TSE Code: 5938

Q3 Results for the Fiscal Year Ending March 31, 2015

(From April 1, 2014 to December 31, 2014)

February 2, 2015

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 Q3 Results

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Greater than expected domestic market decline continues

- Despite the decline in domestic sales year on year, delivered strong performance against the market (over +10%)
- Steady growth in overseas business (Excluding ASB: +8%)
- 33% decline in OP due to profit deterioration from demand decline in domestic building material business (-15.7bn yen) which offsets significant OP improvement of overseas business and distribution and retail business (+6.8bn yen)
- Significant improvement of FCF 108.7bn yen year on year (Improvement of +60.2bn yen is from working capital)
- Despite the Eco-Point Program for Housing in Q4, full-year forecast of OP range to be lowered to 60-53bn yen due to stagnant domestic market
- Further globalization by adopting IFRS from next FY and consolidating GROHE

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Unit: Y bn

	Mar-15 1H results			Mar-14 Q3 (9 months) Results	Mar-15 Q3 (9 months)		
	Results	Y/Y Increase/ decrease	Y/Y %		Results	Y/Y Increase/ decrease	Y/Y %
Net sales	796.2	54.7	7.4	1,161.6	1,220.8	59.2	5.1
Gross profit	216.2	9.8	4.8	324.7	334.4	9.7	3.0
GPM (%)	27.2%	-	-0.7	28.0%	27.4%	-	-0.6
SG&A	202.9	22.5	12.5	273.8	300.2	26.4	9.7
SG&A ratio (%)	25.5%	-	+1.2	23.6%	24.6%	-	+1.0
Operating profit	13.3	-12.7	-48.8	50.9	34.2	-16.8	-32.9
OPM (%)	1.7%	-	-1.8	4.4%	2.8%	-	-1.6
Recurring profit	13.1	-15.9	-54.9	56.1	34.0	-22.1	-39.4
Income before income taxes	13.9	-12.8	-47.9	55.6	41.6	-14.1	-25.3
Net income	3.8	-14.0	-78.9	36.9	19.8	-17.1	-46.3
Net income before amortization of goodwill	10.2	-10.3	-50.1	39.9	27.5	-12.4	-31.2
EPS before amortization of goodwill (Yen)	35	-36	-50.4	137	94	-43	-31.6
EBITDA*	41.9	-11.4	-21.4	93.1	77.6	-15.4	-16.6
EBITDA%	5.3%	-	-1.9	8.0%	6.4%	-	-1.7

Domestic -2%
Overseas +38%

Domestic (normalized basis) -0.1
Impact from increase in overseas profit composition ratio -0.4

Acquisition cost of GROHE and others

Sales of investment securities and others

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

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I-2. Financial Results for the Q3 (9 months) of the FY Ending Mar-15 (2)

Unit: Y bn

	Mar-15 Q3 financial statements	One time cost / prior investment
Sales	1,220.8	0
Gross profit	334.4	-1.4
	27.4%	
SG&A	300.2	6.9
	24.6%	
Operating profit	34.2	-8.3
	2.8%	
Recurring profit	34.0	-14.8

	Mar-14 Q3 results	Mar-15 Q3 normalized results	Y/Y Increase/ decrease	Y/Y %	Y/Y excluding impacts of ASB	Y/Y %
Sales	1,161.6	1,220.8	59.2	5.1	-6.1	-0.5
Gross profit	324.7	335.8	11.1	3.4		
GPM (%)	28.0%	27.5%	-	-0.5		
SG&A	273.8	293.3	19.5	7.1		
SG&A ratio (%)	23.6%	24.0%	-	+0.5		
Operating profit	50.9	42.5	-8.5	-16.6	-9.2	-18.0
OPM (%)	4.4%	3.5%	-	-0.9	-	-0.9
Recurring profit	56.1	48.8	-7.3	-13.0	-6.6	-11.7

One time cost / prior investment (-14.8)

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

<Non-operating income/loss -6.5>
GROHE acquisition cost & amortization of PPA -6.5

<SG&A +6.9>
Investment for BT-16 +2.8
Investment for sales activities +2.8
Snow damage +1.3

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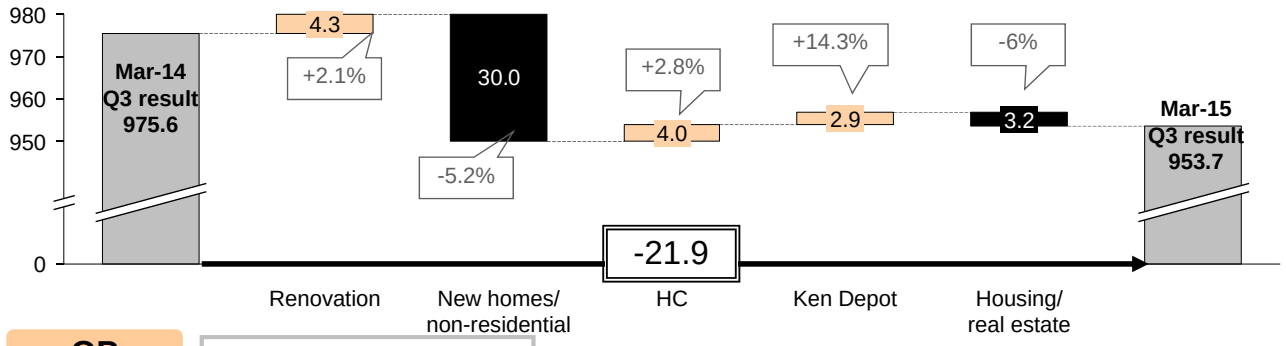
I-3. Increase/Decrease of Sales and OP in Japan (Y/Y)

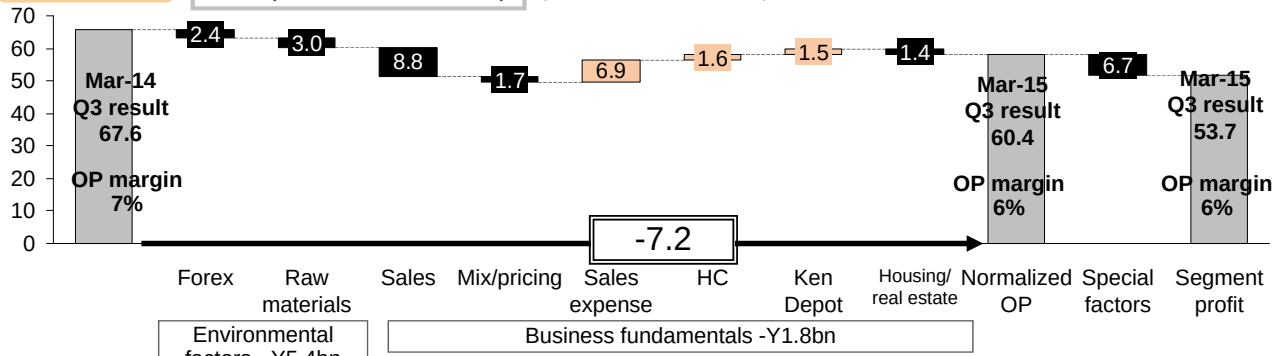
Sales -2% (1H: -1%, Q3: -4%)

Unit: Y bn



OP -21% (Normalized rate-11%) (1H: -29%, Q3: -9%)

Unit: Y bn



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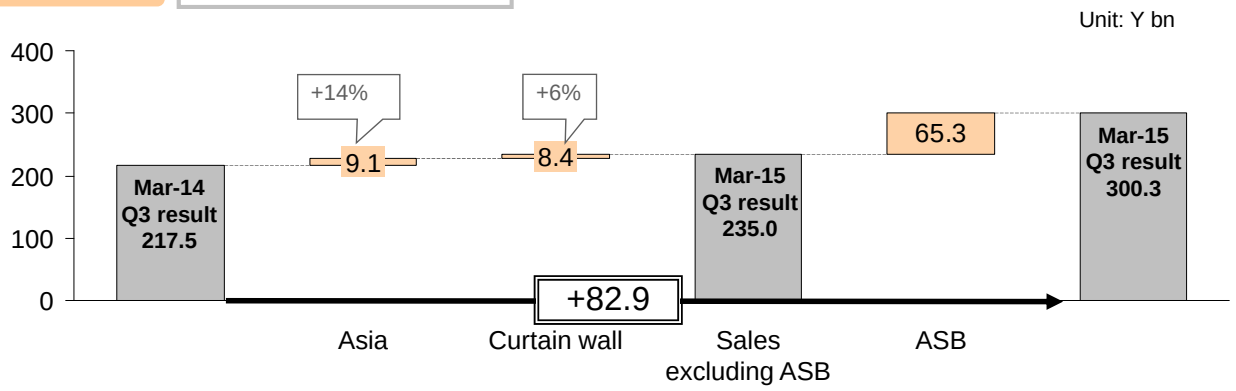
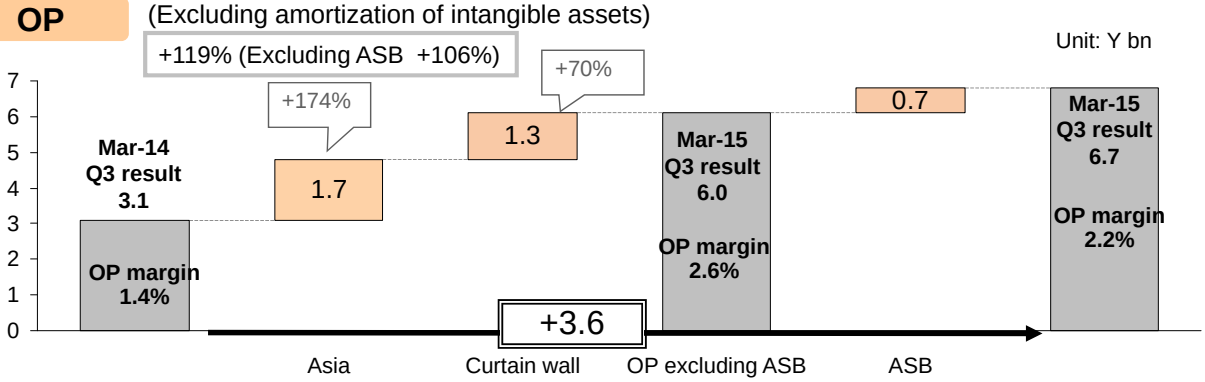
I-4. Increase/Decrease of Sales and OP Overseas (Y/Y)

Sales +38% (Excluding ASB +8%)



OP (Excluding amortization of intangible assets)

+119% (Excluding ASB +106%)



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I-5. Others (1)

■ GROHE Goodwill and Other

PPA (Purchase Price Allocation) was determined in Q3 Mar-15

*The allocation is only for the current period and will be re-allocated after consolidation

Unit: EUR mn

	Determined value (Total)	Impacts on PL for Q3 Mar-15	Amortization period
Goodwill	* 1,111	21	20 yrs
Trademark (Unamortized intangible assets)	789	-	None
Other intangible assets	254	9	5-15 yrs
Revaluation of fixed assets, inventories and other	137	24	Case-by-case
Exclude tax effects and minority interests	-	-11	
Total	2,291	43	

*Includes amount of goodwill of GROHE Group prior to purchasing by LIXIL.

<Breakdown of share of profit and loss of entities accounted for using equity method (non-operating)>

For ownership of 50%

Unit: EUR mn

Item	Q1 Preliminary	Q3 Determined	Detail
Consolidated net income of GROHE	8	25	
Amortization of GW	-11	-21	
Acquisition cost and other	-13	-35	Share acquisition cost (EUR -13mn) is one time cost
Actuarial differences	-2	-13	One time cost
Non-operating expenses	-19	-44	

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I-5. Others (2)

■ Extraordinary Items

Unit: Y bn

Items	Mar-14 Q3 (9months) results	**Mar-15 Q3 (9months) results**	Increase/ decrease	Details
Gain on sales of investment securities	1.4	**10.6**	+9.3	
Gain on change in equity	-	**1.1**	+1.1	Business separation of K-engine
Gain on sales of noncurrent assets and other	1.0	**0.3**	-0.7	
Extraordinary income	2.4	**12.1**	+9.7	
Impairment loss	1.2	**1.3**	+0.1	Factory in China
Loss on factory restructuring	0.4	**1.4**	+1.0	Factory in China
Adjustment of goodwill amortization and other	-	**0.5**	+0.5	ASB
Loss on sales and retirement of non-current assets and other	1.3	**1.3**	+0.0	
Extraordinary loss	2.9	**4.6**	+1.7	

■ Tax Expenses (Tax burden ratio 34.2% in Q3 Mar-14 =>50.7% in Q3 Mar-15)

Tax burden ratio increased year on year due to ①the absence of the tax burden ratio decrease by reorganization of subsidiaries (Q3 Mar-14) and ② the cost increase such as acquisition cost for GROHE and goodwill (Q3 Mar-15).

