

TSE Code: 5938

› H1 Results for the Fiscal Year Ending March 31, 2020 (IFRS)

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

LIXIL Group Corporation

October 31, 2019



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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.

KEY HIGHLIGHTS

› Revenue and profit continued to increase in all business segments except LBT⁽¹⁾

Due to favorable market conditions in Japan

- Revenue : JPY 925.5 billion, increased 4.2% year-on-year**
Japan: increased 6.6% year-on-year, driven by housing and water businesses
Overseas: decreased 1.9% year-on-year due to changing market conditions in North America affecting the water businesses, and the impact of the weakening euro⁽²⁾
 (Note: overseas sales increased by 2.7% on a local currency basis)
- Core earnings: JPY 34.5 billion, increased 150% year-on-year**
Japan: all businesses except LBT contributed to higher core earnings, supported by strong demand for renovation prior to the consumption tax hike and the surge in new housing starts between January and March
Overseas: core earnings increased due to changes in the sales mix and moving back initiatives such as marketing activities to H2
- Net profit⁽³⁾: JPY 23.1 billion, increased 31.8 billion year-on-year**
 Profit before tax increased by JPY 26.9 billion due to increase in core earnings and gain on sales of subsidiaries / disposal of interest in former affiliated company (JPY 12.5 billion) in Q1

Full-year forecasts remain unchanged while we continue to assess the reactionary impact of the consumption tax hike on demand and the effect of recovering from the delay of medium-term initiatives



(1) LBT = LIXIL Building Technology

(2) Forex: Q2 FYE2019 Results 1EUR = 129.88JPY, Q2 FYE2020 Results 1EUR = 121.43JPY

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

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H1 FYE2020 CONSOLIDATED BUSINESS RESULTS

JPY: billion	H1 6 months FYE2019	H1 6 months FYE2020	YoY	
	Results	Results	Increase/ decrease	%
Revenue	888.2	925.5	37.3	4.2%
Other businesses	810.5	850.7	40.2	+5.0%
Permasteelisa	77.7	74.8	-2.9	-3.7%
Gross Profit	268.0	288.8	20.8	7.8%
(%)	30.2%	31.2%	+1.0pp	-
Core Earnings⁽¹⁾	13.8	34.5	20.7	149.9%
(%)	1.6%	3.7%	+2.2pp	-
Other businesses	18.1	39.2	21.0	+115.9%
Permasteelisa	-4.3	-4.7	-0.3	-
Net Profit⁽²⁾	-8.6	23.1	31.8	-

- Revenue increased due to favorable demand in Japan (Japan +6.6%, overseas -1.9%)⁽³⁾
- Core earnings margin improved by 2.2pp due to the improvement of gross profit margin (+1.0pp) and SG&A margin (-1.1pp) (Core earnings margin excluding Permasteelisa was 4.6%)



(1) Equivalent to "Operating profit" of JGAAP

(2) Net profit attributable to owners of the parent

(3) Overseas sales grew by 2.7% excluding forex impact

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Q2 BUSINESS RESULTS BY SEGMENT (3 AND 6 MONTH PERIODS)

➤ Increase in revenue and core earnings driven by core housing and water businesses

	JPY billion	Q2 3 months				H1 6 months			
		FYE2019 (A)	FYE2020 (B)	Amount (B)-(A)		FYE2019 (A)	FYE2020 (B)	Amount (B)-(A)	
				Forex				Forex	
LWT ⁽¹⁾	Revenue	204.0	214.5	-5.4	10.5	402.0	410.8	-7.6	8.8
	CE	13.6	19.9	-0.5	6.3	25.6	33.3	-0.8	7.8
LHT	Revenue	129.5	143.3	-0.1	13.8	257.0	279.1	-0.2	22.1
	CE	2.1	10.8	0.0	8.7	4.6	18.2	0.0	13.6
LBT	Revenue	68.2	66.5	-3.2	-1.7	130.3	127.6	-5.1	-2.7
	CE	-0.6	-1.3	0.2	-0.7	-3.7	-4.2	0.3	-0.5
D&R	Revenue	44.3	49.6	-	5.2	87.8	95.2	-	7.4
	CE	2.4	2.7	-	0.3	4.7	5.3	-	0.5
H&S	Revenue	13.9	13.7	-	-0.1	26.2	26.8	-	0.6
	CE	0.9	0.9	-	0.0	1.4	1.8	-	0.4
Consolidation, adj. & other ⁽¹⁾	Revenue	-7.6	-7.3	-	0.3	-15.1	-14.0	-	1.1
	CE	-9.2	-10.1	-	-0.9	-18.8	-19.9	-	-1.1
LIXIL Group	Revenue	452.2	480.2	-8.8	28.0	888.2	925.5	-12.9	37.3
	CE	9.2	22.9	-0.3	13.7	13.8	34.5	-0.5	20.7

(1) Due to growing importance from Q2 FYE 2020 within the "Housing Technology Business" for some domestic subsidiaries that were previously classified as the "Water Technology Business", the reporting segment for those subsidiaries are separated to the Housing and Water Businesses

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CREATING SHAREHOLDER VALUE

➤ No change in forecast for interim dividend

■ Dividend forecasts for FYE2020

Dividend payout ratio of over 30% will be maintained on a consolidated basis

(JPY)	FYE2018 Results	FYE2019 Results	FYE2020 Forecasts
H1	30 Yen	35 Yen	35 Yen
H2	35 Yen	35 Yen	35 Yen (forecast)
Full year	65 Yen	70 Yen	70 Yen (forecast)
Dividend payout ratio	34%	-	136%

