

## Consolidated Financial Results for the First Half Ended September 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>
Representative:	Kinya Seto, Director, Representative Executive Officer, President & CEO	Telephone:	+81-3-6706-7001
Contact:	Kayo Hirano, Senior Vice President, Leader, Investor Relations Office and Leader, Finance & Treasury - Corporate Accounting & Treasury/Tax		
Scheduled date of issue of quarterly financial report:	November 11, 2022		
Schedule date of payment of interim dividends:	November 25, 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 H1 of FY Ending March, 2023 (April 1 through September 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 H1</b>	<b>732,650</b>	<b>5.2</b>	<b>6,156</b>	<b>-83.5</b>	<b>10,039</b>	<b>-73.0</b>	<b>9,995</b>	<b>-71.9</b>	<b>4,749</b>	<b>-81.7</b>
FYE 2022 H1	696,213	5.4	37,271	142.5	37,161	210.3	35,593	233.3	25,971	311.7

	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 H1</b>	<b>3,919</b>	<b>-84.8</b>	<b>3,710</b>	<b>-85.6</b>	<b>46,329</b>	<b>87.7</b>	<b>12.85</b>	<b>12.85</b>
FYE 2022 H1	25,780	76.1	25,707	136.5	24,685	20.7	88.46	84.02

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 H1</b>	<b>1,888,799</b>	<b>639,167</b>	<b>636,405</b>	<b>33.7</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	—	45.00	—	—	—
FYE 2023 (forecast)	—	—	—	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	1,560,000	9.2	42,000	-35.3	39,000	-43.9	36,500	-45.7	26,000	-48.6

	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	25,500	-47.7	25,000	-48.6	86.61

Note: Revision of consolidated operating performance forecast after the recent announcement: Yes

Note: The reason for the revision of the consolidated financial forecast is as stated in the "Announcement of Revision of Consolidated Financial Forecast for the Fiscal Year Ending March 2023" announced on October 31, 2022.

Note: The average number of shares during For the six months ended September 30, 2022 is used as the basis 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 shares (Common shares)

(i) Outstanding shares including treasury shares (September 30, 2022) 287,109,659 shares (FY ended March 31, 2022) 313,319,159 shares

(ii) Treasury shares (September 30, 2022) 48,362 shares (FY ended March 31, 2022) 22,580,170 shares

(iii) Average number of shares during the first half (September 30, 2022) 288,639,897 shares (September 30, 2021) 290,609,099 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: Presentation material to supplement the financial results announcement has been posted on TDnet and the Company's website.

Note: The Company plans to change the contact telephone number from the currently used "+81-3-6706-7001" to "+81-50-1790-5041" effective November 14, 2022.

**4. Consolidated Financial Statements**

(1) Consolidated Statement of Financial Position

(Unit: millions of yen)

	As of March 31, 2022		End of H1 (As of September 30, 2022)	
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	Y	100,404	Y	114,781
Trade and other receivables		280,409		286,329
Inventories		237,927		294,066
Contract assets		19,408		22,346
Income taxes receivable		923		3,285
Other financial assets		23,095		22,020
Other current assets		25,180		23,067
Subtotal		687,346		765,894
Assets held for sale		27,261		26,954
<b>Total current assets</b>		<b>714,607</b>		<b>792,848</b>
<b>Non-current assets:</b>				
Property, plant and equipment		373,301		372,157
Right of use assets		54,023		63,973
Goodwill and other intangible assets		471,303		498,439
Investment property		4,045		4,045
Investments accounted for using the equity method		10,699		10,811
Other financial assets		62,361		51,377
Deferred tax assets		83,315		85,249
Other non-current assets		9,228		9,900
<b>Total non-current assets</b>		<b>1,068,275</b>		<b>1,095,951</b>
<b>Total assets</b>	Y	<b>1,782,882</b>	Y	<b>1,888,799</b>

(Unit: millions of yen)

