

# Financial Results for the Nine Months ended September 30, 2021

The AGC logo is displayed in a white rectangular box on the right side of the slide. The letters 'AGC' are in a bold, blue, sans-serif font. A small red square is positioned to the right of the letter 'G'.

**AGC Inc.**

**November 1, 2021**

Your Dreams, Our Challenge

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# Financial Results for the Nine Months ended September 30, 2021

## ■ Financial Results for 3Q FY2021 (YTD) :

(YoY)

<b>Net Sales</b>	<b>1,233.5 bn JPY</b>	<b>(+220.7 bn JPY)</b>
<b>Operating profit</b>	<b>148.4 bn JPY</b>	<b>(+107.8 bn JPY)</b>

## ■ Outlook for FY2021 :

(vs. Aug. 2 Forecast)

(YoY)

<b>Net Sales</b>	<b>1,690.0 bn JPY</b>	<b>(+20.0 bn JPY)</b>	<b>(+277.7 bn JPY)</b>
<b>Operating profit</b>	<b>200.0 bn JPY</b>	<b>(+20.0 bn JPY)</b>	<b>(+124.2 bn JPY)</b>

- The forecast has been upwardly revised as the 3Q results exceeded the expectation, and the PVC market is expected to remain at the high price level.

# 1. Highlights of the Financial Results

# Highlights of the Financial Results for 3Q. FY2021

(100 million JPY)

	FY2020 1-3Q Total	FY2021 1-3Q Total	Change	Major factors in the change (+) Increasing factors (-)Decreasing factors
<b>Net Sales</b>	10,128	<b>12,335</b>	+ 2,207*	(+) Shipments of architectural glass, automotive glass and semiconductor-related products increased. (+) Sales prices of PVC in Southeast Asia and architectural glass increased. (+) Appreciation of Euro.
<b>Operating Profit</b>	406	<b>1,484</b>	+ 1,078	In addition to the above, (+) Manufacturing costs decreased as the operating efficiency of glass manufacturing facilities improved. (-) Increase in natural gas prices in Europe. (-) Depreciation expenses increased due to factors such as new facility launch for LCD glass substrate and semiconductor-related products. (-) Manufacturing costs of display increased as affected by foreign exchange fluctuation.
<b>Profit before tax</b>	260	<b>1,851</b>	+ 1,591	In addition to the above, (+) Gain on transfer of architectural glass business in North America was posted,etc.
<b>Profit for the period Attributable to owners of the parent</b>	135	<b>1,294</b>	+ 1,159	
<b>FOREX (Average)</b>				
JPY/USD	107.59	<b>108.50</b>		
JPY/EUR	120.90	<b>129.83</b>		
<b>Crude Oil (Dubai, Average)</b>				
USD/BBL	41.40	<b>66.19</b>		

\* FOREX impact was +31.8 billion JPY, change in the scope of consolidation was +2.3 billion JPY

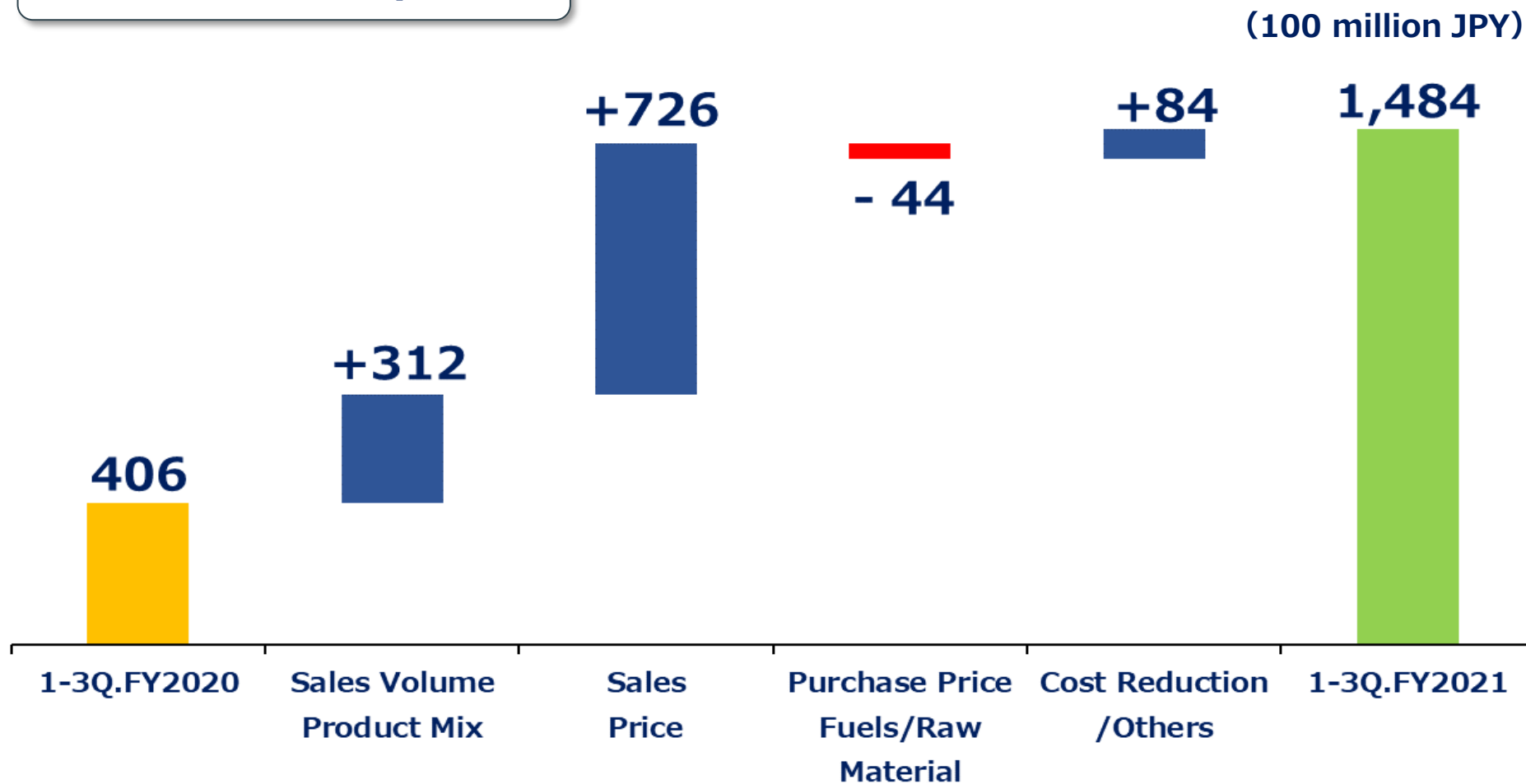
# YoY Performance Comparison by Business Segment

(100 million JPY)

	FY2020		FY2021		Change	
	1-3Q Total		1-3Q Total		(b)-(a)	
	(a)		(b)			
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Glass	4,659	▲ 219	5,447	253	+ 788	+ 472
Electronics	2,101	272	2,231	245	+ 130	▲ 28
Chemicals	3,216	325	4,508	960	+ 1,292	+ 635
Ceramics/Other	577	29	561	28	▲ 16	▲ 1
Elimination	▲ 424	▲ 1	▲ 411	▲ 2	+ 13	▲ 1
<b>Total</b>	<b>10,128</b>	<b>406</b>	<b>12,335</b>	<b>1,484</b>	<b>+ 2,207</b>	<b>+ 1,078</b>

# Variance Analysis on OP (1-3Q.FY2021 vs. 1-3Q.FY2020)

107.8bn JPY up YoY





# Consolidated Statement of Financial Position

(100 million JPY)

	2020/12	2021/9	Change
Cash and cash equivalents	2,361	<b>2,519</b>	+ 158
Inventories	2,748	<b>3,149</b>	+ 400
Property, plant and equipment, Goodwill and Intangible assets	14,376	<b>14,938</b>	+ 562
Other assets	5,859	<b>6,306</b>	+ 447
<b>Total assets</b>	25,345	<b>26,911</b>	+ 1,567
Interest-bearing debt	7,880	<b>7,181</b>	▲ 699
Other liabilities	5,035	<b>5,340</b>	+ 305
<b>Liabilities</b>	12,914	<b>12,521</b>	▲ 394
Total equity attributable to owners of the parent	11,151	<b>12,868</b>	+ 1,717
Non-controlling interests	1,279	<b>1,523</b>	+ 244
<b>Equity</b>	12,430	<b>14,391</b>	+ 1,960
<b>Total liabilities and equity</b>	25,345	<b>26,911</b>	+ 1,567
<b>D/E ratio</b>	0.63	<b>0.50</b>	

Foreign exchange  
fluctuation  
+75.6 billion yen

# Consolidated Statement of Cash Flow

(100 million JPY)

