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Announcement regarding Reviewat Overseas Consolidated Subsidiary

The supervisory board of a consolidated subsidiary of LIXIL Group, Joyou AG (headquarters: Germany; listed on the Frankfurt Stock Exchange; hereinafter “JOYOU”), has resolved to have a special audit conducted by auditors and legal counsel in order to review whether the net assets, financial and profit position of JOYOU were reflected correctly in the past and to achieve a complete clarification of the facts at hand.

Today, the supervisory board of JOYOU has agreed with the members of the management board of JOYOU, Messrs. Jianshe Cai and Jilin Cai, Chief Executive Officer and Chief Operating Officer of JOYOU, respectively, that they will be suspended from their office as members of the management board of the Company during the special audit with immediate effect. The supervisory board has appointed the member of the management board Mr. Gerald Mulvin as interim chairman of the management board of JOYOU.

JOYOU had been an equity method affiliate of LIXIL Group since January 21, 2014 and is a newly consolidated subsidiary of LIXIL Group since April 1, 2015.

LIXIL Group will conduct its own independent and full investigation to ascertain the details of the situation and take necessary measures. LIXIL Group will disclose the

findings through the investigation.