

**› Q3 Results for the Fiscal Year
 Ending March 31, 2023 (IFRS)**
 (From April 1, 2022, to December 31, 2022)

LIXIL Corporation
 January 31, 2023

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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 the nine-month period of FYE2023
- Profitability improved in line with the plan for Q3, despite the impact of JPY depreciation and component price increases, helped by the implementation of price optimization
 - Impact of supply chain issues in Europe remains, but expected to be resolved by the end of FYE2023
 - Asia Pacific is generally solid, while the situation in the Americas and China needs to be monitored

Summary of results for the nine-month period of FYE2023 and outlook

- Steady progress has been made on price optimization⁽¹⁾ in Japan in Oct and Nov 2022. Continued improvement in profitability is expected through Q4 onwards. Another round of price optimization⁽²⁾ is scheduled for April 2023
- Due to shipment delays in international businesses, particularly in Europe, the full-fledged positive impact from lower commodity prices are expected to appear from mid-March

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(1) Press release announced on June 23, 2022 "Partial Revision of Manufacturer's Suggested Retail Prices for Building Materials and Equipment"
 (2) Press release announced on December 6, 2022 "Partial Revision of Manufacturer's Suggested Retail Prices for Building Materials and Equipment" ((1), (2) Japanese only)

Q3 FYE2023 RESULTS

Profitability for both LWT and LHT improved in Q3

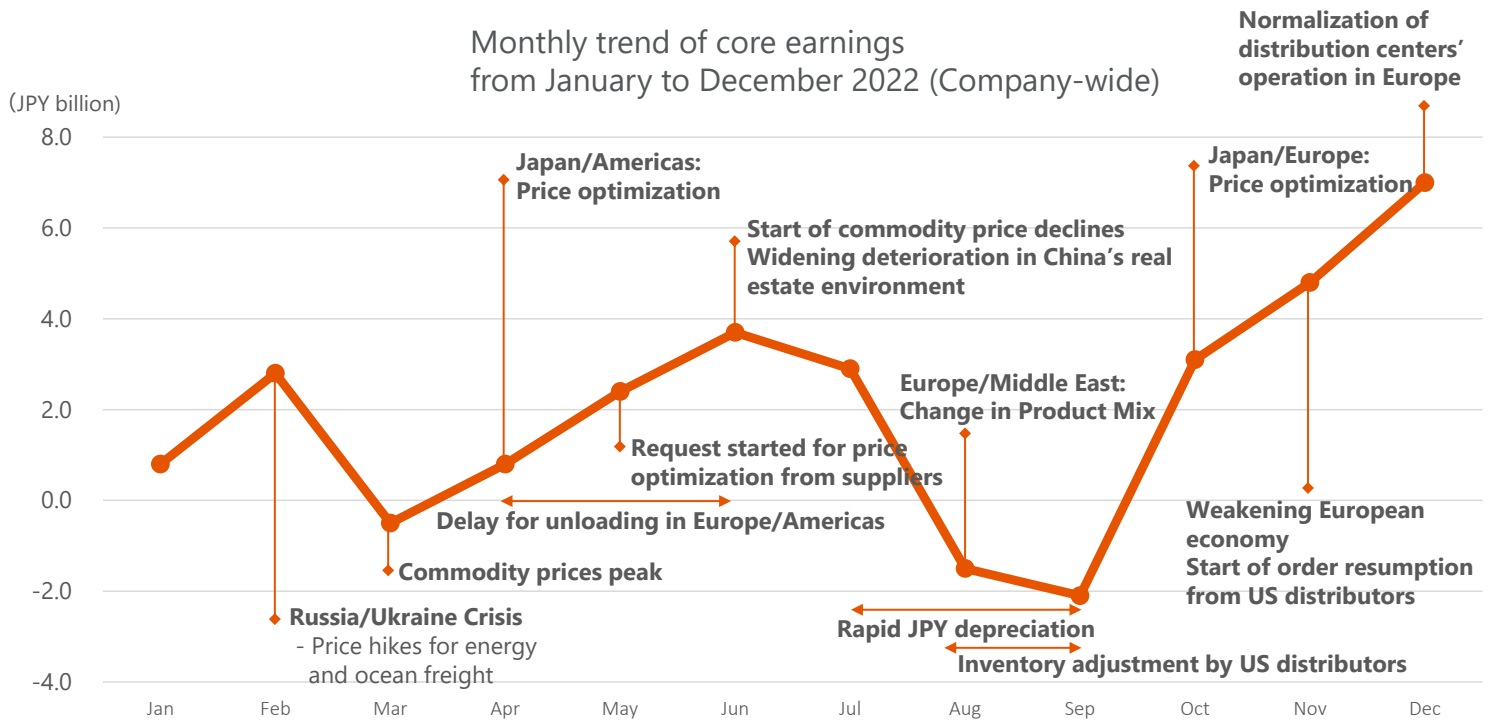
		Q3 (9 months) FYE2022	FYE2023 Results			
			Q1	Q2	Q3	Q3 (9 months)
LIXIL	Revenue	1,074.4	360.3	372.4	391.2	1,123.8
	CE	61.8	7.0	-0.8	14.8	21.0
	(%)	5.7%	1.9%	-	3.8%	1.9%
LWT	Revenue	647.2	221.0	225.1	237.1	683.2
	CE	64.5	13.2	7.4	15.3	36.0
	(%)	10.0%	6.0%	3.3%	6.5%	5.3%
LHT	Revenue	441.4	143.0	150.2	161.0	454.3
	CE	30.5	3.1	2.9	9.5	15.5
	(%)	6.9%	2.2%	1.9%	5.9%	3.4%
Consolidation, adj. & other	Revenue	-14.2	-3.7	-3.0	-7.0	-13.7
	CE	-33.3	-9.4	-11.1	-10.0	-30.5

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› Q3 FYE2023 RESULTS (FROM JANUARY TO DECEMBER 2022)

Profitability improved in Q3 due to price optimization.

