

For Immediate Release

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LIXIL Group Corporation

LIXIL Group Announces New Management Plan That Will Unlock Its Full Potential

- *New management plan to enhance strategic direction of business and management*
- *Target ¥2 trillion revenue and 6.3% core earnings margin by FYE 2024*

Tokyo – LIXIL Group Corporation (“LIXIL Group”, TSE Code: 5938), maker of pioneering water and housing products, today announced a new management plan to unlock the full potential of the company. From leveraging group assets to capture growth opportunities, to transforming business models and enhancing its group management structure and practices to enhance corporate value, the new management plan will build on the already strong foundations of the business to push the boundaries of what LIXIL Group can achieve. The new management plan aims to achieve ¥2 trillion revenue and 6.3% core earnings margin by FYE 2024.

Background

The new management plan is guided by three key beliefs.

The first is *Diversity*. LIXIL Group has accumulated diverse, distinctive and valuable assets and talents through the various stages of its evolution, from its powerful global brands and pioneering technologies to its people. It will leverage its diversity to maximize the group’s growth and corporate value.

The second belief is called *Beyond*. LIXIL Group is already progressing strategies and initiatives that are moving in the right direction. While these will continue, the company will seek to take key initiatives even further.

The third is *Team Leadership*. LIXIL Group can fully leverage its size and diversity by empowering multiple leaders in different businesses who show strong ownership and self-discipline.

Summary of Strategic Direction

Built on these beliefs, the new management plan aims to enhance the strategic direction of the business and management. To do this, it will focus on five key areas:

Direction of Business	<ul style="list-style-type: none"> ● <i>Capture</i>: LIXIL Group will capture market opportunities by leveraging its existing distinctive assets. This includes regaining market share in the Japan market and enhancing its product lineup and by optimizing production. Globally, LIXIL Group will continue to strengthen its water technology business, including through its shower toilet strategy and the global expansion of the GROHE brand, as well as turning around Permasteelisa and LIXIL Group's Africa business unit. ● <i>Transform</i>: LIXIL Group will seek to enhance its domestic channels, while making a global quantum leap in productivity and implementing a group-wide digital vision that will enhance consumer journey innovation and create new B2B business. ● <i>Create</i>: LIXIL Group will offer solutions that provide new value to living and working spaces, such as health-related aspects. It will also develop new growth engines through innovative business models, such as enhancing the water management business in global markets.
Direction of Management	<ul style="list-style-type: none"> ● <i>Re-enhance</i>: LIXIL Group will strengthen its governance and compliance, while implementing a group management scheme to maximize corporate value, including establishing a holding company focusing on mid-to-long term corporate value maximization. ● <i>Ahead</i>: LIXIL Group will develop next-generation leadership, new corporate responsibility activities, while rebuilding group ties such as LIXIL Behaviors.

Financial Targets

By unlocking the full potential of the LIXIL Group, the company aims to achieve the following financial targets:

	FYE 2019 Actual		FYE 2024 NMP		Key Measures
	JPY 0.1 Bn	%	JPY 0.1 Bn	%	
Sales	18,326	100%	20,000	100%	CAGR* +2%
Core Earnings (Business)	601	3.3%	1,650	8.3%	Business CE > 8% Major business CE > 10%
HQ & IT consol. adjustments	473	2.6%	400	2.0%	HQ cost cut 20% targeted = 2% of Sales
Core Earnings	128	0.7%	1,250	6.3%	CE 6% or higher, including Permasteelisa

Through the new management plan, LIXIL Group will become an organization that fully leverages its global assets, develops transformative and innovative business models and products, and contributes to the sustainability of the world around it.

-Ends-

Note to Editors:

To learn more about LIXIL Group's new management plan, click the link below.

[>Investor News: New Management Plan](#)



About LIXIL

LIXIL makes pioneering water and housing products that solve everyday, real-life challenges, making better homes a reality for everyone, everywhere. Drawing on our Japanese heritage, we create world-leading technology and innovate to make high quality products that transform homes. But the LIXIL difference is how we do this; through meaningful design, an entrepreneurial spirit, a dedication to improving accessibility for all, and responsible business growth. Our approach comes to life through industry leading brands, including INAX, GROHE, American Standard, and TOSTEM. Over 70,000 colleagues operating in more than 150 countries are proud to make products that touch the lives of more than a billion people every day.

LIXIL Group Corporation (TSE Code: 5938) is the listed holding company for LIXIL's portfolio of businesses.

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