Q1 Results for the Fiscal Year Ending March 31, 2021 (IFRS)

(From April 1, 2020, to June 30, 2020)

TSE Code: 5938

LIXIL Group Corporation

August 6, 2020

LIXIL Link to Good Living

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LIXIL GROUP HAS TRANSITIONED TO IFRS FROM FYE2016 CHANGE IN PROFIT LEVEL STRUCTURE IS AS SHOWN BELOW

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 in "Notice of Transfer of Consolidated Subsidiary (Share Transfer)" on May 1 and June 9, 2020, business operations of Permasteelisa S.p.A. and its subsidiaries and LIXIL VIVA are classified as "discontinued operations". The same period in the previous year is restated for comparison purposes.

KEY HIGHLIGHTS

Revenue and profit decreased due to the impact of COVID-19 and absence of demand generated prior to the consumption tax hike last fiscal year

- **Revenue: JPY 310.5 billion, decreased 15% year-on-year**
  Decreased 12% in Japan and 22% in international markets (18% on local currency basis)
- **Core earnings: JPY -2.6 billion, decreased JPY 13.1 billion year-on-year**
  Decreased due to impact of COVID-19 on revenue but returned to black in June after significant improvements to SG&A expenses and recovery of international business
- **Net profit for the quarter: JPY -3.7 billion, decreased JPY 16.6 billion year-on-year**
  Decreased due to the absence of gain on transfer of interest in a former associate company for JPY11.0 billion recorded in the previous fiscal year and decrease in core earnings

STATUS OF SHARE TRANSFER OF CONSOLIDATED SUBSIDIARIES

- **LIXIL VIVA: Scheduled to be completed in November 2020**
  Tender Offer was successfully concluded (July 22) (1)
  Transaction price JPY56.6 billion
  Expected gains approx. JPY20.0 billion
  (To be recoded under "Profit/loss from discontinued operations")
- **Permasteelisa(2): Received regulatory approval in three of four required markets(3)**
  Fulfilled other sales pre-conditions

(1) See "(Status Update) Results of Tender Offer by Arcland Sakamoto Co., Ltd. for Shares of LIXIL VIVA CORPORATION" announced on July 22, 2020
(2) See "Notice of Transfer of Consolidated Subsidiary (Share Transfer)" announced on May 1, 2020
(3) Disclosure on May 1, 2020 shows five countries. Out of five, approval was given by EU/China/Russia, while it was not required for US

Q1 FYE2021 CONSOLIDATED BUSINESS RESULTS

	JPY: billion	Q1 FYE2020 3 months Actual	Q1 FYE2021 3 months Actual	YoY vs Results	
		After retroactive restatement(4)	Results	Increase/ decrease	%
Continuing Operations	Revenue	363.6	**310.5**	-53.2	*-14.6%*
	Gross Profit	118.9	**96.7**	-22.2	*-18.7%*
	(%)	*32.7%*	***31.1%***	-1.5pp	-
	Core Earnings(1)	10.5	**-2.6**	-13.1	*-125.1%*
	(%)	*2.9%*	***-0.8%***	-3.7pp	-
Including Discontinued Operations	Net Profit/loss for the quarter including Discontinued Operations (2)	12.9	**-3.7**	-16.6	-
	EPS (Yen)	44.42	**-12.82**	-57.24	-
Continuing Operations	EBITDA(3)	29.5	**17.7**	-11.8	-
	(%)	*8.1%*	***5.7%***	-2.4pp	-

- Core earnings ratio deteriorated by 3.7pp (Gross profit margin deteriorated by 1.5pp and SG&A ratio increased by 2.2pp)
- Deterioration of gross profit margin and core earnings ratio due to decline in sales composition ratio of higher-margin international businesses and a decline in factory utilization rates
- However, overall SG&A expenses improved by JPY9.1 billion

(1) Equivalent to "Operating profit" of JGAAP
(2) Net profit/loss for the quarter attributable to owners of the parent
(3) EBITDA=Core earnings + Depreciation
(4) Business results from Permasteelisa S.p.A and its subsidiaries and LIXIL VIVA are presented in both current and previous reporting period under "Discontinued Operations" due to the decision of divestment

STATUS OF BUSINESS IMPACTED BY COVID-19 AND BUSINESS FORECAST

IMPACT OF COVID-19

Status of Operations (as of July 31, 2020[1])

Production
All factories operational

Procurement
No significant issues

Sales
Continue to carefully monitor spread of COVID-19 infections

Japan

New housing: Decline in new housing starts will have delayed impact on business performance but expected to recover after August

Home renovation: Despite long-term growth potential, recovery slow due to social distancing measures affecting number of home visits and restricting number of visitors to showrooms. Expected to recover from Q3

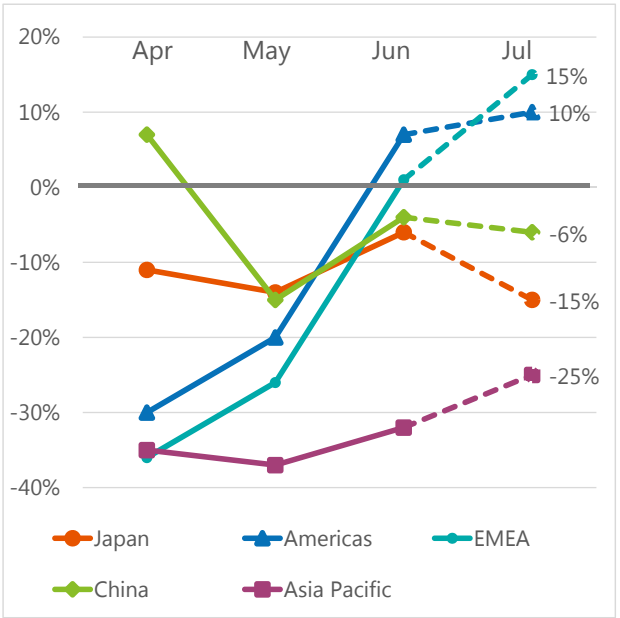
Americas, EMEA, China

Demand recovering faster than forecast in May. Sales growth in Americas and Europe turned positive on a local currency basis in June.

