May 22, 2015

NOTE: This an abbreviated version of the Japanese TSE release, carrying only the updated information from our announcement today.

LIXIL Group Corporation
Yoshiaki Fujimori
Representative Executive Officer and President
(First section of TSE/NSE, code 5938)

(Contact):
Takashi Tsutsui
Executive Officer and Vice President in charge of IR
(Tel: +81-3-6268-8806)

JOYOU AG Resolved to Apply for the Commencement of Insolvency Proceedings

LIXIL Group Corporation ("LIXIL") today announces that its subsidiary, Joyou AG ("JOYOU") which is listed on the Frankfurt Stock Exchange, on May 21, 2015 (German time) resolved to file an application for the commencement of insolvency proceedings with the competent local court of Hamburg in Germany.

The Management Board of JOYOU in Germany announced on May 21, 2015 (German time) that it resolved to file an application for the commencement of insolvency proceedings. JOYOU's decision has triggered our disclosure today. LIXIL continues to be committed to keeping shareholders and stakeholders informed on a timely and transparent basis.

JOYOU published a notice titled: "Insolvency application will be filed / Revocation of audit opinions for the fiscal year 2014 / Change to management board / Examination of legal actions against Jianshe Cai and Jilin Cai" in Germany on May 21, 2015 (German time) as follows:

"The management board of Joyou AG (the "Company") has decided today to file an application for the opening of insolvency proceedings with the competent local court (*Amtsgericht*) of Hamburg following the existing over-indebtedness of the Company. Due to the necessity to completely write down the Company's participation in Hong

Kong Zhongyu Sanitary Technology Limited ("Joyou Hong Kong") as well as existing guarantee obligations of the Company in the aggregate amount of USD 300.000.000 with respect to the credit facility in the amount of USD 300.000.000 granted by creditors to Joyou Hong Kong, the Company is over-indebted."

"By letter as of today, the auditors of the Company, Warth & Klein Grant Thornton AG, have notified the Company that they have revoked

- the audit opinion as of March 6, 2015, for the Company's unconsolidated financial statements (*Jahresabschluss*) for the fiscal year 2014, as well as

- the audit opinion as of March 16, 2015, for the Company's consolidated financial statements (*Konzernabschluss*) for the fiscal year 2014."

"By decision of today, the supervisory board of the Company has also removed Jianshe Cai and Jilin Cai as members of the Company's management board with immediate effect and is considering taking comprehensive legal actions against them."

LIXIL is currently working in tandem with JOYOU to investigate the facts relating to JOYOU's financial information in order to confirm the financial impact on LIXIL and publish LIXIL's annual financial statements for the fiscal year ended March 31, 2015. LIXIL will continue to conduct a broader investigation, assisted by outside counsel and forensic accounting experts, to gain a better understanding of the root causes for the current circumstances and identify and design appropriate remedial actions. LIXIL will disclose the findings of this investigation.

A new schedule for the announcement of the financial results for the fiscal year ended March 31, 2015 will be announced as soon as it is determined. LIXIL plans to hold its Annual General Meeting of Shareholders in late June as scheduled.

Profile of Subsidiary

(1)	Name of the company	JOYOU AG
(2)	Headquarters	Gasstr. 18, Haus 6A, 22761 Hamburg, Germany
(3)	Representative	Gerald Mulvin (Interim CEO)
(4)	Major Business	Design, production and sale of faucets and other sanitary-ware products
(5)	Capital	EUR 23,967 thousands
(6)	Established	1988
(7)	Major shareholders	JOYOU GROHE Holdings AG (65.1%) GROHE Group S.à r.l. (7.2%)
(8)	Relationship between LIXIL Group and the company	LIXIL indirectly owns a 72.3% voting interest in JOYOU. One director of LIXIL Corporation, our consolidated subsidiary, is also a member of the supervisory board of JOYOU. There are sales and supply agreements between LIXIL's subsidiaries and JOYOU's subsidiaries.

* Due to the ongoing investigations into JOYOU, JOYOU's total amount of indebtedness, equity value, latest operational results and financial conditions are not described in this profile.