

› Q1 Results for the Fiscal Year Ending March 31, 2022 (IFRS)

(From April 1, 2021, to June 30, 2021)

LIXIL Corporation

July 30, 2021

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

JGAAP	IFRS (LIXIL Financial Reporting)
	<u>Continuing operations</u>
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/loss	Finance income/costs
	Share of profit (loss) of investments accounted for using equity method
Profit before income taxes	Profit before tax
	Profit from continuing operations
	<u>Discontinued operations</u>
	Profit for discontinued operations
Net profit attributable to	Profit attributable to
Non-controlling interests	Owners of the parent
Owners of the parent	Non-controlling interests

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

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PERFORMANCE HIGHLIGHTS

› Summary of results for Q1 FYE2022

- **Revenue and profit increased year-on-year** due to the recovery from restrictions on economic activity from the previous year, strong demand mainly in Americas and Europe, and progress of structural reform in Japan
- Structural reform measures that have been implemented have come to fruition, resulting in a **record high core earnings, operating profit, profit before tax, and profit for the quarter⁽¹⁾ for Q1**
- **Gross profit margin improved by 5.0pp year-on-year. The core earnings margin increased to 6.7%**

KEY HIGHLIGHTS

› Achieved record high profit for Q1. Revenue and profit up driven by strong LWT performance in Americas and Europe and progress of structural reform in Japan

- **Revenue: JPY 345.8 billion, up 11% year-on-year**
 - Decreased 1% (+2% growth excluding impact from divestment) year-on-year in Japan and increased 50% in international markets
- **Core earnings: JPY 23.1 billion, up JPY 25.7 billion year-on-year** Record high for Q1
 - Driven by LWT sales growth in Americas and Europe and progress of structural reform in Japan
- **Profit for the quarter⁽¹⁾: JPY 16.8 billion, up JPY 20.5 billion year-on-year** Record high for Q1
 - Increased due to business recovery from restrictions on economic activities from previous year and progress of structural reform

Q1 FYE2022 CONSOLIDATED BUSINESS RESULTS

	Q1 FYE2021	Q1 FYE2022	YoY	
	3 months Actual	3 months Actual	vs Results	
JPY billion	Results	Results	Increase/ decrease	%
Revenue	310.5	345.8	+35.3	+11.4%
Gross profit	96.7	125.0	+28.3	+29.3%
(%)	31.1%	36.2%	+5.0pp	-
SG&A	99.3	101.9	+2.6	+2.6%
Core earnings (CE) ⁽¹⁾	-2.6	23.1	+25.7	-
(%)	-0.8%	6.7%	+7.5pp	-
Profit/loss for the quarter including Discontinued Operations ⁽²⁾	-3.7	16.8	+20.5	-
EPS (Yen)	-12.82	57.91	+70.73	-
EBITDA ⁽³⁾	17.7	43.1	+25.4	-
(%)	5.7%	12.5%	+6.8pp	-

- CE margin improved by 7.5pp (gross profit margin improved by 5.0pp and SG&A ratio improved by 2.5pp)
- Improvement of gross profit margin and core earnings margin due to increase in sales composition ratio of higher-margin international business and increase in factory utilization rates as well as benefits from various transformation initiatives in previous years
- SG&A expenses increased by JPY2.6 billion in three months due to increase of revenue

(1) Equivalent to "Operating profit" of JGAAP
 (2) Profit/loss for the quarter attributable to owners of the parent
 (3) EBITDA=Core earnings + Depreciation + Amortization

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Q1 FYE2022 BUSINESS RESULTS BY SEGMENT

➤ Strong LWT business drove revenue increase and core businesses drove core earnings growth

