

# ➤ H1 Results for the Fiscal Year Ending March 31, 2022 (IFRS)

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

**LIXIL Corporation**

October 29, 2021

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

JGAAP	IFRS (LIXIL Financial Reporting)
	<b>Continuing operations</b>
Net sales	<b>Revenue</b>
Cost of sales	Cost of sales
Gross profit	Gross profit
SG&A	SG&A
<b>Operating profit</b>	<b>Core earnings (CE)</b>
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	<b>Profit before tax</b>
	Profit from continuing operations
	<b>Discontinued operations</b>
	Profit for discontinued operations
Net profit attributable to	Profit attributable to
Non-controlling interests	<b>Owners of the parent</b>
Owners of the parent	Non-controlling interests

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

## › KEY HIGHLIGHTS

### Summary of results for H1 FYE2022

- **Revenue and profit increased year-on-year** due to continuing strong demand, mainly in Americas and Europe, and the progress of structural reform in Japan. This was despite earnings softening during September due to the unexpected expansion and impact of lockdowns in APAC region, difficulties in procuring parts, increased costs due to container shortage, and delays in production and shipments. **Profit for the first half period<sup>(1)</sup> reached a record high**
- Continued implementation of structural reform measures have resulted in **a higher gross margin and core earnings margin despite increased raw material prices**
- Gross profit margin improved by 2.1pp year-on-year. The core earnings margin increased to 5.4%
- No change in annual dividend forecast of 80 yen. Interim dividend of 40 yen was approved

**LIXIL** (1) Profit for the first half period = Profit for the quarter attributable to owners of the parent

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## › KEY HIGHLIGHTS

### Business environment, countermeasures, and business outlook

External factors outside of our projections softened business performance during September, although most of the challenges are expected to be largely solved by the end of October

#### • Lumber shortage

Led to partial delay in partly delayed in housing construction. However, the impact was within the original expectation and limited

Anticipated/Addressed

#### • Increased raw material prices

- ✓ **Lumber:** Limited impact on profitability of H&S business. However, it is limited
- ✓ **Copper, Steel:** The impact of the higher costs was largely offset by a combination of hedging, cost reduction efforts and price optimization from an early stage

#### • Business in China

##### ✓ Housing market slumps

Direct impact was limited due to advance measures we took. Although we expect demand for developers to soften, we expect growth in the next fiscal year and beyond by continuing to diversify our business into retail and accelerated investment in renovation

##### ✓ Electricity shortages

Currently no impact on the business as we have prepared for the situation, such as securing in-house power generation facilities and diversifying supply sources

#### • Lockdowns

##### ✓ Asia-Pacific region

Despite a large drop in demand in major countries<sup>(1)</sup>, economic activities are recovering

Exceeding expectation

##### ✓ Product supply from Vietnam to Japan market

- **Fixtures(toilet):** Parts shortages caused a delay in production and a supply gap in Sep. and Oct., resulting in achievement of 90% of the original plan. The situation is now improving and will be normalized in Nov
- **Exteriors:** Alternative production in Japan during Aug.-Oct. caused a temporary increase in costs. However, this prevented product shortages, and the situation is expected to be normalized in mid-Nov

#### • Increased raw material prices

- ✓ **Aluminum:** Advance measures were taken for a certain level. However, the historically high price level has exceeded forecast and we expect to see some pressure on profitability until the next price revision

#### • Transportation: shipping container shortage

COVID-related lockdowns delayed cargo transfers, leading to unexpected increase in overall transportation costs and in transit inventory. Elevated cost expected to continue through Q1 of next fiscal year

**LIXIL** (1) India, Thailand, Indonesia, Philippines, Vietnam

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## PERFORMANCE HIGHLIGHTS

- **Revenue: JPY 696.2 billion, up 5% year-on-year**
  - Decreased 2% year-on-year in Japan (+2% growth excluding impact from divestments) while rising 25% in international markets
  - Strong in Q1, but production and shipment delays in September impacted Q2 (mainly in Japan, the Americas, and EMEA); expected to gradually normalize from November
- **Core earnings: JPY 37.3 billion, up JPY 21.9 billion year-on-year**
  - Driven by LWT sales growth in the Americas and Europe and the progress of structural reform in Japan
  - Slowdown in Q2 due to delays in production and shipments, especially in September, despite strong demand
- **Profit for the quarter<sup>(1)</sup>: JPY 25.7 billion, up JPY 14.8 billion year-on-year**

**Record high for H1**

  - Increased due to business recovery from restrictions on economic activities from previous year and progress of structural reform

**LIXIL** (1) Profit for the quarter = Profit for the quarter attributable to owners of the parent

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## H1 FYE2022 CONSOLIDATED BUSINESS RESULTS

JPY billion	H1 6 months				Q2 3 months		
	FYE2021	FYE2022	Increase /decrease	%	FYE2022	Increase /decrease	%
Revenue	660.5	<b>696.2</b>	+35.7	+5.4%	<b>350.5</b>	+0.4	+0.1%
Gross Profit	217.7	<b>244.2</b>	+26.5	+12.2%	<b>119.2</b>	-1.8	-1.5%
(%)	33.0%	<b>35.1%</b>	+2.1pp	-	<b>34.0%</b>	-0.6pp	-
SG&A	202.3	<b>206.9</b>	+4.6	+2.3%	<b>105.0</b>	+2.0	+2.0%
Core Earnings <sup>(1)</sup>	15.4	<b>37.3</b>	+21.9	+142.5%	<b>14.2</b>	-3.8	-21.2%
(%)	2.3%	<b>5.4%</b>	+3.0pp	-	<b>4.1%</b>	-1.1pp	-
Profit for the quarter including Discontinued Operations <sup>(2)</sup>	10.9	<b>25.7</b>	+14.8	+136.5%	<b>8.9</b>	-5.7	-39.1%
EPS (Yen)	37.47	<b>88.46</b>	+50.99	-	<b>30.55</b>	-19.74	-
EBITDA <sup>(3)</sup>	55.9	<b>77.4</b>	+21.5	+38.5%	<b>34.3</b>	-3.9	-10.2%
(%)	8.5%	<b>11.1%</b>	+2.7pp	-	<b>9.8%</b>	-1.1pp	-

