TSE Code: 5938

1H Results for the Fiscal Year Ending March 31, 2015

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

November 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 1H Results

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Missed 1H forecast , aim increase in sales and profit for full-year

- Sales increased but profit decreased due to one time cost and prior investment for the 1H
  - Sales increased by 7%, income before income taxes increased by 15% on a normalized base
- Offset 18 billion yen shortfall of the 1H with improvement in gross profit and SG&A reduction
- Market conditions for the 2H is expected to be down by 11% for new housing and up by 2% for remodeling
  (Risk case assumption: down by 17% and 7% respectively)
- Full-year forecast of OP is between 80 billion yen and 67 billion yen
- Transforming to a new operating model from next fiscal year, accelerate globalization by earlier consolidation of GROHE

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Units: Y bn, %

	Mar-14 1H results	Mar-15 1H forecasts*1	Mar-15 1H results	Vs. forecasts Increase/ decrease	Vs. forecasts %	Y/Y Increase/ decrease	Y/Y %
Net sales	741.5	835.0	796.2	-38.8	-4.6	54.7	7.4
Gross profit	206.4	232.0	216.2	-15.8	-6.8	9.8	4.8
GPM (%)	27.8%	27.8%	27.2%	-	-0.6	-	-0.7
SG&A	180.4	201.0	202.9	1.9	1.0	22.5	12.5
SG&A ratio (%)	24.3%	24.1%	25.5%	-	+1.4	-	+1.2
Operating profit	26.0	31.0	13.3	-17.7	-57.2	-12.7	-48.8
OPM (%)	3.5%	3.7%	1.7%	-	-2.0	-	-1.8
Recurring profit	29.0	31.5	13.1	-18.4	-58.5	-15.9	-54.9
Income before income taxes	26.7	-	13.9	-	-	-12.8	-47.9
Net income	17.8	19.0	3.8	-15.2	-80.2	-14.0	-78.9
Net income before amortization of goodwill	20.5	23.5	10.2	-13.3	-56.4	-10.3	-50.1
EPS before amortization of goodwill (Yen)	71	81	35	-46	-56.7	-36	-50.4
EBITDA*2	53.3	59.6	41.9	-17.8	-29.8	-11.4	-21.4
EBITDA%	7.2%	7.1%	5.3%	-	-1.9	-	-1.9

Domestic -1%
Overseas +48%

Normalized basis
Domestic -0.2
Overseas +3.9

Excluding special factors +0.3

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.

*1 Announced on May 7, 2014
*2 EBITDA figures are operating income before depreciation and amortization of goodwill/PPA

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I-2. Financial Results for the 1H of the FY Ending Mar-15 (2)

Unit: Y bn, %

	Mar-15 1H financial statements	One time cost / prior investment
Sales	796.2	0.0
Gross profit	216.2	-1.4
SG&A	202.9	6.9
Operating profit	13.3	-8.3
Recurring profit	13.1	-14.8
Income before income taxes	13.9	-16.7

	Mar-14 1H results	Mar-15 1H normalized results	Y/Y Increase/ decrease	Y/Y %	Y/Y excluding impacts of ASB	Y/Y %
Sales	741.5	796.2	54.7	7.4%	7.2	1.0%
Gross profit	206.4	217.6	11.2	5.4%		
GPM (%)	27.8%	27.3%	-	-0.5		
SG&A	180.4	196.0	15.6	8.6%		
SG&A ratio (%)	24.3%	24.6%	-	+0.3		
Operating profit	26.0	21.6	-4.4	-16.9%	-5.2	-19.9%
OPM (%)	3.5%	2.7%	-	-0.8	-	-0.8
Recurring profit	29.0	27.9	-1.1	-3.8%	-1.4	-5.0%
Income before income taxes	26.7	30.6	3.9	14.5%	3.5	13.2%

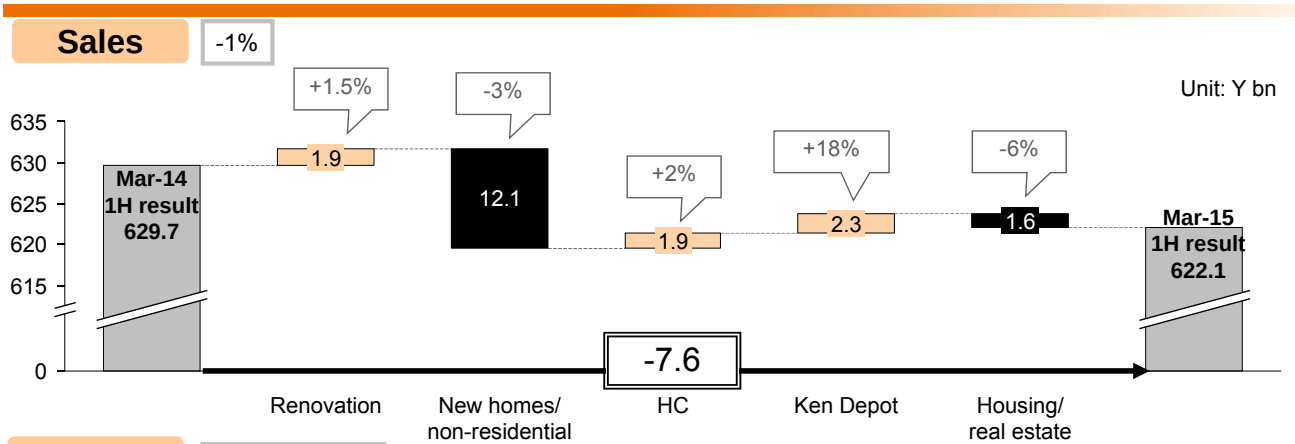
One time cost / prior investment (-16.5)

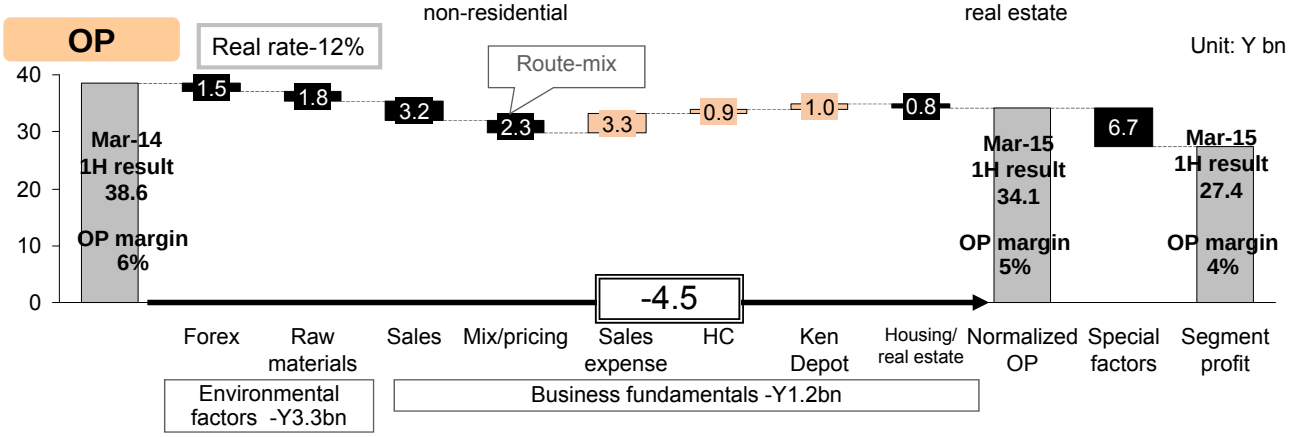
<Gross profit -1.4>
Effect of snow damage -1.4

<Non-operating income/loss -6.5, Extraordinary income/loss -1.9>
GROHE acquisition cost & goodwill (provisional)> -6.5
Amortization of ASB acquisition cost for Mar-14 -0.5
Factory reorganization -1.4

<SG&A +6.9>
Investment for BT-16 +2.4
Investment for sales activities +3.2
Snow damage +1.3

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



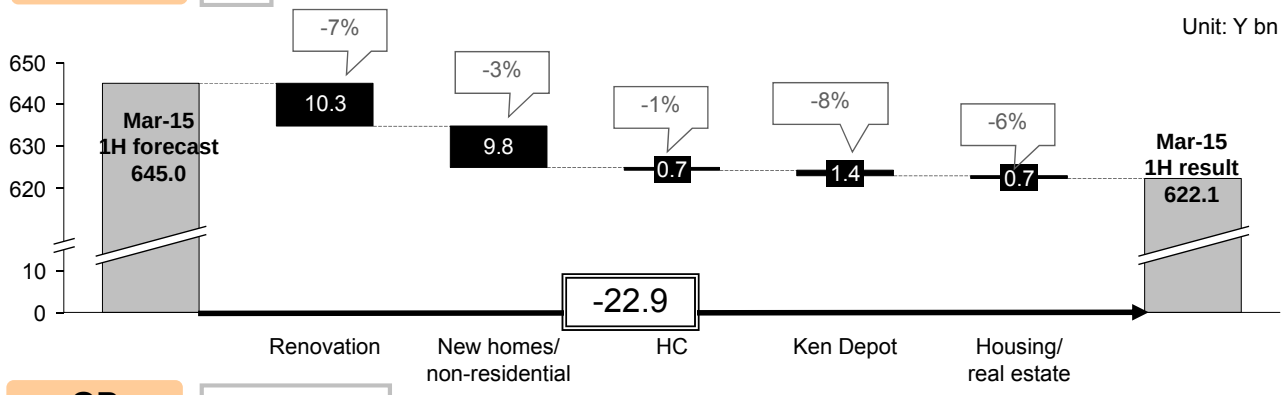


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I-3. Increase/Decrease of Sales and OP in Japan (Vs. Forecast)

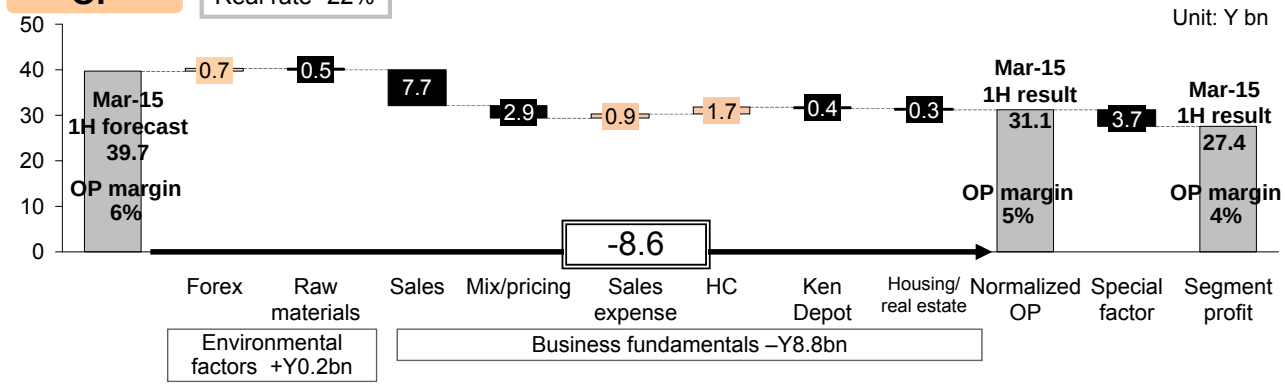
Sales

-4%



OP

Real rate -22%

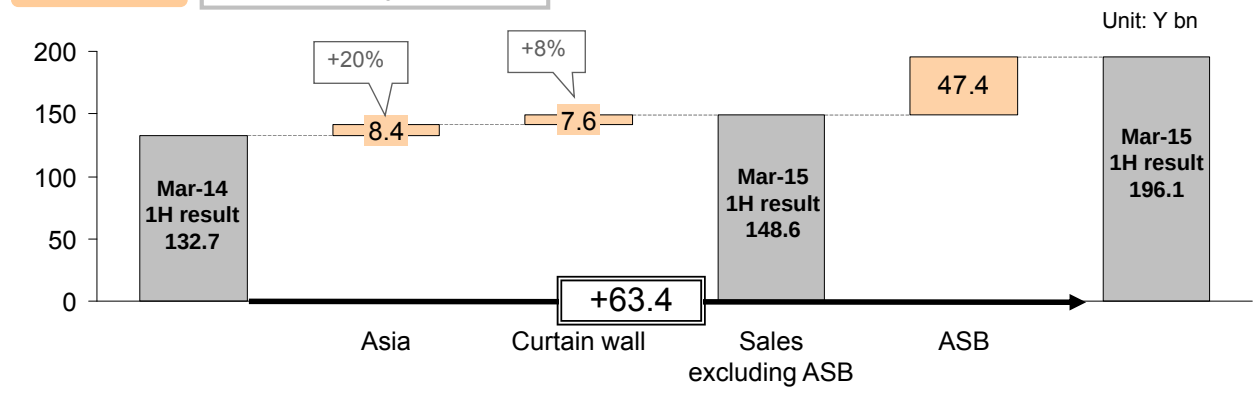


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I-4. Increase/Decrease of Sales and OP Overseas (Y/Y)