■ Share buyback

Share buyback may take place depending on factors such as financial position and share price

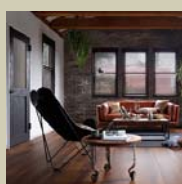
■ Basic policy regarding control of the company

There are no special anti-takeover provisions in our articles of association since we intend to increase our corporate value through various measures aimed at gaining the support of shareholders. Our investor and shareholder policy is to have our shares held by a large number of shareholders over the medium and long term

RESULTS BY BUSINESS SEGMENT



Water Technology



Housing Technology



Building Technology



Distribution and Retail Business



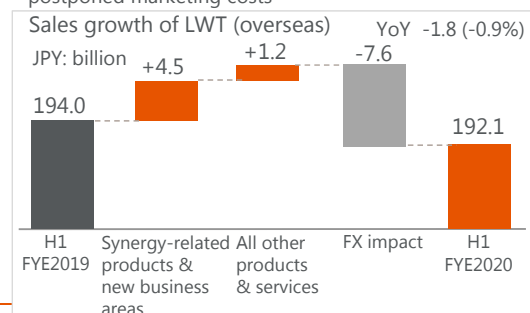
Housing and Services Business

WATER TECHNOLOGY

Increase in revenue and core earnings driven by Japan. Overseas core earnings margin improved despite revenue remaining flat

Apr-Sep In JPYbn		H1 FYE2020 (result)	YoY	FYE2020 (forecast)		
Revenues by Region ⁽¹⁾	Americas	70.2	-3%	+2%		
	EMEA	82.6	+6%	+2%		
	Asia Pacific	53.8	+4%	+8%		
	Japan	218.7	+5%	0%		
	Adjustments	-14.5				
	Water Technology	410.8	+2%		860.0	+3%
			CE margins		CE margins	
Core earnings by Region ⁽¹⁾	Americas	4.5	+44%	6%	+51%	7%
	EMEA	10.7	+6%	13%	+10%	14%
	Asia Pacific	5.3	+28%	10%	+32%	10%
	Japan	17.2	+66%	8%	-19%	5%
	Adjustments	-4.3				
	Water Technology	33.3	+30%		64.8	+8%
	Margin	8.1%	+1.8pp	7.5%		

- Americas
 - ✓ Despite positive sales related to projects and the direct-to-consumer renovation business, revenue decreased due to the challenging situation in major channels such as retail and wholesale. CE increased due to SG&A efforts
- EMEA
 - ✓ Strong revenue growth in Central Europe, Eastern Europe, and the Middle East. Revenue increased by 6% YoY in Europe. Operations in South Africa started to stabilize and recover from September, turning positive.
- Asia Pacific
 - ✓ China remained strong while South East Asia faced significant competition from Chinese products, etc. Revenue increased, despite forex impact. CE increased due to SG&A reduction efforts.
- Japan
 - ✓ Revenue increased for all product categories, supported by favorable market demand. CE increased due to SG&A reduction, including increase in sales volume and period of postponed marketing costs



(1) Region: Management basis, Water Technology Total: Statutory basis
 Statutory basis currency : Q2 FYE2020 Results 1USD=109.00JPY, 1EUR=121.43JPY
 Management basis currency : Comparing by FYE2020 current & previous year 1USD=115JPY, 1EUR=133 JPY, FYE2020 Assumptions 1USD=115JPY, 1EUR=133JPY

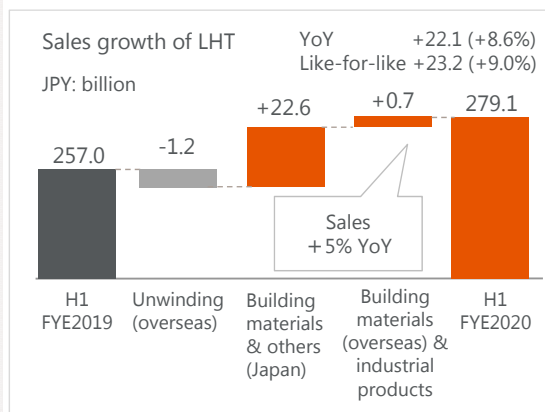
HOUSING TECHNOLOGY

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

Apr-Sep In JPYbn		H1 FYE2020 (result)	YoY	FYE2020 (forecast)	
Revenues by Region	Japan	274.2	+9%		0%
	Overseas	4.9	-12%		-35%
	Housing Technology	279.1	+9%	535.0	-1%
Core Earnings	Housing Technology	18.2	+295%	25.9	25%
	Margin	6.5%	+4.7pp	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. CE margin improved by 4.7pp YoY supported by productivity optimization (cost reductions) from favorable sales of exteriors and wooden interior furnishing materials as well as progress of the platform strategy



BUILDING TECHNOLOGY

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

Apr-Sep In JPYbn		H1 FYE2020 (result)	YoY	FYE2020 (forecast)	
Revenues by Region	Japan	52.8	+0%		+3%
	Overseas	74.8	-4% ⁽¹⁾		+3%
	Building Technology	127.6	-2%	263.0	+3%
Core Earnings	Building Technology	-4.2	-0.5	-9.7	-
	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⁽¹⁾
- ✓ Operating loss generally remained flat

