

For Immediate Release**August 25, 2016****(Updated: September 16, 2016)****LIXIL Group Corporation**

Poor Sanitation Cost Global Economy US\$223 Billion in 2015, Increasing 22% Since 2010

Tokyo, Japan – Lack of access to sanitation cost the global economy US\$222.9 billion in 2015, up from US\$182.5 billion in 2010, a rise of 22% in just five years, according to a new report released today by LIXIL Group Corporation (“LIXIL Group”), a global leader in housing and building materials, products and services. The report, published in collaboration with WaterAid and Oxford Economics, which conducted economic modeling to develop up-to-date estimations of the global cost of poor sanitation, brings to light the high economic burden in low-income and lower-middle income countries. The costs for 2015 are equivalent to an average of 0.9% of gross domestic product (GDP) of the countries impacted by poor sanitation, which is a modest decline from 1% of GDP in 2010.¹

More than half (55%) of all costs of poor sanitation are a consequence of premature deaths, rising to 75% in Africa. A further quarter are due to treating related diseases, and other costs are related to lower productivity as a result of illnesses and time lost due to lack of access to a private toilet.

Regionally, in terms of total US dollar value, the economic burden of poor sanitation is heaviest in Asia Pacific, which is accountable for a cost of US\$ 172.3 billion, over three quarters of the total amount. Latin America and the Caribbean, and Africa account for approximately 10% of the global cost each. On a national level, in terms of total cost, India suffers by far the most, with US\$106.7 billion wiped off GDP in 2015, almost half of the total global losses, and 5.2% of the nation’s GDP.

The research underlines the terrible toll poor sanitation is taking in Africa, where the costs stood at US\$19.3 billion in 2015, an increase of 24.5% from US\$15.5 billion in 2010. These costs were equivalent to 0.9% of GDP, higher than the global (ex-India) average. In terms of cost as a share of GDP, the top 10 most impacted countries were concentrated in Sub-Saharan Africa and South Asia.

LIXIL Group President and CEO, Kinya Seto, said: “Poor sanitation represents not only a human tragedy but a huge economic burden on already hard-pressed countries. With political and business leaders gathering in Nairobi for the Tokyo International Conference on African Development (TICAD) this week, it is a reminder that while Africans overall are certainly healthier than 15 years ago, poor sanitation

¹ Correction: The original version of this release incorrectly stated the cost as a percentage of GDP in 2010 as 0.7%. The main report has also been revised at www.lixil.com.

remains a major barrier to development. Only shared and sustained investment in sanitation will deliver the future that Africans deserve and demand.”

The report identifies three priority areas that will be key in ensuring sustainable sanitation solutions for all:

- **Political will and action:** The Millennium Development Goal (MDG) for sanitation was the most off track. Governments should commit to a national strategy on sanitation to meet the target set out in the Sustainable Development Goals (SDG6).
- **Innovative solutions:** Sanitation systems in the developed world require vast amounts of land, energy, and water. They are expensive to build, maintain and operate. Innovation is key to solving the sanitation crisis.
- **Cross-sector collaboration:** Providing sanitation solutions for low income consumers is a complex challenge. It is important to build partnerships across public and private sectors and civil society. Knowledge sharing, new technologies and innovation in delivery models are needed to address the sanitation challenge.

LIXIL is committed to applying its experience as a world-leader in water technology to help find solutions to meet the sanitation challenge. Working with a variety of partners, LIXIL is developing affordable and effective solutions to meet the needs of poorest communities, and is targeting providing improved sanitation to 100 million people by 2020.

- The full report can be downloaded at www.lixil.com.
- Additional supplementary data is available upon request.

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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 ¥1.85 trillion in consolidated sales in FYE March 2016.