

Financial Results for FY2023



AGC Inc.

February 7, 2024

Your Dreams, Our Challenge



| | | |
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Financial Results for FY2023

(YoY)

| | | |
|------------------|----------------|----------------|
| Net sales | 2,019.3 bn JPY | (▲16.6 bn JPY) |
| Operating profit | 128.8 bn JPY | (▲55.2 bn JPY) |

- Net sales decreased due to the impact of the decline in sales prices for PVC and decrease in sales of biopharmaceuticals CDMO, despite higher sales in Automotive glass and the impact of foreign exchange rates.
- Operating profit decreased due to the above-mentioned lower sales factors and deteriorating manufacturing costs, despite lower raw materials and fuel costs.

Outlook for FY2024

(YoY)

| | | |
|------------------|----------------|----------------|
| Net sales | 2,100.0 bn JPY | (+80.7 bn JPY) |
| Operating profit | 150.0 bn JPY | (+21.2 bn JPY) |

- Sales and operating profit will increase due to recovery in Electronics and Life Science.

Financial Results for FY2023

1. Highlights of the Financial Results

Highlights of the Financial Results for FY2023

* FOREX impact was +99.2 billion JPY, change in the scope of consolidation was ▲4.8 billion JPY

(100 million JPY)

| | | FY2022 Full-year | FY2023 Full-year | Change | Main factors in the change (+) Increasing factors (-)Decreasing factors |
|---|----------------|---------------------|---------------------|--------|--|
| Net sales | | 20,359 | 20,193 | ▲ 166* | (+) Increase in sales prices of Automotive glass (+) Increase in shipments of Automotive glass (+) Yen depreciation (-) Decline in sales prices of PVC (-) Decrease in sales of Biopharmaceuticals CDMO and shipments of Fluorochemical-related products |
| Operating profit | | 1,839 | 1,288 | ▲ 552 | In addition to the above, (+) Decrease in raw materials and fuel prices (-) Deterioration in manufacturing costs |
| Profit before tax | | 585 | 1,228 | + 643 | In addition to the above, (+) Impairment loss was recorded in the same period of the previous year (-) Gain on sales of land recorded in the same period of the previous year |
| Profit for the period Attributable to owners of the parent | | ▲ 32 | 658 | + 690 | |
| FOREX (Average) | 1USD | JPY 131.43 | JPY 140.56 | | |
| | 1EUR | JPY 138.04 | JPY 152.00 | | |
| Crude oil (Dubai, Average) | USD/BBL | 96.34 | 82.10 | | |

YoY Performance Comparison by Business Segment

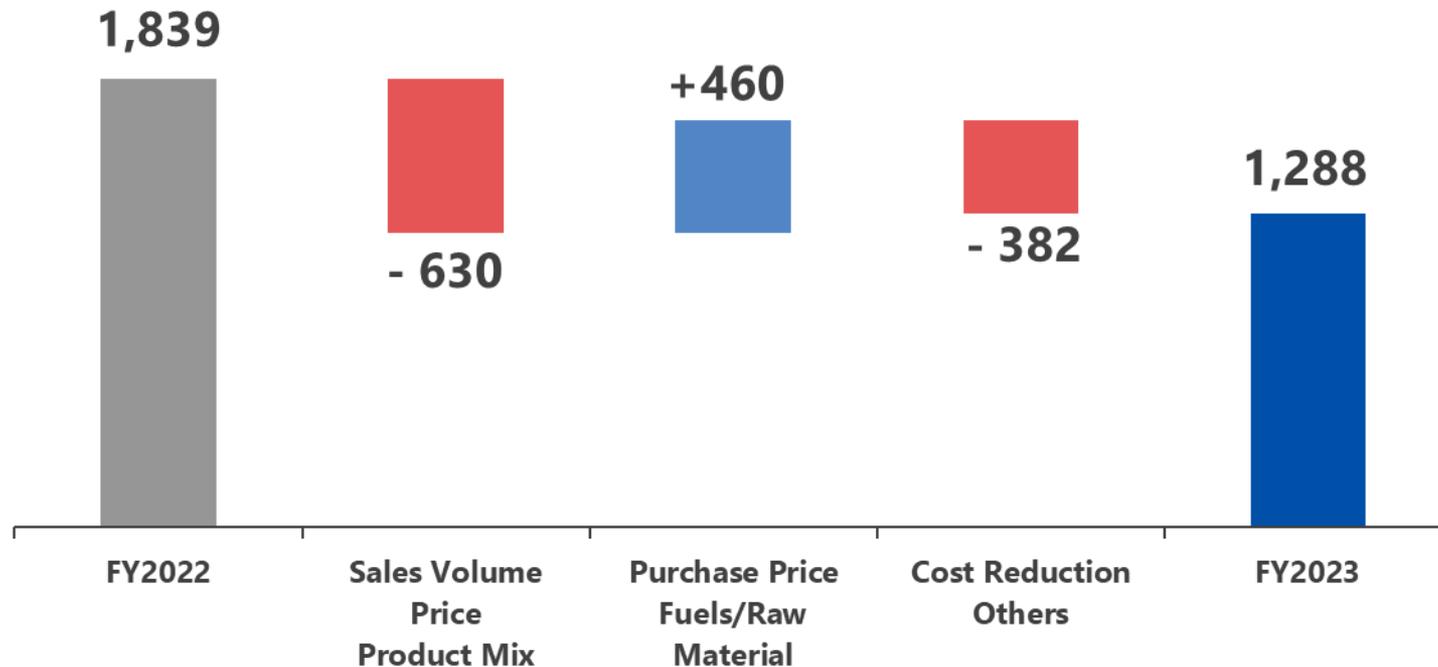
(100 million JPY)

| | FY2022 Full-year (a) | | FY2023 Full-year (b) | | Change (b)-(a) | |
|---|--|------------------|----------------------------|------------------|-------------------|------------------|
| | Net sales | Operating profit | Net sales | Operating profit | Net sales | Operating profit |
| |  Architectural Glass | 4,837 | 327 | 4,763 | 328 | ▲ 74 |
|  Automotive | 4,178 | ▲ 98 | 4,997 | 218 | + 819 | + 316 |
|  Electronics | 3,072 | 147 | 3,132 | 184 | + 60 | + 37 |
|  Chemicals | 6,604 | 1,261 | 5,741 | 648 | ▲ 863 | ▲ 613 |
|  Life Science | 1,418 | 169 | 1,268 | ▲ 124 | ▲ 150 | ▲ 292 |
|  Ceramics/Other | 866 | 37 | 834 | 33 | ▲ 32 | ▲ 3 |
| Elimination | ▲ 616 | ▲ 3 | ▲ 542 | 1 | + 74 | + 4 |
| Total | 20,359 | 1,839 | 20,193 | 1,288 | ▲ 166 | ▲ 552 |

Variance Analysis on OP (FY2023 vs. FY2022)

55.2 bn JPY down from last year

(100 million JPY)



Consolidated Statement of Financial Position

| | (100 million JPY) | | |
|--|-------------------|---------------|---------|
| | 2022/12 | 2023/12 | Change |
| Cash and cash equivalents | 2,097 | 1,461 | ▲ 637 |
| Inventories | 4,365 | 4,541 | + 175 |
| Property, plant and equipment, Goodwill and Intangible assets | 15,148 | 16,312 | + 1,163 |
| Other assets | 6,530 | 7,017 | + 487 |
| Total assets | 28,140 | 29,330 | + 1,190 |
| Interest-bearing debt | 6,502 | 6,950 | + 448 |
| Other liabilities | 5,782 | 5,836 | + 54 |
| Liabilities | 12,284 | 12,787 | + 502 |
| Total equity attributable to owners of the parent | 13,903 | 14,471 | + 568 |
| Non-controlling interests | 1,953 | 2,073 | + 119 |
| Equity | 15,856 | 16,543 | + 687 |
| Total liabilities and equity | 28,140 | 29,330 | + 1,190 |
| D/E ratio | 0.41 | 0.42 | |

Foreign exchange fluctuation
+ 83.3 billion yen

Foreign exchange fluctuation
+ 142.6 billion yen

Foreign exchange fluctuation
+ 78.4 billion yen

Consolidated Statement of Cash Flow

(100 million JPY)

| Full-year | FY2022 | FY2023 |
|---|----------------|----------------|
| Profit before tax | 585 | 1,228 |
| Depreciation and amortization | 1,857 | 1,753 |
| Increase(decrease) in working capital | ▲ 854 | ▲ 280 |
| Others | 584 | ▲ 576 |
| Cash flows from operating activities | 2,171 | 2,125 |
| Cash flows from investing activities | ▲ 1,453 | ▲ 1,798 |
| Free cash flow | 718 | 328 |
| Changes in interest-bearing debt | 17 | 93 |
| Dividends paid | ▲ 522 | ▲ 460 |
| Others | ▲ 277 | ▲ 713 |
| Cash flows from financing activities | ▲ 782 | ▲ 1,080 |
| Effect of exchange rate changes on cash and cash equivalents | 203 | 116 |
| Net increase(decrease) in cash and cash equivalents | 139 | ▲ 637 |

Share repurchases
▲ **50 billion yen**

CAPEX, Depreciation and R&D

| Full-year | FY2022 | FY2023 |
|---------------------|--------|--------------|
| CAPEX | 2,366 | 2,317 |
| Architectural Glass | 175 | 247 |
| Automotive | 298 | 263 |
| Electronics | 800 | 514 |
| Chemicals | 649 | 877 |
| Life Science | 431 | 399 |
| Ceramics/Other | 14 | 18 |
| Elimination | ▲ 2 | ▲ 1 |

| | FY2022 | FY2023 |
|---------------------|--------|--------------|
| Depreciation | 1,857 | 1,753 |
| Architectural Glass | 239 | 244 |
| Automotive | 325 | 319 |
| Electronics | 684 | 532 |
| Chemicals | 475 | 501 |
| Life Science | 115 | 139 |
| Ceramics/Other | 19 | 21 |
| Elimination | ▲ 1 | ▲ 2 |

(100 million JPY)

| | FY2022 | FY2023 |
|----------------|--------|------------|
| R&D | 523 | 573 |

Main projects for CAPEX

- Capacity enhancement for Chlor-alkali in Southeast Asia (Chemicals)
- G11 investment in China (Electronics)
- Capacity enhancement for Biopharmaceuticals CDMO and Small Molecule Pharmaceuticals and Agrochemicals CDMO (Life Science)
- Capacity enhancement of Electronic materials (Electronics)

- Capacity enhancement for Fluorochemical-related products (Chemicals)
 - Repairment for Display glass furnace (Electronics)
- etc.

2. Business and Geographic Segments

| Full-year | FY2022 | FY2023 | Change |
|-------------------------|--------|--------------|--------|
| Net sales | 4,837 | 4,763 | ▲ 74* |
| Asia | 1,469 | 1,584 | + 115 |
| Europe & Americas | 3,358 | 3,163 | ▲ 195 |
| (Inter-segment) | 10 | 16 | + 7 |
| Operating profit | 327 | 328 | + 0 |

* FOREX impact: +32.7 billion yen, Change in the Scope of Consolidation: +0.7 billion yen (100 million JPY)

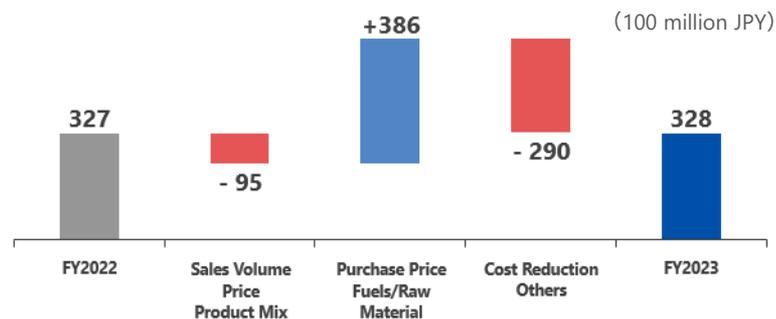
Asia

- Despite shipments declined in all regions except Japan, net sales increased thanks to the rise in sales prices.

Europe & Americas

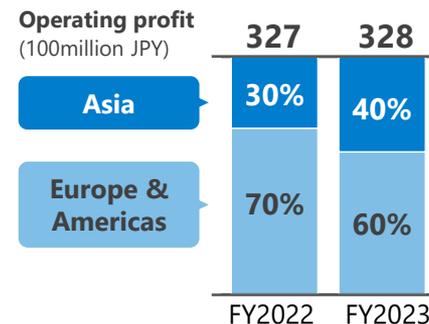
- Shipments declined in Europe, affected by the economic slowdown, and net sales decreased due to lower selling prices.
- Despite natural gas prices declined, manufacturing costs deteriorated.