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I-6. Consolidated Financial Position

Unit: Y bn

	Mar-14	**Dec-14**	Increase/ decrease
Cash and deposits	163.0	**170.0**	7.0
Notes and accounts receivable	487.2	**450.5**	-36.7
Inventories	210.9	**250.9**	40.1
Tangible and intangible assets	629.6	**643.0**	13.4
Others	319.4	**325.4**	6.0
Total assets	1,810.1	**1,839.9**	29.8
Notes and accounts payable	235.8	**236.9**	1.1
Interest-bearing debt	626.5	**616.8**	-9.6
Others	322.2	**345.6**	23.4
Total liabilities	1,184.5	**1,199.4**	14.9
Treasury stocks	-41.8	**-36.9**	4.9
Others	667.4	**677.4**	10.0
Net assets	625.6	**640.5**	14.9

Equity ratio (%)	34.1	**34.2**	+0.1
Net asset per share (yen)	2,123.22	**2,146.78**	23.56
Number of shares (in thousands)	290,733	**293,363**	+2,629

Total assets increased by Y29.8bn

■Decrease of turnover assets is due to implementation of CCC improvement activities and seasonal factors

■Forex effect on tangible and intangible assets Y+10.4bn

■Net interest-bearing debt is Y446.9bn (-Y14.6bn)

■Net D/E ratio: 73%

■Equity ratio is 34.2%, nearly flat from Mar-14

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I-7. Cash Flows

■ Cash Flows

Unit: Y bn

	Mar-14 Q3 (9 months) results	**Mar-15 Q3 (9 months) results**	**Increase/ decrease**
Pre-tax income	55.6	**41.6**	**-14.1**
Depreciation	35.7	**36.4**	**0.7**
Impariment loss	1.2	**1.3**	**0.1**
Income tax payments	-10.1	**-19.7**	**-9.6**
Working capital	-31.3	**28.9**	**60.2**
Others	-4.5	**-11.2**	**-6.8**
Cash flows from operating activities	46.6	**77.3**	**30.7**
Cash flows from investing activities	-119.5	**-41.5**	**78.0**
Free cash flows	-72.9	**35.8**	**108.7**
Cash flows from financing activities	90.7	**-31.6**	**-122.3**

■Free cash flows increased by Y108.7bn Y/Y

■Operating cash flows increased by Y30.7bn to Y77.3bn. This was due to improvement of working capital that offset decrease of income before income taxes.

■Cash flows used in investing activities decreased by Y78bn to Y41.5bn. This was due to decrease of M&A investment and capex, and sales of investment securities.

■Cash equivalents at the end of Q3 was Y141.9bn, which was an increase of Y6.2bn Y/Y, after repayment of interest-bearing debt.

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I-8. Financial Forecasts for the FY Ending March-15

Unit: Y bn

	Mar-14 results	**Mar-15** Q3 (9 months) results	Y/Y (amount)	Y/Y (%)	**Q4 (3 months) forecasts**		**including risk**	Y/Y (%) forecasts	Y/Y (%) incl. risk	**Full-year forecasts**		**including risk**	Y/Y (%) forecasts	Y/Y (%) incl. risk
Net sales	1,628.7	1,220.8	59.2	5.1	454.2	~	439.2	-2.8	-6.0	1,675.0	~	1,660.0	2.8	1.9
Operating profit	69.1	34.2	-16.8	-32.9	25.8	~	18.8	42.4	3.8	60.0	~	53.0	-13.1	-23.3
%	4.2%	2.8%	-	-1.6	5.7%	~	4.3%	+1.8	+0.4	3.6%	~	3.2%	-0.7	-1.0
Recurring profit	74.9	34.0	-22.1	-39.4	26.0	~	19.0	37.8	0.7	60.0	~	53.0	-19.9	-29.3
Net income	44.8	19.8	-17.1	-46.3	*2 11.2	~	4.7	42.1	-40.5	31.0	~	24.5	-30.7	-45.3
Net income before amortization of goodwill	50.1	27.5	-12.4	-31.2	15.5	~	9.0	52.6	-11.2	43.0	~	36.5	-14.2	-27.1
EPS before amortization of goodwill (yen)	172	94	-43	-31.6	53	~	31	51.8	-11.0	147	~	125	-14.7	-27.4
EBITDA *1	127.5	77.6	-15.4	-16.6	48.8	~	41.8	41.4	21.2	126.4	~	119.4	-0.9	-6.3
%	7.8%	6.4%	-	-1.7	10.7%	~	9.5%	+3.4	+2.1	7.5%	~	7.2%	-0.3	-0.6

*1 EBITDA figures are operating income before depreciation and amortization of goodwill/ PPA
*2 This figure includes impacts of the reversal of deferred tax assets due to the decrease of corporate tax on forecast of tax expenses for Q4.

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I-9. Financial Forecasts for the 2H Ending March-15 (Demand Assumption for Japan)

At the announcement of 1H financial results

1H Mar-15 results, y/y

	1H LIXIL sales result	1H demand	vs. market
New homes/ non-residential	-3%	-9%	+6%
Renovation	+2%	-10%	+12%

2H Mar-15 assumption (Y80bn case) , y/y
At the announcement of 1H financial results

	2H LIXIL sales forecast	2H demand assumption	vs. market
New homes/ non-residential	-6%	-11%	+5%
Renovation	+6%	+2%	+4%

(Y67bn case), y/y

	2H LIXIL sales forecast (including risk)	2H demand assumption (including risk)	vs. market (including risk)
New homes/ non-residential	-10%	-17%	+7%
Renovation	+2%	-7%	+9%

At the announcement of Q3 financial results

Q3 (3 months) Mar-15 results, y/y

	Q3 (3 months) LIXIL sales result	Q3 (3 months) demand assumption	vs. market
New homes/ non-residential	-8%	-20%	+12%
Renovation	+3%	-15%	+18%

Q4 (3 months) Mar-15 assumption (Y60bn case), y/y

	Q4 (3 months) LIXIL sales forecast	Q4 (3 months) demand assumption	vs. market
New homes/ non-residential	-13%	-23%	+10%
Renovation	-5%	-20%	+15%

2H Mar-15 assumption (Y60bn case), y/y

	2H LIXIL sales forecast	2H demand assumption	vs. market
New homes/ non-residential	-11%	-21%	+10%
Renovation	-1%	-17%	+16%

Q4 (3 months) Mar-15 assumption (Y53bn case), y/y

	Q4 (3 months) LIXIL sales forecast (including risk)	Q4 (3 months) demand assumption (including risk)	vs. market (including risk)
New homes/ non-residential	-18%	-25%	+7%
Renovation	-15%	-25%	+10%

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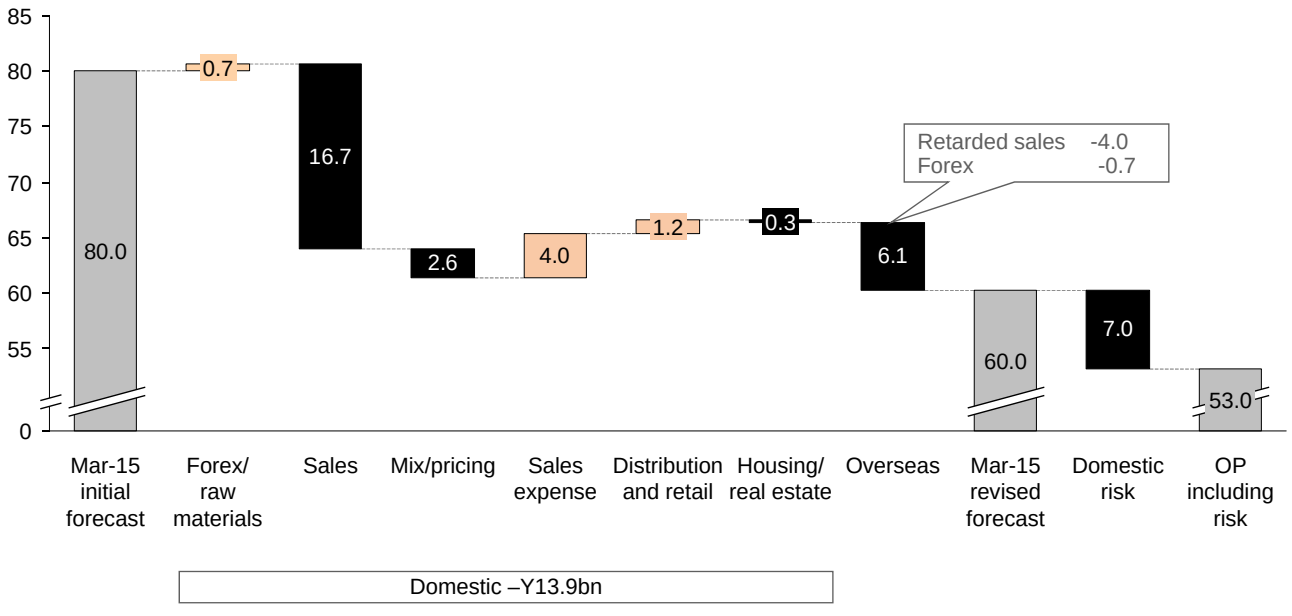
I-10. Progress for Additional OP Improvement Measures for FY Ending Mar-15

Unit: Y bn



Domestic –Y13.9bn

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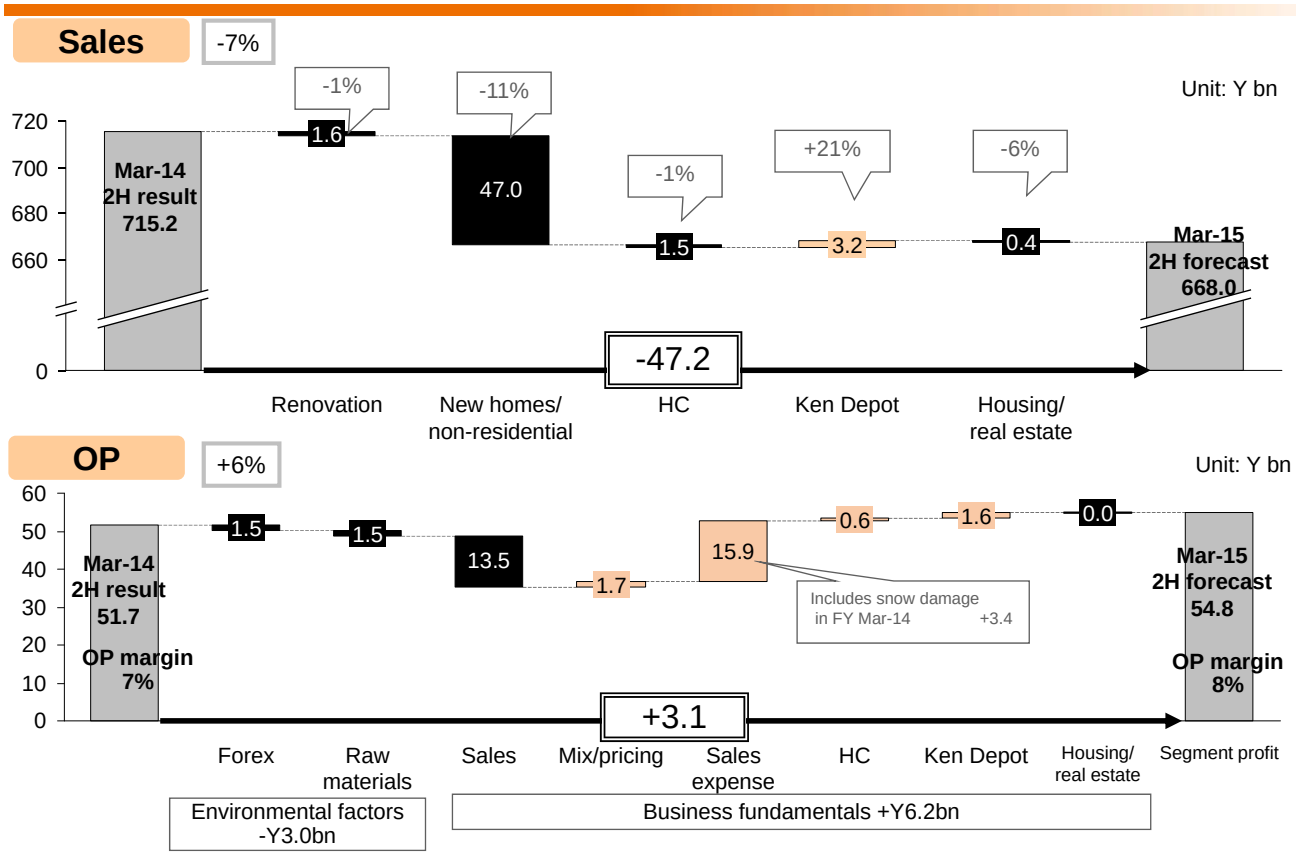
I-11. Increase/Decrease of Sales and OP for 2H in Japan (Y/Y)



