

## Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

# Summary of Consolidated Financial Results for the Six Months Ended September 30, 2020 (Based on Japanese GAAP)

October 30, 2020

Company name: TOTO Ltd.  
 Stock exchange listing: Tokyo, Nagoya, Fukuoka  
 Stock code: 5332 URL <https://jp.toto.com>  
 Representative: President & Representative Director Noriaki Kiyota  
 General Manager  
 Inquiries: Management Planning Dept. Yoshihisa Tanaka TEL 03(6836)2024  
 Scheduled date to file Quarterly Securities Report: November 6, 2020  
 Scheduled date to commence dividend payments: December 1, 2020  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

## 1. Consolidated financial results for the six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)

### (1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2020	257,546	(13.1)	10,605	(39.3)	10,292	(42.6)	4,569	(63.2)
Six months ended September 30, 2019	296,329	5.4	17,467	(3.5)	17,924	(10.9)	12,405	(6.7)

(Note) Comprehensive income: Six months ended September 30, 2020: 3,730 million yen [(59.8)%]  
 Six months ended September 30, 2019: 9,286 million yen [11.4%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2020	26.98	26.94
Six months ended September 30, 2019	73.26	73.13

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2020	600,201	337,116	55.1
As of March 31, 2020	583,934	341,141	57.2

(Reference) Equity: As of September 30, 2020: 330,587 million yen  
 As of March 31, 2020: 334,261 million yen

## 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2020	—	45.00	—	45.00	90.00
Year ending March 31, 2021	—	30.00			
Year ending March 31, 2021 (Forecast)			—	30.00	60.00

(Note) Revisions to the forecasts of cash dividends most recently announced: Yes

### 3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	563,000	(5.6)	31,000	(15.7)	29,500	(18.3)	17,500	(25.8)	103.30

(Note) Revisions to the consolidated financial results forecasts most recently announced: Yes

For detailed information on the consolidated financial results, please refer to the material on financial results released today and the Quarterly Securities Report scheduled to be filed on November 6, 2020. Regarding the revisions to the cash dividends forecasts and the revisions to the consolidated financial results forecasts, please refer to “Notice Regarding the Difference Between Forecasts and Actual Results of Consolidated Performance for the Six Months Ended September 30, 2020 and Consolidated Financial Results Forecasts for the Year Ending March 31, 2021, as well as Dividends of Surplus and Fiscal Year-End Cash Dividends Forecasts” and “the material on financial results” released today.

### 4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2020  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

#### (4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2020	176,981,297 shares	As of March 31, 2020	176,981,297 shares
--------------------------	--------------------	----------------------	--------------------

Number of treasury shares at the end of the period

As of September 30, 2020	7,572,803 shares	As of March 31, 2020	7,599,599 shares
--------------------------	------------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2020	169,395,918 shares	Six months ended September 30, 2019	169,336,076 shares
-------------------------------------	--------------------	-------------------------------------	--------------------

\* Quarterly financial results reports are exempt from quarterly reviews conducted by certified public accountants or an audit corporation.

\* Explanation of proper use of earnings forecasts, and other special matters

#### Caution concerning forward-looking statements

The forward-looking statements, including the earnings forecasts shown in this document, are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. As such, they do not constitute guarantees by the Company of future performance. Actual performance and other results may differ materially due to various factors.

# 1. Quarterly consolidated financial statements

## (1) Consolidated balance sheets

	(Millions of yen)	
	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	104,845	120,621
Notes and accounts receivable - trade	85,235	80,632
Merchandise and finished goods	55,647	58,308
Work in process	12,765	13,279
Raw materials and supplies	15,817	17,174
Other	16,989	11,135
Allowance for doubtful accounts	(176)	(201)
Total current assets	291,124	300,949
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	81,330	82,992
Land	26,923	26,871
Other, net	98,404	100,927
Total property, plant and equipment	206,658	210,790
Intangible assets	19,812	20,836
Investments and other assets		
Investment securities	45,903	48,324
Other	20,672	19,532
Allowance for doubtful accounts	(236)	(232)
Total investments and other assets	66,339	67,624
Total non-current assets	292,810	299,251
Total assets	583,934	600,201

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	64,967	56,402
Short-term borrowings	26,354	55,759
Income taxes payable	2,978	2,263
Provision for bonuses for directors (and other officers)	164	47
Accrual for loss on inspection and repair of products	50	50
Provision for loss on business restructuring	287	261
Other	99,052	101,390
Total current liabilities	193,856	216,176
Non-current liabilities		
Long-term borrowings	1,259	1,579
Retirement benefit liability	34,920	32,003
Other	12,756	13,324
Total non-current liabilities	48,937	46,908
Total liabilities	242,793	263,084
Net assets		
Shareholders' equity		
Share capital	35,579	35,579
Capital surplus	29,283	29,338
Retained earnings	283,293	280,241
Treasury shares	(14,079)	(14,032)
Total shareholders' equity	334,076	331,127
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,222	9,152
Foreign currency translation adjustment	2,857	(1,009)
Remeasurements of defined benefit plans	(9,894)	(8,682)
Total accumulated other comprehensive income	184	(539)
Share acquisition rights	446	442
Non-controlling interests	6,433	6,086
Total net assets	341,141	337,116
Total liabilities and net assets	583,934	600,201

