TSE Code: 5938

Q3 Results for the Fiscal Year Ending March 31, 2014

(From April 1, 2013 to December 31, 2013)

February 3, 2014

LIXIL Group Corporation

Cautionary Statements with Respect to Forward-Looking Statements
Statements made in these materials with respect to plans, strategies and future performance that are not historical facts are forward-looking statements. LIXIL Group Corporation cautions that a number of factors could cause actual results to differ materially from those discussed in the forward-looking statements.

Copyright © LIXIL Group Corporation, All rights reserved.

I. Overview of the Q3 Results and Full Year Forecasts for the Fiscal Year Ending March 31, 2014

Copyright © LIXIL Group Corporation, All rights reserved.

I-1. Q3 Business Environment and Highlights

- Total domestic new housing starts increased by 11.0% from January to December 2013 and 12.9 % for the three-month period from October to December 2013.
- Favorable growth is expected to continue from January to March 2014.
  However, trends of backlog of housing market are as follows
  - Owner occupied/ detached houses: Decreasing
  - Renovation: Favorable (Due to rush in demand ahead of the consumption tax hike)
- Sales of condominiums are in good condition. Decrease in housing starts has started to slow down, shifting to increase compared to November.

<Number of New Housing Starts>

	January to December 2013 (12 months)		(For reference) January to September 2013 (9 months)		October to December 2013 (3 months)	
	Amount	Y/y	Amount	Y/y	Amount	Y/y
Total new housing starts	980,025	+11.0%	708,746	+10.3%	271,279	+12.9%
Owner occupied (a)	354,772	+13.9%	254,367	+11.7%	100,405	+19.7%
Rental homes	356,263	+11.8%	250,304	+10.3%	105,959	+15.8%
Condominiums for sale	127,599	+3.6%	100,317	+9.3%	27,282	-13.2%
Detached houses for sale (b)	134,888	+10.0%	98,985	+9.7%	35,903	+11.1%
Detached houses total (a+b)	489,660	+12.8%	353,352	+11.1%	136,308	+17.3%

Copyright © LIXIL Group Corporation, All rights reserved.

I-2. Q3 (9 Months) Financial Highlights

Revised up the forecast of net profit for this fiscal year
Year-end dividend payment expected to increase

- Net profit forecast for full year Y41.0bn ⇨ Y44.5bn
  *Surpass the record-high net profit of full year for FY2006 (Y35.2bn)
- Dividend payment for full year is expected to be 55 yen, 5 yen increase for the forecast of the year-end dividend payment
- Net profit by 4.8x Y/Y
- Sales increased by 10% Y/Y
- Operating profit increased by 34% Y/Y, Recurring profit increased by 46% Y/Y

Copyright © LIXIL Group Corporation, All rights reserved.

I-3. Financial Results for the Q3 (9 Months) of the FY Ending March 2014

Units: Y bn, %

	Mar-14 1H			Mar-13 Q3 (9 months) results	Mar-14 Q3(9 months)		
	Results	Y/Y Increase/ decrease	Y/Y %		Results	Y/Y Increase/ decrease	Y/Y %
Net sales	741.5	58.6	8.6	1,056.7	**1,161.6**	104.9	9.9
Gross profit	206.4	15.0	7.8	302.4	**324.7**	22.3	7.4
%	27.8%	-	-0.2P	28.6%	**28.0%**	-	-0.7P
SG&A	180.4	2.8	1.6	264.4	**273.8**	9.4	3.6
%	24.3%	-	-1.7P	25.0%	**23.6%**	-	-1.5P
Operating profit	26.0	12.2	88.7	38.0	**50.9**	12.9	34.1
%	3.5%	-	+1.5P	3.6%	**4.4%**	-	+0.8P
Recurring profit	29.0	16.5	132.0	38.3	**56.1**	17.7	46.3
Income before income taxes	26.7	41.9	Turned profitable	11.5	**55.6**	44.1	382.8
Net income	17.8	28.2	Turned profitable	7.7	**36.9**	29.2	377.1
Net income before amortization of goodwill	20.5	28.5	Turned profitable	11.4	**39.9**	28.6	251.5
EPS before amortization of goodwill (yen)	71	98	Turned profitable	39	**137**	98	251.5

Domestic +6%
Overseas +34%

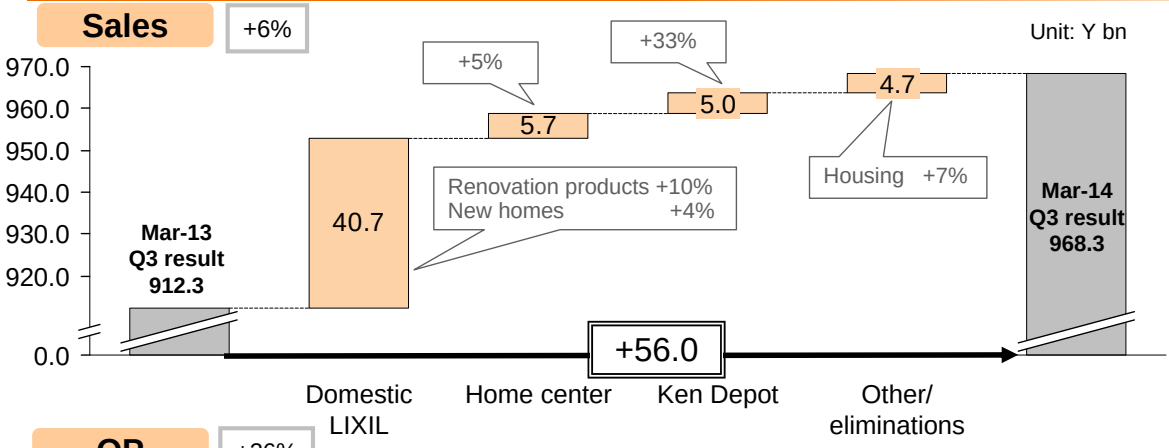
Improved with C-30 Project but on the whole, decreased due to increase of cost caused by the impact of exchange rate and increase in overseas sales ratio

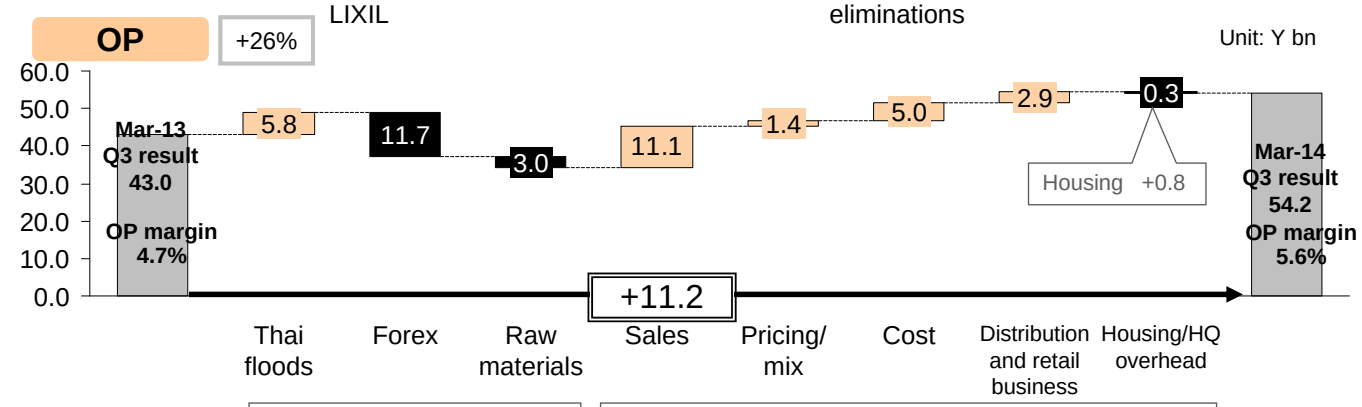
Improved due to C-30 Project effects and increase in overseas sales ratio

Profit results surpassed the previous full-year results

Copyright © LIXIL Group Corporation, All rights reserved.

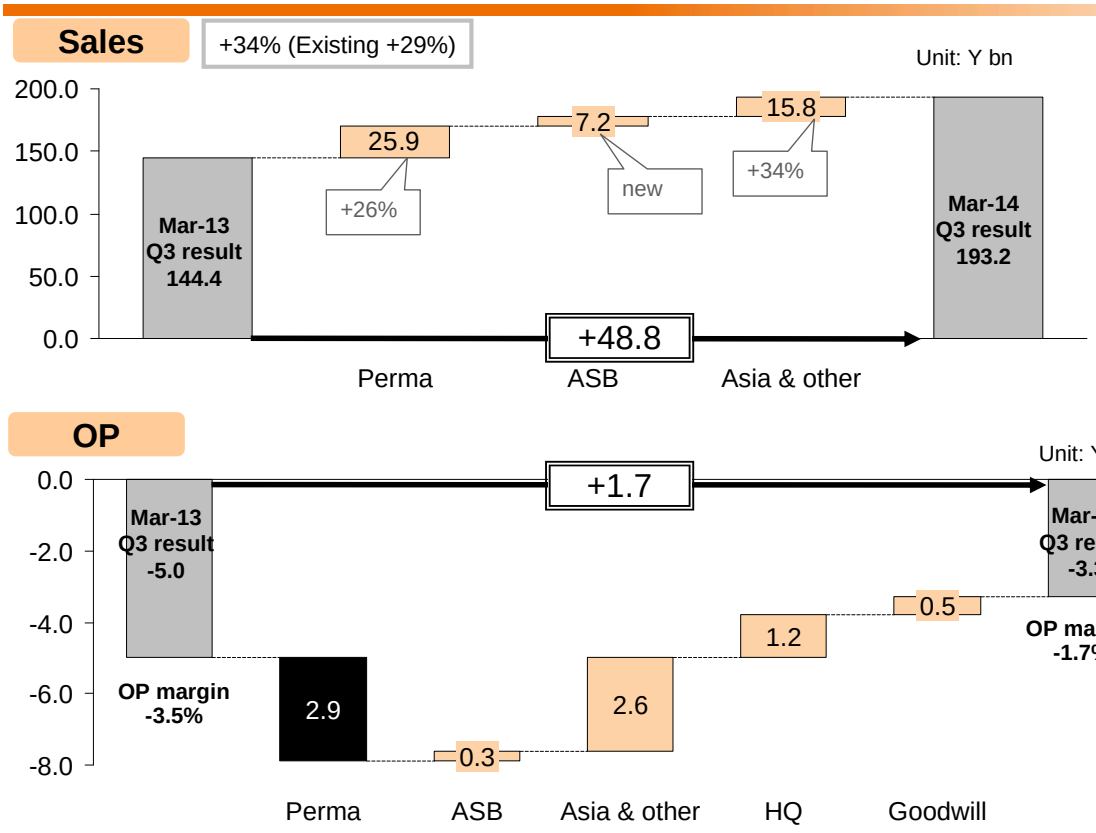
I-4. Increase/ Decrease of Sales and OP in Japan (9 Months)





