

**TRANSLATION FOR REFERENCE PURPOSES ONLY**

*This is a translation of the Notice to Convene the 99<sup>th</sup> Ordinary General Meeting of Shareholders and Materials for the General Meeting of Shareholders, dated March 5, 2024, which is prepared for reference purposes only. In the event of any discrepancy between the original Japanese text and this translated English text, the original Japanese text shall prevail.*



**Notice to Convene the  
99<sup>th</sup> Ordinary General  
Meeting of Shareholders**

**Date and Time:**

**Thursday, March 28, 2024**

**at 10:00 a.m.** (Reception begins at 9:00 a.m.)

**Place:**

**Rose, 3<sup>rd</sup> Floor, Tokyo Kaikan**

3-2-1, Marunouchi, Chiyoda-ku, Tokyo

**Resolution Matters:**

- Proposal No. 1: Appropriation of Surplus
- Proposal No. 2: Election of Seven Directors
- Proposal No. 3: Revision of the Calculation Method of the Stock Compensation Plan for the Directors or others

**◆ Notice:**

- The scene of the General Meeting of Shareholders may be viewed by relayed live Internet streaming.
- At this General Meeting of Shareholders, questions may be put forward in advance.

**AGC Inc.**

(Security Code: 5201)

Your Dreams, Our Challenge

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## AGC Group Vision

# “Look Beyond”

Three elements that constitute **“Look Beyond”**

### Our Mission

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

—supporting people’s lives around the world always somewhere with unique materials and solutions.

### Our Shared Values

**Innovation & Operational Excellence**

**Diversity**

**Environment**

**Integrity**

### Our Spirit

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

March 5, 2024

Yoshinori Hirai  
Representative Director

**AGC Inc.**

1-5-1, Marunouchi, Chiyoda-ku, Tokyo

Dear Shareholders:

### **Notice to Convene the 99<sup>th</sup> Ordinary General Meeting of Shareholders**

Notice is served that the 99<sup>th</sup> Ordinary General Meeting of Shareholders of AGC Inc. (“Company”) is to be held as below. The scene on the day of the General Meeting of Shareholders may be viewed by relayed live Internet streaming as well. (For how to view, please see the enclosed appendix “Guide to the Live Relay of the General Meeting of Shareholders and Questions in Advance.”)

**In case you do not attend in person on the day, you may exercise your voting rights in writing (through postal mail) or via the Internet in advance. So please exercise your voting rights by no later than 5:00 p.m. on Wednesday, March 27, 2024, (local time) after reviewing the attached Reference Documents for the General Meeting of Shareholders.**

**1. Date and Time:** Thursday, March 28, 2024, at 10:00 a.m. (Reception begins at 9:00 a.m.)

**2. Place:** Rose, 3<sup>rd</sup> Floor, Tokyo Kaikan  
3-2-1, Marunouchi, Chiyoda-ku, Tokyo

### **3. Meeting Agenda:**

#### **Report Matters:**

- (1) Report of the Business Report, Consolidated Financial Statements, and Accounting Auditor’s and Audit & Supervisory Board’s Audit Reports of the Consolidated Financial Statements for the 99<sup>th</sup> Term (from January 1, 2023, to December 31, 2023)
- (2) Report of the Non-Consolidated Financial Statements for the 99<sup>th</sup> Term (from January 1, 2023, to December 31, 2023)

#### **Resolution Matters:**

**Proposal No. 1: Appropriation of Surplus**

**Proposal No. 2: Election of Seven Directors**

**Proposal No. 3: Revision of the Calculation Method of the Stock Compensation Plan for the Directors or others**

#### 4. Matters Concerning Exercise of Voting Rights

- (1) In case the voting rights are exercised both by sending the voting form through postal mail and via the Internet, the voting rights exercised via the Internet will be considered as valid.
- (2) In case the voting rights are exercised multiple times via the Internet, the last exercise of the voting rights will be considered as valid.
- (3) In case your approval or disapproval of each proposal is not indicated in the voting form returned, it will be treated as if your approval has been indicated.

#### 5. Matters Provided by Electronic Measures

- (1) On the occasion of convening this General Meeting of Shareholders, measures for electronic provision are taken on information contained in the Reference Documents for the General Meeting of Shareholders, etc. (matters provided by electronic measures), which is posted on the Company's website on the Internet as the "Notice to Convene the 99<sup>th</sup> Ordinary General Meeting of Shareholders and Materials for the General Meeting of Shareholders" and "Materials for the 99<sup>th</sup> Ordinary General Meeting of Shareholders (Matters Not Delivered in Hard Copy)," so please access and check the Company's website below.

Company's website: <https://www.agc.com/en/ir/index.html>

Matters provided by electronic measures are posted not only on the website above but also on the Tokyo Stock Exchange (TSE) website, so please access the TSE website (TSE Listed Company Announcements Service) below, enter and search for the issue name (AGC Inc.) or code (5201), select "Basic information" and "Documents for public inspection/PR information," and check them.

TSE website (TSE Listed Company Announcements Service):

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

- (2) At this General Meeting of Shareholders, regardless of whether or not a request for hard-copy delivery has been made, documents stating the matters provided by electronic measures are equally sent. However, the following matters, among the matters provided by electronic measures, are not stated in this document based on the laws and regulations and Article 15 of the Company's Articles of Incorporation.
  - (a) "3. Matters Concerning Stock Acquisition Rights of the Company" and the "Basic Policy Concerning Internal Control" in "6. Basic Policy Concerning Internal Control and Operational Status of Internal Control" of the Business Report
  - (b) "Consolidated Statements of Changes in Equity" and "Notes to the Consolidated Financial Statements" of the Consolidated Financial Statements
  - (c) "Statements of Changes in Net Assets" and "Notes to the Non-Consolidated Financial Statements" of the Non-Consolidated Financial Statements

The Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Audit & Supervisory Board Members are those attached to this notice to convene as well as the matters from (a) to (c) above.

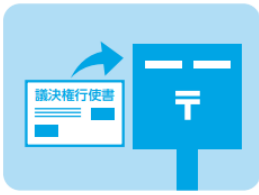
The Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Accounting Auditor are those attached to this notice to convene as well as the matters of (b) and (c) above.

END

- If any correction to the matters provided by electronic measures occurs, such occurrence, matters before the correction and matters after the correction will be posted on the above Company's website and TSE website on the Internet.

## ■ Information on How to Exercise Voting Rights

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If exercised **in writing** (through postal mail)

Deadline to exercise

**Voting forms must arrive by no later than 5:00 p.m. on Wednesday, March 27, 2024 (local time)**

Please indicate your approval or disapproval of each proposal on the enclosed voting form and return it through postal mail so that it is received by the deadline.

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If exercised via the **Internet**

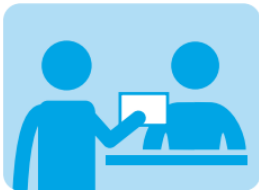
Deadline to exercise

**Acceptable until 5:00 p.m. on Wednesday, March 27, 2024 (local time)**

Please access the voting website (<https://evote.tr.mufg.jp/>) and enter your approval or disapproval of each proposal by no later than the deadline.

For “Information on Exercising Voting Rights via the Internet,” please refer to page 5.

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If attending the **General Meeting of Shareholders** in person

Open Date and Time

**Thursday, March 28, 2024, at 10:00 a.m. (Reception begins at 9:00 a.m.) (local time)**

Please submit the enclosed voting form to the reception desk.

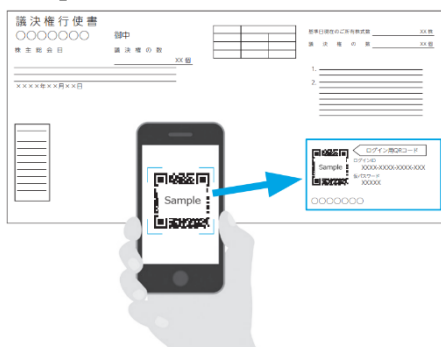
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## Information on Exercising Voting Rights via the Internet

### By scanning the QR code\*

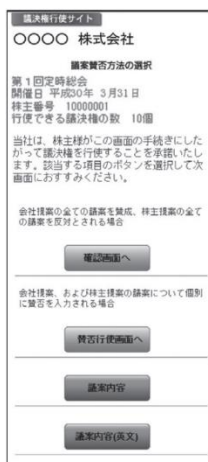
The voting website can be logged in without entering the login ID and password.

1. Please scan the QR code provided at the lower right of the voting form with a smartphone or tablet.



\* “QR Code” is the registered trademark of DENSO WAVE INCORPORATED.

2. Thereafter, please input for or against by following the instructions on the screen.



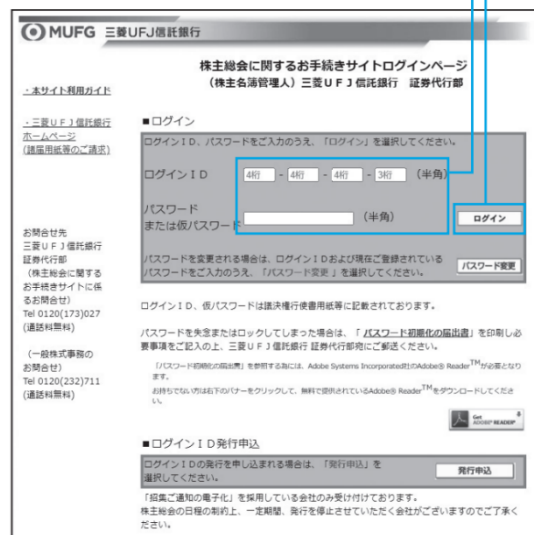
### By entering the login ID and password

Voting website: <https://evote.tr.mufg.jp/>

1. Please access the above voting website from a computer or smartphone.

2. Please enter the login ID and temporary password stated on the voting form.

- (a) Enter your login ID and temporary password.
- (b) Click “Login.”



3. Thereafter, please input for or against by following the instructions on the screen.

Contact information concerning exercise of voting rights via the Internet:

**Securities Agency Division (Help Desk)**  
**Mitsubishi UFJ Trust and Banking Corporation**  
 Telephone: **0120-173-027** (toll free in Japan)  
 Operating hours: 9:00 a.m. - 9:00 p.m. (local time)

Institutional investors may use the “Electronic Voting Platform for Foreign and Institutional Investors” operated by ICJ, Inc.

- \* Treatment of exercising voting rights will be suspended from 2:30 a.m. to 4:30 a.m. daily (local time).
- \* Please note that the shareholder needs to bear the Internet connection fees, communication fees, etc. incurred upon access to the voting website.

## **Reference Documents for the General Meeting of Shareholders**

### **Proposals and Reference Matters**

#### **Proposal No. 1: Appropriation of Surplus**

The AGC Group will, while maintaining financial soundness, prioritize the use of cash generated from core businesses for capital investment in strategic businesses and other areas necessary for future growth, M&A, R&D, etc.

On shareholder return, the Company will maintain stable dividends with a target consolidated dividend payout ratio of 40% while taking comprehensive account of the consolidated business performance in this term, future demand for funds, etc. In addition, the policy is to implement flexible acquisition of treasury shares as a shareholder return measure that contributes to enhancing capital efficiency.

On the appropriation of surplus for this term, the proposal is made under this basic policy as follows:

#### **Matters concerning year-end dividends**

Taking into account the business performance for this term, managerial environment, future business development, etc., the proposal is 105 yen per share.

- (1) Matters concerning the allocation of dividend property for shareholders and their total amount

105 yen per ordinary share of the Company

Total amount: 22,278,742,605 yen

- (2) Effective date of payment of dividends

March 29, 2024

If this Proposal is approved and adopted as proposed, the annual dividends per share for this term, including the interim dividends, will be 210 yen per share, which is the same amount as the previous term.


## Proposal No. 2: Election of Seven Directors


As the tenures of all (seven) Directors will expire at the time of the conclusion of this General Meeting of Shareholders, seven Directors are proposed for election.


The Director candidates are as follows:

Candidate No.	Name	Gender	Posts and Responsibilities at the Company	Attendance at Board of Directors Meetings
1	Takuya Shimamura <a href="#">Reappointment</a>	Male	Director & Chairman	100% (14 out of 14 times)
2	Yoshinori Hirai <a href="#">Reappointment</a>	Male	Representative Director President & CEO	100% (14 out of 14 times)
3	Shinji Miyaji <a href="#">Reappointment</a>	Male	Representative Director Senior Executive Vice President CFO and CCO	100% (14 out of 14 times)
4	Hideyuki Kurata <a href="#">Reappointment</a>	Male	Representative Director Executive Vice President CTO and GM of Technology General Division	100% (14 out of 14 times)
5	Hiroyuki Yanagi <a href="#">Reappointment</a> Outside Independent	Male	Director	93% (13 out of 14 times)
6	Keiko Honda <a href="#">Reappointment</a> Outside Independent	Female	Director	100% (14 out of 14 times)
7	Isao Teshirogi <a href="#">Reappointment</a> Outside Independent	Male	Director	100% (14 out of 14 times)





No.	Name (Date of Birth)	Career Profile, Posts, Responsibilities and Important Concurrent Positions	Number of the Company's Shares Owned
1	 <p>Takuya Shimamura (Born on Dec. 25, 1956)</p> <p><a href="#">Reappointment</a></p>	<p>Apr. 1980    Joined the Company  Jan. 2009    Executive Officer and GM of Planning &amp; Coordination Office, Chemicals Company  Jan. 2010    Executive Officer and President of Chemicals Company  Jan. 2013    Senior Executive Officer and President of Electronics Company  Jan. 2015    President &amp; CEO  Mar. 2015    Representative Director and President &amp; CEO  Jan. 2021    Representative Director &amp; Chairman  Mar. 2021    Director &amp; Chairman (incumbent)</p> <p>[Important concurrent positions]  Outside Director, EBARA CORPORATION  Outside Audit &amp; Supervisory Board Member, JFE Holdings, Inc.</p>	29,200
<p><b>【Reasons for the nomination as Director candidate】</b></p> <ul style="list-style-type: none"> <li>Mr. Takuya Shimamura was involved long in the sales at the Chemicals Division. After serving as, among others, the President of one of the Company's overseas subsidiaries, President of Chemicals Company, and President of Electronics Company, he served as the Representative Director and President &amp; CEO from March 2015 following his appointment as the President &amp; CEO in January 2015, and, since January 2021, has served as the Director &amp; Chairman. Therefore, he has abundant experience with the AGC Group's businesses and corporate management. Applying this experience, he is expected to fully perform his directorship role through decision-making on key matters of the AGC Group and by overseeing its management execution. Accordingly, he is nominated as a Director candidate.</li> </ul> <p><b>【Attendance at Board of Directors meetings (this term)】</b> 14 out of 14 times</p>			


No.	Name (Date of Birth)	Career Profile, Posts, Responsibilities and Important Concurrent Positions	Number of the Company's Shares Owned
2	 Yoshinori Hirai (Born on Aug. 19, 1959) <a href="#">Reappointment</a>	Apr. 1987 Joined the Company Jan. 2012 Executive Officer and GM of Business Development Office Jan. 2014 Senior Executive Officer and GM of Technology General Division Mar. 2014 Director, Senior Executive Officer and GM of Technology General Division Jan. 2016 Director, Senior Executive Officer, CTO and GM of Technology General Division Jan. 2018 Representative Director, Executive Vice President, CTO and GM of Technology General Division Jan. 2019 Representative Director, Executive Vice President and CTO Jan. 2021 Representative Director and President & CEO (incumbent)	16,000
<p><b>【Reasons for the nomination as Director candidate】</b></p> <ul style="list-style-type: none"> <li>Dr. Yoshinori Hirai was involved long in the R&amp;D Division in areas such as liquid crystal devices. After serving as, among others, the Senior Executive Vice President of one of the Company's subsidiaries, General Manager of the Business Planning Office of Electronics Company, General Manager of the Business Development Office, General Manager of Technology General Division, and Representative Director, Executive Vice President and CTO, he has served as the Representative Director and President &amp; CEO since January 2021. Therefore, he has abundant experience with the AGC Group's businesses and corporate management. Applying this experience, he is expected to fully perform his directorship roles through decision-making on key matters of the AGC Group and by overseeing its management execution. Accordingly, he is nominated as a Director candidate.</li> </ul> <p><b>【Attendance at Board of Directors meetings (this term)】</b> 14 out of 14 times</p>			

