

# Financial Results for the Fiscal Year Ended March 31, 2015 (From April 1, 2014 to March 31, 2015)

**June 8, 2015**  
**LIXIL Group Corporation**

## 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.

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## Agenda



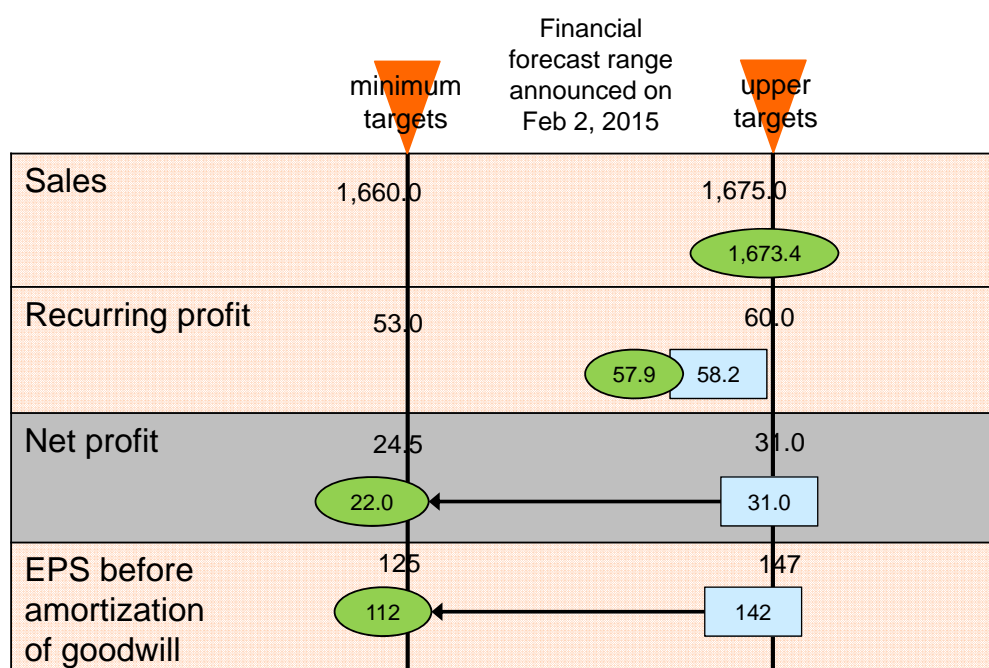
- **Business Results for the Fiscal Year Ended March 31, 2015**
- **Outlook for the Fiscal Year Ending March 31, 2016  
(Within the New LIXIL Group Structure)**
- **Highlights**
- **Appendix**



## Overview of the Results for the Fiscal Year Ended March 31, 2015

\*IFRS based results for fiscal year ended March 31, 2015 are preliminary figures which are subject to change

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### Net Profit before Joyou Impacts Achieved Revised Upper Target (JGAAP)



 March 2015 Result before Joyou impact  
 March 2015 Result

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# Financial Results for the Fiscal Year Ended March 2015(JGAAP)



Units: Y bn, %

	Mar-14 results (revised)	Mar-15	Y/Y		Mar-15 results (before Joyou)	Joyou impact Increase/ decrease
			Increase/ decrease	%		
Net sales	1,628.7	<b>1,673.4</b>	44.7	2.7%	<b>1,673.4</b>	-
Core earnings *1	69.1	<b>51.7</b>	-17.4	-25.2%	<b>51.7</b>	-
Core earnings margin (%)	4.2%	<b>3.1%</b>	-	-1.2	<b>3.1%</b>	-
Recurring profit	74.9	<b>57.9</b>	-17.1	-22.8%	<b>58.2</b>	0.3
Income before income taxes	49.1	<b>53.0</b>	3.9	8.0%	<b>62.4</b>	9.4
Net profit	21.0	<b>22.0</b>	1.1	5.1%	<b>31.0</b>	9.0
Net profit before amortization of goodwill	26.3	<b>32.6</b>	6.3	23.9%	<b>41.5</b>	9.0
EPS before amortization of goodwill (Yen)	90	<b>112</b>	21	23.5%	<b>142</b>	31
EBITDA *2	124.8	<b>108.9</b>	-15.9	-12.8%	<b>108.9</b>	-
EBITDA%	7.7%	<b>6.5%</b>	-	-1.2	<b>6.5%</b>	-

\*1 Conventional operating profit

\*2 EBITDA= Core earnings + Depreciation and amortization

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## Free Cash Flow Increased by Y145bn Y/Y...



Unit: Y bn

	Mar-14 results (revised)	Mar-15 results	Increase/ decrease	Mar-16 forecast
Pre-tax income	49.1	<b>53.0</b>	<b>3.9</b>	
Depreciation	49.2	<b>50.7</b>	<b>1.6</b>	<b>65.0</b>
Impairment loss	1.6	<b>3.9</b>	<b>2.3</b>	
Income tax payments	-11.3	<b>-21.2</b>	<b>-9.9</b>	
Working capital	-42.2	<b>52.2</b>	<b>94.4</b>	
Others	37.1	<b>0.3</b>	<b>-36.8</b>	
Cash flows from operating activities	83.5	<b>138.9</b>	<b>55.4</b>	
Cash flows from investing activities	-218.3	<b>-129.2</b>	<b>89.1</b>	
(of which purchase of property, plant and equipment and intangible assets)	-65.3	<b>-62.6</b>	<b>2.7</b>	<b>80.0</b>
Free cash flows	-134.8	<b>9.7</b>	<b>144.5</b>	
Cash flows from financing activities	153.1	<b>10.0</b>	<b>-143.1</b>	

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## Consolidated Financial Position



### LIXIL Financial Position Remains Solid

	Mar-14 (revised)	Mar-15	Increase/ decrease
Cash and deposits	163.0	<b>257.3</b>	94.3
Notes and accounts receivable	487.2	<b>443.9</b>	-43.4
Inventories	210.9	<b>227.6</b>	16.8
Tangible and intangible assets	629.6	<b>649.5</b>	19.9
Others	295.6	<b>297.0</b>	1.4
<b>Total assets</b>	<b>1,786.3</b>	<b>1,875.2</b>	89.0
Notes and accounts payable	235.8	<b>233.0</b>	-2.8
Interest-bearing debt	626.5	<b>676.0</b>	49.5
Others	322.2	<b>352.6</b>	30.4
<b>Total liabilities</b>	<b>1,184.5</b>	<b>1,261.6</b>	77.1
Treasury stocks	-41.8	<b>-56.2</b>	-14.4
Others	643.6	<b>669.9</b>	26.3
<b>Net assets</b>	<b>601.8</b>	<b>613.7</b>	11.9
Equity ratio (%)	33.2	<b>32.1</b>	-1.1
Net asset per share (yen)	2,041.34	<b>2,104.27</b>	62.93
Number of shares (in thousands)	290,733	<b>286,352</b>	-4,381
ROE (%)	3.6	<b>3.7</b>	+0.1
ROA (%)	1.3	<b>1.2</b>	-0.1

Unit: Y bn

■ Increase in cash and deposits would be used for repayments of interest-bearing debt

■ Improving working capital progressing

■ Net interest-bearing debt is Y418.7bn (-Y42.8bn) including issuance of convertible bonds of Y120bn

■ Net D/E ratio: 68%  
(77% at the end of Mar-14)

■ Executed stock buyback of shares of Y20bn

■ Equity ratio is down -1.1%

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## JOYOU Issue - Action



- LIXIL established an internal investigation committee on June 3, with President & CEO being the chairman to continue to investigate the matter with support of outside professionals, to consider fundamental measures to prevent recurrences and appropriate legal actions that LIXIL should take based on the findings.
- LIXIL will build a world-class corporate audit staff with the capacity and capability to cover the entire Group's activities. LIXIL will make a proper arrangement of personnel to strengthen the internal control within LIXIL.
- In order to monitor the ongoing investigation being conducted by the internal investigation committee and to appropriately supervise related actions by the executive officers, LIXIL's board of directors today established a special investigation committee ("JOYOU Issue Committee").

#### <Members of JOYOU Issue Committee >

Chairman Tsutomu Kawaguchi (certified public accountant) (outside Director of LIXIL)

Member Naoto Nakamura (attorney at law) (Nakamura, Tsunoda & Matsumoto)

Member Toshifumi Takaoka (certified public accountant) (executive partner of KPMG FAS)

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- Details about the motives, methods and parties involved in the accounting fraud are still under investigation at this time. LIXIL will timely disclose a summary of the relevant investigation findings by the JOYOU Issue Committee.
- Based on the proposals to be made by the internal investigation committee and the JOYOU Issue Committee, LIXIL will promptly consider fundamental measures to prevent recurrences from the perspectives stated below and begin correcting the material defects in the internal controls over financial reporting.
  - (1) Securing strict global compliance awareness
  - (2) Restructuring of internal controls that match risk profiles
  - (3) Strengthening of internal audit and monitoring system
  - (4) Strengthening LIXIL's management systems over overseas subsidiaries, etc.
  - (5) Enhancing education of personnel of overseas subsidiaries, etc.

## Focuses in fiscal year ending Mar-16

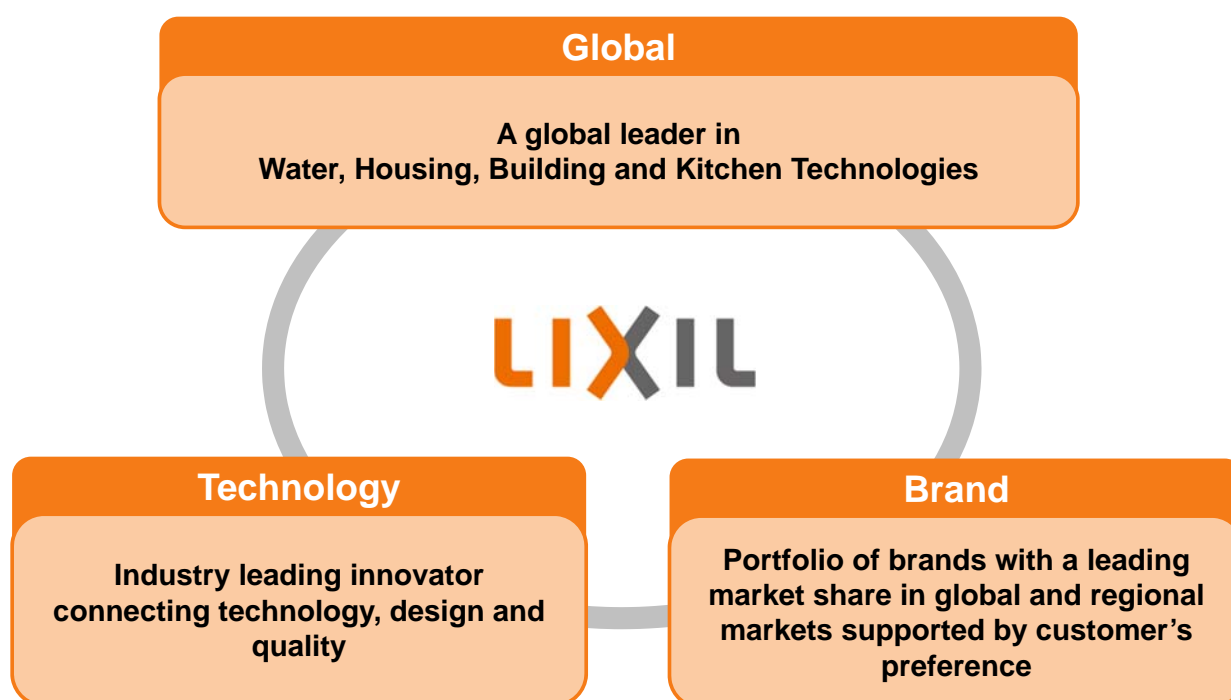


## Outlook for the Fiscal Year Ending March 31, 2016 with the New LIXIL Group Structure

*LIXIL Emerges as a Truly Global Company*

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### Three Ingredients of Success



# Market Leading Brands Around the World



LIXIL Water Technology		LIXIL Housing Technology	
 <b>#2</b> Japan Sanitary Ware <b>#1</b> Japan Unit Bathroom		 <b>#1</b> Japan Window Sashes <b>#1</b> Japan Exteriors <b>#1</b> Japan Entrance Doors	
 <b>#1</b> Global Water Faucets			
 <b>#1</b> North America Sanitary Ware			

