

[English Translation]

ARTICLES OF INCORPORATION

LIXIL CORPORATION

ARTICLES OF INCORPORATION OF LIXIL CORPORATION

CHAPTER I GENERAL PROVISIONS

(Trade Name)

Article 1 The trade name of the Company shall be Kabushiki Kaisha LIXIL. In English, the Company shall be called LIXIL Corporation.

(Purpose)

Article 2 The purposes of the Company shall be to engage in the following businesses:

- (1) To control and manage the operations of the companies operating business relating to living life in Japan and foreign countries by obtaining and holding the shares or the equities in such companies.
- (2) To control and manage the operations of the companies operating business relating to urban environment in Japan and foreign countries by obtaining and holding the shares or the equities in such companies.
- (3) The manufacture and sale of aluminum building materials.
- (4) The manufacture and sale of wood and metal fittings.
- (5) The manufacture and sale of residential facilities and equipment, such as residential building materials and bathrooms, system kitchens, wash basins, air-conditioning units, and ventilation systems.
- (6) The manufacture and sale of sanitary wares, bidet toilets, faucets, integrated toilets, water treatment facilities, resin bathtubs, water heaters, kitchens, heating products and sanitary equipment.
- (7) The manufacture and sale of interior and exterior tiles, mosaic tiles, craft tiles, floor tiles, large-scale building materials, residential drywall, paving components, stone, various construction materials, and other building materials.
- (8) The manufacture and sale of exterior products, such as gates and fences.
- (9) The manufacture and sale of synthetic resin building materials.
- (10) The manufacture and sale of aluminum products and aluminum molding compounds.
- (11) The manufacture and sale of furniture, interior decorations, lighting equipment, rugs, bedding, interior goods, pet goods, daily necessities,

and wood decks (floor boards).

- (12) The manufacture and sale of infrastructure materials, such as guardrails and balustrades.
- (13) The manufacture and sale of waterproofing agents.
- (14) The manufacture and sale of gardening materials, such as planters, decorative ornaments, artificial soil and other gardening materials.
- (15) The manufacture and sale of disaster prevention equipment and devices, fire extinguishers and security equipment and devices.
- (16) The manufacture, sale and management of environmental sanitation devices.
- (17) The manufacture and sale of solar power generation systems.
- (18) The manufacture and sale of medical devices, medical equipment, quasi-pharmaceutical products, cosmetics and food products.
- (19) The manufacture and sale of household electric appliances and other electric and electronic appliances, and communications equipment and measurement instruments.
- (20) The casting, processing and sale of resin.
- (21) The import and export of the products listed in the preceding Items (3) through (20).
- (22) The lease and sale of the rights regarding the research and development of the products listed in the preceding Items (3) through (20).
- (23) The maintenance, inspection, repair and the provision of other services pertaining to the products listed in the preceding items (3) through (20).
- (24) The design, construction, administration and contracting of construction works.
- (25) The design, construction, administration and contracting of exterior construction works and waterproofing.
- (26) The cleaning of buildings along with the inspection, maintenance and management of buildings and various equipment and machinery.
- (27) Agency business of receiving and making telephone calls regarding repair of residential facilities and equipment and house cleaning requests.
- (28) The design, construction, administration and contracting of the construction of buildings, such as housings, buildings, apartments and stores; the design, construction, administration and contracting of works, interior and exterior work, doors and windows work, glass work,

electrical works, plant works; and design, construction, administration and contracting of works relating to the preceding Items (3) through (20).

- (29) The ownership, administration, sale and purchase and lease of real estate and various equipment and machinery.
- (30) The construction and sale of housing.
- (31) The sale and lease of temporary housing.
- (32) The lease of aluminum manufacturing machinery and equipment.
- (33) The sale and lease of office equipment, telecommunications equipment, computers and their peripheral equipment, and the provision of data processing services.
- (34) The development and sale of computer software and information systems.
- (35) The lease, sale and purchase of rights related to the research and development of applied technology for electronic application equipment.
- (36) Services regarding the planning, production, management and administration of home pages.
- (37) Management consulting.
- (38) The acquisition and holding of securities.
- (39) The handling and storing of freight cargo.
- (40) Non-life insurance agency business.
- (41) Business related to the soliciting of life insurance.
- (42) The development of technology, knowhow and management systems related to the design, construction and sale of housing.
- (43) The sale of the technology, knowhow and management systems provided in the immediately preceding item.
- (44) The manufacture and sale of wood and wooden construction materials.
- (45) The lease of automobiles.
- (46) Life nursing business for persons admitted to specified facilities and life nursing business for persons admitted to preventative nursing specified facilities under the Public Nursing Care Insurance Law.
- (47) Management of pay nursing homes.
- (48) Management of exclusive homes for the elderly.
- (49) Operation of in-home care support businesses.
- (50) Home-visit care and home-visit preventative care businesses.
- (51) Home-visit bathing service and home-visit bathing service for

preventative care businesses.

