H1 Results for the Fiscal Year Ending March 31, 2024 (IFRS)

(From April 1, 2023 to September 30, 2023)

TSE Code: 5938

LIXIL Corporation
October 31, 2023

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 H1 FYE2024

Revenue was flat while Core Earnings increased year-on-year for H1 (6 months) FYE2024

- Revenue was flat year-on-year. Core earnings increased by JPY2.7 billion to JPY8.8 billion
- For international businesses, the biggest challenge was weak demand in Europe
- Despite the headwind of higher procurement costs due to JPY depreciation for the Japan business, the gross margin gradually improved due to stabilization of variable costs such as raw material prices, component prices, and the transfer of cost increases to selling prices
- Higher fixed costs due to a decline in sales and production volume continues to be a challenge for profitability recovery. Structural reforms are underway to improve management resilience, particularly in international businesses
- Full-year dividend forecast remains unchanged. Resolved interim dividend of JPY45

KEY HIGHLIGHTS

Summary of results for H1 FYE2024 (continued) and business outlook

H1 (6 months) FYE2024 results (overview by region)

- **Japan**
  Although demand for new construction remained sluggish, the penetration of price optimizations and increased profits due to higher renovation demand for home insulation products contributed significantly to profitability improvement
- **International**
  Earnings mainly affected by continued sluggish demand in Europe

H2 (6 months) FYE2024 outlook

- **Japan**
  Although the recovery of demand for new construction needs to be monitored closely, renovation demand for insulation products continues to be strong, and continuing solid demand is expected from next year onward. We are implementing additional sales measures to raise our market share with the normalization of the competitive environment
- **International**
  Despite the continued difficult business environment, mainly in Europe, positive effects of structural reforms underway are expected to be realized from Q4

H1 FYE2024 PERFORMANCE HIGHLIGHTS

Core Earnings increased year-on-year

- **Revenue: JPY732.2 billion, down JPY0.4 billion year-on-year**
  - Q2 (3 months) YoY: +1% in Japan and -2% in international markets (-9% excluding foreign exchange impact)
  - H1 (6 months) YoY: +1% in Japan and -4% in international markets (-11% excluding foreign exchange impact)
- **Core earnings: JPY8.8 billion, up JPY2.7 billion year-on-year**
  - Q2 (3 months) breakdown: JPY2.8 billion in LWT Japan, JPY0.7 billion in LWT International, JPY10.3 billion in LHT, and -JPY8.7 billion for consolidation adjustment/other factors
  - H1 (6 months) breakdown: JPY8.2 billion in LWT Japan, -JPY0.8 billion in LWT International, JPY18.6 billion in LHT, and –JPY17.1 billion for consolidation adjustment/other factors
- **Profit for the quarter[(1)]: JPY0.5 billion, down JPY3.2 billion year-on-year**
  - Profit before tax decreased JPY7.4 billion primarily due to 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

H1 FYE2024 CONSOLIDATED BUSINESS RESULTS

JPY billion	H1 (6 months)				Q2 (3 months)		
	FYE2023	FYE2024	Increase/ decrease (YoY)	%	FYE2024	Increase/ decrease (YoY)	%
Revenue	732.7	**732.2**	-0.4	-0.1%	**373.1**	+0.7	+0.2%
Gross Profit	229.3	**234.1**	+4.9	+2.1%	**118.5**	+5.6	+5.0%
(%)	31.3%	**32.0%**	+0.7pp	-	**31.8%**	+1.5pp	-
SG&A	223.1	**225.3**	+2.2	+1.0%	**113.4**	-0.3	-0.2%
Core Earnings (CE) (1)	6.2	**8.8**	+2.7	+43.6%	**5.1**	+5.9	-
(%)	0.8%	**1.2%**	+0.4pp	-	**1.4%**	+1.6pp	-
Profit for the quarter including Discontinued Operations (2)	3.7	**0.5**	-3.2	-86.8%	**0.1**	+2.1	-
EPS (JPY)	12.85	**1.70**	-11.15	-86.8%	**0.39**	+7.43	-
EBITDA (3)	46.4	**48.6**	+2.2	+4.6%	**25.1**	+5.6	+28.9%
(%)	6.3%	**6.6%**	+0.3pp	-	**6.7%**	+1.5pp	-

- **Gross profit margin:** Increased by 0.7pp YoY
- **SG&A expenses:** Despite a decrease in logistics cost due to lower sales volume, increased by JPY2.2 billion YoY (Japan JPY4.7 billion decrease, International JPY1.3 billion increase, forex effect JPY5.6 billion increase) mainly due to personnel expenses for the international business, including forex impact. SG&A ratio increased by 0.3pp
- **CE margin:** Increased by 0.4pp YoY

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

› H1 FYE2024 BUSINESS RESULTS BY SEGMENT

LWT revenue and profits decreased due to sluggish demand in Europe and the Americas. Profitability for LHT improved due to price optimization and higher sales of renovation products for insulation