Variance Analysis on OP



Ratio of sub-segment to the operating profit

(before common expense allocation)



| Full-year | FY2022 | FY2023 | Change |
|-------------------------|--------|--------------|--------|
| Net sales | 4,178 | 4,997 | + 819* |
| Automotive | 4,176 | 4,994 | + 818 |
| (Inter-segment) | 2 | 3 | + 1 |
| Operating profit | ▲ 98 | 218 | + 316 |

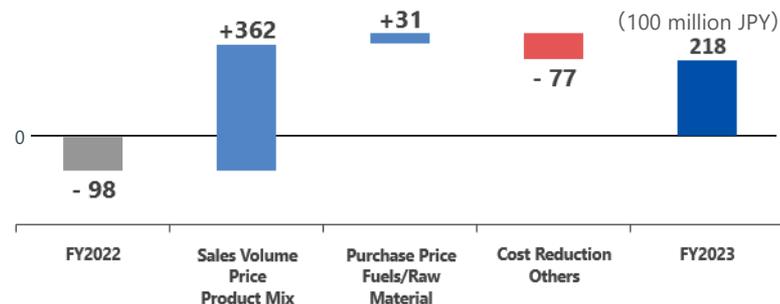
* FOREX impact: +25.7 billion yen,
Change in the Scope of Consolidation: No impact
(100 million JPY)



Automotive Glass

- The Group's shipments increased as the automobile production increased.
- Net sales and operating profit increased thanks to the rise in sales prices, improvement of product mix and foreign exchange effects.

Variance Analysis on OP



| Full-year | FY2022 | FY2023 | Change |
|-------------------------|--------|--------------|--------|
| Net sales | 3,072 | 3,132 | + 60* |
| Display | 1,554 | 1,607 | + 53 |
| Electronic Materials | 1,495 | 1,513 | + 17 |
| (Inter-segment) | 23 | 12 | ▲ 11 |
| Operating profit | 147 | 184 | + 37 |

* FOREX impact: +7.1 billion yen,
Change in the Scope of Consolidation: ▲4.7 billion yen
(100 million JPY)



Display

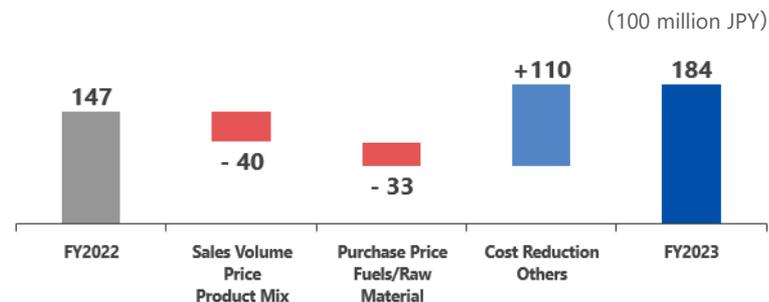
- Net sales increased mainly due to increase in shipments of LCD glass substrates.



Electronic Materials

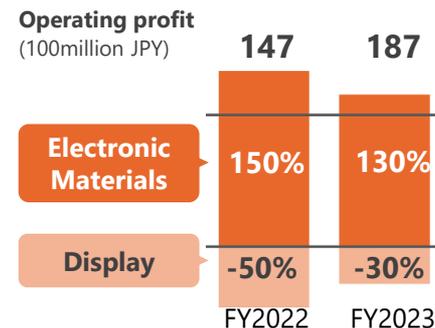
- Despite a decrease in shipments of optoelectronic materials, net sales increased thanks to the increased shipments of semiconductor-related products such as EUV mask blanks, as well as the impact of foreign exchange rates.

Variance Analysis on OP



Ratio of sub-segment to the operating profit

(before common expense allocation)



Launch the Display Business Structural Reform Project

- In addition to the existing earnings improvement measures, a project led by the CFO was launched to speed up and ensure the implementation of structural reforms.
- Target 10% ROCE in Display business during the new medium-term management plan

Earnings improvement measures

Promoting of business structure reforms, aiming to set a focus on glass substrates for large-sized display panels

Strengthening competitiveness through technological innovation

Revising of pricing policy

Business Structural Reform Project

Aim of the Project

Swiftly implement structural reforms under the leadership of top management

| Full-year | FY2022 | FY2023 | Change |
|-------------------------|--------|--------------|--------|
| Net sales | 6,604 | 5,741 | ▲ 863* |
| Essential Chemicals | 4,898 | 4,028 | ▲ 870 |
| Performance Chemicals | 1,652 | 1,669 | + 17 |
| (Inter-segment) | 54 | 45 | ▲ 9 |
| Operating profit | 1,261 | 648 | ▲ 613 |

* FOREX impact: +25.4 billion yen,
Change in the Scope of Consolidation: No impact
(100 million JPY)

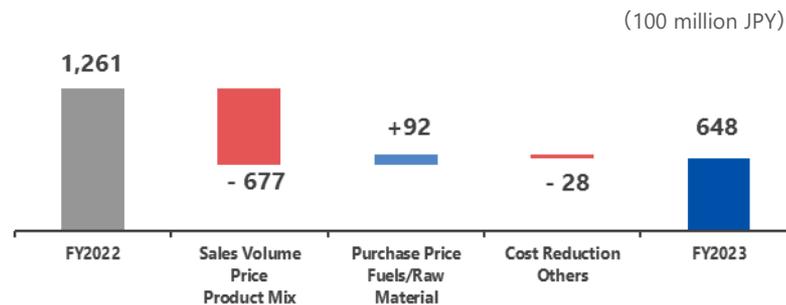
Essential Chemicals

- Sales prices of PVC and other products declined.

Performance Chemicals

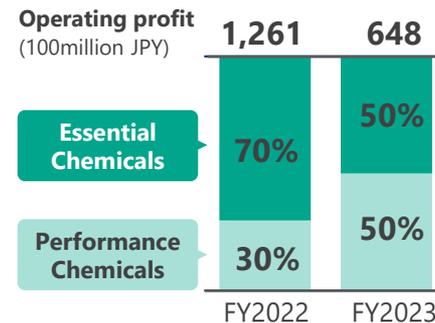
- Net sales remained at the same level as the previous year due to the rise in sales prices and foreign exchange effects, despite a decrease in shipments of Fluorochemical-related products.

Variance Analysis on OP



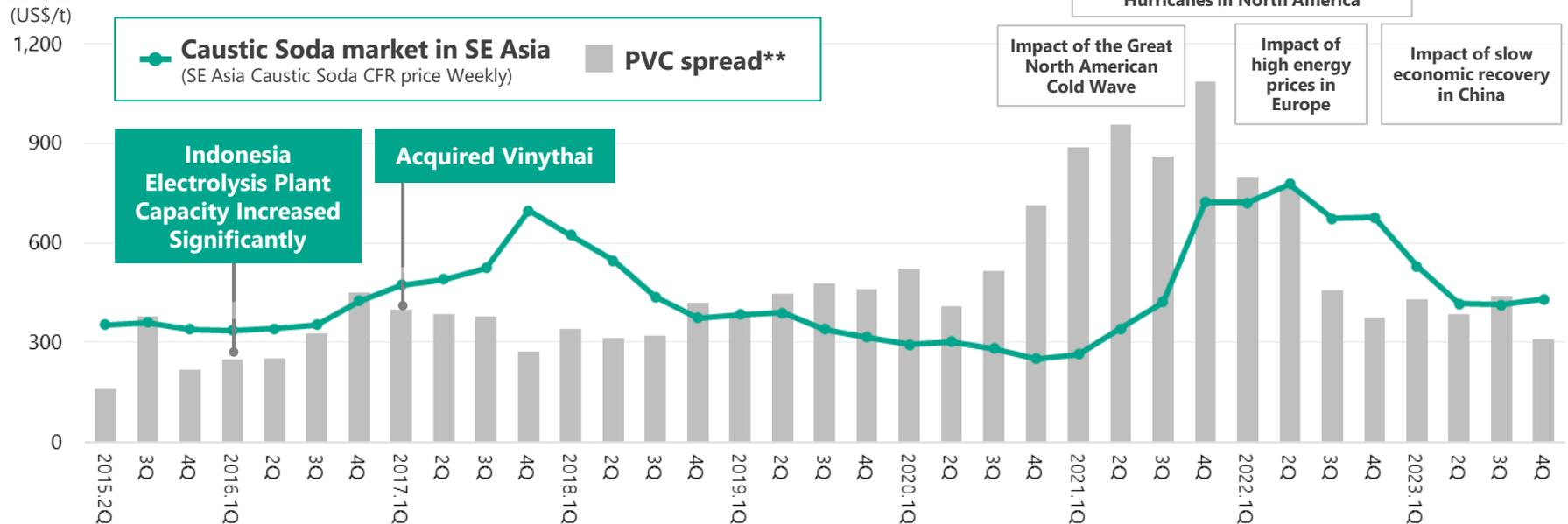
Ratio of sub-segment to the operating profit

(before common expense allocation)



- PVC market prices remained sluggish due to slow economic recovery in China
- Caustic soda market prices remained low compared to the previous year

Chlor-alkali market in Southeast Asia*

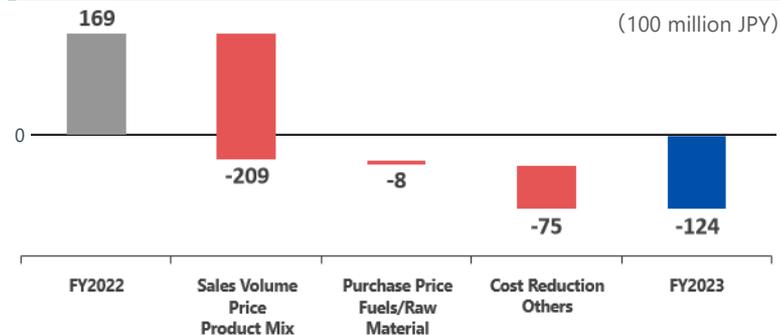


| Full-year | FY2022 | FY2023 | Change |
|-------------------------|--------|--------------|--------|
| Net sales | 1,418 | 1,268 | ▲ 150* |
| Life Science | 1,381 | 1,239 | ▲ 142 |
| (Inter-segment) | 36 | 29 | ▲ 8 |
| Operating profit | 169 | ▲ 124 | ▲ 292 |

* FOREX impact: +8.0 billion yen,
Change in the Scope of Consolidation: No impact

(100 million JPY)

Variance Analysis on OP



Life Science

- Net sales decreased due to the disappearance of Covid-related special demand, reduced inflows of funds into biotech ventures, as well as the delay in launching new lines and review of production schedule, etc. of Biopharmaceuticals CDMO in the U.S.
- Upfront costs incurred associated with capacity expansion in the biopharmaceutical field.

- Business environment is recovering, but the **recovery is expected to be only moderate in 2024, with a full recovery in 2025.**
- New lines in the U.S. has **resumed full-scale commercial operations and is expected to contribute to earnings improvement from 2024.**

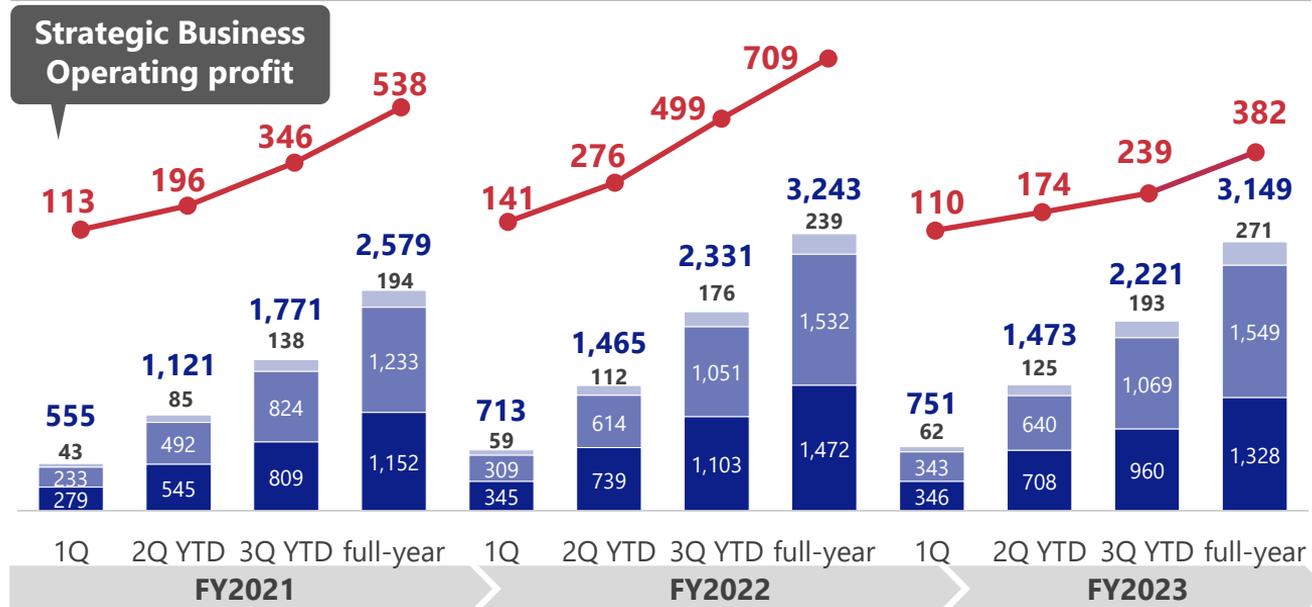
| Issues | Current Situation* | Outlook |
|---|---|--|
| <p>Business situation</p> <p>Temporary leveling off due to repercussions of Covid-related special demand and reduced inflows of funds into biotech ventures.</p> | <p>Continued to be affected by reduced inflows of funds to biotech ventures, but signs of recovery</p> | <p>Market recovery slowly continues and full recovery is expected in 2025</p> |
| <p>Launch of new lines in the U.S.</p> <p>Delay in launching new lines at Boulder plant in the U.S.</p> | <p>Implemented drastic measures and commercial operation has begun by the end of 2023</p> | <p>Full-scale resumption of commercial operations in 2024, contributing to improved profitability</p> |

Profit contribution of Strategic Businesses

- Biopharmaceuticals CDMO especially in the U.S. have been sluggish.
- Electronics also sluggish due to adjustments in the semiconductor and smartphone markets.

