

Consolidated Financial Results for the First Quarter Ended June 30, 2025 (International Financial Reporting Standards)

Company Name: LIXIL CORPORATION

Code Number: 5938

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Scheduled date to commence dividend payments: —

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (For investment analysts and institutional investors)

(Amounts less than one million Japanese yen are rounded)

1. Consolidated Financial Results for the Q1 of FY Ending March, 2026 (April 1 through June 30, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes)

	From Continuing Operations									
	Revenue		Core earnings		Operating profit		Profit before tax		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FYE 2026 Q1	364,680	-1.4	9,014	—	6,844	—	3,512	—	-476	—
FYE 2025 Q1	369,813	3.0	639	-82.9	-482	—	-3,277	—	-5,671	—

	Including Discontinued Operations									
	Profit		Profit attributable to owners of the parent		Total comprehensive income		Basic earnings per share		Diluted earnings per share	
	Million yen	%	Million yen	%	Million yen	%	Yen		Yen	
FYE 2026 Q1	-476	—	-909	—	10,130	-51.2	-3.17		-3.17	
FYE 2025 Q1	-5,818	—	-5,858	—	20,747	-40.9	-20.39		-20.39	

Note: Core earnings is calculated by deducting the cost of sales and selling, general and administrative expenses (SG&A) from revenue.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
	Million yen	Million yen	Million yen	%
FYE 2026 Q1	1,831,917	617,338	614,703	33.6
FYE 2025	1,830,804	620,070	617,886	33.7

2. Cash Dividends

	Annual dividends per share				
	End of Q1	End of Q2	End of Q3	End of period	For the year
	Yen	Yen	Yen	Yen	Yen
FYE 2025	—	45.00	—	45.00	90.00
FYE 2026	—				
FYE 2026 (forecast)		45.00	—	45.00	90.00

Note: Revision of dividends forecast after the recent announcement: None

3. Consolidated Forecast for the FY Ending March, 2026 (April 1, 2025 through March 31, 2026)

(Percentages indicate year-on-year changes)

	From Continuing Operations									
	Revenue		Core earnings		Operating profit		Profit before tax		Profit	
FYE 2026	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
	1,540,000	2.3	35,000	11.7	30,000	1.1	21,000	4.2	8,000	252.7

	Including Discontinued Operations				
	Profit for the year		Profit for the year attributable to owners of the parent		Basic earnings per share
FYE 2026	Million yen	%	Million yen	%	Yen
	8,000	260.6	8,000	299.7	27.85

Note: Revision of consolidated operating performance forecast after the recent announcement: None

* Notes

(1) Significant changes in the scope of consolidation during the period: None

Newly consolidated company: None

Excluded company: None

(2) Changes in accounting policies and accounting estimate

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimate: None

(3) Outstanding shares (Common shares)

(i) Outstanding shares including treasury shares	(June 30, 2025)	287,490,365	shares	(FY ended March 31, 2025)	287,340,460	shares
(ii) Treasury shares	(June 30, 2025)	66,706	shares	(FY ended March 31, 2025)	66,074	shares
(iii) Average number of shares during three months (Apr - Jun)	(June 30, 2025)	287,348,974	shares	(June 30, 2024)	287,216,039	shares

* Review of the Japanese-language originals of the quarterly consolidated financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

(Cautionary statements with respect to forward-looking statements)

Performance forecast and other forward-looking statements contained in this report are based on information currently available and on certain assumptions deemed rational at the time of this report's release. Due to various circumstances, however, actual results may differ significantly from such statements.

(How to access supplementary financial results material)

The financial results presentation material "Q1 Results for the Fiscal Year Ending March 31, 2026 (IFRS) (From April 1, 2025 to June 30, 2025)" has been posted on TDnet and the Company's website on July 31, 2025.

(Quarterly consolidated financial results with the interim review report)

After the review of the Japanese-language originals of the quarterly consolidated financial statements by certified public accountants or an audit firm is completed, we plan to disclose the quarterly financial results with the review report attached.

