

TSE Code: 5938

› Q3 Results for the Fiscal Year Ending March 31, 2021 (IFRS)

(From April 1, 2020, to December 31, 2020)

LIXIL Corporation

(Trade name changed from LIXIL Group Corporation on Dec 1, 2020)

February 5, 2021



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LIXIL TRANSITIONED TO IFRS FROM FYE2016 CHANGE IN PROFIT LEVEL STRUCTURE IS AS SHOWN BELOW

JGAAP	IFRS (LIXIL 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 in "Notice of Transfer of Consolidated Subsidiary (Share Transfer)" on May 1 and June 9, 2020, business operations of Permasteelisa S.p.A. and its subsidiaries and LIXIL VIVA are classified as "discontinued operations". The same period in the previous year is restated for comparison purposes.

KEY HIGHLIGHTS

➤ Recovery trend continues across all business segments in Q3, leading to upward revision of full-year forecast. Year-on-year increase in profits projected

■ **Revenue: JPY 1,035.5 billion, decreased 10% year-on-year**

Decreased 11% year-on-year in Japan and 6% in international markets (4% on local currency basis)

■ **Core earnings: JPY 45.2 billion, decreased JPY 7.2 billion year-on-year**

Increased quarter-on-quarter in Q3 due to productivity improvements resulting in reduced SG&A expenses and improved gross margin from higher sales ratio of renovation-related products

■ **Net profit⁽¹⁾: JPY 38.7 billion, increased JPY 8.0 billion year-on-year**

Turned to increased profits in Q3

➤ **Factors contributing to the improvement of core earnings despite decreased revenue, and the revision of forecast⁽²⁾:**

- Reduction of SG&A: Leveraging digital tools more in marketing and sales activities to improve customer experience
- Improvement of gross margin: Meeting consumer demand for mid-to-high end products to improve their living spaces due to more time spent at home

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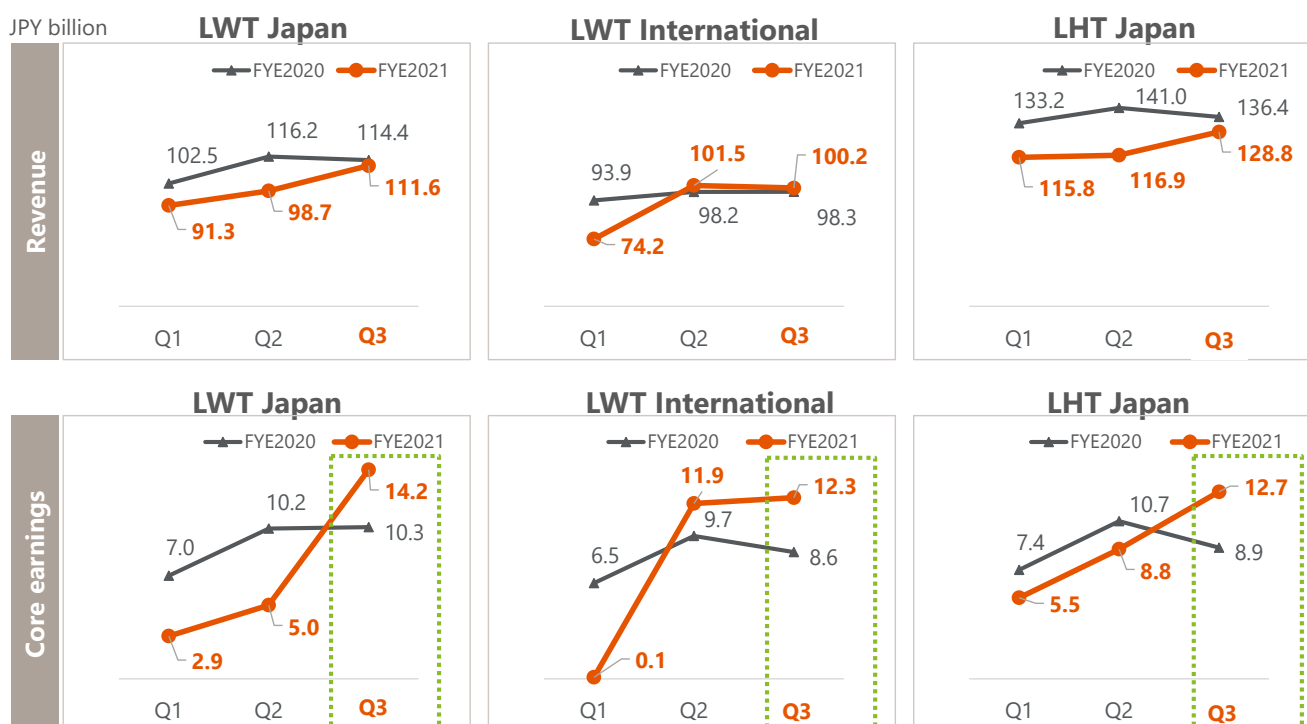
(1) Net profit for Q3 = Profit attributable to owners of the parent for the quarter

(2) Reference: "Announcement of Upward Revision of Consolidated Financial Forecast for the Fiscal Year Ending March 2021", disclosed on Feb. 5, 2021

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Q3 (3 MONTHS) FYE2021 BUSINESS RESULTS FOR CORE BUSINESSES

➤ CE of core businesses significantly increased in Q3



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IMPACT OF COVID-19

› Status of Operations (as of Feb 1, 2021⁽¹⁾)

Production

- All factories operational

Procurement

- No significant issues

Sales

International

- Recovery trend led by Europe and Americas continues
- China has recovered to almost the same level as Q3 FYE2020 (9 months)

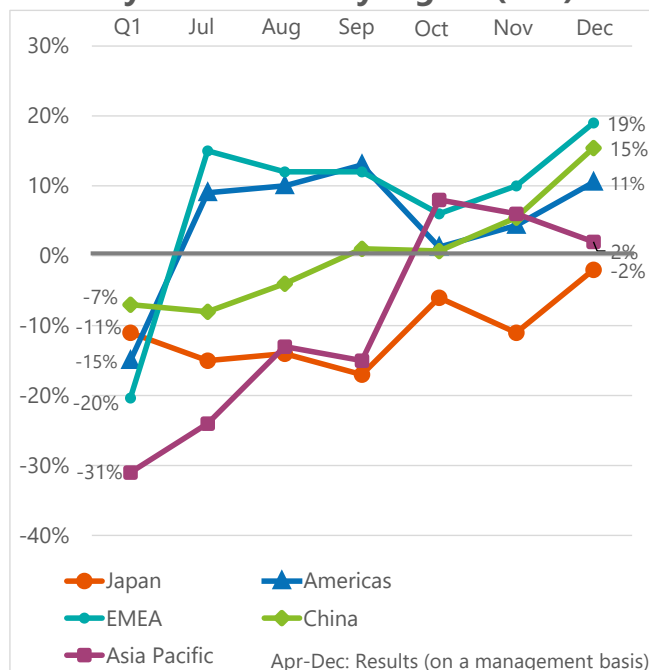
Japan

- Both new housing and renovation markets are on a recovery trend exceeding forecasts made in October

