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*In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.*

Securities code: 3564
May 31, 2019

To our shareholder

Osamu Watanabe
Representative Director President and
Chief Executive Officer
**LIXIL VIVA CORPORATION**
1-13-1 Kamikizaki, Urawa-ku, Saitama-shi, Saitama

# Notice of the 27th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 27th Ordinary General Meeting of Shareholders of LIXIL VIVA CORPORATION (the "Company"), which will be held as indicated below.

If you are unable to attend the meeting in person, you may exercise your voting rights through the following method. Please exercise your voting rights having reviewed the Reference Documents for the General Meeting of Shareholders, which follow this notice.

[Exercising voting rights in writing]
To exercise your voting rights in writing, please indicate your approval or disapproval of the proposals in the enclosed voting form and then return it to the Company by postal mail so that your vote is received by 6:00 p.m. on Tuesday, June 18, 2019 (JST).

**1. Date and Time:** June 19, 2019 (Wednesday) 10:00 a.m. (JST)
(Reception starts: 9:00 a.m. (JST))

**2. Venue:** 8 Shintoshin, Chuo-ku, Saitama-shi, Saitama
Toiro, Saitama Super Arena

**3. Purpose of the Meeting:**

**Matters to be reported:** The Business Report and the Non-consolidated Financial Statements for the 27th fiscal year (from April 1, 2018 to March 31, 2019)

**Matters to be resolved:**

**Proposal 1** Appropriation of the Surplus for the 27th Fiscal Year

**Proposal 2** Partial Changes to Articles of Incorporation

**Proposal 3** Election of Five (5) Directors (Excluding Directors Who are Audit and Supervisory Committee Members)

**Proposal 4** Determination of Restricted Stock Compensation to Directors (Excluding Directors Who are Audit and Supervisory Committee Members and Outside Directors)

**Reference Documents for the General Meeting of Shareholders**

**Proposal 1** Appropriation of the Surplus for the 27th Fiscal Year

While giving overall consideration to securing the required internal reserves for future business developments and enhancement of the financial structure, the Company aims to maintain stable payment of dividends to our shareholders as our basic policy.

The Company considers the dividend payout ratio to be an important indicator of dividends and targets a dividend payout ratio of 30%.

In accordance with the basic policy above, the Company proposes the year-end dividends for the 27th fiscal year as follows, based on a view toward the dividend payout ratio and financial condition for increasing earnings over the medium to long term.

Year-end dividends

(1) Type of dividend property
To be paid by cash

(2) Allocation of dividend property and total amount thereof
The Company proposes to pay a dividend of ¥50.00 per share of the Company's common stock.
In this event, the total amount of dividends will be ¥2,193,155,000.

(3) Effective date of dividends of surplus
The Company proposes to pay the dividends on June 20, 2019.

**Proposal 2** Partial Changes to Articles of Incorporation

1. Reason for Proposal

Additional business purposes will be added to Article 2 (Purpose) of the current Articles of Incorporation in order to specify the business lines of the Company more in line with the current situation and to prepare for the future diversification and expansion of business lines.

2. Details of Changes

The details of changes are as follows.

(Underlined text indicates area of changes.)

| Before | After |
|---|---|
| Chapter 1 General Provisions<br>(Purpose)<br>Article 2 The purpose of the Company is to engage in the following businesses.<br>(1) - (27) (text omitted)<br>(New)<br>(New)<br>(28) (text omitted) | Chapter 1 General Provisions<br>(Purpose)<br>Article 2 The purpose of the Company is to engage in the following businesses.<br>(1) - (27) (unchanged)<br>(28) Restaurant management<br>(29) Automobile maintenance, cleaning and car washing business<br>(30) (unchanged) |

**Proposal 3** Election of Five (5) Directors (Excluding Directors Who are Audit and Supervisory Committee Members)

The terms of office of all six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members. The same shall apply throughout this proposal) will expire at the conclusion of this meeting.

Therefore, to implement rapid decision making, the Company proposes to reduce the number of directors by one (1) and appoint five (5) Directors.

Moreover, all of the candidates for Directors have been judged as qualified by the Company's Audit and Supervisory Committee with regards to this proposal.

Additionally, the selection of candidates for Directors has been passed through a voluntary Nomination and Remuneration Advisory Committee comprised of members with a majority of Independent Outside Directors.

