

**TOTO**



**Life Anew**

TOTO GROUP

**Integrated Report 2022**

Financial and Non-Financial Data

# 10-Year Summary of Selected Financial Data

(Unit: Million yen)

	FY2012 (March 31, 2013)	FY2013* <sup>3</sup> (March 31, 2014)	FY2014* <sup>3</sup> (March 31, 2015)	FY2015* <sup>3</sup> (March 31, 2016)	FY2016* <sup>3</sup> (March 31, 2017)
Net sales* <sup>4</sup>	476,275	544,309	528,771	570,716	566,009
Cost of sales	303,231	336,574	328,046	354,187	348,407
Cost of sales ratio* <sup>4</sup>	63.7%	61.8%	62.0%	62.1%	61.6%
Selling, general and administrative (SG&A) expenses	149,667	163,122	167,377	170,829	171,451
SG&A ratio* <sup>4</sup>	31.4%	30.0%	31.7%	29.9%	30.3%
Operating profit* <sup>4</sup>	23,376	44,611	33,346	45,699	46,150
Operating margin* <sup>4</sup>	4.9%	8.2%	6.3%	8.0%	8.2%
Profit attributable to owners of parent* <sup>4</sup>	16,956	43,097	22,486	36,360	32,960
Profit attributable to owners of parent ratio* <sup>4</sup>	3.6%	7.9%	4.3%	6.4%	5.8%
Capital investment	19,934	34,575	40,264	40,674	26,776
Depreciation and amortization	19,508	14,922	17,227	18,397	18,994
Research and development (R&D) costs	15,983	17,428	18,466	19,098	19,388
R&D cost ratio* <sup>4</sup>	3.4%	3.2%	3.5%	3.3%	3.4%
Total assets	408,454	476,387	516,995	536,265	553,996
Current assets	205,485	258,800	266,637	279,383	282,076
Non-current assets	202,969	217,586	250,357	256,882	271,920
Total liabilities	195,043	219,790	236,412	250,743	247,942
Net assets	213,410	256,596	280,582	285,522	306,053
Operating cash flow	44,498	48,015	34,713	58,695	62,604
Investing cash flow	(22,971)	(4,033)	(30,040)	(29,952)	(35,257)
Financing cash flow	(2,178)	(23,328)	(11,393)	(15,053)	(18,905)
Free cash flow* <sup>1</sup>	21,527	43,982	4,673	28,742	27,347
Dividends per share* <sup>2</sup> (Yen)	14.00	23.00	26.00	—	68.00
ROE (Net profit base)* <sup>4</sup>	8.8%	19.0%	8.7%	13.3%	11.5%
ROA (Operating profit base)* <sup>4</sup>	6.0%	10.1%	6.7%	8.7%	8.5%
EPS* <sup>2,4</sup> (Yen)	49.5	127.2	66.9	215.8	194.9
BPS* <sup>2</sup> (Yen)	602.2	737.7	802.8	1,631.9	1,756.0
Total asset turnover* <sup>4</sup> (Times)	1.21	1.23	1.06	1.08	1.04
Equity ratio	50.6%	52.0%	52.3%	51.5%	53.6%
Number of shares outstanding (excluding treasury stock/period average)* <sup>2</sup>	342,892,129	338,911,922	336,233,556	168,480,574	169,146,109

\*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 (consolidated 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)