JPY billion		H1 (6 months) FYE2023	H1 (6 months) FYE2024	H1 (6 months) Increase/ decrease (YoY)	Q2 (3 months) FYE2024	Q2 (3 months) Increase/ decrease (YoY)
LWT	Revenue	446.1	**436.1**	-10.0	**222.0**	-3.1
	CE	20.7	**7.3**	-13.3	**3.6**	-3.9
LHT	Revenue	293.2	**300.9**	+7.6	**153.5**	+3.2
	CE	6.0	**18.6**	+12.6	**10.3**	+7.4
Consolidation, Adj. & Other	Revenue	-6.7	**-4.7**	+2.0	**-2.4**	+0.6
	CE	-20.5	**-17.1**	+3.4	**-8.7**	+2.4
LIXIL	Revenue	732.7	**732.2**	-0.4	**373.1**	+0.7
	CE	6.2	**8.8**	+2.7	**5.1**	+5.9

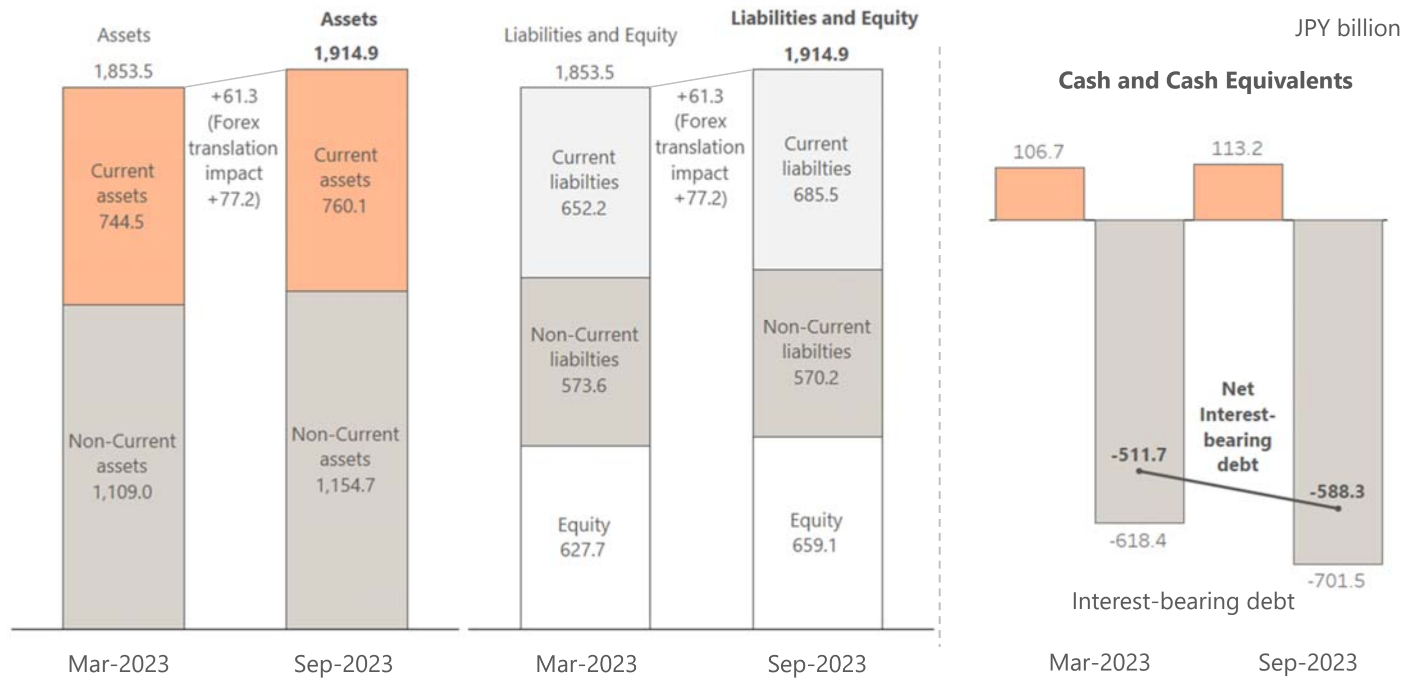
H1 impact from segment reclassification(1)
LWT: Revenue JPY0.0 billion, CE –JPY1.6 billion
LHT: Revenue –JPY3.6 billion, CE +JPY1.4 billion
Consolidation adj.: Revenue +JPY3.6 billion
CE +JPY0.2 billion

Forex impact(2)
H1 6 months: Revenue +JPY18.9 billion, CE +JPY1.1 billion
Q2 3 months: Revenue +JPY10.1 billion, CE +JPY0.6 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

› CONSOLIDATED FINANCIAL POSITION

The total assets increased slightly, due mainly to foreign currency translations. Interest-bearing debt increased due to an increase in working capital and fund-raising for bond redemptions. Equity ratio is 34.3%



