

Financial Results for FY2024



AGC Inc.

Feb. 7, 2025

Your Dreams, Our Challenge



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Financial Results for FY2024

(100 million JPY)
(YoY)

Net sales	20,676	(+483)
Operating profit	1,258	(-29)
Profit for the period attributable to owners of the parent	- 940	(-1,598)

■ Net sales increased thanks to the positive effect of foreign exchange rates and increase in sales in Electronics, despite decline in sales prices for Architectural Glass, decrease in revenue due to transfer of the Russian business, decrease in shipments of automotive glass, decline in sales prices for caustic soda and PVC in Chemicals.

■ Operating profit decreased due to the above-mentioned factors leading to a decrease in revenue, as well as cost deterioration in Automotive and Life Science, despite lower raw materials and fuel prices.

■ Profit for the period attributable to owners of the parent decreased due to the impact of other expenses incurred in 1H, including impairment losses related to Biopharmaceuticals CDMO in Life Science and losses on sale of shares of subsidiaries and associates in connection with the transfer of the Russian business.

Outlook for FY2025

(100 million JPY)
(YoY)

Net sales	21,500	(+824)
Operating profit	1,500	(+242)
Profit for the period attributable to owners of the parent	800	(+1,740)

■ Sales and operating profit will increase due to recovery in Life Science and Automotive.

Financial Results for FY2024

1. Highlights of the Financial Results

Highlights of the Financial Results for FY2024

(100 million JPY)

		FY2023 Full-year	FY2024 Full-year	Change
Net sales		20,193	20,676	+ 483*
Operating profit		1,288	1,258	- 29
Profit before tax		1,228	- 501	- 1,728
Profit for the period attributable to owners of the parent		658	- 940	- 1,598
FOREX (Average)	1USD	JPY 140.56	JPY 151.58	
	1EUR	JPY 152.00	JPY 163.95	
Crude oil (Dubai, Average)	USD/BBL	82.10	79.61	

Main factors in the change

(+) Increasing factors (-) Decreasing factors

(+) Yen depreciation
(+) Increase in shipments of Electronic Materials and higher sales prices of LCD glass substrates
(-) Decline in sales prices and decrease in revenue due to transfer of the Russian business in Architectural Glass
(-) Decrease in shipments of Automotive
(-) Decline in sales prices of caustic soda and PVC

(+) Decline in raw materials and fuel costs
(-) Decline in sales prices and decrease in shipments mentioned above
(-) Cost deterioration in Automotive and Life Science

In addition to the above,
(-) Other expenses related to Life Science (Biopharmaceuticals CDMO)
(-) Other expenses related to transfer of Architectural Glass and Automotive businesses in Russia

* FOREX impact was +941,
change in the scope of consolidation was -290

Other Income/Expenses Breakdown for FY2024

- Impairment losses related to Life Science (Biopharmaceuticals CDMO) and losses on sale of shares of subsidiaries and associates accompanying the transfer of the Russian business were recorded in the first half of the year.

(100 million JPY)

	FY2024	Factors
Other income	172	
Other expenses	-1,877	
Impairment losses	-1,248	<u>Life Science Biopharmaceuticals CDMO (-1,183)</u> - Goodwill -606 (Denmark, Italy and the U.S.) - Fixed and other intangible assets -577 (the U.S.)
Losses on sale of shares of subsidiaries and associates	-365	Business transfer of Russian subsidiaries (-360)
Losses on disposal of fixed assets	-65	
Expenses for restructuring programs	-106	
Others	-93	

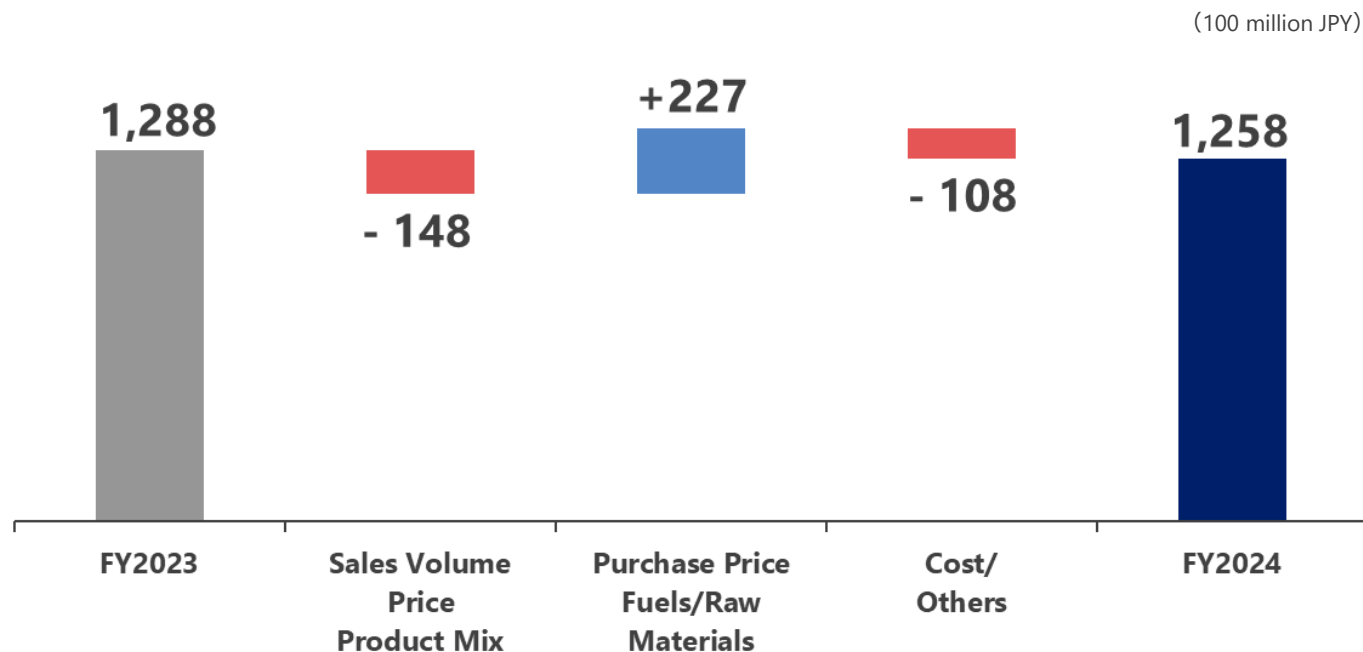
Performance Comparison by Business Segment

(100 million JPY)

	FY2023 Full-year (a)		FY2024 Full-year (b)		Change (b)-(a)	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
 Architectural Glass	4,763	328	4,380	164	- 383	- 164
 Automotive	4,997	218	4,988	139	- 9	- 79
 Electronics	3,132	184	3,645	545	+ 514	+ 361
 Chemicals	5,741	648	5,936	568	+ 195	- 80
 Life Science	1,268	- 124	1,412	- 212	+ 144	- 88
 Ceramics/Other	834	33	791	51	- 42	+ 18
Elimination	- 542	1	- 477	4	+ 65	+ 2
Total	20,193	1,288	20,676	1,258	+ 483	- 29

Variance Analysis on OP (FY2024 vs FY2023)

2.9 billion JPY down from last year



Sales Volume, Price and Product Mix

- Decline in sales prices for Architectural Glass and caustic soda and PVC in Chemicals
- Decrease in shipments of Automotive

Purchase Price of Fuels/Raw Materials

- Decline in raw materials and fuel costs in Architectural Glass

Cost/Others

- Cost deterioration in Automotive and Life Science

Consolidated Statement of Financial Position

	2023/12	2024/12	Change	
				(100 million JPY)
Cash and cash equivalents	1,461	1,080	- 381	
Inventories	4,541	4,541	+ 1	
Property, plant and equipment, Goodwill and Intangible assets	16,312	16,529	+ 218	Foreign exchange fluctuation +894 Effect of impairment loss -1,248
Other assets	7,017	6,746	- 271	
Total assets	29,330	28,897	- 433	Foreign exchange fluctuation +1,401
Interest-bearing debt	6,950	6,497	- 453	
Other liabilities	5,836	5,682	- 154	
Liabilities	12,787	12,180	- 607	
Total equity attributable to owners of the parent	14,471	14,358	- 113	
Non-controlling interests	2,073	2,359	+ 287	Foreign exchange fluctuation +966
Equity	16,543	16,717	+ 174	
Total liabilities and equity	29,330	28,897	- 433	
D/E ratio	0.42	0.39		

Consolidated Statement of Cash Flow

(100 million JPY)

Full-year	FY2023	FY2024
Profit before tax	1,228	- 501
Depreciation and amortization	1,753	1,813
Increase(decrease) in working capital	- 280	94
Others	- 576	1,442
Cash flows from operating activities	2,125	2,848
Cash flows from investing activities	- 1,798	- 1,956
Free cash flows	328	892
Changes in interest-bearing debt	93	- 790
Dividends paid	- 460	- 446
Others	- 713	- 84
Cash flows from financing activities	- 1,080	- 1,319
Effect of exchange rate changes on cash and cash equivalents etc.	116	46
Net increase(decrease) in cash and cash equivalents	- 637	- 381

Effect of impairment loss
+1,248

Effect of loss on sale of subsidiaries and associates not accompanying cash outflow
+365

Cash inflow effect from sale of subsidiaries and associates
+221

CAPEX, Depreciation and R&D

(100 million JPY)

Full-year	FY2023	FY2024
CAPEX	2,317	2,575
Architectural Glass	247	338
Automotive	263	355
Electronics	514	406
Chemicals	877	1,082
Life Science	399	358
Ceramics/Other	18	37
Elimination	- 1	- 0

Full-year	FY2023	FY2024
Depreciation	1,753	1,813
Architectural Glass	244	249
Automotive	319	324
Electronics	532	532
Chemicals	501	535
Life Science	139	157
Ceramics/Other	21	18
Elimination	- 2	- 2

Full-year	FY2023	FY2024
R&D	573	618

FY2024 Main projects for CAPEX

- Repairment for architectural glass furnace (Architectural Glass)
- Repairment for display glass furnace (Electronics)
- Capacity enhancement for Electronic Materials (Electronics)
- Capacity enhancement for chlor-alkali in Southeast Asia (Chemicals)
- Capacity enhancement for fluorine-related products (Chemicals)
- Capacity enhancement for Biopharmaceuticals CDMO and Small molecule pharmaceuticals and agrochemicals CDMO (Life Science)

etc.

2. Status of Segments



Architectural Glass Segment

Full-year	FY2023	FY2024	Change
Net sales	4,763	4,380	- 383*
Asia	1,584	1,579	- 5
Europe & Americas	3,163	2,777	- 386
(Inter-segment)	16	24	+ 8
Operating profit	328	164	- 164

* FOREX impact: +223,
Change in the Scope of Consolidation: -202
(100 million JPY)



Asia

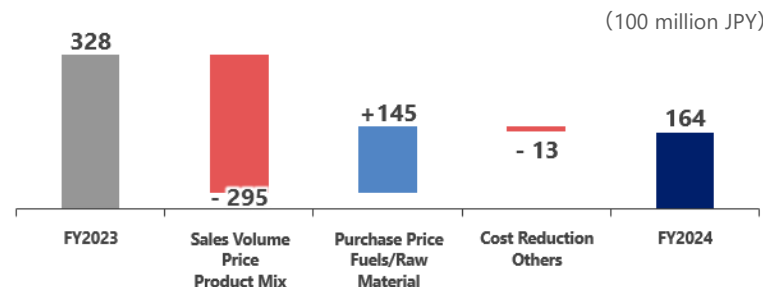
- Net sales remained flat due to positive effect of foreign exchange rates, despite decrease in shipments.



Europe & Americas

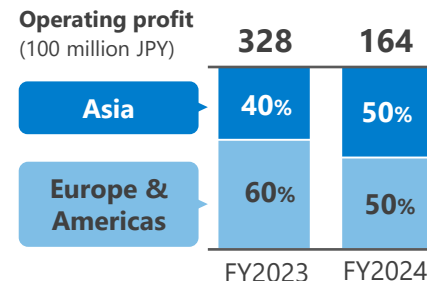
- Net sales decreased due to lower sales prices in Europe and negative impact from the transfer of the Russian business, despite positive effect of foreign exchange rates.

Variance Analysis on OP



Sub-segment ratio to the operating profit

(before common expense allocation)



Full-year	FY2023	FY2024	Change
Net sales	4,997	4,988	- 9*
Automotive	4,994	4,986	- 8
(Inter-segment)	3	2	- 1
Operating profit	218	139	- 79

* FOREX impact: +269,
Change in the Scope of Consolidation: -56

(100 million JPY)

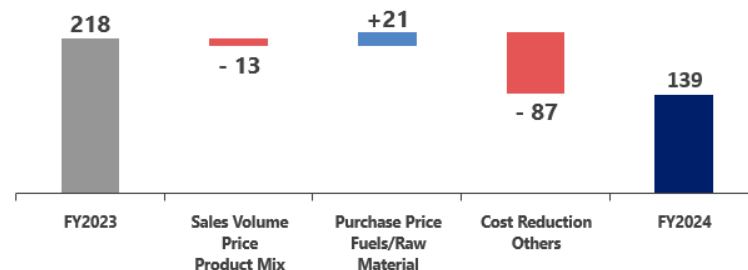


Automotive

- Net sales remained flat due to positive effect of foreign exchange rates, etc., despite decrease in Group's shipments as the automobile production decreased mainly in Japan and Europe.
- Operating profit deteriorated due to increase in manufacturing costs mainly caused by production and shipping issues in the U.S.

Variance Analysis on OP

(100 million JPY)



Full-year	FY2023	FY2024	Change
Net sales	3,132	3,645	+ 514*
Display	1,607	1,792	+ 185
Electronic Materials	1,513	1,836	+ 323
(Inter-segment)	12	18	+ 6
Operating profit	184	545	+ 361

* FOREX impact: +88,
Change in the Scope of Consolidation: -25
(100 million JPY)



Display

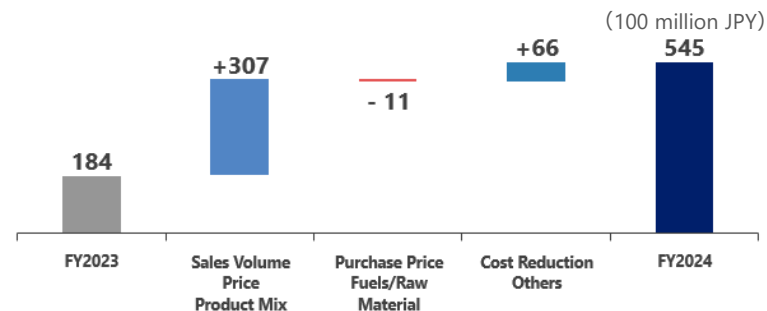
- Net sales increased due to increase in shipments and pricing policy revision of LCD glass substrates.



Electronic Materials

- Net sales increased due to higher shipments of semiconductor-related materials such as EUV mask blanks and optoelectronic materials, as well as the positive effect of foreign exchange rates.

