

April 28, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: TOTO Corporation
 Listing: Tokyo Stock Exchange / Nagoya Stock Exchange / Fukuoka Stock Exchange
 Securities code: 5332
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 Scheduled date of annual general meeting of shareholders: June 24, 2025
 Scheduled date to commence dividend payments: June 4, 2025
 Scheduled date to file annual securities report: June 20, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	724,454	3.2	48,479	13.4	50,369	(2.2)	12,168	(67.3)
March 31, 2024	702,284	0.2	42,766	(12.9)	51,515	(5.9)	37,196	(4.5)

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥37,264 million [(44.3)%]
 For the fiscal year ended March 31, 2024: ¥66,862 million [0.2%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	71.73	71.68	2.4	6.3	6.7
March 31, 2024	219.30	219.14	7.8	6.8	6.1

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2025: ¥1,260 million
 For the fiscal year ended March 31, 2024: ¥626 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	813,924	530,404	64.1	3,077.00
March 31, 2024	790,255	510,556	63.6	2,962.21

Reference: Equity
 As of March 31, 2025: ¥522,057 million
 As of March 31, 2024: ¥502,472 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	71,381	(38,383)	(19,007)	120,702
March 31, 2024	76,311	(53,790)	(18,954)	102,636

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	-	50.00	-	50.00	100.00	16,962	45.6	3.5
Fiscal year ended March 31, 2025	-	50.00	-	50.00	100.00	16,965	139.4	3.3
Fiscal year ending March 31, 2026 (Forecast)		50.00		50.00	100.00		52.1	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	360,000	1.2	19,000	(21.3)	19,100	(15.8)	6,000	(64.6)	36.44
Fiscal year ending March 31, 2026	753,500	4.0	52,500	8.3	52,100	3.4	31,000	154.7	191.76

Detailed information on the financial results is provided in the financial results briefing materials released today.

* Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations : Yes
 - (ii) Changes in accounting policies due to other reasons : None
 - (iii) Changes in accounting estimates : None
 - (iv) Restatement : None

Note: For details, Please refer to 3. Consolidated Financial Statements (5) Notes on Consolidated Financial Statements (Notes on Changes in Accounting Policy).

(3) Number of issued shares (common shares)

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

As of March 31, 2025	176,981,297 shares
As of March 31, 2024	176,981,297 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2025	7,316,765 shares
As of March 31, 2024	7,353,859 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	169,649,722 shares
Fiscal year ended March 31, 2024	169,613,552 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors. For the conditions on which earnings forecasts are predicated and precautions for the use of earnings forecasts, please refer to Appendix P.6 "1. Overview of Operating Results (Outlook for the Next term).

1. Overview of Operating Results

(1) Overview of operating results for the current period

(Review of operating results)

During the fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025) (hereinafter, fiscal 2024), the Japanese economy was recovering modestly, although lulls were still observed in certain parts of the economy. However, intensifying trade friction between the U.S. and China, the recent rise in tariffs implemented by the new U.S. presidential administration and a further slowdown of overseas economic conditions pose downside risks to the Japanese economy.

Under this business environment, based on the mid-term management issues WILL2030 STAGE 2 (fiscal 2024 to fiscal 2026), the TOTO Group promoted activities in the two core businesses of the Global Housing Equipment Business and the New Business Domains to achieve the vision defined by the ten-year mid- or long-term management plan “Shared Value Creation Strategy TOTO WILL 2030,” which has been implemented since fiscal 2021.

In the Global Housing Equipment Business, we position TOTO’s unique products as Sustainable Products, highlighting their balance of “Cleanliness and Comfort; Wellness” with “Environment,” and by popularizing these products around the world, we are contributing to an enriched, comfortable, and environmentally friendly society.

Moreover, in the New Business Domains, we are contributing to the evolution of the semiconductor market through developing and offering value of TOTO’s one-of-a-kind ceramic products, thereby supporting the transformation of society through DX.

As a result, net sales for fiscal 2024 amounted to 724,454 million yen, an increase of 3.2% year on year, operating profit totaled 48,479 million yen, an increase of 13.4% year on year, and ordinary profit stood at 50,369 million yen, a decrease of 2.2% year on year. Profit attributable to owners of parent amounted to 12,168 million yen, a decrease of 67.3% year on year, as a result of posting impairment loss in the Mainland China Business.