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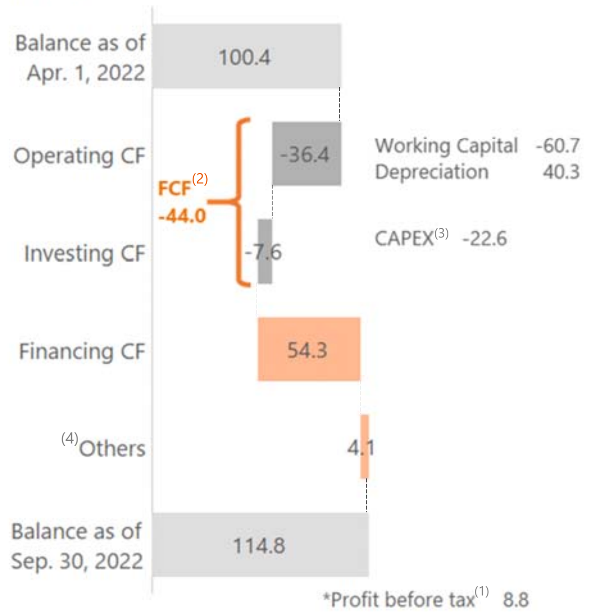
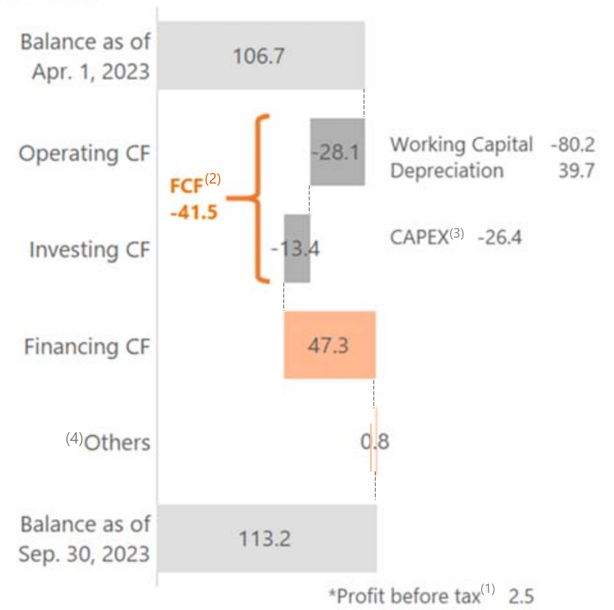
CASH FLOW STATUS AND CASH BALANCE

Free Cash Flow (FCF) increased by JPY2.5 billion due to inventory reduction, partially offsetting a decrease primarily in trade payables in response to the "Declaration for Building Partnerships" initiative

H1 FYE2023[1]



H1 FYE2024[1]



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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)
(4) "Others" = Effects of exchange rate changes + Net increase (decrease) in cash and cash equivalents included in assets held for sale

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 H1 Results	YoY vs Results Increase /decrease	YoY vs Results %	FYE2024 Forecast
Japan	Revenue	**200.3**	-1.4	-0.7%	**429.5**
	CE	**8.2**	-2.7	-24.6%	**25.5**
	CE margin	**4.1%**	-1.3pp	-	**5.9%**
International[1]	Revenue	**235.8**	-8.6	-3.5%	**515.5**
	CE	**-0.8**	-10.7	-	**27.5**
	CE margin	**-**	-	-	**5.3%**
Water Technology Total	Revenue	**436.1**	-10.0	-2.2%	**945.0**
	CE	**7.3**	-13.3	-64.5%	**53.0**
	CE margin	**1.7%**	-3.0pp	-	**5.6%**

Revenue

- **Japan:** Despite price optimizations and strong sales for renovation products that enhance people's lifestyles, revenue decreased due to lower sales in new housing
- **Int'l**[1]**:** Revenue decreased in local currency/JPY terms due to softening demand in all regions
- **Int'l revenue distribution ratio:** 54.1%, down by 0.7pp 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 SG&A expense reduction

LIXIL (1) YoY vs Results excluding forex impact: Revenue –JPY27.5 billion, -11%. Core earnings –JPY11.8 billion

INTERNATIONAL WATER TECHNOLOGY REVENUE BY REGION

By region: Management basis Total: Statutory basis[1] JPY billion	FYE2024 H1 Results	YoY local currency basis	FYE2024 Forecast	YoY local currency basis
Americas	88.9	-1%		+8%[2]
EMEA	84.0	-17%		+4%
China	22.7	-3%		0%
Asia Pacific	24.9	-2%		+10%
Adjustments	15.3	-		
Water Technology International Business Total	**235.8**	**-4%**	**515.5**	**+4%**

- **Americas**

  Revenue declined in local currency terms due to weaker demand. Increased in JPY terms
  - ✓ Revenue declined in local currency terms as soft demand continued. However, improvements in sales in Q2 brought a return to profitability in the quarter
  - ✓ Further improvement on profitability by shifting products and sales channel mix

- **EMEA**

  Revenue declined in local currency/JPY terms due to softening demand
  - ✓ Revenue declined due mainly to softer demand, with lower discretionary spending and lower investments in housing/construction in most European markets amid a higher cost of funding and uncertain business outlook

- **China**

  Revenue declined in local currency terms due to ongoing challenges in consumer confidence in the real estate sector. Increased in JPY terms
  - ✓ Signs of demand recovery in some projects
  - ✓ Q2 sales unchanged from Q1 in local currency terms

- **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 continued softening of demand in real estate sector

LIXIL (1) Statutory basis currency: H1 FYE2024 Results 1USD=JPY141.31, 1EUR=JPY153.51
Management basis currency: FYE2024 1USD=JPY135.0, 1EUR=JPY137.7
(2) Includes impact from M&A in FYE2023

› HOUSING TECHNOLOGY

Revenue and core earnings increased in Japan due to strong renovation demand for insulation products, backed by government subsidies. Profitability for international business improved after strategy revision

