

TSE Code: 5938

## Q3 Results for the Fiscal Year Ending March 31, 2017 (IFRS)

(From April 1, 2016 to December 31, 2016)

### LIXIL Group Corporation

February 6, 2017



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## Q3 FYE2017 Financial Results Summary (IFRS)



LIXIL Water  
Technology (LWT)



LIXIL Housing  
Technology (LHT)



LIXIL Building  
Technology (LBT)



LIXIL Kitchen  
Technology (LKT)



LIXIL Japan  
Company (LJC)



Distribution and Retail  
Business (D&R)



Housing and Services  
Business (H&S)

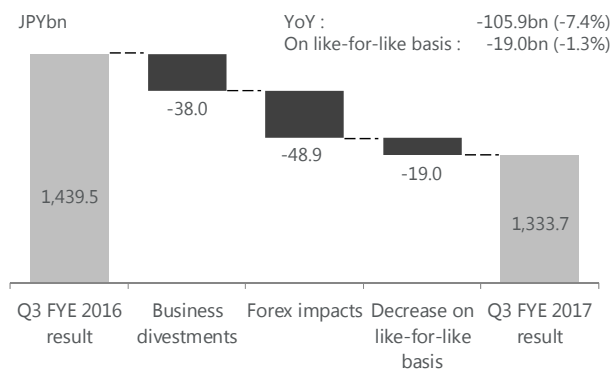
## LIXIL Group Q3 (9 months) Highlights (1)

### Steady improvement in profitability, YoY growth in CE turned positive

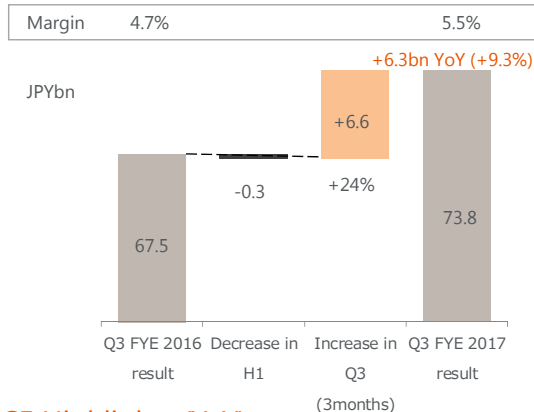
- ✓ Revenue decreased by 7% YoY to JPY 1,333.7bn due to divestment of non-core businesses, impact from forex, and result of selective order intakes of LBT.
- ✓ Core earnings increased by 9% YoY to JPY 73.8bn due to steady growth in LWT, improvement in profitability including synergy effects, and positive impacts from divestment of non-core businesses in previous fiscal year.
- ✓ Operating profit increased by 14% YoY to JPY 69.3bn due to the absence of one-off losses that were posted in previous year as well as the improvement in CE.
- ✓ Net profit showed significant improvement by 29x to JPY 45.7bn due to the absence of one-off losses that were posted in previous year and positive impact from forex movement as well as improvement in OP.
- ✓ FYE2017 forecasts remain unchanged due to potential one-off costs that could be posted as a result of ongoing review on inventories and assets such as facilities in order to strengthen future profitability.
- ✓ Initiatives and activities to drive leaner, faster, and simpler organization continuing from H1.

## LIXIL Group Q3 (9 months) Highlights (2)

### Revenue



### Core Earnings (CE)



### Q3 Revenue Highlights (YoY)

- 1% decrease on like-for-like basis (H1: -1%, Q3 (3 months) : -1%)
  - Main factors for the decrease in revenue: recent selective order intakes of LBT continuing from H1 and the change in demand structure in LHT Japan
  - On the other hand, LWT sales (both Japan and overseas) grew and positive contributions made from LKT, D&R and H&S

### Q3 CE Highlights (YoY)

- YoY growth in CE turned positive from Q3 (9 months) due to significant improvement of gross profit margin
  - CE increased in all tech businesses in Q3 (3 months)
  - LWT, LHT, and LKT: double-digit growth in CE in Q3 (3 months) due to improvement of gross profit
  - LBT: turned profitable in Q3 (3 months) due to positive impact from business divestment

## Q3 (9 months) Consolidated Business Results

### Further improvement in profitability continuing from H1

JPYbn	Q3 FYE2016 Results	Q3 FYE2017 Results	% (YoY)	FYE2017 Forecasts
<b>Revenue</b>	1,439.5	1,333.7	-7.4%	1,780.0
<b>Gross Profit</b>	416.6	421.7	1.2%	564.5
(%)	28.9%	31.6%	+2.7	32%
<b>Core Earnings<sup>(1)</sup></b>	67.5	73.8	9.3%	80.0
(%)	4.7%	5.5%	+0.8	4%
<b>Operating Profit</b>	60.7	69.3	14.1%	65.0
(%)	4.2%	5.2%	+1.0	4%
<b>Net Profit<sup>(2)</sup></b>	1.6	45.7	29x	38.0
<b>EPS (yen)</b>	5	159	-	132
<b>EBITDA<sup>(3)</sup></b>	114.7	118.8	3.6%	1,450.0
(%)	8.0%	8.9%	+0.9	8%

#### Further details for Q3 FYE2017

<Gross profit margin>  
28.9% ⇒ 31.6%: 2.7pp improvement

<Operating profit>  
In addition to positive growth of CE, OP showed increase of JPY 8.6bn due primarily to the absence of one-off losses such as Joyou related costs which were posted in FYE2016

<Net profit><sup>(2)</sup>  
In addition to positive growth of OP, NP showed significant increase of JPY 44.2bn due to the absence of one-off losses such as loss related to guarantees obligations in previous year, foreign exchange gains and others



(1) Core earnings: Revenue - Cost of sales - SG&A  
(2) Profit attributable to owners of the parent  
(3) EBITDA: Core earnings + Depreciation

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## Committed to Continued Improvement of FCF

### Net Debt Position

JPYbn	(A) Mar 2016	(B) Dec 2016	(B)-(A)
Cash and Cash Equivalents	129.6	150.6	20.9
Interest-bearing Debt	827.1	823.7	-3.4
Net Interest-bearing Debt	697.4	673.1	-24.4
Total Assets	2,130.1	2,157.7	27.5
Equity Ratio(%) <sup>(1)</sup>	24.6	25.7	+1.1

- Total assets increased by JPY 27.5bn  
<Major items>
  - Account receivables increased by JPY28.3bn due to seasonal factors and cash and cash equivalents increased by JPY 20.9bn due to increase in cash-on-hand
  - Non-current assets decreased (incl. forex impact) by JPY22.2bn
- Improved Net D/E ratio to 122%  
(Beginning of the fiscal year 133%)

### Working Capital & Capex

JPYbn	(A) Dec 2015	(B) Dec 2016	(B)-(A)
Net Working Capital	-1.0	-12.7	-11.7
Depreciation	47.2	45.0	-2.2
Capex	-46.4	-45.2	1.2
Other	98.7	57.5	-41.3
Free Cash Flow	98.5	44.6	-53.9
Normalized Free Cash Flow <sup>(2)</sup>	60.5	49.5	-11.0

- Positive FCF<sup>(3)</sup> sustained. FCF in previous fiscal year includes the reversal of time-deposits of JPY82.5bn.
- Normalized FCF, adjusted for one-off proceeds and payments decreased approx. JPY 11.0bn due to lower volatility of working capital.



(1) Ratio of equity attributable to owners of the parent  
(2) Cash flows from operating activities excluding one-off impact - Capex  
(3) Free Cash Flow

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## Organizational Changes Continue to Drive a Leaner, Faster, and Simpler LIXIL

- CEO Seto took on direct management of LHT  
(effective from November)

<Aim> To enable stronger oversight and enhance governance by flattening management structure and enabling faster communication on strategy and execution

- Marketing Division (HQ) and LHT Japan (LHT) was newly established  
(effective from January)




<Aim> To enable faster decision-making and enhance manufacturing processes in Japan as well as to understand and respond to consumer needs

### ➤ Summary of Financial Results by Technology Business

## LIXIL Water Technology (LWT)

Apr-Dec  
In JPYbn

	Q3 FYE2017	YoY (Like for like)	FYE2017 (forecast)
<b>Revenues by Region*</b>			
Americas	110.0	(+7%)	+3%
EMEA	111.8	(+6%)	+4%
Asia Pacific	70.0	(+5%)	+13%
Japan	232.5	(+1%)	+1%
Adjustments	-33.1		
<b>LIXIL Water Technology</b>	<b>491.2</b>	<b>-3%</b>	<b>533.0</b>

<b>Core Earnings</b>	<b>LIXIL Water Technology</b>	<b>53.6</b>	<b>+14%</b>	<b>64.0</b>	<b>+17%</b>
	Margin	11%	+1.7pp	10%	
					
	"Essence New Collection"			"SATIS type G"	"PREUS type LS"

