

June 13, 2022

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### **AGC's "IR DAY 2022" Presentation Materials**

AGC held "IR DAY 2022" today.

Today's presentation materials are attached.

The next IR Day is scheduled to be held on June 16.

# IR DAY 2022



**AGC Inc.**

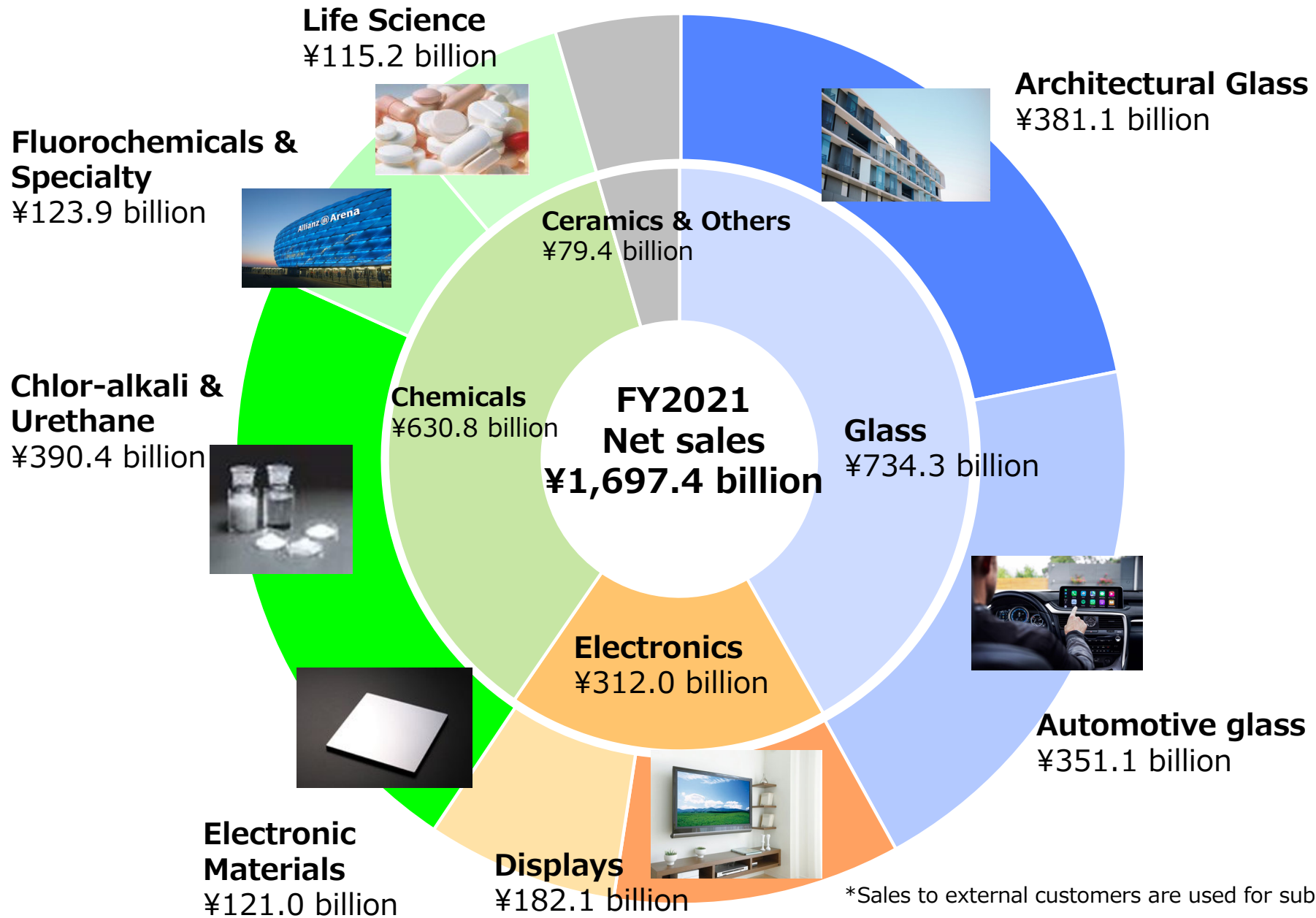
