

**Consolidated Financial Results for the Fiscal Year Ended March 31, 2024  
(International Financial Reporting Standards)**

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Scheduled date of ordinary general meeting of shareholders: June 19, 2024  
 Scheduled date of issue of Security report: June 20, 2024  
 Schedule date of payment of dividends: June 4, 2024  
 Preparation of supplementary materials for the financial results for FYE 2024: Yes  
 Information meeting for the financial results for FYE 2024 to be held: Yes (For investment analysts and institutional investors)

(Amounts less than one million Japanese yen are rounded)

**1. Consolidated Financial Results for the FY Ended March, 2024 (April 1, 2023 through March 31, 2024)**

(1) Consolidated Operating Results (% indicate changes from the figures of corresponding period of the previous fiscal year)

	From Continuing Operations									
	Revenue		Core earnings		Operating profit		Profit before tax		Profit for the year	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
<b>FYE 2024</b>	<b>1,483,224</b>	<b>-0.9</b>	<b>23,162</b>	<b>-10.0</b>	<b>16,351</b>	<b>-34.3</b>	<b>6,664</b>	<b>-66.3</b>	<b>-9,455</b>	<b>—</b>
FYE 2023	1,495,987	4.7	25,745	-60.3	24,903	-64.2	19,759	-70.6	16,888	-66.6

	Including Discontinued Operations							
	Profit for the year		Profit for the year attributable to owners of the parent		Total comprehensive income for the year		Basic earnings per share	Diluted earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen	Yen
<b>FYE 2024</b>	<b>-14,614</b>	<b>—</b>	<b>-13,908</b>	<b>—</b>	<b>42,329</b>	<b>-12.0</b>	<b>-48.43</b>	<b>-48.43</b>
FYE 2023	16,015	-67.1	15,991	-67.1	48,082	-41.6	55.54	55.54

	Including Discontinued Operations			From Continuing Operations	
	Ratio of equity attributable to owners of the parent	Total assets Earning Ratio before tax		Revenue Core earnings ratio	Revenue Operating profit ratio
	%	%		%	%
<b>FYE 2024</b>	<b>-2.2</b>	<b>-0.0</b>		<b>1.6</b>	<b>1.1</b>
FYE 2023	2.6	1.0		1.7	1.7

Reference: Share of profit (loss) of associates and joint ventures accounted for using the equity method

FYE 2024 -153 million yen FYE 2023 -10 million yen

Note: Core earnings is calculated by deducting the cost of sales and selling, general and administrative expenses (SG&A) from revenue.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets	Equity attributable to owners of the parent per share
	Million yen	Million yen	Million yen	%	Yen
	<b>FYE 2024</b>	<b>1,886,595</b>	<b>644,338</b>	<b>642,511</b>	<b>34.1</b>
FYE 2023	1,853,534	627,720	625,433	33.7	2,178.77

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
	<b>FYE 2024</b>	<b>45,794</b>	<b>-27,680</b>	<b>-3,673</b>
FYE 2023	15,005	-29,319	19,839	106,677

## 2. Cash Dividends

	Dividends per share					Total amount of cash dividends (annual)	Dividend payout ratio (consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	End of Q1	End of Q2	End of Q3	End of period	For the year			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FYE 2023	—	45.00	—	45.00	90.00	25,835	162.0	4.2
FYE 2024	—	45.00	—	45.00	90.00	25,844	—	4.1
FYE 2025 (forecast)	—	45.00	—	45.00	90.00		323.0	

## 3. Consolidated Forecast for the FY Ending March, 2025 (April 1, 2024 through March 31, 2025)

(% indicate changes from the figures of corresponding period of the previous fiscal year)

	From Continuing Operations									
	Revenue		Core earnings		Operating profit		Profit before tax		Profit for the year	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FYE 2025	1,570,000	5.9	35,000	51.1	25,000	52.9	15,000	125.1	8,000	—

	Including Discontinued Operations				
	Profit for the year		Profit for the year attributable to owners of the parent		Basic earnings per share
	Million yen	%	Million yen	%	Yen
FYE 2025	8,000	—	8,000	—	27.86

### \* Notes

(1) Changes in significant subsidiaries, which affected the scope of consolidation during this period: None

Newly consolidated company: None

Excluded company: None

(2) Changes in accounting policies and accounting estimate

(i) Changes in accounting policies required by IFRS: None

(ii) Other changes: None

(iii) Changes in accounting estimate: None

(3) Outstanding shares (Common shares)

(i) Outstanding shares including treasury shares (March 31, 2024) 287,211,790 shares (FY ended March 31, 2023) 287,109,659 shares

(ii) Treasury shares (March 31, 2024) 59,323 shares (FY ended March 31, 2023) 51,992 shares

(iii) Average number of shares during the fiscal year (March 31, 2024) 287,140,640 shares (FY ended March 31, 2023) 287,910,363 shares

\* This financial results report is exempt from review procedures under Japan's Financial Instruments and Exchange Law.

\*Appropriate use of financial forecasts, other special items

(Cautionary statements with respect to forward-looking statements)

Performance forecast and other forward-looking statements contained in this report are based on information currently available and on certain assumptions deemed rational at the time of this report's release. Due to various circumstances, however, actual results may differ significantly from such statements.

