

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026
(International Financial Reporting Standards)

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Scheduled date of ordinary general meeting of shareholders: June 18, 2026
Scheduled date of issue of securities report: June 17, 2026
Scheduled date to commence dividend payments: June 3, 2026
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 FY Ended March, 2026 (April 1, 2025 through March 31, 2026)**(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	1,510,704	0.4	38,500	22.9	28,403	-4.3	15,708	-22.0	8,772	286.8
FYE 2025	1,504,697	1.4	31,337	35.3	29,687	81.6	20,150	202.4	2,268	—

	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	8,772	295.5	8,143	306.9	73,285	—	28.33	28.33
FYE 2025	2,218	—	2,001	—	1,470	-96.5	6.97	6.97

	Including Discontinued Operations			From Continuing Operations		
	Ratio of equity attributable to owners of the parent	Total assets Earning Ratio before tax		Revenue Core earnings ratio	Revenue Operating profit ratio	
	%	%	%	%	%	%
FYE 2026	1.3	0.8		2.5	1.9	
FYE 2025	0.3	1.1		2.1	2.0	

Reference: Share of profit (loss) of associates and joint ventures accounted for using the equity method

FYE 2026 -207 million yen FYE 2025 327 million yen

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	Equity attributable to owners of the parent per share
	Million yen	Million yen	Million yen	%	Yen
FYE 2026	1,883,927	668,361	664,838	35.3	2,312.94
FYE 2025	1,830,804	620,070	617,886	33.7	2,150.86

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FYE 2026	82,689	-23,593	-72,468	115,624
FYE 2025	100,002	-28,127	-72,470	123,527

2. Cash Dividends

	Annual dividends per share					Total amount of cash dividends (annual)	Dividend payout ratio (consolidated)	Ratio of dividends to equity attributable to owners of parent
	End of Q1	End of Q2	End of Q3	End of period	For the year			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FYE 2025	—	45.00	—	45.00	90.00	25,855	1,291.2	4.1
FYE 2026	—	45.00	—	45.00	90.00	25,870	317.7	4.0
FYE 2027 (forecast)	—	45.00	—	45.00	90.00		215.6	

3. Consolidated Forecast for the FY Ending March, 2027 (April 1, 2026 through March 31, 2027)

(Percentages indicate year-on-year changes)

	Revenue		Core earnings		Operating profit		Profit before tax		Profit for the year	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FYE 2027	1,600,000	5.9	45,000	16.9	37,500	32.0	25,000	59.2	12,000	36.8

	Profit for the year attributable to owners of the parent		Basic earnings per share	
	Million yen	%	Yen	
FYE 2027	12,000	47.4	41.75	

* 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 (March 31, 2026) 287,514,957 shares (FY ended March 31, 2025) 287,340,460 shares

(ii) Treasury shares (March 31, 2026) 71,473 shares (FY ended March 31, 2025) 66,074 shares

(iii) Average number of shares during the fiscal year (March 31, 2026) 287,416,058 shares (FY ended March 31, 2025) 287,258,128 shares

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes)

	Net sales		Operating profits		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FYE 2026	846,320	1.5	6,759	6.5	20,163	55.4	19,492	147.8
FYE 2025	833,790	1.0	6,346	-48.2	12,975	-3.6	7,866	-24.2

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
FYE 2026	67.82		—	
FYE 2025	27.39		—	

(2) Non-consolidated Financial Position

	Total assets		Net assets		Equity-to asset ratio		Net assets per share	
	Million yen		Million yen		%	Yen		
FYE 2026	1,150,038		395,644		34.4	1,376.42		
FYE 2025	1,159,783		405,110		34.9	1,410.19		

Reference: Equity

FYE2026: 395,644 million yen FYE2025: 405,110 million yen

Note: Net income increased for the current fiscal year, mainly reflecting higher dividend income from consolidated subsidiaries and the recognition of gain on sales of investment securities. Consequently, a difference has occurred between the actual results of the current and previous fiscal years.

* This financial results report is exempt from review conducted by certified public accountants or an audit firm.

