

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



May 12, 2022

LIXIL Corporation
Kinya Seto
Representative Executive Officer, President, and CEO
(TSE Prime market and NSE Premier market, 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 Group Finance Corporation)

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 Group Finance Corporation (hereinafter "LIXIL Group Finance"), its consolidated subsidiary, effective July 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 has reviewed the allocation of its office functions and decided to carry out an absorption-type merger of LIXIL Group Finance, which has been a functional subsidiary for intra-group financing within LIXIL and its group companies.

2. Outline of the Merger

(1) Key dates

Date of the resolution of the Merger	May 12, 2022
Date of signing of the Merger agreement	May 12, 2022
Effective date of the Merger	July 1, 2022 (Planned)

(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 Group Finance, the simplified and short-form merger between LIXIL and LIXIL Group Finance, 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 be the surviving company and LIXIL Group Finance 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 Group Finance Corporation								
(2) Registered Office	2-1-1 Ojima, Koto-ku, Tokyo	2-1-1 Ojima, Koto-ku, Tokyo								
(3) Representative	Kinya Seto, Representative Executive Officer, President, and CEO	Sachio Matsumoto, Representative Director								
(4) Business Operations	Manufactures and sells building materials and housing equipment for housing and buildings, operates housing-related businesses as well as related services.	Provides financing services for LIXIL and its group companies.								
(5) Capital	JPY 68,418 million	JPY 3,475 million								
(6) Establishment	September 1949	April 1987								
(7) Outstanding Shares	Common Stock 313,319,159	Common Stock 3,175								
(8) Accounting period	March 31	March 31								
(9) Major Share Holders and Holding Ratio (As of March 31, 2022)	<table border="0"> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td> <td>16.71%</td> </tr> <tr> <td>JP MORGAN CHASE BANK 385632 (Standing Proxy: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)</td> <td>9.44%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (Trust Account)</td> <td>4.31%</td> </tr> <tr> <td>Others</td> <td></td> </tr> </table>	The Master Trust Bank of Japan, Ltd. (Trust Account)	16.71%	JP MORGAN CHASE BANK 385632 (Standing Proxy: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	9.44%	Custody Bank of Japan, Ltd. (Trust Account)	4.31%	Others		LIXIL Corporation 100%
The Master Trust Bank of Japan, Ltd. (Trust Account)	16.71%									
JP MORGAN CHASE BANK 385632 (Standing Proxy: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	9.44%									
Custody Bank of Japan, Ltd. (Trust Account)	4.31%									
Others										

(10) Financial Performance for the Latest Fiscal Year-end (Fiscal Year Ended March 2021)	IFRS (Consolidated)		JGAAP (Standalone)	
	Total equity (JPY million)	554,767	Net assets (JPY million)	12,526
	Total assets (JPY million)	1,741,814	Total assets (JPY million)	299,756
	Equity attributable to owners of the parent per share (JPY)	1,902.89	Net assets per share (JPY)	3,945,278.27
	Revenue (JPY million)	1,378,255	Operating revenue (JPY million)	3,526
	Operating profit (JPY million)	35,842	Operating profit (JPY million)	866
	—		Ordinary profit (JPY million)	518
	Profit for the year attributable to owners of the parent (JPY million)	33,048	Net profit (JPY million)	337
	Basic earnings per share (JPY)	113.92	Earnings per share (JPY)	106,169.81

(Note) Shareholding calculations of LIXIL exclude treasury stock of 22,580 thousand shares.

4. Overview after the Merger

There will be no change to trade name, headquarters, name and title of representatives, business description, capital, or the 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.

End