Potential business risks in Q4

- Lockdowns around the world and shortage of transport containers can impact local factory operations and logistics
- Taking measures to improve our ability to respond to strong demand

Monthly sales status by region (YoY)



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(1) Updated from "Notification Regarding the Schedule for Announcement of Consolidated Financial Results for the Fiscal Year Ended March 31, 2020, and LIXIL Group's Response to the Spread of COVID-19" announced on May 1, 2020, and "H1 Results for the Fiscal Year Ending March 31, 2021(IFRS)" announced on October 30, 2020

Q3 FYE2021 CONSOLIDATED BUSINESS RESULTS

		Q3 9 months ⁽⁴⁾				Q3 3 months			
		FYE2020	FYE2021	Increase/decrease	%	FYE2020	FYE2021	Increase/decrease	%
JPY billion									
Continuing Operations	Revenue	1,149.2	1,035.5	-113.7	-9.9%	389.7	375.0	-14.7	-3.8%
	Gross Profit	384.7	349.9	-34.8	-9.0%	129.8	132.3	2.5	1.9%
	(%)	33.5%	33.8%	+0.3pp	-	33.3%	35.3%	+2.0pp	-
	SG&A	332.2	304.7	-27.5	-8.3%	111.3	102.4	-8.9	-8.0%
	Core Earnings ⁽¹⁾	52.5	45.2	-7.2	-13.8%	18.4	29.8	11.4	61.9%
Including Discontinued Operations	(%)	4.6%	4.4%	-0.2pp	-	4.7%	8.0%	+3.2pp	-
	Net Profit for the first half including Discontinued Operations ⁽²⁾	30.7	38.7	8.0	26.1%	7.6	27.8	20.3	268.2%
Continuing Operations	EPS (Yen)	105.79	133.35	27.56	26.1%	26.04	95.88	69.84	268.2%
	EBITDA ⁽³⁾	114.5	105.9	-8.6	-7.5%	39.5	50.0	10.5	26.5%
Continuing Operations	(%)	10.0%	10.2%	+0.3pp	-	10.1%	13.3%	+3.2pp	-

- Q3 (3 months) core earnings ratio improved by 3.2pp year-on-year
 - Gross profit margin: improved by 2.0pp due to pricing adjustments and improvement of sales mix through increase of renovation sales ratio
 - SG&A ratio: improved by 1.3pp due to reduced SG&A expenses from progress of productivity improvements
- Overall SG&A expenses reduced by JPY 27.5 billion in Q3 (9 months) (Q1: 9.1bn, Q2: 9.5bn, Q3: 8.9bn)

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(1) Equivalent to "Operating profit" of JGAAP
 (2) Profit attributable to owners of the parent for the quarter
 (3) EBITDA=Core earnings + Depreciation

(4) Previous reporting period was restated by the classification of Permasteelisa and LIXIL VIVA's operating results under "Discontinued operations" due to the decision to divest

Q3 FYE2021 BUSINESS RESULTS BY SEGMENT

➤ CE of core businesses increased significantly in Q3 (three-month period), minimizing YoY decline over the nine-month period

		Q3 9 months ⁽¹⁾			Q3 3 months		
		FYE2020	FYE2021	Increase/decrease	FYE2020	FYE2021	Increase/decrease
JPY billion							
LWT	Revenue	623.6	577.4	-46.2	212.8	211.7	-1.0
	CE	52.2	46.4	-5.8	18.9	26.5	7.6
LHT	Revenue	417.1	366.1	-51.0	138.1	130.6	-7.5
	CE	26.6	26.0	-0.7	8.4	12.4	4.0
LBT	Revenue	85.5	70.8	-14.7	31.1	24.5	-6.5
	CE	1.6	0.8	-0.8	0.9	0.3	-0.5
H&S	Revenue	40.6	36.9	-3.7	13.8	14.0	0.2
	CE	2.7	1.9	-0.7	0.9	1.0	0.1
Consolidation adj. & other	Revenue	-17.6	-15.7	1.9	-6.0	-5.8	0.2
	CE	-30.6	-29.8	0.8	-10.6	-10.3	0.3
LIXIL	Revenue	1,149.2	1,035.5	-113.7	389.7	375.0	-14.7
	CE	52.5	45.2	-7.2	18.4	29.8	11.4

Sales trend :

	Americas	EMEA	China	APAC	Japan
Q1	-15%	-20%	-7%	-31%	-12%
Q2	10%	13%	-4%	-14%	-16%
Q3	5%	13%	8%	5%	-6%

Forex impact :

JPY billion	Q3 9 months	Q3 3 months
Revenue	-4.3	-1.3
CE	+0.0	+0.1



(1) Permasteelisa S.p.A and LIXIL VIVA's business is classified as "discontinued operations" due to the decision to divest. For comparison, previous reporting period is also rearranged in the same way 7

➤ FORECAST FOR FYE2021

REVISION OF FORECAST – FYE2021 KPI

Projecting increase of CE, OP, and Net profit compared to the previous year. Dividend remains unchanged from previous forecast

JPY billion	FYE2020 Results ⁽¹⁾	FYE2021 Forecast (Feb5 revised)	Change	FYE2021 Forecast (Oct30 revised)	Difference
Revenue	1,514.4	1,380.0	-134.4	1,350.0	30.0
Core Earnings (CE)	52.3	57.5	5.2	40.0	17.5
Operating Profit (OP)	32.0	34.5	2.5 (a)	7.0	27.5
Profit before Tax	40.9	30.5	-10.4	3.0	27.5
Tax expenses	-13.2	-15.0	-1.8	-1.0	-14.0
Profit (loss) from discontinued operations	-14.1	22.0	36.1	21.0	1.0
Net profit attributable to non-controlling interests	1.2	4.5	3.3	4.0	0.5
Net profit attributable to owners of the parent	12.5	33.0	20.5	19.0	14.0
EPS (Yen)	43.15	113.75	70.60	65.49	48.26
ROE (%)	2.4	6.4	4.0pp	3.8	2.6pp
ROA (%)	0.6	1.7	1.1pp	1.0	0.7pp
EBITDA ⁽²⁾	134.8	133.5	-1.3	116.0	17.5
Dividend (JPY per share)	70	70	-	70	-
Payout ratio (%) Consolidation basis	162.2%	61.5%	-	106.9%	-