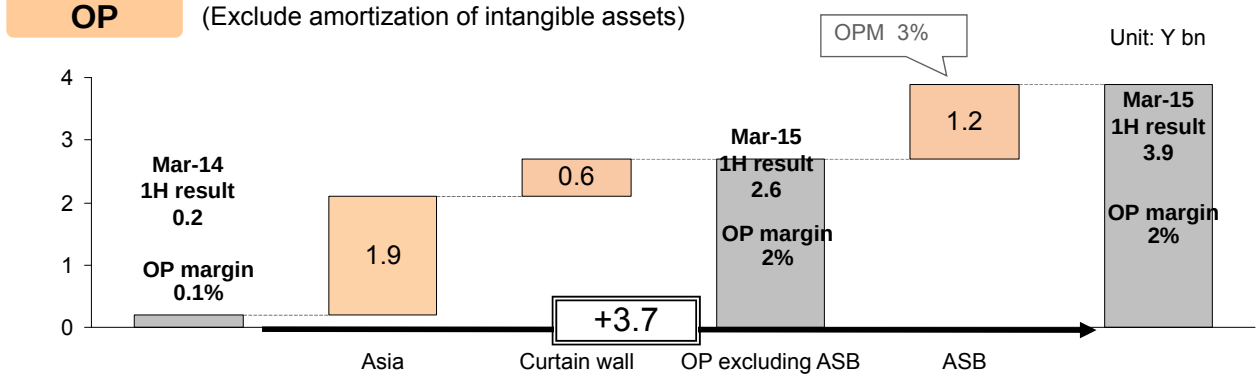
Sales

+48% (Excluding ASB +12%)



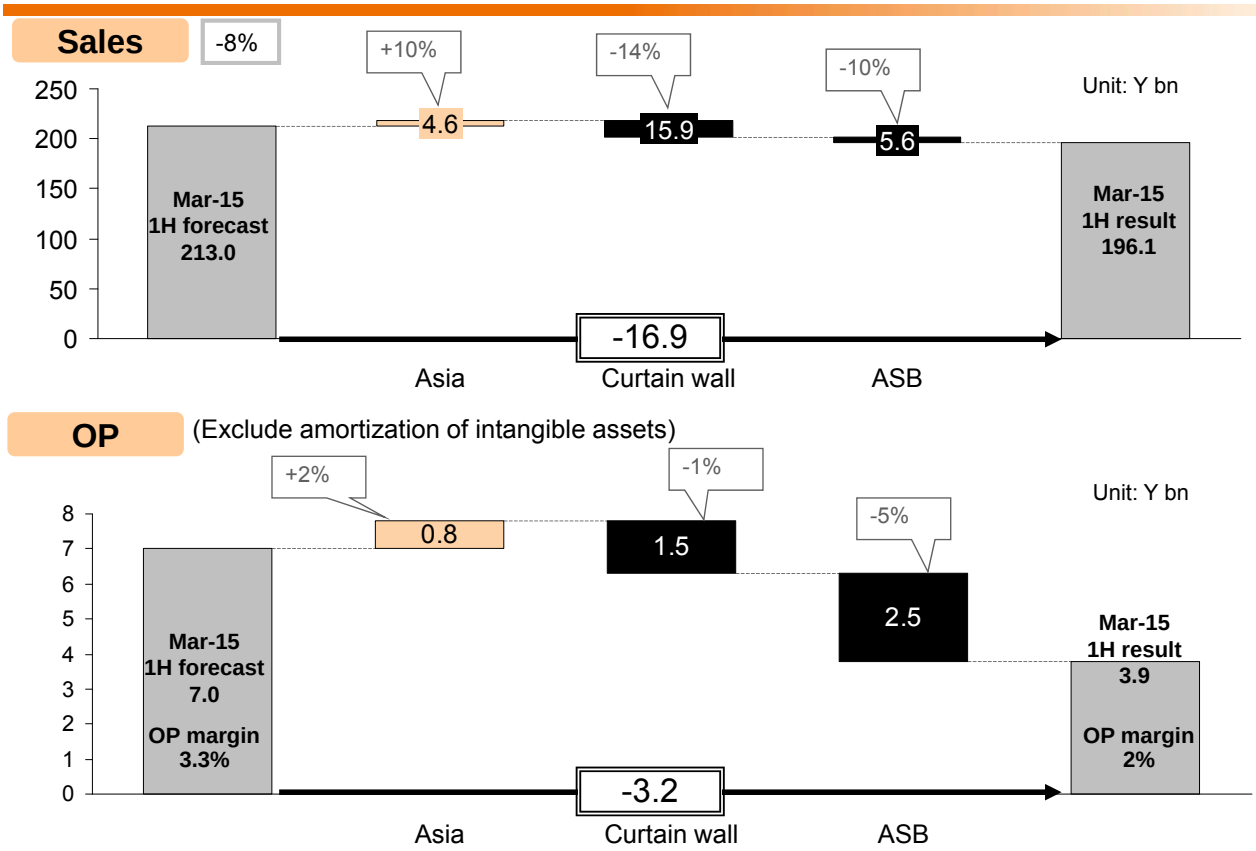
OP

(Exclude amortization of intangible assets)



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I-4. Increase/Decrease of Sales and OP Overseas (Vs. Forecast)



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I-5. Others

■ Extraordinary Items

Unit: Y bn

Items	Mar-14 1H results	**Mar-15 1H results**	Increase/ decrease	Details
Gain on sales of shares of subsidiaries and associates	-	**0.0**	+0.0	
Gain on sales of investment securities	0.0	**3.0**	+3.0	
Gain on change in equity	-	**1.1**	+1.1	Business separation of K-engine
Gain on sales of noncurrent assets and other	0.1	**0.2**	+0.1	
Extraordinary income	0.1	**4.3**	+4.2	
Impairment loss	1.0	**0.6**	-0.4	(1H Mar-14) Idle land etc.
Loss on valuation of shares of subsidiaries and associates	-	**0.2**	+0.2	SW Kitchen Techno
Loss on factory restructuring	0.4	**1.4**	+1.0	
Loss on transition to a defined contribution pension plan	-	**0.1**	+0.1	
Adjustment of goodwill amortization and other	-	**0.5**	+0.5	ASB*
Loss on sales and retirement of non-current assets and other	0.9	**0.7**	-0.2	
Extraordinary loss	2.3	**3.4**	+1.2	

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

■ Tax Expenses (Tax burden ratio 34.7% in 1H Mar-14 =>73.2% in 1H Mar-15)

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

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I-6. Consolidated Financial Position

Unit: Y bn

	Mar-14	**Sep-14**	Increase/ decrease
Cash and deposits	163.0	**138.6**	-24.4
Notes and accounts receivable	487.2	**435.8**	-51.5
Inventories	210.9	**236.8**	25.9
Tangible and intangible assets	629.6	**629.8**	0.2
Others	319.4	**327.5**	8.1
Total assets	1,810.1	**1,768.5**	-41.6
Notes and accounts payable	235.8	**210.9**	-24.9
Interest-bearing debt	626.5	**609.9**	-16.6
Others	322.2	**328.4**	6.2
Total liabilities	1,184.5	**1,149.2**	-35.3
Treasury stocks	-41.8	**-37.1**	4.7
Others	667.4	**656.4**	-11.0
Net assets	625.6	**619.3**	-6.3

Equity ratio (%)	34.1	**34.5**	+0.4
Net asset per share (yen)	2,123.22	**2,080.88**	-42.34
Number of shares (in thousands)	290,733	**293,244**	+2,511

Total assets decreased by Y41.6bn

- Decrease of turnover assets is due to implementation of CCC improvement activities and seasonal factors.
- Net interest-bearing debt is Y455.1bn (-Y6.4bn)
- D/E ratio: 75%
- Equity ratio is 34.5%, nearly flat from Mar-14.

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I-7. Cash Flow and Capital Expenditures

Cash Flows

Unit: Y bn

	Mar-14 1H results	**Mar-15 1H results**	**Increase/ decrease**
Pre-tax income	26.7	**13.9**	**-12.8**
Depreciation	23.2	**23.6**	**0.5**
Impairment loss	1.0	**0.6**	**-0.4**
Income tax payments	-6.1	**-12.9**	**-6.8**
Working capital	-9.6	**15.6**	**25.3**
Others	-6.1	**-1.2**	**4.9**
Cash flows from operating activities	29.1	**39.7**	**10.6**
Cash flows from investing activities	-62.5	**-23.5**	**39.1**
Free cash flows	-33.5	**16.2**	**49.7**
Cash flows from financing activities	34.1	**-20.7**	**-54.8**

- **Free cash flows increased by Y49.7bn Y/Y**
- Operating cash flows increased by Y10.6bn to Y39.7bn. This was due to improvement of working capital that offset the decrease of income before income taxes.
- Cash flows used in investing activities were Y23.5bn, with decrease of Capex by Y6.9bn and no M&A investment.
- Cash equivalents at the end of 1H is Y130.8bn, which is an increase of Y12.6bn Y/Y, after repayment of interest-bearing debt.

Capital Expenditures

Unit: Y bn

	Mar-13 result	Mar-14 result	Mar-15 1H result	Mar-15 2H forecast	Mar-15 FY forecast
Capex	**73.8**	**64.3**	**26.8**	**48.2**	**75.0**

Major Capital Expenditures of Mar-15 1H (results)

<By region> Domestic Y18.7bn
Overseas Y8.1bn

<By contents>
Vietnam factory Y4.0bn
New product investments Y2.9bn
Investments for productivity improvement Y4.2bn

Unit: Y bn

	Mar-13 result	Mar-14 result	Mar-15 1H result	Mar-15 2H forecast	Mar-15 FY forecast
Depreciation	**44.7**	**49.2**	**23.6**	**32.4**	**56.0**

Major Capital Expenditures of FY Mar-15 (forecasts)

<By region> Domestic Y47.0bn
Overseas Y28.0bn
(Vietnam factory Y10.8bn)

<By contents>
New product investments Y12.0bn
Investments for productivity improvement Y13.0bn
IT Investment Y13.0bn

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Link to Good Living

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

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II-1. Financial Forecasts for the FY Ending March-15

LIXIL

Units: Y bn, %

	Mar-14 results	Mar-15										
		1H results	Y/Y (amount)	Y/Y (%)	2H forecasts unchanged	2H forecasts including risk	Y/Y (%) incl. risk	Y/Y (%) unchanged	Full-year forecasts unchanged	Full-year forecasts including risk	Y/Y (%) incl. risk	Y/Y (%) unchanged
Net sales	1,628.7	796.2	54.7	7.4%	918.8 ～	893.8	3.6%	0.8%	1,715.0 ～	1,690.0	5.3%	3.8%
Operating profit	69.1	13.3	-12.7	-48.8%	66.7 ～	53.7	54.7%	24.6%	80.0 ～	67.0	15.8%	-3.0%
%	4.2%	1.7%	-1.8	-	7.3% ～	6.0%	+2.4	+1.1	4.7% ～	4.0%	+0.4	-0.3
Recurring profit	74.9	13.1	-15.9	-54.9%	68.4 ～	55.4	48.8%	20.6%	81.5 ～	68.5	8.8%	-8.6%
Net income	44.8	3.8	-14.0	-78.9%	45.2 ～	36.2	67.9%	34.5%	49.0 ～	40.0	9.5%	-10.6%
Net income before amortization of goodwill	50.1	10.2	-10.3	-50.1%	47.8 ～	38.8			58.0 ～	49.0	15.8%	-2.2%
EPS before amortization of goodwill (yen)	172	35	-36	-50.4%	163 ～	133			198 ～	168	15.2%	-2.7%
EBITDA*	1,275	419	-114	-21.4%	1,046 ～	906	40.8%	22.0%	1,464 ～	1,334	14.8%	4.6%
EBITDA%	7.8%	5.3%	-1.9	-	11.4% ～	9.9%	+3.0	+1.5	8.5% ～	7.8%	+0.7	-0.1

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

Improvement in gross profit and indirect cost cut by operational efficiency improvement activity is expected to more than offset the amount we missed in the 1H

⇒Maintain the initial full-year income forecast

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II-2. Financial Forecasts for the 2H Ending March-15 (Demand Assumption for Japan)

LIXIL

Due to the impact of consumption-tax, forecast of demand in Japan is announced as a range

