



LIXIL Corporation

Q1 Financial Results Briefing for the Fiscal Year Ending March 2023 for Investors and Analysts

July 29, 2022

Event Summary

[Company Name]	LIXIL Corporation	
[Company ID]	5938-QCODE	
[Event Language]	JPN	
[Event Type]	Earnings Announcement	
[Event Name]	Q1 Financial Results Briefing for the Fiscal Year Ending March 2023 for Investors and Analysts	
[Fiscal Period]	FY2022 Q1	
[Date]	July 29, 2022	
[Number of Pages]	29	
[Time]	17:00 – 17:57 (Total: 57 minutes, Presentation: 24 minutes, Q&A: 33 minutes)	
[Venue]	Webcast	
[Venue Size]		
[Participants]		
[Number of Speakers]	3	
	Kinya Seto	Director, Representative Executive Officer, President, and CEO
	Sachio Matsumoto	Director, Representative Executive Officer, Executive Vice President, and CFO
	Kayo Hirano	Senior Vice President, Leader, Investor Relations Office
[Analyst Names]*	Yoshihiro Nakagawa Daisuke Fukushima Tomoyoshi Omuro Hiroki Kawashima Sho Fukuhara	Mizuho Securities Co., Ltd. Nomura Securities Co., Ltd. BofA Securities Japan Co., Ltd. SMBC Nikko Securities Inc. Jefferies Japan Limited

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com



Ryo Yagi

Mitsubishi UFJ Morgan Stanley Securities
Co., Ltd.

*Analysts that SCRIPTS Asia was able to identify from the audio who spoke during Q&A.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com



Presentation

Moderator: Now that we are at the appointed time, we would like to begin the financial results briefing of LIXIL Corporation for Q1 of the fiscal year ending March 2023. This briefing is being conducted via live Internet streaming. Thank you for your cooperation.

Now, let me introduce today's attendees. Kinya Seto, Director, Representative Executive Officer, President, and CEO.

Seto: Hello.

Sachio Matsumoto, Director, Representative Executive Officer, Executive Vice President, and CFO.

Matsumoto: Hello.

Moderator: Kayo Hirano, Senior Vice President, Leader, Investor Relations Office.

Hirano: Hello.

Moderator: I am Fukushima from the IR Office, and I will be the moderator for the briefing today.

Please refer to the presentation materials posted on the investor relations section of the Company's website.

Please let me explain today's proceedings. First of all, President Seto will provide an overview of our financial results for Q1 of the fiscal year ending March 2023. After that, we set aside time for questions and answers. The event is scheduled to end at 18:00. Thank you.

Seto will now explain our financial results for Q1 of the fiscal year ending March 2023. Mr. Seto, please.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com



› LIXIL TRANSITIONED TO IFRS FROM FYE2016 CHANGE IN PROFIT LEVEL STRUCTURE IS AS SHOWN

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

1

Seto: Hello, everyone. I will present the financial results for Q1 of the fiscal year ending March 2023.

As you all know, our company is based on IFRS, and core earnings in our company is the same as operating profit under Japanese GAAP.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com

 **SCRIPTS**
Asia's Meetings, Globally

› KEY HIGHLIGHTS

Summary of results for Q1 FYE2023

Revenue increased and core earnings declined YoY for the following reasons. Core earnings declined in the period but are now on a recovery trend

1) Cost inflation

- While market prices of major raw materials have recently retraced some of their sharp gains, we continued to see the impact on production / inventory booking based on past costs, hedging transactions, and JPY depreciation. The impact of the current decline will be realized in as early as Q3 to mid-Q4

2) Price optimization

- Steady progress has been made according to plan. Full-scale realization of benefits will be seen from October

3) Market environment (demand)

- Order situation is generally favorable despite weakening market environment

4) Status of each business in Q1

- **LWT (Japan):** Maintained prior-year level of revenue due to countermeasures against temporary parts procurement issues. However, this led to increased costs
- **LHT (Japan):** Costs continue to be high from aluminum hedging contracts and JPY depreciation, impacting profitability
- **LWT (Int'l):** A weaker yen boosted Q1 revenue growth. While the order position was broadly favorable, logistics challenges have been one limiting factor to growth in Q1



2

I will discuss today's key points.

Revenues increased and core earnings declined compared with the same period of the previous year. Core earnings, however, are on a recovery trend. As an extension of the situation I described three months ago, I would like to explain each element of our situation, which is difficult in H1 of the year, but recoverable in H2.

First, I will talk about cost inflation, which I thought would continue throughout the rest of the year and will continue to do so in the future. In fact, recently we have seen a rapid downward trend, especially for copper and aluminum, which are our core materials.

However, most of them were booked based on the past costs and hedging transactions. Therefore, the decline in copper and aluminum will not necessarily show up soon in the financial results.

Besides that, I am thinking that various market prices are about to fall. But this impact will actually show up as early as Q3 and as late as the middle of Q4. However, we believe that this cost inflation will improve considerably in the next fiscal year and will be a significant positive factor for our earnings.

However, the impact of this cost inflation, especially with regard to the terrible one for H1 of this fiscal year, is that the cost of last fiscal year's portion will inevitably be reflected, so for H1 of the year, it is particularly difficult from a profitability standpoint.

In particular, another factor, price optimization, is proceeding as planned. We are making good progress, but the biggest price optimization will come in October or later. In that sense, the full effect will not be manifested until October or later. However, price optimization made in both April and June are proceeding as planned, which is helping to improve profitability.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com



Regarding the market environment, we honestly believe that the overall market environment is weak. As you know, interest rates are on the way up in both the US and Europe. I also think the overall situation is weak in terms of higher fuel prices, higher energy prices, and then the problems of Russia, which will not be resolved in the foreseeable future.

On the other hand, the order situation is generally good, owing to our employees' efforts. Rather, the ordered products have not yet delivered due to various logistics restrictions.

On the other hand, the situation differs somewhat from business to business. First of all, I think the good news is that LWT Japan has been able to fulfill their supply responsibilities compared to their competitors and others. We were able to ship goods with almost no shortages. However, there were inevitably many responses to unexpected items, and costs went up. But this has remained close to the plan.

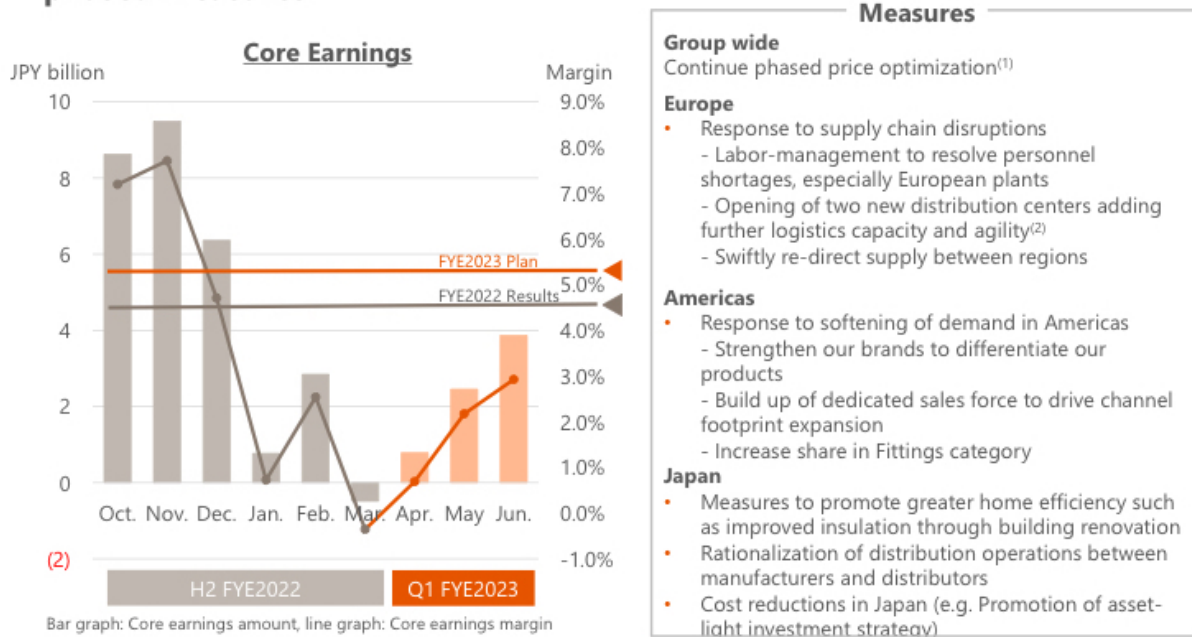
LHT also always has some amount booked based on hedging contracts. This was within our expectations to some degree, but the fact that the JPY depreciation was greater than expected gave an influence to the cost increase. In the case of LHT, some products are imported from factories in Thailand, so the weak JPY is having an impact.

