Preface

The Spirit of TOTO Unchanging for 100 Years

Words of Our Founder

Kindness must always come first.
Bring the concept of service to your work.
Your goal should be to provide good products and satisfy the customer.
Accomplish that, and profit and compensation will follow.
Many in this world chase after the shadow of profit.
But, in the end, they never capture the real thing.

A letter written by the TOTO’s first president, Kazuchika Okura, to his successor, Saburo Momoki, contains words that have been treasured as the Words of Our Founder.

In 1962, we formulated the Company Mottos based on our corporate activities in the future while respecting the tradition of TOTO’s founding.

These established ideas from our founding are formulated into philosophy system for TOTO group management so they are appropriate for this time and can be shared by the TOTO Group.

Philosophy System for TOTO Group Management

The common group philosophy represents the inherited values of TOTO that are shared among employees and will be carried forward into the future.

Visions for Business Activities

Our vision and mission are positioned as the course of our business activities that change in accordance with the demands of the times.

Contents

Philosophy and Value Creation

1 Preface
3 Message from the President
5 TOTO Group Value Creation

Mid-/Long-Term Management Plan

9 Mid-/Long-Term Management Plan
11 Global Housing Equipment Business: Japan Housing Equipment Business
13 Global Housing Equipment Business: China & Asia Housing Equipment Business and Americas & Europe Housing Equipment Business
16 Cross-organizational Innovation Activities: Marketing Innovation
17 Cross-organizational Innovation Activities: Demand Chain Innovation/ Management Resource Innovation
18 Strengthen Corporate Governance
19 TOTO Global Environmental Vision
21 Focus

Business Promotion Resources

25 Corporate Governance
27 Board of Directors
29 CSR Management
30 Stakeholder Engagement
31 For Customer Satisfaction
33 All Employees Together
34 Together with Suppliers
35 For the Society
36 Dialogue with Shareholders and Other Investors
37 Recent Evaluations by External Parties
38 Corporate Data
The Spirit of TOTO: Unchanging for 100 Years

Preface

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Visions for Business Activities

Our vision and mission are positioned

The common group philosophy represents

The TOTO Group strives to be a great company, trusted by

To achieve our philosophy, TOTO will:

Company Mottos

Company Mottos represent the thoughts of the founder to be passed down through the generations.

TOTO Group Corporate Philosophy

Our corporate philosophy, based on the thoughts of the founder to be passed down through the generations, communicates to all of our stakeholders the purpose for which our company exists, our business domains, and the type of company we aim to be.

Charter of TOTO Group Corporate Behavior

The Charter of TOTO Group Corporate Behavior stipulates the basic stance of behavior of all people working for TOTO Group to realize all stakeholders’ satisfaction.

For details regarding the Charter of TOTO Group Corporate Behavior, please see the Common Group Philosophy section on our website at: http://www.toto.co.jp/en/company/profile/philosophy/group/

Vision

Toward a Dynamic, Vibrant and Excellent TOTO

Mission

TOTO

Mid-/Long-Term Management Plan

TOTO V-Plan 2017 is our business roadmap through fiscal 2017

TOTO CORPORATE REPORT 2017 Editorial Policy

This report has been published as an integrated communication tool for all of our stakeholders. This report introduces information such as the origins of the TOTO Group and business activity topics in addition to annual financial/ESG (Environmental, Social, and Governance) data. In addition, it communicates TOTO’s corporate stance to be committed to linking its past and present performance with initiatives designed to further enhance corporate value for the future.

- Period of reporting
  FY2016 (April 1, 2016 to March 31, 2017) * This report includes some information pertaining to before or after the period.

- Scope of reporting
  TOTO LTD. and Group companies

- Guidelines
  Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines
  Reference guidelines are available on the TOTO Group website: http://www.toto.co.jp/en/company/csr/stakeholder/gri/
  * WASHLET™, Karari Floor™, Mahobin bathtub™ and Air-in™ are trademarks or registered trademarks of TOTO LTD.

TOTO Group Website

The TOTO Group website offers a broad array of information about our business organization and activities. As such, it provides stakeholders of all types with information that complements the content provided in our Corporate Report.

http://www.toto.co.jp/en/company/

Financial and Non-financial Data

Information on key financial indicators and environmental and social matters can be found on our website.

To Thrive for Another Hundred Years

Philosophy.

To contribute to the advancement of society by always providing a healthy and civilized way of life. We aim to place the provision of high-quality products and services that will make customers, not only in Japan but across the globe, happy that they have chosen TOTO products. “Create an enriched and more comfortable lifestyle and culture built on our plumbing parts and production technology.”

Mid-/Long-Term Management Plan

Business Promotion Resources

Employees will act in ways that boost the TOTO brand, my mission, as president of the TOTO Group, is to continue to “Create an enriched and more comfortable lifestyle and culture built on our plumbing products,” as stated in the TOTO Group Corporate Philosophy.

With the Vision of Our Founder as a Touchstone

Advancing into its second century of operation, the TOTO Group conducts corporate activities with the aim of continuing to be a beneficial presence to society at large and to the earth’s environment. Each and every employee is imbued with our founder’s vision of providing a healthy and civilized way of life. We aim to contribute to the advancement of society by always placing the provision of high-quality products and customer satisfaction above all else, and maintaining the spirit of service. The conviction inherited at our founding is the heart of our manufacturing as well as the core of corporate management. Providing customers throughout the world with the security and reliability of the TOTO brand, my mission, as president of the TOTO Group, is to continue to “Create an enriched and more comfortable lifestyle and culture built on our plumbing products,” as stated in the TOTO Group Corporate Philosophy.

In Pursuit of Innovativeness and Beauty

The TOTO Group was manufacturing seated flush toilets at a time when public sewage systems were not yet widespread in Japan, and it has been instrumental in promoting healthy lifestyles. The TOTO Group has opened the door to new lifestyles by creating products such as the WASHLET™, the prefabricated bathroom module, and other bathroom and kitchen plumbing products.

The TOTO Group is pursuing the development of beautiful products sophisticated in design and functionality. Emphasizing design characteristics means rising to the challenges of increasingly complex manufacturing demands by overcoming production issues one by one. Beauty is the crystallization of enthusiasm and ingenuity in the design of individual parts and production technology.
Philosophy and Value Creation

To Thrive for Another Hundred Years

Creating Another Century of Success

Business activities come to nothing in the absence of cooperation and co-creation with customers, business partners, shareholders, and the entire broad array of our stakeholders. For the TOTO Group, the primary actors are individual employees who take it upon themselves to think of how they can best contribute to the benefit of customers and society. That is why we will continue to place great emphasis on human resource development and will continue to “Create an enriched and more comfortable lifestyle and culture built on our plumbing products.”

We aim to continue to provide products and services that will make customers, not only in Japan but throughout the world, happy that they have chosen TOTO and want to choose TOTO again in the future. Looking to our next 100 years, each and every one of our employees will act in ways that boost the TOTO brand and enhance our corporate value.

Making TOTO Indispensable Across the Globe

In pursuing business development on a global scale, we are striving to enhance the comfort, hygiene, safety and security of bathroom and kitchen spaces throughout the world by working to develop products that bring a new sense of prosperity to the daily lives of customers in countries and regions each with their own unique environments and cultures. Our ability to save water in compliance with strict water-per-flush regulations, technology for maintaining clean surfaces by breaking down and removing even invisible contaminants, and design in pursuit of beauty have been lauded even in markets across the globe.

Nearly all TOTO customers use our products for 20 or even 30 years. Our relationships with customers, therefore, really begin once a purchase has been made. It is not enough for us to focus on winning strong reviews of our products; we must also provide solid after-sales service so that customers around the world, like customers in Japan, will remain pleased with our products for decades to come.

Creation of the Remodeling Market in Japan

The Japanese market, which accounts for roughly 70% of the TOTO Group’s net sales, is seeing a decline in new home construction and moving toward a stock-based society, one that focuses on the use of existing assets. Nevertheless, there is still rising demand for more comfortable lifestyles.

The TOTO Group pioneered development of the remodeling market in Japan and continues to lead its advancement by actively providing remodeling solutions that promise new lifestyles beyond customer expectations. To help customers gain a clearer sense of their options, we have established throughout Japan showrooms that let customers see, feel, and experience remodeling possibilities. Together with contractors, which are in direct contact with customers, we strive to show customers how bathroom and kitchen environments can be made more comfortable.

Furthermore, TOTO will be providing plumbing equipment as an Official Partner of the Tokyo 2020 Olympic and Paralympic Games. And, in light of the Japanese government’s goal of increasing to 60 million the annual number of foreign visitors to Japan by 2030, we are actively moving forward with efforts to refurbish or newly install bathroom and other facilities for hotels, public buildings, and other types of accommodations. We are taking this action because we believe bathrooms throughout the country are also showrooms for the advanced development of these facilities in Japan. And we believe that having foreign visitors to Japan experience the beauty of bathroom culture here is an important aspect of hospitality in a country intent on making itself a prime tourism destination.