Asia Pacific

Recovery slow compared to other regions due to economic slowdown

Monthly sales status (YoY) by region



Apr-Jun: Results (on a management basis)
Jul: Estimate by shipment

(1) Updated from "Notification Regarding the Schedule for Announcement of Consolidated Financial Results for the Fiscal Year Ended March 31, 2020, and LIXIL Group's Response to the Spread of COVID-19" announced on May 1, 2020, and "Financial Results for the Fiscal Year Ended March 31, 2020(IFRS) " announced on May 29, 2020

FORECAST FOR FYE2021 – BUSINESS AND DIVIDEND

Forecast for FYE2021

JPY: billion	FYE2020 Results	FYE2021 Forecast	YoY
Continuing Operations	After retroactive restatement(2)	**Forecast**	Increase/decrease %
Revenue	1,514.4	**1,350.0**	-11%
Core Earnings (1)	52.3	**25.0**	-52%
(%)	*3.5*	***1.9***	*-1.6pp*

- **Assumptions for FYE2021 Forecast**
  International business except Asia Pacific expected to recover from Q2. CE planned on the premise that renovation business in Japan will recover from Q3 onward. Therefore, CE expected to improve significantly in H2
- **Forecast for operating profit and net profit**
  Plan to announce in H1 earnings after integrating costs related to certain business transformation initiatives, which are now in the final stage of planning

Dividend for FYE2021

Full-year dividend plan: JPY70 per share (H1 JPY35, H2 JPY35)
(Reference) For FYE2020 Results: Full-year JPY70 per share (H1 JPY35, H2 JPY35)

LIXIL

(1) Equivalent to "Operating profit" of JGAAP
(2) Business results from Permasteelisa S.p.A and its subsidiaries and LIXIL VIVA are presented in both current and previous reporting period under "Discontinued Operations" due to the decision of divestment

PROGRESS OF MANAGEMENT STRATEGY

Our Medium Term Plan is focused on strengthening profitability and making the business more resilient, so that LIXIL can achieve sustainable growth

Despite recent headwinds, our strategic priorities remain unchanged

Four key areas of execution:

✓ **Simplify the organization and focus on the core**
- e.g. divestments and realign portfolio; simplify sales structure in Japan
- Majority of initiatives completed

✓ **Transform Japan into profit-generating business**
- LHT's shift to platform-based production completed for exterior, entrance doors and interior products
- Significant progress on work style reform initiatives including remote-work and transition to meritocracy
- Design of optimal production and workforce system completed
- All measures expected to be completed within this fiscal year

✓ **Drive international growth of LWT business**
- Investment in brands and design; Completed development of roadmap for growth
- Established LIXIL International to drive integration and synergies

✓ **Invest in innovation to strengthen long-term growth platforms**
- Established new hybrid sales activities fusing digital and physical platforms, harnessing data to improve automated processes.
- Leverage water purification and faucet technologies developed in Japan to tackle global water issues

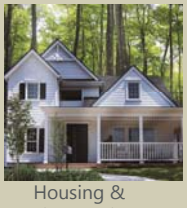
LIXIL

RESULTS BY BUSINESS SEGMENT


Water Technology


Housing Technology


Building Technology


Housing & Services Business

WATER TECHNOLOGY

International revenue decreased due to the impact of COVID-19, but Americas and Europe recovered notably since month of June. Japan revenue and CE decreased due to decline of new housing starts and impact of COVID-19

Apr-Jun In JPY bn		Q1 FYE2021 (result)	YoY	
Revenues by Region(1)	Americas	29.7	-15%	
	EMEA	31.0	-20%	
	China	12.0	-7%	
	Asia Pacific	8.6	-31%	
	Japan	91.3	-11%	
	Adjustments	-7.2		
	Water Technology	**165.5**	-16%	***CE margins***
Core earnings by Region	International	0.1	-99%	*0.1%*
	Japan	2.9	-58%	*3.2%*
	Water Technology	**3.0**	-78%	
	Margin	*1.8%*	-5.0pp	

Revenue

- **Americas**
  - ✓ Decreased 15% YoY due to lockdown in the first half of Q1 but grew 7% YoY in June, experiencing strong recovery led by retail and e-commerce channels
- **EMEA**
  - ✓ Recovery evident in Europe, especially Germany, supported by strong growth in retail and e-commerce channels after lockdown, up 1% YoY in June and 16% YoY in July
- **China**
  - ✓ Decreased 7% YoY. Recovery supported by the easing of various regulations to prevent the spread of COVID-19 infections
- **Asia Pacific**
  - ✓ Decreased 31% YoY. Market is gradually recovering from the impact of COVID-19 (lockdown, economic stagnation, etc.)
- **Japan**
  - ✓ Decreased due to decrease in new housing starts during the period of January to March and the impact of COVID-19
  - ✓ Captured new growing demand compatible with New Normal Touchless faucet: +43% YoY
    (YoY: compared Q1 FYE2020 results and Q1 FYE2021 results)

Core Earnings

- **International・Japan**
  - ✓ Decreased due to revenue decline despite SG&A reduction

(1) Region: Management basis, Water Technology Total: Statutory basis
Statutory basis currency :
Q1 FYE2021 Results 1USD=107.74JPY, 1EUR=118.94JPY

Management basis currency :
Comparing by FYE2021 current & previous year 1USD=115.0JPY, 1EUR=126.5 JPY

HOUSING TECHNOLOGY

Revenue and CE decreased due to the decline of demand in Japan, but CE margin continues to be robust despite difficult environment due to decrease in aluminum price and SG&A cost reduction efforts

Apr-Jun In JPY bn		Q1 FYE2021 (result)	YoY
Revenues by Region	Japan	115.8	-13%(1)
	International	1.6	-39%(2)
	Housing Technology	**117.3**	-14%
Core Earnings	**Housing Technology**	**5.2**	-30%
	Margin	*4.5%*	-1.0pp

■ **Japan**

- ✓ Revenue decreased due to the decline of new housing starts from January to March and the impact of COVID-19, but CE margin only decreased by 1.0pp YoY due to control of SG&A expenses
- ✓ Market situation is severe but medium-term measures are being implemented steadily. Completed the integration of one operating site in the last fiscal year. In FYE2021, continuing to strive to implement initiatives to improve investment efficiency (such as platform strategy, etc.)
- ✓ Growing demand for products catering to the new normal and natural disasters such as typhoons, which have become larger and more serious in Japan
  - Screen door: increased by 80% YoY
  - Delivery box: increased by 70% YoY
  - Renovation-related shutter: increased by 40% YoY
    (YoY: compared Q1 FYE2020 results and Q1 FYE2021 results)

