

*This news letter is an English translation of LIXIL Corporation's news letter issued on March.21, 2012 in Japan

March 21, 2012 LIXIL Corporation

Ongoing Water Environmental Awareness Program Being Provided in Cooperation with International NPOs

- Learned the Importance of Water with Local Children -February 16-21, 2012

Environmental Awareness Program in Vietnam 2012 Hue, Hanoi

Since 2007, LIXIL Corporation and its local subsidiary INAX VIETNAM Co., Ltd. ("VINAX") have been conducting the "Water Environmental Awareness Program" for children in the Socialist Republic of Vietnam ("Vietnam"). At present, LIXIL Corporation and VINAX are promoting the program in collaboration with two international NPOs, namely Bridge Asia Japan ("BAJ") and Seed to Table ("STT").

Since the foundation of VINAX by former INAX in 1996, LIXIL Corporation have manufactured and sold flush toilets and lavatory sinks in Vietnam and successfully increased sales. At present, INAX sanitary ware has the largest share in Vietnam, where we are also promoting tile and plumbing fixture businesses. In addition, our subsidiary ASAP is also doing business in Vietnam, and we are planning to establish a new sash manufacturing plant there in 2013.

As a result of rapid economic growth, Vietnam has been facing a range of problems which societal systems are having difficulty to deal with. Those problems include the broadening gap between the wealthy and poor, environmental pollution, sanitation problems, children's rights, etc. As a company that has grown to achieve its current status during economic growth in Vietnam, LIXIL (former INAX) aims to do whatever it can to benefit Vietnamese society. Since 2007, in collaboration with well-established international NPOs, LIXIL has been providing local support through environmental education. Our education focuses on "water" that is truly necessary for the children of Vietnam to become future leaders of their country. We are consistently providing environmental education not merely by giving financial aid, but by making curriculums and suggestions taking into account local societal factors and circumstances, for example, by means of offering original curricular programs such as "Let us think about and study water" and sending LIXIL staff as instructors.

For the second time after LIXIL integration, we carried out the environmental awareness program in Hue (in central Vietnam) and Hoa Binh Province (in the north of Hanoi). The following is a report of the activities we conducted locally in the period from February 16 through February 21 (6 days) in Vietnam together with staff from the NGOs BAJ and STT.

Table of contents

 February 17: Environmental Classes together with BAJ at Farming Villages in the Suburbs of Hue
 February 18: Participation in a Trial of "BAJ Eco-Tour" in the Tui Byeu district, Hue (the Ancient Capital)
 February 19: Environmental Classes Given together with STT in Mountain Regions (in the North of Hanoi)
 February 20: Opinion Exchange Meeting in Dich Giao village, Hoa Binh Province
 Summary of the itinerary in Hanoi and Hue, Vietnam
 Principles and history of environmental awareness program in Vietnam



■ Environmental Classes together with BAJ at Farming Villages in the Suburbs of Hue [February 17]

Located in central Vietnam, Hue is the ancient capital where Nguyen Dynasty (the last Dynasty in Vietnam) Along the Huong River, We can enjoy the existed. scenery remnant from the days of Nguyen Dynasty, which makes Hue thrive on domestic and foreign tourism. In areas a little far from the city center, farmers are still living a traditional life making best use of what is offered by nature. However, with the rapid economic growth, traditional lifestyle has been less and less popular. In order to preserve local nature, lifestyle and wisdom to be taken over generations, BAJ started to visit local farmers together with children from 2004. The aim of the visits is to reconsider the value of local nature and lifestyle as well as to deepen understanding of environment conservation by observing local people's ways of living and by conducting soil/water testing.

