

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



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LIXIL Corporation
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(TSE Prime market and NSE Premier market, code 5938)

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Notification Regarding Issuance of New Shares as Restricted Stock Compensation

LIXIL Corporation (hereinafter "the Company") hereby gives notice that the Board of Directors has today resolved issuance of new shares (hereinafter "the Issuance of New Shares") as Restricted Stock Compensation as follows.

1. Overview of the Issuance of New Shares

(1) Due date of payment	July 9, 2025
(2) Class and number of shares to be issued	Common share of the Company: 24,592 shares
(3) Issuance price	JPY1,627 per share
(4) Total issuance amount	JPY40,011,184
(5) Eligible persons Number of shares to be allotted	Directors of the Company 8(*1) 24,592 shares
(6) Other matters	Regarding the Issuance of New Shares, an extraordinary report has been submitted in accordance with the Financial Instruments and Exchange Act.

(*1) Including Outside Directors and excluding Directors who serve as Executive Officer

2. Purpose and reason for the Issuance of New Shares

The Company has introduced Restricted Stock Compensation Plan (hereinafter "Restricted Stock Plan") for Directors in place of Phantom Stock Plan to encourage Directors to deepen their shared interests with shareholders and work to improve corporate value over medium-to long-term during the term of office, effective from the Annual Shareholders' Meeting in 2025, pursuant to a resolution passed by the Compensation Committee on February 17, 2025.

Upon implementation of Restricted Stock plan, the Compensation Committee held on June 19, 2025 has resolved to pay a total of JPY40,011,184, which is the monetary compensation claims as Restricted Stock Plan for the period from the date of the Annual Shareholders' Meeting in 2025 to the date of the Annual Shareholders' Meeting in 2026 for the Directors (including Outside Directors and excluding Directors who serve as Executive Officer, hereinafter "the Eligible Directors"), to the 8 Eligible Directors who are scheduled to be allotted (hereinafter "the Allottees").

Then, the Board of Directors in the Company held today resolved to allot 24,592 shares of common share of the Company to the Allottees through the Issuance of New Shares as specified restricted stock by the method in which the Allottees deliver all of monetary compensation claims to the Company by way of contribution in kind.

The amount of monetary compensation claims for each Allottee shall be determined comprehensively in consideration of role and responsibility, etc. of the Allottees in accordance with the Company's compensation basic policy. In addition, monetary compensation claims shall be paid on the condition that each Allottee conclude Restricted Stock Allotment Agreement (hereinafter "Allotment Agreement") with the Company, which includes the contents of 3 below.

3. Overview of Allotment Agreement

(1) Restricted Period

The restricted period (hereinafter "the Restricted Period") is from July 9, 2025 until restriction is lifted in accordance with (2). During the Restricted Period, the Allottees shall not transfer, pledge, create a security interest in, make a living gift, bequest or otherwise dispose of the restricted shares allotted (hereinafter "the Shares") to any third party (hereafter "the Transfer Restriction").

(2) Lifting of the Transfer Restriction

The Company shall lift the Transfer Restriction of all the Shares at the time of retirement from the position as Director of the Company on the condition that the Allottees have continuously held the position of Director of the Company until the last day of the first Annual Shareholders' Meeting that falls after the commencement date of Restricted Period. In the event that the Allottees retire from the position of Director due to reasons that Board of Directors of the Company determines to be justified by the day before the last day of the first Annual Shareholders' Meeting of the Company that falls after the commencement date of the Restricted Period, the Company shall lift the Transfer Restriction of the number of the Shares, which is obtained by dividing the number of months from the month including the appointment date to the month including the day on which the Allottees retire from the position of Director of the Company by 12 (if the result of the calculation exceeds 1, it shall be 1), multiplied by the number of the Shares held by the Allottees as of such time (any fraction resulting from the calculation that is less than one share, shall be rounded down), at the time of retirement from the position as Director of the Company.

(3) Gratis acquisition by the Company

In the event that the Allottees retire from the position as Director of the Company after the commencement date of the Restricted Period, if there are the Shares of which the

Transfer Restriction has not lifted based on the provisions for reasons for lifting of the Transfer Restriction on the above (2), the Company shall automatically acquire the Shares without consideration immediately after the time of the expiration of the Restricted Period. In addition, the Company shall automatically acquire the Shares without consideration in cases such as when a judgment imposing a sentence of imprisonment or greater becomes final and binding.

(4) Treatment in the event of organizational restructuring, etc.

In the event that the proposals, such as merger agreement whereby the Company becomes the dissolving company, share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary and 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 Restricted Period, the Company shall lift the Transfer Restriction of the number of the Shares, which 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 1, it shall be 1), multiplied by the number of the Shares held by the Allottees as of the date of such approval (any fraction resulting from the calculation that is less than one share, shall be rounded down), at the immediately preceding time of the business date prior to the effective date of organizational restructuring, etc., based on the resolution by the Compensation Committee of the Company. The Company shall automatically acquire the Shares of which the Transfer Restriction has not lifted on the business date prior to the effective date of reorganization without consideration on such date.

(5) Management of share

The Allottees shall open an account with SMBC Nikko Securities Inc. in which the Shares shall be entered or recorded in a manner designated by the Company and keep and maintain the Shares in such account during the Restricted Period.

4. Basis of calculation and specific details of the amount to be paid in

The amount to be paid in per share is JPY24,592 which is the daily simple closing average of the common share of the Company on the Tokyo Stock Exchange for the 30 business days prior to the previous day of the appointment date to be free from arbitrariness (if a fraction occurs, the first decimal place shall be rounded up to a whole number).

In addition, the Company's executive compensation regulations for Directors or Executive Officers stipulate that if the Board of Directors determines that there is a concern that the such daily simple closing average would be particularly favorable to Directors, the closing price of the common share of the Company on the Tokyo Stock Exchange on the business day prior to the day on which the Board of Directors resolves to issue new shares shall apply, but it has been confirmed that there is no such concern in the Issuance of New Shares.

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