

➤ **Q1 Results for the Fiscal Year
Ending March 31, 2024 (IFRS)**
(From April 1, 2023 to June 30, 2023)

LIXIL Corporation
July 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 Q1 FYE2024

Profits declined year-on-year for Q1 (3 months) FYE2024

- Global demand for housing equipment and building materials, including Japan, remained generally sluggish in Q1
- Higher fixed costs due to a decline in production volume is a challenge for profitability
- Variable costs, including for raw materials, were stable compared to the prior year, contributing to positive growth
- In Japan, LIXIL's price optimization was ahead of other companies, leading to a more difficult competitive environment through Q1
- On the positive side, the earnings contribution from renovation demand for insulation products in Japan has materialized more quickly than forecast
- In international markets such as Europe, demand decline has been the worst in 20 years
- We are undertaking proactive structural reforms to prepare for demand recovery, especially in international markets
- We anticipate that approximately 80% of the forecasted annual core earnings⁽¹⁾ will be realized in H2⁽²⁾. Based on the current business environment and the Q1 (3 months) results, there is no change to our Q2 (3 months) core earnings forecast of around JPY4.5 billion (around JPY8.0 billion excluding one-time expenses for structural reforms and future investments (approximately JPY3.5 billion))

LIXIL (1) The full-year forecast for core earnings for the fiscal year ending March 2024 is JPY40.0 billion, which was announced on April 28, 2023. Consolidated Financial Results for FYE2023 (IFRS) <https://ssl4.eir-parts.net/doc/5938/tdnet/2268023/00.pdf> 2

(2) FYE2023 Earnings briefing transcript https://www.lixil.com/en/investor/ir_event/pdf/E_20230428_Earnings_transcript.pdf#page=7

› KEY HIGHLIGHTS

Business environment: Market trends in Europe

- Continued softening of demand in Europe, our largest source of profit
- Significant decreases in major markets such as Germany, France, and the Netherlands
- Decline in housing-related investment due to continued inflation, while housing market prices fall and interest rates rise
 - ✓ Balance of household debt to GDP⁽¹⁾: over 100% in the Netherlands, 65% in France, 55% in Germany, 40% in Japan
 - ✓ The ECB policy rate has risen to 4% over the past 1½ years
 - ✓ Inflation, especially for energy and food, is continuing. In addition, housing prices have been declining since last year
 - ✓ This has shifted consumption and investment from household goods to other commodities as costs continue to rise
 - ✓ The continued rise in household costs differs from previous downturns where declining demand pushed down prices
- In Germany in particular, spending is shifting to residential heat pumps and both consumers and installers are prioritizing the replacement of fossil-fuel heating systems, supported by government subsidies

› KEY HIGHLIGHTS

Business environment: Other regions and business segments

Water Technology (Japan)

- ✓ Bathroom units showing strong sales, but demand has been weak for kitchens and toilets
- ✓ While toilet sales are now starting to recover, kitchen sales are expected to pick up from October
- ✓ Overall sales are expected to increase from Q3 onwards due to normalization of the competitive environment

Water Technology (International)

- ✓ **Americas:** Customer demand is sluggish, but shifting of products and sales channels is progressing steadily
- ✓ **Asia Pacific:** Vietnam entering an economic adjustment, but other regions remain strong
- ✓ **China:** Challenging real estate market conditions continue

Housing Technology

- ✓ Solid sales of insulated windows for residential renovations
- ✓ Overall sales are expected to recover from Q2 due to normalization of the competitive environment
- ✓ Recovery of exteriors and wooden interior furnishing materials was slower than expected
- ✓ Profitability of building business is on a recovery trend due to successful pricing policy in response to rising costs

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› KEY HIGHLIGHTS

Business outlook

- Timing of economic recovery varies by region, but normalization is expected by end of December
- Majority of forecasted core earnings for the fiscal year to be realized in Q3-Q4
- While economic trends in Europe remain weak, renovation sales for higher-insulation products in Japan are progressing better than expected
- LIXIL's market share is expected to recover with the normalization of the competitive environment from Q2 onwards. Decline in new housing starts (especially owner-occupied houses) has been a significant headwind, undercutting the benefits from mass production. Facing this trend, we will focus on capturing demand for higher-insulation and environmentally beneficial products to minimize the impact
- Variable costs such as raw materials are expected to stabilize or decline, due partly to the global economic slowdown. However, we will continue to consider price optimization requests from suppliers that are attributable to their higher costs
- International business will accelerate structural reforms to improve productivity

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› Q1 FYE2024 PERFORMANCE HIGHLIGHTS

Profits declined year-on-year

- **Revenue: JPY359.2 billion, down JPY1.1 billion year-on-year**
 - Q1 (3 months) YoY: +2% in Japan and -6% in international markets (-13% excluding foreign exchange impact)
- **Core earnings: JPY3.7 billion, down JPY3.2 billion year-on-year**
 - Q1 (3 months) breakdown: JPY5.3 billion in LWT Japan, -JPY1.6 billion in LWT International, JPY8.4 billion in LHT, and -JPY8.4 billion for consolidation adjustment/other factors
- **Profit for the quarter⁽¹⁾: JPY0.4 billion, down JPY5.4 billion year-on-year**
 - Profit before tax decreased JPY11.7 billion primarily due to decrease in core earnings, the absence of last year's gain on the transfer of land and other assets, and an increase in finance costs

