

1H Results for the Fiscal Year Ending March 31, 2016 (From April 1, 2015 to September 30, 2015)

November 2, 2015 | Tokyo, Japan
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.

*IFRS based results for the 1H of the fiscal year ending March 31, 2016 are preliminary figures which are subject to change

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FYE2016 1H Results Summary

Upward Revision of 1H Sales / Core Earning⁽¹⁾ Reaching Record High

- ✓ Increase in Sales⁽²⁾ (+10%) and Core Earnings⁽²⁾ (2.4x)
- ✓ Core earnings surpassed revised forecast by JPY12.0bn (Surpassed initial forecast by JPY22.5bn)
 - ✓ Japan sales driven by renovation sales (+10%, water related business +13%)
 - ✓ Improvement in product mix, progress of reduction of indirect costs
 - ✓ Actuarial gains from retirement benefits of GROHE resulting in one time impact of +JPY10.9bn
- ✓ Partial recovery (JPY4.9bn) of loss on investment (Joyou)
- ✓ Delayed charging of deferred tax benefit from recovery of loss on investment to 2H (expected), due to possibility of additional recovery
- ✓ Revised up the full-year forecast based on the above



LIXIL Water Technology (LWT)



LIXIL Housing Technology (LHT)



LIXIL Building Technology (LBT)



LIXIL Kitchen Technology (LKT)



Distribution and Retail Business (D&R)

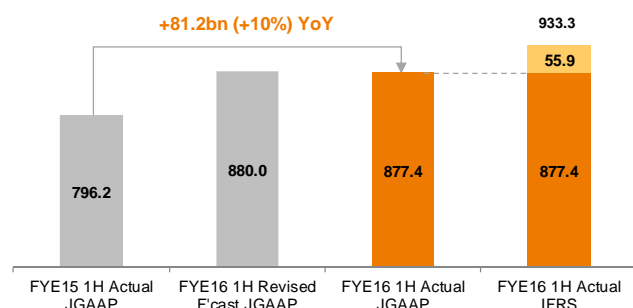


Housing Services Business (H&S)

FYE2016 1H Sales and CE Highlights

Sales

JPYbn

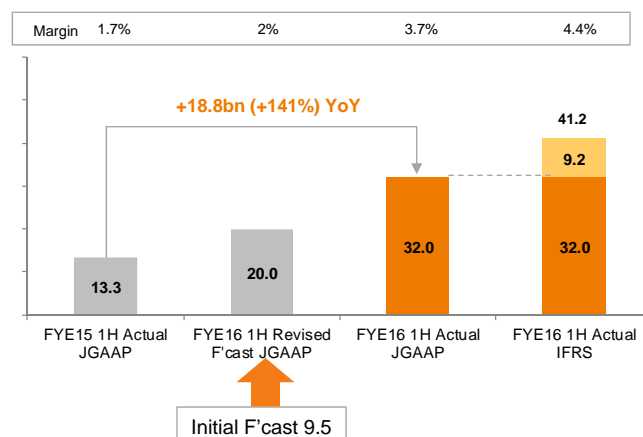


1H Highlights(JGAAP)

- 1H sales increase mainly driven by strong overseas sales of LWT and LBT
 - Sales impact from GROHE consolidation JPY45.1bn
 - Existing sales increase +JPY36.1bn(+5%)

Core Earnings (CE)

JPYbn



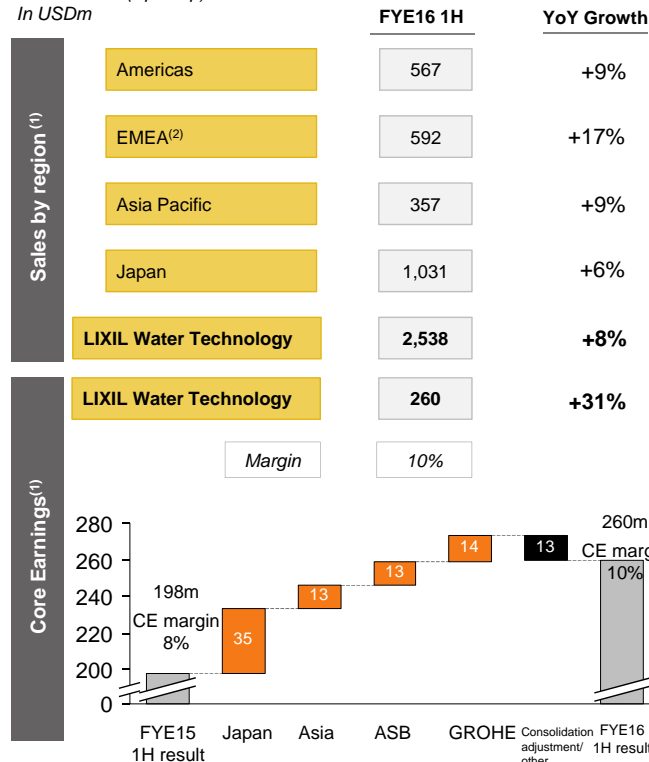
- Good momentum across most businesses resulting in 1H CE increase surpassing forecast
 - CE impact from GROHE consolidation +JPY10.1bn (GROHE +JPY17.1bn, goodwill -JPY2.0bn, PPA -JPY5.1bn)
 - Existing CE increase +JPY8.7bn(+65%)

Financial / Operational Review by Tech-business

- Management accountability
- Consistent financial year end reporting based on IFRS
- Constant currency

Strong Performance in LWT's 1st Half Year of Existence with 8% Increase in **LIXIL** Sales and 31% Increase in CE for FYE2016 1H

FYE2016 1H (Apr-Sep)
In USDm



(1) Sales by region based on geography and core earnings based on entities
(2) GROHE DAWN WaterTech (Sub-Saharan Africa) not included in FYE15 1H
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AMERICAS

- Strong sales growth from new and existing customers driven by new products
- New team in place
- Improvement in profit due to supply chain savings, higher margin products and improved pricing

EMEA

- Strong growth above market and competitors' growth rates
- Central and North Western Europe performing strongly, in particular excellent performance in MEA; Southern Europe remains challenging
- Sales growth rate of 5% excluding GROHE DAWN WaterTech

ASIA PACIFIC

- Sales increase of 7% in China mainly driven by American Standard products
- Continued growth centered in Vietnam, Thailand, and Korea

JAPAN

- Increase in sales led by LWT renovation sales of +12%
- Margin improvement due to higher profitability of renovation business and improved mix/pricing

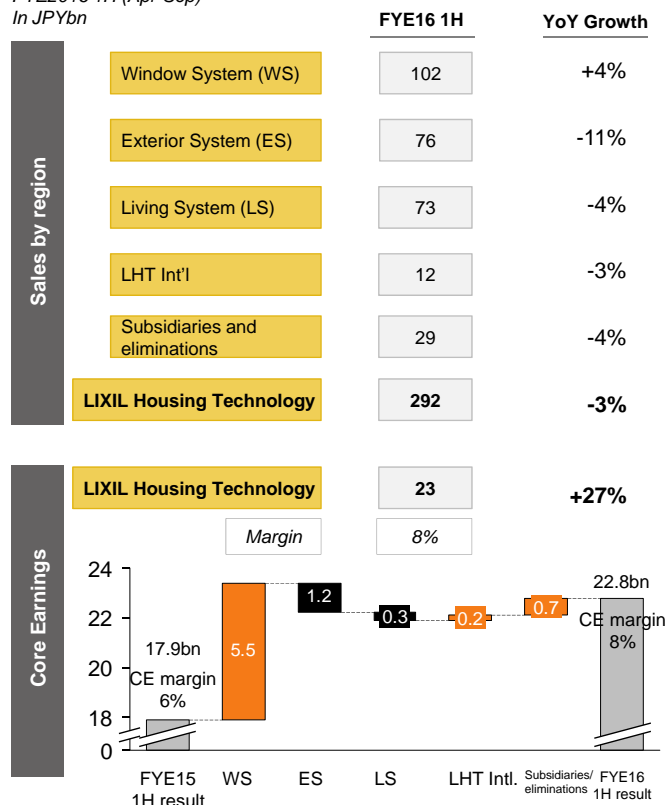
System bathroom "SPAGE" enjoy brisk sales



4

LHT Demonstrates Resilient Growth in CE of 27% Despite Lower Sales of 3% for FYE2016 1H

FYE2016 1H (Apr-Sep)
In JPYbn



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WINDOW SYSTEM

- Solid sales continuing from Q1 with tailwind of eco-points
- Significant manufacturing cost savings and higher margin mix leading to 2ppt improvement in gross margin despite impact from weak yen

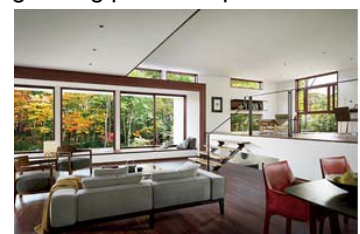
EXTERIOR SYSTEM

- Decrease in sales and profit from lower demand in new homes and reversal of special demand following snow damage in the previous year
- Increase in CE margin due to tight cost control