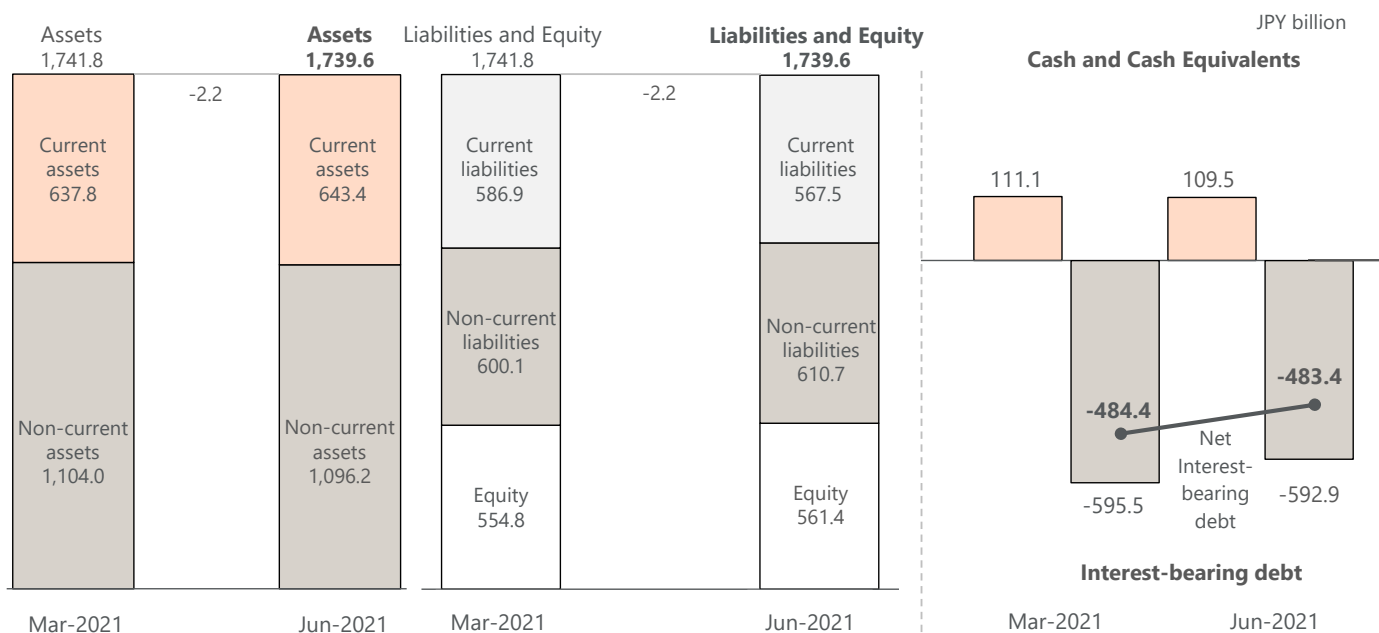
	JPY billion	Q1 3 months		
		FYE2021	FYE2022	Increase/ decrease
LWT	Revenue	165.5	210.6	+45.1
	CE	3.0	23.7	+20.7
LHT	Revenue	117.3	114.8	-2.6
	CE	5.2	10.4	+5.1
LBT	Revenue	21.3	18.0	-3.3
	CE	-0.9	-0.8	+0.1
H&S	Revenue	11.3	7.2	-4.1
	CE	0.4	0.1	-0.4
Consolidation adj. & others	Revenue	-4.9	-4.7	+0.2
	CE	-10.4	-10.2	+0.2
LIXIL	Revenue	310.5	345.8	+35.3
	CE	-2.6	23.1	+25.7

Forex impact :

Q1 three months: Revenue +5.5 billion, Core earnings -0.1 billion

CONSOLIDATED FINANCIAL POSITION

➤ Equity ratio improved by 0.4pp to 32.1% from March 2021

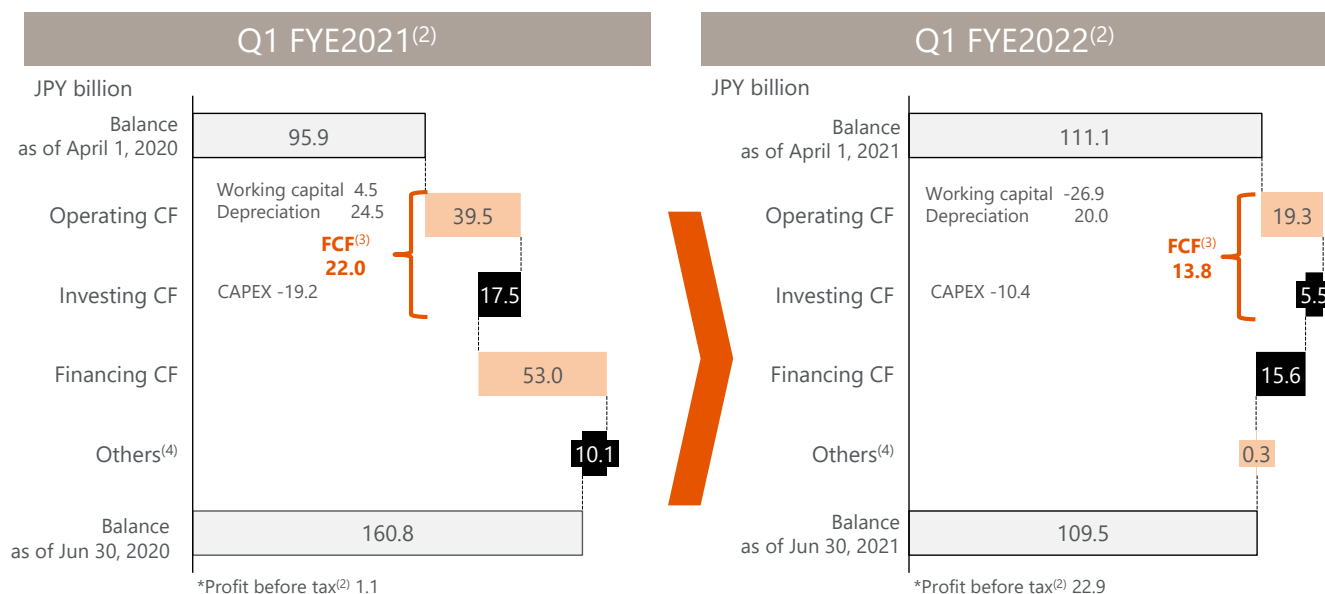


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CASH FLOW STATUS AND CASH BALANCE

