

First Half Results for Fiscal Year Ending March 2026

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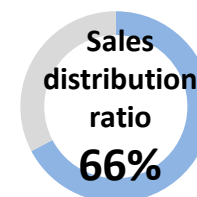
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TOTO LTD.
October 31, 2025

Global Housing Equipment Business

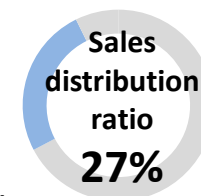
Japan Housing Equipment Business

- ◆ TOTO's core business that has been built up over 100 years
- ◆ The core business is the Remodeling sector, which does not rely on new construction demand. We offer a wide range of products.



International Housing Equipment Business

- ◆ Aiming to become an indispensable presence in each country and region.
- ◆ Americas, and Asia are the growth markets based mainly on WASHLET and water-saving toilets.



Products offered Globally



Sanitary ware

Leading the world with superior quality



Wash basins



Pursuing design and water efficiency

Faucet fixtures



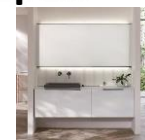
WASHLET

The core business and growth driver. Has the highest profitability in the housing equipment business.

Offered in Japan



System bathrooms



Bathroom vanity units



Modular kitchens

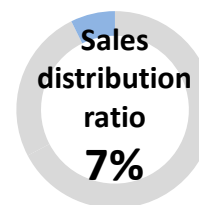
Offered Intl



Bathtubs

New Business Domain (Advanced Ceramics Business)

- ◆ Demonstrate the strengths by utilizing the technologies and know-hows cultivated in the Sanitary ware business.
- ◆ Development of ceramics products for semiconductor and flap panel display manufacturing equipment.



Core Products



Electrostatic chucks



AD film



Precision ceramic components

1. First Half Results for Fiscal Year Ending March 2026 (FY2025)

Decreased sales and profits.

Japan Housing Equipment Business: Decreased sales and profits

- ◆ Sales decreased due to decreased sales volume resulting from differences in the month when price were revised, etc. Profits decreased due to increased external procurement costs and investment in human resources. We will accelerate sales expansion of our new products, which are in strong demand and orders.

International Housing Equipment Business: Decreased sales and profits

- ◆ In the Americas Business, sales of WASHLET increased significantly in all channels. Sales increased but profits decreased due to various growth investments and the impact of exchange rates.
- ◆ In the Asia Business, sales and profits increased due to strong performance in the Taiwan region and Vietnam.
- ◆ In the European Business, sales increased and losses decreased due to higher sales of products including WASHLET.
- ◆ In the Mainland China Business, sales decreased and a loss was recorded. Business restructuring is progressing as planned.

New Business Domains: Increased sales and profits

- ◆ Sales and profits increased due to increased sales of electrostatic chucks accompanying the booming semiconductor-related market.

Financial results

Unit: Y billion

	FY24 1H	FY25 1H	YoY	Influence of exchange rate	Currency- neutral basis	plan	vs.plan
Net Sales	355.7	349.4	-6.4 (98%)	-4.2	-2.1 (99%)	360.0	-10.6 (97%)
Operating Profit [Operating Margin]	24.1 【6.8%】	20.8 【5.9%】	-3.4 (86%)	-1.8	-1.5 (94%)	19.0 【5.3%】	+1.8 (109%)
Recurring Profit	22.7	23.1	+0.4 (102%)	+1.6	-1.2 (95%)	19.1	+4.0 (121%)
Profit attributable to owners of parent company	16.9	8.8	-8.2 (52%)	+2.2	-10.4 (39%)	6.0	+2.8 (147%)

*1: Recorded an extraordinary loss as restructuring costs in the Mainland China Business (Has been reflected in the initial plan.)

■ Exchange rates (period average)

	2024 January to March	2024 April to June	2024 July to September	2024 October to December	2025 January to March	2025 April to June	2025 July to September
1 \$	¥148.6	¥155.9	¥149.7	¥152.4	¥152.6	¥144.6	¥147.5
1 CNY	¥20.6	¥21.5	¥20.9	¥21.2	¥20.9	¥20.0	¥20.6
1 €	¥161.3	¥167.9	¥164.3	¥162.6	¥160.6	¥163.8	¥172.3
1 TWD	¥4.7	¥4.8	¥4.6	¥4.7	¥4.6	¥4.7	¥4.9
1 VND	¥0.0060	¥0.0061	¥0.0060	¥0.0060	¥0.0060	¥0.0056	¥0.0056
1 THB	¥4.2	¥4.3	¥4.3	¥4.5	¥4.5	¥4.4	¥4.6
1 INR	¥1.8	¥1.9	¥1.8	¥1.8	¥1.8	¥1.7	¥1.7

〈Subject periods and segments〉

- Japan H.E. business and New business domains: April to September 2025
- International H.E. business: January to June 2025 (April to September 2025 for India)

Decreased sales and profits

Sales and profit by business segment

<Subject periods and segments>
 Japan H.E. business, New domain business:
 - April to September 2025
 International H.E. Business:
 - January to June 2025 (Apr to Sept for India)

Unit: Y billion

Net Sales	FY24 1H	FY25 1H	YoY	Influence of exchange rate	Currency- neutral basis	plan	vs.plan
Japan H.E. ※	234.0	228.5	-5.5 (98%)		-5.5 (98%)	240.0	-11.5 (95%)
International H.E. ※	99.8	91.1	-8.8 (91%)	-2.9	-5.9 (94%)	90.9	+0.2 (100%)
New business domains ※※	21.7	29.6	+7.9 (137%)	-1.4	+9.3 (143%)	29.0	+0.6 (102%)
Others	0.1	0.1	+0.0		+0.0	0.1	+0.0
Total	355.7	349.4	-6.4 (98%)	-4.2	-2.1 (99%)	360.0	-10.6 (97%)

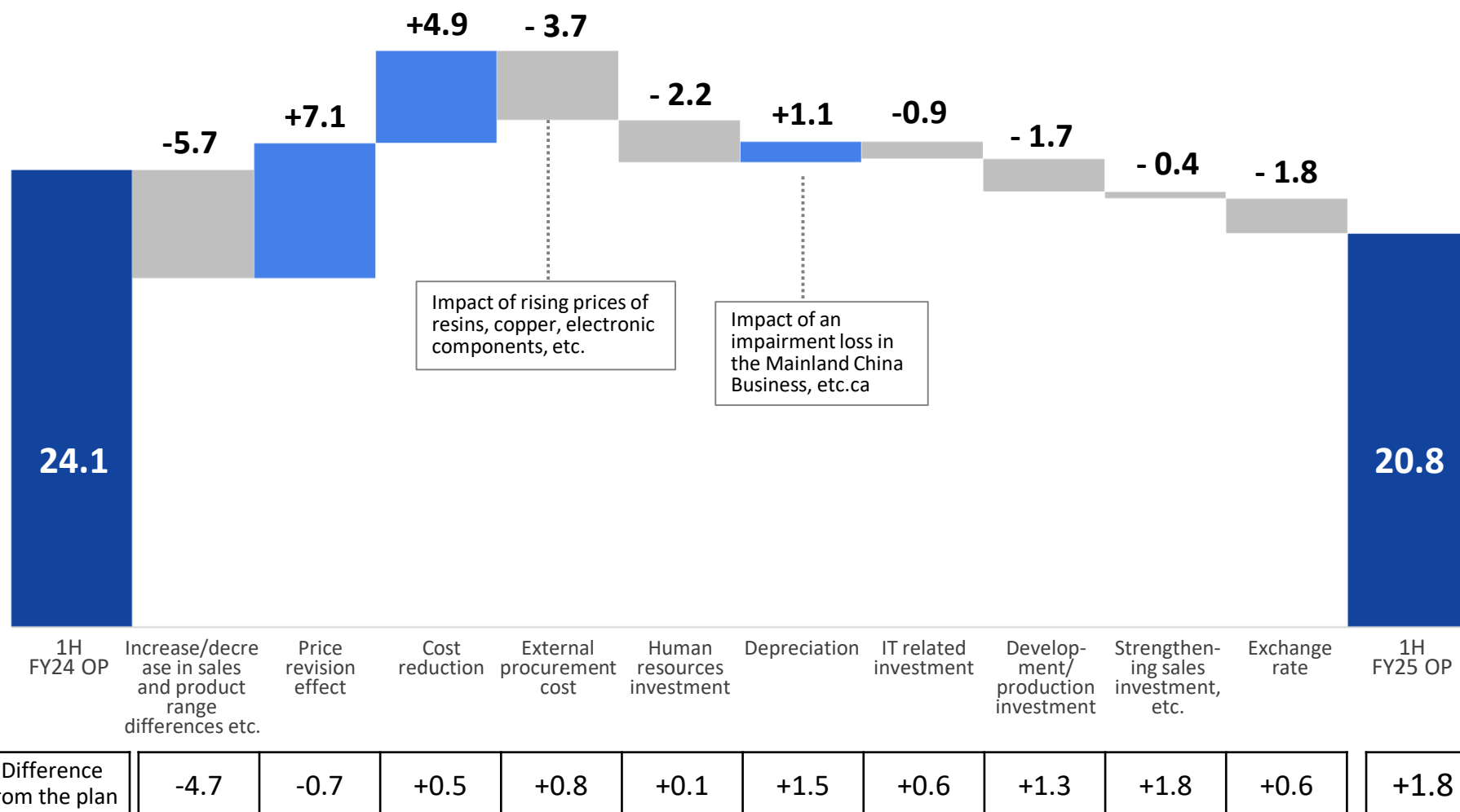
Operating Profit	FY24 1H	FY25 1H	YoY	Influence of exchange impact	Currency- neutral basis	plan	vs.plan
Japan H.E. ※	9.1	5.9	-3.3 (64%)	-0.3	-3.0 (67%)	8.0	-2.1 (73%)
International H.E. ※	7.1	3.4	-3.7 (48%)	-0.1	-3.6 (50%)	0.8	+2.6 (4.3 times)
New business domains ※※	9.1	12.9	+3.8 (142%)	-1.4	+5.2 (158%)	11.5	+1.4 (112%)
Others	-1.2	-1.4	-0.2		-0.2	-1.3	-0.1
Total	24.1	20.8	-3.4 (86%)	-1.8	-1.5 (94%)	19.0	+1.8 (109%)

