

➤ H1 Results for the Fiscal Year Ending March 31, 2023 (IFRS)

(From April 1, 2022, to September 30, 2022)

LIXIL Corporation
October 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)
	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

- Revenue increased while profits declined year-on-year for H1 FYE2023
- Cost of sales was sharply impacted by the rapid depreciation of JPY beyond our estimation, additional price increases for components, and cost increases due to supply chain disruptions
- Revised full-year forecasts also reflect economic slowdowns in the Americas and China
- Dividend forecast remains unchanged (Resolved interim dividend of JPY45)

Summary of results for H1 FYE2023 and outlook

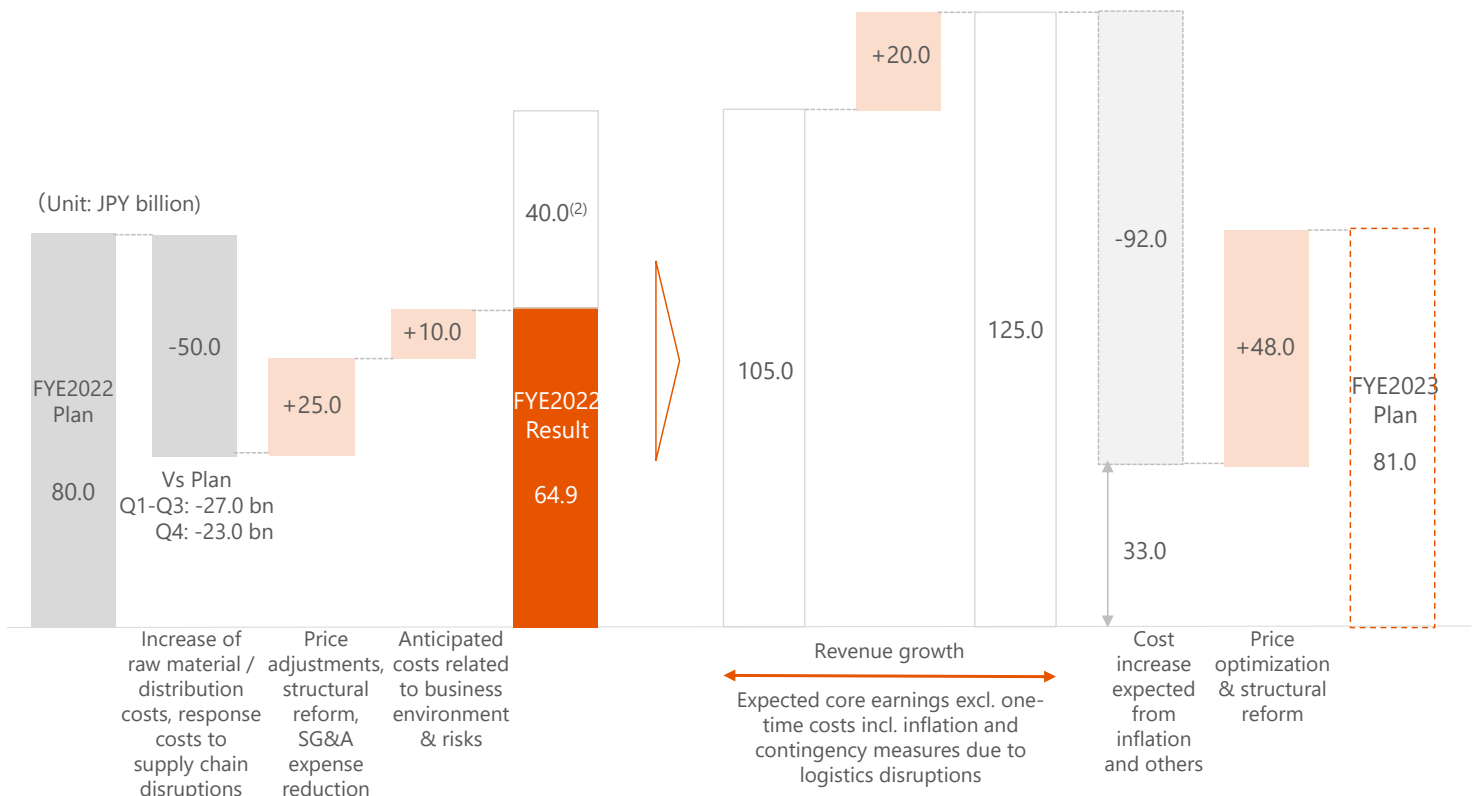
- Steady progress has been made for price optimization⁽¹⁾
- Revenues increased due to stable supply of products despite a challenging business environment, but profits decreased due to the rapid depreciation of JPY beyond our estimation, the accelerated increase in component prices, and the impact of logistics cost increases
- Despite supply constraints in H1 due to the supply chain disruptions caused by COVID-19 and the conflict in Ukraine, the situation is expected to improve from Q3 with the launch of new distribution centers in Europe⁽²⁾

LIXIL (1) Press release announced on June 23, 2022 "Partial Revision of Manufacturer's Suggested Retail Prices for Building Materials and Equipment" (Japanese only)
 (2) Q1 FYE2023 presentation material p.26 Business and ESG related topics "Responding to supply chain disruptions and higher logistics costs"

KEY HIGHLIGHTS

Re-posted from Financial Results for the Fiscal Year Ended March 31, 2022

Outlook for FYE2023 (estimate of initial plan for FYE2023)⁽¹⁾



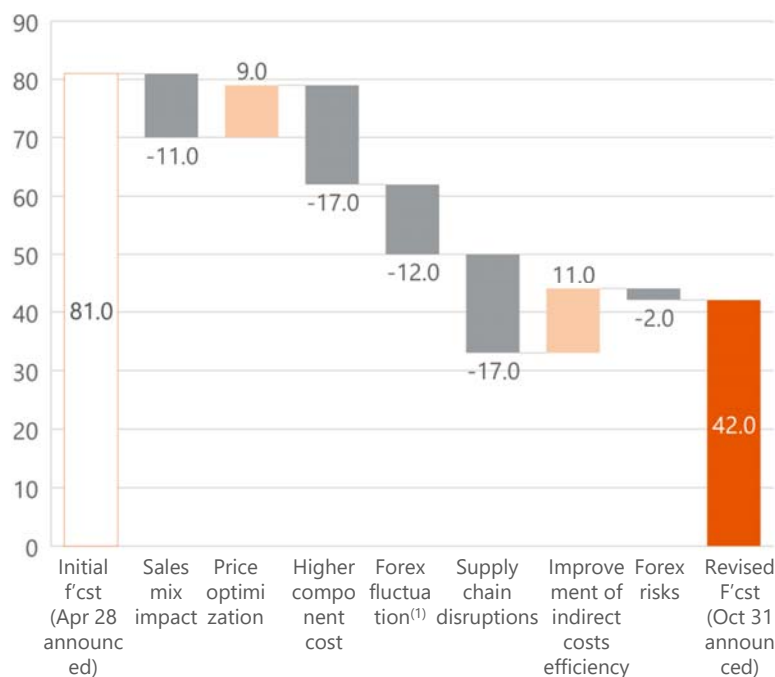
LIXIL (1) Management basis
 (2) Mainly costs that could be mitigated but were incurred due to rapid occurrence and a time-lag between when the response measures became effective

KEY HIGHLIGHTS

Outlook for FYE2023 revised plan (estimate)

Revisions due largely to factors including rapid JPY depreciation beyond our estimation, increased component prices, as well as a different sales mix from initial assumptions

(Unit: JPY billion)



Major revisions

• Increase in component and energy prices

Current procurement conditions and procurement costs based on the latest transaction prices are reflected

• Forex fluctuation

No change in assumptions announced on Apr. 28 for unit purchase prices of metals (aluminum and copper) in USD terms. However, impact of JPY depreciation is incorporated, with an assumption of JPY150/USD from JPY115/USD

• Forex risks

Downside risk for higher costs if JPY further declines to JPY160/USD in H2 (-JPY2.0 billion)

Impact of forex fluctuations on core earnings

Major currency: USD and Euro

Forex fluctuations, which previously had little impact on core earnings in our business structure, have become a factor pushing down profits in the following ways:

