



TSE Code: 5938

➤ Financial Results for the Fiscal Year Ended March 31, 2023 (IFRS)

(From April 1, 2022, to March 31, 2023)

LIXIL Corporation

April 28, 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

Summary of results for the fiscal year ended March 2023

Revenue and profits increased year-on-year for Q4 (3 months) FYE2023

- Cost increases caused by higher raw material prices and JPY depreciation were mitigated. Revenue and profits increased due to price optimization while increase of components costs and labor costs are realizing later.
- The pace of profitability improvement has slowed, due to higher fixed costs per unit sales as volumes declined on sluggish demand
- Impact of supply chain disruptions in Europe and inventory adjustment in the U.S. have been resolved from Q4

Revenue increased while profits declined for Q4 (12 months) FYE2023

- Revenue increased due to price optimization implemented in April 2022
- Japan: Profit declined due to the difference in timing of cost increases, including component costs, and price optimization
- International: Profit declined due to cost increases caused by higher raw material prices, supply chain disruptions in Europe caused by the Ukraine crisis, as well as an increase in the COGS from logistics delays and inventory adjustments in the U.S.

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› KEY HIGHLIGHTS

Outlook for the fiscal year ending March 2024

Forecast for FYE2024

- Forecasting revenue of JPY1,530 billion and core earnings of JPY40 billion
- Forecasting annual dividend of JPY90 per share

Business environment and outlook

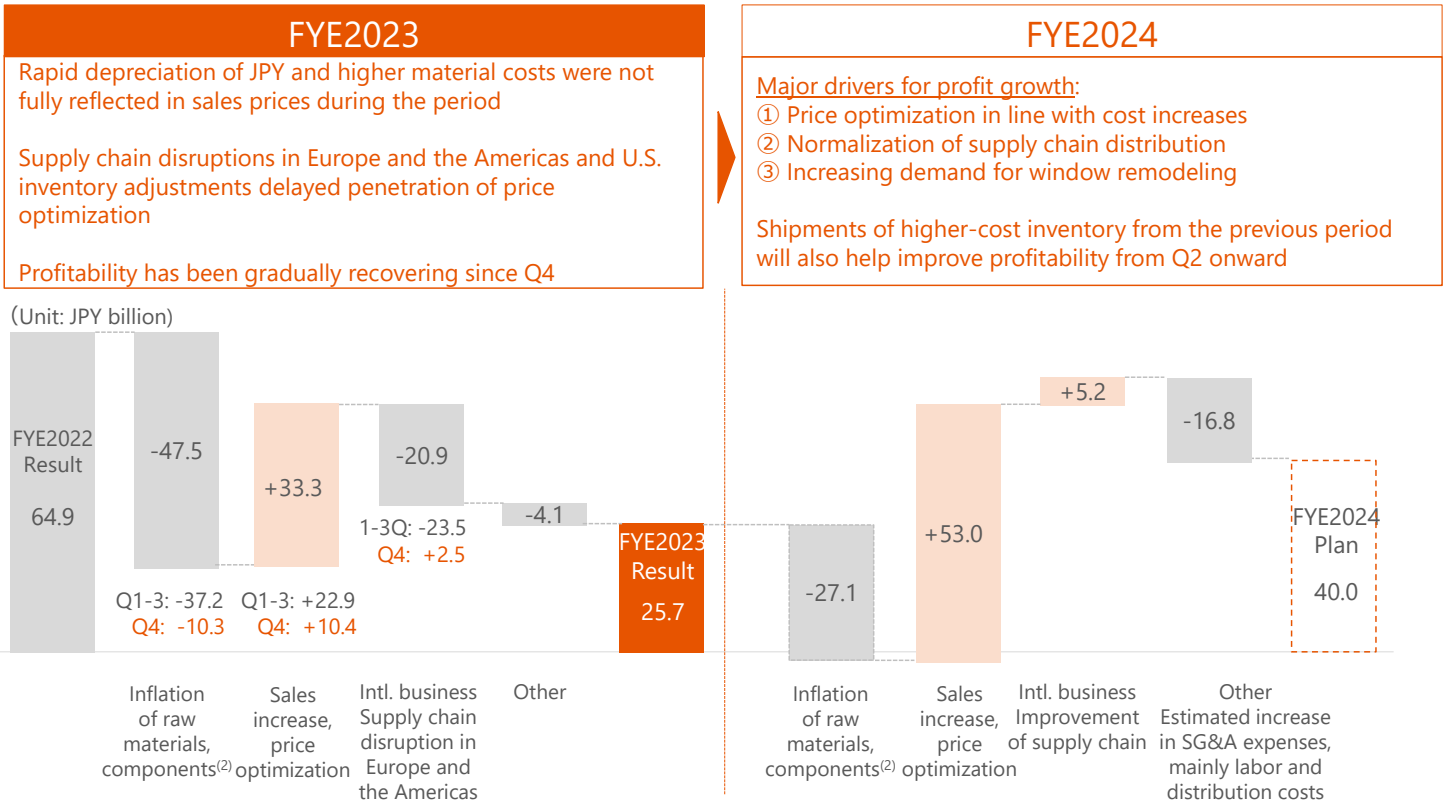
- New housing starts expected to remain weak in the key markets including Japan
- Renovation demand for insulation in Japan, continued strong overall demand in Middle East region and Asia-Pacific region
- Higher sales of focused products is expected in Japan due to an improved competitive environment from Q2 FYE2024
- Sluggish demand in international markets is expected to continue through H1 FYE2024 due to rising interest rates
- Price optimization to cover increase of variable cost in COGS is expected to be implemented smoothly. Covering the higher burden of fixed cost per unit from decreased sales volumes by sales expansion of high-value-added products represents a challenge

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KEY HIGHLIGHTS

Review of FYE2023 and Outlook for FYE2024⁽¹⁾

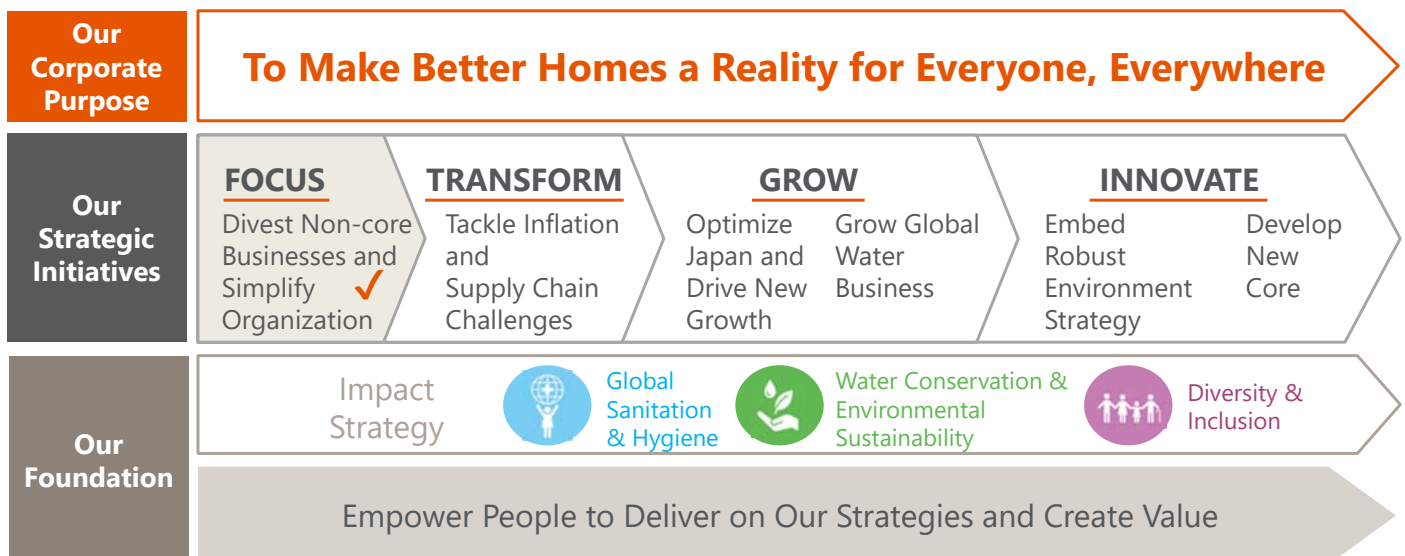


LIXIL (1) Please refer to p.26-27 and p.32 for Analysis on changes of core earnings by segment for FYE2023 results and FYE2024 plan respectively.
 (2) Including FX impact

KEY HIGHLIGHTS

Management Direction⁽¹⁾⁽²⁾ – Updating the LIXIL Playbook

- Transform the management structure for sustainable growth and nurture an entrepreneurial culture
- Improve ROIC to 10% or more
- Improve core earnings margin aiming for 7.5%. Raise to 10% for mid-to long-term
- Maintain Net debt/EBITDA at 3.5x or less, providing a stable foundation to support mid-to long-term growth
- Aim for both sustainable corporate growth and creation of positive impact on society



LIXIL (1) Page 25-34 of LIXIL Integrated Report 2022 "Management Direction" https://ssl4.eir-parts.net/doc/5938/ir_material_for_fiscal_y41/127637/00.pdf#page=26
 (2) Page 6-7 of ESG Briefing Material in 2023 "ACHIEVING OUR PURPOSE THROUGH VALUE CREATION -UPDATING THE LIXIL PLAYBOOK" 5 https://ssl4.eir-parts.net/doc/5938/ir_material_for_fiscal_y33/133250/00.pdf#page=6

