TSE Code: 5938

Financial Results for the Fiscal Year Ended March 31, 2014

(From April 1, 2013 to March 31, 2014)

May 7, 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.

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I. Overview of the Results for the Fiscal Year Ended March 31, 2014

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I-1. Business Environment

- Total domestic new housing starts increased by 10.6% (Y/y) from April 2013 to March 2014.
- New housing starts of detached houses and condominiums decreased for the three-month period from January to March 2014 and is expected to slow down from April to June 2014. Rental homes remain stable.
- Remodeling demand is expected to grow continually after slowing down temporarily.
- For medium term, new housing starts are expected to be around 850 thousands from 2014 to 2015, and around 800 thousands after 2016. Significant growth is expected for renovation.

<Number of New Housing Starts>

	April 2013 to March 2014 (12 months)		(For reference) January to December 2013 (12 months)		(For reference) January to March 2014 (3 months)	
	Amount	Y/y	Amount	Y/y	Amount	Y/y
Total new housing starts	987,254	+10.6%	980,025	+11.0%	216,943	+3.4%
Owner occupied (a)	352,841	+11.5%	354,772	+13.9%	69,496	-2.7%
Rental homes	369,993	+15.3%	356,263	+11.8%	86,622	+18.8%
Condominiums for sale	123,818	-0.2%	127,599	+3.6%	28,905	-11.6%
Detached houses for sale (b)	133,906	+7.5%	134,888	+10.0%	30,228	-3.1%
Detached houses total (a+b)	486,747	+10.4%	489,660	+12.8%	99,724	-2.8%

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I-2. Financial Highlights for the Fiscal Year Ended March 2014

All-Time Record Profit
Increased Year-End Dividend Payment

- Net profit for full year Y44.8bn ⇨ 2.1x Y/y (Forecast:Y44.5bn)
- Year-end dividend payment is 30 yen, increased by 50% from the previous year.
- Sales increased by 13% Y/y
- Operating profit increased by 37% Y/y and recurring profit increased by 41% Y/y

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I-3. Financial Results for the Fiscal Year Ended March 2014 (1)

Units: Y bn, %

	Mar-13 results	Mar-14 forecasts *1	Mar-14 results	Forecasts over/ under	Forecasts %	Y/Y Increase/ decrease	Y/Y %
Net sales	1,436.4	1,600.0	1,628.7	28.7	1.8	192.3	13.4
Gross Profit	403.1		447.8			44.8	11.1
GPM (%)	28.1%		27.5%			-	-0.6P
SG&A	352.6		378.8			26.2	7.4
SG&A ratio (%)	24.5%		23.3%			-	-1.3P
Operating profit	50.5	70.0	69.1	-0.9	-1.3	18.6	36.8
OPM (%)	3.5%	4.4%	4.2%	-	-0.1P	-	+0.7P
Recurring profit	53.1	71.5	74.9	3.4	4.8	21.9	41.2
Income (loss) before income taxes	32.5	-	72.9	-	-	40.3	124.0
Net income	21.3	44.5	44.8	0.3	0.6	23.4	109.7
Net income before amortization of goodwill	26.6	49.0	50.1	1.1	2.2	23.5	88.3
EPS before amortization of goodwill (Yen)	9.1	16.9	17.2	0.3	-	8.1	88.4
EBITDA *2	100.6	-	123.6	-	-	23.0	22.8
EBITDA ratio	7.0%	-	7.6%	-	-	-	+0.6P

Domestic +8%
Overseas +43%

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

*1 Numbers are from the revised forecasts announced on February 3, 2014
*2 EBITDA figures are operating income before depreciation and amortization of goodwill

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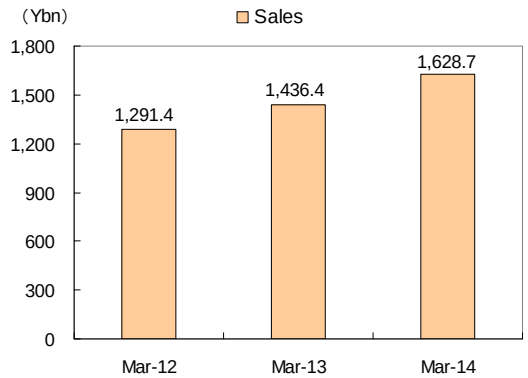
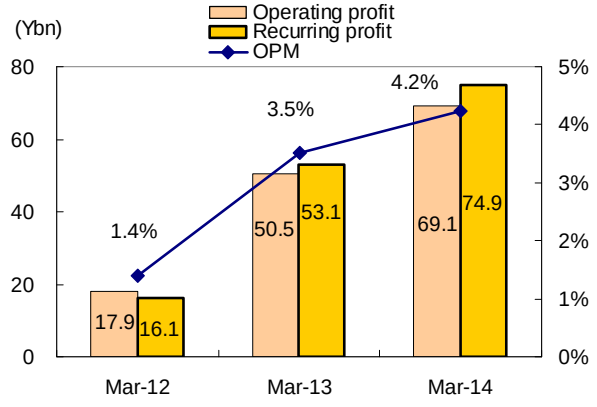
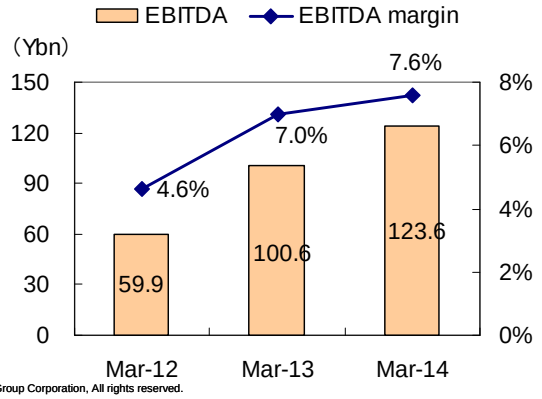
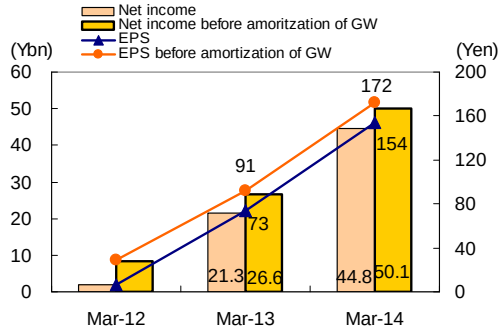
I-3. Financial Results for the Fiscal Year Ended March 2014 (2)









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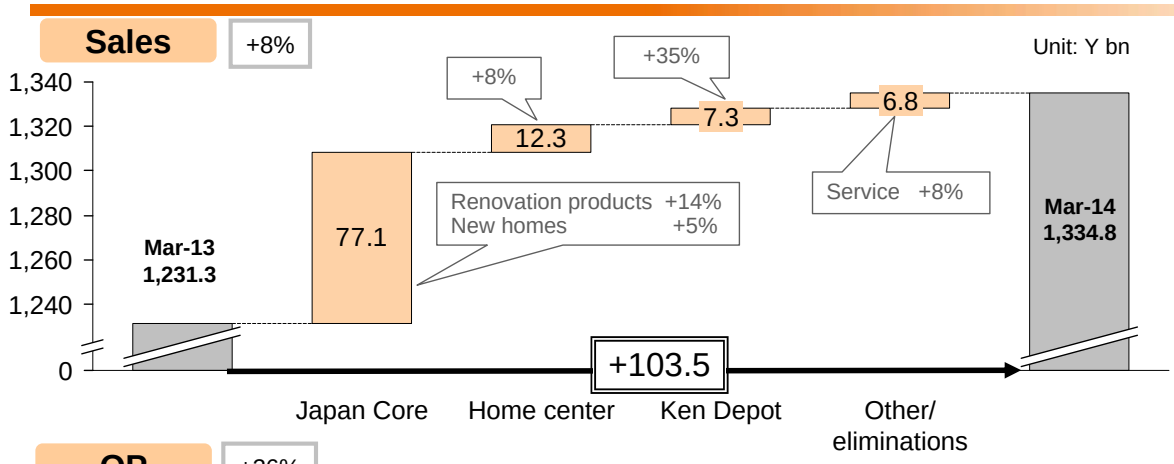
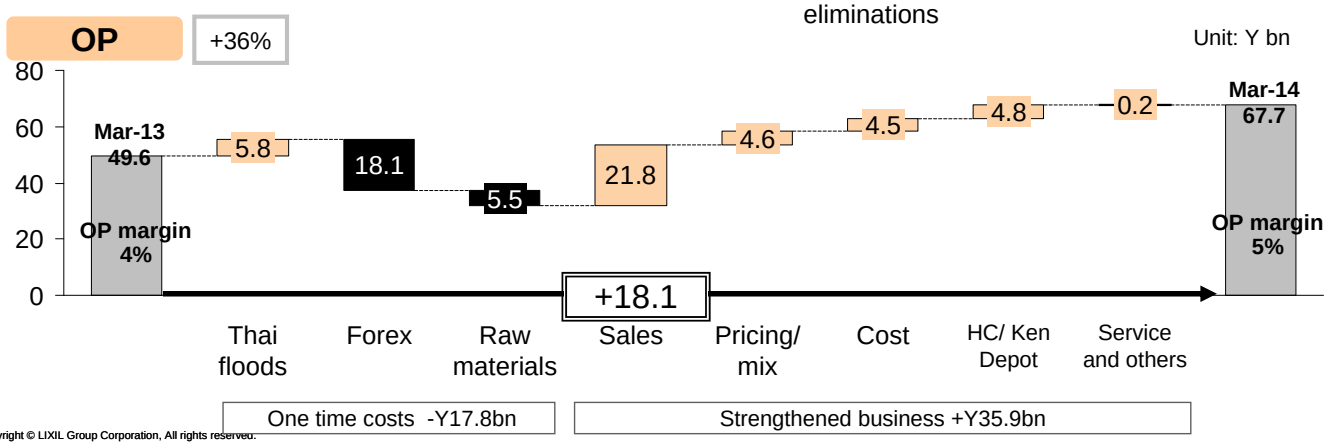
I-4. Increase/Decrease of Sales and OP in Japan