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TOTO Group Value Creation

Timeline in Providing Clean, Comfortable Living Spaces

**Company History**
- **1917** Established Toyo Toki Company, Limited
- **1962** Formulated company mottos
- **1970** Changed corporate name to TOTO KIKI LTD.
- **1977** Established TOTO’s first overseas joint venture company, in Indonesia
- **1993** Remodeling Declaration

**Focuses business on new housing**
- **1970s**
- **1980s**
- **1990s**

**Products and Technology**
- **1914** Successfully developed Japan’s first seated flush toilet
- **1962** Developed construction method for Japan’s first pre-fabricated bathroom modules (based on JIS provisions)
- **1970** Launched the modular kitchen design
- **1980** Launched WASHTLET™ (toilet seats with a warm-water washing feature)
- **1981** Launched the Shampoo Dresser (bathroom vanity suited for washing hair)
- **1985** Started mass production of electrostatic chucks
- **1988** Discovered photocatalytic super-hydrophilicity (TOTO and the University of Tokyo)
- **1993** Launched the NEOREST EX

**Business Promotion Resources**
- **1946** Began faucet production
- **1963** Launched the NEOREST EX Series with built-in Tornado Cleansing technology
- **1980** Launched WASHLET™ Apricot with ewater+, antibacterial electrolyzed water
- **1995** Launched Furopia insulated thermal pot Mahobin bathtub™ series
- **1999** Launched Furopia system bathroom with quick-drying Karari floor™

**Cultural and Other Activities**
- **1985** Established the Kirameki Promotion Office to further women’s careers
- **1989** Established the TOTO Water Environment Fund
- **1993** Established SUNAQUA TOTO Ltd. to provide a comfortable work environment for people with disabilities

**Diversity**
- **1993**

**1985** Opened GALLERY-MA
**1989** Founded TOTO Publishing

**1995** Announced TOTO Environmental Vision 2017
**2017** Announced TOTO Global Environmental Vision

**Embarks on business development in China and other parts of Asia**
**Embarks on business development in Europe**
**Embarks on business development in the Americas**
1917
Successfully developed Japan’s first seated flush toilet
Launched WASHLET™ (toilet seats with a warm-water washing feature)

1914
Launched CS series water-saving, noise-reducing toilet
Developed Cefiontect technology

1976
Began faucet production

1946
Launched bathroom vanity units

1968
Strengthens fundamentals for pursuing the remodeling business
Advancement of V-Plan

1962
1993
2004
1970
1977
2003
2002

2004
Established the Philosophy System for TOTO Group Management

2007
Changed corporate name to TOTO LTD.

2009
Announced TOTO V-Plan 2017

2010
Announced TOTO Environmental Vision 2017

2014
Announced TOTO Global Environmental Vision

2017
Launched NEOREST NX globally

1999
Developed Cefiontect technology

2002
Entered into operational agreement between TOTO, DAIKEN, and YKK AP

2003
New Remodeling Declaration

2008
Launched TOTO Restroom Item 01

2009
Launched the NEOREST SERIES/SE in Europe

2011
Launched WASHLET™ Apricot with ewater+, antibacterial electrolyzed water

2012
Launched Drake II 3.8L water-saving toilet in the US

2013
Launched Bedside Flushable Toilets

2017
Launched faucet products distinguished by their sophisticated designs on the global market

2001
Launched Furopia system bathroom with quick-drying Karari floor™.

2004
Launched Furopia insulated thermal pot Mahobin bathtub™ series

2008
Launched TOTO Restroom Item 01

2004
Launched AIR-IN™ SHOWER showerhead

2010
Launched Furopia insulated thermal pot Mahobin bathtub™ series

1999
1993
2004
1993
2011
2002
1980
1985
2010
2013
2005
2006
2015

CSR Activities

2004
Established the CSR Committee

2011
Became a signatory to the United Nations Global Compact

2005
Established the Kirameki Promotion Office to further women’s careers

Social Contribution

2005
Established the TOTO Water Environment Fund

2006
Embarked on the TOTO Acorn Reforestation Project

2015
- Established GALLERY TOTO at Narita International Airport
- Opened TOTO Museum
TOTO Group Value Creation

To Become a Company Needed by Customers throughout the World

TOTO V-Plan 2017

Implementation of the TOTO V-Plan 2017 Long-Term Management Plan

The TOTO Group formulated the TOTO V-Plan 2017 as a long-term management plan in July 2009.

Resting on a base of enhanced corporate governance, the V-Plan strategic framework organizes the TOTO Group’s activities into two business segments—the Global Housing Equipment Business with development efforts underway in Japan, China & Asia, and the Americas & Europe; and the New Business Domains, including the Advanced Ceramics Business and the Green Building Materials Business. Innovation activities in three areas—marketing, demand chain, and management resources—are pursued on a companywide, cross-departmental basis.

The TOTO Global Environmental Vision will be the driving force behind these business activities and promoted in the entire Group.

Global Housing Equipment Business

Given the decline of new housing starts in Japan, we are accelerating implementation of our remodeling strategy and reforming our cost structure to build a high-return business. Furthermore, we are acting to fuel TOTO Group growth by enhancing business fundamentals to address changing market and business conditions in the China & Asia and Americas & Europe sectors.

New Business Domains

Global business development will move forward for advanced ceramics products incorporating TOTO proprietary technology developed in ceramic sanitary ware, and for HYDROTECT photocatalytic technology harnessing the power of light to clean the environment.

TOTO Global Environmental Vision

Pursuing the TOTO Global Environmental Vision as an Integral Part of Our Business

The TOTO Group established the TOTO Global Environmental Vision in 2014 for the purpose of taking its environmental contribution activities an evolutionary step further while facing up to the environmental problems of each country and region. Based on six themes of global environmental activities (pp.19-20), the entire TOTO Group is committed to making contributions to the global environment through our business activities.
Providing the World a New Every Day

TOTO Provides Value for the Future

Pursuing Social Contributions That Help Communities throughout the World

Placing Great Value on Our Connections with Stakeholders, Moving People Beyond Satisfaction

Providing User-Friendly Plumbing Equipment for Customers throughout the World

Through Our Products and Business – Making Contributions That Help Solve Environmental Issues in Countries and Regions across the Globe

Results for Fiscal 2016
Record highs in net sales and operating income

Net sales ¥573.8 billion

Operating income ¥48.5 billion

ROA (Return on Assets) 8.9%
* Based on operating income

ROE (Return on Equity) 11.8%
* Based on net income
Be a truly global company by 2017
Provide customers over the world with a new "everyday" and continue to be indispensable to society.

Realizing environmental contribution through TOTO Global Environmental Vision

Marketing innovation / Demand chain innovation / Management resource innovation

Strengthen corporate governance

TOTO V-Plan 2017 Results to Date and Fiscal 2017 Targets

Record Highs in Net Sales and Operating Income Margin Improvement Initiatives Bearing Fruit

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>421.9</td>
<td>433.5</td>
<td>452.6</td>
<td>476.2</td>
<td>553.4</td>
<td>544.5</td>
<td>567.8</td>
<td>573.8</td>
<td>594.0</td>
</tr>
<tr>
<td>Operating income</td>
<td>6.5</td>
<td>14.0</td>
<td>18.7</td>
<td>23.3</td>
<td>47.1</td>
<td>37.4</td>
<td>46.1</td>
<td>48.5</td>
<td>51.0</td>
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<tr>
<td>Operating margin</td>
<td>1.6%</td>
<td>3.2%</td>
<td>4.1%</td>
<td>4.9%</td>
<td>8.5%</td>
<td>6.9%</td>
<td>8.1%</td>
<td>8.5%</td>
<td>8.6%</td>
</tr>
<tr>
<td>ROA (on a basis of operating income)</td>
<td>1.7%</td>
<td>3.7%</td>
<td>5.0%</td>
<td>6.0%</td>
<td>10.7%</td>
<td>7.5%</td>
<td>8.8%</td>
<td>8.9%</td>
<td>8.1%</td>
</tr>
<tr>
<td>ROE (on a basis of net income)</td>
<td>0.5%</td>
<td>2.8%</td>
<td>5.2%</td>
<td>8.8%</td>
<td>19.4%</td>
<td>10.0%</td>
<td>13.1%</td>
<td>11.8%</td>
<td>11.8%</td>
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</tbody>
</table>

* This Medium-term Management Plan based on assumptions, estimates and plans as of April 28, 2017. Actual performance may differ materially from these forward-looking statements, competition and foreign currency exchange rates.

Mid-/Long-Term Management Plan

TOTO Corporate Report 2017
In accordance with the TOTO V-Plan 2017 long-term management plan, we have advanced business initiatives for our two core businesses—the Global Housing Equipment Business, consisting of three geographic areas, Japan, China & Asia, and Americas & Europe; and the New Business Domains, which include the Advanced Ceramics Business and the Green Building Materials Business.

Within the Global Housing Equipment Business, net sales from remodeling operations in Japan approximated the figure for the previous fiscal year, while net sales related to new construction exceeded the previous year’s result, and overseas unit sales of WASHLET™ products exhibited significant year-on-year growth.

In New Business Domains, higher sales and earnings resulted from solid results in the Advanced Ceramics Business.

On a consolidated basis, the TOTO Group posted net sales of ¥573.8 billion (up 1.0% year-on-year), operating income of ¥48.6 billion (up 5.3%), ordinary income of ¥49.4 billion (up 5.6%), and profit attributable to owners of parent of ¥33.8 billion (down 5.3%).