For information on the financial forecast, please refer to "1. Overview of Operating Results (1) Overview of Operating Results for the current consolidated fiscal year" on page 4 of the attached material.

(How to access supplementary financial results material)

Presentation material to supplement the financial results announcement has been posted on TDnet and the Company's website.

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## 1. Overview of Operating Results

### (1) Overview of Operating Results for the current fiscal year

In the fiscal year ended March 31, 2024, the Japanese economy showed signs of gradual recovery, as severe behavioral restrictions eased with the shift of the classification of COVID-19 to category 5. At the same time, social and economic activities normalized, including a recovery in personal consumption, as well as rising inbound demand. However, the economy still faces downward pressure from ongoing inflation and a continuing rapid depreciation of the Japanese Yen. The currency's decline has been caused by a widening interest rate gap between Japan and the United States due to monetary tightening by the Federal Reserve. The outlook for the housing sector remains uncertain, with the number of new housing starts continuing to be sluggish. Concerns over the level of housing investment from rising mortgage interest rates and the impact of price increases for construction materials and components have led to a continued decline in the number of new housing starts, particularly in owner-occupied and detached houses. At the same time, the window renovation market, centered on products to improve home insulation, has seen the creation of significant demand through a government-led subsidy program for advanced window renovation. This program will continue to expand in scale and be applied in the next fiscal year.

In the global economy, economic stagnation continues due to geopolitical risks, such as the prolonged Russian-Ukrainian conflict, an unstable Middle Eastern situation, and difficult US-China relations. In addition, sentiment has been dampened by prolonged global monetary tightening policies to curb inflation, sluggish real estate markets, and concerns about the economic outlook in China due to a worsening investment appetite. Meanwhile, in Europe and the United States, although the interest rate increases have eased, high rates persist. Recently, there has been speculation about rate cuts, which could provide a boost to consumer sentiment depending on how the situation unfolds. The situation must be closely monitored.

The financial results for LIXIL Corporation and its consolidated subsidiaries (together, "the Group") for the fiscal year ended March 31, 2024, were as follows: Despite higher sales for renovation products, centered on windows for higher insulation, supported by subsidy programs in Japan business, there was a significant impact from the decline in the number of new housing starts. In addition, the international business, particularly in Europe and the United States, was affected by a substantial decline in demand due to higher interest rates and prolonged inflation. Revenue declined to 1,483,224 million yen (down 0.9% year-on-year). In relation to profitability, the Company continued efforts to implement structural reforms, price optimization, and measures to improve profitability both in Japan and international businesses. However, these efforts were not enough to offset the negative impacts of further cost increases from sustained high component costs and energy prices, and reduced revenue from softened demand and poor market conditions, particularly in the international business. Consequently, core earnings totaled 23,162 million yen (down 10.0% year-on-year). Due to an increase in other expenses associated with structural reforms, operating profit was 16,351 million yen (down 34.3% year-on-year). Profit before tax from continuing operations was 6,664 million yen (down 66.3% year-on-year), due to increased financial expenses from rising interest rates. As such, each of these figures declined significantly.

In addition to an increase in income tax expenses due to a temporary decline in profitability, the Company booked a loss for the year from discontinued operations related to Permasteelisa S.p.A., a former consolidated subsidiary of the Company that was sold in September 2020.

As a result, loss for the year attributable to owners of the parent, after deducting non-controlling interests, amounted to 13,908 million yen (compared with a profit of 15,991 million yen in the previous fiscal year).

Overview by segment is as follows:

Revenues by segment are before the elimination of intersegment transactions and core earnings are before the deduction of Company expenses.

### **Water Technology Business**

For the Water Technology Business, which mainly offers water-related products, revenue in the Japan business rose slightly from the previous year due to the effect of price optimizations and continued strong sales of renovation-related products, despite the continued impact from a decline in new housing demand. On the other hand, revenue in the international business declined year-on-year. Despite the impact of currency translation due to the weaker Japanese Yen, there was a significant decline in demand due to the prolonged high levels of interest rates, particularly in Europe and the United States, and continued inflation, which led to a worsening investment appetite in housing. As a result, revenue decreased to 896,924 million yen (down 2.0% year-on-year).

Despite reductions in SG&A expenses and an increase in gross profit from price optimizations both in Japan and internationally, core earnings decreased to 22,717 million yen (down 51.9% year-on-year), which were also affected by lower sales and an increase in the fixed-cost burden from the decrease in production volume.

### **Housing Technology Business**

For the Housing Technology Business, which mainly offers housing-related building materials in Japan, revenue declined slightly to 596,448 million yen (down 0.3% year-on-year). This was due to the substantial impact of the decline in new housing demand, similar to the Water Technology Business, and came despite continued implementation of price optimization and the significant growth in renovation demand to make homes more efficient and enhance people's lifestyles, and to protect the environment from the introduction of a national large-scale subsidy program.

On the other hand, core earnings significantly increased to 35,887 million yen (up 85.4% year-on-year) from a steady improvement in profitability due to securing an appropriate gross profit margin through sales growth of renovation products and price optimizations. In addition, productivity enhancement measures such as production in an asset-light manner, overcame the issues of sustained increases in component costs and energy prices.