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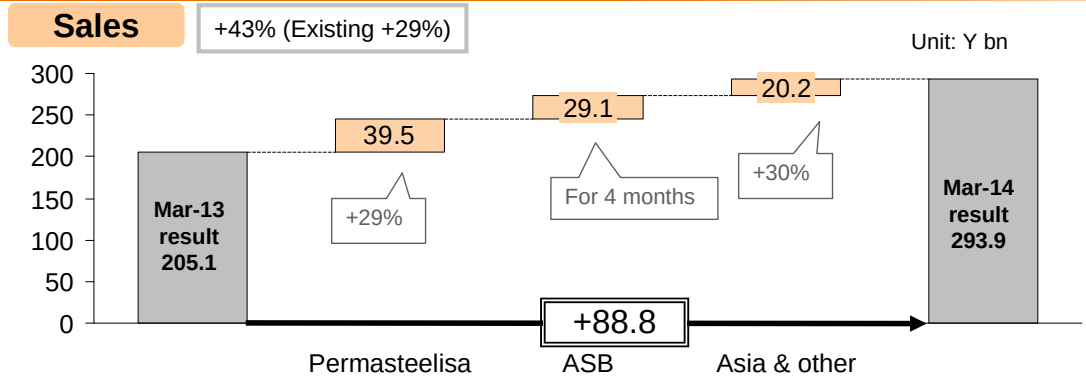
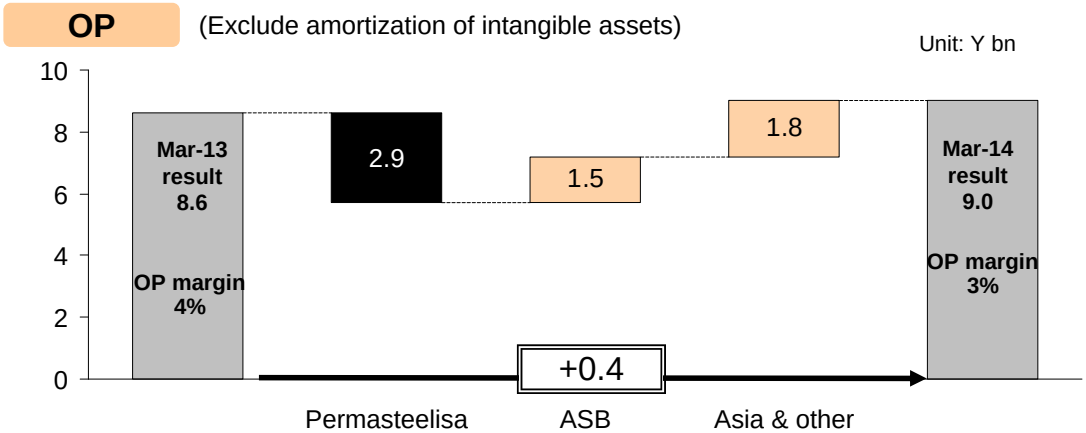
I-5. Increase/Decrease of Sales and OP Overseas





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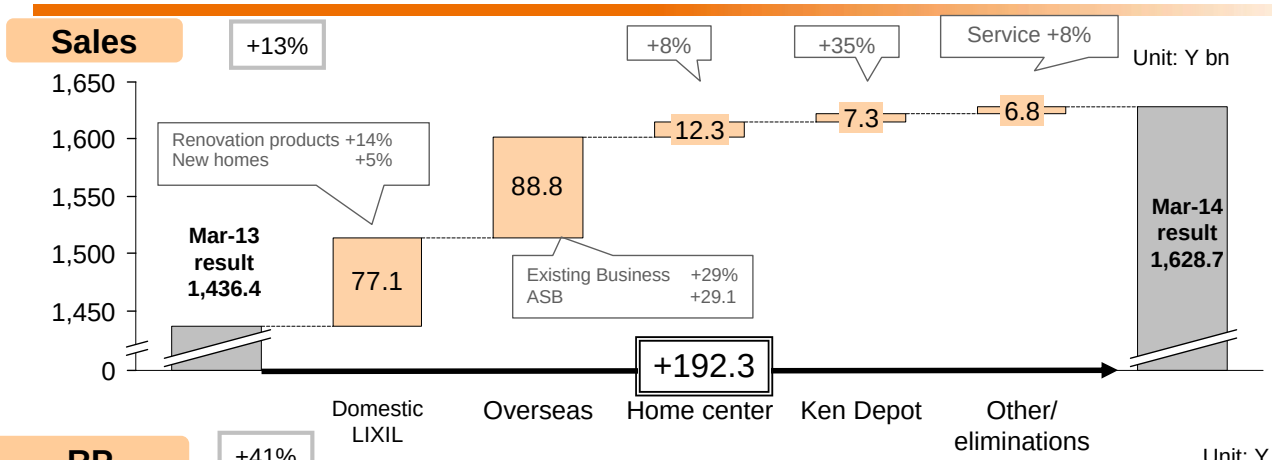
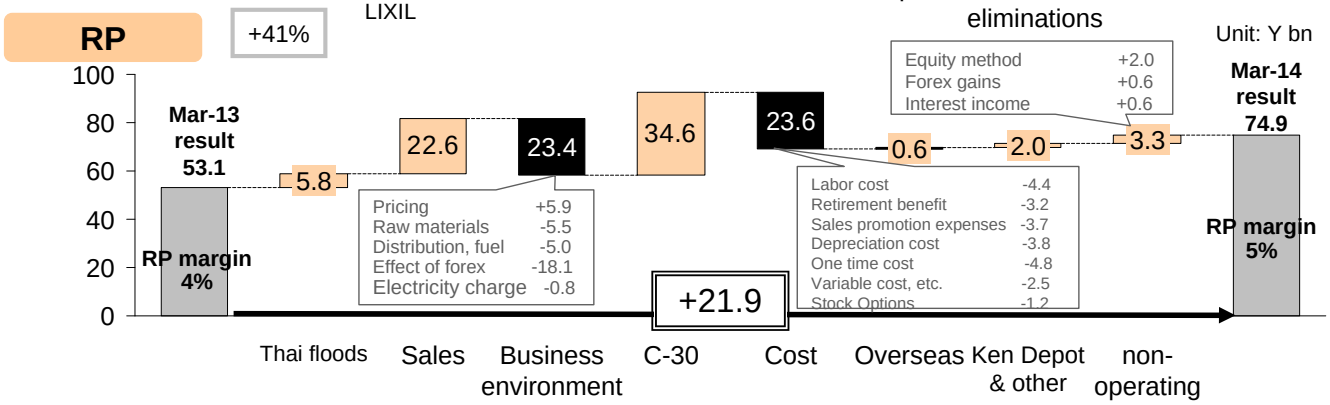
I-6. Increase/Decrease of Sales & Recurring Profit in Total





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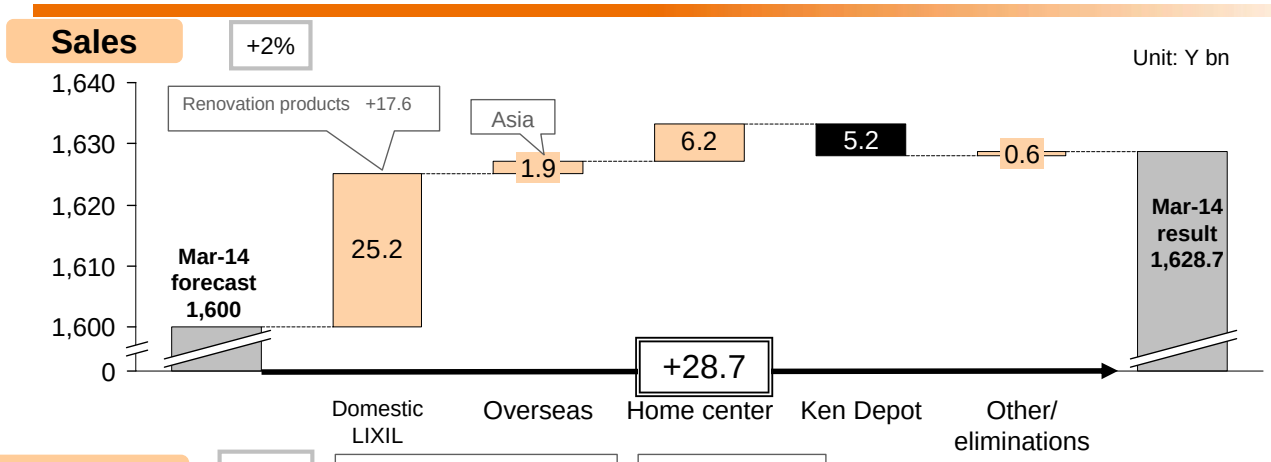
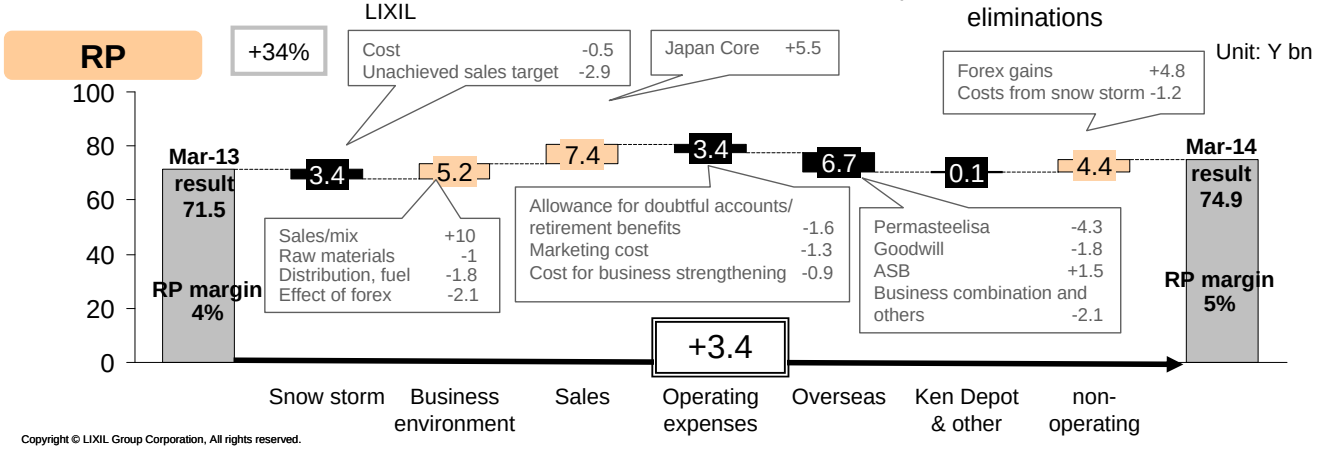
Existing business +Y16.1bn | Growth business +Y2.5bn

I-7. Increase/Decrease of Sales & Recurring Profit in Total (vs. Forecast)





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I-8. Others (1)

■ Extraordinary items

Unit: Y bn

Items	Mar-13 results	**Mar-14 results**	Increase/ decrease	Details
Gain on sales of subsidiaries and affiliates' stocks	2.4	**0**	-2.4	(Mar-13)Due to sales of Nittan to Secom Co., Ltd.
Insurance income	17.8	**-**	-17.8	(Mar-13)Partial gains in insurance income from the Thai floods
Gain on sales of investment securities	1.5	**1.8**	+0.3	(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	0.7	**1.1**	+0.5	(Q3)Sales of Takaoka factory and other
Extraordinary income	23.5	**3.0**	-20.5	
Impairment loss	4.0	**1.6**	-2.4	(Q2)Idle land, etc.
Loss on showroom integration	1.2	**0.2**	-1.0	
Loss on disaster	1.4	**-**	-1.4	(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	4.7	**3.1**	-1.6	
Extraordinary loss	44.0	**5.0**	-39.0	

March 2014 Highlights
1) Extraordinary incomes / losses are normalized
2) Started selling idle assets (Takaoka factory, securities)

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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 FY14	1(USD)=Y95 (JPY)	-16.0	0	-16.0
FY14 results	1(USD)=Y100 (JPY)	-18.1	4.8	-13.4
FY15 forecast	1(USD)=Y105 (JPY)	-4.0		

■ Tax Expenses

In spite of 2.4% impact from reversal of deferred tax assets due to the abolition of corporate tax for reconstruction, tax burden ratio decreased to 38.6% due to the tax effects from disposal of idle land and reorganization of subsidiaries
(Normal effective statutory tax rate: 37%)

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

(As announced on September 17, 2013)

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I-9. Consolidated Financial Position

Unit: Y bn

	Mar-13	**Mar-14**	Impacts of ASB/ GROHE	Actual increase/ decrease
Cash and deposits	116.9	**163.0**	2.1	44.0
Notes and accounts receivable	387.5	**487.2**	9.9	89.8
Inventories	189.6	**210.9**	13.3	8.0
Tangible and intangible assets	544.8	**629.6**	50.6	34.2
Others	227.0	**319.4**	107.8	-15.4
Total assets	1,465.7	**1,810.1**	183.8	160.6
Notes and accounts payable	201.1	**235.8**	7.4	27.3
Interest-bearing debt	424.0	**626.5**	159.2	43.2
Others	274.3	**322.2**	16.7	31.2
Total liabilities	899.4	**1,184.5**	183.4	101.7
Treasury stocks	-41.8	**-41.8**	0	0
Others	608.1	**667.4**	0.4	58.9
Net assets	566.3	**625.6**	0.4	58.9

Capital adequacy ratio (%)	38.3	**34.1**		-4.2P
Net asset per share (yen)	1,930.02	**2,123.22**		193.20
Number of shares (in thousands)	290,754	**290,733**		-21
ROE (%)	3.9	**7.6**		+3.7P
ROA (%)	1.4	**2.7**		+1.3P

Total assets would increase by Y160.6bn if the impact of BS consolidation of ASB (Y79.9bn) and investment in GROHE (Y103.9bn) are excluded.