Implementing business plan⁽²⁾ to revitalize Permasteelisa by improving cash flow and recovering profitability

(1) Permasteelisa's revenue on local currency basis described on slide 22 increased by 3% YoY

Forex impact due to difference between Q2 FYE2019 Results (EUR 1 = JPY 129.88) and Q2 FYE2020 Results (EUR 1 = JPY 121.43) (Forex in statutory basis)

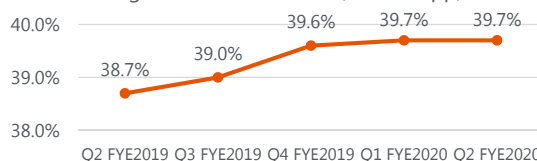
(2) Reference: "Announcement Regarding Revision of the Full-year Forecast on Business Performance for the Fiscal Year Ended March 2019 due to Recognizing Loss from an Overseas Subsidiary and Recording Extraordinary Loss from a Subsidiary in Japan", disclosed on Apr. 18, 2019

DISTRIBUTION & RETAIL AND HOUSING & SERVICES

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

Apr-Sep In JPYbn		H1 FYE2020 (result)	YoY	FYE2020 (forecast)	
D&R	Revenue ⁽¹⁾	95.2	+8%	188.0	+7%
	Core Earnings ⁽¹⁾	5.3	+11%	6.2	-20%
	Margin ⁽¹⁾	5.5%	+0.1pp	3.3%	

- Opened 3 stores in H1 FYE2020 six months
- Started operation of new distribution center in Higashimatsuyama city, Saitama, in September
- Composition of revenue recognized from sales of goods for renovation (YoY +1.0pp)

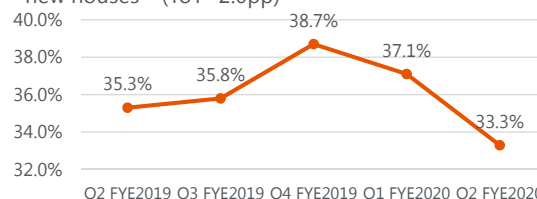


Aiming for renovation goods revenue ratio of 50% in the medium to long term

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

Apr-Sep In JPYbn		H1 FYE2020 (result)	YoY	FYE2020 (forecast)	
H&S	Revenue	26.8	+2%	57.0	-1%
	Core Earnings	1.8	+30%	3.3	-4%
	Margin	6.6%	+1.4pp	5.8%	

- Revenue composition for businesses other than for new houses⁽²⁾ (YoY -2.0pp)



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

(1) Distribution & Retail disclosed as of IFRS basis; Reference: JGAAP is applied for disclosure of LIXIL VIVA Corporation (Securities Code 3564) 11
 (2) Existing business – business other than for new houses and new areas of services and markets

CONSOLIDATED FINANCIAL POSITION

	[A]	[B]	Increase/ decrease		
	Mar-2019	Sep-2019	Impacts from application of IFRS 16 ⁽³⁾	Others (Increase/ decrease)	[B]-[A] Total of the increase / decrease
JPY: billion					
Cash and cash equivalents	141.4	100.4	-	-41.0	-41.0
Trade and other receivables	401.7	366.4	-	① -35.3	-35.3
Inventories	234.6	243.6	-	8.9	8.9
Assets held for sale	11.4	-	-	-11.4	-11.4
Others	1,270.4	1,407.0	166.3	② -29.7	136.6
Total Assets	2,059.5	2,117.3	166.3	-108.5	57.8
Trade and other payables	392.4	355.8	-	① -36.6	-36.6
Interest-bearing debt	726.0	842.6	166.3	③ -49.7	116.6
Liabilities directly associated with the assets held for sale	5.0	-	-	-5.0	-5.0
Others	369.0	357.1	-	-12.0	-12.0
Total Liabilities	1,492.4	1,555.4	166.3	-103.3	63.0
Treasury shares	-48.9	-48.9	-	0.0	0.0
Others	616.1	610.8	-	-5.2	-5.2
Total Equity	567.2	562.0	-	-5.2	-5.2
(1) Equity Ratio (%)	25.9%	④ 24.9%	-	-	-1.0pp
(2) Net Assets per Share (Yen)	1,839.59	1,818.35	-	-	-21.24
Number of Shares (in thousands)	290,095	290,103	-	-	8
Net interest-bearing debt	584.5	④ 742.2	-	-	157.6

- ① Increased/ decreased due to seasonal factors (collection of receivables and payment of accounts payables as of March 2019)
 ② Decreased due to forex impact (strong yen against the euro) and divestment of a subsidiary, etc. ③ Decreased due to repayment of borrowings
 ④ Excluding the impact from the application of IFRS16, Equity ratio is 27.0% (+1.1pp from Mar.2019) and Net interest-bearing debt is JPY575.8 billion (JPY-8.7 billion from Mar. 2019)

(1) Ratio of equity attributable to owners of the parent (3) Due to the mandatory adoption of the new accounting standard (IFRS16 "Leases") from April 2019. Impact amount as of the beginning of this term (April 1, 2019) 12
 (2) Equity per share attributable to owners of the parent

