

February 8, 2022

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## Consolidated Financial Results for the Fiscal Year ended December 31, 2021 (IFRS basis)

(Fractions less than one million yen are rounded off.)

### 1. Financial Results for FY2021 (January 1 through December 31, 2021)

#### (1) Consolidated Operating Results

(Percentage figures show year-on-year changes.)

	FY2021 (Jan. through Dec. 2021)		FY2020 (Jan. through Dec. 2020)	
	millions of yen	%	millions of yen	%
Net sales	1,697,383	20.2	1,412,306	(7.0)
Operating profit	206,168	172.1	75,780	(25.4)
Profit before tax	210,045	267.7	57,121	(25.0)
Profit for the year	159,062	286.4	41,164	(25.9)
Profit for the year attributable to owners of the parent	123,840	278.5	32,715	(26.4)
Total comprehensive income for the year	275,401	-	(3,314)	-
Basic earnings per share (yen)	559.11		147.84	
Diluted earnings per share (yen)	557.10		147.24	
Profit ratio to equity attributable to owners of the parent (%)	10.2		2.9	
Ratio of profit for the year to total assets (%)	7.9		2.3	
Ratio of operating profit to net sales (%)	12.1		5.4	

Reference: Share of profit of associates and joint ventures accounted for using equity method -FY2021; 2,292 million yen -FY2020; 584million yen

#### (2) Consolidated Financial Position

	FY2021 (as of December 31, 2021)	FY2020 (as of December 31, 2020)
Total assets (millions of yen)	2,666,031	2,534,458
Total equity (millions of yen)	1,481,380	1,243,039
Equity attributable to owners of the parent (millions of yen)	1,314,161	1,115,142
Equity attributable to owners of the parent ratio (%)	49.3	44.0
Equity attributable to owners of the parent per share (yen)	5,930.27	5,038.52

### (3) Consolidated Cash Flows

	FY2021 (Jan. through Dec. 2021)	FY2020 (Jan. through Dec. 2020)
Cash flows from operating activities (millions of yen)	326,713	225,392
Cash flows from investing activities (millions of yen)	(123,787)	(230,248)
Cash flows from financing activities (millions of yen)	(252,259)	128,443
Cash and cash equivalents at the end of the year (millions of yen)	195,830	236,124

### 2. Dividends

	(Base date)	FY2020	FY2021	FY2022(forecast)
Dividend per share	End of the first quarter (yen)	-	-	-
	End of the second quarter (yen)	60.00	80.00	105.00
	End of the third quarter (yen)	-	-	-
	End of the fiscal year (yen)	60.00	130.00	105.00
	Full fiscal year (yen)	120.00	210.00	210.00
Total dividend distribution (full fiscal year) (millions of yen)		26,594	46,597	-
Payout ratio (consolidated) (%)		81.2	37.6	40.5
Ratio of dividend distribution to equity attributable to owners of the parent (consolidated) (%)		2.3	3.8	-

### 3. Forecast for FY2022 (January 1 through December 31, 2022)

(Percentage figures show year-on-year changes.)

	First half		Full fiscal year	
	millions of yen	%	millions of yen	%
Net sales	870,000	7.2	1,800,000	6.0
Operating profit	95,000	(0.2)	210,000	1.9
Profit before tax	-	-	197,000	(6.2)
Profit for the year	-	-	143,000	(10.1)
Profit for the year attributable to owners of the parent	-	-	115,000	(7.1)
Basic earnings per share (yen)	-		518.95	

(Note) The forecast for the six months ending June 30, 2022 consists of forecast net sales and operating profit only.

**\*Notes**

(1) Changes in significant subsidiaries during the period: No

(2) Changes in Accounting Policies and Changes in Accounting Estimates

- i. Changes in accounting policies required by IFRS: Yes
- ii. Changes in accounting policies other than "i" above: No
- iii. Changes in accounting estimates: Yes

(Note) For details, please refer to "(5) Notes to the Consolidated Financial Statements, 2) Changes in Accounting Policies" on page 17.

(3) Number of Shares Issued (ordinary shares)

i. Number of shares issued (including treasury shares) at the end of the period	
-FY2021 (as of December 31, 2021):	227,441,381
-FY2020 (as of December 31, 2020):	227,441,381
ii. Number of treasury shares at the end of the period	
-FY2021 (as of December 31, 2021):	5,517,627
-FY2020 (as of December 31, 2020):	5,813,165
iii. Average number of shares issued during the period	
-FY2021 (Jan. through Dec. 2021):	221,496,884
-FY2020 (Jan. through Dec. 2020):	221,297,751

[Reference]

(1) Non-Consolidated Operating Results

(Percentage figures show year-on-year changes.)

	FY2021 (Jan. through Dec. 2021)		FY2020 (Jan. through Dec. 2020)	
	millions of yen	%	millions of yen	%
Net sales	566,777	12.2	505,041	(2.3)
Operating income	26,555	-	(120)	-
Ordinary income	124,006	199.9	41,345	(75.6)
Net income	117,246	-	(39,748)	-
Net income per share -basic (yen)	529.34		(179.61)	
Net income per share -fully diluted (yen)	527.43		-	

(Note) Net income per share-fully diluted(yen) for FY2020 is not shown because the Company posted a net loss per share.

