

TOTO



Life Anew

TOTO GROUP
Integrated Report 2018

Financial and Non-Financial Data

Ten-Year Summary of Selected Financial Data

(Unit: Million yen)

	FY2008 (March 31, 2009)	FY2009 (March 31, 2010)	FY2010 (March 31, 2011)	FY2011 (March 31, 2012)	FY2012 (March 31, 2013)
Net sales	464,505	421,929	433,557	452,686	476,275
Cost of sales	311,765	275,639	273,259	286,803	303,231
Cost of sales ratio	67.1%	65.3%	63.0%	63.4%	63.7%
Selling, general and administrative (SG&A) expenses	146,174	139,699	146,284	147,102	149,667
SG&A ratio	31.5%	33.1%	33.7%	32.5%	31.4%
Operating profit	6,566	6,589	14,014	18,779	23,376
Operating margin	1.4%	1.6%	3.2%	4.1%	4.9%
Profit attributable to owners of parent and net loss	-26,261	878	5,115	9,270	16,956
Profit attributable to owners of parent and net loss ratio	-5.7%	0.2%	1.2%	2.0%	3.6%
Capital investment	16,297	11,607	26,214	32,253	19,934
Depreciation and amortization	22,425	20,575	19,746	18,348	19,508
Research and development (R&D) costs	13,087	13,113	15,606	16,643	15,983
R&D cost ratio	2.8%	3.1%	3.6%	3.7%	3.4%
Total assets	388,645	378,266	379,215	377,072	408,454
Current assets	187,689	180,149	184,203	181,554	205,485
Non-current assets	200,955	198,116	195,011	195,518	202,969
Total liabilities	203,751	189,717	199,050	191,491	195,043
Net assets* ¹	184,893	188,549	180,164	185,580	213,410
Operating cash flow	23,403	33,627	28,117	19,678	44,498
Investment cash flow	-18,629	-14,828	-22,758	-22,446	-22,971
Financial cash flow	-2,215	-12,223	-7,260	-12,164	-2,178
Free cash flow* ²	4,774	18,799	5,359	-2,768	21,527
Dividend per share* ³	10.00 yen	10.00 yen	10.00 yen	10.00 yen	14.00 yen
ROE (Net profit base)	-12.9%	0.5%	2.8%	5.2%	8.8%
ROA (Operating profit base)	1.6%	1.7%	3.7%	5.0%	6.0%
EPS* ³	-75.8 yen	2.5 yen	14.9 yen	27.1 yen	49.5 yen
BPS* ³	520.4 yen	530.4 yen	513.5 yen	525.6 yen	602.2 yen
Total asset turnover	1.11	1.10	1.14	1.20	1.21
Equity ratio	46.4%	48.6%	46.2%	47.7%	50.6%
Number of shares outstanding (excluding treasury stock/period average)* ³	346,437,170	346,391,504	344,259,297	342,013,603	342,892,129

*1 Effective the fiscal year ended March 31, 2007, the Company has adopted a new accounting standard for the presentation of net assets in the balance sheet and the related implementation guidance.

*2 Free cash flow = Operating cash flow + Investment cash flow

*3 We have changed the number of shares constituting one unit to 100 shares from 1,000 shares and also consolidated its shares (consolidate two shares to one share) on October 1, 2015. The amount for the total annual dividends per share in FY2015 is omitted and shown as a dash (-) as the 2nd quarter-end dividends per share and the fiscal year-end dividends per share cannot be simply added. In addition, the amount for the dividends per share are 15.00 yen (before share consolidation) for 2nd quarter-end dividends and 34.00 yen (after share consolidation) for fiscal year-end dividends.

(Unit: Million yen)

