

Q1 Financial Results for the Fiscal Year Ending March 31, 2026 [IFRS]

(From April 1, 2025 to June 30, 2025)



LIXIL Corporation
July 31, 2025

TSE Code: 5938

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Summary of results for Q1 FYE2026

Revenue decreased while profits and EBITDA increased year-on-year for Q1 FYE2026

■ Japan

- For the Japan business, higher profits were driven by strong sales growth for water-related renovation products, as well as an unexpected surge in demand before amendment to the Building Standards Act (abolition of the "Article 4 Special Provision")
- LHT's renovation sales fell short of plan but sales for new housing declined less than expected, putting profits above target

■ International

- For the LWT international business, profits substantially exceeded plan while revenue fell short
- Favorable product mix continued to drive strong performance in Europe and the Middle East. However, both revenue and core earnings in the Americas continued to underperform, affected by market disruption resulting from tariff negotiations and partly due to a negative impact from ERP system transition

■ Others

- Losses associated with the withdrawal of the ceramic siding business in LHT, including inventory write-downs and other expenses, have been recorded. The withdrawal of this business is planned for the end of March 2026. In addition, expenses related to the reorganization of bases in Europe have been recorded and this almost concludes the large-scale structural reforms

Business environment and outlook for FYE2026

Japan

Outlook

Remain strong

- There is no change from the initial outlook as expansion of renovation sales for water-related products is trending favorably while a slight decline in new housing sales from Q2 onwards is expected after a surge in demand prior to abolition of the “Article 4 Special Provision”
- LHT aims to expand renovation sales by strengthening sales promotion measures

International

Outlook

Europe/APAC: On a recovery trend
Americas/China: Remain sluggish
IMEA: Remain strong

- While there is no change in outlook that a full demand recovery for the European business is expected to occur from next fiscal year onwards, revenue improvement is expected to continue in this fiscal year
- Uncertainty in housing demand continues in the US and China. Particularly in the US, the housing market could worsen due to the possibility of rising inflation driven by the tariff policies, along with the higher long-term interest rates

Others

- No significant costs are expected from structural reforms going forward. The positive impacts from sale of the US bathing business are expected to materialize after FYE2027

FYE2026 Outlook

No change

- Japan, Europe and the Middle East are expected to sustain high performance. However, with the uncertainty in the US housing market, it is required to remain vigilant from Q2 onwards
- There is no change to the full-year forecast

Revenue decreased while core earnings increased year-on-year

- **Revenue: JPY364.7 billion, down JPY5.1 billion year-on-year**
 - Q1 (3 months) YoY: +3% in Japan and -8% in international markets (-4% excluding foreign exchange impact)
- **Core earnings: JPY9.0 billion, up JPY8.4 billion year-on-year**
 - Q1 (3 months) YoY: +JPY6.4 billion in LWT, +JPY1.5 billion in LHT, +JPY0.8 billion in Living, and -JPY0.3 billion for consolidation adjustment/other factors
- **EBITDA⁽¹⁾: JPY29.4 billion, up JPY7.6 billion year-on-year**
- **Profit for the quarter⁽²⁾: -JPY0.9 billion, up JPY4.9 billion year-on-year**
 - Profit for the quarter was -JPY0.9 billion due to increases in other expenses (structural reform costs), finance costs (losses on foreign exchange differences), and tax expense (impact from tax benefit)
 - Q1 (3 months) YoY: Profit grew by JPY4.9 billion due to higher core earnings despite increases in other expenses and finance costs

(1) EBITDA=Core earnings + Depreciation + Amortization

(2) Profit for the quarter = Profit for the quarter attributable to owners of the parent

JPY billion	Q1 (3 months)			
	FYE2025	FYE2026	Increase/ decrease (YoY)	%
Revenue	369.8	364.7	-5.1	-1.4%
Gross Profit	117.4	124.8	+7.4	+6.3%
(%)	31.7%	34.2%	+2.5 pp	-
SG&A	116.7	115.8	-1.0	-0.8%
Core Earnings (CE) ⁽¹⁾	0.6	9.0	+8.4	-
(%)	0.2%	2.5%	+2.3 pp	-
Profit for the quarter including Discontinued Operations ⁽²⁾	-5.9	-0.9	+4.9	-
EPS (JPY)	-20.39	-3.17	+17.22	-
EBITDA ⁽³⁾	21.7	29.4	+7.6	+35.0%
(%)	5.9%	8.0%	+2.2 pp	-

■ **Gross profit margin:** Increased by 2.5pp YoY

■ **SG&A expenses:** Decreased by JPY1.0 billion YoY (Japan JPY1.2 billion increase, International JPY0.4 billion decrease, forex effect JPY1.7 billion decrease) mainly due to a decrease in SG&A expenses for int'l business from foreign exchange impact despite higher personnel costs and activity costs in Japan. SG&A ratio increased by 0.2pp

■ **CE margin:** Increased by 2.3pp YoY

(1) Equivalent to "Operating profit" of JGAAP

(2) Profit for the quarter attributable to owners of the parent

(3) EBITDA=Core earnings + Depreciation + Amortization

Core earnings increased for both LWT Japan and International, driven by strong margins in Europe and the Middle East. Increased core earnings for LHT due to price optimization despite a slight decline in revenue. Living achieved both revenue and core earnings increases, supported by strong sales across all product categories

		Q1(3 months)		
		FYE2025	FYE2026	Increase /decrease (YoY)
JPY billion				
LWT	Revenue	199.5	193.2	-6.3
	CE	4.2	10.6	+6.4
LHT	Revenue	129.2	128.2	-0.9
	CE	4.6	6.1	+1.5
Living	Revenue	49.0	51.3	+2.3
	CE	1.4	2.2	+0.8
Consolidation, Adj. & Other	Revenue	-7.8	-8.1	-0.2
	CE	-9.5	-9.8	-0.3
LIXIL	Revenue	369.8	364.7	-5.1
	CE	0.6	9.0	+8.4

I Forex impact⁽¹⁾

Q1 3 months: Revenue –JPY5.8 billion, CE JPY0.0 billion

(1) Forex translation effect gain(loss) from international subsidiaries

(2) The segment breakdown has been changed from FYE2026. Please refer to the next page for the results under the former segments

