Corporate Governance	
Corporate Governance	LIXIL Corporation
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	LIXIL Corporation
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The corporate governance system at LIXIL Corporation is described below.

I. Basic Philosophy Regarding Corporate Governance, and Other Basic Information Regarding Corporate Profile and Capital Structure

1. Basic Views

LIXIL Corporation (the "Company") constantly strives to build the best possible corporate governance system needed to realize its belief that publicizing and implementing its management philosophy throughout the Company and all of its subsidiaries and affiliates (the "Group") will enable it to achieve the maximum sustainable improvement of corporate value.
The following is the Company's Management Philosophy.

(1) LIXIL's Purpose
Make better homes a reality for everyone, everywhere

(2) LIXIL Behaviors
Do the Right Thing
Work with Respect
Experiment and Learn

The Group has adopted the following fundamental framework and has undertaken initiatives to strengthen and enhance corporate governance in order to maintain the Group's standing as a corporate group that inspires confidence through the creation and provision of attractive value to its stakeholders.
(1) Company with Nomination Committee, etc.
The Company has adopted the governance format of a "Company with Nomination Committee, etc." with the aim of clearly separating its executive and supervisory functions, thereby enabling executive officers to make swift and decisive business decisions and ensuring management transparency.

(2) Enhancement of Functions by Utilizing Discretionary Organs
In addition to the three committees (the Nomination Committee, the Audit Committee and the Compensation Committee) which are legally required of a "Company with Nomination Committee, etc.", the Company has established the Governance Committee as a non-statutory permanent committee to continuously strengthen the Company's corporate governance. As for the other governance systems, the Company has established the Board of Executive Officers and each committee. (Refer to the Corporate Governance Structure at the end of the document.)

(3) Implementation of a Uniform Corporate Governance System Across the Entire Group
By setting forth the LIXIL Behaviors and the LIXIL Code of Conduct, and group-wide financial and accounting management policies, having the entire Group comply therewith, and carrying out integrated

education and training for directors, executive officers and employees as well as uniform implementation of a compliance system, Group, the Company shall strive to cause its corporate governance to permeate to the entire globalized corporate group.

[Reasons for Non-compliance with Certain Principles of the Corporate Governance Code]

The Company has implemented each principle of the Corporate Governance Code.

[Disclosure Based on the Principles of the Corporate Governance Code] **Updated**

Because the LIXIL Corporate Governance General Policy (the "General Policy") contain provisions with regard to many of the disclosure items below, a note has been added referring to the related provision in the General Policy.
https://www.lixil.com/en/about/governance/pdf/CorporateGovernanceGeneralPolicy_en.pdf

[Principle 1-4 Cross-Shareholdings]

The Company holds shares on a cross shareholding basis only in a case where it has been recognized to be necessary in order to facilitate sales or as part of an alliance necessary for its business activities. Under Article 9 of the General Policy "Cross-Shareholdings", based on the stipulated process, each year, for each share name, the Company will comprehensively evaluate cross-shareholdings from a quantitative and qualitative perspective in respect of whether the purpose of holding is appropriate, whether the capital cost matches the benefits and risks of the holding, etc., and promptly dispose by sale in the case where it is not needed, and strive to reduce cross-shareholdings. Also, in exercising voting rights of such shares, the Company will make a full consideration from the point of view of whether it contributes to improving value over the mid to long-term of the Group and the invested company, etc., and with respect to resolutions that may violate the goal for such holding and resolutions that may harm shareholder value, the Group shall carefully determine whether to support or oppose after discussion with such company as needed and then exercise the voting rights.

[Principle 1-7 Related Party Transactions]

As for the procedures and framework for related party transactions by the Company's officers, "Rules of the Board of Directors" stipulates that all related party transactions are required to be approved by the Board of Directors. In addition, "Rules of the Board of Directors" provides that criteria to follow for each transaction explicitly and systems to prevent related transactions executed to benefit himself or herself or the third party, impairing shareholders common interests (Article 11 of the General Policy "Related-Party Transactions").

[Supplementary Principle 2-3① Sustainability Issues, Including Social and Environmental Matters]

The Company's Board of Directors shall receive reports from execution departments on environmental, social, and governance issues and initiatives, and proactively work in cooperation to identify important issues and consider measures to address them. The Board of Executive Officers shall set forth its Impact Strategy as the policy and strategy for the issues and initiatives regarding sustainability in the Group based on the result of discussions at Impact Strategy Committee. The Board of Directors shall approve the content of the Impact Strategy determined by the Board of Executive Officers after considering its appropriateness, feasibility, etc., from the perspective of enhancing corporate value over the medium to long term.
The Company's corporate purpose is to make better homes a reality for everyone, everywhere. To achieve this goal, the Company pursues responsible and sustainable innovation and develops safe and comfortable products and services based on the Group's Impact Strategy. The Impact Strategy forms an essential part of the Group's drive for achieving sustainable growth and corporate value creation in that it is integrated into the Group's core business strategy, material issues, and the Value Creation Process (VCP), through which the Group creates value for all of its stakeholders.
The Impact Strategy outlines three strategic pillars of activity where the Group will leverage its unique expertise and business operations to drive positive change on global issues that require urgent action: Global Sanitation & Hygiene, Water Conservation & Environmental Sustainability, and Diversity & Inclusion.
The responsible departments regularly report to the Board of Directors on the status of promoting the Impact Strategy, and the Board of Directors supervises the implementation of these activities through discussions on the understanding of material issues and consideration of countermeasures.

[Supplementary Principle 2-4① Ensuring Diversity, Including Active Participation of Women]
The Company is going through a transformation to become a more agile and entrepreneurial organization. Under the belief that diversity and inclusion (D&I) enhances the Company's long-term performance and competitiveness, D&I is set forth as one of the three strategic pillars of Impact Strategy. The Company updated its D&I Strategy and targets in 2021 to ensure that D&I is embedded across the organization.
The following are the D&I strategy targets for 2030.

・50:50 gender ratio for Directors and Executive Officers (female ratio: 31.3% as of June 2025)
・30% female leaders across the organization (female ratio: 17.4% as of March 2025)
・Maintaining equal gender ratio for all new graduate hires (new college and graduate school graduates) of the Company (female ratio: 47.8% as of March 2025)

The Company considers the gender gap in management-level as an issue and therefore has set gender ratio targets as described above. On the other hand, the Company does not set or disclose management-level targets based on nationality or hiring period at this time, as there has not been a significant gap relative to the gender gap. That said, the Company's D&I Strategy focuses on Inclusion as the Goal with the hypothesis that if the Company becomes a more inclusive workplace, it will strengthen diversity including for other under-represented groups.

The Global People Organization (GPO) is enabling the Company's transformation, and achieving the 2030 D&I targets is one of the main pillars of its strategy. Key initiatives include improving the hiring and promotion processes by designing policy and processes to remove bias and rolling out education programs for employees, managers and executives to help them understand and embed in their actions D&I concepts and behaviors. In addition, the Company supports various community groups within the company through our global Employee Resource Group. The Company conducts an annual survey of all employees to assess whether the environment is supportive of D&I. The Diversity & Inclusion Council was established for the purpose of accelerating D&I initiatives to transform the organization and realize its business strategy, and deliberates on D&I strategy, indicators, and targets. The deliberations are compiled as the company-wide Impact Strategy together with other priority areas by the Impact Strategy Committee, a higher-level meeting body of the Council whose members include executive officers, and reported regularly to the Board of Executive Officers and the Board of Directors.
Details on human resource performance data are disclosed on the Company's website.
https://www.lixil.com/en/impact/data/performance.html

[Principle 2-6 Roles of Corporate Pension Funds as Asset Owners]
Under the LIXIL Pension Fund in which the Company participates, the goal is to ensure long-term overall profits within the scope of allowable risks, in order to undertake properly payments of pension and bonuses in the future under management of the pension assets. The management policy for such purpose is based on analysis of the risk/return for each managed asset and plan for diverse investments considering synergies among each of the managed assets. In detail, while setting up a strategic asset composition ratio that matches the efficiencies of each shares, bonds, and other managed assets, select appropriate management operators in line with that, and conduct investments and evaluations in a flexible manner.

Also, in considering the selection, evaluation, etc., of management operators and decisions of investment policy for these pension assets, LIXIL Pension Fund shall consult an asset management committee whose committee members are Management Execution Directors from the LIXIL Pension Fund with expert ability and opinions.

For the LIXIL Pension Fund, a report is submitted by the management operator every month regarding the asset management and investment status, and at least once every quarter a report of management results is received directly from the person in charge.

[Principle 3-1 Full Disclosure]
Article 38 "Basic Policy Regarding Information Disclosure" and Article 39 "Methods of Disclosure" of the General Policy stipulate disclosure methods and the Company's fundamental policy regarding information disclosure. For the Company's Disclosure Policy, please refer to the following page on the Company's website:
https://www.lixil.com/en/investor/strategy/policy.html

(i) Company Philosophy, Management Strategy, and Management Plan
The Company's philosophy is set forth in Article 3 of the General Policy.

As a roadmap for achieving the Company's corporate purpose, the crux of all of its businesses, the Company created the "LIXIL Playbook", which set forth the Company's basic management direction, in the fiscal year ended March 2021, and established priorities that it must address. The Group have clarified the path towards realizing the Company's corporate purpose, transforming its characteristics into greater strengths and achieving sustainable growth. Even in a business environment where the future is unclear and difficult to predict, clearly stating the direction the Group should proceed will enable employees to focus on unified priorities as a team. (To address changes in the business environment since the creation of the "LIXIL Playbook", the Company has partially updated its strategic initiatives in 2023.)



[Five strategic initiatives of the "LIXIL Playbook"]
1. Tackle inflation and supply chain challenges
In response to the ongoing impact of rising materials and logistics costs, the Group will move forward with profitability improvements both by seeking optimization of sale prices and cost reductions with cost stabilization through changing materials, and by shifting to differentiated, high-value-added products. In addition, in preparation for the risk of global supply chains being disrupted, the Group will move forward on shifting to regional procurement and production systems, in addition to previous policies such as moving to redundancy in suppliers and the use of platforms for production.

2. Optimize Japan and drive new growth
The Group will continue policies to increase the profitability and agility of its Japan business, and will enhance its initiatives for growing renovation demand by expanding its renovation products, which traditionally focused on plumbing products, to those for insulation improvements such as windows and walls. Furthermore, the Group will introduce environmentally friendly products for all product lines, which will lead to differentiation.

3. Grow global Water Technology Business
Through policies such as expanded sales of high-value-added products, diversification of sales channels, and creation of a strategic brand portfolio, the Group will work to free itself from commodity business, and enhance its foundation to steadily capture growth in overseas markets.

4. Embed robust environment strategy
The Group has set three focus areas for its environmental strategy: climate change mitigation and adaptation; water sustainability; and circular economy. By integrating its environmental strategy into its business strategy and enhancing initiatives to realize medium-term targets in each area, the Group aims to expand its sustainable growth and positive impact on the global environment and society.

5. Develop new core
Towards future growth, the Group will commit resources to seek to establish core businesses that will be pillars of new profit through the creation of impactful new technologies, products, and business models.

(ii)Basic Philosophy and Policy with Respect to Corporate Governance
This is set forth in Article 1 “Purpose”, Article 3 “Corporate Management Philosophy” and Article 4 “Basic Corporate Governance Framework” of the General Policy, and in the section entitled “I -1. Basic Views” of this report.

(iii) Procedures and Policies Regarding Determination of Compensation for Directors and Executive Officers
As a “Company with Nomination Committee, etc.”, the Compensation Committee follows the policies set forth below in “Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods” in deciding the compensation of executive officers and directors (Article 28 of the General Policy “Compensation Policy”).

(iv) Procedures and Policies Regarding Determination of Director Candidates and the Removal of Directors, and the Election and the Removal of Executive Officers
As a Company with Nomination Committee, etc., in deciding upon the candidates for director seats, the Nomination Committee will apply the Company’s own criteria (Article 25 of the General Policy “Policy for Nomination of Director Candidates and Removal of Directors”) while considering not only the individual qualities of director candidates but also the appropriate composition of the Board of Directors. Criteria regarding the election, appointment, removal, and dismissal of executive officers and Representative Executive Officer are set forth in Article 26 of the General Policy “Policy for Appointment, Election, Removal and Dismissal of Executive Officers and Representative Executive Officer”, and criteria regarding the appointment and dismissal of CEO are set force in Article 27 of the General Policy “CEO Succession Plan and Basic Policy on Selection and Dismissal of CEO”. When independent outside director candidates are decided, the Company’s own independence criteria will be used, as set forth in Article 30 of the General Policy “Independence Criteria”.

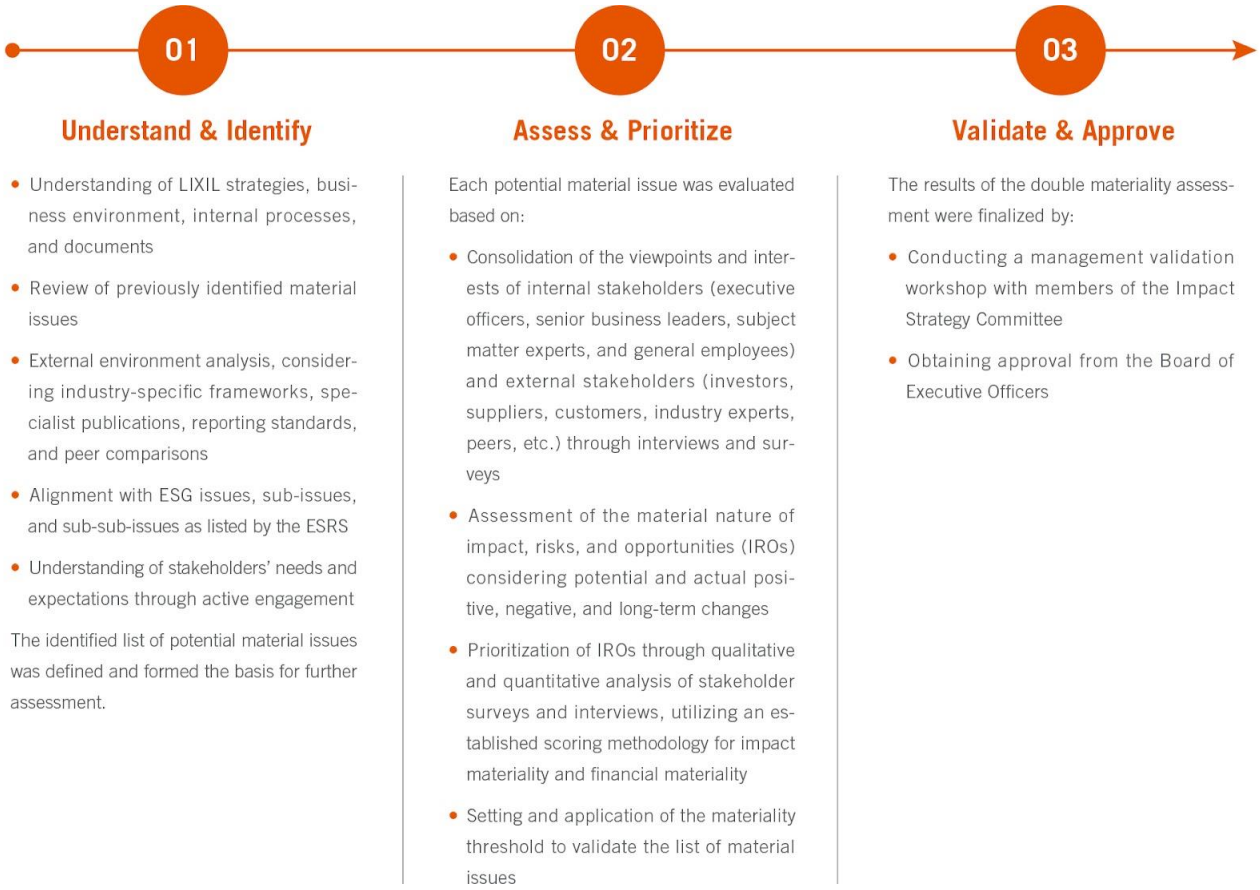
(v) Explanation of Each Election and Removal
The reasons for the election of independent outside directors are as set forth below, and the reasons for the nomination and expected roles of other directors are also disclosed on the Company’s website.
https://www.lixil.com/en/about/board/reason.html
The Company also discloses the reasons for election of executive officers on its website.
https://www.lixil.com/en/about/board/reason_exec.html
In case of the removal and dismissal of executive officers and Representative Executive Officer, the reasons for that removal and dismissal shall be clearly specified on the Company’s website. Those disclosures are carried out in accordance with paragraphs 6 and 7 of Article 26 “Policy for Appointment, Election, Removal and Dismissal of Executive Officers and Representative Executive Officer” of the General Policy.