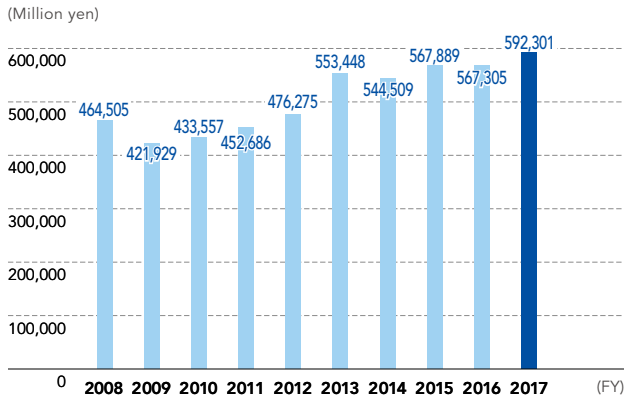
	FY2013 (March 31, 2014)	FY2014 (March 31, 2015)	FY2015 (March 31, 2016)	FY2016* ⁴ (March 31, 2017)	FY2017* ⁴ (March 31, 2018)
Net sales	553,448	544,509	567,889	567,305	592,301
Cost of sales	341,780	337,285	351,599	348,407	368,148
Cost of sales ratio	61.8%	61.9%	61.9%	61.4%	62.2%
Selling, general and administrative (SG&A) expenses	164,485	169,796	170,152	171,451	171,550
SG&A ratio	29.7%	31.2%	30.0%	30.2%	29.0%
Operating profit	47,181	37,426	46,137	47,446	52,602
Operating margin	8.5%	6.9%	8.1%	8.4%	8.9%
Profit attributable to owners of parent and net loss	44,122	24,813	35,723	32,960	36,798
Profit attributable to owners of parent and net loss ratio	8.0%	4.6%	6.3%	5.8%	6.2%
Capital investment	34,575	40,264	40,674	26,776	38,180
Depreciation and amortization	14,922	17,227	18,397	18,994	21,357
Research and development (R&D) costs	17,428	18,466	19,098	19,388	20,594
R&D cost ratio	3.1%	3.4%	3.4%	3.4%	3.5%
Total assets	476,387	516,995	536,265	553,996	566,132
Current assets	258,800	266,637	279,383	282,076	284,343
Non-current assets	217,586	250,357	256,882	271,920	281,788
Total liabilities	219,790	236,412	250,743	247,942	233,912
Net assets* ¹	256,596	280,582	285,522	306,053	342,219
Operating cash flow	48,015	34,713	58,695	62,604	45,489
Investment cash flow	-4,033	-30,040	-29,952	-35,257	-36,374
Financial cash flow	-23,328	-11,393	-15,053	-18,905	-11,244
Free cash flow* ²	43,982	4,673	28,742	27,347	9,115
Dividend per share* ³	23.00 yen	26.00 yen	— yen	68.00 yen	72.00 yen
ROE (Net profit base)	19.4%	10.0%	13.1%	11.5%	11.7%
ROA (Operating profit base)	10.7%	7.5%	8.8%	8.7%	9.4%
EPS* ³	130.2 yen	73.8 yen	212.0 yen	194.9 yen	217.5 yen
BPS* ³	737.7 yen	802.8 yen	1,631.9 yen	17,560.0 yen	1,969.7 yen
Total asset turnover	1.25	1.09	1.08	1.04	1.06
Equity ratio	52.0%	52.3%	51.5%	53.6%	58.9%
Number of shares outstanding (excluding treasury stock/period average)* ³	338,911,922	336,233,556	168,480,574	169,146,109	169,187,042

*4 Starting from FY2017, the currency conversion method for overseas group companies' profit and loss was changed from the method using the rates on the last day of each term to the method using average rates during each term.

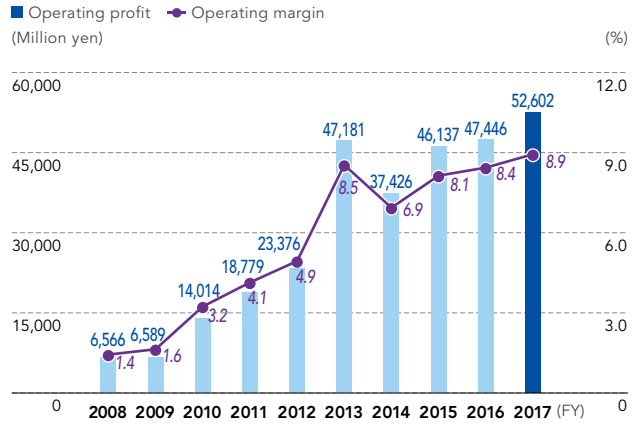
In accordance with this change, numbers for FY2016 in this material have been revised retroactively.