As for LWT, as we have discussed, we have already hedged the risk of copper, which is a major raw material cost. It is as planned as a premise, and orders are also good.

But, the problem is that for various reasons such as the spread of the COVID-19, labor is in short in Europe and the US, which is causing various problems in the supply chain. Because of this, we have not yet been able to match the supply with good orders that we would otherwise have received. It is a pity, because we could have achieved a better result if we had not had this problem.

KEY HIGHLIGHTS

Core earnings margin is gradually recovering due to the benefits from phased measures



(1) News Release on Dec 7, 2021 "Partial revision of manufacturer's suggested retail prices for residential building materials and equipment due to soaring raw material prices", News Release on Jun 23, 2022 "Partial revision of manufacturer's suggested retail prices for building materials and equipment"(Japanese only) 3
 (2) Please refer to p.26 Business and ESG related topics "Responding to supply chain disruptions and higher logistics costs"

Support

Japan 050.5212.7790
 Tollfree 0120.966.744

North America 1.800.674.8375
 Email Support support@scriptasia.com

As I mentioned, the results are not necessarily remarkable from the perspective that the sudden increase in costs that I mentioned three months ago is affecting H1 of this fiscal year, but since March, the results have been improving in turn.

Analyzing the better results, one of the first is that the gradual price optimization has been a major support. This will be continued going forward, and we can fully expect that its progress will contribute to higher profits.

As for Europe, as I mentioned earlier, there was a supply chain issue. In particular, our German factory, where more than half of the faucets, the mainstay of our European revenue, are made, did not have a large enough workforce. The point is that we could not have enough workers due to spread of the COVID-19 and such. Under these circumstances, since orders were very strong, it was difficult to get agreement from the labor union on our request for working on Saturdays or overtime. But finally, here we are at the end of this negotiation, and we can now manufacture at full capacity.

Also, a bigger problem was the lack of capacity on the logistics side. Therefore, two new distribution centers have been established, and we are now fully capable of shipping goods.

As for Europe, the situation is getting worse in Eastern Europe, triggered by the problems of Russia and such. On the other hand, the rise in energy prices has also been a positive factor for us, as our business has grown significantly in the Middle East and the Middle and near East, which are our strongest regions.

In the Americas, more and more customers, especially retailers, are adjusting their inventories for the future. However, we have differentiated ourselves in the past by strengthening our brand, and we have also changed our sales channels by changing all the areas where we used to use agents to dedicated salespeople.

We have also been gradually expanding our market from sanitary ware, which has relatively low profits, to faucet. These measures have borne some fruit and are getting better even in a bad situation.

In Japan, especially in the Housing Business, revenue from renovation business has been small. However, interest in energy has been growing tremendously, and with the energy crisis and CO₂ emissions issues, the number of renovations for higher insulation has been increasing rapidly.

In the Water Business in Japan, there has been a kind of distribution reform for rationalization, in which manufacturers do the work of manufacturers and distributors do the work of distributors.

In addition, of course, asset-light strategy to reduce costs in the Japan business, increasing the productivity of personnel, and digitalization are also progressing. The recovery will be gradual and full recovery will take place in October onward. The situation in July, August, and September is not as easy as last year, but we are getting a lot of signs that things will improve from October.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com



› KEY HIGHLIGHTS

Outlook: Cost environment is improving, but will be reflected later this year

Cost environment

Raw materials costs

- **Copper:** Prices are on the decline.⁽¹⁾ Due to inventory booking based on past costs, hedging transactions, the benefits will be reflected from mid-Q4
- **Aluminum:** Prices have also fallen sharply⁽²⁾, but cost is expected to exceed initial estimates in Q1-Q2 due to past hedging and a weaker JPY. We expect lower global prices will be offset by JPY depreciation from Q3
- **Steel and Resin:** Expect to decline from Q3

Logistics costs

- Now declining but prior high costs will have an impact through Q2
- Cost decline expected to be reflected from Q3

Semiconductor, wire harness, wooden materials

- Redundancy in procurement limited supply chain disruptions, but higher response costs continue
- Occurrence of unexpected issues decreased. Expect gradual decrease in response costs going forward

Forex impact (JPY depreciation)

- Continued impact on aluminum procurement and cost of imports from factories outside of Japan

Potential business risks in Q2 onward

Risk of energy supply from Russia

- Winter production is a risk due to higher energy consumption
- Three factories in Germany produce approximately 50% of GROHE products
- Analysis shows that if gas supply is reduced by 45%, impact on output will only be 4.5% due to a shift to alternative energy sources

Labor issues

- Labor shortages, strikes, and absenteeism due to COVID-19 occur frequently in factories, ports, and carriers
- Shortage of product availability should continue to be closely monitored

Frequent lockdowns in China

- Plan to bring greater redundancy to procurement

Decline in global demand

LIXIL (1) LME Monthly average price (Yr. 2022): From a peak of USD10,246/ton in March to USD9,036/ton in June (-12%)
(2) LME Monthly average price (Yr. 2022): From a peak of USD3,543/ton in March to USD2,585/ton in June (-27%)

4

As for the future outlook, the good news is that the environment involving cost is clearly improving. However, we believe that this reflection will be seen around January of next year, and that this could be tremendously good news with respect to the next fiscal year.

As for the bad news, I think there is more uncertainty about the future economy. Copper and aluminum prices have fallen dramatically from the highs seen in February and March.

In this context, for copper, we are using the portions we booked based on the past hedging transactions, manufacturing with the portion of costs in the past, which are those currently shipped out. Hedged items will continue to be made, stocked, and sold. I believe that the current drop in raw materials will be reflected from around the middle of Q4.

As for aluminum, it is true that it has fallen significantly, but like copper, it is now being made at a higher cost because of past hedging. Not only was the situation made worse by the high cost of making the product with what we bought, but also by the fact that the exchange rate quickly depreciated against JPY.

We also had some difficulty importing products due to the relatively appreciated Thai baht. This is not exactly what we planned, and we think we suffered a little bit in Q1. However, this will be reversed in Q3 and beyond, when price declines and the impact of the JPY depreciation will cancel each other out, which is as planned. It will be Q4 that will get better in earnest.

As for steel and resin, international prices are falling for now, but Japanese prices have not fallen yet. However, I believe that after Q3, things will go down in terms of the current price of crude oil or the international price

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com

 **SCRIPTS**
Asia's Meetings, Globally

of steel. If these prices will fall in Q3 and beyond, as I explained with copper and aluminum, this will not actually show up until the next fiscal year.

Logistics costs, this freight level, are already falling. However, until the next quarter, the cost of materials will reflect past freight costs, therefore, which will not bring this up, but after Q3, it will reflect the actual decline in logistics costs.