- **CE margin:** Improved by 3.0pp (gross profit margin improved by 2.1pp and SG&A ratio improved by 0.9pp)
- **Gross profit margin and core earnings margin:** Increase in the sales distribution ratio of the international business with higher profit margin and an increase in factory utilization rates as well as benefits from various transformation initiatives in previous years drove the improvement
- **SG&A expenses:** Increased by JPY4.6 billion in six months year-on-year due to increase of revenue (Japan JPY 4.9 billion decrease, International JPY 9.5 billion increase)

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

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## ➤ H1 FYE2022 BUSINESS RESULTS BY SEGMENT

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

Segment	JPY billion	H1 6 months			Q2 3 months	
		FYE2021 Results	FYE2022 Results	Increase/decrease	FYE2022 Results	Increase/decrease
LWT	Revenue	365.6	420.5	+54.8	209.9	+9.7
	CE	19.9	40.8	+20.9	17.1	+0.3
LHT	Revenue	235.6	229.7	-5.8	115.0	-3.3
	CE	13.6	18.2	+4.7	7.9	-0.5
LBT	Revenue	46.3	40.6	-5.6	22.6	-2.4
	CE	0.4	1.1	+0.6	1.8	+0.5
H&S	Revenue	22.9	15.0	-7.9	7.8	-3.8
	CE	1.0	-0.7	-1.7	-0.8	-1.4
Consolidation, adj. & other	Revenue	-9.9	-9.6	+0.3	-4.9	+0.1
	CE	-19.5	-22.1	-2.6	-11.9	-2.8
LIXIL	Revenue	660.5	696.2	+35.7	350.5	+0.4
	CE	15.4	37.3	+21.9	14.2	-3.8

Forex impact :

H1 six months: Revenue +11.5 billion, Core earnings +0.8 billion

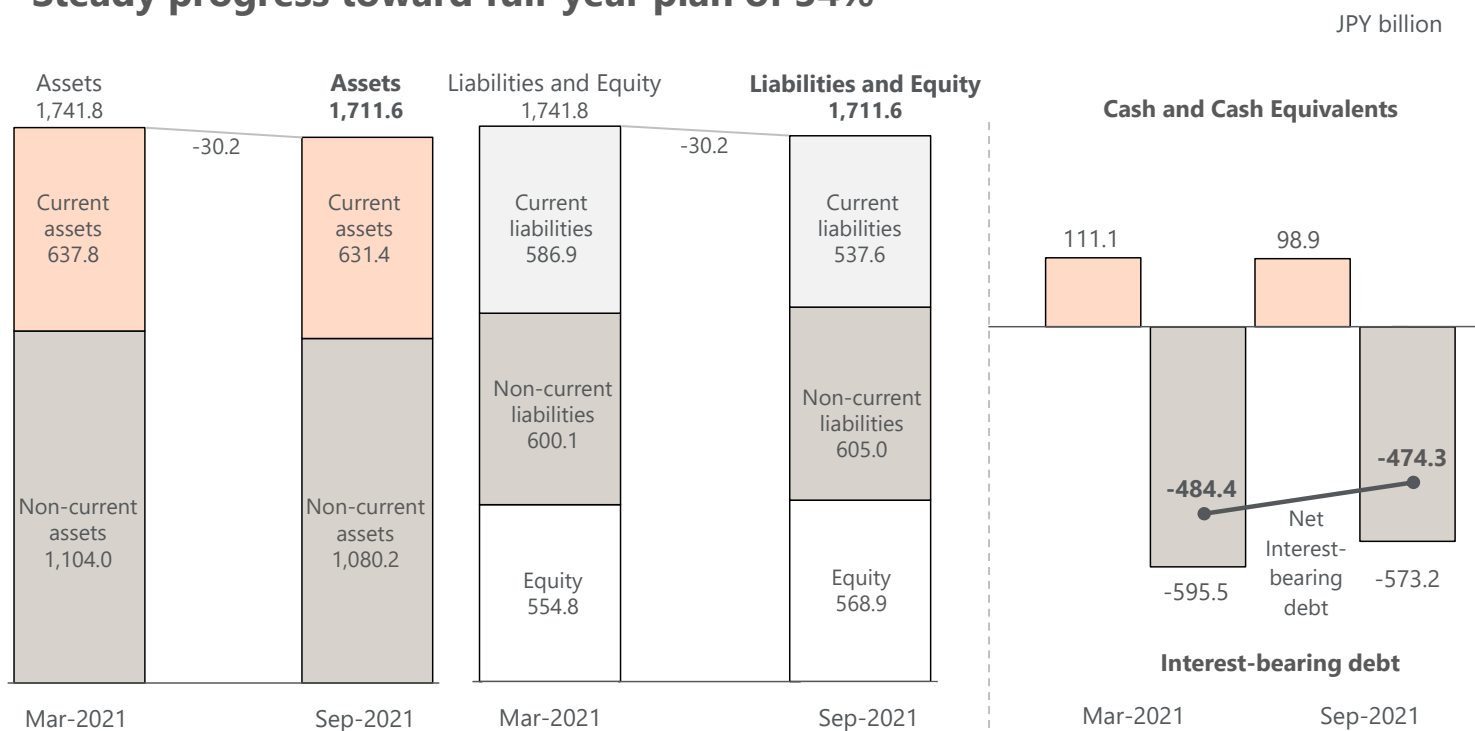
Q2 three months: Revenue +6.0 billion, Core earnings +0.9 billion

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## ➤ CONSOLIDATED FINANCIAL POSITION

Equity ratio improved by 1.4pp to 33.1% from March 2021.  
Steady progress toward full-year plan of 34%