Financial Highlights

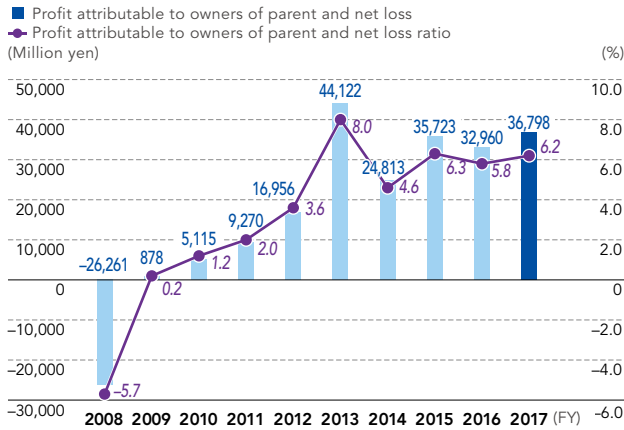
Net Sales



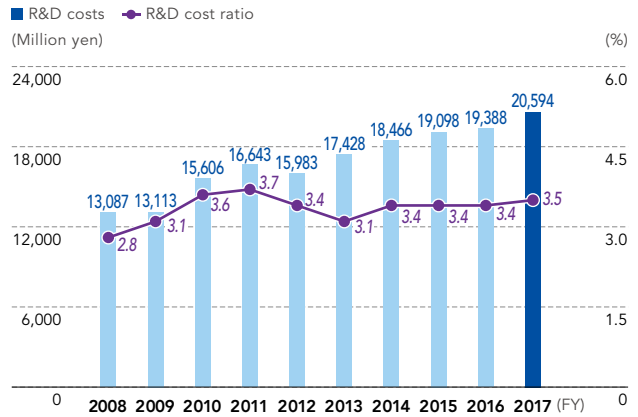
Operating Profit / Operating Margin



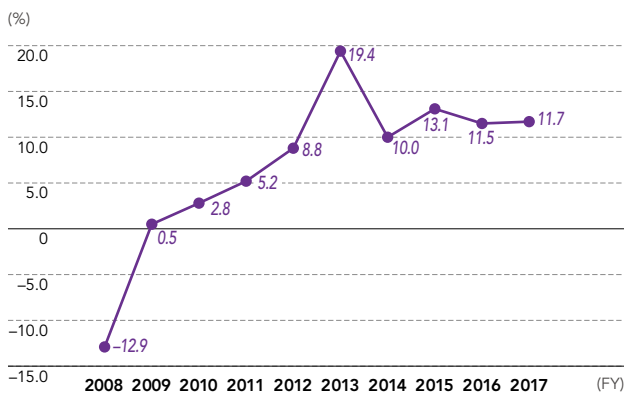
Profit Attributable to Owners of Parent and Net Loss / Profit Attributable to Owners of Parent and Net Loss Ratio



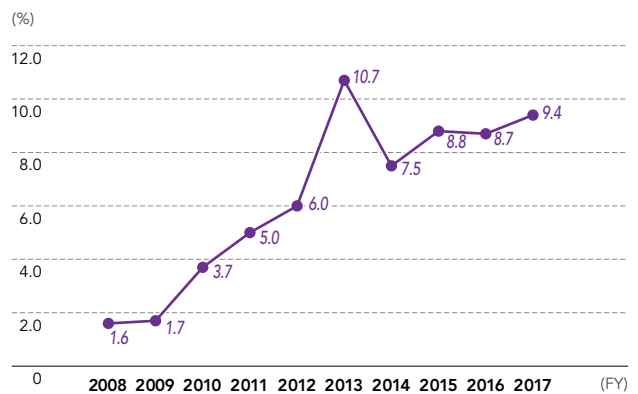
R&D Costs / R&D Cost Ratio



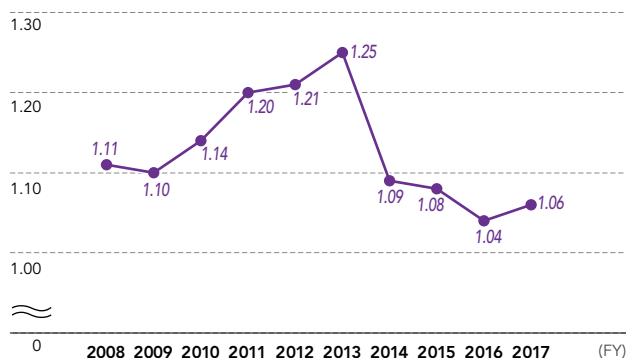
ROE (Net Profit base)



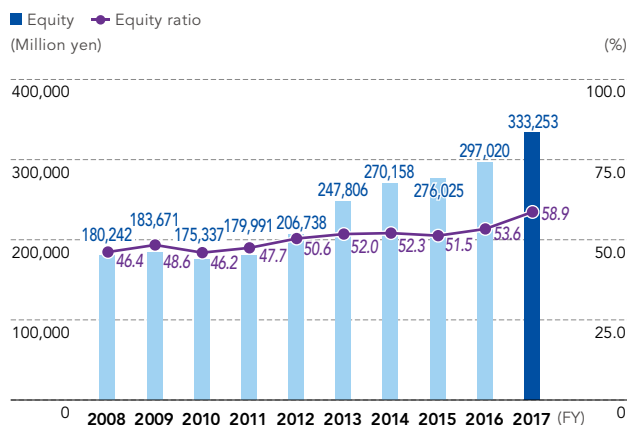
ROA (Operating Profit base)