* 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.

For information on the financial forecast, please refer to "1. Overview of Operating Results (1) Overview of Operating Results for the current consolidated fiscal year" on page 4 of the attached material.

(How to access supplementary financial results material)

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

Table of Contents

1. Overview of Operating Results	2
(1) Overview of Operating Results for the current consolidated fiscal year	2
(2) Overview of Financial Position and Cash Flows for the current consolidated fiscal year	5
2. Basic approach to the selection of accounting standards	6
3. Consolidated Financial Statements	7
(1) Consolidated Statement of Financial Position	7
(2) Consolidated Statements of Profit or Loss and Comprehensive Income	9
Consolidated Statement of Profit or Loss	9
Consolidated Statement of Comprehensive Income	10
(3) Consolidated Statement of Changes in Equity	11
(4) Consolidated Statement of Cash Flows	13
(5) Notes related to Financial Statements	15
(Notes related to Going Concern Assumptions)	15
(Segment Information)	15
(Notes related to Consolidated Statements of Profit or Loss)	18
(Information per share)	19
(Notes on significant subsequent events)	19

1. Overview of Operating Results

(1) Overview of Operating Results for the current fiscal year

In the fiscal year ended March 31, 2026, the Japanese economy remained on a moderate recovery trend. While some downward pressure was observed due to the U.S. trade policies, corporate earnings and the employment/income environment remained firm, with a pickup in capital investment and personal consumption. However, the outlook remains uncertain due to developments in the Middle East and trends in the U.S. trade policy. While there are concerns over the impact of continued inflation on corporate earnings and personal consumption, various policy effects, such as government economic measures and an accommodative monetary environment, are expected to support a gradual recovery. Regarding housing investment, while government support for energy-saving homes continued to generate demand in the window renovation market, primarily for high-insulation products, the number of new housing starts decreased significantly. This was due to a reactionary decline following the temporary surge in demand prior to the April 2025 amendments to the Building Standards Act, as well as a decline in housing acquisition sentiment caused by surging house prices.

The global economy showed varying rates of recovery depending on the region. While European interest rates remained unchanged due to inflation concerns, the U.S. saw pressure for rate cuts, though rates remained paused recently. In growth markets such as the Middle East and India, domestic demand remained resilient. In the U.S., while overall growth remained steady, led by AI-related investments, housing investment recovery was delayed, and some softening was observed in the employment situation. The Chinese economy faced clearer concerns of a slowdown due to the prolonged slump in the real estate market. Looking ahead, it will be necessary to continue to closely monitor both the impact on energy prices caused by the resurgence of geopolitical risks—such as the unstable situation in the Middle East and the prolonged Russia-Ukraine conflict—and the downside risks resulting from changes in the trade policies of major countries.

The financial results for LIXIL Corporation and its consolidated subsidiaries (together, “the Group”) for the fiscal year ended March 31, 2026, were as follows: In the Japan business, while revenue for new housing remained sluggish due to the low number of new housing starts, renovation demand for water-related products remained firm. In the international business, revenue improved despite continued weak demand in the U.S. and the real estate market slump in China. This improvement was driven by enhanced profitability in Europe, expanded growth in the Middle East and India, and the positive impact of foreign exchange translation. As a result, revenue increased to 1,510,704 million yen (up 0.4% year-on-year).

In terms of profit, although costs increased due to sustained high prices for materials, energy, and components, core earnings increased to 38,500 million yen (up 22.9% year-on-year). This growth was primarily due to efforts toward sales price optimizations in Japan, improved sales in Europe, and the benefits of cost reductions from structural reforms. Operating profit decreased to 28,403 million yen (down 4.3% year-on-year) due to an increase in “other expenses” related to the implementation of additional structural reforms. Profit before tax from continuing operations also decreased to 15,708 million yen (down 22.0% year-on-year), mainly due to an increase in other expenses and higher finance costs resulting from foreign exchange losses.