- Within Americas, ASB increased by 9% YoY
- Within EMEA, GROHE increased by 7% YoY
- China, which accounts for roughly 40% of the revenue of Asia Pacific increased by 18% YoY
- Japan increased by 2% YoY in Q3 (3 months) especially 7% growth in sanitary ware supported by positive impact from AQUA Ceramic
- CE showed significant increase because ASB, China, and GROHE Europe drove profit growth on like-for-like basis by +60%, +50%, and +25% respectively with increased volume and mix improvement, which offset the forex headwind

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\*Region: Management basis, Total: Statutory basis  
Statutory basis currency : Q3 FYE2017 results 1USD=107.88JPY, 1EUR=119.13JPY, H2 FYE2017 assumptions 1USD=105JPY, 1EUR=115JPY  
Management basis currency : Q3 FYE2016, Q3 FYE2017 and FYE2017 1USD=125JPY, 1EUR=130JPY

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## LIXIL Housing Technology (LHT)

Apr-Dec  
In JPYbn

Apr-Dec In JPYbn		Q3 FYE2017	YoY	FYE2017 (forecast)	
Revenues by Business	Japan	400.9	-4%	-3%	
	Overseas	7.8	-9%	-15%	
	LIXIL Housing Technology	408.6	-4%	547.0	-3%
Core Earnings	LIXIL Housing Technology	33.1	-1%	43.0	+13%
	Margin	8%	+0.3pp	8%	

- Revenue decreased by 2% on like-for-like basis excluding the impact from sale of Hiviv business in H1 and impact from forex
- Decrease in revenue continued due to the absence of positive impact from eco-point from Apr to Oct 2015 and change in demand structure (increase in revenue for rent houses)
- In spite of decrease in revenue, CE improved by 12% in Q3 (3 months) due to cost-cutting activities, and profitability improved



"Samos L"



"Rechent II"



"Exsior Zima"



Interior material  
"VINTIA"



Flooring material  
"LassisaD FLOOR"

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## LIXIL Building Technology (LBT)

Apr-Dec  
In JPYbn

		Q3 FYE2017	YoY	FYE2017 (forecast)	
Revenues by Region	Japan	80.4	-9%	-5%	
	Overseas	113.4	-35%	-25%	
	<b>LIXIL Building Technology</b>	<b>193.8</b>	<b>-26%</b>	<b>272.0</b>	<b>-18%</b>
Core Earnings	<b>LIXIL Building Technology</b>	<b>-0.3</b>	<b>+1.7</b>	<b>6.0</b>	<b>+11.6</b>
	Margin	Loss		2%	

- Revenue decreased by 15% on like-for-like basis excluding the impact from sale of Shanghai Meite (sold in previous fiscal year-end) and impact from forex
- Actual decrease in revenue is due to the recent selective order intakes and timing of project completion in Japan
- CE turned profitable in Q3 (3 months) due to the positive impact of divestment and improvement of profitability in Japan



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Currency : Q3 FYE2017 results 1USD=107.88JPY, 1EUR=119.13JPY, H2 FYE2017 assumptions 1USD=105JPY, 1EUR=115JPY

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## LIXIL Kitchen Technology (LKT)

Apr-Dec  
In JPYbn

		Q3 FYE2017	YoY	FYE2017 (forecast)	
Revenues by region	Japan	78.6	+2%	1%	
	Overseas	6.7	+4%	0%	
	<b>LIXIL Kitchen Technology</b>	<b>85.3</b>	<b>+2%</b>	<b>113.0</b>	<b>+1%</b>
Core Earnings	<b>LIXIL Kitchen Technology</b>	<b>3.5</b>	<b>+79%</b>	<b>2.5</b>	<b>+43%</b>
	Margin	4%	+1.8pp	2%	

- Richelle**, the product in the luxury segment, drove revenue growth in Japan
- The collaboration with partners in China sustained favorable relations (revenue increased by 24% on local currency basis)
- Profitability improved with increased volume and productivity improvement



"Richelle PLAT", Kitchen systems

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## D&R and H&S

Apr-Dec  
In JPYbn

		Q3 FYE2017	YoY	FYE2017 (forecast)	
D & R	Revenue	133.0	-8%	174.0	-6%
	Core Earnings	7.5	-8%	7.5	+5%
	Margin	6%	0pp	4%	
H & S	Revenue	48.7	+11%	66.0	+11%
	Core Earnings	3.5	+25%	5.0	+32%
	Margin	7%	+0.8pp	8%	

### D&R

- Revenue impact of carving out Ken Depot business (-JPY15.8bn)
- Home center revenues increased by 3% YoY
- Decrease in CE due to the cost for new store openings (only for Q3 (3 months))

### H&S

- Revenue increased due to increase in new housing starts
- Increase in CE due to the increase in revenue, SG&A reduction, and absence of one-off cost which was posted in previous year



Super Viva Home in Saitama  
(Newly opened in Dec 2016)

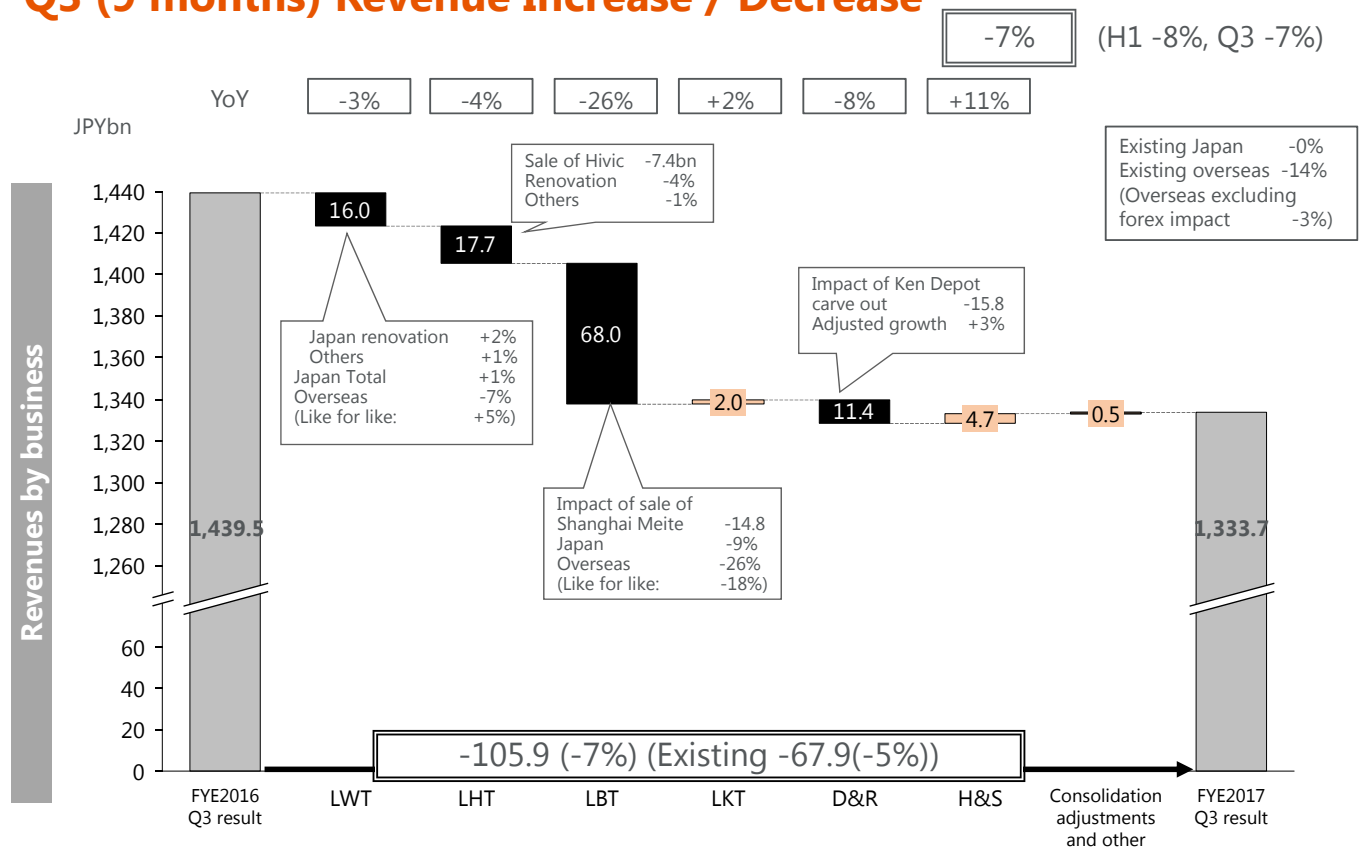


"Home + X" Next Generation  
Resilience Home" (image)

