

TSE Code: 5938

## › Q1 Results for the Fiscal Year Ending March 31, 2020 (IFRS)

(From April 1, 2019 to June 30, 2019)

### LIXIL Group Corporation

July 31, 2019



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## LIXIL GROUP HAS ADOPTED IFRS SINCE FYE2016

JGAAP	IFRS (LIXIL Group Financial Reporting)
	<b>Continuing Operations</b>
Net sales	<b>Revenue</b>
Cost of sales	Cost of sales
Gross profit	Gross Profit
SG&A	SG&A
<b>Operating profit</b>	<b>Core earnings (CE)</b>
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	<b>Profit before tax</b>
	Net profit for Continuing Operations
	<b>Discontinued Operations</b>
	Net Profit for Discontinued Operations
Net profit attributable to	<b>Net profit attributable to</b>
Non-controlling interests	<b>Owners of the parent</b>
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 corresponding period of the previous fiscal year has also been restated for comparison.

## KEY HIGHLIGHTS

### Revenue and profit increased in all business segments except LBT<sup>(1)</sup> Benefitted from a recovery in sales operations and favorable market conditions in Japan

- Revenue : JPY 445.3 billion, increased 2.1% year-on-year**  
Japan: increased 5.1% year-on-year, driven by housing and water businesses  
Overseas: decreased 2.6% year-on-year due to changing market conditions affecting the water businesses in North America and Asia, and the impact of the weakening euro<sup>(2)</sup>  
 (Overseas sales increased by 0.3% on a local currency basis)
- Core earnings: JPY 11.6 billion, increased 152% year-on-year**  
Japan: housing and water businesses contributed to higher core earnings, supported by a surge in new housing starts in Japan between January and March  
Overseas: generally flat due to the effect of SG&A reduction offsetting decrease in revenue
- Net profit<sup>(3)</sup>: JPY 12.9 billion, increased 9.8 billion year-on-year**  
 Profit before tax increased by JPY 15.2 billion due to increase in core earnings and gain on disposal of interest in former associate (JPY 11.0 billion)



(1) LBT = LIXIL Building Technology

(2) Forex: Q1 FYE2019 Results 1EUR = 129.39JPY, Q1 FYE2020 Results 1EUR = 123.29JPY

(3) Net profit = Net profit attributable to owners of the parent

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## Q1 FYE2020 CONSOLIDATED BUSINESS RESULTS

JPY: billion	Q1	Q1	YoY	
	3 months	3 months	Increase/	%
	FYE2019	FYE2020	decrease	
	Results	Results		
<b>Revenue</b>	436.0	<b>445.3</b>	9.3	2.1%
Other businesses	397.1	407.5	10.4	+2.6%
Permasteelisa	38.8	37.8	-1.1	-2.7%
<b>Gross Profit</b>	132.4	<b>136.4</b>	4.0	3.0%
<b>(%)</b>	30.4%	<b>30.6%</b>	+0.3pp	-
<b>Core Earnings<sup>(1)</sup></b>	4.6	<b>11.6</b>	7.0	151.5%
<b>(%)</b>	1.1%	<b>2.6%</b>	+1.5pp	-
Other businesses	6.6	13.1	6.5	+99.8%
Permasteelisa	-1.9	-1.5	0.4	-
<b>Net Profit<sup>(2)</sup></b>	3.1	<b>12.9</b>	9.8	320.5%

- Revenue increased by JPY 9.3 billion due to favorable demand in Japan and the impact of new products (Japan +5.1%, overseas -2.6%)

- Core earnings margin improved by 1.5pp due to the improvement of gross profit margin (+0.3pp) and SG&A margin (-1.3pp)



(1) Equivalent to "Operating profit" of JGAAP

(2) Net profit attributable to owners of the parent

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## Q1 FYE2020 BUSINESS RESULTS BY SEGMENT

➤ Increase in revenue and core earnings driven by housing business

		Q1 3 months		
		[A] FYE2019	[B] FYE2020	[B]-[A] Amount
JPY: billion				
LWT	Revenue	198.0	<b>199.8</b>	1.7
	CE	12.0	<b>13.4</b>	1.4
LHT	Revenue	127.5	<b>135.8</b>	8.3
	CE	2.6	<b>7.5</b>	4.9
LBT <sup>(1)</sup>	Revenue	62.1	<b>61.1</b>	-1.0
	CE	-3.1	<b>-2.9</b>	0.2
D&R	Revenue	43.5	<b>45.6</b>	2.1
	CE	2.3	<b>2.6</b>	0.2
H&S	Revenue	12.3	<b>13.1</b>	0.7
	CE	0.5	<b>0.9</b>	0.4
Consolidation, adjustments, & other	Revenue	-7.5	<b>-10.1</b>	-2.6
	CE	-9.6	<b>-9.8</b>	-0.2
LIXIL Group	Revenue	436.0	<b>445.3</b>	9.3
	CE	4.6	<b>11.6</b>	7.0

(1) Profit and loss from Permasteelisa which were presented in discontinued operations for Q1 FYE2019 is now reclassified to profit and loss from continuing operations for comparison reason

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## ➤ RESULTS BY BUSINESS SEGMENT



Water  
Technology



Housing  
Technology



Building  
Technology



Distribution and  
Retail Business



Housing and  
Services Business

## WATER TECHNOLOGY

➤ Revenue increase led by Japan. Core earnings up due to cost reduction efforts, etc., in all the regions except EMEA. Organization changes aimed at further accelerating overseas growth

