

› Q3 Results for the Fiscal Year Ending March 31, 2020 (IFRS)

(From April 1, 2019, to December 31, 2019)

LIXIL Group Corporation

January 31, 2020



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

JGAAP	IFRS (LIXIL Group Financial Reporting)
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	Net profit
attributable to Non-controlling interests	attributable to Owners of the parent
attributable to Owners of the parent	attributable to Non-controlling interests

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

KEY HIGHLIGHTS

Japan business continues to lead revenue and profit growth over nine months

Strong H1 performance in Japan offsets decrease in demand following tax hike⁽¹⁾

- **Revenue: JPY 1,396.5 billion, increased 1.1% year-on-year**

Japan: increased 2.8% year-on-year, driven by LIXIL Water Technology (LWT), LIXIL Housing Technology (LHT), and Distribution & Retail (D&R) businesses but impacted from November onward by consumption tax hike

Overseas: decreased 3.5% year-on-year due to changing market conditions in North America, slowdown of markets in Asia Pacific regions, and the impact of the Euro-to-Yen exchange rate⁽²⁾ (Note: overseas sales increased by 1.0% on a local currency basis)

- **Core earnings: JPY 51.7 billion, increased 39.3% year-on-year**

Japan: all businesses except D&R contributed to higher core earnings, benefitting from strong first-half demand for new housing and renovation prior to the consumption tax hike, cost improvement initiatives, and product price revisions

Overseas: despite decrease in sales, core earnings increased due to changes in the sales mix

- **Net profit⁽³⁾: JPY 30.7 billion, increased 28.6 billion year-on-year**

Profit before tax increased by JPY 17.0 billion due to increase in core earnings and gain on sales of subsidiaries/interest in former affiliated company (JPY 12.4 billion) in H1

Full-year forecasts remain unchanged while we continue to assess the reactionary impact of the consumption tax hike on demand and the effect of recovering from the delay of medium-term initiatives



(1) Consumption tax hike effective October 1, 2019

(2) Forex: Q3 FYE2019 Results 1EUR = 129.38JPY, Q3 FYE2020 Results 1EUR = 121.46JPY

(3) Net profit = Net profit attributable to owners of the parent

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Q3 FYE2020 CONSOLIDATED BUSINESS RESULTS

JPY: billion	Q3	Q3	YoY	
	9 months	9 months	Increase/	%
	FYE2019	FYE2020	decrease	
	Results	Results		
Revenue	1,381.2	1,396.5	15.3	1.1%
Other businesses	1,260.9	1,285.5	24.6	+2.0%
Permasteelisa	120.3	111.0	-9.3	-7.7%
Gross Profit	415.2	435.7	20.5	4.9%
(%)	30.1%	31.2%	+1.1pp	-
Core Earnings⁽¹⁾	37.1	51.7	14.6	39.3%
(%)	2.7%	3.7%	+1.0pp	-
Other businesses	46.2	59.2	12.9	+28.0%
Permasteelisa	-9.1	-7.5	1.6	-
Net Profit⁽²⁾	2.1	30.7	28.6	-

- Revenue: increased due to favorable demand in H1 in Japan (Japan +2.8%, overseas -3.5%)⁽³⁾

- Core earnings: margin improved by 1.0pp. Improvement of gross profit margin remains +1.1pp. Sales to SG&A ratio remained at the same level as the prior fiscal year. (Note: core earnings margin excluding Permasteelisa was 4.6%)



(1) Equivalent to "Operating profit" of JGAAP

(2) Net profit attributable to owners of the parent

(3) Overseas sales grew by 1.0% excluding forex impact

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Q3 BUSINESS RESULTS BY SEGMENT (3 AND 9 MONTH PERIODS)

➤ **9-month period:** Increase in revenue and core earnings continued to be driven by core housing and water businesses

3-month period: Decrease in revenue and core earnings due to the decline in demand after consumption tax hike and the absence of demand generated by natural disasters in the previous fiscal year in Japan

JPY billion		Q3 3 months				Q3 9 months			
		FYE2019 (A)	FYE2020 (B)	Amount (B)-(A)		FYE2019 (A)	FYE2020 (B)	Amount (B)-(A)	
				Forex				Forex	
LWT ⁽¹⁾	Revenue	218.5	212.8	-3.8	-5.7	620.5	623.6	-11.5	3.1
	CE	20.6	18.9	-0.3	-1.7	46.1	52.2	-1.1	6.1
LHT ⁽¹⁾	Revenue	147.9	138.1	0.0	-9.8	404.9	417.1	-0.2	12.2
	CE	11.4	8.4	0.0	-3.0	16.0	26.6	0.0	10.6
LBT	Revenue	72.1	66.3	-2.3	-5.8	202.4	193.9	-7.4	-8.5
	CE	-4.4	-2.1	0.3	2.3	-8.1	-6.3	0.6	1.8
D&R	Revenue	48.1	47.0	-	-1.1	136.0	142.2	-	6.2
	CE	2.9	1.7	-	-1.2	7.6	6.9	-	-0.7
H&S	Revenue	14.8	13.8	-	-1.0	41.0	40.6	-	-0.4
	CE	1.2	0.9	-	-0.3	2.6	2.7	-	0.1
Consolidation, adj. & other ⁽¹⁾	Revenue	-8.4	-7.0	-	1.5	-23.6	-21.0	-	2.6
	CE	-8.4	-10.5	-	-2.1	-27.1	-30.4	-	-3.3
LIXIL Group	Revenue	493.0	471.0	-6.2	-22.0	1,381.2	1,396.5	-19.1	15.3
	CE	23.4	17.3	-0.1	-6.1	37.1	51.7	-0.5	14.6



(1) Due to growing importance from Q2 FYE 2020 within the "Housing Technology Business" for some domestic subsidiaries that were previously classified as the "Water Technology Business", the reporting segment for those subsidiaries are separated to the Housing and Water Businesses

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JAPAN BUSINESS HIGHLIGHTS (3 MONTHS PERIOD)

➤ Japan business progressing in line with full-year projections so far despite the decrease in revenue and core earnings following the consumption tax hike. Full-year forecasts remain unchanged while considering impact of consumption tax and initiatives to achieve the MTP