Business results for Q1 (three months) under previous reporting segments

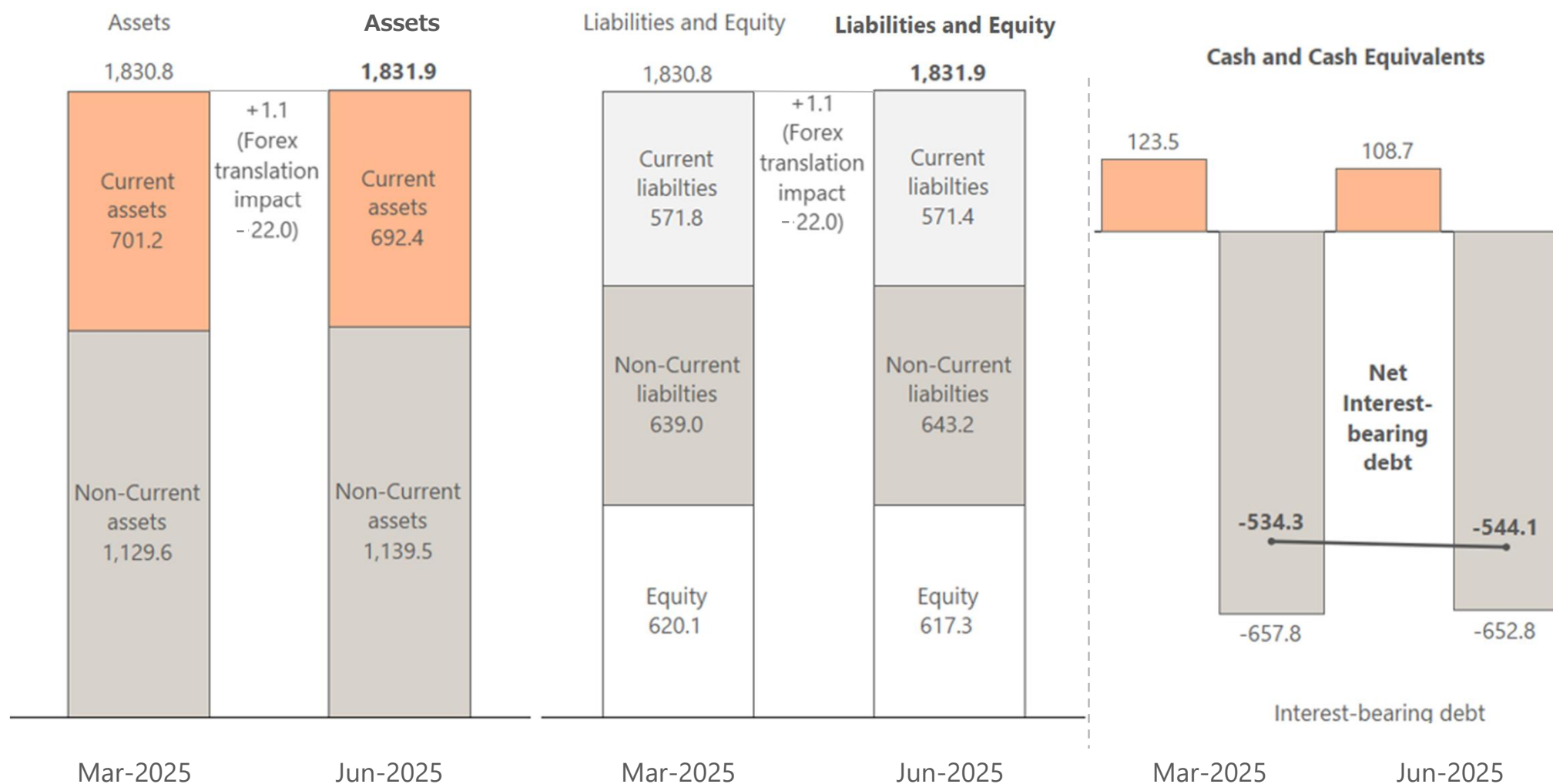
		Q1 (3 months)				
		FYE2025	FYE2026	Increase/decrease (YoY)		
JPY billion					due to the segment change (2)	excluding the segment change
LWT	Revenue	228.9	224.3	-4.6	+1.7	-6.3
	CE	4.9	12.2	+7.3	+0.9	+6.4
LHT	Revenue	143.4	142.6	-0.8	+0.1	-0.9
	CE	5.3	6.6	+1.3	-0.2	+1.5
Consolidation, Adj. & Other	Revenue	-2.5	-2.3	+0.3	+0.5	-0.2
	CE	-9.5	-9.8	-0.3	+0.0	-0.3
LIXIL	Revenue	369.8	364.7	-5.1	-	-
	CE	0.6	9.0	+8.4	-	-