Candidates for Directors are as follows:

| Candidate No. | Name | Position and responsibilities in the Company | Remarks |
|---|---|---|---|
| 1 | Osamu Watanabe | Representative Director, President and CEO<br>Nomination and Remuneration Advisory Committee Member | Reappointment |
| 2 | Yu Ogitani | Director, Executive Vice President, and Operation General Manager | Reappointment |
| 3 | Takehiko Iida | Director, Executive Operating Officer, Administration General Manager, and Division Manager of General Affairs & Human Resources Division | Reappointment |
| 4 | Tadashi Odauchi | Director, Managing Executive Officer, Store Development General Manager, and Division Manager of Shopping Center Division | Reappointment |
| 5 | Tadashi Abe | Director, Managing Executive Officer, Finance & Accounting General Manager, and CFO | Reappointment |

| Candidate No. | Name (Date of birth) | Career summary, position and responsibilities in the Company (Significant concurrent positions outside the Company) | Number of the Company's shares owned |
|---|---|---|---|
| 1 | Osamu Watanabe (September 28, 1954) [Reappointment] | Apr. 1978 Joined The Daiei, Inc.<br>Apr. 1999 President and Representative Director of Shoppers Hirosaki Co., Ltd. (a subsidiary of The Daiei, Inc.)<br>Mar. 2003 Deputy Senior Manager of Product Development Division, The Daiei, Inc.<br>Aug. 2003 Joined the Company<br>Executive Officer and Department Manager assisting the President's Office of the Company<br>Feb. 2004 Managing Executive Officer and Operational Deputy General Manager of the Company<br>Mar. 2006 Senior Managing Executive Officer, Operational Deputy General Manager, and Division Manager of Home Center Division of the Company<br>Jun. 2006 Director, Senior Managing Executive Officer, Operational Deputy General Manager, and Division Manager of Home Center Division of the Company<br>Mar. 2008 Director, Senior Managing Executive Officer, Operational Deputy General Manager, Division Manager of Home Center Division, and Division Manager of Super Viva Home Department of the Company<br>Mar. 2010 Director, Executive Operating Officer, General Manager of Home Improvement Store Business Division, and Division Manager of Super Viva Home Business Division of the Company<br>Apr. 2012 Director, Executive Operating Officer, and Operation General Manager of the Company<br>Apr. 2013 Director, Executive Operating Officer, Operation General Manager, and Division Manager of Store Management Division of the Company<br>Jan. 2014 Director, Executive Operating Officer, and Operation General Manager of the Company<br>Oct. 2014 Representative Director, President and COO of the Company<br>Apr. 2017 Representative Director, President, COO, and Nomination and Remuneration Advisory Committee Member of the Company<br>Jun. 2017 Representative Director, President and Nomination and Remuneration Advisory Committee Member of the Company<br>Jun. 2018 Representative Director, President, CEO, and Nomination and Remuneration Advisory Committee Member of the Company (current position) | 2,832 shares |
| | [Reasons for nomination as a candidate for Director]<br>Since joining the Company, Osamu Watanabe has made significant contributions to the sustained growth of the Company and the supervision of the operation department for many years, and has been Representative Director and President since October 2014. The Company considers his prominent managerial ability and leadership as indispensable and proposes his reappointment. | | |

| Candidate No. | Name (Date of birth) | Career summary, position and responsibilities in the Company (Significant concurrent positions outside the Company) | Number of the Company's shares owned |
|---|---|---|---|
| 2 | Yu Ogitani (January 17, 1961) [Reappointment] | Apr. 1983 Joined The Daiei, Inc.<br>Aug. 2007 Seconded to AEON Merchandizing Procurement Co., Ltd. Director and Manager of Merchandizing Strategy Supervisory Department of AEON Merchandizing Procurement Co., Ltd.<br>May 2013 Director, Corporate Officer, and Supervising Officer (Management Strategy Division, Business Management Division, and IR and Public Relations Division) of The Daiei, Inc.<br>Feb. 2015 Director, Corporate Officer in charge of Systems Logistics Supervision and Promotion of Product Logistics Innovation of the Daiei Inc.<br>Nov. 2015 Joined the Company Managing Executive Officer and Manager assisting the President of the Company<br>Mar. 2016 Managing Executive Officer and Division Manager of Merchandising Division of the Company<br>May 2017 Managing Executive Officer, Merchandising & Supply Chain Management General Manager, and Division Manager of Merchandising Division of the Company<br>Jun. 2017 Director, Managing Executive Officer, Merchandising & Supply Chain Management General Manager, and Division Manager of Merchandising Division of the Company<br>Apr. 2018 Director, Executive Vice President, and Operation General Manager of the Company (current position) | 566 shares |
| | [Reasons for nomination as a candidate for Director]<br>Having engaged in product strategy and logistics reform for many years, Yu Ogitani currently supervises the operation department, product department, and logistics department. The Company considers his sound judgment, abundant experience, and discernment as indispensable and proposes his reappointment. | | |