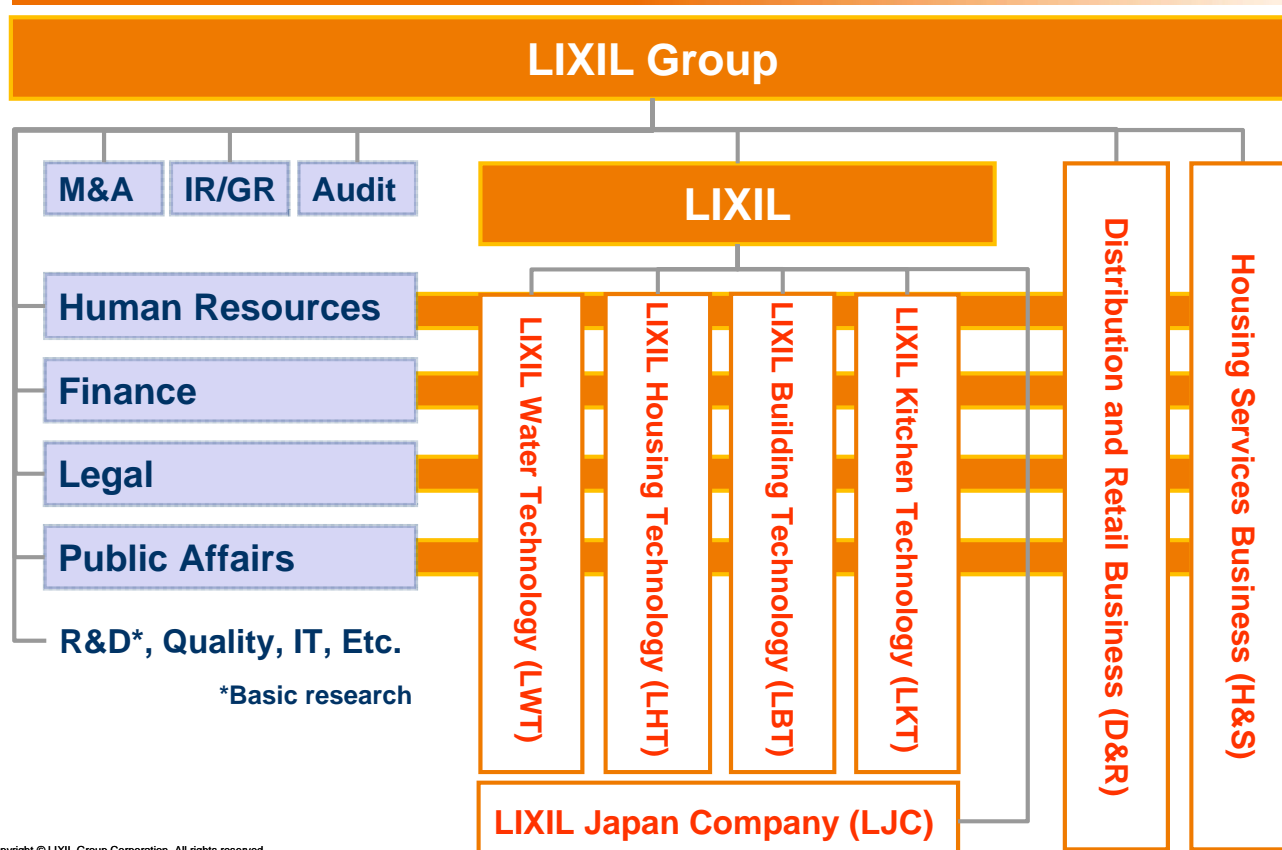
  

LIXIL Building Technology		LIXIL Kitchen Technology	
 <b>#1</b> Global Curtain Wall		 <b>#1</b> Japan Kitchen	

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# New LIXIL Group Structure from April 1, 2015



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# Forecasts for the Fiscal Year Ending March 2016

## Grohe Consolidation, Implementation of IFRS

<Public Disclosure Basis>

Units: Ybn

	Mar-15 results (JGAAP)	Mar-16 (IFRS)				Mar-16 (JGAAP)	IFRS vs. JGAAP Difference
		1H	2H	Full year forecasts	Increase/ decrease		
Net sales	1,673.4	930.0	1,000.0	1,930.0	256.6	1,870.0	60.0
Core earnings*1	51.7	22.0	53.0	75.0	23.3	52.0	23.0
Core earnings margin%	3.1%	2%	5%	4%	-	3%	-
Operating profit*2	-	-	-	40.0	-	-	-
OPM%	-	-	-	2%	-	-	-
Income before income taxes	53.0	-	-	34.0	-19.0	17.0	17.0
Net income	22.0	-	-	22.5	0.5	3.0	19.5
Net income before amortization of goodwill	32.6	-	-	22.5	-10.1	17.0	5.5
EPS before amortization of goodwill (yen)	112	-	-	79	-33	59	19
EBITDA *3	108.9	-	-	140.0	31.1	131.9	8.1
EBITDA%	6.5%	-	-	7.3%	-	7.1%	-

\*1 JGAAP: Conventional operating profit, IFRS: Core earnings = Revenues - Cost of Sales - SG&A

\*2 Operating profit of IFRS

\*3 JGAAP: Core earnings + Depreciation and amortization, IFRS: Core earnings + Depreciation

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### Impact from GROHE

(Ybn)

<b>Sales</b>	
IFRS	+190.0
JGAAP	+142.0
<b>Core earnings</b>	
IFRS	+19.0
JGAAP	+6.0

### Loss from Joyou issue

(Ybn)

	-33.0
<b>IFRS:</b> Operating profit	
<b>JGAAP:</b> Extraordinary loss	

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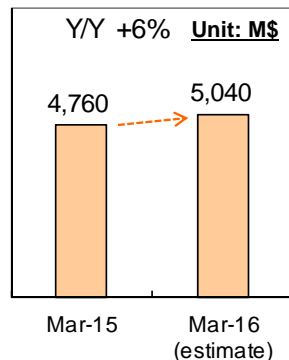
## LIXIL Water Technology - LWT

## The New Global Leader in Water Technology



### Sales

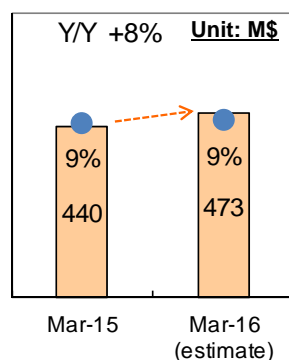
Y/Y +6% Unit: M\$



\*Management normalized basis

### Core Earnings

Y/Y +8% Unit: M\$



● : Margin

- ✓ Large & growing market
- ✓ Global market leader
- ✓ Leading positions across key regions
- ✓ Multi global brands
- ✓ Innovation leader
- ✓ Platform strategies to drive cost synergies
- ✓ Rebuilding China strategy

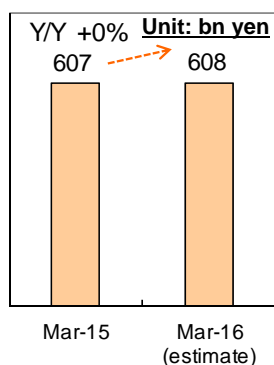


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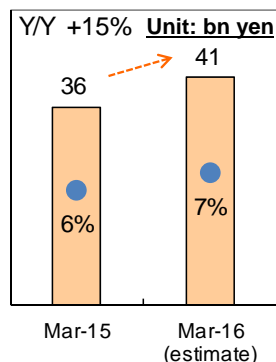
## A Long-Time Leader in Japan with Cumulated Brand/Technology

### Sales



\*Management normalized basis

### Core Earnings



● : Margin

- ✓ Structural reform to improve domestic profitability by SCM optimization and installation of latest factory automation system
- ✓ Continue to introduce innovative top runner products that meet the market's needs
- ✓ Reduce dependence on domestic new homes market by taking in the domestic renovation demand and accelerating international expansion
- ✓ Positive start for the fiscal year ending March 2016



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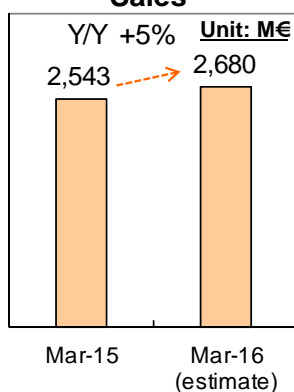
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# LIXIL Building Technology - LBT

## 15 Years of Global Leadership in Shaping the Skyscrapers of Top Cities

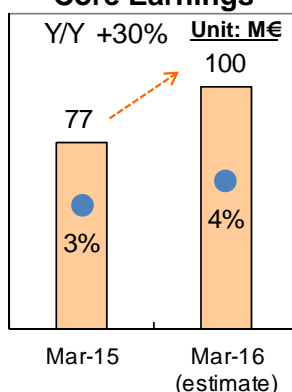


### Sales



\*Management normalized basis

### Core Earnings



● : Margin

- ✓ Integrate LBT's global operation centered on Permasteelisa to improve profitability
- ✓ Capture special demands related to the Tokyo Olympic Games
- ✓ Select top opportunities for new projects and markets
- ✓ Best execution of the current backlog, with high degree of profitability control



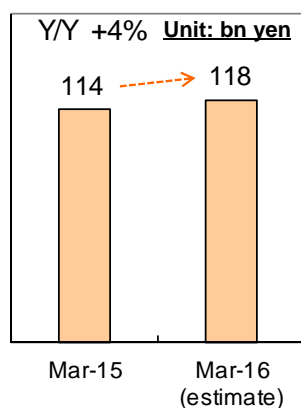
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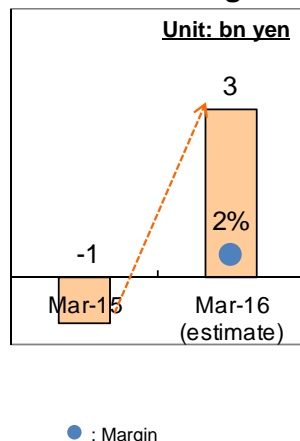
## V-shaped Recovery in Share and Profitability



### Sales



### Core Earnings



- ✓ Introduce new products with cultured marble, stainless steel, and ceramic panel. Strengthen mid to high end market presences
- ✓ Expand Chinese business with local partner Haier



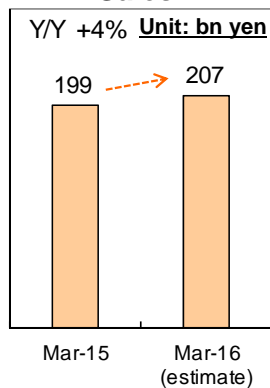
# Distribution and Retail Business - D&R



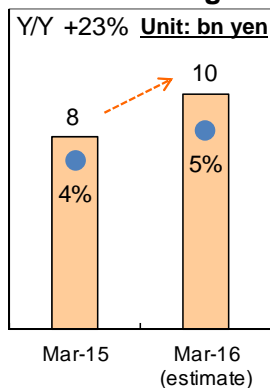
## 11 Consecutive Years (~ March 2016 forecast) of Revenue Increase and All Time Record Profit Outperforming Competitors



### Sales



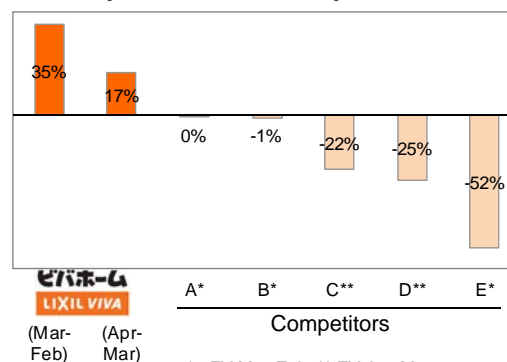
### Core Earnings



- ✓ Establish more profitable structure. Implement growth strategy to drive sales and earnings increases. Optimize with structural reform



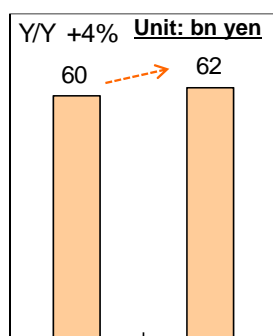
### Home Center: FY Mar-15 core earnings Y/Y growth comparison with competitors



## Provide Strongest Housing & Service Business Network in Japan

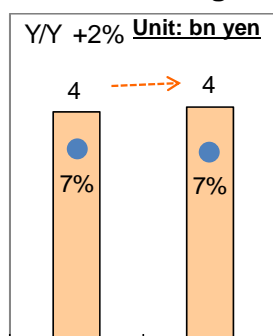


### Sales



\*Management normalized basis

### Core Earnings



● : Margin

- ✓ Strategically execute solution and service business with the group's collective capabilities and new services
- ✓ Provide platform function & financial service for each business
- ✓ Renovation business...house inspection/ evaluation/ maintenance, relocation service
- ✓ Living & life related service for aging society



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## Management Accountabilities for FY Mar-2016

	 David J. Haines LWT	 Toshimasa Iue LHT	 Nicola Greco LBT	 Yoshiaki Fujimori LKT	 Katsuhiro Mamenari D&R	 Harumi Matsumura H&S	HQ & consolidation adjustment	Total*	Exchange rate risk & PPA	Consolidated public disclosure basis (IFRS) Vs. Mar-15 results (IFRS)
Managed currency	M\$	Ybn	M€	Ybn	Ybn	Ybn	Ybn	Ybn	Ybn	Ybn
Sales	5,040	608.0	2,680	118.0	207.0	62.0	-	1,948.0	-18.0	1,930.0
Y/Y(%)	+6%	+0%	+5%	+4%	+4%	+4%	-	-	-	+13%
Normalized EBIT	473	40.8	100	2.5	10.3	4.3	-41.4	86.0	-11.0	75.0
Y/Y(%)	+8%	+15%	+30%	-	+23%	+2%	-	-	-	+40%

\*Translation rate 1\$=120yen, 1€=130yen

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## <Dividend Policy>

Dividend payout ratio of over 30% will be maintained on the consolidated basis excluding the effect of amortization of goodwill.

### ■ Dividend payment

	Mar-14	Mar-15	Mar-16 Forecast
1H	25 yen	30 yen	30 yen
2H	30 yen	30 yen	30 yen
Full year	55 yen	60 yen	60 yen
Dividend payout ratio excluding the effect of amortization of goodwill	60.8%	53.7%	101%

### ■ Share buyback

Share buyback may take place once decisions are made based on factors, such as financial positions and share price.

