

TOTO

Life Anew



TOTO GROUP

Integrated Report 2020

Financial and Non-Financial Data

10-Year Summary of Selected Financial Data

(Unit: Million yen)

| | FY2010 (March 31, 2011) | FY2011 (March 31, 2012) | FY2012 (March 31, 2013) | FY2013 (March 31, 2014) | FY2014 (March 31, 2015) |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Net sales | 433,557 | 452,686 | 476,275 | 553,448 | 544,509 |
| Cost of sales | 273,259 | 286,803 | 303,231 | 341,780 | 337,285 |
| Cost of sales ratio | 63.0% | 63.4% | 63.7% | 61.8% | 61.9% |
| Selling, general and administrative (SG&A) expenses | 146,284 | 147,102 | 149,667 | 164,485 | 169,796 |
| SG&A ratio | 33.7% | 32.5% | 31.4% | 29.7% | 31.2% |
| Operating profit | 14,014 | 18,779 | 23,376 | 47,181 | 37,426 |
| Operating margin | 3.2% | 4.1% | 4.9% | 8.5% | 6.9% |
| Profit attributable to owners of parent | 5,115 | 9,270 | 16,956 | 44,122 | 24,813 |
| Profit attributable to owners of parent ratio | 1.2% | 2.0% | 3.6% | 8.0% | 4.6% |
| Capital investment | 26,214 | 32,253 | 19,934 | 34,575 | 40,264 |
| Depreciation and amortization | 19,746 | 18,348 | 19,508 | 14,922 | 17,227 |
| Research and development (R&D) costs | 15,606 | 16,643 | 15,983 | 17,428 | 18,466 |
| R&D cost ratio | 3.6% | 3.7% | 3.4% | 3.1% | 3.4% |
| Total assets | 379,215 | 377,072 | 408,454 | 476,387 | 516,995 |
| Current assets | 184,203 | 181,554 | 205,485 | 258,800 | 266,637 |
| Non-current assets | 195,011 | 195,518 | 202,969 | 217,586 | 250,357 |
| Total liabilities | 199,050 | 191,491 | 195,043 | 219,790 | 236,412 |
| Net assets | 180,164 | 185,580 | 213,410 | 256,596 | 280,582 |
| Operating cash flow | 28,117 | 19,678 | 44,498 | 48,015 | 34,713 |
| Investing cash flow | (22,758) | (22,446) | (22,971) | (4,033) | (30,040) |
| Financing cash flow | (7,260) | (12,164) | (2,178) | (23,328) | (11,393) |
| Free cash flow*1 | 5,359 | (2,768) | 21,527 | 43,982 | 4,673 |
| Dividend per share*2 (Yen) | 10.00 | 10.00 | 14.00 | 23.00 | 26.00 |
| ROE (Net profit base) | 2.8% | 5.2% | 8.8% | 19.4% | 10.0% |
| ROA (Operating profit base) | 3.7% | 5.0% | 6.0% | 10.7% | 7.5% |
| EPS*2 (Yen) | 14.9 | 27.1 | 49.5 | 130.2 | 73.8 |
| BPS*2 (Yen) | 513.5 | 525.6 | 602.2 | 737.7 | 802.8 |
| Total asset turnover (Times) | 1.14 | 1.20 | 1.21 | 1.25 | 1.09 |
| Equity ratio | 46.2% | 47.7% | 50.6% | 52.0% | 52.3% |
| Number of shares outstanding (excluding treasury stock/period average)*2 | 344,259,297 | 342,013,603 | 342,892,129 | 338,911,922 | 336,233,556 |

*1 Free cash flow = Operating cash flow + Investing cash flow

*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 the 2nd quarter-end dividends and 34.00 yen (after share consolidation) for the fiscal year-end dividends.

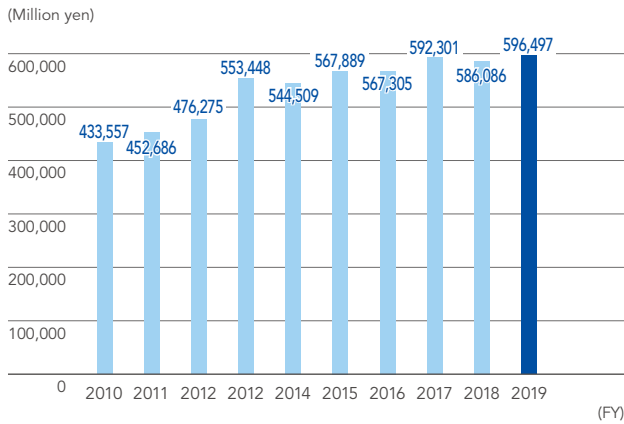
(Unit: Million yen)

| | FY2015 (March 31, 2016) | FY2016* ³ (March 31, 2017) | FY2017* ³ (March 31, 2018) | FY2018* ³ (March 31, 2019) | FY2019* ³ (March 31, 2020) |
|--|----------------------------|--|--|--|--|
| Net sales | 567,889 | 567,305 | 592,301 | 586,086 | 596,497 |
| Cost of sales | 351,599 | 348,407 | 368,148 | 371,565 | 383,152 |
| Cost of sales ratio | 61.9% | 61.4% | 62.2% | 63.4% | 64.2% |
| Selling, general and administrative (SG&A) expenses | 170,152 | 171,451 | 171,550 | 174,354 | 176,584 |
| SG&A ratio | 30.0% | 30.2% | 29.0% | 29.7% | 29.6% |
| Operating profit | 46,137 | 47,446 | 52,602 | 40,167 | 36,760 |
| Operating margin | 8.1% | 8.4% | 8.9% | 6.9% | 6.2% |
| Profit attributable to owners of parent | 35,723 | 32,960 | 36,798 | 32,380 | 23,583 |
| Profit attributable to owners of parent ratio | 6.3% | 5.8% | 6.2% | 5.5% | 4.0% |
| Capital investment | 40,674 | 26,776 | 38,180 | 57,329 | 60,556 |
| Depreciation and amortization | 18,397 | 18,994 | 21,357 | 23,347 | 25,343 |
| Research and development (R&D) costs | 19,098 | 19,388 | 20,594 | 21,158 | 21,467 |
| R&D cost ratio | 3.4% | 3.4% | 3.5% | 3.6% | 3.6% |
| Total assets | 536,265 | 553,996 | 564,319 | 574,960 | 583,934 |
| Current assets | 279,383 | 282,076 | 277,845 | 287,630 | 291,124 |
| Non-current assets | 256,882 | 271,920 | 286,473 | 287,329 | 292,810 |
| Total liabilities | 250,743 | 247,942 | 222,099 | 228,301 | 242,793 |
| Net assets | 285,522 | 306,053 | 342,219 | 346,658 | 341,141 |
| Operating cash flow | 58,695 | 62,604 | 45,489 | 14,593 | 63,843 |
| Investing cash flow | (29,952) | (35,257) | (36,374) | (26,928) | (36,705) |
| Financing cash flow | (15,053) | (18,905) | (11,244) | 14,562 | (20,878) |
| Free cash flow* ¹ | 28,742 | 27,347 | 9,115 | (12,335) | 27,138 |
| Dividend per share* ² (Yen) | — | 68.00 | 72.00 | 90.00 | 90.00 |
| ROE (Net profit base) | 13.1% | 11.5% | 11.7% | 9.6% | 7.0% |
| ROA (Operating profit base) | 8.8% | 8.7% | 9.4% | 7.1% | 6.3% |
| EPS* ² (Yen) | 212.0 | 194.9 | 217.5 | 191.3 | 139.3 |
| BPS* ² (Yen) | 1,631.9 | 1,756.0 | 1,968.6 | 2,000.4 | 1,973.4 |
| Total asset turnover (Times) | 1.08 | 1.04 | 1.05 | 1.02 | 1.03 |
| Equity ratio | 51.5% | 53.6% | 59.1% | 58.9% | 57.2% |
| Number of shares outstanding (excluding treasury stock/period average)* ² | 168,480,574 | 169,146,109 | 169,187,042 | 169,300,355 | 169,349,269 |

