TSE Code: 5938

LIXIL
Link to Good Living

Q1 Results for the Fiscal Year Ending March 31, 2016

(From April 1, 2015 to June 30, 2015)

August 7, 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.

*IFRS based results for the Q1 of the fiscal year ending March 31, 2016 are preliminary figures which are subject to change

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Results Highlights

LIXIL

Strong Start in FY 2016

- ✓ Increase in sales (+5%) and profit (+32%)*
- ✓ Outperformed internal profit target
- ✓ Renovation sales achieved +12% Y/Y, housing starts showed turnaround in Japan
- ✓ LWT achieved increase in sales and profit across entire brand portfolio and across all regions
- ✓ LKT and LHT profit increased substantially due to cost reduction and mix improvement
- ✓ Based on strong fundamentals revised 1H forecasts upwards

* Based on JGAAP

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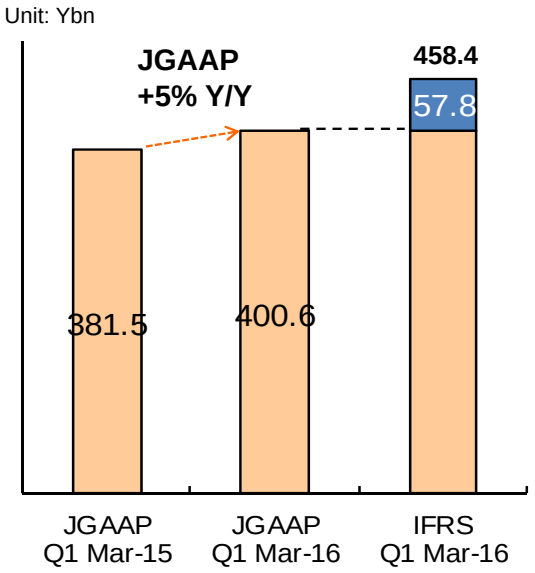
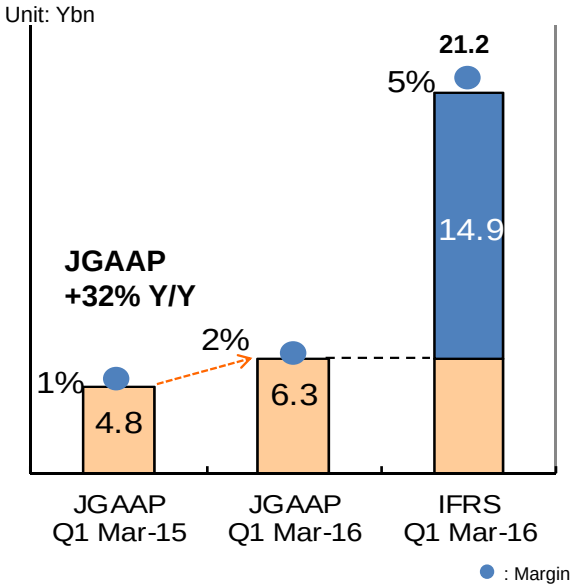
Financial Results for Q1 (3 Months) for the FY Ending Mar-16

Significant Increase in Japan Earnings *

Sales



Core Earnings (CE)



*Conventional operating profit

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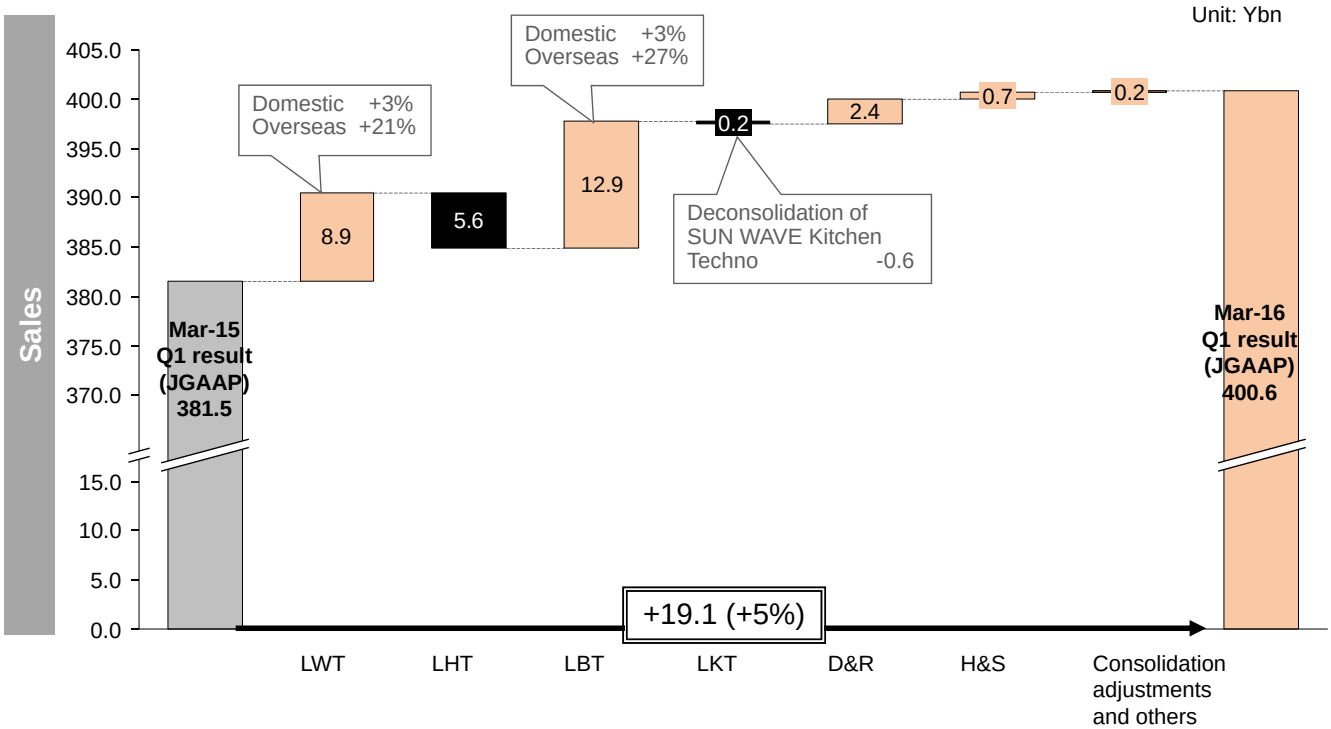
Increase / Decrease in Sales for Q1

Stable Growth in Overseas Business, Recovery in Domestic Business



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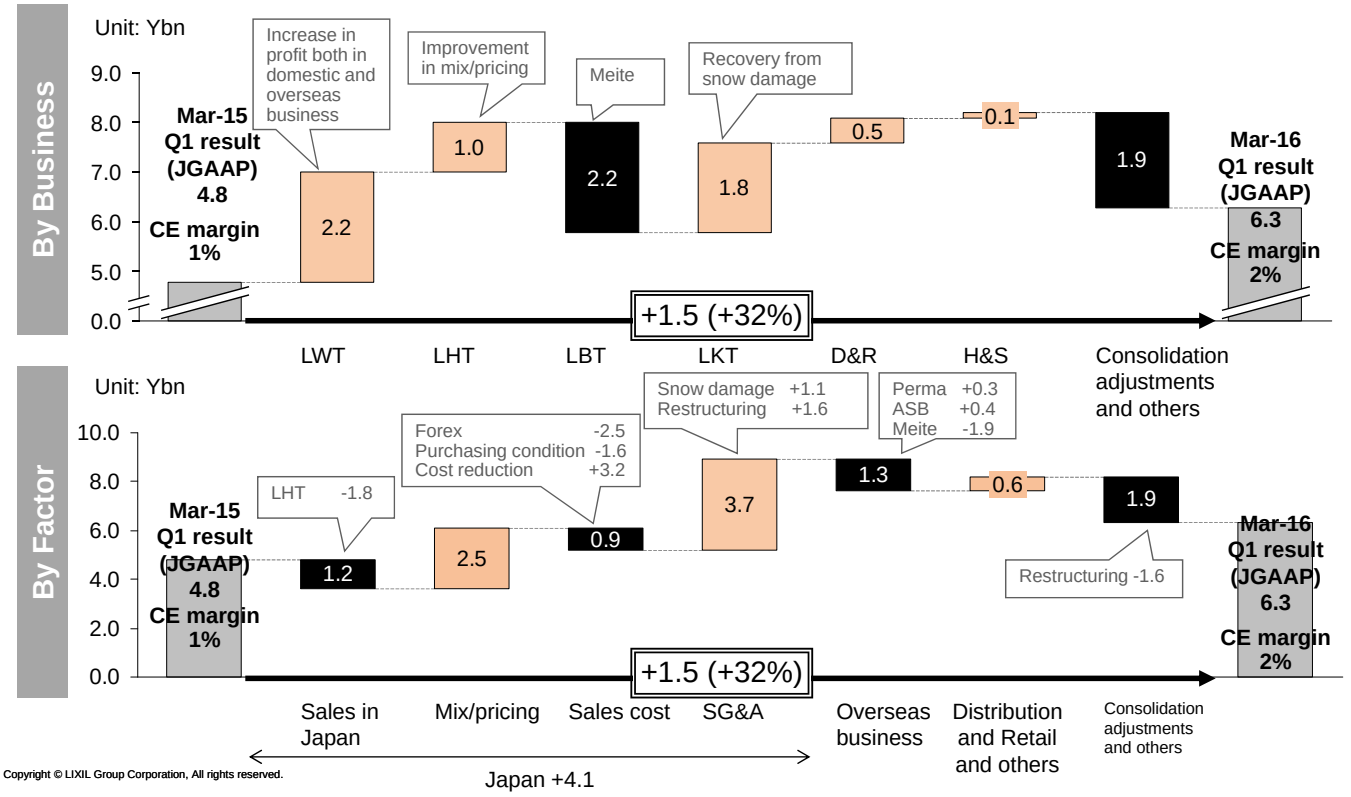
*Please refer to the pages 6 to 10 for the names of the businesses