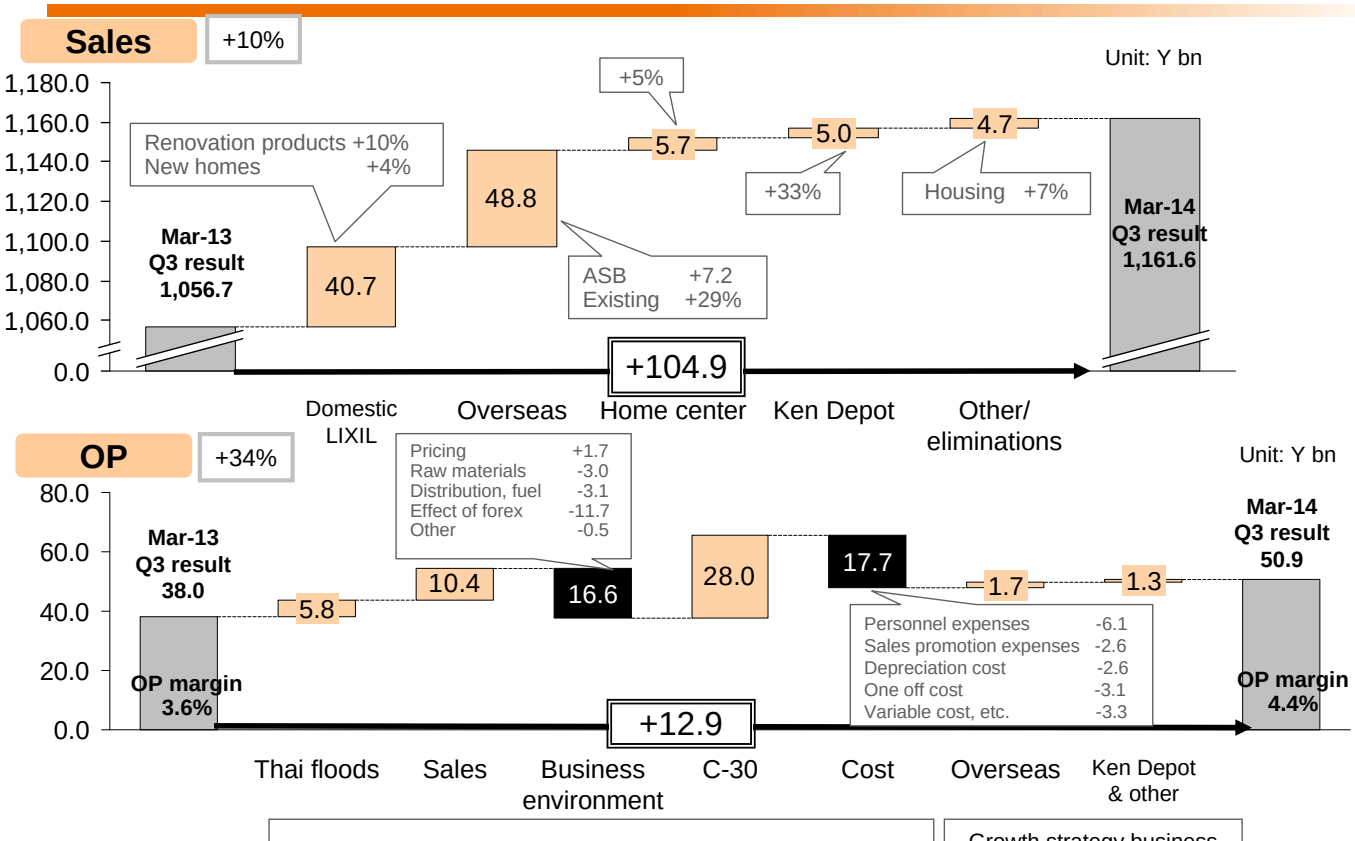
Copyright © LIXIL Group Corporation, All rights reserved.

I-5. Increase/ Decrease of Sales and OP Overseas (9 Months)



Copyright © LIXIL Group Corporation, All rights reserved.

I-6. Increase/ Decrease of Sales and OP in Total (9 Months)



Copyright © LIXIL Group Corporation, All rights res

I-7. Others (1)

■ Extraordinary items

Unit: Y bn

Items	Mar-13 Q3 (9 months) results	**Mar-14 Q3 (9 months) results**	Increase/ decrease	Details
Gain on sales of subsidiaries and affiliates' stocks	2.4	**0.0**	-2.4	(Mar-13)Due to sales of Nittan to Secom Co., Ltd.
Insurance income	9.6	**-**	-9.6	(Mar-13)Partial gains in insurance income from the Thai floods
Gain on sales of investment securities	0.0	**1.4**	+1.4	(Q3)Sales of securities held
Gain on transition to a defined contribution pension plan	1.1	**-**	-1.1	(Mar-13)Final gain on transition when pension plan was unified to a defined contribution pension plan from a tax qualified pension plan in October
Gain on sales of noncurrent assets and other	0.5	**1.0**	+0.5	(Q3)Sales of Takaoka factory and other
Extraordinary income	13.6	**2.4**	-11.2	
Impairment loss	2.8	**1.2**	-1.6	(Q2)Idle land, etc.
Loss on showroom integration	0.9	**-**	-0.9	
Loss on disaster	1.3	**-**	-1.3	(Mar-13) Additional Thai flood impact
Early retirement related loss	32.7	**-**	-32.7	(Mar-13) Voluntary retirement of 1,884 employees on Oct. 25, 2012 (with exceptions)
Loss on sale or disposal of fixed assets and other	2.8	**1.7**	-1.1	
Extraordinary loss	40.5	**2.9**	-37.6	

Highlights for Q3

1) Sales of Takaoka factory +Y0.8bn
2) Sales of securities held +Y1.4bn

Copyright © LIXIL Group Corporation, All rights reserved.

I-8. Others (2)

■ Impact of Exchange Rate ....Negative effect to the OP is partially offset by non-operating income

Unit: Y bn

FY ending March 2014	Rate	OP	Non-Operating Income	Recurring Profit
Full-year forecast in the beginning of this FY	1(USD)=Y95 (JPY)	-16.0	0.0	-16.0
Q3(3 months) result	1(USD)=Y99.8 (JPY) *	-6.5	2.3	-4.1
Q3(9 months) result	1(USD)=Y99.2 (JPY) *	-11.7	2.7	-9.0
Full-year forecast (updated)	1(USD)=Y100 (JPY)	-17.0		

•At the timing of import

■ Tax Expenses

Tax burden ratio decreased due to the tax effects from disposal of idle land and reorganization of subsidiaries

➢Decreased to 34% from 37% of normal effective statutory tax rate

■Voluntary adoption of IFRS (International Financial Reporting Standards) is expected to start from the end of March, 2016

(As announced on September 17, 2013)

Copyright © LIXIL Group Corporation, All rights reserved.

I-9. Consolidated Financial Position

Unit: Y bn

	Mar-13	**Dec-13**	Impacts of ASB	Actual increase/ decrease
Cash and deposits	116.9	**140.4**	2.1	21.4
Notes and accounts receivable	387.5	**454.8**	9.9	57.4
Inventories	189.6	**226.7**	13.3	23.8
Tangible and intangible assets	544.8	**612.1**	50.6	16.7
Others	227.0	**268.4**	3.9	37.6
Total assets	1,465.7	**1,702.5**	79.9	157.0
Notes and accounts payable	201.1	**233.6**	7.4	25.1
Interest-bearing debt	424.0	**557.7**	55.3	78.3
Others	274.3	**304.8**	16.7	13.8
Total liabilities	899.4	**1,096.1**	79.5	117.2
Treasury stocks	-41.8	**-41.8**	0.0	0.0
Others	608.1	**648.2**	0.4	39.7
Net assets	566.3	**606.4**	0.4	39.7

Capital adequacy ratio (%)	38.3	**35.2**		-3.1P
Net asset per share (yen)	1,930.02	**2,061.84**		131.82
Number of shares (in thousands)	290,754	**290,737**		-17

Total assets would increase by Y157bn if the impact of BS consolidation of ASB (Y79.9bn) is excluded.

- Main reason for the increase of turnover assets, such as accounts receivable and inventories of Y81.3bn, is due to seasonal factors.
- Corporate bond of Y50bn was issued to partially finance for acquisition of GROHE, which was completed in Q4.
- Net interest-bearing debt is Y375.2bn (+Y75.4bn)
- D/E ratio: 63%
- Capital adequacy ratio is 35.2%, decreased by 3.1P due to the impacts of acquisition, etc.

Copyright © LIXIL Group Corporation, All rights reserved.

I-10. Cash Flow and Capital Expenditures

Cash Flows

Unit: Y bn

	Mar-13 Q3(9 months) results	**Mar-14 Q3(9 months) results**	**Increase/ decrease**
Pre-tax income	11.5	**55.6**	**44.1**
Depreciation	32.3	**35.7**	**3.4**
Impairment loss	2.8	**1.2**	**-1.6**
Income tax payments	-8.6	**-10.1**	**-1.6**
Working capital	-32.1	**-31.3**	**0.8**
Others	-9.0	**-4.5**	**4.5**
Cash flows from operating activities	-3.0	**46.6**	**49.6**
Cash flows from investing activities	16.0	**-119.5**	**-135.5**
Free cash flows	13.0	**-72.9**	**-85.9**
Cash flows from financing activities	-36.0	**90.7**	**126.7**

- **Free cash flows decreased by Y85.9bn Y/Y**
- Operating cash flows increased by Y49.6bn to Y46.6bn. This was due to significant improvement of income before income taxes.
- Investment cash flows decreased by Y135.5bn to Y119.5bn due to strategic investment such as M&A activities in addition to capital expenditures such as Vietnam factory.
  - -ASB investment Y30.4bn
  - -Alliance investment Y10.8bn
- Financing cash flows were Y90.7bn. This is because strategic investments including those above were covered by issuance of corporate bond and borrowing.
  - -Financing GROHE (with corporate bond) Y50.0bn
- Cash equivalents at the end of Q3 is Y135.7bn, which is an increase of Y31.7bn Y/Y.

Capital Expenditures

Unit: Y bn

	Mar-12 result	Mar-13 result	14-Mar Q3 result	14-Mar Q4 forecast	14-Mar annual
Capex	**52.1**	**73.8**	**44.1**	**17.3**	**61.4**

Unit: Y bn

	Mar-12 result	Mar-13 result	14-Mar Q3 result	14-Mar Q4 forecast	14-Mar annual
Depreciation	**39.4**	**44.7**	**34.6**	**11.2**	**45.8**

Major Capital Expenditures of Mar-14 Q3 (results)

<By region> Domestic Y30.8bn
Overseas Y13.2bn
(Thailand Y2.4bn / New Vietnam factory Y6.5bn)

<By contents>
Home center Y5.4bn
New product investments Y4.8bn
Investments for productivity improvement Y10.9bn

Major Capital Expenditures of Mar-14 (forecasts)

<By region> Domestic Y41.7bn
Overseas Y19.7bn
(New Vietnam factory Y10.8bn)

<By contents>
Home center Y7.5bn
New product investments Y7.5bn
Investments for productivity improvement Y15.8bn

Copyright © LIXIL Group Corporation, All rights reserved.

I-11. Financial Forecasts for the FY Ending March-14

Units: Y bn, %

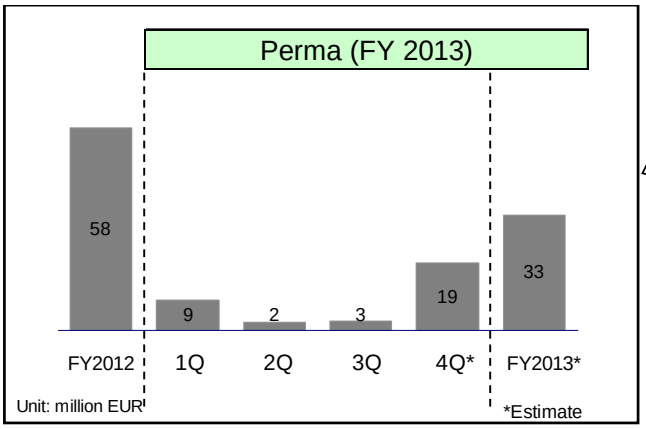
	Mar-13 results	Mar-14									
		1H results	Y/y (amount)	Y/y (%)	2H forecasts	Y/y (amount)	Y/y (%)	(announced on Feb 3, 2014)* Full year forecasts	Y/y (amount)	Y/y (%)	(announced on Oct 21, 2013) Full year forecasts before revision
Net sales	1,436.4	741.5	58.6	8.6%	858.5	105.0	13.9%	1,600.0	163.6	11.4%	1,600.0
Operating profit	50.5	26.0	12.2	88.7%	44.0	7.3	19.9%	70.0	19.5	38.7%	70.0
%	3.5%	3.5%	+1.5P	-	5.1%	+0.3P	-	4.4%	+0.9P	-	4.4%
Recurring profit	53.1	29.0	16.5	132.0%	42.5	2.0	4.8%	71.5	18.4	34.7%	70.0
Net income	21.3	17.8	28.2	Turned profitable	26.7	-5.0	-15.8%	44.5	23.2	108.5%	41.0
EPS (yen)	73	61	97	Turned profitable	92			153	80	108.5%	141
Net income before amortization of goodwill	26.6	20.5	28.5	Turned profitable	28.5			49.0	22.4	84.2%	47.0
EPS before amortization of goodwill (yen)	91	71	98	Turned profitable	98			169	77	84.2%	162

* Revised up the forecasts of recurring profit, net income and dividend payment (announced on February 3, 2014)

<Reason for the revision>
Revision due to earnings of affiliates accounted by the equity method (non-operating income) and idle assets, which were determined after the forecast was revised on Oct 21, 2013. Dividend payment plan is also revised up to meet the dividend payout ratio policy of 30%.