Business results by segment are as follows. Net sales by segment are sales to external customers.

(Overview by segment)

(i) Global Housing Equipment Business

The Global Housing Equipment Business is composed of two business operations: Japan Housing Equipment Business, and International Housing Equipment Business.

Consolidated net sales for fiscal 2024 totaled 673,852 million yen (a year-on-year increase of 1.3%) and consolidated operating profit totaled 30,922 million yen (a decrease of 9.7%).

<Japan Housing Equipment Business>

Consolidated net sales for fiscal 2024 stood at 481,346 million yen (a year-on-year increase of 1.7%), with an increase in net sales for remodeling products used both in housing and public facilities due to new merchandise and the effects of price revisions. Consolidated operating profit totaled 21,900 million yen (a decrease of 1.8%) due to factors such as soaring external procurement costs and an increase in human resource investments, despite the effects of price revisions and cost reductions.

The TOTO Group is working to boost remodeling demand by proposing better lifestyle value to its customers through tailored services. These services leverage both showrooms and the online web-based

platform. This is guided by the “Anshin” Remodeling Strategy, which was launched in fiscal 2018 and has been evolving with each passing year.

In addition, we are promulgating the clean toilet culture that we have created around the world, and strengthening the development and proposal of high added value products with superior hygiene and eco-friendliness features.

<International Housing Equipment Business>

(The Americas Business)

Consolidated net sales for fiscal 2024 stood at 70,478 million yen (a year-on-year increase of 19.7%) and consolidated operating profit totaled 5,153 million yen (an increase of 85.7%) as a result of our active efforts to expand sales of WASHLET, despite the challenging economic environment of stagnation in the real estate market and persistently high interest rates.

In the United States, we are reinforcing communication of value centered on cleanliness functions in the middle and luxury grade markets, and receiving recognition from customers for our comfort and design in relation to NEOREST, WASHLET and water-saving toilet basins, etc.

Additionally, we are strengthening customer contact points and promoting the creation of efficient supply systems, including enhancing our showroom displays and websites, setting up sales systems through e-commerce and retail chain stores, and establishing after-sales service systems.

(Asia-Oceania Business)

Consolidated net sales for fiscal 2024 stood at 50,220 million yen (a year-on-year increase of 11.7%) and consolidated operating profit totaled 8,236 million yen (an increase of 34.3%) mainly due to sales expansion in the Taiwan Region.

In the Asian Region, we are promoting business activities that leverage the recognition of TOTO as a luxury-grade brand. In the Taiwan Region, among others, we are tapping into remodeling demand through efforts that involve strengthening customer contact points based on WASHLET while also improving training of sales staff and upgrading display content in showrooms. Having set our sights on the three growth markets of Vietnam, India, and Thailand where we aim to achieve medium-term growth, we are engaging in efforts that involve strengthening sales capabilities, quantitatively and qualitatively improving customer contact points, and establishing after-sales service systems.

We are also actively strengthening order intake for high-profile properties, such as five-star hotels by engaging in aggressive promotion activities for NEOREST and WASHLET in each country and region.

At the same time, we are enhancing our production systems, concentrating on Vietnam and Thailand as our worldwide supply bases, and promoting activities as a corporation with deep roots in each country and region.

(Mainland China Business)

Consolidated net sales for fiscal 2024 stood at 66,924 million yen (a year-on-year decrease of 20.4%) due to the effects of changes in customers’ purchasing behavior and intensified competition in addition to a sluggish real estate market. Additionally, consolidated operating loss was 3,554 million yen (deficit) (compared to a consolidated operating profit of 4,366 million yen for fiscal 2023) due to factors such as sales decrease and reduced production resulting from inventory adjustments.

Going forward, we will overhaul our business strategy by introducing cost-competitive products while also differentiating ourselves from our competitors by offering solutions that leverage our proprietary technologies and new added value. Even in the midst of a rapidly changing market environment, we focus resources into

regions where we can leverage our strengths in remodeling, and implement meticulous proposals to customers based on the trust cultivated towards the TOTO brand.

