FINANCIAL RESULTS FOR THE FISCAL YEAR ENDED MARCH 31, 2018 (IFRS)

(From April 1, 2017 to March 31, 2018)

TSE Code: 5938

LIXIL Group Corporation

May 7, 2018

LIXIL Link to Good Living

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LIXIL GROUP HAS ADOPTED IFRS SINCE FYE2016

JGAAP	IFRS (LIXIL Group Financial Reporting)
	Continuing Operations
Net sales	**Revenue**
Cost of sales	Cost of sales
Gross profit	Gross Profit
SG&A	SG&A
Operating profit	**Core earnings (CE)**
Non-operating income/expenses	Other income/expenses
Ordinary income	Operating profit
Extraordinary income/losses	Finance income/costs
	Share of profit (loss) for using the equity method
Profit before income taxes	**Profit before tax**
	Net profit for Continuing Operations
	Discontinued Operations
	Net Profit for Discontinued Operations
Net profit attributable to	**Net profit attributable to**
Non-controlling interests	**Owners of the parent**
Owners of the parent	Non-controlling interests

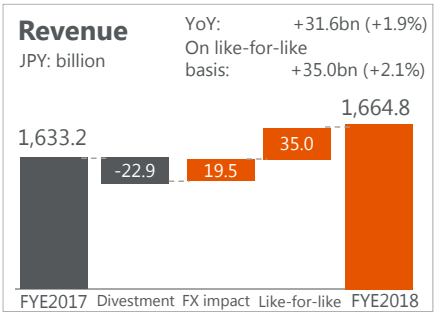
"Core earnings" in IFRS is equivalent to JGAAP's **"Operating profit"**

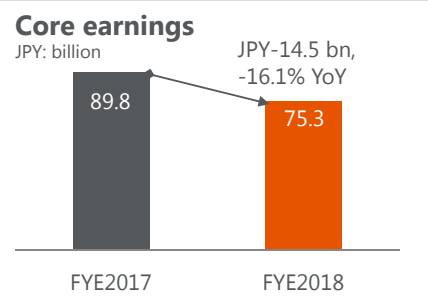
Revenues and profits/ losses from Permasteelisa S.p.A and its subsidiaries are presented under discontinued operations based on the share-transfer agreement in Q2 FYE2018. For comparison purposes, previously issued consolidated financial statements were also retroactively restated.

REVIEW OF THE FISCAL YEAR ENDED MARCH 31, 2018

Positioned to start MTP following solid progress, though not fully reflected in CE because of delay in taking actions within LHT, and underperformance of LWT in Middle East and South Africa due to economic slowdown

Business highlights





■ **Revenue**

✓ **Differentiated products** enabled LWT Japan to grow faster than the market in all product categories

✓ **Product synergies** and new businesses drove 34% of total sales growth at LWT (overseas)

■ **Core Earnings**

Target not achieved by the following factors

✓ **LHT** slow to take actions on:
- Strategic measures to tackle nature of business, which is susceptible to raw material price movements and new housing starts
- Rigid development & production structure
- Lack of differentiated products

✓ **Middle East** performance struggled, especially in Saudi Arabia, because of unstable political situation and slowdown of economy

✓ **South Africa** performance struggled because of strike and macro-economic factors

✓ Rapid increase of **distribution costs**

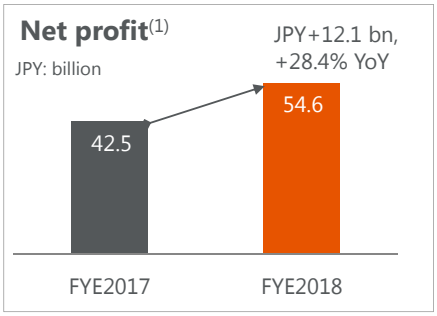
Major factors for the decline in profits

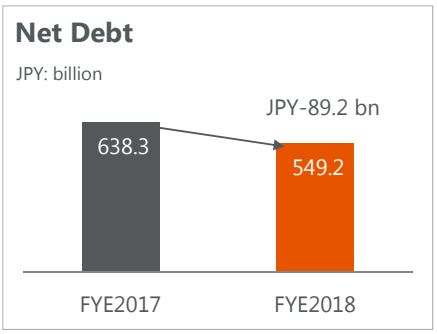
✓ Increase in SG&A such as **personnel costs, marketing and IT related costs**

REVIEW OF THE FISCAL YEAR ENDED MARCH 31, 2018

Net profit(1) achieved recorded high on the back of sustained efforts to streamline the business portfolio

Business highlights





■ **Achievements**

✓ **Successfully realigned and simplified an overly complex business portfolio**, enabling management to focus on improving balance sheet of the core business

✓ **Difference between Core Earnings and Net Profit was reduced,** despite JPY11.8bn loss from discontinued operations based on share-transfer of Permasteelisa S.p.A

✓ Successfully **adopted consolidated tax filing system in Japan**

✓ **Net debt/EBITDA improved** from 4.3x to 4.0x year-on-year

✓ Following comprehensive consideration of financial stability and financial results, forecast for the year dividend was revised to 65 yen per share from 60 yen per share. **This is the first time the dividend has been increased in 3 years**

■ **Reorganization of assets and organizational improvements(2)**

✓ Reduced layers in the decision making process through simplification of the organization structure

✓ Divested shares of subsidiaries and affiliated companies

✓ Sold unused assets

✓ Adopted consolidated tax filling system in Japan

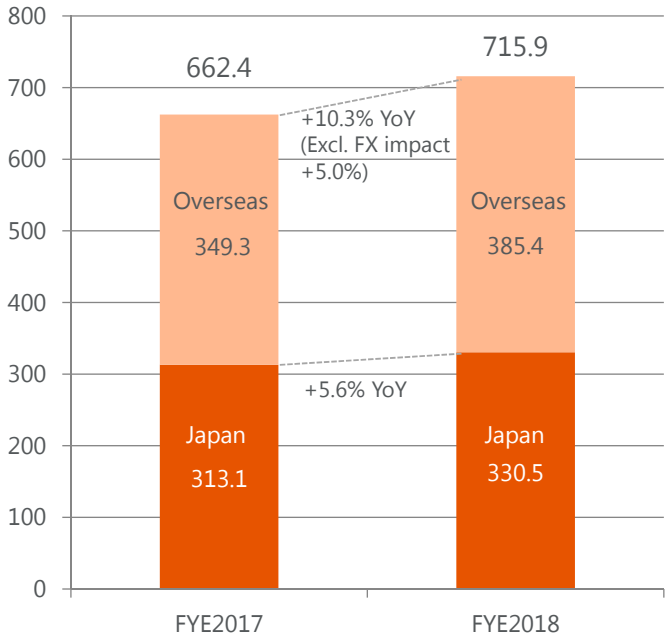
(1) Net profit attributable to owners of the parent
(2) Details of one-off items and those impacts on P&L are explained on Slide 39

LWT'S STRATEGIC FUNDAMENTALS ON TRACK

Key Drivers of Differentiation = Design + Technology + Quality + Brand

LWT - Revenue

(JPY: billion)



- Core technologies, mostly from Japan, demonstrating success
- Tech transfer from Japan already delivering positive responses from end-users in US, Europe, Asia
- Design has been the key driver of success of technology transfer from Japan to overseas
- Current portfolio shows opportunities for further synergies

DIFFERENTIATED PRODUCTS AND SERVICES APPEALING TO END USERS

Differentiated products enabled LWT Japan to grow faster than market in all product categories

FYE2018 Growth rate of shipment（YoY）

Category	(A) Market	(B) LIXIL	Diff. (B)-(A)
Western style toilet	102	104	+2pt
Shower toilet (Integrated)	106	108	+3pt (1)
Bathroom vanity	101	102	+2pt (1)
Kitchen	101	102	+1pt
Bathroom	102	110	+8pt
Water mixing valves	102	104	+2pt

Market：Nihon restroom industry association, Kitchen･Bathing industry association "Statics of number of shipment"

- Differentiated products generated greater demand
- Core technologies demonstrating success in Japanese market



Pick-up item：SPAGE, Sales FYE2018 full-year +16% YoY



Shower toilet SATIS G Noble Taupe (Launched March, 2018)

(1) Differential between a calculation results of (B)-(A) on the slide is rounding difference

EXPANSION OF DIFFERENTIATED PRODUCTS AND SERVICES OVERSEAS

Becoming a full bathroom solution provider in American, European, and Asian markets

Composition ratio of products by region (approx. value for FYE2018)

	Japan	Americas	EMENA	Asia Pacific
Fixtures & Vanities	32%	43%	2%	47%
Bathing and bathroom	26%	17%	0%	1%
Faucets(1)	8%	22%	82%	42%
Others(2)	34%	18%	16%	10%

>25% 25%>10% <10%

- Significant room for expansion of products in key categories. Focus area by region:
  - Americas: Bathing and bathroom, and faucets
  - EMENA: Ceramic and bathroom products
  - Asia Pacific: Bathroom products



March 2018 - GROHE's first fully-owned and operated Asia flagship store was opened on Orchard road in Singapore. The store has recreated seven luxurious bathroom suites from hotels.



Virtual reality (VR) enables consumers and designers to have their selections brought to life via projections to experience their shortlisted choices – complete with virtual rainfall, steam and the sound of spray patterns.

(1) Faucet, Shower and Shower systems and kitchen and bathroom fittings
(2) Tiles, Kitchen, and products and services for Pro&Commercial

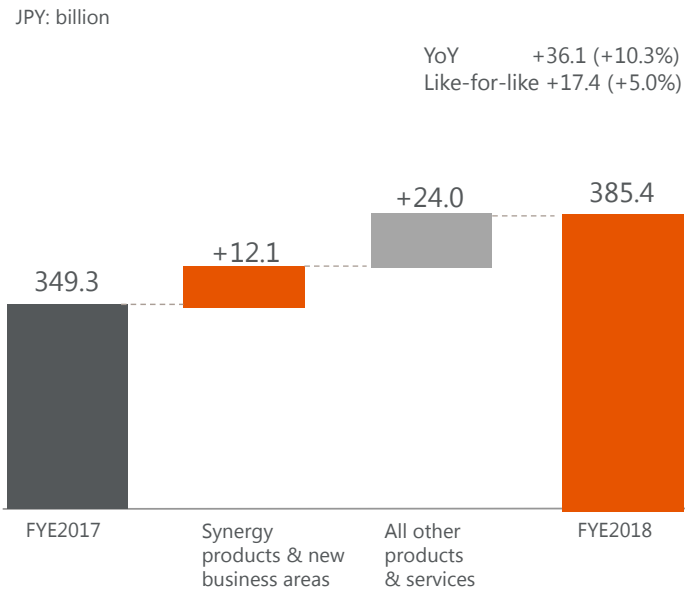
LAUNCH OF NEW PRODUCTS AND EXPANSION INTO NEW BUSINESSES OVERSEAS

Product synergies and new businesses drove 34% of total sales growth at LWT (overseas)

Sales growth of LWT (overseas)

JPY: billion

YoY +36.1 (+10.3%)
Like-for-like +17.4 (+5.0%)



*Breakdown is calculated by applying actual FX rate to management basis sales figures