(2) Non-Consolidated Financial Position

	FY2021 (as of December 31, 2021)	FY2020 (as of December 31, 2020)
Total assets (millions of yen)	1,363,848	1,452,293
Total net assets (millions of yen)	757,892	681,320
Equity ratio (%)	55.5	46.8
Equity per share (yen)	3,413.15	3,068.94

Reference: Total Shareholders' Equity at -FY2021; 756,360 million yen  
-FY2020; 679,227 million yen

<Reasons in Differences in Non-Consolidated Operating Results from the Previous Fiscal Year>

In the fiscal year ended December 31, 2021, the Company's net sales and operating income exceeded those of the previous fiscal year due to increased shipments in each segment compared to the previous fiscal year. Ordinary income and net income also exceeded the results in the previous fiscal year due to loss on valuation of shares of subsidiaries recorded in the previous fiscal year and an increase in dividends received from subsidiaries from the previous fiscal year.

\*This consolidated financial statement is outside the scope of annual audit procedure by an auditing firm.

\*Appropriate Use of Forecast and Other Information and Other Matters

(Notes with regard to the forecast)

The above forecast is based on information available to the Company at the time of publication of this document and assumptions concerning uncertainties which might affect the AGC Group's future financial results. It is not intended to be a guarantee of future events, and may differ from actual results for various reasons. For matters concerning the above forecast, please see page 7.

(Supplementary Materials for the Financial Results

Supplementary materials(Financial Results for FY2021)will be published on TD-net for viewing in Japan, and on our website.

**(Attached Documents)**

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## Qualitative Information and Financial Statements

### 1. Operating Results

#### (1) Analysis of Operating Results

##### **Operating results for FY2021**

The AGC Group formulated the long-term management strategy Vision 2030 in February 2021. Under the strategy, the Group aims to create sustainable economic and social value by transforming our business portfolio with both core businesses, which form a solid and long-term stable earnings base, and strategic businesses, which are high-growth fields, playing an integral role. To ensure the realization of the long-term management strategy Vision 2030, the Group formulated a medium-term management plan AGC plus-2023 covering the period from January 1, 2021 to December 31, 2023. The key strategies under the plan are further pursuit of ambidextrous management to deepen core businesses and explore strategic businesses, promotion of sustainability management, and gaining competitiveness by accelerating digital transformation.

During the fiscal year ended December 31, 2021 (January 1, 2021 to December 31, 2021), the first year of the plan, in the Life Sciences business, which is positioned as a strategic business, the AGC Group decided to expand gene and cell therapy CDMO at its Italian site and to increase CDMO production capacity for synthetic agrochemicals and pharmaceuticals at a site in Japan. The Group also acquired a gene and cell therapy facility in the U.S. In core businesses, the Group decided to integrate and reorganize three chlor-alkali companies on the Indochina peninsula with the aim of strengthening the chlor-alkali business base in Southeast Asia and completed the transfer of the architectural glass business in North America, steadily implementing the transformation to an optimal business portfolio.

During the fiscal year ended December 31, 2021, the global economy surrounding the AGC Group was affected by the COVID-19 pandemic. From around July, supply chains were affected due to the resurgence of infections in some regions such as Southeast Asia, but there were signs of recovery overall from around November. Nevertheless, the global economic growth rate slowed in the second half of 2021 as a result of the resurgence of infections caused by new variants of the virus, the impact on supply chains from shortages of semiconductors and other components, and rising prices for raw materials and fuel, including natural gas and crude oil.

In this business environment, in core businesses, in the chlor-alkali product and urethane product category, selling prices of vinyl chloride resin and other products increased in Southeast Asia. In the architectural glass business, despite the impact from rising natural gas prices, selling prices increased, primarily in Europe, and shipments also rose. In the automotive glass business, despite the impact from semiconductor shortages and other factors, shipments rose compared with the previous year when they fell significantly, affected by the COVID-19 pandemic. In strategic businesses, shipments of life science products, optoelectronics materials, and semiconductor-related products increased, and business performance expanded steadily.

As a result, the AGC Group posted net sales of 1697.4 billion yen, up 285.1 billion yen, or a 20.2% increase, from the previous fiscal year. Operating profit increased by 130.4 billion yen, or a 172.1% increase, from the previous fiscal year to 206.2 billion yen. Profit before tax increased by 152.9 billion yen, or a 267.7% increase, from the previous fiscal year to 210.0 billion yen. This was because in addition to the increase in operating profit, the Group recorded a gain on the transfer of the architectural glass business in North America, despite the recording of impairment losses on fixed assets in the automotive glass business and the printed circuit board materials business in Europe. Profit for the year attributable to owners of the parent increased by 91.1 billion yen, or a 278.5% increase, from the previous fiscal year to 123.8 billion yen.

As the Group achieved the financial targets in the medium-term management plan ahead of schedule in the fiscal year ended December 31, 2021, the first year of the plan, the targets have now been revised upward. The Group will continue to steadily implement the strategies formulated in AGC plus -2023 and aim to achieve the new financial targets.

##### **Overview by reportable segment**

(Unit: billions of yen)

	Net sales		Operating profit	
	FY2021	FY2020	FY2021	FY2020
Glass	734.3	651.0	27.7	(16.6)
Electronics	312.0	289.4	36.4	37.8
Chemicals	630.8	451.2	138.8	50.5
Ceramics/Other	79.4	81.1	3.5	4.2

	Net sales		Operating profit	
	FY2021	FY2020	FY2021	FY2020
Corporate or elimination	(59.1)	(60.3)	(0.2)	(0.1)
Total	1697.4	1,412.3	206.2	75.8

Note: Figures are rounded to the nearest 100 million yen.

#### - Glass

Shipments of architectural glass increased due to trend of recovery from the impact of the COVID-19 pandemic, mainly in Europe and Indonesia. Selling prices also increased significantly in Europe and South America. Although the Group transferred the architectural glass business in North America in August 2021, the foregoing factors underlying the increase in sales exceeded the amount of decrease in sales due to the business transfer, and sales of architectural glass increased compared to the previous fiscal year.

