

➤ **Q1 Results for the Fiscal Year
Ending March 31, 2023 (IFRS)**
(From April 1, 2022, to June 30, 2022)

LIXIL Corporation
July 29, 2022

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

JGAAP	IFRS (LIXIL Financial Reporting)
	Continuing operations
Net sales	Revenue
Cost of sales	Cost of sales
Gross profit	Gross profit
SG&A	SG&A
Operating profit	Core earnings (CE)
Non-operating income/expenses	Other income/expenses
Ordinary income	Operating profit
Extraordinary income/loss	Finance income/costs
	Share of profit (loss) of investments accounted for using equity method
Profit before income taxes	Profit before tax
	Profit from continuing operations
	Discontinued operations
	Profit for discontinued operations
Net profit attributable to	Profit attributable to
Non-controlling interests	Owners of the parent
Owners of the parent	Non-controlling interests

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

KEY HIGHLIGHTS

Summary of results for Q1 FYE2023

Revenue increased and core earnings declined YoY for the following reasons.
Core earnings declined in the period but are now on a recovery trend

1) Cost inflation

- While market prices of major raw materials have recently retraced some of their sharp gains, we continued to see the impact on production / inventory booking based on past costs, hedging transactions, and JPY depreciation. The impact of the current decline will be realized in as early as Q3 to mid-Q4

2) Price optimization

- Steady progress has been made according to plan. Full-scale realization of benefits will be seen from October

3) Market environment (demand)

- Order situation is generally favorable despite weakening market environment

4) Status of each business in Q1

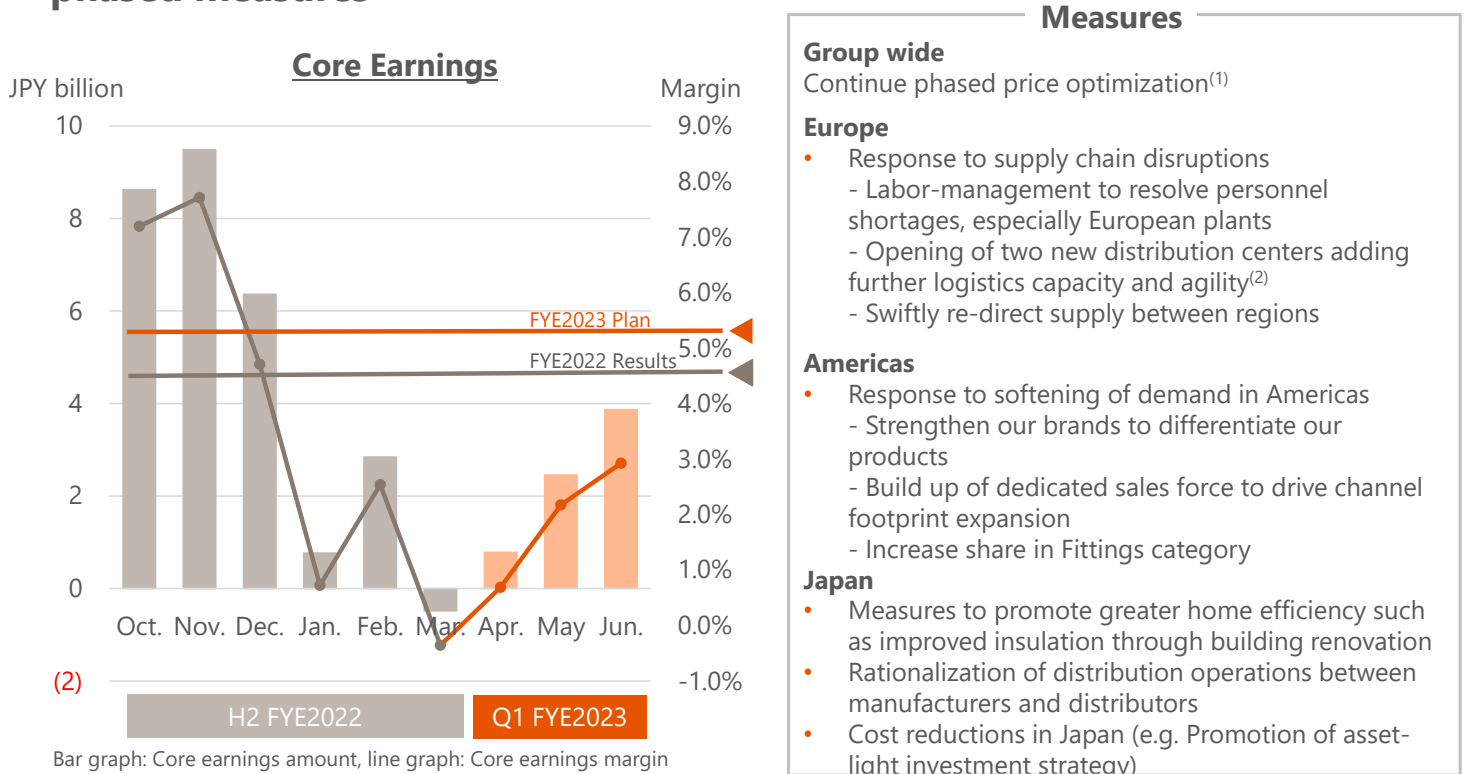
- LWT (Japan):** Maintained prior-year level of revenue due to countermeasures against temporary parts procurement issues. However, this led to increased costs
- LHT (Japan):** Costs continue to be high from aluminum hedging contracts and JPY depreciation, impacting profitability
- LWT (Int'l):** A weaker yen boosted Q1 revenue growth. While the order position was broadly favorable, logistics challenges have been one limiting factor to growth in Q1

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KEY HIGHLIGHTS

Core earnings margin is gradually recovering due to the benefits from phased measures



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(1) News Release on Dec 7, 2021 "Partial revision of manufacturer's suggested retail prices for residential building materials and equipment due to soaring raw material prices", News Release on Jun 23, 2022 "Partial revision of manufacturer's suggested retail prices for building materials and equipment"(Japanese only) 3
(2) Please refer to p.26 Business and ESG related topics "Responding to supply chain disruptions and higher logistics costs"

