

# Company Overview



**AGC Inc.**

February, 2024

Your Dreams, Our Challenge



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# 1. Corporate Information

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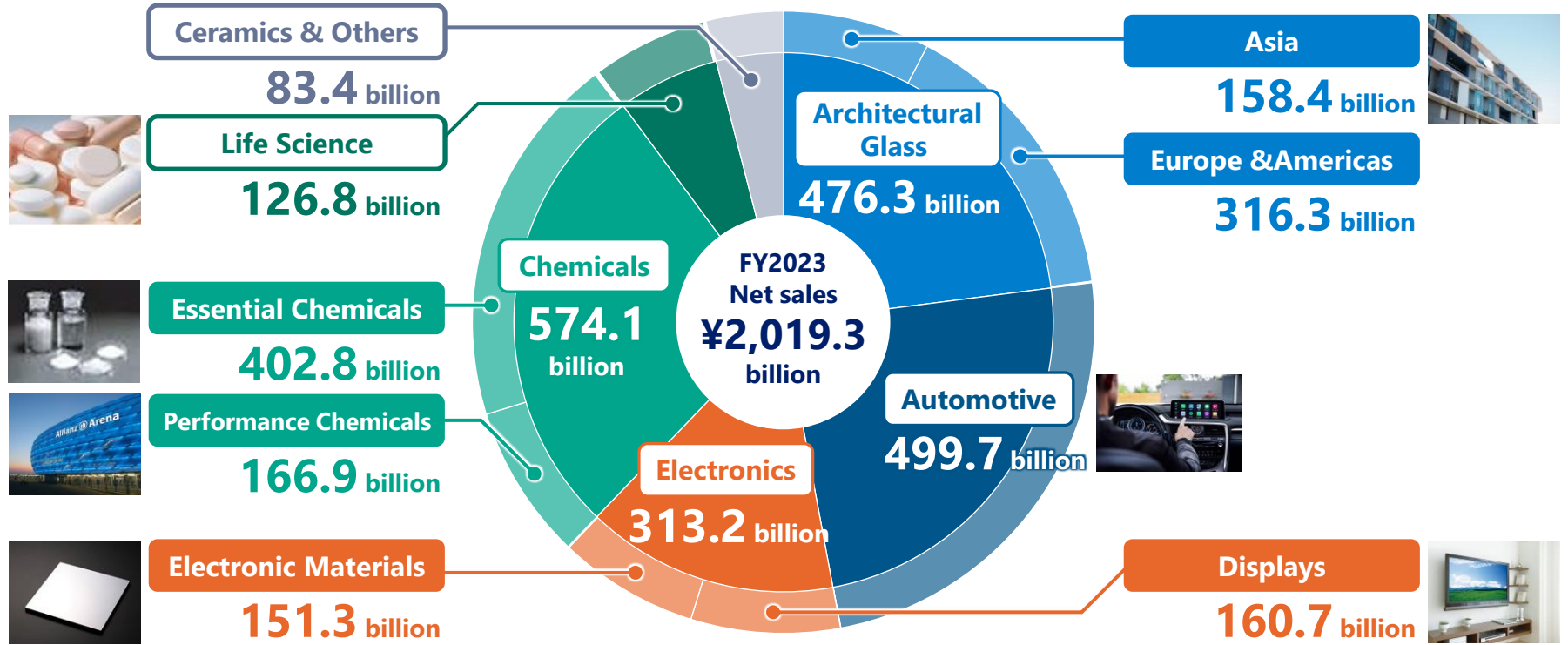
Company name	: <b>AGC Inc.</b>
TSE code	: <b>5201</b>
Established	: <b>September 8, 1907</b>
Representative director	: <b>Yoshinori Hirai</b>
Paid-in capital	: <b>¥90.9 billion*</b>
Consolidated net sales	: <b>¥2,019.3 billion*</b>
Consolidated no. of employees	: <b>56,724*</b>
No. of consolidated subsidiaries	: <b>194 companies</b> (Of which 156 are overseas)*



## Shareholder notes

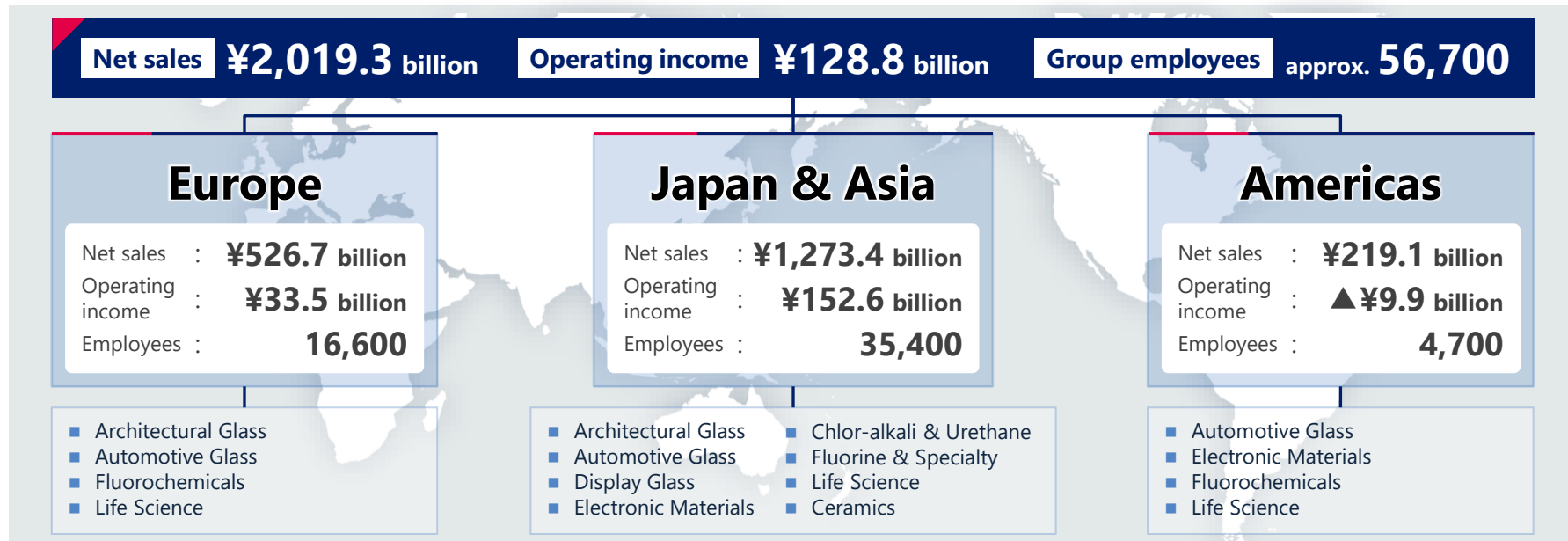
- Fiscal close : **December 31**
- Annual general shareholders' meeting : **March of each year**
- Date of record  
Annual general shareholders' meeting : **December 31**  
Year-end dividend : **December 31**  
Interim dividend : **June 30**
- Shareholder registry administrator : **Mitsubishi UFJ Trust and Banking Corporation**
- Number of shares per unit : **100 shares**
- Number of shares outstanding : **217,434,681 shares**

# Business Overview



\* As net sales by business are before the deduction of eliminations, the sum of net sales by business does not equal Companywide net sales.  
Sales to external customers are used for subsegment sales

- Business spans over 30 countries and regions
- Approx. 70% of sales are generated outside Japan, and ratio of non-Japanese subsidiary employees is about 70%



\* Because the figures for sales and profits by region are before eliminations and common regional expenses, the sum of sales and profits by region does not correspond to the total sales and profits of the Company.

(FY12/2023)

- Commands the top-ranking share in many products worldwide

\*Based on AGC's estimates as of January 2024

**Float glass**

**Top share**<sup>\*</sup>  
Worldwide



**Glass substrates  
for TFT-LCD/OLED**

**No.2** Worldwide<sup>\*</sup>



**Caustic soda and  
PVC**

**No.1** in  
Southeast Asia<sup>\*</sup>



Mountain of salt used  
as a raw material

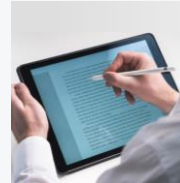
**Automotive glass**

**Top share**<sup>\*</sup>  
Worldwide



**Super-thin soda lime  
glass for electronics**

**No.1** Worldwide<sup>\*</sup>



**Fluorinated resins  
(Fluon® ETFE)**

**No.1** Worldwide<sup>\*</sup>



**Car-mounted Cover  
Glass**

**No.1** Worldwide<sup>\*</sup>



**EUV lithography  
photomask blanks**

**No.2** Worldwide<sup>\*</sup>



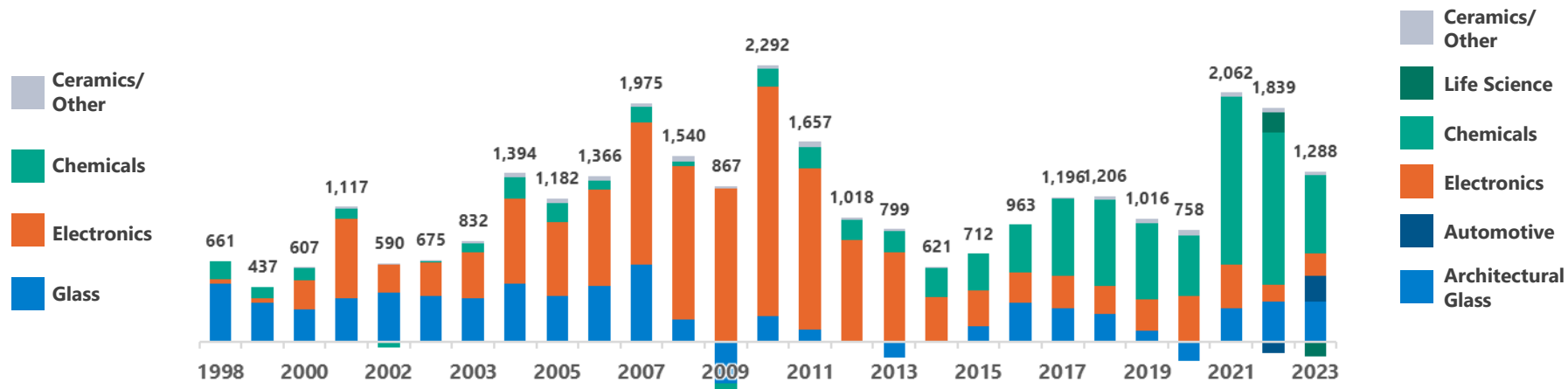
**Fluoropolymer  
resin for on-site  
coatings**

**No.1** Worldwide<sup>\*</sup>



# Changes in profit structure

## Operating Profit by Business Segment (100 million JPY)



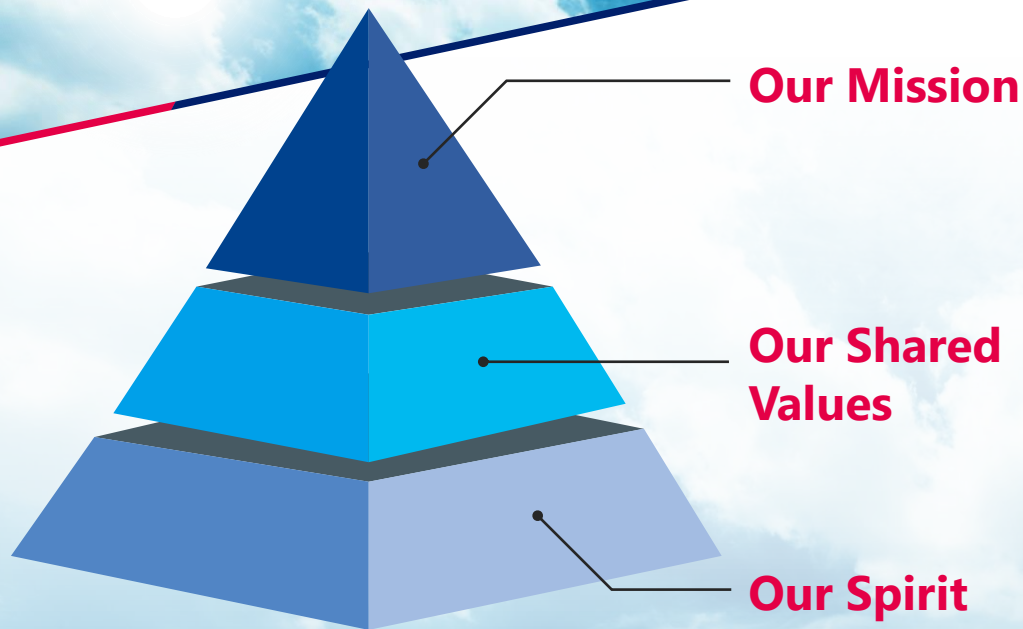
\* In accordance with the change in reporting segments from FY2023, the following segments are disclosed from FY2022 onward.



## 2. Overview of AGC Group

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## *“Look Beyond”*



### **AGC, an everyday essential part of our world**

AGC's unique materials and solutions make people's lives better around the world every day.

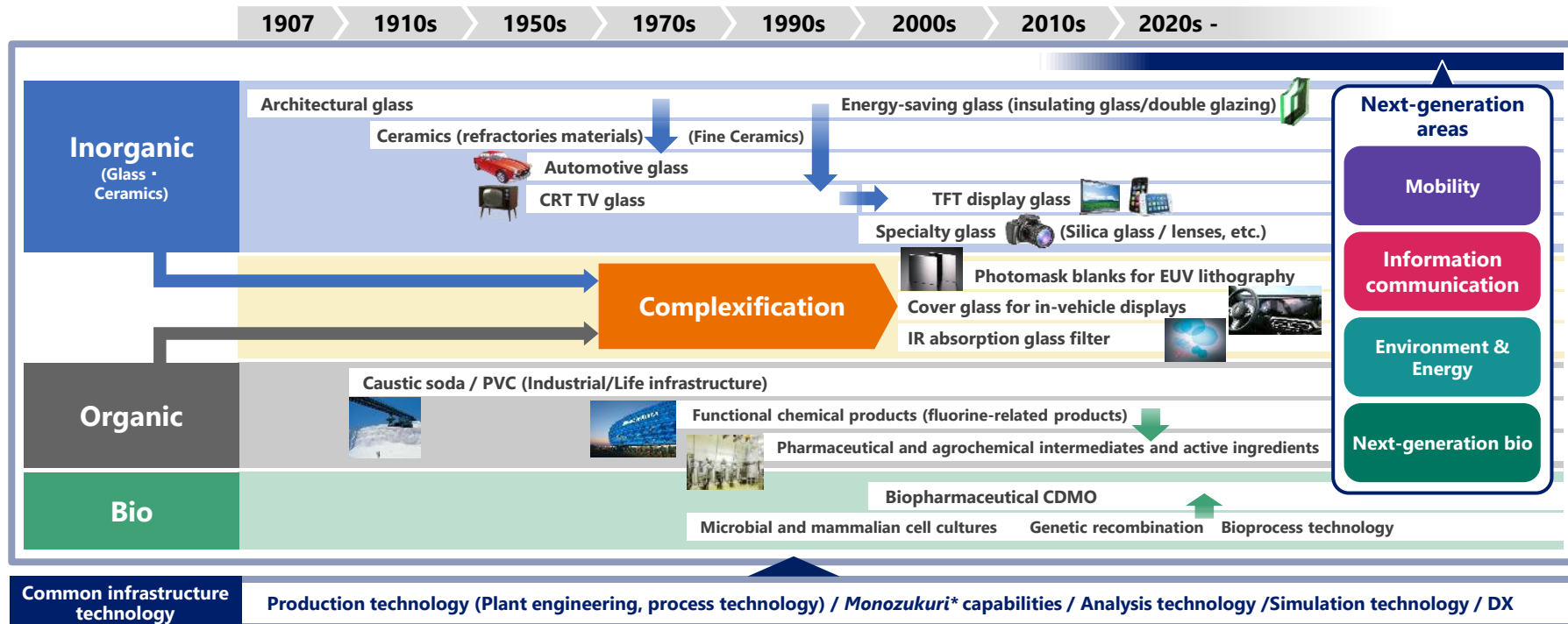
- **Innovation & Operational Excellence**
- **Diversity**
- **Environment**
- **Integrity**

**Never take the easy way out, but confront difficulties.**

# Our Unique Materials and Solutions

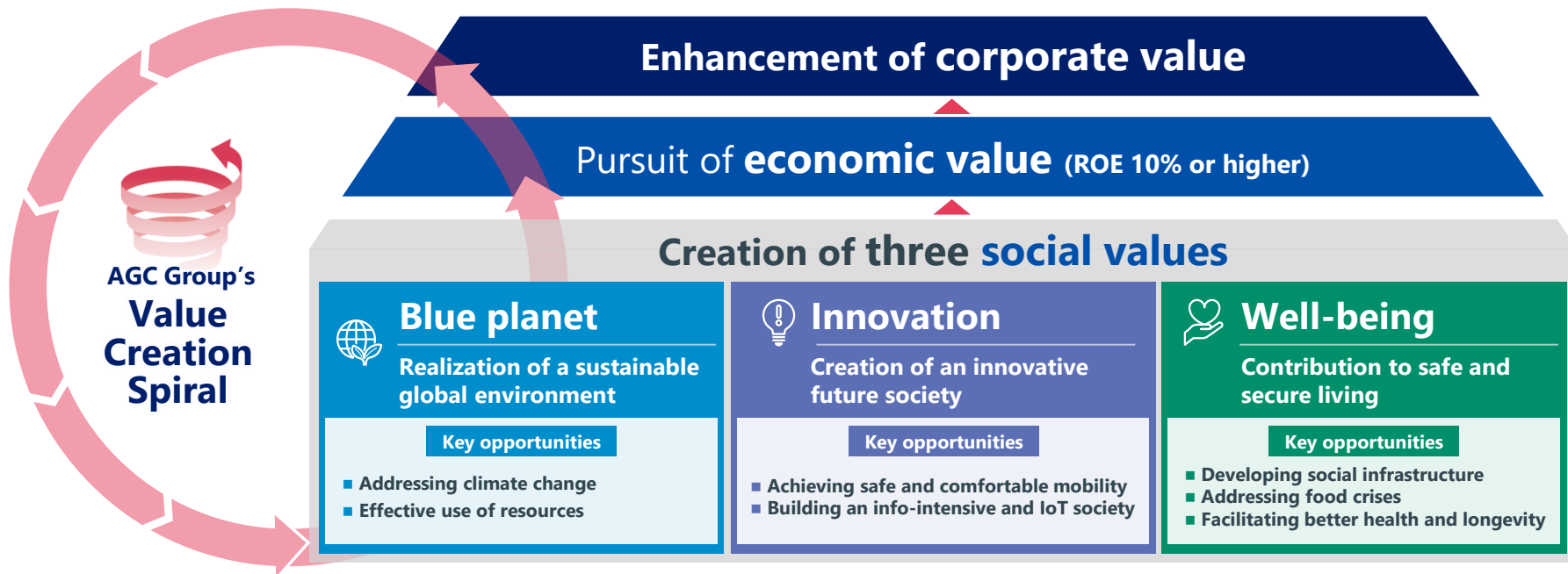
## AGC's technological strengths

Unique and competitive material technologies (e.g., glass, fine ceramics, fluorine, etc.), processing technologies that enable high functionality, black-boxed manufacturing processes, and analytical and simulation technologies, as well as combination of these technologies



# AGC Group's Value Creation Spiral

- The AGC Group will create economic value through the creation of social value to achieve a spiral of enhanced corporate value.



