

# Financial Results for the Nine Months ended September 30, 2022



**AGC Inc.**

Nov. 2, 2022

Your Dreams, Our Challenge

<b>Financial Results for the Nine Months Ended September 30, 2022</b>	<b>P.3</b>
<b>1. Highlights of the Financial Results</b>	<b>P.4</b>
<b>2. Business &amp; Geographic Segment</b>	<b>P.11</b>
<b>Outlook for FY2022</b>	<b>P.23</b>
<b>Appendix</b>	<b>P.30</b>

## ■ Financial Results for 3Q FY2022 (YTD) :

(YoY) [unit: 100 million JPY]

**Net Sales**                      **14,989**      (+2,653 )

**Operating profit**            **1,521**            (+37 )

Profit for the period

**Attributable to owners**            **988**      (▲307 )  
of the parent

- Net sales reached record high for the nine months of the year.

## ■ Outlook for FY2022 (Revised) :

(vs. Aug 2 Forecast)

(YoY) [unit: 100 million JPY]

**Net Sales**                      **20,500**            ( - )            (+3,526 )

**Operating profit**            **1,900**            (▲400 )            (▲162 )

Profit for the period

**Attributable to owners**            **920**            (▲280 )            (▲318 )  
of the parent

- A downward revision was made due to high raw materials and fuel prices, as well as the effects of a decline in the PVC market in the chlor-alkali business and a sharp drop in demand in the display business.

# 1. Highlights of the Financial Results

# Highlights of the Financial Results for 3Q FY2022

(100 million JPY)

	FY2021 1-3Q Total	FY2022 1-3Q Total	Change	Main factors in the change (+) Increasing factors (-)Decreasing factors
<b>Net Sales</b>	12,335	<b>14,989</b>	+ 2,653*	(+) Shipments of life science, fluorochemicals-related products, electronic materials and architectural glass increased (+) Sales price of chlor-alkali products and architectural glass increased (+) Weaker yen
<b>Operating profit</b>	1,484	<b>1,521</b>	+ 37	In addition to the above, (-) Increased in raw materials and fuel prices primarily in Europe
<b>Profit before tax</b>	1,851	<b>1,652</b>	▲ 199	In addition to the above, (+) Gain on sales of land (+) Gain on sale of subsidiaries (-) Gain on sale of North American architectural glass business recorded in the same period of the previous year
<b>Profit for the period Attributable to owners of the parent</b>	1,294	<b>988</b>	▲ 307	
<b>FOREX (Average)</b>				
<b>JPY/USD</b>	108.50	<b>128.05</b>		
<b>JPY/EUR</b>	129.83	<b>135.95</b>		
<b>Crude Oil (Dubai, Average)</b>				
<b>USD/BBL</b>	66.19	<b>100.17</b>		

\* FOREX impact was +116.6 billion JPY, change in the scope of consolidation was ▲20.3 billion JPY

# YoY Performance Comparison by Business Segment

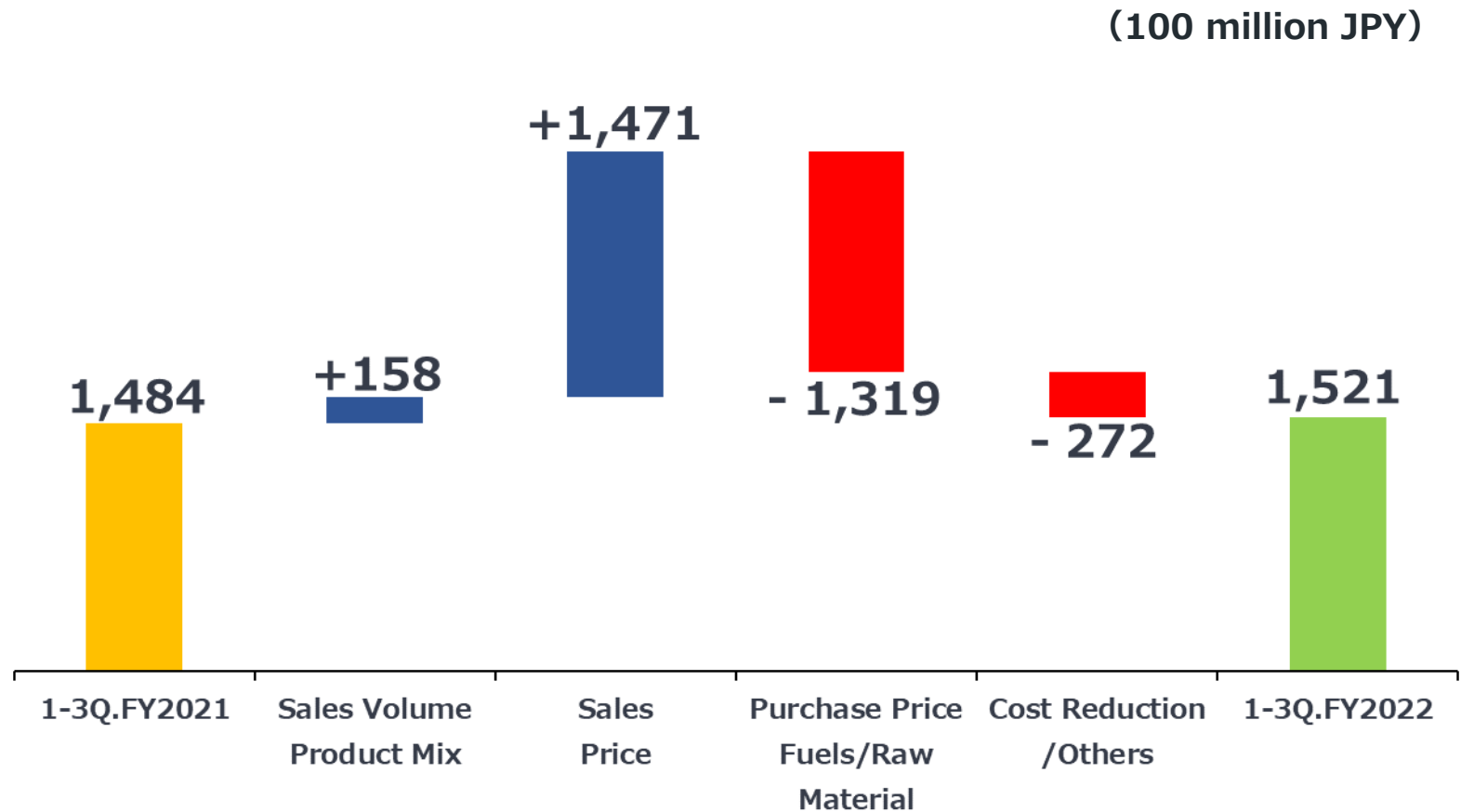
(100 million JPY)

	FY2021		FY2022		Change	
	1-3Q Total		1-3Q Total		(b)-(a)	
	(a)		(b)			
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Glass*	5,447	252	6,507	137	+ 1,060	▲ 115
Electronics*	2,182	245	2,258	123	+ 76	▲ 122
Chemicals	4,508	960	5,991	1,229	+ 1,484	+ 269
Ceramics/Other	561	28	648	34	+ 87	+ 6
Elimination	▲ 362	▲ 2	▲ 416	▲ 2	▲ 54	+ 0
<b>Total</b>	<b>12,335</b>	<b>1,484</b>	<b>14,989</b>	<b>1,521</b>	<b>+ 2,653</b>	<b>+ 37</b>

\*Figures for FY2021 have been retroactively adjusted due to the transfer of a portion of the automotive display cover glass business from electronics to glass business.

# Variance analysis on OP (1-3Q.FY2022 vs. 1-3Q.FY2021) **AGC** Your Dreams, Our Challenge

**37 (100 million JPY) up YoY**



# Consolidated Statement of Financial Position

(100 million JPY)

	2021/12	2022/9	Change
Cash and cash equivalents	1,958	<b>2,641</b>	+ 682
Inventories	3,301	<b>4,505</b>	+ 1,204
Property, plant and equipment, Goodwill and Intangible assets	15,067	<b>16,634</b>	+ 1,567
Other assets	6,334	<b>6,382</b>	+ 48
<b>Total assets</b>	26,660	<b>30,162</b>	+ 3,502
Interest-bearing debt	6,032	<b>6,689</b>	+ 658
Other liabilities	5,815	<b>6,072</b>	+ 258
<b>Liabilities</b>	11,847	<b>12,762</b>	+ 915
Total equity attributable to owners of the parent	13,142	<b>15,271</b>	+ 2,129
Non-controlling interests	1,672	<b>2,129</b>	+ 457
<b>Equity</b>	14,814	<b>17,400</b>	+ 2,587
<b>Total liabilities and equity</b>	26,660	<b>30,162</b>	+ 3,502
<b>D/E ratio</b>	0.41	<b>0.38</b>	

Foreign exchange  
fluctuation  
+260.1billion JPY



# Consolidated Statement of Cash Flow

	(100 million JPY)	
	1-3Q Total	
	FY2021	FY2022
Profit before tax	1,851	<b>1,652</b>
Depreciation and amortization	1,219	<b>1,375</b>
Increase(decrease) in working capital	▲ 306	▲ <b>852</b>
Others	▲ 409	▲ <b>595</b>
<b>Cash flows from operating activities</b>	<b>2,354</b>	<b>1,580</b>
<b>Cash flows from investing activities</b>	▲ 953	▲ <b>791</b>
<b>Free cash flow</b>	<b>1,401</b>	<b>789</b>
Changes in interest-bearing debt	▲ 915	<b>224</b>
Dividends paid	▲ 310	▲ <b>522</b>
Others	▲ 54	▲ <b>98</b>
<b>Cash flows from financing activities</b>	▲ 1,280	▲ <b>395</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>37</b>	<b>289</b>
<b>Net increase(decrease) in cash and cash equivalents</b>	<b>158</b>	<b>682</b>

(100 million JPY)

1-3Q Total

	FY2021	FY2022
<b>CAPEX*</b>	1,511	<b>1,502</b>
Glass	367	<b>295</b>
Electronics	489	<b>553</b>
Chemicals	644	<b>645</b>
Ceramics/Other	15	<b>10</b>
Elimination	▲ 3	▲ 2
<b>Depreciation*</b>	1,219	<b>1,375</b>
Glass	410	<b>420</b>
Electronics	435	<b>513</b>
Chemicals	359	<b>430</b>
Ceramics/Other	15	<b>14</b>
Elimination	▲ 1	▲ 1
<b>R&amp;D</b>	361	<b>382</b>

## Main projects for CAPEX

- Repairment for Automotive glass furnace (Glass)
- Repairment for display glass furnace (Electronics)
- G11 investment in China (Electronics)
- Production facility enhancement for electronic materials (Electronics)
- Capacity enhancement for Chlor-alkali in Southeast Asia (Chemicals)
- Capacity enhancement for fluorochemicals-related products (Chemicals)
- Capacity enhancement for biopharmaceuticals (Chemicals)

etc.

