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

October 14, 2014
LIXIL Group Corporation

Announcement Regarding the Revision of the Forecast on Business Performance for the Fiscal Year Ending March 2015

In light of the recent business trend, LIXIL Group Corporation (hereinafter, "LGC") revised its forecast on business performance for the fiscal year ending March 31, 2015 (from April 1, 2014 to March 31, 2015) from those announced on May 7, 2014.

1. Revision of the forecast on business performance

i) Revision of consolidated forecast for the 1H of the fiscal year ending March 31, 2015
(April 1, 2014 through September 30, 2014)

	Net sales	Operating profit	Recurring profit	Net income	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous 1H forecast (A) (Announced on May 7, 2014)	835,000	31,000	31,500	19,000	65.02
Revised 1H forecast (B)	790,000	13,000	13,000	4,000	13.68
Change (B-A)	-45,000	-18,000	-18,500	-15,000	-51.34
Change (%)	-5.4	-58.1	-58.7	-78.9	-79.0
<Reference> 1H results for the FY ended March 31, 2014	741,512	25,966	28,951	17,777	61.14

ii) Revision of consolidated forecast for the full year of the fiscal year ending March 31, 2015
(April 1, 2014 through March 31, 2015)

	Net sales	Operating profit	Recurring profit	Net income	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous full-year forecast (A) (Announced on May 7, 2014)	1,760,000	80,000	81,500	49,000	167.52
Revised full-year forecast (B)	1,715,000-1,690,000	80,000-67,000	81,500-68,500	49,000-40,000	167.37-136.63
Change (B-A)	-45,000--70,000	0--13,000	0--13,000	0--9,000	-0.15--30.89
Change (%)	-2.6--4.0	0.0--16.3	0.0--16.0	0.0--18.4	-0.0--18.4
<Reference> Full-year results for the FY ended March 31, 2014	1,628,658	69,079	74,937	44,755	153.93

(Note) There was disposal of treasury stock due to exercise of stock option in current fiscal year. As for the net income per share of the consolidated forecast, such disposal of treasury stock is

put into consideration for the number of shares excluding treasury stocks used in the calculation.

2. Reasons for the revision

LGC has revised its forecast of 1H as shown above because the sales target will not be met due to the worse than expected impact in domestic market after increase of consumption tax. Also overseas project based business had sales recognition postponed to the future. This led to the revision of profit forecast.

As for full-year forecast for the fiscal year ending March 31, 2015, our previous assumption was that we were able to achieve the previous forecast in profit because faster than expected improvement in gross profit and indirect cost cut by operational efficiency improvement activity would offset the amount we miss in the 1H. However it is difficult to predict future demand in Japan after increase of consumption-tax, and we decided to announce our forecast as a range putting sales risk of 2H into consideration.

Our forecast of net income before depreciation and amortization of goodwill is between 58,000 million yen and 49,000 million yen, and net income per share before depreciation and amortization of goodwill is between 198.2 and 167.5.

Note: Statements made above are forward-looking statements. LIXIL Group cautions that a number of factors could cause actual results to differ materially from those discussed in the forward-looking statements.