Forex impact⁽¹⁾

Q1 3 months: Revenue –JPY5.8 billion, CE JPY0.0 billion

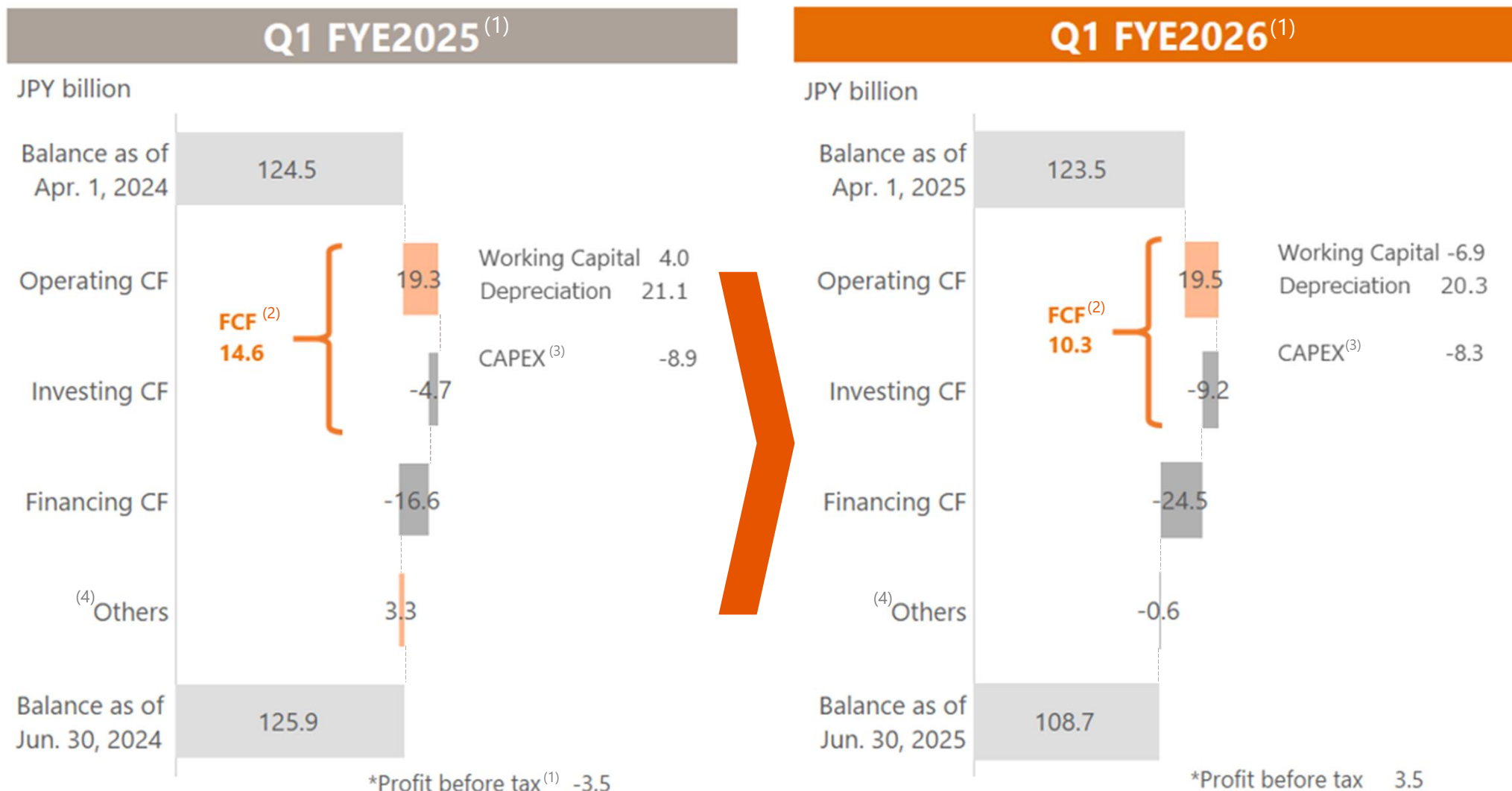
(1) Forex translation effect gain(loss) from international subsidiaries

(2) Includes consolidation adjustments resulting from the change from 2 reporting segments to 3 reporting segments



› CASH FLOW STATUS AND CASH BALANCE

Despite a slight increase in working capital, operating cash flow remained flat due to improved profit before tax. Free Cash Flow (FCF) remained positive



(1) Includes discontinued operations

(2) "FCF" = Operating CF + Investing CF

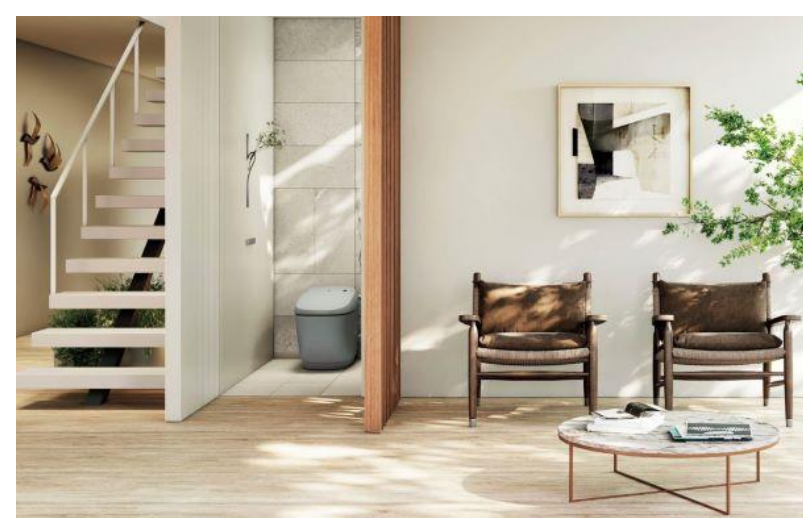
(3) CAPEX = Purchase of property, plant and equipment + Purchase of intangible assets (Excluding Right of use assets in IFRS16)

(4) "Others" = Effects of exchange rate changes

RESULTS BY BUSINESS SEGMENT

- Water Technology Business (LWT)
- Housing Technology Business (LHT)
- Living Business (Living)

- *Effective from Q1 FYE2026, established the new segment, "Living Business", by integrating the kitchen and vanity business from the "Water Technology Business" and the wooden interior materials business from the "Housing Technology Business". These businesses share many similarities in terms of products, manufacturing processes, and business models.*
- *In light of recent changes in the business environment and the increasing importance of India and the Middle East, which are experiencing particularly significant growth, the disclosure regions were changed to the following five.*
 - *Americas*
 - *Europe*
 - *IMEA (India, Middle East & Africa)*
 - *Asia Pacific*
 - *China*



Japan revenue and profits increased driven by strong renovation sales. Int'l business saw increased profits despite a revenue decline from lower US sales as strong performance in Europe, the Middle East and India outweighed the impact

		FYE2025 Q1 Results	FYE2026 Q1 Results	YoY vs Results		FYE2026 Forecasts
				Increase /decrease	%	
Japan	Revenue	72.9	77.6	+4.7	+6.5%	320.0
	CE	3.9	5.2	+1.3	+34.5%	20.5
	CE margin	5.3%	6.7%	+1.4 pp	-	6.4%
International	Revenue	126.7	115.6	-11.1	-8.7%	511.0
	CE	0.3	5.4	+5.1	-	20.0
	CE margin	0.3%	4.7%	+4.4 pp	-	3.9%
Water Technology Total	Revenue	199.5	193.2	-6.3	-3.2%	831.0
	CE	4.2	10.6	+6.4	+151.8%	40.5
	CE margin	2.1%	5.5%	+3.4 pp	-	4.9%