(a) "Other expenses" (between core earnings and operating profit): includes one-time allowance for employees related to COVID-19 (FYE2020: JPY 3.5 billion, FYE2021: JPY 1.7 billion)



(1) Permasteelisa S.p.A and LIXIL VIVA's business is classified as "discontinued operations" due to the decision to divest. For comparison, previous reporting period is also rearranged in the same way
(2) EBITDA=Core earnings + Depreciation

REVISION OF FORECAST – FYE2021 MARKET OUTLOOK & ASSUMPTIONS

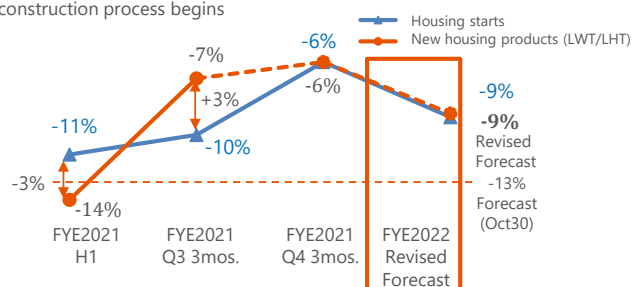
Market outlook and assumptions

- New housing starts (Japan): revised based on the recent market recovery
- Major material prices (Aluminum, Copper): no change in assumptions. Necessary volume procured for FYE2021
- CAPEX, depreciation, and R&D expenditures⁽¹⁾: no change from the forecast on Oct 30, 2020

		FYE2020 Results	FYE2021 Forecast	FYE2021 Forecast (Oct30)	Difference
Housing starts (YoY%)	Total	884,000	803,000/-9%	766,000/-13%	+37,000/+4pp
	Renovation	-	-7%	-7%	-
FX rate (Average rate)	JPY/USD	109.10	115.0	115.0	-
	JPY/EUR	121.14	126.5	126.5	-
Raw material prices (JPY/ton)	Aluminum	215,000	209,000	209,000	-
	Copper	586,000	648,000	648,000	-

Japan: New housing starts vs. sales of LWT and LHT products for new housing

Demand for products for new housing will emerge approx. 3 months after construction process begins



*2 months (Oct. Nov.) new housing data is used as market outlook for Q4

New housing starts are those for 3 months before the financial reporting periods

Japan: Renovations

No change from previous forecast.

Expect 0% sales growth in H2 and improvement of sales mix due to the increase of sales of mid-to-high end product

International:

Americas

Expect market demand to be strong at least until Q1 FYE2021

EMEA

Currently no indicators in the market supporting an overly sudden cool down of demand. Expect current strong demand to continue



(1) Excluding discontinued operations. CAPEX and Depreciation includes intangible assets and IFRS 16 lease

FORECASTS BY SEGMENT

➤ Projecting increase in revenue and CE for core businesses (LWT/LHT) and decrease in revenue and CE for LBT and H&S

	JPY billion	FYE2020 ⁽¹⁾ Results	FYE2021 Forecast (Feb5 revised)	Change	%	FYE2021 Previous forecast (Oct30)	Difference
LWT ⁽²⁾	Revenue	828.5	781.0	-47.5	-5.7%	770.0	11.0
	CE	61.5	64.0	2.5	4.1%	49.3	14.7
	CE margin	7.4%	8.2%	+0.8pp		6.4%	+1.8pp
LHT ⁽²⁾	Revenue	542.2	484.0	-58.2	-10.7%	473.0	11.0
	CE	28.3	32.5	4.2	14.8%	27.7	4.8
	CE margin	5.2%	6.7%	+1.5pp		5.9%	+0.8pp
LBT	Revenue	112.8	91.5	-21.3	-18.9%	98.0	-6.5
	CE	2.7	1.5	-1.2	-43.6%	3.0	-1.5
	CE margin	2.4%	1.6%	-0.8pp		3.1%	-1.5pp
H&S	Revenue	54.0	45.0	-9.0	-16.7%	48.0	-3.0
	CE	3.0	2.0	-1.0	-33.0%	2.2	-0.2
	CE margin	5.5%	4.5%	-1.0pp		4.6%	-0.2pp
Consolidation, adj. & other	Revenue	-23.1	-21.5	1.6		-39.0	17.5
	CE	-43.2	-42.5	0.7		-42.2	-0.3
LIXIL	Revenue	1,514.4	1,380.0	-134.4	-8.9%	1,350.0	30.0
	CE	52.3	57.5	5.2	10.0%	40.0	17.5
	CE margin	3.5%	4.2%	+0.7pp		3.0%	+1.2pp



(1) Previous reporting period was restated due to the decision of divestment of Permasteelisa and LIXIL VIVA and classification to "Discontinued operations"
 (2) Further breakdown (i.e. Japan and International) of sales and core earnings for each reporting segments is presented P.27

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ENABLING SUSTAINABLE GROWTH: ORGANIZATION TRANSFORMATION AND PRODUCTIVITY IMPROVEMENT

➤ Continue to drive transformation of business to become a more agile and entrepreneurial company under comprehensive initiatives for revitalizing Japan business, "Kawaranaito LIXIL" (LIXIL, We must change)

"Kawaranaito LIXIL"

Work Consumer-centrally

Create a more consumer-centric organization, enhancing consumer-experience

Strengthening consumer focus through organizational and digital enhancements

- Further reorganized sales offices and showrooms leveraging digital tools and learnings, building on organizational benefits emerging from initiative to consolidate 23 offices in Tokyo
- Created opportunities for employees with strong understanding LIXIL and its products to transfer from back office roles to consumer-facing roles

Manage Career Paths

Encourage all employees to own their career journey and embed a meritocratic and agile culture

Introducing programs to build innovation capabilities, and accelerate talent development

- Implemented New Life Program 965 employees applied the program⁽¹⁾
- Launched Career Journey program to encourage all employees to think about their career development
- Embedded common language for innovation via tailored training program for leaders across LIXIL with Tuck MBA faculty

Change Working Styles

Enable more flexible working styles, allowing greater efficiency and a more inclusive working environment

Accelerate transformation of organization through new HR policies

- Established long-term policies including work-from-home, super- flex hour system, life support systems for employees, and introduction of second job arrangement
- Reduced of overtime by work style reform
Overtime down by approx. 30% YoY (Apr-Dec)