- **Against the USD:** 1) Decreased forex impact due to lower profits in the Americas, and 2) Increased settlement of purchase price of metals and imported components
- **Against the Euro:** Decreased forex translation effect on profits due to smaller appreciation against the JPY compared to the USD/JPY

LIXIL (1) Mainly due to settlement of purchase price of metals from LME

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KEY HIGHLIGHTS

Revision of FYE2023 forecast: Business outlook and assumptions

Group wide

- Mitigate the impact of sharp JPY depreciation and increase in cost of sales due to an unexpected increase in component prices by implementing additional measures for price optimization scheduled for H2
- Prepare for a business performance recovery in FYE2024 by responding within FYE2023 to rapid changes in the business environment over the past two years

Japan

- **New houses:** Closely monitor impact of increased component prices on housing starts
- **Renovation:** Expect renovation demand to increase from December due to strong demand for products that improve heat insulation, especially windows, driven by rising energy prices and government policy responses

International

- **EMENA:** Despite concerns of a recession in Europe due to rising energy prices and interest rate hikes, there is growth opportunity from a healthy order book and a stabilizing supply chain
- **Americas:** Expect inventory adjustment in each sales channel to settle in October. However, due to rising interest rates, a full recovery in demand is not expected until FYE2024
- **China:** Expect low demand growth as in H1 caused by challenging real estate market conditions
- **Asia Pacific:** Expect continued economic recovery

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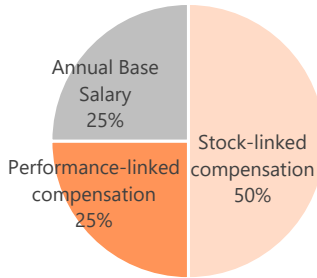
KEY HIGHLIGHTS

Executive Compensation

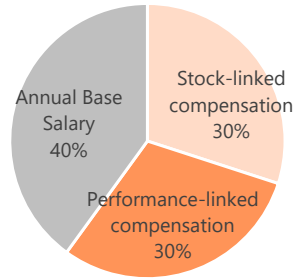
Annual performance-linked compensation, which represents 25% to 30% of total compensation for Executive Officers, is expected not to be paid, in case that the profits are recorded as the revised performance forecast (announced today), since it will be less than the lower limit of the performance target⁽¹⁾.

Percentage of performance target for the performance-linked compensation consists of ROIC (40%), Core earnings (30%), and Net profit (30%).

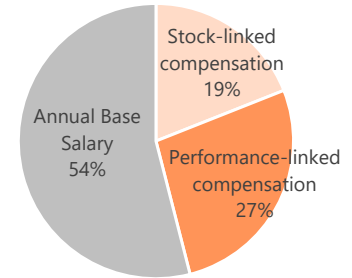
[Representative Executive Officer and President]



[Representative Executive Officer and Executive Vice President]



[Executive Officer and Executive Vice Presidents]



Payout Rates According to Achievement Level of Performance Targets

Achievement level of performance targets	Payout rate
Less than 50%	0%
50% or more but less than 100%	Same as achievement level of performance targets
100% or more but less than 150%	$\{(Achievement\ level\ of\ performance\ target - 100) \times 2 + 100\}\%$
150% or more	200%

LIXIL (1) With regards to the payment of performance-linked compensation, it is decided after the determination of the Compensation Committee.

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KEY HIGHLIGHTS

New avenue for growth by capturing rising demand for sustainability-related products against a backdrop of decarbonization and rising energy prices

Changes in external environment

- Acceleration of environmental issues
- Energy crisis/higher energy costs

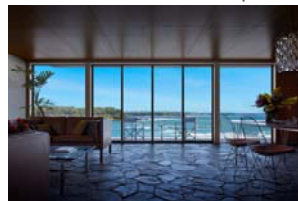
Creation of new demand

- Strengthening environment-related measures and public-private partnerships in Japan (reducing energy consumption in the household sector)⁽¹⁾
- Changes in consumption behavior
 - Growing interest in environmental issues
 - Increased interest in ethical consumption

Strengthening product lines that capture current trends

Creating more efficient homes (responding to energy-saving needs)

Prevent heat loss from openings



High-performance windows

Promote solar power generation at home



Tatetoku series⁽²⁾

Expanding environmentally friendly products (responding to new needs) (Examples)

Energy/water saving and new bathing experiences



SHIN-ON



Body Hug Shower

Utilize plastics that are difficult to recycle



revia

Reduce the use of natural resources



Cradle to Cradle®

LIXIL (1) LIXIL participates in the public-private partnership council "A national movement to create new and prosperous lifestyles that leads to decarbonization" (launched in October 25, 2022)
October 28, 2022 Cabinet decision https://www5.cao.go.jp/keizai1/keizaitaisaku/2022-2/20221028_taisaku_gaiyo.pdf (Japanese only)
(2) Designed for consumers that uses designated LIXIL products, the service allows consumers to install a solar power generation at a reduced initial cost

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› PERFORMANCE HIGHLIGHTS

Revenue increased but profits decreased year-on-year

- **Revenue: JPY732.7 billion, up 5% year-on-year**
 - Q2 (3 months) YoY: +2% in Japan and +14% in international markets (-0.5% excluding foreign exchange impact)
 - H1 (6 months) YoY: +1% in Japan and +13% in international markets (+0.4% excluding foreign exchange impact)

- **Core earnings: JPY6.2 billion, down JPY31.1 billion year-on-year**
 - Q2 (3 months) YoY: -JPY9.5 billion in Japan, -JPY6.0 billion in international markets and +JPY0.5 billion for consolidation adjustment/other factors
 - H1 (6 months) YoY: -JPY16.8 billion in Japan, -JPY15.9 billion in international markets and +JPY1.6 billion for consolidation adjustment/other factors

- **Profit for the quarter⁽¹⁾: JPY3.7 billion, down JPY22.0 billion year-on-year**
 - Decreased primarily due to decrease in core earnings

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

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› H1 FYE2023 CONSOLIDATED BUSINESS RESULTS

JPY billion	H1 (6 months)				Q2 (3 months)		
	FYE2022	FYE2023	Increase/ decrease (YoY)	%	FYE2023	Increase/ decrease (YoY)	%
Revenue	696.2	732.7	+36.4	+5.2%	372.4	+21.9	+6.3%
Gross profit	244.2	229.3	-14.9	-6.1%	112.9	-6.3	-5.3%
(%)	35.1%	31.3%	-3.8pp	-	30.3%	-3.7pp	-
SG&A	206.9	223.1	+16.2	+7.8%	113.7	+8.7	+8.3%
Core earnings (CE)⁽¹⁾	37.3	6.2	-31.1	-83.5%	-0.8	-15.0	-
(%)	5.4%	0.8%	-4.5pp	-	-0.2%	-	-
Profit for the quarter including Discontinued Operations⁽²⁾	25.7	3.7	-22.0	-85.6%	-2.0	-10.9	-
EPS (JPY)	88.46	12.85	-75.61	-85.5%	-7.04	-37.59	-
EBITDA⁽³⁾	77.4	46.4	-31.0	-40.0%	19.5	-14.8	-43.2%
(%)	11.1%	6.3%	-4.8pp	-	5.2%	-4.6pp	-

- **CE margin:** Declined by 4.5pp (Gross profit margin declined by 3.8pp, SG&A ratio declined by 0.7pp)
- **Gross profit margin and core earnings margin:** Declined as fixed cost reductions were outweighed by cost increases in H1 ahead of price optimizations scheduled for Q3
- **SG&A expenses:** Increased by JPY16.2billion YoY (in Japan JPY3.6 billion increase, International JPY6.0 billion increase, forex effect JPY6.6 billion increase) due to expanded sales activities and higher logistics costs. SG&A ratio declined by 0.7pp mainly due to higher personnel expenses in the international business and logistics costs

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

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➤ H1 FYE2023 BUSINESS RESULTS BY SEGMENT

Revenue increased in all businesses, but core earnings decreased year-on-year due to a sharp depreciation in JPY and impact of an accelerated increase in component prices