	FY2017* <sup>3</sup> (March 31, 2018)	FY2018* <sup>3</sup> (March 31, 2019)	FY2019* <sup>3</sup> (March 31, 2020)	FY2020* <sup>3</sup> (March 31, 2021)	FY2021* <sup>3</sup> (March 31, 2022)
Net sales* <sup>4</sup>	590,959	584,733	595,709	577,840	<b>645,273</b>
Cost of sales	368,148	371,565	383,562	367,242	<b>408,382</b>
Cost of sales ratio* <sup>4</sup>	62.3%	63.5%	64.4%	63.6%	<b>63.3%</b>
Selling, general and administrative (SG&A) expenses	171,550	174,354	176,331	170,940	<b>184,710</b>
SG&A ratio* <sup>4</sup>	29.0%	29.8%	29.6%	29.6%	<b>28.6%</b>
Operating profit* <sup>4</sup>	51,260	38,814	35,816	39,656	<b>52,180</b>
Operating margin* <sup>4</sup>	8.7%	6.6%	6.0%	6.9%	<b>8.1%</b>
Profit attributable to owners of parent* <sup>4</sup>	36,798	32,380	23,921	26,978	<b>40,131</b>
Profit attributable to owners of parent ratio* <sup>4</sup>	6.2%	5.5%	4.0%	4.7%	<b>6.2%</b>
Capital investment	38,180	57,329	60,556	25,301	<b>43,014</b>
Depreciation and amortization	21,357	23,347	25,343	25,231	<b>26,939</b>
Research and development (R&D) costs	20,594	21,528	21,467	22,395	<b>24,024</b>
R&D cost ratio* <sup>4</sup>	3.5%	3.7%	3.6%	3.9%	<b>3.7%</b>
Total assets	564,319	574,960	582,482	646,011	<b>641,025</b>
Current assets	277,845	287,630	289,535	326,383	<b>307,623</b>
Non-current assets	286,473	287,329	292,946	319,628	<b>333,401</b>
Total liabilities	222,099	228,301	241,653	272,838	<b>227,652</b>
Net assets	342,219	346,658	340,829	373,173	<b>413,372</b>
Operating cash flow	45,489	14,593	63,843	59,551	<b>49,356</b>
Investing cash flow	(36,374)	(26,928)	(36,705)	(42,622)	<b>(31,893)</b>
Financing cash flow	(11,244)	14,562	(20,878)	22,702	<b>(75,772)</b>
Free cash flow* <sup>1</sup>	9,115	(12,335)	27,138	16,929	<b>17,463</b>
Dividends per share* <sup>2</sup> (Yen)	72.00	90.00	90.00	70.00	<b>95.00</b>
ROE (Net profit base)* <sup>4</sup>	11.7%	9.6%	7.1%	7.7%	<b>10.4%</b>
ROA (Operating profit base)* <sup>4</sup>	9.2%	6.8%	6.2%	6.5%	<b>8.1%</b>
EPS* <sup>2,4</sup> (Yen)	217.5	191.3	141.3	159.2	<b>236.7</b>
BPS* <sup>2</sup> (Yen)	1,968.6	2,000.4	1,971.6	2,160.7	<b>2,391.4</b>
Total asset turnover* <sup>4</sup> (Times)	1.06	1.03	1.03	0.94	<b>1.00</b>
Equity ratio	59.1%	58.9%	57.3%	56.7%	<b>63.2%</b>
Number of shares outstanding (excluding treasury stock/period average)* <sup>2</sup>	169,187,042	169,300,355	169,349,269	169,418,598	<b>169,514,672</b>

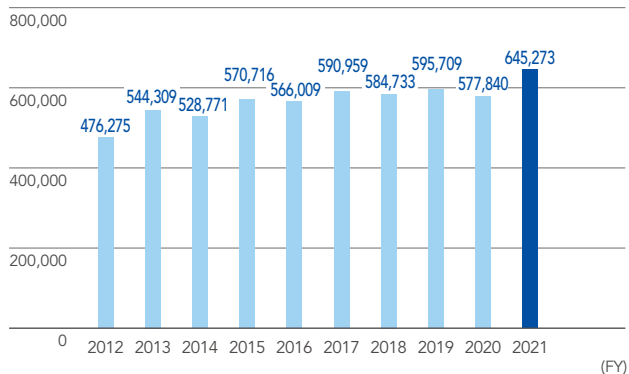
\*<sup>3</sup> Starting from FY2017, the currency conversion method for overseas Group companies' profit and loss was changed from the method using rates on the last day of each term to the method using average rates during each term. In accordance with this change, the figures for FY2013 onward in this report have been revised retroactively.

\*<sup>4</sup> We have adopted new standards for revenue recognition from FY2021. In accordance with this change, figures from FY2013 onward in this report have been revised retroactively.

# Financial Highlights

## Net Sales

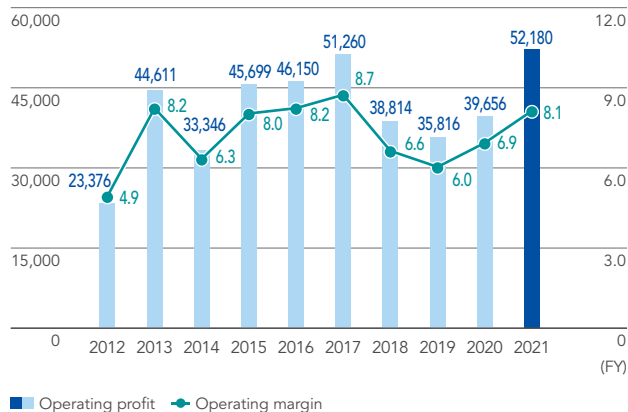
(Million yen)