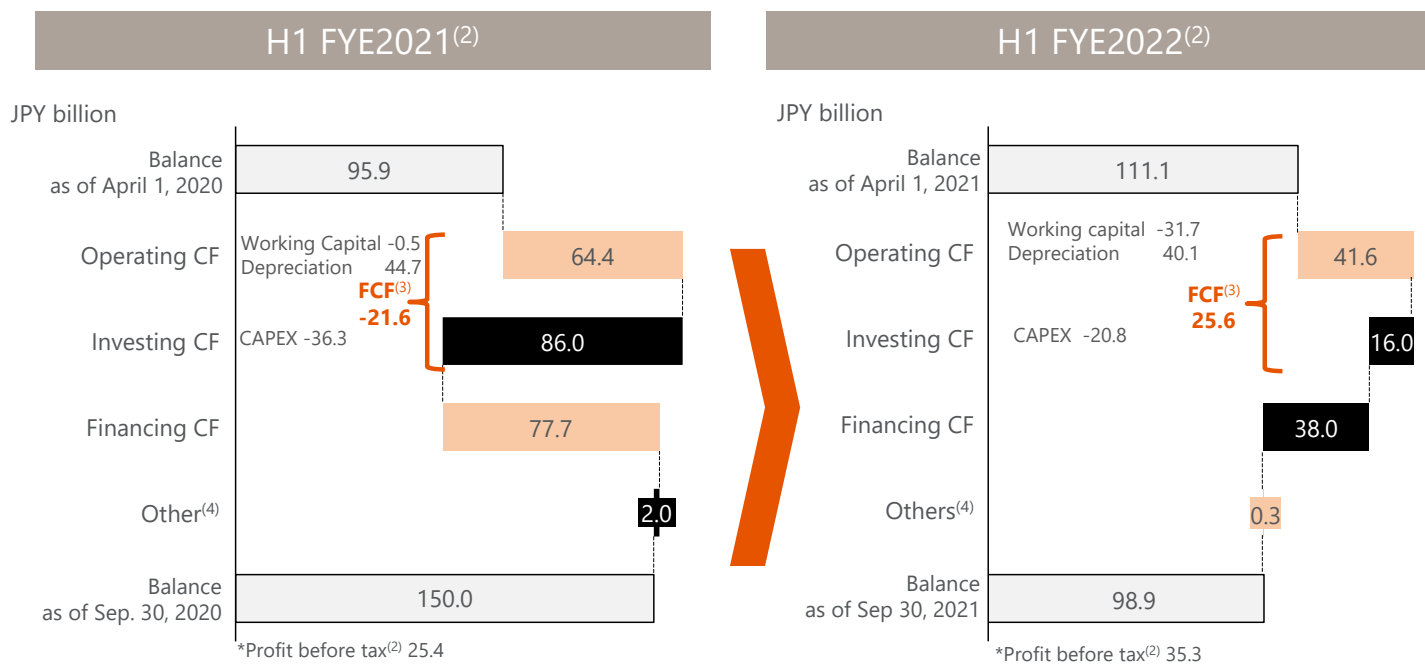


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## ➤ CASH FLOW STATUS AND CASH BALANCE

Free Cash Flow (FCF) increased by JPY47.2 billion due to progress of structural reform<sup>(1)</sup> totaling JPY28.4 billion, increase in profit before tax, and a decreased need for investment as a result of the asset-light investment strategy



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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 8

## ➤ BUSINESS OUTLOOK FOR FYE2022 H2

- Despite strong demand, the external environment, including increased material prices and logistics costs, continue to make the outlook uncertain
- We will address business risk factors by diversifying production bases, focusing on in-demand products to ensure a stable supply of products, and making constant efforts to reduce costs through digitization and asset-light measures

### Outlook for demand

#### Japan

- ✓ **New housing:** Lumber shortage has been causing a slight delay in the start of construction, but no major impact expected
- ✓ **Renovation:** Strong demand continues

#### International

- ✓ **EMEA, Americas:** Strong demand continues. Product supply is the bottleneck
- ✓ **China:** Expect growth from FYE2023 due to rapid slowdown in housing market
- ✓ **APAC:** Recovery trend continues, however, temporary set-backs possible

### Business risk factors

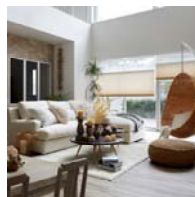
- ✓ Soaring material prices
- ✓ Electricity shortages in China
- ✓ Transportation: shipping container shortage and elevated cost
- ✓ Unpredictable occurrence of lockdowns
- ✓ (Due to unpredictable factors including the above results) Shortage of supply of various parts

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## RESULTS BY BUSINESS SEGMENT



Water Technology (LWT)



Housing Technology (LHT)



Building Technology (LBT)



Housing & Services Business (H&S)

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## WATER TECHNOLOGY

International revenue and CE increased driven by strong sales growth in Americas and Europe. Japan revenue and CE increased due to strong renovation demand

Apr-Sep In JPY bn		H1 FYE2022 (Results)	YoY	
Revenues by region <sup>(1)</sup>	Americas	75.4	+20%	
	EMEA	93.6	+29%	
	China	28.5	+1%	
	Asia Pacific	20.2	+19%	
	Japan	199.8	+5%	
	Adj. & other	2.9		
	<b>Water Technology</b>	<b>420.5</b>	<b>+15%</b>	<b>CE margins</b>
Core earnings by region	International	26.1	+117%	11.8%
	Japan	14.7	+87%	7.4%
	<b>Water Technology</b>	<b>40.8</b>	<b>+105%</b>	
	Margin	9.7%	+4.3pp	

### Revenue

#### Americas

- ✓ Continuing from Q1, revenue increased well above pre-COVID levels
- ✓ Revenue increased significantly in all product categories and sales channels, especially for wholesale and retail

#### EMEA

- ✓ Revenue increased year-on-year, and also against pre-COVID levels in all regions supported by strong demand
- ✓ Revenue increased significantly in all product categories and sales channels

#### China

- ✓ Revenue trend similar to previous year supported by strong sales of retail channel and GROHE products

#### Asia Pacific

- ✓ Overall revenue increased due to 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 kitchen and washstand cabinet units with touchless faucets are performing well due to growing interest in hygiene

### Core earnings

#### International · Japan

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

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(1) Region: Management basis, Water Technology Total: Statutory basis  
Statutory basis currency :  
Q2 FYE2022 Results 1USD=110.18JPY, 1EUR=130.97JPY

Management basis currency :  
Comparing by FYE2022 current & previous year 1USD=105JPY, 11  
1EUR=126JPY

## HOUSING TECHNOLOGY

Despite higher raw material prices, ongoing corporate restructuring resulted in higher revenue and core earnings excluding the impact of divestment in the previous fiscal year

