H1 Results for the Fiscal Year Ending March 31, 2019 (IFRS)

(From April 1, 2018 to September 30, 2018)

TSE Code: 5938

LIXIL Group Corporation

October 31, 2018

LIXIL Link to Good Living

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LIXIL GROUP HAS ADOPTED IFRS SINCE FYE2016

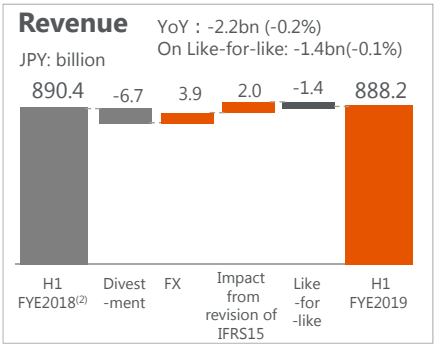
JGAAP	IFRS (LIXIL Group Financial Reporting)
	Continuing Operations
Net sales	**Revenue**
Cost of sales	Cost of sales
Gross profit	Gross Profit
SG&A	SG&A
Operating profit	**Core earnings (CE)**
Non-operating income/expenses	Other income/expenses
Ordinary income	Operating profit
Extraordinary income/losses	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

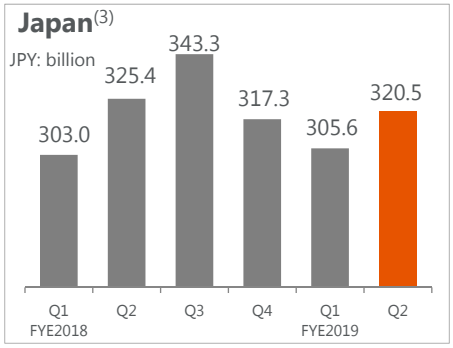
"Core earnings" in IFRS is equivalent to JGAAP's **"Operating profit"**

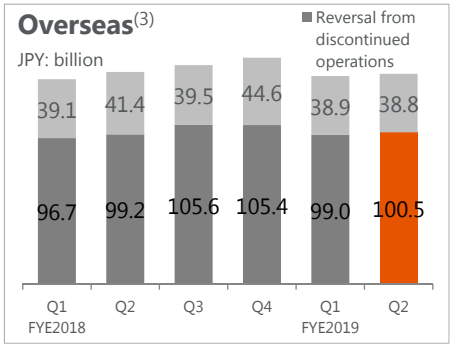
As disclosed on "Progress Update on Transfer of Consolidated Subsidiary (Share Transfer)" on October 22, business operations of Permasteelisa S.p.A. and its subsidiaries are reclassified as "continuing operations" from "discontinued operations" from Q2 FYE2019. The same period of FYE2018 has also been restated for comparison.

H1 REVIEW OF THE FISCAL YEAR ENDING MARCH 31, 2019 - Revenue

Slight decrease in consolidated revenues. Revenue from Japan business decreased due to weak new housing construction despite performing better than the market. Overseas, revenue increased in Asia and Americas following successful advanced investments. Revenue also increased in EMEA excluding Middle East and South Africa







■ **Revenue** *Comments are for the Q2 cumulative total (6 months ended September 30, 2018)
Vs H1(6 months) in the previous year: Decreased -2.2bn / **Vs previous quarter (3 months): Increased** +16.3bn

✓ **Japan: Vs H1(6 months) in the previous year** -2.3bn YoY (-0.4%YoY) / **Vs previous quarter (3 months)** +14.9bn (+4.9% YoY)
- Shortfall of the initial revenue target plan, and revenue decreased year-on-year for H1 due to weak demand in new housing construction and weak renovation demand due to impacts from natural disasters.
- Compared to new housing starts in Jan-June of -4.9%YoY, LWT Japan(1) and LHT performed better as revenues were +0.1% YoY and -2.5% YoY, respectively

✓ **Overseas: Vs H1(6 months) in the previous year** +0.9bn YoY (+0.3%YoY) / **Vs previous quarter (3 months)** +1.4bn (+1.0% YoY)
- Revenue increased in Asia and Americas, which was supported by advanced investments
- European sales grew by +3% while the Middle East business continued to be challenging, however, showing a strong improvement of the order book. In Africa, sales fell short of prior year but have stabilized over Q2.

✓ **Reclassification from discontinued operations** (Included in above "Overseas" as **Vs H1(6 months) in the previous year** -2.9bn / **Vs previous quarter (3 months)** -0bn)
- Reclassified as continuing operations from discontinued operations in Q2 FYE2019

LIXIL

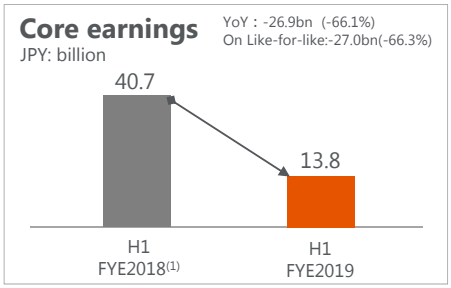
(1) Operational results from Kitchen Technology business are presented as Water Technology due to change in reporting segment from FYE2019 Q1. Therefore, quarterly revenues for FYE2018 has been recalculated as LWT and LKT to be included in the same segment

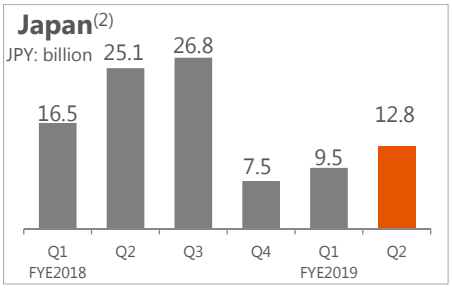
(2) Business results from Permasteelisa S.p.A and its subsidiaries are retroactively restated

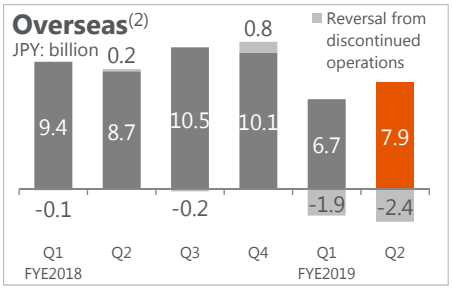
(3) Before the consideration of consolidation adjustment & other

H1 REVIEW OF THE FISCAL YEAR ENDING MARCH 31, 2019 – Core earnings

Despite starting to recover in Q2, Japan core earnings sharply decreased under tough business environment. Challenges to address in overseas business are continuous cost reduction efforts and price pass-through of inflation of costs







■ **Core earnings** *Comments are for the Q2 cumulative total (6 months ended September 30, 2018)
Vs H1(6 months) in the previous year: Decreased -26.9bn / **Vs previous quarter (3 months): Increased** +4.6bn

✓ **Japan: Vs H1(6 months) in the previous year** -19.3bn YoY (-46.4%YoY) / **Vs previous quarter (3 months)** +3.3bn (+34.8% YoY)
- Q2 business condition stabilized despite unplanned decrease in profit of 3.5bn related to the introduction of the new trading framework in Q1
- Core earnings margin improved in all segments except LHT in Q2 (3 months) compared to Q1 (3 months) through cost reduction and SG&A control effort
- Continue efforts for cost reduction and SG&A control to compensate the unplanned decrease in profit in Q1
(The core earnings margin in Japan improved by 0.9pp from Q1 to Q2 due to the completion of the transition period for the new trading framework, cost reduction efforts and SG&A expense controls.)

