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TOTO

First Half Results for Fiscal Year Ending March 2027

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

Security Code: 5332

TOTO LTD.

October 30, 2026

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Introduction: TOTO Business Overview

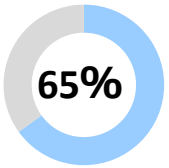
* The sales distribution ratios and operating profits composition ratios are based on FY2025 results, excluding company-wide adjustments.

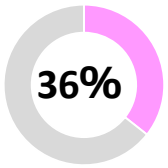
Global Housing Equipment Business

Sales distribution ratio | Operating profits composition

Japan

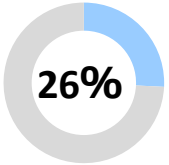
- TOTO's core business that has been built up over 100 years
- The core business is the Remodeling sector, which does not rely on new construction demand. We offer a wide range of products.
- Profits are gradually declining due to various cost increases. Structural reforms are underway to improve profitability.

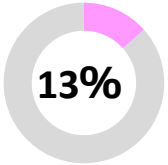




International

- 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.
- In the Mainland China Business, as performance had deteriorated sharply, structural reforms are underway.





Main Products

Sanitary Ware



Leading the world with superior quality

WASHLET



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

Faucet Fixtures



Pursuing design and water efficiency

Bathtubs/ System Bathrooms, Vanity units, Modular kitchens, etc.

TOTO Group Development System and Production System

Development System

Research Institute and various business divisions



Basic research and analysis
Production technology development

Creating value by developing proprietary technologies

Proprietary Core Technologies

Ex:



Advanced forming and firing technologies for sanitary ware



Faucet polishing and machining technologies

Applying housing equipment technologies to product development and manufacturing in advanced ceramics business

<Advanced Ceramics Business>

Electrostatic chucks



AD components



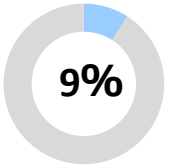
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Introduction: TOTO Business Overview

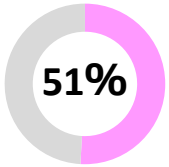
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New Business Domains (Advanced Ceramics Business)

Sales distribution ratio



Operating profits composition

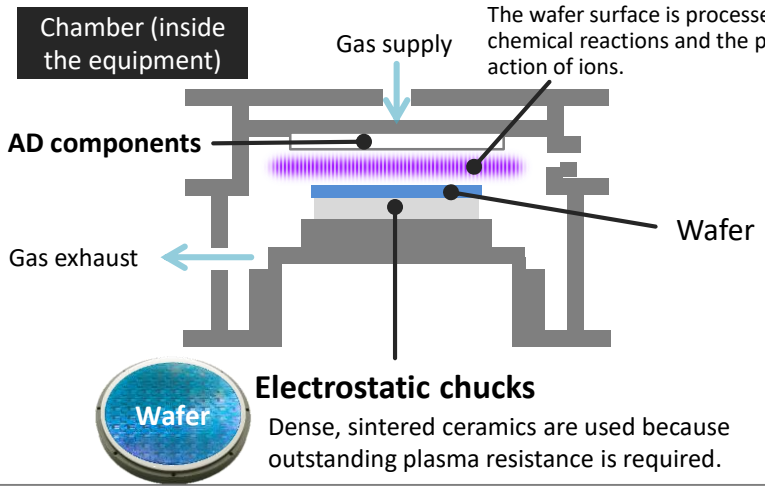


- **Core products are high-grade, high-precision ceramic components for semiconductor manufacturing equipment.**
- **Achieving high profitability by collaborating with all TOTO group business divisions in R&D and manufacturing**

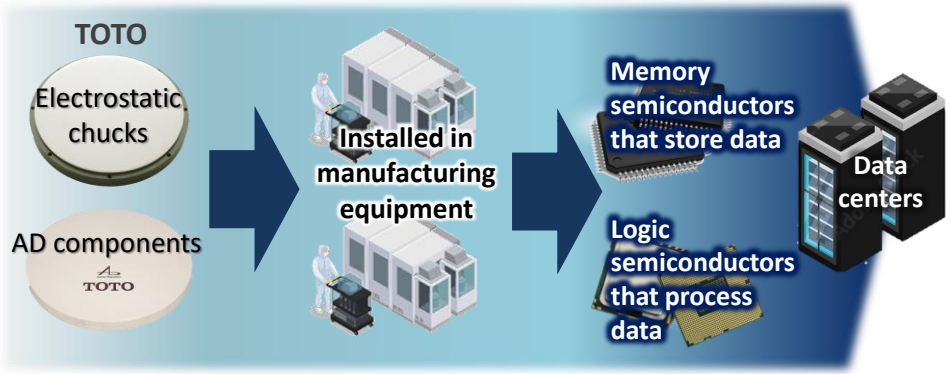
Main Products

Electrostatic chucks 	• Components used to hold wafers in place inside semiconductor manufacturing equipment. • Made of high-purity ceramics, these components are highly regarded for their exceptional durability and are used in ultra-low-temperature etching processes in equipment for manufacturing NAND flash memory.
AD components 	• Components used as ceiling materials inside semiconductor manufacturing equipment. • Ceramic films formed using TOTO's proprietary AD method* are dense and have strong adhesion, providing high plasma resistance and preventing the generation of ultrafine particles. • Used in etching processes in equipment for manufacturing logic semiconductors. * Aerosol deposition method

Usage Example



Product Positioning



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1. First Half Results for Fiscal Year Ending March 2027 (FY2026)

Highlights

Increased sales and profits; progress is generally on track with the plan

Japan Housing Equipment Business : Decreased sales and profits

- Although the impact of the situation in the Middle East on sales and supply has subsided, sales and profits decreased due to lower sales of bathroom products in 1Q and increased external procurement costs, among other factors.

International Housing Equipment Business: Increased sales and profits

- In the Americas Business, sales increased, driven by continued growth of WASHLET sales and new sanitary ware products, while profit decreased and a loss was posted due to a deterioration in the product mix resulting from worsening market conditions and initial one-off impacts of growth investments, among other factors.
- In the Asia Business, sales increased and profits decreased. Sales in key markets such as the Taiwan region and Vietnam remained strong, but profit decreased due to unrealized profit impacts associated with a temporary inventory increase in the Americas.
- In the European Business, sales increased due to continued growth of WASHLET sales due to strategic headcount expansion and showroom investments. (The aggregate results of group companies remained profitable.)
- In the Mainland China Business, sales increased due to strong retail sales. Losses were significantly reduced due to the effects of business restructuring. (The aggregate results of group companies turned profitable.)

New Business Domains (Advanced Ceramics Business) : Increased sales and profits

- Sales and profits increased, driven by higher sales of electrostatic chucks and AD components amid robust leading-edge semiconductor demand, as well as foreign exchange effects.

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Financial results

Unit: Y billion

	FY25 1H	FY26 1H	YoY	Influence of exchange rate	Currency-neutral basis	plan	vs.plan
Net Sales	349.4	364.7	+15.3 (104%)	+11.5	+3.8 (101%)	370.0	-5.3 (99%)
Operating Profit [Operating Margin]	20.8 【5.9%】	25.2 【6.9%】	+4.4 (121%) 【+1.0pt】	+2.6	+1.8 (109%)	23.0 【6.2%】	+2.2 (110%) 【+0.7pt】
Recurring Profit	23.1	24.8	+1.7 (108%)	+1.9	-0.2 (99%)	22.2	+2.6 (112%)
Profit attributable to owners of parent Company	8.8	21.3	+12.5 (2.4 times)	+1.3	+11.2 (2.3 times)	19.5	+1.8 (109%)

■ Exchange rates (period average)

	FY25 Jan to Mar	FY25 Apr to Jun	FY25 Jul to Sept	FY25 Oct to Dec	FY26 Jan to Mar	FY26 Apr to Jun	FY26 Jul to Sept
1 $	¥152.6	¥144.6	¥147.5	¥154.1	¥157.0	¥159.6	¥159.4
1 CNY	¥20.9	¥20.0	¥20.6	¥21.7	¥22.7	¥23.5	¥23.6
1 €	¥160.6	¥163.8	¥172.3	¥179.4	¥183.7	¥185.4	¥183.5
1 TWD	¥4.6	¥4.7	¥4.9	¥5.0	¥5.0	¥5.1	¥5.0
1 VND	¥0.0060	¥0.0056	¥0.0056	¥0.0059	¥0.0060	¥0.0061	¥0.0061
1 THB	¥4.5	¥4.4	¥4.6	¥4.8	¥5.0	¥4.9	¥4.8
1 INR	¥1.8	¥1.7	¥1.7	¥1.7	¥1.7	¥1.7	¥1.7

