Financial Results for the Fiscal Year Ended March 31, 2024 (IFRS)

(From April 1, 2023 to March 31, 2024)

TSE Code: 5938

LIXIL Corporation
April 30, 2024

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

JGAAP	IFRS (LIXIL 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/loss	Finance income/costs
	Share of profit (loss) of investments accounted for using equity method
Profit before income taxes	**Profit before tax**
	Profit from continuing operations
	Discontinued operations
	Profit for discontinued operations
Net profit attributable to	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**"

KEY HIGHLIGHTS

Summary of results for the fiscal year ended March 2024

Revenue and profits decreased year-on-year for Q4 (3 months) FYE2024

- Japan: Lower performance than expected due to the impact of LHT window renovation subsidies in a transitional period and a further decline in new housing starts
- International: Sluggish demand for LWT products has bottomed out, but performance concerns remain
- International structural reforms progressed more quickly than initially planned, resulting in an increase in “other expenses”

Revenue and profits declined for Q4 (12 months) FYE2024

- Japan: The number of new housing starts was significantly below LIXIL’s forecast. In particular, owner-occupied and detached houses, areas of strong demand for LIXIL, both saw significant declines. At the same time, higher sales for window renovation supported results
- International: Weak performance throughout FYE2024 due to sluggish demand for housing-related products in Europe and the US due to high interest rates and prolonged inflation. Inventory levels on the customer side are decreasing, but demand has not yet recovered
- International: Have accelerated structural reforms in Europe and the US (Details to follow)

KEY HIGHLIGHTS

Outlook for the fiscal year ending March 2025

Full-year forecast for FYE2025

- Forecasting revenue of JPY1,570.0 billion and core earnings of JPY35.0 billion
- Forecasting annual dividend of JPY90 per share

Business environment and outlook

- New housing starts in Japan are expected to be weak for some time, but demand for renovation products to improve home insulation in LHT, due in part to higher subsidies, is expected to contribute to profits
- LWT Japan's intensified competitive environment is leveling off. We are accelerating our response to renovation demand and launch new, differentiated products
- Interest rates, the primary reason for LWT International's underperformance, are expected to improve during the year, but FYE2025 demand is expected to be flat from FYE2024. Earnings are expected to improve due to structural reforms implemented in FYE2024
- Some structural reforms in international businesses will continue in FYE2025, however, most measures are set to complete in FYE2025 (optimization in production facilities will continue in FYE2026 onwards)

KEY HIGHLIGHTS

Core earnings review of FYE2024 and outlook for FYE2025(1)

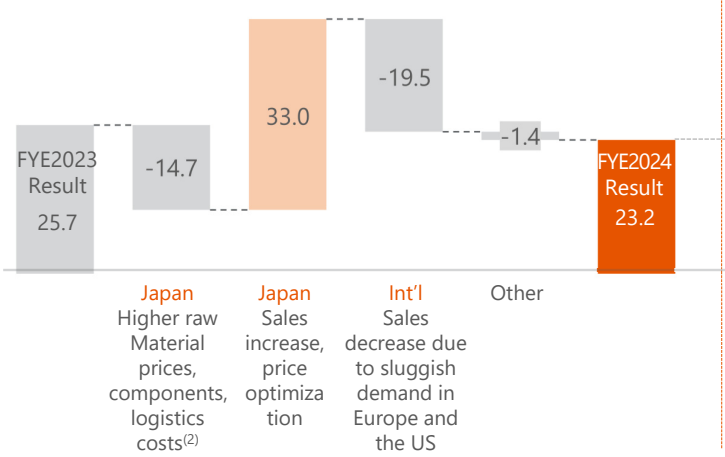
FYE2024

- Japan: Raw material prices remained stable. Component costs continued to rise, but were offset by price optimization
- International: Despite reductions in SG&A expenses, core earnings declined significantly due to the impact of lower sales (sales decrease and increase in the fixed cost burden from the decrease in production volume)

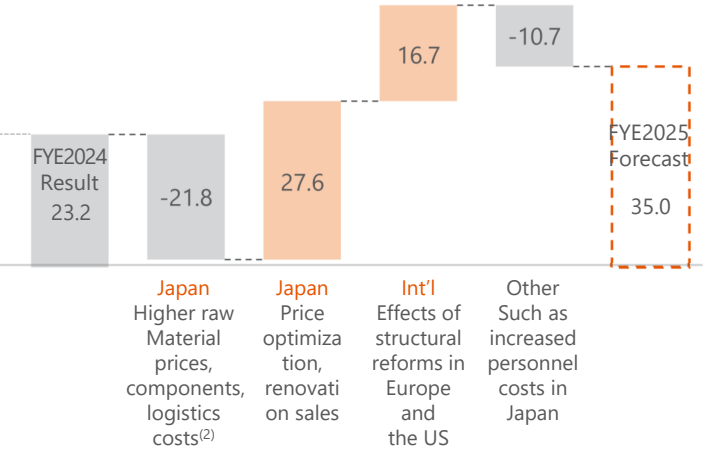
FYE2025

- Japan: Increased sales of window renovation will be a driver of profit growth. Component costs will continue to rise, but this will be offset by price optimization
- International: Economic recovery in Europe and the US will be delayed, but earnings will improve due to structural reforms
- Cost increases expected in all regions due to higher personnel and SG&A expenses

(JPY billion)



(JPY billion)



(1) Please refer to p.29-30 and p.34 for analysis on changes of core earnings by segment for FYE2024 results and FYE2025 forecast respectively.
(2) Including forex impact

PROGRESS OF INITIATIVES IN THE LIXIL PLAYBOOK (1)

Management Direction(1)(2) – Focusing on the strategic initiatives of the LIXIL Playbook

- Transform the management structure for sustainable growth and nurture an entrepreneurial culture
- Improve ROIC to 10% or more
- Improve core earnings margin aiming for 7.5%. Raise to 10% for mid-to long-term
- Maintain Net debt/EBITDA at 3.5x or less, providing a stable foundation to support mid-to long-term growth
- Aim for both sustainable corporate growth and creation of positive impact on society

Our Corporate Purpose

To Make Better Homes a Reality for Everyone, Everywhere

Our Strategic Initiatives

FOCUS	TRANSFORM	GROW		INNOVATE	
Divest Non-core Businesses and Simplify Organization ✓	Tackle Inflation and Supply Chain Challenges	Optimize Japan and Drive New Growth	Grow Global Water Business	Embed Robust Environment Strategy	Develop New Core

Our Foundation

Impact Strategy — Global Sanitation & Hygiene — Water Conservation & Environmental Sustainability — Diversity & Inclusion

Empower People to Deliver on Our Strategies and Create Value

(1) Page 30-40 of LIXIL Integrated Report 2023 "Management Direction" https://ssl4.eir-parts.net/doc/5938/ir_material_for_fiscal_ym41/137633/00.pdf#page=31
(2) Page 6-8 of ESG Briefing Material in 2023 "ACHIEVING OUR PURPOSE THROUGH VALUE CREATION" https://ssl4.eir-parts.net/doc/5938/ir_material_for_fiscal_ym33/153293/00.pdf#page=6

PROGRESS OF INITIATIVES IN THE LIXIL PLAYBOOK (2)

Management Direction – Focusing on the strategic initiatives of our Playbook

Our Strategic Initiatives

FOCUS	TRANSFORM	GROW		INNOVATE	
Divest Non-core Businesses and Simplify Organization ✓	Tackle Inflation and Supply Chain Challenges	Optimize Japan and Drive New Growth	Grow Global Water Business	Embed Robust Environment Strategy	Develop New Core

- International business structural reforms are expected for the most part in FYE2025 (Primarily regarding restructuring of the supply chain)
- The effects of the initiatives implemented in FYE2024 are planned to materialize from FYE2025 onwards

Structural reforms

✓ **Optimize personnel allocation**

Already implemented, primarily in Europe and the US

✓ **Restructuring supply chain**

Reorganized some factories in Asia
Continued implementation planned for FYE2025

✓ **Optimize business portfolio**

Already implemented, mainly in unprofitable businesses and businesses where synergies are not expected

(JPY billion)	FYE2024 Costs(1)	FYE2025 Effects	FYE2025 Costs
Optimize personnel allocation			
Optimize personnel allocation	4.0	3.0	
Restructuring supply chain			
Consolidation of Int'l plants	2.5	1.0	**6.5**
Optimize business portfolio			
Dissolution of DPI and others	5.5	2.0	
Total	12.0	6.0	

(Plan)

(1) Items that were accounted for as other expenses and other income within structural reform costs

PROGRESS OF INITIATIVES IN THE LIXIL PLAYBOOK (3)

Management Direction – Focusing on the strategic initiatives of our Playbook

Our Strategic Initiatives

FOCUS	TRANSFORM	GROW		INNOVATE	
Divest Non-core Businesses and Simplify Organization ✓	Tackle Inflation and Supply Chain Challenges	Optimize Japan and Drive New Growth	Grow Global Water Business	Embed Robust Environment Strategy	Develop New Core

- Japan: Advance our digital transformation, including embedding AI. Leveraging the expertise and technology from Japan to support growth of international markets
- International: Focus on faucets (especially US sales expansion) and flushing systems (Middle East)
- Stabilize our business portfolio by approaching potential markets and capturing demand in growth markets

Pursue growth in Japan water business

✓ Capitalize on the 100th anniversary(1) of our Japan water and tile business, accelerating development of new products

✓ New *SATIS X* launched in 2024, based on innovative technologies and expertise(2)

› Details on Topics p.40



Accelerate growth in international businesses

✓ Full-scale rollout of GROHE's premium sub-brand *GROHE SPA*

✓ Highlight brand value with unique, custom-made designs, premium materials, and the latest colors



(1) News release https://newsroom.lixil.com/ja/2024010904 (Japanese only)
(2) News release https://newsroom.lixil.com/ja/2024030601 (Japanese only)

EXPAND SALES OF NEW PRODUCTS WITH SOCIAL AND ENVIRONMENTAL IMPACT

- Aiming to achieve sustainable growth through the expansion of differentiated products and to create an impact on society at the same time
- The development of the following products has already been completed. The key is how far we can penetrate the market with differentiated prices