✓ **Overseas: Vs H1(6 months) in the previous year** -8.0bn YoY (-43.9%YoY) / **Vs previous quarter (3 months)** +0.8bn (+16.7% YoY)
- Profitability in Europe and Americas declined in H1 due to inflation of costs. The deterioration of the profitability is being addressed by price pass-through, but it is still in penetration process.
- Profit decreased in Asia from advanced investment for growth, such as showroom opening

✓ **Reversal from discontinued operations** (Included in above "Overseas" as **Vs H1(6 months) in the previous year** -4.4bn / **Vs previous quarter (3 months)** -0.5bn)
- Profitability of projects in North America deteriorated mainly due to the rise in material prices. We strive to reduce costs

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(1) Business results from Permasteelisa S.p.A and its subsidiaries are retroactively restated

(2) Before the consideration of consolidation adjustment & other

REVISION OF THE FORECAST ON BUSINESS PERFORMANCE FOR FYE2019 FULL-YEAR ANNOUNCED ON OCTOBER 22

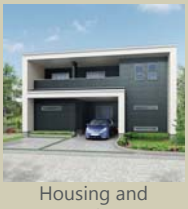

Water Technology


Housing Technology


Building Technology



Distribution and Retail


Housing and Services

REVISION OF THE FORECAST FOR FYE2019 FULL-YEAR - ANNOUNCED ON OCTOBER 22

Items considered in reviewing H2 FYE2019 forecasts:

Assumption at the timing of H2 forecast revision			Major risks
Business and management environment			
Japan	New housing starts	Same level as in FYE2018	✓ New housing construction level
	Renovation	Issues relating to installer shortages are expected to be gradually resolved from November	✓ Continuation of labor shortage issue
	Rush in demand before the consumption tax hike	No material impact is anticipated	-
	Product / Pricing mix	Demand trend in H1	✓ Change in demand trend
	Inflation	Planning to pass on the increase in cost to the product price	✓ Penetration level of price transfer
	Cost / SG&A reduction	Continue to promote reduction initiatives from H1 in HQ and BUs	
Overseas	Seasonal trend	H2 demand trend against H1 is the same level as in FYE2018 (FX assumption for the H2 forecast is 1 USD = 115 yen, 1 EUR = 135 yen)	
	Inflation	Inflation trend against H1 continues Increase in costs due to additional tariffs in North America Planning to pass on the increase in cost from inflation to the product price	✓ Penetration level of price transfer
Material prices			
Japan /Overseas	Base metal	Reflect the latest situation in comparison with the hedging situation of commodity and FX	✓ Acceleration of inflation
	Other materials	Inflation trend against H1 continues	

REVISION OF THE FORECAST FOR FYE2019 FULL-YEAR - ANNOUNCED ON OCTOBER 22

Revised forecast for H2 FYE2019 excluding Permasteelisa are at the same level as in FYE2018

	[A]			[B]			[C]=[B]-[A]			
	H2 FYE2018 Results (Restated figures, before audit)			(Announced on October 22) Revised H2 forecast			Difference			
(JPY: billion)	Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas	Total	YoY%
	227.8	203.8	**431.6**	221.0	226.0	**447.0**	-6.8	22.2	**15.4**	3.6%
	16.7	22.0	**38.7**	13.4	24.5	**37.9**	-3.3	2.5	**-0.8**	-2.1%
LWT(1)	*7.3%*	*10.8%*	**9.0%**	6.1%	10.8%	**8.5%**	*-1.2%*	*0.0%*	**-**	*-0.5pp*
	262.9	7.1	**270.0**	254.0	6.5	**260.5**	-8.9	-0.6	**-9.5**	-3.5%
	11.6	-1.1	**10.5**	8.7	-0.3	**8.4**	-2.9	0.8	**-2.1**	-20.0%
LHT	*4.4%*	*-15.1%*	***3.9%***	3.4%	-4.6%	**3.2%**	*-1.0%*	*10.5%*	**-**	*-0.7pp*
	55.5	84.2	**139.7**	56.7	88.0	**144.7**	1.2	3.8	**5.0**	3.6%
	2.1	0.3	**2.4**	2.7	-4.0	**-1.3**	0.6	-4.3	**-3.7**	-
LBT	*3.8%*	*0.4%*	***1.7%***	4.8%	-4.5%	**-0.9%**	*1.0%*	*-4.9%*	**-**	*-2.6pp*
	86.0		**86.0**	88.7		**88.7**	2.7		**2.7**	3.1%
	2.3		**2.3**	3.3		**3.3**	1.0		**1.0**	43.5%
D&R	*2.7%*		***2.7%***	3.7%		**3.7%**	*1.0%*		**-**	*+1.0pp*
	28.4		**28.4**	30.3		**30.3**	1.9		**1.9**	6.7%
	1.5		**1.5**	2.1		**2.1**	0.6		**0.6**	40.0%
H&S	*5.2%*		***5.2%***	6.9%		**6.9%**	*1.7%*		**-**	*+1.7pp*
Consolidation,			**-16.7**			**-14.4**			**2.3**	-
adj. & other			**-20.2**			**-19.1**			**1.1**	-
	660.5	295.1	**938.9**	650.7	320.5	**956.8**	-9.8	25.4	**17.9**	1.9%
	34.2	21.2	**35.3**	30.2	20.2	**31.3**	-4.0	-1.0	**-4.0**	-11.3%
LIXIL Group	5.2%	7.2%	**3.8%**	4.6%	6.3%	**3.3%**	-0.6%	-0.9%	**-**	*-0.5pp*

(1) Kitchen technology business is included in the Water technology business due to change in reporting segment from

REVISION OF THE FORECAST FOR FYE2019 FULL-YEAR - ANNOUNCED ON OCTOBER 22

H2 FYE2019 forecast has been revised as shown below

	[A]			[B]			[C]=[B]-[A]		
	(Announced on May 7) H2 FYE2019 forecast			(Announced on October 22) Revised H2 forecast			Revised amount for H2		
(JPY: billion)	Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas	Total
	242.3	202.6	**444.8**	221.0	226.0	**447.0**	-21.3	23.5	**2.1**
	17.7	26.8	**44.5**	13.4	24.5	**37.9**	-4.3	-2.3	**-6.6**
LWT(1)	*7.3%*	*13.2%*	**10.0%**	6.1%	10.8%	**8.5%**	-1.2pp	-2.4pp	**-1.5pp**
	269.5	5.6	**275.1**	254.0	6.5	**260.5**	-15.5	0.9	**-14.6**
	14.0	0.5	**14.5**	8.7	-0.3	**8.4**	-5.3	-0.8	**-6.1**
LHT	*5.2%*	*8.6%*	***5.3%***	3.4%	-4.6%	**3.2%**	-1.8pp	-13.2pp	***-2.0pp***
	58.4	0.0	**58.4**	56.7	88.0	**144.7**	-1.7	88.0	**86.3**
	3.3	0.0	**3.3**	2.7	-4.0	**-1.3**	-0.6	-4.0	**-4.6**
LBT	*5.6%*	-	***5.6%***	4.8%	-4.5%	**-0.9%**	-0.9pp	-4.5pp	***-6.5pp***
	87.8		**87.8**	88.7		**88.7**	0.9		**0.9**
	2.3		**2.3**	3.3		**3.3**	1.0		**1.0**
D&R	*2.7%*		***2.7%***	3.7%		**3.7%**	+1.1pp		***+1.1pp***
	30.3		**30.3**	30.3		**30.3**	0.0		**0.0**
	2.0		**2.0**	2.1		**2.1**	0.1		**0.1**
H&S	*6.7%*		***6.7%***	6.9%		**6.9%**	+0.2pp		***+0.2pp***
Consolidation,			**-23.4**			**-14.4**			**9.0**
adj. & other			**-26.7**			**-19.1**			**7.6**
	688.2	208.2	**873.0**	650.7	320.5	**956.8**	-37.6	112.3	**83.8**
	39.4	27.3	**40.0**	30.2	20.2	**31.3**	-9.2	-7.1	**-8.7**
LIXIL Group	5.7%	13.1%	**4.6%**	4.6%	6.3%	**3.3%**	-1.1pp	-6.8pp	**-1.3pp**

(1) Kitchen technology business is included in the Water technology business due to change in reporting segment from

CORPORATE OFFICER COMPENSATION

Reduction and voluntary return of compensation

LIXIL Group Corporation (LGC) has accepted a proposal from officers to voluntarily take a cut in compensation, due to the unfavorable business performance

① Executive officers of LGC and board members of LIXIL Corporation
Details：Depending on levels of position, maximum 20% of reduction from monthly base payment
Period：From November 2018 and onward

LGC accepted a voluntary return of compensation from members of the Board of Directors

② Board members of LGC
Details：Maximum 10% of reduction from monthly base payment
Period：From November 2018 and onward

Personnel who are concurrently serving executive officer and board member of LGC, are included in ①.