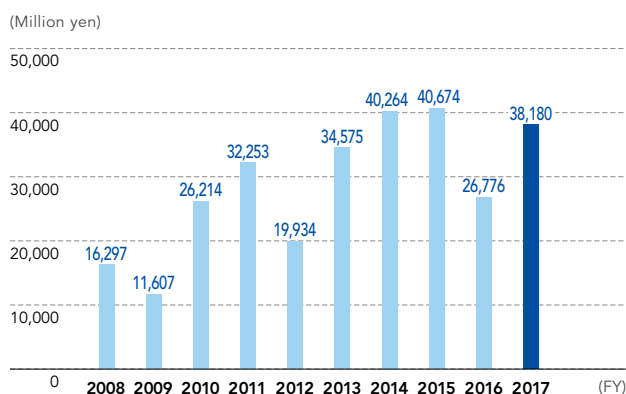
Total Asset Turnover



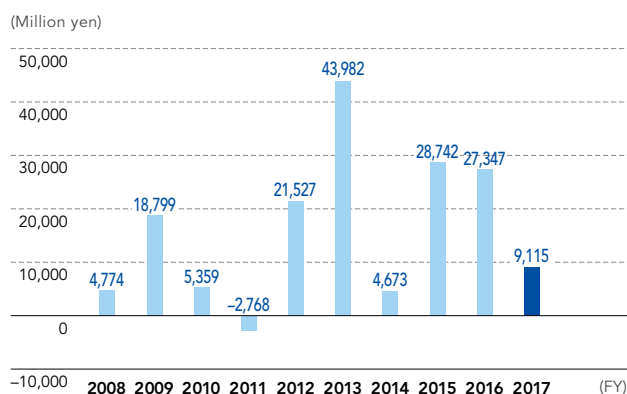
Equity / Equity Ratio



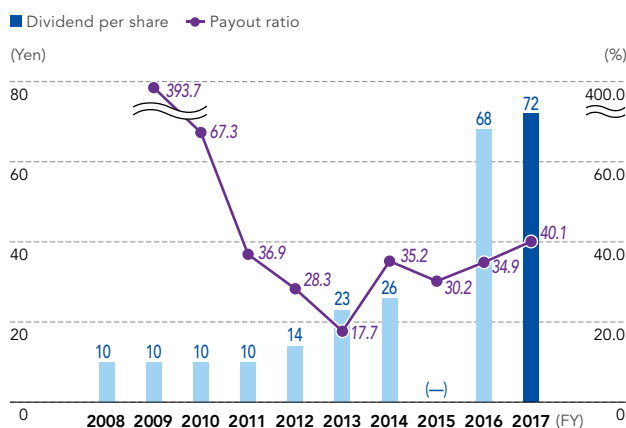
Capital Investment



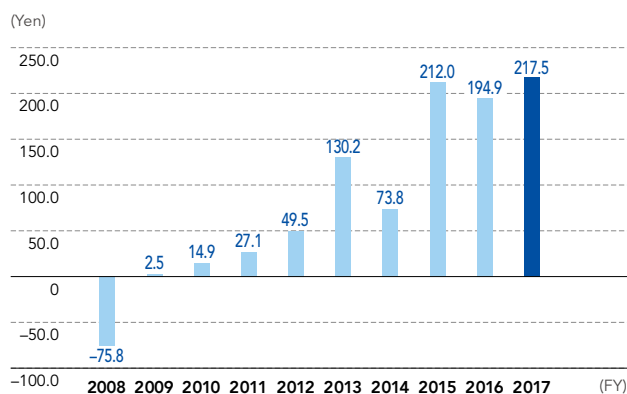
Free Cash Flow



Dividend per Share / Payout Ratio



EPS



Note 1: The payout ratio for FY2008 cannot be calculated due to a negative net income.
 Note 2: We have changed the number of shares constituting one unit to 100 shares from 1,000 shares and also consolidated its shares (consolidate two shares to one share) on October 1, 2015. The amount for the total annual dividends per share in FY2015 is omitted and shown as a dash (-) as the 2nd quarter-end dividends per share and the fiscal year-end dividends per share cannot be simply added. In addition, the amount for the dividends per share are 15.00 yen (before share consolidation) for 2nd quarter-end dividends and 34.00 yen (after share consolidation) for fiscal year-end dividends.

Report Policy

Boundary

TOTO LTD. and 51 of consolidated subsidiary companies in Japan and overseas. However, with respect to data for which the boundary of calculation is different, notes are described individually.

Period covered by this report

Fiscal year 2017 (Japan: April 1, 2017 to March 31, 2018 / Overseas: January 1, 2017 to December 31, 2017.)

Independent Practitioner's Assurance

The Environmental Data and Social Data indicated with for the fiscal year 2017 have been assured by Deloitte Tohmatsu Sustainability Co., Ltd. But "per unit of sales" of each data is not covered.

Environmental Goals : Global Environmental Action Plan

The TOTO Group determined the materiality based on the mission that expressed the most important values to be put into practice on a medium- and long-term basis within the scope of the TOTO Group's corporate philosophy. In October 2017, the mission was updated to reflect the change in the times and in social trends. In addition to it, the TOTO Global Environmental Vision was also updated, and three themes that had a close relationship with its business were picked up the materiality, which further integrate corporate management and CSR.

The 10th Global Environmental Action Plan is a plan for the period from fiscal 2018, which was established in line with the Vision to 2022 and designed to solve environmental issues.