Contribute to reducing CO_2 emissions / Promote circular economy

Expand sales of *PremiAL*(1), a low-carbon building material using recycled aluminum



Mid- to long-term sales target: **JPY 300 billion**

Creating new value through core technologies

Rollout of *KINUAMI*(2), a foam shower
Japan: For caregivers,
International: For public



Mid- to long-term sales target: **JPY tens of billions**

Creating new value through core technologies

Provide new value through ***Greentap***(3) and ***GROHE Blue***. Contribute to the environment by reducing plastics use and logistics costs



Mid- to long-term sales target: **JPY tens of billions**

Contribute to reducing CO_2 emissions / Promote circular economy

Expand sales of *revia*(4), a sustainable material developed by combining waste plastic and wood



Mid- to long-term sales target: **JPY 100 billion**

Creating new value through core technologies

All shower toilets are equipped with **two nozzles**. Contribute to reducing health issues unique to women



Mid- to long-term sales target: **JPY 50 billion**

Contribute to reducing CO_2 emissions

Contribute to CO_2 emissions through **increased sales of renovation products for better heat-insulation**, such as sashes, doors, and exterior walls



Mid- to long-term sales target: **JPY 80 billion**

Plan to launch *Everstream Shower*, trivalent chromium compatible faucets, Re-invented Toilet(5), and environmentally friendly bathtub products going forward

(1) News release https://newsroom.lixil.com/20231010_01
(2) News release https://newsroom.lixil.com/ja/20230915_01 (Japanese only)
(3) News release https://newsroom.lixil.com/ja/2024032801 (Japanese only)
(4) News release https://newsroom.lixil.com/2022101802
(5) News release https://newsroom.lixil.com/20240321_g2rt

FYE2024 PERFORMANCE HIGHLIGHTS

Revenue and profits decreased year-on-year

- **Revenue: JPY1,483.2 billion, down JPY12.8 billion year-on-year**
  - Q4 (3 months) YoY: -4% in Japan and -4% in international markets (-14% excluding foreign exchange impact)
  - Q4 (12 months) YoY: Flat in Japan and -4% in international markets (-12% excluding foreign exchange impact)
- **Core earnings: JPY23.2 billion, down JPY2.6 billion year-on-year**
  - Q4 (3 months) breakdown: JPY2.5 billion in LWT Japan, JPY0.5 billion in LWT International, JPY3.0 billion in LHT, and –JPY9.5 billion for consolidation adjustment/other factors
  - Q4 (12 months) breakdown: JPY20.9 billion in LWT Japan, JPY1.8 billion in LWT International, JPY35.9 billion in LHT, and –JPY35.4 billion for consolidation adjustment/other factors
- **Profit for the year(1): -JPY13.9 billion, down JPY29.9 billion year-on-year**
  - Decreased by JPY29.9 billion YoY primarily due to an increase in costs associated with structural reforms, an increase in financial expenses due to rising interest rates, and an increase in tax expenses due to a temporary decline in profitability

(1) Profit for the year = Profit for the year attributable to owners of the parent

› FYE2024 CONSOLIDATED BUSINESS RESULTS

JPY billion	Q4 (12 months) FYE2023	Q4 (12 months) FYE2024	Increase/ decrease (YoY)	%	Q4 (3 months) FYE2024	Increase/ decrease (YoY)	%
Revenue	1,496.0	**1,483.2**	-12.8	-0.9%	**360.3**	-11.9	-3.2%
Gross Profit	468.6	**472.7**	+4.1	+0.9%	**110.4**	-5.7	-4.9%
(%)	31.3%	**31.9%**	+0.5pp	-	**30.7%**	-0.6pp	-
SG&A	442.9	**449.6**	+6.7	+1.5%	**113.9**	+2.5	+2.2%
Core Earnings (CE)(1)	25.7	**23.2**	-2.6	-10.0%	**-3.5**	-8.2	-
(%)	1.7%	**1.6%**	-0.2pp	-	**-1.0%**	-2.2pp	-
Profit for the year including Discontinued Operations(2)	16.0	**-13.9**	-29.9	-	**-20.7**	-25.7	-
EPS (JPY)	55.54	**-48.43**	-103.97	-	**-72.05**	-89.37	-
EBITDA(3)	107.6	**104.5**	-3.2	-2.9%	**17.5**	-7.6	-30.2%
(%)	7.2%	**7.0%**	-0.2pp	-	**4.9%**	-1.9pp	-

- **Gross profit margin:** Increased by 0.5pp YoY
- **SG&A expenses:** Increased by JPY6.7 billion YoY (Japan JPY2.4 billion decrease, International JPY3.4 billion decrease, forex effect JPY12.5 billion increase) due mainly to foreign exchange impact. SG&A ratio increased by 0.7pp
- **CE margin:** Decreased by 0.2pp YoY

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(1) Equivalent to "Operating profit" of JGAAP
(2) Profit for the year attributable to owners of the parent
(3) EBITDA=Core earnings + Depreciation + Amortization

› FYE2024 BUSINESS RESULTS BY SEGMENT

Revenue was flat YoY in the Japan business, but declined due to sluggish demand in the int'l businesses. Core earnings increased in LHT due to price optimizations and subsidies for window renovation, but decreased in LWT due to the significant impact of sluggish demand in int'l markets

JPY billion		Q4 (12 months) FYE2023	Q4 (12 months) FYE2024	Increase/ decrease (YoY)	Q4 (3 months) FYE2024	Increase/ decrease (YoY)
LWT	Revenue	915.3	**896.9**	-18.4	**228.5**	-3.6
	CE	47.3	**22.7**	-24.5	**3.0**	-8.2
LHT	Revenue	598.2	**596.4**	-1.8	**133.9**	-10.0
	CE	19.4	**35.9**	+16.5	**3.0**	-0.9
Consolidation, Adj. & Other	Revenue	-17.5	**-10.1**	+7.4	**-2.1**	+1.7
	CE	-40.9	**-35.4**	+5.4	**-9.5**	+0.9
LIXIL	Revenue	1,496.0	**1,483.2**	-12.8	**360.3**	-11.9
	CE	25.7	**23.2**	-2.6	**-3.4**	-8.2

Q4 (12 months) impact from segment reclassification(1)
LWT: Revenue JPY0.0 billion, CE -JPY2.2 billion
LHT: Revenue -JPY7.4 billion, CE +JPY2.2 billion
Consolidation adj.: Revenue +JPY7.4 billion
CE JPY0.0 billion

Forex impact(2)
Q4 12 months: Revenue +JPY42.7 billion, CE +JPY2.6 billion
Q4 3 months: Revenue +JPY14.7 billion, CE +JPY0.9 billion

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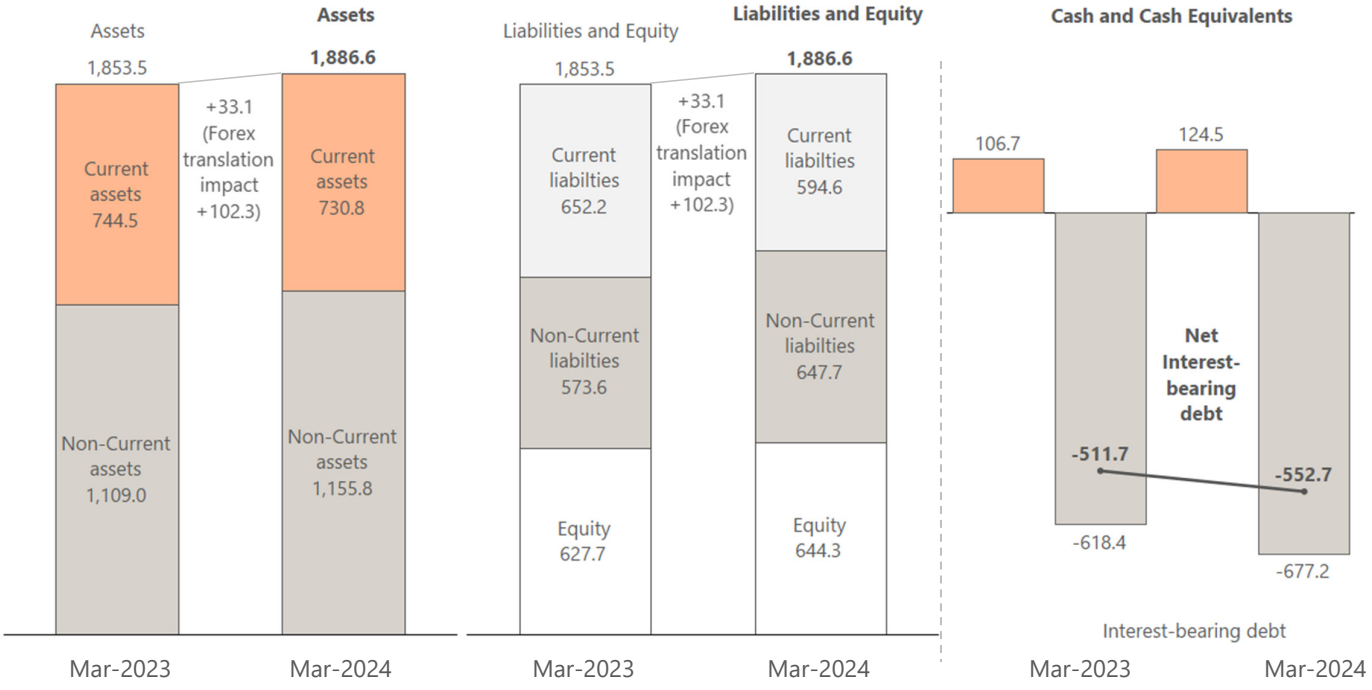
(1) Reflects reclassification of a subsidiary from Q1 FYE2024 to encompass both LWT and LHT (originally classified only to LHT), reflecting its P&L impact. The reporting segments changed to LWT and LHT
(2) Forex translation effect gain(loss) from international subsidiaries

› CONSOLIDATED FINANCIAL POSITION

Total assets increased slightly, due to foreign currency translation(1). Net interest-bearing debt increased from FYE2023 due to an increase in working capital but decreased by JPY18.5 billion from Q3.

