

## Consolidated Financial Results for the First Quarter Ended June 30, 2022 (International Financial Reporting Standards)

Company Name:	LIXIL CORPORATION	Stock Listings:	Tokyo, Nagoya
Code Number:	5938	URL:	<a href="https://www.lixil.com/en/investor/">https://www.lixil.com/en/investor/</a>
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Scheduled date of issue of quarterly financial report:	August 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 Q1 of FY Ending March, 2023 (April 1 through June 30, 2022)

(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	%
<b>FYE 2023 Q1</b>	<b>360,291</b>	<b>4.2</b>	<b>6,977</b>	<b>-69.8</b>	<b>12,067</b>	<b>-49.6</b>	<b>12,031</b>	<b>-47.5</b>	<b>6,739</b>	<b>-60.1</b>
FYE 2022 Q1	345,761	11.4	23,076	—	23,933	—	22,926	—	16,869	—

	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
<b>FYE 2023 Q1</b>	<b>5,901</b>	<b>-65.0</b>	<b>5,734</b>	<b>-65.9</b>	<b>39,888</b>	<b>135.9</b>	<b>19.79</b>	<b>19.79</b>
FYE 2022 Q1	16,843	—	16,825	—	16,908	205.6	57.91	54.96

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	%
<b>FYE 2023 Q1</b>	<b>1,856,491</b>	<b>636,000</b>	<b>633,195</b>	<b>34.1</b>
FYE 2022	1,782,882	614,968	612,385	34.3

### 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
FYE 2022	—	40.00	—	45.00	85.00
FYE 2023	—	—	—	—	—
FYE 2023 (forecast)	—	45.00	—	45.00	90.00

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

### 3. Consolidated Forecast for the FY Ending March, 2023 (April 1, 2022 through March 31, 2023)

(% 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 2023	1,520,000	6.4	81,000	24.9	78,000	12.3	76,000	13.0	51,800	2.5

	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 2023	51,200	5.1	51,000	4.9	175.99

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

Note: Number of outstanding stocks (excluding treasury stocks) as of June 30, 2022 is used for the average stocks during the three months ended June 30, 2022 to calculate "Basic earnings per share".

#### \* 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	(June 30, 2022)	313,319,159 shares	(FY ended March 31, 2022)	313,319,159 shares
(ii) Treasury stocks	(June 30, 2022)	25,040,952 shares	(FY ended March 31, 2022)	22,580,170 shares
(iii) Average stocks during three months (Apr - Jun)	(June 30, 2022)	289,793,042 shares	(June 30, 2021)	290,538,540 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, 2022		End of Q1 (As of June 30, 2022)	
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	Y	100,404	Y	105,918
Trade and other receivables		280,409		284,906
Inventories		237,927		280,195
Contract assets		19,408		20,104
Income taxes receivable		923		1,213
Other financial assets		23,095		21,070
Other current assets		25,180		27,193
Subtotal		687,346		740,599
Assets held for sale		27,261		26,954
<b>Total current assets</b>		<b>714,607</b>		<b>767,553</b>
<b>Non-current assets:</b>				
Property, plant and equipment		373,301		374,015
Right of use assets		54,023		59,681
Goodwill and other intangible assets		471,303		495,099
Investment property		4,045		4,049
Investments accounted for using the equity method		10,699		10,697
Other financial assets		62,361		51,895
Deferred tax assets		83,315		84,782
Other non-current assets		9,228		8,720
<b>Total non-current assets</b>		<b>1,068,275</b>		<b>1,088,938</b>
<b>Total assets</b>	Y	<b>1,782,882</b>	Y	<b>1,856,491</b>

(Unit: millions of yen)

	As of March 31, 2022	End of Q1 (As of June 30, 2022)
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Trade and other payables	Y 333,680	Y 330,610
Bonds and borrowings	132,029	174,422
Lease liabilities	17,681	18,184
Contract liabilities	9,377	10,958
Income taxes payable	10,926	11,364
Other financial liabilities	5,638	8,240
Provisions	656	640
Other current liabilities	93,014	99,466
<b>Total current liabilities</b>	<b>603,001</b>	<b>653,884</b>
<b>Non-current liabilities:</b>		
Bonds and borrowings	337,510	339,407
Lease liabilities	37,483	42,128
Other financial liabilities	26,968	27,127
Net defined benefit liabilities	78,441	70,659
Provisions	8,028	8,168
Deferred tax liabilities	61,875	67,242
Other non-current liabilities	14,608	11,876
<b>Total non-current liabilities</b>	<b>564,913</b>	<b>566,607</b>
<b>Total liabilities</b>	<b>1,167,914</b>	<b>1,220,491</b>
<b>EQUITY</b>		
Share capital	68,418	68,418
Capital surplus	278,635	278,725
Treasury shares	-47,542	-53,748
Other components of equity	44,954	67,915
Retained earnings	267,920	271,885
Equity attributable to owners of the parent	612,385	633,195
Non-controlling interests	2,583	2,805
<b>Total equity</b>	<b>614,968</b>	<b>636,000</b>
<b>Total liabilities and equity</b>	<b>Y 1,782,882</b>	<b>Y 1,856,491</b>