1-3Q Total

	FY2020	FY2021
Profit before tax	260	<b>1,851</b>
Depreciation and amortization	1,072	<b>1,219</b>
Increase(decrease) in working capital	34	<b>▲ 306</b>
Others	186	<b>▲ 409</b>
<b>Cash flows from operating activities</b>	<b>1,552</b>	<b>2,354</b>
<b>Cash flows from investing activities</b>	<b>▲ 1,736</b>	<b>▲ 953</b>
<b>Free cash flow</b>	<b>▲ 184</b>	<b>1,401</b>
Changes in interest-bearing debt	2,507	<b>▲ 915</b>
Dividends paid	<b>▲ 266</b>	<b>▲ 310</b>
Others	<b>▲ 27</b>	<b>▲ 54</b>
<b>Cash flows from financing activities</b>	<b>2,214</b>	<b>▲ 1,280</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>▲ 54</b>	<b>37</b>
<b>Net increase(decrease) in cash and cash equivalents</b>	<b>1,977</b>	<b>158</b>

(100 million JPY)

1-3Q Total

FY2020 **FY2021**

	FY2020	<b>FY2021</b>
<b>CAPEX</b>	1,620	<b>1,511</b>
Glass	424	<b>364</b>
Electronics	522	<b>492</b>
Chemicals	663	<b>644</b>
Ceramics/Other	11	<b>15</b>
Elimination	▲ 1	▲ <b>3</b>
<b>Depreciation</b>	1,072	<b>1,219</b>
Glass	385	<b>403</b>
Electronics	356	<b>442</b>
Chemicals	316	<b>359</b>
Ceramics/Other	15	<b>15</b>
Elimination	▲ 1	▲ <b>1</b>
<b>R&amp;D</b>	336	<b>361</b>

## Major projects for CAPEX

- G11 investment in China (Electronics)
  - Repairment for display glass furnace (Electronics)
  - Production facility enhancement for semiconductor-related products (Electronics)
  - Capacity enhancement for fluorochemicals (Chemicals)
  - Acquisition of a cell and gene therapy manufacturing facility (Chemicals)
  - Capacity enhancement for PVC in Southeast Asia (Chemicals)
  - Capacity enhancement for bio-pharmaceuticals (Chemicals)
- etc.

## Major factors for increase in depreciation cost

- Production facility enhancement for semiconductor-related products (Electronics)
  - G11 investment in China (Electronics)
- etc.

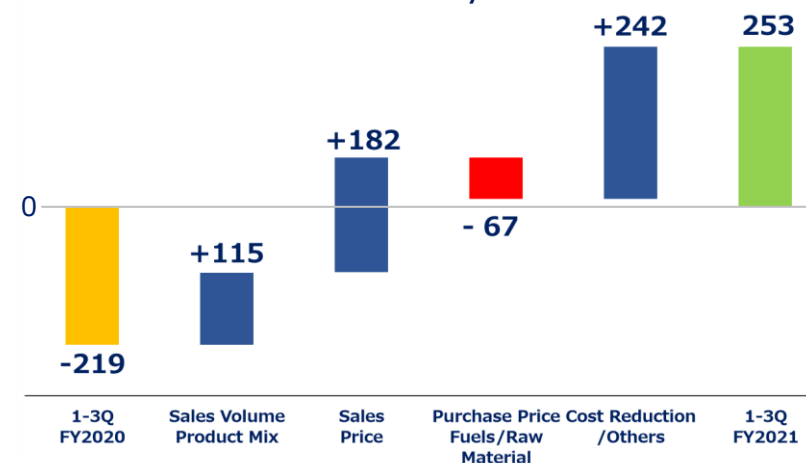
## 2. Business and Geographic Segments

(100 million JPY)

	1-3Q Total		Change
	FY2020	FY2021	
<b>Net sales</b>	4,659	<b>5,447</b>	+ 788*
Architectural Glass	2,348	<b>2,799</b>	+ 452
Automotive Glass (Inter-segment)	2,293	<b>2,630</b>	+ 338
	19	<b>17</b>	
<b>Operating profit</b>	▲ 219	<b>253</b>	+ 472

\* FOREX impact: +21.1 billion yen,  
Change in the Scope of Consolidation : +40 million yen

## Variance Analysis on OP



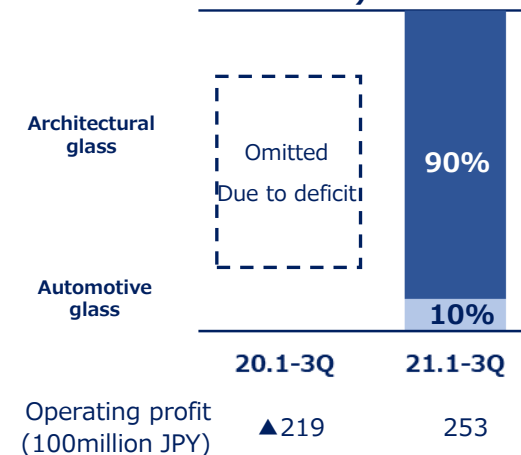
### [Architectural glass]

- Shipments, mainly in Europe and Indonesia, increased significantly.
- Sales prices increased significantly in Europe and South America.
- Natural gas prices increased in Europe.
- Manufacturing costs declined as utilization of the manufacturing facilities improved mainly in Europe.

### [Automotive glass]

- Though affected by the component supply shortages including semiconductor, shipments increased in all regions.
- Manufacturing costs declined as utilization of the manufacturing facilities improved mainly in Japan/Asia and Europe.

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

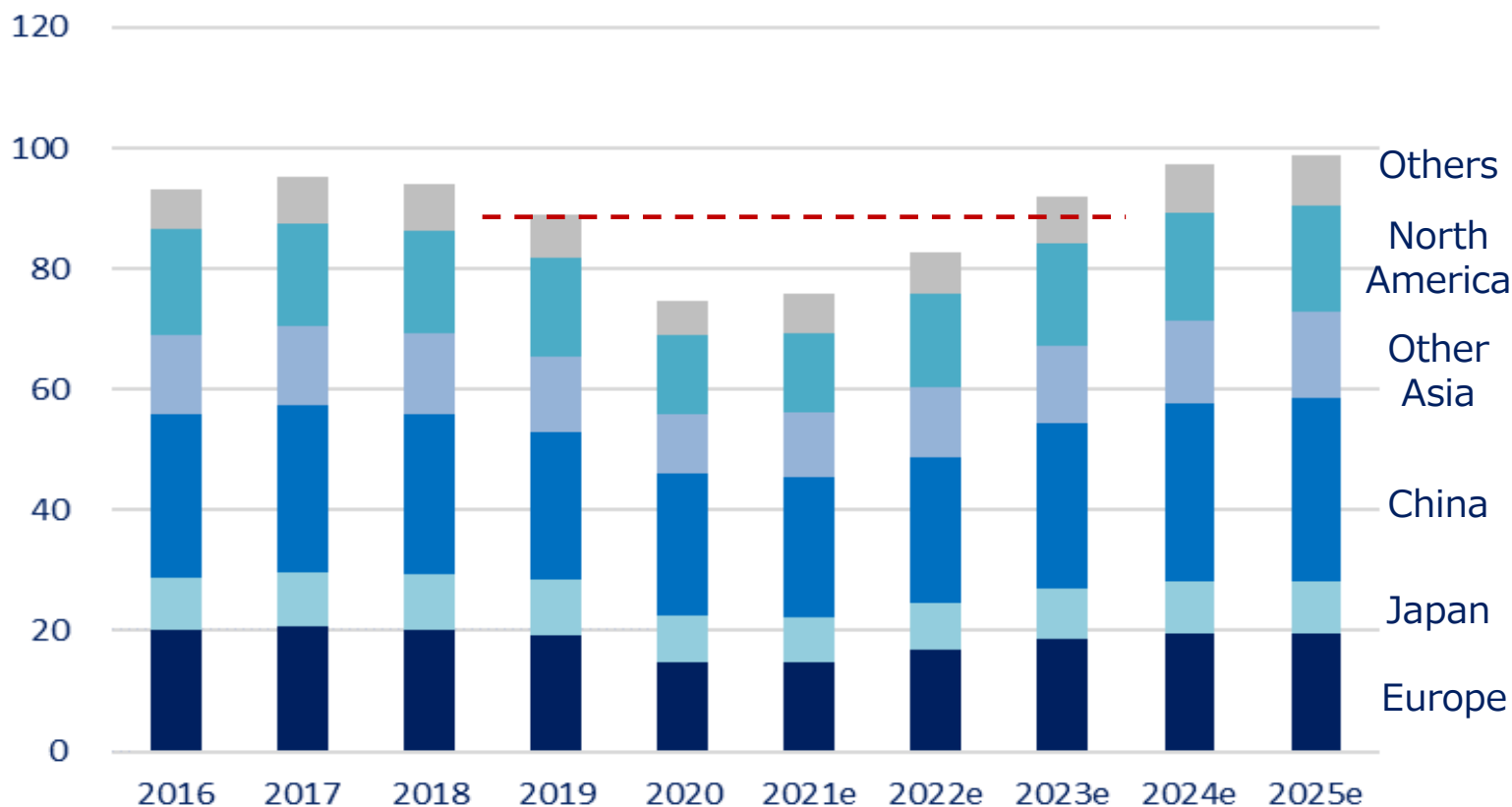


# (Reference) Automotive glass demand

- Impacts of the semiconductor shortage lingers.
- Automotive glass demand is expected to get back to the 2019 level in 2023.

