



TSE Code: 5938

➤ **Q3 Results for the Fiscal Year  
Ending March 31, 2022 (IFRS)**  
(From April 1, 2021, to December 31, 2021)

**LIXIL Corporation**  
January 31, 2022

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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 Q3 FYE2022

- **Revenue increased year-on-year**  
Despite the impact of procurement difficulties and logistic disruptions in parts of the Japan businesses, revenue increased on continued strong sales growth in the Americas and Europe, as well as an economic recovery in the Asia-Pacific region
- **Gross profit margin and core earnings margin maintained improvement year-on-year**  
Core earnings (CE) decreased in the three months of Q3 due to increased raw material and other costs. CE for the nine-month period continued its overall improvement in both the total amount and margin due to the implementation of continued structural reform measures, SG&A expense reduction measures from the beginning of the fiscal year, and handling of challenging operational environment
- Progress against the full-year forecast is 77% for core earnings and 88% for net profit<sup>(1)</sup>
- Demand especially for renovation remains firm globally despite need to carry-forward demand in parts of Japan businesses due to procurement challenges

**LIXIL** (1) Net profit = Profit attributable to owners of the parent

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## › KEY HIGHLIGHTS

### Update on business environment issues and countermeasures

Responding to challenges in operational environment such as procurement difficulties and logistic disruption



Increase of raw material and other costs



Supply chain disruption



Increase of natural disasters and spread of infection

- **Price optimization that can flexibly respond to changes in the external environment and structural changes**
  - ✓ Shortening of time lag
  - ✓ Digitalization
  - ✓ Request for business partners' cooperation
- **Shift to mid-to-high-end price range products**
- **Strengthening of supply chain and stable supply of products**
  - ✓ Narrowing down of production items
  - ✓ Promotion of parts standardization
  - ✓ Redundancy of supply chain (multiple suppliers and sites)
- **Strengthening of resilience to changes in the external environment**
  - ✓ Continuous reduction of fixed costs (HQ relocation to smaller space, reorganization of production system, and optimization of personnel distribution)
  - ✓ Strengthening of platform production

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## KEY HIGHLIGHTS

Promoting measures for growth and capturing new opportunities in the new normal, while continuing to deal with ongoing operational issues



### Responding to rising commodity prices

- Expansion of renovation products  
Shift from the conventional renovation focusing on the water related areas to renovation that improves the performance of the entire house



### Responding to growing awareness of environmental issues

- Approx. 90% of existing homes in Japan do not meet current energy conservation standards
- By replacing the glass of a single pane glass window, which is used in about 70% of existing homes in Japan, with triple pane glass, the estimated CO2 emissions reduction would be approx. 15.09 M tons/year<sup>(1)</sup>
- In Japan, where fossil fuels are the main source of energy, energy conservation measures in existing homes will contribute greatly to decarbonization



### Responding to demand in the new normal

- Develop differentiated products that meet growing needs from society in the new normal
  - ✓ Expand use of water systems such as GROHE BLUE
  - ✓ Launch of QuickFix<sup>(2)</sup>, a product portfolio tailored to DIY requirements
- Promotion of recycling of aluminum and resin sash
- Utilization of recycled plastic wood

**LIXIL** <sup>(1)</sup> Priority for measures against global warming is "high performance houses". LIXIL published a report on "High performance houses for the realization of a decarbonized society". <sup>(2)</sup> <https://newsroom.lixil.com/ja/2022011701> (Japanese only as of January 31. English report will be available in early February. <sup>4</sup> Business and ESG related topics page25 "Launched GROHE QuickFix Series"

## PERFORMANCE HIGHLIGHTS

### ■ Revenue: JPY 1,074.4 billion, up 4% year-on-year, Q3 (3 mon.) up 1%

- **Q3 (9 months)** : -2% in Japan (+1% excl. impact from divestments) and +20% in international markets
- **Q3 (3 months)**: -4% in Japan (-0% excl. impact from divestments) and +13% in international markets. Stable supply of high demand products and a strong international businesses compensated for impact from supply shortages and parts procurement difficulties in Japan

### ■ Core earnings: JPY 61.8 billion, up JPY 16.5 billion year-on-year, Q3 (3 mon.) down JPY 5.4 billion

- **Q3 (9 months)**: Driven by sales growth in the Americas and Europe, the progress of structural reform in Japan, and SG&A expense reduction from the beginning of the fiscal year
- **Q3 (3 months)**: Declined due to the increased raw material price that exceeded the price adjustment at the beginning of the fiscal year and an increase in costs for stable supply of products, but this was addressed by SG&A expense reduction measures such as promoting digitalization

### ■ Profit for the quarter<sup>(1)</sup>: JPY 41.5 billion, up JPY 2.8 billion year-on-year

- Steady progress in profit for the quarter as a result of reduced volatility in business performance due to focus on core businesses

**LIXIL** <sup>(1)</sup> Profit for the quarter = Profit for the quarter attributable to owners of the parent

## Q3 FYE2022 CONSOLIDATED BUSINESS RESULTS

JPY billion	Q3 9 months				Q3 3 months		
	FYE2021	FYE2022	Increase /decrease	%	FYE2022	Increase /decrease	%
Revenue	1,035.5	<b>1,074.4</b>	+38.9	+3.8%	<b>378.2</b>	+3.2	+0.8%
Gross Profit	349.9	<b>373.4</b>	+23.5	+6.7%	<b>129.2</b>	-3.1	-2.3%
(%)	33.8%	<b>34.8%</b>	+1.0pp	-	<b>34.2%</b>	-1.1pp	-
SG&A	304.7	<b>311.6</b>	+6.9	+2.3%	<b>104.7</b>	+2.3	+2.3%
Core Earnings <sup>(1)</sup>	45.2	<b>61.8</b>	+16.5	+36.6%	<b>24.5</b>	-5.4	-18.0%
(%)	4.4%	<b>5.7%</b>	+1.4pp	-	<b>6.5%</b>	-1.5pp	-
Profit for the quarter including Discontinued Operations <sup>(2)</sup>	38.7	<b>41.5</b>	+2.8	+7.3%	<b>15.8</b>	-12.0	-43.2%
EPS (Yen)	133.35	<b>142.79</b>	+9.44	-	<b>54.33</b>	-41.55	-
EBITDA <sup>(3)</sup>	105.9	<b>122.2</b>	+16.3	+15.4%	<b>44.8</b>	-5.2	-10.5%
(%)	10.2%	<b>11.4%</b>	+1.1pp	-	<b>11.8%</b>	-1.5pp	-