In the automotive glass business, despite the impact from shortages of semiconductors and other components on automotive production, the Group's sales rose compared with the previous year when shipments fell significantly, affected by the COVID-19 pandemic.

As a result, net sales of the Glass Operations for the fiscal year were 734.3 billion yen, an increase of 83.3 billion yen, or a 12.8% increase, from the previous fiscal year owing to the foregoing factors underlying the increase in sales in addition to the effect of appreciation in the value of the Euro. Operating profit was 27.7 billion yen, an increase of 44.3 billion yen, from the previous fiscal year, owing to the foregoing factors underlying the increase in sales and the decrease in manufacturing costs due to improvement in the up-time ratio at production facilities.

#### - Electronics

In the display business, although shipments of LCD glass substrates decreased, shipments of specialty glass for display applications increased. As a result, sales increased from the previous fiscal year. Regarding electronic materials, while the Group's shipments of printed circuit board materials decreased owing to the impact of U.S.-China trade friction, shipments of semiconductor-related products, such as mask blanks for EUV exposure, and optoelectronics materials increased. Consequently, sales in the electronic materials category increased from the previous fiscal year.

As a result, net sales from Electronics Operations for the fiscal year were 312.0 billion yen, up 22.7 billion yen, or a 7.8% increase, from the previous fiscal year. Operating profit was 36.4 billion yen, down 1.4 billion, or a 3.8% decrease from the previous fiscal year, owing to the increase in depreciation associated with the start-up of new facilities for LCD glass substrates and semiconductor-related products despite the foregoing factors underlying the increase in sales

#### - Chemicals

Sales of chlor-alkali and urethane products increased from the previous fiscal year as selling prices for vinyl chloride resin and caustic soda rose. In the categories of fluorochemicals and specialty, sales increased from the previous fiscal year because of the recovery in shipments of fluorine-related products for use in automobiles, which had been sluggish due to the COVID-19 pandemic, and the signs of a trend of recovery in shipments of fluorine-related products for use in aircraft from the third quarter of the fiscal year. In the life science category, sales increased from the previous fiscal year due to an increase in the number of contracts for biopharmaceuticals, including COVID-19-related products, in addition to an increase in the number of contracts for synthetic agrochemicals and pharmaceuticals.

As a result, net sales of Chemicals Operations for the fiscal year were 630.8 billion yen, up 179.6 billion yen, or a 39.8% increase, from the previous fiscal year. Operating profit was 138.8 billion yen, up 88.3 billion yen, or a 174.9% increase, from the previous fiscal year.

The main products of each reportable segment are as follows.

Reportable segment	Main products
Glass	Float flat glass, Figured glass, Polished wired glass, Low-E glass, Decorative glass, Fabricated glass for architectural use (Heat Insulating/shielding glass, Disaster-resistant/Security glass, Fire-resistant glass, etc.), Automotive glass, Cover glass for car-mounted displays, etc.

Reportable segment	Main products
Electronics	LCD glass substrates, OLED glass substrates, Specialty glass for display applications, Display related materials, Glass for solar power system, Fabricated glass for industrial use, Semiconductor process materials, Optoelectronic materials, Printed circuit board materials, Lighting glass products, Laboratory use ware, etc.
Chemicals	Polyvinyl chloride, Vinyl chloride monomer, Caustic soda, Urethane, Fluorinated resins, Water and oil repellents, Gases, Solvents, Pharmaceutical and agrochemical intermediates and active ingredients, Iodine-related products, etc.

In addition to the above products, the AGC Group also handles ceramics products, logistics/financial services, etc.



## (2) Qualitative Information Regarding Consolidated Financial Position

**Overview of financial conditions**

(Unit: billions of yen)

	FY2021	FY2020	Change
Total assets	2,666.0	2,534.5	131.6
Total liabilities	1,184.7	1,291.4	(106.8)
Total equity	1,481.4	1,243.0	238.3

Note: Figures are rounded to the nearest 100 million yen.

## - Total assets

Total assets as of the end of the fiscal year under review were 2,666.0 billion yen, up 131.6 billion yen from the end of the previous fiscal year. This increase was mainly due to an increase in inventories and property, plant and equipment.

## - Total liabilities

Total liabilities as of the end of the fiscal year under review were 1,184.7 billion yen, down 106.8 billion yen from the end of the previous fiscal year. This decrease was mainly due to a decrease in interest-bearing debt.

## - Total equity

Total equity as of the end of the fiscal year under review was 1,481.4 billion yen, up 238.3 billion yen from the end of the previous fiscal year. This increase was mainly because of greater retained earnings resulting from net profit.

**Overview of cash flows**

(Unit: billions of yen)

	FY2021	FY2020	Change
Cash flows from operating activities	326.7	225.4	101.3
Cash flows from investing activities	(123.8)	(230.2)	106.5
Cash flows from financing activities	(252.3)	128.4	(380.7)
Cash & cash equivalents as of end of period	195.8	236.1	(40.3)

Note: Figures are rounded to the nearest 100 million yen.

The free cash flow for the fiscal year under review, which is the sum of cash flows from operating activities and investing activities, was positive 202.9 billion yen ( negative 4.9 billion yen in the previous year) mainly due to an increase in profit before tax and proceeds from sale of other financial assets. Cash & cash equivalents as of the end of the period (net cash) decreased 40.3 billion yen or 17.1% from the end of the previous year to 195.8 billion yen mainly due to repayment of long-term interest-bearing debt and payment of dividends in financing activities.

## - Cash flows from operating activities

Net cash from operating activities for the fiscal year under review was 326.7 billion yen, up 101.3 billion yen or 45.0% from the previous year.