- Main reason for the increase of turnover assets, such as accounts receivable and inventories of Y98bn, is due to significant increase in sales in Q4.
- Main reason for the increase in tangible and intangible fixed assets is due to Y31bn impact of transaction gains from assets denominated in foreign currencies.
- Net interest-bearing debt is Y463.5bn (+Y156.4bn)
- D/E ratio: 74%
- Capital adequacy ratio is 34.1%, decreased by 4.2p due to the impacts of acquisition, etc.

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I-10. Cash Flow and Capital Expenditures

■ Cash Flows

Unit: Y bn

	Mar-13 results	**Mar-14 results**	**Increase/ decrease**
Pre-tax income	32.5	**72.9**	**40.3**
Depreciation	44.7	**49.2**	**4.4**
Impairment loss	4.0	**1.6**	**-2.4**
Income tax payments	-9.4	**-11.3**	**-1.9**
Working capital	-33.2	**-42.2**	**-8.9**
Others	-10.3	**13.3**	**23.6**
Cash flows from operating activities	28.4	**83.5**	**55.1**
Cash flows from investing activities	-12.4	**-218.3**	**-205.9**
Free cash flows	16.0	**-134.8**	**-150.8**
Cash flows from financing activities	-31.8	**153.1**	**184.9**

- **Free cash flows decreased by Y150bn Y/Y**
- Operating cash flows increased by Y55.1bn to Y83.5bn. This was due to significant improvement of income before income taxes.
- Investment cash flows decreased by Y205.9bn to Y218.3bn due to strategic investment such as M&A activities in addition to capital expenditures such as Vietnam factory.
  - -ASB investment Y30.4bn
  - -GROHE (Grace A) investment Y103.9bn
- Financing cash flows were Y153.1bn. This is because strategic investments including those above were covered by issuance of corporate bond and borrowing.
- Cash equivalents at the end of FY is Y139bn, which is an increase of Y24.4bn Y/Y.

■ Capital Expenditures

Unit: Y bn

	Mar-13 result	Mar-14 result	Mar-15 forecast 1H	Mar-15 forecast 2H	Mar-15 forecast annual
Capex	**73.8**	**64.3**	**34.0**	**41.0**	**75.0**

Unit: Y bn

	Mar-13 result	Mar-14 result	Mar-15 forecast 1H	Mar-15 forecast 2H	Mar-15 forecast annual
Depreciation	**44.7**	**49.2**	**27.0**	**29.0**	**56.0**

Major Capital Expenditures of Mar-14 (results)

<By region> Domestic Y44.1bn
Overseas Y20.2bn
(Thailand Y3.1bn / New Vietnam factory Y10.3bn)

<By contents>
Home center Y7.4bn
New product investments Y6.7bn
Investments for productivity improvement Y15.3bn

Major Capital Expenditures of Mar-15 (forecasts)

<By region> Domestic Y47bn
Overseas Y28bn
(New Vietnam factory Y10.8bn)

<By contents>
New product investments Y12bn
Investments for productivity improvement Y13bn
IT Investment Y13bn

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II. Full-year Forecasts for the FY Ending March 2015

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II-1. Highlights of Forecasts for the FY Ending March 2015

- Expect to achieve all-time record profit for the 2nd consecutive year and increase in sales and profit for the 3rd consecutive year.
- Healthy growth from overseas contribution

  ⇨ Most of the increase of net profit* is from overseas business
  - ASB, Asia and Permasteelisa: increase in sales and profit.
  - GROHE's contribution to net profit* will be Y5bn.
- Domestic: Slight decrease in sales and slight increase in profit by countering the stagnant market condition of new house starts (12% decrease forecast) with MI-16 (renovation) and BT-16.

*Before amortization of goodwill
MI: Marketing & Innovation
BT: Business Transformation

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II-2. Forecasts for the FY Ending March 2015 (1)

Units: Ybn, Y, %

	Mar-14 results	Mar-15					
		1H	Y/y (%)	2H	Y/y (%)	Full year forecasts	Y/y (%)
Net sales	1,628.7	835.0	13%	925.0	4%	1,760.0	8%
Operating profit	69.1	31.0	19%	49.0	14%	80.0	16%
OP%	4.2%	3.7%	-	5.3%	-	4.5%	-
Recurring profit	74.9	31.5	9%	50.0	9%	81.5	9%
Net income	44.8	19.0	7%	30.0	11%	49.0	10%
EPS (yen)	154	65	7%	103	11%	169	10%
Net income before amortization of goodwill	50.1	23.5	14%	34.5	17%	58.0	16%
EPS before amortization of goodwill (yen)	172	81	14%	119	17%	200	16%
EBITDA	123.6	-	-	-	-	145.0	17%
EBITDA%	7.6%	-	-	-	-	8.2%	-

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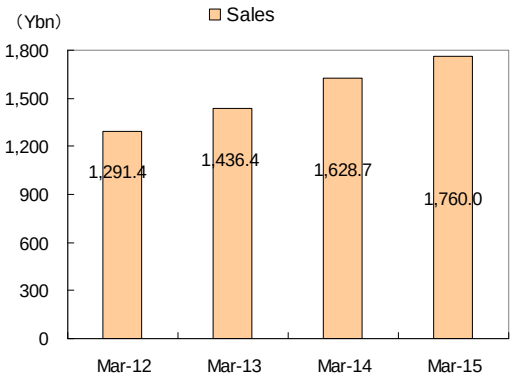
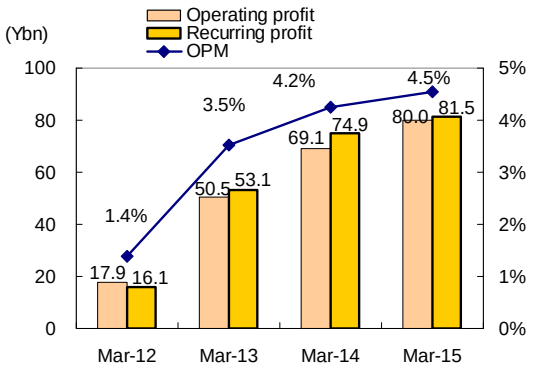
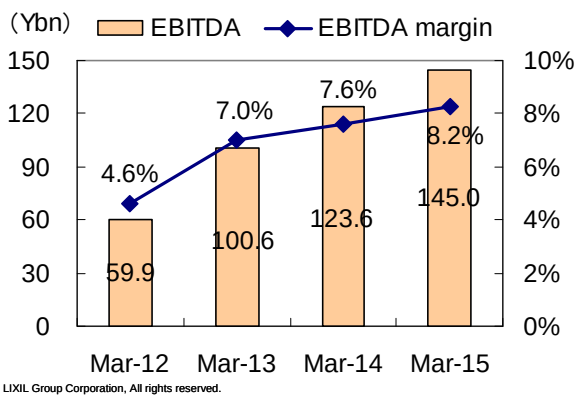
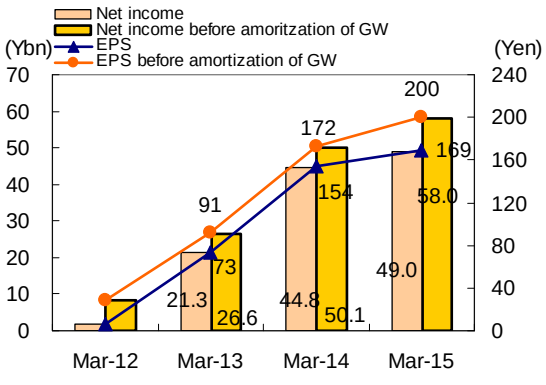
II-2. Forecasts for the FY Ending March 2015 (2)









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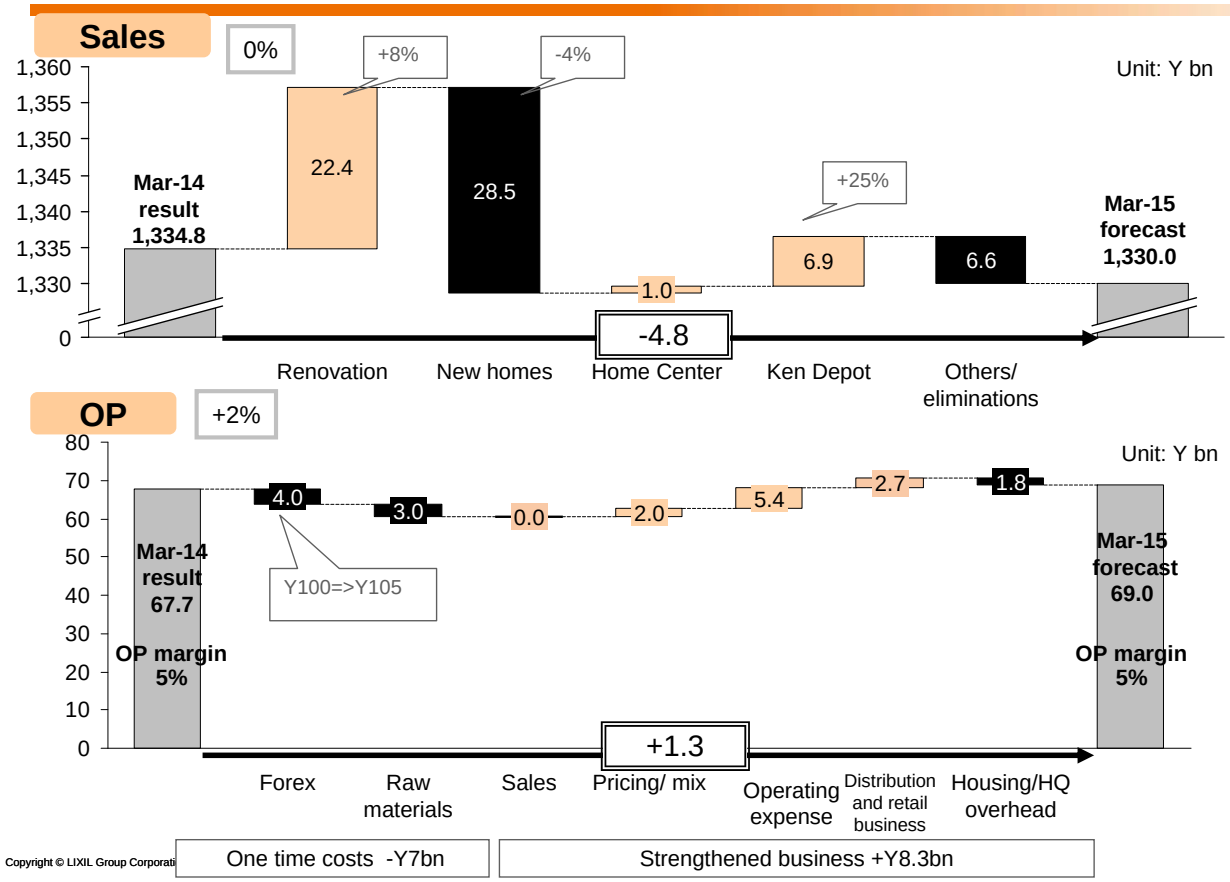
II-3. Increase/Decrease of Sales & OP in Japan for the FY Ending Mar-15



