

› Financial Results for the Fiscal Year Ended March 31, 2019 (IFRS)

(April 1, 2018 to March 31, 2019)

LIXIL Group Corporation

May 13, 2019



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 Group Corporation cautions that a number of factors could cause actual results to differ materially from those discussed in the forward-looking statements.

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LIXIL GROUP HAS ADOPTED IFRS SINCE FYE2016

JGAAP	IFRS (LIXIL Group 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/losses	Finance income/costs
	Share of profit (loss) for using the equity method
Profit before income taxes	Profit before tax
	Net profit for Continuing Operations
	Discontinued Operations
	Net Profit for Discontinued Operations
Net profit attributable to	Net 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"

As disclosed on "Progress Update on Transfer of Consolidated Subsidiary (Share Transfer)" on October 22, 2018 business operations of Permasteelisa S.p.A. and its subsidiaries are reclassified as "continuing operations" from "discontinued operations" from Q2 FYE2019. The same period of FYE2018 has also been restated for comparison.

KEY HIGHLIGHTS: FISCAL YEAR ENDED MARCH 31, 2019

Existing continuing operations achieved revised annual forecast⁽¹⁾ but net profit ended in red due to recognition of losses from Permasteelisa

- Revenue : JPY 1,832.6 billion, increased 0.2% year-on-year**
Japan: increased by 1.8% year-on-year
Overseas: decreased due to effects such as selective order intake at Permasteelisa
- Core earnings: JPY 12.8 billion, decreased 83% year-on-year**
Japan: despite decline in first half, recovery in demand and SG&A cost reduction effort in the second half contributed to slowing rate of year-on-year decline in core earnings
Overseas: decreased due to items such as inflation of labor and material costs, and accrual for estimated future losses on construction contracts
- Net profit⁽²⁾: JPY -52.2 billion, turned to deficit after recognizing loss of Permasteelisa**
 Profit before tax decreased by JPY 83.1 billion (out of which Permasteelisa accounted for JPY 40.6 billion) mainly due to decline in core earnings and the absence of gain on sale of shares of affiliates and investment properties reported for the previous fiscal year. Tax expenses increased by JPY 22.9 billion due to the reversal of deferred tax assets related to the sale of a subsidiary recorded in FYE2018

LIXIL (1) Announced on October 22, 2018
 (2) Net profit = Net profit attributable to owners of the parent

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FYE2019 CONSOLIDATED BUSINESS RESULTS

JPYbn	Q4		FYE2018		FYE2019		YoY	
	3 months	YoY	12 months	12 months				
	Reported	%	(A)	(B)	(B)-(A)			
			After	Reported	Amount			%
			retroactive					
			restatement					
Revenue	451.4	-1.6%	1,829.3	1,832.6	3.3			0.2%
(Existing) Continuing operations	428.5	+3.4%	1,664.8	1,689.4	24.6			+1.5%
Permasteelisa	22.9	-48.7%	164.5	143.2	-21.3			-13.0%
Gross Profit	117.4	-16.2%	576.9	532.6	-44.3			-7.7%
(%)	26.0%	-	31.5%	29.1%	-2.5pp			-
Core Earnings⁽¹⁾	-24.3	-	76.0	12.8	-63.2			-83.2%
(%)	-5.4%	-	4.2%	0.7%	-3.5pp			-
(Existing) Continuing operations	8.1	+21.2%	75.3	54.3	-21.0			-27.8%
Permasteelisa	-32.4	-	0.7	-41.5	-42.3			-
Net Profit⁽²⁾	-54.3	-	54.6	-52.2	-106.8			-

- Despite the contribution of Housing Technology to sales growth in Q4 (3-month period), revenue decreased primarily due to the impact of selective order taking, etc., in unprofitable areas for Building Technology (overseas)
- Core earnings for Q4 (3-month period) decreased due to the decrease in gross profit and increase in construction costs⁽³⁾ as a result of the selective order intake, etc., in Building Technology (overseas), resulting in net loss

LIXIL (1) Equivalent to "Operating profit" of JGAAP
 (2) Net profit attributable to owners of the parent

(3) Please refer to "Announcement Regarding Revision of the Full-year Forecast on Business Performance for the Fiscal Year Ended March 2019" announced on April 18, 2019

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Q4 (3 AND 12 MONTH PERIODS) BUSINESS RESULTS BY SEGMENT

➤ Despite the positive contribution of Housing Technology and Housing & Services to sales, and Housing Technology to profit, revenue and core earnings decreased in Q4 (3-month period) due to the impact of selective order intake, etc., and increased construction costs for Building Technology (overseas)

JPY billion		Q4 3 months			FYE2019 12 months		
		FYE2018 (A)	FYE2019 (B)	Amount (B)-(A)	FYE2018 (C)	FYE2019 (D)	Amount (D)-(C)
LWT ⁽¹⁾	Revenue	212.8	212.7	-0.1	827.9	833.1	5.3
	CE	14.4	14.1	-0.3	73.8	60.2	-13.6
LHT	Revenue	129.7	135.9	6.2	535.2	540.8	5.6
	CE	1.6	4.7	3.1	27.5	20.7	-6.8
LBT	Revenue	72.6	53.7	-18.9	271.5	256.0	-15.4
	CE	2.3	-30.0	-32.3	4.6	-38.1	-42.7
D&R	Revenue	39.4	40.4	1.0	173.5	176.4	2.9
	CE	-0.3	0.1	0.4	6.9	7.8	0.8
H&S	Revenue	12.8	16.8	4.1	52.3	57.9	5.6
	CE	0.4	0.9	0.5	2.5	3.5	0.9
Consolidation, adj. & other	Revenue	-8.3	-8.1	0.3	-31.1	-31.6	-0.6
	CE	-10.9	-14.1	-3.2	-39.3	-41.2	-1.9
LIXIL Group	Revenue	459.0	451.4	-7.5	1,829.3	1,832.6	3.3
	CE	7.5	-24.3	-31.8	76.0	12.8	-63.2

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(1) Kitchen Technology is included in the Water Technology due to change in reporting segment from Q1 FYE2019 (2) Impact from divestment and others for LWT in FYE2018 was Revenue -6.7bn & CE -0.2bn, and LHT in FYE2019 was Revenue -4.4bn & CE -0.2bn

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Q4 (3- AND 12-MONTH PERIODS) JAPAN TECHNOLOGY BUSINESS HIGHLIGHTS

JPY billion		Q4 3 months			FYE2019 12 months		
		FYE2018 (A)	FYE2019 (B)	Amount (B)-(A)	FYE2018 (A)	FYE2019 (B)	Amount (B)-(A)
LWT	Revenue	110.7	109.4	-1.4	435.6	435.3	-0.3
	CE	3.5	6.0	2.5	33.6	29.2	-4.4
LHT	Revenue	126.4	133.1	6.8	520.8	530.0	9.2
	CE	2.3	5.1	2.8	28.3	21.3	-7.0
LBT	Revenue	28.0	30.8	2.8	106.7	112.8	6.1
	CE	1.6	2.5	0.8	4.7	3.6	-1.1
Total	Revenue	265.0	273.3	8.2	1,063.1	1,078.2	15.0
	CE	7.4	13.6	6.2	66.5	54.0	-12.5

