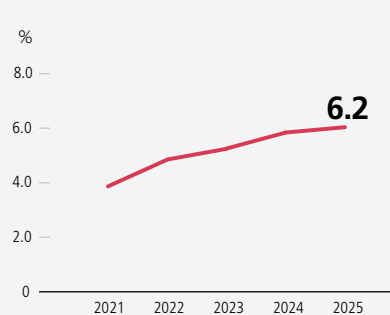
Number of Occupational Accidents



The AGC Group promotes health and safety activities based on its policy of "No Production without Safety."

Percentage of Female Managers (Section Managers and Above)*

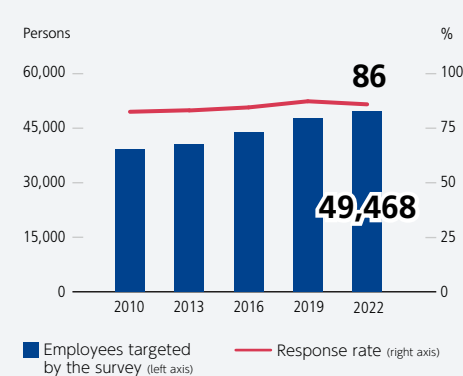
(AGC, Non-Consolidated Basis)



*As of December 31 of each year (excluding employees aged 60 and above)

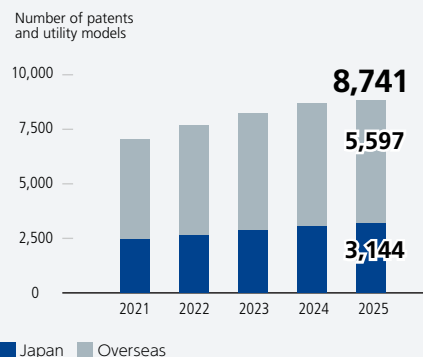
To provide society with value through the realization of diversity that empowers talented personnel regardless of gender, AGC aims for women to account for 30% of its directors and Audit and Supervisory Board members, 20% of its executive officers, and 8% of its managers by 2030 on a non-consolidated basis.

Engagement Surveys



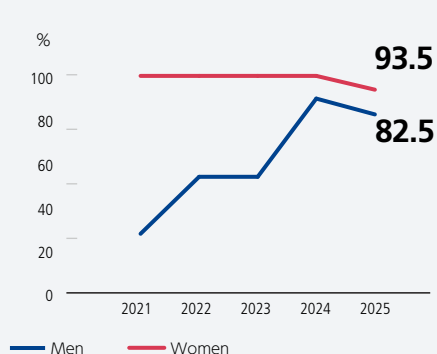
We conduct engagement surveys every three years as a general rule targeting all AGC Group employees. Based on the survey results, we determine and implement necessary measures in each division and workplace. We continually strive to enhance engagement by verifying the effectiveness of these measures through annual simplified surveys.

Patents and Utility Models



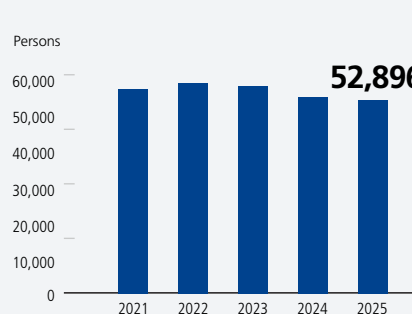
In alignment with our management strategy, we are enhancing our competitiveness in the global market through a strategic approach to intellectual property.

Childcare Leave Take-Up Rate



To ensure employees can take time off work for childcare, we have created a workplace environment that enables them to balance work and home life, including the creation of the "Work and Childcare Balance Support Handbook." In this way, we provide an environment where employees can live rich and full lives, while balancing work and home life.

Consolidated Group employees



The AGC Group operates in more than 30 countries and regions, with over 50,000 employees working globally.

External Evaluations

The main socially responsible investment (SRI)- and environmental, social, and governance (ESG)-related indices for which the AGC Group has been selected, as well as the main external evaluations of the AGC Group's ESG activities, are as follows.

Inclusion in SRI/ESG Investment Indexes

• FTSE Index

AGC has been selected for the FTSE4Good Index Series, an SRI index created by FTSE Russell (headquartered in the United Kingdom); the FTSE JPX Blossom Japan Index, an integrated ESG index that acknowledges the excellent performance of Japanese companies in ESG activities; and the newly created FTSE JPX Blossom Japan Sector Relative Index*.