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## > Appendix

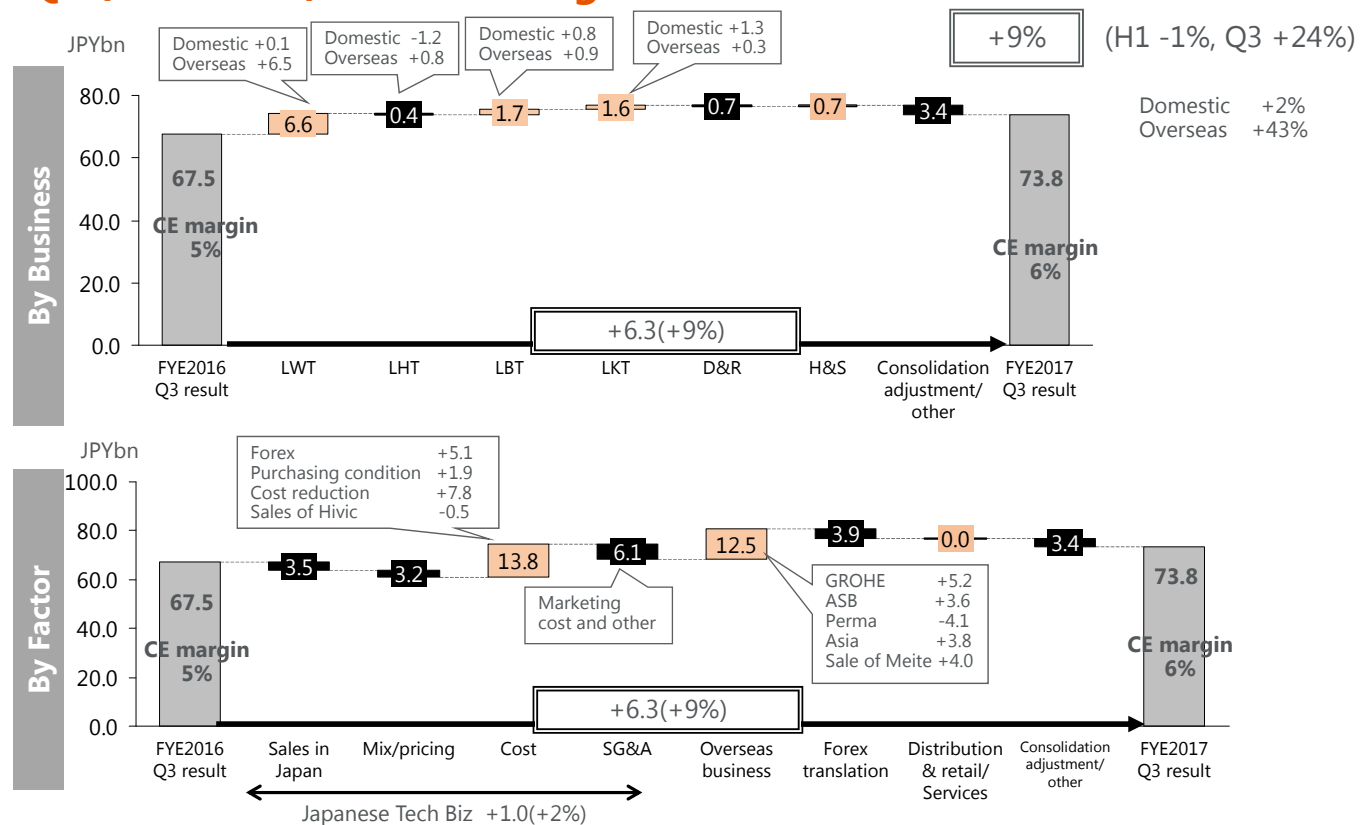
## Q3 (9 months) Revenue Increase / Decrease



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## Q3 (9 months) Core Earnings Increase / Decrease



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## Q3 Other Income and Other Expenses, Finance Income and Finance Costs

JPYbn

Items	Q3 FYE2016	Q3 FYE2017	Increase/ decrease	Details
Rental income	5.3	4.9	-0.4	
Gains on sales of fixed assets	1.1	1.1	0.1	
Other	6.6	3.7	-2.9	
<b>Other Income</b>	<b>13.0</b>	<b>9.7</b>	<b>-3.3</b>	
Costs of rent	3.4	3.4	0.0	
Losses on sale or disposal of fixed assets	1.4	2.1	0.7	
Impairment losses on fixed assets	2.3	3.9	1.7	Impairment of factory lines and idle land
Loss on factory restructuring	1.5	0.2	-1.3	
Other	11.3	4.7	-6.6	FYE2016: Joyou investigation expense
<b>Other Expenses</b>	<b>19.8</b>	<b>14.3</b>	<b>-5.6</b>	
Interest income	1.4	1.2	-0.2	
Dividend income	1.0	1.3	0.3	
Gains on valuation of derivatives	7.9	3.5	-4.4	Matched with foreign exchange gains/losses
Foreign exchange gains	-	4.8	4.8	
Other	0.4	0.6	0.2	
<b>Finance Income</b>	<b>10.6</b>	<b>11.5</b>	<b>0.9</b>	
Interest expense	10.2	7.3	-3.0	
Exchange differences losses	7.0	-	-7.0	
Other	2.6	0.1	-2.5	FYE2016: Impairment on investment securities
<b>Finance Costs</b>	<b>19.8</b>	<b>7.3</b>	<b>-12.5</b>	

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## Consolidated Financial Position

JPYbn

	Mar 2016	Dec 2016	Increase /Decrease
Cash and cash equivalents	129.6	150.6	20.9
Trade and other receivables	386.3	414.6	28.3
Inventories	211.9	210.7	-1.2
Non-current assets	1,244.9	1,222.7	-22.2
Others	157.4	159.1	1.7
<b>Total Assets</b>	<b>2,130.1</b>	<b>2,157.7</b>	<b>27.5</b>
Trade and other payables	342.8	355.1	12.2
Interest-bearing debt	827.1	823.7	-3.4
Others	422.9	412.6	-10.4
<b>Total Liabilities</b>	<b>1,592.8</b>	<b>1,591.3</b>	<b>-1.5</b>
Treasury shares	-54.9	-54.4	0.5
Others	592.2	620.8	28.6
<b>Total Equity</b>	<b>537.3</b>	<b>566.4</b>	<b>29.1</b>
<sup>(1)</sup> Equity Ratio (%)	24.6	25.7	+1.1
<sup>(2)</sup> Net Assets per Share (Yen)	1,828.84	1,927.14	98.30
Number of Shares (in thousands)	286,962	287,203	+241

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(1) Ratio of equity attributable to owners of the parent  
(2) Equity per share attributable to owners of the parent

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## Cash Flow

JPYbn

	Q3 FYE2016	Q3 FYE2017	Increase/ decrease
Profit before tax	16.2	<b>73.3</b>	57.1
Depreciation and amortization	47.2	<b>45.0</b>	-2.2
Income taxes paid	-18.9	<b>-24.0</b>	-5.1
Working capital	-1.0	<b>-12.7</b>	-11.7
Others	30.2	<b>0.5</b>	-29.7
Net cash flows from operating activities	73.7	<b>82.2</b>	8.5
Net cash flows from investing activities	24.8	<b>-37.6</b>	-62.4
(of which purchase of property, plant and equipment and intangible assets)	-46.4	<b>-45.2</b>	1.2
Free cash flows	98.5	<b>44.6</b>	-53.9
Net cash flows from financing activities	-87.2	<b>-22.2</b>	65.0
Cash and cash equivalents	⋮	⋮	⋮
(Balance at the end of Q3)	157.2	<b>150.6</b>	-6.6

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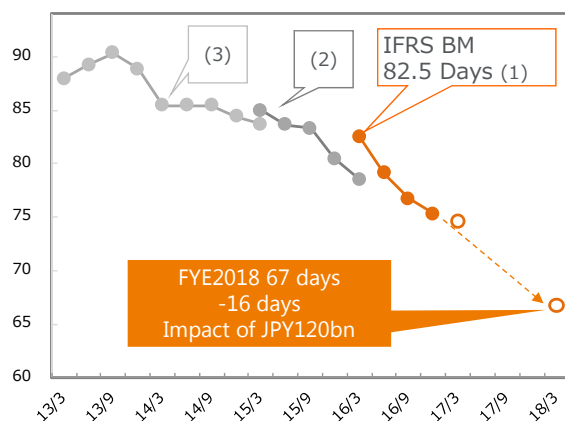
## Global Roll Out of CCC (Operational Efficiency) Improvement Activities

- Expand Cash Conversion Cycle "CCC" improvement activities from Japan focus to global operations to realize further improvement

**FYE2018 Target JPY120bn**

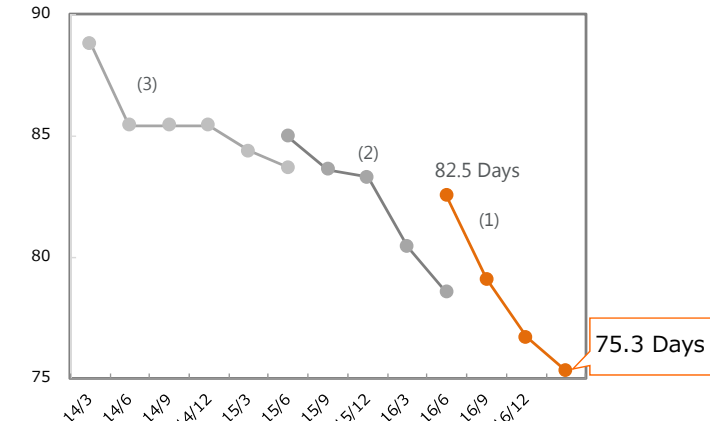
- New benchmark and outlook through FYE2018