Equity ratio is 34.1%

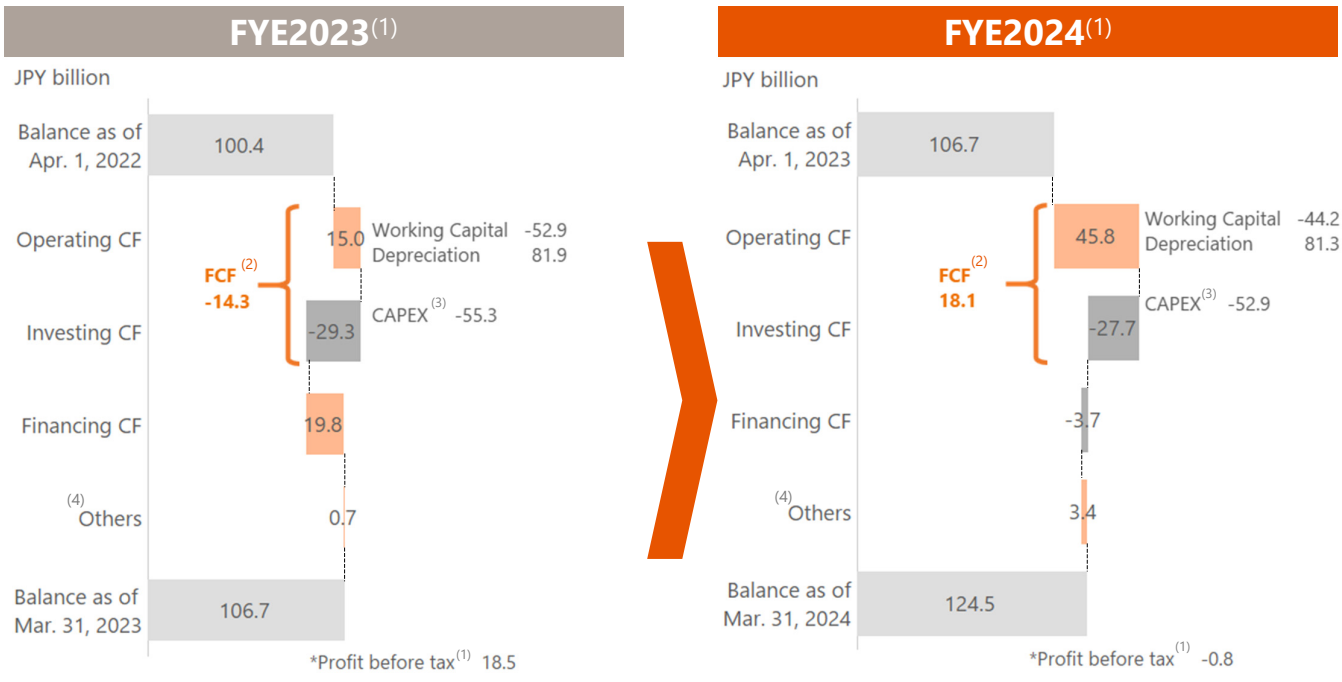
JPY billion



(1) Excluding the forex translation impact, the total assets decreased by JPY69.2 billion, of which JPY44.0 billion was for lower inventories

› CASH FLOW STATUS AND CASH BALANCE

Free Cash Flow (FCF) turned positive and increased by 32.4 billion yen compared to the same period last year as progress in inventory reduction contributed to a significant improvement in operating cash flow



(1) Includes discontinued operations
(2) "FCF" = Operating CF + Investing CF
(3) CAPEX = Purchase of property, plant and equipment + Purchase of intangible assets (Excluding Right of use assets in IFRS16)
(4) "Others" = Effects of exchange rate

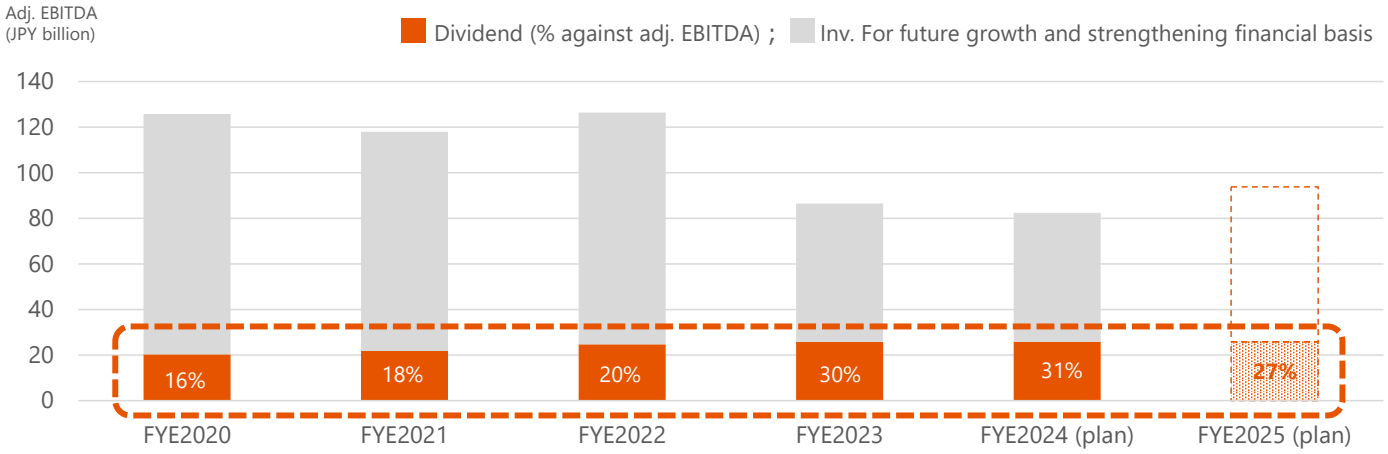
CHANGE IN DIVIDEND POLICY

Shareholder return policy

The LIXIL Corporation policy on profit allocation is to make decisions based on a comprehensive assessment of all management factors, including periodic earnings, cash flows, retained earnings, and financial strength. With regard to retained earnings, the company will prioritize investments for growth, such as capital investments (including new product development, rationalization, and IT investments) to strengthen its competitiveness, in addition to strengthening its financial position, taking into consideration the cash flow situation at that point in time. The company policy on shareholder returns is to pay stable dividends to shareholders over the long term, and to determine the amount of annual dividends based on the medium-term EBITDA level, as well as to buy back shares in a flexible manner.

Dividend forecast for FYE2025

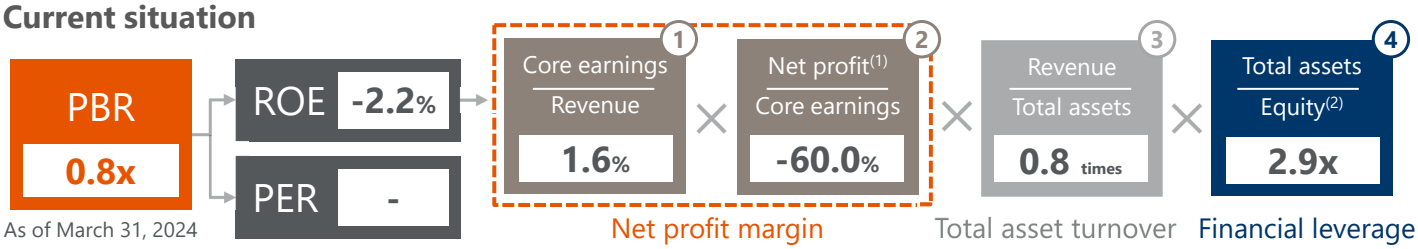
Forecast for the DPS is JPY90, unchanged from the previous year (27% of adj. EBITDA[1] forecasted for FYE2025)



(1) Adj. EBITDA (Earnings before interest, taxes, depreciation, and amortization): Core earnings + Depreciation (adjusted for the amount of depreciation recorded as a cash outflow due to the application of lease accounting under IFRS)

ACTIONS TO BETTER FOCUS ON COST OF CAPITAL AND SHARE PRICE

Current situation



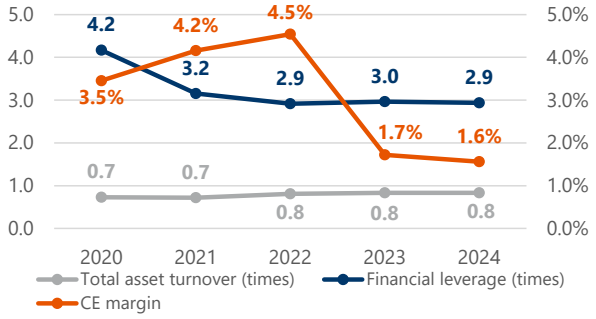
Understanding of issues

① Core earnings: Profit margins have deteriorated primarily due to sluggish demand in the international markets

② Net profit to Core earnings ratio[3]: Deteriorated due to the recording of other expenses from structural reforms

③ Total asset turnover: No significant change

④ Financial leverage: Recently generally stable



Countermeasures

① Improve Core earnings margin: Price optimization, asset-light strategy, and profitability improvement in international businesses

② Promote structural reform: Maximize effects after the execution of structural reforms, appropriate tax management

③ Improve asset efficiency: Reduce inventory assets, optimize the business portfolio

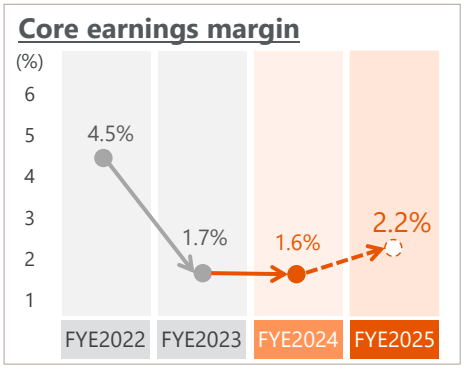
④ Appropriate financial leverage: Maintain appropriate financial leverage