(1) "Notification Regarding the Result of Voluntary Retirement Program "New Life"" announced on February 5, 2021

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› RESULTS BY BUSINESS SEGMENT



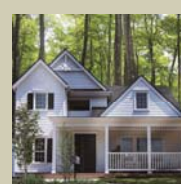
Water
Technology



Housing
Technology



Building
Technology



Housing &
Services Business

WATER TECHNOLOGY

› Decline in revenue and CE but recovery trend continues across all regions. In Q3 (3 months), revenue and CE increased in international businesses. Revenue decreased but CE increased in Japan

Apr-Dec In JPY bn		Q3 FYE2021 (Results)		YoY	FYE2021 (Forecast)		Revenue	
Revenues by Region ⁽¹⁾	Americas	105.7	0%			-1%	■ <u>Americas</u>	✓ Retail and e-commerce channels continue to drive sales growth despite resurgence of COVID-19
	EMEA	123.6	+3%			2%	■ <u>EMEA</u>	✓ Strong growth continues for retail and e-commerce channels since June. Eastern Europe, the Middle East, and Northern Europe drive sales growth despite lockdowns
	China	39.1	-1%			4%	■ <u>China</u>	✓ Commercial project sales remain stable and recover to FYE 2020 level
	Asia Pacific	33.0	-13%			-8%	■ <u>Asia Pacific</u>	✓ Markets gradually recovering from the impact of COVID-19 (lockdown, economic stagnation, etc.)
	Japan	301.6	-9%			-7%	■ <u>Japan</u>	✓ Capturing growing demand associated with “New Normal”. Touchless faucets <i>Navish</i> grow 64% in nine-month period while residential washstands with touchless faucets grow from Q3
	Adjustments	-25.6						Core Earnings
	Water Technology	577.4	-7%	CE margins	781.0	-6%	CE margins	■ <u>International</u>
Core earnings by Region	International	24.3	-2%	8.8%	+6%	9.1%	✓ Profit growth led by sales growth in Americas and Europe and SG&A reduction efforts	
	Japan	22.1	-19%	7.3%	+2%	7.4%	■ <u>Japan</u>	✓ Minimized YoY decline in profit by controlling SG&A expenses and pricing adjustments
	Water Technology	46.4	-11%		64.0	+4%		
	Margin	8.0%	-0.3pp		8.2%	+0.8pp		

HOUSING TECHNOLOGY

Decrease in revenue and CE but CE margin improved by 0.7pp

Apr-Dec In JPY bn		Q3 FYE2021 (Results)	YoY	FYE2021 (Forecast)
Revenues by Region	Japan	361.4	-12% ⁽¹⁾	-11%
	International	4.7	-29% ⁽²⁾	-16%
	Housing Technology	366.1	-12%	484.0 -11%
Core Earnings	Housing Technology	26.0	-2%	32.5 +15%
	Margin	7.1%	+0.7pp	6.7% +1.5pp

Japan

- ✓ Revenue decreased due to the decline of new housing starts from January to September and the impact of COVID-19
- ✓ SG&A expenses reduced by improving productivity and operational efficiency
- ✓ Gross margin improved due to increase in sales ratio of renovation products contributing to improved selling price, and improvement of production efficiency due to progress of platform strategy
- ✓ CE margin improved 0.9pp YoY (for entire LHT, CE margin improved +0.7pp YoY)
- ✓ Growing demand for products catering to the new normal and natural disasters such as typhoons, which have become larger and more serious in Japan
 - Screen door: increased by 63% YoY
 - Delivery box: increased by 67% YoY
 - Renovation-related shutter: increased by 72% YoY (YoY: compared Q3 nine months for FYE2020 results and Q3 nine months FYE2021 results)

LIXIL (1) -11%YoY growth excluding impact from divestment and other
(2) -16%YoY growth excluding impact from divestment and other

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BUILDING TECHNOLOGY AND HOUSING & SERVICES

Revenue and CE decreased due to the decline in demand related to Tokyo 2020 Olympics

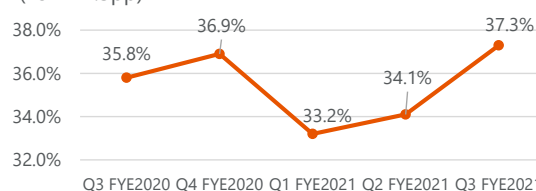
Apr-Dec In JPY bn		Q3 FYE2021 (Results)	YoY	FYE2021 (Forecast)
Building Technology	Revenue	70.8	-17%	91.5 -19%
	Core Earnings	0.8	-52%	1.5 -44%
	Margin	1.1%	-0.8pp	1.6% -0.8pp

- Revenue decreased due to the decline in demand for Tokyo 2020 Olympic
- Core earnings decreased despite efforts to reduce SG&A expenses

Revenue decreased due to the lack of demand after consumption tax hike and COVID-19. CE decreased despite efforts to control SG&A

Apr-Dec In JPY bn		Q3 FYE2021 (Results)	YoY	FYE2021 (Forecast)
H&S	Revenue	36.9	-9% ⁽²⁾	45.0 -17%
	Core Earnings	1.9	-27%	2.0 -33%
	Margin	5.3%	-1.3pp	4.5% -1.0pp

- Revenue from businesses other than for new houses⁽¹⁾ (YoY +1.5pp)



Aiming for 50% of revenue in the medium to long term to come from businesses not engaged in new houses

LIXIL (1) Existing business – business other than for new houses and new areas of services and markets
(2) -7% YoY growth excluding impact from divestment and other

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CONSOLIDATED FINANCIAL POSITION

➤ Equity ratio improved by 5.4pp. Repay short-term borrowings in Q4 in order to secure liquidity during ongoing COVID-19 situation

	[A]	[B]	Increase/ decrease		
	Mar-2020	Dec-2020	Decrease due to divestment of Permasteelisa and LIXIL VIVA	Others (Increase/ decrease)	[B]-[A] Total of the increase / decrease
JPY billion					
Cash and cash equivalents	95.9	180.9	-10.0	① 95.1	85.1
Trade and other receivables	307.1	306.4	-4.5	3.9	-0.6
Inventories	227.6	172.2	-42.8	② -12.6	-55.4
Assets held for sale	58.2	18.1	-53.5	13.4	-40.1
Others	1,402.8	1,144.6	-275.7	17.4	-258.3
Total Assets	2,091.5	1,822.2	-386.4	117.1	-269.3
Trade and other payables	336.5	278.8	-42.6	② -15.1	-57.7
Interest-bearing debt	832.6	706.6	③ -208.2	① 82.2	-126.0
Liabilities directly associated with the assets held for sale	91.9	7.4	-89.9	5.4	-84.5
Others	295.4	291.8	-18.1	14.5	-3.6
Total Liabilities	1,556.4	1,284.6	-358.7	86.9	-271.8
Treasury shares	-48.9	-48.9	-	0.0	0.0
Others	584.0	586.5	-	2.5	2.5
Total Equity	535.1	537.6	-	2.5	2.5
(1) Equity Ratio (%)	24.0%	③ 29.4%			+5.4pp
(2) Net Assets per Share (Yen)	1,730.99	1,844.03			113.04
Number of Shares (in thousands)	290,103	290,098			-5
Net interest-bearing debt	736.7	525.6		③	-211.1