➤ Free Cash Flow (FCF) declined by JPY8.2 billion due to increase in profit before tax and lower needs for investment as a result of the asset-light investment strategy despite various one-time costs for structural reform⁽¹⁾ totaling JPY18.3 billion and an increase in working capital due to business reform



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(1) Voluntary retirement program and divestments

(2) Includes discontinued operations

(3) "FCF" = Operating CF + Investing CF

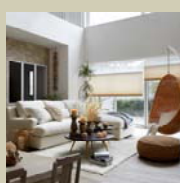
(4) "Others" = Effects of exchange rate changes + Net increase/decrease in cash and cash equivalents included in assets classified as held for sale

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› RESULTS BY BUSINESS SEGMENT



Water Technology



Housing Technology



Building Technology



Housing & Services Business

WATER TECHNOLOGY

› International revenue and CE increased due to recovery from the impact of COVID-19 of previous year and continued strong demand in Americas and Europe. Japan revenue and CE increased due to strong renovation demand

Apr-Jun In JPY bn		Q1 FYE2022 (Results)	YoY	
Revenues by region ⁽¹⁾	Americas	36.7	+35%	
	EMEA	48.9	+66%	
	China	14.3	+8%	
	Asia Pacific	9.7	+58%	
	Japan	99.2	+9%	
	Adj. & other	1.9		
	Water Technology	210.6	+27%	CE margins
Core earnings by region	International	15.9	-	14.2%
	Japan	7.8	+167%	7.9%
	Water Technology	23.7	+689%	
	Margin	11.2%	+9.4pp	

Revenue

- **Americas·EMEA**
 - ✓ Revenue increased significantly against the comparably low Q1 in prior year recovering well above pre-COVID levels
 - ✓ Growth is broadly spread across all key geographies, channels and product categories
- **China**
 - ✓ Revenue increased mainly driven by the Retail channel and strong sales of GROHE products
- **Asia Pacific**
 - ✓ Overall revenue increased due to continuing gradual recovery despite the impact of fluctuating levels of restrictions on economic activities from COVID-19
- **Japan**
 - ✓ Strong demand for renovation and mid-to-high-end products
 - ✓ Touchless faucets and washstand cabinet units and bathroom units with touchless faucets are performing well due to growing interest in hygiene and effect from new products

Core earnings

- **International·Japan**
 - ✓ Intl.: CE increased mainly driven by strong sales in Americas and Europe
 - ✓ Japan: CE increased due to increased sales ratio of renovation and mid-to-high-end products

HOUSING TECHNOLOGY

› Ongoing corporate restructuring and higher demand for renovation-related products resulted in increased revenue and core earnings when excluding the impact from divestment in the previous fiscal year

Apr-Jun In JPY bn		Q1 FYE2022 (Results)	YoY	
Revenue by region	Japan	112.8	-3% ⁽¹⁾	<p>■ <u>Japan</u></p> <ul style="list-style-type: none"> ✓ Despite the challenging business environment, core earnings rose from productivity improvement in both production and operation side, continued progress in reinforcement of corporate structure, and renovation sales growth ✓ Core earnings margin improved by 4.6pp ✓ Sales grew on growing demand for hygiene-related products following COVID-19 and greater interest in renovation as more people worked from home. <ul style="list-style-type: none"> • <i>Rechent</i> (renovation door): increased by 41% YoY • <i>Inplus</i> (renovation resin inner window): increased by 36% YoY • <i>IoT Enabled Smart Delivery Box</i>: increased by 55% YoY
	International	1.9	+21%	
	Housing Technology	114.8	-2%	
Core earnings	Housing Technology	10.4	+98%	<ul style="list-style-type: none"> ✓ The promotion of “#Make time at home happy with easy renovation” and the green housing point system supported renovation demand
	Margin	9.0%	+4.6pp	

LIXIL (1) +2%YoY growth excluding impact from divestment

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BUILDING TECHNOLOGY AND HOUSING & SERVICES

› Revenue declined due to longer timeframes in building construction, especially large-scale projects, delaying delivery of necessary building materials but level of loss in core earnings decreased