	As of March 31, 2022	End of H1 (As of September 30, 2022)
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Trade and other payables	Y 333,680	Y 321,446
Bonds and borrowings	132,029	245,572
Lease liabilities	17,681	18,510
Contract liabilities	9,377	11,246
Income taxes payable	10,926	9,843
Other financial liabilities	5,638	8,157
Provisions	656	648
Other current liabilities	93,014	88,486
<b>Total current liabilities</b>	<b>603,001</b>	<b>703,908</b>
<b>Non-current liabilities:</b>		
Bonds and borrowings	337,510	318,719
Lease liabilities	37,483	45,736
Other financial liabilities	26,968	27,629
Net defined benefit liabilities	78,441	67,206
Provisions	8,028	8,371
Deferred tax liabilities	61,875	67,474
Other non-current liabilities	14,608	10,589
<b>Total non-current liabilities</b>	<b>564,913</b>	<b>545,724</b>
<b>Total liabilities</b>	<b>1,167,914</b>	<b>1,249,632</b>
<b>EQUITY</b>		
Share capital	68,418	68,418
Capital surplus	278,635	221,808
Treasury shares	-47,542	-105
Other components of equity	44,954	73,970
Retained earnings	267,920	272,314
Equity attributable to owners of the parent	612,385	636,405
Non-controlling interests	2,583	2,762
<b>Total equity</b>	<b>614,968</b>	<b>639,167</b>
<b>Total liabilities and equity</b>	<b>Y 1,782,882</b>	<b>Y 1,888,799</b>

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

(Unit: millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Continuing operations		
Revenue	<b>Y</b> 696,213	<b>Y</b> 732,650
Cost of sales	-452,009	-503,393
<b>GROSS PROFIT</b>	244,204	229,257
Selling, general and administrative expenses	-206,933	-223,101
Other income	4,812	7,939
Other expenses	-4,922	-4,056
<b>OPERATING PROFIT</b>	37,161	10,039
Finance income	2,634	2,458
Finance costs	-3,702	-2,633
Share of profit (loss) of associates accounted for using the equity method	-500	131
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	35,593	9,995
Income tax expenses	-9,622	-5,246
<b>PROFIT FOR THE QUARTER FROM CONTINUING OPERATIONS</b>	25,971	4,749
Discontinued operations		
<b>LOSS FOR THE QUARTER FROM DISCONTINUED OPERATIONS</b>	-191	-830
<b>PROFIT FOR THE QUARTER</b>	25,780	3,919
Profit (loss) for the quarter attributable to:		
Owners of the parent		
Continuing operations	25,898	4,540
Discontinued operations	-191	-830
Total	25,707	3,710
Non-controlling interests		
Continuing operations	73	209
Discontinued operations	—	—
Total	73	209
<b>PROFIT FOR THE QUARTER</b>	<b>Y</b> 25,780	<b>Y</b> 3,919

(Unit: millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
<b>Earnings (loss) per share</b>		
Basic (yen per share)		
Continuing operations	89.12	15.73
Discontinued operations	-0.66	-2.88
Total	88.46	12.85
Diluted (yen per share)		
Continuing operations	84.64	15.73
Discontinued operations	-0.62	-2.88
Total	84.02	12.85