For international business, cost of sales improvement is expected from Q4 onwards, although accompanied by a decline in demand



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› CHALLENGES AND RESPONSES

■ Challenges

1. Softening demand in Europe, Americas, China and Japan
2. Price increases by small- to mid-sized suppliers, potential business closures that would affect supply
3. Prolongation of Russia/Ukraine crisis
4. Possible surge in global commodity prices as China economy recovers

■ Responses

1. Differentiated products

- Strengthening of environmental-friendly products such as *Revia*⁽¹⁾ (launch in Q4 FYE2023)
- Strengthening of shower-related products (Acquisition of *Basco*⁽²⁾ / *KINUAMI U*)

2. Differentiated raw materials

- Shift of yellow brass to zinc
- Introduction of recycle aluminum products such as *R70/R100*⁽³⁾

3. Streamlining of supply chain

- Restructuring of inter-regional purchasing
- Knockdown production / Localization of downstream process
- Strengthening of businesses in Middle East and China

4. Further transformation of business model in Americas and China

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(1) News Release <https://newsroom.lixil.com/2022101802>

(2) Business and ESG related topics p.26 "Promote Growth of International Water Technology Business"

(3) Business and ESG related topics p.26 "Contribute to Decarbonized Society and Circular Economy"

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› PERFORMANCE HIGHLIGHTS

Revenue increased but profits decreased year-on-year

■ Revenue: JPY1,123.8 billion, up 5% year-on-year

- Q3 (3 months) YoY: +1% in Japan and +9% in international markets (-2.9% excluding foreign exchange impact)
- Q3 (9 months) YoY: +1% in Japan and +11% in international markets (-0.7% excluding foreign exchange impact)

■ Core earnings: JPY21.0 billion, down JPY40.8 billion year-on-year

- Q3 (3 months) YoY: -JPY3.2 billion in Japan, -JPY7.6 billion in international markets and +JPY1.2 billion for consolidation adjustment/other factors
- Q3 (9 months) YoY: -JPY20.1 billion in Japan, -JPY23.5 billion in international markets and +JPY2.8 billion for consolidation adjustment/other factors

■ Profit for the quarter⁽¹⁾: JPY11.0 billion, down JPY30.5 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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› Q3 FYE2023 CONSOLIDATED BUSINESS RESULTS

JPY billion	Q3 (9 months)				Q3 (3 months)		
	FYE2022	FYE2023	Increase/ decrease (YoY)	%	FYE2023	Increase/ decrease (YoY)	%
Revenue	1,074.4	1,123.8	+49.4	+4.6%	391.2	+13.0	+3.4%
Gross profit	373.4	352.5	-20.9	-5.6%	123.2	-6.0	-4.6%
(%)	34.8%	31.4%	-3.4pp	-	31.5%	-2.7pp	-
SG&A	311.6	331.5	+19.8	+6.4%	108.4	+3.6	+3.5%
Core earnings (CE) ⁽¹⁾	61.8	21.0	-40.8	-66.0%	14.8	-9.6	-39.4%
(%)	5.7%	1.9%	-3.9pp	-	3.8%	-2.7pp	-
Profit for the quarter including Discontinued Operations ⁽²⁾	41.5	11.0	-30.5	-73.4%	7.3	-8.5	-53.7%
EPS (JPY)	142.79	38.24	-104.55	-73.2%	25.46	-28.87	-53.1%
EBITDA ⁽³⁾	122.2	82.5	-39.6	-32.4%	36.1	-8.6	-19.3%
(%)	11.4%	7.3%	-4.0pp	-	9.2%	-2.6pp	-

■ **CE margin:** Declined by 3.9pp YoY (Improved by 4.0pp from Q2 FYE2023)

■ **Gross profit margin:** Declined by 3.4pp YoY (Improved by 1.2pp from Q2 FYE2023)

■ **SG&A expenses:** Increased by JPY19.8 billion YoY (in Japan JPY1.7 billion increase, International JPY8.1 billion increase, forex effect JPY10.0 billion increase) due to expanded sales activities and higher logistics costs. SG&A ratio declined by 0.5pp 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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› Q3 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	Q3 (9 months)					Q3 (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	647.2	683.2	+36.0			237.1	+10.4		
	CE	64.5	36.0	-28.5			15.3	-8.4		
LHT	Revenue	441.4	454.3	+12.9	+4.8	+8.1	161.0	+4.0	+0.8	+3.1
	CE	30.5	15.5	-15.1	+1.1	-16.2	9.5	-2.4	+0.8	-3.2
Consolidation, adj. & other	Revenue	-14.2	-13.7	+0.5	-0.8	+1.3	-7.0	-1.4	-0.2	-1.2
	CE	-33.3	-30.5	+2.8	+0.0	+2.8	-10.0	+1.2	+0.0	+1.1
LIXIL	Revenue	1,074.4	1,123.8	+49.4			391.2	+13.0		
	CE	61.8	21.0	-40.8			14.8	-9.6		

Forex impact⁽³⁾ Q3 9 months: Revenue +JPY42.4 billion, CE +JPY4.0 billion
Q3 3 months: Revenue +JPY14.5 billion, CE +JPY1.2 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 8

› REFERENCE: Q3 FYE2023 BUSINESS RESULTS BY SEGMENT

Q3 (9 months and 3 months) business results in the former reporting segments are as follows

Former reporting segments	JPY billion	Q3 (9 months)			Q3 (3 months)	
		FYE2022	FYE2023	Increase/Decrease (YoY)	FYE2023	Increase/Decrease (YoY)
LWT	Revenue	647.2	683.2	+36.0	237.1	+10.4
	CE	64.5	36.0	-28.5	15.3	-8.4
LHT	Revenue	354.4	362.5	+8.1	127.8	+3.1
	CE	29.1	12.9	-16.2	7.6	-3.2
LBT	Revenue	65.7	71.6	+5.9	26.3	+1.2
	CE	2.0	1.3	-0.6	1.5	+0.6
H&S	Revenue	22.7	20.8	-1.9	7.1	-0.6
	CE	-0.5	1.2	+1.8	0.4	+0.2
Consolidation, adj. & other	Revenue	-15.6	-14.3	+1.3	-7.2	-1.2
	CE	-33.2	-30.5	+2.8	-10.0	+1.1
LIXIL	Revenue	1,074.4	1,123.8	+49.4	391.2	+13.0
	CE	61.8	21.0	-40.8	14.8	-9.6

