

PRESS RELEASE

For Immediate Release

December 10, 2014

LIXIL Corporation

GROHE Group to become a subsidiary of LIXIL Corporation

TOKYO, December 10, 2014 – LIXIL Corporation (Headquarters: Chiyoda-ku, Tokyo; President: Yoshiaki Fujimori; “LIXIL”), a global leader in the housing and building materials industry, today announced that it has reached an agreement to acquire the remaining 12.5% of the outstanding shares of GROHE Group S.à r.l. (Headquarters: Luxembourg; CEO and Chairman: David Haines; “GROHE”), from Cai GmbH (Headquarters: Germany; Representatives: Jianshe Cai and Jilin Cai; “Cai”).

LIXIL jointly acquired an 87.5% interest in GROHE with Development Bank of Japan Inc. (“DBJ”) in January 2014, and GROHE and Joyou AG (“Joyou”), a listed subsidiary of GROHE, became LIXIL-affiliated companies. In addition to the execution of a Sale and Purchase Agreement, LIXIL has also agreed to amend the Shareholders’ Agreement that was executed between DBJ concerning the above joint investment in September 2013.

The share acquisition and amendment to the Shareholders’ Agreement are expected to be completed on or after April 1, 2015, after obtaining the relevant regulatory approvals. Upon completion, LIXIL will have acquired a 56.25% interest in GROHE, at which time GROHE and Joyou will become subsidiaries of LIXIL and consolidated subsidiaries of LIXIL Group, the parent company of LIXIL. The total acquisition price of the share acquisition is expected to be about 30.9 billion JPY.

■ **About Cai GmbH**

Cai is engaged in the sanitary-ware business and the management of assets. Its representatives Jianshe Cai and Jilin Cai are respectively Chief Executive Officer and Chief Operating Officer of Joyou, a subsidiary of GROHE that is listed in Germany and is a leading faucet and water-section equipment manufacturer in China.

■ **About the GROHE Group S.à r.l.**

The GROHE Group comprises Grohe AG, Hemer, Germany, and Joyou AG, Hamburg, Germany and other subsidiaries in foreign markets. The GROHE Group is the world’s leading provider of sanitary fittings. With its global GROHE brand, the GROHE Group builds on its brand values of quality, technology, design and responsibility to deliver “Pure Freude an Wasser”. With the JOYOU brand, the Group covers the fast growing Chinese market. Spearheaded by GROHE Group S.à r.l., Luxembourg, the group has a global workforce of around 9,300 people worldwide (including some 3,500 at Joyou). There are about 2,400 employees working at GROHE in Germany. The GROHE Group generated consolidated sales of €1.45 billion in 2013. The GROHE Group has nine proprietary production plants, of which six are located outside Germany, namely in Portugal, Thailand, and China (Joyou). The company currently generates almost 85% of its sales outside Germany. The GROHE Group was acquired by the LIXIL Group and the Development Bank of Japan in January

2014. GROHE and Joyou remain independent within the LIXIL Group.

For more information, please visit: <http://www.grohe.com/>

■ **About LIXIL Group and LIXIL**

Led by President and CEO Yoshiaki Fujimori, **LIXIL Group Corporation** (TSE Code: 5938) is a listed holding company posting 1.6 trillion JPY in consolidated sales in FY March 2014. The Group 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.

LIXIL, a consortium of building material companies, is the core enterprise of the Group, generating 80% of its consolidated sales. LIXIL is the largest housing and building materials company in Japan with a vast and unique business portfolio, a 55% market share in exteriors, a 50% share in housing sashes and doors, a 40% share in building sashes and shutters and a 40% share in sanitary ware. LIXIL is also the leading brand in product lines such as tiles, unit bathrooms and kitchen systems. Launched in April 2011 under its present structure and name, LIXIL has been active in strategic acquisitions and partnerships in order to fortify and accelerate its growth globally. It currently operates in more than 30 countries through various brands offering a broad lineup of products and services; Permasteelisa Group is a curtain wall business leader; American Standard Brands is one of the largest primary housing equipment providers in North America; the German-based GROHE Group is the world's leading manufacturer and supplier of sanitary fittings, including kitchen and bathroom faucets and shower systems. Joyou, GROHE's subsidiary, covers the Chinese sanitary market and expands the brand also to other markets. For more information about LIXIL Group and LIXIL, please visit: <http://www.lixil-group.co.jp/e/>