Apr-Jun In JPYbn		Q1 FYE2020 (result)	YoY	FYE2020 (forecast)		
Revenues by Region <sup>(1)</sup>	Americas	34.8	-3%	+2%		
	EMEA	40.4	+2%	+2%		
	Asia Pacific	24.5	-2%	+8%		
	Japan	105.9	+4%	0%		
	Adjustments	-5.8				
	<b>Water Technology</b>	<b>199.8</b>	<b>+1%</b>	<b>CE margins</b>	<b>860.0</b>	<b>+3% CE margins</b>
Core earnings by Region <sup>(1)</sup>	Americas	1.7	+35%	5%	+51%	7%
	EMEA	4.6	-9%	11%	+10%	14%
	Asia Pacific	2.0	+9%	8%	+32%	10%
	Japan	7.0	+38%	7%	-19%	5%
	Adjustments	-1.9				
	<b>Water Technology</b>	<b>13.4</b>	<b>+12%</b>		<b>64.8</b>	<b>+8%</b>
	Margin	6.7%	+0.7pp		7.5%	

### Americas

✓ Revenue decreased due to difficult situation in retail channel, but CE increased due to SG&A efforts. CE margin improved by 1.2pp

### EMEA

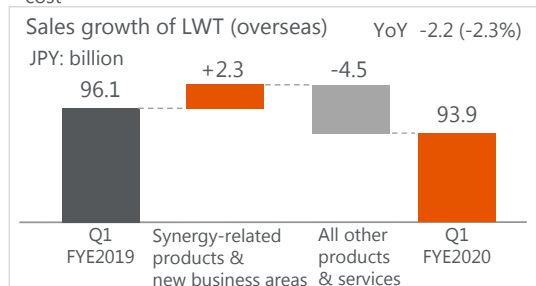
✓ Revenue increased by 3% YoY in Europe supported by strong revenue growth in Eastern Europe, the Middle East, and Central Europe. CE decreased due to advanced investment in customer center to improve quality of services.

### Asia Pacific

✓ Revenue decreased due to the intensified competition and project delays in Asia despite positive contribution from China. CE increased due to SG&A reduction efforts. CE margin improved by 0.8pp.

### Japan

✓ Revenue increased due to strong sales of ceramics supported by favorable market demand. CE increased due to SG&A reduction, including period postponed marketing cost



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(1) Region: Management basis, Water Technology Total: Statutory basis  
Statutory basis currency : Q1 FYE2020 Results 1USD=110.00JPY, 1EUR=123.29JPY  
Management basis currency : Comparing by FYE2020 current & previous year 1USD=115JPY, 1EUR=133 JPY, FYE2020 Assumptions 1USD=115JPY, 1EUR=133JPY

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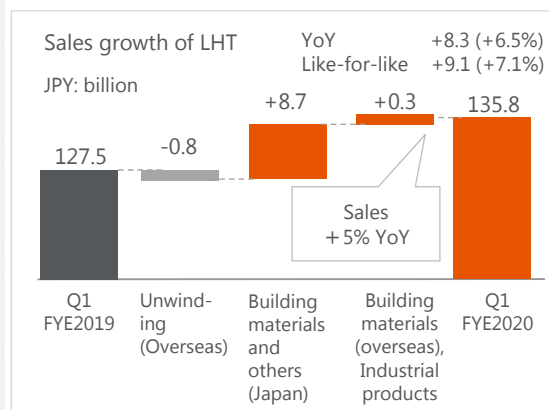
## HOUSING TECHNOLOGY

➤ Revenue and core earnings increased due to favorable demand in Japan. Core earnings margin significantly improved due to favorable sales of exteriors and wooden interior furnishing materials, which contributed to improved product mix

Apr-Jun In JPYbn		Q1 FYE2020 (result)	YoY	FYE2020 (forecast)	
Revenues by Region	Japan	133.2	+7%	0%	
	Overseas	2.6	-13%	-35%	
	<b>Housing Technology</b>	<b>135.8</b>	<b>+6%</b>	<b>535.0</b>	<b>-1%</b>
Core Earnings	<b>Housing Technology</b>	<b>7.5</b>	<b>+192%</b>	<b>25.9</b>	<b>25%</b>
	Margin	5.5%	+3.5pp	4.8%	

### Japan

✓ Revenue and CE increased due to continued favorable sales of window sashes, exteriors and wooden interior furnishing materials supported by favorable market condition in Japan and impact of launching new products. CE margin improved by 3.5pp YoY due to product mix improvement resulting from price revision and favorable sales of exteriors and wooden interior furnishing materials.



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## BUILDING TECHNOLOGY

- Revenue decreased due to forex impact in overseas business. However, core earnings remained flat year-on-year

Apr-Jun In JPYbn		Q1 FYE2020 (result)	YoY	FYE2020 (forecast)
Revenues by Region	Japan	23.4	+0%	+3%
	Overseas	37.8	-3% <sup>(1)</sup>	+3%
	<b>Building Technology</b>	<b>61.1</b>	-2%	<b>263.0</b> +3%
Core Earnings	<b>Building Technology</b>	<b>-2.9</b>	+0.2	<b>-9.7</b> -
	Margin	Red figure	-	Red figure

- Japan
  - ✓ Revenue remained flat
  - ✓ CE decreased due to increase in distribution cost and others
- Overseas (Permasteelisa)
  - ✓ Revenue decreased mainly due to forex impact<sup>(1)</sup>
  - ✓ CE slightly improved YoY but fixed cost has yet to be covered