➤ Due to stabilization of sales operation in Japan, overall revenue and core earnings increased in Q4 (3-month period) for the three Japan technology business units, following the trend from Q3 (3-month period)

- **Water Technology:** Core earnings increased as a result of cost reduction efforts and SG&A controls despite decrease in revenue
- **Housing Technology:** Revenue and core earnings increased due to the increase in demand for products such as exteriors and interior furnishing materials
- **Building Technology:** Revenue and core earnings increased due to robust building construction demand

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› FORECAST FOR FYE2020

FORECAST – FYE2020 KPI (GROUP)

› Plan to increase revenue and profits by promoting expansion of sales of LWT overseas synergy-related products and executing plan to recover the profitability at Permasteelisa

JPY: billion	Full-year			
	[A] FYE2019 Result	[B] FYE2020 Forecast	[C]=[B]-[A] vs FYE2019 Result	[C]/[A] vs FYE2019 Result (%)
Revenue	1,832.6	1,850.0	17.4	1%
Continuing operations from the beginning of the year	1,689.4	1,703.0	13.6	1%
Permasteelisa	143.2	147.0	3.8	3%
Core Earnings	12.8	47.0	34.2	267%
Continuing operations from the beginning of the year	54.3	59.0(1)	4.7	9%
Permasteelisa	-41.5	-12.0	29.5	-
Operating Profit	-15.0	38.0	53.0	-
Continuing operations from the beginning of the year	48.9	57.9(1)	9.1	19%
Permasteelisa	-63.9	-19.9(2)	44.0	-
Profit before Tax	-18.0	44.0	62.0	-
Continuing operations from the beginning of the year	47.5	66.3(3)	18.9	40%
Permasteelisa	-65.4	-22.3	43.1	-
Tax expenses	31.3	26.4	-4.9	-16%
Continuing operations from the beginning of the year	19.0	26.8	7.8	41%
Permasteelisa	12.3	-0.4	-12.7	-
Non-controlling interests	2.9	2.6	-0.3	-10%
Net profit (loss) attributable to owners of the parent	-52.2	15.0	67.2	-
Continuing operations from the beginning of the year	25.3	36.9	11.6	46%
Permasteelisa	-77.5	-21.9	55.6	-

(1) "Other income/expenses" between core earnings and operating profit include estimated amount of gain/loss on the previously announced transfer of shares of a subsidiary

(2) Includes projected restructuring costs

(3) Includes estimated amount of gain on the previously announced transfer of shares of an affiliated company

*Impact from the revision of accounting standard (IFRS 16 lease accounting that will be applied from April 1, 2019) is explained on slide 11

FORECAST – FYE2020 ASSUMPTIONS AND KPI

Assumptions

		FYE2019 Result	FYE2020 Forecast
Housing starts (YoY%)	Total	953,000/+1%	920,000/-3.4%
	Renovation	-	+2.2%
	Non-residential	-	-2.1%
FX rate (Average rate)	JPY/USD	110.69	115
	JPY/EUR	128.43	133
Raw material price (JPY/ton)	Aluminum	249,000	237,000
	Copper	632,000	694,000

Volume of annual procurement (Approximate amount) Aluminum 180,000 ton, Copper 24,000 ton

KPI and other

	[A]	[B]	[B]-[A]
JPY: billion	FYE2019 Result	FYE2020 Forecast	Difference
ROE	-9.1	2.8	11.9
ROA	-2.5	0.7	3.2
EBITDA ⁽¹⁾	81.3	150.4	69.1
CAPEX ⁽²⁾	67.6	85.0	17.4
Depreciation ⁽²⁾	68.5	103.1	34.9
R&D expenditure	28.4	29.0	0.6

*Regarding the impact of the revision of an accounting standard (IFRS 16 lease accounting) on the figures in the above square frame, please refer to slide 11

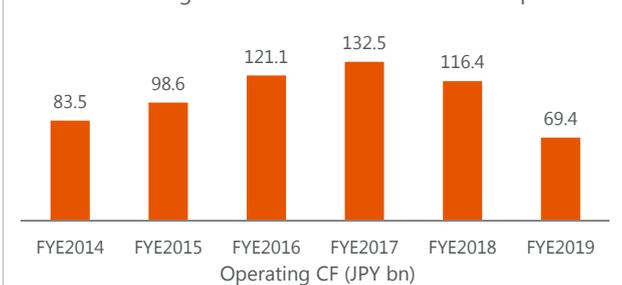
LIXIL (1) EBITDA: Core earnings+Depreciation
(2) CAPEX and Depreciation includes intangible assets

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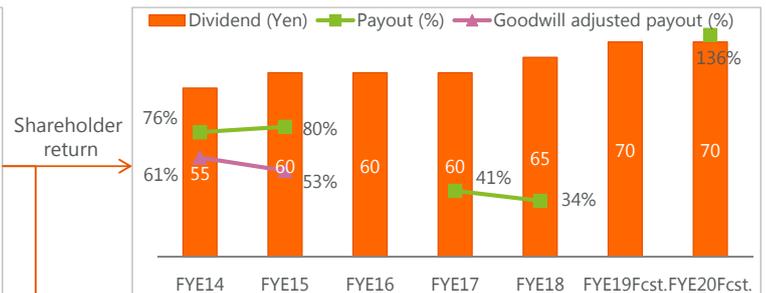
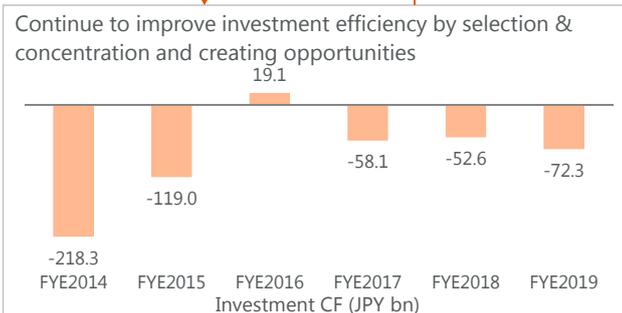
FINANCIAL POLICY

Continue to focus on improving corporate value and a stable return to stockholders through an initiative to improve profitability and financial strength by focusing on Key Goal Indicators (KGIs) such as cost-effectiveness and financial leverage

Continue to strengthen return on investment and improve CCC

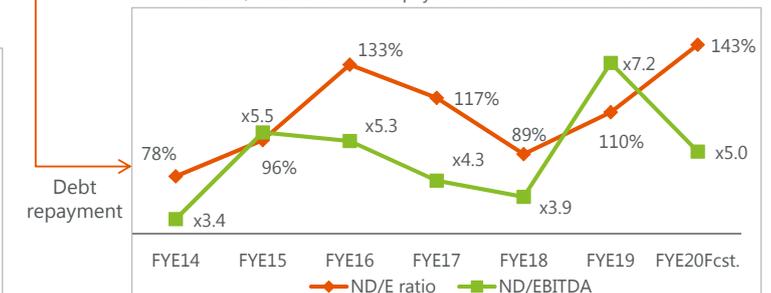


Continue to improve investment efficiency by selection & concentration and creating opportunities



