

**Consolidated Financial Results for the First Quarter Ended June 30, 2023**  
**(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>
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Scheduled date of issue of quarterly financial report:	August 10, 2023		
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 Japanese yen are rounded)

**1. Consolidated Financial Results for the Q1 of FY Ending March, 2024 (April 1 through June 30, 2023)**

(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 2024 Q1</b>	<b>359,157</b>	<b>-0.3</b>	<b>3,744</b>	<b>-46.3</b>	<b>2,425</b>	<b>-79.9</b>	<b>378</b>	<b>-96.9</b>	<b>149</b>	<b>-97.8</b>
FYE 2023 Q1	360,291	4.2	6,977	-69.8	12,067	-49.6	12,031	-47.5	6,739	-60.1

	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 2024 Q1</b>	<b>81</b>	<b>-98.6</b>	<b>377</b>	<b>-93.4</b>	<b>35,087</b>	<b>-12.0</b>	<b>1.31</b>	<b>1.31</b>
FYE 2023 Q1	5,901	-65.0	5,734	-65.9	39,888	135.9	19.79	19.79

Note: Core earnings is calculated by deducting the cost of sales and selling, general and administrative expenses (SG&amp;A) 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 2024 Q1</b>	<b>1,914,866</b>	<b>649,907</b>	<b>647,630</b>	<b>33.8</b>
FYE 2023	1,853,534	627,720	625,433	33.7

**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 2023	—	45.00	—	45.00	90.00
FYE 2024	—				
FYE 2024 (forecast)		45.00	—	45.00	90.00

Note: Revision of dividends forecast after the recent announcement: None

### 3. Consolidated Forecast for the FY Ending March, 2024 (April 1, 2023 through March 31, 2024)

(% 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 2024	1,530,000	2.3	40,000	55.4	28,000	12.4	21,000	6.3	11,100	-34.3

	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 2024	11,100	-30.7	11,000	-31.2	38.32

Note: Revision of consolidated operating performance forecast after the recent announcement: None

#### \* 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 (June 30, 2023) 287,211,790 shares (FY ended March 31, 2023) 287,109,659 shares

(ii) Treasury shares (June 30, 2023) 53,878 shares (FY ended March 31, 2023) 51,992 shares

(iii) Average number of shares during three months (Apr - Jun) (June 30, 2023) 287,107,957 shares (June 30, 2022) 289,793,042 shares

\* This financial results report is exempt from review procedures under Japan's Financial Instruments and Exchange Law.

\*Appropriate use of financial 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.

(How to access supplementary financial results material)

Presentation material to supplement the financial results announcement has been posted on TDnet and the Company's website.

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**1. Consolidated Financial Statements**

(1) Consolidated Statement of Financial Position

(Unit: Millions of yen)

	As of March 31, 2023		End of Q1 (As of June 30, 2023)	
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	<b>Y</b>	106,677	<b>Y</b>	110,387
Trade and other receivables		291,736		286,236
Inventories		276,645		279,245
Contract assets		19,218		21,728
Income taxes receivable		3,884		4,681
Other financial assets		20,972		23,832
Other current assets		25,401		26,411
Subtotal		744,533		752,520
Assets held for sale		—		10,332
<b>Total current assets</b>		<b>744,533</b>		<b>762,852</b>
<b>Non-current assets:</b>				
Property, plant and equipment		376,964		380,620
Right of use assets		63,102		64,321
Goodwill and other intangible assets		507,732		544,742
Investment property		4,898		3,062
Investments accounted for using the equity method		8,633		8,556
Other financial assets		51,844		54,666
Deferred tax assets		93,066		93,058
Other non-current assets		2,762		2,989
<b>Total non-current assets</b>		<b>1,109,001</b>		<b>1,152,014</b>
<b>Total assets</b>	<b>Y</b>	<b>1,853,534</b>	<b>Y</b>	<b>1,914,866</b>

(Unit: Millions of yen)