## Vehicle production (by region) \*

Million units

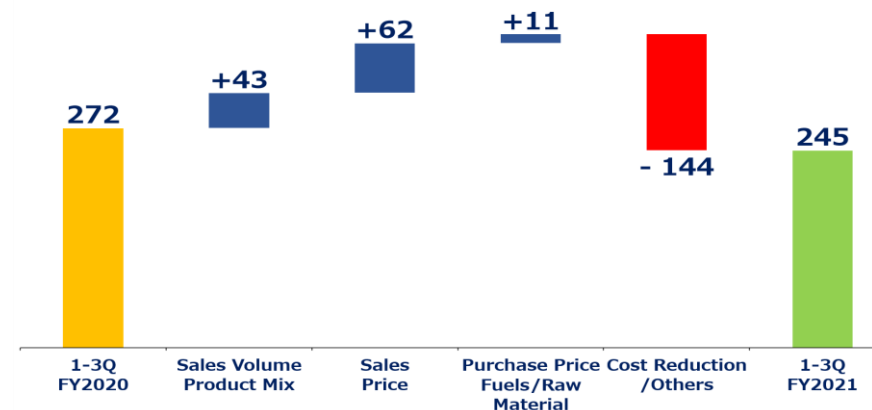


(100 million JPY)

	1-3Q Total		Change
	FY2020	FY2021	
<b>Net sales</b>	2,101	<b>2,231</b>	+ 130*
Display	1,314	<b>1,363</b>	+ 49
Electronic Materials (Inter-segment)	742	<b>805</b>	+ 63
	45	<b>63</b>	
<b>Operating profit</b>	272	<b>245</b>	▲ 28

\* FOREX impact: +2.2 billion yen,  
Change in the Scope of Consolidation: No impact

## Variance Analysis on OP



### [Display]

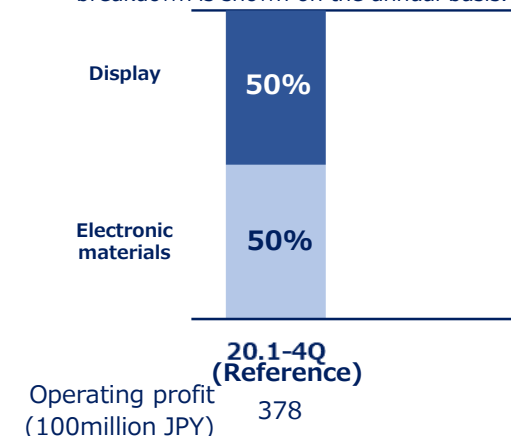
- Shipments of LCD glass substrates remained at the same level YoY, while those of specialty glass for display applications increased.
- Depreciation expenses increased because of the new facility launch for LCD glass substrate.
- Manufacturing costs increased as affected by foreign exchange fluctuation.

### [Electronic materials]

- Shipments of semiconductor-related products such as EUV mask blanks and optoelectronic materials remained strong.
- Shipments of circuit board material decreased due to US-China trade friction and other factors.
- Depreciation expenses increased because of factors such as the new facility launch for semiconductor-related products.

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

Due to significant seasonal fluctuation, the breakdown is shown on the annual basis.

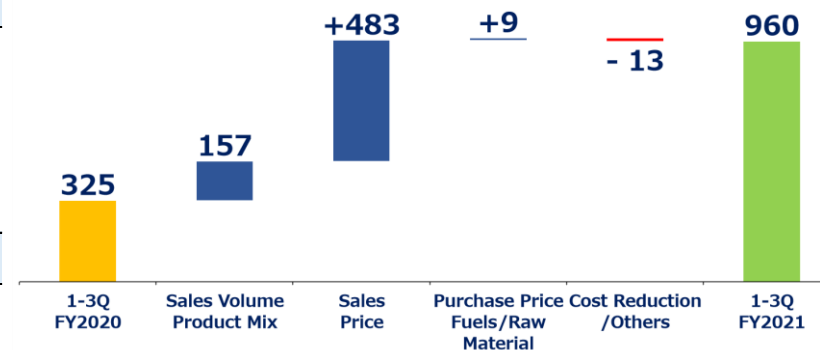


(100 million JPY)

	1-3Q Total		
	FY2020	FY2021	Change
<b>Net sales</b>	3,216	<b>4,508</b>	+ 1,292*
Chlor-alkali & Urethane	1,886	<b>2,792</b>	+ 906
Fluorochemicals & Specialty	779	<b>896</b>	+ 118
Life science (Inter-segment)	539 11	<b>809</b> <b>10</b>	+ 270
<b>Operating profit</b>	325	<b>960</b>	+ 635

\* FOREX impact: +7.8 billion yen,  
Change in the Scope of Consolidation: +2.3 billion yen

## Variance Analysis on OP



### [Chlor-alkali/urethane]

- PVC sales prices increased in Southeast Asia.

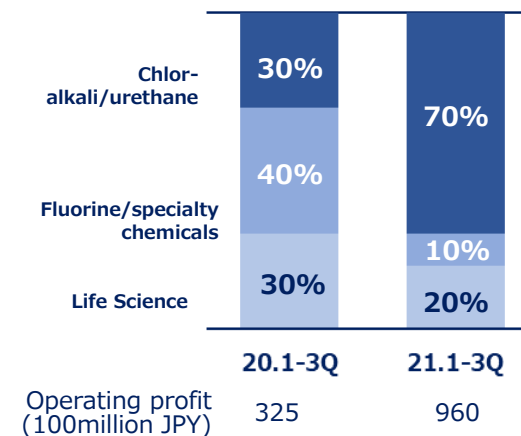
### [Fluorine/specialty chemicals]

- Shipments of fluorochemical-related products continued recovering for automotive applications.
- Shipments of fluorochemical-related products for aircraft applications got back to the recovery trend in 3Q.

### [Life science]

- The number of contracts increased for synthetic pharmaceuticals and agrochemicals.
- The number of contracts for bio-pharmaceuticals increased with those to the addition relating to anti-coronavirus application.