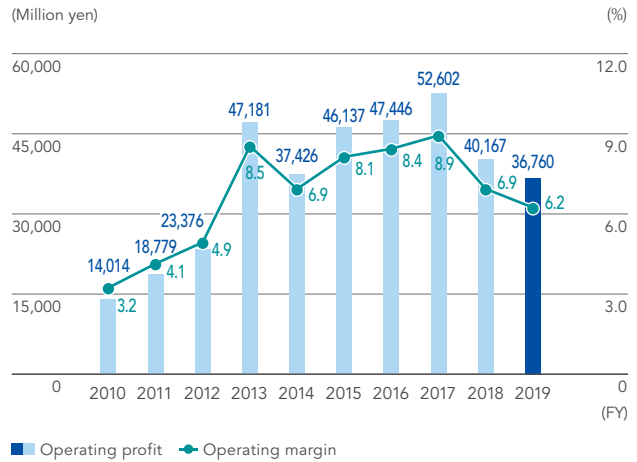
*¹ Starting from FY2017, the currency conversion method for overseas Group companies' profit and loss was changed from the method using rates on the last day of each term to the method using average rates during each term. In accordance with this change, the figures for FY2016 in this report have been revised retroactively.

Financial Highlights

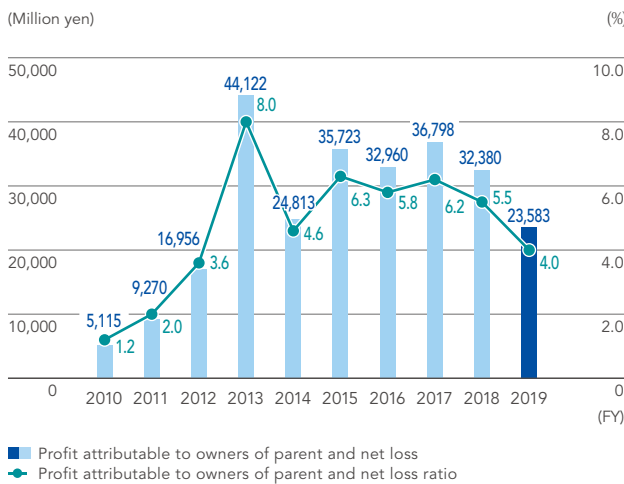
Net Sales



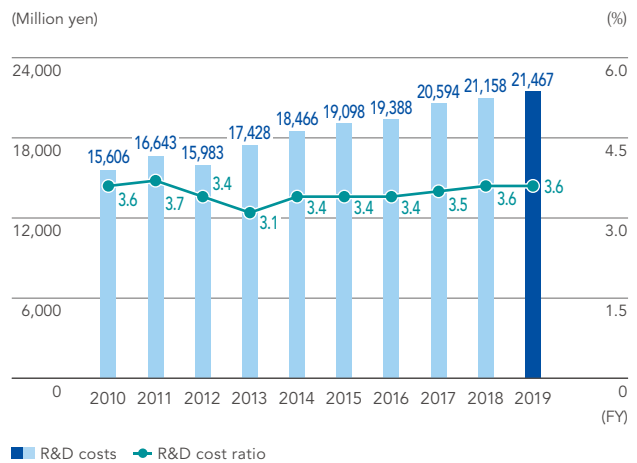
Operating Profit / Operating Margin



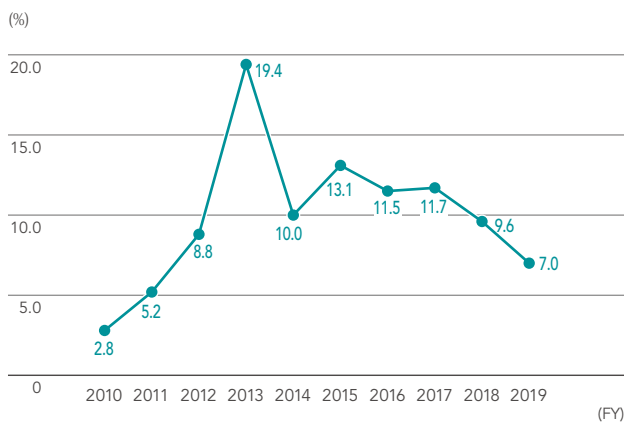
Profit Attributable to Owners of Parent / Profit Attributable to Owners of Parent Ratio



