TSE Code: 5938

Q1 Results for the Fiscal Year Ending March 31, 2015

(From April 1, 2014 to June 30, 2014)

August 4, 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 Q1 Results

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Starting the year with profit decline, which is within our assumption

- Sales increased by 10% Y/Y and OP decreased by Y4.4bn due to the increase of SG&A cost despite the improvement of gross profit in real terms
- SG&A increased due to the investment for renovation business etc. and one time cost
- OP increased by 12% Y/Y on normalized basis
- Sales and profit increased for overseas business
- Maintained growth in renovation although slight decline in new houses after consumption-tax hike
- Launched a wide array of new products for renovation

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Units: Y bn, %

	Mar-14 Q1 results	Mar-15 Q1 results	Y/Y Increase/ decrease	Y/Y %
Net sales	348.4	381.5	33.1	9.5
Gross profit	98.0	104.7	6.8	6.9
GPM (%)	28.1%	27.5%	-	-0.7
SG&A	88.8	99.9	11.1	12.5
SG&A ratio (%)	25.5%	26.2%	-	+0.7
Operating profit	9.2	4.8	-4.4	-47.5
OPM (%)	2.6%	1.3%	-	-1.4
Recurring profit	13.6	4.6	-9.0	-66.4
Income before income taxes	12.9	3.6	-9.3	-72.1
Net income	8.9	0.1	-8.8	-98.8
Net income before amortization of goodwill	10.3	3.4	-6.9	-67.0
EPS before amortization of goodwill (Yen)	35	12	-24	-67.1
EBITDA *	21.8	16.6	-5.2	-23.8
EBITDA ratio	6.2%	4.3%	-	-1.9

Domestic +0%
Overseas +59%

Nearly flat for domestic.
Decreased due to increase in overseas sales ratio

Temporary increase due to investment for future

Foreign exchange gain in FY Mar-14
Acquisition cost of GROHE for FY Mar-15

Tax effects from reorganization of subsidiaries in FY Mar-14.
Cost increase which is out of tax effect such as GROHE acquisition cost and others for FY Mar-15.

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* EBITDA figures are operating income before depreciation and amortization of goodwill

I-2. Financial Results for the Q1(3 Months) of the FY Ending Mar-15 (2)

Unit: Y bn, %

	Mar-15 Q1 financial statements	One time cost / prior investment
Sales	381.5	0.0
Gross profit	104.7	-1.3
SG&A	99.9	4.2
Operating profit	4.8	-5.5
Recurring profit	4.6	-9.3
Income before income taxes	3.6	-9.8

	Mar-14 Q1 results	Mar-15 Q1 normalized results	Y/Y Increase/ decrease	Y/Y %	Y/Y excluding impacts of ASB	Y/Y %
Sales	348.4	381.5	33.1	9.5	9.6	2.7
Gross profit	98.0	106.0	8.1	8.2		
GPM (%)	28.1%	27.8%	-	-0.3		
SG&A	88.8	95.7	6.9	7.8		
SG&A ratio (%)	25.5%	25.1%	-	-0.4		
Operating profit	9.2	10.3	1.1	12.3	0.4	4.4
OPM (%)	2.6%	2.7%	-	+0.1	-	0.0
Recurring profit	13.6	13.9	0.3	1.9	-0.5	-3.4
Income before income taxes	12.9	13.4	0.5	3.9	-0.2	-1.8

One time cost / prior investment

<Gross profit -1.3>
Effect of snow damage -1.3

<Non-operating income/loss -3.8, Extraordinary income/loss -0.5>
GROHE acquisition cost & goodwill (provisional)> -3.8
Amortization of ASB acquisition cost for Mar-14 -0.5

<SG&A +4.2>
Investment for BT-16 +1.2
Investment for sales activities +1.9
Snow damage +1.1

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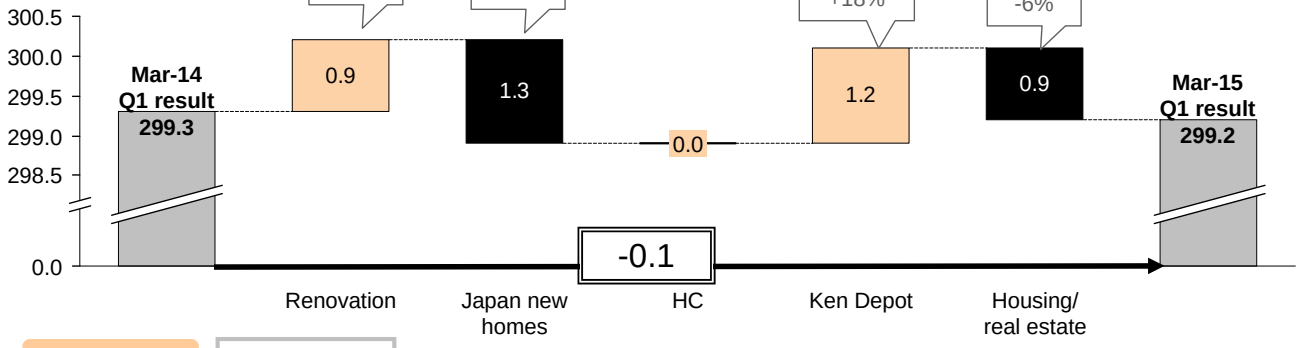
I-3. Increase/Decrease of Sales and OP in Japan

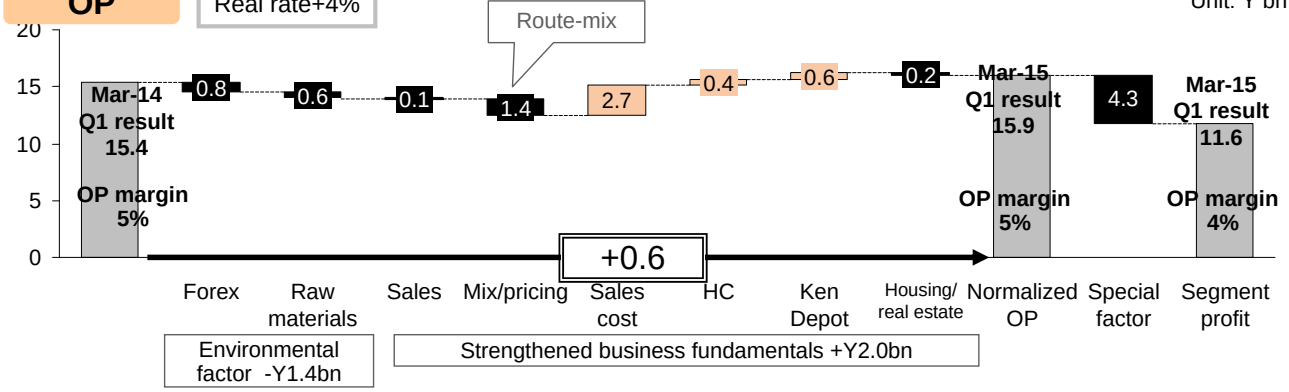
Sales 0%

Unit: Y bn



OP Real rate+4%

Unit: Y bn



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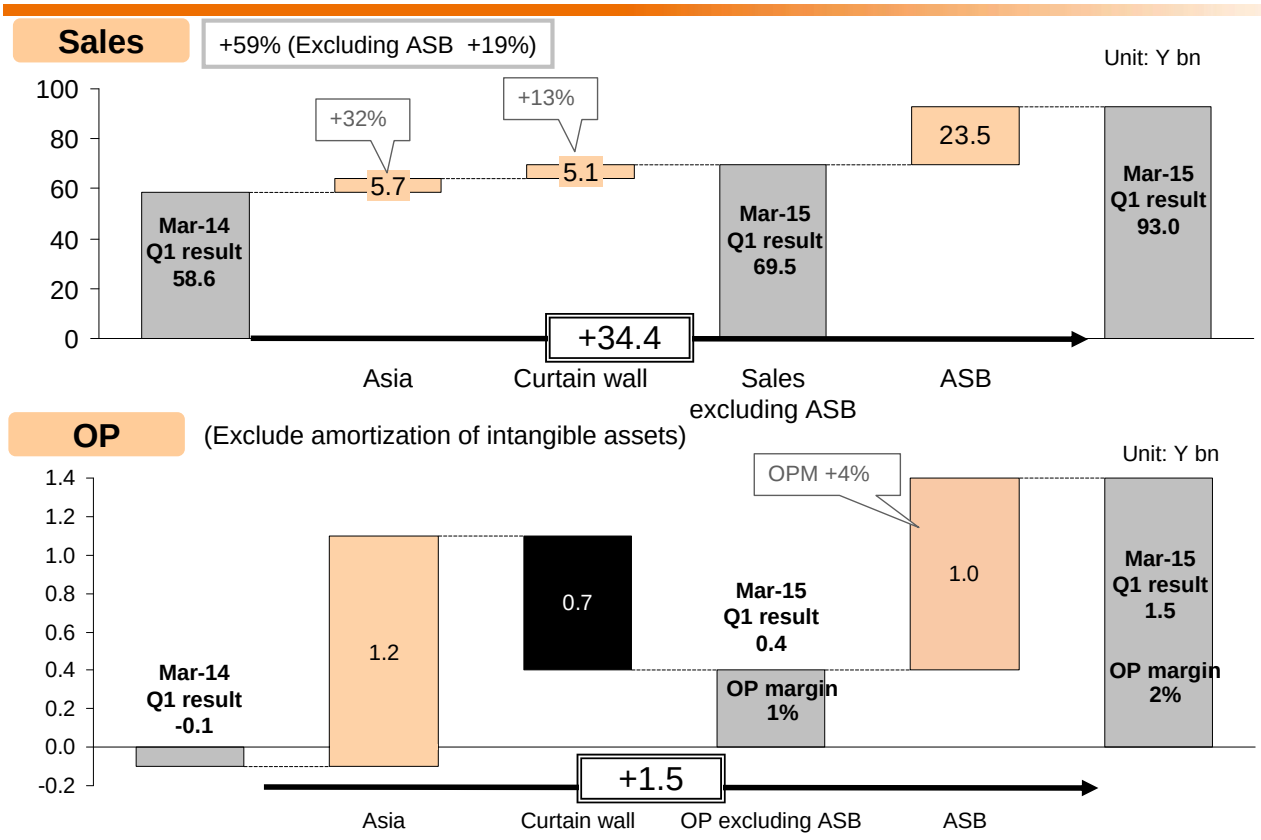
I-4. Increase/Decrease of Sales and OP Overseas



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I-5. Segment Information

Unit: Y bn

Neutral —
Achievable opportunity ○
Risk of not achieving ▽

		Mar-15 1H plan		Mar-15 Q1 result		Mar-15 Q2		Y/Y for Q2		vs 1H forecast
		Sales③	OP	Sales④	OP	Sales③−④	OP	Sales%	OP amount	evaluation
Domestic	Metal building materials	246.0	19.5	113.0	5.9	133.0	13.6	3%	1.1	—
Domestic	Plumbing fixtures	173.0	11.5	78.9	1.4	94.1	10.1	5%	3.4	▽
Domestic	Other building materials	96.0	4.0	43.8	0.9	52.2	3.0	3%	0.0	○
Domestic	Domestic building materials Total①	515.0	35.0	235.7	8.3	279.3	26.7	4%	4.6	▽
Overseas	Asia	45.0	0.5	23.5	0.4	21.5	0.2	-8%	-0.1	▽
Overseas	ASB	53.0	3.7	23.5	1.0	29.5	2.7	—	2.7	—
Overseas	Curtain wall	115.0	2.8	46.0	0.1	69.0	2.8	36%	3.8	○
Overseas	Overseas Total②	213.0	7.0	93.0	1.5	120.0	5.6	62%	6.3	—
Consolidated bulding materials + equipment Total (①+②)		728.0	42.0	328.7	9.7	399.3	32.3	16%	10.9	▽
Distribution and retail		100.0	2.3	49.4	2.2	50.6	0.1	11%	-0.4	○
Housing, real estate and other		30.0	2.4	14.1	1.2	15.9	1.2	1%	-0.3	○
GW, HQ overhead & elimination		-23.0	-15.7	-10.7	-8.3	-12.3	-7.4	—	-0.8	—
Sales & OP		835.0	31.0	381.5	4.8	453.5	26.2	15%	9.4	▽

Recovery is expected for 2Q with increase of renovation sales, decrease of one time cost, and cost cutting activities. However, there are risks for 1H forecast, such as decline of sales for new houses and overseas profits due to forex rate differences, and continuing additional investment.