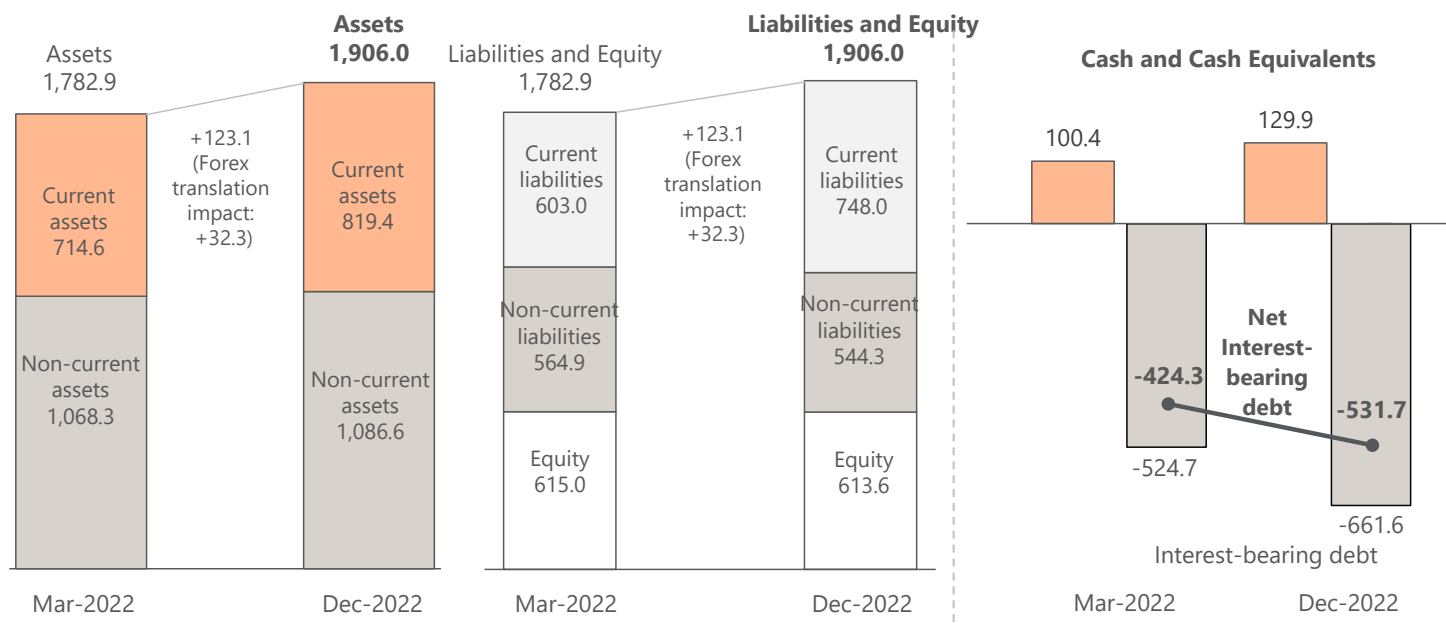
Forex impact⁽¹⁾ Q3 9 months: Revenue +JPY42.4 billion, CE +JPY4.0 billion
Q3 3 months: Revenue +JPY14.5 billion, CE +JPY1.2 billion

LIXIL (1) Forex translation effect gain(loss) from international subsidiaries 9

CONSOLIDATED FINANCIAL POSITION

Interest-bearing debt increased mainly due to fund-raising in Q2 for promoting efforts to accelerate payments based on the “Declaration for Building Partnerships”⁽¹⁾. Equity ratio is 32.1%

