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Progress of the Medium-term Management Plan **AGC plus-2023** and Initiatives to Realize the Long-term Management Strategy Vision 2030

AGC (AGC Inc., Headquarters: Tokyo, President: Yoshinori Hirai) hereby presents the progress of its medium-term management plan **AGC plus-2023** and its initiatives to realize its long-term management strategy **Vision 2030**.

<The AGC Group's Group Vision, Mid/Long-term Management Policy and Management Strategy>



1. Progress of the medium-term management plan **AGC plus-2023**

In February 2021, the AGC Group formulated its [long-term management strategy Vision 2030 and its medium-term management plan AGC plus-2023](#) to realize **Vision 2030**.

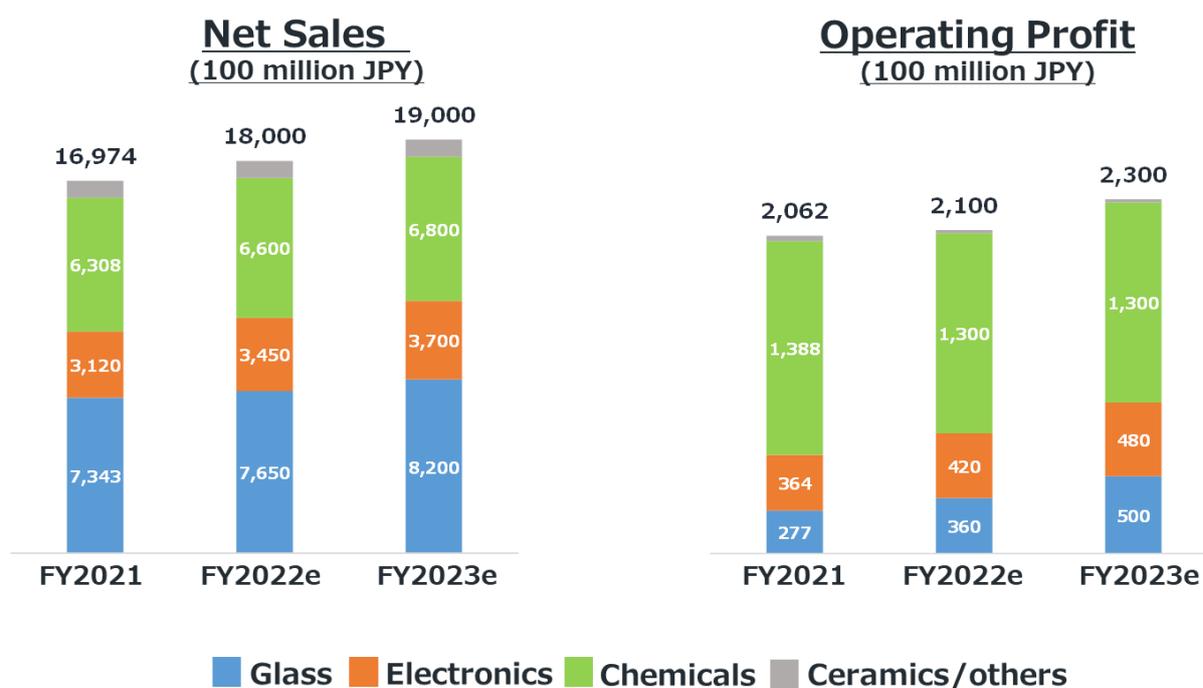
In fiscal 2021, the first year of **AGC plus-2023**, the AGC Group worked on the priorities set for each of its strategic and core businesses. In the strategic businesses, the Group made aggressive investments, mainly in the Electronics and Life Science businesses. In the core businesses, the Group further strengthened the foundations of the chlor-alkali business and worked to expand earnings, while implementing such structural reforms as the transfer of the architectural glass business in North America and the consolidation of production lines in the automotive glass business.

As a result of such initiatives, the AGC Group has achieved many of the financial targets in **AGC plus-2023** ahead of schedule in 2021, and has revised its financial targets significantly upward as described below.