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

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› Q1 FYE2024 CONSOLIDATED BUSINESS RESULTS

JPY billion	Q1 (3 months)			
	FYE2023	FYE2024	Increase/ decrease (YoY)	%
Revenue	360.3	359.2	-1.1	-0.3%
Gross profit	116.4	115.6	-0.7	-0.6%
(%)	32.3%	32.2%	-0.1pp	-
SG&A	109.4	111.9	+2.5	+2.3%
Core earnings (CE)⁽¹⁾	7.0	3.7	-3.2	-46.3%
(%)	1.9%	1.0%	-0.9pp	-
Profit for the quarter including Discontinued Operations⁽²⁾	5.7	0.4	-5.4	-93.4%
EPS (JPY)	19.79	1.31	-18.48	-93.4%
EBITDA⁽³⁾	26.9	23.4	-3.5	-13.0%
(%)	7.5%	6.5%	-0.9pp	-

- **Gross profit margin:** Declined by 0.1pp YoY
- **SG&A expenses:** Increased by JPY2.5 billion YoY (Japan JPY2.3 billion decrease, International JPY2.3 billion increase, forex effect JPY2.5 billion increase) mainly due to personnel expenses for the international business including foreign exchange impact and expanded sales activities. SG&A ratio increased by 0.8pp
- **CE margin:** Declined by 0.9pp YoY

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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› Q1 FYE2024 BUSINESS RESULTS BY SEGMENT

Revenue and profits for LWT decreased due to sluggish demand in Europe and the Americas. Revenue and profits for LHT increased as higher renovation sales in Japan offset sluggish demand for new housing

JPY billion		Q1 (3 months)		
		FYE2023	FYE2024 ⁽¹⁾	Increase/ decrease (YoY)
LWT	Revenue	221.0	214.1	-6.9
	CE	13.2	3.8	-9.4
LHT	Revenue	143.0	147.4	+4.4
	CE	3.1	8.4	+5.2
Consolidation, adj. & other	Revenue	-3.7	-2.3	+1.4
	CE	-9.4	-8.4	+1.0
LIXIL	Revenue	3,60.3	359.2	-1.1
	CE	7.0	3.7	-3.2

Impact from segment reclassification⁽¹⁾

LWT: Revenue: +JPY0.1 billion, CE -JPY0.9 billion

LHT: Revenue -JPY1.7 billion, CE +JPY1.0 billion

Consolidation adj.: Revenue +JPY1.5 billion, CE -JPY0.0 billion

Forex impact⁽²⁾

Q1 3 months: Revenue +JPY8.8 billion, CE +JPY0.5 billion

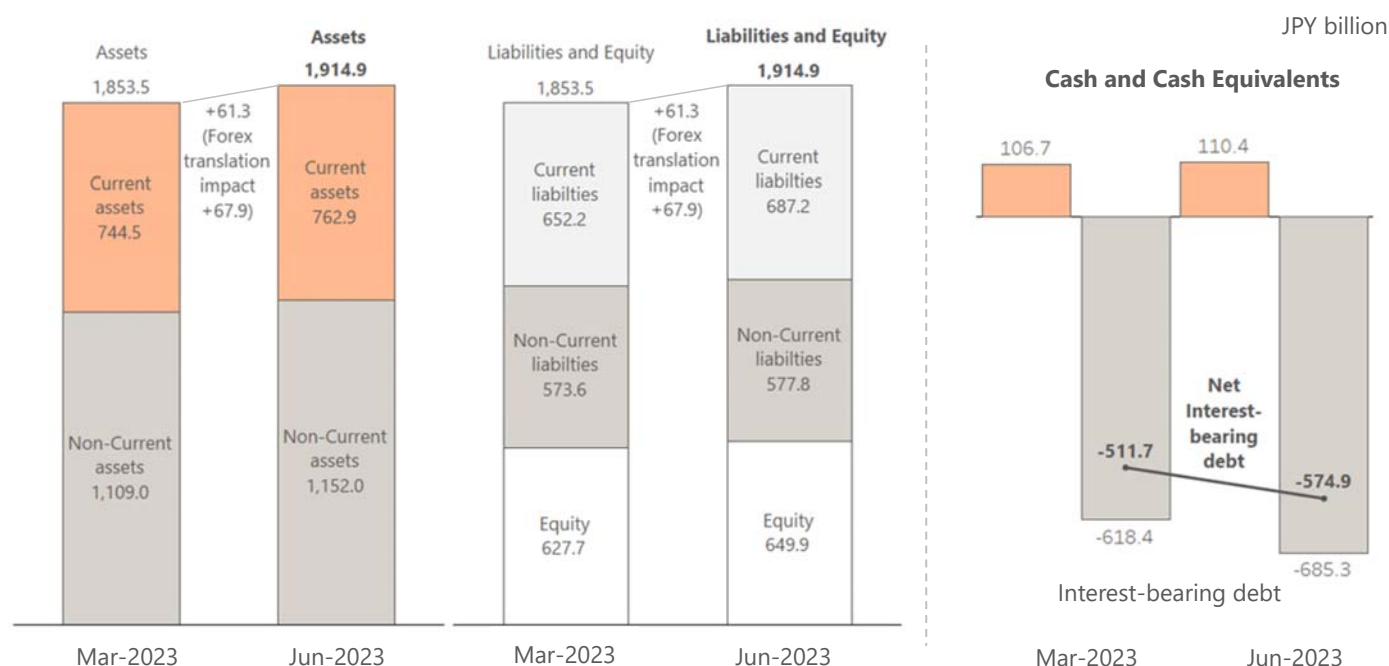
LIXIL (1) Reflects reclassification of a subsidiary from Q1 FYE2024 to encompass both LWT and LHT (originally classified only to LHT), reflecting its P&L impact. The reporting segments changed to LWT and LHT.