1H Sales result

	Y/Y
New homes/ non-residential	-3%
Renovation	+2%

1H Demand

	Y/Y
New homes/ non-residential	-9%
Renovation	-10%

2H Sales forecast

	Y/Y
New homes/ non-residential	-6%
Renovation	+6%

2H Demand assumption

	Y/Y
New homes/ non-residential	-11%
Renovation	+2%

2H Sales forecast (including risk)

	Y/Y
New homes/ non-residential	-10%
Renovation	+2%

2H Demand assumption (including risk)

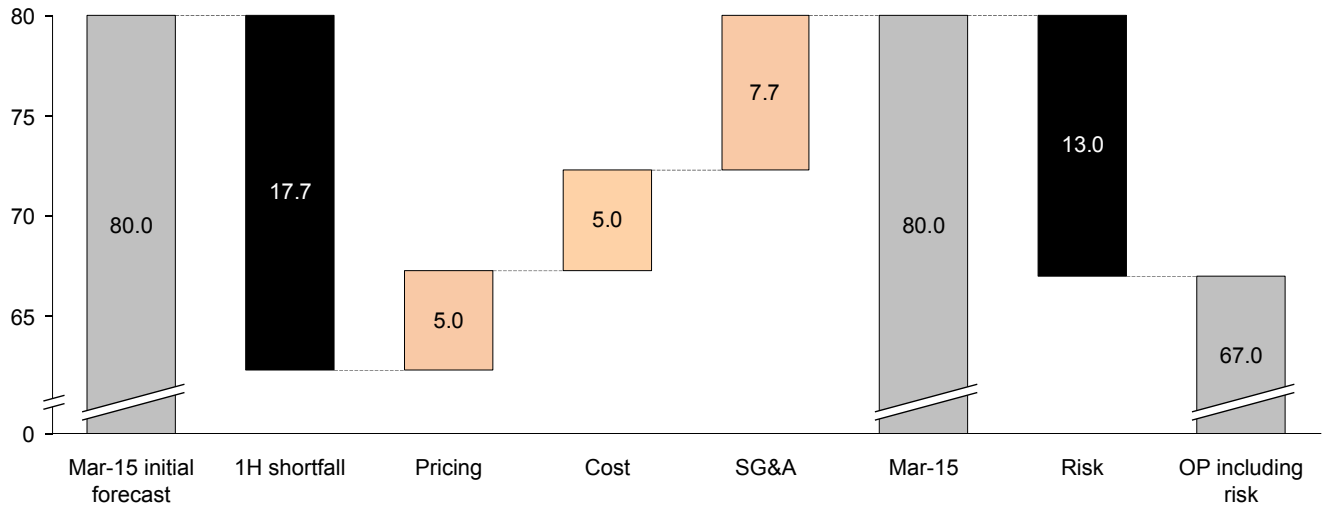
	Y/Y
New homes/ non-residential	-17%
Renovation	-7%

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II-3. Additional OP Improvement Measures for FY Ending Mar-15

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Unit: Y bn

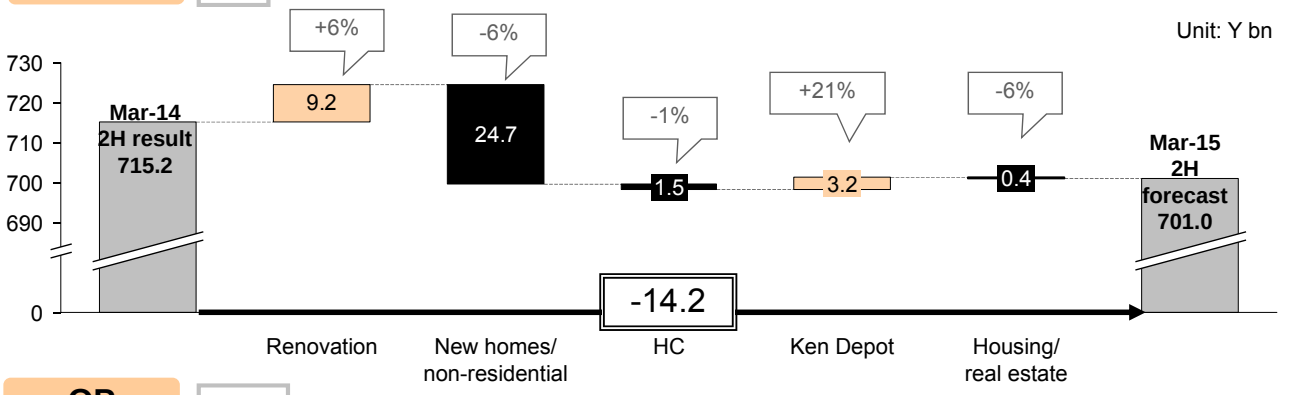


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II-4. Increase/Decrease of Sales and OP for 2H in Japan (Y/Y)

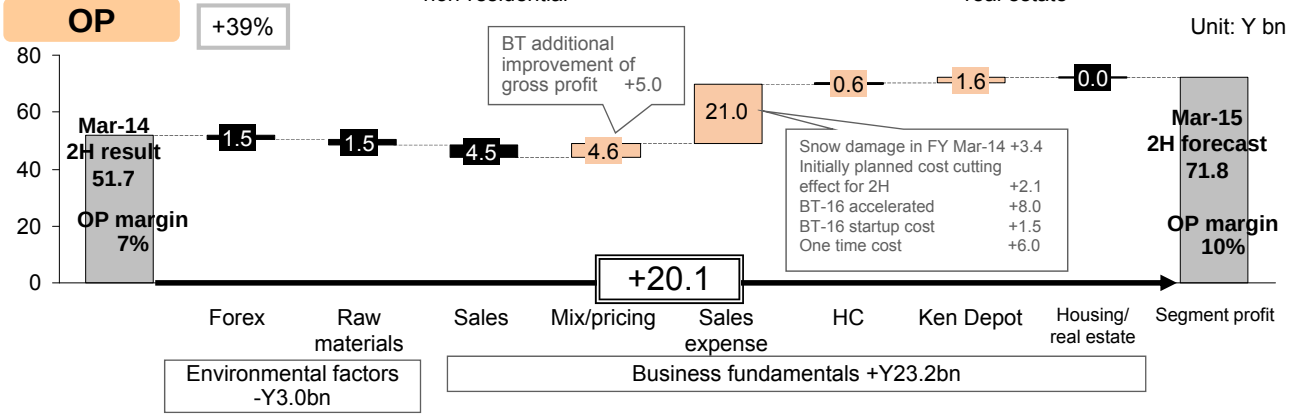
Sales

-2%



OP

+39%

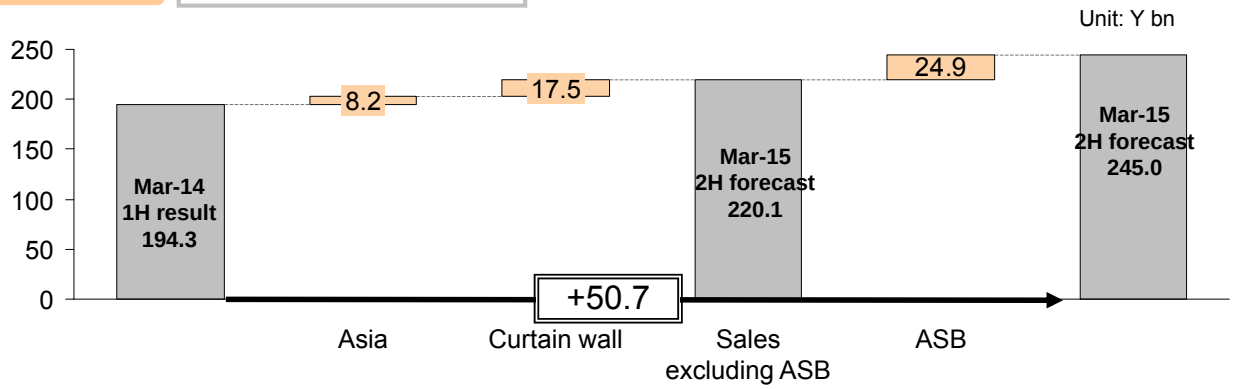


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II-5. Increase of Sales and OP for 2H Overseas (Y/Y)

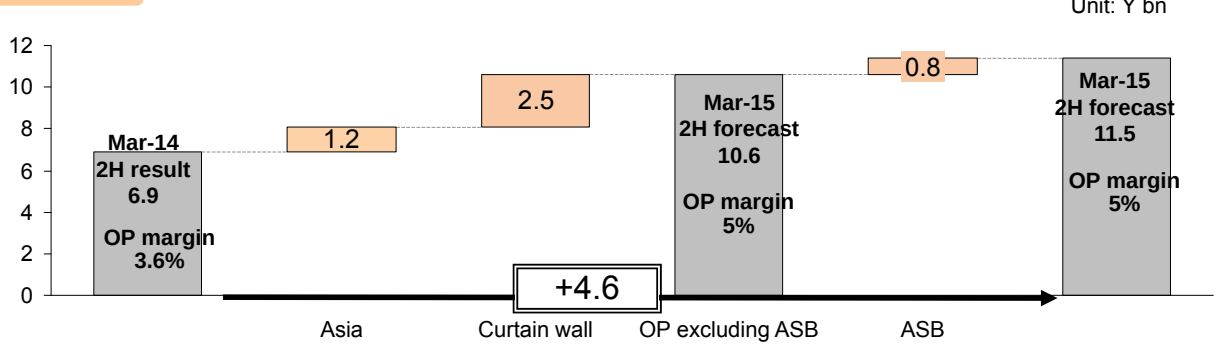
Sales

+26% (Excluding ASB +13%)



OP

(Exclude amortization of intangible assets)



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II-6. Dividend Policy

■ Dividend payment

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

	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 (forecast)**
Dividend payout ratio excluding the effect of amortization of goodwill	43.7%	31.9%	**30.3%**

■ 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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II-7. Change of LIXIL Group's Board Members

(As of November 1, 2014)

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

Director	**Yoichiro Ushioda**				
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	**Tsutomu Kawaguchi** ○
Outside Director	**Hidehiko Sato**	○		Outside Director	**Kohda Main** ○

■ Executive Officers (Members with ※ are those who will also be the members of the Board/ Member.

● indicate new members, ○ are members joined from other companies)

※ Representative Executive Officer, President	**Yoshiaki Fujimori**	○	Executive Officer, Senior Manging Director	**Shinichi Tanzawa**	○
Representative Executive Officer and Vice President	**Ryuichi Kawamoto**		Executive Officer, Senior Manging Director	**Ryo Nihei**	○
※ Executive Officer and Vice President	**Takashi Tsutsui**	○	Executive Officer, Senior Manging Director	**Harumi Matsumura**	○
Executive Officer and Vice President	**Toshimasa Iue**	○	Executive Officer, Senior Manging Director	**Sachio Matsumoto**	○
Executive Officer and Vice President	**Tadashi Arishiro**		Executive Officer, Senior Manging Director	**Kenji Uenishi**	○
Executive Officer and Vice President	**Yosuke Yagi**	○	Executive Officer, Senior Manging Director	**Laurence W. Bates**	○
Executive Officer and Vice President	**Haruo Shirai**		Executive Officer, Senior Manging Director	**Jin Song Montesano**	● ○
※ Executive Officer and Senior Manging Director	**Yoshizumi Kanamori**		Executive Officer	**Katsuhiro Mamenari**	

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

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III-1. Progress of Renovation Strategy in Japan (1)

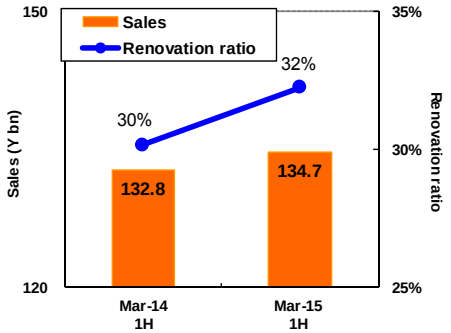
Stock business ratio assumption

Units: Y bn, %

	Mar-14 1H results	Mar-15 1H results	Y/Y
Sales from renovation business	176.9	182.5	3.1%
Ratio of renovation business*	28.3%	29.5%	+1.2

*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 1H results	Y/Y	Mar-15 forecasts	Y/Y
Sales of renovation products	247.9	282.6	14.0%	134.7	1.5%	293.7	3.9%
Renovation ratio	29.2%	31.0%	+1.8	32.2%	+2.1	32.9%	+1.9

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

Unit: Stores

Mar-12	Mar-13	Mar-14	Sep-14
9,310	9,733	10,579	11,541

*Sum of voluntary type “LIXIL Reform Net” and franchise type “LIXIL Reform Chain”

