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

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LIXIL Group Corporation
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(Contact):
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Announcement Regarding Revision of the Forecast on Business Performance for the Fiscal Year Ending March 2018

LIXIL Group Corporation hereby announces that it has revised its business performance forecast for the fiscal year ending March 31, 2018, which were announced on August 21, 2017, to reflect the latest status of transactions and business performance.

Revision of consolidated forecast for the full year of the fiscal year ending March 31, 2018
(April 1, 2017 through March 31, 2018)

	From Continuing Operation					Including Discontinued Operation		
	Revenue	Core earnings	Operating profit	Profit before income taxes	Profit for the year	Profit for the year	Profit for the year attributable to owners of the parent	Basic earnings per share
Previous full-year forecast (A)	Million yen 1,680,000	Million yen 93,000	Million yen 85,000	Million yen 80,000	Million yen 59,000	Million yen 47,000	Million yen 43,000	Yen 149.46
Revised full-year forecast (B)	1,667,000	77,000	82,000	92,000	71,000	57,000	55,500	192.31
Change (B-A)	△13,000	△16,000	△3,000	12,000	12,000	10,000	12,500	42.85
Change (%)	△0.8	△17.2	△3.5	15.0	20.3	21.3	29.1	28.7

Core earnings is the amount calculated by deducting cost of sales and selling, general and administrative expenses from the revenue.

Reasons for the revision

LIXIL Group Corporation is focused on optimizing its business portfolio in line with broader steps to enhance operational efficiency, such as simplifying its organizational structure, as well as strengthening financial conditions. As part of these ongoing efforts, we changed the organization structure within LIXIL Group[1] during this fiscal year, and as a result deferred tax assets including on past losses relating to a former subsidiary, Joyou, have now been recognized. We have also further optimized our business portfolio, which generated gains on sales or divestments of assets. As a result, since profit for the year attributable to owners of the parent is expected to exceed the amount projected in our full year forecast released on August 21, 2017, we have concluded to revise our forecast for the fiscal year ending March 31, 2018.

Revenue for the fiscal year ending March 31, 2018 is expected to remain almost in line with the amount projected in our full year forecast released on August 21, 2017. Profit before income taxes and other subsequent profits are projected to exceed forecast due to the abovementioned reasons. Core earnings are expected to be lower than forecast, primarily due to a shortfall in sales volumes and changes in the sales mix at LIXIL Housing Technology in Japan due to the lower housing construction demand in the second half of the year, as well as a raw materials price hike and rising of distribution costs, which have progressed faster than expected, while implementing counter-measures such as price revisions were delayed. Weak growth at a part of LIXIL Water Technology also affected core earnings, mainly the impact of a strike at a subsidiary in South Africa and the macro-economic environment in the Middle East and Africa, as did increased expenses for measures to streamline assets.

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.

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