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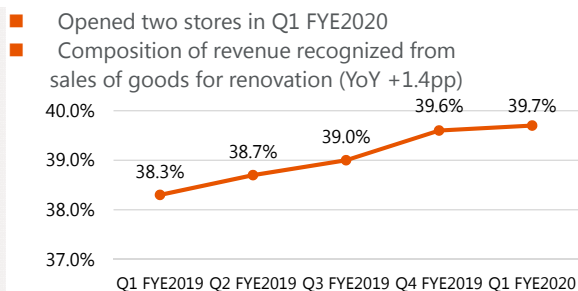
(1) Permasteelisa's revenue at local currency basis described on slide 22 increased by 2% YoY  
Forex impact comes from the difference between Q1 FYE2019 Results 1EUR = 129.39JPY, and Q1 FYE2020 Results 1EUR = 123.29JPY  
(Forex in statutory basis)

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## DISTRIBUTION & RETAIL AND HOUSING & SERVICES

- Revenue and core earnings up due to increased renovation-related product sales at existing stores

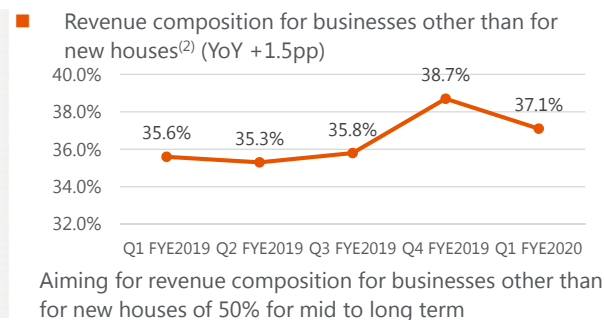
Apr-Jun In JPYbn		Q1 FYE2020 (result)	YoY	FYE2020 (forecast)
D&R	Revenue <sup>(1)</sup>	45.6	+5%	188.0 +7%
	Core Earnings <sup>(1)</sup>	2.6	+10%	6.2 -20%
	Margin <sup>(1)</sup>	5.6%	+0.3pp	3.3%



Aiming for renovation goods revenue ratio of 50% in the medium to long term

- Revenue and core earnings increased by prioritizing services for new business areas and markets other than for new houses

Apr-Jun In JPYbn		Q1 FYE2020 (result)	YoY	FYE2020 (forecast)
H&S	Revenue	13.1	+6%	57.0 -1%
	Core Earnings	0.9	+88%	3.3 -4%
	Margin	7.0%	+3.1pp	5.8%



Aiming for revenue composition for businesses other than for new houses of 50% for mid to long term

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(1) Distribution & Retail disclosed as of IFRS basis; Reference: JGAAP is 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

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## CONSOLIDATED FINANCIAL POSITION

	[A]	[B]	[B]-[A]		
	Mar-2019	Jun-2019	[Breakdown] Increase/ decrease		
			Impacts from application of IFRS 16	Others	Total of the increase / decrease
JPY: billion				Increase/ decrease	
Cash and cash equivalents	141.4	117.8	-	-23.6	-23.6
Trade and other receivables	401.7	366.2	-	① -35.5	-35.5
Inventories	234.6	245.1	-	① 10.4	10.4
Assets held for sale	11.4	10.8	-	-0.6	-0.6
Others	1,270.4	1,434.9	166.3	-1.9	164.4
<b>Total Assets</b>	<b>2,059.5</b>	<b>2,174.7</b>	<b>166.3</b>	<b>-51.2</b>	<b>115.2</b>
Trade and other payables	392.4	371.8	-	① -20.6	-20.6
Interest-bearing debt	726.0	871.8	166.3	② -20.5	145.8
Liabilities directly associated with the assets held for sale	5.0	4.9	-	-0.2	-0.2
Others	369.0	368.1	-	-1.0	-1.0
<b>Total Liabilities</b>	<b>1,492.4</b>	<b>1,616.5</b>	<b>166.3</b>	<b>-42.2</b>	<b>124.1</b>
Treasury shares	-48.9	-48.9	-	0.0	0.0
Others	616.1	607.1	-	-9.0	-9.0
<b>Total Equity</b>	<b>567.2</b>	<b>558.2</b>	-	<b>-8.9</b>	<b>-8.9</b>
(1) Equity Ratio (%)	25.9%	③ 24.1%	-	-	-1.8pp
(2) Net Assets per Share (Yen)	1,839.59	1,808.55	-	-	-31.04
Number of Shares (in thousands)	290,095	290,104	-	-	9
Net interest-bearing debt	584.5	③ 753.9	-	-	169.4

① Increased/ decreased due to seasonal factors (collection of receivables and payment of accounts payables as of March 2019)

② Decreased due to repayment of borrowings ③ Excluding the impact from the application of IFRS16, Equity ratio is 26.1% (+0.2pp from Mar.2019) and Net interest-bearing debt is JPY587.6 billion (JPY+3.1 billion from Mar. 2019)

LIXIL (1) Ratio of equity attributable to owners of the parent  
(2) Equity per share attributable to owners of the parent

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## CASH FLOW STATUS AND CASH BALANCE

