

Consolidated Financial Results for the Fiscal Year Ended March 31, 2013 (Japanese Accounting Standard)

Company Name: LIXIL GROUP CORPORATION

Stock Listings: Tokyo, Osaka, Nagoya

Code Number: 5938

URL: <http://www.lixil-group.co.jp/e/ir/default.htm>

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Scheduled date of the ordinary general meeting of shareholders: June 21, 2013

Scheduled date of dividend payment: June 5, 2013

Scheduled date of issue of financial report: June 24, 2013

Preparation of supplementary materials for quarterly financial results: Yes

Information meeting for quarterly financial results to be held: Yes (For investment analysts and institutional investors)

(Amounts less than one million yen are omitted.)

1. Consolidated financial results for the FY Ended March 2013 (April 1, 2012 through March 31, 2013)

(1) Consolidated Operating Results (% indicate changes from the figures of corresponding period of the previous fiscal year)

	Net sales		Operating income		Recurring profit	
	Million yen	%	Million yen	%	Million yen	%
FY 2013	1,436,395	11.2	50,485	181.8	53,063	229.1
FY 2012	1,291,396	6.3	17,915	-55.7	16,125	-58.8

(Note) Comprehensive income FY 2013 43,964 million yen (-%)

FY 2012 -694 million yen (-%)

	Net income		Net income per share		Return on equity	Ratio of recurring profit to total assets	Ratio of operating profit to net sales
	Million yen	%	-basic	-diluted			
FY 2013	21,347	-	73.42	-	3.9	3.6	3.5
FY 2012	1,868	-88.2	6.49	-	0.4	1.2	1.4

(Reference) Equity in earnings of affiliates

FY 2013

13 million yen

FY 2012

-84 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY 2013	1,465,689	566,312	38.3	1,930.02
FY 2012	1,481,063	538,776	35.7	1,817.34

(Reference) Equity capital at end of period

FY 2013

561,160 million yen

FY 2012

528,413 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY 2013	28,431	-12,396	-31,752	114,661
FY 2012	33,979	-142,066	138,348	127,350

2. Cash dividends

	Dividends per share					Total amount of cash dividends (annual)	Dividend payout ratio (consolidated)	Ratio of total dividends to net assets (consolidated)
	End of Q1	End of Q2	End of Q3	End of period	For the year			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY 2012	-	20.00	-	20.00	40.00	11,569	616.3	2.2
FY 2013	-	20.00	-	20.00	40.00	11,630	54.5	2.1
FY 2014 (forecast)	-	20.00	-	20.00	40.00		29.8	

3. Consolidated forecast for the fiscal year ending March 2013 (April 1, 2013 through March 31, 2014)

(% indicate changes from the figures of corresponding period of the previous fiscal year)

	Net sales		Operating income		Recurring profit		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY 2014 1H	730,000	6.9	23,000	67.1	23,000	84.4	13,000	-	44.71
FY 2014	1,570,000	9.3	70,000	38.7	70,000	31.9	39,000	82.7	134.13

4. Others

(1) Changes in significant subsidiaries during this fiscal year: None
Newly consolidated company: None

Excluded company: None

(2) Changes in accounting policies, accounting estimation and restatements
1. Changes due to revisions in accounting standards: Yes
2. Changes other than the above: None
3. Changes to accounting estimates: Yes
4. Restatement of accounts: None

(3) Outstanding shares (common shares)

i) Number of shares outstanding at end of period (including treasury stocks)

FY ended March 31, 2013	313,054,255 shares	FY ended March 31, 2012	313,054,255 shares
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ii) Number of treasury stock at end of period

FY ended March 31, 2013	22,300,227 shares	FY ended March 31, 2012	22,292,314 shares
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iii) Average number of shares outstanding during the period

FY ended March 31, 2013	290,758,530 shares	FY ended March 31, 2012	288,033,488 shares
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Note: Indication of quarterly review procedures implementation status

This quarterly financial results report is exempt from quarterly review procedures under Japan's Financial Instruments and Exchange Law.
The review procedure is not completed at the time of disclosure of this report.

Note: Appropriate use of business forecasts and other special items

Performance forecast and other forward-looking statements contained in this report are based on information currently available and on certain assumptions deemed rational at the time of this report's release. Due to various circumstances, however, actual results may differ significantly from such statements.

Note: Regarding presentation material to supplement the financial results' announcement

Presentation material has been posted on the Company's website.