① Impacted from increase in short-term borrowings and Commercial Paper to secure liquidity under COVID-19 situation

② Decrease in receivables and payables due to sales decrease

③ Equity ratio increased by 5.4pp. Net interest-bearing debt decreased JPY 211.1 billion due to the divestment of LIXIL VIVA

(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⁽¹⁾

➤ Financing CF and Cash balance increased for securing liquidity under COVID-19 situation

Q3 FYE2020				Q3 FYE2021			
JPY billion				JPY billion			
Balance as of March 31, 2019	141.4			Balance as of March 31, 2020	95.9		
Operating CF	Working Capital -10.2 Depreciation 80.0 FCF ⁽²⁾ 80.2	100.9		Operating CF	Working Capital -5.4 Depreciation 64.9 FCF ⁽²⁾ 46.2	101.3	
Investing CF	CAPEX -46.9	20.6		Investing CF	CAPEX -52.2	55.1	
Financing CF		77.1		Financing CF		29.5	
Other ⁽³⁾		1.3		Other ⁽³⁾		9.4	
Balance as of Dec. 31, 2019	145.8			Balance as of Dec. 31, 2020	180.9		
*Profit before tax ⁽¹⁾ 53.2				*Profit before tax ⁽¹⁾ 62.2			

- Operating CF: increased by JPY 0.4 billion due to the improvement of profit before tax and working capital
- Investing CF: decreased by JPY 34.5 billion. CAPEX increased primarily due to consolidation of global headquarter functions
- Free cash flows: decreased year-on-year by JPY 34.1 billion
- Financing CF: increased by JPY 106.7 billion. Repaying approx. JPY100.0 billion of borrowings in Q4

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(1) Includes discontinued operations

(2) "FCF" = Free Cash Flow, "CAPEX" = Capital expenditure for acquisitions of property, plant and equipment and intangible assets

(3) "Other" = Effects of exchange rate changes + Net increase/decrease in cash and cash equivalents included in assets classified as held for sale

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› APPENDIX: BUSINESS AND ESG RELATED TOPICS

BUSINESS RELATED TOPICS

Collected 14 awards at Good Design Award 2020

INAX honored for its distinctive signature elements



(Image: Signature elements, from left, "Tension", "Squoval", "Volcano")

- Signature Elements, which form the brand's visual and emotional identity, enable consumers to visually link products with the INAX brand ⁽¹⁾
- The newly established brand identity team promotes the development of attractive and differentiated products by focusing the voice of consumers on product development
- Variety of products such as toilets, faucets, and garden room are honored

Launched "Nyanpeki" wall for cats

Responding quickly to consumer needs with "stay at home with pets" product



(Image: Cat wall "Nyanpeki")

- Launched second product developed by LHT's Japan Business Incubation Center, which was established in April 2019 to quickly respond to consumer needs⁽²⁾
- Since December 2020, started project through crowd funding service "Makuake" and achieved the sales target on the day of the announcement

ESG RELATED TOPICS

Launched service offering solar power and energy storage system

Contribute to the realization of a low-carbon society



Save electricity bills

Use electricity without worrying about the time of the day

Feel reassured that electricity can be used even during a power outage in a disaster

(New service "Tatetoiku Denchi" will start in Japan in April 2021)

- Launched service offering rooftop solar power and energy storage system⁽¹⁾ to promote the spread of ZEH (Net Zero Energy House) and realize a comfortable and secure life that meets the needs of the house in New Normal
- Contributes to the realization of a low-carbon society based on the national energy-saving policy of "realizing ZEH on average for new homes by 2030"

Contributed to inclusive society by mobile toilet

Expanding the possibilities of going out in a wheelchair



(Image: Mobile Toilet)

- Utilizing the strengths of both TOYOTA and LIXIL, developed a mobile toilet equipped with a comfortable and hygienic multifunctional toilet in a vehicle⁽²⁾
- Contributes to the realization of a society where everyone can go where they want to go and challenge what they want to do, regardless of their disabilities



(1) News Release https://www.lixil.com/jp/news/pdf/20210121_newservice.pdf (Japanese only)

(2) News Release <https://newsrelease.lixil.co.jp/news/pdf/2020111301.pdf> (Japanese only)

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ESG RELATED TOPICS

Selected to DJSI World for second consecutive year

Economic, Environmental and Social performance are highly evaluated

Member of

Dow Jones Sustainability Indices

Powered by the S&P Global CSA

- Named to DJSI World for the second consecutive year and the DJSI Asia Pacific Index for the fourth consecutive year⁽¹⁾
- Received higher marks in fields such as Product Stewardship, Social Reporting, Labor Practice Indicators, Human Capital Development, and Occupational Health & Safety

Awarded "GOLD" in PRIDE Index for four consecutive years

Building an environment of Diversity & Inclusion at LIXIL

work with Pride



- Working on Diversity & Inclusion as a priority issue to foster an inclusion culture so that all employees can play an active role⁽²⁾
- By building an environment in which wide variety employees can play an active role and allowing them to play an active role in their own way, LIXIL will provide new value to stakeholders and strengthen LIXIL's long-term competitiveness