## Main factors for increase in depreciation cost

- Production facility enhancement for electronic materials (Electronics)
- G11 investment in China (Electronics)
- Capacity enhancement for Chlor-alkali in Southeast Asia (Chemicals)
- Capacity enhancement for biopharmaceuticals (Chemicals)

etc.

\*Figures for FY2021 have been retroactively adjusted due to the transfer of a portion of the automotive display cover glass business from electronics to glass business.

## 2. Business and Geographic Segments

(100 million JPY)

	1-3Q Total		
	FY2021	FY2022	Change
<b>Net sales**</b>	5,447	<b>6,507</b>	+ 1,060*
Architectural Glass	2,799	<b>3,497</b>	+ 698
Automotive Glass (Inter-segment)	2,630	<b>3,002</b>	+ 372
	17	<b>8</b>	
<b>Operating profit**</b>	252	<b>137</b>	▲ 115

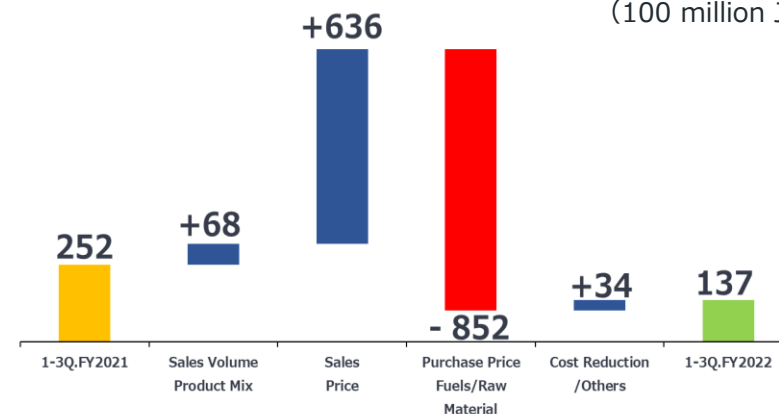
\* FOREX impact: +53.4 billion JPY,

Change in the Scope of Consolidation: ▲15.7 billion JPY

\*\* Figures for FY2021 have been retroactively adjusted due to the transfer of a portion of the automotive display cover glass business from electronics to glass business.

## Variance Analysis on OP

(100 million JPY)



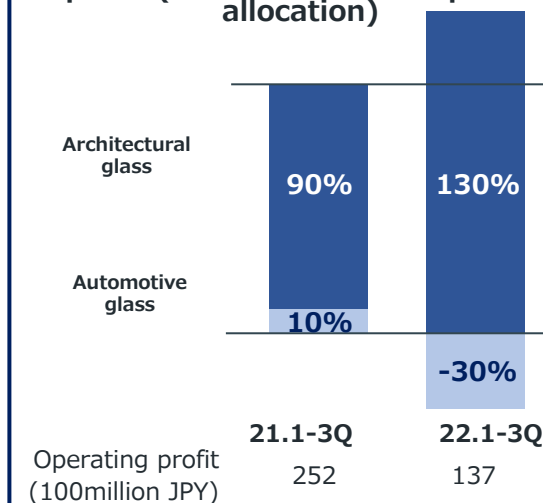
### [ Architectural glass ]

- Shipments increased in Japan/Asia.
- The rise in the sales prices in all regions, particularly in Europe, offset the decrease of income due to transfer of architectural glass business in North America.
- Impact of high natural gas prices in Europe was absorbed by energy surcharges but still affected by other raw materials and energy price hikes.

### [ Automotive glass ]

- Shipments increased due to easing effects of component supply shortages, including semiconductors.
- Effects of price revisions begin to emerge but affected by further increased raw materials and fuel prices.

### Ratio of sub-segment to the operating profit (before common expense allocation)



# Reference: Architectural glass business situation

- Japan, Asia and South America remains robust.
- Europe has been in adjustment phase due to high energy prices and economic slowdown.

## Europe

- Introduction of energy surcharge to absorbs natural gas price increases, but can not cover electricity and other cost increases.
- Shipments down YoY from 3Q onwards due to the impact of the economic slowdown.

## Japan

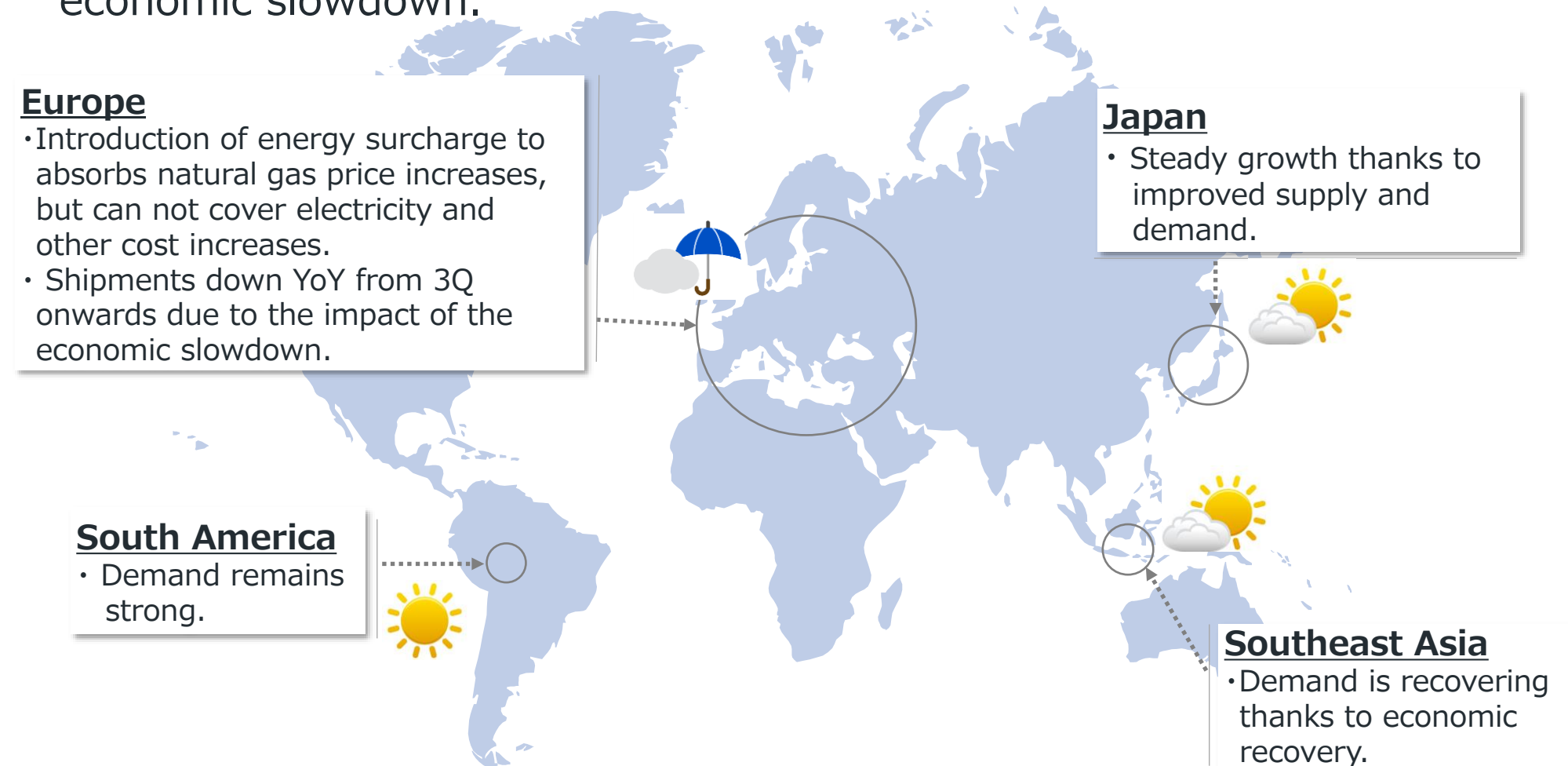
- Steady growth thanks to improved supply and demand.

## South America

- Demand remains strong.

## Southeast Asia

- Demand is recovering thanks to economic recovery.

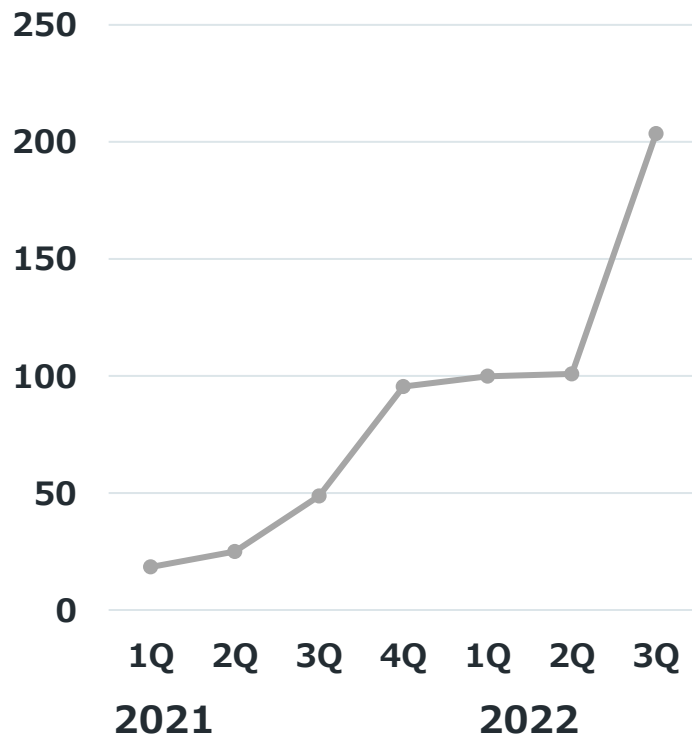


# Reference: Architectural glass business situation in Europe

- Temporary operational adjustments were made due to current signs of economic slowdown in Europe.
- Profitability is expected to recover in the medium term thanks to increased demand for energy-saving glass.

