[This is an English translation of the original text written in Japanese]

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LIXIL Group Corporation
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Announcement Regarding Revision of the Forecast of Business Performance
For the Fiscal Year Ended March 2020 (Consolidation)and
Recording of Extraordinary Loss from a Subsidiary in Japan

LIXIL Group Corporation (hereinafter "LGC") hereby announces that LGC revised its business performance forecast for the fiscal year ended March 31, 2020, which was announced on May 13, 2019.

1. Revision of the consolidated forecast for the full year for the fiscal year ended March 31, 2020
(April 1, 2019 through March 31, 2020)

	From Continuing Operation					Including Discontinued Operation		
	Revenue	Core earnings	Operating profit	Profit before tax	Profit for the year	Profit for the year	Profit for the year attributable to owners of the parent	Basic earnings per share
Previous FYE2020 full-year forecast (A)	Million yen 1,850,000	Million yen 47,000	Million yen 38,000	Million yen 44,000	Million yen 17,600	Million yen 17,600	Million yen 15,000	Yen 51.71
Revised FYE 2020 full-year forecast (B)	1,695,000	58,500	39,500	47,000	32,000	16,000	15,000	51.71
Change (B-A)	-155,000	11,500	1,500	3,000	14,400	-1,600	-	
Change (%)	-8.4	24.5	3.9	6.8	81.8	-9.1	-	

(Note) Core earnings are calculated by deducting cost of sales and selling, general and administrative expenses from the revenue.

2. Reasons for the revision

As announced separately today, LGC has decided to transfer 100% of its shares of Permasteelisa S.p.A. (hereafter "Permasteelisa"), which is a consolidated subsidiary of LGC. In line with this decision, we revise our full-year earnings forecast for the following two major reasons:

1) LGC did not incorporate the estimated impact of the transaction in its "Consolidated Forecast for the Fiscal Year ending March 31, 2020," which was announced on May 13, 2019, due to challenges in foreseeing content and timing of the transaction at the time.

2) LIXIL Group has adopted International Financial Reporting Standards ("IFRS") from the fiscal year ended March 2016. Although details of accounting treatments and presentation methods are under discussion with the auditor, LGC believes that the company will apply a requirement provided by IFRS No. 5 ("Non-Current Assets Held for Sale and Discontinued Operations") as follows:

- All assets and liabilities of Permasteelisa will be classified and presented as "assets and liabilities held for sale"
- Profit and loss after tax resulting from Permasteelisa's operations and profits and losses from the share transfer will be listed separately as "profit and loss for discontinued operations"

As a result, LGC expects the full-year forecast as described in "1. Revision of the consolidated forecast for the full year for the fiscal year ended March 31, 2020"
The adoption of IFRS No. 5 accounting treatments and presentation methods will affect each profit of the consolidated statement of profit or loss, resulting in significant changes compared to the initial full-year forecast.

The book value of shares of Permasteelisa held by LIXIL, a wholly-owned subsidiary of LGC, is written down to the expected selling amount, which resulted in the recognition of JPY 27.9 billion yen of an extraordinary loss in LIXIL's stand-alone financial reporting under Japanese Accounting Standard (JGAAP). The loss is eliminated as a consolidation adjustment on the LGC's consolidated financial statements.

Regarding dividend payouts for the fiscal year ended March 31, 2020, LGC will not change the policy of an annual payout of JPY70.0 per share, in keeping with the plan put forth at the beginning of the fiscal year.

End