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Third Quarter Results for Fiscal Year Ending March 2021

January 29, 2021

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Third Quarter Results for Fiscal Year Ending March 2021

Highlights

Reduction in both sales and profits due to the negative impact of COVID-19 during 1H

Global housing equipment business (Japan): Decreased sales and profits

- ◆ In the cumulative 3Q, sales and profits decreased due to the first half of the fiscal year impacted by COVID-19.
- ◆ In the case of the 3Q only (October to December), sales and profits increased due to the favorable performance of the remodeling business.

Global housing equipment business (overseas): Increased profits despite decreased sales

*January to September (excluding India)

- ◆ In China, sales decreased once due to the impact of COVID-19 but have recently recovered, resulting in an increase in profits.
- ◆ In Asia, while sales decreased in Vietnam and other countries due to the impact of COVID-19, Taiwan experienced flat profits with solid sales.
- ◆ The Americas saw increases in sales and profits thanks to increased sales of Washlets and contactless products, even with the impact of COVID-19.

New domain business: Increased sales and turned profitable

- ◆ The advanced ceramic business saw increases in sales and profits due to an increase in demand in the semiconductor market.

Third Quarter Results for Fiscal Year Ending March 2021

Financial results

Unit: Y billion

	FY19 3Q	FY20 3Q	YoY	Influence of coronavirus pandemic	Excluding the impact of coronavirus	Currency- neutral basis	Plan	vs. Plan
Net Sales	449.2	419.8	-29.3 (-7%)	-33.2	+3.9 (+1%)	-27.5 (-6%)	408.8	+11.0 (+3%)
Operating Profit [Operating Margin]	29.9 [6.6%]	27.7 [6.6%]	-2.1 (-7%)	-9.2	+7.1 (+24%)	-1.9 (-6%)	22.4 [5.5%]	+5.3 (+24%)
Recurring Profit	31.0	26.2	-4.8 (-15%)	-9.5	+4.7 (+15%)	-3.8 (-12%)	21.9	+4.4 (+20%)
Profit attributable to owners of parent	21.7	15.5	-6.2 (-29%)	-8.4	+2.2 (+10%)	-5.3 (-24%)	12.2	+3.3 (+27%)

Exchange rates

	1Q, FY2019	2Q, FY2019	3Q, FY2019	1Q, FY2020	2Q, FY2020	3Q, FY2020
1 \$	¥110.2	¥109.9	¥107.4	¥108.9	¥107.6	¥106.2
1 CNY	¥16.3	¥16.1	¥15.3	¥15.6	¥15.2	¥15.4
1 €	¥125.2	¥123.5	¥119.4	¥120.1	¥118.6	¥124.1

Third Quarter Results for Fiscal Year Ending March 2021

Sales and profit by business segment

Unit: Y billion

<Net Sales>	FY19 3Q	FY20 3Q	YoY	Influence of coronavirus pandemic	Excluding the impact of coronavirus	Currency- neutral basis	Plan	vs. Plan
Domestic H.E.	332.6	304.3	-28.3 (-9%)	-21.5	-6.8 (-2%)	-28.3 (-9%)	293.5	+10.8 (+4%)
Overseas H.E.	98.8	96.5	-2.3 (-2%)	-11.1	+8.8 (+9%)	-0.6 (-1%)	96.3	+0.1 (+0%)
New Domain	17.7	18.9	+1.2 (+7%)	-0.7	+1.9 (+11%)	+1.4 (+8%)	18.8	+0.1 (+0%)
Others	0.2	0.2	-0.0	—	-0.0	-0.0	0.2	+0.0
Total	449.2	419.8	-29.3 (-7%)	-33.2	+3.9 (+1%)	-27.5 (-6%)	408.8	+11.0 (+3%)
<Operating Profit>	FY19 3Q	FY20 3Q	YoY	Influence of coronavirus pandemic	Excluding the impact of coronavirus	Currency- neutral basis	Plan	vs. Plan
Domestic H.E.	22.1	14.9	-7.2 (-33%)	-6.6	-0.6 (-3%)	-7.2 (-33%)	10.3	+4.5 (+44%)
Overseas H.E.	11.2	14.4	+3.2 (+28%)	-2.4	+5.6 (+50%)	+3.4 (+30%)	13.8	+0.6 (+4%)
New Domain	-0.6	0.4	+1.0	-0.2	+1.2	+1.0	0.2	+0.2
Others	-2.8	-1.9	+0.9	—	+0.9	+0.9	-1.9	+0.0
Total	29.9	27.7	-2.1 (-7%)	-9.2	+7.1 (+24%)	-1.9 (-6%)	22.4	+5.3 (+24%)