CREATING SHAREHOLDER VALUE

No change in forecast for interim dividend

Dividend forecasts for FYE2019

Dividend payout ratio of over 30% will be maintained on a consolidated basis

JPY	FYE2017 Results	FYE2018 Results	FYE2019 Forecasts
H1	30 Yen	30 Yen	35 Yen
H2	30 Yen	35 Yen	35 Yen (forecast)
Full year	60 Yen	65 Yen	70 Yen (forecast)
Dividend Payout Ratio	41%	34%	1354%

Share buyback

Share buyback may take place depending on factors such as financial position and share price

Basic policy regarding the company's decision control

We do not have special anti-takeover provisions in our articles of association since we intend to increase our corporate value by taking various measures that would gain support from our shareholders. Our investor and shareholder policy is to have our shares held over the medium to long term by a large number of shareholders

PROGRESS ON THE MEDIUM-TERM STRATEGIC PLAN TOWARD SUSTAINABLE GROWTH

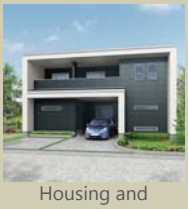

Water Technology


Housing Technology


Building Technology



Distribution and Retail


Housing and Services

MEDIUM-TERM STRATEGIC PLAN: TOWARD SUSTAINABLE GROWTH

Applying LIXIL's four unique, competitive advantages of the MTP to our key business focus areas:

ESTABLISH A PURPOSE-DRIVEN ENTREPRENEURIAL COMPANY FOR SUSTAINABLE GROWTH

DEVELOP ATTRACTIVE AND DIFFERENTIATED PRODUCTS

ACHIEVE COMPETITIVE COSTING

STRATEGIC MARKETING TO DRIVE GROWTH

Key focus areas:

- **LWT** Grow business in overseas
- **LHT** Turnaround sash business & expand overseas
- **Japan** Strengthen operational efficiency

LWT KEY FOCUS AREAS: GROW BUSINESS IN OVERSEAS

LWT

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

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

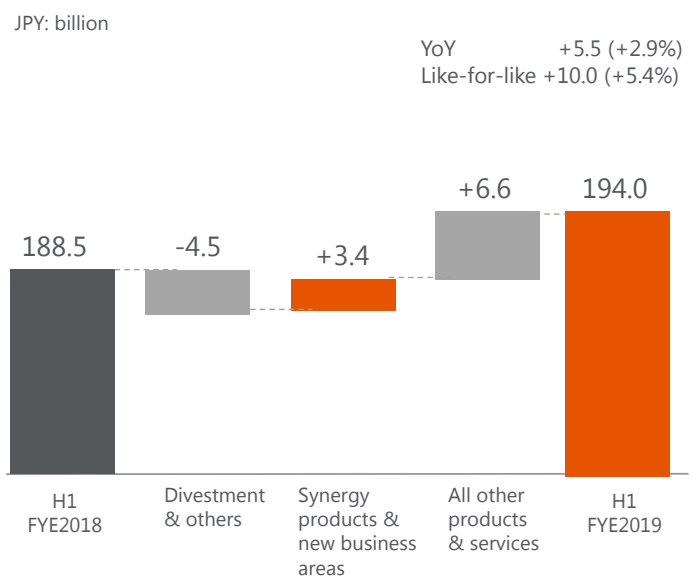
LWT KEY FOCUS AREAS: GROW BUSINESS IN OVERSEAS

LWT

Product synergies and new businesses drove 34% of total sales growth at LWT (overseas), promoting expansion of differentiated products that support overseas business growth

Sales growth of LWT (overseas)

JPY: billion



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

Synergy products: Shower toilets

American Standard New AC1.0 & 2.0 SpaLet Seats (For North America)



Synergy products: GROHE Ceramics

GROHE now offering basins, bidets, toilets, and a full choice of bathroom ceramics

Strong start to sales – growth on prior year of over 100% - with further potential



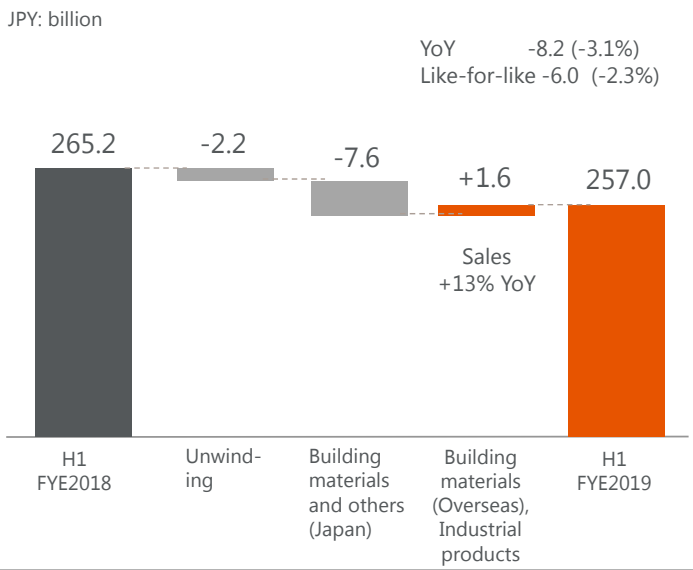
LHT KEY FOCUS AREAS: TURNAROUND SASH BUSINESS & EXPAND OVERSEAS

LHT

Focus on expanding building materials business in Asia, as well as industrial products business which makes use of our technology

Sales growth of LHT

JPY: billion



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

New product for high grade segment "GRANTS"

- Leverage technologies to drive growth in China and Asian countries through design and innovation
- Utilize our unique competitive advantage of having production bases within Asia



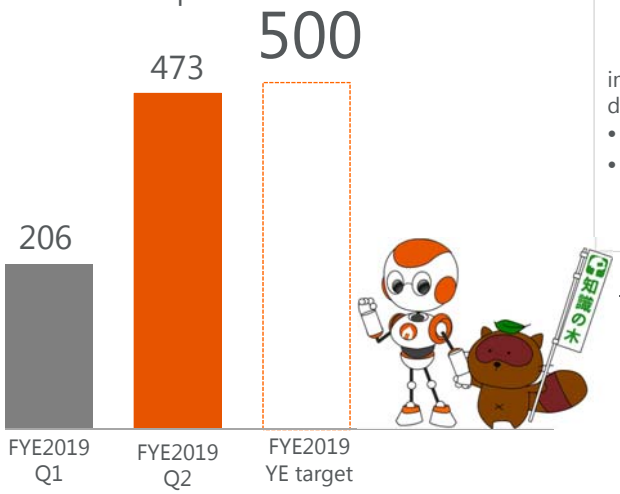
(Product for overseas market, launched in 2018)

JAPAN KEY FOCUS AREAS: STRENGTHEN OPERATIONAL EFFICIENCY

Japan

Productivity transformation progressing. Gradual improvement to come in H2

■ Number of employees having RPA development skill



- Fostering key project managers to in-house developers, initial target of 500 by March 2019 to be achieved in November 2018
  (In-house training to be continued. Internal certification system laid for improving development capabilities. Aim to increase quantity of developers and quality improvement)
- Accelerate development process
- Accelerate to increase effectiveness by increasing the number of operating robots and early realization of robot operation