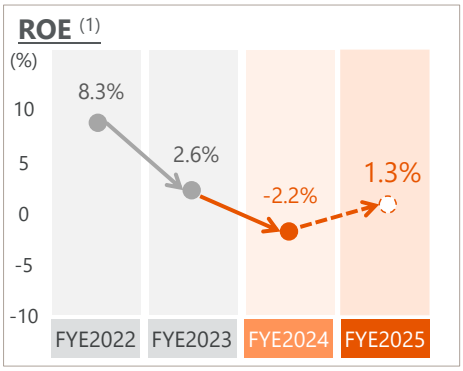
(1) Profit for the year attributable to owners of the parent
(2) Ratio of equity attributable to owners of the parent to total assets
(3) Net profit/Core earnings

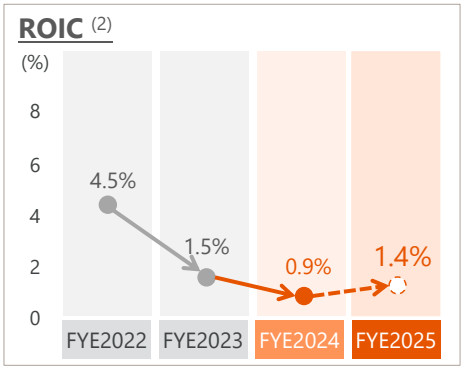
PROGRESS OF MANAGEMENT STRATEGY & FORECAST FOR FYE2025

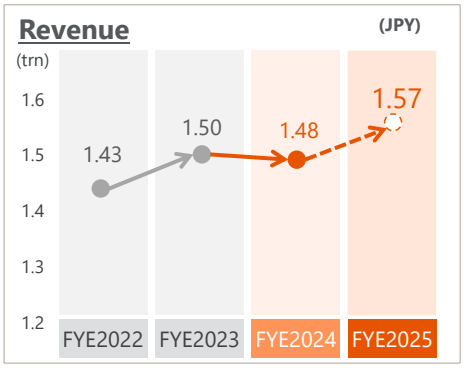
FINANCIAL INDICATORS, FYE2025 FORECAST

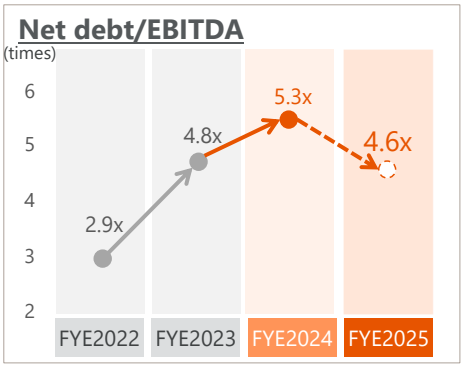
Progress in strengthening balance sheet and improving profitability

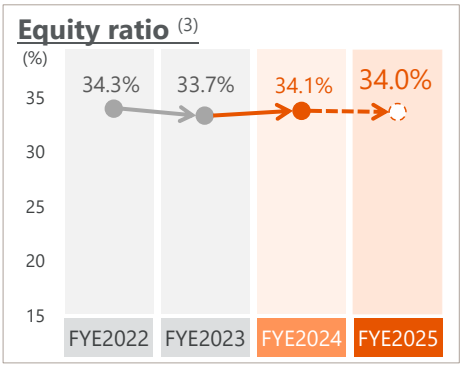












(1)Figures before the effect of issuance of new shares announced on April 30, 2024
(2) Calculation: Operating profit x (1-Effective tax rate) ÷ (Working capital + Fixed assets)
(3) Ratio of equity attributable to owners of the parent

FYE2025 FORECAST

Projecting an increase in Revenue and Profits(1) compared to the previous year. Forecasting annual dividend of JPY90 per share

JPY billion	FYE2024 Results	FYE2025 Forecast	Increase /decrease
Revenue	1,483.2	1,570.0	+86.8
Core Earnings (CE)	23.2	35.0	+11.8
Operating Profit (OP)	16.4	25.0	+8.6
Profit before Tax	6.7	15.0	+8.3
Tax expenses	-16.1	-7.0	+9.1
Profit (loss) from discontinued operations	-5.2	0.0	+5.2
Net profit attributable to non-controlling interests	-0.7	0.0	+0.7
Net profit attributable to owners of the parent	-13.9	8.0	+21.9
EPS (JPY)	-48.43	27.86 (2)	+76.29
ROE (%)	-2.2	1.3 (2)	+3.5pp
ROA (%)	-0.7	0.4	+1.1pp
ROIC (%)	0.9	1.4	+0.5pp
EBITDA(3)	104.5	118.5	+14.0
Adj. EBITDA(4)	82.4	96.5	+14.1
Net debt/EBITDA(3)	5.3x	4.6x	-0.7
Dividend (JPY per share)	90	90 (2)	-
Dividend to adj. EBITDA(4) ratio	31%	27%	-

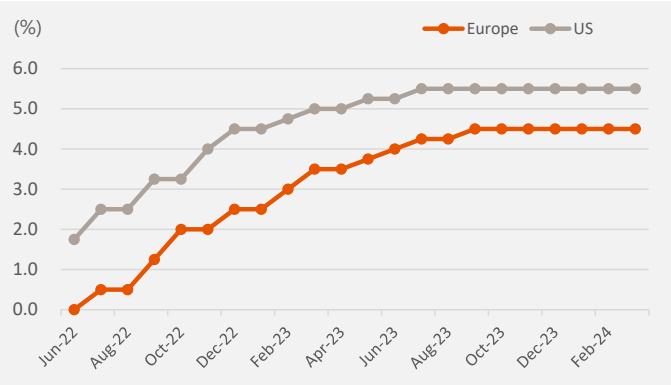
(1) In Core earnings basis
(2) Calculated using the number of shares outstanding as of March 31, 2024 (excl. treasury stocks)
(3) EBITDA=Core earnings + Depreciation
(4) Adj. EBITDA = Core earnings + Depreciation (adjusted for the amount of depreciation recorded as a cash outflow due to the application of lease accounting under IFRS)

FYE2025 FORECAST – MARKET OUTLOOK & ASSUMPTIONS

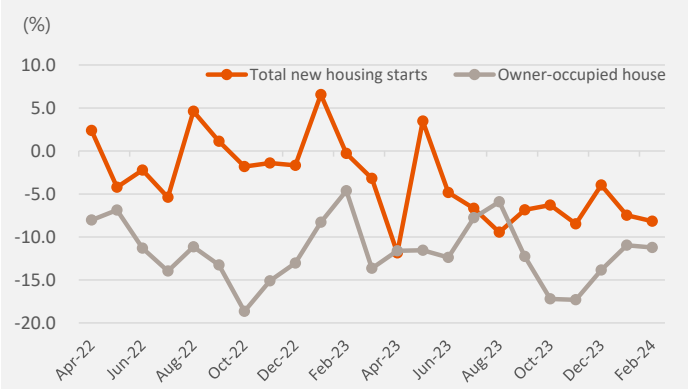
Market outlook and market indicators

		FYE2024 Results	FYE2025 Forecasts
Housing starts (Units/YoY)	Total	808,000(1)	808,000/0%
	Renovation	+1.5%(1)	-1%
FX rate (Average rate)	JPY/USD	144.4	150.0
	JPY/EUR	156.8	162.0
Raw material prices (JPY/ton)	Aluminum	335,000	400,000
	Copper alloy	1,009,000	1,096,000

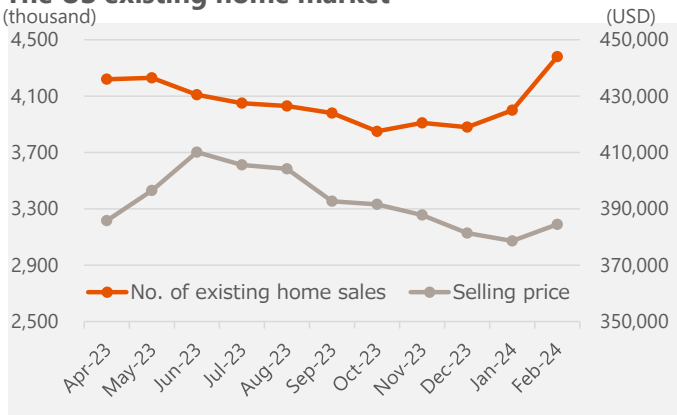
Interest rates in Europe and the US(3)



Number of new housing starts in Japan(2) (YoY)



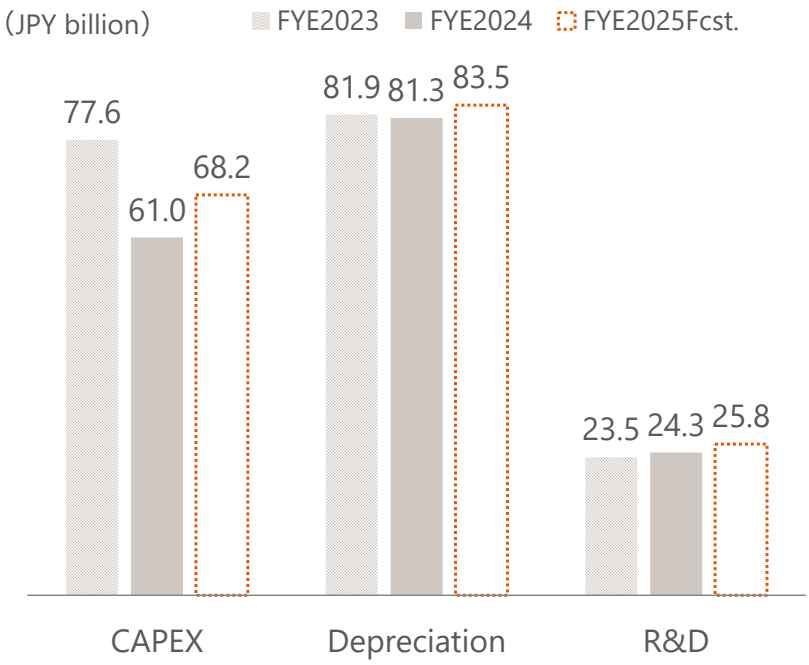
The US existing home market(4)



(1) Company estimate as of February 2024
(2) Created by LIXIL based on housing starts data from the Ministry of Land, Infrastructure, Transport and Tourism
(3) Created by LIXIL based on data from Federal Reserve Board and European Central Bank
(4) Created by LIXIL based on data from National Association of Realtors

CAPEX, DEPRECIATION, AND R&D EXPENDITURE(1)