> KEY HIGHLIGHTS

Focus on core businesses, respond to external changes, address environmental issues through our businesses, and foster new core businesses

Progress of Playbook Initiatives

TRANSFORM

Tackle Inflation and Supply Chain Challenges

Challenges: Rise in material and logistics costs and supply chain disruptions

- Response:**
- ✓ Cost reduction through changes in materials and cost stability
 - ✓ Restructuring of inter-regional purchasing and establishment of procurement and production models within each region
 - ✓ Knockdown production and localization of downstream process

GROW

Grow Global Water Business

Challenges: Build foundation to capture growth of international business

- Response:**
- ✓ Strengthen high-value-added product lines especially showers and new color palettes
 - ✓ Risk reduction through diversification of sales channels
 - ✓ Identification of Regional Business and Global Business and classification of each strategy
 - ✓ Phase out commodity business
 - ✓ Establishment of strategic brand portfolio

GROW

Optimize Japan and Drive New Growth

Challenges: Transform into an agile, profitable and strong business

- Response:**
- ✓ Timely price optimization/digitalization of catalogs
 - ✓ Frequent restructuring of plants
 - ✓ Introduction of platform production system to create flexible, small scale product development system
 - ✓ Expand renovation-focused lines, including water products and insulation products (windows/walls)
 - ✓ Introduce environmentally friendly products and businesses in all the product categories
 - ✓ Achieve constant cost reduction through digitalization

INNOVATE

Embed Robust Environment Strategy

Develop New Core

Challenges: Achieve both sustainable growth and creation of positive impact on society

- Response:**
- ✓ Contribute to the reduction of 6.6million tons of CO₂ through window remodeling business CO₂ Reduction
 - ✓ Achieve recycled aluminum utilization ratio 70%, aiming for 100% by 2031 Water Conservation
 - ✓ Mitigation of water pollution by discharge through SATO
 - ✓ Energy and water saving through *Everstream Shower* and *KINUAMI U*
 - ✓ Enhancement of end-to-end recycling throughout all businesses with launch of *Revia* and *PremiAL* Circular Economy

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> PERFORMANCE HIGHLIGHTS

Revenue increased but profits decreased year-on-year

■ Revenue: JPY1,496.0 billion, up 5% year-on-year

- Q4 (3 months) YoY: +1% in Japan and +14% in international markets (+3.4% excluding foreign exchange impact)
- Q4 (12 months) YoY: +1% in Japan and +12% in international markets (-0.1% excluding foreign exchange impact)

■ Core earnings: JPY25.7 billion, down by JPY39.1 billion year-on-year

- Q4 (3 months) YoY: -JPY0.6 billion in Japan, +JPY2.5 billion in international markets and -JPY0.3 billion for consolidation adjustment/other factors
- Q4 (12 months) YoY: -JPY20.7 billion in Japan, -JPY20.9 billion in international markets and +JPY2.5 billion for consolidation adjustment/other factors

■ Profit for the year⁽¹⁾: JPY16.0 billion, down JPY32.6 billion year-on-year

- Decreased primarily due to decrease in core earnings

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

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› FYE2023 CONSOLIDATED BUSINESS RESULTS

JPY billion	Q4 (12 months)				Q4 (3 months)		
	FYE2022	FYE2023	Increase/ decrease (YoY)	%	FYE2023	Increase/ decrease (YoY)	%
Revenue	1,428.6	1,496.0	+67.4	+4.7%	372.2	+18.0	+5.1%
Gross profit	486.9	468.6	-18.2	-3.7%	116.2	+2.7	+2.4%
(%)	34.1%	31.3%	-2.8pp	-	31.2%	-0.8pp	-
SG&A	422.0	442.9	+20.9	+4.9%	111.4	+1.1	+1.0%
Core earnings (CE) ⁽¹⁾	64.9	25.7	-39.1	-60.3%	4.7	+1.6	+52.0%
(%)	4.5%	1.7%	-2.8pp	-	1.3%	+0.4pp	-
Profit for the year including Discontinued Operations ⁽²⁾	48.6	16.0	-32.6	-67.1%	5.0	-2.1	-30.0%
EPS (JPY)	167.21	55.54	-111.67	-66.8%	17.32	-7.11	-29.1%
EBITDA ⁽³⁾	145.6	107.6	-38.0	-26.1%	25.1	+1.7	+7.1%
(%)	10.2%	7.2%	-3.0pp	-	6.7%	+0.1pp	-

- **CE margin:** Declined by 2.8pp YoY (Improved by 0.4pp YoY for Q4 (3 months))
- **Gross profit margin:** Declined by 2.8pp YoY (Declined by 0.8pp YoY for Q4 (3 months))
- **SG&A expenses:** Increased by JPY20.9 billion YoY (Japan JPY0.2 billion increase, International JPY6.7 billion increase, forex effect JPY14.0 billion increase) mainly due to expanded sales activities and higher logistics costs. SG&A ratio remained at the same level as the previous year.

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

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› FYE2023 BUSINESS RESULTS BY SEGMENT

Revenue increased in all businesses, core earnings fell year-on-year from JPY depreciation and continued high component costs. LHT turned profitable in Q4 (3 months) due to price optimization.

New reporting segments	JPY billion	Q4 (12 months)					Q4 (3 months)			
		FYE2022 ⁽¹⁾	FYE2023	Increase/decrease (YoY)			FYE2023	Increase/decrease (YoY)		
				due to segment change ⁽²⁾	excluding segment change			due to segment change ⁽²⁾	excluding segment change	
LWT	Revenue	862.2	915.3	+53.1		232.1	+17.1			
	CE	76.6	47.3	-29.4		11.2	-0.9			
LHT	Revenue	584.2	598.2	+14.0	+4.3	+9.7	143.9	+1.1	-0.5	+1.6
	CE	31.7	19.4	-12.3	+1.2	-13.5	3.9	+2.8	+0.1	+2.6
Consolidation, adj. & other	Revenue	-17.8	-17.5	+0.3	-1.2	+1.4	-3.8	-0.2	-0.4	+0.2
	CE	-43.4	-40.9	+2.5	+0.1	+2.5	-10.4	-0.3	0.0	-0.3
LIXIL	Revenue	1,428.6	1,496.0	+67.4			372.2	+18.0		
	CE	64.9	25.7	-39.1			4.7	+1.6		

Forex impact⁽³⁾ Q4 12 months: Revenue +JPY56.8 billion, CE +JPY4.9 billion
Q4 3 months: Revenue +JPY12.3 billion, CE +JPY0.5 billion

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(1) Please refer to "Notice Regarding Change in Reporting Segments" disclosed on July 29, 2022 for full-year and quarterly results for FYE2022 in the new reporting segments
(2) Includes consolidation adjustments added by the change of reporting segments
(3) Forex translation effect gain(loss) from international subsidiaries

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➤ REFERENCE: FYE2023 BUSINESS RESULTS BY SEGMENT

Q4 (12 months and 3 months) business results in the former reporting segments are as follows

Former reporting segments	JPY billion	Q4 (12 months)			Q4 (3 months)	
		FYE2022	FYE2023	Increase/Decrease (YoY)	FYE2023	Increase/Decrease (YoY)
LWT	Revenue	862.2	915.3	+53.1	232.1	+17.1
	CE	76.6	47.3	-29.4	11.2	-0.9
LHT	Revenue	466.7	476.3	+9.7	113.8	+1.6
	CE	28.2	14.7	-13.5	1.8	+2.6
LBT	Revenue	89.3	95.7	+6.4	24.1	+0.5
	CE	3.5	3.4	-0.1	2.1	+0.5
H&S	Revenue	30.3	27.0	-3.2	6.2	-1.3
	CE	-0.1	1.3	+1.4	0.1	-0.4
Consolidation, adj. & other	Revenue	-19.8	-18.4	+1.4	-4.0	+0.2
	CE	-43.3	-40.8	+2.5	-10.4	-0.3
LIXIL	Revenue	1,428.6	1,496.0	+67.4	372.2	+18.0
	CE	64.9	25.7	-39.1	4.7	+1.6

Forex impact⁽¹⁾ Q4 12 months: Revenue +JPY56.8 billion, CE +JPY4.9 billion
Q4 3 months: Revenue +JPY12.3 billion, CE +JPY0.5 billion