There are some products, such as semiconductors, wire harnesses, and wooden materials that had to be specially handled due to various problems this time. The frequency of these special responses is decreasing. In that sense, although it is difficult to predict how much it will be, we expect that costs will decrease with gradual reduction of such responses.

As for foreign exchange, this is a positive factor on a JPY basis, as the yen has weakened in total with respect to international operations. However, it is negative for purchasing the aluminum ingot. Also, there is some impact on sash products produced in Thailand, some of which are purchased from international factories.

However, looking at it in general, I think it is safe to consider it as positive from H2 onward, although the impact of recent improvement in cost environment is not immediately reflected.

On the other hand, the risk factor is energy supply due to the current war. We have been making various BCP (Business Continuity Planning) for this area for about three or four months. First, even if gas supply is reduced by 45% from Russia, which is probably the worst case scenario we are looking at, we can limit the decrease in production to about 4.5% by converting to various types of energy and such, so we can handle this risk to some extent.

On the other hand, as has happened in the past with carriers, port operators, and factories, problems such as a sudden decrease in the workforce due to the spread of the COVID-19, or strikes and absenteeism by those who are less willing to work due to the COVID-19 can occur, especially among carriers and port operators, and can also occur in factories.

Then there are the lockdowns in China. This could happen in the future, as it did recently in Wuhan, but as I said earlier, we have been able to handle it well here in the past, and we will be able to handle it by continuing to make our purchasing redundant.

As for the biggest risk, we are concerned about a decline in global demand. However, one of the reasons why we have been able to do so well in the face of the current decline is that, in the case of products such as GROHE, the number one brand always enjoys a certain level of demand, even in bad times.

Then, since we operate all over the world, we can sell to fuel-rich economies, such as the Middle East, in case if Russia reduces energy supply, as we discussed earlier. Alternatively, it is also true that when the energy crisis comes, as it is now, demand for window renovation is increasing. There are both positive and negative points, and I think that even if the global market as a whole worsens, we, as an individual company, now have the strength to keep standing.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com



› PERFORMANCE HIGHLIGHTS

Revenue increased but profits decreased year-on-year

■ Revenue: JPY360.3 billion, up 4% year-on-year

- Q1 (3 months) YoY: +0.4% in Japan and +11% in international markets (+1.4% excluding forex impact)
- Revenue increased due to effect of a weaker yen, renovation sales growth in Japan, progress in the recovery of economic activities in Asia-Pacific region despite impact of international supply chain disruptions and lockdowns in China

■ Core earnings: JPY7.0 billion, down JPY16.1 billion year-on-year

- Q1 (3 months) YoY: -JPY7.4 billion in Japan, -JPY9.9 billion in international markets and +JPY1.2 billion for consolidation adjustment/ others
- Core earnings have gradually recovered from April, despite decrease in profit YoY due to the time required to see the results of various measures⁽¹⁾

■ Profit for the quarter⁽²⁾: JPY5.7 billion, down JPY11.1 billion year-on-year

- Decreased primarily due to decrease in core earnings

LIXIL (1) Please refer to p.3 for the various measures
(2) Profit for the quarter = Profit for the quarter attributable to owners of the parent

5

In terms of figures, as we discussed earlier, revenue increased and profits decreased compared to the same period last year. Even though revenue has increased, there was a considerable effect from foreign exchange rates translation. However, as I mentioned earlier, if the logistics-related supply chain in Europe and the Americas had not experienced problems with the spread of the COVID-19 and others, I think we could have generated better revenue. Europe, in particular, is a good place in terms of profitability, so the fact that we were not able to sell and deliver what we could sell had some impact on our core earnings.

However, as for the part that will impact core earnings, we have been considering for three months, predicting that we will suffer for a certain period of time in the future from the part where costs have gone up and the part where we hedge risks, so although we know we will have a not-so-great H1, H2 will be better.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com

 **SCRIPTS**
Asia's Meetings, Globally

› Q1 FYE2023 CONSOLIDATED BUSINESS RESULTS

	Q1 FYE2022	Q1 FYE2023	YoY	
	(3 months)	(3 months)	vs Results	
JPY billion	Results	Results	Increase/ decrease	%
Revenue	345.8	360.3	+14.5	+4.2%
Gross profit	125.0	116.4	-8.6	-6.9%
(%)	36.2%	32.3%	-3.9pp	-
SG&A	101.9	109.4	+7.5	+7.3%
Core earnings (CE)⁽¹⁾	23.1	7.0	-16.1	-69.8%
(%)	6.7%	1.9%	-4.7pp	-
Profit for the quarter including Discontinued Operations⁽²⁾	16.8	5.7	-11.1	-65.9%
EPS (JPY)	57.91	19.79	-38.12	-65.8%
EBITDA⁽³⁾	43.1	26.9	-16.2	-37.5%
(%)	12.5%	7.5%	-5.0pp	-

- **CE margin:** Declined by 4.7pp (Gross profit margin declined by 3.9pp, SG&A ratio declined by 0.9pp)
- **Gross profit margin and core earnings margin:** Declined as the effects of price optimization and fixed cost reductions have not yet covered the cost increases as of Q1
- **SG&A expenses:** SG&A expenses increased by JPY7.5 bn YoY (Japan JPY1.4 bn increase, International JPY3.4 bn increase, forex effect JPY2.7 bn increase) due to increase of sales activities and logistics costs. SG&A ratio declined by 0.9pp mainly due to higher personnel expenses and logistics cost ratio in international market

LIXIL

(1) Equivalent to "Operating profit" of JGAAP
 (2) Profit for the quarter attributable to owners of the parent
 (3) EBITDA=Core earnings + Depreciation + Amortization

6

Looking at the consolidated results in this way, it is clear that Q1, from April to June of last year, was the period before cost inflation occurred. Cost inflation was the main reason why good figures were not achieved here. I think this can be explained by the fact that although core earnings margin decreased by 4.7pp, gross profit margin decreased by 3.9pp of that amount, which means that the decline in core earnings margin is mostly due to the factor from the gross profit margin.

Of course, there are some areas where SG&A expenses have risen to some extent, but this also means that the special response costs have been extremely high for a long time. I think one major solution would be to improve this situation.

However, in the big picture, for us, the price optimization is always delayed while costs rise rapidly, and this kind of problem always occurs only during the delay. But now that costs are trending down, we think we are now assured of catching up, and it is a good thing.

Support

Japan 050.5212.7790
 Tollfree 0120.966.744

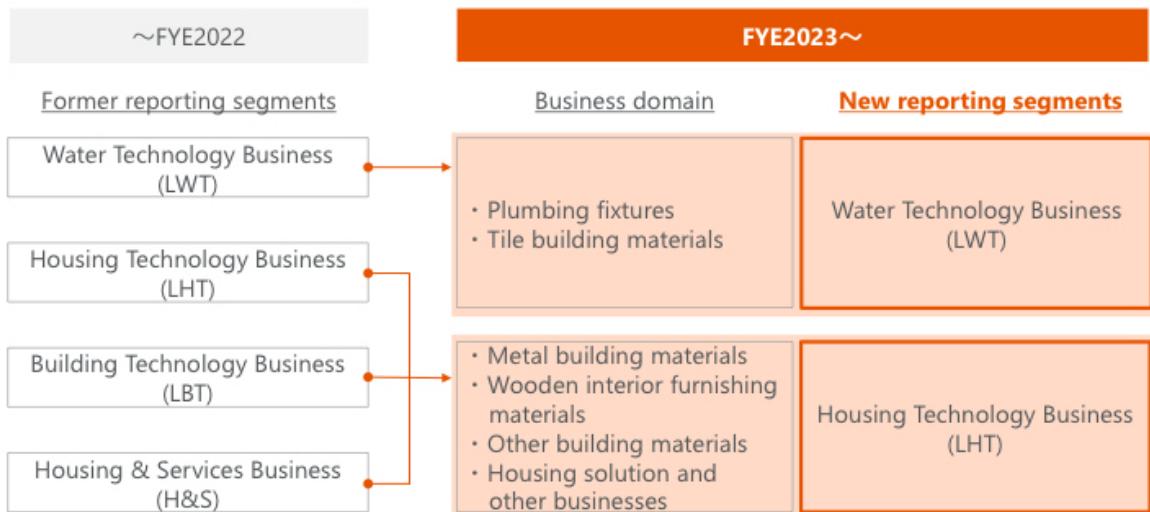
North America 1.800.674.8375
 Email Support support@scriptasia.com

