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For Immediate Release

LIXIL Corporation
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LIXIL Corporation to Acquire the Shares of GROHE Group

- Acquisition of Europe's leading single-brand manufacturer of premium sanitary fittings to develop LIXIL's global operations in line with its stated strategy -

LIXIL Corporation (Headquarters: Tokyo, Japan; President and CEO Yoshiaki Fujimori) and the Development Bank of Japan (Headquarters: Tokyo, Japan; President and CEO Toru Hashimoto) have entered into an agreement in relation to the acquisition of an 87.5% equity interest in GROHE Group S.à r.l. from private equity funds managed by TPG Capital and DLJ Merchant Banking Partners at an implied enterprise value of EUR 3.06 bn. This is the largest ever German investment by a Japanese company to date.

The transaction represents a significant step in the successful implementation of LIXIL's strategy to become the global leader in the building materials and housing equipment industry as announced in the Company's Medium-Term Management Vision. This transaction seamlessly follows the successful acquisition of American Standard Asia Pacific in 2009, Permasteelisa in Italy in 2011, and American Standard Brands in the USA this year.

"GROHE is one of the most well-known brands in the global sanitary market", LIXIL Group CEO Fujimori commented. "In addition to its high quality standards, GROHE has received high acclaim globally for its leading product design and innovation across a wide range of bathroom, shower and kitchen solutions covering the biggest share of the water technology market. We have great respect for what CEO David Haines and his management team have achieved. Bringing GROHE under his leadership into LIXIL Group allows us to make further progress in building the leading platform in the global sanitary industry whilst also strengthening our distribution network across Asia."

"For GROHE, LIXIL is a perfect match" said CEO Haines. "It is currently building a strong track record as a global leader in the building materials and housing equipment industry. As a growth-oriented company, LIXIL has always been the preferred partner to support us with our growth strategy, especially in emerging markets."

In addition to the acquisition of the GROHE shares, a voluntary offer will be launched to acquire all of the outstanding shares of Joyou AG, GROHE's publicly listed subsidiary, of which GROHE currently holds a 72.3% interest. Joyou AG designs, produces and sells faucets and other sanitary ware products and has developed into a market leader in China where it sells through a network of over 4,000 distributors.

Joyou AG's founders Jianshe Cai and Jilin Cai, will remain invested in GROHE, and will continue to lead the business they founded in 1988. CEO Haines, who has signed a new five-year contract will remain at the helm of GROHE Group as CEO, stated: "Our merger with Joyou has provided us with differentiated access to China – we are now excited about the prospect of accessing further markets through our new partners in Japan and creating a broad platform for collaboration across borders and product lines."

LIXIL and DBJ will acquire GROHE through a jointly-owned entity of which each party will own a 50% voting interest. CEO Fujimori said: "The joint acquisition structure enables LIXIL to act on this strategic opportunity while maintaining a healthy balance sheet."

The implied Enterprise Value, including the assumption of debt, is EUR 3.06 bn (JPY 397.8 bn*). The transaction is subject to customary regulatory and antitrust approvals. Upon completion of this transaction, GROHE and Joyou AG will become an affiliated company accounted for under the equity-method.

Through the implementation of DBJ's VG Investment Program and utilizing its complimentary resources such as personnel, know-how and intelligence network, in addition to the financing support, GROHE's competitive advantage can be further strengthened which will enhance LIXIL's overall corporate value. LIXIL was advised by BNP Paribas, Moelis & Company and SMBC Nikko, Linklaters was legal advisor to the Company. GROHE was advised by Acxit Capital, Credit Suisse, Goldman Sachs, Weil LLP and Clifford Chance.

(Note: the JPY amount is based on an exchange rate of EUR 1 = JPY 130)

■ About LIXIL

Led by President and CEO Yoshiaki Fujimori, LIXIL Group Corporation (TSE Code: 5938) is a listed holding company posting ¥1.4 trillion (EUR 10.8billion) in consolidated sales in FY2013. The Group engages in a broad spectrum of housing businesses, ranging from the manufacture and sale of building materials and housing equipment to the operation of home centers and a network of homebuilding franchises.

LIXIL Corporation is the largest housing and building materials company in Japan with a vast and unique business portfolio. It is a leader in eight market categories in its home country, with a 55% share in exteriors, 50% share in housing sashes and doors, 50% share

in curtain walls and 40% share in sanitary wares, as well as a well-known brand in tiles, washstand cabinet units, and bathroom and kitchen units.

Since LIXIL was formed in 2011 after having merged key Japanese players in the housing and material building industry, LIXIL has been active in strategic acquisitions and partnerships in order to fortify and accelerate its growth in overseas markets. It currently operates in more than 30 countries through premium brands offered over a broad product lineup and services. Permasteelisa, Gartner and Shanghai Meite, for example, spearhead our project business (building materials and curtain walls), while LIXIL, American Standard, INAX and TOSTEM are power players that feature an impressive brand portfolio including kitchen units, bathroom fixtures, windows and doors.

<Corporate information>

<http://www.lixil-group.co.jp/>

■ About GROHE Group

The GROHE Group is one of the world's leading providers of sanitary fittings. Under the global GROHE brand for sanitary products and systems, the GROHE Group sets standards in quality, design, technology and responsibility, providing "Pure Joy of Water". With the JOYOU brand, the Group addresses the fast growing Chinese market. Headed by GROHE Group S.à r.l. Luxembourg, the GROHE Group has a global workforce averaging 9,000 employee. In 2012, the GROHE Group generated consolidated sales of €1,405 million; 85 percent came from outside Germany. The GROHE Group has nine production plants of its own, of which six are located outside Germany (one each in Portugal, Thailand and Canada, and three in China).

■ About Cai GmbH

Cai GmbH is a German company controlled by Jianshe Cai and Jilin Cai, (respectively CEO and COO) of Joyou, a leading faucet and sanitary ware manufacturer in China.

■ About the Development Bank of Japan

DBJ (President: Toru Hashimoto) is a financial institution that provides both loans and direct investment and is fully capitalized by the Japanese government. It has offices in various cities across Japan and overseas.

<Corporate information>

<http://www.dbj.jp/>

<https://ja-jp.facebook.com/DBJ.jp>