Profit for the year attributable to owners of the parent significantly increased to 8,143 million yen (up 4.1 times year-on-year). This was due to a decrease in tax expenses resulting from a change in the corporate tax rate at an international subsidiary, which offset an increase in tax burden resulting from the poor performance of other consolidated subsidiaries.

Overview by segment is as follows:

Revenues by segment are before the elimination of intersegment transactions and core earnings are before the deduction of Company expenses.

Additionally, effective from the fiscal year ended March 31, 2026, the reportable segments have been changed from two categories to three categories. Accordingly, comparisons with the previous fiscal year have been made based on the reclassified reportable segments. For details on these changes, please refer to "3. Consolidated Financial Statements (5) Notes related to Financial Statements(Segment Information).

Water Technology Business

For the Water Technology Business, which mainly offers water-related products, revenue increased to 811,052 million yen (up 0.8% year-on-year). In Japan, revenue for renovation-related products, such as sanitaryware and bathroom products, remained firm. Internationally, sales recovered in Europe across most categories, including faucets, and revenue expanded in the Middle East and India due to resilient demand. These factors offset a revenue decline in the U.S. following the transfer of the bathing business in the previous fiscal year and issues related to the continued real estate slump in China. Core earnings increased to 45,438 million yen (up 23.3% year-on-year), driven by renovation sales growth and price revisions in Japan, as well as the benefits of structural reforms and sales improvements in Europe and the Middle East.

Housing Technology Business

For the Housing Technology Business, which mainly offers housing-related building materials in Japan, revenue was 525,657 million yen (down 0.3% year-on-year). Sales of high-insulation renovation products, particularly windows, remained firm due to support by government subsidies for a low-carbon society. Overall revenue, however, was weighed down by sluggish sales for new housing. Core earnings increased to 26,710 million yen (up 2.6% year-on-year), as the impact of lower revenue and costs associated with the withdrawal from the ceramic siding business were offset by price revisions and cost-reduction effects.

Living Business

For the Living Business, which mainly offers kitchens, washstands, and interior materials in Japan, revenue increased to 207,579 million yen (up 1.0% year-on-year). Performance was supported by solid renovation demand and continued strong kitchen sales in the new housing market. Core earnings increased to 7,842 million yen (up 8.5% year-on-year), as the impact of higher material costs was offset by price revision effects and increased sales of renovation-related products

(Notes)

1. Core earnings are calculated by deducting the cost of sales and selling, general and administrative expenses (SG&A) from revenue.
2. The "Japan business" and "International business" are management-based classifications as defined in the Group's consolidated performance management, which differ in some respects from classifications based on country of location. Specifically, in the Water Technology Business, Housing Technology Business and Living Business certain international subsidiaries under the jurisdiction of the Japan business are included in the "Japan business" category.

Regarding the Japan outlook for the fiscal year ending March 2027, we expect the economic recovery to continue, supported by improving employment and income conditions, resilient corporate earnings, and capital investment in labor-saving and digital technologies. However, the outlook remains uncertain due to factors such as further shrinking demand for new housing caused by rising house prices, supply concerns for petroleum-derived materials and sustained high energy prices resulting from geopolitical risks in the Middle East, and trends in foreign exchange and inflation.

Internationally, despite uncertainties in monetary policies, we anticipate stable growth in Europe and resilient demand in growth markets like the Middle East and India. Conversely, there are concerns regarding global instability, including the U.S. trade policies such as reciprocal tariffs, and prolonged geopolitical risks from conflicts in the Middle East and the Russia-Ukraine war. Risks of inflation from rising energy and resource prices, along with the continued real estate slump in China, also require careful monitoring.

Under these challenging conditions, the Group has proactively taken measures based on the priority issues of the "LIXIL Playbook". To restore international profitability—our most urgent task—we continue to focus on shifting toward higher-margin products and distribution channels, reorganizing our business portfolio, and rebuilding our supply chain, while continuing to implement structural reforms.

To achieve long-term growth, we aim to expand differentiated products, while simultaneously creating a positive social and environmental impact. We will continue our transformation into an agile, entrepreneurial organization by accelerating digitalization and fostering an inclusive corporate culture to drive innovation.