 **SCRIPTS**
 Asia's Meetings, Globally

› CHANGE OF REPORTING SEGMENTS

To become an organization enabling accelerated growth and profitability improvement

Integrate Building Technology Business (LBT) and Housing & Services Business (H&S) into Housing Technology Business (LHT) to achieve greater collaboration



LIXIL

7

Starting from this time, we have changed the reporting segments. Housing Technology Business, Building Technology Business, and Housing and Services Business that Executive Vice President Yoshida has been looking after will be one segment. Housing and Services Business is not generating big sales, partly due to the sale of the non-core businesses. As for the Building Technology Business, the products are basically very similar to Housing Technology's sash business. Therefore, we believe that it is a reasonable decision to bring these into one segment.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com

SCRIPTS
Asia's Meetings, Globally

› Reference: Q1 FYE2023 BUSINESS RESULTS BY SEGMENT

Business results for Q1 (three months) in the former reporting segments are as follows

Former reporting segments JPY billion		Q1 (3 months)		
		FYE2022	FYE2023	Increase/ decrease
LWT	Revenue	210.6	221.0	+10.4
	CE	23.7	13.2	-10.4
LHT	Revenue	114.8	116.7	+2.0
	CE	10.4	3.5	-6.9
LBT	Revenue	18.0	19.7	+1.7
	CE	-0.8	-0.8	-0.0
H&S	Revenue	7.2	6.8	-0.3
	CE	0.1	0.4	+0.4
Consolidation, adj. & other	Revenue	-4.7	-3.9	+0.8
	CE	-10.2	-9.4	+0.9
LIXIL	Revenue	345.8	360.3	+14.5
	CE	23.1	7.0	-16.1

Forex impact

Q1 3 months: Revenue +JPY11.5 billion, CE +JPY1.4 billion

LIXIL

8

This chart shows the results in the former reporting segments. Core earnings for each of these segments are as shown. The major part of the decrease in LHT is due to the costs impacted from the aluminum hedging contracts and the weaker JPY. The depreciation of the JPY was not incorporated in the full year plan.

This cost inflation was within expectations with respect to the declining portion of LWT's core earnings.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com

SCRIPTS
Asia's Meetings, Globally

› Q1 FYE2023 BUSINESS RESULTS BY SEGMENT

LWT International business and LHT business drove increase in revenue. Due to the effect of measures against cost inflation, core earnings increased in all businesses compared to Q4 FYE2022, but core earnings decreased YoY

New reporting segments JPY billion		Q1 (3 months)				
		FYE2022 ⁽¹⁾	FYE2023	Increase/ decrease		
					due to the segment change ⁽²⁾	excluding the segment change
LWT	Revenue	210.6	221.0	10.4		
	CE	23.7	13.2	-10.4		
LHT	Revenue	139.4	143.0	3.6	+1.7	+2.0
	CE	9.9	3.1	-6.8	+0.1	-6.9
Consolidation, adj. & other	Revenue	-4.2	-3.7	0.5	-0.3	+0.8
	CE	-10.5	-9.4	1.2	+0.3	+0.9
LIXIL	Revenue	345.8	360.3	+14.5		
	CE	23.1	7.0	-16.1		

Forex impact

Q1 3 months: Revenue +JPY11.5 billion, CE +JPY1.4 billion

LIXIL (1) Please refer to "Notice Regarding Change in Reporting Segments" disclosed on July 29, 2022 for full-year and quarterly results for FYE2022 in the new reporting segments 9
(2) Includes consolidation adjustments added by the change of reporting segments

Support

Japan 050.5212.7790
Tollfree 0120.966.744

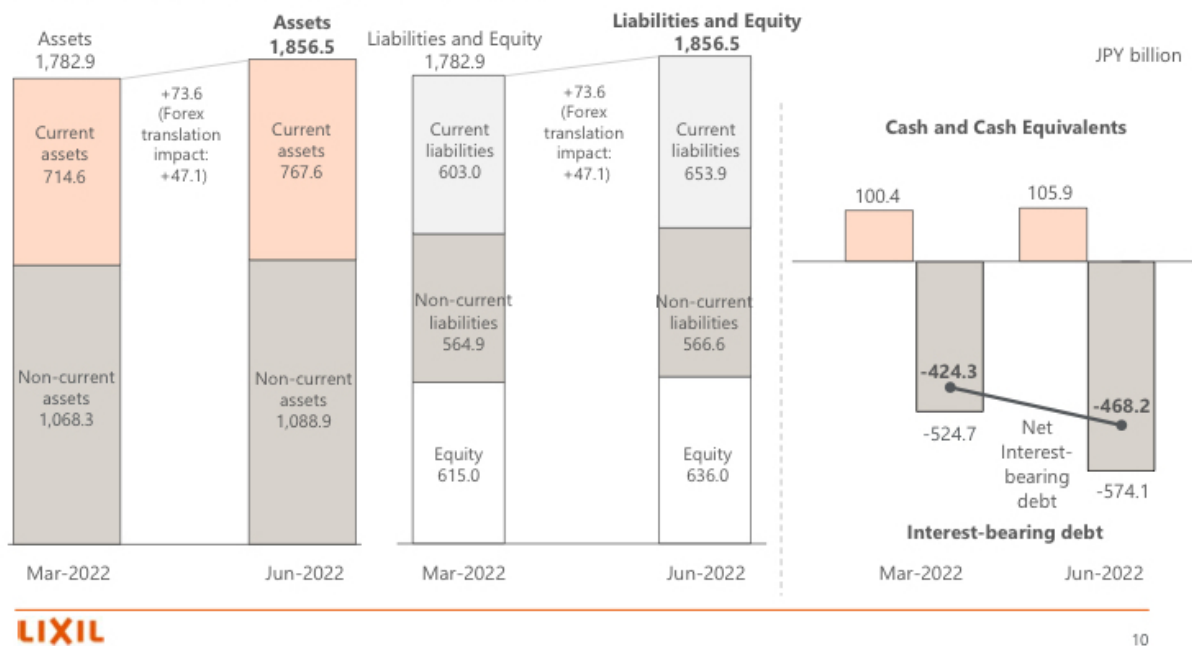
North America 1.800.674.8375
Email Support support@scriptasia.com

SCRIPTS
Asia's Meetings, Globally

The table you see now shows the results for each segment translated into the new reporting segments.

› CONSOLIDATED FINANCIAL POSITION

Assets increased due to securing higher inventory levels for supply chain disruptions and higher unit prices due to increased material costs as well as forex translation impact. Equity ratio is 34.1%



This shows the consolidated financial position. We have been reorganizing our balance sheet for a long time, which was improved, but it is increased this time. It increased partly due to the translation of a weaker JPY and partly due to increased inventories in preparation for supply chain disruptions.

