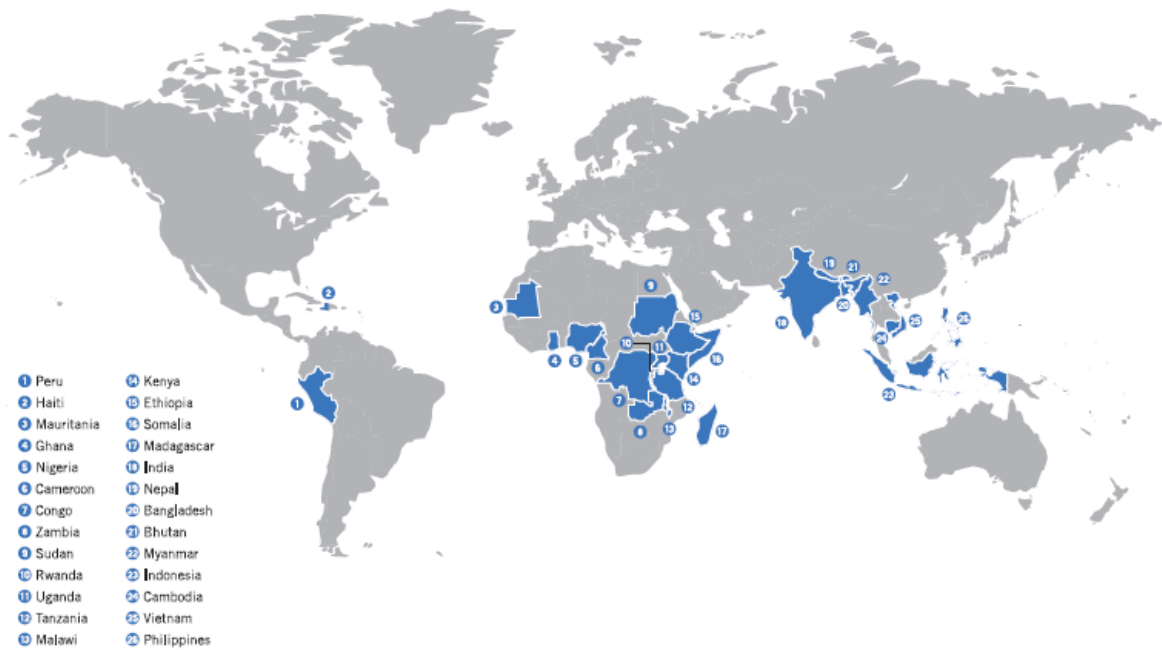


June 4, 2019

LIXIL Corporation

## LIXIL’s SATO achieves new milestone with first profitable market in Bangladesh

*Increasing foothold to 25 countries, LIXIL refreshes its strategy to accelerate improved sanitation to the world*



SATO’s global presence

**Tokyo, Japan** – LIXIL Corporation (“LIXIL”), maker of pioneering water and housing products, announced today that its **SATO** social business has turned profitable in Bangladesh, demonstrating that it can make a positive social impact while sustaining itself financially. With SATO products now present in over 25 countries, an increase of 10 countries in less than a year, LIXIL also refreshed its strategy to tackle the global sanitation crisis in anticipation of even further growth of its social business around the world.

Today, 2.3 billion people – or one in three people worldwide - still do not have access to basic sanitation. As a leading company in sanitary ware, LIXIL has incorporated design and technology to solve real consumer needs in all of its bathroom products, but it is also dedicated to improving accessibility to basic sanitation as an opportunity to solve one of the world’s greatest challenges, and to do so sustainably by helping to



SATO products require little water to flush away waste compared to conventional toilets, while using a counterweighted trap door that closes to help keep out odors and flying insects that can spread disease.

develop a future market. Establishing Global Sanitation & Hygiene as one of the pillars of its Corporate Responsibility Strategy, LIXIL has been tackling the global sanitation crisis by commercializing solutions such as its innovative and affordable SATO products.