By increasing investment efficiency, we aim to improve financial strength and raise profitability



Breakdown of CAPEX

JPY billion	FYE2023 Actual	FYE2024 Actual	FYE2025 Plan
IT investment	12.6	15.1	13.5
Excluding above	65.0	45.9	54.7
Total CAPEX	77.6	61.0	68.2

Breakdown of Depreciation

JPY billion	FYE2023 Actual	FYE2024 Actual	FYE2025 Plan
IT depreciation	12.3	11.5	13.7
Excluding above	69.6	69.8	69.9
Total Depreciation	81.9	81.3	83.5

(1) Excludes discontinued operations. CAPEX and Depreciation includes intangible assets and IFRS 16 lease

RESULTS BY BUSINESS SEGMENT



Water Technology Business (LWT)



Housing Technology Business (LHT)

› WATER TECHNOLOGY

Japan revenue increased while profits decreased; both revenue and profits decreased for int'l business due to significant impact of sluggish demand

	JPY billion	FYE2024 Results	YoY vs Results Increase /decrease	YoY vs Results %	FYE2025 Forecast
Japan	Revenue	420.5	+2.2	+0.5%	439.0
	CE	20.9	-4.1	-16.4%	21.0
	CE margin	5.0%	-1.0pp	-	4.8%
International	Revenue	476.4	-20.5	-4.1%	519.0
	CE	1.8	-20.4	-91.7%	18.5
	CE margin	0.4%	-4.1pp	-	3.6%
Water Technology Total	Revenue	896.9	-18.4	-2.0%	958.0
	CE	22.7	-24.5	-51.9%	39.5
	CE margin	2.5%	-2.6pp	-	4.1%

Revenue

- **Japan:** Despite impact from price optimizations and strong sales for renovation products that enhance people's lifestyles, impact from the decline in new housing starts resulted in flat revenue YoY
- **Int'l[(1)]:** Revenue decreased in local currency and JPY terms due to sluggish demand from a rise in interest rates and persistent inflation
- **Int'l revenue distribution ratio:** 53.1%, down by 1.2pp YoY

Core earnings

- **Japan:** CE declined YoY, with price optimization and reduction of fixed cost outweighed by a decrease in gross profit due to lower sales for new housing related products
- **Int'l[(1)]:** CE declined YoY due mainly to a decrease in revenue in Europe and the Americas throughout FYE2024

LIXIL (1) YoY vs Results excluding forex impact: Revenue -JPY63.0 billion, -13%. Core earnings -JPY23.0 billion

› INTERNATIONAL WATER TECHNOLOGY REVENUE BY REGION

By region: Management basis Total: Statutory basis[(1)] JPY billion	FYE2024 Results	YoY local currency basis	FYE2025 Forecast	YoY local currency basis
Americas	173.1	-5%		+3%
EMEA	169.0	-17%		+6%
China	42.9	-2%		+1%
Asia Pacific	51.8	-4%		+10%
Adjustments	39.6	-		-
Water Technology International Business Total	**476.4**	**-4%**	**519.0**	**+9%**

Americas

Revenue declined in local currency terms due to weaker demand. Increased in JPY terms

- ✓ Revenue declined in local currency terms as soft demand continued. Profitability decreased due to declining demand
- ✓ Further improvement on profitability by shifting products and sales channel mix and effects from cost saving initiatives

EMEA

Revenue declined in local currency/JPY terms due to softening demand

- ✓ Revenue declined due to sluggish demand over the year, with lower investments in housing/construction in most European markets amid persistently high interest rates
- ✓ Improve profitability from cost saving initiatives

China

Revenue declined in local currency terms due to ongoing challenges in consumer confidence in the real estate sector. Increased in JPY terms

- ✓ Weak demand continued but partly offset by retail sales promotions

Asia Pacific

Revenue declined in local currency terms with mixed performance within the region. Increased in JPY terms

- ✓ Strong sales growth in India, Thailand sales flat and Vietnam sales challenged by softening demand

LIXIL (1) Statutory basis currency: Q4 FYE2024 Results 1USD=JPY144.40, 1EUR=JPY156.80
Management basis currency: FYE2024 1USD=JPY135.0, 1EUR=JPY137.7
FYE2025 1USD=JPY150.0, 1EUR=JPY162.0

❯ HOUSING TECHNOLOGY

Core earnings increased substantially in Japan despite flat revenue; revenue flat but profits increased for international businesses

	JPY billion	FYE2024 Results	YoY vs Results Increase /decrease	YoY vs Results %	FYE2025 Forecast
Japan	Revenue	570.7	-1.1	-0.2%	595.5
	CE	34.4	+15.6	+82.6%	36.5
	CE margin	6.0%	+2.7 pp	-	6.1%
International	Revenue	25.7	-0.7	-2.5%	27.5
	CE	1.4	+0.9	+190.7%	1.5
	CE margin	5.6%	+3.7pp	-	5.5%
Housing Technology Total(1)	Revenue	596.4	-1.8	-0.3%	623.0
	CE	35.9	+16.5	+85.4%	38.0
	CE margin	6.0%	+2.8pp	-	6.1%

Revenue

- Despite impact from price optimization and strong sales for renovation products to make homes more efficient and enhance people's lifestyles, new housing-related sales remained sluggish, resulting in flat revenue YoY

Core earnings

- Despite the impact of lower government subsidies for window renovation and a further decline in new housing starts in Q4, profitability recovered due to price optimization and strong sales of high-performance sashes for renovation. This led to a significant increase in profits

(1) FYE2024 Results (Reference) LHT excl. building business Revenue JPY496.6 billion, CE JPY30.1 billion, CE margin 6.1%
Building business Revenue JPY99.8 billion, CE JPY5.7 billion, CE margin 5.7%

❯ APPENDIX: FINANCIAL DATA

REVENUE BY PRODUCT AND SERVICE

Government initiatives supported robust sales of housing sashes, with sales of subsidy-eligible window products tripling YoY. Demand is expected to continue for FYE2025 onward

JPY billion / in %

Segments	Major products	Full-year FYE2023 Results	Full-year FYE2024 Results	YoY	Quarterly YoY FYE2023 Q1	Q2	Q3	Q4	FYE2024 Q1	Q2	Q3	Q4
LWT	Sanitary ware**	106.5	**106.5**	0.0%	+0.4	+6.7	+2.1	-2.1	-2.2	-3.7	+2.3	**+3.0**
	Bathroom units	87.4	**89.9**	+2.9%	-2.4	+4.0	+1.3	+4.1	+3.0	+0.1	+3.6	**+5.1**
	Washstand cabinet units**	38.7	**38.9**	+0.6%	+1.8	-1.0	-1.7	-2.7	+0.7	-1.9	+1.7	**+1.8**
	Kitchens	100.9	**97.8**	-3.0%	+0.3	-2.5	-2.1	+0.6	-5.2	-5.0	-1.0	**-1.2**
	Tiles	31.9	**31.3**	-2.0%	-4.2	-1.2	-2.5	-2.7	-1.1	-0.8	-3.0	**-2.9**
LHT	Housing sashes and related products	165.5	**185.4**	+12.0 %	-1.2	-2.1	-0.5	+7.8	+14.6	+22.8	+16.2	**-5.6**
	Exterior	101.5	**94.7**	-6.7%	0.0	+3.2	+1.8	-4.5	-6.6	-7.1	-6.8	**-6.3**
	Wooden interior furnishing materials	62.7	**58.7**	-6.4%	+1.4	+7.8	+0.7	-6.7	-7.4	-9.2	-3.7	**-5.4**
	LHT Others	43.7	**42.4**	-3.0%	+17.0	+8.1	+2.8	+0.7	+1.8	+0.4	-2.3	**-12.1**
	Building sashes	95.7	**99.8**	+4.3%	+9.3	+13.3	+5.0	+2.0	+12.1	-4.9	+8.1	**+3.7**
	Housing and Services Business	27.0	**22.8**	-15.9%	-4.8	-11.9	-7.9	-17.8	-9.5	-4.6	-29.3	**-19.8**
	International(1)	523.3	**502.1**	-4.0%	+11.3	+13.9	+9.3	+13.7	-5.8	-1.6	-5.3	**-3.6**
	Others/ consolidation & adj.	111.1	**112.8**	-								
Total		1,496.0	**1,483.2**	-0.9%	+4.2	+6.3	+3.4	+5.1	-0.3	+0.2	-0.1	**-3.2**
(Reference)**Sales of Faucets included in "Sanitary ware" and "Washstand cabinet units"												
LWT	Faucets	24.7	**25.8**	+4.4%	-0.3	+3.4	-6.1	+4.1	+7.3	-0.7	+9.1	**+2.2**

(1) Please refer to p.28 for the revenue of water-related products in international business

PROMOTE RENOVATION STRATEGY IN JAPAN

Renovation sales ratio increased by 2.7pp. Renovation sales in LHT increased by 14% YoY, led by window renovation for better heat-insulation

JPY billion	Q4 (12 months) FYE2023 Results(1)	FYE2024 Results	Increase /decrease	YoY	Q4 (3 months) FYE2024 Results	YoY
Sales of renovation-related products	333.9	**360.8**	+26.9	+8%	**83.4**	+1%
LWT-J				+3%		+5%
LHT				+14%		-3%
Excl. building				+14%		-6%
Building business				+13%		+13%
Renovation sales ratio	41%	**44%**	+2.7pp		**42%**	+1.5pp

Renovation sales ratio by business segment (YoY)

	FYE2023	FYE2024	Increase /decrease
LWT	49%	51%	+1.6pp
LHT	34%	38%	+3.5pp
Japan Total	**41%**	**44%**	**+2.7pp**

Number of member homebuilders

Stores	Mar 2022	Mar 2023	Mar 2024
LIXIL Reform Shop (Franchise)	536	544	**548**
LIXIL Reform Shop (Independent stores)	11,264	11,224	**11,173**
LIXIL PATTO Reform Service Shop	3,804	3,833	**3,827**