Days



- Q3 FYE2017 Result

Days



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(1) Monitored under IFRS from March 2016  
(2) Announced on September 2015 Mid term plan "Redefine the Future" (Including global initiatives), project business excluded  
(3) Result of improvement activities only in Japan

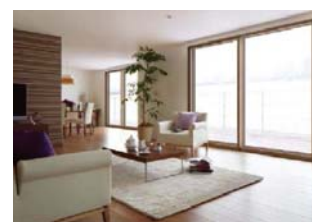
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# Renovation Strategy in Japan: Continued Upward Progress

## Sales of Renovation Products (LJC)

JPYbn	FYE2015 result	FYE2016 result	YoY	FYE 2017 Q3 (9 months) result	YoY
Sales of Renovation Products	279.6	304.3	9%	233.8	0%
Renovation Ratio	32%	35%	+3	37%	+1

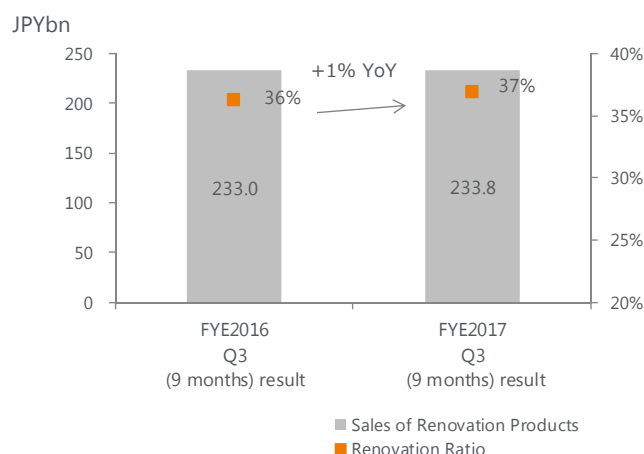
Renovation of plumbing fixtures incl. kitchen: +2% YoY



Inner window  
"Inplus"



Entrance door  
"Rechent"



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## LIXIL expands reform products for "LIXIL PATTO Reform service"

### <Expanded products under PATTO Reform campaign from Feb>

- Introduced new products, particularly water-related to the PATTO Reform line-up. Products offered now total 11.

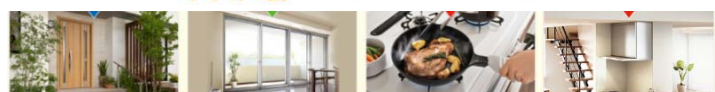
### About LIXIL PATTO Reform campaign

#### <Consumers' concerns>

- Unclear pricing
- Difficulty in finding reliable contractors
- Lack of transparency on renovation work period and the result

### ⇒Provide "faster, simpler and clearer renovation process services" for end users

The registered-service shops were increased to roughly 3,000<sup>(1)</sup> nation-wide compared to roughly 500 in Oct 2016 when the service was launched



Door

Window

Stoves

Range-hood



Faucet  
for  
kitchen

Faucet for  
bathroom

Wash  
stand

Toilet



Toilet seat

Wall  
materials/  
Eco carat

Cabinet at  
the  
entrance



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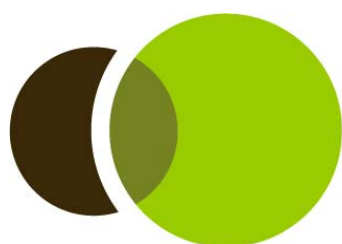
(1) As of the end of December 2016

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## Awarded Bronze Class in the RobecoSAM Sustainability Yearbook 2017

LIXIL Group Corporation has been awarded the “RobecoSAM Bronze Class” distinction in the Sustainability Yearbook 2017 as a company with high sustainability performance

The yearbook, which is published annually, rates the sustainability performance of more than 2,000 of the world's largest companies. Companies that scored in the top 15 percent in each of 60 industries and are considered the most strongly positioned to create long-term shareholder value for investors are awarded medals. This is LIXIL's 3rd consecutive year appearing in the yearbook, earning a “Bronze Class” distinction for 2017.



**ROBECOSAM**  
**Sustainability Award**  
**Bronze Class 2017**

## LIXIL Celebrates 50 Year Milestone for Key Business Developments *First to manufacture shower toilet in Japan in 1967*



LIXIL introduced the first ever made-in-Japan shower toilet (bidet toilet)



Began mass producing unit bathrooms



Implemented fully-integrated production lines for aluminum windows



Implemented fully-integrated production lines for entrance doors

## Active Portfolio Management

### Sales/Withdrawal of Business and Assets

Year	Company	Date	Description/ Action	FYE2016 (JPYbn) <sup>(1)</sup>			
				Sales	Core Earnings	Net Profit	Total Assets
FYE 2016	Ken Depot	October 2015	Carved out from LIXIL, LIXIL retains 34% shareholding	15.8 <sup>(2)</sup>	-0.3	-	-
	LIXIL Building Materials Manufacturing (Shenyang)	March 2016	Sold all shares	0.3	-0.5	-1.1	2.0
	Shanghai Meite Curtain Wall	March 2016	Sold all shares	19.6	-6.0	-6.8	30.0
FYE 2017	Wuxi Moritec Special Door	August 2016	Sold all shares	0.6	-0.2	-0.4	0.3
	Hivic	August 2016	Sold all shares	20.3	0.7	0.5	13.3



(1) Wuxi moritec results in IFRS, others in JGAAP (Impacts to Consolidated Financial Statement after adjustments and eliminations)  
 (2) Results for half term (April-September, 2015) before spinning-off

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## Operational Efficiency in Action

Date	Description/ Action	Purpose	Division
March 2016	Halt production at Aoyama factory in Mie Prefecture	Shift production to Chita factory in Aichi Prefecture	LWT
April 2016	Merged Oyama LIXIL factory Corp. and Kani LIXIL Sunwave Manufacturing Co., Ltd. with LIXIL	Allocate employees and manufacturing facilities beforehand to LIXIL, and continue the original business	LWT and LKT
March 2017(Plan)	Shutdown materials division of Hisai factory in Mie Prefecture	Improve overall utilization of materials division by transferring manufacturing capacity to other factories	LHT



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## [FAQ] IFRS Policy on Impairment Assessment of Goodwill and Intangible Assets

### <Example> Conditions for GraceA (Holding company of GROHE Group) to recognize impairment losses

Recoverable amount is measured using **value in use**\*

\*Value in use: calculated based on **discounted present value** of **estimated future cash flows** based on five-year business plans

- 1) **Discount rate** : Determined based on the weighted-average cost of capital before tax (as of March 31, 2016: 7.6%)
- 2) **Growth rates for estimated future cash flows** : Determined by referencing expected long-term growth rates in plumbing fixtures markets (as of March 31, 2016: 2.8%)

⇒A decrease in the growth rate of 4.0% or an increase in the discount rate of 2.8% would result in an impairment. (The above sensitivities are analyzed on the assumption of future decreases in growth rates and increases in discount rates occurring in isolation.)

If the growth rate for estimating the future cash flows becomes -1.2% (2.8% - 4%), there will be a possibility for GraceA to recognize impairment losses. Only the amount of shortage will be realized as impairment losses, not the whole amount.

## Q3 Results for the Fiscal Year Ending March 2017 (FYE2017) <Fact Sheets>

\* Unless otherwise noted, figures shown in this material are on International Financial Reporting Standards (IFRS) basis, since LIXIL Group has adopted IFRS for the consolidated financial statements of securities report starting from FY ended March 2016

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

Core earnings = Revenue - Cost of Sales - SG&A

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

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February 6, 2017



## 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. Results for H1 and Q3 (9 Months) and Forecasts for Full Year for FYE2017

Unit: Ybn

	FYE2016						FYE2017					
	H1		Q3 (9 months)		Full-year		H1		Q3 (9 months)		Full-year	
	results	YoY	results	YoY	results	YoY	results	YoY	results	YoY	forecasts	YoY
<b>Revenue</b>	942.4		1,439.5		1,890.5	10.8%	870.4	-7.6%	1,333.7	-7.4%	1,780.0	-6%
<b>Gross profit</b>	272.2		416.6		541.6	19.0%	272.4	0.1%	421.7	1.2%	564.5	4%
<b>SG&amp;A</b>	232.0		349.0		471.5	16.9%	232.6	0.2%	347.8	-0.3%	484.5	3%
<b>Core earnings <sup>*1</sup></b>	40.1		67.5		70.1	35.5%	39.8	-0.7%	73.8	9.3%	80.0	14%
<b>CE margin</b>	4.3%		4.7%		3.7%	+0.7	4.6%	+0.3	5.5%	+0.8	4%	+1
<b>Operating Profit</b>	32.7		60.7		39.0	-18.8%	38.3	17.2%	69.3	14.1%	65.0	67%
<b>Income(loss) before tax</b>	-11.3		16.2		-7.1	fell into the red	41.6	turned profitable	73.3	352.5%	67.0	turned profitable
<b>Net income(loss)</b>	-18.4		1.6		-25.6	fell into the red	24.1	turned profitable	45.7	-	38.0	turned profitable