## Operating Profit / Operating Margin

(Million yen)

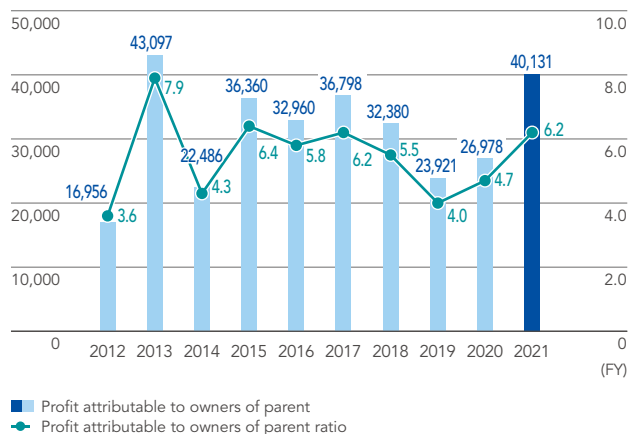
(%)



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

(Million yen)

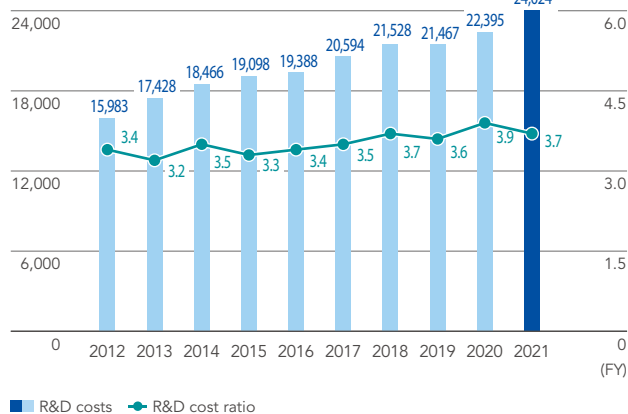
(%)



## R&D Costs / R&D Cost Ratio

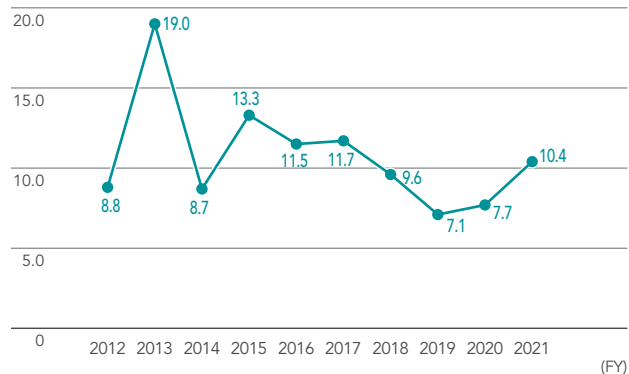
(Million yen)

(%)



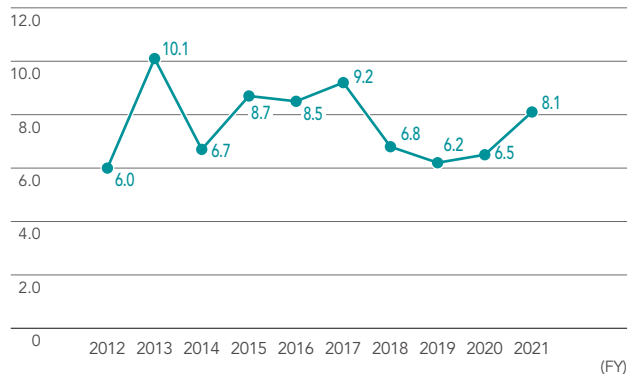
## ROE (Net profit base)

(%)



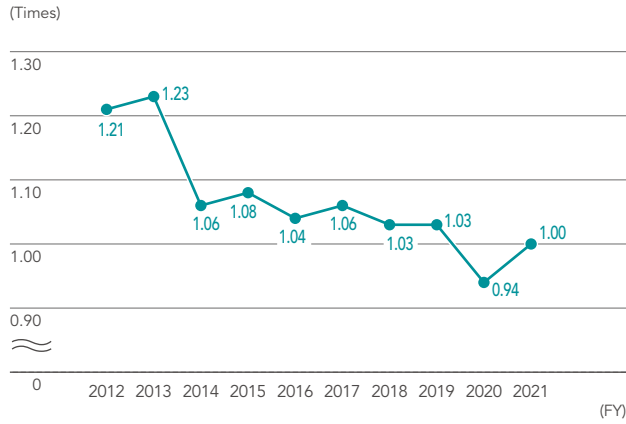
## ROA (Operating profit base)