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

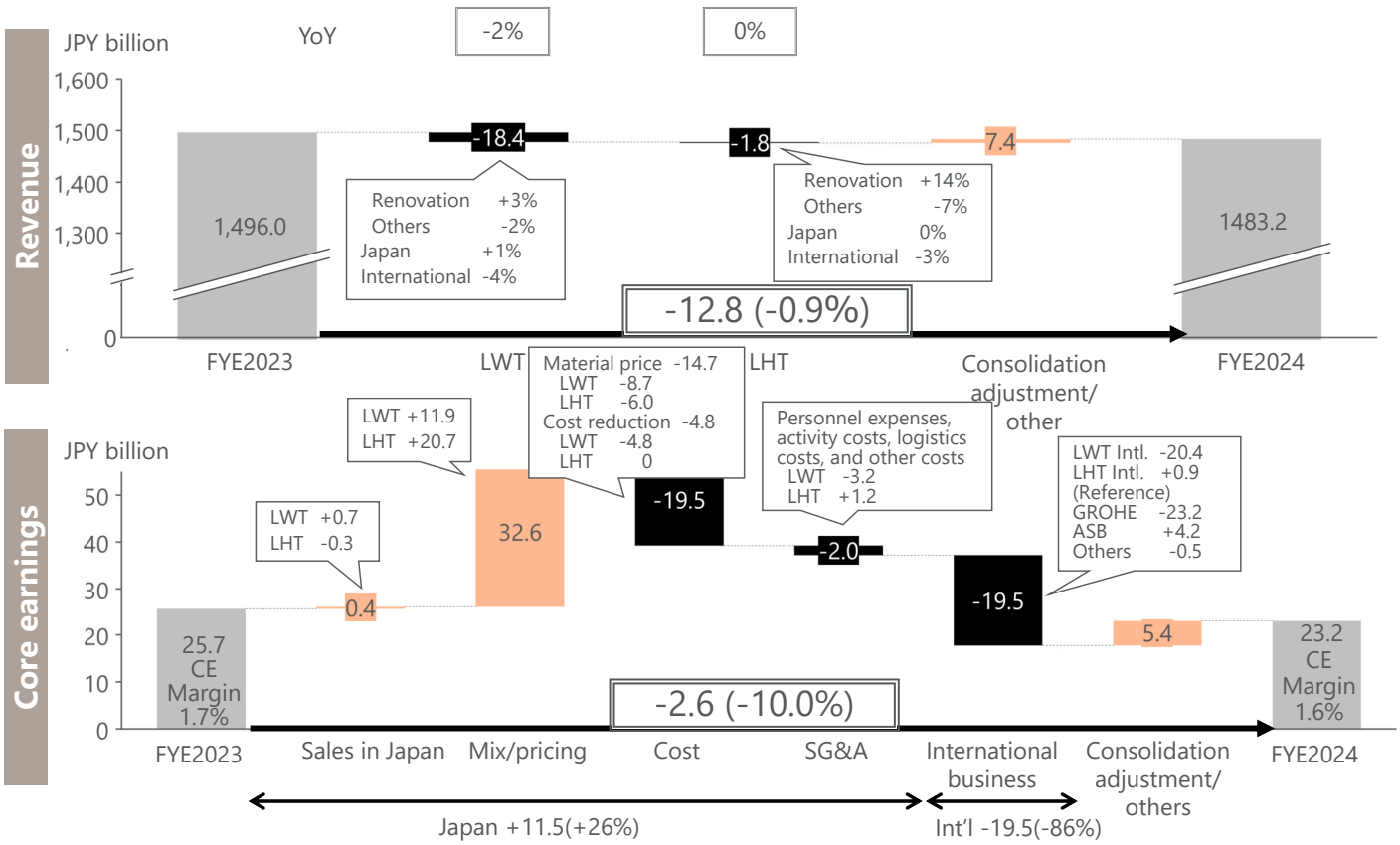
GROWTH IN INTERNATIONAL WATER TECHNOLOGY BUSINESS

Leveraging our brands, global structure for R&D, and roll-out of differentiated products, we are positioning for renewed growth by quickly responding to local needs(1)

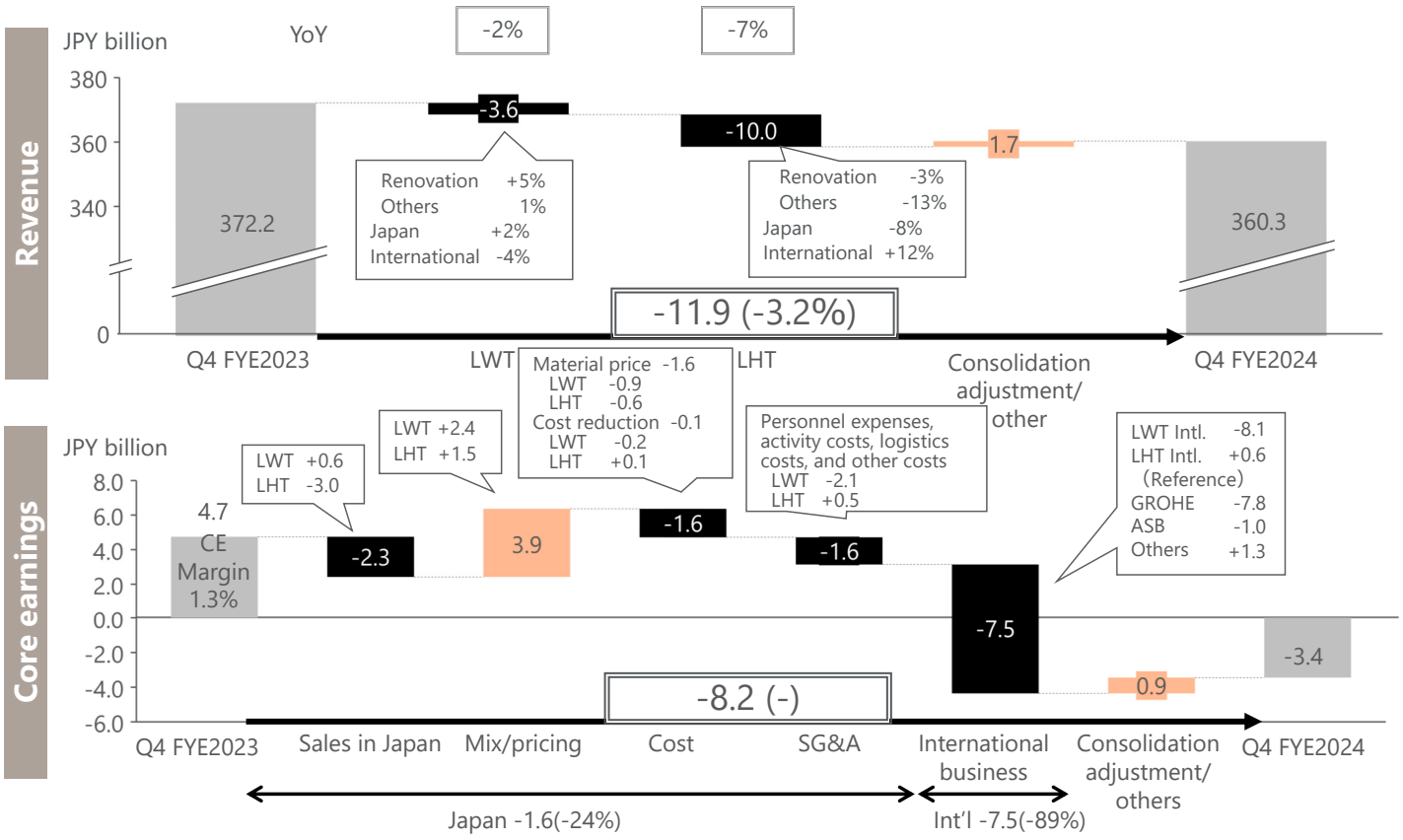
	FYE2024 (12 months)					Q4 FYE2024 (3 months)				
	Intl. Total	Americas	EMEA	China	Asia Pacific	Intl. Total	Americas	EMEA	China	Asia Pacific
Sales distribution ratio										
Bath faucets and showers	37%	12%	60%	46%	39%	38%	11%	60%	46%	39%
Toilets	42%	54%	25%	42%	57%	42%	56%	24%	36%	57%
Kitchen faucets and water systems	8%	4%	13%	6%	2%	8%	4%	13%	7%	2%
Bathing and showering systems	9%	23%	0%	1%	1%	9%	23%	0%	1%	1%
All others	4%	7%	1%	6%	1%	4%	7%	2%	10%	2%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Sales growth										
Bath faucets and showers	-18%	-14%	-22%	-12%	-1%	-13%	-22%	-16%	-7%	+10%
Toilets	-4%	-4%	-9%	+6%	-4%	-11%	-7%	-29%	-7%	+8%
Kitchen faucets and water systems	-7%	-9%	-8%	+7%	-15%	-8%	-25%	-6%	+35%	-22%
Bathing and showering systems	-15%	-15%	-15%	+17%	-26%	-23%	-23%	-0%	+138%	-25%

(1) See also, p.33, 43-44 of our INTEGRATED REPORT 2023, "GROW GLOBAL WATER BUSINESS" in the LIXIL Playbook
https://ssl4.eir-parts.net/doc/5938/ir_material_for_fiscal_ym41/137633/00.pdf#page=34

Q4 (12 MONTHS) FYE2024 CHANGE IN REVENUE AND CORE EARNINGS



Q4 (3 MONTHS) FYE2024 CHANGE IN REVENUE AND CORE EARNINGS



FYE2024 OTHER INCOME AND EXPENSES, FINANCE INCOME AND COSTS

JPY billion	FYE2023 Results	FYE2024 Results	Increase/ decrease	
Gain on disposal of assets held for sale	5.3	2.2	-3.0	
Gain on disposal of investment property	0.1	6.4	+6.3	
Others	4.4	5.1	+0.7	
Other income	**9.8**	**13.8**	**+4.0**	
Losses on disposal of property, plant and equipment	2.0	1.6	-0.4	
Impairment losses	2.8	4.6	+1.7	
Loss recognized on the measurement to fair value less costs to sell the disposal group held for sale	-	1.1	+1.1	
Others	5.8	13.3	+7.5	
Other expenses	**10.6**	**20.6**	**+10.0**	
Interest income	1.1	1.6	+0.5	
Dividend income	1.4	1.1	-0.2	
Gains on valuation of derivatives	0.4	0.6	+0.2	(A)
Others	0.2	0.2	0.0	
Finance income	**3.1**	**3.7**	**+0.5**	
Interest expense	5.4	10.1	+4.8	
Losses on exchange differences	2.6	2.6	-0.1	(A)
Others	0.3	0.5	+0.2	
Finance costs	**8.3**	**13.2**	**+4.9**	