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I-6. Others (1)

■ Impacts of the snow damage

Unit:Ybn

	Mar-14 Q4	Mar-15 Q1	Impacts from the heavy snow (total)
Gross profit	-3.4	-1.3	-4.7
SG&A	0.0	-1.1	-1.1
OP	-3.4	-2.4	-5.8
Non-operating expenses	-1.2	-	-1.2
RP	-4.6	-2.4	-7.0

■ Fukaya factory (kitchen systems) recovery schedule

<February 14> Principal process operation of Fukaya factory was damaged by heavy snow.
<February 17> Stopped order intake. (Continued production and shipment for the orders already received using two other factories in Japan)

↓

<Middle of March> Started partial operation in Fukaya factory and resumed taking orders from March 17.

↓

<May 1> Started taking orders intake for new products

↓

<July> All production normalized

(Normal delivery date was promised for the orders received on and after June 25.)

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I-6. Others (2)

■ ASB Goodwill

PPA (Purchase Price Allocation) determined in Q1 Mar-15

Unit: million dollars

	Mar-14 Preliminary	Determined value	Expected amortization for Mar-15	Amortization period
Goodwill	407	* 149	7	20 yrs
Trademark (Unamortized intangible assets)	-	124	-	None
Other intangible assets	-	97	6	5-30 yrs
Revaluation of fixed assets, inventories and other	-	* 38		Case-by-case
Total	407	407	13	

* Y0.5bn is the amount amortized in FY Mar-14

■ Equity method earnings of GROHE (non operating expense)

For ownership of 50%

Unit: million euros

Item	Amount	Detail
Consolidated net income of GROHE	8	
Amortization of GW	-11	Preliminary because PPA unfinished
Share acquisition cost and other	-13	One time cost
Actuarial differences	-2	One time cost
Non-operating expenses	-19	

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I-6. Others (3)

■ Extraordinary items

Unit: Y bn

Items	Mar-14 Q1 results	**Mar-15 Q1 results**	Increase/ decrease	Details
Gain on sales of noncurrent assets and other	0.0	**0.0**	+0.0	
Extraordinary income	0.0	**0.0**	+0.0	
Loss on factory restructuring	0.4	**-**	-0.4	(Mar-14)Takaoka factory
Fluctuation payments such as amortization of goodwill	0.3	**0.5**	+0.2	
Loss on sale or disposal of fixed assets and other	-	**0.5**	+0.5	ASB*
Extraordinary loss	0.7	**1.0**	+0.3	

*Amortization amount for Mar-14 due to determination of PPA

■ Tax Expenses (Tax burden ratio 32.8% in Mar-14 =>98.6% in Mar-15)

Tax burden ratio increased year on year due to ①the absence of the tax burden ratio decrease by reorganization of subsidiaries (FY Mar-14) and ② the cost increase such as acquisition cost for GROHE (Mar-15) and goodwill (Mar-15).

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I-7. Consolidated Financial Position

Unit: Y bn

	Mar-14	**Jun-14**	Actual increase/ decrease
Cash and deposits	163.0	**145.5**	-17.4
Notes and accounts receivable	487.2	**444.3**	-43.0
Inventories	210.9	**233.4**	22.6
Tangible and intangible assets	629.6	**625.4**	-4.3
Others	319.4	**325.1**	5.7
Total assets	1,810.1	**1,773.7**	-36.4
Notes and accounts payable	235.8	**213.8**	-22.0
Interest-bearing debt	626.5	**616.0**	-10.4
Others	322.2	**327.6**	5.3
Total liabilities	1184.5	**1,157.4**	-27.1
Treasury stocks	-41.8	**-37.9**	3.9
Others	667.4	**654.2**	-13.2
Net assets	625.6	**616.3**	-9.3

Capital adequacy ratio (%)	34.1	**34.3**	+0.2P
Net asset per share (yen)	2,123.22	**2,078.11**	-45.11
Number of shares (in thousands)	290,733	**292,833**	+2,100

Total assets decreased by Y36.4bn

■Increase / decrease of turnover assets is due to seasonal factors.

■Net interest-bearing debt is Y468.5bn (+Y5.0bn)

■D/E ratio: 77%

■Capital adequacy ratio is 34.3%, nearly flat from Mar-14.

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I-8. Cash Flow and Capital Expenditures

■ Cash Flows

Unit: Y bn

	Mar-14 Q1 (3 months) results	**Mar-15 Q1 (3 months) results**	**Increase/ decrease**
Pre-tax income	12.9	**3.6**	**-9.3**
Depreciation	11.2	**11.5**	**0.4**
Income tax payments	-7.0	**-9.1**	**-2.1**
Working capital	-3.6	**4.8**	**8.4**
Others	0.7	**5.5**	**4.8**
Cash flows from operating activities	14.2	**16.3**	**2.1**
Cash flows from investing activities	-4.9	**-3.8**	**1.1**
Free cash flows	9.3	**12.5**	**3.3**
Cash flows from financing activities	4.7	**-15.8**	**-20.5**

■**Free cash flows increased by Y3.3bn Y/Y**

■Operating cash flows increased by Y2.1bn to Y16.3bn. This was due to increase of non-cash item that offset the decrease of income before income taxes.

■Capital investment was Y14.2bn, which is an increase of Y2.3bn.

■Cash equivalents at the end of Q1 is Y132.2bn, which is an increase of Y1.3bn Y/Y.

■ Capital Expenditures

Unit: Y bn

	Mar-13 result	Mar-14 result	Mar-15 Q1 result	Mar-15 1H forecast	Mar-15 FY forecast
Capex	**73.8**	**64.3**	**11.5**	**34.0**	**75.0**

Unit: Y bn

	Mar-13 result	Mar-14 result	Mar-15 Q1 result	Mar-15 1H forecast	Mar-15 FY forecast
Depreciation	**44.7**	**49.2**	**11.2**	**27.0**	**56.0**

Major Capital Expenditures of Mar-15 Q1 (results)

<By region> Domestic Y6.9bn
Overseas Y4.6bn

<By contents>
Vietnam factory Y2.8bn
New product investments Y0.9bn
Investments for productivity improvement Y2.2bn

Major Capital Expenditures of FY Mar-15 (forecasts)

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

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

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Link to Good Living

II. Progress in the Medium-Term Business Plan LIXIL G-16

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II-1. Business Environment -Japan

- Total Japanese new housing starts declined by 3.4% (Y/Y) from January 2014 to June 2014.
- New housing starts of detached houses and condominiums have bottomed out but still show no sign of recovery.
- Stable but deccelerating rental homes growth.
- Remodeling is expected to resume growth after the temporary slow down.

<Number of New Housing Starts>

	January to June 2014 (6 months)		(For reference) January to March 2014 (3 months)		April to June 2014 (3 months)	
	Amount	Y/Y	Amount	Y/Y	Amount	Y/Y
Total new housing starts	435,777	-3.4%	216,943	+3.4%	218,834	-9.3%
Owner occupied (a)	140,447	-11.9%	69,496	-2.7%	70,951	-19.3%
Rental homes	176,291	+11.7%	86,622	+18.8%	89,669	+5.5%
Condominiums for sale	52,868	-20.6%	28,905	-11.6%	23,963	-29.3%
Detached houses for sale (b)	62,482	-2.8%	30,228	-3.1%	32,254	-2.5%
Detached houses total (a+b)	202,929	-9.3%	99,724	-2.8%	103,205	-14.7%

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II-2. New Housing Starts Trend

10,000 units	FY result Mar-11	Mar-12	Mar-13	Mar-14	Think tanks	Mar-15 Forecast	Y/Y
New housing starts	81.9	84.1	89.3	98.7	Average	88.1	-10.7%
					A	90.7	-8.1%
					B	84.4	-14.5%
					C	89.3	-9.5%
					D	101.0	2.3%
					E	88.1	-10.7%
					F	91.1	-7.7%
					G	86.1	-12.8%
					H	86.6	-12.3%
					I	77.5	-21.5%
					J	86.0	-12.9%

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II-3. Business Trend: GDP Forecast by Think Tanks

Japanese economy summary table (real GDP)

Negative forecast

Positive forecast

Units: Y/Y, %

Based on announcement on June 2014		2014 Result Jan-Mar	2014 Forecast Apr-Jun	2014 Forecast Jul-Sep	2014 Forecast Oct-Dec	2015 Jan-Mar	2014 Forecast Apr-Jun
A	Real GDP	1.6	-1.1	1.0	0.3	0.3	- (unpublished)
	Consumer demand	2.2	-3.3	0.7	0.4	0.3	
	Home investment	3.1	-7.4	-4.3	-1.1	2.3	
	CAPEX	7.6	-1.8	0.2	0.4	0.6	
B	Real GDP	1.6	-1.4	0.8	0.3	0.4	- (unpublished)
	Consumer demand	2.2	-2.8	0.6	0.2	0.3	
	Home investment	3.1	-8.7	-4.7	-0.6	1.2	
	CAPEX	7.6	-3.7	1.9	1.0	1.4	
C	Real GDP	1.6	-1.4	0.6	0.4	0.4	-1.6
	Consumer demand	2.2	-3.2	0.4	0.3	0.2	-3.8
	Home investment	3.1	-12.3	-2.0	0.1	0.6	-11.7
	CAPEX	7.6	-1.0	0.1	0.2	0.6	-2.5
D	Real GDP	1.6	-1.0	0.9	0.7	0.4	-1.5
	Consumer demand	2.2	-2.5	1.3	0.4	0.4	-3.6
	Home investment	3.1	-2.8	-1.3	0.5	5.5	0.6
	CAPEX	7.6	2.3	0.8	1.5	1.9	-6.3
E	Real GDP	1.6	-1.3	0.7	0.5	0.3	-1.7
	Consumer demand	2.2	-3.0	0.7	0.1	0.3	-4.5
	Home investment	3.1	-9.0	-4.0	1.0	2.0	-9.9
	CAPEX	7.6	-2.6	1.2	1.1	1.2	-2.5