- Dividend payout ratio of over 30% on a consolidated basis
- Share buyback may take place depending on factors, such as financial position and share price

※FYE2016, FYE2019 dividend payout ratio not calculated due to net loss



Financial soundness policy
ND/E ratio less than 100%·ND/EBITDA less than x3.5

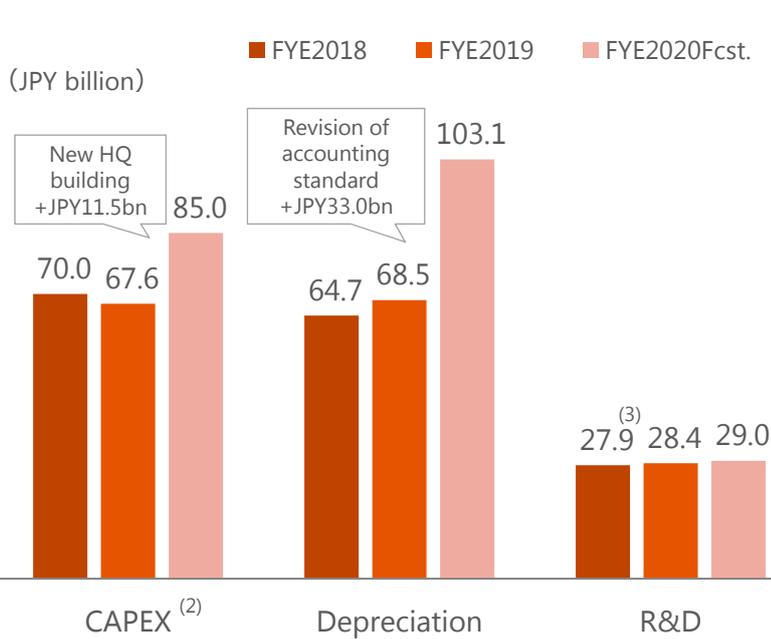
LIXIL *CF: Include discontinued operations

*JGAAP until FYE2014, IFRS from FYE2015

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CAPEX, DEPRECIATION, AND R&D EXPENDITURE

Continue proactive investments supporting future growth. Achieve both improvement of financial strength and profitability by implementing KGI (Key Goal Indicator) focusing on cost-effectiveness and financial leverage for all investment decisions



Impact from the revision of accounting standard :
IFRS16 Lease FYE2020-

Overview

Under the new lease accounting standard, lease contracts that were previously accounted with lease treatment are on-balanced as assets and liabilities, and asset portions are depreciated. With regard to the debt portion, the principal and interest will be processed separately for each payment.

Major financial impact (FYE2020 estimates)

- Total Asset: Increase JPY121.0 bn
- Net debt: Increase JPY121.5 bn
- EBITDA⁽¹⁾: Increase JPY34.0 bn
- Core earnings : Increase JPY1.0 bn
 - SG&A: Rent decreases JPY34.0 bn
 - SG&A: Depreciation increases JPY33.0 bn
- PBT⁽⁴⁾: Decrease JPY0.5 bn
 - Finance costs: Interest expense increases JPY1.5 bn
- Operating CF: Increase JPY32.5 bn
- Financial CF: Decrease JPY32.5 bn

※ The above financial impacts are the company's best estimate under certain assumptions at the end of March 2019. Therefore, actual results may largely differ from the current estimates.



(1) EBITDA (Core earnings + Depreciation),

(2) CAPEX and Depreciation includes intangible assets

(3) Approx. JPY0.3 billion of difference in the amount disclosed in the

securities report FYE2018 is the R&D expense of a company classified as Discontinued Operations

(4) PBT = Profit Before Taxes

BUSINESS PERFORMANCE BY SEGMENT AND PRIORITIES FOR FYE2020



LIXIL Water Technology



LIXIL Housing Technology



LIXIL Building Technology



Distribution and Retail Business



Housing and Services Business

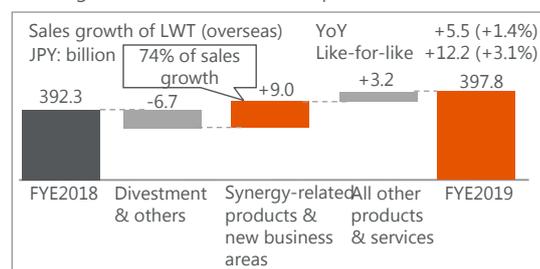
WATER TECHNOLOGY

Revenue remained flat for Japan and increased overseas. However, core earnings decreased due to factors such as increased materials costs despite efforts to improve gross profit and cut SG&A

Apr-Mar In JPYbn		FYE2019 result	Like for like	FYE2020 (forecast)		
Revenues by Region ⁽¹⁾	Americas	143.5	-1%	+2%		
	EMEA	168.0	+3%	+2%		
	Asia Pacific	107.8	+8%	+8%		
	Japan	435.3	0%	0%		
	Adjustments	-21.5				
	Water Technology	833.1	+1%		860.0	+3%
		<i>margins</i>		<i>margins</i>		
Core earnings by Region ⁽¹⁾	Americas	6.5	-35%	5%	+51%	7%
	EMEA	22.1	-8%	13%	+10%	14%
	Asia Pacific	8.8	-22%	8%	+32%	10%
	Japan	29.2	-13%	7%	-19%	5%
	Adjustments	-6.4				
	Water Technology	60.2	-18%		64.8	+8%
	Margin	7.2%	-1.7pp		7.5%	

- **Americas**
 - ✓ Revenue remained flat and CE decreased due to increased manufacturing costs despite SG&A control
- **EMEA**
 - ✓ Despite softer market in Central Europe, revenue for Europe increased by 4% year-on-year due to solid sales growth in all other areas. CE decreased due to increased material costs despite efforts to cut SG&A
- **Asia Pacific**
 - ✓ Revenue increased due to the sales growth in China, supported by new marketing initiatives. CE decreased following increase in SG&A from upfront investments
- **Japan**
 - ✓ Revenue remained flat. CE decreased due to deterioration of product and pricing mix in the first half and increased material costs
- **Priorities for FYE2020**

Promote market-share up by expanding sales of synergy-related products and improve profitability through continuous efforts to improve cost and SG&A



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(1) Region: Management basis, Water Technology Total: Statutory basis
Statutory basis currency : FYE2019 Results 1USD=110.69JPY, 1EUR=128.43JPY
Management basis currency : Comparing by FYE2019 current & previous year 1USD=115JPY, 1EUR=135 JPY, FYE2020 Assumptions 1USD=115JPY, 1EUR=133JPY

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HOUSING TECHNOLOGY

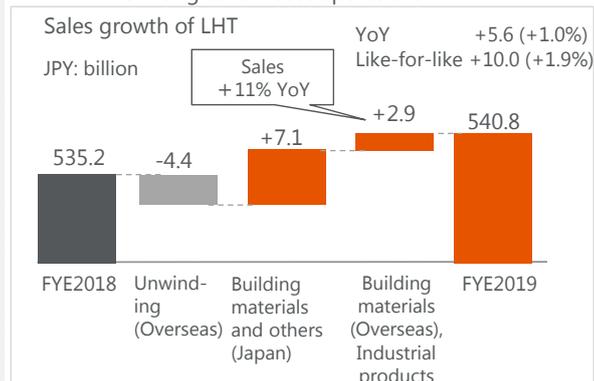
Revenue increased due to recovery of demand in the second half. Core earnings margin significantly improved compared to the first half due to favorable sales of exteriors and interior furnishing materials, as well as improved sales of window sashes and entrance doors in the second half