(1) -11%YoY growth excluding impact from divestment and other
(2) -25%YoY growth excluding impact from divestment and other

BUILDING TECHNOLOGY AND HOUSING & SERVICES

Revenue decreased due to the decline in demand related to Tokyo 2020 Olympics but negative gap in core earnings decreased

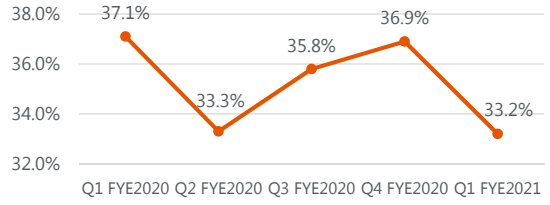
Apr-Jun In JPYbn		Q1 FYE2021 (result)	YoY
Building Technology	**Revenue**	**21.3**	-11%
	Core Earnings	**-0.9**	-
	Margin	*-4.2%*	+1.5pp

■ Revenue decreased due to the decline in demand for Tokyo 2020 Olympic.
The negative gap on core earnings was improved through the efforts to improve gross margin on order-intakes and reduce SG&A

Revenue decreased primarily due to the lack of increased demand for new houses before consumption tax hike last year resulting in decrease in CE

Apr-Jun In JPYbn		Q1 FYE2021 (result)	YoY
H&S	**Revenue**	**11.3**	-14%(2)
	Core Earnings	**0.4**	-53%
	Margin	*3.9%*	-3.2pp

■ Revenue composition for businesses other than for new houses(1)
(YoY -3.9pp)



Aiming for revenue composition for businesses other than for new houses of 50% in the medium to long term

(1) Existing business – business other than for new houses and new areas of services and markets
(2) -10%YoY growth excluding impact from divestment of Senior Life Company

CONSOLIDATED FINANCIAL POSITION

JPY: billion	[A] Mar-2020	[B] Jun-2020	Increase/ decrease: Reclassification due to the decision of the share transfer of LIXIL VIVA	Increase/ decrease: Others (Increase/ decrease)	Increase/ decrease: [B]-[A] Total of the increase / decrease
Cash and cash equivalents	95.9	160.8	③ -10.0	① 74.9	64.9
Trade and other receivables	307.1	268.3	-4.5	② -34.3	-38.8
Inventories	227.6	192.2	-42.8	7.4	-35.4
Assets held for sale	58.2	388.6	333.0	-2.6	330.4
Others	1,402.8	1,126.8	-275.7	-0.3	-276.0
Total Assets	**2,091.5**	**2,136.6**	**0**	**45.1**	**45.1**
Trade and other payables	336.5	264.3	-42.6	② -29.6	-72.2
Interest-bearing debt	832.6	700.0	③ -208.2	① 75.6	-132.6
Liabilities directly associated with the assets held for sale	91.9	356.9	268.8	-3.8	265.0
Others	295.4	285.6	-18.1	8.2	-9.9
Total Liabilities	**1,556.4**	**1,606.8**	**0**	**50.4**	**50.4**
Treasury shares	-48.9	-48.9	-	0	0
Others	584.0	578.8	-	-5.2	-5.2
Total Equity	**535.1**	**529.9**	**-**	**-5.2**	**-5.2**
(1) Equity Ratio (%)	24.0%	③ 23.2%			-0.8pp
(2) Net Assets per Share (Yen)	1,730.99	1,710.13			-20.86
Number of Shares (in thousands)	290,103	290,102			-1
Net interest-bearing debt	736.7	539.2			③ -197.5

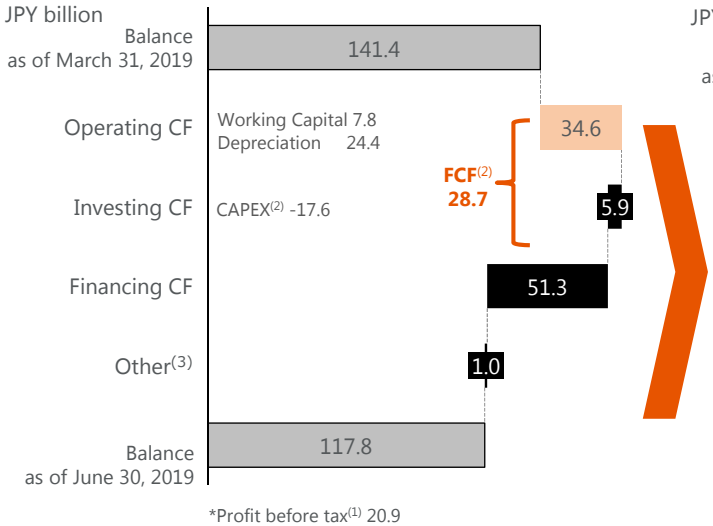
① Impacted from increase in short-term borrowings and Commercial Paper to secure cash on hand ② Decrease in receivables and debt due to sales decrease ③ Equity ratio decreased by 0.8pp from Mar. 2020. Approx. 4pp improvement is expected(3) after the completion of the share transfer of LIXIL VIVA in November. Net interest-bearing debt decreased JPY197.5 billion from Mar. 2020 primarily due to the decision to divest LIXIL VIVA

(1) Ratio of equity attributable to owners of the parent
(2) Equity per share attributable to owners of the parent
(3) Assumptions based on June 2020 results.

