

# Results for the Year Ended March 31, 2025

This notice has been translated from the original notice in Japanese.  
In the event of any discrepancy, the original in Japanese shall prevail.

**Security Code: 5332**

TOTO LTD.  
April 28, 2025

# Introduction TOTO Business Overview

## Japan Housing Equipment Business

- ◆ TOTO's core business that has been built up over 100 years
- ◆ Manufacturing and sales of plumbing fixtures and housing equipment
- ◆ For nearly 30 years, TOTO has created demand for remodeling, aiming to transform its management model to one that does not rely on new housing demand



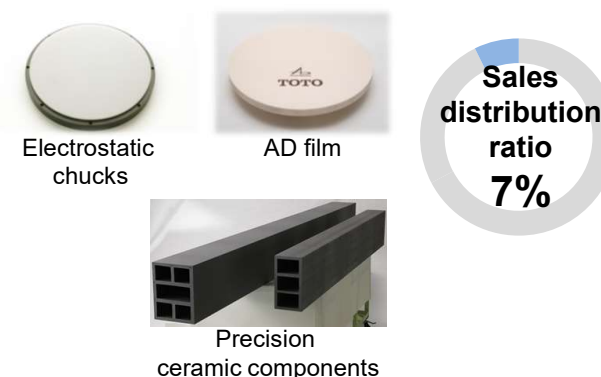
## International Housing Equipment Business

- ◆ Business has been promoted in the Americas, Asia, mainland China, and Europe, aiming to become an indispensable presence in each country and region
- ◆ Americas, and Asia are the growth markets based mainly on WASHLET and water-saving toilets.



## New Business Domain

- ◆ Demonstrate the strengths by utilizing the technologies and know-hows cultivated in the Sanitary ware business.
- ◆ Development of ceramics products for semiconductor and flap panel display manufacturing equipment
- ◆ Growth driving segment



# Table of contents

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**1. Results for the Year Ended March 2025 (FY2024)**

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**2. Topics**

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**3. Plan for the Year Ending March 2026 (FY2025)**

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**4. Financial**

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**5. Mainland China Business Strategy, and  
Commitment for the company-wide growth toward 2030**

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**1. Results for the Year Ended  
March 2025  
(FY2024)**

# Highlights

## Increased sales and profits.

### Japan Housing Equipment Business:

#### Increased sales and decreased profits

- ◆ Sales increased but profits decreased due to increased external procurement costs, increased investment in human resources, and other factors, despite the effects of price revisions, etc.

### International Housing Equipment Business:

#### Increased sales and decrease profits

- ◆ In the Americas Business, both sales and profits increased due to the sales expansion of WASHLET and other factors, although the number of existing houses sold fell below the previous year's level.
- ◆ In the Asia Business, both sales and profits increased due to the strong performance in the Taiwan region, despite continued sluggish market conditions in Vietnam.
- ◆ In the Mainland China Business, sales decreased and a loss was recorded mainly due to the impact of sluggish market conditions and delays in responding to changes in market structure.

The company revised its business outlook and recorded an impairment loss.

### New business domains: Increased sales and profits

- ◆ Both sales and profits increased due to the increase in sales of electrostatic chucks accompanying the recovery of the semiconductor market.

# Financial results

\*Stating rule of currency impact has changed from April 2024.

Unit: Y billion

	FY23	FY24	YoY	Influence of		plan	vs.plan
				exchange rate	Currency-neutral basis		
<b>Net Sales</b>	<b>702.3</b>	<b>724.5</b>	<b>+22.2</b> (103%)	<b>+14.7</b>	<b>+7.4</b> (101%)	<b>730.0</b>	<b>-5.5</b> (99%)
<b>Operating Profit</b> [Operating Margin]	<b>42.8</b> [6.1%]	<b>48.5</b> [6.7%]	<b>+5.7</b> (113%)	<b>+1.9</b>	<b>+3.8</b> (109%)	<b>48.0</b> [6.6%]	<b>+0.5</b> (101%)
<b>Recurring Profit</b>	<b>51.5</b>	<b>50.4</b>	<b>-1.1</b> (98%)	<b>-5.7</b>	<b>+4.6</b> (109%)	<b>48.0</b>	<b>+2.4</b> (105%)
Profit attributable to owners of parent Company	<b>37.2</b>	<b>12.2</b>	<b>-25.0</b> (33%)	<b>-6.3</b>	<b>-18.7</b> (50%)	<b>36.0</b>	<b>-23.8</b> (34%)
<b>ROA</b>	<b>5.6%</b>	<b>6.0%</b>	<b>+0.4pt</b>	<div style="border: 1px solid black; padding: 5px; text-align: center;"> <b>ROIC※</b>                      Operating profit after tax  <hr/>                     Operating capital + Fixed assets                 </div>		<b>6.0%</b>	<b>+0.0pt</b>
<b>ROE</b>	<b>7.8%</b>	<b>2.4%</b>	<b>-5.4pt</b>			<b>7.0%</b>	<b>-4.6pt</b>
<b>ROIC ※</b>	<b>5.9%</b>	<b>4.8%</b>	<b>-1.1pt</b>			<b>6.4%</b>	<b>-1.6pt</b>
<b>ROIC ※1 (Adjusted)</b>	<b>5.9%</b>	<b>6.5%</b>	<b>+0.6pt</b>				<b>+0.1pt</b>

※1 Calculated based on an effective tax rate of 30.4%

## ■ Exchange rates (period average)

\*Subject periods and segments

	FY23 January to March	FY23 April to June	FY23 July to September	FY23 October to December	FY24 January to March	FY24 April to June	FY24 July to September	FY24 October to December	FY25 January to March
1 \$	¥132.4	¥137.5	¥144.6	¥147.9	¥148.6	¥155.9	¥149.7	¥152.4	¥152.6
1 CNY	¥19.4	¥19.6	¥19.9	¥20.4	¥20.6	¥21.5	¥20.9	¥21.2	¥20.9
1 €	¥142.2	¥149.6	¥157.3	¥159.1	¥161.3	¥167.9	¥164.3	¥162.6	¥160.6
1 TWD	¥4.4	¥4.5	¥4.6	¥4.7	¥4.7	¥4.8	¥4.6	¥4.7	¥4.6
1 VND	¥0.0056	¥0.0058	¥0.0060	¥0.0061	¥0.0060	¥0.0061	¥0.0060	¥0.0060	¥0.0060

■ Japan H.E. business, New business domains  
April 2024 to  
March 2025

■ International H.E. business  
January to December 2024  
(April 2024 to  
March 2025 for India)

## Increased sales and profits

## Deviation from net income plan due to extraordinary

### Impairment loss recorded in mainland China business

In response to the slow pace of the rapid market changes and the resulting decline in profitability, we have reviewed our future business outlook and have recorded an impairment loss as an extraordinary loss. Net income for the current period fell far short of plan.

#### <Profit attributable to owners of Parent Company>

- Plan : 36.0 billion yen
- Results : 12.2 billion yen (vs Plan:34%, YoY:33%)

#### <Overview of impairment losses>

- Objects : Fixed assets related to manufacturing bases in mainland China
- Amount : 34.1 billion yen

※details on the restructuring of our business in mainland China are on P. 27-

**We shift to a stable profit structure through structural reforms to continue our business.**

# Sales and profit by business segment

\* Subject periods and segments

Japan H.E. business, New business domain: April 2024 to March 2025

International H.E. Business: January to December 2024

(April 2024 to March 2025 for India)

Unit: Y billion

<Net Sales>	FY23	FY24	YoY			plan	vs.plan
				Influence of exchange rate	Currency-neutral basis		
Japan H.E.	473.1	481.3	+8.3 (102%)		+8.3 (102%)	485.0	-3.7 (99%)
International H.E.	192.4	192.5	+0.1 (100%)	+11.8	-11.7 (94%)	194.2	-1.7 (99%)
New business domains ※	36.5	50.3	+13.8 (138%)	+2.9	+10.9 (130%)	50.5	-0.2 (100%)
Others	0.3	0.3	-0.0		-0.0	0.3	-0.0
<b>Total</b>	<b>702.3</b>	<b>724.5</b>	<b>+22.2 (103%)</b>	<b>+14.7</b>	<b>+7.4 (101%)</b>	<b>730.0</b>	<b>-5.5 (99%)</b>