Scheduled date of disclosure: August 7, 2025

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1. Overview of Operating Results

An overview of operating results and financial position for the three months ended June 30, 2025 is presented in the supplementary financial results material.

The supplementary financial results material "Q1 Results for the Fiscal Year Ending March 31, 2026 (IFRS) (From April 1, 2025 to June 30, 2025)" has been posted on TDnet and the Company's website on July 31, 2025.

2. Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

(Unit: Millions of yen)

	As of March 31, 2025	End of Q1 (As of June 30, 2025)
ASSETS		
Current assets:		
Cash and cash equivalents	Y 123,527	Y 108,666
Trade and other receivables	283,914	280,698
Inventories	243,926	249,722
Contract assets	17,861	18,794
Income taxes receivable	1,691	1,940
Other financial assets	7,176	8,945
Other current assets	22,993	23,604
Subtotal	701,088	692,369
Assets held for sale	153	—
Total current assets	701,241	692,369
Non-current assets:		
Property, plant and equipment	365,552	361,328
Right-of-use assets	63,530	62,925
Goodwill and other intangible assets	545,561	557,912
Investment property	2,406	2,492
Investments accounted for using the equity method	7,561	9,890
Other financial assets	60,994	61,615
Deferred tax assets	80,145	79,891
Other non-current assets	3,814	3,495
Total non-current assets	1,129,563	1,139,548
Total assets	Y 1,830,804	Y 1,831,917

(Unit: Millions of yen)

	As of March 31, 2025	End of Q1 (As of June 30, 2025)
LIABILITIES AND EQUITY		
LIABILITIES		
Current liabilities:		
Trade and other payables	Y 246,802	Y 239,748
Bonds and borrowings	190,337	189,406
Lease liabilities	19,786	20,352
Contract liabilities	9,850	11,749
Income taxes payable	8,129	7,853
Other financial liabilities	4,437	4,284
Provisions	1,156	953
Other current liabilities	91,286	97,031
Total current liabilities	571,783	571,376
Non-current liabilities:		
Bonds and borrowings	402,209	399,046
Lease liabilities	45,468	43,973
Other financial liabilities	29,581	30,030
Net defined benefit liabilities	72,975	75,578
Provisions	6,595	9,177
Deferred tax liabilities	75,628	78,452
Other non-current liabilities	6,495	6,947
Total non-current liabilities	638,951	643,203
Total liabilities	1,210,734	1,214,579
EQUITY		
Share capital	68,654	68,787
Capital surplus	221,587	221,520
Treasury shares	-138	-139
Other components of equity	121,146	131,751
Retained earnings	206,637	192,784
Equity attributable to owners of the parent	617,886	614,703
Non-controlling interests	2,184	2,635
Total equity	620,070	617,338
Total liabilities and equity	Y 1,830,804	Y 1,831,917

(2) Consolidated Statements of Profit or Loss and Comprehensive Income
Consolidated Statement of Profit or Loss

(Unit: Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Continuing operations		
Revenue	Y 369,813	Y 364,680
Cost of sales	-252,459	-239,916
GROSS PROFIT	117,354	124,764
Selling, general and administrative expenses	-116,715	-115,750
Other income	687	2,367
Other expenses	-1,808	-4,537
OPERATING PROFIT (LOSS)	-482	6,844
Finance income	1,131	1,169
Finance costs	-3,884	-4,445
Share of loss of associates accounted for using the equity method	-42	-56
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	-3,277	3,512
Income tax expenses	-2,394	-3,988
LOSS FROM CONTINUING OPERATIONS	-5,671	-476
Discontinued operations		
LOSS FROM DISCONTINUED OPERATIONS	-147	—
LOSS	-5,818	-476
Loss attributable to:		
Owners of the parent		
Continuing operations	-5,711	-909
Discontinued operations	-147	—
Total	-5,858	-909
Non-controlling interests	40	433
LOSS	Y -5,818	Y -476