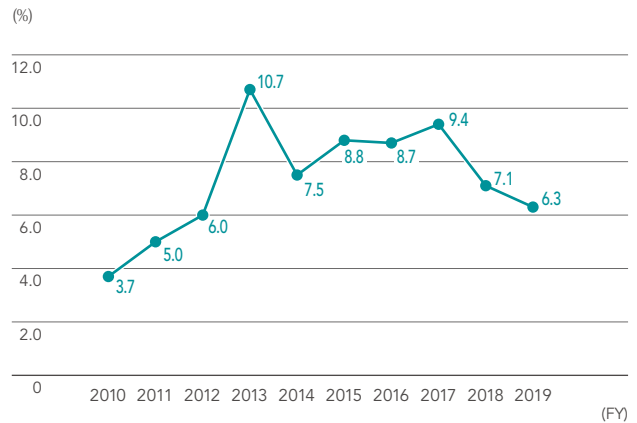
R&D Costs / R&D Cost Ratio



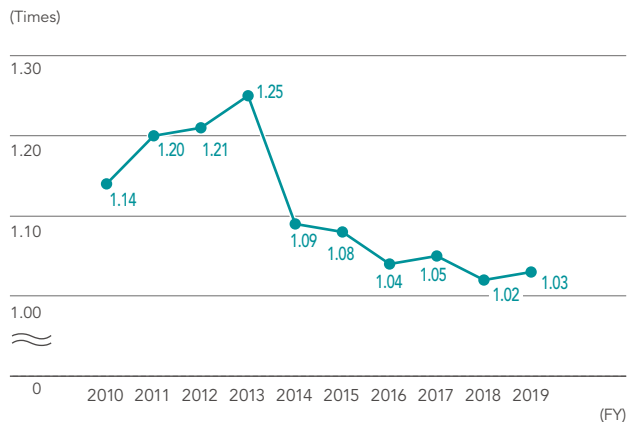
ROE (Net profit base)



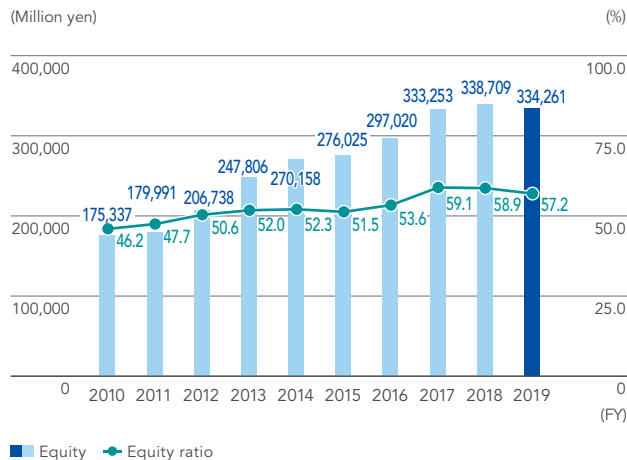
ROA (Operating profit base)



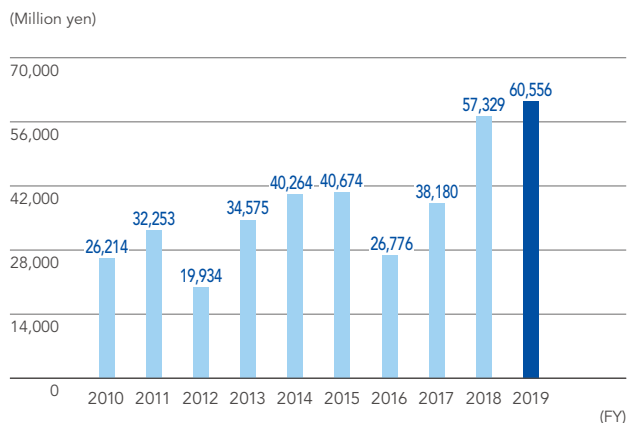
Total Asset Turnover



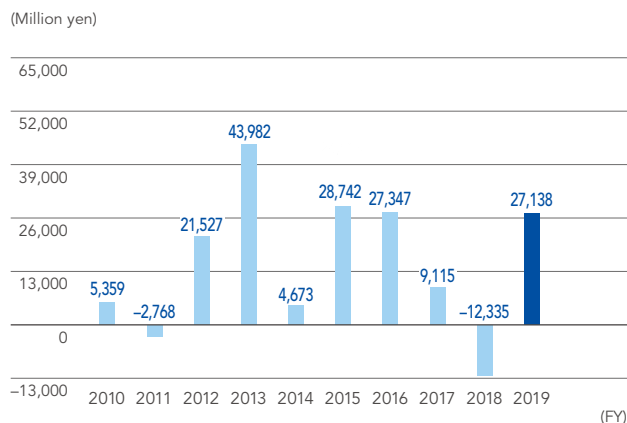
Equity / Equity Ratio



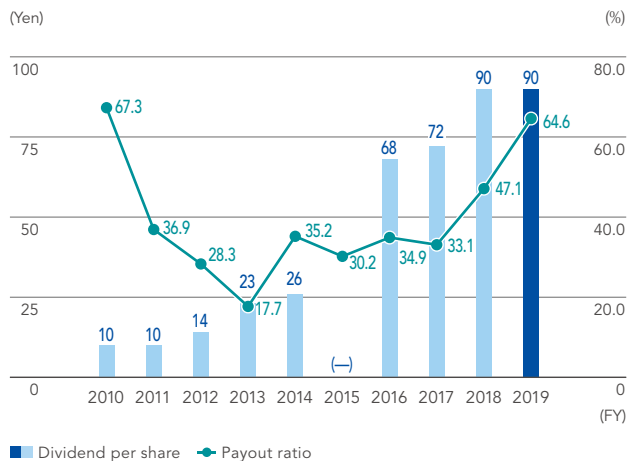
Capital Investment



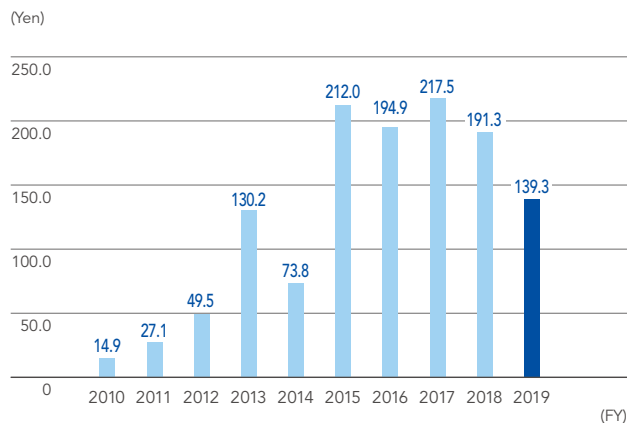
Free Cash Flow



Dividend per Share* / Payout Ratio*



EPS



■ Dividend per share ● Payout ratio

* 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 the 2nd quarter-end dividends and 34.00 yen (after share consolidation) for the fiscal year-end dividends.