- **CE margin:** Improved by 1.4pp (Gross profit margin improved by 1.0pp, SG&A ratio improved by 0.4pp)
- **Gross profit margin and core earnings margin:** Improvement driven by an increase in the sales distribution ratio of the international business with higher profit margin and benefits from structural reform in previous years as well as price optimization and SG&A expenses reduction measures
- **SG&A expenses:** SG&A expense ratio improved by 0.4pp despite the increase of JPY6.9 billion in nine months year-on-year (Japan JPY 7.3 billion decrease, International JPY 14.2 billion increase) due to increase of revenue

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(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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## Q3 FYE2022 BUSINESS RESULTS BY SEGMENT

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

Segment	JPY billion	Q3 9 months			Q3 3 months	
		FYE2021 Results	FYE2022 Results	Increase/ decrease	FYE2022 Results	Increase/ decrease
LWT	Revenue	577.4	<b>647.2</b>	+69.8	<b>226.7</b>	+15.0
	CE	46.4	<b>64.5</b>	+18.1	<b>23.7</b>	-2.8
LHT	Revenue	366.1	<b>354.4</b>	-11.7	<b>124.7</b>	-5.9
	CE	26.0	<b>29.1</b>	+3.1	<b>10.8</b>	-1.6
LBT	Revenue	70.8	<b>65.7</b>	-5.1	<b>25.1</b>	+0.6
	CE	0.8	<b>2.0</b>	+1.2	<b>0.9</b>	+0.6
H&S	Revenue	36.9	<b>22.7</b>	-14.2	<b>7.7</b>	-6.2
	CE	1.9	<b>-0.5</b>	-2.5	<b>0.2</b>	-0.8
Consolidation, adj. & other	Revenue	-15.7	<b>-15.6</b>	+0.1	<b>-6.0</b>	-0.2
	CE	-29.8	<b>-33.2</b>	-3.4	<b>-11.1</b>	-0.8
LIXIL	Revenue	1,035.5	<b>1,074.4</b>	+38.9	<b>378.2</b>	+3.2
	CE	45.2	<b>61.8</b>	+16.5	<b>24.5</b>	-5.4

Forex impact :

Q3 nine months: Revenue +19.2 billion, Core earnings +1.9 billion

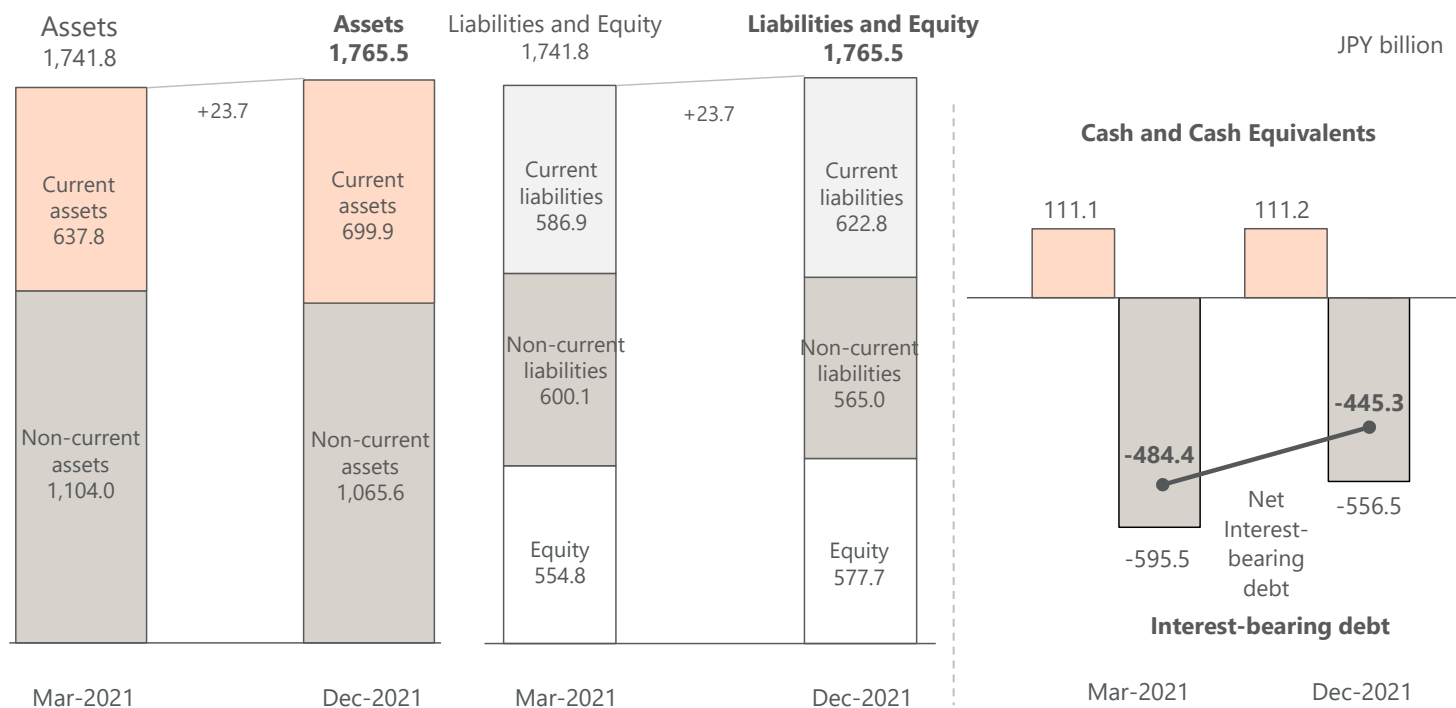
Q3 three months: Revenue +7.7 billion, Core earnings +1.1 billion