Increase / Decrease in CE for Q1

Good Momentum Across All Businesses Driven By Pricing and Cost Savings



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Overview of the Q1 Results by Tech-business

- Management accountability
- Consistent financial year end date through IFRS
- Constant currency

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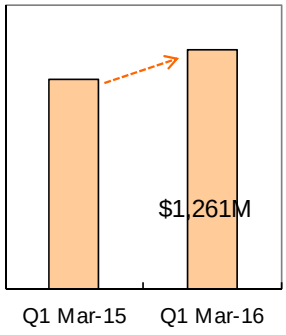
LIXIL Water Technology – LWT

Strong Performance Across Entire LWT Portfolio

Sales Increase

+14% Y/Y

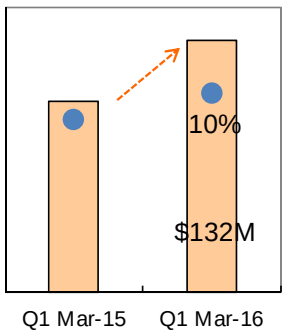
Unit: $M



CE Increase

+32% Y/Y

Unit: $M





"*SPAGE*" Unit bathroom



"DXV", luxury brand from ASB

- Japan
  - +5% increase in sales and +56% increase in CE Y/Y
  - Renovation sales increased by 12% (Competitor+11%)

    Renovation profit margin 9% (Competitor 3%)
- GROHE
  - +15% increase in sales (+9% excluding DAWN), +5% increase in CE Y/Y
  - Driven by EMEA and North America
- ASB
  - +26% increase in sales and +60% increase in CE Y/Y
  - Driven by Ferguson showrooms
- Asia
  - +29% increase in sales and +90% increase in CE Y/Y
  - Double digit sales growth Y/Y in Korea, Thailand, India, Vietnam and Philippines
  - China +8% increase in sales and +15% increase in CE Y/Y

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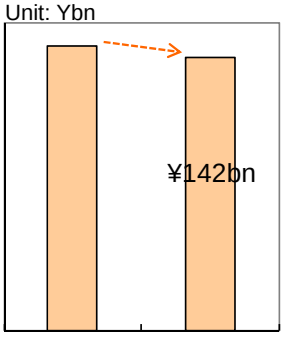
LIXIL Housing Technology – LHT

Continuous Improving of Profitability

Sales Increase

-4% Y/Y

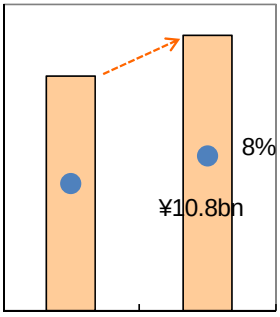
Unit: Ybn



CE Increase

+17% Y/Y

Unit: Ybn





"Inplus"
Soundproofing, thermal-insulating inner window



"SAMOS X"
High performance hybrid window



"Rechent II"
Renovation entrance door

- Sales for renovation Y/Y +7%

  Sales for new homes Y/Y -8%
- Eco-point related products showed significant growth
- Profit increase Y/Y due to:
  - Reinforcement of renovation, which forms part of our core strategy
  - Improvement of mix and pricing
  - Cost reduction of production
  - Reduction in SG&A

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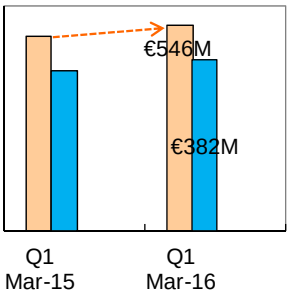
LIXIL Building Technology – LBT

Permasteelisa Continues to Show Strong Momentum

Sales Increase

+6% Y/Y

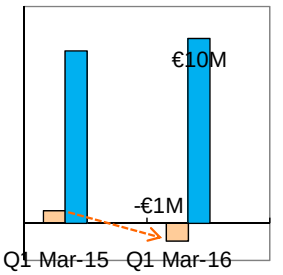
Unit: €m



CE Increase

slight decrease

Unit: €m



: LBT
: Permasteelisa



Freedom Tower



©Simon Kennedy

10 Hammersmith Grove

- Permasteelisa booked +7% increase in sales and +8% increase in CE Y/Y
- Offset by Tostem Singapore, Shanghai Meite and Japan seasonal deficit
- Curtain wall market showed continuous stable growth in UK and North America
- Backlog gross margin increased by 2.7 percentage point Y/Y
- Domestic sales and CE improved compared to previous year and the target due to favorable demands for renovation in Japan

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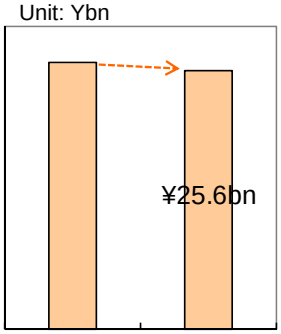
LIXIL Kitchen Technology – LKT

Profitability of Operations Restored

Sales Increase

-3% Y/Y

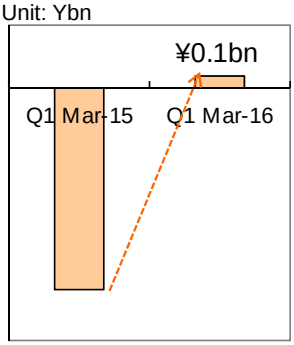
Unit: Ybn



CE Increase

turned profitable

Unit: Ybn





SUNVARIE RICHELLE SI
Kitchen system

- François-Xavier LIENHART became CEO of LKT from August 1st
- Increased sales for premium and middle products Y/Y
- Impact of deconsolidation
- Turned profitable due to the reversal from snow damage effect which occurred in precious year as well as cost reduction measures



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D&R and H&S

Retail and Distribution Business (D&R)

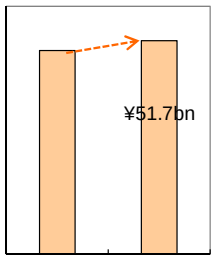
- LIXIL VIVA
  - +5% increase in sales and +7% increase in CE Y/Y
  - Achieved record-high profit due to SCM and reduction of indirect costs
  - No new store openings
- Ken Depot
  - +6% increase in sales; store profit turned to positive
  - No new store-openings

Housing Services Business (H&S)

- Positive contributions from LIXIL Housing Research Institute, LIXIL Realty and others
- Profitability flat due to launch of new business
- Started “LIXIL Living Solution Corporation”, offering one stop shopping in housing service businesses

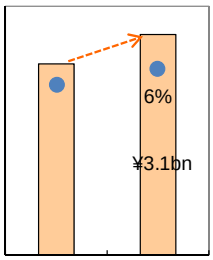
Sales (+5%)

Unit: Ybn



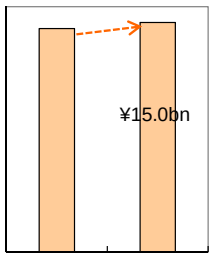
CE (+15%)

Unit: Ybn



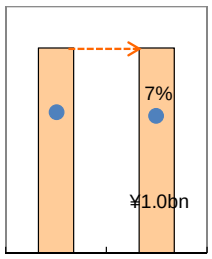
Sales (+3%)

Unit: Ybn



CE (flat)

Unit: Ybn



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Progress toward Management Accountabilities for 1Q FY2016