Revenue

- **Japan:** Revenue increased YoY as strong renovation sales continued
- **Int'l⁽¹⁾:** Despite growth in Europe and the Middle East, revenue decreased YoY in both local currency and JPY terms mainly due to lower sales in the US attributed to continued sluggish demand, transfer of the bathing business in last fiscal year, and impact from ERP system transition
- **Int'l revenue distribution ratio:** 59.8%, down by 3.6pp YoY

Core earnings

- **Japan:** CE increased YoY driven by the impact of price optimizations and higher renovation sales
- **Int'l⁽¹⁾:** CE increased YoY due to a strong performance in Europe and the Middle East, along with operational improvements
- **Int'l CE distribution ratio:** 50.7%, up by 42.9pp YoY

(1) YoY vs Results excluding forex impact: Revenue -JPY5.3 billion, -4%, Core earnings +JPY5.0 billion, +1,531%

INTERNATIONAL WATER TECHNOLOGY

REVENUE BY REGION

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Revenue by region (Management basis) ⁽¹⁾ JPY billion	Q1 FYE2026 Results	YoY local currency basis	FYE2026 Forecast	YoY local currency basis
Americas	38.2	-7% ⁽²⁾		+10% ⁽³⁾
Europe	43.4	+4%		+5%
IMEA (India, Middle East, Africa)	17.7	+16%		+12%
Asia Pacific	8.8	+5%		+11%
China	10.1	-11%		+7%
Adjustments	-2.6	-		-
Water Technology International Business Total (Statutory basis)⁽¹⁾	115.6 (-9% YoY)		511.0 (+4% YoY)	

	JPY	Local currency	
Americas	declined	declined	<ul style="list-style-type: none"> ✓ Demand in the renovation market has yet to recover due to the limited impact of interest rate cuts ✓ Revenue decline was also attributed to shipping delays resulted from ERP system transition ✓ Upon completion of the bathing business transfer, profitability improvement will be pursued by accelerating a shift in products and sales channel mix
Europe	increased	increased	<ul style="list-style-type: none"> ✓ Revenue increased due to higher sales volumes in key markets such as Germany and the Netherlands ✓ Gradual sales recovery in almost all product categories, and increased productivity contributed to enhanced profitability
IMEA	increased	increased	<ul style="list-style-type: none"> ✓ India expands sales steadily ✓ Revenue increased in all markets of the Middle East, driven by continued strong demand
Asia Pacific	increased	increased	<ul style="list-style-type: none"> ✓ Vietnam's retail business sales recovered, leading to increased revenue ✓ Thailand's revenue declined due to project delay caused by sluggish demand and earthquake
China	declined	declined	<ul style="list-style-type: none"> ✓ Ongoing challenges in the real estate sector continue, suppressing a recovery in consumer demand ✓ Revenue declined due to continued intense competition

(1) Statutory basis currency: Q1 FYE2026 results 1USD=JPY145.19, 1EUR=JPY164.37

Management basis currency: FYE2026 1USD=JPY155.0, 1EUR=JPY161.2

(2) With the transfer of US bathing business, we have excluded its sales from FYE2025 results. Including its sales from FYE2025, sales YoY would be -17%

(3) The revenue growth rate forecast is calculated excluding the impact of the US bathing business transfer. Including the bathing business in FYE2025 results, revenue YoY would be -1%

In Japan, revenue remained almost flat as strong renovation sales offset a decline in new housing. Profits increased due to price optimizations and improved profitability in the building business. International business remained at the same level as the previous year

		FYE2025 Q1 Results	FYE2026 Q1 Results	YoY vs Results		FYE2026 Forecasts
JPY billion				Increase /decrease	%	
Japan	Revenue	122.8	122.1	-0.7	-0.5%	509.0
	CE	4.4	5.9	+1.5	+35.2%	28.0
	CE margin	3.5%	4.8%	+1.3 pp	-	5.5%
International	Revenue	6.4	6.1	-0.2	-3.8%	28.0
	CE	0.2	0.2	-0.1	-29.2%	1.5
	CE margin	3.7%	2.7%	-1.0 pp	-	5.4%
Housing Technology Total ⁽¹⁾	Revenue	129.2	128.2	-0.9	-0.7%	537.0
	CE	4.6	6.1	+1.5	+31.9%	29.5
	CE margin	3.6%	4.7%	+1.2 pp	-	5.5%

Revenue

- Revenue remained flat YoY as strong renovation sales offset the slight decline in sales for new housing

Core earnings

- CE increased YoY attributed to price optimization and cost reduction initiatives coupled with inventory valuation gains. This offset the slight decline in new housing sales
- Improved profitability in the building business contributed to the higher profits

(1) Q1 FYE2026 Results (Reference)

LHT excl. building business
Building business

Revenue JPY107.8 billion, CE JPY4.9 billion, CE margin 4.6%
Revenue JPY20.4 billion, CE JPY1.1 billion, CE margin 5.6%

All product categories, particularly those for renovation, performed strongly, leading to increased revenue and profits

		FYE2025 Q1 Results	FYE2026 Q1 Results	YoY vs Results		FYE2026 Forecasts
JPY billion				Increase /decrease	%	
Living Total	Revenue	49.0	51.3	+2.3	+4.7%	210.0
	CE	1.4	2.2	+0.8	+56.7%	10.5
	CE margin	2.8%	4.2%	+1.4 pp	-	5.0%

Revenue

- In addition to a surge in demand ahead of the "Article 4 Special Provision", strong renovation sales growth and new housing sales for kitchen also contributed to a YoY increase in revenue

Core earnings

- Core earnings increased YoY, driven by strong renovation sales performance coupled with effective price optimization initiatives, which mitigated the impact of rising raw material and component costs

Kitchen *Richelle*



Vanities *Lumisis*



Wooden interior materials *Lasissa*



➤ **APPENDIX: FINANCIAL DATA**

➤ REVENUE BY PRODUCT AND SERVICE

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LWT sales remained strong due to robust renovation demand, price optimizations, and successful sales initiatives. For LHT, sales of housing sashes were flat YoY. For Living, sales initiatives led to solid kitchen demand