Spalet Sensei - Promoting shower toilet culture

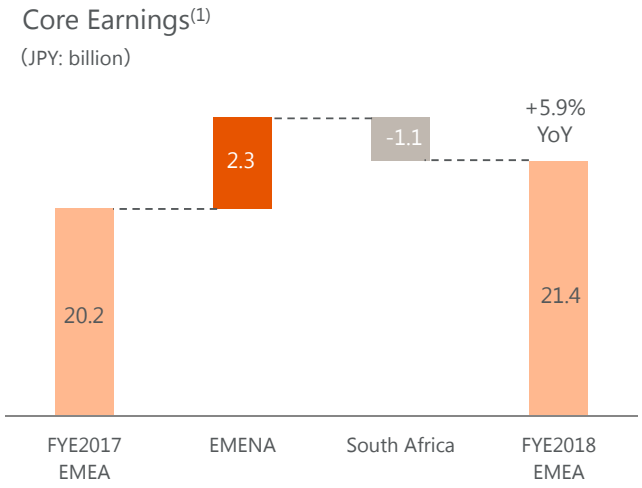


Campaign in 15 European countries and 19 international airports

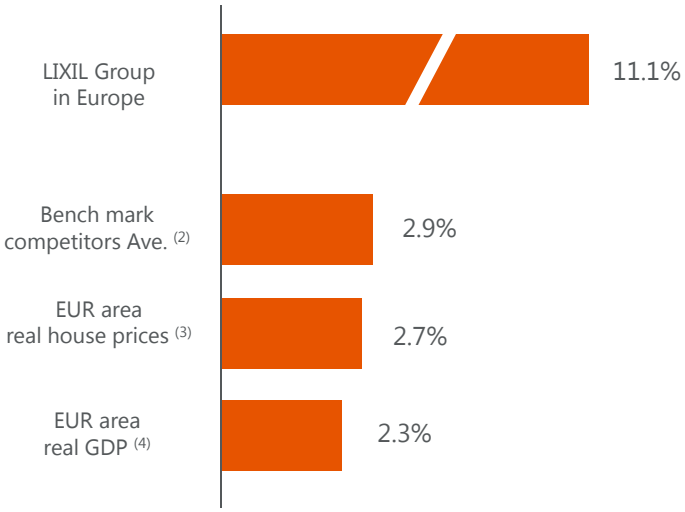
BUSINESS UPDATE : LWT-EMEA

Solid sales growth in Europe while core earnings of South Africa negatively impacted profit growth of LWT-EMEA

Core earnings breakdown



Sales growth rate vs Competitors & Economics in Europe

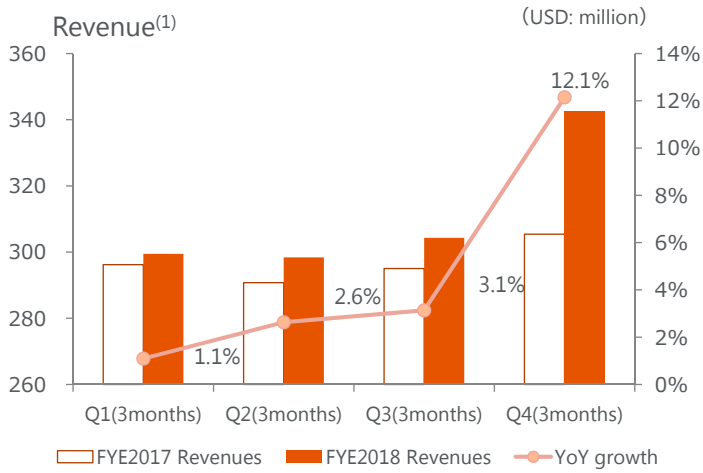


(1) Regional financial results are on a management basis
(2) Own research
(3) OECD Residential Property Prices Indices: https://data.oecd.org/hha/housing.htm
(4) World Economic Outlook April 2018 by IMF pp240

BUSINESS UPDATE : LWT-AMERICAS (NORTH AMERICA)

Sales grew 12.1% YoY in Q4 in Americas region due to solving a capacity shortage issue by the end of Q3

LWT-Americas



* Left axis: Quarterly revenues in local currency
Right axis: YoY quarterly growth for revenues against the same quarter a year ago

Expanded strengths, and grew faster than market in fastest growth categories. Gained share in underpenetrated categories

Category	Market	LWT Americas	Growth Above Market
Sanitary Ware (Toilets)	+4%(2)	+7%	+3 pt
Shower Toilet	+10%(3)	+15%	+5 pt
Showers	+4%(2)	+7%	+3 pt
Faucets (excl. Showers)	+5%(2)	-1%	-6 pt
Senior Bathtub	+8%(3)	+47%	+39 pt
Bathing	+4%(2)	+2%	-2 pt

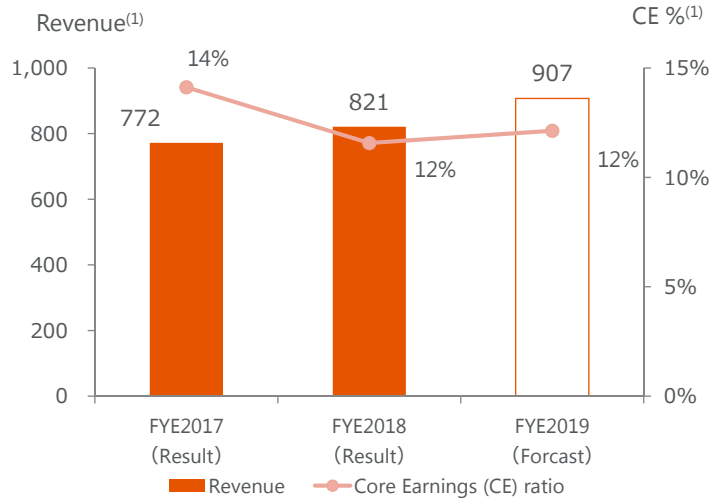
(1) Regional financial results are on a management basis
(2) BRG Bath & Kitchen North America Products Market, July 2017
(3) Company estimates

LWT-ASIA

Positioned for growth in Asia

LWT-Asia

(USD: million)



Challenges

- Insufficient production capacity
- Insufficient new products launch for each region
- Partial optimization of decision making
  - by country and brand
- Insufficient investment in Projects business; Showrooms

Strategic priorities

- Improve delivery efficiency（On Time In Full; OTIF）
- Improve compensation and managerial accounting to enhance decision making for overall optimization
- Expand sales of all brands under LIXIL Group to Projects business, using by the GROHE brand
- Experiment and expand new business models
- Establish Flagship Showrooms (Shanghai, Singapore)
- Invest in R&D Center for Asia
- Establish the ceramics business in India



American Standard Genie

(1) Regional financial results are on a management basis

INVESTMENTS- 2018

Building supply capacity

- **Capacity expansion & efficiency increase of factories (Thailand, Vietnam, Mexico)）**

Operation to start: Thailand, Mexico（FYE2019-), Vietnam（November 2017）
CAPEX: Approximately USD 56 million (Total)

- **Zinc die-casting (kitchen faucet) factory (Thailand）**

Operation started: August 2017
CAPEX: Approximately USD 30 million (2017-2021)

- **Ceramics factory（Dominican Republic）**

Time of investment: November 2017 (Now operating)
CAPEX：Approximately USD 19million + USD 7.7million (2017-2021)

- **Ceramics factory（India）**

Operation to start: August 2018
CAPEX: Approximately USD 34.5million + USD 28.3million (2018-2021)



Zinc die-casting factory (Thailand)



Ceramic factory（Dominican Republic）



Ceramic factory（India）

LIXIL CHIEF DESIGN OFFICER – PAUL FLOWERS

Differentiation of LIXIL products through Japanese technology, design and brand



From 2016 Paul Flowers began to establish the **Global Design Team** and the **Global Brand Concept** for GROHE, INAX and American Standard brands. He centralized all design resources into 4 main global hubs(1) and significantly increased the team to more than **80 creatives** worldwide

Background

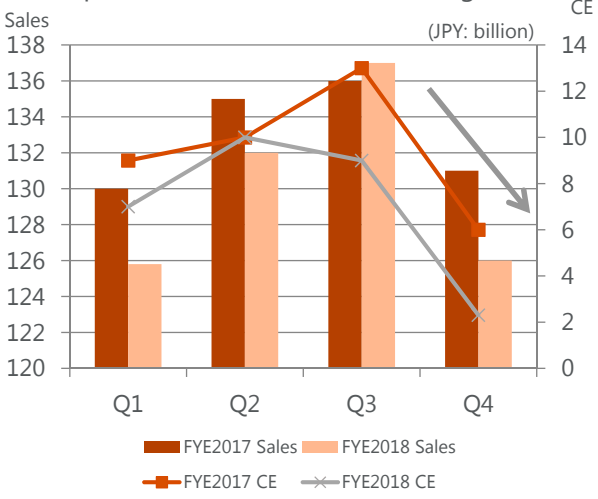
- **INAX is the key founder of Essential Technologies**
  - Developed the world's first shower toilet
  - Smart Control (push valve), Aqua Ceramic(2) are technologies in high demand globally
- Historically, INAX lacked **access to global markets, unique design and brand qualities**
- **Acquisition of GROHE and ASB brands built platforms for INAX**
- **Design is now a critical point of differentiation**
- Paul Flowers is the driving force behind design-led innovation at LIXIL
- Paul was key to GROHE's transformation into a consumer brand, winning accolades on the level of Apple, Porsche, and Adidas
  - Won the **Red Dot Design Team of the Year** in 2011 – first team within the industry to win this prestigious design prize
  - GROHE increased # of design awards from **22** (1995-2004) to **342** (2005-2018)
- Established **LWT's first global "Design-Centric" Team**
  - Led LWT to win the world's three largest Design
  - Number of awards are increasing for all brands year by year (in the last 3 years, 2016, 2017, 2018, wining of the awards was 8, 16, 29, respectively)
- Will now tackle **transformation of LHT's design strategy**

(1) Tokyo, New York, Bangkok, Dusseldorf
(2) Material that enhances cleaning. "Aqua Ceramic" ensures stain-free toilet with ceramic itself, greatly reducing the labor of cleaning

LHT – BUSINESS ENVIRONMENT AND BUSINESS RESULTS IN FYE2018

LHT's business is susceptible to fluctuations in raw material prices and new housing starts, and rapid changes to the business environment negatively impacted Revenue and Core Earnings

LHT Japan - Revenue and Core Earnings



- Delay in taking strategic actions to change sales mix also negatively impacted Core Earnings

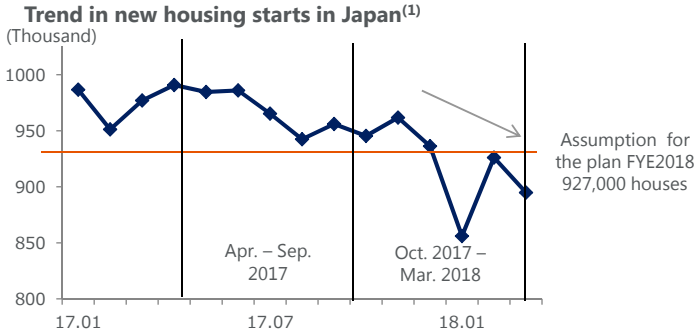
Further details of the analysis available on Slide 35 and 36