JPY billion		Q3 3 months			Q3 9 months			FYE2020 full-year f'cst
		FYE2019 (A)	FYE2020 (B)	Amount (B)-(A)	FYE2019 (A)	FYE2020 (B)	Amount (B)-(A)	Progress
LWT ⁽¹⁾	Revenue	117.9	114.4	-3.5	325.9	333.1	7.2	76.6%
	CE	12.8	10.3	-2.5	23.1	27.4	4.3	115.7%
LHT ⁽¹⁾	Revenue	145.4	136.4	-9.1	396.9	410.6	13.7	77.8%
	CE	11.1	8.9	-2.1	16.2	27.1	10.9	100.7%
LBT	Revenue	29.5	30.1	0.7	82.1	82.9	0.8	71.5%
	CE	0.4	0.8	0.4	1.1	1.4	0.3	61.8%
D&R	Revenue	48.1	47.0	-1.1	136.0	142.2	6.2	75.6%
	CE	2.9	1.7	-1.2	7.6	6.9	-0.7	111.4%
H&S	Revenue	14.8	13.8	-1.0	41.0	40.6	-0.4	71.2%
	CE	1.2	0.9	-0.3	2.6	2.7	0.1	80.5%
LIXIL Group	Revenue	355.8	341.7	-14.0	981.9	1,009.4	27.5	76.2%
	CE	28.3	22.6	-5.8	50.7	65.5	14.8	104.9%



(1) Due to growing importance from Q2 FYE 2020 within the "Housing Technology Business" for some domestic subsidiaries that were previously classified as the "Water Technology Business", the reporting segment for those subsidiaries are separated to the Housing and Water Businesses

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MEDIUM TERM STRATEGY – “ESTABLISH A PURPOSE-DRIVEN ENTREPRENEURIAL COMPANY FOR SUSTAINABLE GROWTH” (1)

Start of Consideration of Merger between LIXIL Group Corp. and its subsidiary

LIXIL Group Corporation (LGC), the holding company of the LIXIL Group, will start consideration of dissolving the two-tier structure of LGC and LIXIL Corporation, the largest operating company of LIXIL Group in Japan, to improve management efficiency, and improve corporate governance by increasing the transparency of management⁽¹⁾

■ Background

LIXIL Group is in the process of transforming its operations in order to become an entrepreneurial company that can achieve sustainable competitiveness and growth, in order to fulfill our corporate purpose to contribute to society by making better homes a reality for everyone, everywhere

To achieve this aim, the company is taking steps to transform its operations, including strengthening governance, enhancing productivity and efficiency, as well as becoming a more agile organization that enables better decision-making.

■ Future outlook

As the considered merger is between LGC and its 100% of consolidated subsidiary, there will be no negative impact on LIXIL Group's consolidated financial performance. LGC will announce the details once it is agreed and determined

■ Purpose of the merger

1. Enable faster decision-making by dissolving the two-tier structure
2. Improve efficiency by eliminating duplication of management, operating costs and human resources
3. Improve corporate governance by increasing transparency of management

■ Future plans

Establish a project team and consider the method of the merger, the timing of the completion of the merger, and the management structure after the merger, etc.



(1) Timely disclosure announced on Jan. 27, 2020 <https://ssl4.eir-parts.net/doc/5938/tdnet/1785907/00.pdf>

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MEDIUM TERM STRATEGY – “ESTABLISH A PURPOSE-DRIVEN ENTREPRENEURIAL COMPANY FOR SUSTAINABLE GROWTH” (2)

Comprehensive HR Program to Revitalize LIXIL's Japan Business

LIXIL has launched a comprehensive series of employee-focused initiatives to transform its Japan operations, in line with its overall strategy to build a more agile, consumer-centric organization to achieve sustainable growth⁽¹⁾

Employee-focused initiatives

Objectives

1. Create a more consumer-centric organization, enhancing customer-experience
2. Bring fresh perspectives and energy to management positions
3. Enable more flexible working styles, allowing to work more efficiently

Career Option Program ⁽²⁾

- **Overview** : Permanent employees in Japan who have reached a certain age with certain duration of service can select the option of pursuing opportunities outside the company before the usual statutory retirement age
- **Duration** : 5 years
- **Application period for the 1st year** : 2020/2/17~2/28
- **Costs** such as premium payment will be accrued in 4Q under SG&A

Work Consumer-centrally

Reallocate employees with strong LIXIL DNA, knowledge, and experience in direct consumer engagement roles in Japan

Manage Career Paths

Support career planning, shift to a meritocracy-based system, introduce a new performance review system, offer a “Career Option Program”⁽²⁾, etc.

Change Working Styles

Encourage employees to take paid holidays, enhance personnel measures such as flextime, teleworking, satellite offices, etc.



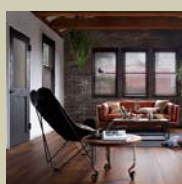
(1) News release announced on November 25, 2019 https://www.lixil.com/en/news/pdf/20191125_Kawaranaito_E_Final.pdf
(2) Timely disclosure announced on November 25, 2019 <https://ssl4.eir-parts.net/doc/5938/tdnet/1773640/00.pdf>

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RESULTS BY BUSINESS SEGMENT



Water Technology



Housing Technology



Building Technology



Distribution and Retail Business



Housing and Services Business

WATER TECHNOLOGY

Increase in revenue and core earnings driven by Japan. Overseas revenue and core earnings continue to improve following upward trend in H1

Apr-Dec In JPYbn		Q3 FYE2020 (result)	YoY	FYE2020 (forecast)		
Revenues by Region ⁽¹⁾	Americas	105.3	-2%	+2%		
	EMEA	126.5	+5%	+2%		
	Asia Pacific	79.8	-3%	+8%		
	Japan	333.1	+2%	0%		
	Adjustments	-21.2				
	Water Technology	623.6	+1%		860.0	+3%
			CE margins		CE margins	
Core earnings by Region ⁽¹⁾	Americas	6.3	+39%	6%	+51%	7%
	EMEA	17.8	+16%	14%	+10%	14%
	Asia Pacific	7.1	+1%	9%	+32%	10%
	Japan	27.4	+18%	8%	-19%	5%
	Adjustments	-6.5				
	Water Technology	52.2	+13%		64.8	+8%
	Margin	8.4%	+0.9pp		7.5%	

Americas

- ✓ Despite positive sales from new focus areas such as projects and direct-to-consumer renovation business, revenue decreased overall due to the challenging situation in major channels, such as retail and wholesale. CE increased due to pricing improvement resulting from change in sale mix, as well as SG&A efforts