(Notes)

1. Core earnings are calculated by deducting the cost of sales and selling, general and administrative expenses (SG&A) from revenue.
2. The "Japan business" and "International business" are management-based classifications as defined in the Group's consolidated performance management, which differ in some respects from classifications based on country of location. Specifically, in the Water Technology Business and Housing Technology Business, certain international subsidiaries under the jurisdiction of the Japan business are included in the "Japan business" category.

While the economic environment is expected to continue to pick up for both Japanese and international markets, uncertainties remain from issues including geopolitical risks, such as international conflicts and the presidential election in the United States, as well as sluggish real estate markets, inflation, and the direction of interest rates.

In this business environment, the Group has taken decisive actions aligned with the strategic initiatives outlined in the 'LIXIL Playbook.' The Group has continued structural reforms, especially aimed at the pressing issue of recovering the profitability of its international business operations. These include optimizing personnel allocation in Europe and the United States, further reviewing the business portfolio such as the streamlining of loss-making entities, and restructuring the supply chain. The Company anticipates these initiatives will further improve profitability from the fiscal year ending March 2025.

To enhance financial performance and achieve sustainable growth, the Company remains focused on serving consumers with more differentiated products while also delivering a positive impact for society and the environment. Concurrently, a transformation is underway to turn the Company into an agile, entrepreneurial organization, through accelerated digital transformation and the building of an inclusive culture that can drive innovation and seeks new avenues for growth.

The Company is beginning to see the results of its efforts to strengthen its business foundation, and its path to long-term growth remains unchanged. The Company will further enhance the value that it provides to stakeholders and, in turn, realize its purpose of making better homes a reality for everyone, everywhere.

Reflecting the above business environment and management strategy, the Company forecasts the following for the fiscal year ending March 31, 2025: Revenue of 1,570.0 billion yen (up 5.9% year-on-year), Core earnings of 35.0 billion yen (up 51.1% year-on-year), Operating profit of 25.0 billion yen (up 52.9% year-on-year), Profit before tax from continuing operations of 15.0 billion yen (2.3 times year-on-year), and profit for the year attributable to owners of the parent of 8.0 billion yen (compared with a loss of 13,908 million yen in the previous fiscal year).

Based on the policy of consistent and stable shareholder returns, the Company plans to pay an annual dividend of 90 yen per share, consisting of interim and year-end dividends of 45 yen each for the fiscal year ending March 31, 2025, the same as in the previous fiscal year.

The above forecasts for the fiscal year ending March 31, 2025, are based on the information available to the Company as of the date of publication. Actual results may differ from the forecasts above due to various factors.

(2) Overview of Financial Position and Cash Flows for the current fiscal year

Total assets as of March 31, 2024, were 1,886,595 million yen (up 33,061 million yen from the previous fiscal year end). Current assets were 730,778 million yen (down 13,755 million yen from the previous fiscal year-end). This decline was due to a strategic adjustment of inventories, offsetting the positive impact of foreign currency translation, an increase in cash on hand, and an increase in trade and other receivables associated with the end-of-period holidays. Non-current assets were 1,155,817 million yen (up 46,816 million yen from the previous fiscal year end), with the main factors representing an increase in goodwill and other intangible assets resulting from the effect of foreign currency translation.

Total equity was 644,338 million yen and the ratio of equity attributable to owners of the parent was 34.1% (a increase of 0.4 percentage points year-on-year).

The cash flow status for the consolidated fiscal year ended March 31, 2024 was as follows. The amounts are the sum of cash flows, including discontinued operations.

Net cash provided by operating activities was 45,794 million yen (up 30,789 million yen year-on-year). Major factors included decrease in taxes paid and changes in working capital (including changes related to inventories, trade and other payables, and trade and other receivables) despite a decrease in profit before tax from continuing operations.

Net cash used in investing activities was 27,680 million yen (up 1,639 million yen year-on-year). Major factors included purchase of property, plant and equipment and intangible assets associated with capital investments. This was partially offset by a positive impact within temporary income from the sale of cross shareholding shares and the absorption-type split of a subsidiary.

Net cash used in financial activities was 3,673 million yen (down 23,512 million yen year-on-year). Factors for the decrease included proactive procurement and repayment of interest-bearing debt, both short-term and long-term, as well as the payment of dividends and lease liabilities.

As a result, cash and cash equivalents as of March 31, 2024, totaled 124,485 million yen (up 17,808 million yen from the previous fiscal year end), after accounting for exchange rate differences and other factors.

The trends of key indicators regarding financial conditions are as follows.

	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Core earnings to Revenue (%)	3.5	4.2	4.5	1.7	1.6
Ratio of equity attributable to owners of the parent to total assets (%)	24.0	31.7	34.3	33.7	34.1
Net interest-bearing debt-to-EBITDA ratio (times)	5.5	3.5	2.9	4.8	5.3

(Notes)

1. All figures are calculated based on consolidated financial figures.

Each indicator is calculated as follows.

Net interest-bearing debt : Interest-bearing debt - Cash and cash equivalents  
EBITDA : Core earnings + Depreciation and amortization

2. Interest-bearing debt includes all liabilities booked in the Consolidated Statement of financial position on which interest is paid and convertible bond-type bonds with subscription rights to shares.