(2) Forex translation effect gain(loss) from international subsidiaries

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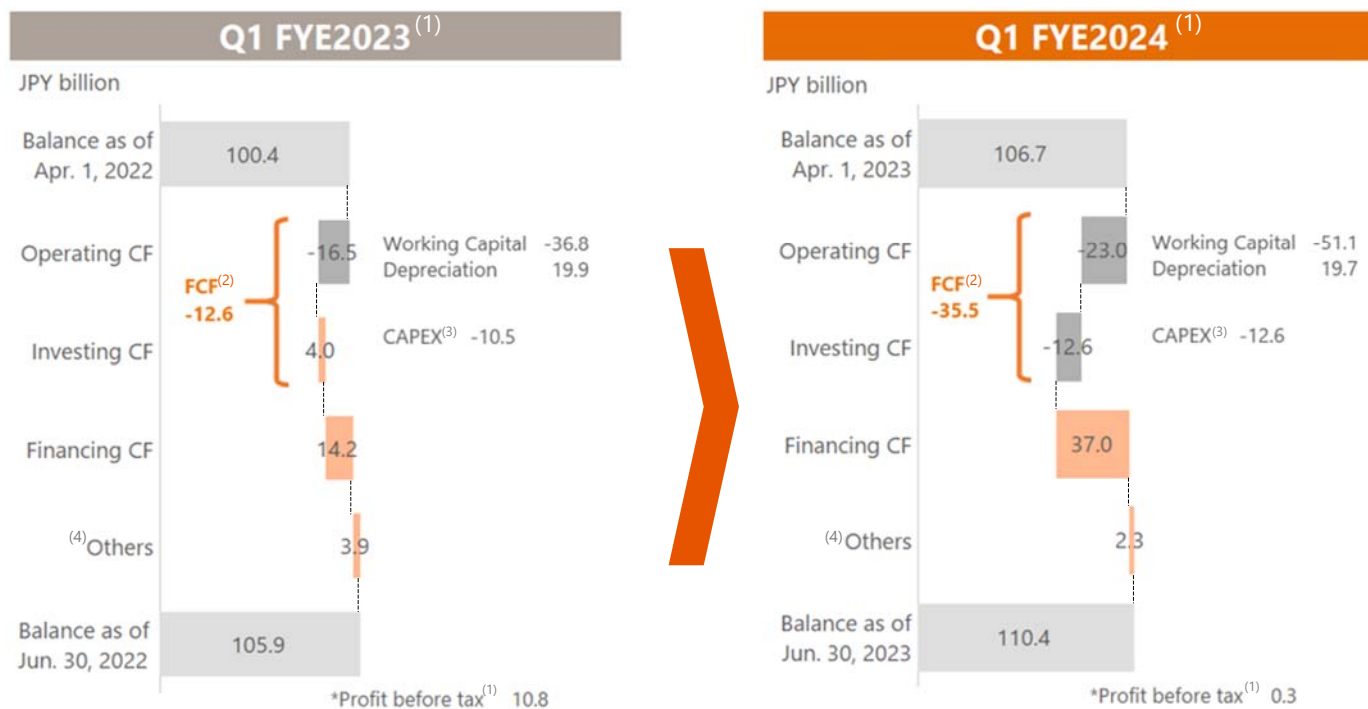
› CONSOLIDATED FINANCIAL POSITION

The total assets increased slightly, due mainly to foreign currency translations. Interest-bearing debt increased due to increase in working capital and fund-raising for bond redemptions. Equity ratio remains at 33.8%



➤ CASH FLOW STATUS AND CASH BALANCE

Free Cash Flow (FCF) declined by JPY23.0 billion due to factors including decrease in trade payables in response to “Declaration for Building Partnerships” and to a lower profit before tax



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(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)¹⁰
 (4) “Others” = Effects of exchange rate changes

➤ RESULTS BY BUSINESS SEGMENT



Water Technology Business (LWT)



Housing Technology Business (LHT)

WATER TECHNOLOGY

Revenue and profits decreased for both Japan and International businesses

	JPY billion	FYE2024 Q1 Results	YoY vs Results		FYE2024 Forecast
			Increase /decrease	%	
Japan	Revenue	99.1	-0.1	-0.1%	429.5
	CE	5.3	-2.0	-27.3%	25.5
	CE margin	5.4%	-2.0pp	-	5.9%
International ⁽¹⁾	Revenue	115.0	-6.8	-5.6%	515.5
	CE	-1.6	-7.4	-	27.5
	CE margin	-	-	-	5.3%
Water Technology Total	Revenue	214.1	-6.9	-3.1%	945.0
	CE	3.8	-9.4	-71.4%	53.0
	CE margin	1.8%	-4.2pp	-	5.6%

