

[This is an English translation of the original text written in Japanese]



November 27, 2018

LIXIL Group Corporation
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Announcement on Termination of Share Transfer Agreement of Consolidated Subsidiary

LIXIL Group Corporation (hereinafter “LGC”) hereby announces that it has decided to terminate the share transfer agreement between LIXIL Corporation, which is a 100% subsidiary of LIXIL Group, and Grandland Holdings Group Limited (hereinafter “Grandland”) that was announced by “Announcement on Share Transfer of Consolidated Subsidiary (Share Transfer)” dated on August 21, 2017.

1. Reason of Termination

Since the date of our agreement on the share transfer, LGC and Grandland had been making best efforts to proceed with various measures to close the transaction as early as possible.

However, as has been announced on October 22, 2018 by “Progress Update on Transfer of Consolidated Subsidiary (Share Transfer)”, LGC received an official notification from the Committee on Foreign Investment in the United States (“CFIUS”) which makes it clear that it has been unable to secure approval for the originally planned transfer of shares of Permasteelisa to Grandland.

The share transfer agreement specifies that securing necessary approvals from regulatory authorities are condition to close the deal. As such, based on receipt of the notification, LGC has reviewed its options. As a result, LGC concluded that it is reasonable to terminate the share transfer agreement and, based on a mutual agreement of the seller and the buyer, today LGC has decided to terminate the share transfer agreement at the Board of Directors.

2. Future Outlook

The share transfer agreement will be terminated on November 27, 2018, which is based on the mutual agreement between LGC and Grandland.

In addition, non-performance of main obligations will be imposed to none of LGC nor Grandland due to the termination of the share transfer agreement.

LGC are committed to working through all options to ensure that a robust plan is put in place that will not only strengthen Permasteelisa but also the broader LIXIL Group.

3. Impact on LGC's financial reporting and forecast

There is no new impact on LIXIL Group's financial performance as a result of this announcement, beyond the details that were already shared on October 22, 2018.

End