(%)

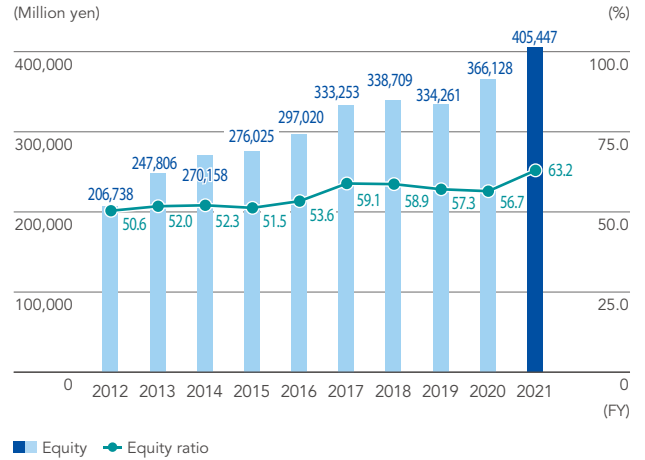




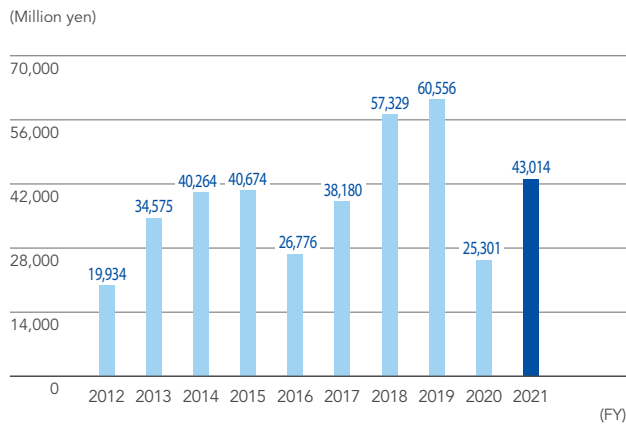
### Total Asset Turnover



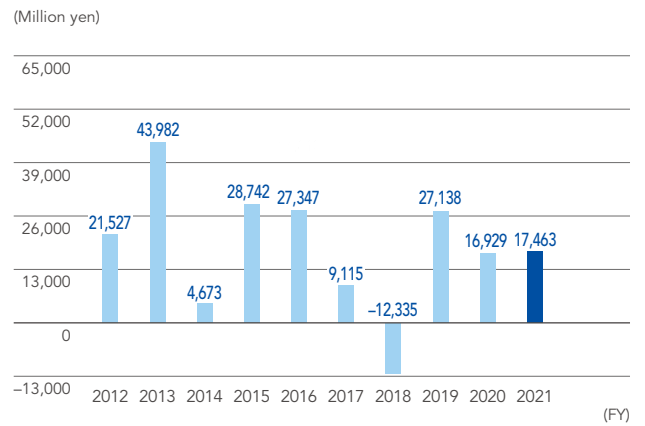
### Equity / Equity Ratio



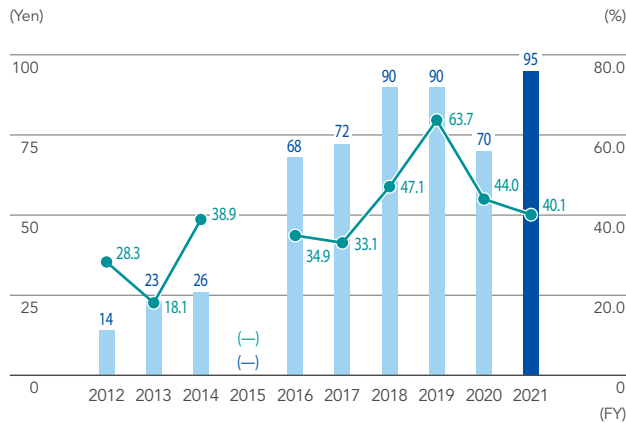
### Capital Investment



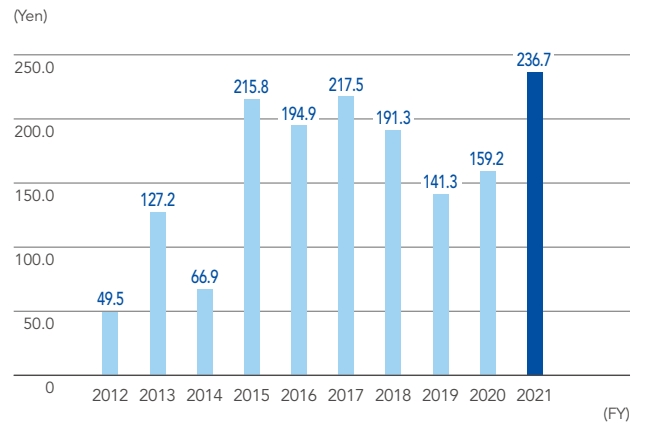
### Free Cash Flow



### Dividends per Share\* / Payout Ratio\*



### EPS



\* We have changed the number of shares constituting one unit to 100 shares from 1,000 shares and also consolidated its shares (consolidated 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.

# Non-FINANCIAL DATA

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## Report Policy

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<b>Boundary</b>	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.
<b>Period covered by this report</b>	FY2021(Japan: April 1, 2021 to March 31, 2022 / Overseas: January 1, 2021 to December 31, 2021)
<b>Per unit of sales</b>	As noted on page 2, net sales figures have been retroactively revised due to the adoption of the new standards for revenue recognition. However, as the impact on figures per unit of sales of each environmental performance is insignificant, the figures per unit of sales have not been retroactively revised.
<b>Independent assurance</b>	The Environmental Performance Data and Social Performance Data indicated with <input checked="" type="checkbox"/> for FY2021 have been assured by KPMG AZSA Sustainability Co., Ltd. However “per unit of sales” of each data is not covered.

# TOTO Global Environmental Targets

Goals	Main Initiatives	Indicators	Cat.	FY2020 (Results)	FY2021 (Results)	FY2023 (Targets)
Cleanliness, comfort and the environment	Rolling out clean, comfortable and eco-friendly products	Percentage of sustainable products	◆	69% (Japan) 74% (Overseas) 56%	70% (Japan) 75% (Overseas) 59%	73% (Japan) 80% (Overseas) 61%
Cleanliness and Comfort	Global expansion of clean and comfortable toilets	Percentage of TORNADO FLUSH units shipped (overseas)		46%	53%	56%