Bangladesh was the first country where SATO was made available, starting in 2013. With partners playing an important role in demand creation, the business today encompasses production, distribution, installation and maintenance, all sourced locally. Today, the LIXIL business model in Bangladesh is breakeven, demonstrating that social enterprise can be viable and self-sustaining.



Factory that produces SATO, located in Dhaka, Bangladesh

“SATO has been working to achieve profitability as a social enterprise for several years now, and its success in Bangladesh has boosted the team’s confidence and commitment to improving sanitation for all. Social enterprises operating in similar conditions understand how tough it is to break even. Rural sanitation markets are unique and hard to reach. It took us a bit longer than we anticipated, but the lessons from Bangladesh will inform our approach to accessing other markets. I am extremely proud of the SATO team and thank our partners for their tremendous support and collaboration,” said Jin Montesano, LIXIL Executive Officer and Senior Managing Director overseeing Corporate Responsibility.

“I am proud to be leading SATO, one of the most exciting and unique businesses within LIXIL. In every developing market, the differences in available infrastructure, resources, as well as cultural habits and social customs relating to sanitation are uniquely different; hence our approaches need to be tailored to these differences. Our strong and knowledgeable local partners BRAC and RFL are the keys to our success by contributing innovative and reliable approaches for sanitation marketing, and robust sales and distribution models. We welcome potential local partners around the world to join us in tackling sanitation issues in other markets,” commented Junichi Goto, CEO, SATO.

SATO products come in varieties that suit local requirements and preferences, reflecting religious, social and structural differences depending on the country and location. The SATO social business has seen much success in other markets as well, with its smartly designed, affordable, hygienic and manageable SATO products, and is now devoting new resources to reach more people in need.

**In celebration of SATO’s success, the team has revisited its strategy for 2019, and has refreshed its commitments for global hygiene and sanitation.**

### **1. Strengthening the SATO team**

Merging all activities and products, the team originally known as Social Sanitation Initiatives has renamed itself SATO to underscore the focus it will place on taking SATO to the next stage of its evolution as a social business. It has hired new talent, doubling the team to 44 members worldwide.

With Africa being a critical sanitation market, Samuel Langat, who has



A representative introduces SATO at a market in Uganda

more than 16 years of experience, has joined as General Manager for Africa, overseeing 7 local representatives in the continent

## 2. Maximizing existing partnerships and exploring new ones

Until now, LIXIL has partnered with UNICEF, UNHCR, WaterAid, BRAC and many other organizations that have played an important role in sanitation demand creation and education.

Aiming to utilize partners' local know-how in both demand creation and product delivery, SATO signed a new type of grant agreement in May 2019 with its long-standing partner, Population Services International (PSI), to commercialize 25,000 SATO units in Ghana. SATO continues to seek for new and effective approaches to deliver products to millions.



SATO toilet installed for Pagalavadi School in Trichy, India

## 3. Strengthening e-marketing and commerce with a new website

Technological advancements are not foreign to SATO's potential markets, where accessibility to mobile phones is greater than access to toilets<sup>1</sup>. The new website aims to extend digital presence and visibility in the markets, introducing real-life cases of SATO users around the world, and an added function that allows visitors to find out products available in their country. SATO Website: [www.sato.lixil.com](http://www.sato.lixil.com)



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<sup>1</sup> Source: The Nation. 14 May 2019, *The Race for Global Internet Access Is Not a Zero-Sum Game*.

### About SATO:

SATO, a part of LIXIL, is a line of innovative, durable and affordable toilet solutions for a better and more hygienic toilet experience, designed for people living in rural and peri-urban areas. In 2012, one of the brands of LIXIL Corporation, American Standard received a grant from the Bill & Melinda Gates Foundation (BMGF) for development of a low-cost toilet for pit latrines that led to the launch of the original SATO pan. Since then, more than 2.5 million units of SATO products have been shipped to over 25 countries, including India, Bangladesh, the Philippines, Uganda, Kenya, and Haiti.

### 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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