Sales of Strategic business

(100 million yen)



Main products & businesses

Mobility

- Cover glass for car-mounted displays
- New materials for mobility, including 5G communications

Electronics

- Semiconductor-related products
- Optoelectronics materials
- Next-generation high-speed communication related products
- Fluorinated products for electronics

Life Science

- Small Molecule Pharmaceuticals and Agrochemicals CDMO
- Biopharmaceutical CDMO
- Other life science products

YoY Performance Comparison by Geographic Segment

(100 million JPY)

| Full-year | FY2022 | FY2023 | Change |
|--------------------------------|--------------|---------------|--------------|
| Net sales | 20,359 | 20,193 | ▲ 166 |
| Japan &Asia | 13,027 | 12,734 | ▲ 293 |
| Americas | 2,078 | 2,191 | + 114 |
| Europe | 5,254 | 5,267 | + 13 |
| Operating profit | 1,839 | 1,288 | ▲ 552 |
| Japan &Asia | 1,871 | 1,526 | ▲ 345 |
| Americas | 72 | ▲ 99 | ▲ 172 |
| Europe | 314 | 335 | + 22 |
| Cross-regional common expenses | ▲ 417 | ▲ 474 | ▲ 57 |

FOREX impact :

+99.2 bn JPY

Change in the scope of consolidation :

▲4.8 bn JPY

Outlook for FY2024

- Net sales and Operating profit increased mainly due to recovery in Electronics and Life sciences.

(100 million JPY)

| | | FY2023 | FY2024e |
|---|----------------|-----------|---------------|
| Net sales | | 20,193 | 21,000 |
| | (First half) | 9,853 | 10,000 |
| Operating profit | | 1,288 | 1,500 |
| | (First half) | 643 | 600 |
| Profit before tax | | 1,228 | 1,050 |
| Profit for the year attributable to owners of the parent | | 658 | 530 |
| Dividend (JPY/share) | | 210 | 210 |
| Operating profit margin | | 6.4% | 7.1% |
| ROE | | 4.6% | 3.7%* |
| FOREX (Average) | 1 USD | JPY 140.6 | JPY 140.0 |
| | 1 EUR | JPY 152.0 | JPY 160.0 |
| Crude oil (Dubai, Average) | USD/BBL | 82.1 | 85.0 |
| Ethylene (CFR SEA) | USD/MT | 889 | 980 |

Outlook breakdown by Segment (Net sales and Operating profit)

(100 million JPY)

| | FY2023 (a) | | FY2024e (b) | | Change (b)-(a) | |
|--|------------|------------------|---------------|------------------|----------------|------------------|
| | Net sales | Operating profit | Net sales | Operating profit | Net sales | Operating profit |
|  Architectural Glass | 4,763 | 328 | 4,600 | 300 | ▲ 163 | ▲ 28 |
|  Automotive | 4,997 | 218 | 5,100 | 230 | + 103 | + 12 |
|  Electronics | 3,132 | 184 | 3,300 | 330 | + 168 | + 146 |
|  Chemicals | 5,741 | 648 | 6,200 | 600 | + 459 | ▲ 48 |
|  Life Science | 1,268 | ▲ 124 | 1,400 | 30 | + 132 | + 154 |
|  Ceramics/Other | 834 | 33 | 800 | 10 | ▲ 34 | ▲ 23 |
| Elimination | ▲ 542 | 1 | ▲ 400 | 0 | + 142 | ▲ 1 |
| Total | 20,193 | 1,288 | 21,000 | 1,500 | + 807 | + 212 |

Outlook for FY2024



Architectural Glass

Asia

- In Japan and Asia regions, the Group's shipments are expected to be robust due to increased demand for highly insulating and thermal glass.

Europe & Americas

- Although economic growth is expected to be weak in Europe, demand for replacement with highly insulating glass for energy reduction is expected to support the Group's shipments



Automotive

- Automobile production and the Group's shipments are expected to be flat year on year. We expect to see the effects of our pricing policy and structural reforms that we have been working on.



Electronics

Display

- Profitability of LCD glass substrates will improve due to the earnings improvement measures as well as a recovery in demand for LCD panels.
- Shipments of specialty glass for display will increase due to a recovery in the smartphone market and increased orders from our major customers.

Electronic Materials

- Shipments of semiconductor-related products will increase mainly photomask blanks for EUV lithography.
- Shipments of optoelectronics materials will recover due to the recovery of the smartphone market.

Outlook for FY2024



Chemicals

Essential Chemicals

- Demand in Southeast Asia will remain strong, but there are concerns that market recovery will take time due to the sluggish Chinese economy.

Performance Chemicals

- Shipment will increase due to higher demand for Fluorochemical-related products for semiconductors and transportation application.



Life Science

- Contract sales of synthetic pharmaceuticals and agrochemicals CDMO are expected to remain flat year on year.
- Although biopharmaceuticals CDMO business will be affected by reduced inflow of funds to biotech ventures, contract sales will increase due to the resumption of commercial operation of a new line in the U.S., which had been delayed.

Outlook of CAPEX, Depreciation and R&D

| Full year | FY2023 | FY2024e |
|---------------------|--------|--------------|
| CAPEX | 2,317 | 2,500 |
| Architectural Glass | 247 | 350 |
| Automotive | 263 | 200 |
| Electronics | 514 | 400 |
| Chemicals | 877 | 1,160 |
| Life Science | 399 | 370 |
| Ceramics/Other | 18 | 20 |
| Elimination | ▲ 1 | 0 |

| | FY2023 | FY2024e |
|---------------------|--------|--------------|
| Depreciation | 1,753 | 1,850 |
| Architectural Glass | 244 | 250 |
| Automotive | 319 | 340 |
| Electronics | 532 | 550 |
| Chemicals | 501 | 530 |
| Life Science | 139 | 170 |
| Ceramics/Other | 21 | 10 |
| Elimination | ▲ 2 | 0 |

(100 million JPY)

| | FY2023 | FY2024e |
|----------------|--------|------------|
| R&D | 573 | 600 |

Main projects for CAPEX

- Capacity enhancement for chlor-alkali in Southeast Asia (Chemicals)
- Capacity enhancement for fluorochemical-related products (Chemicals)
- Capacity enhancement for biopharmaceuticals CDMO (Life Science)
- Capacity enhancement for electronic materials (Electronics) etc.

Change in Shareholder Return Policy (1)

- In order to further strengthen our existing stance of maintaining stable dividends, we will change the index used for shareholder return from consolidated dividend payout ratio to the dividend on equity ratio (DOE), which is less affected by single-year operating results.

Current policy

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



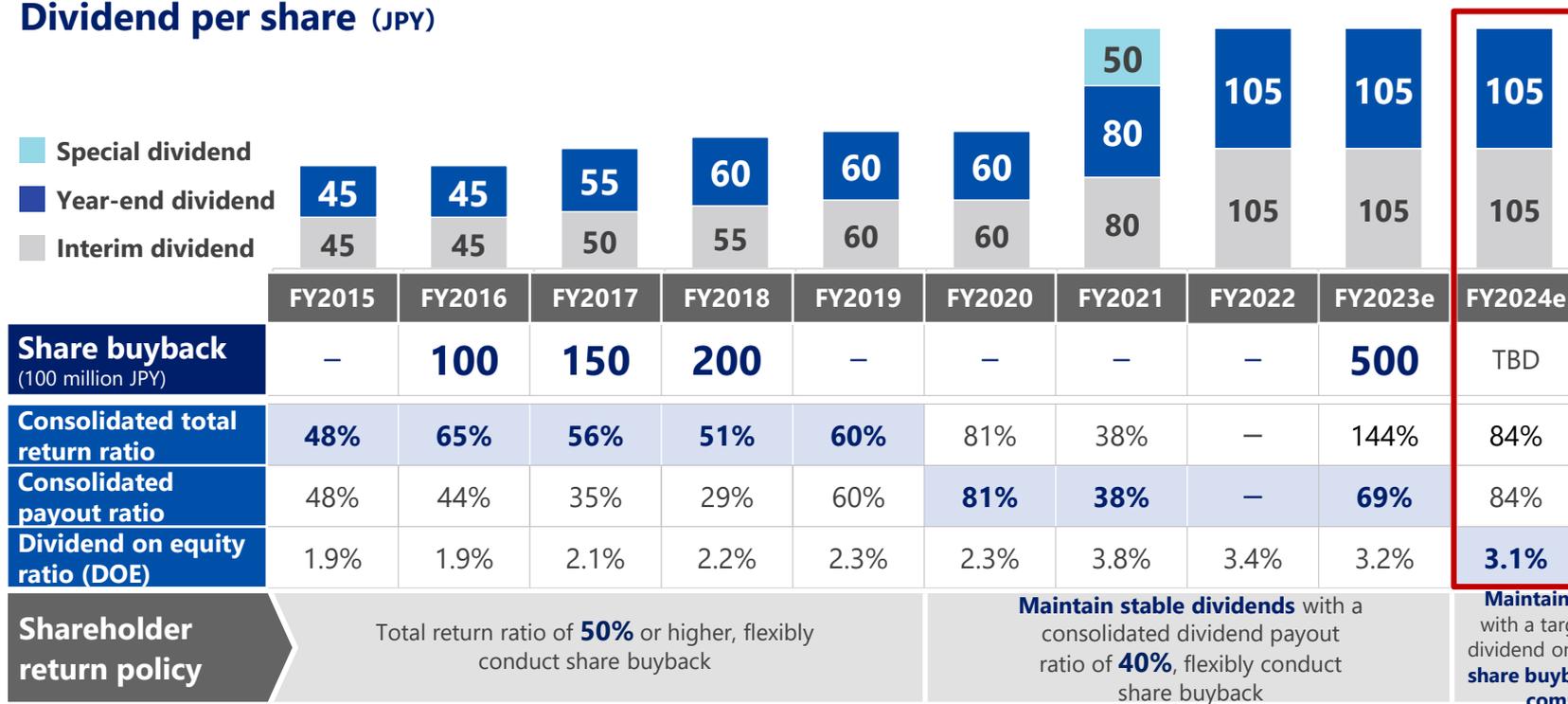
New policy

- Maintain stable dividends with a target of approx. **3% dividend on equity ratio (DOE)**
- Share buyback decisions are based on comprehensive consideration of investment projects, cash position, and other factors

Change in Shareholder Return Policy(2)

- In 2024, the dividend amount will be the same as 2023.

Dividend per share (JPY)



* The Company consolidated its common shares at a ratio of 5 shares to 1 share on July 1, 2017, and per-share data is recalculated.