*Subject periods and segments

■ Japan H.E. business, New business domains April to September 2026

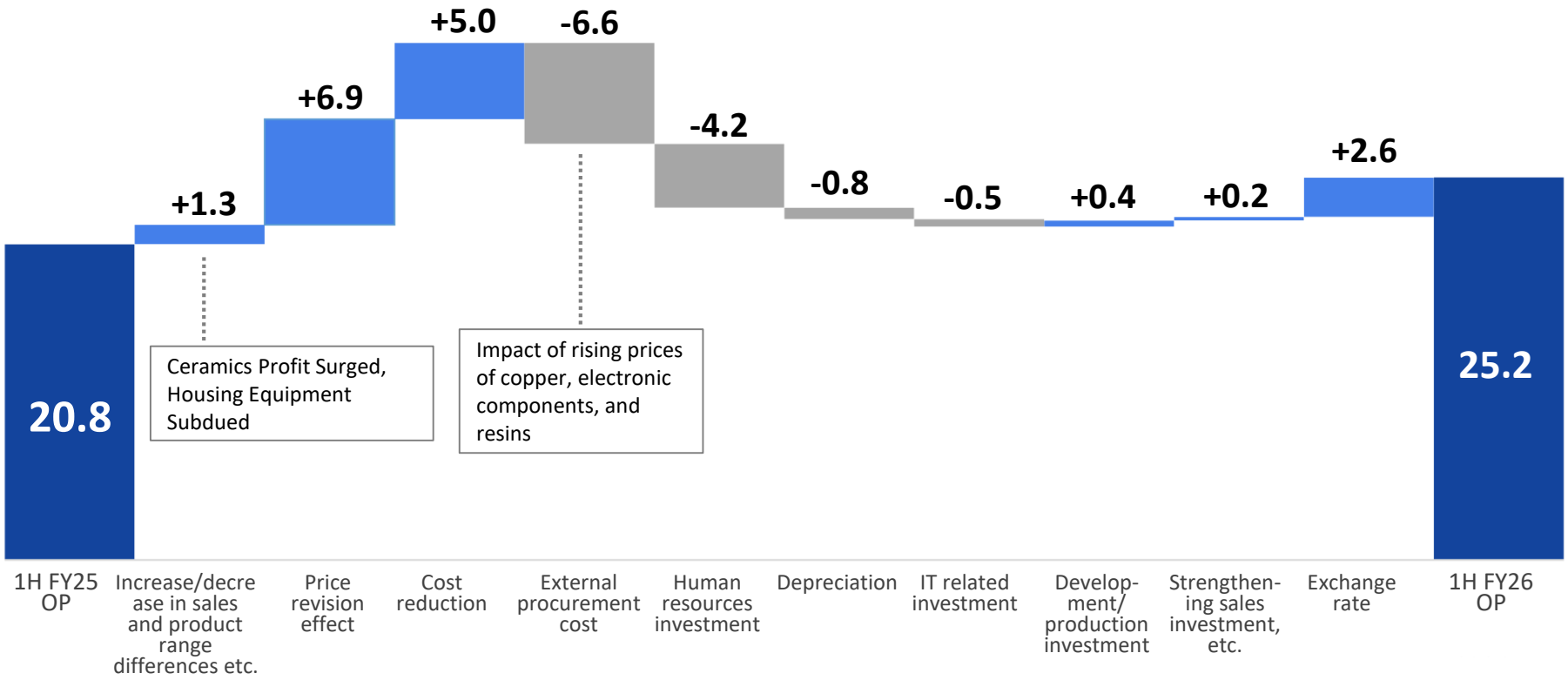
■ International H.E. business January to June 2026 (April to September 2026 for India)

Increased sales and profits
Record-High Net Sales and Net Income

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Cause of increase/decrease of operating profits

Unit: Y billion



Impact of Middle East situation (Operating profit): -¥3.5 billion (+¥1.0 billion vs. initial plan)

Vs. Plan	-0.7	-1.3	+0.2	-0.2	-0.4	+0.4	+0.2	+1.0	+2.0	+1.0	+2.2

Despite lower sales due to the situation in the Middle East and increased external procurement costs, profit increased, supported by higher sales in the Advanced Ceramics Business, cost reductions, and the effects of price revisions.

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Sales and profits by business segment

* Subject periods and segments
Japan H.E. business, New business domain: April to September, 2026
International H.E. Business: January to June 2026
(April to September 2026 for India)

Unit: Y billion

＜Net Sales＞	FY25 1H	FY26 1H	YoY	Influence of exchange rate	Currency-neutral basis	plan	vs.plan
Japan H.E.	228.5	223.1	-5.4 (98%)		-5.4 (98%)	226.0	-2.9 (99%)
International H.E.	91.1	101.8	+10.7 (112%)	+8.0	+2.7 (103%)	103.4	-1.6 (98%)
New business domains ※1	29.6	39.6	+10.0 (134%)	+3.5	+6.5 (122%)	40.5	-0.9 (98%)
Others	0.1	0.1	+0.0		+0.0	0.1	+0.0
Total	349.4	364.7	+15.3 (104%)	+11.5	+3.8 (101%)	370.0	-5.3 (99%)

※2 Operating Profit	FY25 1H	FY26 1H	YoY	Influence of exchange rate	Currency-neutral basis	plan	vs.plan
Japan H.E.	6.7	5.4	-1.3 (81%)	-1.5	+0.2 (103%)	2.0	+3.4 (3 times)
International H.E.	2.8	3.0	+0.2 (106%)	+0.6	-0.5 (84%)	5.5	-2.5 (54%)
New business domains ※1	12.7	18.2	+5.5 (143%)	+3.4	+2.1 (116%)	17.0	+1.2 (107%)
Others	-1.4	-1.4	-0.0		-0.0	-1.5	+0.1
Total	20.8	25.2	+4.4 (121%)	+2.6	+1.8 (109%)	23.0	+2.2 (110%)

*1 New business domains: Advanced Ceramics business *2 The method for allocating common expenses has been partially revised. (Prior-year figures have also been retroactively adjusted.)

The Japan Housing Equipment Business saw decreases in sales and profits, while the International Housing Equipment Business and the new business (Advanced Ceramics Business) saw increases in sales and profits.

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Japan Housing Equipment Business: Performance by demand

Base segment

Remodeling (YoY)

Net Sales
JPY **161.1** billion (99%)

Operating profits
JPY **5.9** billion (-0.9 billion yen)

New Housing (YoY)

Net Sales
JPY **62.0** billion (94%)

Operating profits
JPY **-0.5** billion (-0.4 billion yen)

New Products Targeting Remodeling Demand

〈Condominium remodeling〉

- **Restroom products remained strong**
  - Driven by new products with enhanced designs and environmental performance
  - Restroom Products sales growth for condominium remodeling : 110%

〈Commercial remodeling〉

- **Strong remodeling demand from lodging facilities, offices, and stores**
  - Restroom Products sales growth for commercial remodeling : 107%

New Products Launched in August 2026

For residential use



Flush toilets
Pure Rest EX



WASHLET integrated toilets
GG800/GG

All residential WASHLET models now incorporate an instant water-heating system that provides warm water only when needed.



For hotels



For commercial facilities

We plan to launch more products suited to condominium remodeling and commercial remodeling.

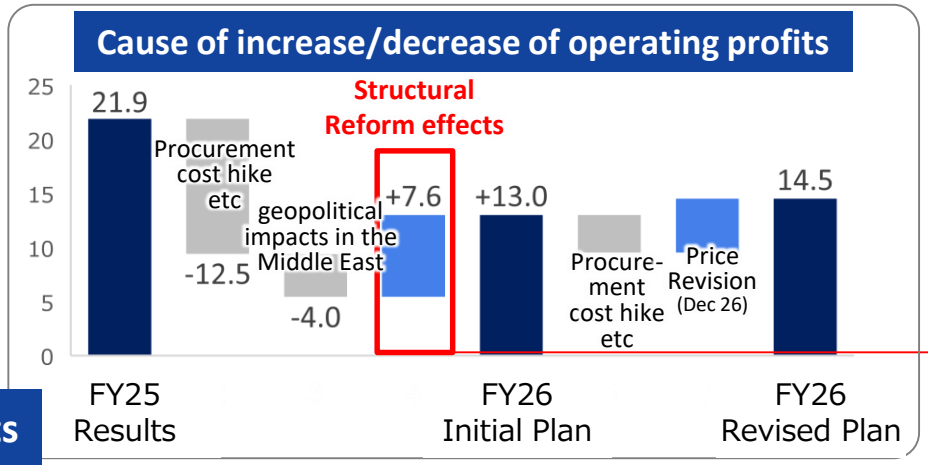
Sales and profits decreased due to lower sales resulting from the situation in the Middle East and surging raw material prices. Performance is recovering, supported by new products, particularly restroom products. Price revisions will be implemented in the second half to address higher raw material prices.

