Q1 Financial Results for the Fiscal Year Ending March 31, 2027 [IFRS]

(From April 1, 2026 to June 30, 2026)

LIXIL Corporation
July 31, 2026

TSE Code: 5938

Full-year forecast remains unchanged, with cost increases from Middle East tensions offset by price revisions and cost reductions

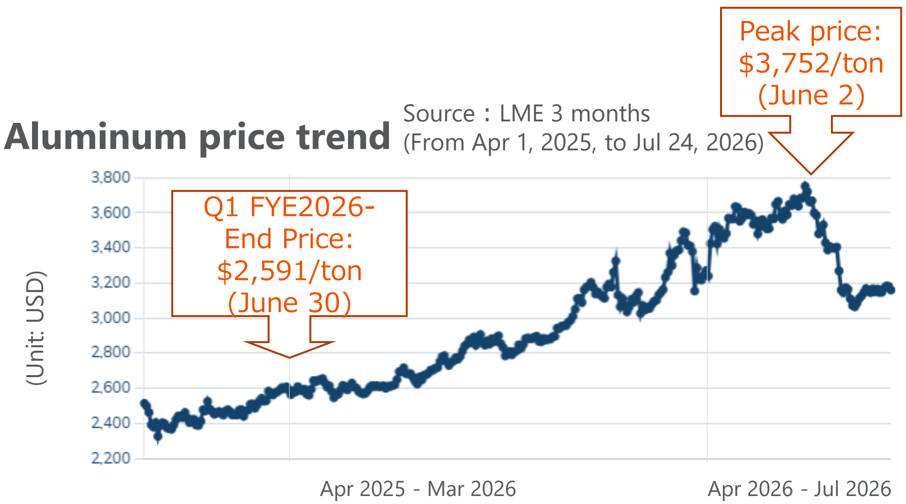
Q1 Results

Revenue increased YoY, but both core earnings and EBITDA declined

- Core earnings fell YoY, driven mainly by the impact of rising aluminum prices in LHT and lower renovation sales ratio across domestic operations. Core earnings for LWT International remained flat YoY

Aluminum price trend

Source：LME 3 months (From Apr 1, 2025, to Jul 24, 2026)



Full-Year Forecast

Cost increases to continue in Q2, with benefits of price revisions gradually taking effect from Q3 onward. Reflecting seasonality in the Japan business, core earnings will be weighted toward H2

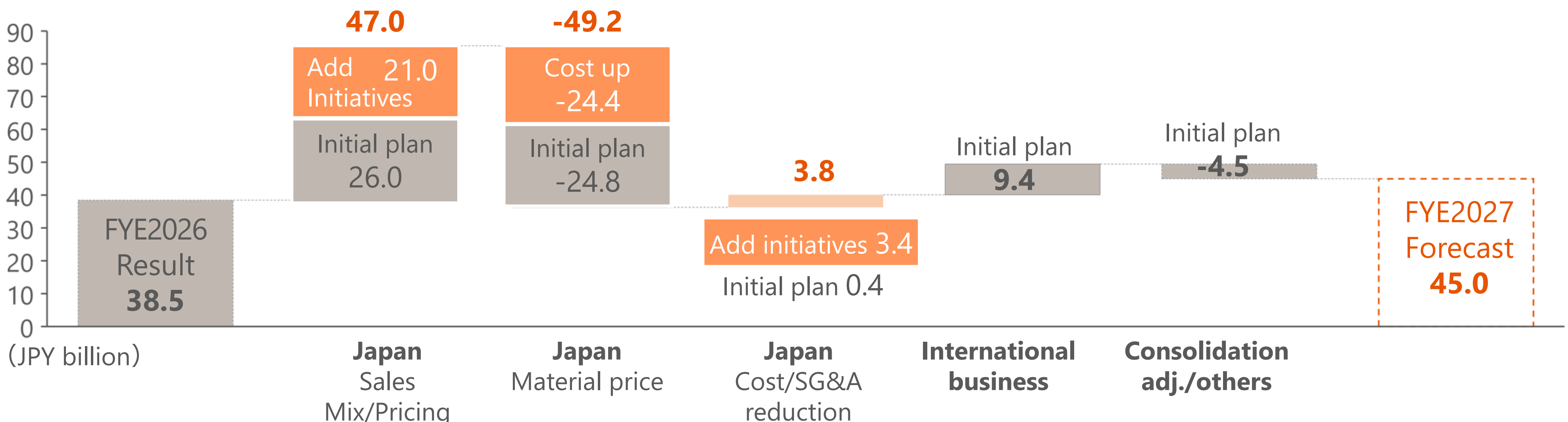
- The full-year forecast remains unchanged after evaluating the impact of higher raw material and other material costs driven by Middle East tensions, the full-year benefits of announced price revisions, and cost reductions including SG&A expense controls
- Rising ingot and material costs will emerge gradually. In Q2, as cost pressures intensify and price revision benefits remain limited, profitability is expected to temporarily deteriorate
- The dividend forecast also remains unchanged

IMPACT OF THE RECENT SITUATION IN THE MIDDLE EAST AND COUNTERMEASURES (1)

- Currently, no supply concerns or delivery delays have occurred as a result of Middle East situation
- The impact of rising construction costs in Japan on future demand requires close monitoring

Category	Main Risk Factors	Implemented Countermeasures
Manufacturing and Supply	• Soaring costs for raw materials and petroleum-based supplies • Tightening supply/demand ratio for certain materials	• Implementation of the additional price revisions and cost-reduction • Lowered risks through supplier diversification
Cost Inflation and Supply Concerns (Fuel and logistics costs)	• Soaring fuel and electricity costs at each plant • Soaring ocean/land freight costs and surcharges (especially in Europe/Middle East)	• Mitigated price fluctuation risks through hedging • Other cost savings
Product Lead Times	• Certain parts and materials are subject to shipment delays and extended lead times for delivery commitments	• After initial uncertainty, shipment operations and delivery schedules have now stabilized

FYE2027 CE Forecast



IMPACT OF THE RECENT SITUATION IN THE MIDDLE EAST AND COUNTERMEASURES (2)