# Social Value Provided by the AGC Group

- We will expand our business by contributing to social and industrial development and create **three social values**.



## Blue planet

Realization of a sustainable global environment

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



### Energy-saving glass

(Insulated glass / Double glazing)



### Superheat insulating ceramics



### Environment & Energy

(Hydrogen-related / Power storage materials)

Next-generation areas



## Innovation

Creation of an innovative future society

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



### Specialty glass

(Silica glass / lenses, eztc.)



### Functional chemical products

(Fluorine-related products)



### Mobility

(ADAS/5G)

Next-generation areas



### Information communication

(Semiconductor, optical, and high-speed communication materials)

Next-generation areas



### TFT display glass



### Automotive glass



### Ceramics

(Refractory materials)



### Pharmaceutical and agrochemical intermediates and active ingredients



### Caustic soda / PVC

(Industrial/Life infrastructure)



### Architectural glass



### Next-generation bio

Next-generation areas



## Well-being

Contribution to safe and secure living

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

# Medium to Long-term Initiatives for Value Creation

2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030

## Corporate transformation Chapter 1

Defined "Core businesses" and "Strategic businesses" and promoted the ambidextrous way of business management

## Corporate transformation Chapter 2

Clarified the direction of the Group's business portfolio transformation and declared on the acceleration of the initiative

## Vision 2030

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

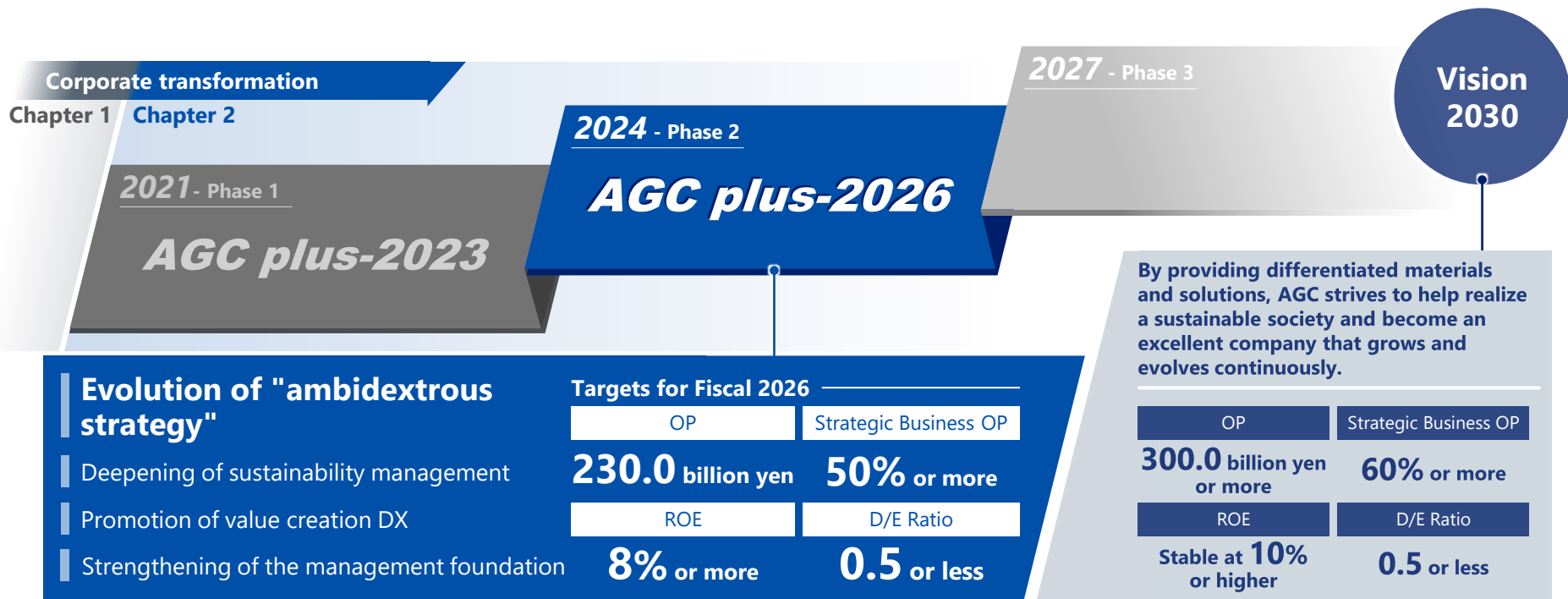
# 3. Medium-term Management

## ***AGC plus-2026***

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# Steps toward Realization of Vision 2030

- Under **AGC plus-2026**, we will accelerate corporate transformation (CX) and maximize corporate value to realize Vision 2030.



## Evolution of "ambidextrous strategy"

- Deepening of sustainability management
- Promotion of value creation DX
- Strengthening of the management foundation

### Targets for Fiscal 2026

OP	Strategic Business OP
<b>230.0 billion yen</b>	<b>50% or more</b>
ROE	D/E Ratio
<b>8% or more</b>	<b>0.5 or less</b>

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

OP	Strategic Business OP
<b>300.0 billion yen or more</b>	<b>60% or more</b>
ROE	D/E Ratio
<b>Stable at 10% or higher</b>	<b>0.5 or less</b>



- We will continue to pursue the direction of the **AGC plus-2023**, which has yielded certain results.
- To realize Vision 2030, we will accelerate corporate transformation (CX) and maximize corporate value (**achieve ROE 8% or more at an early stage**) .

## Evolution of "ambidextrous strategy"

- Accelerate business portfolio transformation by pursuing the use and development of differentiated materials and solutions
- Continue to strengthen the earnings base and cash generation capabilities of core businesses.
- Revise the scope of strategic businesses, accelerate business growth, and explore next-generation areas

## Deepening of Sustainability Management

- Accelerate integrated management, including financial KPIs, by redefining the social value that we provide and setting sustainability KPIs.

## Promotion of value creation DX

- Strengthen competitiveness through digital × *monozukuri* capabilities
- Streamline and strengthen the entire supply chain

## Strengthening of the management foundation

- Strengthen group governance
- Promote human capital management
- Further strengthen the alignment between business strategy and technology platform

# New Medium-term Management Plan *AGC plus-2026* : Financial KPIs

- We will continuously grow and evolve our businesses to achieve **stable ROE of 8% or higher**
- We will expand **strategic businesses** to account for the majority of **Group-wide** operating profit by 2026.

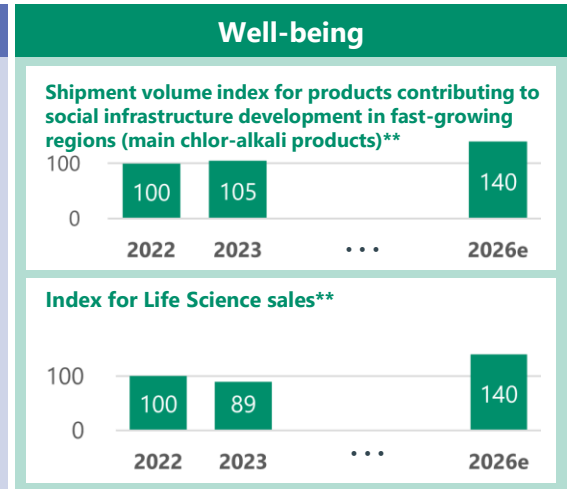
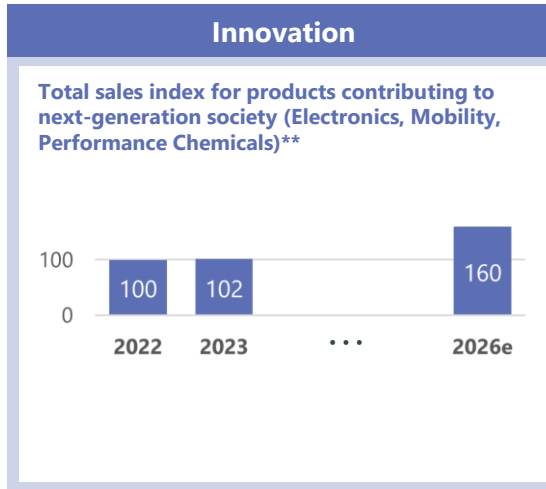
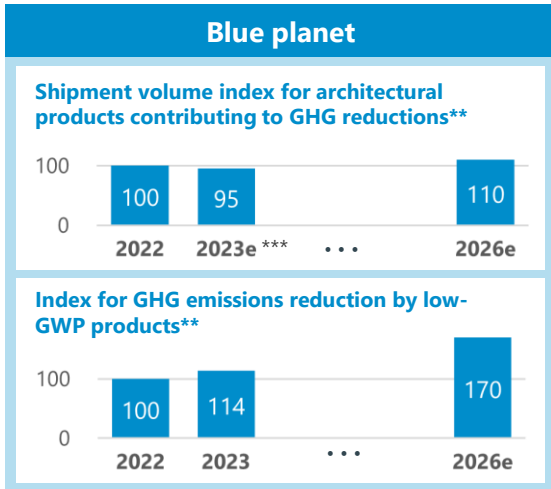
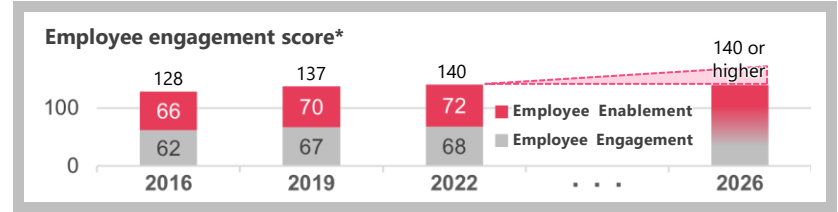
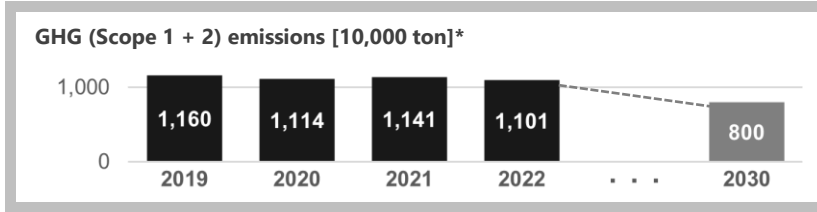
		2023 (Actual)	2024 (Estimate)	2026	2030	2050
Financial KPIs	OP	128.8 billion yen	150.0 billion yen	<b>230.0</b> billion yen	<b>300.0</b> billion yen or higher	
	Strategic Business OP	56.8 billion yen	80.0 billion yen	<b>130.0</b> billion yen	<b>190.0</b> billion yen or higher	
	EBITDA*	304.1 billion yen	335.0 billion yen	440.0 billion yen		
	ROE	4.6%	3.7%	8% or higher	10% or higher	
	D/E Ratio	0.42		0.5 or less		

\* EBITDA = Operating profit + Depreciation

# New Medium-term Management Plan *AGC plus-2026*: Sustainability KPIs

- We will achieve sustainable growth by improving sustainability KPIs through business activities.









Sustainability KPIs



\* Items reflected in executive remuneration. However, for GHG emissions, GHG emissions per unit of GHG emissions sales are used in the calculation of executive remuneration.

\*\* Indexes: Figures converted from 2023 on using 2022 as a base of 100. \*\*\*Tentative figures

# Overview of Strategies for Each Business

	Business	Overview of strategies
<b>Strategic Business</b>	 <b>Electronics</b>	<ul style="list-style-type: none"> <li>Expansion of EUV mask blanks and other high value-added products</li> <li>Continuous creation of new businesses</li> </ul>
	 <b>Life Science</b>	<ul style="list-style-type: none"> <li>Early rebuilding of U.S. biopharmaceutical CDMO business</li> <li>Return to a growth trajectory by leveraging our strengths in global operations and technological capabilities</li> </ul>
	 <b>Mobility</b>	<ul style="list-style-type: none"> <li>Seizing business opportunities with an eye on market changes through CASE</li> </ul>
	 <b>Performance Chemicals</b>	<ul style="list-style-type: none"> <li>Provide high-performance materials for electronics including semiconductors as well as the environment and energy fields</li> <li>Capture demand in global niche markets by adding high value and expanding business areas</li> </ul>
<b>Core Business</b>	 <b>Architectural Glass</b>	<ul style="list-style-type: none"> <li>Strengthen products and technologies that help solve social challenges such as GHG reduction, and stably generate cash</li> </ul>
	 <b>Automotive</b>	<ul style="list-style-type: none"> <li>Improve profitability and efficiency through pricing policy, structural reforms, and continued shift to high performance and high value-added products</li> </ul>
	 <b>Display</b>	<ul style="list-style-type: none"> <li>Improve profitability and asset efficiency through business restructuring, strengthening competitiveness through technological innovation, and revising pricing policies</li> </ul>
	 <b>Essential Chemicals</b>	<ul style="list-style-type: none"> <li>Continue and strengthen the strategy of regional concentration in the growing Southeast Asian market</li> </ul>

- We will take prompt actions to improve the performance of the Display business and the U.S. biopharmaceuticals CDMO business.

## Display business

**Launched a project led by the CFO for structural reform of the Display business**

Swiftly implement structural reforms under the leadership of top management

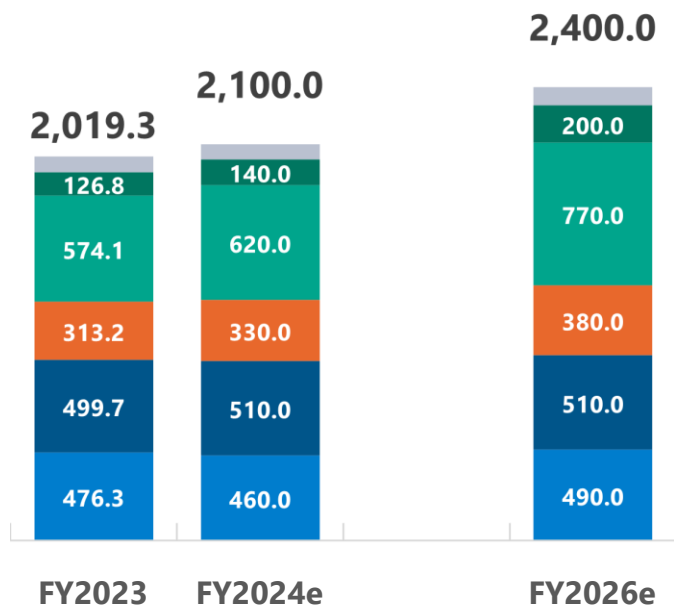
## U.S. biopharmaceuticals CDMO business

Issues	Status*	Outlook
Business environment	Continues to be impacted by reduced inflows of funds to biotech ventures, but there are signs of recovery	Gradual market recovery continues, with full recovery expected in 2025
Ramp-up of new line	Implemented fundamental measures and started commercial operation at the end of 2023	Full commercial operations to resume in 2024, contributing to improved profitability

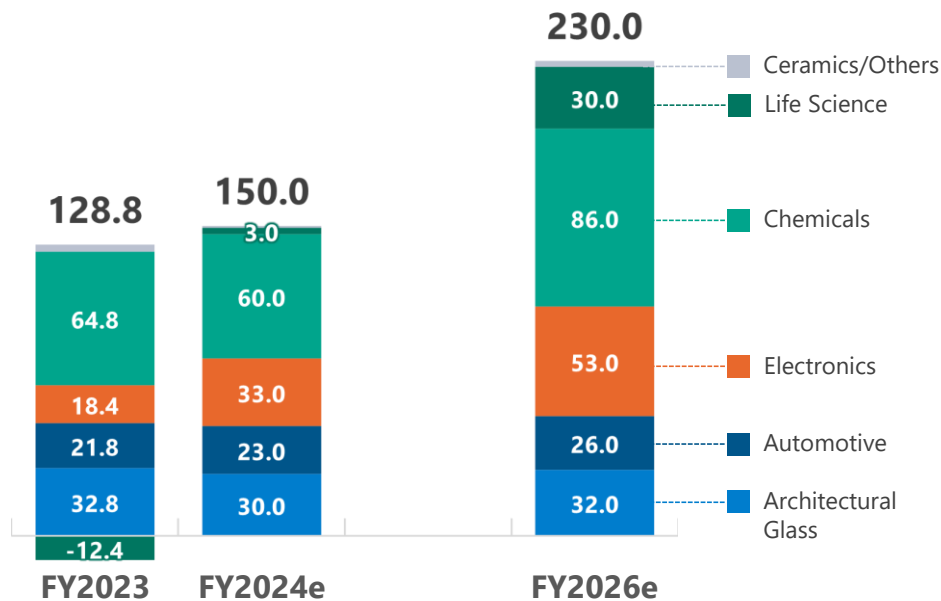
**Aiming for early improvement through steady execution of fundamental measures**