## TTF gas price trend\*

(EUR/MWh)



## AGC initiatives

### FY2022

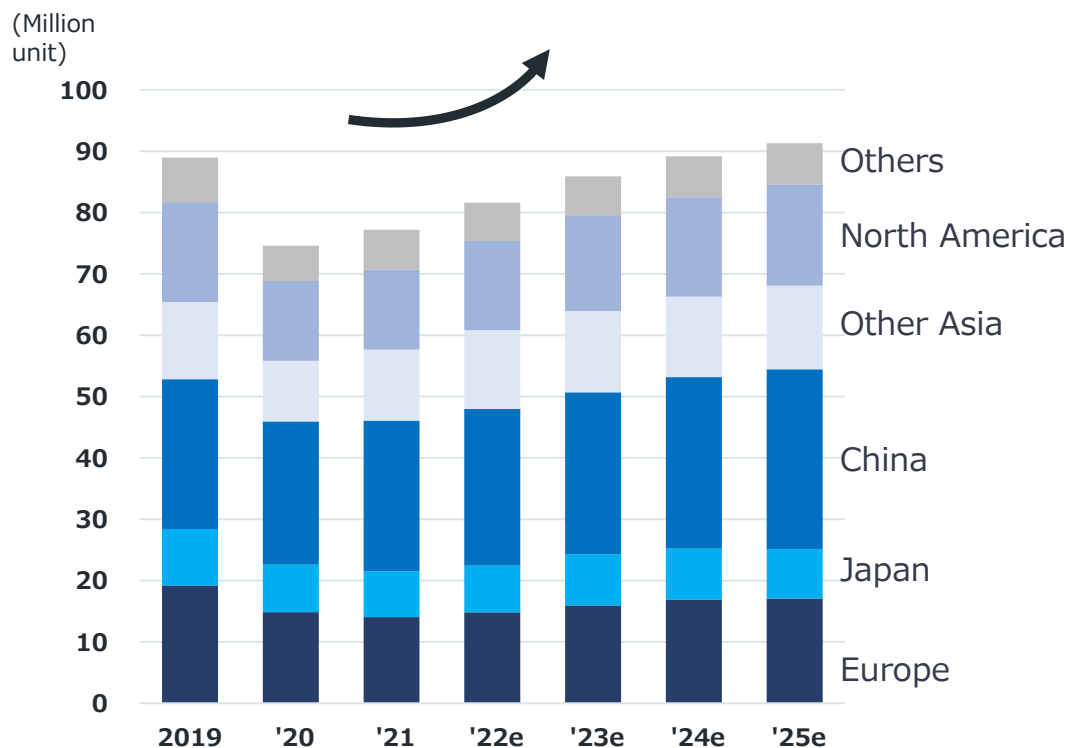
- Feb** Energy surcharges introduced to pass on increased natural gas prices to the selling price.
- Jun** A BCP developed for natural gas supply insecurity.
- Jul** Low carbon glass is released.
- Oct** Temporary furnace stop at the Boussois plant (France) in response to decreasing demand caused by the economic slowdown. Operational adjustments were also made at several other sites.

Quick response to European market trends

# Reference: Automotive glass business situation

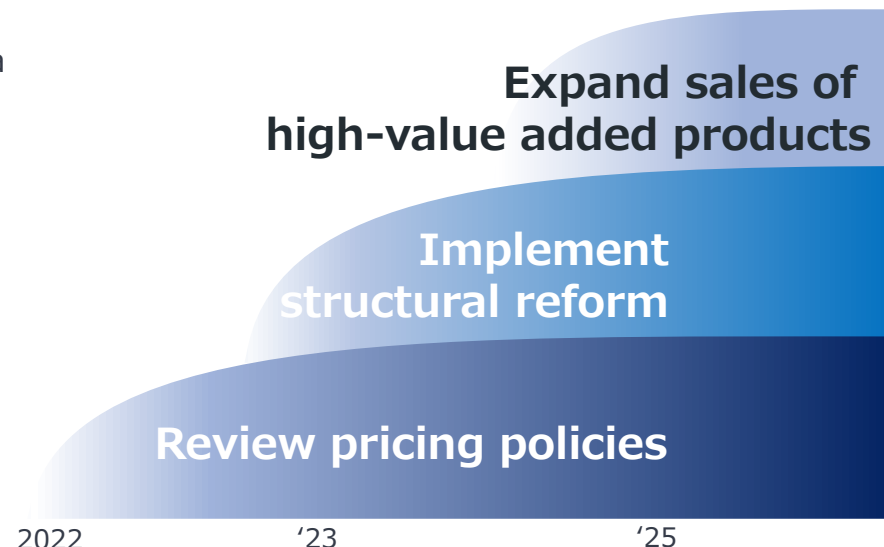
- Markets, mainly in Asia, are on the recovery trend from the second half of 2022 up to the 2019 levels by 2024.
- Further price revisions are underway, mainly in Europe, in response to a sharp rise in gas prices.

## Vehicle Production (by region)\*



## Profit improvement in automotive glass business

### Three pillars to improve profitability



(100 million JPY)

	1-3Q Total		
	FY2021	FY2022	Change
<b>Net sales**</b>	2,182	<b>2,258</b>	+ 76*
Display	1,363	<b>1,216</b>	▲ 147
Electronic Materials	805	<b>1,025</b>	+ 220
(Inter-segment)	14	<b>17</b>	
<b>Operating profit**</b>	245	<b>123</b>	▲ 122

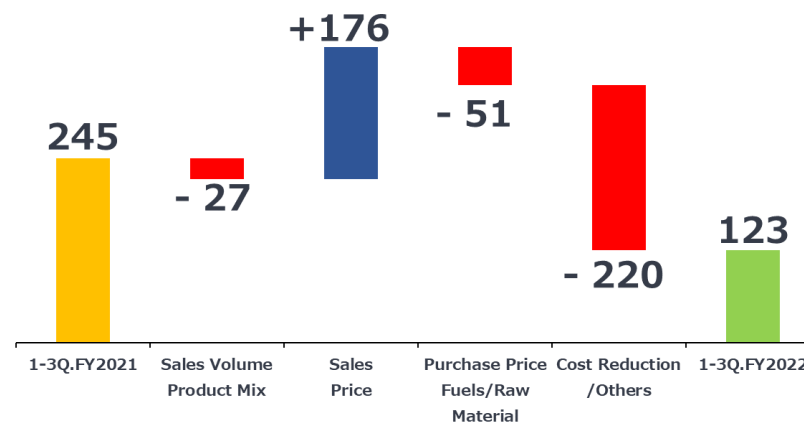
\* FOREX impact: +9.8 billion JPY,

Change in the Scope of Consolidation: ▲3.6 billion JPY

\*\* Figures for FY2021 have been retroactively adjusted due to the transfer of a portion of the automotive display cover glass business from electronics to glass business.

## Variance Analysis on OP

(100 million JPY)



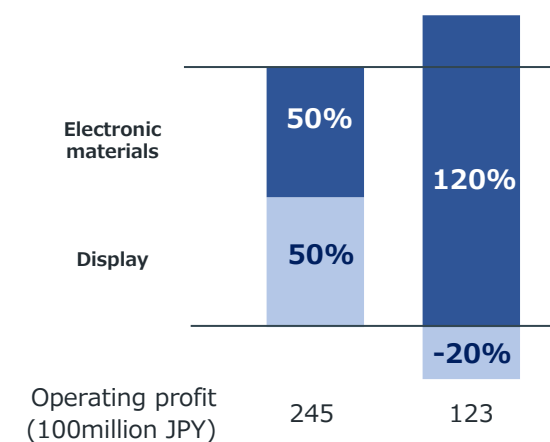
### { Display }

- Shipments of LCD glass substrates and specialty glass for display applications decreased.
- Depreciation expenses increased because of the new facility launch for LCD glass substrates.
- Manufacturing costs increased as affected by higher fuel & raw materials prices and weaker yen.

### { Electronic materials }

- Shipments of optoelectronic materials and semiconductor-related products increased.

### Ratio of sub-segment to the operating profit (before common expense allocation)





# Reference: Display glass business situation

- Demand is in a temporary adjustment phase, but stable growth is expected in the medium- to long-term, partly due to progress in the shift to larger displays.
- Asset efficiency improvement efforts are being accelerated in addition to the conversion of production facilities optimized for large panel production.

## Supply-demand adjustment for display panels

- Stagnant demand for TVs, etc.

## Inefficient production facilities

- Lines not optimized for large panels (G11)

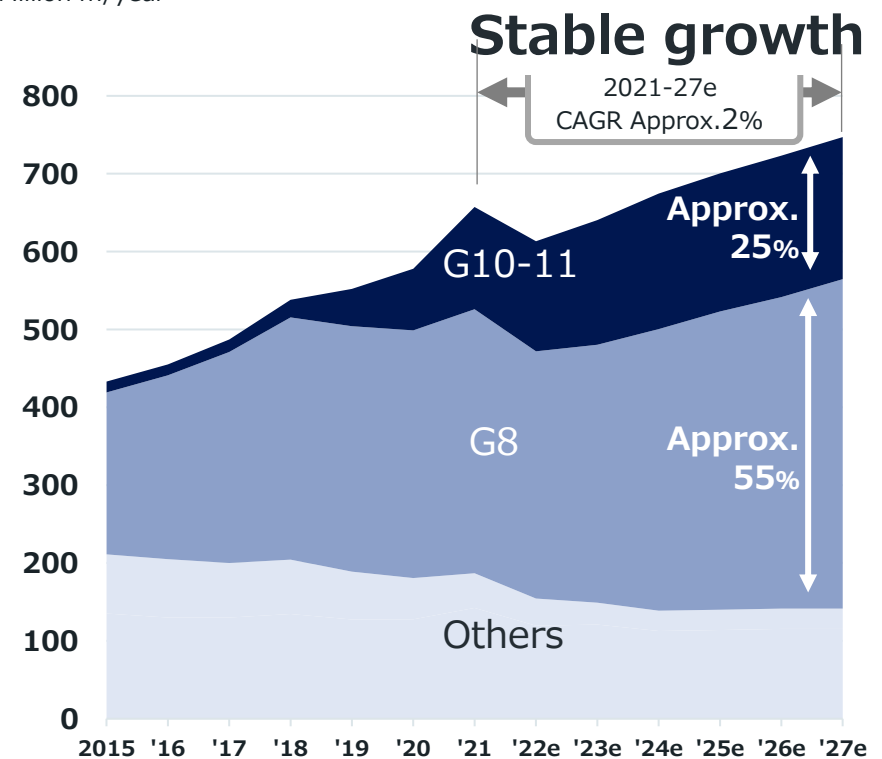
## Rising prices of raw materials and fuel and rapid weakening of the yen

- Rise in manufacturing costs due to high raw materials and fuel prices and strong Asian currencies

- Demand is expected to return to stable growth in the medium- to long-term.
- Conversion to production facilities optimal for large panel production
- Consideration of drastic measures to improve profitability

## Demand for LCD Glass\* (by generation)

Million m<sup>3</sup>/year



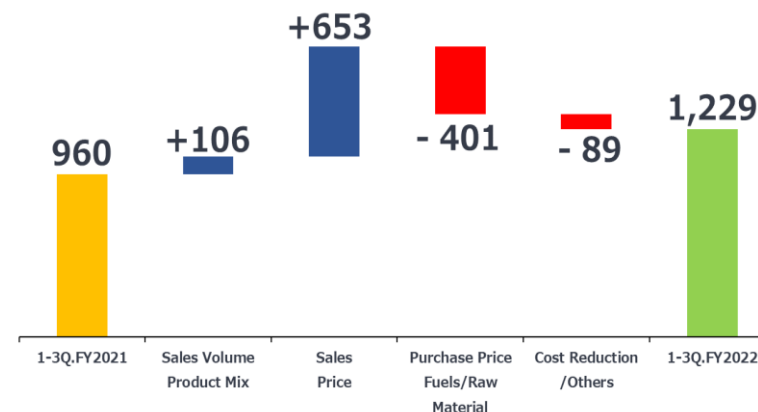
(100 million JPY)

	1-3Q Total		
	FY2021	FY2022	Change
<b>Net sales</b>	4,508	<b>5,991</b>	+ 1,484*
Chlor-alkali & Urethane	2,792	<b>3,714</b>	+ 922
Fluorochemicals & Specialty	896	<b>1,159</b>	+ 262
Life science	809	<b>1,103</b>	+ 294
(Inter-segment)	10	<b>15</b>	
<b>Operating profit</b>	960	<b>1,229</b>	+ 269

\* FOREX impact: +51.7 billion JPY,  
Change in the Scope of Consolidation: ▲0.9 billion JPY

## Variance Analysis on OP

(100 million JPY)



### [ Chlor-alkali/urethane ]

- Sales increased due to steady market conditions for caustic soda and other products, as well as the impact of the weaker yen.

