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

October 23, 2020

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

(Contact):
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Notice Regarding Company Split (Simplified Absorption-Type Company Split) with a Consolidated Subsidiary (LIXIL Living Solution Corporation)

LIXIL Group Corporation (hereinafter "LGC") hereby announces that it will restructure the organization of LIXIL Living Solution Corporation (hereinafter "LLSC"), a 100% subsidiary of LGC and the holding company of the Housing and Services Business, and take over LIXIL Online Business from LLSC through a corporate split (the "Company Split"), effective January 1, 2021.

Since this is a simplified absorption-type company split carried out between LGC and its fully owned subsidiary, some details for disclosure have been abbreviated.

1. Aim of the Transaction

LGC is simplifying its operating structure to drive synergies and improve operational efficiency. As part of this initiative, LGC has reviewed the allocation of its office functions and decided to transfer the online business of LLSC, a subsidiary of LGC and the holding company of the Housing and Services Business, to LGC, which already provides online services for maintenance parts. Through this transaction, LGC will flatten and simplify the operating structure of LLSC.

2. Outline of the Transaction

(1) Schedule for the Company Split

Resolution date of concluding an absorption-type split agreement	October 23, 2020
Date of conclusion of absorption-type split agreement	October 23, 2020
Effective date of the Company Split	January 1, 2021 (Plan)

(Note) In the Company Split, the succeeding company (LGC) falls under the simplified absorption-type split stipulated in Item 2, Article 796 of Japanese corporate law, and the split company (LLSC) falls under the abbreviated absorption-type split stipulated in Item 1, Article

784 of Japanese corporate law. Therefore, both companies shall approve the absorption-type split agreement without holding a general shareholders meeting.

(2) Method of the Company Split

This is an absorption-type company split with LGC as the successor company and LLSC as the splitting company.

(3) Allocation of Shares and Other Assets

Since LGC holds all issued shares of LLSC, no shares or other money will be allotted or delivered at the time of the Company Split.

(4) Issuance of Subscription Rights to Shares and Bonds with Subscription Rights to Shares

There will be no changes to the stock acquisition rights and bonds with stock acquisition rights issued by LGC.

(5) Increase/Decrease in Capital

There will be no increase or decrease in the capital of LGC due to the Company Split.

(6) Rights and Obligations to be Succeeded by the Successor Company

LGC will succeed the assets, owners and other rights and obligations of LLSC's LIXIL Online Business as stipulated in the absorption-type company split agreement on the effective date of the company split.

(7) Prospect of Debt Fulfillment

LGC has determined that there are no problems relating to the prospect of fulfillment of the obligations to be borne by the successor company after the effective date of the company split.

3. Details of the Companies Involved in the Company Split

Prior to the company split, LGC will merge with LIXIL Corporation, a 100% subsidiary of LGC, and change the name of the company to LIXIL Corporation as of December 1, 2020.

	Successor Company	Split Company
(1) Trade Name	LIXIL Group Corporation (LIXIL Corporation*1)	LIXIL Living Solution Corporation
(2) Registered Office	2-1-1 Ojima, Koto-ku, Tokyo	2-1-1 Ojima, Koto-ku, Tokyo
(3) Representative	Kinya Seto, Executive Officer and President, and CEO	Hiroshi Nose, President and CEO
(4) Business Type	(At present)	The company sells home-related equipment online, operates small scale

	1. The Company controls and manages domestic and overseas companies that operate housing-related businesses through acquisition or holding of stocks. 2. The Company controls and manages domestic and overseas companies that operate urban environment related businesses through acquisition or holding of stocks. (On and after December 1, 2020) The company manufactures and sells building materials and equipment for houses and buildings, and also operates other businesses incidental to housing and related services.	remodeling, runs educational solutions, IT solutions, human resources services, and accounting outsourcing, mainly for housing industry.
(5) Capital	JPY 68,418 million	JPY 450 million
(6) Establishment	September 1949	August 1989
(7) Outstanding Shares	Common Stock 313,319,159	Common Stock 9,160
(8) Accounting period	March 31	March 31
(9) Major Share Holders and Holding Ratio (As of March 31, 2020) (Note) LIXIL Group holds 23,215 thousand shares of treasury stock. Shareholding calculations include treasury stock.	The Master Trust Bank of Japan, Ltd. (Trust Account) 6.67% Japan Trustee Services Bank, Ltd. (Trust Account) 4.83% The Nomura Trust and Banking Co., Ltd. (Trust Account) 3.07% Others	LIXIL Group Corporation 100%
(10) Financial Performance for the Latest Fiscal Year-end (Fiscal Year Ended March 2020)	IFRS (Consolidated)	JGAAP (Standalone)
	Total Equity (JPY million) 535,137	Total Equity (JPY million) 5,307
	Total Assets (JPY million) 2,091,529	Total Assets (JPY million) 6,280
	Total Equity per Share (Japanese yen) 1,730.99	Total Equity per Share (Japanese yen) 579,382.79
	Revenue 1,694,439	Net Sales 5,941

	(JPY million)	(JPY million)
	Operating Profit (JPY million) 39,121	Operating Loss (JPY million) 1,165
	—	Ordinary Loss (JPY million) 1,164
	Profit for the Year Attributable to Owners of the Parent (JPY million) 12,518	Net Loss (JPY million) 1,042
	Earnings per Share (Japanese yen) 43.15	Earnings per Share (Japanese yen 113,830.21

* After December 1, 2020

* LGC's revenue and operating income (IFRS) do not include Permasteelisa, which is classified as a discontinued business and was sold to Atlas Holdings LLC on September 30, 2020

4. Detail of the Business Division to be Succeeded

(1) Business content of the department to be succeeded

Online business of housing related equipment (LIXIL Online Business).

(2) Business results of the department to be succeeded (FYE March 2020)

Net sales JPY3,669 million

(3) Assets and liabilities to be inherited and book value

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	JPY523million	Current liabilities	JPY492million
Fixed assets	JPY3million	Fixed liabilities	-
Total	JPY526million	Total	JPY492million

(Note) The above is the amount as of the end of September 2020, and the amount of assets and liabilities to be succeeded will be determined by adjusting the increase or decrease until the effective date.

5. Status after the Company Split

There will be no change in the company's trade name, registered office, representative, business type, capital, or accounting period due to the Company Split.

6. Future Outlook

The impact of the Company Split on consolidated business results will be minor.

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