# Image of Performance by Segment

## Net sales (Billion yen)

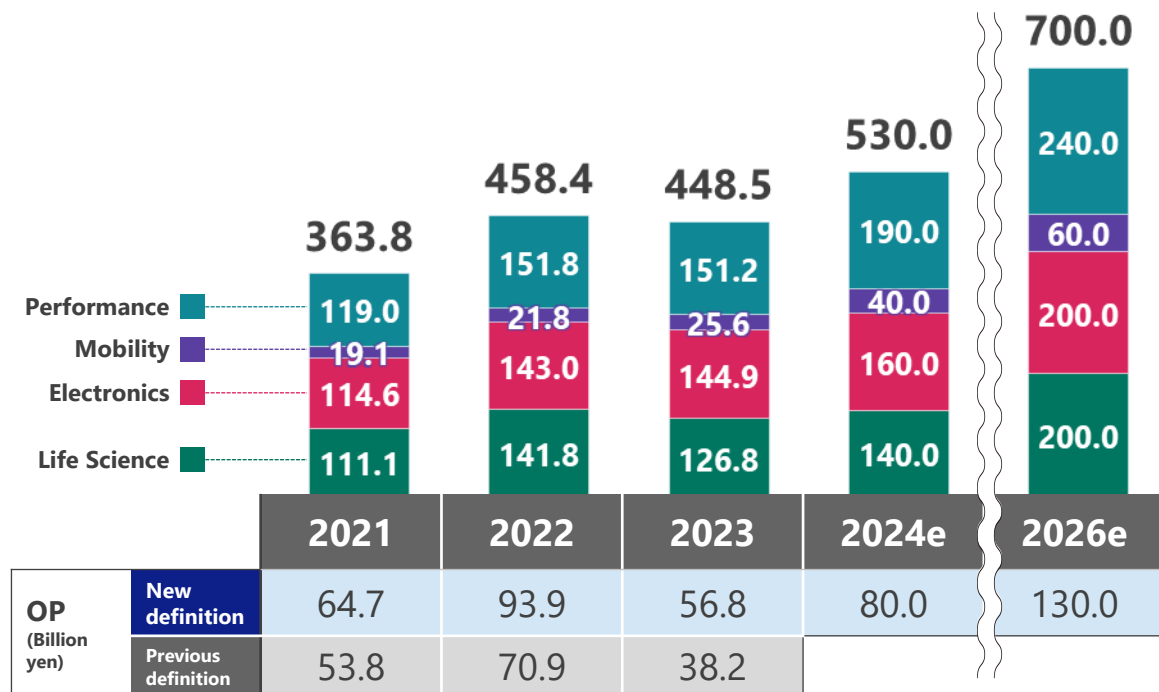


## OP (Billion yen)



# Strategic Business Performance Image

## Strategic business net sales (Billion yen)



### Main products & businesses

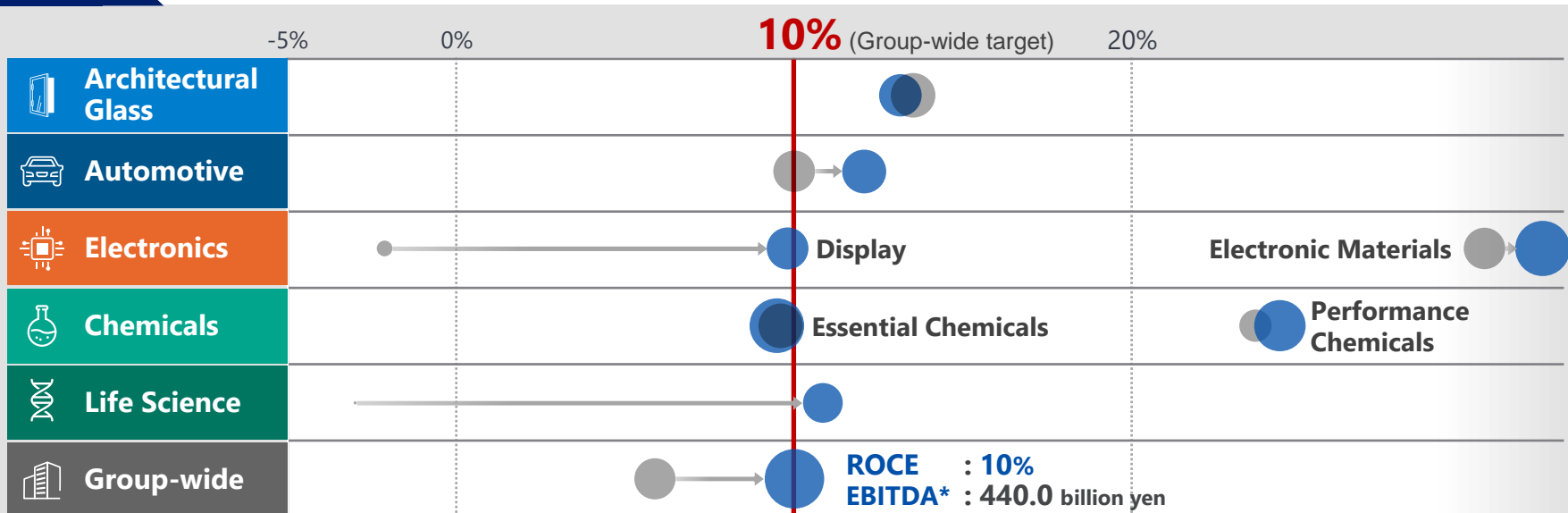
<b>Mobility</b>	<ul style="list-style-type: none"> <li>Cover glass for in-vehicle displays</li> <li>High value-added products for CASE</li> </ul>
<b>Electronics</b>	<ul style="list-style-type: none"> <li>Semiconductor-related materials</li> <li>Optoelectronics materials</li> <li>Next-generation high-speed communication materials</li> </ul>
<b>Life Science</b>	<ul style="list-style-type: none"> <li>CDMO for synthetic pharmaceuticals and agrochemicals</li> <li>CDMO for biopharmaceuticals</li> </ul>
<b>Performance Chemicals</b>	<ul style="list-style-type: none"> <li>High performance fluorine products for various industries</li> </ul>

# ROCE of Each Business

- We will continue to aim for a Group-wide ROCE of **10% or higher**

ROCE

● 2023 Actual vs ● FY2026 Projection



**ROCE** : (OP forecast of the year) ÷ (Operating asset forecast at the year-end),

Group-wide OP by business is after allocation of common expenses; OP for each business is before allocation of common expenses

**Diameter of each circle (excluding those of the group-wide section)** : the size of EBITDA \* **EBITDA** = Operating profit + Depreciation

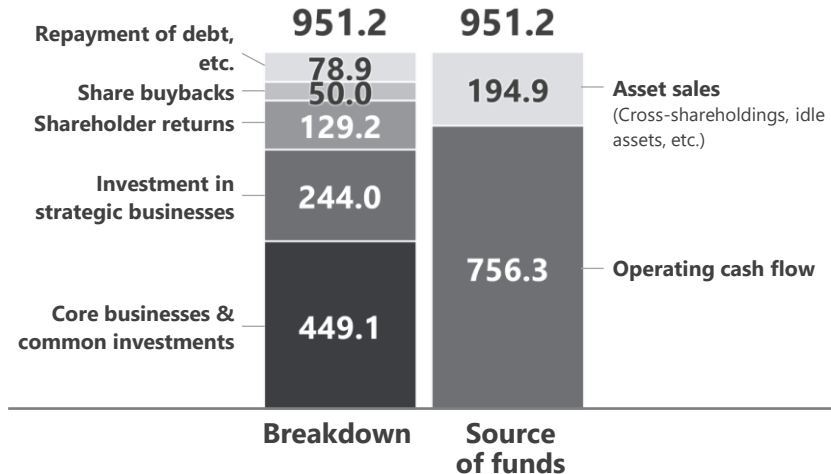


# Capital Allocation Policy

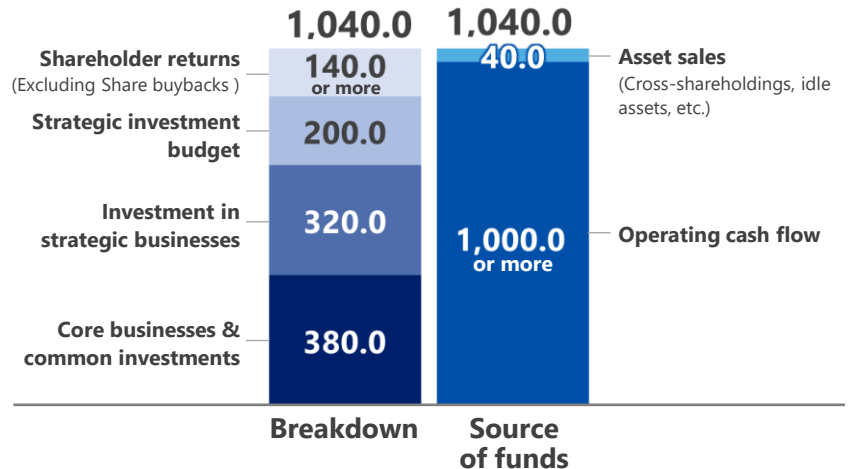
- Strategic investment budget will be set at 200 billion yen for proactive investment in strategic and growth businesses.
- Regarding shareholder returns, stable dividends will be maintained with a target of approx. 3% Dividend on Equity (DOE), and share buybacks will be determined based on a comprehensive consideration of investment projects, cash position and other factors.

(Unit: Billion yen)

## Previous MTMP period (FY2021-FY2023)



## FY2024-FY2026



# 4. Toward the Realization of Vision 2030

- **Business Portfolio Transformation**
- **Promotion of Sustainability Management**
  - Environment
  - Social
    - "AGC People: the driver of our growth!"
    - Human Rights in the Supply Chain
  - Governance

## Vision 2025 formulated in Feb. 2016

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Defined “Core businesses” and “Strategic businesses” and promoted the ambidextrous way of business management



## Vision 2030 formulated in Feb. 2021

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Clarified the direction of the Group’s business portfolio transformation and declared on the acceleration of the initiative

# Direction of the Business Portfolio Transformation

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

**Resilient to  
market  
fluctuations**



**High asset  
efficiency**



**High  
growth rate**

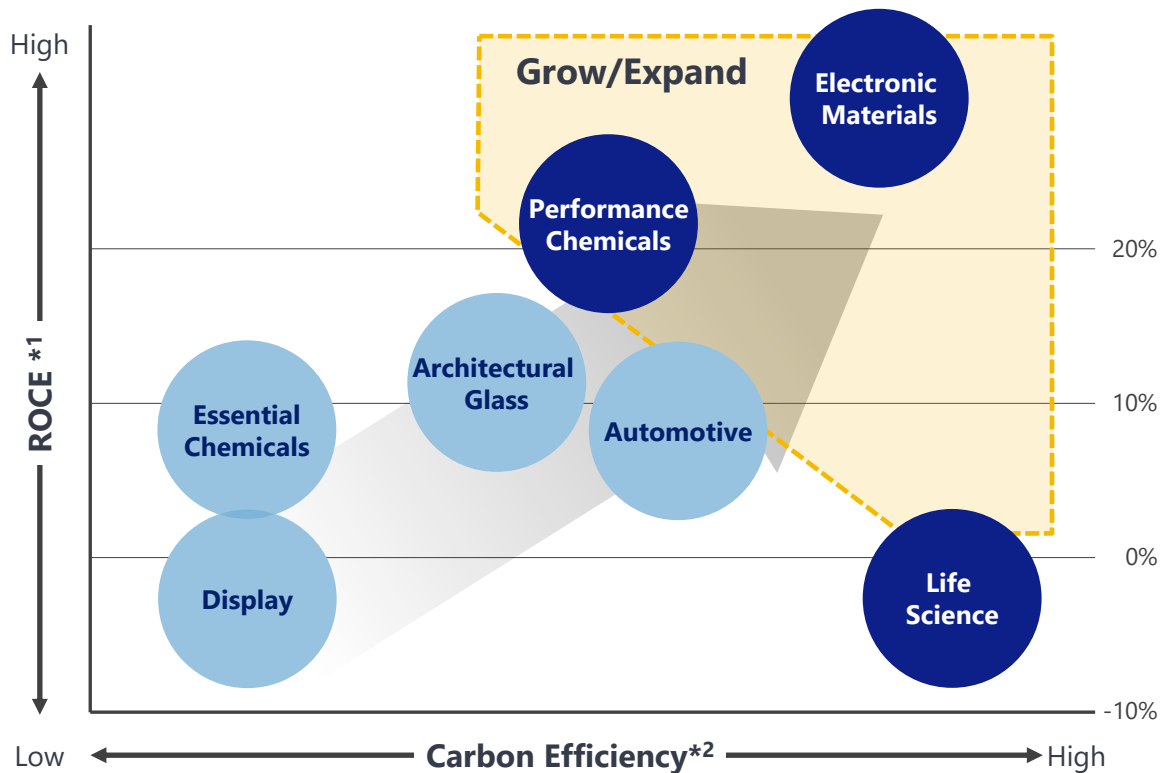
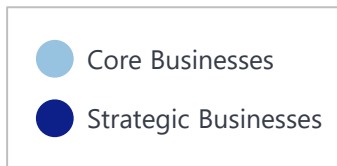


**High carbon  
efficiency**



# Direction of the Business Portfolio Transformation (Carbon Efficiency · ROCE)

## Direction of the Business Portfolio






**ROCE** : (OP of the year) ÷ (Operating asset at the year-end),  
Group-wide OP by business is after allocation of common expenses; OP for each business is before allocation of common expenses

# 4. Toward the Realization of Vision 2030

- Business Portfolio Transformation
- **Promotion of Sustainability Management**
  - **Environment**
  - Social
    - "AGC People: the driver of our growth!"
    - Human Rights in the Supply Chain
  - Governance

- We have conducted scenario analysis of climate change-related opportunities and risks in line with the TCFD framework, and developed management strategies and business plans to seize opportunities and reduce risks.

			Opportunities and risks	Occurrence time frames		
				Short	Medium	Long
Below 2°C	 <b>Transition risks</b>	<b>Government policies, laws, and regulations</b>	Increase in carbon prices	●	●	
		<b>Reputation</b>	Customer requests to reduce GHG emissions		●	
		<b>Technologies</b>	GHG emissions reductions at in-house power generation facilities		●	
	 <b>Opportunities</b>	<b>Products and services</b>	Expansion of building construction and renovation market	●	●	
			Expansion of solar power generation market	●	●	
			Expansion of hydrogen-related market		●	●
			Expansion of electric vehicle / fuel-cell vehicle market		●	●
		Expansion of next-generation coolants and solvents market		●	●	
4°C	 <b>Physical risks</b>	<b>Acute</b>	Sudden disasters			●
		<b>Chronic</b>	Water stress			●
			Rising temperatures			●

- Establish medium- and long-term GHG reduction targets in 2021 and steadily promote.



**FY2030 milestone**  
(from the 2019 figure)

**Scope 1**

**GHG emissions**  
(Scope 1+2 emissions)

**30% reduction**

**Scope 2**

**GHG emissions per unit of sales**  
(Scope 1+2emissions/sales)

**50% reduction**

**Scope 3**

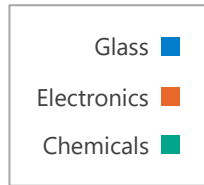
**GHG emissions**  
(Total of Scope 3 emissions in categories 1, 10, 11, and 12)

**30% reduction**



- AGC plans to achieve its FY2030 milestone through technological innovations in the glass melting process, the major source of its emissions, as well as by converting its chlor-alkali operations to renewable energy sources for electricity and using biomass fuels in its own thermal power generation.

## GHG Emission Reduction Roadmap (Scope 1+2)



11.6 MM tons



2019

30% reduction

- Reduction measures in the glass melting process
- Energy saving and renewable energy
- Fuel conversion
- Effective use of waste heat, etc.

- Conversion of purchased electricity to renewable energy
- Conversion of thermal power generation to biomass fuel
- Conversion to energy saving electrolytic tanks, etc.

8.1 MM tons

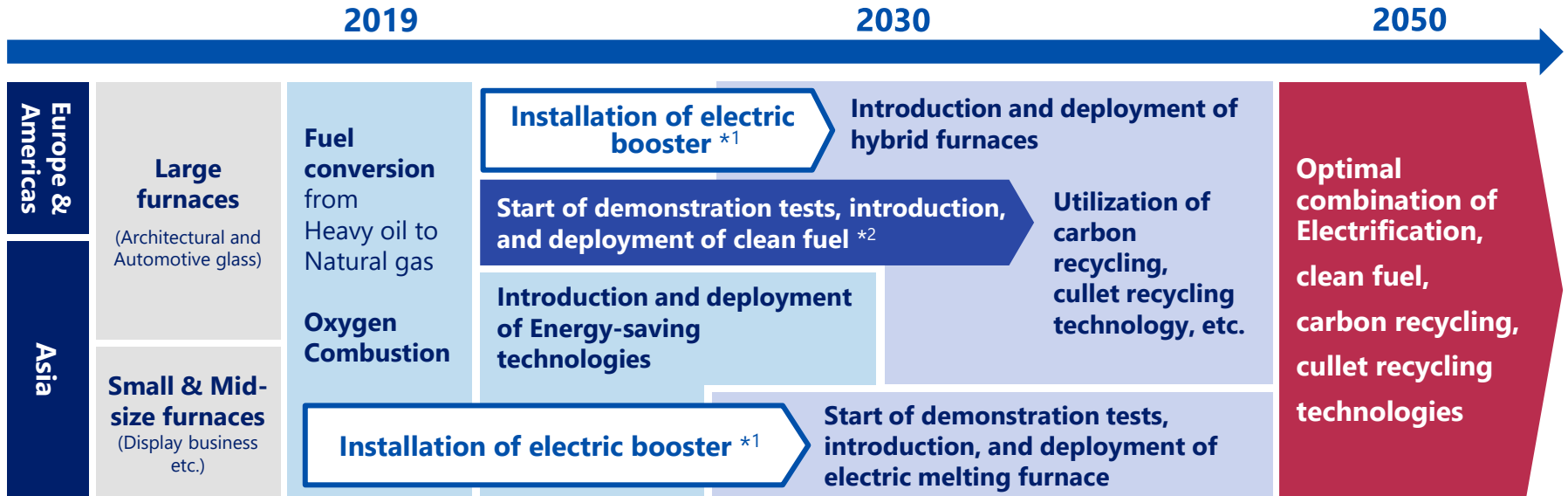


2030

2050

- Renewable energy
- New technology (Carbon recycling technology, etc.)
- etc.

