PRESS RELEASE



For Immediate Release

November 25, 2019 LIXIL Group Corporation

LIXIL Launches Comprehensive HR Program to Revitalize Its Japan Business

Tokyo – LIXIL Group Corporation ("LIXIL Group", TSE Code: 5938), maker of pioneering water and housing products, announced today it has launched a comprehensive series of employee-focused initiatives to transform its Japan operations. The move is in line with the company's overall strategy to build a more agile, consumer-centric organization to achieve sustainable growth.

The program includes strategic changes to achieve three objectives: "work consumer-centrically," "manage career paths" including a new Career Option Program separately announced in a <u>timely disclosure</u> today, and "change working styles."

Work consumer-centrically

LIXIL Group is pursuing a strategy based on engaging consumers more directly through differentiated products, services, and business models. To remain successful in the mature Japan market especially, the ability to anticipate new consumer needs and trends and respond with differentiated products and services will be crucial. The new HR program will include reallocating employees with strong LIXIL DNA, knowledge, and experience in direct consumer engagement roles in Japan, leading to better customer experience and creating new career development opportunities for employees through proper training.

Manage career paths

LIXIL Group is working to enhance its HR systems to support multigenerational career planning, expand development opportunities, and shift to a meritocracy-based system. Since October this year, LIXIL Group has already implemented a series of measures including a new performance review system and expanded training programs. In addition, the company has now decided to offer a new "Career Option Program" for permanent employees who are seeking different life planning and career development options. Through this program, permanent employees of group subsidiaries working in Japan who are 50 years old or over with ten consecutive years or more of service in the company will be able to select the option to pursue opportunities outside the company before the usual statutory retirement age. This has been developed as a five-year program to ensure that comprehensive career planning opportunities are provided to employees.

Change working styles

LIXIL Group has so far promoted various initiatives to change awareness of working styles and to consider new ways of working. In addition to encouraging employees to take paid holidays, personnel measures such as flextime, teleworking, and the introduction of satellite offices, as well as the expansion of IT infrastructure, have enabled more flexible working styles. Scores for "work-life balance" rose in the latest round of the company's employee survey, indicating that the efforts are starting to generate results. In order to enable employees to use these systems more and work more efficiently, further promotional efforts will be implemented.

LIXIL Group CEO, Kinya Seto, said, "Our vision is to transform LIXIL into a truly differentiated company that puts the consumer at the heart of everything it does and acts with purpose. This means being a

more agile company that can innovate faster and deliver solutions to the challenges consumers are facing. Transforming LIXIL in Japan is crucial to achieving this vision, and we can only do this by transforming the way our people in Japan are organized, working, developing and interacting with consumers. This comprehensive new HR program will make us more consumer-centric, more meritocratic, and more dynamic, which I am confident will support our long term success in Japan and internationally."

The Japan market accounts for approximately 70% of LIXIL's consolidated revenue and plays a critical role in enabling synergies with its overseas businesses to accelerate growth, including the transfer of advanced technologies and products.

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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. With approximately 75,000 colleagues operating in more than 150 countries, we 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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