[Supplementary Principle 3-1③ Disclosure of Sustainability Efforts When Disclosing Management Strategies]
The Group aims to contribute to society through ESG (Environment, Social, Governance) initiatives, and has continuously engaged in global issues by utilizing the technology and knowledge cultivated in the Group. The Group identifies the most urgent global issues and to which it can contribute through its expertise, and promotes priority measures based on the Impact Strategy to resolve these issues. Contributing to society through business activities is firmly in line with the Company’s purpose and the Impact Strategy, and is extremely important not only to bring benefits to society, but also to enhance the long-term sustainability of the Group.

The Group focuses on the three strategic pillars of its Impact Strategy: Global Sanitation & Hygiene, Water Conservation & Environmental Sustainability, and Diversity & Inclusion, aiming to realize the Company’s corporate purpose.

[Material issues assessment]
LIXIL identifies potential material issues based on LIXIL's Purpose, VCP, management direction, Impact Strategy, stakeholder needs and expectations, and current social circumstances and challenges. We then assess material issues based on impact, risks, and opportunities (IROs) and determine issues in terms of both business activities and social impacts. To ensure a robust and regular evaluation of our approaches to our Impact Strategy, we also take into account the complementary nature and integration of our enterprise risk management (ERM) and material issue review processes. LIXIL reviews material issues at least once a year, focusing on the most relevant IROs, and identifies and assesses roughly once every three years. Most recently, LIXIL carried out this identification and assessment process in FYE2025.

LIXIL's assessment process in FYE2025 considered a double materiality approach based on the European Sustainability Reporting Standards (ESRS). These standards outline the disclosure requirements under the Corporate Sustainability Reporting Directive (CSRD). LIXIL has begun with a high-level review to prepare for future CSRD compliance. Identification and assessment of material issues were supported by stakeholder engagement. We then proceeded with validation by the Impact Strategy Committee and approval by the Board of Executive Officers before disclosure.



[Material issues: total 13 items]

- Environmental Management
- Global Sanitation & Hygiene
- Circular Economy
- Talent & Development
- Conservation of Biodiversity
- Business Conduct
- Workforce Wellbeing
- Climate Change
- Cyber Security
- Human Rights
- Product Innovation
- Diversity & Inclusion
- Water Sustainability

Details of material issues are disclosed on the Company's website.
https://www.lixil.com/en/impact/structure/issues.html

[Investment in human capital]

The Group is transforming to embrace more agile, meritocratic, and entrepreneurial ways of working that will enable us to realize our purpose. At the same time, the world of work and the relationship between companies and employees continues to rapidly evolve. If people are the Group's most important asset, investing behind the growth and development of its people is critical to the Group's success as a company. Guided by our mission to transform LIXIL into an innovative and inclusive community that empowers everyone, everywhere, the Global People Organization (GPO) established our Global People Strategy in FYE2022. The initial phase focused on establishing a solid foundation, including flattening our organizational structure and introducing more meritocratic HR processes and systems. For the fiscal year ending March 2025, based on stakeholder feedback and the evolving realities of

our business's needs, we revised our Global People Strategy to be simpler and more focused. The three key pillars for strengthening our human capital are:

1. Embed Inclusion into our DNA
2. Elevate talent across the enterprise
3. Enhance employee experience

Details on these initiatives are disclosed on pages 43~44 of the Integrated Report 2025.
https://www.lixil.com/en/investor/library/annual_reports.html

[Investment in intellectual properties]
The pillar of the Group's management strategy is "Develop attractive and differentiated products and services to provide value to consumers around the world" and the Group continuously invests in intellectual properties such as technology, design, brand, and trade secrets, which are important management resources together with human capital. In addition to technology development abilities in Japan that generate about 70% of the patent applications of the entire group, the Group has product design abilities that can appeal to various consumers around the world and a diverse and unique brand portfolio that is unrivaled by competitors. In order to legally protect them, as of May 2025, the Group holds approximately 20,000 intellectual property portfolios globally, mainly in Japan, Europe, and Americas.
The Group is focusing on creating innovations that lead to solutions to social and environmental issues, and is working to achieve business synergies that transcend regions and brands, by global development of products that utilize innovative technologies and intellectual property developed in Japan, such as PremiAL and Grohe Purefoam. We will continue to invest in the above-mentioned intellectual properties and to implement the intellectual property strategy that ensures sustainable innovation and value creation, as we believe that it is an important foundation to develop attractive and differentiated products.
The Board of Directors regularly receives reports from the intellectual property division on the progress of the intellectual property strategy of the entire business and oversees its implementation. The Group has established a global governance system that integrates our overseas intellectual property functions with the intellectual property division at our head office, and is working to strengthen and utilize its intellectual property through close collaboration between the intellectual property division, R&D divisions, business divisions, and other related divisions.

Information on the Group's intellectual property strategy and intellectual property governance structure is disclosed on the Company's website.
https://www.lixil.com/en/investor/strategy/ip_index.html

[Investment in digital transformation strategy]
The Group promotes the digital transformation strategy to go beyond the norms of a traditional manufacturer through digital means that bring the Group closer to the consumer and empower the Group's people, which leads to becoming a consumer-centric and an agile organization. As a digital foundation, the Group is strengthening its global infrastructure, establishing IT organizations, and bolstering its information security system. For business growth, the Group is effectively using digital technologies to enhance customer experience in existing businesses and streamline the sales process, as well as to develop new businesses. Furthermore, the Group is advocating for the democratization of digital technology and is working to enhance organizational agility, enabling employees without expertise to transform the way they work with this digital technology. The Group is accelerating these activities by implementing a system which uses generative AI technology to improve the quality and efficiency of operations, a no-code development tool for developing unique business applications, and a digital educational program accessible to anyone.

Details on these initiatives are disclosed on pages 45~46 of the Integrated Report 2025.
https://www.lixil.com/en/investor/library/annual_reports.html

[Risks and earning opportunities related to environmental challenges, including climate change]
The building and construction industry has a responsibility to be an active leader in solving the current climate crisis. In the past few years, governments continue to adopt new policies in their efforts to achieve net-zero carbon. Globally, the buildings and building products sector accounts for an estimated 19% of the energy-related carbon emissions (direct), and the use of buildings and housing accounts for 18% (indirect). Population increase, and

growing household use, among other factors, have contributed to a 600% increase in water consumption since the 1960s. Today, buildings still consume massive volumes of raw materials and natural resources. The Group is evaluating and reflecting new governmental regulations across the globe, and incorporating current building trends and practices to shape our positive impact on the environment. To further ensure achievement of the "LIXIL Environmental Vision 2050, the Group identifies "Climate Change," "Water Sustainability," and "Circular Economy" as its three focus areas, and positions “Conservation of Biodiversity” as a common foundation for all three focuses. All four areas are material. The Company established its Environmental Strategy Committee (renamed Environmental Strategy Council in April 2024) in 2021 to build on its company-wide environmental strategy and ensure it is embedded within the business, closely working with the management and business units. In the fiscal year ended March 2023, the Group set mid-term targets in the three focus areas. In the fiscal year ended March 2024, the Group started its analysis based on the LEAP approach as recommended by the TNFD (Taskforce on Nature-related Financial Disclosures) and consolidated its TCFD (Task Force on Climate-related Disclosures) analysis in a TCFD/TNFD report. The Company utilizes frameworks such as TCFD and TNFD, SBTi’s Science-Based Targets (SBT), and other initiatives to monitor progress and inform disclosures, analyze risks and opportunities, formulate strategies, and reflect them in business plans, addressing environmental issues including climate change, natural capital, and biodiversity.

Details on the TCFD/TNFD related information are disclosed on the Company’s website:
https://www.lixil.com/en/impact/environment/tcfd_tnfd.html

[Supplementary Principle 4-1① Outline of the Scope of Delegation from the Board of Directors to Executive Officers]
Based on the philosophy of a “Company with Nomination Committee, etc.”, which is to separate supervisory functions from management execution functions, the Company has determined and summarized the scope of delegation in Paragraph 2 of Article 20 of the General Policy “Role and Duties of the Board of Directors”, and concrete matters to be decided by the Board of Directors and the Board of Executive Officers, respectively, are specified in the “Regulations of Board of Directors” and the “Regulations of Board of Executive Officers”.

[Supplementary Principle 4-2② Basic Policy on Initiatives Related to Sustainability]
The Board of Directors proactively works with execution departments to understand important issues and efforts regarding sustainability, such as environmental, social and governance issues, and to consider countermeasures and review and approve its strategy and policy (Impact Strategy) in terms of raising medium- to long-term corporate value. The Board of Directors monitors the progress of sustainability issues and activities to address the issues by receiving regular reports from the responsible departments, and continuously confirm the consistency between the Company's management strategy (allocation of management resources to highly important matters such as investment in human capital and intellectual property, business portfolio, etc.) and the Impact Strategy in terms of raising the Company’s medium- to long-term corporate value. The Company discloses the outline and progress of the company’s specific Impact Strategy and efforts via the company website as necessary in the way the relationship with the company’s management strategies can be seen, from the perspective of enabling a flexible response to changing social conditions.

[Supplementary Principle 4-1③ Outline of the CEO Succession Planning]
[Supplementary Principle 4-3② Election and Removal of the CEO]
The Company’s Nomination Committee will assume responsibility to establish and update the “CEO Succession Planning”, which stipulates the basic policy as well as the roadmap for “replacement of the CEO” expected in the future, and “actively supervise” the operation of the succession planning. It is also prescribed in the planning that information related to update of the “CEO Succession Planning” shall be reported to the Board of Directors at all times.

The “CEO Succession Planning” provides guidelines for the appointment of the CEO to be implemented, removing any arbitrary intent and while maintaining objectivity, transparency and fairness in any circumstances. The main items and ideas of the “CEO Succession Planning” are as follows.

1. Clarification of roles of the present CEO, etc.
Major roles of the present CEO, the Nomination Committee, and internal related divisions are prescribed as below.

①Major roles of the present CEO

Role 1 The preparation of the list for CEO succession candidates. (lead the election, addition and change of succession candidates)
Role 2 The establishment and execution of the "development plans" of CEO succession candidates. (provide succession candidates "opportunities for growth" and "opportunities for improvements" regarding their lack of experience, capabilities and behavioral patterns in light of the "ideal CEO image")
Role 3 The implementation of the "new CEO appointment process" cooperated with the Nomination Committee at normal times.

②Major roles of the Nomination Committee
Role 1 The establishment, update and supervision of the CEO succession planning as well as "active supervision" of its operation.
Role 2 Defining and periodic reviewing of "Qualities and Requirements Required for LIXIL's CEO in the Future."
Role 3 The following items regarding CEO succession candidates:
・Development of the list for CEO succession candidates
・Evaluation and understanding of CEO succession candidates
・Monitoring and advising on the "development plans" of CEO succession candidates
Role 4 The following items regarding CEO succession planning at normal times:
・Supervision of the CEO appointment process and progress by the present CEO
・Deliberation on the CEO appointment process
・Establishment and submission of proposals regarding the CEO selection to the Board of Directors
Role 5 In an emergency that is when replacement of the CEO is unexpectedly required, such as at times when the present CEO becomes unable to perform its duties due to disease or accident, take the lead in appointment and approval process of a new CEO.

③Major roles of internal related divisions
・The Nomination Committee Office (placed within the Board of Directors' Office) will assist the Nomination Committee in the preparation, update and operation of the CEO Succession Planning, as well as assume responsibility of "maintenance of consistency with the CEO Succession Planning related rules (Regulations of the Board of Directors, Regulations of Nomination Committee, etc.) and the collection and management of information on CEO succession candidates.
・The Corporate HR Department will follow the instruction of the CEO and lead "Senior Management Development Program" as well as periodically explain to the Nomination Committee the implementation status. When searching for CEO succession candidates outside the Company, the HR Department will, upon sharing ideas with the present CEO and the Nomination Committee, work with the Committee in the search.

2. Basic ideas and process of CEO appointment
Basic ideas and process of CEO appointment is prescribed in the planning as follows.
①Basic ideas on CEO's term of office
The basic ideas on the CEO's term of office is "the required time to accomplish the management plan (including the quantitative target value) that was agreed by the CEO at the Board of Directors meeting." The Nomination Committee will conduct periodic monitoring regarding the progress of the plans and goals held by the CEO, and deliberate on the continuation and reappointment of the CEO. In addition, the Nomination Committee stipulates the items regarding the CEO's dismissal standards, procedures and resignation recommendations.

②Basic ideas of new CEO appointment process
New CEO appointment process is considered separately in the case of "an emergency" and "normal times."
At normal times, the appointment process of a new CEO shall commence based on the present CEO's proposal and suggestion or the decision made by the Nomination Committee. In such case, CEO succession candidates are appointed based on list for succession candidates and an order of priority which are discussed by the CEO and the Nomination Committee. The Nomination Committee submits recommendation on the new CEO to the Board of Directors after the appointment process, and the Board of Directors examines and decides on the matter. In an emergency that is when replacement of the CEO is unexpectedly required, such as at times when the present CEO becomes unable to perform its duties due to disease or accident, the Nomination Committee shall take the lead in appointment process of a new CEO.

③Development and evaluation of list for CEO succession candidates
Going forward, a successor CEO of the Company shall be appointed from "internal candidates" in principle.

The list for CEO succession candidates is prepared by the present CEO on three timelines as shown below and updated once a year based on advice from the Nomination Committee.
・Measures to be taken in an emergency (urgency) and persons subject to such measures
・Medium-term succession candidates (internal human resources)
・Potential CEO candidates

3. Provision of "development opportunity" to CEO succession candidates
The Nomination Committee will monitor the execution of development plan to the CEO succession candidates by the present CEO. The CEO annually reports to the Nomination Committee the status (progress) of development of succession candidates. Meanwhile, the Nomination Committee gives the CEO advice on provision of development opportunity and status of development.

In FYE2025, the Nomination Committee focused on the following initiatives with a view to further promoting activities based on the above CEO Succession Planning.
・Evaluation and analysis of the current CEO by an external specialized agency
・Evaluation and analysis of CEO candidates for the next term and next generation by an external specialized agency
・Exchange of opinions between the CEO and the Nomination Committee Members based on the results of the above
evaluation and analysis
・Exchange of opinions regarding reappointment of the CEO by all Outside Directors and clarification of CEO requirements
・Deliberation of CEO reappointment based on the above exchange of opinions (Items considered: Company performance,
share price trends, progress of measures, internal evaluation, etc.)
・Exchange of opinions with the current CEO regarding successor candidates

[Principle 4-8　Effective Use of Independent Outside Directors]
As one of the policies for nomination of director candidates, the Company stipulates in Article 25 "Policy for Nomination of Director Candidates and Removal of Directors" of the Company's General Policy that independent outside directors must constitute a majority of the total number of directors. At the annual shareholders' meeting held on June 19, 2025, ten directors were elected, of which eight are independent outside directors. All chairpersons and members of the three committees required by statute are independent outside directors.

