

LIXIL

Link to Good Living



LIXIL GROUP

Code of Conduct

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To all LIXIL GROUP members

Message from the Chairman

Dear colleagues,

As mature markets face increasingly difficult operating environments caused by global trends such as declining populations and changing consumer demand, the competitive environment has become fiercer than ever.

Not only are we operating in markets we have been long familiar with, but we are also now expanding operations to many less familiar countries to seek new growth opportunities. Globalization and the expansion of LIXIL's operations offer tremendous

opportunities for all of us, but we should also be aware of the potential pitfalls that may lie before us if we are not careful.

Some behaviors that are accepted in some countries may be unacceptable in other countries; indeed, some of those behaviors may even be illegal. We have to achieve our goals through actions that are driven by integrity, socially conscious, and legally compliant.

As you well know, more than a few companies have been forced to go out of business due to their unjust acts, despite good business performance. And that is why I would like you to place a higher priority to acting with integrity and doing the right thing over immediate profit. In addition, we should be fully aware of the compliance rules and regulations in all of the countries in which we operate.

If you are ever in doubt, ask yourself if you can explain your behavior to others with confidence. Please also consult with your supervisor or staff of the legal department if you are not 100% sure.

In conclusion, I ask that you take the time to carefully read the new Group Code of Conduct and fully understand the course of action we wish you to operate as an employee of LIXIL.



Yoichiro Ushioda
Chairman
LIXIL Group Corporation

A handwritten signature in black ink, appearing to read 'Y. Ushioda', written in a cursive style.

Message from the President and CEO

The markets that we work in across the LIXIL Group are becoming increasingly global, diverse, and complex. It is no longer sufficient for us to focus only on the laws and regulations of the country in which we are based. With operations in more than 150 countries we are now a truly global company, and we must all be aware that even a seemingly minor transgression could put the continued good reputation of our company at risk. One of my goals is for the entire LIXIL Group to provide an environment where we all take both pleasure and pride in our work. Knowing how much time we spend at work, the framework for achieving this has to be clear. Pride will come from working in a company with stable corporate governance and a strong culture of compliance: our profits can be made only with these principles providing a firm base.

I encourage you to read this Code thoroughly and reflect its principles in your daily business activities. It is the responsibility of everybody who works for LIXIL Group to ask questions and raise concerns when something doesn't feel right: you can do so by speaking to your manager, your HR or Compliance representatives, or use our anonymous concern reporting system. Speaking up and discussing your concerns openly is an essential component of our global compliance culture.

Thank you for your commitment every day to enhancing the global foundation of "One LIXIL".



Kinya Seto
President & CEO
LIXIL Group Corporation

A stylized, handwritten signature in black ink, consisting of a large 'K' followed by a series of loops and a long horizontal stroke.

The Road to Good Living: Compliance and Integrity

As a responsible company and a global leader in our industry, building trust with our customers, investors, business partners and employees is critical to LIXIL's long-term performance and success.

The LIXIL Group Code of Conduct ("our Group Code") guides us in the appropriate way to do business worldwide. Our Group Code is a common set of rules for the LIXIL Group members' business activities, to be strictly followed by all of our group members, with the goal of achieving strict compliance and internalization of ethically sound attitudes and behaviors.

Our Group Code addresses what we should be doing in our day-to-day work with respect to certain key risk areas. Non-compliance in these areas can have significant legal and reputational consequences if handled improperly. You should utilize our Group Code to spot potential issues early so we may make compliant decisions every day, regardless of where we work.

Who must follow our Group Code?

Our Group Code applies to all members of the LIXIL Group including both employees (including full-time, part-time, contract, fixed-term, and all other employees), and officers (including directors and executive officers).

Our Group Code also applies to LIXIL Group joint ventures in which a LIXIL Group member controls more than 50% of voting rights, has management control or has other indicia of control. These joint ventures are required to adopt and follow our Group Code, which applies to their employees and officers, including directors and executive officers.

We expect our business partners, including suppliers, service providers and distributors, to uphold ethical rules equivalent to our Group Code.

Complying with our Group Code

We are committed to complying with the laws and regulations of the countries in which we operate. Local laws and regulations are often complicated and enforcement of regulations is becoming stricter and broader. As LIXIL Group grows

rapidly across the globe, it is a challenge for us to know and comply with all relevant laws and regulations throughout the world. Following our Group Code will help you comply with applicable laws and regulations since it guides the actions you should take in conducting your work.

It is our responsibility to read our Group Code thoroughly and understand its contents. You will periodically acknowledge compliance with our Group Code.

