

The LIXIL Group releases its Environmental Vision on December 1

The LIXIL Group is committed to technological innovations that help achieve a net zero balance of energy use in housing, and to environmentally-conscious management that contributes to energy conservation and CO₂ reduction

On December 1st, the LIXIL Group, which comprises JS Group Corporation (Head Office: Chiyoda-ku, Tokyo; President: Yoshiaki Fujimori) and the companies operating businesses under its control, is releasing its Environmental Vision, which is a long-term vision for sustained efforts to address global environmental problems.

In June of this year, we at the LIXIL Group formulated our Basic Policy for Environmental Protection, which outlines the environmental principles and courses of action of the Group as a whole. As the next step, in part because of our increased global presence, LIXIL is releasing this Environmental Vision as a summary of important obligations that should be fulfilled by companies in the housing and living solutions industry to address global environmental and energy problems. Furthermore, based on our Environmental Principles, we have also identified priority themes in our Environmental Strategy, as well as concrete courses of action to achieve these. The LIXIL Group is committed to the active and continued promotion of environmentally-friendly management, which we plan to achieve not only by putting this long-term vision into practice within the Group, but also by spreading it to others in the larger society using a variety of means.

LIXIL Group Environmental Vision

We the LIXIL Group seek by 2050 the net zero balance between a full, bountiful way of living and an acceptable burden on the earth's environment, leading the world in the housing and living amenities industry.

We will introduce technical innovations that will achieve net zero balance energy use in residences and buildings as a total provider of housing and living requirements, and contribute to global energy conservation and CO₂ reduction.

LIXIL Environmental Strategy

- Theme 1 As we offer products and services that reflect and optimize the full bounty of nature, we will also consider future ways and standards of living, together with our customers.**
- Theme 2 We will conduct our regular business activities in a manner that will reduce carbon emission, enhance recycling of resources, and promote harmonious coexistence with nature.**
- Theme 3 We will work to further mutual understanding with our stakeholders, and collaborate with them to take actions in our own, original way.**

Environmental Strategy priority themes

In conjunction with the publication of the Environmental Vision, priority themes in the Environmental Strategy were also identified.

First, we will try to strike a balance between the needs of customers and the needs of the global environment. Specifically, this involves combining energy-saving, energy-creating, insulation, passive solar, and others that achieve a net zero balance of energy use in residences and buildings. More specifically, this means promoting products that result in a net zero balance of energy consumption and that greatly reduce water consumption. LIXIL will also develop new technologies and create new businesses revolving around renewable energy. In doing so, LIXIL shall contribute to a reduction in the consumption of energy in areas in which it has an indirect influence, namely in customers' use of its products.

The second priority is reducing LIXIL's own environmental impact in its day-to-day business activities. This means an increase in the number of self-sufficient plants that adopt environmentally-friendly 'green' power by introducing renewable energy into the manufacturing process, the establishment of high-grade product recycling systems, the reduction in the use of virgin material, and the establishment of recycling systems for water used at factories. Moreover, it means that in its procurement operations, LIXIL will utilize action plans and technological developments so that it can use more lumber resources that have been harvested using means conducive to forest ecosystem preservation. In addition, LIXIL is committed to reducing CO₂ emissions volumes resulting directly from its Japanese centers of business operations to levels below those of FY2010.

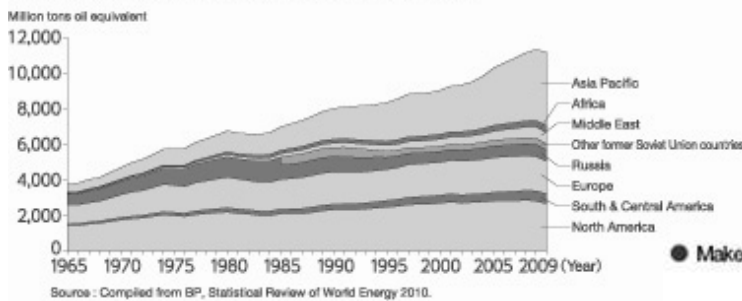
Third, LIXIL will encourage activities designed to give back to local communities by preserving and restoring water resources and forest ecosystems throughout the world. We shall raise the environmental literacy level of all employees through in-house education and awareness campaigns, including environmental classes and workshops for employees on keeping pristine water and verdant forests, and in the process help preserve forests, forest-settlement border areas (*satoyama*), in addition to other tasks to help preserve the environment and otherwise contribute to the community.