(Unit: Yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Losses per share		
Basic (yen per share)		
Continuing operations	-19.88	-3.17
Discontinued operations	-0.51	—
Total	-20.39	-3.17
Diluted (yen per share)		
Continuing operations	-19.88	-3.17
Discontinued operations	-0.51	—
Total	-20.39	-3.17

Consolidated Statement of Comprehensive Income

(Unit: Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
LOSS	Y -5,818	Y -476
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss		
Net fair value gain (loss) on equity instruments measured through other comprehensive income	-2,033	558
Remeasurements of defined benefit pension plans	1,663	-21
Total of items that will not be reclassified to profit or loss	-370	537
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	26,862	8,964
Net fair value gain (loss) on hedging instruments entered into for cash flow hedges	74	997
Share of other comprehensive income of associates accounted for using the equity method	-1	108
Total items that may be reclassified subsequently to profit or loss	26,935	10,069
Other comprehensive income, net of tax	26,565	10,606
TOTAL COMPREHENSIVE INCOME	20,747	10,130
Total comprehensive income attributable to:		
Owners of the parent	20,595	9,679
Non-controlling interests	152	451
TOTAL COMPREHENSIVE INCOME	Y 20,747	Y 10,130

(3) Consolidated Statement of Changes in Equity

(Unit: Millions of yen)

	Equity attributable to owners of the parent						
	Share capital	Capital surplus	Treasury shares	Other components of equity			
				Net fair value gain (loss) on equity instruments measured through other comprehensive income	Remeasurements of defined benefit pension plans	Exchange differences on translation of foreign operations	Net fair value gain (loss) on hedging instruments entered into for cash flow hedges
BALANCE AS OF APRIL 1, 2024	68,530	221,632	-126	16,743	—	107,390	1,443
Loss	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	-2,033	1,663	26,750	74
Total comprehensive income	—	—	—	-2,033	1,663	26,750	74
Purchase of treasury shares	—	—	-3	—	—	—	—
Disposal of treasury shares	—	-0	0	—	—	—	—
Share-based payment transactions	124	-103	—	—	—	—	—
Dividends	—	—	—	—	—	—	—
Changes in interests in subsidiaries that do not result in the Group losing control over the subsidiaries	—	-1	—	—	—	—	—
Transfers from other components of equity to retained earnings	—	—	—	—	-1,663	—	—
Total transactions with owners	124	-104	-3	—	-1,663	—	—
BALANCE AS OF JUNE 30, 2024	68,654	221,528	-129	14,710	—	134,140	1,517
BALANCE AS OF APRIL 1, 2025	68,654	221,587	-138	16,295	—	104,296	558
Loss	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	558	-21	8,946	997
Total comprehensive income	—	—	—	558	-21	8,946	997
Purchase of treasury shares	—	—	-1	—	—	—	—
Disposal of treasury shares	—	-0	0	—	—	—	—
Share-based payment transactions	133	-67	—	—	—	—	—
Dividends	—	—	—	—	—	—	—
Transfers from other components of equity to retained earnings	—	—	—	-4	21	—	—
Total transactions with owners	133	-67	-1	-4	21	—	—
BALANCE AS OF JUNE 30, 2025	68,787	221,520	-139	16,849	—	113,242	1,555

(Unit: Millions of yen)