Main Product Offerings in Japan

- Toilets
- WASHLET™ (toilet seats with a warm-water washing feature)
- Prefabricated bathroom modules
- Modular kitchens
- Bathroom vanity units
- Faucets

Main Product Offerings Overseas

- Toilets
- WASHLET™ (toilet seats with a warm-water washing feature)
- Faucets
- Washbasin
- Bathtubs
Operating income

12

¥423.3 billion

Compared to FY2009 +20% ¥29.1 billion

Difference vs. FY2009 +¥24.4 billion

Growth in remodeling segment

Net sales

Compared to FY2003 +27%

Business Performance

<table>
<thead>
<tr>
<th>Year</th>
<th>Net sales (Unit: billion yen)</th>
<th>Remodeling net sales (Unit: billion yen)</th>
<th>Operating income (Unit: billion yen)</th>
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</thead>
<tbody>
<tr>
<td>2009</td>
<td>345.1</td>
<td>236.2</td>
<td>21.6</td>
</tr>
<tr>
<td>2010</td>
<td>361.0</td>
<td>260.0</td>
<td>28.5</td>
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<tr>
<td>2011</td>
<td>375.4</td>
<td>283.0</td>
<td>38.2</td>
</tr>
<tr>
<td>2012</td>
<td>386.8</td>
<td>363.7</td>
<td>44.9</td>
</tr>
<tr>
<td>2013</td>
<td>433.9</td>
<td>383.0</td>
<td>50.0</td>
</tr>
<tr>
<td>2014</td>
<td>400.0</td>
<td>393.7</td>
<td>47.2</td>
</tr>
<tr>
<td>2015</td>
<td>420.3</td>
<td>414.4</td>
<td>53.1</td>
</tr>
<tr>
<td>2016</td>
<td>423.3</td>
<td>423.3</td>
<td>53.1</td>
</tr>
<tr>
<td>2017</td>
<td>(Planned*)</td>
<td>(Planned*)</td>
<td>(Planned*)</td>
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Business Strategy and Results

Advancing a Remodeling Strategy that Does Not Rely on New Housing Demand

After Japan’s economic bubble burst in 1993, TOTO transformed its management model to one that does not rely on new housing demand. For over 20 years, a period that began with the Remodeling Declaration, in 1993, and was reaffirmed with the New Remodeling Declaration, in 2003, remodeling work has been our core business.

Currently, the remodeling business makes up about 70% of sales in the domestic business, and we have firmly established a management model that does not rely on new housing demand.

As each remodeling project, in contrast with new construction, entails different on-site conditions and customer needs, it requires multiple abilities in areas such as construction expertise, planning, and customer communication. TOTO has the product appeal and abilities required for performing remodeling work and was a pioneer in building a network of contractors with deep ties to local communities. We established the Remodel Club system in 1994 and have expanded the number of Showrooms to present remodeling options, throughout Japan.
TDY Alliance

To further accelerate the growth of its remodeling business, TOTO, together with DAIKEN and YKK AP, leading manufacturers of key housing materials, formed the TDY alliance in 2002.

To promote the comfortable bathroom and kitchen spaces possible with the high-quality products made by each of the alliance members, and make the most of their sales networks, the alliance members cooperate to open TDY Collaboration Showrooms, organize Green Remodel Fairs, and undertake other activities that are producing steady growth.

Four new Collaboration Showrooms were opened or relocated in fiscal 2016.

Prefabricated Bathroom Modules Evolving with the Times

In 1964, the Hotel New Otani, Japan’s first high-rise hotel, was completed just in time to welcome international visitors for the opening of the Tokyo Olympic Games. In 1963, Japan’s first prefabricated bathroom module (based on JIS provisions) was developed for installation in the new hotel.

Since then, the TOTO Group has constantly worked to please customers by developing various functions based on universal design concepts. Examples include quick-drying Karari floors™ and highly insulated Mahobin bathtubs™ that allow no more than a 2.5°C decline in water temperature over a span of four hours.

More recently, we have developed the Hokkarari Floor, an evolution of the Karari floor™ that features a soft texture customers can comfortably kneel on. In addition, we are moving forward with the incorporation of a platform structure for prefabricated bathroom module floors to create greater development possibilities and enhance production and installation efficiency.

Evolution of the Prefabricated Bathroom

1963
Development of a construction approach using Japan’s first prefabricated bathroom module (based on JIS provisions)

2001
Karari Floor™ offering the revolutionary ability to completely dry overnight

2004
Mahobin bathtub™ thermally insulated to keep bathwater warm for at least four hours

2016
Sazana bathroom equipped with the easy-to-clean Hokkarari Floor and other examples of TOTO’s latest technologies
Global Housing Equipment Business
China & Asia Housing Equipment Business and Americas & Europe Housing Equipment Business

Fiscal 2016 Results

Net sales
¥128.1 billion
Compared to FY2009 +144%

Operating income
¥23.3 billion
Difference vs. FY2009 +¥17.7 billion

WASHLET™ unit sales outside Japan
Approx. 5 times

Business Performance

Business Strategy and Results

Advancing Country- and Region-Specific Marketing Strategies

TOTO Group growth is being driven by the development of new markets and simultaneous advancement of business endeavors in China, other parts of Asia, the Americas, and Europe. In addition to building a structure to locally develop, produce and sell the most suitable products respecting the local culture and lifestyles of individual regions, we will strengthen our overall business foundation using a three-stage marketing strategy of brand awareness enhancement, market penetration, and establishment of a luxury brand.

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**Topics**

**Adding Showrooms and Enhancing Functions**

The TOTO Group shines a spotlight on its proprietary technology through its own directly managed overseas showrooms. These showrooms feature model spaces where customers can gain a firsthand impression of toilets and other TOTO products. They also offer bathroom and kitchen plumbing ideas adapted to local needs. In fiscal 2016, we opened the TOTO Corporate Gallery in New York, a directly managed overseas showroom in Vietnam, and a technical center in Thailand.

**Adding Production Capacity with a View to Extending the Global Supply Chain to Thailand and Vietnam**

Alongside its traditional approach of emphasizing local production of products for local markets, the TOTO Group is also working to strengthen a production system in which the Asia and Oceania region functions as a global supply base. In constructing elements of this system, we are applying the latest, highly energy-efficient tunnel kilns and other technologies to create environmentally friendly factories, in accordance with the TOTO Global Environmental Vision (pg.19-20).

Construction of two new plants is underway. Work on Vietnam Plant No. 3 commenced in January 2016, with operational startup scheduled for March 2018, and work on Thailand Plant No. 2 began in May 2017. This plant is scheduled to come online in April 2019. Both of these plants will be used for the mass production of ceramic sanitary ware.

**Project Reference**

**Adoption of TOTO Products is Advancing at Prominent Public Facilities Around the World**

The WASHLET™ is a product that needs to be actually experienced to understand its true value. Being used in hotels, airports, and other prominent public facilities, therefore, is an important first step to increase their adoption. The number of WASHLETS™ adopted for use at renowned five-star hotels throughout the world is increasing year after year.

Conrad Xiamen (China)  
Andaz 5th Avenue (New York)  
New York City  
Bangkok  
Ho Chi Minh City
New Business Domains
Advanced Ceramics Business/
Green Building Materials Business

Fiscal 2016 Results

Net sales
¥22.0 billion
+47%
Compared to FY2009

Advanced Ceramics Business net sales
¥13.0 billion
+135%
Compared to FY2009

Green Building Materials Business net sales
¥8.9 billion
+6%
Compared to FY2009

Advanced Strategy and Results

Advanced Ceramics Business Sustaining Overall Profitability in New Business Domains

With the Advanced Ceramics Business applying TOTO proprietary technology, and the Green Building Materials Business developing construction materials and other products applying HYDROTECT environmental cleaning technology, we are continuing to advance business activities in new business domains.

Advanced Ceramics Business
Sales were driven above the prior-year’s level by the strong results for electrostatic chucks used in manufacturing semiconductor memory devices, which are increasingly employing a three-dimensional design, and for advanced ceramics components for OLED manufacturing equipment. A more customer-oriented business approach and improvements in profitability have resulted in the solidification of profit-generating business fundamentals. Also, the advancement of demand chain innovation, a company-wide innovation activity, is helping to promote the establishment of an optimal production system.

Green Building Materials Business
HYDROTECT, a green building material technology making use of a photocatalyst, has already been adopted by a significant number of partner companies. Looking to the future, we will strive to further our environmental contribution and will redouble efforts to promote HYDROTECT technology overseas by engaging in more partnerships with various companies.

Advanced Ceramics Business
TOTO provides high-quality advanced ceramics, including air bearings, electrostatic chucks, bonding capillaries and receptacles, for the semiconductor, FPD manufacturing and optical communications industries.

Green Building Materials Business
TOTO offers building materials utilizing HYDROTECT, an environmental purification technology. TOTO also enters into license agreements and technology transfer contracts with companies worldwide handling exterior building materials (including tile, paint, metal panels, glass, and architectural stone).

Electrostatic Chucks

HYDROCERA WALL
Cross-organizational Innovation Activities

Marketing Innovation

With beautiful design that delights customers, and TOTO proprietary functionality, we make products that appeal to customers around the world.

Core Technologies Created in Japan

**Tornado Flush System**
The Tornado Flush efficiently cleanses even the most stubborn grime and effectively uses a small amount of water.

**ewater+**
TOTO’s ewater+ contains hypochlorous acid which, with its powerful degeneration properties, can clean and remove bacteria and dirt that cannot be removed by normal flushing.

**Cefiontect**
The concave ceramic surface is smooth at a nano level of one to the one millionth millimeter. This unique TOTO technology repels dirt and makes cleaning easy.

Global Market Development Based on Core Technologies

Products are created by combining core technologies developed in Japan, with functions and design characteristics preferred in individual countries and regions.

Gaining International Praise

TOTO products, lauded for their sophisticated design and proprietary technologies and functionality, have won numerous international awards.
Cross-organizational Innovation Activities

Demand Chain Innovation

The TOTO Group operates a demand chain globally integrating everything from product planning to research and development, production technology, purchasing, manufacturing, logistics, and after-sales services.