<Financial targets>

	FY2021 Actual	FY2023 Target (Feb 2021)	FY2023 Target (Feb 2022)
OP	206.2 billion yen	160.0 billion yen	230.0 billion yen
ROE	10 %	8 %	10 %
Strategic Business OP	53.8 billion yen	70.0 billion yen	80.0 billion yen
D/E	0.41	0.5 or less	0.5 or less

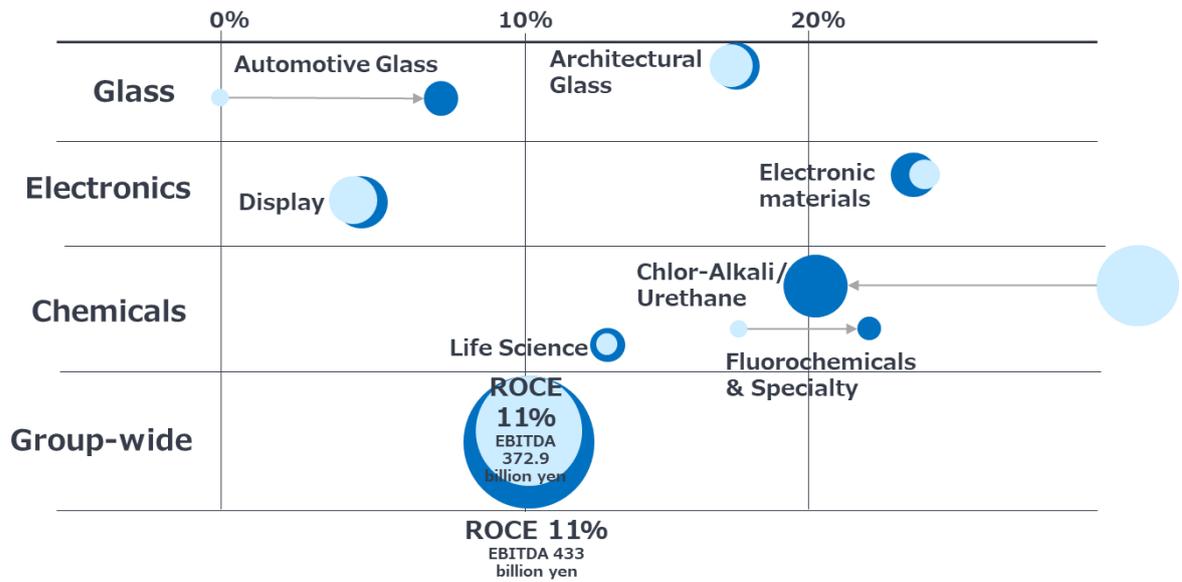
<To-be image of performance by business segment>



Allocation of investment resources and initiatives to improve asset efficiency

Under **AGC plus-2023**, the Group will continue to strengthen investment in strategic businesses (280 billion yen, an increase of 100 billion yen compared to the previous medium-term management plan), improve the asset efficiency of its each business and transform its business portfolio, aiming to continuously achieve a Group-wide ROCE (return on capital employed) of 10% or higher and EBITDA of 433 billion yen in 2023.

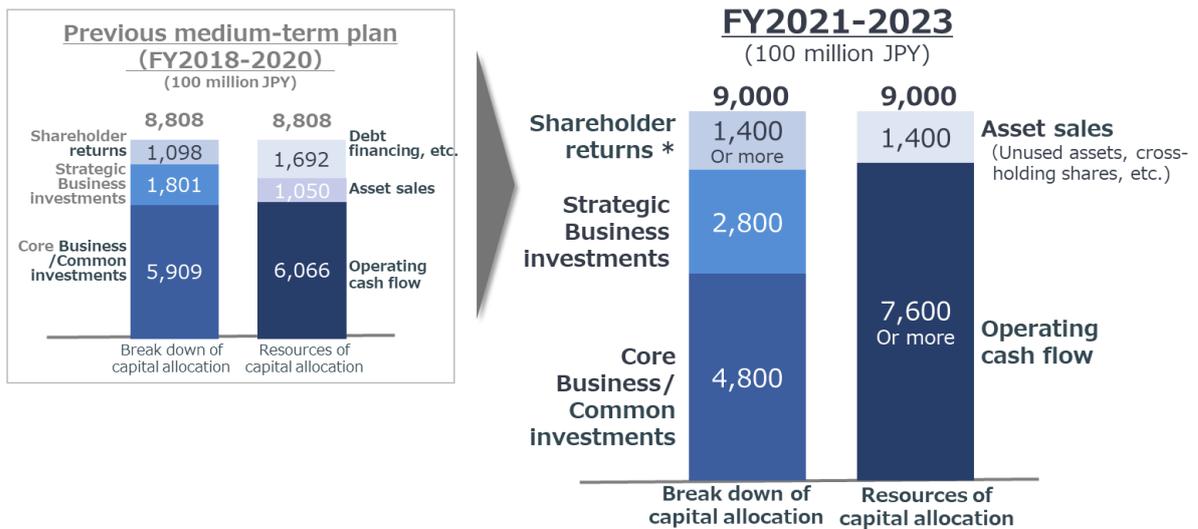
ROCE(FY2021 Actual vs FY2023 Estimate)