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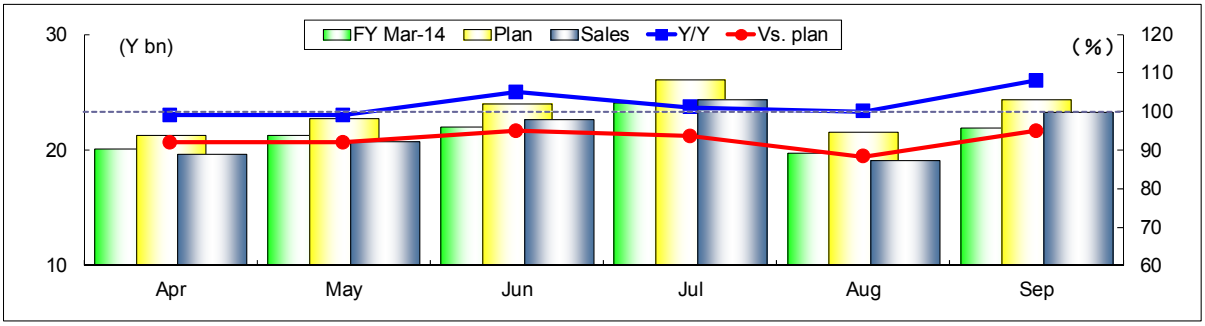
III-1. Progress of Renovation Strategy in Japan (2)

Renovation demand (Y/Y)
market/competitor comparison

	Q1	Q2	1H
Renovation demand (market)	89%	91%	90%
Competitor A	91%	92%	92%
LIXIL Corporation	101.1%	101.8%	101.5%

- Renovation growth target missed but exceeded the level of market/competitors
- Month-on-month change: Despite the struggle in August, September grew Y/Y and is now in a recovery trend

LIXIL Corporation renovation sales (monthly transition)



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III-2. Progress of Home Center Business

Mar-15 Q2 (3 months) results comparison with competitors

Units: Y bn, %

	LIXIL VIVA		Q2("Jun-Aug")results of major home center competitors			
	Jul-Sep	Jun-Aug	A	B	C	D
Sales	**40.9**	**42.2**	**107.3**	**70.4**	**43.4**	**18.0**
Y/Y(%)	+4.7%	+1.4%	-3.4%	+0.6%	-4.0%	-5.8%
OP	**2.3**	**2.7**	**5.3**	**2.9**	**0.5**	**0.9**
OPM(%)	5.5	6.4	4.9	4.1	1.2	5.2
Y/Y(%)	+37.5%	+31.7%	-6.6%	-8.8%	-38.3%	-31.0%

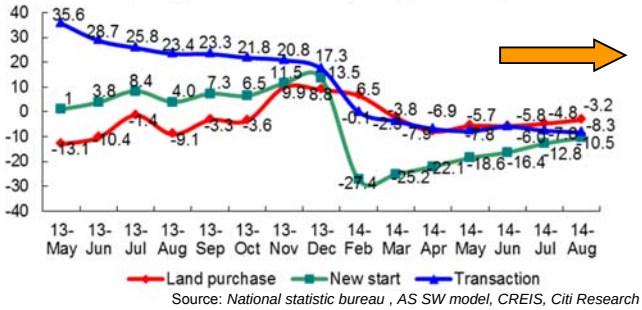
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III-3. Progress of Global Business (1) Greater China & Asia Pacific

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

	1H 2013 results	1H 2014 results	Y/Y Increase/ decrease	Y/Y %
Net sales	135	153	18	13
Operating profit	-9	14	23	-
OPM (%)	-6%	9%	-	+16

- Order delay arising from the market slow-down but overall sales expected to stay in line with budget for 2H
- FY OP forecast is 24million USD, 2.5 times increase

*Before forex, management based figures including non-consolidated subsidiaries

Asia Pacific

Current Market Outlook

	GDP 2013 Actual	GDP 2014 Forecast	Asia Pacific Sanitary ware Growth % 2014 Plan growth vs 2013 Actual	Asia Pacific Sanitary ware Growth % 2014 Forecast growth vs Plan
Thailand	2.8%	0.96%	6%	4%
Vietnam	5.2%	5.2%	2%	-1%
Indonesia	5.6%	5.3%	19%	-5%
Philippines	4.7%	6.5%	28%	-14%
Korea	2.8%	3.7%	21%	28%
ANZ	2.5%	2.8%	22%	0%

Financial Results*

units: million USD

	1H 2013 results	1H 2014 results	Y/Y Increase/ decrease	Y/Y %
Net sales	132	163	31	24
Operating profit	10	16	6	67
OPM (%)	7%	10%	-	+3

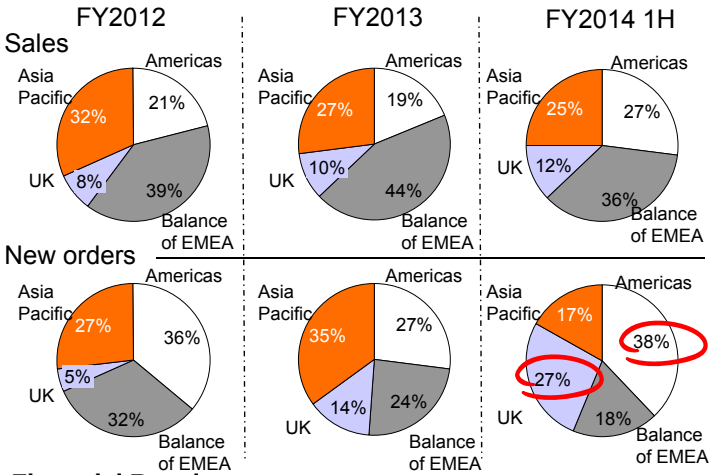
- Topline increase stands healthy led by both organic growth and profitability expansion
- FY OP forecast is 39million USD, up by 32%

*Before forex, management based figures including non-consolidated subsidiaries

III-3. Progress of Global Business (2) Permasteelisa & ASB

Permasteelisa

Regional Contributions



Financial Results

unit: million euros

	1H 2013 results	1H 2014 results	Y/Y amount	Y/Y %
Net sales	658	633	-25	-4
OP	12	13	1	10
OPM (%)	2%	2%	-	+0

- Sales below target due to project delays (caused by third parties) but trend of both sales and gross margin of backlog improving
- FY OP forecast is 51 million euros, up by 4%

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ASB

Current U.S. Market Outlook

Housing Prices +6.7%

(annual rate in 20 major cities, Y/Y, September , S&P/Case-Schiller Home Price Indices)

Consumer Confidence on Future Hiring and Income Growth +2.1%

*from July to August, US Census Bureau

Housing Starts +8%

*seasonally adjusted annual pace in August, Y/Y, US Census Bureau

DXV Ferguson Showroom Update

Showroom Resets

	- 1Q	2Q	3Q -
Ferguson	41	100	35
Other than Ferguson	150	60	9

- Delay in Ferguson showrooms activation

Financial Results

unit: million USD

	Mar-14 1H results	Mar-15 1H results	Mar-15 Y/Y amount	Mar-15 Y/Y %
Net sales	443	462	20	4
Operating profit	15	15	0	-1
OPM (%)	3%	3%	-	-0

- Expecting gradual recovery led by increasing new product acceptance
- FY OP forecast is 31million USD, up by 3%

III-3. Progress of Global Business (3) GROHE

Financial Results

- GROHE Group achieves stable growth despite negative impacts from foreign currency
- FY EBITDA forecast is 300million euros, up by 5%

Unit: million euros

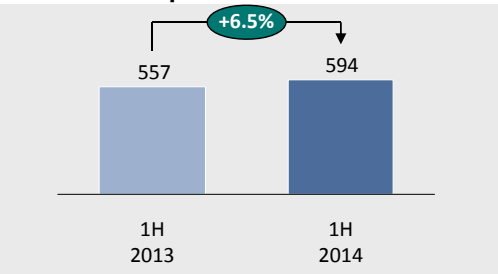
	1H 2013 results	1H 2014 results	Y/Y Increase/ decrease	Y/Y %
Net sales	730	754	24	3
EBITDA*	141	142	1	1
EBITDA margin (%)*	19%	19%	-	-

*EBITDA adjusted for certain non operating expenses

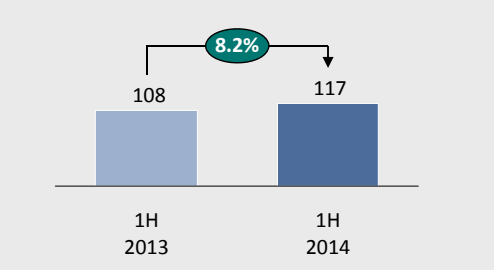
GROHE

Before forex

Sales Development Unit: million euros

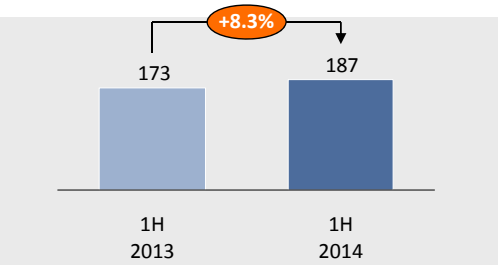


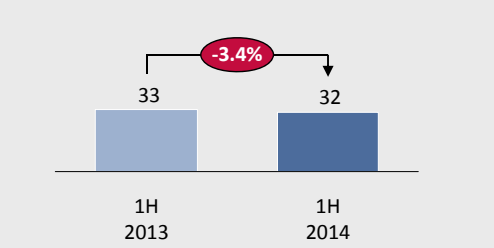
EBITDA* Development Unit million euros



JOYOU Best value bathrooms

Before forex





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III-4. Completion of the Acquisition of Stake in Watertech and Sanitary ware Clusters in DAWN Ltd.

- Closing completed on October 31

Name of the company	GROHE DAWN WaterTech Holdings Pty Ltd
Major business	Manufacturing and sales of plumbing fixtures such as faucets and sanitary ware
Brand	COBRA, ISCA, VAAL, LIBRA, PLEXICOR
Scheme	GROHE DAWN WaterTech Holdings Pty Ltd to be held 51% by GROHE/LIXIL holding company and 49% by DAWN
Investment amount	880 million rand (approx. 8.6 billion yen*) *1ZAR = 9.75JPY (Total amount including liabilities succeeded)

Financial Results Unit: million euros

Full-year *	Result Jun-13	Forecast 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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Cash generation⇒Expand to Y200bn

CCC (Operational efficiency)

Y100bn
By end of March 2016

- Payables 10%
- Inventory 25%
- Receivables 10%

Progress (based on measures) 38%
= Generate Y38bn

- Improvement in working capital Y25.3bn

Additional cash generation (Short term)

Y100bn

- Securitization of receivables Y60-80bn
- Sales/securitization of assets Y10-20bn
- Sales of securities Y10-20bn

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Categories	Major measures	Mar-17 Target *2	Mar-15 1H progress	Mar-15 1H 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	13.4%	Y5.5bn	Y13.0bn
Improvement of gross profit	● Reduce cost leakage with process visualization ● Optimize product portfolio	Y35bn	24.9%	Y3.4bn	Y12.5bn
Indirect costs and other	● Improve process of sales support ● More efficient product development ● Cut SG&A	Y20bn	-	-Y1.7bn	Y0.5bn
Internal target		Y110bn	13.0%	Y7.2bn	Y26.0bn
Contingency		-Y33bn	+Y13bn from beginning of term (Y13bn)		-
Core Business in Japan		**Y77bn**	-	**Y7.2bn**	**Y26.0bn**
Distribution, retail & services	●Growth driven by renovation and new services	**Y10bn**	-	**Y1.0bn**	**Y3.1bn**
Global	●Growth and synergy creation	**Y66bn**	-	**Y3.7bn**	**Y8.2bn**
Special factors				-Y8.3bn	-Y3.4bn
2H Additional measures					Y6.0bn
Environment factors, HQ & Goodwill	●Effect of forex ●Raw materials ●Distribution, fuel ●Pricing ●Marketing expense ●Personnel expenses ●Decrease in new housing starts in Japan	-Y52bn	-	-Y16.3bn	-Y28.9bn
Consolidated OP improvement		**Y101bn**	-	**-Y12.7bn**	**Y11bn**

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

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IV. Transforming Global Operating Model

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IV-1. Strategic Objectives of New Business Model

Overview of Business Model

- Create four global businesses with synergy
- Accountable for PL/BS/CF
- Improve core competency
- Delegate high level authority and foster fast decision making process
- Pursue growth and high profitability
- Maintain LIXIL Japan Company to provide total solutions for Japanese customers