**June 13,16 2022**

Your Dreams, Our Challenge

■ **Toward the Realization of Vision 2030**

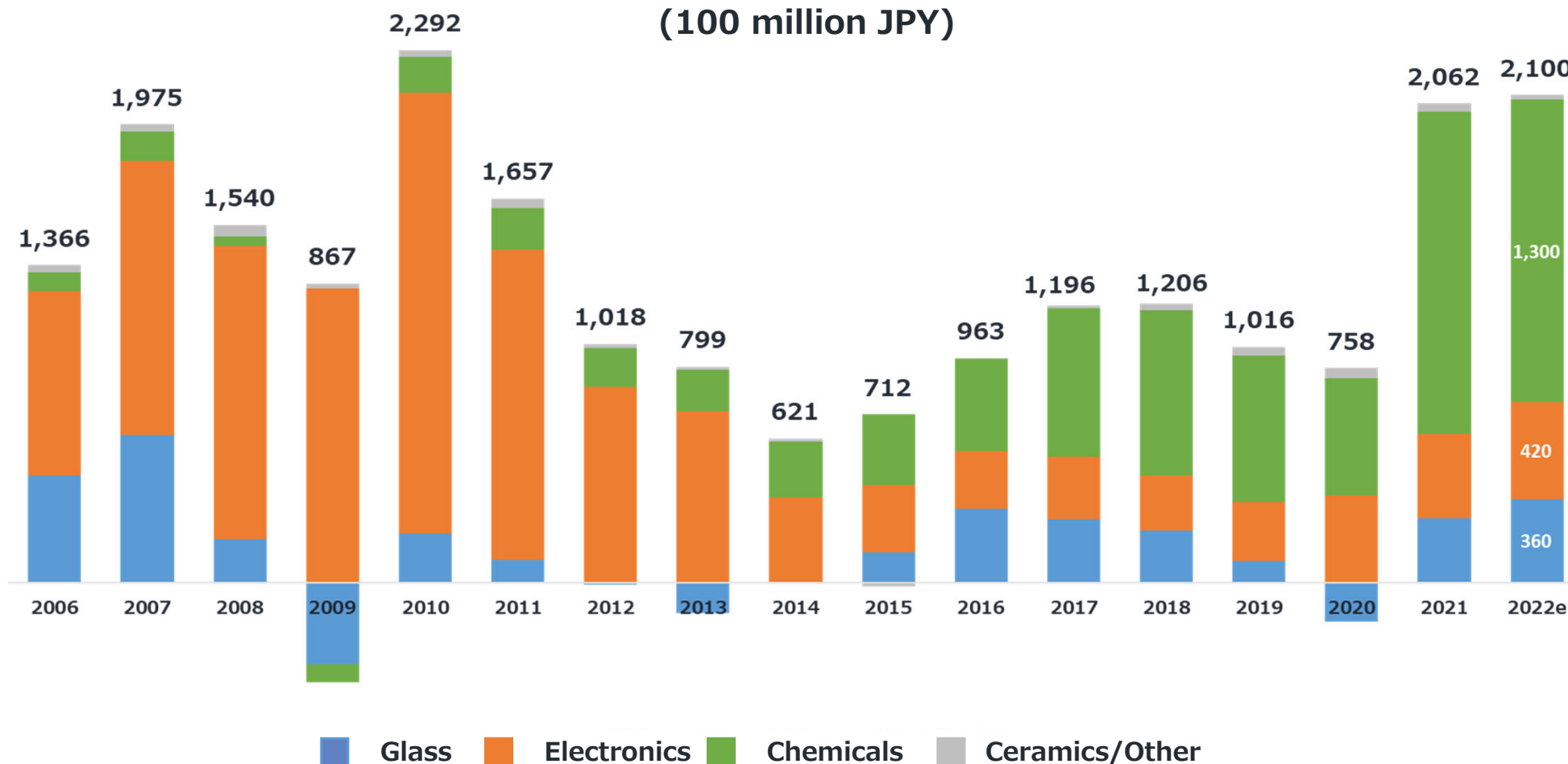
■ **Medium-term Management Plan *AGC-plus2023***

# Business Overview



## Operating Profit by Business Segment

(100 million JPY)