	Equity attributable to owners of the parent				Non- controlling interests	Total equity
	Other components of equity		Retained earnings (losses)	Total		
	Other	Total				
BALANCE AS OF APRIL 1, 2024	2	125,578	226,897	642,511	1,827	644,338
Loss	—	—	-5,858	-5,858	40	-5,818
Other comprehensive income	-1	26,453	—	26,453	112	26,565
Total comprehensive income	-1	26,453	-5,858	20,595	152	20,747
Purchase of treasury shares	—	—	—	-3	—	-3
Disposal of treasury shares	—	—	—	0	—	0
Share-based payment transactions	—	—	—	21	—	21
Dividends	—	—	-12,922	-12,922	—	-12,922
Changes in interests in subsidiaries that do not result in the Group losing control over the subsidiaries	—	—	—	-1	1	—
Transfers from other components of equity to retained earnings	—	-1,663	1,663	—	—	—
Total transactions with owners	—	-1,663	-11,259	-12,905	1	-12,904
BALANCE AS OF JUNE 30, 2024	1	150,368	209,780	650,201	1,980	652,181
BALANCE AS OF APRIL 1, 2025	-3	121,146	206,637	617,886	2,184	620,070
Loss	—	—	-909	-909	433	-476
Other comprehensive income	108	10,588	—	10,588	18	10,606
Total comprehensive income	108	10,588	-909	9,679	451	10,130
Purchase of treasury shares	—	—	—	-1	—	-1
Disposal of treasury shares	—	—	—	0	—	0
Share-based payment transactions	—	—	—	66	—	66
Dividends	—	—	-12,927	-12,927	—	-12,927
Transfers from other components of equity to retained earnings	—	17	-17	—	—	—
Total transactions with owners	—	17	-12,944	-12,862	—	-12,862
BALANCE AS OF JUNE 30, 2025	105	131,751	192,784	614,703	2,635	617,338

(4) Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
OPERATING ACTIVITIES:		
Profit (loss) before tax from continuing operations	Y -3,277	Y 3,512
Loss before tax from discontinued operations	-212	—
Profit (loss) before tax	-3,489	3,512
Depreciation and amortization	21,105	20,342
Interest and dividend income	-1,047	-1,116
Interest expense	3,031	2,763
Share of (profit) loss of associates accounted for using the equity method	42	56
Losses (gains) on disposal of property, plant and equipment	178	120
Decrease (increase) in trade and other receivables	6,777	4,686
Decrease (increase) in inventories	4,002	-4,518
(Decrease) increase in trade and other payables	-6,742	-7,024
(Decrease) increase in net defined benefit liabilities	-2,598	41
Other	3,483	7,137
Subtotal	24,742	25,999
Interest received	465	454
Dividends received	712	760
Interest paid	-2,715	-2,388
Income taxes paid	-3,897	-5,318
Net cash generated by operating activities	Y 19,307	Y 19,507

(Unit: Millions of yen)

	Three months ended June 30, 2024		Three months ended June 30, 2025	
INVESTING ACTIVITIES:				
Decrease (increase) in time deposits	Y	509	Y	-885
Purchase of property, plant and equipment		-6,539		-5,894
Proceeds from disposal of property, plant and equipment		45		172
Purchase of intangible assets		-2,345		-2,431
Decrease (increase) in short-term loans receivable		3,680		506
Purchase of investments		-45,000		-51,997
Proceeds from sale and redemption of investments		45,007		52,077
Other		-37		-774
Net cash used in investing activities	Y	-4,680	Y	-9,226
FINANCING ACTIVITIES:				
Dividends paid	Y	-12,922	Y	-12,927
(Decrease) increase in short-term borrowings and commercial paper		33,532		-13,876
Proceeds from long-term borrowings		12,628		8,219
Repayment of long-term borrowings		-44,311		—
Lease liabilities paid		-5,540		-5,950
Other		19		-2
Net cash used in financing activities	Y	-16,594	Y	-24,536
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		-1,967		-14,255
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		124,485		123,527
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		3,345		-606
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	Y	125,863	Y	108,666

(5) Notes related to Financial Statements
(Applied Framework for Financial Reporting)

The Company's quarterly consolidated financial statements have been prepared in accordance with Article 5, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. (however, omission of description specified in Article 5, Paragraph 5 of the said standards is applied), and some of disclosure items and notes required by IAS 34 "Interim Financial Reporting" are omitted.

(Notes related to Going Concern Assumptions)

Not applicable.