3. Consolidated Financial Statements**(1) Consolidated Balance Sheets**

(Unit: million yen)

	End of previous FY (As of March 31, 2012)	End of this FY (As of March 31, 2013)
Assets:		
Current assets	Y 831,723	Y 785,624
Cash & deposits	175,103	116,946
Notes and accounts receivable-trade	365,590	387,451
Securities	2,698	7,269
Merchandise and finished goods	112,288	115,143
Work in process	18,037	17,094
Raw materials and supplies	42,061	40,797
Other inventories	15,665	16,524
Short-term loans receivable	17,955	10,655
Deferred tax assets	28,326	24,293
Other	61,354	54,914
Allowance for doubtful accounts	-7,355	-5,468
Noncurrent assets	649,339	680,064
Property, plant and equipment	443,552	464,913
Buildings & structures	462,901	480,125
Accumulated depreciation	-298,992	-306,487
Building and structures, net	163,908	173,637
Machinery, equipment and vehicles	296,353	314,411
Accumulated depreciation	-245,235	-247,244
Machinery, equipment and vehicles, net	51,118	67,166
Land	194,942	188,802
Lease assets	15,403	15,759
Accumulated depreciation	-6,593	-7,791
Lease assets, net	8,810	7,967
Construction in progress	13,572	12,799
Other	87,978	92,052
Accumulated depreciation	-76,778	-77,511
Other, net	11,200	14,540
Intangible assets	73,617	79,840
Goodwill	47,182	34,588
Other	26,435	45,251
Investments and other assets	132,168	135,311
Investment securities	41,396	52,963
Long-term loans receivable	3,937	3,111
Deferred tax assets	35,659	32,927
Other	69,480	63,745
Allowance for doubtful accounts	-18,306	-17,436
Total assets	Y 1,481,063	Y 1,465,689

(Unit: million yen)

	End of previous FY (As of March 31, 2012)	End of this FY (As of March 31, 2013)
Liabilities:		
Current liabilities	Y 621,563	Y 551,108
Notes and accounts payable - trade	214,427	201,076
Short-term loans payable	140,367	91,778
Current portion of bonds	30,145	5,000
Lease obligations	3,741	3,428
Accrued expenses	77,063	70,330
Income taxes payable	5,539	7,612
Provision for bonuses	18,979	19,494
Allowance for loss on factory restructuring	910	372
Reserve for loss on showroom integration	1,451	1,540
Provision for loss on disaster	9,574	-
Asset retirement obligations	644	689
Other	118,718	149,785
Noncurrent liabilities	320,723	348,268
Bonds payable	20,000	35,000
Long-term loans payable	203,352	226,209
Lease obligations	7,004	5,863
Provision for retirement benefits	31,910	12,749
Provision for directors' retirement benefits	638	276
Allowance for loss on factory restructuring	92	-
Deferred tax liabilities	13,097	18,407
Negative goodwill	308	185
Asset retirement obligations	5,937	6,149
Other	38,381	43,427
Total liabilities	942,286	899,377
Net assets:		
Shareholders' equity		
Capital stock	68,121	68,121
Capital surplus	261,366	261,366
Retained earnings	250,281	259,851
Treasury stock	-41,739	-41,753
Total shareholders' equity	538,029	547,585
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,721	11,009
Deferred gains or losses on hedges	203	714
Foreign currency translation adjustment	-14,540	1,850
Total accumulated other comprehensive income	-9,615	13,574
Subscription rights to shares	-	676
Minority interests	10,362	4,475
Total net assets	538,776	566,312
Total liabilities and net assets	Y 1,481,063	Y 1,465,689

(2) Consolidated Statements of Income and Comprehensive Income
(For the FY ended March 31, 2013)

(Unit: million yen)