Strategic Objectives

- Accelerate globalization
- Maximize operational efficiency
- Make use of global human resources to its maximum potential
- Maximize synergies between and within businesses

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IV-2. Our Business Portfolio

Transform LIXIL Group into a technology company

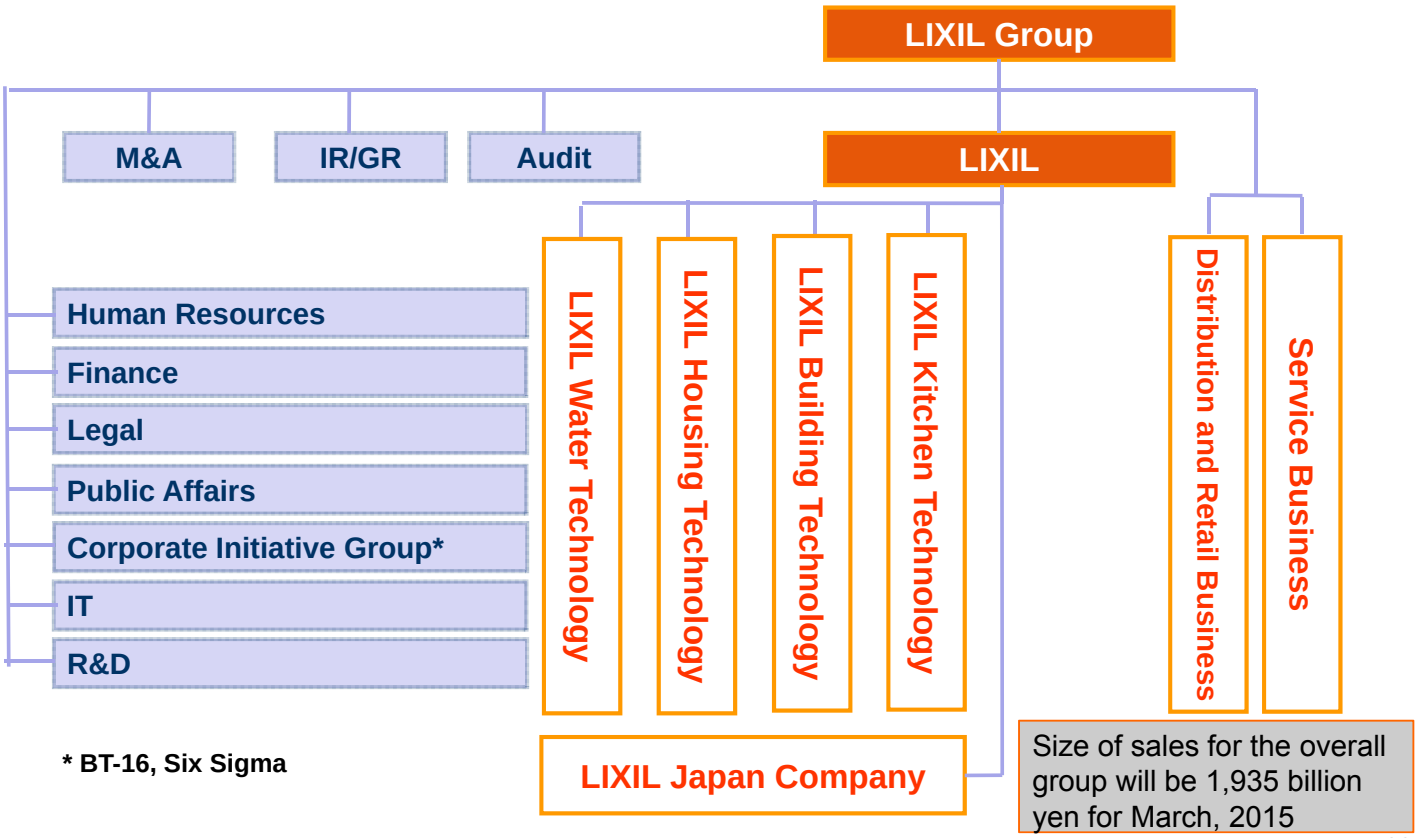
Size of business of LIXIL as of March 2015 (full-year)

	LIXIL Water Technology	LIXIL Housing Technology	LIXIL Building Technology	LIXIL Kitchen Technology	**Total**
Sales (Y bn)	620.0	600.0	340.0	120.0	**1,680.0**
OPM(%)	10-11%	7-8%	2-3%	-	**6-7%**
Products	■Toilets ■Bathtubs ■Faucets ■Washstands ■Devices	■Sashes ■Doors ■Exteriors ■Tiles ■Exterior wall materials/ housing structures ■Interior fabric ■Energy generation systems	■Curtain walls (including building business of Permasteelisa, Shanghai Meite, and Japan)	■Kitchens (including Haier)	
CEO	**David J. Haines**	**Toshimasa Iue**	**Nicola Greco**	**Yoshiaki Fujimori***	

*Interim CEO

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IV-3. New LIXIL Group Structure (Effective from April 1, 2015)



* BT-16, Six Sigma

Size of sales for the overall group will be 1,935 billion yen for March, 2015

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IV-4. LIXIL Water Technology at a Glance

Key statistics *(FY Mar -15)*

- **Y620bn** Net sales
- Operating profit margin **10-11%**
- **50** Production sites
- **27,000** Headcount
- **Y300bn** Procurement volume
- **Y23bn** annual capex

LIXIL WATER TECHNOLOGY

Sales & Profitability *(FY Mar-15)*

Sales

LIXIL INAX	Y240bn
GROHE	Y180bn
American Standard World-wide	Y150bn
JOYOU	Y50bn

Operating profit

GROHE	~16% of Sales
JOYOU	~15% of Sales
LIXIL INAX	~9% of Sales
American Standard World-wide	~5% of Sales

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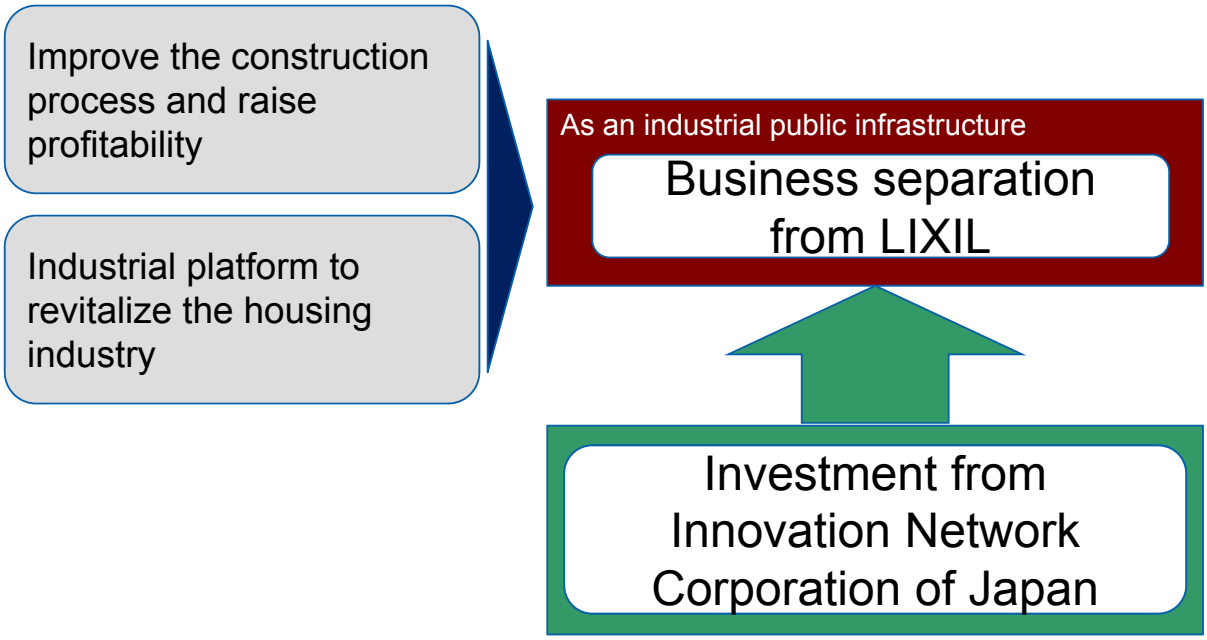
LIXIL
Link to Good Living

V. Topics

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V-1. Launch of K-engine Service (1)

Developed the innovative IT platform service, “K-engine service”, by using the latest IT technology. Started providing the service from September 2014.

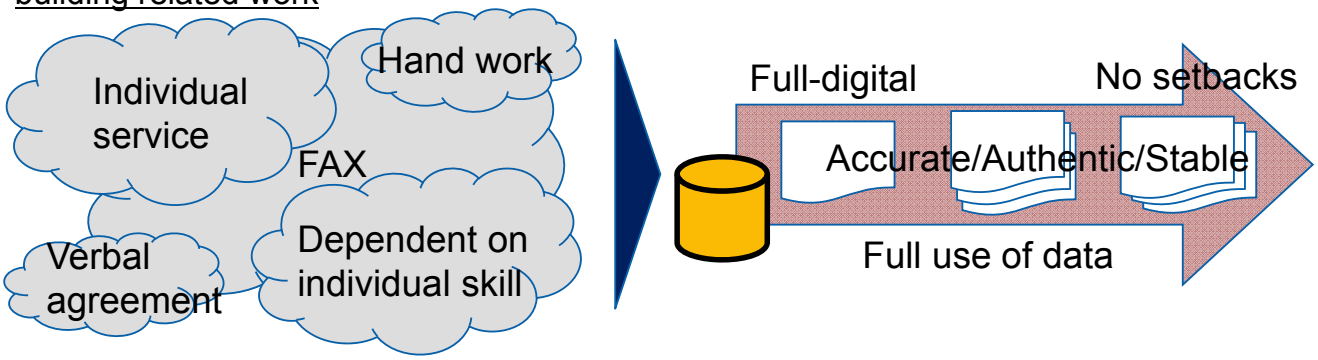


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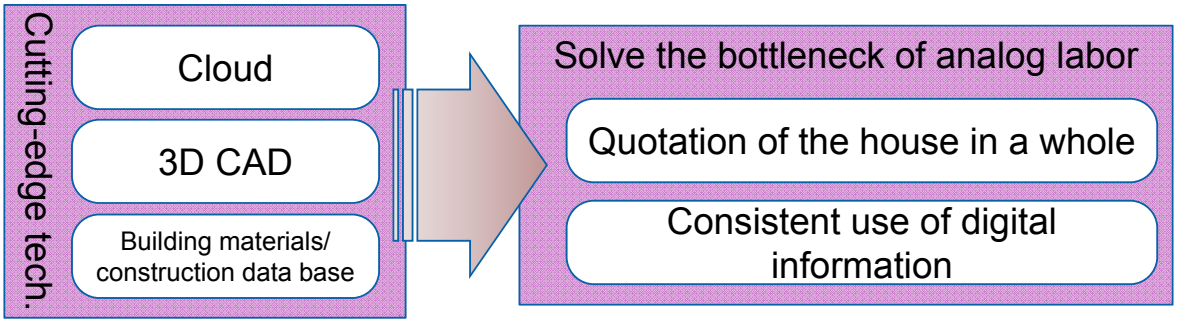
V-1. Launch of K-engine Service (2)

Started a New IT Solution Business

Dramatically improve the analog labor which causes inefficiency of housing and building related work



Renovate the biggest bottleneck work, “Quotation of the house in a whole”



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V-2. 5 Products Were Selected For Good Design Award



Kitchen
"SUNVARIE<ALESTA>"

Air cleaning wall
"Ecocarat Plus"
→





←"Curtain rail integrated in window frame"



"GRAND LINE RAFFIS"



"The Resilience House CH14"
(LIXIL Housing Research Institute)

- Won "Good Design Award 2014"
- 5 products were selected from LIXIL Group

GOOD DESIGN AWARD 2014

◆LIXIL Corporation◆
•Kitchen "SUNVARIE"<ALESTA>", further advanced 3 major values of kitchen: Easy to clean/storage & workability/design
•Air cleaning wall "Ecocarat Plus", provides support to solve problems of air quality
•Industry first, window frame with curtain rails "Curtain rail integrated in window frame"
•The indoor fittings, "GRAND LINE RAFFIS" , minimized the frame and pursue the simple and high-quality design

◆LIXIL Housing Research Institute, Ltd.◆
•" The Resilience House CH14", protects residents from emergency and disaster

V-3. Summary of New Products and Service for the 1H of FY Mar-15 (1)