LME Aluminum Ingot Price Trend (Per ton)



Source: LME 3months (From January 1, 2017 to March 31, 2018)

Trend in new housing starts in Japan(1)



(1) Seasonally adjusted figure

Source: Statics of new housing starts, Mistry of Land, Infrastructure, Transport and Tourism (From January, 2017 to March, 2018)

TURNAROUND STRATEGY IN PLACE FOR SASH BUSINESS

Driving turnaround strategies under the new organization based on clear roadmap

Challenges:

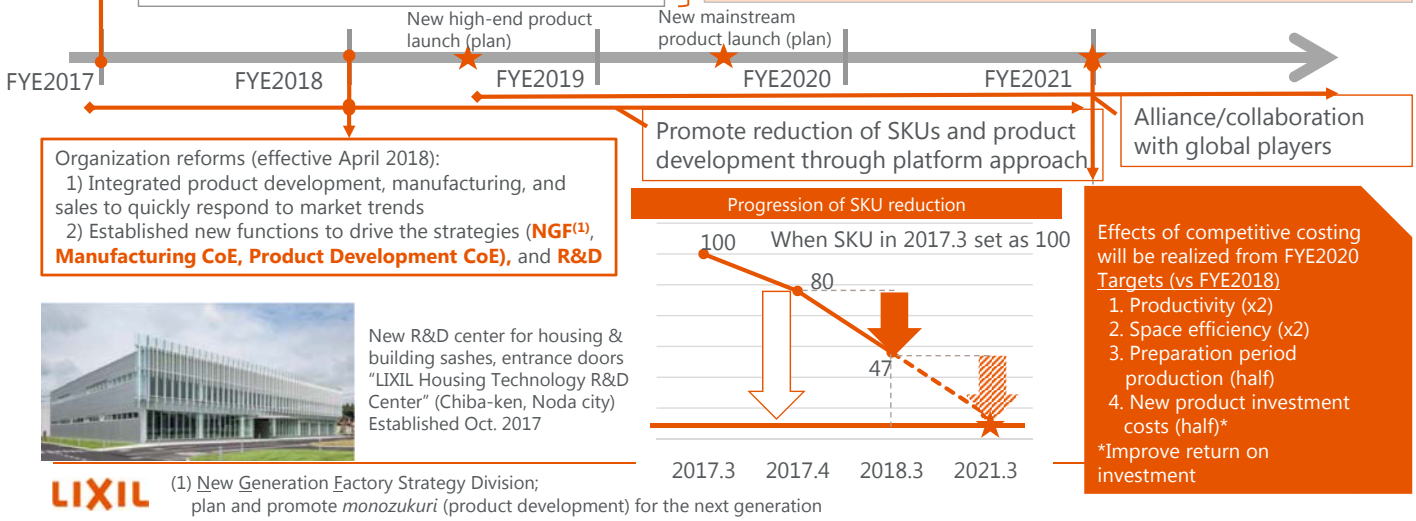
- High cost structure business (process industry)
- Susceptible to production quantity and raw material price volatility
- Declining new housing starts in Japan
- Less differentiated products

Strategies:

Aggregation of aluminum extrusion factory (from 5 factories to 4 factories in Japan.) → Utilization rate is currently approx. 90%

Key strategies to create structure resistant to external challenges:

- Accelerate development and launch cycle of **differentiated products**
- **Improve production efficiency** through platform approach and standardization of parts
- Streamline processing facilities through generalization of production lines
- **Expand business overseas and pursue business alliances with global players**



Organization reforms (effective April 2018):
1) Integrated product development, manufacturing, and sales to quickly respond to market trends
2) Established new functions to drive the strategies (**NGF(1)**, **Manufacturing CoE, Product Development CoE),** and **R&D**

New R&D center for housing & building sashes, entrance doors "LIXIL Housing Technology R&D Center" (Chiba-ken, Noda city) Established Oct. 2017

Progression of SKU reduction

Effects of competitive costing will be realized from FYE2020
Targets (vs FYE2018)
1. Productivity (x2)
2. Space efficiency (x2)
3. Preparation period production (half)
4. New product investment costs (half)*

*Improve return on investment

(1) New Generation Factory Strategy Division; plan and promote *monozukuri* (product development) for the next generation

ACHIEVE COMPETITIVE COSTING

Personnel costs, marketing costs, and depreciation comprise approximately 80% of the increase in SG&A. To achieve competitive costing, cost reduction initiatives are now being implemented.

FYE2017 SG&A ratio	28.3%
Personnel cost	+0.4pt
Depreciation of new IT systems in Japan	+0.2pt
Marketing cost (Advertisement)	+0.2pt
Other SG&A expenses	+0.2pt
FYE2018 SG&A ratio	29.3%
FYE2019 SG&A ratio (Plan)	29.2%

Major factors for increase in SG&A in FYE2018

- Salary rises and promotions in Japan. Reinforcement of business with additional personnel in new areas and business overseas (mainly in Asia).
- Due to start of utilization of new IT systems in Japan
- Strategic brand and product promotions through mass-marketing in Japan, and marketing for business expansion of new business areas （Americas and Asia）

PROMOTION OF WORKSTYLE REFORM AND IMPROVEMENTS OF OPERATIONAL EFFICIENCY

Usage ratio of paid holidays in Japan improved by 7.7pt to 50.5%(1) through workstyle reform initiatives. Aiming to improve further, while driving initiatives to improve operational efficiency and productivity







Dialogue with employees (Town hall meetings)

Case study：Utilization of direct communication tool to employees

Over 20,000 views. About 550 ideas and comments on cost reduction were submitted to the CEO message for employees in Japan, which was released on March 14, 2018



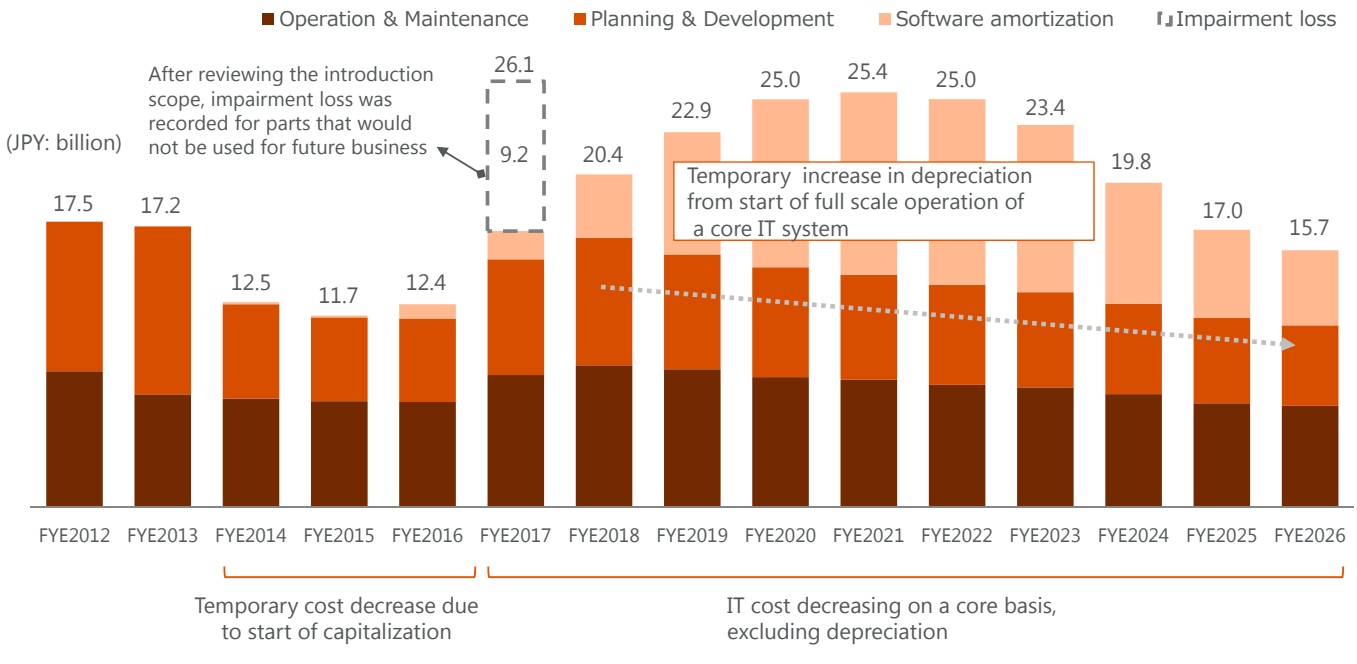
Major initiatives for improvement of operational efficiency

- **HQ FIT**(2)
  - Reviewed reporting structure and tasks of back office divisions, and promoted transfer to direct divisions
  - Completed exercise for five functions
  - Simplified the organization structure (reduced the headcount from 125 to 89 through the internal transfer, and reporting layer was reduced within 4 layers)
- **Span of control**
- **Implementation of Robotic Process Automation; RPA**
  - Promoted automatization of recurring operations
  - Fostering 100 in-house developers by September 2018
  - 90 employees participated over 7 training sessions
  - Another 60 employees will participate in the training session by July 2018
- **Further promotion of workstyle reform**
  - Promoting use of paid holiday and flexible workstyle, reduction of overtime and job transfer away from home, and improvement of communication by utilizing Workplace (internal work and communication platform)

(1) Usage rate on days carried forward from a previous year
(2) HeadQuarter（back office divisions）: Focus on the Important Tasks

SCHEDULED COST OF CORE IT SYSTEM IN JAPAN

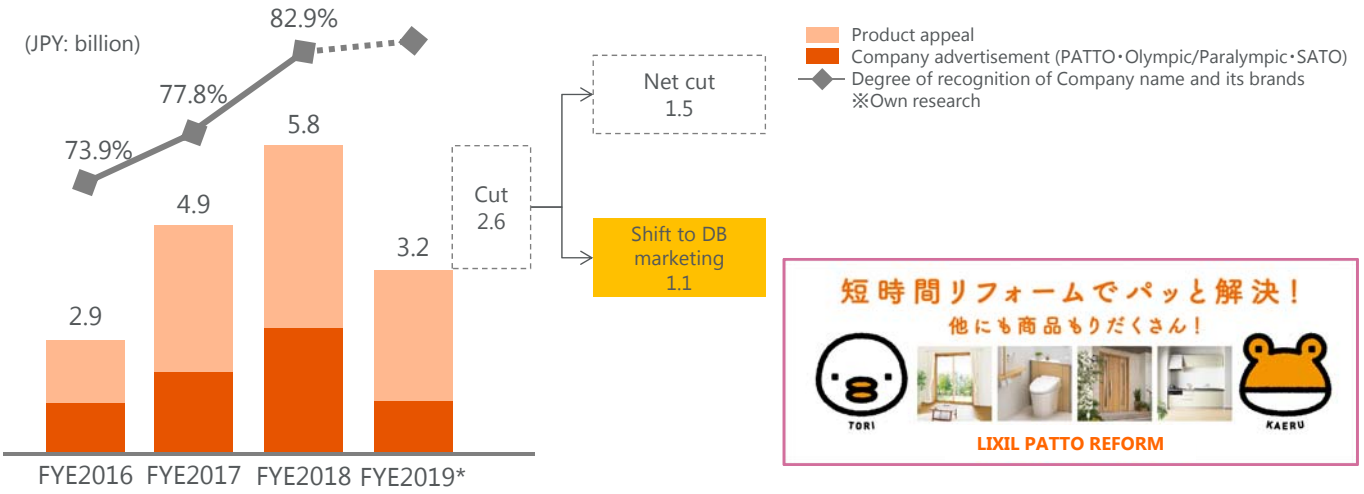
Despite the increase in depreciation due to full scale operation of a core IT system in Japan starting from FYE2019, cost decreasing on a core basis. IT costs expected to peak out from FYE2021