No.	Name (Date of Birth)	Career Profile, Posts, Responsibilities and Important Concurrent Positions	Number of the Company's Shares Owned
3	 <p>Shinji Miyaji (Born on Nov. 4, 1958)</p> <p><a href="#">Reappointment</a></p>	<p>Aug. 1990    Joined the Company</p> <p>Jan. 2010    Executive Officer and Group Leader of Corporate Planning Group, Office of the President</p> <p>Nov. 2012    Executive Officer; Senior Vice President, AGC Flat Glass North America, Inc.</p> <p>Feb. 2013    Executive Officer and Regional President of North America, Glass Company</p> <p>Oct. 2013    Executive Officer and GM of Strategy Office, Glass Company</p> <p>Jan. 2014    Executive Officer and GM of Electronics General Division, Electronics Company</p> <p>Jan. 2015    Senior Executive Officer and GM of Office of the President</p> <p>Mar. 2015    Director, Senior Executive Officer and GM of Office of the President</p> <p>Jan. 2016    Director, Senior Executive Officer, CFO and GM of Corporate Planning Division</p> <p>Jan. 2018    Representative Director, Executive Vice President, CFO and CCO</p> <p>Oct. 2019    Representative Director, Executive Vice President, CFO, CCO and GM of Corporate Planning General Division</p> <p>Mar. 2020    Representative Director, Senior Executive Vice President, CFO, CCO and GM of Corporate Planning General Division</p> <p>Jan. 2023    Representative Director, Senior Executive Vice President, CFO and CCO (incumbent)</p>	10,300
<p><b>【Reasons for the nomination as Director candidate】</b></p> <ul style="list-style-type: none"> <li>Mr. Shinji Miyaji, after serving, among others, in the Information Systems Division, one of the Company's subsidiaries as its president, the New Business Promotion Division, Corporate Planning Division, and both Divisions of Glass and Electronics as a General Manager, currently serves as the Representative Director, Senior Executive Vice President, CFO and CCO. Therefore, he has abundant experience with the AGC Group's businesses and corporate management. Applying this experience, he is expected to fully perform his directorship roles through decision-making on key matters of the AGC Group and by overseeing its management execution. Accordingly, he is nominated as a Director candidate.</li> </ul> <p><b>【Attendance at Board of Directors meetings (this term)】</b> 14 out of 14 times</p>			

No.	Name (Date of Birth)	Career Profile, Posts, Responsibilities and Important Concurrent Positions	Number of the Company's Shares Owned
4	 <p>Hideyuki Kurata (Born on Nov. 11, 1961)</p> <p><a href="#">Reappointment</a></p>	<p>Apr. 1987    Joined the Company</p> <p>Jan. 2018    Executive Officer and GM of Life Science General Division, Chemicals Company</p> <p>Jan. 2019    Senior Executive Officer and GM of Technology General Division</p> <p>Jan. 2021    Senior Executive Officer, CTO and GM of Technology General Division</p> <p>Mar. 2021    Director, Senior Executive Officer, CTO and GM of Technology General Division</p> <p>Jan. 2022    Director, Executive Vice President, CTO and GM of Technology General Division</p> <p>Mar. 2022    Representative Director, Executive Vice President, CTO and GM of Technology General Division</p> <p>Apr. 2022    Representative Director, Executive Vice President, CTO, GM of Technology General Division and GM of Business Development Division</p> <p>Jan. 2023    Representative Director, Executive Vice President, CTO and GM of Technology General Division (incumbent)</p>	5,700
<p><b>【Reasons for the nomination as Director candidate】</b></p> <ul style="list-style-type: none"> <li>Mr. Hideyuki Kurata was involved long in the areas of manufacturing and new business promotion at the Chemicals Division. After serving as, among others, the president of one of the Company's overseas subsidiaries, General Manager of Business Development Office, General Manager of Strategy Planning Office of the Chemicals Company, and General Manager of Life Science General Division of the Chemicals Company, he currently serves as the Representative Director, Executive Vice President, CTO and General Manager of Technology General Division. Therefore, he has abundant experience with the AGC Group's businesses and corporate management. Applying this experience, he is expected to fully perform his directorship roles through decision-making on key matters of the AGC Group and by overseeing its management execution. Accordingly, he is nominated as a Director candidate.</li> </ul> <p><b>【Attendance at Board of Directors meetings (this term)】</b> 14 out of 14 times</p>			

No.	Name (Date of Birth)	Career Profile, Posts, Responsibilities and Important Concurrent Positions	Number of the Company's Shares Owned
5	 <p>Hiroyuki Yanagi (Born on Nov. 20, 1954)</p> <p>Reappointment Candidate for Outside Director Independent Officer</p>	<p>Apr. 1978    Joined Yamaha Motor Co., Ltd.  Mar. 2007    Executive Officer, said company  Mar. 2009    Senior Executive Officer, said company  Mar. 2010    President, CEO and Representative Director,  said company  Jan. 2018    Chairman and Representative Director, said  company  Mar. 2019    Director of the Company (incumbent)  Mar. 2021    Chairman and Director, Yamaha Motor Co., Ltd.  Jan. 2022    Director, said company  Mar. 2022    Adviser, said company (incumbent)</p> <p>[Important concurrent positions]  Adviser, Yamaha Motor Co., Ltd.  Outside Director, Kirin Holdings Co., Ltd.  Outside Director, Japan Airlines Co., Ltd.  Outside Director, Mitsubishi Electric Corporation</p>	4,100
<p><b>【Reasons for the nomination as Outside Director candidate and expected roles, etc.】</b></p> <ul style="list-style-type: none"> <li>Mr. Hiroyuki Yanagi has served as the President, CEO and Representative Director, and Chairman and Representative Director, of Yamaha Motor Co., Ltd. and has abundant experience in overall corporate management, including branding strategies and the use of digital technology, at the company which vigorously promotes global operations. Applying this experience, he is expected to enrich the corporate governance of the Company by overseeing and monitoring the management of the Company from an independent standpoint and by making proposals on the overall management of the Company, including the strengthening of the global development of its businesses. Accordingly, he is nominated as an Outside Director candidate.</li> </ul> <p><b>【Matters concerning independency】</b></p> <ul style="list-style-type: none"> <li>Mr. Hiroyuki Yanagi meets the Company's standards for independence of outside officers (page 17). The Company has reported him to Tokyo Stock Exchange, Inc. as an independent officer. If his election is approved and adopted in terms of this Proposal, he will remain appointed as an independent officer.</li> </ul> <p><b>【Tenure of office of Outside Director from the time of assumption of office】</b></p> <ul style="list-style-type: none"> <li>5 years (at the time of the conclusion of this General Meeting of Shareholders)</li> </ul> <p><b>【Attendance at Board of Directors meetings (this term)】</b> 13 out of 14 times</p>			

No.	Name (Date of Birth)	Career Profile, Posts, Responsibilities and Important Concurrent Positions	Number of the Company's Shares Owned
	 <p>Keiko Honda (Born on Sep. 27, 1961)</p> <div style="border: 1px solid black; padding: 2px; width: fit-content;"> <span style="border: 1px solid blue; padding: 1px;">Reappointment</span>  Candidate for  Outside  Director  Independent  Officer </div>	<p>Apr. 1984    Joined Bain &amp; Company Japan, Incorporated  May 1986    Joined Shearson Lehman Brothers Securities Co., Ltd.  Jul. 1989    Joined McKinsey &amp; Company, Inc. Japan  Jul. 1999    Partner of McKinsey &amp; Company  Jul. 2007    Director (Senior Partner) of McKinsey &amp; Company  Jul. 2013    Executive Vice President &amp; CEO, Multilateral Investment Guarantee Agency (World Bank Group)  Oct. 2019    Retired from said agency  Mar. 2020    Director of the Company (incumbent)</p> <p>[Important concurrent positions]  Adjunct Professor, Columbia University in the City of New York  Outside Director, Mitsubishi UFJ Financial Group, Inc.  Outside Director, Recruit Holdings Co., Ltd.</p>	0
6	<p><b>【Reasons for the nomination as Outside Director candidate and expected roles, etc.】</b></p> <ul style="list-style-type: none"> <li>• Ms. Keiko Honda has been engaged in consulting services for many years and has experience in providing advice on management and financial strategies, M&amp;A, alliances, etc. She has also served as the representative of a multinational organization; based on this experience, she has taught ESG investment at universities and has abundant knowledge concerning management and sustainability of enterprises and global organizations. Applying these experiences, she is expected to enrich the corporate governance of the Company by overseeing and monitoring the management of the Company from an independent standpoint and by making proposals on the overall management of the Company from her professional viewpoint. Accordingly, she is nominated as an Outside Director candidate. While she has not been directly involved in corporate management other than by being an outside officer in the past, by the above reasons, it is judged that she is capable of properly performing her duties as the Outside Director.</li> </ul> <p><b>【Matters concerning independency】</b></p> <ul style="list-style-type: none"> <li>• Ms. Keiko Honda meets the Company's standards for independence of outside officers (page 17). The Company has reported her to Tokyo Stock Exchange, Inc. as an independent officer. If her election is approved and adopted in terms of this Proposal, she will remain appointed as an independent officer.</li> </ul> <p><b>【Tenure of office of Outside Director from the time of assumption of office】</b></p> <ul style="list-style-type: none"> <li>• 4 years (at the time of the conclusion of this General Meeting of Shareholders)</li> </ul> <p><b>【Attendance at Board of Directors meetings (this term)】</b> 14 out of 14 times</p>		

No.	Name (Date of Birth)	Career Profile, Posts, Responsibilities and Important Concurrent Positions	Number of the Company's Shares Owned
	 <p>Isao Teshirogi (Born on Dec. 12, 1959)</p> <p>Reappointment Candidate for Outside Director Independent Officer</p>	<p>Apr. 1982    Joined Shionogi &amp; Co., Ltd.  Jun. 2002    Director, said company  Apr. 2004    Director and Executive Officer, said company  Apr. 2006    Director and Senior Executive Officer, said company  Apr. 2008    Representative Director, President and CEO, said company  Mar. 2022    Director of the Company (incumbent)  Jul. 2022    Chairman of the Board, Representative Director, President and CEO, Shionogi &amp; Co., Ltd. (incumbent)</p> <p>[Important concurrent positions]  Chairman of the Board, Representative Director, President and CEO, Shionogi &amp; Co., Ltd.  Outside Director, Sumitomo Mitsui Banking Corporation</p>	0
7	<p><b>【Reasons for the nomination as Outside Director candidate and expected roles, etc.】</b></p> <ul style="list-style-type: none"> <li>• Dr. Isao Teshirogi serves as the Chairman of the Board, Representative Director, President and CEO of Shionogi &amp; Co., Ltd. and has abundant experience in overall corporate management, including overseas business operations, at the company which is promoting high value-added business as a drug discovery-oriented pharmaceutical company. Applying this experience, he is expected to enrich the corporate governance of the Company by overseeing and monitoring the management of the Company from an independent standpoint and by making proposals on the overall management of the Company, including the development of the Company's strategic businesses. Accordingly, he is nominated as an Outside Director candidate.</li> </ul> <p><b>【Matters concerning independency】</b></p> <ul style="list-style-type: none"> <li>• Dr. Isao Teshirogi meets the Company's standards for independence of outside officers (page 17). The Company has reported him to Tokyo Stock Exchange, Inc. as an independent officer. If his election is approved and adopted in terms of this Proposal, he will remain appointed as an independent officer.</li> <li>• The Company has a business relationship in connection with pharmaceutical active ingredients and intermediates with Shionogi &amp; Co., Ltd., where Dr. Teshirogi serves as a business executing person; however, the transaction amount accounts for less than 0.1 percent of the Company's net sales.</li> </ul> <p><b>【Tenure of office of Outside Director from the time of assumption of office】</b></p> <ul style="list-style-type: none"> <li>• 2 years (at the time of the conclusion of this General Meeting of Shareholders)</li> </ul> <p><b>【Attendance at Board of Directors meetings (this term)】</b> 14 out of 14 times</p>		

Notes:

1. While Dr. Isao Teshirogi serves as the Chairman of the Board, Representative Director, President and CEO of Shionogi & Co., Ltd., there are no special conflicts of interest between the Company and him that should be stated other than the matters stated in the matters concerning independency. There are no special conflicts of interest between the Company and other Director candidates.
2. Outline of the liability limitation contract  
The Company has executed a contract with each of Mr. Hiroyuki Yanagi, Ms. Keiko Honda and Dr. Isao Teshirogi to limit their liability arising under Article 423, Paragraph 1, of the Companies Act, to the sum of the amounts prescribed in each Item of Article 425, Paragraph 1, of the Companies Act. If their election is approved and adopted in terms of this Proposal, the Company will continue those contracts.
3. Outline of the directors' and officers' liability insurance contracts  
The Company has executed a liability insurance contract (an insurance contract stipulated in Article 430-3, Paragraph 1, of the Companies Act) with an insurance company naming the Company's Directors, Audit & Supervisory Board Members, and Executive Officers as insureds, which covers liabilities borne by the insureds, including the Company's Directors, concerning the performance of their duties or from claims received regarding the pursuit of such liabilities. Insurance premiums are fully borne by the Company. If this Proposal is approved and adopted and each candidate is elected as a Director and assumes office, each candidate will become an insured under such insurance policy. Furthermore, the policy is scheduled to be renewed in April 2024 under the same terms.



Reference: Composition of the Board of Directors and Audit & Supervisory Board  
 If Proposal No. 2 is approved and adopted as proposed, the composition of the Board of Directors and Audit & Supervisory Board will be as follows:

- Board of Directors

Name	Posts and Responsibilities at the Company	Representative Director	Outside Director	Independent Officer	Nominating Committee	Compensation Committee
Takuya Shimamura	Director & Chairman				✓	✓
Yoshinori Hirai	Representative Director and President & CEO	✓			✓	✓
Shinji Miyaji	Representative Director, Senior Executive Vice President, CFO and CCO	✓				
Hideyuki Kurata	Representative Director, Executive Vice President, CTO and GM of Technology General Division	✓				
Hiroyuki Yanagi	Director		✓ (Chairperson of the Board of Directors)	✓	✓	✓
Keiko Honda	Director		✓	✓	✓ (Chairperson)	✓
Isao Teshirogi	Director		✓	✓	✓	✓ (Chairperson)

Note: The Company, classified as a corporation with an audit & supervisory board, maintains a Nominating Committee and a Compensation Committee as voluntary advisory committees to the Board of Directors.

- Audit & Supervisory Board

Name	Posts at the Company	Full-time Audit & Supervisory Board Member	Outside Audit & Supervisory Board Member	Independent Officer
Tetsuo Tatsuno	Audit & Supervisory Board Member	✓		
Isamu Kawashima	Audit & Supervisory Board Member	✓	✓	✓
Tatsuro Ishizuka	Audit & Supervisory Board Member		✓	✓
Haruka Matsuyama	Audit & Supervisory Board Member		✓	✓

## Reference: Policy and Procedures for Deciding Candidates for Officers and Standards for Independence of Outside Officers

### **1. Policy and Procedures for Deciding Candidates for Officers**

On the appointment of candidates for the Directors, the Nominating Committee shall deliberate on and nominate them, and the Board of Directors shall decide them.

The candidates for the Directors shall be individuals having sufficient track records, experience and knowledge, etc. for carrying out the approval of material matters of the Company's management execution and monitoring the Company's management execution and shall be deliberated on and decided by also taking into consideration balance and diversity of expertise in the Board of Directors. In addition, on the candidates for Outside Directors, they shall be individuals who also satisfy the "Standards for independence of outside officers."

On the appointment of candidates for the Audit & Supervisory Board Members, the Nominating Committee shall deliberate on and, with the consent of the Audit & Supervisory Board, nominate them and the Board of Directors shall decide them.

The candidates for the Audit & Supervisory Board Members shall be individuals having sufficient track records, experience and knowledge, etc. for carrying out the audits of the Company. In addition, on the candidates for Outside Audit & Supervisory Board Members, the candidates shall be individuals who also satisfy the "Standards for independence of outside officers". One Audit & Supervisory Board Member or more shall be individuals having a considerable degree of financial and accounting knowledge.

### **2. Standards for Independence of Outside Officers**

The Company has set the following standards for ensuring the Independence of outside officers.

- (1) An outside officer shall not be a business executing person (referring to a director except an outside director, an executive officer or an employee; hereinafter the same) of any company of a group of consolidated companies (a "consolidated corporate group", which consists of a parent company and its subsidiaries, excluding the AGC Group) to which a company competing with the AGC Group in the AGC Group's key business areas belongs. In addition, an outside officer shall not hold 10% or more of the voting rights of a company belonging to such consolidated corporate group and shall not be a business executing person of a company which holds 10% or more of the voting rights of a company belonging to such consolidated corporate group.
- (2) In the past three years, an outside officer shall not have received 10.0 million yen or more per year, except for officers' compensation\*, from the AGC Group.  
\* Concerning outside directors, directors' compensation; concerning outside Audit & Supervisory Board Members, Audit & Supervisory Board Members' compensation.
- (3) In the past three years, an outside officer shall not have been a business executing person of a company belonging to a consolidated corporate group which has the AGC Group as a main business counterparty. A consolidated corporate group which has the AGC Group as a main business counterparty means one with sales to the AGC Group exceeding 2% of consolidated net sales of the said consolidated corporate group for its most recent business year.
- (4) In the past three years, an outside officer shall not have been a business executing person of a company belonging to a consolidated corporate group which is a main business counterparty of the AGC Group. A consolidated corporate group which is a main business counterparty of the AGC Group means one with sales of the AGC Group to such consolidated corporate group exceeding 2% of the AGC Group's consolidated net sales for the most recent business year.
- (5) In the past three years, an outside officer shall not have been an employee of auditing firms that conduct audits of the AGC Group.
- (6) An outside officer shall not be a major shareholder of the Company (who owns 10% or more of the voting rights in the Company) nor a business executing person of any major shareholder.
- (7) Otherwise, absence of serious conflicts of interest or matters that may harm the independence.