## - Cash flows from investing activities

Net cash used in investing activities for the fiscal year under review was 123.8 billion yen, down 106.5 billion yen or 46.2% from the previous year. This expenditure was mainly due to purchase of property, plant and equipment.

## - Cash flows from financing activities

Net cash used in financing activities for the fiscal year under review was 252.3 billion yen (revenue of 128.4 billion yen in the previous year). This expenditure was mainly due to repayment of long-term interest-bearing debt and payment of dividends.

- Cash flow indices

	FY2020	FY2021
Equity attributable to owners of the parent ratio (%)	44.0	49.3
Equity attributable to owners of the parent ratio based on market value (%)	31.5	45.7
Number of years for debt redemption	3.5	1.8
Interest coverage ratio	28.9	49.7

(Notes) Equity attributable to owners of the parent ratio (%): Total equity attributable to owners of the parent / Total Assets

Equity attributable to owners of the parent ratio based on market value (%): Total market capitalization / Total Assets

Number of years for debt redemption: Interest-bearing debts/operating cash flows

Interest coverage ratio: Operating cash flows/interest payment

- All indices were computed using consolidated financial figures.
- Total market capitalization was computed based on the closing stock price at period-end multiplied by number of outstanding shares at period-end (after deducting treasury shares).
- Operating cash flows represent cash flows from operating activities on the consolidated statements of cash flows.
- Interest-bearing debts represent all debts on the consolidated financial position for which interest is paid. In addition, interest payment represents amount of interest paid on the consolidated statements of cash flows.

(3) Forecast for FY2022

**Operating forecast for FY2022**

(Unit: billions of yen)

	Net Sales	Operating profit	Profit before tax	Profit for the year	Profit for the year attributable to owners of the parent
FY 2022 (January 1 through December 31, 2022)	1,800.0	210.0	197.0	143.0	115.0
FY 2021 (January 1 through December 31, 2021)	1,697.4	206.2	210.0	159.1	123.8
Change (%)	6.0	1.9	(6.2)	(10.1)	(7.1)

Note: Figures are rounded to the nearest 100 million yen.

The global economy in 2022 is expected to continue showing signs of recovery. However, we will need to carefully monitor the economic impact of any renewed spread of infections due to new variants of the virus, shortages of semiconductors and other components, and rising prices of raw materials and fuel.

In such an environment, the outlook for each business is as follows.

- Glass

In the category of architectural glass, demand is expected to increase from the previous fiscal year in Japan and Asia regions as the recovery from the impact of the COVID-19 pandemic continues. In addition, demand in Europe will continue to increase. As a result, the Group's shipments are expected to remain firm. The Group's shipments for automotive glass are also expected to recover moderately as the impact from shortages of semiconductors and other components eases toward the second half of the fiscal year. Both architectural glass and automotive glass are expected to be impacted by the rising prices of raw materials and fuel, including natural gas and heavy oil.

- Electronics

In the category of display glass products, shipments of LCD glass substrates to China are expected to increase. Shipments of specialty glass for display applications are expected to increase due to expansion in the smartphone market. In the category of electronics materials, shipments of semiconductor-related products, such as mask blanks for EUV exposure, and optoelectronics materials are expected to increase, mainly due to growth of the semiconductor-related market and an increase in demand for products for use in mobile devices. Shipments of printed circuit board materials are expected to increase, due to expansion of communications infrastructure and the automotive market, despite concerns about the continued impact of U.S.-

China trade friction and other factors.

- Chemicals

Shipments of chlor-alkali products are expected to increase due to the start-up of facilities for vinyl chloride resin in Indonesia, where capacity has been expanded. On the other hand, softening market conditions for chlor-alkali products, which rose sharply in the previous fiscal year, are expected to have an impact. The Group's shipments of fluorine products and specialty products are expected to increase as shipments of fluorine-related products for use in semiconductors and automobiles remain steady. Shipments of life science products are expected to increase considerably from the previous fiscal year owing to an increase in the number of contracts for both synthetic agrochemicals and pharmaceuticals and biopharmaceuticals.

Taking into account the above factors, net sales of the AGC Group for the fiscal year ending December 31, 2022 are forecasted to be 1,800.0 billion yen, up 102.6 billion yen, or a 6.0% increase from the previous fiscal year, and operating profit is forecasted to be 210.0 billion yen, up 3.8 billion yen, or a 1.9% increase from the previous fiscal year. Profit before tax will be 197.0 billion yen, up 13.0 billion yen, or a 6.2% decrease from the previous fiscal year, and profit for the year attributable to owners of the parent is estimated to be 115.0 billion yen, up 8.8 billion yen, or a 7.1% decrease from the previous fiscal year. The average exchange rates assumed for the fiscal year ending December 31, 2022 are 115 yen to the U.S. dollar and 129 yen to the Euro.

**Forecast of financial conditions for FY2022**

Regarding cash flows from operating activities, profit before tax is expected to decrease by 13.0 billion yen to 197.0 billion yen as compared with that for the fiscal year ended December 31, 2021. Depreciation expenses are expected to be 180.0 billion yen, up 13.2 billion yen from the previous fiscal year.

Of the cash flows from investing activities, capital expenditures are expected to increase 63.5 billion yen year-on-year to 280.0 billion yen.

As for financing activities, the AGC Group will repay and borrow interest-bearing debts and increase borrowings, in addition to dividend payments in accordance with the Group's dividend policy.

(4) Allocation and Distribution of Profits and Dividends

While maintaining financial soundness, the AGC Group will prioritize the use of cash generated from core businesses for capital investment in strategic businesses and other areas necessary for future growth, M&A, and R&D. With regards to the return of profit to shareholders, the Company will maintain stable dividends with a target consolidated dividend payout ratio of 40% while comprehensively considering such factors as consolidated business performance in the fiscal year under review and future demand for funds. In addition, the Company implements flexible acquisition of treasury shares as a shareholder return policy that contributes to enhancing capital efficiency.