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## CONSOLIDATED FINANCIAL POSITION

Equity ratio improved by 0.9pp to 32.6% from March 2021.  
Steady progress toward full-year plan of 34%

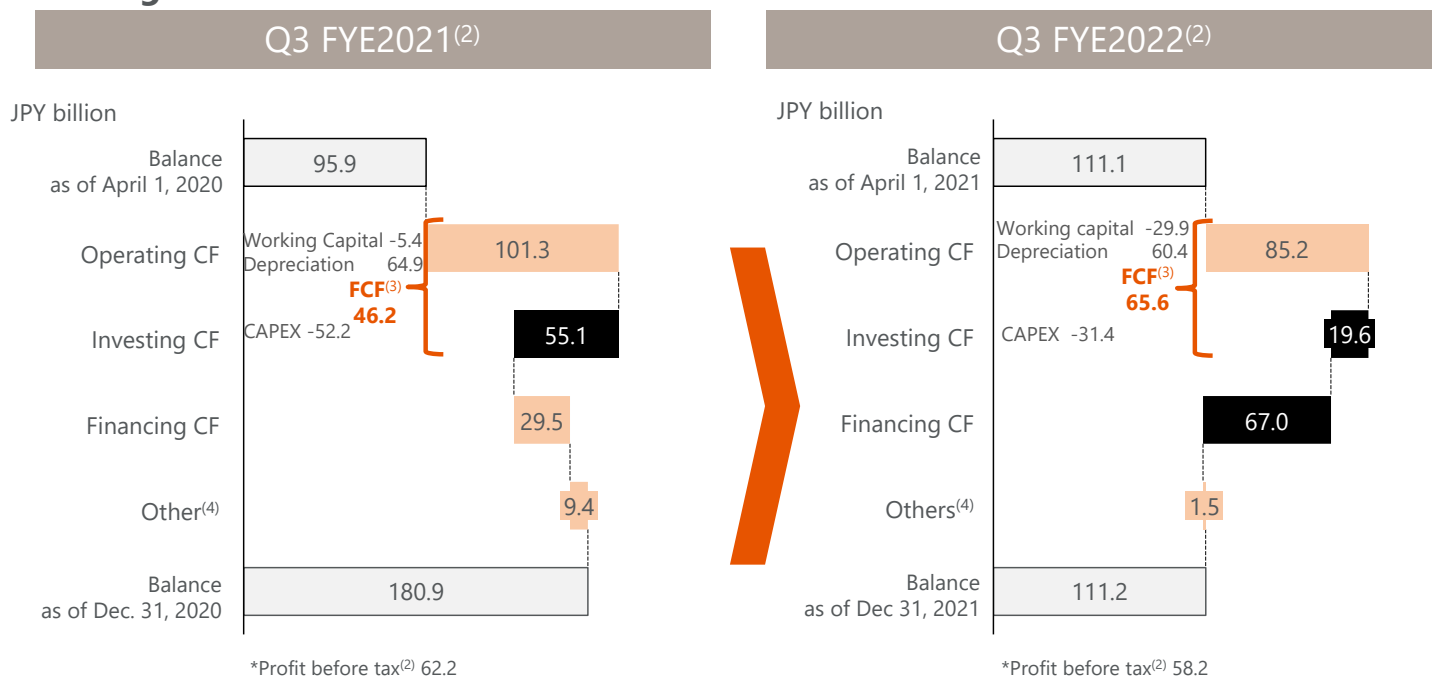


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## CASH FLOW STATUS AND CASH BALANCE

Free Cash Flow (FCF) increased by JPY19.5 billion due to lower need for investment as a result of the asset-light investment strategy, increase in working capital due to business reform, and various costs incurred with progress of structural reform<sup>(1)</sup> totaling JPY17.6 billion



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(1) Voluntary retirement program and divestments  
(2) Includes discontinued operations  
(3) "FCF" = Operating CF + Investing CF

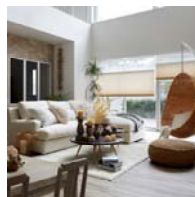
(4) "Others" = Effects of exchange rate changes + Net increase/decrease in cash and cash equivalents included in assets classified as held for sale

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## RESULTS BY BUSINESS SEGMENT



Water Technology (LWT)



Housing Technology (LHT)



Building Technology (LBT)



Housing & Services Business (H&S)

## WATER TECHNOLOGY

International revenue and CE increased driven by strong sales growth in the Americas and Europe. Japan revenue and CE increased from strong demand for hygiene products

Apr-Dec In JPY bn		Q3 FYE2022 (Results)	YoY	
Revenues by region <sup>(1)</sup>	Americas	111.2	+15%	
	EMEA	139.1	+19%	
	China	44.0	+2%	
	Asia Pacific	34.4	+19%	
	Japan	312.3	+4%	
	Adj. & other	6.2		
	<b>Water Technology</b>	<b>647.2</b>	<b>+12%</b>	<b>CE margins</b>
Core earnings by region	International	37.6	+55%	11.2%
	Japan	26.9	+22%	8.6%
	<b>Water Technology</b>	<b>64.5</b>	<b>+39%</b>	
	Margin	10.0%	+1.9pp	

### Revenue

#### Americas

- ✓ Continuing from H1, revenue increased well above pre-COVID levels
- ✓ Revenue increased in all sales channels, especially for wholesale

#### EMEA

- ✓ Revenue increased well above pre-COVID levels, supported by strong demand and the launch of *QuickFix*<sup>(2)</sup>, a product portfolio tailored to DIY requirements
- ✓ Revenue increased in all product categories and sales channels