LIVING SYSTEM

- Lower demand in new homes impacted decrease in sales but maintained profit
- Wooden products division performed strongly while cladding systems division was facing strong price competition

High quality hybrid window "SAMOS X" won the Year 2015 Good Design Award

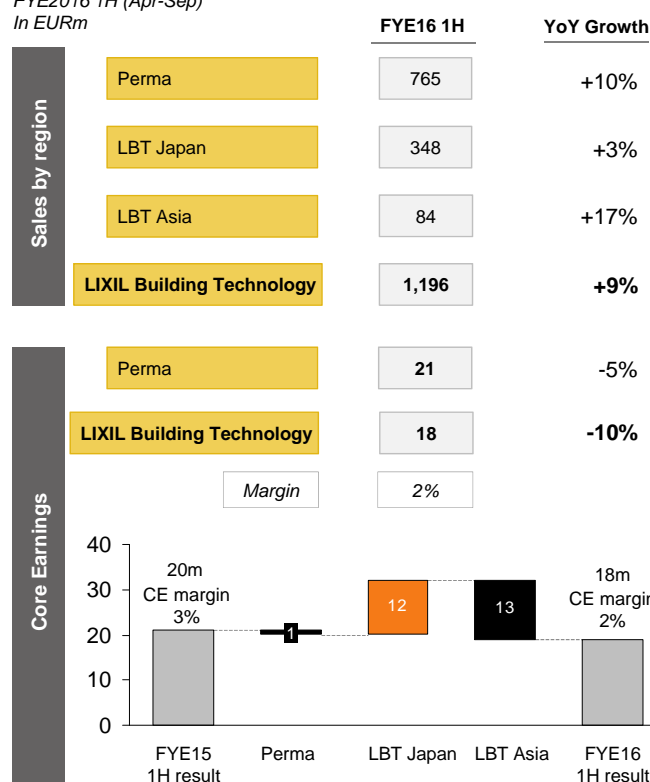


5

Overseas Business Driving LBT Sales Growth of 9% for FYE2016 1H and CE Impacted by Project Cycle and China Business



FYE2016 1H (Apr-Sep)
In EURm



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PERMASTEELISA

- Sales growth driven by North America and the UK
- Profit improvement to be realized upon further progress of newly acquired higher margin projects

LBT JAPAN

- Demand recovery centered in city areas
- Turned profitable in 1H

LBT ASIA

- Sales driven by LIXIL HK
- Impacted by CE losses (EUR10m) for Shanghai Meite



International Commerce Centre
Hong Kong



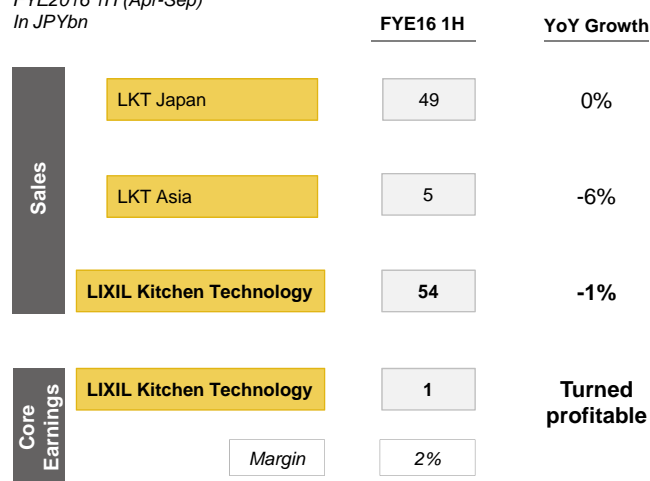
Hearst Tower
New York

6

LKT Domestic Business Continues Recovery with CE Improvement of +JPY3.4bn for FYE2016 1H although LKT Asia Faced Slowdown in China



FYE2016 1H (Apr-Sep)
In JPYbn



LKT JAPAN

- Sales +1% excluding impact from disposal of Sunwave Kitchen Techno (FYE2015) JPY0.6bn
- CE turned profitable (+JPY3.4bn) with recovery from snow damage last year

LKT ASIA

- Sales decreased due to weak demand in regional cities in China
- CE decreased -JPY0.3bn



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7

Solid FYE2016 1H Performance of D&R and H&S in Particular on CE Basis with D&R +7% and H&S +9% Respectively



FYE2016 1H (Apr-Sep)
In JPYbn

		FYE16 1H	YoY Growth
D&R *	Sales	86	+3%
	Core Earnings	6	+7%
	Margin	7%	
* Excluding Ken Depot Business			
H&S	Sales	31	+2%
	Core Earnings	2	+9%
	Margin	7%	

D&R

- Increased sales for 11 consecutive years and achieved record high profit
- Profit improvement driven by SCM improvement and reduction of indirect costs, despite cost increase from weak yen
- Carved out Ken Depot business on October 1, 2015 (Refer to p.12)

H&S

- Number of contracts received for housing franchise businesses +2% YoY
- Increase in profit by transition of service businesses for new homes to renovation



Super VIVA Home store in Saitama Shintoshin



Major product of Eyeful Home "Cesibo"

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8



Progress Toward Management Accountabilities for FYE16 1H

Businesses	Managed Currency	Core Earnings							
		Sales	YoY	vs. Plan	Amount	Margin	YoY	vs. Plan	
LWT	\$M	\$2,538	8%	3%	\$260	10%	31%	25%	
LHT	Ybn	292	-3%	-1%	23	8%	27%	66%	
LBT	€M	€1,196	9%	-6%	€18	2%	-10%	-55%	
LKT	Ybn	54	-1%	-6%	1	2%	Turned profitable	45%	
D&R	Ybn	86	3%	0%	6	7%	7%	0%	
H&S	Ybn	31	2%	5%	2	7%	9%	48%	
HQ and Cons. Adj.	Ybn	4	-	-	-15	-	-	-	
Management Basis ⁽¹⁾	Ybn	951	5%	0%	50	5%	47%	49%	
Impact from Currency Translation & PPA ⁽²⁾	Ybn	-18	-	-	-9	-	-	-	
Statutory Basis (IFRS)	Ybn	933	-	-1%	41	4%	-	21%	
Forecasts (IFRS) ⁽³⁾	Ybn	940			34	4%			
Increase/decrease		-7			7	+1			

(1) Transaction rate \$1=125yen, €1=140yen

(2) Purchase price allocation (Translation rate 1\$=121.5yen, 1€=134.6yen)

(3) Translation rate 1\$=120yen, 1€=130yen

Key Takeaways

- Management basis : Sales achievement varies vs. plan but in line with overall forecast
CE of LHT and LWT largely exceeded plan and steady progress overall; LBT profitability behind plan
- Statutory basis (IFRS): No large fluctuation of forex and steady progress, exceeding plan by +21%

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9

Revised Up +20% CE of FYE16 Full Year Forecast Compared to Flat CE Growth Assumption End of Previous Year



In JPYbn

Sales

1,673bn

880bn

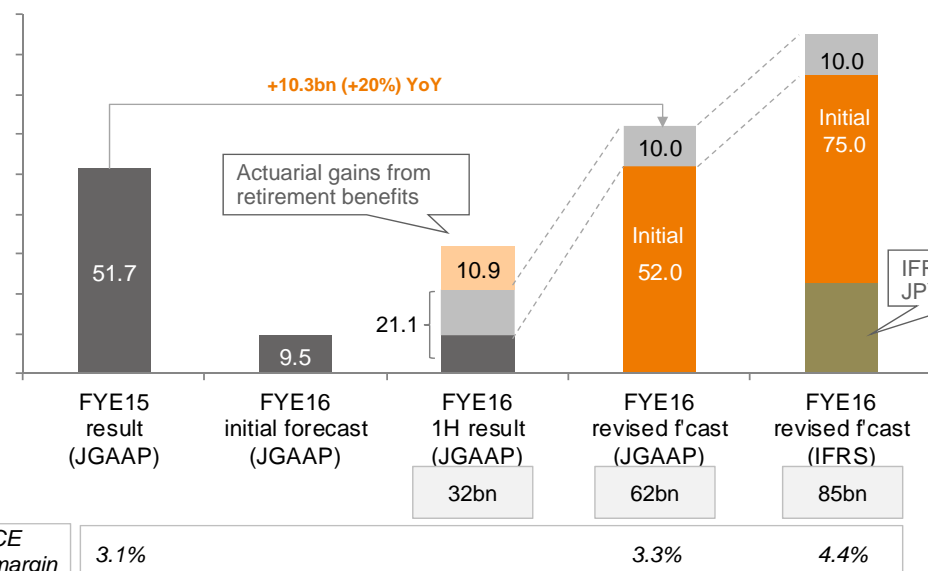
877bn

1,855bn

1,910bn

Core Earnings

JPYbn



- Excluded Ken Depot (carved out) 2H sales of JPY15bn
- Excluded actuarial gains of JPY10.9bn which has risk of interest rate fluctuation
- From JPY11.6bn, which exceeded the initial 1H forecast from core business results, only JPY10.0bn has been added to CE full year forecast