		JPY billion				in %				
Segments	Major products	Full-year FYE2025 Results	Q1 FYE2025 Results	Q1 FYE2026 Results	YoY	Quarterly YoY				
						FYE2025				FYE2026
						1Q	2Q	3Q	4Q	1Q
LWT	Sanitaryware** (1)	115.2	25.4	27.5	+8.6%	+5.7	+8.7	+10.9	+6.9	+8.6
	Bathroom Units	92.4	22.8	24.2	+6.3%	+4.2	+0.6	+4.5	+1.6	+6.3
	Tiles	30.2	7.3	7.1	-2.6%	-0.9	-6.3	-3.1	-3.0	-2.6
LHT	Housing sashes and others	187.9	47.2	47.5	+0.6%	+1.3	-5.4	+5.6	-4.5	+0.6
	Exterior	94.5	24.2	25.0	+3.7%	-0.5	-3.4	-2.1	+5.5	+3.7
	LHT others	38.7	9.6	9.7	+1.4%	-12.1	-13.3	-8.5	+1.2	+1.4
	Building sashes	101.0	22.5	20.4	-9.3%	+2.0	+8.0	-6.1	+1.9	-9.3
	Housing and Services business	19.0	4.5	4.2	-6.8%	-26.7	-25.0	-1.7	-8.0	-6.8
Living	Kitchens	100.4	24.0	25.6	+6.8%	+2.3	+1.0	+2.5	+4.7	+6.8
	Vanities (1)	36.6	8.7	9.0	+3.4%	-5.8	-6.4	-4.7	-7.0	+3.4
	Wooden interior materials	57.2	13.5	13.9	+3.0%	-3.7	-4.9	-2.2	+0.7	-3.0
	International (2)	519.4	133.0	121.7	-8.5%	+9.9	+1.2	+5.7	-2.5	-8.5
	Others/consolidation & Adj.	112.2	27.3	28.8	-					
Total		1,504.7	369.8	364.7	-1.4%	+3.0	-0.8	+2.6	+1.1	-1.4

(Reference) **Sale of Faucets included in "Sanitaryware."

LWT	Faucets	28.0	6.1	7.1	+16.0%	-0.3	+15.3	+10.7	+8.5	+16.0
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(1) The internal product categorization for sales of sanitaryware and vanities has changed from Q1 FYE2025. For the percentage increase/ decrease in FYE2025, please refer to the past Financial Results for the Fiscal Year Ended March 31, 2025.

(2) Please refer to p.17 for the revenue of water-related products in international business

STRATEGY TO STRENGTHEN RENOVATION SALES IN JAPAN **LIXIL**

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Renovation sales ratio increased by 1.7pp. All segments saw an increase due to continued strong demand

JPY billion	Q1 (3 months)			
	FYE2025 Results ⁽¹⁾	FYE2026 Results	Increase /decrease	YoY
Sales of renovation-related products	90.9	96.7	+5.8	+6.4%
LWT-J				+11%
LHT				+2%
Excl. building				+2%
Building business				-2%
Living				+9%
Renovation sales ratio	46%	48%	+1.7pp	

Renovation sales ratio by business segment (YoY)

	Q1 FYE2025	Q1 FYE2026	Increase /decrease
LWT	54%	57%	+2.3pp
LHT	41%	42%	+1.1pp
Living	48%	49%	+1.6pp
Japan Total	46%	48%	+1.7pp

Inner window *In-plus*



(1) Sales of renovation product was restated for comparison on the same basis

Leveraging our brands, global structure for R&D, and roll-out of differentiated products, we are positioned for renewed growth by quickly responding to local needs⁽¹⁾

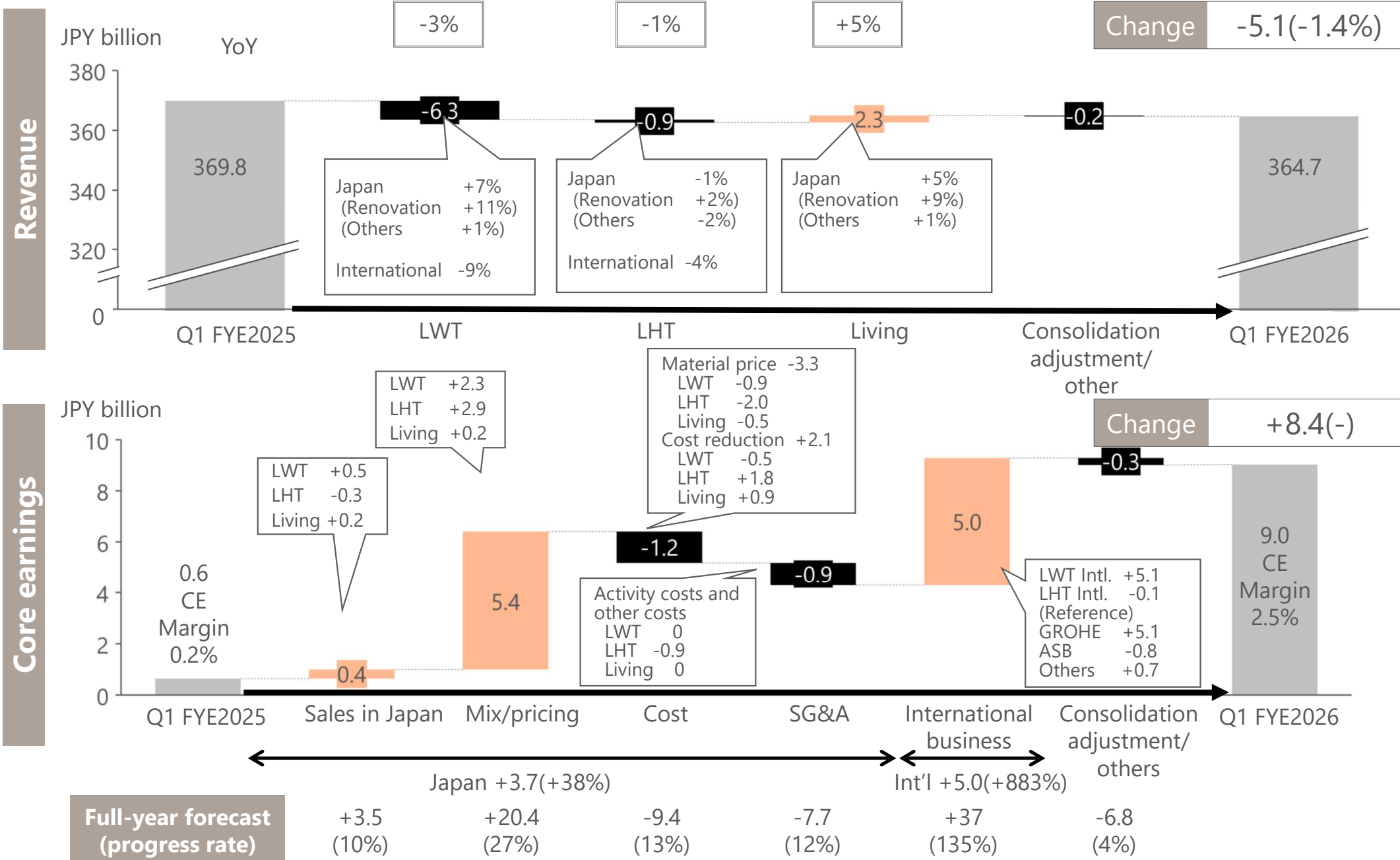
	Q1 FYE2026 (3 months)					
	Intl. Total	Americas	Europe	IMEA	Asia Pacific	China
Sales distribution ratio						
Bath faucets and showers	43%	13%	60%	62%	35%	50%
Toilets	43%	65%	23%	34%	60%	40%
Kitchen faucets and water systems	8%	5%	15%	4%	3%	5%
Bathing and showering systems	5%	14%	0%	0%	1%	1%
All others	2%	3%	1%	0%	1%	5%
Total	100%	100%	100%	100%	100%	100%
Sales growth						
Bath faucets and showers	+2%	-11%	+1%	+17%	+10%	-5%
Toilets	+1%	-2%	+9%	+19%	+1%	-21%
Kitchen faucets and water systems	-0%	-15%	+4%	+2%	+68%	-10%
Bathing and showering systems	-23%	-24%	-23%	-50%	+9%	+39%