TOTO Global Environmental Vision and the 10th Global Environmental Action Plan

In the TOTO Global Environmental Vision, we focus on the three themes of Cleanliness and Comfort, Environment, and Relationships, and are committed to promoting these themes on a global scale. We aim to achieve the following targets by FY2022. In addition, the 10th Global Environmental Action Plan was established in line with the TOTO Global Environmental Vision to help resolve environmental issues.

Global Environmental Goals

| | Aims | Major Initiatives | Indicators | FY2019 (Results) | FY2022 (Targets) |
|-------------------------|--|---|--|----------------------------|------------------------------|
| Cleanliness and Comfort | <ul style="list-style-type: none"> Realize cleanliness and comfort throughout the world Pursue ease of use for everyone | Global expansion of clean and comfortable toilets | CEFIONTECT shipment ratio (overseas) | 79% | 79% |
| | | | TORNADO FLUSH shipment ratio (overseas) | 44% | 53% |
| | | | WASHLET shipment volume (overseas) | 0.63 million units | 2 million units |
| Environment | <ul style="list-style-type: none"> Protect our limited water resources and connect with the future Undertake initiatives to fight global warming and coexist with the earth Aim for sustainable development together with local communities | Widespread adoption of water-saving products | Reduction of water consumption during product use* ¹ | 940 million m ³ | 1,100 million m ³ |
| | | | Total CO ₂ emissions from business sites | 344 thousand tons | 450 thousand tons |
| | | CO ₂ emission reductions | Total CO ₂ emission reductions due to measures implemented | 24 thousand tons | 22 thousand tons |
| | | | Total CO ₂ emission reductions during product use* ¹ | 3.46 million tons | 3.7 million tons |
| Relationships | <ul style="list-style-type: none"> Build deep, long-lasting relationships with customers Offer cultural support and contribute to society for the next generation Create and share joy in work together | Improved customer satisfaction | Customer satisfaction from after-sales services (Japan) | 91.3% | 90% |
| | | | Ratio of repairs completed within two days of reception (overseas) | 78.4% | 80% |
| | | Promotion of employee volunteer activities | Volunteer activity participation rate (total number of participants / number of consolidated employees = participation rate) | 100% or more | 100% or more |
| | | | Annual paid leave usage rate (Japan) | 89.8% | 100% |
| | | Become a company that is pleasant to work at | Ratio of female managers (Japan) | 12.3% | 20% |
| | | | Employee turnover rate due to life events (Japan)* ² | 2.9% | 0% |

*1 Reduction effect when compared with the case where products of 2005 continue to be used

*2 Job turnover rate for employees raising children or providing nursing care but still wish to work

10th Global Environmental Action Plan

| Evaluation Index (KPI) | Scope | Standard Year | FY2019 (Results) | FY2022 (Targets) |
|--|----------------|---------------|-----------------------------|------------------------------|
| Reduction of water consumption during product use* ¹ | Japan/overseas | — | 940 million m ³ | 1,100 million m ³ |
| Total CO ₂ emission reductions during product use* ¹ | Japan/overseas | — | 3.46 million tons | 3.7 million tons |
| Total CO ₂ emissions from business sites | Japan/overseas | — | 344 thousand tons | 450 thousand tons |
| Total CO ₂ emission reductions due to measures implemented | Japan/overseas | FY2017 | 24 thousand tons | 22 thousand tons |
| Quantity of water consumption* ² | Japan/overseas | — | 2.90 million m ³ | 3.43 million m ³ |
| Reduction in water use per unit* ² | Japan/overseas | FY2018 | — | 4.0% |
| Reduction of fuel used for transportation per unit | Japan | FY2013 | 6.4% | 9.0% |
| Reduction rate of the use of packaging materials | Japan | FY2013 | 8.1% | 9.5% |
| Reduction rate of waste at the production sites (reduction of production output intensity) | Japan | FY2017 | 8.0% | 2.5% |
| Recycling rate at the production sites | Japan | — | 99.9% | 99% or more |
| | overseas | — | 94.7% | 98% or more |
| Usage rate of legal and recycled materials for wood-based materials used in products | Japan/overseas | — | 100% | 100% |
| Violations of related environmental laws | Japan/overseas | — | 0 cases | 0 cases |

*1 Reduction effect when compared with the case where products of 2005 continue to be used

*2 Implementation of goal management from FY2020

Report Policy

Boundary

TOTO LTD. and all 48 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

FY2019 (Japan: April 1, 2019 to March 31, 2020 / Overseas: January 1, 2019 to December 31, 2019)

Independent assurance

The Environmental Performance Data and Social Performance Data indicated with for FY2019 have been assured by KPMG AZSA Sustainability Co., Ltd. However "per unit of sales" of each data is not covered.

Environmental Performance Data

GHG Emissions

(FY)

| Indicators | Unit | 2015 | 2016 | 2017 | 2018 | 2019 |
|---------------------|-----------------------------------|--------|--------|--------|--------|---------------|
| Scope 1 + 2 + 3 | thousand tons CO ₂ | — | 20,038 | 21,213 | 19,573 | 20,957 |
| Scope 1 + 2* | thousand tons CO ₂ | 325 | 334 | 363 | 356 | 350 |
| Scope 1* | thousand tons CO ₂ | 168 | 173 | 181 | 179 | 182 |
| (per unit of sales) | tons CO ₂ /million yen | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 |
| Scope 2* | thousand tons CO ₂ | 157 | 161 | 182 | 176 | 168 |
| (per unit of sales) | tons CO ₂ /million yen | 0.28 | 0.28 | 0.30 | 0.30 | 0.28 |
| Scope 3 total | thousand tons CO ₂ | — | 19,704 | 20,850 | 19,216 | 20,608 |
| Category 11 | thousand tons CO ₂ | 18,148 | 18,789 | 19,925 | 18,293 | 19,650 |
| Other categories | thousand tons CO ₂ | — | 915 | 925 | 923 | 958 |

* In FY2018, changes were made to the heating value per unit and CO₂ emission coefficient for fuel as well as the heating value per unit (primary energy conversion) and CO₂ emission coefficient for electricity in accordance with the revisions to global environmental goals (please refer to calculation methods for details).