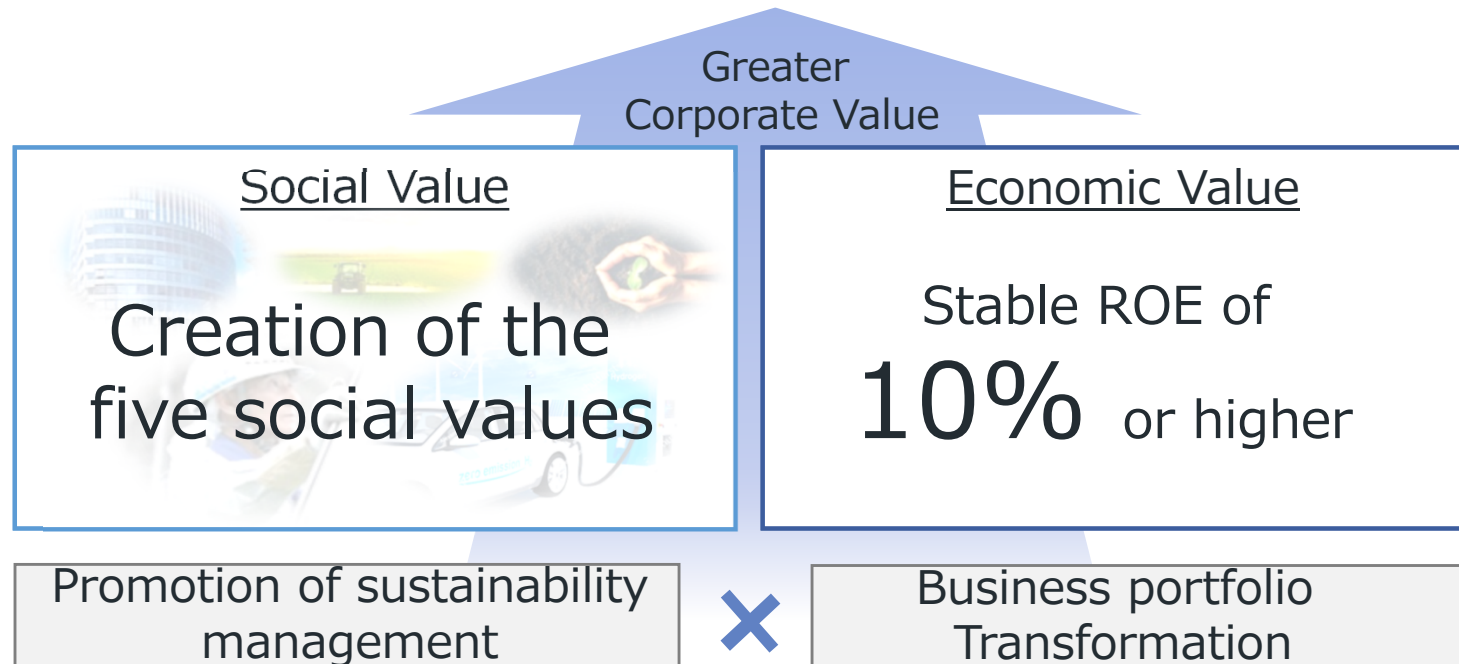


\*JGAPP in 2005 - 2011, and IFRS in 2012 - 2022e

# Toward the Realization of Vision 2030

- Grow through well-balanced creation of social and economic value

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



# Direction of the Business Portfolio Transformation

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





## Overall Strategy

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

### Core Businesses

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



Architectural Glass



Automotive Glass (existing)



