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

April 30, 2024

LIXIL Corporation
Kinya Seto
Representative Executive Officer, President, and CEO
(TSE Prime market and NSE Premier market, code 5938)

(Contact):
Aya Kawai
Leader, Investor Relations Office

Notice Regarding Change in Dividend Policy

LIXIL Corporation (hereinafter "LIXIL") hereby announces that its Board of Directors has today approved a change in the company's dividend policy.

Details are as follow:

1. Reasons for the change

LIXIL decided to revise its dividend policy to better reflect the state of the company and to increase transparency for all stakeholders as described below. LIXIL will continue to strengthen its financial soundness and allocate management resources with a greater awareness of the balance between investments for growth and shareholder return, aiming to achieve further sustainable growth and an increase in corporate value.

2. Details of the change

(1) Before the Change

The company's basic policy on shareholder returns is to maintain a consolidated dividend payout ratio of 30% or more, and to return profits to shareholders in a stable manner, taking into consideration financial condition and profit level. In light of its management direction and the progress in strengthening its balance sheet, the company will appropriately consider flexible share buybacks from the perspectives of improving capital efficiency and strengthening shareholder returns.

(2) After the Change

The LIXIL Corporation policy on profit allocation is to make decisions based on a comprehensive assessment of all management factors, including periodic earnings, cash flows, retained earnings, and financial strength. With regard to retained earnings, the company will prioritize investments for growth, such as capital investments (including new product development, rationalization, and IT investments) to strengthen its competitiveness, in addition to strengthening its financial position, taking into consideration the cash flow situation at that point in time. The company policy on shareholder returns is to pay stable dividends to shareholders over the long term, and to determine the amount of annual dividends based on the medium-term EBITDA level, as well as to buy back shares in a flexible manner.

(Note) EBITDA (Earnings before interest, taxes, depreciation, and amortization) considered to be generated on a stable and sustainable basis: Core earnings + Depreciation (adjusted for the amount of depreciation recorded as a cash outflow due to the application of lease accounting under IFRS)

3. Schedule

The change will take effect from the interim dividend for the fiscal year ending March 31, 2025 (end of the second quarter).

End