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

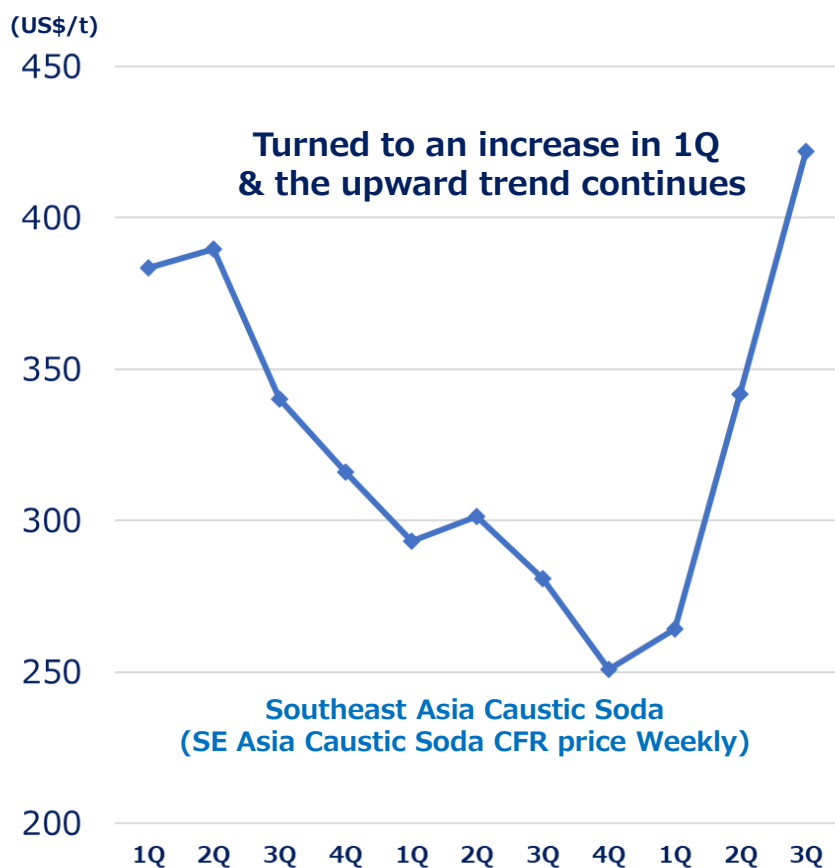




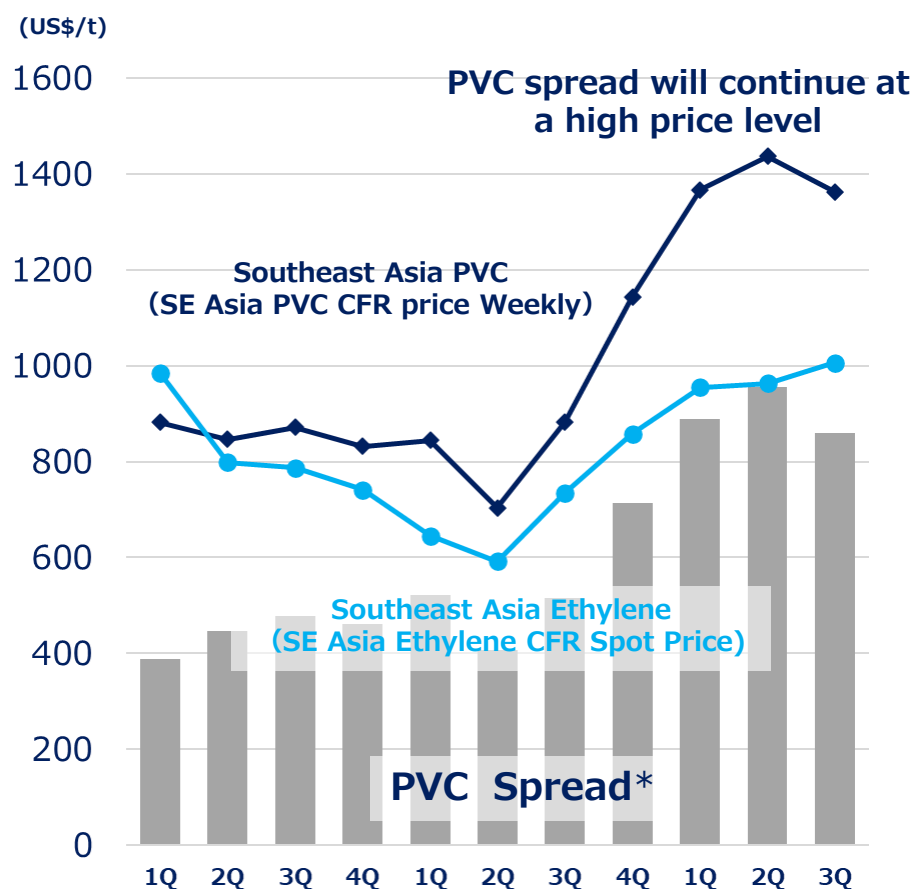
# (Reference) Caustic Soda & PVC markets in Southeast Asia

- The caustic soda market is continuing an upward trend due to further tightening of the supply-demand balance.
- The PVC market is at a high price level as the supply-demand balance remains tight.

## Caustic Soda



## PVC



Source: Bloomberg monthly report

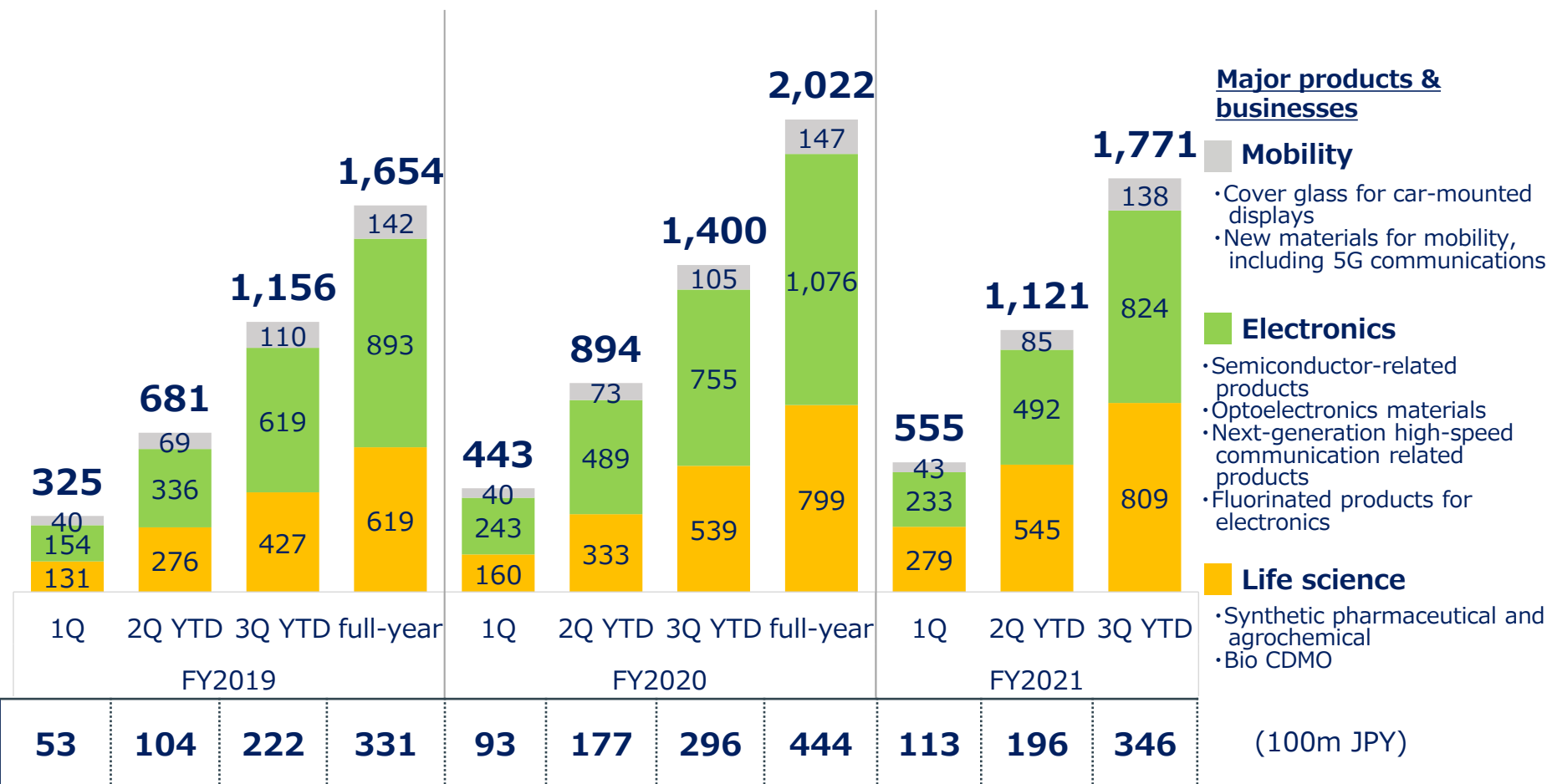
\*PVC ethylene spread calculation; PVC spot market price --(ethylene market price X 0.5)

# Profit contribution of Strategic Business

## Steady performance shown mainly in Life science and Electronics

100 million JPY

### Sales of Strategic business



#### Major products & businesses

- Mobility**
  - Cover glass for car-mounted displays
  - New materials for mobility, including 5G communications
- Electronics**
  - Semiconductor-related products
  - Optoelectronics materials
  - Next-generation high-speed communication related products
  - Fluorinated products for electronics
- Life science**
  - Synthetic pharmaceutical and agrochemical
  - Bio CDMO

(100m JPY)

# YoY Performance Comparison by Geographic Segment

	1-3Q Total		(100 million JPY)
	FY2020	<b>FY2021</b>	Change
<b>Net sales</b>	10,128	<b>12,335</b>	+ 2,207
Japan & Asia	6,771	<b>8,118</b>	+ 1,347
Americas	1,110	<b>1,316</b>	+ 206
Europe	2,247	<b>2,901</b>	+ 654
<b>Operating profit</b>	406	<b>1,484</b>	+ 1,078
Japan & Asia	661	<b>1,351</b>	+ 690
Americas	6	<b>99</b>	+ 93
Europe	4	<b>321</b>	+ 317
Cross-regional common expenses	▲ 265	▲ <b>287</b>	▲ 22

# Outlook for FY2021

- Significant increase is expected in net sales and operating profit thanks to recovery of businesses affected by the coronavirus pandemic & continued high PVC prices.

