

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



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### **Notification Regarding the Implementation of “Career Option Program”**

LIXIL Group Corporation (hereinafter, the “Company”) and its subsidiaries (hereinafter, the “Group”) are working to enhance their personnel systems to support multigenerational career planning, expand development opportunities, and shift to a meritocracy based system. As part of this initiative, the Board of Directors today resolved to implement a new “Career Option Program” where permanent employees of the Group working in Japan who have reached a certain age with certain duration of service will be able to select the option of pursuing opportunities outside the company before the usual statutory retirement age. This has been developed as a five-year program rather than as a one-off initiative to ensure that comprehensive career planning opportunities are provided to employees.

The details are as follows:

#### 1. Background

As LIXIL Group aims to become an organization that is capable of achieving sustainable growth without being dependent on changes in its external environment, an important priority is to revitalize its business in Japan. The Japan market accounts for approximately 70% of the Company’s consolidated revenue and plays a critical role in accelerating growth by enabling synergies with its overseas businesses, such as through the transfer of technologies and products.

To drive its revitalization in Japan, the Company has committed to a series of employee-focused initiatives to achieve three objectives: creating a more consumer-centric organization by placing more employees with significant knowledge and experience of LIXIL into direct customer-facing roles; accelerating and enhancing multigenerational career planning and development to support the shift to a meritocratic

culture and bring fresh perspectives and energy to management positions; and boosting employee morale and engagement by providing greater working flexibility and efficiently.

As part of the initiative to support multigenerational career planning and development, since October this year, the Company has implemented a series of measures including a new performance review system and expanding training programs. In addition, the Company has decided to offer a new “Career Option Program” for permanent employees who are seeking different life planning and career development options.

## 2. Outline of “Career Option Program” (The first year)

(1) Eligibility	Permanent employees 50 or older, who have worked at the Group companies for ten consecutive years or more as of the effective date
(2) Effective Date of Retirement	June 25, 2020
(3) Number of Eligible Applicants	No target
(4) Application Period	From February 17, 2020 to February 28, 2020
(5) Preferential Conditions	<ul style="list-style-type: none"> <li>- A premium will be added on to the normal retirement allowance of eligible applicants</li> <li>- In addition, eligible applicants will also have the option to receive outplacement services</li> </ul>

\* The “Career Option Program” has been developed as a five-year program.

## 3. Prospects

LIXIL Group plans to record costs to be incurred in association with implementation of the program such as a premium retirement allowance and the outplacement services as selling, general and administrative expenses in the fourth quarter of the fiscal year ending March 31, 2020. The Company will announce the impact on its forecast for the consolidated financial statements for the fiscal year ending March 31, 2020 as soon as number of applicants and the details are determined.

End