Depreciation and amortization used in the calculation of EBITDA do not include amounts related to Permasteelisa S.p.A. and its subsidiaries, and to LIXIL VIVA Corporation, which are classified as discontinued operations.

## 2. Basic approach to the selection of accounting standards

The Group has adopted IFRS for preparing its consolidated financial statements to improve the international comparability of its financial statements in the capital markets and enhance the level of management within its group.

**3. Consolidated Financial Statements**

(1) Consolidated Statement of Financial Position

(Unit: Millions of yen)

	As of March 31, 2023		End of this year (As of March 31, 2024)	
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	<b>Y</b>	106,677	<b>Y</b>	124,485
Trade and other receivables		291,736		300,179
Inventories		276,645		248,300
Contract assets		19,218		16,816
Income taxes receivable		3,884		5,982
Other financial assets		20,972		13,025
Other current assets		25,401		21,991
<b>Total current assets</b>		<b>744,533</b>		<b>730,778</b>
<b>Non-current assets:</b>				
Property, plant and equipment		376,964		378,056
Right-of-use assets		63,102		60,619
Goodwill and other intangible assets		507,732		561,473
Investment property		4,898		2,084
Investments accounted for using the equity method		8,633		7,709
Other financial assets		51,844		59,698
Deferred tax assets		93,066		83,284
Other non-current assets		2,762		2,894
<b>Total non-current assets</b>		<b>1,109,001</b>		<b>1,155,817</b>
<b>Total assets</b>	<b>Y</b>	<b>1,853,534</b>	<b>Y</b>	<b>1,886,595</b>

(Unit: Millions of yen)

	As of March 31, 2023	End of this year (As of March 31, 2024)
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Trade and other payables	Y 320,388	Y 248,800
Bonds and borrowings	209,028	208,893
Lease liabilities	18,692	19,468
Contract liabilities	8,962	8,982
Income taxes payable	8,698	9,454
Other financial liabilities	4,860	4,334
Provisions	1,894	2,559
Other current liabilities	79,680	92,102
<b>Total current liabilities</b>	<b>652,202</b>	<b>594,592</b>
<b>Non-current liabilities:</b>		
Bonds and borrowings	345,478	406,523
Lease liabilities	45,202	42,308
Other financial liabilities	28,274	28,928
Net defined benefit liabilities	70,102	78,950
Provisions	7,281	6,578
Deferred tax liabilities	66,685	73,716
Other non-current liabilities	10,590	10,662
<b>Total non-current liabilities</b>	<b>573,612</b>	<b>647,665</b>
<b>Total liabilities</b>	<b>1,225,814</b>	<b>1,242,257</b>
<b>EQUITY</b>		
Share capital	68,418	68,530
Capital surplus	221,812	221,632
Treasury shares	-113	-126
Other components of equity	68,154	125,578
Retained earnings	267,162	226,897
Equity attributable to owners of the parent	625,433	642,511
Non-controlling interests	2,287	1,827
<b>Total equity</b>	<b>627,720</b>	<b>644,338</b>
<b>Total liabilities and equity</b>	<b>Y 1,853,534</b>	<b>Y 1,886,595</b>

(2) Consolidated Statements of Profit or Loss and Comprehensive Income  
Consolidated Statement of Profit or Loss

(Unit: Millions of yen)

	FY ended March 31, 2023	FY ended March 31, 2024
Continuing operations		
Revenue	<b>Y</b> 1,495,987	<b>Y</b> 1,483,224
Cost of sales	-1,027,362	-1,010,512
<b>GROSS PROFIT</b>	468,625	472,712
Selling, general and administrative expenses	-442,880	-449,550
Other income	9,790	13,813
Other expenses	-10,632	-20,624
<b>OPERATING PROFIT</b>	24,903	16,351
Finance income	3,142	3,661
Finance costs	-8,276	-13,195
Share of loss of associates accounted for using the equity method	-10	-153
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	19,759	6,664
Income tax expenses	-2,871	-16,119
<b>PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS</b>	16,888	-9,455
Discontinued operations		
<b>LOSS FOR THE YEAR FROM DISCONTINUED OPERATIONS</b>	-873	-5,159
<b>PROFIT (LOSS) FOR THE YEAR</b>	16,015	-14,614
Profit (loss) for the year attributable to:		
Owners of the parent		
Continuing operations	16,864	-8,749
Discontinued operations	-873	-5,159
Total	15,991	-13,908
Non-controlling interests	24	-706
<b>PROFIT (LOSS) FOR THE YEAR</b>	<b>Y</b> 16,015	<b>Y</b> -14,614

(Unit: Millions of yen)

	FY ended March 31, 2023	FY ended March 31, 2024
<b>Earnings (loss) per share</b>		
Basic (yen per share)		
Continuing operations	58.57	-30.46
Discontinued operations	-3.03	-17.97
Total	55.54	-48.43
Diluted (yen per share)		
Continuing operations	58.57	-30.46
Discontinued operations	-3.03	-17.97
Total	55.54	-48.43

## Consolidated Statement of Comprehensive Income

(Unit: Millions of yen)