**(2) Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

	(Millions of yen)	
	Six months ended September 30, 2019	Six months ended September 30, 2020
Net sales	296,329	257,546
Cost of sales	189,978	165,415
Gross profit	106,350	92,131
Selling, general and administrative expenses	88,883	81,525
Operating profit	17,467	10,605
Non-operating income		
Interest income	609	412
Dividend income	1,019	1,024
Share of profit of entities accounted for using equity method	270	—
Other	387	527
Total non-operating income	2,287	1,964
Non-operating expenses		
Interest expenses	55	64
Sales discounts	690	611
Loss on retirement of non-current assets	136	405
Share of loss of entities accounted for using equity method	—	1
Foreign exchange losses	664	513
Other	283	681
Total non-operating expenses	1,830	2,278
Ordinary profit	17,924	10,292
Extraordinary income		
Gain on sales of investment securities	566	62
Total extraordinary income	566	62
Extraordinary losses		
Loss on sales of membership	0	—
Loss on valuation of securities	74	117
Loss on COVID-19	—	2,100
Total extraordinary losses	74	2,217
Profit before income taxes	18,416	8,138
Income taxes - current	4,916	3,668
Income taxes - deferred	729	(139)
Total income taxes	5,645	3,528
Profit	12,770	4,609
Profit attributable to non-controlling interests	365	39
Profit attributable to owners of parent	12,405	4,569

## Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit	12,770	4,609
Other comprehensive income		
Valuation difference on available-for-sale securities	(704)	1,931
Foreign currency translation adjustment	(3,195)	(3,775)
Remeasurements of defined benefit plans, net of tax	440	931
Share of other comprehensive income of entities accounted for using equity method	(25)	34
Total other comprehensive income	(3,484)	(879)
Comprehensive income	9,286	3,730
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,162	3,845
Comprehensive income attributable to non-controlling interests	124	(115)

### (3) Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from operating activities		
Profit before income taxes	18,416	8,138
Depreciation	12,336	12,177
Increase (decrease) in allowance for doubtful accounts	(8)	23
Increase (decrease) in provision for bonuses for directors (and other officers)	(116)	(116)
Increase (decrease) in accrual for loss on inspection and repair of products	(4)	(0)
Increase (decrease) in provision for loss on business restructuring	(42)	(26)
Increase (decrease) in retirement benefit liability	(1,972)	(1,586)
Interest and dividend income	(1,629)	(1,437)
Interest expenses	55	64
Loss on retirement of non-current assets	136	405
Loss (gain) on sales of investment securities	(566)	(62)
Loss (gain) on sales of membership	0	—
Loss (gain) on valuation of securities	74	117
Loss on COVID-19	—	2,100
Decrease (increase) in trade receivables	1,028	3,969
Decrease (increase) in inventories	(4,920)	(5,479)
Increase (decrease) in trade payables	1,231	(8,013)
Other, net	3,853	(3,017)
Subtotal	27,870	7,254
Interest and dividends received	1,873	1,630
Interest paid	(43)	(69)
Proceeds from compensation	—	5,429
Income taxes paid	(4,784)	(4,086)
Net cash provided by (used in) operating activities	24,916	10,158
Cash flows from investing activities		
Payments into time deposits	(1,837)	(256)
Proceeds from withdrawal of time deposits	2,473	2,881
Decrease (increase) in short-term loans receivable	261	93
Purchase of property, plant and equipment	(16,015)	(18,289)
Proceeds from sales of property, plant and equipment	23	6
Purchase of intangible assets	(2,898)	(3,061)
Purchase of short-term and long-term investment securities	(136)	(81)
Proceeds from sales and redemption of short-term and long-term investment securities	966	137
Long-term loan advances	(1)	—
Collection of long-term loans receivable	2	2
Other, net	(52)	(99)
Net cash provided by (used in) investing activities	(17,212)	(18,666)

	(Millions of yen)	
	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	29,851
Proceeds from issuance of commercial papers	33,600	40,600
Redemption of commercial papers	(37,600)	(33,600)
Proceeds from long-term borrowings	171	500
Repayments of long-term borrowings	(525)	(605)
Dividends paid	(7,619)	(7,622)
Purchase of treasury shares	(4)	(3)
Other, net	(940)	(627)
Net cash provided by (used in) financing activities	(12,918)	28,493
Effect of exchange rate change on cash and cash equivalents	(1,450)	(1,536)
Net increase (decrease) in cash and cash equivalents	(6,665)	18,447
Cash and cash equivalents at beginning of period	96,470	101,711
Cash and cash equivalents at end of period	89,805	120,159

**(4) Notes to quarterly consolidated financial statements**

Notes on assumptions for going concern

Not applicable

Notes on significant changes in the amount of shareholders' equity

Not applicable