Display Glass



Chlor-Alkali/Urethane



Fluorochemicals & Specialty



Ceramics

### Strategic Businesses

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



Electronics



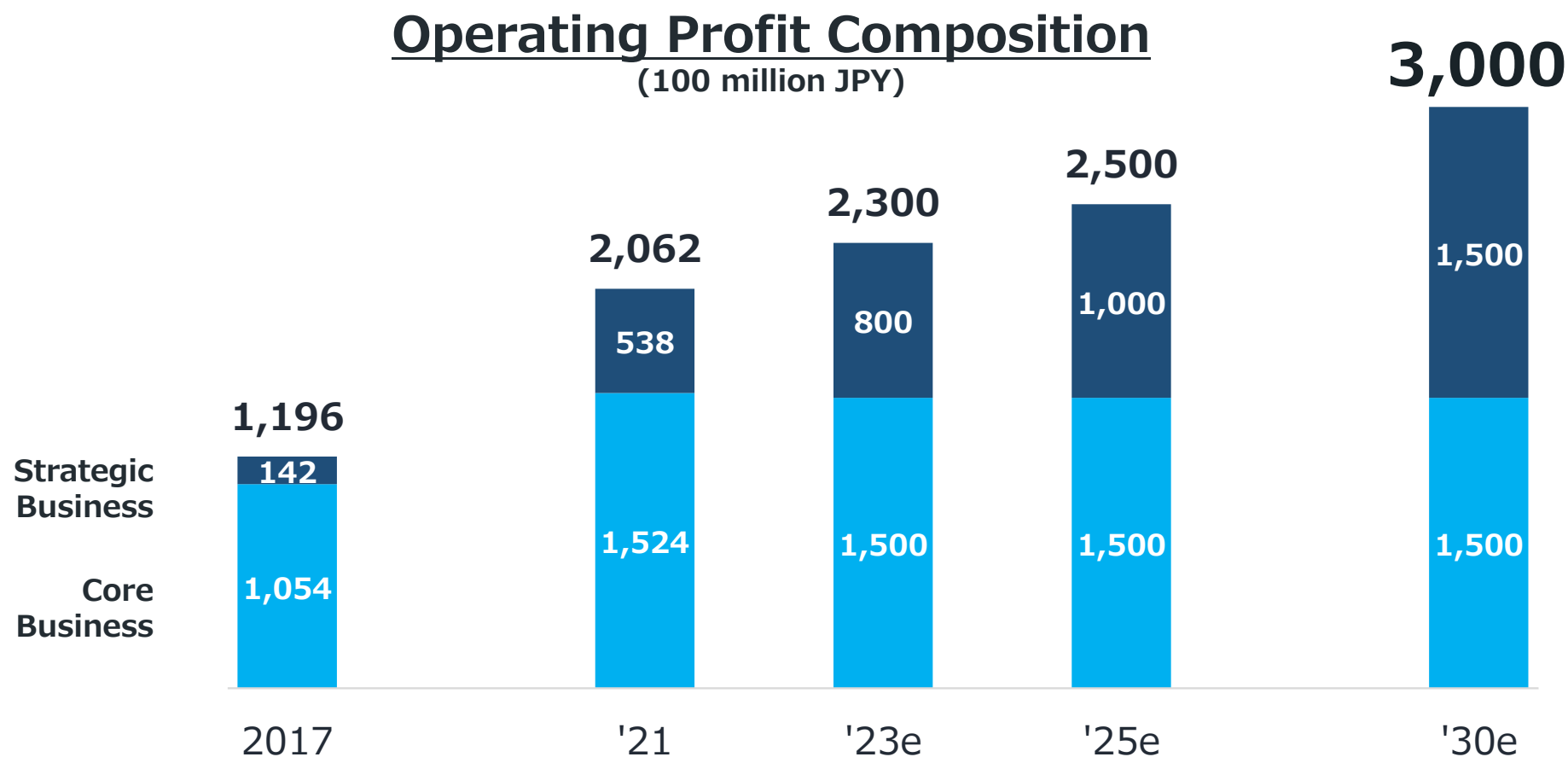
Life Science



Mobility