[Principle 4-9　Independence Standards and Qualification for Independent Directors]
The Company judges the independence of outside directors in accordance with the criteria set forth in Article 30 of the General Policy "Independence Criteria". The qualifications for independent outside directors are included in Article 25 of the General Policy "Policy for Nomination of Director Candidates and Removal of Directors".

[Principle 4-10　Use of Optional Approach]
In order to enhance the Company's corporate governance continually, the Company permanently established the Governance Committee to discuss or advise the Board of Directors on matters related to the Company's corporate governance, including reviewing and amending of the Company's General Policy. The Governance Committee, in cooperation with the Board of Directors and the three committees required by statute (the Nomination Committee, the Audit Committee and the Compensation Committee), as required by the board statute, will strive to develop and improve the Company's governance system. In addition, with the aim of enhancing the effectiveness of discussions at the Board of Directors, we will convene the Outside Directors Opinion Exchange Meeting composed of all independent outside directors as appropriate. The meeting will address matters deemed important for discussion at the Board of Directors, including significant management policies, sustainability-related initiatives through the oversight of impact strategies, and other matters deemed necessary for information sharing and discussion by each independent outside director.

[Supplementary Principle 4-11①　Philosophy Regarding the Composition of the Board]
The Nomination Committee, in cooperation with the Board of Directors, carried out the evaluation process for the "evaluation of the composition of the Board of Directors" from the perspective of fully considering the size and composition of the Board of Directors that should be in place for the Company during the fiscal year ended March 2025.

Based on the results of the evaluation, the Nomination Committee deliberated on the candidates for the Board of Directors, the composition of the Board of Directors and its committees, etc., from June 2026 onward.

With respect to the composition of the Board of Directors, the Company stresses diversity, and this thinking is reflected in Article 21 of the General Policy “Composition of the Board of Directors”. Currently, among internal directors, one is female who has nationality other than Japanese, and among outside directors, three are Japanese female. In addition, in accordance with Article 23 of the General Policy “Composition of Nomination Committee, Audit Committee, Compensation Committee and Governance Committee”, the Audit Committee shall appoint a person with appropriate experience, ability and necessary knowledge of finance, accounting, and law, and will particularly have at least one member with appropriate financial and accounting knowledge. The independent outside directors of the Company include those who have management experience in other companies. The skills matrix of the current Board of Directors of the Company is shown on the last page of this report.

[Supplementary Principle 4-11② Status of Directors Serving Concurrently as Board Members at Other Companies]
The Company discloses the status of major concurrent board positions held by directors in convocation notices for Annual Shareholders’ Meeting (Delivered Document), in the section about Brief Personal Profile of each director.
Convocation notices for Shareholders’ Meeting (Delivered Document)
https://www.lixil.com/en/investor/ir_event/meeting.html
Please see the Company’s policy with respect to concurrent board positions held by directors in Article 25 “Policy for Nomination of Director Candidates and Removal of Directors” and Article 34 “Persons Serving Concurrently as Directors and Executive Officers” of the General Policy.

[Supplementary Principle 4-11③ Analysis of the Effectiveness of the Board of Directors as a Whole, and Disclosure of a Summary of the Results]
Each of the Company’s directors conducts a self-evaluation of the effectiveness of the Board of Directors more than once a year. For the fiscal year ended March 31, 2025, the Board of Directors led the evaluation process. With respect to the "Evaluation on the Composition of the Board of Directors", from the perspective of fully examining the size and composition of the Board of Directors as it should be for the Company, the evaluation process is carried out in cooperation with the Nomination Committee. (For details on "Evaluation on the Composition of the Board of Directors", please refer to [Supplementary Principle 4-11 ① Philosophy Regarding the Composition of the Board].)

The outline of "Evaluation on the Operating of the Board of Directors" is as follows.

1. Purpose of implementation
・Confirm the effectiveness of the Board of Directors (present structure)
・Identify medium-to-long-term issues to improve the effectiveness of the Board of Directors and the Committees

2. Report on Progress of Priority Issues from the Previous Fiscal Year (Fiscal Year ended March 2024)
We are continuing to implement improvement measures for the following four areas identified as priority issues.

Priority issue 1
Having the established oversight culture take root and be actualized
Implemented improvements: Clarification of key themes to be deliberated by the Board of Directors, consideration of specific methods for deliberation and oversight related to key themes (including the utilization of opportunities for free discussion outside the Board of Directors), etc.

Priority issue 2
Further measures supporting Outside Directors to settle in
Implemented improvements: Enhancement of orientation for newly appointed directors (including visits to major locations and guidance from directors and executive officers), implementation of preliminary briefings prior to each board meeting, etc.

Priority issue 3
Thorough communication between Directors and between Directors and Executive Officers

Implemented improvements: Participation of executive officers (not concurrently serving as directors) in discussions on key topics related to management strategy, enhancement of site and exhibition visits and business briefings, and implementation of interactive sessions with outside directors, etc.

3. Evaluation Process and Results for this Fiscal Year (Fiscal Year ended March 2025)
From the perspective of ensuring objectivity and transparency of the evaluation, part of the evaluation process (distribution and tabulation of questionnaire for Directors and Executive Officers as well as individual interviews with Directors) is conducted with the assistance of Board Advisors Japan, Inc. (a specialized external evaluation organization).

Main concerns during evaluation
(1) What improvements or changes were seen in the three priority issues for the first half?
(2) How effective has the "operation of the Board of Directors focused on improving the Company's medium- to-long term corporate value" been?
(3) As certain the issues pertaining to the composition of the Board of Directors and Committees from a medium-to-long term perspective, etc.

Results summary (evaluation by a specialized external evaluation organization)
Confirmed that the effectiveness of the Company's Board of Directors has been ensured. On the other hand, although improvements were confirmed in the priority issues for the previous term, it was also confirmed that there is room for further improvement, such as expanding communication and clarifying the roles of meeting bodies.
4.Initiatives and Priority Issues for the Next Fiscal Year (Fiscal Year ending March 2026)
Based on the results of the deliberations of the Board of Directors, the following priority issues were set to achieve a further increase in the effectiveness of the Board of Directors and the Committees, and the Company will move forward with measures to resolve the issues.

Priority issues
(1) Focus on important agenda items
(2) Further strengthening of cooperation between the Board of Directors and each committee
(3) Strengthening mutual understanding between directors and executives

[Supplementary Principle 4-14② Policy Regarding Director and Executive Officer Training]
The Company's organizational framework and initiatives for training and study by directors and executive officers are set forth in Article 36 of the General Policy "Director and Executive Officer Training".

[Principle 5-1 Policy for Constructive Dialogue with Shareholders]
With regard to dialogue with shareholders, the Company believes that the goals of the Corporate Governance Code should be realized, and in Article 12 of the General Policy "Communication with Shareholders", it has set forth relevant provisions.

[Status of Dialogue with Shareholders]
The Company acknowledges that the capital market is important for improving corporate value over the medium to long term, and the Company's top management make briefings at every quarterly earnings call, providing explanations on items of high interest to investors and conducting Q&A sessions. In addition, the Company holds an Impact Briefing (ESG briefing) every year. At the Impact Briefing (ESG briefing), the management in charge clearly explains the linkage between management strategies and measures to enhance corporate value. Also, the Company provides opportunities for dialogue with outside directors in this ESG briefing.
The Company has established a system to provide feedback and consider further for the suggestions obtained through dialogues with investors and analysts by the IR department, and are reported to the Board of Directors and other internal stakeholders. The content of the Company's external communications is developed in collaboration with internal stakeholders.

The overview for the dialogues with stakeholders is disclosed on page 66 of the Integrated Report 2025.
https://www.lixil.com/en/investor/library/annual_reports.html

[Action to Implement Management that is Conscious of Cost of Capital and Share Price]

Description	Disclosure of initiatives (updates)
Date of update	06/23/2025

Supplementary Explanation

The Company is working to simplify and strengthen its balance sheet and improve profitability under its medium-term management direction as set forth in the "LIXIL Playbook". As medium-term targets, the Company aims to achieve a core earnings margin* of 7.5%, a net interest-bearing debt-to-EBITDA ratio of 3.5 times or less, and a ratio of equity attributable to owners of the parent to total assets of 35% or more. In the long-term, the Company aims to achieve a core earnings margin of 10% and a return on invested capital (ROIC) of 10% as its overall financial indicators.
*The Company transitioned to IFRS (International Financial Reporting Standards) from the fiscal year ended March 2016. "Core earnings" in IFRS is equivalent to "Operating profit" in JGAAP.
As a step towards achieving the ROIC target, the Company is working to expand its core earnings. The improvement of the core earnings margin can be realized through the expansion of differentiated products and services, and by securing the funds to pursue new opportunities that will contribute to the expansion of our market share organically.

In the current drastic changing business environment, in order to better meet shareholders and investors' needs, the Company has been identifying risks that could potentially affect its performance, and proactively and fairly disclosing important information that might affect investment judgments. The Company will set performance targets that appropriately consider changes in the business environment and work to enhance its corporate value by accumulating the achievements of these plans.

The Company 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. The policy on shareholder returns and implementation of this policy is deliberated and approved by the Board of Directors.

In addition, the Company has introduced an executive compensation system to deepen the shared interests with shareholders to improve corporate value over medium- to long-term. (Please refer to [Incentives] [Compensation for Directors and Executive Officers] Supplementary explanation)

Details on the Company's action to implement management that is conscious of cost of capital and share price are disclosed on page 11~13 of the Integrated Report 2025.
https://www.lixil.com/en/investor/library/annual_reports.html

Details on the Company's initiatives to strengthen its financial soundness and improve profitability are disclosed in Section 2 of the Integrated Report 2025.
https://www.lixil.com/en/investor/library/annual_reports.html

2. Capital Structure Updated

Percentage of Foreign Shareholders	20% or more but less than 30%

[Status of Major Shareholders] Updated

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account) *	45,954,600	15.99
Custody Bank of Japan, Ltd. (Trust Account) *	12,595,300	4.38
LIXIL Employee Stock Ownership	8,433,661	2.93
JPMorgan Securities Japan Co., Ltd.	5,664,473	1.97
NORTHERN TRUST CO. (AVFC) SUB A/C AMERICAN CLIENTS (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited Tokyo Branch)	5,371,100	1.87
STATE STREET BANK AND TRUST COMPANY 505103 (Standing Proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	5,094,323	1.77
THE BANK OF NEW YORK MELLON 140044 (Standing Proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	5,047,800	1.76
JP MORGAN CHASE BANK 385781 (Standing Proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	4,003,226	1.39
Nippon Life Insurance Company (Standing Proxy: The Master Trust Bank of Japan, Ltd.)	3,824,476	1.33
STATE STREET BANK AND TRUST COMPANY 505001 (Standing Proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	3,772,257	1.31

Controlling Shareholder (except for Parent Company)	—
Parent Company	None

Supplementary Explanation Updated

Note for the above mentioned [Status of Major Shareholders]
1. The above mentioned status of shareholders is as of September 30, 2025.

2. Shareholding calculations exclude 67,522 shares of treasury stock.

3. * indicates a trust service arrangement.

4. On May 9, 2024, Large Shareholding Report (Amendment Report) was filed, which is open to the public, stating that Capital Research and Management Company, Capital International K.K., and Capital International Inc. held shares of the Company as of April 30, 2024 as shown below. However, these shareholdings were not included in the above major shareholders because the Company could not confirm the number of beneficial shares held as of September 30, 2025. The above mentioned [Status of Major Shareholders] is stated based on the content of the shareholder registry.
The content of the Large Shareholding Report (Amendment Report) is as follows.

Capital Research and Management Company Number of shares held: 11,657,796 Percentage: 4.06% Capital International K.K. Number of shares held: 407,100 Percentage: 0.14% Capital International Inc. Number of shares held: 854,400 Percentage: 0.30%

3. Corporate Attributes

Listed Stock Market and Market Segment	Tokyo Stock Exchange Prime Market Nagoya Stock Exchange Premier Market
Fiscal Year-End	March
Business Sector	Metal products
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	1000 or more
Sales (consolidated) as of the End of the Previous Fiscal Year	¥1 trillion or more
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 100 to less than 300

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

—

5. Other Special Circumstances which may have Material Impact on Corporate Governance

The Company holds shares in Sanyo Homes Corporation (“Sanyo Homes”), a company listed on the Tokyo Stock Exchange (Standard market), as an equity-method affiliate, recognizing the importance of facilitating business operations and establishing external partnerships. The Company and Sanyo Homes have agreed to enhance synergies and promote mutual growth in their respective businesses while mutually respecting their independence as publicly traded companies. The Company regularly receives financial reports from Sanyo Homes and engages in meaningful exchanges of opinions on key matters, such as strategic direction. Sanyo Homes has its own decision-making body, the Board of Directors, and a supervisory body, the Audit and Supervisory Committee, to independently make management decisions. The Company does not assign any officers to Sanyo Homes.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with Nomination Committee, etc.

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	16
Term of Office Stipulated in the Articles of Incorporation	1 year
Chairperson of the Board	An independent outside director
Number of Directors	10

[Outside Directors]

Number of Outside Directors	8
Number of Independent Directors	8

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Jun Aoki	From another company											
Shigeki Ishizuka	From another company								△			
Hiroshi Ishino	From another company								△			
Ryusuke Ohori	From another company											
Shiho Konno	Lawyer											
Mayumi Tamura	From another company											
Yuji Nishiura	From another company								△			
Mariko Watahiki	Lawyer											

* Categories for "Relationship with the Company"
* "○" when the director presently falls or has recently fallen under the category;
"△" when the director fell under the category in the past
* "●" when a close relative of the director presently falls or has recently fallen under the category;
"▲" when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries
b. Non-executive director or executive of a parent company
c. Executive of a fellow subsidiary
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the Company or an executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director
g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
i. Executive of a company, between which and the Company outside directors are mutually appointed (the director himself/herself only)
j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
k. Others

Outside Directors' Relationship with the Company (2)

Name	Affiliated Committees			Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
	Nomination Committee	Compensation Committee	Audit Committee			
Jun Aoki	○	○		○	Assumed office in June 2023. Mr. Aoki was a Corporate Executive Officer at Shiseido Company, Limited, but left office in December 2021. The Shiseido group has no business relationship with the LIXIL group in the last fiscal year, and therefore it is not a major business partner. Furthermore, as he meets both the requirements for an independent officer prescribed by the stock exchange and the Independence Criteria for Outside Directors prescribed by the Company as well, he is determined to have a high level of independence from the Company.	As a first-class architect, Mr. Aoki has extensive industry experience and knowledge concerning urban planning, buildings, and building materials, etc. Moreover, in addition to being central to human resources and organizational innovations and contributing to the enhancement of human resources development, corporate culture reforms, and promotion of diversity as the Chief People Officer of a listed company, he has management experience at a listed company with global business. At the Company, he has used his expertise on personnel and organizational management in particular to provide important perspectives on the discovery of issues and understanding of risks, etc. and proactively comment at Board of Directors' Meetings, and has led the establishment of the executive compensation system as Chairperson of the Compensation Committee. As Outside Director of the Company, he is expected to continue to contribute to the improvement of the effectiveness of the Board of Directors and the committees. A
Shigeki Ishizuka		○	○	○	Assumed office in June 2023. Mr. Ishizuka was Vice-Chairman of Sony Group Corporation, but he left office in March 2023. The LIXIL group has a business relationship with the Sony group involving repairs of digital devices and other repairs, etc.; however, such transactions accounted for 0.00002% of the Sony group's sales for the last fiscal year, and for 0.0005% of the LIXIL group's revenue for the last fiscal year, and therefore, neither is a major business partner for the other. Furthermore, as he meets both the requirements for an independent officer prescribed by the stock exchange and the Independence Criteria for Outside Directors prescribed by the Company as well, he is determined to have a high level of independence from the Company.	In addition to having management experience at a listed company with global business, with a background in engineering, Mr. Ishizuka has deep knowledge of information security, IT and digital technology, manufacturing technology, quality management, and marketing etc. At the Company, he has used his management experience and extensive knowledge of manufacturing and technology development to proactively comment at Board of Directors' Meetings, and has provided important perspectives on information security, IT and digital technology, quality management, and understanding of risks, etc. as a member of the Audit Committee. Furthermore, as a member of the Compensation Committee, he has made comments that have contributed to the establishment of a highly transparent executive compensation system. As Outside