Reference: Skill Matrix

On the AGC Group’s approach concerning the balance, diversity and size of the Board of Directors, as a whole, which are necessary for its sustained growth and enhancement of corporate value over the medium to long term, it is as stated in the “Policy and Procedures for Deciding Candidates for Officers” (previous page). Given this policy, the Company endeavors to ensure diversity and provide balance of the Directors and Audit & Supervisory Board Members who hold skills in light of the “skill matrix” which clarifies the skills that the Board of Directors and Audit & Supervisory Board should prepare.

On the skills, they are identified from the viewpoint of the functions required in the Board of Directors and Audit & Supervisory Board, consistency with management strategies, and business characteristics, and the definition and guidance to assess the holding of each skill are set. Upon assessment of each skill, whether particularly high track record, abundant experience, high-level insight, etc. are held or not is the guidance.

If Proposal No. 2 is approved and adopted as proposed, the skills of each Director and each Audit & Supervisory Board Member will be as follows:

Name	Posts	Global Business Management	Legal & Compliance	Finance & Accounting	Sales & Marketing	Manufacturing & R&D	Business Development	IT, DX	Sustainability
Takuya Shimamura	Director & Chairman	✓			✓				✓
Yoshinori Hirai	Representative Director and CEO	✓			✓	✓	✓	✓	✓
Shinji Miyaji	Representative Director, CFO and CCO	✓	✓	✓			✓	✓	✓
Hideyuki Kurata	Representative Director and CTO	✓			✓	✓	✓	✓	✓
Hiroyuki Yanagi	Outside Director	✓			✓	✓		✓	✓
Keiko Honda	Outside Director	✓		✓					✓
Isao Teshirogi	Outside Director	✓			✓	✓	✓		✓
Tetsuo Tatsuno	Full-time Audit & Supervisory Board Member	✓	✓	✓					✓
Isamu Kawashima	Full-time Audit & Supervisory Board Member	✓	✓	✓					✓
Tatsuro Ishizuka	Audit & Supervisory Board Member	✓				✓		✓	✓
Haruka Matsuyama	Audit & Supervisory Board Member		✓						✓

### Proposal No. 3: Revision of the Calculation Method of the Stock Compensation Plan for the Directors or others

#### 1. Contents of the Revision

On the Stock Compensation Plan (“Plan”) which delivers and provides (“Delivers”) the Company’s shares and the amount of cash equivalent to the conversion value of the Company’s shares (“Shares, etc.”) to the Directors and Executive Officers of the Company (excluding non-residents of Japan; “Directors, etc.”), the proposal is to revise the indicators to evaluate the achievement level of performance targets and so forth regarding the performance-linked component as the table below.

(Underline shows the revised parts.)

Before Revision	After Revision
<ul style="list-style-type: none"> <li>• <u>The indicators</u> for evaluating the level of achievement, etc. of performance targets <u>will be Return (Business Profit) on Capital Employed</u> and EBITDA (<u>earnings before interest, tax, depreciation and amortization</u>), etc. <u>which are the important indicators for achieving the performance targets in the medium-term management plan.</u></li> </ul>	<ul style="list-style-type: none"> <li>• The achievement level of performance targets and so forth are evaluated <u>by the indicators</u>, etc. as follows:               <ul style="list-style-type: none"> <li>(a) <u>Financial Indicators: ROE and EBITDA</u> (calculated <u>simply by adding operating profit and depreciation and amortization</u>)</li> <li>(b) <u>Stock Price Indicator: Relative TSR</u> (against TOPIX)</li> <li>(c) <u>Non-financial Indicators: GHG Emission Intensity per Unit of Net Sales and Employee Engagement</u></li> </ul> </li> </ul>

Notes:

1. Relative TSR (against TOPIX): TSR stands for Total Shareholder Return and means the total investment yield for shareholders that combines capital gains and dividends (total shareholder yield). Relative TSR (against TOPIX) compares the Company’s TSR with the average TSR of TOPIX constituents in the covered period.
2. GHG Emission Intensity per Unit of Net Sales: GHG Emission Intensity per Unit of Net Sales is an indicator that divides the Company Group’s amount of emitted GHG (Greenhouse Gas) by net sales, which shows the carbon efficiency in the business activities.

This proposal does not, except for the above revision, change this Plan. Other details of this Plan starting with the upper limit of money contributed by the Company and the number of Shares, etc. Delivered to the Directors, etc. will not be changed from those approved at the 93<sup>rd</sup> Ordinary General Meeting of Shareholders (held on March 29, 2018) and the 97<sup>th</sup> Ordinary General Meeting of Shareholders (held on March 30, 2022).

If Proposal No. 2 is approved and adopted as proposed, the number of the Directors eligible for this Plan will be six (including two Outside Directors). In addition, this Proposal includes compensation for Executive Officers; the number of Executive Officers eligible for this Plan who

do not serve concurrently as Directors at the time of the conclusion of this General Meeting will be 27.

If this Proposal is approved and adopted as proposed, the Company's "Policy for Determining Compensation, etc. for Officers" (stated on page 41) will be revised similarly to this revision.

## 2. Reasons for the Revision

The Company, with the aim to heighten motivation of the Directors, etc. to contribute to enhancing corporate value over the medium to long term as well as to seek to share earnings with the shareholders and so forth, received approval on the introduction of this Plan at the 93<sup>rd</sup> Ordinary General Meeting of Shareholders (held on March 29, 2018) and thereafter received approval to raise the upper limit of money contributed by the Company and the number of Shares, etc. Delivered to the Directors, etc. at the 97<sup>th</sup> Ordinary General Meeting of Shareholders (held on March 30, 2022), which have reached today.

This time, following the formulation of the medium-term management plan **AGC plus-2026**, the proposal is the revision on the performance-linked component to review the financial indicators and to newly add a stock price indicator and non-financial indicators so that this Plan further contributes to the enhancement of corporate value in the medium to long term.

## 3. Reasons for the Appropriateness of the Revision

This revision is judged as appropriate because it shares earnings with the shareholders by promoting sustained enhancement of corporate value and motivates the achievement of performance targets of the management strategy aiming at the Company Group's sustained development; furthermore, the Board of Directors has passed a resolution upon receipt of a report to that effect from the voluntary Compensation Committee, the majority of the members of which are made up of Outside Directors and chaired by an Outside Director.

Reference: Contents of Stock Compensation Plan

If this Proposal is approved and adopted as proposed, the contents of this Plan will be as below.

This Plan Delivers Shares, etc. to the Directors, etc. separately from the amount of compensation, etc. for the Company's Directors (750 million yen or less per year, including 67 million yen or less for Outside Directors) which was approved at the 97<sup>th</sup> Ordinary General Meeting of Shareholders (held on March 30, 2022).

(Underline shows the revised parts.)

Outline	<ul style="list-style-type: none"> <li>This Plan is a stock compensation plan which acquires the Company's shares through a trust with the money contributed by the Company as the fund and Delivers Shares, etc. to the Directors, etc. through said trust, which consists of a "performance-linked component" that Delivers Shares, etc. according to the achievement level of performance targets, etc. depending on the position and "fixed component" that Delivers a certain number of Shares, etc. depending on the position with no link to performance.</li> </ul>		
Persons eligible for the Delivery of Shares, etc.		Performance-linked Component	Fixed Component
	Directors who serve concurrently as Executive Officers; and Executive Officers	✓	✓
	Directors who do not serve concurrently as Executive Officers (including Outside Directors)		✓
	<p>Note: The ratio of the performance-linked component and the fixed component of compensation for the Directors who serve concurrently as Executive Officers and for the Executive Officers are 50 percent each. The Directors who do not serve concurrently as Executive Officers are eligible to receive only the fixed component of compensation.</p>		
Covered period	<ul style="list-style-type: none"> <li>Three business years covered by the medium-term management plan set out by the Company.</li> </ul> <p>Note: The covered period after the revision of this Plan that starts from the current business year is the three business years from the business year ending December 31, 2024, to the business year ending December 31, 2026.</p>		
Upper limit of money contributed by the Company	<ul style="list-style-type: none"> <li>Total of 2 billion 250 million yen (including 25 million yen for Outside Directors) for each covered period</li> </ul> <p>Note: The amount of trust money includes the funds for the Trust to acquire the Company's shares as well as trust fees and trust expenses during the trust period.</p>		
Upper limit of the Company's shares (including shares subject to conversion into cash) Delivered to the Directors, etc.	<ul style="list-style-type: none"> <li>Total of 495,000 shares (including 6,000 shares for Outside Directors) for each covered period</li> </ul> <p>Note: The average number for each single business year is 165,000 shares, which accounts for approximately 0.08% of the number of issued shares of the Company (as at December 31, 2023, after deducting treasury shares). There will be no dilution effect on the Company's shares as the Company's shares are planned to be acquired from the stock market.</p>		

<p>Calculation formula of Shares, etc. Delivered to the Directors, etc.</p>	<ul style="list-style-type: none"> <li>• The number of the Company’s shares (including shares subject to conversion into cash) Delivered to the Directors, etc. is determined by the number of “share delivery points.”</li> <li>• Share delivery points are calculated based on the base points granted to the Directors, etc. depending on their positions in each business year during the covered period. The base points granted to the Directors who serve concurrently as Executive Officers and to the Executive Officers consist of a performance-linked component and a fixed component while the base points granted to the Directors who do not serve concurrently as Executive Officers consist solely of a fixed component. One share of the Company is delivered for one share delivery point, and fractions of less than one point are disregarded. However, if a share split or share consolidation, etc. are carried out on the Company’s shares during the trust period, the number of the share delivery points and the upper limit of the number of Shares, etc. Delivered will be adjusted according to the share split ratio or share consolidation ratio, etc.</li> </ul> <p>(a) Performance-linked component</p> <p>Share delivery points with respect to the performance-linked component granted to the Directors who serve concurrently as Executive Officers and to Executive Officers are calculated by cumulating the points corresponding to 50% of the base points granted in each business year during the covered period and multiplying such cumulative total by the performance-linked coefficient, after the end of the covered period, as follows:</p> <table border="1" data-bbox="560 996 1347 1070" style="margin-left: 40px;"> <tr> <td style="padding: 5px;">Cumulative total of 50% of the base points granted in each business year</td> <td style="padding: 5px; text-align: center;">×</td> <td style="padding: 5px;">Performance-linked coefficient*</td> </tr> </table> <p style="margin-left: 40px;">* Please refer to the “Details of performance achievement conditions regarding the performance-linked component” below.</p> <p>(b) Fixed component</p> <p>Share delivery points with respect to the fixed component granted to the Directors who serve concurrently as Executive Officers, to the Executive Officers and to the Directors who do not serve concurrently as Executive Officers, respectively, are calculated as follows:</p> <p style="margin-left: 40px;">(Directors who serve concurrently as Executive Officers and Executive Officers) Cumulative total of 50% of the base points granted in each business year</p> <p style="margin-left: 40px;">(Directors who do not serve concurrently as Executive Officers) Cumulative total of the base points granted in each business year</p> <p>(c) Share delivery points</p> <p>Based on (a) and (b) above, the share delivery points granted to the Directors who serve concurrently as Executive Officers, to the Executive Officers, and to the Directors who do not serve concurrently as Executive Officers, respectively, are calculated as follows:</p> <p style="margin-left: 40px;">(Directors who serve concurrently as Executive Officers and Executive Officers) Points of the performance-linked component set forth in (a) above + Points of the fixed component set forth in (b) above</p> <p style="margin-left: 40px;">(Directors who do not serve concurrently as Executive Officers) Points of the fixed component as set forth in (b) above</p>	Cumulative total of 50% of the base points granted in each business year	×	Performance-linked coefficient*
Cumulative total of 50% of the base points granted in each business year	×	Performance-linked coefficient*		

<p>Details of performance achievement conditions regarding the performance-linked component</p>	<ul style="list-style-type: none"> <li>• Performance-linked coefficient varies in the range between 0% and 200% depending on the achievement level of performance targets in the medium-term management plan, etc.</li> <li>• The achievement level of performance targets and so forth are evaluated by the indicators, etc. as follows: <ul style="list-style-type: none"> <li>(a) <u>Financial Indicators: ROE and EBITDA (calculated simply by adding operating profit and depreciation and amortization)</u></li> <li>(b) <u>Stock Price Indicator: Relative TSR (against TOPIX)</u></li> <li>(c) <u>Non-financial Indicators: GHG Emission Intensity per Unit of Net Sales and Employee Engagement</u></li> </ul> </li> </ul>
<p>Method and timing to Deliver Shares, etc. to the Directors, etc.</p>	<ul style="list-style-type: none"> <li>• The Directors, etc. who meet the beneficiary requirements will receive the delivery of the Company's shares in the number corresponding to 50% of the share delivery points (shares constituting less than one share unit will be rounded down) after the end of the covered period and receive cash payment equivalent to the Company's shares corresponding to the number of remaining share delivery points that are converted into cash in the trust.</li> <li>• The Directors, etc. will continue to hold the Company's shares acquired through this Plan until their retirement.</li> <li>• If a Director, etc. who meets the beneficiary requirements were to become deceased during the trust period, the Company's shares corresponding to the share delivery points at the time will be converted entirely into cash in the trust, and the heirs of said Director, etc. will receive a cash payment equivalent to such amount converted into cash.</li> </ul>
<p>Voting rights pertaining to the Company's shares in the Trust</p>	<p>Voting rights pertaining to the Company's shares under the trust will not be exercised during the trust period in order to ensure the neutrality of the Company's management.</p>
<p>Other details of this Plan</p>	<p>On other details of this Plan, the Board of Directors will determine each time a trust is established, the trust agreement is amended and additional contributions to the Trust are made.</p>

The Trust may be continued by the modification of the trust agreement and additional trust at the time of the expiration of the trust period in lieu of creating a new trust. In such case, the trust period will be extended further for a period of three years, and the Company will make additional contributions of trust money within the limit of 2 billion 250 million yen in total and will continue to grant points and Deliver Shares, etc. to the Directors, etc. for the extended trust period; provided, however, that in cases where such additional contributions are to be made, where there are Company's shares (excluding the Company's shares corresponding to the points granted to the Directors, etc. that are yet to be Delivered) and cash remaining in the trust property ("Residual Shares, etc.") as of the last day of the trust period prior to the extension, the sum of the amount of the Residual Shares, etc. and additional trust money to be contributed will be within the upper limit of 2 billion 250 million yen.

END



## **Business Report** (From January 1, 2023, to December 31, 2023)

### **1. Matters Concerning the Current Status of the AGC Group**

#### **(1) Process and Results of Business**

In this consolidated fiscal year, the global economy surrounding the AGC Group (the Company and its subsidiaries) saw a pickup trend in certain regions, such as the U.S.; however, affected by the struggling Chinese economy, geopolitical risk starting with the Russia-Ukraine situation, monetary tightening, such as in the U.S. and Europe, and so forth, the overall growth rate slowed. Under such a business environment, in strategic businesses of the AGC Group, electronics decreased shipments of optoelectronics materials, but the shipment of EUV lithography photomask blanks, etc. remained firm. Life science was affected by the decrease in sales of biopharmaceuticals CDMO. In core businesses, automotive increased AGC Group's shipments as well as the sales prices as automobile production recovered owing to the easing of the impact from the shortage of parts supplies centering on semiconductors. On the other hand, essential chemicals decreased sales prices of polyvinyl chloride resin, etc.

As a result of the above, while there was a revenue increase effect by the foreign exchange rate, net sales for this consolidated fiscal year decreased compared to the previous term by 16.6 billion yen (0.8%) to 2,019.3 billion yen. While the prices for raw materials, supplies and fuels decreased, operating profit decreased compared to the previous term by 55.2 billion yen (30.0%) to 128.8 billion yen owing to the deterioration of manufacturing costs and decrease of sales prices of polyvinyl chloride resin, etc. Profit before tax increased compared to the previous term by 64.3 billion yen (109.8%) to 122.8 billion yen owing to the effect of impairment losses recorded in the previous term, etc.; profit for the year attributable to owners of the parent increased compared to the previous term by 69.0 billion yen to 65.8 billion yen.

(Business results for this consolidated fiscal year)

Net sales:	2,019.3 billion yen	(0.8% decrease from the previous term)
Operating profit:	128.8 billion yen	(30.0% decrease from the previous term)
Profit before tax:	122.8 billion yen	(109.8% increase from the previous term)
Profit for the year attributable to owners of the parent:	65.8 billion yen	

Below is the report of the overview by segment for this consolidated fiscal year.