SHIFTING FROM "MASS MARKETIING" TO "DATA-DRIVEN MARKETING"

Investment in mass marketing to end of FYE2018 pushed brand recognition up above 80%(1). Activities will now shift to targeted data-driven marketing

Investment amount in the mass-marketing (mainly TV commercial) in Japan and results



Investment in mass marketing enhanced "awareness of our brand"

Investment in data-driven marketing for "targeted communication"

(1) Original target set for the initiative
*Forecast

SYNERGY STRATEGY AS AN OVERALL MANUFACTURER (1)

Deliver Value to End-Users as an Overall Manufacturer Across Business Units



Strengthen end-user marketing →*LIXIL Owners Club*

- Extend wider range of user registration
- By providing repair and cleaning services, build a foundation that can increase contact point & frequency with end-users.
- Platform enables proposal of renovation ideas and other services with more accurate timing (April 2018-)

LIXIL New House Cashback Campaign

- Offers cashback of JPY 200,000 to end-users who select designated products (six products(1), approx. JPY 2.4mil) . Aim is to be chosen by end-users
- Revenue increase of approximately JPY 2.1bn from the six month campaign in FYE2018
- Campaign for FYE2019 expected to run for nine months from April 1, 2018 to December 28, 2018



(1) More than one product of kitchen, bathroom, toilet, bathroom vanity, and entrance door, and all sashes for the house to be of LIXIL

SYNERGY STRATEGY AS AN OVERALL MANUFACTURER (2)

Deliver Value to End-Users as an Overall Manufacturer Across Business Units

Design Style



"Design Style" proposes ideal lifestyle concepts for end-users on our website http://www.lixil.co.jp/lineup/designstyle/

- Total coordination, which can uniquely be offered by LIXIL
- Able to customize living space matched with customers' preference
- Set-up of a special website, where a coordinated product list is downloadable
- Realized through collaboration with Professional Designers across LIXIL's product categories

***Tatetoku* value offered by LIXIL TEPCO Smart Partners Inc.**

- Promote ZEH and maximize synergies within LIXIL through new business for end-users combining ZEH products & electricity services
- Promote with less upfront and ongoing costs, and increase product sales per house
- Expand service areas:
  - Eastern, Middle, Western areas of Japan April 2018-
  - Southern area of Japan July 2018-
  - Northeastern area of Japan October 2018-

LIXIL TEPCO Smart Partners

RENOVATION STRATEGY IN JAPAN

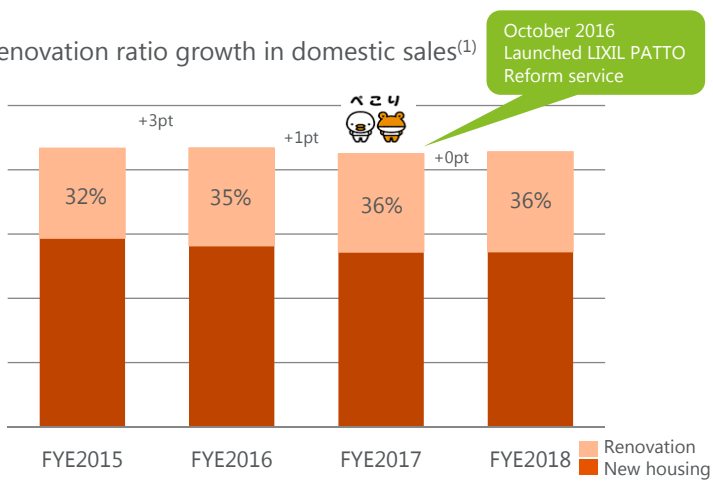
Sales of Renovation Products

JPY: bn	FYE2017 Results	**FYE2018 Results**	YoY
Sales of renovation products	308.6	**311.0**	+1%
Renovation ratio	36%	**36%**	0pt

Number of Member Homebuilders

Stores	Mar -16	Mar -17	Mar -18
LIXIL Reform Shop (FC)	480	519	**546**
LIXIL Reform Shop (Voluntary)	12,492	13,227	**12,602**
LIXIL PATTO Reform Service Shop(2)	-	3,365	**3,705**

Renovation ratio growth in domestic sales(1)



Renovation products sales ratio by business segment (YoY)

Business segment	FYE2017	FYE2018	Difference
LWT	44%	45%	+1pt
LHT	31%	31%	0pt
LBT	26%	24%	-2pt
LKT	39%	39%	0pt

(1) Total sales of LIXIL Japan Company and a building renovation subsidiary (after inter-segment transactions)
(2) Launched service from October 2016

Japan – "Toilets for All" Initiative in 2017 & 2018

Improving Global Sanitation & Hygiene

"Toilets for All" Initiative in 2017

For every LIXIL shower toilet sold in Japan,
LIXIL will donate one of its innovative "SATO" toilets
(Period: Apr. through Sep., 2017)

As a result of activities in 2017, LIXIL will donate a total of 208,805 SATO toilets



By collaborating with UN organizations and international NGOs, SATO products will be delivered to countries in Asia and Africa

"Toilets for All" Initiative in 2018

For every LIXIL shower toilet sold in Japan,
LIXIL will donate one of its innovative "SATO" toilets
(Period: Apr. through Sep., 2018)

LIXIL will donate a SATO toilet mainly to schools in Asia and Africa with the 2018 initiative



Global toilet conditions
The lack of toilets leads to lost educational opportunities, with girls in particular forced to miss classes or drop out of school, and schools unable to attract or retain teachers. Open defecation on the grounds of schools without toilets is also a cause of mass infection.

SMILE ECO PROJECT FOR ALL PROPOSING REDUCTION OF ENVIRONMENTAL IMPACT TO END USERS

Activities aimed at end users: Smile Eco Project



My Bottle, My Style

By having "My Bottle", you can reduce CO_2 & household cost, and contribute to healthy life



※Left: Consumption of PET bottles per person calculated by 1 bottle / day, 365 days per year

※Right: Excerpt from the Carbon Footprint Communication Program basic database ver. 1.01 (Japan data)

Handing out LIXIL My Bottle to those who made an estimate of the water purifier at LIXIL showrooms (Until June 2018)



THINK HEAT

Balancing "Energy saving of homes" with "Health and comfort"
Promote ZEH (Net Zero Energy House) to reduce CO_2 as top runner in Japan

"Insulation + energy saving + energy creation"
Combine windows, doors, housing construction method and water related products for one house, which allows CO2 reduction in combination with healthy and comfortable living

FORECAST FOR FYE2019


LIXIL Water Technology


LIXIL Housing Technology


LIXIL Building Technology


LIXIL Kitchen Technology



Distribution and Retail Business


Housing and Services Business

FORECAST – FYE2019 KPI (GROUP)

JPY: billion	FYE2018 Result	FYE2019 Forecast	Difference Amount	Difference %
Revenue	1,664.8	1,710.0	45.2	3
Core earnings	75.3	85.0	9.7	13
Core earnings ratio (%)	4.5%	5.0%	0.4pt	-
Profit before tax	90.0	75.0	-15.0	-17
Net profit attributable to owners of the parent	54.6	50.0	-4.6	-8
EPS (JPY)	189	173	-16	-9
ROE	9.4	7.7	-1.7	
EBITDA(1)	137.1	150.0	12.9	
CAPEX(2)	68.4	74.0	5.6	
Depreciation(2)	61.8	65.0	3.2	

Assumptions

		FYE2018 Result	FYE2019 Forecast
Housing starts YoY%	Total	946,000/-3%	960,000/+1%
	Owned & Detached houses	420,000/-2%	430,000/+2%
FX rate (Average rate)	JPY/USD	110.81	115
	JPY/EUR	129.45	135
Raw material price (JPY)	Aluminum /ton	234,000	250,000
	Copper /ton	639,000	733,000

Volume of procurement (Approximate amount based on FYE2018 results)
Aluminum 160,000 ton, Copper 22,000 ton

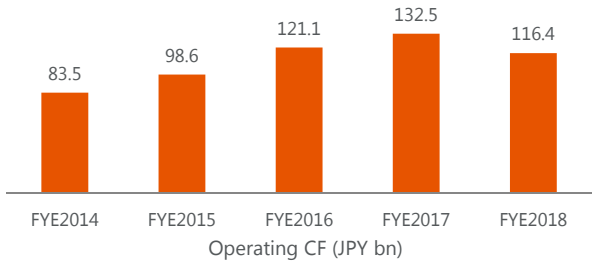


(1) : EBITDA (Core earnings + Depreciation)
(2) : CAPEX and Depreciation includes intangible assets. Those attributable to discontinues operations are excluded

FINANCIAL POLICY

In the last 5 years, JPY552.1 billion of operating cash flow was generated while JPY 428.9 billion of cash was invested in total. Continue to focus on generating operating cash flows

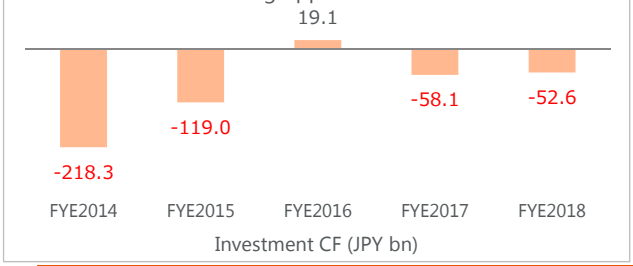
Continue to strengthen return on investment and improve CCC



Investment

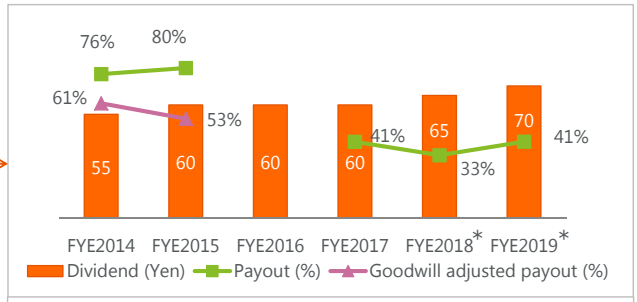
Return

Continue to improve investment efficiency by selection & concentration and creating opportunities



※CF: Include discontinued operations

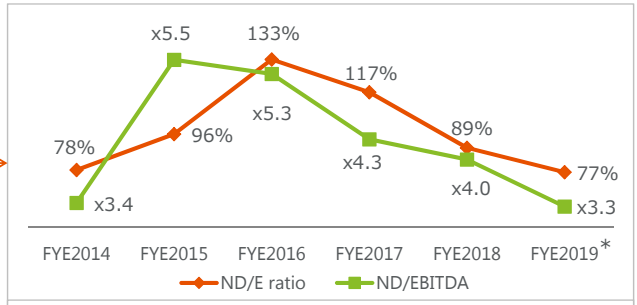
Shareholder return



・Dividend payout ratio of over 30% on a consolidated basis.
・Share buyback may take place depending on factors, such as financial position and share price.