### ■ Basic policy regarding the company's decision control

We do not have special defense program for possible M&A targeted against us since we intend to increase our corporate value by taking various measures that would gain supports from our shareholders. We operate under a policy that we would like to have our shares to be held over medium to long-term by a large number of shareholders.

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# Change of LIXIL Group's Board Members

LIXIL Group Corporation is a company with a committee system.

- **Directors** (After the approval of annual shareholders' meeting to be held on June 26, 2015)  
(● indicate new candidate, □ are independent officers)

Director	<b>Yoichiro Ushioda</b>	Outside Director	<b>Fumio Sudo</b>	□
Director	<b>Yoshiaki Fujimori</b>	Outside Director	<b>Hidehiko Sato</b>	□
Director	<b>Takashi Tsutsui</b>	Outside Director	<b>Tsutomu Kawaguchi</b>	□
Director	<b>Yoshizumi Kanamori</b>	Outside Director	<b>Kohda Main</b>	□
Director	<b>Yoshinobu Kikuchi</b>	Outside Director	<b>Barbara Judge</b>	● □
Director	<b>Keiichiro Ina</b>			



**Lady Barbara Judge**

Will bring additional global best practice and governance experience to the Board

- **Executive Officers** (Members with ※ are those who will also be the members of the Board)

※ Representative Executive Officer and President	<b>Yoshiaki Fujimori</b>	※ Executive Officer and Senior Managing Director	<b>Yoshizumi Kanamori</b>
Representative Executive Officer and Vice President	<b>Ryuichi Kawamoto</b>	Executive Officer and Senior Managing Director	<b>Harumi Matsumura</b>
※ Executive Officer and Vice President	<b>Takashi Tsutsui</b>	Executive Officer and Senior Managing Director	<b>Laurence W. Bates</b>
Executive Officer and Vice President	<b>Yosuke Yagi</b>	Executive Officer and Senior Managing Director	<b>Jin Song Montesano</b>
Executive Officer and Vice President	<b>Sachio Matsumoto</b>	Executive Officer	<b>Katsuhiko Mamenari</b>

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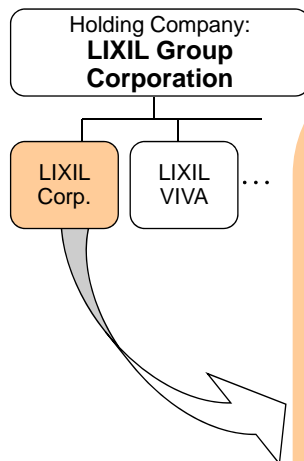
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# LIXIL Corporation's Board Members

(After the approval of annual shareholders' meeting to be held on June 25, 2015)



LIXIL Corporation is a company with an audit system.



## LIXIL Board



**Yoshiaki Fujimori\***  
President & CEO,  
LIXIL Kitchen  
Technology  
CEO



**David J Haines**  
Director, LIXIL Water  
Technology CEO,  
GROHE Group S.à r.l.  
Chairman & CEO



**Toshimasa Iue**  
Executive Vice President  
& Operating Officer,  
Director, LIXIL Housing  
Technology CEO



**Nicola Greco**  
Director, LIXIL Building  
Technology CEO,  
Permasteelisa Group  
CEO



**Haruo Shirai**  
Executive Vice President  
& Operating Officer,  
Director, LIXIL Japan  
Company CEO



**Sachio Matsumoto**  
Representative Director,  
Executive Vice President  
& Operating Officer,  
Chief Financial Officer



**Yosuke Yagi**  
Executive Vice President  
& Operating Officer,  
Director,  
Chief HR Officer



**Laurence W. Bates**  
Senior Managing  
Director, Director,  
Chief Legal Officer



**Jin Montesano**  
Senior Managing  
Director, Director,  
Chief Public  
Affairs Officer



**Ryo Nihei**  
Senior Managing  
Director, Director,  
R&D  
Managing Director

**Satoshi Koshida**  
Auditor

**Yuji Tsuboi**  
Auditor \*New

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## Highlights

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As the world's leading provider of sanitary fittings, GROHE was present at ISH



- March 10<sup>th</sup> – 14<sup>th</sup> 2015 in Frankfurt, Germany
- ISH: World's leading trade fair for the Bathroom Experience, Building, Energy, Air Conditioning Technology and Renewable Energies
- GROHE booth filling a complete hall with an area of 2,300 m<sup>2</sup> and showing all novelties as well as the complete product range plus services for bath, kitchen, spa and professional
- First time Group presence with LIXIL and GROHE
- Launch of complete bathroom solutions
- International press conference held by David J. Haines and Michael Rauterkus with more than 60 international journalists attending



## Selected for “The Diversity Management Selection 100” and “The Nadeshiko Brand”



LIXIL Group has been selected as "The Diversity Management Selection 100"  
and "Nadeshiko Brand" companies



The Ministry of Economy, Trade and Industry (METI) selected enterprises in “The Diversity Management Selection 100” that have improved corporate value through diversity management.



“The Nadeshiko Brand” designation is jointly selected and publicized by METI and the Tokyo Stock Exchange that are exceptional in encouraging women's success in the workplace. LIXIL is a winner of the Award for the second consecutive year.

## Global Launch and Roll Out of LIXIL Group's Code of Conduct

Our Group Code applies to all employees, directors and officers. It was adopted on April 1<sup>st</sup>. We are working hard to disseminate it throughout our organization worldwide.



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## A-1. Summary of JOYOU Issue

- On May 22, 2015 (German time), JOYOU filed an application for the commencement of insolvency proceedings with the competent local court of Hamburg in Germany. LIXIL indirectly owns shares in JOYOU through GROHE Group S.à r.l., which had been an equity method affiliate of LIXIL by the end of the fiscal year ended March, 2015.
- As a background, LIXIL found that JOYOU has conducted accounting fraud for years and had a substantial amount of over-indebtedness.
- The proportion of the shares into JOYOU held by LIXIL group was 31.62% as of March 31, 2015. Therefore the share of profit of entities accounted for using the equity method for JOYOU had been consolidated as the non-operating income in LIXIL's consolidated statement of income in JGAAP.

### <Background>

- In mid-April of this year, President & CEO of LIXIL and CEO and Chairman of the board of GROHE received a letter from a financial institution that has a branch office in China. According to the letter, Joyou Group Building Materials Co. Ltd, a wholly owned subsidiary of JOYOU incorporated in China, had defaulted on certain debts under the Commercial Acceptance Draft facilities granted by the financial institution and personally guaranteed by Jianshe Cai and Jilin Cai, the founders of JOYOU.
- In response, JOYOU's supervisory board, on April 27, 2015, determined to conduct a special audit into the financial situation of JOYOU with the assistance of accounting experts and legal counsel.
- Subsequently, on May 3, 2015, JOYOU announced that the preliminary investigation results showed that there were substantial deviations in revenue figures, the amount of indebtedness and the amount of available cash compared to the relevant amounts reported by JOYOU in its financial reports for 2014.
- Pursuant to the instructions of President & CEO, LIXIL established a special investigation team led by LIXIL's CFO and CLO on April 24, 2015 to conduct an investigation, including an on-site from April 27 through May 22.

- It adopted a wide range of methods, including review of documents such as agreements and memoranda evidencing JOYOU's liabilities, collection and review of electronic data, interviews of banks, creditors, distributors and other related persons, and interviews of management and employees of JOYOU's Chinese subsidiaries.

#### <Outline of Findings by Special Investigation Team>

- Through the LIXIL's initial investigation, a significant amount of off-book debt obligations was identified. These off-books loans appear to have been arranged by the founders of JOYOU group. It is estimated that there was a deviation of over JPY100 billion in net assets compared to the reported number (EUR435 million, or JPY63 billion, as of December 31, 2014), and it was clear that JOYOU was insolvent.
- The amount of the obligations, purpose and the use of funds are unclear at this time, due in part to intentional destruction and deletion of historical data. However, this is the major cause for bankruptcy of JOYOU. Furthermore, accounting errors were identified including overstated net sales and underreported expenses.
- Although JOYOU and its subsidiaries had become newly consolidated subsidiaries since April 1, 2015, following JOYOU's application for the commencement of the insolvency proceeding, JOYOU and its subsidiaries are not included in LIXIL's consolidated financial statements.

### Result and Estimated Amount of Losses from Insolvency of Joyou (consolidated)

Losses	Period	Items	Amount (Ybn)
Impairment of the equity value of the JOYOU shares at the time of the acquisition	Mar-14	Extraordinary loss	23.8
Restatement of share of profit of entities accounted for using equity method for JOYOU	Mar-15	Non-operating expenses	0.3
Expenses for the investigation into JOYOU and others	Mar-15	Extraordinary loss	1.2
Impairment of the equity value of the JOYOU share at the time of the additional acquisition	Mar-15	Extraordinary loss	7.9
Losses of guarantees with respect to the liabilities of a JOYOU subsidiary	Mar-16 (estimate)	Extraordinary loss	33.0
Total			66.2

## A-2. Free Cash Flow Increased by Y145bn Y/Y

### B/S Optimization

**FY Mar-15 Achievement: Y99bn**

- Securitization of receivables Y78bn
- Sale/securitization of assets Y6bn
- Sale of securities Y15bn

➔ B/S optimization to continue in FY Mar-16

### CCC (Operational efficiency)

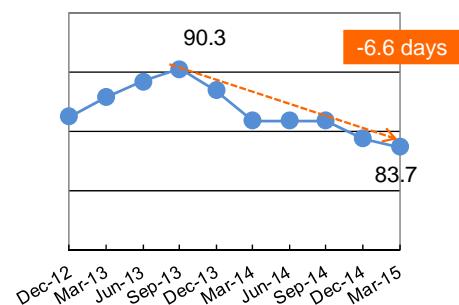
**Target**

**Y100bn**

By end of March 2016

### CCC Progress and Target

Unit: days



**FY Mar-17 Target: 55 days**

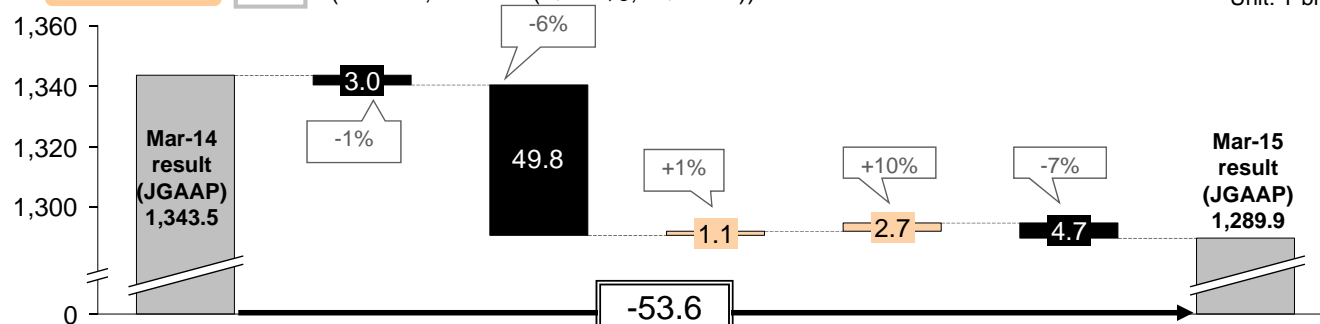
\*Activity basis, calculated in JGAAP

## A-3. Increase/Decrease of Sales and CE in Japan for the Fiscal Year Ended March 2015 (Y/Y)

### Sales

-4% (1H -1%, 2H -6% (Q3 -4%, Q4 -8%))