Businesses	Managed currency	Sales	Y/Y (%)	Normalized EBIT	%	Y/Y (%)
LWT	$M	$1,261	+14%	$132	10%	+32%
LHT	Ybn	142.0	-4%	10.8	8%	+17%
LBT	€M	€546	+6%	-€1	0%	-
LKT	Ybn	25.6	-3%	0.1	0%	Turned profitable
D&R	Ybn	51.7	+5%	3.1	6%	+15%
H&S	Ybn	15.0	+3%	1.0	7%	+0%
HQ and consolidated adjustments	Ybn	-1.2	-	-9.8 *3	-	-
Total *1	Ybn	455.4	-	20.7	5%	-
Impact from currency translation & PPA *2	Ybn	3.0	-	0.5	17%	-
Consolidated basis (IFRS)	Ybn	458.4	-	21.2		-

*1 Translation rate 1$=120yen, 1€=130yen
*2 Purchase price allocation
*3 HQ cost : ¥6bn

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Upward Revision of the Forecasts of 1H for the Fiscal Year Ending March 2016

*IFRS based results for the Q1 of the fiscal year ending March 31, 2016 are preliminary figures which are subject to change

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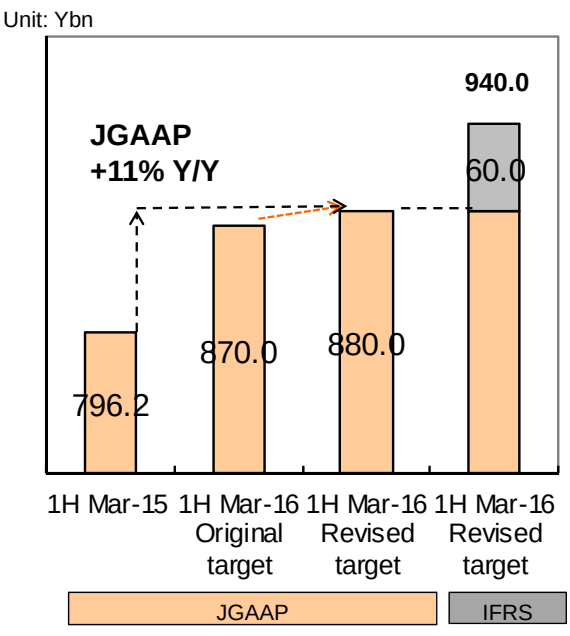
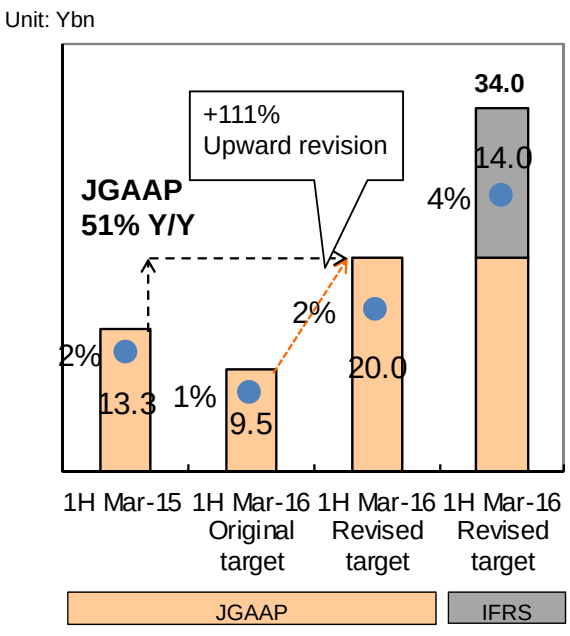
Upward Revision of CE Forecasts for 1H for the FY ending Mar-16

Significant Increase in Domestic Profit, Favorable Trend in U.S. Business

1H Sales



1H Core Earnings (CE)



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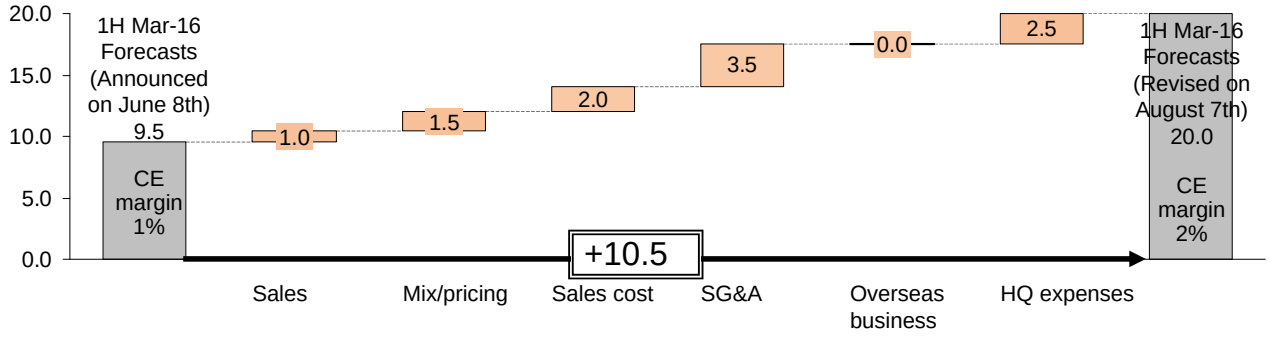
Breakdown of Upward Revision of CE for 1H (JGAAP)

Improvement in Sales and Pricing; Cost and Expense Management

(From -29% Y/Y to +50% Y/Y)

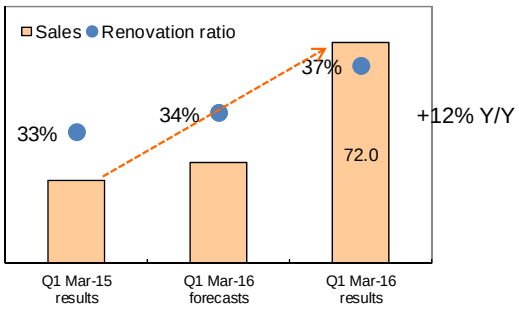
Unit: Ybn



- Exceeded sales forecasts in renovation business
- Improvement in mix and plant utilization
- Reduction of cost /SG&A

Renovation products ratio

Unit: Ybn



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Progress Projection toward Management Accountabilities for 1H FY2016

Businesses	Managed currency	Sales	Y/Y (%)	vs. plan (%)	Normalized EBIT	%	Y/Y (%)	vs. plan (%)
LWT	$M	$2,540	+14%	+3%	$250	10%	+36%	+23%
LHT	Ybn	296.0	-2%	+1%	21.0	7%	+20%	+57%
LBT	€M	€1,230	+9%	-3%	€28	2%	+30%	-15%
LKT	Ybn	55.0	+1%	-4%	0.5	1%	Turned profitable	+33%
D&R	Ybn	102.0	+5%	+0%	5.5	5%	+27%	+0%
H&S	Ybn	31.0	+3%	+9%	2.0	6%	+0%	+8%
HQ and consolidated adjustments	Ybn	-8.7	-	-	-20.1	-	-	-
Total *1	Ybn	940.0	-	-	42.5	-	-	-
Impact from currency translation & PPA *2	Ybn	-	-	-	-8.5	-	-	-
Consolidated basis (IFRS)	Ybn	940.0	-	+1%	34.0	4%	-	+55%

*1 Translation rate 1$=120yen, 1€=130yen
*2 Purchase price allocation

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Overview of the Q1 Results

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Results for Q1 (3 Months) of the FY Ending Mar-16 (JGAAP)

Unit: Ybn

	1Q Mar-15 results	1Q Mar-16 results	Y/Y increase/ decrease	%
Net sales	381.5	400.6	19.1	5%
Core earnings *1	4.8	6.3	1.5	32%
core earnings margin (%)	1.3%	1.6%	-	+0.3
Net profit *2	0.0	-32.9	-32.9	-
Net profit before amortization of goodwill	3.3	-31.4	-34.7	-
EPS before amortization of goodwill (yen)	11	-110	-121	-
EBITDA *3	18.1	20.2	2.1	12%
EBITDA %	4.7%	5.1%	-	+0.3

- Major extraordinary items of Q1 Mar-16

(i) Loss on investment to associates and other
JPY33bn: Loss of guarantees with respect to the liabilities of Joyou

(ii) Loss on revaluation of assets
JPY6.3bn: Due to consolidation of GROHE

(Exchange rate: Jan-14 JPY141 ⇒ JPY129)

*1 Conventional operating profit
*2 Net income attribute to owners of the parents
*3 JGAAP: Core earnings + Depreciation and amortization

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Consolidated Financial Position (JGAAP)