Business Strategy and Results

Aiming to Build an Efficient System that Swiftly Responds to Customer Demands

We practice demand chain innovation, integrating supply chain innovation and manufacturing innovation. Supply chain innovation establishes procurement and distribution networks through the restructuring of distribution sites and integrates production and sales departments based on the basic policies for action according to unified production, sales, distribution, purchasing, and information. This further minimizes delivery divergence, inventories, and supply chain costs.

Through manufacturing innovation, we are undertaking innovation activities from four perspectives — materials, global platforms for greater design efficiency, next-generation production methods, and global production site optimization.

Cross-organizational Innovation Activities

Management Resource Innovation

TOTO views human resources as among its most important management resources and is taking steps to promote diversity and strengthen HR development.

Business Strategy and Results

Supporting Women’s Careers and Advancing the Employment of People with Disabilities

We are supporting the participation of women in various aspects of our business, promoting women into managerial positions, and advancing the employment of people with disabilities. We are also striving to improve work environments to enable employees to work with enthusiasm.

In fiscal 2016, we took steps to gain status as regular employees. This was done to enhance motivation and encourage contract employees to stay with us over the long term. We also revised our system for encouraging managers to hone their skills and capabilities and ultimately take on even greater professional challenges.

To further human resource development, we conducted surveys and research on global human resource management and added enhancements, such as award and human resource exchanges for employees at overseas sites.
Strengthen Corporate Governance

The TOTO Group is in compliance with all of the general principles set forth in Japan’s Corporate Governance Code and is working to further strengthen its corporate governance.

Results of Initiatives

Confirmation of Board of Directors Effectiveness
In March 2017, a Board of Directors meeting was convened with attendance by all of the directors and Audit & Supervisory Board members, including outside members of both groups. At this meeting, the activities of the Board of Directors in performing its designated role; operation of the internal control system; Board of Directors meeting agendas, including discussion of corporate strategy, and other critical matters impacting the direction of the company were evaluated for effectiveness from the perspective of items addressing boards of directors in Japan’s Corporate Governance Code. Prior to this meeting, all Board of Directors and Audit & Supervisory Board members were asked to conduct comprehensive self-evaluations/self-analyses regarding matters such as board composition, effectiveness, and operation. Anonymous survey instruments were used for this purpose. To encourage the expression of opinions without reserve and ensure an objective analysis of survey results, tallying and analysis of survey results was entrusted to an outside institution.

Based on analysis results, it was confirmed that TOTO’s Board of Directors is functioning properly and effectively.

Going forward, we will continue to conduct the self-evaluations/self-analyses discussed above in an effort to obtain even greater effectiveness and functionality on the part of TOTO’s Board of Directors.

Change in the Number of Nominating Advisory Committee Members
The Nominating Advisory Committee was established to help ensure objectivity and transparency in TOTO’s management. Toward that end, the committee has been structured such that outside members comprise over half of its membership. In June 2017, the number of internal committee members was decreased from four, to two. As a result, the total number of committee members was reduced to seven, five of whom are outside members.

Promoting Stronger Corporate Governance

<table>
<thead>
<tr>
<th>Year</th>
<th>Changes</th>
</tr>
</thead>
</table>
| 2004 | Establishment of the Nominating Advisory Committee  
|      | Establishment of the CSR Committee  
|      | Establishment of the philosophy system for TOTO Group management |
| 2005 | Establishment of the Compensation Advisory Committee  
|      | Establishment of the Risk Management Committee |
| 2006 | Appointment of the Outside Director  
|      | Establishment of the Internal Audit Office  
|      | Establishment of the Special Committee |
| 2007 | Introduction of the stock options system |
| 2010 | Establishment of the Requirements for Independent Directors/Audit & Supervisory Board Members and appointment of Independent Directors/Audit & Supervisory Board Members |
| 2011 | Reduction of the maximum number of Directors stipulated in Articles of Incorporation (from 20 to 14)  
|      | Participation in the United Nations Global Compact |
| 2012 | Enhancement of the Executive Officer system (Creation of a new post of Senior Executive Officer) |
| 2013 | Establishment of TOTO Group Business Conduct Guidelines |
| 2014 | The half or more of the Nominating Advisory Committee members shall be outside members |
| 2016 | Increase of the number of Outside Directors (from 2 to 3) |

For more detailed information on matters such as implementation of Japan’s Corporate Governance Code, please refer to the most recent Corporate Governance Report.

The TOTO Group Environmental Vision is promoted together with our business activities.

The TOTO Group established the TOTO Global Environmental Vision in 2014 for the purpose of taking its environmental contribution activities an evolutionary step further while facing up to the environmental problems of each country and region. Based on six themes of global environmental activities, the entire TOTO Group is committed to making contributions to the global environment through our business activities. With a view to realizing the TOTO Global Environmental Vision, the TOTO Group established Global Environment Goals to be pursued until the end of fiscal 2017. As a company that is largely involved with water, we are committed to setting clear targets for each of the six themes centered around conserving water. We are aiming to realize the V-Plan 2017 by promoting the Global Environmental Vision.

Fiscal 2016 Activities and Results

**Conserving Water**

Promoting water-saving products on a global scale, we are striving to reduce water consumption from use of our products. By promoting water-saving products, we succeeded in reducing water used by our products by 740 million m³ in fiscal 2016, as compared to what usage would have been had products available in 2005 continued to be sold and used, without the subsequent development of better-performing products. At 79% of shipments in Japan and 68% of shipments overseas, water-saving toilets (those that use 4.8L or less per use) are steadily growing as a percent of total unit sales.

**Water-Saving Performance of Toilets (Japan)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Model</th>
<th>Water Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976</td>
<td>CS Series 13L</td>
<td>12L</td>
</tr>
<tr>
<td>1994</td>
<td>Restica Series 8L</td>
<td>14L</td>
</tr>
<tr>
<td>1999</td>
<td>NEOREST A 6L</td>
<td>13L</td>
</tr>
<tr>
<td>2006</td>
<td>NEOREST AH 5.5L</td>
<td>9L</td>
</tr>
<tr>
<td>2007</td>
<td>NEOREST AH/RH 4.8L</td>
<td>4L</td>
</tr>
<tr>
<td>2009</td>
<td>GREEN MAX 4.8L</td>
<td>4L</td>
</tr>
<tr>
<td>2012</td>
<td>NEOREST AH/RH (Floor drainage)</td>
<td>3.8L</td>
</tr>
</tbody>
</table>

*Water consumed per full flush.

Reduced the volume of water per full flush by approx. 70%.

**Preventing Global Warming**

To help prevent global warming, we are working to reduce CO₂ emissions from our business activities. Our efforts to improve productivity, save energy, and introduce the use of renewable energy at business sites in Japan and overseas reduced our
The TOTO Group Environmental Vision is promoted together with our business activities.

### Fiscal 2016 Activities and Results

We are aiming to realize the V-Plan 2017 by promoting the Global Environmental Vision. Involved with water, we are committed to setting clear targets for each of the six themes centered around conserving water.

The TOTO Group established Global Environment Goals to be pursued until the end of fiscal 2017. As a company that is largely involved with the global environment through our business activities. With a view to realizing the TOTO Global Environmental Vision, the based on six themes of global environmental activities, the entire TOTO Group is committed to making contributions to the global environment through our business activities. Our efforts to improve productivity, save energy, and introduce water-saving products.

To help prevent global warming, we are working to reduce CO₂ emissions from use of our products. By promoting water- and energy-saving products, we succeeded in reducing water used by our products by 740 million m³ in fiscal 2016, as compared to what emissions would have been had products available in 2005 continued to be sold and used, without the subsequent development of better-performing products.

**Amount of CO₂ emissions reduction at business sites through these measures**

- **FY2016 Results**: 24.6 thousand tons

### Contribution to Local Communities

The TOTO Group works with local communities to restore and protect water resources, protect water conservation forests, and advance other environmental contribution activities in Japan and overseas. Furthermore, we encourage employees to participate in Green Volunteer social contribution activities, such as tree-planting and local cleanups, and other volunteer activities, as well. In fiscal 2016, the various activities organized at individual business sites drew participation from a total of 49,300 volunteers throughout the world.

**Volunteer activity participants**

- **FY2016 Results**: Total participants: 49,300

### Conserving Natural Resources

We are actively working to reduce and recycle waste from the 3R perspective—reduce, reuse, and recycle. At individual manufacturing sites, maintenance or expansion of recycling efforts resulted in fiscal 2016 recycling ratios of 100% in Japan and 93% overseas.

### Keeping the Earth Clean

The TOTO Group not only abides by laws and regulations concerning waste and pollution; we have also established self-imposed standards, which we use to reduce our environmental impact and prevent accidents that would pollute the environment. In fiscal 2016, we committed no violations of environmental laws or regulations in Japan.

### Conservation of Biodiversity

In procuring raw materials, we consider environmental and ecosystem impacts on the places where we engage in manufacturing activities, and do our best to balance sustainable resource usage with needs to secure stable supplies of raw materials.

In fiscal 2016, our usage rate for legal and recycled wood materials for products in Japan came to 99%.
WASHLET™
Gaining Popularity throughout the World

TOTO’s WASHLET™—Revolutionizing Toilet Culture in Japan Since Its Introduction in 1980

WASHLET™ Steadily Gaining Fans Across the Globe

WASHLET™ Cumulative Shipments Exceed 40 million Units as of July 2015

Having been launched in Japan in 1980, WASHLET™ products were introduced to the U.S. market in 1986. With a focus on having these products adopted by luxury hotels in countries throughout the world, sales activities have been expanded to China, Asia and Oceania, and Europe. As a result, cumulative WASHLET™ shipments exceeded 40 million units globally as of July 2015. Today, sales of WASHLET™ products continue to grow on a global basis.
Offering New Value to Customers throughout the World

To offer the WASHLET™ and other TOTO products to customers throughout the world, we participate in international trade shows spotlighting bathroom and kitchen plumbing fixtures and housing equipment. These events are held in various countries across the globe.