LIXIL

(1) Supply Side Impact

- Petroleum-based materials (impact especially on LWT Japan): Raw material supply shortages occurred, but supply was ultimately secured thanks to our network and government cooperation. However, procurement costs rose significantly, with impacts emerging from the latter half of Q1. Price revisions for water-related products will take effect from August onward, with benefits expected in 2H
- Aluminum (impact especially on LHT): Prices had already risen due to supply shortage prior to Middle East tensions, weighing on LHT profitability from Q4 FYE2026. Prices surged through June, but have recently declined and stabilized. LHT price revisions will be implemented from October onward to improve profitability in 2H
- Copper (impact especially on LWT International): Prices have been rising since late last year, which will be addressed through price revisions implemented in July this year

(2) Demand Side Impact

Japan:	Amid supply concerns in Q1, new housing was prioritized, leading to a decline in our renovation sales ratio. Additionally, details of certain subsidy programs were not finalized until June, delaying its launch. A potential decline in new housing demand driven by future inflation needs to be monitored
Middle East:	Secured supply to meet demand, establishing a competitive advantage through the strengths of local production and inventory
US:	Prolonged Middle East tensions are impeding the recovery of housing demand

(3) Financial Impacts

- Full-year cost increases will be offset by price revisions, SG&A expense controls, and other measures
- The long-term impact on new housing demand in Japan requires close monitoring

Q1 FYE2027 PERFORMANCE HIGHLIGHTS

Revenue increased while core earnings decreased year-on-year

- **Revenue: JPY379.2 billion, up JPY14.5 billion year-on-year**
  - Q1 (3 months) YoY: -3% in Japan and +17% in international markets (+6% excluding foreign exchange impact)
- **Core earnings: JPY1.7 billion, down JPY7.3 billion year-on-year**
  - Q1 (3 months) YoY: +JPY0.1 billion in LWT, -JPY6.4 billion in LHT, -JPY0.8 billion in Living, and -JPY0.1 billion for consolidation adjustment/other factors
- **EBITDA(1): JPY22.6 billion, down JPY6.7 billion year-on-year**
- **Profit for the quarter(2): JPY-3.5 billion, down JPY2.6 billion year-on-year**
  - 1Q (3 Months) YoY Change: Profit down ¥2.6 billion due to lower core earnings, despite decreases 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

Q1 FYE2027 CONSOLIDATED BUSINESS RESULTS

JPY billion	Q1 (3 months) FYE2026	FYE2027	Increase/ decrease (YoY)	%
Revenue	364.7	**379.2**	+14.5	+4.0%
Gross Profit	124.8	**124.4**	-0.3	-0.3%
(%)	34.2%	**32.8%**	-1.4 pp	-
SG&A	115.8	**122.8**	+7.0	+6.0%
Core Earnings (CE) (1)	9.0	**1.7**	-7.3	-81.3%
(%)	2.5%	**0.4%**	-2.0 pp	-
Profit for the quarter (2)	-0.9	**-3.5**	-2.6	-
EPS (JPY)	-3.17	**-12.20**	-9.03	-
EBITDA (3)	29.4	**22.6**	-6.7	-22.9%
(%)	8.0%	**6.0%**	-2.1 pp	-

- **Gross profit margin:** Decreased by 1.4pp YoY
- **SG&A expenses:** Increased by JPY7.0 billion YoY (Japan JPY0.8 billion increase, International JPY1.8 billion increase, forex effect JPY4.4 billion increase) mainly due to higher personnel costs in Japan, an increase in SG&A expenses for international business, and foreign exchange impacts. SG&A ratio increased by 0.6pp
- **CE margin:** Decreased by 2.0pp 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

Q1 FYE2027 BUSINESS RESULTS BY SEGMENT

LWT: Core earnings remained flat for both Japan and International businesses. LHT: CE declined due to soaring raw material costs. Living: CE declined due to foreign exchange impact and higher material costs

	JPY billion	Q1(3 months) FYE2026	FYE2027	Increase /decrease (YoY)
LWT	Revenue	193.2	**210.2**	+17.0
	CE	10.6	**10.7**	+0.1
LHT	Revenue	128.2	**124.7**	-3.5
	CE	6.1	**-0.4**	-6.4
Living	Revenue	51.3	**52.2**	+0.9
	CE	2.2	**1.3**	-0.8
Consolidation, Adj. & Other	Revenue	-8.1	**-7.9**	+0.1
	CE	-9.8	**-9.9**	-0.1
LIXIL	Revenue	364.7	**379.2**	+14.5
	CE	9.0	**1.7**	-7.3