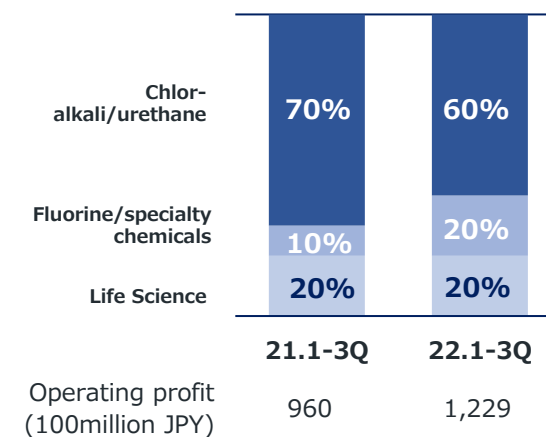
### [ Fluorine/specialty chemicals ]

- Shipments of fluorochemical-related products mainly for semiconductor applications increased significantly.

### [ Life science ]

- The sales from CDMO contracts on the synthetic pharmaceutical and agrochemical business and the biopharmaceutical business increased.

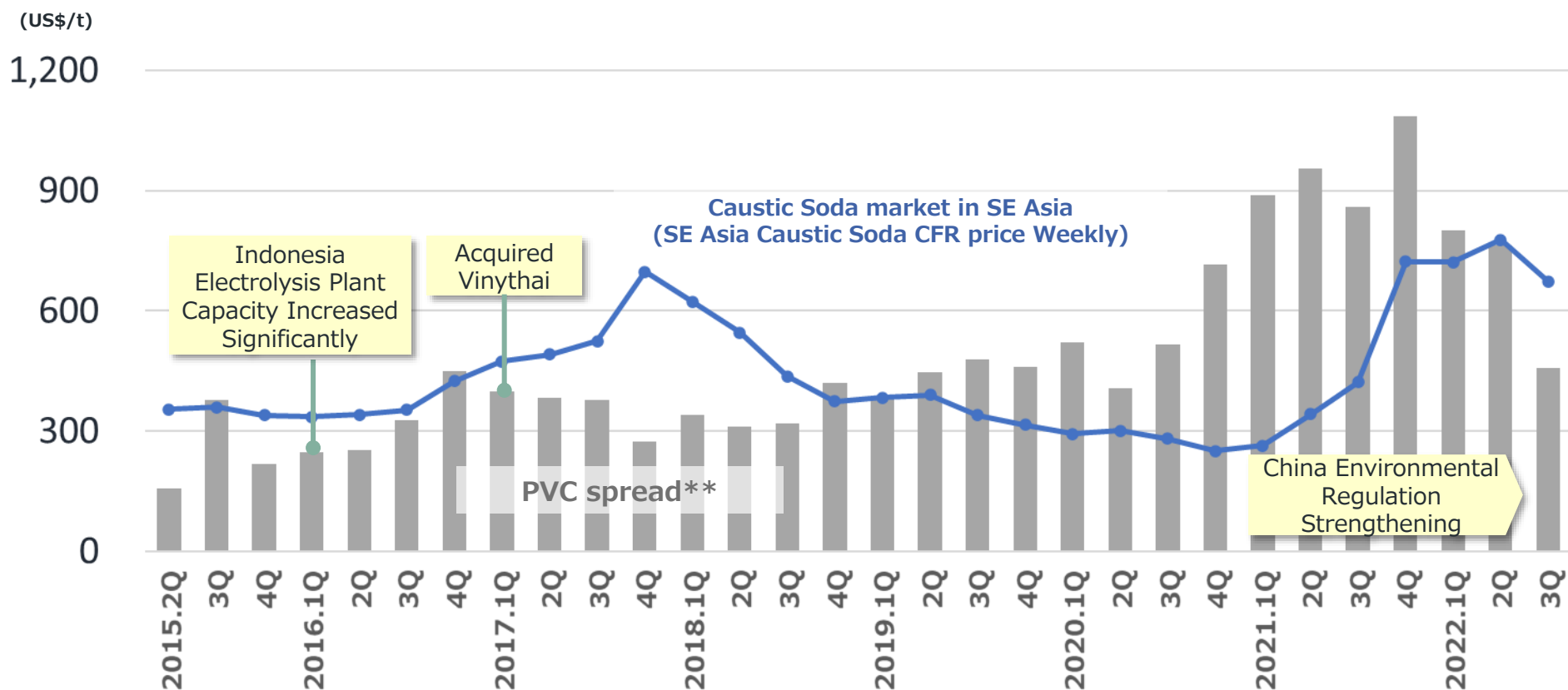
### Ratio of sub-segment to the operating profit (before common expense allocation)



# Reference: Market trend of Caustic soda and PVC in Southeast Asia

- Caustic soda prices remained high in 3Q.
- The spread between PVC and ethylene narrowed in 3Q. The PVC market is expected to stop falling in 4Q.

## Chlor-alkali market in Southeast Asia\*

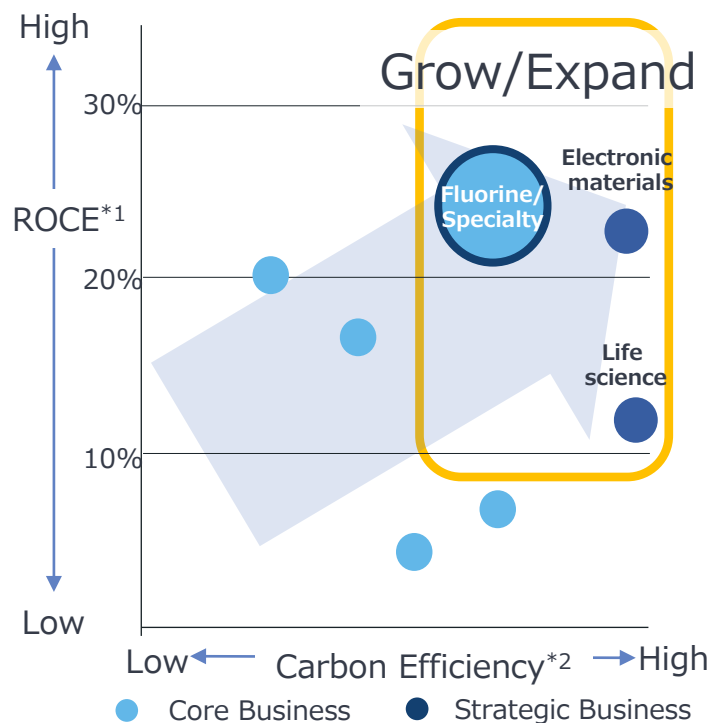


# Reference: Strengths of Fluorine/specialty chemicals

- Growing business with high asset and carbon efficiency.
- Highly rated in global niche markets requiring high technical characteristics.
- Sales are expected to exceed 200 billion yen by 2024.

## 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<sup>\*3</sup> Share

Fluoropolymer resin ETFE



Electrolyte polymer for fuel cells

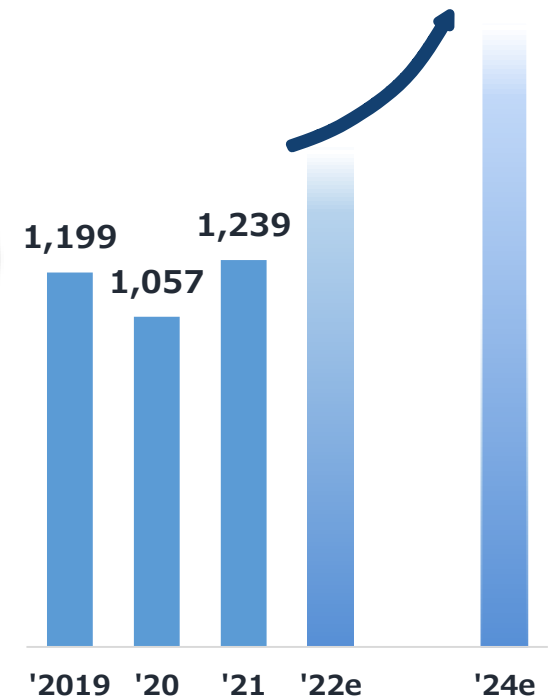
Fluoropolymer resin for on-site coatings



## Fluorine/specialty chemicals sales trend

(unit : 100 million JPY)

**2,000**  
or more



\*1 : Created based on the 2023 Target

\*2 : Created Actual emissions per net sales in 2020

\*3: AGC's estimate as of January 2022

# Profit contribution of Strategic business

■ Strategic businesses are growing steadily.