		Number of WASHLET units shipped (overseas)		0.77 million units	0.92 million units	1.34 million units
		EWATER+ WASHLET rollout percentage (overseas)		35%	50%	62%
Environment	Alleviating water stress through the widespread adoption of water-saving products	Reduction in water consumption during product use* <sup>1</sup>	◆	0.9 billion m <sup>3</sup>	1.0 billion m <sup>3</sup>	1.1 billion m <sup>3</sup>
		Total CO <sub>2</sub> emissions from business sites	◆	307 thousand tons	352 thousand tons	294 thousand tons
	Achieving carbon neutrality	Reduction in CO <sub>2</sub> emissions due to implemented measures		38 thousand tons	10 thousand tons	42 thousand tons
		Reduction in CO <sub>2</sub> emissions during product use* <sup>1</sup>		3.21 million tons	3.35 million tons	3.6 million tons
Social contribution activities entrenched in local communities	Number of projects that help solve local issues (cumulative number from FY2018)		96 cases	116 cases	150 cases	
Relationships	Improved customer satisfaction	Customer satisfaction in after-sales service* <sup>2</sup>	◆	92 pt	93 pt	94 pt
		Showroom satisfaction (Japan)	◆	73 pt	75 pt	75 pt
	Promotion of employee volunteer activities	Percentage of employees taking part in volunteer activities (total number of participants / number of consolidated employees = participation rate)		67%	84%	100% or more
		Employee satisfaction (Japan)	◆	74 pt	75 pt	76 pt
	Become a company that is pleasant to work at	Percentage of female managers (Japan)		14%	16%	21%
		Employee turnover rate due to life events (Japan)* <sup>3</sup>		2.1%	1.4%	0%

\*<sup>1</sup> Reduction effect when compared with the case where products of 2005 continue to be used.

◆: WILL2030 long-term goals

\*<sup>2</sup> Scope: Japan, Americas, Europe, Mainland China, Taiwan Region, India, Thailand, Vietnam

\*<sup>3</sup> Job turnover rate for employees raising children or providing nursing care but still wish to work.