\*1 Core earnings = Revenues - Cost of Sales - SG&A (Equivalent to Operating profit of JGAAP)

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

(Yen)

	FYE2016 H1 results (IFRS)	FYE2016 Q3 results (IFRS)	FYE2016 results (IFRS)	FYE2017 H1 results (IFRS)	FYE2017 Q3 results (IFRS)	FYE2017 H2 assumptions (IFRS)
US dollars	121.50	121.49	120.16	106.43	107.88	105
Euros	134.60	133.67	132.36	119.12	119.13	115
Thai bahts	3.54	3.50	3.44	3.03	3.06	3
RMB	19.42	19.24	18.88	16.11	16.13	16

(Yen per ton)

	FYE2016 H1 results	FYE2016 Q3 results	FYE2016 results	FYE2017 H1 results	FYE2017 Q3 results	FYE2017 assumptions
Aluminum price (Purchasing price)	250,000	-	250,000	200,000	-	220,000
Copper price	590,000	-	560,000	480,000	-	590,000



## 2. Results and Forecasts by Segment

Unit: Ybn

			FYE2015 Full-year results			FYE2016 Full-year results						FYE2017 Full-year forecasts					
			Japan	Overseas	Total	Japan	%	Overseas	%	Total	%	Japan	%	Overseas	%	Total	%
Full-year	LWT	Revenue	300.7	153.2	453.9	314.0	4.4%	363.6	137.4%	677.6	49.3%	316.0	1%	337.0	-7%	653.0	-4%
		Core earnings	23.5	4.7	28.3	26.7	13.7%	28.1	492.5%	54.9	94.0%	28.5	7%	35.5	26%	64.0	17%
		CE margin	7.8%	3.1%	6.2%	8.5%	+0.7	7.7%	+4.6	8.1%	+1.9	9%	+0	11%	+3	10%	+2
	LHT	Revenue	563.2	10.4	573.6	554.3	-1.6%	11.8	13.6% turned profitable	566.1	-1.3%	537.0	-3%	10.0	-15%	547.0	-3%
		Core earnings	34.1	-1.6	32.5	35.7	4.5%	2.3		38.0	16.9%	41.0	15%	2.0	-14%	43.0	13%
		CE margin	6.1%	-	5.7%	6.4%	+0.4	19.7%	+35.2	6.7%	+1.0	8%	+1	20%	+0	8%	+1
	LBT	Revenue	117.9	230.3	348.2	115.7	-1.9%	216.2	-6.1%	332.0	-4.7%	110.0	-5%	162.0	-25%	272.0	-18%
		Core earnings	4.7	1.1	5.7	3.6	-22.3%	-9.3	fell into the red	-5.6	fell into the red	6.0	65%	0.0	turned profitable	6.0	turned profitable
		CE margin	4.0%	0.5%	1.7%	3.1%	-0.8	-	-4.7	-	-3.3	5%	+2	-	+4	2%	+4
	LKT	Revenue	104.5	10.5	115.0	104.0	-0.4%	8.0	-23.8%	112.1	-2.5%	105.0	1%	8.0	0%	113.0	1%
		Core earnings	-1.7	0.2	-1.5	2.0	turned profitable	-0.3	-	1.8	turned profitable	2.5	23%	0.0	turned profitable	2.5	43%
		CE margin	-	1.8%	-	2.0%	+3.6	-	-5.3	1.6%	+2.9	2%	+0	-	+3	2%	+1
	D&R	Revenue	194.4		194.4	184.5	-5.1%			184.5	-5.1%	174.0	-6%			174.0	-6%
		Core earnings	6.5		6.5	7.2	10.1%			7.2	10.1%	7.5	5%			7.5	5%
		CE margin	3.4%		3.4%	3.9%	+0.5			3.9%	+0.5	4%	+0			4%	+0
	H&S	Revenue	62.3		62.3	59.5	-4.5%			59.5	-4.5%	66.0	11%			66.0	11%
		Core earnings	4.5		4.5	3.8	-15.3%			3.8	-15.3%	5.0	32%			5.0	32%
		CE margin	7.2%		7.2%	6.3%	-0.8			6.3%	-0.8	8%	+1			8%	+1
	Consolidation, adjustment & other	Revenue			-41.9					-41.2						-45.0	
		Core earnings			-24.3					-29.9						-48.0	
	LIXIL Group	Revenue	1,343.0	404.4	1,705.4	1,332.0	-0.8%	599.7	48.3%	1,890.5	10.8%	1,308.0	-2%	517.0	-14%	1,780.0	-6%
		Core earnings	71.6	4.4	51.7	79.0	10.4%	20.9	377.5%	70.1	35.5%	90.5	14%	37.5	80%	80.0	14%
		CE margin	5.3%	1.1%	3.0%	5.9%	+0.6	3.5%	+2.4	3.7%	+0.7	7%	+1	7%	+4	4%	+1

Unit: Ybn

			FYE2016																						
			FYE2016 Q3 (9 months) results																						
			FYE2016 H1 results			FYE2016 Q3 (3 months) results						FYE2016 H2 results													
			Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas	Total											
			%	%	%	%	%	%	%	%	%	%	%	%	%										
FYE2016	LWT	Revenue	149.4		183.8		333.2		81.1		92.9		174.0		230.5		276.7		507.2		164.6		179.8		344.4
		Core earnings	13.5		12.2		25.8		9.8		11.4		21.2		23.3		23.6		46.9		13.2		15.9		29.1
		CE margin	9.1%		6.6%		7.7%		12.1%		12.2%		12.2%		10.1%		8.5%		9.3%		8.0%		8.8%		8.4%
	LHT	Revenue	272.3		5.8		278.1		145.6		2.7		148.3		417.9		8.5		426.4		282.0		6.0		288.0
		Core earnings	20.4		1.0		21.4		12.3		-0.3		12.1		32.7		0.7		33.5		15.3		1.3		16.6
		CE margin	7.5%		17.7%		7.7%		8.5%		-		8.1%		7.8%		8.8%		7.9%		5.4%		21.6%		5.8%
	LBT	Revenue	57.2		112.1		169.3		30.9		61.6		92.5		88.1		173.7		261.8		58.6		104.1		162.7
		Core earnings	1.4		-1.0		0.4		0.6		-3.0		-2.4		1.9		-4.0		-2.1		2.3		-8.2		-6.0
		CE margin	2.4%		-		0.2%		1.9%		-		-		2.2%		-		-		3.9%		-		-
	LKT	Revenue	49.1		4.6		53.7		27.8		1.9		29.7		76.9		6.5		83.3		54.9		3.5		58.4
		Core earnings	0.6		-0.2		0.5		1.5		0.0		1.5		2.1		-0.1		2.0		1.4		-0.1		1.3
		CE margin	1.3%		-		0.9%		5.3%		1.3%		5.0%		2.7%		-		2.4%		2.5%		-		2.2%
	D&R	Revenue	98.7				98.7		45.6				45.6		144.4				144.4		85.7				85.7
		Core earnings	4.8				4.8		3.4				3.4		8.1				8.1		2.4				2.4
		CE margin	4.8%				4.8%		7.4%				7.4%		5.6%				5.6%		2.8%				2.8%
	H&S	Revenue	29.0				29.0		14.9				14.9		43.9				43.9		30.5				30.5
		Core earnings	2.3				2.3		0.5				0.5		2.8				2.8		1.4				1.4
		CE margin	8.0%				8.0%		3.1%				3.1%		6.4%				6.4%		4.8%				4.8%
	Consolidation, adjustment & other	Revenue					-19.5						-7.9						-27.4						-21.7
		Core earnings					-15.0						-8.7						-23.7						-14.9
	LIXIL Group	Revenue	655.6		306.3		942.4		345.9		159.1		497.1		1,001.6		465.4		1,439.5		676.3		293.4		948.1
		Core earnings	43.0		12.1		40.1		28.0		8.1		27.4		71.1		20.2		67.5		36.0		8.8		29.9
		CE margin	6.6%		3.9%		4.3%		8.1%		5.1%		5.5%		7.1%		4.3%		4.7%		5.3%		3.0%		3.2%