Apr-Sep In JPY bn		H1 FYE2022 (Results)	YoY	
Revenue by region	Japan	227.8	-2% <sup>(1)</sup>	<p>■ <b>Japan</b></p> <ul style="list-style-type: none"> <li>✓ Despite a challenging business environment, such as from higher aluminum prices, core earnings rose from, continued progress in reinforcement of corporate structure, review of product price, productivity improvement in both production and operation side</li> <li>✓ Core earnings margin improved by 2.2pp</li> <li>✓ Sales grew on higher demand for hygiene-related products following COVID-19 and greater interest in renovation as more people worked from home. Among specific products: <ul style="list-style-type: none"> <li>• <i>Rechent</i> (renovation door): sales increased by 27% YoY</li> <li>• <i>Inplus</i> (renovation resin inner window): up by 31% YoY</li> <li>• <i>IoT Enabled Smart Delivery Box</i>: up by 57% YoY</li> </ul> </li> <li>✓ All window series product lines are being revamped in FYE2022 as part of the promotion of high-performance housing. The <i>SAMOS A</i> aluminum window was launched in May and the resin window, <i>EW</i>, launched in August. A revamped version of the first hybrid window product, <i>SAMOS II-H/L</i>, will be launched in November<sup>(2)</sup></li> </ul>
	International	1.9	-35%	
	Housing Technology	229.7	-2%	
Core earnings	Housing Technology	18.2	+34%	
	Margin	7.9%	+2.2pp	

**LIXIL** (1) +2%YoY growth excluding impact from divestment  
(2) New Release <https://www.lixil.com/jp/news/pdf/2021102101.pdf> (Japanese only)

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## BUILDING TECHNOLOGY AND HOUSING & SERVICES

Revenue declined due to review of building construction processes, especially for large-scale projects, delaying delivery of building materials but profitability improved due to continued measures to reduce SG&A and reinforce the business structure

Apr-Sep In JPY bn		H1 FYE2022 (Results)	YoY	
Building Technology	Revenue	40.6	-12%	<p>■ An ongoing 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</p>
	Core earnings	1.1	+149%	
	Margin	2.6%	+1.7pp	

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

Apr-Sep In JPY bn		H1 FYE2022 (Results)	YoY	
H&S	Revenue	15.0	-35% <sup>(1)</sup>	<ul style="list-style-type: none"> <li>■ Excluding the impact of divestment measures, H1 revenue was largely unchanged from the previous year</li> <li>■ CE turned negative due to impact of divestment measures and continued higher raw material prices, offsetting ongoing SG&amp;A cost control improvements</li> </ul>
	Core earnings	-0.7	-	
	Margin	-5.0%	-9.3pp	

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

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## ➤ APPENDIX: FINANCIAL DATA

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## ➤ REVENUE BY PRODUCTS AND SERVICES

The quarter saw strong sales of water-related products with higher demand for products that enhance people's lifestyles and for hygiene-related products such as touchless faucets

Segment	Major products	Full-year FYE2021 Results	H1 FYE2021 Results	JPY billion		Unit %					
				H1 FYE2022 Results	YoY	Quarterly YoY				FYE2022	
						Q1	Q2	Q3	Q4	Q1	Q2
LWT	Sanitary ware**	105.5	50.4	49.6	-1.5%	+1.5	-8.5	-2.1	+8.4	+0.9	-3.9
	Bathroom units	87.0	41.2	42.6	+3.6%	-20.8	-18.8	-9.0	-3.9	+10.7	-2.9
	Washstand cabinet units**	37.1	16.8	18.5	+10.0%	-8.5	-9.0	+8.9	+2.9	+13.7	+6.6
	Kitchens	100.1	46.6	49.8	+7.1%	-14.8	-20.0	-3.9	-1.0	+9.5	+4.8
	Tiles	33.0	15.8	15.7	-0.7%	-5.3	-16.6	-6.2	-7.6	-1.6	+0.2
LHT	Housing sashes and related products	171.5	85.4	82.7	-3.2%	-10.7	-13.3	-4.2	-10.8	-2.0	-4.3
	Exteriors	99.4	49.5	50.5	+2.2%	-9.4	-14.6	-6.0	-8.5	+3.1	+1.2
	Wooden interior furnishing materials	62.4	30.4	30.0	-1.3%	-8.1	-18.0	-7.8	-8.2	-3.1	+0.5
	LHT Other <sup>(1)</sup>	54.7	29.5	19.3	-34.7%	-30.0	-33.7	-14.9	-53.3	-36.5	-32.9
LBT	Building sashes	93.4	46.3	40.6	-12.2%	-10.8	-18.2	-21.1	-17.3	-15.4	-9.4
H&S	Housing and Services business <sup>(1)</sup>	46.6	22.9	15.0	-34.6%	-13.9	-15.1	+1.2	-28.0	-36.5	-32.9
	International <sup>(2)</sup>	384.7	178.6	222.6	+24.6%	-21.5	+2.3	+1.9	+2.6	+49.6	+6.2
	Others/ consolidation & adj.	103.0	47.4	59.4	-						
<b>Total</b>		1,378.3	660.5	696.2	+5.4%	-14.6	-11.6	-3.8	-6.2	+11.4	+0.1

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

LWT	Faucets	21.7	9.8	11.4	+15.7%	+13.5	+4.9	+19.5	+22.2	+17.9	+13.6
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(1) The YoY decrease was due primarily to the impact on divestment in Q4 FYE2021  
(2) Please refer to page 17 for the revenue of water-related products in international business

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## PROMOTE RENOVATION STRATEGY IN JAPAN

Renovation sales ratio increased by 3.7pp due to continuing strong demand for renovation mainly from water-related products

JPY billion	H1 6 months				Q2 3 months	
	FYE2021 Results <sup>(1)</sup>	FYE2022 Results	Increase/decrease	YoY	FYE2022 Results	YoY
Sales of renovation-related products	140.2	<b>152.8</b>	12.6	+9%	76.8	+4%
LWT-J				+13%		+6%
LHT-J				+7%		+3%
LBT				-9%		-0%
Renovation sales ratio	36%	<b>40%</b>	+3.7pp		39%	+2.4pp

### Renovation sales ratio by business segment (YoY)

	H1FYE2021	H1FYE2022	Difference
LWT	44%	47%	+3.8pp
LHT	33% <sup>(1)</sup>	35%	+2.4pp
LBT	21% <sup>(1)</sup>	24%	+3.7pp
Japan Total	<b>36%</b>	<b>40%</b>	<b>+3.7pp</b>

### Number of member homebuilders

Stores	Mar 2020	Mar 2021	Sep 2021
LIXIL Reform Shop (Franchise)	554	540	<b>537</b>
LIXIL Reform Shop (Voluntary chain)	11,789	11,373	<b>11,302</b>
LIXIL PATTO Reform Service Shop	3,602	3,817	<b>3,796</b>