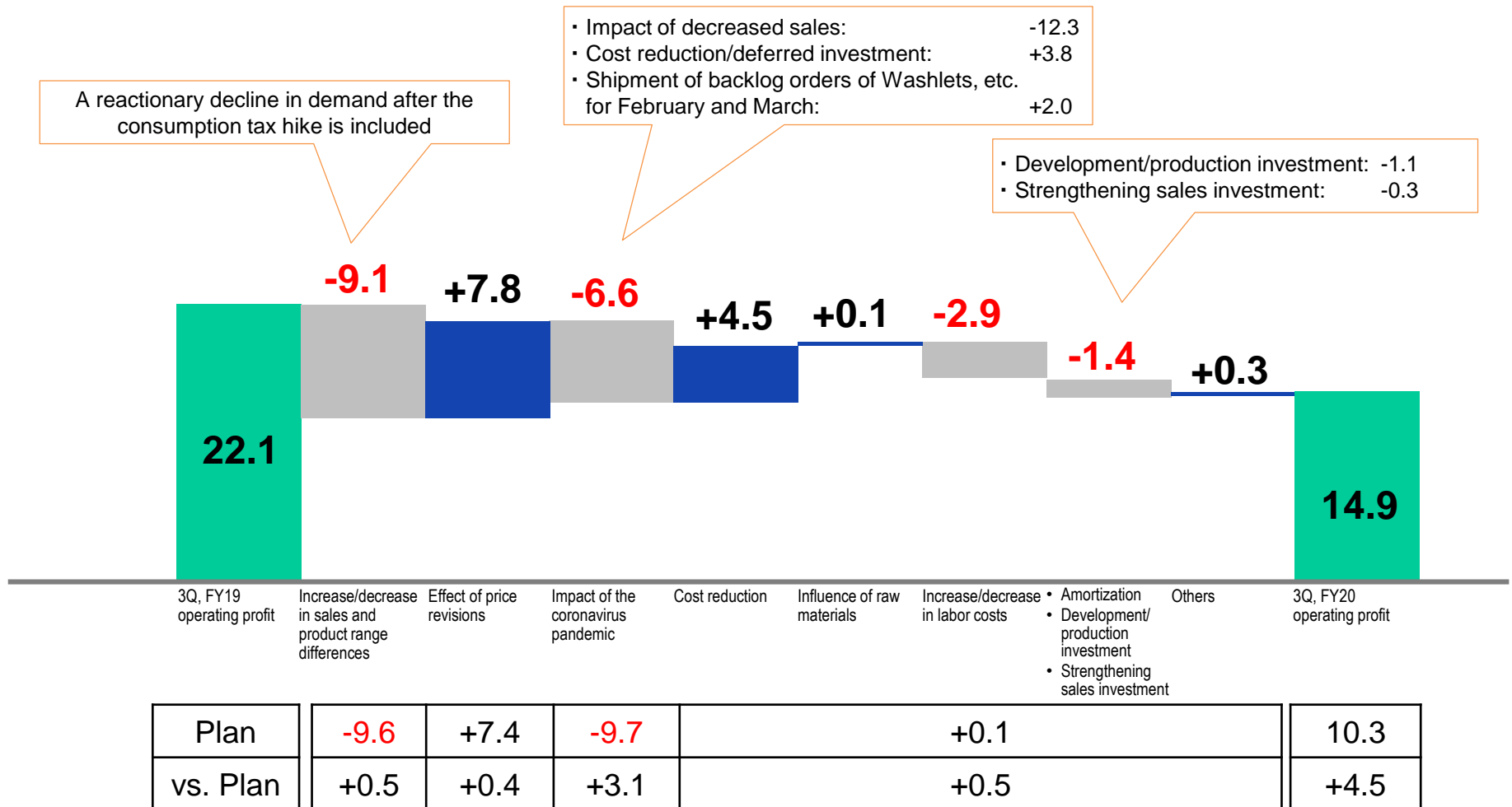
In the cumulative 3Q, both sales and profits decreased, greatly impacted by the performance in 1H, but in the case of the 3Q only, sales and profits increased in all segments.

Third Quarter Results for Fiscal Year Ending March 2021

Global Housing Equipment Business (Japan)

Cause of increase/decrease of operating profit
(Breakdown of -7.2 billion yen in previous year's difference)

Unit: Y billion



Third Quarter Results for Fiscal Year Ending March 2021

Global Housing Equipment Business (Japan)

Performance by demand

Unit: Y billion

<Remodeling>

	FY19 3Q	FY20 3Q	YoY	Influence of coronavirus pandemic	Excluding the impact of coronavirus
Net Sales	228.8	211.9	-16.9 (-7%)	-13.0	-4.0 (-2%)
Operating Profit	19.0	13.4	-5.6 (-29%)	-5.3	-0.2 (-1%)
Operating Margin	8%	6%	-2pt	-	-

<New Housing>

	FY19 3Q	FY20 3Q	YoY	Influence of coronavirus pandemic	Excluding the impact of coronavirus
Net Sales	103.7	92.3	-11.4 (-11%)	-8.5	-2.9 (-3%)
Operating Profit	3.1	1.4	-1.7 (-54%)	-1.3	-0.4 (-13%)
Operating Margin	3%	2%	-1pt	-	-

Both the remodeling and the new housing businesses saw decreases in sales and profits due to the impact of COVID-19.

In the case of the 3Q only, the remodeling business posted increases in sales and profits with strong results in residential and non-residential properties such as schools and hospitals, mainly due to brisk sales of contactless products.