Apr-Mar In JPYbn		FYE2019 result	YoY	FYE2020 (forecast)	
Revenues by Region	Japan	530.0	+2%	0%	
	Overseas	10.8	-25%	-35%	
	Housing Technology	540.8	+1%	535.0	-1%
Core Earnings	Housing Technology	20.7	-25%	25.9	25%
	Margin	3.8%	-1.3pp	4.8%	

- **Japan**
 - ✓ Sales and profitability improved due to favorable sales of window sashes & entrance doors as well as the improvement in product mix from the second half, supported by the solid sales growth of exteriors and wooden material products
- **Priorities for FYE2020**

Create a lean structure resistant to external challenges

 - New market and business development
 - Provision of high value-added products
 - Shifting to low cost operations



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BUILDING TECHNOLOGY

- Japan business grew due to robust building demand. However, revenue and profit decreased for overall business unit due to selective order intake, etc., as well as substantial increase in construction cost for overseas business⁽¹⁾. Focus on improvement of cash flows and profitability with steady execution of plan to recover the profitability of Permasteelisa

Apr-Mar In JPYbn		FYE2019 result	YoY	FYE2020 (forecast)	
Revenues by Region	Japan	112.8	+6%	+3%	
	Overseas	143.2	-13%	+3%	
	Building Technology	256.0	-6%	263.0	+3%
Core Earnings	Building Technology	-38.1	-42.7	-9.7	-
	Margin	Red figure	-	Red figure	

Japan

- Revenue increased due to robust building construction demand. Core earnings decreased due to increased in R&D and distribution costs

Priorities for FYE2020

- Improve profitability by leveraging synergies across the Group, increasing added value by shifting from a product supplier to proposer of living space, developing new customers to increase order intake as well as improving construction cost

Overseas (Permasteelisa)

- Sales decreased due to selective order intake and so on in North America, where profitability deteriorated, and core earnings decreased due to recognition of additional construction costs based on a rigorous assessment

Priorities for FYE2020

- After reclassification to continuing operations in Q2, rigorous assessment was made for all projects and the plan for recovering profitability has been developed in Q4⁽²⁾. Improve cash flows and profitability through a steady execution of the plan

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(1) Includes possible deterioration factors that will deteriorate in the future (accrual for expected future losses on construction projects)

(2) Please refer to "Announcement Regarding Revision of the Full-year Forecast on Business Performance for the Fiscal Year Ended March 2019" ¹⁵ announced on April 18, 2019

DISTRIBUTION & RETAIL AND HOUSING & SERVICES

- Revenue and core earnings increased, driven by renovation-related product sales at existing stores

Apr-Mar In JPYbn		FYE2019 result	YoY	FYE2020 (forecast)	
D&R	Revenue ⁽¹⁾	176.4	+1.6%	188.0	+7%
	Core Earnings ⁽¹⁾	7.8	+12%	6.2	-20%
	Margin ⁽¹⁾	4.4%	+0.4pp	3.3%	

- Opened seven stores in FYE2019
- Composition of revenue recognized from sales of goods for renovation
37.8% → 39.6% (YoY +1.8pp)

Priorities for FYE2020

- Continue to aim for renovation goods revenue ratio of 50% by promoting to increase professional users
- Accelerate opening new stores (Opening of 7 stores is planned)

- Revenue and core earnings increased, focusing on top priorities such as services for new business areas and markets other than for new houses

Apr-Mar In JPYbn		FYE2019 result	YoY	FYE2020 (forecast)	
H&S	Revenue	57.9	+11%	57.0	-1%
	Core Earnings	3.5	+36%	3.3	-4%
	Margin	6.0%	+1.1pp	5.8%	

- Revenue composition for business other than for new houses⁽²⁾
35% → 39% (YoY +4.0pp)

Priorities for FYE2020

- Shift the focus further on B to C and existing house market for expansion of the business
- Develop its business in new areas of services and markets

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(1) Distribution & Retail disclosed as of IFRS basis; Reference: Japanese accounting standards are applied for disclosure of LIXIL VIVA Corporation (Securities Code 3564)

(2) Existing business – business other than for new houses and new areas of services and markets

CONSOLIDATED FINANCIAL POSITION

JPY: billion	[A]	[B]	[B]-[A]			
	Mar-2018	Mar-2019	<Breakdown> Assets for sale and liabilities directly associated with the assets held for sale		Others	Total of the increase / decrease
			Discontinued operations	Others		
Cash and cash equivalents	138.8	141.4	5.1	-1.7	-0.8	2.7
Trade and other receivables	343.3	401.7	59.2	-4.1	3.2	58.4
Inventories	217.9	234.6	5.0	-1.1	12.8	16.7
Assets held for sale	180.2	11.4	-181.0	11.3	0.9	-168.8
Others	1,227.0	1,270.4	111.7	-4.5	-63.7	43.5
Total Assets	2,107.1	2,059.5	-	-	-47.6	-47.6
Trade and other payables	339.0	392.4	38.3	-2.0	17.1	53.4
Interest-bearing debt	687.9	726.0	23.3	-0.0	14.8	38.0
Liabilities directly associated with the assets held for sale	127.5	5.0	-137.8	5.0	10.4	-122.4
Others	303.2	369.0	76.2	-2.9	-7.5	65.8
Total Liabilities	1,457.6	1,492.4	-	-	34.8	34.8
Treasury shares	-49.0	-48.9	-	-	0.1	0.1
Others	698.6	616.1	-	-	-82.5	-82.5
Total Equity	649.6	567.2	-	-	-82.4	-82.4
(1) Equity Ratio (%)	29.3%	25.9%				-3.4pp
(2) Net Assets per Share (Yen)	2,128.77	1,839.59				-289.18
Number of Shares (in thousands)	289,790	290,095				305
Net interest-bearing debt	549.2	584.5				35.4

- ① Increased primarily due to accumulated inventories from increase in order backlogs ② Decreased due to impairment of intangible assets, evaluation losses of investment securities⁽³⁾ and forex impact ③ Increased due to change in a factoring channel from inter-group to external in subsidiaries ④ Increased due to borrowing of working capital

(1) Ratio of equity attributable to owners of the parent
 (2) Equity per share attributable to owners of the parent
 (3) Evaluation losses are directly included in Other comprehensive income (BS)

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CASH FLOW STATUS AND CASH BALANCE

