

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



April 30, 2021

LIXIL Corporation

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(First Section of TSE/NSE, code 5938)

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**Notification Regarding Occurrence of Extraordinary Losses (Loss on Extinguishment of Tie-in Shares) Attendant upon Absorption-type Merger of a Subsidiary (Stand-alone Financial Results)**

As announced in the "(Status update) Notification Regarding Completion of Simplified and Short-Form Merger with 100% Subsidiary (LIXIL Corporation) and Change of Company Name" dated December 1, 2020, LIXIL Corporation (hereinafter "LIXIL", which is formerly known as "LIXIL Group Corporation") implemented an absorption-type merger (hereinafter the "Merger") of its former 100% subsidiary, LIXIL Corporation, and changed the company name to LIXIL Corporation.

LIXIL will recognize an extraordinary loss on a non-consolidated basis, as follows.

The extraordinary loss will not affect the consolidated financial statements because it will be eliminated in the consolidated financial statements.

The details are as follows:

1. Description

LIXIL recognizes an extraordinary loss on the differential calculated as of the Merger effective date (December 1, 2020) between the assets and liabilities received from the absorbed company and the book value of the shares of the subsidiary held by LIXIL (tie-in shares), which is presented as "loss on extinguishment of tie-in shares" in its stand-alone financial statements.

- |                                     |                              |
|-------------------------------------|------------------------------|
| (1) Amount of an extraordinary loss | Approximately JPY 36 billion |
| (2) Date of occurrence              | December 1, 2020             |

## 2. Impacts on financial results

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|--|--|
| (1) Consolidated financial results<br>(IFRS) | The absorbed company was a wholly owned subsidiary of LIXIL, and therefore the loss will not have any impact on the consolidated financial statements. |
| (2) Stand-alone financial results<br>(JGAAP) | Approximately JPY 36 billion of extraordinary loss (loss on extinguishment of tie-in shares) is recorded in the fiscal year ended March 31, 2021.      |

## 3. Dividend

Regarding dividend payouts for the fiscal year ended March 31, 2021, please see "Announcement Regarding Revision of the Dividend Forecast (Dividend Increase) for the Fiscal Year Ended March 2021" separately released today (April 30, 2021).

End