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

April 11, 2016
LIXIL Group Corporation

Announcement Regarding the Revision of the Forecast of Business Performance for the Fiscal Year Ended March 2016

In light of recent business trends, LIXIL Group Corporation revised its forecast for the fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016) from that which was announced on November 2, 2015.

1. Revision of the forecast

Revision of consolidated forecast for the fiscal year ended March 31, 2016
(April 1, 2015 through March 31, 2016)

	Net sales	Operating profit	Recurring profit	Profit attributable to owners of the parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A) (Announced on November 2, 2015)	1,855,000	62,000	57,000	5,000	17.45
Revised forecast (B)	1,840,000	57,000	50,000	-20,000	-68.34
Change (B-A)	-15,000	-5,000	-7,000	-25,000	-85.79
Change (%)	-0.8	-8.1	-12.3	―	-
<Reference> Results for the FY ended March 31, 2015	1,673,405	51,674	57,862	22,012	75.46

2. Reasons for the revision

The significant difference in profit attributable to the owners of the parent between the previous and revised full-year forecasts for the fiscal year ended March 31, 2016 is due to the following factors: Operating loss of approximately 10 billion yen (approximately 7 billion yen after tax) was incurred due to the decline in the interest rate as we adopted an accounting method that immediately recognizes actuarial differences from retirement pension benefits of Japanese subsidiaries. Impact of approximately 9 billion yen from postponement of appropriation of deferred tax assets of loss on investment in associates of approximately 28 billion yen, which we recorded in the fiscal year ended March 31, 2016. The postponement was taken to target the maximum amount of additional recovery and not to fix the corresponding loss in the fiscal year. One time impact of 8.5 billion yen (7 billion yen after tax) from impairment loss was recorded for unprofitable businesses. Temporary impact from loss of approximately 4 billion yen after tax was incurred by the Chinese building business (Shanghai Meite, sold at end of March 31, 2016). Also,

lower than expected Japan new housing demand affected sales and operating profit, which fell short of the plan approximately by 2 billion yen after tax and actuarial gain from retirement pension benefits of overseas subsidiaries was approximately 13.5 billion yen (4 billion yen of net income).
As for the year-end dividend, there will be no change from the previously announced forecast.

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