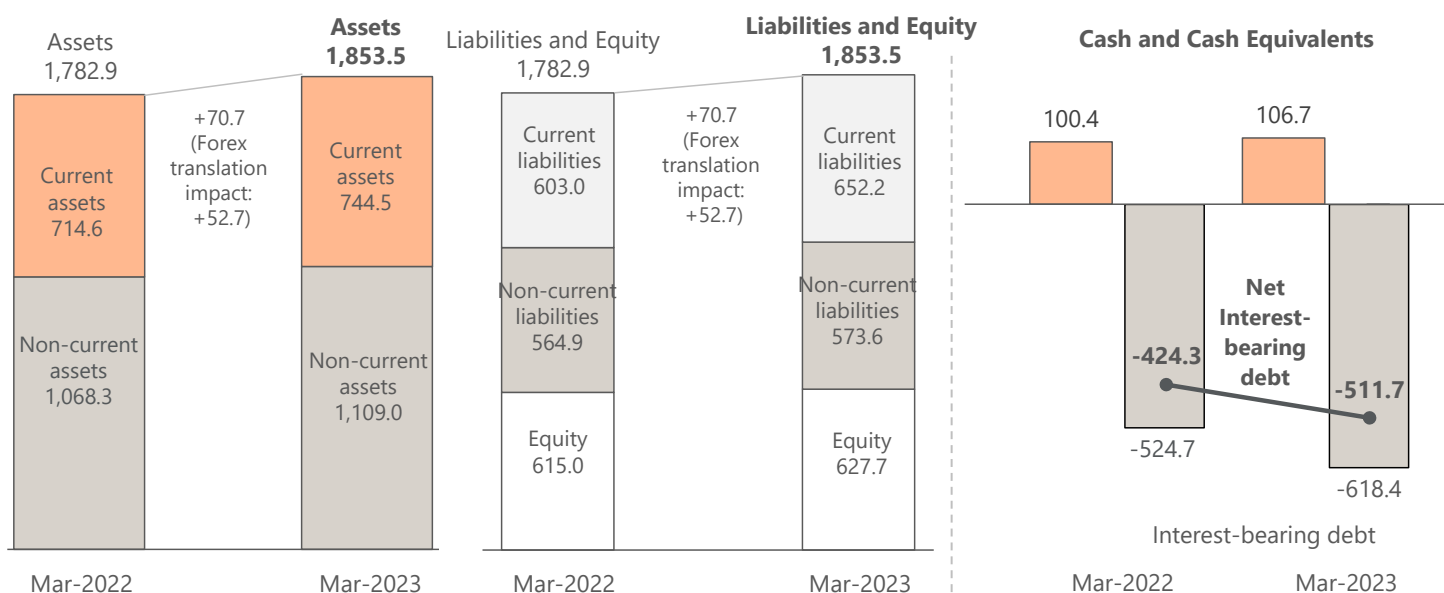
LIXIL (1) Forex translation effect gain(loss) from international subsidiaries

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➤ CONSOLIDATED FINANCIAL POSITION

Interest-bearing debt increased, primarily from Q2 fund-raising to accelerate payments under the “Declaration for Building Partnerships”⁽¹⁾.
Equity ratio is 33.7%

JPY billion

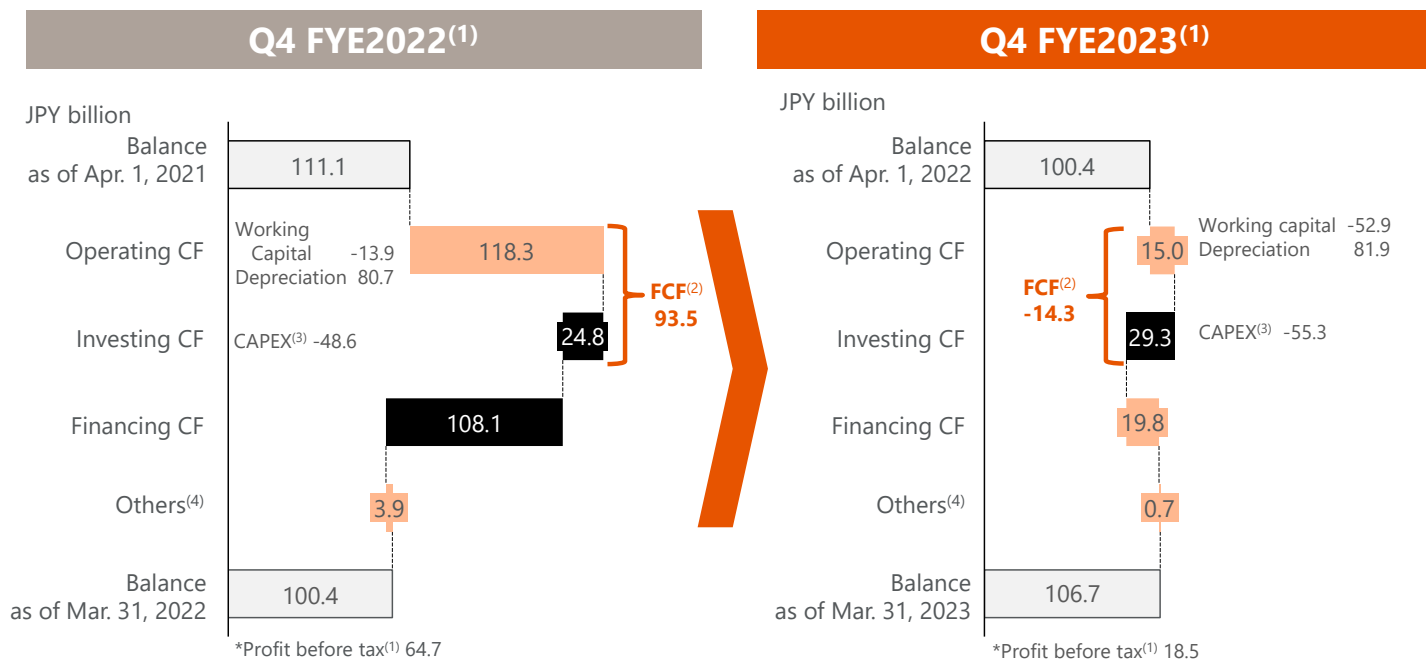


LIXIL (1) Please refer to H1 Results for the Fiscal Year Ending March 31, 2023 (IFRS) p.33 Business and ESG related topics “Responsible procurement with a reliable supply of products across the supply chain”

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➤ CASH FLOW STATUS AND CASH BALANCE

Free Cash Flow (FCF) declined by JPY107.8 billion due to factors including higher inventories to counter supply chain disruptions and a lower profit before tax



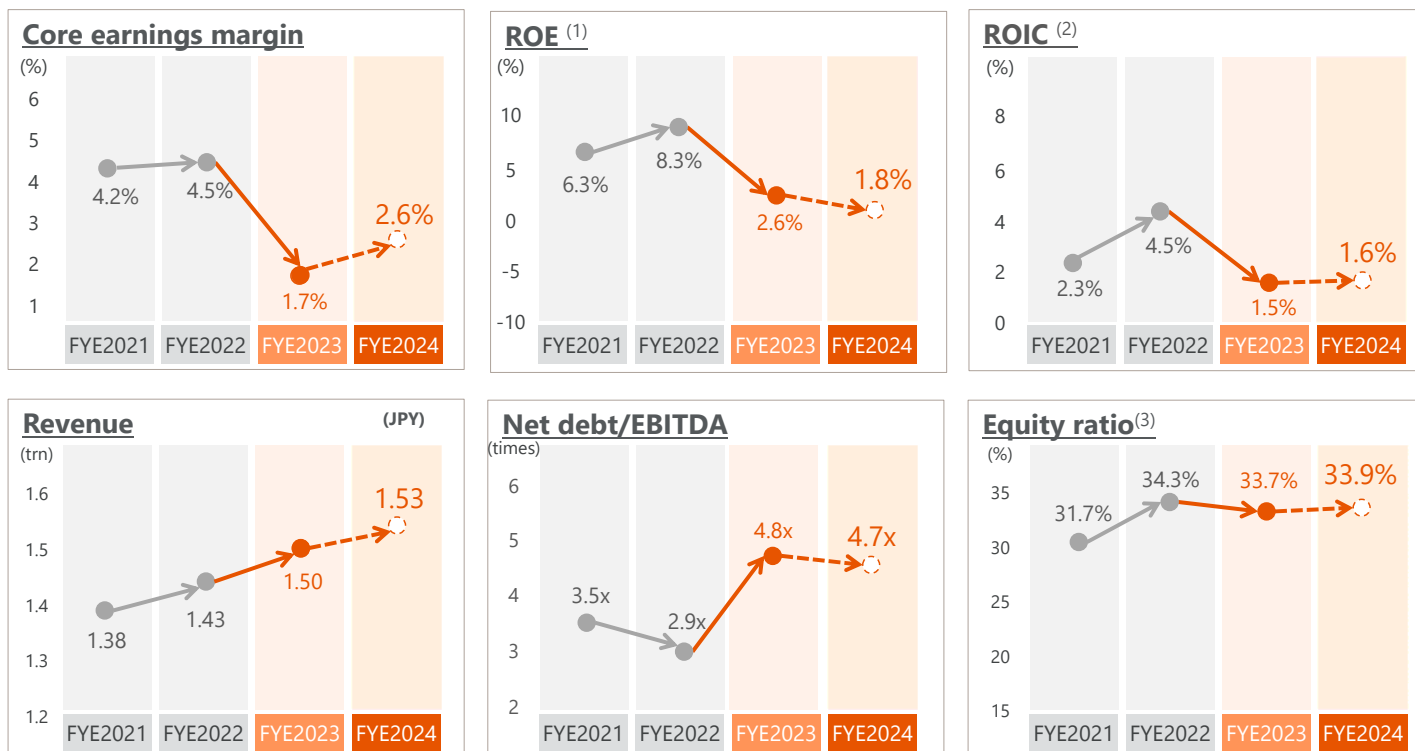
(1) Includes discontinued operations
 (2) "FCF" = Operating CF + Investing CF

(3) CAPEX = Purchase of property, plant and equipment + Purchase of intangible assets (Excluding Right of use assets in IFRS16)
 (4) "Others" = Effects of exchange rate changes