In consideration of the AGC Group's financial results for the fiscal year under review, the business environment and the outlook for future operations and other factors, the Company paid an interim dividend of 80 yen per share and plans to pay a year-end dividend of 130 yen for FY 2021.

With regard to dividend payments for the fiscal year ending December 31, 2022, the total full year dividend payout is scheduled to be 105 yen per share for interim dividend, and 105 yen per share for year-end dividend in light of the AGC Group's financial forecasts.

*[Important notes with regard to the forecast]*

*The above prospective results reflect the judgment of the Group's management on the basis of currently available information and, as such, contain risks and uncertainties. For this reason, investors are recommended not to base investment decisions solely on these prospective results. Please note that actual results may materially differ from the projection due to such various factors as business and market environment the Group is active in, currency exchange rate fluctuations, and others.*

2. Basic Policy for adopting Accounting Standards

The AGC Group adopted International Financial Reporting Standards (IFRS) for its consolidated financial statements, starting with the annual financial statements for the fiscal year ending December 31, 2013, with the aim of increasing international comparability of financial information, offering greater convenience for domestic or foreign investors and enhancing the efficiency of the Group's management.

### 3. Consolidated Financial Statements (IFRS)

#### (1) Consolidated Statements of Financial Position

(Unit: millions of yen)

	FY2020 (as of December 31, 2020)	FY2021 (as of December 31, 2021)
Assets		
Current assets		
Cash and cash equivalents	236,124	195,830
Trade receivables	266,177	295,161
Inventories	274,835	330,101
Other receivables	62,468	65,472
Income tax receivables	5,169	3,518
Other current assets	16,186	25,186
Total current assets	860,962	915,271
Non-current assets		
Property, plant and equipment	1,246,885	1,323,868
Goodwill	118,063	112,916
Intangible assets	72,660	69,913
Investments accounted for using equity method	32,014	31,197
Other financial assets	130,919	116,624
Deferred tax assets	25,944	27,611
Other non-current assets	47,008	68,628
Total non-current assets	1,673,495	1,750,759
Total assets	2,534,458	2,666,031

(Unit: millions of yen)

	FY2020 (as of December 31, 2020)	FY2021 (as of December 31, 2021)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	151,874	196,435
Short-term interest-bearing debt	106,884	36,820
Long-term interest-bearing debt due within one year	87,163	88,599
Other payables	186,310	199,169
Income tax payables	12,426	42,411
Provisions	1,563	1,207
Other current liabilities	17,676	34,764
Total current liabilities	563,898	599,408
Non-current liabilities		
Long-term interest-bearing debt	593,912	477,774
Deferred tax liabilities	35,153	35,814
Post-employment benefit liabilities	64,736	53,805
Provisions	12,353	12,064
Other non-current liabilities	21,363	5,782
Total non-current liabilities	727,519	585,241
Total liabilities	1,291,418	1,184,650
Equity		
Share capital	90,873	90,873
Capital surplus	83,501	81,621
Retained earnings	818,701	927,830
Treasury shares	(28,170)	(26,933)
Other components of equity	150,236	240,769
Total equity attributable to owners of the parent	1,115,142	1,314,161
Non-controlling interests	127,897	167,219
Total equity	1,243,039	1,481,380
Total liabilities and equity	2,534,458	2,666,031

(2) Consolidated Statements of Profit or Loss and Consolidated Statements of Comprehensive Income  
(Consolidated Statements of Profit or Loss)

(Unit: millions of yen)

	FY2020 (Jan. 1 through Dec. 31, 2020)	FY2021 (Jan. 1 through Dec. 31, 2021)
Net sales	1,412,306	1,697,383
Cost of sales	(1,053,243)	(1,184,383)
Gross profit	359,062	512,999
Selling, general and administrative expenses	(283,867)	(309,123)
Share of profit (loss) of associates and joint ventures accounted for using equity method	584	2,292
Operating profit	75,780	206,168
Other income	6,743	56,672
Other expenses	(22,812)	(52,592)
Business profit	59,711	210,247
Finance income	5,903	6,533
Finance costs	(8,492)	(6,735)
Net finance costs	(2,589)	(202)
Profit before tax	57,121	210,045
Income tax expenses	(15,957)	(50,982)
Profit for the year	41,164	159,062
Attributable to:		
Owners of the parent	32,715	123,840
Non-controlling interests	8,448	35,222
Earnings per share		
Basic earnings per share (yen)	147.84	559.11
Diluted earnings per share (yen)	147.24	557.10

## (Consolidated Statements of Comprehensive Income)

(Unit: millions of yen)

	FY2020 (Jan. 1 through Dec. 31, 2020)	FY2021 (Jan. 1 through Dec. 31, 2021)
Profit for the year	41,164	159,062
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss, net of tax		
Remeasurement of the net defined benefit liability (asset)	(41)	24,397
Net gain (loss) on revaluation of financial assets measured at FVTOCI <sup>(Note)</sup>	(3,258)	9,360
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(2)	16
Total	(3,302)	33,774
Components of other comprehensive income that may be reclassified to profit or loss, net of tax		
Net gain (loss) in fair value of cash flow hedges	1,173	4,744
Exchange differences on translation of foreign operations	(42,439)	77,819
Share of other comprehensive income of associates and joint ventures accounted for using equity method	—	(0)
Total	(41,175)	82,563
Other comprehensive income, net of tax	(44,478)	116,338
Total comprehensive income for the year	(3,314)	275,401
Attributable to:		
Owners of the parent	(6,426)	231,244
Non-controlling interests	3,111	44,156