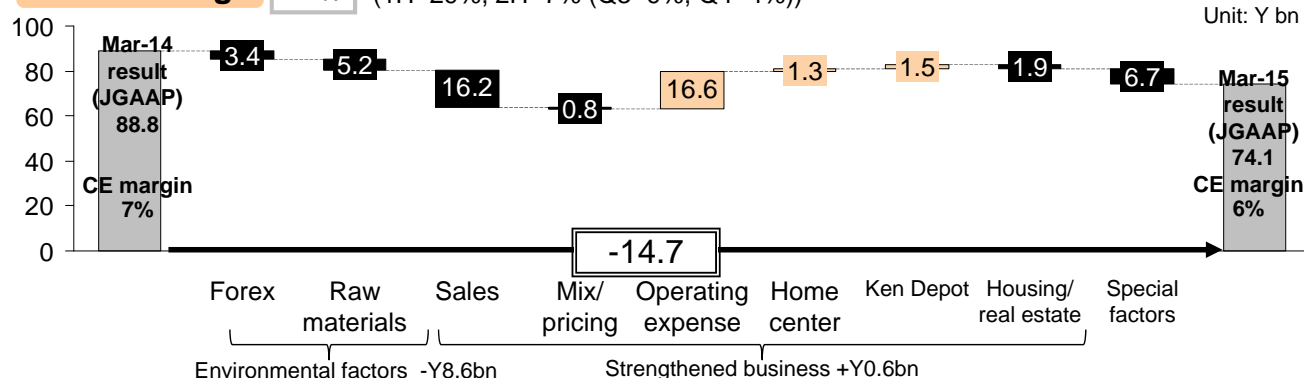
Unit: Y bn



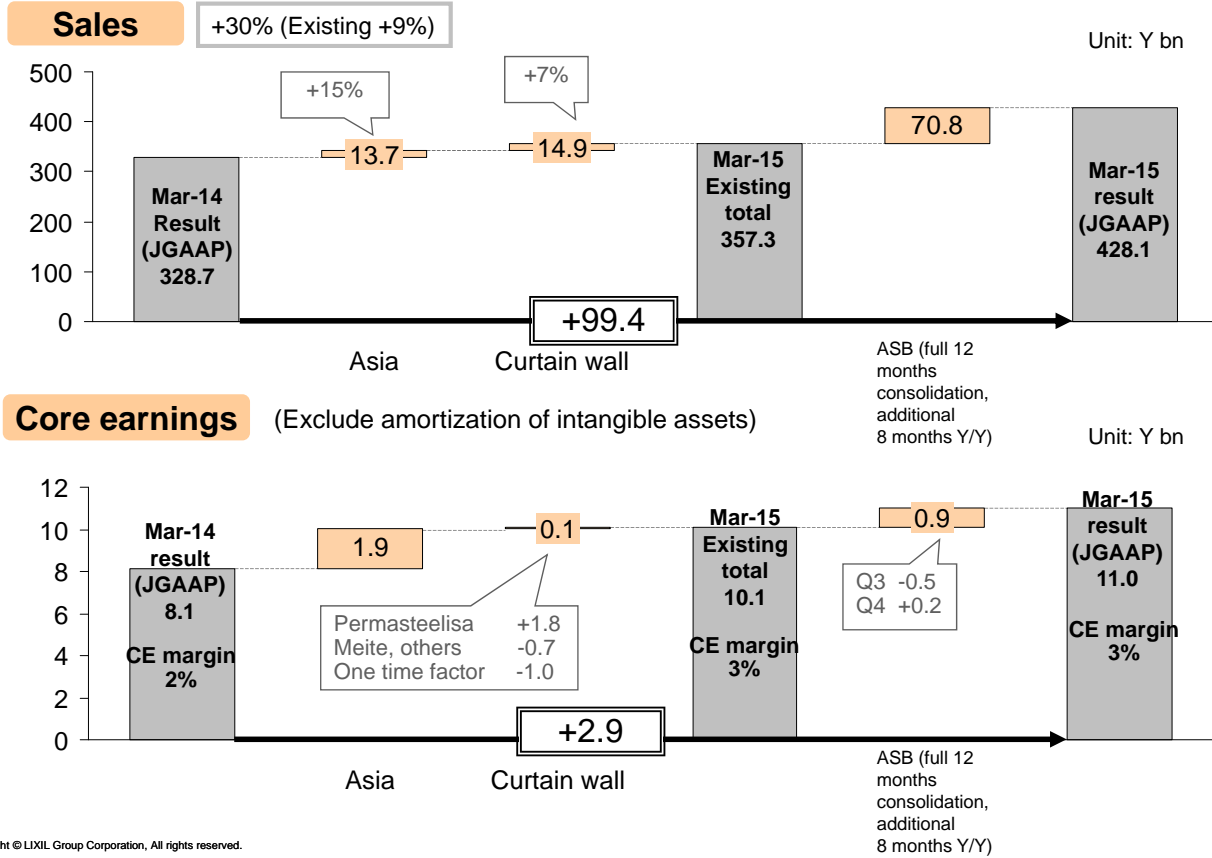
### Core earnings

-17% (1H -29%, 2H -7% (Q3 -9%, Q4 -4%))

Unit: Y bn



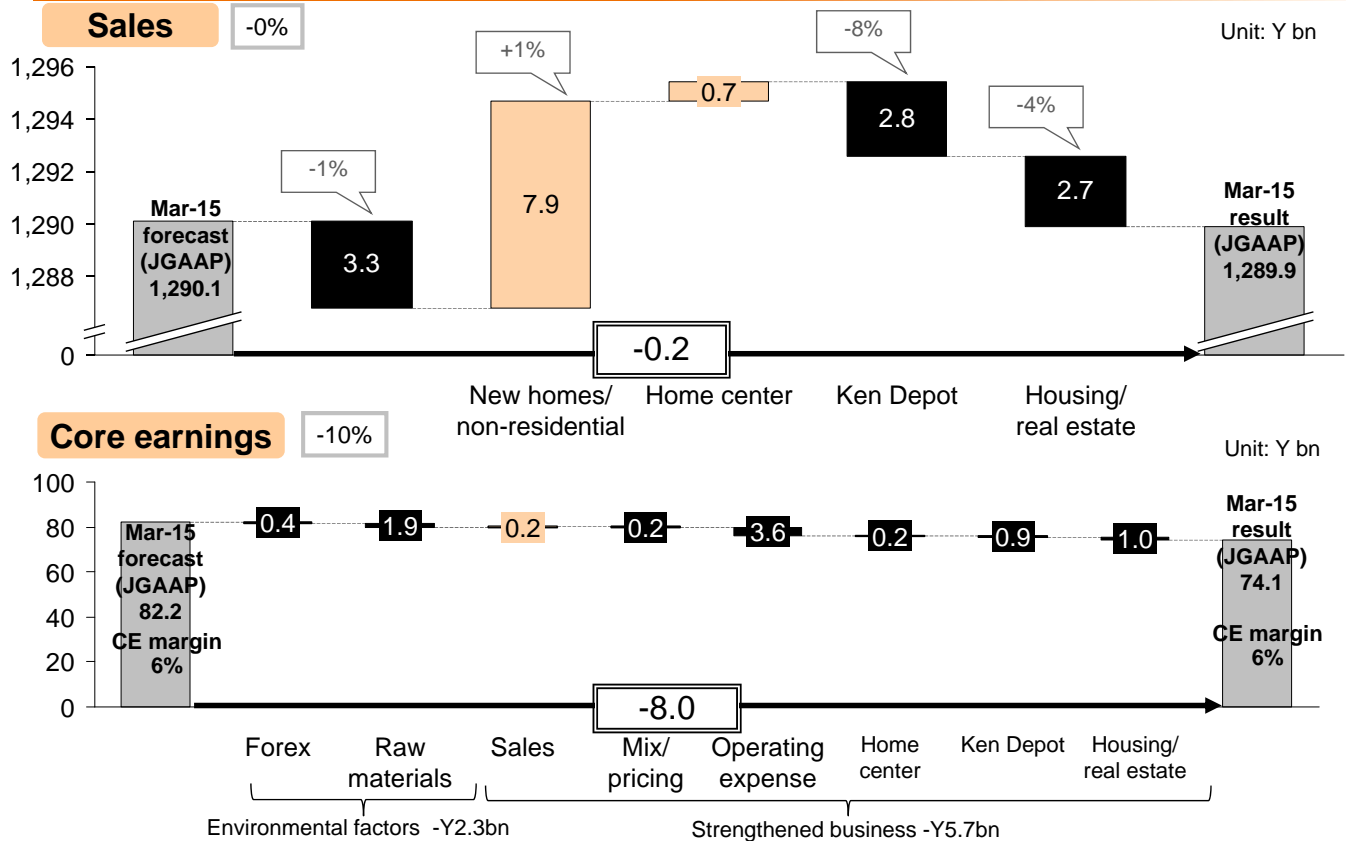
## A-4. Increase/Decrease of Sales and CE Overseas for the Fiscal Year Ended March 2015 (Y/Y)



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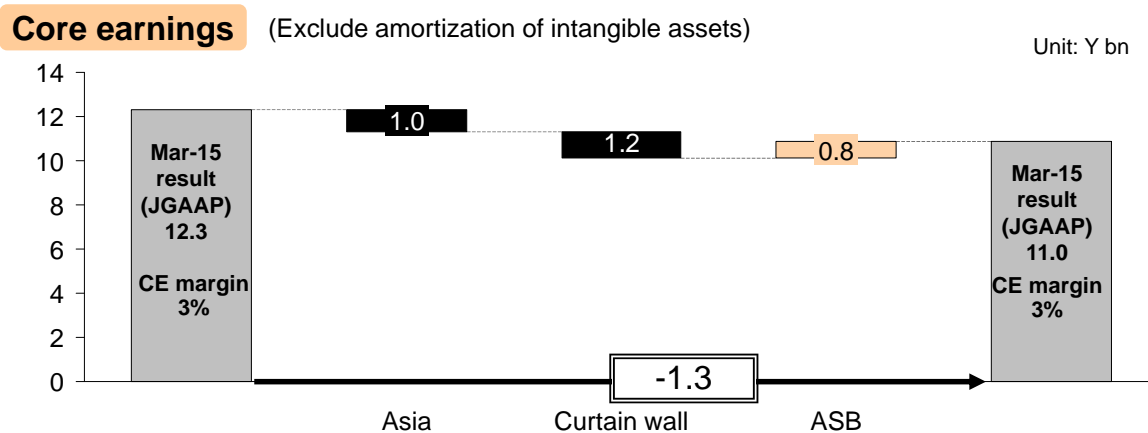
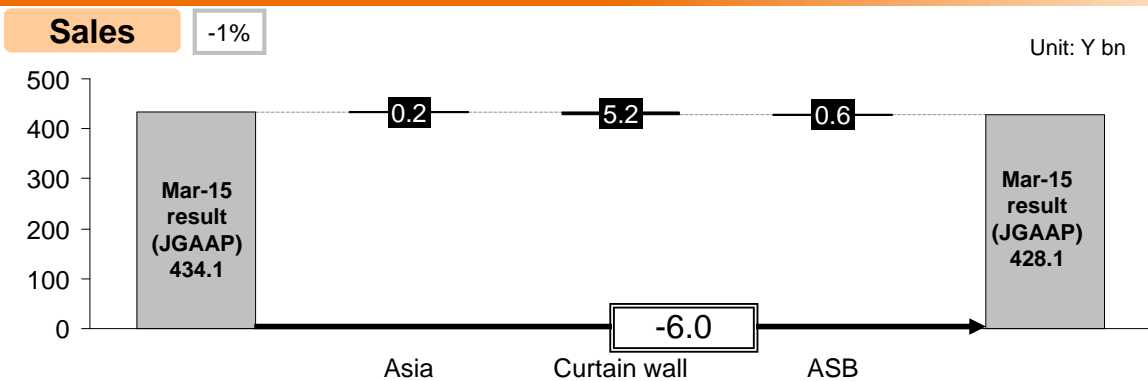
## A-5. Increase/Decrease of Sales and CE in Japan for the Fiscal Year Ended March 2015 (Vs. Forecast)



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## A-6. Increase/Decrease of Sales and CE Overseas for the Fiscal Year Ended March 2015 (Vs. Forecast)



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## A-7. Others (1)



### ■ Extraordinary items

Unit: Y bn

Items	Mar-14 results	Mar-15 results	Increase/decrease	Details	IFRS item
Gain on sales of investment securities	1.8	11.1	+9.2		Finance income and other finance costs
Gain on change in equity	-	1.1	+1.1	Business separation of K-engine	Share of profit of associates
Gain on sales of noncurrent assets and other	1.1	1.3	+0.1		Other income
<b>Extraordinary income</b>	<b>3.0</b>	<b>13.4</b>	<b>+10.5</b>		-
Impairment loss	1.6	3.9	+2.3	China factory shutdown and other	Other cost
Loss on factory restructuring	0.4	1.7	+1.3	China factory and other	Other cost
Adjustment of goodwill amortization and other	-	0.5	+0.5	ASB	-
Loss on investment to associates and other	23.8	9.1	-14.7	Impairment of the equity value of the Joyou shares	Other cost
Loss on sales and retirement of non-current assets and other	3.0	3.1	+0.2		Other cost
<b>Extraordinary loss</b>	<b>28.8</b>	<b>18.3</b>	<b>-10.5</b>		-

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## A-7. Others (2)

### ■ Impact of Exchange Rate

Unit: Y bn

	Rate	Core earnings*	Non-Operating Income	Recurring Profit
FY Mar-15 forecast	1(USD)=Y105 (JPY)	-3.0	-	-3.0
FY Mar-15 result	1(USD)=Y110 (JPY)	-3.4	11.2	7.8
FY Mar-16 forecast	1(USD)=Y125 (JPY)	-13.0	-	-13.0

\*Impact in JGAAP

### ■ Tax Expenses (Tax burden ratio 57% in Mar-14 =>58% in Mar-15)

Tax burden ratio increased year on year due to the loss on investment to associates and other for fiscal year Mar-15 and Mar-14.