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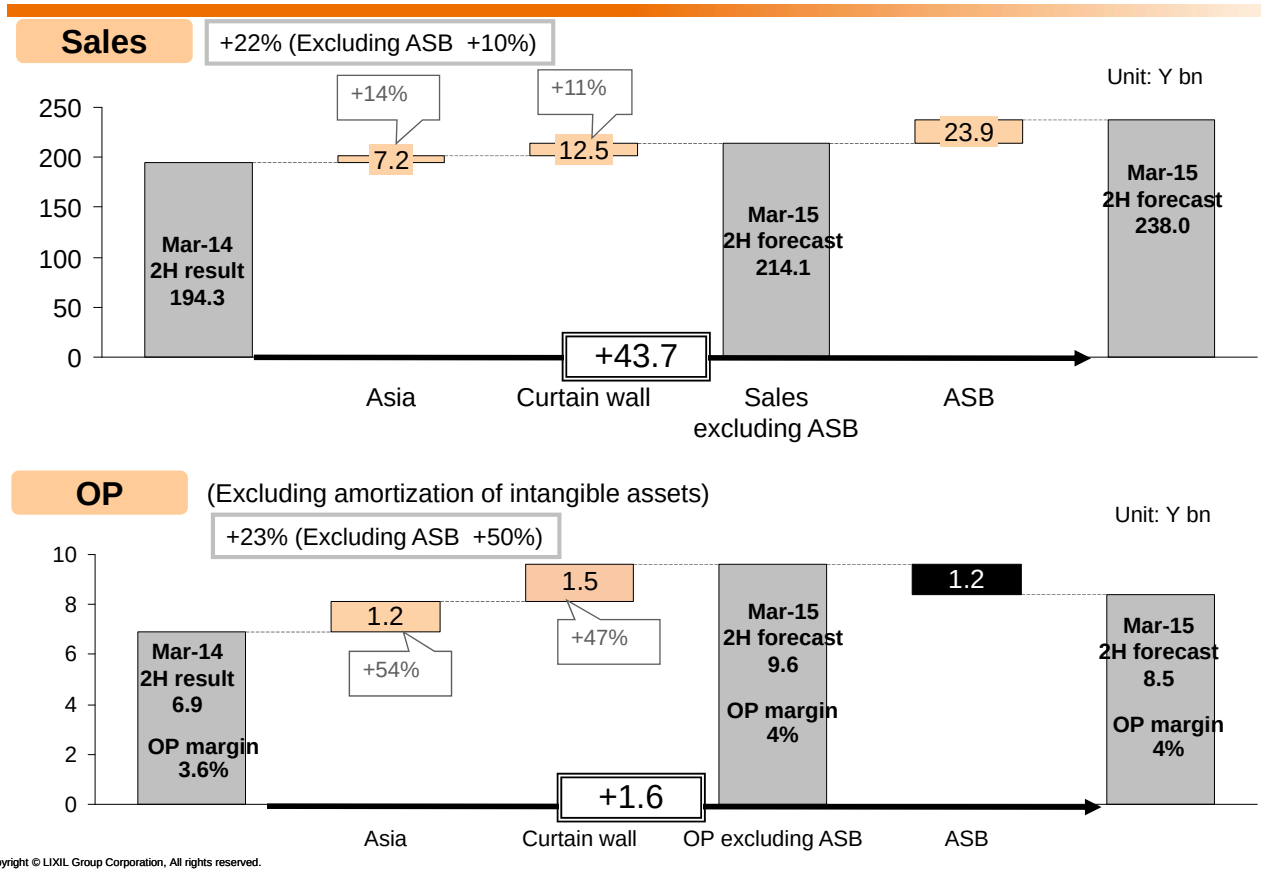
I-12. Increase of Sales and OP for 2H Overseas (Y/Y)



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I-13. 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%	**40.8%**

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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Link to Good Living

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

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

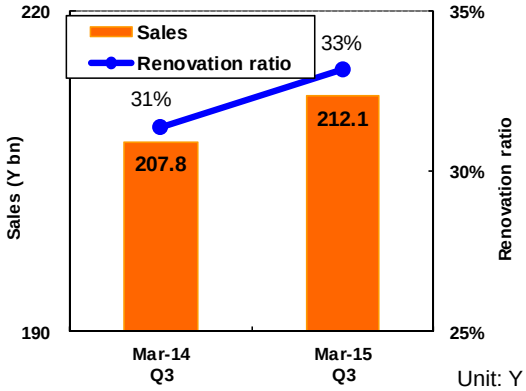
Stock business ratio assumption

Unit: Y bn

	Mar-14 Q3 (9months) results	Mar-15 Q3 (9months) results	Y/Y (%)
Sales from renovation business	276.5	286.9	3.8
Ratio of renovation business*	28.5%	30.3%	+1.7

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

Renovation products ratio



Unit: Y bn

Sales of renovation products

	Mar-13 results	Mar-14 results	Y/Y (%)	Mar-15 Q3 (9months) results	Y/Y (%)	Mar-15 forecasts	Y/Y
Sales of renovation products	247.9	282.6	14.0	212.1	2.1	283.0	0.1%
Renovation ratio	29.2%	31.0%	+1.8	33.2%	+1.8	32.9%	+2.0

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	11,811

*Sum of voluntary type "LIXIL Reform Net" and franchise type "LIXIL Reform Chain"

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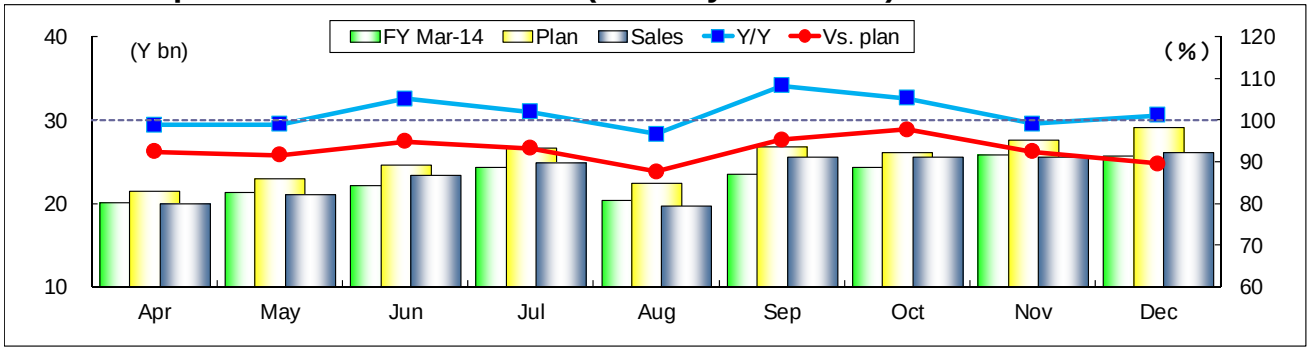
II-1. Progress of Renovation Strategy in Japan (2)

Renovation demand (Y/Y) market/competitor comparison

	Q1	Q2	Q3
Renovation demand (market)	89%	91%	85%
Competitor A	91%	92%	89%
LIXIL Corporation	101.1%	101.8%	103.1%

- Renovation growth target missed but exceeded the level of market/competitors
- Month-on-month change: Despite the struggle in and after November due to the postponement of 2% increase in consumer tax, overall sales exceeded previous year

LIXIL Corporation renovation sales (monthly transition)



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II-2. Eco-Point Program for Housing (1) Outline

【Period of construction】From December 27, 2014~March 31, 2016
The program may end earlier if budgeted points are all used.

【Issue points】 ※Please inquire about its performance and specification separately

Points that can be earned with Housing Energy Saving are **maximum of 300,000points at most**

Given points can be exchange to several products & services and can be used as a cost of renovation
1point=1yen(equivalent)

Mandatory Earn points by renovation using housing materials and equipment for energy saving.

Renovation of heat insulation windows

Installation of inner window •and Exchanging windows (or Exchanging glasses)

- 大 20,000 points
- 中 14,000 points
- 小 8,000 points

or

- 大 8,000 points
- 中 5,000 points
- 小 3,000 points

Renovation of energy conservation housing equipment

Establish more than 3 kinds from 5 things below

Water conservative toilets	24,000 points
High thermal insulation bath tubs	24,000 points
Water conservation faucets	3,000 points
High-efficient water heater	24,000 points
Utilization Solar Heat System	24,000 points

Plus Points will be added additionally by applying renovation with the above reform plan

Barrier free renovation

Expand width of entrance and exit doors	30,000 points
Installation of handrill	6,000 points
Eliminating steps	6,000 points

earning **maximum 60,000 points** from Barrier Free Renovation

Renovation of energy conservation housing equipment

Establish less than 3 kinds from 5things below

Water conservative toilets	24,000 points
High thermal insulation bath tubs	24,000 points
Water conservation faucets	3,000 points
High-efficient water heater	24,000 points
Utilization Solar Heat System	24,000 points

Defects Insurance of Renovation

Earn 11,000points by joining Defects Insurance

Repair improvement of seismic resistance

Earn 150,000points

Additionally Plus

Additional points by purchasing an existence houses

If an existing house is purchased and reformed, the same amount of points will be added of eco-reform construction.
[**Maximum 100,000points**]

* This page is based on the information as of January 30, 2015. There may be changes in the future.

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II-2. Eco-point Program for Housing (2) LIXIL Products for Eco-points

Renovation of heat insulation windows

Installation of inner window

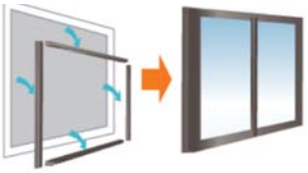
Make a window “double” by Installing a resin inner window to the existing window.



※Able to exchange just the inside window.

Exchanging windows

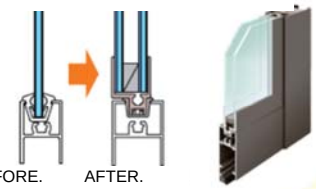
Remove an old sash and install a new heat insulation window.



※Able to be established with rebuilding..

Exchanging glasses

Change single flat glass to a double glasses bilayer with an attachment.



BEFORE. AFTER.