JPY billion		FYE2024 H1 Results	YoY vs Results		FYE2024 Forecast
			Increase /decrease	%	
Japan	Revenue	**288.4**	+8.4	+3.0%	**583.0**
	CE	**18.0**	+12.4	+220.4%	**32.5**
	CE margin	**6.2%**	+4.2pp	-	**5.6%**
International	Revenue	**12.5**	-0.8	-6.1%	**23.5**
	CE	**0.7**	+0.3	+72.7%	**0.5**
	CE margin	**5.2%**	+2.4pp	-	**2.1%**
Housing Technology Total(1)	Revenue	**300.9**	+7.6	+2.6%	**606.5**
	CE	**18.6**	+12.6	+211.1%	**33.0**
	CE margin	**6.2%**	+4.1pp	-	**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 due to price optimization in response to increased costs, and strong sales of high-performance sashes for renovation led to a significant increase in profits. Despite a continuing weak demand for new housing, aim to improve CE margin by efforts for fixed-cost reductions and sales measures

LIXIL (1) FYE2024 H1 Results (Reference)

LHT excl. building business	Revenue	JPY254.4 billion, CE JPY18.2 billion, CE margin 7.2%
Building business	Revenue	JPY46.4 billion, CE JPY0.4 billion, CE margin 0.9%

› 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 continue from next year onward

JPY billion / in %

Segments	Major products	Full-year FYE2023 Results	H1 FYE2023 Results	**H1 FYE2024 Results**	YoY	Quarterly YoY FYE2023 Q1	FYE2023 Q2	FYE2023 Q3	FYE2023 Q4	FYE2024 Q1	FYE2024 Q2
LWT	Sanitary ware**	106.5	51.4	**49.8**	-3.0%	+0.4	+6.7	+2.1	-2.1	-2.2	**-3.7**
	Bathroom units	87.4	43.0	**43.6**	+1.6%	-2.4	+4.0	+1.3	+4.1	+3.0	**+0.1**
	Washstand cabinet units**	38.7	18.6	**18.4**	-0.7%	+1.8	-1.0	-1.7	-2.7	+0.7	**-1.9**
	Kitchens	100.9	49.3	**46.8**	-5.1%	+0.3	-2.5	-2.1	+0.6	-5.2	**-5.0**
	Tiles	31.9	15.2	**15.1**	-0.9%	-4.2	-1.2	-2.5	-2.7	-1.1	**-0.8**
LHT	Housing sashes and related products	165.5	81.3	**96.5**	+18.7%	-1.2	-2.1	-0.5	+7.8	+14.6	**+22.8**
	Exterior	101.5	51.3	**47.8**	-6.8%	0.0	+3.2	+1.8	-4.5	-6.6	**-7.1**
	Wooden interior furnishing materials	62.7	31.3	**28.7**	-8.3%	+1.4	+7.8	+0.7	-6.7	-7.4	**-9.2**
	LHT Others	43.7	21.6	**21.9**	+1.1%	+17.0	+8.1	+2.8	+0.7	+1.8	**+0.4**
	Building sashes	95.7	45.3	**46.4**	+2.5%	+9.3	+13.3	+5.0	+2.0	+12.1	**-4.9**
	Housing and Services Business	27.0	13.7	**12.7**	-7.0%	-4.8	-11.9	-7.9	-17.8	-9.5	**-4.6**
	International[1]	523.3	257.7	**248.3**	-3.7%	+11.3	+13.9	+9.3	+13.7	-5.8	**-1.6**
	Others/ consolidation & adj.	111.1	52.9	**56.2**	-						
Total		1,496.0	732.7	**732.2**	-0.1%	+4.2	+6.3	+3.4	+5.1	-0.3	**+0.2**

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

LWT	Faucets	24.7	11.5	**11.9**	+3.2%	-0.3	+3.4	-6.1	+4.1	+7.3	**-0.7**

LIXIL (1) Please refer to p.16 for the revenue of water-related products in international business

› PROMOTE RENOVATION STRATEGY IN JAPAN

Renovation sales ratio increased by 3.3pp. Renovation sales in LHT increased by 19% YoY, led by window renovation for better heat-insulation

JPY billion	H1 (6 months) FYE2023 Results[1]	H1 **FYE2024 Results**	H1 Increase /decrease	H1 YoY	Q2 (3 months) **FYE2024 Results**	Q2 YoY
Sales of renovation-related products	161.2	**178.2**	+17.0	+10.5%	**91.5**	+10.8%
LWT-J				+3%		+2%
LHT				+19%		+21%
Excl. building				+22%		+26%
Building business				0%		-6%
Renovation sales ratio	41%	**44%**	+3.3pp		**44%**	+3.3pp

Renovation sales ratio by business segment (YoY)

	H1 FYE2023	**H1 FYE2024**	Increase /decrease
LWT	49%[1]	51%	+2.3pp
LHT	35%	39%	+4.4pp
Japan Total	**41%**	**44%**	**+3.3pp**

Number of member homebuilders

Stores	Mar 2022	Mar 2023	**Sep 2023**
LIXIL Reform Shop (Franchise)	536	544	**545**
LIXIL Reform Shop (Independent stores)	11,264	11,224	**11,190**
LIXIL PATTO Reform Service Shop	3,804	3,833	**3,838**