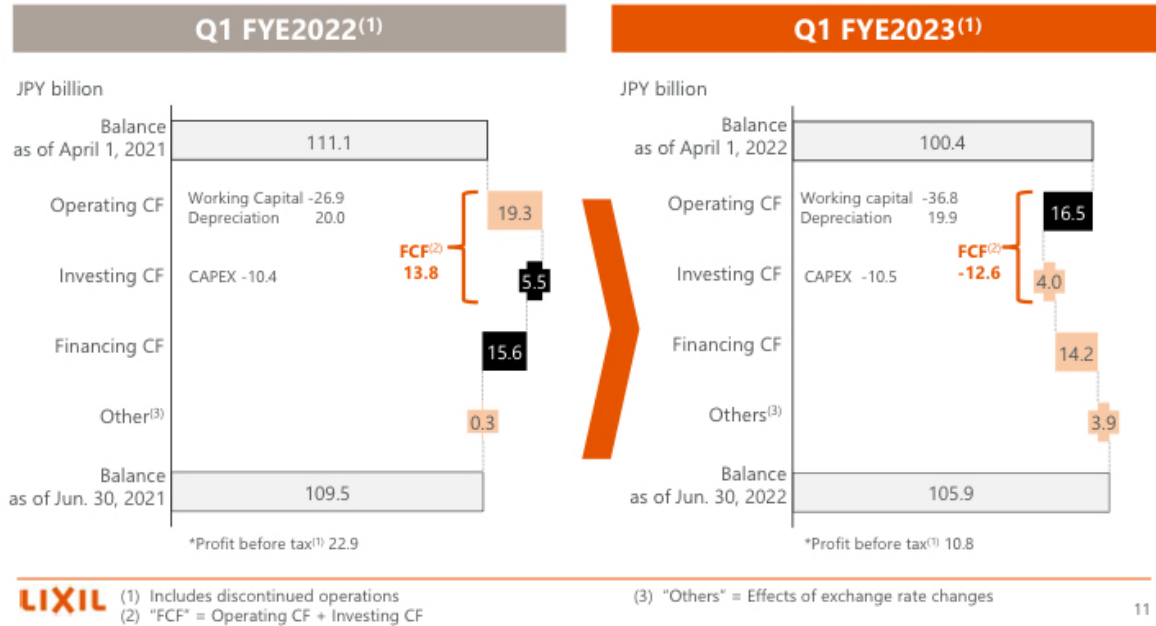
Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com

› CASH FLOW STATUS AND CASH BALANCE

Free Cash Flow (FCF) declined by JPY26.4 billion due to a decrease in working capital reflecting higher inventory levels and material costs, as well as a lower profit before tax. These factors offset lower investment costs from an asset-light investment strategy



11

We have been improving our cash flow every year in turn, and I think we have reached the best level in the industry in terms of cash flow and EBITDA. As I mentioned earlier, we had to build up inventories, and costs rose, resulting in lower profits. Unfortunately, free cash flow declined this time, but we believe that we are moving in the right direction in term of business structure.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

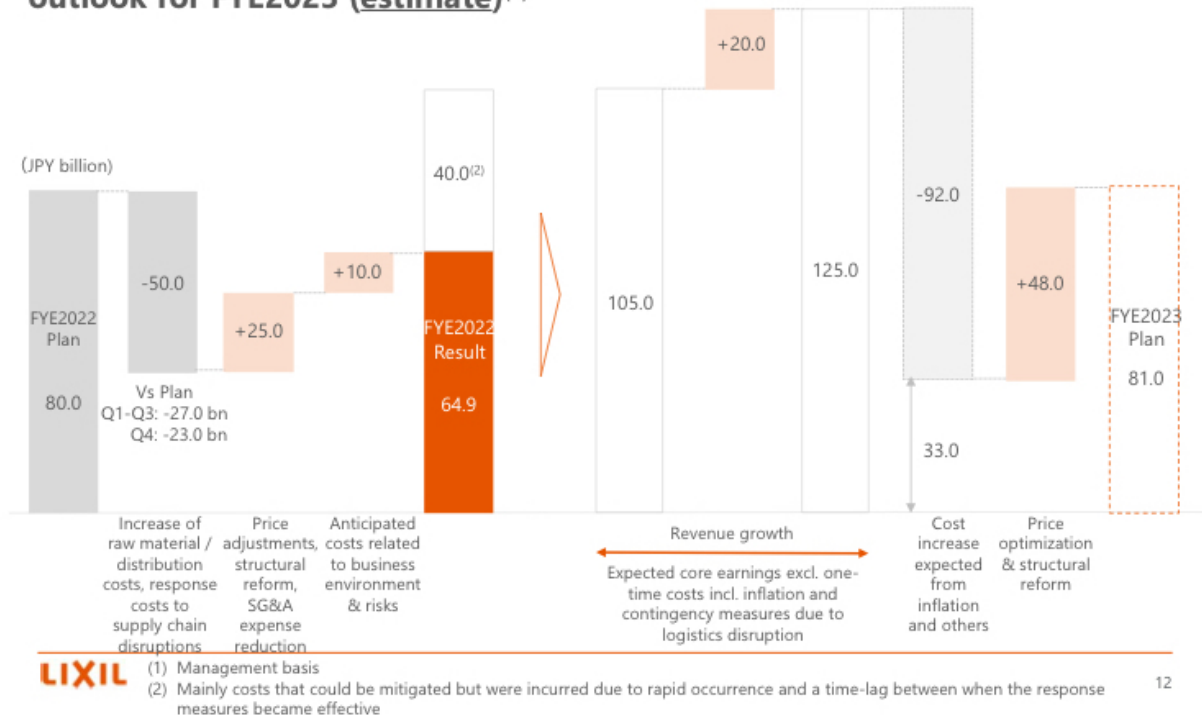
North America 1.800.674.8375
Email Support support@scriptasia.com

SCRIPTS
Asia's Meetings, Globally

KEY HIGHLIGHTS

Financial Results for the Fiscal Year Ended
March 31, 2022, page 3

Reasons for difference in core earnings with plan in FYE2022 and views on outlook for FYE2023 (estimate)⁽¹⁾



I would like to briefly review, or rather explain in this diagram shown on page 3 of the presentation material for the fiscal year ended March 2022, how the situation I mentioned three months ago is now shifting. The reason why the forecast for the fiscal year ended March 2022, which was originally projected to be JPY80 billion, turned out to be JPY65 billion is that various costs have actually risen by about JPY50 billion over the plan. If you add that up with the price adjustments and business risks that we initially expected, the result is JPY65 billion, but we didn't see JPY15 billion for the actual increases in various costs. Conversely, if we could have seen all of these areas, we would have been able to reach about JPY105 billion, was the review of the previous fiscal year.

From there, we saw sales growth which sums up to JPY125 billion. Against that, the impact of the inflation caused a large drop in profit level of by JPY92 billion, but the pricing strategy adds JPY48 billion to JPY81 billion. So this was the big picture.

Even now, we have not changed this assumption significantly, and I don't think our Q1 transition is likely to change this significantly. However, if we look at each of the factors, I think it is possible that there will be a bit more pessimism going forward when it comes to sales growth. On the other hand, when it comes to the projected cost increases due to inflation and other factors, this is a positive factor, as it will be coming down from Q3.

As for the pricing strategy, everything has been going according to plan so far, and I think we will probably be able to continue as planned. However, for the part that costs fell, the negotiation will be difficult to some extent.

But, on the contrary, I think the important phase will be next fiscal year, not this fiscal year. If things remain unchanged until next fiscal year, the inflationary portion, which raised to JPY50 billion last fiscal year and

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com

SCRIPTS
Asia's Meetings, Globally

JPY92 billion this fiscal year, will disappear, so we will have to see how much we can reap from that. In fact, I think that in the long run, the big challenge will be to what extent we can reap in the midst of tougher negotiations when the economy takes a downturn and then the overall cost decline.

That is all from me, and I would like to leave time for questions and answers, so I would like to conclude my presentation here.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com



Question & Answer

Moderator [Q]: Now, we would like to start the question and answer session.

Here is the first question.

From Mr. Nakagawa from Mizuho Securities. How do you view the impact of inflation-induced changes in consumer behavior in Europe and the Americas?