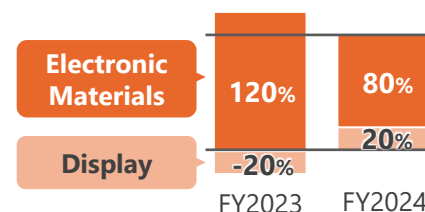
Variance Analysis on OP



Sub-segment ratio to the operating profit

(before common expense allocation)

Operating profit
(100 million JPY)



Chemicals Segment

Full-year	FY2023	FY2024	Change
Net sales	5,741	5,936	+ 195*
Essential Chemicals	4,028	4,118	+ 90
Performance Chemicals	1,669	1,780	+ 111
(Inter-segment)	45	39	- 6
Operating profit	648	568	- 80

* FOREX impact: +274,

Change in the Scope of Consolidation: No impact

(100 million JPY)



Essential Chemicals

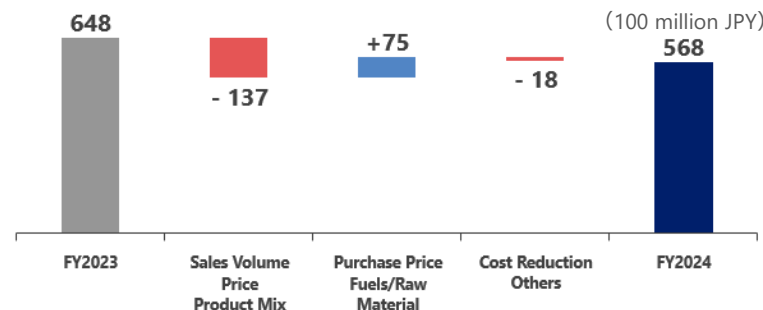
- Net sales remained flat due to positive effect of foreign exchange rates despite lower sales prices of caustic soda and PVC.



Performance Chemicals

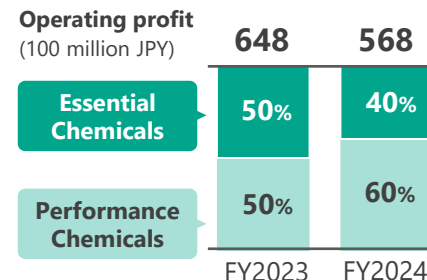
- Net sales increased due to higher sales prices and positive effect of foreign exchange rates.

Variance Analysis on OP



Sub-segment ratio to the operating profit

(before common expense allocation)



Full-year	FY2023	FY2024	Change
Net sales	1,268	1,412	+ 144*
Life Science	1,239	1,373	+ 134
(Inter-segment)	29	39	+ 10
Operating profit	-124	-212	- 88

* FOREX impact: +75,

Change in the Scope of Consolidation: No impact

(100 million JPY)

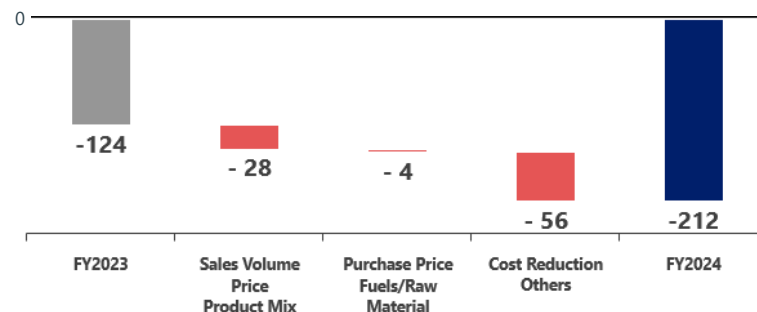


Life Science

- Despite the impact of disappearance of Covid-related special demand, net sales increased due to the impact of foreign exchange rates, one-off revenues associated with the settlement of contracted projects, and increase in contracts.
- Upfront costs incurred associated with capacity expansion in Biopharmaceuticals CDMO.

Variance Analysis on OP

(100 million JPY)

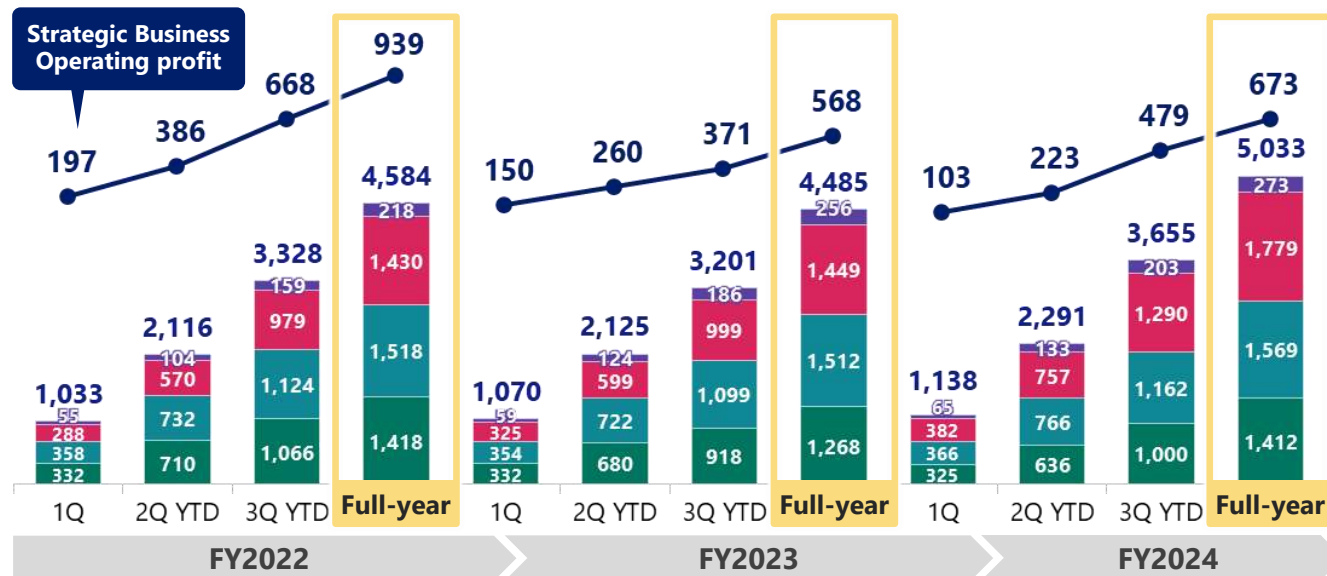


Strategic Businesses' contribution

- Net sales and operating profit increased YoY driven by sales growth of semiconductor-related products in Electronics, despite lower profitability in Life Science.

Net Sales of Strategic businesses

(100 million JPY)



Main products & businesses

Mobility

- Cover glass for car-mounted displays
- High value-added products for CASE

Electronics

- Semiconductor-related products
- Optoelectronic materials
- Next-generation high-speed communication materials

Performance Chemicals

- High performance fluorine products for various industries

Life Science

- CDMO for synthetic pharmaceuticals and agrochemicals
- CDMO for Biopharmaceuticals

ROCE and EBITDA by Segment

(100 million JPY)

	Operating profit		EBITDA*		ROCE		Operating assets	
	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024
 Architectural Glass	328	164	572	413	10.6%	5.5%	3,100	3,000
 Automotive	218	139	537	464	6.4%	4.2%	3,400	3,350
 Electronics	184	545	715	1,076	3.1%	9.2%	6,000	5,950
 Chemicals	648	568	1,148	1,102	10.4%	7.8%	6,200	7,250
 Life Science	- 124	- 212	15	- 55	- 4.3%	- 10.1%	2,900	2,100
 Ceramics/Others	33	51	55	69	16.7%	25.6%	200	200
Elimination	1	4	- 0	2	-	-	-	-
Total	1,288	1,258	3,041	3,071	5.9%	5.8%	21,800	21,850

Outlook for FY2025

Assumptions for Major Economies and Markets in 2025

- Although the overall economic environment will continue to be sluggish, positive effects are expected in some markets.

Economies and Markets	Assumptions for 2025	Businesses Particularly Affected
Global Economy	More uncertainty over geopolitical risks such as trade friction between US and China, and trends in exchange rates and interest rates	All businesses (+ -)
European Economy	Economy stagnation continues	Architectural Glass, Automotive (-)
Chinese Economy	Economy remains at a low level	Essential Chemicals (-)
US Economy	Economy continues to be strong	Electronics (+)
Automobile Market	Demand for high-functional products continues despite weaker automobile production	Automotive (+ -)
Caustic Soda and PVC Market	PVC price in Southeast Asia remains at a low level	Essential Chemicals (-)
Semiconductor Market	Demand for semiconductors grows	Electronics and Performance Chemicals (+)
Smartphone Market	Demand for high-functional products continues while smartphone production remains flat	Electronics (+)
TV Market	Demand for larger-size TV screen continues while TV sales volume remains flat	Display (+)
Biopharmaceuticals CDMO Market	On a gradual recovery track bottoming out in 2023	Life Science (+)

Outlook for FY2025

- Net sales and operating profit will increase thanks to improvements in Automotive and Life Science amongst a challenging business environment.

(100 million JPY)

		FY2024	FY2025e
Net sales		20,676	21,500
	(First half)	10,152	10,500
Operating profit		1,258	1,500
	(First half)	567	650
Profit before tax		- 501	1,350
Profit for the year attributable to owners of the parent		- 940	800
Dividend (JPY/share)		210	210
Operating profit margin		6.1%	7.0%
ROE *		- 6.5%	5.6%
FOREX (Average)	1 USD	JPY 151.6	JPY 150.0
	1 EUR	JPY 164.0	JPY 160.0
Crude oil (Dubai, Average)	USD/BBL	79.6	80.0

* ROE of FY2025e is calculated using the figures of Total equity attributable to owners of the parent as of Dec. 31, 2024

Outlook Breakdown by Segment (Net sales and Operating profit)

(100 million JPY)

	FY2024 (a)		FY2025e		Change (b)-(a)	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
 Architectural Glass	4,380	164	4,400	160	+ 20	- 4
 Automotive	4,988	139	5,000	220	+ 12	+ 81
 Electronics	3,645	545	3,700	580	+ 55	+ 35
 Chemicals	5,936	568	6,500	600	+ 564	+ 32
 Life Science	1,412	- 212	1,500	- 100	+ 88	+ 112
 Ceramics/Other	791	51	700	40	- 91	- 11
Elimination	- 477	4	- 300	0	+ 177	- 4
Total	20,676	1,258	21,500	1,500	+ 824	+ 242

Outlook for FY2025 (vs FY2024)



Architectural Glass

Asia

- Shipments are expected to be robust, underpinned by demand for highly heat shielding/insulating glass.

Europe & Americas

- Weak economy in Europe continues to have a negative impact.



Automotive

- Automobile production is expected to be robust in Asia but decrease in Europe and the U.S. The Group's shipments overall are expected to be at the same level as the previous year.
- Profitability is expected to improve due to ongoing earnings improvement measures.
- In the U.S. in particular, improvement measures including pricing and structural reforms will be accelerated together with production and shipping issues being resolved..



Electronics

Display

- LCDs profitability expected to improve with solid demand on top of progress of earnings improvement measures.

Electronic Materials

- Shipments of semiconductor-related materials such as EUV mask blanks will increase.
- Shipments of optoelectronic materials will slightly decrease.

Outlook for FY2025 (vs FY2024)



Chemicals

Essential Chemicals

- Shipments are expected to increase driven by launch of the expanded facility in Thailand.

Performance Chemicals

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



Life Science

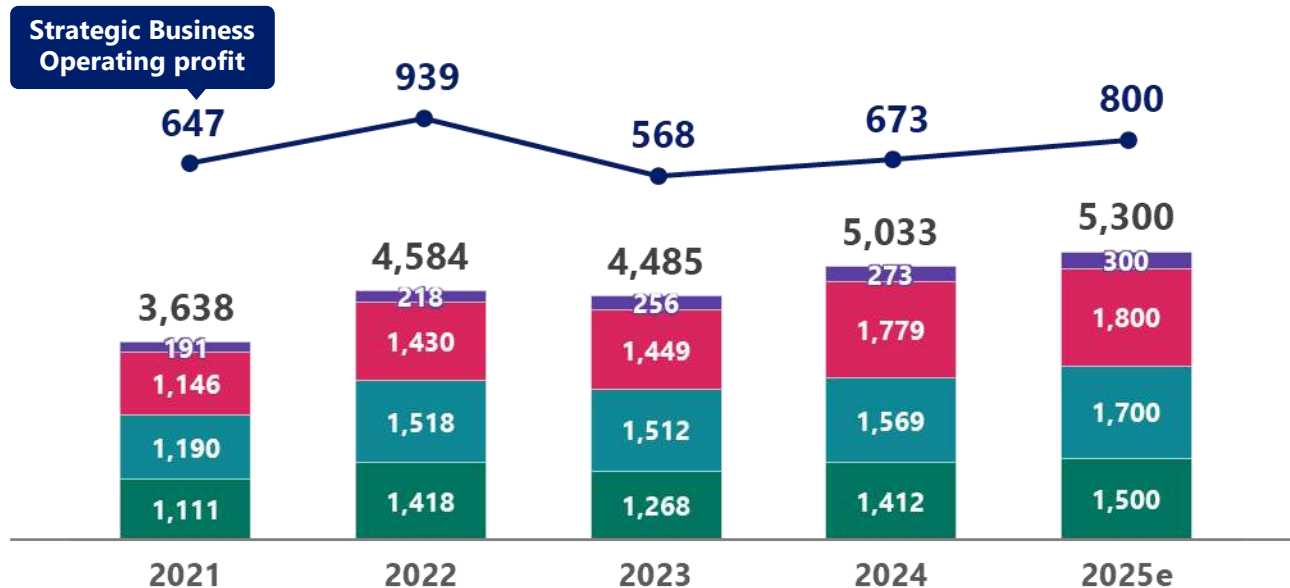
- Sales of Small molecule pharmaceuticals and agrochemicals CDMO are expected to remain flat year on year.
- Profitability of the Biopharmaceuticals CDMO will improve driven by increase in contracts and effects of structural reform measures.

Outlook of Strategic Businesses

- Sales are expected to increase in all strategic businesses.
- Operating profit is expected to increase driven by improvement of the Life Science business.

Sales of Strategic businesses

(100 Million JPY)



Main products & businesses

Mobility

- Cover glass for car-mounted displays
- High value-added products for CASE

Electronics

- Semiconductor-related products
- Optoelectronic materials
- Next-generation high-speed communication materials

Performance Chemicals

- High performance fluorine products for various industries

Life Science

- CDMO for synthetic pharmaceuticals and agrochemicals
- CDMO for biopharmaceuticals

Outlook of CAPEX, Depreciation and R&D

(100 million JPY)

Full-year	FY2024	FY2025e
CAPEX	2,575	2,400
Architectural Glass	338	350
Automotive	355	330
Electronics	406	560
Chemicals	1,082	800
Life Science	358	330
Ceramics/Other	37	30
Elimination	- 0	0

Full-year	FY2024	FY2025e
Depreciation	1,813	1,870
Architectural Glass	249	260
Automotive	324	330
Electronics	532	540
Chemicals	535	570
Life Science	157	150
Ceramics/Other	18	20
Elimination	- 2	0

Full-year	FY2024	FY2025e
R&D	618	620

FY2025 Main projects for CAPEX

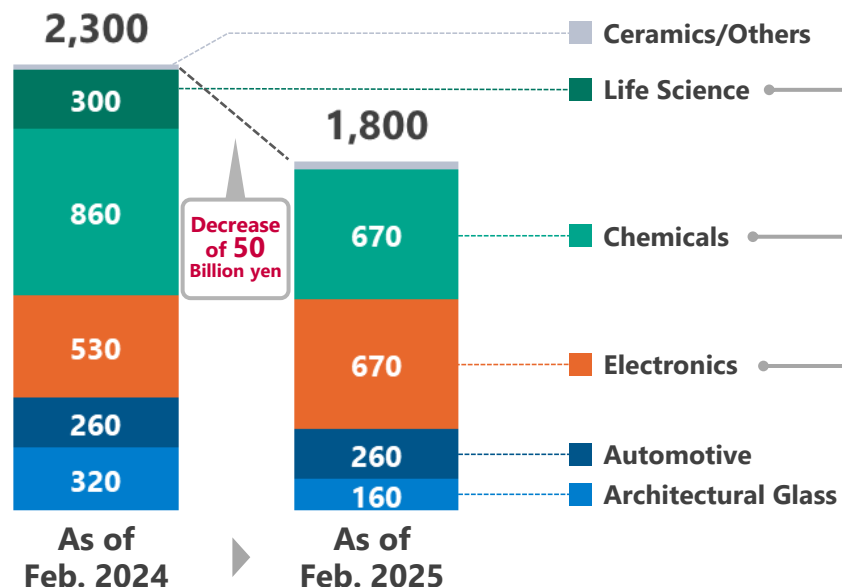
- Repairment for architectural glass furnace (Architectural Glass)
- Repairment for display glass furnace (Electronics)
- Capacity enhancement for Electronic Materials (Electronics)
- Capacity enhancement for chlor-alkali in Southeast Asia (Chemicals)
- Capacity enhancement for fluorine-related products (Chemicals)
- Capacity enhancement for Biopharmaceuticals CDMO and Small molecule pharmaceuticals and agrochemicals CDMO (Life Science)

Revision of FY2026 Targets

FY2026 Operating Profit Target Revision

- Operating profit target for FY2026 is revised downward to 180 billion yen.