Recently, we have participated in the International Sanitary and Heating (ISH) 2017 fair held in March in Germany and the Kitchen & Bath China 2017 show held in May in Shanghai.

Exhibit Theme: “Life Anew.” This theme expresses TOTO’s constant desire to update and enrich daily life for people across the globe. Through our exhibit spaces, we introduce products, such as the NEOREST Series and TOTO proprietary technologies, including ones for saving water and removing the bacteria that hinders the thorough cleaning of toilet surfaces. These efforts help to establish TOTO as a global brand.

Experiential Spaces for Promoting Japan’s Toilet Culture and Technology to the World

GALLERY TOTO, an experiential space located at Narita International Airport, was opened in April 2015. The purpose of this facility is to give foreign visitors to Japan an opportunity to see, touch, and experience the beauty and comfort of restroom spaces created by TOTO. It is hoped that visitors will return to their countries with a strong desire to have a restroom space like those modeled at GALLERY TOTO.

In an effort to make restroom spaces easily usable by anyone, the Japan Sanitary Equipment Industry Association (JSEIA), an organization working to improve the quality of restroom spaces in Japan, announced in January 2017 standardized pictograms for use on toilet remote control panels. TOTO fully supports this initiative and, together with all of the other JSEIA members, will implement the standardized pictograms to promote Japan’s clean toilet culture to the rest of the world.
Design that is understated yet perfectly in tune with the user. In developing products, TOTO has been steadfast in its pursuit of beautiful design that harmonizes perfectly with various types of spaces, while also delivering outstanding quality and functionality. Our latest NEOREST NX product embodies our focus on the use of curves to accentuate the beauty of ceramic sanitary ware, and our desire to create a product with an artistic aura. This product represents countless rounds of examination to ensure outstanding functionality, without compromising design, and painstaking efforts to eliminate unnecessary surface elements and spaces. In the end, we created a design conceding nothing at an overall or detailed level. The result of this beautiful combination of cutting-edge technology and design is what TOTO, a company that has been making ceramic sanitary ware for over a century, believes is the ultimate in toilet design.

Incorporated in the beautiful design of the NEOREST NX are technologies for maintaining the appearance of the product and ensuring that it will provide users with the expected comfort over the long term. TOTO’s revolutionary Tornado Flush System and rimless design, proprietary Cefiontect dirt-repelling technology and ewater+. In combination, these technologies achieve new heights in removing bacteria, preventing the buildup of dirt, and easing cleaning.

A century of know-how has enabled TOTO to create a product that epitomizes cutting-edge design and clean functionality. Applying a wealth of advanced ceramics manufacturing technology and know-how to pursue the perfect balance of beauty and functionality—Tornado Flush System, ewater+, Cefiontect—The NEOREST NX is a flagship product incorporating design seen nowhere else and the ultimate in clean functionality. Offered in markets throughout the world, the NEOREST NX is destined to add refinement to restrooms across the globe. TOTO is dedicated to combining design and functionality and will apply this passion in its efforts to offer bathroom and kitchen plumbing products that bring a sense of prosperity and comfort to the living spaces of customers the world over.

**Focus 2**

**Design and Functionality**

**Born of a Century of Manufacturing Technology**

Adding a sense of prosperity and comfort to daily life, and delivering satisfaction beyond customer expectations—That is the ideal that resulted in a century of manufacturing technology giving rise to toilets that are not only comfortable but also beautiful from any viewing angle.
Design that is understated yet perfectly in tune with the user. In developing products, TOTO has been steadfast in its pursuit of beautiful design that harmonizes perfectly with various types of spaces, while also delivering outstanding quality and functionality.

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Offering Premium Spaces to the World

The NEOREST NX is a flagship product incorporating design seen nowhere else and the ultimate in clean functionality. Offered in markets throughout the world, the NEOREST NX is destined to add refinement to restrooms across the globe. TOTO is dedicated to combining design and functionality and will apply this passion in its efforts to offer bathroom and kitchen plumbing products that bring a sense of prosperity and comfort to the living spaces of customers the world over.
Basic Stance on Corporate Governance

The TOTO Group strives to be a great company, trusted by people all around the world, contributing to the betterment of society. In addition to being a corporate entity engaged in the pursuit of profit through fair competition, the Group conducts its business in such a way as to continue to benefit society broadly. In order to realize this target, we believe it is important to build a system for pursuing and supervising fair and equitable management, and clearly define a philosophy that serves as the basis of such a system.

Composition of the Board of Directors and Audit & Supervisory Board in Fiscal 2017

We believe that in order to supervise business operations and to make important decisions, TOTO’s Board of Directors must be composed of members with diverse perspectives, experience and highly professional skills. Meanwhile, for the purpose of performing the double-check function of supervision by the Board of Directors and of audits by Audit & Supervisory Board Members, Outside Directors need to include not only auditors required by law, but also Directors with voting rights at Meetings of the Board of Directors; and both Audit & Supervisory Board Members and Directors must have considerable independence.

As of June 28, 2017, we have 13 Directors with voting rights at Meetings of the Board of Directors, of whom 10 are Inside Directors with careers in the TOTO Group and three are highly independent Outside Directors. These members use their respective skills in discussions to make legal and business management decisions and supervise business operations. The Audit & Supervisory Board consists of two standing members with careers in the TOTO Group and two outside members with a high level of independence, and conducts audits from the perspectives of legality and appropriateness.

Reasons for Adoption of Current Corporate Governance System

The TOTO Group considers that an essential aspect of corporate management is ensuring the satisfaction of stakeholders and constantly expanding corporate value by improving objectivity and transparency in management and by clarifying management responsibilities. To achieve this, for matters requiring management decisions, TOTO recognizes the importance of systematizing “who makes decisions about what and where” as well as “what checks are implemented” in a fair and honest manner. TOTO has adopted the Audit & Supervisory Board system and is building a structure of decision-making, supervision, and more efficient and effective business execution, with the aim of continuously increasing corporate value.

1. Clarifying the allocation of management responsibility (introduction of the Executive Officer system and the like)
2. Enhancing management transparency and soundness (establishment of the Compensation Advisory Committee)
and the Nominating Advisory Committee)
3. Reinforcing supervisory and auditing functions
(nomination of highly independent Outside Directors and Outside Members of the Audit & Supervisory Board)
4. Strengthening decision-making functions (establishment of the Management Committee and the like)

In order to strengthen these functions, TOTO has adopted the framework of a company with an Audit & Supervisory Board system as its base while integrating the superior functions of a company with Nomination Committee, etc.

### Compensation for Directors and Audit & Supervisory Board Members

The maximum amount of compensation for Directors and Audit & Supervisory Board Members is determined respectively for Directors, Outside Directors, and Audit & Supervisory Board Members by resolutions of General Meetings of Shareholders.

Compensation for Directors of TOTO comprises fixed compensation in the form of base compensation, and performance-linked compensation, which varies with the business performance and stock price of the company. Performance-linked compensation comprises bonuses (short-term performance-linked compensation), which are tied to business performance and limited to 0.8% of consolidated operating income, and stock-compensation type stock options (medium- to long-term performance-linked compensation), which are aimed at having Directors share the common interests of our shareholders and incentivizing contributions towards increasing the corporate value and stock price of the company, and is designed to motivate Directors to not only consider the current business year, but also take a medium to long term perspective in their management of the company. In addition, the Compensation Advisory Committee was set up to help ensure that the compensation for Directors is reasonable and objective. The Board of Directors decides the compensation after confirming through the Compensation Advisory Committee that the compensation system and allocation balance are in line with the Articles of incorporation, the resolutions of the General Meeting of Shareholders, and the Basic Policy for Directors’ Compensation. Note that Outside Directors, who are independent from the business operations, are entitled to only fixed compensation.

Regarding compensation for Audit & Supervisory Board Members, the base compensation for individual Audit & Supervisory Board Members is determined depend-

### Total amount of compensation by type for Directors and Audit & Supervisory Board Members

<table>
<thead>
<tr>
<th></th>
<th>Number of Off. persons</th>
<th>Base Compensation (million yen)</th>
<th>Bonus (million yen)</th>
<th>Stock-compensation type stock options (million yen)</th>
<th>Total (million yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors</td>
<td>15</td>
<td>396</td>
<td>291</td>
<td>71</td>
<td>759</td>
</tr>
<tr>
<td>(Outside Directors included above)</td>
<td>(3)</td>
<td>(26)</td>
<td></td>
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<td>(26)</td>
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<tr>
<td>Audit &amp; Supervisory Board Members</td>
<td>4</td>
<td>50</td>
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<td></td>
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<tr>
<td>(Outside Members of Audit &amp; Supervisory Board included above)</td>
<td>(2)</td>
<td>(19)</td>
<td></td>
<td></td>
<td>(19)</td>
</tr>
<tr>
<td>Total</td>
<td>19</td>
<td>446</td>
<td>291</td>
<td>71</td>
<td>810</td>
</tr>
</tbody>
</table>

(Note) The total amount of compensation approved at the General Meeting of Shareholders is shown below. (Approved at the 145th Ordinary General Meeting of Shareholders held on June 29, 2011)

### Amounts of compensation, etc. of Directors whose total amount of compensation, etc. exceeds 100 million yen, by type of payment

<table>
<thead>
<tr>
<th></th>
<th>Base Compensation (million yen)</th>
<th>Bonus (million yen)</th>
<th>Stock-compensation type stock options (million yen)</th>
<th>Total (million yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Representative Director</td>
<td>63</td>
<td>53</td>
<td>11</td>
<td>128</td>
</tr>
<tr>
<td>Representative Director</td>
<td>63</td>
<td>53</td>
<td>11</td>
<td>127</td>
</tr>
</tbody>
</table>

### Outside Directors and Outside Members of the Audit & Supervisory Board

Since all Outside Directors and Outside Members of the Audit & Supervisory Board are invited to join their respective boards as members who can make decisions materially independent of the management of TOTO and all other specific stakeholders, we designate all Outside Directors and Outside Members of the Audit & Supervisory Board as Independent Directors/Audit & Supervisory Board Members. We nominate candidates for Outside Directors and Outside Members of the Audit & Supervisory Board who fully satisfy the Nominating Advisory Committee’s Requirements for Independent Directors/Audit & Supervisory Board Members*, the satisfaction of which is set forth by TOTO as a mandatory requirement.