Energy Consumption

(FY)

| Indicators | Unit | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-----------------|-----------|-----------|-----------|-----------|------------------|
| Quantity of energy consumption* | PJ | 6.0 | 6.2 | 6.5 | 6.6 | 6.7 |
| (per unit of sales) | GJ/million yen | 10.5 | 10.8 | 11.0 | 11.26 | 11.23 |
| Quantity of non-renewable energy consumption | MWh | 1,164,077 | 1,197,390 | 1,261,489 | 1,259,844 | 1,249,313 |
| Quantity of fuel consumption | MWh | 852,845 | 883,164 | 930,311 | 930,511 | 928,797 |
| (per unit of sales) | MWh/million yen | 1.50 | 1.56 | 1.57 | 1.59 | 1.56 |
| Quantity of electric power consumption | MWh | 301,598 | 304,169 | 322,186 | 320,632 | 312,166 |
| (per unit of sales) | MWh/million yen | 0.53 | 0.54 | 0.54 | 0.55 | 0.52 |
| Quantity of other types of energy consumption | MWh | 9,634 | 10,057 | 8,992 | 8,701 | 8,351 |
| (per unit of sales) | KWh/million yen | 16.96 | 17.73 | 15.18 | 14.85 | 14.00 |
| Quantity of renewable energy consumption | MWh | 215 | 185 | 182 | 14,888 | 33,457 |
| (per unit of sales) | KWh/million yen | 0.37 | 0.32 | 0.30 | 25.40 | 56.09 |
| Energy cost | million yen | 8,916 | 7,610 | 8,449 | 8,928 | 8,852 |

* In FY2018, changes were made to the heating value per unit and CO₂ emission coefficient for fuel as well as the heating value per unit (primary energy conversion) and CO₂ emission coefficient for electricity in accordance with the revisions to global environmental goals (please refer to calculation methods for details).

Environmental Performance Data

Water Consumption and Wastewater

(FY)

| Indicators | Unit | 2015 | 2016 | 2017 | 2018 | 2019 |
|-------------------------------|-----------------------------|-------|-------|-------|-------|--------------|
| Quantity of water consumption | thousand m ³ | 2,851 | 2,866 | 2,855 | 2,968 | 2,899 |
| (per unit of sales) | m ³ /million yen | 5.02 | 5.05 | 4.82 | 5.06 | 4.86 |
| Groundwater consumption | thousand m ³ | 432 | 435 | 476 | 474 | 438 |
| Wastewater | thousand m ³ | 1,801 | 1,832 | 1,796 | 1,714 | 1,592 |
| (per unit of sales) | m ³ /million yen | 3.17 | 3.22 | 3.03 | 2.92 | 2.67 |
| Reused water | thousand m ³ | 1,711 | 1,728 | 1,711 | 1,773 | 2,028 |

Waste

(FY)

| Indicators | Unit | 2015 | 2016 | 2017 | 2018 | 2019 |
|-------------------------------|----------------|-------|-------|-------|-------|--------------|
| Waste generated* ¹ | thousand tons | 119.6 | 125.2 | 123.2 | 130.8 | 137.3 |
| (per unit of sales) | kg/million yen | 210.7 | 220.6 | 208.0 | 223.3 | 230.2 |
| Hazardous waste generated | thousand tons | — | 0.3 | 0.3 | 0.3 | 0.2 |
| (per unit of sales) | kg/million yen | — | 0.55 | 0.47 | 0.51 | 0.27 |
| Final disposal* ¹ | thousand tons | 22.6 | 25.8 | 24.3 | 24.2 | 33.2 |
| (per unit of sales) | kg/million yen | 39.7 | 45.4 | 41.1 | 41.4 | 55.7 |
| Recycling amount | thousand tons | 97.1 | 99.4 | 98.9 | 106.6 | 104.1 |
| (per unit of sales) | kg/million yen | 170.9 | 175.2 | 167.0 | 181.9 | 174.5 |
| Recycling rate* ² | % | 91.8 | 97.5 | 99.2 | 98.6 | 96.1 |
| (Japan) | % | 100.0 | 100.0 | 100.0 | 99.9 | 99.9 |
| (Overseas) | % | 88.1 | 96.3 | 98.9 | 98.1 | 94.7 |

*1 As described in the calculation method for environmental performance data, the aggregation method has been changed, so the quantity of waste generated and final disposal before FY2018 have been retroactively revised.

*2 To calculate the recycling rate, does not include quantity of waste for which disposal by sanitary landfill is required by laws and regulations in areas where TOTO factories are located. Also does not include waste that cannot be recycled due to lack of disposal technology and equipment by waste treatment vendors in the areas where business sites are established.

Atmospheric Emissions

(FY)

| Indicators | Unit | 2015 | 2016 | 2017 | 2018 | 2019 |
|------------------------------|----------------|-------|-------|-------|-------|--------------|
| Chemical substance emissions | tons | 40.0 | 32.6 | 30.7 | 32.5 | 26.6 |
| (per unit of sales) | kg/million yen | 0.07 | 0.06 | 0.05 | 0.05 | 0.04 |
| SOx emissions* | tons | 134.4 | 65.1 | 68.4 | 92.5 | 99.4 |
| (per unit of sales) | kg/million yen | 0.24 | 0.11 | 0.12 | 0.16 | 0.17 |
| NOx emissions* | tons | 272.9 | 253.6 | 220.2 | 255.2 | 192.3 |
| (per unit of sales) | kg/million yen | 0.48 | 0.45 | 0.37 | 0.44 | 0.32 |
| Dust emissions* | tons | 133.4 | 49.8 | 60.2 | 99.1 | 56.5 |
| (per unit of sales) | kg/million yen | 0.22 | 0.09 | 0.10 | 0.17 | 0.09 |
| VOC emissions | tons | 33.7 | 30.4 | 28.4 | 29.4 | 26.5 |
| (per unit of sales) | kg/million yen | 0.05 | 0.05 | 0.04 | 0.05 | 0.04 |

* The amounts of SOx, NOx, and Dust emissions for the period from FY2016 to FY2018 have been retroactively revised for the improvement of accuracy.