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

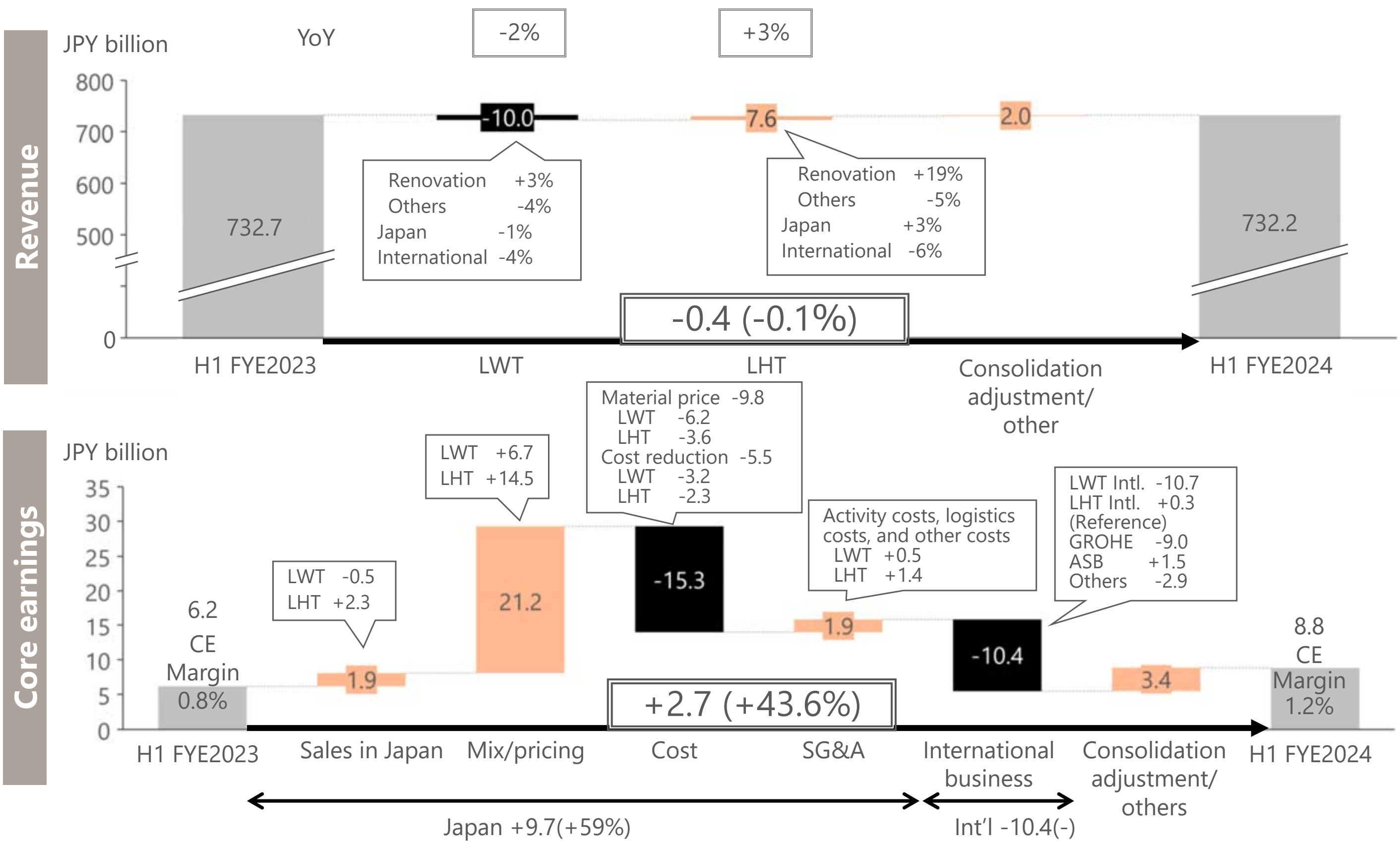
› GROWTH IN INTERNATIONAL WATER TECHNOLOGY BUSINESS

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

	H1 FYE2024 (6 months)					Q2 FYE2024 (3 months)				
	Intl. Total	Americas	EMEA	China	Asia Pacific	Intl. Total	Americas	EMEA	China	Asia Pacific
Sales distribution ratio										
Bath faucets and showers	37%	11%	60%	49%	40%	37%	12%	60%	50%	38%
Toilets	42%	52%	26%	40%	57%	42%	53%	25%	39%	59%
Kitchen faucets and water systems	7%	4%	13%	5%	2%	7%	4%	13%	6%	2%
Bathing and showering systems	10%	24%	0%	0%	1%	9%	23%	0%	1%	0%
All others	4%	8%	1%	5%	0%	4%	8%	2%	5%	0%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Sales growth										
Bath faucets and showers	-20%	-14%	-26%	-9%	+1%	-21%	-6%	-30%	-4%	+5%
Toilets	+2%	-1%	+10%	+2%	-0%	+7%	+1%	+30%	+7%	+3%
Kitchen faucets and water systems	-11%	-6%	-13%	-1%	-6%	-8%	+13%	-14%	-9%	+2%
Bathing and showering systems	-12%	-12%	-32%	-4%	-23%	-10%	-11%	+5%	+42%	-14%