- Toward 2030, plan to prioritize electrification in Europe and Americas, and energy conservation in Asia.
- Toward 2050, aim to achieve the target by combining multiple technologies with a focus on electrification.
- We are reviewing this roadmap and considering in the global project.



\*1 : Energized auxiliary heating \*2 : Ammonia,Hydrogen etc.

- Taking into account the life of the furnace, development and PoC of elemental technologies for mass production by 2030 is necessary to achieve the 2050 net zero carbon emissions target.
- Launched a **global project reporting directly to the CTO** to study GHG emission reduction strategy based on economic rationale.

## Project consideration

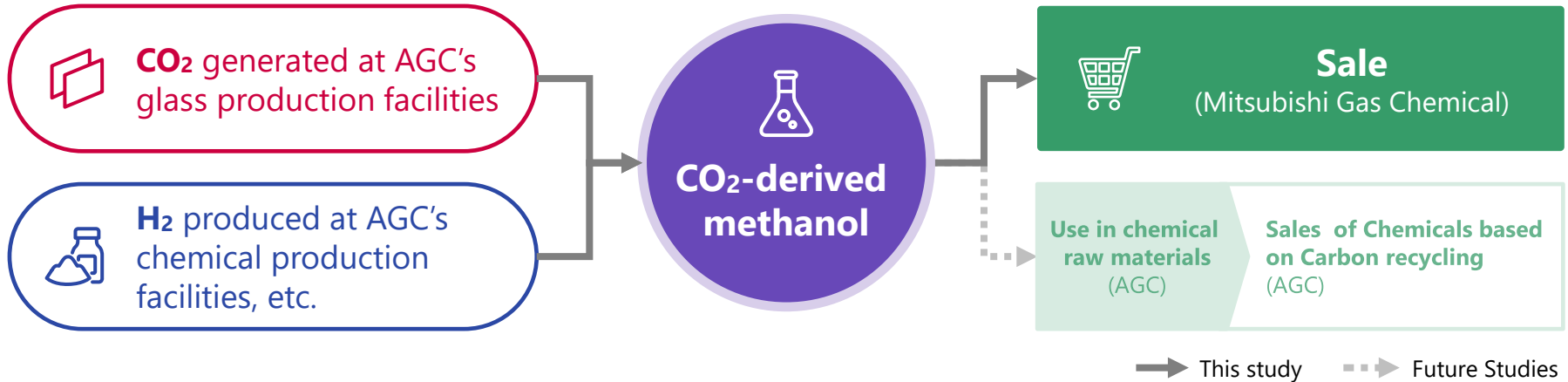
- Future cost simulation of energy prices, carbon costs, etc. in each country up to 2050.
- Verification of the economic rationale for mass production of elemental technologies based on future cost simulations.
- Prioritization and narrowing down the development of elemental technologies and formulating an overall technology strategy, including the global deployment of technologies within the AGC Group.



# Reference: Use of CCU Technology \* Started Considering Recycling of CO<sub>2</sub> Generated during Glass Production

- Started to study the production and sale of methanol made from CO<sub>2</sub> emitted in the flat glass manufacturing process in collaboration with Mitsubishi Gas Chemical Company.
- In the future, we are considering using the CO<sub>2</sub> generated during glass production as a raw material for our chemicals business to link to internal carbon recycling.

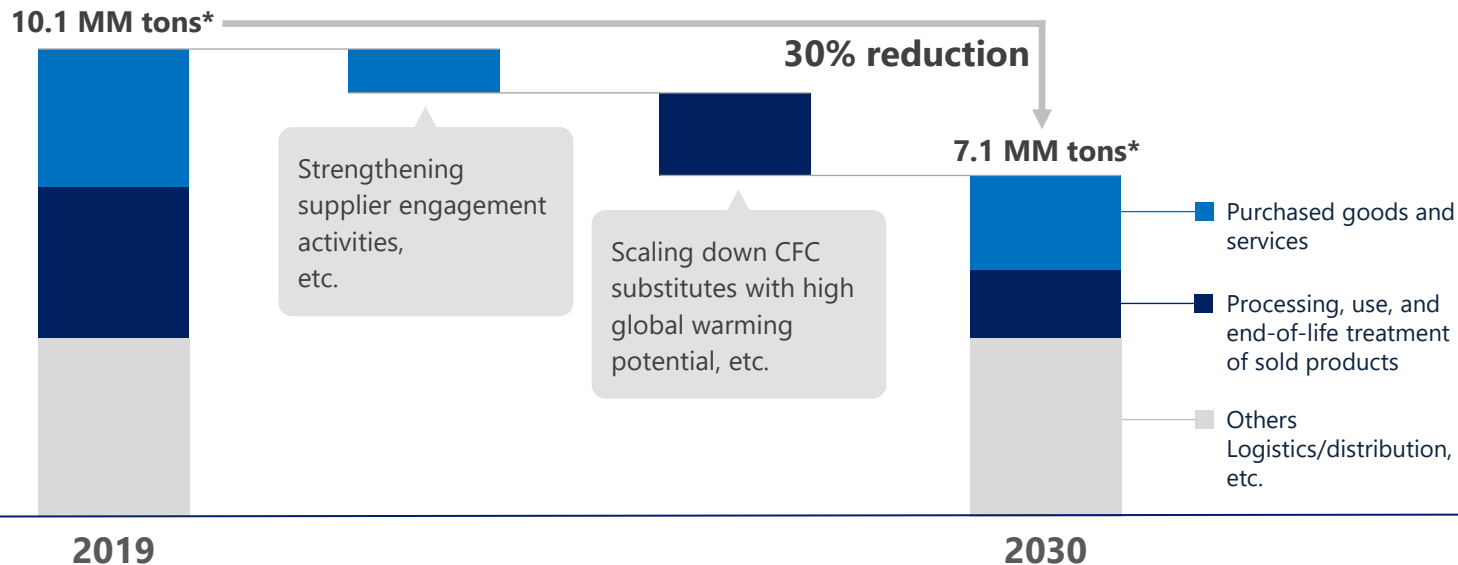
## Content of study



# GHG Emission Reduction Roadmap (Scope 3)

- AGC plans to achieve its targets by strengthening supplier engagement activities and scaling down the chlorofluorocarbon(CFC) products with high global warming potential.

## GHG Emission Reduction Roadmap (Scope 3)

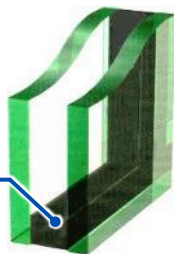


- We developed a number of environmentally friendly products such as vacuum insulated glass, building integrated photovoltaic power generation glass.

## Thermocline™

Highly durable, long-life, high-insulation double glazing using AGC's original material, as well as easy recycling

AGC original development Sealing material (butyl) only



## Vacuum-Insulating Glass 「FINEO」

World-class thermal insulation performance and high durability. Addressing Renovation Demand in Europe



## BIPV\*

Building Integrated Photo Voltaics with power-generating cells sealed between the glass



## Low carbon glass

Significantly reduces GHG emissions during the product life cycle

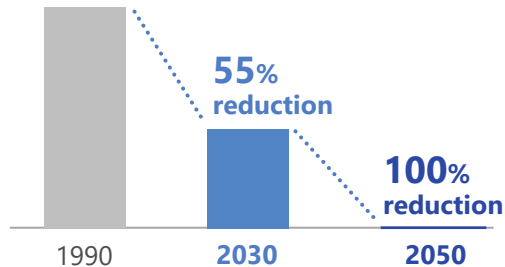


● : Products that contribute to GHG emissions reduction    ● : Products that contribute to a circular society    ● : Products with reduced GHG emissions

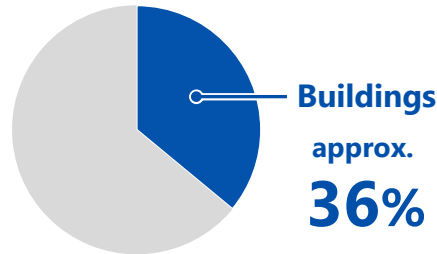
- The European Commission targets a 55% reduction in GHG emissions in Europe by 2030. \*1
- Buildings account for about 36% of GHG emissions, 30-35 million buildings by 2030 (G-rated buildings, equivalent to 15% of existing buildings) will be subject to renovation. \*2
- Improving the energy performance of buildings is essential, and the market for **highly insulating glass is expanding.**



## Europe GHG emission reduction targets\*1

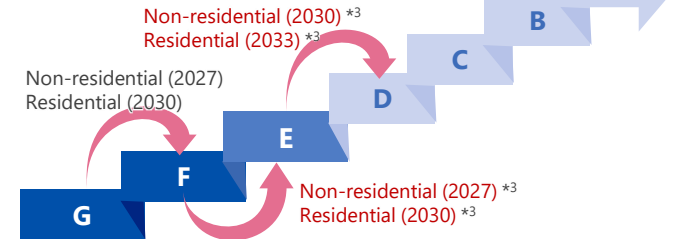


## Proportion of GHG emissions\*1



## Building energy performance evaluation\*2

### Performance evaluation improvement target through renovation



\*1 : Renovation Wave Strategy and Green Deal by the European Commission

\*2 : Energy Performance of Buildings Directive by the European Commission

\*3 : Red text indicates targets for improvement in the currently proposed amendments.

Reference:

# Growing Demand for Products with Small Carbon Footprints

- The trend toward green buildings has boosted the need for building materials with a small carbon footprint, and demand for AGC's **high-value-added low carbon glass\*** is growing.
- Low carbon glass production started in France following production in Belgium.



\* Float glass produced by AGC Glass Europe S.A., products with a carbon footprint reduced by at least 40% compared to Planibel's EPD (Environmental Product Declaration) values (INIES database).



- Demand for **high value-added automotive glass** will rise along with the expansion of electric vehicle / fuel-cell vehicle market toward a net-zero carbon society.

## High value-added products associated with expansion of electric vehicle / fuel-cell vehicle market (e.g.)



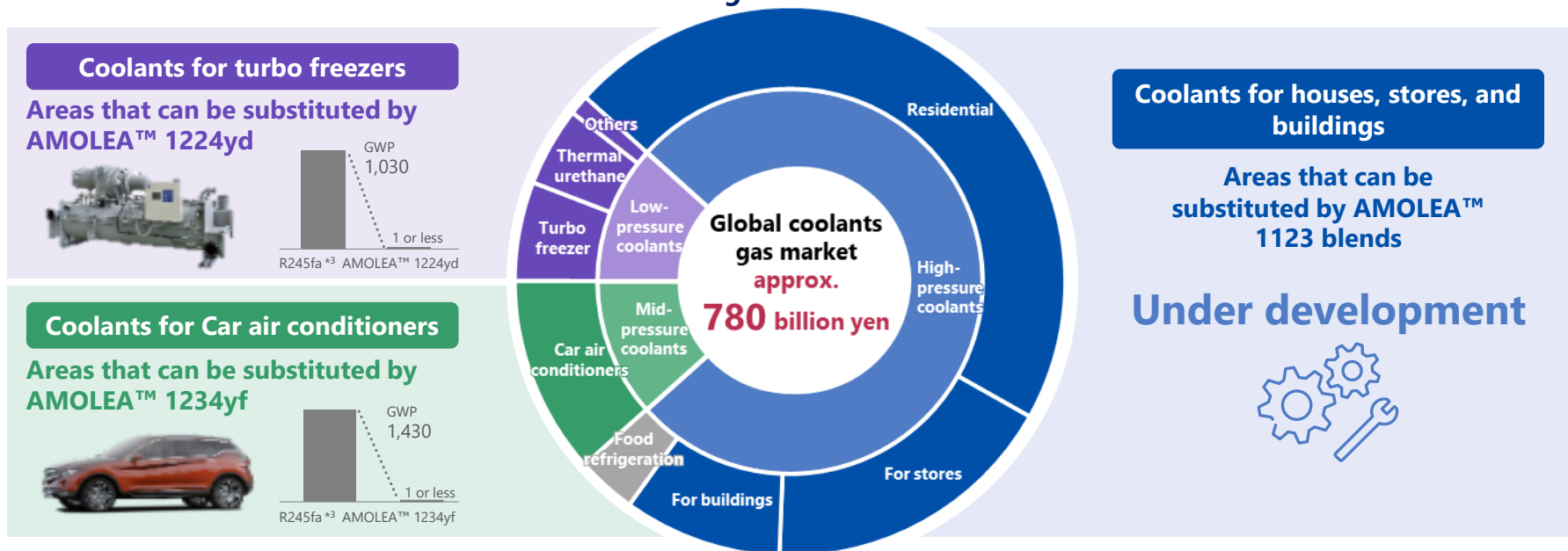


Accelerated conversion from existing coolants to **new eco-friendly, next-generation coolants and solvents** with low global warming potential (GWP\*) from 2025 onward toward a net-zero carbon society.



TCFD analysis also shows that the low-GWP coolants market will expand to about 3 times its 2022 level by around 2030.

## Target market \*2



- We promote product development and other measures with the aim of reducing environmental impact throughout the product lifecycle.
- Aiming for growth by balancing social and economic value.



## Glass

- Float flat glass (products using recycled raw materials, Thinned glass)
- Low-E double glazing glass
- Coating glass
- Photovoltaics-embedded glass
- Thinned glass (chemically strengthened glass)
- Automotive glass

etc.



## Electronics

- Display glass (products using recycled raw materials)
- Float cover glass for PV module
- Optical Materials
- Materials for high-speed communication
- High power LED glass ceramics substrate

etc.



## Chemicals

- Environmentally friendly refrigerant and solvents
- Materials for fuel cells
- Fluoropolymer
- Fluoropolymer resin for coatings
- Fluoropolymer resin for solar cell

etc.

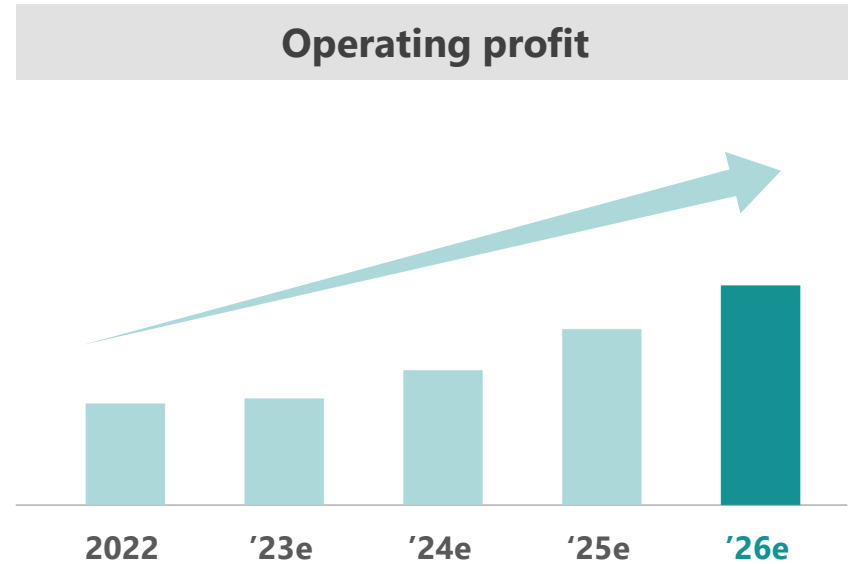
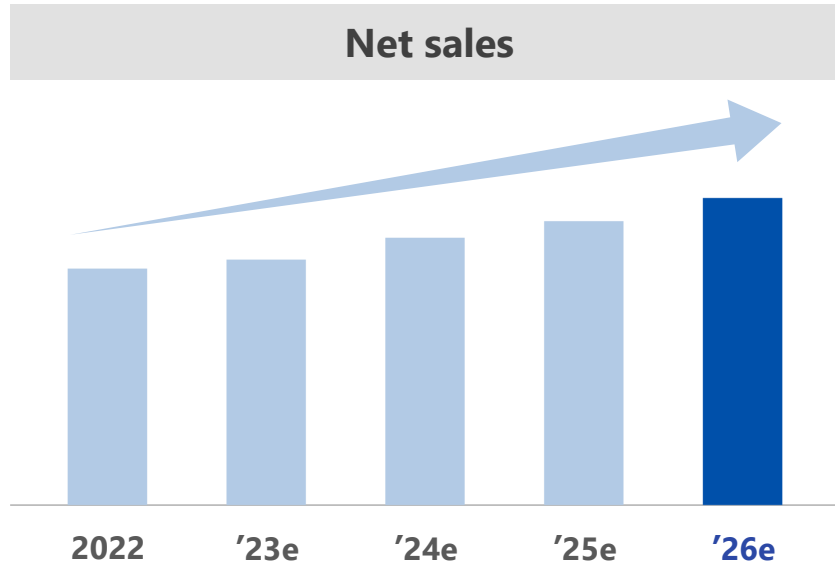


## Ceramics

- Refractory (products using recycled raw materials)
- High thermal insulation ceramic wall for furnace
- Refractory/engineering for biomass power boilers

etc.