JPY: billion	FYE2018	FYE2019	Increase/ decrease
Profit before tax from continuing operations	90.0	-18.0	-108.0
Loss before tax from discontinued operations	-24.9	-	24.9 ⁽¹⁾
Profit before tax	65.1	-18.0	-83.1
Depreciation and amortization	64.7	68.5	3.8
Income taxes paid	-31.9	-29.3	2.5
Working capital	-0.6	-6.1	-5.5
Loss recognized on the measurement of the disposal group held for sale to fair value / Profit recognized on the remeasurement	21.9	-2.0	-23.9 ⁽¹⁾
Others ⁽²⁾	-2.8	56.4	59.2
Net cash flows from operating activities	116.4	69.4	-47.0
Net cash flows from investing activities	-52.6	-72.3	-19.7
(of which purchase of property, plant and equipment and intangible assets)	-70.0	-67.6	2.3
Free cash flows	63.8	-3.0	-66.7
Net cash flows from financing activities	-43.8	1.6	45.4
	·	·	·
Cash and cash equivalents (Balance at the fiscal year end)	138.8	141.4	2.7

- ① Net cash inflows from operating activities decreased by JPY 47.0 billion from decrease in profit before tax and deterioration in working capital
 ② Cash outflows from investing activities increased by JPY 19.7 billion primarily due to the absence of cash inflows from sale of shares of group companies in FYE2018
 ③ Free cash flows decreased year-on-year by JPY 66.7 billion

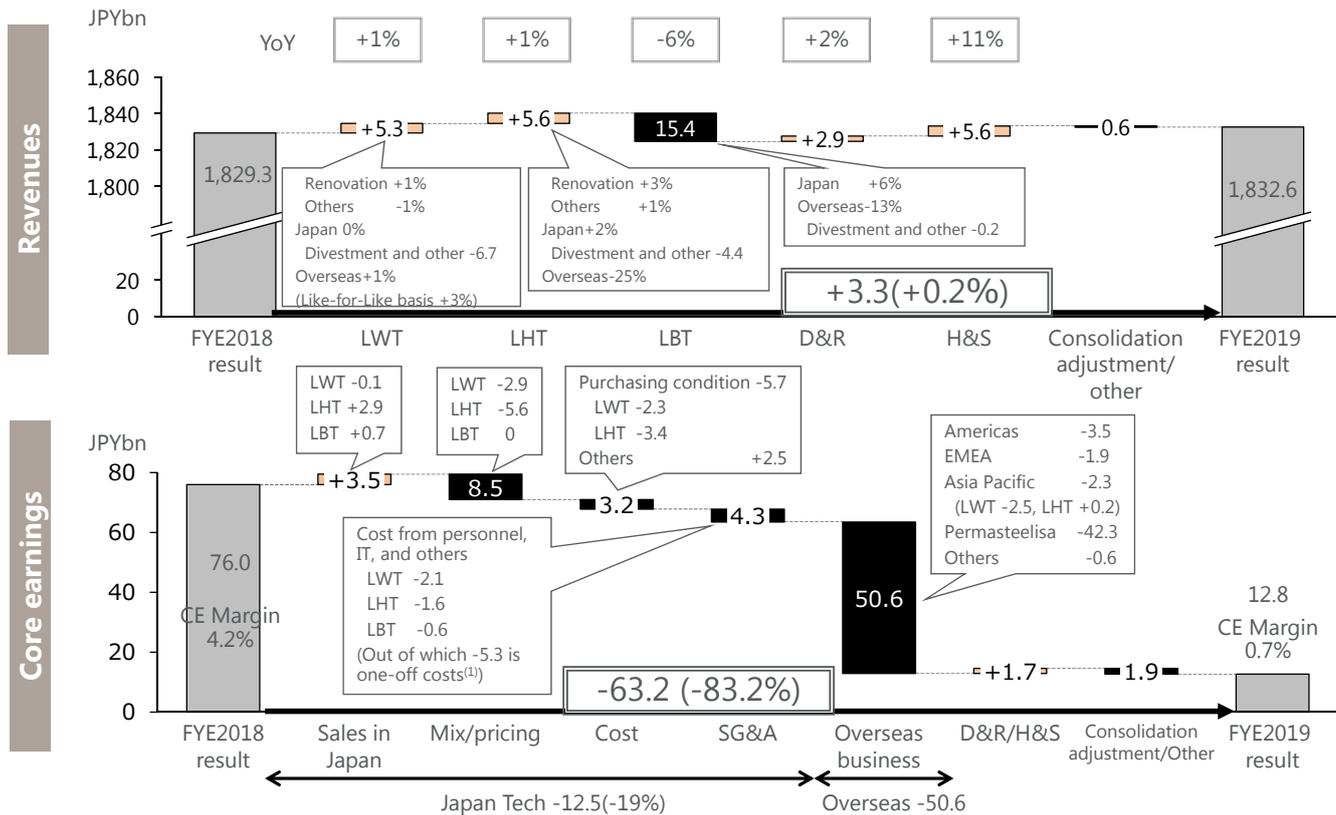
(1) "Loss before tax from discontinued operations" is matched with "Loss recognized on the measurement of the disposal group held for sale to fair value / Profit recognized on the remeasurement"
 (2) FYE2019 Operating cash flows "Others" are impairment loss of JPY 30.2 billion and others which are mainly impact from forex translation

› APPENDIX

FYE2019 CONSOLIDATED BUSINESS RESULTS (DETAIL)

	[A]	[B]-[A]	[B]	[C]	[C]-[B]		
JPYbn	FYE2018	Discontinued Operations	FYE2018	FYE2019	YoY		
	Reported	Difference	After retroactive restatement	Results	Amount		%
					Forex	[C]-[B]	
Revenue	1,664.8	164.5	1,829.3	1,832.6	-3.9	3.3	0.2%
(Existing) Continuing operations	1,664.8	-	1,664.8	1,689.4	-2.6	24.6	+1.5%
Permasteelisa	-	164.5	164.5	143.2	-1.3	-21.3	-13.0%
Gross Profit	563.5	13.4	576.9	532.6	-1.2	-44.3	-7.7%
(%)	33.8%	-	31.5%	29.1%	-	-2.5pp	-
Core Earnings⁽¹⁾	75.3	0.7	76.0	12.8	-0.3	-63.2	-83.2%
(%)	4.5%	-	4.2%	0.7%	-	-3.5pp	-
(Existing) Continuing operations	75.3	-	75.3	54.3	-0.3	-21.0	-27.8%
Permasteelisa	-	0.7	0.7	-41.5	0	-42.3	-
Net Profit⁽²⁾	54.6	-	54.6	-52.2	-	-106.8	-
EPS (yen)	18.9	-	18.9	-18.0	-	-36.9	-
EBITDA⁽³⁾	137.1	3.6	140.7	81.3	-	-59.4	-42.2%
(%)	8.2%	-	7.7%	4.4%	-	-3.3pp	-

FYE2019 INCREASE / DECREASE OF SALES AND CORE EARNINGS



LIXIL (1) Out of which trading framework related costs are 2.6 billion (Q1: 2.1 billion, Q2: 0.5 billion) and Others are 2.7 billion

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FYE2019 OTHER INCOME AND OTHER EXPENSES, FINANCE INCOME AND FINANCE COSTS

JPY billion	FYE2018	Difference ⁽¹⁾	FYE2018 After retroactive restatement	FYE2019	Increase/decrease
Other Income	26.1	0.5	26.6	15.4	-11.2
Other Expenses	20.4	23.1	43.5	43.2	-0.3
Finance Income	13.5	-0.7	12.8	6.9	-5.9
Finance Costs	16.7	2.4	19.1	10.1	-9.0