Denominator: Total assets - Assets held for sale + Expected cash-in from the share transfer; Numerator: Equity attributable to owners of the parent + Expected gain on sale of the subsidiary

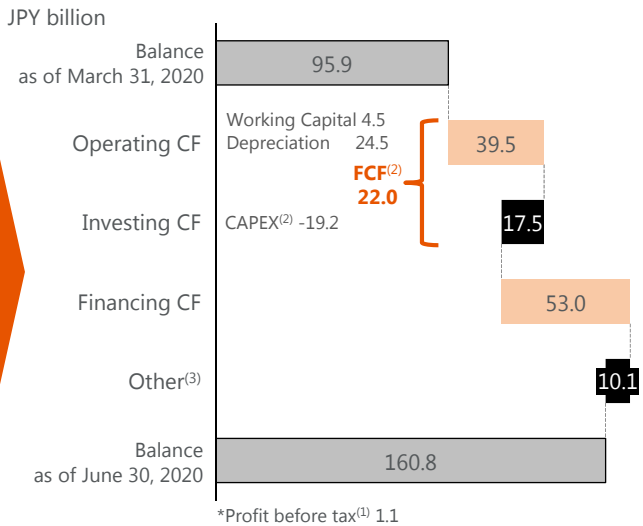
CASH FLOW STATUS AND CASH BALANCE(1)

Q1 FYE2020



*Profit before tax(1) 20.9

Q1 FYE2021



*Profit before tax(1) 1.1

Net cash flows from operating activities: increased by JPY 4.9 billion mostly due to the improvement of working capital including contract assets/liabilities
Cash outflows from investing activities: decreased by JPY 11.7 billion primarily due to absence of transfer of shares of a consolidated subsidiary and sale of interest in former associate
Free cash flows: decreased year-on-year by JPY 6.7 billion
Net cash outflows from financing activities: increased by JPY 104.3 billion due to increase/decrease of short term borrowings and commercial paper of JPY 67.7 billion and procurement of long term borrowings of JPY 30.0 billion to secure liquidity

(1) Includes discontinued operations
(2) "FCF" = Free Cash Flow, "CAPEX" = Capital expenditure for acquisitions of property, plant and equipment and intangible assets
(3) "Other" = Effects of exchange rate changes + Net increase/decrease in cash and cash equivalents included in assets classified held for sale

APPENDIX : BUSINESS RELATED TOPICS, ESG RELATED TOPICS

PRODUCT INNOVATIONS RESPONDING TO TODAY'S NEEDS

Launched new shutters with enhanced wind resistance

Make homes safer and more secure by protecting them from large typhoons





Image: (Left) Standard type, (Right) Wind resistance type. Product for renovation will be launched from May 2020 and for new houses will be launched nationwide in Japan from July 1, 2020

- The number of typhoons that have made landfall in Japan have increased since 2014, and new record wind speeds were recorded during a recent typhoon causing damage to houses and large-scale power outages.
- To enable safe and secure homes, LIXIL has developed a standard type of shutter that can withstand 1.5 times the pressure of conventional 1200 Pa shutters, and a wind resistant type with enhanced performance of 1600 Pa.

Launched kitchen faucet with water filtration technology in US

American Standard responds to demand for cleaner water in the home



Image: Saybrook Filtered Kitchen Faucet

- Continue to leverage synergies in LWT to expand regional and brand product portfolios in order to capture growth opportunities.
- Combining water filtration technology from Japan with consumer-centric and signature American Standard designs, launched Saybrook Filtered Kitchen Faucet in the US, where there is growing demand for cleaner and healthier water in the home.
- Available on American Standard's fast-growing e-commerce channel

(1) News release https://newsrelease.lixil.co.jp/news/pdf/2020061101.pdf (Japanese only)
(2) https://www.americanstandard-us.com/kitchens/kitchen-faucets/saybrook-filtered-kitchen-faucet-53566

PRODUCT INNOVATIONS RESPONDING TO TODAY'S NEEDS

Handwashing solution to respond to COVID-19

Launched the SATO Tap(1) to help improve hygiene for millions in developing economies





Approximately 3 billion people lack access to basic handwashing facilities at home. (2)

- LIXIL unveiled SATO Tap, an affordable and mobile solution
- Committed US$1m to support accelerated rollout
- Expanding existing partnership with UNICEF to cover handwashing and sanitation in response to COVID-19
- Working with partners to expand reach for SATO Tap and support bundling
- LIXIL joined Sanitation and Water for All's World Leaders' Call to Action on COVID-19, as the first company from Japan

Temporary space solutions for disaster response

Development of "withCUBE" solution with Japanese Red Cross Kumamoto Hospital, and GK Design



Image: (Left) "with CUBE" external appearance, (Upper right) Example of use in normal time, (Bottom right) Example of use in emergency

- To help prevent the spread of coronavirus infections and contribute to medical disaster relief, creating temporary spaces that are hygienic, private and also mobile is important.
- LIXIL began cooperative research with Japanese Red Cross Kumamoto Hospital and GK Design by using "withCUBE" to satisfy these needs.
- As a part of the research, "withCUBE" was installed in a shelter in Kumamoto prefecture, which was severely hit by flooding in July 2020. Through the research, LIXIL aims to improve the usability of the temporary space for medical care and in disaster scenarios.

(1) https://www.lixil.com/en/news/pdf/SATO_Tap_web_E.pdf
https://www.lixil.com/en/stories/stories_19/
(2) According to UNICEF, 40% of the world's population does not have access to basic handwashing facilities at home. In the world's least developed economies, it is as high as 75% of the population.
(3) News Release https://newsrelease.lixil.co.jp/news/pdf/2020062501.pdf (Japanese only)

SOLUTIONS FOR SUSTAINABLE BUSINESS: UNIVERSAL DESIGN, D&I

Launched "*DOAC*" to transform your home entrance into an automatic door

Simple renovation to make the home barrier-free, responding to demand for "touchless" features in the new normal



(Pre-orders will start from August 3, 2020 and nationwide in Japan release will start on September 1, 2020)

- DOAC(1) is the first product from the LIXIL Housing Technology Japan Business Incubation Center, which was established in April 2019 to quickly respond to consumer needs.
- Leverages touchless technology to improve ease of use for wheelchair users and those with luggage, as well as improving hygiene.
- LIXIL will continue to develop products that support new lifestyles and working styles in order to make homes healthier, more comfort, safer, and more secure.

Strengthening D&I framework

Cultivate an organizational culture that accepts diversity and ensures equal treatment



To strengthen our commitments to diversity and inclusion, LIXIL is strengthening its D&I strategy and policies internally, so that the energy and creativity generated by diversity is a source of strength.

- Established a new D&I committee, with senior business level representation and chaired by the CEO, to set strategy and initiatives.
- Committed to a series of actions to drive change internally and with those that we do business through the **"Diversity & Inclusion Statement"**(2)
- Held internal forums on racial injustice and inequality in US.