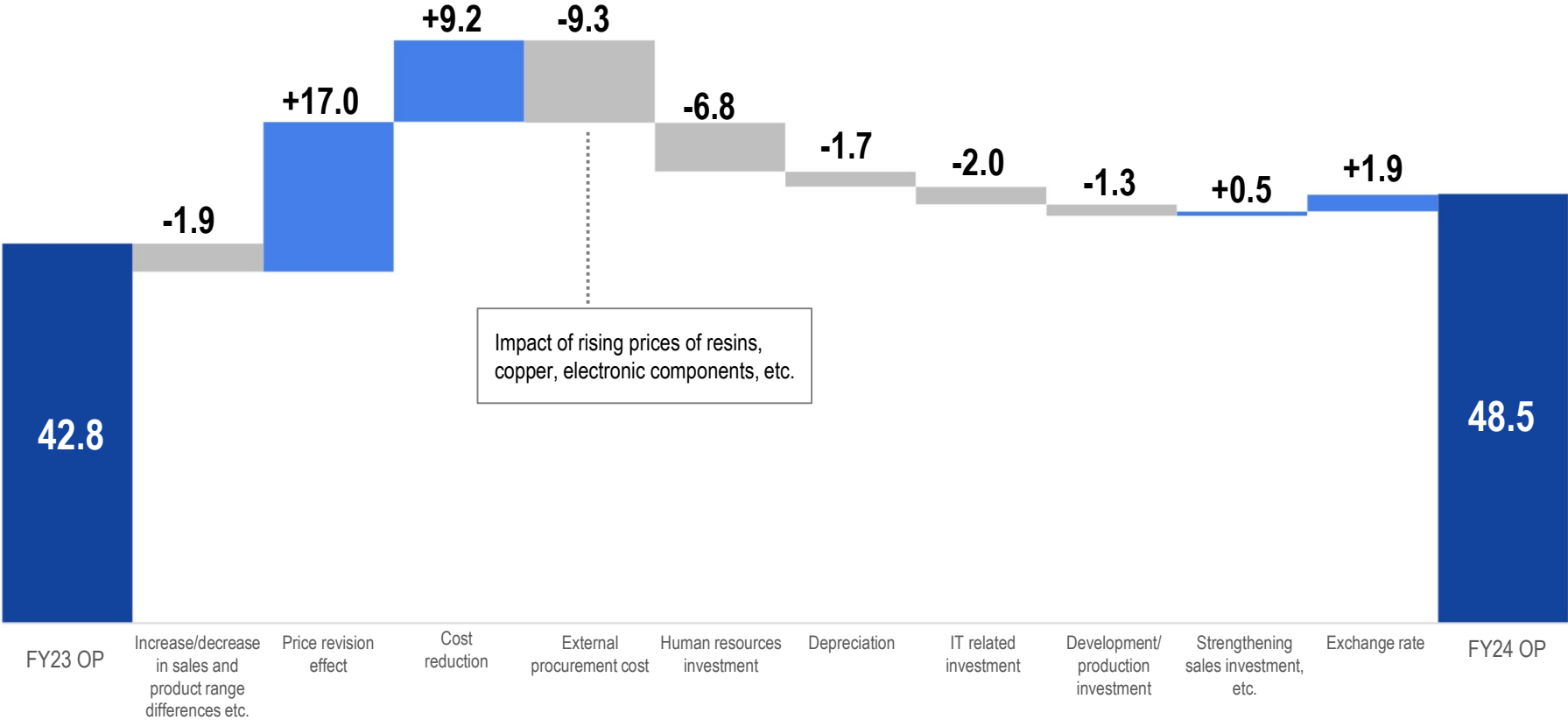
<Operating Profit>	FY23	FY24	YoY			plan	vs.plan
				Influence of exchange impact	Currency-neutral basis		
Japan H.E.	22.3	21.9	-0.4 (98%)	▲1.4	+1.0 (104%)	20.5	+1.4 (107%)
International H.E.	11.9	9.0	-2.9 (76%)	+0.9	-3.8 (68%)	10.2	-1.2 (88%)
New business domains ※	11.0	20.4	+9.5 (186%)	+2.4	+7.0 (164%)	20.0	+0.4 (102%)
Others	-2.4	-2.9	-0.4		-0.4	-2.7	-0.2
<b>Total</b>	<b>42.8</b>	<b>48.5</b>	<b>+5.7 (113%)</b>	<b>+1.9</b>	<b>+3.8 (109%)</b>	<b>48.0</b>	<b>+0.5 (101%)</b>

\*New domain: Ceramic business

**Japan Housing Equipment Business and the International Housing Equipment Business saw increases in sales and decreases in profits, while the new business domain saw an increase in sales and profits.**

# Cause of increase/decrease of operating profit

Unit: Y billion



Difference from the plan	-1.5	-0.5	+0.2	-0.1	+0.0	+0.7	+0.5	+0.4	+0.4	+0.5	+0.5
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**Despite the impact of external procurement costs and increases in human resource investment and depreciation, profits increased due to the effects of price revisions and cost reductions etc.**

## Remodeling (YoY)

### Net Sales

¥343.9 billion (104%)

### Operating Profit

¥21.5 billion (-0.1 billion yen)

## New Housing (YoY)

### Net Sales

¥137.5 billion (96%)

### Operating Profit

¥0.4 billion (-0.3 billion yen)

### ■ Reinforcement of remodeling proposals

**TDYリモデルテラス**



Initiatives to improve proposal capabilities by utilizing social media and the website in conjunction with Remodel Club stores



TOTO, DAIKEN, and YKK AP hosted a contest for remodeling case studies at sites by construction companies that celebrated its 40th anniversary in 2024.

Stimulate remodeling demand through various measures

### ■ Create opportunities for experiences

Product placements at the pavilions of the 2025 Japan International Exposition (Osaka-Kansai Expo)



Introduce the cleanliness and comfort of WASHLET and toilets to international visitors

Sales increased in remodeling for both residential and public projects, but decreased in new housing due to a decrease in the number of new housing starts. Operating profit decreased due to an increase in external procurement costs etc.

# International Housing Equipment Business

Unit: Y billion

Net Sales	FY23	FY24	YoY	YoY		plan	vs.plan
				Influence of exchange rate	Currency-neutral basis		
Americas	58.9	70.5	+11.6 (120%)	+5.2	+6.3 (111%)	70.0	+0.5 (101%)
Asia	45.0	50.2	+5.3 (112%)	+2.1	+3.2 (107%)	51.5	-1.3 (98%)
Mainland China	84.1	66.9	-17.2 (80%)	+4.1	-21.2 (75%)	68.0	-1.1 (98%)
Europe	4.5	4.9	+0.4 (108%)	+0.4	+0.0 (100%)	4.7	+0.2 (104%)
<b>Total</b>	<b>192.4</b>	<b>192.5</b>	<b>+0.1 (100%)</b>	<b>+11.8</b>	<b>-11.7 (94%)</b>	<b>194.2</b>	<b>-1.7 (99%)</b>

Operating Profit	FY23	FY24	YoY	YoY		plan	vs.plan
				Influence of exchange rate	Currency-neutral basis		
Americas	2.8	5.2	+2.4 (186%)	+0.5	+1.9 (168%)	7.1	-1.9 (73%)
Asia	6.1	8.2	+2.1 (134%)	+0.4	+1.7 (128%)	8.2	+0.0 (100%)
Mainland China	4.4	-3.6	-7.9	-0.0	-7.9	-4.4	+0.8
Europe	-1.3	-0.8	+0.5	+0.0	+0.5	-0.7	-0.1
<b>Total</b>	<b>11.9</b>	<b>9.0</b>	<b>-2.9 (76%)</b>	<b>+0.9</b>	<b>-3.8 (68%)</b>	<b>10.2</b>	<b>-1.2 (88%)</b>