Apr-Jun In JPY bn		Q1 FYE2022 (Results)	YoY	
Building Technology	Revenue	18.0	-15%	<ul style="list-style-type: none"> ■ Revenue declined due to longer timeframes in building construction, especially large-scale projects, delaying delivery of necessary building materials ■ Level of loss in core earnings decreased by continued measures to reduce SG&A and to reinforce business structure ■ Improvement in core earnings is expected from FYE2023 onward since building projects gradually recognize profits, leading to the difference in timing in taking measures and recognizing improvements
	Core earnings	-0.8	-	
	Margin	-4.3%	-0.1pp	

› Revenue and core earnings decreased due primarily to the impact on divestment in previous year

Apr-Jun In JPY bn		Q1 FYE2022 (Results)	YoY	
H&S	Revenue	7.2	-37%	<ul style="list-style-type: none"> ■ Q1 revenue and core earnings were largely unchanged from the previous year when excluding the impact of divestment measures
	Core earnings	0.1	-84%	
	Margin	1.0%	-2.9pp	

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› APPENDIX: FINANCIAL DATA

REVENUE BY PRODUCTS AND SERVICES

› The quarter saw strong sales of water-related products, recovering from the effect of COVID-19 in the previous year. There was higher demand for products to enhance people's lifestyles and for hygiene-related products such as touchless faucets

Segment	Major products	JPY billion				in %				
		Full-year FYE2021 Results	Q1 FYE2021 Results	Q1 FYE2022 Results	YoY	Quarterly YoY FYE2021				FYE2022 Q1
						Q1	Q2	Q3	Q4	
LWT	Sanitary ware**	105.5	24.2	24.4	+0.9%	+1.5	-8.5	-2.1	+8.4	+0.9
	Bathroom units	87.0	19.7	21.8	+10.7%	-20.8	-18.8	-9.0	-3.9	+10.7
	Washstand cabinet units**	37.1	7.9	9.0	+13.7%	-8.5	-9.0	+8.9	+2.9	+13.7
	Kitchens	100.1	22.5	24.6	+9.5%	-14.8	-20.0	-3.9	-1.0	+9.5
	Tiles	33.0	7.9	7.8	-1.6%	-5.3	-16.6	-6.2	-7.6	-1.6
LHT	Housing sashes and related products	171.5	42.0	41.2	-2.0%	-10.7	-13.3	-4.2	-10.8	-2.0
	Exterior	99.4	25.2	26.0	+3.1%	-9.4	-14.6	-6.0	-8.5	+3.1
	Wooden interior furnishing materials	62.4	15.4	14.9	-3.1%	-8.1	-18.0	-7.8	-8.2	-3.1
	LHT Others ⁽¹⁾	54.7	14.4	9.2	-36.5%	-30.0	-33.7	-14.9	-53.3	-36.5
LBT	Building sashes	93.4	21.3	18.0	-15.4%	-10.8	-18.2	-21.1	-17.3	-15.4
H&S	Housing and Services business ⁽¹⁾	46.6	11.3	7.2	-36.5%	-13.9	-15.1	+1.2	-28.0	-36.5
	International ⁽²⁾	384.7	75.7	113.3	+49.6%	-21.5	+2.3	+1.9	+2.6	+49.6
	Others/ consolidation & adj.	103.0	23.0	28.4	-					
Total		1,378.3	310.5	345.8	+11.4%	-14.6	-11.6	-3.8	-6.2	+11.4

(Reference)**Sales of Faucets included in "Sanitary ware" and "Washstand cabinet units"

LWT	Faucets	21.7	4.8	5.7	+17.9%	+13.5	+4.9	+19.5	+22.2	+17.9
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PROMOTE RENOVATION STRATEGY IN JAPAN

› Renovation sales ratio increased by 5.0pp due to continuing strong demand for residential house remodeling

JPY billion	Q1 3 months			
	FYE2021 Results ⁽¹⁾	FYE2022 Results	Change	YoY
Sales of renovation-related products	66.3	76.0	+9.7	+15%
LWT-J				+21%
LHT-J				+12%
LBT				-20%
Renovation sales ratio	36%	41%	+5.0pp	

› Renovation sales ratio by business segment (YoY)

	Q1FYE2021	Q1FYE2022	Difference
LWT	42% ⁽¹⁾	48%	+5.4pp
LHT	32%	36%	+3.8pp
LBT	22% ⁽¹⁾	23%	+1.6pp
Japan Total	36%	41%	+5.0pp

› Number of member homebuilders

Stores	Mar 2020	Mar 2021	Jun 2021
LIXIL Reform Shop (Franchise)	554	540	535
LIXIL Reform Shop (Voluntary chain)	11,789	11,373	11,349
LIXIL PATTO Reform Service Shop	3,602	3,817	3,794

LIXIL (1) Sales of renovation product was restated for comparison on the same basis

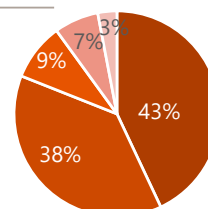
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PROMOTE GROWTH OF INTERNATIONAL WATER TECHNOLOGY BUSINESS