(100 million JPY)

	FY2020	FY2021e As of Aug 2, 2021	FY2021e As of Nov 1, 2021
<b>Net sales</b>	14,123	16,700	<b>16,900</b>
<b>Operating profit</b>	758	1,800	<b>2,000</b>
<b>Profit before tax</b>	571	1,870	<b>2,070</b>
<b>Profit for the year attributable to owners of the parent</b>	327	1,170	<b>1,290</b>
<b>Dividend (JPY/share)</b>	120	210	<b>210</b> (Ordinary 160) (Special 50)
<b>Operating profit margin</b>	5.4%	9.7%	11.8%
<b>ROE</b>	2.9%	7.4%	11.6%*
<b>FOREX (Average)</b>			
	<b>JPY/USD</b>	106.8	108.6
	<b>JPY/EUR</b>	121.8	129.5
<b>Crude Oil (Dubai, Average)</b>	<b>USD/BBL</b>	42.2	69.2
<b>Ethylene (CFR SEA)</b>	<b>USD/MT</b>	713	1,012

\* ROE of FY2021e is calculated using the figures of Profit for the year attributable to owners of the parent as of Dec 31, 2020

# Outlook of Net sales/Operating profit by segment

(100 million JPY)

	FY2020		FY2021e As of Nov 1		Change		FY2021e As of Aug 2		Change	
	(a)		(b)		(b)-(a)		(c)		(b)-(c)	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Glass	6,510	▲ 166	7,200	300	+ 690	+ 466	7,400	350	▲ 200	▲ 50
Electronics	2,894	378	3,200	350	+ 306	▲ 28	3,200	330	+ 0	+ 20
Chemicals	4,512	505	6,200	1,330	+ 1,688	+ 825	5,800	1,100	+ 400	+ 230
Ceramics/Other	811	42	800	20	▲ 11	▲ 22	800	20	+ 0	+ 0
Elimination	▲ 603	▲ 1	▲ 500	0	+ 103	+ 1	▲ 500	0	+ 0	+ 0
<b>Total</b>	<b>14,123</b>	<b>758</b>	<b>16,900</b>	<b>2,000</b>	<b>+ 2,777</b>	<b>+ 1,242</b>	<b>16,700</b>	<b>1,800</b>	<b>+ 200</b>	<b>+ 200</b>

## Outlook for FY2021 4Q

<p><b>Glass</b></p>	<p><b>(Architectural glass)</b></p> <ul style="list-style-type: none"> <li>• Strong performance is expected thanks to a good supply-demand balance will continue mainly in Europe.</li> <li>• Impacts of a fuel price hike will be a concern.</li> </ul> <p><b>(Automotive glass)</b></p> <ul style="list-style-type: none"> <li>• Global vehicle production will continue to be affected by the component supply shortages including semiconductor.</li> <li>• Impacts of a fuel price hike will be a concern.</li> </ul>
<p><b>Electronics</b></p>	<p><b>(Display)</b></p> <ul style="list-style-type: none"> <li>• Shipments of LCD glass substrates and specialty glass for display applications will remain strong.</li> <li>• Depreciation expense will increase due to the launch of new facility for LCD glass substrates.</li> </ul> <p><b>(Electronic materials)</b></p> <ul style="list-style-type: none"> <li>• Shipments of semiconductor-related materials will increase due to the expansion of the semiconductor and semiconductor production equipment market.</li> <li>• Shipments of optoelectronics materials will increase as the strong demand continues.</li> </ul>
<p><b>Chemicals</b></p>	<p><b>(Chlor-alkali/urethane)</b></p> <ul style="list-style-type: none"> <li>• The PVC market will remain at the high price level.</li> </ul> <p><b>(Fluorine/specialty chemicals)</b></p> <ul style="list-style-type: none"> <li>• Demand for automotive and aircraft applications will recover gradually.</li> </ul> <p><b>(Life science)</b></p> <ul style="list-style-type: none"> <li>• Business will remain strong with the capacity enhancement through M&amp;A and CAPEX, also thanks to contracts relating to anti-coronavirus vaccines.</li> </ul>

# Accelerating the Growth of Strategic Businesses

- No change from the announcement in Aug 2021
- Expected to make a steady growth

## Major products & businesses

### Mobility

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

### Electronics

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

### Life science

- Synthetic pharmaceutical and agrochemical
- Bio CDMO

## Sales of Strategic Businesses (100 million JPY)



\*Sales outlook of Strategic Business for FY2021 were revised upward at the time of the announcement for FY2021.1Q result.

\*\*Sales outlook of Strategic Business for FY2025 were revised upward at the time of the announcement for FY2021.2Q result.



# CAPEX, Depreciation and R&D

(100 million JPY)

Full year

	FY2020	FY2021e
<b>CAPEX</b>	2,413	<b>2,200*</b>
Glass	641	<b>480</b>
Electronics	807	<b>730</b>
Chemicals	952	<b>970</b>
Ceramics/Other	15	<b>20</b>
Elimination	▲ 2	<b>0</b>
<b>Depreciation</b>	1,437	<b>1,600</b>
Glass	510	<b>500</b>
Electronics	479	<b>600</b>
Chemicals	430	<b>480</b>
Ceramics/Other	19	<b>20</b>
Elimination	▲ 1	<b>0</b>
<b>R&amp;D</b>	464	<b>510**</b>

## Major projects for CAPEX

- G11 investment in China (Electronics)
- Repairment for display glass furnace (Electronics)
- Production facility enhancement for semiconductor-related products (Electronics)
- Acquisition of a cell and gene therapy manufacturing facility (Chemicals)
- Capacity enhancement for fluorochemicals (Chemicals)
- Capacity enhancement for PVC in Southeast Asia (Chemicals)
- Capacity enhancement for bio-pharmaceuticals (Chemicals)

etc.

\* Changed from the initial forecast of 200 billion yen (Initially, the Electronics Segment was 68 billion yen and the Chemicals Segment was 82 billion yen).

\*\* Changed from the initial forecast of 55 billion yen.

# Appendix

Risk factors	Impact on OP	Supplementary info
Exchange rate	<p><b><u>200 million yen*loss</u></b> if yen appreciated by 1%</p>	<p>*Impact when all currencies fluctuate at the same proportion against JPY</p>
Dubai crude oil	<p><b><u>300 million yen * loss</u></b> if increased by 1 dollar per barrel</p>	<p>*excluding impact of oil hedging</p>
Chemicals market	<p>1) Caustic soda: \$ <b><u>1 M loss</u></b> if the international market down by \$ 1</p> <p>2) PVC spread: \$ <b><u>1.2M loss</u></b>* if decreased by \$ 1</p>	<p>*PVC spread: PVC market - (ethylene market×0.5)</p>

# ROCE & EBITDA by Segment (as of the end of FY2020)

(100 million yen)

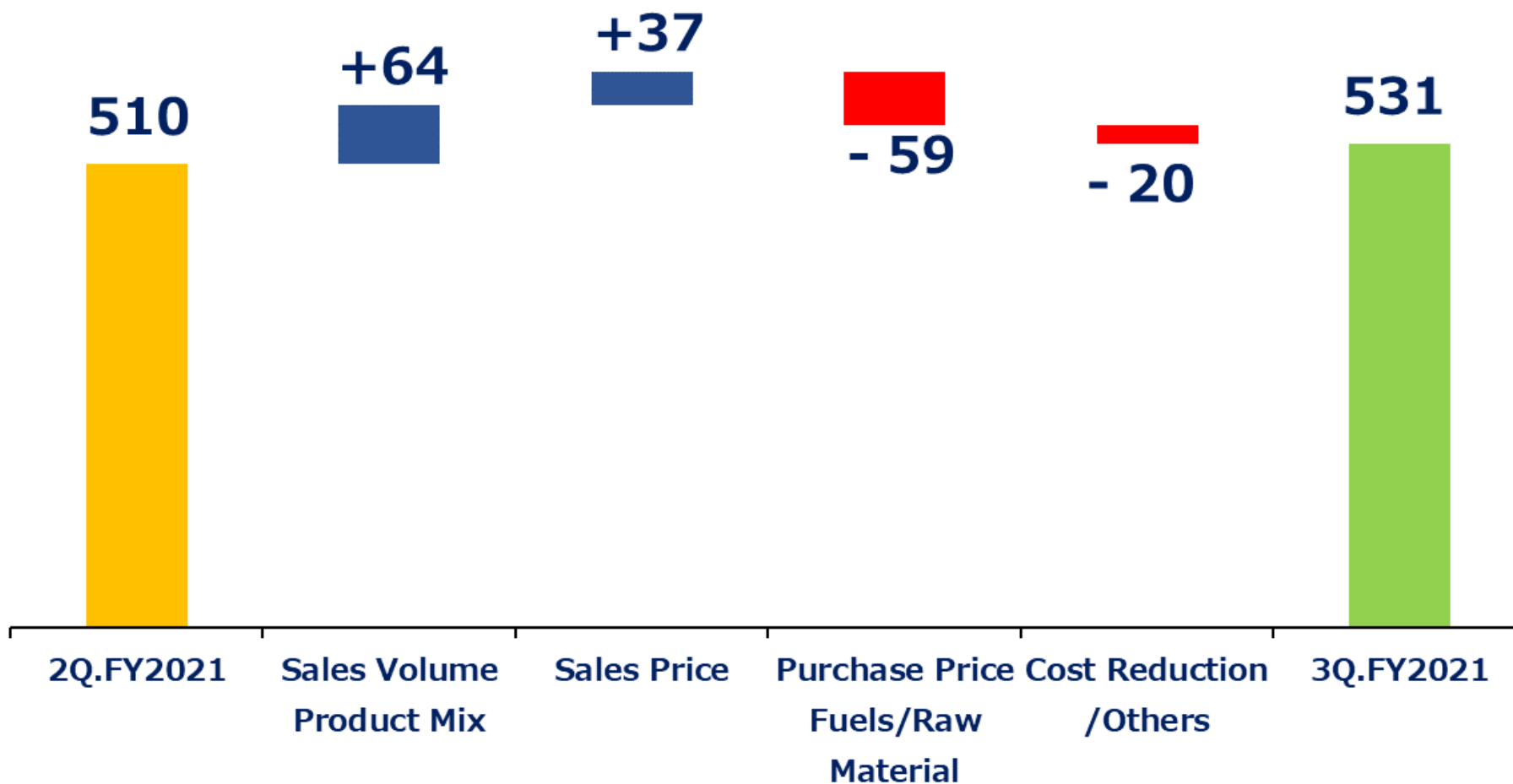
	Operating profit	EBITDA	ROCE※	Operating asset
<b>Glass</b>	▲ 166	344	-	6,400
<b>Electronics</b>	378	857	6.3%	6,000
<b>Chemicals</b>	505	935	8.9%	5,700
<b>Ceramics/Other</b>	42	62	14.1%	300
<b>Elimination</b>	▲1	▲2	-	-
<b>Total</b>	758	2,195	4.1%	18,400