Name	Affiliated Committees			Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
	Nomination Committee	Compensation Committee	Audit Committee			
						Director of the Company, he is expected to continue to contribute to the improvement of the effectiveness of the Board of Directors and the committees.
Hiroshi Ishino	○		○	○	Assumed office in June 2025. Mr. Ishino was Representative Director of Kansai Paint Co., Ltd., but left office in June 2019. The LIXIL group has a business relationship with the Kansai Paint group involving purchase and repair of products; however, such transactions accounted for 0.07% of the Kansai Paint group's sales for the last fiscal year, and for 0.00003% of the LIXIL group's revenue for the last fiscal year, and therefore, neither is a major business partner for the other. Furthermore, as he meets both the requirements for an independent officer prescribed by the stock exchange and the Independence Criteria for Outside Directors prescribed by the Company as well, he is determined to have a high level of independence from the Company.	In addition to his experience in overseas business at a major trading company, Mr. Ishino has extensive experience and knowledge in business operations, from manufacturing to sales and marketing, and risk management at a listed manufacturer that operates globally. He also has experience serving as representative director and president of that company, as well as chairman of the board of directors of another listed manufacturing company as an outside director. We have determined that his expected contribution to the supervision of management from the perspective of someone with management experience in the global manufacturing industry will enable him to fulfill his duties as an Outside Director of the Company. By newly appointing him as Director, he is expected to continue to contribute to the improvement of the effectiveness of the Board of Directors and the committees.
Ryusuke Ohori	○		○	○	Assumed office in June 2024. Mr. Ohori was an operating officer of JPMorgan Asset Management (Japan) Limited, and retired in March 2017. Since there were no transactions between the company and the LIXIL group in the most recent fiscal year, it is not a major business partner. Furthermore, as he meets both the requirements for an independent officer prescribed by the stock exchanges and the Independence Criteria for Outside Directors prescribed by the Company as well, we have determined that he is independent of the Company. Although JPMorgan Asset Management (Japan) Limited is a sibling company of our major shareholder, JPMorgan Securities Japan Co., Ltd. (as of the end of the current fiscal year, the company's shareholding ratio was 1.64%). However, the relationship between the two companies is not directly influenced by JPMorgan Chase & Co. of the U.S., which is the indirect parent company, and JPMorgan Asset Management (Japan) Limited is not a shareholder of the Company, and therefore, it is determined that there would be no effect on his independence. In addition, he worked for the Company's managing underwriter (not its lead managing underwriter), Nomura Securities Co., Ltd., until May 1996, but 29 years have elapsed since his resignation and therefore it is determined that there would be no effect on his independence.	Mr. Ohori has abundant experience as an analyst at a major financial institution and investment officer at an overseas asset management company, as well as broad knowledge of financial and market analysis and risk management. He also has broad knowledge of information disclosure at companies, having acted as executive director of an organization that promotes dialogue between investors and companies, and having served on a research committee for information disclosure organized by a government institution. At the Company, he has used such experience and knowledge to proactively comment at Board of Directors' Meetings and, as a member of the Nomination Committee, to contribute to a highly transparent process for determining candidates for directors and executive officers. In addition, as a member of the Audit Committee, he has used his expertise in market analysis and information disclosure in particular to provide important perspectives on the discovery of issues and understanding of risks, etc., and has made comments that contribute to the improvement of the supervisory function. As Outside Director of the Company, he is expected to continue to contribute to the improvement of the effectiveness of the Board of Directors and the committees.
Shiho Konno			○	○	Assumed office in June 2021. Ms. Konno is an attorney-at-law at Shiho Konno Habataki Law Office. The law firm has no business relationship with the LIXIL group, and so is not a major business partner.	As a lawyer, an expert in law, Ms. Konno has deep knowledge of corporate governance and diversity gained through law practice. Although she has no direct experience in corporate business execution, based on her

Name	Affiliated Committees			Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
	Nomination Committee	Compensation Committee	Audit Committee			
					Furthermore, as she meets both the requirements for an independent officer prescribed by the stock exchange and the Independence Criteria for Outside Directors prescribed by the Company as well, she is determined to have a high level of independence from the Company.	deep knowledge of corporate governance and diversity and inclusion, as well as her experience as an outside director of a number of listed companies, the Company believes that she will continue to be able to perform her duties as Outside Director of the Company. At the Company, she has contributed to improving supervisory functions by using this experience and knowledge to proactively comment at Board of Directors' Meetings, as well as by providing important perspectives on the discovery of issues and understanding of risks, etc., particularly by utilizing her expertise in legal and compliance matters as a member of the Audit Committee. As Outside Director of the Company, she is expected to continue to contribute to the improvement of the effectiveness of the Board of Directors and the committees.
Mayumi Tamura			○	○	Assumed office in June 2022. Ms. Tamura was Executive Officer, Senior Vice President, and CFO of Seiyu Holdings Co., Ltd., and left the offices in 2013. The company had no business relationship with the LIXIL group in the last fiscal year, and so is not a major business partner. Furthermore, as Ms. Tamura meets both the requirements for an independent officer prescribed by the stock exchange and the Independence Criteria for Outside Directors prescribed by the Company as well, she is determined to have a high level of independence from the Company.	Ms. Tamura has served as CFO at multiple global companies, has been involved in management planning and M&A, and also has deep knowledge of finance and accounting. She has served as an outside director of a number of listed companies, and also has knowledge of corporate governance and diversity and inclusion. At the Company, she has contributed to improving supervisory functions by using this experience and knowledge to proactively comment at Board of Directors' Meetings, as well as by providing important perspectives on the discovery of issues and understanding of risks, etc., particularly by using her finance and accounting expertise as a member of the Audit Committee. As Outside Director of the Company, she is expected to continue to contribute to the improvement of the effectiveness of the Board of Directors and the committees.
Yuji Nishiura				○	Assumed office in June 2019. Mr. Nishiura was Director and the Chairperson of AXA Life Insurance, Co., Ltd., and he left office in June 2015. While there is a business relationship between said company and the LIXIL group involving fees for handling collective insurance, the ratio of such transactions accounted for 0.00001% of income of the company such as insurance premiums, and it is not a major business partner. Further, He was Director and the Chairperson of AXA GENERAL INSURANCE COMPANY LIMITED, and he left office in June 2015. In the last fiscal year, the company did not have any business relationship with the LIXIL group, and therefore, it is not a major business partner. He was the Chair and CEO of Sumitomo Mitsui Trust Club Co., Ltd., and he left the company in December 2018. In the last fiscal year, the company did not have any business relationship with the LIXIL group, and therefore, it is not a major business partner. Therefore, as each company is not a major business partner and he	Mr. Nishiura is a management professional who has been involved in a number of corporate restructuring matters, and has broad and deep knowledge of corporate management including financial analysis, M&A, risk management, and marketing, etc. Since assuming the position of Outside Director of the Company, he has used this experience and knowledge to lead discussions at the Board of Directors, which is made up of directors with a wide range of expertise, as Chairperson of the Board of Directors, and drive improvements to the effectiveness of the Board of Directors by properly supervising growth strategies and managing risks. As Outside Director of the Company, he is expected to continue to contribute to the improvement of the effectiveness of the Board of Directors and the committees.

Name	Affiliated Committees			Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
	Nomination Committee	Compensation Committee	Audit Committee			
					meets both the requirements for an independent officer prescribed by the stock exchange and the Independence Criteria for Outside Directors prescribed by the Company, he is determined to have a high level of independence from the Company. And he worked for The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited) until January 2000, but 25 years have elapsed since his resignation. In addition, he served in position of Advisor for five years at the company from December 2015 to March 2020, however he was not involved in business execution. Therefore, it is determined that there would be no effect on his independence.	
Mariko Watahiki	○	○		○	Assumed office in June 2021. Ms. Watahiki is an attorney-at-law at Okamura Law Office. The law firm has no business relationship with the LIXIL group, and so is not a major business partner. Furthermore, as she meets both the requirements for an independent officer prescribed by the stock exchange and the Independence Criteria for Outside Directors prescribed by the Company as well, she is determined to have a high level of independence from the Company.	Ms. Watahiki has a long career as a judge and has been involved in resolving many civil cases, including corporate legal affairs, and administrative and labor issues. In addition, she also has a track record and knowledge of being involved in organizational management, including thorough compliance and governance, personnel management and human resource development, and crisis management by serving as the chief judge of several high courts. After retiring as a judge, Ms. Watahiki served as chairperson, etc. of several private organizations' third-party committees where she contributed to improving compliance and governance. Although she has no direct experience in corporate business execution, based on her experience in handling many cases as a judge, her high level of expertise in administrative and labor issues in particular, and her practical experience operating an organization as the chief judge of high courts, the Company believes that she will continue to be able to perform her duties as Outside Director of the Company. At the Company, she has used this experience and knowledge to proactively comment at Board of Directors' Meetings, and as Chairperson of the Nomination Committee, she has led the planning and promotion of a highly transparent process for determining candidates for directors and executive officers. She has also led the establishment of the officer compensation system, etc. As Outside Director of the Company, she is expected to continue to contribute to the improvement of the effectiveness of the Board of Directors and the committees.

[Committees]

Committee's Composition and Attributes of Chairperson

	All Committee Members	Full-time Members	Internal Directors	Outside Directors	Chairperson

Nomination Committee	4	0	0	4	Outside Director
Compensation Committee	3	0	0	3	Outside Director
Audit Committee	5	0	0	5	Outside Director

[Executive Officers]

Number of Executive Officers	8

Status of Additional Duties Updated

Name	Representative Authority	Additional Duties as Director			Additional Duties as Employee
			Nomination Committee Member	Compensation Committee Member	
Kinya Seto	Yes	Yes	No	No	No
Yugo Kanazawa	Yes	No	No	No	No
Bijoy Mohan	No	No	No	No	No
Satoshi Yoshida	No	No	No	No	No
Hiroyuki Oonishi	No	No	No	No	No
Mariko Fujita	No	No	No	No	No
Hanseul Kim	No	No	No	No	No
Erin McCusker	No	No	No	No	No

[Auditing Structure]

Appointment of Directors and/or Staff to Support the Audit Committee	Appointed

Matters Related to the Independence of Such Directors and/or Staff from Executive Officers

The Company has established the Audit Committee Office as a dedicated entity to exercise the authority of the Audit Committee or Audit Committee members as set forth in laws and ordinances or internal regulations and to audit the legality and validity of the execution of duties by directors and executive officers. Audit & Supervisory Board Members are assigned to major domestic subsidiaries as part-time auditors and are playing the role of auditor audit at each of the companies and contributing to the improvement of governance of the Group. If the Audit & Supervisory Board Members dispatched directly from the Company's Audit Committee find any sign of problems with business audit or internal control, the said Audit & Supervisory Board Members will immediately report to the Audit Committee. The Company has decided that executive officers will not give orders or instructions with regard to directions from the Audit Committee or Audit Committee members to the Audit Committee Office and the Audit & Supervisory Board Members under the Group Audit Framework as required for auditing work, and personnel changes and employee performance evaluation are matters to be resolved at the Audit Committee.

Cooperation among Audit Committee, Financial Auditors and Internal Audit Departments

In performing audits, the Audit Committee, the Audit & Supervisory Board Members, under the Group Audit Framework and the Internal Audit Division (Corporate Audit) are all committed to conducting audits that further enhance transparency and effectiveness by regularly holding meetings, promoting the sharing of information and cooperating at all times. The Internal Audit Division will comply with instructions and orders of the Audit Committee or an Audit Committee Member elected by the Audit Committee. The consent of the Audit Committee is required for election/removal and personnel evaluation of the person in charge of the Internal Audit Division, as well as the budget for the activities of the Internal Audit Division. Through such initiatives, the system to ensure the effectiveness of the audits by the Audit Committee is established. In addition, they are working in close cooperation with the financial auditor to actively exchange information. The accounting functions and internal control functions are subject to internal audits by the Internal Audit Division, Audit Committee audits regarding business reporting, and accounting audits based on the Companies Act and the Financial Instruments and Exchange Act. The Company has elected Deloitte Touche Tohmatsu LLC as its financial auditor, concluded an audit agreement with the same regarding accounting auditing under the Companies Act and the Financial Instruments and Exchange Act, and has received an explanation of the auditing plan. In addition to receiving audit reports, the Company conducts hearings about the status of audits being performed as necessary.

[Independent Directors]

Number of Independent Directors	8

Matters relating to Independent Directors

All independent directors appointed by the Company are outside directors with independent director qualifications.
Independent directors have sophisticated knowledge and extensive experience in fields such as corporate management, finance, financial accounting, or law, and they must be able to supervise business execution by the management team from an independent and objective perspective, as well as satisfy the Company's independence determination criteria. The Company's independence determination criteria stipulate that an outside director is independent if he or she does not fall under any of the following.

i. A shareholder, or an executive (hereinafter, meaning the "executive" stipulated in Article 2(3)(6) of the Companies Act Enforcement Ordinance) of another company, that holds 10% or more of voting rights in the Company;
ii. An executive of a company in which the Company holds 10% or more of the voting rights;
iii. A client or supplier, or the executive of another company, that has transactions with the Group in an amount equal to 2% or more of either's annual consolidated sales;
iv. A financial institution or other major creditor, or an executive thereof, that is indispensable to the Group's fundraising and on which the Group relies to an irreplaceable degree;
v. A member, partner, or employee of an audit company or tax accountant company that is the Group's financial auditor or that participates in the Group's accounting;
vi. A party that receives donations or aid from the Group in an annual amount of 10,000,000 yen or more, or if such party is a corporation, organization, or other group (a "corporation, etc."), an executive of a corporation, etc. that annually receives donations or aid from the Group in excess of 2% of the corporation, etc.'s gross income;
vii. A party that annually obtains 10,000,000 yen or more of money or other profit in assets from the Group, other than as remuneration as an officer, as an attorney, certified public accountant, tax accountant, consultant, or other specialist advisor, or if the party that obtains such profit is a legal professional corporation, law firm, audit company, tax accountant company, or consulting firm or other corporation, organization, or other group (a "legal professional corporation, etc."), a party that belongs to a legal professional corporation, etc. that annually obtains money or other profit in assets from the Group in excess of 2% of the legal professional corporation, etc. 's gross income;
viii. A party whose spouse, relative within the second degree of kinship, or co-habiting relative of the director himself/herself falls under items i. through vii.;
ix. A party that falls under items i. through viii. above within the past five years;

x. The executive of a company where an executive of the Group (notwithstanding the provisions of item i. above, meaning an executive director, an executive officer, an operating officer or other employee) serves as an officer

[Incentives]

Incentive Policies for Directors and/or Executive Officers	Introduction of Performance-linked compensation and others

Supplementary Explanation

The compensation structure for Directors who monitor and supervise the Company's management, and for Executive Officers who are responsible for the performance of business, shall be separate. When a Director concurrently serves as an Executive Officer, the compensation structure for Executive Officers shall be applied. The compensation system for Directors consists of Annual Base Salary and Stock-linked compensation as their acts are requested to contribute to increase the sustainable corporate value while they are monitoring and supervising the management during their statutory terms. In the event that an Outside Director assumes the role of chairperson of the Board of Directors' Meeting or chairperson of a Committee, an allowance (the "Chairperson Allowance") shall be paid for such duties. The compensation system for Executive Officers consists of Annual Base Salary, Performance-linked compensation and Stock-linked compensation, based on the policy of retaining talented human resources that are essential for accelerating business growth, rewarding Executive Officers fairly and equitably in accordance with their performance and properly reflecting the trust and evaluation of shareholders and other stakeholders in the compensation.

