

For Immediate Release**June 9, 2016****LIXIL Group Corporation**

New Executive Management System Introduced to Emphasize Performance Driven Culture

Tokyo, Japan – LIXIL Group Corporation (“LIXIL Group”), a global leader in housing and building materials, products and services, today announced that as part of its ongoing efforts to improve corporate governance, enhance the accountability of senior executives and streamline decision-making processes, it will apply a new, simplified executive management system. This change, which also includes LIXIL Corporation, was approved by LIXIL Group’s Executive Officer Committee and LIXIL Corporation Board. The change, which will be effective July 1, will bring LIXIL Group closer to a sustainable ratio of executive management positions relative to the size and scope of its business.

Under the new system, LIXIL Group will operate with five levels of executive management: President/CEO, Executive Vice President, Senior Managing Director, Managing Director, and Corporate Director (“Riji”). This change will also include a reduction in the number of executive management positions across senior ranks and the elimination of the rank of ‘Corporate Officer’. Members of the new executive management system will be offered employment on an annual contract basis, with renewal based on performance. These changes will enhance the accountability of senior executives and promote a higher performance culture at the top ranks of LIXIL Group.

In line with this system change, LIXIL Group will reduce existing executive management roles in Japan by about 54% from 114 to 53 individuals. Simplification of senior management will also create new opportunities for young talent to be recruited and developed.

In addition to the changes to the executive management system, to contribute to LIXIL Group’s ongoing efforts to operate a leaner headquarters with reduced costs, LIXIL Group’s Internal Directors and Executive Officers will take a reduction in base compensation, pending approval from the Compensation Committee. These changes, in addition to changes previously announced on March 7, are expected to decrease overall executive compensation costs by approximately 25%. In addition, Kinya Seto has requested to decline his base salary in cash

compensation, and replace his compensation with 100% equity for one year, also pending approval of LIXIL Group's Compensation Committee.

The core compensation structure for senior executives will not change, including performance-related schemes known as Short Term Incentive (STI) and Long Term Incentive (LTI). LTI, which is defined by an aggregated performance target across three consecutive fiscal years, is accrued or reserved but not paid unless the company meets defined targets.

LIXIL Group COO Kinya Seto said "We are committed to building a leaner, simpler LIXIL to secure value-driven growth. We also aspire to develop a stronger performance driven culture, and that culture starts from the top. Having the right executive management system for our company's future is key to securing this growth; not only from a governance and efficiency standpoint, but also in terms of creating space for us to invest in future talent. Today's changes demonstrate the level of our commitment to this task, and my own intention to decline a base salary in exchange for equity shows the confidence that I have in LIXIL's bright future."

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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 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. Led by President and CEO Yoshiaki Fujimori, the Group posted ¥1.85 trillion in consolidated sales in FYE March 2016.