	Initial forecast	After revision
FYE16 CE margin YoY	2.8% -0.3p	3.3% +0.2p

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10

Continued Strengthening Efficiency of Asset Allocation and Capital Discipline



Net Debt Position

	(A) Mar-15 After cons. of GROHE	(B) Sep-15	(B)-(A)
JPYbn			
Cash and Equivalents	244.8	145.3	-99.5
Interest-bearing Debt	820.3	734.5	-85.8
Net Interest-bearing Debt	575.5	589.2	13.8
Total Assets	2,253.7	2,155.1	-98.6
Equity Ratio(%)	26.3	26.3	0.0

Working Capital & Capex

	(A) Sep-14 CF	(B) Sep-15 CF	(B)-(A)
JPYbn			
Net Working Capital	15.6	15.0	-0.6
Depreciation	23.6	27.7	4.0
Capex	-28.0	-29.5	-1.5
Other	4.9	60.3	55.4
Free Cash Flow	16.2	73.6	57.4

- Total assets decreased by JPY98.6bn
- Net D/E ratio 104% (beginning of the year 97%)

- Working capital improved to the same level with previous year in spite of sales growth
- FCF improved despite payment of guarantees with respect to the liabilities of Joyou JPY28.1bn(net)

No Change in Shareholder Return Policy

Dividend of 30 yen for 1H, expecting 60 yen for full year

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11

“Ken Depot Corporation” Established

Carved out Ken Depot business on October 1st, 2015, formerly operated by LIXIL Corporation

Objective

Removed from any operating constraints presented by the LIXIL framework; aiming for further growth to capture market potential in undeveloped market segment

- Appointed Mr. Tetsuo Komori, an experienced manager, as president
- The new company will be an equity method affiliated company

Corporate Name	Ken Depot Corporation
Representative	President Tetsuo Komori
Business	Operation of members only building materials store for professionals "Ken Depot Pro"
Paid in Capital	JPY100 million
Investment Ratio	(October 2015, based on voting rights) Unison Capital, Inc. 66% LIXIL Corporation 34%
Number of Stores	64 stores (October 2015)
Membership	600,000 members (August 2015)
Financial Results	Sales JPY30.8bn, CE -JPY1.3bn (FYE2015 Ken Depot Business)



Japan Renovation Market: Change in Environment

Housing Eco-point subsidies end

- On October 21st, the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) ceased accepting applications for housing Eco-point subsidies with the entire JPY90.5bn budget committed
- 54% of homes that applied for Eco-points used them for renovation purposes. In total home renovation accounted for 27% of the Eco-points subsidies budget

Review of the MLIT's Basic Act for Housing

Expected to be determined in a cabinet meeting in March 2016

Current plan (Information from the MLIT website)

Target 1: Establish high quality housing stock and pass on to the future generations

- Maintain and improve quality of existing housing stock
- Utilize existing housing stock
- Removal of low quality houses
- Provide good quality houses

Target 2: Provide various housing stock matching the needs of different lifestyle or life stage

Target 3: Stable supply of houses for people that need special assistance when seeking a house

Target 4: Value increase in the area and formation of a prosperous community with creation of favorable living environment

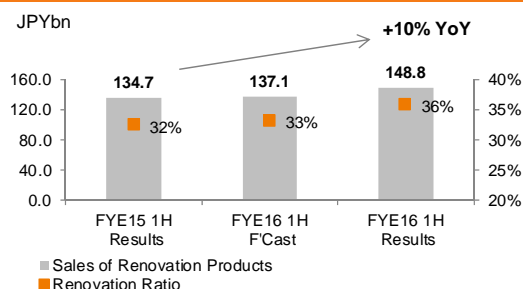


For LIXIL, this means expected increase in demand for renovation business

Renovation Strategy in Japan: Continued Upward Progress

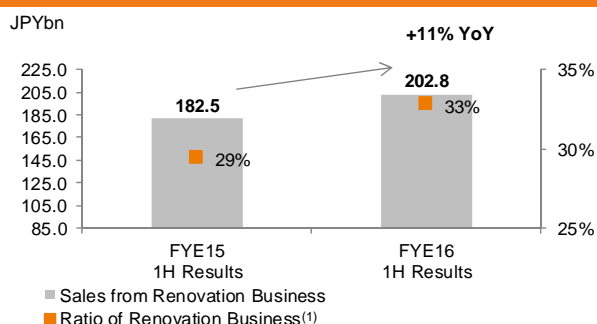
Sales of Renovation Products (LJC)

JPYbn	FYE14 Results	FYE15 Results	YoY	FYE16 1H Results	YoY
Sales of Renovation Products	282.6	279.6	-1%	148.8	10%
Renovation Ratio	31%	32%	+1P	36%	+3P

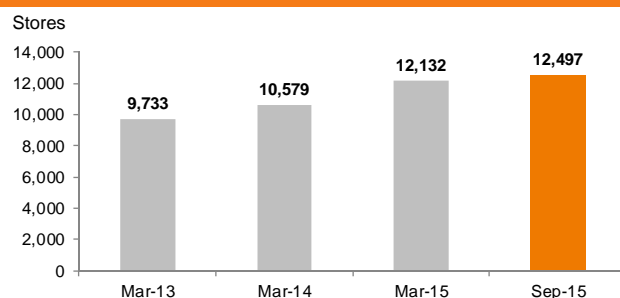


Renovation of plumbing fixtures incl. kitchen: +13.3% YoY

Stock Business Ratio⁽¹⁾ Assumption



Transition of LIXIL Reform Net⁽²⁾ Member Stores



(1) Ratio of sales of products used for renovation against total domestic sales (including subsidiaries)
 (2) Voluntary chain of home builders and renovation specialized builders

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14

New Flagship Showroom Targeted at Renovation Business Opening in Nagoya Next Spring

Plan to open LIXIL and Kawashima Selkon Textiles flagship showroom in April 2016, in the southern area of the Nagoya station (Chubu district)

Features

- Comprehensive showroom in which products related to living, such as building materials, housing equipment, and interior fabrics can all be seen together
- Provides consultancy services for product selection for renovation & new homes as well as offering event space for customers
- Newly established space for customers to relax which will allow us to engage in interactive communication



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15

Appendix

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A1. Results for FYE16 1H (JGAAP)

JPYbn	FYE15 1H Results	FYE16 1H Results	YoY Increase/Decrease	
			Amount	%
Net Sales	796.2	877.4	81.2	10%
Core Earnings⁽¹⁾	13.3	32.0	18.8	141%
Core Earnings Margin (%)	1.7%	3.7%	-	+2.0
Net Profit⁽²⁾	3.4	-22.9	-26.3	-
Net Profit before Goodwill				
Amortization	9.8	-16.9	-26.7	-
EPS before Goodwill				
Amortization	34	-59	-92	-
EBITDA⁽³⁾	40.4	64.8	24.4	60%
EBITDA Margin (%)	5.1%	7.4%	-	+2.3

(1) Conventional operating profit

(2) Net income attribute to owners of the parent

(3) JGAAP: Core earnings + Depreciation and amortization of goodwill

■ Major extraordinary items of FYE16 1H

Non-operating

- (i) Most of the foreign exchange gains and loss on valuation of derivatives are net transaction (shown as cross-trade)
- (ii) Investigation, preparation of lawsuit and insurance claim costs of Joyou issue accounted in non-operating expense