Renovation of an energy conservation housing equipment



Water conservative toilets

24,000 points



High thermal insulation bath tubs

24,000 points



Water conservation faucets

3,000 points

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II-3. Progress of Home Center Business

Mar-15 Q3 (3 months) results comparison with competitors

Unit: Y bn

	LIXIL VIVA		Q3（Sep-Nov）results of major home center competitors			
	Oct-Dec	Sep-Nov	A	B	C	D
Sales	**46.5**	**41.3**	**102.5**	**67.4**	**38.2**	**18.1**
Y/Y(%)	+4.2%	+6.4%	-3.0%	+1.9%	-4.7%	-1.7%
OP	**3.3**	**2.3**	**3.1**	**2.0**	**-0.6**	**0.8**
OPM(%)	7.1	5.6	3.1	3.0	-1.7	4.5
Y/Y(%)	+27.8%	+41.1%	-11.8%	-29.0%	-	-16.5%

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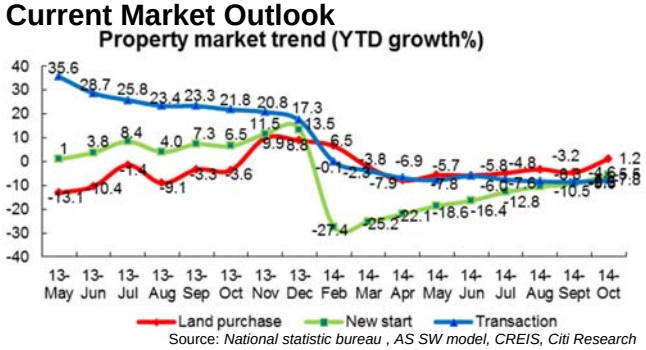
II-4. Progress of Global Business (1) Greater China & Asia Pacific

Greater China
Current Market Outlook



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

Financial Results*

unit: million USD

	Q3 2013 results	Q3 2014 results	Y/Y Increase/ decrease	Y/Y %
Net sales	221	243	22	10
Operating profit	2	22	20	-
OPM (%)	1%	9%	-	+8

- Although China housing market slows down, which dampens China Q3 sales, China is still gaining market share (1.5 times of market)
- Significant improvement in profitability through progress of operational efficiency effort
- Big developers are putting off projects, which will impact China project sales negatively from next FY

Asia Pacific
Current Market Outlook

	GDP 2013 Actual	GDP 2014 Forecast	Asia Pacific Sales Growth 2014 Forecast Y/Y
Thailand	2.8%	0.96%	24%
Vietnam	5.2%	5.5%	0%
Indonesia	5.6%	5.2%	13%
Philippines	4.7%	6.2%	10%
Korea	2.8%	3.7%	63%
ANZ	2.5%	2.8%	22%

Financial Results*

unit: million USD

	Q3 2013 results	Q3 2014 results	Y/Y Increase/ decrease	Y/Y %
Net sales	211	257	46	22
Operating profit	19	27	8	43
OPM (%)	9%	10%	-	+2

- Sanitary ware sales is continuously strong in Q3. Profitability improved due to lower SG&A expenses
- Sales for FY14 will be 20% higher vs FY13 due to the strong sales growth in sanitary ware

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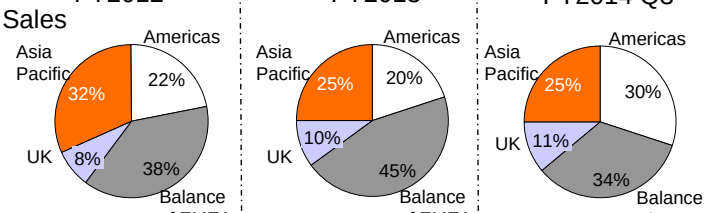
*Before forex, management based figures including non-consolidated subsidiaries

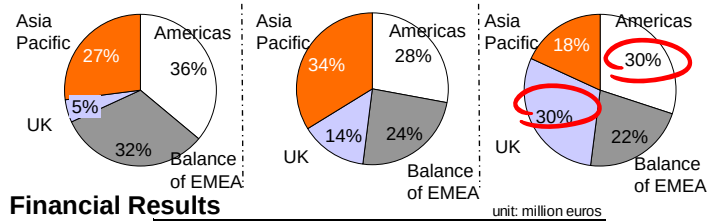
II-4. Progress of Global Business (2) Permasteelisa & ASB

Permasteelisa
Regional Contributions

Sales



New orders



Financial Results

unit: million euros

	Q3 2013 results	Q3 2014 results	Y/Y amount	Y/Y %
Net sales	1,004	984	-20	-2
OP	14	27	13	89
OPM (%)	1%	3%	-	+1

- Market share of Curtain walls doubling in USA, strengthening in London, lighter in Middle East and Central Asia and in Far East
- Improving project management and control, better analysis of project complexity in the tender phase, optimum use of Asian factories for the American projects

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ASB
Current U.S. Market Outlook

Housing Prices +4.5%
(annual rate in 20 major cities, Y/Y, December , S&P/Case-Shiller Home Price Index)

Housing Starts (7%)
*seasonally adjusted annual pace in November, Y/Y, US Census Bureau

DXV Ferguson Showroom Update

- Showroom resets complete, should provide growth opportunity in luxury category; delay in implementation negatively impacted sales growth

Financial Results *

unit: million USD

	Mar-14 Q3 results	Mar-15 Q3 results	Y/Y amount	Y/Y %
Net sales	659	680	21	3%
Operating profit	26	17	-9	-33%
OPM (%)	4%	3%	-	-1

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

- Negative impact on profit due to price competition from increased supply with US housing starts recovery expectation
- Slight sales increase year on year due to the impact of inventory adjustment for Ferguson

II-4. 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 (±3%)

Unit: million euros

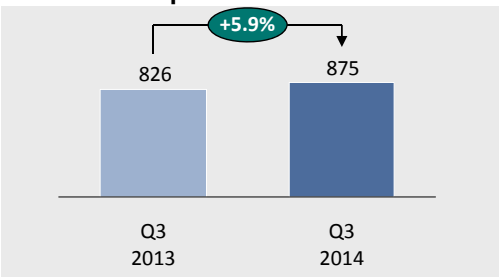
	Q3 2013 results	Q3 2014 results	Y/Y Increase/ decrease	Y/Y %
Net sales	1,075	1,138	63	6
EBITDA*	204	210	6	3
EBITDA margin (%)*	19%	18%	-	-0.5

*EBITDA adjusted for certain non-operating expenses

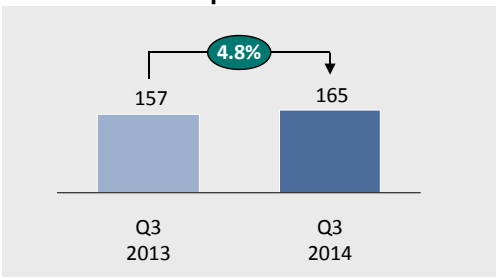
GROHE

Before forex

Sales Development Unit: million euros

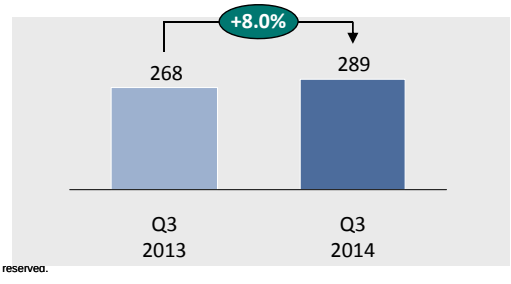


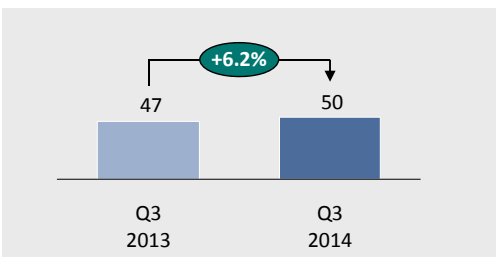
EBITDA* Development Unit million euros



JOYOU Best value bathrooms

Before forex





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II-5. GROHE and JOYOU are Expected to Become Subsidiaries of LIXIL on or after April 1, 2015 (1)

On January 21, 2014, LIXIL Corporation and Development Bank of Japan completed acquisition of 87.5% of shares of GROHE by joint investment

↓

GROHE and JOYOU, the listed subsidiary of GROHE became affiliated companies by equity method from Q1 of the FY ending March 2015

On or after April 1, 2015, LIXIL Corp. acquires additional shares from Cai (12.5%)

↓

GROHE, JOYOU, GraceA, GraceB are expected to become subsidiaries of LIXIL from Q1 of the FY ending March 2016 (The shareholding ratio of GraceA will not be changed, and LIXIL and DBJ will each have a 50% of voting rights of GraceA of SPC)

Overview of the Transaction

Share acquired company	GROHE Group S.à r.l.
Seller	Cai GmbH
Our portion	56.25% (43.75% before transaction)
Change after transaction	Affiliated company by equity method => Consolidated subsidiary
Enterprise value of GROHE	Approx. EUR 3,059 mn (JPY 428.3bn)*
Investment	・Jan 2014: Common shares EUR 385mn, Non-voting preferred shares EUR345mn, Total EUR730mn ・Additional acquisition: JPY 29,116mn *

* EUR1=JPY140

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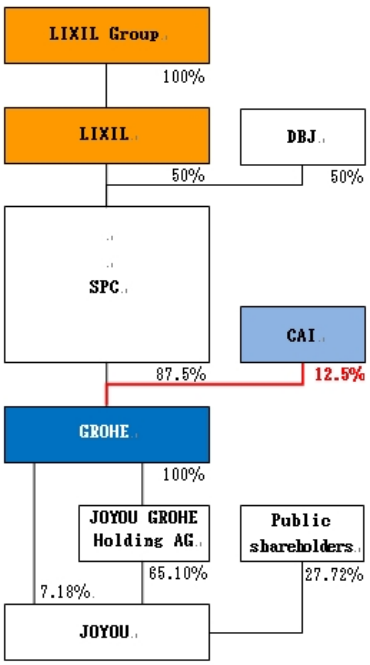
II-5. GROHE and JOYOU are Expected to Become Subsidiaries of LIXIL on or after April 1, 2015 (2)

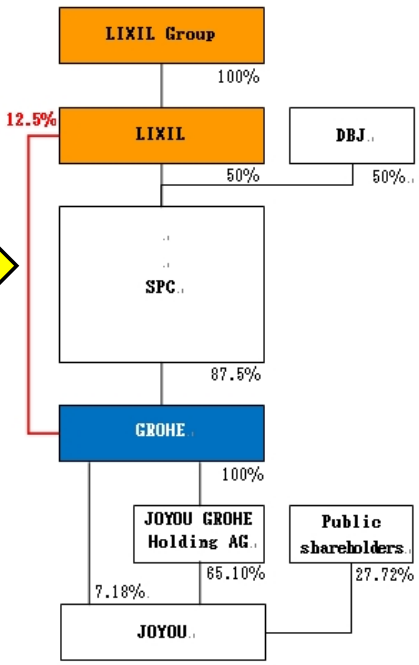
Affiliated company by equity method

Now



Subsidiary

As of consolidation *



*Closing occurs after all of the conditions required for the GROHE Share Acquisition have been fulfilled, including obtaining clearances under the competition laws in different countries.

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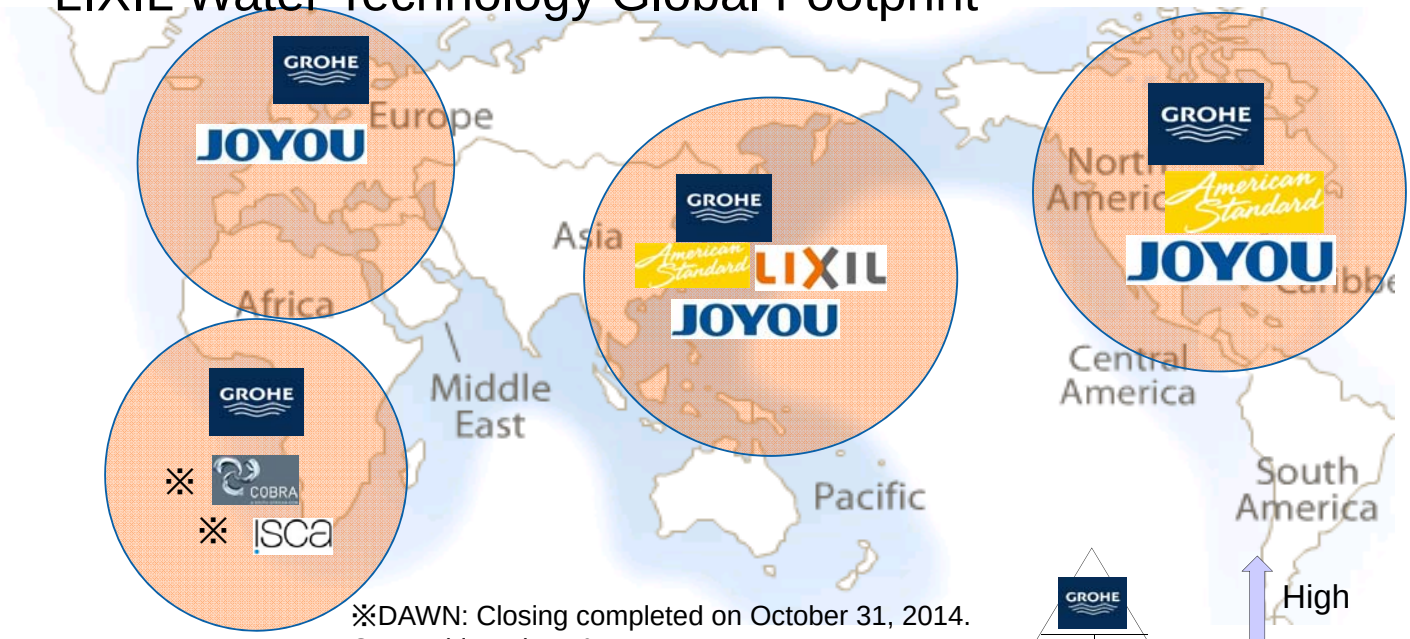
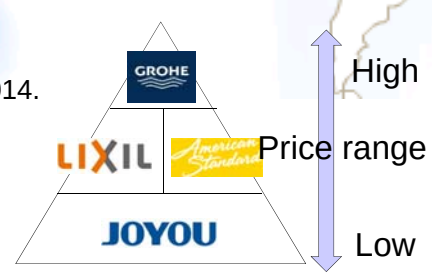
II-5. GROHE and JOYOU are Expected to Become Subsidiaries of LIXIL on or after April 1, 2015 (3)

LIXIL Water Technology Global Footprint



※DAWN: Closing completed on October 31, 2014. Ownership ratio 51%.

