

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



March 23, 2020

LIXIL Group Corporation
Kinya Seto
Representative Executive Officer and President
(First Section of TSE/NSE, code 5938)

(Contact):
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**Notification Regarding Determination of Director Candidates, Election of Executive Officers,
Change of Representative Executive Officer, and Partial Amendment of the Articles of
Incorporation (Change in Term of Office of Executive Officers)**

LIXIL Group Corporation (hereinafter "LGC") hereby gives notice that its Nomination Committee has today determined candidates for the position of Director, as indicated below, to be proposed at the 78th Annual General Meeting of Shareholders, which is scheduled to be held in June 2020 (hereinafter "AGM").

In addition, LGC hereby announces that its Board of Directors has today determined the Executive Officers as of April 1, 2020, as indicated below, and that its Board of Directors plans to submit a request for the change in term of office of Executive Officers through a "partial amendment of the Articles of Incorporation" at the AGM.

* For more information on the considerations given to the determination of director candidates and details of the nomination process, please refer to the attached, "(Supplementary Material) Regarding Appointment of Director Candidates and Executive Officers for the Next Term."

1. Regarding Director Candidates

List of candidates for the position of Director:

(*outside directors, ©newly appointed candidates)

*	Tamio Uchibori	Current Director and Member of Audit Committee of LIXIL Group Corporation, Part-time Statutory Auditor of LIXIL Corporation
*	Kaoru Onimaru	Current Director, Member of Nomination Committee, and Member of Governance Committee of LIXIL Group Corporation
*	Teruo Suzuki	Current Director, Chairperson of Governance Committee and Member of Nomination Committee of LIXIL Group Corporation, Part-time Statutory Auditor of LIXIL Corporation
*	Yuji Nishiura	Current Director, Chairperson of Nomination Committee, Member of Compensation Committee, and Member of Governance Committee of LIXIL Group Corporation
*	Daisuke Hamaguchi	Current Director, Chairperson of Compensation Committee and Member of Nomination Committee of LIXIL Group Corporation
*	Masatoshi Matsuzaki	Current Director, Chairperson of Board of Directors, Member of Nomination Committee, and Member of Governance Committee of LIXIL Group Corporation
	Kinya Seto	Current Director, Representative Executive Officer, President and Chief Executive Officer (CEO) of LIXIL Group Corporation Representative Director and Chairman of LIXIL Corporation
©	Sachio Matsumoto	Current Representative Executive Officer and Executive Vice President, Finance, Treasury, M&A, and Legal, Chief Financial Officer (CFO) and Chief Legal Officer (CLO) of LIXIL Group Corporation Director, Executive Vice President, CFO, and CLO of LIXIL Corporation
©	Hwa Jin Song Montesano	Current Executive Officer and Senior Managing Director, Human Resources, Public Affairs, Investor Relations, External Affairs, and Corporate Responsibility, Chief Public Affairs Officer (CPAO), and Chief People Officer (CPO) of LIXIL Group Corporation Director, Senior Managing Director, CPAO of LIXIL Corporation

2. Regarding Executive Officers

List of Executive Officers (as of April 1, 2020, whose term of office will last until the close of the first meeting of the Board of Directors that is convened after the AGM):

(*concurrently serves as a director, ©newly appointed candidate)

*	Kinya Seto	Representative Executive Officer and President	CEO
	Sachio Matsumoto	Representative Executive Officer and Executive Vice President	Finance, Treasury, M&A, and Legal, CFO
	Hwa Jin Song Montesano	Executive Officer and Senior Managing Director	Human Resources, Public Affairs, Investor Relations, External Affairs, and Corporate Responsibility, CPO
	Yugo Kanazawa	Executive Officer and Senior Managing Director	Marketing, Digital, and IT, Chief Digital Officer (CDO)
	Bijoy Mohan	Executive Officer and Senior Managing Director	LIXIL International
*	Satoshi Yoshida	Executive Officer and Senior Managing Director	LIXIL Housing Technology (LHT) Japan
	Hiroyuki Oonishi	Executive Officer and Senior Managing Director	LIXIL Water Technology (LWT) Japan
©	Shoko Kimijima	Executive Officer and Senior Managing Director	Legal and Compliance, Chief Legal & Compliance Officer (CLCO)