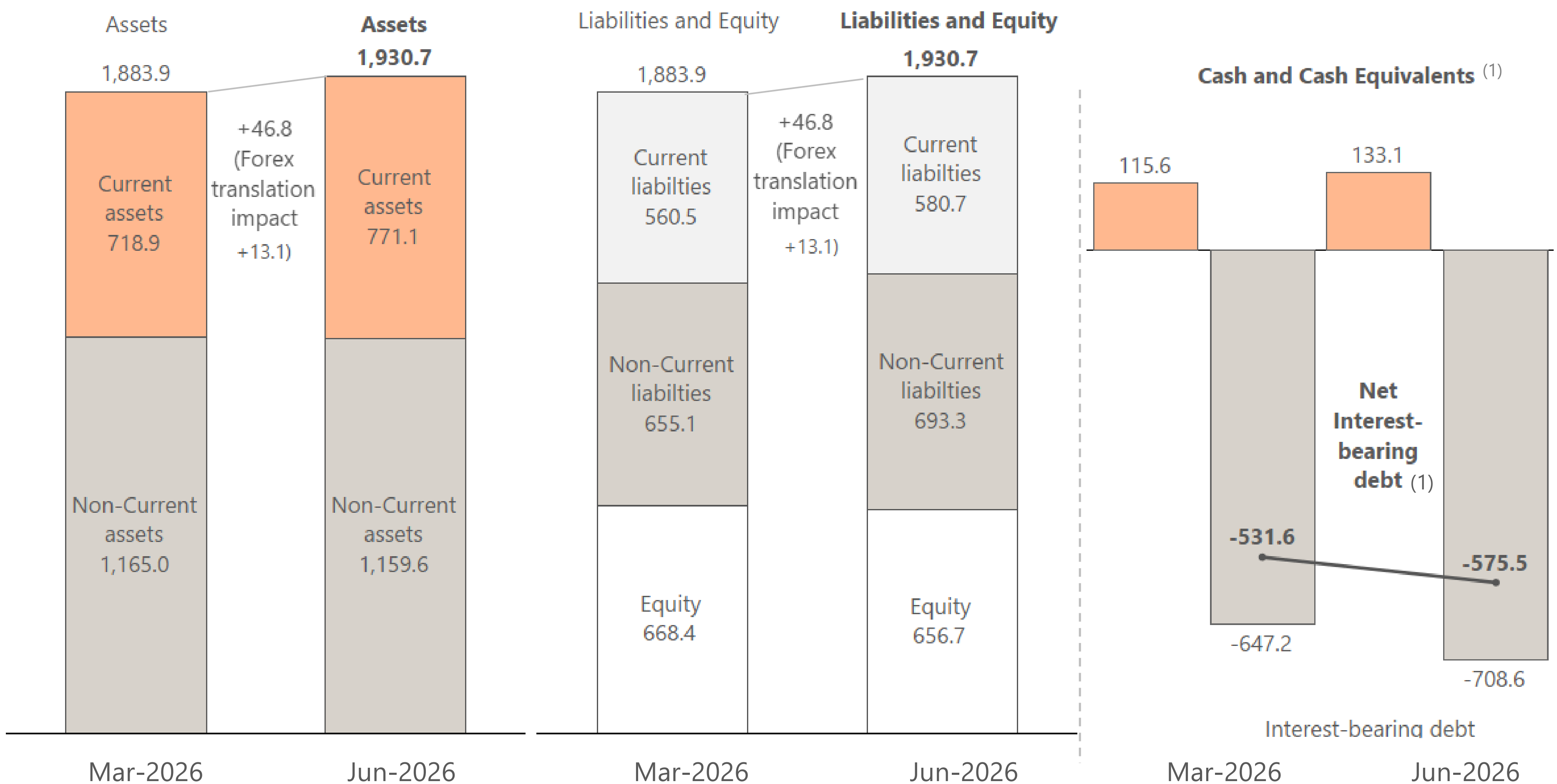
Forex impact[1]
Q1 3 months: Revenue JPY+13.8 billion, CE JPY+0.8 billion

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

CONSOLIDATED FINANCIAL POSITION

Total assets increased due to an increase in cash and deposits and foreign exchange impacts. Interest-bearing debt increased due to the issuance of corporate bonds and additional borrowings. The equity ratio is 33.8%

JPY billion

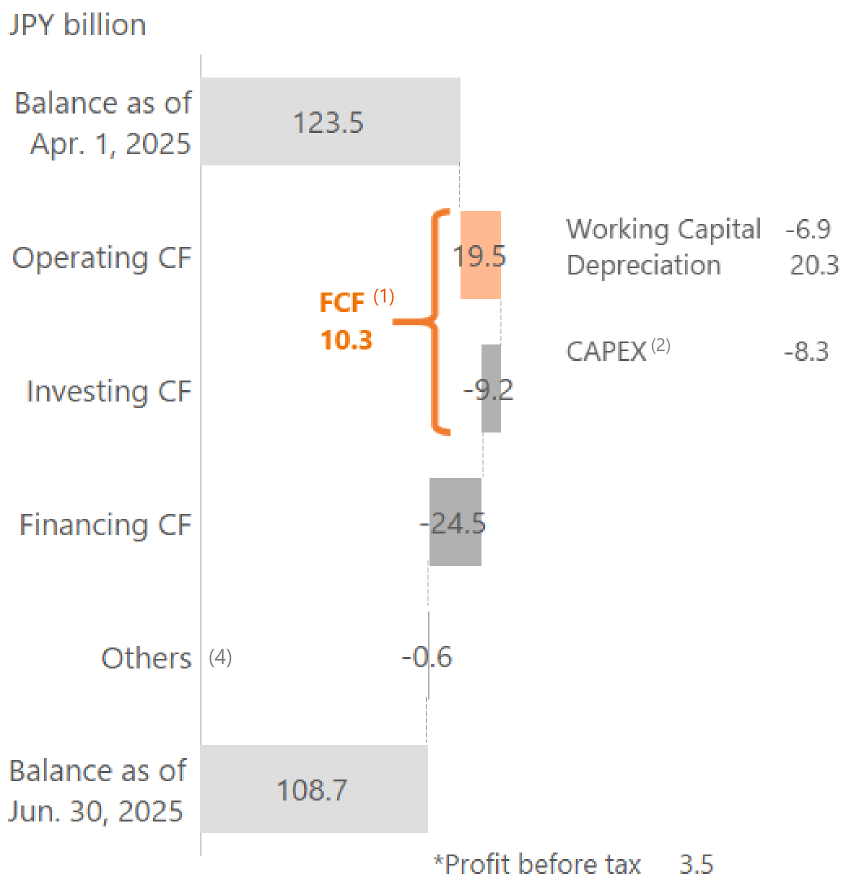


(1) Net interest-bearing debt temporarily worsened as JPY25.0 billion of surplus funds raised through corporate bonds and other financing were placed in short-term investments (expected to normalize in Q2)