(1) News Release https://newsrelease.lixil.co.jp/news/pdf/2020070701.pdf (Japanese only)
(2) https://www.lixil.com/en/pdf/200709-Statement_E.pdf

EXTERNAL RECOGNITION

Selection in key indexes

Included in FTSE4Good Index Series and MSCI Japan Empowering Women Index for 4th Consecutive Year

FTSE4Good

FTSE Blossom Japan

MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

- Included in this year's FTSE4 Good Index Series, created by FTSE Russell(1), a key index for socially responsible investment (SRI) , and the MSCI Japan Empowering Women Index of Japanese companies, demonstrating exceptional measures in the area of gender diversity.
- Also selected as a component of the S&P Japan 500 ESG Index for two consecutive years, created by S&P Dow Jones Indices (May 2020)
- Reflects the progress LIXIL Group has made in advancing ESG activities and embedding this within our business operations.

Differentiating LIXIL brands through design thinking

Collected 19 Red Dot Awards in 2020, including recognition for INAX Brand and Communications



Image: INAX brand design implemented in its products

- In line with LIXIL's Medium term plan, LIXIL is strengthening its design thinking approach.
- Following GROHE's award for "brand of the year" in 2019, INAX brand has collected 3 wins in the brand categories, gaining global recognition for the brand prior to its expansion to new markets.
- Wins in the product categories include LIXIL's partitions for offices and stores, GROHE's faucets amongst others.

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

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› APPENDIX : FINANCIAL DATA

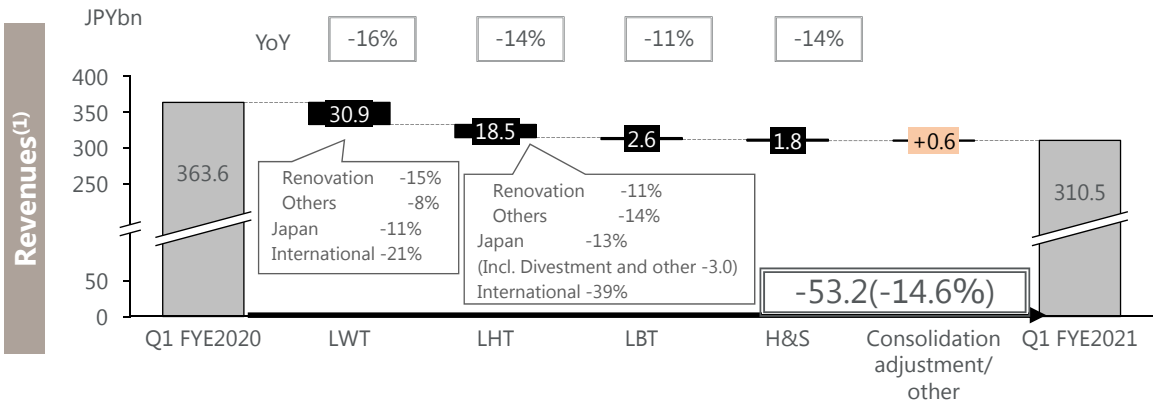
Q1 FYE2021 BUSINESS RESULTS BY SEGMENT

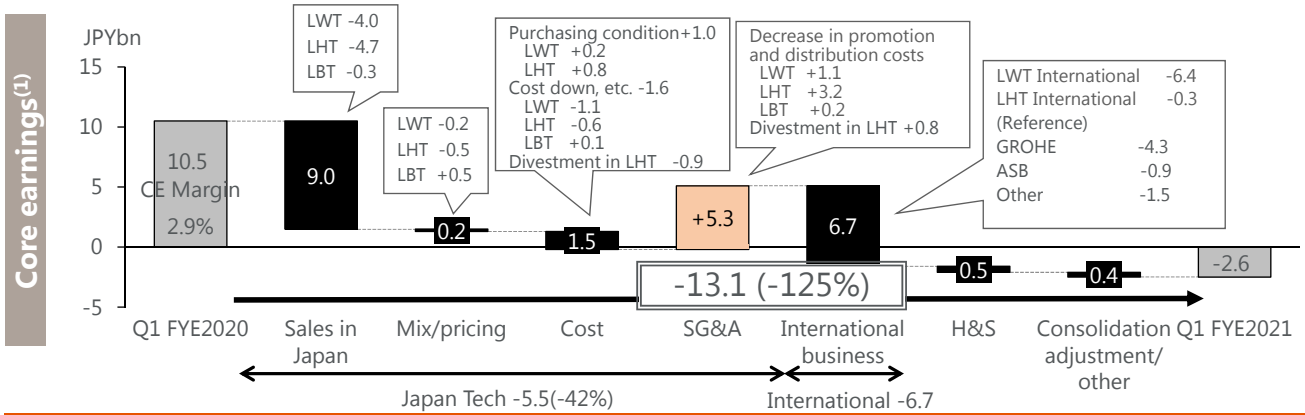
Revenue and CE in all business segments decreased except for LBT mostly due to the impact of spread of COVID-19 across all regions and reporting segments and the absence of demand generated prior to the consumption tax hike in FYE2020

JPY billion		Q1 3 months			
		[A] FYE2020 Result after retroactive restatement(1)	[B] FYE2021 Result	[B]-[A] Amount	
				Forex impact	
LWT	Revenue	196.3	**165.5**	-3.0	-30.9
	CE	13.4	**3.0**	-0.2	-10.4
LHT	Revenue	135.8	**117.3**	-0.1	-18.5
	CE	7.5	**5.2**	0.0	-2.2
LBT	Revenue	23.9	**21.3**	-	-2.6
	CE	-1.4	**-0.9**	-	0.5
H&S	Revenue	13.1	**11.3**	-	-1.8
	CE	0.9	**0.4**	-	-0.5
Consolidation, adj. & other	Revenue	-5.4	**-4.9**	-	0.6
	CE	-10.0	**-10.4**	-	-0.4
LIXIL Group	Revenue	363.6	**310.5**	-3.1	-53.2
	CE	10.5	**-2.6**	-0.2	-13.1

(1) Business results from Permasteelisa S.p.A and its subsidiaries and LIXIL VIVA are presented in both current and previous reporting period under "Discontinued Operations" due to the decision of divestment

Q1 FYE2021 INCREASE / DECREASE OF REVENUES AND CORE EARNINGS





(1) Business results from Permasteelisa S.p.A and its subsidiaries and LIXIL VIVA are presented in both current and previous reporting period under "Discontinued Operations" due to the decision of divestment

Q1 FYE2021 OTHER INCOME AND OTHER EXPENSES, FINANCE INCOME AND FINANCE COSTS, PROFIT FROM DISPOSAL OF SHARES OF ASSOCIATES