※FYE2016 dividend payout ratio not calculated due to net loss.

Debt repayment



Financial soundness policy
ND/E ratio less than 100%・ND/EBITDA less thanx3.5

※JGAAP until FYE2014, IFRS from FYE2015
＊ Forecast

APPENDIX



LIXIL Water Technology



LIXIL Housing Technology



LIXIL Building Technology



LIXIL Kitchen Technology



Distribution and Retail Business



Housing and Services Business

FYE2018 CONSOLIDATED BUSINESS RESULTS

	JPY: billion	(A) FYE2017 Reported	(B)-(A) Discontinued Operations Difference(4)	(B) FYE2017 After retroactive restatement	(C) FYE2018 Results	(C)-(B) YoY Amount	Forex	YoY %
Continuing Operations	**Revenue**	1,786.4	-153.2	1,633.2	**1,664.8**	19.5	31.6	*1.9%*
	Gross Profit	563.6	-12.1	551.5	**563.5**	7.7	12.0	*2.2%*
	(%)	*31.5%*	-	*33.8%*	***33.8%***	-	+0.1pt	-
	Core Earnings(1)	88.3	1.5	89.8	**75.3**	1.9	-14.5	*-16.1%*
	(%)	*4.9%*	-	*5.5%*	***4.5%***	-	-1.0pt	-
Including Discontinued Operations	**Net Profit including Discontinued Operations** (2)	42.5	0.0	42.5	**54.6**	-	12.1	*28.4%*
	EPS (Yen)	148	0	148	**189**	-	41	*27.8%*
Continuing Operations	**EBITDA**(3)	149.0	-2.6	146.4	**137.1**	-	-9.3	*-6.3%*
	(%)	*8.3%*	-	*9.0%*	***8.2%***	-	-0.7pt	-

Improvement of profitability at LIXIL Kitchen Technology (+1.6pt) contributes to the improvement of gross profit +0.1pt

(1) Equivalent to "Operating profit" of JGAAP
(2) Profit for the quarter attributable to owners of the parent
(3) EBITDA: Core earnings+Depreciation (Excluding discontinued operations)
(4) Transferred to profit/loss for the quarter from discontinued operations (due to the decision of share-transfer of Permasteelisa S.p.A.)

FYE2018 BUSINESS RESULTS BY SEGMENT

- **LKT**: *Richelle* and *Alesta* performed well. Increase in revenue and earnings due to strategic marketing investment to increase product recognition
- **H&S** : Decrease of Revenue and Core Earnings due to deconsolidation of JIO

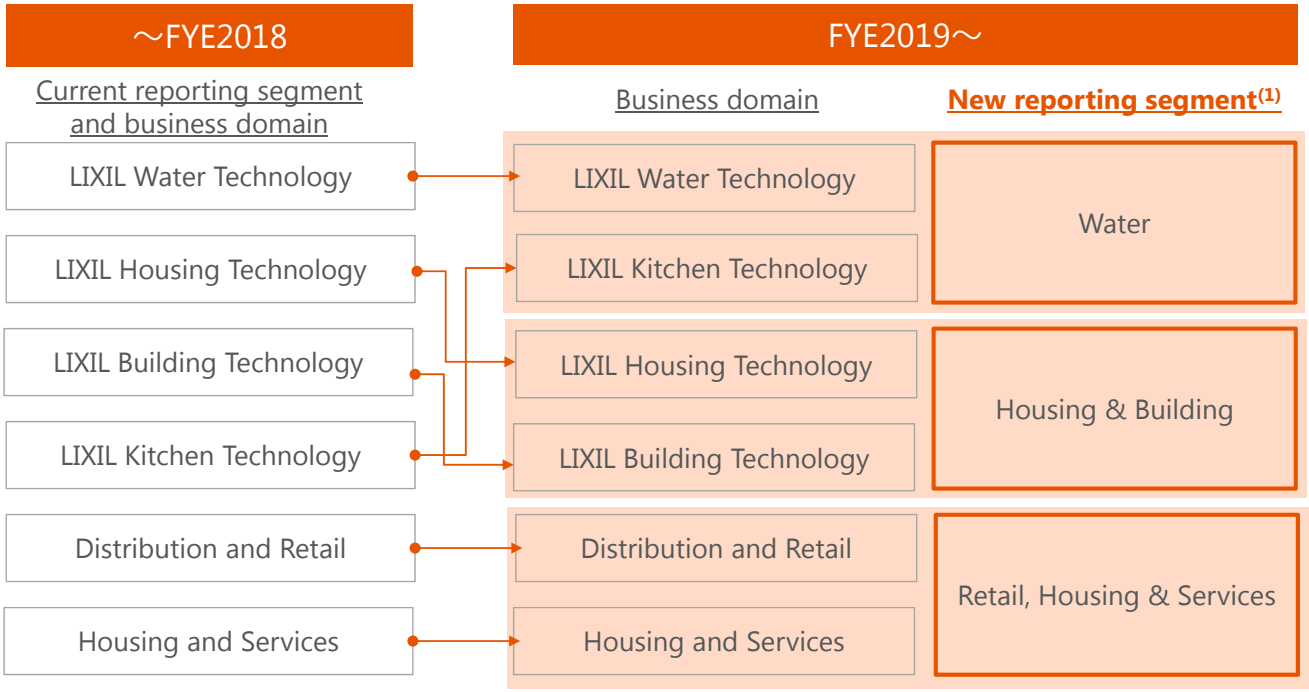
JPY billion		Q4 3 months FYE2017	**FYE2018**	YoY Amount	Forex	YoY %	12 months FYE2017	**FYE2018**	YoY Amount	Forex	YoY %
LWT	Revenue	171.2	**186.5**	3.3	15.3	8.9%	662.4	**715.9**	18.7	53.5	8.1%
	CE	11.5	**13.8**	0.1	2.3	19.9%	65.1	**67.7**	1.9	2.6	4.0%
LHT	Revenue	135.5	**129.7**	-	-5.8	-4.3%	544.1	**535.2**	0.5	-8.9	-1.6%
	CE	6.1	**1.6**	-	-4.5	-74.0%	39.2	**27.5**	-	-11.7	-29.8%
LBT	Revenue	29.4	**28.0**	-	-1.4	-4.8%	110.4	**107.0**	-	-3.4	-3.1%
	CE	2.9	**1.4**	-	-1.5	-50.8%	5.4	**3.4**	-	-2.0	-37.0%
LKT	Revenue	29.4	**28.7**	0.1	-0.7	-2.5%	114.7	**120.0**	0.3	5.2	4.5%
	CE	0.8	**0.6**	-	-0.2	-22.8%	4.3	**6.2**	-	1.8	42.7%
D&R	Revenue	39.0	**39.4**	-	0.4	1.1%	172.0	**173.5**	-	1.5	0.9%
	CE	-0.2	**-0.3**	-	-0.1	-	7.3	**6.9**	-	-0.4	-5.0%
H&S	Revenue	15.7	**12.8**	-	-3.0	-18.9%	64.4	**52.3**	-	-12.1	-18.8%
	CE	0.9	**0.4**	-	-0.5	-57.7%	4.4	**2.5**	-	-1.9	-42.6%
Consolidation, adj. & other	Revenue	-7.9	**-10.7**	-	-2.8	-	-34.8	**-39.0**	-	-4.2	-
	CE	-8.8	**-10.8**	-	-1.9	-	-36.0	**-38.9**	-	-3.0	-
LIXIL Group	Revenue	412.4	**414.3**	3.4	2.0	0.5%	1,633.2	**1,664.8**	19.5	31.6	1.9%
	CE	13.1	**6.7**	0.1	-6.4	-49.1%	89.8	**75.3**	1.9	-14.5	-16.1%

Impact from business divestment
Revenue: (3 months) LHT JPY-0.2 billion, LKT-1.5 billion, H&S JPY-3.4 billion, (12 months) LHT JPY-9.0 billion, LKT JPY-1.5 billion, H&S JPY-12.4 billion
Core earnings: (3 months) H&S JPY-0.1 billion, (12 months) LHT JPY-0.2 billion, LKT JPY-0.1 billion, H&S JPY-0.7 billion

CHANGE OF REPORTING SEGMENT (UNDER CONSIDERATION OF THE ADOPTION FROM FYE2019)

To become an organization allowing accelerated growth and profitability improvement

- Integrate Water-related business (LWT) and Kitchen business (LKT) aiming for further collaboration
- Strengthen ties by integrating Housing business (LHT) and Building business (LBT), which have close alignment



(1) Tentative name

LIXIL Water & Kitchen Technology/Water Business

Business results in FYE2018 and strategic priorities in FYE2019

Apr-Mar In JPYbn		FYE2018	Like for like		FYE2019 (forecast)	
Revenues by Region(1)	Americas	143.1	+5%		+7%	
	EMEA	145.6	+4%		+4%	
	Asia Pacific	94.6	+6%		+10%	
	Japan(1)	443.5	+6%		+3%	
	Adjustments	9.0				
	Water Business	**835.8**	+8%		**865.2**	+4%
				CE margins		***CE margins***
Core earnings by Region(1)	Americas	9.9	+4%	7%	+31%	8%
	EMEA	21.4	+6%	15%	+19%	15%
	Asia Pacific	10.8	-13%	11%	+17%	12%
	Japan (1)	33.6	-3%	8%	+7%	8%
	Adjustments	-1.8				
	Water Business	**73.8**	+6%		**82.5**	+12%
		9%	-0.1pt		10%	

Priorities for FYE2019

Japan

- Reinforce the structure for achievement of medium term plan target through the organization change in Japan(Accelerate business cycle responding to market environment change and end users' needs by integrating product development, manufacturing, and sales)
- Accelerate differentiation of products and services through selection and concentration of the areas of investment
- Strengthen design and renovation capability
- Establish support system for overseas business
- Further efforts to expand the mid-to-high price zone products

Overseas

- Amplify product line-up and its launch to become a full bathroom solution company
- Develop IoT products (Smart product)
- Expand bidet toilets in Islamic countries
- Redevelopment of business in South Africa
- Set up a business in India
- Driving a direct commerce of ceramic product in China
- Focus on promotion of selected products

*To facilitate the comparison between FYE18 (actual results) and FYE19 (full-year forecasts), the revenue and core earnings of a subsidiary sold during the period is excluded from the FYE18 actual figures of Asia Pacific and is included in the column of adjustments. The company's revenue and core earnings for FYE18 were JPY 6.7 bn, and JPY 0.1bn, respectively.