FY 2026 Operating Profit (100 Million JPY)



[Major Variances]

■ Substantial underachievement in sales volume **-300**

■ Sluggish market price of chlor-alkali products
■ Weaker than expected fluorine-related products market **-190**

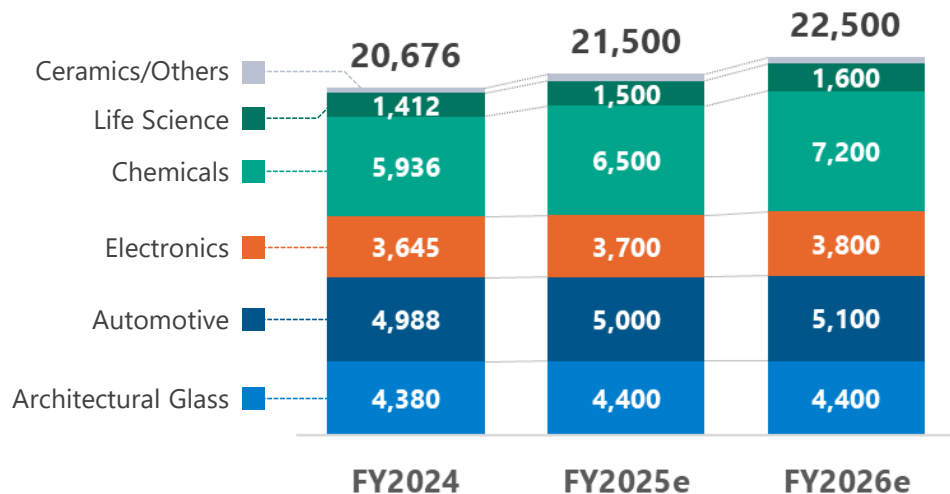
■ Sales growth in electronics products **+140**

■ Economic slowdown in Europe
■ Slower growth in demand in Asia **-160**

AGC plus-2026 outlook by business segments

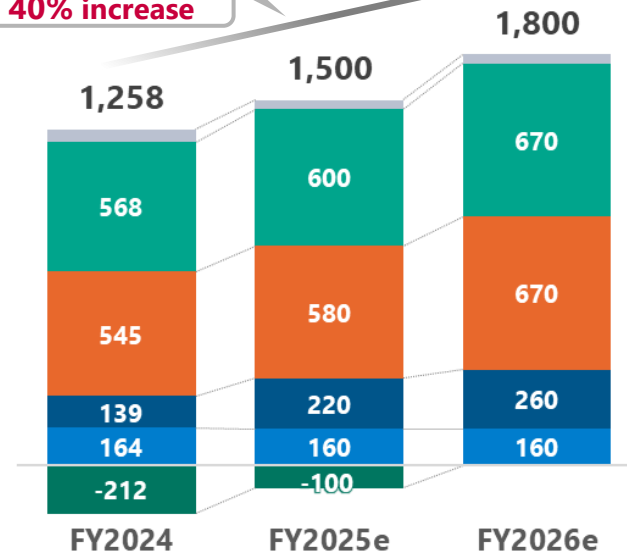
- Operating profit for 2026 will increase by 40% from 2024.
- Life Science will return to profit in 2026.

Net Sales (100 Million JPY)



Operating Profit (100 Million JPY)

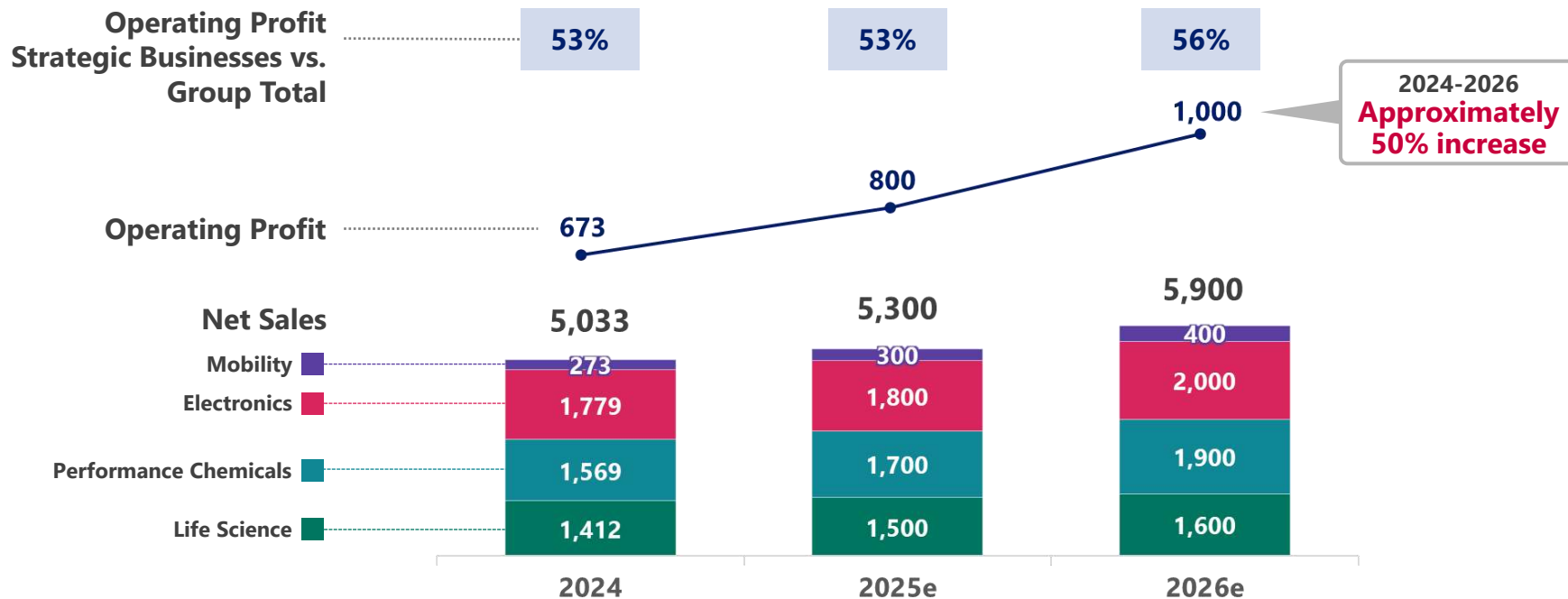
2024-2026
**Approximately
40% increase**



Strategic Businesses outlook

- Strategic businesses will drive the overall growth.

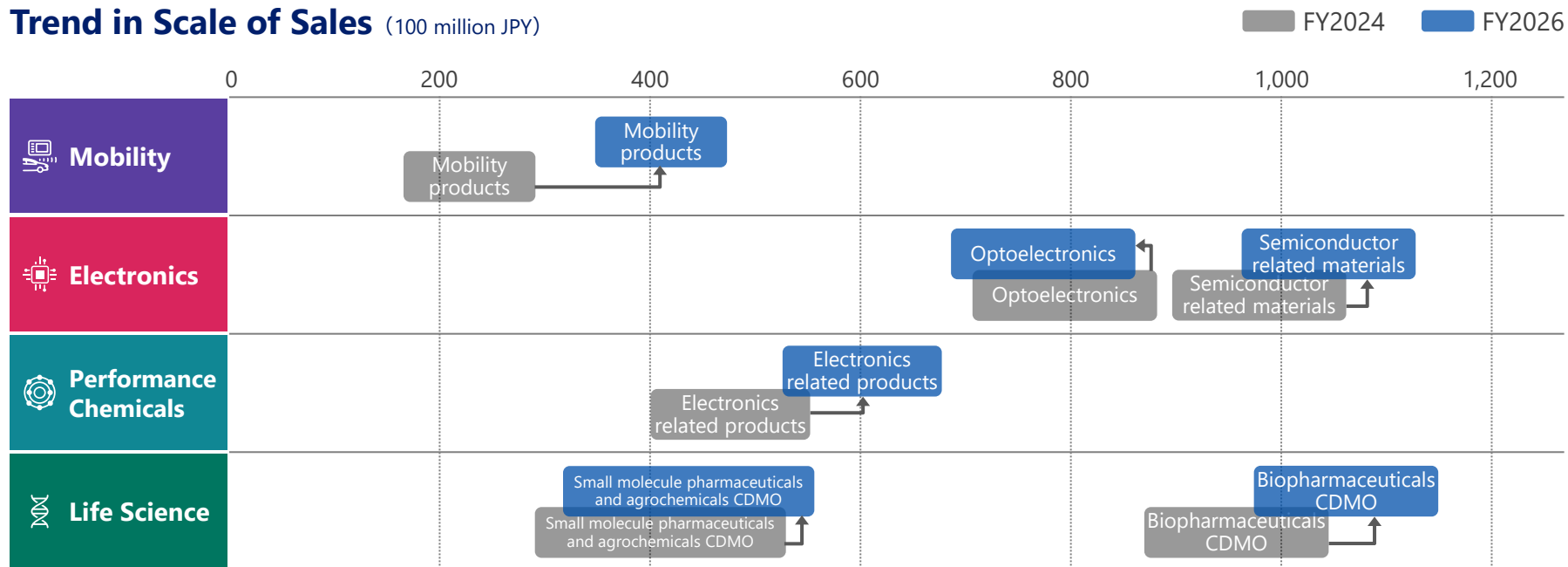
Net Sales and Operating Profit of Strategic Businesses (100 Million JPY)



Sales outlook of Strategic Business Products

- Businesses will expand smoothly while optoelectronics will experience a brief stagnation.

Trend in Scale of Sales (100 million JPY)



Towards Achievement of Profitability that Exceeds Cost of Shareholders' Equity

The AGC logo is located in the top right corner. It consists of the letters "AGC" in a bold, dark blue sans-serif font. A small red square is positioned between the "A" and the "G". The logo is set against a white rectangular background.

AGC Inc.

Feb. 7, 2025

Your Dreams, Our Challenge

AGC *plus-2026* Strategy (Announced in Feb. 2024)

- To realize Vision 2030, we will accelerate corporate transformation and maximize corporate value.

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 area

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

Direction of the Business Portfolio Transformation

- Through the business management with its unique ambidextrous approach, 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**

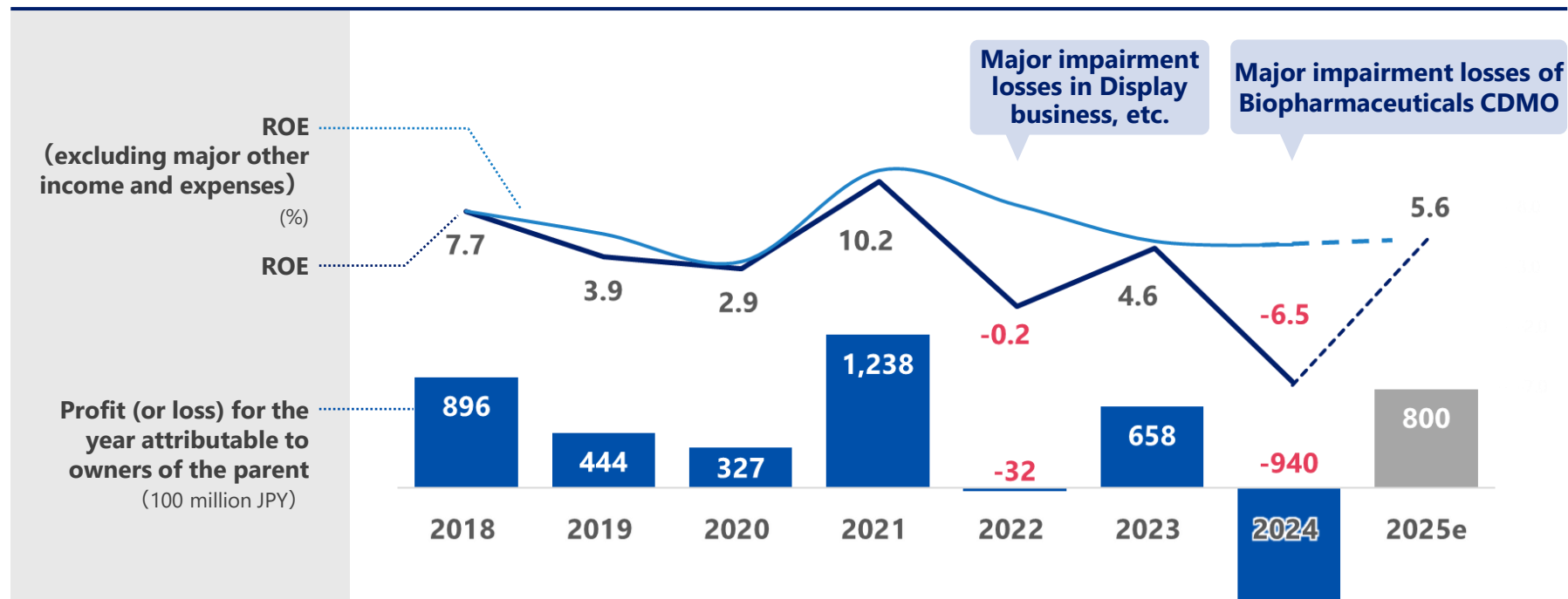


AGC plus-2026 Current Business Situations

	Core Business	Strategic Business
Vision	Long-term, stable sources of earnings	Creation and expansion of highly profitable businesses
Current Situation	 Display Smooth profitability improvement through structural reforms	 Life Science Biopharmaceuticals CDMO profitability improving
	 Essential Chemicals Continued negative effects of the sluggish market	 Performance Chemicals Sales improvements by growth measures
	 Automotive Smooth profitability improvement despite production issues in the US	 Electronics Growing as planned due to growth in the semiconductor market
	 Architectural Glass Transfer of the Russian business and continued negative effects of economic slowdown in Europe and Southeast Asia	 Mobility Small business scale, but growing steadily
Issue	■ ROE remains low, and as a result, PBR is consistently below 1	