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

(Unit: millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Continuing operations		
Revenue	<b>Y</b> 345,761	<b>Y</b> 360,291
Cost of sales	-220,745	-243,899
<b>GROSS PROFIT</b>	125,016	116,392
Selling, general and administrative expenses	-101,940	-109,415
Other income	3,143	6,820
Other expenses	-2,286	-1,730
<b>OPERATING PROFIT</b>	23,933	12,067
Finance income	2,044	1,276
Finance costs	-2,329	-1,312
Share of loss of associates accounted for using the equity method	-722	-0
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	22,926	12,031
Income tax expenses	-6,057	-5,292
<b>PROFIT FOR THE QUARTER FROM CONTINUING OPERATIONS</b>	16,869	6,739
Discontinued operations		
<b>LOSS FOR THE QUARTER FROM DISCONTINUED OPERATIONS</b>	-26	-838
<b>PROFIT FOR THE QUARTER</b>	16,843	5,901
Profit (loss) for the quarter attributable to:		
Owners of the parent		
Continuing operations	16,851	6,572
Discontinued operations	-26	-838
Total	16,825	5,734
Non-controlling interests		
Continuing operations	18	167
Discontinued operations	—	—
Total	18	167
<b>PROFIT FOR THE QUARTER</b>	<b>Y</b> 16,843	<b>Y</b> 5,901

(Unit: millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
<b>Earnings (loss) per share</b>		
Basic (yen per share)		
Continuing operations	58.00	22.68
Discontinued operations	-0.09	-2.89
Total	57.91	19.79
Diluted (yen per share)		
Continuing operations	55.04	22.68
Discontinued operations	-0.08	-2.89
Total	54.96	19.79

## Consolidated Statement of Comprehensive Income

(Unit: millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
<b>PROFIT FOR THE QUARTER</b>	<b>Y 16,843</b>	<b>Y 5,901</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Items that will not be reclassified subsequently to profit or loss		
Net fair value (loss) gain on equity instruments measured through other comprehensive income	-791	-367
Remeasurements of defined benefit pension plans	—	7,445
Total items that will not be reclassified subsequently to profit or loss	-791	7,078
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	1,158	30,044
Net fair value gain (loss) on hedging instruments entered into for cash flow hedges	-310	-3,131
Share of other comprehensive income of associates accounted for using the equity method	8	-4
Total items that may be reclassified subsequently to profit or loss	856	26,909
Other comprehensive income, net of tax	65	33,987
<b>TOTAL COMPREHENSIVE INCOME FOR THE QUARTER</b>	<b>16,908</b>	<b>39,888</b>
Total comprehensive income for the quarter attributable to:		
Owners of the parent	16,914	39,577
Non-controlling interests	-6	311
<b>TOTAL COMPREHENSIVE INCOME FOR THE QUARTER</b>	<b>Y 16,908</b>	<b>Y 39,888</b>