Announced on July 31, 2014

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II-4. Progress of Renovation Strategy in Japan (1)

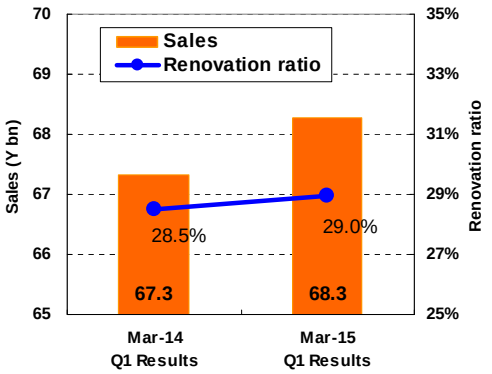
Stock business ratio assumption

Units: Y bn, %

	Mar-14 Q1(3 months) results	Mar-15 Q1(3 months) results	Y/Y
Sales from renovation business	85.0	87.7	3.1%
Ratio of renovation business*	28.5%	29.4%	+0.8P

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

Renovation products ratio



Sales of renovation products

Units: Y bn, %

	Mar-13 results	Mar-14 results	Y/Y	Mar-15 Q1 (3 months) results	Y/Y	Mar-15 forecasts	Y/Y
Sales of renovation products	247.9	282.6	14.0%	68.3	1.4%	305.0	7.9%
Renovation ratio	29.2%	31.0%	+1.8	29.0%	+0.4	33.5%	+2.5

Expansion of sales network: Transition of LIXIL Reform net* member stores

Units: Stores

Mar-12	Mar-13	Mar-14	Jun-14
8,896	9,356	10,203	10,495

*Voluntary chain of home builders and renovation specialized builders

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II-4. Renovation (2) “Gift of Renovation”

TV CM

1

★Story that a husband presents kitchen renovation to his wife.

★Televised throughout Japan from April to May 2014.

2

★Story that a daughter presents entrance-door renovation to her retired father.

★Televised from July to August 2014

Outside/ transportation advertisement

◆LED advertisement at Metropolitan Expressway



<From April to May>
10 plates at 9 places
<In August>
17 plates at 14 places

◆Train

Sling Advertisement



<In August>
Planned to release in JR lines in Tokyo

Train Channel



<In August>
Planned to release at 29 lines mainly in Kanto (Tokyo) and Kansai (Osaka, Kyoto, Kobe)

◆Station

Digital Signage



<In August>
Planned to release at 530 plates in main 34 stations throughout Japan

Expand our communication utilizing a wide array of media comprehensively

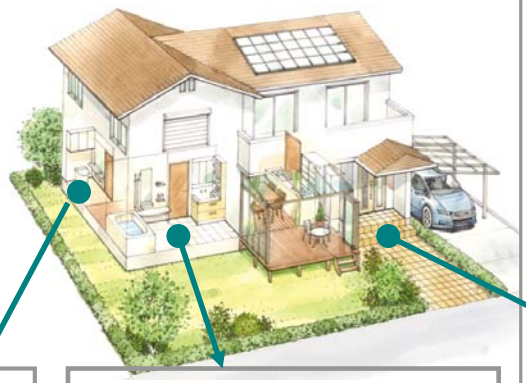
Copyright

II-4. Renovation (3) Metal Building Materials

Boost renovation demand with LIXIL’s strength in metal building materials
Create metal renovation market with easy 1 day renovation services

LIXIL’s “1 day Reform” allows quality of life to improve in only 1 day

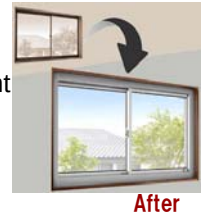
Speedy installment | Comfort | Energy saving | Safety



Reflem II

(Cover method)

Quick replacement of outer window without damaging the wall



Style Shade

Reduce summer heat and make the room comfortable

GOOD DESIGN AWARD 2013



Renovation Door Rechent

Since 2010, number of Rechent sold has been progressing at a double digit rate. Large increase of 140% Y/Y for FY Mar-14.



Rechent entrance door



Rechent slide door



Rechent back door

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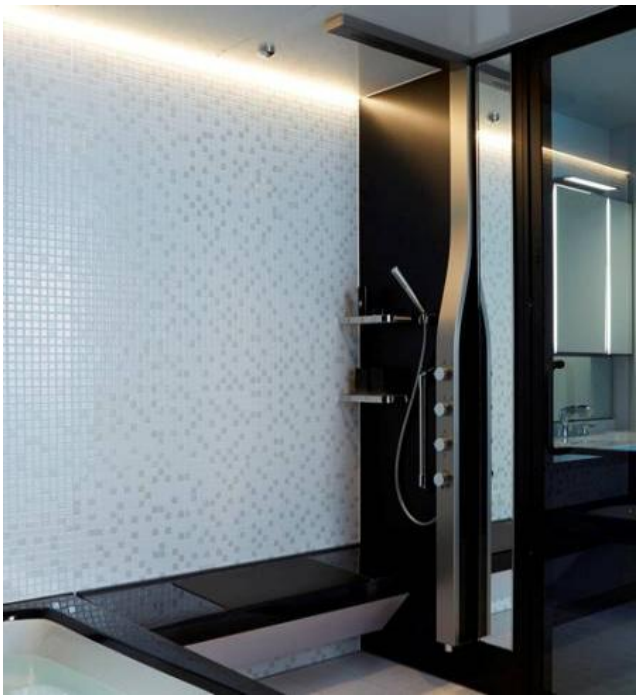
II-4. Renovation (4) New Unit Bathroom "*SPAGE*"



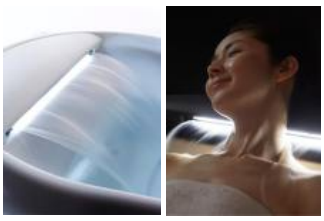
SPAGE

Enjoy water. Enjoy time.

New unit bathroom which provides space & experience for relaxation suitable for ideal renovation

Three key items

■**Put on Water**
Aqua-feel
[Katayu]
New experience of water feel



■**Covered with Water**
Aqua-tower
[Overhead Shower]
New touch of large water drops



■**Dashed with Water**
Aqua-tower
[Utaseyu]
Feel of body dissolving with pleasant touch



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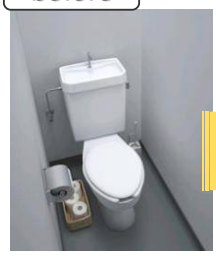
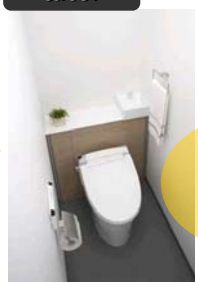
II-4. Renovation (5) New Products: Sanitary Ware and Kitchen

"REFORE" provides clean and wide space, and enhanced cleanability and user-friendliness after renovation. It also shortens the time necessary for construction.

before

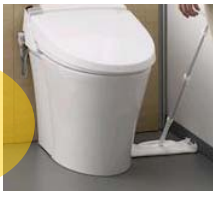


after



Cabinet-installed toilet
REFORE

Clean and wide space



Easy cleaning



User friendly

■Many advantages for the renovation constructors

Easy handling for toilet drain outlet

Short-time construction (about 90 mins)

Compact packing

Further improvement for maintenance, storage, workability, and design *SUNVARIE <ALESTA>*

■Improved cleanability by installing "*Yogoren-hood*" and "*Kururin-drain*"





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II-4. Renovation (6) Thermal insulation renovation method “*COCOECO*”

The innovative thermal insulation renovation method which allows renovations one room at a time has been renewed to the minimum ‘1 day Reform’ series

Selected for the 8th “Kids Design Award”

■Convenient life created by three IN-PLUS



■Renovation done while staying at home



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II-5. Operational Excellence: Progress of BT-16 and Other *1

Categories	Major measures	Mar-17 Target *2	Mar-15 Q1 progress	Mar-15 Q1 PL base (results)	Mar-15 Target
SCM	● Integrate sales and construction information ● Optimize production sites and logistic centers ● Improve logistics ● Strategic purchasing ● Effect of CCC improvement	Y55bn	10.4%	Y1.9bn	Y3bn
Improvement of gross profit	● Reduce cost leakage with process visualization ● Optimize product portfolio	Y35bn	14.7%	Y1.0bn	Y4bn
Indirect costs and other	● Improve process of sales support ● More efficient product development ● Cut SG&A	Y20bn	-	-Y0.7bn	Y6bn
Internal target		Y110bn	9.8%	-	-
Contingency		-Y33bn	-	-	-
Core Business in Japan		Y77bn	-	Y2.2bn	Y13bn
Distribution, retail & services	●Growth driven by renovation and new services	Y10bn	-	Y0.8bn	Y2bn
Global	●Growth and synergy creation	Y66bn	-	Y1.5bn	Y10bn
Environment factors, HQ & Goodwill	●Effect of forex ●Raw materials ●Distribution, fuel ●Pricing ●Marketing cost ●Personnel expenses ●Decrease in new housing starts in Japan	-Y52bn	-	-Y8.9bn	-Y14bn
Total		**Y101bn**	-	**-Y4.4bn**	**Y11bn**

* 1 MI-16: Marketing & Innovation, BT-16: Business Transformation
* 2 Cumulative three year results

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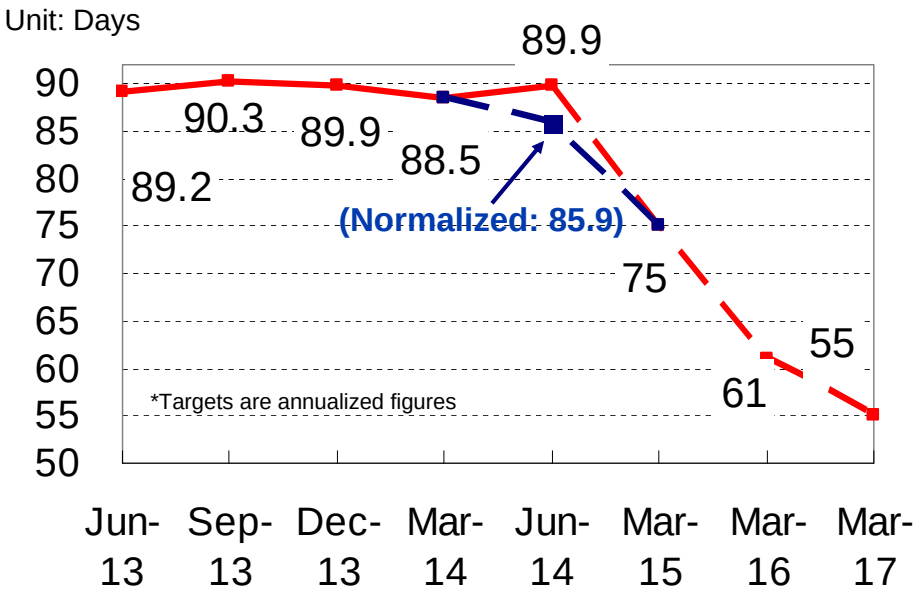
II-5. Operational Excellence: Progress on Improvement of CCC

CCC (Cash Conversion Cycle)



- Nearly flat from Sep-13
- Inventory turnover period improved 2.1 days Y/Y although receivables turnover period deteriorated by 2.0 days Y/Y due to the special factors occurred in previous FY.
- Determined the measures to achieve inventory reduction target by product, production pattern, and factory.