ISO 14001 Certification Acquisition

(FY)

| Indicator | Unit | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|------|------|------|------|------|-------------|
| Percentage of ISO 14001 certification acquisition | % | 69.8 | 72.6 | 73.2 | 71.4 | 75.4 |

Social Performance Data

Customers

(FY)

| Indicators | Unit | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|--------|------|------|------|------|-------------|
| Customer satisfaction surveys (Japan) | | | | | | |
| After-sales service satisfaction rate | % | 90.5 | 89.6 | 90.7 | 91.5 | 91.3 |
| Total satisfaction index of the showrooms | % | 64.8 | 68.1 | 69.9 | 71.0 | 72.0 |
| Ratio of customers impressed with bath module assembly | % | 47.6 | 51.2 | 57.5 | 64.1 | 67.9 |
| Evaluations on customer response quality | points | — | 65.6 | 69.0 | 70.3 | 68.8 |
| Ratio of repairs completed within two days of reception (overseas) | % | — | — | — | 75.7 | 78.4 |

ISO 9001 Certification Acquisition

(FY)

| Indicator | Unit | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|------|------|------|------|------|-------------|
| Percentage of ISO 9001 certification acquisition | % | 68.5 | 75.0 | 74.9 | 71.8 | 76.3 |

Status of Employment

(FY)

| Indicators | Unit | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|--------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|--|
| Group total number of employees*1 | (no. of personnel) | 31,288 | 32,455 | 34,208 | 35,498 | 35,329 ✓ |
| Full-time employees | (no. of personnel) | 24,173 | 26,543 | 28,669 | 29,995 | 30,254 |
| Contract employees | (no. of personnel) | 5,528 | 4,308 | 3,483 | 3,448 | 3,237 |
| Temporary employees | (no. of personnel) | 1,587 | 1,604 | 2,056 | 2,055 | 1,838 |
| Number of graduate recruits (Japan) | (no. of personnel) | 294 | 305 | 305 | 317 | 252 |
| Average number of years of continuous service*2 | years | (Male) 20.5 (Female) 14.0 | (Male) 19.5 (Female) 11.8 | (Male) 19.9 (Female) 12.1 | (Male) 16.2 (Female) 11.0 | (Male) 16.5 (Female) 11.4 |
| Voluntary employee turnover rate *3 | % | 0.8 | 1.9 | 2.0 | 2.3 | 2.3 |
| Employee turnover rate due to life events (Japan)*4 | % | — | 8.0 | 6.1 | 3.4 | 2.9 |

*1 A revision was made to the results from FY2018 for the improvement of accuracy.

*2 Covers full-time employees/contract employees of TOTO LTD. up until FY2017. From FY2018, covers full-time employees/contract employees of the TOTO Group (Japan).

*3 Covers full-time employees of TOTO LTD. up until FY2015. From FY2016, covers full-time employees of the TOTO Group (Japan).

*4 Job turnover rate for employees raising children or providing nursing care but still wish to work.

Diversity

(FY)

| Indicators | Unit | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|------|------|------|------|------|---------------|
| Ratio of female managers* | % | 9.8 | 10.5 | 13.8 | 14.4 | 15.6 ✓ |
| (Japan) | % | 6.5 | 7.6 | 9.2 | 10.9 | 12.3 ✓ |
| (Overseas) | % | 32.1 | 27.9 | 28.1 | 26.5 | 26.6 ✓ |
| Ratio of employees with disabilities (Japan) | % | 2.52 | 2.57 | 2.60 | 2.61 | 2.58 |

* As described in the calculation method for social performance data, the aggregation method has been changed. At the same time, the Ratio of female managers "Group total, Japan, and Overseas" for FY2018 has been retroactively revised for the improvement of accuracy.

Social Performance Data

Work-Life Balance

(FY)

| Indicators | Unit | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|--------------------|---------|---------|---------|---------|---|
| Work hours* ¹ | | | | | | |
| Average hours actually worked per year | hours per person | 1,964.4 | 1,994.2 | 1,991.1 | 1,969.8 | 1936.6 |
| Average hours of overtime per month | hours per person | 19.6 | 16.4 | 16.0 | 15.1 | 14.2 |
| Percentage of paid holidays taken* ² | % | 76.1 | 78.8 | 74.6 | 80.8 | 89.8 <input checked="" type="checkbox"/> |
| Number of people using reduced work hour and leave systems (Data for full-time/contract employees of TOTO LTD.) | | | | | | |
| Childcare leave | (no. of personnel) | 202 | 165 | 150 | 130 | 137 |
| Reduced work hours for childcare | (no. of personnel) | 308 | 219 | 272 | 298 | 289 |
| Nursing care leave | (no. of personnel) | 3 | 7 | 3 | 4 | 7 |
| Reduced work hours for nursing care | (no. of personnel) | 1 | 2 | 4 | 9 | 10 |

*1 Covers full-time employees of TOTO LTD. up until FY2015. From FY2016, covers full-time/contract employees of the TOTO Group (Japan).

*2 Actual results for full-time/contract employees of TOTO LTD. for the period from FY2014 to FY2016. Actual results for full-time/contract employees of the entire TOTO Group (Japan) for FY2017 and thereafter. In FY2018, to realize a percentage of paid holidays taken that better reflects actual conditions, the Company carried out such measures as changing the scope of calculation for full-time employees (employees seconded to positions overseas have been excluded).

Human Resource Development

(FY)

| Indicator | Unit | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|------------------|------|------|------|------|-------------|
| Average training time per employee (Data for full-time employees of TOTO Group) | hours per person | — | — | 11.4 | 9.3 | 10.0 |

Occupational Safety and Health

(FY)

| Indicators | Unit | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|------|------|------|------|------|---|
| Lost time injury frequency rate | | | | | | |
| TOTO Group employees | | 0.21 | 0.23 | 0.29 | 0.19 | 0.19 <input checked="" type="checkbox"/> |
| TOTO Group contractors (in-plant cooperative firm) | | 0.14 | 0.13 | 0.00 | 0.15 | 0.15 <input checked="" type="checkbox"/> |
| Occupational illness frequency rate | | | | | | |
| TOTO Group employees | | 0.00 | 0.00 | 0.00 | 0.00 | 0.03 <input checked="" type="checkbox"/> |

Suppliers

(FY)

| Indicator | Unit | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|------|------|------|------|------|------------|
| Achievement rate of compliance with the TOTO standards* | % | 100 | 100 | 99 | 100 | 100 |

* Covers domestic suppliers up until FY2016. From FY2017, covers both domestic and overseas suppliers.