**The International Housing Equipment Business as a whole saw an increase sales and a decrease in profits.**

\*Figures that do not include consolidated adjustment and common expense allocations

**Net Sales (YoY)**

**464 million dollars**  
**(111%)**

**Operating Profit (YoY)**

**43 million dollars**  
**(+14 million dollars)**

Net sales growth of 1Q of FY2025 (January to March 2025) YoY: 110%

### ■ Growth rate by product

		YoY	Sales distribution ratio
<b>Net sales</b>	<b>Sanitary Ware</b>	<b>110%</b>	<b>50%</b>
	<b>WASHLET</b>	<b>121%</b>	<b>37%</b>
	<b>Faucet Fixtures</b>	<b>93%</b>	<b>9%</b>
<b>Sales volume</b>	<b>WASHLET</b>	<b>126%</b>	

Sales volume of WASHLET  
1Q of FY2025 (January to March 2025) YoY: 148%


### ■ Market trends

Year-on-year comparison of the number of existing houses sold (based on delivery time)  
January to December 2024: 97%

### ■ Sales status by product

**| WASHLET**  
Year-on-year increase in all channels, including K&B, e-commerce, and retail chain stores

**| Sanitary Ware**  
Despite the continued year-on-year decline in the number of existing houses sold due to factors including policy interest rates remaining high, growth exceeding market conditions was achieved.



**WASHLET saw significant growth across all channels, resulting in increased sales and profits.**

\*Figures that do not include consolidated adjustment and common expense allocations

## Taiwan region

**Net Sales (YoY)**      **5,826 million Taiwan dollars (115%)**

**Operating Profit (YoY)**      **1,113 million Taiwan dollars (+421 million Taiwan dollars)**

Net sales growth of 1Q of FY2025 (January to March 2025) YoY: 104%

## Vietnam

**Net Sales (YoY)**      **4,623.7 billion Dong (108%)**  
External sales 1,245.9 billion Dong (79%)

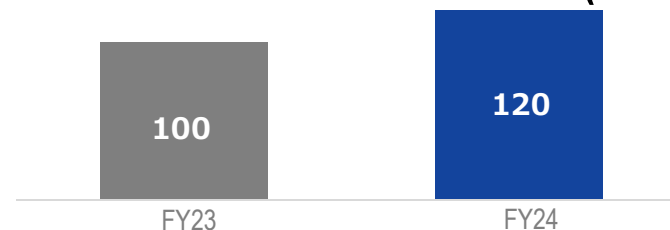
**Operating Profit (YoY)**      **293.0 billion Dong (+73.0 billion Dong)**

Net sales growth (for external customers) of 1Q of FY2025 (January to March 2025) YoY: 116%

### Taiwan region

#### WASHLET:

#### Growth in sales volume (index)



Net sales growth of 1Q of FY2025 (January to March 2025) YoY: 89%

### Sales growth in the other markets



In the Taiwan region, both sales and profits increased due to the favorable market conditions. In Vietnam, both sales and profits increased due to an increase in sales within the group, despite the lingering impact of the sluggish market conditions.

\*Figures that do not include consolidated adjustment and common expense allocations

**Net Sales (YoY)**

**3,175 million yuan**  
**(75%)**

**Operating Profit (YoY)**

**-95 million yuan**  
**(-424 million yuan)**

Net sales growth of 1Q of FY2025 (January to March 2025) YoY: 70%

## ■ Growth rate by product

		YoY	Sales distribution ratio
Net Sales	Sanitary Ware	75%	46%
	WASHLET	74%	26%
	Faucet Fixtures	75%	23%
Sales volume	WASHLET	74%	

## ■ Market trends

January to December 2024  
Houses sold in first-tier cities  
(Shanghai, Beijing, Guangzhou, and Shenzhen)

New houses: 90% YoY  
Existing houses: 117% YoY

Sales volume of WASHLET  
1Q of FY2025 (January to March 2025) YoY: 76%

**Sales decreased and a loss was recorded due to the impact of sluggish market conditions, and delays in responding to the changes in market structures**

# Europe Business

\*Figures that do not include consolidated adjustment and common expense allocations

**Net Sales (YoY)**

**30 million euro  
(99%)**

**Operating Profit (YoY)**

**0.4 million euro  
(+4 million euro)**

Net sales growth of 1Q of FY2025 (January to March 2025) YoY: 122%

**■ WASHLET:  
Growth in sales volume (index)**



1Q of FY2025 (January to March 2025) YoY: 125%

**■ Initiatives to establish market position in the European market**

In collaboration with distributors, we promote the value of WASHLET to plumbers (water supply contractors) who have direct contact with customers.



Training on how to promote cleanliness and comfort



Installation experience at exhibitions

**We expanded sales network and promoted installation in prominent properties.  
We achieved profitability due to increased sales of WASHLET and other products.**

**Net Sales (YoY)**  
**¥50.3 billion**  
**(138%)**

**Operating Profit (YoY)**  
**¥20.4 billion**  
**(+9.5 billion yen)**

**■ Main products**  
 (electrostatic chucks and AD films)

**[Electrostatic chucks]**  
 Demand for both new and replacement products

**■ Status of major products and applications**

**| Electrostatic chucks:**  
 Sales increased due to the recovery of the semiconductor market accompanied by increased demand for data centers, etc.

[New demand]  
 Increased due to progress in new investments in semiconductor manufacturing equipment by device manufacturers.

[Demand for replacement]  
 Increased as operations at device manufacturers recovered.

**| AD components:**  
 Increased due to the recovery in the logic semiconductor market.

The diagram illustrates the semiconductor supply chain. At the bottom, 'Equipment components' include 'TOTO electrostatic chucks' and 'TOTO AD Components'. These feed into 'Manufacturing equipment', specifically 'Wafer fab equipment'. The output of the wafer fab equipment is 'Devices', which are categorized into 'Memory semiconductors' and 'Logic semiconductors'.



**Both sales and profits increased due to increase in sales of electrostatic chucks accompanying the recovery of the semiconductor market.**

# [Reference] Japan Housing Equipment Business: Sales per products

Unit: Y billion

	Net Sales			Operating Profit		
	FY23	FY24	YoY	FY23	FY24	YoY
Sanitary Ware	99.9	102.8	+2.9 (103%)	7.1	5.2	-1.9 (73%)
WASHLET	107.1	111.6	+4.5 (104%)	12.0	12.9	+0.8 (107%)
Faucet Fixtures	90.8	93.0	+2.2 (102%)	1.0	4.1	+3.1 (4.1 times)
Bathrooms	110.6	110.7	+0.1 (100%)	2.7	1.9	-0.8 (70%)
Modular Kitchens/Basins	50.7	49.2	-1.5 (97%)	0.4	-0.4	-0.9
Others	14.0	14.0	+0.0 (100%)	-0.9	-1.7	-0.8
<b>Total</b>	<b>473.1</b>	<b>481.3</b>	<b>+8.3</b> <b>(102%)</b>	<b>22.3</b>	<b>21.9</b>	<b>-0.4</b> <b>(98%)</b>

## 2. Topics

# External Evaluation

- Selected as a company on the A list, the highest-ranking list, for both climate change and water security by the Carbon Disclosure Project (CDP)

Selected for the second consecutive year for climate change and for the first time for water security

- Our initiatives to reduce CO2 emissions in response to climate change and reduce water consumption in response to water risks have been highly evaluated.-



- Received the iF Design Award 2025 and reddot Design Award 2025

Selected for SYNLA, RP series, next-generation Eco remote controller.



## SYNLA modular bathroom

A first-class bathtub that achieves both a sense of "healing" based on ergonomics and beautiful shapes, with an emphasis on refined forms and materials

## RP series, for markets outside of Japan (launch after June, 2025)



RP series bidet (Back-to-Wall, Floor Standing)



RP series Back-to-Wall, Floor Standing toilet

RP series Close Coupled toilet

<RP series>

Highly evaluated as a product that combines a toilet seat back shape and full skirt shape that harmonizes beautifully with architectural spaces and that is highly water-saving, hygienic, and environmentally friendly

**We will continue to promote sustainability management with the aim of achieving clean, comfortable, and healthy lifestyles and contributing to society and the global environment.**

# Initiatives in the global market

## ■ Exhibited at ISH 2025

Date: March 17-21  
Venue: Messe Frankfurt (Germany)



## ■ Cumulative shipments of Neorest exceeded 4 million units.

(Total domestic and international shipments as of March 2025)



Neorest continues to challenge conventional preconceptions and propose a new restroom style in terms of design by combining TOTO's technologies. We will continue to lead the industry as a frontrunner in water-related products.