### **Architectural Glass**

Revenue in Europe and the Americas decreased compared to the previous term as a result of decrease in sales prices and decrease in shipments in Europe affected by the economic downturn. Revenue in Asia increased compared to the previous term owing to the increase in sales prices while shipments decreased in regions except Japan.

As a result of the above, net sales of architectural glass for this consolidated fiscal year decreased compared to the previous term by 7.4 billion yen (1.5%) to 476.3 billion yen. Operating profit increased compared to the previous term by 0.05 billion yen (0.1%) to 32.8 billion yen owing to the decrease in prices of raw materials, supplies and fuels while affected by the deterioration of manufacturing costs, etc.

### **Automotive**

Automotive glass increased AGC Group's shipments owing to the increase in automobile production. Besides, net sales of automotive for this consolidated fiscal year increased compared to the previous term by 81.9 billion yen (19.6%) to 499.7 billion yen due to the increase in sales prices, improvement in product mix and impact of foreign exchange rates. While affected by the rise in manufacturing costs, etc., operating profit increased compared to the previous term by 31.6 billion yen to 21.8 billion yen owing to the above factors.

### **Electronics**

Display increased revenues compared to the previous term due to the increase in shipments of LCD glass substrates and so forth. Electronic materials increased revenue compared to the previous term owing to the increase in shipments of semiconductor related products, such as EUV lithography photomask blanks, in addition to the impact of foreign exchange rates while the shipment of optoelectronics materials decreased owing to the impact of the slowdown in the smartphone market.

As a result of the above, net sales of electronics for this consolidated fiscal year increased compared to the previous term by 6.0 billion yen (1.9%) to 313.2 billion yen. Operating profit increased compared to the previous term by 3.7 billion yen (25.0%) to 18.4 billion yen.

### **Chemicals**

Essential chemicals decreased revenues compared to the previous term due to the decrease in the sales prices of polyvinyl chloride resin, etc. Net sales of performance chemicals turned out roughly as the previous term owing to the increase in sales prices and the impact of foreign exchange rates while the shipment of fluorine related products decreased.

As a result of the above, net sales of chemicals for this consolidated fiscal year decreased compared to the previous term by 86.3 billion yen (13.1%) to 574.1 billion yen, and operating profit decreased compared to the previous term by 61.3 billion yen (48.6%) to 64.8 billion yen.

### **Life Science**

Net sales of life science for this consolidated fiscal year decreased compared to the previous term by 15.0 billion yen (10.6%) to 126.8 billion yen because of the vanishment of special demand for COVID-19 related products, decrease in inflow of funds into biotech ventures and decrease in sales of biopharmaceuticals CDMO owing to the delay in the launch of a new line in the U.S., supply adjustment for facility improvement and so forth while there was an impact of foreign exchange rates. Operating profit decreased compared to the previous term by 29.2 billion yen to a loss of 12.4 billion yen owing to the accrual of upfront cost associated with the capacity expansion in the biopharmaceutical field in addition to the above revenue decreasing factors.

## Ceramics & Others

On ceramics & others, net sales for this consolidated fiscal year decreased compared to the previous term by 3.2 billion yen (3.7%) to 83.4 billion yen, and operating profit decreased compared to the previous term by 0.3 billion yen (9.0%) to 3.3 billion yen.

(Net sales and operating profits by segment)

Segment	Net Sales	(Compared to the Previous Term)	Operating Profit	(Compared to the Previous Term)
Architectural Glass	476.3 billion yen	(1.5% decrease)	32.8 billion yen	(0.1% increase)
Automotive	499.7 billion yen	(19.6% increase)	21.8 billion yen	
Electronics	313.2 billion yen	(1.9% increase)	18.4 billion yen	(25.0% increase)
Chemicals	574.1 billion yen	(13.1% decrease)	64.8 billion yen	(48.6% decrease)
Life Science	126.8 billion yen	(10.6% decrease)	(12.4 billion yen)	
Ceramics & Others	83.4 billion yen	(3.7% decrease)	3.3 billion yen	(9.0% decrease)
(Adjustments)	(54.2 billion yen)		0.1 billion yen	
Total	2,019.3 billion yen	(0.8% decrease)	128.8 billion yen	(30.0% decrease)

Notes:

1. From this consolidated fiscal year, reportable segment has been revised, and the former “Glass” is split into “Architectural Glass” and “Automotive” and “Chemicals” is split into “Chemicals” and “Life Science.” On the comparison with the previous term, calculation is made by reclassifying the amounts of the previous term to the same segment as this consolidated fiscal year.
2. From this consolidated fiscal year, the name of product groups of “Chemicals” has been changed, and the former “chlor-alkali urethanes” is “essential chemicals” and “fluorochemicals and specialty” is “performance chemicals.”
3. Adjustments include the eliminated amounts of net sales and operating profit regarding intersegment transactions, etc.

## (2) Status of Capital Investment

In this consolidated fiscal year, capital investments totaling 231.7 billion yen were made, such as the expansion of manufacturing facilities of LCD glass substrates in China, the expansion of manufacturing facilities of EUV lithography photomask blanks in Japan (Electronics), the expansion of manufacturing facilities of chlor-alkali products in Southeast Asia, the expansion of manufacturing facilities of fluorine related products in Japan (Chemicals), the expansion of manufacturing facilities of synthetic pharmaceuticals and biopharmaceuticals in Europe, and the expansion of manufacturing facilities of synthetic agrochemicals and pharmaceuticals in Japan (Life Science).

### (3) Status of Funding

In this consolidated fiscal year, the AGC Group financed its necessary fund by using its own capital, through bank borrowings and by issuing commercial papers and bonds.

The bond issued by the Company in this consolidated fiscal year is as follows:

Name	Total Issued Amount	Issue Date	Maturity Date
No. 2 Unsecured Straight Bond	JPY 30.0 billion	June 8, 2023	June 8, 2033

### (4) Status of Corporate Reorganizations, etc.

Nothing applicable exists.

### (5) Trends in the Status of Property and Profits and Losses

(Unit: billions of yen except per share amounts)

	IFRSs			
	96 <sup>th</sup> Term (January 2020 through December 2020)	97 <sup>th</sup> Term (January 2021 through December 2021)	98 <sup>th</sup> Term (January 2022 through December 2022)	99 <sup>th</sup> Term (January 2023 through December 2023)
Net Sales	1,412.3	1,697.4	2,035.9	2,019.3
Operating Profit	75.8	206.2	183.9	128.8
Profit Before Tax	57.1	210.0	58.5	122.8
Profit for the Year Attributable to Owners of the Parent	32.7	123.8	(3.2)	65.8
Basic Earnings Per Share (yen)	147.84	559.11	(14.22)	304.73
Equity Attributable to Owners of the Parent	1,115.1	1,314.2	1,390.3	1,447.1
Equity Attributable to Owners of the Parent per Share (yen)	5,038.52	5,930.27	6,271.35	6,831.89
Total Assets	2,534.5	2,666.0	2,814.0	2,933.0

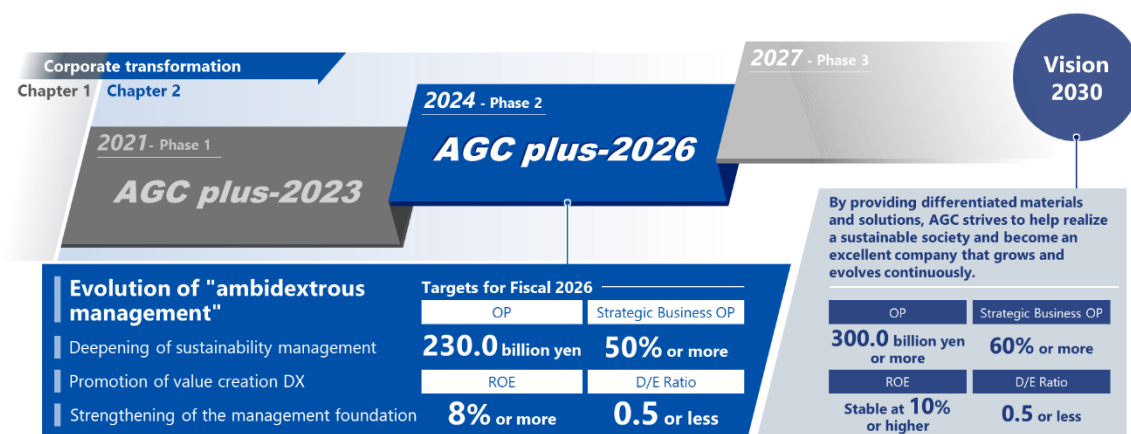
Note: Pursuant to the provisions of Article 120, Paragraph 1, of the Ordinance on Companies Accounting, the Consolidated Financial Statements are prepared based on the IFRSs.

## (6) Tasks to be Addressed

The AGC Group is working on the maximization of corporate value by accelerating corporate transformation towards the realization of the long-term management strategy “Vision 2030.”

In the previous medium-term management plan **AGC plus-2023**, business has been operated under the strategies of “pursuit of ambidextrous management,” “promotion of sustainability management” and “strengthening of competitiveness by accelerating DX.” As a result of working on the business portfolio shift for the improvement of profitability and asset efficiency, the level of operating profit and EBITDA has been enhanced compared to the past; however, out of the initial targets, “achieving a stable ROE of 8% or more” failed to reach realization owing to the record of impairment losses associated with the structural improvements, etc. and so forth.

Placing the three years from 2024 as “Corporate Transformation Chapter 2: Phase 2,” the medium-term management plan **AGC plus-2026** is newly formulated with 2026 as the final year.



The AGC Group will add various values to all stakeholders, such as the society, customers, business partners, employees, investors and future generations by achieving the sustainability targets and financial targets set out in the new medium-term management plan **AGC plus-2026**.

The basic strategies of **AGC plus-2026** are as follows. The direction of the previous medium-term management plan, which gained certain results, will be followed.

### a. Evolution of Ambidextrous Management

Ambidextrous management continues to be promoted; the aim is to establish a business portfolio that is strong against market fluctuations and has high asset efficiency, growth potential and carbon efficiency.

Main strategies of each business are as follows. Among the businesses with challenges in profitability, in the display business, a project led by the CFO to reform the business structure has been launched, and structural reform will be implemented with sense of speed. In addition, in the biopharmaceutical CDMO business in the U.S., fundamental measures, such as facility improvements, have already been implemented, and further improvements in the operation will be worked on. By the steadfast implementation of these initiatives, early improvement of revenues is aimed for.

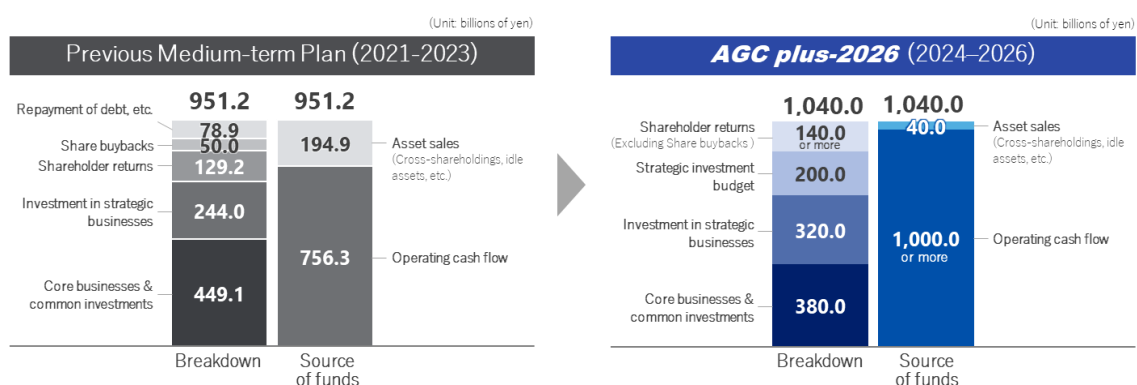
Strategic Business	Electronics	Expand high value-added products starting with EUV mask blanks Continue to generate new businesses
	Life Science	Rebuild U.S. biopharmaceutical CDMO business early Return to growth trajectory taking advantage of strengths in global deployment and technological readiness
	Mobility	Looking ahead to market changes by CASE, definitely seize business opportunities
	Performance Chemicals	Provide high-performance materials for electronics, including semiconductors, as well as the environment & energy fields Capture demand in global niche markets by adding high value and expanding business areas
Core Business	Architectural Glass	Strengthen products and technologies leading to solutions of social challenges, such as GHG reduction, and stably generate cash
	Automotive	Enhance profitability and efficiency by price policy, structural reform, and continued shift to high performance and high added-value
	Display	Improve profitability and asset efficiency by price policy review and strengthening competitiveness by business structure reform and technological innovation
	Essential Chemicals	Continue and strengthen the strategy of regional concentration in the growing Southeast Asian market

Notes:

1. Performance Chemicals, which used to be placed in core businesses, has been newly incorporated into strategic businesses due to being a business providing high-performance materials to a variety of cutting-edge fields.
2. High value-added products for CASE, such as Low-E (low emissivity) glass and light-control glass, that used to be included in Automotive of core businesses, have been newly integrated into Mobility.

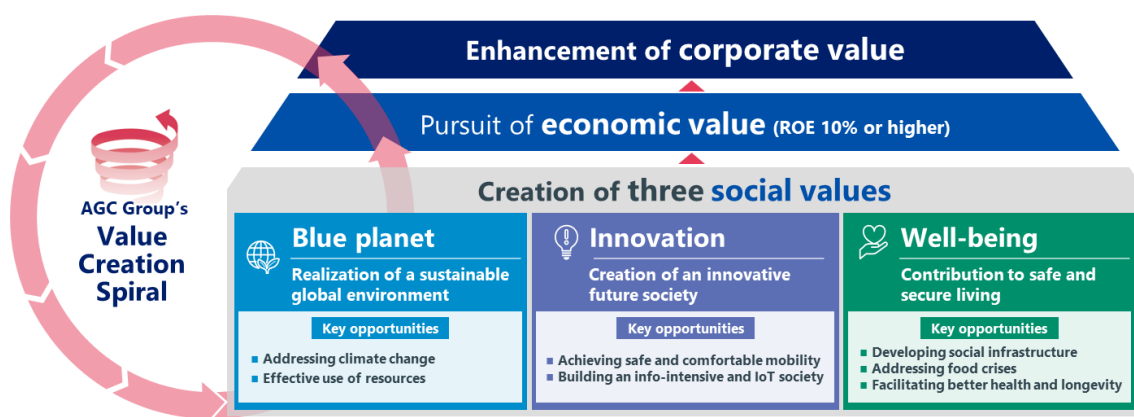
By the above initiatives, the aim in 2026, which is the final year of the medium-term management plan, is an ROE (return on equity) of 8% or more, net sales of 2 trillion 400 billion yen and an operating profit of 230 billion yen. On strategic businesses, the aim in 2026 is a net sales of 700 billion yen and operating profit of 50% or more of the total Group.

Furthermore, to continue active investment in strategic businesses & growth businesses, 200 billion yen has been set aside as a reserve for strategic investment. On shareholder returns, stable dividends will be continued with the dividends on equity of around 3% as reference; on the acquisition of treasury shares, judgment will be made by taking comprehensive account of investment projects, cash situation, etc.



## b. Deepening of Sustainability Management

Upon formulating **AGC plus-2026**, on social values that the AGC Group provides, the existing “five social values” have been modified to “three social values” generated by AGC Group’s products and technologies; the values to which the AGC Group contributes are made clear. Through the generation of these three social values, economic value will be generated, and an upward spiral of corporate value enhancement will be realized.



Moreover, in order to incorporate a perspective of sustainability into the overall management and monitor its implementation status, GHG emission intensity per unit of net sales and employee engagement scores will be added to the indicators to calculate the stock compensation for the Directors and Executive Officers. In addition to this, sustainability KPIs have been set in relation to the three social values redefined this time.

### c. Promotion of Value Creating DX

In 2017, the AGC Group embarked on building the foundation toward the realization of DX, such as the digitization of data, and has realized the strengthening of its *monozukuri* [i.e., quality manufacturing] capability, such as existing businesses' costs reduction and lead time compression. Since 2020, by the DX initiatives utilizing such foundation, new added value has been created and provided by the business model transformation, such as a business processes reform across the supply chain. At **AGC plus-2026**, the fusion of digital technology which has been fostered till now and *monozukuri* capability which is the strength of the AGC Group will be accelerated, and the competitive power of each business will be raised.

### d. Strengthening the Management Foundation—Promotion of Human Capital Management

The AGC Group brings out the strength and competence of each individual in the diverse human capital, supports proactive learning and growth, and encourages challenges. The sum of growing individuals generates a strong, highly engaged organization, which enhances corporate value, and realizes AGC Group's mission.