JPY: billion	Q1 FYE2020 after retroactive restatement[1]	Q1 FYE2021	Increase/ decrease	
Other	0.7	0.8	0.1	
Other Income	**0.7**	**0.8**	**0.1**	
Losses on sale or disposal of property, plant and equipment	0.2	0.2	0.0	
Impairment losses	0.0	0.2	0.2	
Other	0.9	0.8	0.0	
Other Expenses	**1.1**	**1.2**	**0.2**	
Interest income	0.2	0.2	0.0	
Dividend income	0.8	0.8	0.0	
Gains on valuation of derivatives	1.0	0.0	-1.0	(A)
Exchange difference gains	0.0	4.9	4.9	(B)
Finance Income	**2.0**	**5.9**	**3.9**	
Interest expense	1.2	1.1	-0.2	
Losses on valuation of derivatives	0.0	4.6	4.6	(B)
Exchange difference losses	1.3	0.0	-1.3	(A)
Finance Costs	**2.5**	**5.7**	**3.2**	
Profit from disposal of share of associates	**11.0**	**-**	**-11.0**	

(A) Gains on valuation of derivatives is matched with foreign exchange difference losses

	Q1 FYE2020 result	
Gains on valuation of derivatives	1.0	
Exchange difference losses	-1.3	
Net	-0.3	Loss

(B) Foreign exchange gains are matched with Losses on valuation of derivatives

	Q1 FYE2021 result	
Exchange difference gains	4.9	
Losses on valuation of derivatives	-4.6	
Net	0.3	Gain

(1) Business results from Permasteelisa S.p.A and its subsidiaries and LIXIL VIVA are presented in both current and previous reporting period under "Discontinued Operations" due to the decision of divestment

RESULTS AND FORECASTS BY SEGMENT

JPY: billion		Q1 FYE2020 Results[1] Japan	Q1 FYE2020 Results[1] International	Q1 FYE2020 Results[1] Total	Q1 FYE2021 Results Japan	Q1 FYE2021 Results International	Q1 FYE2021 Results Total	Total YoY%
LWT[2]	Revenue	102.5	93.9	**196.3**	91.3	74.2	**165.5**	-15.7%
	Core earnings	7.0	6.5	**13.4**	2.9	0.1	**3.0**	-77.6%
	CE margin	*6.8%*	*6.9%*	***6.8%***	*3.2%*	*0.1%*	***1.8%***	*-5.0pp*
LHT	Revenue	133.2	2.6	**135.8**	115.8	1.6	**117.3**	-13.6%
	Core earnings	7.4	0.0	**7.5**	5.5	-0.3	**5.2**	-29.9%
	CE margin	*5.6%*	*1.0%*	***5.5%***	*4.8%*	*-19.8%*	***4.5%***	*-1.0pp*
LBT	Revenue	23.9		**23.9**	21.3		**21.3**	-10.8%
	Core earnings	-1.4		**-1.4**	-0.9		**-0.9**	-
	CE margin	*-5.7%*		***-5.7%***	*-4.2%*		***-4.2%***	*+1.5pp*
H&S	Revenue	13.1		**13.1**	11.3		**11.3**	-13.9%
	Core earnings	0.9		**0.9**	0.4		**0.4**	-52.5%
	CE margin	*7.0%*		***7.0%***	*3.9%*		***3.9%***	*-3.2pp*
Consolidation, adj. & other[2][3]	Revenue			**-5.4**			**-4.9**	-
	Core earnings			**-10.0**			**-10.4**	-
LIXIL Group[3]	Revenue	272.6	96.5	**363.6**	239.6	75.7	**310.5**	-14.6%
	Core earnings	14.0	6.5	**10.5**	8.0	-0.2	**-2.6**	-125.1%
	CE margin	*5.1%*	*6.7%*	***2.9%***	*3.3%*	*-0.3%*	***-0.8%***	*-3.7pp*

(1) Business results from Permasteelisa S.p.A and its subsidiaries and LIXIL VIVA are presented in both current and previous reporting period under "Discontinued Operations" due to the decision of divestment

(2) Due to growing importance from Q2 FYE2020 within the "Housing Technology Business" for a subsidiary in Japan that were previously classified as "LWT", the reporting segment for the subsidiary was separated to LHT and LWT from Q2 FYE2020, and Q1 FYE2020 was restated accordingly

(3) Difference between sum total of Japan and International in Revenue and Core earnings and "Total" is the amount of consolidation, adj. & other

RENOVATION STRATEGY IN JAPAN

Renovation sales ratio decreased by 0.8pp due to declined customer home visits and restrictions on number of visitors to showrooms in order to prevent the spread of COVID-19

Sales of Renovation-Related Products

JPY: billion	Q1FYE2020 Results[1]	**Q1FYE2021 Results**	YoY
Sales of renovation-related products	74.1	**66.2**	-11%
Renovation sales ratio	36%	**36%**	-0.8pp

Number of Member Homebuilders

Stores	Mar 2019	Mar 2020	**Jun 2020**
LIXIL Reform Shop (FC)	571	554	**547**
LIXIL Reform Shop (Voluntary)	11,783	11,789	**11,621**
LIXIL PATTO Reform Service Shop	3,800	3,602	**3,817**

Renovation-related products sales ratio by business segment (YoY)

Business segment	Q1 FYE2020	Q1 FYE2021	Difference
LWT	45%	43%	-2.1pp
LHT	32%	32%	-0.5pp
LBT	17%[1]	24%	+7.0pp
Japan total	**36%**	**36%**	**-0.8pp**

New promotion [2]

Make "stay home" happy

Propose how to make life at home more comfortable, healthy, secure, and safe. Suggest new renovation ideas with new lifestyles and new ways of working as #touchless #non face-to-face contact #ventilation #switching work/private



(1) Sales of renovation product was restated for comparison on the same basis
(2) Website for the campaign https://www.lixil.co.jp/ouchijikan/ (Japanese only)