JPY: billion	Q1FYE2019	Q1 FYE2020	Increase/ decrease
Profit before tax	5.6	20.9	15.2
Depreciation and amortization	16.4	24.4	① 8.0
Income taxes paid	-11.6	-7.3	4.3
Working capital	-7.2	7.8	14.9
Others <sup>(1)</sup>	3.1	-11.2	-14.3
<b>Net cash flows from operating activities</b>	<b>6.4</b>	<b>34.6</b>	<b>② 28.1</b>
<b>Net cash flows from investing activities</b>	<b>-18.1</b>	<b>-5.9</b>	<b>③ 12.2</b>
(of which purchase of property, plant and equipment and intangible assets)	-17.0	-17.6	-0.6
<b>Free cash flows</b>	<b>-11.6</b>	<b>28.7</b>	<b>④ 40.3</b>
<b>Net cash flows from financing activities</b>	<b>-24.4</b>	<b>-51.3</b>	<b>⑤ -26.9</b>
	⋮	⋮	⋮
<b>Cash and cash equivalents (Balance at the end of the period)</b>	<b>100.7</b>	<b>117.8</b>	<b>17.1</b>

① The impact of applying IFRS 16 included in net cash flows from operating activities was JPY +8.1 billion (increase in Depreciation and amortization)

② Net cash inflows from operating activities increased by JPY 28.1 billion from increase in profit before tax and improvement in working capital

③ Cash outflows from investing activities decreased by JPY 12.2 billion primarily due to the proceeds from sale of interest in former associate

④ Free cash flows increased year-on-year by JPY 40.3 billion.

⑤ The impact of applying IFRS 16 included in net cash flow from financing activities was JPY-8.7 billion (increase in Repayment of lease liabilities)

LIXIL (1) Gain on disposal of interest in a former associate, JPY 11.0 billion

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## STRATEGIC PRIORITIES

- **Prioritize review of businesses and assets, transforming into an organization that can respond to medium- to long-term changes in the market**
- **Accelerate the transformation of LIXIL Group's management structure to lower break-even point and become more resilient to changes in external environment**

### Strategic priorities

- ✓ Focus on core businesses inside and outside Japan <sup>(1)</sup>
- ✓ Improve Balance Sheet through "selection and concentration"
- ✓ Transform business structure to suit mature economies (Japan)
  - Improvement of productivity
  - Optimization of manufacturing processes
- ✓ Examine bottlenecks, establish countermeasures, and adjust organization to maximize synergies
  - Establish new organization structure driving future growth of overseas business<sup>(2)</sup>
    - Foster cross-regional collaboration and accelerate the processes of realizing product synergies and business development by empowering each region with access to LIXIL's combined tangible and intangible resources
- ✓ Invest in brands and technologies



(1) See timely disclosure "Announcement Regarding Management's Future Direction" released on July 22, 2019

(2) See Press release "LIXIL International to Strengthen Cross-Regional Collaboration and Innovation with New Appointments" announced on July 22, 2019. LIXIL International is a virtual structure that covers all LWT and LHT activities in Asia Pacific, EMENA, Americas, and Africa.

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## › APPENDIX

# Q1 (3 MONTHS) FYE2020 CONSOLIDATED BUSINESS RESULTS (DETAIL)

JPY: billion	[A]	[B]	[B]-[A]		
	Q1 FYE2019	Q1 FYE2020	YoY		
	Results	Results	Amount		%
			Forex	[B]-[A]	
<b>Revenue</b>	436.0	<b>445.3</b>	-4.1	9.3	2.1%
(Existing) Continuing operations	397.1	407.5	-2.3	10.4	+2.6%
Permasteelisa	38.8	37.8	-1.8	-1.1	-2.7%
<b>Gross Profit</b>	132.4	<b>136.4</b>	-1.1	4.0	3.0%
(%)	30.4%	<b>30.6%</b>	-	+0.3pp	-
<b>Core Earnings<sup>(1)</sup></b>	4.6	<b>11.6</b>	-0.2	7.0	151.5%
(%)	1.1%	<b>2.6%</b>	-	+1.5pp	-
(Existing) Continuing operations	6.6	13.1	-0.3	6.5	+99.8%
Permasteelisa	-1.9	-1.5	0.1	0.4	-
<b>Net Profit<sup>(2)</sup></b>	3.1	<b>12.9</b>	-	9.8	320.5%
(Existing) Continuing operations	5.7	15.4	-	9.8	+171.8%
Permasteelisa	-2.6	-2.5	-	0.1	-
<b>EPS (yen)</b>	11	<b>44</b>	-	34	-
<b>EBITDA<sup>(3)</sup></b>	21.1	<b>36.0</b>	-	15.0	71.0%
(%)	4.8%	<b>8.1%</b>	-	+3.3pp	-

■ The impact from application of IFRS 16 included in EBITDA for Q1 (3months) for FYE2020 is JPY 8.0 billion (increase in EBITDA)