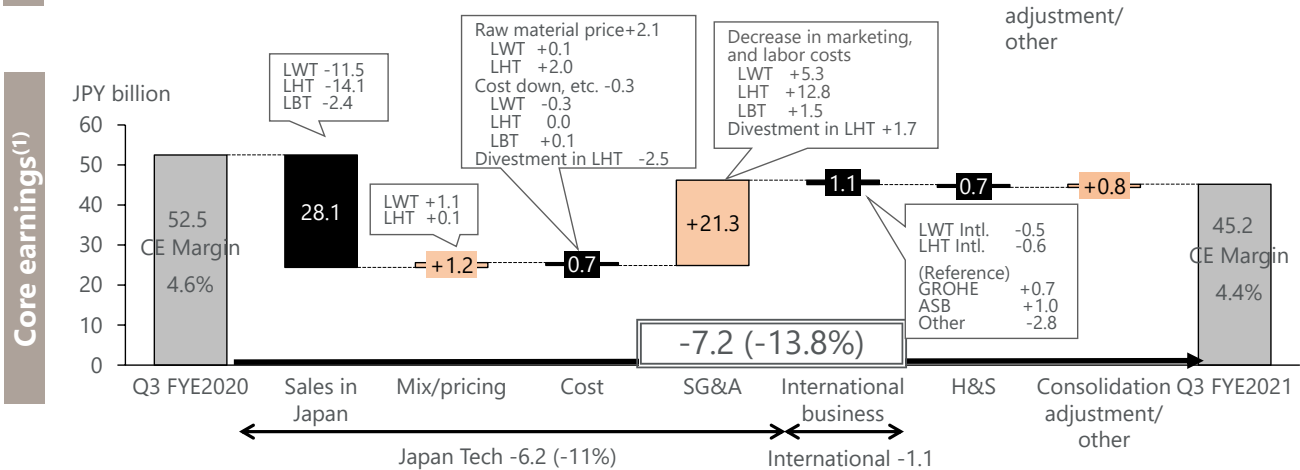
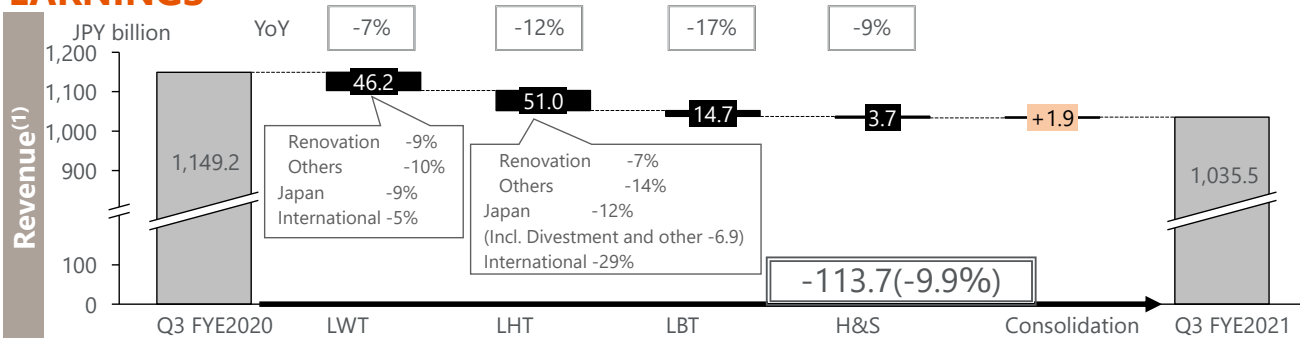


(1) News Release [https://www.lixil.com/en/news/pdf/20201118_DJSI_E_web%20\(1\).pdf](https://www.lixil.com/en/news/pdf/20201118_DJSI_E_web%20(1).pdf)

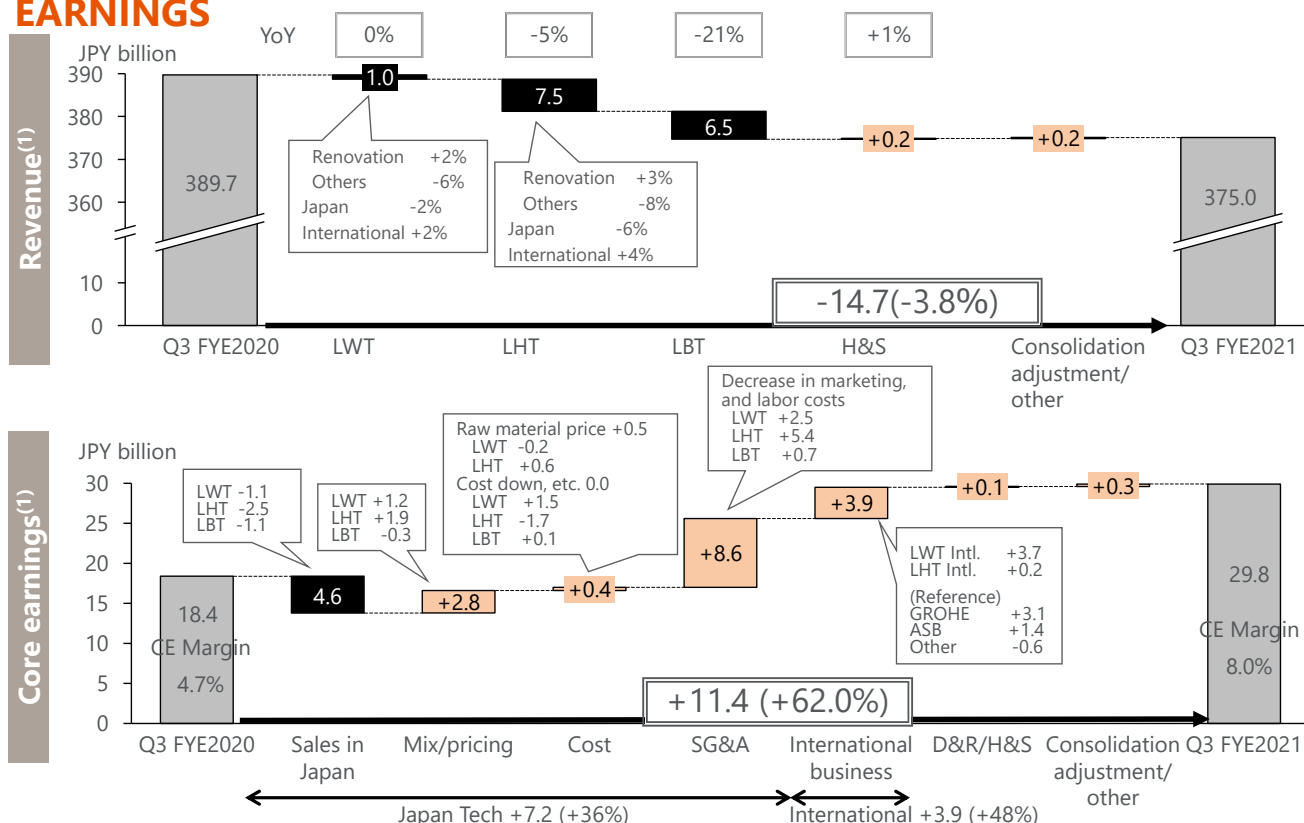
(2) News Release <https://newsrelease.lixil.co.jp/news/pdf/2020111101.pdf> (Japanese only)

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› APPENDIX: FINANCIAL DATA



Q3 (3 MONTHS) FYE2021 INCREASE / DECREASE OF REVENUE AND CORE EARNINGS



(1) Previous reporting period was restated by the classification of Permasteelisa and LIXIL VIVA's operating results under "Discontinued operations" due to the decision of divestment.