› Leveraging our brands, manufacturing assets and advanced technologies, we are accelerating growth by bridging portfolio gaps globally

	Q1 FYE2022 (3 months)									
	Sales distribution ratio					Sales growth				
	Intl. Total	Americas	EMEA	China	Asia Pacific	Intl. Total	Americas	EMEA	China	Asia Pacific
Bath faucets and showers	43%	15%	65%	47%	38%	+50%	+35%	+63%	+5%	+72%
Toilets	36%	51%	21%	45%	55%	+41%	+36%	+76%	+7%	+51%
Kitchen faucets and water systems	9%	6%	14%	5%	3%	+52%	+24%	+68%	+8%	+128%
Bathing and showering systems	7%	20%	0%	1%	1%	+42%	+44%	+6%	+10%	-51%
All others	5%	8%	0%	2%	3%	-	-	-	-	-
Total	100%	100%	100%	100%	100%					

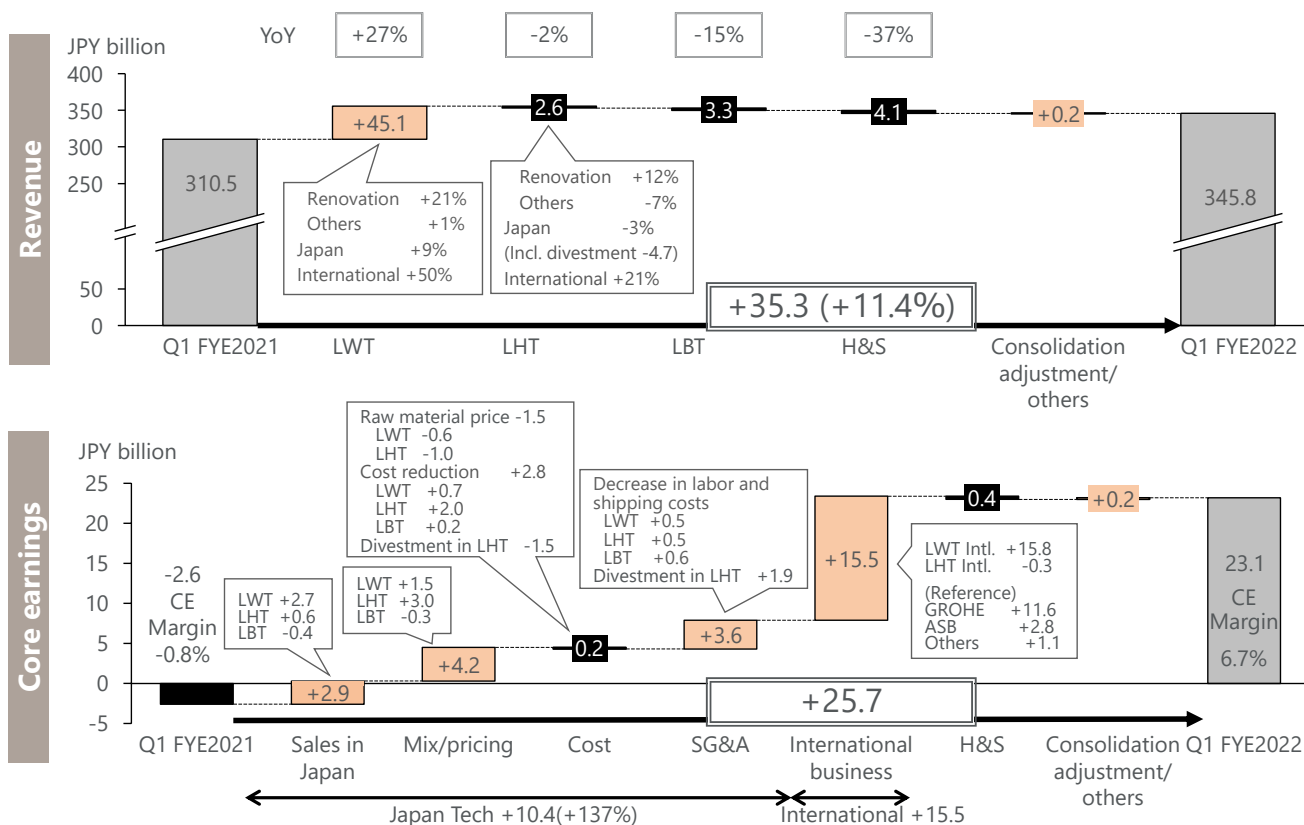
■ In Q1 FYE2022, sales growth spread across all geographies and product categories due to recovery from a particularly low prior year base caused by COVID-19 restrictions



Sales distribution ratio (FYE2021 (Full-year))

- Bath faucets and showers
- Toilets
- Kitchen faucets
- Bathing and showering systems
- All others