REVENUE BY PRODUCTS AND SERVICES

JPY: billion

Segment	Major products	Full-year FYE2020 results[1]	Q1 FYE2020 results[1]	Q1 FYE2021 results[1]	YoY
LWT	Sanitary ware**	106.0	23.8	**24.2**	1.5%
	Bathroom units	100.5	24.9	**19.7**	-20.8%
	Washstand cabinet units**	37.6	8.6	**7.9**	-8.5%
	Kitchens	111.4	26.4	**22.5**	-14.8%
	Tiles	36.3	8.3	**7.9**	-5.3%
LHT	Housing sashes and related products	190.0	47.1	**42.0**	-10.7%
	Exterior	110.1	27.8	**25.2**	-9.4%
	Wooden interior furnishing materials	69.8	16.8	**15.4**	-8.1%
	LHT Other	81.6	20.6	**14.4**	-30.0%
LBT	Building sashes	112.8	23.9	**21.3**	-10.8%
H&S	Housing and Services business	54.0	13.1	**11.3**	-13.9%
	International	398.6	96.5	**75.7**	-21.5%
	Others/ consolidation & adj.	105.7	26.0	**23.0**	-
	Total	1,514.4	363.6	**310.5**	-14.6%

Unit: %

Quarterly YoY					
	FYE2020				FYE2021
Q1	Q2	Q3	Q4	Q1
1.4	10.9	0.2	-1.9	1.5
-1.4	11.2	0.8	-5.8	-20.8
0.6	12.6	-4.4	-0.7	-8.5
0.2	11.3	-5.4	-8.6	-14.8
-5.0	5.1	-8.2	-6.3	-5.3
5.5	10.2	-4.1	-2.7	-10.7
5.5	13.4	-10.3	-9.0	-9.4
16.1	20.8	1.4	0.2	-8.1
7.6	4.0	-19.3	-14.9	-30.0
0.4	0.3	2.2	-12.4	-10.8
6.0	-1.0	-6.9	-20.3	-13.9

(Reference)**Sales of Faucets included in "Sanitary ware" and "Washstand cabinet units"

LWT	Faucets	17.8	4.3	**4.8**	13.5%

1.4	13.2	3.7	6.9	13.5

(1) In Q4 FYE2020, results for FYE2020 were restated due to reclassification of business operations of Permasteelisa S.p.A. and its subsidiaries to discontinued operations. From Q1 FYE2021, results for D&R were restated to discontinued operations due to the decision to transfer shares of LIXIL VIVA announced on June 9 2020. FYE2020 results has also been restated.

PERFORMANCE OF MAJOR INTERNATIONAL SUBSIDIARIES

Company	ASB (ASD Holdings)		
Unit	Unit: USD million		
Accounting period	Q1 FYE2020 Results	**Q1 FYE2021 Results**	YoY
Exchange rate (Average Rate)	110.00	**107.74**	-
Revenue	303	**259**	-15%
Core earnings	14	**6**	-56%
%	5%	**2%**	-2.3pp

Accounting period	FYE2020 Balance	Q1 FYE2021 (3 months)		
		Amortization	Others[1]	**Balance**
Exchange rate (Current Rate for balance, Average Rate for amortization)	108.83	107.74	-	**107.74**
Goodwill	231	-	-	**231**
Intangible assets	214	-2	0	**213**

Company	Grohe Group (GROHE)[2]			
Unit	Unit: EUR million			
Accounting period	Q1 FYE2020 Results	**Q1 FYE2021 Results**	YoY	YoY excluding LIXIL Africa impact[2]
Exchange rate (Average Rate)	123.29	**118.94**	-	-
Revenue	376	**281**	-25%	-23%
Core earnings	35	**1**	-97%	-98%
%	9%	**0%**	-9.1pp	-10.2pp

Accounting period	FYE2020 Balance	Q1 FYE2021 (3 months)		
		Amortization	Others[1]	**Balance**
Exchange rate (Current Rate for balance, Average Rate for amortization)	119.55	118.94	-	**121.08**
Goodwill	1,208	-	-1	**1,206**
Intangible assets	1,451	-6	0	**1,446**

(1) Forex translation differences, and other
(2) LIXIL Africa (formerly called as GDWT) ,which was formerly under Grohe Group, became a subsidiary of LIXIL Corporation from July 2019

PERFORMANCE OF MAJOR INTERNATIONAL SUBSIDIARIES

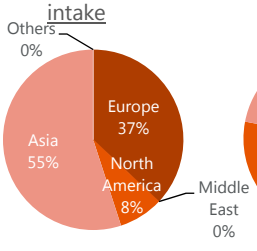
Company	Permasteelisa[1]		
Unit	Unit: EUR million		
Accounting period	Q1 FYE2020 Results	**Q1 FYE2020 Results**	YoY
Exchange rate (Average Rate)	123.29	**118.94**	-
Revenue	307	**195**	-36%
Core earnings	-13	**-25**	-
%	-	**-**	-

Accounting period	FYE2020 Balance	Q1 FYE2021 (3 months)			
		Amortization	Impairment	Others[3]	**Balance**
Exchange rate (Current Rate for balance, Average Rate for amortization)	119.55	118.94	-	-	**121.08**
Goodwill	-	-	-	-	**-**
Intangible assets	-	-	-	-	**-**
Accrual for expected future losses on construction projects[2]	33	-	-	-1	**32**

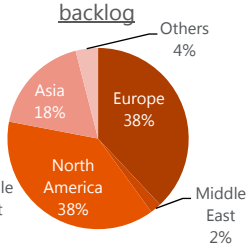
■ Orders received

Unit	Unit: EUR million	
Accounting Period	Q1 FYE2020 Results	**Q1 FYE2021 Results**
Order intake	149	**110**
Order backlog	1,780	**1,492**

Q1 FYE2021 Order intake



Q1 FYE2021 Order backlog



(1) Classified as discontinued operations from Q4 FYE 2020 due to the decision of share transfer of Permasteelisa
(2) Classified under discontinued operations in amount of loss after tax in the consolidated financial results
(3) Forex translation differences, net changes of the provision, and other

[FINANCIAL DATA] RETROACTIVE FIGURES CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Profit/loss from Permasteelisa and LIXIL VIVA was retroactively restated under discontinued operations due to the decision of share transfer

