

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



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LIXIL Group Corporation

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Announcement of Consolidated Financial Forecast and Dividend Forecast for the Fiscal Year Ending March 2021

LIXIL Group Corporation (hereinafter "LGC") hereby announces its consolidated financial forecast and dividend forecast for the fiscal year ending March 2021.

Both LGC's consolidated financial forecast and dividend forecast were initially due to be announced in its "Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 [IFRS]" on May 29, 2020, but postponed due to unforeseeable circumstances surrounding COVID-19.

LGC applies IFRS to its consolidated financial statements since the fiscal year ended March 31, 2016. Based on the provision of IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations," and LGC's decision to transfer the shares of its consolidated subsidiary, LIXIL VIVA CORPORATION (headquarters: Saitama-shi, Saitama, Japan, hereinafter "LIXIL VIVA"), announced on June 9, 2020, LGC will classify all assets and liabilities of LIXIL VIVA as "assets and liabilities held for sale." In addition, profit and loss after tax resulting from LIXIL VIVA's operations will be listed separately as "profit and loss from discontinued operations" from the first quarter of the fiscal year ending March 31, 2021 (April 1, 2020 through June 30, 2020).

1. Consolidated full-year forecast

(1) Consolidated forecast for the full year for the fiscal year ending March 31, 2021

(April 1, 2020 through March 31, 2021)

	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
	Million yen	Million yen	Million yen	Million yen	Million yen	Million yen	Million yen	Yen
Previous FYE2021 forecast (A)	-	-	-	-	-	-	-	-
FYE2021 forecast (B)	1,350,000	25,000	Not determined					
Change (B-A)	-	-	-	-	-	-	-	-
Change (%)	-	-	-	-	-	-	-	-
cf. FYE2020 results*	1,514,400	52,300	32,000	40,900	27,700	13,700	12,500	43.15

Core earnings is the amount calculated by deducting cost of sales and selling, general and administrative expenses from the revenue.

(Note) Since the profit/loss related to business operations of LIXIL VIVA have been classified as "discontinued profit/loss", FYE2020 results has also been restated for comparison purposes.

(2) Reasons for disclosure of consolidated forecast

The impact of the COVID-19 pandemic on operating results has varied significantly between the regions in which LGC operates while the respective circumstances continued to change rapidly. Therefore, LGC announced that it would postpone its consolidated financial forecast on May 29, 2020, due to challenges calculating and providing its financial forecast and dividend forecast for FYE2021. However, while closely monitoring the spread of COVID-19 and the potential of a second wave, global economic activity is gradually resuming. Therefore, LGC expects that major international businesses will begin to fully recover from the impact of COVID-19 from June, and the renovation business in Japan will begin to recover from the third quarter onward. In line with this, LGC has decided to announce its consolidated financial forecast based on currently available information and forecasts concerning the impact of COVID-19 on LGC and its subsidiaries.

LGC is in the process of transforming its operations, which has included reviewing its business portfolio to focus on the core business. Further steps are underway to revitalize its operations in Japan, and LGC is in the final stages of planning these initiatives. As a result, LGC plans to announce its forecast for reporting items operating profit, profit before tax, and profit attributable to owners of the parent in the second quarter of FYE2021 after taking into consideration costs related to these reform initiatives.

2. Dividend Forecast

(1) Dividend forecast for the fiscal year ending March 31, 2021

	Dividends per share for the year		
	End of Q2	End of Period	For the year
	Yen	Yen	Yen
Previous FYE2021 forecast	-	-	-
FYE2021 forecast	35.00	35.00	70.00
FYE2020 results	35.00	35.00	70.00

(2) Reasons for disclosure of dividend forecast

LGC's basic dividend policy is to maintain a payout ratio of over 30% (Consolidated bases) and ensure it provides stable returns to shareholders by comprehensively considering financial conditions and profit levels. Under this policy, and LGC's decision to announce its forecast based on the currently available information and forecasts concerning the impact of COVID-19 on LGC and its subsidiaries, LGC plans to issue its shareholders annual dividends of JPY 70 per share in FYE 2021, which includes interim dividend of JPY 35 per share, and which is consistent with annual dividends issued in the preceding year.

Explanation for adequate utilization of the forecast and other special matters

The forecasts and forward-looking statements above are prepared based on information currently available and therefore involve potential risks and uncertainties, depending on the timing of developments related to COVID-19. Please note that actual results may differ from forecasted figures due to various unknown factors. LGC will promptly announce revisions.

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