Q1 FYE2022 INCREASE / DECREASE OF REVENUE AND CORE EARNINGS



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Q1 FYE2022 OTHER INCOME AND OTHER EXPENSES, FINANCE INCOME AND FINANCE COSTS

	Q1 FYE2021 Results	Q1 FYE2022 Results	Increase/decrease
JPY billion			
Gain on sale of assets held for sale	-	2.4	+2.4
Others	0.8	0.7	-0.1
Other income	0.8	3.1	+2.4
Losses on sale or disposal of property, plant and equipment	0.2	0.5	+0.3
Impairment losses	0.2	0.8	+0.6
Others	0.8	1.0	+0.1
Other expenses	1.2	2.3	+1.0
Interest income	0.2	0.4	+0.1
Dividend income	0.8	1.0	+0.1
Gain on valuation of derivatives	-	0.7	+0.7 (A)
Foreign exchange gain	4.9	-	-4.9 (B)
Finance income	5.9	2.0	-3.9
Interest expense	1.1	1.1	+0.1
Loss on valuation of derivatives	4.6	-	-4.6 (B)
Foreign exchange loss	-	1.1	+1.1 (A)
Others	0	0.1	+0.1
Finance costs	5.7	2.3	-3.3

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

	Q1 FYE2022 Results
Gain on valuation of derivatives	0.7
Foreign exchange loss	-1.1
Net	-0.4 loss

(B) Foreign exchange gains are matched with Losses on valuation of derivatives

	Q1 FYE2021 Results
Foreign exchange gain	4.9
Loss on valuation of derivatives	-4.6
Net	+0.3 gain

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RESULTS AND FORECASTS BY SEGMENT

JPY billion		Q1 FYE2021 Results			Q1 FYE2022 Results				FYE2022 Forecast			
		Japan	Intl.	Total	Japan	Intl.	Total	Total YoY%	Japan	Intl.	Total	Total YoY%
LWT	Revenue	91.3	74.2	165.5	99.2	111.4	210.6	+27.3%	431.5	434.0	865.5	+10.4%
	CE	2.9	0.1	3.0	7.8	15.9	23.7	+688.6%	36.5	46.0	82.5	+32.7%
	CE margin	3.2%	0.1%	1.8%	7.9%	14.2%	11.2%	+9.4pp	8.5%	10.6%	9.5%	+1.6pp
LHT	Revenue	115.8	1.6	117.3	112.8	1.9	114.8	-2.2%	471.5	6.5	478.0	+0.8%
	CE	5.5	-0.3	5.2	10.9	-0.6	10.4	+98.1%	38.5	-2.0	36.5	+16.1%
	CE margin	4.8%	-19.8%	4.5%	9.7%	-31.1%	9.0%	+4.6pp	8.2%	-	7.6%	+1.0pp
LBT	Revenue	21.3		21.3	18.0		18.0	-15.4%	86.5		86.5	-7.4%
	CE	-0.9		-0.9	-0.8		-0.8	-	3.0		3.0	+14.9%
	CE margin	-4.2%		-4.2%	-4.3%		-4.3%	-0.1pp	3.5%		3.5%	+0.7pp
H&S	Revenue	11.3		11.3	7.2		7.2	-36.5%	30.0		30.0	-35.6%
	CE	0.4		0.4	0.1		0.1	-83.9%	1.0		1.0	-53.2%
	CE margin	3.9%		3.9%	1.0%		1.0%	-2.9pp	3.3%		3.3%	-1.3pp
Conso. adj. & others ⁽¹⁾	Revenue			-4.9			-4.7	-			-20.0	-
	CE			-10.4			-10.2	-			-43.0	-
LIXIL ⁽¹⁾	Revenue	239.6	75.7	310.5	237.2	113.3	345.8	+11.4%	1,019.5	440.5	1,440.0	+4.5%
	CE	8.0	-0.2	-2.6	18.0	15.3	23.1	-	79.0	44.0	80.0	+39.6%
	CE margin	3.3%	-0.3%	-0.8%	7.6%	13.5%	6.7%	+7.5pp	7.7%	10.0%	5.6%	+1.4pp