Healthy Financial Position

Unit: Ybn

	Mar-15	GROHE consolidation	Mar-15 After consolidation of GROHE	Jun-16	Increase/ decrease
Cash and deposits	257.3	-12.4	244.8	163.3	-81.5
Notes and accounts receivable	443.9	28.7	472.6	441.5	-31.1
Inventories	227.6	26.9	254.5	266.5	12.0
Tangible and intangible assets	649.5	399.0	1,048.5	1,040.4	-8.1
Others	297.0	-71.6	225.4	245.4	20.0
Total assets	1,875.2	370.6	2,245.8	2,157.1	-88.7
Notes and accounts payable	233.0	23.1	256.0	249.7	-6.4
Interest-bearing debt	676.0	144.8	820.8	769.0	-51.8
Others	352.6	138.8	491.5	502.7	11.3
Total liabilities	1,261.6	306.7	1,568.3	1,521.4	-47.0
Treasury stocks	-56.2	-	-56.2	-56.2	0.0
Others	669.9	63.9	733.7	691.9	-41.8
Net assets	613.7	63.9	677.5	635.8	-41.8
Equity ratio (%)	32.1		26.4	25.5	-0.9
Net asset per share (yen)	2,104.27		2,069.95	1,923.66	-146.28
Number of shares (in thousands)	286,352		286,352	286,359	+7

- Impact from GROHE on Total assets: JPY370.6bn
- Total assets decreased by JPY88.7bn
- Intangible assets of GROHE: JPY367.4bn (of which goodwill is163.7bn)
- Net interest-bearing debt: JPY605.6bn (+JPY186.9bn)
- D/E ratio: 110% (Mar-15 end: 68%)
- Net Debt/EBITDA: 4.6x (forecast for the fiscal year)

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Consolidated Cash Flow Statements (JGAAP)

FCF Excluding Impacts from Joyou was ¥77.6bn increase Y/Y

Unit: Ybn

	Mar-15 Q1 (3 months) results	Mar-16 Q1 (3 months) results	increase/ decrease	Mar-16 forecasts
Pre-tax income	3.5	**-34.2**	-37.8	
Depreciation	11.5	**12.4**	0.8	65.0
Income tax payments	-9.1	**-10.1**	-1.0	
Working capital	4.8	**5.6**	0.8	
Others	5.5	**19.6**	14.0	
Cash flows from operating activities	16.3	**-6.7**	-23.0	
Excluding Joyou impact	16.3	**26.3**	10.0	
Cash flows from investing activities	-3.8	**63.8**	67.6	
(of which purchase of property, plant and equipment and intangible	-14.2	**-13.0**	1.2	-80.0
Free cash flows	12.5	**57.1**	44.5	
Excluding Joyou impact	12.5	**90.1**	77.6	
Cash flows from financing activities	-15.8	**-59.2**	-43.4	

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Progress of JOYOU Issue: Investigation

- Investigations by the internal investigation committee and JOYOU Issue Committee (composed of outside experts) are currently ongoing.
  - The internal investigation committee, which was established on June 3, has been convened 5 times starting on June 5 and has been conducting the investigation with the assistance of outside experts. In order to figure out the facts, IT forensic investigation and interviews have been conducted with respect to over 50 employees and officers in China, Japan and Germany.
  - JOYOU Issue Committee, which was established on June 8 in order to monitor the investigation by the internal investigation committee and appropriately supervise related actions, has been conducting an objective and independent investigation and review, by obtaining regular reports from the internal investigation committee and all of the evidence obtained by the internal investigation committee.

- The investigation results will be disclosed after the investigation by both committees is completed.

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Progress of JOYOU ISSUE: Insolvency Proceedings of JOYOU AG

- The insolvency proceedings of JOYOU AG have formally commenced.
- As disclosed in “Announcement of Change of Specified Subsidiaries” on July 23, 2015, the insolvency proceedings of JOYOU AG, which had been filed with the local court of Hamburg in Germany, formally commenced on July 16.
- Mr. Mark Odebrecht, who had been a preliminary administrator, was appointed as insolvency administrator and, therefore, JOYOU AG is now under the control of the insolvency administrator and the court.
- Due to the commencement of the insolvency proceedings, LIXIL lost its control over JOYOU AG which, therefore, ceased to be a subsidiary of LIXIL. In addition, all consolidated subsidiaries of JOYOU AG in Hong Kong and PRC ceased to be subsidiaries of LIXIL.
- With respect to our claims against JOYOU AG, LIXIL will file a proof of claims in accordance with applicable procedures. A creditors meeting will be held on September 22.
- Although it appears that preparations toward a fund raising or reorganization were reported on a website of a PRC subsidiary of JOYOU AG and in the media, LIXIL has never been involved in such activities. LIXIL has been making its utmost efforts to recover our claims in consultation with the administrator.

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Progress of JOYOU Issue: Recovery of Damages

- Based on the relevant fact findings, we have continued to take a number of measures to recover the damages, some of which may have a positive result. LIXIL has continued to use its best efforts to recover damages anywhere in the world (not limited to Germany), such as obtaining an attachment order with respect to identifiable assets and initiating a litigation.

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Progress of JOYOU Issue: Insurance Claim

- LIXIL has an insurance policy regarding breach of representations and warranties by the seller with respect to the transaction in which LIXIL purchased shares of Grohe group (of which JOYOU AG was a subsidiary) in 2013.
- LIXIL gave its first notices to insurance companies on May 22, 2015 to initiate a procedure for its insurance claim.
- On August 3, LIXIL gave a second notice of its insurance claim, identifying more specific breach of representations and warranties, based on the fact findings and damages revealed by the investigation.

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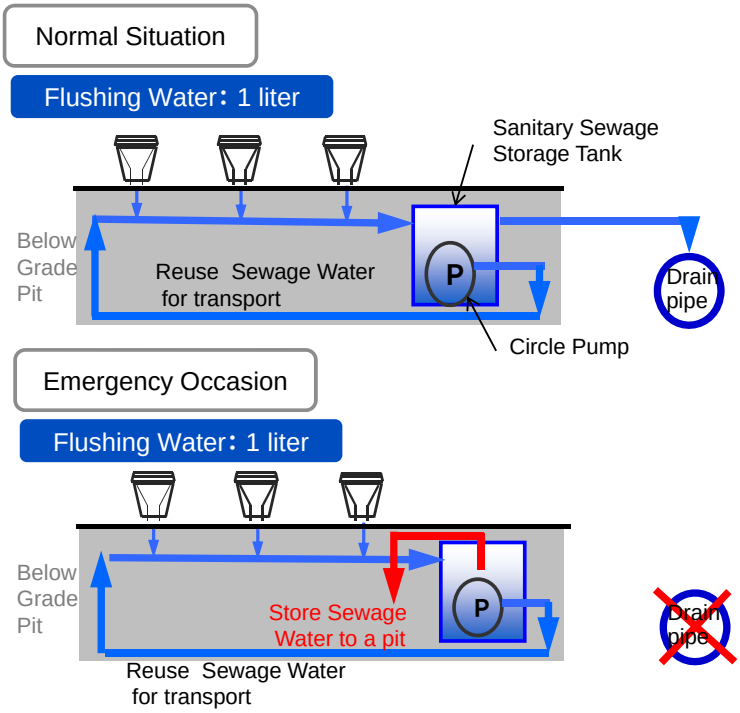
Progressive Approach

Toilet System for Emergency Occasion
~ Super Water Saving Toilet Only with 1 liter Flushing Water ~

- ✓ Can be used as a usual flushing toilet in normal occasion
- ✓ Enable people to use the toilet as usual for a period of time even if the local drainage system stops working. It is a stress-free public toilet with security and safety
- ✓ Operating a demonstration experiment in Urayasu City
- ✓ Planning to release for sale



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Appendix

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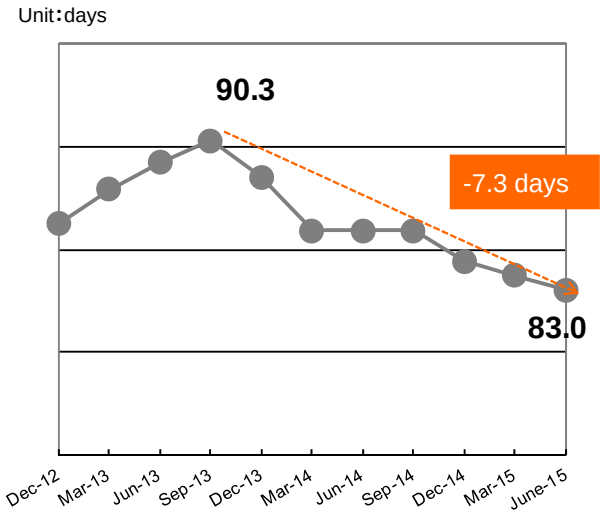
A-1. CCC (Operational Efficiency)

Normalized Operating Cash Flow increased by ¥10.0bn Y/Y

Targets **Y100bn**
By end of March 2016

- Payables 10%
- Inventories 25%
- Receivables 10%

CCC Progress and Target



FY Mar-17 Target: 55 days

*Activity basis, calculated in JGAAP

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A-2. Progress of Renovation Strategy in Japan