The results of our efforts to strengthen the business foundation are becoming visible, and our path to long-term growth remains unchanged. We are committed to increasing value for all stakeholders and advancing our corporate purpose of making better homes a reality for everyone, everywhere.

Reflecting the above business environment and management strategy, the Company forecasts the following for the fiscal year ending March 31, 2027: Revenue of 1,600.0 billion yen (up 5.9% year-on-year), core earnings of 45.0 billion yen (up 16.9% year-on-year), operating profit of 37.5 billion yen (up 32.0% year-on-year), profit before tax of 25.0 billion yen (up 59.2% year-on-year), profit for the year attributable to owners of the parent of 12.0 billion yen (up 47.4% year-on-year)

Based on the policy of consistent and stable shareholder returns, the Company plans to pay an annual dividend of 90 yen per share, consisting of interim and year-end dividends of 45 yen each for the fiscal year ending March 31, 2027, the same as in the previous fiscal year.

The above outlook is based on information available as of the date of publication and involves risks and uncertainties. Uncertainties—such as the rising geopolitical risks in the Middle East, resulting supply chain disruptions causing difficulties in material procurement, surging crude oil prices, and rising prices for petroleum-derived raw materials—have not been factored into this earnings forecast, as it is currently difficult to reasonably calculate their impact. Consequently, actual results may differ from these forecasts due to various factors.

(2) Overview of Financial Position and Cash Flows for the current fiscal year

Total assets as of March 31, 2026, increased by 53,123 million yen to 1,883,927 million yen compared to the previous fiscal year-end.

Current assets: Increased by 17,708 million yen to 718,949 million yen. This was driven by foreign exchange translation and an increase in inventories due to price hikes and efforts to secure adequate stocks to avoid supply risks. The increase came, despite a decrease in cash and cash equivalents.

Non-current assets: Increased by 35,415 million yen to 1,164,978 million yen. This was due primarily to the impact of foreign exchange translation on goodwill, intangible assets, and property, plant, and equipment, which offset a decrease in other financial assets following the sale of certain cross-shareholdings.

Total equity was 668,361 million yen, and the ratio of equity attributable to owners of the parent was 35.3% (an increase of 1.6 percentage points from the previous fiscal year-end).

The cash flow status for the consolidated fiscal year ended March 31, 2026, was as follows. The amounts are the sum of cash flows, including discontinued operations.

Net cash provided by operating activities was 82,689 million yen (down 17,313 million yen year-on-year). Major factors included a decrease associated with changes in working capital (including changes related to trade and other receivables, inventories, and trade and other payables).

Net cash used in investing activities was 23,593 million yen (down 4,534 million yen year-on-year). Major factors included purchase of property, plant and equipment and intangible assets associated with capital investments, which were partially offset by proceeds from the sale of cross-shareholdings.

Net cash used in financing activities was 72,468 million yen (down 2 million yen year-on-year). Factors for the decrease in outflow included proactive procurement and repayment of interest-bearing debt, both short-term and long-term, as well as the payment of dividends and lease liabilities.

As a result, cash and cash equivalents as of March 31, 2026, totaled 115,624 million yen (down 7,903 million yen from the previous fiscal year end), after accounting for exchange rate differences and other factors.

The trends of key indicators regarding financial conditions are as follows.

	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Core earnings to Revenue (%)	4.5	1.7	1.6	2.1	2.5
Ratio of equity attributable to owners of the parent to total assets (%)	34.3	33.7	34.1	33.7	35.3
Net interest-bearing debt-to-EBITDA ratio (times)	2.9	4.8	5.3	4.7	4.4

(Notes)

1. All figures are calculated based on consolidated financial figures.

Each indicator is calculated as follows.

Net interest-bearing debt : Interest-bearing debt - Cash and cash equivalents
EBITDA : Core earnings + Depreciation and amortization

2. Interest-bearing debt includes all liabilities booked in the Consolidated Statement of financial position on which interest is paid and convertible bond-type bonds with subscription rights to shares.