Extraordinary income/losses

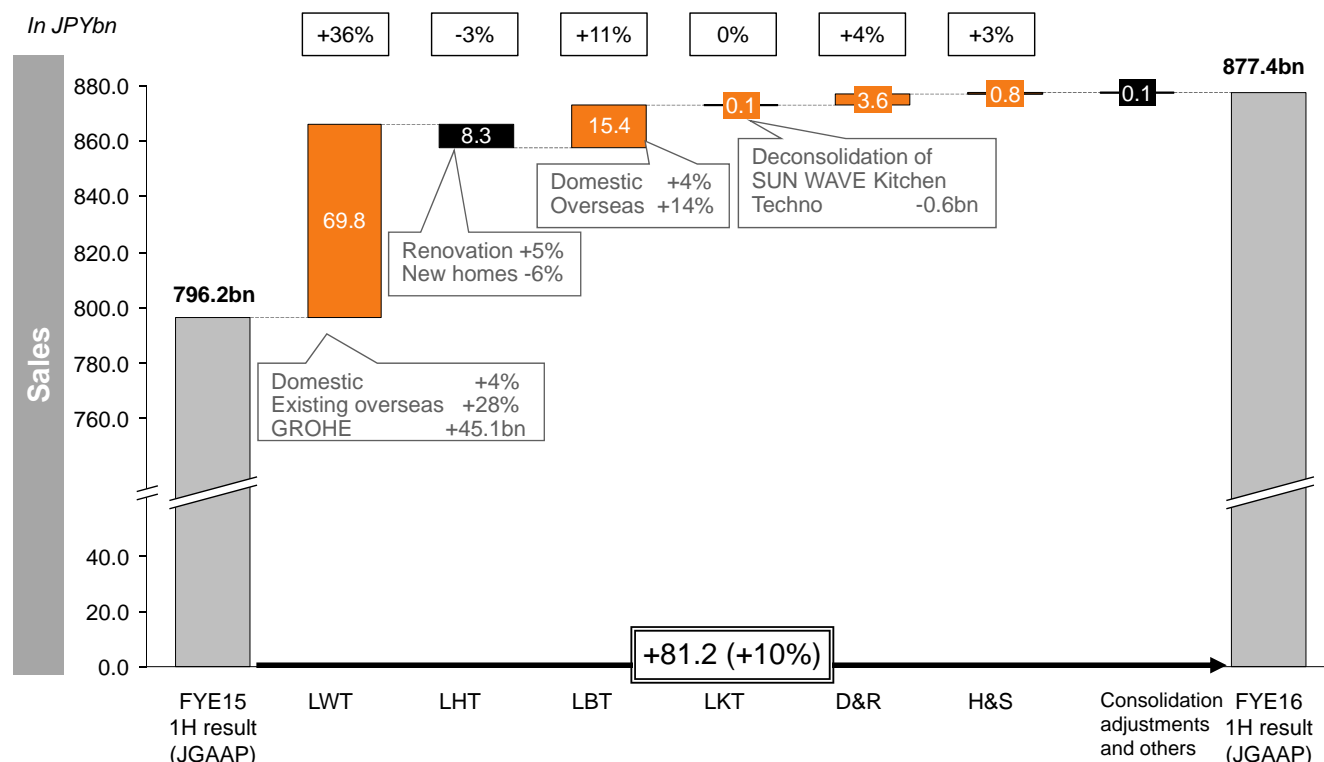
Refer to p20

Tax expenses

Tax effect of loss on investment to associates and other (Extraordinary loss JPY28.1bn) is expected to be booked in the 2H

A2. Increase / Decrease in Sales for 1H

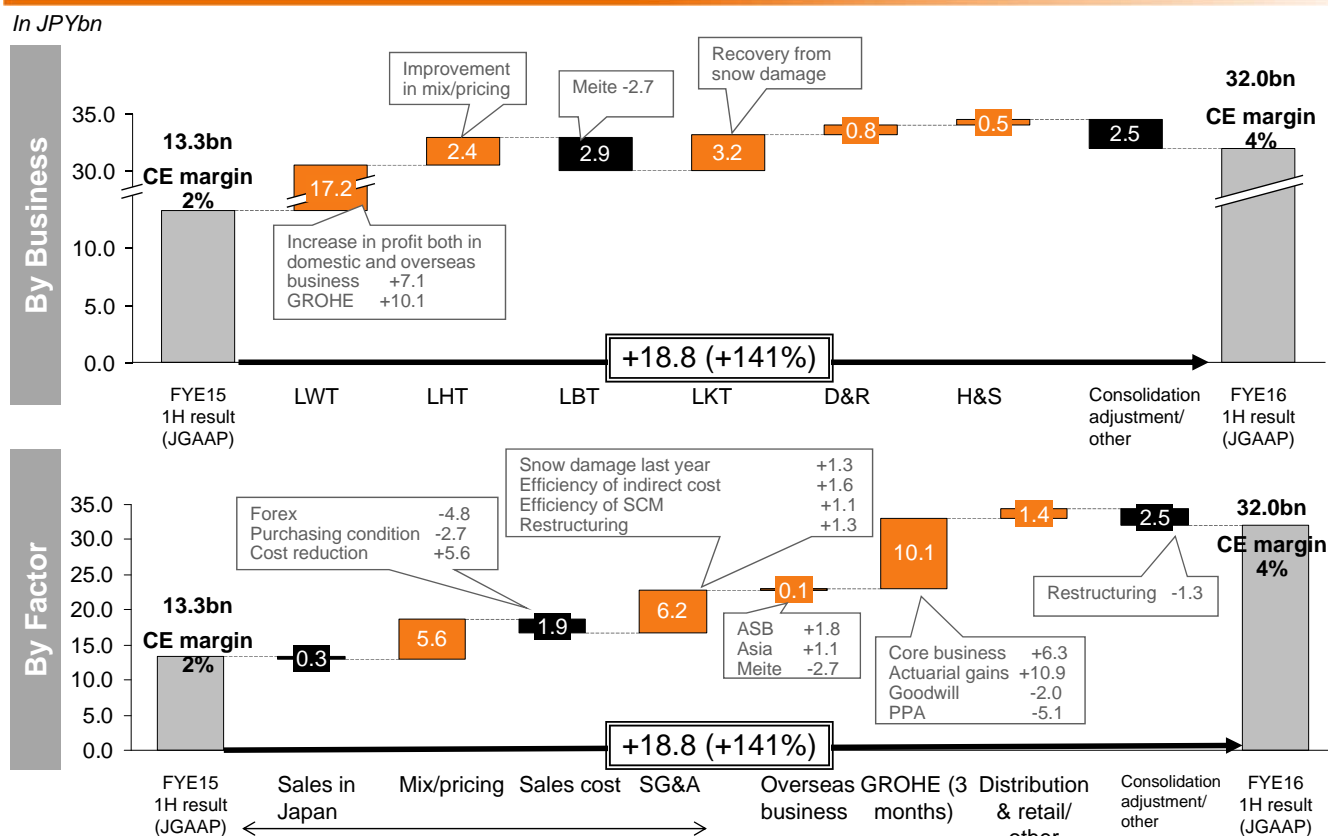
Stable Growth in Overseas Business, Recovery in Domestic Business



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18

A3. Increase / Decrease in CE for 1H



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19

A4. Extraordinary Items

Items	Mar-14 results	Mar-15 results	Increase/ decrease	Details	IFRS item
Gain on sales of investment securities	3.0	0.2	-2.8		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	0.2	0.7	+0.5		Other income
Extraordinary income	4.3	0.9	-3.4		-
Impairment loss	0.6	1.1	+0.5	Goodwill amortization of LKT for FYE16	Other cost
Loss on factory restructuring	1.4	1.4	-0.1	FYE15: China factory; FYE16: ASB, Perma, Japan	Other cost
Adjustment of goodwill amortization and other	0.5	-	-0.5	ASB	-
Loss on investment to associates and other	-	28.1	+28.1	Allowance for loss on guarantees with respect to the liabilities of Joyou	Loss on investment to associates and other
Loss on valuation of investment securities	-	2.6	+2.6		Finance costs
Loss on step acquisitions	-	6.3	+6.3	Consolidation of GROHE (Exchange rate: 141yen → 129yen)	Finance costs
Loss on sales and retirement of non-current assets and other	0.9	1.0	+0.0		Other cost
Extraordinary loss	3.4	40.4	+37.0		-

A5. Consolidated Financial Position (JGAAP)

JPYbn	Mar-15	GROHE Cons. Impact	Mar-15 Post Cons. of GROHE	Sep-15	Increase /Decrease
Cash and Deposits	257.3	-12.4	244.8	145.3	-99.5
Notes and Accounts Receivable	443.9	28.7	472.6	453.2	-19.4
Inventories	227.6	30.7	258.3	262.5	4.2
Tangible and Intangible Assets	649.5	398.2	1,047.7	1,060.9	13.2
Others	297.0	-66.8	230.2	233.2	3.0
Total Assets	1,875.2	378.4	2,253.7	2,155.1	-98.6
Notes and Accounts Payable	233.0	23.1	256.0	254.3	-1.8
Interest-Bearing Debt	676.0	144.3	820.3	734.5	-85.8
Others	352.6	142.2	494.8	507.8	13.0
Total Liabilities	1,261.6	309.6	1,571.2	1,496.6	-74.6
Treasury Stocks	-56.2	-	-56.2	-55.6	0.6
Others	669.9	68.8	738.7	714.1	-24.6
Net Assets	613.7	68.8	682.5	658.5	-24.0
<i>Equity Ratio (%)</i>	<i>32.1</i>		<i>26.3</i>	<i>26.3</i>	<i>0.0</i>
Net Assets per Share (Yen)	2,104.27		2,069.95	1,973.54	-96.41
Number of Shares (in thousands)	286,352		286,352	286,662	+310

A6. Cash Flow (JGAAP)