	For the FY ended March 31, 2012	For the FY ended March 31, 2013
Net Sales	Y 1,291,396	Y 1,436,395
Cost of Sales	915,334	1,033,331
Gross profit	376,061	403,064
Selling, General & Administrative Expenses	358,146	352,579
Operating income	17,915	50,485
Non-Operating Income	15,525	19,649
Interest income	1,800	1,870
Dividends income	1,094	798
Rent income	6,852	6,886
Amortization of negative goodwill	123	123
Equity in earnings of affiliates	-	13
Foreign exchange gains	-	4,181
Gain on valuation of derivatives	54	-
Other	5,599	5,774
Non-Operating Expenses	17,314	17,071
Interest expenses	4,007	4,762
Equity in losses of affiliates	84	-
Foreign exchange losses	2,878	-
Cost of lease revenue	4,743	4,686
Loss on valuation of derivatives	-	764
Other	5,600	6,857
Ordinary income	16,125	53,063
Extraordinary income	1,834	23,486
Gain on sales of noncurrent assets	690	645
Gain on sales of investment securities	25	1,493
Gain on sales of subsidiaries and affiliates' stocks	-	2,372
Gain on bargain purchase	-	34
Gain on step acquisitions	1,118	-
Insurance income	-	17,833
Gain on transition to a defined contribution pension plan	-	1,106
Extraordinary Loss	44,378	44,004
Loss on sales and retirement of noncurrent assets	3,218	3,583
Loss on valuation of investment securities	167	4
Loss on valuation of stocks of subsidiaries and affiliates	2,976	724
Loss on sales of investment securities	7	-
Loss on sales of stocks of subsidiaries and affiliates	0	1
Loss on factory restructurings	1,186	387
Loss on showroom integration	2,143	1,206
Impairment loss	13,489	4,002
Loss on disaster	21,189	1,409
Early retirement related loss	-	32,684
Income (loss) before income taxes and minority interests	-26,417	32,545
Income taxes-current	7,391	10,520
Income taxes-deferred	-33,885	815
Total income taxes	-26,494	11,336
Income before minority interests	76	21,208
Minority interests in loss	-1,791	-138
Net income	Y 1,868	Y 21,347

Consolidated statements of comprehensive income
(For the FY ended March 31, 2013)

(Unit: million yen)

	For the FY ended March 31, 2012	For the FY ended March 31, 2013
Income before minority interests	Y 76	Y 21,208
Other comprehensive income		
Valuation difference on available-for-sale securities	2,864	6,455
Deferred gains or losses on hedges	116	509
Foreign currency translation adjustment	-3,745	16,673
Share of other comprehensive income of associates accounted for using equity method	-6	49
Total other comprehensive income	-771	23,687
Comprehensive income	-694	44,896
Comprehensive income attributable to owners of the parent	977	44,561
Comprehensive income attributable to minority interests	Y -1,671	Y 335

(3) Consolidated Statements of Changes in Net Assets

(Unit: million yen)

	For the FY ended March 31, 2012	For the FY ended March 31, 2013
Consolidated statements of changes in net assets		
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	Y 68,121	Y 68,121
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	68,121	68,121
Capital surplus		
Balance at the beginning of current period	260,179	261,366
Changes of items during the period		
Disposal of treasury stock	-0	-0
Increase by share exchanges	1,187	-
Total changes of items during the period	1,187	-0
Balance at the end of current period	261,366	261,366
Retained earnings		
Balance at the beginning of current period	260,154	250,281
Changes of items during the period		
Dividends from surplus	-11,450	-11,630
Net income	1,868	21,347
Change of scope of consolidation	-290	-146
Total changes of items during the period	-9,872	9,569
Balance at the end of current period	250,281	259,851
Treasury stock		
Balance at the beginning of current period	-52,882	-41,739
Changes of items during the period		
Purchase of treasury stock	-805	-15
Disposal of treasury stock	2	1
Increase by share exchanges	11,944	-
Total changes of items during the period	11,142	-14
Balance at the end of current period	-41,739	-41,753
Total shareholders' equity		
Balance at the beginning of current period	535,573	538,029
Changes of items during the period		
Dividends from surplus	-11,450	-11,630
Net income	1,868	21,347
Change of scope of consolidation	-290	-146
Purchase of treasury stock	-805	-15
Disposal of treasury stock	2	1
Increase by share exchanges	13,132	-
Total changes of items during the period	2,456	9,555
Balance at the end of current period	Y 538,029	Y 547,585

(Unit: million yen)