Revenue

- **Japan:** Despite price optimizations and strong sales for renovation products that enhance people's lifestyles, revenue was flat YoY due to lower sales in new housing
- **Int'l⁽¹⁾:** Revenue decreased in local currency/JPY terms due to softening demand across regions
- **Int'l revenue distribution ratio:** 53.7%, down by 1.4pp YoY

Core earnings

- **Japan:** CE declined YoY as efforts from price optimization and reduction of fixed cost were outweighed by a decrease in gross profit due to lower sales for new housing related products
- **Int'l⁽¹⁾:** CE declined YoY mainly due to a decrease in revenue in Europe and the Americas, partly offset by lower raw material and freight costs

LIXIL (1) YoY vs Results excluding forex impact: Revenue -JPY15.6 billion, -13%. Core earnings -JPY8.0 billion

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INTERNATIONAL WATER TECHNOLOGY REVENUE BY REGION

By region: Management basis Total: Statutory basis ⁽¹⁾	JPY billion	FYE2024 Q1 Results	YoY local currency basis	FYE2024 Forecast	YoY local currency basis
Americas		44.1	-4%		+8% ⁽²⁾
EMEA		43.0	-17%		+4%
China		11.5	-7%		0%
Asia Pacific		10.9	-6%		+10%
Adjustments		5.6	-		
Water Technology International Business Total		115.0	-6%	515.5	+4%

Americas

Revenue declined in local currency terms due to weaker demand. Increased in JPY terms

- ✓ Revenue declined in local currency terms due to market softness
- ✓ Further expansion in colored products expected to contribute to growth from Q2

China

Revenue declined in local currency/JPY terms due to ongoing challenges in the real estate sector

- ✓ Watching for recovery in demand going forward

EMEA

Revenue declined in local currency/JPY terms due to softening demand

- ✓ Revenue declined mainly due to softer demand with subdued discretionary spending and reduced activity in the construction sector of most European markets amid an uncertain business outlook

Asia Pacific

Revenue declined in local currency terms with mixed performance within the region. Increased in JPY terms

- ✓ Core markets showed mixed performance with India growing, Thailand flat, and Vietnam declining due to a slowdown in retail and project delays resulting from a softening real estate sector

LIXIL (1) Statutory basis currency: Q1 FYE2024 Results 1USD=JPY138.11, 1EUR=JPY150.53
Management basis currency: FYE2024 1USD=JPY135.0, 1EUR=JPY137.7

(2) Includes impact from M&A in FYE2023

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➤ HOUSING TECHNOLOGY

Revenue and core earnings increased in Japan due to strong renovation demand for insulation products, backed by government subsidies. International revenue fell slightly but core earnings were steady

	JPY billion	FYE2024 Q1 Results	YoY vs Results		FYE2024 Forecast
			Increase /decrease	%	
Japan	Revenue	141.4	+5.0	+3.7%	583.0
	CE	8.2	+5.2	+175.6%	32.5
	CE margin	5.8%	+3.6pp	-	5.6%
International	Revenue	6.0	-0.6	-9.3%	23.5
	CE	0.2	+0.0	+28.1%	0.5
	CE margin	3.6%	+1.1pp	-	2.1%
Housing Technology Total ⁽¹⁾	Revenue	147.4	+4.4	+3.1%	606.5
	CE	8.4	+5.2	+167.5%	33.0
	CE margin	5.7%	+3.5pp	-	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

- Profitability recovered on price optimization and strong sales of high-performance sashes for renovation. Additional sales measures will help to offset continuing weak demand for new housing
- Aim to improve CE margin by continuation of fixed-cost reductions and price optimization to offset cost increases



(1) FYE2024 Q1 Results (Reference)

LHT excl. building business
Building business

Revenue JPY125.4 billion, CE JPY9.3 billion, CE margin 7.4%
Revenue JPY22.0 billion, CE -JPY0.9 billion

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➤ APPENDIX: FINANCIAL DATA

➤ REVENUE BY PRODUCT AND SERVICE

Government initiatives helped push sales of housing sashes higher, with sales of subsidy-eligible window products tripling YoY. Demand is expected to remain strong in Q2 and beyond

Segments	Major products	JPY billion				in %				
		Full-year	Q1	Q1	YoY	Quarterly YoY				FYE2024
		FYE2023	FYE2023	FYE2024		FYE2023				
Results	Results	Results	Q1				Q1			
LWT	Sanitary ware**	106.5	24.5	24.0	-2.2%	+0.4	+6.7	+2.1	-2.1	-2.2
	Bathroom units	87.4	21.3	21.9	+3.0%	-2.4	+4.0	+1.3	+4.1	+3.0
	Washstand cabinet units**	38.7	9.2	9.2	+0.7%	+1.8	-1.0	-1.7	-2.7	+0.7
	Kitchens	100.9	24.7	23.4	-5.2%	+0.3	-2.5	-2.1	+0.6	-5.2
	Tiles	31.9	7.4	7.3	-1.1%	-4.2	-1.2	-2.5	-2.7	-1.1
LHT	Housing sashes and related products	165.5	40.7	46.6	+14.6%	-1.2	-2.1	-0.5	+7.8	+14.6
	Exterior	101.5	26.0	24.3	-6.6%	0.0	+3.2	+1.8	-4.5	-6.6
	Wooden interior furnishing materials	62.7	15.1	14.0	-7.4%	+1.4	+7.8	+0.7	-6.7	-7.4
	LHT Others	43.7	10.7	10.9	+1.8%	+17.0	+8.1	+2.8	+0.7	+1.8
	Building sashes	95.7	19.7	22.0	+12.1%	+9.3	+13.3	+5.0	+2.0	+12.1
	Housing and Services business	27.0	6.8	6.2	-9.5%	-4.8	-11.9	-7.9	-17.8	-9.5
	International ⁽¹⁾	523.3	128.4	121.0	-5.8%	+11.3	+13.9	+9.3	+13.7	-5.8
Others/ consolidation & adj.	111.1	25.8	28.2	-						
Total		1,496.0	360.3	359.2	-0.3%	+4.2	+6.3	+3.4	+5.1	-0.3