	FY ended March 31, 2023	FY ended March 31, 2024
<b>PROFIT (LOSS) FOR THE YEAR</b>	<b>Y 16,015</b>	<b>Y -14,614</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Items that will not be reclassified subsequently to profit or loss		
Net fair value gain (loss) on equity instruments measured through other comprehensive income	237	6,756
Remeasurements of defined benefit pension plans	4,984	-386
Total of items that will not be reclassified to profit or loss	5,221	6,370
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	28,206	50,654
Net fair value gain (loss) on hedging instruments entered into for cash flow hedges	-1,345	-79
Share of other comprehensive income of associates accounted for using the equity method	-15	-2
Total items that may be reclassified subsequently to profit or loss	26,846	50,573
Other comprehensive income, net of tax	32,067	56,943
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>48,082</b>	<b>42,329</b>
Profit for the year attributable to:		
Owners of the parent	48,011	42,999
Non-controlling interests	71	-670
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>Y 48,082</b>	<b>Y 42,329</b>

## (3) Consolidated Statement of Changes in Equity

(Unit: Millions of yen)

	Equity attributable to owners of the parent						
	Share capital	Capital surplus	Treasury shares	Other components of equity			
				Net fair value gain (loss) on equity instruments measured through other comprehensive income	Remeasurements of defined benefit pension plans	Exchange differences on translation of foreign operations	Net fair value gain (loss) on hedging instruments entered into for cash flow hedges
<b>BALANCE AS OF APRIL 1, 2022</b>	<b>68,418</b>	<b>278,635</b>	<b>-47,542</b>	<b>13,327</b>	<b>—</b>	<b>28,613</b>	<b>2,867</b>
Hyperinflation adjustment	—	—	—	—	—	—	—
Restated balance as of April 1, 2022	68,418	278,635	-47,542	13,327	—	28,613	2,867
Profit (loss) for the year	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	237	4,984	28,159	-1,345
Total comprehensive income for the year	—	—	—	237	4,984	28,159	-1,345
Purchase of treasury shares	—	-22	-10,018	—	—	—	—
Disposal of treasury shares	—	0	2	—	—	—	—
Cancellation of treasury shares	—	-56,902	56,902	—	—	—	—
Share-based payment transactions	—	151	543	—	—	—	—
Dividends	—	—	—	—	—	—	—
Changes in interests in subsidiaries that do not result in the Group losing control over the subsidiaries	—	-50	—	—	—	—	—
Loss of control of subsidiaries	—	—	—	—	—	—	—
Transfers from other components of equity to retained earnings	—	—	—	-3,725	-4,984	—	—
Total transactions with owners	—	-56,823	47,429	-3,725	-4,984	—	—
<b>BALANCE AS OF MARCH 31, 2023</b>	<b>68,418</b>	<b>221,812</b>	<b>-113</b>	<b>9,839</b>	<b>—</b>	<b>56,772</b>	<b>1,522</b>
Profit (loss) for the year	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	6,756	-386	50,618	-79
Total comprehensive income for the year	—	—	—	6,756	-386	50,618	-79
Purchase of treasury shares	—	—	-15	—	—	—	—
Disposal of treasury shares	—	-0	2	—	—	—	—
Share-based payment transactions	112	-30	—	—	—	—	—
Dividends	—	—	—	—	—	—	—
Changes in interests in subsidiaries that do not result in the Group losing control over the subsidiaries	—	-150	—	—	—	—	—
Transfers from other components of equity to retained earnings	—	—	—	148	386	—	—
Total transactions with owners	112	-180	-13	148	386	—	—
<b>BALANCE AS OF MARCH 31, 2024</b>	<b>68,530</b>	<b>221,632</b>	<b>-126</b>	<b>16,743</b>	<b>—</b>	<b>107,390</b>	<b>1,443</b>

(Unit: Millions of yen)

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity		Retained earnings (losses)	Total		
	Other	Total				
<b>BALANCE AS OF APRIL 1, 2022</b>	<b>147</b>	<b>44,954</b>	<b>267,920</b>	<b>612,385</b>	<b>2,583</b>	<b>614,968</b>
Hyperinflation adjustment	—	—	543	543	—	543
Restated balance as of April 1, 2022	147	44,954	268,463	612,928	2,583	615,511
Profit (loss) for the year	—	—	15,991	15,991	24	16,015
Other comprehensive income	-15	32,020	—	32,020	47	32,067
Total comprehensive income for the year	-15	32,020	15,991	48,011	71	48,082
Purchase of treasury shares	—	—	—	-10,040	—	-10,040
Disposal of treasury shares	—	—	—	2	—	2
Cancellation of treasury shares	—	—	—	—	—	—
Share-based payment transactions	-111	-111	—	583	—	583
Dividends	—	—	-26,001	-26,001	—	-26,001
Changes in interests in subsidiaries that do not result in the Group losing control over the subsidiaries	—	—	—	-50	-367	-417
Loss of control of subsidiaries	—	—	—	—	-0	-0
Transfers from other components of equity to retained earnings	—	-8,709	8,709	—	—	—
Total transactions with owners	-111	-8,820	-17,292	-35,506	-367	-35,873
<b>BALANCE AS OF MARCH 31, 2023</b>	<b>21</b>	<b>68,154</b>	<b>267,162</b>	<b>625,433</b>	<b>2,287</b>	<b>627,720</b>
Profit (loss) for the year	—	—	-13,908	-13,908	-706	-14,614
Other comprehensive income	-2	56,907	—	56,907	36	56,943
Total comprehensive income for the year	-2	56,907	-13,908	42,999	-670	42,329
Purchase of treasury shares	—	—	—	-15	—	-15
Disposal of treasury shares	—	—	—	2	—	2
Share-based payment transactions	-17	-17	17	82	—	82
Dividends	—	—	-25,840	-25,840	—	-25,840
Changes in interests in subsidiaries that do not result in the Group losing control over the subsidiaries	—	—	—	-150	210	60
Transfers from other components of equity to retained earnings	—	534	-534	—	—	—
Total transactions with owners	-17	517	-26,357	-25,921	210	-25,711
<b>BALANCE AS OF MARCH 31, 2024</b>	<b>2</b>	<b>125,578</b>	<b>226,897</b>	<b>642,511</b>	<b>1,827</b>	<b>644,338</b>