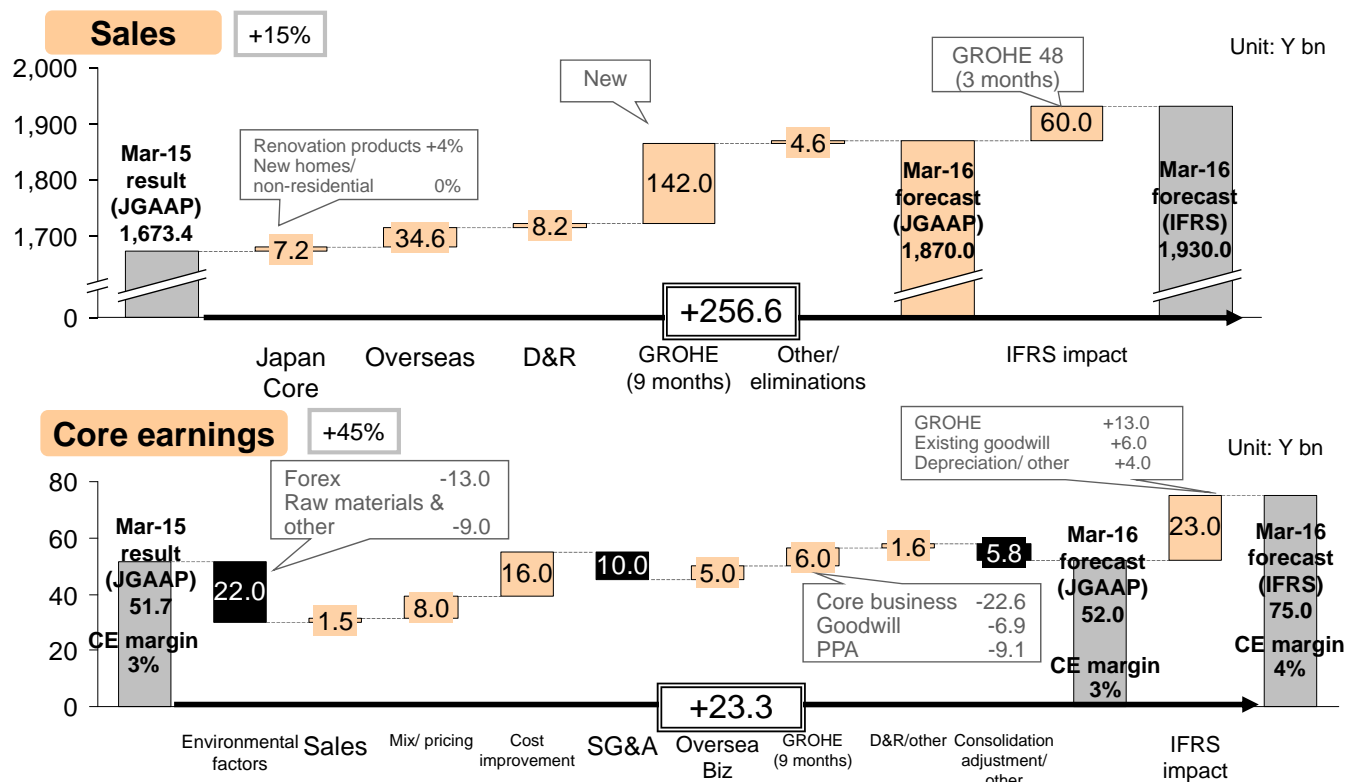
Normal effective statutory tax rates are as follows:

34.6% (~Mar-15)=>32.1%(Mar-16), 31.3%(Mar-17~)

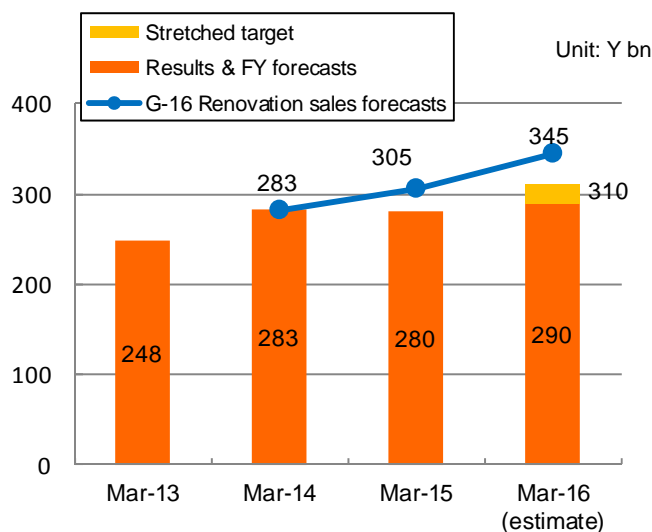
### ■ Voluntary adoption of IFRS (International Financial Reporting Standards) is expected to start from the end of March 2016

## A-8. Increase/Decrease of Sales and CE for the FY Ending March 2016 (Y/Y)

### Reference (conventional basis)



## A-9. Still a Growth Potential in Japan Renovation Market



G-16: Medium-Term Business Plan announced in May 2014

### Major Mega Trend Drivers

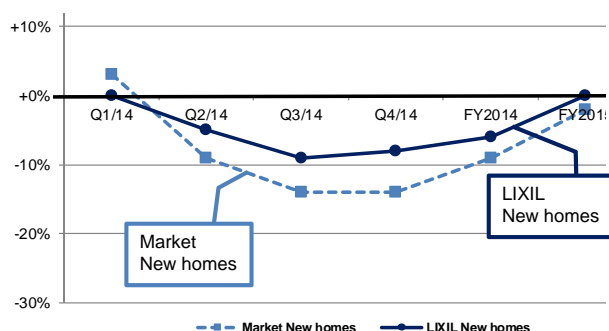
- Aging population
- Energy saving
- Anti-seismic proofing

## A-10. Improve Profitability Based on Conservative Sales Forecast

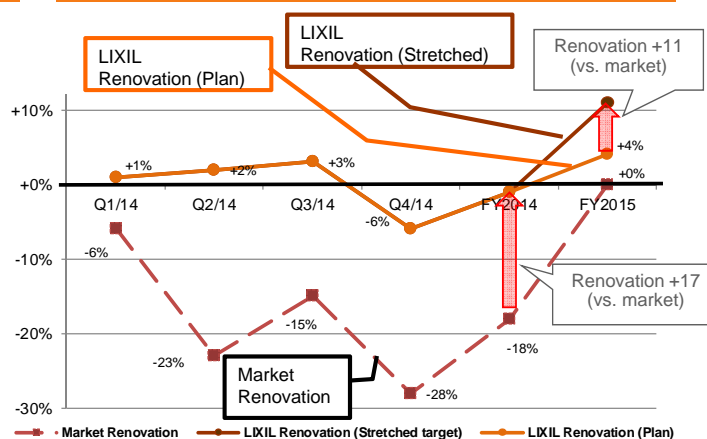
### LIXIL Forecast Assumptions

Growth Rate (Y/Y)		FY2014 result	FY2015 forecast
Market	New homes	-9%	-2%
	Renovation	-18%	+0%
	New homes	-6%	0%
	Renovation (Stretched target)	-1%	11%
	Renovation (Plan)	-1%	4%

### New Homes Market



### Renovation Market



A-11. BT-16\*<sup>1</sup> Update (Japan)...

## Attained first year forecast of Y13bn

Categories	Major measures	Mar-17 Target <sup>(2)</sup>	Mar-15 PL base (results)
SCM	<ul style="list-style-type: none"> <li>Integrate sales and construction information</li> <li>Optimize production sites and logistic centers</li> <li>Improve logistics</li> <li>Strategic purchasing</li> <li>Effect of CCC improvement</li> </ul>	Y55bn	Y11.6bn
Improvement of gross profit	<ul style="list-style-type: none"> <li>Reduce cost leakage with process visualization</li> <li>Optimize product portfolio</li> </ul>	Y35bn	Y8.5bn
Indirect costs and other	<ul style="list-style-type: none"> <li>Improve process of sales support</li> <li>More efficient product development</li> <li>Cut SG&amp;A</li> </ul>	Y20bn	Y2.2bn
Internal target		Y110bn	Y22.3bn
Contingency		-Y33bn	-Y5.0bn
Core Business in Japan		Y77bn	Y17.3bn

(1) BT-16: Business Transformation

(2) Cumulative three year results

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## A-12. ...Operational Efficiency in Action

## Generating Annual Cost Savings of Y2.3bn

	Terms of Implementation	Implementation	Purpose	Division
Implemented	April 2014	Sales of SUN WAVE KITCHEN TECHNO CORPORATION	Select and concentrate businesses	LWT
	August 2014	Closure of production line for ceramics at LIXIL BUILDING MATERIALS MANUFACTURING (SUZHOU) CORPORATION in China	Shift production to ASAP <sup>(1)</sup> factory and Vietnam factory	LWT
	December 2014	Shutdown of GROHE factory in Canada	Shift production to ASB factory in Mexico	LWT
	April 2015	Merger of LIXIL Corporation with SUN WAVE CORPORATION, and 2 others	Slim the structure of the group companies	Corporate
Plan	June 2015	Shutdown of Nevada factory of ASB	Shift production to ASB factory in Mexico	LWT
	December 2015	Halt production at Tateno factory (metal building materials) in Toyama Prefecture	Shift production to Oyabe factory in Toyama prefecture	LHT
	March 2016	Halt production at Aoyama factory (electronic component) in Mie Prefecture	Shift production to Chita factory in Aichi Prefecture	LWT

(1) American Standard Asia Pacific

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Link to Good Living

## Results for the FY Ended March 2015 <Fact Sheets>

\* "Core earnings" or "CE" in this material is equivalent to "Operating profit" of JGAAP

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1.-2	Financial Results (new segmentation)	P.2
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June 8, 2015



## LIXIL Group Corporation

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.

# 1.-1 Financial Results (previous segmentation, JGAAP)

Unit: Y bn

Unit: T Bn

			Mar-13 results (provisional)	Mar-14 results	Mar-15 results	Y/Y		
						increase/ decrease	(%)	
		Metal building materials	485.0	517.7	502.4	-15.4	-3.0%	
		Plumbing fixtures	339.4	359.7	339.1	-20.6	-5.7%	
		Other building materials	184.0	206.8	190.1	-16.7	-8.1%	
		Domestic sales subtotal	1,008.3	1,084.3	1,031.5	-52.7	-4.9%	
		Distribution and retail	175.4	195.1	198.8	3.8	1.9%	
		Housing, real estate and others	59.3	64.2	59.6	-4.7	-7.3%	
	Domestic sales total		1,243.0	1,343.5	1,289.9	-53.6	-4.0%	
		Asia	66.2	94.6	108.4	13.7	14.5%	
		Permasteelisa	161.8	205.0	219.9	14.9	7.3%	
		ASB	-	29.1	99.9	70.8	243.1%	
		Overseas sales	228.0	328.7	428.1	99.4	30.2%	
	Inter segment sales		-34.6	-43.6	-44.6	-1.0	-	
	Net sales		1,436.4	1,628.7	1,673.4	44.7	2.7%	
	Gross profit		403.1	447.8	447.3	-0.5	-0.1%	
	Gross margin		28.1%	27.5%	26.7%	-	-0.8P	
SG&A		352.6	378.8	395.6	16.9	4.5%		
SG&A ratio		24.5%	23.3%	23.6%	-	+0.4P		
		Metal building materials	31.0	41.3	34.4	-6.9	-16.8%	
		Plumbing fixtures	21.8	25.6	20.2	-5.5	-21.3%	
		Other building materials	10.2	11.6	8.3	-3.3	-28.5%	
		Domestic CE subtotal	63.0	78.5	62.8	-15.7	-20.0%	
		Distribution and retail	0.7	4.3	7.1	2.9	67.7%	
		Housing, real estate and others	5.2	6.0	4.2	-1.9	-30.9%	
	Domestic CE total*		68.8	88.8	74.1	-14.7	-16.5%	
		Asia	1.4	1.9	3.8	1.9	98.1%	
		Permasteelisa	6.9	4.7	4.8	0.1	1.8%	
		ASB	-	1.5	2.4	0.9	60.5%	
		Overseas CE*	8.3	8.1	11.0	2.9	35.4%	
	HQ expenses, amortization and PPA		-26.6	-27.8	-33.5	-5.6	-	
	Core earnings		50.5	69.1	51.7	-17.4	-25.2%	
			Metal building materials	6.4%	8.0%	6.8%	-	-1.1P
			Plumbing fixtures	6.4%	7.1%	6.0%	-	-1.2P
Other building materials			5.6%	5.6%	4.3%	-	-1.2P	
Domestic CE margin subtotal			6.2%	7.2%	6.1%	-	-1.1P	
Distribution and retail			0.4%	2.2%	3.6%	-	+1.4P	
Housing, real estate and others			8.7%	9.4%	7.0%	-	-2.4P	
Domestic CE margin total		5.5%	6.6%	5.7%	-	-0.9P		
		Asia	2.1%	2.0%	3.5%	-	+1.5P	
		Permasteelisa	4.3%	2.3%	2.2%	-	-0.1P	
		ASB	-	5.0%	2.4%	-	-2.7P	
Overseas CE margin		3.6%	2.5%	2.6%	-	+0.1P		
CE margin		3.5%	4.2%	3.1%	-	-1.2P		
Recurring profit		53.1	74.9	57.9	-17.1	-22.8%		
Net income before income tax and minority interests		32.5	49.1	53.0	3.9	8.0%		
Net income		21.3	21.0	22.0	1.1	5.1%		

\*Core earnings of business segment is before amortization of goodwill and purchase price allocation.