**We will continue to focus on enhancing our presence and brand value in the global market, and aim to reach even greater goals as a global company.**

**3. Plan for the Year Ending  
March 2026  
(FY2025)**

# Highlights

## Increase sales and profits

### Japan Housing Equipment Business: Increase sales and profits

- ◆ Increase sales of home remodeling, price revisions, cost reductions, etc. led to increase revenue and profits.

### International Housing Equipment Business:

#### Decrease sales and profits

- ◆ In the Americas Business, sales and profits increase due to expanded sales of WASHLET and other products.
- ◆ In the Asia Business, sales and profits increase due to a sales growth in Taiwan region and other markets and countries.
- ◆ In the Mainland China Business, sales decrease and record a deficit.  
TOTO carries out structural reform to improve profitability.  
※Details on the restructuring are on P.27-

### New business domains: Increase sales and profits

- ◆ Sales and profits increase due to increase sales of electrostatic chucks due to growing demand in the semiconductor market.

※The impact of tariffs has been factored into the plan up to the amount that was implemented as of the announcement date.

# Financial results

Unit: Y billion

	FY24	FY25			YoY	Currency-neutral basis	Currency-neutral basis
		1st Half	2st Half	Total			
<b>Net Sales</b>	<b>724.5</b>	<b>360.0</b>	<b>393.5</b>	<b>753.5</b>	<b>+29.0</b> (104%)	<b>-17.5</b>	<b>+46.5</b> (106%)
<b>Operating Profit</b> [Operating Margin]	<b>48.5</b> [6.7%]	<b>19.0</b> [5.3%]	<b>33.5</b> [8.5%]	<b>52.5</b> [7.0%]	<b>+4.0</b> (108%)	<b>-5.5</b>	<b>+9.5</b> (120%)
<b>Recurring Profit</b>	<b>50.4</b>	<b>19.1</b>	<b>33.0</b>	<b>52.1</b>	<b>+1.7</b> (103%)	<b>-4.8</b>	<b>+6.6</b> (113%)
Profit attributable to owners of parent company	<b>12.2</b>	<b>6.0</b>	<b>25.0</b>	<b>31.0</b>	<b>+18.8</b> (2.6 times)	<b>-3.2</b>	<b>+22.0</b> (2.8 times)
<b>ROA</b>	<b>6.0%</b>			<b>6.6%</b>	<b>+0.6pt</b>		
<b>ROE</b>	<b>2.4%</b>			<b>6.2%</b>	<b>+3.8pt</b>		
<b>ROIC ※</b>	<b>4.8%</b>			<b>7.0%</b>	<b>+2.2pt</b>		
<b>ROIC ※1 (Adjusted)</b>	<b>6.5%</b>			<b>7.3%</b>	<b>+0.8pt</b>		

\*TOTO version ROIC

Operating profit after tax  
 (Operating capital + Fixed assets)

※1 Calculated based on an effective tax rate of 30.4%

## ■ Exchange rates

	FY24 January to March	FY24 April to June	FY24 July to September	FY24 October to December	FY25 Plan
1 \$	¥148.6	¥155.9	¥149.7	¥152.4	¥140.0
1 CNY	¥20.6	¥21.5	¥20.9	¥21.2	¥19.5
1 €	¥161.3	¥167.9	¥164.3	¥162.6	¥155.0
1 TWD	¥4.7	¥4.8	¥4.6	¥4.7	¥4.3
1 VND	¥0.0060	¥0.0061	¥0.0060	¥0.0060	¥0.0056

**\*We plan to record an extraordinary loss as a restructuring expense for our mainland China business. (The amount is currently under review.) The estimated amount is included in the plan for FY2025**

**We plan an increase in sales and profits.**

# Sales and profit by business segment

\* Subject periods and segments

Japan H.E. business, New business domain: April 2025 to March 2026

International H.E. Business: January to December 2025

(April 2025 to March 2026 for India)

Unit: Y billion

<Net Sales>	FY24	FY25			YoY	Currency-neutral basis	Currency-neutral basis
		1st Half	2st Half	Total			
Japan H.E.	481.3	240.0	255.0	495.0	+13.7 (103%)		+13.7 (103%)
International H.E.	192.5	90.9	100.3	191.2	-1.3 (99%)	-11.7	+10.4 (105%)
New Business Domains ※	50.3	29.0	38.0	67.0	+16.7 (133%)	-5.7	+22.4 (145%)
Others	0.3	0.1	0.2	0.3	+0.0	+0.0	+0.0
<b>Total</b>	<b>724.5</b>	<b>360.0</b>	<b>393.5</b>	<b>753.5</b>	<b>+29.0 (104%)</b>	<b>-17.5</b>	<b>+46.5 (106%)</b>

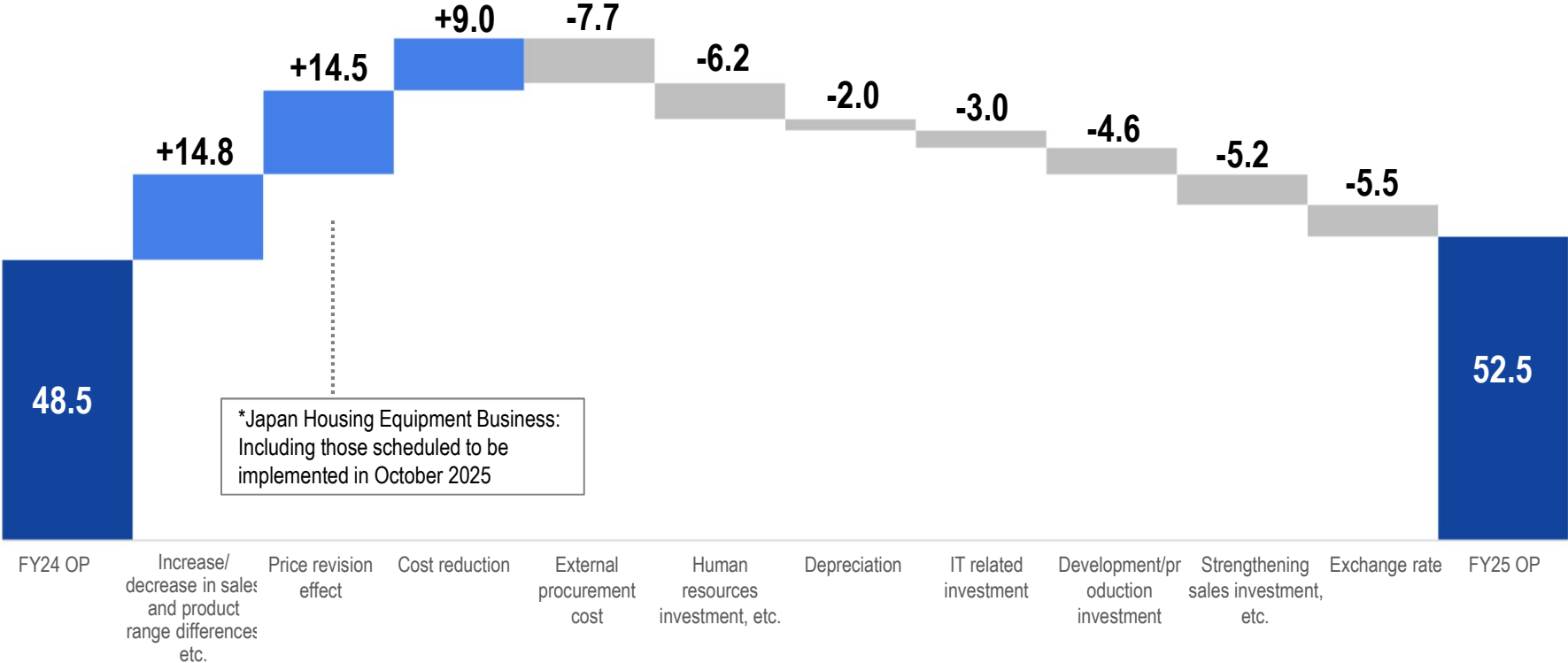
<Operating Profit>	FY24	FY25			YoY	Currency-neutral basis	Currency-neutral basis
		1st Half	2st Half	Total			
Japan H.E.	21.9	8.0	14.5	22.5	+0.6 (103%)	+0.7	-0.1 (100%)
International H.E.	9.0	0.8	5.7	6.5	-2.5 (72%)	-0.7	-1.8 (79%)
New Business Domains ※	20.4	11.5	15.0	26.5	+6.1 (130%)	-5.5	+11.6 (157%)
Others	-2.9	-1.3	-1.7	-3.0	-0.1	+0.0	-0.1
<b>Total</b>	<b>48.5</b>	<b>19.0</b>	<b>33.5</b>	<b>52.5</b>	<b>+4.0 (108%)</b>	<b>-5.5</b>	<b>+9.5 (120%)</b>

