

**For Immediate Release**

**August 21, 2017**  
**LIXIL Group Corporation**

## **LIXIL to Sell Permasteelisa to Grandland**

***Transaction enables Permasteelisa to join forces with an industry leader in China and benefit from complementary strengths***

***LIXIL further optimizes resources for sustainable growth***

**Tokyo, Japan** - LIXIL Group Corporation (LIXIL Group; TSE code: 5938), a global leader in the housing and building industry, today announced that it has decided to sell 100% of the shares of Permasteelisa S.p.A (Permasteelisa) held by its major subsidiary LIXIL Corporation to Grandland Holdings Group Limited (Grandland), a leading Chinese architectural design and construction company. The transaction is subject to customary closing conditions and regulatory approvals, including in China, the United States and Russia.

Under the terms of the agreement, the base sale price for Permasteelisa is EURO 467 million. As a result of this transaction and the deconsolidation of Permasteelisa from LIXIL Group, LIXIL Group's revenue for the full fiscal year ending March 2018 is expected to decrease by approximately 170.0 billion yen from the amount announced on May 8, 2017 (by approximately 9.2% of the previously forecasted amount). Revenue for the first half of the year is also expected to decrease by approximately 80.0 billion yen (approximately 9.0%).

Permasteelisa is a leading global contractor in the engineering, project management, manufacturing, and installation of curtain walls and interior systems. The business works with the world's most prominent architects to turn their visions into reality, and has a history of shaping the most iconic skylines and cityscapes around the world with past projects including the Shard in London, Apple's new HQ campus in Cupertino, the Sydney Opera House, and the International Commerce Centre in Hong Kong.

"We are pleased to have reached this agreement today. We believe Grandland will be a strong complementary fit for Permasteelisa and an ideal partner to invest in and grow Permasteelisa's business in the future, especially in the fast-growing Chinese market," said LIXIL Group President and CEO, Kinya Seto. "LIXIL has learned a great deal about the curtain wall and commercial interiors business from its ownership of Permasteelisa and we look forward to applying these lessons to improve our operations. Due to our complementary areas of business, LIXIL is also open to exploring potential future collaboration with Grandland and Permasteelisa."

LIXIL is continually seeking to refine its business portfolio to ensure it is able to optimize resources and deploy capital for sustained growth. This transaction would improve LIXIL's balance sheet and financial strength, by generating cash and reducing debt, but also via an accelerated cash conversion cycle and improved working capital efficiency. This would enable the company to make more proactive investments in its business in the future. The transaction is also in line with LIXIL's ongoing efforts to simplify the business structure, enabling further synergies and efficiencies through enhanced integration.

Permasteelisa will become part of a fast-growing business closely aligned to its own operations. Grandland is focused specifically on architectural decoration activities, including curtain walls, urban design, mechatronics, and layouts.

Riccardo Mollo, Permasteelisa CEO, who will remain in the position following the transaction, said, "Combining Permasteelisa's position as a premium leader in the market and scale across EMEA, North and South America, and Asia Pacific, along with Grandland's industrial integration capabilities and strength in China, will create a truly global leader in the curtain wall segment. While Permasteelisa will maintain its operating independence globally, the opportunities for operating synergies with Grandland are tremendous."

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### **About LIXIL Corporation**

LIXIL is a global leader in the housing and building industry. Our unique portfolio spans everything from technologies that revolutionize how we interact with water in our daily lives, to a full lineup of products and services for houses and major architectural projects. Delivering core strengths in water, kitchen, housing, and building technologies, our brands including LIXIL, INAX, GROHE, American Standard, and Permasteelisa are leaders in the industries and regions in which they operate. LIXIL operates in more than 150 countries and employs more than 70,000 people, bringing together function, quality, and design to make people's lives better, and more delightful – wherever they are.

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### **About LIXIL Group**

**LIXIL Group Corporation** (TSE Code: 5938) is the listed holding company containing LIXIL Corporation, LIXIL VIVA CORPORATION and LIXIL Housing Research Institute, Ltd. The Group, which is led by President and CEO Kinya Seto, is involved in a broad spectrum of housing-related businesses, ranging from the manufacture and sales of building materials and housing equipment to the operation of home centers and a network of homebuilding franchises, and comprehensive real estate service. LIXIL Group Corporation posted ¥1.79 trillion in consolidated sales in FYE March 2017.