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Japan Housing Equipment Business:

Base segment

FY26 Profit Contribution from Structural Reforms: ¥7.6 billion. Launched as planned with tangible results.



Structural Reform Initiatives and Financial Benefits

Category		Financial benefits	
		By 2030	2026
【1】Creation of new value and demand	A Evolution of the Daily Wellness area, New value creations, etc	+2.0～	+0.6
【2】Redefinition of target demand and product strategy for remodeling	B Strengthening resources and products for target markets	+12.0～	+1.7
	C Maximization of capacity utilization at domestic plants	+5.0～	+1.8
【3】Optimization of business cost structure	D Acceleration of smart factories and factory automation at all production sites	+3.0～	+0.7
	E Further incremental cost reductions	+12.0～	+2.2
	F Leveraging DX to review operational cost structures	+5.0～	+0.6

＋ Additional consideration: Invested capital improvement measures

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Japan Housing Equipment Business: Progress of structural reforms

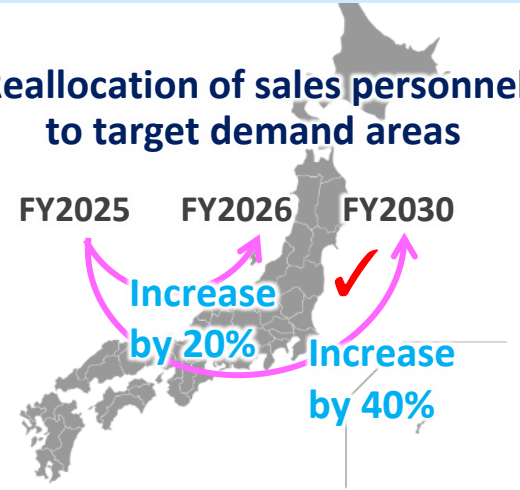
Base segment

Examples of Initiatives

〈Strengthening resources and products for target markets〉 B E F

Sales

Reallocation of sales personnel to target demand areas



Products

Launch of products suited to target markets

August 2026



Sales increase of New products: 125%

More new products to come

Initiatives

Integration of sales companies ✓

TOTO Aqua Marketing Co., Ltd.

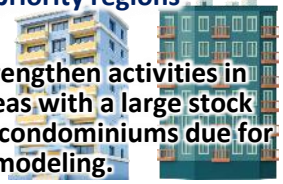
Integrate eight companies to consolidate operations and maximize workforce capacity.

Establishment of dedicated teams ✓



Establish commercial remodeling teams at branch offices.

Strengthening activities in priority regions ✓



Strengthen activities in areas with a large stock of condominiums due for remodeling.

Product proposal sessions for property owners ✓



Consultation sessions at technical centers
Project study sessions

〈Promoting local production for local consumption〉 C D F

- Advance factory automation in sanitary ware production to maintain the highest levels of productivity. ✓
- Establish an operating structure insulated from exchange rate fluctuations. ✓
- Establish a system for rapid delivery. ✓



〈Personnel reallocation〉

Reallocate personnel to growth segments outside the Japan Housing Equipment Business.

Strengthen workforce in Ceramic Business
(About half are from Japan H.E. Business)

Apr 2025 ✓ Apr 2026 Oct 2026

Increase by 13%

Increase by 18% ✓

We are implementing various structural reform measures as planned.
We will continue to advance these initiatives to achieve our targets.

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International Housing Equipment Business

Unit: Y billion

Net Sales	FY25 1H	FY26 1H	YoY	Influence of exchange rate	Currency-neutral basis	plan	vs.plan
Americas	37.9	41.5	+3.6 (110%)	+2.6	+1.0 (103%)	43.0	-1.5 (97%)
Asian & Oceanian Region	24.4	27.6	+3.2 (113%)	+1.7	+1.5 (106%)	27.9	-0.3 (99%)
Europe	2.9	3.7	+0.8 (129%)	+0.4	+0.4 (114%)	3.5	+0.2 (105%)
Mainland China	25.9	29.0	+3.1 (112%)	+3.3	-0.3 (99%)	29.0	+0.0 (100%)
Total	91.1	101.8	+10.7 (112%)	+8.0	+2.7 (103%)	103.4	-1.6 (98%)

Operating Profit	FY25 1H	FY26 1H	YoY	Influence of exchange rate	Currency-neutral basis	plan	vs.plan
Americas	2.8	-0.2	-3.0	+0.1	-3.1	2.0	-2.2
Asian & Oceanian Region	4.2	3.8	-0.5 (89%)	+0.4	-0.9 (78%)	3.4	+0.4 (110%)
Europe	-0.2	-0.2	-0.0	+0.0	-0.1	-0.2	-0.0
Mainland China	-4.1	-0.4	+3.7	+0.1	+3.6	0.3	-0.7
Total	2.8	3.0	+0.2 (106%)	+0.6	-0.5 (84%)	5.5	-2.5 (54%)

*Including consolidation adjustments and allocations of common expenses

*The method for allocating common expenses has been partially revised. (Prior-year figures have also been retroactively adjusted.)

Double-digit growth in net sales across all businesses

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Americas Business

Growth segment

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

Net Sales (YoY)

262 million dollars (103%)

Operating profits (YoY)

9 million dollars (-16 million dollars)

Net sales growth of 3Q of FY2026 (July to September 2026) YoY: 102%

■ Growth rate by product

		YoY	Sales distribution ratio
Net sales	Sanitary Ware	103%	51%
	WASHLET	108%	39%
	Faucet Fixtures	95%	7%
Sales volume	WASHLET	102%	

Sales volume of WASHLET
3Q of FY2026 (July to September 2026) YoY: 103%

■ Market trends and TOTO's performance

Market conditions YoY comparison of the number of existing houses sold (based on delivery time) Jan to Jun 2026 : 99%

Although demand for spray seats remains steady, weak market conditions due to uncertainty about the future, changes in purchasing behavior, and other factors have prompted inventory adjustments in distribution channels.

TOTO

Sell-out remained strong and continued to grow, driven by new products and the effects of sales initiatives.
We are strengthening initiatives for the year-end sales season, the peak demand period.



Launch campaign for the new AURORA toilet



Explaining comfort features
(Instant water-heating WASHLET)



(Heated toilet seats)



Building trust in quality through a logo marking cumulative shipments of over 70 million WASHLET units

Sales increased due to new products and sales initiatives. Operating profit decreased due to a deterioration in the product mix resulting from worsening market conditions and initial one-off impacts of growth investments.

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Americas Business: Market conditions and TOTO's initiatives

Growth segment

【Housing market environment】

- Home sales volumes remained stagnant at low levels as interest rates stayed high.
- The impact has also extended to bathroom and kitchen renovations in existing homes and a shift toward lower-grade products.

- Awareness of and interest in spray seats continued to grow.
- Single-digit penetration, but steady ongoing growth. (80% in households in Japan

【Construction Material Sores trends】

(Kitchen & Bath Shop)

- Inventory adjustments underway
  → Expected to continue for the time being

Sell-out remained solid

Net sales (sell-out) at major construction material stores continued to grow by double digits year on year.

Sustained Growth in the Americas Anchored by WASHLET

【E-commerce and retail chain stores】

The impact of market conditions is relatively limited, and continued growth is expected. ✓
New product launches in FY2026

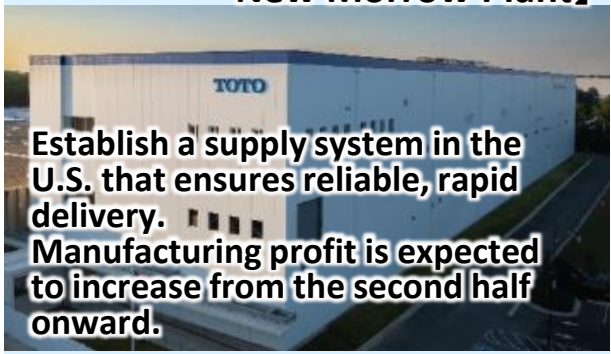
【TOTO's initiatives】

Strengthen branding and sales of WASHLET integrated toilets, particularly NEOREST

- ✓ Support for showroom displays
- ✓ Attracting visitors to showrooms through online advertising and social media
- ✓ Events for interior designers
- ✓ Seminars at factories and online



【Start of Operations at the New Morrow Plant】



Establish a supply system in the U.S. that ensures reliable, rapid delivery.
Manufacturing profit is expected to increase from the second half onward.