New reporting segments	JPY billion	H1 (6 months)					Q2 (3 months)			
		FYE2022 ⁽¹⁾	FYE2023	Increase/decrease (YoY)			FYE2023	Increase/decrease (YoY)		
				due to the segment change ⁽²⁾	excluding the segment change			due to the segment change ⁽²⁾	excluding the segment change	
LWT	Revenue	420.5	446.1	+25.6			225.1	+15.2		
	CE	40.8	20.7	-20.1			7.4	-9.7		
LHT	Revenue	284.3	293.2	+8.9	+4.0	+4.9	150.2	+5.3	+2.3	+3.0
	CE	18.6	6.0	-12.6	+0.3	-12.9	2.9	-5.8	+0.3	-6.1
Consolidation, adj. & other	Revenue	-8.6	-6.7	+1.9	-0.6	+2.5	-3.0	+1.4	-0.2	+1.7
	CE	-22.1	-20.5	+1.6	+0.0	+1.6	-11.1	+0.5	-0.3	+0.8
LIXIL	Revenue	696.2	732.7	+36.4			372.4	+21.9		
	CE	37.3	6.2	-31.1			-0.8	-15.0		

Forex impact⁽³⁾ H1 6 months: Revenue +JPY27.9 billion, CE +JPY2.8 billion
Q2 3 months: Revenue +JPY16.3 billion, CE +JPY1.4 billion

LIXIL (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 (3) Forex translation effect gain(loss) from international subsidiaries 10

➤ REFERENCE: H1 FYE2023 BUSINESS RESULTS BY SEGMENT

H1 and Q2 business results in the former reporting segments are as follows

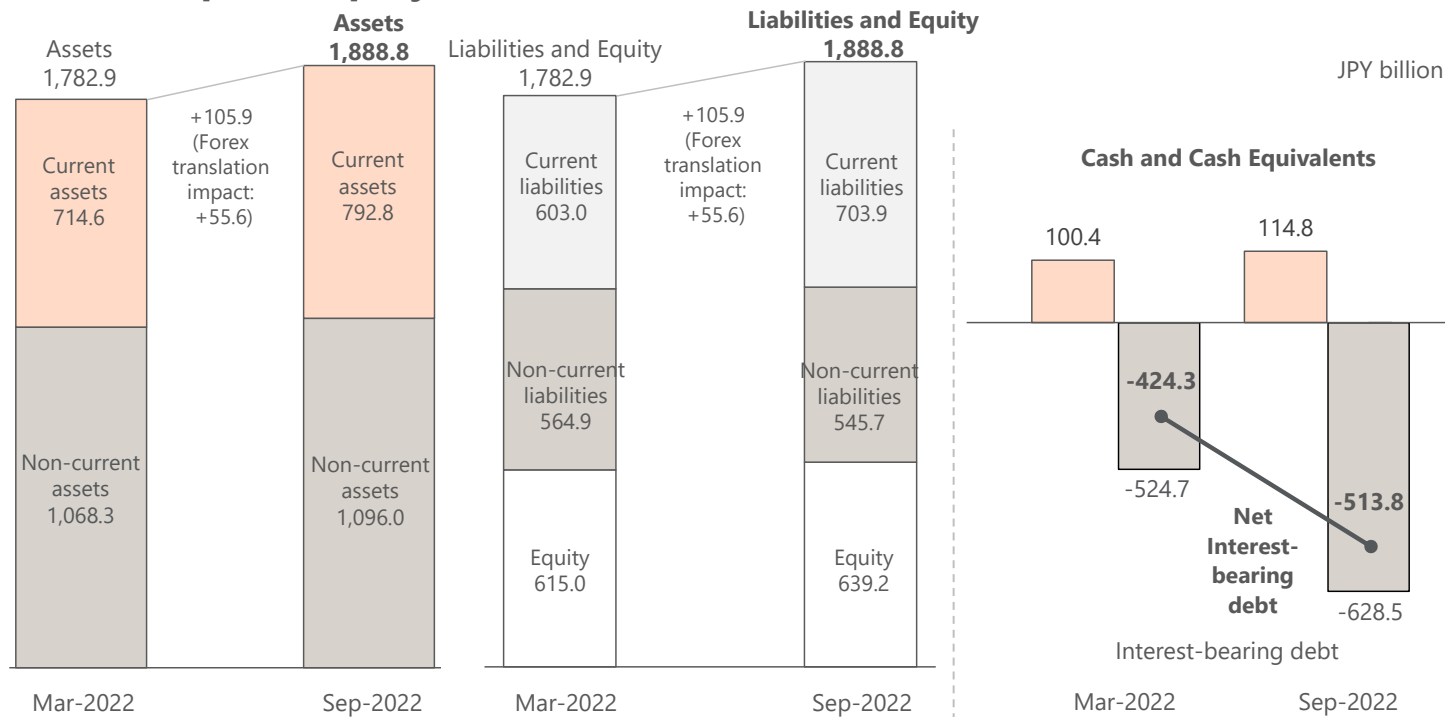
Former reporting segments	JPY billion	H1 (6 months)			Q2 (3 months)	
		FYE2022	FYE2023	Increase/Decrease (YoY)	FYE2023	Increase/Decrease (YoY)
LWT	Revenue	420.5	446.1	+25.6	225.1	+15.2
	CE	40.8	20.7	-20.1	7.4	-9.7
LHT	Revenue	229.7	234.7	+4.9	117.9	+3.0
	CE	18.2	5.3	-12.9	1.8	-6.1
LBT	Revenue	40.6	45.3	+4.7	25.6	+3.0
	CE	1.1	-0.2	-1.3	0.6	-1.3
H&S	Revenue	15.0	13.7	-1.3	6.9	-0.9
	CE	-0.7	0.9	+1.6	0.4	+1.3
Consolidation, adj. & other	Revenue	-9.6	-7.1	+2.5	-3.2	+1.7
	CE	-22.1	-20.5	+1.6	-11.1	+0.8
LIXIL	Revenue	696.2	732.7	+36.4	372.4	+21.9
	CE	37.3	6.2	-31.1	-0.8	-15.0

Forex impact⁽¹⁾ H1 6 months: Revenue +JPY27.9 billion, CE +JPY2.8 billion
Q2 3 months: Revenue +JPY16.3 billion, CE +JPY1.4 billion

LIXIL (1) Forex translation effect gain(loss) from international subsidiaries

CONSOLIDATED FINANCIAL POSITION

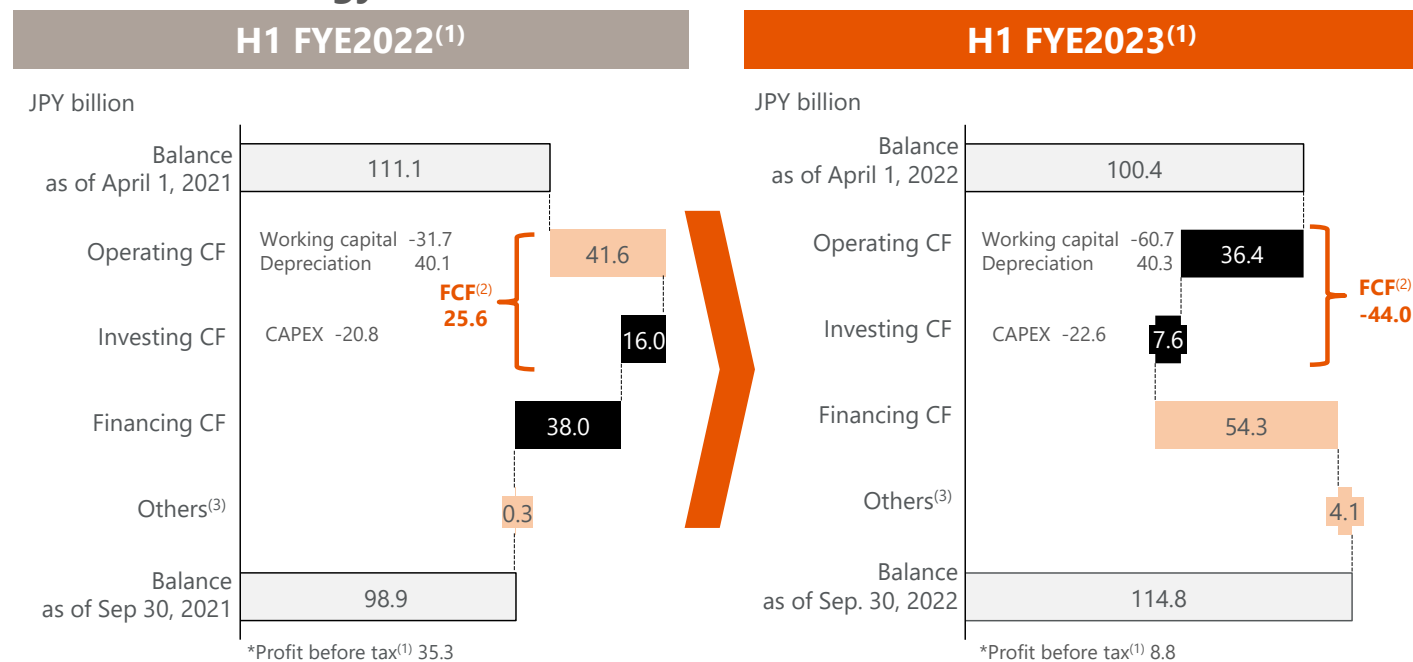
Interest-bearing debt increased mainly due to fund-raising for promoting efforts to accelerate payments based on the “Declaration for Building Partnerships”⁽¹⁾. Equity ratio is 33.7%