› KEY HIGHLIGHTS

Outlook: Cost environment is improving, but will be reflected later this year

Cost environment

Raw materials costs

- **Copper:** Prices are on the decline.⁽¹⁾ Due to inventory booking based on past costs, hedging transactions, the benefits will be reflected from mid-Q4
- **Aluminum:** Prices have also fallen sharply⁽²⁾, but cost is expected to exceed initial estimates in Q1-Q2 due to past hedging and a weaker JPY. We expect lower global prices will be offset by JPY depreciation from Q3
- **Steel and Resin:** Expect to decline from Q3

Logistics costs

- Now declining but prior high costs will have an impact through Q2
- Cost decline expected to be reflected from Q3

Semiconductor, wire harness, wooden materials

- Redundancy in procurement limited supply chain disruptions, but higher response costs continue
- Occurrence of unexpected issues decreased. Expect gradual decrease in response costs going forward

Forex impact (JPY depreciation)

- Continued impact on aluminum procurement and cost of imports from factories outside of Japan

Potential business risks in Q2 onward

Risk of energy supply from Russia

- Winter production is a risk due to higher energy consumption
- Three factories in Germany produce approximately 50% of GROHE products
- Analysis shows that if gas supply is reduced by 45%, impact on output will only be 4.5% due to a shift to alternative energy sources

Labor issues

- Labor shortages, strikes, and absenteeism due to COVID-19 occur frequently in factories, ports, and carriers
- Shortage of product availability should continue to be closely monitored

Frequent lockdowns in China

- Plan to bring greater redundancy to procurement

Decline in global demand

LIXIL (1) LME Monthly average price (Yr. 2022): From a peak of USD10,246/ton in March to USD9,036/ton in June (-12%)
(2) LME Monthly average price (Yr. 2022): From a peak of USD3,543/ton in March to USD2,585/ton in June (-27%)

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› PERFORMANCE HIGHLIGHTS

Revenue increased but profits decreased year-on-year

■ Revenue: JPY360.3 billion, up 4% year-on-year

- Q1 (3 months) YoY: +0.4% in Japan and +11% in international markets (+1.4% excluding forex impact)
- Revenue increased due to effect of a weaker yen, renovation sales growth in Japan, progress in the recovery of economic activities in Asia-Pacific region despite impact of international supply chain disruptions and lockdowns in China

■ Core earnings: JPY7.0 billion, down JPY16.1 billion year-on-year

- Q1 (3 months) YoY: -JPY7.4 billion in Japan, -JPY9.9 billion in international markets and +JPY1.2 billion for consolidation adjustment/ others
- Core earnings have gradually recovered from April, despite decrease in profit YoY due to the time required to see the results of various measures⁽¹⁾

■ Profit for the quarter⁽²⁾: JPY5.7 billion, down JPY11.1 billion year-on-year

- Decreased primarily due to decrease in core earnings

LIXIL (1) Please refer to p.3 for the various measures
(2) Profit for the quarter = Profit for the quarter attributable to owners of the parent

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Q1 FYE2023 CONSOLIDATED BUSINESS RESULTS

	Q1 FYE2022 (3 months)		Q1 FYE2023 (3 months)		YoY vs Results	
	JPY billion	Results	Results	Increase/ decrease	%	
Revenue		345.8	360.3	+14.5	+4.2%	
Gross profit		125.0	116.4	-8.6	-6.9%	
(%)		36.2%	32.3%	-3.9pp	-	
SG&A		101.9	109.4	+7.5	+7.3%	
Core earnings (CE)⁽¹⁾		23.1	7.0	-16.1	-69.8%	
(%)		6.7%	1.9%	-4.7pp	-	
Profit for the quarter including Discontinued Operations⁽²⁾		16.8	5.7	-11.1	-65.9%	
EPS (JPY)		57.91	19.79	-38.12	-65.8%	
EBITDA⁽³⁾		43.1	26.9	-16.2	-37.5%	
(%)		12.5%	7.5%	-5.0pp	-	

- **CE margin:** Declined by 4.7pp (Gross profit margin declined by 3.9pp, SG&A ratio declined by 0.9pp)
- **Gross profit margin and core earnings margin:** Declined as the effects of price optimization and fixed cost reductions have not yet covered the cost increases as of Q1
- **SG&A expenses:** SG&A expenses increased by JPY7.5 bn YoY (Japan JPY1.4 bn increase, International JPY3.4 bn increase, forex effect JPY2.7 bn increase) due to increase of sales activities and logistics costs. SG&A ratio declined by 0.9pp mainly due to higher personnel expenses and logistics cost ratio in international market

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(1) Equivalent to "Operating profit" of JGAAP

(2) Profit for the quarter attributable to owners of the parent

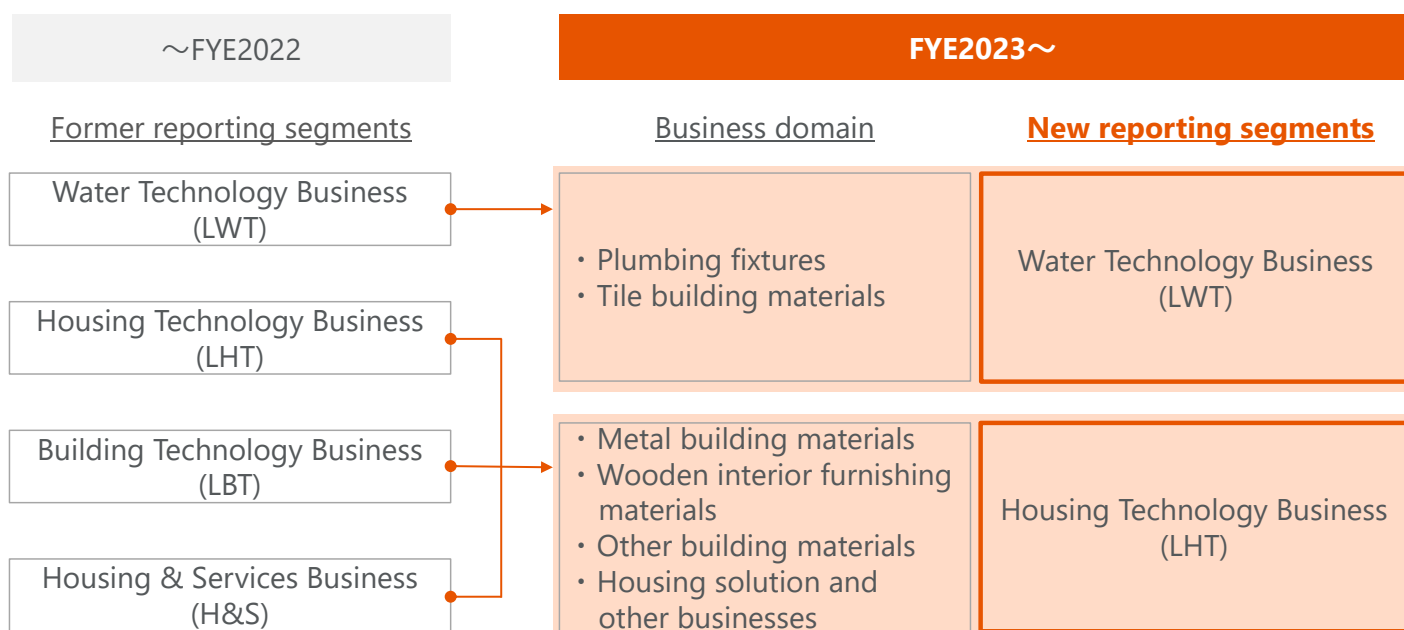
(3) EBITDA=Core earnings + Depreciation + Amortization