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

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Asia Business

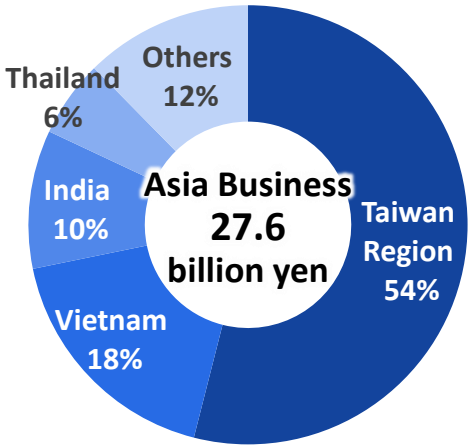
Growth segment

■ Net Sales (YoY in local currency)

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

Taiwan region	2,969 million Taiwan dollars	(103%)
Vietnam	814.3 billion dong	(126%)
India	1,664 million Indian rupees	(119%)
Thailand	316 million baht	(103%)

■ Sales Distribution Ratio (Y Billion)



■ Situation by country and region

Taiwan Region: In 3Q, sales decreased due to temporary showroom closures for renovation. From 4Q onward, the renewed showroom will serve as a promotional hub to drive sales.

Vietnam: Growth continued due to market recovery and sales initiatives

India: Sales increased due to the expanding sales channels etc.

Thailand: Sales grew driven by retail, despite market slowdown in projects. 3Q sales fell due to flooding; full-2H sales expected to grow.

3Q (Jul to Sep)	Sales YoY
Taiwan region	89%
Vietnam	161%
Thailand	86%

* Fiscal year in India
April 2026 to March 2027

■ Growth rate by product (Y Billion)

Across Asia		YoY	Sales distribution ratio
Net sales	Sanitary Ware	109%	44%
	WASHLET	128%	28%
	Faucet Fixtures	108%	26%
Sales volume	WASHLET	130%	

Sales volume of WASHLET
3Q of FY2026 (July to September 2026) YoY: 97%

Performance in key markets is in line with the plan. We will drive overall company performance by expanding sales channels and proposing products best suited to each growth market.

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Asia Business: Initiatives

Growth segment

〈Taiwan region〉 Renovation of the Taipei Showroom

To further expand sales of core products such as WASHLET, we will strengthen proposals that target renovation demand.

Opening date: September 16



Showroom tour on opening day
* Visitor numbers significantly exceeded pre-renovation levels.



Core product displays



First outside Japan

Commercial space Bathroom Usability Testing Room

〈Customer feedback〉

The bright, open showroom brings the bathroom of the future vividly to life, allowing visitors to imagine their ideal bathing experience to their heart's content.

Number of visiting customers: 160% of the target
Total quotation value: 144% of the previous year

▶ **Contribute to drive sales from FY2027**

〈Kingdom of Saudi Arabia〉 Opening of the TOTO AR Technical Center in Riyadh

First in the Middle East

With numerous large-scale projects planned in the Middle East, we will demonstrate the value of our products to key customers through hands-on product experiences.

Opening date: September 19

*Operating with due consideration of local conditions



NEOREST COLLECTIONS Bathroom displays



NEOREST experience room



Technical exhibits



Opening event

Conduct proposal-based sales activities with utmost attention to safety amid rising demand

We will further strengthen customer touchpoints to expand brand awareness and accelerate business growth in each market.

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Europe Business

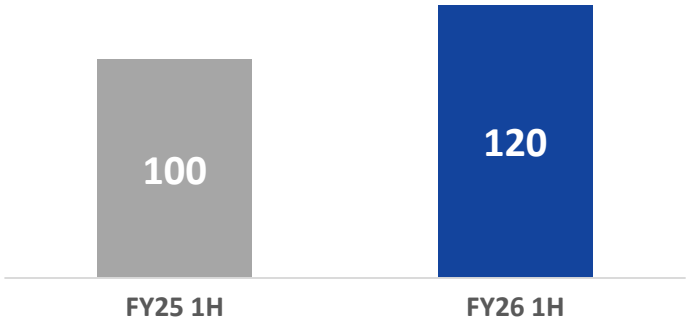
Growth segment

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

Net Sales (YoY)	Operating profits (YoY)
20 million euros (114%)	0.7 million euros (-0.3 million euros)

Net sales growth of 3Q of FY2026 (July to September 2026) YoY: 120%

■ WASHLET: Growth in sales volume (index)



Sales volume of WASHLET
3Q of FY2026 (July to September 2026) YoY: 115%

■ Initiatives to promote WASHLET adoption

We are making full use of the London showroom, which reopened in May after renovation, to strengthen proposals for the luxury housing market.
We will enhance support for priority retailers to expand WASHLET adoption in the UK market.





Showroom seminars for priority retailers

Sales increased driven by sales expansion initiatives for WASHLET targeted at plumbers, but profit decreased due to strategic hiring and showroom investments.

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Mainland China Business

Base segment

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

Net Sales (YoY)

1,255 million yuan

(99%)

Operating profits (YoY)

39 million yuan

(+201 million yuan)

Net sales growth of 3Q of FY2026 (July to September 2026) YoY: 86%

*Sales at construction sites declined YoY due to lower demand, while retail sales continued to grow by double digits

■ Growth rate by product

		YoY	Sales distribution ratio
Net sales	Sanitary Ware	106%	49%
	WASHLET	92%	27%
	Faucet Fixtures	88%	19%
Sales volume	WASHLET	103%	

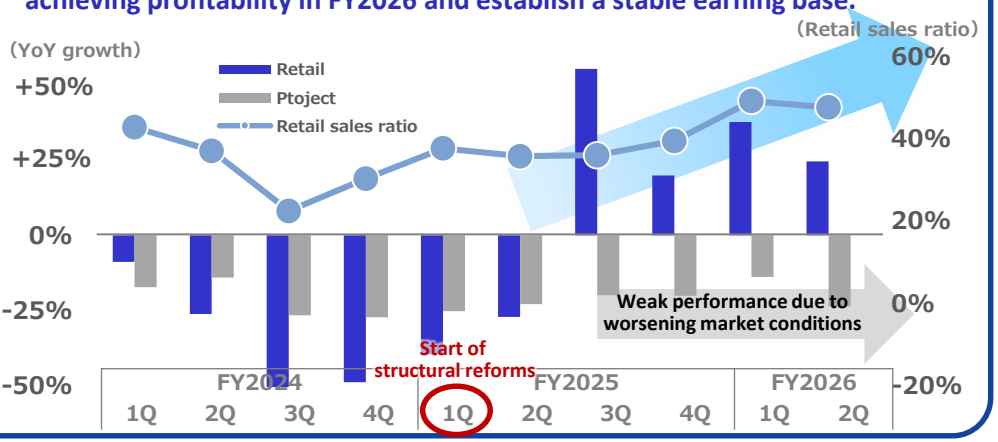
Sales volume of WASHLET
3Q of FY2026 (July to September 2026) YoY: 86%

■ Structural Reform

The introduction of strategic products and the shift toward retail and remodeling are progressing as planned.

〈Sales trends by application and retail share of sales〉

(Retail) Grew significantly due to the sales and product strategies. Offset sales decline in projects by further strengthening distributor collaboration, reallocating resources, and timely launches of new products, achieving profitability in FY2026 and establish a stable earning base.



Sales decreased due to lower demand at construction sites, while retail sales grew significantly. The business returned to profitability due to reductions in fixed costs that resulted from business restructuring, an improved product mix.

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New Business Domains: Advanced Ceramic Business

Growth segment

Net Sales (YoY)	Operating profits (YoY)
39.6 billion yen (134%)	18.2 billion yen (+5.5 billion yen)

■ Status of major products and applications

Demand for leading-edge semiconductors remains strong, driven by increased investment in AI and data centers.

Electrostatic chucks



First-half progress was generally on track with the initial plan.
Supply chain issues were resolved in 2Q.

AD Components



Sales increased driven by higher production volume to meet rising demand, as well as improved productivity.

In anticipation of future growth in demand, we are making large-scale investments to expand production capacity and develop next-generation products, aiming for long-term business growth, including the development of new applications. (See pages 20 and 21.)

Sales and profits increased as we responded to robust growth in demand, with first-half progress generally on track with the plan.