(Europe Business)

Consolidated net sales for fiscal 2024 stood at 4,882 million yen (a year-on-year increase of 8.2%) due to growth in WASHLET sales resulting from factors such as the enhancement of our sales networks and the promotion of our products to high-profile properties. Consolidated operating loss was 812 million yen (deficit) (compared with a consolidated operating loss of 1,349 million yen for fiscal 2023).

In Europe, we are strengthening initiatives for value appeal through sales of products with refined designs popular with European customers and through showroom exhibitions while promoting the TOTO brand globally.

In Germany, we have assigned priority to promoting our activities and have accordingly been focusing on cooperating with dealers and also exploring for new contractors to expand the number of contractors.

In the United Kingdom and France, we have been raising recognition and promoting adoption of clean and comfortable high value added products centered around NEOREST and WASHLET at prestigious sites such as five-star hotels.

(ii) New Business Domains

<Ceramics Business>

Consolidated net sales for fiscal 2024 stood at 50,325 million yen (a year-on-year increase of 38.0%) due to factors such as increased sales of electrostatic chucks, which resulted from improved utilization rates at existing factories as semiconductor device manufacturers adjusted their inventories, which coincided with a recovery in the semiconductor market, as well as a recovery in demand for new installation of semiconductor manufacturing equipment. Consolidated operating profit was 20,419 million yen (a year-on-year increase of 86.2%).

Looking ahead to market growth, the TOTO Group will continue to steadfastly meet the needs of the extremely competitive and volatile semiconductor market by further advancing our fine ceramics technology cultivated up until now and enhancing our development capabilities for this field, and by improving smart factories that will achieve highly efficient production.

(iii) Others

<External awards>

Sustainability Related

The TOTO Group was selected as a constituent stock of the World Index of the Dow Jones Sustainability Indices (DJSI), which serve as internationally recognized ESG investment benchmarks. This marks the 13th time we have been selected for inclusion in DJSI World. In addition, we have also been selected as a constituent stock of the DJSI Asia Pacific Index, the Asia-Pacific version of the DJSI, for the 16th consecutive year.

The TOTO Group was also selected for A List, the highest rating, by CDP, an international non-profit organization that operates a global environmental information disclosure system, for each of our initiatives toward climate change and water security. We have been selected for A List for the second consecutive year for climate change and the first time for water security.

Design Awards

The TOTO Group received the internationally prestigious iF Design Award 2025 in three product categories—the SYNLA modular bathroom, the “RP series” of toilets and bidets for overseas markets, and the next Eco Remote Controller. This marks the 12th consecutive year we have received the iF Design Award.

By continuing to pursue the integration of design and technology and popularizing TOTO’s unique products around the world, the TOTO Group will contribute to realizing a “sustainable society” and “clean, comfortable and healthy lifestyles.”

(Outlook for the next term)

For the fiscal year ending March 2026, we are forecasting year-on-year increases in both sales and profits. Specifically, we are projecting net sales of 753,500 million yen (an increase of 4.0% year on year), operating profit of 52,500 million yen (an increase of 8.3%), ordinary profit of 52,100 million yen (an increase of 3.4%) and profit attributable to owners of parent of 31,000 million yen (an increase of 154.7%).

* Note: Forecasts based on our projections and plans for the future contain unpredictable elements that may cause fluctuations. Accordingly, actual results may differ materially from forecasts.

(2) Review of financial position for the current period

Consolidated cash and cash equivalents (hereinafter referred to as “funds”) as of March 31, 2025 increased by 18,065 million yen to 120,702 million yen, up from 102,636 million yen at the end of the previous fiscal year.

(Cash flows from operating activities)

Funds provided by operating activities totaled 71,381 million yen. This was due to increases in funds including profit before income taxes of 24,331 million yen, depreciation of 35,018 million yen, impairment losses of 34,092 million yen and a decrease in inventories of 5,205 million yen; and decreases in funds including a decrease in accounts payable - other of 4,476 million yen and income taxes paid of 11,592 million yen.

(Cash flows from investing activities)

Funds used in investing activities totaled 38,383 million yen. This was due to increases in funds including proceeds from sale and redemption of short-term and long-term investment securities of 13,361 million yen; and decreases in funds including the purchase of property, plant and equipment of 44,553 million yen and purchase of intangible assets of 6,145 million yen.