Appendix

ROCE & EBITDA by Segment

(100 million yen)

| | Operating profit | | EBITDA* | | ROCE | | Operating assets | |
|--|------------------|--------------|--------------|--------------|-------------|-------------|------------------|---------------|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
|  Architectural Glass | 327 | 328 | 566 | 572 | 10.9% | 10.6% | 3,000 | 3,100 |
|  Automotive | ▲ 98 | 218 | 227 | 537 | ▲3.0% | 6.4% | 3,300 | 3,400 |
|  Electronics | 147 | 184 | 830 | 715 | 2.6% | 3.1% | 5,650 | 6,000 |
|  Chemicals | 1,429 | 648 | 2,020 | 1,148 | 18.1% | 10.4% | 7,900 | 6,200 |
|  Life Science | 169 | ▲ 124 | 284 | 15 | 6.7% | ▲4.3% | 2,500 | 2,900 |
|  Ceramics/Others | 37 | 33 | 56 | 55 | 18.4% | 16.7% | 200 | 200 |
| Elimination | ▲ 3 | 1 | ▲ 4 | 0 | — | — | — | — |
| Total | 1,839 | 1,288 | 3,696 | 3,041 | 9.2% | 5.9% | 20,050 | 21,800 |

Impact on OP



Exchange rate

600 million yen* gain
if yen depreciated by 1%

*Impact when all currencies fluctuate at the same proportion against JPY



Crude oil

280 million yen* loss
if increased by 1 dollar
per barrel

*excluding impact of oil hedging



Chemicals market

1 Caustic soda

\$1M loss if the international market down by \$1

2 PVC spread

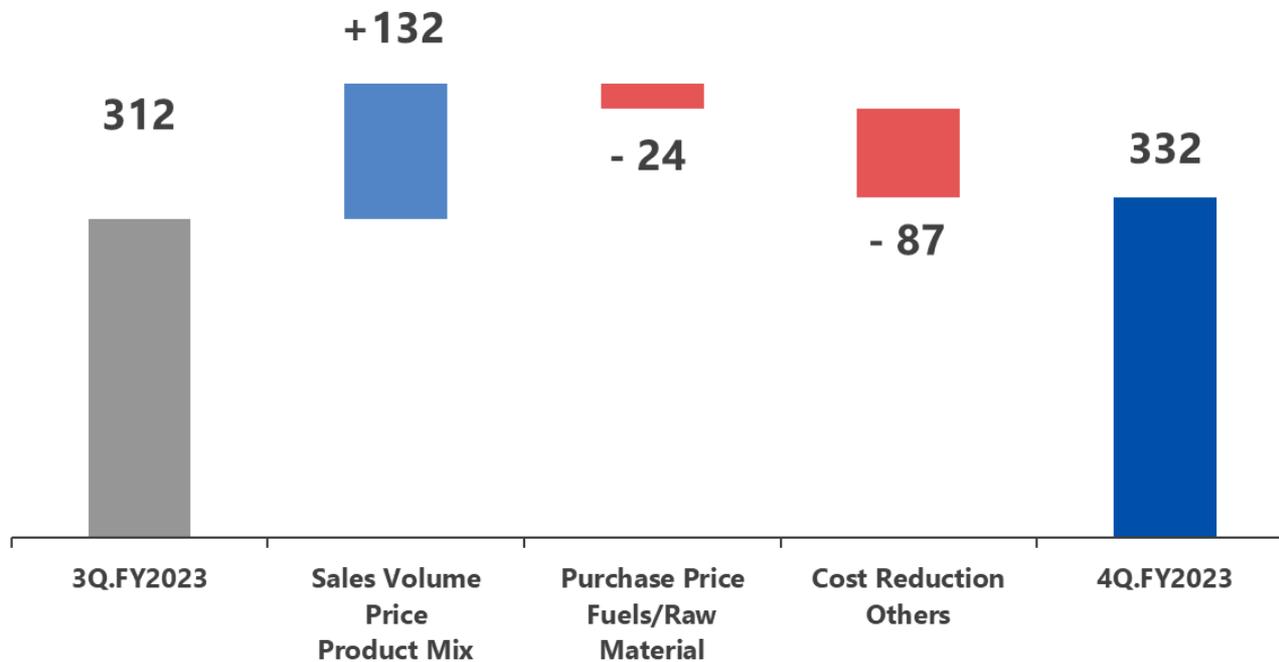
\$1.2M loss* if decreased by \$1

*PVC spread: PVC market – (ethylene market×0.5)

Variance Analysis on OP(4Q.FY2023 vs. 3Q.FY2023)

2.0 bn JPY up from last quarter

(100 million JPY)



Variance Analysis on OP(4Q.FY2023 vs. 4Q.FY2022)

1.4 bn JPY up from last year

(100 million JPY)



YoY Performance Comparison by Geographic Segment

(100 million JPY)

| | | Japan& Asia | Americas | Europe | Inter-segment | Total |
|--|-------------------|--------------|------------|--------------|---------------|--------------|
|  Architectural Glass | 4Q .FY2023 | 424 | 72 | 713 | 7 | 1,216 |
| | 4Q .FY2022 | 405 | 99 | 826 | 4 | 1,334 |
|  Automotive | 4Q .FY2023 | 697 | 273 | 365 | 0 | 1,335 |
| | 4Q .FY2022 | 581 | 222 | 370 | 1 | 1,174 |
|  Electronics | 4Q .FY2023 | 765 | 106 | 3 | 4 | 878 |
| | 4Q .FY2022 | 725 | 81 | 2 | 6 | 814 |
|  Chemicals | 4Q .FY2023 | 1,329 | 73 | 73 | 11 | 1,486 |
| | 4Q .FY2022 | 1,465 | 82 | 66 | 13 | 1,626 |
|  Life Science | 4Q .FY2023 | 72 | 45 | 221 | 13 | 350 |
| | 4Q .FY2022 | 74 | 71 | 197 | 9 | 352 |
|  Ceramics/Other | 4Q .FY2023 | 125 | - | - | 107 | 232 |
| | 4Q .FY2022 | 103 | - | - | 115 | 218 |
| Elimination | 4Q .FY2023 | - | - | - | ▲ 142 | ▲ 142 |
| | 4Q .FY2022 | - | - | - | ▲ 148 | ▲ 148 |
| Total Net Sales | 4Q .FY2023 | 3,413 | 568 | 1,374 | - | 5,354 |
| | 4Q .FY2022 | 3,354 | 555 | 1,462 | - | 5,370 |

YoY Performance Comparison by Geographic Segment

(100 million JPY)

| | | Japan& Asia | Americas | Europe | Inter-segment | Total |
|--|---------------|---------------|--------------|--------------|---------------|---------------|
|  Architectural Glass | FY2023 | 1,584 | 295 | 2,867 | 16 | 4,763 |
| | FY2022 | 1,469 | 327 | 3,031 | 10 | 4,837 |
|  Automotive | FY2023 | 2,564 | 1,012 | 1,418 | 3 | 4,997 |
| | FY2022 | 2,132 | 843 | 1,202 | 2 | 4,178 |
|  Electronics | FY2023 | 2,770 | 338 | 11 | 12 | 3,132 |
| | FY2022 | 2,771 | 267 | 11 | 23 | 3,072 |
|  Chemicals | FY2023 | 5,111 | 320 | 265 | 45 | 5,741 |
| | FY2022 | 5,982 | 309 | 260 | 54 | 6,604 |
|  Life Science | FY2023 | 308 | 226 | 706 | 29 | 1,268 |
| | FY2022 | 299 | 332 | 750 | 36 | 1,418 |
|  Ceramics/Other | FY2023 | 397 | - | - | 437 | 834 |
| | FY2022 | 374 | - | - | 492 | 866 |
| Elimination | FY2023 | - | - | - | ▲ 542 | ▲ 542 |
| | FY2022 | - | - | - | ▲ 616 | ▲ 616 |
| Total Net Sales | FY2023 | 12,734 | 2,191 | 5,267 | - | 20,193 |
| | FY2022 | 13,027 | 2,078 | 5,254 | - | 20,359 |

Business Performance (1)

| Architectural Glass | 1Q.22 | 2Q.22 | 3Q.22 | 4Q.22 | 1Q.23 | 2Q.23 | 3Q.23 | 4Q.23 | (100 million JPY) |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------|
| Net Sales | 1,040 | 1,216 | 1,247 | 1,334 | 1,205 | 1,192 | 1,150 | 1,216 | |
| Asia | 319 | 361 | 384 | 405 | 373 | 386 | 401 | 424 | |
| Europe & Americas | 719 | 853 | 861 | 925 | 831 | 802 | 745 | 785 | |
| (Inter Segment) | 2 | 2 | 2 | 4 | 1 | 5 | 4 | 7 | |
| Operating profit | 73 | 132 | 86 | 36 | 93 | 93 | 83 | 59 | |
| Automotive | 1Q.22 | 2Q.22 | 3Q.22 | 4Q.22 | 1Q.23 | 2Q.23 | 3Q.23 | 4Q.23 | |
| Net Sales | 936 | 956 | 1,112 | 1,174 | 1,184 | 1,223 | 1,255 | 1,335 | |
| Automotive | 935 | 956 | 1,111 | 1,174 | 1,183 | 1,221 | 1,255 | 1,335 | |
| (Inter Segment) | 1 | 0 | 0 | 1 | 1 | 1 | 1 | 0 | |
| Operating profit | ▲ 33 | ▲ 58 | ▲ 63 | 56 | 48 | 54 | 59 | 56 | |
| Electronics | 1Q.22 | 2Q.22 | 3Q.22 | 4Q.22 | 1Q.23 | 2Q.23 | 3Q.23 | 4Q.23 | |
| Net Sales | 760 | 722 | 777 | 814 | 702 | 717 | 835 | 878 | |
| Display | 450 | 420 | 346 | 338 | 358 | 425 | 418 | 406 | |
| Electronic Materials | 304 | 296 | 425 | 470 | 341 | 290 | 414 | 468 | |
| (Inter Segment) | 5 | 6 | 6 | 6 | 4 | 2 | 3 | 4 | |
| Operating profit | 80 | 12 | 31 | 24 | 19 | 11 | 69 | 85 | |

Business Performance (2)

| Chemicals | 1Q.22 | 2Q.22 | 3Q.22 | 4Q.22 | 1Q.23 | 2Q.23 | 3Q.23 | 4Q.23 | (100 million JPY) |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------|
| Net Sales | 1,617 | 1,720 | 1,641 | 1,626 | 1,410 | 1,418 | 1,428 | 1,486 | |
| Essential Chemicals | 1,217 | 1,298 | 1,199 | 1,184 | 1,009 | 999 | 1,002 | 1,018 | |
| Performance Chemicals | 385 | 410 | 427 | 429 | 391 | 407 | 414 | 457 | |
| (Inter Segment) | 14 | 12 | 15 | 13 | 9 | 13 | 12 | 11 | |
| Operating profit | 406 | 418 | 250 | 187 | 172 | 137 | 170 | 169 | |
| Life Science | 1Q.22 | 2Q.22 | 3Q.22 | 4Q.22 | 1Q.23 | 2Q.23 | 3Q.23 | 4Q.23 | |
| Net Sales | 332 | 378 | 356 | 352 | 332 | 348 | 238 | 350 | |
| Life Science | 316 | 376 | 347 | 342 | 321 | 346 | 235 | 337 | |
| (Inter Segment) | 17 | 2 | 9 | 9 | 11 | 2 | 3 | 13 | |
| Operating profit | 46 | 57 | 53 | 14 | 6 | ▲ 1 | ▲ 83 | ▲ 46 | |

Trend of shipment and price

| | | | | 2022 | | | | 2023 | | | |
|--------------------------|--------------------------------------|----------------------------|--------------|-----------------|-------------------|-------------------|--------------------|--------------------|----------------|-------------------|-------------------|
| | | | | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| YoY comparison | | | | | | | | | | | |
| Glass | Architectural (AGC) | Japan & Asia | shipment | + 10% | +low 10% range | +mid single-digit | -high single-digit | -high single-digit | -10% | -low single-digit | +mid single-digit |
| | | | price | +high 10% range | +high 10% range | +mid 20% range | 20% | +high 20% range | +low 30% range | +high 20% range | +mid 20% range |
| | | Europe | shipment | +low 10% range | -low single-digit | -low 10% range | -high 10% range | -high 10% range | -low 10% range | -low single-digit | -mid single-digit |
| | | | price | +mid 40% range | +low 60% range | +high 70% range | +low 50% range | +high 10% range | -mid 10% range | -high 30% range | -mid 30% range |
| | Automobile production*1 | Japan | volume | -14% | -15% | +24% | +9% | +13% | +27% | +13% | +12% |
| | | North America | volume | -2% | +11% | +23% | +8% | +10% | +15% | +8% | +4% |
| Europe & Russia | | volume | -17% | -4% | +22% | +7% | +18% | +17% | +8% | +6% | |
| Electronics | Display panel demand*2 | Global | area | +4% | -4% | -9% | -7% | -15% | +4% | +11% | -5% |
| Spot market price | | | | | | | | | | | |
| Chemicals | Chlor-alkali (Southeast Asia) | Caustic soda ⁺³ | price USD/MT | 722 | 777 | 673 | 677 | 530 | 417 | 413 | 430 |
| | | PVC ⁺³ | price USD/MT | 1,407 | 1,350 | 933 | 823 | 893 | 817 | 863 | 773 |
| | | Ethylene ⁺³ | price USD/MT | 1,213 | 1,175 | 952 | 895 | 928 | 862 | 848 | 925 |

*1 Source : S&P global data as of January 5, 2024.