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

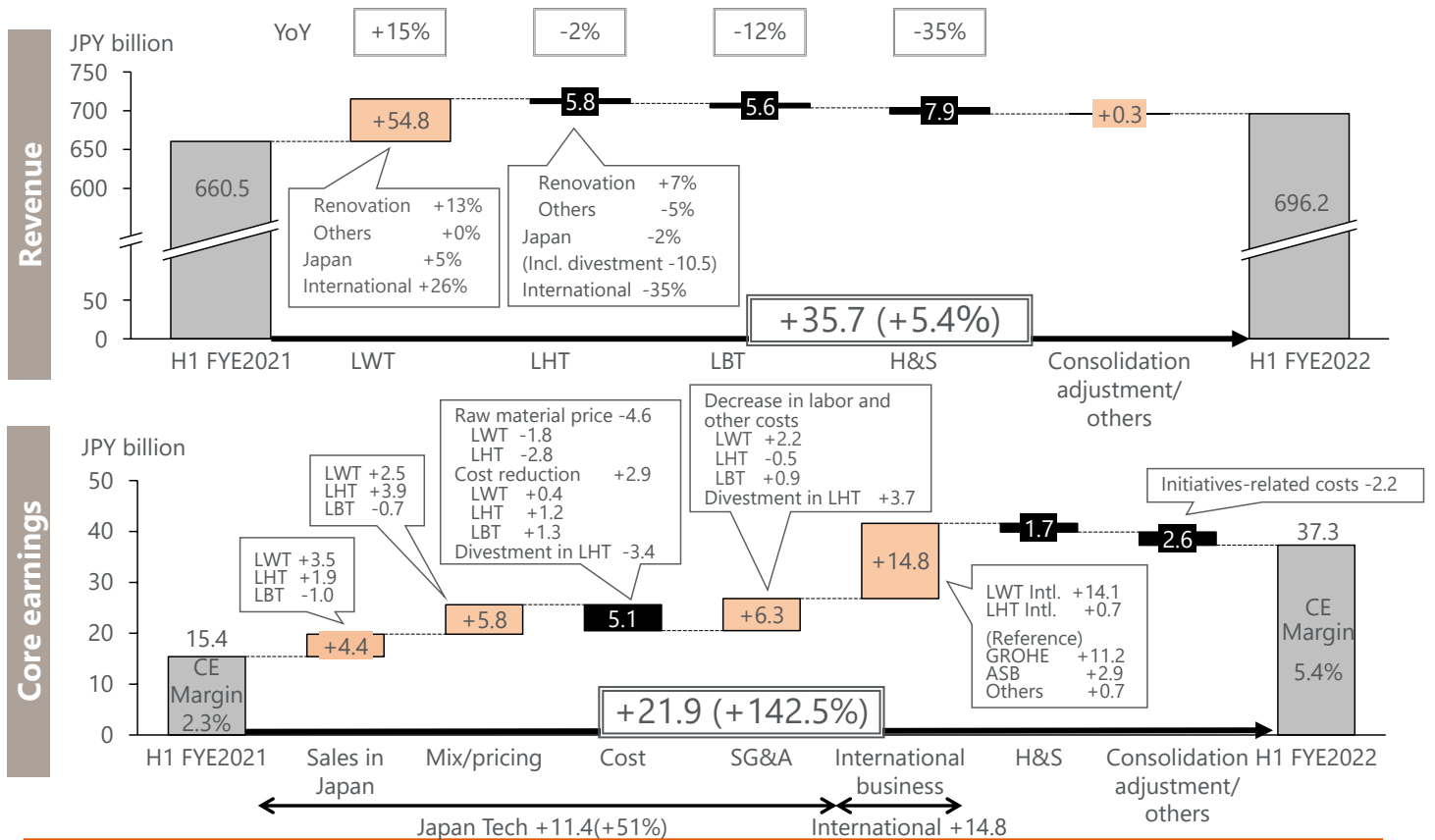
Leveraging our brands, manufacturing assets and advanced technologies, we are accelerating growth by bridging portfolio gaps globally

	H1 FYE2022 (6 months)					Q2 FYE2022 (3 months)				
	Intl. Total	Americas	EMEA	China	Asia Pacific	Intl. Total	Americas	EMEA	China	Asia Pacific
<b>Sales distribution ratio</b>										
Bath faucets and showers	43%	14%	65%	39%	48%	42%	13%	65%	40%	49%
Toilets	38%	53%	21%	56%	43%	39%	55%	21%	55%	41%
Kitchen faucets and water systems	9%	5%	14%	3%	5%	8%	5%	13%	3%	6%
Bathing and showering systems	7%	20%	0%	1%	1%	7%	19%	0%	0%	1%
All others	3%	8%	0%	2%	2%	3%	8%	0%	1%	3%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
<b>Sales growth</b>										
Bath faucets and showers	+22%	+9%	+28%	+28%	+5%	+2%	-9%	+4%	+5%	+4%
Toilets	+19%	+24%	+38%	+2%	-6%	+3%	+15%	+12%	-21%	-17%
Kitchen faucets and water systems	+20%	+6%	+26%	+43%	+5%	-3%	-8%	-2%	+3%	+1%
Bathing and showering systems	+25%	+27%	+85%	-45%	-2%	+11%	+14%	+55%	-37%	-11%

LIXIL See also, page 38-39 of LIXIL INTEGRATED REPORT 2021, "3. PROMOTE GROWTH OF INTERNATIONAL WATER TECHNOLOGY BUSINESS" in the LIXIL Playbook" [https://www.lixil.com/en/investor/library/annual\\_reports.html](https://www.lixil.com/en/investor/library/annual_reports.html)