#### China

- ✓ GROHE products sales were strong especially in retail and e-commerce channels. Continue to promote business structure reforms

#### Asia Pacific

- ✓ Overall revenue increased due to gradual economic recoveries, especially in India and Indonesia, despite the continued impact of COVID-19 in some other markets such as Vietnam and Thailand

#### Japan

- ✓ Steady demand for renovation and mid-to-high-end products
- ✓ Touchless faucets and kitchen and washstand cabinet units with touchless faucets are continuously performing well due to growing interest in hygiene

### Core earnings

#### International · Japan

- ✓ **Intl.:** CE increase driven by strong sales in the Americas and Europe, price optimization measures, and SG&A expense efficiencies
- ✓ **Japan:** CE increase due to a better sales ratio of renovation and mid-to-high-end products as well as price optimization and SG&A expense reduction measures against continued inflation

## HOUSING TECHNOLOGY

Ongoing structural reform and SG&A expense reduction measures resulted in increased revenue and core earnings excluding the impact of divestment in the previous fiscal year

Apr-Dec In JPY bn		Q3 FYE2022 (Results)	YoY	
Revenue by region	Japan	351.6	-3% <sup>(1)</sup>	<ul style="list-style-type: none"> <li>Revenue excluding the impact of the divestment in the previous fiscal year increased, which was driven by the increase in sales for renovation in Japan with growing demand for products catering to the new normal and people spending more time at home                             <ul style="list-style-type: none"> <li>Rechent (renovation door): sales increased by 16% YoY</li> <li>Inplus (renovation resin inner window): up by 22% YoY</li> <li>IoT Enabled Smart Delivery Box: up by 52% YoY</li> </ul> </li> <li>Core earnings rose by 3.1 billion and the core earnings margin was up 1.1pp year-on-year due to the progress in structural reform and SG&amp;A expense reduction measures</li> <li>Revamp of all window series product lines, which was planned for this fiscal year, completed with the launch of "TW"<sup>(2)</sup> high-performance triple pane hybrid windows in February 2022</li> </ul>
	International	2.8	-40%	
	Housing Technology	354.4	-3%	
Core earnings	Housing Technology	29.1	+12%	
	Margin	8.2%	+1.1pp	

LIXIL (1) +2%YoY growth excluding impact from divestment  
(2) News Release <https://newsroom.lixil.com/ja/2022011703> (Japanese only)

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## BUILDING TECHNOLOGY AND HOUSING & SERVICES

Core earnings increased due to continued structural reform measures and operational efficiency gains

Apr-Dec In JPY bn		Q3 FYE2022 (Results)	YoY	
Building Technology	Revenue	65.7	-7%	<ul style="list-style-type: none"> <li>Core earnings margin improved by 1.9pp year-on-year due to the progress of structural reform measures and operational efficiency gains</li> <li>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</li> </ul>
	Core earnings	2.0	+155%	
	Margin	3.0%	+1.9pp	

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

Apr-Dec In JPY bn		Q3 FYE2022 (Results)	YoY	
H&S	Revenue	22.7	-38% <sup>(1)</sup>	<ul style="list-style-type: none"> <li>Revenue decreased due to the impact on divestment and one-time gain from the sale of real estate in the previous fiscal year</li> <li>CE turned negative due to impact of divestment and continued higher raw material prices, offsetting ongoing SG&amp;A cost control improvements</li> </ul>
	Core earnings	-0.5	-	
	Margin	-2.4%	-7.7pp	

LIXIL (1) -7%YoY excluding impact from divestment measures

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## ➤ APPENDIX: FINANCIAL DATA

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## ➤ REVENUE BY PRODUCTS AND SERVICES

The quarter saw steady demand for products that enhance people's lifestyles and for hygiene-related products such as touchless faucets

Segment	Major products	JPY billion				Unit %						
		Full-year FYE2021 Results	Q3 FYE2021 Results	Q3 FYE2022 Results	YoY	Quarterly YoY						
						FYE2021		FYE2022				
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	
LWT	Sanitary ware**	105.5	78.0	77.1	-1.0%	+1.5	-8.5	-2.1	+8.4	+0.9	-3.9	-0.1
	Bathroom units	87.0	65.5	66.1	+1.0%	-20.8	-18.8	-9.0	-3.9	+10.7	-2.9	-3.3
	Washstand cabinet units**	37.1	27.1	29.1	+7.3%	-8.5	-9.0	+8.9	+2.9	+13.7	+6.6	+2.9
	Kitchens	100.1	74.0	77.8	+5.1%	-14.8	-20.0	-3.9	-1.0	+9.5	+4.8	+1.8
	Tiles	33.0	24.6	24.5	-0.2%	-5.3	-16.6	-6.2	-7.6	-1.6	+0.2	+0.6
LHT	Housing sashes and related products	171.5	132.1	126.3	-4.4%	-10.7	-13.3	-4.2	-10.8	-2.0	-4.3	-6.6
	Exteriors	99.4	76.2	77.5	+1.7%	-9.4	-14.6	-6.0	-8.5	+3.1	+1.2	+0.7
	Wooden interior furnishing materials	62.4	47.0	46.5	-1.1%	-8.1	-18.0	-7.8	-8.2	-3.1	+0.5	-0.7
	LHT Other <sup>(1)</sup>	54.7	45.6	30.5	-33.1%	-30.0	-33.7	-14.9	-53.3	-36.5	-32.9	-30.3
LBT	Building sashes	93.4	70.8	65.7	-7.2%	-10.8	-18.2	-21.1	-17.3	-15.4	-9.4	+2.3
H&S	Housing and Services business <sup>(1)</sup>	46.6	36.9	22.7	-38.4%	-13.9	-15.1	+1.2	-28.0	-36.5	-32.9	-44.7
	International <sup>(2)</sup>	384.7	280.5	337.7	+20.4%	-21.5	+2.3	+1.9	+2.6	+49.6	+6.2	+13.0
	Others/consolidation & adj.	103.0	77.3	92.9	-							
<b>Total</b>		1,378.3	1,035.5	1,074.4	+3.8%	-14.6	-11.6	-3.8	-6.2	+11.4	+0.1	+0.8