With consolidation of GROHE, LIXIL will transform new business model, accelerate globalization and optimize operational efficiency



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II-6. A New GROHE Showroom Opened in Fashionable Minami-Aoyama, Tokyo on Dec.12, 2014

The collaboration with JAXSON, our super high end brand, will present highest-quality bathroom solutions to the customers.





THE NEXT GENERATION

SHOWER TOILET "*GROHE SENSIA PREMO*" is to be released at the beginning of February.



ORIGINALLY DESIGNED TOILET "*JAXSON VEROSA*" was released at the end of January.



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II-7. Operational Excellence (1)

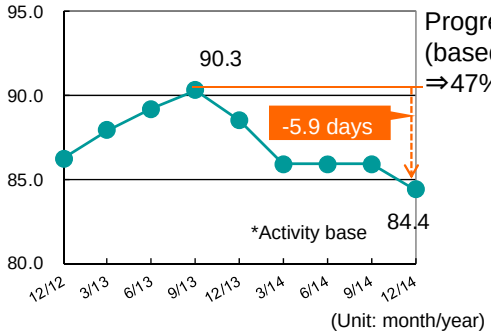
Cash generation⇒Planned to generate Y200bn (Y100bn additional)

CCC (Operational efficiency)

Target **Y100bn**
By end of March 2016

Payables	10%
Inventory	25%
Receivables	10%

(Unit:days) CCC progress



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Additional cash generation (During this FY)

Y100bn+

Securitization of receivables	Y80bn
Sales/securitization of assets	Y5bn+
Sales of investment securities	Y15bn+

II-7. Operational Excellence(2): Progress of BT-16 and Other*1

BT-16: Due to the additional measures, expected results increased from beginning of this FY from Y13.0bn to Y18.5bn

Categories	Major measures	Mar-17 Target *2	Mar-15 Q3 progress	Mar-15 Q3 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	14.7%	Y5.8bn	Y6.5bn
Improvement of gross profit	● Reduce cost leakage with process visualization ● Optimize product portfolio	Y35bn	29.2%	Y4.6bn	Y9.3bn
Indirect costs and other	● Improve process of sales support ● More efficient product development ● Cut SG&A	Y20bn	4.9%	Y0.6bn	Y2.7bn
Internal target (BT-16)		Y110bn	15.1%	Y11.0bn	Y18.5bn
Contingency		-Y33bn	-	-Y2.6bn	-Y4bn
Core Business in Japan		**Y77bn**	**-**	**Y8.4bn**	**Y14.5bn**
Distribution, retail & services	●Growth driven by renovation and new services	**Y10bn**	**-**	**Y1.8bn**	**Y3.1bn**
Global	●Growth and synergy creation	**Y66bn**	**-**	**Y3.6bn**	**Y5.2bn**
Special factors	(Snow damage and others)			-Y8.3bn	-Y4.9bn
Environment factors, HQ & Goodwill	● Effect of forex ● Raw materials ● Distribution, fuel ● Pricing ● Marketing expense ● Personnel expenses ● Decrease in new housing starts in Japan	-Y52bn	-	-Y22.3bn	-Y27.0bn
Consolidated OP improvement		**Y101bn**	-	**-Y16.8bn**	**-Y9.1bn**

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

II-8. Announcement of Financial Results for FY Ending Mar-16

By adoption of IFRS from the end of the FY Mar-2016, our accounting standard in each period will be as follows

Accounting Standard for FY ending Mar-2016

FY ending Mar-2016	Q1	Q2	Q3	Q4
Flash Report	JGAAP	→	→	JGAAP (When announcing financial results) *Submit Correction Report of Flash Report before publication of Financial Report (Japanese only)
Forecast to be announced at the beginning of FY	-	-	-	IFRS
Presentation Material	JGAAP/ IFRS estimate for reference	→	→	JGAAP/ IFRS estimate for reference
Quarterly Report/ Financial Report (Japanese only)	JGAAP	→	→	IFRS (full-year results)

Treatment of subsidiaries and affiliated companies overseas of which fiscal year end in Dec

=>Change fiscal term to Mar after adopting IFRS

FY ending Mar-2016	Q1	Q2	Q3	Q4
JGAAP: Flash Report	Financial results from Jan to Mar, 2015 (GROHE in equity method)	Financial results from Apr to Jun, 2015 (Start GROHE consolidation)	Financial results from Jul to Sep, 2015	Financial results from Oct to Dec, 2015
IFRS (including estimate): Presentation Material	Consolidate financial results from Apr to Jun, 2015 *Consolidate financial results from Jan to Mar with the results from Jan to Mar 2015 in IFRS base.	Financial results from Jul to Sep, 2015	Financial results from Oct to Dec, 2015	Financial results from Jan to Mar, 2016

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Link to Good Living

III. Topics

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III-1. New LIXIL Values, Our Shared Values

The LIXIL Values have been created with the aim of unifying all members of the LIXIL Group around the world from October, 2014.



The newly developed five values are action guidelines to be shared by all LIXIL Group members in the world. Since the values are intended not only to lead to the realization of Global “One LIXIL,” but also to support the solidarity and growth of the LIXIL Group, they have been created based on the consensus of the GMC’s business leaders.

Icon for new LIXIL Values

The icon design is chosen by all the employees to let them feel an intimate connection with our new Values.

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III-2. Won ‘Minister of State for Special Missions Award’ for Leading Companies Where Women Shine

女性が輝く先進企業表彰
Ceremony of a “society where women shine,”

- This award is being implemented from this year for the companies that have demonstrated substantial achievements regarding the appointment of women in executive and managerial.

《AWARD》
“Minister of State for Special Missions Award”

《Points of Evaluation》
For the excellent results with the rapid increase of female officers and managers made by strong top leadership



An award giving ceremony held on January 9, 2015

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III-3. Launch of New Renovation FC “LIXIL Reform Shop”

By integrating two housing renovation FCs（”Sumai Pro Homewell” and “Sumai Concierge LIFA”）currently operating across Japan, we will form one of the largest renovation FC organizations consist of community based SMEs, “LIXIL Reform Shop” in April 2015.

>A scale merit of brand image, proposal authority, the service, and sense of security<

- A professional “Renovation Concierge ®" , authorized by LIXIL, is arranged in all the stores corresponding to requests and worries concerns about renovation tenderheartedly
- Total support for house owners towards reassurances for renovation with plentiful services such as house inspection, renovation defect insurance, loan for renovations, etc
- Planning to expand the store nationwide



＜A change in “LIXIL housing renovation FC ＞

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III-4. Won “The 11th Eco-Products Awards” and Selected for the “Energy Conservation Center Chairman Award”

Ecoair 90





COCOECO

- “Chairperson‘s Award, Eco-Products Awards Steering Committee～”
- Highly efficient ventilation unit, *Ecoair 90*
- *COCOECO*
- Thermal insulation renovation method “Energy Conservation Center Chairman Award”
- *COCOECO*

eco products awards 2014

平成26年度 省エネ大賞（製品・ビジネスモデル部門）

What is “Eco-Products Awards”?
=> ”Eco-Products Awards” were established in 2004 for the purpose of spreading eco products in Japan by commending excellent eco-products and eco-services that contribute to environmental-load reduction.

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

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III-5. New Products and Others (1)

Launched 15 public sanitary ware products



•Besides a full lineup of public sanitary wares, we offer additional 15 new products.
•3 concepts
-Evaluated globally as hospitality toilet that are easy to clean.
-Ecology technique to lower environmental burden.
-Universal design with an advanced age.

Launch in February 2015

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Expanded “bacteria elimination in the toilet” function to residential toilets
-Industry’s only toilet with bacteria elimination with Plasmacluster technology-

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

•Not only inside the toilet but eliminates bacteria under the toilet seat and nozzle.
•Eliminates 99% of floating and sticking bacteria.
•Always clean.



Launch in February 2015

III-5. New Products and Others (2)

Launched the high-performance plastic window "*ELSTER X*" and heat insulation front door “*GRANDEL*”



ELSTER X

•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

Launched in January 2015



GRANDEL

•High insulation performance that responds to a cold climate

•Up to industry-maximum of 21 designs
•16 colors

Launched in January 2015

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III-5. New Products and Others (3)

Launched carport “*Archifranc*” that has no pillars at the front



•Open straight angle in front, so a car could get in and out easily even with the narrow road.
•The principles of universal design with no pillar near the car door, so one can get in and out easily even in the rain and in using stroller and a wheelchair.
•The open and simple design that harmonizes with various housing
•Provide color coordination with gates, fences and front doors, etc.

Launched in December 2014

A full model change of the fine quality interior materials "*Grand Line Raffis*”



example

•The "noiselessness" design that matches simple modern housing
•The design that matches with a wall and excluded the frame boundary with doors.
•Adoption of the extra fine aluminum "line frame" in an interior door that were developed by LIXIL’s innovative technology.
•Selected “2014 Good Design Award”

Launched in January 2015

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Link to Good Living

Q3 Results for the FY Ending March 2015 <Fact Sheets>

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February 2, 2015

LIXIL

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LIXIL Group Corporation

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

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

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

Unit：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%	-	-0.6
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%	-	-1.3
	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%	-	+0.9
	Plumbing fixtures	3.0%	3.4%	3.1%	4.5%	4.6%	-	+0.1
	Other building materials	-0.9%	2.2%	1.0%	4.0%	4.8%	-	+0.8
	Distribution and retail	2.9%	1.4%	-0.5%	0.2%	2.0%	-	+1.8
	Housing, real estate and other	-2.1%	4.1%	7.0%	8.4%	8.9%	-	+0.5
OP margin		2.6%	3.3%	1.4%	3.5%	4.2%	-	+0.7
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)

Unit：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%	1,026.9	-58.7	-5.4%
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%	1,290.1	-54.8	-4.1%
Asia	66.2	92.9	26.8	40.5%	108.6	15.6	16.8%
Permasteelisa	161.8	205.0	43.2	26.7%	225.1	20.1	9.8%
ASB	-	29.1	29.1	-	100.4	71.3	245.2%
Overseas sales	228.0	327.0	99.0	43.4%	434.1	107.1	32.7%
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%	1,675.0	46.3	2.8%
Gross profit	403.1	447.8	44.8	11.1%	456.6	8.8	2.0%
Gross margin	28.1%	27.5%	-	-0.6	27.3%	-	-0.2
SG&A	352.6	378.8	26.2	7.4%	396.7	17.9	4.7%
SG&A ratio	24.5%	23.3%	-	-1.3	23.7%	-	+0.4
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%	68.7	-11.2	-14.0%
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%	82.2	-8.1	-8.9%
Asia	1.4	1.7	0.3	21.1%	4.8	3.1	181.8%
Permasteelisa	6.9	3.9	-3.0	-43.1%	6.0	2.1	52.7%
ASB	-	1.5	1.5	-	1.5	0.0	3.0%
Overseas OP*	8.3	7.1	-1.2	-14.3%	12.3	5.2	73.3%
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%	60.0	-9.1	-13.1%
Metal building materials	6.4%	8.1%	-	+1.8			
Plumbing fixtures	6.4%	7.1%	-	+0.7			
Other building materials	5.6%	5.9%	-	+0.3			
Domestic OPM subtotal	6.2%	7.4%	-	+1.1	6.7%	-	-0.7
Distribution and retail	0.4%	2.2%	-	+1.8	4.1%	-	+1.9
Housing, real estate and others	8.7%	9.4%	-	+0.7	8.3%	-	-1.1
Domestic OPM total	5.5%	6.7%	-	+1.2	6.4%	-	-0.3
Asia	2.1%	1.8%	-	-0.3	4.4%	-	+2.6
Permasteelisa	4.3%	1.9%	-	-2.3	2.7%	-	+0.7
ASB	-	5.1%	-	-	1.5%	-	-3.6
Overseas OPM	3.6%	2.2%	-	-1.5	2.8%	-	+0.7
OP margin	3.5%	4.2%	-	+0.7	3.6%	-	-0.7
Recurring profit	53.1	74.9	21.9	41.2%	60.0	-14.9	-19.9%
Net income before income tax and minority interests	32.5	72.9	40.3	124.0%	65.0	-7.9	-10.8%
Net income	21.3	44.8	23.4	109.7%	31.0	-13.8	-30.7%

* OP of each segment is before amortization of goodwill and purchase price allocation.
**Announced on February 2, 2015.