10th Global Environmental Action Plan (from FY2018 to FY2022)

Evaluation index (KPI)	Scope	Standard year	FY2022 target
Reduction of water consumption during product use*1	Japan/ overseas	—	1,100 million m ³
Total CO ₂ emission reductions during product use*1	Japan/ overseas	—	3.7 million tons
Total CO ₂ emissions from business sites	Japan/ overseas	—	450 thousand tons
Total CO ₂ emission reductions due to measures implemented	Japan/ overseas	—	22 thousand tons
Reduction of fuel used for transportation per unit	Japan	FY2013	9.0%
Reduction rate of the use of packaging materials	Japan	FY2013	8.5%
Reduction rate of waste at the production sites (reduction of production output intensity)	Japan	FY2017	2.5%
Recycling rate at the production sites	Japan	—	99% or more
	Overseas	—	98% or more
Violations of related environmental laws	Japan/ overseas	—	0
Usage rate of legal and recycled materials for wood-based materials used in products	Japan/ overseas	—	100%

9th Global Environmental Action Plan (Results)

(Fiscal year)

Evaluation index (KPI)	Scope	Standard year	2014	2015	2016	2017
Reduction of water consumption during product use*1	Japan/ overseas	FY2005	1,100 million m ³	660 million m ³	740 million m ³	780 million m ³
Shipment ratio of water-saving toilets (water per flush of 4.8L or less)	Japan	—	72%	78%	79%	79%
	Overseas	—	54%	59%	68%	75%
Total CO ₂ emission reductions during product use*1	Japan/ overseas	FY2005	4.75 million tons	2.87 million tons	3.06 million tons	3.24 million tons
Total CO ₂ emissions from business sites	Japan/ overseas	FY2013 (313 thousand tons)	324 thousand tons	321 thousand tons	328 thousand tons	342 thousand tons
Total CO ₂ emission reductions due to measures implemented	Japan/ overseas	FY2013	7.1 thousand tons	16.1 thousand tons	24.6 thousand tons	31.0 thousand tons
Reduction of fuel used for transportation per unit	Japan	FY2009	8.3%	9.4%	10.6%	6.8%
	Japan	FY2013 (99%)	99.9%	100%	100%	100%
Recycling rate at the production sites	Overseas	FY2013 (70%)	75.8%	88.1%	96.3%	98.9%
	Japan	—	0	0	0	0
Usage rate of legal and recycled materials for wood-based materials used in products	Japan	—	90%	99%	99%	100%
Volunteer activity participation rate (total number of participants / number of consolidated employees = participation rate)	Japan/ overseas	—	42,500*2	42,200*2	100% or more	100% or more

*1 Reduction effect when compared with the case where products of 2005 continue to be used. (Result in fiscal 2014 based on comparison with 1990)

*2 The figures of fiscal 2014 and 2015 are the number of Green Volunteers. Responding to the expansion of the scope of volunteering activities, the management indicator was changed to the rate of participation in all volunteering activities in fiscal 2016.

Environmental Data

GHG Emissions

(Fiscal year)

Indicators	Unit	2013	2014	2015	2016	2017	
Scope 1	thousand tons CO ₂	167	171	168	173	176	☑
(per unit of sales)	tons CO ₂ /million yen	0.30	0.31	0.30	0.30	0.30	
Scope 2	thousand tons CO ₂	149	156	157	161	172	☑
(per unit of sales)	tons CO ₂ /million yen	0.27	0.29	0.28	0.28	0.29	
Scope 3	Category 11 (Use of Sold Products)	—	—	18,148	18,789	19,925	☑

Energy Consumption

(Fiscal year)

Indicators	Unit	2013	2014	2015	2016	2017	
Energy consumption	PJ	5.8	6.0	6.0	6.2	6.5	☑
(per unit of sales)	GJ/million yen	10.5	11.0	10.5	10.8	11.0	
Purchased electricity	GWh	292	301	302	304	322	☑
(per unit of sales)	MWh/million yen	0.53	0.55	0.53	0.53	0.54	
Renewable energy generation	MWh	217	198	215	185	182	

Water Consumption and Wastewater

(Fiscal year)

Indicators	Unit	2013	2014	2015	2016	2017	
Water consumption	thousand m ³	2,601	2,800	2,851	2,866	2,856	☑
(per unit of sales)	m ³ /million yen	4.70	5.14	5.02	4.99	4.82	
(Groundwater consumption)	thousand m ³	462	451	432	435	476	
Wastewater	thousand m ³	1,824	1,809	1,801	1,832	1,799	
(per unit of sales)	m ³ /million yen	3.30	3.32	3.17	3.19	3.04	
Reused water	thousand m ³	1,416	1,893	1,711	1,728	1,712	

Waste

(Fiscal year)

Indicators	Unit	2013	2014	2015	2016	2017	
Waste generated	thousand tons	101.3	103.7	106.7	101.7	99.4	
(per unit of sales)	kg/million yen	178.9	190.4	187.9	177.2	167.8	
Hazardous waste generated	thousand tons	—	—	—	0.3	0.3	☑
(per unit of sales)	kg/billion yen	—	—	—	0.55	0.47	
Final disposal	thousand tons	21.3	17.2	8.7	2.5	0.8	☑
(per unit of sales)	kg/million yen	38.5	31.6	15.3	4.4	1.4	
Recycling rate	%	79.0	83.4	91.8	97.5	99.2	
(Japan)	%	99.9	99.9	100.0	100.0	100.0	
(Overseas)	%	67.5	75.8	88.1	96.3	98.9	
Paper and Cardboard in TOTO branch and sales offices	%	99.3	99.7	99.8	99.9	100.0	
Paper and Cardboard in Group Sale/Construction companies in Japan	%	100.0	100.0	100.0	99.9	100.0	