Third Quarter Results for Fiscal Year Ending March 2021

Global Housing Equipment Business (Japan)

Sales per products

Unit: Y billion

<Net Sales>	FY19 3Q	FY20 3Q	YoY	Influence of coronavirus pandemic	Excluding the impact of coronavirus
Sanitary Ware	70.3	65.2	-5.0 (-7%)	-4.7	-0.3 (-0%)
Washlet	74.8	75.6	+0.9 (+1%)	+1.4	-0.5 (-1%)
Faucet Fixtures	66.7	61.2	-5.5 (-8%)	-3.6	-1.9 (-3%)
Bathrooms	80.2	66.1	-14.1 (-18%)	-10.5	-3.6 (-5%)
Modular Kitchens/Basins	35.1	30.7	-4.3 (-12%)	-3.8	-0.5 (-2%)
Others	5.6	5.3	-0.2 (-4%)	-0.3	+0.1 (+1%)
Total	332.6	304.3	-28.3 (-9%)	-21.5	-6.8 (-2%)

<Operating Profit>	FY19 3Q	FY20 3Q	YoY	Influence of coronavirus pandemic	Excluding the impact of coronavirus
Sanitary Ware	5.4	3.0	-2.3	-2.4	+0.1
Washlet	10.1	11.9	+1.8	+1.6	+0.3
Faucet Fixtures	4.1	3.0	-1.1	-0.9	-0.2
Bathrooms	2.6	-0.5	-3.1	-3.3	+0.1
Modular Kitchens/Basins	0.6	-1.0	-1.6	-1.4	-0.1
Others	-0.7	-1.6	-0.9	-0.1	-0.8
Total	22.1	14.9	-7.2	-6.6	-0.6

Sales and profits of products other than Washlet decreased affected by COVID-19, but they recovered significantly for all products in the 3Q only.

Third Quarter Results for Fiscal Year Ending March 2021

Global Housing Equipment Business (Overseas)

Unit: Y billion

Net Sales	FY19 3Q	FY20 3Q	YoY	Influence of coronavirus pandemic	Excluding the impact of coronavirus	Currency- neutral basis
China	49.6	48.0	-1.6 (-3%)	-3.7	+2.1 (+4%)	-0.3 (-1%)
Asian & Oceanian	22.0	20.0	-2.0 (-9%)	-4.6	+2.6 (+12%)	-2.1 (-9%)
Americas	24.3	25.5	+1.2 (+5%)	-2.4	+3.6 (+15%)	+1.6 (+7%)
Europe	2.9	3.0	+0.1 (+2%)	-0.4	+0.4 (+15%)	+0.1 (+3%)
Total	98.8	96.5	-2.3 (-2%)	-11.1	+8.8 (+9%)	-0.6 (-1%)

Operating Profit	FY19 3Q	FY20 3Q	YoY	Influence of coronavirus pandemic	Excluding the impact of coronavirus	Currency- neutral basis
China	7.6	9.2	+1.5 (+20%)	-0.1	+1.6 (+21%)	+1.8 (+23%)
Asian & Oceanian	3.6	3.6	+0.0 (+0%)	-1.9	+2.0 (+54%)	-0.1 (-2%)
Americas	0.7	2.2	+1.5 (+204%)	-0.3	+1.8 (+242%)	+1.5 (+208%)
Europe	-0.7	-0.6	+0.2	-0.1	+0.3	+0.2
Total	11.2	14.4	+3.2 (+28%)	-2.4	+5.6 (+50%)	+3.4 (+30%)

Despite decreases in sales due to the impact of COVID-19, profits increased thanks to increased sales of Washlets in the Americas and other factors.

Third Quarter Results for Fiscal Year Ending March 2021

Results for local subsidiaries (China) (January to September)

*Base that does not include consolidated adjustment and common expense allocations

Financial Results

Unit: CNY million

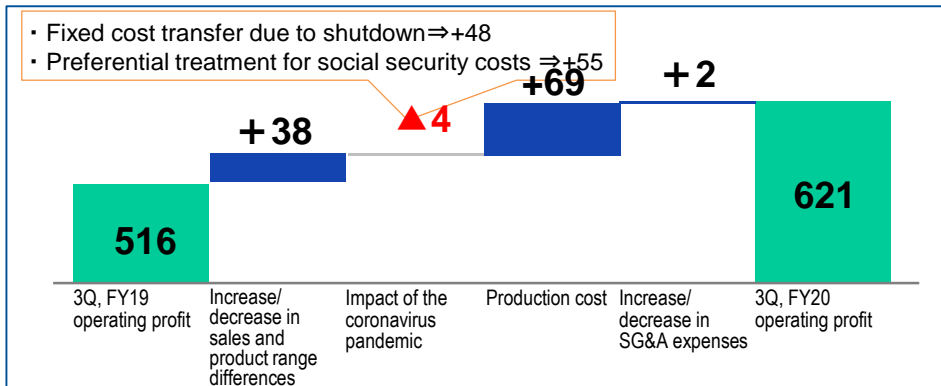
	FY19 3Q	FY20 3Q	YoY	Influence of coronavirus pandemic	Excluding the impact of coronavirus
Net Sales	3,113	3,120	+7 (+0%)	-217	+224 (+7%)
Operating Profit	516	621	+105 (+20%)	-4	+109 (+21%)
Operating Margin	17%	20%	+3pt	-	+2pt

Sales in the fourth quarter (October to December) grew by 21% year-on-year.