## 1-2 Financial Results (new segmentation)

Unit: Y bn

		JGAAP Mar-14 results (provisional)	JGAAP Mar-15 results (provisional)	Y/Y		IFRS Mar-15 results (provisional)	IFRS Mar-16 forecasts (approximate)	Y/Y	
				increase/ decrease	(%)			increase/ decrease	(%)
	LIXIL Water Tech	332.7	400.3	67.6	20.3%	412.0			
	LIXIL Housing Tech	632.6	599.7	-32.8	-5.2%	617.2			
	LIXIL Building Tech	321.1	335.9	14.7	4.6%	346.3			
	LIXIL Kitchen Tech	118.0	113.7	-4.3	-3.6%	115.0			
	Tech Company Subtotal	1404.3	1449.6	45.3	3.2%	1490.4			
	Distribution and Retail	195.0	198.8	3.8	2.0%	194.4			
	Housing Service	64.9	59.9	-5.0	-7.7%	62.3			
	Adjustments	-35.5	-34.9	0.7	-	-37.6			
<b>Net sales</b>		<b>1,628.7</b>	<b>1,673.4</b>	<b>44.7</b>	<b>2.7%</b>	<b>1,709.5</b>	<b>1930.0</b>	<b>220.5</b>	<b>12.9%</b>
<b>Gross profit</b>		<b>447.8</b>	<b>447.3</b>	<b>-0.5</b>	<b>-0.1%</b>	<b>455.2</b>			
	<b>Gross margin</b>	<b>27.5%</b>	<b>26.7%</b>	<b>-</b>	<b>-0.8P</b>	<b>26.6%</b>			
<b>SG&amp;A</b>		<b>378.8</b>	<b>395.6</b>	<b>16.9</b>	<b>4.5%</b>	<b>401.8</b>			
	<b>SG&amp;A ratio</b>	<b>23.3%</b>	<b>23.6%</b>	<b>-</b>	<b>+0.4P</b>	<b>23.5%</b>			
	LIXIL Water Tech	28.5	28.9	0.4	1.4%	26.0			
	LIXIL Housing Tech	50.4	36.6	-13.8	-27.5%	33.8			
	LIXIL Building Tech	6.5	9.3	2.8	42.8%	7.4			
	LIXIL Kitchen Tech	0.7	-1.0	-1.7	-	-1.5			
	Tech Company Subtotal *	86.2	73.8	-12.4	-14.4%	65.8			
	Distribution and Retail	4.6	7.1	2.5	54.2%	6.5			
	Housing Service	6.1	4.2	-1.9	-30.8%	5.4			
	HQ expenses, amortization and PPA	-27.8	-33.5	-5.6	-	-24.3			
<b>Core earnings</b>		<b>69.1</b>	<b>51.7</b>	<b>-17.4</b>	<b>-25.2%</b>	<b>53.4</b>	<b>75.0</b>	<b>21.6</b>	<b>40.3%</b>
	LIXIL Water Tech	8.6%	7.2%	-	-1.4P	6.3%			
	LIXIL Housing Tech	8.0%	6.1%	-	-1.9P	5.5%			
	LIXIL Building Tech	2.0%	2.8%	-	+0.7P	2.1%			
	LIXIL Kitchen Tech	0.6%	-0.9%	-	-1.5P	-1.3%			
	Tech Company Subtotal	6.1%	5.1%	-	-1.0P	4.4%			
	Distribution and Retail	2.4%	3.6%	-	+1.2P	3.4%			
	Housing Service	9.4%	7.0%	-	-2.3P	8.7%			
<b>CE margin</b>		<b>4.2%</b>	<b>3.1%</b>	<b>-</b>	<b>-1.2P</b>	<b>3.1%</b>	<b>3.9%</b>	<b>-</b>	<b>+0.8P</b>
<b>Recurring profit</b>		<b>74.9</b>	<b>57.9</b>	<b>-17.1</b>	<b>-22.8%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net income before income tax and minority interest		49.1	53.0	3.9	8.0%		34.0		
<b>Net income</b>		<b>21.0</b>	<b>22.0</b>	<b>1.1</b>	<b>5.1%</b>		<b>22.5</b>		

\*Core earnings of business segment is before amortization of goodwill and purchase price allocation.

## 2. Results for 1H and 2H for FY Ended March 2015 and Forecasts for 1H and 2H for FY Ending March 2016

### (1) JGAAP

Unit: Y bn

	Mar-15			Mar-16								
	1H	2H	Full-year	1H			2H			Full-year		
	results	results	results	forecasts	increase/ decrease	(%)	forecasts	increase/ decrease	(%)	forecasts	increase/ decrease	(%)
<b>Sales</b>	796.2	877.2	1,673.4	870.0	73.8	9%	1,000.0	122.8	14%	1,870.0	196.6	12%
<b>Core earnings *1</b>	13.3	38.4	51.7	9.5	-3.8	-28%	42.5	4.1	11%	52.0	0.3	1%
CE margin	1.7%	4.4%	3.1%	1%	-	-1P	4%	-	-0P	3%	-	-0P
<b>Net income</b>	3.8	18.3	22.0	-18.0	-21.8	-579%	21.0	2.7	15%	3.0	-19.0	-86%

### (2) IFRS (provisional)

Unit: Y bn

	Mar-15			Mar-16								
	1H	2H	Full-year	1H			2H			Full-year		
	results	results	results	forecasts	increase/ decrease	(%)	forecasts	increase/ decrease	(%)	forecasts	increase/ decrease	(%)
<b>Sales</b>			1,709.5	930.0			1,000.0			1,930.0	220.5	13%
<b>Core earnings *1</b>			53.4	22.0			53.0			75.0	21.6	40%
CE margin			3.1%	2%			5%			4%	-	+1P
<b>Operating profit *2</b>										40.0		
OP margin										2%		
<b>Net income</b>										22.5		

\*1 JGAAP: Conventional operating profit, IFRS: Core earnings = Revenues - Cost of Sales - SG&A

\*2 "Operating profit" in IFRS accounting standard

### [ Additional information ] Results and assumptions for the foreign exchange rates and raw material prices

	Mar-14 results	Mar-15 results	Mar-16 assumptions
US dollars	100.49 yen	110.03 yen	120 yen
Euros	129.34 yen	140.71 yen	130 yen
Thai bahts	3.18 yen	3.35 yen	3.72 yen
Chinese yuans	15.81 yen	17.26 yen	20.19 yen

Aluminum price (Purchasing price)	220,000 yen/ton	240,000 yen/ton	270,000 yen/ton
Copper price	550,000 yen/ton	590,000 yen/ton	700,000 yen/ton

## 3. Quarterly Financial Results (JGAAP)

Unit: Y bn

		Mar-14 results								Mar-15							
		1H				2H				1H				2H			
		Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q4	
		Y/y		Y/y		Y/y		Y/y		Y/y		Y/y		Y/y		Y/y	
	Metal building materials	109.9	-	128.9	-	132.4	-	146.6	-	113.0	2.8%	127.2	-1.3%	125.4	-5.4%	136.8	-6.6%
	Plumbing fixtures	81.0	-	89.4	-	92.6	-	96.8	-	78.9	-2.5%	84.7	-5.2%	87.1	-5.9%	88.4	-8.7%
	Other building materials	45.3	-	50.7	-	52.8	-	58.0	-	43.8	-3.2%	47.3	-6.8%	49.9	-5.5%	49.1	-15.4%
	Domestic sales (subtotal)	236.1	-	269.0	-	277.8	-	301.4	-	235.7	-0.2%	259.2	-3.6%	262.3	-5.6%	274.3	-9.0%
	New homes/ non-residential	168.8	-	203.5	-	202.8	-	226.6	-	167.5	-0.8%	192.7	-5.3%	185.0	-8.8%	206.8	-8.7%
	Renovation	67.3	-	65.5	-	75.0	-	74.8	-	68.3	1.4%	66.5	1.5%	77.3	3.1%	67.6	-9.7%
	Distribution and retail	48.2	8.1%	45.6	7.4%	51.7	8.2%	49.6	22.0%	49.4	2.5%	48.5	6.4%	54.5	5.4%	46.4	-6.3%
	Housing, real estate and other	15.0	14.2%	15.9	2.8%	16.4	5.4%	16.9	11.9%	14.1	-6.1%	15.2	-4.1%	14.8	-9.8%	15.5	-8.8%
	Domestic sales (total)	299.3	-	330.4	-	345.9	-	367.9	-	299.2	0.0%	322.9	-2.3%	331.6	-4.1%	336.2	-8.6%
	Asia	17.7	-	23.5	-	25.5	-	27.9	-	23.5	32.4%	26.1	11.2%	26.3	2.9%	32.5	16.5%
	Curtain Wall	40.9	-	50.6	-	52.1	-	61.4	-	46.0	12.5%	53.0	4.9%	53.0	1.6%	67.9	10.6%
	ASB	-	-	-	-	7.2	-	21.9	-	23.5	-	24.0	-	25.0	249.1%	27.4	24.8%
	Overseas sales (total)	58.6	-	74.0	-	84.8	-	111.2	-	93.0	58.6%	103.1	39.2%	104.3	22.9%	127.7	14.9%
	Adjustments	-9.5	-	-11.4	-	-10.7	-	-12.0	-	-10.7	-	-11.3	-	-11.2	-	-11.4	-
	Net sales	348.4	6.8%	393.1	10.2%	420.1	12.4%	467.1	23.0%	381.5	9.5%	414.7	5.5%	424.6	1.1%	452.6	-3.1%
	Gross profit	98.0	8.1%	108.4	7.6%	118.4	6.6%	123.1	22.3%	104.7	6.9%	111.5	2.8%	118.2	-0.1%	112.9	-8.3%
	Gross margin	28.1%	+0.3P	27.6%	-0.7P	28.2%	-1.5P	26.4%	-0.2P	27.5%	-0.7P	26.9%	-0.7P	27.8%	-0.3P	24.9%	-1.4P
	SG&A	88.8	1.6%	91.7	1.5%	93.4	7.6%	104.9	19.0%	99.9	12.5%	103.0	12.4%	97.3	4.2%	95.4	-9.1%
	SG&A ratio	25.5%	-1.3P	23.3%	-2.0P	22.2%	-1.0P	22.5%	-0.8P	26.2%	+0.7P	24.8%	+1.5P	22.9%	+0.7P	21.1%	-1.4P
	Metal building materials	7.2	-	11.4	-	12.8	-	9.9	-	5.9	-17.6%	8.3	-27.5%	11.1	-12.9%	9.0	-8.6%
	Plumbing fixtures	4.4	-	6.7	-	9.1	-	5.4	-	1.4	-68.2%	3.3	-50.5%	8.4	-7.8%	7.1	30.0%
	Other building materials	1.3	-	3.0	-	3.7	-	3.5	-	0.9	-25.8%	1.9	-37.6%	2.6	-29.9%	2.8	-20.3%
	Domestic CE (subtotal) *	12.8	-	21.1	-	25.7	-	18.9	-	8.3	-35.8%	13.5	-36.2%	22.2	-13.6%	18.9	0.3%
	Distribution and retail	1.2	-	0.4	-	1.7	-	0.9	-	2.2	78.4%	1.3	199.8%	3.0	76.5%	0.6	-28.7%
	Housing, real estate and others	1.3	-	1.6	-	1.8	-	1.4	-	1.2	-13.1%	0.9	-40.7%	1.2	-31.7%	0.9	-36.0%
	Domestic CE* (total)	15.4	-	23.1	-	29.1	-	21.1	-	11.6	-24.6%	15.7	-32.0%	26.3	-9.5%	20.4	-3.3%
	Asia	-0.8	-	0.3	-	1.5	-	1.0	-	0.4	-	1.0	251.6%	1.3	-13.4%	1.2	22.4%
	Curtain Wall	0.7	-	0.0	-	1.1	-	2.9	-	0.1	-91.8%	1.2	-	1.8	65.6%	1.8	-39.8%
	ASB	-	-	-	-	0.3	-	1.2	-	1.0	-	0.2	-	-0.2	Fell into the red	1.4	15.6%
	Overseas CE* (total)	-0.1	-	0.3	-	2.9	-	5.1	-	1.5	-	2.4	-	2.9	-	4.3	-
	HQ expenses	-4.1	-	-4.5	-	-4.7	-	-5.2	-	-5.8	-	-7.2	-	-6.1	-	-5.7	-
	Amortization of goodwill and PPA	-2.0	-	-2.1	-	-2.3	-	-2.9	-	-2.5	-	-2.5	-	-2.1	-	-1.6	-
	Core earnings	9.2	180.3%	16.8	60.0%	25.0	3.0%	18.1	45.3%	4.8	-47.5%	8.5	-49.6%	20.9	-16.4%	17.5	-3.5%
	CE margin	2.6%	+1.6P	4.3%	+1.3P	5.9%	-0.5P	3.9%	+0.6P	1.3%	-1.4P	2.0%	-2.2P	4.9%	-1.0P	3.9%	-0.0P
	Recurring profit	13.6	269.1%	15.3	74.5%	27.1	4.9%	18.9	28.0%	4.5	-66.9%	8.2	-46.5%	21.0	-22.6%	24.2	28.0%
	Net income	8.9	733.3%	8.8	Turned profitable	19.1	5.3%	-15.9	-	0.0	-99.5%	3.4	-61.8%	8.2	-56.8%	10.4	-165.2%

\*Core earnings of business segment is before amortization of goodwill and purchase price allocation.

