

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



January 18, 2022

LIXIL Corporation
Kinya Seto
Representative Executive Officer, President, and CEO
(First Section of TSE/NSE, code 5938)

(Contact):
Kayo Hirano
Senior Vice President, Leader, Investor Relations Office

Notice Regarding Absorption-Type Merger (Simplified and Short-Form Merger) with Fully Owned Subsidiary (LIXIL Okinawa Sales Co., Ltd.)

LIXIL Corporation (hereinafter "LIXIL") hereby announces that it has today resolved to carry out an absorption-type merger (hereinafter the "Merger") between LIXIL and LIXIL Okinawa Sales Co., Ltd. (hereinafter "LIXIL Okinawa Sales"), its consolidated subsidiary, effective April 1, 2022.

Since the company is pursuing an absorption-type merger of a fully owned subsidiary of LIXIL, some details for disclosure have been abbreviated.

1. Aim of the Merger

LIXIL is simplifying its operating structure to drive synergies and improve operational efficiencies through enhanced integration. In line with these measures, LIXIL decided to carry out an absorption-type merger of LIXIL Okinawa Sales, which sells building materials for housing and buildings. Through this Merger, LIXIL will flatten and simplify its operating structure.

2. Outline of the Merger

(1) Key dates

Date of the resolution of the Merger	January 18, 2022
Date of signing of the Merger agreement	January 18, 2022
Effective date of the Merger	April 1, 2022 (Plan)

(Note) According to regulations governing short-form mergers in Item 2, Article 796 for LIXIL, and Item 1, Article 784 of Japanese corporate law governing simplified mergers for LIXIL Okinawa Sales, the simplified and short-form merger between LIXIL and LIXIL Okinawa Sales,

which is a fully owned subsidiary under LIXIL, can be conducted without seeking approval at the Shareholders' Meeting.

(2) Method of the Merger

Using the "merger by absorption" method, LIXIL will become the surviving company and LIXIL Okinawa Sales will be dissolved.

(3) Details of allocations related to the Merger

The Merger will not result in any allocation of shares or other assets.

(4) Handling of share options and bonds with share options related to the Merger

Not applicable.

3. Overview of the Companies to be merged

	Surviving Company	Company to be absorbed								
(1) Trade Name	LIXIL Corporation	LIXIL Okinawa Sales Co., Ltd.								
(2) Registered Office	2-1-1 Ojima, Koto-ku, Tokyo	237-5 Ojana, Ginowan-shi, Okinawa								
(3) Representative	Kinya Seto, Representative Executive Officer, President, and CEO	Arihiro Ookubo, Representative Director								
(4) Business Operations	Manufacture and sell building materials and housing equipment for housing and buildings, operate housing-related businesses as well as related services.	Sell building materials for housing and buildings.								
(5) Capital	JPY 68,418 million	JPY 30 million								
(6) Establishment	September 1949	April 2015								
(7) Outstanding Shares	Common Stock 313,319,159	Common Stock 600								
(8) Accounting period	March 31	March 31								
(9) Major Share Holders and Holding Ratio (As of September 30, 2021)	<table border="0"> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td> <td>12.57%</td> </tr> <tr> <td>JP MORGAN CHASE BANK 385632 (Standing Proxy: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)</td> <td>7.48%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (Trust Account)</td> <td>3.69%</td> </tr> <tr> <td>Others</td> <td></td> </tr> </table>	The Master Trust Bank of Japan, Ltd. (Trust Account)	12.57%	JP MORGAN CHASE BANK 385632 (Standing Proxy: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	7.48%	Custody Bank of Japan, Ltd. (Trust Account)	3.69%	Others		LIXIL Corporation 100%
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Custody Bank of Japan, Ltd. (Trust Account)	3.69%									
Others										

(10) Financial	IFRS (Consolidated)	JGAAP (Standalone)		
Performance for the Latest Fiscal Year-end (Fiscal Year Ended March 2021)	Total equity (JPY million)	554,767	Net assets (JPY million)	826
	Total assets (JPY million)	1,741,814	Total assets (JPY million)	1,752
	Equity attributable to owners of the parent per share (Japanese yen)	1,902.89	Net assets per share (Japanese yen)	1,377,855.54
	Revenue (JPY million)	1,378,255	Net sales (JPY million)	3,919
	Operating profit (JPY million)	35,842	Operating profit (JPY million)	216
	—		Ordinary profit (JPY million)	218
	Profit for the year attributable to owners of the parent (JPY million)	33,048	Net profit (JPY million)	144
	Basic earnings per share (Japanese yen)	113.92	Earnings per share (Japanese yen)	241,203.22

(Note) Shareholding calculations of LIXIL exclude treasury stock of 22,616 thousand shares.

4. Overview after the Merger

There will be no change to trade name, headquarters, name and title of representatives, business description, capital, and accounting period related to the Merger.

5. Future Outlook

As the Merger is between LIXIL and its fully owned subsidiary, the impact on LIXIL's consolidated financial performance will be minor.

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