※ROCE is calculated based on the operating assets at the end of FY2020.

# Variance Analysis on OP (3Q.FY2021 vs. 2Q.FY2021)

2.1 bn JPY up from last quarter

(100 million JPY)



# YoY Performance Comparison by Geographic Segment

(100 million JPY)

		Japan & Asia	Americas	Europe	Inter- segment	Total	
Glass	Architectural glass	<b>3 Q.FY2021</b>	<b>289</b>	<b>98</b>	<b>530</b>	-	<b>916</b>
		3 Q.FY2020	279	121	440	-	840
	Automotive glass	<b>3 Q.FY2021</b>	<b>445</b>	<b>151</b>	<b>213</b>	-	<b>808</b>
		3 Q.FY2020	455	168	246	-	869
		<b>3 Q.FY2021</b>	<b>733</b>	<b>248</b>	<b>743</b>	<b>5</b>	<b>1,729</b>
		3 Q.FY2020	734	290	686	7	1,717
Electronics	<b>3 Q.FY2021</b>	<b>714</b>	<b>74</b>	<b>4</b>	<b>24</b>	<b>816</b>	
	3 Q.FY2020	643	60	2	10	715	
Chemicals	<b>3 Q.FY2021</b>	<b>1,331</b>	<b>98</b>	<b>194</b>	<b>3</b>	<b>1,626</b>	
	3 Q.FY2020	884	78	125	3	1,091	
Ceramics/Other	<b>3 Q.FY2021</b>	<b>82</b>	-	-	<b>111</b>	<b>194</b>	
	3 Q.FY2020	79	-	-	115	195	
Elimination	<b>3 Q.FY2021</b>	-	-	-	<b>▲ 143</b>	<b>▲ 143</b>	
	3 Q.FY2020	-	-	-	▲ 135	▲ 135	
Total Net Sales	<b>3 Q.FY2021</b>	<b>2,861</b>	<b>421</b>	<b>940</b>	-	<b>4,222</b>	
	3 Q.FY2020	2,340	428	814	-	3,582	

# YoY Performance Comparison by Geographic Segment

(100 million JPY)

		Japan & Asia	Americas	Europe	Inter- segment	Total	
Glass	Architectural glass	<b>1-3Q.FY2021</b>	<b>855</b>	<b>378</b>	<b>1,566</b>	-	<b>2,799</b>
		1-3Q.FY2020	822	318	1,207	-	2,348
	Automotive glass	<b>1-3Q.FY2021</b>	<b>1,448</b>	<b>449</b>	<b>734</b>	-	<b>2,630</b>
		1-3Q.FY2020	1,251	396	646	-	2,293
		<b>1-3Q.FY2021</b>	<b>2,303</b>	<b>827</b>	<b>2,300</b>	<b>17</b>	<b>5,447</b>
		1-3Q.FY2020	2,073	714	1,853	19	4,659
	Electronics	<b>1-3Q.FY2021</b>	<b>1,968</b>	<b>191</b>	<b>9</b>	<b>63</b>	<b>2,231</b>
		1-3Q.FY2020	1,883	166	8	45	2,101
	Chemicals	<b>1-3Q.FY2021</b>	<b>3,607</b>	<b>298</b>	<b>593</b>	<b>10</b>	<b>4,508</b>
		1-3Q.FY2020	2,588	231	386	11	3,216
Ceramics/Other	<b>1-3Q.FY2021</b>	<b>240</b>	-	-	<b>321</b>	<b>561</b>	
	1-3Q.FY2020	227	-	-	350	577	
Elimination	<b>1-3Q.FY2021</b>	-	-	-	<b>▲ 411</b>	<b>▲ 411</b>	
	1-3Q.FY2020	-	-	-	▲ 424	▲ 424	
Total Net Sales	<b>1-3Q.FY2021</b>	<b>8,118</b>	<b>1,316</b>	<b>2,901</b>	-	<b>12,335</b>	
	1-3Q.FY2020	6,771	1,110	2,247	-	10,128	

(100 million JPY)

<b>Glass</b>	3Q.19	4Q.19	1Q.20	2Q.20	3Q.20	4Q.20	1Q.21	2Q.21	3Q.21
<b>Net Sales</b>	1,840	1,837	1,693	1,249	1,717	1,851	1,806	1,912	1,729
Architectural Glass	875	905	801	706	840	901	891	991	916
Automotive Glass	963	923	889	534	869	943	908	915	808
(Inter Segment)	3	9	3	8	7	7	7	6	5
<b>Operating profit</b>	23	▲ 4	▲ 26	▲ 182	▲ 12	53	97	106	50

<b>Electronics</b>	3Q.19	4Q.19	1Q.20	2Q.20	3Q.20	4Q.20	1Q.21	2Q.21	3Q.21
<b>Net Sales</b>	761	760	692	693	715	792	710	705	816
Display	449	460	433	433	448	458	461	429	474
Electronic Materials	283	276	238	247	257	316	230	257	318
(Inter Segment)	28	24	22	13	10	19	19	20	24
<b>Operating profit</b>	109	87	89	85	99	106	86	54	105

<b>Chemicals</b>	3Q.19	4Q.19	1Q.20	2Q.20	3Q.20	4Q.20	1Q.21	2Q.21	3Q.21
<b>Net Sales</b>	1,197	1,275	1,142	983	1,091	1,296	1,373	1,508	1,626
Chlor-alkali & Urethane	745	768	695	559	632	755	822	940	1030
Fluorochemicals & Specialty	302	311	283	247	250	278	269	299	329
Life science	147	193	160	173	207	260	279	265	265
(Inter Segment)	4	3	4	5	3	3	3	4	3
<b>Operating profit</b>	177	191	151	75	98	180	255	340	365



1

## Strength of market structure

- Against the background of the high economic growth rate in Southeast Asia, the PVC demand in the region grows at 5%\* per year.
- The market where rising raw material (ethylene) prices can be reflected in vinyl chloride resin prices
- There is no plan to enhance large-scale electrolysis facility by other companies, because it requires the selling of both caustic soda and chlorine that are produced in the electrolysis process.

2

## Overwhelming market position & robust customer base

- In the region, AGC has over 50% share for both caustic soda and PVC.
- AGC has built solid sales and distribution networks as it started the business in Thailand in the 1960s and Indonesia in the 1980s.
- AGC has achieved customer trust by leveraging the highest production capacity in the region and ensuring a stable supply based on its advanced production technologies.