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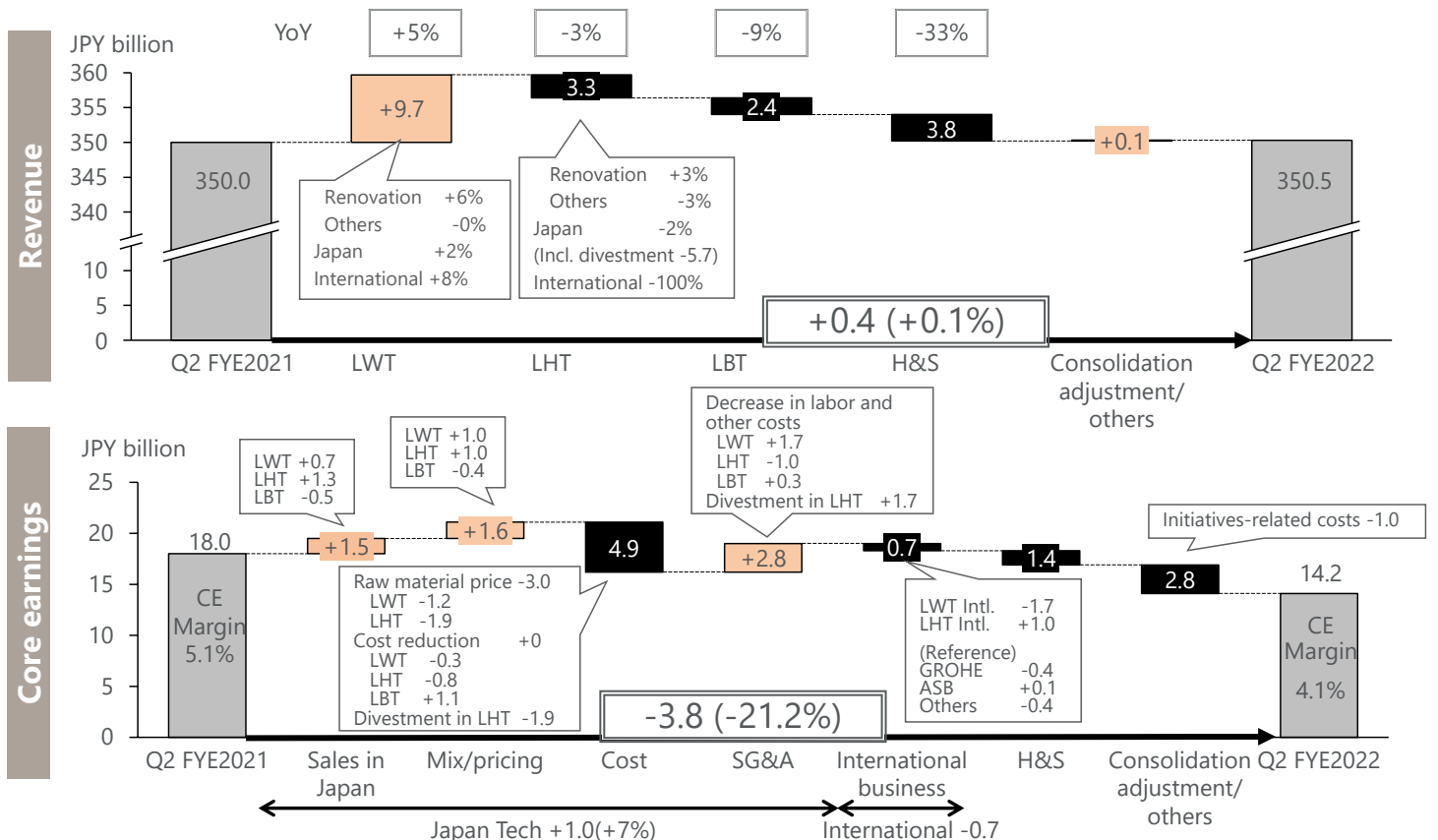
## › H1 (6 MONTHS) FYE2022 INCREASE / DECREASE OF REVENUE AND CORE EARNINGS



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## › Q2 (3 MONTHS) FYE2022 INCREASE / DECREASE OF REVENUE AND CORE EARNINGS



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## ➤ H1 FYE2022 OTHER INCOME AND EXPENSES, FINANCE INCOME AND COSTS

	H1 FYE2021 Results	H1 FYE2022 Results	Increase/decrease
JPY billion			
Gain on sale of assets held for sale	-	2.4	+2.4
Others	2.5	2.4	-0.1
<b>Other income</b>	<b>2.5</b>	<b>4.8</b>	<b>+2.3</b>
Losses on sale or disposal of property, plant and equipment	0.6	0.8	+0.2
Impairment losses	2.8	1.4	-1.5
Others	2.5	2.8	+0.3
<b>Other expenses</b>	<b>5.9</b>	<b>4.9</b>	<b>-1.0</b>
Interest income	0.5	0.7	+0.2
Dividend income	0.8	1.0	+0.2
Gain on valuation of derivatives	-	0.9	+0.9 (A)
Foreign exchange gain	5.3	-	-5.3 (B)
<b>Finance income</b>	<b>6.6</b>	<b>2.6</b>	<b>-3.9</b>
Interest expense	2.1	2.3	+0.2
Loss on valuation of derivatives	5.7	-	-5.7 (B)
Foreign exchange loss	-	1.4	+1.4 (A)
Others	0	0.1	+0.1
<b>Finance costs</b>	<b>7.8</b>	<b>3.7</b>	<b>-4.1</b>

(A) Foreign exchange difference loss is paired with gain on valuation of derivatives

	H1 FYE2022 Results
Gain on valuation of derivatives	0.9
Foreign exchange loss	-1.4
Net	-0.4 loss

(B) Foreign exchange gain is paired with loss on valuation of derivatives

	H1 FYE2022 Results
Foreign exchange gain	5.3
Loss on valuation of derivatives	-5.7
Net	-0.4 loss

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## ➤ RESULTS AND FORECASTS BY SEGMENT