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

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PERFORMANCE OF MAJOR INTERNATIONAL SUBSIDIARIES

Company	ASB (ASD Holdings)			
Unit	Unit: USD million			
Accounting period	Q1 FYE2021 Results	Q1 FYE2022 Results	YoY	
Exchange rate (Average Rate)	107.74	110.00	-	
Revenue	259	349	+35%	
Core earnings	6	31	+404%	
	%	2%	9% +6.5pp	
Accounting period	FYE2021 Balance	Q1 FYE2022 (3 months)		Balance
Exchange rate (Current Rate for balance, Average Rate for amortization)	110.71	Amortization	Others ⁽¹⁾	110.58
Goodwill	228	-	0	228
Intangible assets	206	-2	0	205
Company	Grohe Group (GROHE)			
Unit	Unit: EUR million			
Accounting period	Q1 FYE2021 Results	Q1 FYE2022 Results	YoY	
Exchange rate (Average Rate)	118.94	131.78	-	
Revenue	281	455	+62%	
Core earnings	1	89	-	
	%	0%	19% +19.1pp	
Accounting period	FYE2021 Balance	Q1 FYE2022 (3 months)		Balance
Exchange rate (Current Rate for balance, Average Rate for amortization)	129.8	Amortization	Others ⁽¹⁾	131.58
Goodwill	1,197	-	-5	1,192
Intangible assets	1,429	-3	0	1,426

LIXIL (1) Forex translation differences, and others

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› APPENDIX: BUSINESS AND ESG RELATED TOPICS

BUSINESS RELATED TOPICS

Promote high-performance window Launch resin window *EW*

Contribute to Zero Carbon and Circular Living through joint projects with profine (Germany)



(Image: Resin window *EW* planned to be launched in the South Japan from Kita kantou including Fukushima from August 1, 2021)

- Jointly developed the resin window *EW* with profine, utilizing their advanced resin / extrusion recycling technology, toward the realization of LIXIL Environmental Vision 2050⁽¹⁾
- Increased by approximately three times the usage rate of recycled resin frames compared to conventional products
- Aim to work with governments to create a recycling system for resin windows

Strengthening expansion in the Smart Home market in Japan

Launched *Life Assist 2* that allows consumers to easily convert their home into a Smart Home



(Image: *Life Assist 2* launched from July 1, 2021)

- Strengthen our expansion in the growing Japanese Smart Home market by utilizing LIXIL's IoT technology
- *Life Assist 2* can turn a home into a Smart Home simply by connecting it to the Internet. Household functions and home appliances can easily be controlled from anywhere⁽²⁾
- Work is underway to expand the products and devices that can be linked with *Life Assist 2* and to collaborate with local communities and utilities in the near future

BUSINESS AND ESG RELATED TOPICS

Global Sanitation & Hygiene

GROHE supports the "MAKE A SPLASH!" across Europe & Middle East



- Since 2018, LIXIL and UNICEF have partnered in "MAKE A SPLASH!" to help achieve the UN's goals under SDGs 6 (Clean Water and Sanitation). These include activities to promote safe and hygienic toilets and hand-washing habits for children in developing countries⁽¹⁾
- LIXIL has launched a campaign to donate 1 € to "MAKE A SPLASH!" for each purchase of certain GROHE products across 13 countries in Europe and the Middle East. It also contributes to bettering the sanitary environment through support for educational activities and partnership activities

LIXIL Presents at KBC (KITCHEN & BATH CHINA) 2021

Innovative ideas for a better home presented at one of the largest trade fairs in Asia



- Exhibited China-designed products across four brands, demonstrating the strength of our multi-brand strategy⁽²⁾
- A highly functional shower toilet from American Standard
- Introduction of a new luxury brand GROHE SPA for luxury homes and hotels that offer a spa experience from GROHE
- Technologically advanced products from INAX that embody the beauty of space in Japan such as AQUA CERAMIC and Cerafine
- Sophisticated high-end products from LIXIL Kitchen designed for the China market
- Leveraging the brand portfolio to accelerate international growth in LWT



(1) GROHE X https://www.grohe-x.com/pl-pl/newsroom-overview/news-overview-international/brand_make-a-splash

(2) News Release <https://americanstandard.com.au/press-room/press-releases/lxil-showcases-four-power-brands-26th-kitchen-bath-china-2021-shanghai/>

ESG RELATED TOPICS

Strengthening awareness of human rights issues among all stakeholders

Updated Human Rights Principle



- Strengthened governance system to manage human rights risk and clarified human rights due diligence process⁽¹⁾
- Clarified "LIXIL's Seven Key Human Rights Issues" identified to reduce potential risks through human rights risk assessments in 2020
- Accelerated efforts to reduce potential human rights risks led by The Human Rights Due Diligence Task Force, a cross-functional grouping

Corporate Responsibility Report

Published CR Report summarizing FYE2021 initiatives⁽²⁾



- **Review of material issues:** Prioritized material issues based on importance to LIXIL and society
- **Global Sanitation & Hygiene:** Cumulative shipment of SATO products exceeded 5.1 million units by end of FYE2021
- **Water Conservation & Environmental Sustainability:** 36 locations, including all LIXIL International fitting factories, switched to 100% renewable energy-derived electricity. Also announced "LIXIL Plastic Action Statement"
- **Diversity & Inclusion:** Updated strategic goals for D&I to support employee success, and strengthen customer orientation by fostering a culture of inclusion