## (4) Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	FY ended March 31, 2023	FY ended March 31, 2024
<b>OPERATING ACTIVITIES:</b>		
Profit before tax from continuing operations	<b>Y</b> 19,759	<b>Y</b> 6,664
Loss before tax from discontinued operations	-1,255	-7,416
Profit (Loss) before tax	18,504	-752
Depreciation and amortization	81,900	81,330
Impairment losses	2,828	4,575
Loss recognized on the measurement to fair value, less costs to sell the disposal group held for sale	—	1,097
Loss (profit) recognized on the measurement to fair value, accounts receivable – other	-298	6,939
Interest and dividend income	-2,495	-2,779
Interest expense	5,375	10,125
Share of (profit) loss of associates accounted for using the equity method	10	153
Gain on disposal of assets held for sale	-5,250	—
Gain on disposal of the disposal group held for sale	—	-2,248
Losses (gains) on disposal of property, plant and equipment	1,841	1,506
Losses (gains) on disposal of investment property	-106	-6,417
Decrease (increase) in trade and other receivables	-5,073	-1,026
Decrease (increase) in inventories	-28,068	33,292
(Decrease) increase in trade and other payables	-19,776	-76,472
(Decrease) increase in net defined benefit liabilities	-12,442	1,690
Other	-271	9,620
Subtotal	36,679	60,633
Interest received	1,068	1,576
Dividends received	1,525	2,152
Interest paid	-5,554	-9,863
Income taxes paid	-18,713	-8,704
<b>Net cash generated by operating activities</b>	<b>Y 15,005</b>	<b>Y 45,794</b>

(Unit: Millions of yen)

	FY ended March 31, 2023	FY ended March 31, 2024
<b>INVESTING ACTIVITIES:</b>		
(Decrease) increase in time deposits	Y 87	Y -3,564
Purchase of property, plant and equipment	-41,583	-37,870
Proceeds from disposal of property, plant and equipment	27,927	2,415
Purchase of intangible assets	-13,766	-15,003
Proceeds from disposal of investment property	187	7,176
Payments for acquisition of subsidiaries	-15,173	—
Proceeds from sale of subsidiaries	—	2,112
Decrease (increase) in short-term loans receivable	-84	5,226
Purchase of investments	-88,537	-79,286
Proceeds from sale and redemption of investments	101,942	81,737
Proceeds from absorption-type company split	—	9,875
Other	-319	-498
<b>Net cash used in investing activities</b>	<b>Y -29,319</b>	<b>Y -27,680</b>
<b>FINANCING ACTIVITIES:</b>		
Dividends paid	Y -26,001	Y -25,840
(Decrease) increase in short-term borrowings and commercial paper	-1,488	22,443
Proceeds from long-term borrowings	65,820	140,100
Repayment of long-term borrowings	-42,331	-93,229
Proceeds from issuance of bonds	54,747	—
Redemption of bonds	—	-25,000
Lease liabilities paid	-21,005	-22,128
Purchase of treasury shares	-10,049	-15
Other	146	-4
<b>Cash flows from financing activities</b>	<b>Y 19,839</b>	<b>Y -3,673</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>5,525</b>	<b>14,441</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>100,404</b>	<b>106,677</b>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	748	3,367
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>Y 106,677</b>	<b>Y 124,485</b>

(5) Notes related to Financial Statements

(Notes related to Going Concern Assumptions)

Not applicable.

(Segment Information)

1. Description of Reportable Segments

The Group's reportable segments are those for which discrete financial information is available among the Group's constituent units and regular evaluation by the Board of Directors is performed in order to decide how resources are allocated and performance is assessed.

The Group is managed based on two reportable segments consisting of the "Water Technology Business" and the "Housing Technology Business," with the performance of their respective business units reported to the Board of Executive Officers or Board of Directors.

The "Water Technology Business" includes manufacturing and sales of sanitaryware, faucets, bathroom fixtures, system kitchen units, and other items. The "Housing Technology Business" includes manufacturing and sales of sashes, doors, shutters, wooden interior furnishing materials, curtain walls, and other items and provides services such as proposals for housing solutions and management of real estate.