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

LWT	Faucets	21.7	15.6	18.0	15.9%	+13.5	+4.9	+19.5	+22.2	+17.9	+13.6	+16.1
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## PROMOTE RENOVATION STRATEGY IN JAPAN

Renovation sales ratio increased by 2.7pp due to increase in renovation demand with people spending more time at home

JPY billion	Q3 9 months				Q3 3 months	
	FYE2021 Results <sup>(1)</sup>	FYE2022 Results	Increase/decrease	YoY	FYE2022 Results	YoY
Sales of renovation-related products	223.4	<b>236.9</b>	13.5	+6%	84.2	+1%
LWT-J				+8%		+0%
LHT-J				+4%		-1%
LBT				+3%		+26%
Renovation sales ratio	37%	<b>40%</b>	+2.7pp		40%	+1.0pp

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

	Q3 FYE2021	Q3 FYE2022	Difference
LWT	45%	47%	+2.5pp
LHT	33% <sup>(1)</sup>	35%	+1.7pp
LBT	21% <sup>(1)</sup>	26%	+4.8pp
Japan Total	<b>37%</b>	<b>40%</b>	<b>+2.7pp</b>

### Number of member homebuilders

Stores	Mar 2020	Mar 2021	Dec 2021
LIXIL Reform Shop (Franchise)	554	540	<b>538</b>
LIXIL Reform Shop (Voluntary chain)	11,789	11,373	<b>11,314</b>
LIXIL PATTO Reform Service Shop	3,602	3,817	<b>3,801</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

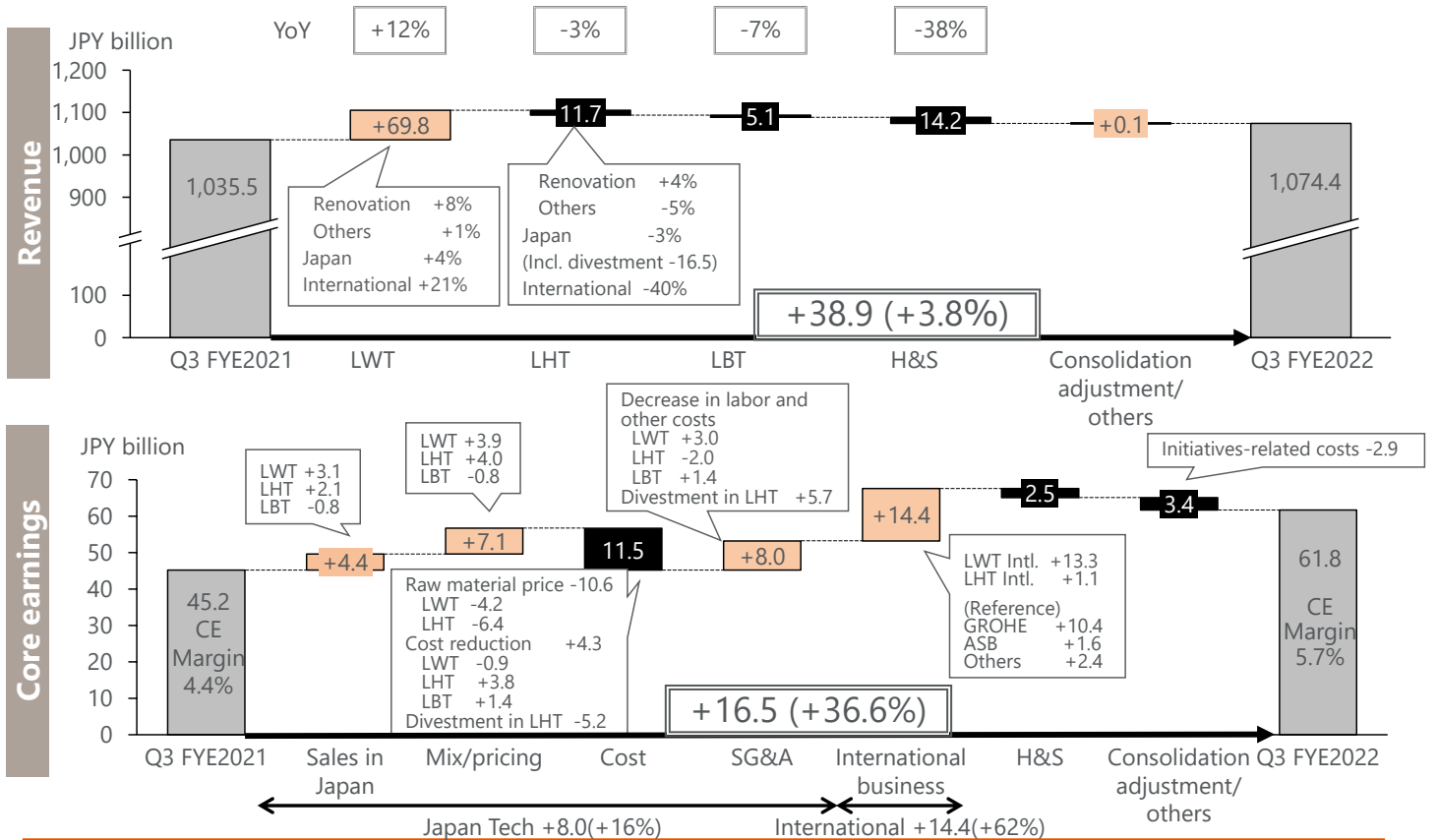
Leveraging our brands, manufacturing assets and advanced technologies, we are accelerating growth by bridging portfolio gaps globally