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CHANGE OF REPORTING SEGMENTS

To become an organization enabling accelerated growth and profitability improvement

Integrate Building Technology Business (LBT) and Housing & Services Business (H&S) into Housing Technology Business (LHT) to achieve greater collaboration



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➤ Reference: Q1 FYE2023 BUSINESS RESULTS BY SEGMENT

Business results for Q1 (three months) in the former reporting segments are as follows

Former reporting segments JPY billion		Q1 (3 months)		
		FYE2022	FYE2023	Increase/ decrease
LWT	Revenue	210.6	221.0	+10.4
	CE	23.7	13.2	-10.4
LHT	Revenue	114.8	116.7	+2.0
	CE	10.4	3.5	-6.9
LBT	Revenue	18.0	19.7	+1.7
	CE	-0.8	-0.8	-0.0
H&S	Revenue	7.2	6.8	-0.3
	CE	0.1	0.4	+0.4
Consolidation, adj. & other	Revenue	-4.7	-3.9	+0.8
	CE	-10.2	-9.4	+0.9
LIXIL	Revenue	345.8	360.3	+14.5
	CE	23.1	7.0	-16.1

Forex impact

Q1 3 months: Revenue +JPY11.5 billion, CE +JPY1.4 billion

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➤ Q1 FYE2023 BUSINESS RESULTS BY SEGMENT

LWT International business and LHT business drove increase in revenue.

Due to the effect of measures against cost inflation, core earnings increased in all businesses compared to Q4 FYE2022, but core earnings decreased YoY

New reporting segments JPY billion		Q1 (3 months)				
		FYE2022 ⁽¹⁾	FYE2023	Increase/ decrease		
					due to the segment change ⁽²⁾	excluding the segment change
LWT	Revenue	210.6	221.0	10.4		
	CE	23.7	13.2	-10.4		
LHT	Revenue	139.4	143.0	3.6	+1.7	+2.0
	CE	9.9	3.1	-6.8	+0.1	-6.9
Consolidation, adj. & other	Revenue	-4.2	-3.7	0.5	-0.3	+0.8
	CE	-10.5	-9.4	1.2	+0.3	+0.9
LIXIL	Revenue	345.8	360.3	+14.5		
	CE	23.1	7.0	-16.1		

Forex impact

Q1 3 months: Revenue +JPY11.5 billion, CE +JPY1.4 billion

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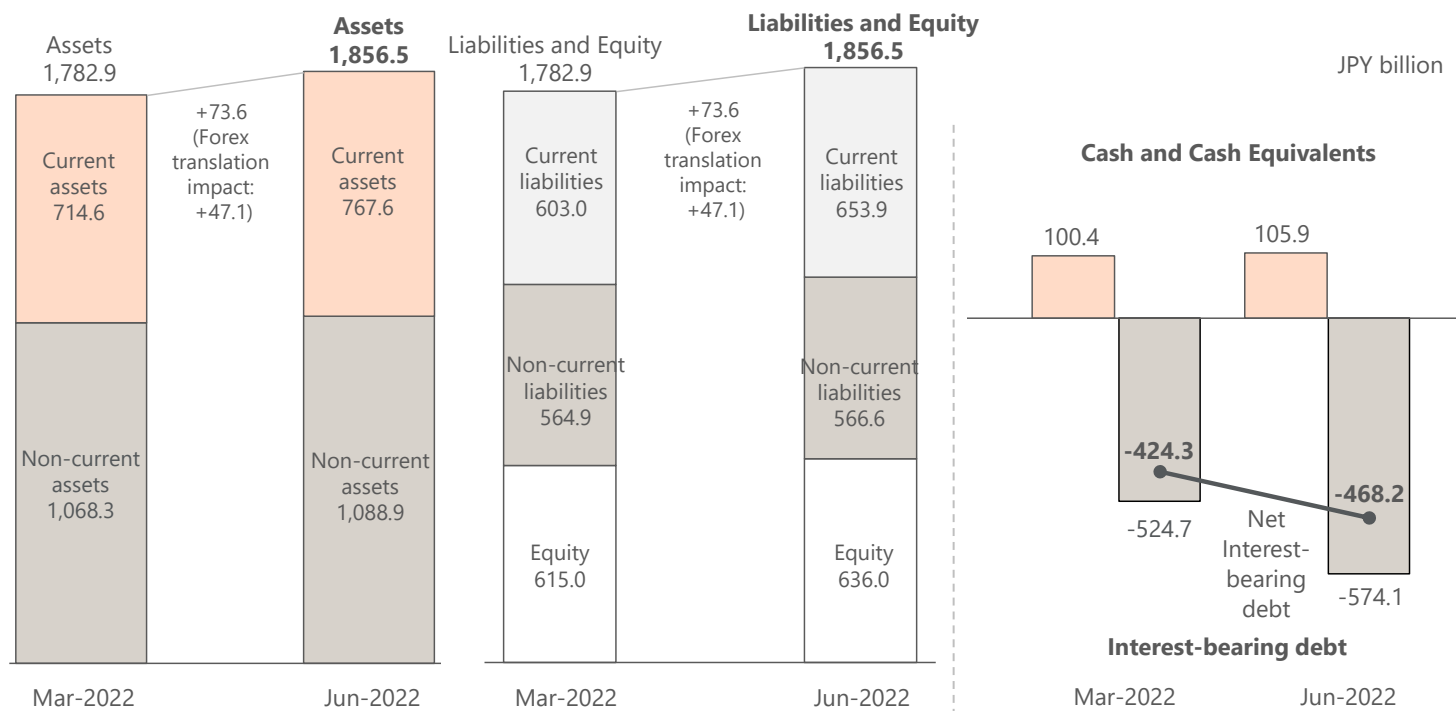
(1) Please refer to "Notice Regarding Change in Reporting Segments" disclosed on July 29, 2022 for full-year and quarterly results for FYE2022 in the new reporting segments