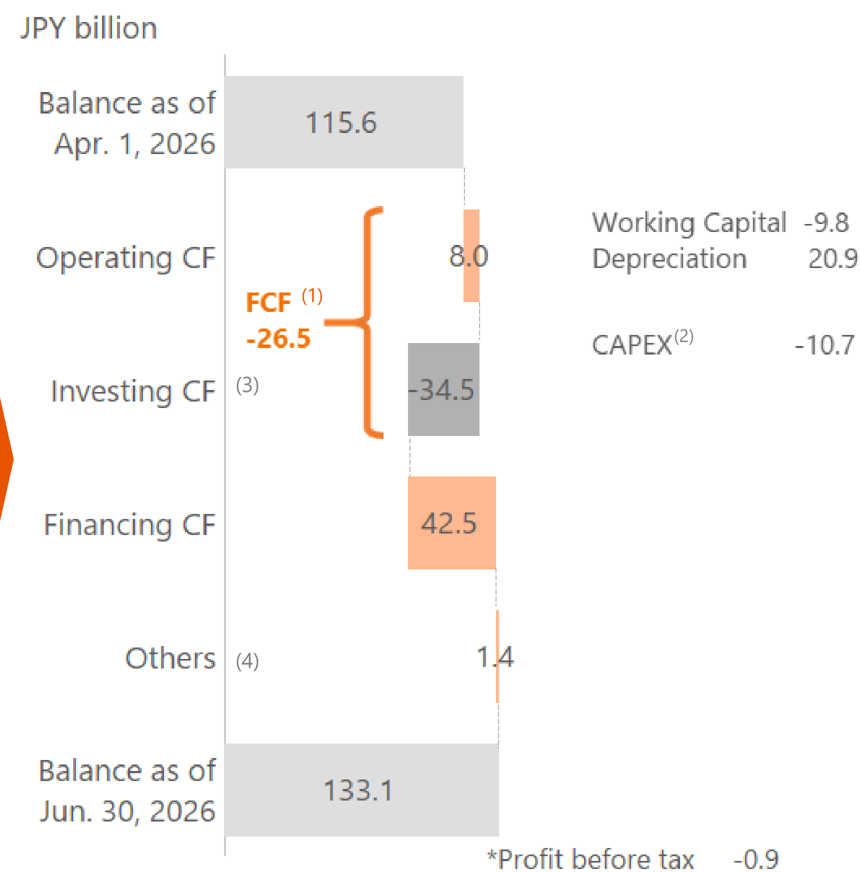
CASH FLOW STATUS AND CASH BALANCE

Operating cash flow decreased due to a slight increase in working capital and lower profit before tax. Investing cash flow worsened from the short-term investment of cash reserves, turning free cash flow (FCF) negative

Q1 FYE2026



Q1 FYE2027



(1) "FCF" = Operating CF + Investing CF
(2) CAPEX = Purchase of property, plant and equipment + Purchase of intangible assets (Excluding Right of use assets in IFRS16)
(3) Decrease from short-term investment of surplus cash (JPY 25bn) related to corporate bond financing and others (to be resolved in Q2)
(4) "Others" = Effects of exchange rate changes

RESULTS BY BUSINESS SEGMENT

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

WATER TECHNOLOGY

Japan renovation sales remained sluggish as new housing was prioritized amid material supply concerns. International CE remained flat YoY; sales growth outside China, price increases and Americas structural reforms offset inflationary pressures

	JPY billion	FYE2026 Q1 Results	FYE2027 Q1 Results	YoY vs Results: Increase /decrease	YoY vs Results: %	FYE2027 Forecasts
Japan	Revenue	77.6	76.3	-1.3	-1.6%	325.0
	CE	5.2	5.3	+0.1	+1.3%	21.0
	CE margin	6.7%	6.9%	+0.2pp	-	6.5%
International	Revenue	115.6	133.9	+18.3	+15.8%	550.0
	CE	5.4	5.4	0.0	+0.6%	31.0
	CE margin	4.7%	4.1%	-0.6pp	-	5.6%
Water Technology Total	Revenue	193.2	210.2	+17.0	+8.8%	875.0
	CE	10.6	10.7	+0.1	+0.8%	52.0
	CE margin	5.5%	5.1%	-0.4pp	-	5.9%

Revenue

- **Japan:** Revenue decreased slightly YoY. Increased sales in new housing were offset by a reactionary decline from strong Q1 renovation sales in the previous year
- **Int'l(1):** Revenue increased on both a local currency and JPY basis, driven by strong price realization and volume growth. Regionally, sales growth was led by Europe and IMEA region
- **Int'l revenue distribution ratio:** 63.7%, up by 3.9pp YoY

Core earnings

- **Japan:** CE remained flat YoY; price revision benefits were offset by soaring material costs
- **Int'l(1):** Absolute CE remained flat YoY. Sales growth outside China, price increases and Americas structural reforms offset inflationary pressures
- **Int'l CE distribution ratio:** 50.8%, flat YoY

(1) YoY vs Results excluding forex impact: Revenue JPY+4.7 billion, +4%, Core earnings JPY-0.7 billion, -13%

INTERNATIONAL WATER TECHNOLOGY REVENUE BY REGION

by region (Management basis) (1) (JPY billion)	Q1 FYE2026 Results		Q1 FYE2027 Results				FYE2027 Forecast	
	Revenue	CE	Revenue (YoY)		CE	CE Margin	Revenue	
Americas	37.9	-2.4	38.2	(+1%)	-0.8	-	170.0	+13%
Europe	50.2	5.5	53.3	(+6%)	5.4	10%	190.0	+8%
IMEA (India, Middle East, Africa)	17.6	2.9	20.3	(+16%)	1.8	9%	81.0	+12%
Asia Pacific	8.8	-0.5	9.3	(+7%)	-0.2	-	50.0	+13%
China	10.5	0.8	9.5	(-10%)	0.4	4%	39.0	+4%
Adjustments	-9.3	-0.8	3.3	-	-1.2	-	20.0	-
Water Technology International Business Total (Statutory basis) (1)	**115.6**	**5.4**	**133.9**	**(+16%)**	**5.4**	**4.1%**	**550.0**	**+12%**

Americas

- ✓ Revenue increased, driven by strong price revision benefits and growth in retail sales
- ✓ Cost reductions from structural reforms as well as tight SG&A spending controls contributed to improved profitability

Europe

- ✓ Revenue increased, driven by strong sales in Germany and Eastern Europe partly driven by upcoming price increase
- ✓ Despite sales volume growth, CE remained flat YoY, mainly due to front-phased SG&A expenses and one-time COGS impacts

IMEA

- ✓ Revenue increased, primarily driven by higher sales volumes and solid demand in India, North West Africa, and Turkey. Sales in GCC markets also grew despite the Middle East tensions
- ✓ CE declined. Inflationary and conflict related cost increases as well as FX impacts offset the volume growth benefit

Asia Pacific

- ✓ Revenue increased as growth in Vietnam and Indonesia successfully offset continued market sluggishness in Thailand
- ✓ CE slightly improved with volume growth offsetting cost inflation

China

- ✓ Revenue declined despite retail and E-commerce growth due to on-going Project channel weakness, driven by the ongoing real estate market slump
- ✓ CE declined driven by lower sales volume, but remained in the black due to tightly managed SG&A