➤ PROGRESS OF MANAGEMENT STRATEGY & FORECAST FOR FYE2024

➤ FINANCIAL INDICATORS, FYE2024 FORECAST

Progress in strengthening balance sheet and improving profitability



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(1) Figure before the effect of issuance of new shares announced on April 28, 2023
 (2) Calculation: Operating profit x (1-Effective tax rate) ÷ (Working capital + Fixed assets)
 (3) Equity ratio under Japanese GAAP

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➤ FYE2024 FORECAST

Projecting an increase in Revenue and Profits⁽¹⁾ compared to the previous year. Forecasting annual dividend of JPY90 per share

	JPY billion	FYE2023 Results	FYE2024 Forecast	Increase /decrease
Revenue		1,496.0	1,530.0	+34.0
Core Earnings (CE)		25.7	40.0	+14.3
Operating Profit (OP)		24.9	28.0	+3.1
Profit before Tax		19.8	21.0	+1.3
Tax expenses		-2.9	-9.9	-7.1
Profit (loss) from discontinued operations		-0.9	0.0	+0.9
Net profit attributable to non-controlling interests		0.0	0.1	0.0
Net profit attributable to owners of the parent		16.0	11.0	-5.0
EPS (JPY)		55.54	38.32 ⁽²⁾	-17.22
ROE (%)		2.6	1.8 ⁽²⁾	-0.8pp
ROA (%)		0.9	0.6	-0.3pp
ROIC (%)		1.5	1.6	+0.1pp
EBITDA ⁽³⁾		107.6	120.5	+12.9
Net debt/EBITDA ⁽³⁾		4.8x	4.7x	0.0x
Dividend (JPY per share)		90	90	-
Payout ratio Consolidated basis		162.0%	234.9% ⁽²⁾	-

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(1) In Core earnings basis
 (2) Calculated using the number of shares outstanding as of March 31, 2023 (excluding treasury stocks)
 (3) EBITDA=Core earnings + Depreciation

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> FYE2024 FORECAST – MARKET OUTLOOK & ASSUMPTIONS

Market outlook and assumptions

		FYE2023 Results	FYE2024 Forecast	Difference
Housing starts (YoY%)	Total	848,000 ⁽¹⁾	833,000/-2%	-
	Renovation	+7% ⁽¹⁾	+1%	-
FX rate (Average rate)	JPY/USD	134.95	135.0	0.0%
	JPY/EUR	141.24	137.7	-2.5%
Raw material prices (JPY/ton)	Aluminum	392,000	385,000	+7,000
	Copper alloy	989,000	1,001,000	+12,000

Business outlook

Group wide:

- Despite mitigation of cost increase due to JPY depreciation and increased raw material costs, pressure to increase component prices in Japan continues throughout FYE2024. Continue to recover profitability through initiatives such as price optimization, restructuring of supply chains, and reduction of fixed-costs

Japan:

- New housing:** Impact from a rapid decrease in new housing starts from Oct 2022 will continue through H1 FYE2024 with a year-on-year estimated at -2%.
- Renovation:** Demand for renovation products such as windows is expected to remain strong due to growing interest in energy conservation and government subsidies

International:

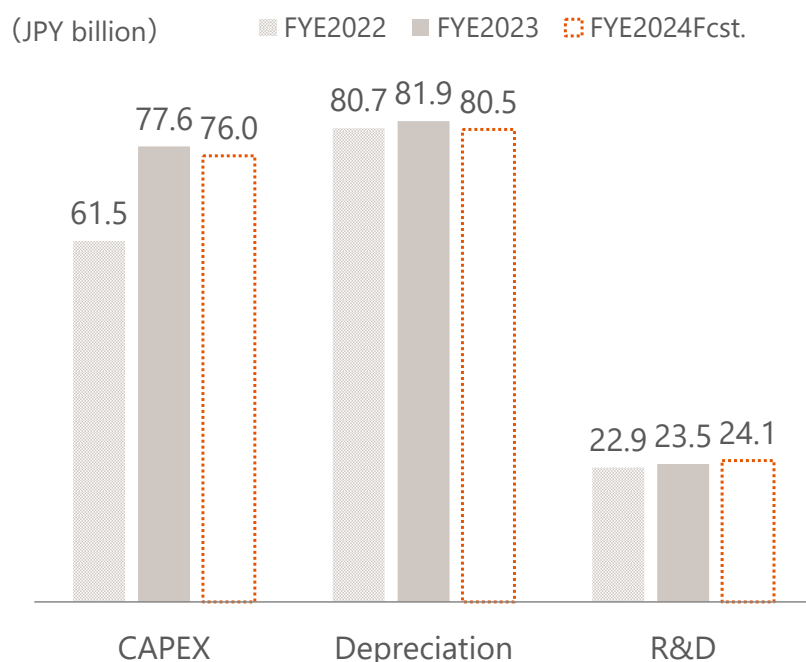
- EMENA:** Sluggish demand continues, especially in Central Europe, due to inflation and rising interest rates. The Middle East region, especially Saudi Arabia, has become an important growth opportunity, replacing Russia, East Europe remains uncertain due to the Ukraine-Russia conflict, while demand is strong in Southern Europe
- Americas:** Renovation demand remains strong while demand for new houses is impacted by a rise in interest rates and inflation.
- China:** Closely monitoring the recovery of economic activity and the real estate market after mitigation of COVID lockdowns
- Asia Pacific:** Despite solid economic activity, growth from FYE2023 is expected to be slow
- Aiming for a model of local-production and local-consumption while restructuring the international market supply chain. Establish supply routes that are not impacted by higher ocean freight costs.

LIXIL (1) Company estimate as of February 2023

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> CAPEX, DEPRECIATION, AND R&D EXPENDITURE⁽¹⁾

By setting investment efficiency and safety indicators such as the Key Goal Indicator, we improve financial strength and raise profitability



Breakdown of CAPEX

	JPY billion	FYE2022 Actual	FYE2023 Actual	FYE2024 Plan
IT investment		10.1	12.6	15.3
Excluding above		51.4	65.0	60.7
Total CAPEX	61.5	77.6	76.0	76.0

Breakdown of Depreciation

	JPY billion	FYE2022 Actual	FYE2023 Actual	FYE2024 Plan
IT depreciation		12.9	12.3	12.2
Excluding above		67.8	69.6	68.3
Total Depreciation	80.7	81.9	80.5	80.5

LIXIL (1) Excludes discontinued operations. CAPEX and Depreciation includes intangible assets and IFRS 16 lease

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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	FYE2023 Results	YoY vs Results		FYE2024 Forecast
			Increase /decrease	%	
Japan	Revenue	418.4	+4.7	+1.1%	429.5
	CE	25.0	-8.2	-24.8%	25.5
	CE margin	6.0%	-2.1pp	-	5.9%
International ⁽¹⁾	Revenue	496.9	+48.5	+10.8%	515.5
	CE	22.3	-21.1	-48.7%	27.5
	CE margin	4.5%	-5.2pp	-	5.3%
Water Technology Total	Revenue	915.3	+53.1	+6.2%	945.0
	CE	47.3	-29.4	-38.3%	53.0
	CE margin	5.2%	-3.7pp	-	5.6%

Revenue

- **Japan:** Revenue increased due to price optimization and strong sales for renovation products that enhance people's life styles
- **Int'l⁽¹⁾:** Revenue decreased slightly in local currency terms 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:** 54.3%, up by 2.3pp YoY

Core earnings

- **Japan:** CE declined YoY as efforts from price optimization and reduction of fixed cost were outweighed by an accelerated increase in component costs
- **Int'l⁽¹⁾:** CE declined YoY but saw gradual recovery from Q3 on price optimization to cover increased costs, including logistics costs and energy prices
- **Int'l CE distribution ratio:** 47.2%, down by 9.5pp YoY

INTERNATIONAL WATER TECHNOLOGY REVENUE BY REGION

By region: Management basis Total: Statutory basis ⁽¹⁾ JPY billion	FYE2023 Results	YoY local currency basis	FYE2024 Forecast	YoY local currency basis
Americas	155.9	-4%		+8% ⁽²⁾
EMEA	192.9	+1%		+4%
China	50.9	-15%		0%
Asia Pacific	57.6	+12%		+10%
Adjustments	39.5			
Water Technology International Business Total	496.9	+11%	515.5	+4%

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 reduced orders from customers' inventory adjustments
- ✓ Continued focus on renovation-related and direct-to-consumer sales ratio to strengthen profitability

China

Revenue declined with delay in expected rebound after lifting of zero-COVID policy. Increased in JPY terms

- ✓ Pay attention on demand recovery going forward

EMEA

Despite recovery from logistic capacity issue, demand softened in parts of Europe, resulting in modest overall revenue increase in local currency. Increased in JPY terms

- ✓ Softer demand in Central Europe and discontinued business in Russia had a major impact in FYE2023
- ✓ Strong sales growth continued in the Middle East region
- ✓ Logistics capacity issues have resolved from January

Asia Pacific

Strong revenue increase due to economic recoveries and retail channel growth

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

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(1) Statutory basis currency : Q4 FYE2023 Results 1USD=JPY134.95, 1EUR=JPY141.24 (2) Includes impact from M&A in FYE2023
Management basis currency : FYE2023 1USD=JPY115.0, 1EUR=JPY131.1
FYE2024 1USD=JPY135.0, 1EUR=JPY137.7

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HOUSING TECHNOLOGY

Revenue increased while core earnings decreased for Japan business. Both revenue and core earnings increased for International business.