Atmospheric Emissions

(Fiscal year)

Indicators	Unit	2013	2014	2015	2016	2017	
Chemical substance emission	tons	27.9	28.0	40.0	32.6	30.7	
(per unit of sales)	kg/million yen	0.05	0.05	0.07	0.06	0.05	
SOx emission	tons	149.8	131.5	134.4	57.6	52.0	☑
(per unit of sales)	kg/million yen	0.27	0.24	0.24	0.10	0.09	
NOx emission	tons	356.1	382.6	272.9	250.9	218.4	☑
(per unit of sales)	kg/million yen	0.64	0.70	0.48	0.44	0.37	
Dust emission	tons	110.8	152.3	133.4	50.2	38.5	☑
(per unit of sales)	kg/million yen	0.20	0.28	0.22	0.08	0.06	

* The amount of SOx, NOx and Dust emission for fiscal 2016 has been corrected for the improvement of accuracy.

Social Data

Customer (Customer Satisfaction Surveys)

(Fiscal year)

Indicators	Unit	2013	2014	2015	2016	2017
After-sales service satisfaction rate	%	89	89	91	90	91
Total satisfaction index of the showrooms	%	61	62	65	68	70
Ratio of customers impressed with bath module assembly	%	41	44	48	51	58
Call response satisfaction rate	points	66	67	75	77	73

Status of Employment

(Fiscal year)

Indicators	Unit	2013	2014	2015	2016	2017
Group total number of employees	(no. of personnel)	—	—	31,288	32,455	33,676
full-time employees	(no. of personnel)	—	—	24,173	26,543	28,154
Contract employees	(no. of personnel)	—	—	5,528	4,308	3,521
Temporary employees	(no. of personnel)	—	—	1,587	1,604	2,001
Number of graduate recruits (Data for TOTO Group (Japan))	(no. of personnel)	247	279	294	305	305
Average length of service (Data for full-time/contract employees of TOTO LTD.)	years	(Male) 19.3 (Female) 13.3	(Male) 19.0 (Female) 13.6	(Male) 20.5 (Female) 14.0	(Male) 20.4 (Female) 13.2	(Male) 17.3 (Female) 12.5
Employee turnover rate* ¹	%	1.1	0.8	0.8	0.9	2.0

*1 Actual results of full-time employees of TOTO LTD. for the period from FY2013 to FY2016. Actual results of full-time employees of TOTO Group (Japan) as a whole for FY2017 and afterward.

Diversity

(Fiscal year)

Indicators	Unit	2013	2014	2015	2016	2017
Ratio of female managers*	%	5.1	5.6	9.8	10.5	13.4
Ratio of employees with disabilities (Data for TOTO Group (Japan))	%	2.40	2.54	2.52	2.57	2.60

* Actual results of TOTO LTD. for the period from FY2013 to FY2014. Actual results of TOTO Group as a whole for FY2015 and afterward.

Work-Life Balance

(Fiscal year)

Indicators	Unit	2013	2014	2015	2016	2017
Work hours * ¹						
Standard working hours per year	hours per person	1,894.86	1,894.86	1,894.86	1,894.86	1,894.86
Hours actually worked per year	hours per person	1,989.11	1,992.00	1,964.36	1,974.15	1,938.13
Percentage of paid holidays taken * ²	%	74.2	74.0	76.1	78.8	74.6
Number of people using reduced work hour and leave systems (Data for full-time/contract employees of TOTO LTD.)						
Childcare leave	(no. of personnel)	192	166	202	165	150
Reduced work hours for childcare	(no. of personnel)	262	263	308	219	272
Nursing care leave	(no. of personnel)	4	3	3	7	3
Reduced work hours for nursing care	(no. of personnel)	4	4	1	2	4

*1 Actual results of full-time employees of TOTO LTD. for the period from FY2013 to FY2016. Actual results of full-time/contract employees of TOTO LTD. as a whole for FY2017 and afterward.

*2 Actual results of full-time/contract employees of TOTO LTD. for the period from FY2013 to FY2016. Actual results of full-time/contract employees of TOTO Group (Japan) as a whole for FY2017 and afterward.

Human Resource Development

(Fiscal year)

Indicators	Unit	2013	2014	2015	2016	2017
Total training time per employee (Data for full-time employees of TOTO Group)	hours per person	—	—	—	—	11.4

Occupational Safety and Health

(Fiscal year)

Indicators	Unit	2013	2014	2015	2016	2017
Lost time injury frequency rate						
TOTO Group Employees		0.18	0.31	0.21	0.23	0.29 <input checked="" type="checkbox"/>
TOTO Group Contractors (in-plant cooperative firm)		0.13	0.14	0.14	0.13	0.00 <input checked="" type="checkbox"/>
Occupational illness frequency rate						
TOTO Group Employees		0.00	0.00	0.00	0.00	0.00 <input checked="" type="checkbox"/>

Suppliers (Achievement Rate of Standards of Compliance Items by Suppliers)