JPY: billion	H1 FYE2020 April - September (Unaudited)	Q1-Q3 FYE2020 April - December (Unaudited)	Full year FYE2020 April - March (Unaudited)
Revenue	759.5	1,149.2	1,514.4
Cost of sales	-504.6	-764.5	-1,011.8
Gross Profit	254.9	384.7	502.6
Selling, general and administrative expenses	-220.9	-332.2	-450.3
Core earnings	34.0	52.5	52.3
Other income	4.2	5.4	6.1
Other expenses	-4.7	-8.4	-26.3
Operating profit	33.6	49.5	32.0
Finance income	4.4	3.2	4.8
Finance cost	-5.3	-4.4	-7.2
Share of profit (loss) of associates and joint ventures accounted for using the equity method	0.0	0.0	0.3
Profit from disposal of share of associates	11.0	11.0	11.0
Profit (loss) before tax	43.7	59.3	40.9
Income tax expenses	-13.5	-18.6	-13.2
Profit for the year from continuing operations	30.2	40.7	27.7
Profit for the year from discontinued operations	-5.0	-8.1	-14.1
Profit (loss) for the year	25.2	32.6	13.7
Net profit (loss) attributable to non-controlling interests	2.1	1.9	1.2
Net profit (loss) attributable to owners of the parent	23.1	30.7	12.5
Basic earnings (loss) per share (Yen)	79.75	105.79	43.15
Diluted earnings (loss) per share (Yen)	72.31	95.99	39.65

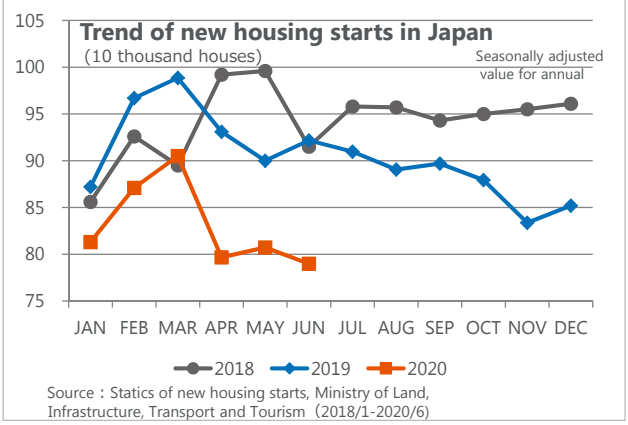
[FINANCIAL DATA] RETROACTIVE FIGURES REVENUE AND CORE EARNINGS BY SEGMENT

Profit/loss from Permasteelisa and LIXIL VIVA was retroactively restated under discontinued operations due to the decision of share transfer

JPY: billion		Q2 FYE2020			Q3 FYE2020			Q4 FYE2020		
		Japan	Int'l	Total	Japan	Int'l	Total	Japan	Int'l	Total
LWT	Revenue	218.7	192.1	**410.8**	333.1	290.5	**623.6**	438.2	390.3	**828.5**
	Core earnings	17.2	16.2	**33.3**	27.4	24.8	**52.2**	29.4	32.1	**61.5**
	%	*7.8%*	*8.4%*	***8.1%***	*8.2%*	*8.5%*	***8.4%***	*6.7%*	*8.2%*	***7.4%***
LHT	Revenue	274.2	4.9	**279.1**	410.6	6.6	**417.1**	533.9	8.3	**542.2**
	Core earnings	18.1	0.1	**18.2**	27.1	-0.5	**26.6**	29.2	-0.9	**28.3**
	%	*6.6%*	*1.6%*	***6.5%***	*6.6%*	-	***6.4%***	*5.5%*	-	***5.2%***
LBT	Revenue	54.4		**54.4**	85.5		**85.5**	112.8		**112.8**
	Core earnings	0.7		**0.7**	1.6		**1.6**	2.7		**2.7**
	%	*1.4%*		***1.4%***	*1.9%*		***1.9%***	*2.4%*		***2.4%***
H&S	Revenue	26.8		**26.8**	40.6		**40.6**	54.0		**54.0**
	Core earnings	1.8		**1.8**	2.7		**2.7**	3.0		**3.0**
	%	*6.6%*		***6.6%***	*6.5%*		***6.5%***	*5.5%*		***5.5%***
Consolidation, adj. & other(1)	Revenue			**-11.6**			**-17.6**			**-23.1**
	Core earnings			**-20.0**			**-30.6**			**-43.2**
LIXIL Group(1)	Revenue	574.1	197.0	**759.5**	869.8	297.1	**1,149.2**	1,138.9	398.6	**1,514.4**
	Core earnings	37.8	16.3	**34.0**	58.8	24.3	**52.5**	64.2	31.3	**52.3**
	%	*6.6%*	*8.2%*	***4.5%***	*6.8%*	*8.2%*	***4.6%***	*5.6%*	*7.8%*	***3.5%***

(1) Difference between sum total of Japan and International in Revenue and Core earnings and "Total" is the amount of consolidation, adj. & other

MARKET TRENDS



Source：Statics of new housing starts, Ministry of Land, Infrastructure, Transport and Tourism（2018/1-2020/6)

New housing construction level in Japan（year-on-year)

- Apr-Jun 2020: -12.7%
- Jan-Mar 2020: -9.7%

	Jan-Jun 2020 (6 months)		Apr-Jun 2020 (3 months)	
	Amount	YoY	Amount	YoY
Total new housing starts	**398,120**	-11.4%	**203,945**	-12.7%
Owner occupied(1)	**124,282**	-13.7%	**64,361**	-18.2%
Rental homes	**149,012**	-11.0%	**75,682**	-12.3%
Condos for sale	**53,924**	-10.2%	**28,282**	0.1%
Detached houses for sale(2)	**67,108**	-7.4%	**33,704**	-10.6%
Detached houses total(1)+(2)	**191,390**	-11.6%	**98,065**	-15.7%



Assumption for the plan FYE2021 JPY209,000/ton (approx. USD1,817/ton)

Source：LME 3 months (From April 1, 2018 to June 30, 2020)



Assumption for the plan FYE2021 JPY648,000/ton (approx. USD5,635/ton)

Source：LME 3 months (From April 1, 2018 to June 30, 2020)

Foreign exchange rates (Average rate)	FYE2019 Results	FYE2020 Results	FYE2021 Assumptions
US dollars	110.69 yen	109.10 yen	115.0 yen
Euros	128.43 yen	121.14 yen	126.5 yen

(yen per ton)

Results and assumptions	FYE2019 Results	FYE2020 Results	FYE2021 Assumptions
Aluminum price (Purchasing price)	249,000	215,000	209,000
Copper price	632,000	586,000	648,000

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.