	JPY billion	FYE2023 Results	YoY vs Results		FYE2024 Forecast
			Increase /decrease	%	
Japan	Revenue	571.8	+6.2	+1.1%	583.0
	CE	18.9	-12.5	-39.8%	32.5
	CE margin	3.3%	-2.2pp	-	5.6%
International	Revenue	26.4	+7.8	+41.7%	23.5
	CE	0.5	+0.2	+61.2%	0.5
	CE margin	1.9%	+0.2pp	-	2.1%
Housing Technology Total ⁽¹⁾	Revenue	598.2	+14.0	+2.4%	606.5
	CE	19.4	-12.3	-38.9%	33.0
	CE margin	3.2%	-2.2pp	-	5.4%

Revenue

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

Core earnings

- CE declined as price optimization did not offset cost increases. Lower sales volume in sluggish new housing market. Profitability began recovery due to H2 price optimization and improved sales of high-performance sashes for renovation
- Aim to improve CE margin by continuation of fixed-cost reduction and price optimization to offset cost increases

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(1) FYE2023 Results (Former segments)

LHT Revenue JPY476.3 billion, CE JPY14.7 billion, CE margin 3.1%

LBT Revenue JPY95.7 billion, CE JPY3.4 billion, CE margin 3.5%

H&S Revenue JPY27.0 billion, CE JPY1.3 billion, CE margin 4.7%

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➤ APPENDIX: FINANCIAL DATA

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➤ REVENUE BY PRODUCT AND SERVICE

Demand for window remodeling increased from Q4 on energy conservation needs and government subsidies. Higher demand for products that makes homes more efficient and enhance people's lifestyles

Segments	Major products	JPY billion			in %							
		Full-year FYE2022 Results	Full-year FYE2023 Results	YoY	FYE2022				FYE2023			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
LWT	Sanitary ware**	104.7	106.5	+1.7%	+0.9	-3.9	-0.1	+0.2	+0.4	+6.7	+2.1	-2.1
	Bathroom units	85.9	87.4	+1.7%	+10.7	-2.9	-3.3	-8.2	-2.4	+4.0	+1.3	+4.1
	Washstand cabinet units**	39.1	38.7	-1.0%	+13.7	+6.6	+2.9	+0.6	+1.8	-1.0	-1.7	-2.7
	Kitchens	101.9	100.9	-1.0%	+9.5	+4.8	+1.8	-7.5	+0.3	-2.5	-2.1	+0.6
	Tiles	32.8	31.9	-2.6%	-1.6	+0.2	+0.6	-2.2	-4.2	-1.2	-2.5	-2.7
LHT	Housing sashes and related products	164.2	165.5	+0.8%	-2.0	-4.3	-6.6	-3.9	-1.2	-2.1	-0.5	+7.8
	Exterior	101.4	101.5	+0.2%	+3.1	+1.2	+0.7	+3.0	0.0	+3.2	+1.8	-4.5
	Wooden interior furnishing materials	62.3	62.7	+0.7%	-3.1	+0.5	-0.7	+2.4	+1.4	+7.8	+0.7	-6.7
	LHT Others	40.9	43.7	+6.8%	-36.5	-32.9	-30.3	+14.7	+17.0	+8.1	+2.8	+0.7
	Building sashes ⁽¹⁾	89.3	95.7	+7.1%	-15.4	-9.4	+2.3	+4.6	+9.3	+13.3	+5.0	+2.0
	Housing and Services business ⁽¹⁾	30.3	27.0	-10.7%	-36.5	-32.9	-44.7	-21.7	-4.8	-11.9	-7.9	-17.8
	International ^{(1) (2)}	467.1	523.3	+12.0%	+49.6	+6.2	+13.0	+10.0	+11.3	+13.9	+9.3	+13.7
	Others/consolidation & adj.	108.8	111.1	-								
Total		1,428.6	1,496.0	+4.7%	+11.4	+0.1	+0.8	+3.3	+4.2	+6.3	+3.4	+5.1
(Reference)**Sales of Faucets included in "Sanitary ware" and "Washstand cabinet units"												
LWT	Faucets	24.7	24.7	-0.2%	+17.9	+13.6	+16.1	+7.5	-0.3	+3.4	-6.1	+4.1

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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. 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 1.6pp. Demand remained strong for products that makes homes more efficient and enhance people's lifestyles

JPY billion	Q4 (12 months)				Q4 (3 months)	
	FYE2022 Results ⁽¹⁾	FYE2023 Results	Increase /decrease	YoY	FYE2023 Results	YoY
Sales of renovation-related products	310.0	328.3	+18.2	+6%	78.8	+9%
LWT-J				+5%		+7%
LHT-J				+7%		+10%
Excl. building				+6%		+9%
Building business				+15%		+21%
Renovation sales ratio	39%	40%	+1.6pp		39%	+2.6pp

Renovation sales ratio by business segment (YoY)

	FYE2022	FYE2023	Increase /decrease
LWT	47%	49%	+2.0pp
LHT	32%	34%	+1.4pp
Japan Total	39%	40%	+1.6pp

Number of member homebuilders

Stores	Mar 2021	Mar 2022	Mar 2023
LIXIL Reform Shop (Franchise)	540	536	544
LIXIL Reform Shop (Independent stores)	11,373	11,264	11,224
LIXIL PATTO Reform Service Shop	3,817	3,804	3,833

LIXIL (1) Sales of renovation product was restated for comparison on the same basis

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➤ GROWTH IN INTERNATIONAL WATER TECHNOLOGY BUSINESS

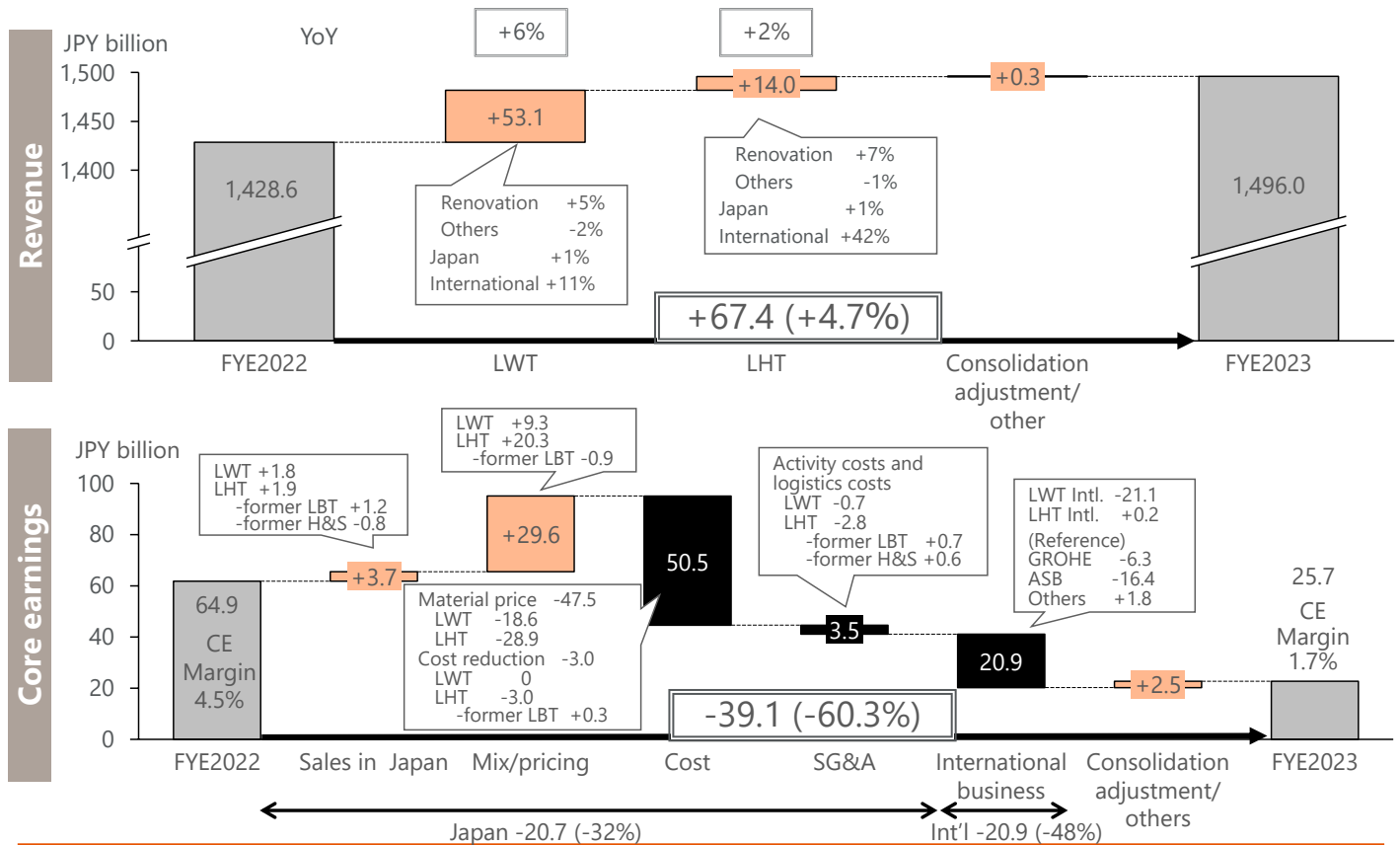
Leveraging our brands, manufacturing assets and advanced technologies, we are accelerating growth by bridging portfolio gaps globally⁽¹⁾