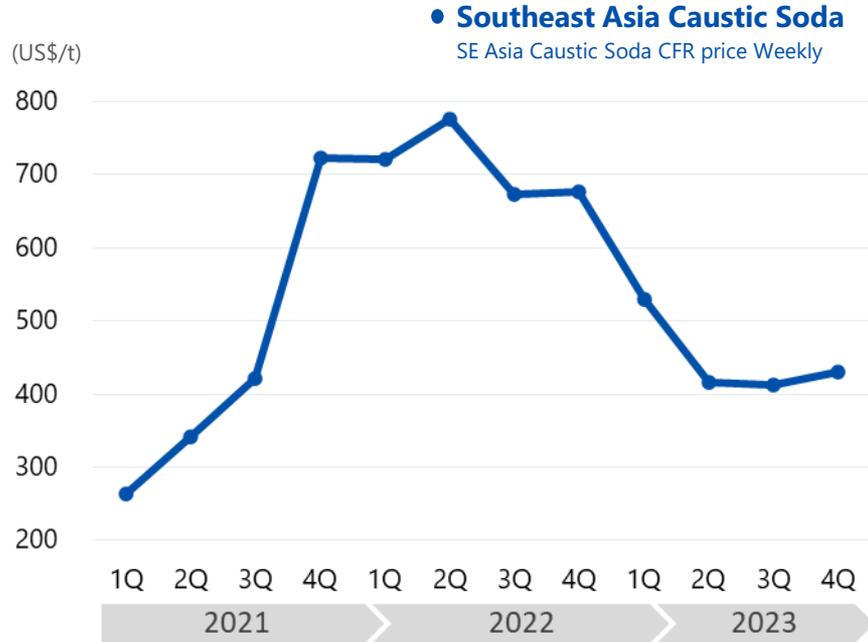
*2 Source : Omdia-Display Long-Term Demand Forecast Tracker – 3Q23 Pivot

Results are not an endorsement of AGC Inc. Any reliance on these results is at the third-party's own risk.

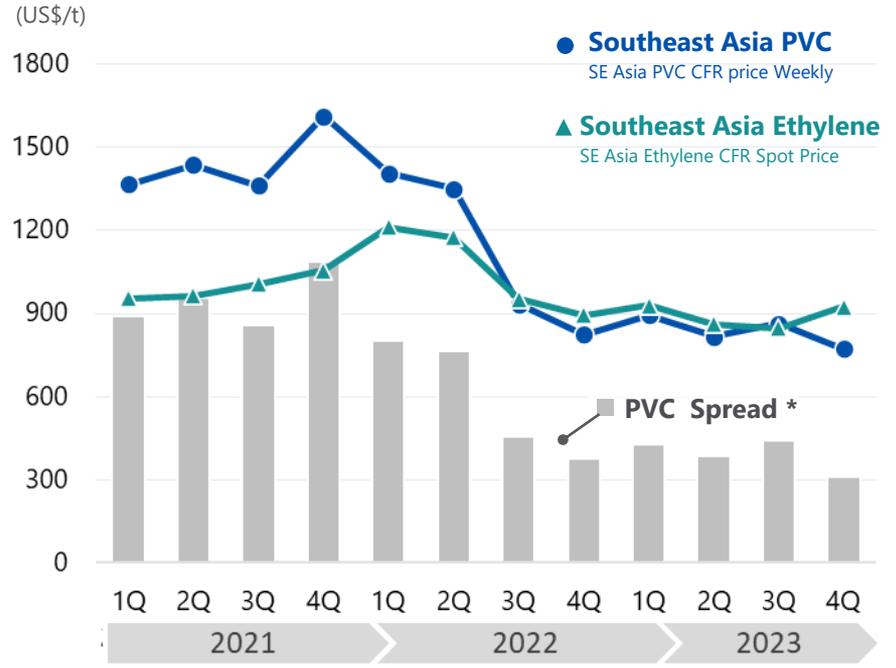
*3 Source : Bloomberg

Reference: Market trend of Caustic Soda and PVC in Southeast Asia

Caustic Soda



PVC



*PVC-ethylene spread calculation: PVC spot market price - (ethylene market price X 0.5)

| | | IFRS | | | | |
|--|-------------|-----------|-----------|-----------|-----------|-----------|
| | | 19/12 | 20/12 | 21/12 | 22/12 | 23/12 |
| Net sales | Million JPY | 1,518,039 | 1,412,306 | 1,697,383 | 2,035,874 | 2,019,254 |
| Operating profit | Million JPY | 101,624 | 75,780 | 206,168 | 183,942 | 128,779 |
| OP margin | % | 6.7 | 5.4 | 12.1 | 9.0 | 6.4 |
| Attributable to owners of the parent | Million JPY | 44,434 | 32,715 | 123,840 | △ 3,152 | 65,798 |
| Return on equity (ROE) *1 | % | 3.9 | 2.9 | 10.2 | △ 0.2 | 4.6 |
| Return on assets (ROA) *2 | % | 4.4 | 3.1 | 7.9 | 6.7 | 4.5 |
| Equity ratio | % | 50 | 44 | 49 | 49 | 49 |
| D/E (Interest-bearing debts ÷ Net assets) | times | 0.47 | 0.63 | 0.41 | 0.41 | 0.42 |
| CF from Operating Activities/Interest-bearing debt | times | 0.32 | 0.29 | 0.54 | 0.33 | 0.31 |
| Earnings per share(EPS) *3 | JPY | 200.85 | 147.84 | 559.11 | △ 14.22 | 304.73 |
| Cash dividends per share | JPY | 120 | 120 | 210 | 210 | 210 |
| EBITDA *4 | Million JPY | 231,857 | 208,459 | 383,226 | 253,209 | 315,965 |
| Exchange rates (average) | JPY/USD | 109.05 | 106.82 | 109.80 | 131.43 | 140.56 |
| | JPY/EUR | 122.07 | 121.81 | 129.89 | 138.04 | 152.00 |

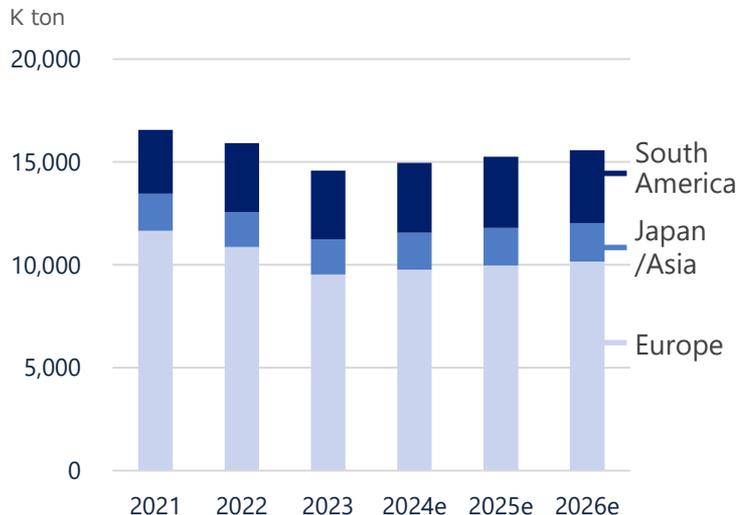
*1 Profit for the year attributable to owners of the parent/Total equity attributable to owners of the parent(average) *2 Operating profit/Total assets(average) *3 Earnings per share is adjusted to reflect the 5 into 1 share consolidation implemented on July 2017. *4 EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) = Profit before taxes + Depreciation + Interest expenses

For other financial indicators, please see here. https://www.agc.com/ir/pdf/data_all.pdf

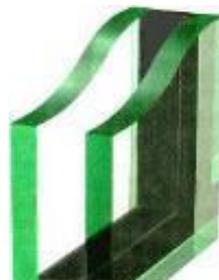
Architectural Glass Business Environment

- Amid demand for environmental responsiveness, **renovation demand and demand for environmentally friendly products are increasing.**
- With a focus on high value-added products that lead to energy saving & creation, AGC aims to build businesses that are less susceptible to economic fluctuations.

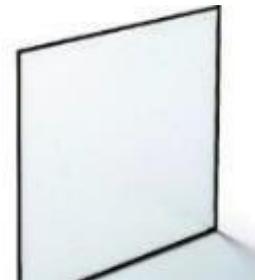
Architectural Glass Demand Outlook*1



Environmentally Friendly Products (examples)



Warm-edge highly insulated double glazing



Vacuum insulated Glass



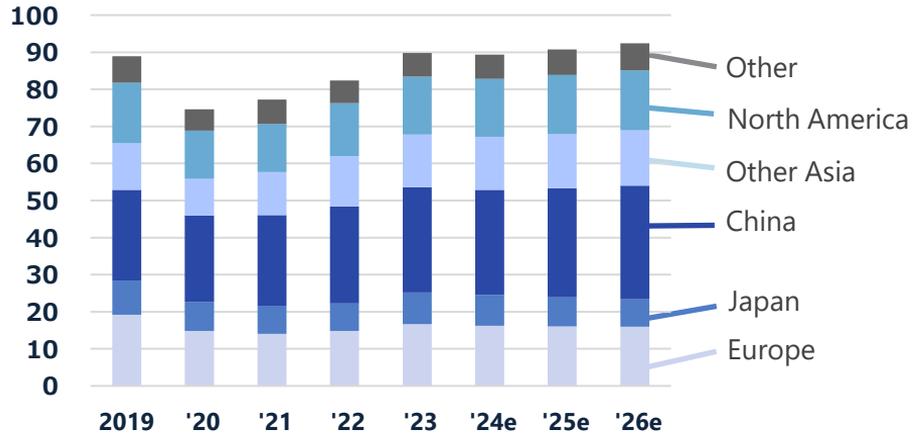
BIPV module*2

Automotive Business Environment

- Lower the break-even point and strengthen the resilience against market fluctuations by review of pricing policy, realigning its manufacturing structure, converting facilities to those with higher efficiency and promoting DX initiatives
- Increase the percentage of high value-added products such as CASE-related applications to improve the profitability

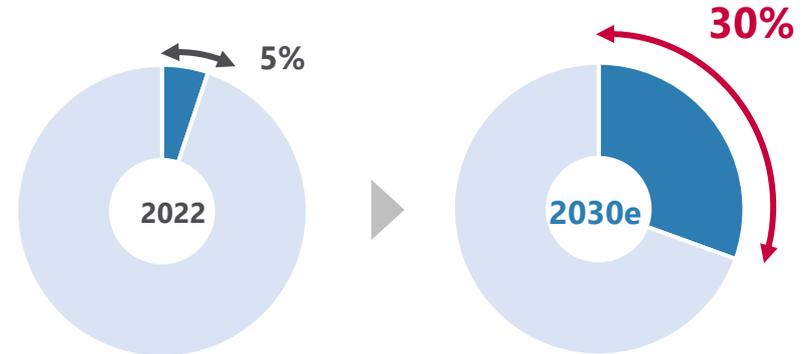
Automobile Production (by region) *

Million unit



AGC's High value-added products (%)