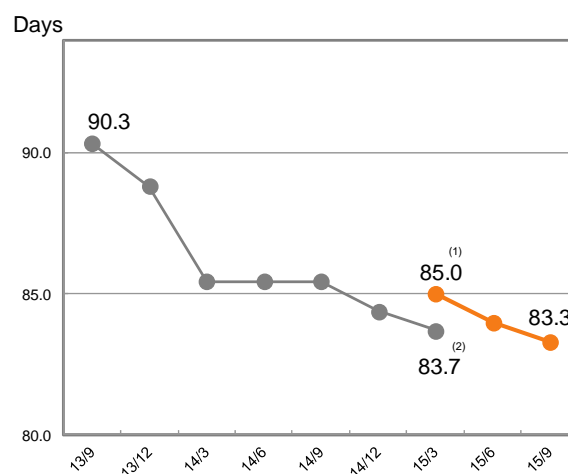
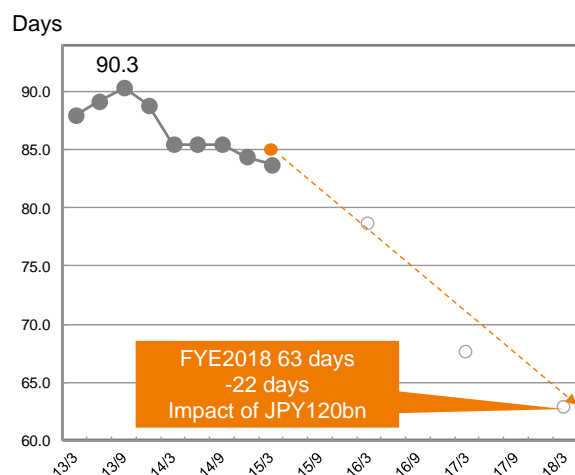
JPYbn	Sep-14 results	Sep-15 results	increase/ decrease	Mar-16 forecasts
Pre-tax income	13.6	-13.0	-26.5	
Depreciation	23.6	27.7	4.0	65.0
Income tax payments	-12.9	-12.2	0.7	
Working capital	15.6	15.0	-0.6	
Others	-0.3	8.8	9.1	
Cash flows from operating activities	39.7	26.4	-13.3	
Cash flows from investing activities	-23.5	47.2	70.7	
(of which purchase of property, plant and equipment and intangible	-28.0	-29.5	-1.5	-80.0
Free cash flows	16.2	73.6	57.4	
Cash flows from financing activities	-20.7	-100.4	-79.7	

A7. CCC (Operational Efficiency)

- Expand Cash Conversion Cycle “CCC” improvement activities from Japan focus to global operations for realizing further improvement

FYE2018 Target JPY120bn⁽¹⁾

- New benchmark and outlook through FYE2018
- Sep-15 Result



(1) Announced on September 2015 Mid term plan “Redefine the Future” (Including global initiatives)
(2) Result of improvement activities only in Japan

A8. FYE16 Full Year Forecast

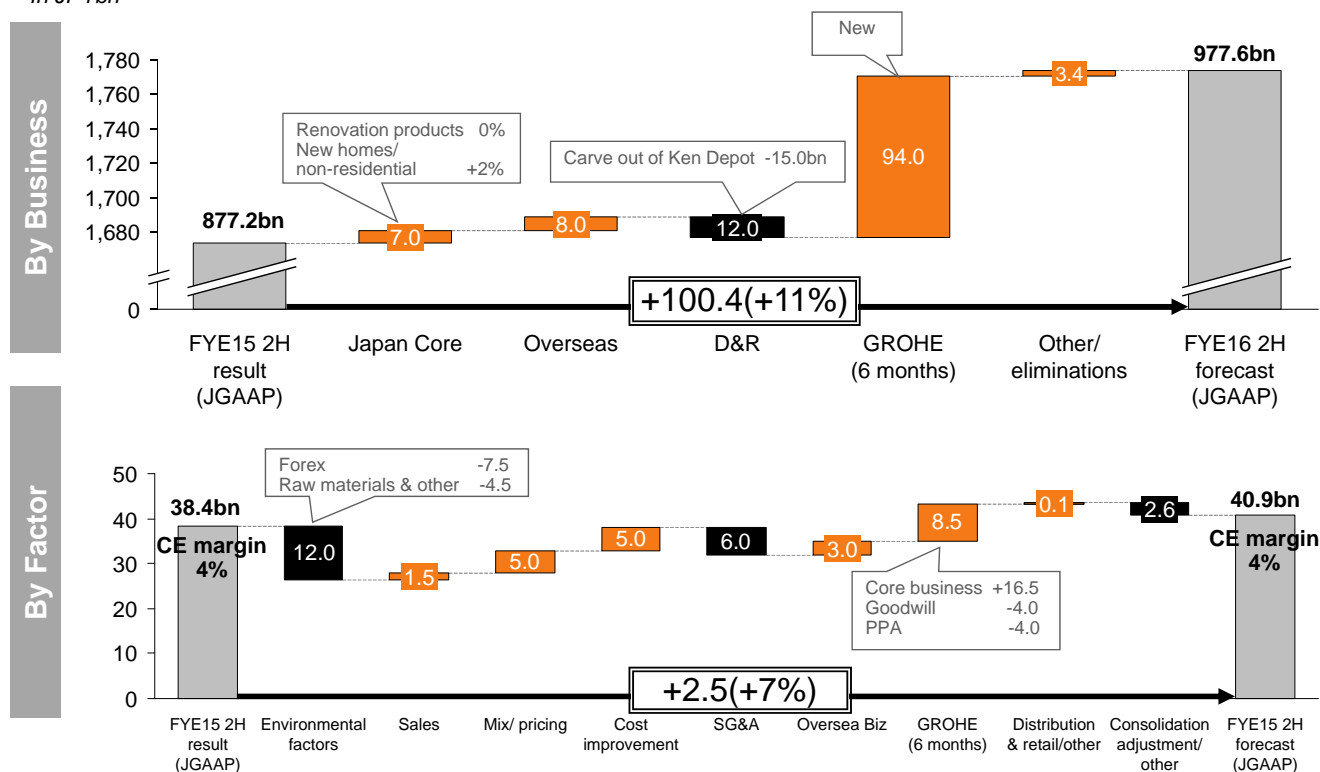
JPYbn	FYE15 results (JGAAP)	FYE16 (JGAAP)							FYE16 forecasts (IFRS)	IFRS vs JGAAP difference
		Core Business					Full year forecasts			
		1H	increase /decrease	2H forecasts	increase /decrease	Risk hedge for actuarial gains/losses				
Net Sales	1,673.4	877.4	81.2	977.6	100.4		1,855.0	181.6	1,910.0	55.0
Core Earnings ⁽¹⁾	51.7	32.0	18.8	40.9	2.5	-10.9	62.0	10.3	85.0	23.0
Core Earnings Margin (%)	3.1%	3.7%	-	4%	-		3%	-	4%	-
Net Profit ⁽²⁾	22.0	-22.9	-26.3	32.1	13.5	-4.2	5.0	-17.0	-	-
Net Profit before Goodwill Amortization	32.6	-16.9	-26.7	40.1	38.7	-4.2	19.0	-13.6	-	-
EPS before Goodwill Amortization	112	-59	-92	140	62	-15	66	-45	-	-
EBITDA ⁽³⁾	108.9	64.8	24.4	86.1	17.6	-10.9	140.0	31.1	150.0	10.0
EBITDA Margin (%)	6.5%	7.4%	-	-	-		8%	-	8%	

- (1) Conventional operating profit
(2) Net income attribute to owners of the parent
(3) JGAAP: Core earnings + Depreciation and amortization

A9. Increase/Decrease of Sales and CE of Core Business for the FYE 2016 2H

Reference (conventional basis)

In JPYbn





Link to Good Living

1H Results for the FY Ending March 2016 <Fact Sheets>

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

** "Net income (loss)" in this material is equivalent to "Profit (loss) attributable to owners of parent"

1.	Financial Results (new segmentation)	P.1
2.	Results for 1H and Forecasts for 2H & Full Year for FY Ending March 2016	P.2
3.	Quarterly Financial Results	P.3
4.	Segment Information (1) Technology Businesses (LWT, LHT, LBT, LKT)	P.4
5.	Segment Information (2) Distribution and Retail Business	P.5
6.	Segment Information (3) Housing Services Business	P.6
7.	Sales by Products and Services	P.7
8.	Renovation	P.8
9.	Overseas Production Ratio and Sales	P.9
10.	Permasteelisa	P.10
11.	ASB	P.10
12.	GROHE	P.11
13.	Scope of Consolidation	P.11
14.	Goodwill	P.12
15.	Recent M&As/Business & Capital Alliances	P.12
16.	Major differences of accounting process between IFRS and JGAAP	P.13
17.	IFRS/JGAAP profit level	P.13