JPY billion

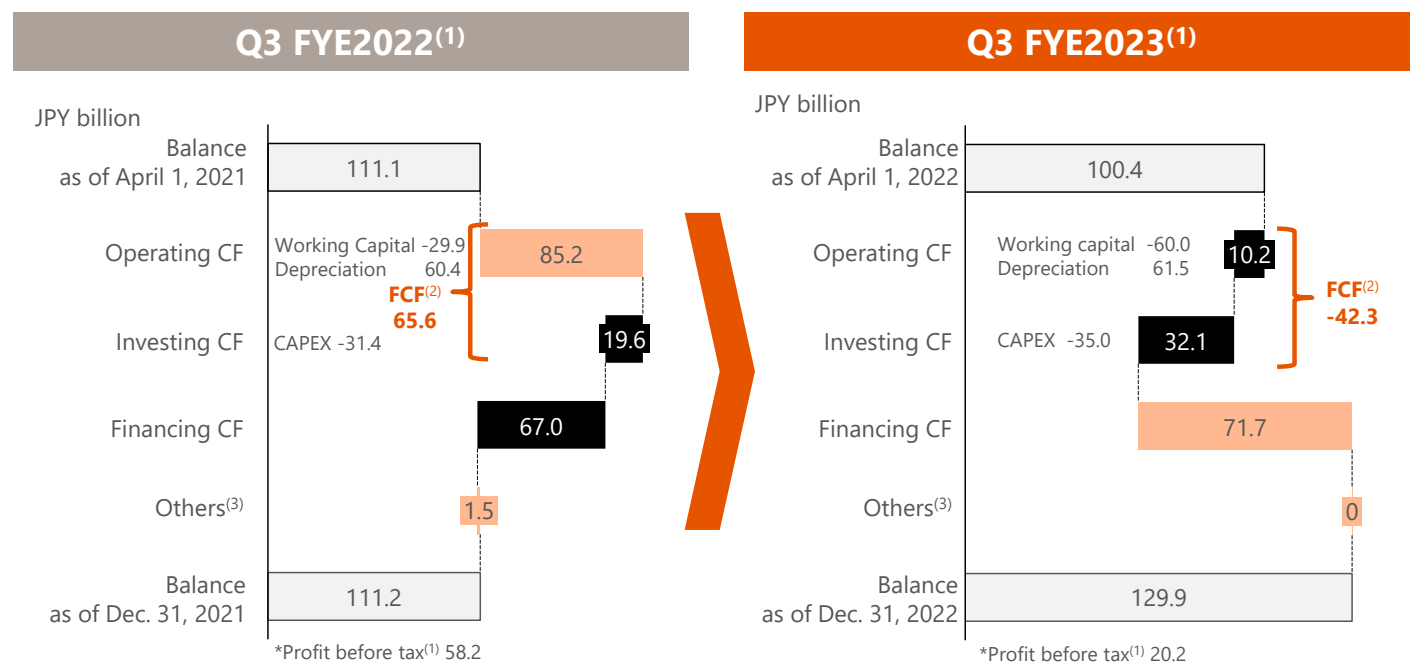


(1) Please refer to H1 Results for the Fiscal Year Ending March 31, 2023 (IFRS) p.33 Business and ESG related topics “Responsible procurement with a reliable supply of products across the supply chain”

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CASH FLOW STATUS AND CASH BALANCE

Free Cash Flow (FCF) declined by JPY107.9 billion due to factors including higher inventory levels for supply chain disruptions and a lower profit before tax



(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

Revenue increased while core earnings decreased for both Japan and International businesses. Profitability improved compared to Q2 FYE2023

	JPY billion	Q3 FYE2023 Results	YoY vs Results		FYE2023 Revised Forecast (Announced on Oct 31)
			Increase /decrease	%	
Japan	Revenue	315.5	+3.1	+1.0%	435.0
	CE	22.4	-4.6	-16.9%	30.5
	CE margin	7.1%	-1.5pp	-	7.0%
International ⁽¹⁾	Revenue	367.7	+32.9	+9.8%	532.0
	CE	13.7	-23.9	-63.7%	27.5
	CE margin	3.7%	-7.5pp	-	5.2%
Water Technology Total	Revenue	683.2	+36.0	+5.6%	967.0
	CE	36.0	-28.5	-44.2%	58.0
	CE margin	5.3%	-4.7pp	-	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 in local currency due to market softness in the Americas, China, and parts of Europe. Increased in JPY terms due to impact of weaker JPY
- **Int'l revenue distribution ratio:** 53.8%, up by 2.1pp 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 lower sales volumes and the impact of increased costs, including logistics costs and energy prices
- **Int'l CE distribution ratio:** 37.9%, down by 20.4pp YoY

INTERNATIONAL WATER TECHNOLOGY REVENUE BY REGION

By region: Management basis Total: Statutory basis ⁽¹⁾	JPY billion	Q3 FYE2023 Results	YoY local currency basis	FYE2023 Revised Forecast	YoY
				(Announced on Oct 31)	local currency basis
Americas		113.8	-7%		+1%
EMEA		141.9	0%		+9%
China		40.4	-16%		+1%
Asia Pacific		42.9	+17%		+10%
Adjustments		28.8			
Water Technology International Business Total		367.7	+10%	532.0	+19%

Americas

Revenue declined due to weaker demand from rising interest rates and continued customers' inventory adjustments. Increased in JPY terms

- ✓ Revenue declined in local currency terms due to softer demand in new housing market and reduced orders from customers' inventory adjustment
- ✓ Continued focus on renovation-related and direct-to-consumer sales ratio to strengthen profitability

China

Revenue declined as economic activity did not recover by Q3 while zero-COVID policy has been lifted. Increased in JPY terms

- ✓ Continuation of brand mix improvement towards GROHE

EMEA

Revenue remains at the same level as previous year due to amid softer demand in parts of Europe and phasing out of logistic capacity issues. Increased in JPY terms

- ✓ Showing strong growth in the Middle East region
- ✓ Steady progress on logistics capacity improvement, aiming to resolve order backlogs by the end of FYE2023

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

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(1) Statutory basis currency :
Q3 FYE2022 Results 1USD=135.40JPY, 1EUR=140.42JPY

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

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HOUSING TECHNOLOGY

Revenue increased due to strong international operations and increased renovation demand in Japan, but core earnings declined due to sharp forex fluctuations and increased component prices. Profitability improved compared to Q2 due to price optimization implemented in H2.

	JPY billion	Q3 FYE2023 Results	YoY vs Results		FYE2023 Revised Forecast (Announced on Oct 31)
			Increase /decrease	%	
Japan	Revenue	434.1	+5.9	+1.4%	585.0
	CE	14.8	-15.5	-51.2%	31.0
	CE margin	3.4%	-3.7pp	-	5.3%
International	Revenue	20.2	+7.0	+53.2%	22.0
	CE	0.7	+0.5	+231.7%	0.5
	CE margin	3.4%	+1.8pp	-	2.3%
Housing Technology Total ⁽¹⁾	Revenue	454.3	+12.9	+2.9%	607.0
	CE	15.5	-15.1	-49.3%	31.5
	CE margin	3.4%	-3.5pp	-	5.2%

Revenue

- Revenue increased due to price optimization and 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 from October and strong sales of high-performance sashes for renovation contributed to a higher CE margin
- Aim to improve CE margin by further realization of effects from price optimization and reduction of fixed costs

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(1) FYE2023 Q3 Results (Former segments)

LHT Revenue JPY362.5 billion, CE JPY12.9 billion, CE margin 3.6%
LBT Revenue JPY71.6 billion, CE JPY1.3 billion, CE margin 1.8%
H&S Revenue JPY20.8 billion, CE JPY1.2 billion, CE margin 5.9%

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➤ 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 strong sales for mid-to high-end products