Roadmap

Phase 1: Developer training
Phase 2: Improvement case extraction
Phase 3: Development process
Phase 4: Robot operation (realize effect)



■ Simplification of organization

Organization was simplified in three departments effective October 1, 2018
(10 divisions were reduced in headquarter)

› APPENDIX

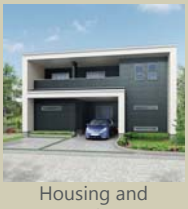

Water Technology


Housing Technology


Building Technology



Distribution and Retail


Housing and Services

H1 CONSOLIDATED BUSINESS RESULTS

	[A]	[B]-[A]	[B]	[C]	[C]-[B]			[D]	[C]/[D]
JPYbn	H1 FYE2018	Discontinued Operations	H1 FYE2018	H1 FYE2019	YoY			FYE2019	Progress vs Forecasts
	Reported	Difference	After retroactive restatement	**Results**	Amount Forex	Amount [C]-[B]	%	Full year Forecasts (announced on Oct 22)	%
Revenue	809.9	80.5	890.4	**888.2**	3.9	-2.2	*-0.2%*	1,845.0	*48.1%*
(Existing) Continuing operations	809.9	-	809.9	810.5	1.8	0.6	*+0.1%*	1,679.5	*48.3%*
Permasteelisa	-	80.5	80.5	77.7	2.1	-2.8	*-3.5%*	165.5	*46.9%*
Gross Profit	276.8	6.4	283.2	**268.0**	1.0	-15.2	*-5.4%*	-	-
(%)	*34.2%*	-	*31.8%*	***30.2%***	-	-1.6pp	-	-	-
Core Earnings (1)	40.7	0.1	40.7	**13.8**	0.2	-26.9	*-66.1%*	45.0	*30.6%*
(%)	*5.0%*	-	*4.6%*	***1.6%***	-	-3.0pp	-	*2.4%*	-
(Existing) Continuing operations	40.7	-	40.7	18.1	-	-22.5	*-55.4%*	54.0	*33.6%*
Permasteelisa	-	0.1	0.1	-4.3	0.0	-4.4	-	-9.0	*48.3%*
Net Profit(2)	12.8	-	12.8	**-8.6**	-	-21.5	-	1.5	-
EPS (yen)	45	-	45	**-30**	-	-74	-	5	-
EBITDA(3)	71.0	2.0	73.0	**48.3**	-	-24.8	*-33.9%*	-	-
(%)	*8.8%*	-	*8.2%*	***5.4%***	-	-2.8pp	-	-	-

(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)

Q2 (3 MONTHS & 6 MONTHS) BUSINESS RESULTS BY SEGMENT

JPY billion		Q2 3 months					H1 6 months				
		FYE2018	**FYE2019**	YoY Amount	Forex	YoY %	FYE2018	**FYE2019**	YoY Amount	Forex	YoY %
LWT[1]	Revenue	203.6	**204.0**	-0.1	0.4	0.2%	396.3	**402.0**	1.8	5.7	1.4%
	CE	18.7	**13.6**	-0.1	-5.1	-27.3%	35.1	**25.6**	0.2	-9.5	-27.2%
LHT	Revenue	135.4	**129.5**	0.0	-5.9	-4.4%	265.2	**257.0**	0.0	-8.2	-3.1%
	CE	10.1	**2.1**	-0.0	-8.0	-79.6%	17.0	**4.6**	-0.0	-12.4	-72.9%
LBT	Revenue	71.0	**68.2**	0.1	-2.8	-3.9%	131.8	**130.3**	2.1	-1.6	-1.2%
	CE	2.6	**-0.6**	0.2	-3.2	-	2.1	**-3.7**	0.0	-5.9	-
D&R	Revenue	43.6	**44.3**	-	0.7	1.7%	87.5	**87.8**	-	0.3	0.4%
	CE	2.0	**2.4**	-	0.4	17.4%	4.6	**4.7**	-	0.1	3.1%
H&S	Revenue	12.4	**13.9**	-	1.4	11.3%	23.9	**26.2**	-	2.3	9.5%
	CE	0.6	**0.9**	-	0.3	42.9%	1.1	**1.4**	-	0.3	29.6%
Consolidation, adj. & other	Revenue	-7.5	**-7.6**	-	-0.2	-	-14.4	**-15.1**	-	-0.8	-
	CE	-12.0	**-9.2**	-	2.8	-	-19.2	**-18.8**	-	0.4	-
LIXIL Group	Revenue	458.5	**452.2**	0.0	-6.3	-1.4%	890.4	**888.2**	3.9	-2.2	-0.2%
	CE	22.0	**9.2**	0.1	-12.9	-58.4%	40.7	**13.8**	0.2	-26.9	-66.1%

(1) Kitchen technology business is included in the Water technology business due to change in reporting segment from Q1 FYE2019

(2) Impact from divestment and others for LWT in H1 FYE2018 was Revenue -4.5bn & CE -0.1bn, and for LHT in H1 FYE2019 was Revenue -2.2bn & CE -0.2bn

WATER TECHNOLOGY

Business results in H1 FYE2019

Apr-Sep In JPYbn		H1 FYE2019	*Like for like*	FYE2019 (forecast)		
Revenues by Region[1]	Americas	72.2	*+4%*	*+6%*		
	EMEA	78.4	*-1%*	*+1%*		
	Asia Pacific*	53.3	*+11%*	*+14%*		
	Japan	208.0	*+0%*	*-2%*		
	Adjustments	-9.9				
	Water Technology	**402.0**	+1%	**849.0**	+2%	
			CE margins		*CE margins*	
Core earnings by Region[1]	Americas	3.1	*4%*		*6%*	
	EMEA	10.2	*13%*		*14%*	
	Asia Pacific*	4.2	*8%*		*9%*	
	Japan	10.4	*5%*		*5%*	
	Adjustments	-2.3				
	Water Technology	**25.6**	-27%	**63.5**	-14%	
	Margin	*6.4%*	-2.5pp	*7.5%*		

BEST 100



The Genie Hand Shower won the "Good Design Best 100" for its affordability, beautiful design, and innovative functionality

American Standard *Genie*





Joined forces with relayr, an IoT expert and part of Munich Re group, to allow GROHE Sense (water security system) to be connected more flexibly with other IT ecosystems run by insurance companies

*To facilitate the comparison between H1 FYE2019 (actual results) and FYE2019 (full-year forecasts), the revenue and core earnings of a subsidiary sold during the previous year is excluded from the FYE2018 actual figures of Asia Pacific to calculate the YoY growth. The company's revenue and core earnings for H1 of FY20E18 excluded for calculation were JPY4.5bn, and JPY0.1bn, respectively.