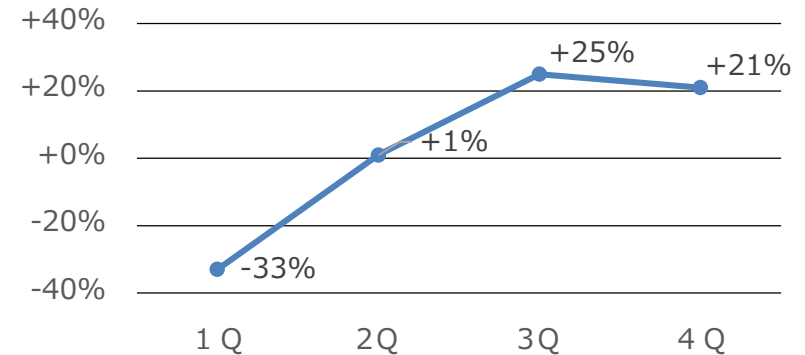
Exchange rates	3Q, FY19	3Q, FY20
1 CNY	¥15.3	¥15.4

Cause of increase/decrease of operating profit

Unit: CNY million



Sales trends (YoY)



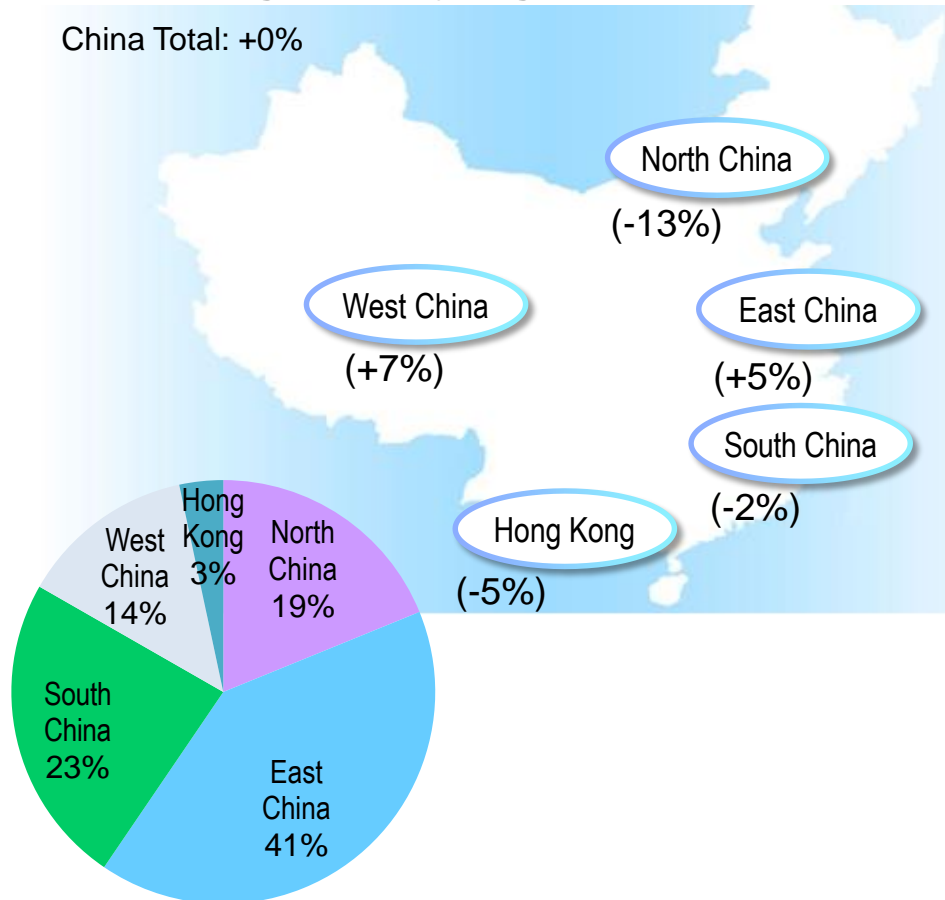
Sales and profits increased as the business recovered from the first quarter, which was impacted by COVID-19.