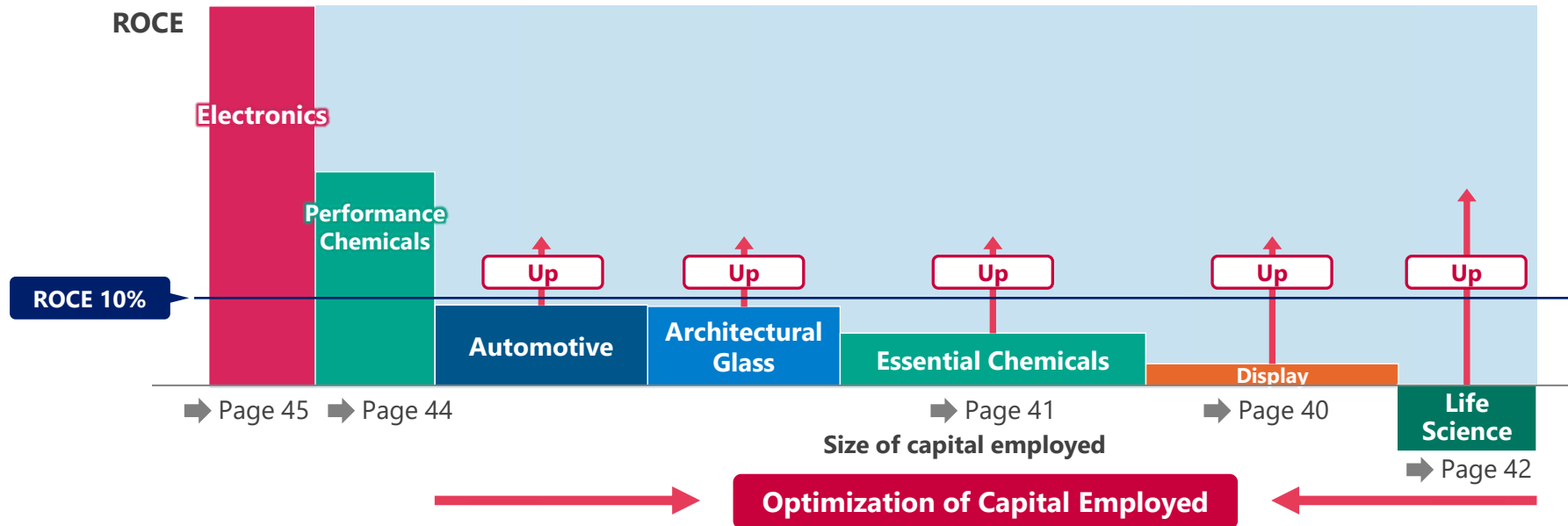
Current ROE

- ROE has remained at a low level due to factors such as impairment losses and losses incurred as a result of business transfers



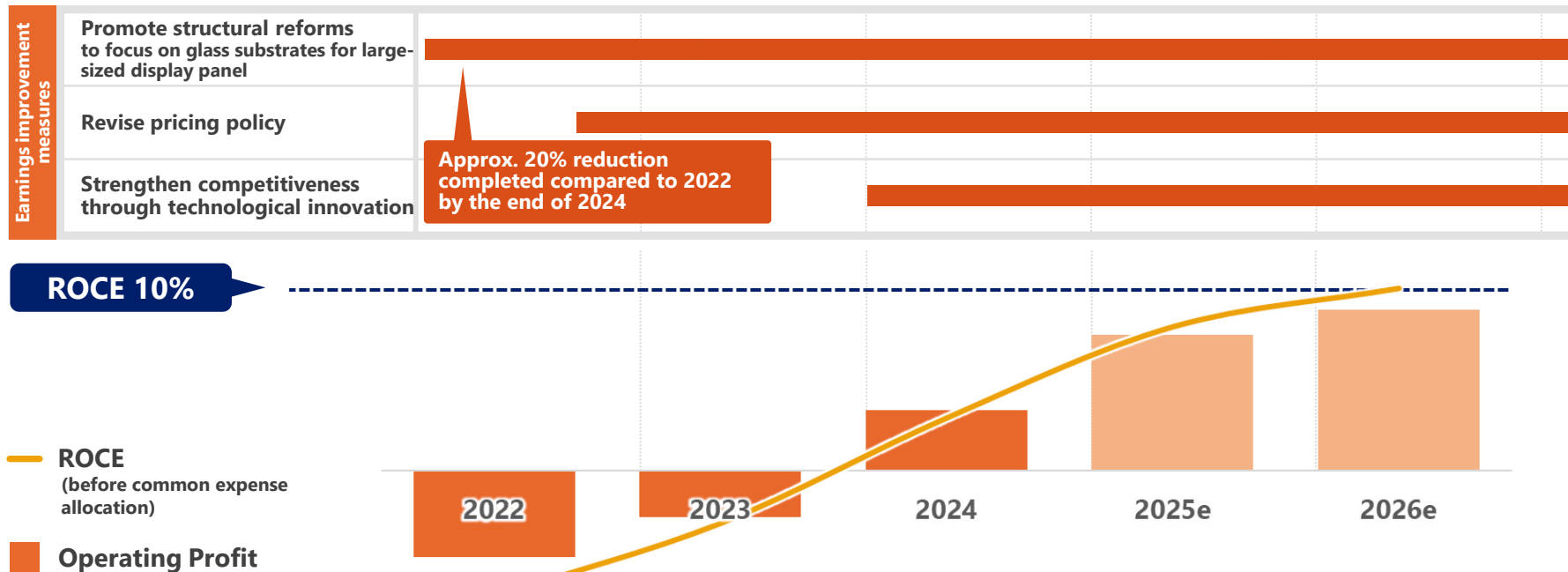
- Low-profit businesses with large capital employed are dragging down AGC Group's ROCE.
- Urgent need to improve profitability and asset efficiency of these businesses.

FY2024 ROCE and Size of Capital Employed by Business (before common expense allocation)



Initiatives of Display

- On track to achieve ROCE target of 10% by 2026 through implementation of earnings improvement measures



Initiatives of Essential Chemicals

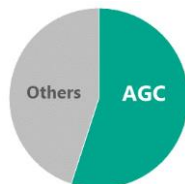
- We will capture the strong demand in Southeast Asia with increased production capacity in Thailand.
- Improve profitability by leveraging our high market share to implement our supply chain strategy.

Supply & Demand Balance and Price Outlook in Southeast Asia

- Demand expands at an average of 4% per annum, leaving the region to continue importing chlor-alkali products.
- Caustic soda demand is increasing for use in alumina and nickel refining.
- PVC price will remain at a low level due to sluggish Chinese economy.

Market share* in Southeast Asia (after expansion)

Caustic Soda

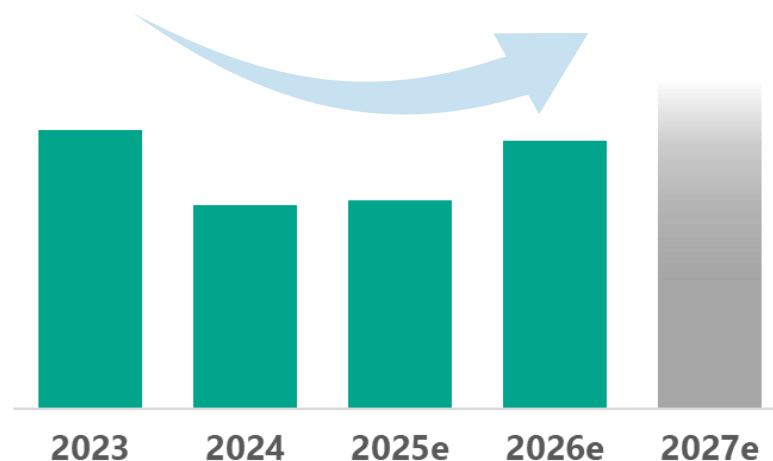


PVC



Operating Profit Outlook for Essential Chemicals

- The expanded facility in Thailand to start operation in 2025.
- Expected to contribute to profits from 2026 onwards.



*Market share based on production capacity: Australia/NZ excluded from the region for caustic soda, while included for PVC.

Initiatives of Biopharmaceuticals CDMO

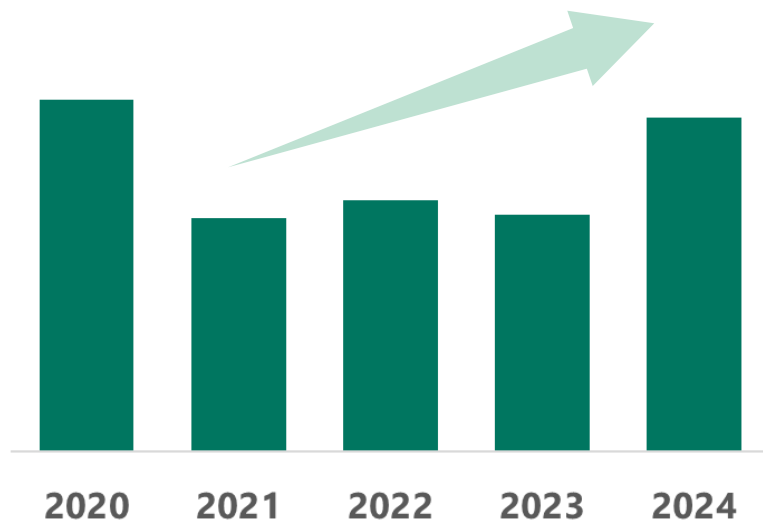
- Business situation has improved after implementation of profit improvement measures at each site.

Regions	Sites	Modalities	Previous Situations	Progress of Measures	Effects
U.S.	Seattle	Microbial/ Mammalian cell	1 Substantial underachievement in sales volume	✓ Headcount reduction completed ✓ Improved operations and 3 FDA approvals obtained	1.7 billion JPY per year fixed cost reduction (1 billion JPY in 2024) Positive impact on future sales and order-taking activities
	Longmont	Gene and Cell Therapy	2 Orders fell short of expectations driven by slow market growth of gene and cell therapy market	✓ Idled production	2.5 billion JPY per year fixed cost reduction (effective from 2025)
	Boulder	Mammalian cell	3 Delay in start-up of a new line	✓ Commercial production already started	Gradual increase in utilization. Improved profitability, to return to profit in 2027
Europe	Copenhagen	Microbial/ Mammalian cell	4 Expansion delayed due to construction labor shortage	✓ Expanded facilities already in operation	Smooth increase in contracts

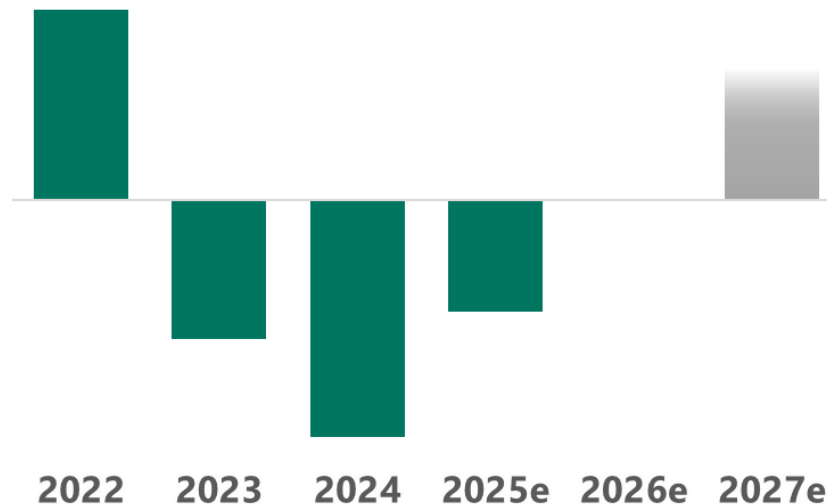
Business Performance Outlook for Life Science

- We will recover profitability by ensuring to win the increasing proposals to customers of Biopharmaceuticals CDMO.

Proposal to Customers (value)* in Biopharmaceuticals CDMO



Operating Profit Outlook for Life Science Segment

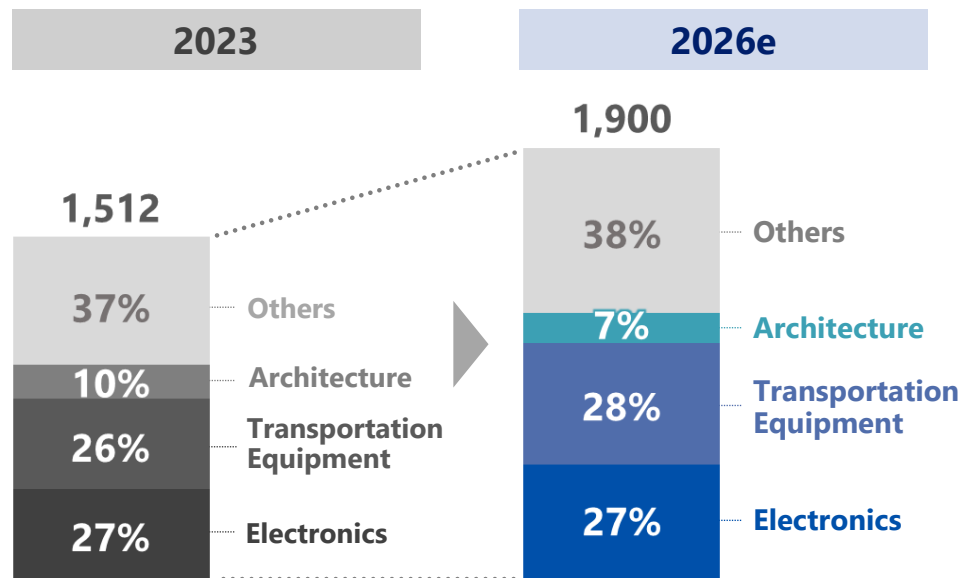


* A leading indicator of sales. Sales will be recorded after a certain period of time (usually 1-2 years) after signature of contracts.

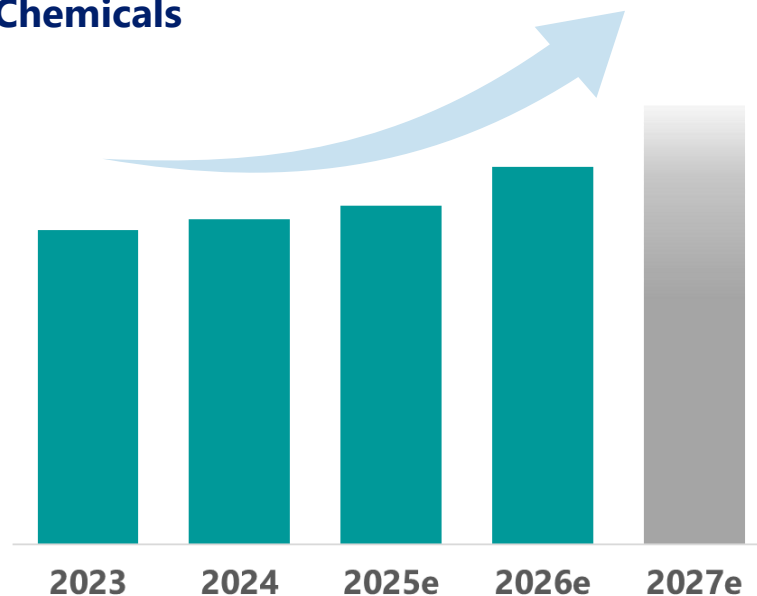
Initiatives of Performance Chemicals

- We will increase sales by capacity expansion in response to increased demand for semiconductors and transportation equipment.

