

Acquisition of HIVIC CO. LTD.

Polaris Private Equity Fund III (“Polaris Fund III”), managed by Polaris Capital Group Co., Ltd. (“Polaris”), and other investor have agreed with the existing shareholders that they will acquire 100% of the outstanding shares of HIVIC CO., LTD.(“HIVIC”) from LIXIL Corporation (“LIXIL”) in late August of 2016.

HIVIC, currently owned by LIXIL which is a consolidated subsidiary of LIXIL Group Corporation (“LIXIL Group”), engages in pre-cut timber business and operation of membership-only direct bid timber market mainly in Eastern Japan, and has demonstrated steady business performance despite the fast-changing business environment since joining LIXIL Group. HIVIC is known for its solid clientele among mid-size home builders and contractors across Tohoku-Northern Kanto areas, as well runs unique timber market operation, which enables HIVIC to reinforce direct relationship with clients by eliminating middle men such as construction material trading houses and sales agents. As such, HIVIC has successfully continued to provide highly value-added services to cater to extensive clients’ requirements with broad product coverage of timber, building materials, housing equipment, window sashes, siding, air-conditioners, etc.

HIVIC prides itself on having strengthened its contractor support package business and diversification of product coverage beyond pre-cut/other timber materials with aims to further improve bottom lines, by leveraging on direct business relationships with mid-size contractors which were fostered over the years of timber market operation. For realization of business model innovation which HIVIC aims for, Polaris will extend strong support by sharing know-hows which were acquired through years of experiences in manufacturing business support and carve-out buyouts. Polaris will also work with HIVIC to promote HIVIC’s future growth by understanding its strength and competitive edge, and by providing hands-on management support on finance, human resources and corporate governance to improve its enterprise value going forward.

For inquiries:

Junpei Yamada, Partner

Polaris Capital Group Co., Ltd.

Address: GranTokyo North Tower 38F 1-9-1 Marunouchi, Chiyoda-ku, Tokyo, Japan

Phone: 813-5223-6780

HIVIC CO., LTD.

Founded: June 1967

Representative: Hidenori Asahara, President and CEO

Address: 1728 Iizuka, Oyama City, Tochigi Prefecture, Japan

Business: Manufacturing and sales of pre-cut timber, sales of timber, building materials, housing equipment and others, sales of building components, and construction and sales of custom-build wooden houses

Website: <http://www.hivic.co.jp>