(1) Please refer to p.33 Business and ESG related topics “Responsible procurement with a reliable supply of products across the supply chain” 12

CASH FLOW STATUS AND CASH BALANCE

Free Cash Flow (FCF) declined by JPY69.6 billion due to securing higher inventory levels for supply chain disruptions, as well as a lower profit before tax. These factors offset lower investment costs from an asset-light investment strategy



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

(3) “Others” = Effects of exchange rate changes

➤ FORECAST FOR FYE2023

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➤ REVISION OF FYE2023 FORECAST

JPY billion	FYE2022 Results	FYE2023 Forecast (Oct 31 revised)	Change (YoY)	FYE2023 Forecast (Apr 28 announced)	Difference
Revenue	1,428.6	1,560.0	+131.4	1,520.0	+40.0
Core Earnings (CE)	64.9	42.0	-22.9	81.0	-39.0
Operating Profit (OP)	69.5	39.0	-30.5	78.0	-39.0
Profit before Tax	67.3	36.5	-30.8	76.0	-39.5
Tax expenses	-16.7	-10.5	+6.2	-24.2	+13.7
Profit (loss) from discontinued operations	-1.8	-0.5	+1.3	-0.6	+0.1
Net profit attributable to non-controlling interests	0.1	0.5	+0.4	0.2	+0.3
Net profit attributable to owners of the parent	48.6	25.0	-23.6	51.0	-26.0
EPS (JPY)	167.21	86.61 ⁽¹⁾	-80.60	175.99 ⁽²⁾	-89.38
ROE (%)	8.3	4.0 ⁽¹⁾	-4.3pp	8.2 ⁽³⁾	-4.1pp
ROA (%)	2.8	1.4	-1.4pp	2.9	-1.5pp
ROIC (%)	4.5	2.4	-2.1pp	5.0	-2.6pp
EBITDA ⁽⁴⁾	145.6	122.0	-23.6	161.0	-39.0
Net debt/EBITDA ⁽⁴⁾	2.9x	3.8x	+0.9x	2.4x	+1.4x
Dividend (JPY per share)	85	90	+5	90	-
Payout ratio (Consolidated basis)	50.8%	103.9% ⁽¹⁾	-	51.3%	-

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(1) The number of shares used as the basis for calculation is the average number of shares during H1 FYE2023

(2) Calculated using the average number of shares during Q1 FYE2023

(announced on Jul. 29, 2022)

(3) After taking into account share buyback disclosed on Aug. 25, 2022

(4) EBITDA=Core earnings + Depreciation + Amortization

➤ FYE2023 FORECAST – BY SEGMENT (1)

		H1 Actual		H2 Plan		Full-year		
JPY billion		FYE2023 Actual	Increase/Decrease	FYE2023	Increase/Decrease	FYE2022	FYE2023 Revised forecast	Increase/Decrease
LWT	Revenue	446.1	+25.6	520.9	+79.2	862.2	967.0	+104.8
	CE	20.7	-20.1	37.3	+1.5	76.6	58.0	-18.6
LHT	Revenue	293.2	+8.9	313.8	+13.9	584.2	607.0	+22.8
	CE	6.0	-12.6	25.5	+12.4	31.7	31.5	-0.2
Consolidation, adj. & other	Revenue	-6.7	+1.9	-7.3	+1.9	-17.8	-14.0	-
	CE	-20.5	+1.6	-27.0	-5.7	-43.4	-47.5	-
LIXIL	Revenue	732.7	+36.4	827.3	+95.0	1,428.6	1,560.0	+131.4
	CE	6.2	-31.1	35.8	+8.2	64.9	42.0	-22.9

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➤ FYE2023 FORECAST – BY SEGMENT (2)

JPY billion		FYE2022	FYE2023 Revised forecast	Increase/decrease	%	Previous forecast after change in reporting segments announced on Apr 28	Difference
LWT ⁽¹⁾	Revenue	862.2	967.0	+104.8	+12.2%	935.0	+32.0
	CE	76.6	58.0	-18.6	-24.3%	88.5	-30.5
	%	8.9%	6.0%	-2.9pp		9.5%	-3.5pp
LHT ⁽¹⁾	Revenue	584.2	607.0	+22.8	+3.9%	599.0	+8.0
	CE	31.7	31.5	-0.2	-0.5%	37.5	-6.0
	%	5.4%	5.2%	-0.2pp		6.3%	-1.1pp
Consolidation, adj. & other	Revenue	-17.8	-14.0	-		-14.0	0
	CE	-43.4	-47.5	-		-45.0	-2.5
LIXIL	Revenue	1,428.6	1,560.0	131.4	+9.2%	1,520.0	+40.0
	CE	64.9	42.0	-22.9	-35.3%	81.0	-39.0
	%	4.5%	2.7%	-1.8pp		5.3%	-2.6pp

LIXIL (1) Please refer to p.29 for the breakdown of Japan and International

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RESULTS BY BUSINESS SEGMENT



Water Technology Business (LWT)



Housing Technology Business (LHT)

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WATER TECHNOLOGY

Revenue increased while core earnings decreased for both Japan and International businesses

	JPY billion	H1 FYE2023 Results	YoY vs Results		FYE2023 Revised Forecast
			Increase /decrease	%	
Japan	Revenue	201.6	+1.8	+0.9%	435.0
	CE	10.8	-3.9	-26.4%	30.5
	CE margin	5.4%	-2.0pp	-	7.0%
International ⁽¹⁾	Revenue	244.5	+23.8	+10.8%	532.0
	CE	9.8	-16.2	-62.3%	27.5
	CE margin	4.0%	-7.8pp	-	5.2%
Water Technology Total	Revenue	446.1	+25.6	+6.1%	967.0
	CE	20.7	-20.1	-49.3%	58.0
	CE margin	4.6%	-5.1pp	-	6.0%

Revenue

- **Japan:** Revenue increased due to price optimization and strong sales for renovation products that enhance people's lifestyles
- **Int'l⁽¹⁾:** Revenue decreased due to an impact from economic slowdown in the Americas and China in local currency terms. Increased in JPY terms due to impact of weaker JPY
- **Int'l revenue distribution ratio:** 54.8%, up by 2.3pp YoY

Core earnings

- **Japan:** CE declined YoY due to accelerated increase in component costs despite price optimization and strong sales for renovation products as well as mid-to-high-end product demand
- **Int'l⁽¹⁾:** CE declined YoY due to impact of increased costs, including energy prices
- **Int'l CE distribution ratio:** 47.5%, down by 16.3pp YoY