**(7) Main Businesses (as of December 31, 2023)**

Segment	Main Products
Architectural Glass	Float flat glass, figured glass, polished wired glass, Low-E (Low-Emissivity) glass, decorative glass, fabricated glass for architectural use (heat insulating & shielding, double-glazing glass, disaster-resistant & security glass, fire-resistant glass, etc.), etc.
Automotive	Automotive glass, cover glass for car-mounted displays, etc.
Electronics	LCD glass substrates, glass substrates for OLED displays, specialty glass for display applications, peripheral parts for display, semiconductor process materials, optoelectronics materials, printed circuit board materials, laboratory use ware, etc.
Chemicals	Polyvinyl chloride, vinyl chloride monomer, caustic soda, urethane raw materials, fluorinated resins, gases, solvents, iodine products, etc.
Life Science	Synthetic agrochemical and pharmaceutical active ingredients and intermediates, biopharmaceuticals, etc.
Ceramics & Others	Ceramic products, etc.

**(8) Main Places of Business (as of December 31, 2023)**

The Company's main places of business are as follows. On the Company's subsidiaries, they are as stated in "(9) Status of Important Subsidiaries."

Name	Location	Name	Location
Head Office	Tokyo Prefecture	Chiba Plant	Chiba Prefecture
Kansai Plant	Hyogo Prefecture	Aichi Plant	Aichi Prefecture
Amagasaki Factory	Hyogo Prefecture	Kashima Plant	Ibaraki Prefecture
Takasago Factory		Sagami Plant	Kanagawa Prefecture
AGC Yokohama Technical Center	Kanagawa Prefecture		

**(9) Status of Important Subsidiaries (as of December 31, 2023)**

Subsidiary Name	Location	Capital	Voting Rights Held by the Company	Main Businesses
Architectural Glass				
AGC Glass Kenzai Co., Ltd.	Tokyo, Japan	JPY 450 million	100.0%	Manufacturing, construction and sales of flat glass, fabricated glass for architectural use and building materials
AGC Glass Products Co., Ltd.	Tokyo, Japan	JPY 1,287 million	100.0%	Manufacturing and sales of fabricated glass for architectural use, and cutting and sales of flat glass
PT Asahimas Flat Glass Tbk	Indonesia	IDR 217.0 billion	44.5%	Manufacturing and sales of flat glass, automotive glass and fabricated glass for industrial use
AGC Glass Europe	Belgium	EUR 473 million	100.0%	Manufacturing and sales of flat glass
AGC Flat Glass Czech a.s.	Czech Republic	CZK 3,560 million	(*) 100.0%	Manufacturing and sales of flat glass
Automotive				
AGC Automotive (Suzhou) Inc.	China	USD 236 million	100.0%	Manufacturing and sales of automotive glass
AGC Flat Glass North America, Inc.	U.S.A.	USD 4 million	(*) 100.0%	Manufacturing and sales of automotive glass
AGC Automotive Europe	Belgium	EUR 105 million	(*) 100.0%	Manufacturing and sales of automotive glass
Electronics				
AGC Electronics Co., Ltd.	Fukushima, Japan	JPY 300 million	100.0%	Manufacturing of semiconductor process materials and optoelectronics materials
AGC Techno Glass Co., Ltd.	Shizuoka, Japan	JPY 300 million	100.0%	Manufacturing of optoelectronics materials and manufacturing and sales of products for laboratory and medical use
AGC Display Glass Taiwan, Inc.	Taiwan	NTD 3,120 million	(*) 100.0%	Manufacturing and sales of glass for electronics
AGC Display Glass (Huizhou) Co., Ltd.	China	JPY 45,800 million	100.0%	Manufacturing and sales of glass for electronics
AGC Advanced Electronics Display Glass (Shenzhen) Co., Ltd.	China	JPY 33,700 million	63.0%	Manufacturing and sales of glass for electronics
AGC Fine Techno Korea Co., Ltd.	South Korea	KRW 227,000 million	(*) 100.0%	Manufacturing and sales of glass for electronics

Subsidiary Name	Location	Capital	Voting Rights Held by the Company	Main Businesses
Chemicals				
Ise Chemicals Corporation	Tokyo, Japan	JPY 3,599 million	53.2%	Manufacturing and sales of iodine products and metallic compounds and extraction and sales of natural gas
PT Asahimas Chemical	Indonesia	USD 84 million	52.5%	Manufacturing and sales of polyvinyl chloride, vinyl chloride monomer and caustic soda
AGC Vinythai Public Company Limited	Thailand	THB 9,435 million	65.0%	Manufacturing and sales of polyvinyl chloride, vinyl chloride monomer and caustic soda
Life Science				
AGC Biologics Inc.	U.S.A.	USD 150 million	(*) 100.0%	Contracted development and manufacturing of active biopharmaceutical ingredients
AGC Biologics A/S	Denmark	DKK 42 million	100.0%	Contracted development and manufacturing of active biopharmaceutical ingredients
Ceramics & Others				
AGC Ceramics Co., Ltd.	Tokyo, Japan	JPY 3,500 million	100.0%	Manufacturing and sales of various ceramic products
AGC Singapore Services Pte. Ltd.	Singapore	USD 88 million	100.0%	Procurement of funds and provision of financing for affiliates in Asia and holding of shares in affiliates
AGC America, Inc.	U.S.A.	USD 0 million	100.0%	Holding of shares in affiliates in North America and information gathering
AGC Capital, Inc.	U.S.A.	USD 0 million	(*) 100.0%	Procurement of funds and provision of financing for affiliates in North America

Note: (\*) indicates that the ratio includes investment through subsidiaries.

**(10) Status of Employees (as of December 31, 2023)**

Segment	Number of Employees
Architectural Glass	14,502 persons
Automotive	16,961 persons
Electronics	11,850 persons
Chemicals	6,454 persons
Life Science	3,052 persons
Ceramics & Others	3,905 persons
Consolidated Total	56,724 persons

Note: The number of employees of the Company is 7,753 persons.

**(11) Main Lenders (as of December 31, 2023)**

Lenders	Outstanding Balance of Debt
MUFG Bank, Ltd.	JPY 94.7 billion
Mizuho Bank, Ltd.	JPY 67.9 billion
The Norinchukin Bank	JPY 66.1 billion

Note: The outstanding balance of debt includes the debt from overseas local entities, etc. of the lenders.

## 2. Matters Concerning the Company Shares (as of December 31, 2023)

- (1) **Total Number of Authorized Shares:** 400,000,000 shares
- (2) **Total Number of Issued Shares:** 217,434,681 shares (including 5,256,180 shares of treasury shares)
- (3) **Total Number of Shareholders:** 124,999 persons
- (4) **Large Shareholders (Top 10)**

Shareholder Name	Number of Shares Held	Percentage of Shares Held
The Master Trust Bank of Japan, Ltd. (Trust account)	32,663,800 shares	15.39%
Custody Bank of Japan, Ltd. (Trust account)	17,030,047 shares	8.03%
Meiji Yasuda Life Insurance Company	7,692,600 shares	3.63%
The Asahi Glass Foundation	6,297,181 shares	2.97%
Barclays Securities Japan Limited	6,000,000 shares	2.83%
Asahi Glass Business Partner Shareholding Association	4,663,433 shares	2.20%
STATE STREET BANK WEST CLIENT – TREATY 505234	3,690,928 shares	1.74%
Nippon Life Insurance Company	3,662,941 shares	1.73%
SMBC Nikko Securities Inc.	3,646,426 shares	1.72%
Japan Securities Finance Co., Ltd.	3,566,100 shares	1.68%

Notes:

1. In addition to the above, there are 5,256,180 shares of treasury shares held by the Company.
2. Percentage of shares held is calculated by excluding treasury shares and rounding to the nearest two decimal places.

### (5) Status of Shares Delivered to Company Officers During this Business Year as Compensation for the Performance of their Duties

Nothing applicable exists.

### (6) Other Important Matters Concerning Shares

#### a. Acquisition of Treasury Shares

The Company acquired 10,006,700 shares of treasury shares at the total amount of JPY 49,999,907,135, from February 13, 2023, to September 22, 2023, based on the resolution of the Board of Directors.

#### b. Cancellation of Treasury Shares

The Company cancelled 10,006,700 shares of treasury shares, based on the resolution of the Board of Directors, as of October 31, 2023.

## 3. Matters Concerning Stock Acquisition Rights of the Company

On matters concerning stock acquisition rights, they are not stated in this document because they are provided by electronic measures as stated on page 3.

## 4. Matters Concerning the Company Officers

### (1) Status of Directors and Audit & Supervisory Board Members (as of December 31, 2023)

Posts	Name	Responsibilities and Important Concurrent Positions
Director & Chairman	Takuya Shimamura	Outside Director, EBARA CORPORATION Outside Audit & Supervisory Board Member, JFE Holdings, Inc.
Representative Director (President)	Yoshinori Hirai	CEO
Representative Director (Senior Executive Vice President)	Shinji Miyaji	CFO, CCO
Representative Director (Executive Vice President)	Hideyuki Kurata	CTO, GM of Technology General Division
Director 〈Outside Director〉	Hiroyuki Yanagi	Adviser, Yamaha Motor Co., Ltd. Outside Director, Kirin Holdings Co., Ltd. Outside Director, Japan Airlines Co., Ltd. Outside Director, Mitsubishi Electric Corporation
Director 〈Outside Director〉	Keiko Honda	Adjunct Professor, Columbia University in the City of New York Outside Director, Mitsubishi UFJ Financial Group, Inc. Outside Director, Recruit Holdings Co., Ltd.
Director 〈Outside Director〉	Isao Teshirogi	Chairman of the Board, Representative Director, President and CEO, Shionogi & Co., Ltd. Outside Director, Sumitomo Mitsui Banking Corporation
Full-time Audit & Supervisory Board Member	Tetsuo Tatsuno	
Full-time Audit & Supervisory Board Member 〈Outside Audit & Supervisory Board Member〉	Isamu Kawashima	Outside Director, JAPAN PURE CHEMICAL CO.,LTD. Outside Director, Sansei Technologies, Inc.
Audit & Supervisory Board Member 〈Outside Audit & Supervisory Board Member〉	Tatsuro Ishizuka	Outside Director, K&O Energy Group Inc. Outside Director, Tadano Ltd.
Audit & Supervisory Board Member 〈Outside Audit & Supervisory Board Member〉	Haruka Matsuyama	Partner, Hibiya Park Law Offices Outside Director, Tokio Marine Holdings, Inc. Outside Director, Mitsubishi Electric Corporation

Notes:

- As of March 30, 2023, Mr. Isamu Kawashima and Ms. Haruka Matsuyama, Audit & Supervisory Board Members, newly assumed the position.
- Mr. Tetsuo Tatsuno, Audit & Supervisory Board Member, has considerable knowledge of finance and accounting through his extensive experience in the accounting sector of the Company.
- Mr. Isamu Kawashima, Audit & Supervisory Board Member, has considerable knowledge of finance and accounting through his extensive experience in the accounting sector of NEC Corporation and abundant knowledge as the audit & supervisory board member of said company.
- The Company has reported Directors Mr. Hiroyuki Yanagi, Ms. Keiko Honda and Dr. Isao Teshirogi and Audit & Supervisory Board Members Mr. Isamu Kawashima, Mr. Tatsuro Ishizuka and Ms. Haruka Matsuyama to Tokyo Stock Exchange, Inc. as independent officers. All outside officers meet the Company's standards for independence of outside officers. On these standards, please refer to page 17.

Reference: Status of Executive Officers (as of January 1, 2024)

Posts	Name	Responsibilities
* President	Yoshinori Hirai	CEO
* Senior Executive Vice President	Shinji Miyaji	CFO and CCO
Executive Vice President	Masao Nemoto	Assistant to CEO
Executive Vice President	Kenzo Moriyama	Assistant to CEO
* Executive Vice President	Hideyuki Kurata	CTO and GM of Technology General Division
Senior Executive Officer	Shigekuni Inoue	Assistant to CEO
Senior Executive Officer	Toshiro Kasuya	GM of Finance & Control Division
Senior Executive Officer	Yoshio Takegawa	President of Automotive Company
Senior Executive Officer	Junichi Kobayashi	GM of Human Resources Division
Senior Executive Officer	Nobuyuki Suzuki	President of Electronics Company
Senior Executive Officer	Tadashi Murano	President of Life Science Company
Senior Executive Officer	Noriyuki Komuro	GM of Corporate Planning General Division
Senior Executive Officer	Davide Cappellino	President of Architectural Glass Europe & Americas Company
Senior Executive Officer	Shinya Mine	GM of EHSQ General Division and GM of AGC Yokohama Technical Center
Senior Executive Officer	Tatsuo Momii	President of Chemicals Company
Executive Officer	Tatsuo Sugiyama	GM of Technology Office, Automotive Company
Executive Officer	Jean-Marc Meunier	Regional President for Europe, Automotive Company
Executive Officer	Toshihiro Ueda	Chief Representative of AGC Group for China
Executive Officer	Atsushi Ichikawa	Senior Vice President of Architectural Glass Europe & Americas Company
Executive Officer	Satoshi Takada	Assistant to President of Electronics Company
Executive Officer	Hiroki Kamiya	GM of Innovative Technology Laboratories, Technology General Division
Executive Officer	Naoko Araki	GM of Internal Audit Division
Executive Officer	Masaru Ohta	President, AGC Ceramics Co., Ltd.
Executive Officer	Takashi Narushima	GM of Global OEM Management Office, Automotive Company GM of Strategy & Planning Office, Automotive Company
Executive Officer	Hiroyuki Ohtani	Regional President for Asia, Automotive Company
Executive Officer	Shigeki Yoshiba	President of Architectural Glass Asia Pacific Company
Executive Officer	Shunsuke Yokotsuka	GM of Materials Integration Laboratories, Technology General Division
Executive Officer	Seigo Iwakura	GM of Procurement & Logistics Division
Executive Officer	Yasuyuki Ueda	GM of Production Management General Division, Chemicals Company
Executive Officer	Yoshihisa Horibe	GM of Essential Chemicals General Division, Chemicals Company
Executive Officer	Mitsuru Furuta	GM of Display Glass General Division, Electronics Company
Executive Officer	Hiroaki Sano	GM of Strategy & Planning Division, Corporate Planning General Division
Executive Officer	Yuriko Kaida	GM of Planning Division, Technology General Division
Executive Officer	Hiroshi Wakatsuki	GM of Business Development Division
Executive Officer	Patricio Massera	AGC Biologics CEO, Life Science Company
Executive Officer	Jiro Nishino	GM of Performance Chemicals General Division, Chemicals Company
Executive Officer	Kazumi Tamaki	GM of Sustainability Division, Corporate Planning General Division
Executive Officer	Isao Naruge	GM of Production Technology Division, Technology General Division

Note: Executive Officers marked with an asterisk serve concurrently as Directors.

## (2) Outline of Liability Limitation Contracts

The Company has executed a contract with each Outside Director and each Audit & Supervisory Board Member to limit their liability arising under Article 423, Paragraph 1, of the Companies Act to the sum of the amounts prescribed in each Item of Article 425, Paragraph 1, of the Companies Act.

## (3) Outline of Directors' and Officers' Liability Insurance Contracts

The Company has executed a liability insurance contract (an insurance contract stipulated in Article 430-3, Paragraph 1, of the Companies Act) with an insurance company naming the Company's Directors, Audit & Supervisory Board Members and Executive Officers as insureds that covers liabilities borne by the insureds concerning the performance of their duties or from claims received regarding the pursuit of such liabilities. Insurance premiums are fully borne by the Company.

## (4) Matters Concerning Outside Officers

### a. Status of Important Concurrent Positions Held by Outside Officers in Other Companies and the Relationships Between these Companies and the Company (as of December 31, 2023)

Category	Name	Important Concurrent Positions
Outside Director	Hiroyuki Yanagi	Adviser, Yamaha Motor Co., Ltd. Outside Director, Kirin Holdings Co., Ltd. Outside Director, Japan Airlines Co., Ltd. Outside Director, Mitsubishi Electric Corporation
	Keiko Honda	Adjunct Professor, Columbia University in the City of New York Outside Director, Mitsubishi UFJ Financial Group, Inc. Outside Director, Recruit Holdings Co., Ltd.
	Isao Teshirogi	Chairman of the Board, Representative Director, President and CEO, Shionogi & Co., Ltd. Outside Director, Sumitomo Mitsui Banking Corporation
Outside Audit & Supervisory Board Member	Isamu Kawashima	Outside Director, JAPAN PURE CHEMICAL CO.,LTD. Outside Director, Sansei Technologies, Inc.
	Tatsuro Ishizuka	Outside Director, K&O Energy Group Inc. Outside Director, Tadano Ltd.
	Haruka Matsuyama	Partner, Hibiya Park Law Offices Outside Director, Tokio Marine Holdings, Inc. Outside Director, Mitsubishi Electric Corporation

Notes:

1. Among the companies in which outside officers hold important concurrent positions, the Company has a business relationship in connection with pharmaceutical active ingredients and intermediates with Shionogi & Co., Ltd., where Dr. Isao Teshirogi serves as the Chairman of the Board, Representative Director, President and CEO; however, the transaction amount accounts for less than 0.1 percent of the Company's net sales.
2. Among the companies in which outside officers hold important concurrent positions, the Company holds 1,463,100 shares of ordinary shares (approximately 0.07% of the issued shares) of Tokio Marine Holdings, Inc., where Ms. Haruka Matsuyama serves as an outside director.
3. Other than the entities described above in notes 1 and 2, the Company has no special relationship with the entities in which outside officers hold concurrent positions.