* Please refer to “Requirements for Independent Directors/Audit & Supervisory Board Members” in the Corporate Governance section of our website: http://www.toto.co.jp/en/company/profile/governance/
Directors

Representative Director, Chairman of the Board
Kunio Harimoto
Date of Birth: March 19, 1951

President, Representative Director
Madoka Kitamura
Date of Birth: May 24, 1957
In charge of Global Business Promotion, Management Planning, Design, and the Secretary’s Office

Representative Director, Executive Vice President
Noriaki Kiyota
Date of Birth: October 8, 1961
In charge of Business Divisions, Faucets & Appliances Division, Human Resources, Finance and Accounting, and V-Plan Management Resource Innovation

Representative Director, Executive Vice President
Nozomu Morimura
Date of Birth: July 10, 1957
In charge of Sales Groups, Customer Service, Cultural Promotion, the Internal Audit Office, and V-Plan Marketing Innovation

Director, Managing Executive Officer
Soichi Abe
Date of Birth: August 22, 1961
In charge of China & Asia Housing Equipment Business and V-Plan China & Asia Housing Equipment Business

Director, Managing Executive Officer
Yuichi Narukiyō
Date of Birth: March 18, 1962
In charge of Logistics, Purchasing, Legal Affairs, Information System Planning, General Affairs, and Engineering Works

Director, Managing Executive Officer
Ryosuke Hayashi
Date of Birth: September 4, 1963
In charge of New-Domain Business Group, Bathroom, Kitchen & Lavatory Vanity Business, V-Plan New Business Domains and V-Plan Demand Chain Innovation

Director, Managing Executive Officer
Kazuo Sako
Date of Birth: August 25, 1959
In charge of Americas & Europe Housing Equipment Business, General Manager of the Americas Housing Equipment Business Division, and V-Plan Americas & Europe Housing Equipment Business

Director, Managing Executive Officer
Taiichi Aso
Date of Birth: March 5, 1960
In charge of Restroom Business Group and Production Technology Business Group

Director, Managing Executive Officer
Satoshi Shirakawa
Date of Birth: August 12, 1962
In charge of Sales Promotion Group and V-Plan Japan Housing Equipment Business
Directors (Outside)

Outside Director
Hiroki Ogawa  
Date of Birth: September 21, 1941

Hiroki Ogawa has been involved in the management of Saibu Gas Co., Ltd. for many years and is familiar with housing-related industries. In meetings of TOTO’s Board of Directors, he contributes valuable opinions based on his expertise in management, and his perspectives, having been developed outside the framework of the Company, contribute to the Company’s management and oversight function.

Mr. Ogawa is possessed of experience and knowledge in not only management generally, and corporate governance, but also management that stresses close ties with local communities. Mr. Ogawa has been reappointed as an outside member of the Board of Directors for the reasons discussed above.

Outside Director
Kazuhiko Masuda  
Date of Birth: April 24, 1942

Kazuhiko Masuda has been involved in the management of Sumitomo Light Metal Industries, Ltd. (currently, UACJ Corporation) for many years. In meetings of TOTO’s Board of Directors, he contributes valuable opinions based on his expertise in management, and his perspectives, having been developed outside the framework of the Company, contribute to the Company’s management and oversight function.

Mr. Masuda is possessed of experience and knowledge in not only management generally, and corporate governance, but also the making of products by manufacturing companies. Mr. Masuda has been reappointed as an outside member of the Board of Directors for the reasons discussed above.

Outside Director
Masatsugu Shimono  
Date of Birth: December 11, 1953

Masatsugu Shimono has been involved in the management of IBM Japan, Ltd. for many years. In meetings of TOTO’s Board of Directors, he contributes valuable opinions based on his expertise in management, and his perspectives, having been developed outside the framework of the Company, contribute to the Company’s management and oversight function.

Mr. Shimono is possessed of experience and knowledge in not only management generally, and corporate governance, but also the management of a global enterprise. Mr. Shimono has been reappointed as an outside member of the Board of Directors for the reasons discussed above.

Audit & Supervisory Board Members

Audit & Supervisory Board Member, Standing
Motohiro Oniki  
Date of Birth: January 1, 1958

Audit & Supervisory Board Member, Standing
Hirotoshi Naka  
Date of Birth: January 14, 1957

Audit & Supervisory Board Members (Outside)

Audit & Supervisory Board Member, Outside
Masamichi Takemoto  
Date of Birth: December 16, 1944

Audit & Supervisory Board Member, Outside
Akira Katayanagi  
Date of Birth: February 4, 1946

Masamichi Takemoto has been involved in the management of Nitto Denko Corporation for many years. Applying his management expertise, he properly performs his duties as an outside member of TOTO’s Audit & Supervisory Board and contributes valuable opinions in meetings of the Audit & Supervisory Board and Board of Directors. His perspectives, having been developed outside the framework of the Company, contribute to the Company’s oversight function.

Mr. Takemoto is possessed of experience and knowledge in not only management generally, and corporate governance, but also the management of overseas business operations. In recognition of these strengths, Mr. Takemoto was reappointed as an outside member of the Audit & Supervisory Board at the 149th Ordinary General Meeting of Shareholders.

Akira Katayanagi has been involved in the management of financial institutions for many years. Applying his financial and management expertise, he properly performs his duties as an outside member of TOTO’s Audit & Supervisory Board, and contributes valuable opinions in meetings of the Audit & Supervisory Board and Board of Directors. His perspectives, having been developed outside the framework of the Company, contribute to the Company’s oversight function.

Mr. Katayanagi is possessed of experience and knowledge in not only management generally, and corporate governance, but also matters of finance. In recognition of these strengths, Mr. Katayanagi was reappointed as an outside member of the Audit & Supervisory Board at the 151st Ordinary General Meeting of Shareholders.
TOTO Group considers CSR management to be management by the use of CSR initiatives for the purpose of bringing TOTO Group Corporate Philosophy to life.

**CSR Philosophy**

TOTO Group considers CSR management to be management by the use of CSR initiatives for the purpose of bringing the TOTO Group Corporate Philosophy to life. The TOTO Corporate Philosophy outlines the purpose of the company’s existence, our business fields and the desired image for all of our stakeholders as the basis of what the company motto strive to communicate.

We are promoting CSR activities by using a materiality (critical issues) map and by clarifying the issues that we should prioritize to strategically endeavor toward solving global social issues.

**CSR Promotion System**

We started CSR activities by setting up a CSR Committee and a full-time CSR department in 2004. The CSR Committee is held once a year and chaired by the President, and it is working to strategically integrate our businesses and CSR activities by taking a bird’s eye view of the Environmental, Social, and Governance fields.

In addition, subcommittees that make up each field of the CSR Committee formulate promotion plans, and then expand those plans to relevant departments and Group companies in Japan and overseas to facilitate cross-departmental activities.

![CSR Committee (chaired by the President)](image)

**Risk Management**

Every year, we identify the major risks that could have a significant impact on stakeholders and promote our risk prevention measures. Each major risk is mapped out on a matrix evaluating degree of impact and frequency of occurrence from the viewpoints of damage to the brand, and impact on personnel and financial consequences. Risks scoring high in risk points are flagged as priority risks and monitored by the Risk Management Committee, and risk mitigation activities are promoted throughout the entire Group.

**Strengthening of Compliance**

In order to prevent violations, we believe that we must strengthen our management system and create an organization that respects compliance. For this reason, we developed two training courses throughout the Business Group, namely, Interactive Compliance Training and Compliance Management Training.
Together with Stakeholders
Stakeholder Engagement

TOTO considers the concept of stakeholder engagement to be vital in building relationships of trust with stakeholders and to facilitate cooperation. By doing so, we aim to improve society for generations to come.

Promoting Two-Way Communication

The TOTO Group places importance on communication with all stakeholders, including customers, employees, and shareholders, and endeavors to develop closer relations with them.

We deepen interaction with our customers through various occasions, such as events at our showrooms and factories, and we engage in direct dialogue with our business partners through policy briefing sessions and CSR questionnaires. As for our shareholders, we disclose appropriate information in a timely manner, and we promote understanding of the spirit of TOTO manufacturing through factory tours and other means, as well. We will continue trying to improve stakeholder satisfaction through communication as a way of further advancing our corporate activities.

CSR Communication with Stakeholders

- Sending lecturers to seminars and educational institutes for training
- Assistance for NPOs and community organizations, and volunteer activities (TOTO Water Environment Fund, etc.)
- Cultural activities (TOTO GALLERY+MA, TOTO Publishing)
- TOTO Museum
- Factory tours, TOTO Summer Festivals
- Skull session with NPO, CSR specialists

- General Shareholders’ Meeting
- Presentations
- Shareholder questionnaires

- Showroom
- Customer Consultation Center
- Factory Remodeling Fairs
- Exhibitions

- Workplace meetings
- Employee awareness surveys
- Intranet, Group magazine
- Whistleblowing system (in-house/external contacts)

- Policy briefing sessions
- CSR questionnaire
- CSR interview sessions
- Whistleblowing system (external contacts)

* At the TOTO Group, all persons working for the TOTO Group are referred to as “employees.”