| Candidate No. | Name (Date of birth) | Career summary, position and responsibilities in the Company (Significant concurrent positions outside the Company) | Number of the Company's shares owned |
|---|---|---|---|
| 3 | Takehiko Iida (March 14, 1956) [Reappointment] | Apr. 1978 Joined Toyo Sash, Co., Ltd. (currently LIXIL Group Corporation)<br>Apr. 2007 Department Manager of General Affairs & Personnel Department of the Company<br>Oct. 2007 Executive Officer and Department Manager of General Affairs & Personnel Department of the Company<br>Mar. 2010 Senior Executive Officer and Division Manager of General Affairs & Human Resources Division of the Company<br>Jan. 2014 Managing Executive Officer and Division Manager of General Affairs & Human Resources Division of the Company<br>Mar. 2016 Senior Managing Executive Officer, Administration General Manager, and Division Manager of General Affairs & Human Resources Division of the Company<br>Jun. 2016 Director, Senior Managing Executive Officer, Administration General Manager, and Division Manager of General Affairs & Human Resources Division of the Company<br>Jun. 2017 Director, Executive Operating Officer, Administration General Manager, and Division Manager of General Affairs & Human Resources Division of the Company (current position) | 566 shares |
| | [Reasons for nomination as a candidate for Director]<br>Having engaged in personnel planning and general affairs duties for many years, Takehiko Iida currently supervises whole Company's administrative functions such as human resources, general affairs, recruiting and the CSR promotion. The Company considers his abundant experience and discernment in human resources and general affairs as indispensable and proposes his reappointment. | | |

| Candidate No. | Name (Date of birth) | Career summary, position and responsibilities in the Company (Significant concurrent positions outside the Company) | Number of the Company's shares owned |
|---|---|---|---|
| 4 | Tadashi Odauchi (January 24, 1957) [Reappointment] | Apr. 1979 Joined Viva Home Corporation (currently LIXIL Group Corporation)<br>Apr. 2002 Department Manager of Greater Tokyo Area Development Department of Store Development Division of the Company<br>Jun. 2006 Executive Officer and Department Manager of Greater Tokyo Area Development Department of Store Development Division of the Company<br>Sep. 2008 Executive Officer and Division Manager of Store Development Division of the Company<br>Mar. 2010 Senior Executive Officer and Division Manager of Store Development Division of the Company<br>Oct. 2014 Managing Executive Officer and General Manager of Store Development Division of the Company<br>Jun. 2015 Managing Executive Officer, General Manager of Store Development Division, and Division Manager of Shopping Center Division of the Company<br>Mar. 2016 Managing Executive Officer and Store Development General Manager of the Company<br>Jun. 2016 Director, Managing Executive Officer, and Store Development General Manager of the Company<br>Apr. 2017 Director, Managing Executive Officer, Store Development General Manager, and Division Manager of Shopping Center Division of the Company (current position) | 1,133 shares |
| | [Reasons for nomination as a candidate for Director]<br>Tadashi Odauchi has contributed to the expansion of the Company's branches and expanded performance through his many years engaging in store development. The Company considers his management potential, with its underlying experience and knowledge, as indispensable, and proposes his reappointment. | | |