(1) Gains on valuation of derivatives is matched with foreign exchange difference losses

FYE2019	
Gains on valuation of derivatives	2.8
Exchange difference losses	-4.1
Net	-1.3 Loss

(2) Foreign exchange difference gains is matched with losses on valuation of derivatives

FYE2018	
Exchange difference gains	9.1
Losses on valuation of derivatives	-12.2
Net	-3.1 Loss



RESULTS AND FORECASTS BY SEGMENT

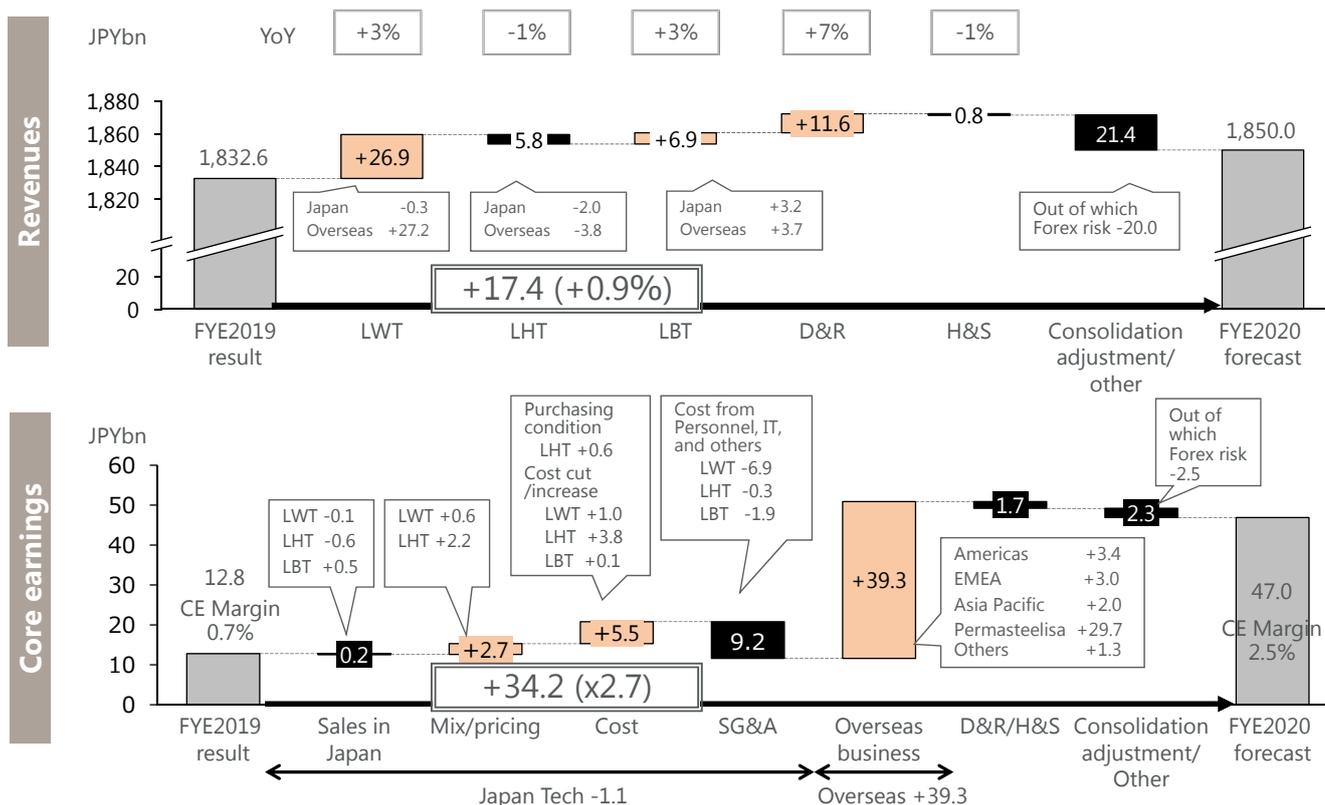
JPY billion		FYE2018 Results			FYE2019 Results			Total YoY%	FYE2020 Forecasts			
		Japan	Overseas	Total	Japan	Overseas	Total		Japan	Overseas	Total	Total YoY%
LWT	Revenue	435.6	392.3	827.9	435.3	397.8	833.1	0.6%	435.0	425.0	860.0	3.2%
	Core earnings	33.6	40.3	73.8	29.2	31.1	60.2	-18.4%	23.7	41.1	64.8	7.5%
	CE margin	7.7%	10.3%	8.9%	6.7%	7.8%	7.2%	-1.7pp	5.4%	9.7%	7.5%	+0.3pp
LHT	Revenue	520.8	14.4	535.2	530.0	10.8	540.8	1.0%	528.0	7.0	535.0	-1.1%
	Core earnings	28.3	-0.8	27.5	21.3	-0.6	20.7	-24.7%	26.9	-1.0	25.9	25.2%
	CE margin	5.4%	-	5.1%	4.0%	-	3.8%	-1.3pp	5.1%	-	4.8%	+1.0pp
LBT	Revenue	106.7	164.8	271.5	112.8	143.2	256.0	-5.7%	116.0	147.0	263.0	2.7%
	Core earnings	4.7	-0.1	4.6	3.6	-41.7	-38.1	-	2.3	-12.0	-9.7	-74.6%
	CE margin	4.4%	-	1.7%	3.2%	-	-	-	2.0%	-	-	+11.2%
D&R	Revenue	173.5	-	173.5	176.4	-	176.4	1.6%	188.0	-	188.0	6.6%
	Core earnings	6.9	-	6.9	7.8	-	7.8	11.7%	6.2	-	6.2	-19.7%
	CE margin	4.0%	-	4.0%	4.4%	-	4.4%	+0.4pp	3.3%	-	3.3%	-1.1pp
H&S	Revenue	52.3	-	52.3	57.9	-	57.9	10.6%	57.0	-	57.0	-1.4%
	Core earnings	2.5	-	2.5	3.5	-	3.5	36.1%	3.3	-	3.3	-4.5%
	CE margin	4.8%	-	4.8%	6.0%	-	6.0%	+1.1pp	5.8%	-	5.8%	-0.2pp
Consolidation, adj. & other	Revenue	-	-	-31.1	-	-	-31.6	-	-	-	-53.0	-
	Core earnings	-	-	-39.3	-	-	-41.2	-	-	-	-43.5	-
LIXIL Group	Revenue	1,289.0	571.4	1,829.3	1,312.4	551.8	1,832.6	0.2%	1,324.0	579.0	1,850.0	0.9%
	Core earnings	76.0	39.0	76.0	65.2	-11.2	12.8	-83.2%	62.4	28.1	47.0	267.2%
	CE margin	5.9%	6.8%	4.2%	5.0%	-	0.7%	-3.5pp	4.7%	4.9%	2.5%	+1.8pp

Since it is necessary to determine the progress of the revitalization plan for Permasteelisa's recovery of profitability within the current fiscal year, only the full-year forecast for FYE2020 is disclosed.