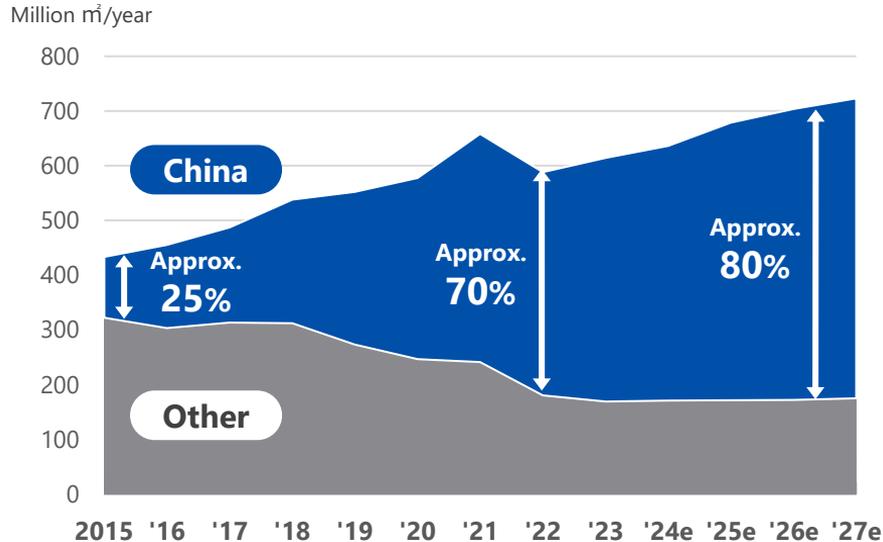
- Mobility products **
- Other products



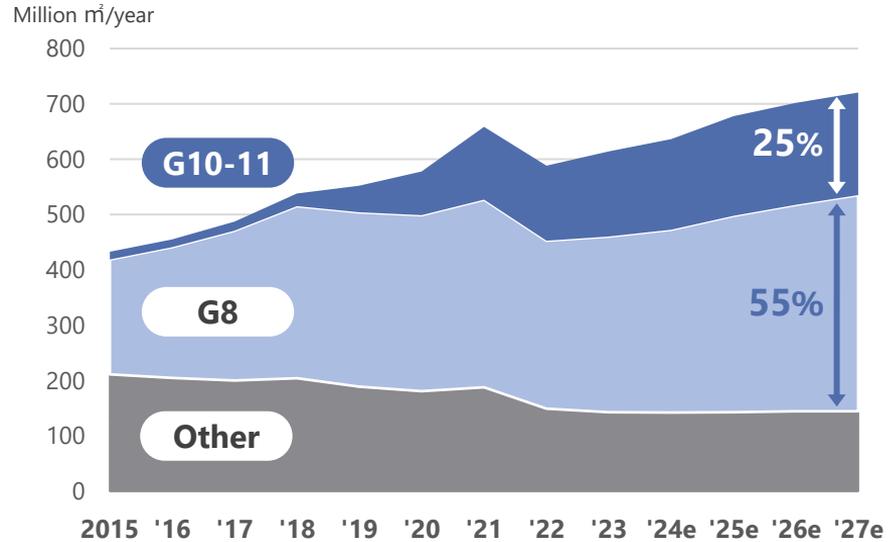
Display Business Environment

- Demand in China will continue to expand further

Demand for LCD Glass (by region)



Demand for LCD Glass (by generation)

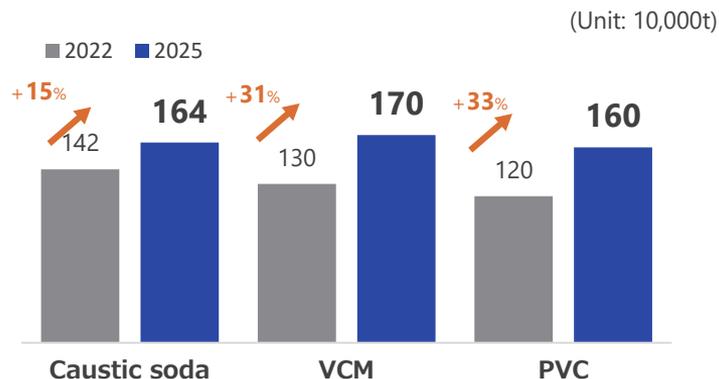


Source: AGC's estimate

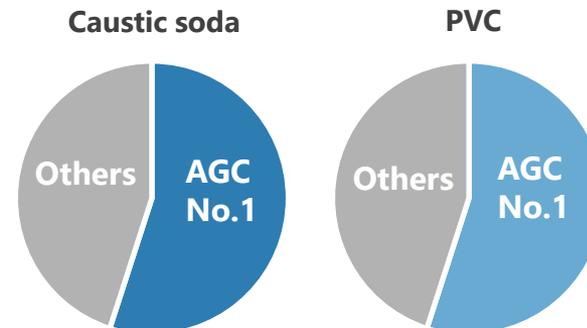
Essential Chemicals Overview

- Investment of over 100 billion yen determined in 2022 is progressing as planned for launch in 2025
 - Further strengthening our position in Southeast Asia.
 - Steadily capturing demand in Southeast Asia, which is growing at 4% per year.
- Keep considering capacity enhancement aiming at a production system of 2 million tons per year by 2030.

Southeast Asia Chlor-Alkali Production Capacity



Market share based on production capacity in Southeast Asia (after expansion)



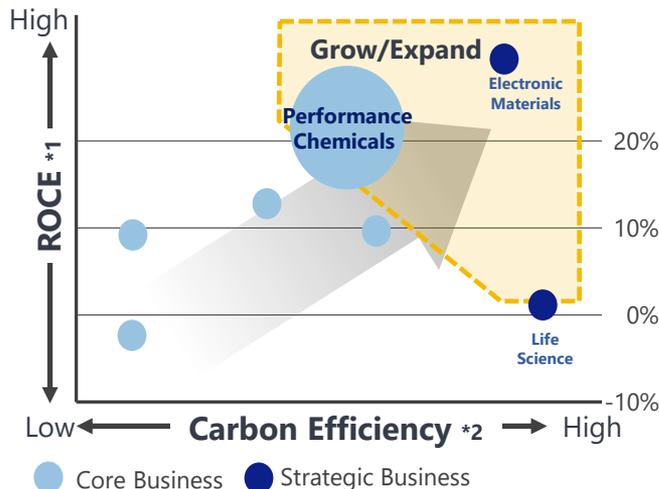
Market share based on production capacity: Caustic soda does not include Australia/NZ in the region, PVC includes Australia/NZ in the region

Performance Chemicals Overview(1)

- **Growing business** with high asset and carbon efficiency.
- Highly rated in global niche markets requiring **high technical characteristics**.
- **Aiming for sales of 300 billion yen or more** by 2030.

Positioning in the Business Portfolio

Positioned as a **growth business** with high ROCE and carbon efficiency



Global Niche Top Strategy

Strengths in technological development using the properties of fluorine

Worldwide No.1^{*3} Share



Fluoropolymer resin ETFE



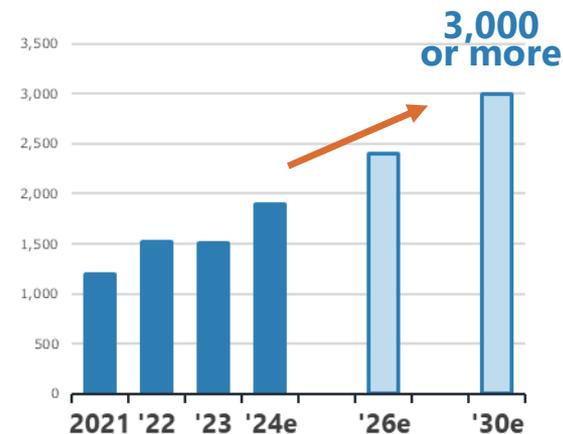
Electrolyte polymer for fuel cells



Fluoropolymer resin for on-site coatings

Performance chemicals*4 sales trend

(unit : 100 million JPY)



*1: Created based on FY2023 results *2: Based on 2022 emissions per 2023 sales

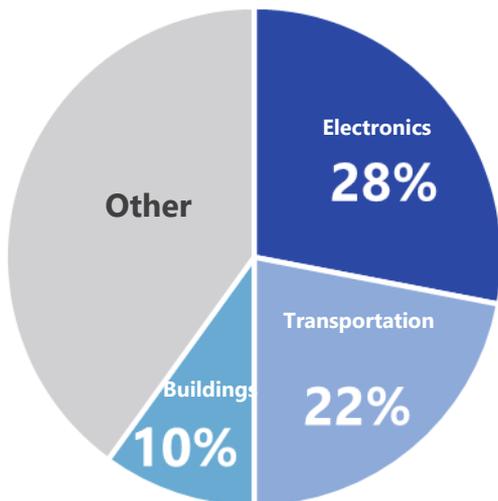
*3: AGC's estimate as of Jan 2024

Performance Chemicals Overview(2)

- Approx. 60% of the demand is for the main applications such as Electronics, Transportation (automobile, aircraft) and Buildings.
- The remaining consists of demand in various and specific fields.

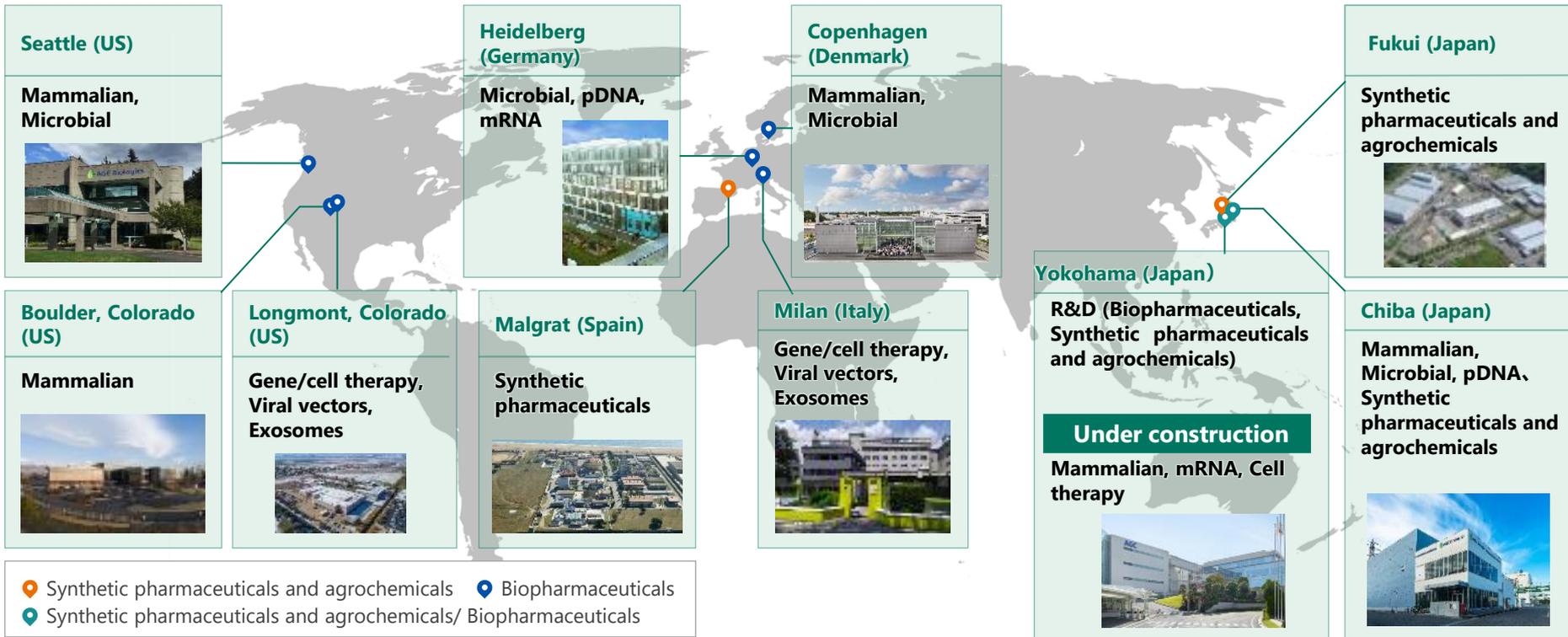
Net Sales by Application (2022)*

* Revised classification of some products.



Life Science Overview(1)

- We have established a highly integrated **cGMP system with 10 bases** 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.



- **Addresses a wide range of production scale needs that change as development progresses**

- Small molecule pharmaceuticals: We have kilo-lab pilot facilities suitable for small volume production in early-stage development and large-scale reactors for commercial use.

- Biopharmaceuticals: Ahead of other companies, we introduced **SUBs***, which are strong in the flexible production from small to medium scale of mammalian cells, the current mainstream. **Currently, our SUB production capacity is the global No. 2**.**

In 2020, **large-scale SUS***** bioreactors were introduced to meet the needs for large commercial products such as blockbuster drugs.

- On the strength of our SUB's abundant capacity and track record, **we are building up contracts for early-stage development projects and working with customers to nurture them into late-stage development and commercialization that are expected to generate long-term contract, resulting in continued growth over the medium to long term.**

Scope of AGC's services in the biopharmaceutical business



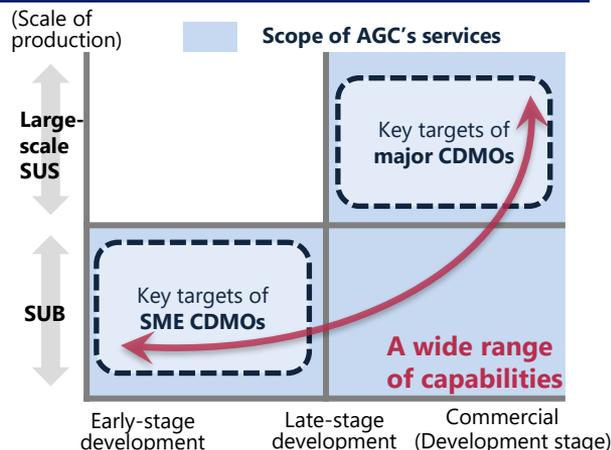
*****Large-scale SUS:**

Large stainless steel bioreactors. Suitable for large scale commercial pharmaceutical production.