(1) See also, p.27, 29-32,74 of our INTEGRATED REPORT 2025, for progress of "Grow Global Water Business" in the LIXIL Playbook
https://ssl4.eir-parts.net/doc/5938/ir_material_for_fiscal_ym41/181197/00.pdf#page=28

> Q1 FYE2026 CHANGE IN REVENUE AND CORE EARNINGS

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Q1 FYE2026 OTHER INCOME AND EXPENSES, FINANCE INCOME AND COSTS

JPY billion	Q1 FYE2025 Results	Q1 FYE2026 Results	Increase/ decrease
Others	0.7	2.4	+1.7
Other income	0.7	2.4	+1.7
Losses on disposal of property, plant and equipment	0.2	0.1	-0.1
Impairment losses	0.1	0.3	+0.2
Others	1.5	4.1	+2.6
Other expenses	1.8	4.5	+2.7
Interest income	0.4	0.5	0.0
Dividend income	0.6	0.7	0.0
Others	0.1	0.1	0.0
Finance income	1.1	1.2	0.0
Interest expense	3.0	2.8	-0.3
Losses on exchange differences	0.7	1.5	+0.8
Losses on valuation of derivatives	0.2	0.1	0.0
Others	0.0	0.0	0.0
Finance costs	3.9	4.4	+0.6

- Other income includes one-time profit recognition due to an equity-method affiliate conversion of an investment
- Other expenses include costs from the withdrawal of LHT's ceramic siding business and the reorganization of European bases
- Losses on foreign exchange rate differences: due to recent currency fluctuations

RESULTS AND FORECASTS BY SEGMENT (3 SEGMENTS)

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		Q1 FYE2025 Results			Q1 FYE2026 Results				FYE2026 Full-year Forecasts			
JPY billion		Japan	Intl.	Total	Japan	Intl.	Total	Total YoY%	Japan	Intl.	Total	Total YoY%
LWT	Revenue	72.9	126.7	199.5	77.6	115.6	193.2	-3.2%	320.0	511.0	831.0	+3.2%
	CE	3.9	0.3	4.2	5.2	5.4	10.6	+151.8%	20.5	20.0	40.5	+9.9%
	CE margin	5.3%	0.3%	2.1%	6.7%	4.7%	5.5%	+3.4pp	6.4%	3.9%	4.9%	+0.3pp
LHT	Revenue	122.8	6.4	129.2	122.1	6.1	128.2	-0.7%	509.0	28.0	537.0	+1.9%
	CE	4.4	0.2	4.6	5.9	0.2	6.1	+31.9%	28.0	1.5	29.5	+13.3%
	CE margin	3.5%	3.7%	3.6%	4.8%	2.7%	4.7%	+1.2pp	5.5%	5.4%	5.5%	+0.6pp
Living	Revenue	49.0		49.0	51.3		51.3	+4.7%	210.0		210.0	+2.2%
	CE	1.4		1.4	2.2		2.2	+56.7%	10.5		10.5	+45.3%
	CE margin	2.8%		2.8%	4.2%		4.2%	+1.4pp	5.0%		5.0%	+1.5pp
Cons. Adj. & Others ⁽¹⁾	Revenue			-7.8			-8.1	-			-38.0	-
	CE			-9.5			-9.8	-			-45.5	-
LIXIL ⁽¹⁾	Revenue	244.6	133.0	369.8	251.0	121.7	364.7	-1.4%	1,039.0	539.0	1,540.0	+2.3%
	CE	9.6	0.6	0.6	13.3	5.6	9.0	-	59.0	21.5	35.0	+11.7%
	CE margin	3.9%	0.4%	0.2%	5.3%	4.6%	2.5%	+2.3pp	5.7%	4.0%	2.3%	+0.2pp

(1) Difference between sum total of Japan and International in Revenue and Core earnings and "Total" is the amount of consolidation, adj. & others

(2) Please refer to "Consolidated Financial Statements under IFRSs for the Year Ended March 31, 2025" disclosed on Apr. 30, 2025, for the FYE2025 results under the new reporting segments