- (52) Home-visit nursing and home-visit nursing for preventative care businesses.
- (53) Home-visit rehabilitation and home-visit rehabilitation for preventative care businesses.
- (54) Nighttime home-visit care and community-based nighttime home-visit care businesses.
- (55) Routine and/or occasional home-visit nursing care and routine and/or occasional community-based home-visit nursing care businesses.
- (56) Day care and preventative day care businesses.
- (57) Day care rehabilitation and preventative day care rehabilitation businesses.
- (58) Medical day care business.
- (59) Care for dementia outpatients and preventative care for dementia outpatients businesses.
- (60) Community-based care and community-based preventative care for dementia outpatients businesses.
- (61) Small-scale multifunction in-home care and small-scale multifunction in-home preventative care businesses.
- (62) Community-based small-scale multifunction in-home care and community-based small-scale multifunction in-home preventative care businesses.
- (63) Multi-service and community-based multi-service businesses.
- (64) Short stay care and short stay preventative care businesses.
- (65) Short stay medical care and preventative short stay medical care businesses.
- (66) Daily life care for persons admitted to community-based specified facilities business.
- (67) Rental of equipment for care covered by public aid and rental of equipment for preventative care covered by public aid businesses.
- (68) Sale of specified equipment for care covered by public aid and sale of equipment for preventative care covered by public aid businesses.
- (69) Recycling of industrial waste and general waste.
- (70) Business regarding power generation and the provision of electricity.
- (71) The manufacture and sale of fertilizer and feed, and the manufacture, sale and lease of manufacturing facilities therefor.

- (72) The publishing, sale and printing of books.
- (73) The management of ceramic stores and galleries.
- (74) Self-reliance support and home-visit care regarding the promotion and maintenance of the health of the elderly and their leisure activities, and education and training therefor.
- (75) Investing, lending and providing guaranty for business necessary for management.
- (76) To conduct all other businesses related to or connected with the activities described in each item above.

(Location of Head office)

Article 3 The Company shall have its head office in Shinagawa-ku, Tokyo.

(Governing Bodies)

Article 4 The Company shall have the following governing bodies in addition to Shareholder's Meeting and Directors:

- (1) Board of Directors
- (2) Nomination Committee, Audit Committee and Compensation Committee
- (3) Executive Officers
- (4) Accounting Auditor

(Method of Public Notice)

Article 5 All public notices of the Company shall be made by the method of electronic public notice; provided, however, that, if any public notice is unable to be made by electronic public notice due to an accident or for any other unavoidable reason, public notice of the Company shall be made by publishing such notice in the Nihon Keizai Shinbun (Nikkei).

CHAPTER II SHARES

(Total Number of Authorized Shares)

Article 6 The total number of authorized shares of the Company shall be one billion and three hundred million (1,300,000,000).

(Number of Unit Shares)

Article 7 The number of shares per unit share of the Company shall be one hundred (100).

(Rights Concerning Shares less than One Unit)

Article 8 A shareholder of the Company cannot exercise his/her rights with respect to his/her shares less than one unit except for those listed below:

- (1) Rights listed in each item of Article 189, Paragraph 2 of the Companies Act.
- (2) Rights to make a claim under Article 166, Paragraph 1 of the Companies Act.
- (3) Rights to receive allocation of shares and stock acquisition rights in proportion to the number of holding shares.
- (4) Rights to make a claim pursuant to the immediately following Article.

(Purchase of Shares less than One Unit)

Article 9 A shareholder of the Company may, pursuant to the Share Handling Regulations, request that the Company sell such number of shares which, together with the number of shares less than one unit held by such shareholder, will constitute one unit.

2. In case the Company receives the request as stated in the immediately preceding paragraph, but does not hold the requested number of shares, the Company is not required to sell the shares requested.

(Share Handling Regulations)

Article 10 The handling and the fees of the shares of the Company shall be governed by the Share Handling Regulations established by the Board of Executive Officers, except as otherwise provided by the laws and regulations or these Articles of Incorporation.

(Administrator of Shareholder Registry)

Article 11 The Company shall appoint an administrator of shareholder registry.

2. The administrator of shareholder registry and its place of service shall be determined by a resolution of the Board of Executive Officer and shall be published in the public notice.
3. The preparation, placement and other matters related to the Company's

shareholder registry and stock acquisition rights registry shall be delegated to the administrator of shareholder registry and shall not be handled by the Company.