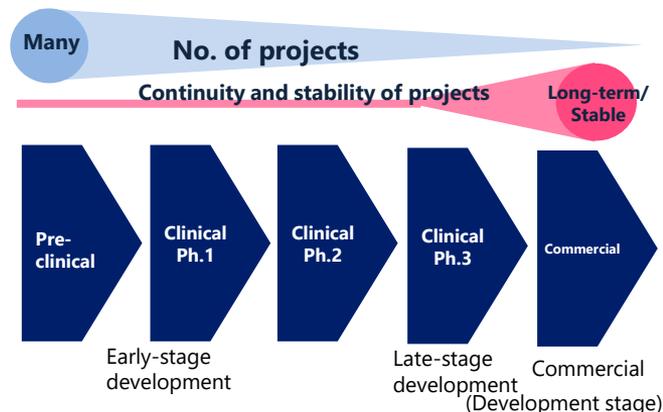


***SUB:**

A bioreactor that uses single-use bags, which are disposable containers. Since no washing of the bioreactor is required, it is highly efficient and suitable for small- to medium-scale multi-product production.



Changes in the nature of contracted projects as development progresses



** Estimated by AGC.

Life Science Overview(3)

- Advanced quality and manufacturing control systems and strict inspections by regulators are essential for Commercial and/or Late-stage development projects
- To ensure the early launch of pipelines for which significant development investment has been made, **Customers (pharmaceutical companies) tend to seek outsourcing to trusted and proven CDMOs**
- Through many years of experience as a CDMO, **AGC has gained a wealth of manufacturing and inspection track record, as well as customer trust.** The number of commercial pharmaceutical contracts has increased as a result.

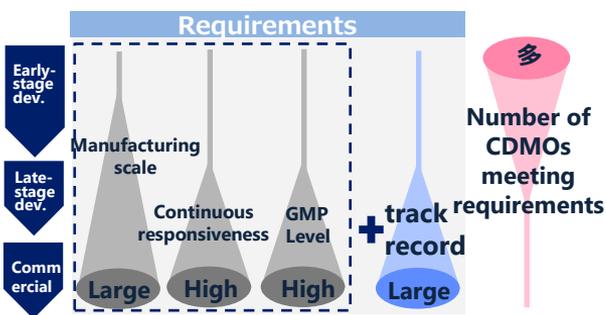
Creating a virtuous cycle where the more projects we complete, the more projects we obtain.

Pharmaceutical R&D Expenses*



R&D expenses increase year by year. Return on investment by early and reliable launch of new drugs is essential.

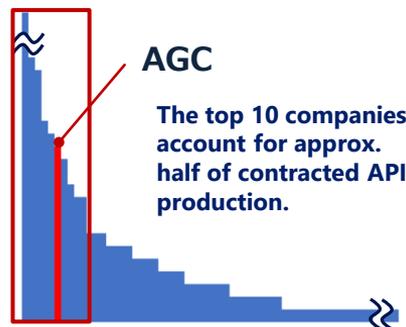
Changes in the level of requirements for CDMOs as development progresses



Due to the risk of lost opportunities caused by delayed launch schedules, **"track record" is an important requirement** for CDMO selection, especially for late-stage development and commercial projects, as it is a proof of capability.

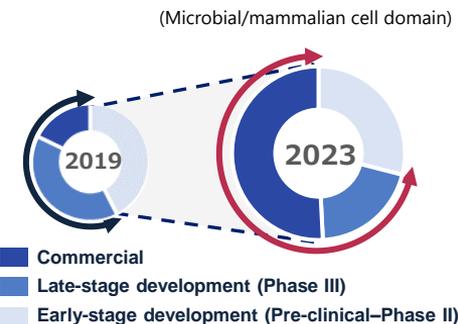
Limited number of CDMOs with an extensive track record in late-stage development and commercial projects.

Comparison of biopharmaceutical API contracts**



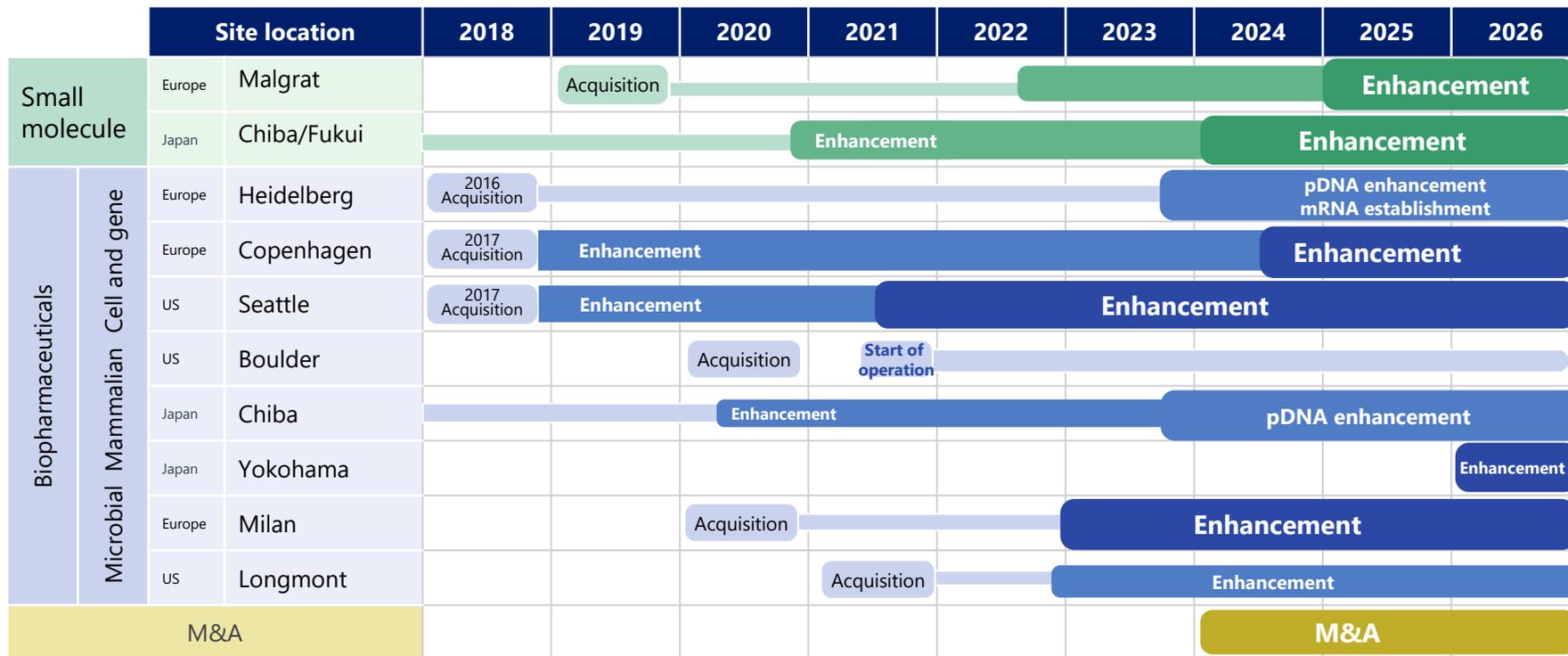
Projects are concentrated in some CDMOs, including AGC. The track record gained from such projects will become a strength, leading to a virtuous cycle that will increase the number of further contracts.

Percentage of biopharmaceutical CDMO contracts (value)



Ratio of commercial projects increased. Continued mid- to long-term growth in commercial products due to the prospect of long-term, continuous contracts.

Life Science Overview(4)

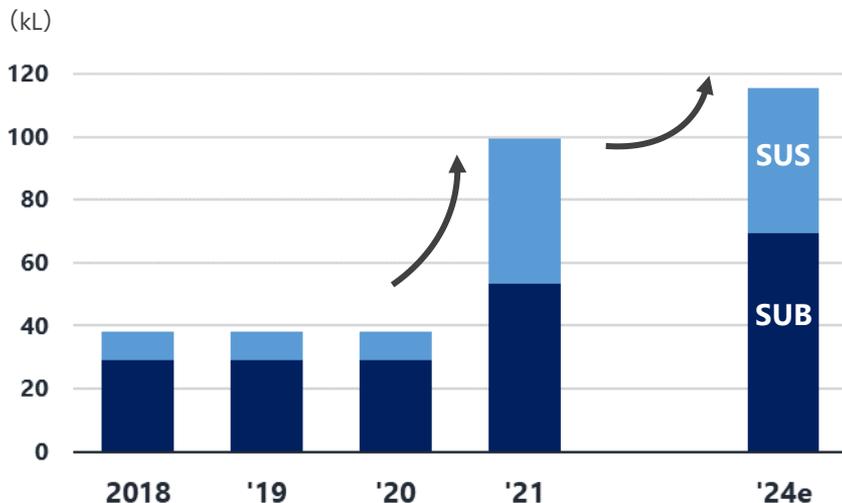


(The expressions are based on the start of operation)

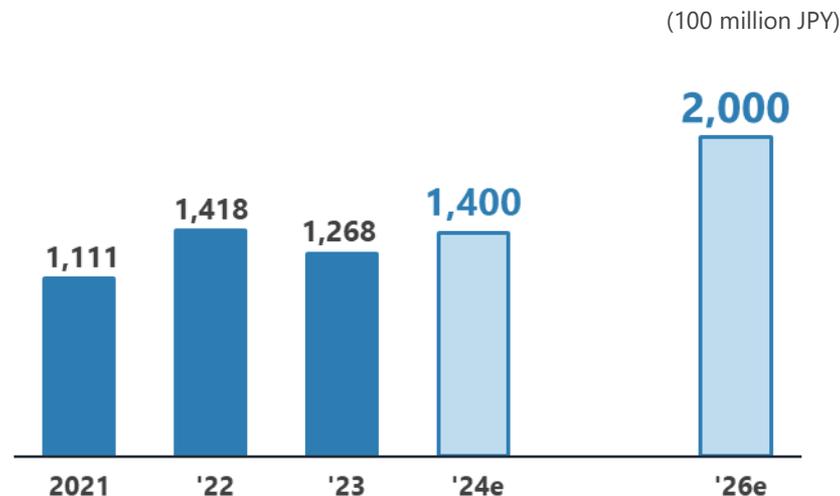
Life Science Overview(5)

- Supplement the growth of the bio CDMO industry and further expand business through timely capacity expansion.
- Aiming to exceed **200 billion yen** in sales by 2026.

Biopharmaceuticals CDMO Production Capacity (Mammalian only)

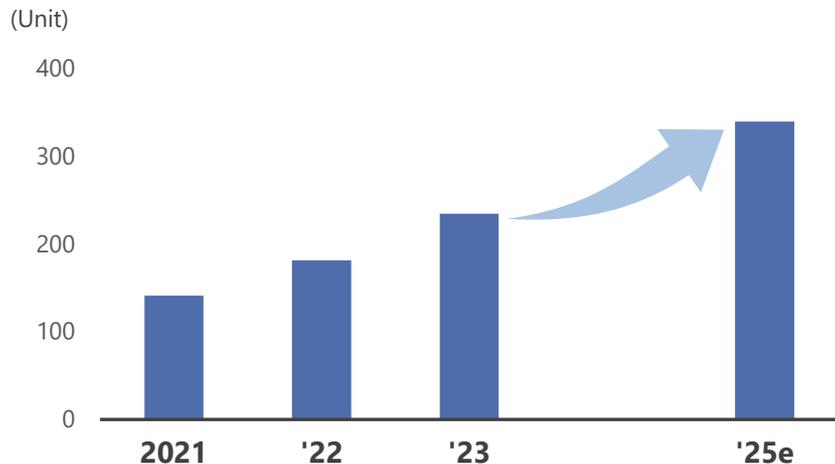


Life Science Net Sales

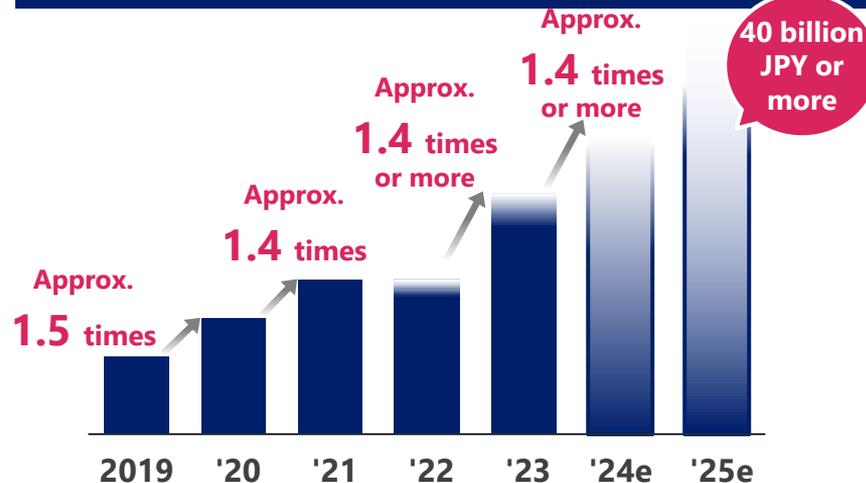


- Applications of AGC's EUV mask blanks are expanding to include memory, in addition to logic.
- According to EUV lithography system shipment forecasts, future demand growth is expected.
- We will continue to invest aggressively in line with market growth.