	Q3 FYE2022 (9 months)					Q3 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	49%	14%	65%	49%	38%	49%	13%	65%	49%	37%
Toilets	33%	54%	21%	42%	57%	34%	54%	22%	41%	58%
Kitchen faucets and water systems	10%	5%	14%	6%	3%	10%	5%	13%	6%	2%
Bathing and showering systems	5%	20%	0%	1%	1%	5%	19%	0%	0%	1%
All others	2%	8%	0%	3%	2%	2%	8%	0%	4%	2%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
<b>Sales growth</b>										
Bath faucets and showers	+16%	+3%	+17%	+8%	+23%	+2%	-8%	+0%	+14%	+17%
Toilets	+17%	+20%	+25%	-7%	+9%	+9%	+12%	+8%	-7%	+18%
Kitchen faucets and water systems	+17%	+8%	+18%	+3%	+46%	+6%	+14%	+5%	+1%	+50%
Bathing and showering systems	+14%	+18%	-57%	-11%	-33%	-1%	+2%	+69%	-31%	-5%

**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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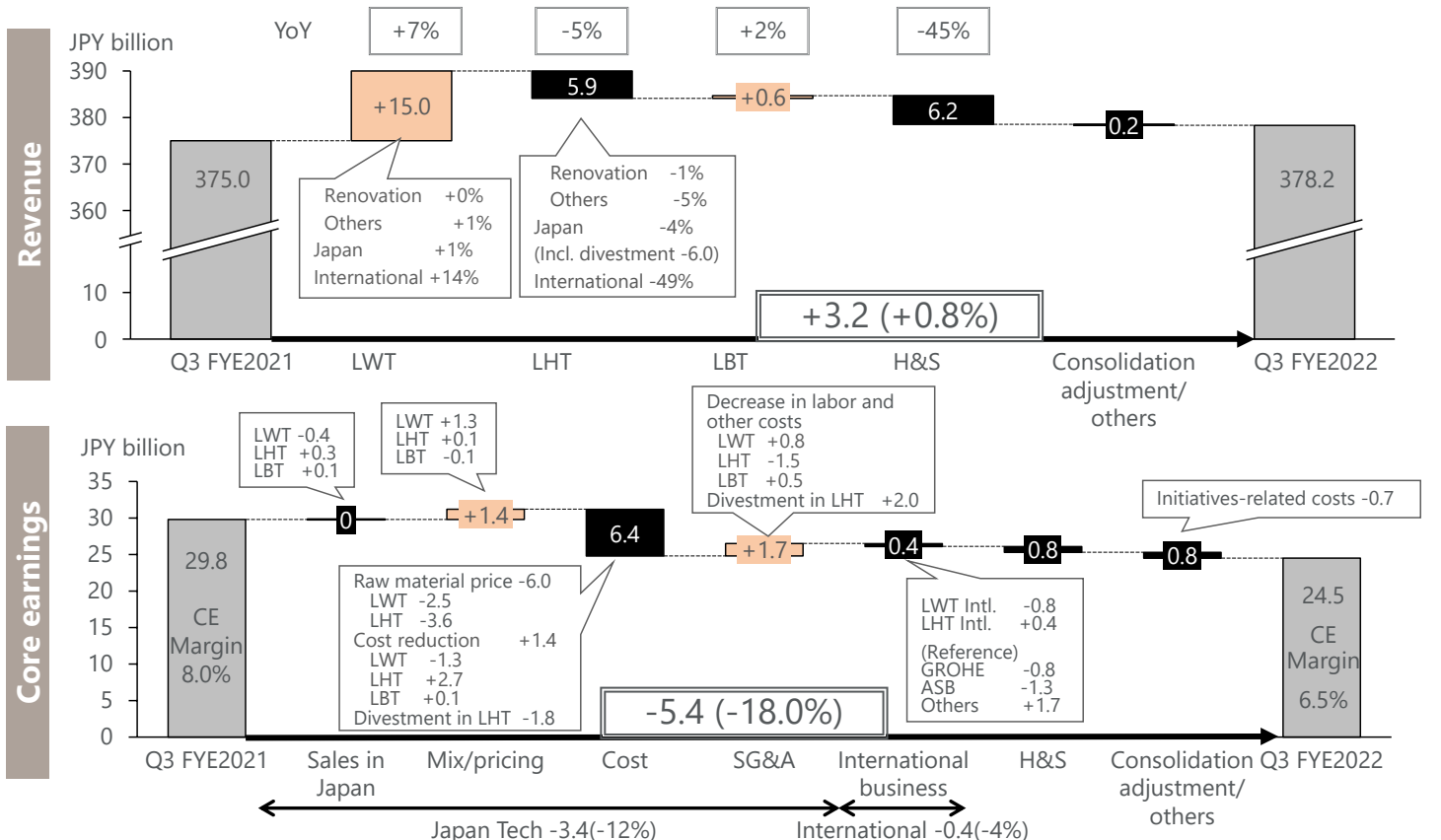
## Q3 (9 MONTHS) FYE2022 INCREASE / DECREASE OF REVENUE AND CORE EARNINGS



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## Q3 (3 MONTHS) FYE2022 INCREASE / DECREASE OF REVENUE AND CORE EARNINGS



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## Q3 FYE2022 OTHER INCOME AND EXPENSES, FINANCE INCOME AND COSTS

	Q3 FYE2021 Results	Q3 FYE2022 Results	Increase/decrease
JPY billion			
Gain on sale of assets held for sale	-	2.4	+2.4
Others	4.7	3.1	-1.6
<b>Other income</b>	<b>4.7</b>	<b>5.5</b>	<b>+0.8</b>
Losses on sale or disposal of property, plant and equipment	1.0	1.1	+0.1
Impairment losses	3.1	1.8	-1.4
Loss recognized on the measurement to fair value less costs to sell the disposal group held for sale	5.4	-	-5.4
Others	3.3	4.5	+1.2
<b>Other expenses</b>	<b>12.8</b>	<b>7.3</b>	<b>-5.5</b>
Interest income	0.7	1.2	+0.4
Dividend income	1.4	1.6	+0.2
Gain on valuation of derivatives	-	1.0	+1.0 (A)
Foreign exchange gain	2.6	-	-2.6 (B)
<b>Finance income</b>	<b>4.7</b>	<b>3.8</b>	<b>-1.0</b>
Interest expense	3.0	3.4	+0.4
Loss on valuation of derivatives	3.7	-	-3.7 (B)
Foreign exchange loss	-	1.4	+1.4 (A)
Others	0.0	0.1	+0.1
<b>Finance costs</b>	<b>6.7</b>	<b>4.8</b>	<b>-1.9</b>