November 2, 2015



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1. 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	407.9	75.2	22.6%	418.7	630.0	211.3	50.5%
	LIXIL Housing Tech	632.6	596.4	-36.2	-5.7%	616.0	600.0	-16.0	-2.6%
	LIXIL Building Tech	321.1	333.9	12.8	4.0%	348.2	355.0	6.8	1.9%
	LIXIL Kitchen Tech	118.0	113.7	-4.3	-3.6%	115.0	115.0	0.0	0.0%
	Tech Business Subtotal	1,404.3	1,451.9	47.5	3.4%	1,497.9	1,700.0	202.1	13.5%
	Distribution and Retail	195.0	198.8	3.8	2.0%	194.4	185.0	-9.4	-4.8%
	Housing Service	64.9	59.6	-5.3	-8.2%	62.3	65.0	2.7	4.4%
	Adjustments	-35.5	-36.8	-1.3	-	-45.1	-40.0	5.1	-
Net sales		1,628.7	1,673.4	44.7	2.7%	1,709.5	1,910.0	200.5	11.7%
Gross profit		447.8	447.3	-0.5	-0.1%	455.2	555.0	99.8	21.9%
	Gross margin	27.5%	26.7%	-	-0.8	26.6%	29.1%	-	+2.4
SG&A		378.8	395.6	16.9	4.5%	403.5	470.0	66.5	16.5%
	SG&A ratio	23.3%	23.6%	-	+0.4	23.6%	24.6%	-	+1.0
	LIXIL Water Tech	28.5	29.1	0.6	2.2%	26.0	53.0	27.0	103.5%
	LIXIL Housing Tech	50.4	36.4	-14.0	-27.7%	34.7	48.0	13.3	38.2%
	LIXIL Building Tech	6.5	9.3	2.7	42.0%	5.7	7.0	1.3	21.8%
	LIXIL Kitchen Tech	0.7	-1.0	-1.7	-243.4%	-1.5	2.0	3.5	-
	Tech Business Subtotal *	86.2	73.8	-12.4	-14.4%	65.0	110.0	45.0	69.2%
	Distribution and Retail	4.6	7.1	2.5	54.7%	6.5	7.5	1.0	15.1%
	Housing Service	6.1	4.2	-1.9	-31.6%	4.5	5.0	0.5	12.1%
	HQ expenses, amortization and PPA	-27.8	-33.5	-5.6	-	-24.3	-37.5	-13.2	-
Core earnings		69.1	51.7	-17.4	-25.2%	51.7	85.0	33.3	64.3%
	LIXIL Water Tech	8.6%	7.1%	-	-1.4	6.2%	8.4%	-	+2.2
	LIXIL Housing Tech	8.0%	6.1%	-	-1.9	5.6%	8.0%	-	+2.4
	LIXIL Building Tech	2.0%	2.8%	-	+0.7	1.7%	2.0%	-	+0.3
	LIXIL Kitchen Tech	0.6%	-0.9%	-	-1.5	-1.3%	1.7%	-	+3.1
	Tech Business Subtotal	6.1%	5.1%	-	-1.1	4.3%	6.5%	-	+2.1
	Distribution and Retail	2.4%	3.6%	-	+1.2	3.4%	4.1%	-	+0.7
	Housing Service	9.4%	7.0%	-	-2.4	7.2%	7.7%	-	+0.5
CE margin		4.2%	3.1%	-	-1.2	3.0%	4.5%	-	+1.4
Recurring profit		74.9	57.9	-17.1	-22.8%				
Net income before income tax and minority interests		49.1	53.0	3.9	8.0%				
Net income		21.0	22.0	1.1	5.1%				

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

2. Results for 1H and Forecasts for 2H & Full Year for FY Ending March 2016

(1) JGAAP

Unit: Y bn

	Mar-15			Mar-16												
	1H results	2H results	Full-year results	1H						2H				Full-year		
				forecasts	results	increase/ decrease vs previous year	(%)	increase/ decrease vs forecasts	(%)	forecasts *2	increase/ decrease vs previous year	(%)	Risk hedge for actuarial gains/losses	forecasts *2	increase/ decrease	(%)
Sales	796.2	877.2	1,673.4	880.0	877.4	81.2	10.2%	-2.6	0%	977.6	100.4	11%	-	1,855.0	181.6	11%
Core earnings *1	13.3	38.4	51.7	20.0	32.0	18.8	141.2%	12.0	60%	40.9	2.5	7%	-10.9	62.0	10.3	20%
CE margin	1.7%	4.4%	3.1%	2.3%	3.7%	-	+2	-	+1	4.2%	-	-0	-	3.3%	-	+0
Net income (loss)	3.4	18.6	22.0	-18.0	-22.9	-26.3	-770%	-4.9	-	32.1	13.5	72%	-4.2	5.0	-17.0	-77%

(2) IFRS (provisional)

Unit: Y bn

	Mar-15			Mar-16												
	1H results	2H results	Full-year results	1H						2H				Full-year		
				forecasts	results	increase/ decrease vs previous year	(%)	increase/ decrease vs forecasts	(%)	forecasts *2	increase/ decrease vs previous year	(%)	Risk hedge for actuarial gains/losses	forecasts *2	increase/ decrease	(%)
Sales			1,709.5	940.0	933.3					976.7				1,910.0	200.5	12%
Core earnings *1			51.7	34.0	41.2					43.8				85.0	33.3	64%
CE margin			3.0%	3.6%	4.4%					4.5%				4.5%	-	+1

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

*2 Revised the full-year forecast on November 2, 2015

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

	Mar-15 results	Mar-16 1H results	Mar-16 assumptions
US dollars	110.03	121.5	120
Euros	140.71	135.65	130
Thai bahts	3.35	3.54	3.72
Chinese yuans	17.26	19.36	20.19

Aluminum price (Purchasing price)	240,000 yen/ton	250,000 yen/ton	270,000 yen/ton
Copper price	590,000 yen/ton	590,000 yen/ton	700,000 yen/ton

3. Quarterly Financial Results (JGAAP)

Unit: Y bn

			Mar-15			Mar-16			
			1H		2H	1H			
			Q1	Q2	(provisional)	Q1		Q2	
							Y/Y (%)		Y/Y (%)
		LIXIL Water Tech	93.3	102.0	212.6	102.2	9.5%	162.9	59.7%
		LIXIL Housing Tech	144.9	150.3	301.1	139.3	-3.9%	147.6	-1.8%
		LIXIL Building Tech	63.2	83.0	187.8	76.0	20.4%	85.5	3.1%
		LIXIL Kitchen Tech	25.5	27.6	60.6	25.2	-0.9%	28.0	1.3%
		Tech Business Subtotal	326.8	362.9	762.1	342.7	4.9%	424.0	16.8%
		Distribution and Retail	49.4	48.5	100.9	51.7	4.8%	49.8	2.6%
		Housing Service	14.1	15.2	30.3	14.8	4.8%	15.4	1.1%
	Adjustments		-8.8	-12.0	-16.1	-8.6	-	-12.3	-
	Net sales		381.5	414.7	877.2	400.6	5.0%	476.8	15.0%
	Gross profit		104.7	111.5	231.1	108.4	3.5%	142.1	27.4%
	Gross margin		27.5%	26.9%	26.3%	27.1%	-0.4	29.8%	+2.9
SG&A		99.9	103.0	192.7	102.0	2.1%	116.4	12.9%	
	SG&A ratio		26.2%	24.8%	22.0%	25.5%	-0.7	24.4%	-0.4
		LIXIL Water Tech *	4.7	5.6	18.9	6.7	43.9%	23.0	313.2%
		LIXIL Housing Tech *	8.2	8.8	19.5	9.2	12.6%	10.1	15.6%
		LIXIL Building Tech *	-1.4	2.2	8.4	-3.6	-	1.5	-32.7%
		LIXIL Kitchen Tech *	-1.7	-0.9	1.6	0.1	-	0.5	-
	Tech Business Subtotal *		9.7	15.7	48.4	12.4	27.4%	35.2	124.1%
	Distribution and Retail *		2.2	1.3	3.6	2.7	22.2%	1.7	26.3%
	Housing Service *		1.2	0.9	2.1	1.2	6.5%	1.3	40.1%
	HQ expenses, amortization and PPA		-8.3	-9.5	-15.7	-10.0	-	-12.5	-
Core earnings		4.8	8.5	38.4	6.3	31.6%	25.7	203.7%	
	CE margin		1.3%	2.0%	4.4%	1.6%	+0.3	5.4%	+3.3
Recurring profit		4.5	8.2	45.1	5.4	18.9%	21.2	158.2%	
Net income (loss)		0	3.4	18.6	-32.9	fell into the red	10.0	197.5%	

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

4. Segment Information (1) Technology Business (JGAAP)

Unit: Y bn

		Water Tech	Housing Tech	Building Tech	Kitchen Tech	Tech Business Total
Mar-16 1H	Sales	265.1	286.9	161.5	53.2	766.7
	Japan	131.1	286.7	49.4	49.2	516.3
	Overseas	133.9	0.2	112.2	4.0	250.4
	Amortization of goodwill	2.5	0.4	1.6	0.4	5.0
	PPA *1	5.4		1.2		6.6
	CE before amortization of goodwill and PPA	34.3	19.3	-2.1	0.6	52.1
	(%)	13%	7%	-1%	1%	7%
Mar-15 1H	Sales	195.3	295.2	146.1	53.1	689.7
	Japan	125.7	295.2	47.4	49.0	517.2
	Overseas	69.7	0.0	98.7	4.1	172.5
	Amortization of goodwill	0.8	0.4	1.7	0.4	3.3
	PPA *1	0.3		1.2		1.5
	CE before amortization of goodwill and PPA	10.2	16.9	0.9	-2.6	25.4
	(%)	5%	6%	1%	-5%	4%

■ Increase/decrease breakdown of sales

Unit: Y bn

	Water Tech	Housing Tech	Building Tech	Kitchen Tech	Tech Business Total
Substantial increase/decrease of sales	24.7	-8.3	15.4	0.7	32.4
(%)	13%	-3%	11%	1%	5%
Japan	5.5	-8.5	2.0	0.8	-0.3
Overseas	19.2	0.2	13.4	-0.1	77.8
New consolidation *2	45.1				45.1
Deconsolidation *3				-0.6	-0.6