In addition, we will accelerate the sale of assets such as cross-held stocks, and the cash generated will be focused on strategic businesses and other businesses with high asset efficiency.

Furthermore, the AGC Group's basic policy on shareholder return is to maintain stable dividends with a consolidated payout ratio aiming for 40%, while flexibly implementing share buybacks. In line with this policy, we plan to secure investment opportunities in growth businesses and implement dividend payments and share buybacks while maintaining mid/long-term financial soundness.

The capital allocation policy for **AGC plus-2023** based on the above business plan, investment plan, and shareholder return policy is as follows.

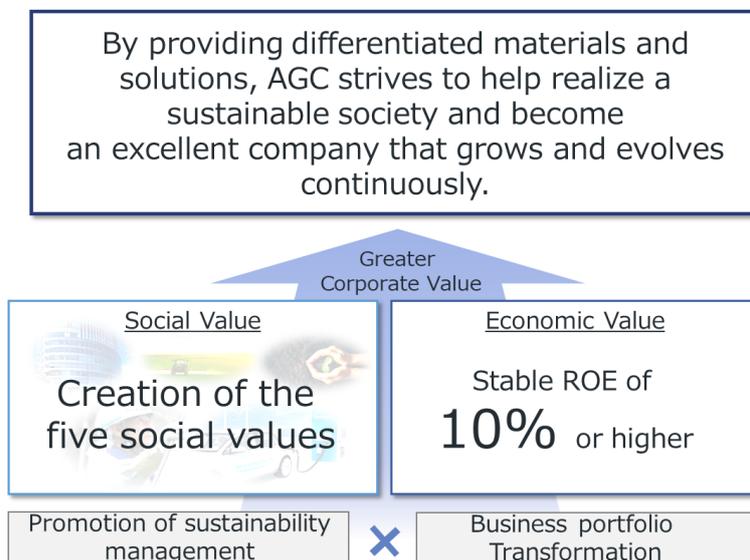


*:Including payment of dividend to non-controlling interest shareholders

2. Toward realization of Vision 2030

Economic and social value that the AGC Group wants to create

In order to realize our **Vision 2030** announced last year, we aim to continuously create social and economic value by promoting sustainability management and reforming our business portfolio.



Concerning the financial targets under Vision 2030, given the current business environment and other factors, we have revised up our financial targets for 2023 and 2025, and set a new operating profit target of 300 billion yen for 2030. In 2030, we aim to have the strategic businesses account for a majority of Company's operating profit and to achieve an ROE of 10% or higher on sustained basis.

		2021 (Actual)	2023	2025	2030	...	2050	
Economic Value	Operating profit	206.2 billion yen	230.0 billion yen	250.0 billion yen	300.0 billion yen			
	Strategic Business OP	53.8 billion yen	80.0 billion yen	100.0 billion yen	150.0 billion yen			
	EBITDA	372.9 billion yen	433.0 billion yen	490.0 billion yen				
	ROE	10%	Stable ROE of 10% or higher					
	D/E	0.41	0.5 or less					

In addition, we will continue to work on sustainability goals in all our business activities and contribute to solving the following five social issues.