# Business Portfolio Reform (To-be image)

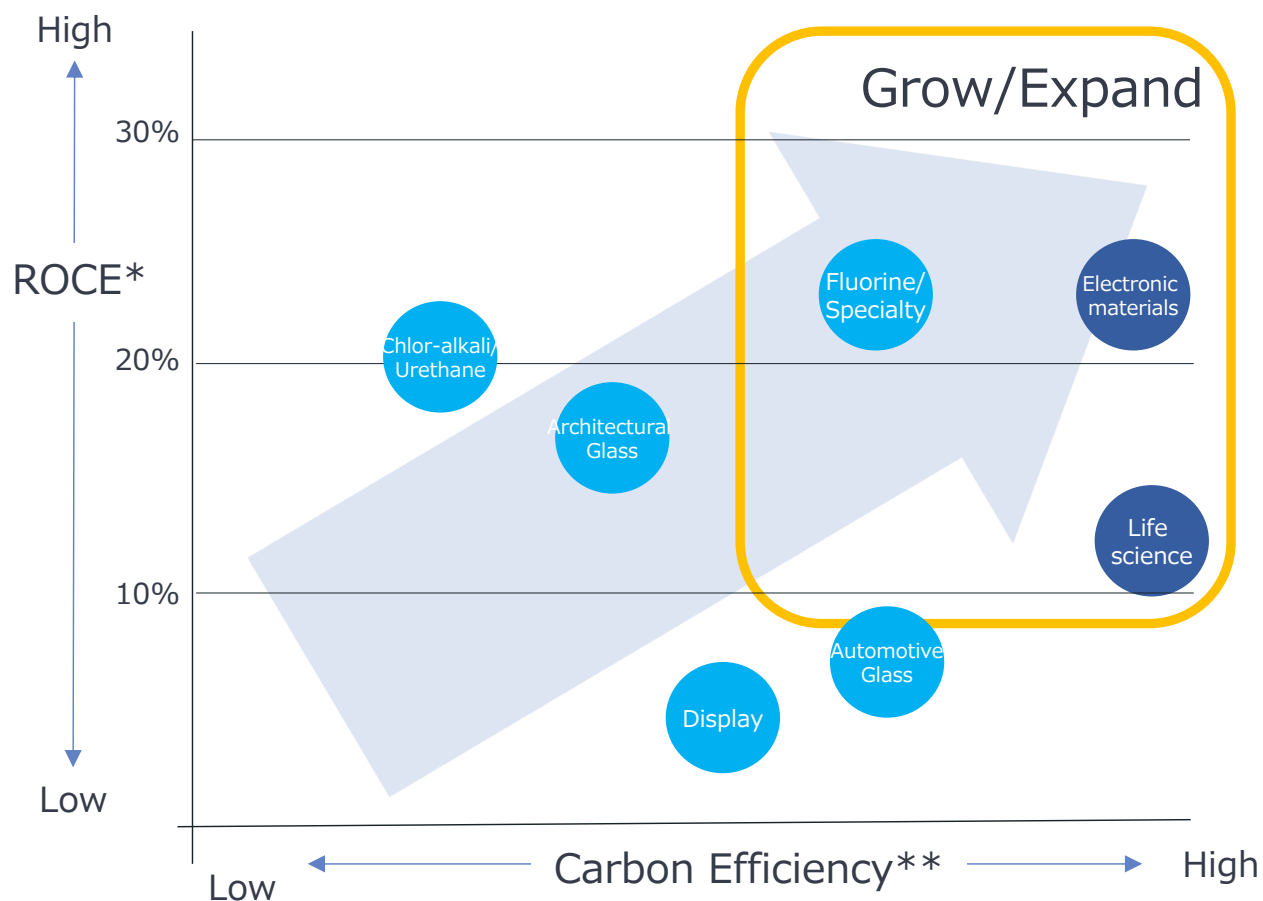
- Core businesses to become a long-term stable source of earnings
- Develop the strategic businesses so that they will account for more than half of the group's operating profit in 2030.