(2) Includes consolidation adjustments added by the change of reporting segments

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CONSOLIDATED FINANCIAL POSITION

Assets increased due to securing higher inventory levels for supply chain disruptions and higher unit prices due to increased material costs as well as forex translation impact. Equity ratio is 34.1%

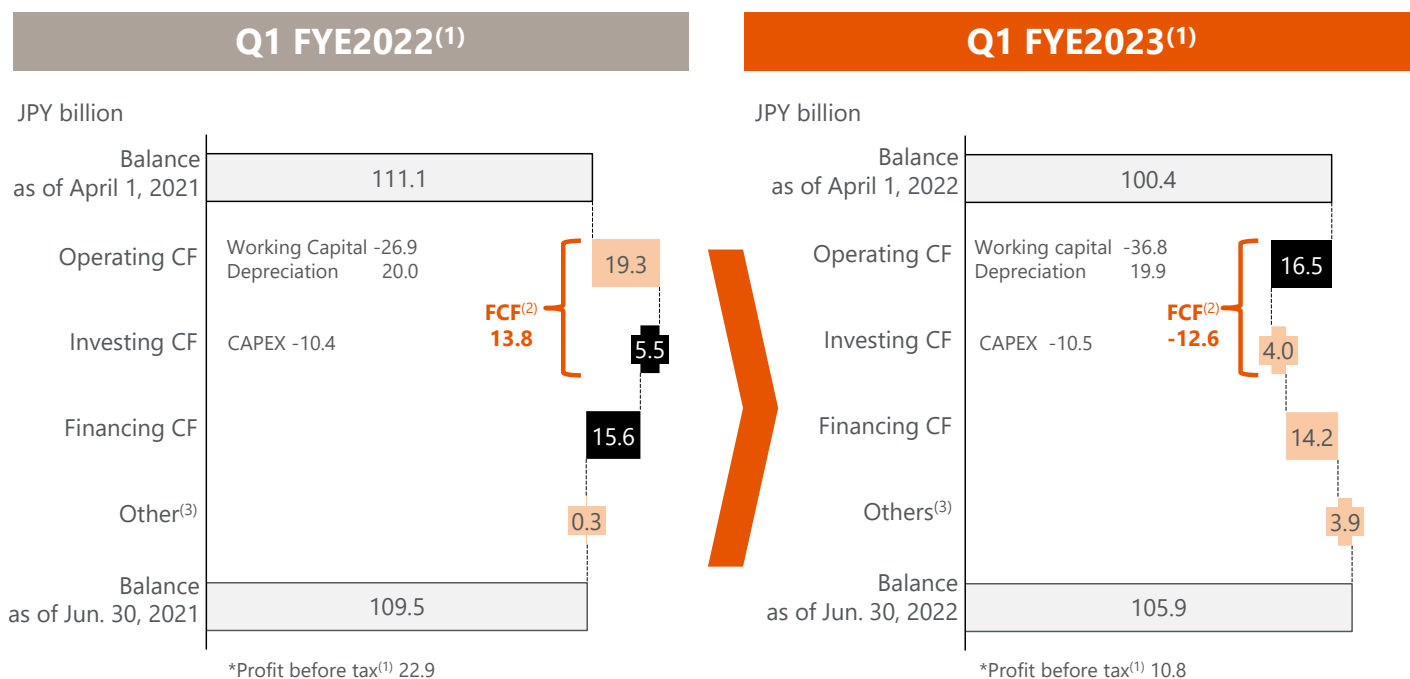


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CASH FLOW STATUS AND CASH BALANCE

Free Cash Flow (FCF) declined by JPY26.4 billion due to a decrease in working capital reflecting higher inventory levels and material costs, as well as a lower profit before tax. These factors offset lower investment costs from an asset-light investment strategy



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(1) Includes discontinued operations
(2) "FCF" = Operating CF + Investing CF

(3) "Others" = Effects of exchange rate changes

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RESULTS BY BUSINESS SEGMENT



Water Technology Business (LWT)



Housing Technology Business (LHT)

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WATER TECHNOLOGY

Japan revenue maintained the same level as previous year, but CE declined slightly
International revenue increased, but CE declined due to cost increases from inflation

	JPY billion	Q1 FYE2023 Results	YoY vs Results		FYE2023 Forecast
			Increase /decrease	%	
Japan	Revenue	99.2	+0.0	+0.0%	433.0
	CE	7.3	-0.5	-5.8%	38.5
	CE margin	7.4%	-0.5pp	-	8.9%
International ⁽¹⁾	Revenue	121.8	+10.4	+9.3%	502.0
	CE	5.9	-10.0	-63.0%	50.0
	CE margin	4.8%	-9.4pp	-	10.0%
Water Technology Total	Revenue	221.0	+10.4	+4.9%	935.0
	CE	13.2	-10.4	-44.1%	88.5
	CE margin	6.0%	-5.3pp	-	9.5%

Revenue

- **Japan:** Revenue matched the results of the previous year due to recovery in renovation sales and easing procurement issues for some items in the second half of the previous fiscal year
- **Int'l⁽¹⁾:** Little changed from previous year in local currency terms and higher in JPY. Increased revenue in Asia Pacific offset the impact of logistics challenges and lockdowns in China
- **Int'l revenue distribution ratio:** 55.1%, up by 2.2pp YoY