Participation in a Stakeholder Engagement Program

We participate in the Human Rights Due Diligence Workshop, a stakeholder engagement program sponsored by Caux Round Table Japan.

Since its inception in 2012, this workshop, in an effort to encourage companies to apply the UN Guiding Principles on Business and Human Rights, has put together a report titled “Human Rights Issues by Sector.” This report is prepared with input from multiple stakeholders, including companies, NGOs/NPOs, and various experts.

In fiscal 2016, we, together with other companies, engaged in dialogue with experts and human rights NGOs/NPOs to prepare a revised and updated edition of Human Rights Issues by Sector.

The content of these discussions and the report are reflected in the TOTO Group’s human rights due diligence initiatives.
The TOTO Group will continue to provide products and services to offer even greater satisfaction to all of our customers.

Sharing Customer Feedback and Utilizing It in Manufacturing

Aiming to deliver products and services that exceed customer expectations, the TOTO Group engages in manufacturing practices that make full use of customer feedback. As part of that effort, the Customer Service Division compiles feedback, including customer survey results, and opinions and requests received through the Customer Consultation Center, and provides the summarized information to relevant divisions, where it is used for purposes such as product development and improvement. The Customer Service Division also posts summarized customer feedback on the intranet to share it with employees who have no direct contact with customers.

Product Development Guided by Customer Feedback

Through customer surveys and communications with the Customer Consultation Center, we became aware that our bathroom mirrors were quickly accumulating lime scale that was difficult to remove. Lime scale forms a whitish film that bonds tightly to surfaces and can be difficult to remove. Responding to this problem, TOTO developed a bathroom mirror—the Osoji Raku Raku Kagami (Easy-to-clean mirror) —that is coated with a carbon film that eases cleaning by suppressing the formation of lime scale.

The TOTO Group Customer Satisfaction Convention—A Group-wide Event for Sharing Examples of Activities Emphasizing the Customer’s Perspective

At the TOTO Group, every one of our divisions engages in activities aimed at improving customer satisfaction.

Intended to advance customer satisfaction activities, the annual TOTO Group Customer Satisfaction Convention is where the most outstanding examples of customer satisfaction initiatives selected in separate conventions held for the manufacturing, indirect, and service divisions are presented.

In fiscal 2016, approximately 400 attendees, including representatives of overseas group companies, came together to hear numerous presentations on actions taken to make customers happier. A video recording of the event was created to share customer satisfaction presentations with group companies throughout the world and promote customer satisfaction activities on a global basis.
In Pursuit of Greater Quality and Safety
To ensure product quality customers can enjoy with safety and confidence, and to provide customers with products and services they will be satisfied with, the TOTO Group has installed an ISO 9001-based comprehensive management system and works with suppliers to continuously improve the quality assurance system. With particular regard to ensuring product safety and disclosing information to customers, we have formulated the Basic Policy for Voluntary Action Plans on Product Safety.

Emphasizing After-sales Service
“TOTO quality” refers not just to the quality of products themselves but also product assembly and maintenance if a problem arises. To enhance quality in this sense, we strive, for example, to improve maintenance skills, educate employees on proper behavior in interacting with customers, and reduce the time between receipt of a service request and completion of the necessary repairs. In addition, we send customers who have received after-sales services a postcard survey on a random basis to gather information on their satisfaction with the services that have been provided.

After-sales Service Convention Held in China
To further improve service quality in China, we hold an annual after-sales service convention to which we invite representatives of 40 service companies. Held in Shanghai, this event serves as an opportunity to announce the management direction and service quality targets for the year.

It also gives us a chance to promote service awareness. We do this by sharing with attendees details on outstanding service efforts recognized at the Service Masters Contest held in Japan, and by presenting awards to superior service companies in China.

Customer Satisfaction Surveys
At the TOTO Group, we believe customer satisfaction is greatly impacted by how we interact with customers and the level of skill we bring to sales, installation, and after-sales service. To evaluate customer satisfaction, we use the following four indices.

Result of the Survey of Customer Satisfaction

<table>
<thead>
<tr>
<th>Survey Index</th>
<th>2014</th>
<th>2015</th>
<th>2016 (FY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>After-sales service satisfaction rate</td>
<td>89%</td>
<td>91%</td>
<td>90%</td>
</tr>
<tr>
<td>Total satisfaction index of the showrooms</td>
<td>62%</td>
<td>65%</td>
<td>68%</td>
</tr>
<tr>
<td>Ratio of customers impressed with bath module assembly</td>
<td>44%</td>
<td>48%</td>
<td>51%</td>
</tr>
<tr>
<td>Call response satisfaction rate</td>
<td>67%</td>
<td>75%</td>
<td>77%</td>
</tr>
</tbody>
</table>

For more detailed information, please refer to the following webpage.
We are promoting an array of activities to create an animated working environment which the privacy of every individual working in the TOTO Group is respected.

**Promoting Diversity**

The TOTO Group respects the individuality inherent in a workforce that embodies diversity along lines such as age, gender, and nationality. We promote diversity based on our belief that it gives rise to fresh, new ideas that can further our desire to create prosperous and comfortable lifestyles.

**Career Advancement of Women**

We are moving forward with a number of initiatives to achieve the target of increasing the percentage of female managers at TOTO to 10% by fiscal 2017. Regarding training specifically for female employees, for instance, we also conduct training aimed at making their managers better supervisors of female employees.

**Promoting Employment of Persons with Disabilities**

The TOTO Group aims to achieve normalization in its workplaces, and to this end, we continue to recruit individuals with disabilities. We achieved our 2.5% employment rate of persons with disabilities set for fiscal 2017 in fiscal 2014. We are presently working to expand occupational fields for persons with disabilities, such as promoting more employment of persons with intellectual and mental disabilities, throughout the entire Group.

**Work-Life Balance**

We promote work-life balance because we believe that harmonizing work and home lives will result in greater productivity and a stronger sense of reward from work. In addition to encouraging employees to take paid leave, we have also put in place various systems that facilitate the adoption of diverse work styles and help employees balance work and child or nursing care responsibilities.

**Human Resource Development**

We offer employees training opportunities that include not only stratified training but also Open Training, in which individuals choose what they want to learn, Level Up Training for employees to grow by gaining knowledge from other industries, and the TOTO Management School (Keiei-Juku) for developing the next generation of leaders for our company. To help employees improve their abilities to perform their jobs from a global perspective, we conduct language classes internally. Going forward, we will continue with efforts that seek to create an atmosphere in which employees of all ages are self-motivated to engage in ongoing learning and growth.

**Occupational Safety and Health**

**Promoting Physical and Mental Health**

We are working to improve employee health based on a three-pronged approach stressing health management, mental health care initiatives, and health improvement.

**Preventing Workplace Accidents**

TOTO is working to increase safety awareness and eliminate unsafe work practices and conditions.
The TOTO Group, in order to meet its management, environmental, and social responsibilities, works together with its suppliers to provide customers with valuable products and services.

**CSR Procurement Activities**

The TOTO Group works with its suppliers to undertake activities that address CSR concerns in areas such as human rights and labor, safety and health, and environmental consciousness.

We conduct survey research on suppliers in Japan, perform on-site inspections of suppliers, and hold policy briefings for these companies. In fiscal 2016, we held nine policy briefings in all for a total of approximately 500 of our Japanese suppliers.

Overseas, we exercise great care in complying with local laws and customs in dealing with suppliers, and, through CSR activities that are respectful of conditions in each country, strive to deepen mutual understanding and achieve mutually beneficial relationships. At the TOTO Group, we hold briefing sessions for suppliers, actively monitor them through on-site visits, and provide education and other types of support to ensure that suppliers understand the need for CSR initiatives.

**PDCA Cycle for Supply Chain Management**

![PDCA Cycle diagram]

*The subjects of supply-chain management are suppliers of raw materials and components in Japan and overseas.*

**Biodiversity-conscious Procurement**

For earth and stone raw materials used by factories in Japan, we employ questionnaires and interviews to gather from all supplier mines information concerning compliance with standards set by TOTO. We use the information we collect to confirm the legality and sustainability of mining activities. Performance of reforestation and other restoration work in areas where mining has ended, and implementation of measures to prevent river or lake pollution from mining activities or tailings, are two examples of what we check for. Through these measures, we have been able to confirm that all of the mines from which TOTO raw materials are sourced are in compliance with TOTO standards.

We take similar steps as those mentioned above for earth and stone raw materials used overseas. Going forward, we will continue with efforts to elevate CSR initiatives for the TOTO Group’s entire supply chain.
The TOTO Group uses its management resources effectively in conducting social contribution and community coexistence activities aimed at the resolution of local and global social issues.

**Preserving the Water Environment**

As a company that offers plumbing equipment, TOTO continuously strives to increase the use of water-saving products on a global basis, while also working to protect rivers, oceans, and other water environments.

At the center of these environmental protection activities is the support we provide through the TOTO Water Environment Fund, established in 2005, to further activities such as protecting water sources, water quality, and biodiversity. These activities are organized by various groups, and we encourage our employees to participate as volunteers in their activities and in activities organized by local citizens. In fiscal 2016, the TOTO Water Environment Fund provided an overall sum of ¥15.56 million in financial support to a total of 24 organizations, including for the first time an overseas group (in India).