Recipients of Stock Options	

Supplementary Explanation

[Compensation for Directors and Executive Officers]

Disclosure of Individual Directors' Compensation	Selected Directors
Disclosure of Individual Executive Officers' Compensation	Selected Executive Officers

Supplementary Explanation

[Total amount of the compensation by officer category]
The number of Directors and Executive Officers and the amount of compensation for each compensation system are disclosed in the Business Report. In addition to this, the names and amounts of compensation with total compensation of 100 million yen or more are disclosed in the Securities Report and the Company website.

The number of Directors and Executive Officers and the amount of compensation for each compensation system in the fiscal year ended March 2025 is as follows.

Officer category	Total amount of compensation (million yen)	Total amount of compensation by type (million yen)					Number of Officers receiving
		Annual Base Salary	Performance-linked compensation	Stock-linked compensation		Others	
				Phantom Stock	Restricted Stock		
Directors (excluding Outside Directors)	9 (9)	9 (9)	-	-	-	0 (0)	1
Outside Directors	181 (181)	144 (144)	-	37 (37)	-	-	9
Executive Officers	1,534 (1,437)	608 (511)	335 (335)	322 (322)	247 (247)	22 (22)	8
Total	1,724 (1,627)	761 (664)	335 (335)	359 (359)	247 (247)	22 (22)	18

Notes:
1. Amounts based on Japan standard.
2. The total amount of compensation shown above are stated as consolidated compensation, which are the total amount of compensation paid by the Company and the Company's subsidiaries. The amount in parentheses is the total amount of compensation paid by the Company.
3. The Company pays the compensation as Executive Officer to Directors who concurrently serve as Executive Officer.
4. The amount of Annual Base Salary for Outside Directors includes Chairperson Allowance.
5. Regarding Performance-linked compensation and Stock-linked compensation, the amounts that were recorded as expenses for the fiscal year ended March 2025 are stated.

[Pay ratio]
The average annual salary for employees in the fiscal year ended March 2025 is 7,087,320 yen, and the pay ratio between the CEO and employees is 61.2.

Policy on Determining Compensation Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

[Compensation basic policies]
The compensation for Directors and Executive Officers shall be determined in accordance with the following basic policies.
①Foster improvement of short-, medium-, and long-term business results and sustainable corporate value.
②Attract and retain the best talent who are necessary to foster business growth globally.
③ Determine compensation through a fair and reasonable decision-making process that will provide accountability to shareholders, employees, and all stakeholders.
④Consider and discuss compensation based on the economic and social situation, our business condition and objective indexes based on survey results conducted by external specialized agencies and advice of external specialized agencies at the Compensation Committee.
⑤ Individual compensation shall be managed in consideration of role and responsibility, business performance, experience and difficulty of securing personnel, etc.

[Compensation System]
As described in [Incentives] above, the compensation system for Directors consists of Annual Base Salary, Stock-linked compensation, and Chairperson Allowance, and the compensation system for Executive Officers consists of Annual Base Salary, Performance-linked compensation, and Stock-linked compensation.

[Annual Base Salary]
Annual Base Salary for Outside Directors shall be determined, based on the role of Outside Directors at the Company, while referring to the compensation levels of the upper group among domestic companies as reference information in line with the purpose of the compensation basic policies. Annual Base Salary of Internal Directors who do not concurrently serve as Executive Officers shall be determined on an individual basis, depending on whether they are full-time or part-time, the nature of their duties, and their roles and responsibilities, etc.
Annual Base Salary for Executive Officers shall be determined individually, based on role and responsibility, business performance, experience and difficulty of securing personnel, etc. of each Executive Officer, while referring to the compensation levels of domestic and foreign companies of similar business size as reference information in line with the purpose of the compensation basic policies. In view of the importance of attracting management talent from a variety of industries on a global basis to realize LIXIL's Purpose, a wide range of companies of similar business size shall be referenced.
The amount of Annual Base Salary for Directors and Executive Officers shall be divided into twelve (12) months and paid monthly.

[Performance-linked compensation]
What is important for Performance-linked compensation is to strongly motivate Executive Officers for their actions and reward them fairly and equitably based on their performance. Therefore, the method of calculation shall be determined by careful interviews of Executive Officers by the Compensation Committee. There is no Performance-linked compensation in the compensation system for non-executive Directors.

①Evaluation Period and payment timing: The evaluation period of Performance-linked compensation shall correspond to the fiscal year. The payment shall be made in a single payment within one (1) month from the date on which the Company reports the contents of the financial statements for the evaluation period to the Annual Shareholders' Meeting.

②Calculation formula: To encourage Executive Officers to work together to achieve single-year management goals and to ensure that they are fairly and equitably rewarded in accordance with the results of their performance, Performance-linked compensation is calculated in accordance with the formula below based on the company-wide performance targets as a basis for calculating the payout rate.
Performance-linked compensation= "Base Amount of Performance-linked compensation (③ below)" x "Payment rate according to business target achievement rates (④ and ⑤ below)"

③Base Amount of Performance-linked compensation: The base amount in the evaluation period shall be determined individually by the Compensation Committee as a certain percentage of Annual Base Salary according to the role and responsibility, etc. of subject officers after comparing compensation levels with domestic and foreign companies of a similar business scale based on the survey results conducted by the external specialized agencies in line with the purpose of the compensation basic policies.

④Business target achievement rate: Business target achievement rate shall be set by calculating the ratio of the actual figures disclosed in the Annual Securities Report versus the forecast figures disclosed in the flash reports or the like at the beginning of each evaluation period for Performance-linked compensation. If there is more than one business target, the achievement of each target is multiplied by the percentage of each target in the total business target, and then aggregated. Business target items for the fiscal year ended March 2025 are return on invested capital (the "ROIC"), which is a capital efficiency improvement indicator that is one of the important management goals, core earnings (the "CE") which is a business management indicator, and profit attributable to the owner of the parent company ("Net profit").

Business target	Weight	Target figures (million yen)	Actual figures (million yen)	Business target achievement rate (Actual /Target×100)	Business target achievement rate × weight
ROIC	40%	1.4%	1.7%	121.43%	48.57%
CE	30%	35,000	31,337	89.53%	26.86%
Net profit	30%	8,000	2,001	25.01%	7.50%
Business target achievement rate for all items	-	-	-	-	82.94%

Business target achievement rate of all items (%) = ROIC achievement rate (%) × 0.4 + CE achievement rate (%) × 0.3 + Net profit achievement rate (%) × 0.3

The formula for calculating ROIC and CE is as follows.
ROIC = operating profit × (1 – effective tax rate) ÷ (operating claims and other claims + inventory + fixed assets (including goodwill and intangibles) – operating liabilities and other liabilities)
CE = sales revenue – (cost of sales + SG&A expenses)

⑤The relationship between business target achievement rate and payout rate: The payout rate shall be calculated as below, which is designed comprehensively considering the difficulty of the achievement of business targets and the effect of motivation, in accordance with the business target achievement rate for all items calculated in ④ above. The payout rate for the fiscal year ended March 2025 is 82.9%. The calculations in ④ above and ⑤ shall be rounded off to the first decimal place at the time of calculation of the payout rate, which is the final step in the calculation.

Business target achievement rate	Payout rate
Less than 50%	0%
50% or more to less than 100%	The business target achievement rate
100% or more to less than 150%	{(The business target achievement rate －100) ×2＋100} %
150% or more	200%

[Stock-linked compensation]
The Company has been applying Stock-linked compensation in order to encourage Directors and Executive Officers to deepen their shared interests with shareholders and work to improve corporate value over medium- to long-term. Stock-linked compensation until the Annual Shareholders' Meeting in 2025 consisted of Restricted Stock Compensation Plan applied for Executive Officers from the fiscal year ended March 2024

and Phantom Stock Plan, which is a stock-linked monetary compensation, applied for Directors and Executive Officers from the fiscal year ended March 2020. Since the Company has applied Restricted Stock Compensation Plan for Directors in place of Phantom Stock Plan from the day of the Annual Shareholders' Meeting in 2025, Stock-linked compensation after the Annual Shareholders' Meeting in 2025 consists of Restricted Stock Compensation Plan for Directors and Executive Officers and Phantom Stock Plan for Executive Officers. The ratio of Restricted Stock Compensation Plan and Phantom Stock Plan for Executive Officers is, in principle, 50% for each.
In addition, the numbers of shares of the Company and Phantom Stock owned by each officer are posted on the Company's website.

[Stock-linked compensation I: Restricted Stock Compensation Plan]
Since the Company has applied Restricted Stock Compensation Plan for Directors in place of Phantom Stock Plan from the day of the Annual Shareholders' Meeting in 2025, officers subject to this plan are Directors and Executive Officers. In principle, for non-residents of Japan, the Phantom Stock Plan shall be applied.

①Allotment date: In principle, the Company allots shares to officers within two months of the appointment date of the officer. The allotment date for Directors for the fiscal year ending March 2026 is July 9, 2025 and the allotment date for Executive Officers for the fiscal year ending March 2026 is May 16, 2025.

②Number of shares allotted: The number of shares of restricted stock allotted to each Director shall be the number calculated by dividing the base amount, which is set based on the role and responsibility of Director, by the average closing price of the Company's stock for the 30 business days preceding the appointment date in line with the purpose of the compensation basic policies. The number of shares of restricted stock allotted to each Executive Officer shall be the number calculated by dividing the base amount, which is calculated by multiplying Annual Base Salary by the coefficient that is set individually according to the role and responsibility, etc. of an Executive Officer after comparing compensation levels with domestic and foreign companies of a similar business scale based on the survey results conducted by external specialized agencies in line with the purpose of the compensation basic policies, by the average closing price of the Company's stock for the 30 business days preceding the appointment date. The average closing price will be rounded up to the nearest yen. This share price is same as the way used to calculate the number of granted PS in the Phantom Stock Plan, which is another plan that makes up Stock-linked compensation of the Company, and it is believed to be reasonable and not particularly advantageous. However, if the Board of Directors determines that there is a concern that the average price would be particularly favorable to officers, the closing price of the Company's stock on the business day prior to the day on which the Board of Directors resolves to issue new shares shall apply. It was confirmed that there was no concern that the average price for the fiscal year ending March 2026 would be particularly advantageous to the officers. The number of shares allotted in the fiscal year ended March 2025 was, based on base amount, 100% of the Annual Base Salary for the Representative Executive Officer and President and 35.8% of the Annual Base Salary for Executive Officer and Executive Vice Presidents (Senmu), as a median value.

③Transfer restriction period: The transfer restriction period (the "Transfer Restriction Period") is from the allotment date until the person subject to the allotment leaves office from every position as Director or Executive Officer of the Company. During the Transfer Restriction Period, the person subject to the allotment shall not transfer, pledge, create a security interest in, make a living gift, bequest or otherwise dispose of the restricted shares the person was allotted (the "Allotted Shares") to any third party (the "Transfer Restriction").

④Lifting of the Transfer Restriction: The Company shall lift the Transfer Restriction on all of the Allotted Shares at the time of leaving office from every position as Director or Executive Officer of the Company, on the condition of, with respect to Directors, having continuously held the position of Director of the Company until the day of the first Annual Shareholders' Meeting that falls after the commencement date of the Transfer Restriction Period, and with respect to Executive Officers, having continuously held the position of Executive Officer of the Company until the last day of the first fiscal year of the Company that falls after the commencement date of the Transfer Restriction Period.
However, in the event that the Director leaves office from the position of Director of the Company by the day before the first Annual Shareholders' Meeting that falls after the commencement date of the Transfer Restriction Period and the Executive Officer leaves office from the position of Executive Officer of the Company by the day before the last day of the first fiscal year of the Company that falls after the

commencement date of the Transfer Restriction Period due to reasons that the Board of Directors of the Company determines to be justified, the Company shall lift the Transfer Restriction on the number of Allotted Shares that is obtained by dividing the number of months from the month including the appointment date of officers to the month including the day on which the officer leaves office from the relevant position as Director or Executive Officer of the Company by 12 (if the result of the calculation exceeds one, it shall be one), multiplied by the number of the Allotted Shares held by the person subject to the allotment as of such time (any fraction resulting from the calculation that is less than one share shall be rounded down), at the time the person subject to the allotment leaves office from every position as Director or Executive Officer of the Company.

⑤Acquisition of the restricted shares by the Company without consideration: In the event that the officer leaves office from the positions of Director and Executive Officer of the Company after the commencement date of the Transfer Restriction Period, if there are the Allotted Shares of which the Transfer Restriction has not lifted based on the provisions for reasons for lifting of the Transfer Restriction set out in ④ above, the Company shall automatically acquire the Allotted Shares without consideration immediately after the time of the expiration of the Transfer Restriction Period. In addition, the Company shall automatically acquire the Allotted Shares without consideration in cases such as when a judgment imposing a sentence of imprisonment or greater upon the person subject to allotment becomes final and binding.

⑥Treatment in the event of organizational restructuring, etc.: In the event that a proposal concerning a merger agreement whereby the Company becomes the dissolving company, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or any other reorganization is approved at the Shareholders' Meeting of the Company (or at the Board of Directors of the Company in the case that approval by the Shareholders' Meeting of the Company is not required regarding that organizational restructuring, etc.) during the Transfer Restriction Period for Allotted Shares, the Company shall lift the Transfer Restriction on the number of the Allotted Shares that is obtained by dividing the number of months from the month including the appointment date to the month including the approval date by 12 (if the result of the calculation exceeds one, it shall be one), multiplied by the number of the Allotted Shares held by the person subject to the allotment as of such approval date (any fraction resulting from the calculation that is less than one share shall be rounded down), at the time immediately preceding the business date prior to the effective date of the organizational restructuring, etc., based on a resolution by the Compensation Committee. In that event, on the business date prior to the effective date of the organizational restructuring, etc., the Company shall automatically acquire all of the Allotted Shares for which the Transfer Restriction has not lifted on that date without consideration pursuant to the provisions set forth above.

[Stock-linked compensation II: Phantom Stock Plan]
The Phantom Stock Plan is a mechanism for the compensation amount to increase or decrease in accordance with changes in the Company's stock price and it encourages Executive Officers to act with awareness of the impact on the Company's stock price.

①Grant date: In principle, the Company grants Phantom Stock (the "PS") to Executive Officers on the first day of each fiscal year.

②Number of PS: The number of PS granted shall be the number calculated by dividing the base amount, which is calculated by multiplying Annual Base Salary by the coefficient that is set individually according to the role and responsibility, etc. of an Executive Officer after comparing compensation levels with domestic and foreign companies of a similar business scale based on the survey results conducted by external specialized agencies in line with the purpose of the compensation basic policies, by the average closing price of the Company's stock for the 30 business days preceding the grant date. The average closing price will be rounded up to the nearest yen.
The number of PS granted in the fiscal year ended March 2025 was, based on base salary, 100% of Annual Base Salary for the Representative Executive Officer and President and 37.5% of Annual Base Salary for Executive Officer and Executive Vice Presidents (Senmu), as a median value. As of April 1, 2025, the cumulative number of PS held is 192,261 for the Representative Executive Officer and President.