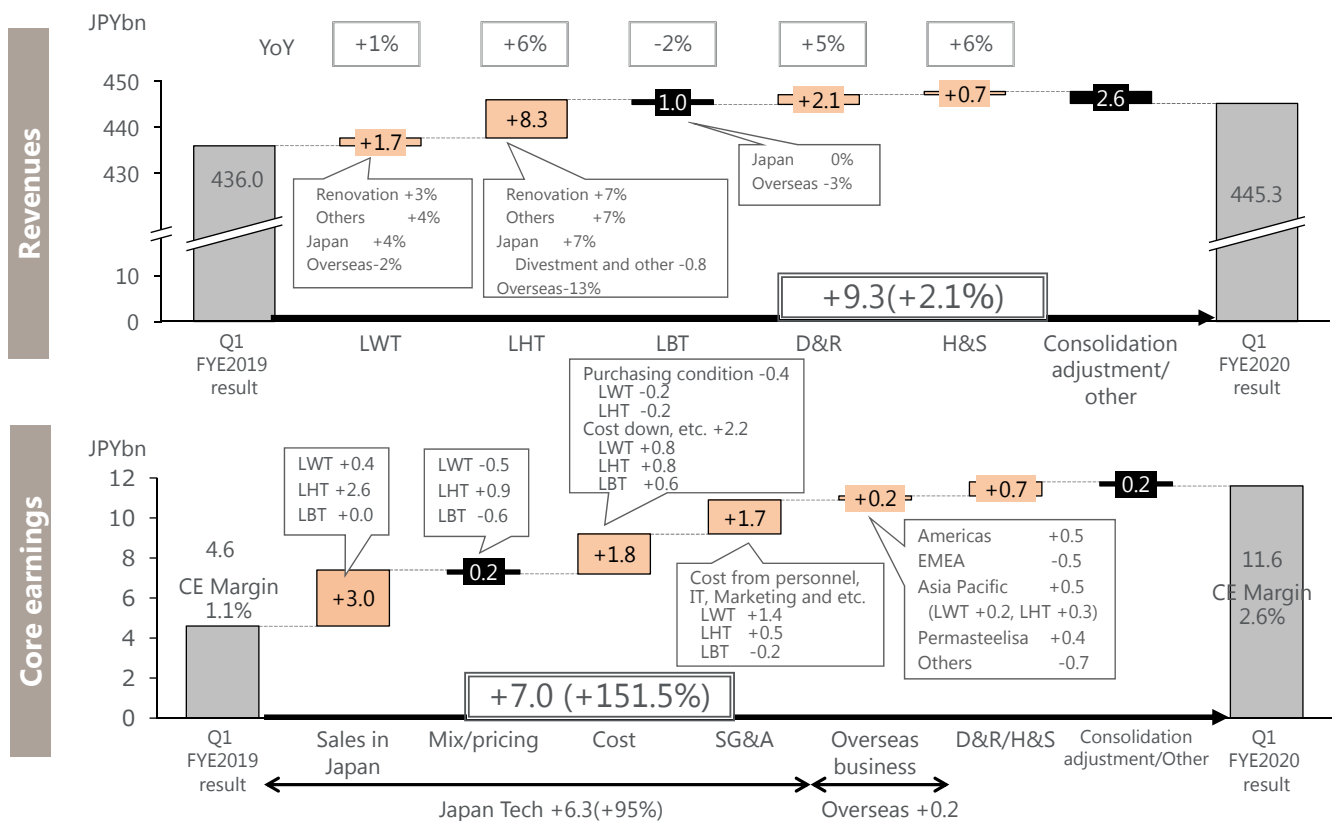


(1) Equivalent to "Operating profit" of JGAAP  
(2) Net profit attributable to owners of the parent

(3) EBITDA: Core earnings+Depreciation

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## Q1 FYE2020 INCREASE / DECREASE OF SALES AND CORE EARNINGS



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## Q1 FYE2020 OTHER INCOME AND OTHER EXPENSES, FINANCE INCOME AND FINANCE COSTS

JPY: billion	Q1 FYE2019	Q1 FYE2020	Increase/decrease
Rental income	1.7	1.5	-0.3
Loss recognized on the remeasurement of the disposal group held for sale (gain on reversal)	3.0	-	-3.0
Other	0.7	1.0	0.3
<b>Other Income</b>	<b>5.5</b>	<b>2.5</b>	<b>-3.0</b>
Costs of rent	1.1	1.1	0.0
Losses on sale or disposal of property, plant and equipment	0.4	0.2	-0.2
Other	2.4	1.6	-0.8
<b>Other Expenses</b>	<b>3.8</b>	<b>2.8</b>	<b>-1.0</b>
Interest income	0.4	0.4	0.0
Dividend income	0.8	0.8	0.0
Gains on valuation of derivatives	1.6	0.6	-1.0
Other	0.0	0.0	-0.0
<b>Finance Income</b>	<b>2.8</b>	<b>1.8</b>	<b>-1.0</b>
Interest expense	1.3	1.8	0.5
Exchange difference losses	1.9	1.2	-0.6
Other	0.0	0.0	0.0
<b>Finance Costs</b>	<b>3.1</b>	<b>3.0</b>	<b>-0.1</b>

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

	Q1 FYE2020 result
Gains on valuation of derivatives	0.6
Exchange difference losses	-1.2
Net	-0.6 Loss



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## RESULTS AND FORECASTS BY SEGMENT