(1) Statutory basis currency: Q1 FYE2027 results 1USD=JPY160.51, 1EUR=JPY185.45
Management basis currency: FYE2027 1USD=JPY155.0, 1EUR=JPY186.0

HOUSING TECHNOLOGY

Japan revenue decreased due to a slowdown in renovation sales; core earnings dropped significantly due to soaring aluminum and material costs. International core earnings remained virtually flat YoY

JPY billion		FYE2026 Q1 Results	FYE2027 Q1 Results	YoY vs Results		FYE2027 Forecasts
				Increase /decrease	%	
Japan	Revenue	**122.1**	**116.2**	-5.9	-4.9%	**505.0**
	CE	**5.9**	**-0.5**	-6.4	-	**27.5**
	CE margin	**4.8%**	**-**	-	-	**5.4%**
International	Revenue	**6.1**	**8.6**	+2.5	+40.6%	**32.0**
	CE	**0.2**	**0.1**	0	-34.0%	**1.5**
	CE margin	**2.7%**	**1.5%**	-1.2pp	-	**4.7%**
Housing Technology Total(1)	Revenue	**128.2**	**124.7**	-3.5	-2.7%	**537.0**
	CE	**6.1**	**-0.4**	-6.4	-	**29.0**
	CE margin	**4.7%**	**-**	-	-	**5.4%**

Revenue

- **Japan:** Revenue decreased YoY due to a slowdown in renovation sales
- **Int':** Increased YoY, driven by sales growth in Thailand and Vietnam

Core earnings

- CE dropped significantly YoY into the red; while price revisions partially offset soaring raw material and resource costs, performance was dragged down by a slowdown in renovation sales and the loss of inventory valuation gains
- Building Business: CE remained sluggish, weighed down by fewer high-margin property handovers, the absence of inventory valuation gains, and higher material costs

(1) Q1 FYE2027 results (Reference)

LHT excl. building business	Revenue	JPY107.4 billion, CE	JPY1.4 billion, CE margin 1.3%
Building business	Revenue	JPY17.4 billion, CE	JPY-1.8 billion, CE margin -

Revenue increased, but core earnings declined due to foreign exchange impact and higher material costs

	JPY billion	FYE2026 Q1 Results	FYE2027 Q1 Results	YoY vs Results		FYE2027 Forecasts
				Increase /decrease	%	
Living Total	Revenue	51.3	52.2	+0.9	+1.7%	215.0
	CE	2.2	1.3	-0.8	-38.8%	10.0
	CE margin	4.2%	2.5%	-1.8 pp	-	4.7%

Revenue

- Revenue increased YoY; renovation sales remained strong

Core earnings

- Core earnings decreased YoY; price revisions partially offset unfavorable FX impacts and higher material costs, but fell short of fully covering them

Kitchen *Richelle*

Vanities *Custom Vanity*

Wooden interior materials *Lasissa*

APPENDIX: FINANCIAL DATA

REVENUE BY PRODUCT AND SERVICE

LWT: sanitaryware maintained solid momentum, but bathroom units were impacted by delivery schedule adjustments due to Middle East tensions. LHT: housing sashes remained sluggish due to factors such as delays in subsidy benefits taking effect. Living: vanities performed steadily, driven by growth in mid-to-high-end products

JPY billion / in %

Segments	Major products	Full-year FYE2026 Results	Q1 FYE2026 Results	Q1 FYE2027 Results	YoY	Quarterly YoY FYE2026 Q1	FYE2026 Q2	FYE2026 Q3	FYE2026 Q4	FYE2027 1Q
LWT	Sanitaryware**	118.2	27.5	**28.5**	+3.6%	+8.6	+2.5	-0.4	+1.1	**+3.6**
	Bathroom Units	95.1	24.2	**23.3**	-4.1%	+6.3	-0.1	+0.3	+5.2	**-4.1**
	Tiles	29.7	7.1	**7.1**	+0.6%	-2.6	-0.5	-3.8	+0.2	**+0.6**
LHT	Housing sashes and others	189.3	47.5	**45.8**	-3.6%	+0.6	-0.5	+4.7	-2.9	**-3.6**
	Exterior	96.8	25.0	**26.2**	+4.6%	+3.7	+1.3	-0.8	+6.1	**+4.6**
	LHT others	37.0	9.7	**9.3**	-4.5%	+1.4	-0.6	-7.8	-11.3	**-4.5**
	Building sashes	97.8	20.4	**17.4**	-14.8%	-9.3	-2.2	+3.7	-5.6	**-14.8**
	Housing and Services business	17.2	4.2	**3.6**	-13.9%	-6.8	-11.1	-12.9	-6.5	**-13.9**
Living	Kitchens	102.3	25.6	**25.8**	+0.6%	+6.8	+1.4	-0.1	0.0	**+0.6**
	Vanities	37.6	9.0	**9.7**	+8.4%	+3.4	+1.4	+0.8	+4.9	**+8.4**
	Wooden interior materials	56.8	13.9	**13.7**	-1.7%	+3.0	-2.4	-3.8	+0.6	**-1.7**
	International (1)	520.9	121.7	**142.5**	+17.1%	-8.5	+1.0	+2.4	+6.6	**+17.1**
	Others/consolidation & Adj.	112.1	28.8	**26.4**	-					
Total		1510.7	364.7	**379.2**	+4.0%	-1.4	+0.3	+0.5	+2.2	**+4.0**

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

Segments	Major products	Full-year FYE2026 Results	Q1 FYE2026 Results	Q1 FYE2027 Results	YoY	FYE2026 Q1	FYE2026 Q2	FYE2026 Q3	FYE2026 Q4	FYE2027 1Q
LWT	Faucets	29.9	7.1	**7.4**	+4.3%	+16.0	+4.3	+2.4	+6.6	**+4.3**

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

Renovation sales ratio decreased by 0.5pp YoY; while Living saw strong performance driven by growth in mid-to-high-end products, sales have slowed down for both LHT and LWT

JPY billion	Q1 (3 months) FYE2026 Results[1]	FYE2027 Results	Increase /decrease	YoY
Sales of renovation-related products	97.0	**94.5**	-2.5	-2.5%
LWT-J				-2%
LHT				-6%
Excl. building				-4%
Building business				-17%
Living				+2%
Renovation sales ratio	48%	**47%**	-0.5pp	