EMEA

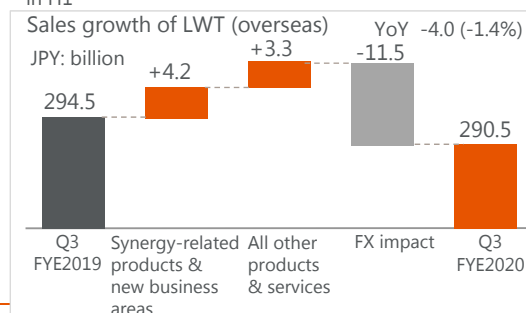
- ✓ Strong revenue growth in Central Europe, Eastern Europe, and the Middle East. Overall, revenue increased by 8% YoY in Europe. Operations in South Africa stabilizing and degree of losses halved

Asia Pacific

- ✓ Despite China remaining strong, revenue remained flat due to US-China trade friction impact spreading to South East Asian markets.

Japan

- ✓ Despite the reactionary impact from the consumption tax hike from November, revenue and core earnings increased over 9-month period, supported by strong market demand in H1



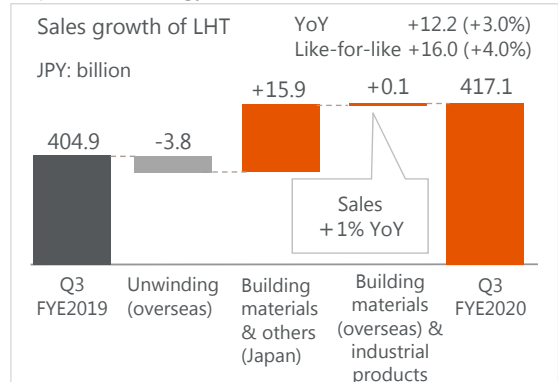
HOUSING TECHNOLOGY

Revenue and core earnings increased due to favorable demand prior to the consumption tax hike in Japan and lower manufacturing costs. Core earnings margin improved due to favorable sales of exteriors and wooden interior furnishing materials, which contributed to improved product mix

Apr-Dec In JPYbn		Q3 FYE2020 (result)	YoY	FYE2020 (forecast)	
Revenues by Region	Japan	410.6	+3% ⁽¹⁾		0%
	Overseas	6.6	-18% ⁽²⁾		-35%
	Housing Technology	417.1	+3%	535.0	-1%
Core Earnings	Housing Technology	26.6	+66%	25.9	25%
	Margin	6.4%	+2.4pp	4.8%	

Japan

- Revenue and CE continued to increase over 9-month period despite the reactionary decline in demand from the consumption tax hike and the absence of demand for exterior products generated by natural disasters in the previous fiscal year
- CE margin improved by 2.4pp YoY supported by productivity optimization (cost reductions) from favorable sales of exteriors and wooden interior furnishing materials as well as progress of the platform strategy



(1) +4%YoY growth excluding impact from divestment and other
(2) +9%YoY growth excluding impact from divestment and other

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BUILDING TECHNOLOGY

Revenue decreased due to impact of foreign exchange rates and selective order intake. While, negative core earnings improved due to progression of the revitalization plan

Apr-Dec In JPYbn		Q3 FYE2020 (result)	YoY	FYE2020 (forecast)	
Revenues by Region	Japan	82.9	+1%		+3%
	Overseas	111.0	-8% ⁽¹⁾		+3%
	Building Technology	193.9	-4%	263.0	+3%
Core Earnings	Building Technology	-6.3	+1.8	-9.7	-
	Margin	Red figure	-	Red figure	

Japan

- Revenue and CE increased due to completion of a major project in Q3

Overseas (Permasteelisa)

- Revenue decreased mainly due to forex impact⁽¹⁾ for yen appreciation. Revenue decreased 1% for euro denominated
- Operating loss generally remained at the same level as the previous fiscal year

Implementing business plan⁽²⁾ to revitalize Permasteelisa by improving cash flow and recovering profitability

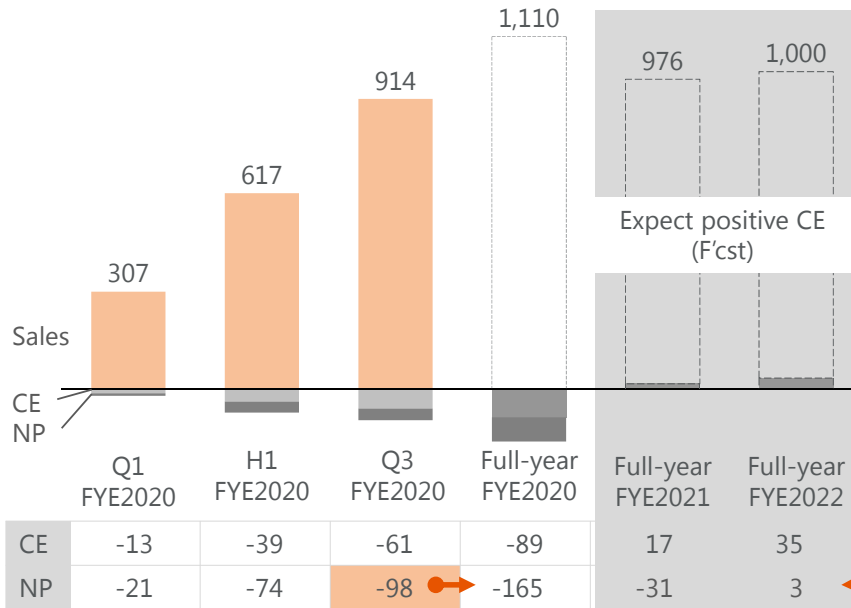
(1) Forex impact due to difference between Q3 FYE2019 Results (EUR 1 = JPY 129.38) and Q3 FYE2020 Results (EUR 1 = JPY 121.46) (Forex in statutory basis)

(2) Reference: "Announcement Regarding Revision of the Full-year Forecast on Business Performance for the Fiscal Year Ended March 2019 due to Recognizing Loss from an Overseas Subsidiary and Recording Extraordinary Loss from a Subsidiary in Japan", disclosed on Apr. 18, 2019

UPDATE ON PERMASTEELISA

➤ About progression of revitalization plan

Quarterly results (accumulated) and annual forecast of Permasteelisa ⁽¹⁾
(Unit : EUR million)



Financial results

Sales and profits in line with annual forecast

Revitalization plan updates

Implementing restructuring plan to optimize supply chain in order to reduce fixed costs

Implementing selective order-intake and project management

Injecting cash in order to execute revitalization plan and operate business

(By Q3 in FYE2020: EUR 100 mil.)