Social Contribution

(FY)

| Indicators | Unit | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|-------------|------|--------------|--------------|--------------|---------------------|
| Amount spent on social contribution | billion yen | 1.31 | 1.42 | 1.38 | 1.39 | 1.30 |
| Volunteer activity participation ratio | % | — | 100% or more | 100% or more | 100% or more | 100% or more |

TOTO Water Environment Fund

| Indicators | Unit | 10th (2015) | 11th (2016) | 12th (2017–2019) | 13th (2018–2020) | 14th (2019–2021) |
|------------------|----------------------|-------------|-------------|------------------|------------------|------------------|
| Organizations | no. of organizations | 22 | 24 | 35 | 10 | 10 |
| Grant assistance | million yen | 14.3 | 15.5 | 95.3 | 17.5 | 24.7 |

Calculation Method of Environmental Performance Data

| Indicators | Calculation Method |
|--|---|
| Scope 1 | CO ₂ emissions from the use of fuel + Non-CO ₂ and Non-energy CO ₂ sources. Till FY2016 [CO ₂ emission coefficients] "Guidelines for Calculation of Greenhouse Gas Emissions (Version 2.4)" published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan. From FY2017 [CO ₂ emission coefficients] "Guidelines for Calculation of Greenhouse Gas Emissions (Version 4.3.1)" published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan. |
| | CO ₂ emissions from purchased electricity and heat. Till FY2016 [CO ₂ emission coefficients from electricity (Japan)] "Guidelines for Calculating Corporate Greenhouse Gases Emissions (draft Version 1.6)" published by the 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)". From FY2017 [CO ₂ emission coefficients from steam] "Guidelines for Calculation of Greenhouse Gas Emissions (Version 2.4)" published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan. From FY2017 [CO ₂ emission coefficients from electricity] CO ₂ emission coefficients from electricity purchased based on TOTO Group contracts. [CO ₂ emission coefficients from steam] "Guidelines for Calculation of Greenhouse Gas Emissions (Version 4.3.1)" published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan. |
| Scope 2 | 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 usage models (based on the information published by industry associations and research articles, etc.) by sales areas. *3 Toilets, WASHLET, faucets, urinals (only in Japan), and bathtubs (only in Japan). [CO ₂ emission coefficients from electricity (Japan)] Average for 5 years (from FY2009 to FY2013) of CO ₂ emissions coefficients (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)] IEA (International Energy Agency), "CO ₂ Emissions from Fuel Combustion 2017". [CO ₂ emission coefficients from water (Japan)] Japan Sanitary Equipment Industry Association "CO ₂ Conversion Coefficients from Water". [CO ₂ emission coefficients from water (overseas)] The figures are based on the factors of CO ₂ emissions 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 coefficients from gas] "Guidelines for Calculation of Greenhouse Gas Emissions (Version 4.3.1)" published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan. |
| Scope 3 Category 11 (Use of Sold Products) | Total from categories 1, 2, 3, 4, 5, 6, 7, 9, 12, and 14, excluding either the Company's business activities or the totals from categories 8, 10, and 13. Calculated based on the "Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Version 2.3)" published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan. |
| Scope 3 Other categories | Total quantity of energy consumption of electricity, fuel and heat consumption at offices and factories. Till FY2016 [Heating value per unit] "Guidelines for Calculation of Greenhouse Gas Emissions (Version 2.4)" published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan. From FY2017 [Heating value per unit] "Guidelines for Calculation of Greenhouse Gas Emissions (Version 4.3.1)" published by the Ministry of the Environment and the 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. Till FY2016 [Heating value per unit] "Guidelines for Calculation of Greenhouse Gas Emissions (Version 2.4)" published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan. From FY2017 [Heating value per unit] "Guidelines for Calculation of Greenhouse Gas Emissions (Version 4.3.1)" published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan. |

Calculation Method of Environmental Performance Data

| | |
|---|---|
| Quantity of non-renewable fuel consumption | Total quantity of non-renewable fuel (city gas, natural gas, diesel gas, etc.) consumed within the quantity of energy consumption. |
| Quantity of non-renewable electric power consumption | Total quantity of non-renewable electric power consumed within the quantity of energy consumption. |
| Quantity of other types of non-renewable energy consumption | Total quantity of non-renewable steam and other types of energy within the quantity of energy consumption. |
| Quantity of renewable energy consumption | Total quantity of renewable energy consumed that was generated at business sites and renewable energy that was purchased from outside the TOTO Group. Until FY2017, quantity of renewable energy consumption included only renewable energy which was generated at business sites. |
| Energy cost | Total amount of energy purchased that was used at business sites. |
| Quantity of water consumption | Total quantity of water intake (municipal water, groundwater, and industrial water) into offices and factories. |
| Groundwater consumption | Total quantity of groundwater intake into offices and factories. |
| Wastewater | Total quantity of wastewater from business sites to sewage and public waters. |
| Reused water | Total quantity of reused water in offices and factories. |
| Waste generated | Total quantity of waste generated in offices and factories. (Including valuables resouses.) However, general waste other than waste paper and corrugated cardboard generated at non-manufacturing sites is not included because the amount is small. Up to "TOTO GROUP Integrated Report 2019 Financial and Non-Financial Data," did not include quantity of waste for which disposal by sanitary landfill is required by laws and regulations in areas where TOTO factories are located. Also did not include waste that cannot be recycled due to lack of disposal technology and equipment by waste treatment vendors in the areas where business sites are established. From "TOTO GROUP Integrated Report 2020 Financial and Non-Financial Data," the calculation method has been changed to properly represent the actual situation of amount of waste generated, and calculations are made including these wastes. |
| Hazardous waste generated | Total quantity of specially controlled industrial waste generated at business sites in Japan. |
| Final disposal | Total quantity of final disposal without recycling in offices and factories. Up to "TOTO GROUP Integrated Report 2019 Financial and Non-Financial Data," did not include quantity of waste for which disposal by sanitary landfill is required by laws and regulations in areas where TOTO factories are located. Also did not include waste that cannot be recycled due to lack of disposal technology and equipment by waste treatment vendors in the areas where business sites are established. From "TOTO GROUP Integrated Report 2020 Financial and Non-Financial Data," the calculation method has been changed to properly represent the actual situation of amount of the final disposal waste, and calculations are made including these wastes. |
| Recycling amount | Total quantity of recycled waste within the overall waste generated at business sites. |
| Recycling rate | Quantity of waste recycled/Quantity of waste generated × 100. Does not include quantity of waste for which disposal by sanitary landfill is required by laws and regulations in areas where TOTO factories are located. Also does not include waste that cannot be recycled due to lack of disposal technology and equipment by waste treatment vendors in the areas where business sites are established. |
| Chemical substance emissions | Amount of chemical substance emission based on the PRTR Law at business sites in Japan. |
| SOx emissions | Total amount of each emission from facilities in each country subject to regulations regarding soot and smoke emissions. |
| NOx emissions | It was calculated by multiplying the amount of exhaust gas (actual measured value) by the concentration in exhaust gas (actual measured value). |
| Dust emissions | The newly built combustion furnaces at TOTO VIETNAM CO., LTD. in FY2019 are not included in the calculation of atmospheric emissions because the operation of them is not stable shortly after operation. |
| VOC emissions | Total air emissions related to the use of volatile organic compounds (VOCs) at business sites in Japan. |
| Percentage of ISO 14001 certification acquisition | Percentage of employees at ISO 14001 certificated locations among all employees. |