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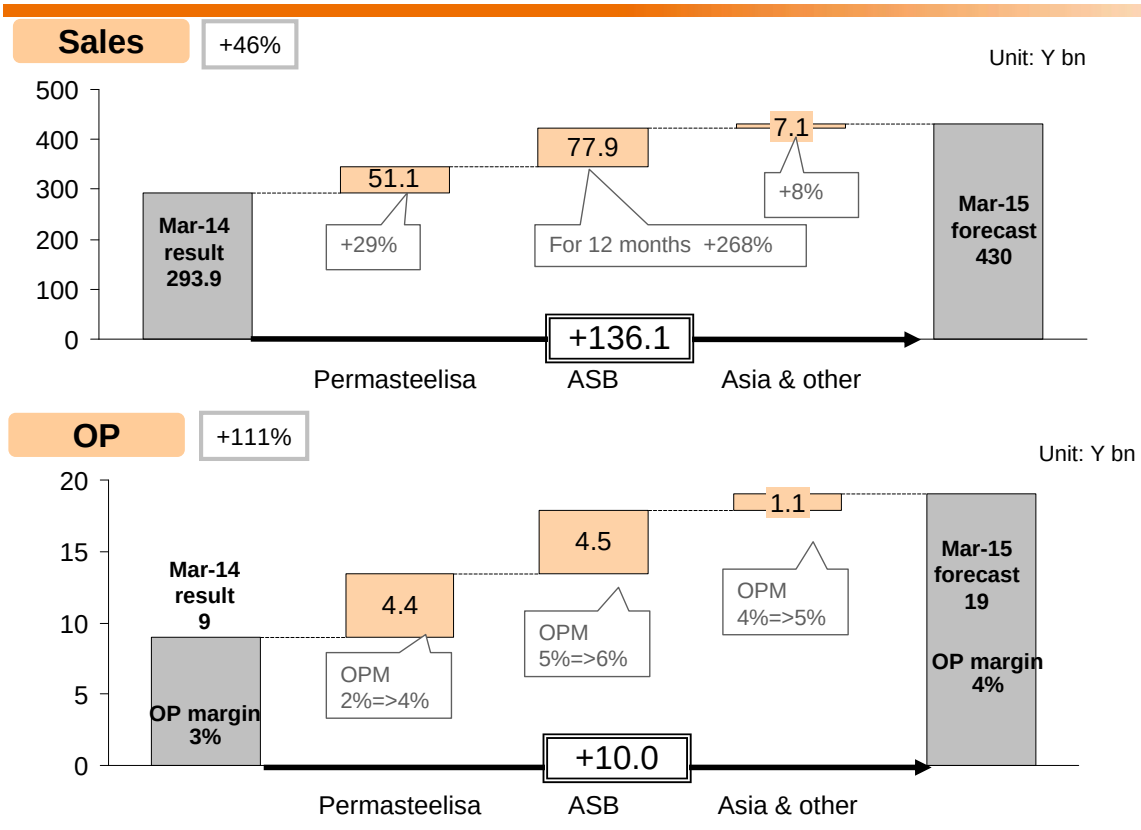
II-4. Increase/Decrease of Sales & OP Overseas for the FY Ending Mar-15



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II-5. Dividend Policy

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

■ Dividend payment

	Mar-13	Mar-14	**Mar-15 Forecast**
1H	20 yen	25 yen	**30 yen**
2H	20 yen	30 yen	**30 yen**
Full year	40 yen	55 yen	**60 yen**
Dividend payout ratio	54.5%	35.7%	**35.6%**
Dividend payout ratio (before amortization of goodwill)	43.7%	31.9%	**30.1%**

■ 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.

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III. Recap of "C-30 project," Governance Structure & Others

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III-1. Recap of C-30 Project (1)

Basic policies	30% cost reduction by elimination of overlapping functions Promote optimization of the Group by thorough revision of every operation						
Major initiatives by division	Division	Major measures	Target	Mar-12 PL base (results)	Mar-13 PL base (results)	Mar-14 PL base (results)	Accumulated 3 years total
	Sales & marketing	• Integrate sales offices and showrooms • Integrate sales and marketing divisions as well as front and back office operations	Y40bn	Y7.6bn	Y13.5 bn	Y3.9bn	Y25.0bn
	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	Y10.9bn	Y14.5 bn	Y11.7bn	Y37.1bn
	Purchas-ing & distribution	• Improve economy of scale by the integration of purchasing • Increase purchasing from overseas • Consolidate logistics centers and integrate IT systems	Y20bn	Y11.2bn	Y13.3 bn	Y12.9bn	Y37.4bn
	Other	• Integrate headquarters • Integrate administrative IT systems	Y20bn	Y2.4bn	Y6.7bn	Y6.1bn	Y15.2bn
	Total		Y110bn	Y32.1bn	Y48.0bn	Y34.6 bn	Y114.7bn

Achieved our target

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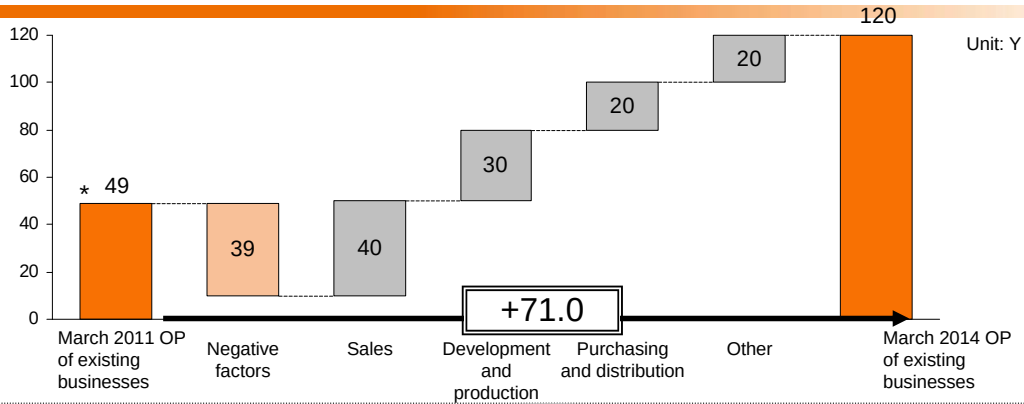
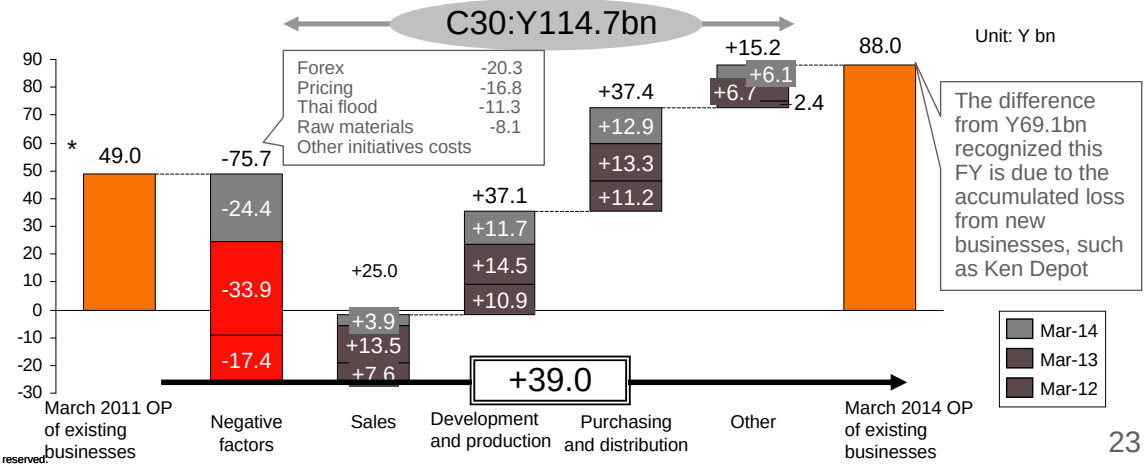
III-1. Recap of C-30 Project (2)

C-30 Forecast at May 2011 Launch



March 2014 (results)



The difference from Y69.1bn recognized this FY is due to the accumulated loss from new businesses, such as Ken Depot

* Constitutional profit (Impact of the earthquake is not included)

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III-2. Progress of Global Strategy (ASB)

1. Develop DXV Brand at 300 Showrooms all over the U.S.

➢ Opened a new showroom to exhibit the DXV brand in NY on March 12, 2014. Over 30 from major media and others attended the opening ceremony.







Integrated Spa-Toilet



*AT200 (Successor of SATIS, US Specifications)

2. Launch Spa-Toilet under DXV brand

➢ ASB launches SATIS, which has already been offered in the Japanese, Chinese, and other Asian markets, under the DXV brand (AT200) after changing the specifications to US preference (from May 2014).

➢ ASB supplies to Ferguson, the US' No.1 wholesaler, and enhances its line-up.

3. Synergies Created by Integration

1. Consignment production to Asia from ASB.
2. Productivity-improvement of Mexican factories.
   Remarkable results (improvement of the proportion defective, etc.) could be seen in two ceramic factories.
3. Cost reduction by joint-procurement.
   Ocean freight negotiation and others had a more than expected effect (2~3% reduction).
4. Spa-toilets launch.
5. Introduction of LIXIL's product technology.

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III-3. Sales of Affiliate/Investment to REIT Asset Management Co.

Signed Share Transfer Agreement to Sell SUNWAVE KITCHEN TECHNO CORPORATION

LIXIL Corporation has signed a share transfer agreement to sell 100% of SUNWAVE KITCHEN TECHNO CORPORATION's shares to Tenposbusters Corporation on April 25.

