

January 22, 2014
LIXIL Group Corporation

**Announcement Regarding Completion of Acquisition of Shares of
GROHE Group S.à r.l. (Became an affiliated company by the equity method)**

LIXIL Group Corporation (hereinafter “LGC”) announced that LIXIL Corporation, one of the fully consolidated subsidiaries of LGC, and the Development Bank of Japan completed acquisition of 87.5% of the shares of GROHE Group S.à r.l. on January 21, 2014 (Central European Time). Prior to this announcement, LGC announced the joint investment of LIXIL Corporation and the Development Bank of Japan to acquire shares of GROHE Group S.à r.l. on September 26, 2013. Please refer to the attached press release for details.



Pure Freude an Wasser



PRESS RELEASE

For Immediate Release

January 22, 2014

LIXIL Corporation

GROHE Group S.à r.l.

**LIXIL and DBJ Complete the Acquisition of 87.5 Percent of
GROHE Group S.à r.l.**

TOKYO, January 22, 2014 – LIXIL Corporation (Headquarters: Tokyo, Japan; President and CEO: Yoshiaki Fujimori), and the Development Bank of Japan Inc. (“DBJ”; Headquarters: Tokyo, Japan; President and CEO: Toru Hashimoto) have completed the acquisition of 87.5% of the share capital of GROHE Group S.à r.l., one of the world’s leading providers of premium sanitary fittings (Corporate Centre: Düsseldorf, Germany; CEO: David Haines. Hereafter called GROHE).

The implied enterprise value, including the assumption of debt, is €3.06 billion (428.4 billion JPY, €1=140 JPY), as announced on September 26, 2013. The shares were purchased from Glacier Luxembourg One S.à r.l., indirectly owned by TPG and DLJ Merchant Banking Partners. GROHE and Joyou, GROHE’s subsidiary company, became LIXIL-affiliated companies on January 21.

The transaction represents the largest ever German investment by a Japanese company and is another significant step in the implementation of LIXIL’s highly successful strategy to become the global leader in the building materials and housing equipment industry. It follows the acquisitions of American Standard Brands in August 2013, a leading North American manufacturer of a wide range of high quality kitchen and bath products; Permasteelisa Group in 2011, a high-end curtain wall contractor in Italy; and American Standard Asia Pacific in 2009.

LIXIL will leverage GROHE’s extensive distribution network to expand its faucet business and, more generally, to strengthen its product offerings for complete bathroom solutions globally.

About LIXIL Corporation

Led by President and CEO Yoshiaki Fujimori, LIXIL Group Corporation (TSE Code: 5938) is a listed holding company posting 1.4 trillion JPY in consolidated sales in FY March 2013. 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 Corporation, a consortium of building material companies, is a core enterprise of the Group, generating 80% of consolidated sales. The largest housing and building materials company in Japan with a vast and unique business portfolio, it is a leader in eight market categories, with a 55% share in exteriors, 50% share in housing sashes and doors, 50% share in curtain walls and 40% share in sanitary ware. LIXIL is also a leading brand in tiles, bathroom furniture, and bathroom and kitchen units.

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 in foreign markets. It currently operates in more than 30 countries through various brands offering a broad lineup of products and services. Permasteelisa, Gartner and Shanghai Meite, for example, spearhead our project business (building materials and curtain walls), while LIXIL, American Standard Asia Pacific, Inax and Tostem are power players that feature an impressive brand portfolio including kitchen units, bathroom fixtures, windows and doors. For more information about LIXIL Group, please visit <http://www.lixil-group.co.jp/>

About GROHE

GROHE is one of the world's leading providers of sanitary fittings. Under the global GROHE brand for sanitary products and systems, GROHE sets a high standard in quality, design, technology and responsibility, providing water to perfection. With the Joyou brand, the Group covers the fast growing Chinese market. Spearheaded by GROHE Group S.à r.l., Luxembourg, GROHE has a global workforce averaging 9,000 (including some 3,400 at Joyou), of whom some 2,300 work at GROHE companies in Germany. In 2012, GROHE generated consolidated sales of some €1,405 million, 85 percent of which came from outside Germany. GROHE 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). For more information about GROHE Group, please visit <http://www.grohe.com/>