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

May 27, 2024

LIXIL Corporation
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(TSE Prime market and NSE Premier market, code 5938)

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Notice Regarding the Conclusion of an Absorption-Type Company Split Agreement Concerning the Succession of the Shower Toilet Business of AISIN Corporation to LIXIL Corporation Through a Company Split (Simplified Absorption-Type Company Split)

LIXIL Corporation (hereinafter "LIXIL") hereby announces that it has today resolved the conclusion of an absorption-type company split agreement regarding the succession of the shower toilet business of AISIN Corporation (hereinafter "AISIN") through a company split (simplified absorption-type company split) (hereinafter the "Company Split"), which is scheduled to be effective on September 1, 2024.

Since LIXIL is pursuing an absorption-type company split in which the amount of increase in total assets of LIXIL will be less than 10% of net assets as of the last day of the immediately preceding fiscal year, and one in which the amount of increase in the sales of LIXIL will be less than 3% of sales in the immediately preceding fiscal year, some details for disclosure have been abbreviated.

1. Aim of the Company Split

LIXIL and AISIN have been collaborating to strengthen their competitive edge in the global shower toilet market. In pursuit of a more flexible and resilient operational framework, capable of consistently and rapidly adapting to evolving market conditions and customer demands, LIXIL has decided to take over AISIN's shower toilet business.

2. Outline of the Company Split

(1) Key dates of the Company Split

Date of the resolution of the Company Split	May 27, 2024
Date of the conclusion of the Company Split agreement	May 27, 2024
Effective date of the Company Split	September 1, 2024 (Planned)

(Note) According to Japanese corporate law governing simplified absorption-type company split pertaining to LIXIL in Item 2, Article 796 and simplified absorption-type company split pertaining to AISIN in Item 2, Article 784, the Company Split will be conducted without seeking approval at the Shareholders' Meeting.

(2) Method of the Company Split
Using the "absorption-type company split" method, LIXIL will be the succeeding company and AISIN will be the splitting company.

(3) Details of allotment related to the Company Split
LIXIL plans to make a monetary payment of JPY2,362 million to AISIN as consideration for the Company Split, along with an adjusted amount in accordance with the terms specified in the Company Split agreement. Additionally, following the effective date of the Company Split, if certain targets agreed by AISIN and LIXIL are achieved during the fiscal years ending in March 2026 to March 2028, LIXIL will make additional payments to AISIN based on the degree of achievement of those targets, with a maximum amount of up to JPY1,000 million.

(4) Handling of subscription rights to shares and bonds with subscription rights to shares related to the Company Split
Not applicable.

(5) Changes in capital due to the Company Split
There will be no increase or decrease in capital as a result of the monetary payment made in connection with the Company Split.

(6) Rights and obligations to be taken over by the succeeding company
As of the effective date, rights and obligations pertaining to the assets and intellectual property rights associated with the Company Split will be succeeded in accordance with the terms specified in the Company Split agreement.

(7) Expected fulfillment of obligations by the succeeding company
LIXIL, as the succeeding company, anticipates meeting all scheduled obligations arising on and after the effective date of the Company Split without issue.

3. Rationale for the allotment related to the Company Split
In determining the cash consideration for the Company Split, followed by discussions with AISIN, LIXIL has reached an agreement based on a thorough evaluation of the fair market value of the assets to be transferred. This assessment also took into account the current status and prospective future performance of the business subject to the Company Split.

4. Overview of the companies involved in the Company Split

		Splitting Company	Succeeding Company
(1)	Trade name	AISIN Corporation	LIXIL Corporation
(2)	Registered office	2-1 Asahi-machi, Kariya, Aichi	Osaki Garden Tower 1-1 Nishi-Shinagawa 1-chome, Shinagawa-ku, Tokyo
(3)	Representative	Moritaka Yoshida, President	Kinya Seto, Representative Executive Officer, President, and CEO
(4)	Business operations	Manufactures and sells automotive parts and products related to energy solutions	Manufactures and sells building materials and housing equipment for housing and buildings, operates housing-related businesses as well as related services
(5)	Capital	JPY45,049 million	JPY68,530 million (As of March 31, 2024)
(6)	Establishment	August 1965	September 1949
(7)	Outstanding shares	Common stock 294,674,634	Common stock 287,211,790 (As of March 31, 2024)
(8)	Accounting period	March 31	March 31
(9)	Major shareholders and holding ratio (As of March 31, 2024)	Toyota Motor Corporation 24.80% The Master Trust Bank of Japan, Ltd. (Trust Account) 9.37% Toyota Industries Corporation 7.68% Others	The Master Trust Bank of Japan, Ltd. (Trust Account) 16.89% SSBTC CLIENT OMNIBUS ACCOUNT (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited Tokyo Branch) 5.18% Custody Bank of Japan, Ltd. (Trust Account) 4.42% Others
(10)	Financial performance for the latest fiscal year-end (Fiscal year ended March 2024)	IFRS (Consolidated) Equity attributable to owners of the parent (JPY million) 2,135,837	IFRS (Consolidated) Equity attributable to owners of the parent (JPY million) 642,511

	Total assets (JPY million)	4,643,016	Total assets (JPY million)	1,886,595
	Equity attributable to owners of the parent per share (JPY)	7,924.18	Equity attributable to owners of the parent per share (JPY)	2,237.53
	Revenue (JPY million)	4,909,557	Revenue (JPY million)	1,483,224
	Operating profit (JPY million)	143,396	Operating profit (JPY million)	16,351
	Profit before tax (JPY million)	149,877	Profit before tax (JPY million)	6,664
	Profit for the year attributable to owners of the parent (JPY million)	90,813	Profit for the year attributable to owners of the parent (JPY million)	-13,908
	Basic earnings per share (JPY)	336.93	Basic earnings per share (JPY)	−48.43

(Note) Shareholding calculations for LIXIL exclude treasury stock of 59,323 shares.

5. Overview of the business to be succeeded

(1)	Details of the business to be succeeded	Shower toilet business	
(2)	Financial performance of the business to be succeeded (Fiscal year ended March 2024)	Revenue	JPY15.6 billion
(3)	Items and book value of assets to be succeeded (Fiscal year ended March 2024)	Non-current assets	JPY0.5 billion
		Inventories	JPY1.0 billion

6. Status after the Company Split

There will be no change to the trade name, headquarters, name and title of representatives, business description, capital, or the accounting period of LIXIL and AISIN related to the Company Split.

7. Future outlook

The impact on LIXIL's consolidated financial performance will be non-material.

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