JPY: billion		Q1 FYE2019 Results <sup>(1)</sup>			Q1 FYE2020 Results				FYE2020 Forecasts			
		Japan	Overseas	Total	Japan	Overseas	Total	Total YoY%	Japan	Overseas	Total	Total YoY%
LWT	Revenue	102.0	96.1	198.0	105.9	93.9	199.8	0.9%	435.0	425.0	860.0	3.2%
	Core earnings	5.0	6.9	12.0	7.0	6.5	13.4	12.1%	23.7	41.1	64.8	7.5%
	CE margin	4.9%	7.2%	6.0%	6.6%	6.9%	6.7%	+0.7pp	5.4%	9.7%	7.5%	+0.3pp
LHT	Revenue	124.6	3.0	127.5	133.2	2.6	135.8	6.5%	528.0	7.0	535.0	-1.1%
	Core earnings	2.8	-0.3	2.6	7.4	0.0	7.5	191.7%	26.9	-1.0	25.9	25.2%
	CE margin	2.3%	-	2.0%	5.6%	1.0%	5.5%	+3.5pp	5.1%	-	4.8%	+1.0pp
LBT	Revenue	23.3	38.8	62.1	23.4	37.8	61.1	-1.6%	116.0	147.0	263.0	2.7%
	Core earnings	-1.2	-1.9	-3.1	-1.4	-1.5	-2.9	-	2.3	-12.0	-9.7	-74.6%
	CE margin	-	-	-	-	-	-	-	2.0%	-	-	-
D&R	Revenue	43.5	-	43.5	45.6	-	45.6	4.9%	188.0	-	188.0	6.6%
	Core earnings	2.3	-	2.3	2.6	-	2.6	9.9%	6.2	-	6.2	-19.7%
	CE margin	5.4%	-	5.4%	5.6%	-	5.6%	+0.3pp	3.3%	-	3.3%	-1.1pp
H&S	Revenue	12.3	-	12.3	13.1	-	13.1	6.0%	57.0	-	57.0	-1.4%
	Core earnings	0.5	-	0.5	0.9	-	0.9	88.3%	3.3	-	3.3	-4.5%
	CE margin	4.0%	-	4.0%	7.0%	-	7.0%	+3.1pp	5.8%	-	5.8%	-0.2pp
Consolidation, adj. & other <sup>(2)</sup>	Revenue	-	-	-7.5	-	-	-10.1	-	-	-	-53.0	-
	Core earnings	-	-	-9.6	-	-	-9.8	-	-	-	-43.5	-
LIXIL Group <sup>(2)</sup>	Revenue	305.6	137.9	436.0	321.2	134.2	445.3	2.1%	1,324.0	579.0	1,850.0	0.9%
	Core earnings	9.5	4.7	4.6	16.5	4.9	11.6	151.5%	62.4	28.1	47.0	267.2%
	CE margin	3.1%	3.4%	1.1%	5.1%	3.7%	2.6%	+1.5pp	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

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(1) Impact from reclassifying Permasteelisa to continued operations from discontinued operations in Q2 FYE2019 is incorporated in the restated presentation

(2) Difference between sum total of Japan and Overseas in Revenue and Core earnings and "Total" is the amount of consolidation, adj. & other

## RENOVATION STRATEGY IN JAPAN

Sales of renovation-related products increased by 4.8% year-on-year, supported by favorable demand in Japan and sales from differentiated new products

### Sales of Renovation Products

JPY: billion	Q1 FYE2019 Results <sup>(1)</sup>	Q1 FYE2020 Results	YoY
Sales of renovation products*	73.0	<b>76.5</b>	+4.8%
Renovation sales ratio	37%	37%	+0.2pp

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

### Number of Member Homebuilders

Stores	Mar -18	Mar -19	June -19
LIXIL Reform Shop (FC)	546	571	<b>568</b>
LIXIL Reform Shop (Voluntary)	12,602	11,783	<b>11,651</b>
LIXIL PATTO Reform Service Shop	3,705	3,800	<b>3,800</b>

### Renovation products sales ratio by business segment (YoY)

Business segment	Q1 FYE2019	Q1 FYE2020	Difference
LWT	44%	44%	+0.5pp
LHT	33%	33%	-0.1pp
LBT	24% <sup>(1)</sup>	25%	+1.3pp
Japan total	<b>37%</b>	<b>37%</b>	<b>+0.2pp</b>

### VR (Virtual Reality) was introduced in flagship showrooms of LIXIL

VR program shows image of what a customer's house looks like after it is renovated with "Richelle SI" kitchen system.



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(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: %				
		FYE2019 results	Q1 FYE2019 results	Q1 FYE2020 results	YoY	Quarterly YoY				FYE2020 Q1
						Q1	Q2	Q3	Q4	
LWT	Sanitary ware	103.4	23.5	<b>23.8</b>	1.4%	-2.8	-5.0	-0.6	-3.8	1.4
	Bathroom units	99.3	25.2	<b>24.9</b>	-1.4%	2.8	-3.2	-5.3	-4.9	-1.4
	Washstand cabinet units	36.9	8.6	<b>8.6</b>	0.6%	2.0	-1.9	-0.5	0.3	0.6
	Kitchens	112.3	26.3	<b>26.4</b>	0.2%	1.6	-3.2	-1.9	0.0	0.2
	Tiles	29.3	6.7	<b>6.4</b>	-5.1%	2.8	-4.0	0.7	-3.0	-5.1
LHT	Housing sashes and related products	186.2	44.6	<b>47.1</b>	5.5%	-7.4	-7.3	0.5	3.8	5.5
	Exterior	111.0	26.4	<b>27.8</b>	5.5%	-3.9	-3.8	12.1	11.8	5.5
	Wooden interior furnishing materials	64.1	14.4	<b>16.8</b>	16.1%	0.2	0.9	10.0	13.1	16.1
	LHT Other	95.7	21.1	<b>22.5</b>	6.4%	3.9	4.0	8.0	0.5	6.4
LBT	Building sashes	112.8	23.3	<b>23.4</b>	0.4%	6.5	-0.2	7.1	10.0	0.4
D&R	Home center revenue	176.4	43.5	<b>45.6</b>	4.9%	-1.0	1.7	3.4	2.4	4.9
H&S	Housing and Services business	57.9	12.3	<b>13.1</b>	6.0%	7.6	11.3	-5.1	31.9	6.0
	Overseas	551.8	137.9	<b>134.2</b>	-2.6%	1.6	-0.9	0.4	-14.0	-2.6
	Others/consolidation & adj.	95.5	22.1	<b>24.7</b>	-	-	-	-	-	-
	Total	1,832.6	436.0	<b>445.3</b>	2.1%	0.9	-1.4	2.7	-1.6	2.1