CASH FLOW STATUS AND CASH BALANCE

JPY: billion	H1 FYE2019	H1 FYE2020	Increase/ decrease
Profit before tax	13.9	40.8	26.9
Depreciation and amortization	34.5	52.8	18.3
Income taxes paid	-16.4	-7.6	8.8
Working capital	-19.0	-6.4	12.6
Others ⁽¹⁾	-1.5	-19.3	-17.8
Net cash flows from operating activities	11.4	60.3	48.9
Net cash flows from investing activities	-32.3	-7.5	24.9
(of which purchase of property, plant and equipment and intangible assets)	-30.9	-32.1	-1.3
Free cash flows	-20.9	52.8	73.7
Net cash flows from financing activities	1.6	-94.0	-95.6
	⋮	⋮	⋮
Cash and cash equivalents (Balance at the end of the period)	123.5	100.4	-23.1

- ① The impact of applying the new accounting standard (IFRS 16):
 Net cash flows from operating activities (increase in Depreciation and amortization) JPY +17.4 billion
 Net cash flows from financing activities (increase in payment of lease liabilities) JPY -18.8 billion
- ② Net cash inflows from operating activities increased by JPY 48.9 billion from increase in profit before tax and improvement in working capital
- ③ Cash outflows from investing activities decreased by JPY 24.9 billion primarily due to the proceeds from transfer of shares of a consolidated subsidiary and sale of interest in former associate
- ④ Free cash flows increased year-on-year by JPY 73.7 billion
- ⑤ Net cash outflows from financing activities increased due to the redemption of corporate bonds at maturity of JPY 20.0 billion, increase in payment of lease liabilities of JPY 18.8 billion, and decrease in external procurement of working capital by JPY 55.1 billion, resulting from increase in net cash flows from operating activities,

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

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CONTRIBUTION TO SDGs

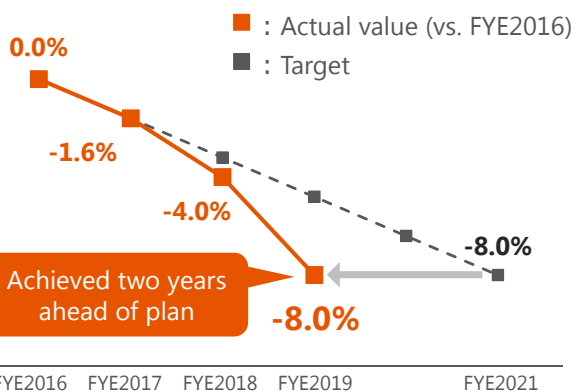
Launching "Environmental Vision 2050"⁽¹⁾

LIXIL will further strengthen "Water Conservation & Environmental Sustainability" of Corporate Responsibility Strategy

Taken measures since launching Environmental Vision in FYE2016 to achieve CO₂ target 2 years ahead of plan

Environmental Vision updated in FYE2020
 Environmental contribution in all business fields

Intensity of CO₂ emissions⁽²⁾ from business processes



Outline of Environmental Vision 2050



Climate Change Mitigation and Adaptation

- Pursue ZERO CO₂ emissions from business processes and living
- Change to 100% renewable electricity in business processes



Sustainable water use

- Create environmental values (Water saving, purification and circulation etc.)
- Mitigate risks (Stable supply, compliance, regional cooperation etc.)



Sustainable use of resources

- Contribute to innovation for circular society
- Terminate using single-use plastic

Strengthened areas

- LIXIL Group believes that ESG-related efforts are fundamental to making a positive contribution to the world around us, and key to becoming a truly purpose-driven, entrepreneurial company that makes better homes a reality for everyone, everywhere

LIXIL

(1) To be announced in November

(2) CO₂ emissions per economic output taking account of procurement of renewable electricity and decrease of CO₂ conversion factors of power companies