## b. Status of Main Activities in this Business Year

### (a) Outside Directors

Name	Attendance at Board of Directors Meetings	Status of Comments at the Board of Directors Meetings Outline of Duties Performed Concerning the Roles Expected to be Fulfilled
Hiroyuki Yanagi	13 out of 14 times	By applying abundant experience concerning overall corporate management, starting with branding strategies and the use of digital technology, Mr. Yanagi raised questions precisely and provided recommendations from his professional viewpoint at the Board of Directors meetings. Thus, he duly fulfilled his management monitoring role. In addition, he served as the chairperson of the Board of Directors and contributed to enriching the Company's corporate governance by, among others, leading discussions at the Board of Directors meeting.
Keiko Honda	14 out of 14 times	By applying abundant experience concerning management and sustainability of enterprises and global organizations, Ms. Honda proactively raised questions and provided recommendations from her professional viewpoint at the Board of Directors meetings. Thus, she duly fulfilled her management monitoring role. In addition, she served as the chairperson of the Nominating Committee and contributed to enriching the Company's corporate governance by, among others, enhancing objectivity concerning the appointment of the Directors, Audit & Supervisory Board Members and Executive Officers.
Isao Teshirogi	14 out of 14 times	By applying abundant experience concerning overall corporate management as an incumbent Chairman of the Board, Representative Director, President and CEO of a drug discovery-oriented pharmaceutical company, Dr. Teshirogi proactively raised questions and provided recommendations from his professional viewpoint at the Board of Directors meetings. Thus, he duly fulfilled his management monitoring role. In addition, he served as the chairperson of the Compensation Committee and contributed to enriching the Company's corporate governance by, among others, enhancing objectivity concerning the compensation of the Directors and Executive Officers.

### (b) Outside Audit & Supervisory Board Members

Name	Attendance at Board of Directors Meetings	Attendance at Audit & Supervisory Board Meetings	Status of Comments at the Board of Directors Meetings and Audit & Supervisory Board Meetings Outline of Duties Performed Concerning the Roles Expected to be Fulfilled
Isamu Kawashima	11 out of 11 times	11 out of 11 times	By applying extensive experience in accounting sector and abundant knowledge as an audit & supervisory board member at an IT enterprise providing social solutions globally, Mr. Kawashima made comments, as necessary, at the Board of Directors meetings and Audit & Supervisory Board meetings. He also conducted audits of the Company's divisions and places of business, as well as inspections of subsidiaries, according to the audit policy made by the Audit & Supervisory Board. As a full-time Audit & Supervisory Board Member, he duly performed his audit roles and contributed to enriching the Company's corporate governance.
Tatsuro Ishizuka	14 out of 14 times	14 out of 14 times	By applying abundant experience in corporate management at a global manufacturer that has been addressing the switch to sustainable business models early on, Mr. Ishizuka made comments, as necessary, at the Board of Directors meetings and Audit & Supervisory Board meetings. He also conducted audits of the Company's divisions according to the audit policy made by the Audit & Supervisory Board. Thus, he duly performed his audit roles and contributed to enriching the Company's corporate governance.
Haruka Matsuyama	11 out of 11 times	10 out of 11 times	By applying extensive experience in the legal community as well as specialized knowledge concerning laws and compliance, Ms. Matsuyama made comments, as necessary, at the Board of Directors meetings and Audit & Supervisory Board meetings. She also conducted audits of the Company's divisions according to the audit policy made by the Audit & Supervisory Board. Thus, she duly performed her audit roles and contributed to enriching the Company's corporate governance.

Note: Since Mr. Isamu Kawashima and Ms. Haruka Matsuyama assumed the position of the Audit & Supervisory Board Member on March 30, 2023, the numbers of Board of Directors meetings and Audit & Supervisory Board meetings that they are eligible to attend differ from those of other Audit & Supervisory Board Members.

## (5) Compensation, etc. for the Directors and Audit & Supervisory Board Members

### a. Policy for Determining Compensation, etc. for Officers

At the Board of Directors meeting held on May 12, 2023, the Company established the policy concerning the determination of compensation, etc. for individual Directors and Audit & Supervisory Board Members as follows:

#### (a) Contents of the policy concerning compensation

##### i. Basic Approach to Compensation System

The Company has established, as its compensation principles, its basic stances and approach to overall compensation for officers as follows.

- The compensation system shall be the one that enables the Company to attract, secure and reward diverse and talented human capital in order to establish and enhance competitive advantage.
- The compensation system shall be the one that promotes sustained enhancement of corporate value, in a way which allows the shareholders and management to share earnings.
- The compensation system shall be the one that motivates the achievement of performance targets of the management strategy aiming at the Company Group's sustained development.
- The process to establish the compensation system shall be objective and highly transparent.

##### ii. Composition of Compensation

(i) It consists of “Monthly compensation” as fixed compensation and “Bonuses” and “Stock Compensation” (Note 1) as variable compensation that are applied depending on the position as follows.

Category	Fixed Compensation	Variable Compensation		
	Monthly Compensation	Bonus	Stock Compensation Performance-linked Component	Fixed Component (Note 2)
Directors who concurrently serve as Executive Officers and Executive Officers	✓	✓	✓	✓
Directors (including Outside Directors) who do not concurrently serve as Executive Officers	✓			✓
Audit & Supervisory Board Members	✓			

Notes:

- 1 If a person eligible for stock compensation is a non-resident of Japan, the Company may, instead of delivering shares, pay the equivalent amount in cash as a bonus.
- 2 The fixed component of stock compensation is not linked to the Company's business performance but linked only to the Company's share price.

(ii) On the Directors, the proportion of each component in the total compensation based on the standard payment amount shall be roughly as below, to which the details of “iii. Scheme of Variable Compensation” below will be reflected.

	Fixed Compensation	Variable Compensation (Note 4)	
	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 & Chairman)	60	: 0	: 40
Outside Directors	90	: 0	: 10

Notes:

- 3 If none of the above applies, it shall be deliberated by the Compensation Committee and resolved by the Board of Directors.
- 4 Variable compensation is the total of bonus and amount of stock compensation for a single business year.

### iii. Scheme of Variable Compensation

In order to carry out the management with a balanced perspective of the short, medium and long terms, variable compensation takes into account a balance among each term so that sustained development and corporate value enhancement of the Company Group are achieved.

#### (i) Bonus

- An amount depending on each officer’s position, etc. is adjusted in accordance with the consolidated performance indicators for a single year with the aim to further heighten the motivation to achieve performance targets for a single year.
- On performance indicators, “Return (Operating Profit) on Capital Employed” (Note 5) and “Cash Flow” are adopted due to the importance of generating cash as well as improving business profitability and asset efficiency.
- The amount will vary depending on the level of achievement against the target for Return (Operating Profit) on Capital Employed and level of improvement of Cash Flow compared to the previous year. In addition, the amount will vary, in principle, in the range between 0% and 200% of the standard payment amount after taking account of the status of overall business results, strengthening of non-financial capital, development of portfolio shift, etc. as well as individual performance. The amount shall be determined by the resolution of the Board of Directors after deliberation by the Compensation Committee.

- Bonus covers the period from the first day of the business year to its final day, and Bonuses corresponding to such period are paid after the end of the Ordinary General Meeting of Shareholders immediately after such period ends.

Note:

5  $\text{Return (Operating Profit) on Capital Employed} = \text{Operating Profit} \div \text{Operating Assets}$

#### (ii) Stock Compensation

- The aim is to heighten motivation to contribute to the corporate value enhancement over the medium to long term, to seek to share profits and losses with the shareholders and to heighten the motivation toward achieving performance targets in the medium-term management plan (the “mid-term plan”).

- This Plan consists of a “performance-linked component” that delivers Company’s shares, etc. varying depending on the position and level of achievement of the consolidated performance indicators in the mid-term plan and a “fixed component” that delivers a fixed number of the Company’s shares, etc. depending on the position.

- On the performance indicators, “Return (Business Profit) on Capital Employed” (Note 6) is adopted due to the importance of increasing asset efficiency as a materials manufacturer in order to achieve ROE, which is one of the important performance targets of the mid-term plan period. In addition, “EBITDA” is adopted due to the importance of achieving efficiency enhancement while realizing sustained growth of the enterprise.

- On the “performance-linked component,” it is calculated as a weighted average with prescribed ratios (Note 7) of the achievement level against the targets for these indicators in each business year of the mid-term plan period. In principle, it will vary in the range between 0% and 200% of the standard payment amount, and the amount shall be determined by the resolution of the Board of Directors after deliberation by the Compensation Committee.

- Officers will continue to hold the Company’s shares acquired through this Plan after the end of the mid-term plan period until their retirement.

Notes:

6  $\text{Return (Business Profit) on Capital Employed} = \text{Business Profit} \div \text{Operating Assets}$

7 25% for the first year, 25% for the next year and 50% for the final business year

#### iv. Compensation Level

On the compensation level, the Compensation Committee verifies it by analyzing and comparing compensation data of major manufacturing companies obtained from the data compiled by a third-party organization.

(b) Compensation Determination Method

The compensation system, compensation level, etc. of the Directors and Executive Officers are deliberated and proposed by the Compensation Committee, which is a voluntary advisory committee chaired by an Outside Director and has the majority of its members as Outside Directors, based on “i. Basic Approach to Compensation System,” and the Board of Directors resolves on the compensation for the Directors within the maximum amount of compensation (total amount) approved in advance at the General Meeting of Shareholders. The Compensation Committee also checks on the results of compensation payments. Likewise, on the compensation for the Audit & Supervisory Board Members, it is to be determined by discussions among the Audit & Supervisory Board Members within the maximum amount of compensation (total amount) approved in advance at the General Meeting of Shareholders. Through such procedures, the objectivity and the transparency concerning the determination process of compensation are heightened.

(c) The Policy Determination Method

This Policy is deliberated and proposed in the Compensation Committee and resolved by the Board of Directors.

**b. Amount of Compensation, etc. for the Directors and Audit & Supervisory Board Members Regarding this Business Year**

	Number of Eligible Persons and Total Amount of Compensation, etc.		Breakdown					
			Fixed Compensation		Variable Compensation			
			Monthly Compensation		Bonus		Stock Compensation (non-monetary compensation, etc.)	
	Number of Persons	Amount of Money	Number of Persons	Amount of Money	Number of Persons	Amount of Money	Number of Persons	Amount of Money
Directors	7 persons	JPY 750 million	7 persons	JPY 368 million	3 persons	JPY 121 million	7 persons	JPY 261 million
Including Outside Directors	3 persons	JPY 59 million	3 persons	JPY 52 million	-	-	3 persons	JPY 7 million
Audit & Supervisory Board Members	6 persons	JPY 100 million	6 persons	JPY 100 million	-	-	-	-
Including Outside Audit & Supervisory Board Members	5 persons	JPY 64 million	5 persons	JPY 64 million	-	-	-	-

Notes:

1. “Number of Eligible Persons and Total Amount of Compensation, etc.” and “Monthly Compensation” include compensation for two Audit & Supervisory Board Members who retired from their positions as of March 30, 2023.
2. The contents of “Stock Compensation” are as stated in the “Policy for Determining Compensation, etc. for Officers” on page 41. Stock compensation (fixed component) to be delivered or provided to Outside Directors and the cash equivalent thereto (4 million yen for two persons and 2 million yen for one person, respectively)

are not linked to the Company's business performance. The amount of money of "Stock Compensation" is the amount of expenses recorded for this business year.

3. The amount of "Bonus" and "Stock Compensation (performance-linked component)," which are performance-linked compensation, etc. for three Directors, is 196 million yen. Outside Directors and Audit & Supervisory Board Members are not eligible for performance-linked compensation, etc.
4. The calculation method of "Bonus" and "Stock Compensation (performance-linked component)," which are performance-linked compensation, etc., as well as the performance indicators used as the basis for the calculation and the reasons for the selection of such performance indicators are as stated in the "Policy for Determining Compensation, etc. for Officers" on page 41. Furthermore, the results of each indicator for this business year are as follows:

Bonus	<ul style="list-style-type: none"> <li>• Return (Operating Profit) on Capital Employed: 4.7% (adjusted amount)</li> <li>• Cash flow indicator turned out roughly as the previous year.</li> </ul>
Stock Compensation (performance-linked component)	<ul style="list-style-type: none"> <li>• Return (Business Profit) on Capital Employed: 5.9%</li> <li>• EBITDA: JPY 304.1 billion (calculated simply by adding operating profit and depreciation and amortization)</li> </ul>

5. The maximum amount and composition of compensation, etc. for the Directors and Audit & Supervisory Board Members are as follows:
  - (1) At the 97<sup>th</sup> Ordinary General Meeting of Shareholders held on March 30, 2022, it was resolved to set the amount of compensation, etc. for the Directors regarding monthly compensation and bonus at 750 million yen or less per year (including 67 million yen or less per year for Outside Directors). As of the conclusion of the 97<sup>th</sup> Ordinary General Meeting of Shareholders, the number of the Directors eligible for the monthly compensation and bonus were seven (including three Outside Directors).
  - (2) Stock compensation for the Directors and Executive Officers (excluding non-residents of Japan) was resolved at the 97<sup>th</sup> Ordinary General Meeting of Shareholders held on March 30, 2022, that, for every three business years, the Company will contribute money to a trust with the upper limit at 2.25 billion yen in total (including 25 million yen in total for Outside Directors) and the upper limit of the number of the Company's shares (including the Company's shares subject to conversion into cash) to be delivered or provided through such trust to be 495,000 shares (including 6,000 shares in total for Outside Directors). As of the conclusion of the 97<sup>th</sup> Ordinary General Meeting of Shareholders, the number of persons eligible for this Plan was 31, of which six were Directors (including two Outside Directors).
  - (3) The Audit & Supervisory Board Members are eligible only for monthly compensation, and it was resolved to set the amount of compensation, etc. for the Audit & Supervisory Board Members at 120 million yen or less per year at the 93<sup>rd</sup> Ordinary General Meeting of Shareholders held on March 29, 2018. As of the conclusion of the 93<sup>rd</sup> Ordinary General Meeting of Shareholders, the number of the Audit & Supervisory Board Members eligible for the monthly compensation was four (including three outside Audit & Supervisory Board Members).

**c. Reasons to Determine that the Contents of the Compensation, etc. for each individual Director Regarding this Business Year are in Line with the Policies Resolved by the Board of Directors**

Given the "Policy for Determining Compensation, etc. for Officers" on page 41, the voluntary Compensation Committee, of which the majority of the members are made up by Outside Directors and chaired by an Outside Director, has deliberated and proposed on the compensation, etc. for each individual Director and, following such report, the Board of Directors has made the resolution; thus, the contents are determined to be in line with this policy.

## 5. Matters Concerning Accounting Auditors

### (1) Name

KPMG AZSA LLC

### (2) Amount of Compensation, etc.

Amount of compensation, etc. as the Accounting Auditor regarding this business year	JPY 165 million
(including the amount of compensation, etc. for services that do not fall within Article 2, Paragraph 1, of the Certified Public Accountants Act)	(JPY 2 million)
Total amount of monetary or other economic benefit to be paid by the Company and its subsidiaries to the Accounting Auditor	JPY 251 million

Notes:

1. The Audit & Supervisory Board checks the contents of Accounting Auditor's audit plan, its performance of duties, the basis of calculating compensation estimates, etc. and as a result of comprehensive review gives consent to the Accounting Auditor's compensation, etc. in accordance with Article 399, Paragraph 1, of the Companies Act.
2. In the audit agreement between the Company and the Accounting Auditor, the amount for audit based on the Companies Act and audit based on the Financial Instruments and Exchange Act are not separated; thus, the above amount contains the compensation, etc. for audit based on the Financial Instruments and Exchange Act.
3. The Company pays compensation to the Accounting Auditor for procedural services that have been entrusted and agreed upon as services other than those under Article 2, Paragraph 1, of the Certified Public Accountants Act (i.e., non-audit services).
4. Out of the important subsidiaries of the Company, AGC Glass Europe and 15 other companies undergo audits by auditing firms other than the Company's Accounting Auditor.

### (3) Policy on Decisions to Dismiss or not Reappoint the Accounting Auditors

The Audit & Supervisory Board, by unanimous agreement, will dismiss the Accounting Auditor if it is affirmed that the Accounting Auditor falls under the grounds stipulated in Items of Article 340, Paragraph 1, of the Companies Act and merits dismissal.

In addition, when judged necessary after taking comprehensive account of the Accounting Auditor's independence, performance status of its duties, etc., the Audit & Supervisory Board will determine the contents of the proposal concerning the removal or non-reappointment of the Accounting Auditor to be submitted to a General Meeting of Shareholders.