※H.E.: Housing Equipment ※※New business domains : Ceramics business

**The Housing Equipment Business decreases in sales and profits,
while the new domain business saw increases in sales and profits.**

Cause of increase/decrease of operating profit

Unit: Y billion



Although there were positive effects from increased sales in the new domain business, price revisions, cost reductions, etc., profits decreased due to factors including a decrease in sales in the Housing Equipment Business and impact of external procurement costs.

Remodeling (YoY)

Net Sales

JPY **162.8** billion (98%)

Operating Profit

JPY **6.4** billion (-2.9 billion yen)

New Housing (YoY)

Net Sales

JPY **65.7** billion (97%)

Operating Profit

JPY **-0.5** billion (-0.3 billion yen)

Current status of Remodeling business

- Sales decreased year-on-year due to the impact of a decrease in sales volume resulting from differences in the month when prices were revised*. Current sales in the market are progressing steadily.

* FY2024: Prices revision in August

FY2025: Prices revision in October

- As for new products released in August, customers are showing strong interest, particularly for restroom products.

⇒ We will further accelerate proposals, mainly focusing on new products.

(New products released in August)



➡ We continue to introduce new products

Despite the positive effect of sales expansion of new products, sales decreased due to a decrease in sales volume resulting from differences in the price revision timing. We will strengthen our proposal activities toward the season when the remodeling demand increases.

International Housing Equipment Business

Unit: Y billion

Net Sales	FY24 1H	FY25 1H	YoY			Plan	vs.plan
				Influence of exchange rate	Currency- neutral basis		
Americas	36.7	37.9	+1.3 (103%)	-1.0	+2.3 (106%)	39.5	-1.6 (96%)
Asian & Oceanian Region	23.6	24.4	+0.7 (103%)	-0.9	+1.6 (107%)	24.2	+0.2 (101%)
Europe	2.5	2.9	+0.4 (115%)	-0.0	+0.4 (116%)	2.7	+0.2 (106%)
Mainland China	37.1	25.9	-11.1 (70%)	-0.9	-10.2 (73%)	24.5	+1.4 (106%)
Total	99.8	91.1	-8.8 (91%)	-2.9	-5.9 (94%)	90.9	+0.2 (100%)

Operating Profit	FY24 1H	FY25 1H	YoY			plan	vs.plan
				Influence of exchange rate	Currency- neutral basis		
Americas	3.1	3.0	-0.1 (95%)	-0.1	+0.0 (100%)	1.8	+1.2 (166%)
Asian & Oceanian Region	3.5	4.5	+1.0 (128%)	-0.1	+1.1 (131%)	3.7	+0.8 (121%)
Europe	-0.3	-0.2	+0.1	-0.0	+0.1	-0.2	+0.0
Mainland China	0.8	-3.9	-4.6	+0.1	-4.8	-4.5	+0.6
Total	7.1	3.4	-3.7 (48%)	-0.1	-3.6 (50%)	0.8	+2.6 (4.3 times)

Sales and profits decreased across the entire International Housing Equipment business.

*Figures that do not include consolidated adjustment and common expense allocations

Sales (YoY)

255 million dollars
(106%)

Net sales growth of 3Q of FY2025 (July to September 2025) YoY: 109%

Operating Profit (YoY)

25 million dollars
(+3 million dollars)

■ Growth rate by product

		YoY	Sales distribution ratio
Net sales	Sanitary Ware	108%	51%
	WASHLET	110%	37%
	Faucet Fixtures	86%	8%
Sales volume	WASHLET	118%	

Sales volume of WASHLET
3Q of FY2025 (July to September 2025) YoY: 115%

■ Market trends

Year-on-year comparison of the number of existing houses sold (based on delivery time)
January to June 2025 : 102%

■ Sales status by product

| WASHLET

Mainly in e-commerce and retail chain stores, net sales increased year-on-year across all channels.

| Sanitary Ware

Sales increased year-on-year due to increased sales of mid-to high-end products.



WASHLET saw significant growth across all channels, resulting in increased sales and profits.

■ Net Sales (in local currency)

*Figures that do not include consolidated adjustment and common expense allocations

Taiwan region	2,877 million Taiwan dollars (106%)
Vietnam	646.7 billion dong (112%)
India	1,401 million Rt. (104%)
Thailand	307 million baht (84%)

■ Situation by country and region

Taiwan Region:

Sales increased due to increased sales of integrated toilets, etc.

Vietnam: Sales increased buoyed by the recovery trend in the market

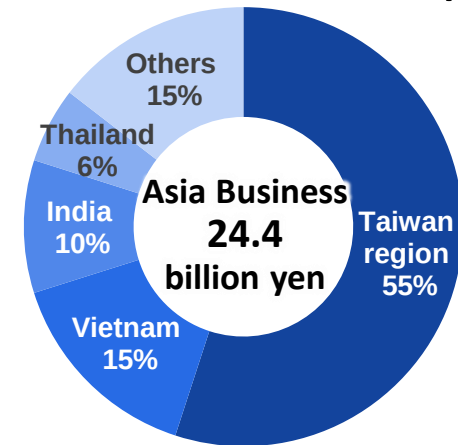
India: Sales increased due to the effects of various measures, etc.

Thailand: Sales decreased due to the harsh market conditions, etc.

3Q (July to September)	YoY
Taiwan region	115%
Vietnam	166%
Thailand	91%

* Fiscal year in India
April 2025 to March 2026

■ Sales Distribution Ratio (JPY)



■ Growth rate by product

Across Asia		YoY	Sales distribution ratio
Net sales	Sanitary Ware	107%	46%
	WASHLET	97%	25%
	Faucet Fixtures	100%	17%
Sales volume	WASHLET	96%	

Sales volume of WASHLET

3Q of FY2025 (July to September 2025) YoY: 108%

The Taiwan region saw increased sales due to the increased sales of WASHLET integrated toilets, etc. Vietnam saw increased sales due to a recovery in the market conditions.