3

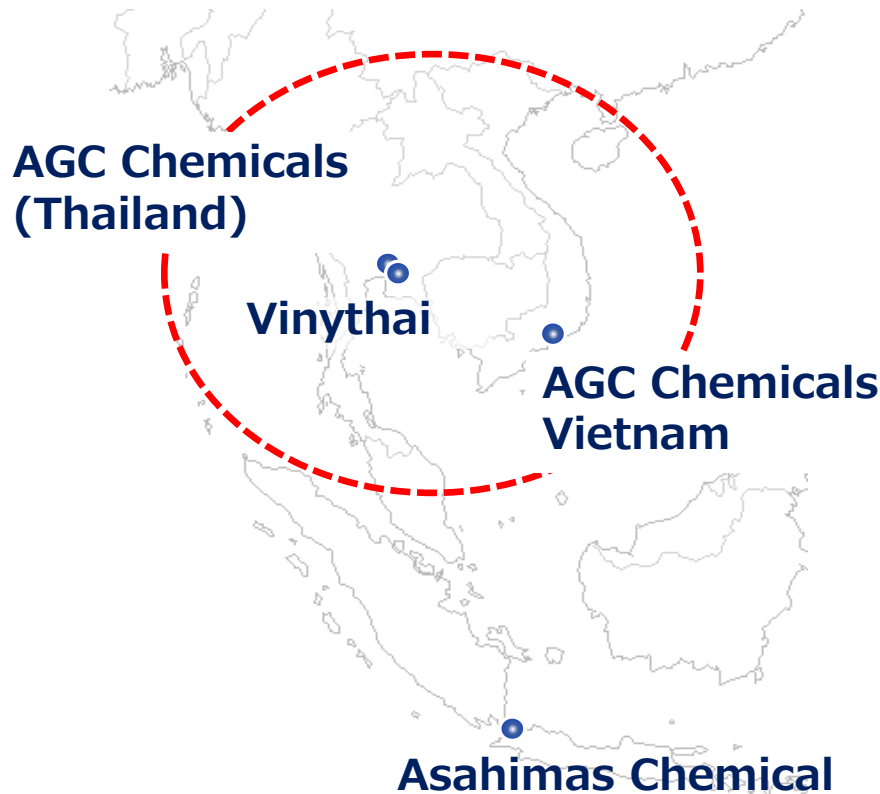
## Competitiveness in the region

- Stable production is ensured as AGC has established the operation technologies accumulated through the integrated production from the electrolysis to PVC.
- Optimal production in the region can be achieved using the production bases in Indonesia, Thailand and Vietnam.
- Enhanced partnership with PTTGC, a leading ethylene manufacturer.

**High profitability and growth over the medium to long-term can be maintained.**

- Further strengthen the market position of AGC's chlor-alkali business in Southeast Asia through realignment/integration of the manufacturing sites in Indochina.
- Leverage such a strong market presence to capture the market growth.

## Realignment/integration of the region

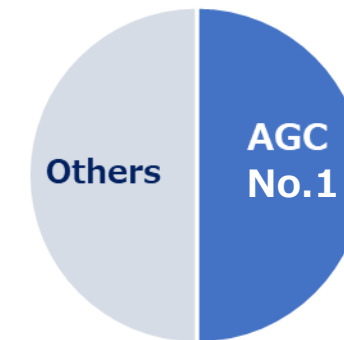


## Capacity-based market share\*

### Caustic Soda



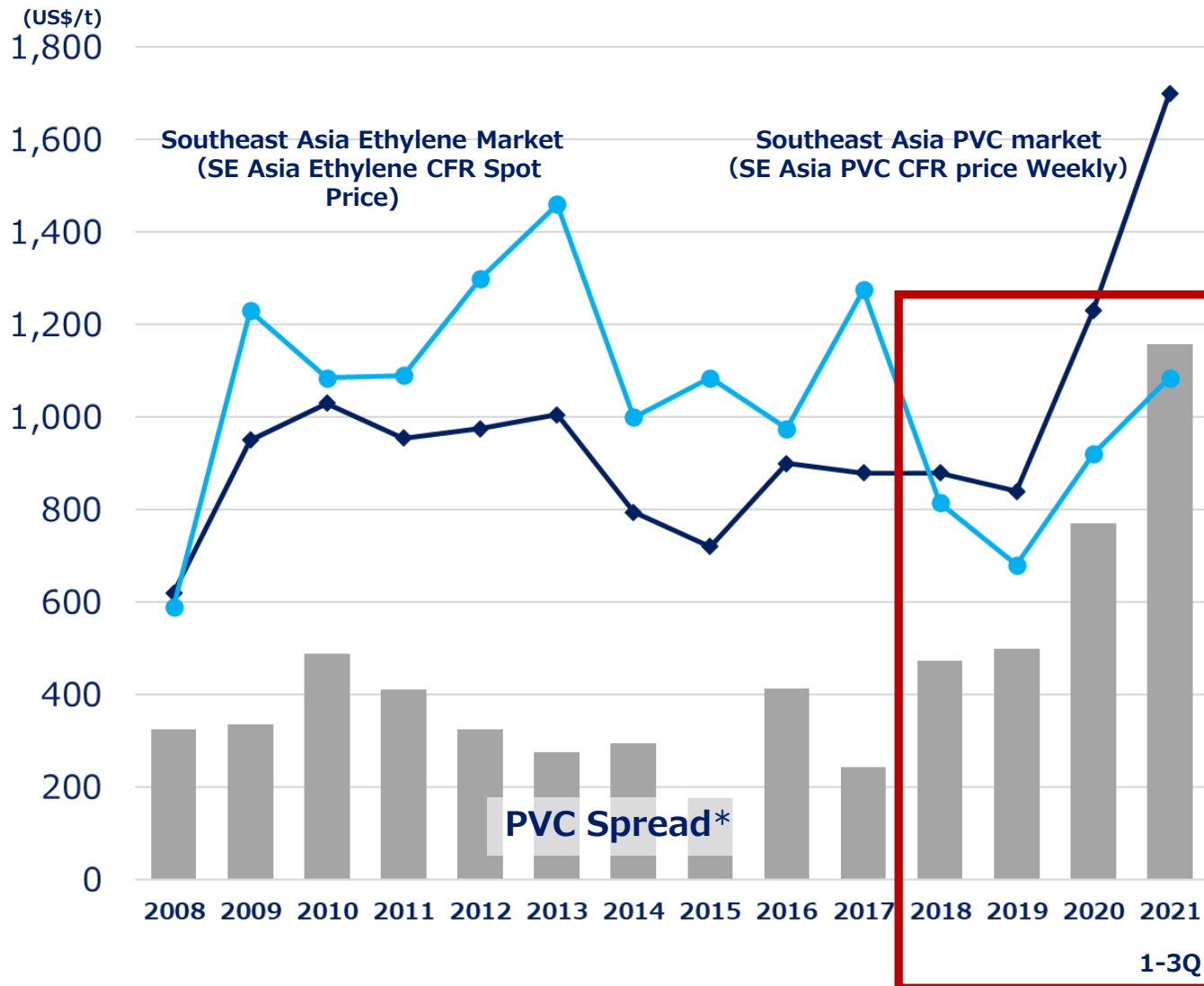
### PVC



\* Production capacity based share: Caustic Soda doesn't include and PVC includes Australia/NZ.

# (Reference) Southeast Asia PVC Market

- Expanding since 2018, PVC spread keeps at a high level.



## Trend of shipment and price

				2020				2021			
				1Q	2Q	3Q	4Q	1Q	2Q	3Q	
<b>YoY comparison</b>											
Glass	Architectural (AGC)	Japan & Asia	shipment	-low single-digit	-high single-digit	+mid single-digit	+low single-digit	+10%	+low 10% range	-mid single-digit	
			price (Japan)	+low single-digit	+mid single-digit	+low single-digit	+low single-digit	flat	flat	flat	
		North America	shipment	-high single-digit	-low 20% range	+low single-digit	+low 10% range	+mid 10% range	+mid 30% range	-	
			price	-high single-digit	-mid single-digit	-mid single-digit	-mid single-digit	+low single-digit	+low 10% range	-	
	Europe	shipment	flat	-low 20% range	+low single-digit	-mid single-digit	+low single-digit	+high 20% range	+mid single-digit		
		price	-low 10% range	-mid 20% range	-high 10% range	-low single-digit	+high single-digit	+high 30% range	+high 30% range		
	Automobile production* <sup>1</sup>	Japan	volume	-7%	-48%	-12%	+4%	-5%	+54%	-19%	
		North America	volume	-11%	-68%	+0%	+0%	-4%	+132%	-23%	
		Europe & Russia	volume	-17%	-60%	-7%	+1%	+1%	+84%	-21%	
Electronics	Display panel demand* <sup>2</sup>	Global	area	-0%	+5%	+12%	+7%	+17%	+10%	-3%	
<b>Spot market price</b>											
Chemicals	Chlor-alkali (Southeast Asia)	Caustic soda* <sup>3</sup>	price	USD/MT	290	290	275	266	264	342	422
		PVC* <sup>3</sup>	price	USD/MT	805	790	970	1,230	1,367	1,437	1,363
		Ethylene* <sup>3</sup>	price	USD/MT	500	800	805	920	955	963	1,007

\*<sup>1</sup> Source : IHS Markit data as of September 16, 2021.

\*<sup>2</sup> Source : Omdia-Display Long-Term Demand Forecast Tracker – 2Q21 Pivot  
Results are not an endorsement of AGC Inc. Any reliance on these results is at the third-party's own risk.