	For the FY ended March 31, 2012	For the FY ended March 31, 2013
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	Y 1,953	Y 4,721
Changes of items during the period		
Net changes of items other than shareholders' equity	2,767	6,288
Total changes of items during the period	2,767	6,288
Balance at the end of current period	4,721	11,009
Deferred gains or losses on hedges		
Balance at the beginning of current period	91	203
Changes of items during the period		
Net changes of items other than shareholders' equity	112	510
Total changes of items during the period	112	510
Balance at the end of current period	203	714
Foreign currency translation adjustment		
Balance at the beginning of current period	-10,645	-14,540
Changes of items during the period		
Net changes of items other than shareholders' equity	-3,895	16,391
Total changes of items during the period	-3,895	16,391
Balance at the end of current period	-14,540	1,850
Total accumulated other comprehensive income		
Balance at the beginning of current period	-8,600	-9,615
Changes of items during the period		
Net changes of items other than shareholders' equity	-1,015	23,190
Total changes of items during the period	-1,015	23,190
Balance at the end of current period	-9,615	13,574
Subscription rights to shares		
Balance at the beginning of current period	-	-
Changes of items during the period		
Net changes of items other than shareholders' equity	-	676
Total changes of items during the period	-	676
Balance at the end of current period	-	676
Minority interests		
Balance at the beginning of current period	9,435	10,362
Changes of items during the period		
Net changes of items other than shareholders' equity	926	-5,886
Total changes of items during the period	926	-5,886
Balance at the end of current period	10,362	4,475
Total net assets		
Balance at the beginning of current period	536,408	538,776
Changes of items during the period		
Dividends from surplus	-11,450	-11,630
Net income	1,868	21,347
Change of scope of consolidation	-290	-146
Purchase of treasury stock	-805	-15
Disposal of treasury stock	2	1
Increase by share exchanges	13,132	-
Net changes of items other than shareholders' equity	-88	17,980
Total changes of items during the period	2,368	27,535
Balance at the end of current period	Y 538,776	Y 566,312

(4) Consolidated Statements of Cash Flows

(Unit: million yen)

	For the FY ended March 31, 2012	For the FY ended March 31, 2013
Operating Activities:		
Income (loss) before income taxes and minority interests	Y -26,417	Y 32,545
Depreciation and amortization	39,369	44,735
Impairment loss	13,489	4,002
Early retirement related loss	-	32,684
Amortization of negative goodwill	-123	-123
Gain on bargain purchase	-	-34
Amortization of goodwill	2,601	5,406
Decrease in allowance for doubtful accounts	-8,391	-2,413
Increase (decrease) in allowance for loss on factory restructuring	623	-630
Increase in Reserve for Loss on showroom integration	443	89
Increase (decrease) in provision for loss on disaster	7,621	-9,574
Decrease in provision for retirement benefits	-2,427	-16,120
Decrease in prepaid pension costs	445	3,316
Insurance income	-	-17,833
Interest and dividends income	-2,895	-2,669
Interest expenses	4,007	4,762
Foreign exchange losses (gains)	398	74
Equity in earnings (losses) of affiliates	84	-13
Loss (gain) on sales and valuation of investment securities	3,125	-3,134
Loss on sales and retirement of noncurrent assets	2,528	2,937
Gain on step acquisitions	-1,118	-
Decrease (increase) in notes and accounts receivable-trade	1,858	-14,533
Increase in inventories	-27,553	-2,476
Increase (decrease) in notes and accounts payable-trade	12,797	-16,216
Other, net	24,401	13,223
Subtotal	44,869	58,003
Payments for extra retirement payments ,etc.	-	-32,420
Proceeds from insurance income	-	14,511
Interest and dividends income received	2,792	2,550
Interest expenses paid	-3,970	-4,854
Income taxes paid	-9,712	-9,358
Net cash provided by operating activities	33,979	28,431
Investing Activities:		
Decrease (increase) in time deposits	-41,860	45,650
Purchase of securities	-150,996	-305,424
Proceeds from sales and redemption of securities	153,493	301,587
Purchase of property, plant and equipment and intangible assets	-45,146	-63,667
Proceeds from sales of property, plant and equipment and intangible assets	2,962	2,361
Purchase of investment securities	-4,893	-4,154
Proceeds from sales and redemption of investment securities	3,067	2,683
Proceeds from sales of investments in subsidiaries	-	10,482
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-53,625	-
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	36	-
Decrease (increase) in short-term loans receivable	-2,275	5,508
Payments of long-term loans receivable	-477	-365
Collection of long-term loans receivable	1,412	1,306
Other payments	-5,487	-10,171
Other proceeds	1,722	1,805
Net cash used in investing activities	Y -142,066	Y -12,396

(Unit: million yen)

	For the FY ended March 31, 2012	For the FY ended March 31, 2013
Financing Activities:		
Increase (decrease) in short-term bank loans and commercial papers	Y 68,966	Y -54,136
Increase in liquidation of receivables of trade among the consolidated companies	3,997	19,001
Repayment of long-term loans payable	-31,373	-21,375
Proceeds from long-term loans payable	112,353	50,613
Repayments of lease obligations	-3,180	-3,969
Redemption of bonds	-155	-30,145
Proceeds from issuance of bonds	-	19,904
Proceeds from disposal of treasury stock	2	1
Purchase of treasury stock	-805	-15
Cash dividends paid	-11,450	-11,630
Cash dividends paid to minority shareholders	-7	-1
Net cash provided by (used in) financing activities	138,348	-31,752
Effect of exchange rate change on cash and cash equivalents	-583	2,860
Net increase (decrease) in cash and cash equivalents	29,677	-12,856
Cash and cash equivalents at beginning of period	92,329	127,350
Increase in cash and cash equivalents from newly consolidated subsidiaries	486	160
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	4,896	-
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	-	7
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-38	-
Cash and cash equivalents at end of period	Y 127,350	Y 114,661

