

[This is an English translation of the original text written in Japanese]



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LIXIL Corporation
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Announcement of Revision of Consolidated Financial Forecast for the Fiscal Year Ended March 2023

Reflecting the recent economic situation and business performance, LIXIL Corporation (hereinafter "LIXIL") hereby announces that it has revised its consolidated financial forecast for the fiscal year ended March 2023, which was announced on October 31, 2022.

1. Consolidated full-year forecast

(1) Consolidated full-year forecast for the fiscal year ended March 31, 2023

(April 1, 2022 through March 31, 2023)

	From Continuing Operations					Including Discontinued Operations		
	Revenue	Core earnings	Operating profit	Profit before income taxes	Profit for the year	Profit for the year	Profit for the year attributable to owners of the parent	Basic earnings per share
Previous full-year forecast (A)	Million JPY 1,560,000	Million JPY 42,000	Million JPY 39,000	Million JPY 36,500	Million JPY 26,000	Million JPY 25,500	Million JPY 25,000	JPY 86.61
Revised full-year forecast (B)	1,495,000	26,000	25,000	20,000	17,000	16,000	16,000	55.57
Change (B-A)	-65,000	-16,000	-14,000	-16,500	-9,000	-9,500	-9,000	-31.04
Change (%)	-4.2	-38.1	-35.9	-45.2	-34.6	-37.3	-36.0	-35.8
cf. FYE2022 results	1,428,578	64,875	69,471	67,262	50,540	48,730	48,603	167.21

Core earnings are calculated by deducting the cost of sales and Selling, General and Administrative (SG&A) expenses from revenue.

(2) Reasons for revision of the consolidated full-year forecast

LIXIL is working to streamline its operations and respond to the ongoing impact of the COVID-19 pandemic and supply chain disruptions caused by the situation in Russia and Ukraine. In addition, LIXIL is continuing to reduce fixed costs to cover the effects of the rapid depreciation of the Japanese Yen and rising component prices and is working to reflect these costs in sales prices in a timely manner.

As a result of these efforts, profitability has been recovering since the third quarter. Although the impact on full-year results for the fiscal year ended March 31, 2023 will be limited, we expect that the window renovation business in Japan will continue to grow, in line with an increased focus on energy conservation and a higher-than-expected demand for windows that are eligible for subsidy programs such as the Advanced Window Renovation Project. This has meant that the home renovation business in Japan has remained strong.

At the same time, due to price increases and other factors, the number of new housing starts in Japan began to decline more rapidly than expected, especially after October 2022, and as a result, the production and sales volume of products for new construction decreased significantly compared with the forecast at the time of the second-quarter results. In the international business, in EMEA, while sales in the Middle East remain strong and supply chain constraints have been resolved, demand is softening, especially in Central Europe, where energy costs and other prices are rising. In the Americas, the ending of inventory adjustments by distributors was later than our expectation at the time of second-quarter announcement, although it has largely been resolved from January 2023.

Based on these factors and the information and projections available at this time, we have decided to revise our consolidated earnings forecast for the fiscal year ended March 31, 2023.

2. Dividend forecast

There is no change to the annual dividend forecast of JPY90 per share (interim dividend JPY45 and year-end dividend JPY45) as announced on April 28, 2022.

Explanation for adequate utilization of the forecast and other special matters

The forecasts and forward-looking statements above are prepared based on information currently available and therefore involve potential risks and uncertainties. Please note that actual results may differ from forecasted figures due to various unknown factors. LIXIL will promptly announce any necessary revisions to the forecasted figures.

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