*Figures that do not include consolidated adjustment and common expense allocations

Sales (YoY)

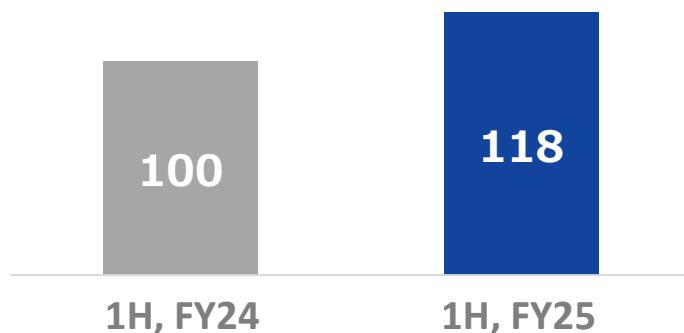
18 million euros
(116%)

Net sales growth of 3Q of FY2025 (July to September 2025) YoY: 107%

Operating Profit (YoY)

1 million euros
(+0.6 million euros)

■ WASHLET: Growth in sales volume (index)



Sales volume of WASHLET
3Q of FY2025 (July to September 2025) YoY: 115%

■ Initiatives to establish market position in the European market

We will expand the market for WASHLET by promoting proposals by plumbers (water supply contractors) to customers for our space-saving toilets and WASHLET through collaborative initiatives with distributors.



A set of wall-mounted toilet and WASHLET requiring less space for installation

Sales increased and remained profitable due to the effect of increased sales of WASHLET to key plumbers.

*Figures that do not include consolidated adjustment and common expense allocations

Sales (YoY)

1,273 million yuan
(73%)

Net sales growth of 3Q of FY2025 (July to September 2025) YoY: 95%

Operating Profit (YoY)

-162 million yuan
(-238 million yuan)

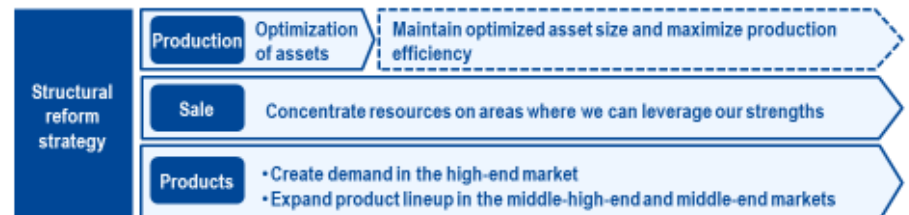
■ Growth rate by product

		YoY	Sales distribution ratio
Net sales	Sanitary Ware	72%	45%
	WASHLET	75%	29%
	Faucet Fixtures	73%	22%
Sales volume	WASHLET	78%	

Sales volume of WASHLET
3Q of FY2025 (July to September 2025) YoY: 95%

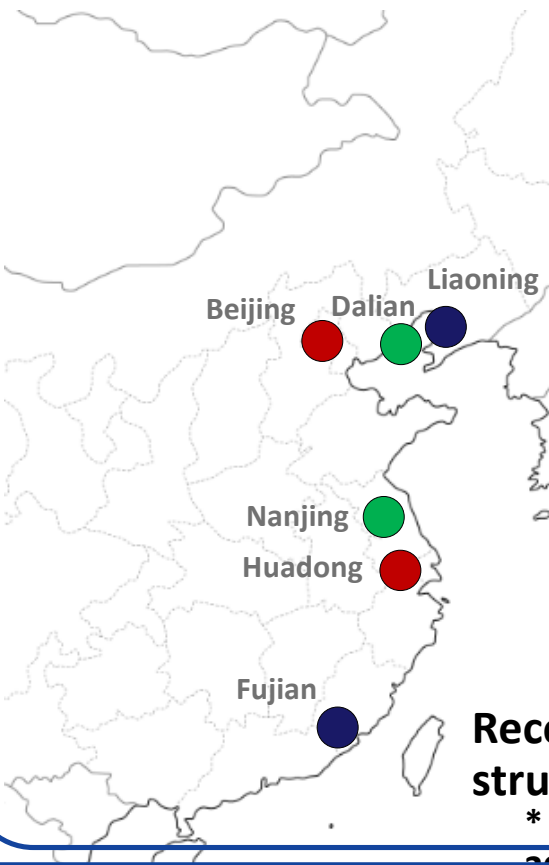
■ Structural Reform (announced on April, 2025)

Aim to carry out a business transition to build a stable revenue structure through three strategies



Despite decreased sales and a loss, business restructuring is proceeding as planned.

Production: Production reorganization and workforce optimization



● ● Sanitary Ware Production: Completed	
<u>Plants where production was suspended: April 28</u>	■ TOTO Beijing (Beijing City)
◇ Status of liquidation	■ TOTO Huadong (Shanghai City)
• Liquidation of the companies is proceeding as planned.	
Plants where production is underway:	
As of the end of October	
	■ TOTO Fujian (Zhangzhou City)
	■ TOTO Liaoning (Dalian City) (Started operation on May 21, 2025)
● Fittings and Bathtub Production: FY 25_Second half	
<u>Workforce optimization:</u>	■ TOTO Dalian (Dalian City)
In progress	■ Nanjing TOTO (Nanjing City)
Optimization of workforce is partially underway at faucet and bathtub plants while the operation continues	

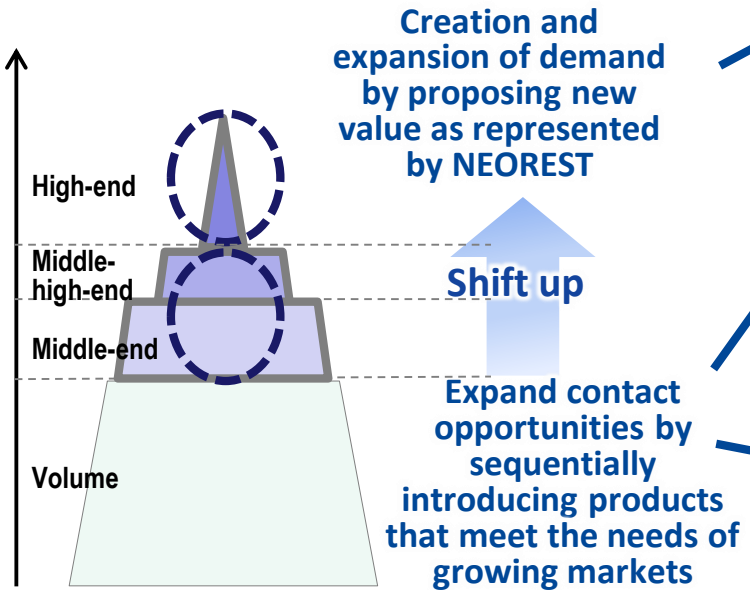
Recorded extraordinary losses associated with the above structural reforms: Approximately 15 billion yen

* These costs have been included in the plan for the fiscal year ending March 2026

Production scale reduced by approximately 40% due to the reorganization of production for sanitary ware. (Disclosed in April)
At the faucet hardware and bathtub plants, we will establish a production system appropriate for their business scale.

Product: New product launch plan

Current market structure and new products launch schedule



Lineup of integrated toilets

-FY2024	FY2025-
High-end	 August 2025
Middle-high-end	 Shift up
Middle-end No product	 February 2025 Added new products -> Expansion of contact points with customers

We are starting to see results in our key target areas, driven by our new products. We are seeing similar trends in the e-commerce market, leading to the expansion of contact points with new customers.

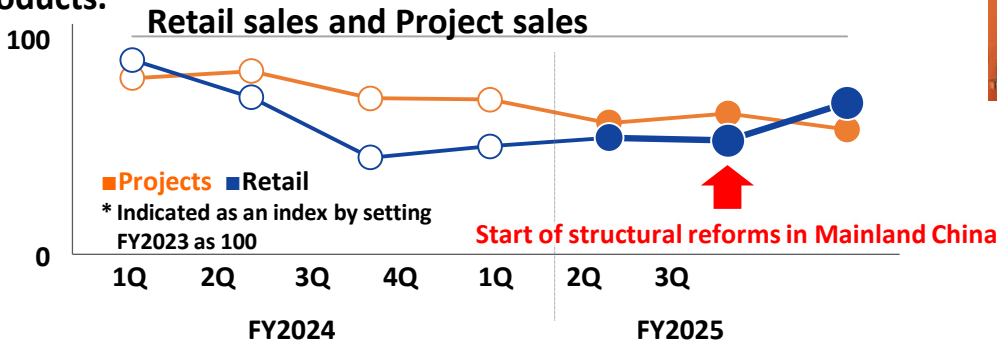
Sales: Initiatives targeting remodeling demand

Focusing resources on areas where TOTO's strengths can be leveraged through remodeling

- ✓ Focusing resources on areas, applications, and vendors in which we can leverage our strengths
- ✓ Communication with customers utilizing online and offline channels
- ✓ Strengthening functions (proposals, construction, etc.) utilizing existing showrooms

Outline of main initiatives

We will work with key distributors and interior contractors to stimulate remodeling demand and promote the value of our latest products as planned, targeting customers in key areas who trust the TOTO brand and have a history of purchasing our products.