## Sales of Strategic business

### Main products & businesses

#### Mobility

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

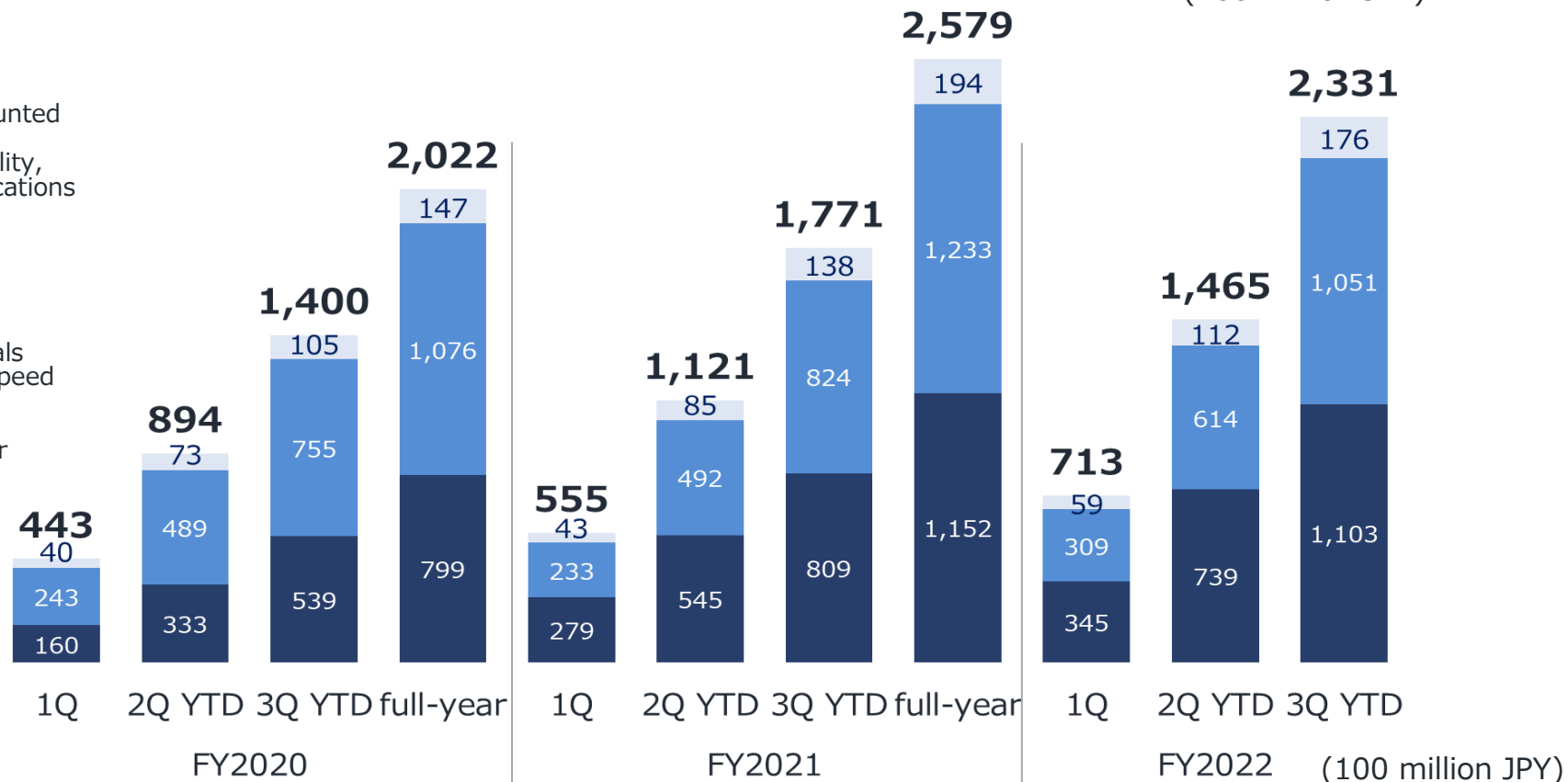
#### Electronics

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

#### Life science

- Synthetic pharmaceutical and agrochemical CDMO
- Biopharmaceutical CDMO

(100 million JPY)



OP (Strategic business)	93	177	296	444	113	196	346	538	141	276	499
-------------------------	----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

# YoY Performance Comparison by Geographic Segment

	1-3Q Total		Change
	FY2021	<b>FY2022</b>	
<b>Net sales</b>	12,335	<b>14,989</b>	+ 2,653
Japan &Asia	8,118	<b>9,673</b>	+ 1,555
Americas	1,316	<b>1,523</b>	+ 207
Europe	2,901	<b>3,792</b>	+ 892
<b>Operating profit</b>	1,484	<b>1,521</b>	+ 37
Japan &Asia	1,351	<b>1,533</b>	+ 183
Americas	99	<b>66</b>	▲ 33
Europe	321	<b>222</b>	▲ 99
Cross-regional common expenses	▲ 287	▲ <b>301</b>	▲ 14

(100 million JPY)

FOREX impact :  
+116.6 billion JPY

Change in the scope of consolidation :  
▲20.3 billion JPY

# Outlook for FY2022

- We downwardly revised earnings forecast announced in August this year.

(100 million JPY)

	FY2021	FY2022e As of Aug 2, 2022	FY2022e As of Nov 2, 2022
<b>Net sales</b>	16,974	20,500	<b>20,500</b>
<b>Operating profit</b>	2,062	2,300	<b>1,900</b>
<b>Profit before tax</b>	2,100	2,170	<b>1,770</b>
<b>Profit for the year attributable to owners of the parent</b>	1,238	1,200	<b>920</b>
<b>Dividend (JPY/share)</b>	210	210	<b>210</b>
	(Ordinary 160)		
	(Special 50)		
<b>Operating profit margin</b>	12.1%	11.2%	9.3%
<b>ROE</b>	10.2%	9.1%	7.0%*
<b>FOREX (Average)</b>			
	<b>JPY/USD</b>	109.8	131.0
	<b>JPY/EUR</b>	129.9	138.0
<b>Crude Oil (Dubai, Average)</b>	<b>USD/BBL</b>	69.2	103.4
<b>Ethylene (CFR SEA)</b>	<b>USD/MT</b>	1,141	1,165



# Outlook breakdown by Business Segment (Net sales and Operating profit)

- Net sales forecast remains unchanged due to price revisions in the glass segment and the impact of the yen's depreciation.
- Operating profit forecast was revised downward in all segments due to high raw materials and fuel costs, a decline in the PVC market, and a sharp drop in demand in the display business.

(100 million JPY)

	FY2021		FY2022e As of Nov 2		Change		FY2022e As of Aug 2		Change	
	(a)		(b)		(b)-(a)		(c)		(b)-(c)	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Glass*	7,343	273	9,000	190	+ 1,657	▲ 83	8,700	300	+ 300	▲ 110
Electronics*	3,050	368	3,100	160	+ 50	▲ 208	3,300	300	▲ 200	▲ 140
Chemicals	6,308	1,388	8,000	1,520	+ 1,692	+ 132	8,100	1,670	▲ 100	▲ 150
Ceramics/Other	794	35	900	30	+ 106	▲ 5	900	30	+ 0	+ 0
Elimination	▲ 520	▲ 2	▲ 500	0	+ 20	+ 2	▲ 500	0	+ 0	+ 0
<b>Total</b>	<b>16,974</b>	<b>2,062</b>	<b>20,500</b>	<b>1,900</b>	<b>+ 3,526</b>	<b>▲ 162</b>	<b>20,500</b>	<b>2,300</b>	<b>+ 0</b>	<b>▲ 400</b>

\*Figures for FY2021 have been retroactively adjusted due to the transfer of a portion of the automotive display cover glass business from electronics to the automotive glass business.

2022 4Q Outlook	
<b>Glass</b>	<p><b>(Architectural glass)</b></p> <ul style="list-style-type: none"> <li>Concerns over continued high raw materials and fuel prices and the impact of the economic slowdown, particularly in Europe.</li> </ul> <p><b>(Automotive glass)</b></p> <ul style="list-style-type: none"> <li>Global vehicle production will gradually recover from the component supply shortages including semiconductor.</li> <li>Although there is concern about the impact of persistently high raw materials and fuel prices, the effect of the price increase is expected to emerge.</li> </ul>
<b>Electronics</b>	<p><b>(Display)</b></p> <ul style="list-style-type: none"> <li>Concerns regarding LCD glass substrates include the impact of LCD panel production adjustments and high manufacturing costs associated with higher fuel &amp; raw materials prices and yen depreciation.</li> <li>Shipments of specialty glass for display applications will increase due to demand season.</li> </ul> <p><b>(Electronic materials)</b></p> <ul style="list-style-type: none"> <li>Shipments of optoelectronics materials and semiconductor-related products will increase.</li> <li>There is a concern that the economic slowdown will impact circuit board materials demand.</li> </ul>
<b>Chemicals</b>	<p><b>(Chlor-alkali/urethane)</b></p> <ul style="list-style-type: none"> <li>Caustic soda market prices will remain high.</li> <li>PVC market is expected to stop falling in 4Q.</li> </ul> <p><b>(Fluorine/specialty chemicals)</b></p> <ul style="list-style-type: none"> <li>Shipments will increase following the strong demand for fluorine-related products mainly for semiconductor-related applications.</li> </ul> <p><b>(Life science)</b></p> <ul style="list-style-type: none"> <li>The number of contracts of synthetic pharmaceuticals and agrochemicals CDMO will increase.</li> <li>The sales from CDMO contracts on Biopharmaceuticals in 4Q are expected to be affected by the concentration of sales in 3Q.</li> </ul>

- Steady growth is expected.

