

[This is an English translation of the original Japanese text]



October 27, 2025

LIXIL Corporation
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Representative Executive Officer, President, and CEO
(TSE Prime market and NSE Premier market, code 5938)

(Contact):
Aya Kawai
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Announcement on the Reduction in Income Tax Expenses at a Consolidated Subsidiary

LIXIL Corporation (hereinafter "LIXIL") hereby announces that LIXIL Europe S.à r.l. (hereinafter, "LIXIL Europe"), our consolidated subsidiary, is expected to see a decrease in corporate income tax expense for the current consolidated fiscal year. This is a result of recalculating future tax expenses based on the factors and the information and projections available at this time.

1. Background and overview

Following the enactment of the German Corporate Growth Opportunities Act in July, a gradual reduction in the corporate tax rate will be applicable starting from the fiscal year commencing on or after January 1, 2028. Consequently, LIXIL Europe was required to incorporate the impact of the future tax rate change, which necessitated a re-calculation of the deferred tax assets and deferred tax liabilities held by the company. As a result of this re-calculation, we expect a decrease in our consolidated income tax expense of approximately JPY12.0 billion. The adjustment to the income tax expense related to this matter is scheduled to be allocated to each quarter, with an amount corresponding to approximately two quarters to be recognized in the second quarter, and the respective allocated amount to be recognized in each subsequent quarter thereafter. This is an one-off accounting treatment resulting from the tax reform and has no direct impact on LIXIL Europe's business operations or our consolidated cash flow.

Note: The impact on our financial performance is converted using the average exchange rate for the second quarter (six months) of the fiscal year ending March 31, 2026 (EUR 1 = JPY 167.74). The final recorded amount may fluctuate due to foreign exchange impacts and other factors.

2. Consolidated full-year forecast for the fiscal year ending March 2026 and Dividend forecast

The impact of this matter on the consolidated financial forecast for the full year will be reviewed over the second half, including other factors such as the business environment. If a revision is deemed necessary, we will promptly announce it. There is no change to the annual dividend forecast of JPY90 per share (interim dividend of JPY45 and year-end dividend of JPY45) as announced on April 30, 2025.

The consolidated financial results for the cumulative second quarter of the fiscal year ending March 2026 (April 1, 2025, through September 30, 2025) are scheduled to be announced on October 31, 2025.

Explanation for adequate utilization of the forecast and other special matters

The forecasts and forward-looking statements above are prepared based on information currently available and therefore involve potential risks and uncertainties. Please note that actual results may differ from forecasted figures due to various unknown factors. LIXIL will promptly announce any necessary revisions to the forecasted figures.

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