③The period from the grant date to the vesting date (the "Holding Period"): The Holding Period shall be three (3) years, from the perspective of their role in enhancing sustainable corporate value and retention for medium- to long-term management. Executive Officers do not have voting rights or other shareholder rights

(including but not limited to, the right to receive dividends from surplus) at the Company's Annual Shareholders' Meeting during the Holding Period of PS. Executive Officers shall not assign, provide as security or otherwise dispose of all or part of this right to a third party, nor have a third party succeed to this right from the grant date to the vesting date, excluding, however, succession by an heir following the death of an Executive Officer.

④Vesting conditions: Upon the expiration of the Holding Period of PS, all PS held by an Executive Officer will be confirmed and paid in by the Company. However, in the event that the Executive Officer leaves office from the position of Executive Officer of the Company by the day before the last day of the first fiscal year of the Company that falls after the grant date due to reasons that the Board of Directors of the Company determines to be justified, the number of PS that is obtained by dividing the number of months from the month including the appointment date of the Executive Officer to the month including the day on which the officer leaves office from the position as Executive Officer of the Company by 12 (if the result of the calculation exceeds one, it shall be one), multiplied by the number of PS held by the Executive Officer as of such time (any fraction resulting from the calculation that is less than one share shall be rounded down) shall be confirmed and paid in by the Company at the time the Executive Officer leaves office from the position as Executive Officer of the Company.

⑤Vesting amount: The vesting amount shall be calculated by multiplying the number of PS held by the Executive Officer on the vesting date by the average closing price of the Company's stock for the 30 business days prior to the vesting date, provided that the amount shall be limited to 500% of the base amount. The average closing price shall be rounded up to the nearest yen. The vesting amount shall be paid to the officer within one (1) month of the vesting amount being confirmed.

⑥Extinguishment of the right of PS: In the event that the Executive Officer leaves office from the position as Executive Officer of the Company after the grant date, if there are PS which has not confirmed and paid in by the Company based on the provisions for reasons for vesting set out in ④ above, the right of PS shall be extinguished as of the time listed in such event. In addition, the right of PS shall be extinguished in cases such as when a judgment imposing a sentence of imprisonment or greater becomes final and binding

⑦Treatment in the event of organizational restructuring, etc.: In the event that a proposal concerning a merger agreement whereby the Company becomes the dissolving company, a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or any other reorganization is approved at the Shareholders' Meeting of the Company (or at the Board of Directors of the Company in the case that approval by the Shareholders' Meeting of the Company is not required regarding that organizational restructuring, etc.) during the Holding Period, the number of PS that is obtained by dividing the number of months from the month including the appointment date of the Executive officer to the month including the approval date by 12 (if the result of the calculation exceeds one, it shall be one), multiplied by the number of PS by the Executive officer as of such approval date (any fraction resulting from the calculation that is less than one share shall be rounded down) shall be vested at the time immediately preceding the business date prior to the effective date of the organizational restructuring, etc., based on a resolution by the Compensation Committee. In that event, on the business date prior to the effective date of the organizational restructuring, etc., the right of PS which has not vested on that date pursuant to the provisions set forth above shall be extinguished.

[Stock Ownership Guidelines]
Executive Officers shall strive to hold the Company's shares in a number that is at least equivalent to the amount set forth below during their term of office.
Representative Executive Officers: Three times the amount of Annual Base Salary; other Executive Officers: One time the amount of Annual Base Salary

[Malus and claw back provisions]
In Performance-linked compensation and Stock-linked compensation, if there has been any material accounting mistake with the Company or the Board of Directors determines that there has been a material violation, etc. by the officer, the Compensation Committee may decide to reduce or extinguish pre-vested compensation and to return post-vested compensation based on such reasons.

[Various allowances]
In the event that an Executive Officer performs business at a location other than the place of nationality or in other cases where it is recognized as necessary for business execution, the Company may bear the costs and expenses as a separate allowance, taking into consideration the laws, practices, standards, etc. relating to compensation in the relevant country; provided, however, that the payment period is three (3) years from the time of inauguration, as a general rule. Regarding the timing of payment, there are cases where the fixed annual amount is divided into twelve (12) months and then paid monthly, and there are cases where the payment is made on a predetermined date depending on the nature of the cost.

[Supporting System for Outside Directors]

The Company has a system in place whereby upon holding a meeting of Board of Directors, documents are distributed to outside directors in advance. The Board of Directors' Office and the Audit Committee Office to respond to each individual inquiry.

[Retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)]

Information on retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)

Name	Job title/ position	Responsibilities	Employment terms (Full/part time, with/without compensation, etc.)	Date when former role as president/ CEO ended	Term
Masahiro Sugino	Advisor (komon)	Building good relationships with stakeholders such as business partners, participating in local activities in areas of Tokoname City and City of Nagoya, Aichi Prefecture, etc. (not involved in the Company's management)	Part time Without compensation	June 23, 2011	Yearly contract

Number of retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)	One

Others

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) Updated

(Board of Directors)
The Board of Directors makes decision in relation to matters specified under the relevant laws and ordinances, basic management policy, and important management matters, and it also supervises the execution of duties by directors and executive officers. In particular, the Company's outside directors perform a high-level supervisory function from an independent perspective, thereby realizing stronger, more effective corporate governance.
The current Board of Directors consists of ten directors (of which eight are outside directors). Among internal directors, one is female who has nationality other than Japanese, and among outside directors, three is Japanese female.
In principle, meetings of the Board of Directors are held once a month. They were held 15 times in the fiscal year ended March 2026. The member of Board of Directors as of March 31, 2026 and attendance of each member are as follows:

Yuji Nishiura	15/15(100%)
Jun Aoki	15/15(100%)
Shigeki Ishizuka	15/15(100%)
Hiroshi Ishino	12/12(100%)
Ryusuke Ohori	15/15(100%)
Shiho Konno	15/15(100%)
Kinya Seto	15/15(100%)
Mayumi Tamura	15/15(100%)
Hwa Jin Song Montesano	15/15(100%)
Mariko Watahiki	15/15(100%)

(Nomination, Audit, Compensation Committees, and Governance Committee)
The Company shall structure as follows so that the Nomination Committee, Audit Committee, Compensation Committee, and Governance Committee, a voluntary committee are able to effectively fulfill its responsibility and role.
(1) A majority of the members of Nomination, Audit, and Compensation committee shall all be independent outside directors who satisfy the Company's independence criteria.
(2) The chairperson of Nomination, Audit, and Compensation committee who also chairs its meetings shall be an independent outside director.
(3) The Governance Committee shall consist of all directors.
The deliberation details and resolution matters of each committee are reported by the chairperson of the committee at the Board of Directors Meeting held immediately after the committee meeting.

・ The Nomination Committee currently consists of four outside directors, and determines the contents of director election and removal proposals submitted to shareholders' meeting. The Board of Directors shall request an opinion such as election, appointment, removal and dismissal of an executive officer or the representative executive officer, etc., and the Nomination Committee will report its opinion to the Board of Directors such as election, appointment, removal and dismissal candidates for executive officers and representative executive officer, etc.
Nomination Committee meetings are held at least once a year. They were held 13 times in the fiscal year ended March 2026. The member of the Nomination Committee as of March 31, 2026 and attendance of each member are as follows:

Mariko Watahiki	13/13(100%)
Jun Aok	13/13(100%)
Hiroshi Ishino	11/11(100%)
Ryusuke Ohori	13/13(100%)

・ The Audit Committee currently consists of five outside directors, and supervises the execution of duties by Directors and Executive Officers. It also makes resolutions on the contents of audit policies and audit plans as well as financial auditor election and removal proposals submitted to shareholders' meeting.
Audit Committee meetings are, in principle, held more than once in two months, and currently, the meetings are held once or more a month. They were held 14 times in the fiscal year ended March 2026.
The member of Audit Committee as of March 31, 2026 and attendance of each member are as follows:

Ryusuke Ohori	14/14(100%)

Shigeki Ishizuka	14/14(100%)
Hiroshi Ishino	9/9(100%)
Shiho Konno	13/14(93%)
Mayumi Tamura	14/14(100%)

・The Compensation Committee (“the Committee”) currently consists of three outside directors, and decides the policy regarding the compensation of Directors and Executive Officers and their individual compensation received from the Company as consideration for duties. In addition, in order to enhance the compensation governance of the Group, the compensation of domestic and overseas executives is reported to the Committee by executive side.
When the Committee decides on compensation, the deliberation is conducted in full consideration of the Company's management policy and the advice of external specialized agencies.
The Committee is stipulated to be held at least once a year, and it was held 12 times in the fiscal year ended March 2026. The member of Compensation Committee as of March 31, 2026 and attendance of each member are as follows:

Jun Aoki	12/12(100%)
Shigeki Ishizuka	12/12(100%)
Mariko Watahiki	12/12(100%)

・The Governance Committee consists of all directors, and with the objective to enhance the Company’s corporate governance, discusses or advises the Board of Directors on matters related to the Company’s corporate governance, including reviewing and amending the Company’s General Policy. The Governance Committee, in cooperation with the three committees required by statute (the Nomination Committee, the Audit Committee and the Compensation Committee), strives to establish and improve the corporate governance system. Also, the improvements of the corporate governance system will be reported to shareholders, investors and other stakeholders through disclosed documents such as the Securities Reports and Corporate Governance Reports. The Governance Committee meetings are held more than once a year. They were held 5 times in the fiscal year ended March 2026. The member of Governance Committee as of March 31, 2026 and attendance of each member are as follows:

Yuji Nishiura	5/5(100%)
Jun Aoki	5/5(100%)
Shigeki Ishizuka	5/5(100%)
Hiroshi Ishino	3/3(100%)
Ryusuke Ohori	5/5(100%)
Shiho Konno	5/5(100%)
Kinya Seto	3/3(100%)
Mayumi Tamura	5/5(100%)
Hwa Jin Song Montesano	3/3(100%)
Mariko Watahiki	5/5(100%)

(Board of Executive Officers)
The Board of Executive Officers is comprised of all Executive Officers, and as the decision-making body responsible for the execution of business activities in accordance with the basic policies approved by the Board of Directors, decides on important matters relating to the execution of business in the Group as a whole.
The Board of Executive Officers’ meeting is held once a month generally and an extraordinary Board of Executive Officers’ meeting will be held as necessary. They were held 14 times in the fiscal year ended March 2026.

(Audit Framework with Audit & Supervisory Board Member)
For the purpose of enhancing the system that supports the Group’s Audit Committee and strengthening the internal control of the Group, Audit & Supervisory Board Members under the Group Audit Framework are distributed to major subsidiaries in Japan to exclusively conduct audits of the subsidiaries, and enhance the effectiveness of the subsidiaries’ audit activities and aim to strengthen corporate governance.
The Group’s Audit & Supervisory Board Member under the Group Audit Framework is composed of an appropriate number of persons which shall be no more than five persons, and periodically conduct meetings with the Audit Committee and report on the implementation status of audits through the Audit Committee Office.

(Internal Audits)
Corporate Audit, a corporate function, is responsible for managing all of the Group's internal audit organizations in Japan and international markets, and ensures all group companies' audits are conducted in a unified and comprehensive manner. Corporate Audit is responsible for carrying out traditional internal audit processes such as accounting audits, operational audits, and assessment of internal controls. Additionally, it continuously reviews internal audit systems and processes in order to help achieve sustainable Group-wide growth, strengthen governance as well as internal control, and contribute to the development of human resources.

(Audit Committee Audits)
The Company's Audit Committee conducts audits that further enhance transparency and effectiveness by staying in close contact with the Internal Audit Group of the Company and subsidiaries, and the Audit & Supervisory Board Members under the Group Audit Framework. The Audit Committee periodically receives audit results reports from the Internal Audit Group and the Audit & Supervisory Board Members under the Group Audit Framework and gives instructions at suitable times. It conducts interviews with executive officers, etc., sits in on important internal meetings, and reads minutes or approval requests of important committees, and by doing so, it audits the creation of internal control systems and their state of operation at the Company and important subsidiaries, as well as the state of execution of duties by directors and executives.
The Audit Committee consists of five audit committee members. Ryusuke Ohori, a member of the Audit Committee, has many years of experience as an investment and research manager at an asset management company, and he has substantial knowledge regarding finance, accounting and tax matters. And, Mayumi Tamura, a member of the Audit committee, has experience as a chief financial officer (CFO) in multiple global companies, and she also has substantial knowledge regarding finance, accounting and tax matters.

(Accounting Audits)
The Company has entered into an audit agreement with Deloitte Touche Tohmatsu LLC regarding accounting auditing under the Companies Act and the Financial Instruments and Exchange Act. The Company's Audit Committee and the auditing company strive to mutually improve the quality of audits by having regular occasions for information sharing and exchanging information on various auditing policies and problems that have arisen during the fiscal year. The Company also holds auditing report meetings at the end of the fiscal year and exchanges information regarding specific accounting problems.
The name of the certified public accountants who performed the Company's auditing work in the fiscal year ended March 2025, and their structure of assistants for audit services are as follows;
・Name of certified public accountants who performed the auditing work
Designated limited liability partners, managing members: Taiji Suzuki, Dai Yamamoto, Takenao Ohashi
・Composition of assistants for accounting audit services
24 certified public accountants and 71 others

(Other committees)
In order to enhance corporate governance at its group companies, the Company established the Governance Committee within the Board of Directors as a discretionary committee, and also appropriately holds executive side meetings such as Investment Review Committee, Risk Management Committee, Impact Strategy Committee, and Compliance Committee, and discusses management strategies, medium- and long-term policies, investment matters, etc. to strive to accelerate decision-making and enhance the effectiveness of its governance.

(Limitations on liability clause)
The Article of Incorporation of the Company has a limitation on liability clause for outside directors. Based on the Article of Incorporation, the Company has signed limitations on liability agreement with all outside directors. The details of the agreement are as follows;
After signing this agreement, outside directors shall be liable to damages caused by his/her disregard of obligations and duties and the amount of compensation shall be capped at 10 million yen or the amount stipulated by laws and regulations, whichever is greater, when duties are performed in good faith and without material gross negligence.

(Indemnity agreement)
The Company has entered into indemnity agreements with directors and executive officers pursuant to Article 430-2, Paragraph 1 of the Companies Act, whereby the Company indemnifies them for the expenses (defense costs such as attorneys' fees) set out in Item 1 of the same Paragraph to the extent stipulated by law. However, there is an upper limit to the amount of indemnification, and in the event that, after the Company has paid defense costs to a director or officer, it is found that the director or officer has performed his/her duties for his/her own or a third party's improper benefit or for the purpose of causing damage to the Company, the Company may demand reimbursement of the defense costs from the director or officer. Furthermore, decisions on the implementation of indemnity and other matters are made through deliberations by the Board of Directors, and measures are taken to ensure that the appropriateness of the execution of duties by the indemnitees is not impaired.

3. Reasons for Adoption of Current Corporate Governance System Updated

The Company changed to the Company with Committees, currently the Company with Nomination Committee, etc., after obtaining resolution at the shareholders' meeting held on June 23, 2011, in order to separate its managerial execution and supervisory functions to enable prompt decision-making by executive officers, and to secure transparency of its business.
The general concepts of our corporate governance system are as follows.

- Maintain a board structure that clearly separates management oversight and execution, and allows management to supervise business execution from the perspective of increasing corporate value.
- Select candidates for independent outside directors who can appropriately reflect the opinions of minority shareholders and other stakeholders in management.
- All committees should be composed of independent outside directors to maintain independence from execution and transparency.