(1) Region: Management basis, LWT Total: Statutory basis
Statutory basis currency : FYE2019 Results 1USD=110.07JPY, 1EUR=129.88JPY, FYE2019 Assumptions 1USD=115JPY, 1EUR=135JPY
Management basis currency : Comparing by FYE2019 current & previous year 1USD=115JPY, 1EUR=135 JPY

HOUSING TECHNOLOGY

Business results in H1 FYE2019

Apr-Sep In JPYbn		H1 FYE2019	YoY	FYE2019 (forecast)	
Revenues by Region	Japan	251.5	-3%		-3%
	Overseas	5.6	-3%		-16%
	Housing Technology	**257.0**	-3%	**517.5**	-3%
Core Earnings	**Housing Technology**	**4.6**	-73%	**13.0**	-52%
	Margin	*1.8%*	-4.6pp	*2.5%*	

Japan: Launched "Interio" brand for interior building materials

Under the new product brand strategy, **Interio** offers consumers the chance to build their own style

(Launched September 2018)





(1) Excluding impact of divestment

BUILDING TECHNOLOGY

Business results in H1 FYE2019

Apr-Sep In JPYbn		H1 FYE2019	YoY	FYE2019 (forecast)	
Revenues by Region	Japan	52.6	+3%		+2%
	Overseas[1]	77.7	-4%		+1%
	Building Technology	**130.3**	-1%	**274.8**	+1%
Core Earnings	**Building Technology**	**-3.7**	-5.9	**-5.5**	-
	Margin	*Red figure*	-	*Red figure*	

■ From Q2 FYE2019, Permasteelisa business is restated as <Continuing operations>from <Discontinued operations> , which is presented under "Overseas" of Building Technology

*Impact on FYE2018 and FYE2019 are explained in detail in the following announcements announced on October 22, 2018

- ○ Progress Update on Transfer of Consolidated Subsidiary (Share Transfer)
- ○ Announcement Regarding Revision of the Forecast on Business Performance for the Fiscal Year Ending March 2019
- ○ Supplementary Material Regarding "Announcement Regarding Revision of the Forecast on Business Performance for the Fiscal Year Ending March 2019" Announced on October 22, 2018

DISTRIBUTION & RETAIL AND HOUSING & SERVICES

H1 FYE2019 results

Apr-Sep In JPYbn		H1 FYE2019	YoY	FYE2019 (forecast)	
D&R	Revenue[1]	87.8	+0.4%	176.6	+2%
	Core Earnings[1]	4.7	+3%	8.0	+16%
	Margin[1]	*5.4%*	+0.1pp	*4.5%*	

- Opened three stores in H1 FYE2019
- Composition of revenue recognized from sales of goods for renovation
  37.3%→ 38.7% (YoY +1.4pp)
  Continue to aim for renovation goods revenue ratio of 50% (R-50)

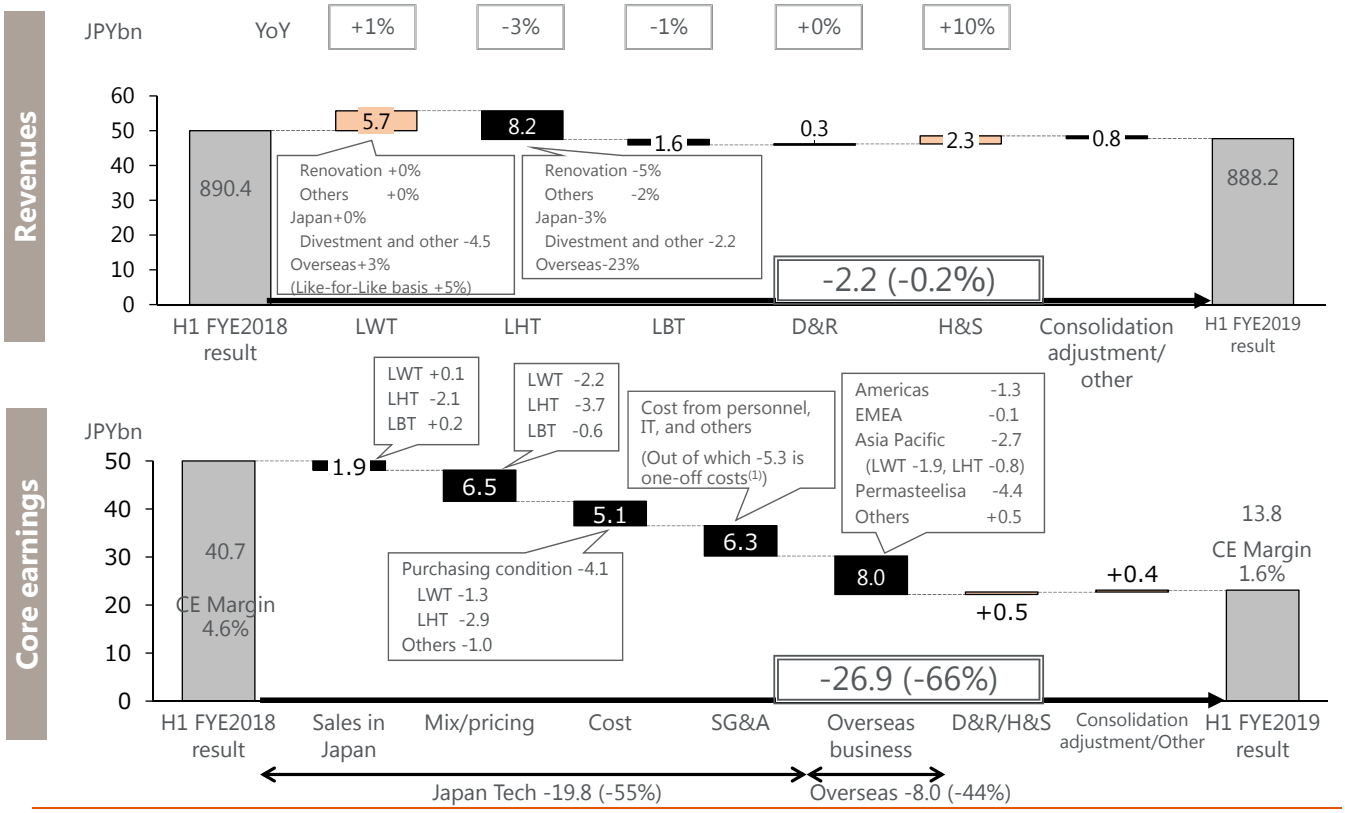
H1 FYE2019 results

Apr-Sep In JPYbn		H1 FYE2019	YoY	FYE2019 (forecast)	
H&S	Revenue	26.2	+10%	56.4	+8%
	Core Earnings	1.4	+30%	3.7	+46%
	Margin	*5.2%*	+0.8pp	*6.6%*	

- Revenue and core earnings increased, focusing on top priorities such as services for new business areas and markets other than for new houses
- Revenue composition for business other than for new houses[2]
  29% → 35% (YoY +6.1pp)

(1) Distribution & Retail disclosed as of IFRS basis; Reference: Japanese accounting standards are applied for disclosure of LIXIL VIVA Corporation (Securities Code 3564)
(2) Existing business – business other than for new houses and new areas of services and markets

H1 FYE2019 INCREASE / DECREASE OF SALES AND CORE EARNINGS



(1) Out of which trading framework related costs are 2.6 billion (Q1: 2.1 billion, Q2: 0.5 billion) and Provisions and others are 2.7 billion

IMPROVING GLOBAL SANITATION & HYGIENE

"Toilets for All" Initiative in 2018

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

As a result of activities in 2018, LIXIL will donate a total of 203,454 SATO



SATO toilets are planned mainly to be donated to schools in Asia and Africa with the 2018 initiative

世界の衛生環境を改善しよう！
みんなにトイレをプロジェクト

Global Recognition of "SATO" toilets

The SATO range of toilet and sanitation products won the prestigious "Innovation of the Year" award at Ethical Corporation Responsible Business Awards*

This award is a major recognition of how LIXIL is positively impacting the lives of millions of people, with innovations that help tackle the global sanitation crisis

Ethical CORPORATION WINNER 2018 Responsible Business Awards

Innovation of the Year

LIXIL

LIXIL's SATO product series

*The award recognizes innovative and meaningful approaches to making responsible business a reality

RENOVATION STRATEGY IN JAPAN

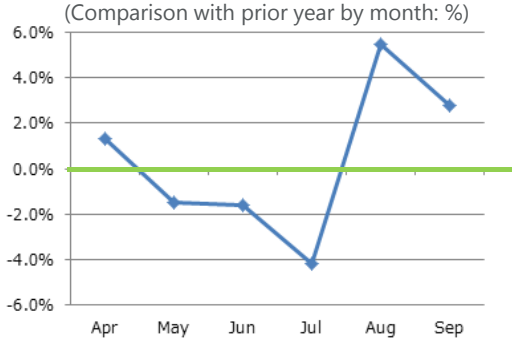
Sales of Renovation Products

JPY: bn	H1 FYE2018 Results(1)	**H1 FYE2019 Results**	YoY
Sales of renovation products*	151.8	**148.3**	-2.3%
Renovation sales ratio	37%	**36%**	-0.4pp

*Total sales of LIXIL Japan Company and a building renovation subsidiary (after inter-segment transactions)

- Restoration after a series of natural disasters has been progressing, but issues relating to installer shortages are expected to be gradually resolved from November
- Large increase in the number of visitors to our showrooms, which are leading indices of our sales, in Aug. and Sep. Sales of renovation products expected to recover from latter Q3 to Q4.