## 11th Global Environmental Action Plan

Evaluation Index (KPI)	Scope	Base Year	FY2021(Results)	FY2023 (Targets)
Reduction in water consumption during product use*	Japan/Overseas	—	1.0 billion m <sup>3</sup>	<b>1.1 billion m<sup>3</sup></b>
Reduction in CO <sub>2</sub> emissions during product use*	Japan/Overseas	—	3.35 million tons	<b>3.6 million tons</b>
Total CO <sub>2</sub> emissions from business sites	Japan/Overseas	—	352 thousand tons	<b>294 thousand tons</b>
Reduction in CO <sub>2</sub> emissions due to implemented measures	Japan/Overseas	FY2020	10 thousand tons	<b>42 thousand tons</b>
Renewable energy introduction rate	Japan/Overseas	—	15%	<b>70%</b>
Quantity of water consumption	Japan/Overseas	—	2.67million m <sup>3</sup>	<b>3.29 million m<sup>3</sup></b>
Reduction in water use per unit	Japan/Overseas	FY2018	16.8%	<b>5.0%</b>
Reduction of fuel used for transportation per unit	Japan	FY2013	9.5%	<b>10.0%</b>
Reduction rate of the use of packaging materials	Japan	FY2013	9.6%	<b>10.0%</b>
Reduction rate of waste at the production sites (reduction of production output intensity)	Japan	FY2017	12.5%	<b>3.0%</b>
Recycling rate at the production sites	Japan	—	99.9%	<b>99% or more</b>
	Overseas	—	99.3%	<b>98% or more</b>
Usage rate of legal and recycled materials for wood-based materials used in products	Japan	—	100%	<b>100%</b>
	Overseas	—	100%	
	Total	—	100%	
Violations of related environmental laws	Japan	—	0 cases	<b>0 cases</b>
	Overseas	—	0 cases	
	Total	—	0 cases	

\* Reduction effects compared to if 2005-era products continued to be distributed.

# Environmental Performance Data

## GHG Emissions

(FY)

Indicators	Unit	2017	2018	2019	2020	2021
Scope 1 + 2 + 3	thousand tons CO <sub>2</sub>	21,213	19,573	20,957	19,839	<b>19,990</b>
Scope 1 + 2	thousand tons CO <sub>2</sub>	363	357	350	307	<b>352</b>
Scope 1	thousand tons CO <sub>2</sub>	181	179	182	167	<b>188</b> <input checked="" type="checkbox"/>
Direct GHG emissions from non-energy processes	thousand tons CO <sub>2</sub>	4	5	5	4	<b>5</b>
(per unit of sales)	tons CO <sub>2</sub> /million yen	0.30	0.30	0.30	0.29	<b>0.29</b>
Scope 2	thousand tons CO <sub>2</sub>	182	176	168	140	<b>164</b> <input checked="" type="checkbox"/>
(per unit of sales)	tons CO <sub>2</sub> /million yen	0.30	0.30	0.28	0.24	<b>0.25</b>
Scope 3 total	thousand tons CO <sub>2</sub>	20,850	19,216	20,608	19,532	<b>19,638</b>
Category 11*	thousand tons CO <sub>2</sub>	19,925	18,293	19,650	18,562	<b>18,426</b> <input checked="" type="checkbox"/>
Other categories	thousand tons CO <sub>2</sub>	925	923	958	970	<b>1,212</b>

\* From FY2021, we changed the method of applying CO<sub>2</sub> emission factors for electricity, water, and gas (For details, refer to "Calculation Method of Environmental Performance Data"). Based on the calculation method before the change, scope 3 category 11 2021, 20,315 thousand tons CO<sub>2</sub>, scope 3 total, 21,527 thousand tons CO<sub>2</sub>.

## Energy Consumption

(FY)