# Carbon efficiency and asset efficiency

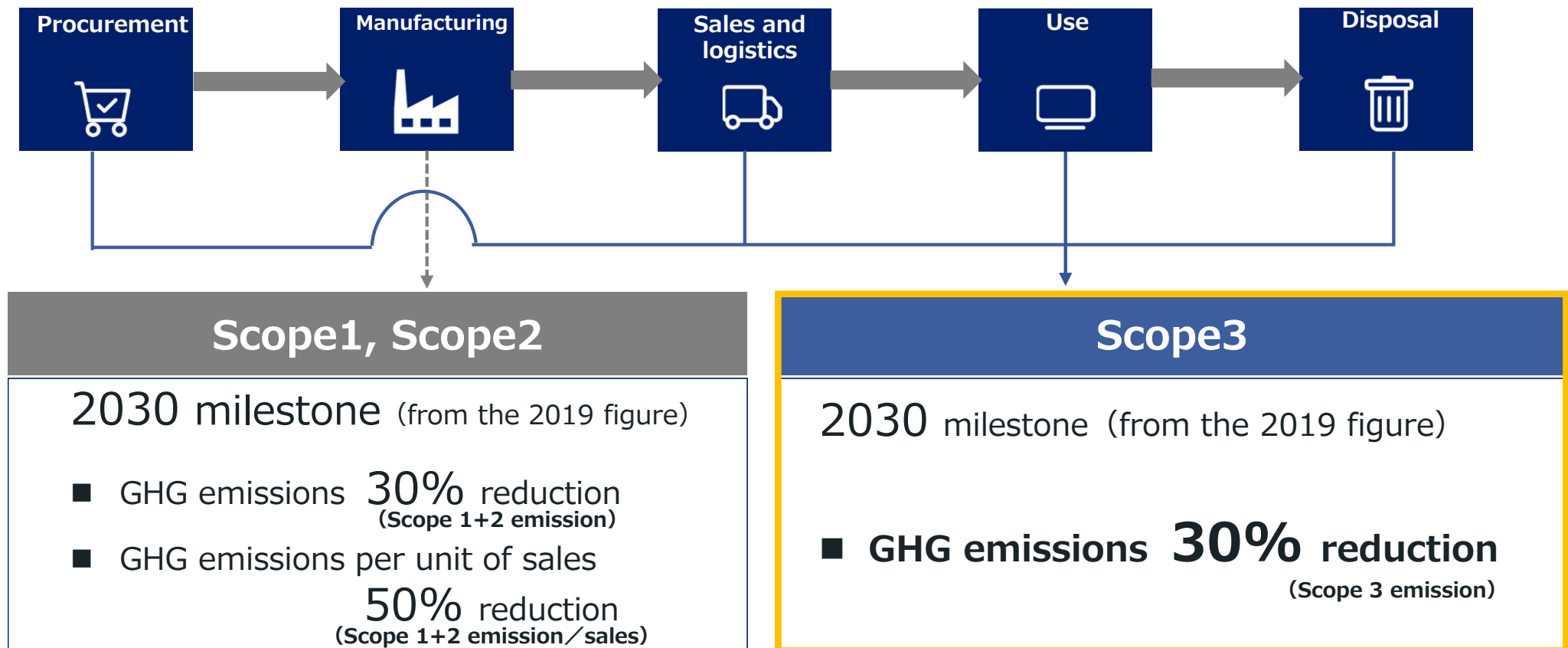
- Expand the strategic businesses that have high carbon efficiency and asset efficiency, and at the same time increase the carbon efficiency and asset efficiency of other businesses

## Direction of the AGC Group's business portfolio



# Reference : Scope3 2030 milestone

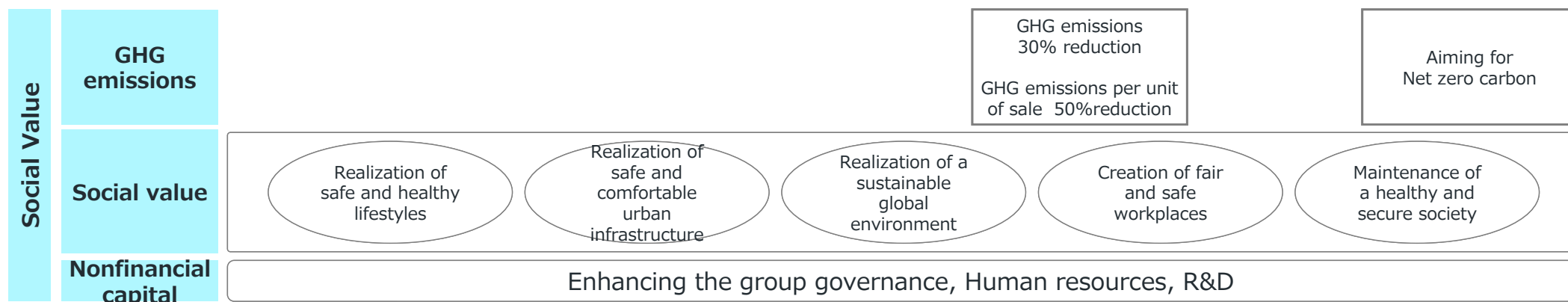
- **AGC-plus2023** sets 2050 net zero carbon target
- In addition to Scope 1 and 2 targets, set a new Scope 3 reduction target as a milestone in 2030.
- Aim for a 30% reduction (compared to 2019) of Scope 3 GHG emission by 2030.
- Focus on promoting the AMOLEA™ series of next-generation refrigerants with extremely lower global warming potential and strengthening supplier engagement activities.