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

LWT	Faucets	24.7	5.7	6.1	+7.3%	-0.3	+3.4	-6.1	+4.1	+7.3
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LIXIL (1) Please refer to p.18 for the revenue of water-related products in international business

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➤ PROMOTE RENOVATION STRATEGY IN JAPAN

Renovation sales ratio increased by 3.4pp. Significant increase in LHT, centering on window renovation. LWT captured new demand, mainly in bathrooms

	JPY billion	Q1 (3 months)			
		FYE2023 Results ⁽¹⁾	FYE2024 Results	Increase /decrease	YoY
Sales of renovation-related products		78.6	86.7	+8.1	+10.3%
LWT-J					+4%
LHT					+18%
					+19%
					+10%
Renovation sales ratio		41%	45%	+3.4pp	

Renovation sales ratio by business segment (YoY)

	Q1 FYE2023	Q1 FYE2024	Increase /decrease
LWT	49% ⁽¹⁾	51%	+2.3pp
LHT	35%	39%	+4.3pp
Japan Total	41%	45%	+3.4pp

Number of member homebuilders

Stores	Mar 2022	Mar 2023	Jun 2023
LIXIL Reform Shop (Franchise)	536	544	542
LIXIL Reform Shop (Independent stores)	11,264	11,224	11,228
LIXIL PATTO Reform Service Shop	3,804	3,833	3,832

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

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➤ GROWTH IN INTERNATIONAL WATER TECHNOLOGY BUSINESS

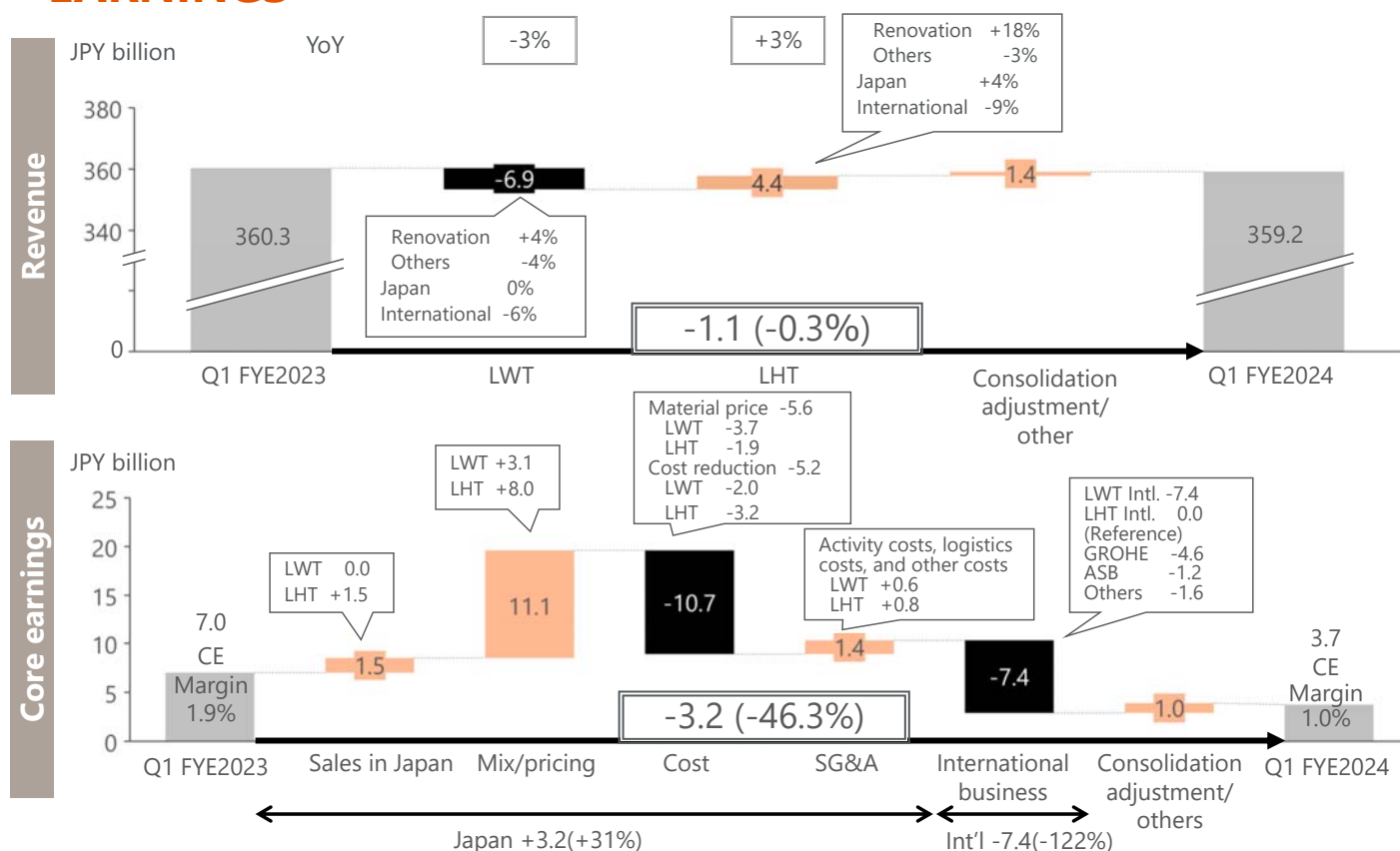
Leveraging our brands, manufacturing assets and advanced technologies, we are accelerating growth by bridging portfolio gaps globally⁽¹⁾