2. Basic approach to the selection of accounting standards

The Group has adopted IFRS for preparing its consolidated financial statements to improve the international comparability of its financial statements in the capital markets and enhance the level of management within its group.

3. Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

(Unit: Millions of yen)

	As of March 31, 2025		End of this year (As of March 31, 2026)	
ASSETS				
Current assets:				
Cash and cash equivalents	Y	123,527	Y	115,624
Trade and other receivables		283,914		289,172
Inventories		243,926		261,359
Contract assets		17,861		18,345
Income taxes receivable		1,691		2,081
Other financial assets		7,176		7,923
Other current assets		22,993		21,526
Subtotal		701,088		716,030
Assets held for sale		153		2,919
Total current assets		701,241		718,949
Non-current assets:				
Property, plant and equipment		365,552		363,757
Right-of-use assets		63,530		65,951
Goodwill and other intangible assets		545,561		593,241
Investment property		2,406		1,912
Investments accounted for using the equity method		7,561		9,931
Other financial assets		60,994		51,692
Deferred tax assets		80,145		75,788
Other non-current assets		3,814		2,706
Total non-current assets		1,129,563		1,164,978
Total assets	Y	1,830,804	Y	1,883,927

(Unit: Millions of yen)

	As of March 31, 2025		End of this year (As of March 31, 2026)	
LIABILITIES AND EQUITY				
LIABILITIES				
Current liabilities:				
Trade and other payables	Y	246,802	Y	244,786
Bonds and borrowings		190,337		163,201
Lease liabilities		19,786		21,234
Contract liabilities		9,850		10,552
Income taxes payable		8,129		11,673
Other financial liabilities		4,437		4,901
Provisions		1,156		2,950
Other current liabilities		91,286		101,190
Total current liabilities		571,783		560,487
Non-current liabilities:				
Bonds and borrowings		402,209		416,680
Lease liabilities		45,468		46,097
Other financial liabilities		29,581		28,359
Net defined benefit liabilities		72,975		76,732
Provisions		6,595		8,454
Deferred tax liabilities		75,628		72,148
Other non-current liabilities		6,495		6,609
Total non-current liabilities		638,951		655,079
Total liabilities		1,210,734		1,215,566
EQUITY				
Share capital		68,654		68,807
Capital surplus		221,587		221,753
Treasury shares		-138		-147
Other components of equity		121,146		174,994
Retained earnings		206,637		199,431
Equity attributable to owners of the parent		617,886		664,838
Non-controlling interests		2,184		3,523
Total equity		620,070		668,361
Total liabilities and equity	Y	1,830,804	Y	1,883,927

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

(Unit: Millions of yen)

	FY ended March 31, 2025	FY ended March 31, 2026
Continuing operations		
Revenue	Y 1,504,697	Y 1,510,704
Cost of sales	-1,006,584	-995,554
GROSS PROFIT	498,113	515,150
Selling, general and administrative expenses	-466,776	-476,650
Other income	11,012	9,362
Other expenses	-12,662	-19,459
OPERATING PROFIT	29,687	28,403
Finance income	3,996	4,383
Finance costs	-13,860	-16,871
Share of profit (loss) of associates accounted for using the equity method	327	-207
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	20,150	15,708
Income tax expenses	-17,882	-6,936
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	2,268	8,772
Discontinued operations		
LOSS FOR THE YEAR FROM DISCONTINUED OPERATIONS	-50	—
PROFIT FOR THE YEAR	2,218	8,772
Profit (loss) for the year attributable to:		
Owners of the parent		
Continuing operations	2,051	8,143
Discontinued operations	-50	—
Total	2,001	8,143
Non-controlling interests	217	629
PROFIT FOR THE YEAR	Y 2,218	Y 8,772

(Unit: Yen)

	FY ended March 31, 2025	FY ended March 31, 2026
Earnings (loss) per share		
Basic (yen per share)		
Continuing operations	7.14	28.33
Discontinued operations	-0.17	—
Total	6.97	28.33
Diluted (yen per share)		
Continuing operations	7.14	28.33
Discontinued operations	-0.17	—
Total	6.97	28.33