Core earnings

- **Japan:** CE and CE margin declined slightly, helped by price optimization and strong sales of mid-to-high-end products
- **Int'l⁽¹⁾:** CE declined against a particularly high prior year base due to impact of increased costs. However, CE remained largely unchanged from the previous quarter as a result of price optimization to cope with ongoing cost increases
- **Int'l CE distribution ratio:** 44.5%, down by 22.6pp YoY

INTERNATIONAL WATER TECHNOLOGY REVENUE BY REGIONS

By region: Management basis Total: Statutory basis ⁽¹⁾ JPY billion	Q1 FYE2023 Results	YoY local currency basis	FYE2023 Forecast	YoY local currency basis
Americas	39.0	-3%		+16%
EMEA	48.8	-3%		+10%
China	14.0	-11%		+11%
Asia Pacific	13.0	+25%		+13%
Adjustments	7.0			
Water Technology International Business Total	121.8	+9%	502.0	+8%

Americas

Revenue declined mainly due to impact from logistics challenges. Increased in JPY terms

- ✓ Revenue decreased overall due to the impact of logistics challenges, in local currency terms
- ✓ Countering the broader trend, sales rose in the retail channel YoY in local currency terms

China

Revenue declined from lockdowns in April and May

- ✓ Revenue declined (local currency and JPY) due to COVID lockdowns, while the brand mix improved

EMEA

Revenue declined mainly due to impact from logistics challenges. Increased in JPY terms

- ✓ Orders remained steady, although revenue was down due to logistics challenges, in local currency terms
- ✓ Established two distribution centers as a part of initiatives to build a more resilient supply chains

Asia Pacific

Revenue increased due to further economic recoveries

- ✓ India, Vietnam, and Thailand drove an overall increase in revenue
- ✓ Both retail and project channels are recovering strongly

LIXIL (1) Statutory basis currency :
Q1 FYE2022 Results 1USD=129.04JPY, 1EUR=138.24JPY

Management basis currency :
Comparing by FYE2023 current & previous year 1USD=115JPY, 14
1EUR=131.1JPY

HOUSING TECHNOLOGY

Structural reform measures continue to show steady progress.

Revenue increased, core earnings declined due to impact of higher raw material costs

	JPY billion	Q1 FYE2023 Results	YoY vs Results		FYE2023 Forecast
			Increase /decrease	%	
Japan	Revenue	136.3	+0.9	+0.7%	580.5
	CE	3.0	-6.9	-70.1%	37.0
	CE margin	2.2%	-5.1pp	-	6.4%
International	Revenue	6.6	+2.7	+68.6%	18.5
	CE	0.2	+0.1	+280.0%	0.5
	CE margin	2.6%	+1.4pp	-	2.7%
Housing Technology Total ⁽¹⁾	Revenue	143.0	+3.6	+2.6%	599.0
	CE	3.1	-6.8	-68.5%	37.5
	CE margin	2.2%	-4.9pp	-	6.3%

Revenue

- Revenue increased due to high renovation demand to make homes more efficient and enhance people's lifestyle

Core earnings

- CE margin improved from Q4 FYE2022 due to steady progress in structural reform, promotion of price optimization, and asset-light strategy
- However, despite the progress of price optimization, CE declined YoY due to higher-than-expected impact of increased raw material prices, reflecting the forex impact

LIXIL (1) FYE2023 Q1 Results (Former segments) LHT Revenue +JPY116.7 billion, CE +JPY3.5 billion, CE margin 3.0%
LBT Revenue +JPY 19.7 billion, CE -JPY0.8 billion, CE margin -4.0%
H&S Revenue +JPY 6.8 billion, CE +JPY0.4 billion, CE margin 6.3%

➤ APPENDIX: FINANCIAL DATA

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➤ REVENUE BY PRODUCT AND SERVICE

Procurement issues for some water business-related products in the second half of the previous year eased in the quarter. Demand for products that make homes more efficient and enhance people's lifestyles drove revenue growth in Q1

Segments	Major products	JPY billion				in %				
		Full-year FYE2022 Results	Q1 FYE2022 Results	Q1 FYE2023 Results	YoY	Quarterly YoY FYE2022				FYE2023 Q1
						Q1	Q2	Q3	Q4	
LWT	Sanitary ware**	104.7	24.4	24.5	+0.4%	+0.9	-3.9	-0.1	+0.2	+0.4
	Bathroom units	85.9	21.8	21.3	-2.4%	+10.7	-2.9	-3.3	-8.2	-2.4
	Washstand cabinet units**	39.1	9.0	9.2	+1.8%	+13.7	+6.6	+2.9	+0.6	+1.8
	Kitchens	101.9	24.6	24.7	+0.3%	+9.5	+4.8	+1.8	-7.5	+0.3
	Tiles	32.8	7.8	7.4	-4.2%	-1.6	+0.2	+0.6	-2.2	-4.2
LHT	Housing sashes and related products	164.2	41.2	40.7	-1.2%	-2.0	-4.3	-6.6	-3.9	-1.2
	Exterior	101.4	26.0	26.0	+0.0%	+3.1	+1.2	+0.7	+3.0	+0.0
	Wooden interior furnishing materials	62.3	14.9	15.1	+1.4%	-3.1	+0.5	-0.7	+2.4	+1.4
	LHT Others	40.9	9.2	10.7	+17.0%	-36.5	-32.9	-30.3	+14.7	+17.0
	Building sashes ⁽¹⁾	89.3	18.0	19.7	+9.3%	-15.4	-9.4	+2.3	+4.6	+9.3
	Housing and Services business ⁽¹⁾	30.3	7.2	6.8	-4.8%	-36.5	-32.9	-44.7	-21.7	-4.8
	International ⁽¹⁾⁽²⁾	452.3	115.4	128.4	+11.3%	+49.6	+6.2	+13.0	+10.0	+11.3
Others/ consolidation & adj.	123.6	26.4	25.8	-						
Total		1,428.6	345.8	360.3	+4.2%	+11.4	+0.1	+0.8	+3.3	+4.2
(Reference)**Sales of Faucets included in "Sanitary ware" and "Washstand cabinet units"										
LWT	Faucets	24.7	5.7	5.7	-0.3%	+17.9	+13.6	+16.1	+7.5	-0.3