Stock business ratio assumption

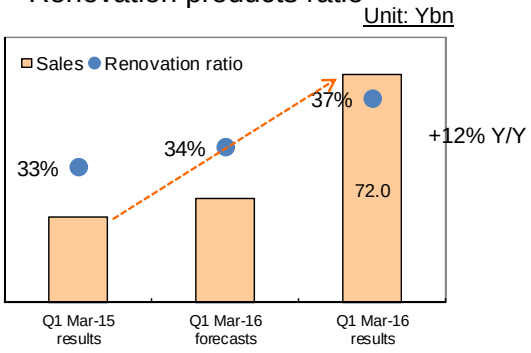
Unit: Ybn

	Mar-15 Q1 (3months) results	Mar-16 Q1 (3months) results	Y/Y (%)
Sales from renovation business	87.7	98.3	12.1
Ratio of renovation business*	29.4%	32.8%	+3.4

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

Renovation products ratio

Unit: Ybn



Sales of renovation products (LIXIL Japan Company)

Unit: Ybn

	Mar-14 results	Mar-15 results	Y/Y (%)	Q1 Mar-16 (3months) results	Y/Y (%)
Sales of renovation products	282.6	279.6	-1.1	72.0	11.6
Renovation ratio	31.0%	32.3%	+1.3	36.6%	+3.9

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

Unit: Stores

Mar-13	Mar-14	Mar-15	June-15
9,733	10,579	12,132	12,287

*Voluntary chain of home builders and renovation specialized builders

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A-3. BT-16*1 Update (Japan)

Categories	Major measures	Mar-17 Target *2	Mar-15 PL base (results)	Mar-16 Q1 PL base (results)
SCM	■ Integrate sales and construction information ■ Optimize production sites and logistic centers ■ Improve logistics ■ Strategic purchasing ■ Effect of CCC improvement	Y55bn	Y11.6bn	Y4.6bn
Improvement of gross profit	■ Reduce cost leakage with process visualization ■ Optimize product portfolio	Y35bn	Y8.5bn	Y2.5bn
Indirect costs and other	■ Improve process of sales support ■ More efficient product development ■ Cut SG&A	Y20bn	Y2.2bn	Y1.7bn
Internal target		Y110bn	Y22.3bn	Y8.9bn
Contingency		-Y33bn	-Y5.0bn	-Y1.2bn
Core Business in Japan		**Y77bn**	**Y17.3bn**	**Y7.7bn**

*1 BT-16: Business Transformation
*2 Cumulative three year results

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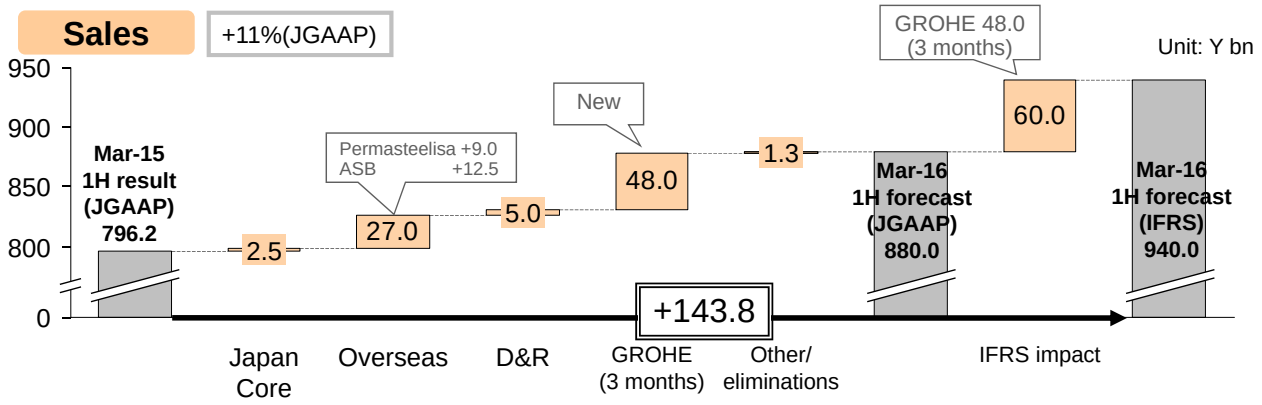
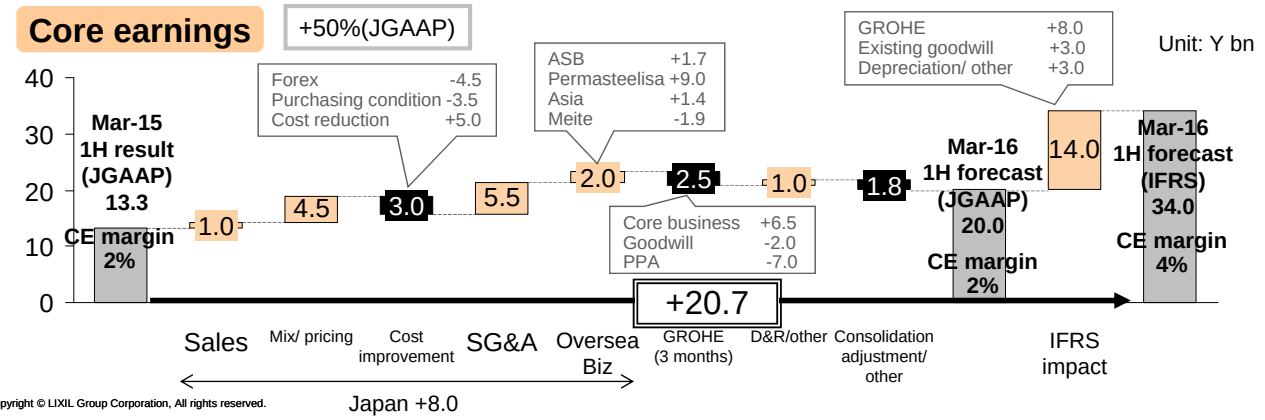
A-4. Increase/Decrease of 1H Sales and CE for the FY Ending March 2016 (Y/Y)

Reference (conventional basis)





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Q1 Results for the FY Ending March 2016 <Fact Sheets>

*** "Core earnings" or "CE" in this material is equivalent to "Operating profit" of JGAAP**

**** "Net income (loss)" in this material is equivalent to "Profit (loss) attributable to owners of parent"**

1.	Financial Results (new segmentation)	P.1
2	Results for 1H and 2H for FY Ended March 2015 and Forecasts for 1H and 2H for FY Ending March 2016	P.2
3.	Quarterly Financial Results	P.3
4.	Segment Information (1) Technology Businesses (LWT, LHT, LBT, LKT)	P.4
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7.	Sales by Products and Services	P.7
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10.	Permasteelisa	P.10
11.	ASB	P.10
12.	GROHE	P.11
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August 7, 2015

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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. Financial Results (new segmentation)

Unit : Y bn

	JGAAP Mar-14 results (provisional)	JGAAP Mar-15 results (provisional)	Y/Y increase/ decrease	Y/Y (%)	IFRS Mar-15 results (provisional)	IFRS Mar-16 forecasts (approximate)	Y/Y increase/ decrease	Y/Y (%)
LIXIL Water Tech	332.7	407.9	75.2	22.6%	418.7	618.1	199.4	47.6%
LIXIL Housing Tech	632.6	596.4	-36.2	-5.7%	616.0	607.1	-8.9	-1.4%
LIXIL Building Tech	321.1	333.9	12.8	4.0%	348.2	358.7	10.5	3.0%
LIXIL Kitchen Tech	118.0	113.7	-4.3	-3.6%	115.0	117.5	2.5	2.2%
Tech Business Subtotal	1,404.3	1,451.9	47.5	3.4%	1,497.9	1,701.4	203.5	13.6%
Distribution and Retail	195.0	198.8	3.8	2.0%	194.4	207.7	13.3	6.8%
Housing Service	64.9	59.6	-5.3	-8.2%	62.3	62.4	0.1	0.2%
Adjustments	-35.5	-38.6	-3.1	-	-45.1	-41.5	3.6	-
Net sales	1,628.7	1,673.4	44.7	2.7%	1,709.5	1,930.0	220.5	12.9%
Gross profit	447.8	447.3	-0.5	-0.1%	455.2	563.7	108.4	23.8%
Gross margin	27.5%	26.7%	-	-0.8	26.6%	29.2%	-	+2.6
SG&A	378.8	395.6	16.9	4.5%	401.8	488.6	86.9	21.6%
SG&A ratio	23.3%	23.6%	-	+0.4	23.5%	25.3%	-	+1.8
LIXIL Water Tech	28.5	29.1	0.6	2.2%	23.3	55.4	32.2	138.2%
LIXIL Housing Tech	50.4	36.4	-14.0	-27.7%	32.6	40.5	7.9	24.1%
LIXIL Building Tech	6.5	9.3	2.7	42.0%	7.7	10.9	3.2	41.0%
LIXIL Kitchen Tech	0.7	-1.0	-1.7	-	-0.5	2.5	3.0	-
Tech Business Subtotal *	86.2	73.8	-12.4	-14.4%	63.1	109.3	46.2	73.2%
Distribution and Retail	4.6	7.1	2.5	54.7%	7.8	7.6	-0.2	-2.4%
Housing Service	6.1	4.2	-1.9	-31.6%	3.0	4.2	1.2	40.2%
HQ expenses, amortization and PPA	-27.8	-33.5	-5.6	-	-24.2	-46.2	-22.0	-
Core earnings	69.1	51.7	-17.4	-25.2%	49.8	75.0	25.2	50.7%
LIXIL Water Tech	8.6%	7.1%	-	-1.4	5.6%	9.0%	-	+3.4
LIXIL Housing Tech	8.0%	6.1%	-	-1.9	5.3%	6.7%	-	+1.4
LIXIL Building Tech	2.0%	2.8%	-	+0.7	2.2%	3.0%	-	+0.8
LIXIL Kitchen Tech	0.6%	-0.9%	-	-1.5	-0.4%	2.1%	-	+2.6
Tech Business Subtotal	6.1%	5.1%	-	-1.1	4.2%	6.4%	-	+2.2
Distribution and Retail	2.4%	3.6%	-	+1.2	4.0%	3.7%	-	-0.3
Housing Service	9.4%	7.0%	-	-2.4	4.9%	6.8%	-	+1.9
CE margin	4.2%	3.1%	-	-1.2	2.9%	3.9%	-	+1.0
Recurring profit	74.9	57.9	-17.1	-22.8%	-	-	-	-
Net income before income tax and minority interests	49.1	53.0	3.9	8.0%		34.0		
Net income	21.0	22.0	1.1	5.1%		22.5		