Retail sales are on a recovery trend, driven by the combined effect of launching new products.

Online

Utilizing social media



Offline

Event at a condominium where we delivered products



Attract customers



Showrooms of distributors and interior contractors

We are strengthening our initiatives by expanding our target areas.

We are promoting our initiatives for key targets as planned. We will steadily advance collaborative initiatives with distributors and interior contractors to ensure that the remodeling business contributes to overall business performance.

Sales (YoY)

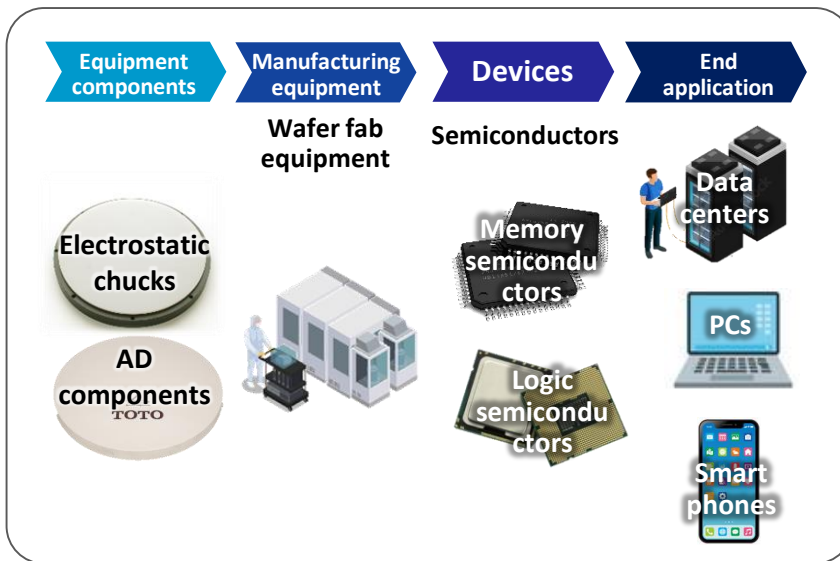
29.6 billion yen
(137%)

Operating Profit (YoY)

12.9 billion yen
(+3.8 billion yen)

■ Main products

(electrostatic chucks and AD components)



■ Status of major products and applications

Electrostatic chucks: Demand for both new and replacement purpose
Sales increased due to favorable conditions in the semiconductor market accompanying the increased demand from data centers.

[New demand]

Increased due to progress in new investments in semiconductor manufacturing equipment by device manufacturers.

[Demand for replacement]

Demand increased as device manufacturers maintained high operating levels.

AD components:

Although demand for AI-related products remains strong, sales decreased because deliveries were delayed to the second half of the fiscal year.



Sales and profits increased due to increased sales of electrostatic chucks accompanying the booming semiconductor-related market.

Reference: Global Housing Equipment Business, Net Sales by Product

Unit: Y billion

Sales in markets remained steady, particularly in the Americas, Asia, and Europe, driven by sanitary ware and WASHLET. (See pages 8, 9, and 10.)

Net Sales (Billion yen)	Japan Housing Equipment Business			International Housing Equipment Business		
	FY24 1H	FY25 1H	YoY	FY24 1H	FY25 1H	YoY
Sanitary Ware	49.7	49.9	+0.1 (100%)	47.2	43.9	-3.4 (93%)
WASHLET	55.4	53.1	-2.2 (96%)	31.8	29.9	-1.9 (94%)
Faucet Fixtures	43.1	42.2	-0.9 (98%)	18.2	15.2	-3.0 (84%)
Bathroom	55.0	53.9	-1.1 (98%)	2.6	2.0	-0.6 (78%)
Modular Kitchens / Basins	24.4	22.9	-1.5 (94%)			
Others	6.5	6.6	+0.1 (102%)			
Total	234.0	228.5	-5.5 (98%)	99.8	91.1	-8.8 (91%)

2. Topics

Americas Business: Strengthening Production System

- TOTO U.S.A. will begin producing sanitary ware at its new plant building this fall

Two state-of-the-art facilities

- **Robot to agglutinate tanks**

This is a unique robot developed by TOTO in collaboration with a facility manufacturer.

They introduced a robot to connect the bowl and tank of one-piece toilets

- **Automatic Guided Vehicle (AGV)**

Through the introduction of state-of-the-art facilities, etc., production capacity has increased by 50% compared to the previous level.

They have introduced state-of-the-art facilities for the first time among TOTO Group's sanitary ware plants.



One-piece toilets sold in the U.S.

We will gradually shift production of our main products for the U.S. market to the United States, advance automation in production, and strengthen our capabilities to ensure reliable and timely delivery of our products to customers.

Asia Business: Established a Local Subsidiary in Saudi Arabia

- Established 「TOTO AR Company」
We opened a sales office and Technical Center.

| Company name :TOTO AR Company

| Date of establishment :September 21



Image of the entrance of the TOTO AR Technical Center



- Water usage continues to increase annually accompanying economic growth.
- Average flush volume standard for toilets is 3.5 liters or less.

Wall-mounted toilets are the main products in the local market, as is the case in Europe. We will propose our high water-saving performance and design refined through our business in European to customers in Saudi Arabia.

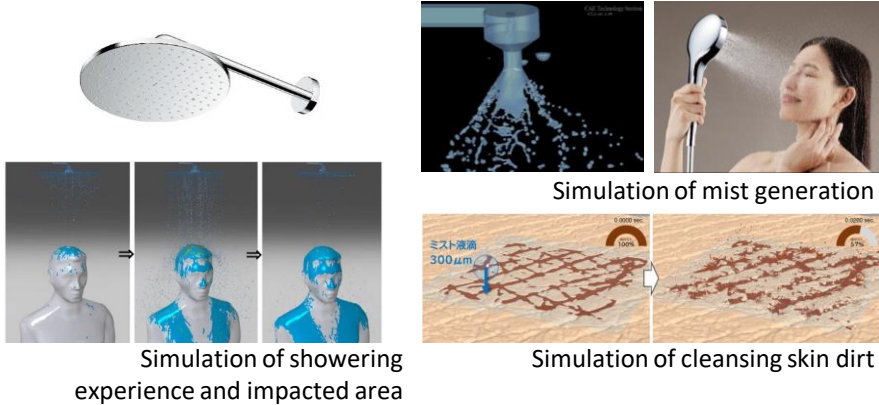


We have established a venue to convey TOTO's worldview and technological capabilities, and will accelerate sales initiatives in the Middle East region to drive growth in the Asian market.

TOTO Group's Challenge and Innovation

■ Through analysis using supercomputers, we have developed proprietary simulation technology for product development

Simulation of shower fluid



Awarded the Excellent Achievement Award for Utilizing supercomputer “Fugaku”
(Sponsored by Research Organization for Information Science & Technology)

Simulation of flushing fluid in toilet

We began developing our own simulation software in 1990s, and started utilizing supercomputer “TSUBAME” in 2010s



We will enhance our water control technology to maximize customer value through water conservation, cleanliness, and comfort.

■ New challenge by leveraging TOTO's technological capabilities in the semiconductor industry, where the innovation pace is accelerating

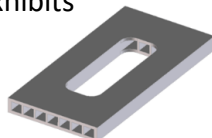
Exhibit at the Highly-functional Ceramic Expo

【Date】 November 12-14, 2025
【Venue】 Makuhari Messe



Image of the 2025 exhibition booth

Exhibits



Extra-large and high-rigidity ceramic components



SiSiC ceramics
(Exhibited for reference)



Air slide

Leveraging TOTO's unique technology, we aim to expand ceramic applications, focusing primarily on the semiconductor industry.

3. Revised Forecast for Fiscal Year Ending March 2026 (FY2026)

Revised Plan: Highlights

Based on first-half results and second-half outlooks for each segment, the full-year plan has been revised.