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(1) Building sashes = Former LBT, Housing and Services business = Former H&S, International = Reflects a change in the breakdown of LHT Japan and International sales from Q1 FYE2023

(2) Please refer to p.19 for the revenue of water-related products in international business

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➤ PROMOTE RENOVATION STRATEGY IN JAPAN

Renovation sales ratio increased by 0.7pp due to high demand for products that makes homes more efficient and enhance people's lifestyles

JPY billion	Q1 (3 months)			
	FYE2022 Results ⁽¹⁾	FYE2023 Results	Change	YoY
Sales of renovation-related products	75.3	78.0	+2.7	+4%
LWT-J				+1%
LHT-J				+7%
	Excl. building			+3%
	Building business			+61%
Renovation sales ratio	40%	41%	+0.7pp	

Renovation sales ratio by business segment (YoY)

	Q1FYE2022	Q1FYE2023	Difference
LWT	48%	48%	+0.7pp
LHT	34% ⁽¹⁾	35%	+0.9pp
Japan Total	40%	41%	+0.7pp

Number of member homebuilders

Stores	Mar 2021	Mar 2022	Jun 2022
LIXIL Reform Shop (Franchise)	540	536	539
LIXIL Reform Shop (Independent stores)	11,373	11,264	11,322
LIXIL PATTO Reform Service Shop	3,817	3,804	3,816

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

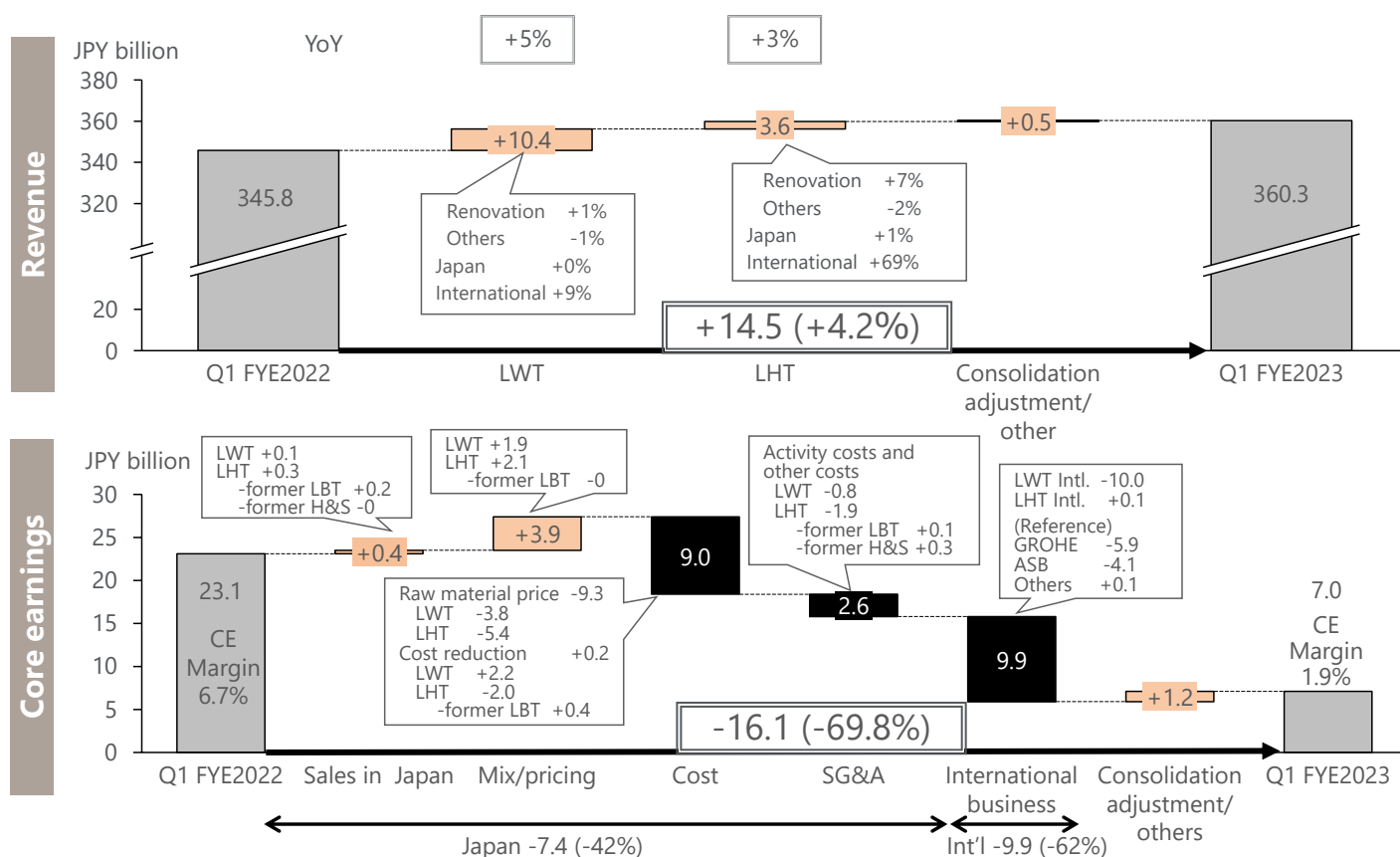
Leveraging our brands, manufacturing assets and advanced technologies, we are accelerating growth by bridging portfolio gaps globally⁽¹⁾

	Q1 FYE2023 (3 months)				
	Intl. Total	Americas	EMEA	China	Asia Pacific
Sales distribution ratio					
Bath faucets and showers	43%	13%	64%	53%	42%
Toilets	38%	52%	23%	40%	53%
Kitchen faucets and water systems	8%	5%	13%	4%	3%
Bathing and showering systems	7%	21%	0%	1%	1%
All others	4%	10%	1%	3%	1%
Total	100%	100%	100%	100%	100%
Sales growth					
Bath faucets and showers	-2%	-11%	-4%	-2%	+44%
Toilets	+1%	-1%	+7%	-21%	+24%
Kitchen faucets and water systems	-14%	-19%	-12%	-33%	+19%
Bathing and showering systems	+5%	+4%	-10%	-17%	+108%