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Advanced Ceramic Business

Business Growth Prospects/Investment Plans

Growth segment

	STAGE1			STAGE2			STAGE3			
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030

Market trends

Logic — Miniaturization / multilayering

- 5nm → 3nm → ～2nm → Less than 2 nm
- Increased process complexity due to miniaturization and multilayering + Heightened low-particle requirements

Memory — multilayering

- 128 layers → 300–400 layers → 1,000 layers
- Higher-power etching driven by multilayering + output maximization

Strategic investment to jointly shape advanced semiconductor technology trends

Large investments and expenses

R&D base: Chigasaki

Development capital investment linked to customer needs and technology trends

- R&D expenses: **11.0 billion yen**
- Investment in development and prototype lines: **6.0 billion yen**

R&D expenses: Approx. 9.0 billion yen *Estimate based on past results

Manufacturing bases: Nakatsu, Buzen

Capital investment to increase production based on demand forecasts developed with business partners and to promote smart factories

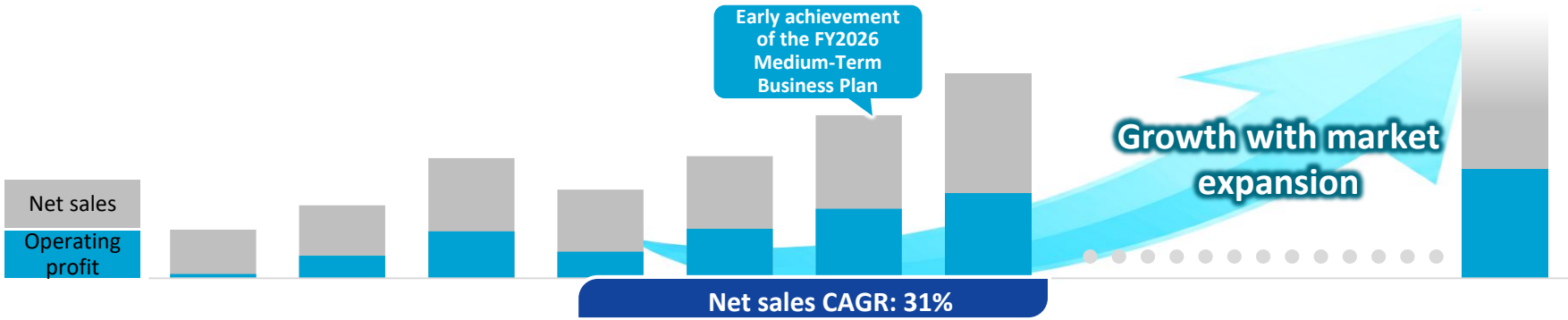
- Nakatsu No. 4 Building **11.8 billion yen**
- Phased production increases for electrostatic chucks **30.0 billion yen**

Investment to strengthen R&D and mass production systems **Approx. 33.0 billion yen**

Investment in expanded production capacity for next-generation products **Approx. 60.0 billion yen**

*Investment amounts for 2027 onward reflect current plans

Performance Trends



We will continue to invest in new product development and equipment for development and mass production. Guided by “Quality and Uniformity,” one of the Company Mottos, we will respond to the evolving and growing semiconductor market.

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Advanced Ceramic Business

Expansion and Construction of Production Facilities at Nakatsu and Buzen

Growth segment

Investment planned to establish mass production systems for next-generation electrostatic chucks and AD components

Purpose: To enhance our ability to meet growing demand for next-generation products

【Nakatsu, Oita】

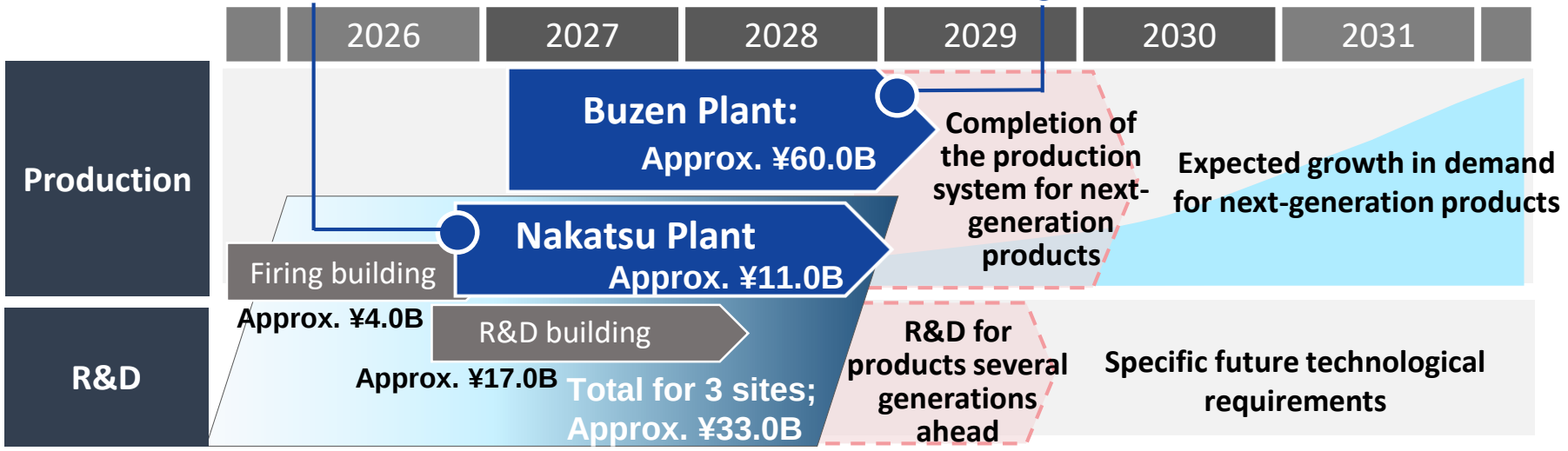
AD components :
For leading-edge logic semiconductors

Construction to begin in 2026; operations scheduled to start in 2028

【Buzen, Fukuoka】

ESC: For leading-edge NAND
AD components:
For leading-edge logic semiconductors

Construction to begin in 2027; operations scheduled to start in 2029



Establish a production system capable of responding to market growth from 2030 onward.
Combine this with next-generation product development and further advances in smart factories to drive long-term business growth.

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2. Topics

Endorsement of Initiatives

Supporting TNFD Recommendations to Protect Water and Nature

Taskforce on Nature-related Financial Disclosures

Background of Endorsement

Business Foundation: "Blessings of Nature"

TOTO's manufacturing relies on water, clay, and minerals.
Loss of nature poses a critical business risk.



Global Megatrend: "Nature Recovery"

Alongside decarbonization, "Nature Positive" is in global demand, with TNFD establishing the disclosure framework.



※TNFD：Taskforce on Nature-related Financial Disclosures

Analyzed and Disclosed Actions Focused on "Water in Sanitary Ware Production"

■ Current State Analysis

Analyzed water dependency, risks and opportunities in sanitary ware production.



■ Formulation of Countermeasures

Set targets for water recycling rates to drive efficient water utilization.



■ Information Disclosure

Initiated online disclosures aligned with the TNFD framework.



Contributing to natural capital preservation through initiative-compliant actions, while meeting stakeholder expectations through highly transparent disclosure.

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External Evaluation

The Easy-Cleaning Hokkarari Floor for bathrooms won the Kids Design Association Chairman's Award in the Kids Design Award program

—Recognized for improved safety achieved by advances in materials and for ease of cleaning—

■ **Reasons for winning the award**

- **Advances in materials fundamentally solve bathroom issues such as cold floors, slipping, and insufficient impact absorption.**
- **Protects children's safety (preventing slips and falls) while easing caregivers' maintenance burden, enriching the entire family's bathing experience.**

KIDS DESIGN AWARD 2026



Easy-Cleaning Hokkarari Floor

Surface FRP Sheet
Non-slip, fast-drying "Karari Pattern."

Thermal Cushion Layer (Urethane Foam)
Creates tatami-mat-like softness, retains warmth, absorbs impact, and dampens sound.

Thermal Floor Pan [Outer Insulation] (High-Strength Expanded Polypropylene)
Further enhances heat retention and sound dampening.

Base Frame
Maintains structural strength and rigidity.



Structure of the Easy-Cleaning Hokkarari Floor

We will continue to develop technologies that deliver new value in order to provide customers with environmentally conscious bathroom and kitchen products that bring cleanliness, comfort, and wellness.

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3. Revised Plan for the Year Ending March 2027 (FY2026)

Revised Plan: Highlights

Based on the first-half results and the second-half outlook, we have revised the full-year plan. We aim to achieve record-high net sales and operating profit for the second consecutive fiscal year.