(Record Date)

Article 12 The shareholders, whose names are listed or recorded in the shareholder registry as of the close of March 31 which is the last day of every business year, shall be those who are entitled to exercise their rights at the Annual Shareholders' Meeting pertaining to the said business year.

2. In addition to the case prescribed in the immediately preceding paragraph, if it is necessary to determine the persons who are entitled to exercise their rights as shareholders or registered stock pledgees, the Company may determine, through a resolution of the Board of Directors and by making a prior public notice, a certain date to presume that the shareholders or registered stock pledgees listed or recorded in the shareholder registry as of the close of such date are those who are entitled to exercise their rights.

CHAPTER III SHAREHOLDERS' MEETING

(Convocation)

Article 13 An Annual Shareholders' Meeting of the Company shall be convened in June every year and an extraordinary Shareholders' Meeting shall be convened from time to time whenever necessary.

2. Unless otherwise prescribe by the laws and regulations, Shareholders' Meeting shall be convened by the Directors designated by the Board of Directors in advance.

(Shareholders' Meeting without Specifying a Venue)

Article 14 The Company may hold its Shareholders' Meeting without specifying a venue.

(Person to Preside)

Article 15 The person to preside at the Shareholders' Meeting shall be determined by a resolution of the Board of Directors.

(Measures for Provision in Electronic Format, etc.)

Article 16 In convening Shareholders' Meeting, the Company shall take measures for providing information that constitutes the content of reference materials, etc. of the Shareholders' Meeting in electronic format.

2. For matters subject to measures to provide in electronic format, the Company may exclude all or part of the matters set forth in the Ordinance of the Ministry of Justice from documents to be delivered to shareholders who have requested delivery of documents by the record date for voting rights.

(Method of Resolution)

Article 17 Except as otherwise provided by the laws and regulations or these Articles of Incorporation, the resolutions of Shareholders' Meeting shall be decided by a vote by a majority of the voting rights held by the shareholders who are present thereat and are entitled to vote.

2. A resolution under Article 309, Paragraph 2 of the Companies Act shall be decided at Shareholders' Meeting with attendance of the shareholders with no less than one-third (1/3) of the voting rights held by all the shareholders entitled to vote and approved by a vote by no less than two-thirds (2/3) of the voting rights held by the shareholders who are present thereat and are entitled to vote.

(Exercise of Voting Rights by Proxy)

Article 18 A shareholder may exercise his/her voting rights by proxy (but not more than one) who is a shareholder who has the voting rights of the Company. In such case, the shareholder or his/her proxy shall submit a document evidencing the appointment of the proxy to the Company at each Shareholders' Meeting.

CHAPTER IV DIRECTORS AND BOARD OF DIRECTORS

(Number of Directors)

Article 19 The Company shall not have more than sixteen (16) Directors.

(Election of Directors)

Article 20 Directors shall be elected by a resolution made at Shareholders' Meeting.

2. The election of a Director shall be resolved at Shareholders' Meeting with attendance of the shareholders with not less than one-third (1/3) of the voting rights held by all the shareholders entitled to vote and approved by a vote by a majority of the voting rights held by the shareholders who are present thereat and are entitled to vote.

(Exclusion of Cumulative Voting)

Article 21 Cumulative voting shall not be used in electing Directors.

(Term of Office of Directors)

Article 22 The term of office of a Director shall expire at the close of Annual Shareholders' Meeting pertaining to the last fiscal year ending within one (1) year from his/her election.

2. The term of office of a Director elected to fill a vacancy or elected due to an increase in the number of Directors shall be concurrent with the remaining term of office of other Directors in office at the time of his/her election.

(Compensations, etc. of Directors)

Article 23 The financial benefits that Directors receive from the Company as a consideration for the execution of their duties, such as compensations and bonuses (hereinafter referred to as "Compensations") shall be determined by a resolution of the Compensation Committee.

(Chairperson of Board of Directors)

Article 24 The Company shall elect the Chairperson of the Board of Directors by a resolution of the Board of Directors.

(Convocation of Board of Directors)

Article 25 A convocation notice of a meeting of Board of Directors shall be dispatched to each Director at least three (3) days prior to the date of the meeting; provided, however, that this period may be shortened in the event of an emergency.

2. A meeting of the Board of Directors may be held without undergoing the

convocation procedure when there is unanimous consent of all the Directors.

(Authority to Convene Meetings of Board of Directors)

Article 26 Unless otherwise prescribed by the laws and regulations, a meeting of the Board of Directors shall be convened by the Chairperson of the Board of Directors.

2. In case any accident occurs to the Chairperson of the Board of Directors, other Directors, in accordance with the order previously determined by the Board of Directors, may convene the meeting.