(Cash flows from financing activities)

Funds used in financing activities totaled 19,007 million yen. This was due to decreases in funds including dividends paid of 16,964 million yen.

Trends in cash flow indexes (financial figures on a consolidated basis) are as follows:

		Fiscal Year Ended March 31, 2023	Fiscal Year Ended March 31, 2024	Fiscal Year Ended March 31, 2025
Equity ratio (%)	(*1)	62.0	63.6	64.1
Equity ratio based on market value (%)	(*2)	102.5	91.7	81.2
Debt redemption period (year)	(*3)	2.4	1.0	1.1
Interest coverage ratio (times)	(*4)	471.3	314.0	221.8

(*1) Equity ratio: Equity / Total assets

(*2) Equity ratio based on market value: Market capitalization / Total assets

- Market capitalization was calculated by multiplying the closing stock price at the end of the period by the total number of issued and outstanding shares at the end of the period (excluding treasury shares).

(*3) Debt redemption period: Interest-bearing debt / Operating cash flow

- Interest-bearing debt includes all liabilities recorded on the consolidated balance sheet on which interest is paid.
- The figure used for operating cash flow is “net cash provided by operating activities” on the consolidated statement of cash flows.

(*4) Interest coverage ratio: Operating cash flow / Interest payments

- Regarding the interest payments, we use “Interest paid” recorded on the consolidated statement of cash flows.

2. Basic Rationale for Selecting the Accounting Standards

The TOTO Group uses Japanese accounting standards.

With respect to the adoption of IFRS, we will keep an eye on future trends and study the issue.

3. Consolidated Financial Statements

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	103,546	122,750
Notes and accounts receivable - trade, and contract assets	99,720	101,468
Merchandise and finished goods	91,412	91,992
Work in process	16,309	15,996
Raw materials and supplies	25,756	26,641
Other	17,648	16,217
Allowance for doubtful accounts	(364)	(495)
Total current assets	354,030	374,570
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	94,784	99,505
Machinery, equipment and vehicles, net	89,000	81,362
Land	26,754	26,988
Construction in progress	36,473	31,394
Other, net	21,621	22,167
Total property, plant and equipment	268,634	261,418
Intangible assets		
Software	25,289	28,299
Other	8,145	8,160
Total intangible assets	33,434	36,460
Investments and other assets		
Investment securities	81,216	67,536
Long-term loans receivable	101	99
Guarantee deposits	6,695	6,673
Retirement benefit asset	41,292	61,428
Deferred tax assets	2,571	3,413
Other	2,460	2,497
Allowance for doubtful accounts	(182)	(173)
Total investments and other assets	134,155	141,475
Total non-current assets	436,224	439,354
Total assets	790,255	813,924

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	76,691	82,583
Short-term borrowings	23,218	23,657
Commercial papers	43,200	43,200
Accounts payable - other	12,614	13,138
Accrued expenses	37,541	38,034
Income taxes payable	4,359	8,207
Accrued consumption taxes	4,926	2,127
Provision for bonuses for directors (and other officers)	231	215
Accrual for loss on inspection and repair of products	380	536
Provision for loss on business restructuring	551	268
Other	20,485	18,812
Total current liabilities	224,199	230,782
Non-current liabilities		
Long-term borrowings	1,469	1,016
Deferred tax liabilities	25,965	25,119
Retirement benefit liability	19,606	17,690
Other	8,457	8,910
Total non-current liabilities	55,499	52,737
Total liabilities	279,699	283,519
Net assets		
Shareholders' equity		
Share capital	35,579	35,579
Capital surplus	29,490	29,537
Retained earnings	365,204	360,408
Treasury shares	(13,653)	(13,590)
Total shareholders' equity	416,620	411,935
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	32,546	25,480
Foreign currency translation adjustment	39,175	61,541
Remeasurements of defined benefit plans	14,130	23,101
Total accumulated other comprehensive income	85,852	110,122
Share acquisition rights	244	218
Non-controlling interests	7,839	8,128
Total net assets	510,556	530,404
Total liabilities and net assets	790,255	813,924