JPY billion		H1 FYE2021 Results			H1 FYE2022 Results				FYE2022 Forecast			
		Japan	Intl.	Total	Japan	Intl.	Total	Total YoY%	Japan	Intl.	Total	Total YoY%
LWT	Revenue	190.0	175.6	365.6	199.8	220.6	420.5	+15.0%	431.5	434.0	865.5	+10.4%
	CE	7.9	12.0	19.9	14.7	26.1	40.8	+105.4%	36.5	46.0	82.5	+32.7%
	CE margin	4.1%	6.8%	5.4%	7.4%	11.8%	9.7%	+4.3pp	8.5%	10.6%	9.5%	+1.6pp
LHT	Revenue	232.6	3.0	235.6	227.8	1.9	229.7	-2.5%	471.5	6.5	478.0	+0.8%
	CE	14.3	-0.7	13.6	18.3	-0.0	18.2	+34.3%	38.5	-2.0	36.5	+16.1%
	CE margin	6.2%	-24.3%	5.8%	8.0%	-0.1%	7.9%	+2.2pp	8.2%	-	7.6%	+1.0pp
LBT	Revenue	46.3		46.3	40.6		40.6	-12.2%	86.5		86.5	-7.4%
	CE	0.4		0.4	1.1		1.1	+148.5%	3.0		3.0	+14.9%
	CE margin	0.9%		0.9%	2.6%		2.6%	+1.7pp	3.5%		3.5%	+0.7pp
H&S	Revenue	22.9		22.9	15.0		15.0	-36.4%	30.0		30.0	-35.6%
	CE	1.0		1.0	-0.7		-0.7	-	1.0		1.0	-53.2%
	CE margin	4.3%		4.3%	-5.0%		-5.0%	-9.3pp	3.3%		3.3%	-1.3pp
Conso. adj. & others <sup>(1)</sup>	Revenue			-9.9			-9.6	-			-20.0	-
	CE			-19.5			-22.1	-			-43.0	-
LIXIL <sup>(1)</sup>	Revenue	491.8	178.6	660.5	483.3	222.6	696.2	+5.4%	1,019.5	440.5	1,440.0	+4.5%
	CE	23.6	11.3	15.4	33.3	26.1	37.3	+142.5%	79.0	44.0	80.0	+39.6%
	CE margin	4.8%	6.3%	2.3%	6.9%	11.7%	5.4%	+3.0pp	7.7%	10.0%	5.6%	+1.4pp

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(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

ASB (ASD Holdings)	H1 FYE2021	H1 FYE2022	YoY	Unit: USD million
Exchange rate (Average Rate)	106.68	<b>110.18</b>	-	
Revenue	598	<b>718</b>	+20%	
Core earnings	33	<b>58</b>	+76%	
%	5%	<b>8%</b>	+2.6pt	

Accounting period	FYE2021	H1 FYE2022		
	Balance	Amortization	Others <sup>(1)</sup>	Balance
Exchange rate (Current Rate for balance, Average Rate for amortization)	110.71	110.18	-	<b>111.92</b>
Goodwill	228	-	0	<b>228</b>
Intangible assets	206	-3	0	<b>203</b>

Grohe Group (GROHE)	H1 FYE2021	H1 FYE2022	YoY	Unit: EUR million
Exchange rate (Average Rate)	121.36	<b>130.97</b>	-	
Revenue	677	<b>886</b>	+31%	
Core earnings	65	<b>145</b>	+125%	
%	10%	<b>16%</b>	+6.9pt	

Accounting period	FYE2021	H1 FYE2022		
	Balance	Amortization	Others <sup>(1)</sup>	Balance
Exchange rate (Current Rate for balance, Average Rate for amortization)	129.8	130.97	-	<b>129.86</b>
Goodwill	1,197	-	-3	<b>1,195</b>
Intangible assets	1,429	-6	0	<b>1,423</b>

**LIXIL** (1) Forex translation differences, and others

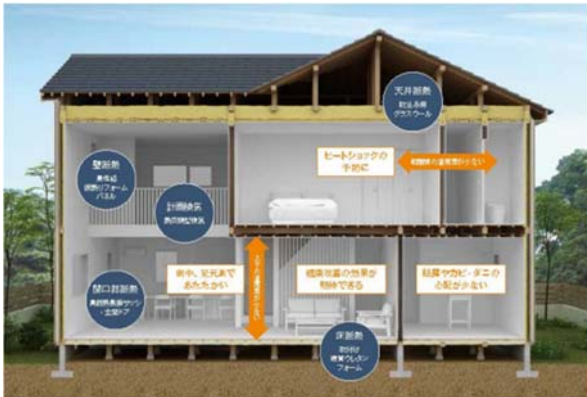
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## ➤ APPENDIX: BUSINESS AND ESG RELATED TOPICS

## ➤ BUSINESS RELATED TOPICS

### Decarbonization through renovation utilizing existing housing

#### Alternatives to new housing with *Full-insulation Reform*



(Image: High-qualified housing renovation method *Full-insulation Reform*, released on October 1, 2021<sup>(1)</sup>)

- Enhanced comfortability of houses by reducing costs with utilization of "reusable parts" such as structures of existing houses and underground piping, and by renewing insulation materials, exteriors, interiors, and equipment
- LIXIL aims to achieve 2050 Carbon Neutrality by promoting higher performance of the entire house through multiple measures

**LIXIL** (1) News Release <https://www.lixil.com/jp/news/pdf/2021100401.pdf> (Japanese only)  
 (2) News Release <https://www.lixil.com/jp/news/pdf/2021092901.pdf> (Japanese only)  
 (3) News Release <https://www.lixil.com/jp/news/pdf/2021092801.pdf> (Japanese only)

### Expansion of products to meet renovation demand

#### Renewed renovation bathroom for condo *Renobio V* and launch of the multifunctional shower *Eco Aqua Shower SPA*



(Image : Left *RenobioV*<sup>(2)</sup>, Right *Eco Aqua Shower SPA*<sup>(3)</sup>)

- Focus on expanding products to meet the demand for renovation of water-related products. *Renobio V*, a renovation bathroom for condominiums, was updated to meet current tastes and to enhance the space design
- *Eco Aqua Shower SPA* is a highly versatile shower head that provides three types of spray: (1) a silk mist function to gently clean oily skin (2) a power massage function (3) an aqua spray function that blends large water droplets with air flow to reduce the amount of water used
- Such high-value products are a key strategy to raise profitability

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## ➤ BUSINESS AND ESG RELATED TOPICS

### GROHE X won Red Dot Award

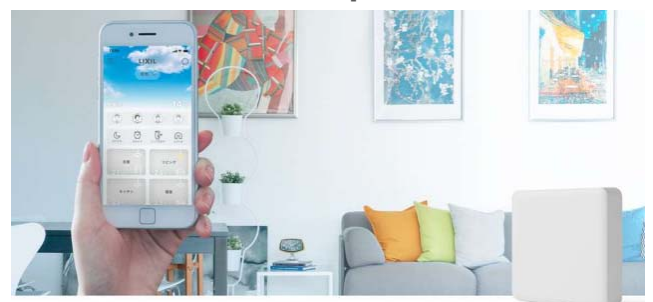
#### Improving customer experience by expanding digital contents