Renovation sales ratio by business segment (YoY)

	Q1 FYE2026	**Q1 FYE2027**	Increase /decrease
LWT	57%	56%	-0.9pp
LHT	42%	41%	-0.9pp
Living	49%	50%	+0.7pp
Japan Total	**48%**	**47%**	**-0.5pp**

Inner window *In-plus*

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

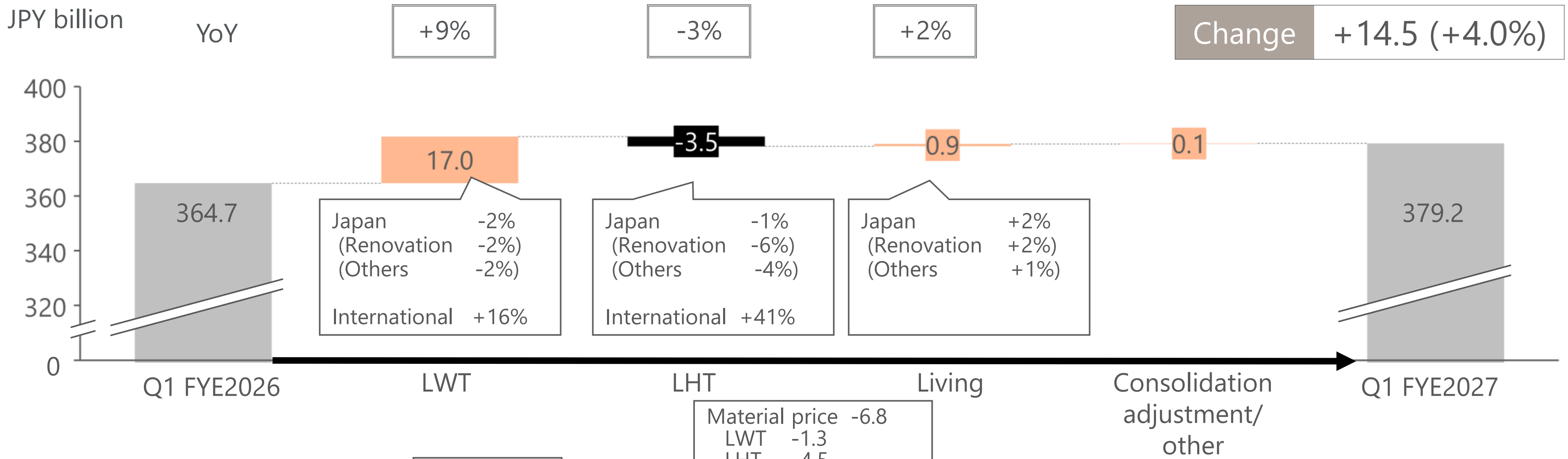
Leveraging our brands, global structure for R&D, and roll-out of differentiated products, we are positioning for renewed growth by quickly responding to local needs[(1)]

	Q1 FYE2027 (3 months)					
	Intl. Total	Americas	Europe	IMEA	APAC	China
Sales distribution ratio						
Bath faucets and showers	45%	14%	61%	60%	34%	52%
Toilets	42%	67%	23%	36%	63%	36%
Kitchen faucets and water systems	9%	5%	15%	3%	2%	5%
Bathing and showering systems	3%	11%	0%	0%	1%	0%
All others	2%	3%	0%	0%	0%	6%
Total	100%	100%	100%	100%	100%	100%
Sales growth						
Bath faucets and showers	+7%	+3%	+8%	+13%	+4%	-5%
Toilets	+5%	+3%	+5%	+21%	+13%	-19%
Kitchen faucets and water systems	+2%	-7%	+6%	+3%	-32%	-1%
Bathing and showering systems	-16%	-16%	+32%	+53%	-4%	-36%

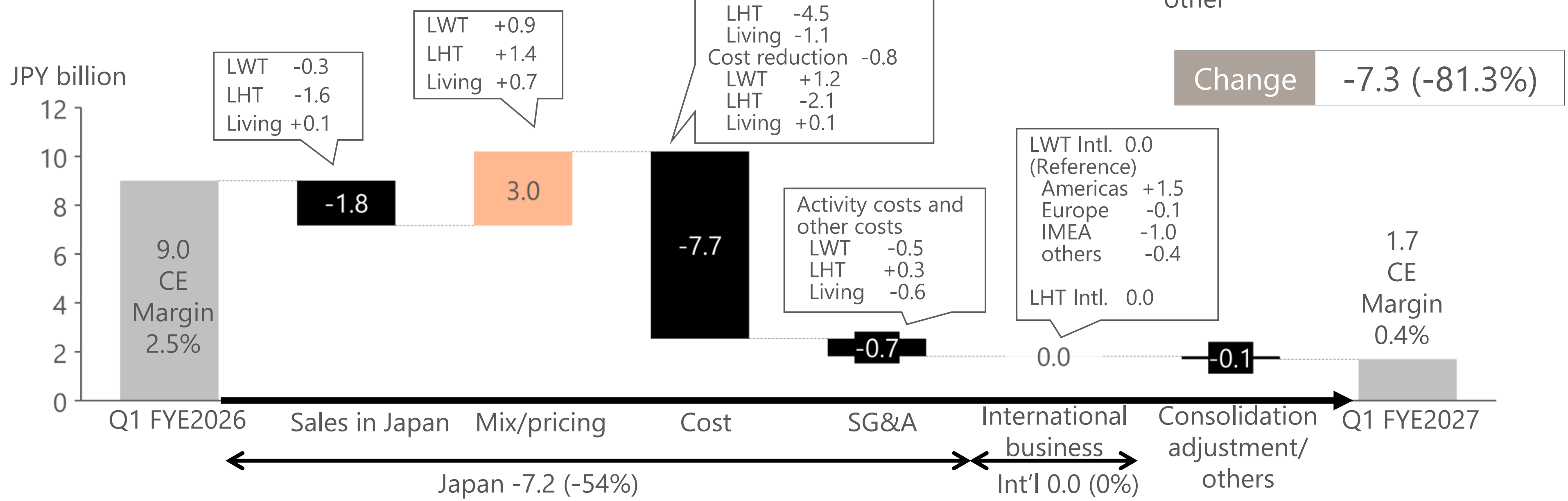
(1) See also, p.25-27,33,of our INTEGRATED REPORT 2026, for progress of “Grow Global Water Business” in the LIXIL Playbook
https://ssl4.eir-parts.net/doc/5938/ir_material_for_fiscal_ym41/206314/00.pdf#page=26