Quarterly number of new products and services by segments

	FY Mar-14			FY Mar-15
	1H	2H	FY Total	1H
Total	**40**	**43**	**83**	**46**
Metal building material	**10**	**12**	**22**	**12**
Housing sashes & Doors	8	6	14	3
Exterior & Tiles	2	6	8	9
Plumbing fixtures	**7**	**13**	**20**	**11**
Sanitary ware & Washstand cabinet units	3	8	11	2
Bathroom units	3	1	4	2
Kitchens	1	0	1	3
Devices	0	4	4	4
Other	**5**	**8**	**13**	**11**
Exterior wall material for houses & Structural materials	1	3	4	5
Wooden interior furnishing material	3	1	4	6
Energy generation devices	1	4	5	0
Service	**18**	**10**	**28**	**12**

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IV-3. Summary of New Products and Service for the 1H of FY Mar-15 (2)

<Major Products>

	FY Mar-14 1Q	FY Mar-14 2Q	FY Mar-14 3Q	FY Mar-14 4Q	FY Mar-15 1Q	FY Mar-15 2Q
Number of new products launched	10	12	12	22	28	6
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	Gate, fence/ Post & sign integration/ Shutter inegration/ Eco-air 90/ Window frame with curtain rails/ Span siding S/ Sel-fluorine coated outer wall/ Seismic strenghtening wall/ Punchkun/ Kitchen ALESTA/ COCOMA/ Storage	Bathroom SPAGE/ 32K-TV monitor / Honeycomb thermo screen (Branche DX)/ Strenghtened ceramic siding
Renovation	Inplus wood Style shade	Renova / Soleo Renovio V	Added Krail	New type of Solar base Ostomate pack	Punchkun/ New type of COCO-ECO	Toilet REFORE
Multiple family units	Bathroom for AP	Raku net grille			Sash for renovation of low-rise buildings	Vertical type ventilating device with air volume controlling function
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	Multi-sink for kids Public EW Washstands for public facilities・hostpitals Handwash for staffs Wall drainage toilet Sensor integrated stool type urinal	Public toilet	

Vibration controlling functional SW Panel

Automatic water faucet・Water purifying faucet・Electric water heater・Ecocarat +

Washstand faucet/ LED Toilet paper holder

<Major Services>

	FY Mar-14 1Q	FY Mar-14 2Q	FY Mar-14 3Q	FY Mar-14 4Q	FY Mar-15 1Q	FY Mar-15 2Q
Services started	7	11	7	3	8	4
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		Housing franchise started providing solar power service	

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V-4. New Products and Others (1)

Jointly developed with Sharp Corporation

Garden Room ”Cocoma Ⅱ” and Sharp‘s original air disinfecting technology “Plasmacluster” offers comfortable space for pets



※Plasmacluster logo and Plasmacluster is a registered trademark of Sharp Corporation

Technology of Plusmacluster will...

- Decompose odors derived from pets that are adhered to the area and deodorizes to the level of one’s less concern.
- Purify the air in the garden room and suppress the increase of floating allergy substances or bacillus activity.
- Launched on August 2014

Launched 32K-TV “AQUA theater” as new option for system bathroom ”SPAGE” The largest and widest TV in the industry enriches one’s bath time



- Provide super-high-quality picture reproduction with big screen.
- Offers comfortable bath time with the experience of immersive picture and sound poured from the ceiling.
- Combining with "full digital surround system“, one can enjoy a thrilling and sensational viewing experience as if in a theater or a stadium.
- Launched on August 2014

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V-4. New Products and Others (2)

Highly effective hybrid window “SAMOS X” , with heat insulation capacity equivalent to plastic window and slim frame design





•The frame is made thin to the limit and LIXIL’s technology which maximizes the glass area allows both improvement in heat insulation capacity and high design

•By equipping the new hybrid frame structure which allows high heat insulation capacity and highly efficient triple glass, heat insulation capacity equivalent to plastic window is now possible which was not able to be realized by the conventional aluminum-plastic combined window

•Launch on March 2015

Development of the high-performance plastic window "ELSTER X" , the window with world top class insulation capacity, highest in Japan





•Realized the world top class, highest in Japan heat insulation capacity by installing new plastic frame with multilayer hollow structure and highly efficient triple glass

•The maximum light intake quality and vastest view made possible by the thinnest frame in the plastic window industry

•Launch on January 2015

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V-4. New Products and Others (3)

Launched new interior furnishing materials “Family Line Palette” featuring a kind texture from natural wood



•Launch of the “Family Line Palette“, which expresses wood-like appearance, texture, and hand-painted like simplicity, in addition to the major interior furnishing materials “Family Line" series

•Enable users to customize as they like, corresponding to various uses for housing: interior door, closet door, door and counter of storage, decorated counter, etc.

•Launched on October 2014

Renewal of the sliding door “L move“, pursuing usability



•Expanded the design and color of the sliding door “L move” , which pursued usability, are up to industry-maximum of 21 designs and 16 colors (10 colors for steel plate specifications•6 colors for aluminum specifications)

•At the same time, launched “Fire proof sliding door FG-E L move", which secures fire prevention qualities approved by the Minister of Land, Infrastructure and Transportation

•Launched on October 2014

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V-4. New Products and Others (4)

In tie up with Credit Saison and Coiny, started providing "LIXIL Reform-card Payment Service“, which allows payment by credit card using a mobile at the timing of completion of renovation, to approx. 400 "LIXIL reform chain" member stores



【Merits】
•Possible to save time and effort, such as visiting a store for payment or preparing cash in advance for account transfer
•For FC stores, not only simplifying accounting process by card payment, but also safe not having to keep cash at office

•Started from October 2014

【Japan Home Shield】Started offering housing management membership service, "House Owner’s Club ® Living and Housing Support Service” for detached house owners

House Owner's Club
ハウスオーナーズクラブ



With our expertise, we provide comprehensive support for housing related problems such as dealing with equipment trouble and periodic inspection of houses

•Started from October 2014

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1H Results for the FY Ending March 2015 <Fact Sheets>

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November 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	13 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%			
Plumbing fixtures	339.4	359.4	20.0	5.9%			
Other building materials	184.0	206.8	22.8	12.4%			
Domestic sales subtotal	1,008.3	1,085.6	77.3	7.7%	1,059.9	-25.7	-2.4%
Distribution and retail	175.4	195.1	19.6	11.2%	200.9	5.8	3.0%
Housing, real estate and others	59.3	64.2	4.9	8.3%	62.3	-1.9	-3.0%
Domestic sales total	1,243.0	1,344.9	101.9	8.2%	1,323.1	-21.8	-1.6%
Asia	66.2	92.9	26.8	40.5%	109.6	16.6	17.9%
Permasteelisa	161.8	205.0	43.2	26.7%	230.1	25.1	12.2%
ASB	-	29.1	29.1	-	101.4	72.3	248.6%
Overseas sales	228.0	327.0	99.0	43.4%	441.1	114.1	34.9%
Inter segment sales	-34.6	-43.2	-8.6	-	-49.2	-6.0	-
Net sales	1,436.4	1,628.7	192.3	13.4%	1,715.0	86.3	5.3%
Gross profit	403.1	447.8	44.8	11.1%	481.2	33.4	7.5%
Gross margin	28.1%	27.5%	-	-0.6P	28.1%	-	+0.6P
SG&A	352.6	378.8	26.2	7.4%	401.2	22.5	5.9%
SG&A ratio	24.5%	23.3%	-	-1.3P	23.4%	-	+0.1P
Metal building materials	31.0	42.3	11.3	36.5%			
Plumbing fixtures	21.8	25.4	3.7	16.8%			
Other building materials	10.2	12.2	1.9	18.9%			
Domestic OP subtotal	63.0	79.9	16.9	26.8%	85.7	5.8	7.3%
Distribution and retail	0.7	4.3	3.6	523.6%	8.2	4.0	93.0%
Housing, real estate and others	5.2	6.1	0.9	17.3%	5.2	-0.9	-14.3%
Domestic OP total	68.8	90.2	21.4	31.1%	99.2	8.9	9.9%
Asia	1.4	1.7	0.3	21.1%	4.8	3.1	181.8%
Permasteelisa	6.9	3.9	-3.0	-43.1%	7.0	3.1	78.2%
ASB	-	1.5	1.5	-	3.5	2.0	138.1%
Overseas OP*	8.3	7.1	-1.2	-14.3%	15.3	8.2	115.6%
HQ expenses, amortization and PPA	-26.6	-28.2	-1.6	-	-34.5	-6.2	-
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			
Plumbing fixtures	6.4%	7.1%	-	+0.7P			
Other building materials	5.6%	5.9%	-	+0.3P			
Domestic OPM subtotal	6.2%	7.4%	-	+1.1P	8.1%	-	+0.7P
Distribution and retail	0.4%	2.2%	-	+1.8P	4.1%	-	+1.9P
Housing, real estate and others	8.7%	9.4%	-	+0.7P	8.3%	-	-1.1P
Domestic OPM total	5.5%	6.7%	-	+1.2P	7.5%	-	+0.8P
Asia	2.1%	1.8%	-	-0.3P	4.4%	-	+2.5P
Permasteelisa	4.3%	1.9%	-	-2.3P	3.0%	-	+1.1P
ASB	-	5.1%	-	-	3.5%	-	-1.6P
Overseas OPM	3.6%	2.2%	-	-1.5P	3.5%	-	+1.3P
OP margin	3.5%	4.2%	-	+0.7P	4.7%	-	+0.4P
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 of FY Ending March 2015 and Forecasts for 2H & Full Year of FY Ending March 2015

Units: Y bn, %

	FY Ended March 2014			FY Ending March 2015											
	1H	2H	Full-year	1H						2H forecasts			Full-year forecasts		
	results	results (tentative)	results (tentative)	** forecasts	results	Y/Y (amount)	Y/Y (%)	Vs. forecasts (amount)	Vs. forecasts (%)		Y/Y (amount)	Y/Y (%)		Y/Y (amount)	Y/Y (%)
Metal building materials	238.7	280.7	519.4	246.0	240.2	1.4	0.6%	-5.8	-2.4%						
Plumbing fixtures	170.4	189.0	359.4	173.0	163.6	-6.7	-3.9%	-9.4	-5.4%						
Other building materials	96.0	110.8	206.8	96.0	91.1	-4.9	-5.1%	-4.9	-5.1%						
Domestic sales (subtotal)	505.1	580.5	1085.6	515.0	494.9	-10.2	-2.0%	-20.1	-3.9%	565.0	-15.5	-2.7%	1,059.9	-25.7	-2.4%
New homes/ non-residential	372.3	430.7	803.0	370.0	360.2	-12.1	-3.2%	-9.8	-2.7%	406.0	-24.7	-5.7%	766.2	-36.8	-4.6%
Renovation	132.8	149.8	282.6	145.0	134.7	1.9	1.5%	-10.3	-7.1%	159.0	9.2	6.1%	293.7	11.1	3.9%
Distribution and retail	93.8	101.3	195.1	100.0	97.9	4.1	4.4%	-2.1	-2.1%	103.0	1.7	1.7%	200.9	5.8	3.0%
Housing, real estate and others	30.9	33.4	64.2	30.0	29.3	-1.6	-5.0%	-0.7	-2.4%	33.0	-0.4	-1.1%	62.3	-1.9	-3.0%
Domestic sales (total)	629.7	715.2	1344.9	645.0	622.1	-7.6	-1.2%	-22.9	-3.6%	701.0	-14.2	-2.0%	1,323.1	-21.8	-1.6%
Asia	41.2	51.8	92.9	45.0	49.6	8.4	20.3%	4.6	10.1%	60.0	8.2	15.9%	109.6	16.6	17.9%
Curtain Wall	91.5	113.5	205.0	115.0	99.1	7.6	8.3%	-15.9	-13.9%	131.0	17.5	15.4%	230.1	25.1	12.2%
ASB	-	29.1	29.1	53.0	47.4	47.4	-	-5.6	-10.5%	54.0	24.9	85.6%	101.4	72.3	248.6%
Overseas sales (total)	132.7	194.3	327.0	213.0	196.1	63.4	47.8%	-16.9	-7.9%	245.0	50.7	26.1%	441.1	114.1	34.9%
Adjustments	-20.9	-22.4	-43.2	-23.0	-22.0	-1.1	-	1.0	-4.5%	-27.2	-4.8	-	-49.2	-6.0	-
Net sales	741.5	887.1	1628.7	835.0	796.2	54.7	7.4%	-38.8	-4.6%	918.8	31.7	3.6%	1,715.0	86.3	5.3%
Gross profit	206.4	241.4	447.8	232.0	216.2	9.8	4.8%	-15.8	-6.8%	265.0	23.6	9.8%	481.2	33.4	7.5%
SG&A	180.4	198.3	378.8	201.0	202.9	22.5	12.5%	1.9	1.0%	198.3	0	0.0%	401.2	22.5	5.9%
Metal building materials	18.6	23.7	42.3	19.5	14.2	-4.4	-23.7%	-5.3	-27.2%						
Plumbing fixtures	11.1	14.3	25.4	11.5	4.7	-6.4	-57.5%	-6.8	-59.0%						
Other building materials	4.3	7.9	12.2	4.0	2.8	-1.5	-34.1%	-1.1	-29.0%						
Domestic OP (subtotal) *	34.0	45.9	79.9	35.0	21.7	-12.2	-36.0%	-13.2	-37.9%	64.0	18.1	39.3%	85.7	5.8	7.3%
Distribution and retail	1.7	2.6	4.3	2.3	3.5	1.9	110.2%	1.2	54.2%	4.7	2.1	81.7%	8.2	4.0	93.0%
Housing, real estate and others	2.9	3.1	6.1	2.4	2.1	-0.8	-28.1%	-0.3	-12.8%	3.1	0.0	-1.5%	5.2	-0.9	-14.3%
Domestic OP* (total)	38.6	51.7	90.2	39.7	27.4	-11.2	-29.1%	-12.3	-31.0%	71.8	20.1	39.0%	99.2	8.9	9.9%
Asia	-0.5	2.2	1.7	0.5	1.4	1.9	-352.8%	0.0	160.1%	3.5	1.2	54.1%	4.8	3.1	181.8%
Curtain Wall	0.7	3.2	3.9	2.8	1.3	0.6	76.4%	-1.5	-54.6%	5.7	2.5	78.6%	7.0	3.1	78.2%
ASB	-	1.5	1.5	3.7	1.2	1.2	-	-2.5	-66.9%	2.3	0.8	55.3%	3.5	2.0	138.1%
Overseas OP* (total)	0.2	6.9	7.1	7.0	3.9	3.7	-	-3.2	-45.2%	11.5	4.5	65.7%	15.3	8.2	115.6%
HQ expenses	-8.7	-10.3	-19.0	-10.6	-13.0	-4.3	-	-2.4	-	-11.1	-0.8	-	-24.0	-5.1	-
Amortization of goodwill and PPA	-4.1	-5.2	-9.3	-5.0	-4.9	-0.8	-	0.1	-	-5.5	-0.3	-	-10.4	-1.2	-
Operating profit	26.0	43.1	69.1	31.0	13.3	-12.7	-48.8%	-17.7	-57.2%	66.7	23.6	54.7%	80.0	10.9	15.8%
OP margin	3.5%	4.9%	4.2%	3.7%	1.7%	-	-1.8P	-	-2.0P	7.3%	-	+2.4P	4.7%	-	+0.4P
Recurring profit	29.0	46.0	74.9	31.5	13.1	-15.9	-54.9%	-18.4	-58.5%	68.4	22.5	48.8%	81.5	6.6	8.8%
Net income	17.8	26.9	44.8	19.0	3.8	-14.1	-78.9%	-15.2	-80.2%	45.2	183.0	67.9%	49.0	4.2	9.5%