2. Results for Q3 and Forecasts for Q4/Full-year of FY Ending March 2015

Unit：Y bn

	FY Ended March 2014			FY Ending March 2015														
	1H	Q3(3 months)	Q3(9 months)	1H results			Q3 (3 months) results			Q3 (9 months) results			Q4 (3 months) forecasts			Full-year forecasts **		
	results	results	results		Y/Y (amount)	Y/Y (%)		Y/Y (amount)	Y/Y (%)		Y/Y (amount)	Y/Y (%)		Y/Y (amount)	Y/Y (%)		Y/Y (amount)	Y/Y (%)
Metal building materials	238.7	132.4	371.2	240.2	1.4	0.6%	125.4	-7.1	-5.4%	365.5	-5.7	-1.5%						
Plumbing fixtures	170.4	92.6	262.9	163.6	-6.7	-3.9%	87.1	-5.5	-5.9%	250.7	-12.2	-4.6%						
Other building materials	96.0	52.8	148.8	91.1	-4.9	-5.1%	49.9	-2.9	-5.5%	141.0	-7.8	-5.2%						
Domestic sales subtotal	505.1	277.8	782.9	494.9	-10.2	-2.0%	262.3	-15.5	-5.6%	757.2	-25.7	-3.3%	269.7	-33.0	-10.9%	1,026.9	-58.7	-5.4%
New homes/ non-residential	372.3	202.8	575.1	360.2	-12.1	-3.2%	185.0	-17.9	-8.8%	545.1	-30.0	-5.2%	198.8	-29.1	-12.8%	743.9	-59.0	-7.4%
Renovation	132.8	75.0	207.8	134.7	1.9	1.5%	77.3	2.4	3.1%	212.1	4.3	2.1%	70.9	-3.9	-5.2%	283.0	0.4	0.1%
Distribution and retail	93.8	51.7	145.5	97.9	4.1	4.4%	54.5	2.8	5.4%	152.4	6.9	4.7%	48.5	-1.1	-2.1%	200.9	5.8	3.0%
Housing, real estate and others	30.9	16.4	47.3	29.3	-1.6	-5.0%	14.8	-1.6	-9.8%	44.1	-3.2	-6.7%	18.2	1.2	7.4%	62.3	-1.9	-3.0%
Domestic sales total	629.7	345.9	975.6	622.1	-7.6	-1.2%	331.6	-14.3	-4.1%	953.7	-21.9	-2.2%	336.4	-32.8	-8.9%	1,290.1	-54.8	-4.1%
Asia	41.2	25.5	66.7	49.6	8.4	20.3%	26.3	0.7	2.9%	75.8	9.1	13.7%	32.7	6.5	24.8%	108.6	15.6	16.8%
Curtain Wall	91.5	52.1	143.6	99.1	7.6	8.3%	53.0	0.8	1.6%	152.0	8.4	5.9%	73.0	11.7	19.0%	225.1	20.1	9.8%
ASB	-	7.2	7.2	47.4	47.4	-	25.0	17.9	249.1%	72.5	65.3	910.6%	28.0	6.0	27.5%	100.4	71.3	245.2%
Overseas sales total	132.7	84.8	217.5	196.1	63.4	47.8%	104.3	19.5	22.9%	300.3	82.9	38.1%	133.7	24.2	22.1%	434.1	107.1	32.7%
Adjustments	-20.9	-10.7	-31.5	-22.0	-1.1	-	-11.2	-0.5	-	-33.2	-1.7	-	-16.0	-4.3	-	-49.2	-6.0	-
Net sales	741.5	420.1	1161.6	796.2	54.7	7.4%	424.6	4.6	1.1%	1,220.8	59.2	5.1%	454.2	-12.9	-2.8%	1,675.0	46.3	2.8%
Gross profit	206.4	118.4	324.7	216.2	9.8	4.8%	118.2	-0.2	-0.1%	334.4	9.7	3.0%	122.2	-0.9	-0.7%	456.6	8.8	2.0%
SG&A	180.4	93.4	273.8	202.9	22.5	12.5%	97.3	3.9	4.2%	300.2	26.4	9.7%	96.4	-8.5	-8.1%	396.7	17.9	4.7%
Metal building materials	18.6	12.8	31.4	14.2	-4.4	-23.7%	11.1	-1.7	-12.9%	25.3	-6.1	-19.3%						
Plumbing fixtures	11.1	9.1	20.2	4.7	-6.4	-57.5%	8.4	-0.7	-7.8%	13.1	-7.1	-35.1%						
Other building materials	4.3	3.7	8.0	2.8	-1.5	-34.1%	2.6	-1.1	-29.9%	5.4	-2.6	-32.2%						
Domestic OP subtotal	34.0	25.7	59.6	21.7	-12.2	-36.0%	22.2	-3.5	-13.6%	43.9	-15.7	-26.4%	24.8	4.6	22.5%	68.7	-11.2	-14.0%
Distribution and retail	1.7	1.7	3.4	3.5	1.9	110.2%	3.0	1.3	76.5%	6.5	3.1	93.4%	1.7	0.8	91.4%	8.2	4.0	93.0%
Housing, real estate and others	2.9	1.8	4.7	2.1	-0.8	-28.1%	1.2	-0.6	-31.7%	3.3	-1.4	-29.5%	1.9	0.5	36.6%	5.2	-0.9	-14.3%
Domestic OP total*	38.6	29.1	67.6	27.4	-11.2	-29.1%	26.3	-2.8	-9.5%	53.7	-14.0	-20.6%	28.5	5.9	26.1%	82.2	-8.1	-8.9%
Asia	-0.5	1.5	1.0	1.4	1.9	-	1.3	-0.2	-13.4%	2.7	1.7	173.5%	2.1	1.4	192.9%	4.8	3.1	181.8%
Curtain Wall	0.7	1.1	1.8	1.3	0.6	76.4%	1.8	0.7	65.6%	3.0	1.3	70.0%	2.9	0.8	38.1%	6.0	2.1	52.7%
ASB	-	0.3	0.3	1.2	1.2	-	-0.2	-0.5	-	1.0	0.7	236.9%	0.5	-0.7	-55.8%	1.5	0.0	3.0%
Overseas OP*	0.2	2.9	3.1	3.9	3.7	-	2.9	0.0	-0.8%	6.7	3.6	119.0%	5.6	1.6	38.6%	12.3	5.2	73.3%
HQ expenses	-8.7	-4.7	-13.3	-13.0	-4.3	-	-6.1	-1.5	-	-19.2	-5.8	-	-4.9	0.7	-	-24.0	-5.1	-
Amortization of goodwill and PPA	-4.1	-2.3	-6.4	-4.9	-0.8	-	-2.1	0.2	-	-7.1	-0.7	-	-3.4	-0.5	-	-10.4	-1.2	-
Operating profit	26.0	25.0	50.9	13.3	-12.7	-48.8%	20.9	-4.1	-16.4%	34.2	-16.8	-32.9%	25.8	7.7	42.4%	60.0	-9.1	-13.1%
OP margin	3.5%	5.9%	4.4%	1.7%	-	-1.8	4.9%	-	-1.0	2.8%	-	-1.6	5.7%	-	+1.8	3.6%	-	-0.7
Recurring profit	29.0	27.1	56.1	13.1	-15.9	-54.9%	20.9	-6.2	-22.8%	34.0	-22.1	-39.4%	26.0	7.1	37.8%	60.0	-14.9	-19.9%
Net income	17.8	19.1	36.9	3.8	-14.1	-78.9%	16.1	-3.0	-15.8%	19.8	-17.1	-46.3%	11.2	3.3	42.1%	31.0	-13.8	-30.7%

* OP of each segment is before amortization of goodwill and purchase price allocation.
**Announced on February 2, 2015.

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

	Mar-14 results	Mar-15 Q3 results	Mar-15 assumptions
US dollars	100.49 yen	107.27 yen	107.00 yen
Euros	129.34 yen	139.77 yen	140.00 yen
Thai bahts	3.18 yen	3.25 yen	3.25 yen
Chinese yuans	15.81 yen	16.80 yen	17.26 yen

Aluminum price (Purchasing price)	220,000 yen/ton	240,000 yen/ton	230,000 yen/ton
Copper price	550,000 yen/ton	610,000 yen/ton	580,000 yen/ton

3. Quarterly Financial Results

Unit : Y bn

	Mar-14 results										Mar-15					
	1H				2H						1H					
	Q1 results		Q2 results		Q3 results		Q4 results				Q1 results		Q2 results		Q3 results	
		Y/Y		Y/Y		Y/Y	(tentative)	Y/Y		Y/Y		Y/Y		Y/Y		Y/Y
Metal building materials	109.9	-	128.9	-	132.4	-	148.2	-	280.7	-	113.0	2.8%	127.2	-1.3%	125.4	-5.4%
Plumbing fixtures	81.0	-	89.4	-	92.6	-	96.4	-	189.0	-	78.9	-2.5%	84.7	-5.2%	87.1	-5.9%
Other building materials	45.3	-	50.7	-	52.8	-	58.0	-	110.8	-	43.8	-3.2%	47.3	-6.8%	49.9	-5.5%
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%	54.5	5.4%
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%	14.8	-9.8%
Domestic sales	299.3	-	330.4	-	345.9	-	369.2	-	715.2	-	299.2	0.0%	322.9	-2.3%	331.6	-4.1%
Asia	17.7	-	23.5	-	25.5	-	26.2	-	51.8	-	23.5	32.4%	26.1	11.2%	26.3	2.9%
Permasteelisa	40.9	-	50.6	-	52.1	-	61.4	-	113.5	-	46.0	12.5%	52.5	3.9%	53.0	1.6%
ASB	-	-	-	-	7.2	-	21.9	-	29.1	-	23.5	-	24.0	-	25.0	249.1%
Overseas sales	58.6	-	74.0	-	84.8	-	109.5	-	194.3	-	93.0	58.6%	102.6	38.6%	104.3	22.9%
Inter segment sales	-9.5	-	-11.4	-	-10.7	-	-11.7	-	-22.4	-	-10.7	-	-10.8	-	-11.2	-
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%	424.6	1.1%
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%	118.2	-0.1%
Gross margin	28.1%	+0.3	27.6%	-0.7	28.2%	-1.5	26.4%	-1.0	27.2%	-0.9	27.5%	-0.7	26.9%	-0.7	27.8%	-0.3
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%	97.3	4.2%
SG&A ratio	25.5%	-1.3	23.3%	-2.0	22.2%	-1.0	22.5%	-1.0	22.4%	-0.9	26.2%	+0.7	24.8%	+1.5	22.9%	+0.7
Metal building materials	7.2	-	11.4	-	12.8	-	10.9	-	23.7	-	5.9	-17.6%	8.3	-27.5%	11.1	-12.9%
Plumbing fixtures	4.4	-	6.7	-	9.1	-	5.2	-	14.3	-	1.4	-68.2%	3.3	-50.5%	8.4	-7.8%
Other building materials	1.3	-	3.0	-	3.7	-	4.2	-	7.9	-	0.9	-25.8%	1.9	-37.6%	2.6	-29.9%
Distribution and retail	1.2	-	0.4	-	1.7	-	0.9	-	2.6	-	2.2	78.4%	1.3	199.8%	3.0	76.5%
Housing, real estate and other	1.3	-	1.6	-	1.8	-	1.4	-	3.1	-	1.2	-13.1%	0.9	-40.7%	1.2	-31.7%
Domestic OP*	15.4	-	23.1	-	29.1	-	22.6	-	51.7	-	11.6	-24.6%	15.7	-32.0%	26.3	-9.5%
Asia	-0.8	-	0.3	-	1.5	-	0.7	-	2.2	-	0.4	-	1.0	251.6%	1.3	-13.4%
Permasteelisa	0.7	-	0.0	-	1.1	-	2.1	-	3.2	-	0.1	-91.8%	1.2	-	1.8	65.6%
ASB	-	-	-	-	0.3	-	1.2	-	1.5	-	1.0	-	0.2	-	-0.2	Fell into the red
Overseas OP*	-0.1	-	0.3	-	2.9	-	4.0	-	6.9	-	1.5	-	2.4	-	2.9	-
HQ expenses	-4.1	-	-4.5	-	-4.7	-	-5.6	-	-10.3	-	-5.8	-	-7.2	-	-6.1	-
Amortization of goodwill and PPA	-2.0	-	-2.1	-	-2.3	-	-2.9	-	-5.2	-	-2.5	-	-2.5	-	-2.1	-
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%	20.9	-16.4%
OP margin	2.6%	+1.6	4.3%	+1.3	5.9%	-0.5	3.9%	-1.0	4.9%	-0.0	1.3%	-1.4	2.0%	-2.2	4.9%	-1.0
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%	20.9	-22.8%
Net income/ loss	9.0	736.7%	8.8	Turned profitable	19.1	5.3%	7.9	-42.2%	26.9	-15.1%	0.1	-98.8%	3.6	-58.7%	16.1	-15.8%