	FYE2023 (12 months)					Q4 FYE2023 (3 months)				
	Intl. Total	Americas	EMEA	China	Asia Pacific	Intl. Total	Americas	EMEA	China	Asia Pacific
Sales distribution ratio										
Bath faucets and showers	42%	13%	64%	51%	39%	39%	12%	59%	50%	38%
Toilets	39%	53%	23%	39%	57%	40%	51%	28%	40%	56%
Kitchen faucets and water systems	8%	4%	12%	5%	2%	7%	4%	12%	5%	2%
Bathing and showering systems	8%	21%	0%	0%	1%	9%	25%	0%	0%	1%
All others	4%	9%	1%	4%	1%	4%	8%	1%	5%	3%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Sales growth										
Bath faucets and showers	-2%	-11%	-1%	-14%	+22%	-3%	-7%	-4%	-12%	+10%
Toilets	0%	-4%	+11%	-24%	+16%	+9%	+4%	+36%	-9%	-4%
Kitchen faucets and water systems	-12%	-23%	-8%	-22%	+4%	-6%	-21%	0%	-21%	+10%
Bathing and showering systems	+10%	+10%	-22%	-36%	+75%	+36%	+37%	-38%	-59%	+54%

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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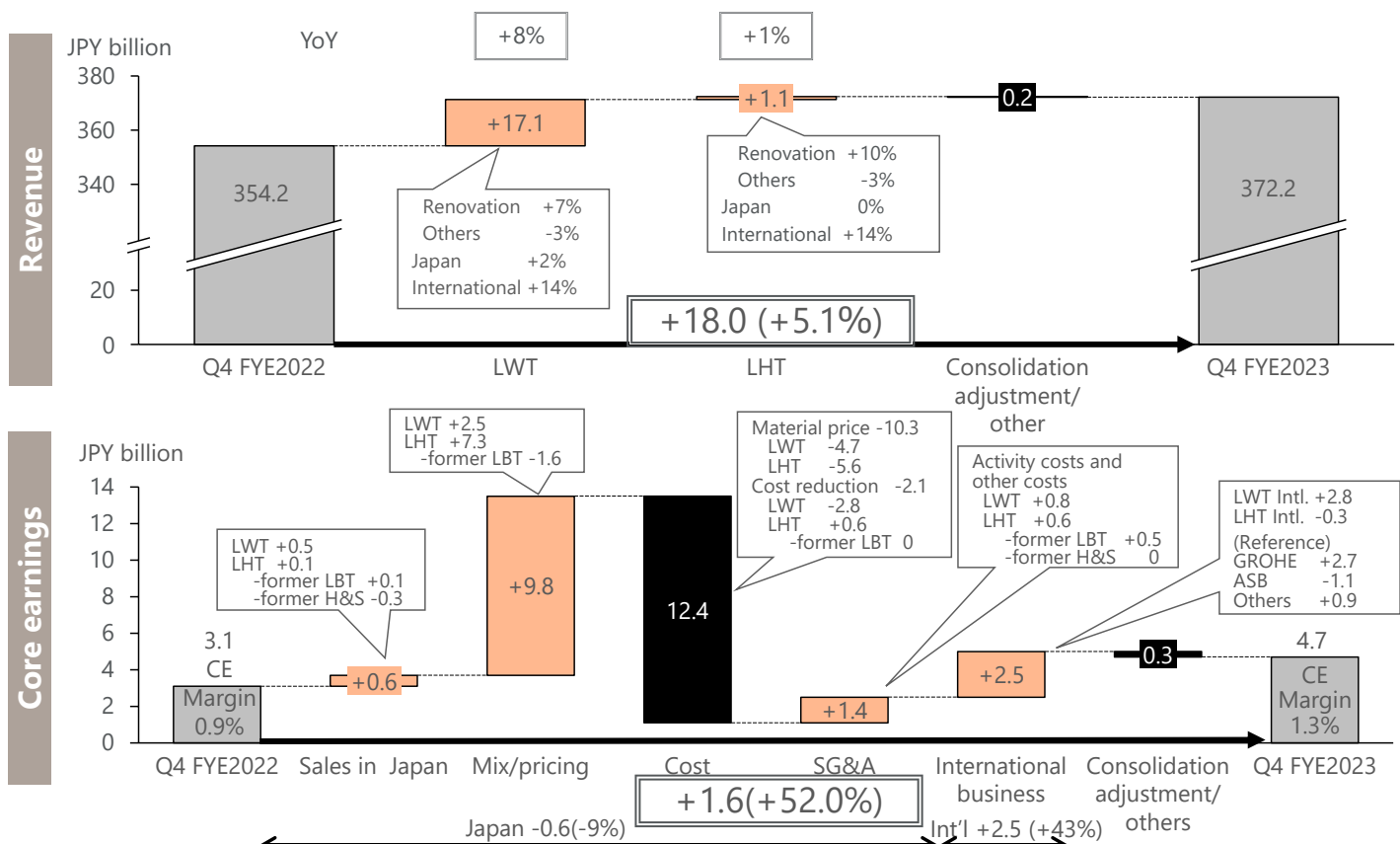
Q4 (12 MONTHS) FYE2023 CHANGE OF REVENUE AND CORE EARNINGS



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Q4 (3 MONTHS) FYE2023 CHANGE OF REVENUE AND CORE EARNINGS



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➤ FYE2023 OTHER INCOME AND EXPENSES, FINANCE INCOME AND COSTS

	JPY billion	FYE2022 Results	FYE2023 Results	Increase/decrease
Profit on disposal of assets held for sale		12.8	5.3	-7.5
Others		4.3	4.5	+0.3
Other income		17.0	9.8	-7.3
Loss on sale and disposal of property, plant and equipment		1.5	2.0	+0.5
Impairment losses		2.6	2.8	+0.2
Others		8.3	5.8	-2.6
Other expenses		12.4	10.6	-1.8
Interest income		1.3	1.1	-0.2
Dividend income		1.7	1.4	-0.3
Gain on valuation of derivatives		1.1	0.4	-0.7 (A)
Others		0.0	0.2	+0.2
Finance income		4.1	3.1	-1.0
Interest expense		4.4	5.4	+1.0
Exchange difference losses		1.7	2.6	+1.0 (A)
Others		0.1	0.3	+0.2
Finance costs		6.2	8.3	+2.1

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

	FYE2023 Results
Gain on valuation of derivatives	0.4
Exchange difference losses	-2.6
Net	-2.2 loss

	FYE2022 Results
Gain on valuation of derivatives	1.1
Exchange difference losses	-1.7
Net	-0.6 loss

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➤ RESULTS AND FORECASTS BY SEGMENT

	JPY billion	FYE2022 Results			FYE2023 Results				FYE2024 Forecast			
		Japan	Intl.	Total	Japan	Intl.	Total	Total YoY%	Japan	Intl.	Total	Total YoY%
LWT	Revenue	413.7	448.4	862.2	418.4	496.9	915.3	+6.2%	429.5	515.5	945.0	+3.2%
	CE	33.2	43.4	76.6	25.0	22.3	47.3	-38.3%	25.5	27.5	53.0	12.2%
	CE margin	8.0%	9.7%	8.9%	6.0%	4.5%	5.2%	-3.7pp	5.9%	5.3%	5.6%	+0.4pp
LHT ⁽¹⁾	Revenue	565.6	18.6	584.2	571.8	26.4	598.2	+2.4%	583.0	23.5	606.5	+1.4%
	CE	31.4	0.3	31.7	18.9	0.5	19.4	-38.9%	32.5	0.5	33.0	+70.4%
	CE margin	5.5%	1.6%	5.4%	3.3%	1.9%	3.2%	-2.2pp	5.6%	2.1%	5.4%	+2.2pp
Cons. adj. & others ⁽²⁾	Revenue			-17.8			-17.5	-			-21.5	-
	CE			-43.4			-40.9	-			-46.0	-
LIXIL ⁽²⁾	Revenue	979.3	467.1	1,428.6	990.2	523.3	1,496.0	+4.7%	1,012.5	539.0	1,530.0	+2.3%
	CE	64.6	43.7	64.9	43.8	22.8	25.7	-60.3%	58.0	28.0	40.0	+55.4%
	CE margin	6.6%	9.4%	4.5%	4.4%	4.4%	1.7%	-2.8pp	5.7%	5.2%	2.6%	+0.9pp

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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) USD million	FYE2022	FYE2023	YoY
Foreign exchange rate (Average rate)	112.86	134.95	-
Revenue	1,408	1,355	-4%
Core earnings	77	-57	-
Core earnings margin	5%	-4%	-