# Grow by creating both social value and economic value

- Achieve through the portfolio transformation and the pursuit of sustainability management

		2021 (Actual)	2023	2025	2030 . . .	2050
Economic value	Operating profit	206.2billion yen	230.0billion yen	250.0billion yen	300.0billion yen	
	Strategic Business OP	53.8billion yen	80.0billion yen	100.0billion yen	150.0billion yen	
	EBITDA *	372.9billion yen	433.0billion yen	490.0billion yen		
	ROE	10%	Stable ROE of 10% or higher			
	D/E	0.41	0.5以下			



\* EBITDA=Operating profit +Depreciation

# Medium-term Management Plan

## *AGC-plus2023*

- The **AGC plus-2023** financial targets have been achieved well ahead of schedule as structural reforms and business growth resulted in the profit increase in the core businesses and the growth of the strategic businesses.
- A drastic upward revision has been made to the FY2023 financial targets.

	FY2021 Actual	FY2023 Target (Feb 2021)	FY2023 Target (Feb 2022)
OP	206.2 billion yen	160.0 billion yen	230.0 billion yen
ROE	10 %	8 %	10 %
Strategic Business OP	53.8 billion yen	70.0 billion yen	80.0 billion yen
D/E	0.41	0.5 or less	0.5 or less

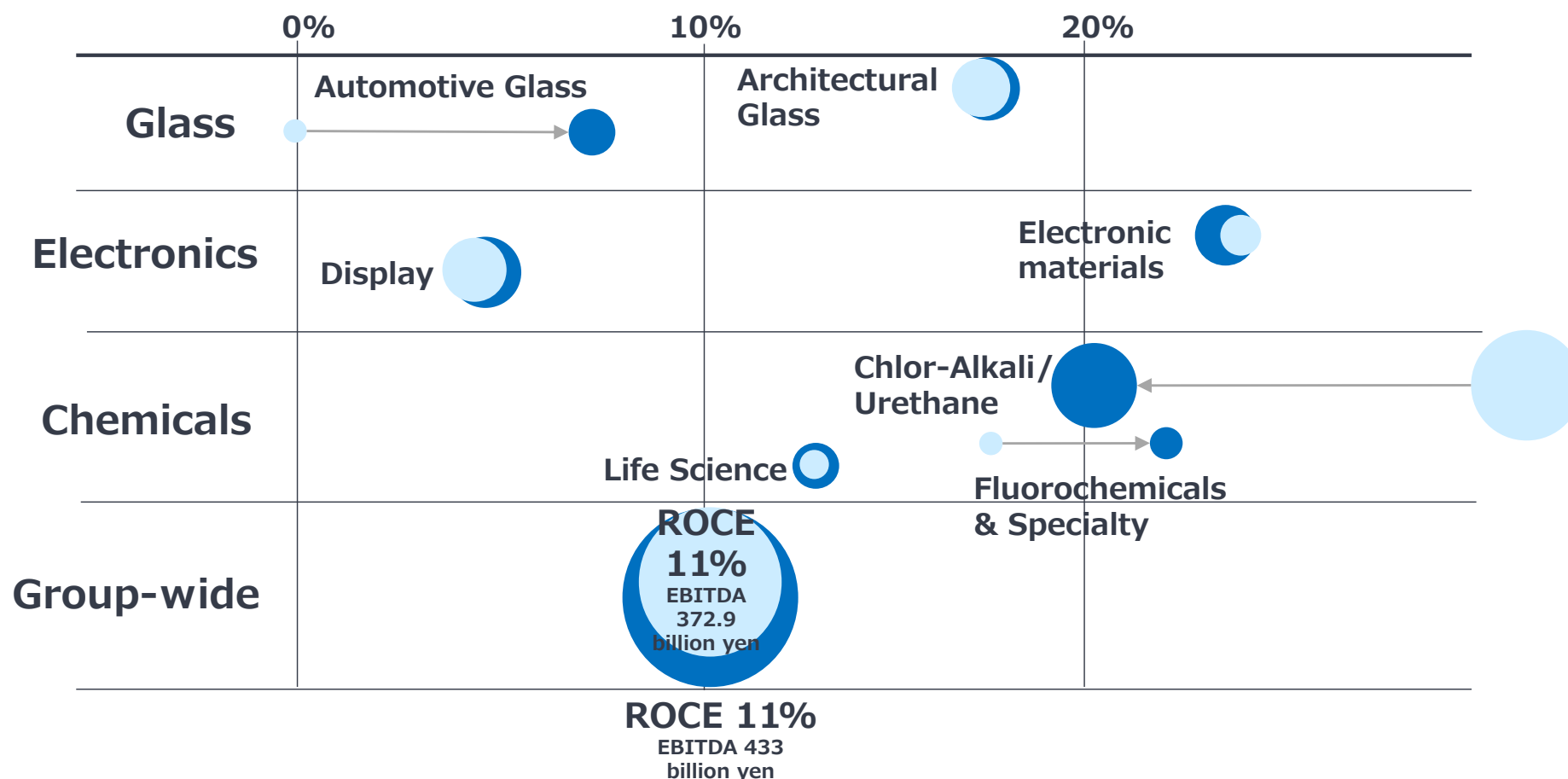
	<u>Business</u>	<u>Key issues</u>	<u>Direction</u>
<b>Strategic Business</b>	<b>Electronics</b>	<ul style="list-style-type: none"> <li>• Expand value-added products including EUV mask blanks</li> <li>• Constantly generate new businesses</li> </ul>	<b>Further accelerate growth</b>
	<b>Life Science</b>	<ul style="list-style-type: none"> <li>• Expand business through timely investments</li> <li>• Achieve high growth based on the Group's global operations and technical-support capabilities</li> </ul>	
	<b>Mobility</b>	<ul style="list-style-type: none"> <li>• Steadily capture business opportunities amid market changes in the CASE era</li> <li>• Start the mass production of car-mounted display glass in China to contribute to profit increase.</li> </ul>	
