TOTO Guide

Used by everyone, every day.
Message from the President

The TOTO Group strives to pass down its Common Group Philosophy to each and every employee.

Founder’s Conviction

“Improve the lifestyle and culture of the people. Provide a healthy and civilized way of life.”

Common Group Philosophy

Company Mottos, TOTO Group Corporate Philosophy and Charter of TOTO Group Corporate Behavior

Visions for Business Activities

Vision, Mission and Mid- or Long-Term Management Plan (TOTO V-Plan 2017)

The TOTO Group promotes its corporate activities with the goal of continuing to be a beneficial presence to society and for the global environment broadly.

At the root of our corporate activities is a strong conviction espoused by our founder to improve living standards and help people lead healthy, enlightened lives. This conviction still prevails in our Company Mottos and Group Corporate Philosophy.

Based on this concept, in order to evolve into a “truly global company,” we have established two initiatives to be undertaken by the entire TOTO Group by 2017, the company’s 100th anniversary. These are the TOTO V-Plan 2017 (our long-term management plan) and the TOTO Global Environmental Vision.

The TOTO Group is an enterprise whose very business activity is intertwined with environmental contribution. By delivering environmentally friendly products to customers around the world, we are contributing to the realization of a truly sustainable society.

The TOTO Group is a company creating and providing lifestyle value. Looking to “tomorrow” and leading to the future, we offer an “every day” exceeding expectations like never before.

Providing the World a New Every Day.
Everyone in the TOTO Group will work in unison to achieve the goals we have set forth.

Madoka Kitamura
President, Representative Director
Company Mottos

1. Take pride in your work, and strive to do your best
2. Quality and Uniformity
3. Service and Trust
4. Cooperation and Prosperity

The Company Mottos reflect our determination to contribute to the improvement of our customers’ cultured lifestyles with a strong service-oriented mindset, and to unite ourselves to support the social development.

TOTO Group Corporate Philosophy

The TOTO Group strives to create a great company, trusted by people all around the world, and contributing to the betterment of society.

To achieve our philosophy, TOTO will:

- Create an enriched and more comfortable lifestyle and culture built on plumbing products
- Pursue customer satisfaction by exceeding expectations with our products and services
- Provide high-quality products and services through ongoing research and development
- Protect the global environment by conserving finite natural resources and energy
- Create an employee friendly work environment that respects the individuality of each employee
THE TOTO WAY

TOTO “Vision” Stretches
Back through Our History

TOTO’s history stretches back almost 100 years.

Prompted by exposure to advanced lifestyles overseas, TOTO founder Kazuchika Okura developed a strong desire to provide comfortable and sanitary living spaces. He subsequently established a ceramic sanitary ware laboratory in 1912, when the concept of public sewage systems was not yet widespread in Japan.

After two years of repeated test production, we completed Japan’s first ceramic seated flush toilet. In 1917, Toyo Toki K.K. (currently TOTO LTD.) was established with the aim of spreading the use of these toilets, thereby improving people’s lives and further developing society.

Since then, we have sought to contribute to the development of society, provision of high-quality products, ensuring customer satisfaction and spirit of service. This concept is expressed in TOTO’s Company Mottos formulated in 1962, and is still entrenched in the minds of each and every TOTO employee today.

We develop systems whereby we locally produce and sell products respecting the lifestyle of each country and region and which are suited to the local region.

We aim to be recognized as the leading in each country and region. We believe that is what it means to be a “truly global company.”
## History

### Business developments

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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</table>
| 1912 | Established ceramic sanitary ware laboratory inside Nippon Toki Gomei Kaisha  
     | Began R&D into production of ceramic sanitary ware |
| 1917 | Established Toyo Toki Company, Limited in Kokura, Kitakyushu |
| 1970 | Changed name to TOTO Kiki Ltd. |
| 1977 | Established P.T. SURYA TOTO INDONESIA, a joint venture company, in Indonesia |
| 1985 | Opened “GALLERY-MA” |
| 1990 | Established TOTO KIKI U.S.A., INC. as sales base in the United States |
| 1993 | Announced “Remodeling Declaration” and strengthened remodeling as business pillar |
| 1995 | Established TOTO (CHINA) CO., LTD. |
| 2002 | Concluded business tie-up with Daiken Corp. and YKK AP Inc. in remodeling field |
| 2005 | Set up TOTO Water Environment Fund |
| 2006 | Established TOTO Universal Design Research Center for R&D into universal design |
| 2007 | Changed name to TOTO LTD. |
| 2008 | Established TOTO Europe GmbH as first European headquarters in Germany  
     | Established TOTO ASIA OCEANIA PTE LTD. as Asian headquarters in Singapore |
| 2009 | Announced “TOTO V-Plan 2017” |
| 2010 | Announced “TOTO Environmental Vision 2017” (current “TOTO Global Environmental Vision”) |
| 2011 | Established TOTO India Industries Private Limited in India  
     | Established TOTO Do Brasil Distribuição e Comércio, Ltda. in Brazil |

