

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

July 31, 2019

Company name: TOTO Ltd.  
 Stock exchange listing: Tokyo, Nagoya, Fukuoka  
 Stock code: 5332 URL <https://jp.toto.com>  
 Representative: President & Representative Director Madoka Kitamura  
 General Manager  
 Inquiries: Management Planning Dept. Yoshihisa Tanaka TEL 03(6836)2024  
 Scheduled date to file Quarterly Securities Report: August 6, 2019  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

#### (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	%
Three months ended June 30, 2019	136,071	2.7	5,401	(15.4)	5,493	(31.6)	3,183	(34.5)
Three months ended June 30, 2018	132,451	0.6	6,381	(8.6)	8,031	(3.3)	4,863	0.4

(Note) Comprehensive income: Three months ended June 30, 2019: 2,847 million yen [659.8%]  
 Three months ended June 30, 2018: 374 million yen [(89.7)%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2019	18.80	18.77
Three months ended June 30, 2018	28.73	28.67

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	558,986	341,127	59.7
As of March 31, 2019	574,960	346,658	58.9

(Reference) Equity: As of June 30, 2019: 333,590 million yen  
 As of March 31, 2019: 338,709 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, 2019	–	45.00	–	45.00	90.00
Year ending March 31, 2020	–	–	–	–	–
Year ending March 31, 2020 (Forecast)	–	45.00	–	45.00	90.00

(Note) Revisions to the forecasts of cash dividends most recently announced: No

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2019	293,900	4.6	16,300	(9.9)	17,000	(15.5)	12,400	(6.8)	73.24
Full year	618,000	5.4	45,000	12.0	46,000	6.7	33,000	1.9	194.90

(Note) Revisions to the consolidated financial results forecasts most recently announced: No

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 August 6, 2019.

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2019  
(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 June 30, 2019	∴	176,981,297 shares	As of March 31, 2019	∴	176,981,297 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	∴	7,660,020 shares	As of March 31, 2019	∴	7,664,017 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2019	∴	169,319,927 shares	Three months ended June 30, 2018	∴	169,285,512 shares
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\* 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, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	98,367	83,077
Notes and accounts receivable - trade	96,656	87,846
Securities	10	10
Merchandise and finished goods	52,067	58,034
Work in process	12,909	14,399
Raw materials and supplies	17,001	16,903
Other	10,819	11,595
Allowance for doubtful accounts	(201)	(198)
Total current assets	287,630	271,669
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	79,488	78,749
Land	27,016	27,026
Other, net	91,296	94,847
Total property, plant and equipment	197,801	200,622
Intangible assets	18,245	18,998
Investments and other assets		
Investment securities	53,907	49,772
Other	17,631	18,178
Allowance for doubtful accounts	(256)	(255)
Total investments and other assets	71,282	67,695
Total non-current assets	287,329	287,316
Total assets	574,960	558,986

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	65,116	61,290
Short-term borrowings	25,714	26,276
Income taxes payable	2,756	1,648
Accrual for loss on inspection and repair of products	58	56
Provision for loss on business restructuring	375	367
Other	96,626	87,044
Total current liabilities	190,648	176,684
Non-current liabilities		
Long-term borrowings	2,152	1,569
Retirement benefit liability	31,214	30,029
Other	4,286	9,575
Total non-current liabilities	37,653	41,174
Total liabilities	228,301	217,858
<b>Net assets</b>		
Shareholders' equity		
Share capital	35,579	35,579
Capital surplus	29,241	29,237
Retained earnings	275,019	270,514
Treasury shares	(14,194)	(14,187)
Total shareholders' equity	325,645	321,143
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,709	11,123
Foreign currency translation adjustment	3,854	5,602
Remeasurements of defined benefit plans	(4,500)	(4,278)
Total accumulated other comprehensive income	13,063	12,447
Share acquisition rights	487	481
Non-controlling interests	7,462	7,054
Total net assets	346,658	341,127
Total liabilities and net assets	574,960	558,986

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

**Consolidated statements of income (cumulative)**

	(Millions of yen)	
	Three months ended June 30, 2018	Three months ended June 30, 2019
Net sales	132,451	136,071
Cost of sales	83,643	88,132
Gross profit	48,808	47,939
Selling, general and administrative expenses	42,427	42,537
Operating profit	6,381	5,401
Non-operating income		
Interest income	497	306
Dividend income	796	808
Share of profit of entities accounted for using equity method	244	153
Foreign exchange gains	580	–
Other	170	169
Total non-operating income	2,290	1,438
Non-operating expenses		
Interest expenses	12	24
Sales discounts	311	331
Loss on retirement of non-current assets	120	56
Foreign exchange losses	–	802
Other	193	132
Total non-operating expenses	639	1,346
Ordinary profit	8,031	5,493
Extraordinary income		
Gain on sales of investment securities	–	530
Total extraordinary income	–	530
Extraordinary losses		
Loss on sales of land and others	7	–
Loss on sales of membership	–	0
Loss on valuation of securities	–	89
Total extraordinary losses	7	90
Profit before income taxes	8,024	5,934
Income taxes - current	3,365	2,105
Income taxes - deferred	(363)	441
Total income taxes	3,002	2,546
Profit	5,022	3,387
Profit attributable to non-controlling interests	159	204
Profit attributable to owners of parent	4,863	3,183

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	5,022	3,387
Other comprehensive income		
Valuation difference on available-for-sale securities	1,551	(2,586)
Foreign currency translation adjustment	(6,069)	1,744
Remeasurements of defined benefit plans, net of tax	276	220
Share of other comprehensive income of entities accounted for using equity method	(406)	81
Total other comprehensive income	<u>(4,648)</u>	<u>(539)</u>
Comprehensive income	<u>374</u>	<u>2,847</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,292	2,566
Comprehensive income attributable to non-controlling interests	(917)	280

**(3) 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