(1) Region: Management basis, LWT Total: Statutory basis
Statutory basis currency : FYE2019 Results 1USD=110.81JPY, 1EUR=129.45JPY, FYE2019 Assumptions 1USD=115JPY, 1EUR=135JPY
Management basis currency : Comparing by FYE2018 current & previous year 1USD=115JPY, 1EUR=120JPY

LIXIL Housing & Building Technology/Housing & Building Business

Business results in FYE2018 and strategic priorities in FYE2019

Apr-Mar In JPYbn		FYE2018	YoY	FYE2019 (forecast)	
Revenues by Region	Japan	627.6	-2% *like-for-like: -1%(1)*		+2%
	Overseas	14.6	+13%		-1%
	LIXIL Housing Technology	**642.2**	-2% *like-for-like: -1%(1)*	**652.5**	+2%
Core Earnings	**LIXIL Housing Technology**	**30.9**	-31% *like-for-like: -30%(1)*	**31.5**	+2%
	Margin	*5%*	-2.0pt	*5%*	

Priorities for FYE2019

Housing

Reinforce end-user focused approach
- End-user focused product development and promotion
- Focus on life-partner type of businesses
- Develop differentiated products

Streamline production process to improve cost competitiveness
- Promote standardization of product platform and parts
- Selection and concentration of areas of investment

Business development in global markets
- Alliance with global business players to differentiate LHT products through collaboration
- Expansion of business in overseas market (Asian markets)
- Expansion of sales of industrial products

Building

- Continue to improve profitability through selective order intake
- Countermeasure to shortage of skilled labor – Continue to make an effort to increase skilled labor
- Promote commonization of product platform and parts to improve cost competitiveness

(1) Excluding impact of divestment

Distribution & Retail and Housing & Services/Retail, Housing & Services

Business results in FYE2018 and strategic priorities in FYE2019

Apr-Mar In JPYbn		FYE2018	YoY	FYE2019 (forecast)	
Retail, Housing & Services	**Revenue(1)**	**225.8**	-4% *like-for-like: +1%(2)*	**234.0**	+4%
	Core Earnings(1)	**9.5**	-19%	**10.0**	+6%
	Margin(1)	*4%*	-0.8pt	*4%*	

Priorities for FYE2019

Distribution & Retail

- Open new stores with lower costs in undeveloped areas
- Promote renovation product sales
- Streamline store operations by utilizing IT tools
- Drive private brand product development

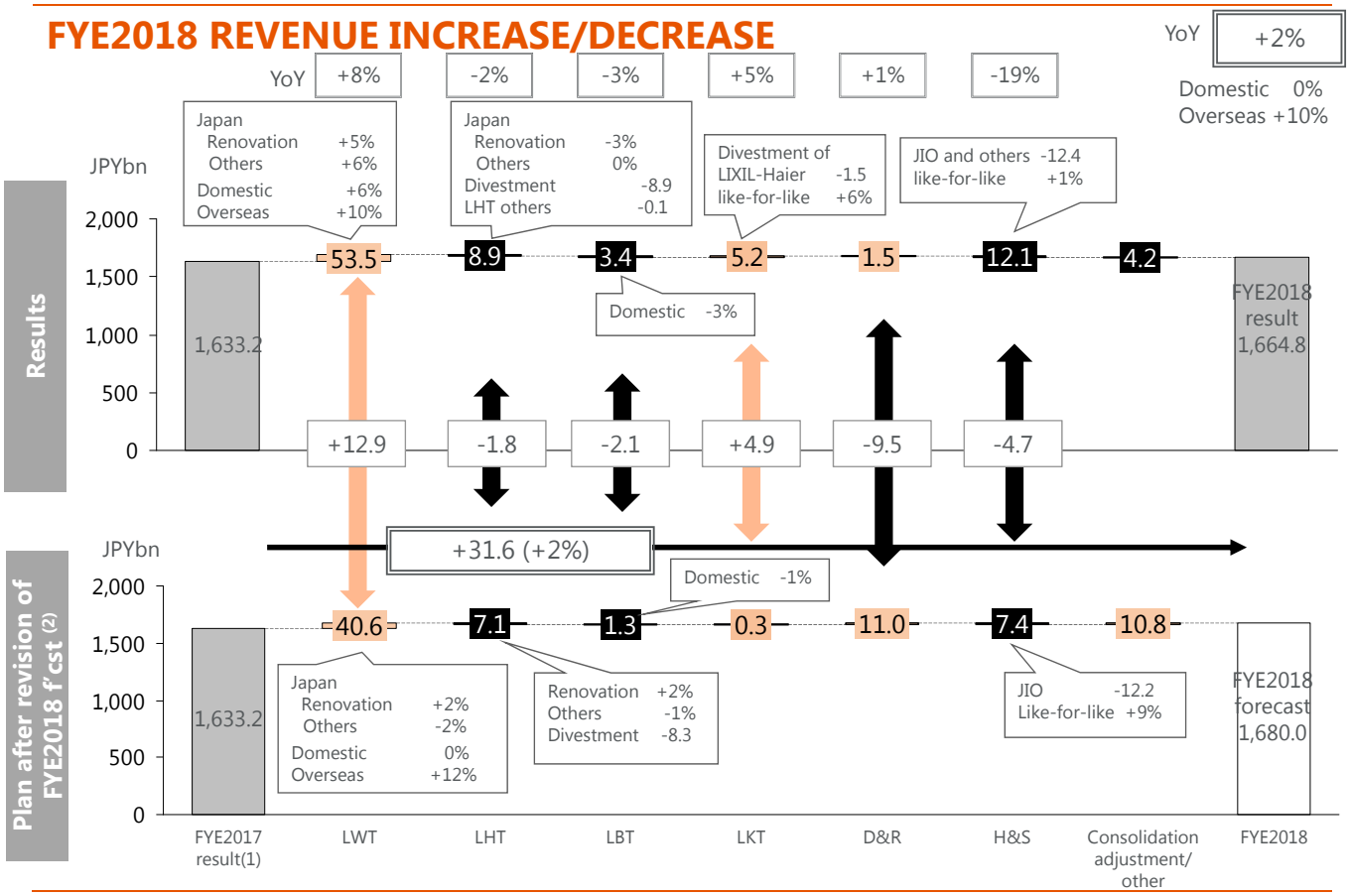
Housing & Services

- Strategic actions in response to decreasing new housing starts
- Expansion of services for existing housing market
- Business development in new areas of services and markets



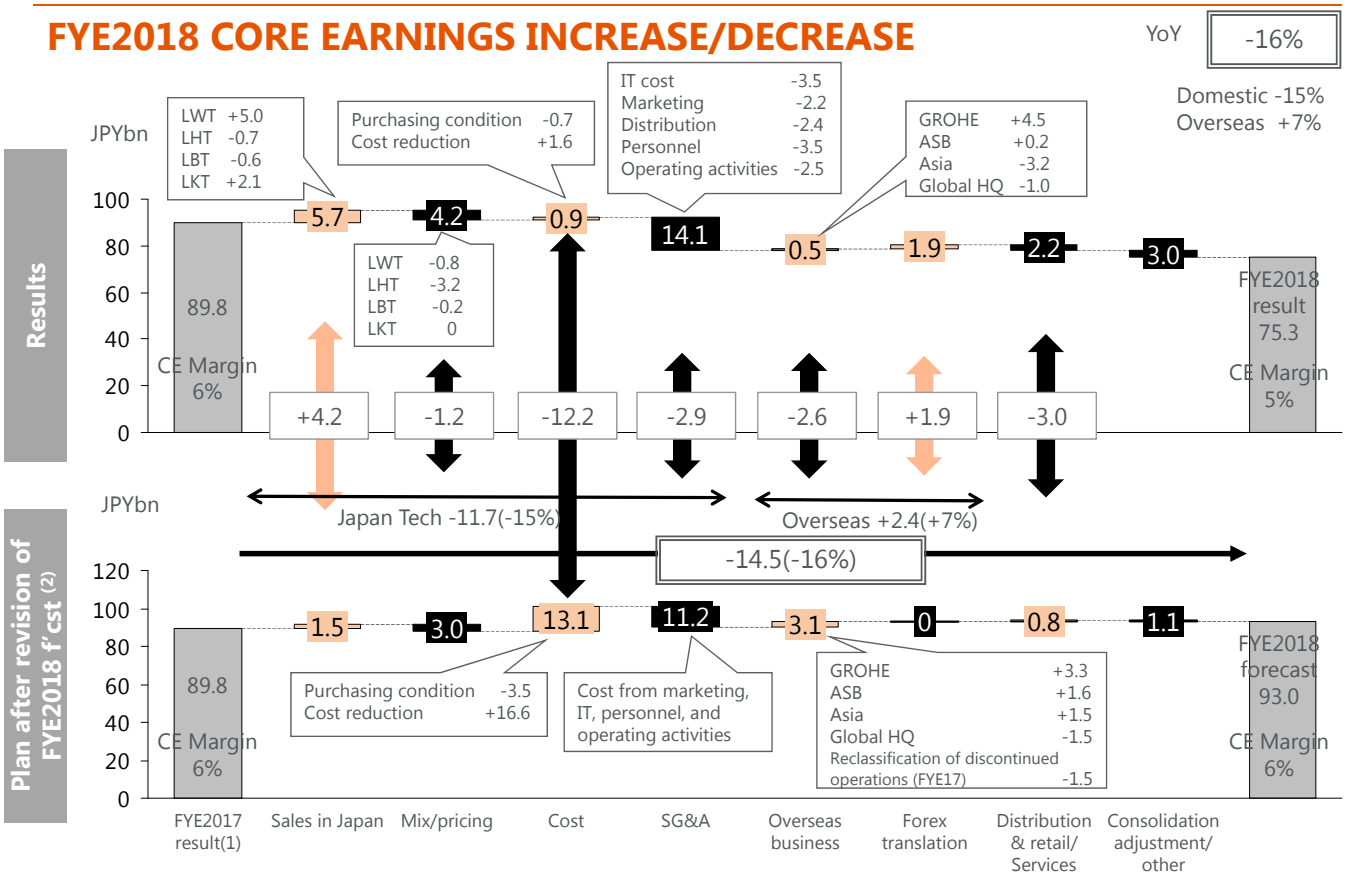
(1) Distribution & Retail disclosed as of IFRS basis; Reference: Japanese accounting standards are applied for disclosure of LIXIL VIVA Corporation (Securities Code 3564)
(2) Excluding impact of deconsolidation of subsidiaries

FYE2018 REVENUE INCREASE/DECREASE



(1) Figures are restated due to reclassification of Permasteelisa to discontinued operations
(2) Reflected revision of forecast for FYE2018 announced on August 21, 2017, to initial increase/decrease chart announced on May 7, 2017

FYE2018 CORE EARNINGS INCREASE/DECREASE



(1) Figures are restated due to reclassification of Permasteelisa to discontinued operations
(2) Reflected revision of forecast for FYE2018 announced on August 21, 2017, to initial increase/decrease chart announced on May 7, 2017