Copyright © LIXIL Group Corporation, All rights reserved.

I-12. OP Forecasts of Permasteelisa & ASB for the FY 2013

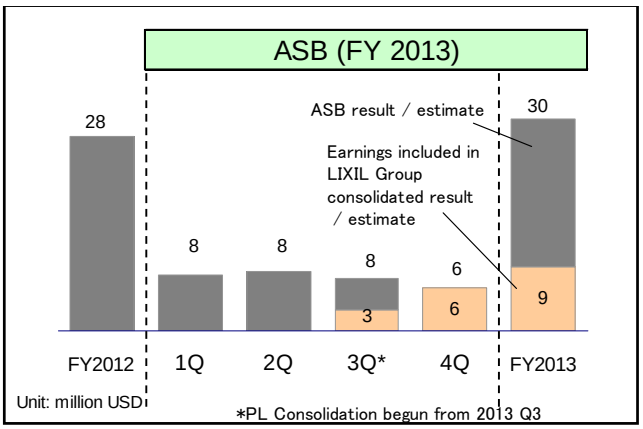


■Undertake improvement of forecast accuracy by strict delivery-date control.

■OP recovery is expected in Q4 from progress of projects, which have been delayed. (*Current estimate of OP for this fiscal year is Y4.6bn in total by translating 1 EUR as 140 yen)

→ This falls short by Y3.8bn from the initial forecast.

■Recovery phase is expected to continue for a while into the next fiscal year.



■OP for Q4 will be lower than other quarters due to seasonal factors. (decrease in number of construction in winter, etc.)

■Sales are expected to grow annually by 3%.

■OP growth will be 7% with profitability improvement.

I-13. Forecasted Balance Sheet for the FY Ending March 2014

Unit: Y bn

	Mar-13	**Mar-14**	Increase/ decrease
Cash and deposits	116.9	**165.0**	48.1
Notes and accounts receivable	387.5	**455.0**	67.5
Inventories	189.6	**220.0**	30.4
Tangible and intangible assets	544.8	**630.0**	85.2
Others	227.0	**330.0**	103.0
Total assets	1,465.7	**1,800.0**	334.3
Notes and accounts payable	201.1	**230.0**	28.9
Interest-bearing debt	424.0	**615.0**	191.0
Others	274.3	**325.0**	50.7
Total liabilities	899.4	**1,170.0**	270.6
Net assets	566.3	**630.0**	63.7

Capital adequacy ratio (%)	38.3	**35**	-3.3P
Net asset per share (yen)	1,930.02	**2,160**	229.98
ROE (%)	3.9	**7**	+3.1P

Total assets are expected to increase by Y334bn to Y1.8 trillion.

- Effects of ASB acquisition: Y79.9bn
- Investment to GROHE: Y103.9bn
- Improvement by CCC Y12bn
  Benchmark Sep-13 90.3 days
  (-4.3 days)
  ↓
  86 days
- Net interest-bearing debt Y450bn (Y140bn increase)
- Capital adequacy ratio is expected to be around 35%. However, net interest-bearing debt based capital adequacy ratio will be 39%.

Copyright © LIXIL Group Corporation, All rights reserved.

I-14. Dividend Policy

<Dividend Policy>
Dividend payout ratio of over 30% will be maintained on the consolidated base excluding the effect of amortization of goodwill.

■ Dividend payment

	Mar-12	Mar-13	Mar-14 Forecast (Announced on Oct 21, 2013)	**Mar-14 Forecast (revised) (Announced on Feb 3, 2014)**
1H	20 yen	20 yen	25 yen	**25 yen**
2H	20 yen	20 yen	25 yen	**30 yen (forecast)**
Full year	40 yen	40 yen	50 yen	**55 yen (forecast)**
Dividend payout ratio	616.3%	54.5%	-	**-**

■ Share Buyback

Share buyback may take place once decisions are made based on factors, such as financial positions and share price.

■ Basic policy regarding the company's decision control

We do not have special defense program for possible M&A targeted against us since we intend to increase our corporate value by taking various measures that would gain supports from our shareholders. We operate under a policy that we would like to have our shares to be held over medium to long-term by a large number of shareholders.

Copyright © LIXIL Group Corporation, All rights reserved.

II. Progress in the Medium-Term Business Plan LIXIL G-15

Copyright © LIXIL Group Corporation, All rights reserved.

II-1. Operational Excellence (1)

- To achieve Medium-Term Business Plan, 11 projects throughout the group and 3 departmental projects were deployed
- All projects were classified as either growth strategy or structural reform to establish an implementing structure

Growth Strategy
Marketing & Innovation 16 (MI-16)
Increase in sales/shares

⇔

Structural Reform
Business Transformation 16 (BT-16)
Fundamental cost cutting/rationalization

CS/ Improve customer satisfaction

Specific details are described on next page

Basic policy
•Implement growth strategy & structural reform with top priority on customer satisfaction
•Implement measures to be carried out throughout the group for total optimization and deploy effects to all business units

Implementing structure
•Cross functional activities that will breakthrough organizational walls
•Appoint next generation leader candidates as people in charge of execution, and evaluate their performance with POD*

Copyright © LIXIL Group Corporation, All rights reserved.

* People & Organization Discussion: A system that allows the department head to seriously think about the people of the department and the organization to thoroughly discuss the topic with the top management once in every 6 months

Business Transformation 16 (BT-16)

	Categories	Major measures	Target
Improve-ment from BT-16*	SCM	● Integrate sales and construction information ● Optimize production sites and logistic centers ● Improve logistics ● Strategic purchasing ● Effect of CCC improvement	Y55.0bn
	Improvement of gross profit	● Reduce cost leakage with process visualization ● Optimize product portfolio	Y35.0bn
	Indirect costs and other	● Improve process of sales support ● More efficient product development ● Cut SG&A	Y20.0bn
	Internal target		Y110.0bn
	Contingency		-Y33.0bn
	<Confirmed> Total		Y77.0bn
Improve-ment to be confirmed	Global	To be disclosed later	
	Distribution & retail	To be disclosed later	
	Services	To be disclosed later	
	<To be confirmed> Total		At least Y30.0bn

*Improvement amounts from BT-16 have been confirmed.

Copyright © LIXIL Group Corporation, All rights reserved.

CCC (Cash Conversion Cycle)

Benchmark:
End of Sep 2013

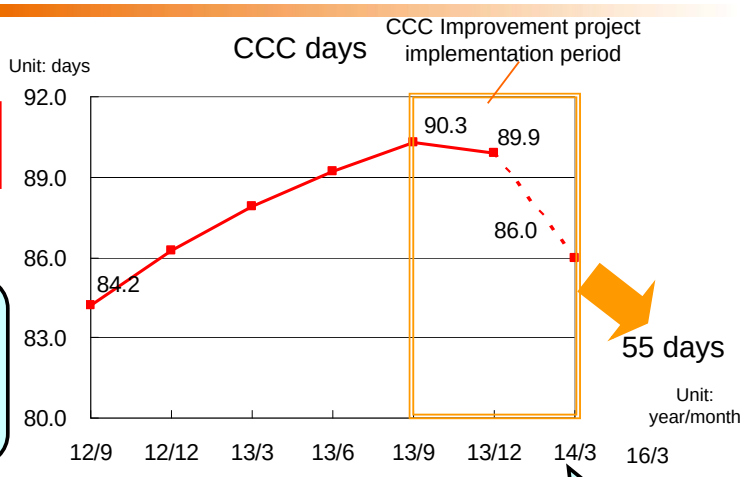
90 days

Target:
End of Mar 2016

55 days

-35days

(Equivalent to Y100bn)



FCF generation by improvement of G-16 EBITDA (80.0 billion yen) + improvement of CCC (100.0 billion yen)

■Items done by Q3

Mainly built the foundation for implementing activities going forward
- -Clarified person in charge by items (inventory/ receivables/payment) and department
- -Set individual target to each person in charge

■Items to be done going forward（from Q4）

Each section to go into the implementation phase
- -Track monthly reports

CCC of the end of March 2014 ⇒Expected to be 86 days

Copyright © LIXIL Group Corporation, All rights reserved.

II-2. Progress of Renovation Strategy in Japan (1)

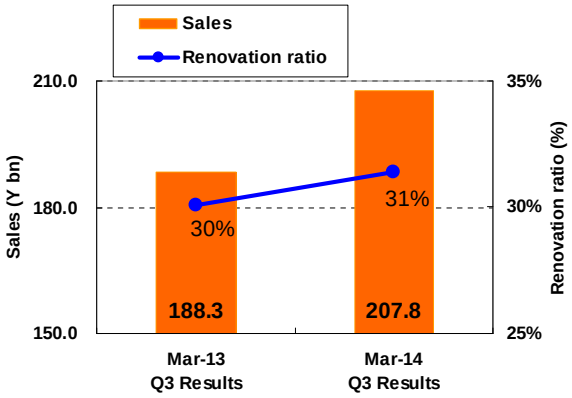
Stock business ratio assumption

Units: Y bn, %

	Mar-13 Q3(9 months) Results	Mar-14 Q3(9 months) Results	Y/Y
Sales from renovation business	248.1	276.5	11.4%
Ratio of renovation business*	27.2%	28.5%	+1.4P

*Ratio of sales of products used for renovation against total domestic sales (including subsidiaries)

LIXIL renovation business



LIXIL renovation business

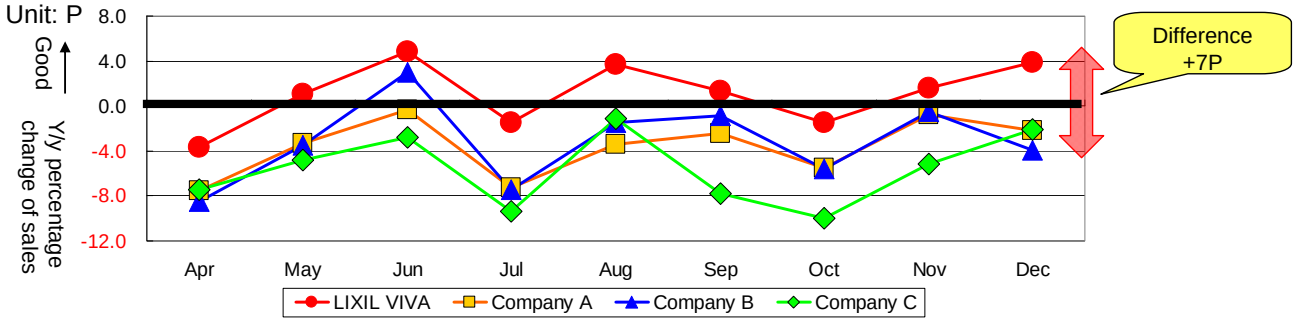
Unit: Y bn, %

	Mar-12 results	Mar-13 results	Y/Y	Mar-14 Q3 (9 months) results	Y/Y	Vs. forecasts	Mar-14 forecasts	Y/Y
Sales of renovation products	245.6	247.9	0.9%	207.8	10.4%	1.7%	265.0	6.9%
Renovation ratio	28.6%	28.9%	+0.3P	31.4%	+1.3P	0.6P	29.8%	+0.9P

Copyright © LIXIL Group Corporation, All rights reserved.