Ownership ratio of LIXIL before share transfer	100%
Transfer price	330 million yen

Business results of SUNWAVE KITCHEN TECHNO

Unit: million yen	March 2013
Sales	5,491
Operating profit	1
Net income	27

Provides consistent service related to commercial use kitchen systems: sales/design/ installment/maintenance

LIXIL will strive to pursue selection and concentration of business to improve the Group's management efficiency and corporate value

Investment to REIT Asset Management Company Aimed at Founding Healthcare REIT

The six companies shown below agreed to establish a REIT* ("Healthcare REIT"), which specializes in healthcare facilities, to prepare for development of fund raising from securitization of healthcare facilities, such as for nursing elders and medical care. Japan Senior Living Partners Co., Ltd. was established on April 18 as the asset management company for managing the Healthcare REIT. *REIT: Real Estate Investment Trust

	Investment ratio (expected)
Kenedix, Inc.	60%
Haseko Corporation	20%
Mitsubishi UFJ Trust and Banking Corporation	5%
LIXIL Group Corporation	5%
Sompo Japan Insurance Inc.	5%
Shinsei Bank, Limited	5%

Total investment by 6 companies: 400 million yen

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LIXIL【*Flat 35*】

Features

1. A fixed interest rate housing loan of lowest interest level in the industry that allows borrowers to lay out their life plans easier since the interest rate will not change until the end of repayment, from which the member home builders introduced.

2. Land & construction conjugated loan is provided, so even if the borrower has limited amount of cash, the process of building a house can be proceeded smoothly with the member home builders.

3. Interim money for the construction conjugated loan can be directly received by home builders up to 60% of the total payment. Borrowers will not have to arrange payment and home builders can decrease the working capital requirements.

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Zero Reform Loan

住まいプロ ホームウェル　住まいコンシェル LIFA

LIXILリフォームネット

Features

1. Zero interest rate/split fee
2. Allows comfortable repayment in 6 to 60 payments.
3. No need to go to the store, application form only required

Available at renovation network

The companies of LIXIL's renovation network, registered to Cedina (Credit card company) shown below

- LIXIL Reform Chain (Franchise type: Sumai Pro Homewell・Sumai Concierge LIFA）
- LIXIL Reform Net (Voluntary type)

ABENO HARUKAS, Japan's highest skyscraper, adopted LIXIL Group technologies

The largest glass curtain wall adopted area in Japan of approximately 100,000m^2
*as of March 7, 2014, according to LIXIL research

LIXIL products

Curtain wall (sightseeing tower, hotel, office, department store), Bath/Unit-bath (hotel)
Toilet/System-toilet (hotel, office)
Tile (department store restroom)
Carpet (hotel, department store)









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Cubia, a faucet for washbowl, was awarded the Red dot design award for product design 2014

reddot award 2014 winner





- "The Red dot design award" is one of the authoritative awards in the designing industry

- *Eco-handle* installed

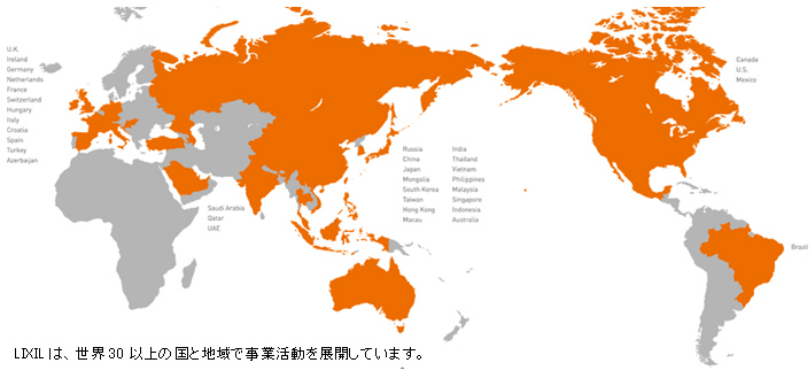
- LIXIL contributes to improving people's comfort and lifestyles by pursuing continuously award-winning design and marketability.

- February 2014 Launch

III-6. LIXIL Group was selected for the Nadeshiko Brand

On March 2014, LIXIL Group was selected for the Nadeshiko Brand* as an enterprise which encourages women to play active roles in the workplace, including the development of environments in which such women are able to advance their careers.

*Nadeshiko Brand, granted to listed enterprises that are exceptional in encouraging women's success in the workplace, is jointly selected and publicized by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE). This year was the 2nd time.



LIXIL は、世界 30 以上の国と地域で事業活動を展開しています。

LIXIL Group aims to have 30% of newly promoted managers to be diversity talents by 2015. The Group also strives to become a company that allows everyone to be evaluated fairly and equally, and can demonstrate leadership, regardless of differences in nationality, race, gender, age and others.

http://www.meti.go.jp/english/press/2014/0303_03.html

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III-7. Board of Directors & Executive Officers

LIXIL Group Corporation

- **Board of Directors**: After the approval of annual shareholders' meeting to be held on June 20, 2014
  (No change from the previous year)

Director	**Yoichiro Ushioda**		
Director	**Yoshiaki Fujimori**	(Also President, CEO, Representative Director of LIXIL Corp.)	
Director	**Takashi Tsutsui**	(Also Director of LIXIL Corp.)	
Director	**Yoshizumi Kanamori**	(Also Director of LIXIL Corp.)	
Director	**Yoshinobu Kikuchi**	Outside Director	**Hidehiko Sato**
Director	**Keiichiro Ina**	Outside Director	**Tsutomu Kawaguchi**
Outside Director	**Fumio Sudo**	Outside Director	**Main Kohda**

- **Executive Officers** : After annual shareholders' meeting to be held on June 20, 2014
  (Members with ※ are those who will also be the members of the Board/ No change from the previous year)

※ Representative Executive Officer and President
Yoshiaki Fujimori
Representative Executive Officer and Exective Vice President
Ryuichi Kawamoto
※ Executive Officer and Exective Vice President
Takashi Tsutsui
Executive Officer and Exective Vice President
Toshimasa Iue
Executive Officer and Exective Vice President
Tadashi Arishiro
Executive Officer and Exective Vice President
Yosuke Yagi
Executive Officer and Exective Vice President
Haruo Shirai

※ Executive Officer and Senior Manging Director
Yoshizumi Kanamori
Executive Officer and Senior Manging Director
Shinichi Tanzawa
Executive Officer and Senior Manging Director
Ryo Nihei
Executive Officer and Senior Manging Director
Harumi Matsumura
Executive Officer and Senior Manging Director
Sachio Matsumoto
Executive Officer
Katsuhiro Mamenari

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IV. New Products, Services & Others

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IV-1. Summary of New Products and Service for FY Ended Mar-14 (1)

	2012	2013		
	FY	1H	2H	FY Total
Total	**93**	**40**	**44**	**84**
Metal building material	**31**	**10**	**12**	**22**
Housing sashes & Doors	8	8	6	14
Exterior & Tiles	23	2	6	8
Plumbing fixtures	**20**	**7**	**14**	**21**
Sanitary ware & Washstand cabinet units	6	3	9	12
Bathroom units	3	3	1	4
Kitchens	4	1	0	1
Devices	7	0	4	4
Other	**15**	**5**	**8**	**13**
Exterior wall material for houses & Structural materials	6	1	3	4
Wooden interior furnishing material	3	3	1	4
Energy generation devices	6	1	4	5
Service	**27**	**18**	**10**	**28**

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IV-1. Summary of New Products and Service for FY Ended Mar-14 (2)

<Major Products>

	2013 1Q	2Q	3Q	4Q
Number of new products launched	10	12	12	22
New detached homes	FG-C SAMOS with added function Artificial wood deck Balcony MC Large opening slideing door Miruru	Strengthening family line Strengthening kitchens PASSO W type MC Triple Meister Eco-air 90	SAMOS Ⅱ/FG additional type FG-C/Electronic shutter GIESTA Entry system handle integrated type FG-E/GIESTA D Floor T Roof	Strenghten Kireiyu Expand Capacia Decorative Entrance door Expand Floor/Interior Mosaic /Interior floor /Exterior floor 10 shaku mojule less method New type of solar rack
Renovation	Inplus wood Style shade	Renova / Soleo Renovio V / Raku net grille	Added Krail	New type of Solar base Ostomate pack
Multiple family units	Bathroom for AP			Multi-sink for kids Public EW
Public & Non residential	Strengthening ProSE	Segel swing E-shape +wood Toilet for infant Toilet combined with low tank cleanout	Auto-door Slim R Cleanout attachment wash Solar Base Pro Solar Through	Washstands for public facilities・hostpitals Handwash for staffs Wall drainage toilet Sensor integrated stool type urinal
			Vibration controlling functional SW Panel	Automatic water faucet・Water purifying faucet・Electric water heater・Ecocarat+

<Major Services>

	2013 1Q	2Q	3Q	4Q
Services started	7	11	7	3
Service	Certificate of the housing tax for FY13	20 years' warranty of the ground by SDS method	(For individuals) 1 year Insurance for warranty against housing defect for existing houses Retaining wall special contract plan	

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IV-2. A New Strategy for Window Business

Change the Windows in Japan.

Achieve the highest quality in all grades of windows from standard to top

Improve the heat insulation capacity of standard-grade windows



Currently ongoing

Offer SAMOS technology

Improve the heat insulation capacity of top-grade windows



Top-class quality in Japan

Start in 2014

High-quality plastic window (tentative name) LW001
High-quality hybrid window (tentative name) LW002

*Expected to launch this autumn - winter

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IV-3. Launched New Kitchen System *Sunvarie <Alesta>*

Further advanced 3 major values of kitchen: Easy to clean/storage & workability/design

Kitchen System *Sunvarie <Alesta>*

- Made cleaning of range hood and kitchen sink easier: Always clean *Yogoren-hood* , *Kururin-drain*
- Support people to participate in house work: *Face-to-face support counter type kitchen unit*
- Raised workability by expanding width of table: *Hirobiro sink*
- Able to coordinate the whole house: Combine 45 door colors and 10 handle types for variation of 324 doors
- Also available in lineup that looks like furniture: *Simple Style*



Order acceptance from May 2014

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IV-4. New Products/Services(1)

Industry first, *Window frame with curtain rails*
-Curtain rail integrated in window frame-





•Installation of curtain rails are not required, eliminating the trouble

•Achieve energy-saving by preventing heat inflow/outflow from the top of the rail

•Once the window size is decided, window frame and curtain can be chosen without measurement

•April 2014 Launch

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Building sashes *SAMOS-S RF/H RF*
-Covering sashes exclusive for renovation of low-rise apartment windows-



•Achieved high-heat insulation capacity & light intake quality by slimming the frame by maximum of 30% from existing products (glass area increased)
•By adopting “Cover Method,” a time saving window renovation method, which utilizes existing window frames, allows residents to stay at home during installment
•By using plastic at the inner side of the frame, the occurrence of dew, which dampens the frame or interior fabric, is prevented
•April 2014 Launch

IV-4. New Products/Services(2)

LUMISIS
- High-end washstand cabinet units fulfilling the needs of renovation users with both design and high end functions -