CONSOLIDATED FINANCIAL POSITION

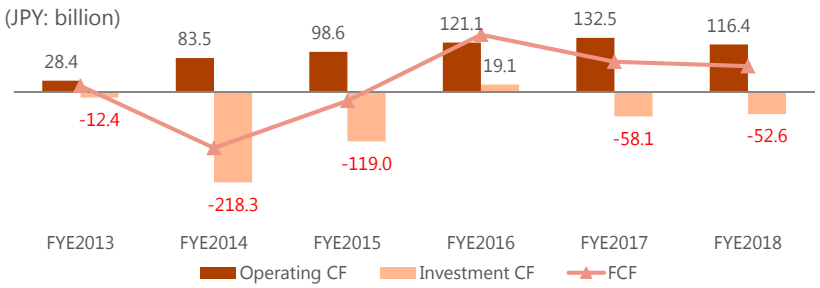
JPY: billion	[A] Mar-2017	[B] Mar-2018	[B]-[A] Increase/ decrease <Breakdown> Assets for sale and liabilities directly associated with the assets held for sale: Discontinued operations(3)	<Breakdown> Assets for sale and liabilities directly associated with the assets held for sale: Others	Others	Total of the increase / decrease
Cash and cash equivalents	121.6	138.8	-5.2	0.0	22.4	17.2
Trade and other receivables	391.3	343.3	-55.5	0.0	7.5	-48.0
Inventories	204.6	217.9	-4.2	0.0	17.5	13.3
Assets held for sale	0.9	180.2	180.2	0.0	-0.9	179.3
Others	1,323.9	1,227.0	-115.3	0.0	18.4	-96.9
Total Assets	**2,042.2**	**2,107.1**	**0.0**	**0.0**	**65.0**	**65.0**
Trade and other payables	350.5	339.0	-38.0	0.0	26.5	-11.5
Interest-bearing debt	759.9	687.9	-16.1	0.0	-55.9	-72.0
Liabilities directly associated with the assets held for sale	-	127.5	127.5	0.0	0.0	127.5
Others	372.3	303.2	-73.3	0.0	4.2	-69.1
Total Liabilities	**1,482.7**	**1,457.6**	**0.0**	**0.0**	**-25.2**	**-25.2**
Treasury shares	-53.4	-49.0	0.0	0.0	4.4	4.4
Others	612.8	698.6	0.0	0.0	85.8	85.8
Total Equity	**559.4**	**649.6**	**0.0**	**0.0**	**90.1**	**90.1**
(1) Equity Ratio (%)	26.8%	29.3%				+2.5pt
(2) Net Assets per Share (Yen)	1,902.18	2,128.77				226.59
Number of Shares (in thousands)	287,693	289,790				2,097
Net interest-bearing debt	638.3	549.2				-89.2

(1) Ratio of equity attributable to owners of the parent
(2) Equity per share attributable to owners of the parent
(3) After devaluation of Permasteelisa S.p.A. and its subsidiaries

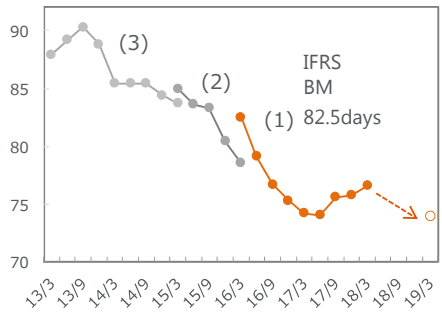
CASH FLOW STATUS

FCF long term trend

※JGAAP until FYE2014, IFRS from FYE2015



CCC



	FYE2016	FYE2017	**FYE2018**
CCC	82.5	74.2	**76.6**
DIO	73.1	68.7	**74.3**
DSO	69.4	68.0	**65.2**
DPO	60.0	62.4	**62.9**

Cash flow and balance of cash and cash equivalents

JPY billion	FYE1703	FYE1803	Diff.
Profit before tax	66.0	**65.1**	-0.9
Depreciation and amortization	60.7	**64.7**	4.0
Working capital	7.4	**-0.6**	-8.0
Others(of which Income taxes paid)	-1.6(-31.0)	**-12.8(-31.9)**	-11.2(-0.9)
Operating CF	132.5	**116.4**	-16.2
Investment CF (of which purchase of property, plant and equipment and intangible assets)	-58.1(-68.2)	**-52.6(-70.0)**	5.4(-1.7)
FCF	74.5	**63.8**	-10.7
Financial CF	-79.9	**-43.8**	36.1
Cash and cash equivalents	121.6	**138.8**	17.2

※CF: Include discontinued operations

Achieved JPY71.8bn against the target of JPY88bn from Sept. 2013

- Since FYE2016, FCF has been positive by a progression of improvement of ROI
- Review of optimal inventory level resulted in increase of Operating CF. FCF decreased 10.7bn by extension of CCC
- Cash and cash equivalents increased 17.2bn

FYE2018 OTHER INCOME AND OTHER EXPENSES, FINANCE INCOME AND FINANCE COSTS

JPYbn	FYE2017	FYE2018	Increase/ decrease	Note
Rental income	6.5	6.4	-0.2	
Gains on sale of property, plant and equipment	1.4	0.4	-1.0	
Gains on sales of subsidiaries	0.3	5.2	4.9	
Gains on sale of investment property	0.3	6.8	6.6	
Other	4.8	7.3	2.5	
Other Income	**13.2**	**26.1**	**12.8**	
Costs of rent	4.5	4.4	-0.1	
Losses on sale or disposal of property, plant and equipment	3.5	2.7	-0.8	
Impairment losses	17.3	6.3	-11.0	
Other	8.5	7.1	-1.4	
Other Expenses	**33.8**	**20.4**	**-13.3**	
Interest income	1.8	1.8	0.0	
Dividend income	1.2	1.3	0.0	
Gains on valuation of derivatives	6.4	-	-6.4	
Exchange difference gains	2.0	10.0	7.9	*1,2
Other	0.6	0.4	-0.2	
Finance Income	**12.1**	**13.5**	**1.4**	
Interest expense	8.5	5.0	-3.5	
Losses on valuation of derivatives	-	10.3	10.3	*1
Other	1.9	1.4	-0.4	
Finance Costs	**10.3**	**16.7**	**6.4**	

One-off decrease of tax	FYE2017	FYE2018
Deferred tax assets on past losses relating to Joyou recognized from organization restructuring	-	5.5
Adoption of consolidated tax filing system in Japan	-	2.5
Impact from U.S. corporate tax reform	-	0.6
Net Profit line	**-**	**8.6**

*1

	FYE2018 result
Exchange difference gains	10.0
Losses on valuation of derivatives	10.3
Net	-0.3 Loss

Losses on valuation of derivatives is matched with Foreign exchange gains

*2 Exchange difference gains (JPY2.0bn) booked in FYE2017 include following items as one-time gains

(1) Exchange difference gains (JPY4.0bn) recorded at the time of the translation of Euro-denominated borrowings to Japanese Yen

(2) Exchange difference gains (JPY6.5bn) recorded on foreign currency translation of Euro-denominated borrowings at the end of reporting period, which was repaid in Sep 2016

Total JPY10.5bn

RESULTS FOR H1, H2 AND FULL YEAR OF FYE2018 AND FORECASTS FOR FYE2019

JPY: Billion	FYE2018 (Result)			FY2019 (Forecast)					
	H1	H2	Full-year	H1		H2		Full-year	
	Result			Forecast	YoY	Forecast	YoY	Forecast	YoY
Revenue	809.9	854.9	1,664.8	837.0	3%	873.0	2%	1,710.0	3%
Gross profit	276.8	286.7	563.5	288.0	4%	296.0	3%	584.0	4%
SG&A	236.2	252.1	488.2	243.0	3%	256.0	2%	499.0	2%
Core earnings	40.7	34.7	75.3	45.0	11%	40.0	15%	85.0	13%
CE margin	5.0%	4.1%	4.5%	5.4%	+0.4pt	4.6%	+0.5pt	5.0%	+0.4pt
Profit before tax	36.6	53.4	90.0	42.0	15%	33.0	-38%	75.0	-17%
Net income	12.8	41.7	54.6	28.0	118%	22.0	-47%	50.0	-8%