II-3. Progress of Home Center Business

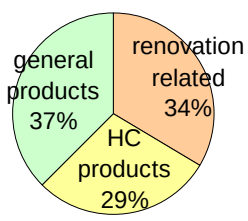
■Transition of Y/Y percentage change of sales of existing stores (Y/Y, compared with competitors)



■Change of sales ratio by segment (total of SVH and NVH*)

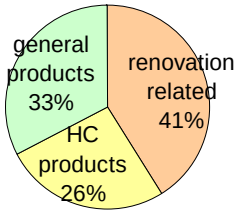
<Mar-11 Result>

Total: Y81.8bn



<Mar-14 Forecast>

Total: Y116.8bn



Reference: HC average-HC trade dictionary 2012 management statistics digest, DIY society material

* SVH: Super VIVA HOME, NVH: New VIVA HOME

<Comparison of sales ratio by segment for FY Mar-13 (all stores)> Unit: %

Sales ratio	LIXIL VIVA	HC average	Difference
Renovation related	39	19	+21P
HC products	27	30	-4P
General products	34	51	-17P

<Comparison of sales for Q3 of FY Mar-14 (all stores)>

Y/Y(%)	LIXIL VIVA	HC average	Difference
Renovation related	17%	3%	+13P
HC products	1%	-2%	+3P
General products	0%	2%	-2P
Total	7%	2%	+5P

Copyright © LIXIL Group Corporation, All rights reserved.

II-4. Progress of Global Strategy (1-1) GROHE

Completion of Acquisition of Shares of GROHE Group on January 21st

On January 21, LIXIL Corporation and Development Bank of Japan completed acquisition of 87.5% of shares of GROHE by joint investment

* Acquisition scheme shown on next page

- GROHE and Joyou AG, the listed subsidiary of GROHE became affiliates of LIXIL Group
- Equity method will be applied from Q1 of the FY ending March 2015

Share acquired company	GraceB S.à r.l. (100% subdsidiary of the special purpose company, GraceA S.à r.l., which LIXIL Corporation and Development Bank of Japan hold 50% of voting rights respectively)
Seller	Glacier Luxembourg One S.à r.l.
Enterprise value of GROHE	Approx. EUR3,059mn (JPY428.3bn *1)

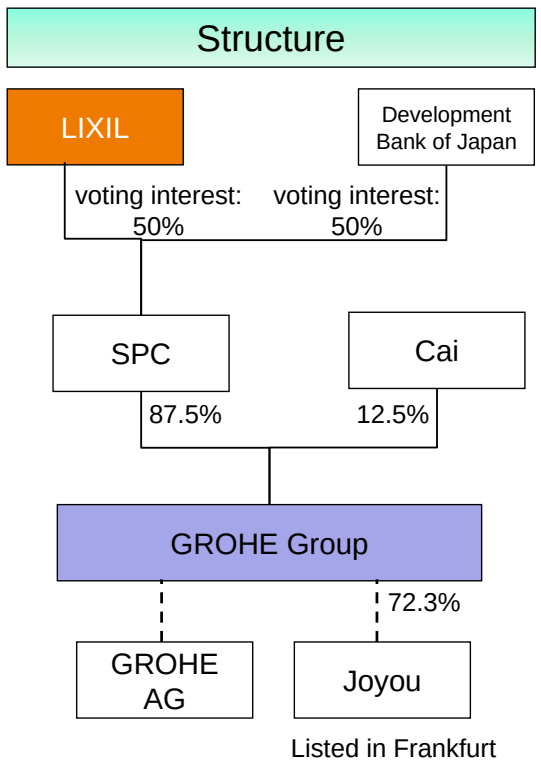
LIXIL's Investment

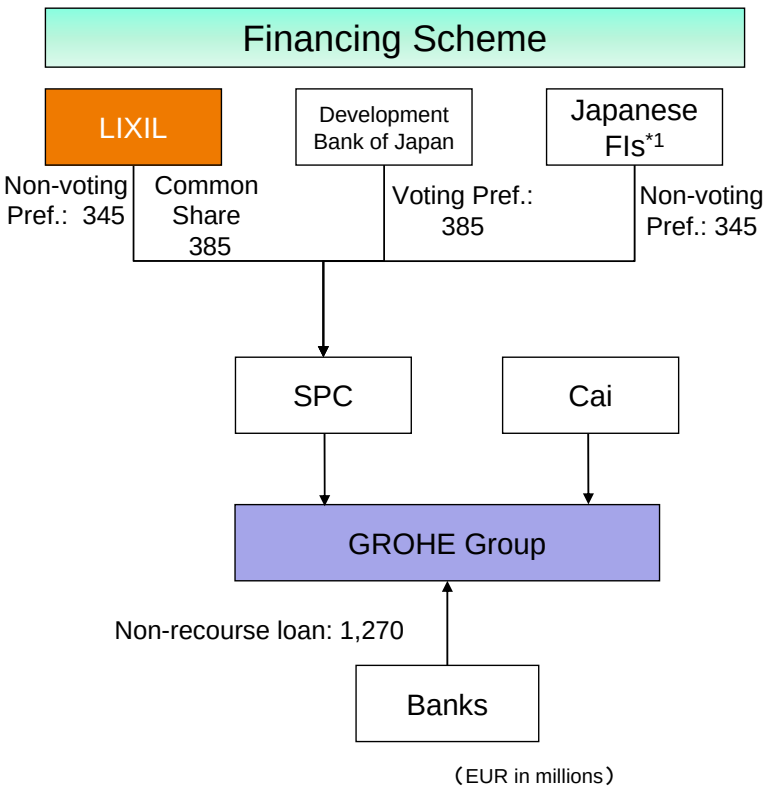
- EV/EBITDA: 10.3x *2
- Common shares: EUR385mn
  Non-voting preferred shares: EUR345mn
  Total: EUR730mn (approx. JPY103.9bn)
- Fully financed by corporate bonds and bank loans

Copyright © LIXIL Group Corporation, All rights reserved.

*1 EUR1=JPY140 *2 Estimated EBITDA for 2013

II-4. Progress of Global Strategy (1-2) GROHE





(EUR in millions)

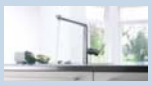
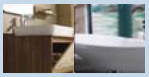
*1:"FI"s denotes "Financial Institutions"

Copyright © LIXIL Group Corporation, All rights reserved.

GROHE Group at a glance

GROHE Group key statistics (2013 Estimate)	
1	**€1.45bn** sales
2	**15%**[1] sales CAGR (2009-2013)
3	**€286m** norm. EBITDA
4	**20%** norm. EBITDA margin
5	**~50%** of sales from emerging markets[2]
6	**~9,000** headcount

GROHE

Sales by product category (2012 Actual)	
Bathroom 29%	
Showers & Shower Systems 22%	
Kitchen Faucets 10%	
GROHE Professional 15%	
Joyou 24%	

1 2009 Actual to 2013 Estimate sales CAGR includes effect of full consolidation of Joyou from 1 July 2011 onwards
2 Defined as Eastern Europe, Latin America, Middle East & Africa and Asia excluding Japan

Copyright © LIXIL Group Corporation, All rights reserved.

Progress and synergy effects so far

American Standard

1. Launched premium brand: DXV Brand

- DXV Brand is an value-added brand exclusive for wholesale channels
  (“DXV” stands for Decade 15 = 150 years*) *ASB celebrates 150th anniversary from its establishment
- Displayed for the first time at an exhibition held in Canada from January 23-26
- Provides shower toilet which LIXIL expects to expand sales in North America

DXV AMERICAN STANDARD







2. Sales tie-up with Ferguson

- Start sales of ASB products at Ferguson showroom from March
- Expand ASB products to 210 showrooms of Ferguson by August
- The differentiated, DXV Brand will be the main product

3. “Feel it!” program

- Provide 550 shower toilets for ASB employees

Copyright © LIXIL Group Corporation, All rights reserved.

II-5. Progress of the “C-30 Project”

Division	Major measures	Target	Mar-14 Q3 progress	Mar-14 Q3 PL base (results)	Mar-14 PL base (estimate)	3 years progress (estimate*)
Sales & marketing	• Integrate sales offices and showrooms • Integrate sales and marketing divisions as well as front and back office operations	Y40bn	77%	Y3.5bn	Y8.6bn	Y29.7bn
Develop-ment & production	• Integrate products and decrease the number of products • Reorganize and consolidate production sites • Automate factories and increase internally manufactured products and decrease outsourcing • Expand production overseas • Improve product quality	Y30bn	120%	Y8.5bn	Y5.9bn	Y31.3bn
Purchasing & distribution	• Improve economy of scale by the integration of purchasing • Increase purchasing from overseas • Consolidate logistics centers and integrate IT systems	Y20bn	172%	Y9.6bn	Y6.1bn	Y30.6bn
Other	• Integrate headquarters • Integrate administrative IT systems	Y20bn	94%	Y6.4bn	Y3.9bn	Y13.0bn
Total		Y110bn	109%	Y28.0bn	Y24.5bn	Y104.6 bn

Copyright © LIXIL Group Corporation, All rights reserved.

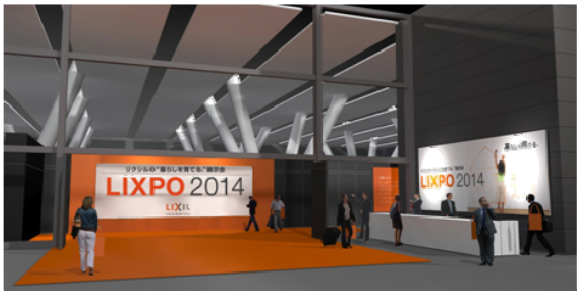
*Estimate announced at beginning of FY2013

Link to Good Living

III. New Products and Services of the LIXIL Group

Copyright © LIXIL Group Corporation, All rights reserved.

III-1. LIXPO 2014 Held in 4 Areas of Japan





Schedule	Exhibition
1/21、22	LIXPO Tokyo 2014
3/5、6	LIXPO Chubu 2014
3/12、13	LIXPO Kansai 2014
5/14、15	LIXPO Tohoku 2014

Starting from LIXPO Tokyo 2014 held in Tokyo International Forum on January 21 & 22, 2014, the exhibition under the theme of *Enhance Our Living* is scheduled to be held in 4 areas of Japan. Targets are housing-related professional users of LIXIL products and services.

Social Needs

Energy from natural resources
Low birth rate/ Aging population
Quakeproof/ Durable
Child care/ education
etc.

Solutions Suggested by LIXIL

Passive first
Renovation with universal design
Housework & child care support
Fireproof entrance series
Coordination with trend
Homes for the elderly with nursing care service
Renovation of stores/ condominiums
Technologies to utilize natural resources for high rise buildings

Copyright © LIXIL Group Corporation, All rights reserved.

III-2. Completion of New Factory in Vietnam



The construction of factory building of LIXIL's overseas subsidiary, LIXIL GLOBAL MANUFACTURING VIETNAM COMPANY LIMITED, completed in Long Duc industrial park, Dong nai province, Vietnam. Facilities will be serially installed to create an integrated manufacturing factory of aluminum products, from casting to fabrication/assembly.

Paid-in capital	US$40.7mn
Expected total amount of investment	JPY29.7bn
Employees	Approx. 2,000（Expected at end of FY2015）
Site area	Approx. 550,000m^2
Building area	Approx. 120,000m^2
Production capacity	Approx. 2,300t/month
Products	Aluminum and resin sashes, doors, exteriors, and other products used in homes, office buildings, and other public/industrial buildings

Copyright © LIXIL Group Corporation, All rights reserved.