| Candidate No. | Name (Date of birth) | Career summary, position and responsibilities in the Company (Significant concurrent positions outside the Company) | Number of the Company's shares owned |
|---|---|---|---|
| 5 | Tadashi Abe (February 22, 1957) [Reappointment] | Feb. 1982 Joined Fukushima Clarion, Co., Ltd. (currently Clarion Sales and Marketing Co., Ltd.)<br>Mar. 1987 Joined Sankyo Co., Ltd. (currently XEBIO HOLDINGS CO., LTD.)<br>Jun. 2002 Director and Head of Finance Department of XEBIO HOLDINGS CO., LTD.<br>Jul. 2007 Joined Ikegai Corp<br>Corporate Officer and Manager of Corporate Planning Office of Ikegai Corp.<br>Mar. 2010 Director and President of Ikegai Corp.<br>Jul. 2014 Senior Manager of Corporate Planning Office of Ikegai Corp<br>Nov. 2014 Joined the Company<br>Executive Officer and Manager assisting the President of the Company<br>Mar. 2015 Senior Executive Officer and Division Manager of Finance & Accounting Division of the Company<br>May 2017 Managing Executive Officer and Division Manager of Finance & Accounting Division of the Company<br>Jun. 2017 Director, Managing Executive Officer, and Division Manager of Finance & Accounting Division of the Company<br>Jun. 2018 Director, Managing Executive Officer, Finance & Accounting General Manager, and CFO of the Company (current position) | 566 |
| | [Reasons for nomination as a candidate for Director]<br>Having engaged in finances and accounting duties for many years, Tadashi Abe currently supervises finances, accounting, investor relations, and public relations. The Company considers his prominent expertise, abundant experience, and discernment as indispensable and proposes his reappointment. | | |

Notes: 1. There is no special interest between any of the candidates and the Company.
2. The number of the Company's shares owned by the candidates, are the number of shares held by the individuals in the LIXIL VIVA Shareholders Association of Directors as of March 31, 2019.

**Proposal 4** Determination of Restricted Stock Compensation to Directors (Excluding Directors Who are Audit and Supervisory Committee Members and Outside Directors)

The amount of compensation of the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members) was approved to be ¥450 million or less per year (however, excluding a salary portion payable to Directors who concurrently are employees of the Company) at the 24th Ordinary General Meeting of Shareholders held on June 3, 2016.

Currently, the Company would like to allocate to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors; hereinafter referred to as "Eligible Directors") the Company's common stock that have a prescribed transfer restriction period and provision on the reasons for gratis acquisition by the Company (hereinafter referred to as "Restricted Stock") as follows, in order for the Directors to share the benefits and risk of stock price volatility with shareholders and thus increase their motivation to contribute to an increased stock price and enhanced corporate value more so than before.

As a result, considering the various matters at the Company including the level of contribution of the Eligible Directors, as a separate allocation from the amount of compensation of Directors (excluding Directors Who are Audit and Supervisory Committee Members) above, the Company would like to set the total amount of monetary compensation claims to be granted as Restricted Stock compensation to the Eligible Directors at an amount not exceeding ¥150 million per year. Furthermore, the Company has received the report from the Nomination and Remuneration Advisory Committee regarding the introduction of this system. The allocation of Restricted Stock was determined after comprehensively considering various matters, including the contribution level of the Eligible Directors, and the Company believes the details of such are suitable.

Currently, the Company has six (6) (of which zero [0] are Outside Directors) Directors (excluding Directors who are Audit and Supervisory Committee Members). If Proposal 3 is approved, the Company will have five (5) (of which zero [0] are Outside Directors) Directors (excluding Directors who are Audit and Supervisory Committee Members).

Specific Details and the Maximum Number of Restricted Stock to Be Granted to the Eligible Directors

1. Allotment of and payment for the Restricted Stock
The Company will, pursuant to the resolution of the Board of Directors meeting, provide to the Eligible Directors monetary compensation claims within the annual limit amount stated above, as remuneration concerning the Restricted Stock. Each Eligible Director will accept allotment of Restricted Stock by providing all of such monetary compensation claims by contribution in kind.

The amount to be paid in for the Restricted Stock will be determined by the Board of Directors, based on the closing price of the common stock of the Company quoted at the Tokyo Stock Exchange as of the business day immediately preceding the date of resolution of the Board of Directors meeting concerning issuance or disposition of such stock (if no transaction is executed on such date, then the closing price quoted as of the immediately preceding trading day), which amount shall be within the scope that will not be particularly beneficial to the Eligible Directors who will accept such Restricted Stock.