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Q3 FYE2021 OTHER INCOME AND OTHER EXPENSES, FINANCE INCOME AND FINANCE COSTS, PROFIT FROM DISPOSAL OF SHARES OF ASSOCIATES

JPY billion	Q3 FYE2020 after retroactive restatement (1)	Q3 FYE2021 Results	Increase/ decrease
Gains on sales of subsidiaries	1.4	-	-1.4
Gains on sale of investment property	0.6	0.0	-0.6
Other	3.4	4.7	1.4
Other Income	5.4	4.7	-0.7
Losses on sale or disposal of property, plant and equipment	1.1	1.0	-0.2
Impairment losses	3.2	3.1	-0.1
Loss recognized on the remeasurement of the assets held for sale	-	5.4	5.4
Other	4.0	3.3	-0.7
Other Expenses	8.4	12.8	4.4
Interest income	0.7	0.7	0.0
Dividend income	1.5	1.4	-0.1
Gains on valuation of derivatives	1.0	-	-1.0 (A)
Exchange difference gains	-	2.6	2.6 (B)
Finance Income	3.2	4.7	1.5
Interest expense	3.2	3.0	-0.2
Losses on valuation of derivatives	-	3.7	3.7 (B)
Exchange difference losses	1.2	-	-1.2 (A)
Finance Costs	4.4	6.7	2.3
Profit from disposal of share of associates	11.0	-	-11.0

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

	Q3 FYE2020 Results
Gains on valuation of derivatives	1.0
Exchange difference losses	-1.2
Net	-0.2 Loss

(B) Foreign exchange gains are matched with Losses on valuation of derivatives

	Q3 FYE2021 Results
Exchange difference gains	2.6
Losses on valuation of derivatives	-3.7
Net	-1.1 Loss

(1) Previous reporting period was restated by the classification of Permasteelisa and LIXIL VIVA's operating results under "Discontinued operations" due to the decision to divest

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RESULTS AND FORECASTS BY SEGMENT

		Q3 FYE2020 Results ⁽¹⁾			Q3 FYE2021 Results				FYE2021 Forecast			
JPY billion		Japan	Intl.	Total	Japan	Intl.	Total	Total YoY%	Japan	Intl.	Total	Total YoY%
LWT	Revenue	333.1	290.5	623.6	301.6	275.8	577.4	-7.4%	406.5	374.5	781.0	-5.7%
	CE	27.4	24.8	52.2	22.1	24.3	46.4	-11.2%	30.0	34.0	64.0	4.1%
	CE margin	8.2%	8.5%	8.4%	7.3%	8.8%	8.0%	-0.3pp	7.4%	9.1%	8.2%	+0.8pp
LHT	Revenue	410.6	6.6	417.1	361.4	4.7	366.1	-12.2%	477.0	7.0	484.0	-10.7%
	CE	27.1	-0.5	26.6	27.0	-1.1	26.0	-2.4%	33.5	-1.0	32.5	14.8%
	CE margin	6.6%	-7.3%	6.4%	7.5%	-22.3%	7.1%	+0.7pp	7.0%	-14.3%	6.7%	+1.5pp
LBT	Revenue	85.5		85.5	70.8		70.8	-17.2%	91.5		91.5	-18.9%
	CE	1.6		1.6	0.8		0.8	-52.4%	1.5		1.5	-43.6%
	CE margin	1.9%		1.9%	1.1%		1.1%	-0.8pp	1.6%		1.6%	-0.8pp
H&S	Revenue	40.6		40.6	36.9		36.9	-9.1%	45.0		45.0	-16.7%
	CE	2.7		2.7	1.9		1.9	-26.8%	2.0		2.0	-33.0%
	CE margin	6.5%		6.5%	5.3%		5.3%	-1.3pp	4.5%		4.5%	-1.0pp
Consolidation adj. & other ⁽²⁾	Revenue			-17.6			-15.7	-			-21.5	-
	CE			-30.6			-29.8	-			-42.5	-
LIXIL ⁽²⁾	Revenue	869.8	297.1	1,149.2	770.7	280.5	1,035.5	-9.9%	1020.0	381.5	1,380.0	-8.9%
	CE	58.8	24.3	52.5	51.8	23.2	45.2	-13.8%	67.0	33.0	57.5	10.0%
	CE margin	6.8%	8.2%	4.6%	6.7%	8.3%	4.4%	-0.2pp	6.6%	8.6%	4.2%	+0.7pp

(1) Previous reporting period was restated by the classification of Permasteelisa and LIXIL VIVA's operating results under "Discontinued operations" due to the decision to divest

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

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RENOVATION STRATEGY IN JAPAN

› Renovation sales ratio in Q3 (3 months) recovered to previous year's level

JPY billion	Q3 9 months				Q3 3 months	
	FYE2020 Results ⁽¹⁾	FYE2021 Results	Change	YoY	FYE2021 Results	YoY
Sales of renovation-related products	244.7	224.4	-20.3	-8%	84.2	-0%
LWT-J				-9%		+2%
LHT-J				-7%		+3%
LBT				-11%		-26%
Renovation sales ratio	37%	37%	+0.6pp		39%	+2.3pp

› Renovation sales ratio by business segment (YoY) › Number of Member Homebuilders

	Q3 FYE2020	Q3 FYE2021	Difference
LWT	45%	45%	0.0pp
LHT	32%	33%	+0.9pp
LBT	24%	24%	+0.7pp
Japan Total	37%	37%	+0.6pp

Stores	Mar 2019	Mar 2020	Dec 2020
LIXIL Reform Shop (FC)	571	554	543
LIXIL Reform Shop (Voluntary)	11,783	11,789	11,539
LIXIL PATTO Reform Service Shop	3,800	3,602	3,812

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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

➤ Faucets and washstand cabinets are performing well due to growing interest in touchless products