(Segment Information)

1. Description of Reportable Segments

The Group's reportable segments are those for which discrete financial information is available among the Group's constituent units and regular evaluation by the Board of Directors is performed in order to decide how resources are allocated and performance is assessed.

The Group is managed based on three reportable segments consisting of the "Water Technology Business", the "Housing Technology Business" and the "Living Business" with the performance of their respective business units reported to the Board of Executive Officers or Board of Directors.

The "Water Technology Business" includes manufacturing and sales of sanitaryware, faucets, bathroom fixtures, and other items. The "Housing Technology Business" includes manufacturing and sales of sashes, doors, shutters, curtain walls, and other items and provides services such as proposals for housing solutions and management of real estate. The "Living Business" includes manufacturing and sales of kitchen, vanity and wooden interior materials.

Change in reporting segment classification

In the fiscal year ended March 31, 2025, the Group reported in two segments, which include "Water Technology Business" and "Housing Technology Business". However, from the first quarter of the fiscal year ending March 31, 2026, the Group has decided to change to report in three segments, which include "Water Technology Business", "Housing Technology Business", and "Living Business".

The reason for the reporting segments change is that the Group has established the new segment, "Living Business", by integrating the kitchen and washstand cabinet unit 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. This integration is part of the Group's focus on its strategic initiative to improve profitability of the Japan business and strengthen the Group's business structure, while also providing new value to end users.

As a change, kitchen and washstand cabinet unit business, previously included in the "Water Technology Business," and the wooden interior materials business, previously included in the "Housing Technology Business," will be classified under the "Living Business" in the new segments.

The segment information for the three months ended June 30, 2024 is disclosed based on the reporting segments classification after the change.

2. Methods of measurement for the amounts of revenue and profit or loss for each reportable segment

The accounting policies of each reportable segment are consistent with those for the preparation of the consolidated financial statements. Profit or loss for reportable segments is presented on the basis of core earnings or losses. Intersegment revenue or transfers are determined based on market prices.

3. Information on the amounts of revenue, profit or loss, and other items for each reportable segment

For the three months ended June 30, 2024 (April 1 through June 30, 2024)

(Unit: Millions of yen)

	Reportable Segments			Total	Reconciliations (Note 2)	Consolidated
	Water Technology Business	Housing Technology Business	Living Business			
Revenue						
Revenue from external customers	Y 198,975	Y 127,591	Y 43,247	Y 369,813	Y —	Y 369,813
Intersegment revenue or transfers	572	1,562	5,713	7,847	-7,847	—
Total	199,547	129,153	48,960	377,660	-7,847	369,813
Segment profit (Note 1)	4,218	4,593	1,375	10,186	-9,547	639
Other income						687
Other expenses						-1,808
Operating loss						-482
Finance income						1,131
Finance costs						-3,884
Share of loss of associates accounted						-42
Loss before tax from continuing operations						-3,277

For the three months ended June 30, 2025 (April 1 through June 30, 2025)

(Unit: Millions of yen)

	Reportable Segments			Total	Reconciliations (Note 2)	Consolidated
	Water Technology Business	Housing Technology Business	Living Business			
Revenue						
Revenue from external customers	Y 192,683	Y 126,694	Y 45,303	Y 364,680	Y —	Y 364,680
Intersegment revenue or transfers	542	1,551	5,980	8,073	-8,073	—
Total	193,225	128,245	51,283	372,753	-8,073	364,680
Segment profit (Note 1)	10,619	6,059	2,155	18,833	-9,819	9,014
Other income						2,367
Other expenses						-4,537
Operating profit						6,844
Finance income						1,169
Finance costs						-4,445
Share of loss of associates accounted						-56
Profit before tax from continuing operations						3,512

(Notes)

1. Segment profit is core earnings which are defined as revenue less cost of sales and selling, general and administrative expenses.
2. A process of Segment profit reconciliations takes place for Company expenses that are not allocated to reportable segments. These expenses primarily represent costs associated with administrative departments, including Human Resources, General Affairs, Finance and other departments of the Company.