Third Quarter Results for Fiscal Year Ending March 2021

Results for local subsidiaries (China) (January to September)

Net sales growth by region

China Total: +0%

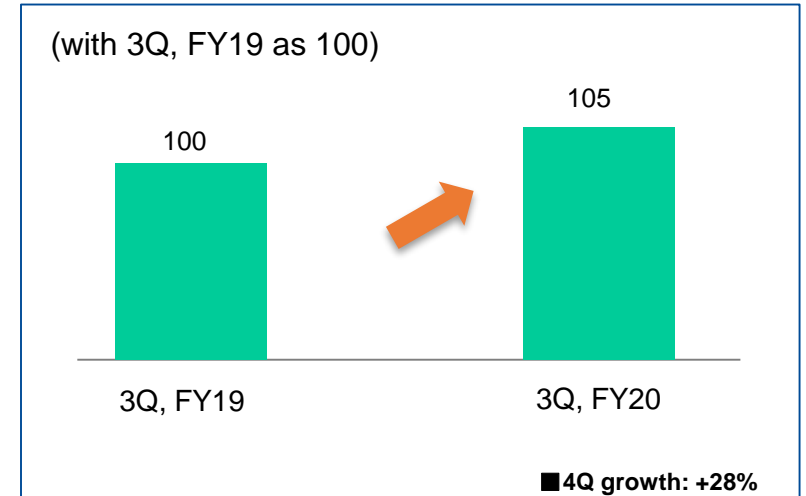


Sales distribution ratio

Net sales growth by products

	YoY
Sanitary Ware	-6%
Washlet	+5%
Faucet Fixtures	+4%

Washlets: Growth in sales volume



Following the recovery from the impact of COVID-19, sales exceeded the previous year's level for all products and in all areas in the 3Q.

Third Quarter Results for Fiscal Year Ending March 2021

Results for local subsidiaries (Asian & Oceanian Region) (January to September)

*Base that does not include consolidated adjustment and common expense allocations

Net sales
breakdown
by area

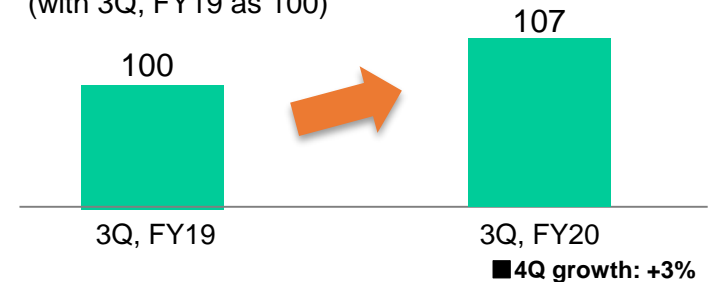
Taiwan 54%	Vietnam 25%	Others 21%
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Unit: Million Taiwan dollars

Taiwan	FY19 3Q	FY20 3Q	YoY	Influence of coronavirus pandemic	Excluding the impact of coronavirus
Net Sales	2,663	2,972	+309 (+12%)	-	+309 (+12%)
Operating Profit	613	816	+202 (+33%)	-	+202 (+33%)
Operating Margin	23%	27%	+4pt	-	+4pt

Washlets: Growth in sales volume

(with 3Q, FY19 as 100)



Sales in the fourth quarter (October to December) grew by 2% year-on-year.

Unit: Billion Dong

Vietnam	FY19 3Q	FY20 3Q	YoY	Influence of coronavirus pandemic	Excluding the impact of coronavirus
Net Sales	2,750	3,039	(+10%)	-477	(+28%)
[For external customers]	[1,228]	[1,068]	(-13%)	[-477]	(+26%)
Operating Profit	345	298	-47 (-14%)	-209	+162 (+47%)
Operating Margin	13%	10%	-3pt	-	+2pt

Sales to external customers in the fourth quarter (October to December) were down 38% year-on-year.

In Taiwan, both sales and profits increased with no impact from COVID-19.

In Vietnam, sales increased but profits decreased.

Sales to external customers decreased due to the impact of COVID-19.

Exchange rates	3Q, FY19	3Q, FY20
1 Taiwan dollars	¥3.44	¥3.62

Exchange rates	3Q, FY19	3Q, FY20
1 dong	¥0.00460	¥0.00458

Third Quarter Results for Fiscal Year Ending March 2021

Results for local subsidiaries (Americas) (January to September)

*Base that does not include consolidated adjustment and common expense allocations

Financial Results

Unit: \$ million

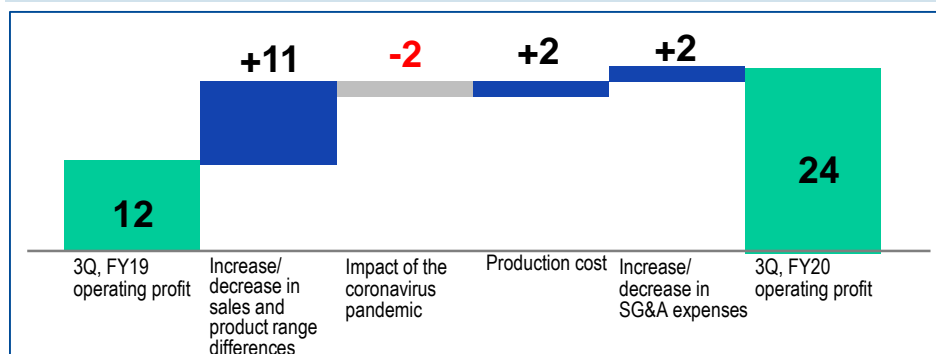
	FY19 3Q	FY20 3Q	YoY	Influence of coronavirus pandemic	Excluding the impact of coronavirus
Net Sales	222	237	+15 (+7%)	-21	+36 (+16%)
Operating Profit	12	24	+12 (+99%)	-2	+14 (+119%)
Operating Margin	5%	10%	+5pt	-	+5pt

Sales in the fourth quarter (October to December) grew by 31% year-on-year.