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_ym41/137633/00.pdf#page=34

› H1 (6 MONTHS) FYE2024 CHANGE IN REVENUE AND CORE EARNINGS



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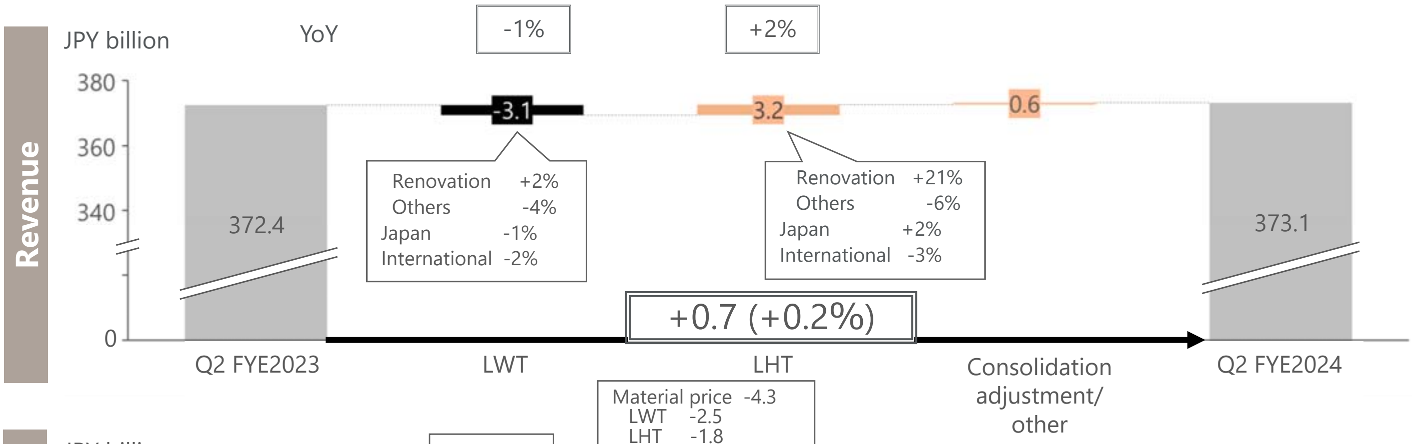
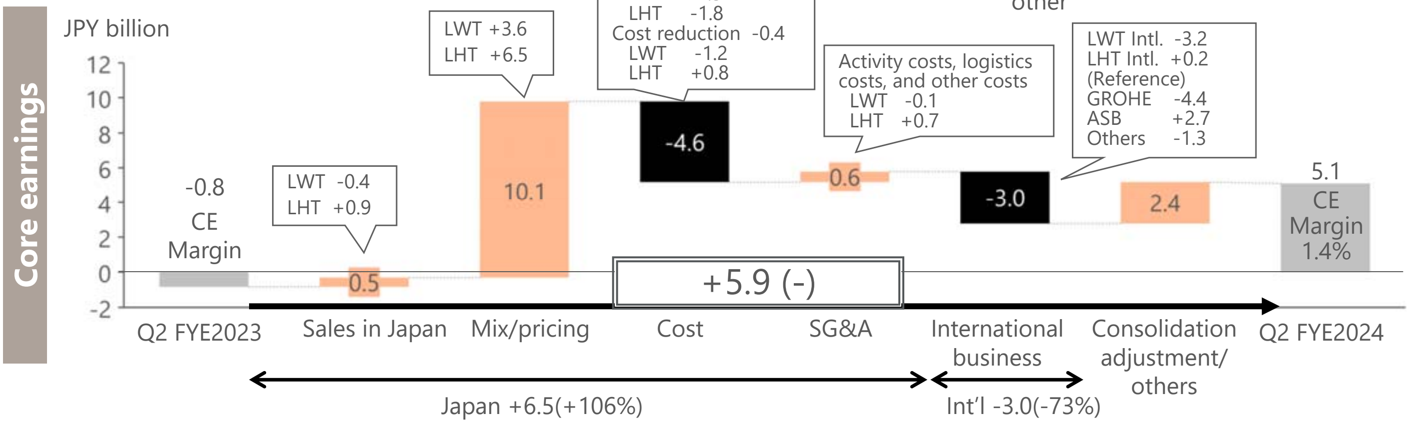
› Q2 (3 MONTHS) FYE2024 CHANGE IN REVENUE AND CORE EARNINGS





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› H1 FYE2024 OTHER INCOME AND EXPENSES, FINANCE INCOME AND COSTS

JPY billion	H1 FYE2023 Results	H1 FYE2024 Results	Increase/ decrease	
Profit on disposal of assets held for sale	5.3	-	-5.3	
Others	2.7	2.5	-0.1	
Other income	**7.9**	**2.5**	**-5.4**	
Loss on sale and disposal of property, plant and equipment	0.9	0.8	-0.1	
Impairment losses	0.7	0.5	-0.2	
Loss recognized on the measurement to fair value less costs to sell the disposal group held for sale	-	1.1	+1.1	
Others	2.5	2.4	-0.1	
Other expenses	**4.1**	**4.7**	**+0.7**	
Interest income	0.5	0.7	+0.2	
Dividend income	0.9	0.6	-0.3	
Gains on valuation of derivatives	0.2	0.4	+0.2	(A)
Gains on exchange differences	0.7	-	-0.7	
Others	0.2	0.2	0.0	
Finance income	**2.5**	**1.8**	**-0.6**	
Interest expense	2.4	4.8	+2.4	
Losses on valuation of derivatives	-	0.6	+0.6	(A)
Others	0.3	0.4	+0.1	
Finance costs	**2.6**	**5.8**	**+3.2**	