## Main products & businesses

### Mobility

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

### Electronics

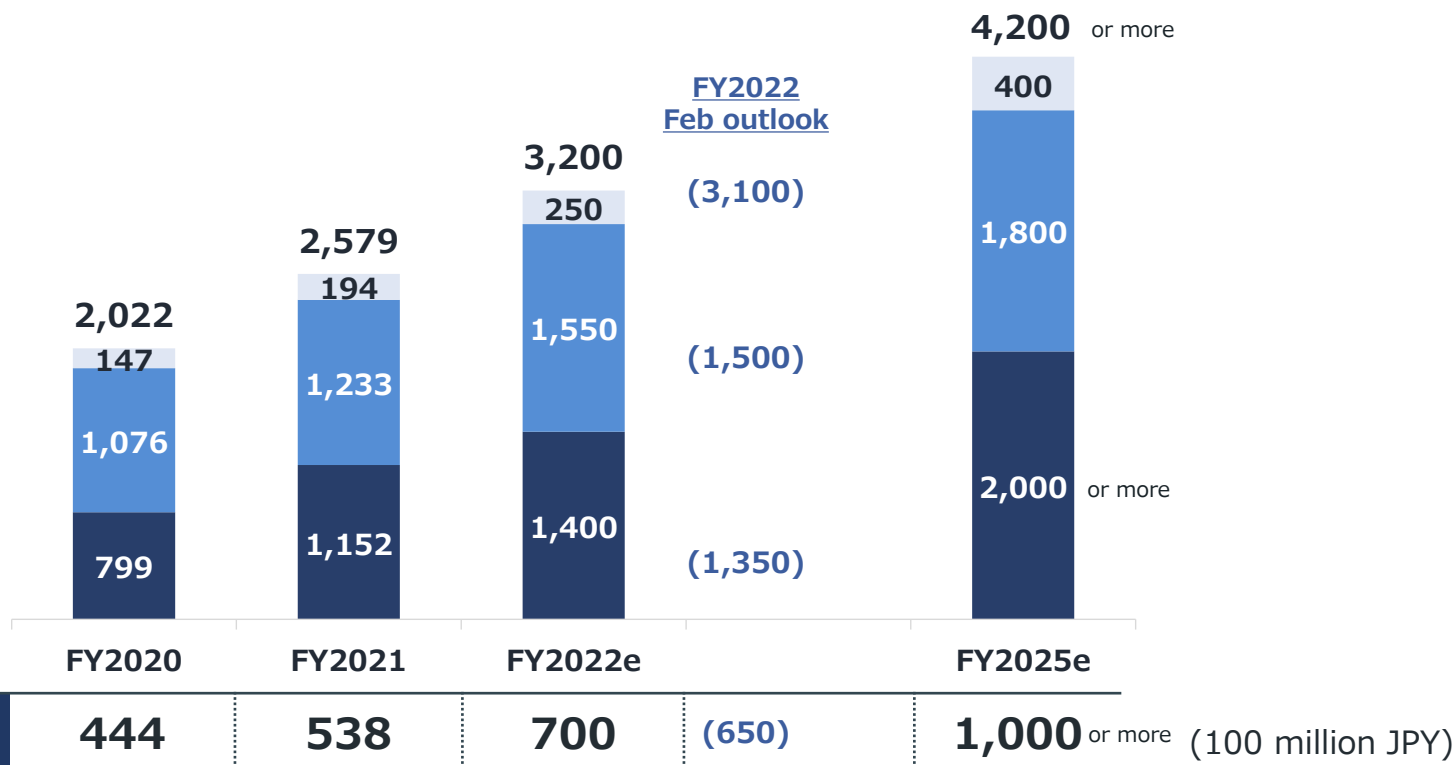
- Semiconductor-related products
- Optoelectronics materials
- Next-generation high-speed communication related products
- Fluorinated products for electronics

### Life science

- Synthetic pharmaceutical and agrochemical CDMO
- Biopharmaceutical CDMO

## Sales of Strategic business

(100 million JPY)



Full year (100 million JPY)

	FY2021	FY2022e
<b>CAPEX *</b>	2,165	<b>2,400</b> **
Glass	509	<b>430</b>
Electronics	696	<b>850</b>
Chemicals	942	<b>1,100</b>
Ceramics/Other	22	<b>20</b>
Elimination	▲ 3	▲ 0
<b>Depreciation *</b>	1,668	<b>1,850</b> ***
Glass	546	<b>560</b>
Electronics	603	<b>690</b>
Chemicals	500	<b>580</b>
Ceramics/Other	20	<b>20</b>
Elimination	▲ 1	▲ 0
<b>R&amp;D</b>	494	<b>540</b>

## 【Main projects for CAPEX】

- Capacity enhancement of Electronic materials (Electronics)
- Repairment for display glass furnace (Electronics)
- G11 investment in China (Electronics)
- Capacity enhancement for Chlor-alkali in Southeast Asia (Chemicals)
- Capacity enhancement on fluorochemical-related products (Chemicals)
- Capacity enhancement of biopharmaceuticals (Chemicals)

etc.

\*Figures for FY2021 have been retroactively adjusted due to the transfer of a portion of the automotive display cover glass business from electronics to the automotive glass business.

\*\*Changed from the February 8, 2022 forecast of 280.0 billion JPY (Before change: Glass 50.0 billion JPY, Electronics 88.0 billion JPY, Chemicals 140.0 billion JPY)

\*\*\*Change from the February 8, 2022 forecast of 180.0 billion JPY (Before change: Glass 54.0 billion JPY, Electronics 68.0 billion JPY, Chemicals 56.0 billion JPY)


# AGC Group's Brand Statement

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

For more than a century, AGC has been guided by these founding spirits. Our unique materials, solutions and reliable partnerships have facilitated leading innovations across diverse industries and markets.

Today, by working with others to combine knowledge and advanced technology, we help make ever greater achievements possible, and bring bolder ideas to life

# Your Dreams, Our Challenge

The background of the slide features a silhouette of two mountain climbers on a rocky peak. One climber is positioned higher on the rock, pulling a rope that the second climber is using to ascend. The scene is set against a bright, orange and yellow sunset sky, which transitions into a darker blue and purple hue at the bottom. The overall mood is one of challenge, perseverance, and achievement.

# Appendix

# ROCE & EBITDA by Segment (as of the end of FY2021)

(100 million JPY)

	Operating profit		EBITDA*		ROCE		Operating assets	
	2020	2021	2020	2021	2020	2021	2020	2021
<b>Glass</b>	▲166	277	344	815	-	4.6%	6,400	6,000
<b>Electronics</b>	378	364	857	976	6.3%	5.8%	6,000	6,250
<b>Chemicals</b>	505	1,388	935	1,887	8.9%	21.5%	5,700	6,450
<b>Ceramics/Others</b>	42	35	62	55	14.1%	14.0%	300	250
<b>Elimination</b>	▲1	▲2	▲2	▲3	-	-	-	-
<b>Total</b>	758	2,062	2,195	3,729	4.1%	10.9%	18,400	18,950

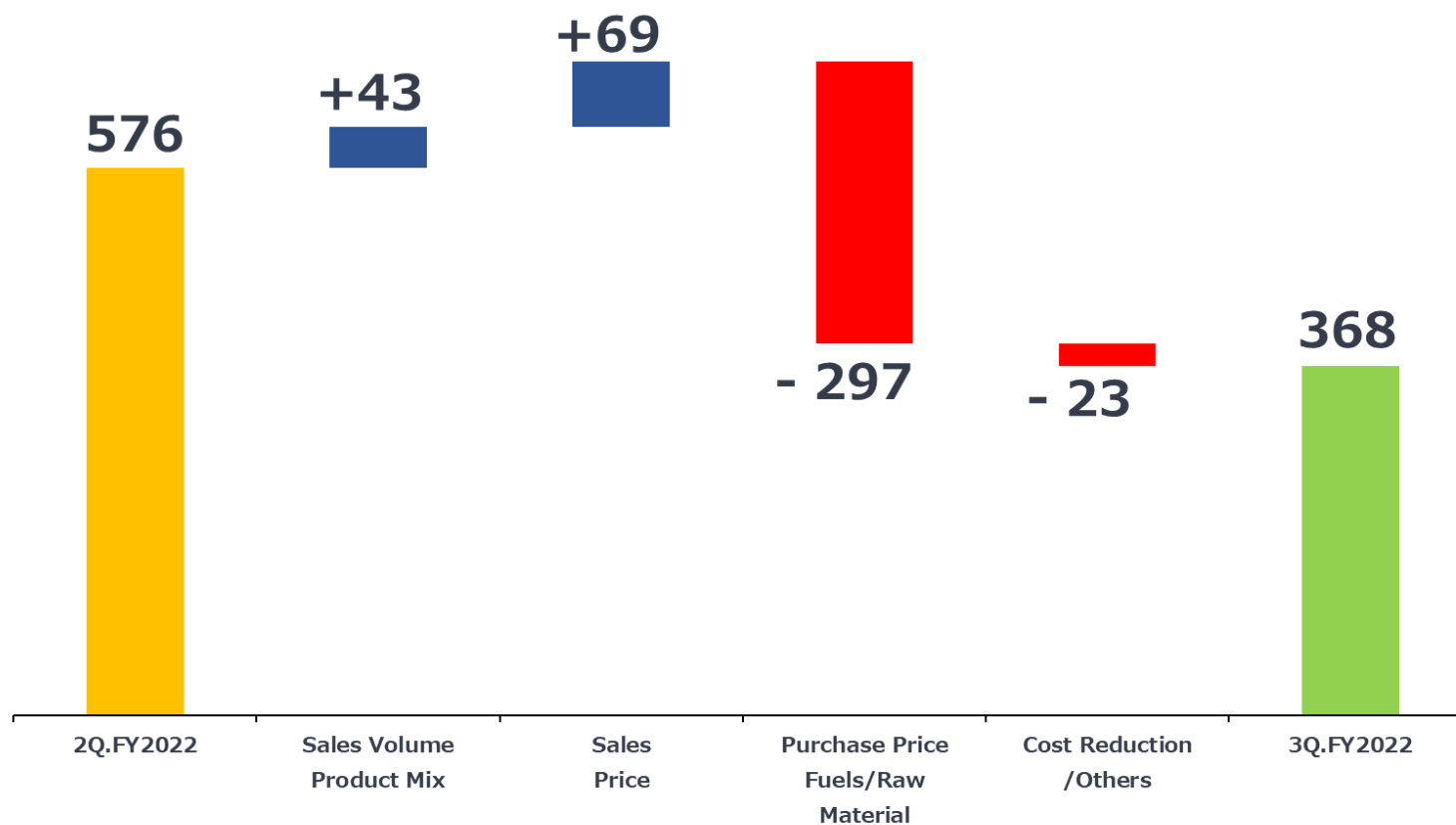
Risk factors	Impact on OP	Supplementary info
Exchange rate	<b><u>700 million yen*loss</u></b> if yen appreciated by 1%	*Impact when all currencies fluctuate at the same proportion against JPY
Dubai crude oil	<b><u>260 million yen* loss</u></b> if increased by 1 dollar per barrel	*excluding impact of oil hedging
Chemicals market	1) Caustic soda: \$ <b><u>1 M loss</u></b> if the international market down by \$ 1 2) PVC spread: \$ <b><u>1.2M loss*</u></b> if decreased by \$ 1	*PVC spread: PVC market - (ethylene market×0.5)



# Variance Analysis on OP (3Q.FY2022 vs. 2Q.FY2022)

208(100 million JPY) down from last quarter

(100 million JPY)



# YoY Performance Comparison by Geographic Segment

Your Dreams, Our Challenge

(100 million JPY)