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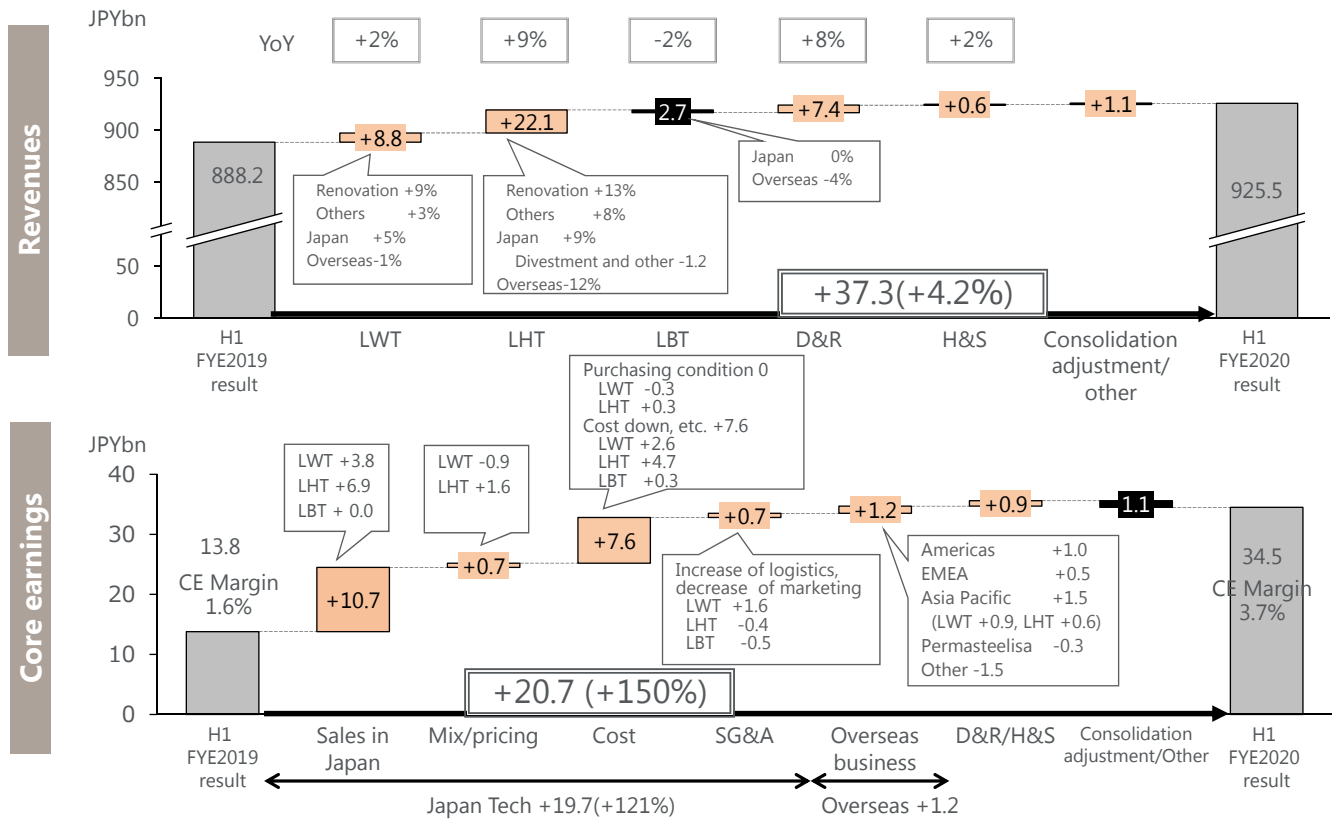
› APPENDIX

H1 (6 MONTHS) FYE2020 CONSOLIDATED BUSINESS RESULTS (DETAIL)

JPY: billion	H1 FYE2019	H1 FYE2020	YoY		FYE2020
	Results	Results	Amount Increase/decrease	%	Full-year forecasts
Revenue	888.2	925.5	37.3	4.2%	1,850.0
(Existing) Continuing operations	810.5	850.7	40.2	+5.0%	1,703.0
Permasteelisa	77.7	74.8	-2.9	-3.7%	147.0
Core Earnings⁽¹⁾	13.8	34.5	20.7	149.9%	47.0
(Existing) Continuing operations	18.1	39.2	21.0	+115.9%	59.0
Permasteelisa	-4.3	-4.7	-0.3	-	-12.0
Operating Profit	14.7	32.1	17.4	118.1%	38.0
(Existing) Continuing operations	16.4	40.1	23.7	+144.2%	57.9
Permasteelisa	-1.7	-8.0	-6.3	-	-19.9
Net Profit⁽²⁾	-8.6	23.1	31.8	-	15.0
(Existing) Continuing operations	7.8	32.1	24.3	+311.1%	36.9
Permasteelisa	-16.4	-9.0	7.5	-	-21.9
EPS (yen)	-30	80	110	-	51.7
EBITDA⁽³⁾	48.3	87.3	39.0	80.8%	1,50.4
(%)	5.4%	9.4%	+4.0pp	-	8.1%

■ Impact of applying IFRS 16 included in EBITDA for H1 (6 months) FYE2020 is JPY 17.4 billion (increase in EBITDA)

H1 FYE2020 INCREASE / DECREASE OF SALES AND CORE EARNINGS



H1 FYE2020 OTHER INCOME AND OTHER EXPENSES, FINANCE INCOME AND FINANCE COSTS, PROFIT FROM DISPOSAL OF SHARES OF ASSOCIATES

JPY: billion	H1 FYE2019	H1 FYE2020	Increase/decrease
Other Income	8.2	7.7	-0.5
Rental income	3.4	2.9	-0.5
Gains on sales of subsidiaries	-	1.5	1.5
Gains on sale of investment property	0.0	0.6	0.6
Loss recognized on the remeasurement of the disposal group held for sale (gain on reversal)	2.0	-	-2.0
Other	2.7	2.6	-0.1
Other Expenses	7.3	10.0	2.8
Costs of rent	2.1	2.1	-0.0
Losses on sale or disposal of property, plant and equipment	0.9	0.6	-0.4
Impairment losses	1.3	2.6	1.3
Restructuring costs	-	1.6	1.6
Other	2.9	3.1	0.3
Finance Income	3.7	4.0	0.3
Interest income	0.7	0.7	-0.0
Dividend income	0.9	0.9	0.0
Gains on valuation of derivatives	-	2.5	2.5 (1)
Exchange difference gains	0.9	-	-0.9 (2)
Other	1.3	0.0	-1.3
Finance Costs	4.3	6.2	2.0
Interest expense	2.6	3.2	0.6
Losses on valuation of derivatives	1.6	-	-1.6 (2)
Exchange difference losses	-	2.9	2.9 (1)
Other	0.0	0.0	-0.0
Profit from disposal of share of associates	-	11.0	11.0

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

Gains on valuation of derivatives	2.5
Exchange difference losses	-2.9
Net	-0.5 Loss