March 2016 Target: Generate Y100bn FCF

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II-6. Progress of Home Center Business

Mar-15 Q1 results of competitors

Units: Y bn, %

	LIXILVIVA		Q1(Mar-May)results of major HC competitors			
	Apr-June	Mar-May	A	B	C	D
Sales	**42**	**47**	**117**	**75**	**48**	**19**
Y/Y(%)	+0%	+14%	+6%	+6%	+7%	+7%
OP	**3**	**4**	**7**	**5**	**1**	**2**
OPM(%)	7.2	8.0	5.6	7.1	2.4	7.7
Y/Y(%)	+1.3	+1.7	+0.9	+1.3	+1.0	+1.4

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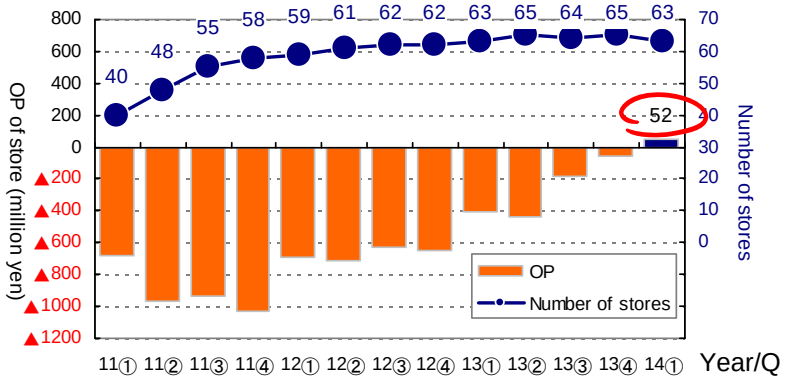
II-7. Progress of Ken Depot Business

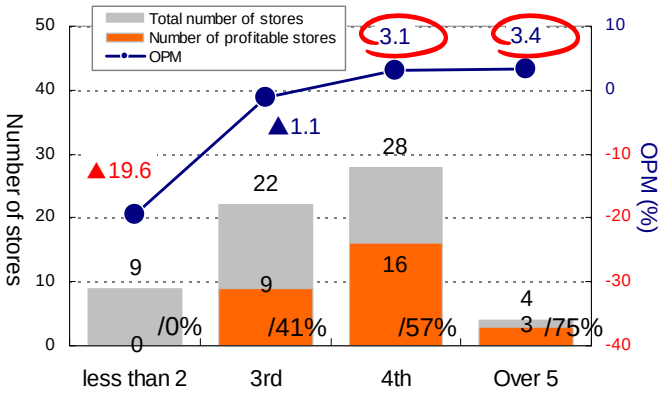
■Quarterly operating profit trend of 63 stores (Mar-15 Q1)

Profitable for the first time



■Operating profit margin of 63 stores by period of year passed (Mar-15 Q1)

2 stores with OPM over 10%



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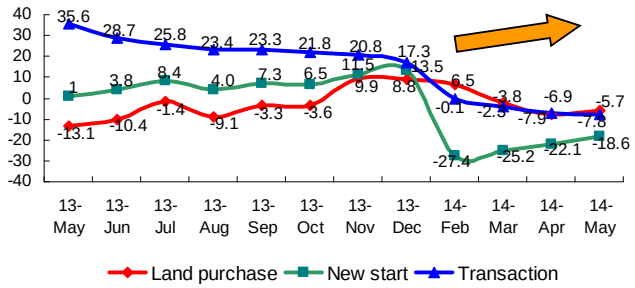
II-8. Progress of Global Business (1) Greater China

Current Market Outlook

Property market trend (YTD growth%)



Source: *National statistic bureau , AS SW model, CREIS, Citi Research*

Financial Results

units: million USD

	Q1 2013 results	Q1 2014 results	Y/Y Increase/ decrease	Y/Y %
Net sales	54	64	10	+18
Operating profit	-9	4	13	-
OPM (%)	-17%	6%	-	+23

➢Strong Q1 turnaround from last year, continue to be strong Q2 onwards

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Strategic Partnership between LIXIL Group and Greenland Group Signed on July 8, 2014

LIXIL and Greenland will jointly plan and develop products and solutions that meet the needs of Greenland.



绿地集团 世界500强企业

Greenland Group is one of the largest property developers in China. It is also accelerating its overseas expansion.

II-8. Progress of Global Business (2) Asia

Current Market Outlook

	GDP		Asia Pacific Sanitary ware Growth %	
	2013 Actual	2014 Forecast	2014 Plan growth vs 2013 Actual	2014 Forecast growth vs Plan
Thailand	2.8%	3.1%	6%	1%
Vietnam	5.2%	5.2%	2%	0%
Indonesia	5.6%	5.3%	19%	2%
Philippines	4.7%	6.5%	28%	-11%
Korea	2.8%	3.7%	21%	24%
ANZ	2.5%	2.8%	22%	0%

Financial Results

units: million USD

	Q1 2013 results	Q1 2014 results	Y/Y Increase/ decrease	Y/Y %
Net sales	57	76	19	33
Operating profit	2	6	4	211
OPM (%)	3%	7%	-	+4

➢Growth continues to be strong overall in the following 1H

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LIXIL Showroom Opened in June 2014

Primary tool to build LIXIL brand in Asia Pacific countries.

Location: Bangkok, Thailand
Size: 2,203 m²





II-8. Progress of Global Business (3) Permasteelisa

Current Market Outlook

	US	Asia Pacific	ME	UK	Rest of Europe
Size *1	3.3	7.4	1.1	0.5	3.8
Growth/ cycle *2	↗	↑	↗	→	→
Entry barriers	High	High	Medium	High	Medium
Quality focus	Medium High	Low	Medium High	High	Medium High
Competition	Medium	High	Medium High	Medium	Medium High
Price level	High	Very Low	Low	Medium	Medium

*1 2012, EUR bn
*2 2013-2017

Financial Results

unit: million euros

	Q1 2013 results	Q1 2014 results	Y/Y Increase/ decrease	Y/Y %
Net sales	306	286	-20	-7
OP	9	3	-6	-71
OPM (%)	3%	1%	-	-2P

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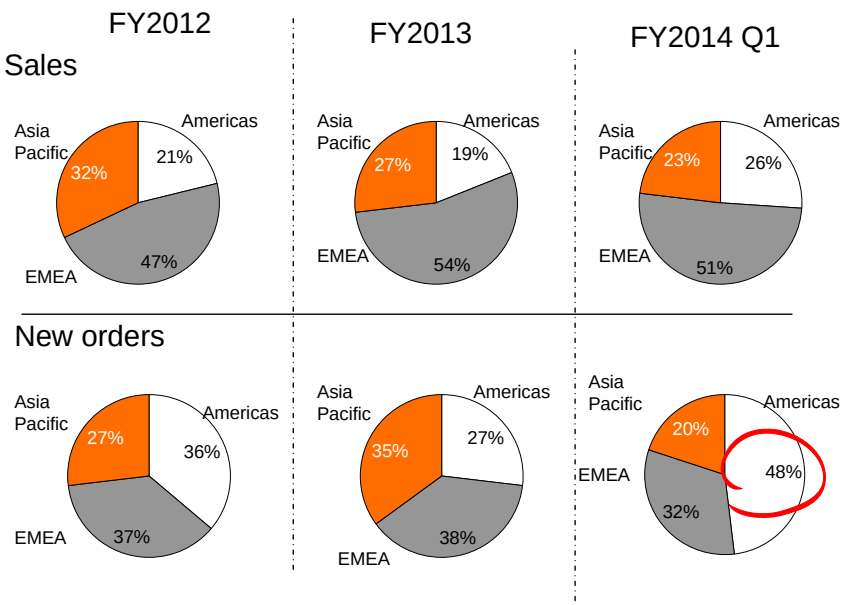
Regional Contributions



➢Sales below target due to project delays (caused by third parties) but profitability trend improving

II-8. Progress of Global Business (4) ASB

Current Market Outlook

➢Healthy U.S. economy

GDP Growth +2%
(Strong April-June up +4% after -2.1% in January-March)

Consumer Spending Growth +3-4%
*as reported in May YTD US Commerce Department results

Existing Home Price Inflation +9.3%
*as reported from Case Schiller 20 City index through May

Non-Residential Construction +6.4%
* as reported by US Census Bureau through May

Financial Results

unit: million USD

	Mar-14 Q1 results	Mar-15 Q1 results	Y/Y Increase/ decrease	Y/Y %
Net sales	224	230	6	3
Operating profit	6	10	4	73
OPM (%)	3%	5%	-	+2

➢Anticipate achieving high-single digit top line growth in back half.

