

[This is an English translation of the original text written in Japanese]



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Notification Regarding the Implementation of Voluntary Retirement Program “New Life”

LIXIL Group Corporation (hereinafter, “LGC”) and its subsidiaries aim to transform its Japan business into a more entrepreneurial and sustainable enterprise in the future. Building on initiatives already taken under *Kawaranaito LIXIL* (“LIXIL, We Must Change”), a comprehensive HR program launched in Japan in the fall of 2019, and to accelerate the speed of transformation, the Board of Directors today resolved to implement the “New Life Voluntary Retirement Program” (hereinafter “New Life”) in LIXIL Corporation, a subsidiary of LGC which will be absorbed as of December 1, 2020.

The details are as follows:

1. Background

Japan business currently represents approximately 70% of its total business. It is also the key driver of innovation that supports LIXIL’s global portfolio of brands and businesses. The business environment surrounding LGC and its subsidiaries in Japan, however, is changing with a rapidly shrinking market for new homes. At the same time, changing consumer trends and digitalization are disrupting traditional business models.

To succeed, LGC recognizes the need to transform its business structure, become meritocratic, and establish an agile culture that supports innovation and entrepreneurship. LGC believes it is important to act now, to accelerate the speed of our transformation and ensure we can provide strong support to employees. LGC expects these changes to strengthen the growth potential and sustainability of its operations in Japan and internationally, enhancing overall stakeholder returns.

The comprehensive HR strategy, “*Kawaranaito LIXIL*,” consists of a series of change initiatives designed to achieve three objectives in Japan: “work consumer-centrally,” “manage career paths” and “change working styles.” A series of measures to enable this transformation are being implemented across LGC’s business and subsidiaries in Japan. As a part of these measures, LGC today resolved to implement New Life, which is designed to provide strong support to employees who choose to seek new opportunities externally, while also accelerating the transformation of Japan business.

2. Outline of the implementation of “New Life”

(1) Eligibility	Permanent employees of LIXIL Corporation aged 40 and over, who have worked as an employee of LIXIL Corporation for ten consecutive years or more as of the effective date. This excludes employees working at factories (other than working in HR, Administration and Accounting Departments), Distribution Centers and the Digital Division.
(2) Effective Date of Retirement	March 25, 2021
(3) Number of Eligible Applicants	1,200
(4) Application Period	From January 12, 2021 to January 22, 2021
(5) Preferential Conditions	<ul style="list-style-type: none"> - A premium will be added on to the standard retirement allowance of eligible applicants - In addition, eligible applicants will also have the option to receive outplacement services

3. Prospects

LGC plans to record costs to be incurred in association with the implementation of the program, such as a premium retirement allowances and the outplacement services, as Other expenses in the fourth quarter of the fiscal year ending March 31, 2021. The estimated cost is included in “Announcement of Consolidated Financial Forecast for the Fiscal Year Ending March 2021” released separately today. However, since the number of applicants and the total amount for premium retirement allowances, etc., have not been determined at present because it is before the implementation, LGC will announce the impact on its forecast for the consolidated financial statements as soon as these details are confirmed.

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