Net sales: 775.0 billion yen (vs. initial plan:99%)

Operating profit: 60.0 billion yen (vs. initial plan: ±0.0 billion yen)

〈vs. initial plan〉 〈vs. initial plan〉

Japan Housing Equipment Business:

Net sales:100% Operating profit: +1.5 billion yen

- Sales are in line with the initial forecast, supported by stronger proposals for target markets and expanded sales of new products.
- We have factored in the effects of the price revisions to be implemented in December, additional cost reductions, and other factors.

International Housing Equipment Business:

Net sales:96% Operating profit: -2.6 billion yen

- On the Americas business, we have factored in the impact of worsening market conditions
- On Mainland China Business, revised plans due to market deterioration, but achieved revenue growth and a significant narrowing of operating loss through strengthened retail.

New Business Domains:

Net Sales:102% Operating Profit: +1.5 billion yen

- Revised upward to reflect the first-half recovery of shipments delayed from 1Q due to supply chain impacts, as well as robust demand for advanced semiconductors.

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Revised Plan: Financial Results

Unit: Y billion

	FY25	FY26 Revised plan	YoY	Influence of exchange rate	Currency-neutral basis	FY26 Initial Plan	vs.Initial Plan
Net Sales	737.4	775.0	+37.6 (105%)	+15.3	+22.3 (103%)	785.0	-10.0 (99%)
Operating Profit	53.8 【7.3%】	60.0 【7.7%】	+6.2 (112%)	+2.3	+3.9 (107%)	60.0 【7.6%】	+0.0 (100%)
Recurring Profit	60.7	58.0	-2.7 (96%)	-3.6	+1.3 (102%)	58.5	-0.5 (99%)
Profit attributable to owners of parent Company	40.3	46.0	+5.7 (114%)	-2.6	+10.4 (126%)	46.0	+0.0 (100%)
ROA	6.6%	7.3%	+0.7pt			7.2%	+0.1pt
ROE	7.7%	8.8%	+1.1pt			8.5%	+0.3pt
ROIC ※	6.9%	8.4%	+1.5pt			8.6%	-0.2pt

*ROA: Operating profit / Total Assets

*TOTO version ROIC

$$\frac{\text{Operating profits after tax}}{\text{(Operating capital + Fixed assets)}}$$

■ Exchange rates (period average)

	FY25 Jan to Mar	FY25 Apr to Jun	FY25 Jul to Sept	FY25 Oct to Dec	FY26 Jan to Mar	FY26 Apr to Jun	FY26 Jul to Sept	FY26 Oct to Dec	FY27 Jan to Mar
1 $	¥152.6	¥144.6	¥147.5	¥154.1	¥157.0	¥159.6	¥159.4	¥155.0	¥155.0
1 CNY	¥20.9	¥20.0	¥20.6	¥21.7	¥22.7	¥23.5	¥23.6	¥22.5	¥22.5
1 €	¥160.6	¥163.8	¥172.3	¥179.4	¥183.7	¥185.4	¥183.5	¥180.0	¥180.0
1 TWD	¥4.6	¥4.7	¥4.9	¥5.0	¥5.0	¥5.1	¥5.0	¥4.9	¥4.9
1 VND	¥0.0060	¥0.0056	¥0.0056	¥0.0059	¥0.0060	¥0.0061	¥0.0061	¥0.0059	¥0.0059
1 THB	¥4.5	¥4.4	¥4.6	¥4.8	¥5.0	¥4.9	¥4.8	¥4.9	¥4.9
1 INR	¥1.8	¥1.7	¥1.7	¥1.7	¥1.7	¥1.7	¥1.7	¥1.8	¥1.8

*Subject periods and segments

■ Japan H.E. business, New business domains
April 2026 to March 2027

■ International H.E. business
January to December 2026
(April 2026 to March 2027 for India)

We have revised our full-year plan based on the first-half results and second-half outlook for each segment. We aim to achieve record-high net sales, operating profit, and net income.

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Reference: 2H Revised Plan: Financial Results

Unit: Y billion

	FY25 2H	FY26 2H Revised Plan	YoY	Influence of exchange rate	Currency-neutral basis	FY25 2H Initial Plan	vs.Initial Plan
Net Sales	388.1	410.3	+22.3 (106%)	+3.8	+18.5 (105%)	415.0	-4.7 (99%)
Operating Profit	33.0 【8.5%】	34.8 【8.5%】	+1.8 (106%)	-0.3	+2.1 (106%)	37.0 【8.9%】	-2.2 (94%)
Recurring Profit	37.6	33.2	-4.4 (88%)	-5.5	+1.1 (103%)	36.3	-3.1 (91%)
Profit attributable to owners of parent Company	31.5	24.7	-6.8	-3.9	-2.9	26.5	-1.8 (93%)

■ **Exchange rates (period average)**

	FY25 Jan to Mar	FY25 Apr to Jun	FY25 Jul to Sept	FY25 Oct to Dec	FY26 Jan to Mar	FY26 Apr to Jun	FY26 Jul to Sept	FY26 Oct to Dec	FY27 Jan to Mar
1 $	¥152.6	¥144.6	¥147.5	¥154.1	¥157.0	¥159.6	¥159.4	¥155.0	¥155.0
1 CNY	¥20.9	¥20.0	¥20.6	¥21.7	¥22.7	¥23.5	¥23.6	¥22.5	¥22.5
1 €	¥160.6	¥163.8	¥172.3	¥179.4	¥183.7	¥185.4	¥183.5	¥180.0	¥180.0
1 TWD	¥4.6	¥4.7	¥4.9	¥5.0	¥5.0	¥5.1	¥5.0	¥4.9	¥4.9
1 VND	¥0.0060	¥0.0056	¥0.0056	¥0.0059	¥0.0060	¥0.0061	¥0.0061	¥0.0059	¥0.0059
1 THB	¥4.5	¥4.4	¥4.6	¥4.8	¥5.0	¥4.9	¥4.8	¥4.9	¥4.9
1 INR	¥1.8	¥1.7	¥1.7	¥1.7	¥1.7	¥1.7	¥1.7	¥1.8	¥1.8

*Subject periods and segments

■ Japan H.E. business, New business domains
October 2026 to March 2027

■ International H.E. business
January to December 2026
(October 2026 to March 2027 for India)

We revised the plan based on the second-half outlook.

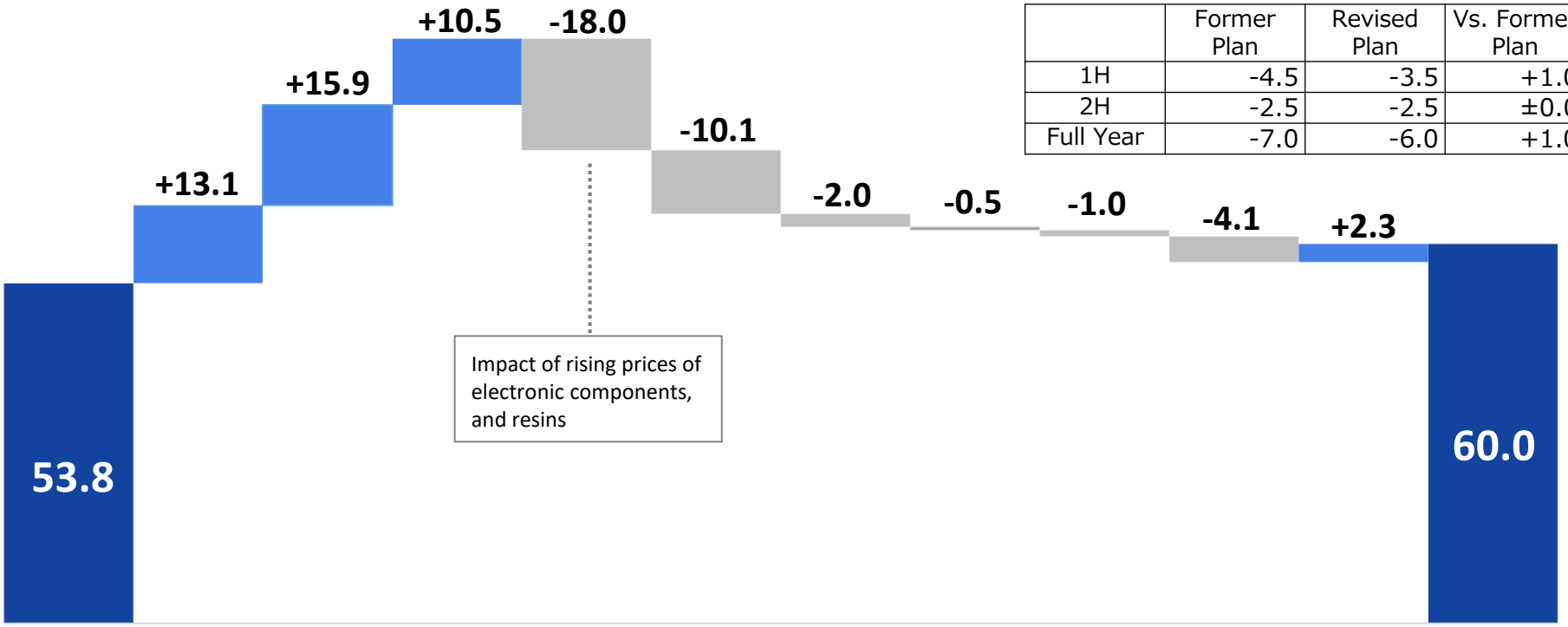
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Revised Plan: Cause of increase/decrease of operating profit