III-3. LIXIL to Launch JICA Project in Kenya



Waterless Toilet System

LIXIL has submitted a proposal **“Ecological Sanitation System for Watershed Management and Improving Hygienic Environment in Non-Urban Areas in the Republic of Kenya”** to the Japan International Cooperation Agency (hereinafter, “JICA”).

As the proposal was selected for JICA’s first project for “The Collaboration Program with the Private Sector for Disseminating Japanese Technology”, LIXIL will implement it with the support of JICA.

Copyright © LIXIL Group Corporation, All rights reserved.

III-4. *SAMOS Ⅱ* was Selected for the Energy Conservation Center Chairman Award

Insulated window *SAMOS Ⅱ* was selected for the Energy Conservation Center Chairman Award of the Energy Conservation Grand Prize (Product/Business model category) held by the Energy Conservation Center, Japan



平成25年度 省エネ大賞 (製品・ビジネスモデル部門)

- Design: Minimized window frame integrated with pair glass
- Heat insulation capacity: Improved 33% at maximum*
- Annual air conditioning energy consumption: Reduced approx. 13%*

*Compared *SAMOS Ⅱ -H* with LIXIL’s existing product *Symphony*

LIXIL contributes to improving people’s comfort and lifestyles by encouraging broad use of *SAMOS Ⅱ*, which will promote insulation of homes

Energy Conservation Grand Prize aims to permeate energy conservation consciousness and spread of energy conservative products by granting awards to energy conservation activities or advanced products with developed technologies

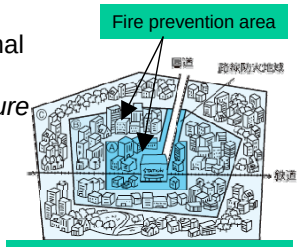
Copyright © LIXIL Group Corporation, All rights reserved.

III-5. Fireproof Window *FG-H/S*

Fireproof window FG-H/S -Fire prevention window approved by Minister of Land, Infrastructure and Transportation-

Adopted LIXIL's same original technology: *Smart synergy system* and *Frame in structure* as *SAMOS Ⅱ*

Consistently high-fire prevention



Fire prevention area image

【業界初 LIXIL オリジナル技術】



Smart synergy system



Installment image

Promotion of _SAMOS Ⅱ_ & _Fireproof window FG-H/S_ will start from Feb 7

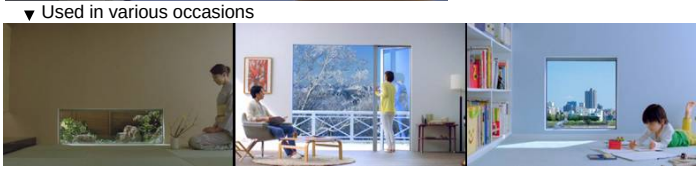
TV commercial will be broadcasted throughout Japan from Feb 7 (except Hokkaido & Okinawa regions)

"*SAMOS* / Change of windows in Japan" version



◄ Thin, beautiful frame

▼ Used in various occasions



▼*Fireproof window FG-H/S*



▼ *SAMOS Ⅱ*



Copyright © LIXIL Group Corporation, All rights reserved.

III-6. New Products & Services (1)

Fireproof door FG-E GIESTA - Fire prevention door approved by Minister of Land, Infrastructure and Transportation



国土交通大臣認定 防火設備

防火戸FG E

Minister of Land, Infrastructure and Transportation approved *fire proof door FG-E* has been restyled as *Fire proof door FG-E GIESTA*

*Fire prevention facilities are required by the Building Standards Act to be used at openings of outer walls to prevent spread of fire from openings such as windows or doors.

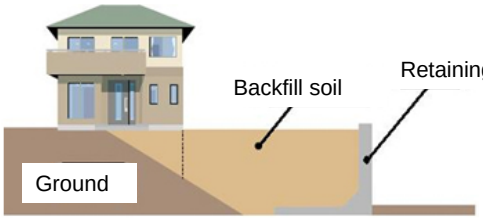
- The same popular design as of insulated door *GIESTA* provided
- 3 types of electric lock system are available
- The series of mid range priced products with K3 quality improved to K2 without increasing price and enhancing competitiveness, which is same as *GIESTA*

December 2013 Launch

Copyright © LIXIL Group Corporation, All rights reserved.

<JHS> Industry first, a new service for prevention of accidents at homes “Retaining wall special contract plan”

Retaining wall of homes



Evaluate bottom ground of both home and retaining wall to check the required bearing power for designing homes

•Deal with unequal settling of homes occurred from sinking/tilt of retaining walls. Suggest strengthening construction if necessary.
•By looking at both retaining wall and ground, we can contribute to customer acquisition of land owners who are worried about the condition of retaining walls.

December 2013 Launch

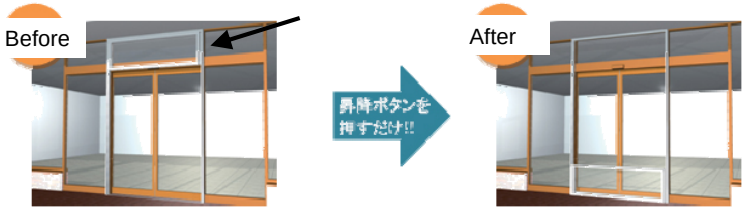
<LIXIL Suzuki Shutter> Apiaguard –watertight bulkhead-

Easy desorption type



The panel of watertight bulkhead consists of 3 panels
Set the 3 aluminum panels on the aluminum guide rail

Upper storage type (industry first)



Watertight bulkhead is stored at the upper part of the guide rail
Light and strong resin panel (thickness: 8mm) is used for the panel of watertight bulkhead

January 2014 Launch

Copyright © LIXIL Group Corporation, All rights reserved.

Live LIXIL Values!



United globally by LIXIL Values

Q3 Results for the FY Ending March 2014 <Fact Sheets>

1. Financial Results for the FY Ended March 2013 (5 Year Trends) P1
2. Q3 (Accumulated 9 Months) Results for the FY Ending March 2014 P2
3. Domestic & Overseas Results and Forecasts by Segment P3
4. Quarterly Financial Results P4
5. Segment Information (1) Manufacturing Businesses P5
   -Metal Building Material
   -Plumbing Fixtures
   -Other Building Materials and Equipment
6. Segment Information (2) Distribution and Retail P6
7. Segment Information (3) Housing, Real Estate and Other Businesses P7
8. Sales by Products and Services P8
9. Renovation Network P8
10. Overseas Production Ratio and Sales P9
11. Permasteelisa P10
12. ASB P10
13. LIXIL Greater China / LIXIL ASEAN+ P10
14. Goodwill and Scope of Consolidation P11
15. Recent M&As / Business & Capital Alliances P11

February 3, 2014

LIXIL
Link to Good Living

LIXIL Group Corporation

Cautionary Statements with Respect to Forward-Looking Statements
Statements made in these materials with respect to plans, strategies and future performance that are not historical facts are forward-looking statements. LIXIL Group Corporation cautions that a number of factors could cause actual results to differ materially from those discussed in the forward-looking statements.

1. Financial Results for the FY Ended March 2013 (5 Year Trends)

*No change from the Mar-13 financial results material (May 7, 2013 Fact Sheets)

Units：Y bn, %

	Mar-09 results	Mar-10 results	Mar-11 results	Mar-12 results	Mar-13 results	Y/Y increase/ decrease	Y/Y (%)
Metal building materials	397.9	368.8	488.5	515.0	651.8	136.8	26.6%
Plumbing fixtures	291.7	282.8	380.0	370.5	374.3	3.9	1.0%
Other building materials	177.1	155.2	159.7	191.0	188.0	-3.0	-1.5%
Distribution and retail	133.3	134.2	142.8	166.6	175.4	8.8	5.3%
Housing, real estate and other	55.9	51.9	57.5	61.3	59.3	-2.1	-3.4%
Subtotal	1,055.8	992.9	1,228.5	1,304.4	1,448.8	144.5	11.1%
Elimination	-9.0	-10.3	-13.5	-13.0	-12.4	0.5	-
Net sales	1,046.9	982.6	1,214.9	1,291.4	1,436.4	145.0	11.2%
Gross profit	305.8	299.0	380.7	376.1	403.1	27.0	7.2%
Gross margin	29.2%	30.4%	31.3%	29.1%	28.1%	-	-1.0P
SG&A	280.2	273.1	340.3	358.1	352.6	-5.6	-1.6%
SG&A ratio	26.8%	27.8%	28.0%	27.7%	24.5%	-	-3.2P
Metal building materials	19.2	17.9	22.1	4.0	23.9	19.9	499.7%
Plumbing fixtures	3.8	8.4	13.0	11.5	17.0	5.5	48.2%
Other building materials	1.6	-1.4	3.6	1.9	7.6	5.7	302.7%
Distribution and retail	2.9	3.9	2.0	-0.9	0.3	1.1	-
Housing, real estate and other	-0.3	-1.1	2.4	4.3	4.9	0.7	16.1%
Elimination	-1.6	-1.7	-2.7	-2.8	-3.2	-0.4	-
Operating profit	25.6	26.0	40.4	17.9	50.5	32.6	181.8%
Metal building materials	4.8%	4.8%	4.5%	0.8%	3.7%	-	+2.9P
Plumbing fixtures	1.3%	3.0%	3.4%	3.1%	4.5%	-	+1.4P
Other building materials	0.9%	-0.9%	2.2%	1.0%	4.0%	-	+3.0P
Distribution and retail	2.2%	2.9%	1.4%	-0.5%	0.2%	-	-
Housing, real estate and other	-0.6%	-2.1%	4.1%	7.0%	8.4%	-	+1.4P
OP margin	2.4%	2.6%	3.3%	1.4%	3.5%	-	+2.1P
Recurring profit	22.2	27.9	39.2	16.1	53.1	36.9	229.1%
Net income/ loss before minority interests	6.6	3.9	30.4	-26.4	32.5	59.0	-
Net income/ loss	0.5	-5.3	15.8	1.9	21.3	19.5	-

2. Q3 (Accumulated 9 Months) Results for the FY Ending March 2014

Units: Y bn, %

	FY Ended March 2013			FY Ending March 2014								
	1H	Q3	Q3	1H results			Q3 (3 months) results			Q3 (9 months) results		
	results	(3 months) results	(9 months) results		Y/Y (amount)	Y/Y (%)		Y/Y (amount)	Y/Y (%)		Y/Y (amount)	Y/Y (%)
Metal building material	306.1	165.8	472.0	333.5	27.4	8.9%	187.8	22.0	13.3%	521.3	49.4	10.5%
Plumbing fixtures	178.0	98.9	276.9	190.3	12.3	6.9%	112.7	13.9	14.0%	303.0	26.1	9.4%
Other building materials	89.1	49.2	138.3	98.4	9.3	10.5%	53.9	4.7	9.5%	152.3	14.0	10.1%
Distribution and retail	87.0	47.8	134.8	93.8	6.8	7.8%	51.7	3.9	8.2%	145.5	10.7	7.9%
Housing, real estate and others	28.6	15.6	44.1	30.9	2.3	8.1%	16.4	0.8	5.4%	47.3	3.1	7.1%
Elimination	-5.9	-3.5	-9.4	-5.3	0.6	-	-2.5	1.0	-	-7.8	1.6	-
Net sales	682.9	373.8	1056.7	741.5	58.6	8.6%	420.1	46.3	12.4%	1,161.6	104.9	9.9%
Gross profit	191.4	111.0	302.4	206.4	15.0	7.8%	118.4	7.4	6.6%	324.7	22.3	7.4%
SG&A	177.7	86.8	264.4	180.4	2.8	1.6%	93.4	6.6	7.6%	273.8	9.4	3.6%
Metal building material	5.5	11.5	16.9	13.5	8.0	146.7%	11.1	-0.4	-3.4%	24.6	7.6	45.1%
Plumbing fixtures	5.1	8.3	13.4	7.5	2.3	45.1%	8.6	0.3	3.6%	16.1	2.6	19.5%
Other building materials	2.2	2.8	5.0	2.8	0.6	28.9%	3.5	0.7	26.0%	6.3	1.4	27.3%
Distribution and retail	0.5	1.0	1.5	1.5	1.0	204.0%	1.6	0.6	60.5%	3.1	1.6	108.4%
Housing, real estate and others	2.1	1.6	3.7	2.8	0.7	31.1%	1.7	0.2	10.0%	4.5	0.8	22.2%
Elimination	-1.6	-0.8	-2.5	-2.1	-0.4	-	-1.5	-0.6	-	-3.6	-1.1	-
Operating profit	13.8	24.2	38.0	26.0	12.2	88.7%	25.0	0.7	3.0%	50.9	12.9	34.1%
OP margin	2.0%	6.5%	3.6%	3.5%	-	+1.5P	5.9%	-	-0.5P	4.4%	-	+0.8P
Recurring profit	12.5	25.9	38.3	29.0	16.5	132.0%	27.1	1.3	4.9%	56.1	17.7	46.3%
Net income/ loss	-10.4	18.1	7.7	17.8	-	Turned profitable	19.1	1.0	5.5%	36.9	29.2	377.1%