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## PERFORMANCE OF MAJOR OVERSEAS SUBSIDIARIES

Company	ASB (ASD Holdings)			
Unit	Unit: USD million			
Accounting period	Q1 FYE2019 Results	Q1 FYE2020 Results	YoY	
Exchange rate (Average Rate)	108.71	110.00	-	
Revenue	314	303	-3%	
Core earnings	11	14	29%	
	%	4%	5%	+1.2pp

Accounting period	FYE2019 Balance	Q1 FYE2020 (3 months)		
		Amortization	Others <sup>(1)</sup>	Balance
Exchange rate (Current Rate for balance, Average Rate for amortization)	110.99	110.00	-	107.79
Goodwill	231	-	0	231
Intangible assets	235	-2	0	234

Company	Grohe Group (GROHE) <sup>(2)</sup>			
Unit	Unit: EUR million			
Accounting period	Q1 FYE2019 Results	Q1 FYE2020 Results	YoY	
Exchange rate (Average Rate)	129.39	123.29	-	
Revenue	359	376	5%	
Core earnings	35	35	0%	
	%	10%	9%	-0.4pp

Accounting period	FYE2019 Balance	Q1 FYE2020 (3 months)		
		Amortization	Others <sup>(1)</sup>	Balance
Exchange rate (Current Rate for balance, Average Rate for amortization)	124.56	123.29	-	122.49
Goodwill	1,210	-	-1	1,209
Intangible assets	1,474	-6	0	1,469



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(1) Forex translation differences, and other  
(2) Includes LIXIL Africa (Formerly called as GDWT)

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## PERFORMANCE OF MAJOR OVERSEAS SUBSIDIARIES

Company	Permasteelisa		
Unit	Unit: EUR million		
Accounting period	Q1 FYE2019 Results	Q1 FYE2020 Results	YoY
Exchange rate (Average Rate)	129.39	123.29	-
Revenue	301	307	2%
Core earnings	-16	-13	-
	%	-	-

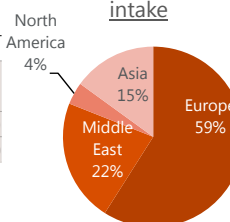


Accounting period	FYE2019 Balance <sup>(2)</sup>	Q1 FYE2020 (3 months)			
		Amortization	Impairment	Others <sup>(1)</sup>	Balance
Exchange rate (Current Rate for balance, Average Rate for amortization)	124.56	123.29	-	-	122.49
Goodwill	-	-	-	-	-
Intangible assets	-	-	-	-	-
Accrual for expected future losses on construction projects	45	-	-	-12	33

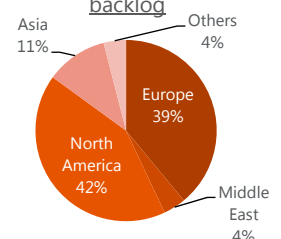
### Orders received

Unit	Unit: EUR million	
Accounting Period	Q1 FYE2019 Results	Q1 FYE2020 Results
Order intake	184	149
Order backlog	2,022	1,780

Q1 FYE2020 Order intake



Q1 FYE2020 Order backlog



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(1) Forex translation differences, and other  
(2) Balance as of FYE2019 was restated in accordance with its presentation in the annual report

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## ENHANCING LIXIL GROUP'S BOARD

(After the annual shareholders' meeting held on June 25)

### > Directors

(◎ indicate new directors from June, 2019, □ are independent directors, and\_\_ is a female director)

		Name	Concurrently serving as executive officer	Nomination committee	Audit committee	Compensation committee
Director		Kinya Seto <sup>(1)</sup>	○			
	◎	Kazuhiko Ootsubo <sup>(2)</sup>	○			
	◎	Satoshi Yoshida	○			
		Ryuichi Kawamoto			○	
		Keiichiro Ina		○		
Outside Director	◎ □	Masatoshi Matsuzaki		○		
	◎ □	Tamio Uchibori			○	
	◎ □	<u>Kaoru Onimaru</u>		○		
	◎ □	Haruo Kawahara		○		○
	◎	Kurt M. Campbell				
	◎ □	Teruo Suzuki			○	
	◎ □	Yuji Nishiura		Chair		○
	◎ □	Daisuke Hamaguchi			○	Chair
	◎ □	Zenji Miura			Chair	○



(1) Also Representative Director, Chairman, Chairperson of the Board of LIXIL Corporation

(2) Also Representative Director, President of LIXIL Corporation

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## EXECUTIVE OFFICERS

(As of July 3, 2019)

### > Executive officers

(◎ indicate new officers from June, 2019, ※also director, and\_\_ is a female officer)

Position	Name	Role	
Representative Executive Officer, President & CEO	Kinya Seto	Chief Executive Officer	※
Representative Executive Officer and Executive Vice President	Kazuhiko Ootsubo	Sales and management of domestic subsidiaries	※
Representative Executive Officer and Executive Vice President	Sachio Matsumoto	Finance, Treasury, and M&A, Chief Financial Officer	
Executive Officer and Senior Managing Director	<u>Jin Song Montesano</u>	Chief Public Affairs Officer and Chief People Officer	
Executive Officer and Senior Managing Director	Ryo Nihei	Technology, Chief Technology Officer	
Executive Officer and Senior Managing Director	Yugo Kanazawa	Marketing, Digital, and IT, Chief Digital Officer, and Chief Information Officer	
Executive Officer and Senior Managing Director	Bijoy Mohan	LWT and LHT Global	◎
Executive Officer and Senior Managing Director	Satoshi Yoshida	LHT Japan	◎ ※
Executive Officer and Senior Managing Director	Hiroyuki Oonishi	LWT Japan	◎

In addition to the re-appointment of former executive officers, three officers who supervise core businesses in Japan and overseas were newly appointed to ensure strategic continuity.