3. Change of Representative Executive Officer

(1) Reason for the change:

Due to changes in Executive Officers (nomination process)

(2) Details of the change in Representative Executive Officer (effective April 1, 2020):

Name	New Positions	Current Positions
Kazuhiko Ootsubo	Director, and Vice Chairman, LIXIL Corporation	Director, Representative Executive Officer and Executive Vice President, Sales and Management of Domestic Subsidiaries of LIXIL Group Corporation Representative Director, President and CEO, and LIXIL Japan Company CEO of LIXIL Corporation

As a result of this change, Mr. Kinya Seto and Mr. Sachio Matsumoto will both serve as Representative

Executive Officers.

4. Partial Amendment of the Articles of Incorporation

(1) Reason for the amendment:

The term of office of Executive Officers will change in order to clarify their management responsibilities during the fiscal year.

(2) Details of the amendment of the Articles of Incorporation:

(Underlined text denotes amendments)

Current	After amendment
Chapter 6 Executive Officers (Term of Office of Executive Officers) (Article 35) The term of office of an Executive Officer shall expire at the <u>close of the first meeting of the Board of Directors to be convened after the ordinary general meeting of shareholders pertaining to the last fiscal year</u> ending within one (1) year from his/her election. 2. (Text Omitted)	Chapter 6 Executive Officers (Term of Office of Executive Officers) (Article 35) The term of office of an Executive Officer shall expire on the <u>last day</u> of the fiscal year ending within one (1) year from his/her election. 2. (Unchanged)

(Note) The above amendment is subject to the approval at the AGM of Shareholders of LGC, which will be held in June 2020.

(3) Key dates:

Scheduled date of the AGM for the amendment of the Articles of Incorporation June 19, 2020 (Plan)
Scheduled date of the amendment of the Articles of Incorporation (effective date) June 19, 2020 (Plan)

End

(SUPPLEMENTARY MATERIAL)

› **REGARDING APPOINTMENT OF DIRECTOR CANDIDATES
AND EXECUTIVE OFFICERS FOR THE NEXT TERM**



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1. RESULTS OF THE APPOINTMENT OF DIRECTOR CANDIDATES FOR THE NEXT TERM

	Current term	To retire	New appointments	Candidates for the next term
Total	14 people	-7 people	+ 2 people	9 people
Internal directors	5 people	-4 people	+ 2 people	3 people
Outside directors	9 people	-3 people	0	6 people

2. APPOINTMENT PROCESS FOR DIRECTOR CANDIDATES FOR THE NEXT TERM

A. Composition of the Board of Directors	<ul style="list-style-type: none"> Summarized the results of the questionnaire survey of all directors (October 2019) Performed individual hearings on the content of questionnaire responses (November 2019) 	
	Internal directors	Outside directors
B. Appointment of director candidates	<ul style="list-style-type: none"> Organize viewpoints regarding appointments Discuss between the Chairperson of the Board, the Chairperson of the Nomination Committee, and the CEO Deliberate at the Nomination Committee based on the proposal by the Chairperson of the Nomination Committee 	<ul style="list-style-type: none"> Hold vote with all directors (December 2019 - January 2020) Perform individual hearings on ballot content (January 2020) Perform hearings with persons other than directors Report results and create proposal (February 2020) <p>*Note: Outsourced to an external professional institution</p>

- Based on the above, the Nomination Committee convened, deliberated and reached a decision in March 2020.

3. RESULTS OF THE APPOINTMENT OF EXECUTIVE OFFICERS FOR THE NEXT TERM

	Current term (As of March 23, 2020)	To retire	New appointment	Next term (As of April 1, 2020)
Executive officers	9 people	-2 people	+ 1 person	8 people

- Decided to align executive officers' term of office with the fiscal year.