\*New domain: Ceramic business

**We plan an increase in sales and profit in the Japan Housing Equipment Business, and new business domains, and decrease in sales and profits in the International Housing Equipment Business.**

# Cause of increase/decrease of operating profit

Unit: Y billion



**We plan an increase in profits in anticipation of the effects of price revisions and cost reductions, despite the impact of external procurement costs and investment in human resources.**

# International Housing Equipment Business

Unit: Y billion

Net Sales	FY24	FY25			YoY	Influence of exchange rate	Currency-neutral basis
		1st Half	2st Half	Total			
Americas	70.5	39.5	40.5	80.0	+9.5 (114%)	-4.7	+14.2 (120%)
Asia	50.2	24.2	31.3	55.5	+5.3 (111%)	-3.8	+9.0 (118%)
Mainland China	66.9	24.5	26.0	50.5	-16.4 (75%)	-3.0	-13.4 (80%)
Europe	4.9	2.7	2.5	5.2	+0.3 (106%)	-0.3	+0.6 (112%)
<b>Total</b>	<b>192.5</b>	<b>90.9</b>	<b>100.3</b>	<b>191.2</b>	<b>-1.3 (99%)</b>	<b>-11.7</b>	<b>+10.4 (105%)</b>

Operating Profit	FY24	FY25			YoY	Influence of exchange rate	Currency-neutral basis
		1st Half	2st Half	Total			
Americas	5.2	1.8	4.7	6.5	+1.3 (126%)	-0.5	+1.8 (136%)
Asia	8.2	3.7	5.0	8.7	+0.5 (106%)	-0.6	+1.1 (113%)
Mainland China	-3.6	-4.5	-3.5	-8.0	-4.4	+0.4	-4.9
Europe	-0.8	-0.2	-0.5	-0.7	+0.1	-0.0	+0.1
<b>Total</b>	<b>9.0</b>	<b>0.8</b>	<b>5.7</b>	<b>6.5</b>	<b>-2.5 (72%)</b>	<b>-0.7</b>	<b>-1.8 (79%)</b>

**We plan an decrease in sales and profits**

# 4. Financial

# Acquisition and retirement of treasury shares

## Implement acquisition and retirement of treasury shares based on the financial discipline

- **Reduce cash on hand through the acquisition of treasury shares**

(Acquisition period: May 1 to December 30, 2025)

**Total acquisition cost: ¥20 billion (maximum) Number of shares to be acquired: 8 million shares (maximum)**

\*Percentage out of number of shares issued (excluding treasury stock): 4.7%

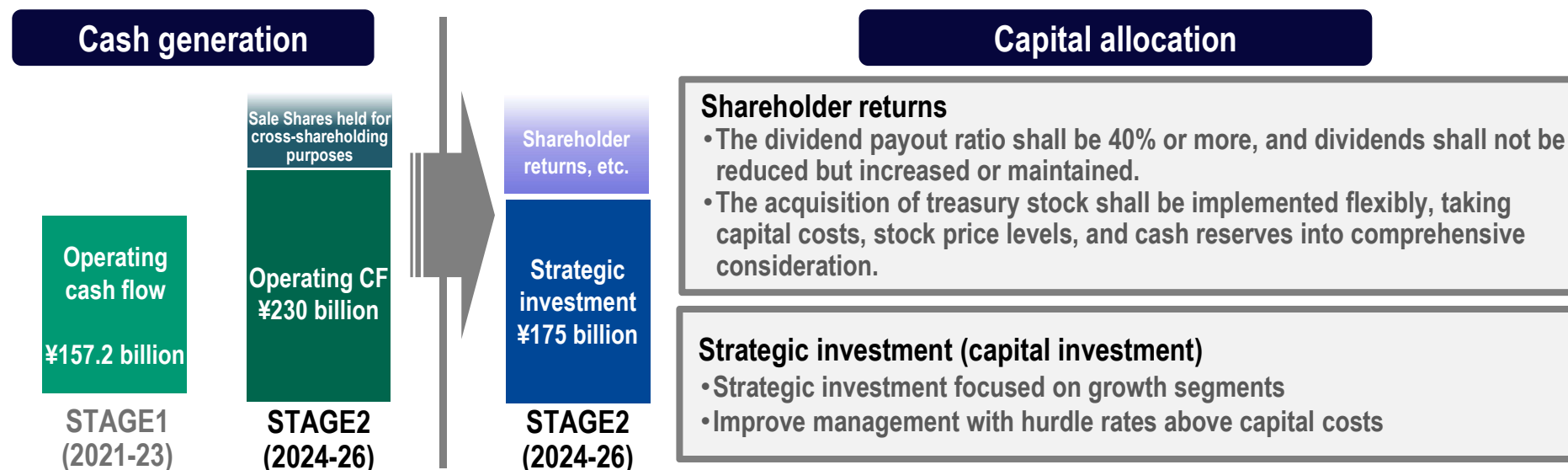
- **Proceed with retirement after reviewing the level of treasury shares held**

(Scheduled retirement date: January 30, 2026)

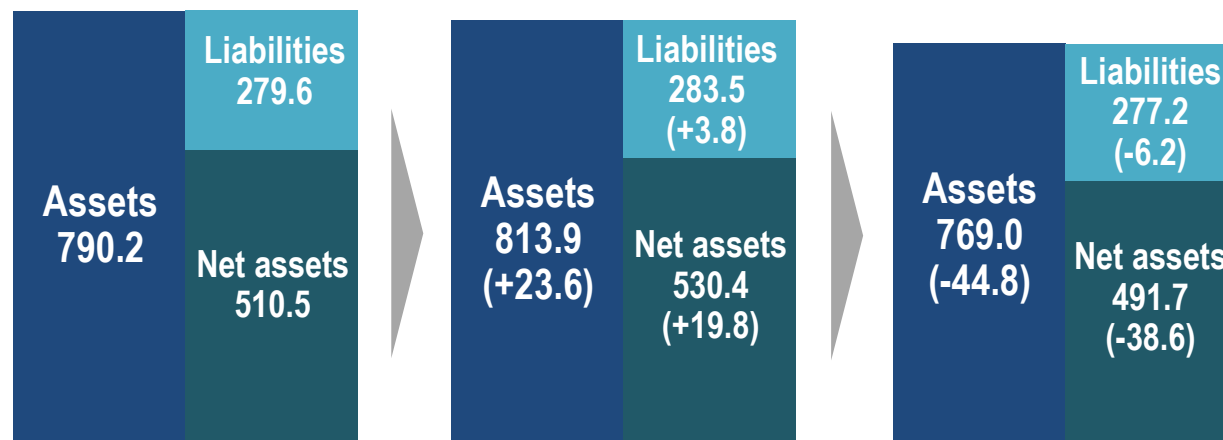
**Number of shares scheduled to be retired: 13.31 million shares (maximum)**