Number of visitors to our showroom (Comparison with prior year by month: %)





Industry first, IoT Postal Box ***Smart Package Postal Box***
Launched October, 2018

Number of Member Homebuilders

Stores	Mar -17	Mar -18	Sep -18
LIXIL Reform Shop (FC)	519	546	**559**
LIXIL Reform Shop (Voluntary)	13,227	12,602	**11,919**
LIXIL PATTO Reform Service Shop(2)	3,365	3,705	**3,752**

› Renovation products sales ratio by business segment (YoY)

Business segment	H1 FYE2018	H1 FYE2019	Difference
LWT	44%	44%	-0.2pp
LHT	32%	32%	0.1pp
LBT	27%	24%	-2.8pp
Japan total	**37%**	**36%**	**-0.4pp**

(1) Sales of renovation product was restated for comparison on the same basis

CONSOLIDATED FINANCIAL POSITION

JPY: billion	[A] Mar-2018	[B] Sep-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	138.8	123.5	5.1	-1.5	-18.9	-15.3
Trade and other receivables	343.3	385.5	59.2	-3.6	-13.3	42.3
Inventories	217.9	244.4	5.0	-1.2	22.6	26.4
Assets held for sale	180.2	10.4	-181.0	10.4	0.8	-169.8
Others	1,227.0	1,330.9	111.7	-4.2	-3.6	103.9
Total Assets	**2,107.1**	**2,094.7**	**-**	**-**	**-12.5**	**-12.5**
Trade and other payables	339.0	365.0	38.3	-1.8	-10.5	26.0
Interest-bearing debt	687.9	720.6	23.3	-0.0	9.4	32.6
Liabilities directly associated with the assets held for sale	127.5	3.8	-137.8	3.8	10.3	-123.7
Others	303.2	366.6	76.2	-2.0	-10.9	63.3
Total Liabilities	**1,457.6**	**1,455.9**	**-**	**-**	**-1.7**	**-1.7**
Treasury shares	-49.0	-48.9	-	-	0.1	0.1
Others	698.6	687.7	-	-	-10.8	-10.8
Total Equity	**649.6**	**638.8**	**-**	**-**	**-10.8**	**-10.8**
(1) Equity Ratio (%)	29.3%	28.9%				-0.4pp
(2) Net Assets per Share (Yen)	2,128.77	2,085.95				-42.82
Number of Shares (in thousands)	289,790	290,091				301
Net interest-bearing debt	549.2	597.1				47.9

(1) Ratio of equity attributable to owners of the parent
(2) Equity per share attributable to owners of the parent

CASH FLOW STATUS

JPYbn	FYE2018 H1	**FYE2019 H1**	Increase/ decrease
Profit before tax from continuing operations	36.6	13.9	-22.7
Loss before tax from discontinued operations	-24.2	-	24.2
Profit before tax	12.4	13.9	1.5
Depreciation and amortization	32.3	34.5	2.2
Income taxes paid	-14.6	-16.4	-1.8
Working capital	-11.8	-19.0	-7.2
Loss recognized on the measurement of the disposal group held for sale to fair value / Profit recognized on the remeasurement	22.7	-2.0	-24.7
Others	-0.3	0.5	0.8
Net cash flows from operating activities	40.5	11.4	-29.1
Net cash flows from investing activities	-38.1	-32.3	5.8
(of which purchase of property, plant and equipment and intangible assets)	-29.5	-30.9	-1.4
Free cash flows	2.4	-20.9	-23.3
Net cash flows from financing activities	1.3	1.6	0.2
	:	:	:
Cash and cash equivalents (Balance at the fiscal year end)	**122.7**	**123.5**	**0.7**

Decreased core earnings resulted in the decrease in free cash flows. Regarding the decrease in free cash flows, with activities to enhance capital efficiency from global perspectives as well as continued CCC improvement efforts, we will strive to secure short-term and long-term funds, based on the relationship with good financial institutions

H1 OTHER INCOME AND OTHER EXPENSES, FINANCE INCOME AND FINANCE COSTS

JPYbn	H1 FYE2018	Difference[1]	H1 FYE2018 After retroactive restatement	H1 FYE2019	Increase/ decrease
Rental income	3.2	0.1	3.3	3.4	0.1
Gains on sale of property, plant and equipment	0.2	0.0	0.2	0.1	-0.1
Gains on sales of subsidiaries	0.1	-	0.1	-	-0.1
Gains on sale of investment property	0.1	-	0.1	0.0	0.0
Profit recognized on the remeasurement of the disposal group held for sale	0.0	-	0.0	2.0	2.0
Other	2.4	0.0	2.4	2.7	0.3
Other Income	**5.9**	**0.1**	**6.0**	**8.2**	**2.2**
Costs of rent	2.2	-	2.2	2.1	-0.1
Losses on sale or disposal of property, plant and equipment	0.8	0.0	0.8	0.9	0.1
Impairment losses	3.3	0.0	3.3	1.3	-2.0
Loss recognized on the remeasurement of the disposal group held for sale	-	22.7	22.7	-	-22.7
Other	2.4	0.2	2.6	2.9	0.3
Other Expenses	**8.8**	**22.8**	**31.6**	**7.3**	**-24.3**
Interest income	1.0	0.0	1.0	0.7	-0.3
Dividend income	0.7	-	0.7	0.9	0.2
Exchange difference gains	13.2	-0.5	12.7	0.9	-11.8
Other	0.0	0.0	0.0	1.3	1.3
Finance Income	**14.9**	**-0.5**	**14.4**	**3.7**	**-10.7**
Interest expense	2.3	0.2	2.5	2.6	0.1
Losses on valuation of derivatives	12.4	0.8	13.2	1.6	-11.6
Other	1.3	-	1.3	0.0	-1.3
Finance Costs	**16.0**	**1.0**	**17.0**	**4.3**	**-12.7**