Segments	Major products	JPY billion				in %						
		Full-year FYE2022 Results	Q3 FYE2022 Results	Q3 FYE2023 Results	YoY	Quarterly YoY						
						FYE2022				FYE2023		
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	
LWT	Sanitary ware**	104.7	77.1	79.5	+3.1%	+0.9	-3.9	-0.1	+0.2	+0.4	+6.7	+2.1
	Bathroom units	85.9	66.1	66.8	+1.0%	+10.7	-2.9	-3.3	-8.2	-2.4	+4.0	+1.3
	Washstand cabinet units**	39.1	29.1	29.0	-0.4%	+13.7	+6.6	+2.9	+0.6	+1.8	-1.0	-1.7
	Kitchens	101.9	77.8	76.6	-1.5%	+9.5	+4.8	+1.8	-7.5	+0.3	-2.5	-2.1
	Tiles	32.8	24.5	23.9	-2.6%	-1.6	+0.2	+0.6	-2.2	-4.2	-1.2	-2.5
LHT	Housing sashes and related products	164.2	126.3	124.7	-1.3%	-2.0	-4.3	-6.6	-3.9	-1.2	-2.1	-0.5
	Exterior	101.4	77.5	78.7	+1.6%	+3.1	+1.2	+0.7	+3.0	+0.0	+3.2	+1.8
	Wooden interior furnishing materials	62.3	46.5	48.0	+3.2%	-3.1	+0.5	-0.7	+2.4	+1.4	+7.8	+0.7
	LHT Others	40.9	30.5	33.2	+8.8%	-36.5	-32.9	-30.3	+14.7	+17.0	+8.1	+2.8
	Building sashes ⁽¹⁾	89.3	65.7	71.6	+9.0%	-15.4	-9.4	+2.3	+4.6	+9.3	+13.3	+5.0
	Housing and Services business ⁽¹⁾	30.3	22.7	20.8	-8.3%	-36.5	-32.9	-44.7	-21.7	-4.8	-11.9	-7.9
	International ⁽¹⁾⁽²⁾	452.3	348.0	387.9	+11.5%	+49.6	+6.2	+13.0	+10.0	+11.3	+13.9	+9.3
	Others/consolidation & adj.	123.6	82.6	83.1	-							
Total		1,428.6	1,074.4	1,123.8	+4.6%	+11.4	+0.1	+0.8	+3.3	+4.2	+6.3	+3.4

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

LWT	Faucets	24.7	18.0	17.8	-1.3%	+17.9	+13.6	+16.1	+7.5	-0.3	+3.4	-6.1
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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 1.3pp. High demand for products that makes homes more efficient and enhance people's lifestyles

JPY billion	Q3 (9 months)				Q3 (3 months)	
	FYE2022 Results ⁽¹⁾	FYE2023 Results	Increase /decrease	YoY	FYE2023 Results	YoY
Sales of renovation-related products	237.4	249.4	+12.0	+5%	89.8	+6%
LWT-J				+4%		+7%
LHT-J				+6%		+6%
Excl. building				+5%		+7%
Building business				+13%		-1%
Renovation sales ratio	40%	41%	+1.3pp		42%	+2.0pp

Renovation sales ratio by business segment (YoY)

	Q3 FYE2022	Q3 FYE2023	Increase /decrease
LWT	47%	49%	+1.6pp
LHT	34%	35%	+1.1pp
Japan Total	40%	41%	+1.3pp

Number of member homebuilders

Stores	Mar 2021	Mar 2022	Dec 2022
LIXIL Reform Shop (Franchise)	540	536	537
LIXIL Reform Shop (Independent stores)	11,373	11,264	11,230
LIXIL PATTO Reform Service Shop	3,817	3,804	3,827

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

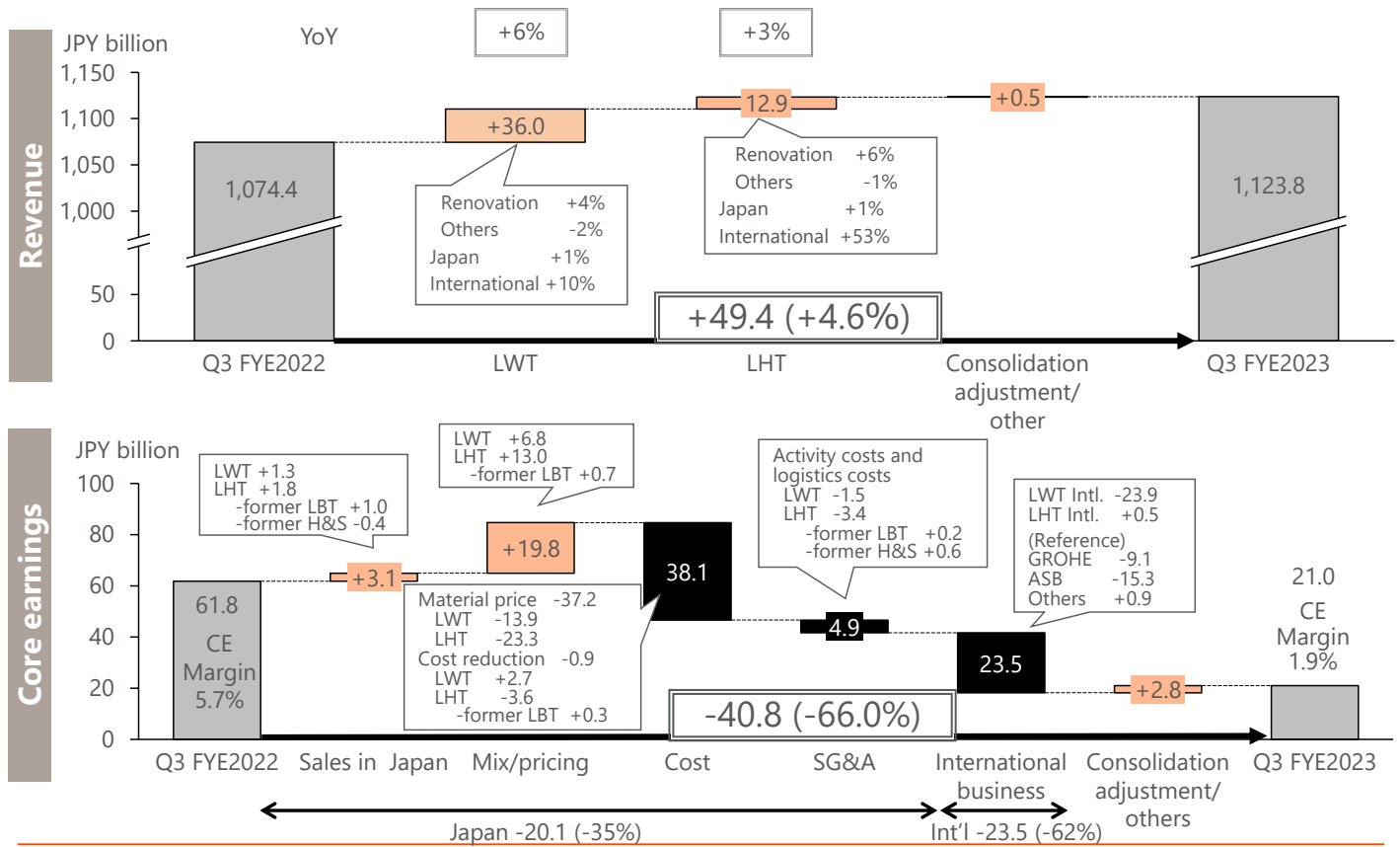
Leveraging our brands, manufacturing assets and advanced technologies, we are accelerating growth by bridging portfolio gaps globally⁽¹⁾