- Realization of safe and comfortable urban infrastructure
- Realization of safe and healthy lifestyles
- Maintenance of a healthy and secure society
- Creation of fair and safe workplaces
- Realization of a sustainable global environment

Initiatives to realize our Vision 2030

① Transformation of the Group's business portfolio

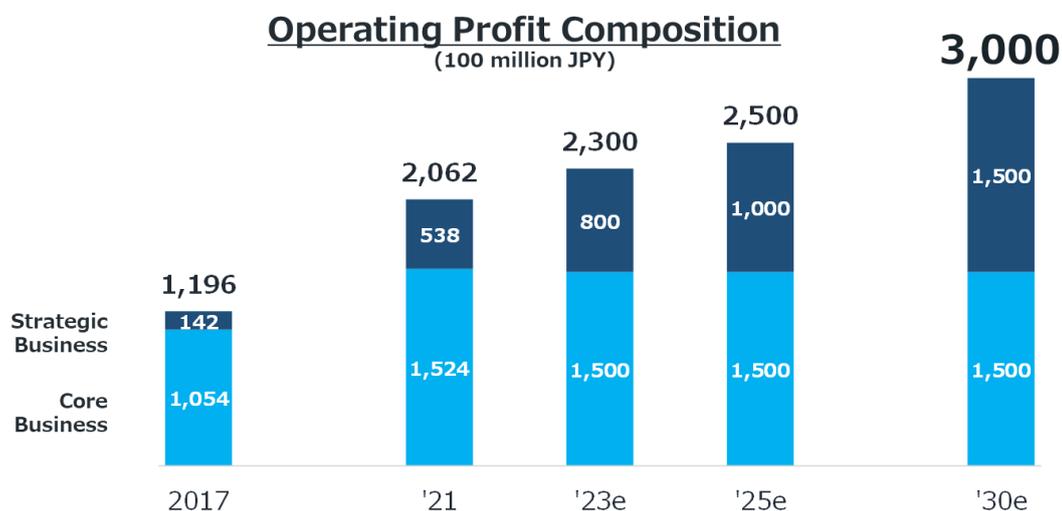
Through the practice of ambidextrous management by deepening the core businesses and exploring the strategic businesses, we aim to build a business portfolio that is resilient to market fluctuations and has high asset efficiency, growth potential, and carbon efficiency.

<Ambidextrous Management in the AGC Group>



Based on this policy, we will continue to invest intensively in the strategic businesses of Electronics, Life Science, and Mobility, where high growth is expected, as well as in the chlor-alkali business in Southeast Asia and fluorochemicals & specialty businesses. In the three glass businesses (architectural glass, automotive glass, and displays), we will continue to promote measures to improve asset efficiency and increase the ratio of high value-added products.

Through these initiatives, we aim to create a stable, long-term revenue base in the core businesses, while continuing to achieve high growth in our strategic businesses, so that in 2030, we will achieve companywide operating profit of 300 billion yen, with the strategic businesses accounting for the majority of that amount.

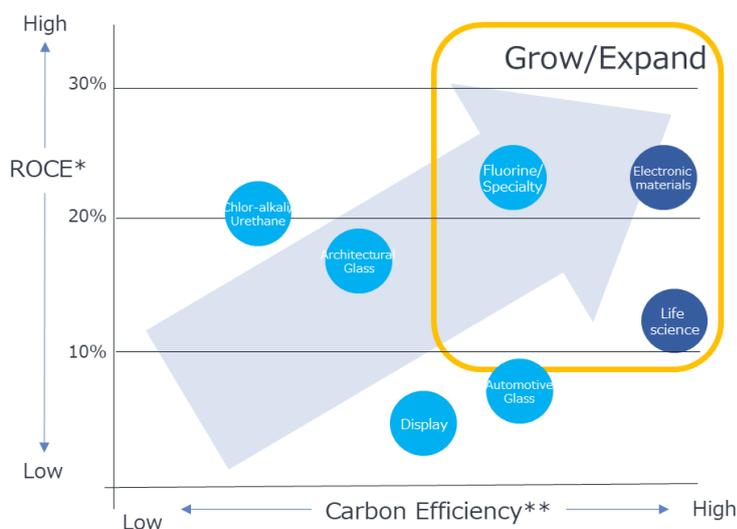


② Promoting sustainability management

(1) Addressing climate change

In response to the increasing demand to companies for a sustainable society in recent years, the AGC Group is accelerating the development of technologies and business development in the environmental and energy fields in both its core and strategic businesses, including the development of energy-saving glass manufacturing technology and the sale of eco-friendly products such as vacuum insulated glass. We will continue to contribute to the realization of a sustainable society by expanding our strategic businesses with high carbon and asset efficiency and by working to improve the carbon and asset efficiency of our core businesses.