■ Increase/decrease breakdown of CE

Unit: Y bn

	Water Tech	Housing Tech	Building Tech	Kitchen Tech	Tech Business Total
Substantial increase/decrease of CE	6.9	2.4	-3.0	3.2	9.5
Gross profit total	9.2	-1.5	0.8	0.9	9.3
Japan					
Sales increase/decrease	2.0	-2.6	0.3	0.1	-0.3
Mix/pricing	1.1	3.3	1.2	0.0	5.6
Cost	0.1	-3.2	0.2	1.0	-1.9
of which forex	-0.8	-4.0		-0.1	-4.8
of which purchasing condition	0.0	-2.3	-0.1	-0.3	-2.7
Overseas					
ASB	2.8				2.8
Permasteelisa			0.3		0.3
Other overseas subsidiaries	-0.1	1.0	-0.9	-0.3	-0.4
Impact from currency translation	3.2	0.0	-0.3	0.1	3.0
SG&A total	-2.1	3.9	-3.7	2.3	0.4
Japan					
SG&A	0.8	4.1	-1.2	2.4	6.2
Overseas					
ASB	-1.5				-1.5
Permasteelisa			-0.2		-0.2
Other overseas subsidiaries	1.2	-0.2	-2.2	0.0	-1.2
Impact from currency translation	-2.6	0.0	-0.2	-0.2	-2.9
New consolidation *2	17.2				17.2

*1 Purchase price allocation

*2 GROHE

*3 Sunwave Kitchen Techno Corporation

5. Segment Information (2) Retail and Distribution Business (JGAAP)

Sales and CE for the segment

Unit: Y bn

		Mar-15 1H results	Mar-16 1H results	Y/Y(%)	Mar-15 full-year results
Sales		97.9	101.5	3.7%	198.8
CE		3.5	4.4	23.7%	7.1
Figures of Ken Depot included above	Sales	15.1	16.0	6.2%	30.8
	CE	-0.8	-0.3	-	-1.3

Increase/decrease breakdown of CE

<1H Mar-16 results: Y/Y>

Unit: Y bn

Mar-15 1H results	Due to sales fluctuation	Sales price	Cost	SG&A	Cost of new stores	Ken Depot	Total	Mar-16 1H results
3.5	0.6	0.3	-0.4	0.2	-0.3	0.5	+0.9	4.4

Number of stores

Unit: stores

	Mar-15 results	Mar-16		Mar-16	
		1H results	Y/Y	forecasts	Y/Y
Newly opened SVH stores	1	0	-	3	+2
Newly opened NVH stores	0	0	-	1	+1
Newly opened Ken Depot* stores	2	0	-	-	-
Number of stores closed	1	0	-	1	+0
Number of stores at end of term	148	148	0	87	-61
(SVH stores)	34	34	0	37	+3
(NVH stores)	9	9	0	10	+1
(Ken Depot* stores)	64	64	0	-	-
(VH stores)	41	41	0	40	-1

*Business transferred to Ken Depot Corporation; equity method affiliate company from October 2015

Results of home center business

Units: Y bn

	Mar-15 1H results	Mar-16	
		1H results	Y/Y
Sales	82.8	85.5	3.2%
CE	5.3	5.6	7.1%
%	6.4%	6.6%	+0.2

Rate of sales growth of home center stores

<1H Mar-16 results>

Unit: %

All stores	+3.2
Existing stores only	+2.8

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

Growth rate of customer footfall and average sales per customer

<1H Mar-16 results>

Unit: %

All stores	
Customer footfall	+0.3
Average sales	+2.9
Existing stores only	
Customer footfall	0.0
Average sales	+2.8

6. Segment Information (3) Housing Services Business (JGAAP)

Sales and CE of the segment

Unit: Y bn

	Mar-15 1H results	Mar-16 1H results	Y/Y(%)	Mar-15 full-year results
Sales	29.3	30.1	2.9%	59.6
CE	2.1	2.5	21.6%	4.2

Sales and CE by segment companies

<Mar-16 1H results>

Unit: Y bn

	Sales			CE		
	Mar-15 1H results	Mar-16 1H results	Y/Y (%)	Mar-15 1H results	Mar-16 1H results	Y/Y (%)
LIXIL Housing Research Institute	12.1	12.3	1.6%	0.6	0.9	40.6%
JIO	5.6	5.5	-1.0%	0.3	0.4	51.8%
LIXIL Realty	3.9	5.6	44.6%	0.4	0.5	38.2%
Japan Home Shield	4.7	5.1	8.0%	0.5	0.5	12.8%
Other & adjustments	3.0	1.6	-	0.4	0.3	-
Segment total	29.3	30.1	2.9%	2.1	2.5	21.6%

Number of contracts received and houses built with housing franchise businesses

Number of contracts received

Units: houses, %

	Mar-15 1H results	Mar-16 1H results	Y/Y
Total for the Group	1,973	2,015	2.1%

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

Number of houses built

Units: houses, %

	Mar-15 1H results	Mar-16 1H results	Y/Y
Total for the Group	1,644	1,701	3.5%

7. Sales by Products and Services

Unit: Y bn

Unit: %

Segment	Major products	Mar-15 results	Mar-15 1H results	Mar-16 1H results	Y/Y (%)	Quarterly Y/Y (%)					
						Mar-15				Mar-16	
						Q1	Q2	Q3	Q4	Q1	Q2
LWT	Sanitary ware	96.4	46.0	46.9	1.9%	0.8	-4.6	-4.3	-13.3	0.7	3.0
	Bathroom units	87.6	42.6	44.8	5.3%	1.6	-3.1	-5.4	-8.6	4.0	6.6
	Washstand cabinet units	32.9	15.5	15.9	2.5%	5.6	-2.4	-3.1	-11.0	1.1	3.9
LHT	Housing sashes and related products	201.2	99.3	101.9	2.6%	-5.2	-5.1	-8.1	-7.4	3.6	1.6
	Exterior	116.4	60.9	54.5	-10.6%	8.3	3.2	-6.4	-17.5	-12.6	-8.4
	Wooden interior furnishing materials	55.6	26.9	27.8	3.6%	0.6	-3.8	-8.3	-14.4	2.4	4.7
	Exterior wall materials for houses	32.1	16.5	15.8	-4.1%	-5.9	-16.4	-12.3	-23.7	-6.0	-2.2
	Tiles	29.4	14.1	13.7	-3.1%	0.6	-3.1	-6.9	-7.7	-3.7	-2.5
	Interior fabric	30.5	14.3	13.9	-2.3%	-1.2	-6.9	-8.7	-6.0	-12.0	6.4
	LHT Other	57.4	28.9	23.9	-17.2%	3.0	4.5	-21.8	-9.9	-12.4	-21.2
LBT	Building sashes	104.7	43.4	45.4	4.6%	4.0	-2.2	0.5	-4.5	8.3	2.4
LKT	Kitchens	102.6	48.7	49.2	1.0%	-5.3	-8.4	-6.8	8.8	0.4	1.6
D&R	Home center sales	198.8	97.9	101.5	3.7%	2.6	6.4	5.4	-6.3	4.8	2.6
	Overseas	393.4	176.8	259.0	46.5%	64.1	42.4	26.6	18.6	21.8	68.3
	Other	134.4	64.4	63.2	-1.9%	-1.4	-0.6	-0.6	-14.6	4.3	-7.6
	Total	1,673.4	796.2	877.4	10.2%	9.5	5.5	1.1	-3.1	5.0	15.0

* Due to the change in the business structure toward technology business, order of the products and some segmentation in this chart were changed.

8 Renovation Business

Ratio of renovation business

Unit: Y bn

	Mar-15		Mar-16	
	1H results	Y/Y	1H results	Y/Y
Sales from renovation business	182.5	3%	202.8	11%
Ratio of renovation business*	29%	+1	33%	+3

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

Sales of renovation products

Unit: Y bn

	Mar-14	Mar-15		Mar-16			Mar-16	
	results	results	Y/Y	1H results	Y/Y	Vs Plan	forecasts	Y/Y
Group total	282.6	279.6	-1%	148.8	10%	9%	290.0	4%
Renovation ratio	31%	32%	+1	36%	+3	+3	33%	+1

Renovation network

(Number of member homebuilders)

Unit: Stores

Franchise type	Mar-13	Mar-14	Mar-15	Sep-15
results	results	results	result	
LIXIL Reform Shop	377	376	424	451

Changed from "LIXIL Reform Chain" since April 2015

Unit: Stores

Voluntary type	Mar-13	Mar-14	Mar-15	Sep-15
results	results	results	results	results
LIXIL Reform Net	9,356	10,203	11,708	12,046

9. Overseas Production Ratio and Sales

Overseas production ratio

Products	Locations	Overseas production ratio	
		Mar-15 results	Mar-16 1H results
Aluminum housing sashes	Thailand, Vietnam	27%	22%
Interior wooden furnishing materials	China	43%	41%
Sanitary ware	China, Vietnam	43%	43%
Water faucets	China, Vietnam	14%	12%
Floor tiles	China, Vietnam	53%	55%