On the 17th of February, the first day of the "Water Resource Awareness Initiative", we gave environmental classes in the Vin Thai district (in Phu Vang) and in the Vinh Hai district (in Phu Loc) located in the suburbs of Hue, together with BAJ staff (Messrs. Toe, Katayama and Araishi). BAJ started development of those areas recently. Those areas are located downstream of the Huong River, facing Tam Giang (largest lagoon in Vietnam). Not only children in the Vin Thai district but also children and university student volunteers in the Tui Byeu district (in Hue) participated. By organizing various activities across districts, we try to provide children with a place for meeting



Children moving towards activity site



Quality test of water from nearby river by performing "Pack Test"



A class being given using texts

children/people from other districts and an opportunity to become interested in other districts and environment conservation.

During our visit at farmers' house in the Vin Thai district, we conducted water quality test by sampling various types of water used by farmers including agricultural water, drinking water and rainwater. Using simple water quality test kit named "Pack Test," which measures PH levels, COD levels, and the quantity of phosphorous and nitrogen, we learned how to use water for different purposes, and we scientifically confirmed the water quality in the region. After conducting the test, we gave environmental classes using texts of Kamishibai-size (size of paper used for picture-story show). We learned together the importance of water, which is invaluable resource of the Earth's ecosystems. By conducting scientific tests and giving comprehensive lectures about water, we aim to

provide comprehensive learning about water.

We conducted the same water quality test by visiting farmers in the Vinh Hai district. By conducting the test at different farmers' house, we discover different ways of living and using water as well as points of difference and similarity, from which we can accumulate our knowledge and information about local characteristics. In addition, repeated tests will improve water testing skills of children. Furthermore, in the Vinh Hai district, we held an opinion exchange meeting with the vice-president of district council to discuss about local water issues. The vice-president informed us of water well related issues including drought during summer and submergence caused by floods during rainy season. This provided a good learning opportunity for LIXIL as well as university student volunteers.

Participation in a Trial of "BAJ Eco-Tour" in the Tui Byeu District, Hue (the Ancient Capital) [February 18]

The Tui Byeu district is about 7km far from the city center of Hue and is famous for pomelo production. BAJ has created good relationship of mutual trust with local people through constant activities. In addition to the efforts made so far, BAJ is planning a new "Eco-Tour" with the objective to make tourists understand traditional lifestyle of farmers as well as to make local farmers rediscover "values of their lifestyle" inherited from their ancestors.

On the 18th February, the second day of the program, we participated in a trial of "Eco-Tour" together with children and their parents from the Tui Byeu district. We learned from farmers about vegetation in their garden, which is specific to the region, and we experienced cooking traditional food. We also enjoyed a game in which participants had to find free-range eggs. By playing that game, children can learn naturally about and become interested in how to raise farm animals and their ecology. We will strive to strengthen collaboration with NPOs by actively getting involved in their new challenges. We will also confirm participants' reactions so that LIXIL staff can improve their teaching skills (how to choose topics and how to proceed).



Experience of cooking using peel of bananas



Free-range eggs found in the garden of a farmer's house



Introduction and tasting of local foods

Environmental Classes Given together with STT in Mountain Regions (In the North of Hanoi) [February 19]

Phu Vinh is located in Tan Lac (in the Hoa Binh Province), about three hours north by car from Hanoi. It is a village of about 3,900 people in about 820 households spread out over 12 distinct hamlets. Since 2009, STT has been working on agriculture with reduced chemical use, the Aigamo (a cross between a wild and a domestic duck) farming method, and environmental education, under the theme of promoting eco-friendly agriculture and supporting community development. The Phu Vinh Village is one of the target villages of those activities.

LIXIL held environmental classes in the Phu Vinh Village for the first time last summer. This year, totally 72 people (including youth group and elementary and middle school students who could not participated last time) from 10 different hamlets participated in our environmental classes.

In the morning a class was held using our original texts "Let us think about and study water". The class focused on a basic knowledge of water and the Earth's ecosystems, such as the fact that even though water covers about 70 percent of the Earth, only a small fraction of that water is potable. The class also addressed issues related to "water" that are more pertinent to lifestyles in rural Vietnam, for example, keeping one's hands and body clean can

prevent infectious diseases. The class lasted two and a half



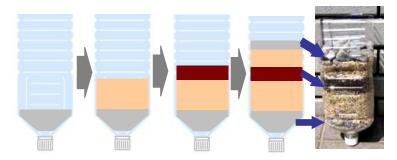
Phu Vinh municipal office where classes were given



Children eagerly reading the texts

hours in a chilly classroom without heating system, but children eagerly read the text and answered to our questions enthusiastically. Based on their daily lives, they learn the importance of water as a finite and invaluable resource.