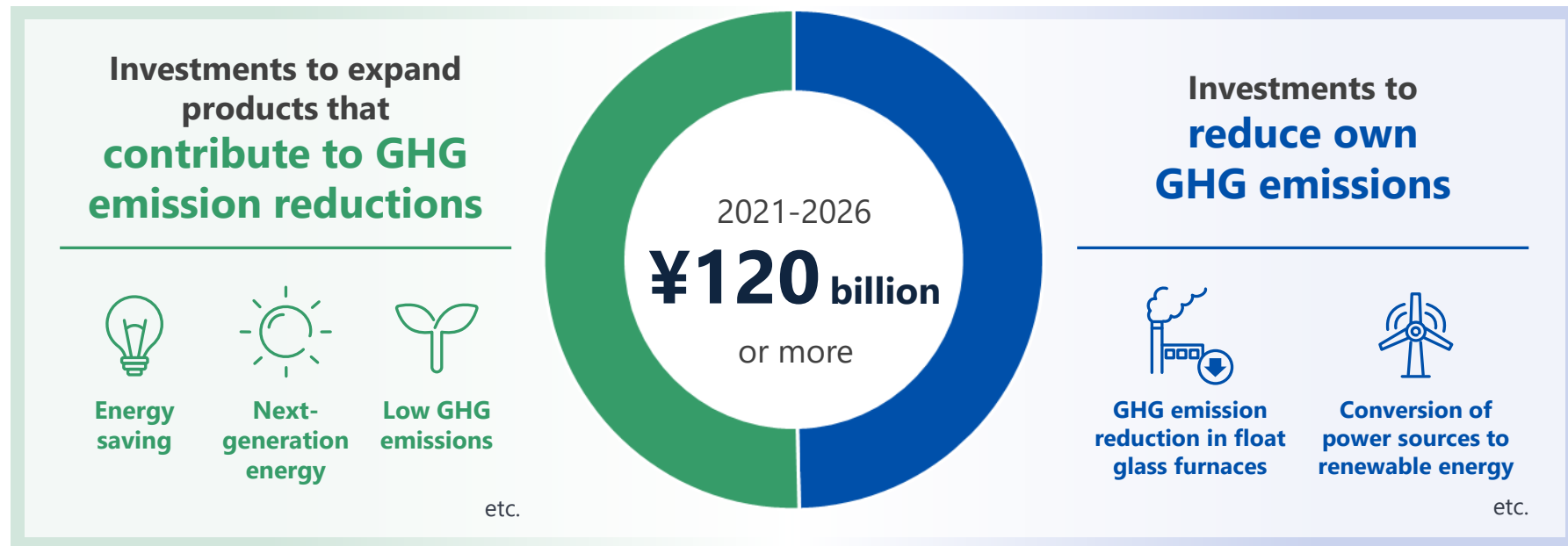
- Expected to account for **approx. 11% of net sales\*** and **approx. 13% of operating profit\*** in 2023.
- Seize opportunities for market expansion and achieve business growth.



\* Consolidated bases

# Future Investment Plans for Overall Addressing Climate Change

- We will invest more than ¥120 billion\* over 6 years to 2026 to address climate change.



**Cumulative investments related to address climate change (plan)**

- Listed as A- for CDP Climate Change Report 2023 for its cutting-edge initiatives and proactive information disclosure
- SBT\* certification acquired in December 2022

Rating of Climate Change by CDP



SBT certification



\* Science Based Target. Global climate change initiative.

# 4. Toward the Realization of Vision 2030

- Business Portfolio Transformation
- **Promotion of Sustainability Management**
  - Environment
  - **Social**
    - **"AGC People: the driver of our growth!"**
    - Human Rights in the Supply Chain
  - Governance

# Strengthening the Management Foundation: Promoting Human Capital Management

- **We will promote human capital management for continuous corporate growth.**
- We will encourage the growth of the strengths and abilities of each of our diverse human resources, support their independent learning and growth, and encourage them to take on challenges. The sum of each individual's growth will create a strong organization with high engagement, enhance corporate value, and realize AGC's mission.

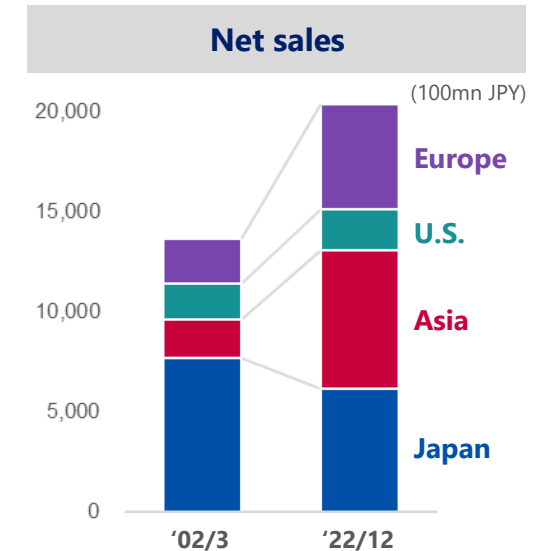
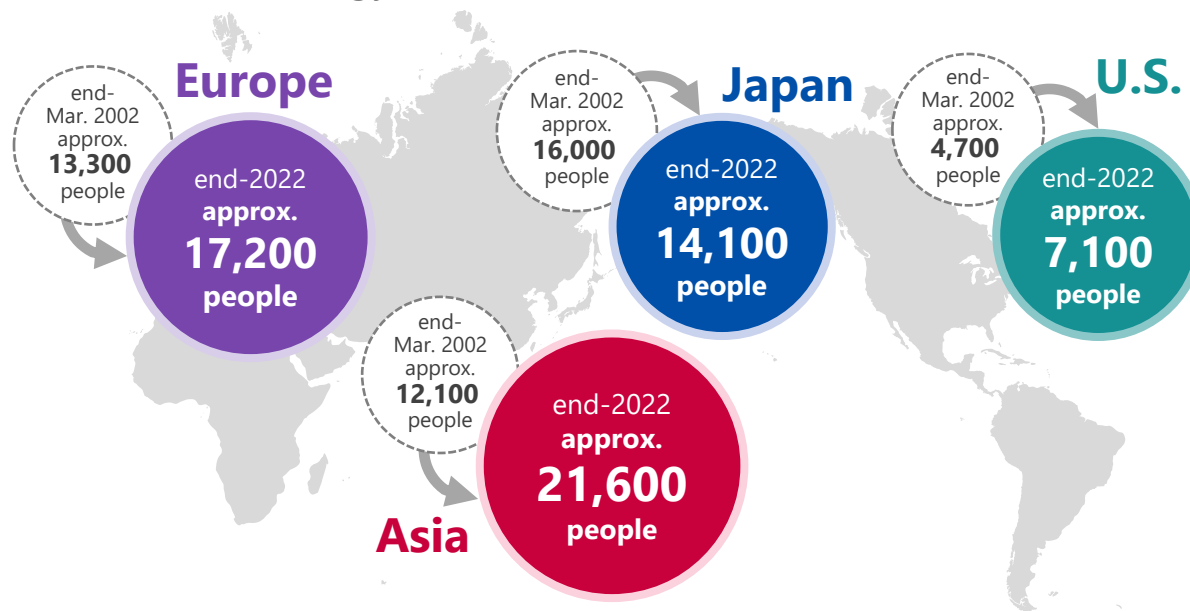
**"AGC People:  
the driver of  
our growth!"**





# A Global Team of Diverse Human Resources

- Diversification of human resources compared to the end of March 2002, before the introduction of the in-house company on the global basis.
- Deployment of diverse human resources in each region in accordance with the business portfolio strategy



- **Expanding Life Science business globally** by leveraging know-how accumulated through proactive overseas expansion since the Company's founding.

## Milestones in global expansion

### Expansion to over 30 countries and regions

1956	<b>India</b>	Glass manufacturing company established
1964	<b>Thailand</b>	Entry into the sheet glass market
1972	<b>Indonesia</b>	Glass business started
1981	<b>Belgium</b>	full-scale entry into European flat glass market
1985	<b>North america</b>	Full-scale entry into automotive glass business
1992	<b>China</b>	Rollout of flat glass business
2000	<b>Taiwan</b>	Start of production of LCD glass substrates
2003	<b>South korea</b>	Start of production of PDP glass
2004	<b>Hungary</b>	Start of automobile glass business
2012	<b>Germany</b>	Glass business alliance
2013	<b>Brazil</b>	Entered glass market
2014	<b>Vietnam</b>	Rollout of chemicals business
2016	<b>Mexico</b>	Rollout of automobile glass business
2019	<b>Morocco</b>	Rollout of automobile glass business

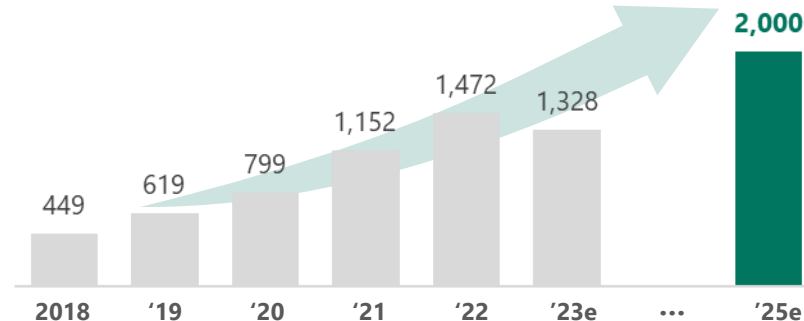
## Global expansion of Life Science business



**Started global operations in 2016 and now has 10 sites in 6 countries**

(Germany, Denmark, United States, Italy, Spain)

### Life Science sales\* (100mn JPY)



# 4. Toward the Realization of Vision 2030

- Business Portfolio Transformation
- **Promotion of Sustainability Management**
  - Environment
  - **Social**
    - "AGC People: the driver of our growth!"
    - **Human Rights in the Supply Chain**
  - Governance

# Initiatives Related to Human Rights Due Diligence in the Supply Chain

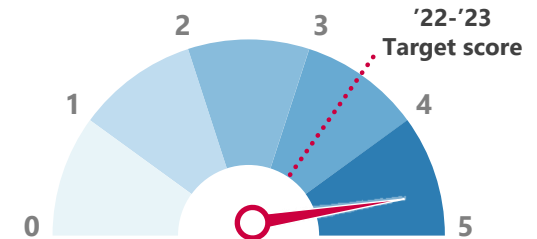
- The AGC Group conducts procurement activities in accordance with the AGC Group Purchasing Policy, which aims for responsible mineral procurement and a socially and environmentally responsible supply chain
- Questionnaire on compliance with the AGC Group Purchasing Policy launched in 2020
- Aiming to improve sustainability throughout the supply chain by **gradually expanding the scope of the questionnaire**

## Scope of questionnaire

	Major AGC parent suppliers	Top global suppliers	High risk mineral suppliers	Major suppliers at sites of each Company
'20-'21	✓	✓		
<b>'22-'23</b>	✓	✓	✓	
'23-Plan	✓	✓	✓	✓

Scope of the questionnaire will be expanded over time

## Average questionnaire score



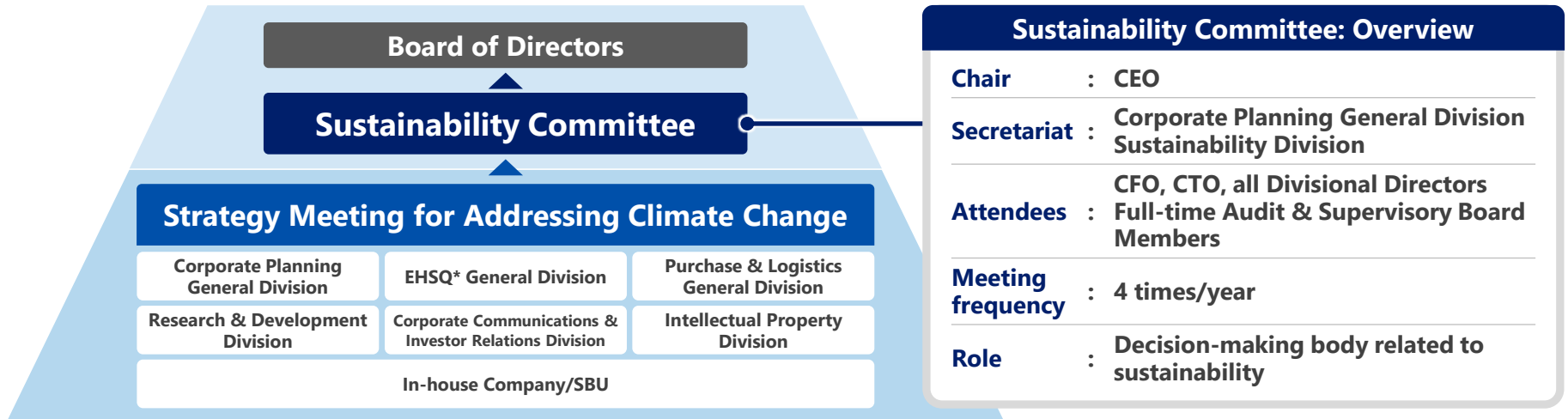
**'22-'23  
Achieved target score**

# 4. Toward the Realization of Vision 2030

- Business Portfolio Transformation
- **Promotion of Sustainability Management**
  - Environment
  - Social
    - "AGC People: the driver of our growth!"
    - Human Rights in the Supply Chain
  - **Governance**

# AGC's Sustainability Management Governance Structure

- The Sustainability Committee is positioned on the same footing as the Management Committee. Further, under the supervision of the Board of Directors, the Sustainability Committee is responsible for deciding and monitoring the execution of initiatives related to sustainability, including environmental activities.
- We hold Strategy Meeting to address climate change in the global and cross-divisional scale.

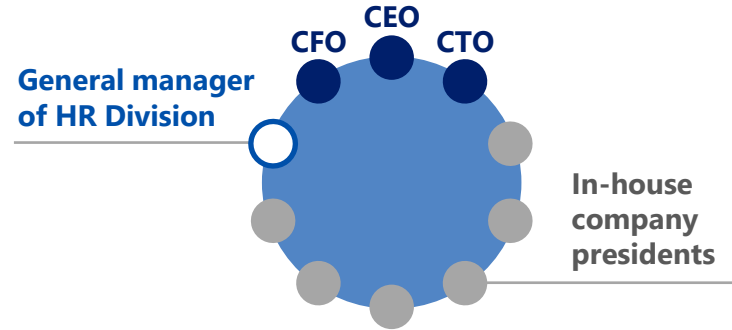


- The Diversity Council was established in 2022 to build an environment where diverse people can make the most of their individual abilities, and accelerate diversity & inclusion promotion measures.

## Specific diversity promotion measures

<b>Fostering organizational culture</b>	Increased opportunities for communication by top management and executives to spread the significance of diversity promotion throughout the organization
<b>Recruitment</b>	Increase ratio of women in new graduates and mid-career hires*
<b>Talent development</b>	Strengthening the development of key talent in the mid-tier and young-career groups who will become candidates for executive positions
<b>Improvement of working environment</b>	Continue to promote the concept of “Smart working” as a way work style that AGC aspires to and continue to improve the environment that leads to enhanced corporate value *

## Diversity Council



<b>Chairperson</b>	: CEO
<b>Participants</b>	: CFO, CTO, General manager of HR Division, In-house company presidents
<b>Frequency</b>	: 2 times/year
<b>Agenda</b>	: Diversity & Inclusion promotion
<b>Established</b>	: 2022

# 5. Outlook for FY2024

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

(100 million JPY)

		FY2023	FY2024e
<b>Net sales</b>		20,193	<b>21,000</b>
	(First half)	9,853	10,000
<b>Operating profit</b>		1,288	<b>1,500</b>
	(First half)	643	600
<b>Profit before tax</b>		1,228	<b>1,050</b>
<b>Profit for the year attributable to owners of the parent</b>		658	<b>530</b>
<b>Dividend (JPY/share)</b>		210	<b>210</b>
<b>Operating profit margin</b>		6.4%	7.1%
<b>ROE</b>		4.6%	3.7%*
<b>FOREX (Average)</b>	<b>1 USD</b>	JPY 140.6	JPY 140.0
	<b>1 EUR</b>	JPY 152.0	JPY 160.0
<b>Crude oil (Dubai, Average)</b>	<b>USD/BBL</b>	82.1	85.0
<b>Ethylene (CFR SEA)</b>	<b>USD/MT</b>	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
 <b>Architectural Glass</b>	4,763	328	<b>4,600</b>	<b>300</b>	▲ 163	▲ 28
 <b>Automotive</b>	4,997	218	<b>5,100</b>	<b>230</b>	+ 103	+ 12
 <b>Electronics</b>	3,132	184	<b>3,300</b>	<b>330</b>	+ 168	+ 146
 <b>Chemicals</b>	5,741	648	<b>6,200</b>	<b>600</b>	+ 459	▲ 48
 <b>Life Science</b>	1,268	▲ 124	<b>1,400</b>	<b>30</b>	+ 132	+ 154
 <b>Ceramics/Other</b>	834	33	<b>800</b>	<b>10</b>	▲ 34	▲ 23
<b>Elimination</b>	▲ 542	1	<b>▲ 400</b>	<b>0</b>	+ 142	▲ 1
<b>Total</b>	20,193	1,288	<b>21,000</b>	<b>1,500</b>	+ 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
<b>CAPEX</b>	2,317	<b>2,500</b>
Architectural Glass	247	<b>350</b>
Automotive	263	<b>200</b>
Electronics	514	<b>400</b>
Chemicals	877	<b>1,160</b>
Life Science	399	<b>370</b>
Ceramics/Other	18	<b>20</b>
Elimination	▲ 1	<b>0</b>

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

(100 million JPY)

	FY2023	FY2024e
<b>R&amp;D</b>	573	<b>600</b>

## 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.

# 6. Shareholder Return

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# 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