		Japan & Asia	Americas	Europe	Inter- segment	Total	
Glass	Architectural glass	<b>3 Q .FY2022</b>	<b>384</b>	<b>84</b>	<b>776</b>	-	<b>1,244</b>
		3 Q .FY2021	289	98	530	-	916
	Automotive glass	<b>3 Q .FY2022</b>	<b>568</b>	<b>238</b>	<b>305</b>	-	<b>1,111</b>
		3 Q .FY2021	445	151	213	-	808
		<b>3 Q .FY2022</b>	<b>952</b>	<b>322</b>	<b>1,082</b>	<b>2</b>	<b>2,358</b>
		3 Q .FY2021	733	248	743	5	1,729
Electronics		<b>3 Q .FY2022</b>	<b>714</b>	<b>54</b>	<b>3</b>	<b>6</b>	<b>777</b>
		3 Q .FY2021	714	74	4	5	797
Chemicals		<b>3 Q .FY2022</b>	<b>1,556</b>	<b>176</b>	<b>242</b>	<b>6</b>	<b>1,980</b>
		3 Q .FY2021	1,331	98	194	3	1,626
Ceramics/Other		<b>3 Q .FY2022</b>	<b>104</b>	-	-	<b>109</b>	<b>213</b>
		3 Q .FY2021	82	-	-	111	194
Elimination		<b>3 Q .FY2022</b>	-	-	-	<b>▲ 123</b>	<b>▲ 123</b>
		3 Q .FY2021	-	-	-	▲ 124	▲ 124
Total Net Sales		<b>3 Q .FY2022</b>	<b>3,326</b>	<b>552</b>	<b>1,328</b>	-	<b>5,205</b>
		3 Q .FY2021	2,861	421	940	-	4,222

# YoY Performance Comparison by Geographic Segment

(100 million JPY)

		Japan & Asia	Americas	Europe	Inter- segment	Total	
Glass	Architectural glass	<b>1-3Q.FY2022</b>	<b>1,064</b>	<b>227</b>	<b>2,205</b>	-	<b>3,497</b>
		1-3Q.FY2021	855	378	1,566	-	2,799
	Automotive glass	<b>1-3Q.FY2022</b>	<b>1,550</b>	<b>621</b>	<b>832</b>	-	<b>3,002</b>
		1-3Q.FY2021	1,448	449	734	-	2,630
		<b>1-3Q.FY2022</b>	<b>2,614</b>	<b>848</b>	<b>3,037</b>	<b>8</b>	<b>6,507</b>
		1-3Q.FY2021	2,303	827	2,300	17	5,447
Electronics		<b>1-3Q.FY2022</b>	<b>2,046</b>	<b>187</b>	<b>9</b>	<b>17</b>	<b>2,258</b>
	1-3Q.FY2021	1,968	191	9	14	2,182	
Chemicals		<b>1-3Q.FY2022</b>	<b>4,742</b>	<b>488</b>	<b>747</b>	<b>15</b>	<b>5,991</b>
	1-3Q.FY2021	3,607	298	593	10	4,508	
Ceramics/Other		<b>1-3Q.FY2022</b>	<b>271</b>	-	-	<b>377</b>	<b>648</b>
	1-3Q.FY2021	240	-	-	321	561	
Elimination		<b>1-3Q.FY2022</b>	-	-	-	<b>▲ 416</b>	<b>▲ 416</b>
	1-3Q.FY2021	-	-	-	▲ 362	▲ 362	
Total Net Sales		<b>1-3Q.FY2022</b>	<b>9,673</b>	<b>1,523</b>	<b>3,792</b>	-	<b>14,989</b>
	1-3Q.FY2021	8,118	1,316	2,901	-	12,335	

(100 million JPY)

<b>Glass</b>	3Q.20	4Q.20	1Q.21	2Q.21	3Q.21	4Q.21	1Q.22	2Q.22	3Q.22
<b>Net Sales</b>	1,717	1,851	1,806	1,912	1,729	1,896	1,976	2,172	2,358
Architectural Glass	840	901	891	991	916	1,011	1,038	1,214	1,244
Automotive Glass	869	943	908	915	808	881	935	956	1,111
(Inter Segment)	7	7	7	6	5	3	3	2	2
<b>Operating profit</b>	▲ 12	53	95	106	51	21	40	74	23

<b>Electronics</b>	3Q.20	4Q.20	1Q.21	2Q.21	3Q.21	4Q.21	1Q.22	2Q.22	3Q.22
<b>Net Sales</b>	715	792	695	690	797	868	760	722	777
Display	448	458	461	429	474	457	450	420	346
Electronic Materials	257	316	230	257	318	405	304	296	425
(Inter Segment)	10	19	4	5	5	5	5	6	6
<b>Operating profit</b>	99	106	87	55	103	123	80	12	31

<b>Chemicals</b>	3Q.20	4Q.20	1Q.21	2Q.21	3Q.21	4Q.21	1Q.22	2Q.22	3Q.22
<b>Net Sales</b>	1,091	1,296	1,373	1,508	1,626	1,800	1,922	2,090	1,980
Chlor-alkali & Urethane	632	755	822	940	1,030	1,112	1,217	1,298	1,199
Fluorochemicals & Specialty	250	278	269	299	329	343	356	393	410
Life science	207	260	279	265	265	343	345	393	365
(Inter Segment)	3	3	3	4	3	3	4	5	6
<b>Operating profit</b>	98	180	255	340	365	427	452	474	303

## Trend of shipment and price

				2021				2022			
				1Q	2Q	3Q	4Q	1Q	2Q	3Q	
<b>YoY comparison</b>											
Glass	Architectural (AGC)	Japan & Asia	shipment	+10%	+low 10% range	-mid single-digit	flat	+10%	+low 10% range	+mid single-digit	
			price	-mid single-digit	+low single-digit	+10%	+low 10% range	+high 10% range	+high 10% range	+mid 20% range	
		Europe	shipment	+low single-digit	+low 30% range	+high single-digit	+high 20% range	+mid 10% range	-low single-digit	-mid 10% range	
			price	+high single-digit	+high 30% range	+high 30% range	+high 30% range	+high 40% range	+high 60% range	+high 80% range	
	Automobile production* <sup>1</sup>	Japan	volume	-4%	+55%	-23%	-17%	-13%	-14%	+25%	
		North America	volume	-4%	+132%	-26%	-14%	-2%	+12%	+25%	
Europe & Russia		volume	+1%	+84%	-32%	-23%	-18%	-4%	+22%		
Electronics	Display panel demand* <sup>2</sup>	Global	area	+17%	+10%	-3%	+4%	+4%	-4%	-13%	
<b>Spot market price</b>											
Chemicals	Chlor-alkali (Southeast Asia)	Caustic soda* <sup>3</sup>	price	USD/MT	264	342	422	722	722	777	673
		PVC* <sup>3</sup>	price	USD/MT	1,367	1,437	1,363	1,613	1,407	1,350	933
		Ethylene* <sup>3</sup>	price	USD/MT	955	963	1,007	1,055	1,213	1,175	952

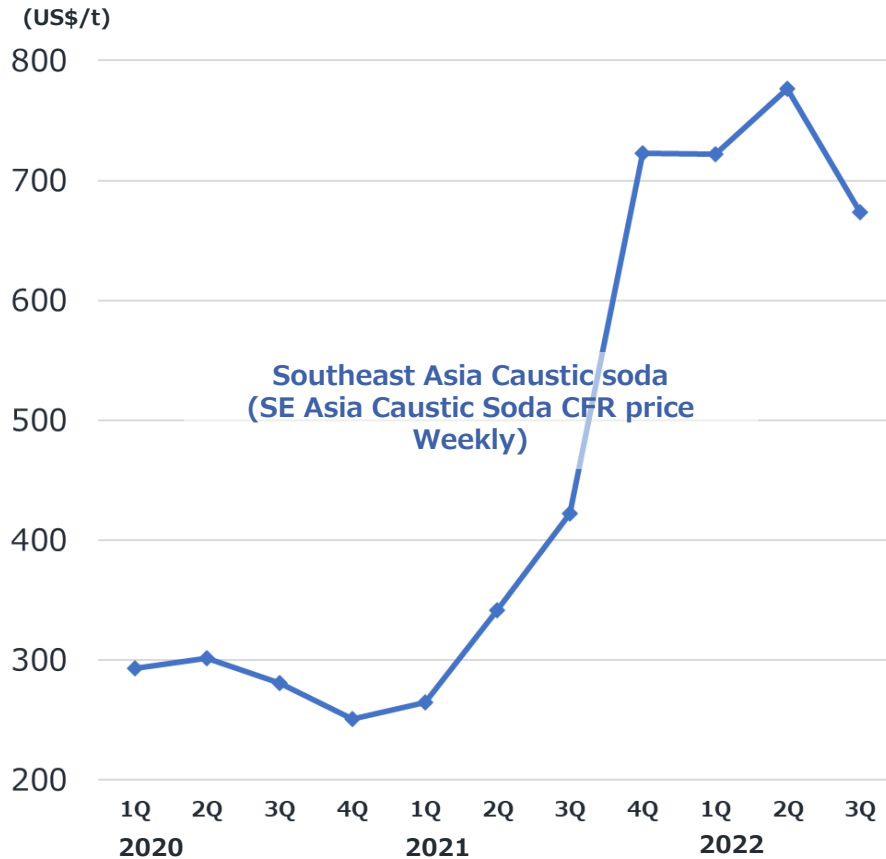
\*<sup>1</sup> Source : IHS Markit data as of September 18, 2022.

\*<sup>2</sup> Source : Omdia-Display Long-Term Demand Forecast Tracker – 2Q22 Pivot  
Results are not an endorsement of AGC Inc. Any reliance on these results is at the third-party's own risk.