Sales and Breakdown Outlook*by Application



Operating Profit outlook for Performance Chemicals



- EUV mask blanks achieved sales of 40 billion yen in 2024, one year ahead of the initial target
- Semiconductor-related materials will continue to grow driven by AI demand while Optoelectronics will experience a brief stagnation

Market Trends and Strategies

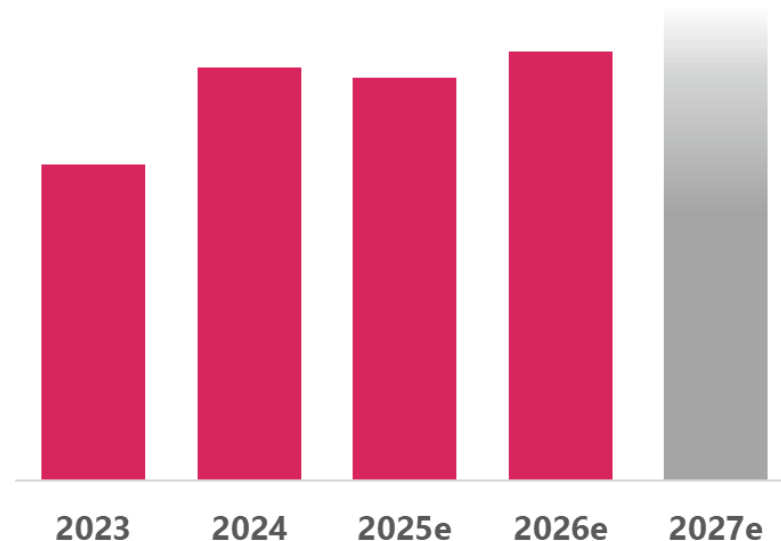
Semiconductor-related materials

 Market Trend	Market is expanding due to increased demand for cutting-edge semiconductors for AI etc.
 Strategy	Expand sales to high-end market

Optoelectronics

 Market Trend	Growth slows due to saturation of smartphone market
 Strategy	Launch differentiated products combining high-performance and composite technologies

Operating Profit Outlook for Electronics



1

Profit structure improvement

① Pricing Policy

Implement Value-based Pricing Group-wide

② Cost Reduction

- Reduce cost by reducing investments and improving productivity
- Launch a Group-wide cost reduction project led by the CFO

③ Timely implementation of structural improvement measures

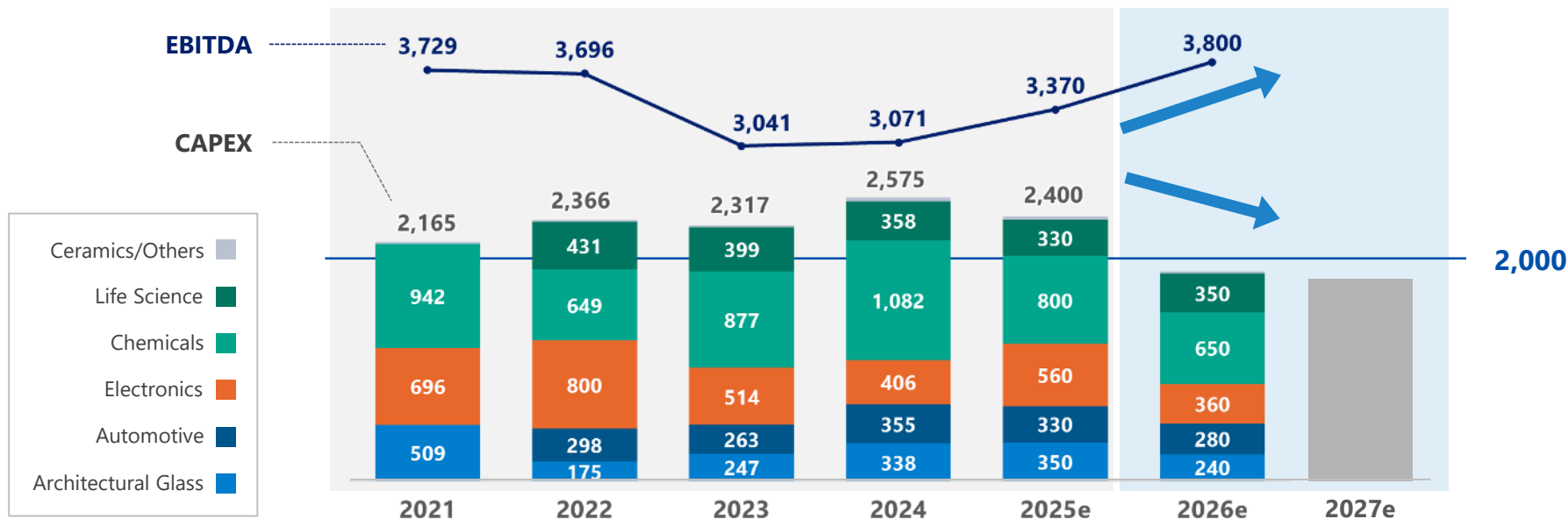
2

Portfolio Transformation

- Continue to pursue a business portfolio that is resilient to market fluctuations, has high asset efficiency, growth potential and carbon efficiency by promoting ambidextrous strategy

- Large investments round will be completed in 2025.
- We will focus on cash generation from 2026 onwards to prepare for the next growth.

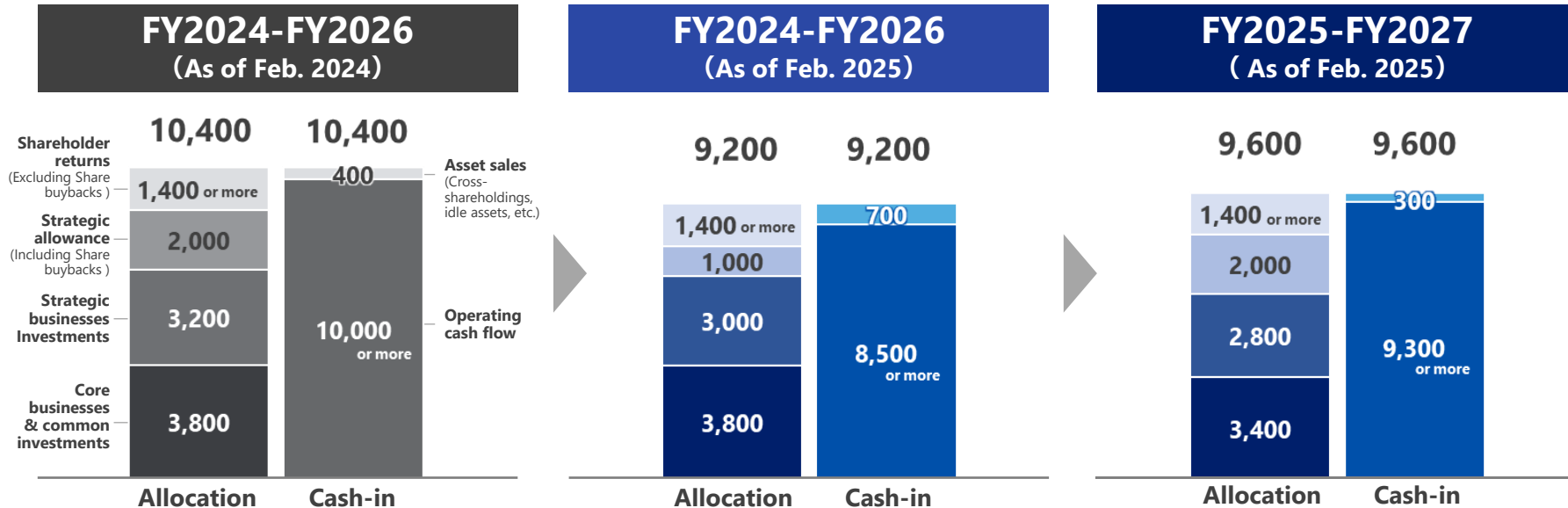
Capex and EBITDA Outlook (100 million JPY)



Capital Allocation Policy

- Strategic allowance budget will be secured in FY2025-FY2027 due to improved profitability and reduced investments after reduction in FY2024-FY2026 attributable to cash-in decrease.
- Share buybacks will be determined considering investment projects, cash position and other factors.

(100 million JPY)



Medium-term Management Plan *AGC plus-2026*

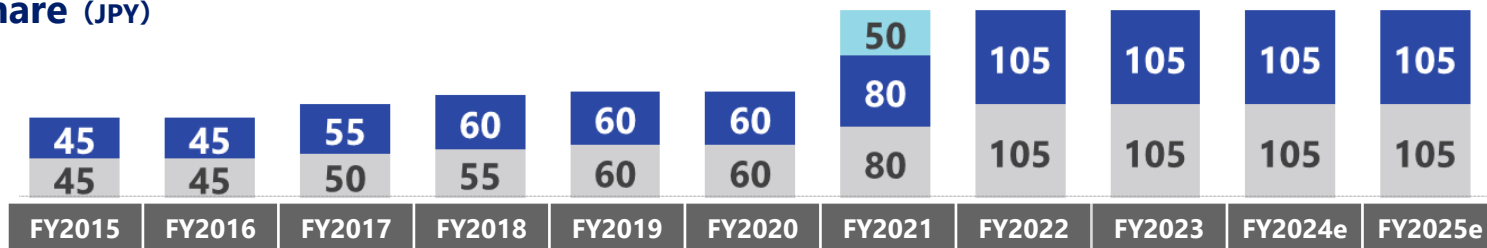
Financial KPIs (Revised)

- Toward the achievement of profitability that exceeds cost of shareholders' equity, we aim to achieve an ROE of 8% or more as early as possible from 2027 onwards, despite the downward revision to the 2026 initial targets.

		2025	2026		2030
(100 Million JPY)		Outlook	Targets As of Feb. 2024	Targets As of Feb. 2025	Targets
Financial KPIs	Operating Profit (100 million JPY)	1,500	2,300	1,800	3,000 or higher
	Strategic Business Operating Profit (100 million JPY)	800	1,300	1,000	1,900 or higher
	EBITDA* (100 million JPY)	3,370	4,400	3,800	
	ROE	5.6%	8% or higher	7% or higher	10% or higher
	D/E Ratio	0.5 or less			

AGC
Your Dreams, Our Challenge

- ## Dividend per share (JPY)



Maintain stable dividends with a target of approx. **3%** dividend on equity ratio (DOE), **share buyback will be judged comprehensively**

Towards Achievement of Profitability that Exceeds Cost of Shareholders' Equity (Summary)

- We will maintain the financial targets in the AGC Group Vision 2030
- Toward the achievement of profitability that exceeds cost of shareholders' equity, we will steadily implement measures based on AGC plus-2026 and aim to achieve an ROE of 8% or higher as early as possible from 2027 onwards.

2024 - 2026

AGC plus-2026

Evolution of "ambidextrous strategy"

■ Deepening of sustainability management
■ Promotion of value creation DX

■ Strengthening of the management foundation

Targets for Fiscal 2026

OP

230.0 billion yen → **180.0** billion yen or more

ROE

8% or higher → **7% or higher**

Strategic Business OP

50% or more

D/E ratio

0.5 or less

2027 -

**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.

OP

300.0 billion yen or more

ROE

Stable at **10%** or higher

Strategic Business OP

60% or more

D/E Ratio

0.5 or less

Appendix

1. Financial Results for FY2024



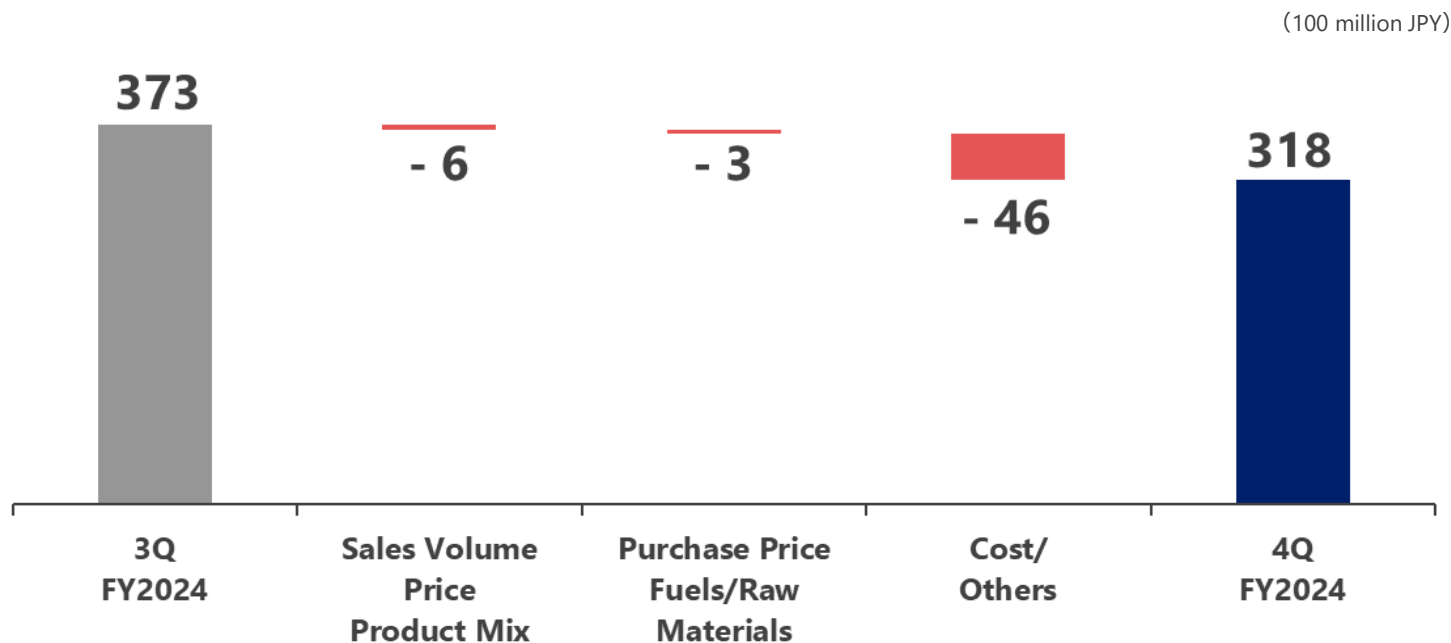
Breakdown by Segment (Net sales and Operating profit)

(100 million JPY)

	FY2024 Full-year (As of Aug. 2024) (a)		FY2024 Full-year (Result) (b)		Change (b)-(a)	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
 Architectural Glass	4,600	230	4,380	164	- 220	- 66
 Automotive	5,100	230	4,988	139	- 112	- 91
 Electronics	3,500	450	3,645	545	+ 145	+ 95
 Chemicals	6,200	600	5,936	568	- 264	- 32
 Life Science	1,300	- 240	1,412	- 212	+ 112	+ 28
 Ceramics/Other	900	30	791	51	- 109	+ 21
Elimination	- 600	0	- 477	4	+ 123	+ 4
Total	21,000	1,300	20,676	1,258	- 324	- 42

Variance Analysis on OP (4Q FY2024 vs 3Q FY2024)