Cumulative number of EUV lithography equipment shipments*



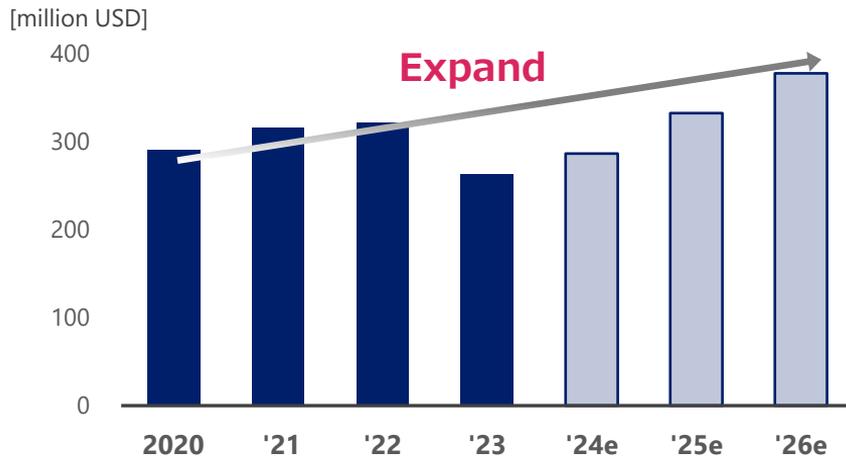
AGC Group's EUV Mask Blanks Net Sales



CMP Slurry

Despite stagnation in 2023, the ceria slurry market will expand in the medium to long term due to aggressive investment in current nodes in addition to advanced nodes.

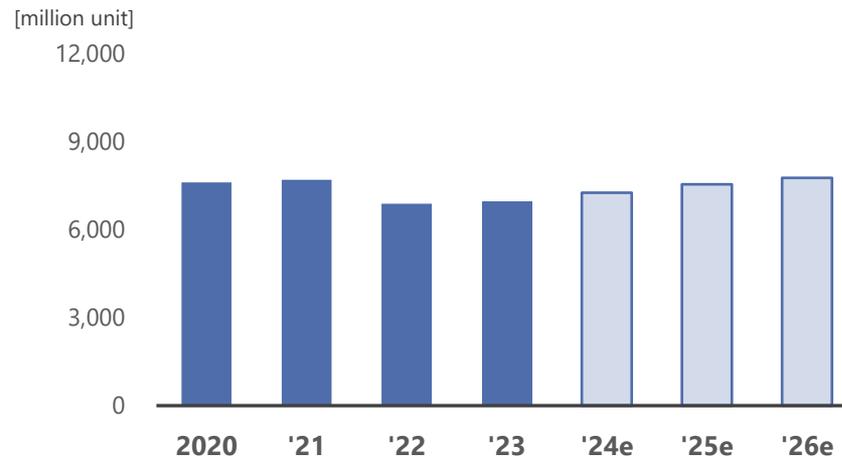
Ceria slurry market



Optoelectronics materials

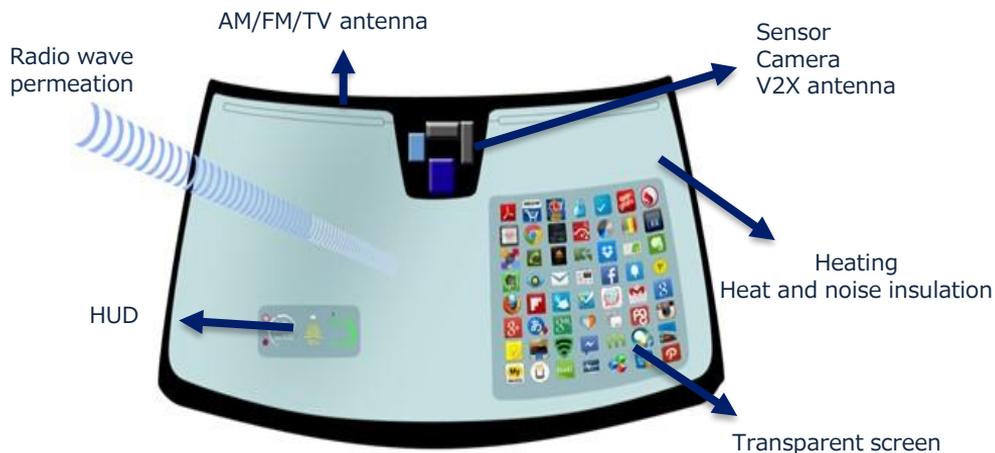
Although the growth rate is sluggish recently due to the stagnant smartphone market, the total number of cameras installed will increase due to market recovery in the medium to long term.

Image sensor for cameras



- Make sure to seize business opportunities with a view to **the market changes brought about by CASE**
- Contribute to earnings by starting mass production of automotive display glass in China

Automotive glass



Providing not only materials but also solutions through the use of glass displays and the addition of communication functions

Cover glass for car-mounted displays



Adopted in the LEXUS RX released in 2019 and other models and has the No.1 share worldwide

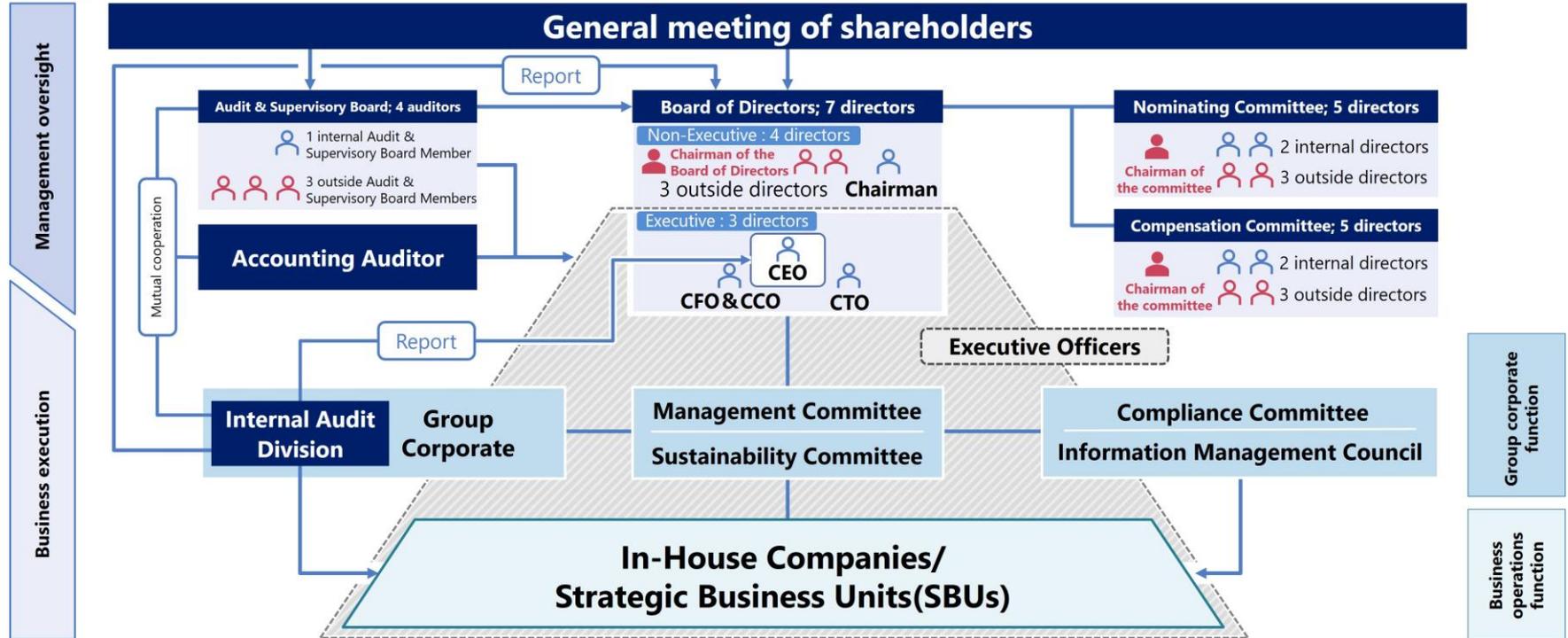
Car-mounted antenna compatible with 5G



Successful development of 5G-compatible glass antenna together with NTT DOCOMO and Ericsson

AGC's Corporate Governance Structure

 : Internal directors or internal Audit & Supervisory Board Member
  : Outside directors or outside Audit & Supervisory Board Members who satisfy Company's "Standards for independence of outside officers"



| | | | |
|---|---|---|---|
|  <p>FTSE4Good</p> | <p>FTSE4Good Index Series</p> |  | <p>4 stars awarded in the 7th Nikkei "Smart Work Management" survey</p> |
|  <p>FTSE Blossom Japan Index</p> | <p>FTSE Blossom Japan Index</p> |  | <p>"White 500" Company in recognition of initiatives to promote strategic health management for its employees</p> |
|  | <p>S&P/JPX Carbon Efficient Index</p> |  | <p>EcoVadis Supplier Evaluations PLATINUM rated for the Kashima plant and AGC Pharma Chemicals Europe Highly rated in several other domestic and international locations</p> |
|  | <p>CDP Climate Change A CDP Supplier Engagement Leader</p> |  | <p>Clarivate Top 100 Global Innovator 2023</p> |
|  | <p>SBTi "WB2°C" GHG Reduction Target</p> |  | <p>DX Brand 2023 in recognition of digital transformation efforts</p> |

Major Press Release in FY2023

|  Date |  Summary |
|---|--|
| January 12 | AGC to Receive Certification from SBTi for its "WB2°C" GHG Reduction Target |
| February 6 | AGC and Saint-Gobain Partner for the Decarbonization of Flat Glass Manufacturing |
| February 8 | AGC Has Started Considering Transfer of its Business in Russia |
| February 8 | Notice Concerning Change in Reportable Segments |
| February 8 | Announcement regarding Share Repurchases |
| March 16 | AGC Recognized as a "Supplier Engagement Leader" Company with the Highest Rating in the "Supplier Engagement Rating " by CDP |
| March 23 | AGC to Expand Production Capacity for Fluorochemical Products |
| April 27 | AGC to Boost Production Capacity of EUVL Photomask Blanks |
| May 12 | AGC Decides to discontinue production of LCD glass substrate products at Kansai Plant (Takasago Factory) in Japan |
| June 19 | AGC Builds and Launches "ChatAGC," an In-House Conversational AI Tool |
| June 27 | World's First Demonstration Test of Glass Production Using Ammonia as Fuel in Actual Production Furnace |
| August 31 | Start of Study on Production and Sales of the World's First Circular Carbon Methanol Made from CO2 Generated from Glass Production |
| September 6 | AGC Successfully Develops Proprietary Electrolyte Production Technology for All-Solid-State Batteries |
| September 25 | Announcement regarding the Status of Share Repurchases and the Completion of the Share Repurchase Program |
| October 12 | Announcement regarding Cancellation of Shares |
| October 26 | AGC Achieves Success in Demonstration Test of Glass Production Using Hydrogen as Fuel |
| November 7 | AGC Achieves Success in Demonstration Test of Solar Panel Cover Glass Recycling |
| December 21 | AGC Decides to Expand its Biopharmaceutical CDMO Capability in Yokohama, Japan |

END

Disclaimer:

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The logo for AGC, featuring the letters 'AGC' in a bold, blue, sans-serif font. A small red square is positioned to the right of the letter 'G'.

Your Dreams, Our Challenge