Lead by example

Establishing a culture of compliance is our most important responsibility. Part of this culture is dedicating the necessary resources to preventing, detecting and responding to compliance violations.

Officers and other senior leadership of LIXIL Group, as managers and supervisors, bear responsibility for implementing this high standard, in addition to their responsibility to comply with our Group Code themselves. We encourage everyone to speak up and to create an environment where employees can report any concern without fear of retaliation. Should you suspect any breach of our Group Code, relevant policies or the laws and regulations, promptly take actions with support from relevant department including the Legal Department/ Compliance of your business.

Asking questions, seeking advice and raising a concern

It is our responsibility to ask questions, seek advice and raise concerns if we suspect or risk a breach of our Group Code, relevant policies or the laws and regulations.

You do not need to be an expert on every law and regulation or certain that a violation has occurred. Rather, if you suspect that the Group Code, relevant policies or the laws and regulations are not being followed, you should report the concern. It is important to speak up, get advice and address your concern.

We protect the confidentiality of the reporter to the extent we are able.

In raising your concern, you may choose to remain anonymous. However, you are asked to report enough details to allow the issue to be addressed, such as the

name of the company, region, place of business and participants. Without such information, it is often difficult to take measures to address the issue.

LIXIL Group will not retaliate against an employee who has asked a question, sought advice or raised a concern in good faith, even if the concern after investigation turn out to be unsubstantiated.

Where to get advice or report a concern?

There are several channels through which you can ask a question, seek advice or report a concern regarding a suspected breach of our Group Code, relevant policies or the laws and regulations:

- ▶ Your manager
- ▶ Your Human Resources representatives
- ▶ Your Legal/Compliance representatives
- ▶ Your relevant department in charge
- ▶ Chief Legal Officer of the LIXIL Group Corporation
- ▶ Concern reporting system of your business. (The name of this channel may currently vary among different LIXIL Group entities – e.g., compliance helpline or whistleblower system, ombudsman system.)
- ▶ LIXIL Group Compliance Hotline available to all employees globally (compliancehotline@lixil.com)

For more details, please visit: Compliance page of our intranet

What happens if I ask questions, seek advice or raise a concern?

The Legal Department/Compliance will review your report and screen it appropriately. Compliance-related reports will be investigated through Legal/Compliance. Reports that do not raise compliance issues will be forwarded to HR or another appropriate department.

We ensure confidentiality of the report to the extent possible by law. If you raise a legitimate concern, a limited number of people will be informed on a need-to-know basis to solve potential issues properly.

In seeking to cooperate in good faith with audits and investigation by governments and regulators, we may choose to self-report violations, which could result in government action.

Investigation

The investigation process will be neutral and conducted without any presumption of wrongdoing. The focus will be on clarifying the facts, implementing changes based on the findings, ensuring that lessons are learned and avoiding similar issues in the future.

You are expected to cooperate in the investigation of a possible violation of our Group Code, relevant policies or the laws and regulations.

Once the investigation starts, you should refrain from speaking with anyone about the investigation other than the investigators.

If notified by the government or relevant regulators for an audit or an investigation, you should contact the Legal Department or relevant department of your business in accordance with your internal policies and procedures to seek an advice and instruction.

Disciplinary action

Violating our Group Code, relevant policies or the laws and regulations could result in disciplinary action up to and including termination of employment pursuant to each LIXIL Group entity's disciplinary policies and local laws.



Important notices

The standards outlined in our Group Code are by no means exhaustive. They do not necessarily replace other existing LIXIL Group policies and procedures, internal rules of the respective group companies, local policies, laws and regulations. In case of a conflict between our Group Code's standards and stricter local legislation, the stricter local legislation will prevail. However, any such conflict will not impact the remainder of our Group Code.

Our Group Code contemplates global policies, detailed implementing procedures and guidelines to be issued for certain key risk areas of our Group Code.

LIXIL Group's Entities may establish local compliance policies and procedures in line with our Group Code, global policies, implementing procedures and guidelines, to incorporate stricter local legal and regulatory requirements or unique business or local risks not covered by our Group Code.

The Chief Legal Officer of the LIXIL Group Corporation shall be responsible for maintenance of our Group Code.

1 Integrity in our marketplace

We are passionate about our customers and their experience with our products and services. When dealing with our customers and business partners, we should always earn their business fairly and honestly, avoid unfair or deceptive trade practices, communicate our sales programs clearly and deliver on our promises everywhere we work.

