



April 22, 2024

LIXIL Corporation
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 (TSE Prime market and NSE Premier market, code 5938)

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Announcement of Revision of Consolidated Financial Forecast for the Fiscal Year Ended March 2024

Reflecting the recent economic situation and business performance, LIXIL Corporation (hereinafter "LIXIL") hereby announces that it has revised its consolidated financial forecast for the fiscal year ended March 2024, which was announced on April 28, 2023.

1. Consolidated full-year forecast

(1) Consolidated full-year forecast for the fiscal year ended March 31, 2024

(April 1, 2023 through March 31, 2024)

	From Continuing Operations					Including Discontinued Operations		
	Revenue	Core earnings	Operating profit	Profit before income taxes	Profit for the year	Profit for the year	Profit for the year attributable to owners of the parent	Basic earnings per share
Previous full-year forecast (A)	JPY Million 1,530,000	JPY Million 40,000	JPY Million 28,000	JPY Million 21,000	JPY Million 11,100	JPY Million 11,100	JPY Million 11,000	JPY 38.32
Revised full-year forecast (B)	1,483,000	23,000	16,000	6,000	-10,000	-15,000	-14,000	-48.76
Change (B-A)	-47,000	-17,000	-12,000	-15,000	-21,100	-26,100	-25,000	-87.08
Change (%)	-3.1	-42.5	-42.9	-71.4	-	-	-	-
cf. FYE2023 results	1,495,987	25,745	24,903	19,759	16,888	16,015	15,991	55.54

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

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

For the fiscal year ended March 2024, LIXIL experienced a greater-than-expected decline in demand for housing equipment and building materials due to the downturn in many real estate markets globally, which significantly impacted its business both in Japan and international markets. LIXIL's international businesses have been significantly

affected by sluggish demand due to rising interest rates and inflation. As a result, the challenging business environment that began at the start of the fiscal year ended March 2024 has continued. In particular, the European market, which is the company's significant source of profit, continues to experience an unprecedented economic stagnation due to the prolonged global monetary tightening policies to curb inflation, the sluggish real estate markets, and concerns about the economic outlook due to a worsening investment appetite. Furthermore, in the fourth quarter (3 months) of the fiscal year ended March 2024, there has been a delay in a recovery in demand that had been expected from a reduction in high interest rates, leading to a decline in sales across various regions and a significant decline in profitability compared to the initial plan.

For the Japan business, concerns over housing investment from rising mortgage interest rates and the impact of price increases for construction materials and components have led to a continued decline in the number of new housing starts in the fourth quarter (3 months) of the fiscal year ended March 2024, particularly in owner-occupied and detached houses. This continues to impact LIXIL's new housing-related sales. In addition, profitability decreased in the fourth quarter (3 months) of the fiscal year ended March 2024, due to the impact of sluggish sales due to the transitional period of government subsidies for window renovation and a temporary slowdown in demand due to seasonal factors. On the other hand, the impact from price optimization initiatives, higher sales of renovation products to improve home insulation, and a market share recovery in water-related products due to the normalization of the competitive environment have contributed to earnings. Therefore, LIXIL expects that the full-year consolidated performance of its Japan business for the fiscal year ended March 2024 will meet the initial plan.

To improve the profitability of the international business, LIXIL has carried out an optimization of personnel allocation and further reorganization of the business portfolio. The costs for these structural reforms have been accounted for as "other expenses". The structural reforms are expected to contribute to an improvement in earnings from the fiscal year ending March 2025.

In addition to the factors mentioned above, an increase in financial expenses due to rising interest rates and an increase in tax expenses due to a temporary decline in profitability are expected to result in the profit for the year in the consolidated results for the fiscal year ended March 2024 to fall below the previously announced forecast.

Based on these factors and the information and projections available at this time, LIXIL has decided to revise its consolidated earnings forecast for the fiscal year ended March 2024.

*Regarding Permasteelisa-related loss (recording of a loss from discontinued operations), there is no change from the timely disclosure, "Announcement on Recording a Loss for the Quarter from Discontinued Operations (Consolidated) and Extraordinary Loss (Stand-alone), and the Consolidated Financial Forecast for the Third Quarter of the Fiscal Year Ending March 2024", announced on January 22, 2024.

2. Dividend forecast

There is no change to the annual dividend forecast of JPY90 per share (interim dividend of JPY45 and year-end dividend of JPY45) as announced on April 28, 2023.

Explanation for adequate utilization of the forecast and other special matters

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

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