(Resolution of Board of Directors)

Article 27 Resolutions of a meeting of the Board of Directors shall be decided by a vote by a majority of the Directors who are present at the meeting where the majority of the Directors who are entitled to vote are present.

(Omission of Resolutions of Meetings of Board of Directors)

Article 28 In case where the requirements provided in Article 370 of the Companies Act are satisfied, it shall be deemed that a resolution of a meeting of the Board of Directors has been made.

(Regulations of Board of Directors)

Article 29 The operation of the Board of Directors shall be, in addition to the laws and regulations and these Articles of Incorporation, stated in the Regulations of Board of Directors established by the Board of Directors.

(Exemption of Liabilities of Directors)

Article 30 Pursuant to Article 426, Paragraph 1 of the Companies Act, the Company may exempt any Director (including persons who were Directors) from his/her liabilities for damages that he/she incurs due to a breach of his/her duties to the extent permitted under the laws and regulations by a resolution of the Board of Directors.

2. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into with its outside Director a liability limitation agreement to limit his/her liabilities for damages that he/she incurs due to a breach of his/her duties; provided, however, that the amount of liability for damages

which cannot be exempted even under the agreement shall be the greater of either (i) a determined amount which is not less than ten million (10,000,000) yen or (ii) the exemption limitation amount prescribed in the laws and regulations.

CHAPTER V COMMITTEES

(Election of Committee Members)

Article 31 Members of each committee shall be elected from the Directors by a resolution of the Board of Directors.

(Matters Concerning Committees)

Article 32 Matters concerning each committee shall, in addition to the laws and regulations and these Articles of Incorporation, be determined by the Board of Directors.

CHAPTER VI EXECUTIVE OFFICERS

(Number of Executive Officers)

Article 33 The Company shall not have more than sixteen (16) Executive Officers.

(Election of Executive Officers)

Article 34 Executive Officers shall be elected by a resolution of the Board of Directors.

(Term of Office of Executive Officers)

Article 35 The term of office of an Executive Officer shall expire at the end of the fiscal year ending within one (1) year from his/her election.

2. The term of office of an Executive Officer elected to fill a vacancy or elected due to an increase in the number of Executive Officers shall be concurrent with the remaining term of office of other Executive Officers in office at the time of his/her election.

(Executive Officers with Titles)

Article 36 If necessary, the Board of Directors may elect one Executive Officer and Chairman, one Executive Officer and President, Executive Officers and Executive Vice Presidents (*Shikkoyaku Fuku-shacho*), and Executive Officers and Executive Vice Presidents (*Shikkoyaku Senmu*), by a resolution of the Board of Directors.

(Representative Executive Officers)

Article 37 The Board of Directors shall elect Representative Executive Officers from its Executive Officers by a resolution of the Board of Directors.

(Compensations, etc. of Executive Officers)

Article 38 The Compensations of the Executive Officers shall be determined by a resolution of the Compensation Committee.

2. If an Executive Officer concurrently serves as a manager or other employees of the Company, his/her Compensations as employees shall also be determined by a resolution of the Compensation Committee.

(Exemption of Liabilities of Executive Officers)

Article 39 Pursuant to Article 426, Paragraph 1 of the Companies Act, the Company may exempt any Executive Officer (including persons who were Executive Officers) from his/her liabilities for damages that he/she incurs due to a breach of his/her duties to the extent permitted under the laws and regulations by a resolution of the Board of Directors.

(Matters Concerning Executive Officers)

Article 40 Matters concerning Executive Officers shall, in addition to the laws and regulations and these Articles of Incorporation, be determined by the Board of Directors.

CHAPTER VII ACCOUNTING

(Fiscal Year)

Article 41 The fiscal year of the Company shall commence on April 1 of each year and end on March 31 of the immediately following year.

(Governing Body to Decide Dividends, etc.)

Article 42 Except as otherwise provided in the laws and regulations, the Company shall determine the matters prescribed in each item of Article 459, Paragraph 1 of the Companies Act (e.g., dividends) by a resolution of the Board of Directors not by a resolution of Shareholders' Meeting.

(Record Date of Dividends)

Article 43 The record date of the year-end dividend of the Company shall be March 31 of each year.

2. The record date of the interim dividend of the Company shall be September 30 of each year.
3. In addition to the cases prescribed in the preceding two paragraphs, the Company may set a different record date to make dividends.

(Statute of Limitation of Dividends)

Article 44 In the event that dividends are made in cash and a shareholder has not received dividends after passage of three (3) years from the date on which the payment of such dividends started, the Company shall be released from its obligation to distribute such dividends.

2. Unpaid dividends shall not yield any interest.

EOD