1-1 Product quality and safety

1-2 Marketing

1-3 Suppliers

1-1 Product quality and safety

**We ensure our products and services
throughout the world meet our high quality standards**

Our customers should have every reason to trust the quality of our products and services. We give the utmost priority to product quality and safety. We comply with applicable international and local regulatory requirements as well as our own high standards. Furthermore, we ensure that our suppliers and distributors meet our quality standards.



1-2 Marketing

We are truthful in our advertising, promotions and public statements

Being passionate about customers means that our advertising, promotions and public statements must be truthful. We do not make misleading or deceptive statements about our products or their attributes.

We compete fairly, with no misleading or unsubstantiated statements about competitors' products or infringement of their trademarks or other legal rights.

We comply with all applicable laws and regulations governing advertising, trade practices, competition and customer promotions.



1-3 Suppliers

We require our suppliers to obey applicable laws and ethical rules equivalent to our Group Code, including worker safety and environmental requirements

LIXIL Group's supplier relationships must be based on lawful, efficient and fair dealing. As part of our supply chain, the suppliers we choose must, among other things, comply with anti-corruption and antitrust laws, obey laws that require them to treat workers fairly, provide a safe and healthy work environment and protect environmental quality. The quality of our products and our commitments to the environment and human rights are at stake. We ensure that each LIXIL Group Entity has procedures to review suppliers' qualifications, and to use objective selection criteria.



2 Ethics in our business activities

We have an unwavering commitment to compliant, fair, ethical and responsible business conduct. We make business decisions based on what is in the company's best interest, and we work against corruption in all its forms, including extortion and bribery. We will compete fairly and in compliance with competition laws throughout the world.

- 2-1 Anti-corruption: Proper and transparent relationships with government officials and our stakeholders
- 2-2 Conflicts of interest
- 2-3 Prohibition of involvement with criminal organizations and individuals
- 2-4 Anti-money laundering
- 2-5 Fair competition
- 2-6 International trade controls
- 2-7 Political and religious activities

Anti-corruption:

2-1

Proper and transparent relationships with government officials and our stakeholders

LIXIL Group prohibits giving of money or improper benefits, including excessive services, gifts and entertainment, to government officials and ensures transparent relationships with them. We also do not give or receive money or other benefits, including excessive gifts and entertainment, to or from private business partners in order to secure an improper benefit

We are committed to working in a corruption-free business environment.

We do not give or promise money of any value, nor excessive services, gifts and entertainment, to governments or government officials (a term which includes employees of state-owned enterprises, political candidates and their employees, and all other public officials). We also do not provide such benefits to the employees of customers or business partners that could be construed as intending to improperly influence their decisions. These prohibitions include what are known as "facilitation payments."

Problematic benefits include, among others: hiring someone who is a current or former government official or his/her family member to obtain even an indirect benefit from the government official without the prior approval in accordance with company's procedure; paying unofficial "fees" or "tips" to licensing authorities or customs officials; or using a third party, such as a travel agency, to arrange a personal trip for an customer's executive at the company's expense in exchange for arranging for his company to purchase our products.

We may offer and accept unsolicited gifts and entertainment that are business courtesies, designed to build relationships and goodwill, if they are not intended to secure a particular business or personal benefit, are appropriate to the circumstances and are moderate in terms of value,

frequency and quantity. We do not solicit gifts or entertainment of any value, nor may you provide gifts or entertainment in response to solicitations.

We must document and keep records of gifts and entertainment in accordance with our Group Code, policy and procedures.

You may not use a third party as an intermediary to confer any benefits that would be prohibited if you were to offer them directly. We will seek to ensure our third parties are aware of and compliant with our anti-corruption standards, including conducting risk-based anti-corruption diligence before engaging third parties.

No matter where in the world we work, there is an anti-bribery law that applies to us. Under some countries' laws, such as Japan, the US, UK and Germany, LIXIL Group Entity or its employees and officers may be held liable for activities that occur outside those countries.

What is a “facilitation payment?”

A facilitation payment is the provision of money or goods to a government official to perform, or speed up the performance of, a duty the official already has to you. For example, paying a customs official to clear goods for import, where he is technically required to clear them anyway, would be a facilitation payment.

What is a “kickback” ?

A kickback is a form of corruption that involves two parties agreeing that a portion of sales or profits will be improperly given, rebated or kicked back to the purchaser in exchange for making the deal. For example, a kickback might involve a supplier who offers us a certain percentage of our purchases as a monthly payment as an inducement to retain their services.