In the afternoon the groups were split up by hamlet. Samples of the water for drinking and agricultural purposes were collected in advance at each village and tested for quality using "Pack Test". To conduct filtering test, the participants made their own "filtering equipment" by putting stones, sand, and soil into plastic bottles. This equipment operates using simplified natural mechanism through which dirty water such as rainwater is filtered while being absorbed into the ground. The use of stones and sand seemed to be a common way of filtering in Vietnam, but young men and children cheered when they saw clean transparent water coming out of the plastic bottle. Mr. Song (Head of General Affaires, VINAX) commented "Children in Phu Vinh Village are used to making tools by themselves. They worked very efficiently and the test went very smooth".



Filtration test conducted by putting stones first, followed by sand and soil.



How we conducted tests



Our environmental classes were accompanied by news people in Vietnam, who interviewed STT staff, youth group members, and children. Local support through environmental programs by Japanese companies has been drawing much attention of local media and newspapers. We would like to use this opportunity to increase people's awareness about environmental conservation including water.

Ms. Inou, representative of STT, answering in an interview by local media interview

Opinion Exchange Meeting in Dich Giao Village, Hoa Binh Province [February 20]

Dich Giao is located near Phu Vinh Village. It is a village of about 3,600 people in about 840 households spread out over 14 distinct hamlets. In recent years, the village has been facing issues related to waste disposal and water source contamination. Village representatives and youth groups took interest in solving those issues with the help of our environmental education. This opinion exchange meeting was organized under such circumstances.

Through interviewing local people about the current situation of village, we learned that inhabitants' knowledge and information are not catching up with the rapid change of their lifestyle in recent years. For example, they used to use plant leaves for wrapping crops, which were thrown away on the ground to return to the soil. However, those plant leaves were replaced by plastics, and today, they are left on the ground as indecomposable waste. In addition, soil has been contaminated by the use of chemical herbicides for cultivation of corns, which are the source of income for the village. Furthermore, water contamination caused by people washing empty containers close to the invaluable water source without a care has been a big concern. There has been an increasing need for better understanding and proper use of convenient "things" that came into our life such as plastics and chemicals. Correct understanding of environmental issues will prevent water contamination and protect living environment. We will try to extend our support by finding out what we could do with local people.

In the afternoon, we moved to Hanoi to visit VINAX. Ms. Inou (representative of STT) reported STT activities of 2011 to Mr. Shinji Ito (President of VINAX) and they discussed about future activities. This kind of meeting is held once a year and it offers a good opportunity to deepen mutual understanding and to discuss further practical collaboration.

Through this program, we realized again how children are conscious about what is going on in their immediate surroundings and what is needed to be discussed. In addition, we came to discover specific regional issues in addition to country level issues. We are committed to continue our practical activities paying more attention to regional level issues utilizing the knowledge we acquired.

[Summary of the itinerary in Hanoi and Hue, Vietnam]

- Feb. 16: Arrival of LIXIL staff in Hue, Vietnam
- Feb. 17: Environmental classes & hands-on training in the Vin Thai district (in Phu Vang) and in the Vinh Hai district (in Phu Loc)
- Feb. 18: Participation in eco-tour in the Tui Byeu district (in Hue) Move to Hoa Binh Province
- Feb. 19: Environmental classes & hands-on training in Phu Vinh Village (in Hoa Binh Province)
- Feb. 20: Hearing in Dich Giao Village (in Hoa Binh Province)

Numbers of participants in environmental education programs

Environmental classes & hands-on training (morning class/afternoon class) in Vin Thai district (in Phu Vang) and Vinh Hai district (in Phu Loc): about 35 (total)