	Q3 FYE2023 (9 months)					Q3 FYE2023 (3 months)				
	Intl. Total	Americas	EMEA	China	Asia Pacific	Intl. Total	Americas	EMEA	China	Asia Pacific
Sales distribution ratio										
Bath faucets and showers	43%	13%	66%	52%	39%	40%	12%	62%	50%	38%
Toilets	38%	54%	21%	38%	57%	42%	56%	25%	38%	58%
Kitchen faucets and water systems	8%	4%	12%	6%	2%	7%	4%	12%	6%	2%
Bathing and showering systems	7%	20%	0%	0%	1%	7%	20%	0%	0%	1%
All others	4%	9%	1%	4%	1%	4%	8%	1%	5%	1%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Sales growth										
Bath faucets and showers	-1%	-12%	+0%	-15%	+27%	-8%	-13%	-6%	-25%	+8%
Toilets	-3%	-6%	+2%	-27%	+25%	+1%	-1%	+18%	-30%	+8%
Kitchen faucets and water systems	-14%	-24%	-11%	-22%	+2%	-20%	-27%	-17%	-26%	-14%
Bathing and showering systems	+1%	+1%	-15%	-31%	+84%	+4%	+4%	-31%	-16%	+67%

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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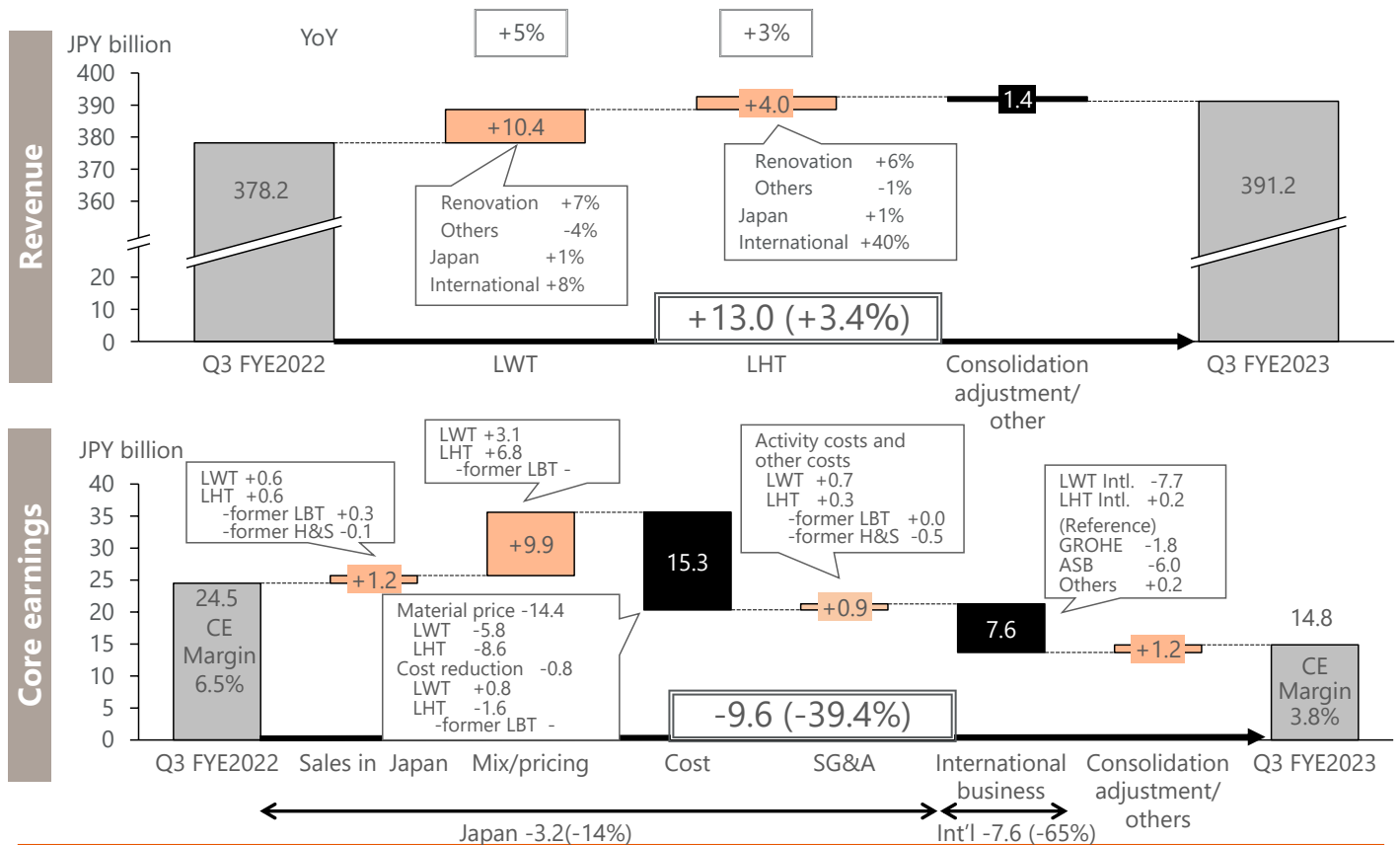
Q3 (9 MONTHS) FYE2023 CHANGE OF REVENUE AND CORE EARNINGS



