

**For Immediate Release**

**May 13, 2019**  
**LIXIL Group Corporation**

## **LIXIL Group’s Existing Continuing Operations Achieve Revised Targets in FYE 2019**

- Existing continuing operations, which do not include Permasteelisa, achieve revised FYE 2019 targets after Japan operations lead second-half recovery
- Net profit turned to ¥52.2 billion deficit after recognizing loss from Permasteelisa
- Guiding increased core earnings and net profit in FYE 2020

**Tokyo** – LIXIL Group Corporation (“LIXIL Group”, TSE Code: 5938), maker of pioneering water and housing products, today announced full-year results for the fiscal year ended March 31, 2019 (FYE 2019).

### **COO Comment:**

“LIXIL Group’s existing continuing operations achieved their revised targets for the fourth quarter and the full year. Our Japan operations performed especially well, capturing growth in both the new housing and renovation products and materials markets, while we continue to make progress in becoming a global bathroom solutions provider. We also successfully improved the cost base of existing continuing operations to improve core earnings, demonstrating that the fundamentals of our business are solid and our future growth outlook is positive. However, we incurred a significant loss this year due to Permasteelisa, for which we have now identified and are addressing the root causes. As part of the new management plan we are announcing today, in addition to returning Permasteelisa to profitability, we look forward to unlocking the full potential of the LIXIL Group.”

- Hirokazu Yamanashi, Chief Operating Officer, LIXIL Group

### **FYE 2019 Financial Summary**

#### FYE 2019 Consolidated Results

(JPY Billions)

		<b>Q4</b>	<b>YoY</b>	<b>Full Year</b>	<b>YoY</b>
<b>LIXIL Group</b>	Revenue	<b>451.4</b>	-1.6%	<b>1,832.6</b>	+0.2%
	Core Earnings <sup>1</sup>	<b>-24.3</b>	-	<b>12.8</b>	-83.2%
	Net Profit <sup>2</sup>	<b>-54.3</b>	-	<b>-52.2</b>	-

<sup>1</sup> Core earnings in IFRS is equivalent to operating profit in JGAAP

<sup>2</sup> Profit for the quarter attributable to owners of the parent

FYE 2019 Results by Business Segment

(JPY Billions)

		Q4	YoY	Full Year	YoY
<b>LIXIL Water Technology (LWT)</b>	Revenue	<b>212.7</b>	-0.1	<b>833.1</b>	+5.3
	Core Earnings	<b>14.1</b>	-0.3	<b>60.2</b>	-13.6
<b>LIXIL Housing Technology (LHT)</b>	Revenue	<b>135.9</b>	+6.2	<b>540.8</b>	+5.6
	Core Earnings	<b>4.7</b>	+3.1	<b>20.7</b>	-6.8
<b>LIXIL Building Technology (LBT)</b>	Revenue	<b>53.7</b>	-18.9	<b>256.0</b>	-15.4
	Core Earnings	<b>-30.0</b>	-32.3	<b>-38.1</b>	-42.7
<b>Distribution &amp; Retail (D&amp;R)</b>	Revenue	<b>40.4</b>	+1.0	<b>176.4</b>	+2.9
	Core Earnings	<b>0.1</b>	+0.4	<b>7.8</b>	+0.8
<b>Housing &amp; Services (H&amp;S)</b>	Revenue	<b>16.8</b>	+4.1	<b>57.9</b>	+5.6
	Core Earnings	<b>0.9</b>	+0.5	<b>3.5</b>	+0.9
<b>(Consolidation, Adjustments, &amp; Others)</b>	Revenue	<b>-8.1</b>	+0.3	<b>-31.6</b>	-0.6
	Core Earnings	<b>-14.1</b>	-3.2	<b>-41.2</b>	-1.9

Revenue

LIXIL Group recorded revenue of ¥1,832.6 billion for the full year, up 0.2% year on year. Consolidated group revenue, however, was impacted by effects such as ongoing selective order intake at Permasteelisa.

Overall, existing continuing operations, which do not include Permasteelisa, recorded 1.5% higher revenue for the full-year period.

In the Japan market, revenue for the full-year period increased 1.8% year on year. LIXIL Housing Technology (LHT) led the surge in sales growth in the second half, with all business segments logging increases except LIXIL Water Technology (LWT), which achieved comparable revenue to last fiscal year. The ratio of renovation-related products increased in all three technology business units in Japan, with sales of renovation-related products over the full year increasing 2.2% year on year.

In overseas markets, revenue was down due to effects such as ongoing selective order intake at Permasteelisa. However, LIXIL Water Technology (LWT) recorded an increase in revenue, particularly the Asia Pacific region, led by the China market. The EMEA region continued to record solid growth, while revenue in the Americas region remained flat.

Core earnings

LIXIL Group recorded core earnings of ¥12.8 billion for the full year, down 83.2% year on year.

In the Japan market, core earnings increased for all three technology business units in the fourth quarter. The recovery in demand and successful reductions in Sales, General, and Administrative (SG&A) expenses in the second half contributed to LIXIL Group's overall slowing rate in year-on-year core earnings decline.

Overseas, core earnings decreased year on year due to inflation of labor and material costs and recording accrual for estimated future losses on construction contracts.

Net Profit

LIXIL Group recorded a net loss of ¥52.2 billion for the full fiscal year, down ¥106.8 billion year on year. The decrease is due to the decline in core earnings, the absence of one-time gains on the sale of shares of affiliates and investment properties reported last fiscal year, and an increase in tax expenses due to the reversal of deferred tax assets related to the sale of Permasteelisa.

Dividend Forecast

LIXIL Group will maintain dividend payout ratio of over 30% on a consolidated basis, projecting annual dividend per share of ¥70 for FYE 2019.

**FYE 2020 Financial Forecast**

For the fiscal year ending March 31, 2020, LIXIL Group plans to increase revenue and profits mainly by increasing sales of LWT’s synergy-related products in overseas markets and executing the plan to recover profitability at Permasteelisa. It forecasts full-year revenue of ¥1,850 billion, a 1% increase year on year, core earnings of ¥47 billion, a 267% improvement from the previous year, and net profit of ¥15 billion.

**-Ends-**

**Note to Editors:**

To learn more about LIXIL Group’s FYE 2019 full results and the new management plan, click the links below.

[> FYE 2019 Earnings Materials](#)

[> FYE 2019 Flash Report](#)

[> New Management Plan](#)



**About LIXIL**

LIXIL makes pioneering water and housing products that solve everyday, real-life challenges, making better homes a reality for everyone, everywhere. Drawing on our Japanese heritage, we create world-leading technology and innovate to make high quality products that transform homes. But the LIXIL difference is how we do this; through meaningful design, an entrepreneurial spirit, a dedication to improving accessibility for all, and responsible business growth. Our approach comes to life through industry leading brands, including INAX, GROHE, American Standard, and TOSTEM. Over 70,000 colleagues operating in more than 150 countries are proud to make products that touch the lives of more than a billion people every day.

**LIXIL Group Corporation (TSE Code: 5938) is the listed holding company for LIXIL's portfolio of businesses.**

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