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

(3) Consolidated Statements of Changes in Equity  
 FY2020 (Jan. 1 through Dec. 31, 2020)

(Unit: millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurement of net defined benefit liability (asset)	Net gain (loss) on revaluation of financial assets measured at FVTOCI <sup>(Note)</sup>
Balance as of January 1, 2020	90,873	92,593	811,589	(28,468)	(31,445)	55,786
Changes in equity						
Comprehensive income						
Profit for the year	-	-	32,715	-	-	-
Other comprehensive income	-	-	-	-	241	(3,257)
Total comprehensive income for the year	-	-	32,715	-	241	(3,257)
Transactions with owners						
Dividends	-	-	(26,591)	-	-	-
Acquisition of treasury shares	-	-	-	(13)	-	-
Disposal of treasury shares	-	-	(143)	311	-	-
Changes in ownership interests in subsidiaries that do not result in loss of control	-	(1,442)	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	1,131	-	-	(1,131)
Share-based payment transactions	-	(218)	-	-	-	-
Others (business combinations and others)	-	(7,431)	-	-	-	-
Total transactions with owners	-	(9,091)	(25,603)	297	-	(1,131)
Balance as of December 31, 2020	90,873	83,501	818,701	(28,170)	(31,203)	51,397

(Note) FVTOCI: Fair Value Through Other Comprehensive Income



FY2020 (Jan. 1 through Dec. 31, 2020)

(Unit: millions of yen)

	Equity attributable to owners of the parent			Total	Non-controlling interests	Total equity
	Other components of equity		Total			
	Net gain (loss) in fair value of cash flow hedges	Exchange differences on translation of foreign operations				
Balance as of January 1, 2020	(665)	166,833	190,510	1,157,097	125,538	1,282,636
Changes in equity						
Comprehensive income						
Profit for the year	-	-	-	32,715	8,448	41,164
Other comprehensive income	1,104	(37,231)	(39,142)	(39,142)	(5,336)	(44,478)
Total comprehensive income for the year	1,104	(37,231)	(39,142)	(6,426)	3,111	(3,314)
Transactions with owners						
Dividends	-	-	-	(26,591)	(4,291)	(30,883)
Acquisition of treasury shares	-	-	-	(13)	-	(13)
Disposal of treasury shares	-	-	-	167	-	167
Changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	(1,442)	(559)	(2,001)
Transfer from other components of equity to retained earnings	-	-	(1,131)	-	-	-
Share-based payment transactions	-	-	-	(218)	-	(218)
Others (business combinations and others)	-	-	-	(7,431)	4,098	(3,332)
Total transactions with owners	-	-	(1,131)	(35,528)	(753)	(36,281)
Balance as of December 31, 2020	439	129,602	150,236	1,115,142	127,897	1,243,039

FY2021 (Jan. 1 through Dec. 31, 2021)

(Unit: millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurement of net defined benefit liability (asset)	Net gain (loss) on revaluation of financial assets measured at FVTOCI <sup>(Note)</sup>
Balance as of January 1, 2021	90,873	83,501	818,701	(28,170)	(31,203)	51,397
Changes in equity						
Comprehensive income						
Profit for the year	-	-	123,840	-	-	-
Other comprehensive income	-	-	-	-	24,276	9,370
Total comprehensive income for the year	-	-	123,840	-	24,276	9,370
Transactions with owners						
Dividends	-	-	(31,045)	-	-	-
Acquisition of treasury shares	-	-	-	(586)	-	-
Disposal of treasury shares	-	-	(537)	1,823	-	-
Changes in ownership interests in subsidiaries that do not result in loss of control	-	1,242	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	16,870	-	-	(16,870)
Share-based payment transactions	-	(655)	-	-	-	-
Others (business combinations and others)	-	(2,467)	-	-	-	-
Total transactions with owners	-	(1,879)	(14,712)	1,237	-	(16,870)
Balance as of December 31, 2021	90,873	81,621	927,830	(26,933)	(6,927)	43,896

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

FY2021 (Jan. 1 through Dec. 31, 2021)

(Unit: millions of yen)

	Equity attributable to owners of the parent			Total	Non-controlling interests	Total equity
	Other components of equity		Total			
	Net gain (loss) in fair value of cash flow hedges	Exchange differences on translation of foreign operations				
Balance as of January 1, 2021	439	129,602	150,236	1,115,142	127,897	1,243,039
Changes in equity						
Comprehensive income						
Profit for the year	-	-	-	123,840	35,222	159,062
Other comprehensive income	4,513	69,245	107,404	107,404	8,934	116,338
Total comprehensive income for the year	4,513	69,245	107,404	231,244	44,156	275,401
Transactions with owners						
Dividends	-	-	-	(31,045)	(3,821)	(34,867)
Acquisition of treasury shares	-	-	-	(586)	-	(586)
Disposal of treasury shares	-	-	-	1,285	-	1,285
Changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	1,242	(1,012)	230
Transfer from other components of equity to retained earnings	-	-	(16,870)	-	-	-
Share-based payment transactions	-	-	-	(655)	-	(655)
Others (business combinations and others)	-	-	-	(2,467)	-	(2,467)
Total transactions with owners	-	-	(16,870)	(32,226)	(4,834)	(37,060)
Balance as of December 31, 2021	4,952	198,847	240,769	1,314,161	167,219	1,481,380

## (4) Consolidated Statements of Cash Flows

(Unit: millions of yen)

