

[This is an English translation of the original text written in Japanese]

April 24, 2017
LIXIL Group Corporation

Announcement Regarding the Recording of Other Expenses (IFRS) and Revision of the Forecast on Business Performance for the Fiscal Year Ended March 2017

For the consolidated fourth quarter in fiscal year ended March 2017, LIXIL Group Corporation (hereinafter, "LGC") expects to record other expenses (IFRS). As a result, and in light of recent business trends, LGC revised its forecast on business performance for the fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017) from those announced on October 19, 2016.

1. Recording of other expenses (IFRS)

As a result of a revision to the scope of introduction of IT systems currently being developed at the consolidated subsidiary, LIXIL Corporation, LGC expects to record approximately 9 billion yen of other expenses due to changes to the implementation plan for certain IT systems.

2. Revision of the forecast on business performance

Revision of consolidated forecast for the full year of the fiscal year ended March 31, 2017

(April 1, 2016 through March 31, 2017)

	Revenue	Core earnings	Operating profit	Profit before income taxes	Profit for the year	Profit for the year attributable to owners of the parent	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Million yen	Million yen	Yen
Previous full-year forecast (A) (Announced on Oct 19, 2016)	1,780,000	80,000	65,000	67,000	38,000	38,000	132.41
Revised full-year forecast (B)	1,780,000	88,000	67,000	66,000	40,000	40,000	139.47
Change (B-A)	0	8,000	2,000	-1,000	2,000	2,000	7.06
Change (%)	0	+10.0	+3.1	-1.5	+5.3	+5.3	+5.3
<Reference> Full-year results for the FY ended March 31, 2016	1,890,450	70,069	39,011	-7,087	-26,671	-25,605	-89.33

Core earnings is the amount calculated by deducting cost of sales and selling, general and administrative expenses from the revenue

3. Reasons for the revision

Core earnings for the fiscal year ended March 31, 2017 are expected to exceed the previous forecast as shown above due to the steady growth of LWT (LIXIL Water Technology) overseas businesses as well as cost and SG&A reductions across domestic businesses. However, revenue is expected to be roughly in line with the forecast.

Profit for the year attributable to owners of the parent is expected to exceed the previous forecast despite the impact of increase in other expenses. There is no change to the dividend forecast.

Note: Statements made above are forward-looking statements. LIXIL Group cautions that a number of factors could cause actual results to differ materially from those discussed in the forward-looking statements.