INTERNATIONAL WATER TECHNOLOGY REVENUE BY REGION

By region: Management basis Total: Statutory basis ⁽¹⁾	JPY billion	H1 FYE2023 Results	YoY local currency basis	FYE2023 Revised Forecast	YoY local currency basis
Americas		76.3	-8%		+1%
EMEA		96.1	+0%		+9%
China		27.2	-13%		+1%
Asia Pacific		27.6	+28%		+10%
Adjustments		17.3			
Water Technology International Business Total		244.5	+11%	532.0	+19%

Americas

Revenue declined due to weaker market demand from sharply rising interest rates. Increased in JPY terms

- ✓ Revenue declined in local currency terms due to softer demand and customer inventory reductions as the housing market weakens
- ✓ Continued focus on renovation-related and direct-to-consumer sales ratio to strengthen profitability

China

Revenue declined due to ongoing challenges in the real estate market

- ✓ Local currency revenue declined due to slowdown in construction activity. Increased in JPY terms
- ✓ Continuation of brand mix improvement towards GROHE

EMEA

With supply chain improvement, revenue increased in Q2 both in local currency and in JPY terms

- ✓ Two distribution centers established in Q1 FYE2023 started to operate and show steady progress for resolving supply constraints
- ✓ Aiming to resolve in H2 the supply difficulties from some product that occurred in H1

Asia Pacific

Revenue increased due to economic recoveries and retail channel growth

- ✓ Vietnam, India, and Thailand drove revenue increase
- ✓ Continued revenue growth exceeding plan in all sales channels

LIXIL (1) Statutory basis currency :
Q2 FYE2022 Results 1USD=133.46JPY, 1EUR=138.79JPY

Management basis currency :
Comparing by FYE2023 current & previous year 1USD=115.0JPY, 20
1EUR=131.1JPY

HOUSING TECHNOLOGY

Revenue increased due to strong international operations and increased renovation demand in Japan, but core earnings declined due to sharp foreign exchange rate fluctuations and increased component prices

	JPY billion	H1 FYE2023 Results	YoY vs Results		FYE2023 Revised Forecast
			Increase /decrease	%	
Japan	Revenue	280.0	+3.9	+1.4%	585.0
	CE	5.6	-12.9	-69.8%	31.0
	CE margin	2.0%	-4.7pp	-	5.3%
International	Revenue	13.3	+5.0	+61.3%	22.0
	CE	0.4	+0.3	+625.0%	0.5
	CE margin	2.8%	+2.2pp	-	2.3%
Housing Technology Total ⁽¹⁾	Revenue	293.2	+8.9	+3.1%	607.0
	CE	6.0	-12.6	-67.8%	31.5
	CE margin	2.0%	-4.5pp	-	5.2%

Revenue

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

Core earnings

- Despite lower core earnings YoY due to higher component prices and increased costs from rapid JPY depreciation, price optimization in H1 and strong sales of high-performance sashes for renovation contributed to a higher CE margin
- Aim to improve CE margin by price optimization and by reducing fixed costs in H2 in response to accelerating procurement cost increases

LIXIL (1) FYE2023 H1 Results (Former segments)

LHT Revenue JPY234.7 billion, CE JPY5.3 billion, CE margin 2.3%
LBT Revenue JPY 45.3 billion, CE -JPY0.2 billion, CE margin -0.5%
H&S Revenue JPY 13.7 billion, CE JPY0.9 billion, CE margin 6.3%

➤ APPENDIX: FINANCIAL DATA

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➤ REVENUE BY PRODUCT AND SERVICE

Strong demand continues for products that make homes more efficient and enhance people's lifestyles, and positive sales for mid-to-high-end products

Segments	Major products	JPY billion				in %					
		Full-year FYE2022 Results	H1 FYE2022 Results	H1 FYE2023 Results	YoY	Quarterly YoY				FYE2023	
						Q1	Q2	Q3	Q4	Q1	Q2
LWT	Sanitary ware**	104.7	49.6	51.4	+3.6%	+0.9	-3.9	-0.1	+0.2	+0.4	+6.7
	Bathroom units	85.9	42.6	43.0	+0.8%	+10.7	-2.9	-3.3	-8.2	-2.4	+4.0
	Washstand cabinet units**	39.1	18.5	18.6	+0.4%	+13.7	+6.6	+2.9	+0.6	+1.8	-1.0
	Kitchens	101.9	49.8	49.3	-1.1%	+9.5	+4.8	+1.8	-7.5	+0.3	-2.5
	Tiles	32.8	15.7	15.2	-2.7%	-1.6	+0.2	+0.6	-2.2	-4.2	-1.2
LHT	Housing sashes and related products	164.2	82.7	81.3	-1.7%	-2.0	-4.3	-6.6	-3.9	-1.2	-2.1
	Exterior	101.4	50.5	51.3	+1.5%	+3.1	+1.2	+0.7	+3.0	+0.0	+3.2
	Wooden interior furnishing materials	62.3	30.0	31.3	+4.6%	-3.1	+0.5	-0.7	+2.4	+1.4	+7.8
	LHT Others	40.9	19.3	21.6	+12.3%	-36.5	-32.9	-30.3	+14.7	+17.0	+8.1
	Building sashes ⁽¹⁾	89.3	40.6	45.3	+11.5%	-15.4	-9.4	+2.3	+4.6	+9.3	+13.3
	Housing and Services business ⁽¹⁾	30.3	15.0	13.7	-8.5%	-36.5	-32.9	-44.7	-21.7	-4.8	-11.9
	International ⁽¹⁾⁽²⁾	452.3	228.9	257.7	+12.6%	+49.6	+6.2	+13.0	+10.0	+11.3	+13.9
Others/ consolidation & adj.	123.6	53.1	52.9	-							
Total		1,428.6	696.2	732.7	+5.2%	+11.4	+0.1	+0.8	+3.3	+4.2	+6.3
(Reference)**Sales of Faucets included in "Sanitary ware" and "Washstand cabinet units"											
LWT	Faucets	24.7	11.4	11.5	+1.5%	+17.9	+13.6	+16.1	+7.5	-0.3	+3.4



(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.25 for the revenue of water-related products in international business

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➤ PROMOTE RENOVATION STRATEGY IN JAPAN

Renovation sales ratio increased by 0.9pp. High demand for products that makes homes more efficient and enhance people's lifestyles

JPY billion	H1 (6 months)				Q2 (3 months)	
	FYE2022 Results ⁽¹⁾	FYE2023 Results	Increase /decrease	YoY	FYE2023 Results	YoY
Sales of renovation-related products	153.0	159.7	+6.7	+4%	81.6	+5%
LWT-J				+2%		+4%
LHT-J				+7%		+7%
Excl. building				+4%		+6%
Building business				+23%		+8%
Renovation sales ratio	40%	41%	+0.9pp		40%	+1.0pp

Renovation sales ratio by business segment (YoY)

	H1FYE2022	H1FYE2023	Increase /decrease
LWT	47%	48%	+0.8pp
LHT	34% ⁽¹⁾	35%	+1.0pp
Japan Total	40%	41%	+0.9pp

Number of member homebuilders

Stores	Mar 2021	Mar 2022	Sep 2022
LIXIL Reform Shop (Franchise)	540	536	539
LIXIL Reform Shop (Independent stores)	11,373	11,264	11,262
LIXIL PATTO Reform Service Shop	3,817	3,804	3,817