* Information on "Substances Subject to the Total Effluent Control System" and "Substances Subject to the PRTR Law" by business site in Japan can be viewed on 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 of the TOTO Group (Japan) as "satisfactory" or better. |
| Total satisfaction index of the showrooms | Measure of overall satisfaction with recommendations received from the TOTO Group (Japan). |
| Ratio of customers impressed with bath module assembly | Proportion of customers rating service representative behavior and workmanship of the TOTO Group (Japan) as "excellent". |
| Evaluations on customer response quality | Results of scores given by in-house evaluation specialists regarding the response quality of call center services of the TOTO Group (Japan), with 100 being a perfect score. |
| Ratio of repairs completed within two days of reception (overseas) | Ratio of requests for repairs from overseas customers in major countries where TOTO products are sold that were completed within two days among all requests from overseas customers in major countries. |
| Percentage of ISO 9001 certification acquisition | Percentage of employees at ISO 9001 certificated locations among all employees. |
| Group total number of employees | Number of full-time/contract/temporary employees in companies of which the parent company is a TOTO Group company. Includes employees seconded to positions outside the Group; does not include employees seconded from outside the Group. |
| Number of graduate recruits | Data for full-time employees of the TOTO Group (Japan). |
| Average number of years of continuous service | Data for full-time/contract employees of the TOTO Group (Japan). Data for full-time/contract employees of TOTO LTD. for the period from FY2014 to FY2017. |
| Voluntary employee turnover rate | Data for full-time employees of the TOTO Group (Japan). Data for full-time employees of TOTO LTD. for the period from FY2014 to FY2015. |
| Employee turnover rate due to life events | Data for full-time employees of the TOTO Group (Japan). Rate of employees who left their position due to giving birth, raising children, getting married, and providing nursing care, among total number of employees who left for personal reasons. |
| Ratio of female managers | Percentage of women in management positions. Ratio of female managers on a Group basis. 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 companies. Up to "TOTO GROUP Integrated Report 2019 Financial and Non-Financial Data," the number of managers seconded from domestic group companies to overseas group companies was totaled under the category of "Japan". From "TOTO GROUP Integrated Report 2020 Financial and Non-Financial Data," the method has been changed to totaling it under the category of "overseas" in order to calculate according to the work location of the management staff. |
| Ratio of employees with disabilities | Data for the TOTO Group (Japan). Calculated based on the calculation standard for the mandatory proportion of jobs for people with disabilities established in Japan. |
| Average hours actually worked per year | Data for full-time/contract employees of the TOTO Group (Japan). Data for full-time employees of TOTO LTD. for the period from FY2014 to FY2015. |
| Average hours of overtime per month | Data for full-time/contract employees of the TOTO Group (Japan). Data for full-time employees of TOTO LTD. for the period from FY2014 to FY2015. |
| 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 the TOTO Group (Japan). Actual results of full-time/contract employees of TOTO LTD. until FY2016. From FY 2017, actual results of full-time/contract employees of the TOTO Group (Japan). |
| Number of people using reduced work hour and leave systems | Data for full-time/contract employees of TOTO LTD. |
| Average training time per employee | Data for full-time employees of the TOTO Group. |

Calculation Method of Social Performance Data

| | |
|--|---|
| Lost time injury frequency rate | <p>Number of injuries per million working hours.</p> <p>The data covers manufacturing and research & development sectors.</p> <p>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.</p> <p>"TOTO Group contractors" cover contractors for TOTO LTD. and its domestic subsidiary companies for FY2015 and before, and the TOTO Group's overall contractors from FY2016. Until FY2015, contractors included those for operating company cafeteria(s), cleaning, and security at the 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.</p> |
| Occupational illness frequency rate | <p>Number of incidences 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).</p> <p>Covers illnesses determined by Article 35 of the Ordinance for Enforcement of the Labor Standards Act.</p> <p>The data covers manufacturing and research & development sectors.</p> <p>It covered employees in Japan until FY2016 and has covered the whole TOTO Group (in Japan and other countries) since FY2017.</p> |
| Achievement rate of compliance with the TOTO standards | Rate of suppliers who have cleared standards for compliance items determined by the TOTO Group among all suppliers surveyed each year (includes completion of corrective actions). |
| Amount spent on social contribution | Includes cash donations, donated products and services, and management and administrative fees for independent programs, etc. |
| Volunteer activity participation ratio | Ratio of the number of employees who participated in volunteer activities to the total number of employees on a consolidated basis. |
| Organizations | Number of organizations selected based on Company standards. |
| Grant assistance | <p>Determined based on matching contribution from TOTO, which is the same amount as the contribution based on relations between each stakeholder (customer, shareholder, and employee).</p> <p>In FY2017, as the commemorative event of the 100th anniversary, the amount was increased.</p> |

Independent Assurance Report



Independent Assurance Report

To the President, Representative Director of TOTO LTD.

We were engaged by TOTO LTD. (the “Company”) to undertake a limited assurance engagement of the environmental and social performance indicators marked with “☑” (the “Indicators”) for the period from April 1, 2019 to March 31, 2020 (with the exception of the Indicator “Ratio of female managers (Japan)” which is as of April 1, 2020) included in its TOTO GROUP Integrated Report 2020 Financial and Non-Financial Data (the “Data”) for the fiscal year ended March 31, 2020.

The Company’s Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the “Company’s reporting criteria”), as described in the Data.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the ‘International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information’ and the ‘ISAE 3410, Assurance Engagements on Greenhouse Gas Statements’ issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Data, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company’s responsible personnel to obtain an understanding of its policy for preparing the Data and reviewing the Company’s reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company’s reporting criteria, and recalculating the Indicators.
- Making inquiries and reviewing materials including documented evidence of two of the Company’s subsidiaries selected on the basis of a risk analysis, as alternative procedures to a site visit.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company’s reporting criteria as described in the Data.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we 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.

KPMG AZSA Sustainability Co., Ltd.
Osaka, Japan
June 25, 2020

TOTO

Life Anew