2-2 Conflicts of interest

We avoid conflicts of interest and the appearance of conflicts, and disclose any potential conflicts to the company

We act in LIXIL Group's best interests and avoid any action or appearance that puts our personal needs ahead of LIXIL Group's interests.

We should not put ourselves in situations where our business decisions can be influenced or appear to be influenced by personal or family interests or friendships. Common situations that can lead to a conflict of interest are, for example:

- ▶ Engaging in activities that compete with LIXIL Group's interests;
- ▶ Personally receiving any amount of cash, benefits, entertainment or gifts of more than modest value from any customer or supplier of goods and/or services to LIXIL Group Entities;



- ▶ Serving as an officer or director of, or working for, any customer, business partner or competitor of LIXIL Group without the prior approval in accordance with company's procedure;
- ▶ Acquiring or maintaining an ownership interest in any customer, business partner or competitor of LIXIL Group Entity; or
- ▶ Supervising, reviewing or influencing the job evaluation, hiring, pay or benefits of any family members of LIXIL Group employees at any customer or business partner of LIXIL Group.

It is our obligation to voluntarily and proactively disclose any actual or potential conflict promptly to the company. In most cases, conflicts can be resolved by an open and honest discussion. Certain material conflicts may require the acknowledgement of confidentiality obligations, reassignment or recusal from certain business decisions.

Prohibition of involvement with criminal organizations 2-3 and individuals

**LIXIL Group shall never have any relationships
with criminal organizations or individuals**

We will not be voluntarily involved with 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 and will promptly report any such threats to the company.



2-4 Anti-money laundering

LIXIL Group ensures to hold procedures to prevent money laundering and comply with anti-money laundering reporting requirements

We are committed to the international fight against money laundering. Money laundering is the criminal practice of filtering the proceeds of crime, or 'dirty money,' through a series of transactions so that the funds are 'cleaned' in order to disguise their illegal origin. We ensure that LIXIL Group Entities conduct business in accordance with all local legal requirements, including compliance with any currency reporting requirements.

We do our best to conduct business only with customers and business partners who have legitimate business purposes and are using legitimate funds. Therefore, we do not allow and are not involved with criminal activities and, if we become aware of them, keep ourselves away from them.



What are red flags for money laundering?

For example, if a potential customer or supplier with whom you have not had a business transaction in the past requests cash or other unusual payment terms, you should suspect money laundering activity. Don't ignore it; you should report your concern.

2-5 Fair competition

We support free and fair competition and do not use illegal or questionable measures to gain an advantage over a competitor

LIXIL Group's policy is to compete independently, and never to engage in illegal anticompetitive activities. We operate in accordance with all applicable antitrust and competition laws and regulations wherever we do business.

We do not collaborate or create the appearance of collaboration by discussing with, or disclosing to, competitors sensitive information such as prices or price components, discounts, costs, profits, margins, trading terms, marketing, distribution plans, market or customer allocations or new product launches. We ensure that our intermediaries do not communicate such information to or receive it from competitors.



We use only legitimate means of gathering competitive information, whether directly or through third parties. We do not use illegal means or misrepresentation, or induce customers, business partners or (current or former) employees of competitors to provide confidential information.

We do not mandate or agree on a customer's resale prices or incentivize customers to follow recommendations through any form of coercion or punishment.

We do not impose conditions of sale that can exclude competitive products or limit a customer's scope of resale. Consult your business's legal department/Compliance before you discuss exclusive sales or services agreements, termination of sales, refusals to sell, tying the sale of one product to the purchase of another or territorial or customer restrictions on the resale of products.

We do not abuse dominant market positions. Consult your business's legal department/Compliance if you suspect that LIXIL Group Entity holds a dominant market position in a certain region or product category. A dominant market position could exist if LIXIL Group Entity control 1/3 or more of the market.

2-6 International trade controls

We comply with trade regulations including local and international export control and economic sanctions laws when we import/export goods, services or technologies or conduct business in countries subject to international economic and trade sanctions

We are evolving as a global company and may transfer goods, services and technologies across national borders. In doing so, we comply with all applicable laws and regulations governing the import and export of our products, including those related to customs, embargoes (in particular Japan, US, UN and EU sanctions regulations) and anti-boycott requirements.

We closely follow procedures for import and export, especially to countries subject to international economic and trade sanctions, and comply with laws and regulations that prohibit or restrict doing business with certain entities or individuals.