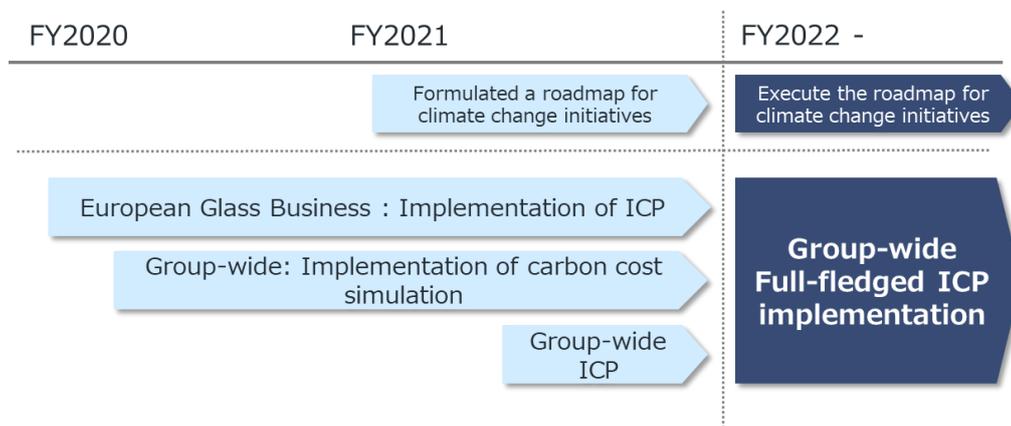
Direction of the AGC Group's business portfolio



* : Created based on the 2023 Target ** : Created Actual emission per net sales in 2020 ● Core Business ● Strategic Business

Furthermore, internal carbon pricing (ICP), which has already been introduced in our European glass business, will be fully introduced to all Group companies from February 2022 to accelerate our internal initiatives to reduce GHG emissions.

Internal Carbon Pricing Introduction Plan



Through these initiatives, the AGC Group aims to achieve net zero carbon emissions in 2050, a 30% reduction in GHG (greenhouse gas) emissions in 2030 as a milestone, and a 50% reduction in GHG emissions per unit of sales* to realize a sustainable global environment.

(*GHG emissions per unit of sales = GHG emissions/net sales)

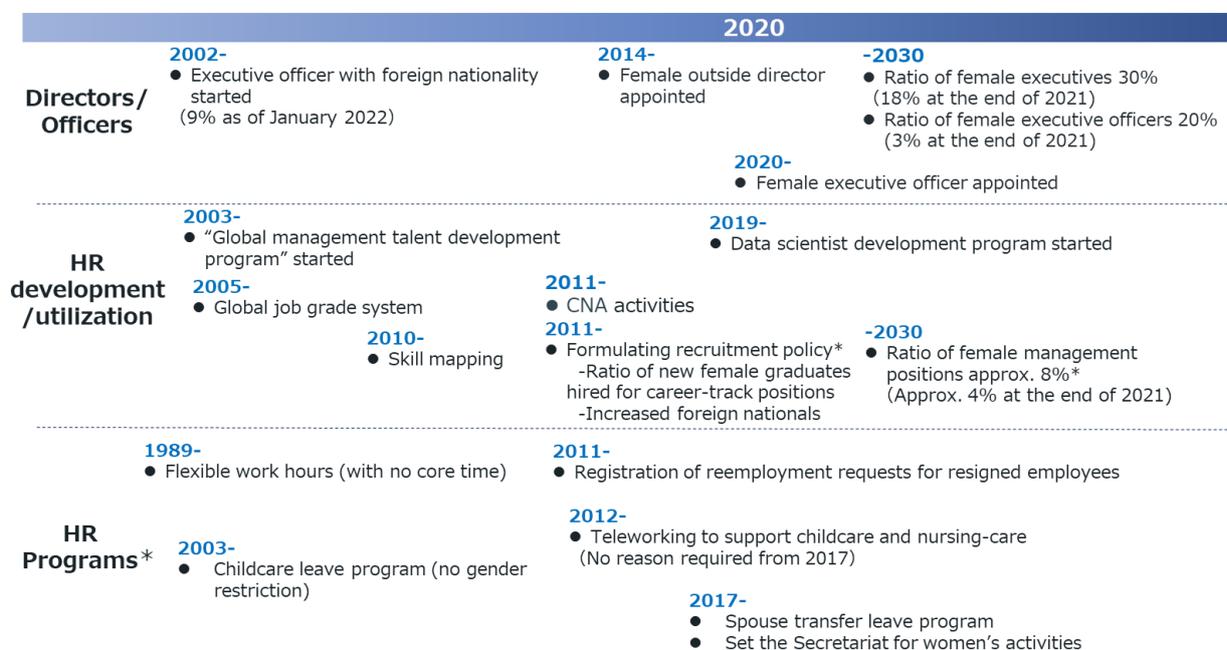


FY2030 milestone (from the 2019 figure)