Seto [A]: In the Americas, consumer behavior is an important factor. This is probably the case in Europe as well, but with regard to the segment of the population whose rents have not kept pace with the coming inflation, in the middle to low end of the market, there is clearly a reluctance to purchase, which is not necessarily true when it comes to those in the high end of the market. So, I am thinking that it will become more and more divisive.

As for us, our strategy is to raise the brand value and sell on the high-end side. From that perspective, we believe we can accommodate that. In reality, I think the overall demand and demand in terms of number of units will go down, but as for the demand on the high-end side, I think we are seeing some strong demand at the moment.

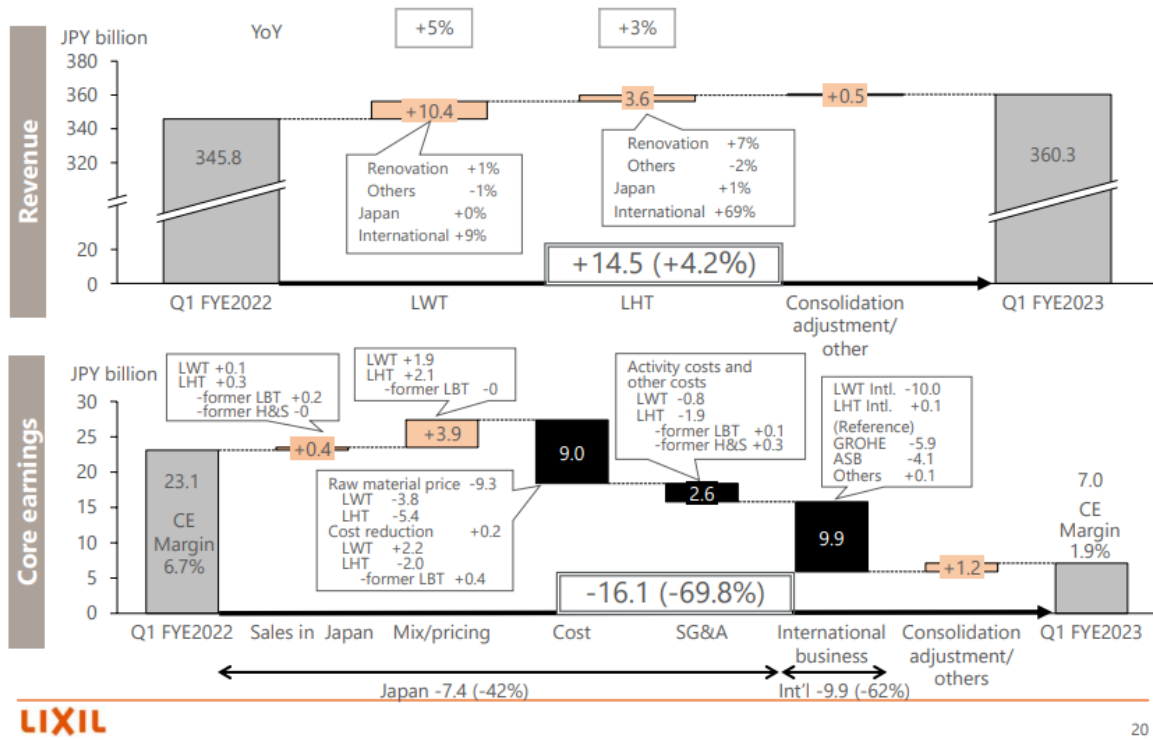
Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com



> Q1 FYE2023 CHANGE OF REVENUE AND CORE EARNINGS



Moderator [Q]: Next, we have received several questions from Mr. Takegawa from Sumitomo Mitsui Trust Asset Management, and I would like to introduce them in turn.

The first is on page 20 of the presentation material, regarding the change of revenue and core earnings for Q1 and forecast for the full year for change of revenue and core earnings, year on year. Increase/decrease of sales in Japan was plus JPY0.4 billion in Q1. The annual forecast for the full year incorporating the change in reporting segments is JPY11.5 billion, but what has been revised?

Also, regarding the plus JPY3.9 billion for the mix/selling price, what is the reason for being able to achieve plus JPY39.8 billion for the full year?

And the third point is that International core earnings were minus JPY9.9 billion in Q1. Why is this on track to achieve the target with such a negative figure for Q1?

Hirano [A]: I, Hirano, from the IR office, will respond to this waterfall chart and the data page at the back. Regarding the increase/decrease of sales in Japan on page 20 of the presentation material that you asked us at the beginning, I think the question is what has been revised as the forecast for the full year.

Basically, nothing about the full-year plan has been revised as of Q1. The figures appear to be different due to the incorporation of LBT and especially H&S, which had not been included as a number for Japan in the waterfall chart before, in the reporting segment LHT.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com

SCRIPTS
Asia's Meetings, Globally

Again, since we have not revised the full-year plan, we have only included the H&S portion, which was written in a separate section, in the waterfall chart for the Japanese business. The waterfall chart on page 20 is essentially unchanged.

I understand that you had a slightly different question than this at the end. I think you were asking why we are able to achieve our International core earnings and targets at the end of the fiscal year despite the fact that the amount recorded was very small compared to the core earnings projected in the full-year plan.

Seto [A]: As I mentioned earlier, most of our price optimizations will be implemented in October onward. The reason for this is that major cost increases, especially in copper prices, took place in February and March of this year, and we could not raise prices in April in time, so we decided to optimize prices in October.

There was a time when it went up by about 50% all at once, and that cost will be totally, 100% spent, at least until September or so. Starting in October, there will be a price optimization, and moreover, part of that cost increase will show up to some extent in next year's Q4, somewhere between January and March, with respect to the part that is very low this time. So, it is significant that H2 of the year will be considerably better in that regard. The first and biggest is the price optimization, and the first is that the corresponding price adjustment is in October.

Then the second point, and this was not calculated, is that costs improve from January to March. Looking at the overall situation, we do not currently have any major concerns regarding international businesses. Although there is a risk of external factors such as a greater-than-expected recession in Europe or the Americas, I believe that the probability is very high for the plan of business itself.

Moderator [Q]: Next, one more question from Mr. Takegawa.

Europe, especially Germany, is experiencing a shortage of LNG, and electricity supply will be tight through the winter months, but is it possible to convert to alternative energy sources?

Seto [A]: I think this goes hand in hand with what I mentioned earlier, but we have created about three scenarios, and we are creating a plan to convert to alternative energy sources according to the level at which the gas supply from Russia is stopped.

However, as I mentioned earlier, in a situation where half of the gas from Russia is stopped, it is possible to switch to alternative energy sources, but the cost will go up. In that case, we would reduce by half, but in the worst case scenario, there would still be a delay in passing on the price increase of a few percent. On the other hand, there are savings in Q4 in the cost decline as I mentioned earlier, so I think we can make it work there.

Moderator [Q]: Continuing, a question from Mr. Takegawa. Price increases inside and outside Japan could cool down end-user demand. Will the effects of worsening business confidence and rising interest rates appear mainly in Europe and the Americas?

Seto [A]: Yes. I think there is a risk of that. That is why I think what we do as an individual company is probably the most important thing. When viewed as a product itself, customers do not necessarily know the price of our products, so pure price sensitivity is low for our products. It will depend a lot on what the competition does.

Now, for example, with regard to fittings in the US, both Masco and Fortune Brands Home & Security have clearly stated their policy of raising prices in line with cost increases. On the other hand, with regard to fixtures, Home Depot and others have not necessarily raised the prices. So, as I mentioned earlier, consumers will not follow such products that are competing with low-end products or private brand products. After all, there are obviously some products that we are forced to sell even if the profit margin is low.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com



Therefore, we have been trying to differentiate ourselves as much as possible to get out of such things, and then shift to products with a better profit environment. Naturally, I think it is possible that the worsening in business confidence and therefore the rise in interest rates will reduce demand as housing constructions themselves will decline. Again, at the moment, especially in Europe, the order book is filled until the end of the year, so in this sense, I think that global brand equity is quite significant.

