

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



May 1, 2020

LIXIL Group Corporation
Kinya Seto
Representative Executive Officer and President
(First Section of TSE/NSE, code 5938)

(Contact):
Kayo Hirano
Senior Manager, Investor Relations Office

**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**

LIXIL Group Corporation (hereinafter "LGC") hereby announces an adjustment to the schedule of its disclosure of consolidated financial results for the fiscal year ended March 31, 2020, in addition to an update on LGC's response to the spread of COVID-19 and its current operational status.

**1. Schedule for the announcement of consolidated financial results for the fiscal year ended
March 31, 2020.**

LGC's consolidated accounting procedures for the fiscal year ended March 31, 2020, are currently delayed due to the government lockdowns in response to COVID-19, which has resulted in delays to accounting and auditing procedures of overseas subsidiaries. In addition, we anticipate that additional time will be required to perform auditing procedures related to the share transfer that was separately announced today, titled "Notice of Transfer of Consolidated Subsidiary (Share Transfer)".

To secure sufficient time for accounting and auditing procedures, as well as to ensure the health and safety of all employees of LGC and independent auditors who are involved in the financial reporting process, LGC hereby announces that the announcement date for its consolidated financial results for the fiscal year ended March 31, 2020 will be changed from May 11, 2020, to May 29, 2020.

2. LIXIL Group's measures in response to COVID-19

As the impact of COVID-19 continued to grow, LGC established a centralized global taskforce in January 2020 to track developments related to COVID-19 and support the development and implementation of

global company policies. The Company has been taking a step-up approach since late January 2020 to prevent the spread of the outbreak, taking a “people-first” approach to prioritize the health and wellbeing of employees, their families, partners, customers, as well as other stakeholders, while ensuring business remains operational and able to continue providing products that support sanitation, hygiene and healthy living spaces.

LIXIL Group’s transformation efforts to simplify the company and speed-up decision-making processes since 2017 laid the groundwork for its swift and decisive response to protecting employees and managing business continuity in the face of COVID-19. The company has implemented flexible working practices and introduced various digital tools that have facilitated a smooth transition to remote working and are now enabling increased productivity by all functions, including in parts of the business that usually require in-person interactions such as sales.

For example, LIXIL’s 92 showrooms across Japan have continued to operate through virtual consultations with consumers using a combination of commercially available technologies and proprietary technologies designed by LIXIL’s in-house digital team. Despite other disruptions such as sudden school closures and government-recommended lockdowns, LGC also successfully implemented remote working, with 85% of HQ employees (roughly 5000 people capacity) working remotely on March 27, 2020, and 98% since April 8, 2020. In line with LIXIL’s “people first” approach, we have also implemented additional safety policies for employees who are still required to travel to work, including social distancing, shift moderation, helping employees avoid public transport, and other hygiene measures. To support all employees with unplanned expenses related COVID-19, LIXIL issued a special one-time allowance of JPY50,000 or local currency equivalent per person. This allowance amounted to JPY3.5 billion (to be recorded under “Other expenses” in Q4 of the fiscal year ended March 2020).

3. LIXIL Group’s operational conditions: Liquidity, Production and Sales

(1) Liquidity:

Under the policy that LGC maintains the amount of approximately 1/12 of annual sales of cash and cash equivalent, LGC recorded approximately JPY 145.8 billion in cash and cash equivalents on a consolidated basis at the end of the third quarter of the fiscal year ended March 31, 2020. LGC has unused commitment lines totaling JPY 60.0 billion, under commitment line agreements with financial institutions, and commercial paper issuance facilities totaling JPY 50.0 billion, thus ensuring liquidity.

In addition, to prepare for a further slowdown of the economy due to the spread of COVID-19, LGC will be arranging short-term loan commitments with financial institutions. As part of its continuing operations, LGC will make the necessary investments to achieve our medium-term management plan while deploying prudent management of capital expenditures, reduction of SG&A and controls of inventory stock level to continuously maintain a sufficient level of liquidity.