(1) Q4 FYE2018 results were restated from integration of LWT and LKT in Q1 FYE2019. Impact from reclassifying Permasteelisa to continued operations from discontinued operations in Q2 FYE2019 is incorporated in the restated presentation. Difference between sum total of Japan and Overseas in Revenue and Core earnings and "Total" is the amount of consolidation, adj. & other ²³

FYE2020 FORECAST INCREASE / DECREASE OF SALES AND CORE EARNINGS



RENOVATION STRATEGY IN JAPAN

› Shortage of workers due to natural disasters in the first half now resolved and sales of renovation-related products in the second half increased by 6.7% year-on-year

Sales of Renovation Products

JPY: bn	FYE2018 Results ⁽¹⁾	FYE2019 Results	YoY
Sales of renovation products*	302.3	308.9	+2.2%
Renovation sales ratio	35%	35%	+0.3pp

*Total sales of LIXIL Japan Company and a building renovation subsidiary (after inter-segment transactions)

Sales of renovation sales: H1 -2.3%, H2 +6.7% YoY

Number of Member Homebuilders

Stores	Mar -17	Mar -18	Dec -19
LIXIL Reform Shop (FC)	519	546	571
LIXIL Reform Shop (Voluntary)	13,227	12,602	11,783
LIXIL PATTO Reform Service Shop	3,365	3,705	3,800

Renovation products sales ratio by business segment (YoY)

Business segment	FYE2018	FYE2019	Difference
LWT	43%	43%	+0.3pp
LHT	31%	31%	+0.3pp
LBT	23%	24%	+1.3pp
Japan total	35%	35%	+0.3pp

Full renovation of LIXIL showroom Tokyo completed in March 2019

• Enhanced the display of products for "condo renovation" corresponding to high demand in the metropolitan area



• Established "IoT section", which displays various building materials and home appliances connected with IoT

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

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REVENUE BY PRODUCTS AND SERVICES

Segment	Major products	JPY billion			Unit: %							
		FYE2018 results	FYE2019 results	YoY	Quarterly YoY							
					FYE2018				FYE2019			
					Q1	Q2	Q4	Q4	Q1	Q2	Q3	Q4
LWT	Sanitary ware	106.6	103.4	-3.1%	11.4	6.4	3.3	-2.7	-2.8	-5.0	-0.6	-3.8
	Bathroom units	102.2	99.3	-2.8%	11.4	7.7	9.3	9.1	2.8	-3.2	-5.3	-4.9
	Washstand cabinet units	36.9	36.9	-0.1%	8.9	2.6	5.9	0.3	2.0	-1.9	-0.5	0.3
	Kitchens	113.4	112.3	-0.9%	8.0	6.1	8.2	2.6	1.6	-3.2	-1.9	0.0
	Tiles	29.6	29.3	-1.0%	1.1	3.3	-0.1	2.7	2.8	-4.0	0.7	-3.0
LHT ⁽¹⁾	Housing sashes and related products	191.5	186.2	-2.7%	-0.3	-4.1	-3.1	-8.0	-7.4	-7.3	0.5	3.8
	Exterior	106.7	111.0	4.0%	-0.5	-1.1	-0.4	-5.5	-3.9	-3.8	12.1	11.8
	Wooden interior furnishing materials	60.4	64.1	6.2%	-1.3	1.0	2.8	-2.7	0.2	0.9	10.0	13.1
	LHT Other	91.9	95.7	4.1%	-18.5	-16.0	6.8	1.1	3.9	4.0	8.0	0.5
LBT	Building sashes	106.7	112.8	5.7%	9.1	-7.4	-3.8	-4.4	6.5	-0.2	7.1	10.0
D&R	Home center revenue	173.5	176.4	1.6%	-0.2	0.9	1.7	1.1	-1.0	1.7	3.4	2.4
H&S ⁽²⁾	Housing and Services business	52.3	57.9	10.6%	-23.6	-28.0	-4.5	-18.9	7.6	11.3	-5.1	31.9
	Overseas *	571.4	551.8	-3.4%	5.0	15.2	8.3	11.8	1.6	-0.9	0.4	-14.0
	Others/consolidation & adj. *	86.2	95.5	-	-	-	-	-	-	-	-	-
	Total *	1,829.3	1,832.6	0.2%	1.3	2.1	3.8	0.5	0.9	-1.4	2.7	-1.6

* Definition for Overseas has been changed to match the Overseas revenue on slide 23 from this time. Therefore, Overseas and Others for FYE2018 and year-on-year figures for Q1~Q3 FYE2019 Overseas have been retroactively restated. However, year-on-year figures for each quarter for FYE2018 has not been revised.

LIXIL

(1) LHT Other: Quarterly YoY decrease in Q1 & Q2 FYE2018 was due to sale of shares of Hivic in August 2016
 (2) Decrease in Q1 - Q4 FYE2018 was due to deconsolidation of JIO (became an equity method affiliate)

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PERFORMANCE OF MAJOR OVERSEAS SUBSIDIARIES

Company	ASB (ASD Holdings)			
Unit	Unit: USD million			
Accounting period	FYE2018 Results	FYE2019 Results	YoY	YoY Excluding GROHE Americas impact ⁽¹⁾
Exchange rate (Average Rate)	110.81	110.69	-	-
Revenue	1,193	1,247	5%	-1%
Core earnings	78	55	-30%	-31%
	%	7%	4%	-2.2%

Accounting period	FYE2018 Balance	FYE2019		
		Amortization	Others ⁽²⁾	Balance
Exchange rate (Current Rate for balance, Average Rate for amortization)	106.24	110.69	-	110.99
Goodwill	230	-	1	231
Intangible assets	243	-7	0	235

Company	Grohe Group (GROHE) ⁽³⁾			
Unit	Unit: EUR million			
Accounting period	FYE2018 Results	FYE2019 Results	YoY	YoY Excluding GROHE Americas impact ⁽¹⁾
Exchange rate (Average Rate)	129.45	128.43	-	-
Revenue	1,511	1,513	0%	4%
Core earnings	181	150	-17%	-16%
	%	12%	10%	-2.1%

Accounting period	FYE2018 Balance	FYE2019		
		Amortization	Others ⁽²⁾	Balance
Exchange rate (Current Rate for balance, Average Rate for amortization)	130.52	128.43	-	124.56
Goodwill	1,194	-	15	1,210
Intangible assets	1,497	-23	0	1,474



- (1) GROHE Americas was integrated into ASD Holdings in October, 2017. LWT regional breakdown shown on slide 13
 (2) Forex translation differences, and other
 (3) Includes LIXIL Africa (Formerly called as GDWT)

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PERFORMANCE OF MAJOR OVERSEAS SUBSIDIARIES

Company	Permasteelisa		
Unit	Unit: EUR million		
Accounting period	FYE2018 Results	FYE2019 Results	YoY
Exchange rate (Average Rate)	129.45	128.43	-
Revenue	1,277	1,117	-13%
Core earnings	9	-323	-
	%	1%	-