On the other hand, in the Americas, we have changed who we sell to in various ways, changed our sales methods, and improved our brand equity, which have been successful. I think we will be fine, but it is partially more challenging in the Americas than in Europe.

Asia, on the other hand, is very good. Asia is good, which means that we have made significant improvements in areas where we did not do well last year. As for China, it is difficult to predict, but we are prepared for a while that the situation will never turn for the better.

As for Japan, interest rates are not likely to rise, but when we talk about the worsening business confidence, I think that one major factor, the increase in energy costs, is rather a positive for LHT's business (housing related business). Because of the speckled effects, I think H2 of this year will be a test of how well individual companies and managers can respond to this situation, especially in H2 of the year.

Moderator [Q]: Next, we received a question from Mr. Fukushima of Nomura Securities.

The Company is raising its selling prices in phases in Japan, but is there any possibility that your products are overpriced compared to competitors in the same industry and that you will lose market share? How would you rate the price competitiveness of your products compared to other companies in your industry?

Seto [A]: Now, price competitiveness has two basic components. The first is whether the same product can be sold at a higher price because it is differentiated as a product. I think we have made an effort with this one, so we have a certain level of confidence. The other thing is whether the same product can be made at a lower cost. We are also confident in part that this is the result of our platform based production.

So, regarding your first question, I can't say this. I think it depends quite a bit on the product. In particular, there is a lot of competition in kitchens and bathrooms. Regarding kitchens and bathrooms, not all companies act in the same way, and I think it is possible that those that do not raise their prices could take market share.

It is also true that in the past, although I cannot name the Company, there were companies that played aggressively in terms of prices. However, when we look at the long term, taking such measures, many companies have seen their earnings decline.

We are not that proud of our performance in Q1 this fiscal year, but I think other companies in this industry have also had a tough time. It is a little hard to imagine not raising prices in that context, so I think it is a matter of extent.

In this context, we believe it is important to continue this policy to increase the Company's earnings, even if it means losing market share in the short term, because it will be a source of good products in the long run.

Moderator [Q]: Thank you very much. Mr. Omuro from BofA Securities has three questions, so I will read them out first.

First, the outlook for the North American housing market. The second is interest in energy. You mentioned that renovation for higher insulation is on the rise, will sales of thermal insulation sashes increase going forward?. And third, the status of the sale of the headquarters building. Is there any possibility of using the proceeds of the sale to buy back the Company's own shares?

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com



Seto [A]: Regarding the first one, I think the housing market will still go down. The fact that interest rates are going up so strongly still means that the housing market is getting stronger, so I think it is a sort of a chicken game, but, of course, it will go down, and interest rates will go up until they go down.

The second is interest in energy and renovation for thermal insulation. Our sales of thermal insulation sashes have been growing more and more as there are products only we can offer, such as sashes for renovation for example, *Replus* with triple glass. On the other hand, if we look at sashes as a whole, almost all of our products are now in the category of heat-insulating sashes, so in this sense, I think that the product mix is becoming more in line with the current trends in the world.

I will refrain from answering the question about the Company's own shares, as this is not something I can decide. As for the status of the sale of the headquarters building, the sale itself has already been finalized.

Matsumoto [A]: I, Matsumoto, will explain. The contract of sale has been executed. We have received an upfront payment at the time of contract. The final sale will be made by the end of this fiscal year, when we have finished moving, etc., so we expect it to be in Q4.

Moderator [Q]: Next, we have a question from Mr. Kawashima, SMBC Nikko Securities.

With regard to the price revision strategy, will you revise the price revision range in the face of lower raw material prices? Will you eventually implement price reductions while watching the competitive situation as costs fall?

Seto [A]: First of all, we do not do the former. As I mentioned earlier, price optimizations, whether price reductions or price increases, must be implemented about six months in advance. So, we cannot change anything now for the price change in October.

And again, it will not be until next year that the actual situation of lower raw material prices will show up. So, it is not possible to do the former because it would be a loss. Then again, I don't think other companies will do this either. Whether or not to do something suicidal is an individual decision, but I don't think other companies will do it because it is not a very rational decision.

As costs are going down, will we implement the price reductions while keeping an eye on the competitive situation, or will we do this eventually? I would say, no. It may sound strange, but if you raise the price after the cost has gone up, you lose money due to the time lag I mentioned earlier.

This time, we reflected in our prices for the increase in March, but from April to September, we have to endure a low profit margin. Conversely, if we take the initiative in lowering the price while declining, the opposite will no longer be true, which is not fair. So, I don't think that will be the case.

As a matter of fact, as long as we are selling products with value that will please our customers, there is no need to lower prices just because costs have fallen, and we believe that creating such a competitive situation as a commodity is wrong as a business strategy.

We have also implemented pricing measures to eliminate the difference between the cheapest and most expensive prices for individual customers, and to sell at fair prices as much as possible. Therefore, in this sense, I believe that the right decision for us is to sell our products at a fair price. Even if they are going down now, they are only returning to their original cost, and they have not even returned to their original cost yet, so I do not believe that a price reduction revision is conceivable in that sense.

Moderator [Q]: Thank you. As for the price optimization that Mr. Seto just explained, we received an additional question from Mr. Omuro of BofA Securities, but since the content is redundant, I will skip this one.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com



Mr. Fukuhara from Jefferies Securities has three questions for us.

First, what was the impact of the lockdown in China on sales and core earnings in Q1, and by how much?

Second, there seems to be talk of inventory adjustments at major DIY retailers in the US. Is there any inventory risk for your company?

Third, at the beginning of the fiscal year, the Company incorporated JPY92 billion of inflation risk into the plan for the current fiscal year. Compared to three months ago, you commented that you expect to see a positive profit margin from the Q3 onward, but how much of that JPY92 billion can be countered by that?

Seto [A]: First of all, China is down 11% compared to the same period last fiscal year. In terms of figures, 11% is a large percentage, but our business in China is JPY14 billion for the current quarter. So, it is not that big of an impact. It's not that China is the breadwinner. We believe that the decline is within the expected range.

There have been talks about inventory adjustments for the second-largest DIY retailer. As a practical matter, we do not know if this will be a temporary inventory adjustment, or if they intend to look at a much lower level of demand in the future. In the case of major DIY retailers, they buy mostly private brands from China. In that sense, we believe that they will have to make a lot of inventory adjustments related to private brands, since they have a long supply chain of goods.

On the other hand, we make our products in Mexico, so in that sense, of course, there have been supply chain risks all along. Therefore, although we have increased our inventory to some extent, our inventory risk will not increase significantly in response to major inventory adjustments at major DIY retailers.

Although the decline in demand may create some inventory risk, efforts have been made to reduce the number of SKUs in this situation with the spread of the COVID-19. We think it is limited in that sense.

Regarding your last question, as I explained three months ago, we are planning to counter JPY48 billion to the JPY92 billion inflation risk, and we are considering a profit of JPY81 billion in this plan. In that sense, I don't think we will have to change anything major, since that is almost exactly what we have planned.

The reason why we can expect positive results in Q3 and beyond is that we are raising prices in October and beyond, focusing on the ones with cost increase in February and March. Conversely, we believe that if we were in a position to counter all of this inflation risk at the same time, we would have made better profit targets.

Moderator [Q]: I would like to continue with a question from Mr. Grew of Alma Capital.

You mentioned that you have some concerns about future sales revenues and market demand, but was this based on any background foreshadowing in the past quarter, or based on your thoughts?

Seto [A]: There were no signs. In a word, the situation was such that we could not supply products to meet the demand. Moreover, although we have not seen that much growth, sales themselves have not changed from last year, so in that sense, there is no such thing as a sign.