(1) LIXIL Human Rights Principle https://www.lixil.com/en/about/governance/pdf/Human_Rights_Principle.pdf

(2) CR report https://www.lixil.com/en/sustainability/cr_library/pdf/LIXIL_CR2021_en.pdf

ESG RELATED TOPICS

Realize an inclusive society LIXIL PARK showcase

Public toilets that can be used by all people regardless of age, gender, or physical condition



(Image: LIXIL PARK opens from Jul 21 to Sep 5, 2021 at FUJI TELEVISION's open space⁽¹⁾)

- Based on the concept of functional distribution, seven types of rooms can be used by everyone, especially wheelchair users, people with an ostomy⁽²⁾, and parents with babies
- These toilets are function-distributed and unisex, featuring nursing rooms and calm-down/cool-down rooms. People can choose a private room that suits their needs
- Utilizing *withCUBE* portable units, the rooms feature touchless panel controllers (a floating switch in the air). LIXIL's innovations in public toilets contribute to the realization of an inclusive society

Selection in key indexes

Included in FTSE4Good Index Series and MSCI Japan Empowering Women Index for 5th consecutive year



MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

- Included in FTSE4 Good Index Series and FTSE Blossom Japan Index, created by FTSE Russell, for the fifth consecutive year in 2021. The index is a key benchmark for socially responsible investment, recognizing the company's work in human rights, corporate governance and the formulation of Green Procurement Guidelines⁽³⁾
- Included in the MSCI Japan Empowering Women Index of Japanese companies for the fifth consecutive year in recognition of the measures in gender diversity. These include a higher ratio of women among executives, employees and new graduate recruitment



(1) News Release <https://www.lixil.com/jp/news/pdf/2021072001.pdf> (Japanese only)

(2) A person who has had an ostomy, a surgical operation to create an opening in the body for the discharge of body wastes

(3) News Release https://www.lixil.com/en/news/pdf/20210719_FTSE_E%20.pdf

EXTERNAL RECOGNITION

MSCI Japan Empowering Women Index

Selected as a constituent of the MSCI Japan Empowering Women Index (WIN), created by MSCI Inc., due to the increased proportion of women among executives, employees and new graduate recruitment (Five consecutive years, June 2021)

MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

MSCI ESG Ratings

MSCI ESG Rating improved from BBB to A in recognition of compliance efforts, improvement of corporate governance system, and expansion of disclosed information (March 2021)



Disclaimer

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FTSE4Good Index Series

Became a constituent of the FTSE4Good Index Series and FTSE Blossom Japan Index, created by FTSE Russell⁽¹⁾ in recognition of efforts for human rights, corporate governance, and the formulation of Green Procurement Guidelines (Five consecutive years, June 2021)



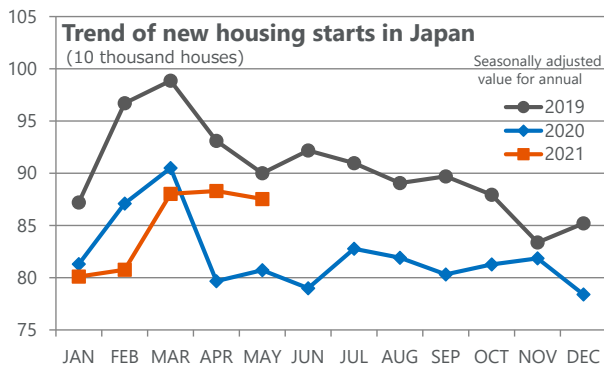
Disclaimer

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that The LIXIL Corporation has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.



(1) Registered trademark of FTSE International Limited and Frank Russell Company

MARKET TRENDS



Source : Statics of new housing starts, Ministry of Land, Infrastructure, Transport and Tourism (2019/1-2021/5)

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

- Jan-Mar 2021: -1.6%
- Jan-May 2021: 4.5%

	Jan-May 2021 (5 months)		Apr-May 2021 (2 months)	
	Units	YoY	Units	YoY
Total new housing starts	335,698	+2.5%	144,699	+8.5%
Owner occupied(1)	107,694	+7.0%	45,764	+12.4%
Rental homes	123,494	+0.6%	53,899	+9.1%
Condos for sale	46,166	+1.1%	20,220	+1.0%
Detached houses for sale(2)	55,394	-0.1%	23,392	+6.1%
Detached houses total(1)+(2)	163,088	+4.5%	69,156	+10.2%



Foreign exchange rates (Average rate)	FYE2020 Results	FYE2021 Results	FYE2022 Assumptions
US dollars	109.10 yen	106.17 yen	105.0 yen
Euros	121.14 yen	123.73 yen	126.0 yen
			(yen per ton)
Results and assumptions	FYE2020 Results	FYE2021 Results	FYE2022 Assumptions
Aluminum price (Purchasing price)	215,000	199,000	226,000
Copper price	586,000	603,000	708,000

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