•Rich feel and texture of marble *Lapicia Counter*

•LED aligned in 3 directions *Face-full light*

•Automatic/manual switching becomes unnecessary with touch-less faucet *Navish*

•April 2014 Launch

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Ecocarat +
- Air cleaning wall -



•Provides support to solve problems of air quality with improvement of 4 functions
1. Absorption/desorption of moisture
2. Effect of reducing odor in living space
3. Effect of reducing toxic substance
4. Clean-ability by adopting multi-pore double layer structure

•February 2014 Launch



IV-4. New Products/Services(3)

Industry first, *PA / PB Series*
- Seat type shower toilet for public facilities with flushing sound tool installed to prevent excess use of water -



• February 2014 Launch

Flush valve
- Constant flow valve installed, ease of adjusting water pressure -

•"Easy adjustment" function will allow adjustment time to shorten from 4 minutes to 10 seconds, contributing to improvement of operational efficiency

• February 2014 Launch



Sensor integrated stall type urinal
- Full model change to enhance user friendliness and economic efficiency -

•Renovated urinal for public restrooms for the first time in 12 years
•Saves around 75% of water compared to conventional products achieving industry top class volume of 1 liter
• February 2014 Launch



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IV-4. New Products/Services(4)

Marbelina counter, bowl integrated type
- Counter suitable for renovation of narrow openings -
Automague A (Aquenergy method)
- Self-electricity generating automatic water faucet -



•Able to install three bowls in narrow openings when renovating public restrooms for public facilities, schools, offices, and hospitals

•By generating electricity with water flow energy of tap water, no power source is required
•No need of new electric wiring work at time of renovation
•Able to use during power failure

•February 2014 Launch

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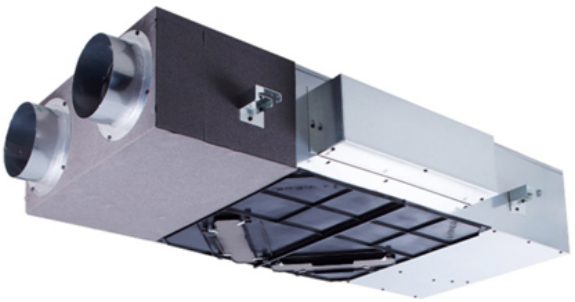
Ecoair 90
- Highly efficient heat exchanging unit -



•Utilizes heat of the inside air exhausted to outside and sets the temperature of the outside air, which is taken inside at close to the room temperature

•Highly efficient filter to screen PM2.5

•Achieved world top class heat recovery ratio of 90%

•April 2014 Launch

IV-4. New Products/Services(5)

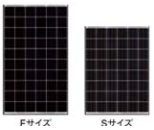
Solar Rack – Type A solar panel
- Solar power generating system -



•Adopted low light intensity monocrystal cell
- improved around 10% of power generating capacity
- efficiently generates power even when the sunlight is weak

•In addition to the standard size F, the 80% size version (size S) offered

•February 2014 Launch



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First in the industry, whole products of plumbing fixtures are under warranty, “long-extended term warranty service (for a charge)” for safety and comfortable use. <Service starts from August>

■Object:
Customers who purchased one or several items from products of plumbing fixtures such as shower-toilet, unit-bath, unit-kitchen or washstand after April 1, 2014.
■Service:
Warranty service which extends 3 or 8 years (for a charge) in addition to the normal warranty term of 2 years, which is in total for 10 years’ (at longest) warranty service after delivery of the products.
■Warranty:
In case of breakdown, the repair charge is free, which is the same as two years’ warranty
■How to apply:
Procedure will be completed after registering from homepage, which will be released in August.

New campaign to offer free “extended term warranty service” for 5 years instead of normal 2 years’ warranty, will start for the customers who purchased products more than three items after April 1, 2014.


LIXIL
Link to Good Living

Results for the FY Ended March 2014 <Fact Sheets>

1. Financial Results for the FY Ended March 2013 (5 Year Trends) P1
2. Results for the FY Ended 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 P9
10. Overseas Production Ratio and Sales P10
11. Permasteelisa P11
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May 7, 2014

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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 2014 (5 Year Trends)

Units：Y bn, %

	Mar-10 results	Mar-11 results	Mar-12 results	Mar-13 results	Mar-14 results	Y/Y increase/ decrease	Y/Y (%)
Metal building materials	368.8	488.5	515.0	651.8	731.8	80.0	12.3%
Plumbing fixtures	282.8	380.0	370.5	374.3	438.5	64.2	17.1%
Other building materials	155.2	159.7	191.0	188.0	209.7	21.7	11.5%
Distribution and retail	134.2	142.8	166.6	175.4	195.1	19.6	11.2%
Housing, real estate and other	51.9	57.5	61.3	59.3	64.2	4.9	8.3%
Subtotal	992.9	1,228.5	1,304.4	1,448.8	1,639.3	190.4	13.1%
Elimination	-10.3	-13.5	-13.0	-12.4	-10.6	1.8	-
Net sales	982.6	1,214.9	1,291.4	1,436.4	1,628.7	192.3	13.4%
Gross profit	299.0	380.7	376.1	403.1	447.8	44.8	11.1%
Gross margin	30.4%	31.3%	29.1%	28.1%	27.5%	-	-0.6P
SG&A	273.1	340.3	358.1	352.6	378.8	26.2	7.4%
SG&A ratio	27.8%	28.0%	27.7%	24.5%	23.3%	-	-1.3P
Metal building materials	17.9	22.1	4.0	23.9	33.5	9.6	40.3%
Plumbing fixtures	8.4	13.0	11.5	17.0	20.4	3.4	19.8%
Other building materials	-1.4	3.6	1.9	7.6	10.1	2.5	32.8%
Distribution and retail	3.9	2.0	-0.9	0.3	3.8	3.6	-
Housing, real estate and other	-1.1	2.4	4.3	4.9	5.7	0.8	16.1%
Elimination	-1.7	-2.7	-2.8	-3.2	-4.5	-1.3	-
Operating profit	26.0	40.4	17.9	50.5	69.1	18.6	36.8%
Metal building materials	4.8%	4.5%	0.8%	3.7%	4.6%	-	+0.9P
Plumbing fixtures	3.0%	3.4%	3.1%	4.5%	4.6%	-	+0.1P
Other building materials	-0.9%	2.2%	1.0%	4.0%	4.8%	-	+0.8P
Distribution and retail	2.9%	1.4%	-0.5%	0.2%	2.0%	-	-
Housing, real estate and other	-2.1%	4.1%	7.0%	8.4%	8.9%	-	+0.5P
OP margin	2.6%	3.3%	1.4%	3.5%	4.2%	-	+0.7P
Recurring profit	27.9	39.2	16.1	53.1	74.9	21.9	41.2%
Net income/ loss before minority interests	3.9	30.4	-26.4	32.5	72.9	40.3	124.0%
Net income/ loss	-5.3	15.8	1.9	21.3	44.8	23.4	109.7%

2. Results for the FY Ended March 2014

Units: Y bn, %

	FY Ended March 2014			FY Ending March 2015								
				1H forecasts			2H forecasts			Full-year forecasts		
	1H results	2H results	Full-year results		Y/Y (amount)	Y/Y (%)		Y/Y (amount)	Y/Y (%)		Y/Y (amount)	Y/Y (%)
Metal building materials	333.5	398.3	731.8									
Plumbing fixtures	190.3	248.2	438.5									
Other building materials	98.4	111.2	209.7									
Distribution and retail	93.8	101.3	195.1									
Housing, real estate and others	30.9	33.4	64.2									
Elimination	-5.3	-5.3	-10.6									
Net sales	741.5	887.1	1,628.7	835.0	93.5	12.6%	925.0	37.9	4.3%	1,760.0	131.3	8.1%
Gross profit	206.4	241.4	447.8	232.0	25.6	12.4%	254.0	12.6	5.2%	486.0	38.2	8.5%
SG&A	180.4	198.3	378.8	201.0	20.6	11.4%	205.0	6.7	3.4%	406.0	27.2	7.2%
Metal building material	13.5	20.1	33.5									
Plumbing fixtures	7.5	12.9	20.4									
Other building materials	2.8	7.2	10.1									
Distribution and retail	1.5	2.3	3.8									
Housing, real estate and others	2.8	3.0	5.7									
Elimination	-2.1	-2.4	-4.5									
Operating profit	26.0	43.1	69.1	31.0	5.0	19.4%	49.0	5.9	13.7%	80.0	10.9	15.8%
OP margin	3.5%	4.9%	4.2%	3.7%	-	+0.2P	5.3%	-	+0.4P	4.5%	-	+0.3P
Recurring profit	29.0	46.0	74.9	31.5	2.5	8.8%	50.0	4.0	8.7%	81.5	6.6	8.8%
Net income	17.8	26.9	44.8	19.0	1.2	6.7%	30.0	3.1	11.4%	49.0	4.2	9.5%

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

	Mar-14 results	Mar-15 assumptions
US dollars	100.49 yen	105.00 yen
Euros	129.34 yen	145.00 yen
Thai bahts	3.18 yen	3.30 yen
Chinese yuans	15.81 yen	17.50 yen

Aluminum price (Purchasing price)	220,000 yen/ton	230,000 yen/ton
Copper price	550,000 yen/ton	580,000 yen/ton

3.Domestic & Overseas Results and Forecasts by Segment

Units: Y bn, %

			Mar-13 Results			Mar-14 Results			Mar-15 Forecasts			Growth rates (Y/Y)		
			Sales	OP	OPM	Sales	OP	OPM	Sales	OP	OPM	Sales	OP	OPM
	Domestic	Core New homes	761.2			803.5			775.0			-3.5%		
		Remodeling	247.9			282.6			305.0			7.9%		
		Core Total	1,009.1	48.9	4.8%	1,086.1	63.6	5.9%	1,080.0	64.0	5.9%	-0.6%	0.6%	+0.1P
		HC and Ken Depot	175.4	2.3	1.3%	195.1	5.3	2.7%	203.0	8.0	3.9%	4.0%	50.9%	+1.2P
		Service	59.3	4.9	8.3%	64.2	5.7	8.9%	63.0	5.0	7.9%	-1.9%	-12.3%	-0.9P
		Domestic Total	1,243.8	56.2	4.5%	1,345.4	74.6	5.5%	1,346.0	77.0	5.7%	-	3.2%	+0.2P
	Overseas	Asia	67.7	1.6	2.4%	87.9	3.4	3.9%	95.0	4.5	4.7%	8.1%	32.4%	+0.9P
		Permasteelisa	137.4	7.0	5.1%	176.9	4.1	2.3%	228.0	8.5	3.7%	28.9%	107.3%	+1.4P
		ASB	-	-	-	291.0	15.0	5.2%	1,070.0	60.0	5.6%	267.7%	300.0%	+0.5P
		Overseas Total	205.1	8.6	4.2%	293.9	9.0	3.1%	430.0	19.0	4.4%	46.3%	111.1%	+1.4P
	Others	Amortization of goodwill and intangible assets	-	-9.0	-	-	-8.5	-	-	-10.4	-	-	-	-
		HQ Overhead, Elimination	-12.5	-5.2	-	-10.6	-6.0	-	-16.0	-5.6	-	-	-	-
Total			1,436.4	50.5	3.5%	1,628.7	69.1	4.2%	1,760.0	80.0	4.5%	8%	16%	+0.3P