Unit: Y billion

Impact of the situation in the Middle East on performance (operating profit)

	Former Plan	Revised Plan	Vs. Former Plan
1H	-4.5	-3.5	+1.0
2H	-2.5	-2.5	±0.0
Full Year	-7.0	-6.0	+1.0



	FY25 OP	Increase/decrease in sales and product range differences etc.	Price revision effect	Cost reduction	External procurement cost	Human resources investment	Depreciation	IT related investment	Develop-ment/ production investment	Strengthen-ing sales investment, etc.	Exchange rate	FY26 OP
Vs. Initial Plan		+0.8	+4.3	+0.6	-5.1	-2.0	+1.0	+0.3	+0.1	-0.3	+0.4	±0.0

We have factored in the effects of price revisions, the impact of the situation in the Middle East, and the latest performance outlook for each business.

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Revised Plan:
Sales and profit by business segment

〈Subject periods and segments〉
Japan H.E. business, New domain business:
- April to March 2027
International H.E. Business:
- January to December 2026 (Apr to Mar 2027 for India)

Unit: Y billion

Net Sales	FY25	FY26 Revised plan	YoY	Influence of exchange rate	Currency-neutral basis	FY26 Initial Plan	vs. Initial plan
Japan H.E.	479.7	481.0	+1.3 (100%)		+1.3 (100%)	483.0	-2.0 (100%)
International H.E.	190.1	206.7	+16.6 (109%)	+11.7	+4.9 (103%)	216.3	-9.6 (96%)
New business domains *	67.4	87.0	+19.6 (129%)	+3.6	+16.0 (124%)	85.5	+1.5 (102%)
Others	0.3	0.3	+0.0		+0.0	0.2	+0.1
Total	737.4	775.0	+37.6 (105%)	+15.3	+22.3 (103%)	785.0	-10.0 (99%)

Operating Profit	FY25	FY26 Revised plan	YoY	Influence of exchange impact	Currency-neutral basis	FY26 Initial Plan	vs. Initial plan
Japan H.E.	21.9	14.5	-7.4 (66%)	-2.2	-5.1 (77%)	13.0	+1.5 (112%)
International H.E.	6.3	10.9	+4.6 (174%)	+1.1	+3.5 (156%)	13.5	-2.6 (81%)
New business domains *	28.7	38.0	+9.3 (132%)	+3.5	+5.8 (120%)	36.5	+1.5 (104%)
Others	-3.1	-3.4	-0.3		-0.3	-3.0	-0.4
Total	53.8	60.0	+6.2 (112%)	+2.3	+3.9 (107%)	60.0	+0.0 (100%)

*Advanced Ceramics Business

We have factored in the outlook for each business segment.

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Revised Plan: International Housing Equipment Business

Unit: Y billion

Net Sales	FY25	FY26 Revised plan	YoY	Influence of exchange rate	Currency-neutral basis	FY26 Initial Plan	vs. Initial plan
Americas	75.6	83.0	+7.4 (110%)	+3.8	+3.6 (105%)	87.0	-4.0 (95%)
Asian & Oceanian Region	54.9	60.5	+5.6 (110%)	+2.2	+3.4 (106%)	62.3	-1.8 (97%)
Europe	5.7	7.2	+1.5 (127%)	+0.5	+1.0 (118%)	7.0	+0.2 (103%)
Mainland China	53.9	56.0	+2.1 (104%)	+5.2	-3.1 (94%)	60.0	-4.0 (93%)
Total	190.1	206.7	+16.6 (109%)	+11.7	+4.9 (103%)	216.3	-9.6 (96%)

Operating Profit	FY25	FY26 Revised plan	YoY	Influence of exchange rate	Currency-neutral basis	FY26 Initial Plan	vs. Initial plan
Americas	4.4	3.0	-1.4 (68%)	+0.2	-1.7 (62%)	5.0	-2.0 (60%)
Asian & Oceanian Region	9.7	9.0	-0.7 (93%)	+0.6	-1.3 (86%)	7.6	+1.4 (118%)
Europe	-0.4	-1.0	-0.6	+0.0	-0.6	-0.6	-0.4
Mainland China	-7.4	-0.1	+7.3	+0.2	+7.2	1.5	-1.6
Total	6.3	10.9	+4.6 (174%)	+1.1	+3.5 (156%)	13.5	-2.6 (81%)

Americas Business incorporated market deterioration impacts; China Business revised plans amid deteriorating local market conditions, but achieved revenue growth and a significant narrowing of operating loss through strengthened retail.

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4. Financials

Shareholder Returns

Repurchase and retirement of treasury shares

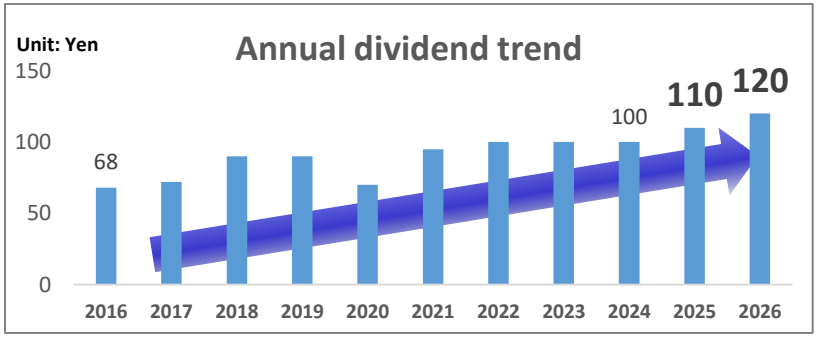
Repurchase and retire treasury shares in accordance with financial discipline in STAGE2

- **Optimize cash reserves through repurchasing of treasury shares**
  (Repurchase period: November 1, 2026 to March 31, 2027)
  Total repurchase value: Up to 30 billion yen;
  Number of shares to be acquired: Up to 9.5 million shares
  * Percentage of total shares issued (excluding treasury shares): 5.8%
  * The number of shares has been estimated using the lowest share price in the past 10 years (3,160 yen) as a reference.
- **Scheduled retirement date: April 30, 2027;**
  Number of shares scheduled for retirement: Up to 9.4 million shares

Dividend Plan

■ In accordance with STAGE2 dividend policy (payout ratio of 40%+; maintain or increase dividend), plan a ¥10 dividend increase for FY2026 as initially planned

	FY2025	FY2026
1st half	¥50.0	¥60.0
2nd half	¥60.0	¥60.0
Full year	¥110.0	¥120.0
Dividend payout ratio	45.3%	42.2%

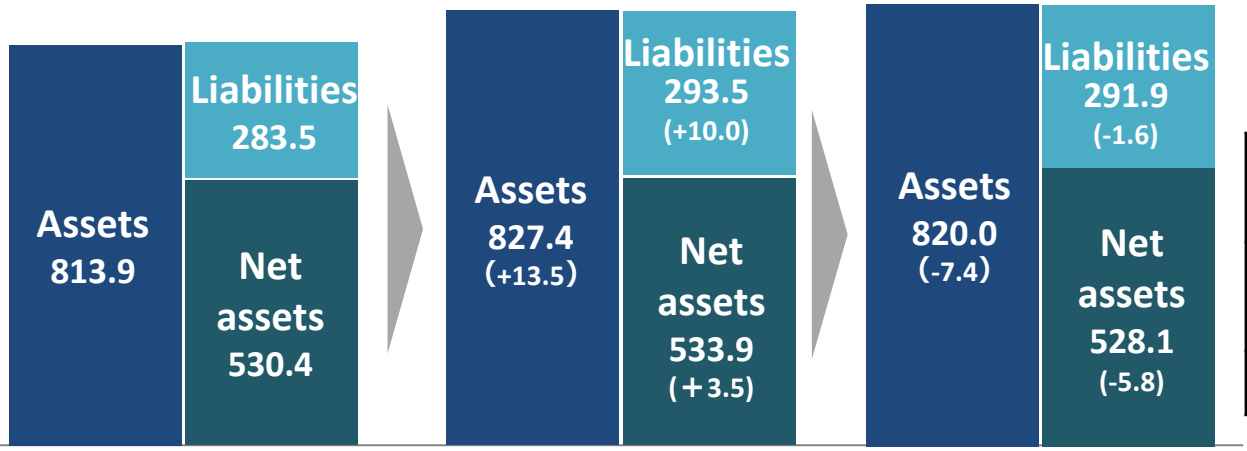


Repurchase and retire treasury shares, giving comprehensive consideration to the expected impact of the situation in the Middle East, the company's current cash position, share price levels, and other factors.