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

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

	H1 FYE2024 Results	
Gains on valuation of derivatives	0.4	
Losses on exchange differences	-0.6	
Net	-0.2	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)

› RESULTS AND FORECASTS BY SEGMENT

JPY billion		H1 FYE2023 Results			H1 FYE2024 Results(1)				FYE2024 Full Year Forecast			
		Japan	Intl.	Total	Japan	Intl.	Total	Total YoY%	Japan	Intl.	Total	Total YoY%
LWT	Revenue	201.6	244.5	**446.1**	200.3	235.8	**436.1**	-2.2%	429.5	515.5	**945.0**	+3.2%
	CE	10.8	9.8	**20.7**	8.2	-0.8	**7.3**	-64.5%	25.5	27.5	**53.0**	+12.2%
	CE margin	5.4%	4.0%	**4.6%**	4.1%	-	**1.7%**	-3.0pp	5.9%	5.3%	**5.6%**	+0.4pp
LHT	Revenue	280.0	13.3	**293.2**	288.4	12.5	**300.9**	+2.6%	583.0	23.5	**606.5**	+1.4%
	CE	5.6	0.4	**6.0**	18.0	0.7	**18.6**	+211.1%	32.5	0.5	**33.0**	+70.4%
	CE margin	2.0%	2.8%	**2.0%**	6.2%	5.2%	**6.2%**	+4.1pp	5.6%	2.1%	**5.4%**	+2.2pp
Cons. Adj. & Others(2)	Revenue			**-6.7**			**-4.7**	-			**-21.5**	-
	CE			**-20.5**			**-17.1**	-			**-46.0**	-
LIXIL(2)	Revenue	481.6	257.7	**732.7**	488.6	248.3	**732.2**	-0.1%	1,012.5	539.0	**1,530.0**	+2.3%
	CE	16.5	10.2	**6.2**	26.2	-0.2	**8.8**	+43.6%	58.0	28.0	**40.0**	+55.4%
	CE margin	3.4%	4.0%	**0.8%**	5.4%	-	**1.2%**	+0.4pp	5.7%	5.2%	**2.6%**	+0.9pp

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. Please refer to p.6 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

› PERFORMANCE OF MAJOR INTERNATIONAL SUBSIDIARIES

ASB (ASD Holdings) USD million	H1 FYE2023	**H1 FYE2024**	YoY
Foreign exchange rate (Average rate)	133.46	**141.31**	-
Revenue	663	**659**	-1%
Core earnings	-23	**-10**	-
Core earnings margin	-	**-**	-

Accounting period	FYE2023 Balance	**H1 FYE2024 (6 months)** Amortization	Others(1)	**Balance**
Foreign exchange rate (Current rate for balance, Average rate for amortization)	133.53	141.31	-	**149.58**
Goodwill(2)	247	-	0	**247**
Intangible assets(2)	249	-4	0	**246**

Grohe Group (GROHE) EUR million	H1 FYE2023	**H1 FYE2024**	YoY
Foreign exchange rate (Average rate)	138.79	**153.51**	-
Revenue	907	**733**	-19%
Core earnings	85	**18**	-79%
Core earnings margin	9%	**2%**	-6.9pp

Accounting period	FYE2023 Balance	**H1 FYE2024 (6 months)** Amortization	Others(1)	**Balance**
Foreign exchange rate (Current rate for balance, Average rate for amortization)	145.72	153.51	-	**158.00**
Goodwill(2)	1,201	-	-1	**1,200**
Intangible assets(2)	1,404	-5	0	**1,398**

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(1) Forex translation differences, and others
(2) Please refer to p50-56 of the FYE2023 Consolidated Financial Statements "14. Goodwill and Other Intangible Assets" for assessment of goodwill and intangible assets https://ssl4.eir-parts.net/doc/5938/ir_material_for_fiscal_ym35/138482/00.pdf#page=51

APPENDIX: BUSINESS AND ESG RELATED TOPICS

BUSINESS AND ESG RELATED TOPICS

Contribute to Decarbonized Society and Circular Economy

Introduced *PremiAL R100* for pre-order: A low-carbon building material made from 100% recycled aluminum(1)

- Cuts CO_2 emissions by approximately 75% from procurement to production compared to traditional products using newly produced aluminum
- In the construction sector, *PremiAL R100* helps to reduce "embodied carbon", an increasingly important factor in enhancing the environmental profile of a building
- LIXIL will explore markets outside Japan, including Europe and the US, targeting environmentally-conscious developers and investors

Developing New Businesses with Digital Transformation

Digital innovation of *LIXIL Toilet Cloud*: Enhanced features and higher sales for better public restroom maintenance(2)

Back to wall toilets

Urinals

Washroom

- *LIXIL Toilet Cloud* is an IoT service that utilizes AI technology to enhance the efficiency of public toilet cleaning
- New features include clogged toilet detection and multiple other operations via the app, in addition to existing cleaning efficiency functions
- Following initial implementation, the service has been adopted by more facilities. Through digital innovation in operations and maintenance, we aim to create cleaner, more comfortable public spaces

(1) News release https://newsroom.lixil.com/20231010_01
(2) News release https://newsroom.lixil.com/ja/20230727_02 (Japanese only)