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Excellent designer and showroom acceptance of new DXV Ferguson showroom reset








Unit: stores

Showroom Buildouts

	~ 1Q	2Q	3Q ~
Ferguson	41	116	17
Other than Ferguson	150	69	-

➢Delay in remodeling Ferguson showrooms

II-8. Progress of Global Business (5) GROHE

Financial Results

➢GROHE well on track to achieve 2014 budget

units: million euros

	Q1 2013	Q1 2014	Y/Y Increase/ decrease	Y/Y %
Net sales	354	364	10	3
EBITDA*	66	69	3	5
EBITDA margin (%)*	19%	19%	-	-

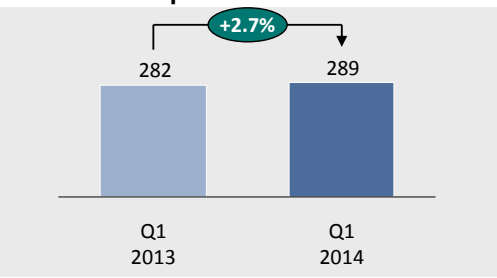
*EBITDA adjusted for certain non operating expenses

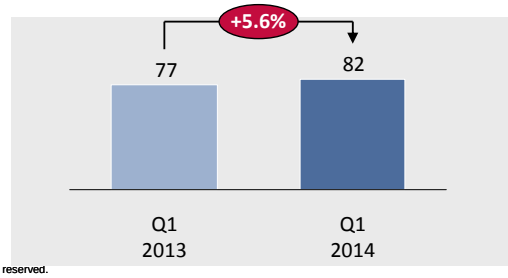
➢Achieved growth in all markets around the globe

GROHE

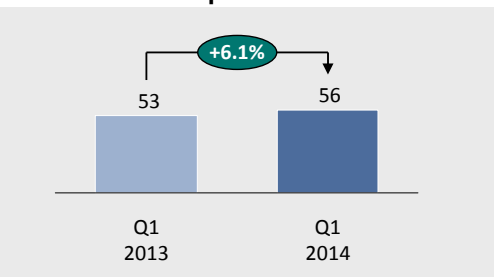
JOYOU
Best value bathrooms

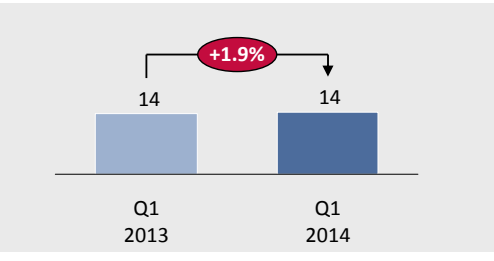
Sales Development Unit: million euros





EBITDA* Development Unit: million euros





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II-9. Acquiring Majority of Watertech Portfolio of Dawn Ltd, One of the Leading South African Supplier of Sanitary Ware (1)

Name of the company	GROHE DAWN WaterTech Holdings Pty Ltd
Name of selling entity	Distribution & Warehousing Network Limited (DAWN) ※Listed on the Johannesburg Stock Exchange
Major business	Manufacturing and sales of plumbing fixtures such as faucets and sanitary ware
Scheme	GROHE DAWN WaterTech Holdings Pty Ltd to be held 51% by GROHE/LIXIL holding company and 49% DAWN (details on next page)
Schedule	June 2014 Subscription and Sale of Shares Agreement, Shareholder Approval, and various Distribution Agreements Autumn 2014 Closing expected (the transaction is subject to both DAWN shareholder agreement and various anti-trust authorities approval)
Expected investment amount	Joint investment: 900 million rand = 8.6 billion yen (1ZAR = 9.5JPY)

Financial Results Unit: million euros

Full-year *	Results Jun-13	Budget Jun-14
Gross sales	100	around 110

* Book closing date: June 30

Objectives of investment

■Opportunity to become a market leader of plumbing fixtures in Africa

■Supplementary middle class brand to GROHE

■Gain access to the sub-Saharan market

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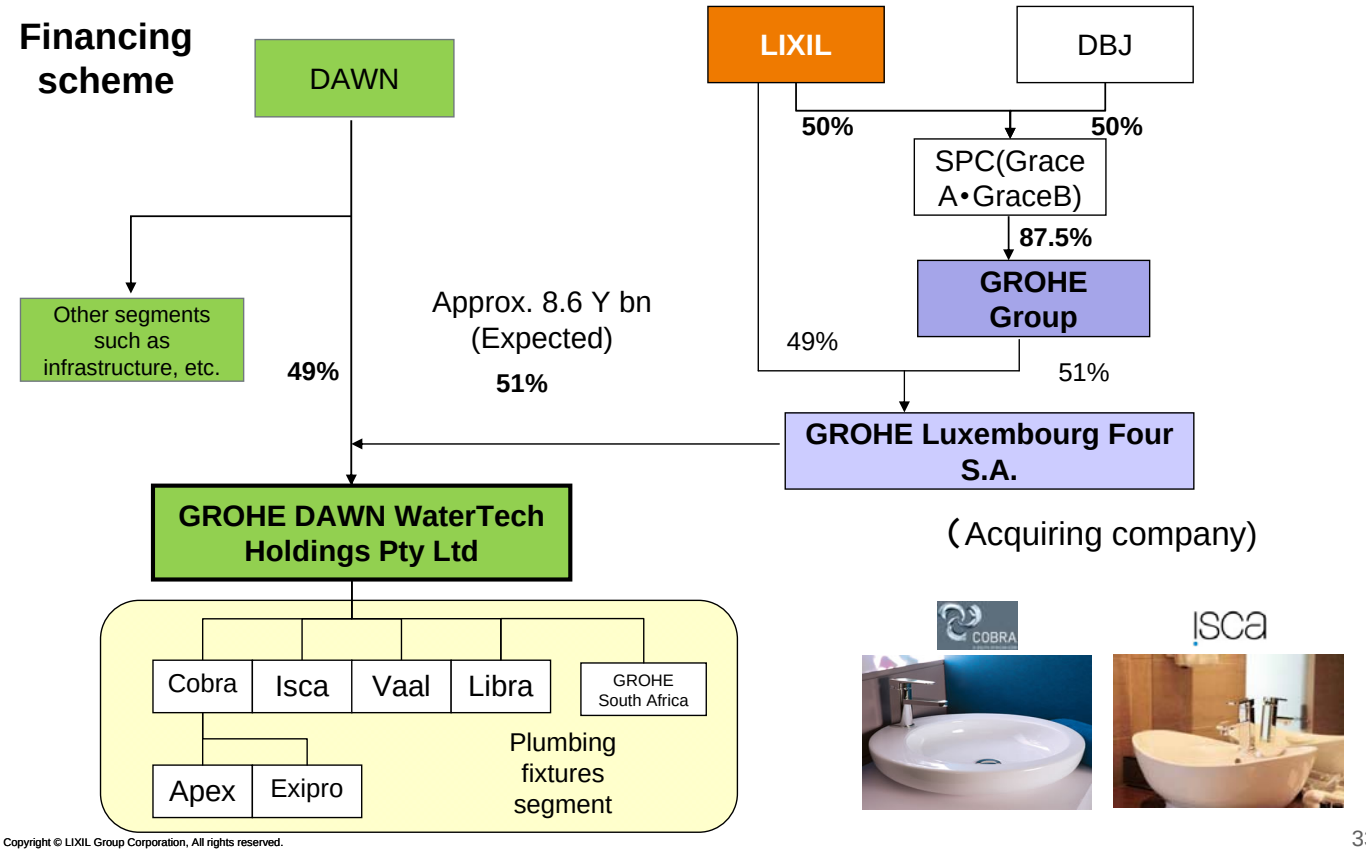
II-9. Acquiring Majority of Watertech Portfolio of Dawn Ltd, One of the Leading South African Suppliers of Sanitary Ware (2)

Financing scheme



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II -10. Change of LIXIL Group's Board Members (As of July 26, 2014)

(○ are members invited from other companies, no change from last fiscal year)

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

■ Executive Officers (Members with ※ are those who will also be the members of the Board/ Member. ● indicate new candidates, ○ are members joined from other companies)

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

※ Executive Officer and Senior Manging Director
Yoshizumi Kanamori
Executive Officer, Senior Manging Director
Shinichi Tanzawa ○
Executive Officer, Senior Manging Director
Ryo Nihei ○
Executive Officer, Senior Manging Director
Harumi Matsumura ○
Executive Officer, Senior Manging Director
Sachio Matsumoto ○
Executive Officer, Senior Manging Director
Kenji Uenishi ● ○
Executive Officer, Senior Manging Director
Laurence W. Bates ● ○
Executive Officer
Katsuhiro Mamenari

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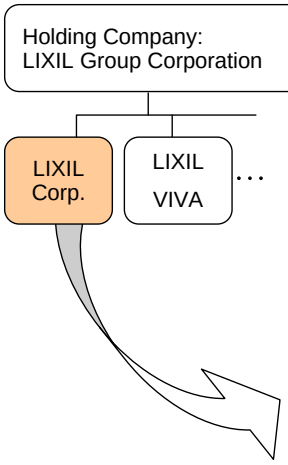
II-11. LIXIL Corporation's Board Members

(After the annual shareholders' meeting held on June 19, 2014)

■ LIXIL Corporation is a company with an audit system.



LIXIL's Board (● indicate new director, ○ are members joined from other companies)

Representative Director and President	Yoshiaki Fujimori		○
Representative Director	Ryuichi Kawamoto		
Director	Toshimasa Iue		○
Director	Yosuke Yagi		○
Director	Haruo Shirai		
Director	Takashi Tsutsui		○
Director	Shinichi Tanzawa		○
Director	Yusuke Ota		
Director	Sachio Matsumoto		○
Director	Kenji Uenishi	●	○
Director	Laurence W. Bates	●	○
Director	Jay Gould	●	○
Director	David Haines	●	○
Auditor	Satoshi Koshida		
Auditor	Akira Tada		

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LIXIL
Link to Good Living

III. Topics

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III-1. New Products and Others (1)

LIXIL

Launched carport with flat roof “G Roof Car Roof Type” and design wall “G Screen Free Wall”



- New models of “Plus-G” series, popular exterior parts, which provide an easy installment to any places.
- ”G Roof Car Roof Type” pursues beauty from a pillar, frame to the rain gutter, and produces appearance, which show integration with living.
- ”G Screen Free Wall” is a design wall with dry-construction using “tiling method with glue”, which provides easy, quick, and beautiful work.

- Launched on June 2014

Introduced superior and sophisticated aluminum gate/ fence “RISIS” and “PRESTA” under “Flat Design Concept”

- Produced simple but superior and sophisticated appearance by “Flat Design Concept”



- Launched on April 2014

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III-1. New Products and Others (2)

Launched 9 types of “ECOCARAT+ Design Package Fabric Plan”





•Combination of ”fabric sheet”, various colors and patterns and “ECOCARAT+,” the textures of tile characteristics produced superior quality of space.

•Collaborated with Kawashima Selkon Textiles



•Launched on June 2014

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LIXIL Group’s various technologies, installed in new landmark in Tokyo, “Toranomon Hills”



Realized comfortableness totally from outside to the living space with the products of LIXIL, LIXIL Suzuki Shutter, Kawashima Selkon Textiles, JAXSON and others group companies (curtain wall, wall/floor tiles, heavy shutter, fire-proof screen, tile-carpet, bathtub etc.)