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Q3 (3 MONTHS) FYE2023 CHANGE OF REVENUE AND CORE EARNINGS



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Q3 FYE2023 OTHER INCOME AND EXPENSES, FINANCE INCOME AND COSTS

JPY billion	Q3 FYE2022 Results	Q3 FYE2023 Results	Increase/decrease
Profit on disposal of assets held for sale	2.4	5.3	+2.8
Others	3.1	3.5	+0.4
Other income	5.5	8.8	+3.3
Loss on sale and disposal of property, plant and equipment	1.1	1.1	+0.0
Impairment losses	1.8	1.3	-0.5
Others	4.5	3.2	-1.3
Other expenses	7.3	5.5	-1.8
Interest income	1.2	0.8	-0.4
Dividend income	1.6	1.3	-0.3
Gain on valuation of derivatives	1.0	0.6	-0.3 (A)
Others	0.0	0.2	+0.2
Finance income	3.8	2.9	-0.8
Interest expense	3.4	4.0	+0.7
Exchange difference losses	1.4	1.3	-0.1 (A)
Others	0.1	0.3	+0.2
Finance costs	4.8	5.6	+0.8

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

	Q3 FYE2023 Results
Gain on valuation of derivatives	0.6
Exchange difference losses	-1.3
Net	-0.7 loss

	Q3 FYE2022 Results
Gain on valuation of derivatives	1.0
Exchange difference losses	-1.4
Net	-0.4 loss

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RESULTS AND FORECASTS BY SEGMENT

JPY billion		Q3 FYE2022 Results			Q3 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	312.3	334.9	647.2	315.5	367.7	683.2	+5.6%	435.0	532.0	967.0	+12.2%
	CE	26.9	37.6	64.5	22.4	13.7	36.0	-44.2%	30.5	27.5	58.0	-24.3%
	CE margin	8.6%	11.2%	10.0%	7.1%	3.7%	5.3%	-4.7pp	7.0%	5.2%	6.0%	-2.9pp
LHT ⁽¹⁾	Revenue	428.2	13.2	441.4	434.1	20.2	454.3	+2.9%	585.0	22.0	607.0	+3.9%
	CE	30.3	0.2	30.5	14.8	0.7	15.5	-49.3%	31.0	0.5	31.5	-0.5%
	CE margin	7.1%	1.6%	6.9%	3.4%	3.4%	3.4%	-3.5pp	5.3%	2.3%	5.2%	-0.2pp
Cons. adj. & others ⁽²⁾	Revenue			-14.2			-13.7	-			-14.0	-
	CE			-33.3			-30.5	-			-47.5	-
LIXIL ⁽²⁾	Revenue	740.6	348.0	1,074.4	749.6	387.9	1,123.8	+4.6%	1,020.0	554.0	1,560.0	+9.2%
	CE	57.3	37.8	61.8	37.2	14.3	21.0	-66.0%	61.5	28.0	42.0	-35.3%
	CE margin	7.7%	10.9%	5.7%	5.0%	3.7%	1.9%	-3.9pp	6.0%	5.1%	2.7%	-1.8pp

LIXIL⁽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)	Q3 FYE2022	Q3 FYE2023	YoY	USD million
Foreign exchange rate (Average rate)	111.38	135.40	-	
Revenue	1,059	990	-7%	
Core earnings	73	-53	-	
Core earnings margin	7%	-5%	-	

Accounting period	FYE2022 Balance	Q3 FYE2023 (9 months)		
		Amortization	Others ⁽¹⁾	Balance
Foreign exchange rate (Current rate for balance, Average rate for amortization)	122.39	135.40	-	132.70
Goodwill ⁽²⁾	227	-	26	253
Intangible assets ⁽²⁾	200	-4	48	244

Grohe Group (GROHE)	Q3 FYE2022	Q3 FYE2023	YoY	EUR million
Foreign exchange rate (Average rate)	130.85	140.42	-	
Revenue	1,337	1,328	-1%	
Core earnings	209	130	-38%	
Core earnings margin	16%	10%	-5.8pp	

Accounting period	FYE2022 Balance	Q3 FYE2023 (9 months)		
		Amortization	Others ⁽¹⁾	Balance
Foreign exchange rate (Current rate for balance, Average rate for amortization)	136.70	140.42	-	141.47
Goodwill ⁽²⁾	1,203	-	2	1,205
Intangible assets ⁽²⁾	1,417	-9	-2	1,406

LIXIL (1) Forex translation differences, and others

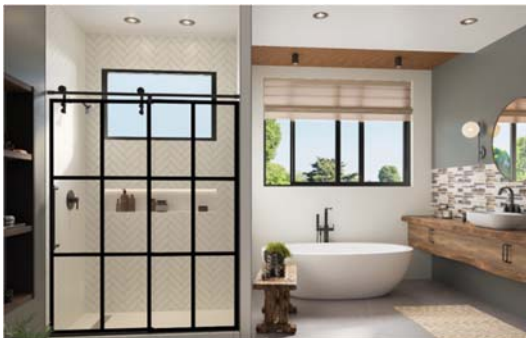
(2) Please refer to p.50~57 of FYE2022 Consolidated Financial Statements "14. Goodwill and Other Intangible Assets" for assessment of goodwill and intangible assets https://ssl4.eir-parts.net/doc/5938/ir_material_for_fiscal_ym35/120909/00.pdf#page=51 ²⁴