(2) Consolidated statement of income and consolidated statement of comprehensive income
Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	702,284	724,454
Cost of sales	463,284	470,386
Gross profit	238,999	254,068
Selling, general and administrative expenses	196,233	205,588
Operating profit	42,766	48,479
Non-operating income		
Interest income	1,111	881
Dividend income	2,222	2,272
Share of profit of entities accounted for using equity method	626	1,260
Foreign exchange gains	5,618	-
Other	984	1,399
Total non-operating income	10,563	5,813
Non-operating expenses		
Interest expenses	237	318
Loss on retirement of non-current assets	982	818
Foreign exchange losses	-	1,792
Other	595	994
Total non-operating expenses	1,815	3,923
Ordinary profit	51,515	50,369
Extraordinary income		
Gain on sales of land and others	57	-
Gain on sale of investment securities	2,687	8,213
Total extraordinary income	2,744	8,213
Extraordinary losses		
Loss on sales of land and others	54	-
Loss on sale of investment securities	-	158
Loss on valuation of investment securities	-	0
Impairment losses	-	34,092
Total extraordinary losses	54	34,251
Profit before income taxes	54,206	24,331
Income taxes - current	10,129	15,345
Income taxes - deferred	6,225	(3,538)
Total income taxes	16,355	11,807
Profit	37,851	12,524
Profit attributable to non-controlling interests	654	355
Profit attributable to owners of parent	37,196	12,168

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	37,851	12,524
Other comprehensive income		
Valuation difference on available-for-sale securities	15,003	(7,073)
Foreign currency translation adjustment	9,341	22,186
Remeasurements of defined benefit plans, net of tax	4,051	8,913
Share of other comprehensive income of entities accounted for using equity method	614	714
Total other comprehensive income	29,011	24,740
Comprehensive income	66,862	37,264
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	65,775	36,438
Comprehensive income attributable to non-controlling interests	1,087	825

(3) Consolidated statement of changes in equity**Fiscal year ended March 31, 2024**

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	35,579	29,430	344,968	(13,715)	396,262
Dividends of surplus			(16,960)		(16,960)
Profit attributable to owners of parent			37,196		37,196
Purchase of treasury shares				(7)	(7)
Disposal of treasury shares		60		69	129
Net changes in items other than shareholders' equity					
Total changes during period	-	60	20,235	61	20,357
Balance at end of period	35,579	29,490	365,204	(13,653)	416,620

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	17,539	29,626	10,107	57,273	262	7,294	461,092
Dividends of surplus							(16,960)
Profit attributable to owners of parent							37,196
Purchase of treasury shares							(7)
Disposal of treasury shares							129
Net changes in items other than shareholders' equity	15,006	9,548	4,023	28,578	(17)	545	29,106
Total changes during period	15,006	9,548	4,023	28,578	(17)	545	49,463
Balance at end of period	32,546	39,175	14,130	85,852	244	7,839	510,556

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	35,579	29,490	365,204	(13,653)	416,620
Dividends of surplus			(16,964)		(16,964)
Profit attributable to owners of parent			12,168		12,168
Purchase of treasury shares				(9)	(9)
Disposal of treasury shares		46		72	119
Net changes in items other than shareholders' equity					
Total changes during period	-	46	(4,795)	63	(4,684)
Balance at end of period	35,579	29,537	360,408	(13,590)	411,935

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	32,546	39,175	14,130	85,852	244	7,839	510,556
Dividends of surplus							(16,964)
Profit attributable to owners of parent							12,168
Purchase of treasury shares							(9)
Disposal of treasury shares							119
Net changes in items other than shareholders' equity	(7,065)	22,365	8,970	24,270	(25)	288	24,533
Total changes during period	(7,065)	22,365	8,970	24,270	(25)	288	19,848
Balance at end of period	25,480	61,541	23,101	110,122	218	8,128	530,404