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

Exchange difference gains	0.9
Losses on valuation of derivatives	-1.6
Net	-0.8 Loss



RESULTS AND FORECASTS BY SEGMENT

JPY: billion		H1 FYE2019 Results ⁽¹⁾			H1 FYE2020 Results			FYE2020 Forecasts				
		Japan	Overseas	Total	Japan	Overseas	Total	Total YoY%	Japan	Overseas	Total	Total YoY%
LWT	Revenue	208.0	194.0	402.0	218.7	192.1	410.8	2.2%	435.0	425.0	860.0	3.2%
	Core earnings	10.4	15.2	25.6	17.2	16.2	33.3	30.3%	23.7	41.1	64.8	7.5%
	CE margin	5.0%	7.8%	6.4%	7.8%	8.4%	8.1%	+1.8pp	5.4%	9.7%	7.5%	+0.3pp
LHT	Revenue	251.5	5.6	257.0	274.2	4.9	279.1	8.6%	528.0	7.0	535.0	-1.1%
	Core earnings	5.1	-0.5	4.6	18.1	0.1	18.2	294.6%	26.9	-1.0	25.9	25.2%
	CE margin	2.0%	-	1.8%	6.6%	1.6%	6.5%	+4.7pp	5.1%	-	4.8%	+1.0pp
LBT	Revenue	52.6	77.7	130.3	52.8	74.8	127.6	-2.1%	116.0	147.0	263.0	2.7%
	Core earnings	0.8	-4.5	-3.7	0.6	-4.8	-4.2	-	2.3	-12.0	-9.7	-74.6%
	CE margin	1.4%	-	-	1.2%	-	-	-	2.0%	-	-	-
D&R	Revenue	87.8	-	87.8	95.2	-	95.2	8.4%	188.0	-	188.0	6.6%
	Core earnings	4.7	-	4.7	5.3	-	5.3	11.1%	6.2	-	6.2	-19.7%
	CE margin	5.4%	-	5.4%	5.5%	-	5.5%	+0.1pp	3.3%	-	3.3%	-1.1pp
H&S	Revenue	26.2	-	26.2	26.8	-	26.8	2.3%	57.0	-	57.0	-1.4%
	Core earnings	1.4	-	1.4	1.8	-	1.8	30.1%	3.3	-	3.3	-4.5%
	CE margin	5.2%	-	5.2%	6.6%	-	6.6%	+1.4pp	5.8%	-	5.8%	-0.2pp
Consolidation, adj. & other ⁽¹⁾	Revenue	-	-	-15.1	-	-	-14.0	-	-	-	-53.0	-
	Core earnings	-	-	-18.8	-	-	-19.9	-	-	-	-43.5	-
LIXIL Group ⁽¹⁾	Revenue	626.1	277.2	888.2	667.6	271.9	925.5	4.2%	1,324.0	579.0	1,850.0	0.9%
	Core earnings	22.3	10.2	13.8	42.9	11.4	34.5	149.9%	62.4	28.1	47.0	267.2%
	CE margin	3.6%	3.7%	1.6%	6.4%	4.2%	3.7%	+2.2pp	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) Difference between sum total of Japan and Overseas in Revenue and Core earnings and "Total" is the amount of consolidation, adj. & other 19



RENOVATION STRATEGY IN JAPAN

➤ Sales of renovation-related products increased by 9.4% year-on-year, supported by favorable demand in Japan and sales of new and differentiated products

Sales of Renovation-Related Products

JPY: billion	H1 FYE2019 Results ⁽¹⁾	H1 FYE2020 Results	YoY
Sales of renovation-related products*	149.4	163.5	+9.4%
Renovation sales ratio	36%	37%	+0.6pp

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

(Reference) H1 FYE2020 Sales growth (YoY)

Renovation products: LWT +9%, LHT +13%

Products other than for renovation: LWT +3%, LHT +9%

➤ Renovation-related products sales ratio by business segment (YoY)

Business segment	H1 FYE2019	H1 FYE2020	Difference
LWT	44%	45%	+1.1pp
LHT	32%	33%	+0.8pp
LBT	26% ⁽¹⁾	24%	-1.8pp
Japan total	36%	37%	+0.6pp

Number of Member Homebuilders

Stores	Mar -18	Mar -19	Sep -19
LIXIL Reform Shop (FC)	546	571	571
LIXIL Reform Shop (Voluntary)	12,602	11,783	11,717
LIXIL PATTO Reform Service Shop	3,705	3,800	3,790

Implementing Demonstration Project Using IoT Home Delivery Box

Name of the project:
Demonstration Project of Reduction of Redelivery (Reduction of CO₂ x Stress-Free) Using IoT Home Delivery Box

Project period: From Feb 1, 2019 to Mar 31, 2020 (Plan)