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

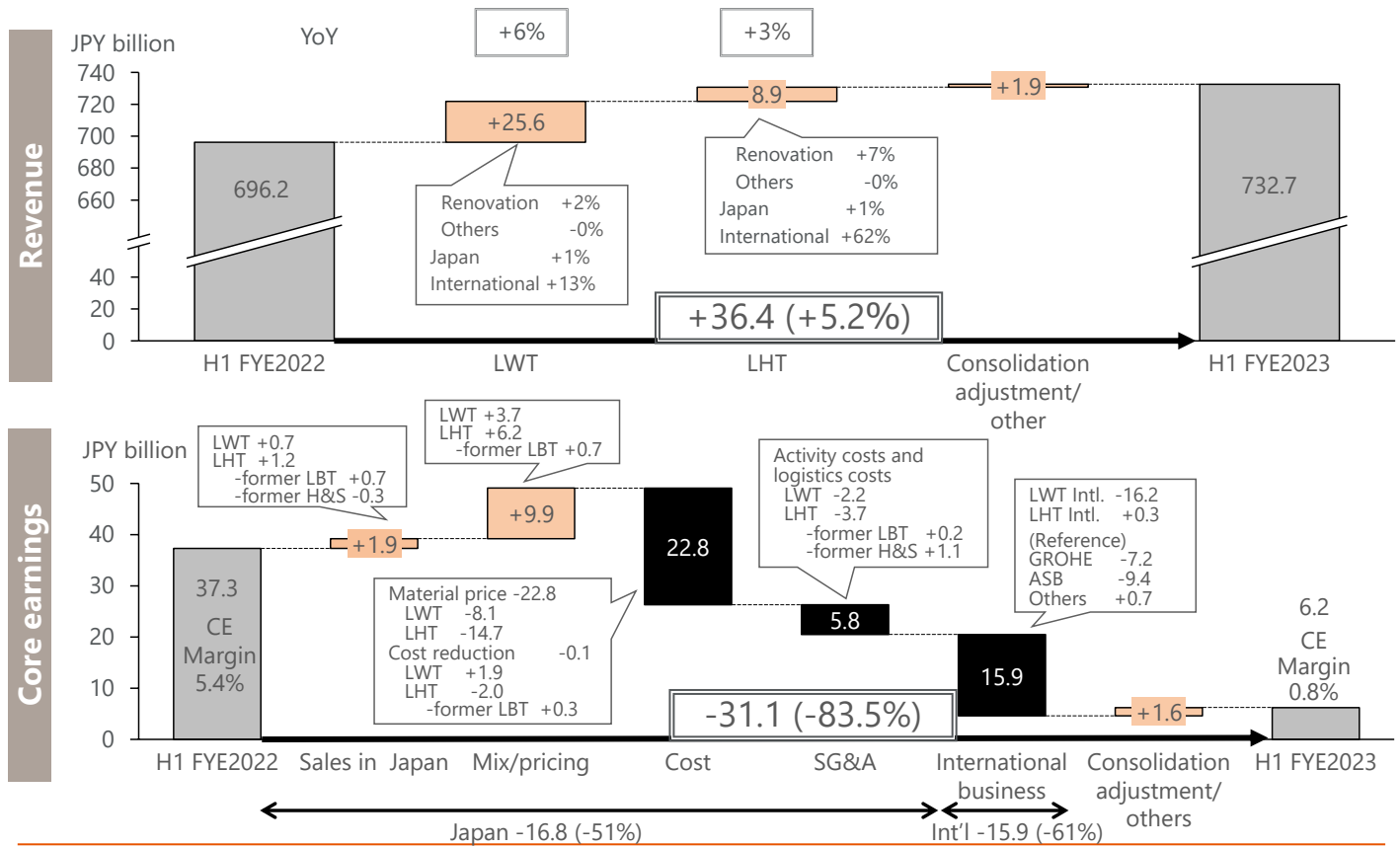
Leveraging our brands, manufacturing assets and advanced technologies, we are accelerating growth by bridging portfolio gaps globally⁽¹⁾

Sales distribution ratio	H1 FYE2023 (6 months)					Q2 FYE2023 (3 months)				
	Intl. Total	Americas	EMEA	China	Asia Pacific	Intl. Total	Americas	EMEA	China	Asia Pacific
Bath faucets and showers	51%	13%	67%	52%	40%	45%	13%	71%	52%	38%
Toilets	32%	53%	19%	38%	56%	36%	54%	16%	37%	58%
Kitchen faucets and water systems	9%	4%	13%	5%	2%	8%	4%	13%	7%	2%
Bathing and showering systems	5%	20%	0%	1%	1%	7%	19%	0%	0%	1%
All others	3%	10%	0%	4%	1%	4%	10%	0%	4%	1%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Sales growth										
Bath faucets and showers	+2%	-7%	+3%	-9%	+40%	+6%	-12%	+11%	-17%	+37%
Toilets	-5%	+2%	-6%	-26%	+39%	-11%	-15%	-20%	-30%	+52%
Kitchen faucets and water systems	-11%	-2%	-8%	-19%	+13%	-8%	-28%	-2%	-6%	+6%
Bathing and showering systems	-1%	-44%	-7%	-35%	+97%	-6%	-6%	-1%	-54%	+82%

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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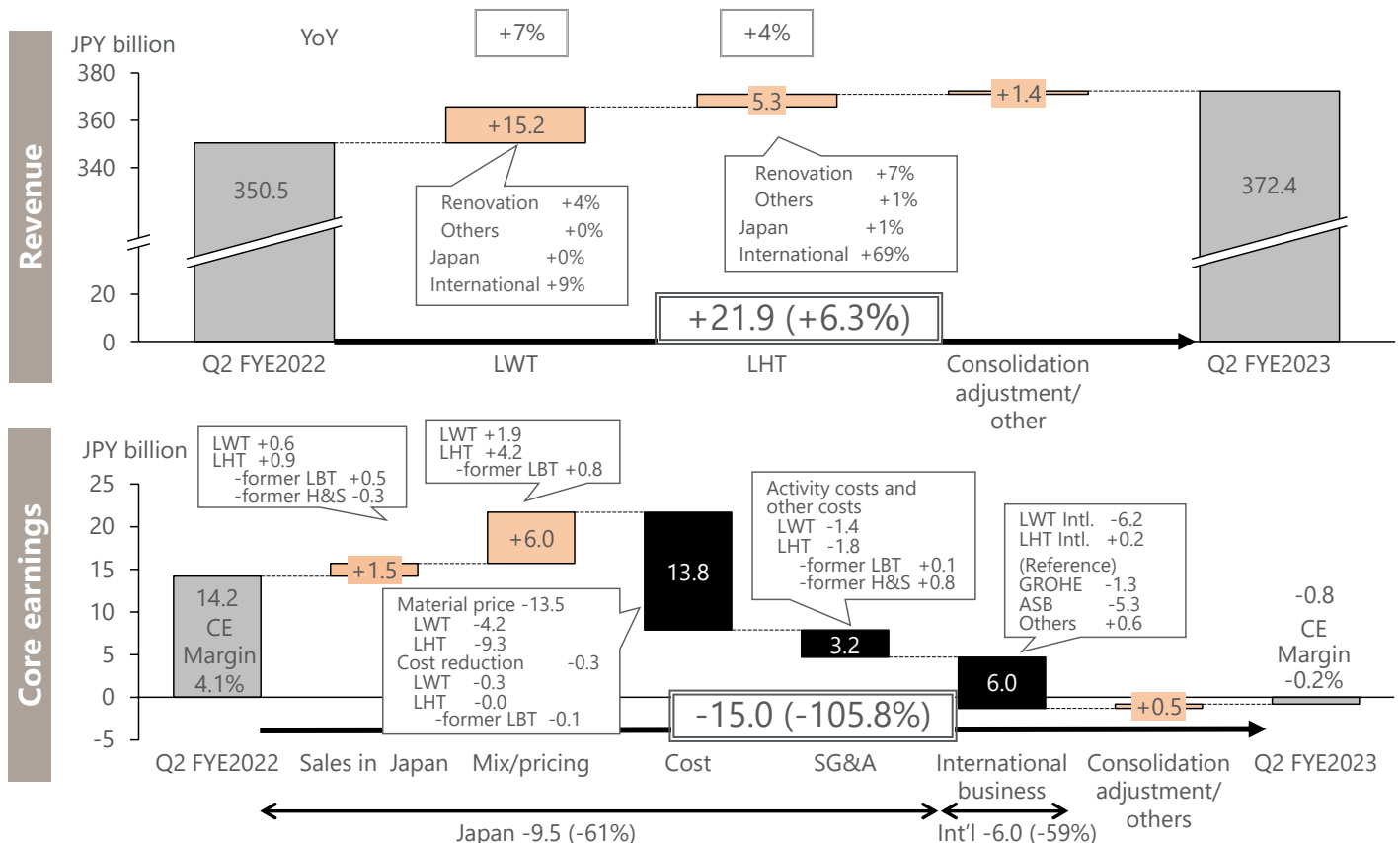
➤ H1 (6 MONTHS) FYE2023 CHANGE OF REVENUE AND CORE EARNINGS