PERFORMANCE OF MAJOR INTERNATIONAL SUBSIDIARIES

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ASB (ASD Holdings) (USD million)	FYE2025					FYE2026	Full-year YoY
	Q1	Q2	Q3	Q4	Full-year	Q1	
Revenue	298	286	262	276	1,122	247	-17%
Core earnings	-12	-6	-13	-12	-44	-19	-
Core earnings margin	-	-	-	-	-	-	-

Grohe Group (GROHE) (EUR million)	FYE2025					FYE2026	Full-year YoY
	Q1	Q2	Q3	Q4	Full-year	Q1	
Revenue	390	393	412	406	1,601	417	+7%
Core earnings	20	39	44	47	150	51	+156%
Core earnings margin	5%	10%	11%	12%	9%	12%	+7.2pp

ASB (ASD Holdings) (USD million)	FYE2025 Balance	Q1 FYE2026 Balance
Goodwill ⁽¹⁾	225	225
Intangible assets ⁽¹⁾	221	220

Grohe Group (GROHE) (EUR million)	FYE2025 Balance	Q1 FYE2026 Balance
Goodwill ⁽¹⁾	1,199	1,183
Intangible assets ⁽¹⁾	1,382	1,379

Q1 FYE2026

FX rates	Average	Current
USD	JPY145.19	JPY144.81
EUR	JPY164.37	JPY169.66

(1) Please refer to p42-48 of the FYE2025 Consolidated Financial Statements "14. Goodwill and Other Intangible Assets" for assessment of goodwill and intangible assets https://ssl4.eir-parts.net/doc/5938/ir_material_for_fiscal_ym35/183023/00.pdf#page=54

➤ **APPENDIX: BUSINESS AND ESG-RELATED TOPICS**

■ Make Better Homes a Reality Through Innovation

Four innovative LIXIL products showcased at EXPO 2025⁽¹⁾⁽²⁾



- Four innovative products are showcased at EXPO 2025
 - ✓ A circular material *Revia*
 - ✓ PHR (Personal Health Record) support through the smart home system *Life Assist 2* (Showcased June 21-29)
 - ✓ *Green tap* mineral water purifier for kitchens
 - ✓ Exterior building space *Garden Annex*
- Additionally, LIXIL products such as toilets and facade sashes are installed at various Expo facilities

■ Contribute to a Low-Carbon Society and Circular Economy

Strengthened strategic partnership with Schueco, a German aluminum sashes provider



- By integrating technologies and expertise with Schueco, LIXIL will accelerate sales of Schueco brand products suitable for various building applications including high-performance aluminum window and curtain walls. This contributes to reducing CO₂ emissions over the entire life cycle of a building in Japan⁽³⁾
- Since the recycled low-carbon aluminum *PremiAL* series aligns with Schueco's "Low Carbon Profiles" standard, LIXIL is targeting sales expansion in Southeast Asia by supplying *PremiAL* from LIXIL plants in Thailand and Vietnam. LIXIL will contribute to fostering sustainable society in the region⁽⁴⁾

(1) The 2025 World Exposition

(2) News release <https://newsroom.lixil.com/ja/2025040301> (JP only)

(3) News release https://newsroom.lixil.com/20250424_schueco_partnership

(4) News release https://newsroom.lixil.com/20250417_schueco

■ Maximizing impact through innovation

Opening of Guangzhou International Competency Center⁽¹⁾



- LIXIL seeks to accelerate innovation through deeper collaboration with Chinese suppliers and integration of global expertise
- China is a crucial R&D hub for LIXIL, where many innovative ideas originate. This helps us to respond swiftly to new technologies and consumer trends
- The International Competency Center accelerates market launch of new products and provides China-led solutions to the world

(1) News release https://newsroom.lixil.com/20250704_icc

■ Strengthening ESG disclosure

Updated LIXIL's material issues, and published them on Impact website⁽²⁾

- Updated LIXIL's material issues based on the double materiality assessment process incorporating financial and social impact perspectives, considering evolving regulations like CSRD
- Refined and streamlined the identified material issues, ensuring alignment with our business strategies and stakeholder expectations, while re-evaluating our Impact Strategy

LIXIL issues 2025 Disclosure Report in response to the TCFD and TNFD recommendations⁽³⁾

- Expanded analysis of key raw materials from last year's focus on aluminum and wood to also include copper and ceramics. Over 90% of the raw materials listed in the Science Based Targets Network (SBTN)'s "High Impact Commodity List (HICL)" were covered in this assessment to identify raw materials with significant impact on nature

(2) Website <https://www.lixil.com/en/impact/strategy/issues.html>

(3) News release <https://newsroom.lixil.com/20250618tcfdtnfd>

Selected for all six ESG indices adopted by Japan's Government Pension Investment Fund (GPIF) (as of July 2025)⁽¹⁾⁽²⁾



FTSE Blossom Japan Index

2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)



FTSE Blossom Japan Sector Relative Index

MORNINGSTAR GenDi J
Japan ex-REIT Gender Diversity Tilt Index
TOP CONSTITUENT 2025



FTSE4Good Index Series⁽²⁾

[nine consecutive years]



FTSE4Good

MSCI ESG Ratings

Received a rating of AAA⁽¹⁾ for the third consecutive year (February 2025)



CDP

FYE2025:

- Climate Change A-
- Water Security A-
- Supplier Engagement A



DX Platinum Company 2025-2027

Selected as a DX Platinum Company 2025-2027 for the first time (April 2025)



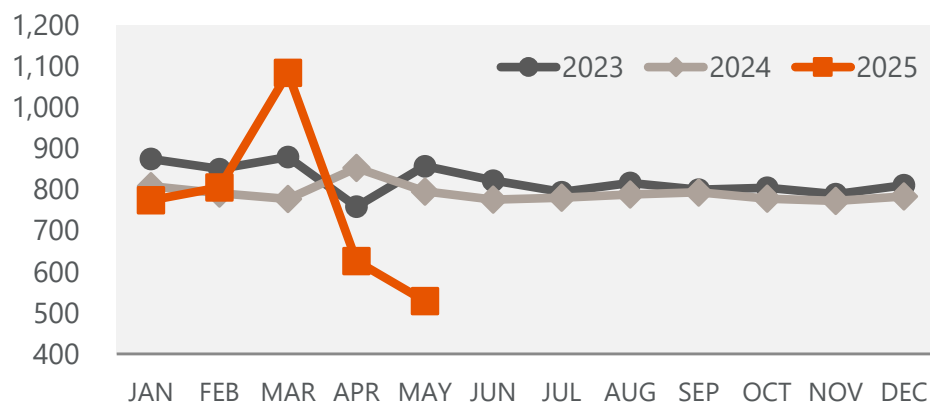
DX Platinum Companies
2025-2027
Digital Transformation