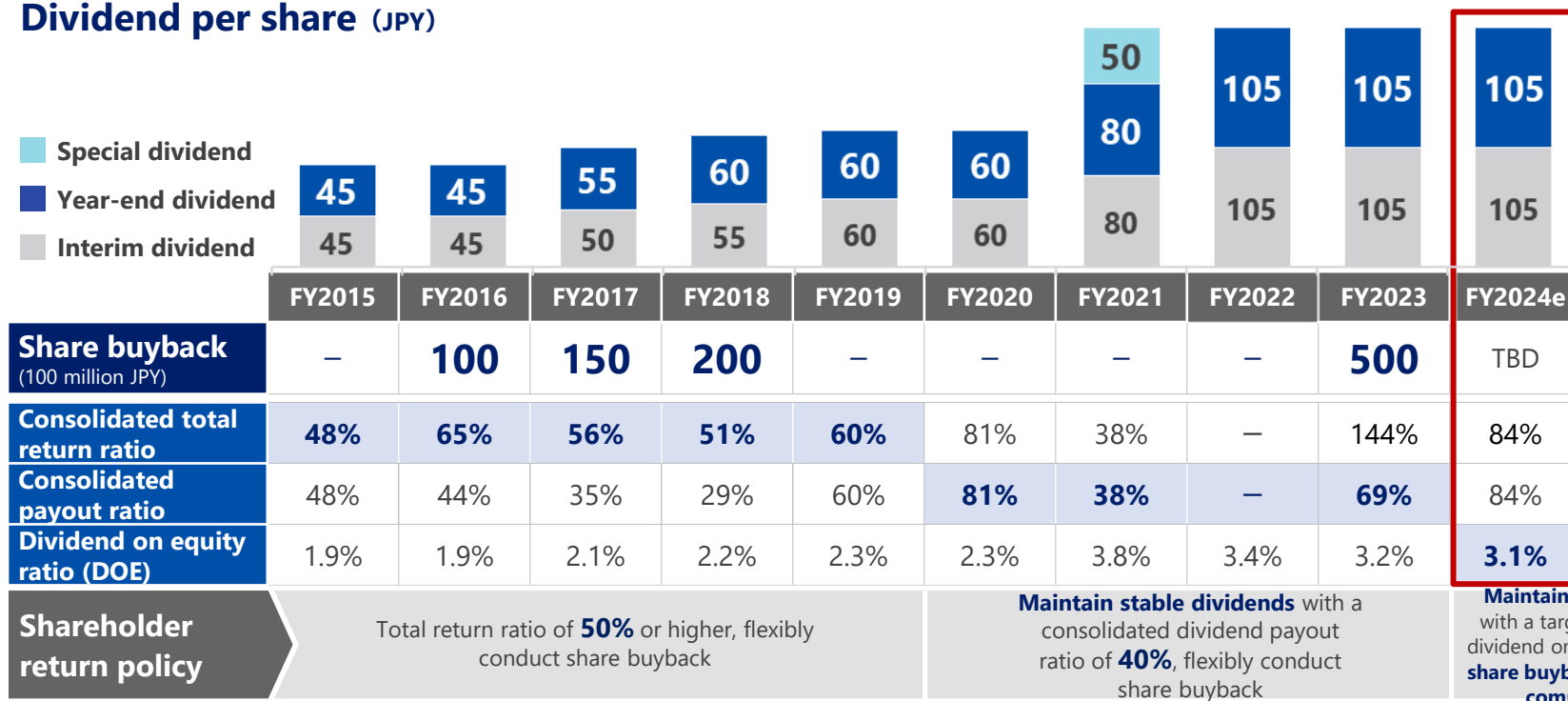
## New policy

- 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

## 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)

# Business Performance (1)

<b>Architectural Glass</b>	1Q.22	2Q.22	3Q.22	4Q.22	1Q.23	2Q.23	3Q.23	4Q.23	(100 million JPY)
<b>Net Sales</b>	<b>1,040</b>	<b>1,216</b>	<b>1,247</b>	<b>1,334</b>	<b>1,205</b>	<b>1,192</b>	<b>1,150</b>	<b>1,216</b>	
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	
<b>Operating profit</b>	<b>73</b>	<b>132</b>	<b>86</b>	<b>36</b>	<b>93</b>	<b>93</b>	<b>83</b>	<b>59</b>	
<b>Automotive</b>	1Q.22	2Q.22	3Q.22	4Q.22	1Q.23	2Q.23	3Q.23	4Q.23	
<b>Net Sales</b>	<b>936</b>	<b>956</b>	<b>1,112</b>	<b>1,174</b>	<b>1,184</b>	<b>1,223</b>	<b>1,255</b>	<b>1,335</b>	
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	
<b>Operating profit</b>	<b>▲ 33</b>	<b>▲ 58</b>	<b>▲ 63</b>	<b>56</b>	<b>48</b>	<b>54</b>	<b>59</b>	<b>56</b>	
<b>Electronics</b>	1Q.22	2Q.22	3Q.22	4Q.22	1Q.23	2Q.23	3Q.23	4Q.23	
<b>Net Sales</b>	<b>760</b>	<b>722</b>	<b>777</b>	<b>814</b>	<b>702</b>	<b>717</b>	<b>835</b>	<b>878</b>	
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	
<b>Operating profit</b>	<b>80</b>	<b>12</b>	<b>31</b>	<b>24</b>	<b>19</b>	<b>11</b>	<b>69</b>	<b>85</b>	

# Business Performance (2)

<b>Chemicals</b>	1Q.22	2Q.22	3Q.22	4Q.22	1Q.23	2Q.23	3Q.23	4Q.23	(100 million JPY)
<b>Net Sales</b>	<b>1,617</b>	<b>1,720</b>	<b>1,641</b>	<b>1,626</b>	<b>1,410</b>	<b>1,418</b>	<b>1,428</b>	<b>1,486</b>	
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	
<b>Operating profit</b>	<b>406</b>	<b>418</b>	<b>250</b>	<b>187</b>	<b>172</b>	<b>137</b>	<b>170</b>	<b>169</b>	
<b>Life Science</b>	1Q.22	2Q.22	3Q.22	4Q.22	1Q.23	2Q.23	3Q.23	4Q.23	
<b>Net Sales</b>	<b>332</b>	<b>378</b>	<b>356</b>	<b>352</b>	<b>332</b>	<b>348</b>	<b>238</b>	<b>350</b>	
Life Science	316	376	347	342	321	346	235	337	
(Inter Segment)	17	2	9	9	11	2	3	13	
<b>Operating profit</b>	<b>46</b>	<b>57</b>	<b>53</b>	<b>14</b>	<b>6</b>	<b>▲ 1</b>	<b>▲ 83</b>	<b>▲ 46</b>	

## Trend of shipment and price

				2022				2023			
				1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>YoY comparison</b>											
<b>Glass</b>	<b>Architectural (AGC)</b>	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
	<b>Automobile production*1</b>	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%	
<b>Electronics</b>	<b>Display panel demand*2</b>	Global	area	+4%	-4%	-9%	-7%	-15%	+4%	+11%	-5%
<b>Spot market price</b>											
<b>Chemicals</b>	<b>Chlor-alkali (Southeast Asia)</b>	Caustic soda <sup>+3</sup>	price USD/MT	722	777	673	677	530	417	413	430
		PVC <sup>+3</sup>	price USD/MT	1,407	1,350	933	823	893	817	863	773
		Ethylene <sup>+3</sup>	price USD/MT	1,213	1,175	952	895	928	862	848	925

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

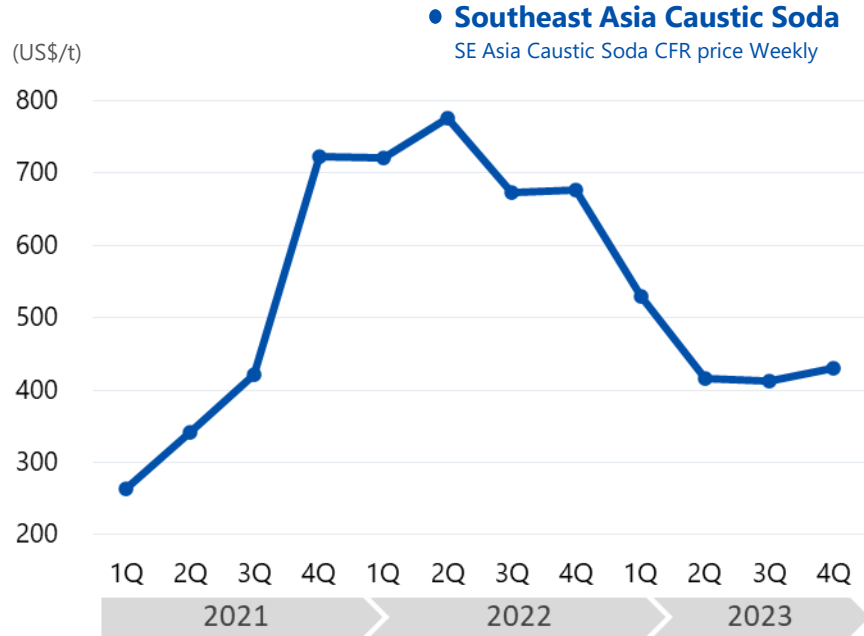
\*2 Source : Omdia-Display Long-Term Demand Forecast Tracker – 3Q23 Pivot

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

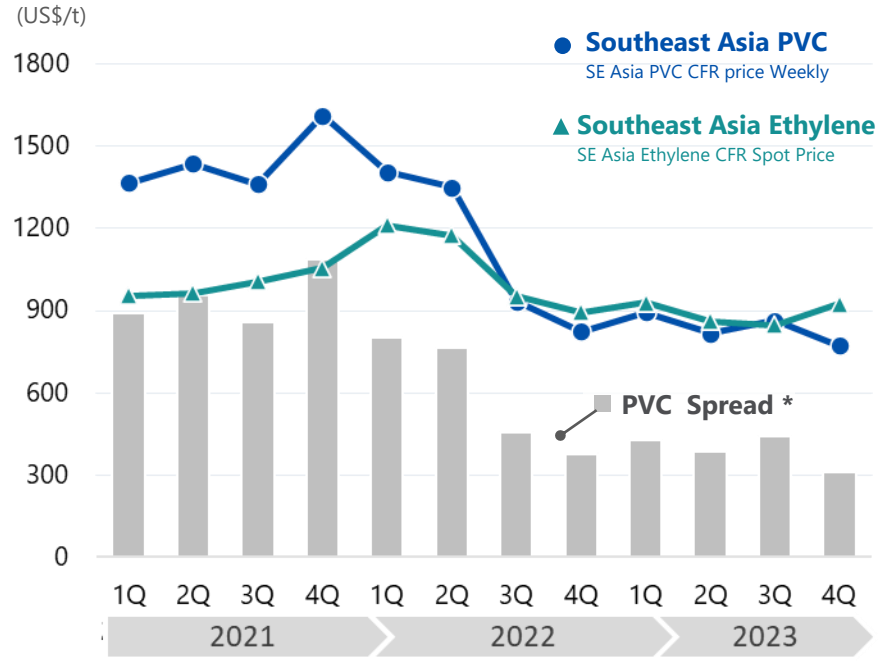
\*3 Source : Bloomberg

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

## Overall Strategy

**Leveraging the core businesses and the strategic businesses as two wheels, we will shift to an optimal business portfolio and continuously create economic and social value.**

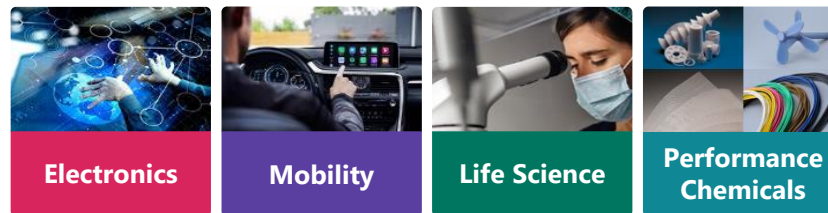
### Core Businesses

Establishing long-term, stable sources of earnings by increasing competitiveness of each business



### Strategic Businesses

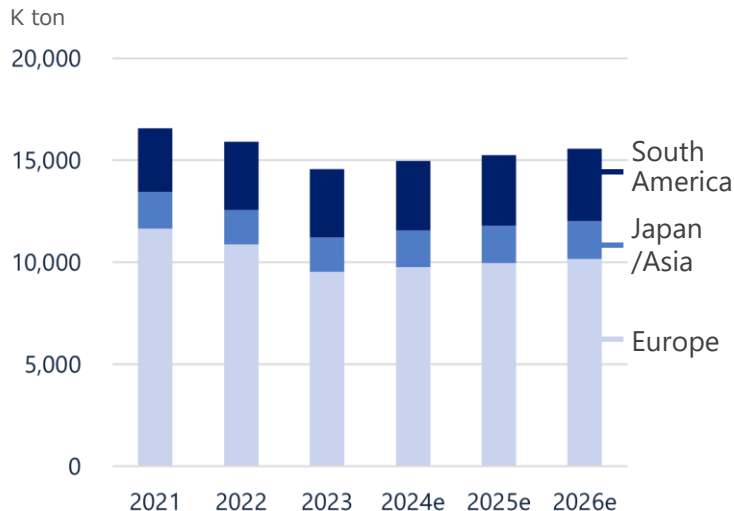
Create and expand highly profitable businesses that will become future pillars by using AGC's strengths in high-growth fields





- 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**

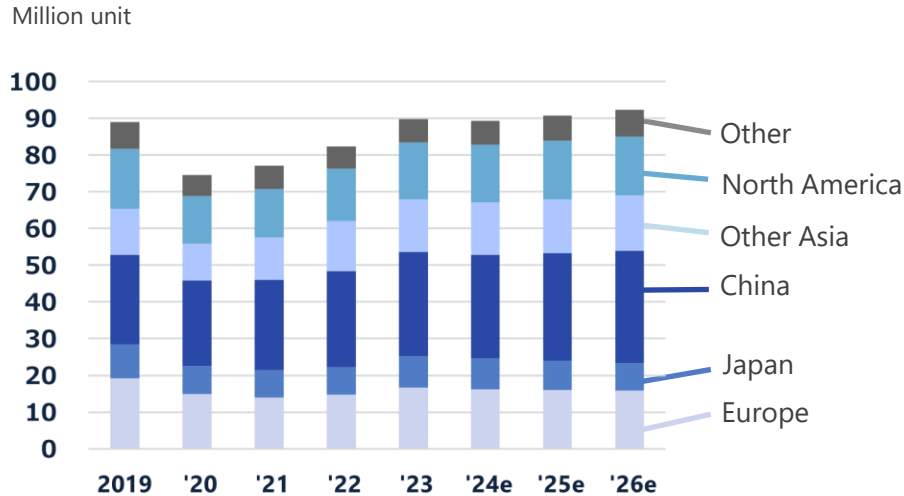


**BIPV module\*2**

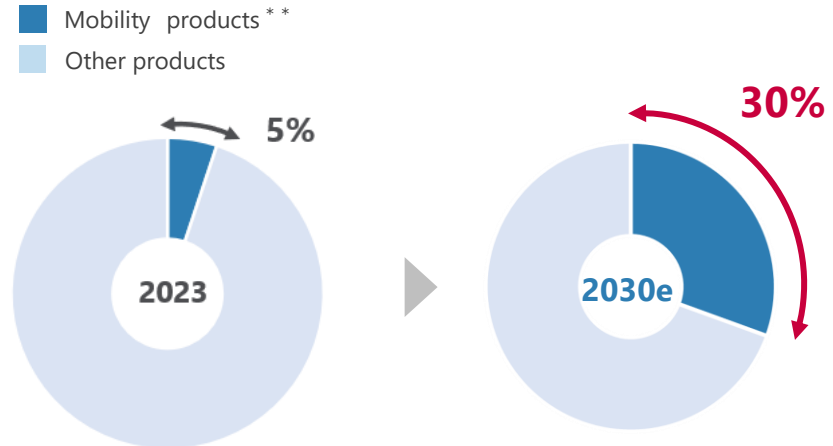
# Automotive Business Environment

- 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) \*



## AGC's High value-added products (%)

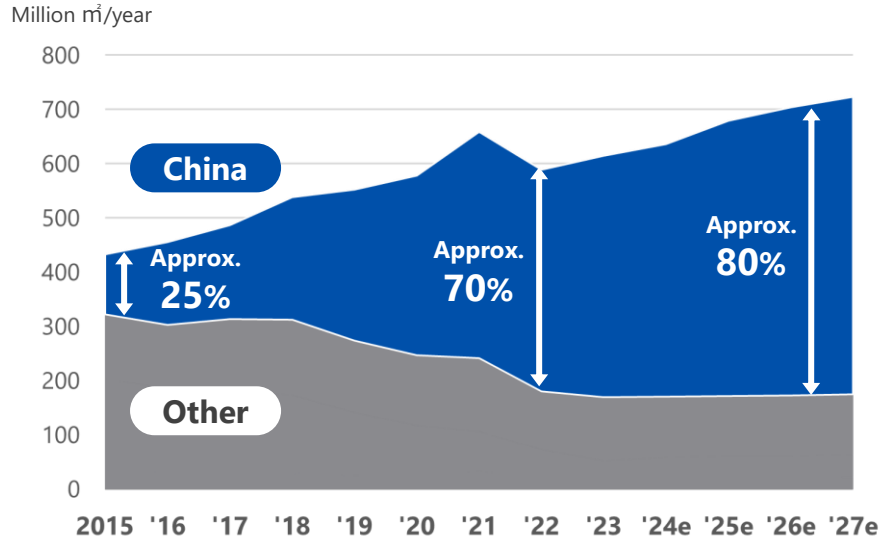


\*: Based on S&P global \*\*: Car mounted Display Glass, sensor, antennas, products with added functions and values such as Low-E, light control etc.

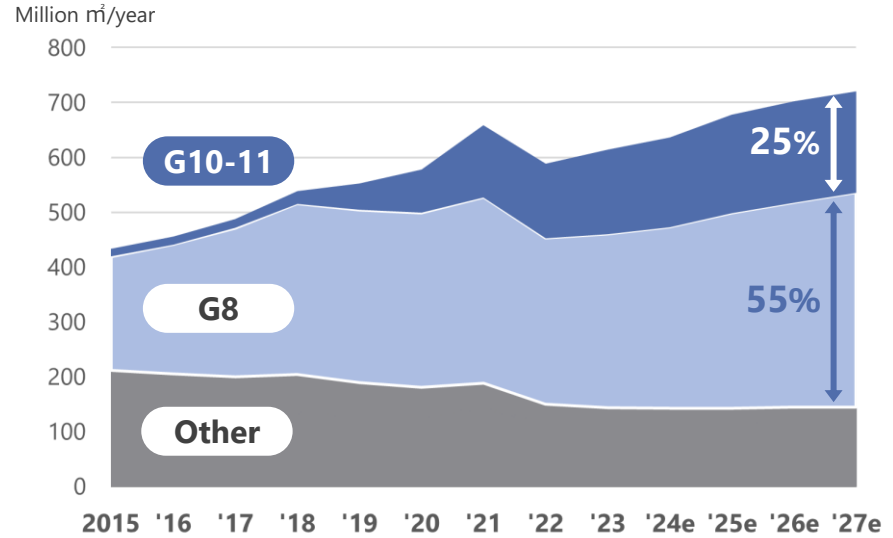
# Display Business Environment

- Demand in China will continue to expand further

## Demand for LCD Glass (by region)



## Demand for LCD Glass (by generation)



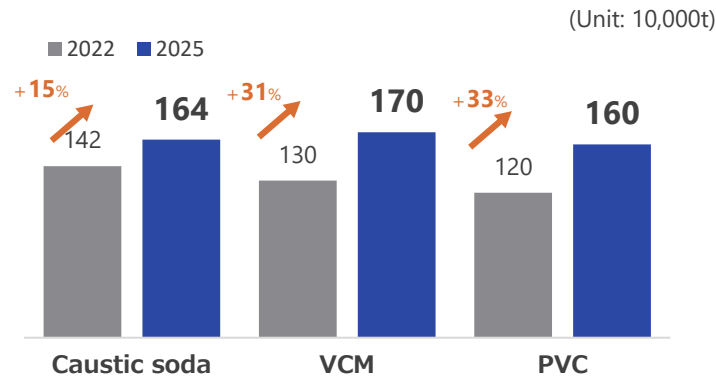
Source: AGC's estimate

# Essential Chemicals Overview

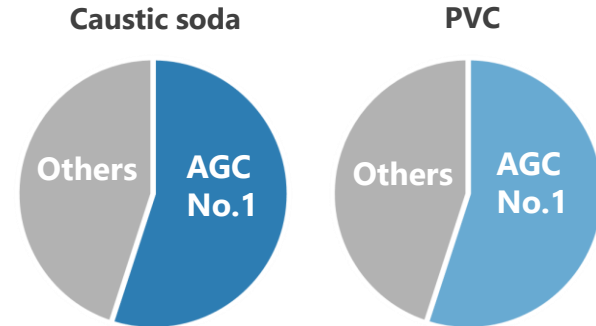
- Investment of over 100 billion yen determined in 2022 is progressing as planned for launch in 2025
- Further strengthening our position in Southeast Asia.
- Steadily capturing demand in Southeast Asia, which is growing at 4% per year.

