

[This is an English translation of the original text written in Japanese]



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LIXIL Corporation

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Announcement of Upward Revision of Consolidated Financial Forecast for the Fiscal Year Ending March 2021

Based on recent business trends, LIXIL Corporation (hereinafter "LIXIL") hereby announces that it has revised upward its consolidated financial forecast for the fiscal year ending March 2021, which were announced on October 30, 2020.

1. Consolidated full-year forecast

(1) Consolidated forecast for the full year for the fiscal year ending March 31, 2021

(April 1, 2020 through March 31, 2021)

	From Continuing Operation					Including Discontinued Operation		
	Revenue	Core earnings	Operating profit	Profit before income taxes	Profit for the year	Profit for the year	Profit for the year attributable to owners of the parent	Basic earnings per share
Previous full-year forecast (A)	Million yen 1,350,000	Million yen 40,000	Million yen 7,000	Million yen 3,000	Million yen 2,000	Million yen 23,000	Million yen 19,000	Yen 65.49
Revised full-year forecast (B)	1,380,000	57,500	34,500	30,500	15,500	37,500	33,000	113.75
Change (B-A)	30,000	17,500	27,500	27,500	13,500	14,500	14,000	48.26
Change (%)	2.2%	43.8%	392.9%	916.7%	675.0%	63.0%	73.7%	73.7%
cf. FYE2020 results ^(Note)	1,514,400	52,300	32,000	40,900	27,700	13,700	12,500	43.15

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

Note: Since the decision to transfer shares of LIXIL VIVA, a former consolidated subsidiary of LIXIL (announced on June 9, 2020), profit/loss related to LIXIL VIVA has been classified as “discontinued profit/loss”. FYE2020 results have also been restated for comparison purposes.

(2) Reasons for revision of consolidated forecast

In response to the COVID-19 pandemic, LIXIL has prioritized the health and wellbeing of its employees, their families, business partners, and customers, while ensuring that business remains operational. In line with this approach, LIXIL has operated its showrooms in accordance with social distancing policies, while also striving to improve convenience and provide differentiated products and services that respond to new customer needs through accelerated digitalization.

Based on the success of these efforts, the number of contracts concluded increased despite a decrease in the number of quotes issued due to fewer showroom visitors. As a result, in the third quarter, renovation-related sales in Japan increased more than expected and led to an improvement in profit margin. Furthermore, the acceleration of digital-led marketing and sales activities has improved production efficiency and operational efficiency, leading to a higher than expect reduction in SG&A expenses.

Market demand in Japan is now recovering faster than expected, while international markets also continue to recover, especially in Europe, where sales increased above expectations. As a result, both sales and business profits are expected to exceed the forecast provided on October 30, 2020.

As for the Notification Regarding the Result of Voluntary Retirement Program “New Life” announced separately today, the number of applicants was fewer than anticipated, so implementation costs associated with the program are due to be lower than expected.

As a result, LIXIL decided to revise upward its full-year forecast for the fiscal year ending March 2021 based on the information and forecasts currently available.

2. Dividend

No change to annual dividend forecast of 70 yen per share as announced on August 6, 2020.

Explanation for adequate utilization of the forecast and other special matters

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

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