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

		IFRS				
		16/12	17/12	18/12	19/12	20/12
Net sales	Million JPY	1,282,570	1,463,532	1,522,904	1,518,039	1,412,306
Operating profit	Million JPY	96,292	119,646	120,555	101,624	75,780
OP margin	%	7.5	8.2	7.9	6.7	5.4
Attributable to owners of the parent	Million JPY	47,438	69,225	89,593	44,434	32,715
Return on equity (ROE) *1	%	4.3%	6.1%	7.7%	3.9%	2.9
Return on assets (ROA) *2	%	4.8%	5.7%	5.4%	4.4%	3.1
Equity ratio	%	55%	53%	51%	50%	44
D/E (Interest-bearing debts • Net assets)	times	0.37	0.38	0.43	0.47	0.63
CF from Operating Activities/Interest-bearing debt	times	0.47	0.42	0.35	0.32	0.29
Earnings per share(EPS) *3	JPY	205.14	302.12	399.51	200.85	147.84
Cash dividends per share	JPY	90	105	115	120	120
EBITDA *4	Million JPY	195,767	249,880	259,425	231,857	208,459
Exchange rates (average)	JPY/USD	108.84	112.19	110.43	109.05	106.82
	JPY/EUR	120.33	126.66	130.42	122.07	121.81

\*1 Profit for the year attributable to owners of the parent/Total equity attributable to owners of the parent(average)

\*2 Operating profit/Total assets(average)

\*3 Earnings per share is adjusted to reflect the 5 into 1 share consolidation implemented on July 2017.

\*4 EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) = Profit before taxes + Depreciation + Interest expenses

For other financial indicators, please see here. [https://www.agc.com/ir/pdf/data\\_all.pdf](https://www.agc.com/ir/pdf/data_all.pdf)

# Sustainability: Products and technologies to create social value

## Material opportunities

## AGC Group's materials and solutions

## Social value

## Related SDGs

Addressing climate change

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

Contributing to the realization of a sustainable global environment



Effective use of resources

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

Developing social infrastructure

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

Contributing to the realization of safe and comfortable urban infrastructure



Achieving a safe and comfortable mobility

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

Building an info-intensive and IoT society

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

Contributing to the realization of safe and healthy lifestyles



Addressing food crises

Agrochemical active ingredients/intermediates, film for agricultural green houses

Facilitating better health and longevity

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

# Sustainability: Create social value through healthy corporate activities

## Material risks

## AGC Group corporate activities

Addressing climate change

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

Effective use of resources

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

Creating a socially and environmental-conscious supply chain

Supplier selection based on respect for human rights/environmental protection

Ensuring fair and equal employment and workplace safety

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

Considering relationships with local communities and the environment

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

## Social value

## Related SDGs

Contributing to the realization of a sustainable global environment



Contributing to the maintenance of a healthy and secure society

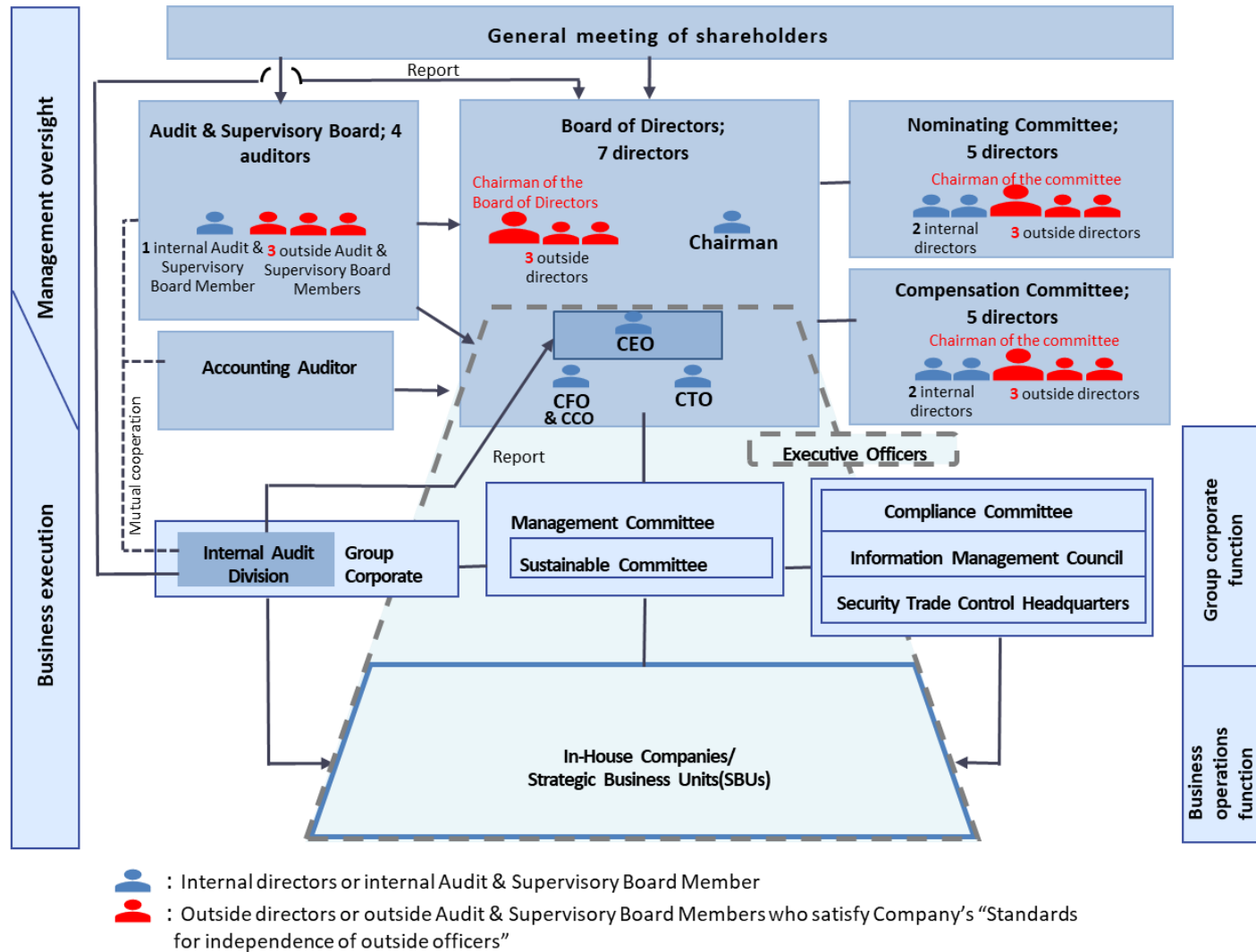


Contributing to the creation of fair and safe workplaces



# AGC's Corporate Governance Structure

< Effective as of March 30, 2021 >





## FTSE4Good Index Series



FTSE4Good

## FTSE Blossom Japan Index



FTSE Blossom  
Japan

## Nadeshiko Brand

as a company that excels in promoting the advancement of women



## NIKKEI Smart Work Awards 2021 Special Jury Prize



## “White 500” Company

in recognition of initiatives to promote strategic health management for its employees



## EcoVadis Supplier Evaluations

PLATINUM rated for the Kashima plant

GOLD rated for the Chiba plant and AGC Pharma Chemicals

SILVER rated for the AGC Biologics' Copenhagen



## Derwent Top 100 Global Innovator 2021

## Noteworthy DX Company for 2021

in recognition of digital transformation efforts

# Major Press Release in FY2021

Date	Summary
January 14	Notice regarding Termination of Discussions with Central Glass Co., Ltd. on Integration of Architectural Glass Business in Japan
January 26	DOCOMO and AGC Use Metasurface Lens to Enhance Radio Signal Reception Indoors
February 5	AGC Formulates New Management Policy, Long-term Strategy, and Medium-term Management Plan
February 16	AGC Chiba Plant Introduces Private LTE Network in Preparation for Introducing 5G Network
March 3	AGC Biologics to Expand Gene and Cell Therapy CDMO Capacity at its Milan Site
March 19	AGC to Integrate and Reorganize the 3 Chlor-Alkali Companies in Thailand and CLMV Markets
April 12	AGC to Implement Organizational Reform of its Architectural Glass Business
April 26	AGC Develops "Smart Inventory System" for Automated Management of Raw Materials
May 25	Alteryx Data Analysis Platform to be Deployed to AGC's Chemical Plants
June 8	AGC Biologics' Heidelberg Facility to Further Supply Plasmid DNA for COVID-19 Vaccine
July 2	AGC Biologics Enters Agreement to Acquire Facility in Longmont, Colorado, U.S.
July 15	AGC to Revise Pricing for Architectural Glass Products in Japan
August 3	Notice regarding Closing of Transfer of Architectural Glass Business in North America
September 14	AGC Biologics to Build New Messenger RNA Capacity at its Heidelberg Facility
September 30	ISO Publishes Technical Specification for ZEB Promotion Formulated by JASE-W, in which AGC Participates



Your Dreams, Our Challenge

**END**

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