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

	Q3 FYE2022 Results
Gain on valuation of derivatives	1.0
Foreign exchange loss	-1.4
Net	-0.4 loss

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

	Q3 FYE2021 Results
Foreign exchange gain	2.6
Loss on valuation of derivatives	-3.7
Net	-1.1 loss

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## RESULTS AND FORECASTS BY SEGMENT

	JPY billion	Q3 FYE2021 Results			Q3 FYE2022 Results				FYE2022 Forecast			
		Japan	Intl.	Total	Japan	Intl.	Total	Total YoY%	Japan	Intl.	Total	Total YoY%
LWT	Revenue	301.6	275.8	577.4	312.3	334.9	647.2	+12.1%	431.5	434.0	865.5	+10.4%
	CE	22.1	24.3	46.4	26.9	37.6	64.5	+39.1%	36.5	46.0	82.5	+32.7%
	CE margin	7.3%	8.8%	8.0%	8.6%	11.2%	10.0%	+1.9pp	8.5%	10.6%	9.5%	+1.6pp
LHT	Revenue	361.4	4.7	366.1	351.6	2.8	354.4	-3.2%	471.5	6.5	478.0	+0.8%
	CE	27.0	-1.1	26.0	29.1	0	29.1	+11.9%	38.5	-2.0	36.5	+16.1%
	CE margin	7.5%	-22.3%	7.1%	8.3%	0.1%	8.2%	+1.1pp	8.2%	-	7.6%	+1.0pp
LBT	Revenue	70.8		70.8	65.7		65.7	-7.2%	86.5		86.5	-7.4%
	CE	0.8		0.8	2.0		2.0	+154.5%	3.0		3.0	+14.9%
	CE margin	1.1%		1.1%	3.0%		3.0%	+1.9pp	3.5%		3.5%	+0.7pp
H&S	Revenue	36.9		36.9	22.7		22.7	-38.4%	30.0		30.0	-35.6%
	CE	1.9		1.9	-0.5		-0.5	-	1.0		1.0	-53.2%
	CE margin	5.3%		5.3%	-2.4%		-2.4%	-7.7pp	3.3%		3.3%	-1.3pp
Conso. adj. & others <sup>(1)</sup>	Revenue			-15.7			-15.6	-			-20.0	-
	CE			-29.8			-33.2	-			-43.0	-
LIXIL <sup>(1)</sup>	Revenue	770.7	280.5	1,035.5	752.4	337.7	1,074.4	+3.8%	1,019.5	440.5	1,440.0	+4.5%
	CE	51.8	23.2	45.2	57.4	37.6	61.8	+36.6%	79.0	44.0	80.0	+39.6%
	CE margin	6.7%	8.3%	4.4%	7.6%	11.1%	5.7%	+1.4pp	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

ASB (ASD Holdings)	Q3 FYE2021	Q3 FYE2022	YoY	Unit: USD million
Exchange rate (Average Rate)	105.87	<b>111.38</b>	-	
Revenue	919	<b>1,059</b>	+15%	
Core earnings	62	<b>73</b>	+18%	
Core earnings margin	7%	<b>7%</b>	+0.2pp	

Accounting period	FYE2021	Q3 FYE2022		
	Balance	Amortization	Others <sup>(1)</sup>	Balance
Exchange rate (Current Rate for balance, Average Rate for amortization)	110.71	111.38	-	<b>115.02</b>
Goodwill	228	-	0	<b>228</b>
Intangible assets	206	-5	0	<b>202</b>

Grohe Group (GROHE)	Q3 FYE2021	Q3 FYE2022	YoY	Unit: EUR million
Exchange rate (Average Rate)	122.30	<b>130.85</b>	-	
Revenue	1,095	<b>1,337</b>	+22%	
Core earnings	13.9	<b>209</b>	+50%	
Core earnings margin	13%	<b>16%</b>	+2.9pp	

Accounting period	FYE2021	Q3 FYE2022		
	Balance	Amortization	Others <sup>(1)</sup>	Balance
Exchange rate (Current Rate for balance, Average Rate for amortization)	129.80	130.85	-	<b>130.51</b>
Goodwill	1,197	-	3	<b>1,201</b>
Intangible assets	1,429	-9	0	<b>1,420</b>

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

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## ➤ APPENDIX: BUSINESS AND ESG RELATED TOPICS

## › BUSINESS AND ESG RELATED TOPICS

### Selected for CDP's Water Security 2021 A List<sup>(1)</sup>

Top rating recognizes multifaceted initiatives in water-related risk mitigation



- Selected for CDP's Water Security 2021 A List, the highest rank in recognition of LIXIL's activities to address water conservation and global sanitation problems through its operation, products and services and of proactive information disclosure
- 118 companies worldwide including 39 Japanese companies were selected as Water Security A List

### Expansion of 'Make a Splash!' Partnership with UNICEF

Accelerating measures to improve global sanitation and hygiene



- Launched in 2018, the 'Make a Splash!' Partnership with UNICEF contributed to improved sanitation and hygiene for 2.9 million people in Ethiopia, Kenya, and Tanzania<sup>(2)</sup>
- The partnership is expanding to three of the most populous countries, India, Indonesia, and Nigeria, to reach more children and families
- In addition to reaching more people with access to sanitation and hygiene solutions, the partnership expands its scope to leveraging financing for sanitation and hygiene actors