2. Methods of measurement for the amounts of revenue, profit or loss, and other items for each reportable

The accounting policies of each reportable segment are consistent with those for the preparation of the consolidated financial statements. Profit or loss for reportable segments is presented on the basis of core earnings or losses. Intersegment revenue or transfers are determined based on market prices.

## 3. Information on the amounts of revenue, profit or loss, and other items for each reportable segment

For the FY ended March 31, 2023 (April 1, 2022 through March 31, 2023)

(Unit: Millions of yen)

	Reportable Segments		Total	Reconciliations (Note 2)	Consolidated
	Water Technology Business	Housing Technology Business			
Revenue					
Revenue from external customers	Y 904,526	Y 591,461	Y 1,495,987	Y —	Y 1,495,987
Intersegment revenue or transfers	10,759	6,750	17,509	-17,509	—
Total	915,285	598,211	1,513,496	-17,509	1,495,987
Segment profit (Note 1)	47,259	19,360	66,619	-40,874	25,745
Other income					9,790
Other expenses					-10,632
Operating profit					24,903
Finance income					3,142
Finance costs					-8,276
Share of loss of associates accounted for using the equity method					-10
Profit before tax from continuing operations					19,759
Other items					
Depreciation and amortization	46,647	34,896	81,543	357	81,900
Impairment losses	2,251	577	2,828	—	2,828
Share of profit (loss) of associates accounted for using the equity method	11	-21	-10	—	-10
Investments accounted for using the equity method	232	8,401	8,633	—	8,633
Capital expenditures	51,607	25,988	77,595	2	77,597

For the FY ended March 31, 2024 (April 1, 2023 through March 31, 2024)

(Unit: Millions of yen)

	Reportable Segments		Total	Reconciliations (Note 2)	Consolidated
	Water Technology Business	Housing Technology Business			
Revenue					
Revenue from external customers	Y 892,557	Y 590,667	Y 1,483,224	Y —	Y 1,483,224
Intersegment revenue or transfers	4,367	5,781	10,148	-10,148	—
Total	896,924	596,448	1,493,372	-10,148	1,483,224
Segment profit (Note 1)	22,717	35,887	58,604	-35,442	23,162
Other income					13,813
Other expenses					-20,624
Operating profit					16,351
Finance income					3,661
Finance costs					-13,195
Share of loss of associates accounted for using the equity method					-153
Profit before tax from continuing operations					6,664
Other items					
Depreciation and amortization	50,080	30,917	80,997	333	81,330
Impairment losses	3,267	1,308	4,575	—	4,575
Share of profit (loss) of associates accounted for using the equity method	19	-172	-153	—	-153
Investments accounted for using the equity method	260	7,449	7,709	—	7,709
Capital expenditures	39,629	21,319	60,948	7	60,955

(Notes)

1. Segment profit is core earnings which are defined as revenue less cost of sales and selling, general and administrative expenses.
2. A process of Segment profit reconciliations takes place for Company expenses that are not allocated to reportable segments. These expenses primarily represent costs associated with administrative departments, including Human Resources, General Affairs, Finance and other departments of the Company.
3. For an international subsidiary that has been formerly classified as "Housing Technology Business", due to a change in the subsidiary's distribution, the Company reviewed the management system for this subsidiary. As a result, the Company has separated the reporting segments into "Water Technology Business" and "Housing Technology Business" from the start of the first quarter of the fiscal year ending March 2024. When the revenue and segment profit related to the regarding subsidiary for the fiscal year ended March 31, 2024 are aggregated by the conventional method, "Revenue from external customers" of the Water Technology business decreased by 5,750 million yen. "Intersegment revenue or transfers" and "Segment profit" of the Water Technology business increased by 5,707 million yen and 2,162 million yen, respectively. "Revenue from external customers" and "Intersegment revenue or transfers" of the Housing Technology business increased by 5,750 million yen and 1,668 million yen, respectively. "Segment profit" of the Housing Technology business decreased by 2,161 million yen. "Intersegment revenue or transfers" and "Segment profit" of the Reconciliations decreased by 7,375 million yen and 1 million yen, respectively.

(Notes related to Consolidated Statement of Profit or Loss)

For the FY ended March 31, 2023 (April 1, 2022 through March 31, 2023)

(1) Costs related to "Career Option Program"

The Group is working to enhance their personnel systems to support multigenerational career planning and development. As part of this initiative, the Group implements a "Career Option Program" which permanent employees working at object of companies of the Group in Japan who have reached a certain age with certain duration of service will be able to select the option of pursuing opportunities outside the company before the usual statutory retirement age.

Costs for premium retirement allowance and outplacement services related to "Career Option Program" are recorded under cost of sales and selling, general and administrative expenses as following:

Cost of sales	721 million yen
<u>Selling, general and administrative expenses</u>	<u>1,677 million yen</u>
Total	2,398 million yen

(2) Profit on disposal of assets held for sale

Profit on disposal of assets held for sale of 5,250 million yen is recorded as other income due to the sale of land and other assets following the relocation of a production site of an international subsidiary at the request of the local government.