➤ APPENDIX: BUSINESS AND ESG RELATED TOPICS

➤ BUSINESS AND ESG RELATED TOPICS

Promote Growth of International Water Technology Business

Acquired Basco, expanding offering in full showering solutions⁽¹⁾

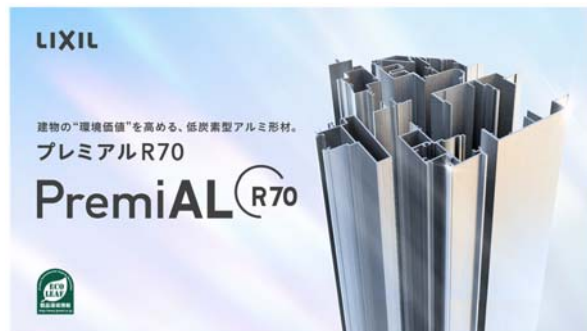


- Enables LIXIL to expand its portfolio in the Americas and provide consumers with full showering and bathroom solutions
- Basco's industry-leading lead times for custom shower doors and shipping ability will strengthen the competitiveness of our supply chain
- With this acquisition, LIXIL will attain the #4 market position in shower enclosures / doors segment in North America

LIXIL (1) News Release https://newsroom.lixil.com/20221214_basco
 (2) News Release https://newsroom.lixil.com/ja/20221215_01 (Japanese only)

Contribute to Decarbonized Society and Circular Economy

Launched *PremiAL* series of low-carbon aluminum extrusion products⁽²⁾



- Uses recycled aluminum for 70% of required raw materials
- Launched *PremiAL R70* as the initial product for use in building construction
- Aim for an aluminum recycling rate of 100% by FYE2031 for all products. Contributes nearly one-third toward LIXIL's SCOPE 3 CO₂ reduction target of 30% from the FYE2019 level

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➤ BUSINESS AND ESG RELATED TOPICS

Positive Impact to Improve Global Sanitation & Hygiene

Developing new partnership initiatives



- "Energy for Life" Campaign by GROHE⁽¹⁾
Fund: 1.2 million euros in 2021
Goal: To improve global sanitation for 1.75 million+ people in Nigeria and 250,000 in Indonesia
- "Minna-ni-kirei-Wo" project (Clean for All project) in Japan⁽²⁾
Fund: \$165,000 in 2022
Goal: To improve sanitation in Kenya

Transform Existing Businesses by Promoting Digital Transformation

Providing consumer-centric services with easy-to-use interface



- Launched *TOSTEM Digital Simulation*⁽³⁾
Enables users to select products with a near-realistic feel in a virtual space using smart phones or PC
- Utilizing *AmiVoice ScribeAssist*, text transcription apps in the online showroom⁽⁴⁾
Facilitates consultation on products for people with hearing impairments

LIXIL (1) News Release https://newsroom.lixil.com/20221118_wtd2022
 (2) News Release <https://newsroom.lixil.com/ja/2022101301> (Japanese only)

(3) News Release https://newsroom.lixil.com/ja/20221026_01
 (4) News Release https://newsroom.lixil.com/ja/20221201_01 (3) (4) Japanese only

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EXTERNAL RECOGNITION

FTSE4Good Index Series FTSE Blossom Japan Index

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



Dow Jones Sustainability World Index

Selected in December 2022 as a component of the Dow Jones Sustainability Indices (DJSI), DJSI World (Four consecutive years) and DJSI Asia Pacific (Six consecutive years)



CDP's Water Security

Selected for the A List, the highest rank from CDP, for multifaceted initiatives in water-related risk mitigation (December 2022, two consecutive years)



MSCI Japan Empowering Women Index (WIN)

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

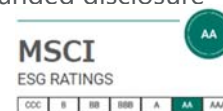
2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

Disclaimer

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MSCI ESG Ratings

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



Disclaimer

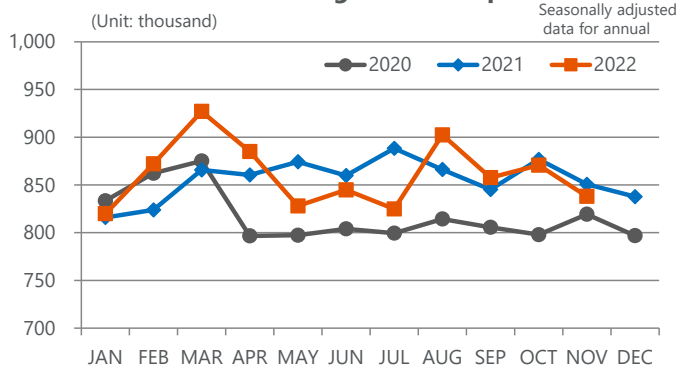
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MARKET TRENDS

Trend of new housing starts in Japan

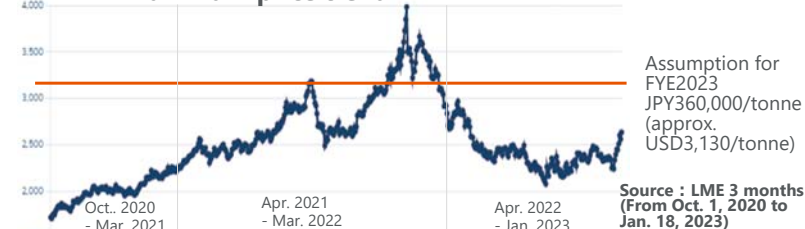


New housing construction level in Japan (year-on-year)

- Jan.-Sep. 2022: +1.0%
- Jan.-Nov. 2022: +0.5%

	Jan-Nov 2022 (11 months)		Apr-Nov 2022 (8 months)	
	Units	YoY	Units	YoY
Total new housing starts	792,280	+0.5%	591,856	-0.9%
Owner occupied(1)	233,519	-11.2%	175,885	-12.5%
Rental homes	318,235	+7.5%	239,264	+5.6%
Condos for sale	100,081	+6.2%	72,665	+6.5%
Detached houses for sale(2)	134,015	+4.4%	98,983	+2.7%
Detached houses total(1)+(2)	367,534	-6.1%	274,868	-7.5%

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 ⁽¹⁾
Euro	JPY123.73	JPY131.01	JPY131.1

(JPY per tonne)

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

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(1) Assumption of US dollar for H2 FYE2023: Revised to JPY150/USD in Q2 with the revision of FYE2023 financial forecasts from original assumption (JPY115/USD).

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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.

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