(5) Segment information

[A] Business Segment Information

(Unit: million yen)

	For the FY ended March 31, 2012 (April 1, 2011 through March 31, 2012)							
	Metal building material business	Plumbing fixtures business	Other building materials and equipment business	Distribution and retail business	Housing and real estate business	Total	Adjustment	Consolidation
I. Net sales								
(1) Net sales to outside customers	Y 510,628	Y 366,561	Y 188,694	Y 165,485	Y 60,027	Y 1,291,396	-	Y 1,291,396
(2) Inter-segment sales of products	4,364	3,889	2,267	1,144	1,302	12,969	-12,969	-
Total	514,992	370,451	190,962	166,630	61,329	1,304,366	-12,969	1,291,396
Segment income (loss) / Operating income (loss)	3,987	11,473	1,880	-860	4,262	20,744	-2,828	17,915
Segment assets	666,536	265,668	178,188	144,046	63,617	1,318,057	163,006	1,481,063
Other items								
Depreciation	17,018	11,961	5,456	4,267	654	39,359	10	39,369
Capital expenditure	18,575	15,094	7,518	9,583	1,329	52,103	4	52,107

Note 1: Adjustment amounts

- 1) Within segment income, -2,828 million yen unallocated general operating expenses included in "Adjustment" amounts column are expenses mainly incurred by the administrative departments at the head office of the Company such as personnel, general affairs and accounting department.
- 2) Within segment assets, 163,006 million yen unallocated assets included in "Adjustment" amounts column are mainly surplus funds (cash deposits, others) and long-term investments (investments in securities) held by the parent company or a financial service subsidiary, and other assets related to the administrative departments at the head office of the Company.

Note 2: Segment income has been adjusted to operating income noted on the consolidated income statement.

(Unit: million yen)

	For the FY ended March 31, 2013 (April 1, 2012 through March 31, 2013)							
	Metal building material business	Plumbing fixtures business	Other building materials and equipment business	Distribution and retail business	Housing and real estate business	Total	Adjustment	Consolidation
I. Net sales								
(1) Net sales to outside customers	Y 647,588	Y 370,439	Y 185,429	Y 174,675	Y 58,262	Y 1,436,395	-	Y 1,436,395
(2) Inter-segment sales of products	4,192	3,886	2,575	764	1,010	12,428	-12,428	-
Total	651,780	374,325	188,005	175,439	59,272	1,448,823	-12,428	1,436,395
Segment income (loss)/ Operating income (loss)	23,914	17,007	7,571	274	4,947	53,715	-3,230	50,485
Segment assets	666,008	319,028	155,159	153,267	67,115	1,360,579	105,110	1,465,689
Other items								
Depreciation	20,668	12,869	5,578	5,033	567	44,717	18	44,735
Capital expenditure	34,723	23,005	5,738	9,760	542	73,771	23	73,794

Note 1: Adjustment amounts

- 1) Within segment income, -3,230 million yen unallocated general operating expenses included in "Adjustment" amounts column are expenses mainly incurred by the administrative departments at the head office of the Company such as personnel, general affairs and accounting department.
- 2) Within segment assets, 105,110 million yen unallocated assets included in "Adjustment" amounts column are mainly surplus funds (cash deposits, others) and long-term investments (investments in securities) held by the parent company or a financial service subsidiary, and other assets related to the administrative departments at the head office of the Company.

Note 2: Segment income has been adjusted to operating income noted on the consolidated income statement.

[B] Segment information on impairment loss of fixed assets

For the FY ended March 31, 2012 (April 1, 2011 through March 31, 2012)

(Unit: million yen)

	Metal building material business	Plumbing fixtures business	Other building materials and equipment business	Distribution and retail business	Housing and real estate business	Elimination or common use	Total
Impairment loss	5,047	7,841	408	188	2	-	13,489

For the FY ended March 31, 2013 (April 1, 2012 through March 31, 2013)

(Unit: million yen)

	Metal building material business	Plumbing fixtures business	Other building materials and equipment business	Distribution and retail business	Housing and real estate business	Elimination or common use	Total
Impairment loss	2,150	846	625	379	0	-	4,002