Consolidated Statement of Comprehensive Income

(Unit: Millions of yen)

	FY ended March 31, 2025	FY ended March 31, 2026
PROFIT FOR THE YEAR	Y 2,218	Y 8,772
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	-446	3,326
Remeasurements of defined benefit pension plans	3,586	3,665
Total of items that will not be reclassified to profit or loss	3,140	6,991
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	-2,998	56,084
Net fair value gain (loss) on hedging instruments entered into for cash flow hedges	-885	1,148
Share of other comprehensive income of associates accounted for using the equity method	-5	290
Total items that may be reclassified subsequently to profit or loss	-3,888	57,522
Other comprehensive income, net of tax	-748	64,513
TOTAL COMPREHENSIVE INCOME	1,470	73,285
Profit for the year attributable to:		
Owners of the parent	1,157	72,504
Non-controlling interests	313	781
TOTAL COMPREHENSIVE INCOME	Y 1,470	Y 73,285

(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
Profit for the year	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	-446	3,586	-3,094	-885
Total comprehensive income	—	—	—	-446	3,586	-3,094	-885
Purchase of treasury shares	—	—	-13	—	—	—	—
Disposal of treasury shares	—	-0	1	—	—	—	—
Share-based payment transactions	124	-1	—	—	—	—	—
Dividends	—	—	—	—	—	—	—
Changes in interests in subsidiaries that do not result in the Group losing control over the subsidiaries	—	-44	—	—	—	—	—
Transfers from other components of equity to retained earnings	—	—	—	-2	-3,586	—	—
Total transactions with owners	124	-45	-12	-2	-3,586	—	—
BALANCE AS OF MARCH 31, 2025	68,654	221,587	-138	16,295	—	104,296	558
Profit for the year	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	3,326	3,665	55,932	1,148
Total comprehensive income	—	—	—	3,326	3,665	55,932	1,148
Purchase of treasury shares	—	—	-10	—	—	—	—
Disposal of treasury shares	—	-0	1	—	—	—	—
Share-based payment transactions	153	194	—	—	—	—	—
Dividends	—	—	—	—	—	—	—
Changes in interests in subsidiaries that do not result in the Group losing control over the subsidiaries	—	-28	—	—	—	—	—
Transfers from other components of equity to retained earnings	—	—	—	-6,848	-3,665	—	—
Total transactions with owners	153	166	-9	-6,848	-3,665	—	—
BALANCE AS OF MARCH 31, 2026	68,807	221,753	-147	12,773	—	160,228	1,706

(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
Profit	—	—	2,001	2,001	217	2,218
Other comprehensive income	-5	-844	—	-844	96	-748
Total comprehensive income	-5	-844	2,001	1,157	313	1,470
Purchase of treasury shares	—	—	—	-13	—	-13
Disposal of treasury shares	—	—	—	1	—	1
Share-based payment transactions	—	—	—	123	—	123
Dividends	—	—	-25,849	-25,849	—	-25,849
Changes in interests in subsidiaries that do not result in the Group losing control over the subsidiaries	—	—	—	-44	44	—
Transfers from other components of equity to retained earnings	—	-3,588	3,588	—	—	—
Total transactions with owners	—	-3,588	-22,261	-25,782	44	-25,738
BALANCE AS OF MARCH 31, 2025	-3	121,146	206,637	617,886	2,184	620,070
Profit	—	—	8,143	8,143	629	8,772
Other comprehensive income	290	64,361	—	64,361	152	64,513
Total comprehensive income	290	64,361	8,143	72,504	781	73,285
Purchase of treasury shares	—	—	—	-10	—	-10
Disposal of treasury shares	—	—	—	1	—	1
Share-based payment transactions	—	—	—	347	—	347
Dividends	—	—	-25,862	-25,862	—	-25,862
Changes in interests in subsidiaries that do not result in the Group losing control over the subsidiaries	—	—	—	-28	558	530
Transfers from other components of equity to retained earnings	—	-10,513	10,513	—	—	—
Total transactions with owners	—	-10,513	-15,349	-25,552	558	-24,994
BALANCE AS OF MARCH 31, 2026	287	174,994	199,431	664,838	3,523	668,361