These regulations are highly technical and you should take extra caution when trade sanctions could apply to a LIXIL Group Entity or an individual employee. When in doubt, we always seek advice from your business's responsible department in charge or legal department/Compliance.



2-7 Political and religious activities

We do not use funds or resources of LIXIL Group for personal, political or religious activities

LIXIL Group encourages its employees to participate in our communities, which may include political and/or religious activities. We know, however, that we cannot use the name of LIXIL Group or LIXIL Group Entity or our own position at the company to promote particular political or religious causes.

Any payments on LIXIL Group Entity's behalf to political candidates or parties are strictly regulated and must be pre-approved in accordance with the company's procedures.

LIXIL Group does not support or associate with political or religious activity that incites extremism or challenges our commitment to cultural diversity and equal opportunity.

On occasion, LIXIL Group may communicate information and opinions on issues of public concern that affect our company. These communications are not intended to compel us to adopt certain ideas or support certain causes. Your political beliefs and actions are entirely personal and voluntary.





3 Respect in our workplace

We encourage open and honest communication that demonstrates respect toward others, rooted in the understanding that a diverse and inclusive workplace enables more creativity and collaboration, leading eventually to an environment of greater trust and success.

- 3-1 Diversity and inclusion
- 3-2 Human rights
- 3-3 Anti-harassment
- 3-4 Health and safety at workplace

3-1 Diversity and inclusion

We treat everyone equally and fairly, and make employment decisions based on merit and LIXIL Values

We value diversity and equal opportunity in our workforce.

We provide equal employment opportunity for all applicants and employees. In our employment processes, our decisions are made without considering race, color, religion, national or ethnic origin, ancestry, age, disability, gender, pregnancy, marital status, sexual orientation, gender identity or expression, political or personal belief, union membership or any other characteristics protected by local laws and regulations. These principles extend to all employment decisions including recruiting, training, evaluation, promotion and rewards.

We also make reasonable accommodations for employees and applicants with disabilities, and comply with all local laws protecting disabled employees.

We respect the diverse religions and traditions of our employees around the world. We strive to make reasonable accommodations, to the extent permitted by local laws, for religious practices.



3-2 Human rights

We respect human rights everywhere we work

LIXIL Group supports and respects the protection of internationally proclaimed human rights, and we will ensure we are not complicit in human rights abuses. We recognize the importance of maintaining and promoting fundamental human rights everywhere we work and do business, including in our supply chain.

LIXIL Group is committed to upholding the freedom of association and the effective recognition of the right to collective bargaining. All employees have the right to freely form and join groups for the promotion and protection of their employment interests to the extent permitted by law. We also comply with laws and regulations concerning privacy, immigration, working time, wages and hours, as well as laws prohibiting forced, compulsory and child labor, trafficking in persons and employment discrimination.



3-3 Anti-harassment

We are free to do our jobs without fear of harassment or bullying

LIXIL Group seeks to provide a work environment that is free from discrimination, harassment and bullying of any kind and any other offensive or disrespectful conduct. Harassment could be in the form of unwelcome verbal, visual, physical or other conduct that creates an intimidating, offensive or hostile work environment.

We do not tolerate sexual harassment of any kind against any employee, such as unwanted touching, sexual or lewd language and sexual coercion.

Everywhere we operate, we are expected to treat one another with respect and dignity and to speak up if we have been a victim of or have witnessed discrimination, harassment or bullying. LIXIL Group does not allow retaliation against anyone for raising a complaint in good-faith of discrimination, harassment or bullying.



3-4 Health and safety at workplace

We work in a safe, healthy and unthreatening workplace

LIXIL Group is committed to providing a healthy and safe workplace for employees, customers, visitors, contractors, vendors and others on our property.

We comply with the health and safety laws and regulations, standards, guidelines and related requirements that apply to our business.

We do not tolerate violence of any kind, whether explicit or implicit, physical or mental, including threatening behavior, physical intimidation, coercion and acts of physical violence.

We do not work under the influence of alcohol or any substances that may impair our own ability to work safely and do not process, sell, use, transfer or distribute illegal drugs or controlled substances.



4 Proper use of LIXIL Group's assets

We value LIXIL Group's assets as our own and keep confidential information private.



- 4-1 Accurate accounting and financial reporting
- 4-2 Insider trading
- 4-3 Protection of LIXIL Group's assets
- 4-4 Privacy
- 4-5 Intellectual property
- 4-6 Email, internet and information systems
- 4-7 Communicating with external parties

4-1 Accurate accounting and financial reporting

We keep true, accurate and complete business records

We are committed to keep true, accurate and complete business records and reporting including our financial statements, contracts, internal reports such as meeting minutes or daily business report and external reports such as a research report as well as tax filing.