<Changes in the Group's corporate governance reforms in recent years>
October 2019: Established the Governance Committee as a voluntary permanent committee. Revised Regulations of Nomination Committee and the general policy to improve management transparency and composition.
November 2019: Introduced Phantom Stock Plan for Directors and Executive Officers.
December 2019-February 2020: Conducted mutual nomination ballot of outside directors by external professional organizations as part of the process of selecting candidates for the Board of Directors
March 2020: Annual budget for Board of Directors and committees' activities were approved by the Board of Directors (thereafter, similar initiatives to be implemented by the Board of Directors once a year)
May 2020: Introduced a skills matrix for the Board of Directors
June 2020: Amended the Articles of Incorporation to change the term of office of Executive Officers to the end of the fiscal year (to clarify the Executive Officers' management responsibilities during the business term)
Changed the composition of the Board of Directors to three internal directors and six outside directors. Three statutory committees are composed solely of independent outside directors.
August 2020: Implemented training for directors and executive officers (training sessions, site visits, and others) and systematized orientation for directors and executive officers at the time of their appointment.
(thereafter, the Board of Directors will oversee implementation once a year)
October 2020: Established "CEO Succession Plan".
October-December 2020: Outsourced assessment of executive officers to an outside professional organization
December 2020: The merger of LIXIL Group Corporation (currently LIXIL Corporation), which was a holding company, and its subsidiary LIXIL Corporation (dissolved due to the merger) to dissolve the two-tier structure of the holding company and operating company enhanced transparency in decision-making, thereby strengthening the governance structure.
June 2021: Changed the composition of the Board of Directors to three internal directors and seven outside directors.
November 2021-January 2022: Outsourced evaluation of the effectiveness of the Board of Directors to a specialized external organization (thereafter, the general policy stipulates outsourcing to an external organization at least once every three years).
March 2022: CR policy (current Impact Strategy) was approved by the Board of Directors.
June 2022: Board composition changed to 3 internal directors and 8 outside directors.
March 2023: The Board of Directors approved the Impact Strategy to clearly define the policy and strategy for the company's unique initiatives regarding sustainability issues.
April 2023: Introduced Restricted Stock Compensation Plan and Stock Ownership Guidelines for Executive Officers.
August 2023: Guidelines for the action of outside directors established as internal regulations
January 2024: The Basic Policy on Internal Control Systems has been revised to strengthen the Audit Committee's authority over the Internal Audit Department, etc.
June 2025: To enhance the effectiveness of deliberations related to governance, the composition of the Governance Committee has been changed to include all directors. To ensure opportunities for deliberation by outside directors, the Outside Directors Opinion Exchange Meeting has been newly established.
Introduced Restricted Stock Compensation Plan for Directors in place of Phantom Stock Plan.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the Shareholders' Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of Shareholders' Meeting	The Company publicizes the notification of the annual shareholders' meeting earlier than its dispatch by disclosing it in advance on the Company's website and the website of the Tokyo Stock Exchange.
Scheduling Shareholders' Meetings Avoiding the Peak Day	In setting the date of the Shareholders' Meeting, the Company avoids scheduling its meeting on the so-called peak day for annual shareholders' meetings, and also holds its annual shareholders' meeting earlier.
Allowing Electronic Exercise of Voting Rights	The Company has created an environment that enables the exercise of voting rights on a company-designated website and the electronic voting platform operated by ICJ, Inc. (Investor Communications Japan) from a personal computer or smart phone, etc.
Participation in Electronic Voting Platform and Measures to Improve the Environment for Institutional Investors to Exercise Voting Rights	The Company participates in a platform for institutional investors to exercise voting rights that is operated by ICJ, Inc..
Providing Convocation Notice (Summary) in English	The Company prepares an English version of its shareholders' meeting convocation notice and publishes them on the Company's website, the website of the Tokyo Stock Exchange and the electronic voting platform operated by ICJ, Inc at the same time as disclosing the Japanese version of the convocation notice.
Other	The Company has held a shareholders' meeting without a designated location (a virtual-only shareholders' meeting) from the 81st Annual Shareholders' Meeting on June 21, 2023. Through this method, the Company provides an opportunity for all shareholders to participate in this Shareholders' Meeting in an impartial format regardless of their physical location or whether they have free time, and by using contrivances that are only possible online, the Company is trying the best to promote the exercise of rights by shareholders at this Shareholders' Meeting and to realize active dialogue with shareholders and an increase in satisfaction. In regard to the results of voting on the shareholders' meeting agenda, Extraordinary Reports are submitted without delay after shareholders' meetings under the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, Etc. and posted on our website. Resolution notices are also posted on the website.

2. IR Activities

	Supplementary Explanations	Explanation by representatives themselves
Preparation and Publication of Disclosure Policy	Disclosure Policy is posted on our website.	—
Regular Investor Briefings for Individual Investors	It is our policy to hold briefings from time to time.	No
Regular Investor Briefings for Analysts and Institutional Investors	The Company holds briefings at each settlement of accounts and at the time of announcing quarterly results, where it explains its financial results, the progress of management policies and measures. The briefings are live streamed in English and Japanese and webcasts and transcripts are available on the website promptly thereafter. The Company also holds investors meetings regarding important disclosures and a number of other individual meetings and group meetings on the same.	Yes
Regular Investor Briefings for Overseas Investors	Every quarter, when distributing the sound and video recordings of the Results Announcements Briefing, we also distribute English translations through simultaneous interpretation. The Company also holds a number of other individual meetings and group meetings.	Yes
Posting of IR Materials on Website	As well as posting IR materials, including integrated reports, on the website, the Company also creates and posts pages specifically for individual investors. The Company also provides webcast and transcripts of explanations of results briefings and so on by the representative director (Japanese/ English). https://www.lixil.com/en/investor/ In addition, any inquiry regarding IR shall be directly answered by the IR Office through the website "Contact Us"	—
Establishment of Department and/or Manager in Charge of IR	The Company has established an Investor Relations Office which is specialized in IR.	—

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	Supplementary explanations are expressly provided in the following information available on the website: LIXIL Code of Conduct https://www.lixil.com/en/about/governance/pdf/LIXIL_CoC_en.pdf Group Charter of Corporate Behavior https://www.lixil.com/en/about/governance/pdf/LIXIL_GCoCB_en.pdf
Implementation of Environmental Activities, CSR Activities etc.	We have established our Impact Strategy and posted it on our website. https://www.lixil.com/en/impact/structure/impact_strategy.html
Development of Policies on Information Provision to Stakeholders	We have established a disclosure policy and disclosed it on our website. https://www.lixil.com/en/investor/strategy/policy.html
Other	[Diversity in Officers] Article 21 of the General Policy "Composition of the Board of Directors" sets forth "… the Company shall place a focus on ensuring diversity, including for gender, internationality, career, age, race, and ethnicity and aim to achieve diversity not only of gender, nationality and age, but also knowledge, experience, opinion and background in the composition of the Board of Directors". Regarding the gender diversity of the Company's officers, four out of ten directors and two out of eight executive officers are female. In terms of nationality diversity, one director and three executive officers have nationalities other than Japanese. [Diversity & Inclusion] Article 16 of the General Policy provides "Ensuring Diversity, Etc.". The Group is committed to embracing the diversity of people in society and within our firm. This includes enhancing quality of life and wellbeing for the elderly and people with disabilities through our products and services, as well as harnessing the intelligence and perspectives of our diverse workforce, as an engine for growth and innovation. Furthermore, the Company has engaged to respond to circumstances of each hub under the LIXIL Diversity & Inclusion Declaration: "We leverage our differences to create new energy and engagement generated by open and honest dialogue across our organization. These efforts will enable our employees to build entrepreneurial mindset that will drive growth and sustainable innovation." The Group aims to create a working environment that embraces all employees regardless of age, gender, nationality, physical ability and so on. As such, we have recently launched initiatives to ensure a more inclusive environment for LGBT and disabled employees, in addition to promote women's participation in the workplace.

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development
The main details of the Company's internal controls and risk management system are as follows. The Board of Directors has made resolutions on such matters as a basic policy for the internal control system under the Companies Act.

(i) System to ensure that the performance of duties by Executive Officers and employees of the Company, and Directors, etc. and employees of the Group Companies, comply with the laws and regulations and the Articles of Incorporation

The Company and the Company's subsidiaries (the "Group Companies," and collectively with the Company, the "Group") will establish guidelines for actions as a code of ethics for the entire Group, communicate it to the Group's officers and employees, review it periodically, and conduct a read-through and an oath to comply once per year. The Group will institute a common concern raising (whistleblowing) system to enable the Group's officers and employees to directly make reports to the Company's Legal / Compliance department or outside lawyers.

(ii) System regarding the storage and management of information involving the performance of duties by the Company's Executive Officers

The Company will appropriately retain materials and meeting minutes of the Board of Executive Officers and committees set up as subordinate bodies of the Board of Executive Officers, and information on the execution of the duties of Executive Officers, such as records of resolutions of the Executive Officers and employees that have been delegated authority by the Executive Officers, etc. based on the laws and regulations and the internal company rules.
Based on the internal company rules, the Directors may access such information at any time.
Such information will be managed according to the internal company rules for document management, the internal company rules for information security, and the internal company rules for personal information protection, etc.

(iii) System for rules and others regarding the management of the Group's risk of loss

The Group will set out internal company rules for risk management, appropriately manage risks that may affect business activities, and create a system necessary to minimize losses for the Group in emergencies. Risks that may affect business activities will be classified into strategic risks and operational risks. Relevant departments will coordinate to identify and evaluate risks that may impede the achievement of goals for key issues so that risks that need to be addressed can be ranked to create a broad framework that covers the medium/long-term perspective and the stakeholder perspective, including management policies, business strategies, and impact strategies.
The department in charge of risk management will provide appropriate support to the Group Companies according to how the risk is being addressed to ensure the quality of overall group risk management.
The Group will develop and maintain a system that enables the Group to make timely decisions on specific measures by establishing a Risk Management Committee which will examine whether measures are necessary for uncertain events that may constitute opportunities for, or threats to, the Group's business goals, as well as the departments in charge of these, and report examination results to the Board of Executive Officers, the Board of Directors, or other organizations as necessary.

(iv) System to ensure that the performance of duties of the Executive Officers of the Company and the Directors, etc. of the Group Companies are carried out efficiently

The Board of Directors of the Company will establish the division of duties of the Executive Officers and clarify the areas for which each Executive Officer is responsible before delegating decision-making authority to each such Executive Officer.
In addition, the Board of Executive Officers attended by all Executive Officers will be convened regularly and conduct flexible decision making for basic and important matters regarding the business of the Group. Furthermore, various committees, etc. will be set up as subordinate bodies of the Board of Executive Officers, with the responsible Executive Officer according to the division of duties acting as chairperson,

and effectively discuss each special area to streamline and optimize management decisions. Important investment items, M&A, and organizational restructuring items that may affect the entire Group will be examined by the Investment Review Committee and other relevant committees, while the Impact Strategy Committee and other relevant committees will conduct strategic and flexible decision making for sustainability related management issues.
The Company will share its basic management policy with the Group Companies as well as ensure the efficiency in execution of duties of the Directors, etc. of the Group Companies by clarifying which decisions on execution of duties of the Group Companies require the approval of the Company or need to be reported to the Company.

(v) System to report to the Company about matters regarding the execution of duties of the Directors, etc. of the Group Companies

The Company will set out important matters of the Group Companies that require the approval of the Company and matters that need to be reported to the Company in the internal company rules for the governance of the Group Companies and affiliates and make them widely known within the Group.
A system will be developed for major subsidiaries among the Group Companies requiring them to make regular business reports to the Executive Officers of the Company to ensure appropriate operations of the Group.

(vi) Directors and employees who should assist with the duties of the Audit Committee

The Company will establish the Audit Committee Office as a dedicated organization to support the duties of the Audit Committee. The Audit Committee Office will be the secretariat for the Audit Committee and perform duties in accordance with instructions from the Audit Committee and Audit Committee Members.
In order to enhance the system that supports audits of the Group and to strengthen the internal control of the Group, the "Audit & Supervisory Board Member" which exclusively performs audit activities at subsidiaries, is assigned to major domestic subsidiaries. In addition, Directors who should support the Audit Committee will not be placed.

(vii) Independence from the Executive Officers of the employees in (f.) above and matters regarding securing the effectiveness of instructions of the Audit Committee to such employees.

Appointments, personnel changes, and performance evaluations, etc. of the employees and Audit & Supervisory Board Members belonging to the Audit Committee Office will be resolved by the Audit Committee after advance discussion with the head of the Personnel Department of the Company.
In addition, instructions from the Audit Committee and Audit Committee Members to such employees will be properly handled by each department of the Group to ensure the effectiveness of such instructions.

(viii) System for the Directors, the Executive Officers, and the employees of the Company to report to the Audit Committee, and other systems regarding reporting to the Audit Committee

If a Director or an Executive Officer discovers a fact that is likely to cause substantial damages to the Company, he/she will immediately report it to an Audit Committee Member.
When an Audit Committee Member receives an important report, opinion, or document from a Director, an Executive Officer, or the Accounting Auditor or someone else, he/she will report it to the Audit Committee.
The Representative Executive Officers and the Audit Committee Members will periodically exchange opinions regarding findings from an audit.
The Legal/Compliance department will periodically report to the Audit Committee regarding the status of concern-raising (whistleblowing).
The Audit Committee Members elected by the Audit Committee shall have the authority to request that the Directors, the Executive Officers, and the employees report on the execution of their duties at any time and the authority to request that the Directors, the Executive Officers, and the employees accept investigation with respect to the Company's business and the status of its assets at any time.
Audit & Supervisory Board Members will hold regular meetings with the Audit Committee and report the status of audits.

(ix) System for the Group Companies' Directors, Auditors, members executing business, persons to perform the duties of Article 598, Paragraph 1 of the Companies Act, and employees and those who receive reports from such persons to report to the Audit Committee of the Company

If material events occur at the Group Companies, the Directors, etc. of such Group Companies shall report the related facts to the Audit Committee of the Company, and if there is any instruction on said report from the Audit Committee, they shall attend the Audit Committee and report the facts.
The Audit Committee Members elected by the Audit Committee shall have the authority to request that the Group Companies report on their businesses, or that they accept investigation with respect to their businesses and status of their assets.

(x) System to ensure that a concern-raising person (whistleblower) and a person reporting to the Company's Audit Committee do not receive disadvantageous treatment on the grounds of having made such whistleblowing and/or report

The Company will create a concern raising (whistle-blowing) system of the Group based on the internal company rules for concern raising that specifies maintenance of confidentiality, prohibition of retaliation, and concern-reporting procedures, and make the method of reporting, etc. widely known within the Group. The Company's Legal/Compliance department will report the status of the concern-raising (whistleblowing) to the Audit Committee in a timely manner. Concerns raised against the Directors and the Executive Officers, etc. of the Company shall be appropriately treated by developing a system for independent investigation and action by the Audit Committee or the Executive Officer, etc. in charge of the Legal / Compliance department.
The Company prohibits disadvantageous treatment of the person raising the concern with the Audit Committee (including persons raising concerns indirectly through another person) based on (i.) above on the grounds of such concern-raising.

(xi) Matters concerning the policy regarding the procedures for pre-payment or repayment of expenses arising with respect to the execution of the duties of the Audit Committee Members of the Company and other disposition of expenses or liabilities arising with respect to the execution of such duties.

When an Audit Committee Member makes a claim for the repayment of expenses under Article 404, Paragraph 4 of the Companies Act against the Company with respect to its execution of duties, the Company will bear such expenses upon deliberation with the department in charge. In addition, a budget of a certain amount will be established every year to disburse the expenses for execution of such duties.

(xii) Other systems to ensure that the audit by the Audit Committee is carried out effectively

The Audit Committee will periodically receive reports regarding the contents of the audit from the Accounting Auditor of the Company and the Group Companies, and the Company's Internal Audit Division.
The Internal Audit Division will comply with instructions and orders of the Audit Committee or an Audit Committee Member elected by the Audit Committee. The consent of the Audit Committee is required for election/removal and personnel evaluation of the person in charge of the Internal Audit Division, as well as the budget for the activities of the Internal Audit Division.