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After consolidation adjustment figures. CE=Core Earnings, NP=Net Profit

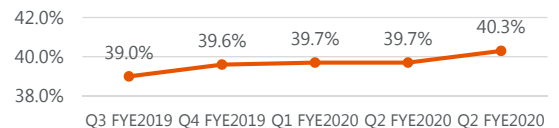
⁽¹⁾ "Announcement Regarding Revision of the Full-year Forecast on Business Performance for the Fiscal Year Ended March 2019 due to Recognizing Loss from an Overseas Subsidiary and Recording Extraordinary Loss from a Subsidiary in Japan", disclosed on Apr. 18, 2019

DISTRIBUTION & RETAIL AND HOUSING & SERVICES

➤ Revenue up due to increase in renovation-related product sales at existing stores. Core earnings decreased due to increased costs, including for distribution

Apr-Dec In JPYbn		Q3 FYE2020 (result)	YoY	FYE2020 (forecast)
D&R	Revenue ⁽¹⁾	142.2	+5%	188.0 +7%
	Core Earnings ⁽¹⁾	6.9	-9%	6.2 -20%
	Margin ⁽¹⁾	4.9%	-0.7pp	3.3%

- Opened 5 stores over nine-month period. Expect to open 7 stores over the full year
- Started operation of new distribution center in Higashimatsuyama city, Saitama, in September
- Higher composition of revenue recognized from sales of renovation-related products (YoY +1.3pp)

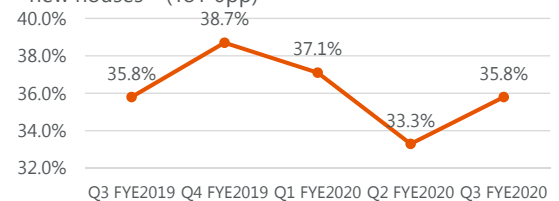


Aiming for renovation goods revenue ratio of 50% in the medium to long term

➤ Core earnings increased. Maintained revenue composition for businesses other than for new houses with BtoC growth despite the absence of sale of a major real estate

Apr-Dec In JPYbn		Q3 FYE2020 (result)	YoY	FYE2020 (forecast)
H&S	Revenue	40.6	-1% ⁽³⁾	57.0 -1%
	Core Earnings	2.7	+3%	3.3 -4%
	Margin	6.5%	+0.2pp	5.8%

- Revenue composition for businesses other than for new houses⁽²⁾ (YoY 0pp)



Aiming for revenue composition for businesses other than for new houses of 50% for mid to long term

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⁽¹⁾ Distribution & Retail disclosed as of IFRS basis; Reference: JGAAP is 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

⁽³⁾ +1%YoY growth excluding impact from divestment of Senior Life Company

CONSOLIDATED FINANCIAL POSITION

JPY: billion	[A]	[B]	Increase/ decrease		
	Mar-2019	Dec-2019	Impacts from application of IFRS 16 ⁽³⁾	Others (Increase/ decrease)	[B]-[A] Total of the increase / decrease
Cash and cash equivalents	141.4	145.8	-	4.4	4.4
Trade and other receivables	401.7	388.8	-	① -12.8	-12.8
Inventories	234.6	244.7	-	① 10.1	10.1
Assets held for sale	11.4	-	-	-11.4	-11.4
Others	1,270.4	1,426.5	166.3	② -10.2	156.1
Total Assets	2,059.5	2,205.9	166.3	-20.0	146.4
Trade and other payables	392.4	377.8	-	① -14.6	-14.6
Interest-bearing debt	726.0	890.0	166.3	-2.3	164.0
Liabilities directly associated with the assets held for sale	5.0	-	-	-5.0	-5.0
Others	369.0	360.3	-	-8.7	-8.7
Total Liabilities	1,492.4	1,628.0	166.3	-30.7	135.7
Treasury shares	-48.9	-48.9	-	0.0	0.0
Others	616.1	626.8	-	10.7	10.7
Total Equity	567.2	577.9	-	10.7	10.7
(1) Equity Ratio (%)	25.9%	③ 24.7%	-	-	-1.3pp
(2) Net Assets per Share (Yen)	1,839.59	1,875.00	-	-	35.41
Number of Shares (in thousands)	290,095	290,101	-	-	6
Net interest-bearing debt	584.5	③ 744.2	-	-	159.6

① Increased/ decreased due to seasonal factors

② Decreased due to forex impact (strong yen against the euro) and divestment of a subsidiary, etc.

③ Excluding the impact from the application of IFRS16: Equity ratio is 26.7% (+0.8pp from Mar.2019)

Net interest-bearing debt is JPY577.8 billion (JPY-6.7 billion from Mar. 2019)

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

(3) Due to the mandatory adoption of the new accounting standard (IFRS16 "Leases") from April 2019. Impact amount as of the beginning of this term (April 1, 2019)

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CASH FLOW STATUS AND CASH BALANCE

JPY: billion	Q3 FYE2019	Q3 FYE2020	Increase/ decrease
Profit before tax	36.2	53.2	17.0
Depreciation and amortization	51.0	80.0	① 29.1
Income taxes paid	-26.1	-13.7	12.4
Working capital	-29.7	-10.2	19.5
Others ⁽¹⁾	-5.4	-8.5	-3.1
Net cash flows from operating activities	26.0	100.9	② 74.9
Net cash flows from investing activities	-52.3	-20.6	③ 31.7
(of which purchase of property, plant and equipment and intangible assets)	-48.3	-46.9	1.4
Free cash flows	-26.3	80.2	④ 106.5
Net cash flows from financing activities	15.1	-77.1	① ⑤ -92.3
	∴	∴	∴
Cash and cash equivalents (Balance at the end of the period)	130.6	145.8	15.1

① The impact of applying the new accounting standard (IFRS 16):

Net cash flows from operating activities (increase in Depreciation and amortization) JPY +29.1billion

Net cash flows from financing activities (increase in payment of lease liabilities) JPY -28.0 billion

② Net cash inflows from operating activities increased by JPY 74.9 billion from increase in profit before tax and improvement in working capital

③ Cash outflows from investing activities decreased by JPY 31.7 billion primarily due to the proceeds from transfer of shares of a consolidated subsidiary and sale of interest in former associate

④ **Free cash flows** increased year-on-year by JPY 106.5 billion (excl. IFRS16 impact: JPY77.5 billion)

⑤ Net cash outflows from financing activities increased due to increase in payment of lease liabilities of JPY 28.0 billion and decrease in external procurement of working capital by JPY 92.3 billion, resulting from increase in net cash flows from operating activities.