Sales: 734.5 billion yen (vs former plan:-19.0 billion yen)

Operating Profit: 49.0 billion yen (vs former plan:-3.5 billion yen)

Japan Housing Equipment Business:

Sales: -17.0 billion yen, OP: -4.5 billion yen

- ◆ Revenue decline due to remodeling / new housing sales in the 1H falling short of the initial forecast.
- ◆ Reflected timing difference in various strategic investments (delayed; positive factor) and other increased external procurement costs (negative factor).

International Housing Equipment Business:

Sales: -2.0 billion yen, OP: +0.5 billion yen

- ◆ China restructuring progresses ahead of initial expectations, favorable sales and production performance in the Asia business.
- ◆ Impact of U.S. tariffs and other production-related costs in the Americas business.

New Business Domains:

Sales: No revision, OP: +0.5 billion yen

- ◆ Factored in the variance from the original plan in the first half of the fiscal year.

Revised Plan: Financial Results

Unit: Y billion

	FY24	FY25 revised plan	YoY	Influence of exchange rate	Currency- neutral basis	FY25 Former Plan	vs.Former Plan
Net Sales	724.5	734.5	+10.0 (101%)	-7.8	+17.9 (102%)	753.5	-19.0 (97%)
Operating Profit	48.5 【6.7%】	49.0 【6.7%】	+0.5 (101%)	-2.9	+3.4 (107%)	52.5 【7.0%】	-3.5 (93%)
Recurring Profit	50.4	50.0	-0.4 (99%)	-2.6	+2.3 (105%)	52.1	-2.1 (96%)
Profit attributable to owners of parent company	※1 12.2	※1 29.0	+16.8 (2.4 times)	-1.8	+18.6 (2.5 times)	※1 31.0	-2.0 (94%)
ROA	6.0%	6.2%	+0.2pt	ROIC ※ <u>Operating profit after tax</u> <u>Operating capital + Fixed assets</u>		6.6%	-0.4pt
ROE	2.4%	5.7%	+3.3pt			6.2%	-0.5pt
ROIC	4.8%	6.1%	+1.3pt			7.0%	-0.9pt
ROIC ※2 (Adjusted)	6.5%	6.7%	+0.2pt			7.3%	-0.3pt

※1: Restructuring cost of the Mainland China business is included in extraordinary loss. (Which was included in the initial plan)

※2: Calculated based on a standard effective tax rate of 30.4%

■ Exchange rates (period average)

	2024 January to March	2024 April to June	2024 July to September	2024 October to December	2025 January to March	2025 April to June	2025 July to September	2025 October to December	FY25 Revised Plan
1 \$	¥148.6	¥155.9	¥149.7	¥152.4	¥152.6	¥144.6	¥147.5	¥145.0	¥145.0
1 CNY	¥20.6	¥21.5	¥20.9	¥21.2	¥20.9	¥20.0	¥20.6	¥20.0	¥20.0
1 €	¥161.3	¥167.9	¥164.3	¥162.6	¥160.6	¥163.8	¥172.3	¥165.0	¥165.0
1 TWD	¥4.7	¥4.8	¥4.6	¥4.7	¥4.6	¥4.7	¥4.9	¥4.9	¥4.9
1 VND	¥0.0060	¥0.0061	¥0.0060	¥0.0060	¥0.0060	¥0.0056	¥0.0056	¥0.0056	¥0.0056
1 THB	¥4.2	¥4.3	¥4.3	¥4.5	¥4.5	¥4.4	¥4.6	¥4.4	¥4.4
1 INR	¥1.8	¥1.9	¥1.8	¥1.8	¥1.8	¥1.7	¥1.7	¥1.7	¥1.7

〈Subject periods and segments〉

- Japan H.E. business and New business domains:
April 2025 to March 2026
- International H.E. business:
January to December 2025
(April 2025 to March 2026 for India)

We have revised our full-year plan based on the results in the first half and estimates for the second half in each segment.

Reference: 2H Revised Plan: Financial Results

Unit: Y billion

	FY24 2H	FY25 2H Revised Plan	YoY	Influence of exchange rate	Currency- neutral basis	FY24 2H Former Plan	vs.Fomer Plan
Net Sales	368.7	385.1	+16.4 (104%)	-3.6	+20.0 (105%)	393.5	-8.4 (98%)
Operating Profit	24.3 【6.6%】	28.2 【7.3%】	+3.9 (116%)	-1.1	+5.0 (120%)	33.5 【8.5%】	-5.3 (84%)
Recurring Profit	27.7	26.9	-0.8 (97%)	-4.3	+3.5 (113%)	33.0	-6.1 (82%)
Profit attributable to owners of parent company	-4.8	20.2	+25.0	-4.0	+28.9	25.0	-4.8 (81%)

■ Exchange rates (period average)

	2024 January to March	2024 April to June	2024 July to September	2024 October to December	2025 January to March	2025 April to June	2025 July to September	2025 October to December	2026 Jan to March
1 \$	¥148.6	¥155.9	¥149.7	¥152.4	¥152.6	¥144.6	¥147.5	¥145.0	¥145.0
1 CNY	¥20.6	¥21.5	¥20.9	¥21.2	¥20.9	¥20.0	¥20.6	¥20.0	¥20.0
1 €	¥161.3	¥167.9	¥164.3	¥162.6	¥160.6	¥163.8	¥172.3	¥165.0	¥165.0
1 TWD	¥4.7	¥4.8	¥4.6	¥4.7	¥4.6	¥4.7	¥4.9	¥4.9	¥4.9
1 VND	¥0.0060	¥0.0061	¥0.0060	¥0.0060	¥0.0060	¥0.0056	¥0.0056	¥0.0056	¥0.0056
1 THB	¥4.2	¥4.3	¥4.3	¥4.5	¥4.5	¥4.4	¥4.6	¥4.4	¥4.4
1 INR	¥1.8	¥1.9	¥1.8	¥1.8	¥1.8	¥1.7	¥1.7	¥1.7	¥1.7

〈Subject periods and segments〉

- Japan H.E. business and New business domains: October 2025 to March 2026
- International H.E. business: July to December 2025 (Oct 2025 to March 2026 for India)

We revised the plan based on the estimates for the second half.

Reference: 2H Revised Plan: Sales and profit by business segment

〈Subject periods and segments〉
Japan H.E. business, New domain business:
- April to September 2025
International H.E. Business:
- January to June 2025 (Apr to Sept for India)