	As of March 31, 2023	End of Q1 (As of June 30, 2023)
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Trade and other payables	Y 320,388	Y 262,961
Bonds and borrowings	209,028	284,535
Lease liabilities	18,692	19,454
Contract liabilities	8,962	10,644
Income taxes payable	8,698	7,701
Other financial liabilities	4,860	6,654
Provisions	1,894	1,367
Other current liabilities	79,680	93,597
<b>Subtotal</b>	<b>652,202</b>	<b>686,913</b>
Liabilities directly associated with the assets held for sale	—	241
<b>Total current liabilities</b>	<b>652,202</b>	<b>687,154</b>
<b>Non-current liabilities:</b>		
Bonds and borrowings	345,478	335,588
Lease liabilities	45,202	45,694
Other financial liabilities	28,274	28,727
Net defined benefit liabilities	70,102	77,536
Provisions	7,281	7,465
Deferred tax liabilities	66,685	71,229
Other non-current liabilities	10,590	11,566
<b>Total non-current liabilities</b>	<b>573,612</b>	<b>577,805</b>
<b>Total liabilities</b>	<b>1,225,814</b>	<b>1,264,959</b>
<b>EQUITY</b>		
Share capital	68,418	68,530
Capital surplus	221,812	221,528
Treasury shares	-113	-116
Other components of equity	68,154	104,863
Retained earnings	267,162	252,825
Equity attributable to owners of the parent	625,433	647,630
Non-controlling interests	2,287	2,277
<b>Total equity</b>	<b>627,720</b>	<b>649,907</b>
<b>Total liabilities and equity</b>	<b>Y 1,853,534</b>	<b>Y 1,914,866</b>

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

(Unit: Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Continuing operations		
Revenue	<b>Y</b> 360,291	<b>Y</b> 359,157
Cost of sales	-243,899	-243,513
<b>GROSS PROFIT</b>	116,392	115,644
Selling, general and administrative expenses	-109,415	-111,900
Other income	6,820	1,241
Other expenses	-1,730	-2,560
<b>OPERATING PROFIT</b>	12,067	2,425
Finance income	1,276	1,121
Finance costs	-1,312	-3,113
Share of loss of associates accounted for using the equity method	-0	-55
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	12,031	378
Income tax expenses	-5,292	-229
<b>PROFIT FOR THE QUARTER FROM CONTINUING OPERATIONS</b>	6,739	149
Discontinued operations		
<b>LOSS FOR THE QUARTER FROM DISCONTINUED OPERATIONS</b>	-838	-68
<b>PROFIT FOR THE QUARTER</b>	5,901	81
Profit (loss) for the quarter attributable to:		
Owners of the parent		
Continuing operations	6,572	445
Discontinued operations	-838	-68
Total	5,734	377
Non-controlling interests	167	-296
<b>PROFIT FOR THE QUARTER</b>	<b>Y</b> 5,901	<b>Y</b> 81

(Unit: Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
<b>Earnings (loss) per share</b>		
Basic (yen per share)		
Continuing operations	22.68	1.55
Discontinued operations	-2.89	-0.24
Total	19.79	1.31
Diluted (yen per share)		
Continuing operations	22.68	1.55
Discontinued operations	-2.89	-0.24
Total	19.79	1.31