## (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
<b>BALANCE AS OF APRIL 1, 2021</b>	<b>68,418</b>	<b>278,240</b>	<b>-48,610</b>	<b>16,558</b>	<b>—</b>	<b>372</b>	<b>1,071</b>
Profit for the quarter	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	-791	—	1,182	-310
Total comprehensive income for the quarter	—	—	—	-791	—	1,182	-310
Purchase of treasury shares	—	—	-6	—	—	—	—
Disposal of treasury shares	—	0	0	—	—	—	—
Share-based payment transactions	—	534	1,010	—	—	—	—
Dividends	—	—	—	—	—	—	—
Transfers from other components of equity to retained earnings	—	—	—	94	—	—	—
Total transactions with owners	—	534	1,004	94	—	—	—
<b>BALANCE AS OF JUNE 30, 2021</b>	<b>68,418</b>	<b>278,774</b>	<b>-47,606</b>	<b>15,861</b>	<b>—</b>	<b>1,554</b>	<b>761</b>
<b>BALANCE AS OF APRIL 1, 2022</b>	<b>68,418</b>	<b>278,635</b>	<b>-47,542</b>	<b>13,327</b>	<b>—</b>	<b>28,613</b>	<b>2,867</b>
Hyperinflation adjustment	—	—	—	—	—	—	—
Restated balance as of April 1, 2022	68,418	278,635	-47,542	13,327	—	28,613	2,867
Profit for the quarter	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	-367	7,445	29,900	-3,131
Total comprehensive income for the quarter	—	—	—	-367	7,445	29,900	-3,131
Purchase of treasury shares	—	-5	-6,750	—	—	—	—
Disposal of treasury shares	—	0	0	—	—	—	—
Share-based payment transactions	—	145	544	—	—	—	—
Dividends	—	—	—	—	—	—	—
Changes in interests in subsidiaries that do not result in the Group losing control over the subsidiaries	—	-50	—	—	—	—	—
Transfers from other components of equity to retained earnings	—	—	—	-3,326	-7,445	—	—
Total transactions with owners	—	90	-6,206	-3,326	-7,445	—	—
<b>BALANCE AS OF JUNE 30, 2022</b>	<b>68,418</b>	<b>278,725</b>	<b>-53,748</b>	<b>9,634</b>	<b>—</b>	<b>58,513</b>	<b>-264</b>

(Unit: millions of yen)

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity		Retained earnings (losses)	Total		
	Other	Total				
<b>BALANCE AS OF APRIL 1, 2021</b>	<b>2,414</b>	<b>20,415</b>	<b>233,808</b>	<b>552,271</b>	<b>2,496</b>	<b>554,767</b>
Profit for the quarter	—	—	16,825	16,825	18	16,843
Other comprehensive income	8	89	—	89	-24	65
Total comprehensive income for the quarter	8	89	16,825	16,914	-6	16,908
Purchase of treasury shares	—	—	—	-6	—	-6
Disposal of treasury shares	—	—	—	0	—	0
Share-based payment transactions	-782	-782	555	1,317	—	1,317
Dividends	—	—	-11,609	-11,609	—	-11,609
Transfers from other components of equity to retained earnings	—	94	-94	—	—	—
Total transactions with owners	-782	-688	-11,148	-10,298	—	-10,298
<b>BALANCE AS OF JUNE 30, 2021</b>	<b>1,640</b>	<b>19,816</b>	<b>239,485</b>	<b>558,887</b>	<b>2,490</b>	<b>561,377</b>
<b>BALANCE AS OF APRIL 1, 2022</b>	<b>147</b>	<b>44,954</b>	<b>267,920</b>	<b>612,385</b>	<b>2,583</b>	<b>614,968</b>
Hyperinflation adjustment	—	—	543	543	—	543
Restated balance as of April 1, 2022	147	44,954	268,463	612,928	2,583	615,511
Profit for the quarter	—	—	5,734	5,734	167	5,901
Other comprehensive income	-4	33,843	—	33,843	144	33,987
Total comprehensive income for the quarter	-4	33,843	5,734	39,577	311	39,888
Purchase of treasury shares	—	—	—	-6,755	—	-6,755
Disposal of treasury shares	—	—	—	0	—	0
Share-based payment transactions	-111	-111	—	578	—	578
Dividends	—	—	-13,083	-13,083	—	-13,083
Changes in interests in subsidiaries that do not result in the Group losing control over the subsidiaries	—	—	—	-50	-89	-139
Transfers from other components of equity to retained earnings	—	-10,771	10,771	—	—	—
Total transactions with owners	-111	-10,882	-2,312	-19,310	-89	-19,399
<b>BALANCE AS OF JUNE 30, 2022</b>	<b>32</b>	<b>67,915</b>	<b>271,885</b>	<b>633,195</b>	<b>2,805</b>	<b>636,000</b>



## (4) Consolidated Statement of Cash Flows

(Unit: millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
<b>OPERATING ACTIVITIES:</b>		
Profit before tax from continuing operations	<b>Y</b> 22,926	<b>Y</b> 12,031
Loss before tax from discontinued operations	-37	-1,206
Profit before tax	22,889	10,825
Depreciation and amortization	20,021	19,940
Impairment losses	831	50
Interest and dividend income	-1,309	-994
Interest expense	1,121	1,060
Share of (profit) loss of associates accounted for using the equity method	722	0
Profit on disposal of assets held for sale	-2,431	-5,233
Losses (gains) on disposal of property, plant and equipment	420	644
Decrease (increase) in trade and other receivables	8,331	3,239
Decrease (increase) in inventories	-12,449	-32,357
(Decrease) increase in trade and other payables	-22,775	-7,643
(Decrease) increase in net defined benefit liabilities	665	-10,629
Other	6,067	9,946
Subtotal	22,103	-11,152
Interest received	323	191
Dividends received	1,066	874
Interest paid	-1,062	-1,031
Income taxes paid	-3,125	-5,416
<b>Net cash (used) generated in operating activities</b>	<b>Y 19,305</b>	<b>Y -16,534</b>