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		Q4 results	
		Y/Y		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%	210.5	17.1%
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%	135.5	39.0%
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%	57.4	15.4%
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%	49.6	22.0%
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%	16.9	11.9%
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%	469.9	22.8%
Elimination	-2.8	-	-3.2	-	-3.5	-	-3.0	-	-2.8	-	-2.6	-	-2.5	-	-2.8	-
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%	467.1	23.0%
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%	123.1	22.3%
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	26.4%	-0.2P
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%	104.9	19.0%
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	22.5%	-0.8P
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%	9.0	28.7%
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%	4.3	20.7%
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%	3.7	43.4%
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%	0.8	Turned profitable
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%	1.2	-1.7%
Elimination	-0.9	-	-0.8	-	-0.8	-	-0.7	-	-0.9	-	-1.1	-	-1.5	-	-0.9	-
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%	18.1	45.3%
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	3.9%	+0.6P
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%	18.9	28.0%
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%	7.9	-42.2%

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

Sales of manufacturing businesses (Metal/ Plumbing/ Other)

Unit: Ybn

	1H		2H		Full-year					
	Mar-13 results	**Mar-14 results**	Mar-13 results	**Mar-14 results**	Mar-13 results	**Mar-14 results**	Y/Y (amount)	Vs. forecasts* (amount)	**Mar-15 forecasts**	Y/Y (amount)
Metal building materials	306.1	**333.5**	345.6	**398.3**	651.8	**731.8**	80.0	16.8	**1,510.0**	130.0
Plumbing fixtures	178.0	**190.3**	196.3	**248.2**	374.3	**438.5**	64.2	-0.5		
Other building materials	89.1	**98.4**	98.9	**111.2**	188.0	**209.7**	21.7	10.7		

*Announced on November 5, 2013

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

Unit: Ybn

	1H		2H		Full-year					
	Mar-13 results	**Mar-14 results**	Mar-13 results	**Mar-14 results**	Mar-13 results	**Mar-14 results**	Y/Y (amount)	Vs. forecasts (amount)	**Mar-15 forecasts**	Y/Y (amount)
Metal building materials	5.5	**13.5**	18.4	**20.1**	23.9	**33.5**	9.6	-1.0	**72.7**	8.7
Plumbing fixtures	5.1	**7.5**	11.9	**12.9**	17.0	**20.4**	3.4	-0.1		
Other building materials	2.2	**2.8**	5.4	**7.2**	7.6	**10.1**	2.5	2.1		

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

<Mar-14 results: Y/Y>

Unit：Y bn

	Mar-13 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 results
Metal	23.9	8.8	3.0	-1.6	7.3	-8.6	5.8	-4.2	-0.9	+9.6	33.5
Plumbing	17.0	7.0	0.0	-0.6	5.0	-5.9	0.0	-2.8	0.6	+3.4	20.4
Other	7.6	6.0	1.6	-3.3	1.8	-1.9	0.0	-2.6	0.9	+2.5	10.1
Manufacturing total	48.5	21.8	4.6	-5.5	14.1	-16.4	5.8	-9.6	0.6	+15.5	64.0

<Mar-14 results: Vs. forecasts>

Unit：Y bn

	Mar-14 forecasts	Due to sales fluctuation	Change in selling price and mix	Raw material costs	Cost fluctuation	Impacts of exchange rate	One off cost	Due to SG&A fluctuation	Business overseas	Total	Mar-14 results
Metal	34.5	1.8	6.2	0.5	-3.3	0.0	0.0	0.0	-6.2	-1.0	33.5
Plumbing	20.5	-1.7	1.6	0.9	-1.3	0.0	0.0	1.2	-0.8	-0.1	20.4
Other	8.0	2.5	2.4	-2.4	-1.2	0.0	0.0	0.5	0.3	+2.1	10.1
Manufacturing total	63.0	2.6	10.2	-1.0	-5.8	0.0	0.0	1.7	-6.7	+1.0	64.0

Business performance of LIXIL Corporation (non-consolidated base)

Units: Y bn, %

		Mar-13 results	Mar-14 results	Y/Y(amount)	Y/Y(%)
Sales		880.9	954.8	73.9	8.4%
	1H	420.3	446.7	26.4	6.3%
	2H	460.6	508.1	47.5	10.3%
OP		33.4	35.2	1.8	5.4%
	1H	10.3	14.1	3.8	37.1%
	2H	23.1	21.0	-2.0	-8.8%

6. Segment Information (2) Distribution and Retail

Sales and OP for the segment

Unit: Y bn

		1H		2H		Full-year					
		Mar-13 results	**Mar-14 results**	Mar-13 results	**Mar-14 results**	Mar-13 results	**Mar-14 results**	Y/Y (amount)	Vs. forecasts (amount)	**Mar-15 forecasts**	Y/Y (amount)
Sales		87.0	**93.8**	88.4	**101.3**	175.4	**195.1**	19.6	1.1	**203.0**	7.9
OP		0.5	**1.5**	-0.2	**2.3**	0.3	**3.8**	3.6	-1.2	**6.5**	2.7
Figures of Ken Depot included above	Sales	9.6	12.8	11.2	15.2	20.8	28.1	7.3	-5.2	35.0	6.9
	OP	-2.6	-1.8	-2.2	-1.0	-4.8	-2.8	2.0	-2.5	0.0	2.8

Operation profits: increase/ decrease analysis

<Mar-14 results: Y/Y>

Unit: Y bn

Mar-13 results	Due to sales fluctuation of new stores	Due to sales fluctuatuion of existing stores	Effect of closed stores	Sales price of existing stores	Cost of existing stores	Ken Depot	Impacts of exchange rate	Total	Mar-14 results
0.3	0.3	0.0	0.3	1.3	1.6	1.8	-1.7	3.6	3.8

<Mar-14 results: Vs. forecasts>

Unit: Y bn

Mar-14 forecasts	Due to sales fluctuation of new stores	Due to sales fluctuatuion of existing stores	Effect of closed stores	Sales price of existing stores	Cost of existing stores	Ken Depot	Impacts of exchange rate	Total	Mar-14 results
5.0	-0.1	2.0	0.3	-0.2	-0.5	-2.7	0.0	-1.2	3.8

Number of stores

Unit: stores

	Mar-13	Mar-14		FY Mar-15	
	results	results	Change from Mar-13	forecasts	Y/Y
Newly opened SVH stores	4	4	-	1	-
Newly opened NVH stores	0	0	-	0	-
Newly opened Ken Depot stores	4	4	-	6	-
Number of stores closed	9	4	-	0	-
Number of stores at end of term	142	146	+4	153	+7
(SVH stores)	29	33	+4	34	+1
(NVH stores)	9	9	0	9	0
(Ken Depot stores)	62	62	0	68	+6

Results of home center business

Units: Y bn, %

	Mar-14 results	Mar-15 forecasts
Sales	167.0	168.0
OP	8.3	8.3
%	5.0%	4.9%

Rate of sales growth

<Mar-14 results> Unit: %

All stores	+8.0
Existing stores only	+3.0

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

Growth rate of customer footfall and average sales per customer

<Mar-14 results> Unit: %

All stores	
Customer footfall	+1.1
Average sales	+7.8
Existing stores only	
Customer footfall	-2.9
Average sales	+6.1

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

Sales and OP of the segment

Unit: Y bn

	1H		2H		Full-year					
	Mar-13 results	**Mar-14 results**	Mar-13 results	**Mar-14 results**	Mar-13 results	**Mar-14 results**	Y/Y (amount)	Vs. forecasts (amount)	**Mar-15 forecasts**	Y/Y (amount)
Sales	28.6	**30.9**	30.7	**33.4**	59.3	**64.2**	4.9	1.2	**63.0**	-1.2
OP	2.1	**2.8**	2.8	**3.0**	4.9	**5.7**	0.8	0.2	**4.9**	-0.8

Sales and OP by segment companies

<Mar-14 results: Y/Y>

Units: Y bn, %

	Sales					OP				
	Mar-13 results	Mar-14 forecasts	Mar-14 results	Y/Y	Vs. forecast (amount)	Mar-13 results	Mar-14 forecasts	Mar-14 results	Y/Y	Vs. forecast (amount)
LIXIL Housing Research Institute	25.6	28.1	28.5	11.1%	0.4	1.7	1.8	2.0	18.5%	0.2
Japan Home Shield	10.4	11.1	10.1	-2.9%	-1.0	1.1	1.4	1.3	14.4%	-0.1
JIO	10.7	11.4	11.8	10.9%	0.4	0.3	0.4	0.7	111.6%	0.3
Other & adjustments	12.5	12.4	13.8	9.8%	1.4	1.8	1.9	1.7	-2.1%	-0.2
Segment total	59.3	63.0	64.2	8.3%	1.2	4.9	5.5	5.7	16.1%	0.2

<Mar-15 Full year forecasts: Y/Y>

Units: Y bn, %

	Sales			OP		
	Mar-14 results	Mar-15 forecasts	Y/Y	Mar-14 results	Mar-15 forecasts	Y/Y
LIXIL Housing Research Institute	28.5	28.3	-0.7%	2.0	2.4	16.2%
Japan Home Shield	10.1	11.1	9.3%	1.3	1.5	13.3%
JIO	11.8	11.5	-3.2%	0.7	0.7	3.9%
Other & adjustments	13.8	12.2	-11.4%	1.7	0.4	-78.7%
Segment total	64.2	63.0	-1.9%	5.7	4.9	-14.7%

Number of contracts received and houses built with housing franchise businesses

Number of contracts received

Units: houses, %

	Mar-13 results	Mar-14 results	Y/Y
Total for the Group	4,408	4,651	5.5%

*Revised last fiscal year's results due to change in calculation

Number of houses built

Units: houses, %

	Mar-13 results	Mar-14 results	Y/Y
Total for the Group	3,823	4,179	9.3%

8. Sales by Products and Services

Units: Y bn,%

Major products	Mar-13 results	Mar-14 results	Y/Y	Quarterly Y/Y (%) Mar-14			
				Q1	Q2	Q3	Q4
Housing sashes and related products	**199.5**	**215.2**	7.9%	8.0	3.5	**9.2**	**11.1**
Exterior	**114.1**	**120.6**	5.7%	-2.2	1.8	**5.0**	**19.5**
Building sashes and shutters	**115.8**	**117.3**	1.3%	-1.9	2.5	**1.8**	**1.5**
Sanitary ware	**95.2**	**102.4**	7.5%	1.1	5.1	**3.8**	**19.5**
Bathroom units	**83.8**	**91.3**	8.9%	5.5	5.8	**8.1**	**16.4**
Kitchens	**100.5**	**106.0**	5.5%	6.8	12.2	**6.7**	**-3.4**
Washstand cabinet units	**30.6**	**34.0**	11.3%	5.9	8.5	**7.8**	**22.0**
Wooden interior furnishing materials	**48.9**	**59.8**	22.2%	18.7	19.1	**19.1**	**31.4**
Exterior wall materials for houses	**36.3**	**37.7**	3.7%	3.8	5.3	**-5.6**	**12.3**
Tiles	**31.0**	**30.8**	-0.6%	-4.5	-1.5	**-4.1**	**7.6**
Interior Fabric	**31.6**	**32.4**	2.5%	-1.6	-0.4	**-1.0**	**11.3**
Housing structures and precut woods	**33.5**	**39.1**	16.5%	13.9	16.4	**23.6**	**11.7**
Home center sales	**172.9**	**191.9**	11.0%	7.8	7.4	**8.0**	**21.9**
Overseas	**205.1**	**293.9**	43.3%	15.2	38.4	**45.2**	**65.9**
Other	**137.3**	**156.3**	13.8%	9.7	5.2	**8.6**	**29.3**
Total	**1,436.4**	**1,628.7**	13.4%	6.8	10.2	**12.4**	**23.0**

Note: Sales of companies overseas are included in “Overseas” from Q4.
(Through Q3, overseas were included in "Other".)

