

For Immediate Release

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LIXIL Corporation

LIXIL to Wholly Acquire Grohe Dawn Watertech in South Africa

Tokyo, Japan - LIXIL Group Corporation (LIXIL Group; TSE code: 5938), a global leader in the housing and building industry, today announced that its major subsidiary, LIXIL Corporation, will acquire all outstanding shares of Grohe Dawn Watertech Holdings Proprietary Limited (GDWT) from Distribution and Warehousing Network Limited (DAWN; Johannesburg Stock Exchange: DAW).

GDWT is a Johannesburg-based sanitary ware joint venture of which LIXIL is the current controlling shareholder with 51%. LIXIL will obtain the remaining 49% of ordinary shares in GDWT from DAWN, and GDWT will repay DAWN's shareholder loan, for an aggregate amount of ZAR 324.5 million. The closing of the transaction is subject to customary closing conditions and approvals.

"LIXIL is expanding the global footprint of its water technology business with this transaction," said Kinya Seto, LIXIL CEO and President. "Full ownership of GDWT will strategically position us for growth in South Africa and the emerging markets of Sub-Saharan Africa. This transaction also allows us greater flexibility in managing the brand portfolio and business strategy in this region. We have already seen steady progress in strengthening GDWT's governance and operational efficiency, with strong support from HQ teams on financial management, supply chain and manufacturing, quality, marketing and other activities. Taking full control of the business will allow us to accelerate these activities and, ultimately, generate sustainable long-term performance and growth in this important region."

Following completion of the transaction, DAWN will remain a master distributor for GDWT. The GDWT corporate entity will be rebranded as LIXIL Africa, in line with the business's vision to be the region's leading water technology company by 2021.

"This is an exciting step forward for GDWT," said Henk Suelmann, CEO of GDWT. "We are set to evolve to become a key part of the global LIXIL footprint via an integration process that will feature investment as well as strong support from Japan and other parts of the network. This will allow us to deliver high quality service and world class products to our customers. We want to see everyone in Africa experience one of our brands, and we believe that as part of LIXIL, this now becomes a real possibility."

GDWT is currently the sole distributor of products for LIXIL's GROHE brand in the Sub-Saharan region, and owner and manufacturer of South Africa's home-grown sanitary fittings brands, including Cobra Water Technologies, Libra Bathrooms, Plexicor, Apex Valves, Vaal Ceramics, and ISCA. In the financial year ended March 2017, GDWT recorded revenue of ZAR 1.27 billion.

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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 housing 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.

Learn more at www.lixil.com, facebook.com/lixilgroup and www.linkedin.com/company/lixil-group.

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.