Indicators	Unit	2017	2018	2019	2020	2021
Quantity of energy consumption*	MWh	1,261,671	1,274,732	1,282,770	1,198,805	<b>1,350,455</b> <input checked="" type="checkbox"/>
(per unit of sales)	MWh/million yen	2.14	2.18	2.15	2.07	<b>2.09</b>
Quantity of non-renewable energy consumption	MWh	1,261,489	1,259,844	1,249,313	1,151,624	<b>1,291,489</b> <input checked="" type="checkbox"/>
Quantity of fuel consumption	MWh	930,311	930,511	928,797	851,679	<b>963,366</b> <input checked="" type="checkbox"/>
(per unit of sales)	MWh/million yen	1.57	1.59	1.56	1.47	<b>1.49</b>
Quantity of electric power consumption	MWh	322,186	320,632	312,166	291,868	<b>315,155</b> <input checked="" type="checkbox"/>
(per unit of sales)	MWh/million yen	0.54	0.55	0.52	0.50	<b>0.49</b>
Quantity of other types of energy consumption	MWh	8,992	8,701	8,351	8,077	<b>12,969</b> <input checked="" type="checkbox"/>
(per unit of sales)	KWh/million yen	15.18	14.85	14.00	13.98	<b>20.10</b>
Quantity of renewable energy consumption	MWh	182	14,888	33,457	47,181	<b>58,966</b> <input checked="" type="checkbox"/>
(per unit of sales)	KWh/million yen	0.30	25.40	56.09	81.22	<b>91.38</b>
Energy cost	million yen	8,449	8,928	8,852	7,774	<b>10,093</b>

\* Until FY2020, the unit of quantity of energy consumption was PJ. The unit of quantity of energy consumption was changed to MWh from PJ from FY2021. With this change in the unit, the quantity of energy consumption from FY2017 to FY2020 was recalculated in MWh.

## Water Consumption and Wastewater

(FY)

Indicators	Unit	2017	2018	2019	2020	2021
Quantity of water consumption	thousand m <sup>3</sup>	2,855	2,968	2,899	2,631	<b>2,675</b> <input checked="" type="checkbox"/>
(per unit of sales)	m <sup>3</sup> /million yen	4.82	5.06	4.86	4.53	<b>4.15</b>
Groundwater consumption	thousand m <sup>3</sup>	476	474	438	387	<b>463</b>
Wastewater	thousand m <sup>3</sup>	1,796	1,714	1,592	1,904	<b>1,860</b>
(per unit of sales)	m <sup>3</sup> /million yen	3.03	2.92	2.67	3.28	<b>2.88</b>
Reused water	thousand m <sup>3</sup>	1,711	1,773	2,028	1,844	<b>2,163</b>



## Waste

(FY)

Indicators	Unit	2017	2018	2019	2020	2021	
Waste generated	thousand tons	123.2	130.8	134.3	128.1	<b>142.5</b>	✓
(per unit of sales)	kg/million yen	208.0	223.3	225.1	220.5	<b>220.8</b>	
Hazardous waste generated	thousand tons	0.3	0.3	0.2	0.1	<b>0.2</b>	✓
(per unit of sales)	kg/million yen	0.47	0.51	0.34	0.17	<b>0.31</b>	
Final disposal	thousand tons	24.3	22.0	28.3	24.8	<b>22.3</b>	✓
(per unit of sales)	kg/million yen	41.1	37.5	47.4	42.7	<b>34.6</b>	
Recycling amount	thousand tons	98.9	108.8	106.0	103.3	<b>120.2</b>	✓
(per unit of sales)	kg/million yen	167.0	185.7	177.7	177.8	<b>186.3</b>	
Recycling rate*	%	99.2	98.6	96.2	99.5	<b>99.5</b>	
(Japan)	%	100.0	99.9	99.9	99.7	<b>99.9</b>	
(Overseas)	%	98.9	98.1	94.7	99.5	<b>99.3</b>	

\* 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	2017	2018	2019	2020	2021	
Chemical substance emissions	t	30.7	32.5	26.6	22.0	<b>26.8</b>	
(per unit of sales)	kg/million yen	0.05	0.05	0.04	0.04	<b>0.04</b>	
SOx emissions*	t	67.9	91.7	101.3	65.4	<b>81.7</b>	✓
(per unit of sales)	kg/million yen	0.11	0.16	0.17	0.11	<b>0.13</b>	
NOx emissions*	t	220.0	254.6	187.2	163.6	<b>150.4</b>	✓
(per unit of sales)	kg/million yen	0.37	0.44	0.32	0.28	<b>0.23</b>	
Dust emissions*	t	59.8	98.4	58.8	48.7	<b>43.6</b>	✓
(per unit of sales)	kg/million yen	0.10	0.17	0.10	0.08	<b>0.07</b>	
VOC emissions	t	28.4	29.4	26.5	21.9	<b>26.7</b>	
(per unit of sales)	kg/million yen	0.04	0.05	0.04	0.04	<b>0.04</b>	

\* Until FY2020, one consolidated subsidiary calculated its atmospheric emissions based on theoretical calculations for the amount of exhaust gas from its facilities. Since FY2021, however, the calculation has been revised to reflect the actual emissions based on the actual volume of exhaust gas in order to appropriately represent actual conditions. Accordingly, we have retroactively revised results up to FY2017.