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➤ Q2 (3 MONTHS) FYE2023 CHANGE OF REVENUE AND CORE EARNINGS



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➤ H1 FYE2023 OTHER INCOME AND EXPENSES, FINANCE INCOME AND COSTS

JPY billion	H1 FYE2022 Results	H1 FYE2023 Results	Increase/decrease
Profit on disposal of assets held for sale	2.4	5.3	+2.8
Others	2.4	2.7	+0.3
Other income	4.8	7.9	+3.1
Loss on sale and disposal of property, plant and equipment	0.8	0.9	+0.1
Impairment losses	1.4	0.7	-0.7
Others	2.8	2.5	-0.3
Other expenses	4.9	4.1	-0.9
Interest income	0.7	0.5	-0.2
Dividend income	1.0	0.9	-0.1
Gain on valuation of derivatives	0.9	0.2	-0.7 (A)
Exchange difference gains	-	0.7	+0.7
Others	0.0	0.2	+0.2
Finance income	2.6	2.5	-0.2
Interest expense	2.3	2.4	+0.1
Exchange difference losses	1.4	-	-1.4 (A)
Others	0.1	0.3	+0.2
Finance costs	3.7	2.6	-1.1

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

	H1 FYE2023 Results
Gain on valuation of derivatives	0.9
Exchange difference losses	-1.4
Net	-0.4 loss

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➤ RESULTS AND FORECASTS BY SEGMENT

	JPY billion	H1 FYE2022 Results			H1 FYE2023 Results				FYE2023 Full-year revised forecast (Announced on Oct 31)			
		Japan	Intl.	Total	Japan	Intl.	Total	Total YoY%	Japan	Intl.	Total	Total YoY%
LWT	Revenue	199.8	220.6	420.5	201.6	244.5	446.1	+6.1%	435.0	532.0	967.0	+12.2%
	CE	14.7	26.1	40.8	10.8	9.8	20.7	-49.3%	30.5	27.5	58.0	-24.3%
	CE margin	7.4%	11.8%	9.7%	5.4%	4.0%	4.6%	-5.1pp	7.0%	5.2%	6.0%	-2.9pp
LHT⁽¹⁾	Revenue	276.1	8.2	284.3	280.0	13.3	293.2	+3.1%	585.0	22.0	607.0	+3.9%
	CE	18.6	0.1	18.6	5.6	0.4	6.0	-67.8%	31.0	0.5	31.5	-0.5%
	CE margin	6.7%	0.6%	6.5%	2.0%	2.8%	2.0%	-4.5pp	5.3%	2.3%	5.2%	-0.2pp
Cons. adj. & others⁽²⁾	Revenue			-8.6			-6.7	-			-14.0	-
	CE			-22.1			-20.5	-			-47.5	-
LIXIL⁽²⁾	Revenue	475.9	228.9	696.2	481.6	257.7	732.7	+5.2%	1,020.0	554.0	1,560.0	+9.2%
	CE	33.3	26.1	37.3	16.5	10.2	6.2	-83.5%	61.5	28.0	42.0	-35.3%
	CE margin	7.0%	11.4%	5.4%	3.4%	4.0%	0.8%	-4.5pp	6.0%	5.1%	2.7%	-1.8pp

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(1) LIXIL changed the breakdown of Japan and International results for the companies in LHT with multiple businesses operating globally from Q1, and the results of FYE2022 have been changed accordingly

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

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PERFORMANCE OF MAJOR INTERNATIONAL SUBSIDIARIES

ASB (ASD Holdings)	H1 FYE2022	H1 FYE2023	YoY	USD million
Foreign exchange rate (Average rate)	110.18	133.46	-	
Revenue	718	663	-8%	
Core earnings	58	-23	-	
Core earnings margin	8%	-3%	-	

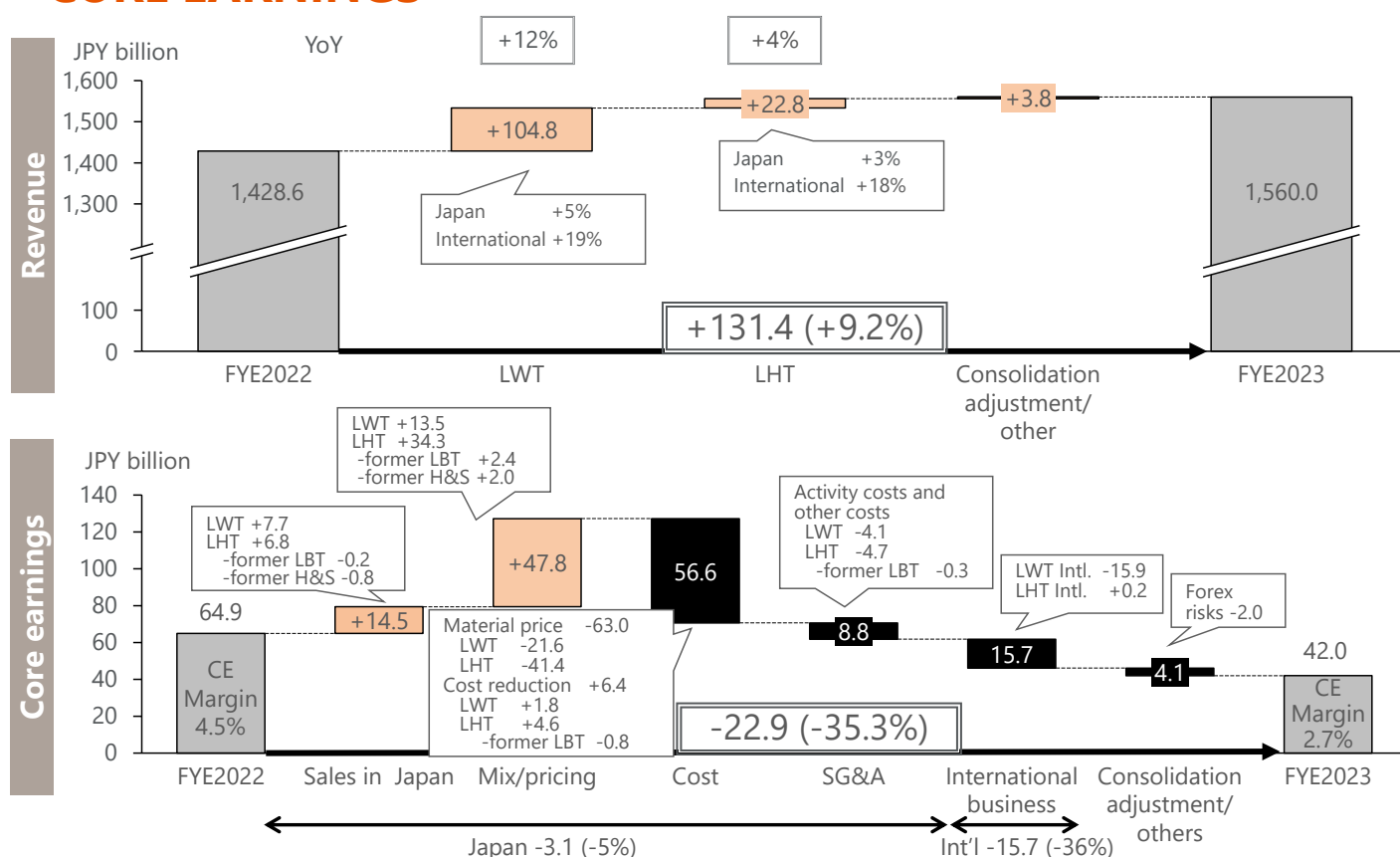
Accounting period	FYE2022	H1 FYE2023 (6 months)		
	Balance	Amortization	Others ⁽¹⁾	Balance
Foreign exchange rate (Current rate for balance, Average rate for amortization)	122.39	133.46	-	144.81
Goodwill ⁽²⁾	227	-	0	227
Intangible assets ⁽²⁾	200	-3	0	197

