

September 17, 2013  
LIXIL Group Corporation

## **Announcement Regarding Voluntary Adoption of International Financial Reporting Standards (IFRS) and Change in Dividend Policy**

### **1. Voluntary Adoption of International Financial Reporting Standards (IFRS)**

LIXIL Group Corporation (hereinafter “LGC”) decided at its Board of Directors Meeting held today to voluntarily adopt the International Financial Reporting Standards (IFRS) for consolidated financial statements, in place of the Japanese Generally Accepted Accounting Principles (J-GAAP) that are currently applied. The disclosure in IFRS is planned to start from the fiscal year ending on March 2016.

LGC has been expanding global businesses in areas such as Asia, Europe, and the U.S., by acquiring A-S CHINA PLUMBING PRODUCTS Ltd. in 2009, Permasteelisa S.p.A in 2011, and ASD Holdings Americas Holding Corp. in 2013. Under these circumstances, LGC decided to voluntarily adopt IFRS in order to enable easier global comparison of financial information in the capital market.

### **2. Change in Dividend Policy**

LGC decided at its Board of Directors Meeting held today to partially change the dividend policy.

#### **(Before Change)**

The fundamental is to maintain a strong financial position. Dividend payout ratio of over 30% will be maintained on the consolidated base, and share buyback may take place once decisions are made.

#### **(After Change)**

The fundamental is to maintain a strong financial position. Dividend payout ratio of over 30% will be maintained on the consolidated base excluding the effect of amortization of goodwill, and share buyback may take place once decisions are made.

#### **(Reason for Change)**

In the context of the acceleration of global business expansion and voluntary adoption of IFRS, the change in definition of profit, which is the basis of dividend, comes into effect.