Our financial reports are prepared on time, and with accuracy and completeness. All accounting and financial reporting activities at LIXIL Group must be consistent with all applicable laws, regulations and other rules, including International Financial Reporting Standards (IFRS).

LIXIL Group keep all business records in accordance with the applicable document retention rules, ensuring they are retained in a responsible manner and destroyed only in accordance with such rules.

In particular, records relating to a pending litigation, audit or government investigation may not be destroyed. Destruction or falsification of records to avoid disclosure in a legal proceeding or to a regulatory agency may constitute a criminal offence with severe penalties for the company and the individual employee.

When submitting expense reimbursements, we will claim only genuine business expenses based on accurate records and reports. Claiming inaccurate expenses for business trips and requesting/receiving reimbursements using falsified or fictitious receipts are criminal acts. LIXIL Group may pursue civil and criminal remedies in such matters.

4-2 Insider trading

We do not trade securities on the basis of on non-public information gained through our employment at LIXIL Group Entity

Insider trading is prohibited in many jurisdictions in which we conduct business. We must not trade in LIXIL Group Entity's stocks, bonds or derivatives when we have material, non-public information relating to LIXIL Group Entity. The same rule applies for securities of LIXIL Group Entity's customers, business partners and affiliates if we have material, non-public information relating to them by virtue of working at LIXIL Group Entity. Trading these securities through third parties, including family members or friends, is also not allowed.

We even avoid the appearance of insider trading as doing so can lead to an assumption that we have engaged in the transaction while aware of material, non-public information. We do not sell or buy securities of LIXIL Group Entities, its customers, business partners and their affiliates and at around the time when an announcement is made that would affect its share price.

We do not pass along inside information to third parties, including family members or friends. It is illegal in many jurisdictions to share inside information with other people who then trade on the information, even if the person who tipped the information does not personally gain from sharing it.



Protection of

4-3 LIXIL Group's assets

We spend considerable resources to develop, maintain and improve our business assets. It is our responsibility to protect all of LIXIL Group's assets and use them only for legitimate business purposes

LIXIL Group relies on us to protect our assets from loss, leakage, theft or wrongful use. We have a duty to protect LIXIL Group's assets. These include equipment, inventory, land, buildings, facilities and corporate funds, as well as intangible assets such as intellectual property, confidential information, our name and reputation.

We use LIXIL Group's assets only for legitimate business purposes. We may not use LIXIL Group's assets for personal purposes unless properly authorized to do so. For example, taking home office equipment and supplies for unapproved personal use is a violation of our Group Code.

Information forms an important part of LIXIL Group's assets and safeguarding confidential information is a priority for us. We need to keep LIXIL Group's confidential information to ourselves and do not disclose such information outside the company without obtaining proper authorization. This includes not just intellectual property and business trade secrets, but also information on product development, pricing, customers, business partners and business trends. As a general principle, we assume that all internal information obtained in the course of our duties should be treated as confidential.

Even after our employment is terminated, whether through voluntary resignation or otherwise, we will not disclose confidential LIXIL Group information nor use such information.

All of the information, work product and other materials that we have produced in the course of our work is LIXIL Group's property. Therefore, we will return all documents, data and other LIXIL Group property upon termination of our employment, and management will confirm that the property has been returned.



4-4 Privacy

LIXIL Group protects the personal information of its stakeholders

We hold and process a variety of personal data of customers, business partners, employees and other individuals. Each LIXIL Group Entity fully complies with privacy laws that are in effect in the countries where we operate, as well as the LIXIL Group's data privacy policy and all other relevant guidelines and procedures.

We ensure that personal data we hold and process are:

- ▶ Fairly and lawfully obtained;
- ▶ Processed only for limited or stated purposes;
- ▶ Adequate, relevant and not excessive;
- ▶ Accurate and, where necessary, up to date;
- ▶ Not kept for longer than is necessary;
- ▶ Processed in accordance with applicable laws; and
- ▶ Held securely pursuant to organizational, personal, physical, and technical requirements.

We ensure that third parties that process personal data on our behalf adhere to applicable laws and regulations, our policies and relevant minimum standards including those set out in our Group Code.



What is personal information?