Sales overseas

Unit: Y bn

Areas	Mar-15 1H results			Mar-16 1H results				
	Sales	Sales excluding Permasteelisa	Sales of Permasteelisa	Sales	Y/Y	Sales excluding Permasteelisa	Y/Y	Sales of Permasteelisa
Greater China	35.7	22.7	13.0	40.7	14.0%	26.0	14.4%	14.7
Thailand	7.2	6.0	1.2	9.2	26.4%	8.5	40.4%	0.7
Vietnam	3.9	3.9	0.0	4.8	23.3%	4.8	23.6%	0.0
Korea	4.7	4.6	0.1	6.2	32.8%	6.2	35.2%	0.0
Other Asian countries	8.6	3.8	4.8	11.4	32.3%	7.0	85.2%	4.4
Middle East	14.7	0.0	14.7	13.5	-8.6%	7.0	-	6.5
North America	69.6	46.1	23.5	98.3	41.2%	61.4	33.2%	36.9
Europe	26.1	0.2	25.9	56.6	116.9%	25.2	-	31.4
Others	6.2	2.3	3.9	18.3	196.4%	13.0	473.1%	5.3
Total	176.8	89.5	87.3	259.0	46.5%	159.1	77.6%	99.9

(For reference)

Overseas sales ratio

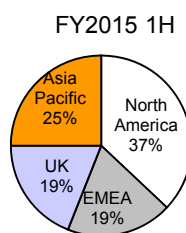
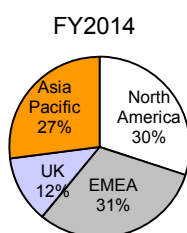
Unit: Y bn

	Mar-12 results	Mar-13 results	Mar-14 results	Mar-15 results	Mar-16 1H results
Overseas sales	53.9	205.1	293.9	393.4	259.0
Overseas sales ratio	4.2%	14.3%	18.0%	23.5%	29.5%

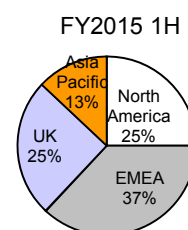
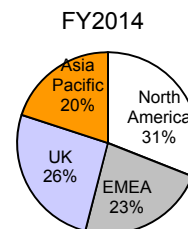
10. Permasteelisa

Full-year= January to December (until 2014)

Regional sales contribution



New orders by region



Business performance of Permasteelisa

	1H Dec-14 results (JGAAP)	1H Dec-15 results (JGAAP)		Mar-16 forecasts (IFRS)
	from Jan to Jun	from Jan to Jun	Y/Y	from Apr to Mar
Sales	88.8	103.3	16%	206.7
Permasteelisa CE	1.4	1.7	20%	9.6
%	1.6%	1.7%	+0.0	5%
Amortization of Goodwill and intangible assets	2.9	2.8	-2%	2.2
CE *	-1.4	-1.1	-	7.4
Exchange rate Yen/Euro	140.6	135.7	-	130

* include impact of consolidation

Goodwill and other intangible assets

Unit: million euros

	Mar-15 results End balance	1H Mar-16 results		Amortization period
		Amortization	End balance	
Goodwill	192	12	180	11 years
Other intangible assets	187	9	178	4 to 20 years
Total	379	21	358	

Orders received

Unit: million euros

	Dec-14 1H results	Dec-15 1H results
New Orders	714	1,098
Backlog	2,013	2,541

11. ASB

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

Business performance of ASB (in Yen, consolidated period)

Unit: Y bn

	Mar-15 1H results	Mar-16 1H results	Mar-16 forecasts
Sales	47.4	61.7	117.7
CE	1.2	3.0	3.0
%	3%	5%	3%
Amortization of Goodwill and intangible assets*	0.7	0.9	0.6
CE*	0.5	2.1	2.4
Exchange rate Yen/USD	103.5	121.5	120.0

* Includes impact of consolidation

Business performance of ASB (in USD)

Units: million dollars

	Mar-15 1H results	Mar-16 1H results	Y/Y
Sales	462	508	10%
CE	11	24	122%
%	2%	5%	+2
Total Assets	867	825	-5%
Interest bearing debt	310	276	-11%
Net Assets	269	271	1%

Goodwill and other intangible assets Unit: million dollars

	Mar-15 1H results		Amortization period
	Amortization	End Balance	
Goodwill	4	150	20 years
Other intangible assets*	3	120	5 to 30 years
Total	7	271	

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

12. GROHE

Full-year= January to December (until 2014)

Non-current asset allocation

Unit: million euros

	Mar-16 results (JGAAP) fixed	Amortization period
Goodwill	1,220	20 years Not amortized in IFRS
Trademark (Unamortized intangible assets)	1,349	None
Other intangible assets	231	6 to 13 years
Revaluation of fixed assets, inventories and other	106	Case-by-case
Total	2,907	

Balance sheet

	Dec-2014	Sep-2015
Cash and cash equivalents	150	137
Accounts receivable	190	202
Inventories	183	210
Other current assets	35	28
Current assets	558	575
Property, plant and equipment	196	193
Intangible fixed assets	1,440	1,435
Other non-current assets	255	10
Non-current assets	1,892	1,638
Total assets	2,450	2,213

Unit: million euros

	Dec-2014	Sep-2015
Notes and accounts payable	125	203
Short-term loans payable	81	94
Other current liabilities	269	231
Current liabilities	475	527
Long-term loans payable	1,062	1,004
Other liabilities	599	554
Non-current liabilities	1,661	1,558
Total liabilities	2,136	2,085
Total equity	313	128

Profit and loss statement

Unit: million euros

	Mar-14 1H results (Apr-Sep)	Mar-2016 forecast
Net sales	692	1,447
Adjusted EBITDA	121	262
Core earnings	92	212
Net income before income tax and minority interests	71	151
Net income	39	112

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

	14/06	+	-	14/9	+	-	14/12	+	-	15/03	+	-	15/06	+	-	15/09
Consolidated subsidiaries	126	2	0	128	0	2	126	0	3	123	55	3	175	2	0	177
Equity method affiliates	4	0	1	3	1	0	4	1	0	5	3	2	6	0	0	6

* Impact to sales and profit due to new consolidation

Y45.1bn in sales, Y10.1bn in CE

14. Goodwill

Amortization of negative goodwill

None for this fiscal term

Unit: Y bn

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

	Mar-15 results		Mar-16 1H results		Mar-16 forecasts
	Amortization	Balance	Amortization	Balance	Amortization
American Standard AP	0.2	-	-	-	-
Kawashima Selkon Textiles	0.6	0.7	0.3	0.4	0.6
LIXIL Haier Housing Products	0.7	1.7	1.3	0.3	0.7
Hivic	0.3	0.4	0.1	0.3	0.3
Permasteelisa	3.4	28.1	1.6	24.7	3.0
ASB	0.9	18.0	0.5	18.0	0.9
Star Alubuild	0.4	0	-	-	0.4
GROHE	-	-	2.0	165.4	4.1
Other	0.4	0.5	0.1	0.5	0.1
Total	6.8	49.5	6.0	209.6	10.1
SG&A	6.5		5.1		9.1
Extraordinary loss	0.4		0.9		0.9

15. Recent M&As / Business & Capital Alliances (JGAAP)

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)	157.5	165.3 ^{*1}	80.1	44%→56%	Goodwill 157.3 Other intangible assets 209.3	>Establish European platform
Oct 2014	GROHE DAWN WaterTech Holdings	faucets, sanitary ware (Africa)	12.9	14.6 ^{*2}	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

*2 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-15 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 <i>Kawashima</i> 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%→0%	>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

16. Major differences of accounting process between IFRS and JGAAP

	JGAAP	IFRS	Mar-16 1H CE 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). +Y5.0bn
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. +Y8.2bn
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. -Y0.3bn
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 recognized in PL. +Y5.1bn
Actuarial gains/losses from retirement benefits	This item is recorded in PL. (Gains=deducted from cost and expenses)	This item is recorded in Other comprehensive income.	The amount recorded in JGAAP will be an impact to PL. -Y10.9bn
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. -

17. IFRS/ JGAAP profit level (Figures are of 1H March 2016)

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 877.4	Revenue 933.3	
Cost of sales	Cost of sales	
Gross profit 250.5	Gross Profit 272.2	
SG&A	SG&A	
Operating income 32.0	Core earnings 41.2	+5.7 Rental income, Cost of rent, Loss on investment to associates and other, Other non-operating income/expense
Non-operating expenses/ income -5.5	Other income/ expenses	-2.3 Other extraordinary income/ losses
Ordinary Income 26.6	Operating income	
Extraordinary income/ losses	Finance cost/income	3.5 Dividend income, Interest income, Interest expense, FX Gain/loss, Gain/loss on sale of financial assets, etc.
Income before income taxes and minority interests -13.0	Profit/loss for the equity method	-7.6 Profit/loss for the equity method, Loss on investment to associates and other
Income taxes etc.	Net profit before tax	0.5 0.9 -4.6
Net income -22.9	Net income	5.1 0.4 -36.0