## Consolidated Statement of Comprehensive Income

(Unit: millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
<b>PROFIT FOR THE QUARTER</b>	<b>Y 25,780</b>	<b>Y 3,919</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	1,241	-742
Remeasurements of defined benefit pension plans	—	9,908
Total items that will not be reclassified subsequently to profit or loss	1,241	9,166
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	-1,163	36,420
Net fair value gain (loss) on hedging instruments entered into for cash flow hedges	-1,190	-3,169
Share of other comprehensive income of associates accounted for using the equity method	17	-7
Total items that may be reclassified subsequently to profit or loss	-2,336	33,244
Other comprehensive income, net of tax	-1,095	42,410
<b>TOTAL COMPREHENSIVE INCOME FOR THE QUARTER</b>	<b>24,685</b>	<b>46,329</b>
Total comprehensive income for the quarter attributable to:		
Owners of the parent	24,751	46,061
Non-controlling interests	-66	268
<b>TOTAL COMPREHENSIVE INCOME FOR THE QUARTER</b>	<b>Y 24,685</b>	<b>Y 46,329</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	—	—	—	1,241	—	-1,023	-1,191
Total comprehensive income for the quarter	—	—	—	1,241	—	-1,023	-1,191
Purchase of treasury shares	—	—	-14	—	—	—	—
Disposal of treasury shares	—	0	0	—	—	—	—
Share-based payment transactions	—	536	1,010	—	—	—	—
Dividends	—	—	—	—	—	—	—
Changes in interests in subsidiaries that do not result in the Group losing control over the subsidiaries	—	-183	—	—	—	—	—
Transfers from other components of equity to retained earnings	—	—	—	9	—	—	—
Total transactions with owners	—	353	996	9	—	—	—
<b>BALANCE AS OF SEPTEMBER 30, 2021</b>	<b>68,418</b>	<b>278,593</b>	<b>-47,614</b>	<b>17,808</b>	<b>—</b>	<b>-651</b>	<b>-120</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	—	—	—	-742	9,908	36,361	-3,169
Total comprehensive income for the quarter	—	—	—	-742	9,908	36,361	-3,169
Purchase of treasury shares	—	-22	-10,010	—	—	—	—
Disposal of treasury shares	—	0	1	—	—	—	—
Cancellation of treasury shares	—	-56,902	56,902	—	—	—	—
Share-based payment transactions	—	147	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	—	—	—	-3,316	-9,908	—	—
Total transactions with owners	—	-56,827	47,437	-3,316	-9,908	—	—
<b>BALANCE AS OF SEPTEMBER 30, 2022</b>	<b>68,418</b>	<b>221,808</b>	<b>-105</b>	<b>9,269</b>	<b>—</b>	<b>64,974</b>	<b>-302</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	—	—	25,707	25,707	73	25,780
Other comprehensive income	17	-956	—	-956	-139	-1,095
Total comprehensive income for the quarter	17	-956	25,707	24,751	-66	24,685
Purchase of treasury shares	—	—	—	-14	—	-14
Disposal of treasury shares	—	—	—	0	—	0
Share-based payment transactions	-782	-782	555	1,319	—	1,319
Dividends	—	—	-11,609	-11,609	—	-11,609
Changes in interests in subsidiaries that do not result in the Group losing control over the subsidiaries	—	—	—	-183	-36	-219
Transfers from other components of equity to retained earnings	—	9	-9	—	—	—
Total transactions with owners	-782	-773	-11,063	-10,487	-36	-10,523
<b>BALANCE AS OF SEPTEMBER 30, 2021</b>	<b>1,649</b>	<b>18,686</b>	<b>248,452</b>	<b>566,535</b>	<b>2,394</b>	<b>568,929</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	—	—	3,710	3,710	209	3,919
Other comprehensive income	-7	42,351	—	42,351	59	42,410
Total comprehensive income for the quarter	-7	42,351	3,710	46,061	268	46,329
Purchase of treasury shares	—	—	—	-10,032	—	-10,032
Disposal of treasury shares	—	—	—	1	—	1
Cancellation of treasury shares	—	—	—	—	—	—
Share-based payment transactions	-111	-111	—	580	—	580
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	—	-13,224	13,224	—	—	—
Total transactions with owners	-111	-13,335	141	-22,584	-89	-22,673
<b>BALANCE AS OF SEPTEMBER 30, 2022</b>	<b>29</b>	<b>73,970</b>	<b>272,314</b>	<b>636,405</b>	<b>2,762</b>	<b>639,167</b>