The definition of personal information varies by country. Generally, personal information is any information which relates to a living individual who can be identified: (a) from that information or (b) from that information and other information which is in the possession of, or is likely to come into the possession of, the data controller. In EU countries where privacy law is said to be the strictest in the world, personal information includes any expression of opinion about the individual and any indication of the intentions of the information controller or any other person in respect of the individual. Typical types of personal information that must be protected include names, addresses, telephone numbers, e-mail addresses, government identification numbers, banking information, compensation information and medical history.

4-5 Intellectual property

LIXIL Group values its and others' intellectual property

Intellectual property is one of LIXIL Group's core assets, including its patents, designs, copyrights, trade secrets and trademarks. We vigorously protect LIXIL Group's intellectual property by enforcing its rights against those infringing LIXIL Group's rights. We do not allow any third parties to use LIXIL Group's intellectual property without the company's proper authorization. Our intellectual property rights are adequately protected in contracts with our business partners.

We respect others' intellectual property as well. We do not use others' intellectual property unless authorized by the legitimate owner of the intellectual property. We will also review our suppliers and obtain their agreement to respect others' intellectual property.

Intellectual property created by LIXIL Group employees, in the course of conducting LIXIL Group's business, belongs to LIXIL Group Entity to the extent permitted by law and regulations, regardless of the location of the work or whether created during or outside of working hours.



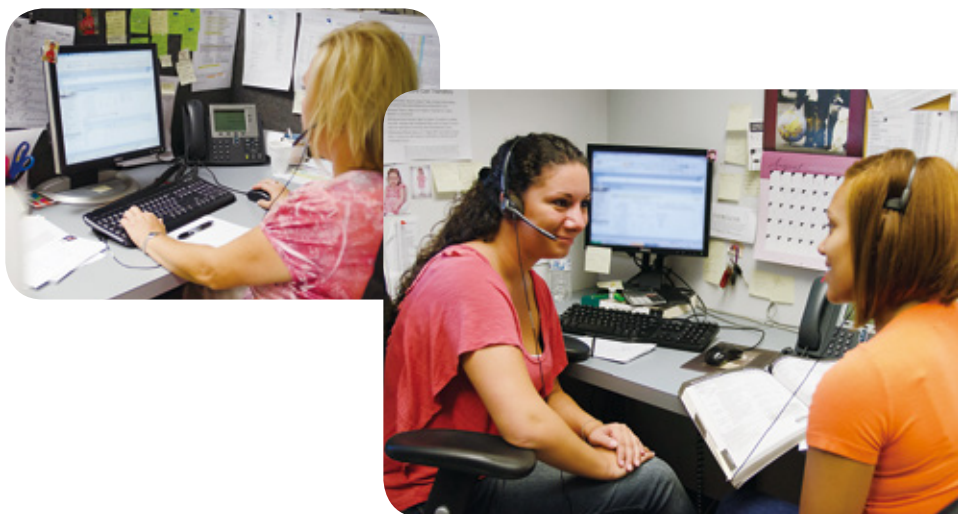
4-6 Email, internet and information systems

We use LIXIL Group's email, internet and information systems responsibly with utmost care towards security

Efficient use of information technology including email, internet and information systems is key to developing our business. We are aware of the security risks in using information technology tools provided by the company to conduct business.

We use the company's email, internet and information systems only for legitimate business purposes in compliance with all relevant laws, regulations and applicable information security policies.

The company may monitor, record, share or otherwise use any communications undertaken via the company's information systems to the extent permitted by local law.



