

**AGC Selected for Stanford Graduate School of Business Case Study
as a company practicing “organizational ambidexterity” as advocated by Professor Charles A.
O’Reilly**

Tokyo, March 19, 2020—AGC (Headquarters: Tokyo; President: Takuya Shimamura) is the first Japanese company to be featured in a graduate school case study as a company that implements “organizational ambidexterity” as advocated by Professor Charles A. O’Reilly of the Stanford Graduate School of Business.



CASE: OB-103
DATE: 11/25/19

**AGC INC. IN 2019:
“YOUR DREAMS, OUR CHALLENGE”**

On October 31, 2014, Takuya Shimamura found himself with a new challenge. To his surprise, he had just been appointed the incoming CEO of Asahi Glass Co., Ltd. The world’s largest, most diversified glass company had been struggling. During the flat panel display boom of the early 2000s, Asahi Glass had become a leading provider of glass substrates for LCD displays, a fast-growing market it shared with Corning Glass of the United States. But the combination of new competitors, the fallout from the 2008 global financial crisis, and the maturing of the flat panel display industry meant that the display business began to slump after earning record profits in 2010. Revenues from this business were flat and likely to decline over time. At the same time, Asahi Glass’s other businesses—chemicals, as well as its bread-and-butter architectural and automotive glass—were all solid but offered few prospects for growth unless the company could develop new products. Meanwhile, as the global glass business was commoditizing and new, low-cost competitors were emerging, AGC’s traditional competitors had begun to either withdraw from the industry completely or focus on innovative new segments and technologies. Like many industries, the glass business was being disrupted. Clearly, AGC had to find new growth areas while building new competitive strengths for the changing global economy.

“Organizational ambidexterity” is a management method for exploring new pillars of business while also taking advantage of existing business. It is drawing attention as a theory showing how mature companies can adapt to the changing times and continue to grow. Professor O’Reilly states that the essence of “organizational ambidexterity” is “organizational evolution”, and that in order for an organization to adapt to changes in the business environment, the key for ambidexterity is the management of organizational cultures and a sense of balance that allows different cultures to coexist. In other words, O’Reilly argues that the ability to create an organizational structure that matches the characteristics of both new and existing businesses is the most important management issue in a mature organization, and a role that the executives and other leaders must fulfill.

This case study, named “Your Dreams, Our Challenge” based on AGC’s brand statement, highlights how AGC practices “organizational ambidexterity”. The authors of this study, Stanford University Graduate School of Business Professor Charles O’Reilly, Professor Ulrike Schaede of the University of California, San Diego, and management consultant Masanori Kato, state that “they took up this case study because not only does AGC explore new business (strategic businesses) while pursuing existing business (core businesses), but also they focus on reviewing their organizational culture, which is key to implementing ‘organizational ambidexterity’”.

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Your Dreams, Our Challenge

Stanford Graduate School of Business

<https://www.gsb.stanford.edu/faculty-research/case-studies/agc-inc-2019-your-dreams-challenge>

This case study can be accessed via the following links (requires a fee to access).

- English

<https://hbsp.harvard.edu/product/OB103-PDF-ENG?Ntt=ob103+&itemFindingMethod=Search>

- Japanese

<https://hbsp.harvard.edu/product/OB103-PDF-JPN?Ntt=ob103+japanese&itemFindingMethod=Search>

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