Unit: Y billion

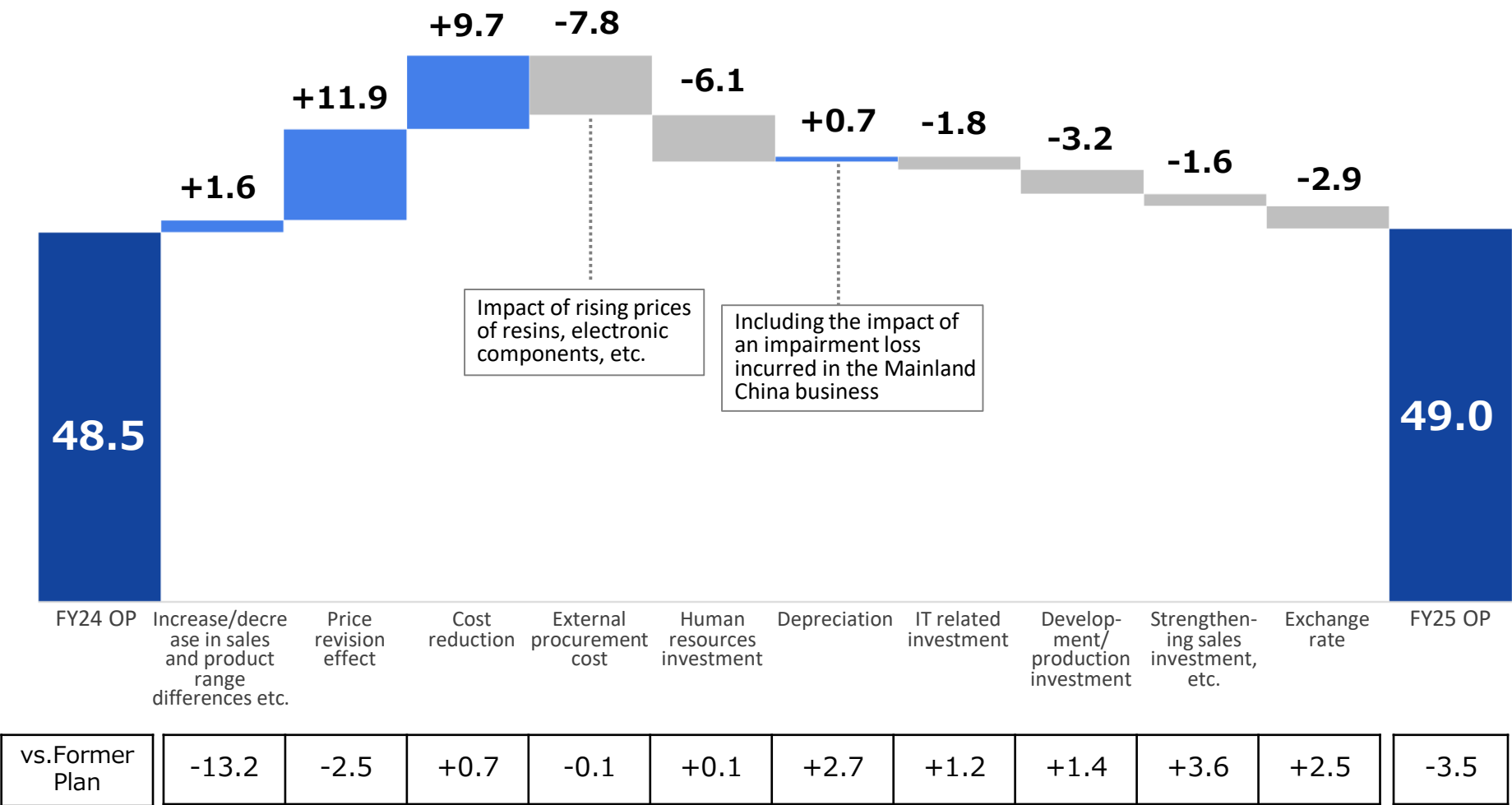
Net Sales	FY24	FY25 revised plan	YoY	Influence of exchange rate	Currency- neutral basis	FY25 Former Plan	vs. Former Plan
Japan H.E. ※	481.3	478.0	-3.3 (99%)		-3.3 (99%)	495.0	-17.0 (97%)
International H.E. ※	192.5	189.2	-3.3 (98%)	-4.9	+1.6 (101%)	191.2	-2.0 (99%)
New business domains ※※	50.3	67.0	+16.7 (133%)	-2.9	+19.6 (139%)	67.0	+0.0 (100%)
Others	0.3	0.3	+0.0		+0.0	0.3	+0.0
Total	724.5	734.5	+10.0 (101%)	-7.8	+17.9 (102%)	753.5	-19.0 (97%)

Operating Profit	FY24	FY25 revised plan	YoY	Influence of exchange rate	Currency- neutral basis	FY25 Former Plan	vs. Former Plan
Japan H.E. ※	21.9	18.0	-3.9 (82%)	+0.2	-4.1 (81%)	22.5	-4.5 (80%)
International H.E. ※	9.0	7.0	-2.0 (78%)	-0.1	-1.9 (78%)	6.5	+0.5 (108%)
New business domains ※※	20.4	27.0	+6.6 (132%)	-3.0	+9.6 (147%)	26.5	+0.5 (102%)
Others	-2.9	-3.0	-0.1		-0.1	-3.0	+0.0
Total	48.5	49.0	+0.5 (101%)	-2.9	+3.4 (107%)	52.5	-3.5 (93%)

※H.E.: Housing Equipment ※※New business domains : Ceramics business

We reflected the 1H results of the Japan Housing Equipment Business and the situation in each region of the International Housing Equipment Business.

Revised Forecast: Cause of increase/decrease of operating profit Unit: Y billion



We revised the plan, reflecting the impact of accumulated cost reductions, adjustment of the timeline for various investments, and business results across all regions of the Global Housing Equipment Business.

Revised Plan: International Housing Equipment Business

Unit: Y billion

Net Sales	FY24	FY25 revised plan	YoY	Influence of exchange rate	Currency- neutral basis	FY25 Former Plan	vs.Former Plan
Americas	70.5	75.1	+4.6 (107%)	-2.3	+6.9 (110%)	80.0	-4.9 (94%)
Asian & Oceanian Region	50.2	56.0	+5.8 (112%)	-0.8	+6.5 (113%)	55.5	+0.5 (101%)
Europe	4.9	5.6	+0.7 (115%)	+0.0	+0.7 (114%)	5.2	+0.4 (108%)
Mainland China	66.9	52.5	-14.4 (78%)	-1.9	-12.6 (81%)	50.5	+2.0 (104%)
Total	192.5	189.2	-3.3 (98%)	-4.9	+1.6 (101%)	191.2	-2.0 (99%)

Operating Profit	FY24	FY25 revised plan	YoY	Influence of exchange rate	Currency- neutral basis	FY25 Former Plan	vs.Former Plan
Americas	5.2	3.5	-1.7 (68%)	-0.2	-1.5 (71%)	6.5	-3.0 (54%)
Asian & Oceanian Region	8.2	10.5	+2.3 (127%)	-0.1	+2.4 (129%)	8.7	+1.8 (121%)
Europe	-0.8	-0.5	+0.3	-0.0	+0.3	-0.7	+0.2
Mainland China	-3.6	-6.5	-2.9	+0.2	-3.2	-8.0	+1.5
Total	9.0	7.0	-2.0 (78%)	-0.1	-1.9 (78%)	6.5	+0.5 (108%)

We reflected the progress of structural reforms in the Mainland China Business, the strong sales and production in the Asia Business, and the impact of tariffs, deteriorating market conditions, and worsening product mix in the Americas Business.

Americas Housing Equipment Business: Revision of the Earnings Plan

Revised second half targets due the following factors

- The Impact of U.S. tariff policy
(approximately 2 billion yen impact to the original OP target)
- Shifts in the Buying Behavior of Existing Home Buyers

【Current Market Dynamics and TOTO's Approach】

<Existing Home Sales Trend>

Slightly increased

<Changes in Construction/Renovation Trends Following Existing Home Purchases >

A shift in the purchasing behavior of home buyers is evident.

- A decrease in the number of wet-area (bathroom/kitchen) renovation projects.
- A reduction in the scope of work and the average unit price.

⇒ **Leading to a deceleration in K&B sales growth and product mix deterioration.**

- An increase in single-item replacement purchases.

⇒ **Resulting in a rise in WASHLET purchases through E-commerce and retail channels.**

<TOTO's Initiatives>

Sales

Construction material stores (Kitchen & Bath Shop)

Intensifying proposals for high-end toilets and WASHLETS through collaboration with influential distributors in 63 key metropolitan areas.

E-commerce

Securing and maintaining a high market share through strengthened promotional activities.

Retail chain stores

Expanding sales outlets and broadening the product lineup.

Production

Driving cost optimization at the new domestic sanitary ware manufacturing facility in the U.S.

Products

Launching new products optimally suited for each sales channel.

Our long-term business growth strategy, centered on expanding WASHLET sales, remains unchanged. We will further accelerate the channel-specific initiatives currently underway.

Progress toward the vision outlined in TOTO WILL2030

■ Growth Segments

Americas	Despite external factors, sales of WASHLET are growing steadily and are almost in line with the plan.
Asia	Sales are strong, particularly in key countries and regions, including Taiwan and Vietnam, and are progressing almost in line with the plan.
Europe	Profitability was achieved due to increased sales of WASHLET. Progress exceeded the plan.
Ceramics	Amid solid demand growth, progress exceeded the plan due to increased sales of electrostatic chucks.

■ Base Segments

Mainland China	Production strategy is on track for completion, with product and sales strategies progressing as planned. Profitability is expected to be achieved next fiscal year with the effects of these three strategies.
Japan	We continuously implement price revisions and cost reduction measures; however, we are currently formulating countermeasures against the decline in profitability primarily due to external procurement costs and the burden of various strategic investments.