* OP of each segment 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			Q3 (3 months)			Q3 (9 months)			Full-year		
	Mar-14 results	Mar-15 results	Y/Y (%)	Mar-14 results	**Mar-15 results**	Y/Y (%)	Mar-14 results	**Mar-15 results**	Y/Y (%)	Mar-14 results	Mar-15 forecasts	Y/Y (%)
Metal building materials	238.7	240.2	0.6%	132.4	**125.4**	-5.4%	371.2	**365.5**	**-1.5%**	519.4		
Plumbing fixtures	170.4	163.6	-3.9%	92.6	**87.1**	-5.9%	262.9	**250.7**	**-4.6%**	359.4		
Other building materials	96.0	91.1	-5.1%	52.8	**49.9**	-5.5%	148.8	**141.0**	**-5.2%**	206.8		
Domestic building materials total	505.1	494.9	-2.0%	277.8	**262.3**	-5.6%	782.9	**757.2**	**-3.3%**	1,085.6	1,026.9	-5.4%

Operating profit of domestic manufacturing businesses

Unit: Ybn

	1H			Q3 (3 months)			Q3 (9 months)			Full-year		
	Mar-14 results	Mar-15 results	Y/Y (%)	Mar-14 results	**Mar-15 results**	Y/Y (%)	Mar-14 results	**Mar-15 results**	Y/Y (%)	Mar-14 results	Mar-15 forecasts	Y/Y (%)
Metal building materials	18.6	14.2	-23.7%	12.8	**11.1**	-12.9%	31.4	**25.3**	**-19.3%**	42.3		
Plumbing fixtures	11.1	4.7	-57.5%	9.1	**8.4**	-7.8%	20.2	**13.1**	**-35.1%**	25.4		
Other building materials	4.3	2.8	-34.1%	3.7	**2.6**	-29.9%	8.0	**5.4**	**-32.2%**	12.2		
Domestic building materials total	34.0	21.7	-36.0%	25.7	**22.2**	-13.6%	59.6	**43.9**	**-26.4%**	79.9	68.7	-14.0%

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

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

Unit：Y bn

	Mar-14 Q3 (3 months) 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 Q3 (3 months) results
Metal	12.8	-2.5	0.0	-0.8	-0.4	0.5	1.5	0.0	-1.7	+11.1
Plumbing	9.1	-2.0	0.5	-0.3	-0.3	1.7	-0.3	0.0	-0.7	+8.4
Other	3.7	-1.1	0.1	-0.1	-0.2	0.2	0.0	0.0	-1.1	+2.6
Domestic building materials total	25.7	-5.6	0.6	-1.2	-0.9	2.4	1.2	0.0	-3.5	+22.2

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

Unit：Y bn

	Mar-14 Q3 (9 months) 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 Q3 (9 months) results
Metal	31.4	-2.1	-1.2	-1.8	-0.6	0.2	0.7	-1.3	-6.1	+25.3
Plumbing	20.2	-4.3	-0.4	-0.8	-1.1	3.5	1.0	-5.0	-7.1	+13.1
Other	8.0	-2.4	-0.1	-0.4	-0.7	1.0	0.5	-0.4	-2.6	+5.4
Domestic building materials total	59.6	-8.8	-1.7	-3.0	-2.4	4.7	2.2	-6.7	-15.7	+43.9

5. Segment Information (2) Distribution and Retail

Sales and OP for the segment (results and forecasts)

Unit: Y bn

		1H			Q3 (3 months)			Q3 (9 months)			Full-year		
		Mar-14 results	Mar-15 results	Y/Y (%)	Mar-14 results	**Mar-15 results**	Y/Y (%)	Mar-14 results	**Mar-15 results**	Y/Y (%)	Mar-14 results	Mar-15 forecasts	Y/Y (%)
Sales		93.8	97.9	4.4%	51.7	**54.5**	5.4%	145.5	**152.4**	4.7%	195.1	200.9	3.0%
OP		1.7	3.5	110.2%	1.7	**3.0**	76.5%	3.4	**6.5**	93.4%	4.3	8.2	93.0%
Figures of Ken Depot included above	Sales	12.8	15.1	17.6%	7.3	**8.0**	9.6%	20.2	**23.1**	14.4%	28.1	33.6	19.6%
	OP	-1.8	-0.8	Loss decreased	-0.6	**-0.1**	Loss decreased	-2.4	**-1.0**	Loss decreased	-2.8	-0.4	-

Operation profits: increase/ decrease analysis

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

Unit: Y bn

Mar-14 Q3 (3 months) results	Due to sales increase	Sales price	Cost	SG&A	Cost of new stores	Ken Depot	Total	Mar-15 Q3 (3 months) results
1.7	0.7	0.2	0.0	0.5	-0.6	0.5	+1.3	3.0

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

Unit: Y bn

Mar-14 Q3 (9 months) results	Due to sales increase	Sales price	Cost	SG&A	Cost of new stores	Ken Depot	Total	Mar-15 Q3 (9 months) results
3.4	1.2	1.0	0.4	0.8	-1.8	1.5	+3.1	6.5

Number of stores

Unit: stores

	Mar-14	Mar-15		Mar-15	
	results	Q3 (9 months) results	Change from Mar-14	forecasts	Change from Mar-14
Newly opened SVH stores	4	1	-3	1	-3
Newly opened NVH stores	0	0	0	0	0
Newly opened Ken Depot stores	4	2	-2	2	-2
Number of stores closed	4	0	-4	1	-3
Number of stores at end of term	146	149	+3	148	+2
(SVH stores)	33	34	+1	34	+1
(NVH stores)	9	9	0	9	0
(Ken Depot stores)	62	64	+2	64	+2
(VH stores)	42	42	+0	41	-1

Results of home center business

Unit: Y bn

	Mar-14 Q3 (9 months) results	Mar-15 Q3 (9 months) results	Y/Y
Sales	125.3	129.3	3.2%
OP	6.7	8.6	28.3%
%	5.3%	6.6%	+1.3

Rate of sales growth of home center stores

<Mar-15 Q3 (9 months) results>

Unit: %

All stores	+3.3
Existing stores only	-1.2

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

Growth rate of customer footfall and average sales per customer

<Mar-15 Q3 (9 months) results>

Unit: %

All stores	
Customer footfall	-0.7
Average sales	+4.0
Existing stores only	
Customer footfall	-4.4
Average sales	+3.4

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

Sales and OP of the segment (results and forecasts)

Unit: Y bn

	1H			Q3 (3 months)			Q3 (9 months)			Full-year		
	Mar-14 results	Mar-15 results	Y/Y (%)	Mar-14 results	**Mar-15 results**	Y/Y (%)	Mar-14 results	**Mar-15 results**	Y/Y (%)	Mar-14 results	Mar-15 forecasts	Y/Y (%)
Sales	30.9	29.3	-5.0%	16.4	**14.8**	-9.8%	47.3	**44.1**	-6.7%	64.2	62.3	-3.0%
OP	2.9	2.1	-28.1%	1.8	**1.2**	-31.7%	4.7	**3.3**	-29.5%	6.1	5.2	-14.3%

Sales and OP by segment companies

<Mar-15 Q3 (3 months) results>

Unit: Y bn

	Sales			OP		
	Mar-14 results	Mar-15 results	Y/Y	Mar-14 results	Mar-15 results	Y/Y
LIXIL Housing Research Institute	7.7	6.6	-14.8%	0.6	0.6	14.5%
JIO	3.0	2.7	-9.8%	0.2	0.1	-52.8%
Japan Home Shield	3.0	2.6	-14.9%	0.4	0.3	-39.8%
LIXIL REALTY	1.7	2.1	26.0%	0.1	0.2	32.1%
Other & adjustments	1.0	0.9	-15.3%	0.4	0.0	-100.8%
Segment total	16.4	14.8	-9.8%	1.8	1.2	-31.7%

<Mar-15 Q3 (9 months) results>

Unit: Y bn

	Sales			OP		
	Mar-14 results	Mar-15 results	Y/Y	Mar-14 results	Mar-15 results	Y/Y
LIXIL Housing Research Institute	21.0	18.7	-10.7%	1.5	1.3	-17.6%
JIO	8.5	8.3	-2.2%	0.5	0.4	-31.4%
Japan Home Shield	8.0	7.2	-9.9%	1.1	0.7	-32.6%
LIXIL REALTY	5.7	6.0	5.2%	0.5	0.6	15.3%
Other & adjustments	4.1	3.8	-5.7%	1.1	0.4	-62.8%
Segment total	47.3	44.1	-6.7%	4.7	3.3	-29.5%

Number of contracts received and houses built with housing franchise businesses

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

Number of contracts received

Unit: houses

	Mar-14 Q3 (9 months) results	Mar-15 Q3 (9 months) results	Y/Y	Mar-15 Q3 (3 months) results	Y/Y
Total for the Group	3,611	2,912	-19.4%	924	36.9%

Number of houses built

Unit: houses

	Mar-14 Q3 (9 months) results	Mar-15 Q3 (9 months) results	Y/Y	Mar-15 Q3 (3 months) results	Y/Y
Total for the Group	3,121	2,607	-16.5%	953	-15.7%