(3) Income tax expenses

The Group recorded loss on guarantees for indemnity claims against Joyou AG's subsidiary Hong Kong Zhongyu Sanitary Technology Ltd. in the fiscal year ended March 31, 2016. Joyou AG was the Company's former subsidiary. In the fiscal year ended March 31, 2023, the Group recorded deferred tax assets of 8,327 million yen and income tax expenses (profit) in the same amount, as it became possible to predict the timing of the deductibility of such losses.

For the FY ended March 31, 2024 (April 1, 2023 through March 31, 2024)

(1) Costs related to "Career Option Program"

The Group is working to enhance their personnel systems to support multigenerational career planning and development. As part of this initiative, the Group implements a "Career Option Program" which permanent employees working at object of companies of the Group in Japan who have reached a certain age with certain duration of service will be able to select the option of pursuing opportunities outside the company before the usual statutory retirement age.

Costs for premium retirement allowance and outplacement services related to "Career Option Program" are recorded under cost of sales and selling, general and administrative expenses as following:

Cost of sales	667 million yen
<u>Selling, general and administrative expenses</u>	<u>1,728 million yen</u>
Total	2,395 million yen

(2) Dissolution and occurrence of loss of consolidated subsidiary (Decorative Panels International, Inc.)

The Company has decided to dissolve Decorative Panels International, Inc. (hereinafter "DPI"), owned by ASD Holding Corp. (hereinafter "ASD"), a consolidated subsidiary of the Company.

The Company aims to be an entrepreneurial company that can achieve sustainable competitiveness and growth in order to fulfill its corporate purpose to contribute to society by making better homes a reality for everyone, everywhere. To achieve this aim, the Company is taking a number of steps to transform its operations. These include, strengthening governance, focusing on actively managing the core businesses to enhance productivity and efficiency, driving synergies across business areas, and optimizing the business portfolio to accelerate growth and strengthen financial conditions.

As a manufacturer and distributor of wall panels, DPI became a group company under the ASD umbrella when the Company acquired the shares of ASD in 2013. Since then, DPI has been seeking synergies with the Company's US operations. However, challenging economic and market conditions have undermined efforts to revitalize the business. After evaluating all available options, the Company has decided to dissolve DPI in order to further improve productivity and efficiency by simplifying the business structure and integrating the organization.

As a result of this decision, the Company recorded inventory write-downs of 583 million yen in cost of sales and impairment losses and others of 3,692 million yen in other expenses.

(3) Recording a loss for the year from discontinued operations  
(Loss recognized on the measurement to fair value, accounts receivable)

The Company completed the transfer of the shares of Permasteelisa S.p.A (hereafter "Permasteelisa") on September 30, 2020. Permasteelisa was the Company's former consolidated subsidiary. The Company agreed on the contribution of a certain amount of capital, of which up to 100 million euros (hereafter "Deferred Consideration") will be refunded to the Company in the event that the cashflow of Permasteelisa from the date of the share transfer to March 31, 2022 meets certain conditions and in accordance with the procedure set forth in the share transfer agreement. The cash flow of Permasteelisa, which is to be used to determine the Deferred Consideration, is adjusted for certain items in the share transfer agreement.

From the date of the share transfer, the Company has been recording the fair value of the accounts receivable assessed by independent valuation experts in its consolidated financial statements, based on ongoing information obtained from the buyer, including the cash flow information of Permasteelisa, to evaluate the Deferred Consideration.

With respect to such Deferred Consideration, the Company and the buyer had requested the accounting firm (hereafter "Independent Accountant"), appointed pursuant to the agreement between the seller and the buyer, to evaluate the terms of the Deferred Consideration including the adjustment of Permasteelisa's cash flows. Based on the results of the Independent Accountant's evaluation, the Company recorded a loss recognized on the measurement to fair value, accounts receivable of 6,939 million yen (before tax) based on the re-evaluation of the fair value of accounts receivable.

(Information per share)

	FY ended March 31, 2023	FY ended March 31, 2024
	Millions of yen	Millions of yen
Profit (loss) for the year attributable to owners of the parent from continuing operations	16,864	-8,749
Loss for the year attributable to owners of the parent from discontinued operations	-873	-5,159
Profit (loss) for the year attributable to owners of the parent	15,991	-13,908
Profit adjusted for the effect of dilution from continuing operations	—	—
Profit adjusted for the effect of dilution from discontinued operations	—	—
Diluted profit (loss) for the year	15,991	-13,908
	Shares	Shares
Weighted-average number of ordinary shares outstanding	287,910,363	287,140,640
Increase in weighted-average number of ordinary shares due to dilution		
Increase from stock options	1,913	—
Diluted weighted-average number of ordinary shares	287,912,276	287,140,640
	Yen	Yen
Basic earnings (loss) per share		
Continuing operations	58.57	-30.46
Discontinued operations	-3.03	-17.97
Total	55.54	-48.43
Diluted earnings (loss) per share		
Continuing operations	58.57	-30.46
Discontinued operations	-3.03	-17.97
Total	55.54	-48.43
Diluted potential ordinary shares not included in the calculation of diluted earnings per share because their inclusion would have been anti-dilutive	—	—

(Notes on significant subsequent events)

Not applicable.