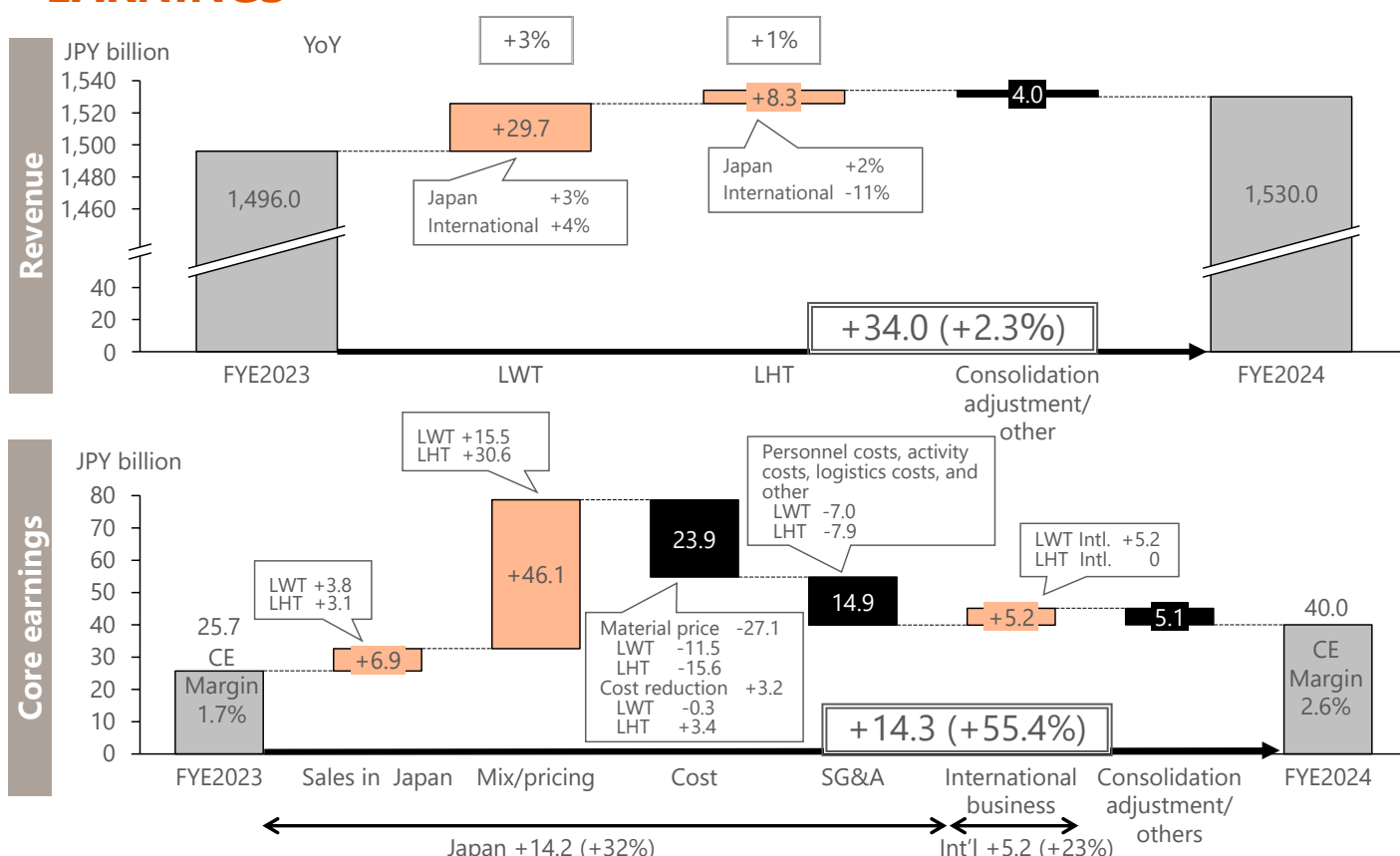
Accounting period	FYE2022	FYE2023		
	Balance	Amortization	Others ⁽¹⁾	Balance
Foreign exchange rate (Current rate for balance, Average rate for amortization)	122.39	134.95	-	133.53
Goodwill ⁽²⁾	227	-	21	247
Intangible assets ⁽²⁾	200	-6	55	249

Grohe Group (GROHE) EUR million	FYE2022	FYE2023	YoY
Foreign exchange rate (Average rate)	131.01	141.24	-
Revenue	1,776	1,780	0%
Core earnings	253	189	-25%
Core earnings margin	14%	11%	-3.6pp

Accounting period	FYE2022	FYE2023		
	Balance	Amortization	Others ⁽¹⁾	Balance
Foreign exchange rate (Current rate for balance, Average rate for amortization)	136.70	141.24	-	145.72
Goodwill ⁽²⁾	1,203	-	-2	1,201
Intangible assets ⁽²⁾	1,417	-11	-2	1,404

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_y35/120909/00.pdf#page=51

FYE2024 FORECAST CHANGE OF REVENUE AND CORE EARNINGS



➤ APPENDIX: BUSINESS AND ESG RELATED TOPICS

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➤ CHANGE IN OFFICERS (1)

(Announced on March 27, 2023)

(Effective after the annual shareholders' meeting to be held in June 2023)

List of Directors

(◎: newly appointed June 2023, □: independent director, Underline: female member, ✳: Chairperson, ●: Member)

		Name	Chairperson of the Board	Nomination Committee	Audit Committee	Compensation Committee	Governance Committee
Internal Directors ⁽¹⁾		Kinya Seto					
		Sachio Matsumoto					
		<u>Hwa Jin Song Montesano</u>					
Outside Directors	□◎	Jun Aoki		●		●	●
	□◎	Shigeki Ishizuka			●		●
	□	<u>Shiho Konno</u>			●		●
	□	<u>Mayumi Tamura</u>			●		●
	□	Yuji Nishiura		✳		●	●
	□	Daisuke Hamaguchi			✳		●
	□	Masatoshi Matsuzaki	✳	●			✳
	□	<u>Mariko Watahiki</u>		●		✳	●

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› CHANGE IN OFFICERS (2)

(Effective after the annual shareholders' meeting to be held in June 2023)

Newly appointed candidate



Jun Aoki

(Date of Birth: April 30, 1957)

Reason for Appointment

As a first-class architect, Mr. Aoki has abundant industry in urban planning, buildings, and building materials. He also brings deep knowledge of technology, understanding of diversity and inclusion, practical experience in corporate management, and global business experience. Therefore, he is considered capable of performing the duties of an outside director of the Company.

Vitae

Apr. 1980	Joined Maki and Associates
Apr. 1991	Associate Consultant, McKinsey & Company Inc. Japan Office
Jul. 1995	Senior Engagement Manager, McKinsey & Company Inc. Japan Office
Feb. 1999	CEO, BNP Paribas Cardif Japan
Nov. 2011	Head of International Human Resources, BNP Paribas Cardif (France)
Nov. 2014	Corporate Advisor, Shiseido Co., Ltd.
Apr. 2015	Corporate Officer, Chief People Officer, Department Director, Human Resources Department, Shiseido Co., Ltd.
Jan. 2016	Responsible for China Business Innovation Project, Executive and External Relations, Shiseido Co., Ltd. Chairman, Shiseido Liyuan Cosmetics Co., Ltd.
Jan. 2017	Corporate Executive Officer, Chief Creative Officer, Responsible for Advertising and Design, Shiseido Co., Ltd.
Mar. 2017	Director, Shiseido Co., Ltd.
Jan. 2018	Representative Director, Responsible for Human Resources, Executive and External Relations, and Corporate Culture, Shiseido Co., Ltd.
Jan. 2019	Director, Chief People Officer, Chief Social Value Creation Officer, Assisting the CEO in general corporate management
Jan. 2020	Corporate Executive Officer, Chief Social Value Creation Officer, Shiseido Co., Ltd.
Jan. 2022	Representative Director, Junpumanpan Inc. (incumbent)

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› CHANGE IN OFFICERS (3)

(Effective after the annual shareholders' meeting to be held in June 2023)

Newly appointed candidate



Shigeki Ishizuka

(Date of Birth: November 14, 1958)

Reason for Appointment

In addition to his experience in corporate management, Mr. Ishizuka has many years of experience in IT and digital technology, manufacturing technology, and quality management. He also has many years of practical management experience at a global company and high level of insights into manufacturing and technological development. Therefore, he is considered capable of performing the duties of an outside director of the Company.

Vitae

Apr. 1981	Joined Sony Corporation ⁽¹⁾
Aug. 2004	Managing Director, Corporate Executive, Sony EMCS Corporation (currently, Sony Global Manufacturing & Operations Corporation)
Jun. 2007	SVP, Corporate Executive, Sony Corporation ⁽¹⁾
Apr. 2015	EVP, Corporate Executive Officer, Sony Corporation
Apr. 2017	Representative Director and President, Sony Imaging Products & Solutions Inc. (currently, Sony Corporation)
Jun. 2018	Senior EVP, Sony Corporation ⁽¹⁾
Apr. 2020	Representative Director and President, CEO, Sony Electronics Corporation (currently, Sony Corporation)
Jun. 2020	Vice Chairman, Representative Corporate Executive Officer, Sony Corporation ⁽¹⁾
Apr. 2021	Director, Sony Corporation
Jun. 2021	Outside Director, Marubeni Corporation (incumbent)
Jun. 2022	Vice Chairman, Sony Group Corporation

LIXIL (1) Currently Sony Group Corporation

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CHANGE IN OFFICERS (4)

(Announced on March 27, 2023)

(as of April 1, 2023)

List of Executive Officers

(※concurrently serves as a director, Underline: female member)

Name		Positions
Kinya Seto	※	Representative Executive Officer, President, and Chief Executive Officer
Sachio Matsumoto	※	Representative Executive Officer, Executive Vice President, Finance, Treasury, M&A, Investor Relations, and Chief Financial Officer
<u>Hwa Jin Song</u> <u>Montesano</u> ⁽¹⁾	※	Representative Executive Officer, Executive Vice President, Human Resources, Communications, External Affairs, and Impact Strategy, and Chief People Officer
Yugo Kanazawa		Executive Officer, Executive Vice President, Marketing and Digital, Chief Digital Officer
Bijoy Mohan		Executive Officer, Executive Vice President, LIXIL International
Satoshi Yoshida		Executive Officer, Executive Vice President, LIXIL Housing Technology (LHT)
Hiroyuki Oonishi		Executive Officer, Executive Vice President, LIXIL Water Technology (LWT) Japan
<u>Shoko Kimijima</u>		Executive Office, Executive Vice President, Legal, Compliance, and Corporate Audit, and Chief Legal and Compliance Officer