(Fiscal year)

Indicators	Unit	2013	2014	2015	2016	2017
Suppliers (Japan)	%	—	100%	100%	100%	100%
Suppliers (Overseas)	%	—	—	—	—	99%

Society (TOTO Water Environment Fund)

Indicators	Unit	8th (2013)	9th (2014)	10th (2015)	11th (2016)	12th (2017 - 2019)
Organizations		20	25	22	24	35
Grant assistance	million yen	10.07	13.00	14.30	15.56	95.31

Calculation Method of Environmental Performance Data

Indicators	Calculation method
Scope 1 emissions	CO ₂ emissions from the use of fuel + Non-CO ₂ and Non-Energy CO ₂ Sources [CO ₂ emission coefficients] "Guideline for Calculation of Greenhouse Gas Emissions (Version 2.4)" published by Ministry of the Environment and Ministry of Economy, Trade and Industry of Japan
Scope 2 emissions	CO ₂ emissions from purchased electricity and heat [CO ₂ emission coefficient from electricity (Japan)] "Guidelines for Calculating Corporate Greenhouse Gases Emissions (draft ver.1.6)" published by Ministry of the Environment of Japan. [CO ₂ emission coefficients from electricity (overseas)] GHG Protocol, Calculation Tools, "Indirect CO ₂ Emission from Purchased Electricity. Version 3.0" [CO ₂ emission coefficients from steam] "Guideline for Calculation of Greenhouse Gas Emissions (Version 2.4)" published by Ministry of the Environment and Ministry of Economy, Trade and Industry of Japan"
Scope 3 emissions Category 11 (Use of Sold Products)	Lifetime* ¹ CO ₂ emissions* ² per unit from major products* ³ × Sales quantity *1: Duration of use by product classification (defined by TOTO) *2: CO ₂ emissions from consumption of water and energy based on specifications and the usage models (based on the information published industry associations and research articles etc.) by sales areas *3: Toilets, shower toilets, faucets, urinals (only in Japan), and bathtubs (only in Japan) [CO ₂ emission coefficient from electricity (Japan)] Average for 5 years (from FY2009 to FY2013) of CO ₂ emissions coefficient (adjust basis) indicated in "Environment Action Plan by the Japanese Electric Utility Industry" by the Federation of Electric Power Companies of Japan [CO ₂ emission coefficients from electricity (overseas)] GHG Protocol, Calculation Tools, "Indirect CO ₂ Emission from Purchased Electricity. Version 4.8" [CO ₂ emission coefficient from water (Japan)] "Approach book to promote household energy efficiency and home security" by The committee to promote household energy efficiency and home security [CO ₂ emission coefficients from water (overseas)] The figures are based on the factors of CO ₂ emission from plumbing equipment in China and other Asian countries, which are described in reports from the Ministry of the Environment, the Ministry of Economy, Trade and Industry, and other research reports. They are set from 0.39kg-CO ₂ /m ³ to 1.11kg-CO ₂ /m ³ by sales areas. Some of the figures are based on their neighboring or similar countries. [CO ₂ emission coefficient from Gas] "Guideline for Calculation of Greenhouse Gas Emissions (Version 4.3.1)" published by Ministry of the Environment and Ministry of Economy, Trade and Industry of Japan
Quantity of Energy consumption	Total quantity of energy consumption of electricity, fuel and heat consumption at offices and factories [heating value per unit] "Guideline for Calculation of Greenhouse Gas Emissions (Version 2.4)" published by Ministry of the Environment and Ministry of Economy, Trade and Industry of Japan"
Quantity of purchased electricity	Total quantity of purchased electricity at offices and factories
Quantity of renewable energy generation	Total quantity of renewable electricity generated at offices and factories
Quantity of water consumption	Total quantity of water intake (municipal water, groundwater, and industrial water) into offices and factories
Quantity of groundwater consumption	Total quantity of groundwater intake into offices and factories
Quantity of wastewater	Total quantity of wastewater from offices and factories to sewage and river
Quantity of reused water	Total quantity of reused water in offices and factories
Quantity of waste generated	Total quantity of waste generated in offices and factories
Quantity of hazardous waste generated	Total quantity of specially controlled industrial waste generated at business sites in Japan
Quantity of final disposal	Total quantity of final disposal without recycling in offices and factories
Recycling rate	Quantity of waste recycled/Quantity of waste generated × 100
Chemical substance emissions	Amount of chemical substance emission based on the PRTR Law at business sites in Japan
SO _x emissions	Total amount of each emission at business sites related to ceramic sanitary ware, faucets, and ceramic-related products in Japan and other countries which have their local laws
NO _x emissions	* It was calculated by multiplying the amount of exhaust gas (actual measured value) by the concentration in the exhaust gas (actual measured value.)
Dust emissions	

For "Substances Subject to the Total Effluent Control System" and "Substances Subject to the PRTR Law" by business site in Japan, visit our website. <https://jp.toto.com/company/csr/environment/clean/risk.htm> (in Japanese only)