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	54,206	24,331
Depreciation	34,136	35,018
Increase (decrease) in allowance for doubtful accounts	114	81
Increase (decrease) in provision for bonuses for directors (and other officers)	(41)	(16)
Increase (decrease) in accrual for loss on inspection and repair of products	(399)	156
Increase (decrease) in provision for loss on business restructuring	(875)	(300)
Increase (decrease) in retirement benefit liability	(1,739)	(518)
Interest and dividend income	(3,334)	(3,153)
Interest expenses	237	318
Loss on retirement of non-current assets	982	818
Loss (gain) on sale of investment securities	(2,687)	(8,054)
Loss (gain) on sale of land	14	-
Loss (gain) on valuation of securities	-	0
Impairment losses	-	34,092
Decrease (increase) in accounts receivable - trade, and contract assets	1,694	1,359
Decrease (increase) in inventories	16,729	5,205
Increase (decrease) in trade payables	(10,113)	3,294
Increase (decrease) in accounts payable - other	1,467	(4,476)
Increase (decrease) in accrued expenses	(1,083)	(107)
Other, net	(4,682)	(8,919)
Subtotal	84,625	79,130
Interest and dividends received	4,291	4,165
Interest paid	(242)	(321)
Income taxes paid	(12,362)	(11,592)
Net cash provided by (used in) operating activities	76,311	71,381

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from investing activities		
Payments into time deposits	(1,393)	(3,703)
Proceeds from withdrawal of time deposits	1,187	2,583
Purchase of property, plant and equipment	(51,130)	(44,553)
Proceeds from sale of property, plant and equipment	293	61
Purchase of intangible assets	(7,015)	(6,145)
Purchase of short-term and long-term investment securities	(501)	(219)
Proceeds from sale and redemption of short-term and long-term investment securities	4,584	13,361
Long-term loan advances	(5)	(2)
Proceeds from collection of long-term loans receivable	3	4
Other, net	186	230
Net cash provided by (used in) investing activities	(53,790)	(38,383)
Cash flows from financing activities		
Proceeds from issuance of commercial papers	43,200	43,200
Redemption of commercial papers	(43,200)	(43,200)
Repayments of long-term borrowings	(137)	-
Dividends paid	(16,960)	(16,964)
Dividends paid to non-controlling interests	(542)	(536)
Purchase of treasury shares	(7)	(9)
Other, net	(1,306)	(1,497)
Net cash provided by (used in) financing activities	(18,954)	(19,007)
Effect of exchange rate change on cash and cash equivalents	1,576	4,074
Net increase (decrease) in cash and cash equivalents	5,142	18,065
Cash and cash equivalents at beginning of period	97,493	102,636
Cash and cash equivalents at end of period	102,636	120,702

(5) Notes on consolidated financial statements

Notes on assumptions for going concern

Not applicable

Notes on changes in accounting policies

(Application of Accounting Standard for Current Income Taxes, etc.)

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”) and other relevant ASBJ regulations effective from the beginning of the fiscal year ended March 31, 2025.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment in the proviso of paragraph 65-2(2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022). These changes in accounting policies have no impact on the consolidated financial statements.

(Application of Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules)

The Company has applied the “Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules” (ASBJ Practical Solution No. 46, March 22, 2024) from the beginning of the fiscal year ended March 31, 2025.

Accordingly, current taxes related to the Global Minimum Tax Rules were calculated and recorded in profit or loss in the consolidated and non-consolidated financial statements for the applicable fiscal year using amounts deemed reasonable for the corresponding tax based on information available when the financial statements were prepared.

These changes in accounting policies is insignificant on the consolidated financial statements.

(Notes on segment information, etc.)

The previous fiscal year (April 1, 2023 to March 31, 2024)

(in millions of yen)

	Reportable segments					
	Global Housing Equipment Business					
	Japan housing equipment business	International Housing Equipment Business				Total
		Americas business	Asia-Oceania business	Mainland China business	Europe business	
Sales						
Revenue from contracts with customers	473,092	58,890	44,958	84,074	4,512	665,529
Revenues from external customers	473,092	58,890	44,958	84,074	4,512	665,529
Transactions with other segments	17,718	50	41,919	17,781	13	77,483
Total	490,811	58,941	86,877	101,856	4,526	743,013
Segment Profit or Loss	22,309	2,774	6,131	4,366	(1,349)	34,232

	Reportable segments		Other (Note) 1	Total	Reconciliation (Note) 2	Consolidated (Note) 3
	New business domains	Total				
	Ceramics business					
Sales						
Revenue from contracts with customers	36,476	702,005	278	702,284	-	702,284
Revenues from external customers	36,476	702,005	278	702,284	-	702,284
Transactions with other segments	-	77,483	50	77,534	(77,534)	-
Total	36,476	779,489	329	779,819	(77,534)	702,284
Segment Profit or Loss	10,965	45,198	106	45,304	(2,537)	42,766

Note: 1. The "Other" category is a business segment that is not included in the reporting segments, such as the real estate leasing business. Due to its lack of importance, it is included in the revenue generated from customer contracts.