## **6. Basic Policy Concerning Internal Control and Operational Status of Internal Control**

### **(1) Basic Policy Concerning Internal Control**

On the basic policy concerning internal control, they are not stated in this document because they are provided by electronic measures as stated on page 3. The Company has resolved and set on the basic policy concerning internal control by the Board of Directors.

### **(2) Outline of the Operational Status of Internal Control**

#### **a. System for Ensuring that the Performance of the Duties by the Directors and Personnel of the AGC Group Complies with the Laws and Regulations and the Articles of Incorporation (Compliance Program)**

On the preparation and promotion of the AGC Group's compliance program, the position of the CCO (Chief Compliance Officer) in charge of it and to whom the President & CEO delegates the authority has been placed, and the CCO reports on its performance of duties to the President & CEO.

The "AGG Group Code of Conduct" has been established, and all employees of the Company and executives of the subsidiaries are obligated to submit a pledge concerning the Code of Conduct so that their conduct is thoroughly in line with the laws and regulations and corporate ethics. In addition, compliance training is provided regularly so that the Code of Conduct is familiarized.

A helpline has been set in place as the call desk and consultation desk concerning compliance, and the prevention and early detection of misconduct, etc. are endeavored.

On the compliance status of compliance, operational status of the helpline, important legal issues, etc. in the AGC Group, reports are made to the Board of Directors regularly.

Internal audits of the Company and subsidiaries are conducted based on the annual audit plan, etc., and reports on the audit results are made to the Board of Directors regularly.

The "AGC Group Internal Control over Financial Reporting Implementation Regulations" have been established, and internal control over financial reporting is prepared, operated and assessed.

#### **b. System Concerning Retention and Management of Information Regarding the Performance of the Duties by the Directors of the AGC Group (Information Retention/Management System)**

The "AGC Group Common Information Security Policy" has been established, and the retention and management of important documents & information are implemented.

Thorough information management sought, self-inspection, training for employees, etc. concerning information security are implemented regularly.



**c. Rules and Other System Concerning Risk Management of Loss of the AGC Group (Risk Management System)**

In accordance with the “AGC Group Enterprise Risk Management Basic Policies,” the risk factors that could seriously impact the management of the AGC Group are set, and the enhancement and improvement of the management level to suppress the emergence of risks and the handling level upon the emergence of risks are sought.

To prepare for the occurrence of large-scale accidents, disasters, etc., a business continuity plan (BCP) has been formulated. In addition, earthquake drills, etc. are conducted, and the dissemination, thorough implementation and enhancement of the effectiveness of BCP are sought.

**d. System for Ensuring Efficient Performance of the Duties by the Directors of the AGC Group (System for Efficient Performance of Duties)**

The Board of Directors consists of 7 members, including 3 Outside Directors, and is chaired by an Outside Director. In this business year, 14 meetings were held in total, which made decisions on important matters and conducted oversight of the status of the operation execution of the AGC Group.

The Nominating Committee and Compensation Committee have been set in place voluntarily as advisory committees to the Board of Directors, the majority of the members of each of which are composed of Outside Directors and the chairperson of each of which is assumed by an Outside Director. In this business year, the Nominating Committee held 11 meetings and the Compensation Committee held 8 meetings, which heightened the objectivity concerning the evaluation, appointment and compensation of the Directors and Executive Officers of the Company.

The effectiveness of the Board of Directors is analyzed and evaluated in the Board of Directors meetings.

On the management execution, the authority is broadly delegated to Executive Officers starting with the President & CEO, and the speed-up of decision making is sought in practice.

**e. System Concerning the Report to the Company on Matters Regarding the Performance of the Duties by the Directors of Subsidiaries (System for Reports to the Company from the Subsidiaries)**

A system to report to the Company from the subsidiaries has been prepared, and, in accordance with such system, important matters concerning the subsidiaries (certain matters concerning business operations, etc., issues concerning compliance, legal issues, etc.) are reported to the Company.

Based on the annual audit plan, internal audits of the subsidiaries are conducted, the results of which are reported timely to the President & CEO and reported regularly to the Board of Directors.

**f. Matters Concerning the Audit System of the Audit & Supervisory Board Members**

**(a) Matters concerning staff to support the duties of the Audit & Supervisory Board Members in case placing such staff is requested**

The Staff Office of the Audit & Supervisory Board has been set in place, which supports the duties of the Audit & Supervisory Board Members.

**(b) Matters concerning independence of said staff from the Directors**

On the personnel change, appraisal, etc. of staff members of the Staff Office of the Audit & Supervisory Board, the consent of the Audit & Supervisory Board is required by internal rules.

**(c) Matters concerning ensuring the effectiveness of the Audit & Supervisory Board Member's instructions to said staff**

Staff members of the Staff Office of the Audit & Supervisory Board are assigned exclusively to the Audit & Supervisory Board and follow the instructions of the Audit & Supervisory Board Members in their assignment.

**(d) System to report to the Company's Audit & Supervisory Board Members from the Directors and personnel of the Company, the directors and personnel of the subsidiaries, or those who received reports from them**

Reports are made to the Audit & Supervisory Board Members in accordance with internal rules.

**(e) System for ensuring that those who made the preceding reports shall not receive disadvantageous treatments on the ground that such reports were made**

In the "AGC Group Code of Conduct," disadvantageous treatments and retaliatory actions against whistleblowers are prohibited, which is disseminated to the employees.

**(f) Matters concerning the policy regarding procedures, etc. for reimbursement of expenses incurred on the performance of the duties by the Audit & Supervisory Board Members**

On the expenses paid by the Audit & Supervisory Board Members for their duties, the processing is prompt.

**(g) Other systems for ensuring that the audits are conducted effectively by the Audit & Supervisory Board Members**

The Audit & Supervisory Board Members attend the Board of Directors meetings and other important internal meetings, such as the Management Committee, where they state opinions when necessary.

The Audit & Supervisory Board Members hold regular meetings, etc. and exchange opinions with the Representative Directors, internal audit divisions, etc. and heighten the effectiveness of audits.

## **Reference: Status of Corporate Governance**

### **(1) Outline of the Company's Corporate Governance Structure**

The Company clearly separates the management monitoring function and management execution function; strengthens the management monitoring function; on the management execution function, clearly demarcates corporate function and business operation function; and seeks swift decision-making in the business operation as its basic policy on the preparation of corporate governance structure.

The management monitoring function is mainly assumed by the Board of Directors, which is the "body that approves basic policies and monitors the management execution of the AGC Group." The Company enhances the objectivity and transparency of management and strengthens the corporate governance structure by appointing 3 Outside Directors out of 7 Directors and by an Outside Director assuming the chairperson of the Board of Directors. In addition, in order to further enhance the management monitoring function, the Nominating Committee and Compensation Committee have been set in place as voluntary advisory committees to the Board of Directors, which heighten the objectivity concerning the evaluation, appointment and compensation for the Directors and Executive Officers, etc. by composing the majority of each member with Outside Directors and by an Outside Director assuming each chairperson. Furthermore, the Company also adopts the Audit & Supervisory Board Member system, and the Audit & Supervisory Board consists of 4 Audit & Supervisory Board Members, including 3 Outside Audit & Supervisory Board Members.

The management execution function is assumed by the President & CEO and other Executive Officers. The Management Committee has been set in place as an advisory committee to the President & CEO, which deliberates on the decision making of management execution and monitoring of business management. In terms of business operation, the In-house Company system (*quasi* internal spin-off) has been introduced, globally consolidated management system has been adopted, and the responsibility and authority of business operation have been delegated broadly to the In-house Company and SBU (Strategic Business Unit).

### **(2) "AGC Group Corporate Governance Basic Policy"**

In order to realize AGC Group's sustained growth and corporate value enhancement over the medium to long term, the Company has formulated the "AGC Group Corporate Governance Basic Policy," which sets the basic approach and policies concerning corporate governance, with the aim of strengthening and further enriching the Company's corporate governance.

For details, please visit the following website of the Company.

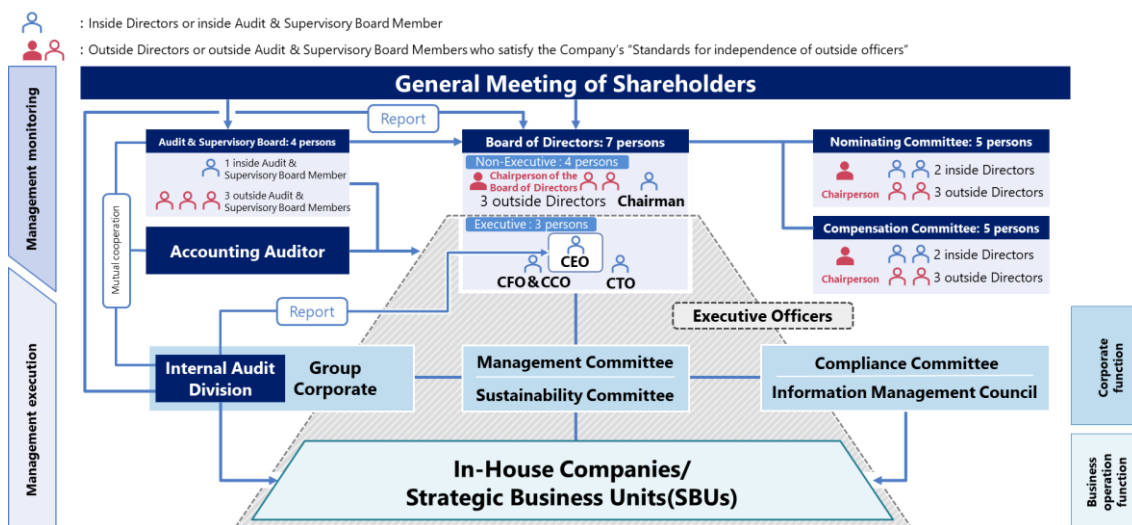
**<https://www.agc.com/en/company/governance/index.html>**

### **(3) Evaluation of Effectiveness of Board of Directors**

Based on the "AGC Group Corporate Governance Basic Policy," the Company analyzes and evaluates the effectiveness of the Board of Directors every year to further heighten stakeholder confidence in the Company's corporate governance and to enhance the effectiveness of the Board of Directors.

Specifically, the effectiveness of the Board of Directors is evaluated based on the responses to the questionnaires by all Directors and Audit & Supervisory Board Members and the responses to individual interviews covering all Directors and Audit & Supervisory Board Members; thereafter, these evaluation results are checked at the Board of Directors, and measures for the enhancement of effectiveness are discussed.

**(4) Outline Figure of the Company's Corporate Governance Structure (as of December 31, 2023)**



\* In this Business Report, amounts less than 100 million yen are rounded to the nearest 100 million yen when they are indicated by the unit of a billion yen, and amounts less than 1 million yen are discarded when they are indicated by the unit of a million yen.

## Consolidated Statements of Financial Position

(Unit: millions of yen)

	99 <sup>th</sup> Fiscal Year (as of Dec. 31, 2023)	(Reference) 98 <sup>th</sup> Fiscal Year (as of Dec. 31, 2022)
<b>Assets</b>	<b>2,932,991</b>	<b>2,814,029</b>
<b>Current Assets</b>	<b>1,041,878</b>	<b>1,063,009</b>
Cash and cash equivalents	146,061	209,716
Trade receivables	338,850	315,808
Inventories	454,056	436,516
Other receivables	60,530	60,614
Income tax receivables	18,098	5,094
Other current assets	24,280	35,260
<b>Non-Current Assets</b>	<b>1,891,112</b>	<b>1,751,019</b>
Property, plant and equipment	1,457,950	1,350,769
Goodwill	101,130	92,768
Intangible assets	72,093	71,290
Investments accounted for using equity method	27,633	24,609
Other financial assets	83,269	94,075
Deferred tax assets	39,677	40,778
Other non-current assets	109,357	76,728
<b>Total Assets</b>	<b>2,932,991</b>	<b>2,814,029</b>
<b>Liabilities</b>	<b>1,278,652</b>	<b>1,228,439</b>
<b>Current Liabilities</b>	<b>717,298</b>	<b>669,999</b>
Trade payables	206,566	214,332
Short-term interest-bearing debt	121,637	69,750
Long-term interest-bearing debt due within one year	127,810	122,254
Other payables	216,240	211,855
Income tax payables	14,051	27,283
Provisions	1,997	1,310
Other current liabilities	28,994	23,211
<b>Non-Current Liabilities</b>	<b>561,354</b>	<b>558,439</b>
Long-term interest-bearing debt	445,561	458,237
Deferred tax liabilities	37,869	28,851
Post-employment benefit liabilities	50,026	45,578
Provisions	10,973	17,783
Other non-current liabilities	16,922	7,989
<b>Total Liabilities</b>	<b>1,278,652</b>	<b>1,228,439</b>
<b>Equity</b>	<b>1,654,338</b>	<b>1,585,590</b>
<b>Total Equity Attributable to Owners of the Parent</b>	<b>1,447,080</b>	<b>1,390,254</b>
Share capital	90,873	90,873
Capital surplus	97,056	97,094
Retained earnings	872,547	889,827
Treasury shares	(27,338)	(26,586)
Other components of equity	413,941	339,046
<b>Non-Controlling Interests</b>	<b>207,258</b>	<b>195,335</b>
<b>Total Equity</b>	<b>1,654,338</b>	<b>1,585,590</b>
<b>Total Liabilities and Equity</b>	<b>2,932,991</b>	<b>2,814,029</b>

## Consolidated Statements of Profit or Loss

(Unit: millions of yen)

	99 <sup>th</sup> Fiscal Year (from Jan. 1 to Dec. 31, 2023)	(Reference) 98 <sup>th</sup> Fiscal Year (from Jan. 1 to Dec. 31, 2022)
<b>Net Sales</b>	<b>2,019,254</b>	<b>2,035,874</b>
Cost of sales	(1,537,897)	(1,506,492)
<b>Gross Profit</b>	<b>481,356</b>	<b>529,381</b>
Selling, general and administrative expenses	(354,559)	(346,675)
Share of profit (loss) of associates and joint ventures accounted for using equity method	1,981	1,236
<b>Operating Profit</b>	<b>128,779</b>	<b>183,942</b>
Other income	19,535	27,156
Other expenses	(20,036)	(153,892)
<b>Business Profit</b>	<b>128,277</b>	<b>57,206</b>
Finance income	13,735	10,603
Finance costs	(19,237)	(9,297)
Net finance income (costs)	(5,502)	1,306
<b>Profit before Tax</b>	<b>122,775</b>	<b>58,512</b>
Income tax expenses	(40,291)	(36,007)
<b>Profit (loss) for the year</b>	<b>82,484</b>	<b>22,505</b>
Attributable to:		
Owners of the parent	65,798	(3,152)
Non-controlling interests	16,685	25,657

# Accounting Auditor's Audit Report Regarding Consolidated Financial Statements COPY

## Independent Auditor's Report

February 5, 2024

To the Board of Directors of AGC Inc.:

KPMG AZSA LLC  
Tokyo Office, Japan

Noriaki Habuto  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Tsutomu Ogawa  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Takahiro Kajiwara  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### **Opinion**

We have audited the consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the related notes of AGC Inc. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at December 31, 2023 and for the year from January 1, 2023 to December 31, 2023 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with the latter part of Article 120-1 of the Ordinance of Company Accounting that prescribes some omissions of disclosure items required by International Financial Reporting Standards.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide

a basis for our opinion.

### **Other Information**

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board and its Members are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management and Audit & Supervisory Board and its Members for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the latter part of Article 120-1 of the Ordinance of Company Accounting that prescribes some omissions of disclosure items required by International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with the latter part of Article 120-1 of the Ordinance of Company Accounting that prescribes some omissions of disclosure items required by International Financial Reporting Standards.

Audit & Supervisory Board and its Members are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may



involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with the latter part of Article 120-1 of the Ordinance of Company Accounting that prescribes some omissions of disclosure items required by International Financial Reporting Standards, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board and its Members regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board and its Members with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

#### **Interest required to be disclosed by the Certified Public Accountants Act of Japan**

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### **[Notes to the Reader of Independent Auditor's Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act for the conveniences of the reader.]

- (\*) The contents of the Audit & Supervisory Board's audit report regarding the Consolidated Financial Statements are included in the Audit & Supervisory Board's Audit Report (page 63).

