

**Consolidated Financial Results for the Third Quarter Ended December 31, 2021
(International Financial Reporting Standards)**

Company Name:	LIXIL CORPORATION	Stock Listings:	Tokyo, Nagoya
Code Number:	5938	URL:	https://www.lixil.com/en/investor/
Representative:	Kinya Seto, President & CEO	Telephone:	+81-3-6706-7001
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Scheduled date of issue of quarterly financial report:	February 10, 2022		
Preparation of supplementary materials for quarterly financial results:	Yes		
Information meeting for quarterly financial results to be held:	Yes (For investment analysts and institutional investors)		

(Amounts less than one million yen are rounded)

1. Consolidated Financial Results for the Q3 of FY Ending March, 2022 (April 1 through December 31, 2021)

(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 quarter	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FYE 2022 Q3	1,074,405	3.8	61,751	36.6	59,953	61.3	58,439	66.2	41,831	99.2
FYE 2021 Q3	1,035,509	-9.9	45,220	-13.8	37,160	-24.9	35,152	-40.7	20,999	-48.4

	Including Discontinued Operations							
	Profit for the quarter		Profit for the quarter attributable to owners of the parent		Total comprehensive income for the quarter		Basic earnings per share	Diluted earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen	Yen
FYE 2022 Q3	41,631	-3.9	41,501	7.3	45,084	-22.2	142.79	135.61
FYE 2021 Q3	43,336	33.0	38,684	26.1	57,944	80.3	133.35	126.73

Note: Core earnings is calculated by deducting the cost of sales and selling, general and administrative expenses (SGA) 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
	Million yen	Million yen	Million yen	%
FYE 2022 Q3	1,765,508	577,655	575,243	32.6
FYE 2021	1,741,814	554,767	552,271	31.7

2. Cash Dividends

	Dividends per share							
	End of Q1		End of Q2		End of Q3		End of period	For the year
	Yen	Yen	Yen	Yen	Yen	Yen	Yen	
FYE 2021	—	—	35.00	—	—	40.00	75.00	
FYE 2022	—	—	40.00	—	—			
FYE 2022 (forecast)						40.00	80.00	

Note: Revision of dividends forecast after the recent announcement: None

3. Consolidated Forecast for the FY Ending March, 2022 (April 1, 2021 through March 31, 2022)

(% 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 2022	1,440,000	4.5	80,000	39.6	78,000	117.6	75,500	123.3	49,000	199.4

	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 2022	47,000	25.0	47,000	42.2	161.94

Note: Revision of consolidated operating performance forecast after the recent announcement: None

* 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 stocks (Common stocks)

(i) Outstanding stocks including treasury stocks (December 31, 2021) 313,319,159 shares (FY ended March 31, 2021) 313,319,159 shares

(ii) Treasury stocks (December 31, 2021) 22,578,676 shares (FY ended March 31, 2021) 23,091,924 shares

(iii) Average stocks during nine months (Apr - Dec) (December 31, 2021) 290,640,736 shares (December 31, 2020) 290,101,364 shares

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

*Appropriate use of business 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.

Note: Regarding presentation material to supplement the financial results announcement has been posted on TDnet and the Company's website.

4. Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

(Unit: millions of yen)

	As of March 31, 2021	End of Q3 (As of December 31, 2021)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	Y 111,061	Y 111,226
Trade and other receivables	284,369	303,038
Inventories	180,417	216,629
Contract assets	17,650	25,562
Income taxes receivable	9,776	1,370
Other financial assets	13,880	20,436
Other current assets	19,262	19,853
Subtotal	636,415	698,114
Assets held for sale	1,358	1,774
Total current assets	637,773	699,888
NON-CURRENT ASSETS:		
Property, plant and equipment	402,669	391,376
Right of use assets	62,417	54,229
Goodwill and other intangible assets	453,456	451,476
Investment property	4,931	4,730
Investments accounted for using the equity method	10,871	10,338
Other financial assets	83,080	62,637
Deferred tax assets	77,939	81,712
Other non-current assets	8,678	9,122
Total non-current assets	1,104,041	1,065,620
Total assets	Y 1,741,814	Y 1,765,508