*The FTSE JPX Blossom Japan Sector Relative Index is designed to measure the performance of Japanese companies with excellent track records in ESG activities relative to their sectors. To promote the transition to a low-carbon economy, only companies that are major greenhouse gas emitters and are actively improving their practices, as assessed by Transition Pathway Initiative management quality scores, are included in the index.

• MSCI Japan Equity ESG Select Leaders Index

AGC was selected for inclusion in the MSCI Japan Equity ESG Select Leaders Index*, an index created by MSCI Inc. of the United States, which selects companies that excel in ESG evaluations.

* THE INCLUSION OF AGC Inc. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF AGC Inc. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

• S&P/JPX Carbon Efficient Index

The S&P/JPX Carbon Efficient Index uses TOPIX, a representative stock index that shows trends in the Japanese market, as its universe, and focuses on the disclosure status of environmental information and the level of carbon efficiency (carbon emissions per sales amount) to determine the weights of constituent stocks. This index has been selected as an ESG index by the Government Pension Investment Fund (GPIF).

External Evaluations of ESG Activities and other initiatives

• EcoVadis

Certain AGC bases have been highly evaluated in sustainability assessments conducted by EcoVadis (headquartered in France).

PLATINUM: AGC Pharma Chemicals Europe, S.L.U.

GOLD: AGC Wakasa Chemicals Co., Ltd.

SILVER: Chiba Plant, Kashima Plant, AGC Si-Tech Co., Ltd., AGC Chemicals Americas, Inc., AGC Biologics A/S, AGC Biologics S.p.A.

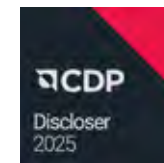
BRONZE: P.T. Asahimas Chemical, AGC Vinythai Public Company Limited

Note: As of the end of January 2026



• CDP

AGC received an A- rating in the Climate Change category in CDP 2025, which scores the environmental initiatives of companies and municipalities and discloses information to investors and other stakeholders.



• SBTi

AGC has received WB2°C* certification from the Science Based Targets initiative (SBTi), which encourages companies to set GHG emissions reduction targets based on scientific evidence and also conducts the screening and certification of these targets.



*Well-below 2°C

• Digital Transformation (DX) Stock

AGC was one of 31 companies selected by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange as a Digital Transformation (DX) Stock 2025, which recognizes companies that demonstrate outstanding utilization of digital technologies and the establishment of internal systems for promoting DX, thereby enhancing corporate value.



• NIKKEI Smart Work

AGC received a four-star rating in the Nikkei Smart Work Management Survey, organized by Nikkei Inc. This survey recognizes advanced companies that are pioneering a productivity revolution through workstyle reforms.



The Asahi Glass Foundation

Creating a Truly Rich Society by Supporting Trailblazing Research and Fostering Talent

af THE ASAHI GLASS FOUNDATION

The Asahi Glass Foundation traces its origins back to the Asahi Foundation for Chemical Industry Promotion, which was established in 1933 to commemorate the 25th anniversary of the founding of Asahi Glass Co., Ltd. (now AGC Inc.). In 1990, the foundation expanded its scope of grants and established new award programs, and the name of the foundation was changed to the Asahi Glass Foundation. In 2018, it assumed its current form through taking over the Scholarship Program of the Asahi Glass Scholarship Foundation.

The Asahi Glass Foundation is committed to enriching society through a widening range of activities, including providing grants for talent engaged in cutting-edge research, granting scholarships to future leaders, recognizing individuals and organizations that have made significant contributions toward solving global environmental problems, and supporting raising awareness among the younger generation.



The Blue Planet Prize symbol engraved on a trophy

Commendation Program

- Presenting the “Blue Planet Prize,” an international environmental award
- Conducting the Questionnaire on Environmental Problems and the Survival of Humankind as well as reporting the time on the “Environmental Doomsday Clock®.”
- Conducting the Survey on the Awareness of Environmental Issues among the General Public.

Awareness Support Program

- Called for proposals and conducted the “Global Environmental Issues Workshop for the Young Generation, etc.” to help gain a deeper understanding of global environmental issues and support initiatives to resolve these issues

Blue Planet Prize



The Blue Planet Prize is awarded to individuals and organizations in recognition of outstanding contributions toward solving global environmental problems. The award was established by the Asahi Glass Foundation in 1992, and as a general rule, two recipients are selected each year, and the announcement of the awardees takes place in June. In the fall, an award ceremony and commemorative lectures are held in Tokyo and Kyoto to welcome the laureates. Each recipient receives a certificate of merit, a commemorative trophy, and 500,000 USD in prize money.