Q1 FYE2027 CHANGE IN REVENUE AND CORE EARNINGS

Revenue



Core earnings



	Sales in Japan	Mix/pricing	Cost	SG&A	International business	Consolidation adjustment/ others
Full-year forecast (progress rate)	+5.3 (-)	+20.7 (15%)	-19.8 (39%)	-4.6 (16%)	+9.4 (0%)	-4.5 (3%)

Q1 FYE2027 OTHER INCOME AND EXPENSES, FINANCE INCOME AND COSTS

JPY billion	Q1 FYE2026 Results	Q1 FYE2027 Results	Increase/ decrease
Gain from remeasurement relating to application of the equity method	1.6	-	-1.6
Gain on disposal of assets held for sale	-	1.2	+1.2
Others	0.7	0.7	0.0
Other income	**2.4**	**2.0**	**-0.4**
Losses on disposal of property, plant and equipment	0.1	0.3	+0.2
Impairment losses	0.3	0.0	-0.3
Others	4.1	1.6	-2.5
Other expenses	**4.5**	**1.9**	**-2.6**

Interest income	0.5	0.6	+0.1
Dividend income	0.7	0.5	-0.2
Gains on valuation of derivatives	-	0.1	+0.1
Others	0.1	0.1	0.0
Finance income	**1.2**	**1.2**	**0.0**
Interest expense	2.8	3.2	+0.5
Losses on valuation of derivatives	0.1	-	-0.1
Losses on exchange differences	1.5	0.2	-1.4
Finance costs	**4.4**	**3.4**	**-1.0**

- Other income includes: Gain on disposal of real estate in Vietnam

RESULTS AND FORECASTS BY SEGMENT

	JPY billion	Q1 FYE2026 Results Japan	Q1 FYE2026 Results Intl.	Q1 FYE2026 Results Total	Q1 FYE2027 Results Japan	Q1 FYE2027 Results Intl.	Q1 FYE2027 Results Total	Q1 FYE2027 Results Total YoY%	FYE2027 Full-year Forecasts Japan	FYE2027 Full-year Forecasts Intl.	FYE2027 Full-year Forecasts Total	FYE2027 Full-year Forecasts Total YoY%
LWT	Revenue	77.6	115.6	**193.2**	76.3	133.9	**210.2**	+8.8%	325.0	550.0	**875.0**	+7.9%
	CE	5.2	5.4	**10.6**	5.3	5.4	**10.7**	+0.8%	21.0	31.0	**52.0**	+14.4%
	CE margin	6.7%	4.7%	**5.5%**	6.9%	4.1%	**5.1%**	-0.4pp	6.5%	5.6%	**5.9%**	+0.3pp
LHT	Revenue	122.1	6.1	**128.2**	116.2	8.6	**124.7**	-2.7%	505.0	32.0	**537.0**	+2.2%
	CE	5.9	0.2	**6.1**	-0.5	0.1	**-0.4**	-	27.5	1.5	**29.0**	+8.6%
	CE margin	4.8%	2.7%	**4.7%**	-	1.5%	**-**	-	5.4%	4.7%	**5.4%**	+0.3pp
Living	Revenue	51.3		**51.3**	52.2		**52.2**	+1.7%	215.0		**215.0**	+3.6%
	CE	2.2		**2.2**	1.3		**1.3**	-38.8%	10.0		**10.0**	+27.5%
	CE margin	4.2%		**4.2%**	2.5%		**2.5%**	-1.8pp	4.7%		**4.7%**	+0.9pp
Cons. Adj. & Others(1)	Revenue			**-8.1**			**-7.9**	-			**-27.0**	-
	CE			**-9.8**			**-9.9**	-			**-46.0**	-
LIXIL (1)	Revenue	251.0	121.7	**364.7**	244.6	142.5	**379.2**	+4.0%	1,045.0	582.0	**1,600.0**	+5.9%
	CE	13.3	5.6	**9.0**	6.1	5.6	**1.7**	-81.3%	58.5	32.5	**45.0**	+16.9%
	CE margin	5.3%	4.6%	**2.5%**	2.5%	3.9%	**0.4%**	-2.1pp	5.6%	5.6%	**2.8%**	+0.3pp

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

APPENDIX: BUSINESS AND ESG-RELATED TOPICS

Global Sanitation & Hygiene

Signed a Memorandum of Cooperation with JICA to Create a "Sanitation Economy“ (1)

- Integrating JICA's partnerships with governments and local networks with LIXIL's product and business expansion capabilities to promote the creation of a local, self-sustaining "Sanitation Economy"
- Promoting the widespread use of safe toilets and handwashing facilities alongside the adoption of safe sanitation and hygiene habits while developing local talent and building supply chains to foster the establishment of sanitation services as a viable “business”
- Aiming to provide safe and hygienic toilets to 500,000 people across Africa, the Middle East and Asia, beginning with Kenya and Malawi

Contribute to a Low-Carbon Society and Circular Economy

Full-Scale Entry into Residential Market with Circular Material "revia" for Exterior Products(2)

- Launched the "*Kirara Wood-Carved Type*" artificial wood deck nationwide in June 2026, fully utilizing *revia* derived from hard-to-recycle waste plastics
- Also achieved improved design quality, economic efficiency, and environmental value, by using PremiAL - a circular low-carbon aluminum standardized last year - for the base structure
- Contributing to a circular economy by creating products with reduced environmental impact as the "new standard“