7. Sales by Products and Services

Unit: Y bn

Major products	Mar-14 results	Mar-14 Q3 (9 months) results	Mar-15 Q3 (9 months) results	Y/Y (%)	Quarterly Y/Y (%)						
					Mar-14				Mar-15		
					Q1	Q2	Q3	Q4	Q1	Q2	**Q3**
Housing sashes and related products	**215.2**	**163.2**	**153.1**	-6.2%	8.0	3.5	9.2	11.1	-5.2	-5.1	**-8.1**
Exterior	**120.6**	**89.3**	**90.6**	1.5%	-2.2	1.8	5.0	19.5	8.3	3.2	**-6.4**
Building sashes and shutters	**117.3**	**72.9**	**73.8**	1.3%	-1.9	2.5	1.8	1.5	5.2	-1.4	**1.9**
Sanitary ware	**102.4**	**73.2**	**71.1**	-2.9%	1.1	5.1	3.8	19.5	0.8	-4.6	**-4.3**
Bathroom units	**91.3**	**68.0**	**66.3**	-2.5%	5.5	5.8	8.1	16.4	1.6	-3.1	**-5.4**
Kitchens	**106.0**	**81.4**	**75.8**	-6.9%	6.8	12.2	6.7	-3.4	-5.3	-8.4	**-6.8**
Washstand cabinet units	**34.0**	**24.1**	**24.1**	-0.3%	5.9	8.5	7.8	22.0	5.6	-2.4	**-3.1**
Wooden interior furnishing materials	**59.8**	**43.3**	**41.5**	-4.1%	18.7	19.1	19.1	31.4	0.6	-3.8	**-8.3**
Exterior wall materials for houses	**37.7**	**27.8**	**24.5**	-11.7%	3.8	5.3	-5.6	12.3	-5.9	-16.4	**-12.3**
Tiles	**30.8**	**22.4**	**21.6**	-3.3%	-4.5	-1.5	-4.1	7.6	0.6	-3.1	**-6.9**
Interior Fabric	**32.4**	**22.9**	**21.6**	-5.8%	-1.6	-0.4	-1.0	11.3	-1.2	-6.9	**-8.7**
Housing structures and precut woods	**37.5**	**28.9**	**21.3**	-26.3%	13.9	16.4	14.4	3.0	-25.0	-26.6	**-27.2**
Home center sales	**191.9**	**143.1**	**149.8**	4.6%	7.8	7.4	8.0	21.9	2.6	6.1	**5.3**
Overseas	**293.9**	**193.2**	**274.0**	41.8%	15.2	38.4	45.2	65.9	64.1	42.4	**26.6**
Other	**157.8**	**107.8**	**111.8**	3.7%	9.7	5.2	11.0	31.2	5.7	8.4	**-2.9**
Total	**1,628.7**	**1,161.6**	**1,220.8**	5.1%	6.8	10.2	12.4	23.0	9.5	5.5	**1.1**

8. Renovation Business

Ratio of renovation business

Unit: Y bn

	Mar-13 results	Mar-14 results	Mar-14 Y/Y	Mar-15 Q3 (9 months) results	Mar-15 Q3 (9 months) Y/Y
Sales from renovation business	327.4	376.7	15.1%	286.9	3.8%
Ratio of renovation business*	26.6%	28.2%	+1.6	30.3%	+1.8

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

Sales of renovation products

Unit: Y bn

	Mar-13 results	Mar-14 results	Mar-14 Y/Y	Mar-15 forecasts	Mar-15 Y/Y	Mar-15 Q3 (9 months) results	Mar-15 Q3 (9 months) Y/Y
Group total	247.9	282.6	14.0%	283.0	0.1%	212.1	2.1%
Renovation ratio	29.2%	31.0%	+1.8	32.9%	+2.0	33.2%	+1.8

Renovation network

Unit: Stores

Voluntary type	Mar-12 results	Mar-13 results	Mar-14 results	Sep-14 results	**Mar-15 results**
LIXIL Reform Net	8,896	9,356	10,203	11,143	**11,397**

* Changed to current organization in April 2012

Unit: Stores

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

* 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 Q3 (9 months) results	Mar-15 forecasts
Aluminum housing sashes	Thailand	26%	28%	26%
Interior wooden furnishing materials	China	46%	43%	46%
Sanitary ware	China, Vietnam	42%	44%	42%
Water faucets*	China, Vietnam	12%	14%	11%
Floor tiles	China, Vietnam	53%	54%	53%

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

Sales overseas

Unit: Y bn

Areas	Mar-14 Q3 (9 months) results			Mar-15 Q3 (9 months) results				
	Sales	Sales excluding Permasteelisa	Sales of Permasteelisa	Sales	Y/Y	Sales excluding Permasteelisa	Y/Y	Sales of Permasteelisa
Greater China	55.5	36.9	18.6	56.7	2.0%	36.2	-2.0%	20.5
Thailand	9.5	8.7	0.8	11.1	16.4%	9.7	11.4%	1.4
Vietnam	6.4	5.7	0.7	6.6	2.7%	6.5	14.0%	0.1
Korea	4.0	4.0	0.0	7.2	78.9%	7.2	80.9%	0.0
Other Asian countries	11.7	4.7	7.0	12.7	8.1%	5.6	20.4%	7.0
Middle East	30.8	0.0	30.8	18.9	-38.7%	0.0	-64.5%	18.9
North America	32.2	7.7	24.5	110.6	243.2%	70.4	-	40.2
Europe	35.2	0.5	34.7	40.0	13.6%	0.3	-40.9%	39.7
Others	7.7	1.3	6.5	10.3	33.3%	3.5	179.3%	6.8
Total	193.2	69.6	123.7	274.0	41.8%	139.5	100.5%	134.6

(For reference)

Overseas sales ratio

Unit: Y bn

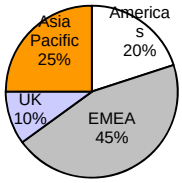
	Mar-11 results	Mar-12 results	Mar-13 results	Mar-14 results	Mar-15 Q3 (9 months) results	Mar-15 forecast
Overseas sales	40.0	53.9	205.1	293.9	274.0	402.0
Overseas sales ratio	3.3%	4.2%	14.3%	18.0%	22.4%	24.0%

10. Permasteelisa

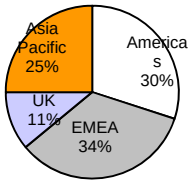
Full-year= January to December

Regional sales contribution

FY2013



FY2014 Q3



Business performance of Permasteelisa

Unit: Y bn

	Dec-13 Q3 (9 months) results	Dec-14 Q3 (9 months) results	Y/Y	Dec-14 forecasts	Y/Y
Sales	126.4	137.3	9%	197.4	9%
Permasteelisa OP	1.7	3.3	89%	6.0	46%
%	1.4%	2.4%	+1	3%	+1
Amortization of Goodwill and intangible assets	4.2	4.3	0%	5.9	2%
OP	-2.5	-0.9	-	0.1	-
Exchange rate Yen/Euro	126.2	139.8	-	140.0	-

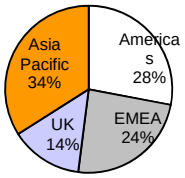
Orders received

Unit: million euros

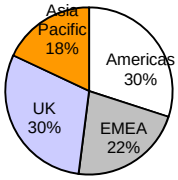
	Dec-13 Q3 results	Dec-14 Q3 results
New	1,131	1,004
Backlog	1,962	2,057

New orders by region

FY2013



FY2014 Q3



Goodwill

Unit: million euros

	Mar-14 results End balance	Mar-15 Q3 (9 months) results Amortization	Mar-15 Q3 (9 months) results End Balance	Mar-15 forecasts Amortization	Mar-15 forecasts End Balance	Amortization period
Goodwill	216	18	198	24	192	11 years
Other intangible assets	204	12	191	17	187	4 to 20 years
Total	419	30	389	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)

Unit: Y bn

	Mar-15 Q3 (9 months) results	Mar-15 forecasts
Sales	72.5	100.4
OP	1.0	1.5
%	1%	2%
Amortization of Goodwill and intangible assets*	1.1	1.4
OP	-0.1	0.1
Exchange rate (Yen/USD)	107.3	107.0

Business performance of ASB (in USD)

Unit: million dollars

	Mar-14 Q3 (9 months) results	Mar-15 Q3 (9 months) results	Y/Y
Sales	659	680	3%
OP	26	17	-33%
%	4%	3%	-1
Total Assets	-	850	-
Interest bearing debt	-	307	-
Net Assets	-	265	-

Before forex, management based figures including non-consolidated subsidiaries

Goodwill and other intangible assets

Unit: million dollars

	Mar-15 Q3 (9 months) results Amortization	Mar-15 Q3 (9 months) results End Balance	Mar-15 forecasts Amortization	Mar-15 forecasts End Balance	Amortization period
Goodwill	6	143	7	142	20 years
Other intangible assets*	4	92	6	91	5 to 30 years
Total	10	236	13	233	

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

12. Asia Business

Full-year= January to December
Consolidated Asia Segment

Unit: Y bn

	2013 Q3 (9 months) results	2014 Q3 (9 months) results	Y/Y increase/ decrease	Y/Y %	2014 FY forecast	Y/Y increase/ decrease	Y/Y %
Net sales to outside customers	43.1	51.4	8.3	19%	-	-	-
Inter-segment sales of products	23.6	24.4	0.8	3%	-	-	-
Net Sales	66.7	75.8	9.1	14%	108.6	15.6	17%
OP *1	1.0	2.7	1.7	-	4.8	3.1	182%
OPM *2	2%	5%	-	+3	-	-	-

*1 Operating income is before amortization of goodwill and purchase price allocation
*2 OP margin of net sales to outside customers

13. GROHE

Full-year= January to December
Consolidated business performance of GROHE (in Euros)

Unit: million euros

Fiscal year	Dec-11	Dec-12	Dec-13	Jun-14	Sep-14
Net assets	480	487	396	411	457
Goodwil	764	764	764	764	764
Total assets	2,512	2,582	2,601	2,657	2,817
Interest bearing liabilities	1,307	1,288	1,278	1,240	1,317
Net Sales	1,296	1,405	1,450	754	1,138
Adjusted EBITDA	232	272	286	141	210
Operating profit	213	218	227	110	162
%	16%	16%	16%	15%	14%
Net profit (loss)	62	35	-106	41	56

14. Scope of Consolidation

Number of consolidated subsidiaries and equity method affiliates

	Jun-13	+	-	Sep-13	+	-	Dec-13	+	-	Mar-13	+	-	Jun-14	+	-	Sep-14	+	-	Dec-14
Consolidated subsidiaries	107	20	3	124	3	0	127	2	0	129	1	4	126	2	0	128	0	2	126
Equity method affiliates	3	0	0	3	1	0	4	1	0	5	0	1	4	0	1	3	1	0	4

* Impact to sales and profit due to new consolidation and equity method
Y63bn in sales, -Y0.9bn in OP, -Y7.2bn in RP, -Y7.5bn in net income

15. Goodwill

Amortization of negative goodwill Unit: Y bn

	Mar-14 results		Mar-15 forecasts		Mar-15 Q3 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 Q3 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	0.4	0.9
LIXIL Haier Housing Products	0.7	2.2	0.7	1.5	0.5	1.7
Hivic	0.3	0.7	0.3	0.4	0.2	0.5
Permasteelisa	3.1	31.3	3.5	27.8	2.5	27.5
ASB	0.7	*2 42.2	0.8	14.1	0.6	18.3
Star Alubuild	0.0	0.4	0.1	0.3	0.1	0.4
Other	0.7	1.6	0.6	1.7	0.3	0.6
Total	6.8	80.0	6.8	46.6	4.9	49.7
SG&A	6.6		6.8		4.9	
Extraordinary loss	0.2		-		-	

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

16. Recent M&As / Business & Capital Alliances

M&As of overseas companies Unit: Y bn

Timing	Company name	Target	Sales		Purchasing amount	Ownership ratio	Total amount of goodwill	Effect
			Time of acquisition	FY Dec-13 result				
Jul 2009 (partly Nov 2009)	American Standard Asia Pacific (Group)	Sanitary ware(Asia)	23.5	-	17.6	100%	Net goodwill 2.1/ Intellectual property 3.5	>Gain business platform in Asia >Rebuild Asian base
Jan 2011	Shanghai Meite Curtain Wall Co., Ltd.	Building sashes (China)	12.0	24.5	3.2	75%	0.5	>Expand building sashes in China
Dec 2011	Permasteelisa	Building sashes (Global)	116.0	180.4	60.8	100%	Goodwill 34.3 Other intangible assets 35	>Globally expand building sashes
Aug 2013	ASD Americas Holding (ASB)	Plumbing products (North America)	82.0	85.0 *1	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 *1	103.9	43.8%	Goodwill 78.6 Other intangible assets 73.8 *2	>Establish European platform

*1 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.
*2 Includes amount of goodwill of GROHE Group prior to purchasing by LIXIL.

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	Effect
Dec 2010	Leopalace 21	Major lease management, renovation, and other	1.8	9%→ FY13 5%	>Expand sales for Leopalace
Sept 2013	EDION	Renovation business in the home electrical appliance industry	5.0	8%	>Expand sales for EDION
Oct 2013	Sharp	New product development by integrating building & electrical materials	5.0	1%	>Expand sales of new products