(Unit: millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
<b>INVESTING ACTIVITIES:</b>		
(Increase) decrease in time deposits	Y 755	Y 843
Purchase of property, plant and equipment	-7,747	-8,021
Proceeds from disposal of property, plant and equipment	3,458	312
Purchase of intangible assets	-2,616	-2,493
Decrease (increase) in short-term loans receivable	787	40
Payments for acquisition of investments	-20,001	-3,534
Proceeds from sale and redemption of investments	20,000	13,986
Other	-110	2,841
<b>Net cash (used) generated in investing activities</b>	<b>Y -5,474</b>	<b>Y 3,974</b>
<b>FINANCING ACTIVITIES:</b>		
Dividends paid	Y -11,609	Y -13,083
(Decrease) increase in short-term borrowings and commercial paper	10,497	40,949
Proceeds from long-term borrowings	9,884	—
Repayment of long-term borrowings	-20,912	-2,355
Lease liabilities paid	-4,904	-4,979
Payments for acquisition of treasury shares	-6	-6,756
Other	1,406	392
<b>Net cash (used) generated in financing activities</b>	<b>Y -15,644</b>	<b>Y 14,168</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>-1,813</b>	<b>1,608</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>111,061</b>	<b>100,404</b>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	300	3,906
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE QUARTER</b>	<b>Y 109,548</b>	<b>Y 105,918</b>

(5) Notes related to Financial Statements

(Notes related to Going Concern Assumptions)

Not applicable.

(Segment Information)

Segment changes

The Company reports in four reporting segments, which include "Water Technology Business", "Housing Technology Business", "Building Technology Business" and "Housing & Services Business" until fiscal year ended March 31, 2022. However, from the first quarter of the year ending March 31, 2023, the Company have decided to change to report in two segments, which include "Water Technology Business" and "Housing Technology Business".

The reason for the reporting segments change is that the company is focusing and simplifying its organization to establish a management process that is more resilient to changes in the external environment and that drives profitable and sustainable growth. And accordingly, the management system of the business was changed to two segments, the core busines of "Water Technology Business" and "Housing Technology Business".

As a change, "Housing Technology Business," "Building Technology Business," and "Housing & Services Business" in the previous segments are disclosed as "Housing Technology Business" in the new segments.

The segment information for the three months ended June 30, 2022 is disclosed based on the reporting segments classification after the change.

For the three months ended June 30, 2021 (April 1 through June 30, 2021)

(Unit: millions of yen)

	Reportable Segments		Total	Reconciliations (Note 2)	Consolidated
	Water Technology Business	Housing Technology Business			
Revenue					
Revenue from external customers	Y 207,784	Y 137,977	Y 345,761	Y —	Y 345,761
Intersegment revenue or transfers	2,786	1,381	4,167	-4,167	—
Total	210,570	139,358	349,928	-4,167	345,761
Segment profit (Note 1)	23,667	9,937	33,604	-10,528	23,076
Other income					3,143
Other expenses					-2,286
Operating profit					23,933
Finance income					2,044
Finance costs					-2,329
Share of loss of associates accounted for using the equity method					-722
Profit before tax from continuing operations					22,926

For the three months ended June 30, 2022 (April 1 through June 30, 2022)

(Unit: millions of yen)

	Reportable Segments		Total	Reconciliations (Note 2)	Consolidated
	Water Technology Business	Housing Technology Business			
Revenue					
Revenue from external customers	Y 218,837	Y 141,454	Y 360,291	Y —	Y 360,291
Intersegment revenue or transfers	2,142	1,541	3,683	-3,683	—
Total	220,979	142,995	363,974	-3,683	360,291
Segment profit (Note 1)	13,225	3,130	16,355	-9,378	6,977
Other income					6,820
Other expenses					-1,730
Operating profit					12,067
Finance income					1,276
Finance costs					-1,312
Share of loss of associates accounted for using the equity method					-0
Profit before tax from continuing operations					12,031

## Notes:

1. Segment profit is core earnings which are defined as revenue less cost of sales and selling, general and administrative expenses.
2. A process of Segment profit reconciliations takes place for Company expenses that are not allocated to reportable segments. These expenses primarily represent costs associated with administrative departments, including Human Resources, General Affairs, Finance and other departments of the Company.