(1) primarily, gain on disposal of interest in a former associate, JPY 11.0 billion

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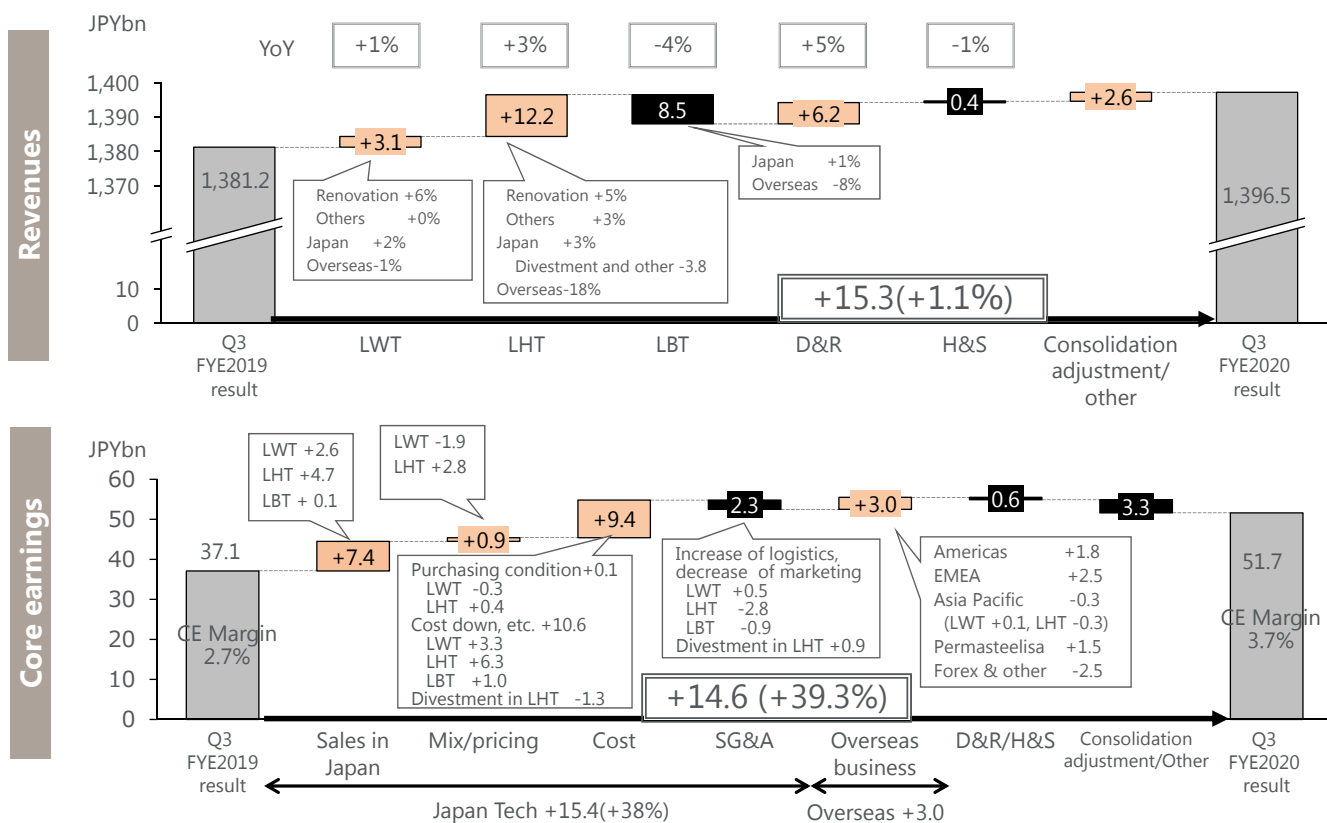
› APPENDIX

Q3 (9 MONTHS) FYE2020 CONSOLIDATED BUSINESS RESULTS (DETAIL)

JPY: billion	Q3 FYE2019	Q3 FYE2020	YoY		FYE2020
	Results	Results	Amount Increase/decrease	%	Full-year forecasts
Revenue	1,381.2	1,396.5	15.3	1.1%	1,850.0
(Existing) Continuing operations	1,260.9	1,285.5	24.6	+2.0%	1,703.0
Permasteelisa	120.3	111.0	-9.3	-7.7%	147.0
Core Earnings⁽¹⁾	37.1	51.7	14.6	39.3%	47.0
(Existing) Continuing operations	46.2	59.2	12.9	+28.0%	59.0
Permasteelisa	-9.1	-7.5	1.6	-	-12.0
Operating Profit	38.3	45.7	7.4	19.3%	38.0
(Existing) Continuing operations	44.9	56.0	11.0	+24.6%	57.9
Permasteelisa	-6.6	-10.3	-3.7	-	-19.9
Net Profit⁽²⁾	2.1	30.7	28.6	-	15.0
(Existing) Continuing operations	24.5	42.6	18.1	+73.9%	36.9
Permasteelisa	-22.4	-11.9	10.4	-	-21.9
EPS (yen)	7.36	105.79	98.43	-	51.71
EBITDA⁽³⁾	88.1	131.8	43.6	49.5%	150.4
(%)	6.4%	9.4%	+3.1pp	-	8.1%

■ Impact of applying IFRS 16 included in EBITDA for Q3 (9 months) FYE2020 is JPY 29.1 billion (increase in EBITDA)

Q3 FYE2020 INCREASE / DECREASE OF SALES AND CORE EARNINGS



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Q3 FYE2020 OTHER INCOME AND OTHER EXPENSES, FINANCE INCOME AND FINANCE COSTS, PROFIT FROM DISPOSAL OF SHARES OF ASSOCIATES