LIXIL (1) See also, p.27-28 of LIXIL INTEGRATED REPORT 2022, "PROMOTE GROWTH OF INTERNATIONAL WATER TECHNOLOGY BUSINESS" in the "LIXIL Playbook" https://ssl4.eir-parts.net/doc/5938/ir_material_for_fiscal_ym10/120023/00.pdf#page=28

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Q1 FYE2023 CHANGE OF REVENUE AND CORE EARNINGS



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Q1 FYE2023 OTHER INCOME AND EXPENSES, FINANCE INCOME AND COSTS

JPY billion	Q1 FYE2022 Results	Q1 FYE2023 Results	Increase/decrease
Profit on disposal of assets held for sale	2.4	5.2	+2.8
Others	0.7	1.6	+0.9
Other income	3.1	6.8	+3.7
Loss on sale and disposal of property, plant and equipment	0.5	0.7	+0.2
Impairment losses	0.8	0.1	-0.8
Others	1.0	1.0	+0.1
Other expenses	2.3	1.7	-0.6
Interest income	0.4	0.3	-0.1
Dividend income	1.0	0.7	-0.2
Gain on valuation of derivatives	0.7	0.1	-0.6 (A)
Exchange difference gains	-	0.2	+0.2
Finance income	2.0	1.3	-0.8
Interest expense	1.1	1.1	-0.1
Exchange difference losses	1.1	-	-1.1 (A)
Others	0.1	0.3	+0.2
Finance costs	2.3	1.3	-1.0

(A) Exchange difference losses are paired with gain on valuation of derivatives

	Q1 FYE2023 Results
Gain on valuation of derivatives	0.7
Exchange difference losses	-1.1
Net	-0.4 loss

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RESULTS AND FORECASTS BY SEGMENT

Please refer to “Notice Regarding Change in Reporting Segments” disclosed on July 29, 2022, for the FYE2022 results under the new reporting segments

JPY billion		Q1 FYE2022 Results			Q1 FYE2023 Results				FYE2023 Forecast			
		Japan	Intl.	Total	Japan	Intl.	Total	Total YoY%	Japan	Intl.	Total	Total YoY%
LWT	Revenue	99.2	111.4	210.6	99.2	121.8	221.0	+4.9%	433.0	502.0	935.0	+8.4%
	CE	7.8	15.9	23.7	7.3	5.9	13.2	-44.1%	38.5	50.0	88.5	+15.5%
	CE margin	7.9%	14.2%	11.2%	7.4%	4.8%	6.0%	-5.3pp	8.9%	10.0%	9.5%	+0.6pp
LHT ⁽¹⁾	Revenue	135.4	3.9	139.4	136.3	6.6	143.0	+2.6%	580.5	18.5	599.0	+2.5%
	CE	9.9	0	9.9	3.0	0.2	3.1	-69.3%	37.0	0.5	37.5	+18.4%
	CE margin	7.3%	1.1%	7.1%	2.2%	2.6%	2.2%	-5.1pp	6.4%	2.7%	6.3%	+0.8pp
Conso. adj. & others ⁽²⁾	Revenue			-4.2			-3.7	-			-14.0	-
	CE			-10.5			-9.4	-			-45.0	-
LIXIL ⁽²⁾	Revenue	234.6	115.4	345.8	235.5	128.4	360.3	+4.2%	1,013.5	520.5	1,520.0	+6.4%
	CE	17.7	15.9	23.1	10.3	6.1	7.0	-69.8%	75.5	50.5	81.0	+24.8%
	CE margin	7.5%	13.8%	6.7%	4.4%	4.7%	1.9%	-4.7pp	7.4%	9.7%	5.3%	+0.8pp

LIXIL (1) LIXIL changed the breakdown of Japan and International results for the companies in LHT with multiple businesses operating globally, and the results of FYE2022 have been changed accordingly

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

PERFORMANCE OF MAJOR INTERNATIONAL SUBSIDIARIES

ASB (ASD Holdings)	Q1 FYE2022	Q1 FYE2023	YoY	USD million
Foreign exchange rate (Average rate)	110.00	129.04	-	
Revenue	349	339	-3%	
Core earnings	31	-5	-	
Core earnings margin	9%	-2%	-	

Accounting period	FYE2022 Balance	Q1 FYE2023 (3 months)		
		Amortization	Others ⁽¹⁾	Balance
Foreign exchange rate (Current rate for balance, Average rate for amortization)	122.39	129.04	-	136.68
Goodwill	227	-	0	227
Intangible assets	200	-1	0	199

Grohe Group (GROHE)	Q1 FYE2022	Q1 FYE2023	YoY	EUR million
Foreign exchange rate (Average rate)	131.78	138.24	-	
Revenue	455	461	+1%	
Core earnings	89	42	-52%	
Core earnings margin	19%	9%	-10.2pt	

Accounting period	FYE2022 Balance	Q1 FYE2023 (3 months)		
		Amortization	Others ⁽¹⁾	Balance
Foreign exchange rate (Current rate for balance, Average rate for amortization)	136.70	138.24	-	142.67
Goodwill	1,203	-	12	1,215
Intangible assets	1,417	-3	0	1,414

LIXIL (1) Forex translation differences, and others

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➤ APPENDIX: BUSINESS AND ESG RELATED TOPICS

➤ BUSINESS AND ESG RELATED TOPICS

Expanding lineup of environmentally friendly products

Launched *Body Hug Shower*⁽¹⁾ and *Deck DC*⁽²⁾



- Strengthen efforts to achieve the LIXIL Environmental Vision 2050⁽³⁾, aiming to reduce CO₂ emissions from our business processes, products, and services to net zero by 2050
- The *Body Hug Shower* provides "warmth even in the shower." It reduces energy use, is easily installed in existing baths and can be purchased as a package that includes installation
- The *Deck DC* uses composite materials that stay cool in hot days and contribute to the promotion of a circular economy to reduce CO₂ emissions

Recognized for promoting decarbonization by creating more efficient homes

TOSTEM's high-performance windows and doors certified by Ministry of the Environment's LD-Tech2021⁽⁴⁾