■ The societal underpinnings and significance of the Environmental Vision

The problems of the environment and energy became a point of international debate after the March 11 Great East Japan Earthquake and Tsunami Disaster, yet driven especially by emerging markets such as those in Asia where the economies are thriving and the populations are exploding, the world energy consumption continues to rise. Even in the Japanese domestic market, the consumption of energy by the civilian sectors (business and household sectors) had greatly increased since 1965, which is widely regarded as the year when Japan's period of rapid economic development began.

According to the data as of FY2009, the civilian sectors accounted for about one-third of Japan's final energy consumption figures. If we can achieve zero net energy use in residential and commercial buildings, we can go a long way to decreasing energy consumption in civilian sectors.

● Energy consumption by geographic region

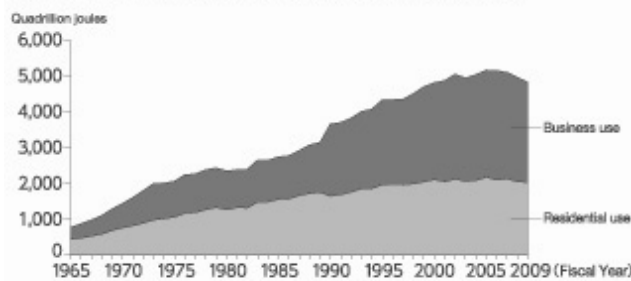


● Makeup by sector of final energy consumption in Japan (FY2009)



Source: Compiled from General Energy Statistics, Agency for Natural Resources and Energy

● Energy consumption for private sector in Japan

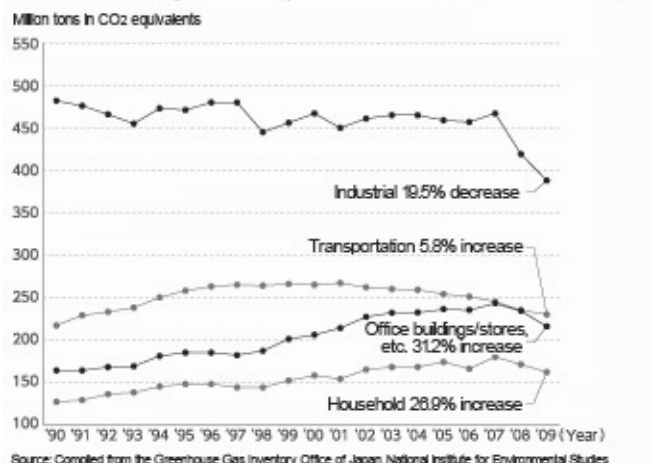


The LIXIL Group is fully committed to helping to provide solutions to the world's environmental and energy problems as a comprehensive provider of housing and living products and services.

The increase in energy consumption used to support more affluent lifestyles led to the increase in greenhouse gases. Since the Rio Summit in 1992, the moves to address global environmental problems have gradually been seen as tasks to be shared by countries throughout the world, and the discussions over what to do about global warming now occupy a much larger stage. The Intergovernmental Panel on Climate Change (IPCC) has issued a report suggesting a long-term approach to preventing global warming, specifically one that spans to 2050.

When we look at the aggressive efforts by Japanese companies to take anti-global warming measures, specifically when we look by sector at CO₂ emissions for Fiscal 2009, the industrial sector has achieved a 19.5% reduction compared with 1990 levels, which is indicative of a

● CO₂ emissions by sector in Japan (percentages indicate comparisons with 1990 levels)



determined effort.

LIXIL is committed to reducing CO₂ emissions volumes resulting directly from its Japanese centers of business operations to levels below those of FY2010.

LIXIL is also a business that is pursuing global interests in China and other countries. If the Group is to take the highly efficient manufacturing technologies it has developed for itself and apply them on a global scale, it is then possible to dramatically reduce CO₂ emissions in countries in which it plans to expand operations. As companies that have until now freely used fossil fuels for the purpose of economic growth, we feel that Japanese companies also have a responsibility to coexist peacefully, help each other at environmental preservation, and strive toward each other's growth.

■ **Our commitment to “Pristine water. Verdant forests. A bountiful future.”**

By the year 2050, the children of this generation will have become parents. Corporate environmental activities amount to nothing unless they are sustained and taken up by successive generations. Using the Environmental Vision as its template for action, the LIXIL Group will become even more cohesive and actively and sustainably promote environmentally-sound management.

A truly rich and fulfilled way of living needs to establish harmony with the global environment. We the LIXIL Group believe in achieving harmony between how humankind lives and the earth that we live on. We will conscientiously apply our environmental awareness across the entirety of what we do: what, how, and for whom we create a better living setting, in order to leave “Pristine water. Verdant forests. A bountiful future” for our children.



Link to the Earth

There is a connection between people's dreams, the soft murmur of the forests and the soothing flow of water. From now on, for as long as we can, we will go forward – as one with the Earth.