2. Segment profit or segment loss adjustment of (2,537) million yen is a company-wide expense that has not been allocated to each segment. Company-wide expenses are mainly related to basic research that is not attributable to the reporting segment.

3. Segment profit or loss is adjusted for operating income in the consolidated statements of income.

The current fiscal year (April 1, 2024 to March 31, 2025)

(in millions of yen)

	Reportable segments					
	Global Housing Equipment Business					
	Japan housing equipment business	International Housing Equipment Business				Total
		Americas business	Asia-Oceania business	Mainland China business	Europe business	
Sales						
Revenue from contracts with customers	481,346	70,478	50,220	66,924	4,882	673,852
Revenues from external customers	481,346	70,478	50,220	66,924	4,882	673,852
Transactions with other segments	17,108	8	48,500	18,675	4	84,298
Total	498,454	70,487	98,721	85,599	4,887	758,150
Segment Profit or Loss	21,900	5,153	8,236	(3,554)	(812)	30,922

	Reportable segments		Other (Note) 1	Total	Reconciliation (Note) 2	Consolidated (Note) 3
	New business domains	Total				
	Ceramics business					
Sales						
Revenue from contracts with customers	50,325	724,177	277	724,454	-	724,454
Revenues from external customers	50,325	724,177	277	724,454	-	724,454
Transactions with other segments	-	84,298	50	84,349	(84,349)	-
Total	50,325	808,475	328	808,804	(84,349)	724,454
Segment Profit or Loss	20,419	51,342	50	51,392	(2,913)	48,479

Note: 1. The "Other" category is a business segment that is not included in the reporting segments, such as the real estate leasing business. Due to its lack of importance, it is included in the revenue generated from customer contracts.

2. Segment profit or segment loss adjustment of (2,913) million yen is a company-wide expense that has not been allocated to each segment. Company-wide expenses are mainly related to basic research that is not attributable to the reporting segment.

3. Segment profit or loss is adjusted for operating income in the consolidated statements of income

Per-share data

	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Net assets per share	2,962.21 yen	3,077.00 yen
Earnings per share	219.30 yen	71.73 yen
Diluted earnings per share	219.14 yen	71.68 yen

(Note) Earnings per share and diluted earnings per share have been calculated based on the following data.

	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Earnings per share		
Profit attributable to owners of parent (million yen)	37,196	12,168
Amount not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent related to common shares (million yen)	37,196	12,168
Average number of common shares during the period (thousand shares)	169,613	169,649
Diluted earnings per share		
Adjustment of profit attributable to owners of parent (million yen)	—	—
Increase in the number of common shares (thousand shares)	123	110
(Stock options granted by subscription rights to shares)	(123)	(110)
Outline of diluted shares not included in the calculation of diluted earnings per share because there are no dilutive effects.	—	

Significant subsequent events

(Acquisition and cancellation of treasury shares)

At its Board of Directors meeting held on April 28, 2025, the Company has resolved the matters concerning the acquisition of treasury shares under the provisions of the Company's Articles of Incorporation pursuant to the provisions of Article 459, paragraph (1) of the Companies Act, and cancellation of treasury shares pursuant to the provisions of Article 178 of the Companies Act. For more details, please refer to the press release titled "Notice Concerning Determination of Matters Related to Acquisition and Cancellation of Own Shares" announced today (on April 28, 2025).

(Structural reform plan for the Mainland China Business)

At its Board of Directors meeting held on April 28, 2025, the Company has adopted a resolution regarding a structural reform plan for the Mainland China Business. For more details, please refer to the press release titled "Notice Concerning the Structural Reform Plan for the Mainland China Business" announced today (on April 28, 2025).