

June 15, 2021

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(Code Number: 5201; TSE 1st section)
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Notice regarding Transfer of Architectural Glass Business in North America

AGC Inc. (“the Company”) hereby announces that it has decided to sell its North American architectural glass business to Cardinal Glass Industries (Cardinal) and reached an agreement with Cardinal today

The transfer deal is subject to the approval of the related authorities and the earliest closing would be July 2021.

1. Reason for Business Transfer

Under the medium-term management policy **AGC plus-2023** announced in February this year, AGC has strived for improvements of the profitability and asset efficiency of its architectural glass business which have been designated as one of the AGC Group’s priority issues.

Regarding the operations of the architectural glass business in North America, AGC has concluded that it will create further growth opportunities by transferring it to Cardinal Glass Industries who has business trading experience with AGC in the past and is expected to make the most effective use of AGC’s assets and personnel.

2. Outline of Business Transfer

(1) Architectural Glass Business in North America

AGC began architectural glass business in North America in 1988, as it made capital participation in AFG Industries (now AGC Flat Glass North America). Since then, AGC has supplied various energy-saving and superior design high-performance glass products for over 30 years and contributed to the realization of comfortable and affluent life in the region.

(2) Financial Result of North America Architectural Glass Business to be carve-out (FY2020)

	North America Architectural Glass Business to be carved out (a)	Consolidated results for (b)	Ratio (a/b)
Net Sales	28.1 billion yen	1,412 billion yen	2.0%
Operating Profit	1.1 billion yen	75.8 billion yen	1.6%

(3) Amounts of carve-out Assets and Liabilities to be transferred from Architectural Glass Business in North America (as of March 31, 2021)

Assets to be transferred		Liabilities to be transferred	
Item	Book Value	Item	Book Value
Total	21.6 billion yen	Total	0.8 billion yen

*Assets and liabilities are converted into yen at the end of March 2021 at ¥110.71/US\$

(4) Transfer price and payment method

Transfer price : 450 million US dollars

Payment method: Payment by electronic funds transfer

3. Outline of the Transferee

(1)	Name	Cardinal Glass Industries	
(2)	Location	775 Prairie Center Dr #200 Eden Prairie, MN 55344	
(3)	Name and title of representative	Roger O'Shaughnessy	
(4)	Business Description	The Company manufactures, develops and sells window and door glass for residential use in the United States.	
(5)	Date of establishment	January 29, 1962	
(6)	Major Shareholders and their shareholding ratios	Unlisted company and shares are held by management	
(7)	Relationship with the Company	Capital ties	Not applicable
		Personal relations	Not applicable
		Business relations	Not applicable
		Status as a related party	Not applicable

Capital Stock, net assets, total assets, are not described because they could not be confirmed.

4. Schedule

(1)	Date of contract execution	June 15, 2021
(2)	Date of business transfer	July 2021, subject to the approval of the related authorities at the earliest

5. Summary of accounting procedures

This transaction is expected to generate a profit of approximately 25 billion yen, which is expected to be recorded as other income in the consolidated financial results for the third quarter of the fiscal year ending December 31, 2021.

6. Outlook for the future

The Company is currently examining the full-year consolidated financial forecast for the fiscal year ending December 31, 2021, including the impact of this matter. The Company will make an announcement as soon as it becomes clear.

(Reference) Consolidated financial forecast for the current fiscal year (announced on April 12, 2021) and consolidated financial results for the previous fiscal year

(Unit: Millions of yen)

	Net sales	Operating profit	Profit before tax	Profit for the period	Profit for the period attributable to owners of the parent	Basic earnings per share (Yen)
Consolidated financial forecast for the current fiscal year	1,650,000	160,000	142,000	105,000	83,000	375.02
Consolidated financial results for the previous fiscal year	1,412,306	75,780	57,121	41,164	32,715	147.84

(Additional Information)

The plants subject to the business transfer and their facilities

