

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



April 18, 2019

LIXIL Group Corporation  
Yoichiro Ushioda  
Director, Representative Executive Officer,  
Chairman and CEO (First Section of TSE/NSE, code 5938)

(Contact):  
Kayo Hirano  
Senior Manager, Investor Relations Office

### **Announcement of Directors' Resignation**

LIXIL Group Corporation (hereinafter "LGC") announces that today, our director, Yoichiro Ushioda, expressed his intention to resign as a director at the end of the last Board of Directors meeting (scheduled to be held on May 20, 2019) prior to our ordinary general shareholders meeting scheduled to be held in June 2019 (hereinafter "Ordinary General Shareholders Meeting"). In addition, director Hirokazu Yamanashi stated his intention to retire from the directorship after his current term of office expires at the end of the Ordinary General Shareholders Meeting, and not to consent to a subsequent re-appointment as director.

At this point in time, Mr. Ushioda and Mr. Yamanashi have not indicated their intention to resign or retire from their positions as Representative Executive Officer, Chairman and CEO with respect to Mr. Ushioda, and as Representative Executive Officer, President and COO with respect to Mr. Yamanashi.

#### **1. Name of directors to resign or retire and the timing of the resignation or retirement**

Director Yoichiro Ushioda

(to resign at the end of the last board of directors meeting held prior to the Ordinary General Shareholders Meeting (scheduled to be held on May 20, 2019))

Director Hirokazu Yamanashi

(to retire at the end of the Ordinary General Shareholders Meeting)

## 2. Reasons for resignation or retirement

Director Yoichiro Ushioda, indicated his intention to resign his directorship on the grounds that, with respect to the downturn of performance, due mainly to the losses of LGC's overseas subsidiary, as separately announced by "Announcement Regarding Revision of the Full-year Forecast on Business Performance for the Fiscal Year Ended March 2019 due to Recognizing Loss from a Overseas Subsidiary and Recording Extraordinary Loss from a Subsidiary in Japan" today, Mr. Ushioda is responsible for the appointment of the former representative executive officer who was in the service during the corresponding period of the losses. However, he expressed his intention to attend all the board meetings that will be held before the Ordinary General Shareholders Meeting in consideration of the continuity and stability of LGC's management and supervisory system, and to resign after fulfilling his responsibilities as a director.

Director Hirokazu Yamanashi, who has been taking on the role of the supervisor as an independent outside director of LGC since June 2016, was appointed as Representative Executive Officer, President and COO starting November 1 of last year, and since then, Mr. Yamanashi has been taking on the role and responsibilities of the executive officer. Mr. Yamanashi stated that he had been considering the idea of concentrating on execution rather than holding a position of both supervisor and executive. On the other hand, due to the need to give maximum consideration to the continuity and stability of the company's management and supervisory system, Mr. Yamanashi expressed his intention to resign after fulfilling his responsibilities as a director through the expiration of his current term of office (until the end of the Ordinary General Shareholders Meeting), and not to consent to re-appointment as a director.

In addition, we announced a request for convocation of an extraordinary shareholders' meeting (hereinafter, the "Request") in the "Announcement Regarding Receipt of Request by Shareholders to Convene an Extraordinary Shareholders' Meeting" dated March 22, 2019, which is aimed at removing these two directors. The two directors, respectively, expressed their intention to hold a dialogue with the shareholders who have made the Request, or the actual shareholders behind them, about the necessity of holding an extraordinary shareholders meeting just before the Ordinary General Shareholders Meeting, and to request the withdrawal of this Request.

## 3. Actions to be taken by LGC

In response to the Request, we are currently making earnest efforts in arranging the venue and coordinating with the parties concerned so that we can hold an extraordinary shareholders

meeting in late May 2019. As announced by the “Announcement Regarding a Filing of a Request to a Court for a Convocation of an Extraordinary Shareholders’ Meeting by Shareholders,” we received a written document from the Tokyo District Court on April 17, 2019, regarding the request for the convocation of the shareholders’ meeting, which was filed by 16 shareholders of LGC, and we plan to respond appropriately to the court proceedings.

The Nomination Committee of LGC is currently considering candidates for the proposal for appointment of directors (hereinafter, the “Board Appointment Proposal”) that will be submitted to the Ordinary General Shareholders Meeting. The Nomination Committee will continue to consider this matter, but based on the above-mentioned intention of Director Yoichiro Ushioda and Director Hirokazu Yamanashi to resign and retire, the Nomination Committee does not intend to include them as candidates for director in the Board Appointment Proposal.

Our opinions on dismissal of the directors pursuant to the Request and the candidates for the Board Appointment Proposal will be announced as soon as they are decided.

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