Unit: Ybn

		Unit: YH																								
		FYE2017																								
		FYE2017 H1 results									FYE2017 Q3 (9 months) results									FYE2017 H2 forecasts						
		Japan			Overseas			Total			Japan			Overseas			Total									
		%			%			%			%			%			%			%			%			
FYE2017	LWT	Revenue	149.8	0.3%	168.5	-8.3%	318.3	-4.5%	82.7	2.0%	90.2	-2.9%	172.9	-0.7%	232.5	0.9%	258.7	-6.5%	491.2	-3.2%	166.2	1%	168.5	-6%	334.7	-3%
		Core earnings	12.2	-10.3%	18.1	48.1%	30.2	17.4%	11.3	15.3%	12.0	5.8%	23.3	10.2%	23.4	0.5%	30.1	27.7%	53.6	14.1%	16.3	24%	17.4	10%	33.8	16%
		CE margin	8.1%	-1.0	10.7%	+4.1	9.5%	+1.8	13.7%	+1.6	13.3%	+1.1	13.5%	+1.3	10.1%	-0.0	11.6%	+3.1	10.9%	+1.7	10%	+2	10%	+1	10%	+2
		Revenue	265.0	-2.7%	4.9	-14.6%	270.0	-2.9%	135.8	-6.7%	2.8	4.2%	138.7	-6.5%	400.9	-4.1%	7.8	-8.6%	408.6	-4.2%	272.0	-4%	5.1	-16%	277.0	-4%
	LHT	Core earnings	18.3	-10.4%	1.4	32.6%	19.6	-8.3%	13.3	7.6%	0.2	turned profitable	13.5	11.9%	31.6	-3.6%	1.6	111.2%	33.1	-1.0%	22.7	49%	0.6	-51%	23.4	41%
		CE margin	6.9%	-0.6	27.6%	+9.8	7.3%	-0.4	9.8%	+1.3	7.8%	-	9.7%	+1.6	7.9%	+0.0	20.4%	+11.5	8.1%	+0.3	8%	+3	13%	-9	8%	+3
		Revenue	51.8	-9.4%	74.6	-33.5%	126.4	-25.3%	28.6	-7.6%	38.8	-37.0%	67.4	-27.1%	80.4	-8.7%	113.4	-34.7%	193.8	-26.0%	58.2	-1%	87.4	-16%	145.6	-11%
	LBT	Core earnings	2.0	45.9%	-2.8	loss expanded	-0.8	fell into red	0.7	30.6%	-0.3	loss shrunk	0.5	turned profitable	2.8	41.4%	-3.1	loss shrunk	-0.3	shrunk	4.0	76%	2.8	turned profitable	6.8	turned profitable
		CE margin	3.9%	+1.5	-	-	-	-	2.6%	+0.8	-	-	0.7%	-	3.4%	+1.2	-	-	-	-	7%	+3	3%	-	5%	-
		Revenue	50.2	2.2%	4.5	-1.8%	54.7	1.9%	28.4	2.2%	2.2	17.7%	30.6	3.2%	78.6	2.2%	6.7	3.9%	85.3	2.3%	54.8	0%	3.5	2%	58.3	0%
	LKT	Core earnings	0.7	13.5%	0.1	turned profitable	0.8	65.8%	2.7	80.8%	0.1	260.1%	2.7	83.7%	3.4	60.5%	0.2	turned profitable	3.5	79.3%	1.8	28%	-0.1	-	1.7	34%
		CE margin	1.4%	+0.1	1.8%	-	1.5%	+0.6	9.4%	+4.1	3.9%	+2.6	9.0%	+3.9	4.3%	+1.6	2.5%	-	4.2%	+1.8	3%	+1	-	3%	+1	
		Revenue	87.2	-11.7%			87.2	-11.7%	45.8	0.3%			45.8	0.3%	133.0	-7.9%			133.0	-7.9%	86.8	1%			86.8	1%
	D&R	Core earnings	4.9	2.0%			4.9	2.0%	2.6	-22.5%			2.6	-22.5%	7.5	-8.2%			7.5	-8.2%	2.6	10%			2.6	10%
		CE margin	5.6%	+0.7			5.6%	+0.7	5.7%	-1.7			5.7%	-1.7	5.6%	-0.0			5.6%	-0.0	3%	+0			3%	+0
	H&S	Revenue	32.3	11.2%			32.3	11.2%	16.4	9.9%			16.4	9.9%	48.7	10.8%			48.7	10.8%	33.7	11%			33.7	11%
		Core earnings	2.3	-0.8%			2.3	-0.8%	1.2	154.9%			1.2	154.9%	3.5	25.2%			3.5	25.2%	2.7	86%			2.7	86%
		CE margin	7.2%	-0.9			7.2%	-0.9	7.2%	+4.1			7.2%	+4.1	7.2%	+0.8			7.2%	+0.8	8%	+3			8%	+3
Consolidation, adjustment & other	Revenue					-18.4						-8.5						-26.9						-26.6		
	Core earnings					-17.2						-9.9						-27.1						-30.8		
LIXIL Group	Revenue	636.3	-2.9%	252.5	-17.6%	870.4	-7.6%	337.7	-2.4%	134.1	-15.7%	463.2	-6.8%	974.0	-2.8%	386.6	-16.9%	1,333.7	-7.4%	671.7	-1%	264.5	-10%	909.6	-4%	
	Core earnings	40.3	-6.3%	16.7	38.4%	39.8	-0.7%	31.8	13.4%	12.1	48.8%	34.0	23.8%	72.1	1.5%	28.8	42.6%	73.8	9.3%	50.2	39%	20.8	136%	40.2	34%	
	CE margin	6.3%	-0.2	6.6%	+2.7	4.6%	+0.3	9.4%	+1.3	9.0%	+3.9	7.3%	+1.8	7.4%	+0.3	7.4%	+3.1	5.5%	+0.8	7%	+2	8%	+5	4%	+1	

\*Purchase price allocation related to acquisitions are allocated to each business segment

\*Revenue and core earnings of Japan and Overseas in this page are the sum of Japan and overseas subsidiaries after inter-company consolidation adjustment, respectively.

Overseas subsidiaries with factories that manufacture products mostly for revenue to LIXIL Corporation is included in Japan.

\*There were some changes in the past results at the timing of H1 announcement due to transfer of Tile Business from LHT to LWT.

Unit: Ybn

		Unit: Ton																								
		FYE2017 Q3 (9 months)																								
		FYE2017 Q1 (3 months) Results						FYE2017 Q2 (3 months) Results						FYE2017 Q3 (3 months) Results												
Revenue		YoY	CE	YoY	CE margin	YoY	Revenue		YoY	CE	YoY	CE margin	YoY	Revenue		YoY	CE	YoY	CE margin	YoY	Revenue	YoY	CE	YoY	CE margin	YoY
Japan technology related business		245.6	-2.6%	11.0	-29.3%	4.5%	-1.7	271.2	-1.6%	22.1	8.7%	8.2%	+0.8	275.5	-3.5%	28.0	15.7%	10.2%	+1.7	792.3	-2.6%	61.1	1.7%	7.7%	+0.3	
	Renovation	73.2	1.7%					77.9	1.5%					82.7	-1.8%					233.8	0.3%					
	Other/ intersegment sales	172.4	-4.3%					193.4	-2.8%					192.8	-4.1%					558.5	-3.8%					
Overseas housing equipment related business *		92.2	-6.1%	9.8	113.3%	10.6%	+5.9	85.7	-10.7%	9.8	14.7%	11.4%	+2.5	95.3	-2.3%	12.3	10.9%	13.0%	+1.5	273.2	-6.3%	31.9	31.6%	11.7%	+3.4	

\*Excluding LBT

### 3. Segment Information (1) Technology Business

Unit: Ybn

		Water Tech	Housing Tech	Building Tech	Kitchen Tech	Tech Business Total
FYE 2017 Q3 (9 months)	Revenue	491.2	408.6	193.8	85.3	1,178.9
	Japan	232.5	400.9	80.4	78.6	792.3
	Overseas	258.7	7.8	113.4	6.7	386.6
	Core earnings	53.6	33.1	-0.3	3.5	89.9
FYE 2016 Q3 (9 months)	Revenue	507.2	426.4	261.8	83.3	1,278.7
	Japan	230.5	417.9	88.1	76.9	813.3
	Overseas	276.7	8.5	173.7	6.5	465.4
	Core earnings	46.9	33.5	-2.1	2.0	80.3

#### ■ Increase/decrease breakdown of Revenue

Unit: Ybn

		Water Tech	Housing Tech	Building Tech	Kitchen Tech	Tech Business Total
Revenue increase/decrease		-16.0	-10.3	-53.2	2.0	-77.6
	(%)	-3%	-2%	-20%	2%	-6%
Japan		2.0	-9.6	-7.7	1.7	-13.6
	(%)	1%	-2%	-9%	2%	-2%
Overseas		-18.0	-0.7	-45.5	0.3	-64.0
	(%)	-7%	-9%	-26%	4%	-14%
Overseas sales of which impact from currency translation		-32.6	-1.1	-13.8	-1.3	-48.9
Deconsolidation <sup>*1</sup>			-7.4	-14.8		-22.2