- Other expenses include costs related to structural reforms
- Finance costs increased due to impacts such as interest rate hikes

(A) Exchange difference losses are paired with gains on valuation of derivatives

	FYE2024 Results	
Gains on valuation of derivatives	0.6	
Losses on exchange differences	-2.6	
Net	-1.9	loss

	FYE2023 Results	
Gains on valuation of derivatives	0.4	
Losses on exchange differences	-2.6	
Net	-2.2	loss

RESULTS AND FORECASTS BY SEGMENT

JPY billion		FYE2023 Results Japan	FYE2023 Results Intl.	FYE2023 Results Total	FYE2024 Results (1) Japan	FYE2024 Results (1) Intl.	FYE2024 Results (1) Total	FYE2024 Results (1) Total YoY%	FYE2025 Full-year Forecast Japan	FYE2025 Full-year Forecast Intl.	FYE2025 Full-year Forecast Total	FYE2025 Full-year Forecast Total YoY%
LWT	Revenue	418.4	496.9	**915.3**	420.5	476.4	**896.9**	-2.0%	439.0	519.0	**958.0**	+6.8%
	CE	25.0	22.3	**47.3**	20.9	1.8	**22.7**	-51.9%	21.0	18.5	**39.5**	+73.9%
	CE margin	6.0%	4.5%	**5.2%**	5.0%	0.4%	**2.5%**	-2.6pp	4.8%	3.6%	**4.1%**	+1.6pp
LHT	Revenue	571.8	26.4	**598.2**	570.7	25.7	**596.4**	-0.3%	595.5	27.5	**623.0**	+4.5%
	CE	18.9	0.5	**19.4**	34.4	1.4	**35.9**	+85.4%	36.5	1.5	**38.0**	+5.9%
	CE margin	3.3%	1.9%	**3.2%**	6.0%	5.6%	**6.0%**	+2.8pp	6.1%	5.5%	**6.1%**	+0.1pp
Cons. Adj. & Others (2)	Revenue			**-17.5**			**-10.1**	-			**-11.0**	-
	CE			**-40.9**			**-35.4**	-			**-42.5**	-
LIXIL (2)	Revenue	990.2	523.3	**1,496.0**	991.3	502.1	**1,483.2**	-0.9%	1,034.5	546.5	**1,570.0**	+5.9%
	CE	43.8	22.8	**25.7**	55.3	3.3	**23.2**	-10.0%	57.5	20.0	**35.0**	+51.1%
	CE margin	4.4%	4.4%	**1.7%**	5.6%	0.7%	**1.6%**	-0.2pp	5.6%	3.7%	**2.2%**	+0.7pp

(1) Reflects reclassification of a subsidiary from Q1 FYE2024 to encompass both LWT and LHT (originally classified only to LHT), reflecting its P&L impact. The reporting segments changed to LWT and LHT. Please refer to p.11 for details

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

PERFORMANCE OF MAJOR INTERNATIONAL SUBSIDIARIES

ASB (ASD Holdings) USD million	FYE2023	FYE2024	YoY
Foreign exchange rate (Average rate)	134.95	**144.40**	-
Revenue	1,355	**1,283**	-5%
Core earnings	-57	**-24**	-
Core earnings margin	-4%	**-2%**	-

Accounting period	FYE2023 Balance	FYE2024 Amortization	FYE2024 Others(1)	FYE2024 Balance
Foreign exchange rate (Current rate for balance, Average rate for amortization)	133.53	144.40	-	**151.41**
Goodwill(2)	247	-	1	**248**
Intangible assets(2)	249	-7	0	**243**

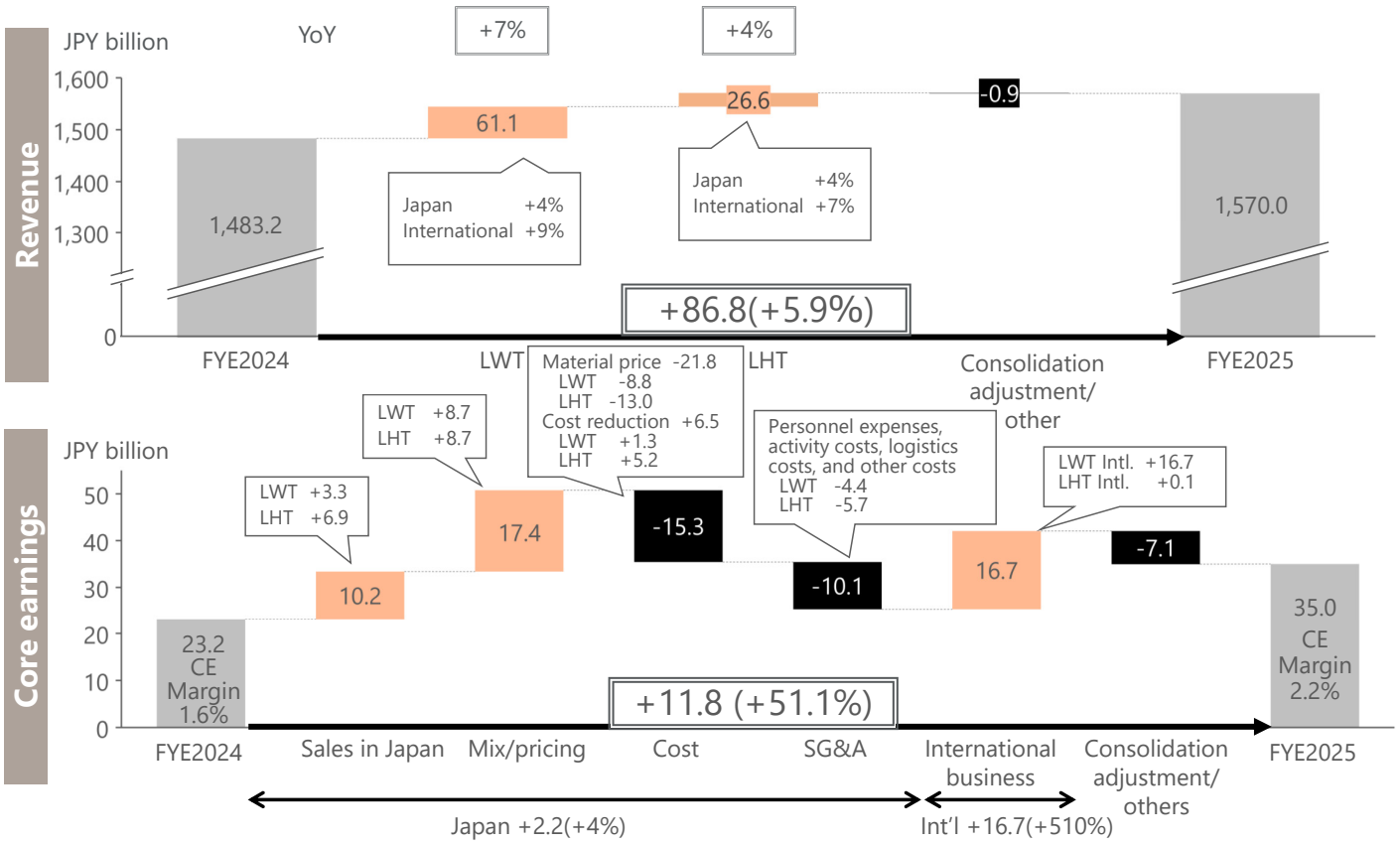
Grohe Group (GROHE) EUR million	FYE2023	FYE2024	YoY
Foreign exchange rate (Average rate)	141.24	**156.80**	-
Revenue	1,780	**1,457**	-18%
Core earnings	189	**23**	-88%
Core earnings margin	11%	**2%**	-9.1pp

Accounting period	FYE2023 Balance	FYE2024 Amortization	FYE2024 Others(1)	FYE2024 Balance
Foreign exchange rate (Current rate for balance, Average rate for amortization)	145.72	156.80	-	**163.24**
Goodwill(2)	1,201	-	-6	**1,195**
Intangible assets(2)	1,404	-11	0	**1,393**

(1) Forex translation differences, and others

(2) Please refer to p50-56 of the FYE2023 Consolidated Financial Statements "14. Goodwill and Other Intangible Assets" for assessment of goodwill and intangible assets https://ssl4.eir-parts.net/doc/5938/ir_material_for_fiscal_ym35/138482/00.pdf#page=51

FYE2025 FORECAST CHANGE IN REVENUE AND CORE EARNINGS



APPENDIX: BUSINESS AND ESG-RELATED TOPICS

CHANGE IN OFFICERS (1)

(Announced on March 25, 2024)

(Effective after the annual shareholders' meeting to be held in June 2024)

List of Directors

(◎: newly appointed June 2024, ☐: independent director, Underline: female member, ✤: Chairperson, ●: Member)

		Name	Chairperson of the Board	Nomination Committee	Audit Committee	Compensation Committee	Governance Committee
Internal Directors(1)		Kinya Seto					
		Hwa Jin Song Montesano					
Outside Directors	☐	Jun Aoki		●		✤	●
	☐	Shigeki Ishizuka			●	●	●
	☐ ◎	Ryusuke Ohori		●	●		●
	☐	Shiho Konno			●		●
	☐	Mayumi Tamura			●		●
	☐	Yuji Nishiura	✤	●		●	●
	☐	Daisuke Hamaguchi			✤		✤
	☐	Mariko Watahiki		✤		●	●

(1) Concurrently serves as an Executive officer

CHANGE IN OFFICERS (2)

(Effective after the annual shareholders' meeting to be held in June 2024)

Newly appointed candidate



Ryusuke Ohori
(Date of Birth: October 31, 1964)

Reason for Appointment
Mr. Ohori has extensive experience as an analyst at a major financial institution and as a chief investment officer at a global asset management company. He also brings deep knowledge of financial and market analysis and risk management, as well as a high level of insight into corporate disclosure. Therefore, he is considered capable of performing the duties of an outside director of the company.