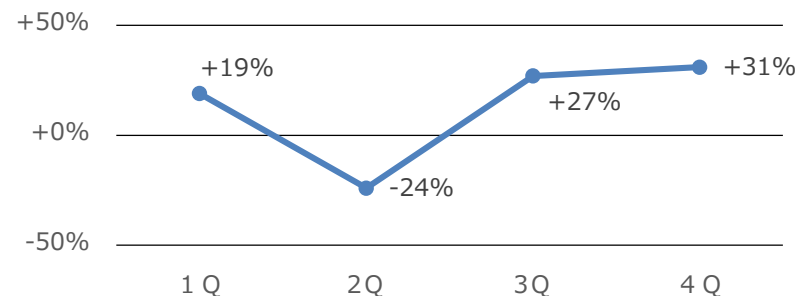
Exchange rates	3Q, FY19	3Q, FY20
1 \$	¥107.4	¥106.2

Cause of increase/decrease of operating profit

Unit:
\$ million



Sales trends (YoY)



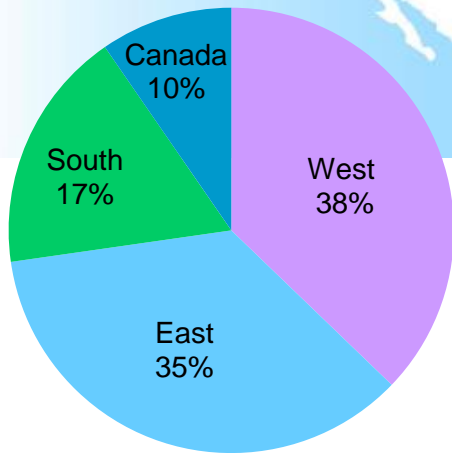
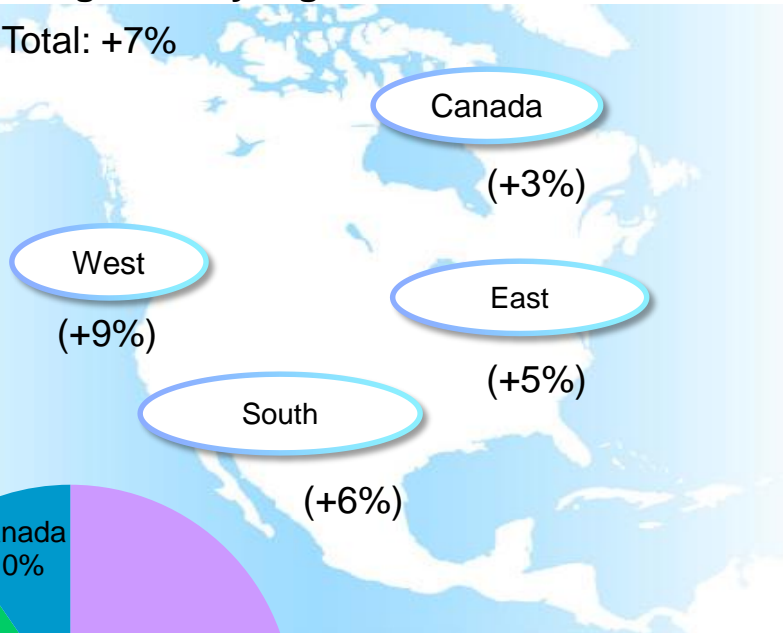
Sales and profits increased due to increased sales of Washlets and contactless products, even with the impact of COVID-19.

Third Quarter Results for Fiscal Year Ending March 2021

Results for local subsidiaries (Americas) (January to September)

Net sales growth by region

Americas Total: +7%

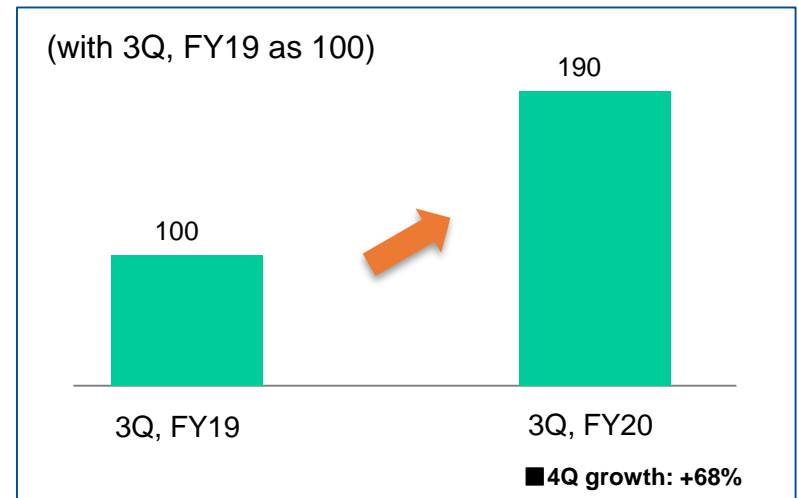


Sales distribution ratio

Net sales growth by products

	YoY
Sanitary Ware	-8%
Washlet	+47%
Faucet Fixtures	+4%

Washlets: Growth in sales volume



Sales increased in all areas.