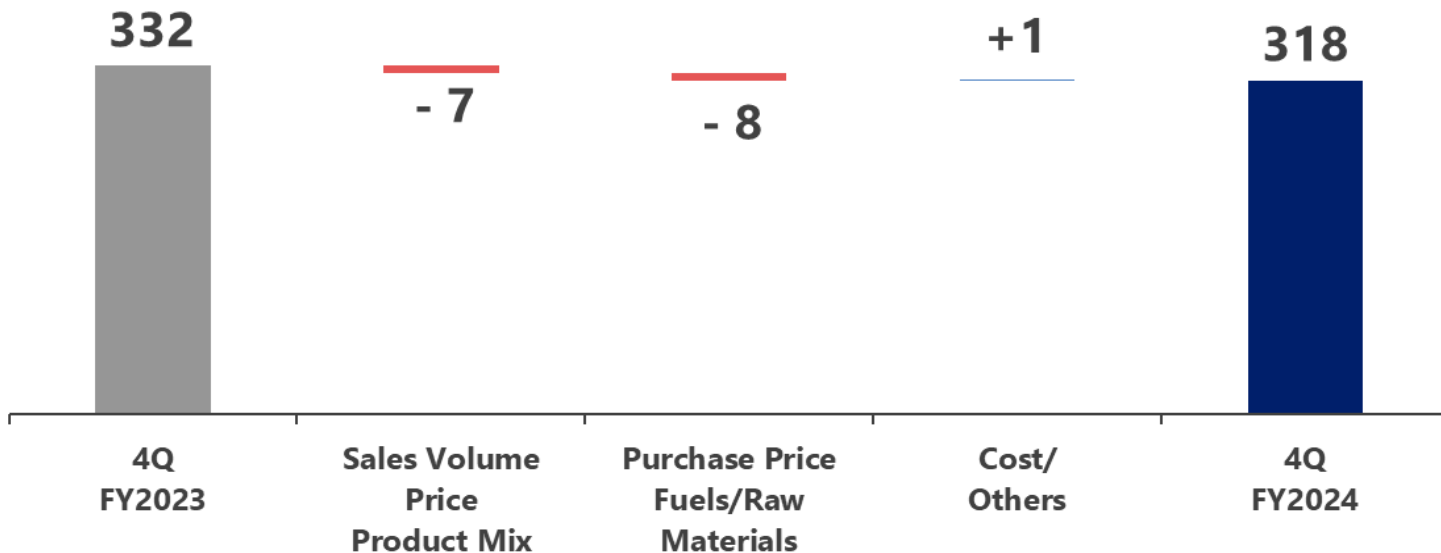
5.5 billion JPY down from last quarter



Variance Analysis on OP (4Q FY2024 vs 4Q FY2023)

1.4 billion JPY down from last year

(100 million JPY)



YoY Performance Comparison by Geographic Segment

(100 million JPY)

Full-year	FY2023	FY2024	Change
Net sales	20,193	20,676	+ 483
Japan & Asia	12,734	13,181	+ 447
Americas	2,191	2,569	+ 378
Europe	5,267	4,926	- 341
Operating profit	1,288	1,258	- 29
Japan & Asia	1,526	1,817	+ 291
Americas	- 99	- 138	- 38
Europe	335	89	- 246
Cross-regional common expenses	- 474	- 510	- 36

FOREX impact

+941

Change in the scope of consolidation

-290

YoY Performance Comparison by Geographic Segment

(100 million JPY)

		Japan& Asia	Americas	Europe	Inter-segment	Total
 Architectural Glass	4Q FY2024	444	67	565	6	1,083
	4Q FY2023	424	72	713	7	1,216
 Automotive	4Q FY2024	665	260	312	1	1,238
	4Q FY2023	697	273	365	0	1,335
 Electronics	4Q FY2024	831	138	3	4	977
	4Q FY2023	765	106	3	4	878
 Chemicals	4Q FY2024	1,399	78	53	12	1,542
	4Q FY2023	1,329	73	73	11	1,486
 Life Science	4Q FY2024	62	81	260	10	412
	4Q FY2023	72	45	221	13	350
 Ceramics/Other	4Q FY2024	121	-	- 7	55	170
	4Q FY2023	125	-	-	107	232
Elimination	4Q FY2024	-	-	-	- 88	- 88
	4Q FY2023	-	-	-	- 142	- 142
Total Net Sales	4Q FY2024	3,523	625	1,186	-	5,334
	4Q FY2023	3,413	568	1,374	-	5,354

YoY Performance Comparison by Geographic Segment

(100 million JPY)

		Japan& Asia	Americas	Europe	Inter-segment	Total
 Architectural Glass	FY2024	1,579	288	2,489	24	4,380
	FY2023	1,584	295	2,867	16	4,763
 Automotive	FY2024	2,490	1,097	1,399	2	4,988
	FY2023	2,564	1,012	1,418	3	4,997
 Electronics	FY2024	3,096	522	9	18	3,645
	FY2023	2,770	338	11	12	3,132
 Chemicals	FY2024	5,324	324	250	39	5,936
	FY2023	5,111	320	265	45	5,741
 Life Science	FY2024	255	339	780	39	1,412
	FY2023	308	226	706	29	1,268
 Ceramics/Other	FY2024	436	-	-	355	791
	FY2023	397	-	-	437	834
Elimination	FY2024	-	-	-	- 477	- 477
	FY2023	-	-	-	- 542	- 542
Total Net Sales	FY2024	13,181	2,569	4,926	-	20,676
	FY2023	12,734	2,191	5,267	-	20,193

Business Performance (1)

(100 million JPY)

Architectural Glass	1Q FY2023	2Q FY2023	3Q FY2023	4Q FY2023	1Q FY2024	2Q FY2024	3Q FY2024	4Q FY2024
Net sales	1,205	1,192	1,150	1,216	1,103	1,144	1,050	1,083
Asia	373	386	401	424	352	386	397	444
Europe & Americas	831	802	745	785	746	750	648	632
(Inter-Segment)	1	5	4	7	5	8	6	6
Operating profit	93	93	83	59	42	60	38	24

Automotive	1Q FY2023	2Q FY2023	3Q FY2023	4Q FY2023	1Q FY2024	2Q FY2024	3Q FY2024	4Q FY2024
Net sales	1,184	1,223	1,255	1,335	1,242	1,277	1,231	1,238
Automotive	1,183	1,221	1,255	1,335	1,240	1,278	1,231	1,237
(Inter-Segment)	1	1	1	0	1	- 1	1	1
Operating profit	48	54	59	56	48	58	9	25

Electronics	1Q FY2023	2Q FY2023	3Q FY2023	4Q FY2023	1Q FY2024	2Q FY2024	3Q FY2024	4Q FY2024
Net sales	702	717	835	878	825	868	975	977
Display	358	425	418	406	428	473	421	470
Electronic Materials	341	290	414	468	394	391	547	503
(Inter-Segment)	4	2	3	4	3	4	7	4
Operating profit	19	11	69	85	72	128	164	181

Business Performance (2)

(100 million JPY)

Chemicals	1Q FY2023	2Q FY2023	3Q FY2023	4Q FY2023	1Q FY2024	2Q FY2024	3Q FY2024	4Q FY2024
Net sales	1,410	1,418	1,428	1,486	1,436	1,468	1,490	1,542
Essential Chemicals	1,009	999	1,002	1,018	1,005	1,006	1,034	1,072
Performance Chemicals	391	407	414	457	421	453	447	458
(Inter-Segment)	9	13	12	11	10	8	8	12
Operating profit	172	137	170	169	136	140	170	121

Life Science	1Q FY2023	2Q FY2023	3Q FY2023	4Q FY2023	1Q FY2024	2Q FY2024	3Q FY2024	4Q FY2024
Net sales	332	348	238	350	325	311	364	412
Life Science	321	346	235	337	309	307	354	402
(Inter-Segment)	11	2	3	13	16	4	10	10
Operating profit	6	- 1	- 83	- 46	- 63	- 79	- 26	- 45

Total	1Q FY2023	2Q FY2023	3Q FY2023	4Q FY2023	1Q FY2024	2Q FY2024	3Q FY2024	4Q FY2024
Net sales	4,892	4,961	4,985	5,354	4,987	5,165	5,190	5,334
Operating profit	342	301	312	332	241	325	373	318

Trend of shipment and price

				2023				2024			
				1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
YoY comparision											
Glass	Architectoral (AGC)	Japan & Asia	shipment	-high single-digit	-10%	-low single-digit	+mid single-digit	-mid 10% range	+high single-digit	+low single-digit	-mid single-digit
			price	+high 20% range	+low 30% range	+high 20% range	+mid 20% range	+mid single-digit	-mid single-digit	-mid single-digit	-mid single-digit
		Europe* ³	shipment	-mid 10% range	-mid 10% range	-low single-digit	-mid single-digit	flat	+high single-digit	-mid single-digit	flat
			price	+high 20% range	-low 10% range	-low 40% range	-40%	-mid 30% range	-30%	-mid 10% range	-mid 10% range
	Automobile production* ¹	Japan	volume	+13%	+27%	+13%	+12%	-13%	-5%	-7%	-7%
		North America	volume	+10%	+15%	+8%	+6%	+2%	+0%	-4%	-3%
		Europe* ³	volume	+25%	+16%	+5%	+6%	-3%	-6%	-6%	-13%
Electronics	Display panel demand* ²	Global	area	-14%	+5%	+11%	-4%	+10%	+5%	+0%	+10%

*¹ Source : S&P global data as of January 10, 2025.

*² Source : Omdia-Display Long-Term Demand Forecast Tracker – 3Q24 Pivot

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

*³ Excluding Eastern Europe

Financial Index

		IFRS				
		20/12	21/12	22/12	23/12	24/12
Net sales	Million JPY	1,412,306	1,697,383	2,035,874	2,019,254	2,067,603
Operating profit	Million JPY	75,780	206,168	183,942	128,779	125,835
OP margin	%	5.4	12.1	9.0	6.4	6.1
Profit for the year attributable to owners of the parent	Million JPY	32,715	123,840	- 3,152	65,798	- 94,042
Return on equity (ROE) *1	%	2.9	10.2	- 0.2	4.6	- 6.5
Return on assets (ROA) *2	%	3.1	7.9	6.7	4.5	4.3
Equity ratio	%	44	49	49	49	50
D/E (Interest-bearing debts ÷ Net assets)	Times	0.63	0.41	0.41	0.42	0.39
CF from Operating Activities/Interest-bearing debt	Times	0.29	0.54	0.33	0.31	0.44
Earnings per share (EPS)	JPY	147.84	559.11	- 14.22	304.73	- 443.71
Cash dividends per share	JPY/year	120	210	210	210	210
EBITDA *3	Million JPY	208,459	383,226	253,209	315,965	147,842
Exchange rates (average)	JPY/USD	106.82	109.80	131.43	140.56	151.58
	JPY/EUR	121.81	129.89	138.04	152.00	163.95

*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 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

External Evaluations

 FTSE4Good	FTSE4Good Index Series	 SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION	SBTi "WB2°C" GHG Reduction Target
 FTSE Blossom Japan Index	FTSE Blossom Japan Index	 NIKKEI Smart Work ★★★★ 2024	4 stars awarded in the 7th Nikkei "Smart Work Management" survey
 FTSE Blossom Japan Sector Relative Index	FTSE Blossom Japan Sector Relative Index	 GOLD Top 5% SILVER Top 15% BRONZE Top 35% ecovadis Sustainability Rating NOV 2024 ecovadis Sustainability Rating OCT 2024 ecovadis Sustainability Rating JUL 2024	Highly rated by EcoVadis in Sustainability Evaluations
 S&P/JPX カーボン エフィシエント 指数	S&P/JPX Carbon Efficient Index	 Top 100 Global Innovator 2023 Clarivate	Clarivate Top 100 Global Innovator 2023
 CDP DISCLOSER 2023	CDP Climate Change Report 2023 "A-"	 DX銘柄2024 Digital Transformation	DX Brand 2024 in recognition of digital transformation efforts

Major Press Releases in FY2024

 Date	 Summary
January 30	AGC to Build New Facility in Kitakyushu City for FORBLUE™ S-SERIES, Fluorinated Ion-Exchange Membrane Suitable for Green Hydrogen Production
February 7	Notice Regarding the Revision of Calculation Method for Stock Compensation to Directors, etc. of the Company
February 7	Announcement Regarding Change in Shareholder Return Policy
February 8	AGC Formulates New Medium-term Management Plan AGC plus-2026
February 22	Position and Policy Regarding Reduction in the Trading Unit of the Company's Shares
February 28	Completed transfer of Russian operations
March 25	AGC Achieves Additional Success in Demonstration Test of Solar Panel Cover Glass Recycling
April 5	AGC Obtains Its First Environmental Product Declaration for Architectural Glass Products in Japan
May 7	Notice Concerning Termination of Production Activities at AGC Techno Glass (Thailand) Co., Ltd.
August 7	AGC Develops Innovative Fluoropolymers Manufacturing Process
September 5	AGC Group Achieves Cradle to Cradle Certified® Product Standard for Float & Coated Glass Products in Asia
December 24	AGC to Redefine “Look Beyond” as the Group Philosophy
December 24	AGC Begins Research on Ethylene Production Using CO2 as Raw Material

2. AGC plus-2026



“Look Beyond”



Our Purpose

“AGC, an everyday essential part of our world”

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

Our Shared Values

- **Innovation & Operational Excellence**
- **Sustainability for a Blue Planet**
- **One Team with Diversity**
- **Integrity & Trust**

Our Spirit

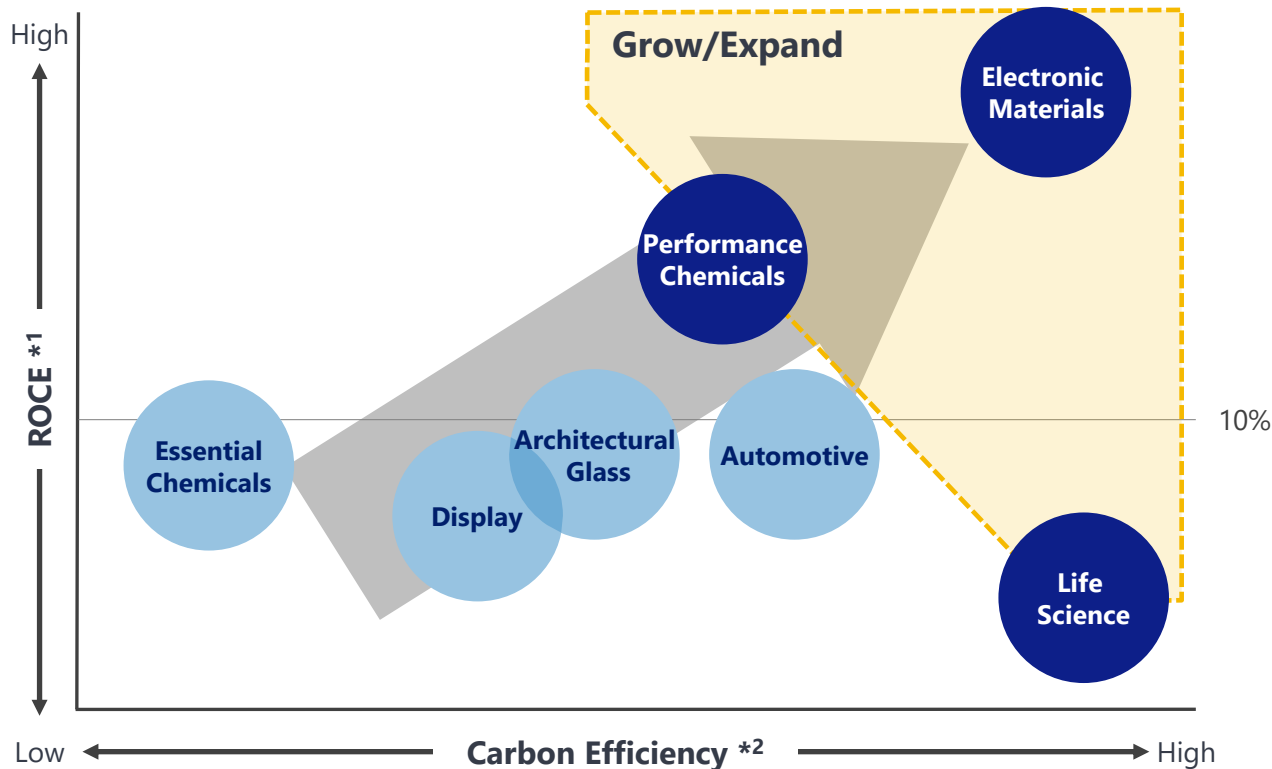
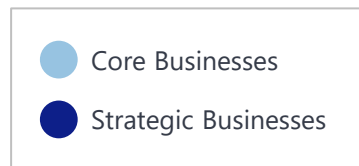
“Never take the easy way out, but confront difficulties.”