2. Results for 1H and 2H for FY Ended March 2015 and Forecasts for 1H and 2H for FY Ending March 2016

(1) JGAAP

Unit：Y bn

	Mar-15					Mar-16								
	1H	2H	Full-year	Q1	Q2	1H forecasts			2H			Full-year		
	results	results	results	results①	②-①	②	increase/ decrease	(%)	forecasts *3	increase/ decrease	(%)	forecasts *3	increase/ decrease	(%)
Sales	796.2	877.2	1,673.4	400.6	479.4	880.0	83.8	11%	990.0	112.8	13%	1,870.0	196.6	12%
Core earnings *1	13.3	38.4	51.7	6.3	13.7	20.0	6.7	51%	32.0	-6.4	-17%	52.0	0.3	1%
CE margin	1.7%	4.4%	3.1%	1.6%	2.8%	2%	-	+1	3%	-	-1	3%	-	-0
Net income (loss)	3.4	18.6	22.0	-32.9	14.9	-18.0	-21.4	-627%	21.0	2.4	13%	3.0	-19.0	-86%

*Revised Mar-14 results due to accounting irregularities found and commencement of insolvency proceedings of JOYOU AG

(2) IFRS (provisional)

Unit：Y bn

	Mar-15			Mar-16										
	1H	2H	Full-year	Q1	Q2	1H forecasts			2H			Full-year		
	results	results	results	results①	②-①	②	increase/ decrease	(%)	forecasts *3	increase/ decrease	(%)	forecasts *3	increase/ decrease	(%)
Sales			1,709.5	458.4	481.6	940.0			990.0			1,930.0	220.5	13%
Core earnings *1			49.8	21.2	12.8	34.0			41.0			75.0	25.2	51%
CE margin			2.9%	4.6%	2.7%	4%			4%			4%	-	+1
Operating profit *2												40.0		
OP margin												2%		
Net income												22.5		

*1 JGAAP: Conventional operating profit, IFRS: Core earnings = Revenues - Cost of Sales - SG&A

*2 "Operating profit" in IFRS accounting standard

*3 As for the full-year forecast, we would judge the need of revision based on the results of 1H of fiscal year ending March 31, 2016, so we do not change from previous forecast at this time.

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

	Mar-15 results	Mar-16 Q1 results	Mar-16 assumptions
US dollars	110.03	121.34	120
Euros	140.71	136.1	130
Thai bahts	3.35	3.65	3.72
Chinese yuans	17.26	19.16	20.19

Aluminum price (Purchasing price)	240,000 yen/ton	260,000 yen/ton	270,000 yen/ton
Copper price	590,000 yen/ton	630,000 yen/ton	700,000 yen/ton

3. Quarterly Financial Results (JGAAP)

Unit：Y bn

	Mar-15				Mar-16	
	1H		2H			
	Q1	Q2 (provisional)	Q3 (provisional)	Q4 (provisional)	Q1	Y/Y (%)
LIXIL Water Tech	93.3	102.4	101.6	110.7	102.2	9.5%
LIXIL Housing Tech	144.9	147.4	155.3	148.8	139.3	-3.9%
LIXIL Building Tech	63.2	81.0	79.8	110.0	76.0	20.4%
LIXIL Kitchen Tech	25.5	29.1	28.3	30.8	25.2	-0.9%
Tech Business Subtotal	326.8	359.8	364.9	400.3	342.7	4.9%
Distribution and Retail	49.4	48.5	54.5	46.4	51.7	4.8%
Housing Service	14.1	15.2	14.8	15.5	14.8	4.8%
Adjustments	-8.8	-8.9	-9.6	-11.4	-8.6	-
Net sales	381.5	414.7	424.6	452.6	400.6	5.0%
Gross profit	104.7	111.5	118.2	112.9	108.4	3.5%
Gross margin	27.5%	26.9%	27.8%	24.9%	27.1%	-0.4
SG&A	99.9	103.0	97.3	95.4	100.0	0.1%
SG&A ratio	26.2%	24.8%	22.9%	21.1%	25.0%	-1.2
LIXIL Water Tech	4.7	5.6	8.8	10.0	6.7	43.9%
LIXIL Housing Tech	8.2	8.7	12.9	6.7	9.2	12.6%
LIXIL Building Tech	-1.4	2.4	2.4	5.9	-3.6	160.8%
LIXIL Kitchen Tech	-1.7	-0.9	1.0	0.6	0.1	-107.1%
Tech Business Subtotal *	9.7	15.9	25.0	23.2	12.4	27.4%
Distribution and Retail	2.2	1.3	3.0	0.6	2.7	22.2%
Housing Service	1.2	0.9	1.2	0.9	1.2	6.5%
HQ expenses, amortization and PPA	-8.3	-9.7	-8.3	-7.2	-10.0	-
Core earnings	4.8	8.5	20.9	17.5	6.3	31.6%
CE margin	1.3%	2.0%	4.9%	3.9%	1.6%	+0.3
Recurring profit	4.5	8.2	21.0	24.2	5.4	18.9%
Net income (loss)	0	3.4	8.2	10.4	-32.9	fell into the red

* Core earnings of business segment is before amortization of goodwill and purchase price allocation.

4. Segment Information (1) Technology Business (JGAAP)

Unit：Y bn

			Water Tech	Housing Tech	Building Tech	Kitchen Tech	Tech Business Total
Mar-16 Q1	Sales		102.2	139.3	76.0	25.2	342.7
		Japan	61.9	139.0	17.8	23.4	242.0
		Overseas	40.3	0.3	58.2	1.8	100.7
	Amortization of goodwill		0.2	0.2	0.8	0.2	1.5
	PPA *1		0.2	0.0	0.6	0.0	0.8
	CE before amortization of goodwill and PPA		6.7	9.2	-3.6	0.1	12.4
		(%)	7%	7%	-5%	0%	4%
Mar-15 Q1	Sales		93.3	144.9	63.2	25.5	326.8
		Japan	60.0	144.9	17.2	23.8	245.9
		Overseas	33.2	0.0	46.0	1.7	80.9
	Amortization of goodwill		0.4	0.2	0.9	0.2	1.7
	PPA *1		0.1	0.0	0.6	0.0	0.7
	CE before amortization of goodwill and PPA		4.7	8.2	-1.4	-1.7	9.7
		(%)	5%	6%	-2%	-7%	3%

*1 Purchase price allocation

■Increase/decrease breakdown of sales

Unit：Y bn

		Water Tech	Housing Tech	Building Tech	Kitchen Tech	Tech Business Total
Substantial increase/decrease of sales		8.9	-5.6	12.9	0.4	16.5
	(%)	10%	-4%	20%	2%	5%
	Japan	1.8	-5.9	0.6	0.2	-3.2
	Overseas	7.1	0.3	12.2	0.2	19.7
Deconsolidation *2					-0.6	-0.6