### Product developments

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>1914</td>
<td>Successfully produced Japan’s first ceramic seated flush toilet (at Nippon Toki Gomei Kaisha, the predecessor to Toyo Toki)</td>
</tr>
<tr>
<td>1917</td>
<td>Commenced production of ceramic sanitary ware</td>
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<tr>
<td>1946</td>
<td>Commenced production of faucets</td>
</tr>
<tr>
<td>1963</td>
<td>Developed construction method for Japan’s first prefabricated bathroom module</td>
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<tr>
<td>1980</td>
<td>Launched “Washlet” (toilet seats with a warm-water washing feature)</td>
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<tr>
<td>1981</td>
<td>Launched modular kitchen</td>
</tr>
<tr>
<td>1985</td>
<td>Launched “Shampoo Dresser” bathroom vanity</td>
</tr>
<tr>
<td>1993</td>
<td>Launched “NEOREST” toilets featuring Washlet</td>
</tr>
<tr>
<td>1998</td>
<td>Developed Hydrotect products that incorporate super hydrophilic photocatalyst technology (world’s first successful practical application)</td>
</tr>
<tr>
<td>1999</td>
<td>Developed “CeFiONtect” antifouling technology for ceramic sanitary ware</td>
</tr>
<tr>
<td>2001</td>
<td>Launched Japan’s first system bathroom equipped with “Karari” floor for thorough drainage</td>
</tr>
<tr>
<td>2004</td>
<td>Launched Japan’s first system bathroom equipped with insulated thermal pot “Mahobin” bathtub</td>
</tr>
<tr>
<td>2009</td>
<td>Launched “NEOREST Hybrid Series” boasting 4.8L per flush</td>
</tr>
</tbody>
</table>
| 2010 | Launched Basic Plus shower head incorporating “Air in Shower” technology  
     | Launched 4.8L tank toilet with Twin Tornado Cleansing technology  
     | Launched “CRASSO” new modular kitchen |
| 2011 | Washlet shipments reached 30 million units |
| 2012 | Launched NEOREST Hybrid Series and Washlet Apricot, equipped with toilet bowl cleaning function  
     | Developed floor drain type toilet for the NEOREST Hybrid Series that boasts 3.8L per flush in Japan  
     | First-generation “Washlet G” received Mechanical Engineering Heritage certification  
     | Shipments of toilets boasting 4.8L per flush reached 1 million units in Japan |
We create products with the user’s feelings in mind.

Our products are used every day, which is why we want to make them environmentally friendly.

Through our products, we provide everlasting support for our customers’ lifestyles.
Ensuring Ease-of-Use for Everyone

The UD concept has been integral to our research and development for over 40 years. UD refers to the design of products that are comfortable and safe to use for everyone, irrespective of differences in age, gender, physical condition, nationality, language, knowledge or experience. The TOTO Universal Design Research Center established in 2006 is working to develop products through repeated dialogue with customer monitors and testing. Since TOTO’s products are used daily, it is our job to make them even easier to use and more people friendly.

Ensuring People Can Continue Living at Home with Confidence

The necessary functions and spaces of a home vary as the physical condition of its residents changes. TOTO provides customers with displays and proposals for plumbing products taking account future changes in physical condition. In addition to making “now” more comfortable, our aim is to help customers create a home which they can continue living with confidence into the future. That is the way TOTO sees it.
Promoting the Reduced Consumption of Water Worldwide Based on Our Passion for the Environment

Our aspiration is for as many customers as possible to use products which contribute to the environment through their daily use.

This strong desire is reflected in all TOTO products both in Japan and overseas. Take for instance our latest model of water-efficient toilets using less than 4.8 liters of water per flush (about one third of the 13 liters used by conventional models in Japan). In addition to toilets, we will spread the use of TOTO technologies around the world in other products too, such as showers enabling users to wash comfortably using minimal hot water, and thermal insulating bathtubs. Through such products, we will realize a society in which our customers worldwide can contribute to the global environment in their everyday lives.