Medium to Long-term Initiatives for Value Creation



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

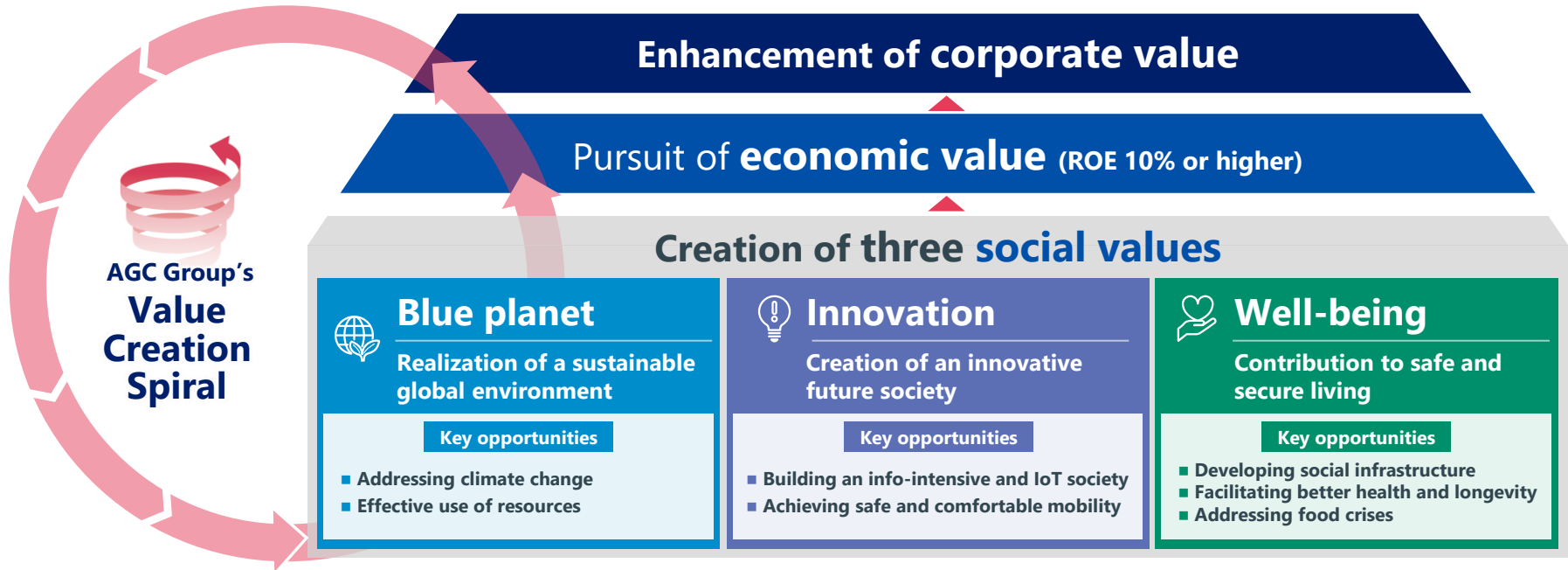
Direction of the Business Portfolio



ROCE : (OP of the year) ÷ (Operating asset at the year-end),
OP for each business is before allocation of common expenses

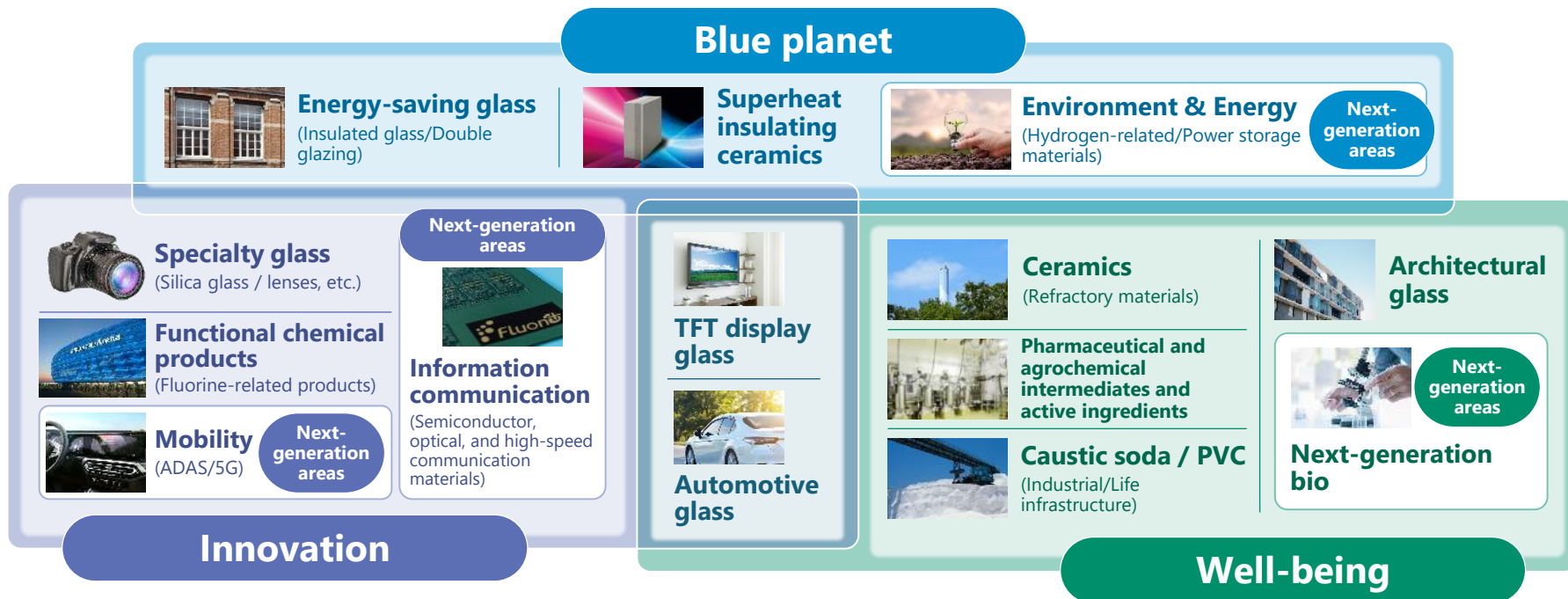
AGC Group's Value Creation Spiral

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



Social Value Created by the AGC Group

- AGC has created social values by expanding its business that contributes to the development of society and industry.



Sustainability KPIs

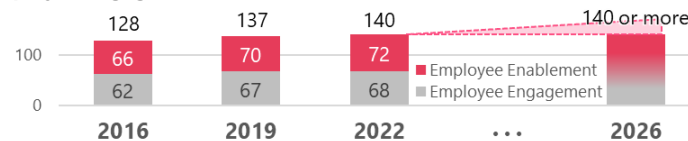
- We will achieve sustainable growth by improving sustainability KPIs through business activities.

Sustainability KPIs

GHG (Scope 1 + 2) emissions [10,000 ton]*¹

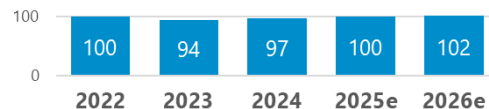


Employee engagement score*¹

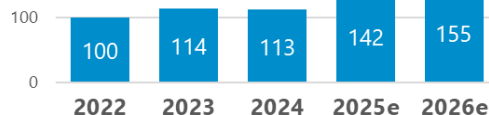


Blue planet

Shipment volume index for architectural products contributing to GHG reductions*²



Index for GHG emissions reduction by low-GWP Chemical products*²



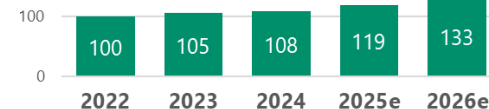
Innovation

Total sales index for products contributing to next-generation society (Electronics, Mobility, Performance Chemicals)*²

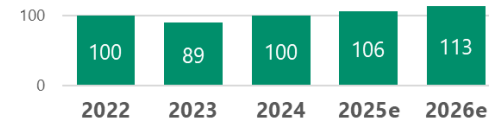


Well-being

Shipment volume index for products contributing to social infrastructure development in fast-growing regions (main chlor-alkali products)*²



Index for Life Science sales*²



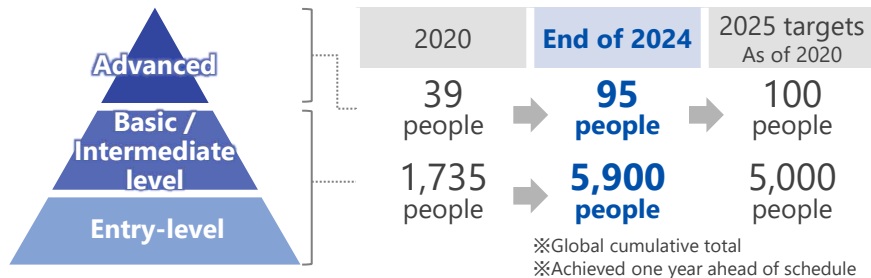
*¹ Items reflected in executive remuneration. However, for GHG emissions, GHG emissions per unit of GHG emissions sales are used in the calculation of executive remuneration.

*² Indexes: Figures converted from 2023 on using 2022 as a base of 100.

Promotion of value creation DX



Development of Data Scientists



Business Reform / Efficiency

(Proprietary AI ChatAGC)



Add RAG (search expansion generation) function for global use

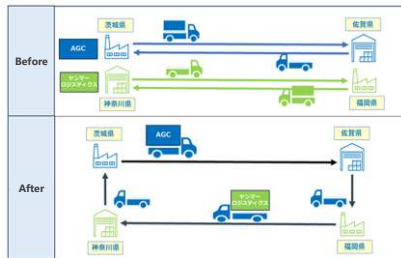
Reduction in work hours:
approx. 110,000 hours (2024 estimate)



Value Creation to Society

(Case in Logistics DX)

In collaboration with various companies, we have started **joint transportation initiatives** to respond to logistics crisis.



Value Creation to Customers

AGC has started a support service for bottle glass manufacturing furnaces based on its digital technology and manufacturing know-how.



Selected as a DX brand
(4th time in 3 consecutive years)



DX銘柄2022
Digital Transformation



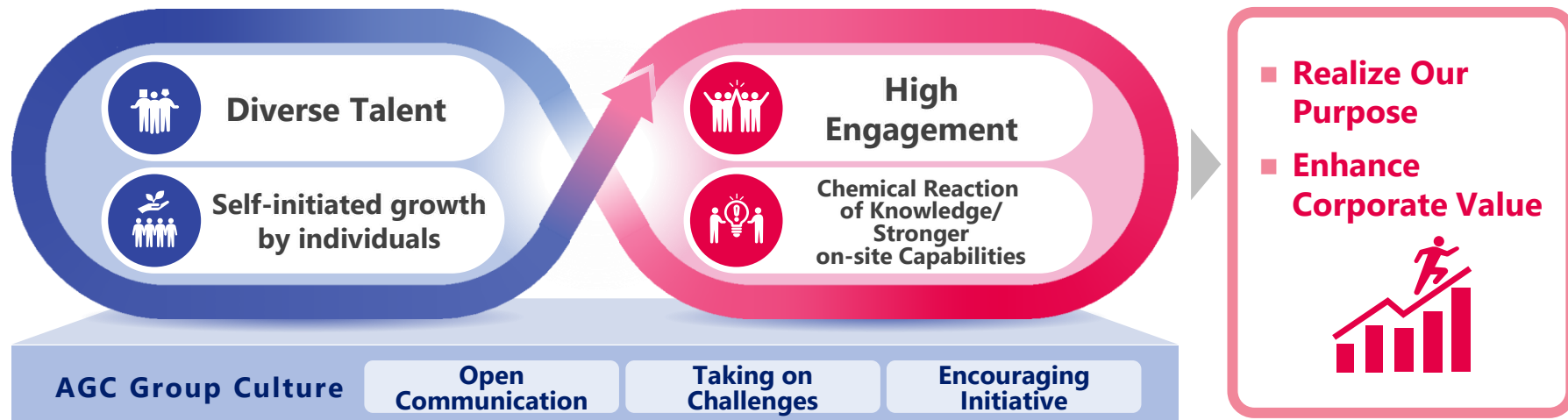
DX銘柄2023
Digital Transformation



DX銘柄2024
Digital Transformation

AGC People: Driving our Growth!

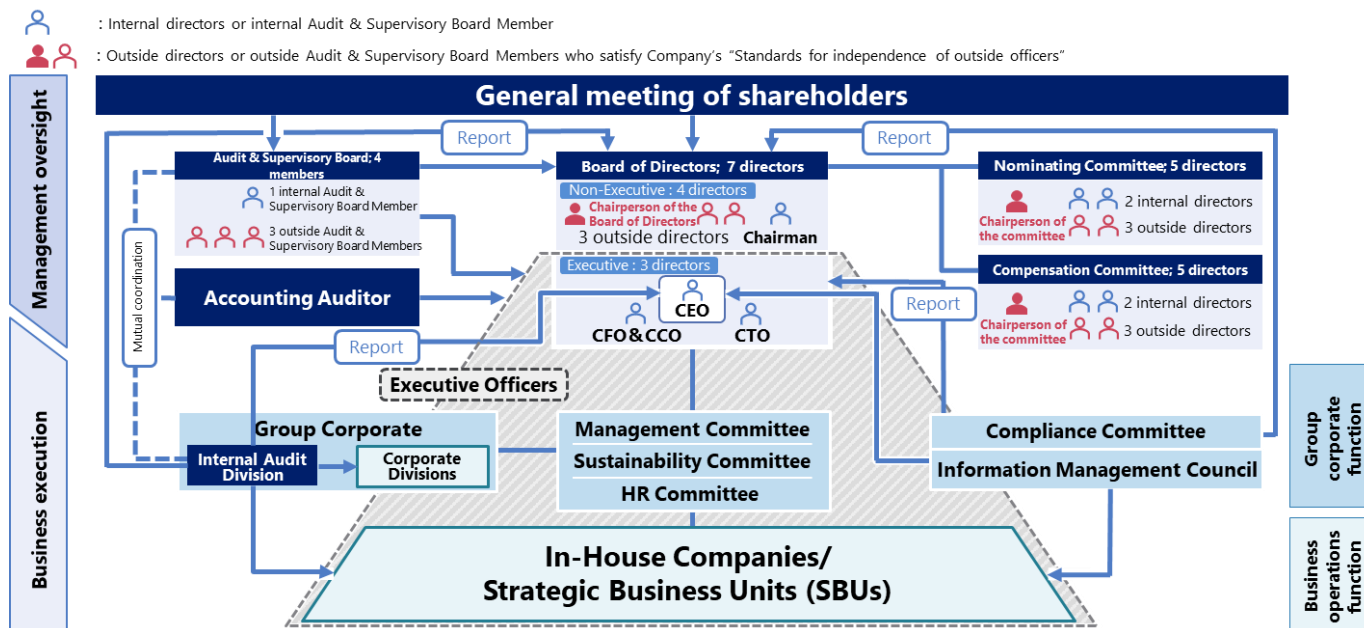
- Our corporate culture places importance on open communication, taking on challenges, and encouraging initiative. We will unlock the unique strengths and abilities of each individual and encourage continuous learning and professional development.
- A highly engaged organization with constantly improving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



The AGC Group's Corporate Governance Structure

Basic Policy on the Governance Structure

- The company strengthens management oversight functions through clear separation of the management oversight and business execution functions
- Clearly separating the group corporate and business operations functions to accelerate decision-making in business execution and improve management efficiency



Compensation System

- Variable compensation is adopted for all directors. In addition to bonuses linked to the performance of the organization in a single year, stock-based compensation has been introduced, linked to performance and other factors during the medium-term management plan period.

