February 16, 2015
LIXIL Group Corporation

Announcement Regarding the Issuance of Zero Coupon Convertible Bonds due 2020 and Zero Coupon Convertible Bonds due 2022

LIXIL Group Corporation (hereinafter "LGC") hereby announces that it has resolved, at its Board of Executive Officers meeting held today, to issue Zero Coupon Convertible Bonds due 2020 (bonds with stock acquisition rights (*tenkanshasaigata shinkabu yoyakuken-tsuki shasai*)) (the "2020 Bonds") and Zero Coupon Convertible Bonds due 2022 (bonds with stock acquisition rights (*tenkanshasaigata shinkabu yoyakuken-tsuki shasai*)) (the "2022 Bonds", and together with the 2020 Bonds, the "Bonds with Stock Acquisition Rights") in the aggregate amount of ¥120 billion (¥60 billion for each series):

Background of the Issuance of the Bonds with Stock Acquisition Rights

LGC has decided to issue the Bonds with Stock Acquisition Rights taking into account factors including market circumstances, effects on existing shareholders and interest expenses, in order to steadily implement the management strategy set forth in the Medium-Term Management Vision, as well as to pursue growth and strengthen its financial base for further business expansion.

Use of Proceeds

The net proceeds of approximately ¥120 billion from the issue of the Bonds with Stock Acquisition Rights are expected to be used to fund LGC subsidiaries and to repurchase LGC shares.

		2020 Bonds	2022 Bonds
1.	Aggregate Principal Amount	¥60 billion	¥60 billion
2.	Closing Date	March 4, 2015	March 4, 2015
3.	Maturity Date	March 4, 2020	March 4, 2022
4.	Coupon	0%	0%
5.	Issue Price	100.0%	100.0%
6.	Redemption at Maturity	100.0%	100.0%
7.	Conversion Price	Undetermined	Undetermined

# # #

This announcement is not for distribution, directly or indirectly, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia). This announcement does not constitute an offer of, or the solicitation of an offer to buy or subscribe for the Bonds or the Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular the Bonds and the Shares issuable upon exercise of the Stock Acquisition Rights (together, the "Securities") have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "Securities Act"). The Securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S of the Securities Act) except pursuant to an exemption from the registration requirements of the Securities Act. There will be no public offer of Securities in the United States..