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

** Announced on August 4, 2014

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

	Mar-14 results	Mar-15 1H results	Mar-15 assumptions
US dollars	100.49 yen	103.51 yen	105.00 yen
Euros	129.34 yen	140.61 yen	145.00 yen
Thai bahts	3.18 yen	3.17 yen	3.30 yen
Chinese yuans	15.81 yen	16.67 yen	17.50 yen

Aluminum price (Purchasing price)	220,000 yen/ton	230,000 yen/ton	230,000 yen/ton
Copper price	550,000 yen/ton	670,000 yen/ton	580,000 yen/ton

3. Quarterly Financial Results

Units: Y bn

	Mar-14 results										Mar-15			
	1H				2H						1H			
	Q1 results		Q2 results		Q3 results		Q4 results				Q1 results		Q2 results	
		Y/Y		Y/Y	(tentative)	Y/Y	(tentative)	Y/Y		Y/Y		Y/Y		Y/Y
Metal building materials	109.9	-	128.9	-	133.6	-	147.1	-	280.7	-	113.0	2.8%	127.2	-1.3%
Plumbing fixtures	81.0	-	89.4	-	92.6	-	96.4	-	189.0	-	78.9	-2.5%	84.7	-5.2%
Other building materials	45.3	-	50.7	-	52.8	-	58.0	-	110.8	-	43.8	-3.2%	47.3	-6.8%
Distribution and retail	48.2	8.1%	45.6	7.4%	51.7	8.2%	49.6	22.0%	101.3	14.5%	49.4	2.5%	48.5	6.4%
Housing, real estate and other	15.0	14.2%	15.9	2.8%	16.4	5.4%	16.9	11.9%	33.4	8.6%	14.1	-6.1%	15.2	-4.1%
Domestic sales	299.3	-	330.4	-	347.1	-	368.1	-	715.2	-	299.2	0.0%	322.9	-2.3%
Asia	17.7	-	23.5	-	24.4	-	27.4	-	51.8	-	23.5	32.4%	26.1	11.2%
Permasteelisa	40.9	-	50.6	-	52.1	-	61.4	-	113.5	-	46.0	12.5%	52.5	3.9%
ASB	-	-	-	-	7.2	-	21.9	-	29.1	-	23.5	-	24.0	-
Overseas sales	58.6	-	74.0	-	83.7	-	110.7	-	194.3	-	93.0	58.6%	102.6	38.6%
Inter segment sales	-9.5	-	-11.4	-	-10.7	-	-11.7	-	-22.4	-	-10.7	-	-10.8	-
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%	414.7	5.5%
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%	111.5	2.8%
Gross margin	28.1%	+0.3P	27.6%	-0.7P	28.2%	-1.5P	26.4%	-0.2P	27.2%	-0.9P	27.5%	-0.7P	26.9%	-0.7P
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%	103.0	12.4%
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	24.8%	+1.5P
Metal building materials	7.2	-	11.4	-	12.8	-	10.9	-	23.7	-	5.9	-17.6%	8.3	-27.5%
Plumbing fixtures	4.4	-	6.7	-	8.9	-	5.4	-	14.3	-	1.4	-68.2%	3.3	-50.5%
Other building materials	1.3	-	3.0	-	3.7	-	4.2	-	7.9	-	0.9	-25.8%	1.9	-37.6%
Distribution and retail	1.2	-	0.4	-	1.7	-	0.9	-	2.6	-	2.2	78.4%	1.3	199.8%
Housing, real estate and other	1.3	-	1.6	-	1.8	-	1.4	-	3.1	-	1.2	-13.1%	0.9	-40.7%
Domestic OP*	15.4	-	23.1	-	28.9	-	22.7	-	51.7	-	11.6	-24.6%	15.7	-32.0%
Asia	-0.8	-	0.3	-	1.5	-	0.7	-	2.2	-	0.4	-	1.0	251.6%
Permasteelisa	0.7	-	0.0	-	1.1	-	2.1	-	3.2	-	0.1	-91.8%	1.2	-
ASB	-	-	-	-	0.5	-	1.0	-	1.5	-	1.0	-	0.2	-
Overseas OP*	-0.1	-	0.3	-	3.0	-	3.9	-	6.9	-	1.5	-	2.4	-
HQ expenses	-4.1	-	-4.5	-	-4.7	-	-5.6	-	-10.3	-	-5.8	-	-7.2	-
Amortization of goodwill and PPA	-2.0	-	-2.1	-	-2.3	-	-2.9	-	-5.2	-	-2.5	-	-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%	8.5	-49.6%
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	2.0%	-2.2P
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%	8.5	-44.7%
Net income/ loss	9.0	736.7%	8.8	Turned profitable	19.1	5.5%	7.9	-42.2%	26.9	-15.1%	0.1	-98.8%	3.6	-58.7%

* 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

Unit: Ybn

	1H					2H			Full-year		
	Mar-14 results	Mar-15 forecasts	**Mar-15 results**	Y/Y (%)	Vs. forecasts	Mar-14 results	**Mar-15 forecasts**	Y/Y (%)	Mar-14 results	**Mar-15 forecasts**	Y/Y (%)
Metal building materials	238.7	246.0	**240.2**	0.6%	-2.4%	280.7			519.4		
Plumbing fixtures	170.4	173.0	**163.6**	-3.9%	-5.4%	189.0			359.4		
Other building materials	96.0	96.0	**91.1**	-5.1%	-5.1%	110.8			206.8		
Domestic building materials total	505.1	515.0	**494.9**	-2.0%	-3.9%	580.5	**565.0**	-2.7%	1,085.6	**1,059.9**	-2.4%

Operating profit of domestic manufacturing businesses

Unit: Ybn

	1H					2H			Full-year		
	Mar-14 results	Mar-15 forecasts	**Mar-15 results**	Y/Y (%)	Vs. forecasts	Mar-14 results	**Mar-15 forecasts**	Y/Y (%)	Mar-14 results	**Mar-15 forecasts**	Y/Y (%)
Metal building materials	18.6	19.5	**14.2**	-23.7%	-27.2%	23.7			42.3		
Plumbing fixtures	11.1	11.5	**4.7**	-57.5%	-59.0%	14.3			25.4		
Other building materials	4.3	4.0	**2.8**	-34.1%	-29.0%	7.9			12.2		
Domestic building materials total	34.0	35.0	**21.7**	-36.0%	-37.9%	45.9	**64.0**	39.3%	79.9	**85.7**	7.3%

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

<1H (6 months) results: Y/Y>

Unit：Y bn

	Mar-14 1H 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	Special factors	Total	Mar-15 1H results
Metal	18.6	0.4	-1.2	-1.0	-0.2	-0.3	-0.8	-1.3	-4.4	+14.2
Plumbing	11.1	-2.3	-0.9	-0.5	-0.8	1.8	1.3	-5.0	-6.4	+4.7
Other	4.3	-1.3	-0.2	-0.3	-0.5	0.8	0.5	-4.0	-1.5	+2.8
Manufacturing total	34.0	-3.2	-2.3	-1.8	-1.5	2.3	1.0	-6.7	-12.2	+21.7

5. Segment Information (2) Distribution and Retail

Sales and OP for the segment

Unit: Y bn

		1H					2H			Full-year		
		Mar-14 results	Mar-15 forecasts	**Mar-15 results**	Y/Y (%)	Vs. forecasts	Mar-14 results	**Mar-15 forecasts**	Y/Y (%)	Mar-14 results	**Mar-15 forecasts**	Y/Y (%)
Sales		93.8	100.0	**97.9**	4.4%	-2.1%	101.3	**103.0**	1.7%	195.1	**200.9**	3.0%
OP		1.7	2.3	**3.5**	110.2%	54.2%	2.6	**4.7**	81.7%	4.3	**8.2**	93.0%
Figures of Ken Depot included above	Sales	12.8	15.9	**15.1**	17.6%	-4.9%	12.8	**19.4**	51.6%	28.1	34.5	22.8%
	OP	-1.8	118.2	**-0.8**	Loss decreased	Loss increased	-1.8	**0.8**	-	-2.8	0.0	-

Operation profits: increase/ decrease analysis

<1H (6 months) results: Y/Y>

Unit: Y bn

Mar-14 1H results	Due to sales fluctuation	Sales price	Cost	SG&A	Cost of new stores	Ken Depot	Total	Mar-15 1H results
1.7	0.5	0.8	0.5	0.3	-1.2	1.0	+1.9	3.5

Number of stores

Unit: stores

	Mar-14 results	Mar-15 1H results	Mar-15 Change from Mar-14	Mar-15 forecasts	Mar-15 Change from Mar-14
Newly opened SVH stores	4	0	-4	1	-3
Newly opened NVH stores	0	0	0	0	0
Newly opened Ken Depot stores	4	2	-2	6	2
Number of stores closed	4	0	-4	1	-3
Number of stores at end of term	146	148	2	152	6
(SVH stores)	33	33	0	34	1
(NVH stores)	9	9	0	9	0
(Ken Depot stores)	62	64	2	68	6

Results of home center business

Units: Y bn

	Mar-14 1H results	Mar-15 1H results	Mar-15 Y/Y
Sales	80.9	82.8	2.3%
OP	4.1	5.3	28.6%
%	5.1%	6.4%	1.3P

Rate of sales growth of home center stores

<Mar-15 1H results> Unit: %

All stores	+2.4
Existing stores only	-2.6

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

Growth rate of customer footfall and average sales per customer

<Mar-15 1H results> Unit: %

All stores	
Customer footfall	-1.6
Average sales	4.1
Existing stores only	
Customer footfall	-5.9
Average sales	3.4