**LIXIL**

(1) News Release <https://newsroom.lixil.com/2021121402>

(2) News Release [https://www.lixil.com/en/news/pdf/UNICEF\\_LIXIL\\_MaS\\_Expansion\\_211119\\_EN.pdf](https://www.lixil.com/en/news/pdf/UNICEF_LIXIL_MaS_Expansion_211119_EN.pdf)

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## › BUSINESS AND ESG RELATED TOPICS

### Launched panorama window TW<sup>(1)</sup> that shows Japan's four seasons beautifully

Promote high performance houses for decarbonized society



(Image: Hybrid window TW, launched in West Japan area in Feb, 2022, and in East Japan area in Apr, 2022)

- Completed revamp of all window series products in Japan with the launch of TW, Japan's highest performance hybrid window
- Promote high performance existing houses with the launch of high thermal insulation window frame *Replus*<sup>(2)</sup>, which enables replacement to high-performance triple pane hybrid windows
- Promote transformation to decarbonized houses achieving 100% high performance window ratio<sup>(3)</sup> by FYE2026

### Launched GROHE QuickFix Series<sup>(4)</sup>

Accelerate growth in LWT international market by capturing DIY demand



- Launched GROHE QuickFix series responding to growing global DIY demand
- Consumers get everything in one box—the product together with a tool for installation, an easy-to-understand installation manual, and a how-to video that can be retrieved via a QR code—allowing for easy DIY renovation
- Accelerate growth in LWT international market toward realization of sustainable growth

**LIXIL**

(1) News Release <https://newsroom.lixil.com/ja/2022011703> (Japanese only)

(2) News Release [https://newsroom.lixil.com/ja/20220117\\_02](https://newsroom.lixil.com/ja/20220117_02) (Japanese only)

(3) High performance window ratio as of FYE2021: 74%

(4) GROHE QuickFix <https://www.quickfix-grohe.com/>

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## ➤ BUSINESS AND ESG RELATED TOPICS

Received 2021 Agency for Natural Resources and Energy Commissioner's Award at Energy Conservation Grand Prize Awards<sup>(1)</sup>

TOSTEM THAI was awarded Level 5, the highest rank under the Green Industry Project<sup>(2)</sup>

Program for supporting renovation to improve heat insulation with *Super Wall construction method for renovation* was evaluated



(Image: Super Wall construction method for renovation)

- LIXIL and LIXIL TEPCO Smart Partners received Agency for Natural Resources and Energy Commissioner's Award (products and business model category) in recognition of their support for a series of processes to help increase the market for high-performance houses
- *Super Wall construction method for renovation* enables houses to be renovated to improve heat insulation even while staying in the house. LIXIL contributes realization of decarbonized society by promoting high performance existing houses

Activities for environment throughout whole supply chain were recognized



- TOSTEM Thai, the largest production base of LHT, was awarded Level 5, the highest rank under the Green Industry Project by the Thai Ministry of Industry in recognition of network expansion throughout a green supply chain
- TOSTEM THAI is the first firm from the Aluminum industry to receive Green Industry Level 5

**LIXIL** (1) News Release <https://newsroom.lixil.com/ja/2022011401> (Japanese only)  
(2) News Release <https://newsroom.lixil.com/ja/20211224> (Japanese only)

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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)

### 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)



### Pride Index 2021

Received Gold, the highest award level, with recognition of its activities aiming for realization of inclusive society where human rights of everyone regarding utilization of toilets are respected. Simultaneously winning the newly established Rainbow (Gold for five consecutive years, November 2021)



### Nikkei SDGs Management Survey

Received 4.5 stars at Nikkei SDGs Management Survey and 4 stars at Nikkei Smart Work Management Survey (November 2021)



### CDP's Water Security

Selected for A List, the highest rank from CDP for its multifaceted initiatives in water-related risk mitigation (December 2021)

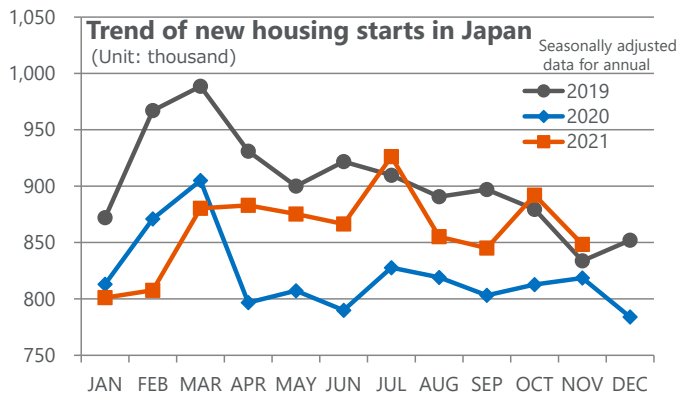


### Dow Jones Sustainability World Index

Selected as a component of the Dow Jones Sustainability Indices (DJSI), now a part of S&P Global, DJSI World Index and DJSI Asia Pacific (Three consecutive years, November 2021)

Member of  
**Dow Jones  
Sustainability Indices**  
Powered by the S&P Global CSA

## MARKET TRENDS



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

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

- Jan.-Sep. 2021: +4.7%
- Jan.-Nov. 2021: +5.1%

	Jan-Nov 2021 (11 months)		Apr-Nov 2021 (8 months)	
	Units	YoY	Units	YoY
<b>Total new housing starts</b>	<b>788,091</b>	+5.1%	<b>597,092</b>	+7.5%
Owner occupied(1)	262,844	+10.3%	200,914	+12.7%
Rental homes	296,154	+4.9%	226,559	+8.4%
Condos for sale	94,201	-7.4%	68,255	-10.3%
Detached houses for sale(2)	128,371	+7.5%	96,369	+12.0%
Detached houses total(1)+(2)	391,215	+9.4%	297,283	+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

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

(yen per ton)

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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.