September 18, 2013

LIXIL Group Corporation

**Announcement of Business and Capital Alliance with Sharp Corporation**

LIXIL Corporation, one of the consolidated subsidiaries of LIXIL Group Corporation (hereinafter “LGC”) agreed to a business and capital alliance with Sharp Corporation. Please refer to the attached press release for details.

**PRESS RELEASE**

**For Immediate Release**

**September 18 2013**

LIXIL Corporation

# Announcement of Business and Capital Alliance with Sharp Corporation

LIXIL Corporation (hereinafter "LIXIL"), has agreed to a business alliance with Sharp Corporation (hereinafter "Sharp") to have a stronger partnership. In order to drive this alliance forward, LIXIL is expected to invest approximately 5 billion yen to a new share issuance through a third-party allocation by Sharp.

1. Goals and reasons for business and capital alliance

LIXIL and Sharp established a joint corporation, Eco Life Solutions Co., Ltd., which bears to plan integrated products of building materials and electric materials in August 2011. The first jointly developed product, "Solar Roof," an integrated solar power generation roof system was launched in April 2012. Its sales are increasing steadily due to its excellence in ease of installation and design performance. Another jointly developed product, "Miruru" Home Energy Management System, which visualizes home energy, was launched in April 2013.

LIXIL and Sharp have agreed to a business alliance to make their partnership stronger and to enhance joint development capabilities for the unified products of building materials and electric materials. Based on this alliance, we will promote planning and developing of integrated products of building materials and electric materials. We will launch superior products to create customer values by fully utilizing the technologies and know-how of both companies. Also, in order to drive this alliance forward, LIXIL will invest approximately 5 billion yen in Sharp.

LGC's goals as announced under its current Medium-Term Management Vision is to increase sales to 3 trillion yen (2 trillion in Japan and 1 trillion overseas) and operating profit margin to 8%. Also, as a main imperative of Medium-Term Business Plan "LIXIL G-15," which covers the periods from the fiscal year ending March 2014 to the fiscal year ending March 2016, LGC is targeting to shift its focus to renovation market and expanding global business. Through this alliance, LIXIL will inspire new demands for renovation and differentiates itself from other building material manufacturers by launching original

products that integrate building materials and electric materials one step at a time. Furthermore, we will utilize not only our own distribution channels but also Sharp's distribution channels in Japan and overseas. We plan to launch products based on this alliance.

2. Outline of business and capital alliance

LIXIL and Sharp will jointly plan and develop new products and solutions that correspond to the demands coming from residential construction and renovation including solutions that offer safety, peace of mind and better health and products with integration of building material technologies offered by LIXIL and electric material technologies offered by Sharp. The two companies will launch these products and solutions utilizing the broad distribution channels in Japan and overseas that both companies own. LIXIL and Sharp will organize "Development Supervisory Council," to discuss joint development project and its progress with representatives of both companies, so that they can make these plans and development concrete and effective. The products that were agreed to be launched in this council would be put in a pipeline to commercialize immediately after establishing "Planning and Development Groups" by each product area under people in charge of operation of the two companies.

3. Outline of the Sharp and LIXIL

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| (1) | Name of the company: | Sharp Corporation |
| (2) | Head office: | 22-22 Nagaike-cho, Abeno-ku, Osaka, Japan |
| (3) | Representative: | President, Kozo Takahashi |
| (4) | Outline of the business: | Manufacture and sales of telecommunications equipment, electric equipment, applied electronic equipment and electronic components |
| (5) | Capital: | 52,978 million yen (as of June 28, 2013) |
| (6) | Establishment: | May 1935 |

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| (1) | Name of the company: | LIXIL Corporation |
| (2) | Head office: | Kasumigaseki Building, 3-2-5 Kasumigaseki, Chiyoda-ku, Tokyo, Japan |
| (3) | Representative: | President and CEO, Yoshiaki Fujimori |
| (4) | Outline of the business: | Manufacture and sales of building materials and housing equipment as well as related services |
| (5) | Capital: | 34,600 million yen (as of June 21, 2013) |
| (6) | Establishment: | October 2001 |