Making Products More People-Friendly by Using “Only One” Technologies

TOTO promotes the application of “Only One” technologies from the perspective of making products more people-friendly and environmentally-friendly. For example, the technology for making ceramics is applied to the tubes used in ceramic metal halide lamps, a next-generation lighting, capable of shedding light a long distance over wide areas such as in commercial facilities, parks or gymnasiuums.

Another example is Hydrotect, TOTO’s unique photocatalyst technology which has an effect of purifying the air by removing pollutants (NOx) and self-cleaning effect for keeping building facades clean. Together with our partner businesses around the world, we are committed to expanding the use of these technologies.
Increasing Customer Awareness for TOTO Products

TOTO has deployed more than 100 showrooms in Japan, where customers are welcome to experience firsthand the functions and user-friendliness of our products. The more than 5,000 community-based contractors in Japan joining the TOTO Remodel Club network also provide customers with comprehensive support, from presenting remodeling proposals, to construction, repairing equipment and providing after-sales service.

Ensuring TOTO Products Long Continue to be Used

TOTO believes customer satisfaction is the starting point for business management, a legacy handed down since our business was first founded. We respond to comments from customers and link this to improved products and services. Overseas, too, we have established call centers providing a support structure for handling various customer inquiries and maintenance requests. TOTO is committed to providing a caring service so that our customers can continue to use our products with confidence.
Coexistence with the Local Community

Aiming for a Better Society: The Basis of Our Activities

Preserving Water Resources and Forests for the Future

The TOTO Water Environment Fund was established in fiscal 2005 to help non-profit organizations (NPOs) and civic groups with their environmental activities. Last year, we reformed the system so that grants from the fund would increase as our stakeholders’ involvement in environmental contribution increased. In addition to many TOTO employees volunteering to participate in the activities, we have expanded the network of activities by appealing for ordinary consumers to also join in. In the TOTO Acorn Reforestation Project, which we started in fiscal 2006, participants pick up the acorns, nurture them and plant the saplings in the forest with help from the local community. They also regularly cut the grass so the acorn trees have enough space to grow. TOTO will continue to aspire for environmental contributions in collaboration with society as a whole.

Showcasing a Culture of Plumbing and Architecture to the Next Generation

TOTO GALLERY・MA, which is located in Minami Aoyama in Tokyo, specializes in exhibitions on architecture and design. Since opening in 1985, the gallery has conveyed the ideas and philosophies of architects and designers from around the world. The TOTO History Museum within the Company’s headquarters premises displays sanitary ware and tableware from the Taisho to Showa eras, including the original Washlet. Nearly 70,000 people from around the world have visited the museum to date. It provides an excellent platform to learn about the history of TOTO products.
Corporate Profile  (as of March 2014)

Company name: TOTO LTD.
Establishment: May 15, 1917
Capital: ¥35,579 million
Headquarters: 1-1, Nakashima 2-chome, Kokurakita-ku, Kitakyushu, Fukuoka, Japan
Number of employees: 25,705 (consolidated)
6,769 (non-consolidated)
Group companies: 58 companies (56 consolidated subsidiaries)
Main businesses: Residential Equipment
Sanitary ware (toilet basins, urinals, sinks, washbasins, etc.),
System toilets,
Toilet seats (e.g., Washlet),
Plumbing accessories, etc.,
Bathtubs,
Unit bathrooms,
Fittings (Various faucets, drain fittings, etc.),
Modular kitchens,
Bathroom vanity units,
Marbright artificial marble counters, etc.,
Bathroom ventilation, heating and drying systems,
Welfare equipment, etc.

New Business Domain Products
Eco-friendly materials (tiles, Hydrotect coating materials, etc.),
Ceramics (precision ceramics, optical components, etc.)

TOTO Group Global Network  (27 overseas consolidated subsidiaries and affiliates)
Overview of TOTO Group Communication Tools

Overview and Details on TOTO Group Activities
TOTO CORPORATE REPORT 2014
(Japanese/English)

A Brief Introduction to the Essence of TOTO
TOTO Guide
(Japanese/English/Chinese/Korean)

General
Target Readers
Specialty
Details
Content
Summary

Single Document Containing the Activities and Technical Data of the TOTO Group
TOTO Group Corporate View
(PDF file)
(Japanese/English)

Latest TOTO Group Information
TOTO Group Website
http://www.toto.co.jp/company/profile_en/

TOTO LTD.
1-1, Nakashima 2-chome, Kokurakita-ku,
Kitakyushu, Fukuoka, Japan

Please see the TOTO website for detailed information on our products, services and activities:
http://www.toto.co.jp/en/

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