

August 4, 2011
LIXIL
Corporation
Permasteelisa
S.p.A.

**LIXIL to acquire Permasteelisa
Aims to capture growth opportunities in global markets**

Milan, Italy, August 4, 2011 – Japan’s leader in housing and building materials, LIXIL Corporation and global manufacturer of curtain walls headquartered in Vittorio Veneto, Permasteelisa S.p.A., jointly announced today that LIXIL will acquire all shares in Permasteelisa. The transaction is likely to be completed by December 2011 after obtaining regulatory clearance.

On completion, LIXIL will pay approximately €573 million in cash for 100% of Permasteelisa’s shares which are owned by Cima Claddings S.A., a company indirectly controlled by European private equity firms InvestIndustrial and Alpha. Permasteelisa’s current management team, led by CEO Nicola Greco, will remain with the business and will play an instrumental role in continuing to build the brand and execute LIXIL’s international expansion strategy.

The purchase of Permasteelisa by LIXIL is closely aligned to its business strategy aimed at bringing significant business growth from overseas. The top management of LIXIL has announced the ambition to increase LIXIL’s presence and sales in overseas markets in order to move beyond Japan to become a global company.

On Permasteelisa’s side, the sale of its shares to LIXIL paves way for stronger global presence. By joining the LIXIL group of brands, it gains synergies to propel further growth by enhanced efficiency.

“First of all, I would like everyone to confirm that this agreement is based on our long history of respect for each other and our pride as a first class player. Once the transaction is completed, we will be truly honoured to be joined by Permasteelisa and its employees who share with us the same corporate philosophy of providing world first class products and services to satisfy our client needs.” said Toshimasa Iue, LIXIL’s Global Business Company President. “We recognize the strong reputation of Permasteelisa’s innovative technology in curtain walls that has been built over 30 years. This has come from the inspiration of its founders and the dedication of its employees. I am personally committed to making sure that we realize Permasteelisa’s ambitions for further growth as we, too, step up pace to becoming a truly unique global building solution provider. Permasteelisa’s current resources will be at the heart of our overseas growth strategy. We have numerous factors which enable us to accelerate each other’s growth and there are huge potentials in all the aspects such as technology, production and sales.”

“We have great expectations about the projected operation that confirms the importance and the appeal of Permasteelisa as global leader in the reference market, and also certifies the quality of the turnaround developed in the last years. This integration will provide both LIXIL and Permasteelisa with strong synergies in marketing, procurement, production around the world” said Mr. Nicola Greco, CEO of Permasteelisa. “Going forward, we are certain that our global reputation and experience will provide a precious contribution to LIXIL's global business and there are surely strong benefits that we will gain from LIXIL's technologies and infrastructure.”

Acquisition summary

- Acquiring company: LIXIL Corporation
- Permasteelisa S.p.A.'s shares (25,613,544) was fully owned by Cima Claddings S. A. (A group company owned by the private equity firms InvestIndustrial and Alpha, and Andimahia)
- Acquisition amount: €573 million
- Management after acquisition: Permasteelisa's current management members will stay on to manage the business of Permasteelisa

About LIXIL

JS Group is listed as a holding company and is a group which holds 10 formerly listed subsidiaries. The group's consolidated sales in fiscal year 2010 were 1.2 trillion yen. LIXIL, a consortium of businesses related to building materials, is the core company of a group formed by eight of the formerly listed companies. The company started on April 1, 2011 under current structure and name. Furthermore, JS Group has been carrying out several important acquisitions and alliances in order to accelerate its overseas business. These companies all became subsidiaries of LIXIL. Acquisition of American Standard Asia Pacific (2009) and Shanghai Meite Curtain Wall System (2011) and strategic alliances with LG-TOSTEM (2010) and Haier-LIXIL (2011) are notable examples.

LIXIL is Japan's biggest housing and building materials company with top share in eight different categories. Those include approx. 55% share in exteriors, approx. 50% share in housing sashes/doors, approx. 50% in curtain walls and approx. 40% in sanitary wares. LIXIL also is a top brand in tiles, washstand cabinet units, bathroom units and kitchen units. LIXIL, through the integration, now has a vast and unique business portfolio. The merger resulted in the establishment of a company with about 60,000 employees (as of April 1) with the total sales of JPY 444.725 billion (Euro 4 billion as of March 31). It is now affiliated with a multitude of subsidiaries in charge of sales, manufacturing, maintenance and other services including 17 sites overseas.

LIXIL has been participating in various global design events proving the quality and global competitiveness of its products. Especially in Italy, LIXIL participated in Milano Salone 2011 and will participate in Cersaie for the eighth consecutive year.

Note:

Brands owned by LIXIL operating in each market are brands such as LIXIL, TOSTEM, INAX, TOEX, SHiNNiKKEi, SUNWAVE, American Standard (Asia Pacific), Shanghai Meitei

About Permasteelisa

Permasteelisa Group is a worldwide leading Contractor in the engineering, project management, manufacturing and installation of architectural envelopes and interior systems with more than 38 years of international success. The Group possesses almost 50 companies in 27 countries and 13 production plants. The Group brings its Know-How and expertise to all projects, in particular when dealing with Special Features Buildings, beginning with the design development phases all the way to the successful completion, achieving the customer's expectations. With over 5,500 employees present at four continents, the Group yearly generates a total turnover of around €1 billion.

Financial and Legal Advisers

Nomura Securities Co. Ltd. and Nomura International Plc acted as financial advisers to JS Group. Clifford Chance Studio Legale Associato acted as legal adviser to JS Group. Credit Suisse Securities (Europe) Limited and Mediobanca – Banca di Credito Finanziario S.p.A. acted as financial advisers to InvestIndustrial and Alpha. Cleary Gottlieb Steen & Hamilton LLP acted as legal adviser to InvestIndustrial and Alpha.