

For Immediate Release**March 28, 2017**
LIXIL Group Corporation

LIXIL Accelerates Global Integration and Further Simplifies Operations for Faster Decision-Making

Tokyo, Japan – LIXIL Group Corporation (“LIXIL Group”; TSE code: 5938), a global leader in housing and building materials, products and services, today announced a series of organizational changes that further integrate operations and speed up decision-making processes within key business operations.

Changes include the establishment of integrated global departments within the water technology business that would accelerate the rollout of key technologies and products for all markets, while also enhancing efficiencies in supply chain and sourcing. At the same time, LIXIL Group is making a number of additional changes to further simplify and speed up decision-making, enhance operational efficiency and strengthen digital capabilities. All changes are effective as of April 1, 2017.

Commenting on the changes, LIXIL Group President and CEO Kinya Seto said, “In an ever more competitive market with constantly evolving consumer tastes and trends, we must be in a position to analyze our environments in real time and respond quickly. Leaner and simpler organizations are more resilient. To this end, we have been on a steadfast journey for over a year now to become far more integrated globally, simplify operations, accelerate decision-making and improve digital and analytical capabilities. These latest changes will significantly support these efforts.”

Organizational changes include:

LIXIL Water Technology (LWT), which is LIXIL’s most global business and includes leading global brands INAX, GROHE, and American Standard, will establish four new integrated global departments to enhance manufacturing and technological leadership across LIXIL’s global operations. The newly created Global Shower Toilet Business Department reflects LIXIL’s belief in the long-term prospects for shower toilets globally, as well as a determination to bring greater innovation and meet local consumer needs. The Global Ceramics COE (Center of Excellence) Department will establish the global best practice in ceramics manufacturing and craftsmanship, leveraging Japanese ceramics manufacturing technologies. The Global Supply Chain Strategy Department will bring the highest standards of supply chain management to worldwide ceramics operations, while the Global Strategic Sourcing Department will enhance efficiencies by leveraging LIXIL’s scale for common tasks. All departments will be led by LWT CMOO (Chief Manufacturing Optimization Officer) Ryuichi Kawamoto.

LIXIL Japan Company (LJC), which oversees sales activities in the strategically important Japan market, will simplify its operating structure. Under the new structure, the Tokyo Branch Office, Kanagawa Branch Office, Chiba Branch Office and Saitama Branch Office will merge to form a single Kanto Branch Office. LJC will also establish a new Sales Planning Division to enhance its planning processes, in addition to clarifying functional responsibilities within the Sales and Marketing Development Division to further improve business operations.

LIXIL Housing Technology Japan (LHT-J) will enhance the speed of business operations by also implementing a simpler and flatter organizational structure. This will include removing a layer of management under LHT-J CEO Satoshi Yoshida by abolishing the product “businesses”, and merging the Sash and Door Divisions into one. All domestic and overseas factories will report to the Production Division in order to create a more robust manufacturing system. Furthermore, LHT-J will establish new divisions, including those focused on device development and product strategy.

LIXIL Corporation’s Marketing Division will enhance digital capabilities within the marketing function in support of the company globally. LIXIL will create a new Digital Technology Center, which will enhance internal digital capabilities, from analyzing surveys and data and evaluating the latest technological trends through to implementing trials and carrying out operations. In addition, the Business Transformation Division will move from being within the Marketing Division to report directly to CEO Seto.

Changes to executive officers and directors have also been announced to strengthen global operations. Nik Bafana, current LIXIL Chief Integration Officer, will assume the new role of Chief Digital Officer at LIXIL Water Technology Americas (LWTA), where he will oversee the launch of an independent digital marketing organization. Yang Chin Chen, who has been supporting business development at LIXIL Corporation and reported directly to CEO Kinya Seto, will take over the role of LIXIL Chief Integration Officer.

Hiroshi Nose has been appointed to the position of President and CEO, LIXIL Living Solutions Corporation, a position previously held by Harumi Matsumura, Chief Human Resources Officer of LIXIL Corporation. Nose is currently the General Manager of the Showroom Sales Division within the Marketing Division. For further details personnel changes effective as of April 1, as well as Changes to Directors as of July, please see the Japanese version of this release.

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About LIXIL

LIXIL Corporation is a global leader in housing and building materials products and services. The foundation of LIXIL's success is our constant investment in technological innovation to improve the way we live. Delivering core strengths in water, housing, building and kitchen technologies, our brand portfolio businesses LIXIL, GROHE, American Standard Brands and Permasteelisa are leaders in the industries and regions in which they operate. LIXIL produces some of the world's most fundamental and innovative products and services, and our solutions are an integral part of some of the world's most iconic and cutting-edge living and working spaces. Operating in more than 150 countries, and employing more than 80,000 people, we bring together function, quality and design to make people's lives better, and more delightful – wherever they are.

About LIXIL Group

LIXIL Group Corporation (TSE Code: 5938) is the listed holding company containing LIXIL Corporation, LIXIL VIVA CORPORATION and LIXIL Housing Research Institute, Ltd. The Group, which is led by President and CEO Kinya Seto, is involved in a broad spectrum of housing-related businesses, ranging from the manufacture and sales of building materials and housing equipment to the operation of home centers and a network of homebuilding franchises, and comprehensive real estate service. LIXIL Group Corporation posted ¥1.89 trillion in consolidated sales in FYE March 2016.