## Consolidated Statement of Comprehensive Income

(Unit: Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
<b>PROFIT FOR THE QUARTER</b>	<b>Y 5,901</b>	<b>Y 81</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	-367	2,882
Remeasurements of defined benefit pension plans	7,445	-1,499
Total items that will not be reclassified subsequently to profit or loss	7,078	1,383
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	30,044	33,522
Net fair value gain (loss) on hedging instruments entered into for cash flow hedges	-3,131	102
Share of other comprehensive income of associates accounted for using the equity method	-4	-1
Total items that may be reclassified subsequently to profit or loss	26,909	33,623
Other comprehensive income, net of tax	33,987	35,006
<b>TOTAL COMPREHENSIVE INCOME FOR THE QUARTER</b>	<b>39,888</b>	<b>35,087</b>
Total comprehensive income for the quarter attributable to:		
Owners of the parent	39,577	35,290
Non-controlling interests	311	-203
<b>TOTAL COMPREHENSIVE INCOME FOR THE QUARTER</b>	<b>Y 39,888</b>	<b>Y 35,087</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, 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	—	—	—	-367	7,445	29,900	-3,131
Total comprehensive income for the quarter	—	—	—	-367	7,445	29,900	-3,131
Purchase of treasury shares	—	-5	-6,750	—	—	—	—
Disposal of treasury shares	—	0	0	—	—	—	—
Share-based payment transactions	—	145	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	—	—	—	-3,326	-7,445	—	—
Total transactions with owners	—	90	-6,206	-3,326	-7,445	—	—
<b>BALANCE AS OF JUNE 30, 2022</b>	<b>68,418</b>	<b>278,725</b>	<b>-53,748</b>	<b>9,634</b>	<b>—</b>	<b>58,513</b>	<b>-264</b>
<b>BALANCE AS OF APRIL 1, 2023</b>	<b>68,418</b>	<b>221,812</b>	<b>-113</b>	<b>9,839</b>	<b>—</b>	<b>56,772</b>	<b>1,522</b>
Profit for the quarter	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	2,882	-1,499	33,429	102
Total comprehensive income for the quarter	—	—	—	2,882	-1,499	33,429	102
Purchase of treasury shares	—	—	-3	—	—	—	—
Disposal of treasury shares	—	-0	0	—	—	—	—
Share-based payment transactions	112	-91	—	—	—	—	—
Dividends	—	—	—	—	—	—	—
Changes in interests in subsidiaries that do not result in the Group losing control over the subsidiaries	—	-193	—	—	—	—	—
Transfers from other components of equity to retained earnings	—	—	—	297	1,499	—	—
Total transactions with owners	112	-284	-3	297	1,499	—	—
<b>BALANCE AS OF JUNE 30, 2023</b>	<b>68,530</b>	<b>221,528</b>	<b>-116</b>	<b>13,018</b>	<b>—</b>	<b>90,201</b>	<b>1,624</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, 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	—	—	5,734	5,734	167	5,901
Other comprehensive income	-4	33,843	—	33,843	144	33,987
Total comprehensive income for the quarter	-4	33,843	5,734	39,577	311	39,888
Purchase of treasury shares	—	—	—	-6,755	—	-6,755
Disposal of treasury shares	—	—	—	0	—	0
Share-based payment transactions	-111	-111	—	578	—	578
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	—	-10,771	10,771	—	—	—
Total transactions with owners	-111	-10,882	-2,312	-19,310	-89	-19,399
<b>BALANCE AS OF JUNE 30, 2022</b>	<b>32</b>	<b>67,915</b>	<b>271,885</b>	<b>633,195</b>	<b>2,805</b>	<b>636,000</b>
<b>BALANCE AS OF APRIL 1, 2023</b>	<b>21</b>	<b>68,154</b>	<b>267,162</b>	<b>625,433</b>	<b>2,287</b>	<b>627,720</b>
Profit for the quarter	—	—	377	377	-296	81
Other comprehensive income	-1	34,913	—	34,913	93	35,006
Total comprehensive income for the quarter	-1	34,913	377	35,290	-203	35,087
Purchase of treasury shares	—	—	—	-3	—	-3
Disposal of treasury shares	—	—	—	0	—	0
Share-based payment transactions	—	—	—	21	—	21
Dividends	—	—	-12,918	-12,918	—	-12,918
Changes in interests in subsidiaries that do not result in the Group losing control over the subsidiaries	—	—	—	-193	193	—
Transfers from other components of equity to retained earnings	—	1,796	-1,796	—	—	—
Total transactions with owners	—	1,796	-14,714	-13,093	193	-12,900
<b>BALANCE AS OF JUNE 30, 2023</b>	<b>20</b>	<b>104,863</b>	<b>252,825</b>	<b>647,630</b>	<b>2,277</b>	<b>649,907</b>

## (4) Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
<b>OPERATING ACTIVITIES:</b>		
Profit before tax from continuing operations	<b>Y</b> 12,031	<b>Y</b> 378
Loss before tax from discontinued operations	-1,206	-98
Profit before tax	10,825	280
Depreciation and amortization	19,940	19,687
Impairment losses	50	91
Loss recognized on the measurement to fair value, less costs to sell the disposal group held for sale	—	1,097
Interest and dividend income	-994	-868
Interest expense	1,060	2,246
Share of (profit) loss of associates accounted for using the equity method	0	55
Gain on disposal of assets held for sale	-5,233	—
Losses (gains) on disposal of property, plant and equipment	644	300
Decrease (increase) in trade and other receivables	3,239	11,464
Decrease (increase) in inventories	-32,357	-1,634
(Decrease) increase in trade and other payables	-7,643	-60,895
(Decrease) increase in net defined benefit liabilities	-10,629	2,553
Other	9,946	6,898
Subtotal	-11,152	-18,726
Interest received	191	316
Dividends received	874	675
Interest paid	-1,031	-1,956
Income taxes paid	-5,416	-3,269
<b>Net cash used in operating activities</b>	<b>Y -16,534</b>	<b>Y -22,960</b>