	Q1 FYE2024 (3 months)				
	Intl. Total	Americas	EMEA	China	Asia Pacific
Sales distribution ratio					
Bath faucets and showers	37%	11%	59%	48%	42%
Toilets	41%	52%	27%	41%	54%
Kitchen faucets and water systems	7%	4%	13%	5%	3%
Bathing and showering systems	10%	25%	0%	0%	1%
All others	4%	8%	0%	5%	1%
Total	100%	100%	100%	100%	100%
Sales growth					
Bath faucets and showers	-19%	-22%	-22%	-14%	-1%
Toilets	-3%	-3%	-2%	-3%	-2%
Kitchen faucets and water systems	-13%	-21%	-13%	+12%	-9%
Bathing and showering systems	-13%	-13%	-56%	-30%	-28%

LIXIL (1) See also, p.33, 43-44 of our INTEGRATED REPORT 2023, "GROW GLOBAL WATER BUSINESS" in the LIXIL Playbook
https://ssl4.eir-parts.net/doc/5938/ir_material_for_fiscal_y41/137633/00.pdf#page=34

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➤ Q1 (3 MONTHS) FYE2024 CHANGE IN REVENUE AND CORE EARNINGS



Q1 FYE2024 OTHER INCOME AND EXPENSES, FINANCE INCOME AND COSTS

JPY billion	Q1 FYE2023 Results	Q1 FYE2024 Results	Increase/decrease
Profit on disposal of assets held for sale	5.2	-	-5.2
Others	1.6	1.2	-0.3
Other income	6.8	1.2	-5.6
Loss on sale and disposal of property, plant and equipment	0.7	0.3	-0.3
Impairment losses	0.1	0.1	+0.0
Loss recognized on the measurement to fair value less costs to sell the disposal group held for sale	-	1.1	+1.1
Others	1.0	1.1	+0.0
Other expenses	1.7	2.6	+0.8
Interest income	0.3	0.3	+0.1
Dividend income	0.7	0.5	-0.2
Gains on valuation of derivatives	0.1	-	-0.1
Gains on exchange differences	0.2	0.2	+0.0 (A)
Others	-	0.0	+0.0
Finance income	1.3	1.1	-0.2
Interest expense	1.1	2.2	+1.2
Losses on valuation of derivatives	-	0.5	+0.5 (A)
Others	0.3	0.4	+0.1
Finance costs	1.3	3.1	+1.8

- Other expenses include asset securitization business transfer⁽¹⁾-related expenses
- Finance costs increased due to impacts such as from interest rate hikes

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

	Q1 FYE2024 Results
Gains on exchange differences	0.2
Losses on valuation of derivatives	-0.5
Net	-0.3 loss

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(1) News release on June 26, 2023 "Transfer of the asset securitization business of LIXIL REALTY, Corp. to Tosei Corporation" https://newsroom.lixil.com/ja/20230626_01 (Japanese only)

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RESULTS AND FORECASTS BY SEGMENT

JPY billion		Q1 FYE2023 Results			Q1 FYE2024 Results ⁽¹⁾				FYE2024 Full-year Forecasts			
		Japan	Intl.	Total	Japan	Intl.	Total	Total YoY%	Japan	Intl.	Total	Total YoY%
LWT	Revenue	99.2	121.8	221.0	99.1	115.0	214.1	-3.1%	429.5	515.5	945.0	+3.2%
	CE	7.3	5.9	13.2	5.3	-1.6	3.8	-71.4%	25.5	27.5	53.0	+12.2%
	CE margin	7.4%	4.8%	6.0%	5.4%	-	1.8%	-4.2pp	5.9%	5.3%	5.6%	+0.4pp
LHT	Revenue	136.3	6.6	143.0	141.4	6.0	147.4	+3.1%	583.0	23.5	606.5	+1.4%
	CE	3.0	0.2	3.1	8.2	0.2	8.4	+167.5%	32.5	0.5	33.0	+70.4%
	CE margin	2.2%	2.6%	2.2%	5.8%	3.6%	5.7%	+3.5pp	5.6%	2.1%	5.4%	+2.2pp
Cons. adj. & others ⁽²⁾	Revenue			-3.7			-2.3	-			-21.5	-
	CE			-9.4			-8.4	-			-46.0	-
LIXIL ⁽²⁾	Revenue	235.5	128.4	360.3	240.4	121.0	359.2	-0.3%	1,012.5	539.0	1,530.0	+2.3%
	CE	10.3	6.1	7.0	13.5	-1.3	3.7	-46.3%	58.0	28.0	40.0	+55.4%
	CE margin	4.4%	4.7%	1.9%	5.6%	-	1.0%	-0.9pp	5.7%	5.2%	2.6%	+0.9pp