[Reference]

	Current term (As of March 23, 2020)	To retire	New appointment	Next term (As of April 1, 2020)
Directors concurrently serving as executive officers	3 people	-2 people	+ 2 people	3 people

4. APPOINTMENT PROCESS OF EXECUTIVE OFFICERS FOR THE NEXT TERM

STEP 1.	August to October 2019	Revised rules and guidelines for the appointment of executive officers
STEP 2.	August to September 2019	Performed individual interviews with current executive officers (to deepen understanding of executive officers)
STEP 3.	December 2019	Agreed to accept the proposal for the structure of executive officers for the next term, under the assumption that Mr. Seto will be reappointed as CEO
STEP 4.	January 2020	Received the CEO's proposal regarding the structure of the executive officers for the next term
STEP 5.	February 2020	Performed interviews with retiring and new candidates (to confirm intention)
STEP 6.	February 2020	Confirmed CEO reappointment policy and deliberated on the draft of the appointment of the executive officers for the next term

- Based on the above, the Board of Directors resolved the proposal from the Nomination Committee in March 2020.

5. REVISION OF THE NOMINATION COMMITTEE'S SYSTEM AND OPERATIONS

1. Revise the Nomination Committee's Rules and Corporate Governance Guidelines
=> Prevent arbitrary interpretations, abuse of systems, and out of control actions.
2. Enhance minutes of committee meetings
=> Ensure transparency of discussions.
3. Review policies, standards, and procedures related to "Composition of Board of Directors and appointment of director candidates" and collect the opinions of all directors
=> Eliminate bias in opinions and decisions.
4. Formulate a CEO succession plan and clarify the election process
=> Improve persuasiveness
5. Promote interviews and dialogue with the shareholders, executive officers, employees, etc.
=> Avoid being a "blackbox" and enable open and transparent understanding

APPENDIX 1: STANCE ON BOARD DIVERSITY

1. The Nomination Committee focuses on two criteria regarding the diversity of the Board of Directors: "attributes" (gender, nationality, etc.) and "knowledge and experience"
2. The 10 items that comprise the criteria for "knowledge and experience" (skill matrix) is currently under review.
 - Practical experience in corporate management.
 - Experience in overseas business and overseas M&A.
 - Knowledge concerning finance, etc.
3. While the number of directors has been reduced, the Nomination Committee has aimed to maintain and improve diversity. Taking this approach into account, the Nomination committee will update the skill matrix regularly.

APPENDIX 2: REASONING REGARDING THE REAPPOINTMENT OF THE CEO

Every year, the Nomination Committee examines the pros and cons of reappointing the CEO based on three performance indicators: "business performance", "progress of measures", and "internal evaluation".

1. Since Mr. Seto's return as CEO, the company's business performance and share price have been favorable (except in the case of abnormalities).
2. Regarding the medium-term management plan, the company is boldly taking on difficult challenges and starting to achieve results.
 - The plan on the merger of LIXIL Group Corporation and LIXIL Corporation and promotion of other organizational reforms.
 - Execution of the comprehensive HR program to revitalize the Japan business (new HR strategy), etc.
3. Mr. Seto has received an extremely positive evaluation from the executive officers.
 - The internal atmosphere has improved. Decision making and execution has sped up.
 - A sense of global unity is rapidly advancing, etc.

In view of the above and other factors, the Nomination Committee agreed to the reappointment of Mr. Seto as CEO. In addition, the Committee received a proposal from the CEO regarding the executive officer system for the next term.

APPENDIX 3. APPROACH ON REVISION OF NOMINATION COMMITTEE RULES AND GUIDELINES

Clarify the authority and process of the Nomination Committee and prevent arbitrary interpretation.

After revision	Before revision
<u>Example 1:</u> Concerning executive officer personnel, the Board of Directors (must always) request the Nomination Committee's opinion.	In principle, the Nomination Committee's opinion is submitted for discussion.
<u>Example 2:</u> If there is an executive officer candidate who is a member of the Nomination Committee, the member concerned shall not participate in that discussion nor decision.	All members will provide fair opinions.
<u>Example 3:</u> At the time of removal or dismissal of executive officers or the CEO, the Nomination Committee will conduct an interview (without fail).	The Committee will perform an interview if the Board of Directors requests it.