IoT Home Delivery Box Smart Delivery Post TB

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



REVENUE BY PRODUCTS AND SERVICES

JPY: billion

Segment	Major products	FYE2019 results	H1 FYE2019 results	H1 FYE2020 results	YoY	Quarterly YoY					
						FYE2019				FYE2020	
						Q1	Q2	Q3	Q4	Q1	Q2
LWT	Sanitary ware	103.4	49.3	52.4	6.4%	-2.8	-5.0	-0.6	-3.8	1.4	10.9
	Bathroom units	99.3	49.0	51.3	4.7%	2.8	-3.2	-5.3	-4.9	-1.4	11.2
	Washstand cabinet units	36.9	17.3	18.4	6.6%	2.0	-1.9	-0.5	0.3	0.6	12.6
	Kitchens	112.3	53.4	56.5	5.9%	1.6	-3.2	-1.9	0.0	0.2	11.3
	Tiles	37.7	17.8	17.8	0.1%	3.6	-4.2	0.7	-2.6	-5.0	5.1
LHT	Housing sashes and related products	186.2	90.0	97.1	7.9%	-7.4	-7.3	0.5	3.8	5.5	10.2
	Exterior	111.0	51.4	56.2	9.4%	-3.9	-3.8	12.1	11.8	5.5	13.4
	Wooden interior furnishing materials	64.1	29.5	35.0	18.5%	0.2	0.9	10.0	13.1	16.1	20.8
	LHT Other	87.2	41.0	43.3	5.7%	3.6	4.9	8.8	0.7	7.6	4.0
LBT	Building sashes	112.8	52.6	52.8	0.3%	6.5	-0.2	7.1	10.0	0.4	0.3
D&R	Home center revenue	176.4	87.8	95.2	8.4%	-1.0	1.7	3.4	2.4	4.9	11.8
H&S	Housing and Services business	57.9	26.2	26.8	2.3%	7.6	11.3	-5.1	31.9	6.0	-1.0
	Overseas	551.8	277.2	271.9	-1.9%	1.6	-0.9	0.4	-14.0	-2.6	-1.2
	Others/consolidation & adj.	95.5	45.8	50.8	-	-	-	-	-	-	-
	Total	1,832.6	888.2	925.5	4.2%	0.9	-1.4	2.7	-1.6	2.1	6.2

Unit: %

* Definition for Tiles and LHT Other has been changed to match that of internal management. Therefore, past figures and year-on-year ratio for Tiles and LHT Other have been retroactively restated.

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PERFORMANCE OF MAJOR OVERSEAS SUBSIDIARIES

Company	ASB (ASD Holdings)			
Unit	Unit: USD million			
Accounting period	H1 FYE2019 Results	H1 FYE2020 Results	YoY	
Exchange rate (Average Rate)	110.07	109.00	-	
Revenue	628	609	-3%	
Core earnings	27	36	34%	
	4%	6%	+1.6pp	
Accounting period	FYE2019 Balance	H1 FYE2020 (6 months)		
		Amortization	Others ⁽¹⁾	Balance
Exchange rate (Current Rate for balance, Average Rate for amortization)	110.99	109.00	-	107.92
Goodwill	231	-	0	231
Intangible assets	235	-4	0	232
Company	Grohe Group (GROHE) ⁽²⁾			
Unit	Unit: EUR million			
Accounting period	H1 FYE2019 Results	H1 FYE2020 Results	YoY	YoY excluding LIXIL Africa impact ⁽²⁾
Exchange rate (Average Rate)	129.88	121.43	-	
Revenue	716	758	6%	9%
Core earnings	75	85	13%	9%
	10%	11%	+0.7pp	+0.0pp
Accounting period	FYE2019 Balance	H1 FYE2020 (6 months)		
		Amortization	Others ⁽¹⁾	Balance
Exchange rate (Current Rate for balance, Average Rate for amortization)	124.56	121.43	-	118.02
Goodwill	1,210	-	9	1,219
Intangible assets	1,474	-11	0	1,463

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(1) Forex translation differences, and other

(2) LIXIL Africa (formerly called as GDWT), which was formerly under Grohe Group, became a subsidiary of LIXIL Corporation from July 2019

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PERFORMANCE OF MAJOR OVERSEAS SUBSIDIARIES

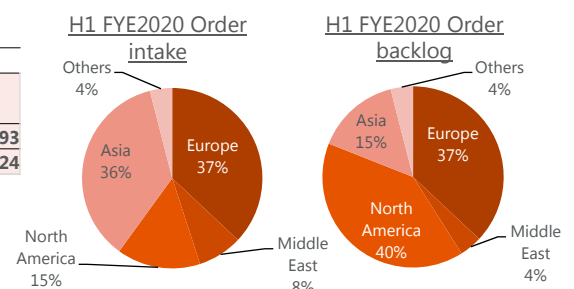
Company	Permasteelisa		
Unit	Unit: EUR million		
Accounting period	H1 FYE2019 Results	H1 FYE2020 Results	YoY
Exchange rate (Average Rate)	129.88	121.43	-
Revenue	599	617	3%
Core earnings	-37	-39	-
	%		-



Accounting period	FYE2019 Balance ⁽²⁾	H1 FYE2020 (6 months)			
		Amortization	Impairment	Others ⁽¹⁾	Balance
Exchange rate (Current Rate for balance, Average Rate for amortization)	124.56	121.43			118.02
Goodwill					-
Intangible assets					-
Accrual for expected future losses on construction projects	45			-15	31

Orders received

Unit	Unit: EUR million	
Accounting Period	H1 FYE2019 Results	H1 FYE2020 Results
Order intake	599	493
Order backlog	2,132	1,824



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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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TOPICS RELATED TO BUSINESS

Ongoing review of business portfolio and simplification of organizational structure

Completed 100% share transfer for the three companies shown below by the time of the Q2 FYE2020 announcement (October 31)