## (4) Consolidated Statement of Cash Flows

(Unit: millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
<b>OPERATING ACTIVITIES:</b>		
Profit before tax from continuing operations	<b>Y</b> 35,593	<b>Y</b> 9,995
Loss before tax from discontinued operations	-275	-1,193
Profit before tax	35,318	8,802
Depreciation and amortization	40,121	40,256
Impairment losses	1,352	700
Interest and dividend income	-1,723	-1,425
Interest expense	2,281	2,373
Share of (profit) loss of associates accounted for using the equity method	500	-131
Profit on disposal of assets held for sale	-2,431	-5,280
Losses (gains) on disposal of property, plant and equipment	732	824
Decrease (increase) in trade and other receivables	15,230	-14
Decrease (increase) in inventories	-20,807	-43,080
(Decrease) increase in trade and other payables	-26,127	-17,557
(Decrease) increase in net defined benefit liabilities	665	-14,089
Other	-2,903	3,878
Subtotal	42,208	-24,743
Interest received	668	505
Dividends received	1,116	1,034
Interest paid	-2,020	-2,087
Income taxes paid	-360	-11,108
<b>Net cash (used) generated in operating activities</b>	<b>Y 41,612</b>	<b>Y -36,399</b>

(Unit: millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
<b>INVESTING ACTIVITIES:</b>		
(Increase) decrease in time deposits	Y 156	Y 1,494
Purchase of property, plant and equipment	-15,649	-16,748
Proceeds from disposal of property, plant and equipment	3,753	789
Purchase of intangible assets	-5,198	-5,837
Decrease (increase) in short-term loans receivable	789	-790
Payments for acquisition of investments	-37,118	-21,535
Proceeds from sale and redemption of investments	37,360	32,124
Other	-122	2,878
<b>Net cash used in investing activities</b>	<b>Y -16,029</b>	<b>Y -7,625</b>
<b>FINANCING ACTIVITIES:</b>		
Dividends paid	Y -11,609	Y -13,083
(Decrease) increase in short-term borrowings and commercial paper	3,605	35,183
Proceeds from long-term borrowings	9,823	—
Repayment of long-term borrowings	-21,300	-2,681
Proceeds from issuance of bonds	—	54,747
Payments for redemption of bonds	-10,000	—
Lease liabilities paid	-9,706	-10,250
Payments for acquisition of treasury shares	-14	-10,041
Other	1,186	464
<b>Net cash (used) generated in financing activities</b>	<b>Y -38,015</b>	<b>Y 54,339</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>-12,432</b>	<b>10,315</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	276	4,062
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE QUARTER</b>	<b>Y 98,905</b>	<b>Y 114,781</b>

(5) Notes related to Financial Statements

(Notes related to Going Concern Assumptions)

Not applicable.

(Segment Information)

Segment changes

The Company has reported in four reporting segments, which include "Water Technology Business," "Housing Technology Business," "Building Technology Business," and "Housing & Services Business" until the fiscal year ended March 31, 2022. However, from the start of the first quarter of the fiscal year ending March 31, 2023, the Company has 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 Company changed the management system of the business to two segments, the core businesses 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 six months ended September 30, 2021 is disclosed based on the reporting segments classification after the change.

For the six months ended September 30, 2021 (April 1 through September 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 414,868	Y 281,345	Y 696,213	Y —	Y 696,213
Intersegment revenue or transfers	5,612	2,971	8,583	-8,583	—
<b>Total</b>	<b>420,480</b>	<b>284,316</b>	<b>704,796</b>	<b>-8,583</b>	<b>696,213</b>
Segment profit (Note 1)	40,804	18,604	59,408	-22,137	37,271
Other income					4,812
Other expenses					-4,922
Operating profit					37,161
Finance income					2,634
Finance costs					-3,702
Share of loss of associates accounted for using the equity method					-500
Profit before tax from continuing operations					35,593

For the six months ended September 30, 2022 (April 1 through September 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 442,358	Y 290,292	Y 732,650	Y —	Y 732,650
Intersegment revenue or transfers	3,717	2,943	6,660	-6,660	—
<b>Total</b>	<b>446,075</b>	<b>293,235</b>	<b>739,310</b>	<b>-6,660</b>	<b>732,650</b>
Segment profit (Note 1)	20,673	5,987	26,660	-20,504	6,156
Other income					7,939
Other expenses					-4,056
Operating profit					10,039
Finance income					2,458
Finance costs					-2,633
Share of profit of associates accounted for using the equity method					131
Profit before tax from continuing operations					9,995

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.