#### ■ Increase/decrease breakdown of Core earnings

Unit: Ybn

				Water Tech	Housing Tech	Building Tech	Kitchen Tech	Tech Business Total
CE increase/decrease				6.6	0.1	-2.3	1.6	6.1
	Gross profit total			7.8	-0.7	-3.8	2.3	5.6
	Japan	Revenue increase/decrease		1.0	-3.7	-1.2	0.5	-3.5
		Mix/pricing		0.4	-3.9	0.5	-0.2	-3.2
		Cost (ordinary)		2.6	7.2	2.3	2.3	14.3
			of which forex	0.3	4.3		0.4	5.1
			of which purchasing condition		1.9			1.9
	Overseas	GROHE		7.4				7.4
		ASB		6.3				6.3
		Permasteelisa				-5.0		-5.0
		Other overseas subsidiaries		2.6	0.0	0.4	0.0	3.0
		Impact from currency translation		-12.5	-0.2	-0.8	-0.2	-13.7
	SG&A total			-1.2	0.8	1.5	-0.7	0.4
	Japan	SG&A (ordinary)		-3.8	-0.2	-0.9	-1.3	-6.1
Overseas		GROHE		-2.2				-2.2
		ASB		-2.7				-2.7
		Permasteelisa				0.9		0.9
		Other overseas subsidiaries		-0.4	0.8	0.0	0.4	0.8
		Impact from currency translation		8.0	0.2	1.5	0.2	9.9
Deconsolidation *1					-0.5	4.0		3.5

<sup>\*1</sup> March, 2016: Shanghai Meite, August, 2016: Hivic

#### 4. Segment Information (2) Distribution and Retail Business

##### Revenue and CE by segment

Unit: Ybn

		H1			Q3 (9 months)			Full year		
		FYE2016 results	FYE2017 results	YoY	FYE2016 results	FYE2017 results	YoY	FYE2016 results	FYE2017 forecasts	YoY
Revenue		98.7	87.2	-11.7%	144.4	133.0	-7.9%	184.5	174.0	-6%
CE		4.8	4.9	2.0%	8.1	7.5	-8.2%	7.2	7.5	5%
Figures of Ken Depot* included above	Revenue	15.8	-	-	15.8	-	-	15.8	-	-
	CE	-0.3	-	-	-0.3	-	-	-0.3	-	-

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

FYE2017 Q3 (9 months) excluding Ken Depot figures (YoY): Revenue +3%, CE -12%

##### Increase/decrease breakdown of CE

<Q3 (9 months) results: YoY>

Unit: Ybn

FYE2016 result	Due to Revenue fluctuation	Sales price	Cost	SG&A	Cost of new stores	Ken Depot	Total	FYE 2017 result
8.1	1.3	0.0	0.0	0.3	-2.5	0.3	-0.7	7.5

##### Number of stores

Unit: stores

	FYE2016 period	FYE2017 Q3 (9 months) period	Vs. FYE2016	FYE 2017 forecasts	Vs. FYE2016
Newly opened SVH stores	3	1	-	2	-1
Newly opened NVH stores	0	1	-	1	+1
Number of stores closed	1	1	-	1	0
Number of stores at end of period	86	87	1	88	+2
(SVH stores)	37	38	1	39	+2
(NVH stores)	9	10	1	10	+1
(VH stores)	40	39	-1	39	-1

##### Results of home center business

Unit: Ybn

	FYE2016 Q3 (9 months) results	FYE2017 Q3 (9 months) results	YoY
Revenue	132.3	136.2	2.9%
CE	9.3	8.9	-4.1%
%	7.0%	6.6%	-0.5

##### Rate of revenue growth of home center stores

<FYE2017 Q3 (9 months) results> Unit: %

All stores	+3.0
Existing stores only	-0.9

\*Existing stores: Stores open more than 13 months

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

<FYE2017 Q3 (9 months) results>

Unit: %

All stores	
Customer footfall	+1.5
Average revenue	+1.5
Existing stores only	
Customer footfall	-1.9
Average revenue	+1.0

## 5. Segment Information (3) Housing and Services Business

### Revenue and CE by segment

Unit: Ybn

	H1			Q3 (9 months)			Full year		
	FYE2016 results	FYE2017 results	YoY	FYE2016 results	FYE2017 results	YoY	FYE2016 results	FYE2017 forecasts	YoY
Revenue	29.0	32.3	11.2%	43.9	48.7	10.8%	59.5	66.0	11%
CE	2.3	2.3	-0.8%	2.8	3.5	25.2%	3.8	5.0	32%

### Revenue and CE by segment companies

<FYE2017 Q3 (9 months) results: YoY>

Unit: Ybn

	Revenue			CE		
	FYE2016 results	FYE2017 results	YoY	FYE2016 results	FYE2017 results	YoY
LIXIL Housing Research Institute	19.2	20.9	9.0%	1.5	1.5	3.7%
Japan Home Shield	7.8	8.8	13.5%	0.8	0.7	-4.9%
JIO	8.4	8.8	4.5%	0.7	0.6	-4.8%
LIXIL Realty	7.8	8.1	3.8%	0.7	0.7	-4.4%
Other & adjustments	0.8	2.0	-	-0.8	-0.1	-
Segment total	43.9	48.7	10.8%	2.8	3.5	25.2%

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

Number of contracts received

Unit: houses

(Revised calculation method for previous year results)

	FYE2016 Q3 (9 months) period	FYE2017 Q3 (9 months) period	YoY
Total for the Group	2,901	2,913	0.4%

Number of houses built

Unit: houses

	FYE2016 Q3 (9 months) period	FYE2017 Q3 (9 months) period	YoY
Total for the Group	2,623	2,633	0.4%

## 6. Revenue by Products and Services

Unit: Ybn

Unit: %

Segment	Major products	FYE2016 results	FYE2016 Q3 (9months) results <sup>*2</sup>	FYE2017 Q3 (9months) results	YoY	Quarterly YoY						
						FYE2016 (JGAAP)				FYE2017		
						Q1	Q2	Q3	Q4	Q1	Q2	Q3
LWT	Sanitary ware	98.0	72.5	74.6	3.0%	0.7	3.0	2.1	0.9	-2.1	3.3	7.2
	Bathroom units	92.2	69.9	70.4	0.8%	4.0	6.6	5.7	4.7	-1.2	1.3	2.1
	Washstand cabinet units	33.9	24.9	25.8	3.6%	1.1	3.9	4.7	2.5	0.3	5.1	5.0
	Tiles	29.3	21.5	21.4	-0.7%	-3.7	-2.5	4.1	0.5	-1.4	-1.0	0.0
LHT	Housing sashes and related products	204.1	156.3	151.6	-3.0%	3.6	1.6	1.2	-0.6	-3.9	-1.0	-4.1
	Exterior	110.9	84.4	82.3	-2.4%	-12.6	-8.4	0.8	2.9	0.6	-2.8	-4.9
	Wooden interior furnishing materials	58.2	43.5	45.2	3.9%	2.4	4.7	6.7	4.5	8.7	2.9	0.7
	Exterior wall materials for houses	31.0	23.6	23.6	0.0%	-6.0	-2.2	-2.6	-2.2	-4.6	1.4	3.2
	Interior fabric	30.2	21.5	20.9	-2.7%	-12.0	6.4	3.5	-2.1	0.7	-4.7	-3.2
	LHT Other	54.4	39.8	30.1	-24.5%	-10.8	-19.3	5.6	-16.1	-8.5	-14.1	-49.2
LBT	Building sashes	103.1	66.7	61.7	-7.6%	8.3	2.4	-7.2	-5.1	-27.4	4.5	-7.5
LKT	Kitchens	104.1	76.9	78.8	2.4%	0.4	1.6	2.5	1.4	2.6	2.1	2.4
D&R	Home center revenue <sup>*1</sup>	184.5	144.4	133.0	-7.9%	4.8	2.6	-14.0	-13.0	-12.9	-10.3	0.3
	Overseas	598.6	464.7	392.8	-15.5%	21.8	68.3	46.3	32.7	-15.0	-18.7	-12.8
	Other	157.9	129.0	122.0	-5.4%	4.0	55.0	43.2	11.8	9.5	-12.9	-10.0
	Total	1,890.4	1,439.5	1,334.2	-7.3%	5.0	15.0	13.0	7.8	-7.2	-8.0	-6.7

<sup>\*1</sup> Home center revenue of D&R excluding impact of Ken Depot carve out (YoY):

FYE2016 Q3: 0.8%, Q4: 4.2%, FYE2017 Q1: 3.0%, Q2: 7.8%

<sup>\*2</sup> Revenue of "Exterior wall materials for houses" and "LHT Other" for FYE 2016 were revised.

Also revenue for "Home center", "Overseas", "Other", and "Total" were changed from JGAAP to IFRS basis.