9. Renovation Business

Ratio of Renovation Business

	Mar-13 results	Mar-14 results	Y/Y
Sales from renovation business	327.4	376.7	15.1%
Ratio of renovation business*	26.6%	28.2%	+1.6P

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

Sales of renovation products

Units: Y bn, %

	Mar-12 results	Mar-13 results	Mar-13 Y/Y	Mar-14 results	Mar-14 Y/Y	Mar-15 forecasts	Mar-15 Y/Y
Group total	245.6	247.9	0.9%	282.6	14.0%	305.0	7.9%
Renovation ratio	28.6%	29.2%	+0.5P	31.0%	+1.8P	33.5%	+2.5P

Renovation network

(Number of member homebuilders)

Voluntary type	Mar-12 results	Mar-13 results	**Mar-14 results**
LIXIL Reform Net	8,896	9,356	**10,203**

* Changed to current organization in April 2012

Franchise type	Mar-12 results	Mar-13 results	**Mar-14 results**
LIXIL Reform Chain	414	377	**376**

* Changed to current organization in July 2012

10. Overseas Production Ratio and Sales

Overseas production ratio

Products	Locations	Overseas production ratio		
		Mar-13 results	Mar-14 results	Mar-15 forecasts
Aluminum housing sashes	Thailand	24%	26%	26%
Interior wooden furnishing materials	Dalian, China	44%	46%	46%
Sanitary ware	Hanoi, Vietnam	36%	42%	42%
	Suzhou, China			
Water faucets	Suzhou, China	20%	23%	23%
Floor tiles	Suzhou, China	58%	53%	53%

Sales Overseas

Units: Y bn, %

Areas	Mar-13 results			Mar-14 results				
	Sales	Sales excluding Permasteelisa	Sales of Permasteelisa	Sales	Y/Y	Sales excluding Permasteelisa	Y/Y	Sales of Permasteelisa
Greater China	64.0	39.9	24.1	76.4	19.3%	50.1	25.5%	26.3
Thailand	7.6	7.2	0.4	12.8	68.6%	11.6	61.4%	1.2
Vietnam	7.1	7.0	0.1	9.6	35.0%	9.1	29.5%	0.5
Korea	5.7	5.6	0.1	6.7	18.2%	6.7	18.6%	0.1
Other Asian countries	13.9	5.6	8.3	16.7	20.4%	6.7	20.1%	10.0
Middle East	24.8	0.0	24.7	46.9	89.6%	0.0	38.6%	46.9
North America	31.8	0.7	31.1	63.9	101.3%	29.6	-	34.3
Europe	36.7	0.4	36.3	48.6	32.6%	0.5	39.3%	48.1
Others	13.6	1.2	12.3	12.2	-10.4%	2.5	103.2%	9.6
Total	205.1	67.7	137.4	293.9	43.3%	117.0	72.8%	176.9

(For reference)

Overseas sales ratio

Units: Y bn, %

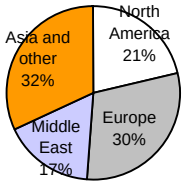
	Mar-11 results	Mar-12 results	Mar-13 results	Mar-14 results	Mar-15 results
Overseas sales	40.0	53.9	205.1	293.9	430.0
Overseas sales ratio	3.3%	4.2%	14.3%	18.0%	24.4%

11. Permasteelisa

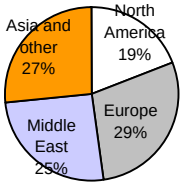
Full-year= January to December

Regional sales contribution

FY2013 results



FY2013 results



Business performance of Permasteelisa

Units: Y bn, %

	Dec-12 results	Dec-13 results	Y/Y	Dec-14 forecasts	Y/Y
Sales	140.9	180.4	28.0%	228.0	26.4%
Permasteelisa OP	7.0	4.1	-41.0%	8.5	106.4%
%	5.0%	2.3%	-2.7P	3.7%	+1.4P
Amortization of Goodwill and intangible assets	7.1	5.8	-	5.9	-
OP	-0.1	-1.7	-	2.6	-
Exchange rate Yen/Euro	103.3	129.3	-	145.0	-

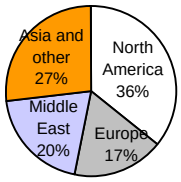
Orders received

Unit: million euros

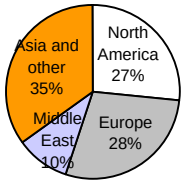
	Dec-12 results	Dec-13 results
New	1,605	1,469
Backlog	1,884	1,877

New orders by region

FY2012 results



FY2013 results



Goodwill

Unit: million euros

	Dec-12 results	Dec-13 results		Dec-14 forecasts		Amortization period
	End balance	Amortization	End Balance	Amortization	End Balance	
Goodwill	240	24	216	24	192	11 years
Other intangible assets	225	21	204	17	187	4 to 20 years
Total	464	45	419	41	379	

12. ASB

Full-year= January to December until the FY ended Dec-13

April to March from the FY ending Mar-15

Business performance of ASB (in Yen, consolidated period)

Units: Y bn, %

	Dec-13 results (4 months)	Dec-14 forecasts (12 months)
Sales	29.1	107.0
ASB OP	1.5	6.0
%	5.2%	5.6%
Amortization of Goodwill and intangible assets	0.682	2.0
OP	0.8	4.0
Exchange rate Yen/USD	99.23	105.0

Business performance of ASB (in USD, full year)

Units: million dollars, %

	Dec-12 results	Dec-13 results	Mar-15 forecasts
Sales	837	875	1,019
OP	28	36	57
%	3.3%	4.1%	5.6%
Total Assets	393	805	-
Interest bearing debt	197	259	-
Net Assets	-46	301	-

Goodwill (Preliminary amounts since allocation of purchase price is not complete, and therefore, breakdown between goodwill and intangible fixed assets is to be determined.)

Unit: million dollars

	Dec-13			Mar-15 forecasts		Amortization period
	Total at beginning of consolidation (Sep-13)	Amortization	End balance	Amortization	End Balance	
Goodwill	407	7	401	20	380	20 years

13. China / Asia

Full-year= January to December

Business performance

Units: Y bn, %

	Dec-12 results		Dec-13 results				Dec-14 forecasts			
	China	Asia	China	Y/Y	Asia	Y/Y	China	Y/Y	Asia	Y/Y
Sales	19.3	27.8	25.6	32.6%	34.3	23.4%	27.5	7.4%	40.5	18.1%
Operating profit	0.1	1.5	0.7	600.0%	2.9	93.3%	0.7	0.0%	3.3	13.8%
%	0.5%	5.4%	2.7%	+2.2P	8.5%	+3.1P	2.5%	-0.2P	8.1%	-0.3P

* The chart has been changed from the last fiscal year due to the establishment of Global Management Committee this fiscal year.
For this reason, classification names have been changed to China and Asia.
Unchanged from the last fiscal year, Curtain wall business is not included.

14. Scope of Consolidation

Number of consolidated subsidiaries and equity method affiliates

Mar-13	+	-	Jun-13	+	-	Sep-13	+	-	Dec-13	+	-	Mar-13
119	4	16	107	20	3	124	3	0	127	2	0	129
3	0	0	3	0	0	3	1	0	4	1	0	5

* Impact to sales and profit due to new consolidation and equity method
Y30.9bn in sales, Y1.0bn in OP, Y2.3bn in RP, Y2.1bn in net income

15. Goodwill

Amortization of negative goodwill Unit: Y bn

	Mar-13 results		Mar-14 results		Mar-15 forecasts	
	Amortization	Balance	Amortization	Balance	Amortization	Balance
American Standard AP	0.1	0.2	0.1	0.1	0.1	-
Sanyo Homes	-	-	1.3	-	-	-
Total	0.2	0.2	1.5	0.1	0.1	-
Non-operating income	0.1		0.1		0.1	
Equity method income	-		1.3		-	
Extraordinary income	0.0		-		-	

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

	Mar-13 results		Mar-14 results		Mar-15 forecasts	
	Amortization	Balance	Amortization	Balance	Amortization	Balance
American Standard AP	0.5	0.7	0.5	0.2	0.2	-
AMTRONIC*1	0.4	0.3	0.3	0.0	0.0	-
Kawashima Selkon Textiles	0.6	1.8	0.6	1.3	0.6	0.7
LIXIL Haier Housing Products	0.5	2.4	0.7	2.2	0.7	1.5
Hivic	0.3	1.0	0.3	0.7	0.3	0.4
Permasteelisa	2.5	*2 27.5	3.1	31.3	3.5	27.8
ASB	-	-	0.7	*2 42.2	To be determined	*3 To be determined
Star Alubuild	-	-	0.0	0.4	0.1	0.3
Other	0.7	0.8	0.7	1.6	To be determined	*4 To be determined
Total	5.4	34.6	6.8	80.0	9.0	To be determined
SG&A	5.4		6.6		9.0	
Equity method	-		-			
Extraordinary loss	-		0.2		-	

*1 This company is a holding company of Shanghai Meite.
*2 Preliminary estimate
*3 Breakdown between goodwill and intangible assets is to be determined.
*4 Goodwill of the equity method company GROHE is to be determined.

16. 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-13 result				
Jul 2009 (partly Nov 2009)	American Standard Asia Pacific (Group)	Sanitary ware(Asia)	23.5	-	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	24.5	3.2	75%	0.5	>Expand building sashes in China
Dec 2011	Permasteelisa	Building sashes (Global)	116.0	180.4	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	87.5*	30.5	100%	Current estimate 40.1	>Establish North American platform
Oct 2013	Star Alubuild	Building sashes (India)	1.7	-	0.7	70%	0.4	>Business development in India
Jan 2014	GROHE Group S.à r.l.	Plumbing fixtures、especially faucets (Europe, Global)	180.0	187.6*	103.9	43.8%	To be determined	>Establish European platform

*ASB was consolidated for 4 months for FY ended Mar-14. GROHE is an equity method company FY ending Mar-15, but on this chart, ASB and GROHE's sales for FY ended Dec-13 (full-year) is shown for informational purpose.

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-14 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*	32.4	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	24.0	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%	5.2 *2	>Expand sales for Leopalace
Sept 2013	EDION	Renovation business in the home electrical appliance industry	5.0	8%	0.1	>Expand sales for EDION
Oct 2013	Sharp	New product development by integrating building & electrical materials	5.0	1%	0.6	>Expand sales of new products

*1: As of March 2014
*2: Includes gain on sales of March 2013