<b>Core Business</b>	<b>Display</b>	<ul style="list-style-type: none"> <li>• Respond to the continuing demand increase in the Chinese market to build a long-term stable business foundation</li> </ul>	<b>Unchanged from the previous basic strategies</b>
	<b>Chlor-Alkali</b>	<ul style="list-style-type: none"> <li>• Further strengthen the business foundation in S.E. Asia through capacity enhancement in Thailand and Indonesia</li> </ul>	
	<b>Fluorochemicals &amp; Specialty</b>	<ul style="list-style-type: none"> <li>• Capture the demand in global niche markets by adding value to products and domain expansion</li> <li>• Change environmental challenges to business opportunities</li> </ul>	<b>Accelerate structural reform</b>
	<b>Architectural glass Automotive glass</b>	<ul style="list-style-type: none"> <li>• Structural reforms toward the industrial realignment</li> <li>• Minimize investments and integrate production to increase asset efficiency</li> <li>• Steadily pursuing productivity improvement and cost reduction to improve profitability and capability for cash generation</li> </ul>	



# ROCE by Segment (To-be image)

- Maintain the group-wide ROCE at 10% or higher
- Increase EBITDA\* by approx. 60 billion yen (372.9 billion yen to 433 billion yen)

ROCE(FY2021 Actual ● vs FY2023 Estimate ●)



ROCE: (OP forecast of the year) ÷ (Operating asset forecast at the year end), OP by business is before allocation of common expenses  
 Diameter of each circle (excluding those of the group-wide section): the size of EBITDA \* EBITDA=Operating profit +Depreciation

# AGC Group's Brand Statement

Never take the easy way out, but confront difficulties  
Trust is the best way to inspire people  
Strive to develop technologies that will change the world  
A sense of mission leads us to advance

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

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

## Your Dreams, Our Challenge





Your Dreams, Our Challenge

**END**

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