LIXIL (1) Appointed as Representative Executive Officer effective April 1, 2023

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INTRODUCING RESTRICTED STOCK COMPENSATION PLAN FOR EXECUTIVE OFFICERS

Addition of Restricted Stock Compensation Plan to mid- to long-term Incentive Compensation Plan in order to better align the work of the Executive Officers (EOs) with the interests of shareholders and create value over mid- to long-term. ⁽¹⁾⁽²⁾

Former system

Annual Base Salary	Performance-linked Compensation	Stock-linked Compensation Phantom Stock (Vesting date: after three years)
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After March 2024

Annual Base Salary	Performance-linked Compensation	Stock-linked Compensation Phantom Stock (Vesting date: after three years)	Restricted Stock (Restriction transferred date: at retirement)
--------------------	---------------------------------	---	--

- Mid- to long-term Incentive Compensation Plan for EOs shall consist of 50% each of the current Phantom Stock and the new Restricted Stock Compensation Plan from April 2023
- The number of Company shares to be held by EOs during their term of office (at least three times the amount of Annual Base Salary for Representative EOs and at least one time the amount of Annual Base Salary for other EOs) was newly outlined in Stock Ownership Guideline

LIXIL (1) Please see "Notification Regarding Issuance of New Shares as Restricted Stock Compensation", disclosed on Apr. 28, 2023
(2) Including Executive Officers who serve as Director and excluding Executive Officers who are not resident in Japan

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➤ BUSINESS AND ESG RELATED TOPICS

Developed new concept window utilizing our unique technology and materials research

Launched panoramic window **SEAMLESS** made of carbon fiber reinforced plastic (CFRP)⁽¹⁾



- Achieved a sophisticated large-opening design by utilizing CFRP, which combines strength, high levels of insulation, and durability
- First time to use CFRP for window sashes. Exploring the potential of alternative materials in addition to aluminum and resin
- Through highly insulated openings, aim to achieve a comfortable and healthy lifestyle for the future

Promote development of a strategic brand portfolio

Strengthen GROHE sub-brand **GROHE SPA**
Promote ASB brand penetration



- Exhibited **GROHE SPA**, one of the three GROHE sub-brands⁽²⁾, at Milan Design Week, April 18-23, 2023⁽³⁾
- With the concept of "Health through Water", enhance brand value by providing a high-quality shower experience that goes beyond hygiene and is highly customizable
- Also, LIXIL is strengthening the user experience of American Standard, creating a strategic brand portfolio

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(1) News Release https://newsroom.lixil.com/hubfs/newsroom/PDF/JapanComms/20230227_SEAMLESS.pdf (Japanese only)
(2) **GROHE SPA**, **GROHE Professional**, **GROHE QuickFix**
(3) News Release https://newsroom.lixil.com/20230418_mdw

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➤ BUSINESS AND ESG RELATED TOPICS

Climate Change Mitigation and Adaptation

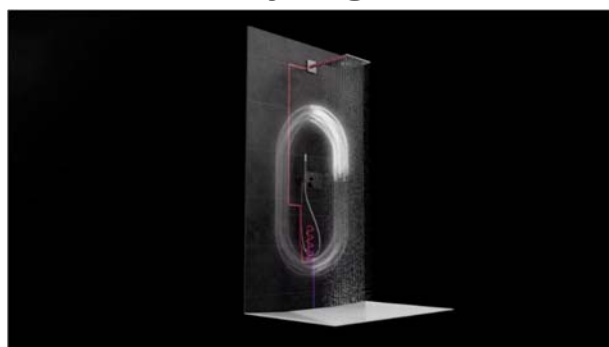
Installed PPA model⁽¹⁾ solar-power generation facilities at two plants⁽²⁾



- Introduced solar power generation facilities based on an on-site PPA model to create the use of renewable energy
- Harness renewable energy to reduce CO₂ emissions from business processes, products, and services to virtually net zero by 2050
- CO₂ emissions from the two plants will be reduced by approximately 321 tonnes per year

Promote Circular Economy

Unveiled **GROHE Everstream** concept, water recycling shower



- Cuts water use by up to 75%, and energy use by up to 66% for a 10-minute shower compared to conventional type
- Will be available from spring 2024
- Create additional environmental value by contributing to reduction of CO₂ emissions with water-saving and reduction of hot water use

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(1) PPA: An arrangement in which the power producer install solar power generation equipment on a customer's property free of charge and sell the electricity generated to the customer

(2) News Release https://newsroom.lixil.com/ja/20230209_01 (Japanese only)
(3) News Release https://www.grohe-x.com/en/newsroom-overview/news-overview-international/sustainability_grohe-everstream

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EXTERNAL RECOGNITION

FTSE Russel Indexes

Constituent of the FTSE Blossom Japan Sector Relative Index (March 2022), FTSE4Good Index Series and FTSE Blossom Japan (June 2022, six consecutive years) created by FTSE Russel



Dow Jones Sustainability Indices

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 A

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



CDP Supplier Engagement Leaderboard

Received the highest rating (March 2023, three 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)

Please see our website⁽¹⁾ for the disclaimer

2022 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

MSCI ESG Leaders Indexes

Selected as a constituent of the MSCI Japan ESG Select Leaders Index (December 2022)

Please see our website⁽¹⁾ for the disclaimer

2023 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

MSCI ESG Ratings

Upgraded from AA to AAA in MSCI ESG Ratings (February 2023)

Please see news release⁽²⁾ for the disclaimer



Nadeshiko Brand

Selected as a constituent of Nadeshiko Brand, jointly conducted by METI and TSE (March 2023, seven times)



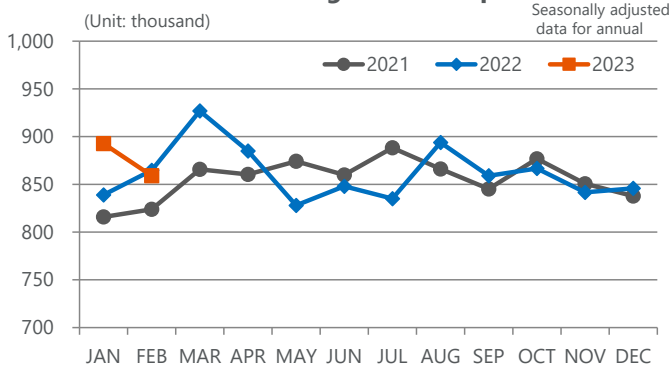
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(1) LIXIL's corporate site External Evaluation & Awards <https://www.lixil.com/en/about/evaluation.html>
(2) News Release https://newsroom.lixil.com/20230323_msci_nadeshiko

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MARKET TRENDS

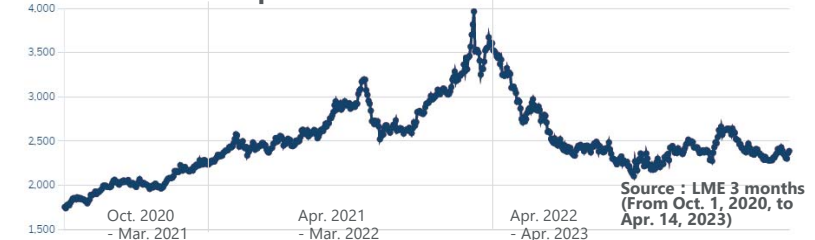
Trend of new housing starts in Japan



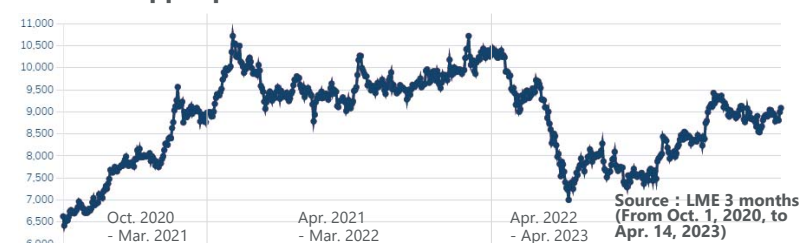
New housing construction level in Japan (year-on-year)

- Jan.-Feb. 2023: +3.0%
- Jan.-Dec. 2022: +0.4%

Aluminum price trend



Copper price trend



Foreign exchange rates (Average rate)	FYE2022 Actuals	FYE2023 Actuals	FYE2024 Assumptions
	US dollar	JPY112.86	JPY134.95
Euro	JPY131.01	JPY141.24	JPY137.7

(JPY per tonne)

Results and assumptions	FYE2022 Actuals	FYE2023 Actuals	FYE2024 Assumptions
	Aluminum price (Purchasing price)	305,000	392,000
Copper alloy price	868,000	989,000	1,001,000

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Cautionary Statements with Respect to Forward-Looking Statements

Statements made in these materials with respect to plans, strategies and future performance that are not historical facts are forward-looking statements. LIXIL Corporation cautions that a number of factors could cause actual results to differ materially from those discussed in the forward-looking statements.

MAKE BETTER HOMES A REALITY FOR EVERYONE, EVERYWHERE