BUSINESS AND ESG RELATED TOPICS

Living Division Offers Solutions for the Entire Home

Coordinated purchasing of kitchens and interiors enabled by integrated product development

- The LDK Design Simulator, launched in April, offers an expanded product lineup of living space options
- **High door series *Raffis***(1): Broadened the lineup of extra-height interior doors in response to the growing number of homes with high ceilings seeking a sense of spaciousness
- **Wire arrangement system *SORAMO***(2): This interior decoration system allows users to freely decorate walls and ceilings. Developed in conjunction with the crowdfunding service "Makuake"

Tackling Global Sanitation and Hygiene

SATO business celebrates 10th anniversary: Showcases initiatives and collaborations at international conference

SATO 10 YEARS AND COUNTING

- The SATO business is celebrating its 10th anniversary and is promoting partnership activities to address global sanitation and hygiene issues
- **World Water Week**(3): Through the 'Make a Splash!' partnership, LIXIL and UNICEF participated in the world's largest water and sanitation conference to discuss the outcomes of their partnership
- **Champions for Children**(4): LIXIL presented its initiatives and commitment towards achieving the set goals at an UNICEF event as part of the 'Make a Splash!' partnership

LIXIL (1) News release https://newsroom.lixil.com/ja/20230721_01 (Japanese only) (3) Website https://www.worldwaterweek.org/
(2) News release https://newsroom.lixil.com/ja/20230907_02 (Japanese only) (4) Website https://cfctb.org/

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

MORNINGSTAR GenDi J Japan ex-REIT Gender Diversity Tilt Index TOP CONSTITUENT 2023

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

FTSE4Good | FTSE Blossom Japan | FTSE Blossom Japan Sector Relative Index

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)

S&P/JPX Carbon Efficient Index

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)

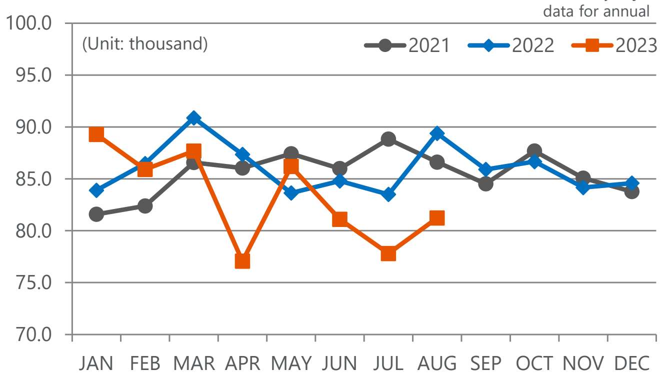
DX銘柄2023 Digital Transformation

LIXIL (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

❯ MARKET TRENDS

Trend of new housing starts in Japan

Seasonally adjusted data for annual



Source：Statistics of new housing starts, Ministry of Land, Infrastructure, Transport and Tourism（Jan. 2021-Aug. 2023）

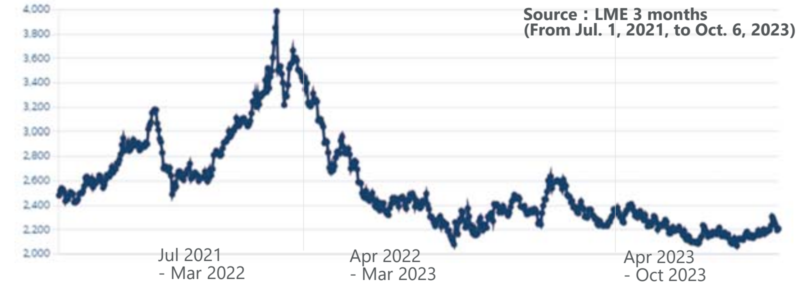
New housing construction level in Japan（year-on-year）

- Jan-June 2023: -2.2%
- Jan-Aug 2023: -3.7%

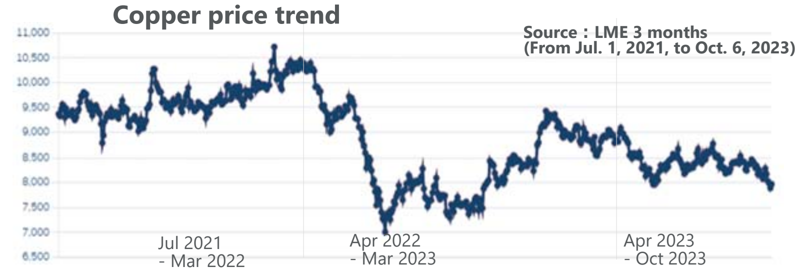
	Jan-Aug 2023 (8 months)		Apr-Aug 2023 (5 months)	
	Units	YoY	Units	YoY
Total new housing starts	**548,099**	-3.7%	**346,376**	-6.1%
Owner-occupied(1)	**151,937**	-9.5%	**99,458**	-9.8%
Rental homes	**228,344**	+1.2%	**147,026**	+0.2%
Condos for sale	**72,164**	-2.9%	**39,046**	-16.7%
Detached houses for sale(2)	**91,599**	-5.5%	**58,238**	-5.8%
Detached houses total(1)+(2)	**243,536**	-8.0%	**157,696**	-8.4%

(Unit: USD)

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

(JPY per tonne)

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

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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