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B/S

Unit: Y billion



Results as of the end of FY2024 | Results as of the end of FY2025 | FY2026 plan

〈Discipline〉
Equity ratio: 50% or higher
DE ratio: 0.5 times or lower

	FY2025 results	FY2026 plan
Equity ratio	63.8%	63.7%*
DE ratio	0.14 times	0.14 times

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

	As of the end of FY2024	As of the end of FY2025	As of the end of FY2026
Inventories	134.6	121.6	125.0
Fixed assets	297.9	306.9	315.6
Investment securities *1	57.1	52.1	49.7
Invested capital TOTO ver. (Operating capital + Fixed assets)	508.5	503.1	518.2
TOTO version ROIC	4.8%	6.9%	8.4%

* Given the increasing share of the Advanced Ceramics Business in the business mix and other factors, we plan to announce a new capital policy at the end of April 2027, including an appropriate equity ratio commensurate with business risk.

Continuous reduction of shares held for cross-shareholding purposes

*1: In addition to shares, includes capital contributions and other investments

The TOTO version ROIC is steadily improving through control of invested capital and growth in operating profit. To achieve our 2030 target of 12% or more, we will consider and implement optimization measures.

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CF

Unit: Y billion

	FY2025 Results	FY2026 Revised Plan
Operating CF	**+71.2**	**+77.9**
Strategic investment (Capital investment)	-43.1	-57.6
Sale of fixed assets and investment securities	+21.3	+8.4
Investment CF	**-21.8**	**-49.2**
Free CF	**+49.4**	**+28.7**
Financial CF	**-39.3**	**-49.7**
Change in CF	**+10.1**	**-21.0**

+: Increase -: Decrease

Cash and deposits at end of period	**132.8**	**111.8**

Continuous reduction of shares held for cross-shareholding purposes

Repurchase treasury shares (-30 billion yen)

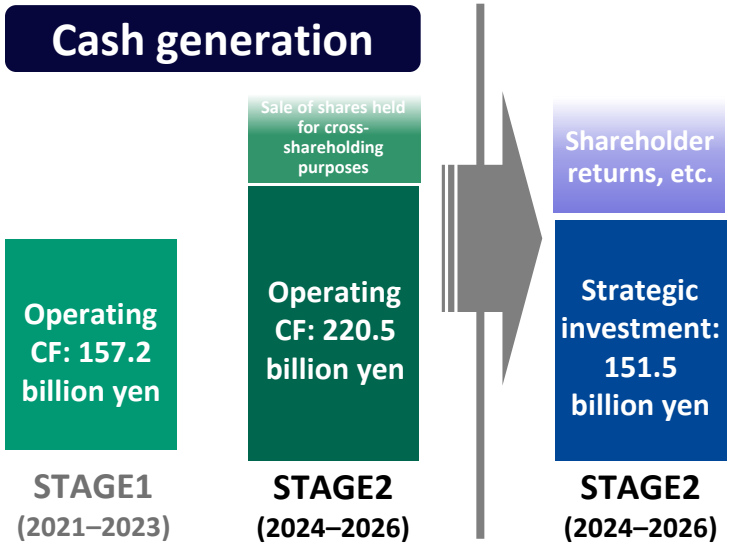
	Discipline	Plan Before Share Repurchase	Plan After Share repurchase
Cash on hand (compared to monthly sales)	**1.5 Months**	**2.2 Months**	**1.7 Months**

Optimize cash on hand by repurchasing treasury shares in accordance with financial discipline. We will continue to consider and implement appropriate capital allocation.

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Strategic Investment

Cash generation



Capital allocation

<Shareholder returns>

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

<Strategic investment (capital investment)>

- Implement strategic investment focused on growth segments.
- Improve management with hurdle rates above capital costs.

Strategic investment

Main capital investment details	FY2026 Initial plan	FY2026 Revised plan	Difference
Investments for the global strategy	• Investments in new WASHLET products • Investments related to sanitary ware plants (Americas), etc.	21.5 billion yen	24.2 billion yen	+2.7 billion yen
Investments for the ceramic strategy	• Investments to strengthen production and development systems, etc.	7.6 billion yen	10.2 billion yen	+2.6 billion yen
Investments for the Japan strategy	• Investments related to smart factory initiatives, etc.	6.1 billion yen	5.7 billion yen	-0.4 billion yen
Investments for strengthening the foundation	• System-related investments, etc.	17.5 billion yen	17.5 billion yen	±0 billion yen
		52.7 billion yen	57.6 billion yen	+4.9 billion yen

Strategic investments are progressing as planned. We will make timely, decisive investments to capture opportunities for business growth.

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Reference

Reference: Global Housing Equipment Business: Net Sales by Product

Unit: Y billion

In the Americas, Asia, and Europe: Sales of sanitary ware and WASHLET grew steadily.

(See pages 13, 15 and 17.)

	Japan H.E. Business			International H.E. Business		
	FY25 1H	FY26 1H	YoY	FY25 1H	FY26 1H	YoY
Sanitary Ware	49.9	50.9	+1.0 (102%)	43.9	47.2	+3.3 (108%)
WASHLET	53.1	55.0	+1.9 (104%)	29.9	36.4	+6.5 (122%)
Faucet Fixtures	42.2	42.0	-0.2 (99.5%)	15.2	15.9	+0.7 (104%)
Bathrooms	53.9	45.9	-8.0 (85%)	※Sum of bathrooms, Modular Kitchens/Basins, Others 2.0	2.3	+0.3 (116%)
Modular Kitchens/Basins	22.9	22.1	-0.8 (97%)			
Others	6.6	7.3	+0.7 (110%)			
Total	228.5	223.1	-5.4 (98%)	91.1	101.8	+10.7 (112%)

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Reference: Advanced Ceramics Business

Growth segment

■ TOTO's Strengths in the Long-Term Outlook

	For 3D NAND memory	For logic semiconductors	
Technological innovation in etching equipment	• Fundamental technological innovation in semiconductor **multilayering** ⇒ **High-power and ultra-low-temperature environments**	• Thorough **low-particle control** • **Increased process complexity** due to few-nanometer **node miniaturization and multilayering ⇒ Precise wafer temperature control**	
TOTO's strengths	**Electrostatic chucks** • Exceptionally high material purity ➡ **High durability and long service life** • Ultra-high-precision surface processing ➡ **Precise wafer temperature control** • Proprietary bonding and insulation technology ➡ **Maintaining performance at ultra-low temperatures**	**AD components** Proprietary dense film formation ➡ **Industry-leading low-particle performance** ➡ **Value-added features for etching multi-layer structures**	**Electrostatic chucks** • High-precision heater control ➡ **Uniform temperature control** • Exceptionally high purity ➡ **High durability and long service life**
	TOTO has earned high acclaim and exceptional trust from customers, particularly for our high durability and low-particle performance. **We continue to carry out R&D on next-generation products based on these strong relationships of trust.**		
	[Production System] Achieving high-yield, highly profitable systems through full-scale transformation to smart factories (Maintained an operating margin of 30% even in FY2023, when sales fell sharply during a demand adjustment phase.)		
Performance drivers	• **Higher unit prices through continuous enhancement of added value in new-generation products** • **Volume growth through deliveries for newly installed equipment and expansion of the install base of chambers** • **Expansion of replacement demand due to increased utilization by device manufacturers**	• **Higher unit prices through continuous enhancement of added value in new-generation products** • **Expansion of deliveries for newly installed equipment**	

We aim for long-term business growth by supporting technological innovation in advanced manufacturing equipment through our proprietary technology and production system.

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This presentation material contains forward-looking statements based on assumptions, estimates and plans as of October 30, 2026.
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.

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