\*Percentage out of number of issued shares (including treasury stock) before retirement: 7.5% (maximum)

\*Number of shares after adding 5.31 million shares to those to be acquired on this occasion (7.31 million shares as on March 31)



**We will carry out capital allocation appropriately, including the cash generated from the sale of shares held for cross-shareholding purposes.**



	Discipline	Plan
Equity ratio	50% or higher	63.1%
DE ratio	0.5 times or lower	0.15 times

Results as of the end of FY23    Results as of the end of FY24    Plan for the end of FY25

■ TOTO version ROIC-related indicators (focusing on improvement drivers)

	As of the end of FY23	As of the end of FY24	As of the end of FY25
Inventories	133.4	134.6	116.9
Fixed assets	302.1	297.9	307.6
Investment securities	71.8	57.1	46.6
Invested Capital TOTO ver. (Operating capital + Fixed assets)	530.3	508.5	497.2
ROIC	5.9%	4.8%	7.0%
*Adjusted ROIC	(5.9%)	(6.5%)	(7.3%)

Reduce inventory both in Japan and overseas

Accelerate reduction of shares held for cross-shareholding purposes

<Reduction Plan>

Percentage of consolidated net assets

Actual at the end of FY2024: 11%

Plan at the end of FY2025: Less than 10%

Plan at the end of FY2030: Less than 5%

\*Calculated based on a standard effective tax rate of 30.4%

ROIC improves due to the effect of reducing inventory and cross-shareholdings.

# CF

Unit: Y billion

	FY24	FY25
<b>Operating CF</b>	<b>+71.4</b>	<b>+62.1</b>
Strategic investment (Capital investment)	-50.7	-58.5
Sale of fixed assets and investment securities	+13.4	+10.5
<b>Investment CF</b>	<b>-38.4</b>	<b>-48.9</b>
<b>Free CF</b>	<b>+33.0</b>	<b>+13.2</b>
<b>Financial CF</b>	<b>-13.7</b>	<b>-38.3</b>

Including restructuring costs for the mainland China business

※Operating CF increases if exclude the cost above

Accelerate reduction of shares held for cross-shareholding purposes

Acquire treasury shares (-20 billion)

<b>Change in CF</b>	<b>+19.2</b>	<b>-25.1</b>
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+: Increase -: Decrease

<b>Cash and deposits at end of period</b>	<b>122.7</b>	<b>97.6</b>
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	Discipline	Plan
<b>Cash on hand (compared to monthly sales)</b>	<b>1.5 months</b>	<b>1.6 months</b>

**Reduce cash reserves to financially disciplined levels through share buybacks.**

## Capital expenditure, depreciation expenses and R&D expenses

	FY24	FY25
Capital expenditure	¥50.7 billion	¥58.5 billion
Depreciation expense	¥35.0 billion	¥37.0 billion
R&D expense	¥25.1 billion	¥29.0 billion

### ■ Breakdown of capital investment (FY2025)

International H.E.	<ul style="list-style-type: none"> <li>• Product development &amp; sales investments</li> <li>• Environment &amp; production efficiency related</li> </ul>	¥31.4 billion
New Business Domain	<ul style="list-style-type: none"> <li>• Product development &amp; Production expansion</li> </ul>	¥9.0 billion
Japan H.E.	<ul style="list-style-type: none"> <li>• Environment &amp; production efficiency related</li> <li>• Showroom related</li> </ul>	¥6.2 billion
Company-wide Investments	<ul style="list-style-type: none"> <li>• IT related</li> <li>• Other business infrastructure related</li> </ul>	¥11.9 billion

**For us to keep growing, we will keep investing.**

## Dividend plan

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	<b>FY24</b>	<b>FY25 Plan</b>
<b>1st Half</b>	<b>¥50.0</b>	<b>¥50.0</b>
<b>2nd Half</b>	<b>¥50.0</b>	<b>¥50.0</b>
<b>Full Year</b>	<b>¥100.0</b>	<b>¥100.0</b>
<b>Dividend Payment Ratio</b>	<b>139.4%</b>	<b>52.1%</b>

**The full-year dividend will be 100.0 yen.**

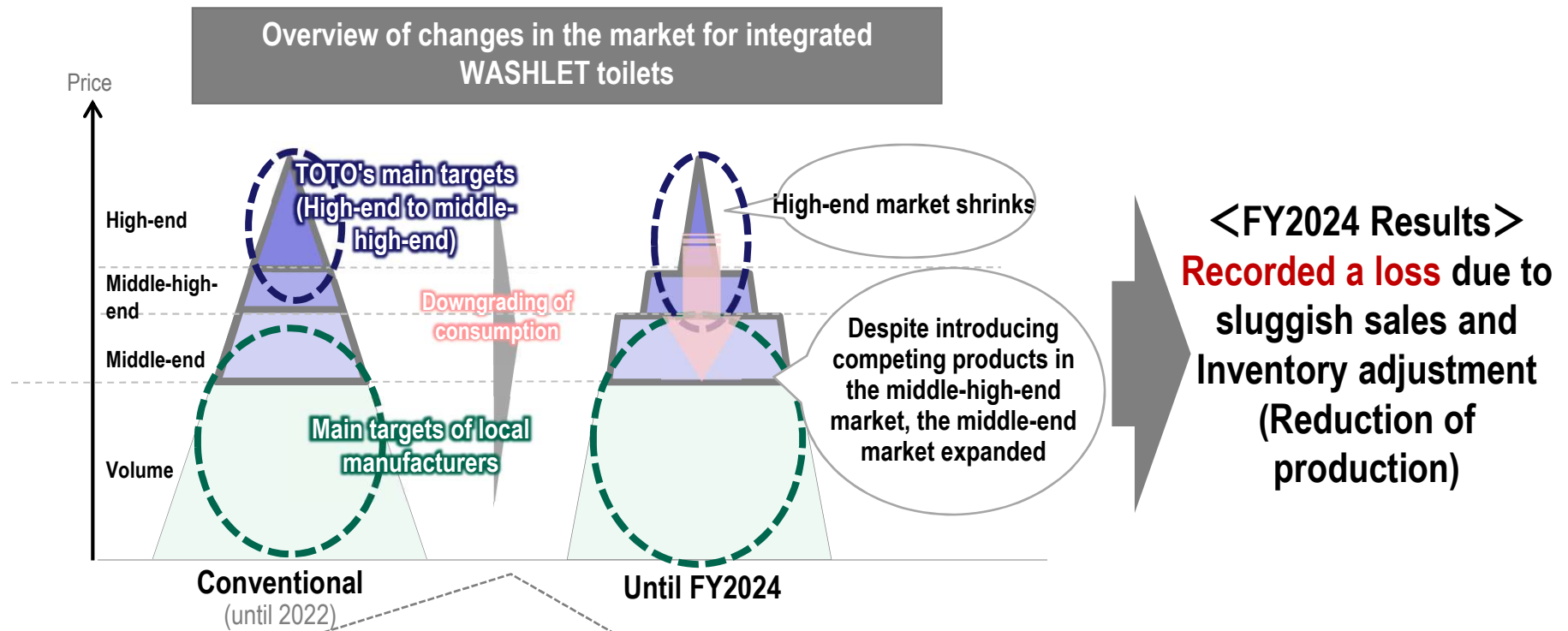
**5. Mainland China Business Strategy  
and  
Commitment for the company-wide  
growth toward 2030**

# Table of contents

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①	<b>Recognition of market environment and issues</b>	<ul style="list-style-type: none"><li>• <b>Market environment, structural changes in demand in target markets</b></li></ul>
②	<b>Objectives of structural reform</b>	<ul style="list-style-type: none"><li>• <b>Objectives of structural reform</b></li></ul>
③	<b>Effects of structural reform</b>	<ul style="list-style-type: none"><li>• <b>Strategy for structural reform and vision of effects of reform</b></li></ul>
④	<b>Sales strategy</b>	<ul style="list-style-type: none"><li>• <b>Concentrate resources on areas where we can leverage our strengths through remodeling</b></li></ul>
⑤	<b>Product strategy</b>	<ul style="list-style-type: none"><li>• <b>Launch optimal products for each market</b></li><li>• <b>Review criteria and systems for creating products</b></li></ul>
⑥	<b>Production strategy</b>	<ul style="list-style-type: none"><li>• <b>Restructuring of production system (suspend operation of sanitary ware factories and new production system)</b></li></ul>
⑦	<b>Commitment to growth toward 2030</b>	<ul style="list-style-type: none"><li>• <b>Reorganize business portfolio</b></li><li>• <b>Growth drivers</b></li></ul>

# ① Recognition of market environment and issues



**Changes in the main market environment**

<b>Overall</b>	Changes in customer purchasing behavior (Downgrading of consumption)	<b>Real estate</b>	Long-term slump in the real estate market
			Emergence of local manufacturers ⇒ Price competition intensifies

**Business results deteriorated due to delays in responding to rapid market changes that exceeded expectations amid the expansion of the middle-end market.**

## ② Objectives of structural reform

With the goal of becoming a TOTO that is tailored to each country and region, we entered the mainland China market approximately 40 years ago.  
We have steadily built our brand and played a leading role in the growth of the overseas business.