	(Unit: millions of yen)	
	As of March 31, 2021	End of Q3 (As of December 31, 2021)
LIABILITIES AND EQUITY		
LIABILITIES		
CURRENT LIABILITIES:		
Trade and other payables	299,363	321,835
Bonds and borrowings	164,204	164,893
Lease liabilities	17,339	16,260
Contract liabilities	9,738	12,057
Income taxes payable	5,220	12,504
Other financial liabilities	5,408	4,845
Provisions	1,313	731
Other current liabilities	84,343	89,466
Subtotal	586,928	622,591
Liabilities directly associated with the assets held for sale	—	227
Total current liabilities	586,928	622,818
NON-CURRENT LIABILITIES:		
Bonds and borrowings	366,923	336,284
Lease liabilities	47,039	39,108
Other financial liabilities	25,757	27,287
Net defined benefit liabilities	80,939	81,977
Provisions	7,860	8,484
Deferred tax liabilities	56,468	56,756
Other non-current liabilities	15,133	15,139
Total non-current liabilities	600,119	565,035
Total liabilities	1,187,047	1,187,853
EQUITY		
Share capital	68,418	68,418
Capital reserves	278,240	278,633
Treasury shares	-48,610	-47,536
Other components of equity	20,415	22,066
Retained earnings	233,808	253,662
Equity attributable to owners of the parent	552,271	575,243
Non-controlling interests	2,496	2,412
Total equity	554,767	577,655
Total liabilities and equity	Y 1,741,814	Y 1,765,508

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

(Unit: millions of yen)

	Nine months ended December 31, 2020		Nine months ended December 31, 2021	
Continuing operations				
Revenue	Y	1,035,509	Y	1,074,405
Cost of sales		-685,588		-701,014
GROSS PROFIT		349,921		373,391
Selling, general and administrative expenses		-304,701		-311,640
Other income		4,724		5,512
Other expenses		-12,784		-7,310
OPERATING PROFIT		37,160		59,953
Finance income		4,749		3,774
Finance costs		-6,666		-4,810
Share of loss of associates and joint ventures accounted for using the equity method		-91		-478
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		35,152		58,439
Income tax expenses		-14,153		-16,608
PROFIT FOR THE QUARTER FROM CONTINUING OPERATIONS		20,999		41,831
Discontinued operations				
PROFIT (LOSS) FOR THE QUARTER FROM DISCONTINUED OPERATIONS		22,337		-200
PROFIT FOR THE QUARTER		43,336		41,631
Profit (loss) for the year attributable to:				
Owners of the parent				
Continuing operations		20,881		41,701
Discontinued operations		17,803		-200
Total		38,684		41,501
Non-controlling interests				
Continuing operations		118		130
Discontinued operations		4,534		—
Total		4,652		130
PROFIT FOR THE QUARTER		43,336		41,631

(Unit: millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Earnings (loss) per share		
Basic (yen per share)		
Continuing operations	71.98	143.48
Discontinued operations	61.37	-0.69
Total	133.35	142.79
Diluted (yen per share)		
Continuing operations	68.57	136.26
Discontinued operations	58.16	-0.65
Total	126.73	135.61

Consolidated Statement of Comprehensive Income

(Unit: millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
PROFIT FOR THE QUARTER	Y 43,336	Y 41,631
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss		
Net gain (loss) on revaluation of equity instruments measured through other comprehensive income	6,824	-2,305
Remeasurements of defined benefit pension plans	603	—
Total items that will not be reclassified subsequently to profit or loss	7,427	-2,305
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	3,668	6,403
Net fair value gain (loss) on hedging instruments entered into for cash flow hedges	3,514	-662
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	-1	17
Total items that may be reclassified subsequently to profit or loss	7,181	5,758
Other comprehensive income, net of tax	14,608	3,453
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER	57,944	45,084
Total comprehensive income for the quarter attributable to:		
Owners of the parent	53,249	44,984
Non-controlling interests	4,695	100
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER	Y 57,944	Y 45,084

(3) Consolidated Statement of Changes in Equity

(Unit: millions of yen)