[Additional information] Results and assumptions for the foreign exchange rates and raw material prices

	Mar-13 results	Mar-14 Q3 results	Mar-14 assumptions
US dollars	83.23 yen	99.23 yen	95.00 yen
Euros	103.25 yen	126.16 yen	124.00 yen
Thai bahts	2.67 yen	3.18 yen	3.20 yen
Chinese yuans	12.70 yen	15.51 yen	15.30 yen

Aluminum price (Purchasing price)	190,000 yen/ton	220,000 yen/ton	210,000 yen/ton
Copper price	510,000 yen/ton	540,000 yen/ton	600,000 yen/ton

3.Domestic & Overseas Results and Forecasts by Segment

Units: Y bn, %

			Mar-13 Q3 (9 months) results			Mar-14 Q3 (9 months) results			Growth rates (Y/Y)		
			Sales	OP	OPM	Sales	OP	OPM	Sales	OP	OPM
Consolidated Results	Domestic	Metal building materials	355.4	18.8	5.3%	372.6	26.2	7.0%	4.8%	39.0%	1.7P
		Plumbing fixtures	251.4	16.2	6.4%	261.7	18.0	6.9%	4.1%	11.5%	0.5P
		Other building materials	136.0	5.3	3.9%	149.1	6.0	4.0%	9.7%	12.9%	0.1P
		Domestic Total (1)	742.8	40.3	5.4%	783.4	50.2	6.4%	5.5%	24.5%	1.0P
	Overseas	Permasteelisa	97.8	4.6	4.7%	123.7	1.7	1.4%	26.4%	-62.4%	-3.3P
		ASB	-	-	-	7.2	0.3	4.2%	-	-	-
		Asia & others	46.6	1.1	2.4%	62.4	3.7	6.0%	33.9%	237.2%	3.6P
		HQ overhead, GW & others	-	-10.7	-	-	-9.1	-	-	-	-
		Overseas Total (2)	144.4	-5.0	-3.5%	193.2	-3.3	-1.7%	33.8%	Loss decreased	1.8P
	Consolidated building materials Total (1)+(2)		887.2	35.3	4.0%	976.6	46.9	4.8%	10.1%	32.8%	0.8P
	Distribution and retail		134.8	1.5	1.1%	145.5	3.1	2.1%	7.9%	108.4%	1.0P
	Housing, real estate and other		44.1	3.7	8.3%	47.3	4.5	9.5%	7.1%	22.2%	1.2P
Elimination			-9.4	-2.5	-	-7.8	-3.6	-	-	-	-
Total			1,056.7	38.0	3.6%	1,161.6	50.9	4.4%	9.9%	34.1%	0.8P

4. Quarterly Financial Results

Units: Y bn, %

	Mar-13								Mar-14					
	Q1 results		Q2 results		Q3 results		Q4 results		Q1 results		Q2 results		Q3 results	
		Y/Y		Y/Y		Y/Y		Y/Y		Y/Y		Y/Y		Y/Y
Metal building materials	143.9	31.4%	162.2	19.8%	165.8	26.5%	179.8	29.4%	152.3	5.9%	181.2	11.7%	187.8	13.3%
Plumbing fixtures	85.1	7.0%	92.9	-3.0%	98.9	-0.4%	97.5	1.6%	89.0	4.6%	101.2	9.0%	112.7	14.0%
Other building materials	42.2	37.0%	46.9	-1.7%	49.2	-10.5%	49.7	-13.6%	46.6	10.4%	51.8	10.5%	53.9	9.5%
Distribution and retail	44.6	6.6%	42.4	5.0%	47.8	5.1%	40.6	4.5%	48.2	8.1%	45.6	7.4%	51.7	8.2%
Housing, real estate and other	13.1	2.9%	15.4	-8.9%	15.6	0.6%	15.1	-6.3%	15.0	14.2%	15.9	2.8%	16.4	5.4%
Subtotal	328.9	19.9%	359.9	7.0%	377.2	9.0%	382.7	10.2%	351.2	6.8%	395.7	9.9%	422.5	12.0%
Elimination	-2.8	-	-3.2	-	-3.5	-	-3.0	-	-2.8	-	-2.6	-	-2.5	-
Net sales	326.2	20.0%	356.7	7.1%	373.8	9.1%	379.7	10.4%	348.4	6.8%	393.1	10.2%	420.1	12.4%
Gross profit	90.6	8.0%	100.8	4.9%	111.0	5.7%	100.7	10.5%	98.0	8.1%	108.4	7.6%	118.4	6.6%
Gross margin	27.8%	-3.1P	28.3%	-0.6P	29.7%	-1.0P	26.5%	+0.0P	28.1%	+0.3P	27.6%	-0.7P	28.2%	-1.5P
SG&A	87.3	6.3%	90.3	-6.6%	86.8	-1.8%	88.2	-3.2%	88.8	1.6%	91.7	1.5%	93.4	7.6%
SG&A ratio	26.8%	-3.4P	25.3%	-3.7P	23.2%	-2.6P	23.2%	-3.3P	25.5%	-1.3P	23.3%	-2.0P	22.2%	-1.0P
Metal building materials	-0.3	Fell into the red	5.8	Turned profitable	11.5	50.8%	7.0	Turned profitable	5.1	Turned profitable	8.4	46.1%	11.1	-3.4%
Plumbing fixtures	2.7	76.8%	2.4	78.2%	8.3	39.7%	3.6	35.5%	2.2	-17.6%	5.2	116.0%	8.6	3.6%
Other building materials	0.4	Turned profitable	1.8	Turned profitable	2.8	19.6%	2.6	90.4%	0.4	8.7%	2.4	32.8%	3.5	26.0%
Distribution and retail	0.5	-44.0%	0.0	Loss decreased	1.0	67.9%	-1.2	Loss decreased	1.1	113.5%	0.3	Turned profitable	1.6	60.5%
Housing, real estate and other	0.8	71.9%	1.3	21.3%	1.6	31.8%	1.3	-16.9%	1.3	56.8%	1.5	15.3%	1.7	10.0%
Elimination	-0.9	-	-0.8	-	-0.8	-	-0.7	-	-0.9	-	-1.1	-	-1.5	-
Operating profit	3.3	88.5%	10.5	Turned profitable	24.2	45.0%	12.5	-	9.2	180.3%	16.8	60.0%	25.0	3.0%
OP margin	1.0%	+0.4P	2.9%	+3.1P	6.5%	+1.6P	3.3%	+3.3P	2.6%	+1.6P	4.3%	+1.3P	5.9%	-0.5P
Recurring profit	3.7	28.3%	8.8	Turned profitable	25.9	53.6%	14.7	-	13.6	269.1%	15.3	74.5%	27.1	4.9%
Net income/ loss	1.1	-95.3%	-11.5	Loss increased	18.1	Turned profitable	13.6	Turned profitable	8.9	733.3%	8.8	Turned profitable	19.1	5.5%

5. Segment Information (1) Manufacturing Businesses (Metal Building Materials/ Plumbing Fixtures/ Other Building Materials and Equipment)

Sales of manufacturing businesses (Metal/ Plumbing/ Other)

Units: Ybn, %

	1H			Q3 (3 months)			Q3 (9 months)			Full-year		
	Mar-13 results	**Mar-14 results**	Y/Y	Mar-13 results	**Mar-14 results**	Y/Y	Mar-13 results	**Mar-14 results**	Y/Y	Mar-13 results	**Mar-14 forecasts**	Y/Y
Metal building materials	306.1	333.5	8.9%	165.8	**187.8**	13.3%	472.0	**521.3**	10.5%	651.8	**715.0**	9.7%
Plumbing fixtures	178.0	190.3	6.9%	98.9	**112.7**	14.0%	276.9	**303.0**	9.4%	374.3	**439.0**	17.3%
Other building materials	89.1	98.4	10.5%	49.2	**53.9**	9.5%	138.3	**152.3**	10.1%	188.0	**199.0**	5.8%

Operating profit of manufacturing businesses (Metal/ Plumbing/ Other)

Units: Ybn, %

	1H			Q3 (3 months)			Q3 (9 months)			Full-year		
	Mar-13 results	**Mar-14 results**	Y/Y	Mar-13 results	**Mar-14 results**	Y/Y	Mar-13 results	**Mar-14 results**	Y/Y	Mar-13 results	**Mar-14 forecasts**	Y/Y
Metal building materials	5.5	**13.5**	146.7%	11.5	**11.1**	-3.4%	16.9	**24.6**	45.1%	23.9	**34.5**	44.3%
Plumbing fixtures	5.1	**7.5**	45.1%	8.3	**8.6**	3.6%	13.4	**16.1**	19.5%	17.0	**20.5**	20.5%
Other building materials	2.2	**2.8**	28.9%	2.8	**3.5**	26.0%	5.0	**6.3**	27.3%	7.6	**8.0**	5.7%

Increase/decrease breakdown of operating profits for manufacturing businesses (Metal/ Plumbing/ Other)

<Q3 (3 months) results: Y/Y>

Unit：Y bn

	Mar-13 Q3 (3 months) results	Due to sales fluctuation	Change in selling price and mix	Raw material costs	Cost fluctuation	Impacts of exchange rate	Thai floods (Previous year)	Due to SG&A fluctuation	Business overseas	Total	Mar-14 Q3 (3 months) results
Metal	11.5	2.8	0.1	-0.5	0.8	-2.1	0.0	-0.6	-0.8	-0.4	11.1
Plumbing	8.3	1.0	0.2	-0.3	0.0	-1.7	0.0	0.2	0.8	+0.3	8.6
Other	2.8	1.3	0.5	-1.0	1.0	-0.9	0.0	-0.7	0.5	+0.7	3.5
Manufacturing total	22.5	5.1	0.8	-1.8	1.8	-4.7	0.0	-1.0	0.5	+0.6	23.2

<Q3 (9 months) results: Y/Y>

Unit：Y bn

	Mar-13 Q3 (9 months) results	Due to sales fluctuation	Change in selling price and mix	Raw material costs	Cost fluctuation	Impacts of exchange rate	Thai floods (Previous year)	Due to SG&A fluctuation	Business overseas	Total	Mar-14 Q3 (9 months) results
Metal	16.9	4.6	1.0	-1.0	2.0	-5.6	5.8	0.6	0.3	+7.6	24.6
Plumbing	13.4	3.3	-0.7	-0.5	1.9	-3.3	0.0	1.2	0.7	+2.6	16.1
Other	5.0	3.2	1.1	-1.5	1.3	-1.5	0.0	-2.0	0.7	+1.4	6.3
Manufacturing total	35.3	11.1	1.4	-3.0	5.2	-10.4	5.8	-0.2	1.7	+11.6	46.9