III-2. Won “Kids Design Award 2014”

8 products from 3 categories were selected for “Kids Design Award” for child-friendly design and function

<Individual / Household Category>

■Thermal insulation renovation method “COCOECO”

■Light-transmissive bearing wall “Panchi-kun”



COCOECO

Panchi-kun



<Future Bearing Consumer Design Category>

■Air cleaning wall “ECOCARAT+” Design Package Fabric Plan “MixModern 3 square meters’ type”



ECOCARAT+ Design Package Fabric Plan

<General Category>

■Building sashes “PRO-SE Horizontal Sliding Window”

■Thermal insulation window “SAMOS series (SAMOS II and Insulated door FG H/S)”

■Insulated entrance door “GIESTA,” “FG-E GIESTA” and “Cylinder Combined S-Shaped Handle”

■Insulated entrance door “GIESTA,” “FG-E GIESTA” and “LED lightning at the top of the door”

■“Sliding Entrance Door Linear Slide System”



SAMOS series

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Q1 Results for the FY Ending March 2015 <Fact Sheets>

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August 4, 2014

LIXIL

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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.-1 Financial Results for 5 Year Trends (previous segmentation)

*No change from the Mar-14 financial results material (May 7, 2014 Fact Sheets)

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%
Inter segment sales	-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	14 times
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%	-	+1.8P
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%

1.-2 Financial Results and Forecasts for FY Ending March 2015 (new segmentation)

Units：Y bn, %

	Mar-13 results (tentative)	Mar-14 results (tentative)	Y/Y increase/ decrease	Y/Y (%)	Mar-15 Forecasts	Y/Y increase/ decrease	Y/Y (%)
Metal building materials	485.0	519.4	34.5	7.1%	520.0	0.6	0.1%
Plumbing fixtures	339.4	359.4	20.0	5.9%	360.0	0.6	0.2%
Other building materials	184.0	206.8	22.8	12.4%	200.0	-6.8	-3.3%
Distribution and retail	175.4	195.1	19.6	11.2%	203.0	7.9	4.1%
Housing, real estate and others	59.3	64.2	4.9	8.3%	63.0	-1.2	-1.9%
Domestic sales	1,243.0	1,344.9	101.9	8.2%	1,346.0	1.1	0.1%
Asia	66.2	92.9	26.8	40.5%	105.0	12.1	13.0%
Permasteelisa	161.8	205.0	43.2	26.7%	246.0	41.0	20.0%
ASB	-	29.1	29.1	-	107.0	77.9	267.7%
Overseas sales	228.0	327.0	99.0	43.4%	458.0	131.0	40.1%
Inter segment sales	-34.6	-43.2	-8.6	-	-44.0	-0.8	-
Net sales	1,436.4	1,628.7	192.3	13.4%	1,760.0	131.3	8.1%
Gross profit	403.1	447.8	44.8	11.1%	486.0	38.2	8.5%
Gross margin	28.1%	27.5%	-	-0.6P	27.6%	-	+0.1P
SG&A	352.6	378.8	26.2	7.4%	406.0	27.2	7.2%
SG&A ratio	24.5%	23.3%	-	-1.3P	23.1%	-	-0.2P
Metal building materials	31.0	42.3	11.3	36.5%	43.0	0.7	1.7%
Plumbing fixtures	21.8	25.4	3.7	16.8%	27.0	1.6	6.2%
Other building materials	10.2	12.2	1.9	18.9%	11.0	-1.2	-9.7%
Distribution and retail	0.7	4.3	3.6	523.6%	7.0	2.7	63.8%
Housing, real estate and other	5.2	6.1	0.9	17.3%	5.5	-0.6	-9.2%
Domestic OP*	68.8	90.2	21.4	31.1%	93.5	3.3	3.6%
Asia	1.4	1.7	0.3	21.1%	4.0	2.3	134.7%
Permasteelisa	6.9	3.9	-3.0	-43.1%	8.5	4.6	117.1%
ASB	-	1.5	1.5	-	6.0	4.5	305.1%
Overseas OP*	8.3	7.1	-1.2	-14.3%	18.5	11.4	160.5%
HQ expenses, amortization and PPA	-26.6	-28.2	-1.6	-	-32.0	-3.8	-
Operating profit	50.5	69.1	18.6	36.8%	80.0	10.9	15.8%
Metal building materials	6.4%	8.1%	-	+1.8P	8.3%	-	+0.1P
Plumbing fixtures	6.4%	7.1%	-	+0.7P	7.5%	-	+0.4P
Other building materials	5.6%	5.9%	-	+0.3P	5.5%	-	-0.4P
Distribution and retail	0.4%	2.2%	-	+1.8P	3.4%	-	+1.3P
Housing, real estate and other	8.7%	9.4%	-	+0.7P	8.7%	-	-0.7P
Domestic OP	5.5%	6.7%	-	+1.2P	6.9%	-	+0.2P
Asia	2.1%	1.8%	-	-0.3P	3.8%	-	+2.0P
Permasteelisa	4.3%	1.9%	-	-2.3P	3.5%	-	+1.5P
ASB	-	5.1%	-	-	5.6%	-	+0.5P
Overseas OP	3.6%	2.2%	-	-1.5P	4.0%	-	+1.9P
OP margin	3.5%	4.2%	-	+0.7P	4.5%	-	+0.3P
Recurring profit	53.1	74.9	21.9	41.2%	81.5	6.6	8.8%
Net income before income tax and minority interests	32.5	72.9	40.3	124.0%	76.5	3.6	5.0%
Net income	21.3	44.8	23.4	109.7%	49.0	4.2	9.5%

* Operating income is before amortization of goodwill and purchase price allocation.

2. Results for 1H & 2H of FY Ended March 2014 and Forecasts for 1H & 2H of FY Ending March 2015

Units: Y bn, %

	FY Ended March 2014			FY Ending March 2015										
	1H	2H	Full-year	Q1	Q2	1H forecasts			2H forecasts			Full-year forecasts		
	results (tentative)	results (tentative)	results (tentative)	results①	②−①	②	Y/Y (amount)	Y/Y (%)		Y/Y (amount)	Y/Y (%)		Y/Y (amount)	Y/Y (%)
Metal building materials	238.7	280.7	519.4	113.0	133.0	246.0	7.3	3.0%	274.0	-6.7	-2.4%	520.0	0.6	0.1%
Plumbing fixtures	170.4	189.0	359.4	78.9	94.1	173.0	2.6	1.6%	187.0	-2.0	-1.1%	360.0	0.6	0.2%
Other building materials	96.0	110.8	206.8	43.8	52.2	96.0	0.0	0.0%	104.0	-6.8	-6.2%	200.0	-6.8	-3.3%
Distribution and retail	93.8	101.3	195.1	49.4	50.6	100.0	6.2	6.7%	103.0	1.7	1.7%	203.0	7.9	4.1%
Housing, real estate and others	30.9	33.4	64.2	14.1	15.9	30.0	-0.8	-2.7%	33.0	-0.4	-1.2%	63.0	-1.2	-1.9%
Domestic sales	629.7	715.2	1,344.9	299.2	345.8	645.0	15.3	2.4%	701.0	-14.2	-2.0%	1,346.0	1.1	0.1%
Asia	41.2	51.8	92.9	23.5	21.5	45.0	3.8	9.2%	60.0	8.2	15.9%	105.0	12.1	13.0%
Permasteelisa	91.5	113.5	205.0	46.0	69.0	115.0	23.5	25.7%	131.0	17.5	15.4%	246.0	41.0	20.0%
ASB	-	29.1	29.1	23.5	29.5	53.0	53.0	-	54.0	24.9	85.6%	107.0	77.9	267.7%
Overseas sales	132.7	194.3	327.0	93.0	120.0	213.0	80.3	60.6%	245.0	50.7	26.1%	458.0	131.0	40.1%
Inter segment sales	-20.9	-22.4	-43.2	-10.7	-12.3	-23.0	-2.2	-	-21.0	1.4	-	-44.0	-0.8	-
Net sales	741.5	887.1	1,628.7	381.5	453.5	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	104.7	127.3	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	99.9	101.1	201.0	20.6	11.4%	205.0	6.7	3.4%	406.0	27.2	7.2%
Metal building materials	19.6	22.7	42.3	5.9	13.6	19.5	-0.1	-0.6%	23.5	0.8	3.7%	43.0	0.7	1.7%
Plumbing fixtures	11.1	14.3	25.4	1.4	10.1	11.5	0.4	3.7%	15.5	1.2	8.1%	27.0	1.6	6.2%
Other building materials	4.3	7.9	12.2	0.9	3.0	4.0	-0.3	-7.3%	7.0	-0.9	-11.0%	11.0	-1.2	-9.7%
Distribution and retail	1.7	2.6	4.3	2.2	0.1	2.3	0.6	36.4%	4.7	2.1	81.7%	7.0	2.7	63.8%
Housing, real estate and others	2.9	3.1	6.1	1.2	1.2	2.4	-0.5	-17.6%	3.1	0.0	-1.5%	5.5	-0.6	-9.2%
Domestic OP*	39.6	50.6	90.2	11.6	28.0	39.7	0.1	0.2%	53.8	3.2	6.3%	93.5	3.3	3.6%
Asia	-0.5	2.2	1.7	0.4	0.2	0.5	1.1	-	3.5	1.2	55.4%	4.0	2.3	134.7%
Permasteelisa	-0.3	4.2	3.9	0.1	2.8	2.8	3.1	-	5.7	1.5	34.9%	8.5	4.6	117.1%
ASB	-	1.5	1.5	1.0	2.7	3.7	3.7	-	2.3	0.8	55.3%	6.0	4.5	305.1%
Overseas OP*	-0.8	7.9	7.1	1.5	5.6	7.0	7.9	-	11.5	3.5	44.5%	18.5	11.4	160.5%
HQ expenses	-8.7	-10.3	-19.0	-5.8	-4.8	-10.6	-2.0	-	-10.9	-0.5	-	-21.5	-2.5	-
Amortization of goodwill and PPA	-4.1	-5.2	-9.3	-2.5	-2.5	-5.0	-0.9	-	-5.5	-0.3	-	-10.5	-1.2	-
Operating profit	26.0	43.1	69.1	4.8	26.2	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%	1.3%	5.8%	3.7%	-	+0.2P	5.3%	-	+0.4P	4.5%	-	+0.3P
Recurring profit	29.0	46.0	74.9	4.6	26.9	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	0.1	18.9	19.0	1.2	6.7%	30.0	3.1	11.4%	49.0	4.2	9.5%

* Operating income is before amortization of goodwill and purchase price allocation.