Grohe Group (GROHE)	H1 FYE2022	H1 FYE2023	YoY	EUR million
Foreign exchange rate (Average rate)	130.97	138.79	-	
Revenue	886	907	+2%	
Core earnings	145	85	-42%	
Core earnings margin	16%	9%	-7.0pp	

Accounting period	FYE2022	H1 FYE2023 (6 months)		
	Balance	Amortization	Others ⁽¹⁾	Balance
Foreign exchange rate (Current rate for balance, Average rate for amortization)	136.70	138.79	-	142.32
Goodwill ⁽²⁾	1,203	-	21	1,224
Intangible assets ⁽²⁾	1,417	-6	0	1,412

LIXIL (1) Forex translation differences, and others
 (2) Please refer to p.50~57 of FYE2022 Consolidated Financial Statements "14. Goodwill and Other Intangible Assets" for assessment of goodwill and intangible assets https://ssl4.eir-parts.net/doc/5938/ir_material_for_fiscal_ym35/120909/00.pdf#page=51

FYE2023 REVISED FORECAST CHANGE OF REVENUE AND CORE EARNINGS



➤ APPENDIX: BUSINESS AND ESG RELATED TOPICS

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➤ BUSINESS AND ESG RELATED TOPICS

Developing agile supply base

Established new distribution center in the Americas



- Established a new distribution center in Texas to support the growth of the in-home installation and services business provided by LIXIL Home Services (LHS) and expand our footprint in the Americas
- The LHS business in the Americas continues to innovate and grow in the direct-to-consumer home improvement market
- LIXIL is developing agile supply bases in throughout its international markets to ensure a reliable product supply

Responsible procurement with a reliable supply of products across the supply chain

Announced "Declaration for Building Partnerships"⁽¹⁾⁽²⁾



- As the foundation of Corporate Responsibility activities, LIXIL considers supply chain management to be one of its material issues
- In Japan, LIXIL endorsed the objectives of the "Conference on Promoting Partnership Building for the Future" promoted by the Cabinet Office and the Small and Medium Enterprise Agency and announced the "Declaration for Building Partnerships"
- As a priority item of the declaration, LIXIL plans to accelerate payments for notes and other items to subcontractors, by the end of FYE2023

➤ BUSINESS AND ESG RELATED TOPICS

Creating new business opportunities and reducing environmental impact through innovation

Developed sustainable material *revia*⁽¹⁾⁽²⁾ combining waste plastic and wood

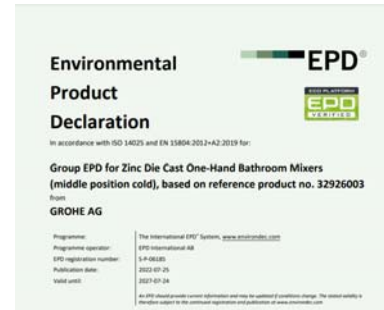


- LIXIL has developed a new sustainable material *revia*, which utilizes almost all types of waste plastics, including composite plastics and marine plastics that are difficult to recycle, as well as waste lumber from building demolition and repair projects
- This contributes to new business growth and realization of a sustainable, circular economy. It strengthens our collaboration with stakeholders and helps to build an ecosystem from procurement to production, sales, installation, and collection
- Launch of the initial product in this area, the *revia pave*⁽³⁾ pavement material, will take place in Japan from January 2023

LIXIL (1) News Release <https://newsroom.lixil.com/2022101802>
 (2) Special website <https://www.lixil.co.jp/lineup/s/revia/> (JP only)
 (3) Product website <https://www.lixil.co.jp/lineup/public/reviapave/>

Supporting green transformation (GX)⁽⁴⁾ of European construction industry

Launched Environmental Product Declarations (EPDs) in Europe



- An EPD ensures transparent and comparable data on the environmental impact of products throughout their lifecycle, including CO₂ emissions. EPDs are now available for 777 GROHE product SKUs in Europe
- Calculation and disclosure of a building's CO₂ emissions are increasingly regulated throughout Europe. LIXIL plans to expand EPDs to 1,000 SKUs of GROHE products in FYE2023 and will continue to strengthen sustainability initiatives

(Japanese only)
 (4) Activity to realize the reduction of greenhouse gas emissions together with economic growth 34

➤ EXTERNAL RECOGNITION

DX Stocks 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)

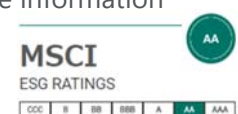


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MSCI ESG Ratings

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



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FTSE4Good Index Series

FTSE Blossom Japan Index

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

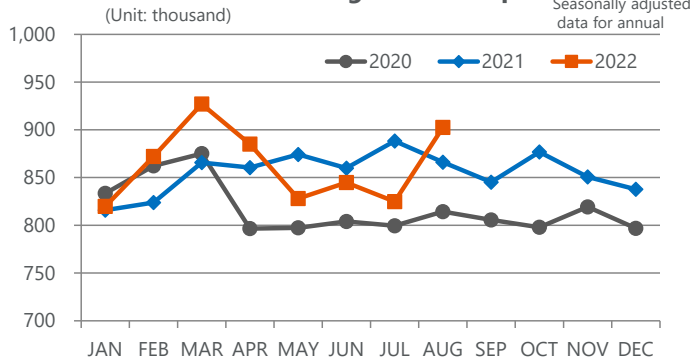


Forbes JAPAN Diversity Ranking

Highly evaluated for LIXIL's efforts to embed inclusion into corporate culture and its progress against 2030 D&I targets, ranked No.1 out of 1,839 companies listed on TSE Prime market in the Diversity ranking (October 2022)

MARKET TRENDS

Trend of new housing starts in Japan



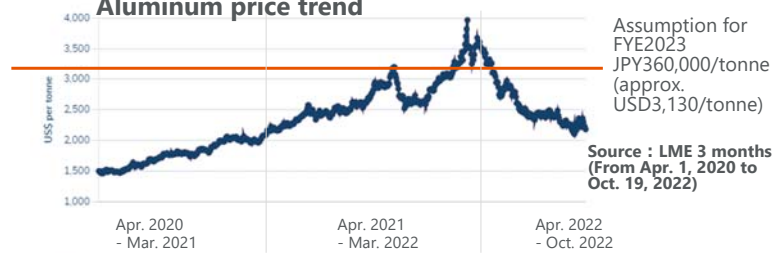
New housing construction level in Japan (year-on-year)

- Jan.-Jun. 2022: +1.6%
- Jan.-Aug. 2022: +1.0%

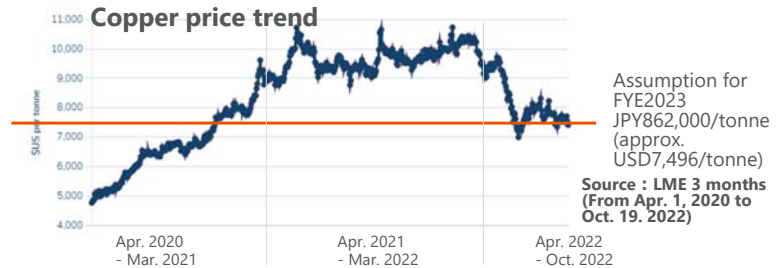
	Jan-Aug 2022 (8 months)		Apr-Aug 2022 (5 months)	
	Units	YoY	Units	YoY
Total new housing starts	569,200	+1.0%	368,776	-1.0%
Owner occupied(1)	167,862	-9.3%	110,228	-10.4%
Rental homes	225,686	+6.8%	146,715	+3.6%
Condos for sale	74,305	+5.7%	46,889	+5.8%
Detached houses for sale(2)	96,884	+5.2%	61,852	+3.0%
Detached houses total(1)+(2)	264,746	-4.5%	172,080	-6.0%

(Unit: USD)

Aluminum price trend



Copper price trend



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 tonne)

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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.