Calculation Method of Social Performance Data

Indicators	Calculation method
After-sales service satisfaction rate	Proportion of customers rating services as "satisfactory" or better for TOTO Group (Japan)
Total satisfaction index of the showrooms	Measure of overall satisfaction with recommendations received for TOTO Group (Japan)
Ratio of customers impressed with bath module assembly	Proportion of customers rating service representative behavior and workmanship as "excellent" for TOTO Group (Japan)
Call response satisfaction rate	Satisfaction ratings of external providers of call center services for TOTO Group (Japan)
Group total number of employees	Numbers of full-time employees, contract employees, and temporary employees in companies of which the parent companies are the TOTO Group companies.
Number of graduate recruits	Data for TOTO Group (Japan)
Average length of service	Data for full-time/contract employees of TOTO LTD.
Employee turnover rate	Data for full-time employees of TOTO Group (Japan). Actual results of full-time employees of TOTO LTD. for the period from FY2013 to FY2016.
Ratio of female managers	Percentage of women in management positions On a parent basis from FY2013 to FY2014 Positions calculated as managerial posts indicate the level of section chief and above, among full-time employees. Calculated based on data as of April 1 of the following year (of each fiscal year) for Japan and the end of December for overseas
Ratio of employees with disabilities	Calculated based on the calculation standard for the mandatory proportion of jobs for handicapped people established in Japan Data for TOTO Group(Japan)
Standard working hours per year	Data for full-time/contract employees of TOTO LTD. Actual results of full-time employees of TOTO LTD. for the period from FY2013 to FY2016.
Hours actually worked per year	Data for full-time/contract employees of TOTO LTD. Actual results of full-time employees of TOTO LTD. for the period from FY2013 to FY2016.
Percentage of paid holidays taken	Percentage of paid holidays actually taken by employees, among paid holidays newly granted to them every year (excluding carry-over ones) Actual results of full-time/contract employees of TOTO Group (Japan). Actual results of full-time/contract employees of TOTO LTD. for the period from FY2013 to FY2016.
Number of people using reduced work hour and leave systems	Data for full-time/contract employees of TOTO LTD.
Total training time per employee	Data for full-time employees of TOTO Group
Lost time injury frequency rate	Number of injuries per a million working hours The data cover manufacturing and research & development sectors. Two equity-method affiliated companies (Voreto (Xiamen) Plumbing Technology Co., Ltd. and P.T. Surya TOTO Indonesia) that are subject to TOTO Group's management for safety and health, are included. "TOTO Group Contractors" cover contractors for TOTO LTD. and its domestic subsidiary companies for FY2015 and before, and TOTO Group's overall contractors from FY2016. Until FY2015, contractors include those for operating company cafeteria(s), cleaning and security at TOTO Group's factories. Considering the Japanese way of thinking about the Industrial Safety and Health Act, contractors in the areas of company cafeteria, cleaning and security have been excluded from FY2016."
Occupational illness frequency rate	Number of incidence of illness in the course of employment per 1 million working hours (It was calculated based on the number of employees applicable to work-related accidents.) The data cover manufacturing and research & development sectors. It covered the employees in Japan until FY2016 and has covered the whole TOTO Group (in Japan and other countries) since FY2017.
Achievement rate of standards of compliance items by suppliers	Achievement rate of standards of compliance items set by TOTO Group
TOTO Water Environment Fund	The public grants for the next fiscal year is determined based on matching contribution from TOTO, the same amount as the contribution based on relations between each stakeholder (customer, shareholder, and employee). In FY2017, as the commemorative event of the 100th anniversary, the amount and term of public grants will be extended for a maximum of three years.

Independent Practitioner's Assurance Report

Deloitte.

デロイト トーマツ

(TRANSLATION)

Independent Practitioner's Assurance Report

June 23, 2018

Mr. Madoka Kitamura,
President, Representative Director,
TOTO LTD.

Masahiko Sugiyama
Representative Director
Deloitte Tohmatsu Sustainability Co., Ltd.
3-3-1, Marunouchi, Chiyoda-ku, Tokyo

We have undertaken a limited assurance engagement of the Environmental Data and Social Data indicated with for the year ended March 31, 2018 (the "Non-Financial Data") included in the "TOTO GROUP Integrated Report 2018 Financial and Non-Financial Data" (the "Report") of TOTO LTD. (the "Company").

The Company's Responsibility

The Company is responsible for the preparation of the Non-Financial Data in accordance with the calculation and reporting standard adopted by the Company (the Report Page 9 and 10). Greenhouse gas quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emissions factors and numerical data needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Non-Financial Data based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board ("IAASB"), ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB and the *Practical Guideline for the Assurance of Sustainability Information*, issued by the Japanese Association of Assurance Organizations for Sustainability Information.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating whether the Company's methods for estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or reperforming the estimates.
- Undertaking site visits to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's Non-Financial Data is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

The above represents a translation, for convenience only, of the original Independent Practitioner's Assurance report issued in the Japanese language.

Member of
Deloitte Touche Tohmatsu Limited