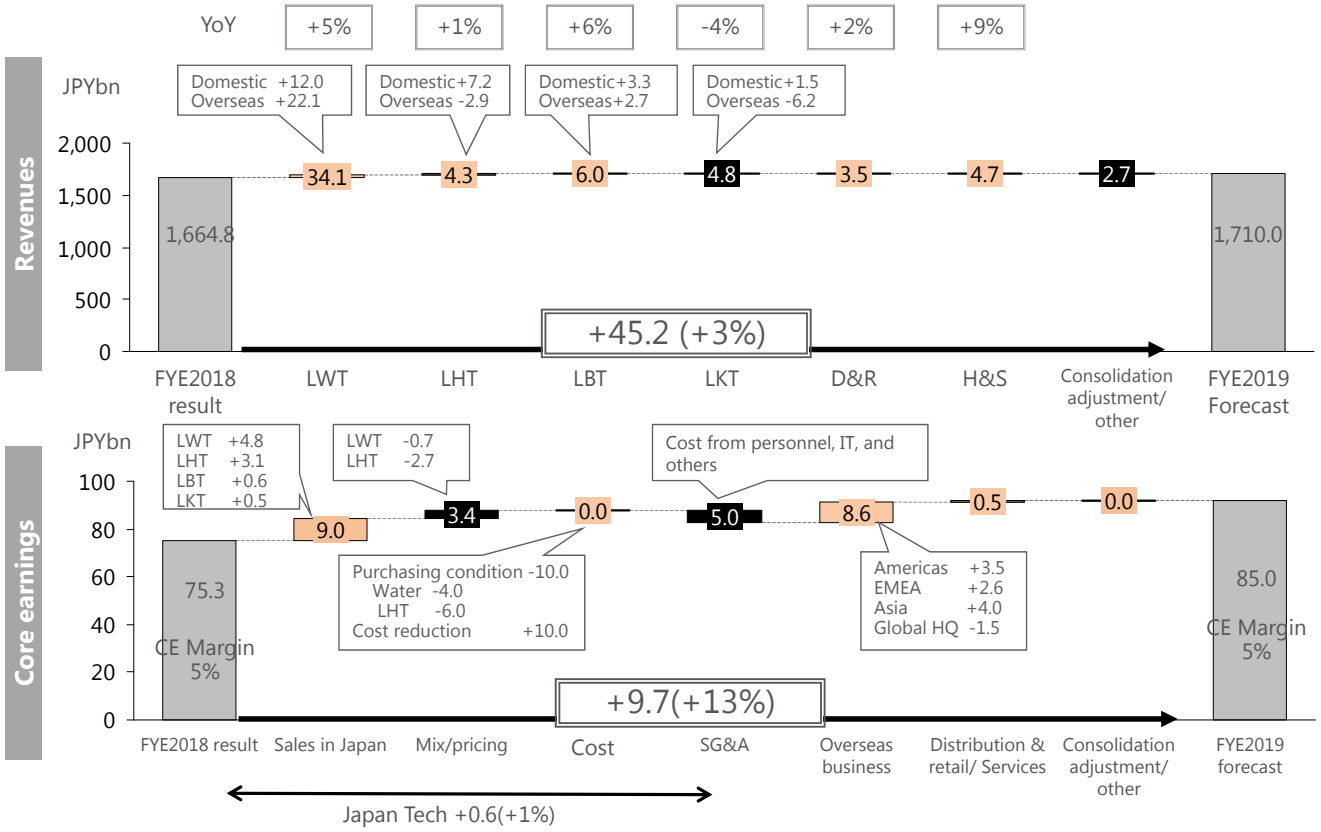
RESULTS AND FORECASTS BY SEGMENT

Unit: JPYbn

		FYE2017 Results			FYE2018 Results				FYE2019 Forecasts[1]			
		Japan	Overseas	Total	Japan	Overseas	Total	Total YoY%	Japan	Overseas	Total	Total YoY%
LWT	Revenue	313.1	349.3	**662.4**	330.5	385.4	**715.9**	8.1%	342.5	407.5	**750.0**	5%
	Core earnings	30.5	34.6	**65.1**	27.5	40.2	**67.7**	4.0%	28.6	47.0	**75.6**	12%
	CE margin	*9.7%*	*9.9%*	***9.8%***	*8.3%*	*10.4%*	***9.5%***	-0.4	*8%*	*12%*	***10%***	+1
LHT	Revenue	531.9	12.2	**544.1**	520.8	14.4	**535.2**	-1.6%	528.0	11.5	**539.5**	1%
	Core earnings	37.7	1.5	**39.2**	28.3	-0.8	**27.5**	-29.8%	29.0	0.0	**29.0**	5%
	CE margin	*7.1%*	*12.0%*	***7.2%***	*5.4%*	-	***5.1%***	-2.1	*5%*	-	***5%***	+0
LBT	Revenue	109.6	0.7	**110.4**	106.7	0.3	**107.0**	-3.1%	110.0	3.0	**113.0**	6%
	Core earnings	5.6	-0.2	**5.4**	4.6	-1.2	**3.4**	-37.0%	2.5	0.0	**2.5**	-27%
	CE margin	*5.1%*	-	***4.9%***	*4.3%*	-	***3.2%***	-1.7	*2%*	-	***2%***	-1
LKT	Revenue	106.5	8.3	**114.7**	113.0	6.9	**120.0**	4.5%	114.5	0.7	**115.2**	-4%
	Core earnings	4.2	0.1	**4.3**	6.1	0.1	**6.2**	42.7%	6.9	0.0	**6.9**	12%
	CE margin	*3.9%*	*1.5%*	***3.8%***	*5.4%*	*1.3%*	***5.1%***	+1.4	*6%*	-	***6%***	+1
D&R	Revenue	172.0		**172.0**	173.5		**173.5**	0.9%	177.0		**177.0**	2%
	Core earnings	7.3		**7.3**	6.9		**6.9**	-5.0%	6.5		**6.5**	-6%
	CE margin	*4.2%*		***4.2%***	*4.0%*		***4.0%***	-0.2	*4%*		***4%***	-0
H&S	Revenue	64.4		**64.4**	52.3		**52.3**	-18.8%	57.0		**57.0**	9%
	Core earnings	4.4		**4.4**	2.5		**2.5**	-42.6%	3.5		**3.5**	38%
	CE margin	*6.9%*		***6.9%***	*4.8%*		***4.8%***	-2.0	*6%*		***6%***	+1
Consolidation, adj. & other	Revenue			**-34.8**			**-39.0**	-			**-41.7**	-
	Core earnings			**-36.0**			**-38.9**	-			**-39.0**	-
LIXIL Group	Revenue	1,297.5	370.5	**1,633.2**	1,296.9	406.9	**1,664.8**	1.9%	1,329.0	422.7	**1,710.0**	3%
	Core earnings	89.8	36.0	**89.8**	75.9	38.4	**75.3**	-16.1%	77.0	47.0	**85.0**	13%
	CE margin	*6.9%*	*9.7%*	***5.5%***	*5.9%*	*9.4%*	***4.5%***	-1.0	*6%*	*11%*	***5%***	+0

Note: Restated FYE2017 results due to the reclassification of Permasteelisa and its subsidiaries to discontinued operations based on the share-transfer agreement
(1) Since impact of the organization change (including personnel change) in April is not reflected in the FYE2019 forecast, forecast reflecting the change to the new organization will be disclosed as soon as the reclassification is completed.

FYE2019 INCREASE / DECREASE OF SALES AND CORE EARNINGS FORECAST



(REFERENCE) REVENUE BY PRODUCTS AND SERVICES

Unit: Ybn

Segment	Major products	FYE2017 results[3]	FYE2018 results	YoY
LWT	Sanitary ware	102.3	**106.6**	4.2%
	Bathroom units	93.4	**102.2**	9.4%
	Washstand cabinet units	35.5	**36.9**	4.2%
	Tiles	29.1	**29.6**	1.8%
LHT	Housing sashes and related products	199.1	**191.5**	-3.8%
	Exterior	108.7	**106.7**	-1.8%
	Wooden interior furnishing materials	60.4	**60.4**	0.0%
	LHT Other	99.1	**91.9**	-7.3%
LBT	Building sashes [1]	109.6	**106.7**	-2.7%
LKT	Kitchens	106.8	**113.4**	6.2%
D&R	Home center revenue[2]	172.0	**173.5**	0.9%
H&S	Housing and Services business	64.4	**52.3**	-18.8%
	Overseas	376.9	**414.5**	10.0%
	Others/ consolidation & adj. [1]	75.9	**78.6**	3.6%
	Total	1,633.2	**1,664.8**	1.9%

Unit: %

Quarterly YoY							
FYE2017[3]				FYE2018			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
-2.1	3.3	7.2	8.5	11.4	6.4	3.3	**-2.7**
-1.2	1.3	2.1	3.0	11.4	7.7	9.3	**9.1**
0.3	5.1	5.0	7.4	8.9	2.6	5.9	**0.3**
-1.4	-1.0	0.0	-1.1	1.1	3.3	-0.1	**2.7**
-3.9	-1.0	-4.1	-0.6	-0.3	-4.1	-3.1	**-8.0**
0.6	-2.8	-4.9	-0.8	-0.5	-1.1	-0.4	**-5.5**
8.7	2.9	0.7	3.4	-1.3	1.0	2.8	**-2.7**
-5.3	-7.3	-23.2	-20.3	-18.5	-16.0	6.8	**1.1**
-17.0	-3.8	-7.6	5.8	9.1	-7.4	-3.8	**-4.4**
2.6	2.1	2.4	3.1	8.0	6.1	8.2	**2.6**
-12.9	-10.3	0.3	-2.7	-0.2	0.9	1.7	**1.1**
5.0	17.3	9.9	1.0	-23.6	-28.0	-4.5	**-18.9**
-15.0	-18.7	-12.8	-14.4	5.0	15.2	8.3	**11.8**
-	-	-	-	-	-	-	-
-7.2	-8.0	-6.7	-7.3	1.3	2.1	3.8	**0.5**

(1) In Q2 FYE2018, Building sashes were revised to IFRS figures including LIXIL's subsidiary retrospectively and Others/ consolidation & adj, were restated concurrently.
(2) Home center revenue of D&R excluding impact of Ken Depot carve out in Sep 2015 (YoY): FYE2017 Q1: 3.0%, Q2: 7.8%
(3) In Q2 FYE2018, results for FYE2017 and Q1 FYE2018 were restated due to reclassification to discontinued operations although no change was made to quarterly YoY for FYE2017.

PERFORMANCE OF MAJOR OVERSEAS SUBSIDIARIES

Company	ASB (ASD Holdings)		
Unit	Unit: USD million		
Accounting period	FYE2017 Results	**FYE2018 Results**	YoY
Exchange rate (Average Rate)	109.03	110.81	-
Revenue	1,090	**1,193**	9%
Core earnings	76	**78**	3%
%	7%	**7%**	-0.4

Accounting period	FYE2017 Balance	FYE2018 (12 months) Amortization	Others[1]	**Balance**
Exchange rate (Current Rate for balance, Average Rate for amortization)	112.19	110.81	-	**106.24**
Goodwill	138	-	92	**230**
Intangible assets	235	-7	14	**243**
Revaluation of fixed assets, inventories and other	-	-	-	-

Company	Grohe Group (GROHE)[2]		
Unit	Unit: EUR million		
Accounting period	FYE2017 Results	**FYE2018 Results**	YoY
Exchange rate (Average Rate)	119.37	129.45	-
Revenue	1,473	**1,511**	3%
Core earnings	143	**181**	27%
%	10%	**12%**	+2.3

Accounting period	FYE2017 Balance	FYE2018 (12 months) Amortization	Others[1]	**Balance**
Exchange rate (Current Rate for balance, Average Rate for amortization)	119.79	129.45	-	**130.52**
Goodwill	1,215	-	-21	**1,194**
Intangible assets	1,532	-23	-12	**1,497**
Revaluation of fixed assets, inventories and other	73	-	-	-

(1) Includes the amount reclassified from GROHE to ASB due to an integration in North America in Oct 2017
(2) Includes GDWT

ENHANCING LIXIL GROUP'S BOARD

(Announced on May 7, 2018)

(After the annual shareholders' meeting to be held on June 21)

Directors (◎indicate new candidate from June, 2018, ☐ are independent directors)

		Name	Concurrently serving with executive officer	Nomination committee	Audit committee	Compensation committee
Director		Yoichiro Ushioda	○	○		
		Kinya Seto*	○			
		Yoshizumi Kanamori				
		Yoshinobu Kikuchi				○
		Keiichiro Ina				○
	◎	Haruo Shirai			○	
	◎	Ryuichi Kawamoto				
Outside Director	☐	Tsutomu Kawaguchi			Chair	
	☐	Main Kohda		○		○
	☐	Barbara Judge		○		Chair
	☐	Hirokazu Yamanashi		Chair		○
	☐	Hiroto Yoshimura		○	○	

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* Also President & CEO of LIXIL Corporation, LWT CEO and LHT CEO

EXECUTIVE OFFICERS

(Announced on May 7, 2018)

Executive officers (◎indicate new candidate from June, 2018, ※also director)

Position	Name	
Representative Executive Officer, President & CEO	Kinya Seto	※
Representative Executive Officer and Executive Vice President	Sachio Matsumoto	
Executive Officer and Executive Vice President	Kazuhiko Ootsubo	
Executive Officer and Senior Managing Director	Jin Song Montesano	
Executive Officer and Senior Managing Director	Harumi Matsumura	
Executive Officer and Senior Managing Director	Ryo Nihei	
Executive Officer and Senior Managing Director	Yugo Kanazawa	
Executive Officer and Senior Managing Director	Yutaka Nakamura	◎
Executive Officer (Special mission)	Yoichiro Ushioda	※

Note: Due to change in position of Ryuichi Kawamoto, from current Representative Executive Officer and Executive Vice President to an Director in June 2018, Sachio Matsumoto will be appointed as the new Representative Executive Officer and Executive Vice President

EXTERNAL RECOGNITION

FTSE4Good Index Series

Became a constituent of the FTSE4Good Index Series (June 2017) and FTSE Blossom Japan Index (July 2017), created by FTSE Russel

FTSE4Good

FTSE Blossom Japan

MSCI Japan Empowering Women Index

Selected as a constituent of the MSCI Japan Empowering Women Index (WIN), created by MSCI Inc. (July 2017)

MSCI 2017 Constituent MSCI日本株 女性活躍指数 (WIN)

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MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

DJSI Asia Pacific Index

Became an index component of the Dow Jones Sustainability Indices (DJSI Asia Pacific Index), created by S&P Dow Jones Indices and RobecoSAM (September 2017)

NADESHIKO BRAND 2018

"**Nadeshiko Brand**" is granted to listed enterprises that are exceptional in encouraging women's success in the workplace, is jointly selected and publicized by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE). This year is the third time follows 2014 and 2015. (March 2018)

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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.