October 30, 2020

To Whom It May Concern:

Listed Company Name:	TOTO LTD.
Representative:	Noriaki Kiyota, President, Representative Director
Code No:	5332 (First Section of Tokyo/Nagoya Stock Exchanges, Fukuoka Stock Exchange)
Contact Person:	Yoshihisa Tanaka, General Manager, Management Planning Department (TEL: +81-3-6836-2024)

Notice Regarding the Difference Between Forecasts and Actual Results of Consolidated Performance for the Six Months Ended September 30, 2020 and Consolidated Financial Results Forecasts for the Year Ending March 31, 2021, as well as Dividends of Surplus and Fiscal Year-End Cash Dividends Forecasts

TOTO LTD. (the "Company") hereby announces the following differences between the actual results and the consolidated financial results forecasts stated in "Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)" disclosed on July 31, 2020, for the six months ended September 30, 2020.

Also, the Board of Directors meeting of the Company held today adopted a resolution, as provided below, to the forecast of consolidated financial results for the full year ending March 31, 2021, the distribution of surplus (interim dividends) with its record date of September 30, 2020, and the year-end dividend forecast for the fiscal year ending March 31, 2021, all of which remained undecided on July 31, 2020.

1. Differences between consolidated financial forecasts and actual results for the six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)

	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
Previous forecasts (A)	250,000	6,000	–	–	–
Actual results (B)	257,546	10,605	10,292	4,569	26.98
Change (B-A)	7,546	4,605	–	–	–
Change (%)	3.0	76.8	–	–	–
(Reference) Results for the previous second quarter (The second quarter of the fiscal year ended March 31, 2020)	296,329	17,467	17,924	12,405	73.26

This notice has been translated from the original notice in Japanese.
In the event of any discrepancy, the original in Japanese shall prevail.

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

	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
Previous forecasts (A)	–	–	–	–	–
Revised forecasts (B)	563,000	31,000	29,500	17,500	103.30
Change (B-A)	–	–	–	–	–
Change (%)	–	–	–	–	–
(Reference) Results of the previous fiscal year (Fiscal year ended March 31, 2020)	596,497	36,760	36,111	23,583	139.26

3. Reasons for differences between the consolidated financial results forecasts and the actual results of the six months ended September 30, 2020, and the consolidated financial results forecasts for the full year ending March 31, 2021.

During the six months ended September 30, 2020, the Global Housing Equipment Business (Japan) logged consolidated net sales and operating profit higher than the forecasts as a drop in sales impacted by the spread of the novel coronavirus disease (COVID-19) was less steep than anticipated.

The forecast of consolidated financial results for the full year ending March 31, 2021, is calculated based on currently available information with an assumption that the earnings will gradually recover towards the second half of the fiscal year.

Please refer to “First Half Results for Fiscal Year Ending March 2021” disclosed today for the details of the earnings forecasts.

(Note) The earnings forecasts described in this document are calculated based on information available at this moment. Actual results may differ from the forecasts in this document according to various factors in the future.

4. Distribution of surplus and forecast for year-end dividends

(1) Interim dividend for the year ending March 31, 2021

	Confirmed dividend	Latest forecasted dividend (announced as of July 31, 2020)	Results for the previous period (Year ended March 2020)
Date of record	September 30, 2020	As on left	September 30, 2019
Dividend per share	30 yen	TBD	45 yen
Total dividend	5,082 million yen	–	7,620 million yen
Payout date	December 1, 2020	–	December 2, 2019
Dividend source	Retained earnings	–	Retained earnings

(2) Forecast for the fiscal year-end dividend for the year ending March 31, 2021

	Annual dividend (yen)		
	End of second quarter	Fiscal year-end	Total
Previous forecasts (announced as of July 31, 2020)	TBD	TBD	TBD
Revised forecasts		30 yen	60 yen
Results for the current period	30 yen		
Results for the previous period (Year ended March 2020)	45 yen	45 yen	90 yen

(3) Reason for the interim dividend and the forecast for the fiscal year-end dividend

The Company considers return of profits to shareholders as one of its important management issues, and has adopted a fundamental policy of paying a stable dividend while maintaining sufficient internal reserves to strengthen its corporate structure and provide for future business development.

With regard to the dividend, the Company strives to maintain a stable dividend, with return of profits that correlates to business performance and a target payout ratio of 40% of profit attributable to owners of parent.

Concerning dividends for the fiscal year ending March 31, 2021, the Company has decided to distribute its interim dividend of 30 yen and its year-end dividend of 30 yen by taking into consideration the above policies and earnings forecasts disclosed.

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