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(1) Reflects reclassification of a subsidiary from Q1 FYE2024 to encompass both LWT and LHT (originally classified only to LHT), reflecting its P&L impact. The reporting segments changed to LWT and LHT. Please refer to p.8 for details

(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	Q1 FYE2023	Q1 FYE2024	YoY
Foreign exchange rate (Average rate)	129.04	138.11	-
Revenue	339	327	-4%
Core earnings	-5	-14	-
Core earnings margin	-	-	-

Accounting period	FYE2023 Balance	Q1 FYE2024 (3 months)		
		Amortization	Others ⁽¹⁾	Balance
Foreign exchange rate (Current rate for balance, Average rate for amortization)	133.53	138.11	-	144.99
Goodwill ⁽²⁾	247	-	0	248
Intangible assets ⁽²⁾	249	-2	0	248

Grohe Group (GROHE) EUR million	Q1 FYE2023	Q1 FYE2024	YoY
Foreign exchange rate (Average rate)	138.24	150.35	-
Revenue	461	373	-19%
Core earnings	42	8	-81%
Core earnings margin	9%	2%	-7.0pp

Accounting period	FYE2023 Balance	Q1 FYE2024 (3 months)		
		Amortization	Others ⁽¹⁾	Balance
Foreign exchange rate (Current rate for balance, Average rate for amortization)	145.72	150.35	-	157.60
Goodwill ⁽²⁾	1,201	-	-5	1,196
Intangible assets ⁽²⁾	1,404	-3	0	1,401

LIXIL (1) Forex translation differences, and others

(2) In latter August 2023, we plan to disclose the FYE2023 Consolidated Financial Statements, which will include details on assessment of goodwill and intangible assets on our website <https://www.lixil.com/en/investor/library/financial.html> 22

➤ APPENDIX: BUSINESS AND ESG RELATED TOPICS

➤ BUSINESS AND ESG RELATED TOPICS

Contribute to Decarbonized Society and Circular Economy

Progress in expanding *PremiAL* series of low-carbon aluminum extrusion products



- *PremiAL R70* that uses recycled aluminum for 70% of raw material inputs, was launched in 2022
- *PremiAL R100*,⁽¹⁾ the first in Japan⁽²⁾ to use 100% recycled aluminum, will be launched from autumn 2023 for use in building construction
- Its ability to reduce “embodied carbon” in the production process has led to increased inquiries from customers, especially in Japan and Asia

Climate Change Mitigation and Adaptation

Newly launched central air-conditioning system *Eco Air Fine*⁽³⁾



- LIXIL entered the central air-conditioning market to advance high-performance houses for the realization of healthy, comfortable, and eco-friendly lifestyles
- Through LIXIL’s technology, developed a central air-conditioning system with lowest required capacity and air volume in the industry for high-performance houses
- Central air-conditioning systems reduce temperature differences in each room, lowering energy costs compared to room air conditioners



(1) News release https://newsroom.lixil.com/ja/20230420_01 (Japanese only)

(2) Based on LIXIL research as of April 2023

(3) News release https://newsroom.lixil.com/ja/20230525_01 (Japanese only)

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➤ BUSINESS AND ESG RELATED TOPICS

Strengthen Foundation of Japan Business

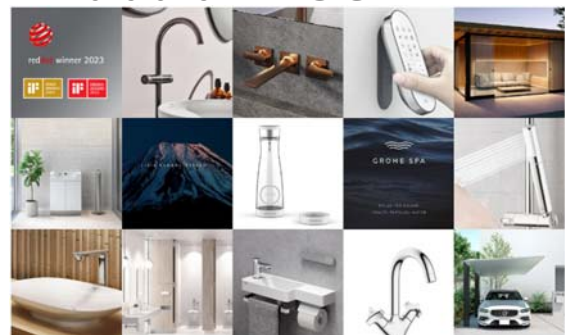
Launched *LDK Design Simulator*⁽¹⁾ from Living Division newly established in April



- To strengthen foundation of the Japan business, the Living Division was launched in April 2023, integrating the Kitchen and Washstand Division from LWT Japan and the Interior Division of LHT
- The division can optimize business opportunities across both areas to provide solutions for the entire home
- The LDK Design Simulator allows consumers to create and share their own web-based project designs,⁽²⁾ making the project planning process more efficient

Leverage Brand Value Globally

Collected a total of 20 Red Dot Design Award and iF DESIGN AWARD⁽³⁾



- LIXIL design teams have responded to the evolving preferences and lifestyles of end users
- Collected awards for a wide range of brands including GROHE, American Standard, INAX, and exsior, strengthening and building on LIXIL’s brand portfolio
- LIXIL has received over 600 design awards globally since 2011, contributing to consumer confidence in our products



(1) LDK - Living Room, Dining Room, Kitchen
News release https://newsroom.lixil.com/ja/20230424_01 (Japanese only)

