

**For Immediate Release****September 29, 2020****LIXIL Group Corporation**

## **LIXIL Accelerates Workstyle Transformation to Invigorate Japan Operations**

**Tokyo, Japan** – LIXIL Group Corporation (“LIXIL”, TSE Code: 5938), maker of pioneering water and housing products, is redefining employee workstyles to invigorate its business in Japan and achieve long-term sustainable growth. Through new HR systems, LIXIL is building a more agile organization that can quickly adapt to changes in the evolving Japan market, which will be essential to enabling the future sustainability of its business as a whole.

LIXIL will accelerate the shift from the traditional style of working at a fixed place, time and method to more diverse working styles by implementing new measures, including reviewing and consolidating physical offices, introducing a “Super Flextime” system, and trialing second job arrangements. In November 2019, LIXIL introduced a comprehensive HR program (*Kawaranaito LIXIL*) with three main objectives: “Work consumer-centrally,” “Manage career paths,” and “Change working styles.” As part of this initiative, LIXIL has introduced measures to transition to a more flexible work structure, including changing how employees think about work, and proactively incorporating telework and flextime systems.

LIXIL is now moving to the next phase, redefining the basic purpose of the office and giving employees more freedom to choose when and where they work. Many employees in Japan are already working from home in order to prevent the spread of COVID-19, and LIXIL will continue to allow them to work from home as part of their standard workstyle. The office will become a key space for employees to gather with colleagues to engage in interactions and discussions that are more productive done in person rather than remotely. This shift allows employees to design their optimal working style as well as enhance productivity and efficiency.

### **1. Redefining the workplace**

#### The office as a communication space

Regardless of future measures to prevent the spread of the coronavirus, LIXIL will continue to utilize telework as the standard working style for a broad range of positions, aside from certain roles such as manufacturing and distribution. The nature of the office has changed as a result, now serving primarily as a space for communication and innovation where employees can directly engage with each other to generate new ideas or enhance work efficiency.

#### Consolidating locations in Japan

During this fiscal year and next, LIXIL will gradually relocate a total of 23 LIXIL Group facilities in Tokyo to the WING global headquarters in Koto-ku, Tokyo. This central office will symbolize the new working style and become a place where a broader range of employees gather, leading to greater productivity and generating new value.

Furthermore, LIXIL Water Technology Japan (LWT-J), which handles kitchen and bath products in Japan, is consolidating four toilet development facilities in the city of Tokoname in Aichi Prefecture at the site of its former Tokoname Plant. A new global R&D center, "Toko Lab", will open on the plant grounds in November this year. Employees connected with all aspects of the development process for toilets, including research, planning, design, verification, and testing, will work in the same location, helping to drive innovation through enhanced coordination and resource sharing. This consolidation will also bolster technology and product development capabilities by increasing efficiency and shorting development times.

## **2. Employees choosing their own working hours**

### Introduction of "Super Flextime" system

In October 2020, LIXIL will introduce its "Super Flextime" system, which will eliminate the core hours employees were required to work under the previous flextime system and allow them to freely choose the time when they want to work. This system will be available to head office administrative departments, sales departments, and factory back-office departments, allowing employees to independently choose their working hours to balance their work and private lives. This system is expected to enhance work efficiency and productivity, and further promote a work-life balance.

## **3. Employees designing their own career path**

LIXIL provides solid support for the career planning and development of employees of all ages and is accelerating adoption of a merit-based system. With all employees obliged to independently consider and pursue their own career path, LIXIL encourages employees to utilize the time created by greater work productivity for self-development and career enhancement.

### Trial of second job arrangements to support individual career development

LIXIL will conduct on a trial basis a system to allow employees to hold a second occupation in order to expand opportunities for employees to advance their careers beyond the confines of one company. The trial period will be from October 2020 to March 2021 in order to assess the impact on work as well as the mental and physical effects. Based on the results, LIXIL plans to formally introduce the system in the future.

Commenting on LIXIL's new initiatives, LIXIL CEO Kinya Seto said, "The driving force for LIXIL's growth is its diverse workforce. Before even the impact of COVID-19, we have been taking significant steps to transform our business in Japan into a simpler, more productive and more agile organization. By doing away with the restrictions imposed by defined working times, places, and styles, and allowing more flexible working styles, we are creating an environment in which every employee can exercise their capabilities to an even greater extent. Aligned with this, we are also establishing a meritocratic system and a more performance-driven culture, which also means rethinking the roles and responsibilities of managers. This is an ongoing transformation, but these latest steps represent an important milestone in our progress."

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**About LIXIL**

LIXIL makes pioneering water and housing products that are designed to 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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