*2 Sunwave Kitchen Techno Corporation

■Increase/decrease breakdown of CE

Unit：Y bn

				Water Tech	Housing Tech	Building Tech	Kitchen Tech	Tech Business Total
Substantial increase/decrease of CE				**2.0**	**1.0**	**-2.2**	**1.8**	**2.7**
	Gross profit total			3.3	-1.5	0.5	0.5	2.9
		Japan	Sales increase/decrease	0.7	-1.8	0.1	-0.1	-1.2
			Mix and selling price	0.7	1.6	0.2	0.0	2.5
			Cost	-0.1	-1.3	-0.2	0.7	-0.9
			of which forex	-0.4	-1.9	-0.3	0.0	-2.5
			of which purchasing condition	0.0	-1.2	-0.2	-0.1	-1.6
		Overseas	ASB	1.0	-	-	-	1.0
			Permasteelisa	-	-	0.4	-	0.4
			Other overseas subsidiaries	-0.6	0.0	0.2	-0.1	-0.4
			Impact from currency translation	1.5	0.0	-0.1	0.0	1.4
	SG&A total			-1.2	2.5	-0.8	1.3	1.8
		Japan	SG&A	0.4	2.6	-0.8	1.3	3.5
		Overseas	ASB	-0.6	-	-	-	-0.6
			Permasteelisa	-	-	-0.1	-	-0.1
			Other overseas subsidiaries	0.3	-0.1	-2.0	0.0	-1.7
			Impact from currency translation	-1.3	0.0	0.1	-0.1	-1.3

5. Segment Information (2) Retail and Distribution Business(JGAAP)

Sales and CE for the segment

Unit: Y bn

		Mar-15 Q1 results	Mar-16 Q1 results	Y/Y(%)	Mar-15 1H results	Mar-15 full-year results
Sales		49.4	51.7	4.8%	97.9	198.8
CE		2.2	2.7	22.2%	3.5	7.1
Figures of Ken Depot included above	Sales	7.5	7.9	5.0%	15.1	30.8
	CE	-0.3	-0.2	-	-0.8	-1.3

Increase/decrease breakdown of core earnings for home center businesses

<Mar-15 results: Y/Y>

Unit: Y bn

Mar-15 Q1 results	Due to sales fluctuation	Sales price	Cost	SG&A	Cost of new stores	Ken Depot	Total	Mar-16 Q1 results
2.2	0.5	-0.1	-0.1	0.0	0.0	0.2	+0.5	2.7

Number of stores

Unit: stores

	Mar-15 results	Mar-16 Q1 results	Mar-16 Q1 Y/Y	Mar-16 forecasts	Mar-16 forecasts Y/Y
Newly opened SVH stores	1	0	-	3	+2
Newly opened NVH stores	0	0	-	1	1
Newly opened Ken Depot stores	2	0	-	3	+1
Number of stores closed	1	0	-	0	-1
Number of stores at end of term	148	148	+0	155	+7
(SVH stores)	34	34	+0	37	+3
(NVH stores)	9	9	0	10	1
(Ken Depot stores)	64	64	+0	67	+3
(VH stores)	41	41	+0	41	+0

Results of home center business

Units: Y bn

	Mar-15 Q1 results	Mar-16 Q1 results	Y/Y
Sales	41.9	43.8	4.6%
CE	3.0	3.2	7.1%
%	7.2%	7.3%	+0.2

Rate of sales growth of home center stores

<Mar-16 Q1 results> Unit: %

All stores	+4.6
Existing stores only	+4.2

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

Growth rate of customer footfall and average sales per customer

<Mar-16 Q1 results> Unit: %

All stores	
Customer footfall	+1.7
Average sales	2.9
Existing stores only	
Customer footfall	+3.9
Average sales	0.3

6. Segment Information (3) Housing Services Business (JGAAP)

Sales and CE of the segment

Unit: Y bn

	Mar-15 Q1 results	Mar-16 Q1 results	Y/Y(%)	Mar-15 1H results	Mar-15 full-year results
Sales	14.1	14.8	4.8%	29.3	62.3
CE	1.2	1.2	6.5%	2.1	3.0

Sales and CE by segment companies

<Mar-16 Q1 results>

Unit: Y bn

	Sales			CE		
	Mar-15 Q1 results	Mar-16 Q1 results	Y/Y (%)	Mar-15 Q1 results	Mar-16 Q1 results	Y/Y (%)
LIXIL Housing Research Institute	5.8	5.8	-0.9%	0.4	0.3	-11.6%
JIO	2.9	2.8	-2.5%	0.1	0.2	37.9%
LIXIL Realty	2.0	2.8	40.1%	0.2	0.3	62.8%
Japan Home Shield	2.3	2.5	9.9%	0.2	0.3	13.8%
Other & adjustments	1.1	0.9	-	0.2	0.1	-
Segment total	14.1	14.8	4.8%	1.2	1.2	6.5%

Number of contracts received and houses built with housing franchise businesses

Number of contracts received

Units: houses, %

	Mar-15 Q1 results	Mar-16 Q1 results	Y/Y
Total for the Group	928	1,009	8.7%

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

Number of houses built

Units: houses, %

	Mar-15 Q1 results	Mar-16 Q1 results	Y/Y
Total for the Group	792	773	-2.4%

7. Sales by Products and Services

Unit: Y bn

Unit: %

Segment	Major products	Mar-15 results	Mar-15 Q1 results	Mar-16 Q1 results	Quarterly Y/Y (%) Mar-15 Q1	Mar-15 Q2	Mar-15 Q3	Mar-15 Q4	Mar-16 Q1
LWT	Sanitary ware	**96.4**	**22.0**	**22.2**	0.8	-4.6	-4.3	-13.3	**0.7**
	Bathroom units	**87.6**	**21.4**	**22.3**	1.6	-3.1	-5.4	-8.6	**4.0**
	Washstand cabinet units	**32.9**	**7.6**	**7.7**	5.6	-2.4	-3.1	-11.0	**1.1**
LHT	Housing sashes and related products	**201.2**	**48.6**	**50.3**	-5.2	-5.1	-8.1	-7.4	**3.6**
	Exterior	**116.4**	**31.4**	**27.4**	8.3	3.2	-6.4	-17.5	**-12.6**
	Wooden interior furnishing materials	**55.6**	**13.1**	**13.4**	0.6	-3.8	-8.3	-14.4	**2.4**
	Exterior wall materials for houses	**32.1**	**8.4**	**7.9**	-5.9	-16.4	-12.3	-23.7	**-6.0**
	Tiles	**29.4**	**6.8**	**6.6**	0.6	-3.1	-6.9	-7.7	**-3.7**
	Interior fabric	**30.5**	**6.8**	**6.0**	-1.2	-6.9	-8.7	-6.0	**-12.0**
	LHT Other	**57.4**	**13.2**	**11.5**	3.0	4.5	-21.8	-9.9	**-12.4**
LBT	Building sashes	**104.7**	**15.9**	**17.2**	4.0	-2.2	0.5	-4.5	**8.3**
LKT	Kitchens	**102.6**	**23.3**	**23.4**	-5.3	-8.4	-6.8	8.8	**0.4**
D&R	Home center sales	**198.8**	**49.4**	**51.7**	2.6	6.4	5.4	-6.3	**4.8**
	Overseas	**393.4**	**82.9**	**101.0**	64.1	42.4	26.6	18.6	**21.8**
	Other	**134.4**	**30.8**	**32.1**	-1.4	-0.6	-0.6	-14.6	**4.3**
	Total	**1,673.4**	**381.5**	**400.6**	9.5	5.5	1.1	-3.1	**5.0**

8. Renovation Business

Ratio of renovation business

Unit: Y bn

	Mar-15		Mar-16	
	Q1 results	Y/Y	Q1 results	Y/Y
Sales from renovation business	87.7	3.1%	98.3	12.1%
Ratio of renovation business*	29.4%	+0.8	32.8%	+3.4

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

Sales of renovation products

Unit: Y bn

	Mar-14	Mar-15		Mar-16			Mar-16	
	results	results	Y/Y	Q1 results	Y/Y	Vs Plan	forecasts	Y/Y
Group total	282.6	279.6	-1.1%	72.0	11.6%	10.4%	290.0	3.7%
Renovation ratio	31.0%	32.3%	+1.3	36.6%	+3.9	+3.0	33.1%	+0.9

Renovation network

(Number of member homebuilders)

Unit: Stores

Franchise type	Mar-13 results	Mar-14 results	Mar-15 results	**Mar-16 results**
LIXIL Reform Chain	377	376	424	**439**

"LIXIL Reform Shop" since April 2015

Unit: Stores

Voluntary type	Mar-13 results	Mar-14 results	Mar-15 results	**Mar-16 results**
LIXIL Reform Net	9,356	10,203	11,708	**11,848**

9. Overseas Production Ratio and Sales

Overseas production ratio

Products	Locations	Overseas production ratio	
		Mar-15 results	Mar-16 Q1 results
Aluminum housing sashes	Thailand	27%	20%
Interior wooden furnishing materials	China	43%	42%
Sanitary ware	China, Vietnam	43%	45%
Water faucets	China, Vietnam	14%	11%
Floor tiles	China, Vietnam	53%	54%