(1) Reclassification from discontinued operations to continuing operations

RESULTS BY SEGMENT

Unit: JPYbn		H1 FYE2018 Results[1]			H1 FYE2019 Results			
		Japan	Overseas	Total	Japan	Overseas	Total	Total YoY%
	Revenue	207.8	188.5	**396.3**	208.0	194.0	**402.0**	1.4%
	Core earnings	16.9	18.2	**35.1**	10.4	15.2	**25.6**	-27.2%
LWT	*CE margin*	*8.1%*	*9.7%*	***8.9%***	*5.0%*	*7.8%*	***6.4%***	-2.5pp
	Revenue	257.9	7.3	**265.2**	251.5	5.6	**257.0**	-3.1%
	Core earnings	16.7	0.3	**17.0**	5.1	-0.5	**4.6**	-72.9%
LHT	*CE margin*	*6.5%*	*4.4%*	***6.4%***	*2.0%*	-	***1.8%***	-4.6pp
	Revenue	51.2	80.6	**131.8**	52.6	77.7	**130.3**	-1.2%
	Core earnings	2.5	-0.3	**2.1**	0.8	-4.5	**-3.7**	-
LBT	*CE margin*	*4.8%*	-	***1.6%***	*1.4%*	-	**-**	-
	Revenue	87.5		**87.5**	87.8		**87.8**	0.4%
	Core earnings	4.6		**4.6**	4.7		**4.7**	3.1%
D&R	*CE margin*	*5.2%*		***5.2%***	*5.4%*		***5.4%***	+0.1pp
	Revenue	23.9		**23.9**	26.2		**26.2**	9.5%
	Core earnings	1.1		**1.1**	1.4		**1.4**	29.6%
H&S	*CE margin*	*4.4%*		***4.4%***	*5.2%*		***5.2%***	+0.8pp
Consolidation, adj. & other	Revenue			**-14.4**			**-15.1**	-
	Core earnings			**-19.2**			**-18.8**	-
	Revenue	628.4	276.3	**890.4**	626.1	277.2	**888.2**	-0.2%
	Core earnings	41.7	18.2	**40.7**	22.3	10.2	**13.8**	-66.1%
LIXIL Group	*CE margin*	*6.6%*	*6.6%*	***4.6%***	*3.6%*	*3.7%*	***1.6%***	-3.0pp
(For reference) Q1 (3 months)	Revenue	*303.0*	*135.7*	***431.9***	*305.6*	*137.9*	***436.0***	-
	Core earnings	*16.5*	*9.3*	***18.7***	*9.5*	*4.7*	***4.6***	-
	CE margin	*5.5%*	*6.9%*	***4.3%***	*3.1%*	*3.4%*	***1.1%***	-

(1) Q1 and H1 FYE2018 results were restated from integration of LWT and LKT in Q1 FYE2019. Impact from reclassifying Permasteelisa to continued operations from discontinued operations in Q2 FYE2019 is incorporated in the restated presentation. Difference between sum total of Japan and Overseas in Revenue and Core earnings and "Total" is the amount of consolidation, adj. & other

FORECASTS BY SEGMENT AFTER REVISION ON OCTOBER 22

Unit: JPYbn		FYE2018 Full-year (Results)			FYE2019 H1(Results)			FYE2019 H2 (Forecasts)			FYE2019 Full-year (Forecasts) Announced on October 22			
		Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas	Total	YoY%
LWT[1]	Revenue	435.6	392.3	**827.9**	208.0	194.0	402.0	221.0	226.0	447.0	429.0	420.0	**849.0**	2.5%
	Core earnings	33.5	40.3	**73.8**	10.4	15.2	25.6	13.4	24.5	37.9	23.8	39.7	**63.5**	-14.0%
	CE margin	7.7%	10.3%	**8.9%**	5.0%	7.8%	6.4%	6.1%	10.8%	8.5%	5.5%	9.5%	**7.5%**	-1.4pp
LHT	Revenue	520.8	14.4	**535.2**	251.5	5.6	257.0	254.0	6.5	260.5	505.5	12.1	**517.5**	-3.3%
	Core earnings	28.3	-0.8	**27.5**	5.1	-0.5	4.6	8.7	-0.3	8.4	13.8	-0.8	**13.0**	-52.7%
	CE margin	5.4%	-	**5.1%**	2.0%	-	1.8%	3.4%	-4.6%	3.2%	2.7%	-6.6%	**2.5%**	-2.6pp
LBT	Revenue	106.7	164.8	**271.5**	52.6	77.7	130.3	56.7	88.0	144.7	109.3	165.7	**275.0**	1.3%
	Core earnings	4.6	0	**4.6**	0.8	-4.5	-3.7	2.7	-4.0	-1.3	3.5	-8.5	**-5.0**	-
	CE margin	4.3%	0.0%	**1.7%**	1.4%	-	-	4.8%	-4.5%	-0.9%	3.2%	-5.1%	**-1.8%**	-3.5pp
D&R	Revenue	173.5		**173.5**	87.8		87.8	88.7		88.7	176.5		**176.5**	1.7%
	Core earnings	6.9		**6.9**	4.7		4.7	3.3		3.3	8.0		**8.0**	15.9%
	CE margin	4.0%		**4.0%**	5.4%		5.4%	3.7%		3.7%	4.5%		**4.5%**	+0.5pp
H&S	Revenue	52.3		**52.3**	26.2		26.2	30.3		30.3	56.5		**56.5**	8.0%
	Core earnings	2.5		**2.5**	1.4		1.4	2.1		2.1	3.5		**3.5**	38.1%
	CE margin	4.8%		**4.8%**	5.2%		5.2%	6.9%		6.9%	6.2%		**6.2%**	+1.4pp
Consolidation, adj. & other	Revenue			**-31.1**			-15.1			-14.4			**-29.5**	-
	Core earnings			**-39.3**			-18.8			-19.1			**-37.9**	-
LIXIL Group	Revenue	1,289.0	571.4	**1,829.3**	626.1	277.2	888.2	650.7	320.5	956.8	1,276.8	597.7	**1,845.0**	0.9%
	Core earnings	75.9	39.5	**76.0**	22.3	10.2	13.8	30.2	20.2	31.3	52.5	30.4	**45.0**	-40.8%
	CE margin	5.9%	6.9%	**4.2%**	3.6%	3.7%	1.6%	4.6%	6.3%	3.3%	4.1%	5.1%	**2.4%**	-1.7pp

(1) Q1 and H1 FYE2018 results were restated from integration of LWT and LKT in Q1 FYE2019

(REFERENCE) REVENUE BY PRODUCTS AND SERVICES

Unit: Ybn

Segment	Major products	FYE2018 results	H1 FYE2018	H1 FYE2019	YoY
LWT	Sanitary ware	106.6	51.3	**49.3**	-4.0%
	Bathroom units	102.2	49.1	**49.0**	-0.2%
	Washstand cabinet units	36.9	17.3	**17.3**	0.0%
	Kitchens	113.4	53.8	**53.4**	-0.9%
	Tiles	29.6	13.8	**13.7**	-0.8%
LHT[1]	Housing sashes and related products	191.5	97.1	**90.0**	-7.4%
	Exterior	106.7	53.5	**51.4**	-3.9%
	Wooden interior furnishing materials	60.4	29.4	**29.5**	0.6%
	LHT Other	91.9	43.3	**45.0**	4.0%
LBT	Building sashes	106.7	51.2	**52.6**	2.7%
D&R	Home center revenue	173.5	87.5	**87.8**	0.4%
H&S[2]	Housing and Services business	52.3	23.9	**26.2**	9.5%
	Overseas *	414.5	278.5	**279.8**	0.5%
	Others/ consolidation & adj. *	78.6	40.6	**43.2**	6.3%
	Total *	1,664.8	890.4	**888.2**	-0.2%

Unit: %

Quarterly YoY						
FYE2018				FYE2019		
Q1	Q2	Q3	Q4	Q1	Q2	
11.4	6.4	3.3	-2.7	-2.8	**-5.0**	
11.4	7.7	9.3	9.1	2.8	**-3.2**	
8.9	2.6	5.9	0.3	2.0	**-1.9**	
8.0	6.1	8.2	2.6	1.6	**-3.2**	
1.1	3.3	-0.1	2.7	2.8	**-4.0**	
-0.3	-4.1	-3.1	-8.0	-7.4	**-7.3**	
-0.5	-1.1	-0.4	-5.5	-3.9	**-3.8**	
-1.3	1.0	2.8	-2.7	0.2	**0.9**	
-18.5	-16.0	6.8	1.1	3.9	**4.0**	
9.1	-7.4	-3.8	-4.4	6.5	**-0.2**	
-0.2	0.9	1.7	1.1	-1.0	**1.7**	
-23.6	-28.0	-4.5	-18.9	7.6	**11.3**	
5.0	15.2	8.3	11.8	1.7	**-0.8**	
-	-	-	-	-	-	
1.3	2.1	3.8	0.5	0.9	**-1.4**	

* Operating results of Permasteelisa will be treated and presented as results from continuing operations from Q2 FYE2019. Therefore, year-on-year figures for H1 FYE2018 and Q1 FYE2019 have been retroactively restated. However, year-on-year figures for FYE2018 full-year and each quarter has not been revised.