	FY2020 (Jan. 1 through Dec. 31, 2020)	FY2021 (Jan. 1 through Dec. 31, 2021)
Cash flows from operating activities		
Profit before tax	57,121	210,045
Depreciation and amortization	143,716	166,756
Impairment losses	1,213	34,450
Interest and dividend income	(5,702)	(5,826)
Interest expenses	7,620	6,424
Share of profit (loss) of associates and joint ventures accounted for using equity method	(584)	(2,292)
Loss (gain) on sale or disposal of non-current assets	9,378	4,324
Decrease (increase) in trade receivables	(3,328)	(18,280)
Decrease (increase) in inventories	11,691	(48,647)
Increase (decrease) in trade payables	(605)	36,226
Others	24,574	(21,646)
Subtotal	245,095	361,533
Interest and dividends received	6,244	6,663
Interest paid	(7,786)	(6,569)
Income taxes paid	(18,160)	(34,913)
Net cash from operating activities	225,392	326,713
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(191,469)	(210,572)
Proceeds from sale of property, plant and equipment	4,404	4,776
Purchase of other financial assets	(33,106)	(42,107)
Proceeds from sale and redemption of other financial assets	20,911	73,040
Purchase of subsidiaries or other businesses	(27,019)	-
Proceeds from sale of subsidiaries of other businesses	-	49,599
Others	(3,969)	1,476
Net cash used in investing activities	(230,248)	(123,787)
Cash flows from financing activities		
Changes in short-term interest-bearing debt	28,896	(73,868)
Proceeds from borrowing or issuing long-term interest-bearing debt	228,064	63,673
Repayment or redemption of long-term interest-bearing debt	(99,167)	(205,619)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(2,001)	(1,271)
Proceeds from non-controlling interests	3,540	-
Acquisition of treasury shares	(13)	(586)
Dividends paid	(26,591)	(31,045)
Dividends paid to non-controlling interests	(4,291)	(3,821)
Others	6	280
Net cash used in financing activities	128,443	(252,259)
Effect of exchange rate changes on cash and cash equivalents	(1,246)	9,039
Net increase (decrease) in cash and cash equivalents	122,340	(40,294)
Cash and cash equivalents at beginning of year	113,784	236,124
Cash and cash equivalents at end of year	236,124	195,830

(5) Notes to the Consolidated Financial Statements

1) Basis of Preparations

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), based on the stipulations of Article 93 of the Ordinance on Consolidated Financial Statements. The Group's consolidated financial statements satisfy all of the requirements for a "Specified Company" prescribed by Article 1-2 of the Ordinance on Consolidated Financial Statements.

2) Changes in Accounting Policies

The significant accounting policies adopted for the Group's Consolidated Financial Statements are the same as those for the Consolidated Financial Statements for the fiscal year ended December 31, 2020, with the exception of the items described below.

The following are the accounting standards applied by the Group from fiscal year 2021, in compliance with each transitional provision. The effect of the application of the following standards on the Group's Consolidated Financial Statements is immaterial.

IFRS	Title	Summaries of new IFRS and amendments
IFRS 16 (amended in May 2020)	Lease	Covid-19-Related Rent Concessions

3) Significant Accounting Policies

"Operating profit" in the Group's consolidated statements of profit or loss is an indicator that facilitates like-on-like comparisons and evaluation of the Group's business performance on a continuous basis. Main items of "other income" and "other expenses" are foreign exchange gain and loss, gains on sale of non-current assets, losses on disposal of non-current assets, impairment loss and expenses for restructuring programs. "Business profit" includes all income and expenses before finance income, finance costs and income tax expenses.

4) Changes in Accounting Estimates

Change in significant accounting estimates in consolidated financial statements for the fiscal year 2021 is as follow.

(Impairment losses)

In the fiscal year under review, due to changes in the business environment such as the decrease in automotive production, the Group recognized an impairment loss of 18,668 million yen mainly on property, plant and equipment related to the automotive glass business in Europe, which is included in the Glass segment, as a result of comparing the book value with the recoverable amount, as there were indications of impairment such as a significant decline in profitability. In addition, indications of impairment such as a significant decline in profitability were recognized for some property, plant and equipment, goodwill, and intangible assets related to printed circuit board materials operations, which is included in the Electronics segment, given the decline in demand in the Chinese market due to the impact of U.S.-China trade friction, and the Group also recognized an impairment loss of 14,761 million yen as a result of comparing the book value with the recoverable amount of these assets. The recoverable amount is based on the value in use.

## 5) Segment Information

The Group's reportable segments are components of the Group for which discrete financial information is available, and whose operating results are reviewed regularly by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess performance.

The Group had four in-house companies by product and service: Building & Industrial Glass, Automotive, Electronics and Chemicals. Each in-house company operates worldwide, formulating comprehensive domestic and overseas strategies for its products and services.

Building & Industrial Glass and Automotive share the same float glass manufacturing facilities (glass melting furnace) etc., which are the largest assets and situated the highest upstream in the supply chain. The two in-house companies share assets and liabilities, and ratio of utilization is influenced by fluctuations of demand and supply. Considering these situations, it is difficult to divide financial statements for the two in-house companies. Therefore, the Group prepares the financial statements of Building & Industrial Glass and Automotive as the Glass segment. In addition, decisions on assigning management resources are closely tied to the results of each business and inseparable from their performance evaluation. Therefore, with the participation of presidents of both in-house companies, the Group has established a "Glass Segment Council," which primarily functions to maintain synergies and maximize overall production in the Glass segment, and collaborates to maximize profits for the Group. Based on these circumstances, the Group reports the Glass segment as one.

Thus, the Group has three reportable segments: Glass, Electronics, and Chemicals.

The main products of each reportable segment are as follows.