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)



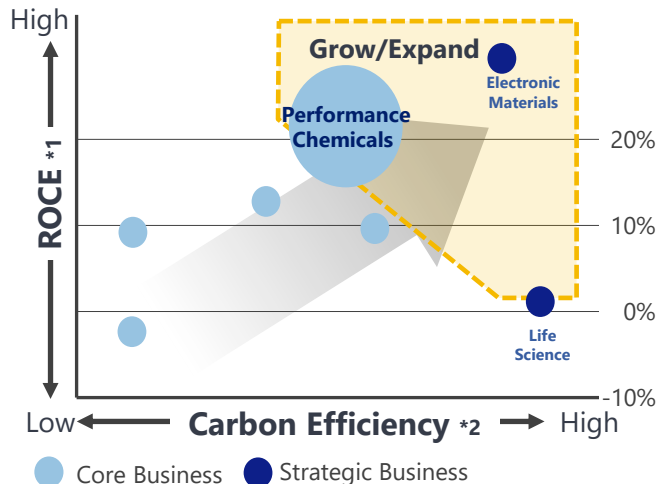
Market share based on production capacity: Caustic soda does not include Australia/NZ in the region, PVC includes Australia/NZ in the region

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



Fluoropolymer resin ETFE



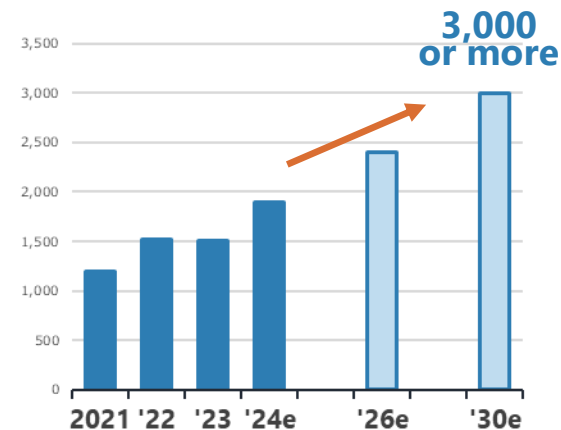
Electrolyte polymer for fuel cells



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

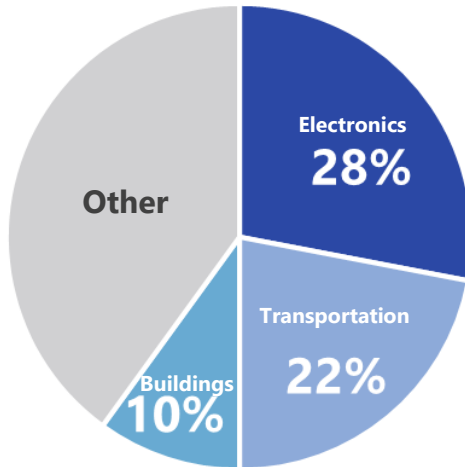
\*3: AGC's estimate as of Jan 2024

# Performance Chemicals Overview(2)

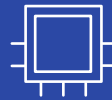
- Approx. 60% of the demand is for the main applications such as Electronics, Transportation (automobile, aircraft) and Buildings.
- The remaining consists of demand in various and specific fields.

## Net Sales by Application (2022)\*

\* Revised classification of some products.



### Electronics



### Transportation

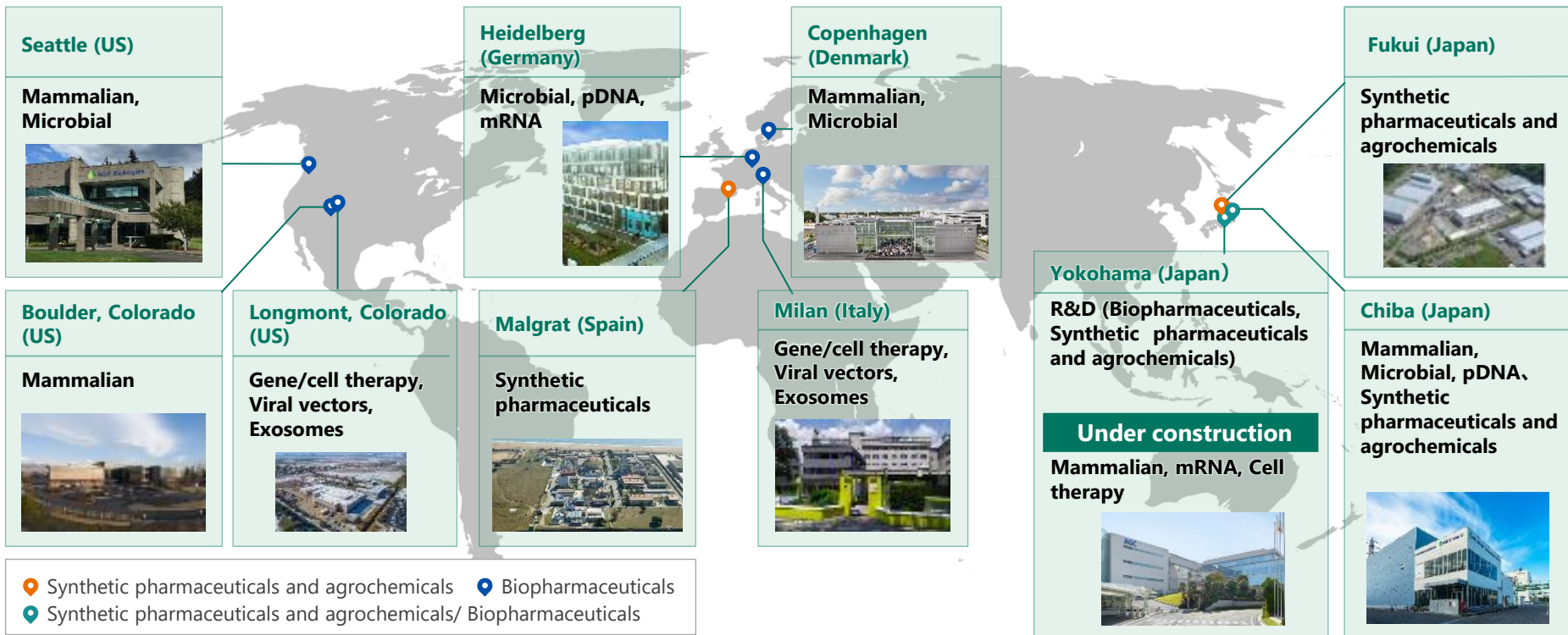


### Buildings



# 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.**

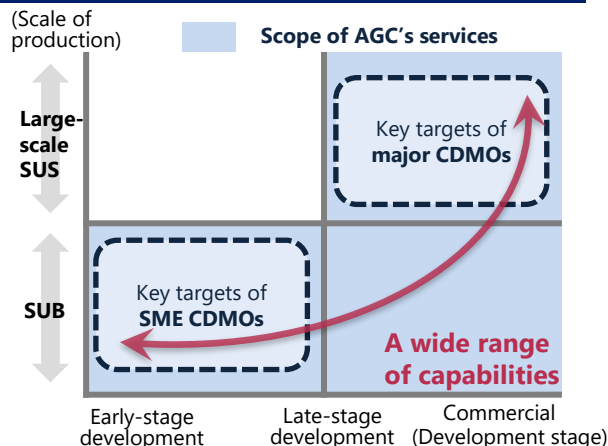
## Scope of AGC's services in the biopharmaceutical business



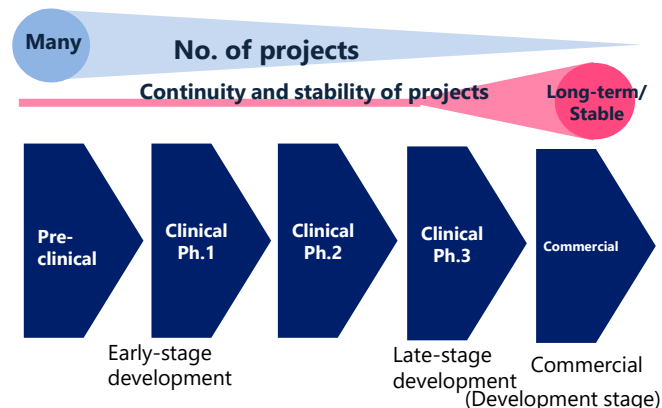
**\*\*\*Large-scale SUS:**  
Large stainless steel bioreactors. Suitable for large scale commercial pharmaceutical production.



**\*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



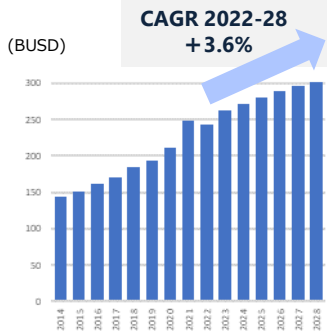


# Life Science Overview(3)

- 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.

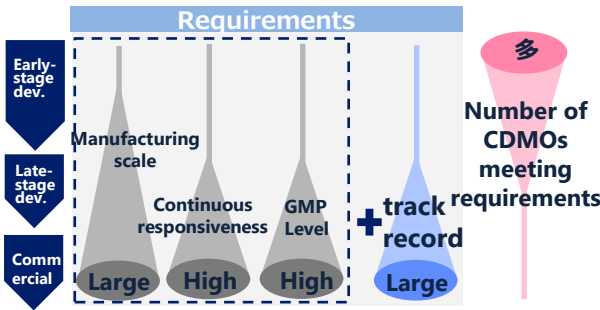
**Creating a virtuous cycle where the more projects we complete, the more projects we obtain.**

## Pharmaceutical R&D Expenses\*



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

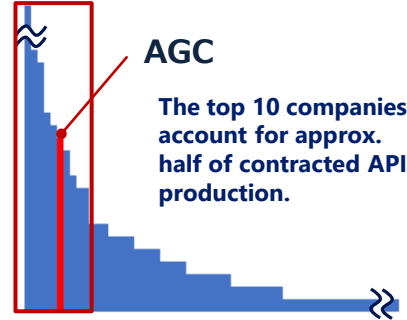
## Changes in the level of requirements for CDMOs as development progresses



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.

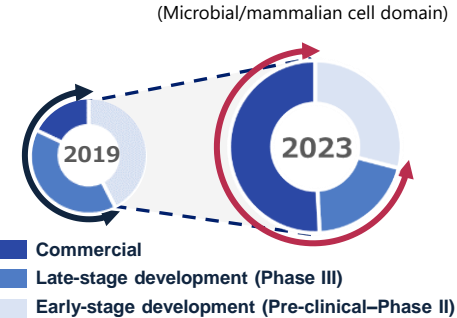
**Limited number of CDMOs with an extensive track record in late-stage development and commercial projects.**

## Comparison of biopharmaceutical API contracts\*\*



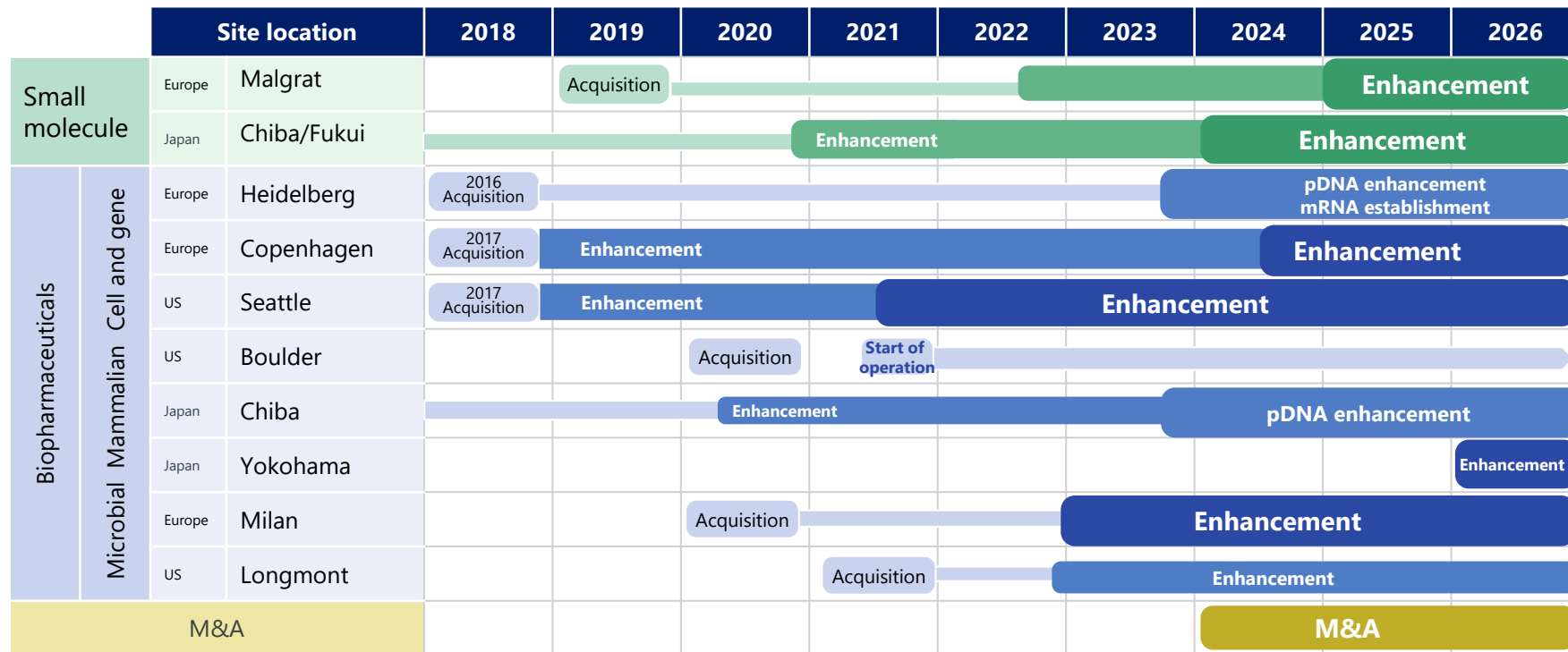
**Projects are concentrated in some CDMOs, including AGC. The track record gained from such projects will become a strength, leading to a virtuous cycle that will increase the number of further contracts.**

## 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.**

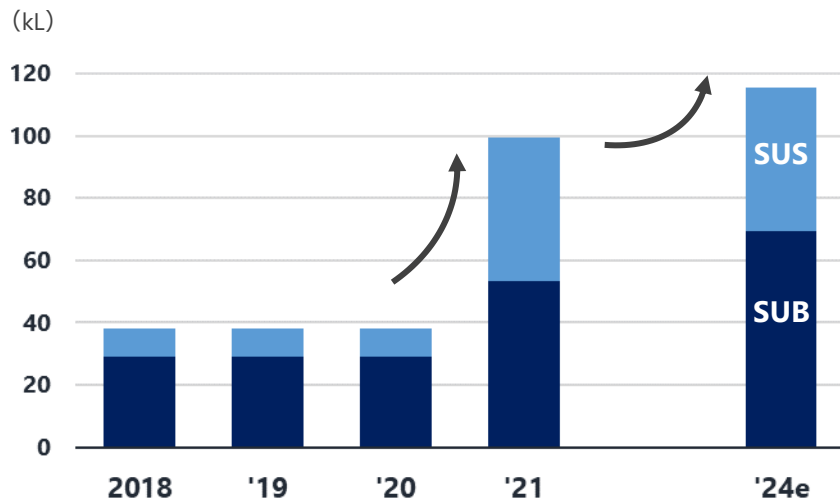
# Life Science Overview(4)



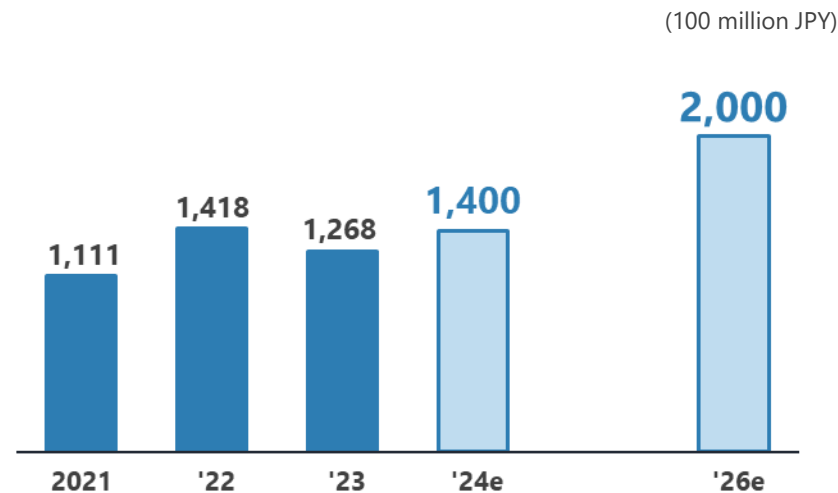
(The expressions are based on the start of operation)