(Unit: Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
<b>INVESTING ACTIVITIES:</b>		
(Increase) decrease in time deposits	Y 843	Y -2,499
Purchase of property, plant and equipment	-8,021	-9,208
Proceeds from disposal of property, plant and equipment	312	16
Purchase of intangible assets	-2,493	-3,383
Decrease (increase) in short-term loans receivable	40	1,282
Payments for acquisition of investments	-3,534	-28,103
Proceeds from sale and redemption of investments	13,986	29,418
Other	2,841	-95
<b>Net cash (used) generated in investing activities</b>	<b>Y 3,974</b>	<b>Y -12,572</b>
<b>FINANCING ACTIVITIES:</b>		
Dividends paid	Y -13,083	Y -12,918
(Decrease) increase in short-term borrowings and commercial paper	40,949	35,840
Proceeds from long-term borrowings	—	20,000
Repayment of long-term borrowings	-2,355	-524
Lease liabilities paid	-4,979	-5,384
Payments for acquisition of treasury shares	-6,756	-4
Other	392	-36
<b>Net cash flows from financing activities</b>	<b>Y 14,168</b>	<b>Y 36,974</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,608</b>	<b>1,442</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>100,404</b>	<b>106,677</b>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	3,906	2,268
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE QUARTER</b>	<b>Y 105,918</b>	<b>Y 110,387</b>

## (5) Notes related to Financial Statements

(Notes related to Going Concern Assumptions)

Not applicable.

(Segment Information)

Information on the amounts of revenue, profit or loss, and other items for each reportable segment

For the three months ended June 30, 2022 (April 1 through June 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 218,837	Y 141,454	Y 360,291	Y —	Y 360,291
Intersegment revenue or transfers	2,142	1,541	3,683	-3,683	—
Total	220,979	142,995	363,974	-3,683	360,291
Segment profit (Note 1)	13,225	3,130	16,355	-9,378	6,977
Other income					6,820
Other expenses					-1,730
Operating profit					12,067
Finance income					1,276
Finance costs					-1,312
Share of loss of associates accounted for using the equity method					-0
Profit before tax from continuing operations					12,031

For the three months ended June 30, 2023 (April 1 through June 30, 2023)

(Unit: Millions of yen)

	Reportable Segments		Total	Reconciliations (Note 2)	Consolidated
	Water Technology Business	Housing Technology Business			
Revenue					
Revenue from external customers	Y 212,927	Y 146,230	Y 359,157	Y —	Y 359,157
Intersegment revenue or transfers	1,157	1,166	2,323	-2,323	—
Total	214,084	147,396	361,480	-2,323	359,157
Segment profit (Note 1)	3,786	8,373	12,159	-8,415	3,744
Other income					1,241
Other expenses					-2,560
Operating profit					2,425
Finance income					1,121
Finance costs					-3,113
Share of loss of associates accounted for using the equity method					-55
Profit before tax from continuing operations					378

(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.
3. For an international subsidiary that has been formerly classified as "Housing Technology Business", due to a change in the subsidiary's distribution, the Company reviewed the management system for this subsidiary. As a result, the Company has separated the reporting segments into "Water Technology Business" and "Housing Technology Business" from the start of the first quarter of the fiscal year ending March 2024.  
When the revenue and segment profit related to the regarding subsidiary for the first quarter of the fiscal year ending March 2024 are aggregated by the conventional method, "Revenue from external customers" of the Water Technology business decreased by 1,344 million yen. "Intersegment revenue or transfers" and "Segment profit" of the Water Technology business increased by 1,232 million yen and 935 million yen, respectively. "Revenue from external customers" and "Intersegment revenue or transfers" of the Housing Technology business increased by 1,344 million yen and 316 million yen, respectively. "Segment profit" of the Housing Technology business decreased by 969 million yen. "Intersegment revenue or transfers" of the Reconciliations decreased by 1,548 million yen. "Segment profit" of the Reconciliations increased by 34 million yen.