#### 4 Segment Information (1) Domestic Manufacturing Businesses (Metal Building Materials/ Plumbing Fixtures/ Other Building Materials and Equipment)

##### Sales of domestic manufacturing businesses

Unit: Ybn

	1H		2H		Full-year		
	Mar-14 results	Mar-15 results	Mar-14 results	Mar-15 results	Mar-14 results	Mar-15 results	Y/Y (%)
Metal building materials	238.7	240.2	279.0	262.2	517.7	502.4	-3.0%
Plumbing fixtures	170.4	163.6	189.4	175.4	359.7	339.1	-5.7%
Other building materials	96.0	91.1	110.8	99.0	206.8	190.1	-8.1%
Domestic building materials total	505.1	494.9	579.2	536.6	1,084.3	1,031.5	-4.9%

##### Core earnings of domestic manufacturing businesses

Unit: Ybn

	1H		2H		Full-year		
	Mar-14 results	Mar-15 results	Mar-14 results	Mar-15 results	Mar-14 results	Mar-15 results	Y/Y (%)
Metal building materials	18.6	14.2	22.7	20.2	41.3	34.4	-16.8%
Plumbing fixtures	11.1	4.7	14.5	15.5	25.6	20.2	-21.3%
Other building materials	4.3	2.8	7.3	5.4	11.6	8.3	-28.5%
Domestic building materials total	34.0	21.7	44.5	41.1	78.5	62.8	-20.0%

##### Increase/decrease breakdown of core earnings for domestic manufacturing businesses (Metal/ Plumbing/ Other)

<Mar-15 results: Y/Y>

Unit : Y bn

	Mar-14 results	Due to sales fluctuation	Change in mix and selling price	Raw material costs	Impacts of exchange rate	Cost fluctuation	Due to SG&A fluctuation	Special factors	Total	Mar-15 results
Metal	41.3	-4.3	0.0	-3.4	-1.1	-2.8	6.0	-1.3	-6.9	34.4
Plumbing	25.6	-7.0	-1.0	-1.4	-1.5	4.9	5.5	-5.0	-5.5	20.2
Other	11.6	-4.9	0.2	-0.4	-0.8	0.7	2.3	-0.4	-3.3	8.3
Manufacturing total	78.5	-16.2	-0.8	-5.2	-3.4	2.8	13.8	-6.7	-15.7	62.8

<Mar-15 1H results: Y/Y>

Unit : Y bn

	Mar-14 results	Due to sales fluctuation	Change in mix and selling price	Raw material costs	Impacts of exchange rate	Cost fluctuation	Due to SG&A fluctuation	Special factors	Total	Mar-15 results
Metal	18.6	0.4	-1.2	-1.0	-0.2	-0.3	-0.8	-1.3	-4.4	14.2
Plumbing	11.1	-2.3	-0.9	-0.5	-0.8	1.8	1.3	-5.0	-6.4	4.7
Other	4.3	-1.3	-0.2	-0.3	-0.5	0.8	0.5	-0.4	-1.5	2.8
Manufacturing total	34.0	-3.2	-2.3	-1.8	-1.5	2.3	1.0	-6.7	-12.2	21.7

<Mar-15 2H results: Y/Y>

Unit : Y bn

	Mar-14 results	Due to sales fluctuation	Change in mix and selling price	Raw material costs	Impacts of exchange rate	Cost fluctuation	Due to SG&A fluctuation	Special factors	Total	Mar-15 results
Metal	22.7	-4.7	1.2	-2.4	-0.9	-2.5	6.8	0.0	-2.5	20.2
Plumbing	14.5	-4.7	-0.1	-0.9	-0.7	3.1	4.2	0.0	+0.9	15.5
Other	7.3	-3.6	0.4	-0.1	-0.3	-0.1	1.8	0.0	-1.8	5.4
Manufacturing total	44.5	-13.0	1.5	-3.4	-1.9	0.5	12.8	0.0	-3.4	41.1

## 5. Segment Information (2) Distribution and Retail

### Sales and CE for the segment

Unit: Y bn

		1H		2H		Full-year	
		Mar-14 results	Mar-15 results	Mar-14 results	Mar-15 results	Mar-14 results	Mar-15 results
Sales		93.8	97.9	101.3	100.9	195.1	198.8
CE		1.7	3.5	2.6	3.6	4.3	7.1
Figures of Ken Depot included above	Sales	12.8	15.1	15.2	15.7	28.1	30.8
	CE	-1.8	-0.8	-1.0	-0.4	-2.8	-1.3
							Y/Y (%)
							1.9%
							67.7%
							9.6%
							-

### Increase/decrease breakdown of core earnings for home center businesses

<Mar-15 results: Y/Y>

Unit: Y bn

Mar-14 results	Due to sales fluctuation	Sales price	Cost	SG&A	Cost of new stores	Ken Depot	Total	Mar-15 results
4.3	0.3	1.0	0.4	1.7	-2.1	1.5	+2.9	7.1

<Mar-15 1H results: Y/Y>

Unit: Y bn

Mar-14 results	Due to sales fluctuation	Sales price	Cost	SG&A	Cost of new stores	Ken Depot	Total	Mar-15 results
1.7	0.5	0.8	0.5	0.3	-1.2	1.0	+1.9	3.5

<Mar-15 2H results: Y/Y>

Unit: Y bn

Mar-14 results	Due to sales fluctuation	Sales price	Cost	SG&A	Cost of new stores	Ken Depot	Total	Mar-15 results
2.6	-0.2	0.2	-0.1	1.4	-0.9	0.6	+1.0	3.6

### Number of stores

Unit: stores

	Mar-14 results	Mar-15		Mar-16	
		results	Y/Y	forecasts	Y/Y
Newly opened SVH stores	4	1	-3	3	+2
Newly opened NVH stores	0	0	0	1	1
Newly opened Ken Depot stores	4	2	-2	3	+1
Number of stores closed	4	1	-3	0	-1
Number of stores at end of term	146	148	+2	155	+7
(SVH stores)	33	34	+1	37	+3
(NVH stores)	9	9	0	10	1
(Ken Depot stores)	62	64	+2	67	+3
(VH stores)	42	41	-1	41	+0

### Results of home center business

Units: Y bn

	Mar-14 results	Mar-15 results	Y/Y
Sales	167.0	168.1	0.6%
CE	8.3	9.7	16.6%
%	5.0%	5.8%	0.8P

### Rate of sales growth of home center stores

<Mar-15 results>

Unit: %

All stores	+0.7
Existing stores only	-3.0

\*Existing stores: Stores opened by the end of March 2013

### Growth rate of customer footfall and average sales per customer

<Mar-15 1H results>

Unit: %

All stores	
Customer footfall	-0.9
Average sales	1.7
Existing stores only	
Customer footfall	-4.1
Average sales	1.2

## 6. Segment Information (3) Housing, Real Estate and Other Businesses

### Sales and CE of the segment

Unit: Y bn

	1H		2H		Full-year		
	Mar-14 results	Mar-15 results	Mar-14 results	Mar-15 results	Mar-14 results	Mar-15 results	Y/Y (%)
Sales	30.9	29.3	33.4	30.3	64.2	59.6	-7.3%
CE	2.9	2.1	3.1	2.1	6.0	4.2	-30.9%

### Sales and CE by segment companies

<Mar-15 results>

Unit: Y bn

	Sales			CE		
	Mar-14 results	Mar-15 results	Y/Y (%)	Mar-14 results	Mar-15 results	Y/Y (%)
LIXIL Housing Research Institute	28.5	25.4	-10.8%	2.0	1.8	-13.4%
JIO	11.8	11.3	-4.6%	0.7	0.6	-8.1%
Japan Home Shield	10.1	9.4	-7.0%	1.3	0.9	-27.2%
LIXIL Realty	7.9	9.1	15.3%	0.6	0.7	9.6%
Other & adjustments	5.9	4.4	-	1.4	0.2	-
Segment total	64.2	59.6	-7.3%	6.0	4.2	-30.9%

### Number of contracts received and houses built with housing franchise businesses

Number of contracts received

Units: houses, %

	Mar-14 results	Mar-15 results	Y/Y
Total for the Group	4,605	3,973	-13.7%

\*Revised last fiscal year's results due to change in calculation

Number of houses built

Units: houses, %

	Mar-14 1H results	Mar-15 1H results	Y/Y
Total for the Group	4,087	3,445	-15.7%

## 7. Sales by Products and Services

Unit: Y bn

Major products	Mar-14 results	Mar-15 results	Y/Y (%)	Quarterly Y/Y (%)							
				Mar-14				Mar-15			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Housing sashes and related products	<b>215.2</b>	<b>201.2</b>	-6.5%	8.0	3.5	9.2	11.1	-5.2	-5.1	-8.1	<b>-7.4</b>
Exterior	<b>120.6</b>	<b>116.4</b>	-3.5%	-2.2	1.8	5.0	19.5	8.3	3.2	-6.4	<b>-17.5</b>
Building sashes and shutters	<b>117.3</b>	<b>117.0</b>	-0.3%	-1.9	2.5	1.8	1.5	5.2	-1.4	1.9	<b>-2.8</b>
Sanitary ware	<b>102.4</b>	<b>96.4</b>	-5.9%	1.1	5.1	3.8	19.5	0.8	-4.6	-4.3	<b>-13.3</b>
Bathroom units	<b>91.3</b>	<b>87.6</b>	-4.1%	5.5	5.8	8.1	16.4	1.6	-3.1	-5.4	<b>-8.6</b>
Kitchens	<b>106.0</b>	<b>102.6</b>	-3.3%	6.8	12.2	6.7	-3.4	-5.3	-8.4	-6.8	<b>8.8</b>
Washstand cabinet units	<b>34.0</b>	<b>32.9</b>	-3.4%	5.9	8.5	7.8	22.0	5.6	-2.4	-3.1	<b>-11.0</b>
Wooden interior furnishing materials	<b>59.8</b>	<b>55.6</b>	-7.0%	18.7	19.1	19.1	31.4	0.6	-3.8	-8.3	<b>-14.4</b>
Exterior wall materials for houses	<b>37.7</b>	<b>32.1</b>	-14.9%	3.8	5.3	-5.6	12.3	-5.9	-16.4	-12.3	<b>-23.7</b>
Tiles	<b>30.8</b>	<b>29.4</b>	-4.5%	-4.5	-1.5	-4.1	7.6	0.6	-3.1	-6.9	<b>-7.7</b>
Interior fabric	<b>32.4</b>	<b>30.5</b>	-5.9%	-1.6	-0.4	-1.0	11.3	-1.2	-6.9	-8.7	<b>-6.0</b>
Housing structures and precut woods	<b>37.5</b>	<b>27.7</b>	-26.2%	13.9	16.4	14.4	3.0	-25.0	-26.6	-27.2	<b>-24.6</b>
Home center sales	<b>191.9</b>	<b>195.3</b>	1.8%	7.8	7.4	8.0	21.9	2.6	6.1	5.3	<b>-6.6</b>
Overseas	<b>293.9</b>	<b>393.4</b>	33.9%	15.2	38.4	45.2	65.9	64.1	42.4	26.6	<b>18.6</b>
Other	<b>157.8</b>	<b>155.3</b>	-1.6%	9.7	5.2	11.0	31.2	5.7	8.4	-2.9	<b>-13.2</b>
Total	<b>1,628.7</b>	<b>1,673.4</b>	2.7%	6.8	10.2	12.4	23.0	9.5	5.5	1.1	<b>-3.1</b>

## 8. Renovation Business

Ratio of renovation business

Unit: Y bn

	Mar-13 results	Mar-14 results	Y/Y	Mar-15 results	Y/Y
Sales from renovation business	327.4	376.7	15.1%	382.0	1.4%
Ratio of renovation business*	26.6%	28.2%	+1.6P	29.8%	+1.6P

\*Ratio of sales of products used for renovation against total domestic sales (including subsidiaries)

Sales of renovation products

Unit: Y bn

	Mar-13 results	Mar-14 results	Y/Y	Mar-15 results	Y/Y	Mar-16 forecasts	Y/Y
Group total	247.9	282.6	14.0%	279.6	-1.1%	290.0	3.7%
Renovation ratio	29.2%	31.0%	+1.8P	32.3%	+1.3P	31.8%	-0.5P

Renovation network

(Number of member homebuilders)

Voluntary type	Mar-13 results	Mar-14 results	Mar-15 results
LIXIL Reform Net	9,356	10,203	11,708

Franchise type	Mar-13 results	Mar-14 results	Mar-15 results
LIXIL Reform Chain	377	375	424

"LIXIL Reform Shop" since April 2014

## 9. Overseas Production Ratio and Sales

### Overseas production ratio

Products	Locations	Overseas production ratio	
		Mar-14 results	Mar-15 results
Aluminum housing sashes	Thailand	26%	27%
Interior wooden furnishing materials	China	46%	43%
Sanitary ware	China, Vietnam	42%	43%
Water faucets	China, Vietnam	12%	14%
Floor tiles	China, Vietnam	53%	53%

### Sales overseas

Units: Y bn

Areas	Mar-14 results			Mar-15 results				
	Sales	Sales excluding Permasteelisa	Sales of Permasteelisa	Sales	Y/Y	Sales excluding Permasteelisa	Y/Y	Sales of Permasteelisa
Greater China	76.4	50.1	26.3	84.5	10.6%	52.9	5.7%	31.6
Thailand	12.8	11.6	1.2	15.8	23.2%	13.9	19.3%	1.9
Vietnam	9.6	9.1	0.5	10.0	3.4%	9.9	8.6%	0.1
Korea	6.7	6.7	0.1	10.2	51.2%	10.0	50.7%	0.1
Other Asian countries	16.7	6.7	10.0	18.2	9.4%	8.4	24.6%	9.9
Middle East	46.9	0.0	46.9	24.9	-47.0%	0.0	-73.4%	24.9
North America	63.9	29.6	34.3	156.8	145.3%	97.1	-	59.8
Europe	48.6	0.5	48.1	57.7	18.7%	0.4	-23.3%	57.3
Others	12.2	2.5	9.6	15.4	26.7%	5.0	95.1%	10.5
Total	293.9	117.0	176.9	393.4	33.9%	197.6	68.9%	195.9

(For reference)

### Overseas sales ratio

Units: Y bn

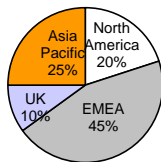
	Mar-11 results	Mar-12 results	Mar-13 results	Mar-14 results	Mar-15 results
Overseas sales	40.0	53.9	205.1	293.9	393.4
Overseas sales ratio	3.3%	4.2%	14.3%	18.0%	23.5%