In addition, with respect to provision of the above monetary compensation claims, such shall be made on condition that the Eligible Directors have agreed to contribution in kind stated above and that they have concluded an agreement on allotment of Restricted Stock containing the contents set forth in 3 below.

2. Total number of Restricted Stock
The maximum number of Restricted Stock to be allotted to the Eligible Directors during each business year shall be 150,000 shares.

Notwithstanding the foregoing, if, on any day on or after the date of resolution on this Proposal, a share split (including allotment of the common stock of the Company without contribution) or a share consolidation of the common stock of the Company is conducted, or in the event of arising of any other equivalent case which requires an adjustment of the total number of Restricted Stock to be allotted, the Company may make an appropriate adjustment to such total number of Restricted Stock within the reasonable scope.

3. Provisions of the agreement on allotment of Restricted Stock
Upon allotment of the Restricted Stock, the Company and the Eligible Directors who will receive allotment of the Restricted Stock shall conclude an agreement on allotment of the Restricted Stock containing the following provisions, pursuant to the resolution of the Board of Directors meeting.

(1) Details of restriction on transfer
The Eligible Directors who have received allotment of the Restricted Stock may not assign, establish a right of pledge, establish assignment security rights, gift before death, bequest, or otherwise dispose of (hereinafter referred to as “Restriction on Transfer”) such Restricted Stock allocated to the Eligible Directors (hereinafter referred to as “the Allotted Shares”) for a period of 20 years (hereinafter referred to as “Restriction Period”).

(2) Acquisition of the Restricted Stock by the Company without consideration

If an Eligible Director to whom the Restricted Stock has been allocated retired as Director or Executive Officer of the Company during the period commencing on the date of commencement of the Restriction Period until the day immediately preceding the first annual general meeting of shareholders of the Company arriving after the date of commencement of the Restriction Period, the Company shall acquire the Allotted Shares automatically without consideration, except when there is a reason deemed justifiable by the board of directors.

The Company shall also automatically acquire without consideration the Allotted Shares with respect to which the Restriction on Transfer still is not removed pursuant to the reasons for removal of the Restriction on Transfer outlined in (3) below at the time of expiry of the Restriction Period outlined in (1) above.

(3) Removal of Restriction on Transfer
On condition that the Eligible Directors to whom Restricted Stock has been allocated continues to be in the office of either Director or Executive Officer of the Company during the period commencing on the date of commencement of the Restriction Period until the date of the first annual general meeting of shareholders of the Company arriving after the date of commencement of the Restriction Period, the Company shall remove the Restriction on Transfer in respect of all of the Allotted Shares at the time of expiry of the Restriction Period.

Notwithstanding the foregoing, if the Eligible Director retires from his/her post of Director or Executive Officer of the Company prior to the expiry of the Restriction Period due to any reason deemed justifiable by the Board of Directors, the number of the Allotted Shares subject to removal of Restriction on Transfer and the timing of removal of Restriction on Transfer shall be adjusted in a reasonable manner and as required.

(4) Treatment at the Time of Organizational Restructuring, etc.
If a proposal concerning a merger agreement where the Company becomes the disappearing company, share exchange agreement or share transfer plan where the Company becomes the wholly-owned subsidiary, or any other proposals regarding organizational restructuring or the like is approved at the Company's general meeting of shareholders (or at the Board of Directors, where such organizational restructuring or the like does not require approval of the Company's general meeting of shareholders), the Company shall, prior to the date of effect of such organizational restructuring or the like, remove the Restriction on Transfer for the number of the Allotted Shares reasonably determined considering the period from date of commencement of the Restriction Period until the date of approval of such organizational restructuring or the like, pursuant to the resolution of the board of directors meeting.

In such cases, the Company shall automatically acquire without consideration the Allotted Shares with respect to which the Restriction on Transfer still is not removed at the time immediately after the removal of the Restriction on Transfer.

Furthermore, the Audit and Supervisory Committee has stated its view that the details of this compensation in this proposal are reasonable, considering the fairness of the computation of this compensation and the balance between the level of this compensation and the role and duties of Directors.

(Reference)
The Company plans to allocate to Executive Officers of the Company Restricted Stock that is the same as the Restricted Stock above after the conclusion of this general meeting of shareholders.