By product, sales for Washlets significantly exceeded the previous year's level.

Third Quarter Results for Fiscal Year Ending March 2021

Results for local subsidiaries (Europe) (January to September)

*Base that does not include consolidated adjustment and common expense allocations

Financial Results

Unit: € million

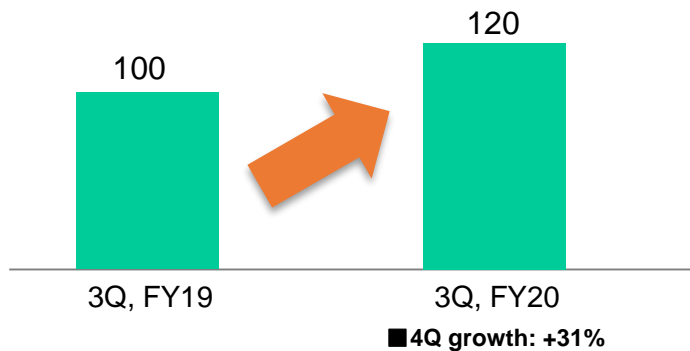
	FY19 3Q	FY20 3Q	YoY	Influence of coronavirus pandemic	Excluding the impact of coronavirus
Net Sales	22	23	+0 (+1%)	-3	+3 (+15%)
Operating Profit	-6	-3	+3	-1	+4

Sales in the fourth quarter (October to December) grew by 24% year-on-year.

Exchange rates	3Q, FY19	3Q, FY20
1 €	¥119.4	¥124.1

■ Washlets: Growth in sales volume

(with 3Q, FY19 as 100)



Increase in sales and a reduction in loss. We continued promoting the construction of distribution channels and adoption of our products at famous sites.

Third Quarter Results for Fiscal Year Ending March 2021

New Domain Business

Advanced Ceramic Business

Unit: Y billion

	FY19 3Q	FY20 3Q	YoY	Influence of coronavirus pandemic	Excluding the impact of coronavirus	Currency- neutral basis
Net Sales	11.9	14.4	+2.5 (+21%)	-	+2.5 (+21%)	+2.7 (+23%)
Operating Profit	-0.2	0.8	+1.0	-	+1.0	+1.0

Green Building Materials Business

Unit: Y billion

	FY19 3Q	FY20 3Q	YoY	Influence of coronavirus pandemic	Excluding the impact of coronavirus	Currency- neutral basis
Net Sales	5.8	4.4	-1.3 (-23%)	-0.7	-0.6 (-11%)	-1.3 (-23%)
Operating Profit	-0.4	-0.4	-0.0	-0.2	+0.2	-0.0

Advanced ceramic business increased sales and turned profitable due to the recovery of the semiconductor market.

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Evaluation from outside the company

- **TOTO was selected as an index component for the Dow Jones Sustainability World Index (DJSI World) (for the 9th time)**

Member of

Dow Jones Sustainability Indices

Powered by the S&P Global CSA

What is DJSI?

It is a stock index managed by S&P Global, which evaluates corporate sustainability based on three factors: economic, environmental, and social criteria. In 2020, it conducted a survey on approximately 3,500 companies worldwide. TOTO was selected as one of 323 companies (including 39 Japanese companies) that compose the DJSI World. In the construction products sector, TOTO received the highest ratings in seven categories: information/cyber security, environmental reporting, recycling strategy, water-related risks, social reporting, human resource development, and corporate citizenship activities.

TOTO will achieve sustainable earnings growth by providing the products and services of value that society demands, while contributing to the achievement of the targets set in the "Sustainable Development Goals (SDGs)" adopted by the United Nations through various CSR activities.

Evaluation from outside the company

■ Washlet won the Japan Naming Award 2020 Excellence Award

Washlet, whose cumulative shipments exceeded 53 million units since its launch in 1980, won the Japan Naming Award 2020 Excellence Award in the home appliances and games category.

Evaluation Points:

Washlet was highly rated for its high level of creativity and penetration into the world as a product name that represents the category, as well as being an internationally accepted name. Its naming was considered to deserve praise in 2020 when "the importance of naming" was rediscovered.



■ Washlet integrated toilet bowl, NEOREST The series' cumulative shipments topped 3 million units



TOTO launched NEOREST in 1993 as the industry's first low-silhouette type toilet integrated with a toilet seat with a warm-water wash function. Since then, it has continued to evolve both in function and design, incorporating TOTO's latest technology.

TOTO exhibited at the world's largest technology trade fair, CES 2021

TOTO exhibited at CES 2021, a forum for the presentation of advanced technologies and innovators sponsored by the Consumer Technology Association (held online from January 11–14, 2021).