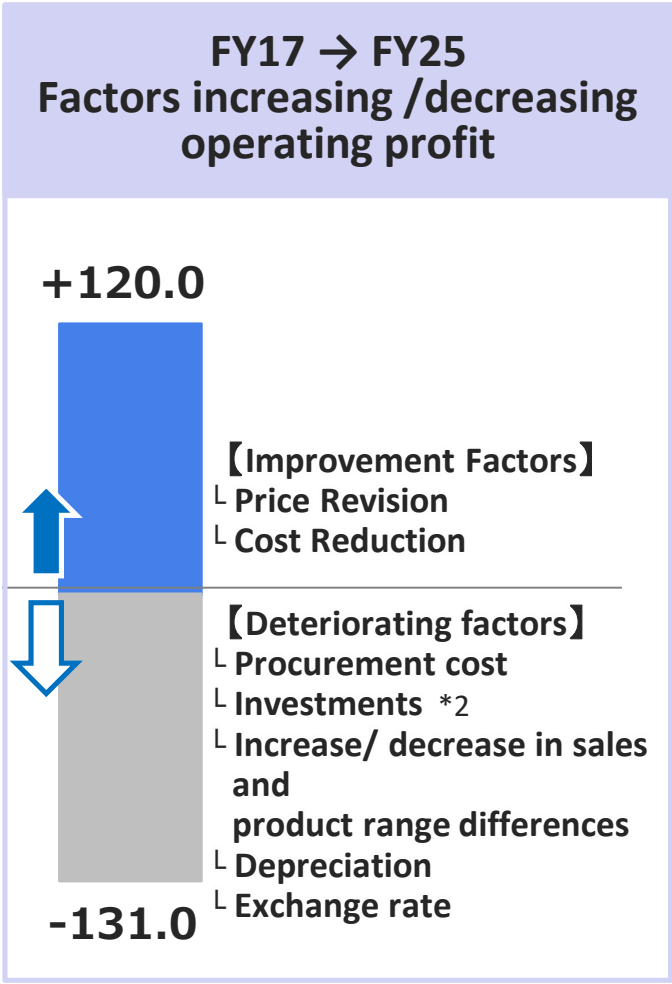
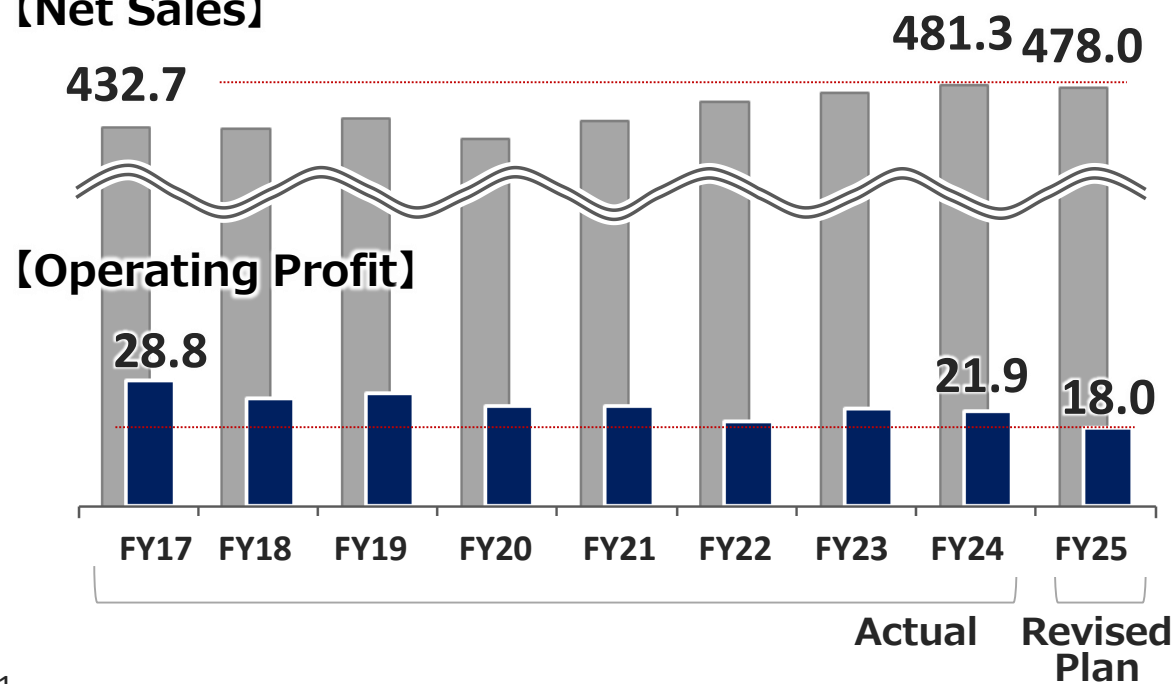
Growth segments are growing as planned. Improving the profitability of the Japan Housing Equipment Business is the most critical challenge.

Japan Housing Equipment Business: Challenges

Net sales grow steadily. However, operating profit is on a gradual downward trend due to various cost increases, despite the positive effects of ongoing cost reduction efforts and price revisions.

■ Japan Housing Equipment Business: Historical Performance *1

【Net Sales】



*1
The figures indicate the results after reviewing the allocation basis for common expenses as the new revenue recognition standard was applied in FY21.

*2
Human resources investment, IT related investment, Development production investment, Strengthening sales investment, etc.

Japan Housing Equipment Business: Direction

* SF_Smart Factory
AF_Factory Automation

- ✓ Utilizing and evolving Remodeling expertise cultivated over many years of experience.
- ✓ Promoting company-wide initiatives for comprehensive profitability improvement across Sales, Products, Production, and Indirect divisions to achieve optimal business processes.

Sales and Business Model Development

Customer-Centric Renovation Demand Creation and High-Value Product Proposals



New Business Models (e.g., Daily Wellness)

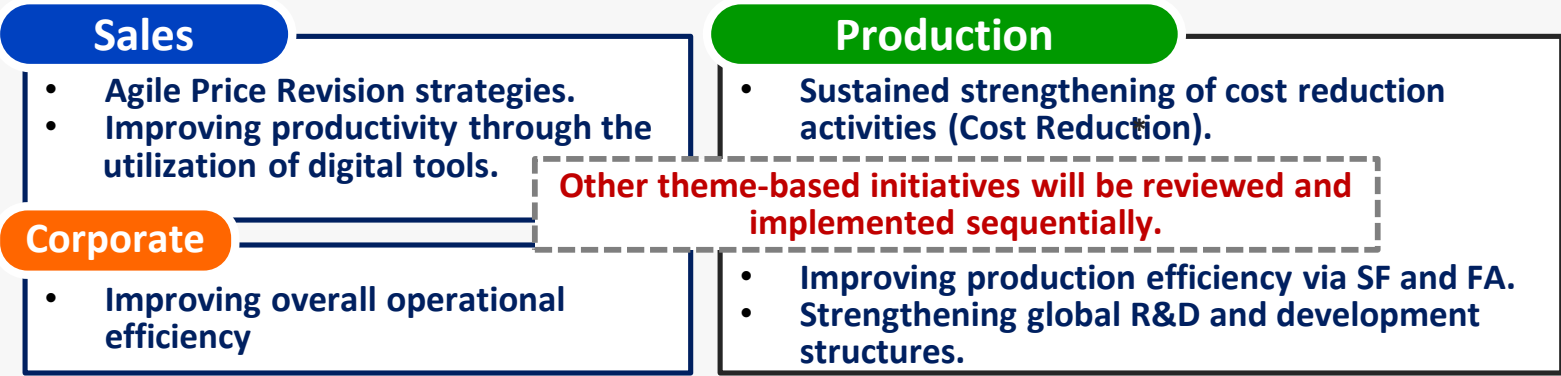


Leveraging Digital Technology



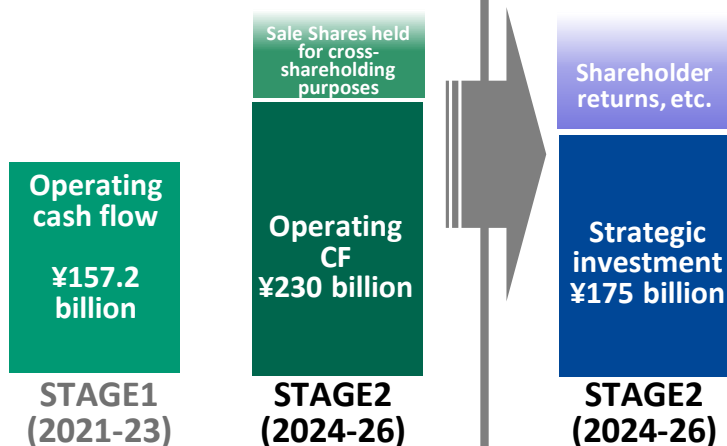
Profitability Improvement Activities

execute full-scale improvement initiatives across all divisions to enhance profitability, with a focus on ROIC (Return on Invested Capital).