Segment	Major products	JPY billion				in %						
		Full-year FYE2020 Results ⁽¹⁾	Q3 FYE2020 Results ⁽¹⁾	Q3 FYE2021 Results ⁽¹⁾	YoY	Quarterly YoY						
						FYE2020				FYE2021		
						Q1	Q2	Q3	Q4	Q1	Q2	Q3
LWT	Sanitary ware**	106.0	80.6	78.0	-3.3%	1.4	10.9	0.2	-1.9	1.5	-8.5	-2.1
	Bathroom units	100.5	78.0	65.5	-16.1%	-1.4	11.2	0.8	-5.8	-20.8	-18.8	-9.0
	Washstand cabinet units**	37.6	27.9	27.1	-2.8%	0.6	12.6	-4.4	-0.7	-8.5	-9.0	8.9
	Kitchens	111.4	85.0	74.0	-13.0%	0.2	11.3	-5.4	-8.6	-14.8	-20.0	-3.9
	Tiles	36.3	27.2	24.6	-9.6%	-5.0	5.1	-8.2	-6.3	-5.3	-16.6	-6.2
LHT	Housing sashes and related products	190.0	145.9	132.1	-9.4%	5.5	10.2	-4.1	-2.7	-10.7	-13.3	-4.2
	Exterior	110.1	84.7	76.2	-10.0%	5.5	13.4	-10.3	-9.0	-9.4	-14.6	-6.0
	Wooden interior furnishing materials	69.8	53.1	47.0	-11.4%	16.1	20.8	1.4	0.2	-8.1	-18.0	-7.8
	LHT Other	81.6	62.3	45.6	-26.7%	7.6	4.0	-19.3	-14.9	-30.0	-33.7	-14.9
	LBT Building sashes	112.8	85.5	70.8	-17.2%	0.4	0.3	2.2	-12.4	-10.8	-18.2	-21.1
H&S	Housing and Services business	54.0	40.6	36.9	-9.1%	6.0	-1.0	-6.9	-20.3	-13.9	-15.1	1.2
	International	398.6	297.1	280.5	-5.6%					-21.5	2.3	1.9
	Others/consolidation & adj.	105.7	81.4	77.3	-							
Total		1,514.4	1,149.2	1,035.5	-9.9%					-14.6	-11.6	-3.8

(Reference)**Sales of Faucets included in "Sanitary ware" and "Washstand cabinet units"

LWT	Faucets	18.9	13.8	15.6	12.6%	1.4	13.2	3.7	6.9	13.5	4.9	19.5
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(1) Previous reporting period was restated by the classification of Permasteelisa and LIXIL VIVA's operating results under "Discontinued operations" due to the decision to divest

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PERFORMANCE OF MAJOR INTERNATIONAL SUBSIDIARIES

Company		ASB (ASD Holdings)		
Unit		Unit: USD million		
Accounting period	Q3 FYE2020 Results	Q3 FYE2021 Results	YoY	
Exchange rate (Average Rate)	109.10	105.87	-	
Revenue	915	919	0%	
Core earnings	50	62	22%	
%	6%	7%	+1.2pp	
Accounting period	FYE2020 Balance	Q3 FYE2021 (9 months)		
		Amortization	Others ⁽¹⁾	Balance
Exchange rate (Current Rate for balance, Average Rate for amortization)	108.83	105.87	-	103.50
Goodwill	231	-	-3	228
Intangible assets	214	-5	0	210
Company		Grohe Group (GROHE) ⁽²⁾		
Unit		Unit: EUR million		
Accounting period	Q3 FYE2020 Results	Q3 FYE2021 Results	YoY	YoY excluding LIXIL Africa impact ⁽²⁾
Exchange rate (Average Rate)	121.46	122.30	-	-
Revenue	1,146	1,095	-4%	-3%
Core earnings	135	13.9	3%	1%
%	12%	13%	+0.9pp	+0.6pp
Accounting period	FYE2020 Balance	Q3 FYE2021 (9 months)		
		Amortization	Others ⁽¹⁾	Balance
Exchange rate (Current Rate for balance, Average Rate for amortization)	119.55	122.30	-	126.95
Goodwill	1,208	-	-18	1,190
Intangible assets	1,451	-17	0	1,434

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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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EXTERNAL RECOGNITION

S&P Japan 500 ESG

Selected as a constituent of the S&P Japan 500 ESG created by S&P Dow Jones Indices (June 2020)

MSCI Japan Empowering Women Index

Selected as a constituent of the MSCI Japan Empowering Women Index (WIN), created by MSCI Inc. (June 2020), for four consecutive years

MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

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FTSE4Good Index Series

Became a constituent of the FTSE4Good Index Series and FTSE Blossom Japan Index (June 2020), created by FTSE Russell⁽¹⁾, for four consecutive years



DJSI World, DJSI Asia Pacific

Selected as a component of the Dow Jones Sustainability Indices (DJSI), now a part of S&P Global, DJSI World Index, for the second time, and DJSI Asia Pacific Index for four consecutive years (November 2020)

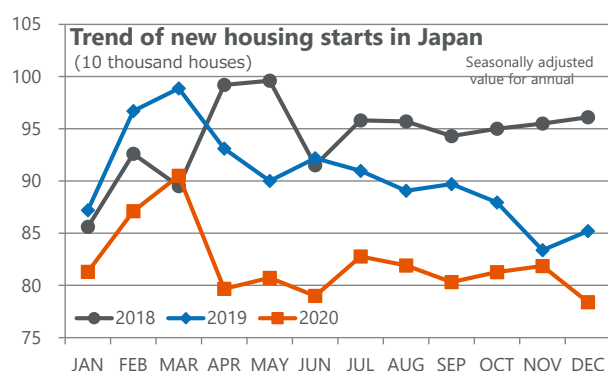
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(1) Registered trademark of FTSE International Limited and Frank Russell Company.

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MARKET TRENDS



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

- Oct-Dec 2020: -7.0%
- Jan-Dec 2020: -10.2%

	Jan-Dec 2020 (12 months)		Apr-Dec 2020 (9 months)	
	Amount	YoY	Amount	YoY
Total new housing starts	815,340	-9.9%	621,165	-9.9%
Owner occupied(1)	261,088	-9.6%	201,167	-10.0%
Rental homes	306,753	-10.4%	233,423	-10.6%
Condos for sale	107,884	-8.4%	82,242	-4.3%
Detached houses for sale(2)	130,753	-11.4%	97,349	-13.7%
Detached houses total(1)+(2)	391,841	-10.2%	298,516	-11.2%

Aluminum price trend



Copper price trend



Foreign exchange rates (Average rate)	FYE2019 Results	FYE2020 Results	FYE2021 Assumptions
US dollars	110.69 yen	109.10 yen	115.0 yen
Euros	128.43 yen	121.14 yen	126.5 yen
(yen per ton)			
Results and assumptions	FYE2019 Results	FYE2020 Results	FYE2021 Assumptions
Aluminum price (Purchasing price)	249,000	215,000	209,000
Copper price	632,000	586,000	648,000



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