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

Sales and OP of the segment

Units: Y bn, %

	1H					2H			Full-year		
	Mar-14 results	Mar-15 forecasts	**Mar-15 results**	Y/Y (%)	Vs. forecasts	Mar-14 results	**Mar-15 forecasts**	Y/Y (%)	Mar-14 results	**Mar-15 forecasts**	Y/Y (%)
Sales	30.9	30.0	**29.3**	-5.0%	-2.4%	33.4	**33.0**	-1.1%	64.2	**62.3**	-3.0%
OP	2.9	2.4	**2.1**	-28.1%	-12.8%	3.1	**3.1**	-1.5%	6.1	**5.2**	-14.3%

Sales and OP by segment companies

<Mar-15 1H results>

Units: Y bn, %

	Sales			OP		
	Mar-14 1H results	Mar-15 1H results	Y/Y (%)	Mar-14 1H results	Mar-15 1H results	Y/Y (%)
LIXIL Housing Research Institute	13.2	12.1	-8.3%	1.0	0.6	-36.5%
JIO	5.5	5.6	2.0%	0.3	0.3	-17.5%
Japan Home Shield	5.0	4.7	-6.9%	0.7	0.5	-27.8%
Other & adjustments	7.1	6.9	-3.0%	0.8	0.8	-11.5%
Segment total	30.9	29.3	-5.0%	2.8	2.1	-24.7%

Number of contracts received and houses built with housing franchise businesses

Number of contracts received

Units: houses, %

	Mar-14 1H results	Mar-15 1H results	Y/Y
Total for the Group	2,636	1,988	-24.6%

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

Number of houses built

Units: houses, %

	Mar-14 1H results	Mar-15 1H results	Y/Y
Total for the Group	1,990	1,654	-16.9%

7. Sales by Products and Services

Units: Y bn,%

Major products	Mar-14 results	Mar-14 1H results	Mar-15 1H results	Y/Y (%)	Quarterly Y/Y (%)					
					Mar-14				Mar-15	
					Q1	Q2	Q3	Q4	Q1	**Q2**
Housing sashes and related products	**215.2**	**104.7**	**99.3**	-5.2%	8.0	3.5	9.2	11.1	-5.2	**-5.1**
Exterior	**120.6**	**57.6**	**60.9**	5.8%	-2.2	1.8	5.0	19.5	8.3	**3.2**
Building sashes and shutters	**117.3**	**48.0**	**48.5**	0.9%	-1.9	2.5	1.8	1.5	5.2	**-1.4**
Sanitary ware	**102.4**	**47.0**	**46.0**	-2.1%	1.1	5.1	3.8	19.5	0.8	**-4.6**
Bathroom units	**91.3**	**42.9**	**42.6**	-0.8%	5.5	5.8	8.1	16.4	1.6	**-3.1**
Kitchens	**106.0**	**52.3**	**48.7**	-6.9%	6.8	12.2	6.7	-3.4	-5.3	**-8.4**
Washstand cabinet units	**34.0**	**15.3**	**15.5**	1.4%	5.9	8.5	7.8	22.0	5.6	**-2.4**
Wooden interior furnishing materials	**59.8**	**27.3**	**26.9**	-1.7%	18.7	19.1	19.1	31.4	0.6	**-3.8**
Exterior wall materials for houses	**37.7**	**18.6**	**16.5**	-11.4%	3.8	5.3	-5.6	12.3	-5.9	**-16.4**
Tiles	**30.8**	**14.3**	**14.1**	-1.3%	-4.5	-1.5	-4.1	7.6	0.6	**-3.1**
Interior Fabric	**32.4**	**14.9**	**14.3**	-4.3%	-1.6	-0.4	-1.0	11.3	-1.2	**-6.9**
Housing structures and precut woods	**37.5**	**18.9**	**14.0**	-25.9%	13.9	16.4	14.4	3.0	-25.0	**-26.6**
Home center sales	**191.9**	**92.2**	**96.2**	4.3%	7.8	7.4	8.0	21.9	2.6	**6.1**
Overseas	**293.9**	**116.5**	**176.8**	51.8%	15.2	38.4	45.2	65.9	64.1	**42.4**
Other	**157.8**	**70.9**	**76.3**	7.6%	9.7	5.2	11.0	31.2	5.7	**9.4**
Total	**1,628.7**	**741.5**	**796.5**	7.4%	6.8	10.2	12.4	23.0	9.5	**5.6**

8. Renovation Business

Ratio of renovation business

Units: Y bn, %

	Mar-13 results	Mar-14 results	Y/Y	Mar-15 1H results	Y/Y
Sales from renovation business	327.4	376.7	15.1%	182.5	3.1%
Ratio of renovation business*	26.6%	28.2%	+1.6P	29.5%	+1.2P

*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	Y/Y	Mar-15 forecasts	Y/Y	Mar-15 1H results	Y/Y
Group total	247.9	282.6	14.0%	293.7	3.9%	134.7	1.5%
Renovation ratio	29.2%	31.0%	+1.8P	32.9%	+1.9P	32.2%	+2.1P

Renovation network

(Number of member homebuilders)

Voluntary type	Mar-12 results	Mar-13 results	Mar-14 results	**Mar-15 1H results**
LIXIL Reform Net	8,896	9,356	10,203	**11,143**

* Changed to current organization in April 2012

Franchise type	Mar-12 results	Mar-13 results	Mar-14 results	**Mar-15 1H results**
LIXIL Reform Chain	414	377	376	**398**

* 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 1H results	Mar-15 forecasts
Aluminum housing sashes	Thailand	26%	30%	26%
Interior wooden furnishing materials	China	46%	46%	46%
Sanitary ware	China, Vietnam	42%	45%	42%
Water faucets*	China, Vietnam	12%	13%	11%
Floor tiles	China, Vietnam	53%	53%	53%

*Overseas production ratio calculation method has been revised from Q1.

Sales overseas

Units: Y bn, %

Areas	Mar-14 1H results			Mar-15 1H results				
	Sales	Sales excluding Permasteelisa	Sales of Permasteelisa	Sales	Y/Y	Sales excluding Permasteelisa	Y/Y	Sales of Permasteelisa
Greater China	33.9	20.7	13.2	35.7	5.4%	22.7	9.7%	13.0
Thailand	5.8	5.4	0.4	7.2	25.1%	6.0	12.3%	1.2
Vietnam	3.9	3.5	0.4	3.9	-1.1%	3.9	9.8%	0.0
Korea	2.2	2.1	0.0	4.7	117.8%	4.6	118.9%	0.1
Other Asian countries	8.6	3.2	5.4	8.6	0.8%	3.8	19.4%	4.8
Middle East	18.4	0.0	18.4	14.7	-20.1%	0.0	-36.8%	14.7
North America	16.4	0.6	15.8	69.6	324.5%	46.1	-	23.5
Europe	22.6	0.2	22.4	26.1	15.5%	0.2	-19.5%	25.9
Others	4.7	0.6	4.1	6.2	31.4%	2.3	301.3%	3.9
Total	116.5	36.2	80.2	176.8	51.8%	89.5	147.1%	87.3

(For reference)

Overseas sales ratio

Units: Y bn, %

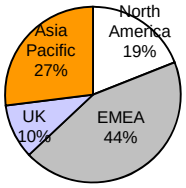
	Mar-11 results	Mar-12 results	Mar-13 results	Mar-14 results	Mar-15 1H results	Mar-15 forecast
Overseas sales	40.0	53.9	205.1	293.9	176.8	409.0
Overseas sales ratio	3.3%	4.2%	14.3%	18.0%	22.2%	23.8%

10. Permasteelisa

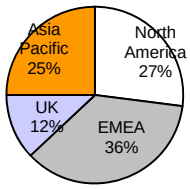
Full-year= January to December

Regional sales contribution

FY2013



FY2014 1H



Business performance of Permasteelisa

Units: Y bn, %

	Dec-13 1H results	Dec-14 1H results	Y/Y	Dec-14 forecasts	Y/Y
Sales	81.6	88.8	9%	213.0	18%
Permasteelisa OP	1.4	1.4	2%	7.0	70%
%	1.7%	1.6%	-0P	3%	1P
Amortization of Goodwill and intangible assets	2.8	2.9	2%	5.9	1%
OP	-1.4	-1.4	-	1.1	-
Exchange rate Yen/Euro	124.2	140.6	-	145.0	-

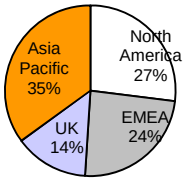
Orders received

Unit: million euros

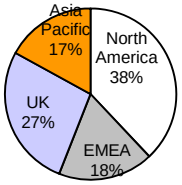
	Dec-13 1H results	Dec-14 1H results
New	833	702
Backlog	2,143	2,013

New orders by region

FY2013



FY2014 1H



Goodwill

Unit: million euros

	Mar-14 results End balance	Mar-15 Q1 results Amortization	Mar-15 Q1 results End Balance	Mar-15 forecasts Amortization	Mar-15 forecasts End Balance	Amortization period
Goodwill	216	12	204	24	192	11 years
Other intangible assets	204	8	195	17	187	4 to 20 years
Total	419	20	399	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 1H results	Mar-15 forecasts
Sales	47.4	101.4
OP	1.2	3.5
%	3%	3%
Amortization of Goodwill and intangible assets*	0.7	1.4
OP	0.5	2.1
Exchange rate Yen/USD	103.5	105.0

Business performance of ASB (in USD)

Units: million dollars, %

	Mar-14 1H results	Mar-15 1H results	Y/Y
Sales	443	462	4.4%
OP	15	15	-0.7%
%	3%	3%	-0P
Total Assets	-	867	-
Interest bearing debt	-	310	-
Net Assets	-	269	-

Goodwill and other intangible assets

Unit: million dollars

	Mar-15 1H results Amortization	Mar-15 1H results End Balance	Mar-15 forecasts Amortization	Mar-15 forecasts End Balance	Amortization period
Goodwill	4	145	7	134	20 years
Other intangible assets*	3	94	6	82	5 to 30 years
Total	7	239	13	217	

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

12. Asia Business

Full-year= January to December
Consolidated Asia Segment

Units: Y bn, %

	1H 2013	1H 2014	Y/Y		2014 forecast	Y/Y	
			Increase/ decrease	%		Increase/ decrease	%
Net sales to outside customers	25.7	32.9	7.2	28%	-	-	-
Inter-segment sales of products	15.5	16.7	1.2	8%	-	-	-
Net Sales	41.2	49.6	8.4	20%	109.6	16.6	15%
OP *1	-0.5	1.4	1.9	-	4.8	3.1	65%
OPM *2	-2%	4%	-	+6P	-	-	-

*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	+	-	Sep-14
Consolidated subsidiaries	107	20	3	124	3	0	127	2	0	129	1	4	126	**2**	**0**	**128**
Equity method affiliates	3	0	0	3	1	0	4	1	0	5	0	0	5	**0**	**1**	4

* Impact to sales and profit due to new consolidation and equity method
Y47.2bn in sales, Y0.1bn in OP, -Y3.9bn in RP, -Y4.6bn in net income

14. Goodwill

Amortization of negative goodwill Unit: Y bn

	Mar-14 results		Mar-15 forecasts		Mar-15 1H results	
	Amortization	Balance	Amortization	Balance	Amortization	Balance
American Standard AP	0.1	0.1	0.1	-	0.1	-
Others	-	-	0.1	-	0.1	-
Total	0.1	0.1	0.1	-	0.1	-
Non-operating income	0.1		0.1		0.1	
Extraordinary income	-		-		-	

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

	Mar-14 results		Mar-15 forecasts		Mar-15 1H results	
	Amortization	Balance	Amortization	Balance	Amortization	Balance
American Standard AP	0.5	0.2	0.2	-	0.2	-
AMTRONIC*1	0.3	-	-	-	-	-
Kawashima Selkon Textiles	0.6	1.3	0.6	0.7	0.3	1.0
LIXIL Haier Housing Products	0.7	2.2	0.7	1.5	0.4	1.7
Hivic	0.3	0.7	0.3	0.4	0.1	0.6
Permasteelisa	3.1	31.3	3.5	27.8	1.7	28.2
ASB	0.7	*2 42.2	0.8	14.1	0.4	16.3
Star Alubuild	0.0	0.4	0.1	0.3	0.0	0.4
Other	0.7	1.6	0.6	1.7	0.3	2.4
Total	6.8	80.0	6.8	46.6	3.5	50.5
SG&A	6.6		6.8		3.5	
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%	6.3 *2	>Expand sales for Leopalace
Sept 2013	EDION	Renovation business in the home electrical appliance industry	5.0	8%	1.2	>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 September 2014
*2: Includes gain on sales of March 2013