<Mar-14 Full year forecasts: Y/Y>

Unit：Y bn

	Mar-13 results	Due to sales fluctuation	Change in selling price and mix	Raw material costs	Cost fluctuation		Thai floods (Previous year)	Due to SG&A fluctuation	Business overseas	Total	Mar-14 forecasts
Metal	23.9	7.0	-3.2	-2.1	2.0		5.8	-4.2	5.3	+10.6	34.5
Plumbing	17.0	8.7	-1.6	-1.5	0.5		0.0	-4.0	1.4	+3.5	20.5
Other	7.6	3.5	-0.8	-0.9	1.1		0.0	-3.1	0.6	+0.4	8.0
Manufacturing total	48.5	19.2	-5.6	-4.5	3.6		5.8	-11.3	7.3	+14.5	63.0

Business performance of LIXIL Corporation (non-consolidated base)

Units: Y bn, %

		Mar-13 Q3 (9 months) results	Mar-14 Q3 (9 months) results	Y/Y(amount)	Y/Y(%)
Sales		651.2	695.6	44.5	6.8%
OP		25.8	28.0	2.3	8.8%
	%	4.0%	4.0%	0.1P	-

6. Segment Information (2) Distribution and Retail

Sales and OP for the segment

Units: Y bn, %

		1H			Q3 (3 months)			Q3 (9 months)			Full-year		
		Mar-13 results	**Mar-14 results**	Y/Y	Mar-13 results	**Mar-14 results**	Y/Y	Mar-13 results	**Mar-14 results**	Y/Y	Mar-13 results	**Mar-14 forecasts**	Y/Y
Sales		87.0	**93.8**	7.8%	47.8	**51.7**	8.2%	134.8	**145.5**	7.9%	175.4	**194.0**	10.6%
OP		0.5	**1.5**	204.0%	1.0	**1.6**	60.5%	1.5	**3.1**	108.4%	0.3	**5.0**	-
Figures of Ken Depot included above	Sales	9.6	12.8	33.8%	5.6	7.3	29.7%	15.2	20.2	32.8%	20.8	33.3	60.1%
	OP	-2.6	-1.8	Loss decreased	-1.0	-0.6	Loss decreased	-3.6	-2.4	Loss decreased	-4.8	-0.3	Loss decreased

Operation profits: increase/ decrease analysis

<Q3 (3 months) results: Y/Y>

Unit: Y bn

Mar-13 Q3 (3 months) results	Due to sales fluctuation of new stores	Due to sales fluctuation of existing stores	Due to sales decrease of closed stores	Sales price of existing stores	Cost of existing stores	SG&A of existing stores	SG&A of new stores	Ken Depot	Impacts of exchange rate	Total	Mar-14 Q3 (3 months) results
1.0	1.0	1.3	-1.7	0.9	0.0	0.1	-0.9	0.4	-0.5	0.6	1.6

<Q3 (9 months) results: Y/Y>

Unit: Y bn

Mar-13 Q3 (3 months) results	Due to sales fluctuation of new stores	Due to sales fluctuation of existing stores	Due to sales decrease of closed stores	Sales price of existing stores	Cost of existing stores	SG&A of existing stores	SG&A of new stores	Ken Depot	Impacts of exchange rate	Total	Mar-14 Q3 (3 months) results
1.5	2.9	1.3	-2.8	0.3	1.7	1.0	-2.7	1.1	-1.3	1.6	3.1

<Mar-14 Full year forecasts: Y/Y>

Unit: Y bn

Mar-13 results	Due to sales fluctuation of new stores	Due to sales fluctuation of existing stores	Due to sales decrease of closed stores	Sales price of existing stores	Cost of existing stores	SG&A of existing stores	SG&A of new stores	Ken Depot		Total	Mar-14 forecasts
0.3	3.7	-2.0	0.0	1.5	0.0	0.4	-3.3	4.5		4.7	5.0

Number of stores

Unit: stores

	Mar-13	Mar-14		FY Mar-14	
	results	1H results	Change from Mar-13	forecasts	Y/Y
Newly opened SVH stores	4	3	-	4	-
Newly opened NVH stores	0	0	-	0	-
Newly opened Ken Depot stores	4	3	-	4	-
Number of stores closed	9	1	-	1	-
Number of stores at end of term	142	147	+5	149	+7
(SVH stores)	29	32	+3	33	+4
(NVH stores)	9	9	0	9	0
(Ken Depot stores)	62	64	+2	65	+3

Results of home center business

Units: Y bn, %

	Mar-13 Q3 (9 months) results	Mar-14 Q3 (9 months) results
Sales	119.6	125.3
OP	6.5	6.7
%	5.4%	5.3%

Rate of sales growth

Unit: %

<Mar-14 Q3 (9 months) results>

All stores	+5.9%
Existing stores only	+0.3%

*Existing stores: Stores opened by the end of March 2011

Growth rate of customer footfall and average sales per customer

<Mar-14 Q3 (9 months)results>

All stores		
	Customer footfall	+0.3%
	Average sales	+5.6%
Existing stores only		
	Customer footfall	-3.4%
	Average sales	+3.7%

7. Segment Information (3) Housing, Real Estate and Other Businesses

Sales and OP of the segment

Units: Y bn, %

	1H			Q3 (3 months)			Q3 (9 months)			Full-year		
	Mar-13 results	**Mar-14 results**	Y/Y	Mar-13 results	**Mar-14 results**	Y/Y	Mar-13 results	**Mar-14 results**	Y/Y	Mar-13 results	**Mar-14 forecasts**	Y/Y
Sales	28.6	**30.9**	8.1%	15.6	**16.4**	5.4%	44.1	**47.3**	7.1%	59.3	**63.0**	6.3%
OP	2.1	**2.8**	31.1%	1.6	**1.7**	10.0%	3.7	**4.5**	22.2%	4.9	**5.5**	11.2%

Sales and OP by segment companies

<Mar-14 Q3 (3 months) results>

Units: Y bn, %

	Sales			OP		
	Mar-13 Q3 results	Mar-14 Q3 results	Y/Y	Mar-13 Q3 results	Mar-14 Q3 results	Y/Y
LIXIL Housing Research Institute	6.7	7.7	14.9%	0.6	0.6	-10.7%
JIO	2.8	3.0	8.1%	0.1	0.2	40.5%
Japan Home Shield	2.8	3.0	5.8%	0.3	0.4	51.6%
Other & adjustments	3.2	2.7	-17.3%	0.5	0.5	3.3%
Segment total	15.6	16.4	5.4%	1.6	1.7	10.0%

<Mar-14 Q3 (9 months) results>

Units: Y bn, %

	Sales			OP		
	Mar-13 Q3 results	Mar-14 Q3 results	Y/Y	Mar-13 Q3 results	Mar-14 Q3 results	Y/Y
LIXIL Housing Research Institute	18.9	21.0	10.7%	1.4	1.5	7.1%
JIO	7.8	8.5	9.0%	0.3	0.5	106.5%
Japan Home Shield	8.2	8.0	-2.1%	0.8	1.1	36.6%
Other & adjustments	9.2	9.8	6.4%	1.2	1.4	12.8%
Segment total	44.1	47.3	7.1%	3.7	4.5	22.2%

<Mar-14 forecasts>

Units: Y bn, %

	Sales			OP		
	Mar-13 results	Mar-14 forecasts	Y/Y	Mar-13 results	Mar-14 forecasts	Y/Y
LIXIL Housing Research Institute	25.6	28.1	9.6%	1.7	1.8	4.5%
JIO	10.7	11.4	6.9%	0.3	0.4	27.5%
Japan Home Shield	10.4	11.1	6.5%	1.1	1.4	23.7%
Other & adjustments	12.5	12.4	-1.1%	1.8	1.9	6.7%
Segment total	59.3	63.0	6.3%	4.9	5.5	11.2%

*No change from the Mar-13 financial results material (May 7, 2013 Fact Sheets)

Number of contracts received and houses built with housing franchise businesses

Number of contracts received

Units: houses, %

	Mar-13 Q3 (9 months) results	Mar-14 Q3 (9 months) results	Y/Y
Total for the Group	3,497	3,653	4.5%

Number of houses built

Units: houses, %

	Mar-13 Q3 (9 months) results	Mar-14 Q3 (9 months) results	Y/Y
Total for the Group	2,933	3,196	9.0%

8. Sales by Products and Services

Units: Y bn,%

Major products	Mar-13 results	Mar-13 Q3 (9 months) results	Mar-14 Q3 (9 months) results	Y/Y	Quarterly Y/Y (%)						
					Mar-13				Mar-14		
					Q1	Q2	Q3	Q4	Q1	Q2	Q3
Housing sashes and related products	**199.5**	152.7	**163.2**	6.9%	-2.4	-5.5	0.9	2.7	8.0	3.5	**9.2**
Exterior	**114.1**	87.9	**89.3**	1.5%	7.2	-1.4	-5.8	-3.4	-2.2	1.8	**5.0**
Building sashes and shutters	**115.8**	72.0	**72.9**	1.2%	2.1	-7.0	-8.6	-5.9	-1.9	2.5	**1.8**
Sanitary ware	**95.2**	70.8	**73.2**	3.4%	4.5	-0.5	0.2	-3.2	1.1	5.1	**3.8**
Bathroom units	**83.8**	63.8	**68.0**	6.5%	17.5	-10.1	-0.4	-0.2	5.5	5.8	**8.1**
Kitchens	**100.5**	75.0	**81.4**	8.5%	-4.6	-6.6	-3.2	0.1	6.8	12.2	**6.7**
Washstand cabinet units	**30.6**	22.5	**24.1**	7.4%	10.6	-2.1	-0.4	-1.6	5.9	8.5	**7.8**
Wooden interior furnishing materials	**48.9**	36.4	**43.3**	19.0%	16.4	4.6	6.5	11.6	18.7	19.1	**19.1**
Exterior wall materials for houses	**36.3**	27.5	**27.8**	1.0%	39.0	2.2	0.4	3.9	3.8	5.3	**-5.6**
Tiles	**31.0**	23.2	**22.4**	-3.4%	11.0	-0.9	-3.4	-10.2	-4.5	-1.5	**-4.1**
Interior Fabric	**31.6**	23.3	**22.9**	-1.5%	-	-3.1	-1.2	-6.6	-1.6	-0.4	**-1.0**
Housing structures and precut woods	**33.5**	25.1	**29.7**	18.1%	205.8	117.8	-2.3	0.2	13.9	16.4	**23.6**
Home center sales	**172.9**	132.8	**143.1**	7.7%	6.7	5.0	4.9	5.1	7.8	7.4	**8.0**
Other	**342.6**	243.6	**300.2**	23.2%	96.3	71.4	90.5	95.9	12.9	24.4	**31.0**
Total	**1,436.4**	1,056.7	**1,161.6**	9.9%	20.0	7.1	9.1	10.4	6.8	10.2	**12.4**

Note: Above classifications are for domestic manufacturing businesses.
Sales of companies overseas are included in “Other”.
Mar-13 Q3 results for "Interior Fabric" and "Other" were revised.