JPY: billion	Q3 FYE2019	Q3 FYE2020	Increase/decrease
Rental income	5.0	4.4	-0.6
Gains on sale of property, plant and equipment	0.2	1.0	0.9
Gains on sales of subsidiaries	-	1.4	1.4
Gains on sale of investment property	0.6	0.6	0
Loss recognized on the remeasurement of the disposal group held for sale (gain on reversal)	2.0	-	-2.0
Other	3.7	4.3	0.6
Other Income	11.6	11.8	0.2
Costs of rent	3.2	3.3	0.1
Losses on sale or disposal of property, plant and equipment	1.8	1.2	-0.6
Impairment losses	1.5	6.8	5.3
Restructuring costs	-	1.3	1.3
Other	4.0	5.3	1.3
Other Expenses	10.4	17.9	7.4
Interest income	1.0	1.1	0.1
Dividend income	1.5	1.5	0
Gains on valuation of derivatives	1.4	0.2	-1.2 (1)
Other	1.3	-	-1.3
Finance Income	5.1	2.8	-2.4
Interest expense	4.0	4.7	0.8
Exchange difference losses	3.0	1.4	-1.6 (1)
Other	0.1	0	-0.1
Finance Costs	7.1	6.2	-0.9
Profit from disposal of share of associates	-	11.0	11.0

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

	Q3 FYE2020 result
Gains on valuation of derivatives	0.2
Exchange difference losses	-1.4
Net	-1.3 Loss



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RESULTS AND FORECASTS BY SEGMENT

JPY: billion		Q3 FYE2019 Results			Q3 FYE2020 Results				FYE2020 Forecasts			
		Japan	Overseas	Total	Japan	Overseas	Total	Total YoY%	Japan	Overseas	Total	Total YoY%
LWT	Revenue	325.9	294.5	620.5	333.1	290.5	623.6	0.5%	435.0	425.0	860.0	3.2%
	Core earnings	23.1	23.0	46.1	27.4	24.8	52.2	13.2%	23.7	41.1	64.8	7.5%
	CE margin	7.1%	7.8%	7.4%	8.2%	8.5%	8.4%	+0.9pp	5.4%	9.7%	7.5%	+0.3pp
LHT	Revenue	396.9	8.0	404.9	410.6	6.6	417.1	3.0%	528.0	7.0	535.0	-1.1%
	Core earnings	16.2	-0.2	16.0	27.1	-0.5	26.6	65.8%	26.9	-1.0	25.9	25.2%
	CE margin	4.1%	-	4.0%	6.6%	-	6.4%	+2.4pp	5.1%	-	4.8%	+1.0pp
LBT	Revenue	82.1	120.3	202.4	82.9	111.0	193.9	-4.2%	116.0	147.0	263.0	2.7%
	Core earnings	1.1	-9.3	-8.1	1.4	-7.7	-6.3	-	2.3	-12.0	-9.7	-74.6%
	CE margin	1.4%	-	-	1.7%	-	-	-	2.0%	-	-	-
D&R	Revenue	136.0	-	136.0	142.2	-	142.2	4.6%	188.0	-	188.0	6.6%
	Core earnings	7.6	-	7.6	6.9	-	6.9	-9.1%	6.2	-	6.2	-19.7%
	CE margin	5.6%	-	5.6%	4.9%	-	4.9%	-0.7pp	3.3%	-	3.3%	-1.1pp
H&S	Revenue	41.0	-	41.0	40.6	-	40.6	-1.0%	57.0	-	57.0	-1.4%
	Core earnings	2.6	-	2.6	2.7	-	2.7	2.7%	3.3	-	3.3	-4.5%
	CE margin	6.3%	-	6.3%	6.5%	-	6.5%	+0.2pp	5.8%	-	5.8%	-0.2pp
Consolidation, adj. & other ⁽¹⁾	Revenue	-	-	-23.6	-	-	-21.0	-	-	-	-53.0	-
	Core earnings	-	-	-27.1	-	-	-30.4	-	-	-	-43.5	-
LIXIL Group ⁽¹⁾	Revenue	981.9	422.8	1,381.2	1,009.4	408.1	1,396.5	1.1%	1,324.0	579.0	1,850.0	0.9%
	Core earnings	50.7	13.6	37.1	65.5	16.6	51.7	39.3%	62.4	28.1	47.0	267.2%
	CE margin	5.2%	3.2%	2.7%	6.5%	4.1%	3.7%	+1.0pp	4.7%	4.9%	2.5%	+1.8pp

(1) Difference between sum total of Japan and Overseas in Revenue and Core earnings and "Total" is the amount of consolidation, adj. & other 21

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RENOVATION STRATEGY IN JAPAN

➤ Sales of renovation-related products increased by 4.5% year-on-year, supported by favorable demand in Japan for H1 and sales of new and differentiated products

Sales of Renovation-Related Products

JPY: billion	Q3 FYE2019 Results ⁽¹⁾	Q3 FYE2020 Results	YoY
Sales of renovation-related products*	236.2	246.9	+4.5%
Renovation sales ratio	37%	37%	+0.2pp

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

YoY	Q3 3 months	Q3 9 months
Renovation products	LWT-1%, LHT-7%, Total -4%	LWT+6%, LHT+5%, Total+5%
Products other than for renovation	LWT-4%, LHT-6%, Total-4%	LWT 0%, LHT+3%, Total+2%

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

Business segment	Q3 FYE2019	Q3 FYE2020	Difference
LWT	44%	45%	+0.9pp
LHT	32%	32%	+0.4pp
LBT	27% ⁽¹⁾	24%	-3.1pp
Japan total	37% ⁽¹⁾	37%	+0.2pp

Number of Member Homebuilders

Stores	Mar -18	Mar -19	Dec -19
LIXIL Reform Shop (FC)	546	571	562
LIXIL Reform Shop (Voluntary)	12,602	11,783	11,770
LIXIL PATTO Reform Service Shop	3,705	3,800	3,581

Super Wall: launched new renovation construction method to improve heat insulation

Approx. 40% of the housing stock in Japan do not have effective insulation⁽²⁾

S W
SUPER WALL

LIXIL newly developed the *Super Wall construction method for renovation*, which enables houses to be renovated even while staying in the house. LIXIL contributes to making better homes a reality for everyone by accelerating the improvement of the quality of existing homes.