## **Balance Sheets**

(Unit: millions of yen)

	99 <sup>th</sup> Fiscal Year (as of Dec. 31, 2023)	(Reference) 98 <sup>th</sup> Fiscal Year (as of Dec. 31, 2022)
<b>Assets</b>	<b>1,386,107</b>	<b>1,339,262</b>
<b>Current Assets</b>	<b>392,603</b>	<b>412,133</b>
Cash on hand and in banks	1,094	9,748
Trade notes receivable	6,870	5,638
Trade accounts receivable	144,805	142,134
Merchandise and finished goods	49,269	46,324
Work in process	55,913	76,804
Raw materials and supplies	40,003	35,499
Prepaid expenses	4,468	4,577
Short-term loans receivable	52,359	50,611
Other accounts receivable	32,774	28,664
Allowance for doubtful accounts	(5,896)	(4,241)
Other current assets	10,941	16,370
<b>Non-current Assets</b>	<b>993,504</b>	<b>927,129</b>
<b>Tangible Fixed Assets</b>	<b>307,225</b>	<b>305,940</b>
Buildings	81,251	81,701
Structures	19,477	19,572
Machinery and equipment	136,402	148,824
Vehicle and other transportation equipment	107	143
Tools, furniture and fixtures	8,689	8,668
Land	26,973	26,951
Leased assets	647	721
Construction in progress	33,675	19,357
<b>Intangible Fixed Assets</b>	<b>8,515</b>	<b>9,797</b>
Software	7,848	8,921
Other intangible fixed assets	666	875
<b>Investments and Other Assets</b>	<b>677,764</b>	<b>611,391</b>
Investments in securities	44,228	58,638
Investments in subsidiaries and affiliates (stock)	387,685	346,681
Investments in subsidiaries and affiliates (others)	156,706	150,265
Long-term loans receivable	58,235	28,949
Long-term receivables, overdue	95	96
Long-term prepaid expenses	2,631	2,286
Prepaid pension cost	13,593	11,287
Deferred tax assets	4,563	6,460
Others	10,320	8,049
Allowance for doubtful accounts	(295)	(1,324)
<b>Total Assets</b>	<b>1,386,107</b>	<b>1,339,262</b>

## **Balance Sheets**

(Unit: millions of yen)

	99 <sup>th</sup> Fiscal Year (as of Dec. 31, 2023)	(Reference) 98 <sup>th</sup> Fiscal Year (as of Dec. 31, 2022)
<b>Liabilities</b>	<b>632,314</b>	<b>600,455</b>
<b>Current Liabilities</b>	<b>367,430</b>	<b>358,991</b>
Trade accounts payable	112,611	136,347
Short-term borrowings	134,551	116,827
Commercial papers	35,000	-
Current portion of bonds payable	-	20,000
Other accounts payable	39,507	29,194
Accrued expenses	5,456	5,277
Income taxes payable	-	11,494
Deposits received	26,067	28,249
Accrued bonuses to employees	5,304	5,238
Accrued bonuses to directors	121	110
Reserve for scheduled repairs	4,910	4,090
Reserve for restructuring programs	566	-
Other current liabilities	3,333	2,162
<b>Non-current Liabilities</b>	<b>264,884</b>	<b>241,464</b>
Bonds	70,000	40,000
Long-term borrowings	184,880	191,560
Accrued retirement benefits for employees	4,906	4,608
Reserve for loss on debt guarantees	31	421
Other non-current liabilities	5,065	4,873
<b>Total Liabilities</b>	<b>632,314</b>	<b>600,455</b>
<b>Net Assets</b>	<b>753,793</b>	<b>738,806</b>
<b>Shareholders' Equity</b>	<b>731,691</b>	<b>714,385</b>
Share capital	90,873	90,873
Capital surplus	91,164	91,164
Additional paid-in capital	91,164	91,164
Retained earnings	576,992	558,933
Legal reserve	22,618	22,618
Other retained earnings	554,374	536,315
Reserve for advanced depreciation of tangible fixed assets	14,338	15,423
General reserve	343,000	393,000
Retained earnings carried forward	197,035	127,892
Treasury shares, at cost	(27,338)	(26,586)
<b>Valuation and Translation Adjustments</b>	<b>21,086</b>	<b>23,163</b>
Unrealized gains and loss on securities, net of taxes	21,086	23,163
<b>Share Subscription Rights</b>	<b>1,015</b>	<b>1,258</b>
<b>Total Net Assets</b>	<b>753,793</b>	<b>738,806</b>
<b>Total Liabilities and Net Assets</b>	<b>1,386,107</b>	<b>1,339,262</b>

## Statements of Operation

(Unit: millions of yen)

	99 <sup>th</sup> Fiscal Year (from Jan. 1, to Dec. 31, 2023)	(Reference) 98 <sup>th</sup> Fiscal Year (from Jan. 1, to Dec. 31, 2022)
<b>Net Sales</b>	<b>667,000</b>	<b>631,791</b>
Cost of sales	499,771	463,254
<b>Gross Profit</b>	<b>167,229</b>	<b>168,536</b>
Selling, general and administrative expenses	144,736	135,182
<b>Operating Income</b>	<b>22,492</b>	<b>33,354</b>
<b>Non-operating Income</b>	<b>99,713</b>	<b>74,464</b>
Interest income	3,999	997
Dividend income	92,351	70,348
Others	3,362	3,118
<b>Non-operating Expenses</b>	<b>7,081</b>	<b>4,035</b>
Interest expenses	6,118	3,119
Loss on valuation of interest rate swaps	-	779
Others	963	136
<b>Ordinary Income</b>	<b>115,124</b>	<b>103,783</b>
<b>Extraordinary Gains</b>	<b>20,011</b>	<b>39,257</b>
Gain on sale of properties	20	14,248
Gain on sale of investments in securities	16,508	24,437
Gain on sale of investments in subsidiaries and affiliates	3,092	261
Reversal of allowance for doubtful accounts	-	309
Reversal of reserve for loss on debt guarantees	389	-
<b>Extraordinary Loss</b>	<b>11,728</b>	<b>79,830</b>
Loss on disposal of properties	2,750	2,928
Impairment losses	-	447
Loss on valuation of investments in securities	294	247
Loss on valuation of investments in subsidiaries and affiliates	62	74,329
Reserve for loss on debt guarantees	-	393
Provision for allowance for doubtful accounts	628	1,382
Expenses for restructuring programs	7,890	-
Expenses for special environmental protection measures	102	101
<b>Income before Income Taxes</b>	<b>123,407</b>	<b>63,209</b>
Income taxes		
Current	7,699	17,837
Deferred	2,801	(1,320)
<b>Net Income</b>	<b>112,906</b>	<b>46,693</b>

## Accounting Auditor's Audit Report COPY

### Independent Auditor's Report

February 5, 2024

To the Board of Directors of AGC Inc.:

KPMG AZSA LLC  
Tokyo Office, Japan

Noriaki Habuto  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Tsutomu Ogawa  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Takahiro Kajiwara  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

#### **Opinion**

We have audited the financial statements, which comprise the balance sheet, the statement of operation, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules ("the financial statements and the accompanying supplementary schedules") of AGC Inc. ("the Company") as at December 31, 2023 and for the year from January 1, 2023 to December 31, 2023 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the accompanying supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and

appropriate to provide a basis for our opinion.

### **Other Information**

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board and its Members are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management and Audit & Supervisory Board and its Members for the Financial Statements and the Accompanying Supplementary Schedules**

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board and its Members are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules**

Our objectives are to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the

accompanying supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the accompanying supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the accompanying supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the accompanying supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the accompanying supplementary schedules, including the disclosures, and whether the financial statements and the accompanying supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board and its Members regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board and its Members with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

#### **Interest required to be disclosed by the Certified Public Accountants Act of Japan**

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### **[Notes to the Reader of Independent Auditor's Report:**

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.]

## **Audit & Supervisory Board's Audit Report COPY**

### **Audit & Supervisory Board's Audit Report**

Concerning the performance of the duties by the Directors for the 99<sup>th</sup> business year from January 1, 2023, to December 31, 2023, the Audit & Supervisory Board has prepared this audit report upon deliberations based on the audit reports prepared by each Audit & Supervisory Board Member and reports as follows.

1. Auditing methods and their details by the Audit & Supervisory Board Members and Audit & Supervisory Board
  - (1) The Audit & Supervisory Board formulated an audit policy, audit plan, etc., received reports from each Audit & Supervisory Board Member on the implementation status and results of audits, received reports from the Directors or others and the Accounting Auditor on the status of performance of their duties, and requested explanations from them as necessary.
  - (2) In accordance with the Standards for Auditing established by the Audit & Supervisory Board, audit policy, audit plan, etc., each Audit & Supervisory Board Member sought to communicate with the Directors, internal audit divisions and other personnel; endeavored to gather information and to prepare the audit environment; and conducted audit through the following methods.
    - (a) Attend the Board of Directors meetings and other important meetings; receive reports from the Directors and personnel on the status of performance of their duties; request explanations as necessary; review important approval documents, etc.; and inspect the status of operations and assets at the head office and other main places of business. In addition, on the subsidiaries, seek communication and information exchange with the directors, audit & supervisory board members or others of the subsidiaries, receive reports from the subsidiaries on their business as necessary, and conduct inspections at some subsidiaries.
    - (b) On the contents of the resolution of the Board of Directors and the system prepared based on such resolution concerning the preparation of the system for ensuring that the performance of the duties by the Directors complies with the laws and regulations and the Articles of Incorporation and other systems necessary to ensure the proper operation of the corporate group comprising the Company and its subsidiaries (Internal Control Systems), receive reports from the Directors and other personnel regularly and verify on the status of their establishment and operation. On internal control over financial reporting, we received reports from the Directors or others and KPMG AZSA LLC on the evaluation and audit status of such internal control and requested explanations as necessary.
    - (c) Monitor and verify whether the Accounting Auditor maintained an independent standpoint and conducted audits properly; receive reports from the Accounting Auditor on the performance status of its duties and request explanations as necessary. Also receive from the Accounting Auditor notice to the effect that it prepares the "systems for ensuring that the performance of the duties by the Accounting Auditor is being carried out properly" (Article 131 of the Regulations on Corporate Accounting) and request explanations as necessary.

Based on the above methods, we reviewed on the business report and the annexed detailed statements thereof, non-consolidated financial statements (the balance sheets, the statements of operation, the statements of changes in net assets and the notes to the



non-consolidated financial statements) and their supplementary schedules, and the consolidated financial statements (the consolidated statements of financial position, the consolidated statements of profit or loss, the consolidated statements of changes in equity and the notes to the consolidated financial statements which are, pursuant to the latter part of Article 120, Paragraph 1, of the Regulations on Corporate Accounting, prepared by omitting some disclosure items required by International Financial Reporting Standards) regarding this business year.

2. Result of the audit

(1) Audit result of the business report, etc.

- (a) We acknowledge that the business report and the annexed detailed statements thereof present the situation of the Company correctly in accordance with the laws and regulations and the Articles of Incorporation.
- (b) We acknowledge that there was no wrongful act or serious fact of violation of the laws and regulations or the Articles of Incorporation concerning the performance of the duties by the Directors.
- (c) We acknowledge that the contents of the resolution of the Board of Directors concerning the internal control system is appropriate. Furthermore, we also acknowledge that nothing needs to be pointed out on the contents stated in the business report concerning such internal control system and the performance of the duties by the Directors concerning such internal control system.

We received reports from the Directors or others and KPMG AZSA LLC stating that on the internal control over financial reporting, it is effective at the time of preparing this Audit & Supervisory Board's audit report.

(2) Audit result of the non-consolidated financial statements and their supplementary schedules

We acknowledge that the methods and results of the audit conducted by the Accounting Auditor, KPMG AZSA LLC, are appropriate.

(3) Audit result of the consolidated financial statements

We acknowledge that the methods and results of the audit conducted by the Accounting Auditor, KPMG AZSA LLC, are appropriate.

February 6, 2024

Audit & Supervisory Board

AGC Inc.

Tetsuo Tatsuno, Full-time Audit &  
Supervisory Board Member [Seal]

Tatsuro Ishizuka, Audit & Supervisory  
Board Member [Seal]

Isamu Kawashima, Full-time Audit &  
Supervisory Board Member [Seal]

Haruka Matsuyama, Audit &  
Supervisory Board Member [Seal]

Note: Audit & Supervisory Board Members, Isamu Kawashima, Tatsuro Ishizuka and Haruka Matsuyama, are outside Audit & Supervisory Board Members prescribed in Article 2, Item 16, and Article 335, Paragraph 3, of the Companies Act.

[As stated first above, please note that this part as well as other parts of the translated English text is prepared for reference purposes only. In the event of any discrepancy between the original Japanese text and this translated English text, the original Japanese text shall prevail.]

END

## Reference (Overview of Consolidated Statements of Cash Flows)

(Unit: millions of yen)

	99 <sup>th</sup> Term ( From Jan. 1, 2023 To Dec. 31, 2023 )	98 <sup>th</sup> Term ( From Jan. 1, 2022 To Dec. 31, 2022 )
Cash Flows from Operating Activities	212,546	217,146
Cash Flows from Investing Activities	(179,790)	(145,312)
Cash Flows from Financing Activities	(108,021)	(78,206)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	11,610	20,257
Net Increase (Decrease) in Cash and Cash Equivalents	(63,654)	13,885
Cash and Cash Equivalents at Beginning of Year	209,716	195,830
Cash and Cash Equivalents at End of Year	146,061	209,716





## **On the Brand Statement “Your Dreams, Our Challenge”**

The AGC Group introduced the brand statement “Your Dreams, Our Challenge” toward fulfilling “Our Mission” presented in the Group Vision “Look Beyond.” The corporate stance of the AGC Group to keep challenging in all ages in order to enrich people’s lives has been inherited since its foundation. With all employees as one team, we will endeavor to further enhance corporate value.

- 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.

Built on these founding spirits, AGC has been

supporting top runners of the era

with unique materials and solutions

while building robust trusted relationship with our customers.

We will combine the knowledge and technology of each other

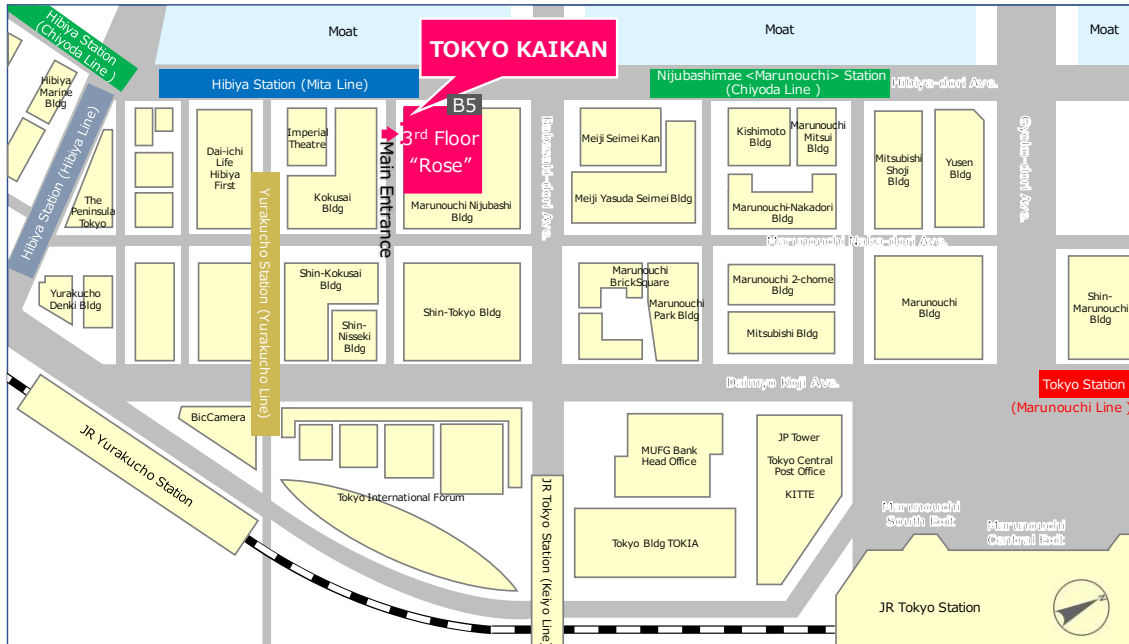
and continue challenging to realize dreams beyond people’s beliefs.

# Your Dreams, Our Challenge

# Venue Access Map of the General Meeting of Shareholders

## Rose, 3<sup>rd</sup> Floor, Tokyo Kaikan

3-2-1 Marunouchi, Chiyoda-ku, Tokyo ☎ (03) 3215-2111



### Public Transport Information

- Subway**
  - “Nijubashimae <Marunouchi> Station” (Tokyo Metro Chiyoda Line)
  - “Yurakucho Station” (Tokyo Metro Yurakucho Line)
  - “Hibiya Station” (Tokyo Metro Hibiya Line) ■ “Hibiya Station” (Toei Mita Line)
- Underground concourse directly connected to B5 Exit is available.
- J R**
  - Three-minute walk from No. 6 Exit of “Tokyo Station” (Keio Line).
  - Five-minute walk from International Forum Exit of “Yurakucho Station.”
  - Ten-minute walk from Marunouchi South Exit of “Tokyo Station.”

- As parking lots are not prepared at the venue specifically for this general meeting, please be requested to use public transport.

No gifts are prepared for the shareholders who attend the General Meeting of Shareholders in person. Thank you for your kind understanding.