(2) Production and Sales:

In Japan, LIXIL announced in mid-February that it would stop taking orders or refrain from providing delivery dates for some sanitation related products because of delays in the production and supply of some of our products in China due to COVID-19. After operations in China resumed with the approval of regulatory authorities and concerns over delays in parts supply resolved, LIXIL resumed accepting orders from March 25, 2020.

At the end of April 2020, most construction sites related to residential detached houses continue to operate normally. However, some construction sites in urban areas have halted operation, which could affect LGC's future business. In addition, LGC recorded a slight decrease in product shipments in April 2020, 10% down versus the previous year. Regarding demand in Japan, we expect new housing construction to be in line with new housing starts. The negative impact of COVID-19 has been observed in the demand for our products for home renovations, principally because our products require installation inside individual homes during a time when social distancing is paramount. We will carefully monitor the potential impact on our financial results from the mid-May onward.

In China, all of our subsidiaries have resumed operations with approval from regulatory authorities.

In geographic areas still under lockdown orders from local authorities, sales offices and other facilities have shifted to teleworking to maintain normal operations and ensure a stable and continuous supply of products and services to our customers.

With regard to manufacturing, some plants halted production for fixed periods of time to ensure employee safety and compliance with national and local government guidelines. As of April 27, 2020, the majority of LGC's plants and sites are in operation. However, product shipments across LIXIL International in April 2020 were down 30% on an average due to the various economic impacts related to COVID-19. By region, Americas declined 25%, EMENA declined 35%, Asia Pacific declined 50%, while China remained flat versus the previous year.

Learning from past supply chain disruptions, LIXIL Group has been enhancing its manufacturing and supply chain protocols to enable multiple-site manufacturing capabilities over the past years. With the commencement of an enhanced global manufacturing and supply chain operations structure⁽¹⁾ as of 1 April, the company now has greater operational responsiveness due to the global footprint and high vertical integration of its factories. Some of its most popular products can be produced in multiple geographies so the risk of stock-out situations is lower than for competitors who lack similar structures. LGC is maintaining a system that will enable it to ramp up operations quickly after the

COVID-19 situation is stabilized, while temporarily shifting sourcing and production to other sites.

In addition, dual sourcing of critical components enables LIXIL Group to ensure that its products, especially top-selling products, are always available across international markets, thereby meeting the expectations and trust of key customers.

(Reference) Conditions of production sites affected by halting operations (As of April 27, 2020) ⁽²⁾

Region	Location	Product category	Status	Remarks
EMEA	Germany (2 locations)	Faucet, shower & shower system	Temporarily halt (April 27-May 3)	There is no major impact on product supply in global market.
	South Africa (3 locations)	Faucet, shower & shower system, Ceramics	Temporarily halt (March 9-April 30)	
Asia Pacific	Indonesia	Ceramic	Temporarily halt (March 30-May 3)	
	Thailand	Ceramics	Temporarily halt (March 30-May 17)	
	India	Ceramics	Temporarily halt (March 9-May 3)	

(1) News release dated July 22, 2019 "LIXIL International to Strengthen Cross-Regional Collaboration and Innovation with New Appointments"

https://www.lixil.com/en/news/pdf/20190722_LIXIL_International_Appointments.pdf

(2) The chart above describes our production sites halting in compliance with the guidance of the national and local governments and so on. All the other production sites including those in Japan maintain their operations at a normal level.

4. Impact on financial results

The pandemic of COVID-19 has no major impact on the full-year financial results for the fiscal year ended March 31, 2020. We are currently assessing the impact of the spread of COVID-19 on LGC's consolidated financial results for the fiscal year ending March 31, 2021. LGC will promptly announce any facts that need to be disclosed.

For further details, please refer to the announcement separately released today "Announcement Regarding Revision of the Forecast on Business Performance For the Fiscal Year Ended March 2020(Consolidation) and Recording Extraordinary Loss from a Subsidiary in Japan".

End