Based on the trust in the TOTO brand that we have cultivated, we will restructure and continue our business in mainland China.  
We will implement structural reform to ensure stable business operations in the future.

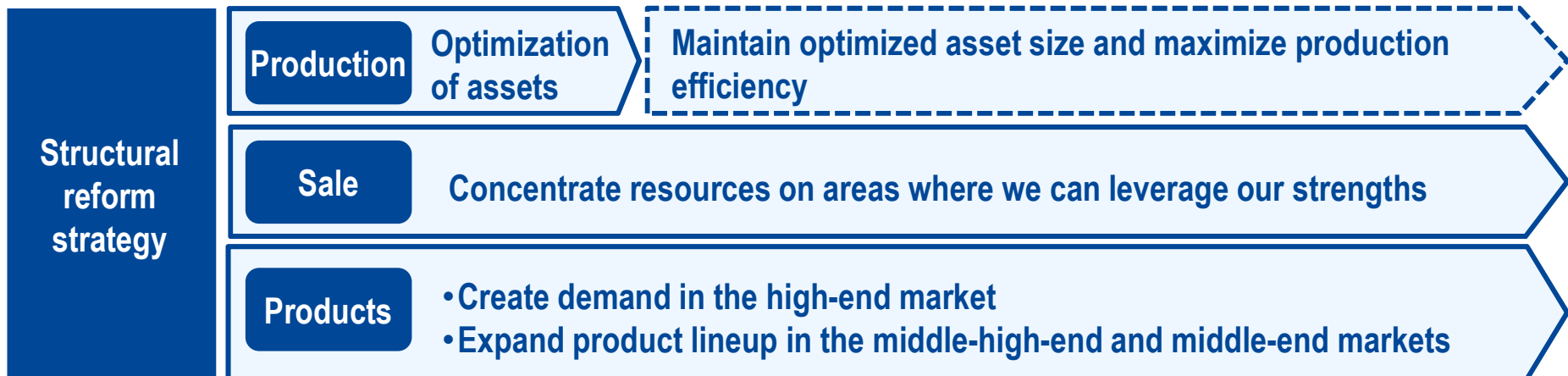
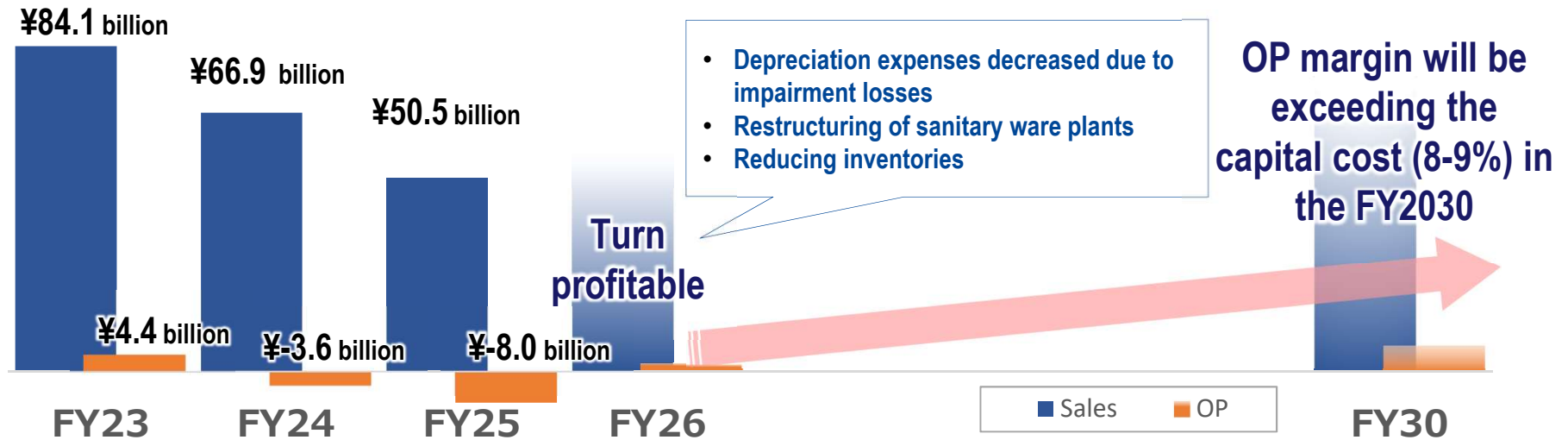
- Recording of impairment losses
  - Closure of 2 sanitary ware plants
  - Optimization of personnel structure
- 
- Reducing the fixed costs



We will further evolve our remodeling activities by concentrating resources in areas where we can utilize our strengths.

### ③ Effects of structural reform

Aim to carry out a business transition to build a stable revenue structure through three strategies

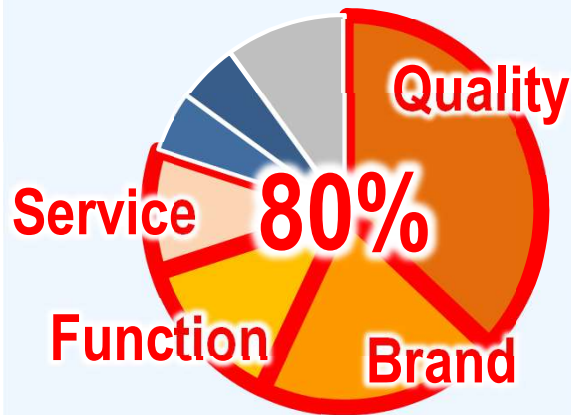


## ④ Sales strategy

Concentrate resources on areas where we can leverage TOTO's strengths through remodeling

What made you decide to purchase TOTO products?

Customers who purchased TOTO products (October to November 2024) n = 597



TOTO's strengths;

- Reliability in “Quality”, “brand”, “function”, and “service”
- Abundant delivery track record built up over 40 years

Utilizing the knowledge of remodeling proposals cultivated in Japan, we evolve into meticulous activities tailored to local styles

- ✓ Concentrate resources on areas, applications, and vendors where we can leverage our strengths
- ✓ Utilizing online x off-line to communicate with the end consumers.
- ✓ Enhance functions for proposals and construction, etc. utilizing existing showrooms

# ⑤ Product strategy

As a company that creates toilet culture globally, we will create value in the high-end market and introduce products that respond to the middle-high-end and middle-end markets.