	Equity attributable to owners of the parent						
	Share capital	Capital reserves	Treasury shares	Other components of equity			
				Net fair value gain (loss) on equity instrument 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
BALANCE AS OF APRIL 1, 2020	68,418	278,120	-48,870	6,256	—	-23,757	-2,686
Profit for the quarter	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	6,824	603	7,620	3,408
Total comprehensive income for the quarter	—	—	—	6,824	603	7,620	3,408
Purchase of treasury shares	—	—	-9	—	—	—	—
Disposal of treasury shares	—	-0	0	—	—	—	—
Share-based payment transactions	—	38	—	—	—	—	—
Dividends	—	—	—	—	—	—	—
Reclassification to disposal group classified as held for sale	—	—	—	-162	—	—	-10
Changes in parent's ownership interests in related companies	—	-58	—	—	—	—	—
Changes associated with loss of control of subsidiaries	—	—	—	—	—	—	—
Transfers from other components of equity to retained earnings	—	—	—	—	-603	—	—
Total transactions with owners	—	-20	-9	-162	-603	—	-10
BALANCE AS OF DECEMBER 31, 2020	68,418	278,100	-48,879	12,918	—	-16,137	712
BALANCE AS OF APRIL 1, 2021	68,418	278,240	-48,610	16,558	—	372	1,071
Profit for the quarter	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	-2,305	—	6,433	-662
Total comprehensive income for the quarter	—	—	—	-2,305	—	6,433	-662
Purchase of treasury shares	—	—	-23	—	—	—	—
Disposal of treasury shares	—	1	2	—	—	—	—
Share-based payment transactions	—	574	1,095	—	—	—	—
Dividends	—	—	—	—	—	—	—
Reclassification to disposal group classified as held for sale	—	—	—	—	—	—	—
Changes associated with obtaining control of subsidiaries	—	-182	—	—	—	—	—
Changes associated with loss of control of subsidiaries	—	—	—	—	—	—	—
Transfers from other components of equity to retained earnings	—	—	—	-1,031	—	—	—
Total transactions with owners	—	393	1,074	-1,031	—	—	—
BALANCE AS OF DECEMBER 31, 2021	68,418	278,633	-47,536	13,222	—	6,805	409

(Unit: millions of yen)

	Equity attributable to owners of the parent						
	Other components of equity			Retained earnings (losses)	Total	Non-controlling interests	Total equity
	Accumulated other comprehensive income relating to non-current assets or disposal group classified as held for sale	Other	Total				
BALANCE AS OF APRIL 1, 2020	3,879	3,599	-12,709	217,206	502,165	32,972	535,137
Profit for the quarter	—	—	—	38,684	38,684	4,652	43,336
Other comprehensive income	-3,889	-1	14,565	—	14,565	43	14,608
Total comprehensive income for the quarter	-3,889	-1	14,565	38,684	53,249	4,695	57,944
Purchase of treasury shares	—	—	—	—	-9	—	-9
Disposal of treasury shares	—	—	—	—	0	—	0
Share-based payment transactions	—	-1,127	-1,127	1,000	-89	—	-89
Dividends	—	—	—	-20,307	-20,307	-518	-20,825
Reclassification to disposal group classified as held for sale	172	—	—	—	—	—	—
Changes in parent's ownership interests in related companies	—	—	—	—	-58	-5	-63
Changes associated with loss of control of subsidiaries	—	—	—	—	—	-34,507	-34,507
Transfers from other components of equity to retained earnings	—	—	-603	603	—	—	—
Total transactions with owners	172	-1,127	-1,730	-18,704	-20,463	-35,030	-55,493
BALANCE AS OF DECEMBER 31, 2020	162	2,471	126	237,186	534,951	2,637	537,588
BALANCE AS OF APRIL 1, 2021	—	2,414	20,415	233,808	552,271	2,496	554,767
Profit for the quarter	—	—	—	41,501	41,501	130	41,631
Other comprehensive income	—	17	3,483	—	3,483	-30	3,453
Total comprehensive income for the quarter	—	17	3,483	41,501	44,984	100	45,084
Purchase of treasury shares	—	—	—	—	-23	—	-23
Disposal of treasury shares	—	—	—	—	3	—	3
Share-based payment transactions	—	-801	-801	559	1,427	—	1,427
Dividends	—	—	—	-23,237	-23,237	—	-23,237
Reclassification to disposal group classified as held for sale	—	—	—	—	—	—	—
Changes associated with obtaining control of subsidiaries	—	—	—	—	-182	-184	-366
Changes associated with loss of control of subsidiaries	—	—	—	—	—	—	—
Transfers from other components of equity to retained earnings	—	—	-1,031	1,031	—	—	—
Total transactions with owners	—	-801	-1,832	-21,647	-22,012	-184	-22,196
BALANCE AS OF DECEMBER 31, 2021	—	1,630	22,066	253,662	575,243	2,412	577,655