However, given the rising interest rates, the energy crisis, and the problems of Russia, I think it is reasonable to imagine that there will be a decline in demand in the market as a whole. However, when we think about it as our own business, we are working on individual ways to counter, so that we can respond in a certain way.

Moderator [Q]: Thank you. We have received the following questions and would like to share them with you.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com



This is a question from Mr. Inoue. You say that the impact of inflation is JPY142 billion in last fiscal year and this fiscal year. What percentage of this amount is for items that must be negotiated again even if market conditions drop and do not drop?

Seto [A]: I think this is a difficult question. First of all, the cost increase of almost half, or a little less than half, was the cost of responding to the so-called supply chain disruptions. When a product had a problem in the circumstances due to the spread of the COVID-19, for example, it had to be brought in by air freight, or it had to be made in a factory inside Japan as there was a lockdown in Vietnam.

Then there are cases where we actually had to make things ourselves, or had to search for various products, or had to buy products at very high prices. The permanent answer to this is, after all, redundancy in the supply chain.

Then, as far as this part is concerned, it is difficult to say whether or not the supply chain can remain redundant while costs are converted. However, I was just thinking about the meaning of items that will not be lowered without re-negotiation even if market conditions fall. First of all, commodity-type items will naturally be lowered if market conditions fall. Then, fuel will drop if left alone. In that sense, the items I just mentioned that must be purchased only in small quantities with regard to sudden events may not fall, as a matter of course.

On the other hand, the kind of delivery by air freight I mentioned earlier, if it doesn't happen, you don't have to pay for it. It is difficult to answer this question, but I believe that there are a certain percentage of items that must be re-negotiated for lower prices. However, these will be negotiated.

Moderator [Q]: Thank you. Next, we have a question from Mr. Takegawa of Sumitomo Mitsui Trust Asset Management Co.

Why was the segment change made three months into this Q1 instead of at the beginning of the fiscal year?

Matsumoto [A]: Okay, Matsumoto will explain. We made the change at the beginning of the fiscal year and have changed it since Q1. You may be asking why we did not change the segmentation when we announced our financial results for the fiscal year ended March 2022. We have stated that we changed the segmentation when we announced the first financial results of the new fiscal year, and that we will disclose the new segmentation from the new fiscal year. The figures for last year have been reclassified accordingly.

Moderator [Q]: Thank you. The next question is from Mr. Grew of Alma Capital.

Please explain the progress on expansion of NODEA orders.

Seto [A]: We don't disclose the figures, but NODEA sells high-end products to each custom-built building, so orders are expanding quite a bit. However, in terms of timing of sales, there is still very little in the current fiscal year, and the next fiscal year or so will bring a large amount of money.

Our biggest problem right now is that the delivery time for this custom-built building is getting very long. It is true that there are problems that have arisen, such as the rising prices of commodities and the lack of people to do the building on the high end side. However, it has become a good business, growing more than expected. Profit margins are very high, and we have high expectations for the future.

Moderator [Q]: Thank you. We have answered all the questions we have received so far. We still have a few minutes left, so if you have any questions, we would like to hear, also from those in attendance.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com



Seto [A]: I may have explained it poorly, and I don't want to mislead you, so please let me explain. The cost went up JPY140 billion in total last fiscal year and this fiscal year. Also, we have been optimizing prices. We have raised prices, or rather passed on prices in various ways, by JPY25 billion, and this year we will raise JPY48 billion. This may appear that we respond with JPY73 billion for JPY140 billion, but if this JPY140 billion were to be eliminated, would all of it be profits? The answer is no.

As I said earlier, I think that the things that need to be lowered will naturally come into play in the long run. We had to deal with something that went up too quickly and too suddenly.

However, when we talk about this, although there were many things that happened, we were not able to make a sufficient profit on the value of our products in this industry, especially in Japan, and the way to raise prices to a level where we could do so was very difficult. The price increase was very difficult, but I believe that we have done what is justified as a price increase. I don't think there is any need to lower the price just because the overall cost has gone down.

Another is that about half of the special response costs raised this time were not the ones that can easily be understood, such as so-called raw materials or fuel. We will not know how much of that will be reflected in our profits when the prices eventually are neutralized as that will be our first time to respond to such situation.

In general, however, I believe that our efforts to earn a decent profit and the fact that we were the first in the industry to raise prices will ultimately contribute greatly to our business performance in the long run in the next fiscal year and beyond.

Moderator [Q]: We would like to continue with the question. This question is from Mr. Yagi, Mitsubishi UFJ Morgan Stanley Securities.

Assuming that the effects of declining demand in Europe and the US will materialize, at what point in time should we expect them to materialize?

Seto [A]: I think this is a very difficult question. In fact, in Europe, the current order book is quite full, and we are in the stage where we can fully forecast for the full year. Therefore, we think it is unlikely that all of these will suddenly disappear.

On the other hand, the Americas is showing signs that demand is going to get worse a bit faster. This is not so much a difference between the Americas and Europe, but rather the high brand equity of GROHE in Europe.

As for the Americas, our mainstay products are sanitary ware, products with relatively low profit margins. Therefore, the demand decline will have an impact on the market sooner, even if it's the same percentage, due to low profit margins.

In that sense, I think it is possible that it will materialize later this year. However, based on our current dialogue with our customers, we feel that we will be able to overcome this obstacle. In that sense, we are confident about the earnings recovery in H2 of the year.

Moderator [M]: Thank you. There seems to be no other questions. With that, we would like to conclude the question and answer session.

Accordingly, we will conclude the financial results briefing of LIXIL Corporation for Q1 of the fiscal year ending March 2023.

We look forward to your continued support for LIXIL. Thank you very much.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com



[END]

Document Notes

1. *Speaker speech is classified based on whether it [Q] asks a question to the Company, [A] provides an answer from the Company, or [M] neither asks nor answers a question.*
2. *This document has been translated by SCRIPTS Asia.*

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com



Disclaimer

SCRIPTS Asia reserves the right to edit or modify, at its sole discretion and at any time, the contents of this document and any related materials, and in such case SCRIPTS Asia shall have no obligation to provide notification of such edits or modifications to any party. This event transcript is based on sources SCRIPTS Asia believes to be reliable, but the accuracy of this transcript is not guaranteed by us and this transcript does not purport to be a complete or error-free statement or summary of the available data. Accordingly, SCRIPTS Asia does not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information contained in this event transcript. This event transcript is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal.

In the public meetings and conference calls upon which SCRIPTS Asia's event transcripts are based, companies may make projections or other forward-looking statements regarding a variety of matters. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the applicable company's most recent public securities filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are accurate and reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the anticipated outcome described in any forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE PUBLIC MEETING OR CONFERENCE CALL. ALTHOUGH SCRIPTS ASIA ENDEAVORS TO PROVIDE ACCURATE TRANSCRIPTIONS, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE TRANSCRIPTIONS. IN NO WAY DOES SCRIPTS ASIA OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BY ANY PARTY BASED UPON ANY EVENT TRANSCRIPT OR OTHER CONTENT PROVIDED BY SCRIPTS ASIA. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S PUBLIC SECURITIES FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS. THIS EVENT TRANSCRIPT IS PROVIDED ON AN "AS IS" BASIS. SCRIPTS ASIA DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, AND ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT.

None of SCRIPTS Asia's content (including event transcript content) or any part thereof may be modified, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of SCRIPTS Asia. SCRIPTS Asia's content may not be used for any unlawful or unauthorized purposes.

The content of this document may be edited or revised by SCRIPTS Asia at any time without notice.

Copyright © 2022 SCRIPTS Asia Inc. ("SCRIPTS Asia"), except where explicitly indicated otherwise. All rights reserved.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasias.com