Eco-tour in Hue: about 30

Environmental classes & hands-on training in Phu Vinh Village Hoa Binh Province: about 72

Accompanying staff from BAJ: Bridge Asia Japan Vietnam Office: Huynh Hue Tue, Emiko Katayama Tokyo Head Office: Shoji Araishi Accompanying staff from STT: Mayu Inou, representative of Seed to Japan Instructors from LIXIL: Satoshi Ono, Chiemi Kumazaki, Environmental Management Promotion Division Instructors from VINAX: Khuat Duy Song, General Affaires Division



■ Bridge Asia Japan (BAJ) http://www.baj-npo.org/

BAJ is a Japanese non-profit organization founded in 1993. As its name indicates, BAJ works as a bridge between Asia and Japan, through international cooperation. In Vietnam, BAJ carries out assistance activities mainly to address child poverty. As for environmental education, BAJ began preparations in 2002 to start providing education to local children in Hue from 2004. Various supports carried out by BAJ include collection of valuable resource such as plastics and establishment of wastewater treatment facility to avoid domestic wastewater from flowing into the river. Thanks to such practical supports by BAJ, more and more local children are thinking and acting on their own.

Seed to Table ~Connecting People, Nature and Cultures~

■ Seed to Table (STT) http://seed-to-table.org/

STT is a Japanese non-profit organization founded in July 2009. Through cooperation with Vietnamese people, STT aims to protect the indigenous seeds, nature and culture, to develop an economic basis enabling local people's self-sufficiency as well as to improve their income so that Vietnamese people can live happily with their families and friends. In addition to recording and communicating local wisdom of living including farming methods, STT strives to provide a place for meeting and discussing with people, to foster next generation leaders, and to promote eco-friendly agriculture and community development in Vietnam. Hoa Binh Province in the north of Hanoi is the base of STT activities.

[Principles and History of Environmental Awareness Program in Vietnam]

In 2006, the former INAX (now LIXIL) began searching not just for a way to provide funds and supplies, but for partners who could take actions that are meaningful for local residents and will support their future. In 2007, former INAX began concrete activities with well-established NPOs. Using extensive experiences in water related issues gained by former INAX, we aim to support the kind of education that is truly necessary for the children of Vietnam to become future leaders of their country. Furthermore, the kind of education that the company promotes goes beyond merely telling children not to throw trash in rivers because they will become polluted, but making children understand the causes of river pollution and to think for themselves about what they can do to prevent it. Integration under LIXIL has not changed our commitment based on this philosophy to continuing such practical environmental educational programs taking into consideration local circumstances, with the collaboration of BAJ, STT, and VINAX.

Record of major activities

- 2007: Activities begun with BAJ and Save the Children Japan ("SCJ") (3-year contract) Development of original educational texts (April) Training of VINAX staff to become instructors; briefing to government and educational organizations Commencement of environmental educational programs targeting educators and children in Yen Bai north of Hanoi and Hue (June through August)
- 2008: Children from Yen Bai and Hue are invited to the Eco-products International Fair (Hanoi); VINAX factory tour (March) Environmental educational programs in Yen Bai and Hue (June) Environmental educational programs in Yen Bai, Hue, Ho Chi Minh, and Qui Nhon (December)
- 2009: Environmental educational programs in Yen Bai, Hue, and Ho Chi Minh (July)
- 2010: Activities begun with BAJ and STT
 Environmental educational programs in Hue and Qui Nhon.
 Visit to the tile factory of INAX Vietnam Tile Co., Ltd. (January)
 Environmental educational programs in Nam Son Village, Hoa Binh Province, Hue, and Ho Chi Minh (July)
- 2011: Environmental educational programs in Nam Son Village, Hoa Binh Province, Hue, and Ho Chi Minh (January) Environmental educational programs in Phu Vinh Village, Hoa Binh Province, Hue, and Ho Chi Minh (July) Activity report by Namson Village inhabitants, VINAX factory visit (July)