## High-end market

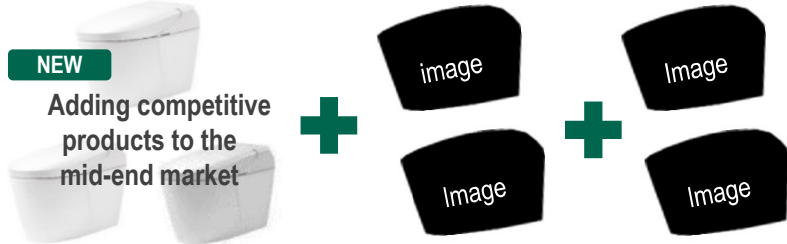
Create and expand demand by proposing new value through the evolution of Neorest



Exhibition at ISH2025 (Reference exhibition, launch date to be determined)

## Middle-high-end and middle-end markets

Introduce products sequentially to respond to expanding markets



## Respond to the change in the market

### System to respond to the local needs

- Market-optimized design and Quality standards
- Strengthen local product development systems

## ⑥ Production strategy

### Restructure production system in line with business scale

April 2025

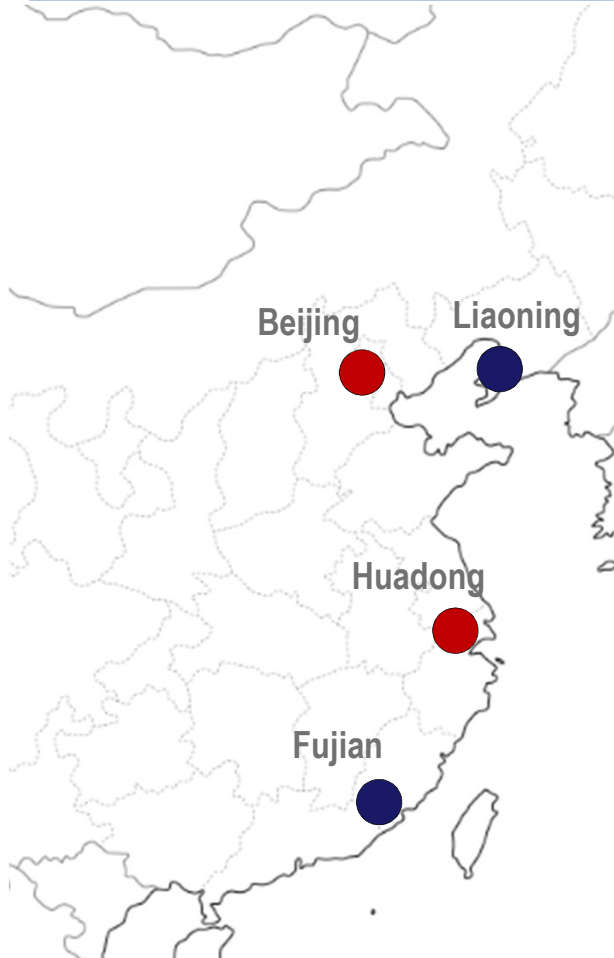
Suspend production at two sanitary ware production sites  
(Production capacity to be reduced by about 40%)

- **TOTO Beijing**  
(Beijing City, started operations in 1997)
- **TOTO Huadong**  
(Shanghai City, started operations in 2004)



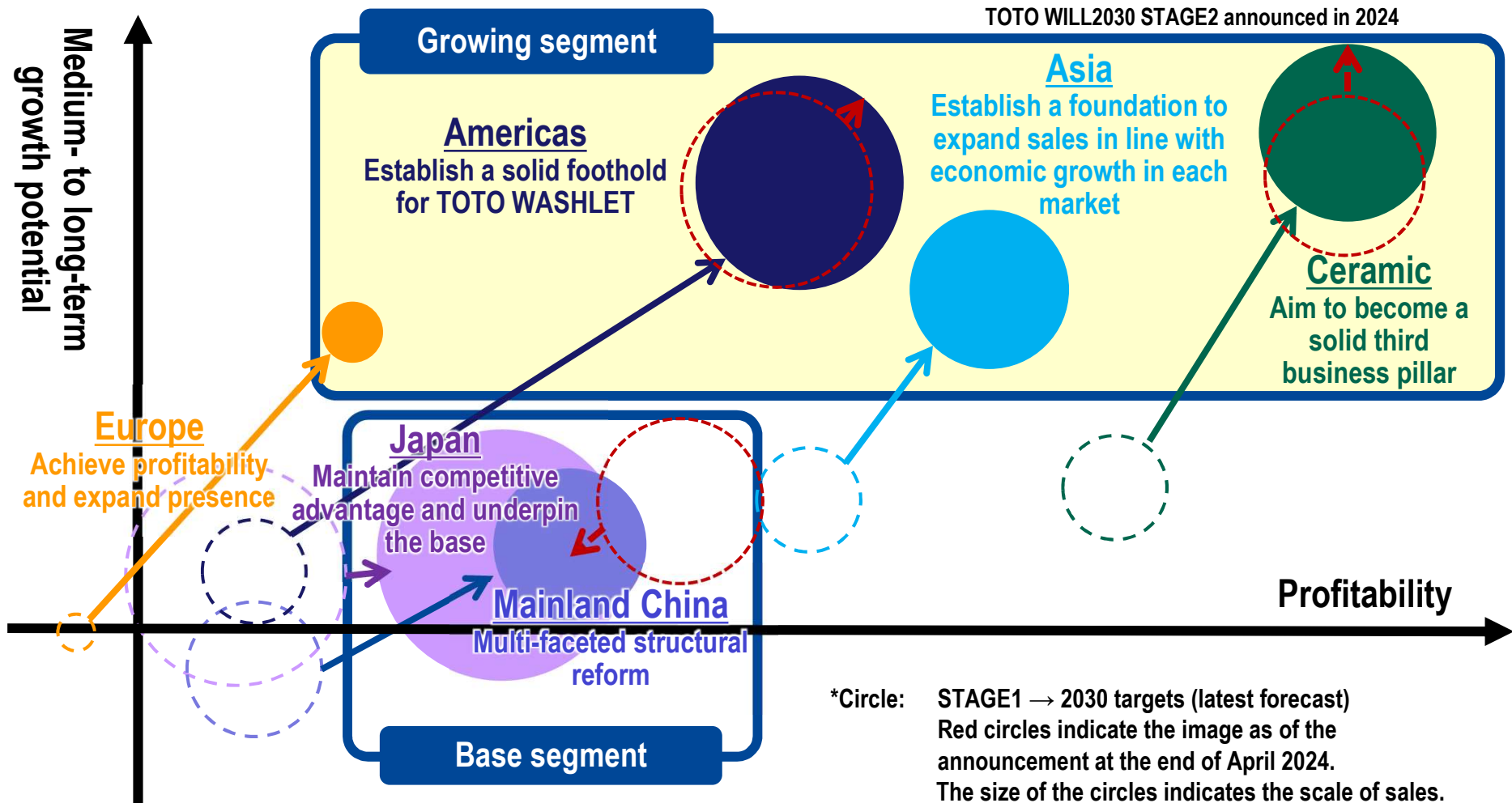
Improve factory utilization, productivity, and  
environmental performance through the system of two  
sites equipped with the latest facilities

- **TOTO Fujian**  
(Zhangzhou City, started operations in 2014)
- **TOTO Liaoning**  
(Dalian City, scheduled to start operations in 2025)



## ⑦ Commitment to growth toward 2030: Business portfolio

There are no changes to TOTO Group's growth strategy.  
We will further expand our growth segments and aim to achieve our 2030 targets.



## ⑦ Commitment to growth toward 2030: Growth drivers

### Growth segments will drive the growth of the TOTO Group

#### Americas

WASHLET are strategic product for our Americas business. Sales are growing as planned, and we will accelerate our channel-specific activities going forward. We will respond swiftly to the various issues facing the Americas market.

#### Asia

We will strengthen sales activities, focusing on water-saving toilets and WASHLET. In newly developed countries, we will increase brand awareness, and in existing countries, we will expand our sales network and offer value propositions to grow in line with the economic growth of each country and region.

#### Ceramic

Progress is ahead of the plan centered on the main product, electrostatic chucks. We will achieve continuous growth by implementing investments in production and next-generation product development, as well as making proposals for expanding applications and make it to the third pillar of our business.

This presentation material contains forward-looking statements based on assumptions, estimates and plans as of April 28, 2025. Actual performance may differ materially from these forward-looking statements due to risks and undermined factors arising from changes in the world economy, competition and foreign currency exchange rates.

あしたを、ちがう「まいにち」に。

**TOTO**