(4) Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	FY ended March 31, 2025		FY ended March 31, 2026	
OPERATING ACTIVITIES:				
Profit before tax from continuing operations	Y	20,150	Y	15,708
Loss before tax from discontinued operations		-71		—
Profit before tax		20,079		15,708
Depreciation and amortization		83,193		83,083
Impairment losses		3,450		6,507
Interest and dividend income		-2,959		-3,253
Interest expense		11,877		11,495
Gain from remeasurement relating to application of the equity method		—		-1,714
Share of (profit) loss of associates accounted for using the equity method		-327		207
Gain on sale of businesses		-1,990		—
Losses (gains) on disposal of property, plant and equipment		727		-1,221
Losses (gains) on disposal of investment property		26		-300
Decrease (increase) in trade and other receivables		15,833		5,247
Decrease (increase) in inventories		2,835		-3,712
(Decrease) increase in trade and other payables		-2,119		-14,039
(Decrease) increase in net defined benefit liabilities		-5,732		-4,416
Other		-6,695		13,028
Subtotal		118,198		106,620
Interest received		1,784		1,853
Dividends received		1,380		1,583
Interest paid		-11,289		-11,645
Income taxes paid		-10,071		-15,722
Net cash generated by operating activities	Y	100,002	Y	82,689

(Unit: Millions of yen)

	FY ended March 31, 2025	FY ended March 31, 2026
INVESTING ACTIVITIES:		
Decrease (increase) in time deposits	Y 412	Y 1,337
Purchase of property, plant and equipment	-34,359	-32,145
Proceeds from disposal of property, plant and equipment	712	3,267
Purchase of intangible assets	-10,811	-10,679
Proceeds from disposal of investment property	108	307
Decrease (increase) in short-term loans receivable	5,294	76
Purchase of investments	-104,034	-236,107
Proceeds from sale and redemption of investments	104,025	250,773
Payments for absorption-type company split	-2,857	—
Payments for acquisition of subsidiaries	-52	-171
Proceeds from sale of businesses	13,075	—
Other	360	-251
Net cash used in investing activities	Y -28,127	Y -23,593
FINANCING ACTIVITIES:		
Dividends paid	Y -25,849	Y -25,862
(Decrease) increase in short-term borrowings and commercial paper	-16,977	-36,067
Proceeds from long-term borrowings	43,596	97,727
Repayment of long-term borrowings	-86,940	-60,641
Proceeds from issuance of bonds	35,835	—
Redemption of bonds	—	-25,000
Lease liabilities paid	-22,124	-23,145
Capital contribution from non-controlling interests	—	530
Other	-11	-10
Net cash used in financing activities	Y -72,470	Y -72,468
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-595	-13,372
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	-363	5,469
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	Y 123,527	Y 115,624

(5) Notes related to Financial Statements
(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 fiscal year ended March 31, 2025, is presented based on the new reportable segments classification.

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 FY ended March 31, 2025 (April 1, 2024 through March 31, 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 802,586	Y 521,002	Y 181,109	Y 1,504,697	Y —	Y 1,504,697
Intersegment revenue or transfers	2,295	6,121	24,353	32,769	-32,769	—
Total	804,881	527,123	205,462	1,537,466	-32,769	1,504,697
Segment profit (Note 1)	36,853	26,034	7,226	70,113	-38,776	31,337
Other income						11,012
Other expenses						-12,662
Operating profit						29,687
Finance income						3,996
Finance costs						-13,860
Share of profit of associates accounted						327
Profit before tax from continuing operations						20,150
Other items						
Depreciation and amortization	47,707	28,005	7,139	82,851	342	83,193
Impairment losses	2,840	602	8	3,450	—	3,450
Share of profit of associates accounted for using the equity method	4	323	—	327	—	327
Investments accounted for using the equity method	201	7,360	—	7,561	—	7,561
Capital expenditures	37,069	20,027	6,486	63,582	0	63,582