(4) Consolidated Statement of Cash Flows

(Unit: millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
OPERATING ACTIVITIES:		
Profit before tax from continuing operations	Y 35,152	Y 58,439
Profit (loss) before tax from discontinued operations	27,078	-289
Profit before tax	62,230	58,150
Depreciation and amortization	64,891	60,403
Impairment losses	3,130	1,755
Loss recognized on the measurement to fair value, less costs to sell the disposal group held for sale	5,405	—
Interest and dividend income	-2,423	-2,792
Interest expense	4,266	3,352
Share of loss (profit) of associates and joint ventures accounted for using the equity method	91	478
Gain on sale of subsidiaries	-16,494	—
Loss (profit) on sale and disposal of property, plant and equipment	927	748
Decrease (increase) in trade and other receivables	-5,578	-17,145
Decrease (increase) in inventories	9,291	-34,380
Increase (decrease) in trade and other payables	-9,080	21,583
Increase (decrease) in net defined benefit liabilities	7,705	749
Other	1,864	-3,563
Subtotal	126,225	89,338
Interest received	892	1,165
Dividends received	1,541	1,758
Interest paid	-3,904	-2,948
Income taxes paid	-23,458	-4,078
Net cash flows from operating activities	Y 101,296	85,235

(Unit: millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
INVESTING ACTIVITIES:		
(Increase) decrease in time deposits	Y -1,612	Y 140
Purchase of property, plant and equipment	-42,825	-23,835
Proceeds from disposal of property, plant and equipment	499	4,023
Purchase of intangible assets	-9,406	-7,597
Payments for sale of subsidiaries	-50,048	—
Proceeds from sale of subsidiaries	50,345	—
Decrease (increase) in short-term loans receivable	181	-346
Payments for acquisition of other investments	-123,268	-50,119
Proceeds from sale and redemption of investments	123,043	58,320
Other	-2,020	-175
Net cash flows from investing activities	Y -55,111	Y -19,589
FINANCING ACTIVITIES:		
Dividends paid	Y -20,307	Y -23,237
Dividends paid to non-controlling interests	-518	—
Increase (decrease) in short-term borrowings and commercial paper	19,071	3,644
Proceeds from long-term borrowings	68,556	9,814
Repayment of long-term borrowings	-49,538	-33,778
Proceeds from issuance of bonds	49,775	—
Payments for redemption of bonds	-10,000	-10,000
Lease liabilities paid	-27,332	-14,496
Other	-159	1,072
Net cash flows from financing activities	Y 29,548	Y -66,981
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	75,733	-1,335
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	95,862	111,061
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	1,306	1,500
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS INCLUDED IN ASSETS CLASSIFIED HELD FOR SALE	8,045	-0
CASH AND CASH EQUIVALENTS AT THE END OF THE QUARTER	Y 180,946	111,226

(5) Notes related to Financial Statements

(Notes related to Going Concern Assumptions)

Not applicable.

(Segment Information)

Information about Revenue, Income (Loss) and Other Items by Business Segment

For the nine months ended December 31, 2020 (April 1 through December 31, 2020)

(Unit: millions of yen)

	Reportable Segments			
	Water Technology Business (Note 5)	Housing Technology Business (Note 5)	Building Technology Business	Housing & Services Business (Note 5)
Revenue				
Revenue from external customers (Note 4)	Y 566,795	Y 362,252	Y 70,768	Y 35,694
Intersegment revenue or transfers	10,582	3,890	38	1,196
Total	577,377	366,142	70,806	36,890
Segment profit (Note 1)	46,385	25,953	770	1,942
Other income				
Other expenses				
Operating profit				
Finance income				
Finance costs				
Share of loss of associates and joint ventures accounted for using the equity method				
Profit before tax from continuing operations				

(Unit: millions of yen)