With the message "TOTO CLEANOVATION," TOTO promotes to the world its technological innovations that contribute to hygiene, cleanliness, and comfortable living, which it has been working on for 100 years as a manufacturer of water-related equipment.

The Company announced for the first time its Wellness Toilet initiative, with an aim to create new lifestyle values in terms of health.

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Highlights

Based on the results of the third quarter and the current situation, the full-year plan announced on October 30, 2020 has been revised upward.

**Revised Plan: Net Sales: 580.0 billion yen,
Operating Profit: 39.0 billion yen**

Net Sales: upwardly revised by 17.0 billion yen (563.0 billion yen → 580.0 billion yen)

Operating Profit: upwardly revised by 8.0 billion yen (31.0 billion yen → 39.0 billion yen)

Breakdown of upward revisions by segment

Housing Equipment Business (Japan): Net Sales: +13.8 billion yen
Operating Profit: +4.7 billion yen
This was due to strong sales in the remodeling business, even with the impact of COVID-19.

Housing Equipment Business (Overseas): Net Sales: +2.7 billion yen
Operating Profit: +3.0 billion yen
This was due to solid performance in China and U.S.

FY2020 Revised Plan

Financial plan

Unit: Y billion

	FY19	FY20 Revised Plan	YoY	Currency-neutral basis	Plan	vs. Plan
Net Sales	596.5	580.0	-16.5 (-3%)	-14.6 (-2%)	563.0	+17.0 (+3%)
Operating Profit [Operating Margin]	36.8 [6.2%]	39.0 [6.7%]	+2.2 (+6%)	+2.4 (+7%)	31.0 [5.5%]	+8.0 (+26%)
Recurring Profit	36.1	37.0	+0.9 (+2%)	+1.3 (+3%)	29.5	+7.5 (+25%)
Profit attributable to owners of parent	23.6	24.0	+0.4 (+2%)	+0.7 (+3%)	17.5	+6.5 (+37%)
ROA	6.3%	6.5%	+0.2pt		5.2%	+1.3pt
ROE	7.0%	7.1%	+0.1pt		5.2%	+1.9pt

Exchange rate

	1Q, FY2019	2Q, FY2019	3Q, FY2019	4Q, FY2019	1Q, FY2020	2Q, FY2020	3Q, FY2020	4Q, FY2020
1 \$	¥110.2	¥109.9	¥107.4	¥108.8	¥108.9	¥107.6	¥106.2	¥104.5
1 CNY	¥16.3	¥16.1	¥15.3	¥15.4	¥15.6	¥15.2	¥15.4	¥15.8
1 €	¥125.2	¥123.5	¥119.4	¥120.3	¥120.1	¥118.6	¥124.1	¥124.6

FY2020 Revised Plan

Sales and profit by business segment

Unit: Y billion

<Net Sales>	FY19	FY20 Revised Plan	YoY	Currency- neutral basis	Plan	vs. Plan
Domestic H.E.	436.1	416.8	-19.3 (-4%)	-19.3 (-4%)	403.0	+13.8 (+3%)
Overseas H.E.	135.9	137.2	+1.3 (+1%)	+3.0 (+2%)	134.5	+2.7 (+2%)
New Domain	24.2	25.8	+1.6 (+6%)	+1.8 (+7%)	25.3	+0.5 (+2%)
Others	0.3	0.2	-0.1	-0.1	0.2	+0.0
Total	596.5	580.0	-16.5 (-3%)	-14.6 (-2%)	563.0	+17.0 (+3%)
<Operating Profit>	FY19	FY20 Revised Plan	YoY	Currency- neutral basis	Plan	vs. Plan
Domestic H.E.	25.3	20.7	-4.6 (-18%)	-4.6 (-18%)	16.0	+4.7 (+29%)
Overseas H.E.	15.3	20.0	+4.7 (+31%)	+4.9 (+32%)	17.0	+3.0 (+18%)
New Domain	-0.4	0.7	+1.1	+1.2	0.5	+0.2
Others	-3.4	-2.4	+1.0	+1.0	-2.5	+0.1
Total	36.8	39.0	+2.2 (+6%)	+2.4 (+7%)	31.0	+8.0 (+26%)

Sales and profits decreased in Japan, sales and profits increased in overseas, increased sales and turned profitable in new domain.

FY2020 Revised Plan

Dividend Plan

	FY2019	FY2020 Initial Plan	FY2020 Revised Plan
1st Half	¥45.0	¥30.0	¥30.0
2nd Half	¥45.0	¥30.0	¥40.0
Full Year	¥90.0	¥60.0	¥70.0
Dividend Payment Ratio	64.6%	58.1%	49.4%

Based on the upward revision of the FY2020 Plan, the year-end dividend has been revised to 40 yen.

This presentation material contains forward-looking statements based on assumptions, estimates and plans as of January 29, 2021.

Actual performance may differ materially from these forward-looking statements due to risks and undermined factors arising from changes in the world economy, competition and foreign currency exchange rates.

あしたを、ちがう「まいにち」に。

TOTO