Reportable segment	Main products
Glass	Float flat glass, Figured glass, Polished wired glass, Low-E glass, Decorative glass, Fabricated glass for architectural use (Heat Insulating/shielding glass, Disaster-resistant/Security glass, Fire-resistant glass, etc.), Automotive glass, Cover glass for car-mounted displays, etc.
Electronics	LCD glass substrates, OLED glass substrates, Specialty glass for display applications, Display related materials, Glass for solar power system, Fabricated glass for industrial use, Semiconductor process materials, Optoelectronic materials, Printed circuit board materials, Lighting glass products, Laboratory use ware, etc.
Chemicals	Polyvinyl chloride, Vinyl chloride monomer, Caustic soda, Urethane, Fluorinated resins, Water and oil repellents, Gases, Solvents, Pharmaceutical and agrochemical intermediates and active ingredients, Iodine-related products, etc.

FY2020 (Jan.1 through Dec.31, 2020)

(Unit: millions of yen)

	Reportable segments			Ceramics/ Other	Total	Adjustments	Amount reported on consolidated financial statements
	Glass	Electronics	Chemicals				
Sales to external customers	648,394	283,025	449,739	31,145	1,412,306	-	1,412,306
Inter-segment sales or transfers	2,570	6,327	1,416	49,976	60,291	(60,291)	-
Total sales	650,965	289,353	451,156	81,122	1,472,597	(60,291)	1,412,306
Segment profit (loss) (Operating profit)	(16,579)	37,797	50,477	4,226	75,922	(142)	75,780
Profit for the year	-	-	-	-	-	-	41,164
Other items							
Depreciation and amortization	50,968	47,896	43,004	1,927	143,796	(79)	143,716
Impairment losses (Non-financial assets)	883	262	66	-	1,213	-	1,213
Capital expenditure	64,141	80,686	95,216	1,536	241,581	(232)	241,348
Investments accounted for using equity method	25,032	1,338	2,428	3,215	32,014	-	32,014

The amounts of inter-segment sales or transfers are primarily based on market prices and manufacturing cost.

“Ceramics/Other” mainly handles ceramics products, logistics and financial services.

FY2021 (Jan.1 through Dec.31, 2021)

(Unit: millions of yen)

	Reportable segments			Ceramics/ Other	Total	Adjustments	Amount reported on consolidated financial statements
	Glass	Electronics	Chemicals				
Sales to external customers	732,230	303,049	629,487	32,615	1,697,383	-	1,697,383
Inter-segment sales or transfers	2,026	8,970	1,304	46,777	59,078	(59,078)	-
Total sales	734,257	312,019	630,792	79,392	1,756,461	(59,078)	1,697,383
Segment profit (loss) (Operating profit)	27,747	36,362	138,756	3,497	206,363	(195)	206,168
Profit for the year	-	-	-	-	-	-	159,062
Other items							
Depreciation and amortization	53,721	61,195	49,958	1,991	166,866	(110)	166,756
Impairment losses (Non-financial assets)	19,022	15,401	26	-	34,450	-	34,450
Capital expenditure	50,307	70,168	94,180	2,150	216,806	(303)	216,503
Investments accounted for using equity method	22,029	1,487	4,011	3,669	31,197	-	31,197

The amounts of inter-segment sales or transfers are primarily based on market prices and manufacturing cost.

“Ceramics/Other” mainly handles ceramics products, logistics and financial services.

## 6) Notes to Consolidated Statements of Profit or Loss

**Other Income**

(Unit: millions of yen)

	FY2020 (Jan. 1 through Dec. 31, 2020)	FY2021 (Jan. 1 through Dec. 31, 2021)
Foreign exchange gain	3,608	10,955
Gains on sale of non-current assets	516	2,361
Reversal of provisions for restructuring programs	589	—
Gains on sale of shares of subsidiaries	—	1,431
Gains on transfer of business	—	28,010
Gain on reclassification of foreign currency translation adjustments for foreign operations due to liquidation	—	7,504
Others	2,028	6,410
Total	6,743	56,672

**Other Expenses**

(Unit: millions of yen)

	FY2020 (Jan. 1 through Dec. 31, 2020)	FY2021 (Jan. 1 through Dec. 31, 2021)
Losses on disposal of non-current assets	(9,894)	(6,685)
Impairment losses	(1,213)	(34,450)
Expenses for restructuring programs	(7,951)	(5,159)
Others	(3,752)	(6,296)
Total	(22,812)	(52,592)



7) Earnings Per Share

**Basic earnings per share**

Basic earnings per share and the basis for calculating basic earnings per share are as follows:

	FY2020 (Jan. 1 through Dec. 31, 2020)	FY2021 (Jan. 1 through Dec. 31, 2021)
Profit for the year attributable to owners of the parent (millions of yen)	32,715	123,840
Weighted average number of ordinary shares outstanding (thousands of shares)	221,297	221,496
Basic earnings per share (yen)	147.84	559.11

**Diluted earnings per share**

Diluted earnings per share and the basis for calculating diluted earnings per share are as follows:

	FY2020 (Jan. 1 through Dec. 31, 2020)	FY2021 (Jan. 1 through Dec. 31, 2021)
Profit for the year attributable to owners of the parent (millions of yen)	32,715	123,840
Adjustments to profit or loss used to calculate diluted earnings per share (millions of yen)	-	-
Profit or loss used to calculate diluted earnings per share (millions of yen)	32,715	123,840

Weighted average number of ordinary shares outstanding (thousands of shares)	221,297	221,496
Effects of dilutive potential ordinary shares		
Stock options based on subscription rights (thousands of shares)	895	798
Diluted weighted average number of ordinary shares outstanding (thousands of shares)	222,193	222,295

Diluted earnings per share (yen)	147.24	557.10
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8) Notes on Significant Subsequent Events

No items to report