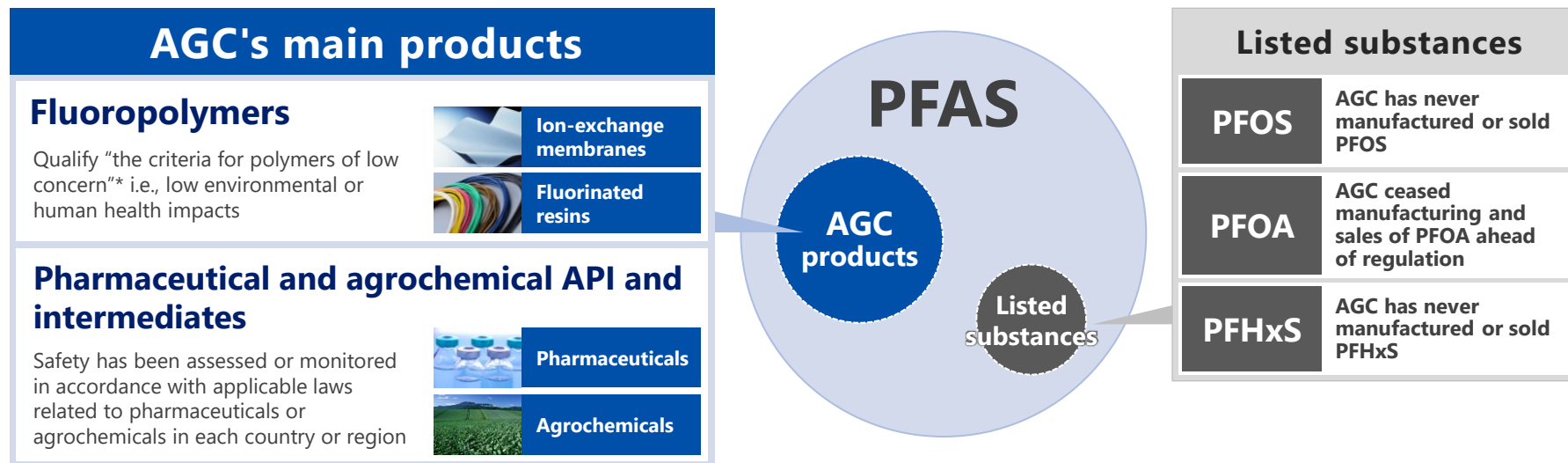
Composition of Compensation			
	Fixed Compensation	Variable Compensation	
	Monthly Compensation	Bonus	Stock Compensation
Director and President & CEO	35%	30%	35%
Directors who concurrently serve as Executive Officers (excluding President & CEO)	50%	25%	25%
Directors who do not concurrently serve as Executive Officers* (Director & Chairperson)	60%		40%
Outside Director *	90%		10%

※If none of the above applies, it shall be deliberated by the Compensation Committee and resolved by the Board of Directors.

	Classification	Performance Indicators	Reason for Selection	Weighting
Bonus	Financial Indicators	ROCE (return on capital employed)	Improve business profitability and asset efficiency	
		Cash flow	Generate cash flows	
Stock Compensation	Financial Indicators	ROE	Key performance objective for long-term and medium-term plan periods	30%
		EBITDA	Improve cash generation capacity and profitability	30%
	Stock Price Indicators	Relative TSR (against TOPIX)	Further sharing gains with shareholders	20%
	Non-Financial Indicators	GHG Emission intensity per unit of net sales	Aiming to contribute to the realization of a sustainable global environment	10%
		Employee Engagement	Aiming for the growth of the company through the growth of each employee and the demonstration of their abilities	10%

*The stock-based compensation for directors (including outside directors) who do not also serve as executive officers consists only of a fixed portion. The fixed portion of the stock-based compensation is not linked to company performance, but is linked only to the company's share price.

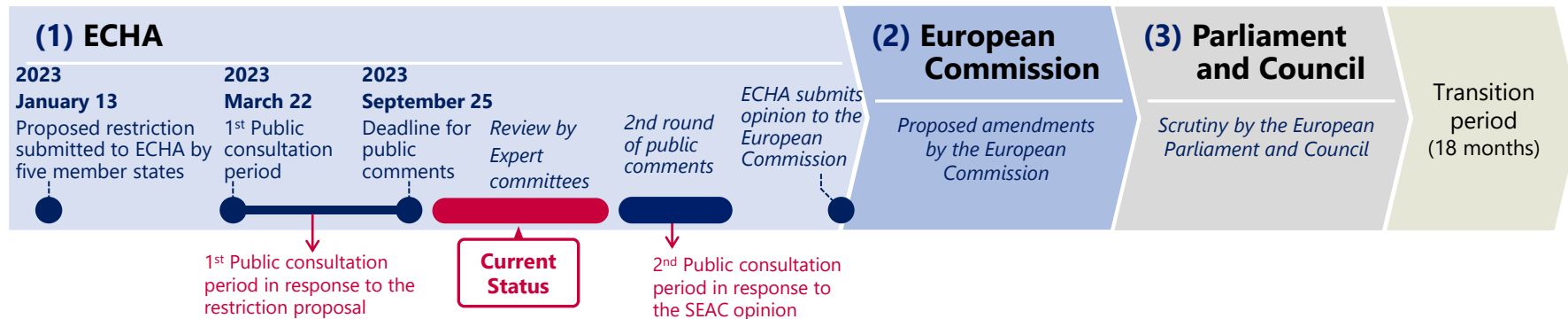
- Of the PFAS (umbrella term for approximately 12,000 types of fluorine compounds), three substances are listed as Persistent Organic Pollutants under the Stockholm Convention. AGC does not currently handle any of these listed substances.
- To fulfill its corporate social responsibility, AGC Group is working to minimize environmental impacts resulting from our business activities and contribute to resolving global environmental issues through our products, based on scientific evidence.



- The expert committees of the European Chemicals Agency (ECHA) is currently reviewing the proposal of the universal PFAS restriction.
- The ECHA's review process is taking time due to the significant number of public comments received, and the timing of the second public consultation and the time frame for the subsequent regulatory process is currently unclear.
- AGC Group has submitted its comments for the 1st public consultation.

Review process of the proposal of the universal PFAS regulation in Europe

- (1) After two rounds of public consultation by ECHA, the expert committee submits their final opinion
- (2) The European Commission prepares a draft regulation referring the final opinion submitted, and the REACH Committee, consisting of member states, deliberates on and adopts the draft.
- (3) The adopted legislation enters into force after being scrutinized by the European Parliament and Council



Impact on Operating Profit



Exchange rate

700 million JPY* gain
if yen depreciated by 1%

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



Crude oil

260 million JPY* loss
if per barrel price increased
by 1 dollar

*excluding impact of oil hedging



Chemicals market

1 Caustic soda

\$1 million gain if the
International market risen by \$1

2 PVC spread

\$1.2 million gain* if
increased by \$1

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

- Implementation of the following three profit improvement measures will lead to a recovery in business performance, with 10% ROCE by 2025.

Volume to Value

Three pillars
of earnings improvement

1 Pricing Policy

Continued pursuit of appropriate price level

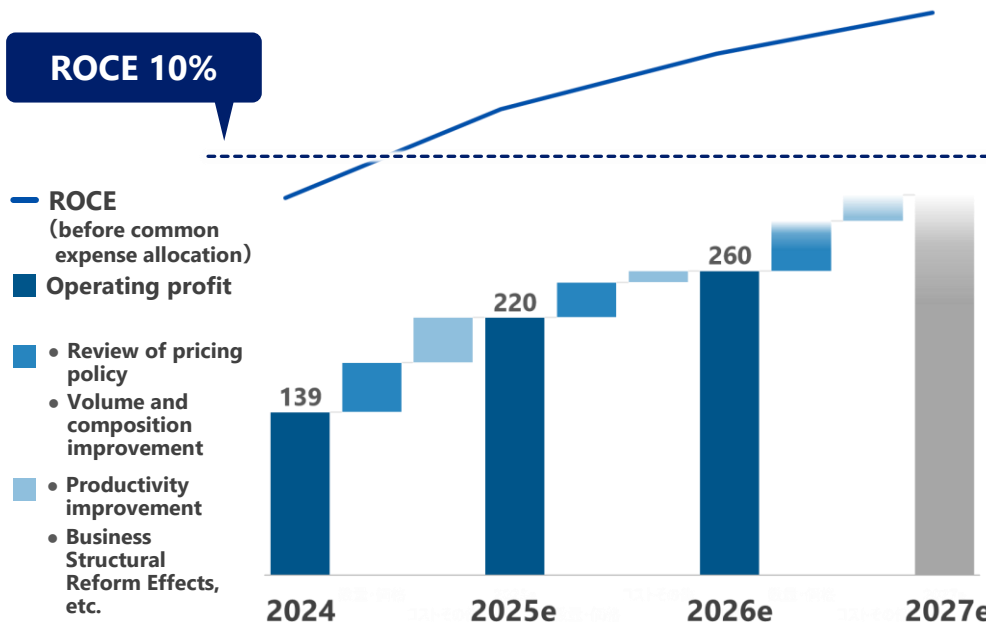
2 Structural Reform

Thorough productivity improvement, including introduction of high-efficiency equipment

3 Higher Functionality and High Added Value

Increase ratio of high value-added products in line with CASE expansion, etc.

Automotive Operating Profit and ROCE Outlook



Initiatives of Architectural Glass

- Architectural glass aims for stable cash generation as a core business by strengthening and transforming its business structure in response to the regional demand.

Market Trends and Strategies

Europe & Americas



Market Trend

Low demand to continue



Strategy

Stabilize earnings through production adjustments in response to demand, strengthening of downstream businesses, and capturing renovation demand, etc.

Asia



Market Trend

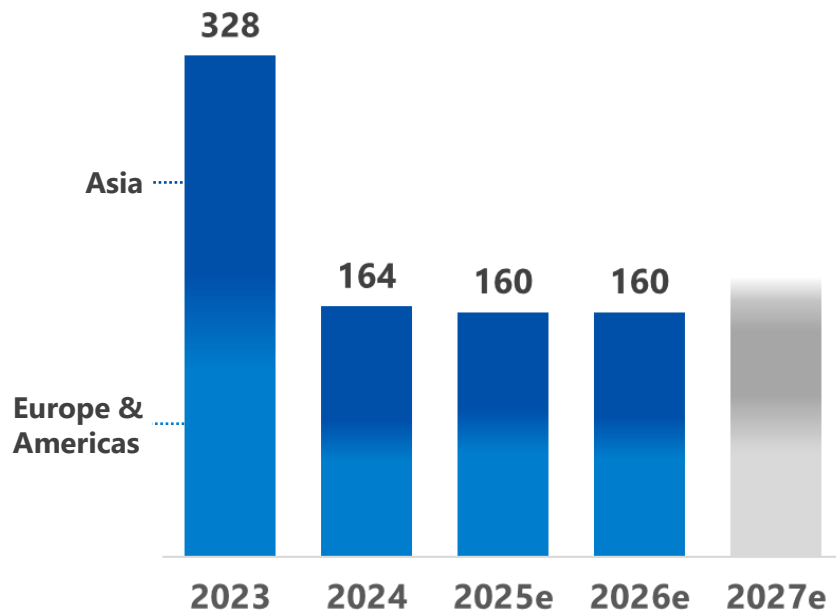
Renovation demand underpins shipments in Japan, while demand gradually increases in Southeast Asia



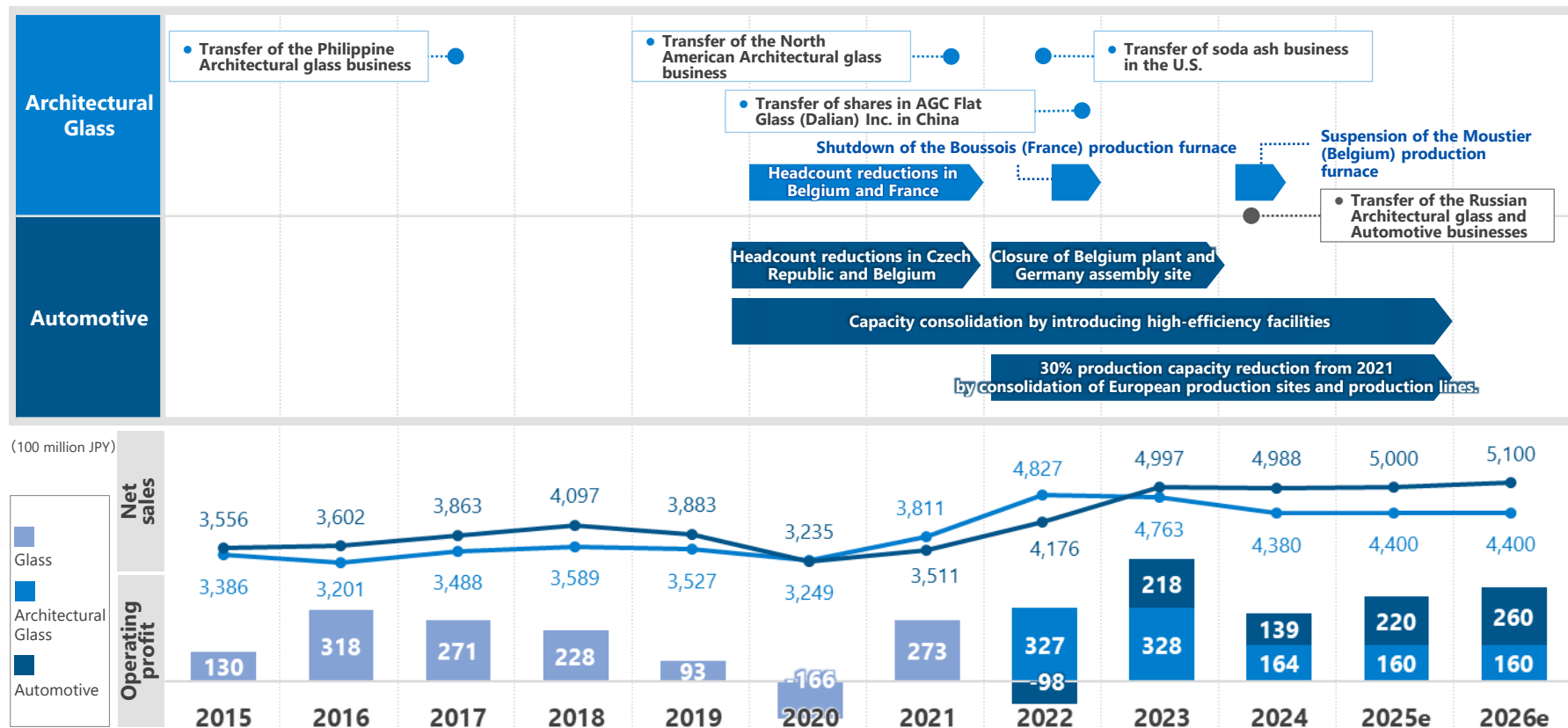
戦略

Strengthen competitiveness through pricing policies in Japan, and by strengthening sales & distribution channels and increasing high-value-added products in Southeast Asia.

Architectural Glass Operating Profit Outlook



Structural Reforms in Architectural Glass and Automotive



END

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Your Dreams, Our Challenge