The award’s name was inspired by the remark “The Earth is blue,” uttered by the first human in space, Russian cosmonaut Yuri Gagarin, upon viewing our planet. The Blue Planet Prize was so named in the hope that our blue planet will be a shared asset capable of sustaining human life far into the future.

Laureates of 2025



Prof. Robert B. Jackson (US)

Award achievement: initiatives to reduce greenhouse gas emissions through research on the carbon cycle



Dr. Jeremy Leggett (UK)

Award achievement: Incorporating climate change risks into financial and capital markets

Main Programs of the Asahi Glass Foundation

Scholarship Program

- Fostering exceptional future leaders by providing scholarships to Japanese and international students enrolled in graduate schools in Japan.

Provision of **approx. 3.8 billion yen (cumulative)**, covering **4,389 scholarships (cumulative)**

- Support for high school students severely affected by disasters (the Great East Japan Earthquake and the Noto Peninsula Earthquake)

Provision of **approx. 130 million yen (cumulative)**, covering **145 students (cumulative)**

Research Grant Program

- Supporting original research by giving grants to universities and technical colleges in Japan, Thailand, Indonesia, and Vietnam.

Provision of **approx. 13.0 billion yen**, covering **6,020 grants**

- Research grants are offered across a wide range of fields, from natural sciences and architecture/urban studies to the humanities, social sciences, and environmental studies
- The Blue planet Special Grant for Global Environmental Research supports interdisciplinary studies aimed at addressing challenges related to the global environment



Corporate and Stock Information

Corporate Information

Head office	1-5-1, Marunouchi, Chiyoda-ku, Tokyo 100-8405, Japan
Trade name	AGC Inc.
Company name	AGC Inc.
Founded	September 8, 1907
Incorporated	June 1, 1950
Representative	Yoshinori Hirai, Representative Director, President & CEO
Capital	¥90,873 million
Number of consolidated subsidiaries	175 (including 140 overseas)

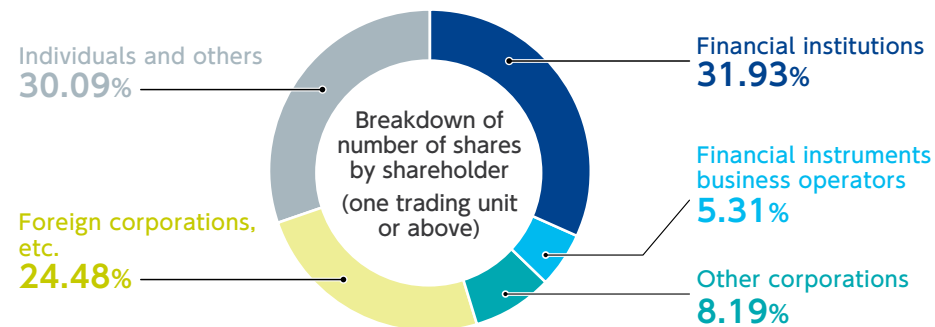
Stock Information

Stock listing	Tokyo Stock Exchange
Industry	Glass and ceramic products
Securities code	5201
Trading unit	100
Fiscal year	January 1 to December 31
Ordinary General Meeting of Shareholders	March

Stock Information

Stock authorized	400,000,000 shares
Stock issued	217,434,681 shares
Total number of shareholders	151,070

Shareholder Information



Major Shareholders

	Number of shares held (Thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	32,440	15.28
Custody Bank of Japan, Ltd. (Trust Account)	14,882	7.01
Meiji Yasuda Life Insurance Company	7,693	3.62
The Asahi Glass Foundation	6,390	3.01
Asahi Glass Business Partner Shareholding Association	4,900	2.31
STATE STREET BANK AND TRUST COMPANY 505001	4,034	1.90
Nippon Life Insurance Company	3,663	1.72
AGC Employee Shareholding Association	3,154	1.48
Barclays Securities Japan Limited BNYM	3,000	1.41
JP MORGAN CHASE BANK 385781	2,857	1.35

Note: In addition to the above, AGC Inc. holds treasury stock of 5,070,502 shares.

Note: The shareholding ratio is calculated excluding treasury stock.