Sales overseas

Unit: Y bn

Areas	Mar-15 Q1 results			Mar-16 Q1results				
	Sales	Sales excluding Permasteelisa	Sales of Permasteelisa	Sales	Y/Y	Sales excluding Permasteelisa	Y/Y	Sales of Permasteelisa
Greater China	15.7	10.6	5.1	17.2	9.1%	9.4	-11.1%	7.7
Thailand	3.3	2.9	0.4	4.4	35.6%	4.0	36.9%	0.5
Vietnam	1.7	1.7	0.0	1.8	9.2%	1.8	8.8%	0.0
Korea	2.0	2.0	0.0	0.8	-61.2%	0.8	-61.1%	0.0
Other Asian countries	4.3	1.8	2.5	4.3	-0.9%	1.9	4.2%	2.4
Middle East	8.0	0.0	8.0	3.5	-55.7%	0.0	141.5%	3.5
North America	33.4	23.0	10.4	48.4	44.8%	29.9	29.9%	18.5
Europe	11.5	0.1	11.4	16.4	43.0%	0.1	-11.0%	16.4
Others	3.0	1.1	1.9	4.1	37.5%	1.2	14.9%	2.9
Total	82.9	43.2	39.7	101.0	21.8%	49.2	13.7%	51.8

(For reference)

Overseas sales ratio

Unit: Y bn

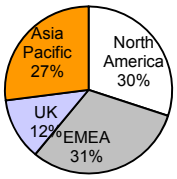
	Mar-12 results	Mar-13 results	Mar-14 results	Mar-15 results	Mar-16 results
Overseas sales	53.9	205.1	293.9	393.4	101.0
Overseas sales ratio	4.2%	14.3%	18.0%	23.5%	25.2%

10. Permasteelisa

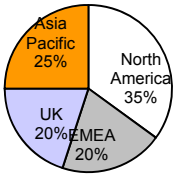
Full-year= January to December (until FY14)
April to March (since FY15)

Regional sales contribution

FY2014

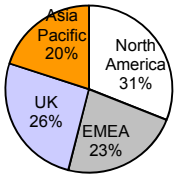


FY2015 Q1

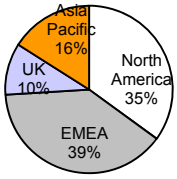


New orders by region

FY2014



FY2015 1Q



Business performance of Permasteelisa

Units: Y bn

	Dec-14 results (JGAAP)	Dec-15 results (JGAAP)		Mar-16 forecasts (IFRS)
	from Jan to Dec	from Jan to Dec	Y/Y	from Apr to Mar
Sales	40.4	53.2	32%	206.7
Permasteelisa CE	0.4	0.6	76%	9.6
%	0.9%	1.2%	+0.3	5%
Amortization of Goodwill and intangible assets	1.6	1.4	-12%	2.2
CE *	-1.2	-0.8	-	7.4
Exchange rate Yen/Euro	141.5	136.1	-	130

* include impact of consolidation

Goodwill

Unit: million euros

	Mar-15 results	Mar-16 Q1 results		Amortization period
	End balance	Amortization	End balance	
Goodwill	192	6	186	11 years
Other intangible assets	187	4	183	4 to 20 years
Total	379	10	369	

Orders received

Unit: million euros

	Dec-14 Q1 results	Dec-15 Q1 results
New Orders	421	596
Backlog	2,017	2,491

11. ASB

Full-year= January to December (until FY13)
April to March (since FY14)

Business performance of ASB (in Yen, consolidated period)

Unit: Y bn

	Mar-15 Q1 results	Mar-16 Q1 results	Mar-16 forecasts
Sales	23.5	30.6	117.7
CE	1.0	2.1	3.0
%	4%	7%	3%
Amortization of Goodwill and intangible assets*	0.3	0.4	0.6
CE*	0.7	1.7	2.4
Exchange rate Yen/USD	102.1	121.3	120.0

* Includes impact of consolidation

Business performance of ASB (in USD)

Units: million dollars

	Mar-15 Q1 results	Mar-16 Q1 results	Y/Y
Sales	230	252	10%
CE	10	18	75%
%	4%	7%	+3
Total Assets	867	825	-5%
Interest bearing debt	298	297	0%
Net Assets	277	258	-7%

Goodwill and other intangible assets

Unit: million dollars

	Mar-15 Q1 results		Mar-16 Q1 results		Amortization period
	Amortization	End Balance	Amortization	End Balance	
Goodwill	2	145	2	148	20 years
Other intangible assets*	1	94	1	122	5 to 30 years
Total	3	239	3	270	

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

12. GROHE

Full-year= January to December (until FY14)

Profit and loss statement — Unit: million euros

	Dec-2013	Dec-2014	Mar-2016 forecast
Net Sales	1,120	1,215	1,447
Adjusted EBITDA	224	234	262
Core earnings	182	184	212
Net income before income tax and minority interests	44	105	151
Net profit (loss)	-106	63	112

13. Scope of Consolidation of Subsidiaries and Equity Method Affiliates (JGAAP)

	14/03	+	-	14/06	+	-	14/9	+	-	14/12	+	-	15/03	+	-	15/06
Consolidated subsidiaries	129	1	4	126	2	0	128	0	2	126	0	3	123	55	3	175
Equity method affiliates	5	0	1	4	0	1	3	1	0	4	1	0	5	3	2	6

* Impact to sales and profit due to new consolidatior
No impact

14. Goodwill

Amortization of negative goodwill

None for this fiscal term

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

	Mar-15 results		Mar-16 Q1results		Mar-16 forecasts
	Amortization	Balance	Amortization	Balance	Amortization*3
American Standard AP	0.2	-	-	-	-
Kawashima Selkon Textiles	0.6	0.7	0.1	0.6	0.6
LIXIL Haier Housing Products	0.7	1.7	0.2	1.4	0.7
Hivic	0.3	0.4	0.1	0.4	0.3
Permasteelisa	3.4	28.1	0.8	24.2	3.0
ASB	0.9	18.0	0.2	18.3	0.9
Star Alubuild	0.4	0	-	-	0.4
GROHE	-	-	-	163.7	* 6.9
Other	0.4	0.5	0.0	0.5	0.1
Total	6.8	49.5	1.5	209.0	12.9
SG&A	6.5		1.5		12.9
Extraordinary loss	0.4		-		-

* Preliminary estimate as we are recalculating at this moment.

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-14 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	21.9	3.2	75%	0.5	>Expand building sashes in China
Dec 2011	Permasteelisa	Building sashes (Global)	116.0	198.2	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	99.9	30.5	100%	Goodwill 14.7 Other intangible assets 21.7	>Establish North American platform
Oct 2013	Star Alubuild	Building sashes (India)	1.7	0.6	0.7	70%	0.4	>Business development in India
Jan 2014 (Additionally Apr 2015)	GROHE Group S.à r.l.	Plumbing fixtures, especially faucets (Europe, Global)	157.5	165.3 *1	80.1	44%→56%	- *2	>Establish European platform
Oct 2014	GROHE DAWN WaterTech Holdings	faucets, sanitary ware (Africa)	12.9	14.6 *3	8.6	51%	Goodwill 1.2 Other intangible assets 7.8	>Gain access to Sub-Saharan market

*1 GROHE is an equity method company until FY ended Mar-15, but on this chart, sales for FY ended Dec-14 (full-year) is shown for informal purpose

*2 Expected to be determined in Q1 ending Mar-16.

*3 Estimate

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 *	30.4	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	19.7	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%→0%	>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, development of new products

16. Major differences of accounting process between IFRS and JGAAP

	JGAAP	IFRS	Mar-16 Q1 CE impact
Scope of consolidation	Materiality (such as future prospects) standard in assets, sales, profit and surplus.	In principle, all subsidiaries and associates are consolidated.	Subsidiaries' FS (not included in J-GAAP consolidation). +Y4.5bn
Fiscal year-end	Three month-gap can be accepted at the maximum.	The same fiscal year-end as the LIXIL. (FY ends in March)	The three month period (Jan to Mar) of the subsidiaries, whose FY ends in Dec, is recorded to FS of the previous FY. +Y5.5bn
Depreciation method	The declining-balance method. (Mainly in Japan)	The straight-line method.	New facilities: depreciation expenses tend to decrease. Elapsed facilities: depreciation expenses tend to increase. -Y0.2bn
Goodwill amortization	Goodwill is amortized within 20 years.	Goodwill is not amortized, but impairment test needs to be conducted once every fiscal year.	Goodwill amortization is not recognized in PL. +Y1.5bn
Construction contracts	The completed-contract method or percentage-of-completion method.	Cost recovery method or percentage-of-completion method.	Revenue are recognized by the timing of progress. -

17. IFRS/ JGAAP profit level (Figures are of Q1 March 2016)

There is a change in profit level structure of PL in IFRS base.
The conventional "Operating profit" in JGAAP will be continued to be managed as "Core earnings" after adopting IFRS.

Unit: Ybn