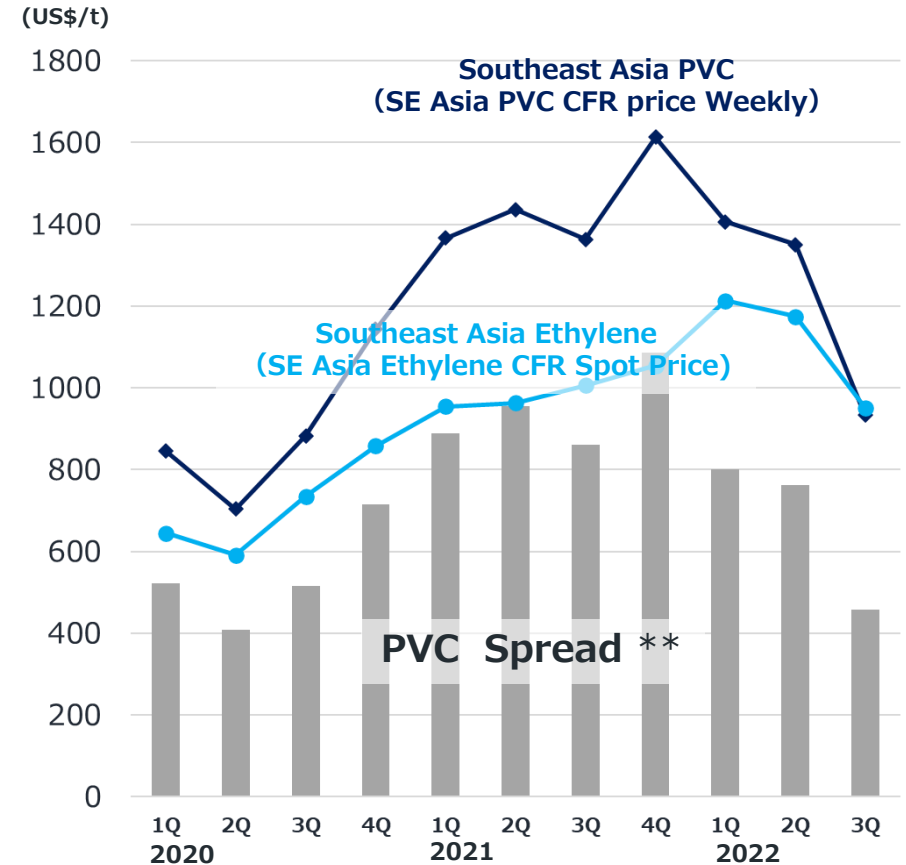
\*<sup>3</sup> Source : Bloomberg

# Market trend of Caustic soda and PVC in Southeast Asia

## Caustic soda market\*



## PVC market\*



\* Based on Bloomberg data

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

		IFRS				
		17/12	18/12	19/12	20/12	21/12
Net sales	Million JPY	1,463,532	1,522,904	1,518,039	1,412,306	1,697,383
Operating profit	Million JPY	119,646	120,555	101,624	75,780	206,168
OP margin	%	8.2	7.9	6.7	5.4	12.1
Attributable to owners of the parent	Million JPY	69,225	89,593	44,434	32,715	123,840
Return on equity (ROE) *1	%	6.1	7.7	3.9	2.9	10.2
Return on assets (ROA) *2	%	5.7	5.4	4.4	3.1	7.9
Equity ratio	%	53	51	50	44	49
D/E (Interest-bearing debts ÷ Net assets)	times	0.38	0.43	0.47	0.63	0.41
CF from Operating Activities/Interest-bearing debt	times	0.42	0.35	0.32	0.29	0.54
Earnings per share(EPS) *3	JPY	302.12	399.51	200.85	147.84	559.11
Cash dividends per share	JPY	105	115	120	120	210
EBITDA *4	Million JPY	249,880	259,425	231,857	208,459	383,226
Exchange rates (average)	JPY/USD	112.19	110.43	109.05	106.82	109.80
	JPY/EUR	126.66	130.42	122.07	121.81	129.89

\*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](https://www.agc.com/ir/pdf/data_all.pdf)

# Sustainability: Products and technologies to create social value

## Material opportunities

## AGC Group's materials and solutions

## Social value

## Related SDGs

Addressing climate change

Architectural glass, Green refrigerant, automotive infrared cut glass, refractories for biomass boiler, etc.

Realization of a sustainable global environment



Effective use of resources

Fuel cell materials, products for recycled raw materials (glass, refractories, etc.)

Developing social infrastructure

Architectural glass, caustic soda, sodium hypochlorite, sodium bicarbonate, PVC, etc.

Realization of safe and comfortable urban infrastructure



Achieving a safe and comfortable mobility

Automotive glass antennae, components for automotive sensing radar, HuD components, etc.

Building an info-intensive and IoT society

Antenna for buiding windows, materials for semiconductor production, Display glass, high-speed communication parts, etc.

Realization of safe and healthy lifestyles



Addressing food crises

Agrochemical active ingredients/intermediates, film for agricultural green houses

Facilitating better health and longevity

Pharmaceuticals active ingredients/intermediates, high-speed communication parts, high-performance membrane for water treatment



# Sustainability: Create social value through healthy corporate activities

## Material risks

## AGC Group corporate activities

Addressing climate change

Continuous energy-saving, development of production technology/facilities to reduce GHG emissions, etc.

Effective use of resources

Use of recycled raw materials/materials, Reduction of land, etc.

Creating a socially and environmental-conscious supply chain

Supplier selection based on respect for human rights/environmental protection

Ensuring fair and equal employment and workplace safety

Reduce water usage, protect biodiversity, prevent environment accidents, supporter-making, etc.

Considering relationships with local communities and the environment

Increase employee engagement, prevention of serious disaster/ accidents requiring a leave, etc.

## Social value

## Related SDGs

Realization of a sustainable global environment



Contributing to the maintenance of a healthy and secure society



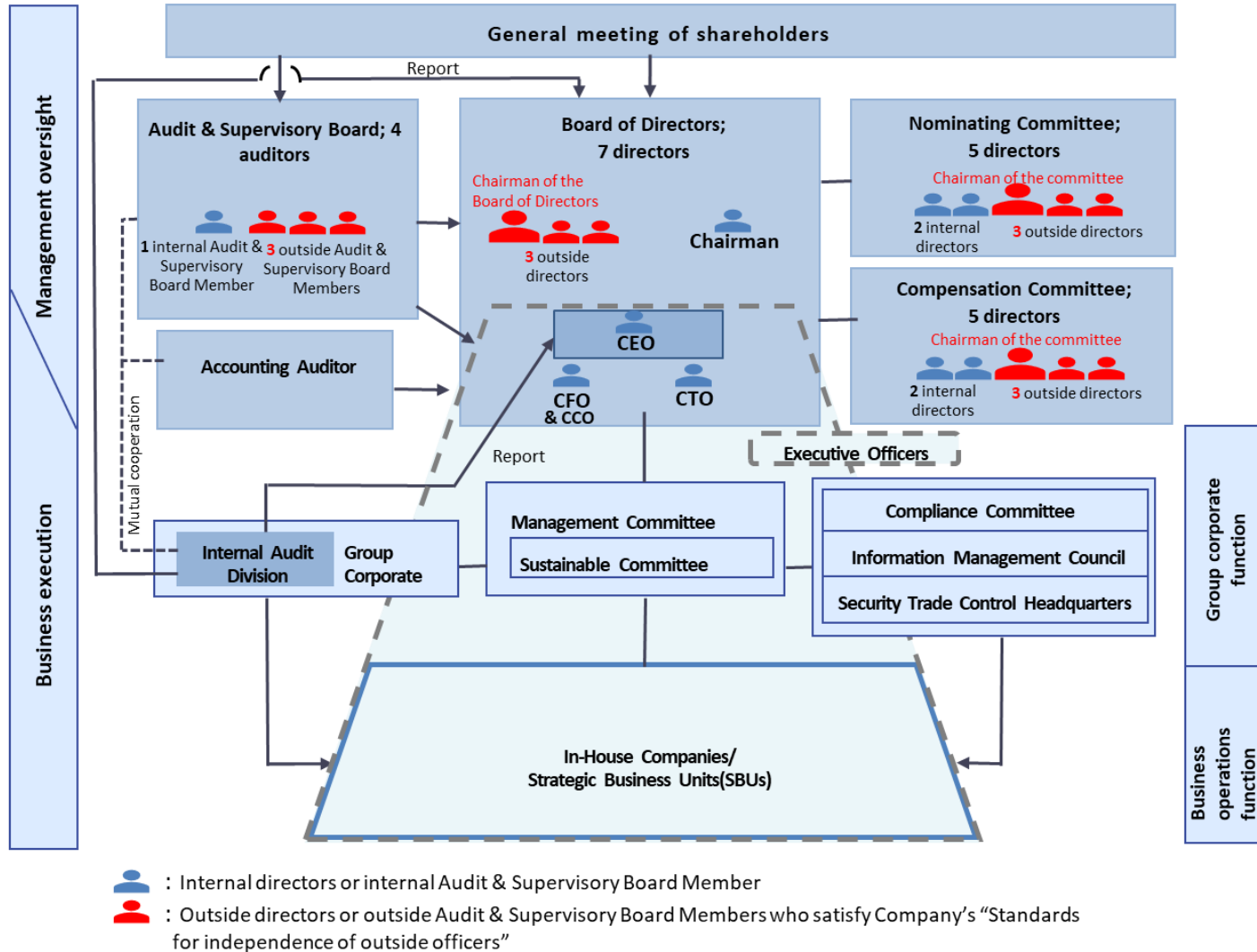
Contributing to the creation of fair and safe workplaces



# Major Press Release in FY2022

Date	Summary
January 13	Ammonia Combustion Technology Development Project including AGC Selected as NEDO-Commissioned Project
January 25	AGC to Double Production Capability for EUVL Mask Blanks
February 8	Progress of the Medium-term Management Plan AGC plus-2023 and Initiatives to Realize the Long-term Management Strategy Vision 2030
April 6	AGC to Expand Synthetic Pharmaceutical Production Base in Spain
May 6	AGC to Expand Capacity of Chlor-Alkali Business in Thailand
May 10	AGC to Take Profitability Improvement Measures for its Automotive Glass Business
May 10	AGC Decides to Transfer All Shares of Solvay Soda Ash Joint Venture and Solvay Soda Ash Extension Joint Venture
May 13	AGC Develops New Composition of AMOLEA™ 1123, a Next-Generation Refrigerant with Low Global Warming Potential
May 18	AGC Biologics Expands Cell and Gene Therapy CDMO Capacity at its U.S. site
May 23	AGC Joins the “30 by 30 Alliance for Biodiversity” in Japan
June 10	AGC Sets Reduction Target for Scope 3 GHG Emissions
July 6	AGC to Revise Pricing for Architectural Glass Products in Japan
July 26	AGC Glass Europe Announces New Low-carbon Glass Range
August 2	Notice regarding Revision to Full Year Consolidated Financial Forecasts for Fiscal Year Ending December 31, 2022
October 3	AGC Begins Full-scale Study to Expand its Bio-CDMO Capability in Japan
October 11	AGC Obtains Its First Environmental Product Declaration for Architectural Glass Products in Asia Pacific Region
October 17	AGC Group’s Asahimas Chemical Signs Agreement to Purchase Renewable Energy Power Certificates

# AGC's Corporate Governance Structure



FTSE4Good Index Series



FTSE Blossom Japan Index



CDP Climate Change A-



4 stars awarded in the 5th Nikkei  
"Smart Work Management" survey



Nadeshiko Brand  
as a company that excels in promoting the advancement of women in 2021



"White 500" Company  
in recognition of initiatives to promote strategic health management  
for its employees



EcoVadis Supplier Evaluations  
PLATINUM rated for the Kashima plant and AGC Pharma Chemicals Europe  
Highly rated in several other domestic and international locations



Derwent Top 100 Global Innovator 2022

DX Brand 2022  
in recognition of digital transformation efforts





Your Dreams, Our Challenge

**END**

Disclaimer:

- This material is solely for information purposes and should not be construed as a solicitation. Although this material (including the financial projections) has been prepared using information we currently believe reliable, AGC Inc. does not take responsibility for any errors and omissions pertaining to the inherent risks and uncertainties of the material presented.
  
- We ask that you exercise your own judgment in assessing this material. AGC Inc. is not responsible for any losses that may arise from investment decisions based on the forecasts and other numerical targets contained herein.
  
- Copyright AGC Inc.  
No duplication or distribution without prior consent of AGC Inc.