2. Basic Stance Regarding Elimination of Anti-Social Forces and Its Development

- The Group prohibits contact and transaction with antisocial forces and has clearly formulated its basic stance: "We will not be voluntarily involved with any act which may endorse or contribute to the activities of criminal organizations or individuals such as corporate extortionists and members of organized crime, including as customers, business partners, or otherwise. We will not give in to threats by such parties. We will not give in to threats by such parties and will promptly report any such threats to the company." In addition, the Elimination of Anti-Social Forces clause is in the Group's contracts with business partners and suppliers to cut off any relationship with anti-social forces.
- The Group sets forth "LIXIL Code of Conduct" that includes the fundamental policy above and asks that all employees put into practice this message from senior management. In terms of operation, in addition to

defining the main departments that are in charge, the Compliance Committee performs regular reviews and re-evaluations of implementation.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

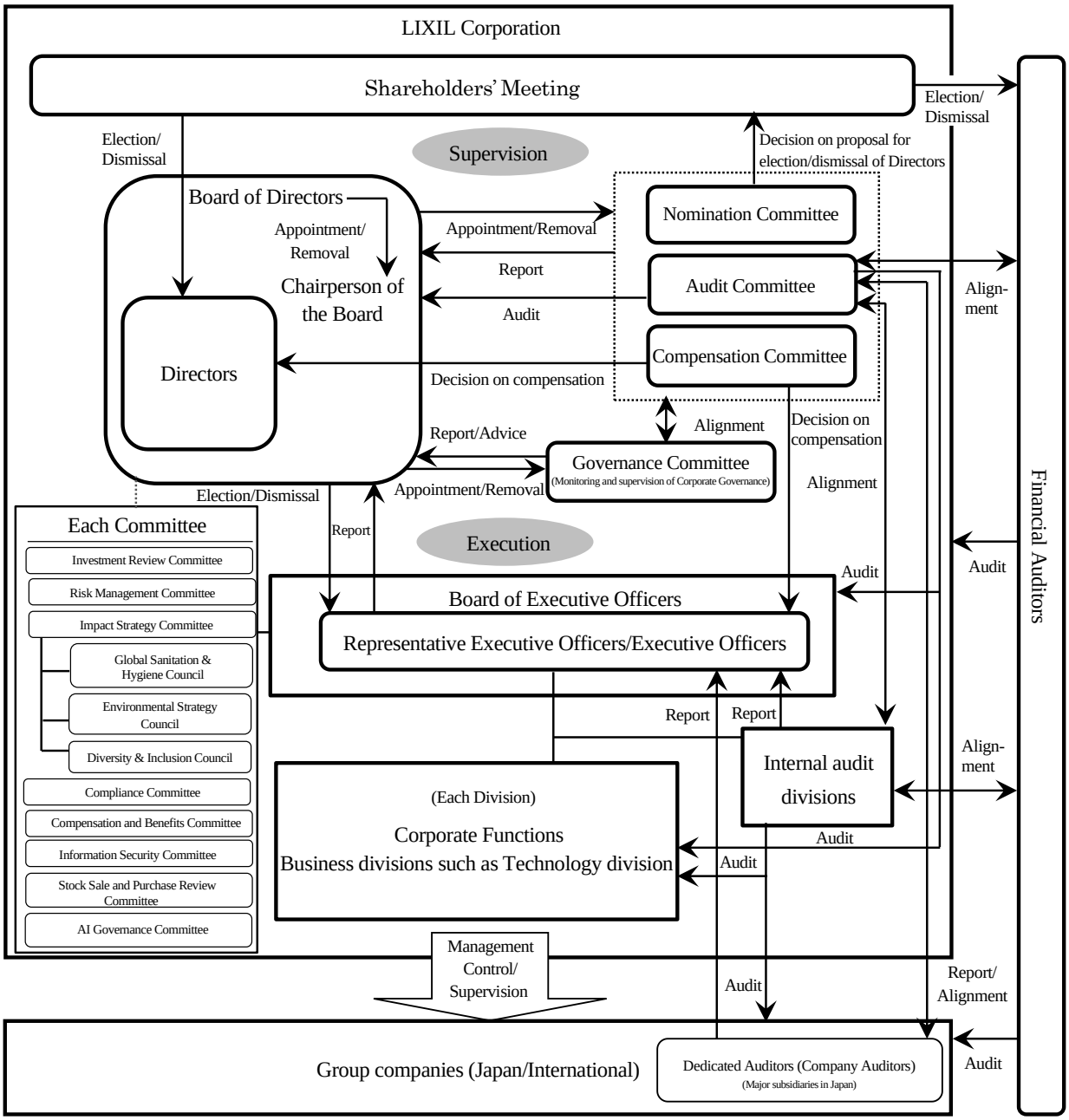
Supplementary Explanation

The Company executes measures to improve results, increase corporate value, and gain shareholders' support, which enable shareholders to hold the shares for the medium-to-long-term. Therefore, no particular anti-hostile takeover measures have been established.

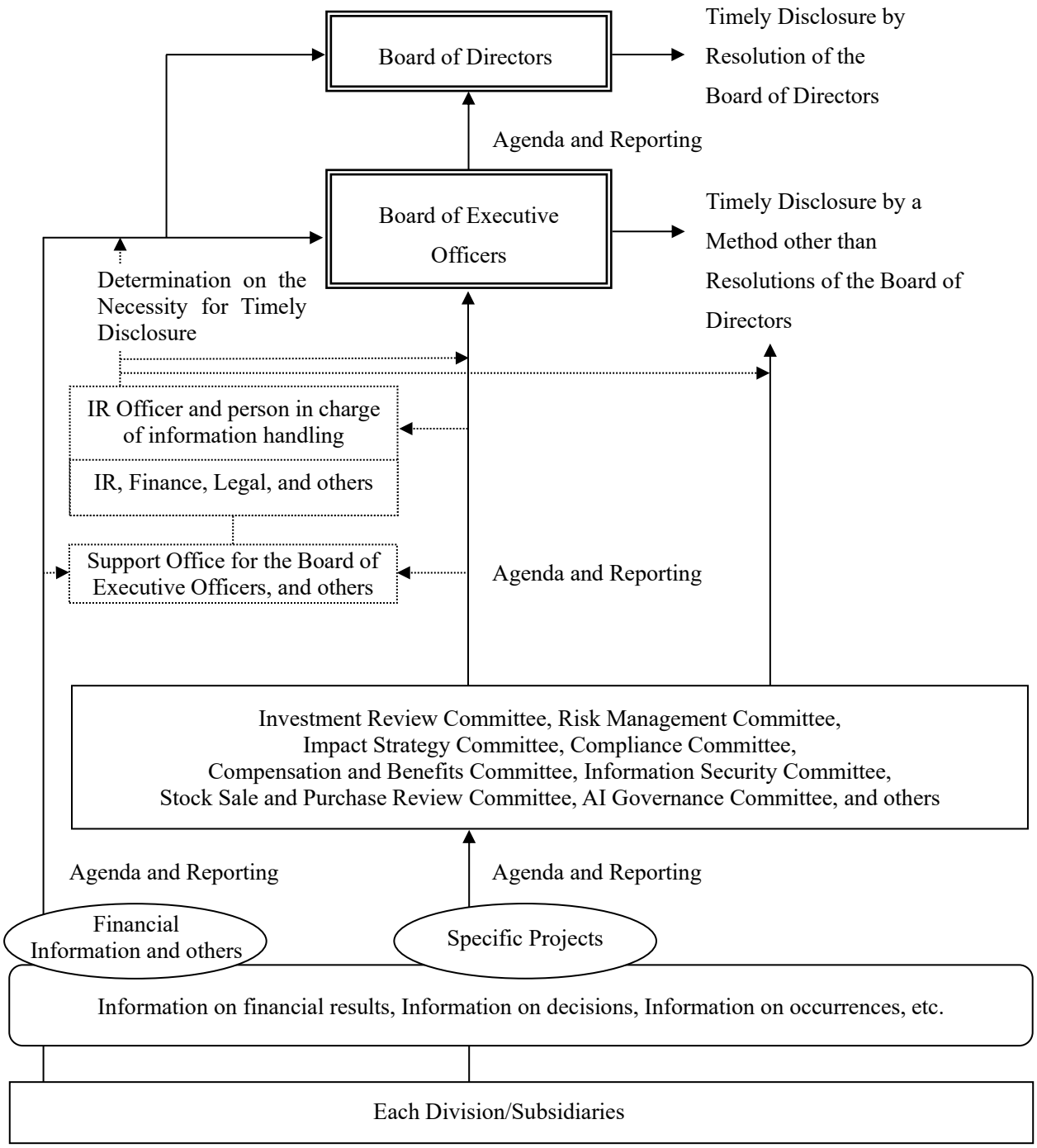
2. Other Matters Concerning to Corporate Governance System Updated

The Company has the following internal systems to ensure that timely and appropriate disclosure of information. Important corporate information that requires a resolution or report by the Board of Directors is submitted or reported to the Board of Directors by the Board of Executive Officers or the department in charge. Other important corporate information is submitted or reported to the Board of Executive Officers by the Company's department or group companies. With respect to specific projects*, each department of the Company or group company submits a proposal or report to each relevant executive committee, etc., which then submits a proposal or report to the Board of Executive Officers as necessary. For matters to be submitted to the Board of Directors, the Board of Executive Officers, or each relevant executive committee, etc., the Board of Directors' Office, the Board of Executive Officers Secretariat, etc. examine the agenda in advance, the person in charge of the handling of information consult with the relevant departments, including IR, Finance, and Legal, to determine whether timely disclosure is necessary. (Refer to Schematic Diagram) *Specific projects: Matters concerning (i) investment or loans, consideration of reorganization, establishment of new subsidiaries, (ii) Impact strategy, (iii) disasters or accidents, etc., or (iv) other unforeseen facts arising suddenly, such as product liability or wrongful acts, etc.

[Corporate Governance Structure]



[Summary of Timely Disclosure System]



[Board of Directors' Skills Matrix as of June 23, 2025]

	Skill items (Experience, Knowledge and Expertise required for Directors of the Company)									
Name	Practical Experience in Corporate Management	Experience in Global Business and Management	Experience in Negotiating with Government Agencies	Accounting, Finance, M&A	Legal/ Compliance	Risk Management	Human Resources Development, Labor	Sales/ Marketing	Manufacturing/ Technology /R&D	IT/Digital
Kinya Seto	○	○	○	○	○	○	○	○	○	○
Hwa Jin Song Montesano	○	○	○			○	○			
Jun Aoki *	○	○	○			○	○	○	○	
Shigeki Ishizuka *	○	○				○	○	○	○	○
Hiroshi Ishino *	○	○				○		○	○	
Ryusuke Ohori *			○	○	○	○	○			
Shiho Konno *			○		○	○	○			
Mayumi Tamura *	○	○		○	○	○				○
Yuji Nishiura *	○		○	○		○	○	○		○
Mariko Watahiki *			○		○	○	○			

* : Outside Director

○ : The Company clarifies the skill items possessed by each director based on the following judgment criteria.

(Background color) : For Outside Director, indicates the skill items that the Nomination Committee particularly expects to be demonstrated.

Skill Items Needed for Directors

The Board of Directors needs to be comprised of personnel who have abundant experience and specialized knowledge, etc. in order to appropriately supervise the Company's execution of business. The Nomination Committee has determined the experience, knowledge, and expertise that it believes to be particularly important, as set forth and below under "Skill Items" ("Skills") for the reasons set forth in " Reasons for Choice of Skill Items" below, and it believes that it is important for the Board of Directors as a whole to be provided with those skills. Under its corporate Purpose of "making better homes a reality for everyone, everywhere", the Company is proceeding with initiatives aimed towards both society and achieving sustainable growth through the strategic initiatives and Impact Strategy laid out in the "LIXIL Playbook," which is its medium-to-long-term management direction. Toward that end, the Company believes that in order for the Board of Directors to effectively fulfill its supervisory function with respect to the execution of business, from the perspective of "sustainability" should be

considered as the “attitude or perspective” that all directors should possess, rather than considered to be “skills.” For example, the attitude or perspective of placing importance on the global environment or human rights is not classified as a separate “skill” given the understanding that all Directors should naturally have an understanding of these issues. We expect that the supervisory function will be demonstrated through all expert skills such as “Practical Experience in Corporate Management,” “Accounting, Finance, or M&A,” “Risk Management,” and “Human Resources, Development, or Labor.”

About each skill items

The Company has determined the experience, knowledge, and expertise requirements for directors in order to appropriately supervise business execution as described in the “Skill Items” below. The reasons for their appointment are described in “Reasons for Choice of Skill Items” below. In addition, the skills possessed by each director are clarified based on the “Judgment Criteria” below.

Skill Items	Judgment Criteria	Reasons for Choice of Skill Items
Practical Experience in Corporate Management	Has experience executing business as a CEO of an operating company, etc.	Carry out highly effective supervision based on a high degree of corporate management experience of whether management is being promoted based on strategies outlined in the “LIXIL Playbook” and appropriate risk-taking with an awareness of profitability and growth based on capital cost, in order to achieve sustainable growth and improve the corporate value of the Company over the medium-to-long term.
Experience in Global Business and Management	Has a certain period （approximately three years)of experience in international businesses	In global business, which plays a key role for the Company’s sustainable growth, carry out highly effective supervision with respect to business strategy leveraging a global brand portfolio and the optimization of management matched to the characteristics of global business.
Experience in Negotiating with Government Agencies	Has experience in duties negotiating with government agencies, or as a member of a national government’s or other organization’s policy committee	Aim to resolve social issues through the Company’s products, services, and business processes, and support governance – the foundation of corporate activities.
Accounting/ Finance/ M&A	Has sufficient knowledge of accounting, finance, or M&A, etc. activities to be able to give recommendations and advice at the Company’s Board of Directors	Carry out highly effective supervision with respect to the construction of solid financial foundations, promotion of growth investment (including M&A) based on capital cost, and the formulation of financial strategies that achieve stable returns, aimed at achieving sustainable growth and improving the corporate value of the Company over the medium-to-long term.
Legal/ Compliance	Has sufficient knowledge of legal or compliance, etc. activities to be able to give recommendations and advice at the Company’s Board of Directors	Construct and supervise fair and highly transparent governance and compliance systems which are the foundation of achieving sustainable growth and improving the corporate value of the Company over the medium-to-long term.
Risk Management	Has sufficient knowledge of risk management, etc. activities to be able to give recommendations	In order to achieve sustainable growth and improve the corporate value of the Company over the medium-to-long term, accurately

	and advice at the Company's Board of Directors	discern explicit and potential risks and carry out highly effective supervision to support appropriate risk taking and decisive decision-making in the execution of management.
Human Resources Development/ Labor	Has sufficient knowledge of human resources training, development, or labor, etc. activities to be able to give recommendations and advice at the Company's Board of Directors	Carry out supervision from the perspective of human capital management with respect to the promotion of the Company's global human resources strategy based on core tenets including incorporating the idea of inclusion into the Company's DNA, investing in human resources development, and improving employee experience.
Sales/ Marketing	Has sufficient knowledge of sales or marketing, etc. activities to be able to give recommendations and advice at the Company's Board of Directors	Carry out highly effective supervision with respect to responses to market and customer trends, leveraging a broad brand portfolio, and optimizing business.
Manufacturing/ Technology/ R&D	Has sufficient knowledge of manufacturing, technical, or R&D, etc. activities to be able to give recommendations and advice at the Company's Board of Directors	Carry out highly effective supervision with respect to the steady implementation of strategies outlined in the "LIXIL Playbook," value creation through innovation, and the improvement of product and service manufacturing, development, and quality
IT/ Digital	Has sufficient knowledge of IT or digital, etc. activities to be able to give recommendations and advice at the Company's Board of Directors	Carry out appropriate supervision with respect to the implementation of management strategies that contribute to information security systems, revolutionizing existing business through digital transformation (DX), the development of new business, and improvement of productivity