Revised Plan: Financial Discipline

Cash generation



Capital allocation

Shareholder returns

- The dividend payout ratio shall be 40% or more, and dividends shall not be reduced but increased or maintained.
- The acquisition of treasury stock shall be implemented flexibly, taking capital costs, stock price levels, and cash reserves into comprehensive consideration.

Strategic investment (capital investment)

- Strategic investment focused on growth segments
- Improve management with hurdle rates above capital costs

Strategic investment amount

		Billion JPY	FY25 Initial Plan	FY25 Revised plan	Difference
Investment for global strategy	• Related to sanitary ware plants (Americas and Mainland China) • Investments in new WASHLET products, etc.		31.4	32.6	+1.2 (Impact of exchange rate, etc)
Investment for ceramic strategy	• Strengthening production and development systems, etc.		9.0	6.2	-2.8 (Timing difference in investment)
Investment for Japan strategy	• Investments related to new products • Investments related to smart factory initiatives, etc.		6.2	5.0	-1.2 (Partial revision of the plan)
Investment for strengthening foundation	• Optimization-related investments in production, logistics, sales management, etc.		11.9	12.6	+0.7
			58.5	56.5	-2.0

**Strategic investments are progressing as planned.
We will continue to invest for future business**

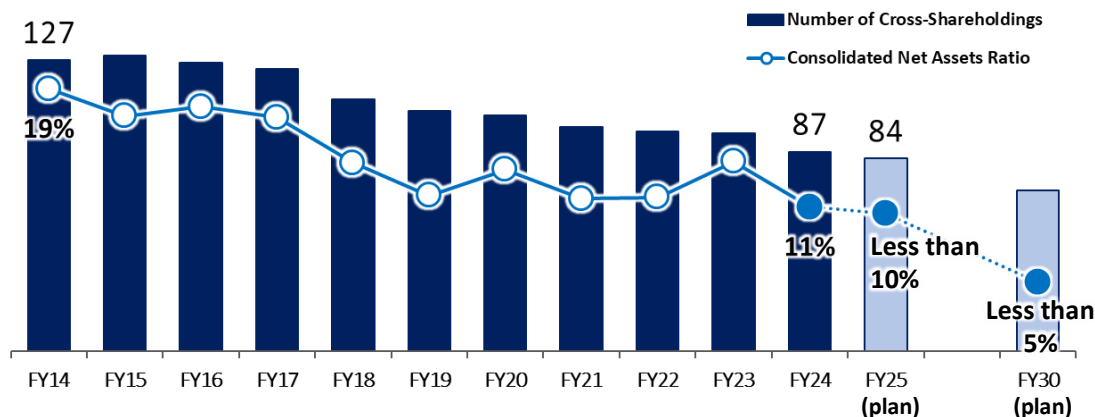
Revised Plan: Financial Discipline

Reduction of cross-shareholdings

■ Ratio to consolidated net assets

- Actual as of the end of FY24: 11%
- Plan for the end of FY25: Less than 10%
- Plan for the end of FY30: Less than 5%

To achieve the plan for the end of FY30, we will promote reduction in a planned manner after confirming if there is a rationale for holding such shares.



Dividend Plan

- In accordance with our shareholder return policy, we will pay an annual dividend of 100 yen.

	FY24	FY25
1st Half	¥50.0	¥50.0
2nd Half	¥50.0	¥50.0
Full Year	¥100.0	¥100.0
Dividend Payment Ratio	139.4%	56.7%

Acquisition and retirement of treasury shares

■ Acquisition of treasury shares

Acquired 5.31 million shares at 20 billion yen against the ceiling of 20 billion yen.

(Acquisition period: May 1, 2025 to August 20, 2025)

■ Retirement of treasury shares

A total of 10.62 million shares were retired including all treasury shares acquired (5.31 million shares) and the shares already held (5.31 million shares).

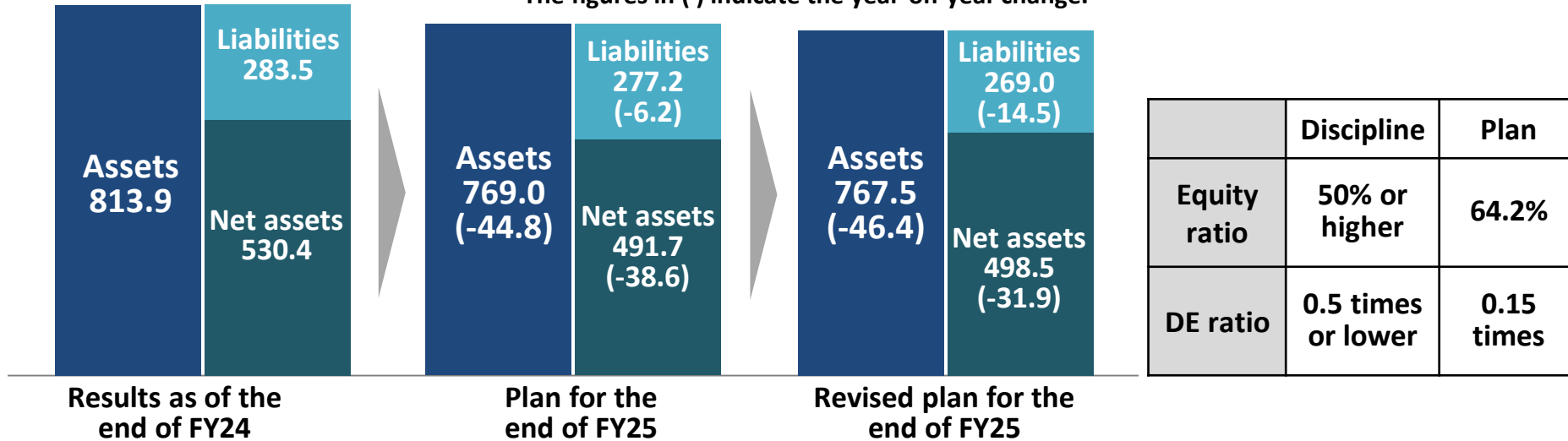
(Retirement date: September 30, 2025)

* Percentage to the total number of shares issued prior to retirement: 6.0%

We will carry out capital allocation appropriately, including the cash generated from the sale of shares held for cross-shareholding purposes.

Revised Plan: B/S

The figures in () indicate the year-on-year change.



■ TOTO version ROIC-related indicators (focusing on improvement drivers)

	As of the end of FY24	Revised plan for the end of FY25	Difference
Inventories	134.6	118.9	-15.7
Fixed assets	297.9	307.9	+10.0
Investment Securities ^{*1}	57.1	53.7	-3.4
Invested Capital TOTO ver. (Operating capital + Fixed assets)	508.5	503.5	-5.0
ROIC	4.8%	6.1%	+1.3pt
*Adjusted ROIC ^{*2}	(6.5%)	(6.7%)	+0.2pt

Reduce inventory in Housing Equipment Business

Increase strategic investment

Accelerate reduction of shares held for cross-shareholding purposes

*1: In addition to shares, including capital contributions or invested capital

*2: Calculated based on a standard effective tax rate of 30.4%

ROIC improves due to the effect of reducing inventory and cross-shareholdings.

Revised Plan: CF

Unit: Y billion

	FY24 Results	FY25 Revised Plan
Operating CF	+71.4	+45.2
Strategic investment (Capital investment)	-50.7	-56.5
Sale of fixed assets and investment securities	+13.4	+12.4
Investment CF	-38.4	-44.2
Free CF	+33.0	+1.0
Financial CF	-13.7	-40.2
Change in CF	+19.2	-39.2
+: Increase -: Decrease		
Cash and deposits at end of period	122.7	83.5

- Restructuring costs for the Mainland China business
- Response to the Revised Subcontracting Act, etc.

Accelerate reduction of shares held for cross-shareholding purposes

Acquire treasury shares (-20 billion yen)

	Discipline	Plan
Cash on hand (compared to monthly sales)	1.5 months	1.4 months

FCF declined due to one-time charges, such as restructuring costs, at our Mainland China business. Reduce cash reserves to financially disciplined levels through share buybacks.

This presentation material contains forward-looking statements based on assumptions, estimates and plans as of October 31, 2025.

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