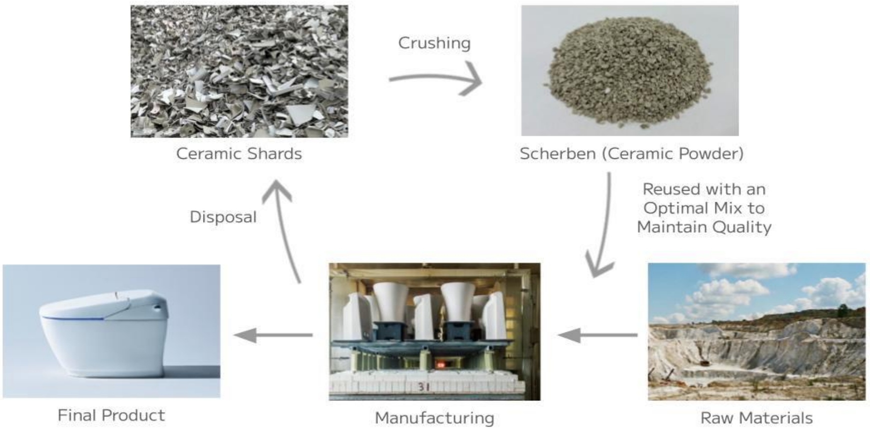
(1) News release https://newsroom.lixil.com/20260608_jica_partnership

(2) News release https://newsroom.lixil.com/ja/2026052901 (JP only)

› BUSINESS AND ESG RELATED TOPICS

Contribute to a Low-Carbon Society and Circular Economy

Established 100% Recycling Technology for Ceramic Waste Generated in Manufacturing(1)



- Began operations at the Enokido Factory in Japan (major sanitary ware base) to reuse ceramic waste as high-quality raw material for sanitary ware without compromising resource value
- Utilizes approx. 200 tons of waste annually (equivalent to 8,000 toilets), reducing consumption of natural resources like clay and feldspar and lowering environmental impact
- Aim is to achieve a 100% "ceramic-to-ceramic" recycling rate company-wide by expanding this technology to other factories

Enhancing Brand Value Through Sophisticated Design

Products Globally Recognized by Two of the World's Most Prestigious Design Awards (2)

- Product development driven by the "LIXIL Global Design" philosophy, delivering new value in living experiences from a global standard perspective
- Recognition for the fusion of design and technology at the "iF DESIGN AWARD" and "Red Dot Design Award 2026"; 21 awards spanned both global (GROHE) and domestic (INAX, TOSTEM) brands
- Showcased experiential value through design and technology with an immersive GROHE exhibition at Milan Design Week in April 2026 (3) to further strengthen brand appeal

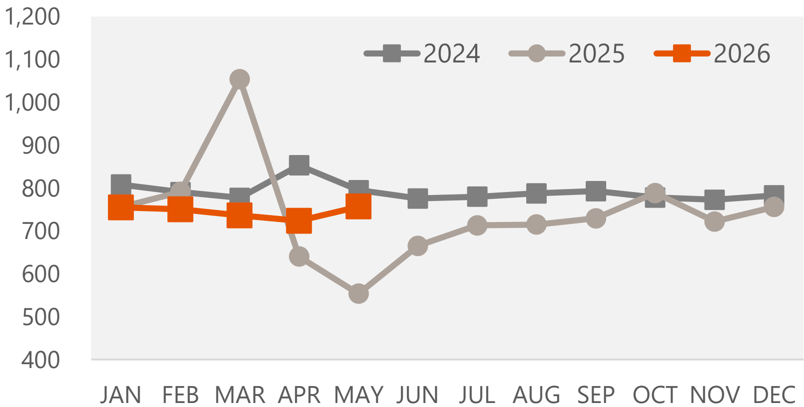
(1) News release https://newsroom.lixil.com/ja/2026050701 (JP only)

(2) News release https://newsroom.lixil.com/ja/2026050801 (JP only)

(3) News release https://newsroom.lixil.com/20260420_mdw2026

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 2024-May 2026)

New housing construction trends in Japan

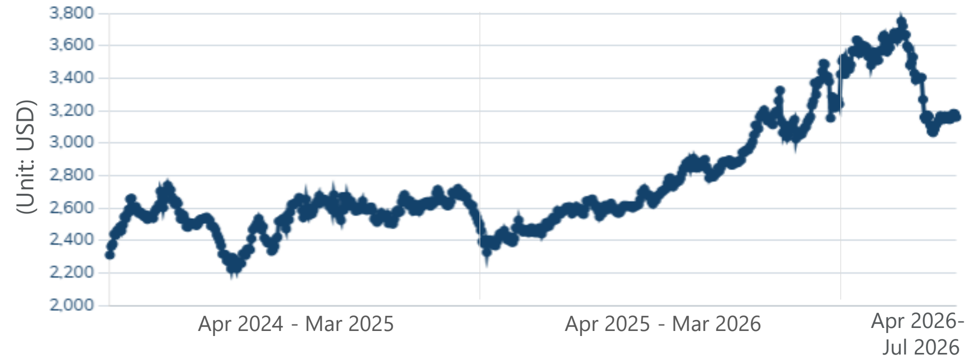
(year-on-year)

- Jan-Mar 2026: -14.3%
- Jan-May 2026: -2.8%

	Jan-May 2026 (5 months)		Apr-May 2026 (2 months)	
	Units	YoY	Units	YoY
Total new housing starts	**297,469**	-2.8%	**120,446**	+21.1%
Owner-occupied(1)	**78,582**	+0.4%	**32,004**	+25.2%
Rental homes	**131,192**	-4.0%	**54,440**	+24.2%
Condos for sale	**34,141**	-16.3%	**12,868**	+3.1%
Detached houses for sale(2)	**50,161**	+8.6%	**19,980**	+31.0%
Detached houses total (1)+(2)	**128,743**	+3.4%	**51,984**	+27.4%

Aluminum price trend

Source：LME 3 months (From Apr 1, 2024, to Jul 24, 2026)



Copper price trend

Source：LME 3 months (From Apr 1, 2024, to Jul 24, 2026)

Foreign exchange rates (Average rate)	FYE2025 Actuals	FYE2026 Actuals	FYE2027 Assumptions
US dollar	JPY152.48	JPY150.97	JPY155.0
Euro	JPY163.62	JPY174.54	JPY186.0

(JPY per tonne)

Results and assumptions (price)	FYE2025 Actuals	FYE2026 Actuals	FYE2027 Assumptions
Aluminum (Purchasing price)	398,000	413,000	470,000
Copper alloy	1,170,000	1,243,000	1,336,000

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

LIXIL

JGAAP	IFRS (LIXIL Financial Reporting)
	Continuing operations
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
	Discontinued operations
	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**"

LIXIL

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