2020/1-Starting sales in Tohoku region
2020/4-Starting sales in all regions of Japan (plan)

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(1) Sales of renovation product was restated for comparison on the same basis
(2) Reference: Ministry of Land, Infrastructure and Transport "Current state of existing housing stocks"

REVENUE BY PRODUCTS AND SERVICES

JPY: billion Unit: %

Segment	Major products	FYE2019 results	Q3 FYE2019 results	Q3 FYE2020 results	YoY	Quarterly YoY						
						FYE2019			FYE2020			
						Q1	Q2	Q3	Q4	Q1	Q2	Q3
LWT	Sanitary ware	103.4	77.4	80.6	4.1%	-2.8	-5.0	-0.6	-3.8	1.4	10.9	0.2
	Bathroom units	99.3	75.5	78.0	3.4%	2.8	-3.2	-5.3	-4.9	-1.4	11.2	0.8
	Washstand cabinet units	36.9	27.2	27.9	2.6%	2.0	-1.9	-0.5	0.3	0.6	12.6	-4.4
	Kitchens	112.3	83.5	85.0	1.8%	1.6	-3.2	-1.9	0.0	0.2	11.3	-5.4
	Tiles	37.7	28.0	27.2	-2.9%	3.6	-4.2	0.7	-2.6	-5.0	5.1	-8.2
LHT	Housing sashes and related products	186.2	140.8	145.9	3.6%	-7.4	-7.3	0.5	3.8	5.5	10.2	-4.1
	Exterior	111.0	83.1	84.7	1.9%	-3.9	-3.8	12.1	11.8	5.5	13.4	-10.3
	Wooden interior furnishing materials	64.1	47.4	53.1	12.0%	0.2	0.9	10.0	13.1	16.1	20.8	1.4
	LHT Other	87.2	64.5	62.3	-3.4%	3.6	4.9	8.8	0.7	7.6	4.0	-19.3
LBT	Building sashes	112.8	82.1	82.9	1.0%	6.5	-0.2	7.1	10.0	0.4	0.3	2.2
D&R	Home center revenue	176.4	136.0	142.2	4.6%	-1.0	1.7	3.4	2.4	4.9	11.8	-2.3
H&S	Housing and Services business	57.9	41.0	40.6	-1.0%	7.6	11.3	-5.1	31.9	6.0	-1.0	-6.9
	Overseas	551.8	422.8	408.1	-3.5%	1.6	-0.9	0.4	-14.0	-2.6	-1.2	-6.5
	Others/consolidation & adj.	95.5	71.8	78.1	8.7%	-	-	-	-	-	-	-
	Total	1,832.6	1,381.2	1,396.5	1.1%	0.9	-1.4	2.7	-1.6	2.1	6.2	-4.5

* Definition of Tiles and LHT Other has been changed to match that of internal management. Therefore, past figures and year-on-year ratio for Tiles and LHT Other have been retroactively restated

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PERFORMANCE OF MAJOR OVERSEAS SUBSIDIARIES

Company	ASB (ASD Holdings)			
Unit	Unit: USD million			
Accounting period	Q3 FYE2019 Results	Q3 FYE2020 Results	YoY	
Exchange rate (Average Rate)	110.82	109.10	-	
Revenue	929	915	-2%	
Core earnings	39	50	29%	
%	4%	6%	+1.3pp	
Accounting period	FYE2019 Balance	Q3 FYE2020 (9 months)		
		Amortization	Others ⁽¹⁾	Balance
Exchange rate (Current Rate for balance, Average Rate for amortization)	110.99	109.10	-	109.56
Goodwill	231	-	-	231
Intangible assets	235	-5	0	230
Company	Grohe Group (GROHE) ⁽²⁾			
Unit	Unit: EUR million			
Accounting period	Q3 FYE2019 Results	Q3 FYE2020 Results	YoY	YoY excluding LIXIL Africa impact ⁽²⁾
Exchange rate (Average Rate)	129.38	121.46	-	-
Revenue	1,094	1,146	5%	8%
Core earnings	111	135	21%	13%
%	10%	12%	+1.6pp	+0.5pp
Accounting period	FYE2019 Balance	Q3 FYE2020 (9 months)		
		Amortization	Others ⁽¹⁾	Balance
Exchange rate (Current Rate for balance, Average Rate for amortization)	124.56	121.46	-	122.54
Goodwill	1,210	-	3	1,213
Intangible assets	1,474	-17	0	1,457

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(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

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PERFORMANCE OF MAJOR OVERSEAS SUBSIDIARIES

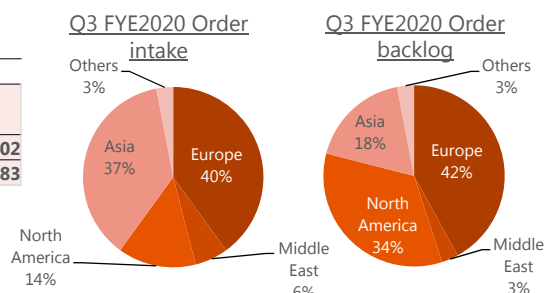
Company	Permasteelisa		
Unit	Unit: EUR million		
Accounting period	Q3 FYE2019 Results	Q3 FYE2020 Results	YoY
Exchange rate (Average Rate)	129.38	121.46	-
Revenue	931	919	-1%
Core earnings	-72	-59	-
	%		-



Accounting period	FYE2019 Balance ⁽²⁾	Q3 FYE2020 (9 months)			
		Amortization	Impairment	Others ⁽¹⁾	Balance
Exchange rate (Current Rate for balance, Average Rate for amortization)	124.56	121.46			122.54
Goodwill	-	-	-	-	-
Intangible assets	-	-	-	-	-
Accrual for expected future losses on construction projects	45	-	-	-8	37

Orders received

Unit	Unit: EUR million	
Accounting Period	Q3 FYE2019 Results	Q3 FYE2020 Results
Order intake ⁽³⁾	763	702
Order backlog	1,969	1,683



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- (1) Forex translation differences, net changes of the provision, and other
 (2) Balance as of FYE2019 was restated in accordance with its presentation in the annual report
 (3) The figure for the FYE19 Q3 was corrected

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BUSINESS RELATED TOPICS

LIXIL Unveiled New Kitchen and Bath Innovations at KBIS 2020⁽¹⁾



- Booth design-Clear distinction between each brand and featured new products.
 - American Standard-Studio S bathroom and Kitchen collection
 - DXV-Belshire Bathroom collection- received House Beautiful **"Best of KBIS" Award**
 - GROHE-Essence and Eurocube chinaware lines
- GROHE Blue Chilled & Sparkling 2.0, received a Beautiful Kitchen and Baths' **"30 Most Innovative Products"** Award.
- LIXIL received WorldVision Partnership award-product donation to most needy