9. Renovation Network

(Number of member homebuilders)

Voluntary type	Mar-11 results	Mar-12 results	Mar-13 results	**Mar-14 Q2 results**	**Mar-14 Q3 results**
Tostem Reform Magic	4,905	8,896	9,356	**9,617**	**9,866**
INAX Reform Network	4,043				
TOEX Shizenyoku de KURASU stores	1,062				
Sun Wave reform shop R&B	276				

* Changed to "LIXIL Reform Net" in April 2012

Franchise type	Mar-11 results	Mar-12 results	Mar-13 results	**Mar-14 Q2 results**	**Mar-14 Q3 results**
Tostem Homewell（FC）	176	414	377	**377**	**377**
INAX LIFA（FC）	246				

* Changed to "LIXIL Reform Chain" in July 2012

10. Overseas Production Ratio and Sales

Overseas production ratio

	Products	Locations	Overseas production ratio		
			Mar-13 results	Mar-14 Q3 (9 months) results	Mar-14 forecasts
LIXIL	Aluminum housing sashes	Thailand*	24%	26%	27%
	Interior wooden furnishing materials	Dalian, China	44%	47%	48%
	Sanitary ware	Hanoi, Vietnam	36%	43%	38%
		Suzhou, China			
	Water faucets	Suzhou, China	20%	23%	23%
	Floor tiles	Suzhou, China	58%	54%	54%

*Factory operation has been suspended since October 18, 2011 due to the massive floods in Thailand.
Production in Thailand normalized from May 2012

Sales Overseas

Units: Y bn, %

Areas	Mar-13 Q3 (9 months) results					Mar-14 Q3 (9 months) results						
	Gross revenue*	Elimination & Others	Total	Sales excluding Perma	Sales of Perma	Gross revenue*	Elimination & Others	Total	Y/Y	Sales excluding Perma	Y/Y	Sales of Perma
Greater China	63.9	-20.1	43.7	27.0	16.8	77.1	-21.5	55.5	26.9%	36.9	37.0%	18.6
Thailand	33.8	-28.0	5.8	5.6	0.3	51.0	-41.5	9.5	62.9%	8.7	56.1%	0.8
Vietnam	5.0	-0.4	4.7	4.7	0.0	9.3	-3.0	6.4	37.5%	5.7	22.8%	0.7
Korea	3.9	-0.1	3.9	3.8	0.0	4.1	-0.1	4.0	5.1%	4.0	4.3%	0.0
Other Asian countries	11.2	-0.8	10.4	4.0	6.4	10.7	1.1	11.7	12.8%	4.7	17.2%	7.0
Middle East	17.6	0.0	17.6	0.0	17.6	30.8	0.0	30.8	74.9%	0.0	12.0%	30.8
North America	22.0	0.5	22.5	0.5	22.0	31.5	0.7	32.2	43.3%	7.7	-	24.5
Europe	26.4	0.2	26.5	0.3	26.2	34.9	0.3	35.2	32.9%	0.5	84.8%	34.7
Others	8.7	0.6	9.3	0.8	8.5	7.2	0.5	7.7	-16.7%	1.3	61.1%	6.5
Total	192.6	-48.2	144.4	46.6	97.8	256.6	-63.4	193.2	33.8%	69.6	49.3%	123.7

* Gross revenue for area before intra-company elimination

(For reference)
Overseas sales ratio

Units: Y bn, %

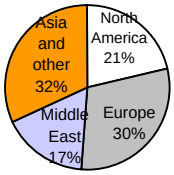
	Mar-10 results	Mar-11 results	Mar-12 results	Mar-13 results	Mar-14 forecasts	Mar-14 Q3 (3 months) results
Overseas sales	26.3	40.0	53.9	205.1	292.0	193.2
Overseas sales ratio	2.7%	3.3%	4.2%	14.3%	18.2%	16.6%

11. Permasteelisa

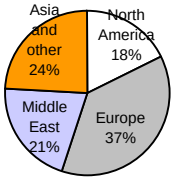
Q3= January to September, Full-year= January to December

Regional sales contribution

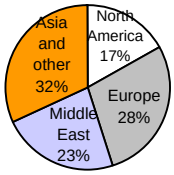
FY2012 results



FY2013 Q3 (9 months) results



FY2013 forecasts



Business performance of Permasteelisa

Units: Y bn, %

	Dec-12 results	Dec-13 Q3 (9 months) results		Dec-13 forecasts	
			Y/Y (%)		Y/Y (%)
Sales	140.9	126.4	25.8%	180.5	28.1%
Perma OP	7.0	1.7	-62.3%	8.4	19.9%
%	5.0%	1.4%	-3.2P	4.6%	-0.3P
Amortization of Goodwill and intangible assets	7.1	4.2	-	5.3	-24.4%
OP	-0.1	-2.5	-	3.0	-
Total Assets	122.0	157.7	245.6%	-	-
Net Assets	25.9	31.8	30.2%	-	-
Exchange rate Yen/Euro	103.3	126.2	-	124.0	-

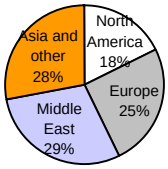
Orders received

Unit: million euros

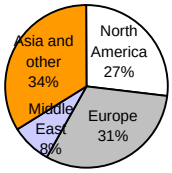
	Dec-12 Q3 (9months) results	Dec-13 Q3 (9months) results	Dec-13 Forecast
New	1,050	1,131	1,630
Backlog	1,706	1,962	2,063

New orders by region

FY2012 Q3 results



FY2013 Q3 results



Goodwill

Unit: million euros

	Beginning Balance	End Balance	Amortization		End Balance	Amortization period (Amortization started from 2012)
	FY Dec-12	FY Dec-12	Dec-13 Q3 (9months) results	Dec-13 forecasts	Dec-13 forecasts	
Goodwill	264	240	18	24	216	11 years
Other intangible assets	269	225	16	21	204	4 to 20 years
Total	533	464	11	45	419	

12. ASB

Q3= September (1 month), Full-year= September to December (4 months)

Business performance of ASB

Units: Y bn, %

	Dec-12 results	Dec-13	
		Q3 (1 month) results	forecasts
Sales	83.7	7.2	30.0
OP	2.8	0.3	0.7
%	3.3%	4.2%	2.2%
Amortization of Goodwill and intangible assets	-	0.2	0.7
OP	-	0.1	0.0
Total Assets	39.3	78.8	-
Net Assets	-4.6	29.6	-
Exchange rate Yen/USD	100.0	99.23	95.00

13. LIXIL Greater China / LIXIL ASEAN+

Q3= January to September, Full-year= January to December

Business performance

Units: Y bn, %

	FY Dec-12 Q3 (9 months) results		FY Dec-13 Q3 (9 months) results			
	Greater China	ASEAN+	Greater China	Y/Y	ASEAN+	Y/Y
Sales	12.7	15.2	17.2	34.6%	19.8	30.6%
Operating profit	0.0	2.4	0.2	334.9%	5.3	119.9%
%	0.3%	15.9%	1.0%	+0.7P	26.7%	+10.8P

* The chart has been changed from this fiscal year due to change in classification within the group from ASAP/Subsidiaries of LIXIL to LIXIL Greater China/ LIXIL ASEAN+, etc. Curtain wall business is not included.

14. Goodwill and Scope of Consolidation

Amortization of negative goodwill Unit: Y bn

	Mar-13 Q3 (9 months) results	Mar-13 results		Mar-14 forecasts		Mar-14 Q3 (9 months) results	
	Amortization	Amortization	Balance	Amortization	Balance	Amortization	Balance
American Standard AP	0.1	0.1	0.2	0.1	-	0.1	0.1
Total	0.1	0.1	0.2	0.1	0.1	0.1	0.1
Non-operating income	0.1	0.1		0.1		0.1	
Extraordinary income	-	-		-		-	

Amortization of goodwill (Amortization of other intangible assets is excluded) Unit: Y bn

	Mar-13 Q3 (9 months) results	Mar-13 results		Mar-14 forecasts		Mar-14 1H results	
	Amortization	Amortization	Balance	Amortization	Balance	Amortization	Balance
American Standard AP	0.3	0.5	0.7	0.5	0.2	0.3	0.3
AMTRONIC*	0.1	0.4	0.3	0.1	0.2	0.1	0.2
Kawashima Selkon Textiles	0.4	0.6	1.8	0.6	1.3	0.4	1.4
LIXIL Haier Housing Products	0.4	0.5	2.4	0.7	1.7	0.5	2.2
Hivic	0.2	0.3	1.0	0.3	0.7	0.2	0.8
Permasteelisa	1.8	2.5	27.5	3.0	24.5	2.3	29.2
ASB	-	-	-	0.7	39.1	0.2	** 39.6
Other	0.4	0.7	0.8	0.7	1.6	0.4	1.9
Total	3.7	5.4	34.6	6.5	69.4	4.4	75.8
SG&A	3.7	5.4		6.5		4.4	
(One time write-off	0.0	0.4		-		-)	

* This company is a holding company of Shanghai Meite.
**Current estimate

<Number of consolidated subsidiaries and equity method affiliates>

	Sep-12	+	-	Dec-12	+	-	Mar-13	+	-	Jun-13	+	-	Sep-13	+	-	Dec-13
Consolidated subsidiaries	122	3	7	118	1	0	119	3	16	106	20	3	123	3	0	126
Equity method affiliates	2	0	0	2	1	0	3	0	0	3	0	0	3	1	0	4

* Impact to sales and profit due to new consolidation and equity metho
Y8.1bn in sales, Y0.3bn in OP, Y1.6bn in RP, Y1.6bn in net income

15. Recent M&As / Business & Capital Alliances

M&As of overseas companies Unit: Y bn

Timing	Company name	Target	Sales		Purchasing amount	Ownership ratio	Total amount of goodwill	Effect
			Time of acquisition	FY Dec-12 result				
Jul 2009 (partly Nov 2009)	American Standard Asia Pacific (Group)	Sanitary ware(Asia)	23.5*1	23.4*2	17.6	100%	Net goodwill 2.1/ Intellectual property 3.5	>Gain business platform in Asia >Rebuild Asian base
Jan 2011	Shanghai Meite Curtain Wall Co., Ltd.	Building sashes (China)	12.0	20.9	3.2	75%	0.5	>Expand building sashes in China
Dec 2011	Permasteelisa	Building sashes (Global)	116.0	140.9	60.8	100%	Goodwill 34.3 Other intangible assets 35	>Globally expand building sashes
Aug 2013	ASD Americas Holding (ASB)	Plumbing products (North America)	82.0	-	30.5	100%	Current estimate 40.1	>Establish North American platform
Oct 2013	Star Alubuild	Building sashes (India)	1.7	-	0.7	70%	few hundreds of millions yen	>Business development in India
Feb 2014	GROHE Group S.à r.l.	Plumbing fixtures、especially faucets (Europe, Global)	180.0	-	103.9	43.8%	To be determined	>Establish European platform

*1 US$240mil *2 US$295mil

M&As of Japanese companies Unit: Y bn

Timing	Company name	Target	Sales		Purchasing amount	Ownership ratio	Total amount of goodwill	Effect
			Time of acquisition	FY Mar-13 result				
Apr 2010	Shin Nikkei Company Ltd.	Housing/building sashes	110.0	Integrated into LIXIL in April 2011	0.0	100%	5.4	>Exceed 50% share in housing sashes >Cost reduction
Apr 2010 (partly Jun 2009)	Sun Wave Corporation	Kitchen	85.0		13.7	80%→ FY13 100%	-6.1	>Become a leader in the kitchen segment >Cost reduction
Aug 2011 (partly Dec 2010)	Kawashima Selkon Textiles Co., Ltd.	Interior fabric such as curtains	34.3*	33.2	Y2.2bn (Dec 2010) Share exchange rate 1:0.035 (Aug 2011)	100%	1.7	>Create synergy with sales of existing window business >Utilize *Kawashima* brand
Oct 2011	HIVIC Co., Ltd.	Wood related products	24.4	20.6	Share exchange rate 1:0.094	100%	1.4	>Strengthen wood related products and services

*Excludes interior fabric business for vehicle which the company separated business

Business & Capital Alliances with Japanese companies Unit: Y bn

Timing	Company name	Target	Purchasing amount	Ownership ratio	Evaluation difference*1	Effect
Dec 2010	Leopalace 21	Major lease management, renovation, and other	1.8	9%→ FY13 5%	5.8 *2	>Expand sales for Leopalace
Sept 2013	EDION	Renovation business in the home electrical appliance industry	5.0	8%	0.5	>Expand sales for EDION
Oct 2013	Sharp	New product development by integrating building & electrical materials	5.0	1%	1.0	>Expand sales of new products

*1：As of December 2013
*2：Includes gain on sales of March 2013