(1) Please see our website for the disclaimer <https://www.lixil.com/en/about/evaluation.html>

(2) FTSE4Good Index Series <https://www.lseg.com/en/ftse-russell/indices/ftse4good/>
FTSE Blossom Japan Index <https://www.lseg.com/en/ftse-russell/indices/blossom-japan>

Trend of new housing starts in Japan

Annualized seasonally adjusted data



Source : Statistics of new housing starts, Ministry of Land, Infrastructure, Transport and Tourism (Jan 2023-May 2025)

New housing construction trends in Japan

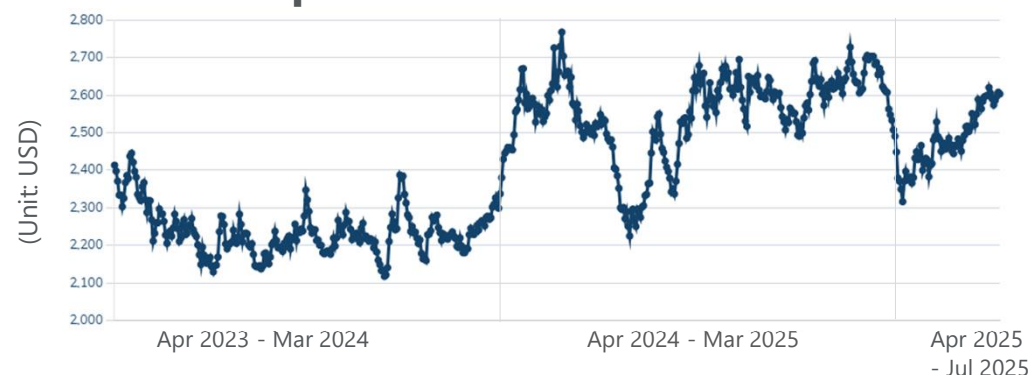
(year-on-year)

● Jan-Mar 2025: +13.3% ● Jan-May 2025: -5.8%

	Jan-May 2025 (5 months)		Apr-May 2025 (2 months)	
	Units	YoY	Units	YoY
Total new housing starts	305,944	-5.8%	99,425	-30.2%
Owner-occupied(1)	78,307	-5.5%	25,555	-27.2%
Rental homes	136,669	-2.1%	43,832	-29.0%
Condos for sale	40,767	-16.3%	12,487	-46.2%
Detached houses for sale(2)	46,168	-8.3%	15,252	-26.3%
Detached houses total (1)+(2)	124,475	-6.6%	40,807	-26.8%

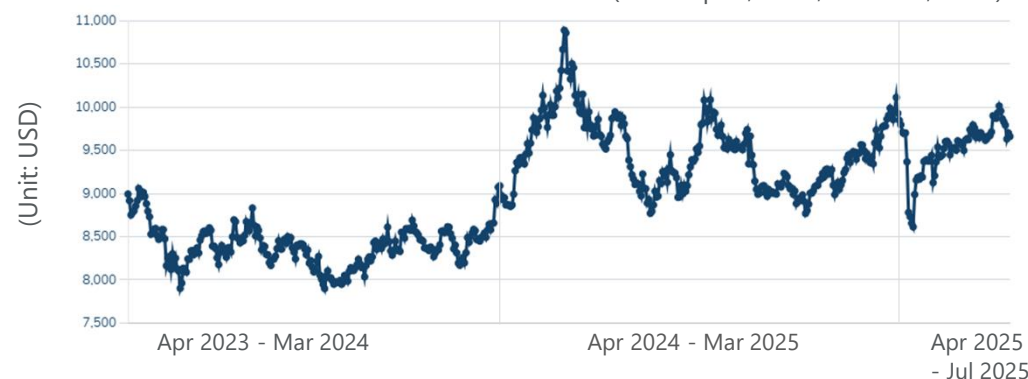
Aluminum price trend

Source : LME 3 months
(From Apr 1, 2023, to Jul 14, 2025)



Copper price trend

Source : LME 3 months
(From Apr 1, 2023, to Jul 14, 2025)



Foreign exchange rates (Average rate)	FYE2024 Actuals	FYE2025 Actuals	FYE2026 Assumptions
US dollar	JPY144.40	JPY152.48	JPY155.0
Euro	JPY156.80	JPY163.62	JPY161.2

Results and assumptions (price)	FYE2024 Actuals	FYE2025 Actuals	FYE2026 Assumptions
Aluminum (Purchasing price)	335,000	398,000	448,000
Copper alloy	1,009,000	1,170,000	1,262,000

(JPY per tonne)

> (REFERENCE) LIXIL TRANSITIONED TO IFRS FROM FYE2016 CHANGE IN PROFIT LEVEL STRUCTURE IS AS SHOWN

JGAAP	IFRS (LIXIL Financial Reporting)
	<u>Continuing operations</u>
Net sales	Revenue
Cost of sales	Cost of sales
Gross profit	Gross profit
SG&A	SG&A
Operating profit	Core earnings (CE)
Non-operating income/expenses	Other income/expenses
Ordinary income	Operating profit
Extraordinary income/loss	Finance income/costs
	Share of profit (loss) of investments accounted for using equity method
Profit before income taxes	Profit before tax
	Profit from continuing operations
	<u>Discontinued operations</u>
	Profit for discontinued operations
Net profit attributable to	Profit attributable to
Non-controlling interests	Owners of the parent
Owners of the parent	Non-controlling interests

"Core earnings" in IFRS is equivalent to JGAAP's "Operating profit"



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 Corporation cautions that a number of factors could cause actual results to differ materially from those discussed in the forward-looking statements.

MAKE BETTER HOMES A REALITY FOR EVERYONE, EVERYWHERE