GROHE Received the "Red Dot: Brand of the Year"⁽²⁾



- Celebrated for design quality and consistent conveying of brand value 'Pure Freude an Wasser'
- Recognizes GROHE's path to emotionally charge brand and products, adding relevance beyond the sanitary industry
- Out of 8,697 entries, three were awarded

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- (1) News release https://www.lixil.com/en/news/pdf/20200124_KBIS_E.pdf
 (2) News release https://www.grohe.com/en/corporate/news/category_news/pressreleases/pressrelease/news_14144.html

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ESG RELATED TOPICS (1)

Expanded CR Commitments to contribute to solving social issues⁽¹⁾

Global Sanitation & Hygiene

Sanitation for All

By 2025, improve the livelihood of 100 million people through sanitation and hygiene initiatives



Key Updates

- Remains firmly committed to target but extended target year **from 2020 to 2025**⁽²⁾
- In addition to SATO Social Business, **included all businesses and initiatives** that improve sanitation and hygiene worldwide

Water Conservation & Environmental Sustainability

Zero Carbon and Circular Living

By 2050, achieve net-zero carbon emissions from housing and lifestyle solutions as well as operations, and become a leading manufacturer based on a model that preserves water and natural resources for future generations



- **Incorporated Environmental Vision 2050**⁽³⁾
- Not only reducing CO₂ but also focusing on **water conservation and resource recycling**

Diversity & Inclusion

Inclusive for All

By 2020, establish the culture of diversity and inclusion within our organization and among all employees

By 2030, ensure all products and services* are based on LIXIL's Universal Design concept



* Scope: Products and services in Japan (as of August 2019)

- **Added Universal Design target**
- **Expanded UD target to all users** irrespective of their age, gender and the level of disability



(1) Press release announced on Nov. 25, 2019 "LIXIL Sets New Sustainability Targets to Drive Its Contribution to the World" https://www.lixil.com/en/news/pdf/191115_CR_E_Final_web.pdf

(2) LIXIL has improved sanitation for an estimated 15 million people (as of November 2019)

(3) Reference: Page 14 of FYE2020 H1 Results Presentation Material

ESG RELATED TOPICS (2)

Contributing to Global sanitation challenges through partnerships

"Toilets for all" initiative in 2019

LIXIL will donate part of the revenue of LIXIL shower toilets to UNICEF (Period: Jun – Nov 2019)

As a result of activities in 2019, LIXIL will donate a total amount of JPY 25,990,052



Donation will be used to provide infrastructure and education for access to basic sanitation through "Make a Splash! Toilets for All", a new international partnership with UNICEF

Signed a memorandum of understanding (MOU) with JICA

LIXIL signed a MOU with JICA to collaborate to improve sanitation and access to safe toilet in developing economies



JICA has entered into a collaborative MOU with a private company in the water and sanitation field for the first time. LIXIL and JICA will jointly look into the use of toilets and sanitary conditions in developing countries in Africa and Asia, while raising awareness and stimulating demand for toilets⁽¹⁾



(1) News release https://www.lixil.com/en/news/pdf/JICA_MOU_E_web.pdf

EXTERNAL RECOGNITION

DJSI World

Selected for Dow Jones Sustainability World Index (DJSI World) for the first time, created by S&P Dow Jones Indices and RobecoSAM (September 2019)



FTSE4Good Index Series

Became a constituent of the FTSE4Good Index Series and FTSE Blossom Japan Index (June 2019) for three consecutive years, created by FTSE Russell⁽¹⁾



DJSI Asia Pacific

Selected for DJSI Asia Pacific Index for three consecutive years, created by S&P Dow Jones Indices and RobecoSAM (September 2019)

S&P Japan 500 ESG

Selected as a component of the S&P Japan 500 ESG, created by S&P Dow Jones Indices (June 2019)

MSCI Japan Empowering Women Index

Selected as a constituent of the MSCI Japan Empowering Women Index (WIN) for three consecutive years, created by MSCI Inc. (June 2019)

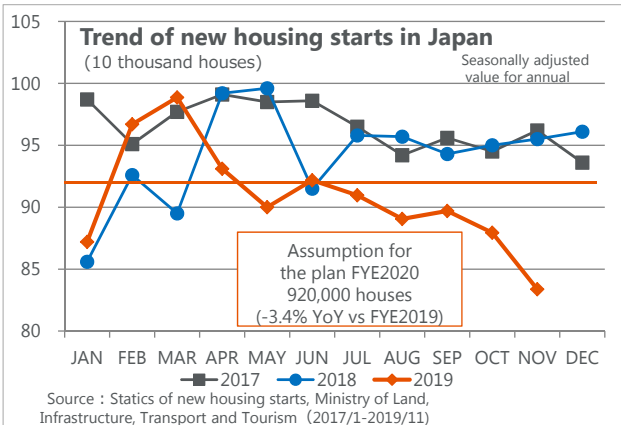


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(1) It is a registered trademark of FTSE International Limited and Frank Russell Company.

MARKET TRENDS



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

- Jan-Mar 2019: 5.2%
- Oct-Nov 2019: -10.1%
- Jan-Sep 2019: -2.0%

	Jan-Nov 2019 (11 months)		Apr-Nov 2019 (8 months)	
	Amount	YoY	Amount	YoY
Total new housing starts	832,949	-3.6%	617,338	-6.3%
Owner occupied(1)	266,444	2.9%	201,123	1.6%
Rental homes	314,678	-13.9%	233,568	-16.0%
Condos for sale	108,846	7.8%	77,016	-1.6%
Detached houses for sale(2)	135,095	4.4%	100,323	3.3%
Detached houses total(1)+(2)	401,539	3.4%	301,446	2.2%



Foreign exchange rates (Average rate)	FYE2018 Results	FYE2019 Results	FYE2020 Forecast assumptions
US dollars	110.81 yen	110.69 yen	115 yen
Euros	129.45 yen	128.43 yen	133 yen

(yen per ton)

Results and assumptions	FYE2018 Results	FYE2019 Results	FYE2020 Forecast assumptions
Aluminum price (Purchasing price)	234,000	249,000	237,000
Copper price	639,000	632,000	694,000





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