- 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)

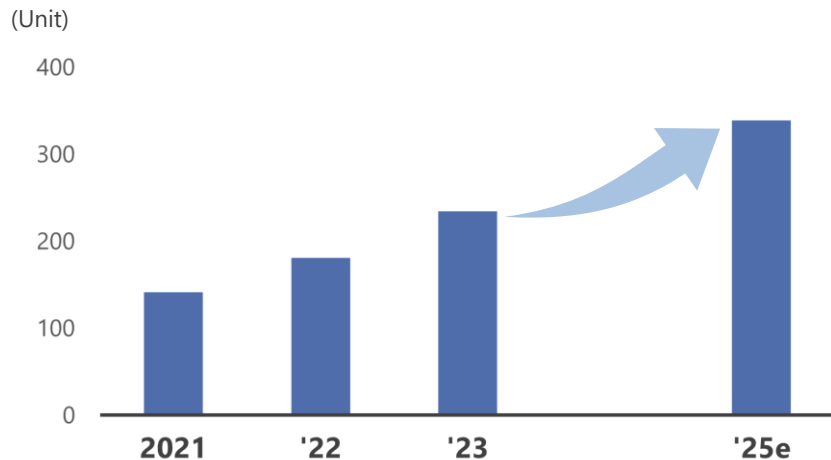


## Life Science Net Sales

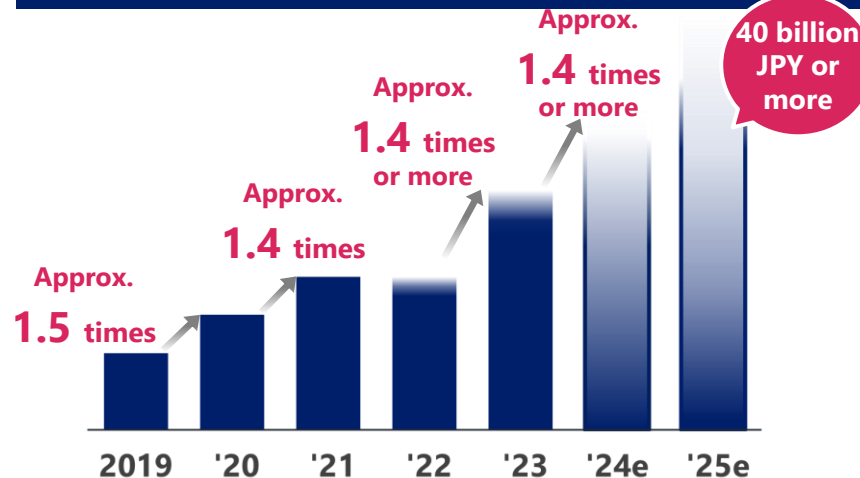


- Applications of AGC's EUV mask blanks are expanding to include memory, in addition to logic.
- According to EUV lithography system shipment forecasts, future demand growth is expected.
- We will continue to invest aggressively in line with market growth.

## Cumulative number of EUV lithography equipment shipments\*



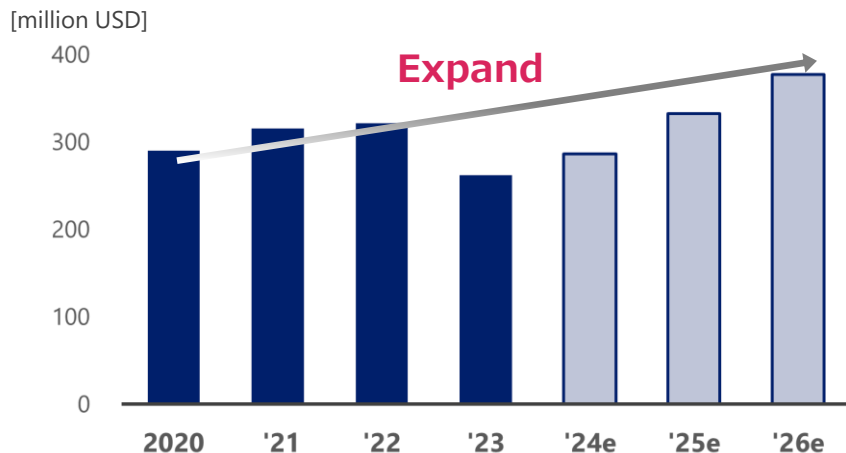
## AGC Group's EUV Mask Blanks Net Sales



## 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.

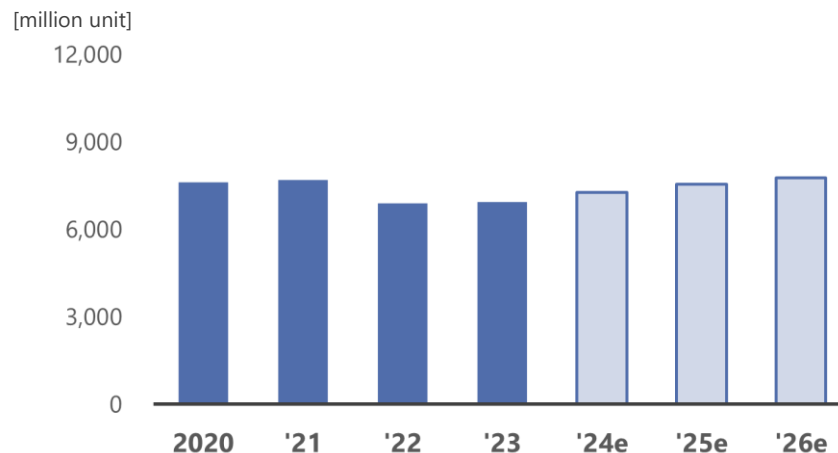
### Ceria slurry market



## Optoelectronics materials

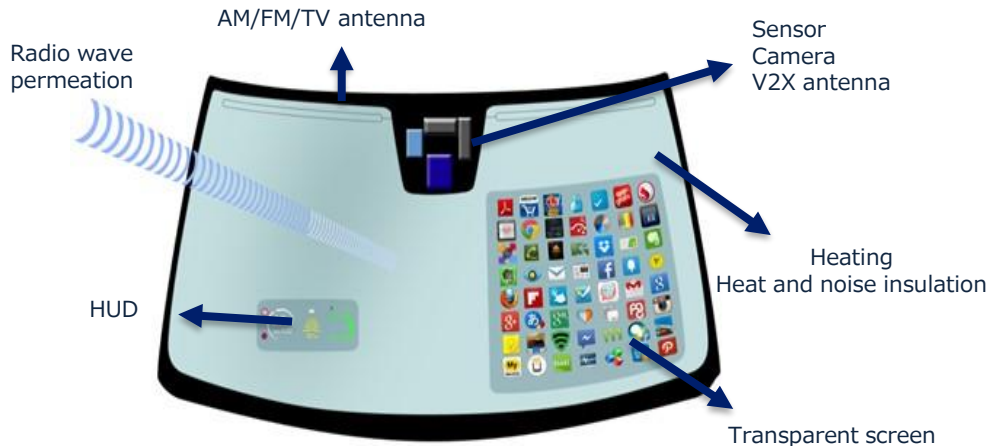
Although the growth rate is sluggish recently due to the stagnant smartphone market, the total number of cameras installed will increase due to market recovery in the medium to long term.

### 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

# Greater Diversity/Human Resources Development

- Establish and improve the personnel system for greater diversity HR development

2020				
<b>Directors / Officers</b>				
<b>2002-</b> <ul style="list-style-type: none"> <li>Executive officer with foreign nationality started (9% as of January 2022)</li> </ul>		<b>2014-</b> <ul style="list-style-type: none"> <li>Female outside director appointed</li> </ul>	<b>2020-</b> <ul style="list-style-type: none"> <li>Female executive officer appointed</li> </ul>	<b>-2030</b> <ul style="list-style-type: none"> <li>Ratio of female executives 30% (18% at the end of 2021)</li> <li>Ratio of female executive officers 20% (5.4% at the end of January 2023)</li> </ul>
<hr/>				
<b>HR development / utilization</b>				
<b>2003-</b> <ul style="list-style-type: none"> <li>"Global management talent development program" started</li> </ul>	<b>2010-</b> <ul style="list-style-type: none"> <li>Skill mapping</li> </ul>	<b>2011-</b> <ul style="list-style-type: none"> <li>CNA activities</li> </ul>	<b>2019-</b> <ul style="list-style-type: none"> <li>Data scientist development program started</li> </ul>	<b>-2030</b> <ul style="list-style-type: none"> <li>Ratio of female management positions approx. 8%* (Approx. 4.8% at the end of 2022)</li> </ul>
<b>2005-</b> <ul style="list-style-type: none"> <li>Global job grade system</li> </ul>		<b>2011-</b> <ul style="list-style-type: none"> <li>Formulating recruitment policy*                             <ul style="list-style-type: none"> <li>-Ratio of new female graduates hired for career-track positions</li> <li>-Increased foreign nationals</li> </ul> </li> </ul>		
<hr/>				
<b>HR Programs*</b>				
<b>1989-</b> <ul style="list-style-type: none"> <li>Flexible work hours (with no core time)</li> </ul>		<b>2011-</b> <ul style="list-style-type: none"> <li>Registration of reemployment requests for resigned employees</li> </ul>	<b>2017-</b> <ul style="list-style-type: none"> <li>Spouse transfer leave program</li> <li>Set the Secretariat for women's activities</li> </ul>	
<b>2003-</b> <ul style="list-style-type: none"> <li>Childcare leave program (no gender restriction)</li> </ul>		<b>2012-</b> <ul style="list-style-type: none"> <li>Teleworking to support childcare and nursing-care (No reason required from 2017)</li> </ul>		

**1**

## Improve and stabilize ROE

(First, to the 8% level during the term of the new medium-term management plan)

1. Accelerate portfolio transformation through "ambidextrous strategy"
2. Carefully select investments and implement structural reforms at an early stage
3. Continuously improve asset efficiency, including the sale of cross-shareholdings

**2**

## Improve PER

(Realize growth expectations through portfolio transformation)

1. Achieve steady growth in strategic businesses
2. Accelerate structural reforms in core businesses




**3**

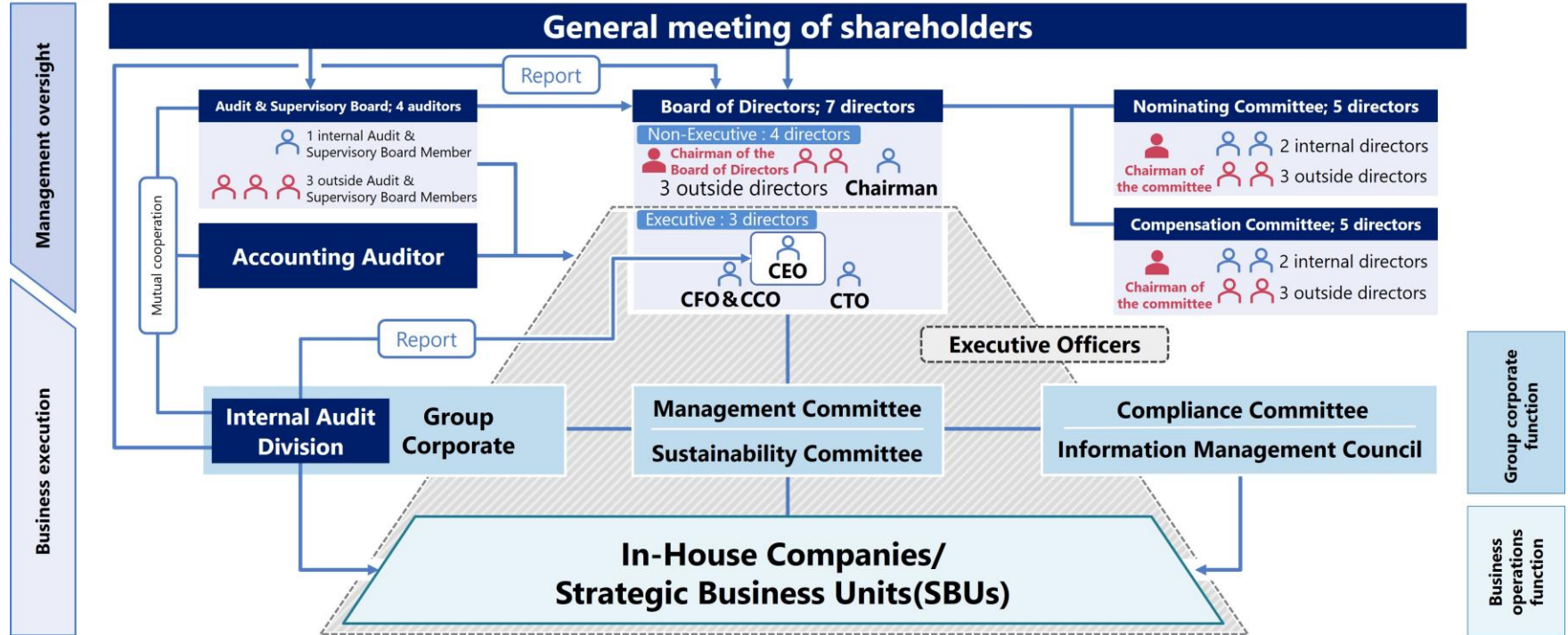
Strengthen the management foundation to support transformation and approach to capital markets

1. Strengthen governance and further pursue sustainability management
2. Implement appropriate shareholder return measures

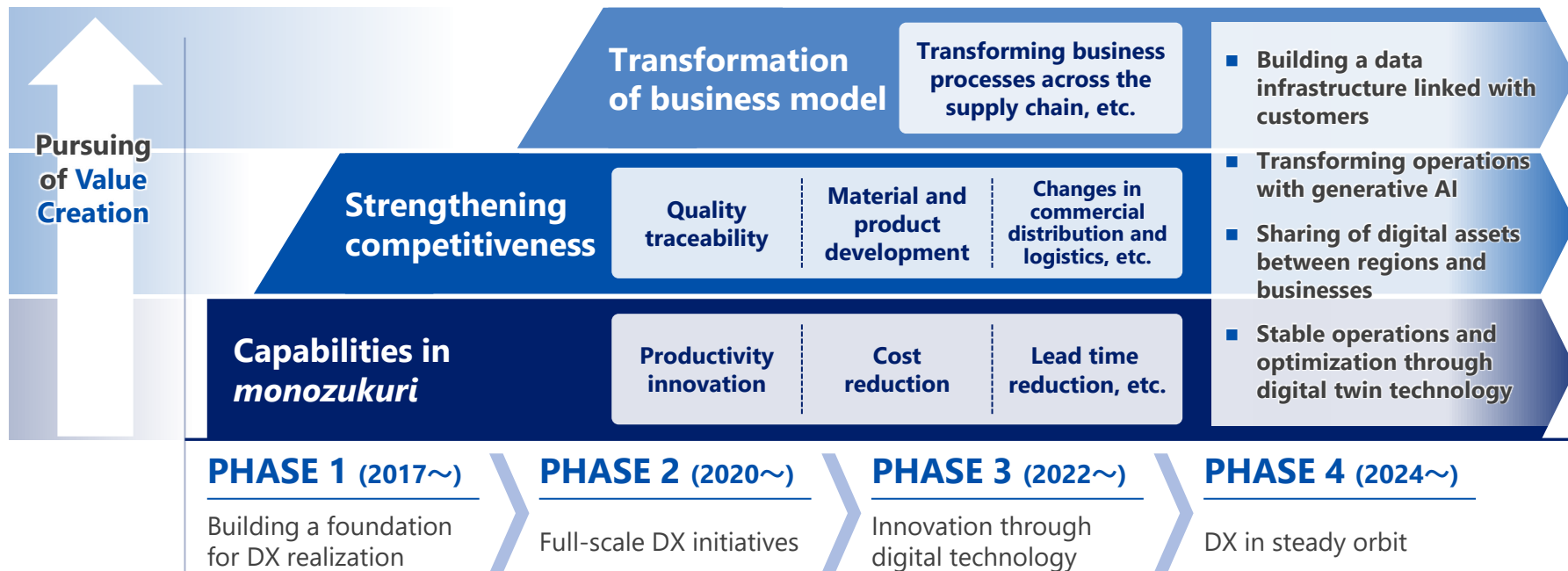












# AGC's Corporate Governance Structure

 : 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"



- We will enhance the competitiveness of each business by combining the digital technology developed since 2017 with AGC's capabilities in *monozukuri*.



 <p>FTSE4Good</p>	<p><b>FTSE4Good Index Series</b></p>	 <p>★★★ 2024</p>	<p><b>4 stars awarded in the 7th Nikkei "Smart Work Management" survey</b></p>
 <p>FTSE Blossom Japan Index</p>	<p><b>FTSE Blossom Japan Index</b></p>	 <p>健康経営優良法人 Health and productivity No.1-500</p>	<p><b>"White 500" Company</b> in recognition of initiatives to promote strategic health management for its employees</p>
 <p>S&amp;P/JPX カーボン エフィシエント 指数</p>	<p><b>S&amp;P/JPX Carbon Efficient Index</b></p>	 <p>GOLD 2023 ecovadis Sustainability Rating</p> <p>PLATINUM 2022 ecovadis Sustainability Rating</p> <p>SILVER 2023 ecovadis Sustainability Rating</p>	<p><b>EcoVadis Supplier Evaluations</b> PLATINUM rated for the Kashima plant and AGC Pharma Chemicals Europe Highly rated in several other domestic and international locations</p>
 <p>CDP DISCLOSER 2023</p>	<p><b>CDP Climate Change Report 2023 "A-"</b></p>	 <p>Top 100 Global Innovator 2023</p> <p>Clarivate</p>	<p><b>Clarivate Top 100 Global Innovator 2023</b></p>
 <p>SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION</p>	<p><b>SBTi "WB2°C" GHG Reduction Target</b></p>	 <p>DX銘柄2023 Digital Transformation</p>	<p><b>DX Brand 2023</b> in recognition of digital transformation efforts</p>


## 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

The background of the slide features a silhouette of two people climbing a rocky mountain peak. One person is standing on the higher part of the rock, while the other is lower down, reaching up to hold onto a rope. The sky is a gradient of colors from blue to orange, suggesting a sunset or sunrise. The overall mood is one of challenge and achievement.

# 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.
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The logo for AGC, consisting of 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