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

	Mar-14 results	Mar-15 Q1 results	Mar-15 assumptions
US dollars	100.49 yen	102.14yen	105.00 yen
Euros	129.34 yen	141.47yen	145.00 yen
Thai bahts	3.18 yen	3.15yen	3.30 yen
Chinese yuans	15.81 yen	16.93yen	17.50 yen

Aluminum price (Purchasing price)	220,000 yen/ton	210,000 yen/ton	230,000 yen/ton
Copper price	550,000 yen/ton	560,000 yen/ton	580,000 yen/ton

3. Quarterly Financial Results

Units: Y bn

	Mar-14 results										Mar-15	
	1H				2H							
	Q1 results		Q2 results		Q3 results		Q4 results				Q1 results	
		Y/Y		Y/Y		Y/Y		Y/Y		Y/Y		Y/Y
Metal building materials	109.9	-	128.9	-					280.7	-	113.0	2.8%
Plumbing fixtures	81.0	-	89.4	-					189.0	-	78.9	-2.5%
Other building materials	45.3	-	50.7	-					110.8	-	43.8	-3.2%
Distribution and retail	48.2	8.1%	45.6	7.4%					101.3	14.5%	49.4	2.5%
Housing, real estate and other	15.0	14.2%	15.9	2.8%					33.4	8.6%	14.1	-6.1%
Domestic sales	299.3	-	330.4	-					715.2	-	299.2	0.0%
Asia	17.7	-	23.5	-					51.8	-	23.5	32.4%
Permasteelisa	40.9	-	50.6	-					113.5	-	46.0	12.5%
ASB	-	-	-	-					29.1	-	23.5	-
Overseas sales	58.6	-	74.0	-					194.3	-	93.0	58.6%
Inter segment sales	-9.5	-	-11.4	-					-22.4	-	-10.7	-
Net sales	348.4	6.8%	393.1	10.2%	420.1	12.4%	467.1	23.0%	887.1	17.7%	381.5	9.5%
Gross profit	98.0	8.1%	108.4	7.6%	118.4	6.6%	123.1	22.3%	241.4	14.1%	104.7	6.9%
Gross margin	28.1%	+0.3P	27.6%	-0.7P	28.2%	-1.5P	26.4%	-0.2P	27.2%	-0.9P	27.5%	-3.1P
SG&A	88.8	1.6%	91.7	1.5%	93.4	7.6%	104.9	19.0%	198.3	13.4%	99.9	12.5%
SG&A ratio	25.5%	-1.3P	23.3%	-2.0P	22.2%	-1.0P	22.5%	-0.8P	22.4%	-0.9P	26.2%	+0.7P
Metal building materials	7.2	-	12.5	-					22.7	-	5.9	-17.6%
Plumbing fixtures	4.4	-	6.7	-					14.3	-	1.4	-68.2%
Other building materials	1.3	-	3.0	-					7.9	-	0.9	-25.8%
Distribution and retail	1.2	-	0.4	-					2.6	-	2.2	78.4%
Housing, real estate and other	1.3	-	1.6	-					3.1	-	1.2	-13.1%
Domestic OP*	15.4	-	24.2	-					50.6	-	11.6	-24.6%
Asia	-0.8	-	0.3	-					2.2	-	0.4	-
Permasteelisa	0.7	-	-1.0	-					4.2	-	0.1	-91.8%
ASB	-	-	-	-					1.5	-	1.0	-
Overseas OP*	-0.1	-	-0.7	-					7.9	-	1.5	-
HQ expenses	-4.1	-	-4.5	-					-10.3	-	-5.8	-
Amortization of goodwill and PPA	-2.0	-	-2.1	-					-5.2	-	-2.5	-
Operating Profit	9.2	180.3%	16.8	60.0%	25.0	3.0%	18.1	45.3%	43.1	17.4%	4.8	-47.5%
OP margin	2.6%	+1.6P	4.3%	+1.3P	5.9%	-0.5P	3.9%	+0.6P	4.9%	-0.0P	1.3%	-1.4P
Recurring profit	13.6	269.1%	15.3	74.5%	27.1	4.9%	18.9	28.0%	46.0	13.3%	4.6	-66.4%
Net income/ loss	8.9	733.3%	8.8	Turned profitable	19.1	5.5%	7.9	-42.2%	26.9	-15.1%	0.1	-98.8%

* Operating income is before amortization of goodwill and purchase price allocation.

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

Sales of domestic manufacturing businesses (Metal/ Plumbing/ Other) Unit: Ybn

	Q1			1H				Full-year		
	Mar-14 results	**Mar-15 results**	Y/Y (amount)	Mar-14 results	**Mar-15 forecasts**	Y/Y (amount)	Y/Y (%)	Mar-14 results	**Mar-15 forecasts**	Y/Y (amount)
Metal building materials	109.9	**113.0**	3.1	238.7	**246.0**	7.3	3.0%	519.4	**520.0**	0.6
Plumbing fixtures	81.0	**78.9**	-2.0	170.4	**173.0**	2.6	1.6%	359.4	**360.0**	0.6
Other building materials	45.3	**43.8**	-1.4	96.0	**96.0**	0.0	0.0%	206.8	**200.0**	-6.8

Operating profit of domestic manufacturing businesses (Metal/ Plumbing/ Other) Unit: Ybn

	Q1			1H				Full-year		
	Mar-14 results	**Mar-15 results**	Y/Y (amount)	Mar-14 results	**Mar-15 forecasts**	Y/Y (amount)	Y/Y (%)	Mar-14 results	**Mar-15 forecasts**	Y/Y (amount)
Metal building materials	7.2	**5.9**	-1.3	19.6	**19.5**	-0.1	-0.6%	42.3	**43.0**	0.7
Plumbing fixtures	4.4	**1.4**	-3.0	11.1	**11.5**	0.4	3.7%	25.4	**27.0**	1.6
Other building materials	1.3	**0.9**	-0.3	4.3	**4.0**	-0.3	-7.3%	12.2	**11.0**	-1.2

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

<Q1 (3 months) results: Y/Y> Unit：Y bn

	Mar-14 Q1 results	Due to sales fluctuation	Change in mix and selling price	Raw material costs	Impacts of exchange rate	Cost fluctuation	Due to SG&A fluctuation	Snow damage	Total	Mar-15 Q1 results
Metal	7.2	0.9	-0.5	-0.2	-0.1	0.3	-1.0	-0.6	-1.3	5.9
Plumbing	4.4	-0.6	-0.6	-0.4	-0.5	1.5	-0.6	-1.8	-3.0	1.4
Other	1.3	-0.4	-0.3	0.0	-0.2	0.5	0.0	0.0	-0.3	0.9
Manufacturing total	12.8	-0.1	-1.4	-0.6	-0.8	2.3	-1.6	-2.4	-4.6	8.3

5. Segment Information (2) Distribution and Retail

Sales and OP for the segment

Unit: Y bn

		Q1			1H				Full-year		
		Mar-14 results	**Mar-15 results**	Y/Y (amount)	Mar-14 results	**Mar-15 forecasts**	Y/Y (amount)	Y/Y (%)	Mar-14 results	**Mar-15 forecasts**	Y/Y (amount)
Sales		48.2	**49.4**	1.2	93.8	**100.0**	6.2	6.7%	195.1	**203.0**	7.9
OP		1.2	**2.2**	1.0	1.7	**2.3**	0.6	36.4%	4.3	**7.0**	2.7
Figures of Ken Depot included above	Sales	6.4	**7.5**	1.2	12.8	**15.9**	3.1	24.0%	28.1	35.0	6.9
	OP	-0.9	**-0.3**	0.6	-1.8	**-0.6**	1.3	-	-2.8	0.0	2.8

Operation profits: increase/ decrease analysis

<Q1 (3 months) results: Y/Y>

Unit: Y bn

Mar-14 Q1 results	Due to sales fluctuation	Sales price	Cost	SG&A	Cost of new stores	Ken Depot	Total	Mar-15 Q1 results
1.2	0.4	0.2	0.2	-0.3	-0.1	0.6	+1.0	2.2

Number of stores

Unit: stores

	Mar-14 results	Mar-15 Q1 results	Mar-15 Change from Mar-14	Mar-15 forecasts	Mar-15 Change from Mar-14
Newly opened SVH stores	4	0	-	1	-
Newly opened NVH stores	0	0	-	0	-
Newly opened Ken Depot stores	4	1	-	6	-
Number of stores closed	4	0	-	0	-
Number of stores at end of term	146	147	+1	153	+7
(SVH stores)	33	33	0	34	+1
(NVH stores)	9	9	0	9	0
(Ken Depot stores)	62	63	+1	68	+6

Results of home center business

Units: Y bn

	Mar-14 Q1 results	Mar-15 Q1 results	Mar-15 Y/Y
Sales	41.8	41.9	0.0%
OP	2.5	3.0	22.6%
%	5.9%	7.2%	1.3P

Rate of sales growth of home center stores

<Mar-15 Q1 results> Unit: %

All stores	+0.3
Existing stores only	-5.5

*Existing stores: Stores opened by the end of March 2013

Growth rate of customer footfall and average sales per customer

<Mar-15 Q1 results> Unit: %

All stores	
Customer footfall	-3.1
Average sales	3.5
Existing stores only	
Customer footfall	-7.9
Average sales	2.8

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

Sales and OP of the segment

Units: Y bn, %

	Q1			1H				Full-year		
	Mar-14 results	**Mar-15 results**	Y/Y (amount)	Mar-14 results	**Mar-15 forecasts**	Y/Y (amount)	Y/Y (%)	Mar-14 results	**Mar-15 forecasts**	Y/Y (amount)
Sales	15.0	**14.1**	-0.9	30.9	**30.0**	-0.8	-2.7%	64.2	**63.0**	-1.2
OP	1.3	**1.2**	-0.2	2.9	**2.4**	-0.5	-17.6%	6.1	**5.5**	-0.6

Sales and OP by segment companies

<Mar-15 Q1 results>

Units: Y bn, %

	Sales			OP		
	Mar-14 Q1 results	Mar-15 Q1 results	Y/Y (%)	Mar-14 Q1 results	Mar-15 Q1 results	Y/Y (%)
LIXIL Housing Research Institute	5.8	5.8	-0.1%	0.4	0.4	-7.6%
JIO	2.7	2.9	5.4%	0.1	0.1	2.4%
Japan Home Shield	2.4	2.3	-6.4%	0.3	0.2	-20.9%
Other & adjustments	4.0	3.1	-22.4%	0.4	0.4	-5.6%
Segment total	15.0	14.1	-6.1%	1.3	1.2	-13.1%

<Mar-15 forecasts> *No change from the Mar-14 financial results material (May 7, 2014 Fact Sheet)

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%
JIO	11.8	11.5	-3.2%	0.7	0.7	3.9%
Japan Home Shield	10.1	11.1	9.3%	1.3	1.5	13.3%
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-14 Q1 results	Mar-15 Q1 results	Y/Y
Total for the Group	1,191	942	-20.9%