## 7. Renovation Business

### Revenue of renovation products

Unit: Ybn

	FYE2015 results	FYE2016 results	YoY	FYE2017 Q3 (9 months) results	YoY	FYE2017 forecasts	YoY
Revenue of renovation products	279.6	304.3	9%	233.8	0%	307.3	1%
Renovation ratio	32%	35%	+3	37%	+1	36%	+1

\*Revenue of LJC products used for renovation

### Number of member homebuilders

Unit: Stores

Franchise type	As of Mar 2015	As of Mar 2016	As of Sep 2016	As of Dec 2016
LIXIL Reform Shop	424	480	505	503

Unit: Stores

Voluntary type	As of Mar 2015	As of Mar 2016	As of Sep 2016	As of Dec 2016
LIXIL Reform Net	11,708	12,492	12,989	13,164

## 8. Overseas Production Ratio and Revenue

**Overseas production ratio**

Products	Locations	Overseas production ratio	
		FYE2016 results	FYE2017 Q3 (9 months) results
Aluminum housing sashes	Thailand, Vietnam	27%	27%
Interior wooden furnishing materials	China	42%	41%
Sanitary ware	China, Vietnam	41%	38%
Water faucets	China, Vietnam	11%	10%
Floor tiles	China, Vietnam	56%	62%

**Revenue overseas**

Unit: Ybn

Areas	FYE2016 Q3 (9 months) results				FYE2017 Q3 (9 months) results				
	Overseas Revenue	LWT	LBT	Overseas/ other	Overseas Revenue	YoY	LWT	LBT	Overseas/ other
Americas	158.2	97.3	60.8	0.1	137.9	-12.8%	92.8	45.1	0.0
Europe	116.3	72.9	43.4	0.0	106.0	-8.9%	74.9	31.1	0.0
Asia	162.5	85.3	58.5	18.7	124.9	-23.1%	73.4	* 30.6	20.9
Others	27.7	18.9	8.7	0.1	24.0	-13.4%	16.3	7.6	0.1
Total	464.7	274.4	171.4	18.9	392.8	-15.5%	257.4	114.4	21.0
Greater China	74.3	24.1	39.8	10.4	58.1	-21.8%	24.9	* 22.5	10.7

Asia: Incl. Middle East

Impact from currency translation USD

-11.2% \*Impact from divestment of Shanghai Meite

Others: Africa, Latin America, Oceania, Russia

EUR

-10.9%

-JPY14.8bn

Greater China: Incl. Taiwan

RMB

-16.2%

(For reference)

Overseas revenue ratio (JGAAP)

Unit: Ybn

	FYE2012 results	FYE2013 results	FYE2014 results	FYE2015 results	FYE2016 results
Overseas revenue	53.9	205.1	293.9	393.4	559.7
Overseas revenue ratio	4.2%	14.3%	18.0%	23.5%	30.3%

(IFRS)

Unit: Ybn

FYE2015 results	FYE2016 results	FYE2017 Q3 (9 months) results
409.2	598.6	392.8
24.0%	31.7%	29.5%



# 9. Permasteelisa, ASB & GROHE

## ■ Results (in local currency)

	FYE2016 results			FYE2016 Q3 (9 months) results			FYE2017 Q3 (9 months) results						FYE2017 Full-year forecasts		
	Permasteelisa	ASB	GROHE*	Permasteelisa	ASB	GROHE*	Permasteelisa	YoY	ASB	YoY	GROHE*	YoY	Permasteelisa	ASB	GROHE*
Unit	EURm	USDm	EURm	EURm	USDm	EURm	EURm		USDm		EURm		EURm	USDm	EURm
Revenue	1,493	1,000	1,320	1,188	746	981	948	-20%	811	9%	1,025	5%	1,372	1,036	1,352
Core earnings	-18	45	194	19	38	154	-11	fell into the red	62	62%	157	2%	29	74	209
%	-1.2%	4.5%	14.7%	1.6%	5.1%	15.7%	-1.2%	-2.8	7.6%	+2.5	15.3%	-0.4	2%	7%	15%

## ■ Results (in Yen)

Unit: JPYbn

	FYE2016 results			FYE2016 Q3 (9 months) results			FYE2017 Q3 (9 months) results					
	Permasteelisa	ASB	GROHE*	Permasteelisa	ASB	GROHE*	Permasteelisa	YoY	ASB	YoY	GROHE*	YoY
Exchange rate (Yen)	132.4	120.2	132.4	132.4	120.2	132.4	119.1		107.9		119.1	
Revenue	197.6	120.2	174.7	157.2	89.6	129.9	113.0	-28%	87.4	-2%	122.2	-6%
Core earnings	-2.4	5.4	25.7	2.5	4.6	20.4	-1.3	fell into the red	6.7	45%	18.7	-9%
%	-1.2%	4.5%	14.7%	1.6%	5.1%	15.7%	-1.2%	-2.8	7.6%	+2.5	15.3%	-0.4

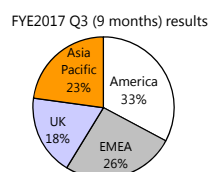
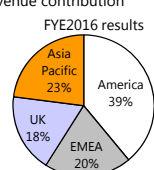
\*Excluding GROHE Dawn WaterTech

## Permasteelisa

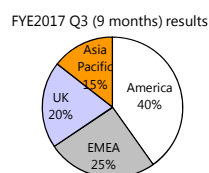
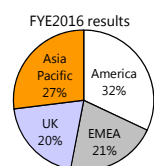
Accounting period = April to March

## ■ Regional revenue contribution

\*EMEA = Europe, Middle East, Africa



## ■ New orders by region



## Orders received

Unit: EURm

	FYE2016 results	FYE2016 Q3 (9 months)	FYE2017 Q3 (9 months)
New Orders	1,129	914	1,094
Backlog	2,002	2,167	2,193

## Permasteelisa, ASB, GROHE

## ■ Non-current asset allocation

	FYE2016			FYE2017 Q3 (9 months)						Remaining Amortization Period		
	Balance			Amortization (IFRS)			Balance					
	Permasteelisa	ASB	GROHE	Permasteelisa	ASB	GROHE	Permasteelisa	ASB	GROHE	Permasteelisa	ASB	GROHE
Unit	EURm	USDm	EURm	EURm	USDm	EURm	EURm	USDm	EURm			
Goodwill	158	150	1,201	-	-	-	158	143	1,215	Not amortized		
Trademark (Unamortized intangible assets)	-	126	1,349	-	0	-	-	126	1,349	-	Not amortized	
Other intangible assets	166	115	207	12	4	12	154	111	196	5 to 10 years	7 to 27 years	5 to 12 years
Revaluation of fixed assets, inventories and other	-	-	75	-	-	2	-	-	73	-	-	Case-by-case
Total	324	391	2,833	12	4	13	312	379	2,834			

## 10. Goodwill

(Other intangible assets are excluded)

Unit: Ybn

		FYE2016 results		FYE2017 Q3 results
		Impairment	Balance	Balance
LWT	GROHE		153.4	149.1
	ASB		16.9	16.6
	American Standard AP		0.6	0.6
LHT	Kawashima Selkon Textiles		1.8	1.8
	Hivic		1.0	-
LBT	Permasteelisa	10.1	20.1	19.4
LKT	LIXIL Haier Housing Products	3.0	-	-
	Other	0.3	1.6	1.6
Total		13.4	195.5	189.1

Decrease in balance of goodwill of GROHE, ASB & Permasteelisa are due to exchange rate fluctuation

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

M&As of overseas companies

Unit: Ybn

Timing	Company name	Target	Revenue		Purchasing amount at the beginning	Ownership ratio	Total amount of goodwill	Effect
			Time of acquisition	FYE2016 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 (Sold in Mar 2016)	Shanghai Meite Curtain Wall Co., Ltd.	Building sashes (China)	12.0	19.6	3.2	75%→0%	0.5	> Expand building sashes in China
Dec 2011	Permasteelisa	Building sashes (Global)	116.0	209.1	60.8	100%	Goodwill 34.3 Other intangible assets 35.0	> Globally expand building sashes
Aug 2013	ASD Americas Holding (ASB)	Plumbing products (North America)	82.0	120.2	30.5	100%	Goodwill 14.7 Other intangible assets 21.7	> Establish North American platform
Oct 2013 (partly Dec 2015)	Star Alubuild	Building sashes (India)	1.7	0.4	0.7	70%→100%	0.4	> Business development in India
Jan 2014 (Additionally Apr 2015 and fully Sep 2016)	GROHE Group S.à r.l.	Plumbing fixtures, especially faucets (Europe, Global)	157.5	186.5	80.1	100%	Goodwill 157.3 Other intangible assets 209.3	> Establish European platform
Oct 2014	GROHE DAWN WaterTech Holdings	Faucets, sanitary ware (Africa)	12.9	11.9	8.6	51%	Goodwill 1.2 Other intangible assets 7.8	> Gain access to Sub-Saharan market

M&As of Japanese companies

Unit: Ybn

Timing	Company name	Target	Revenue		Purchasing amount at the beginning	Ownership ratio	Total amount of goodwill	Effect
			Time of acquisition	FYE2016 result				
Apr 2010	Shin Nikkei Company Ltd.	Housing/building sashes	110.0	Integrated into LIXIL in April 2011	0	100% →merged	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% →merged	-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 *	30.1	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 (Sold in Aug 2016)	HIVIC Co., Ltd.	Wood related products	24.4	20.3	Share exchange rate 1:0.094	100%→ 0%	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: Ybn

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%→0%	> Expand sales, development of new products