4-7 Communicating with external parties

Reputation and brand are critical LIXIL Group's assets

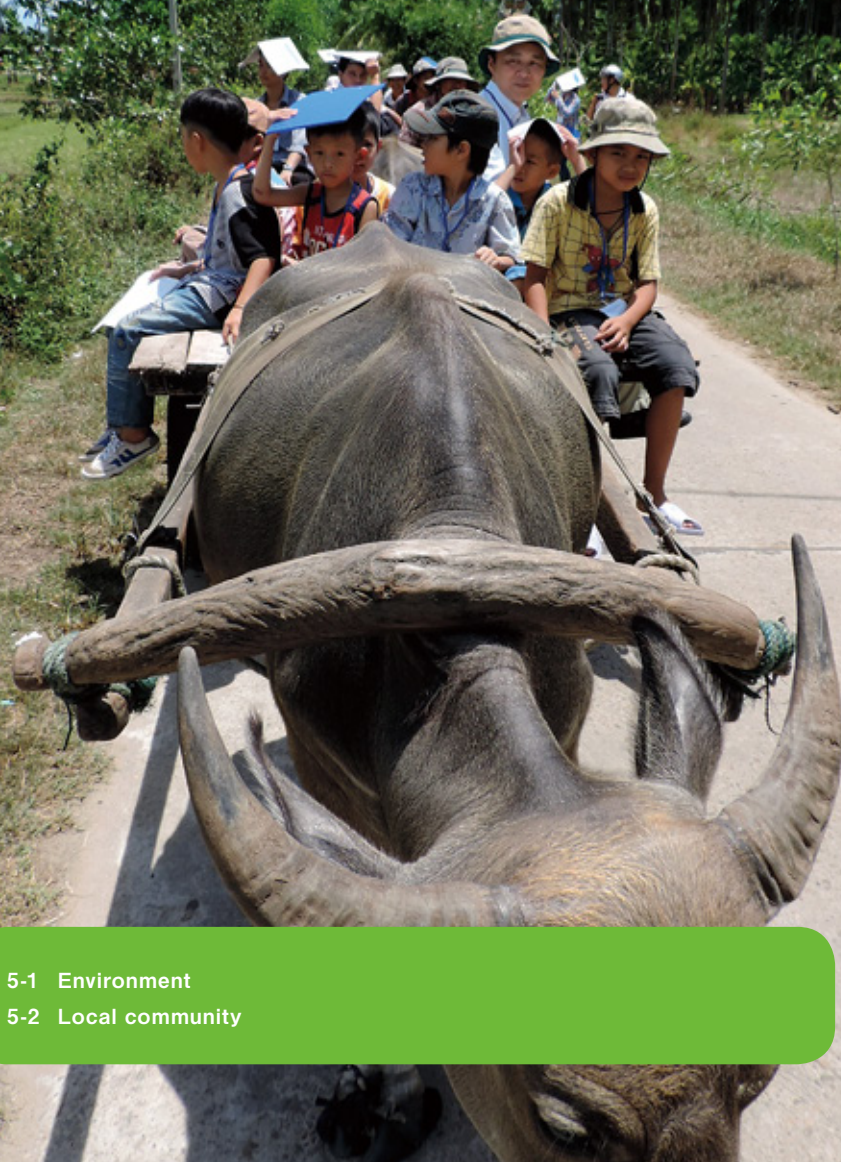
Forthright and accurate communication with our stakeholders helps us to successfully manage both our reputation and brand. We should refrain from commenting about our company or any of its divisions to outsiders without appropriate authorization. In general, we should direct requests for internal information from outside parties to the appropriate department.

Posting information on social media sites such as Facebook, LinkedIn, etc. is speaking to external parties, so the same rules apply. Therefore, we do not discuss LIXIL on any social media without appropriate authorization.



5 Contribution to society

LIXIL Group believes in stewardship of the environment and giving back to our communities. We encourage contributing to valuable public causes outside of work.



5-1 Environment

5-2 Local community

5-1 Environment

LIXIL Group cares about the global environment

We acknowledge the value of preserving the global environment – the Earth is an irreplaceable asset that we must leave in good condition for future generations. We are committed to local and international environmental protection laws, regulations and principles. When evaluating LIXIL Group's business operations, including our supply chain, we consider environmental impact and our duty of environmental stewardship as an important criterion.

We install, maintain and monitor environmental controls to ensure our emissions meet legal limits. We will also assess the environmental risks of any new activity, including product design, entering a new market, building a factory and purchasing another business as well as divestment. In acquiring and disposing of real estate, we will conduct all required environmental surveys.

We strive to preserve the global environment. Accordingly, we work to reduce the environmental strain caused by our business activities, promote greener processes (e.g., using environmentally friendly materials, saving water & raw materials, energy conservation, reducing GHG emissions), develop environmentally friendly products and take other actions to contribute to the preservation of the global environment.

We take a precautionary approach to environmental challenges, undertake initiatives to promote greater responsibility and encourage the development and diffusion of environmentally friendly technologies.

We will seek to have our suppliers similarly comply with these principles and requirements.

5-2 Local community

LIXIL Group supports the communities in which it operates

LIXIL Group acknowledges the value of winning the local community's trust. As a community-minded company, we strive to contribute to, and engage in activities that promote development of, the local community.

LIXIL Group supports and encourages us to participate in programs advancing local welfare, including volunteer activities.

There are some occasions where LIXIL Group Entity makes charitable contributions, reflecting our corporate citizenship and community involvement. Charitable contributions may only be made after an adequate formal approval. In case of any doubts regarding the ethical, moral and legal correctness of a specific charitable contribution, consult with your business's relevant department or legal department/Compliance.