(1) LHT Other: Quarterly YoY decrease in Q1 & Q2 FYE2018 was due to sale of shares of Hivic in August 2016
(2) Decrease in Q1 – Q4 FYE2018 was due to deconsolidation of JIO (became an equity method affiliate)

PERFORMANCE OF MAJOR OVERSEAS SUBSIDIARIES

Company	ASB (ASD Holdings)		
Unit	Unit: USD million		
Accounting period	H1 FYE2018 Results	**H1 FYE2019 Results**	YoY
Exchange rate (Average Rate)	111.42	110.07	-
Revenue	547	**628**	15%
Core earnings	34	**27**	-22%
%	6.3%	**4.3%**	-2.0

Note: GROHE Americas was integrated into ASD Holdings in October, 2017

Accounting period	FYE2018 Balance	H1 FYE2019 (6 months) Amortization	Others(1)	**Balance**
Exchange rate (Current Rate for balance, Average Rate for amortization)	106.24	110.07	-	**113.57**
Goodwill	230	-	0	**230**
Intangible assets	243	-4	0	**239**
Revaluation of fixed assets, inventories and other	-	-	-	**-**

Company	Grohe Group (GROHE) (2)		
Unit	Unit: EUR million		
Accounting period	H1 FYE2018 Results	**H1 FYE2019 Results**	YoY
Exchange rate (Average Rate)	126.63	129.88	-
Revenue	745	**716**	-4%
Core earnings	74	**75**	2%
%	9.9%	**10.5%**	+0.6

Accounting period	FYE2018 Balance	H1 FYE2019 (6 months) Amortization	Others(1)	**Balance**
Exchange rate (Current Rate for balance, Average Rate for amortization)	130.52	129.88	-	**132.14**
Goodwill	1,194	-	3	**1,198**
Intangible assets	1,497	-11	-	**1,486**
Revaluation of fixed assets, inventories and other	-	-	-	**-**

(1) Forex translation differences, and other
(2) Includes LIXIL Africa (Formerly called as GDWT)

PERFORMANCE OF MAJOR OVERSEAS SUBSIDIARIES

Company	Permasteelisa		
Unit	Unit: EUR million		
Accounting period	H1 FYE2018 Results	**H1 FYE2019 Results**	YoY
Exchange rate (Average Rate)	126.63	129.88	-
Revenue	637	**599**	-6%
Core earnings	4	**-37**	-
%	0.7%	**-6.1%**	-6.8

Accounting period	FYE2018 Balance	H1 FYE2019 (6 months) Amortization	Others(1)	**Balance**
Exchange rate (Current Rate for balance, Average Rate for amortization)	130.52	129.88	-	**132.14**
Goodwill	-	-	-	**75**
Intangible assets	-	-	-	**126**
Revaluation of fixed assets, inventories and other	-	-	-	**-**

Note: From Q2 FYE2019, Permasteelisa business is restated as <Continuing operations>from<Discontinued operations>



CONTINUED STRENGTHENING OF DESIGN CAPABILITIES

American Standard named among the Good Design Best 100 ～LIXIL's Brands Receive 11 Good Design Awards in 2018～

- These awards recognize the product functions responding to end-user needs combined with good design
- The Genie Hand Shower won the award for its affordability, beautiful design, and innovative functionality

LIXIL	1	TOSTEM LW	Window
	2	INAX ALLER-PURE	Tile
	3	Smart Package Postal Box	Postal box
	4	INAX All in One Filtration Faucet AJ-Type	Kitchen faucet with in-spout filtration
	5	SATO	Affordable toilet system for developing countries
	6	INAX Electricity generating toilet remote controller	Electricity generating toilet remote controller
	7	LIFE CORE *co working project with bluestudio Co., Ltd.	Water facility unit
LIXIL Living Research Institute	8	Five generations house	House
American Standard	9	Genie Hand Shower *Good Design 2018 Best 100	Hand shower
GROHE	10	GROHE Blue Home Pull Out	Kitchen faucet
	11	GROHE Smart Control Concealed	Shower system



American Standard *Genie*



Smart Package Postal Box



LIXIL Living Research Institute
Five generations house



TOSTEM *LW*



INAX *ALLER-PURE*



GROHE Blue
Home Pull Out

(1) "Good Design Best 100" is the award to commend highly evaluated products by the judging committee among all the products received Good Design Awards
(2) For more information, please go to https://www.lixil.com/en/news/pdf/181003_GoodDesign_E.pdf

EXTERNAL RECOGNITION

FTSE4Good Index Series

Became a constituent of the FTSE4Good Index Series and FTSE Blossom Japan Index (June 2018) for two consecutive years, created by FTSE Russell(1)

FTSE4Good

FTSE Blossom Japan

MSCI Japan Empowering Women Index

Selected as a constituent of the MSCI Japan Empowering Women Index (WIN) for two consecutive years, created by MSCI Inc. (July 2018)

MSCI | 2018 Constituent MSCI Japan Empowering Women Index (WIN)

Disclaimer
THE INCLUSION OF LIXIL GROUP CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF LIXIL GROUP CORPORATION BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

DJSI Asia Pacific Index

Selected as a component of the Dow Jones Sustainability Indices (DJSI Asia Pacific Index), created by S&P Dow Jones Indices and RobecoSAM for two consecutive years (September 2018)

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

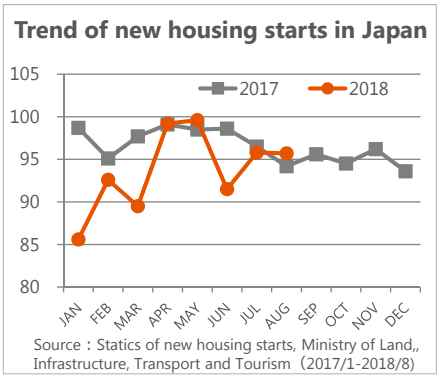
S&P/JPX Carbon Efficient Index

Selected as a component of the S&P/JPX Carbon Efficient Index, created by S&P Dow Jones Indices. LIXIL is overweighed by 10% for carbon efficiency and open disclosure (September 2018)

S&P/JPX Carbon Efficient Index

(1) It is a registered trademark of FTSE International Limited and Frank Russell Company.

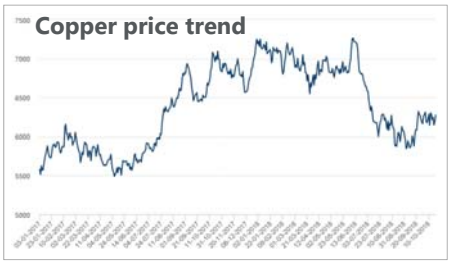
(REFERENCE) MARKET TRENDS



Source：Statics of new housing starts, Ministry of Land,, Infrastructure, Transport and Tourism (2017/1-2018/8)



Source：Source: LME 3months (From January 1, 2017 to October 23, 2018)



Source：Source: LME 3months (From January 1, 2017 to October 23, 2018)

New housing construction level (year-on-year)

- Jan-Mar 2018：-8.2%
- Apr-Jun：-2.0%
- Jan-Jun 2018：-4.9%

Foreign exchange rates	FYE2017 Results	FYE2018 Results	FYE2019 Forecast assumptions
US dollars	109.03 yen	110.81 yen	115 yen
Euros	119.37 yen	129.45 yen	135 yen

(yen per ton)

Results and assumptions	FYE2017 Results	FYE2018 Results	FYE2019 Forecast assumptions
Aluminum price (Purchasing price)	220,000	234,000	250,000
Copper price	510,000	639,000	733,000

LIXIL
Link to Good Living

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.