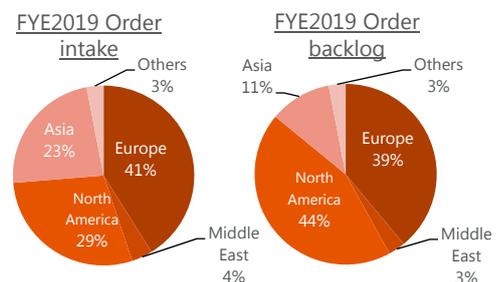


Accounting period	FYE2018 Balance	FYE2019			
		Amortization	Impairment	Others ⁽²⁾	Balance
Exchange rate (Current Rate for balance, Average Rate for amortization)	130.52	128.43	-	-	124.56
Goodwill	-	-	-75	75	-
Intangible assets	-	-8	-118	126	-
Accrual for expected future losses on construction projects	-	-	-	31	31

Note: From Q2 FYE2019, Permasteelisa business is restated as <Continuing operations> from <Discontinued operations>

Orders received

Unit	Unit: EUR million	
Accounting Period	FYE2018 Results	FYE2019 Results
Order intake	1,322	959
Order backlog	2,098	1,951



- (1) Amount reclassified from Q2 FYE2019 by restating Permasteelisa business as <Continuing operations> from <Discontinued operations>, accrual for expected future losses on construction projects, forex translation differences, and other

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ESG & BUSINESS RELATED TOPICS

"Toilets for All" Initiative in 2019

To implement the "Toilets for All initiative to improve the global hygiene environment", LIXIL will donate part of the sales of LIXIL shower toilets to UNICEF (United Nations Children's Fund) to help install safe and hygienic toilets, improve hygiene education, etc.
(Period: Jun. - Nov. 2019)



In July 2018, LIXIL and UNICEF announced "Make a Splash! Toilets for All," a new, international partnership that will contribute to global efforts to help provide children with access to basic sanitation

Launching Garden Exterior Product "GARDEN ANNEX"

LIXIL entered into a business partnership with RENSON, which develops outdoor living products in more than 80 countries. Under the concept of "extensive garden life", LIXIL plans to launch* the Exsior brand "GARDEN ANNEX" which provides luxurious space by capturing the connection of sky with light, wind, and green



RENSON has a history of 110 years in Belgium, and develops outdoor living products with the theme of "health, comfort and energy saving environment" in over 80 countries.
*Planned to launch in Autumn 2019

BUSINESS RELATED TOPICS

INAX sets out for global expansion at Milan Design Week

IXIL Group has unveiled two new INAX bathroom collections, the S600 LINE and the S400 LINE, for the global market at Milan Design Week 2019.



The Group aims to launch the new INAX collections in Australia, Cambodia, China, Indonesia, Laos, Myanmar, New Zealand, the Philippines, Taiwan, Thailand, Vietnam, and other markets starting May 2019.

News release
https://www.lixil.com/en/news/pdf/190408_INAX_E.pdf

GROHE Shaping the Future of Water at ISH 2019

GROHE showcased a record number of 500 single new products at ISH 2019, the world's leading trade fair for the responsible use of water and energy in buildings (11-15 March 2019).



This was the biggest display of innovation by GROHE so far – tailored to the needs of consumers as well as professional partners addressing the megatrends the brand has identified.

News release
https://www.lixil.com/en/news/pdf/20190313_ISH_E_Final.pdf

EXTERNAL RECOGNITION

FTSE4Good Index Series

Became a constituent of the FTSE4Good Index Series and FTSE Blossom Japan Index (June 2018) for two consecutive years, created by FTSE Russell⁽¹⁾



FTSE4Good



FTSE Blossom Japan

MSCI Japan Empowering Women Index

Selected as a constituent of the MSCI Japan Empowering Women Index (WIN) for two consecutive years, created by MSCI Inc. (July 2018)



2018 Constituent
MSCI Japan Empowering Women Index (WIN)

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DJSI Asia Pacific Index

Selected as a component of the Dow Jones Sustainability Indices (DJSI Asia Pacific Index), created by S&P Dow Jones Indices and RobecoSAM for two consecutive years (September 2018)

MEMBER OF

Dow Jones Sustainability Indices

In Collaboration with RobecoSAM

S&P/JPX Carbon Efficient Index

Selected as a component of the S&P/JPX Carbon Efficient Index, created by S&P Dow Jones Indices (September 2018)



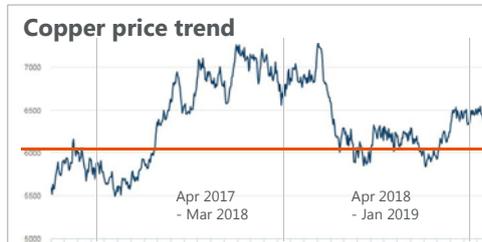
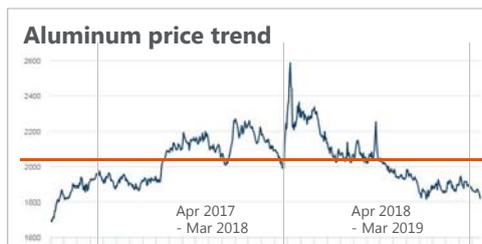
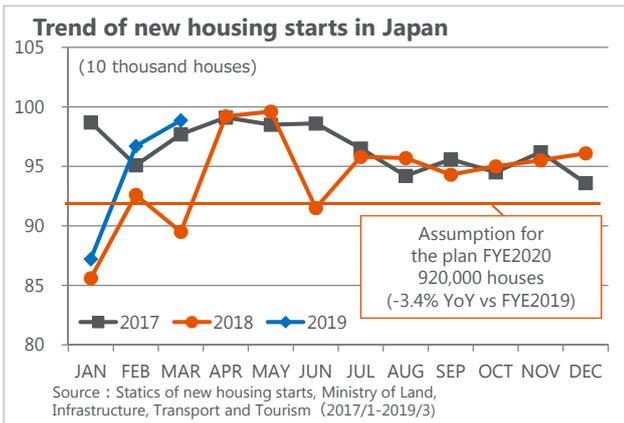
Nadeshiko Brand

Granted to listed enterprises that are exceptional in encouraging women's success in the workplace. Jointly selected and publicized by the METI and TSE (March 2019)



(1) It is a registered trademark of FTSE International Limited and Frank Russell Company.

MARKET TRENDS



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

● Oct-Dec 2018 : 0.6%

	Jan-Dec 2018 (12 months)		Apr-Mar 2018 (12 months)	
	Amount	YoY	Amount	YoY
Total new housing starts	942,370	-2.3%	952,936	0.7%
Owner occupied(1)	283,235	-0.4%	287,710	2.0%
Rental homes	396,404	-5.5%	390,093	-4.9%
Condos for sale	110,510	-3.8%	119,683	10.5%
Detached houses for sale(2)	142,393	3.0%	144,905	5.1%
Detached houses total(1)+(2)	425,628	0.7%	432,615	3.0%

Foreign exchange rates	FYE2018 Results	FYE2019 Results	FYE2020 Forecast assumptions
US dollars	110.81 yen	110.69 yen	115 yen
Euros	129.45 yen	128.43 yen	133 yen

(yen per ton)

Results and assumptions	FYE2018 Results	FYE2019 Results	FYE2020 Forecast assumptions
Aluminum price (Purchasing price)	234,000	249,000	237,000
Copper price	639,000	632,000	694,000

