

31st July, 2018

Announcement of the Conclusion of Stock Purchase Agreement of
LIXIL SUZUKI SHUTTER CORPORATION

Sanwa Holdings Corporation (hereinafter “Sanwa”) is pleased to announce that Sanwa has decided to conclude a Stock Purchase Agreement to acquire LIXIL SUZUKI SHUTTER CORPORATION (hereinafter “LIXIL SUZUKI”) with LIXIL Corporation (hereinafter “LIXIL”). LIXIL SUZUKI is a consolidated subsidiary of LIXIL.

This acquisition is conditional upon approval by Japan Fair Trade Commission.

1. Purpose of the acquisition

In Sanwa’s “Second Three Year Plan” ended in FY2018 and also in “Sanwa Global Vision 2020”, Sanwa Group in Japan has been focusing on the enhancement of core businesses such as shutters & steel doors and maintenance service business following the legislation for inspection reporting system of fire-proof equipment.

The acquisition of LIXIL SUZUKI is expected to generate the significant synergies in the above business areas by combining Sanwa’s strength in region-based sales with top share with LIXIL SUZUKI’s strong customer base fostered by its 115 year history.

2. Company overview of LIXIL SUZUKI

(1) Name	LIXIL SUZUKI SHUTTER CORPORATION		
(2) Representative	Satoshi Yamada, President		
(3) Head Office	1-1-4 Minami Otsuka, Toshima-ku, Tokyo Japan		
(4) Date of establishment	July 23, 1936 (founded in 1903)		
(5) Business lines	Manufacture, Sales and Service of various types of shutters		
(6) Employees	489 as of end of March 2018		
(7) Capital	1,989 million yen		
(8) Shareholder	LIXIL Corporation	100%	
(9) Three-year Business results			
Years ended Mar.31	2016	2017	2018
Total net assets	¥9,095 mil.	¥9,467 mil.	¥9,611 mil.
Total assets	¥12,642 mil.	¥12,880 mil.	¥13,585 mil.
Net sales	¥12,005 mil.	¥11,135 mil.	¥11,956 mil.
Operating income	¥832 mil.	¥834 mil.	¥848 mil.
Ordinary income	¥825 mil.	¥1,197 mil.	¥1,138 mil.
Net income	¥549 mil.	¥811 mil.	¥800 mil.

3. Schedule of the acquisition

Resolution of the Board of Directors	July 31, 2018
Conclusion of the Stock Purchase Agreement	July 31, 2018 (expected)
Stock Transfer	After the approval by Japan Fair Trade Commission

4. Impact on Sanwa's FY2018 consolidated forecast

As the acquisition is after the approval by Japan Fair Trade Commission and the date of acquisition is not determined, we announce the impact when the date is determined and we consider that we need to disclose.

(Reference) LIXIL Corporation

- (1) Name LIXIL Corporation
- (2) Representative Kinya Seto, President & CEO
- (3) Location 2-1-1 Ojima, Koto-ku, Tokyo 136-8535, Japan
- (4) Business Lines LIXIL is a global leader in housing and building materials products and service.
- (5) Capital 34.6 billion yen