## 10. Permasteelisa

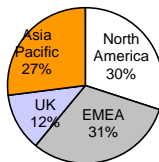
Full-year= January to December (until FY14)  
April to March (since FY15)

Regional sales contribution

FY2013

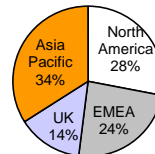


FY2014

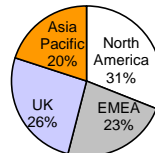


New orders by region

FY2013



FY2014



Business performance of Permasteelisa

Units: Y bn

	Dec-13 results (JGAAP) from Jan to Dec	Dec-14 results (JGAAP) from Jan to Dec	Y/Y	Mar-16 forecasts (IFRS) from Apr to Mar
Sales	180.4	198.2	10%	206.7
Permasteelisa CE	4.1	6.0	46%	9.6
%	2.3%	3.0%	0.8P	5%
Amortization of Goodwill and intangible assets	5.8	5.7	-2%	2.2
CE *	-1.7	0.3	-	7.4
Exchange rate Yen/Euro	129.3	140.7	-	130.0

\* include impact of consolidation

Goodwill

Unit: million euros

	Mar-14 results End balance	Mar-15 results Amortization	End balance	Amortization period
Goodwill	216	24	192	11 years
Other intangible assets	204	17	187	4 to 20 years
Total	419	41	379	

Orders received

Unit: million euros

	Dec-13 results	Dec-14 results
New	1,469	1,400
Backlog	1,877	2,051

## 11. ASB

Full-year= January to December (until FY13)  
April to March (since FY14)

Business performance of ASB (in Yen, consolidated period)

Units: Y bn

	Mar-15 results	Mar-16 forecasts
Sales	99.9	117.7
CE	2.4	3.0
%	2%	3%
Amortization of Goodwill and intangible assets*	1.5	0.6
CE*	0.9	2.4
Exchange rate Yen/USD	110.0	120.0

\* Includes impact of consolidation

Business performance of ASB (in USD)

Units: million dollars

	Dec-13 results	Mar-15 results	Y/Y
Sales	875	908	4%
CE	36	18	-51%
%	4%	2%	-2P
Total Assets	805	830	3%
Interest bearing debt	259	297	15%
Net Assets	301	266	-12%

Goodwill and other intangible assets Unit: million dollars

	Mar-15 results Amortization	End Balance	Amortization period
Goodwill	8	150	20 years
Other intangible assets*	6	123	5 to 30 years
Total	13	273	

\*Includes only intangible assets that are required to be amortized.

## 12. Asia Business

Full-year= January to December

Consolidated Asia Segment (in Yen)

Unit: Y bn

	2013 results	2014 results	Y/Y	
			Increase/ decrease	%
Net sales to outside customers	62.5	75.1	12.6	20%
Inter-segment sales of products	32.2	33.3	1.1	3%
<b>Net Sales</b>	<b>94.6</b>	<b>108.4</b>	<b>13.7</b>	<b>15%</b>
<b>Core earnings</b>	<b>1.9</b>	<b>3.8</b>	<b>1.9</b>	<b>98%</b>
Core earnings (%) *	3%	5%	-	+2P

\*Core earnings margin of net sales to outside customers

## 13. GROHE

Full-year= January to December (until FY14)

### Balance sheet

Unit: million euros

	Dec- 2013	Dec- 2014
Cash and cash equivalents	99	150
Accounts receivable	138	190
Inventories	136	183
Other current assets	26	35
<b>Current assets</b>	<b>399</b>	<b>558</b>
Property, plant and equipment	166	196
Intangible fixed assets	1,391	1,440
Other non-current assets	24	255
<b>Non-current assets</b>	<b>1,581</b>	<b>1,892</b>
<b>Total assets</b>	<b>1,980</b>	<b>2,450</b>

Unit: million euros

	Dec- 2013	Dec- 2014
Notes and accounts payable	101	125
Short-term loans payable	1,153	81
Other current liabilities	219	269
<b>Current liabilities</b>	<b>1,473</b>	<b>475</b>
Long-term loans payable	3	1,062
Other liabilities	526	599
<b>Non-current liabilities</b>	<b>529</b>	<b>1,661</b>
<b>Total liabilities</b>	<b>2,202</b>	<b>2,136</b>
<b>Total equity</b>	<b>0</b>	<b>0</b>

### Profit and loss statement

Unit: million euros

	Dec- 2013	Dec- 2014	Mar- 2016 forecast
<b>Net Sales</b>	<b>1,120</b>	<b>1,215</b>	<b>1,447</b>
<b>Adjusted EBITDA</b>	<b>224</b>	<b>234</b>	<b>262</b>
<b>Core earnings</b>	<b>182</b>	<b>184</b>	<b>212</b>
Net income before income tax and minority interests	44	105	151
<b>Net profit (loss)</b>	<b>-106</b>	<b>63</b>	<b>112</b>

## 14. Scope of Consolidation of Subsidiaries and Equity Method Affiliates (JGAAP)

	14/03	+	-	14/06	+	-	14/9	+	-	14/12	+	-	15/03
Consolidated subsidiaries	129	1	4	126	2	0	128	0	2	126	0	3	123
Equity method affiliates	5	0	1	4	0	1	3	1	0	4	1	0	5

\* Impact to sales and profit due to new consolidation

Y66.4bn in sales, -Y1.1bn in CE, -Y1.0bn in RP, -Y1.1bn in net income

## 15. Goodwill

### Amortization of negative goodwill

Unit: Y bn

	Mar-14 results		Mar-15 results		Mar-16 forecasts
	Amortization	Balance	Amortization	Balance	Amortization*
American Standard AP	0.1	0.1	0.1	-	-
Others	-	-	0.1	-	-
Total	0.1	0.1	0.1	-	-
Non-operating income	0.1		0.1		-
Extraordinary income	-		-		-

\*JGAAP

### Amortization of goodwill (Amortization of other intangible assets is excluded)

Unit: Y bn

	Mar-14 results		Mar-15 results		Mar-15 forecasts
	Amortization	Balance	Amortization	Balance	Amortization*3
American Standard AP	0.5	0.2	0.2	-	-
AMTRONIC*1	0.3	-	-	-	-
Kawashima Selkon Textiles	0.6	1.3	0.6	0.7	0.6
LIXIL Haier Housing Products	0.7	2.2	0.7	1.7	0.7
Hivic	0.3	0.7	0.3	0.4	0.3
Permasteelisa	3.1	31.3	3.4	28.1	3.0
ASB	0.7	*2 42.2	0.9	18.0	0.9
Star Alubuild	0.0	0.4	0.4	0.0	0.4
GROHE	-	-	-	-	*3 6.9
Other	0.7	1.6	0.4	0.5	0.1
Total	6.8	80.0	6.8	49.5	12.9
SG&A	6.6		6.5		12.9
Extraordinary loss	0.2		0.4		-

\*1 This company is a holding company of Shanghai Meite.

\*2 Preliminary estimate

\*3 Preliminary estimate as we are recalculating at this moment.

## 16. Recent M&As / Business & Capital Alliances

### M&As of overseas companies

Unit: Y bn

Timing	Company name	Target	Sales		Purchasing amount	Ownership ratio	Total amount of goodwill	Effect
			Time of acquisition	FY Dec-14 result				
Jul 2009 (partly Nov 2009)	American Standard Asia Pacific (Group)	Sanitary ware (Asia)	23.5	-	17.6	100%	Net goodwill 2.1/ Intellectual property 3.5	>Gain business platform in Asia >Rebuild Asian base
Jan 2011	Shanghai Meite Curtain Wall Co., Ltd.	Building sashes (China)	12.0	21.9	3.2	75%	0.5	>Expand building sashes in China
Dec 2011	Permasteelisa	Building sashes (Global)	116.0	198.2	60.8	100%	Goodwill 34.3 Other intangible assets 35	>Globally expand building sashes
Aug 2013	ASD Americas Holding (ASB)	Plumbing products (North America)	82.0	99.9	30.5	100%	Goodwill 14.7 Other intangible assets 21.7	>Establish North American platform
Oct 2013	Star Alubuild	Building sashes (India)	1.7	0.6	0.7	70%	0.4	>Business development in India
Jan 2014 (Additionally Apr 2015)	GROHE Group S.à r.l.	Plumbing fixtures, especially faucets (Europe, Global)	144.8	170.9 *1	80.1	44%→56%	- *2	>Establish European platform
Oct 2014	GROHE DAWN WaterTech Holdings	faucets, sanitary ware (Africa)	12.9	15.1 *3	8.6	51%	Goodwill 1.2 Other intangible assets 7.8	>Gain access to Sub-Saharan market

\*1 GROHE is an equity method company until FY ended Mar-15, but on this chart, sales for FY ended Dec-14 (full-year) is shown for informal purpose

\*2 Expected to be determined in Q1 ending Mar-16.

\*3 Estimate

### M&As of Japanese companies

Unit: Y bn

Timing	Company name	Target	Sales		Purchasing amount	Ownership ratio	Total amount of goodwill	Effect
			Time of acquisition	FY Mar-14 result				
Apr 2010	Shin Nikkei Company Ltd.	Housing/building sashes	110.0	Integrated into LIXIL in April 2011	0.0	100%	5.4	>Exceed 50% share in housing sashes >Cost reduction
Apr 2010 (partly Jun 2009)	Sun Wave Corporation	Kitchen	85.0		13.7	80%→FY13 100%	-6.1	>Become a leader in the kitchen segment >Cost reduction
Aug 2011 (partly Dec 2010)	Kawashima Selkon Textiles Co., Ltd.	Interior fabric such as curtains	34.3 *	30.4	Y2.2bn (Dec 2010) Share exchange rate 1:0.035 (Aug 2011)	100%	1.7	>Create synergy with sales of existing window business >Utilize Kawashima brand
Oct 2011	HIVIC Co., Ltd.	Wood related products	24.4	19.7	Share exchange rate 1:0.094	100%	1.4	>Strengthen wood related products and services

\* Excludes interior fabric business for vehicle which the company separated business

### Business & Capital Alliances with Japanese companies

Unit: Y bn

Timing	Company name	Target	Purchasing amount	Ownership ratio	Effect
Dec 2010	Leopalace 21	Major lease management, renovation, and other	1.8	9%→FY13 5%	>Expand sales for Leopalace
Sept 2013	EDION	Renovation business in the home electrical appliance industry	5.0	8%	>Expand sales for EDION
Oct 2013	Sharp	New product development by integrating building & electrical materials	5.0	1%	>Expand sales, development of new products

## 17. Major differences of accounting process between IFRS and JGAAP

	JGAAP	IFRS	Mar-15 Core earnings impact
Scope of consolidation	Materiality (such as future prospects) standard in assets, sales, profit and surplus.	In principle, all subsidiaries and associates are consolidated.	Subsidiaries' FS (not included in J-GAAP consolidation). -Y0.2bn
Fiscal year-end	Three month-gap can be accepted at the maximum.	The same fiscal year-end as the LIXIL. (FY ends in March)	The three month period (Jan to Mar) of the subsidiaries, whose FY ends in Dec, is recorded to FS of the previous FY. -Y0.4bn
Depreciation method	The declining-balance method. (Mainly in Japan)	The straight-line method.	New facilities: depreciation expenses tend to decrease. Elapsed facilities: depreciation expenses tend to increase. +Y1.7bn
Goodwill amortization	Goodwill is amortized within 20 years.	Goodwill is not amortized, but impairment test needs to be conducted once every fiscal year.	Goodwill amortization is not recognized in PL. +Y6.5bn
Construction contracts	The completed-contract method or percentage-of-completion method.	Cost recovery method or percentage-of-completion method.	Revenue are recognized by the timing of progress. -
Defined benefit liabilities	Actuarial gains/losses are recognized in PL.	Actuarial gains/losses are recognized in OCI.	Actuarial gains/losses don't make impact on PL. -Y4.3bn
Unused paid absences	Not required to recognize.	Required to recognize liabilities by estimation.	The amount of movement from the previous FY to the current FY makes impact on PL. -Y1.3bn

## 18. IFRS/ JGAAP profit level (Figures are of March 2015)

There is a change in profit level structure of PL in IFRS base.

The conventional "Operating profit" in JGAAP will be continued to be managed as "Core earnings" after adopting IFRS.

Unit: Ybn

JGAAP	IFRS	Corresponding amount
Net Sales 1,673.4	Revenue 1,709.5	
Cost of sales	Cost of sales	
Gross profit 447.3	Gross Profit 455.2	
SG&A	SG&A	
+	+	
Operating income 51.7	Core earnings 53.4	7.0 -4.6 Rental income, Cost of rent, Other non-operating income/expense
Non-operating expenses/ income 6.2	Other income/ expenses 2.4	2.4 Other extraordinary income/ losses
Ordinary income 57.9	Operating income	
Extraordinary income/ losses	Finance cost/income	1.1 3.4 Dividend income, Interest income, Interest expense, FX Gain/loss, Gain/loss on sale of financial assets, etc.
Income before income taxes and minority interests 53.0	Profit/loss for the equity method	-6.0 13.5 11.2
Income taxes etc.	Net profit before tax	
Net income (losses) 22.0	Income taxes etc.	
	Net income (losses)	

Operating income (JGAAP)=Core

Extraordinary and non-operating items (except for finance cost/income) under J-GAAP will be included in "Other income/expenses" under IFRS