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## ESG & BUSINESS RELATED TOPICS

### LIXIL Developed “Resilience Toilet” - INAX’s Toilet for Disasters

The “Resilience Toilet” developed by INAX was launched on April 1 in Japan<sup>(1)</sup>. From children to elderly people, it can be used by anyone like a normal toilet during times of disasters. Users can switch settings so that it only requires one liter of water to flush, which is a first in the industry<sup>(2)</sup>.



LIXIL continues to contribute to reducing the impact of disasters by educating existing challenges on the impact of disasters on toilets and how to comprehensively manage risk. **The Resilience Toilet received the Best Resilience Award of “Japan Resilience Award 2019” (enterprise/ industry section).**

News Release (Japanese only)  
[https://newsrelease.lixil.co.jp/news/2019/020\\_water\\_0307\\_01.html](https://newsrelease.lixil.co.jp/news/2019/020_water_0307_01.html)

### LIXIL Presents Brands at KBC (KITCHEN & BATH CHINA) 2019

LIXIL exhibited its new products and collections at KBC (Kitchen & Bath China) 2019, the Chinese market’s most anticipated trade fair in the industry (from May 27 to 30)



LIXIL introduced new products and collections that leverage strength of its multiple brands to create better living solutions for everybody.

With our five booths, we showcased new products and collections from American Standard, GROHE, INAX, and LIXIL (Integrated System Bathrooms - also known as Prefabricated Bathrooms, & Kitchens).

**LIXIL** (1) Currently launch of the Resilience Toilet is considered only for Japan.  
(2) LIXIL Corp. estimates. The flush toilet used for normal occasion can be used for disaster occasion by switching the amount of flushing water.

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## EXTERNAL RECOGNITION

### FTSE4Good Index Series

Became a constituent of the FTSE4Good Index Series and FTSE Blossom Japan Index (June 2019) for three consecutive years, created by FTSE Russell<sup>(1)</sup>



### MSCI Japan Empowering Women Index

Selected as a constituent of the MSCI Japan Empowering Women Index (WIN) for three consecutive years, created by MSCI Inc. (June 2019)



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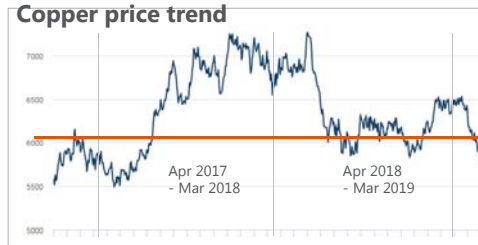
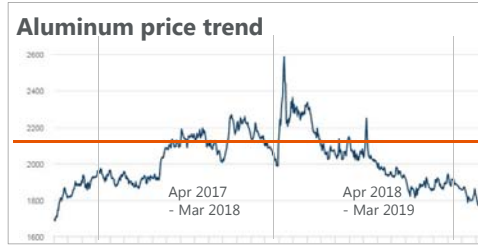
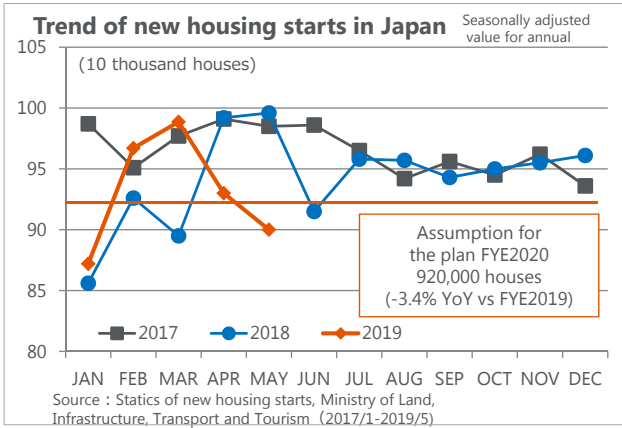
### S&P Japan 500 ESG

Selected as a component of the S&P Japan 500 ESG, created by S&P Dow Jones Indices (June 2019)

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

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# MARKET TRENDS



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

● Jan-Mar 2019 : 5.2%

	Jan-May 2019 (5 months)		Apr-May 2019 (2 months)	
	Amount	YoY	Amount	YoY
<b>Total new housing starts</b>	<b>367,581</b>	-0.3%	<b>151,970</b>	-7.2%
Owner occupied(1)	115,583	7.6%	50,262	7.8%
Rental homes	136,785	-11.2%	55,675	-16.3%
Condos for sale	51,475	9.8%	19,645	-18.9%
Detached houses for sale(2)	59,369	5.0%	24,597	1.4%
Detached houses total(1)+(2)	174,952	6.7%	74,859	5.6%

Foreign exchange rates (Average rate)	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

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