For the FY ended March 31, 2026 (April 1, 2025 through March 31, 2026)

(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 808,842	Y 518,432	Y 183,430	Y 1,510,704	Y —	Y 1,510,704
Intersegment revenue or transfers	2,210	7,225	24,149	33,584	-33,584	—
Total	811,052	525,657	207,579	1,544,288	-33,584	1,510,704
Segment profit (Note 1)	45,438	26,710	7,842	79,990	-41,490	38,500
Other income						9,362
Other expenses						-19,459
Operating profit						28,403
Finance income						4,383
Finance costs						-16,871
Share of loss of associates accounted						-207
Profit before tax from continuing operations						15,708
Other items						
Depreciation and amortization	48,063	28,326	6,330	82,719	364	83,083
Impairment losses	3,986	437	2,084	6,507	—	6,507
Share of profit (loss) of associates accounted for using the equity method	-403	196	—	-207	—	-207
Investments accounted for using the equity method	2,483	7,448	—	9,931	—	9,931
Capital expenditures	38,864	16,571	5,419	60,854	1	60,855

(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.

(Notes related to Consolidated Statements of Profit or Loss)

For the FY ended March 31, 2025 (April 1, 2024 through March 31, 2025)

Costs related to "Career Option Program"

The Group is working to enhance their personnel systems to support multigenerational career planning and development. As part of this initiative, the Group implements "Career Option Program" which permanent employees working at object of companies of the Group in Japan who have reached a certain age with certain duration of service will be able to select the option of pursuing opportunities outside the company before the usual statutory retirement age.

Costs for premium retirement allowance and outplacement services related to "Career Option Program" are recorded under cost of sales and selling, general and administrative expenses as follows:

This program concluded its operation in the fiscal year ended March 31, 2025.

Cost of sales	904 million yen
<u>Selling, general and administrative expenses</u>	<u>2,161 million yen</u>
Total	3,065 million yen

For the FY ended March 31, 2026 (April 1, 2025 through March 31, 2026)

(1) Gain on sale of property, plant and equipment

Gain on sale of property, plant and equipment of 2,444 million yen was reported as other income in the Consolidated Statement of profit or loss due to the sale of certain assets (buildings and land) in Japan.

(2) Gain from remeasurement relating to application of the equity method

A difference of 1,714 million yen between the carrying amount and the fair value at the time of loss of control was recorded as other income in the Consolidated Statement of profit or loss due to the transition of certain subsidiaries to associates accounted for using the equity method.

(3) Impairment losses

An impairment loss of 6,507 million yen is reported under other expenses in the Consolidated Statement of profit or loss. Details of impaired assets are as follows:

(Unit: Millions of yen)

Category	Segment	Component and Amount
IT system	Living Business	Software in Progress 2,029

Due to a review of the implementation scope for the IT system currently under development for use, the carrying amount of software in progress related to the portion no longer expected to be used for business purposes has been written down to its recoverable amount. The recoverable amount was measured based on its value in use and determined to be zero.

(Information per share)

	FY ended March 31, 2025	FY ended March 31, 2026
	Millions of yen	Millions of yen
Profit for the year attributable to owners of the parent from continuing operations	2,051	8,143
Loss for the year attributable to owners of the parent from discontinued operations	-50	—
Profit for the year attributable to owners of the parent	2,001	8,143
Diluted profit for the year	2,001	8,143
	Shares	Shares
Weighted-average number of ordinary shares outstanding	287,258,128	287,416,058
Diluted weighted-average number of ordinary shares	287,258,128	287,416,058
Basic earnings (loss) per share	Yen	Yen
Continuing operations	7.14	28.33
Discontinued operations	-0.17	—
Total	6.97	28.33
Diluted earnings (loss) per share		
Continuing operations	7.14	28.33
Discontinued operations	-0.17	—
Total	6.97	28.33

(Notes on significant subsequent events)

Not applicable.