**Creating a Sanitary and Comfortable Living Environment**

In accordance with our founder’s conviction to “improve the lifestyle and culture of the people” and “provide a healthy and civilized way of life,” the TOTO Group is promoting through its business activities the development and widespread use of sanitary devices and universal design products.

In addition, with the TOTO Water Environment Fund as the primary medium, we are undertaking activities such as installing wells for supplying safe drinking water to help create sanitary and comfortable living environments for people in various parts of the world.

**Cultural Activities and Development of the Next Generation**

**TOTO GALLERY-MA**

Since its opening in 1985, the TOTO GALLERY-MA has been a venue for presentation of the ideas and works of architects and designers. TOTO GALLERY-MA also sponsors lectures for architecture students and professionals throughout Japan, and works with TOTO Group companies overseas to hold lectures in locations such as Shanghai and Taipei.

**TOTO Publishing**

Established in 1989, TOTO Publishing issues books with unique architectural, design, and lifestyle perspectives. It also publishes books in collaboration with TOTO GALLERY-MA. In 2016, the TOTO Information Center, a space where visitors can relax while browsing design and architecture books and magazines issued by TOTO Publishing, was established in the TOTO showroom in Ho Chi Minh City, Vietnam.

**TOTO Museum**

Opened to commemorate our 100th anniversary, the TOTO Museum presents the history of TOTO’s efforts to help create comfortable lifestyles and provides an introduction to the manufacturing ideals we have carried forward to today. Beginning with TOTO’s establishment in Kokura, Kitakyushu, the TOTO Museum aims to be an attractive landmark that communicates the development of TOTO into a global brand.

**TOTO Water Environment Fund**

11th grant assistance
24 Organizations
¥15.56 million

1st to 11th grant assistance total
204 Organizations
Approx. ¥200 million

Example of activities performed by Bridge for Lives in Mozambique, an organization supported by the TOTO Water Environment Fund

©Nakasa & Partners Inc.
Yasushi Horibe exhibit, ”A Human Space for Architecture,” at the TOTO GALLERY-MA

Lecture in Shanghai by the architectural firm SANAA

TOTO Museum
TOTO conducts IR (investor relations) activities that reflect the high priority we place on communications with shareholders and other investors in Japan and abroad.

Disseminating the Latest Information, with Transparency and Fairness
TOTO makes timely information disclosures through a dedicated webpage, holds separate meetings and briefings, and conducts other activities in accordance with its IR policy, to ensure transparency and fairness in its communications with individual and institutional investors.

Relations with Institutional Investors
For domestic investors, we announce financial results twice a year, hold meetings to explain our strategies, and conduct showroom and plant tours.

For foreign investors, our top management regularly leads overseas IR activities to encourage institutional investors to hold our shares. Overseas investors have praised our visits to Europe and the United States. And as their awareness of our products in their local markets grows, so does their interest in TOTO.

Evaluation of TOTO’s CSR Management

*1 THE INCLUSION OF TOTO LTD. IN ANY MSCI INDEX AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVACE MARK OR INDEX NAMES HERIN DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF TOTO LTD. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVACE MARKS OF MSCI OR ITS AFFILIATES.

*2 The Morningstar Socially Responsible Investment Index (MS-SRI) is the first investment index of socially responsible companies in Japan. Morningstar Japan K.K. selects 150 companies from among approximately 4,000 listed companies in Japan by assessing their social responsibility, and bases the index on their stock prices. (As of June 30, 2017)

*3 FTSE4Good is a member of the FTSE4Good Index, an equity index series that is designed to facilitate investment in companies that meet globally recognized corporate responsibility standards.

TOTO has been recognized as a socially responsible company and is included in SRI (Socially Responsible Investment) indexes. SRI indexes include companies that stand out not only for their profitability but also legal compliance, handling of employment, human rights, and consumer issues, contributions to society and local communities, and other CSR initiatives.
### Recent Evaluations by External Parties

<table>
<thead>
<tr>
<th>Category</th>
<th>Award Description / Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology/Environment</td>
<td>The AIR-IN™-SHOWER (Aerial Shower) wins the Chairperson’s Award (Eco-Products Awards Steering Committee) in the 9th Eco-Products Awards and the Chairman’s Prize, The Energy Conservation Center, Japan in the product and business model category of the Energy Conservation Center, Japan’s Fiscal 2012 Energy Efficiency Awards. (FY2012)</td>
</tr>
<tr>
<td></td>
<td>The Japan Society of Mechanical Engineers awards Mechanical Engineering Heritage status to the first-generation WASHLET™ product, the WASHLET™G (included in the collection of the TOTO Museum). (FY2012)</td>
</tr>
<tr>
<td></td>
<td>The Bedside Flushable Toilet wins the Grand Prize in the service robot category of the 6th Robot Awards for its use of robot technology for adaptation to personal care needs. (FY2014)</td>
</tr>
<tr>
<td></td>
<td>TOTO wins the Prime Minister’s Prize at the 6th Monozukuri Nippon Grand Awards for developing a low-dust-emitting material for next-generation semiconductor devices. (FY2015)</td>
</tr>
<tr>
<td></td>
<td>The first-generation prefabricated unit bathroom, an example of which is in the collection of the TOTO Museum, is awarded architectural facility technology heritage status in fiscal 2016. (FY2016)</td>
</tr>
<tr>
<td>Product Design</td>
<td>The GO SERIES Single-Lever Lavatory Faucet wins the Best of the Best Red Dot Design Award. (FY2016)</td>
</tr>
<tr>
<td></td>
<td>The Washbasin (vessel-type) wins the iF DESIGN AWARD 2017 Gold Award. (FY2016)</td>
</tr>
<tr>
<td></td>
<td>Water-saving toilets and the Automatic Faucet series, both of which are being sold in markets around the world, are named GREEN GOOD DESIGN AWARDS 2016 winners. (FY2016)</td>
</tr>
</tbody>
</table>

### Third-Party Assurances

TOTO has received third-party assurances supporting the reliability of information reported in the Fiscal 2016 Environmental data sheet and Fiscal 2016 Social data sheet, which are available on TOTO’s website.

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**Fiscal 2016 Environmental data sheet**

**Fiscal 2016 Social data sheet**
Corporate Data

Corporate Profile (As of March 2017)

- **Company Name**: TOTO LTD.
- **Headquarters**: 1-1, Nakashima 2-chome, Kokurakita-ku, Kitakyushu, Fukuoka, Japan
- **Establishment**: May 15, 1917
- **Capital**: ¥35,579 million
- **Number of Employees**: Consolidated: 30,334, Non-consolidated: 7,539
- **Fiscal Year End**: March 31
- **Exchange Listings**: Tokyo, Nagoya, Fukuoka
- **Security Code**: 5332
- **Shareholder Registry Administrator**: 4-5, Marunouchi 1-Chome, Chiyoda-ku, Tokyo 100-8212, Japan

TOTO LTD.
- **TOTO Hokkaido Sales LTD.**
- **TOTO Tohoku Sales LTD.**
- **TOTO EXCERA LTD.**
- **TOTO MTEC LTD.**
- **TOTO Engineering LTD.**
- **CERA TRADING LTD.**
- **TOTO Chubu Sales LTD.**
- **TOTO Kansai Sales LTD.**
- **TOTO Chugoku Sales LTD.**
- **TOTO Shikoku Sales LTD.**
- **TOTO Kyushu Sales LTD.**
- **TOTO Remodel Service LTD.**
- **TOTO AQUATECHNO LTD.**
- **TOTO WASHLET TECHNO LTD.**
- **TOTO SANITECHNO LTD.**
- **TOTO High Living LTD.**
- **TOTO Bath Create LTD.**
- **TOTO Fine Ceramics LTD.**
- **TOTO PLATECHNO LTD.**
- **TOTO MATERIA LTD.**
- **SUNAQUA TOTO LTD.**
- **TOTO INFORM LTD.**
- **TOTO EXPERT LTD.**
- **TOTO BUSINETZ LTD.**
- **TOTO Finance LTD.**
- **TOTO Maintenance LTD.**
- **TOTO LOGICOM LTD.**

**Group Companies and Affiliates**

- **U.S.A.**
  - TOTO U.S.A., INC.
- **Mexico**
  - TOTO MEXICO, S.A. DE C.V.
- **Brazil**
  - TOTO Do Brasil Distribuição e Comércio, Ltda.
- **China**
  - TOTO (CHINA) CO., LTD.
  - BEIJING TOTO CO., LTD.
  - TOTO (BEIJING) Co., LTD.
  - TOTO DALIAN CO., LTD.
  - NANJING TOTO CO., LTD.
  - TOTO (SHANGHAI) CO., LTD.
  - TOTO EASTCHINA CO., LTD.
  - TOTO (FUJIAN) CO., LTD.
  - TOTO (GUANGZHOU) CO., LTD.
  - TOTO (H.K) LTD.
- **Singapore**
  - TOTO ASIA OCEANIA PTE. LTD.
- **Thailand**
  - TOTO (THAILAND) Co., Ltd.
- **Vietnam**
  - TOTO VIETNAM CO., LTD.
- **Malaysia**
  - TOTO MALAYSIA SDN. BHD.
- **India**
  - TOTO INDIA INDUSTRIES PVT. LTD.
- **Indonesia**
  - P.T.SURYA TOTO INDONESIA (Affiliate Company)
- **Taiwan**
  - TAIWAN TOTO CO., LTD
- **Korea**
  - TOTO KOREA LTD.
- **Germany**
  - TOTO Europe GmbH
  - TOTO Germany GmbH