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

Number of houses built

Units: houses, %

	Mar-14 Q1 results	Mar-15 Q1 results	Y/Y
Total for the Group	929	798	-14.1%

7. Sales by Products and Services

Units: Y bn,%

Major products	Mar-14 results	Mar-14 Q1 results	Mar-15 Q1 results	Quarterly Y/Y (%)				
				Mar-14				Mar-15
				Q1	Q2	Q3	Q4	Q1
Housing sashes and related products	**215.2**	**51.3**	**48.6**	8.0	3.5	9.2	11.1	**-5.2**
Exterior	**120.6**	**29.0**	**31.4**	-2.2	1.8	5.0	19.5	**8.3**
Building sashes and shutters	**117.3**	**16.7**	**17.6**	-1.9	2.5	1.8	1.5	**5.2**
Sanitary ware	**102.4**	**21.9**	**22.0**	1.1	5.1	3.8	19.5	**0.8**
Bathroom units	**91.3**	**21.1**	**21.4**	5.5	5.8	8.1	16.4	**1.6**
Kitchens	**106.0**	**24.6**	**23.3**	6.8	12.2	6.7	-3.4	**-5.3**
Washstand cabinet units	**34.0**	**7.2**	**7.6**	5.9	8.5	7.8	22.0	**5.6**
Wooden interior furnishing materials	**59.8**	**13.0**	**13.1**	18.7	19.1	19.1	31.4	**0.6**
Exterior wall materials for houses	**37.7**	**8.9**	**8.4**	3.8	5.3	-5.6	12.3	**-5.9**
Tiles	**30.8**	**6.8**	**6.8**	-4.5	-1.5	-4.1	7.6	**0.6**
Interior Fabric	**32.4**	**6.8**	**6.8**	-1.6	-0.4	-1.0	11.3	**-1.2**
Housing structures and precut woods	**37.5**	**9.0**	**6.7**	13.9	16.4	14.4	3.0	**-25.0**
Home center sales	**191.9**	**47.4**	**48.6**	7.8	7.4	8.0	21.9	**2.6**
Overseas	**293.9**	**50.5**	**82.9**	15.2	38.4	45.2	65.9	**64.1**
Other	**157.8**	**34.3**	**36.3**	9.7	5.2	11.0	31.2	**5.7**
Total	**1,628.7**	**348.4**	**381.5**	6.8	10.2	12.4	23.0	**9.5**

8. Renovation Business

Ratio of renovation business

Units: Y bn, %

	Mar-13 results	Mar-14 results	Y/Y	Mar-14 Q1 results	Mar-15 Q1 results	Y/Y
Sales from renovation business	327.4	376.7	15.1%	85.0	87.7	3.1%
Ratio of renovation business*	26.6%	28.2%	+1.6P	28.5%	29.4%	+0.8P

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

Sales of renovation products

Units: Y bn, %

	Mar-13 results	Mar-14 results	Mar-14 Y/Y	Mar-15 forecasts	Mar-15 Y/Y	Mar-14 Q1 results	Mar-15 Q1 results	Mar-15 Y/Y
Group total	247.9	282.6	14.0%	305.0	7.9%	67.3	**68**	**1.4%**
Renovation ratio	29.2%	31.0%	+1.8P	33.5%	+2.5P	28.5%	**29.0%**	**+0.4P**

Renovation network

(Number of member homebuilders)

Voluntary type	Mar-12 results	Mar-13 results	**Mar-14 results**	**Mar-15 Q1 results**
LIXIL Reform Net	8,896	9,356	**10,203**	**10,495**

* Changed to current organization in April 2012

Franchise type	Mar-12 results	Mar-13 results	**Mar-14 results**	**Mar-15 Q1 results**
LIXIL Reform Chain	414	377	**376**	**382**

* Changed to current organization in July 2012

9. Overseas Production Ratio and Sales

Overseas production ratio

Products	Locations	Overseas production ratio		
		Mar-14 results	Mar-15 Q1 results	Mar-15 forecasts
Aluminum housing sashes	Thailand	26%	30%	26%
Interior wooden furnishing materials	Dalian, China	46%	48%	46%
Sanitary ware	Hanoi, Vietnam	42%	46%	42%
	Suzhou, China			
Water faucets*	Suzhou, China	12%	13%	11%
Floor tiles	Suzhou, China	53%	54%	53%

*Overseas production ratio calculation method has been revised.

Sales overseas

Units: Y bn, %

Areas	Mar-14 Q1 results			Mar-15 Q1 results				
	Sales	Sales excluding Permasteelisa	Sales of Permasteelisa	Sales	Y/Y	Sales excluding Permasteelisa	Y/Y	Sales of Permasteelisa
Greater China	14.3	7.9	6.4	15.7	10.1%	10.6	34.9%	5.1
Thailand	2.7	2.6	0.2	3.3	20.0%	2.9	13.7%	0.4
Vietnam	1.6	1.4	0.2	1.7	7.4%	1.7	18.4%	0.0
Korea	0.8	0.8	0.0	2.0	146.2%	2.0	154.0%	0.0
Other Asian countries	3.8	1.3	2.5	4.3	14.5%	1.8	39.6%	2.5
Middle East	7.9	0.0	7.9	8.0	1.1%	0.0	-34.5%	8.0
North America	6.9	0.1	6.8	33.4	384.3%	23.0	-	10.4
Europe	9.3	0.0	9.2	11.5	24.1%	0.1	47.0%	11.4
Others	3.3	0.2	3.1	3.0	-9.8%	1.1	338.0%	1.9
Total	50.5	14.3	36.2	82.9	64.1%	43.2	201.4%	39.7

(For reference)

Overseas sales ratio

Units: Y bn, %

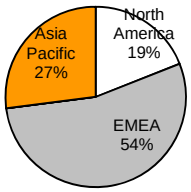
	Mar-11 results	Mar-12 results	Mar-13 results	Mar-14 results	Mar-15 Q1 results	Mar-15 forecast
Overseas sales	40.0	53.9	205.1	293.9	82.9	430.0
Overseas sales ratio	3.3%	4.2%	14.3%	18.0%	21.7%	24.4%

10. Permasteelisa

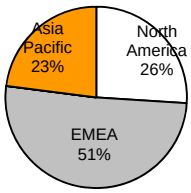
Full-year= January to December

Regional sales contribution

FY2013



FY2014 Q1



Business performance of Permasteelisa

Units: Y bn, %

	Dec-13 Q1 results	Dec-14 Q1 results	Y/Y	Dec-14 forecasts	Y/Y
Sales	36.7	40.4	10%	228.0	26%
Permasteelisa OP	1.1	0.4	-66%	8.5	106%
%	3%	1%	-2P	4%	+1P
Amortization of Goodwill and intangible assets	1.3	1.6	-	5.9	-
OP	-0.3	-1.2	-	2.6	-
Exchange rate Yen/Euro	120.2	141.5	-	145.0	-

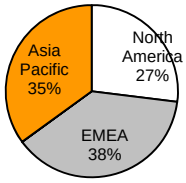
Orders received

Unit: million euros

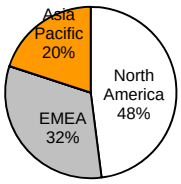
	Dec-13 Q1 results	Dec-14 Q1 results
New	319	422
Backlog	1,962	2,017

New orders by region

FY2013



FY2014 Q1



Goodwill

Unit: million euros

	Mar-14 results	Mar-15 Q1 results		Mar-15 forecasts		Amortization period
	End balance	Amortization	End Balance	Amortization	End Balance	
Goodwill	216	6	210	24	192	11 years
Other intangible assets	204	4	199	17	187	4 to 20 years
Total	419	10	409	41	379	

11. 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, %

	Mar-15 Q1 results	Mar-15 forecasts
Sales	23.5	107.0
OP	1.0	6.0
%	5%	6%
Amortization of Goodwill and intangible assets*	0.3	2.0
OP	0.7	4.0
Exchange rate Yen/USD	102.1	105.0

*No revision from prior forecast

Business performance of ASB (in USD)

Units: million dollars, %

	Mar-14 Q1 results	Mar-15 Q1 results	Mar-15 Y/Y
Sales	224	230	3%
OP	6	10	73%
%	3%	5%	+2P
Total Assets	-	867	-
Interest bearing debt	-	298	-
Net Assets	-	277	-

Goodwill (Purchase price allocation was completed at Q1)

Unit: million dollars

	Mar-15 Q1 results		Mar-15 forecasts		Amortization period
	Amortization	End Balance	Amortization	End Balance	
Goodwill	2	145	7	140	20 years
Other intangible assets*	1	94	6	90	5 to 30 years
Total	3	239	13	229	

*Includes only intangible assets that are required to be amortized.

12. Asia Business

Full-year= January to December

Consolidated Asia Segment

Units: Y bn, %

	Q1 2013	Q1 2014	Y/Y		2014 forecast	Y/Y	
			Increase/ decrease	%		Increase/ decrease	%
Net sales to outside customers	11.0	14.9	3.9	36%	-	-	-
Inter-segment sales of products	6.7	8.6	1.9	28%	-	-	-
Net Sales	17.7	23.5	5.8	33%	105.0	121.0	13%
OP *1	-0.8	0.4	1.2	-	4.0	2.3	135%
OPM *2	-7%	2%	-	+10P	-	-	-

*1 Operating income is before amortization of goodwill and purchase price allocation

*2 OP margin of net sales to outside customers

13. Scope of Consolidation

Number of consolidated subsidiaries and equity method affiliates

Jun-13	+	-	Sep-13	+	-	Dec-13	+	-	Mar-13	+	-	Jun-14
107	20	3	124	3	0	127	2	0	129	1	4	126
3	0	0	3	1	0	4	1	0	5	0	0	5

* Impact to sales and profit due to new consolidation and equity method

Y23.4bn in sales, Y0.5bn in OP, -Y2.2bn in RP, -Y3.0bn in net income

16. Goodwill

Amortization of negative goodwill Unit: Y bn

	Mar-14 results		Mar-15 forecasts		Mar-15 Q1 results	
	Amortization	Balance	Amortization	Balance	Amortization	Balance
American Standard AP	0.1	0.1	0.1	-	0.0	0.0
Total	0.1	0.1	0.1	-	0.0	0.0
Non-operating income	0.1		0.1		0.0	
Extraordinary income	-		-		-	

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

	Mar-14 results		Mar-15 forecasts		Mar-13 results	
	Amortization	Balance	Amortization	Balance	Amortization	Balance
American Standard AP	0.5	0.2	0.2	-	0.1	0.1
AMTRONIC*1	0.3	-	-	-	-	-
Kawashima Selkon Textiles	0.6	1.3	0.6	0.7	0.1	1.1
LIXIL Haier Housing Products	0.7	2.2	0.7	1.5	0.2	1.9
Hivic	0.3	0.7	0.3	0.4	0.1	0.6
Permasteelisa	3.1	31.3	3.5	27.8	0.8	29.7
ASB	0.7	*2 42.2	0.8	14.7	0.2	14.8
Star Alubuild	0.0	0.4	0.1	0.3	0.0	0.4
Other	0.7	1.6	0.6	1.0	0.2	1.4
Total	6.8	80.0	6.7	46.5	1.7	50.2
SG&A	6.6		6.7		1.7	
Extraordinary loss	0.2		-		-	

*1 This company is a holding company of Shanghai Meite.
*2 Preliminary estimate

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-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	85.0*	30.5	100%	Goodwill 14.7 Other intangible assets 21.7	>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%	5.5 *2	>Expand sales for Leopalace
Sept 2013	EDION	Renovation business in the home electrical appliance industry	5.0	8%	1.3	>Expand sales for EDION
Oct 2013	Sharp	New product development by integrating building & electrical materials	5.0	1%	0.8	>Expand sales of new products

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