Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

January 29, 2021

Company name: TOTO Ltd.
Stock exchange listing: Tokyo, Nagoya, Fukuoka
Stock code: 5332 URL https://jp.toto.com
Representative: President & Representative Director Noriaki Kiyota
Inquiries: General Manager, Management Planning Dept. Yoshihisa Tanaka TEL 03(6836)2024
Scheduled date to file Quarterly Securities Report: February 4, 2021
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 nine months ended December 31, 2020 (from April 1, 2020 to December 31, 2020)

(1) Consolidated operating results (cumulative) Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2020	419,844	(6.5)	27,721	(7.2)	26,232	(15.4)	15,535	(28.5)
Nine months ended December 31, 2019	449,186	3.9	29,864	(1.1)	31,001	(5.2)	21,734	(2.6)

(Note) Comprehensive income: Nine months ended December 31, 2020: 17,301 million yen [(10.2)%]
Nine months ended December 31, 2019: 19,263 million yen [46.7%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2020	91.70	91.56
Nine months ended December 31, 2019	128.35	128.12

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2020	610,189	345,596	55.5
As of March 31, 2020	583,934	341,141	57.2

(Reference) Equity: As of December 31, 2020: 338,829 million yen
As of March 31, 2020: 334,261 million yen

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2020	–	45.00	–	45.00	90.00
Year ending March 31, 2021	–	30.00	–		
Year ending March 31, 2021 (Forecast)				40.00	70.00

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

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

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	580,000	(2.8)	39,000	6.1	37,000	2.5	24,000	1.8	141.63

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

For detailed information on the consolidated financial results, please refer to the material on financial results released today and the Quarterly Securities Report scheduled to be filed on February 4, 2021. Regarding the revisions to the cash dividends forecasts and the revisions to the consolidated financial results forecasts, please refer to "Notice Regarding Revisions to Consolidated Financial Results Forecasts for the Year Ending March 31, 2021 and Revisions to Fiscal Year-End Cash Dividends Forecasts" and "the material on financial results" released today.

4. Notes

(1) Changes in significant subsidiaries during the nine months ended December 31, 2020 (changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of December 31, 2020	176,981,297 shares	As of March 31, 2020	176,981,297 shares

Number of treasury shares at the end of the period

As of December 31, 2020	7,536,163 shares	As of March 31, 2020	7,599,599 shares

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

Nine months ended December 31, 2020	169,408,304 shares	Nine months ended December 31, 2019	169,342,663 shares

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

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

Caution concerning forward-looking statements

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

1. Quarterly consolidated financial statements
(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	104,845	119,400
Notes and accounts receivable - trade	85,235	91,605
Merchandise and finished goods	55,647	55,416
Work in process	12,765	13,959
Raw materials and supplies	15,817	17,081
Other	16,989	11,740
Allowance for doubtful accounts	(176)	(201)
Total current assets	291,124	309,003
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	81,330	81,853
Land	26,923	26,824
Other, net	98,404	104,937
Total property, plant and equipment	206,658	213,615
Intangible assets	19,812	21,313
Investments and other assets		
Investment securities	45,903	50,532
Other	20,672	15,952
Allowance for doubtful accounts	(236)	(227)
Total investments and other assets	66,339	66,256
Total non-current assets	292,810	301,186
Total assets	583,934	610,189

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	64,967	62,870
Short-term borrowings	26,354	55,758
Income taxes payable	2,978	1,753
Provision for bonuses for directors (and other officers)	164	114
Accrual for loss on inspection and repair of products	50	50
Provision for loss on business restructuring	287	260
Other	99,052	97,952
Total current liabilities	193,856	218,759
Non-current liabilities		
Long-term borrowings	1,259	1,556
Retirement benefit liability	34,920	30,663
Other	12,756	13,613
Total non-current liabilities	48,937	45,834
Total liabilities	242,793	264,593
Net assets		
Shareholders' equity		
Share capital	35,579	35,579
Capital surplus	29,283	29,338
Retained earnings	283,293	286,124
Treasury shares	(14,079)	(13,967)
Total shareholders' equity	334,076	337,075
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,222	10,995
Foreign currency translation adjustment	2,857	(1,018)
Remeasurements of defined benefit plans	(9,894)	(8,222)
Total accumulated other comprehensive income	184	1,754
Share acquisition rights	446	372
Non-controlling interests	6,433	6,393
Total net assets	341,141	345,596
Total liabilities and net assets	583,934	610,189

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	449,186	419,844
Cost of sales	286,651	266,906
Gross profit	162,535	152,937
Selling, general and administrative expenses	132,670	125,215
Operating profit	29,864	27,721
Non-operating income		
Interest income	889	615
Dividend income	1,568	1,460
Share of profit of entities accounted for using equity method	334	–
Other	626	816
Total non-operating income	3,418	2,893
Non-operating expenses		
Interest expenses	82	109
Sales discounts	1,082	994
Loss on retirement of non-current assets	374	528
Share of loss of entities accounted for using equity method	–	290
Foreign exchange losses	266	987
Other	475	1,471
Total non-operating expenses	2,280	4,382
Ordinary profit	31,001	26,232
Extraordinary income		
Gain on sales of investment securities	603	62
Gain on change in equity	265	–
Total extraordinary income	868	62
Extraordinary losses		
Loss on sales of investment securities	–	0
Loss on sales of membership	0	–
Loss on valuation of securities	–	117
Loss on COVID-19	–	2,231
Total extraordinary losses	0	2,349
Profit before income taxes	31,870	23,946
Income taxes - current	5,808	5,564
Income taxes - deferred	3,773	2,590
Total income taxes	9,581	8,154
Profit	22,288	15,791
Profit attributable to non-controlling interests	553	256
Profit attributable to owners of parent	21,734	15,535

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	22,288	15,791
Other comprehensive income		
Valuation difference on available-for-sale securities	1,869	3,776
Foreign currency translation adjustment	(5,426)	(3,393)
Remeasurements of defined benefit plans, net of tax	660	1,396
Share of other comprehensive income of entities accounted for using equity method	(128)	(268)
Total other comprehensive income	(3,025)	1,510
Comprehensive income	19,263	17,301
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	19,128	17,104
Comprehensive income attributable to non-controlling interests	135	196

(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