Vitae

Apr. 1987	Joined Nomura Securities Co.,Ltd.
May. 1996	Joined JPMorgan's Investment Management Division (currently JPMorgan Asset Management (Japan) Limited)
Jan. 2001	Head of Research, JPMorgan (Japan)
Jan. 2009	Head of JPM Investment Department and Chief Investment Officer for Japanese Equities, JPMorgan
Oct. 2017	Director, Institutional Investors Collective Engagement Forum (incumbent)
Jun. 2020	Outside Director, Maeda Road Construction Co., Ltd (incumbent)

❯ CHANGE IN OFFICERS (3)

(Announced on March 25, 2024)

(as of April 1, 2024)

List of Executive Officers

(※concurrently serves as a director, ◎: newly appointed, Underline: female member)

Name		Positions
Kinya Seto	※	Representative Executive Officer, President, and Chief Executive Officer
Hwa Jin Song Montesano	※	Representative Executive Officer, Executive Vice President, Human Resources, Communications, External Affairs, and Impact Strategy, and Chief People Officer
Yugo Kanazawa		Executive Officer, Executive Vice President, Marketing and Digital, Chief Digital Officer
Bijoy Mohan		Executive Officer, Executive Vice President, LIXIL International
Satoshi Yoshida		Executive Officer, Executive Vice President, LIXIL Housing Technology (LHT)
Hiroyuki Oonishi		Executive Officer, Executive Vice President, LIXIL Water Technology (LWT) Japan
Shoko Kimijima		Executive Office, Executive Vice President, Legal, Compliance, and Corporate Audit, and Chief Legal and Compliance Officer
Mariko Fujita	◎	Executive Officer, Executive Vice President, Finance, Treasury, M&A, IR, and Chief Financial Officer

❯ BUSINESS AND ESG RELATED TOPICS

Contribute to Decarbonized Society and Circular Economy

Expanding adoption and increasing production of *PremiAL,* a low-carbon building material using recycled aluminum



- *PremiAL R70* adoption cases
  - ✓ Taisei Group's Next Generation Technology Laboratory(1)
  - ✓ Seven-Eleven stores(2)
- By using *PremiAL R70*, CO_2 emissions from raw material procurement, transportation, and production are reduced by approximately 55% from aluminum profiles made from 100% new metal(3)
- Expanded production base to five factories, both in Japan and international markets

Contribute to CO_2 Emission Reduction Through Our Products

Launched entrance and gate facade products that lead to fewer redeliveries(4)



- Added four new lineups to *Functional Gatepost Series,* with delivery boxes to reduce redeliveries by logistics companies
- Wide range of colors and variations to harmonize with a variety of housing styles
- Responding to new government regulations to limit logistics workloads from April this year, and reducing CO_2 emissions through a reduction in redeliveries

(1) News release https://newsroom.lixil.com/ja/2024031301 (JP only)
(2) News release https://newsroom.lixil.com/ja/2024031501 (JP only)
(3) Company research
(4) News release https://newsroom.lixil.com/ja/2024020102 (JP only)

› BUSINESS AND ESG RELATED TOPICS

Making Better Homes a Reality Through Innovation

Launched the new self-cleaning tankless toilet, *SATIS X*, that maintains cleanliness(1)



- Developed a new concept toilet aimed at reducing the cleaning required and facilitating a more comfortable lifestyle
- Equipped with *Ultimate Triple Water Flow* and *Foam Clean* functions that self-clean both visible dirt and invisible dirt
- As the Japan business for water and tiles celebrates its 100th anniversary, LIXIL is creating innovation based on revolutionary technology and insights

Facilitate Water Sustainability With Innovation

Creating new business from innovation program of Tuck(2) and LIXIL(3)



- LIXIL's brand Hydrific launches the cutting-edge water usage sensor, *Droplet*, in the US
- *Droplet* monitors water consumption in homes and enables consumers to use water more efficiently and reduce rising water bills
- Launched crowdfunding on Kickstarter. Secured funds far exceeding the initial target amount

LIXIL

(1) News release https://newsroom.lixil.com/ja/2024030601 (JP only)
(2) Tuck School of Business at Dartmouth College (of the US)
(3) News release https://www.hydrificwater.com/news/news/hydrifics-cutting-edge-smart-home-water-sensor-droplet-launches-on-kickstarter

› BUSINESS AND ESG RELATED TOPICS

Tackling Global Sanitation and Hygiene Issues

LIXIL named first commercial license partner for Reinvented Toilet technologies(1)



- Further progress towards the commercialization of innovative toilet technology through collaboration with the Georgia Institute of Technology and the Bill & Melinda Gates Foundation
- Unlike conventional toilets, *Generation 2 Reinvented Toilet* (*G2RT*) does not require infrastructure development such as a connection to sanitation grids or septic systems
- Enabling access to sanitation in communities where sewage infrastructure is not available

External Recognition of D&I Initiatives

Received numerous D&I recognitions in promoting our Global People Strategy

Selected as a component of the Nadeshiko Brand initiative for the eighth time, jointly conducted by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (March 2024)

Ranked among the TOP 10 Companies in Japan in the Equileap's Gender Equality Global Report and Ranking 2024 (March 2024)

Selected as a constituent of the best Gender Equality Scores group "Group 1" of the Morningstar® Japan ex-REIT Gender Diversity Tilt Index℠ by Morningstar (January 2024)

Please see our website(2) for the disclaimer

Selected as the "White 500" for the second consecutive year within the "Health and Productivity Management Outstanding Organization", jointly conducted by METI and the Nippon Kenko Kaigi, Japan (March 2024)

Please refer to the next page for other external recognitions

LIXIL

(1) News release https://newsroom.lixil.com/20240321_g2rt
(2) LIXIL website External Evaluations & Awards https://www.lixil.com/en/about/evaluation.html

EXTERNAL RECOGNITION

MSCI ESG Ratings
Received a rating of AAA in the MSCI ESG Ratings (March 2024, two consecutive years)
Please see our website(1) for the disclaimer

Science Based Targets initiative (SBTi)(2)
LIXIL's 2050 long-term net-zero targets verified by the Science Based Targets initiative (SBTi), first in Japan's building materials Industry (March 2024)

CDP(3)
Earned a place in CDP's Climate Change A List (February 2024)

Dow Jones Sustainability Indices
Selected as a constituent of the DJSI World Index for five consecutive years and the DJSI Asia Pacific Index for seven consecutive years, created by S&P Global (December 2023)

S&P/JPX Carbon Efficient Index
Selected as a constituent of the S&P/JPX Carbon Efficient Index, created by S&P Dow Jones Indices
(July 2023, six consecutive years)

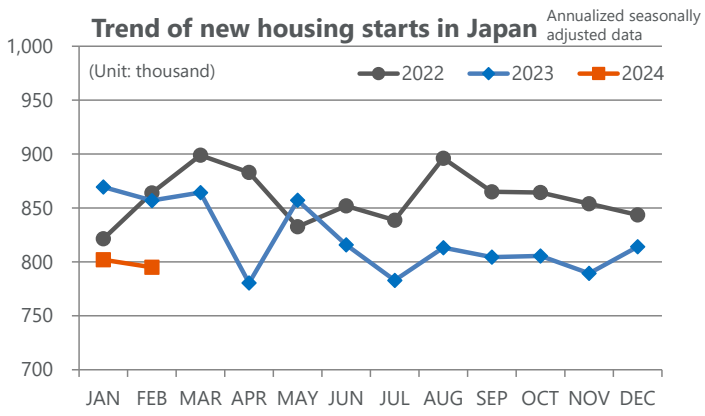
MSCI Japan Empowering Women Index (WIN)
Selected as a constituent of the MSCI Japan Empowering Women Index (WIN)
(June 2023, seven consecutive years)
Please see our website(1) for the disclaimer

FTSE Russell Indexes(4)
Selected as a constituent of the FTSE Blossom Japan Sector Relative Index for two consecutive years, the FTSE4Good Index Series and the FTSE Blossom Japan Index for seven consecutive years created by FTSE Russell (June 2023)

FTSE4Good FTSE Blossom Japan FTSE Blossom Japan Sector Relative Index

(1) LIXIL website https://www.lixil.com/en/about/evaluation.html
(2) News release https://newsroom.lixil.com/20240403_sbt_netzero
(3) News release https://newsroom.lixil.com/20240208_cdp
(4) FTSE4Good Index Series https://www.lseg.com/en/ftse-russell/indices/ftse4good/
FTSE Blossom Japan Index https://www.lseg.com/en/ftse-russell/indices/blossom-japan

MARKET TRENDS



Source：Statistics of new housing starts, Ministry of Land, Infrastructure, Transport and Tourism（Jan. 2022-Feb 2024）

New housing construction trends in Japan（year-on-year）
- Jan-Feb 2024: -7.8%
- Jan-Dec 2023: -4.6%

	Jan-Dec 2023 (12 months)		Apr-Feb 2024 (11 months)	
	Units	YoY	Units	YoY
Total new housing starts	**819,623**	-4.6%	**735,911**	-6.5%
Owner-occupied(1)	**224,352**	-11.4%	**202,985**	-12.0%
Rental homes	**343,894**	-0.3%	**312,191**	-0.8%
Condos for sale	**107,879**	-0.3%	**91,264**	-11.0%
Detached houses for sale(2)	**137,286**	-6.0%	**123,502**	-7.0%
Detached houses total(1)+(2)	**361,638**	-9.4%	**326,487**	-10.2%





Foreign exchange rates (Average rate)	FYE2023 Actuals	FYE2024 Actuals	FYE2025 Assumptions
US dollar	JPY134.95	JPY144.40	JPY150.0
Euro	JPY141.24	JPY156.80	JPY162.0

(JPY per tonne)

Results and assumptions (price)	FYE2023 Actuals	FYE2024 Actuals	FYE2025 Assumptions
Aluminum (Purchasing price)	392,000	335,000	400,000
Copper alloy	989,000	1,009,000	1,096,000

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 Corporation cautions that a number of factors could cause actual results to differ materially from those discussed in the forward-looking statements.

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