	Total	Reconciliations (Note 2)	Consolidated
Revenue			
Revenue from external customers (Note 4)	Y 1,035,509	—	Y 1,035,509
Intersegment revenue or transfers	15,706	-15,706	—
Total	1,051,215	-15,706	1,035,509
Segment profit (Note 1)	75,050	-29,830	45,220
Other income			4,724
Other expenses			-12,784
Operating profit			37,160
Finance income			4,749
Finance costs			-6,666
Share of loss of associates and joint ventures accounted for using the equity method			-91
Profit before tax from continuing operations			35,152

Information about Revenue, Income (Loss) and Other Items by Business Segment
For the nine months ended December 31, 2021 (April 1 through December 31, 2021)

(Unit: millions of yen)

	Reportable Segments			
	Water Technology Business (Note 5)	Housing Technology Business (Note 5)	Building Technology Business	Housing & Services Business (Note 5)
Revenue				
Revenue from external customers	Y 637,917	Y 348,875	Y 65,717	Y 21,896
Intersegment revenue or transfers	9,280	5,540	—	810
Total	647,197	354,415	65,717	22,706
Segment profit (loss) (Note 1)	64,522	29,054	1,960	-545
Other income				
Other expenses				
Operating profit				
Finance income				
Finance costs				
Share of loss of associates and joint ventures accounted for using the equity method				
Profit before tax from continuing operations				

(Unit: millions of yen)

	Total	Reconciliations (Note 3)	Consolidated
Revenue			
Revenue from external customers	Y 1,074,405	—	Y 1,074,405
Intersegment revenue or transfers	15,630	-15,630	—
Total	1,090,035	-15,630	1,074,405
Segment profit (loss) (Note 1)	94,991	-33,240	61,751
Other income			5,512
Other expenses			-7,310
Operating profit			59,953
Finance income			3,774
Finance costs			-4,810
Share of loss of associates and joint ventures accounted for using the equity method			-478
Profit before tax from continuing operations			58,439

Notes:

1. Segment profit (loss) is core earnings by segment which are defined as revenue less the 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 and LIXIL Corporation which the Company merged and became an absorbed company on December 1, 2020.
3. A process of Segment profit (loss) 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.
4. Regarding revenue attributable to LIXIL VIVA
 Consolidated cumulative period for the third quarter of the fiscal year ended March 2021 (April 1 through December 31, 2020)
 Revenue attributable to LIXIL VIVA, a former subsidiary of the Company, which was previously included in "Intersegment revenue or transfers" is now included in "Revenue from external customers" and is removed from profit (loss) from discontinued operations to reflect the impact on continuing operations in the future. Revenue for LIXIL VIVA included in "Revenue from external customers" was JPY 1,013 million for the Water Technology Business and JPY 1,233 million for the Housing Technology Business.
5. The online business for housing-related products ("LIXIL Online Business") operated by our consolidated subsidiary was classified in the Housing & Services business until the third quarter of the fiscal year ended March 2021. However, due to an organizational restructuring implemented on January 1, 2021, LIXIL Online Business was subsequently transitioned to and classified in the Water Technology business and the Housing Technology business from the fourth quarter of the year ended March 31, 2021.

 LIXIL Online Business's products mainly handled in the Water Technology business were sold through the Housing & Services business. Therefore the revenue related to LIXIL Online Business was included in "Intersegment revenue or transfers" within the Water Technology business and "Revenue from external customers" in the Housing & Services business for the consolidated cumulative period for the third quarter of the fiscal year ended March 2021. And for the consolidated cumulative period for the third quarter of the fiscal year ending March 2022, it was included in "Revenue from external customers" within the Water Technology business and the Housing Technology business.

 Reflecting the change in aggregation for revenue and segment profit related to LIXIL Online Business for the consolidated cumulative period for the third quarter of the fiscal year ended March 2021, "Revenue from external customers" and "Segment profit" of the Water Technology business increased by JPY 2,777 million and JPY 310 million, respectively. "Intersegment revenue or transfers" of the Water Technology business decreased by JPY 1,632 million under the above model.

 In addition, "Revenue from external customers" and "Segment profit" of the Housing Technology business increased by JPY 303 million and JPY 11 million, respectively. "Revenue from external customers" and "Segment profit" of the Housing & Services business decreased by JPY 3,080 million and JPY 321 million, respectively.
6. Business operations classified as discontinued operations are not included.