- TOSTEM's high-performance window *TW*, plastic window *EW*, and highly insulated door *Grandel 2*, certified by LD-Tech2021 for products that promote Japan's decarbonization and have the greatest effect on CO₂ reduction
- Openings such as windows and doors play an important role in improving the insulation performance of a house
- Promote conversion of homes to decarbonized housing by aiming for 100% high-performance ratio of windows by FYE2026⁽⁵⁾

LIXIL (1) News Release <https://newsroom.lixil.com/ja/20220502> (Japanese only) (4) News Release <https://newsroom.lixil.com/ja/2022062201> (Japanese only)
 (2) News Release <https://newsroom.lixil.com/ja/22041501> (Japanese only) (5) High-performance windows ratio for detached new houses FYE2022: 80%
 (3) New interim targets set for CO₂ emission reductions https://newsroom.lixil.com/20220620_tcf 25

› BUSINESS AND ESG RELATED TOPICS

Responding to supply chain disruptions and higher logistics costs

Established Central (CDC) and Regional Distribution Center (RDC)



- Established a new CDC in Northwest Germany and a RDC in Dubai adding further logistics capacity for a more agile and robust supply chain
- The new distribution centers will ensure a stable supply of products with faster delivery times through state-of-the-art process and systems
- Use of renewable energy-derived electricity. Contribute to climate change mitigation through our business activities

LIXIL (1) News Release https://newsroom.lixil.com/20220608_dx

Recognized for measures to enhance corporate value through digitalization

Selected as Digital Transformation Stock 2022⁽¹⁾



DX銘柄2022
Digital Transformation

- Selected as a Digital Transformation Stock 2022 by the Ministry of Economy, Trade and Industry, the Tokyo Stock Exchange, and the Information technology Promotion Agency, Japan
- Recognized for our contribution to attracting new customers and solving social issues, while building new business for the future, in addition to the implementation of digitalization, development of DX and an IT environment

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› BUSINESS AND ESG RELATED TOPICS

Recognized for ESG commitments

Inclusion in FTSE4 Good Index Series and MSCI Japan Empowering Women Index (WIN) for 6th consecutive year⁽¹⁾



FTSE4Good

2022 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

- Selected for inclusion in the global investment indexes for the 6th consecutive year due to steady progress in ESG initiatives and highly transparent information disclosure
- LIXIL will emphasize ESG initiatives to manage risks and capture new opportunities and accelerate transformation into an inclusive organization. Our work is part of the LIXIL Environmental Vision 2050 to have a positive impact on society

Published Corporate Responsibility Report summarizing FYE2022 initiatives

Corporate Responsibility Report 2022⁽²⁾



- **Strengthening CR governance structure:** Ensure ultimate oversight of sustainability issues by our Board of Directors
- **Accelerating initiatives for upholding human rights:** As part of our human rights due diligence, identified and mitigated human rights risks
- **Global Sanitation & Hygiene:** Highlighted our commitment, strategy and local initiatives of the SATO Social Business
- **Water Conservation & Environmental Sustainability:** Conducted analysis on potential climate-related financial risks, disclosed results, and formulated countermeasures
- **Diversity & Inclusion:** To embed the inclusive culture, launched Employee Resource Groups (ERGs) on a global scale

LIXIL (1) Press Release https://newsroom.lixil.com/20220726_ftse
(2) CR Report https://www.lixil.com/en/sustainability/cr_library/pdf/LIXIL_CR2022_en.pdf

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EXTERNAL RECOGNITION

DX Stock 2022

Recognized for the implementation of digitalization, development of DX and an IT environment (June 2022)



MSCI Japan Empowering Women Index (WIN)

Selected as a constituent of the MSCI Japan Empowering Women Index (WIN) (Six consecutive years, June 2022)



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FTSE4Good Index Series FTSE Blossom Japan Index

Constituent of the FTSE4Good Index Series and FTSE Blossom Japan (Six consecutive years, June 2022)



MSCI ESG Ratings

Upgraded from A to AA for the second year in a row in recognition of expanded disclosure information (May 2022)



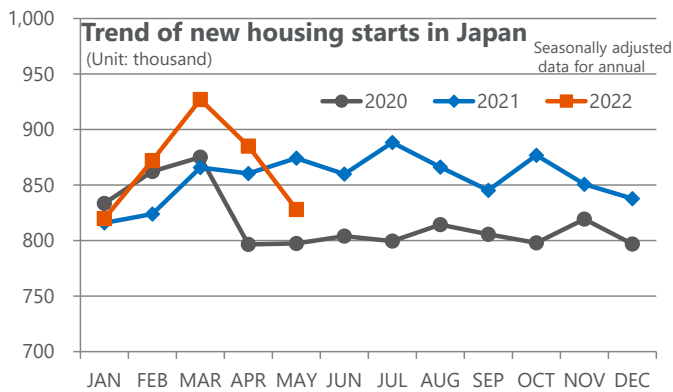
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MARKET TRENDS



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

- Jan.-Mar. 2022: +4.9%
- Jan.-May. 2022: +2.4%

	Jan-May 2022 (5 months)		Apr-May 2022 (2 months)	
	Units	YoY	Units	YoY
Total new housing starts	343,911	+2.4%	143,487	-0.8%
Owner occupied(1)	99,981	-7.2%	42,347	-7.5%
Rental homes	134,438	+8.9%	55,467	+2.9%
Condos for sale	47,670	+3.3%	20,254	+0.2%
Detached houses for sale(2)	59,393	+7.2%	24,361	+4.1%
Detached houses total(1)+(2)	159,374	-2.3%	66,708	-3.5%

(Unit: USD)



Foreign exchange rates (Average rate)	FYE2021 Actuals	FYE2022 Actuals	FYE2023 Assumptions
US dollar	JPY106.17	JPY112.86	JPY115.0
Euro	JPY123.73	JPY131.01	JPY131.1

Results and assumptions	FYE2021 Actuals	FYE2022 Actuals	FYE2023 Assumptions
Aluminum price (Purchasing price)	199,000	305,000	360,000
Copper price	603,000	868,000	862,000

(JPY 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.

MAKE BETTER HOMES A REALITY FOR EVERYONE, EVERYWHERE