(2) <https://digisim.lixil.co.jp/simulator/kit/lp/> (Japanese only)

(3) News release https://newsroom.lixil.com/230530_lixilDesignaward

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EXTERNAL RECOGNITION

Morningstar Japan ex-REIT Gender Diversity Tilt Index

Selected as a constituent of the Morningstar Japan ex-REIT Gender Diversity Tilt Index by Morningstar (April 2023)

Please see our website⁽¹⁾ for the disclaimer



FTSE Russell Indexes⁽²⁾

Selected as a constituent of the FTSE Blossom Japan Sector Relative Index (June 2023, two consecutive years), FTSE4Good Index Series and FTSE Blossom Japan (June 2023, seven consecutive years) created by FTSE Russell



S&P/JPX Carbon Efficient Index

Selected as a constituent of the S&P/JPX Carbon Efficient Index, created by S&P Dow Jones Indices (July 2023, six consecutive years)



MSCI Japan Empowering Women Index (WIN)

Selected as a constituent of the MSCI Japan Empowering Women Index (WIN) (June 2023, seven consecutive years)

Please see our website⁽¹⁾ for the disclaimer

2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

Digital Transformation Stock 2023

Selected as a Digital Transformation Stock, jointly conducted by METI, TSE, and the Information-technology Promotion Agency (May 2023, two consecutive years)



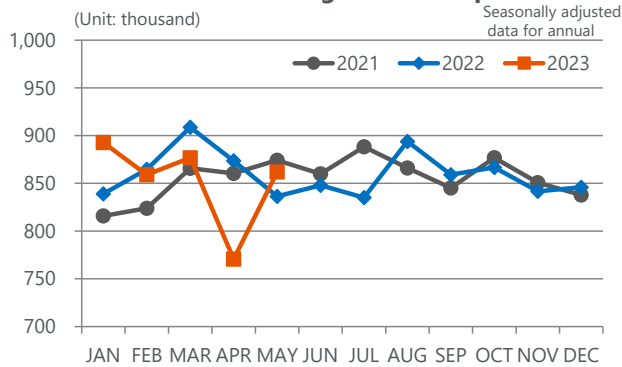
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- (1) LIXIL's corporate site External Evaluation & Awards <https://www.lixil.com/en/about/evaluation.html>
 (2) FTSE4Good Index Series <https://www.ftserussell.com/products/indices/ftse4good>
 FTSE Blossom Japan Index <https://www.ftserussell.com/index/spotlight/ftse-blossom-japan-index>

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MARKET TRENDS

Trend of new housing starts in Japan

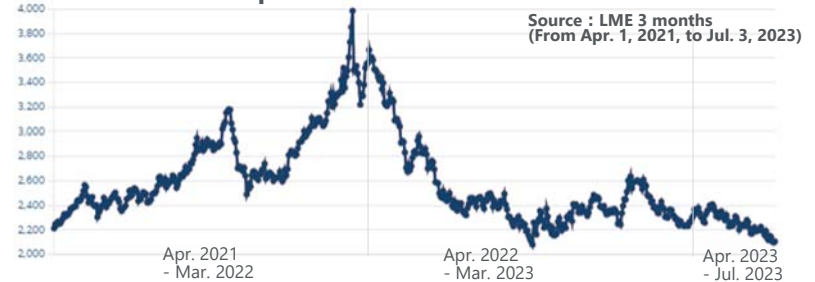


New housing construction level in Japan (year-on-year)

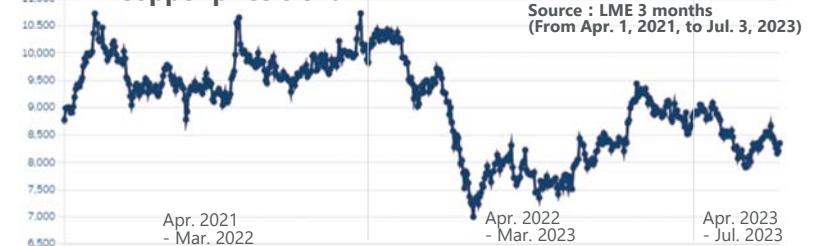
- Jan.-Mar. 2023: +0.6%
- Jan.-May 2023: -1.6%

	Jan-May 2023 (5 months)		Apr-May 2023 (2 months)	
	Units	YoY	Units	YoY
Total new housing starts	338,534	-1.6%	136,811	-4.7%
Owner-occupied(1)	89,929	-10.1%	37,450	-11.6%
Rental homes	138,698	+3.2%	57,380	+3.4%
Condos for sale	50,051	+5.0%	16,933	-16.4%
Detached houses for sale(2)	57,338	-3.5%	23,977	-1.6%
Detached houses total(1)+(2)	147,267	-7.6%	61,427	-7.9%

Aluminum price trend



Copper price trend



Foreign exchange rates (Average rate)	FYE2022 Actuals	FYE2023 Actuals	FYE2024 Assumptions
US dollar	JPY112.86	JPY134.95	JPY135.0
Euro	JPY131.01	JPY141.24	JPY137.7

Results and assumptions	FYE2022 Actuals	FYE2023 Actuals	FYE2024 Assumptions
Aluminum price (Purchasing price)	305,000	392,000	385,000
Copper alloy price	868,000	989,000	1,001,000

(JPY per tonne)

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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