- GHG emissions 30%reduction
(Scope 1+2 emission)
- GHG emissions per unit of sales 50%reduction
(Scope 1+2 emission/Net Sales)

(2) Human resources initiatives

Establishing the policy of "AGC People: the driver of our growth!", we have established the following HR programs to date with the aim of enabling each and every employee to fully demonstrate their capabilities, creating an organization that is stronger than the sum of its parts, and achieving our business strategies and organizaional targets while delivering corporate and individual growth.



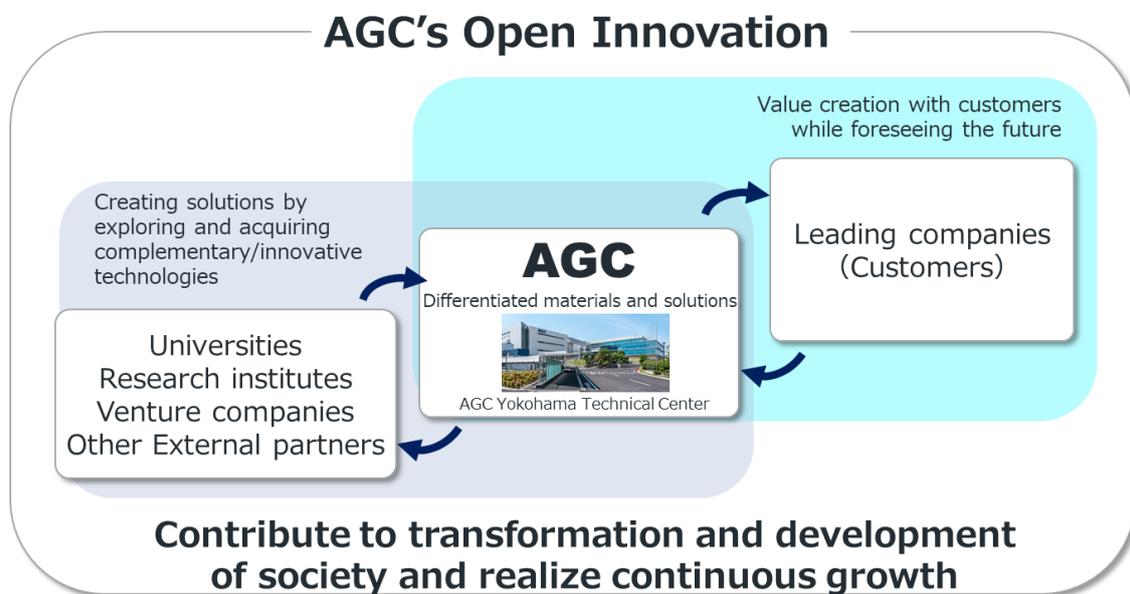
*Initiatives conducted at AGC Inc.

We will continue to promote a variety of initiatives based on the principles of "pursuing diversity", "strengthening the individuals", and "enhancing work engagement".

(3) Accelerating open innovation

Since its founding, the AGC Group has responded to the demands of the times and worked to solve social issues by taking on the challenges of R&D and commercialization. This has been undertaken from a long-term perspective, based on its unique materials and solutions that combine organic and inorganic material technologies, biotechnology, and common basic technology, as well as its relationships of trust with customers in a wide range of industries.

From the AGC Yokohama Technical Center, AGC's R&D base that opened in June 2021, we will continue to contribute to the transformation and development of society and achieve continuous growth by creating solutions through value creation initiatives with client companies that anticipate the future. This will also be accomplished by searching for and acquiring complementary and innovative technologies together with universities, research institutions, venture companies, and external partners.



The AGC Group will add value to all stakeholders, including society, customers, business partners, employees, investors, and future generations by realizing its **Vision 2030** through portfolio reform and the pursuit of sustainability management and creating social and economic value.