- *GROHE X*, an online platform, was awarded the Red Dot Award Brands & Communication Design 2021 in "Digital Solutions" for its content and convenience.<sup>(1)</sup> The platform provides online brand experience such as video contents introducing products and technologies, and an application for online business negotiations
- In Japan, the online platform for business partners is scheduled to be launched in FYE2023. In addition to product information, it will provide multimedia content such as videos and CAD that will support the users' business, a feature to be extended to the consumer in the near future

### Verify adaptation to climate change such as heat stroke countermeasures with smart home

#### Selected as a "Leading projects program for sustainable buildings (next-generation housing model)" by the Ministry of Land, Infrastructure, Transport and Tourism



- Selected as a demonstration project to combat the growing problem of indoor heat strokes. Approximately 40% of all such cases requiring hospital care took place at home as climate change leads to more severe summer weather<sup>(2)</sup>
- Using *Life Assist2*, IoT home link that utilizes LIXIL's unique technology, LIXIL helps to warn against heat stroke risks and provide necessary cooling as part of the air quality management within smart home systems

**LIXIL** (1) GROHE X [https://www.grohe-x.com/en/newsroom-overview/news-overview-international/brand\\_red-dot-award-grohe-x](https://www.grohe-x.com/en/newsroom-overview/news-overview-international/brand_red-dot-award-grohe-x)  
 (2) News Release <https://www.lixil.com/jp/news/pdf/2021080601.pdf> (Japanese only)

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## > ESG RELATED TOPICS

### Climate change mitigation and adaptation

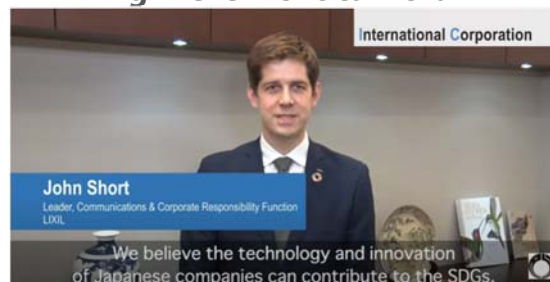
"ECO Share Project from the Window" contributing to energy saving and children's health



- Part of the sales of the target products that contribute to reducing CO<sub>2</sub> emissions, such as heat-insulated windows and doors, will be used to provide external sunshades for local nursery schools and kindergartens. These are important to protect children from indoor heat stroke and help them to adapt to climate change<sup>(1)</sup>
- The Project started in 2019. Accumulated amount of CO<sub>2</sub> reduction in 2020 was 1,943 tons, which is equivalent to the annual CO<sub>2</sub> emissions of 468 households

### Invited to UN HLPF as a representative from private sector

LIXIL presented SATO at the United Nations High-level Political Forum



- On July 15, 2021, Japan's Ministry of Foreign Affairs reported on Japan's efforts to achieve its Sustainable Development Goals at the United Nations High-Level Political Forum. As part of the program, LIXIL introduced its range of measures, the only private company representing Japan at the event<sup>(2)</sup>
- LIXIL presented the unique and viable innovations of its SATO brand, and about the importance of collaboration in improving sanitation and hygiene across the world
- SATO, simple and innovative toilet solution for places that lack proper sanitation, has been shipped to over 41 countries. SATO toilets and hand-washing using SATO Tap, have contributed to improved sanitation for 25 million people



(1) Website <https://www.lixil.co.jp/minnadesmileecopj/thinkheat/madoeco/> (Japanese only)  
(2) MOFA YouTube <https://www.youtube.com/watch?app=desktop&v=rbvvlvi7qk&t=366s>

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## > 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)



### FTSE4Good Index Series

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

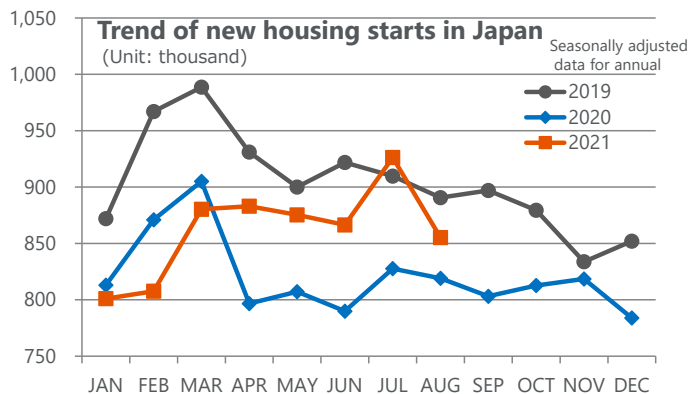


FTSE4Good



FTSE Blossom  
Japan

## MARKET TRENDS

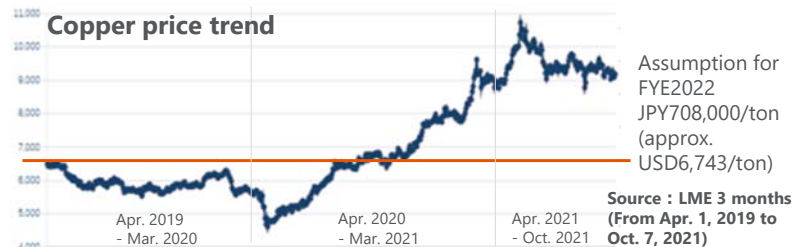


Source : Statistics of new housing starts, Ministry of Land, Infrastructure, Transport and Tourism (Jan. 2019-Aug. 2021)

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

- Jan.-Jun. 2021: +3.3%
- Jan.-Aug. 2021: +4.7%

	Jan-Aug 2021 (8 months)		Apr-Aug 2021 (5 months)	
	Units	YoY	Units	YoY
<b>Total new housing starts</b>	<b>563,495</b>	<b>+4.7%</b>	<b>372,496</b>	<b>+8.3%</b>
Owner occupied(1)	185,016	+9.5%	123,086	+12.9%
Rental homes	211,259	+3.2%	141,664	+7.8%
Condos for sale	70,275	-2.1%	44,329	-4.0%
Detached houses for sale(2)	92,073	+5.4%	60,071	+11.3%
Detached houses total(1)+(2)	277,179	+8.1%	183,157	+12.4%



Foreign exchange rates (Average rate)	FYE2020 Results	FYE2021 Results	FYE2022 Assumptions
US dollar	109.10 yen	106.17 yen	105.0 yen
Euro	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.