- Ken Depot
Equity-method affiliate, voting rights ratio 34%
(Operations) membership-based wholesale building materials business for professional users of housing-related materials
- Senior Life Company
Wholly-owned subsidiary: reporting segment H&S
(Operations) assisted living retirement homes
- LIXIL SUZUKI SHUTTER and two subsidiaries
Wholly-owned consolidated subsidiary: reporting segment LHT
(Operations) manufacture and sales, installment, maintenance of shutters and related parts

➤ We will continue to strengthen our foundation for growth by reviewing our business portfolio, prioritizing simplification of the organization and improving the balance sheet

Restructuring of Compensation Scheme for Directors and Executive Officers

Introduced a stock price-linked compensation scheme (Phantom stock)

LIXIL Group resolved to end the restricted stock compensation scheme introduced in June 2018 and replace it with a new stock price-linked compensation scheme ("Phantom Stock Plan") (Announced on Oct 28, 2019)

Sharing the benefits and risks of share-price fluctuations with shareholders (traditional purpose)

Contribute to enhancing the LIXIL's stock price and enterprise value

Applying to all the officers and overseas executives as a common compensation system

Expedite the appointment of Officers across organizations and regions, and ensure Officers and overseas executives can be flexibly transferred

Changing the KPIs for Performance-linked compensation scheme (for Executive officers)

Before change: Company performance 70% = Revenue, Core earnings, Profit attributable to owners of the parent
Individual achievement 30%

After change: Company performance 100% = **ROIC**, Core earnings, Profit attributable to owners of the parent

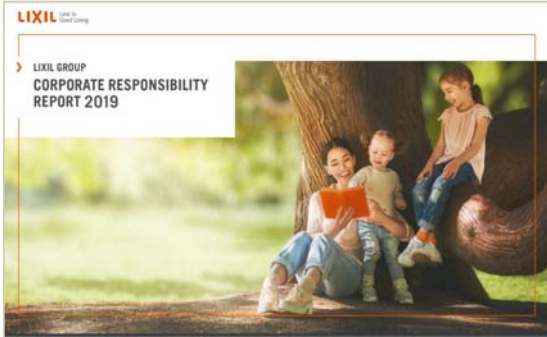
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ESG RELATED TOPICS

Corporate Responsibility(CR) Report 2019

Published CR Report summarizing FYE2019 initiatives⁽¹⁾



- **Global Sanitation & Hygiene**
SATO Business became **profitable** in Bangladesh
- **Water Conservation & Environmental Sustainability**
Certified as **Water Security A List 2018 company**, the highest evaluation by an international NPO (CDP)
- **Diversity & Inclusion**
Established **Universal Design (UD) goal** for 2030

Became Presenting Partner of Tokyo 2020 Paralympic Torch Relay

LIXIL Corporation concluded an agreement with the Tokyo Organising Committee of the Olympic and Paralympic Games on October 2, 2019, to serve as a Presenting Partner of the Tokyo 2020 Paralympic Torch Relay.

Through its Universal Design concept, LIXIL shares the same vision as the Tokyo 2020 Paralympic Torch Relay: "Towards the Realisation of Inclusive Society"



(Image credit Tokyo 2020)



LIXIL also manufactured the material used for the Paralympic Torch, which was created from window sashes and other components used for temporary housing for evacuees of the Great East Japan Earthquake. The torch serves as a new symbol of hope for future generations. Main material: aluminum (manufactured in Shimotsuma factory in Japan)

EXTERNAL RECOGNITION

DJSI World

Selected for Dow Jones Sustainability World Index (DJSI World) for the first time, created by S&P Dow Jones Indices and RobecoSAM (September 2019)



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⁽¹⁾



DJSI Asia Pacific

Selected for DJSI Asia Pacific Index for three consecutive years, created by S&P Dow Jones Indices and RobecoSAM (September 2019)

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)

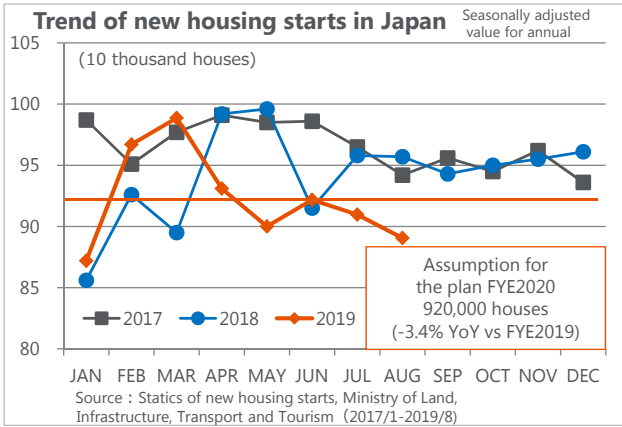
MSCI Japan Empowering Women Index

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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MARKET TRENDS



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

- Jan-Mar 2019: 5.2%
- Jan-Jun 2019: -0.2%

	Jan-Aug 2019 (8 months)		Apr-Aug 2019 (5 months)	
	Amount	YoY	Amount	YoY
Total new housing starts	604,388	-1.7%	388,777	-5.1%
Owner occupied(1)	194,286	6.5%	128,965	6.0%
Rental homes	227,068	-12.7%	145,958	-15.5%
Condos for sale	78,831	8.0%	47,001	-6.6%
Detached houses for sale(2)	97,775	5.8%	63,003	4.8%
Detached houses total(1)+(2)	292,061	6.3%	191,968	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



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.