## Raw Materials Used

(FY)

Indicators	Unit	2017	2018	2019	2020	2021
Amount of raw materials used	thousand tons	604	685	589	564	<b>649</b>

## Percentage of Legally-Obtained and Recycled Wood Materials

(FY)

Indicators	Unit	2017	2018	2019	2020	2021
Legally-obtained wood materials	%	25	5	7	6	<b>15</b>
Recycled wood materials	%	75	95	93	94	<b>85</b>
Others	%	0	0	0	0	<b>0</b>
Total	%	100	100	100	100	<b>100</b>

## ISO 14001 Certification Acquisition

(FY)

Indicators	Unit	2017	2018	2019	2020	2021
Percentage of ISO 14001 certification acquisition*	%	73.2	71.4	75.4	75.9	<b>73.9</b>

\* Percentage of employees at ISO 14001 certificated locations among all employees.

# Social Performance Data

## Customers

(FY)

Indicators	Unit	2017	2018	2019	2020	2021
Customer satisfaction in after-sales service (Japan/Overseas)	points	—	—	—	—	93.2
Customer satisfaction surveys (Japan)						
After-sales service satisfaction rate	points	90.7	91.5	91.3	91.6	92.8
Total satisfaction index of the showrooms	points	69.9	71.0	72.0	73.4	74.7
Ratio of customers impressed with bath module assembly	%	57.5	64.1	67.9	69.6	70.7
Evaluations on customer response quality*	points	(69.0)	(70.3)	(68.8)	(76.3)	78.8

\* Evaluations on customer response quality: Evaluation method was changed from FY2020. (FY2017 to FY2019 are listed as reference values because they are evaluation points under the previous evaluation method.)

## ISO 9001 Certification Acquisition

(FY)

Indicators	Unit	2017	2018	2019	2020	2021
Percentage of ISO 9001 certification acquisition*	%	74.9	71.8	76.3	76.4	74.5

\* Percentage of employees at ISO 9001 certificated locations among all employees.

## Status of Employment

(FY)

Indicators	Unit	2017	2018	2019	2020	2021
Group total number of employees	(no. of personnel)	34,208	35,498	35,329	35,613	36,853 <input checked="" type="checkbox"/>
Full-time employees	(no. of personnel)	28,669	29,995	30,254	30,839	31,777
Contract employees	(no. of personnel)	3,483	3,448	3,237	2,927	2,779
Temporary employees	(no. of personnel)	2,056	2,055	1,838	1,847	2,297
Number of graduate recruits (Japan)	(no. of personnel)	305	317	252	214	232
Average number of years of continuous service* <sup>1</sup>	years	(Male) 19.9 (Female) 12.1	(Male) 16.2 (Female) 11.0	(Male) 16.5 (Female) 11.4	(Male) 16.9 (Female) 11.9	(Male) 17.2 (Female) 12.4
Voluntary employee turnover rate (Japan)	%	2.0	2.3	2.3	1.8	2.1
Employee turnover rate due to life events (Japan)* <sup>2</sup>	%	6.1	3.4	2.9	2.1	1.4

\*<sup>1</sup> Covers full-time employees/contract employees of TOTO LTD. in FY2017. From FY2018, covers full-time employees/contract employees of the TOTO Group (Japan).

\*<sup>2</sup> Job turnover rate for employees raising children or providing nursing care but still wish to work.

## Diversity

(FY)

Indicators	Unit	2017	2018	2019	2020	2021
Percentage of female managers*	%	13.8	14.4	15.6	17.0	18.6 <input checked="" type="checkbox"/>
(Japan)	%	9.2	10.9	12.3	14.0	15.5 <input checked="" type="checkbox"/>
(Overseas)	%	28.1	26.5	26.6	26.6	27.5 <input checked="" type="checkbox"/>
Ratio of employees with disabilities (Japan)	%	2.60	2.61	2.58	2.63	2.53

\* In FY2017, the number of managers seconded from domestic group companies to overseas group companies was totaled under the category of "Japan." From FY2018, the method was changed to totaling it under the category of "overseas" in order to calculate according to the work location of the management staff.

## Work-Life Balance

(FY)

Indicators	Unit	2017	2018	2019	2020	2021
Work hours (Japan)						
Average hours actually worked per year	hours per person	1,991.1	1,969.8	1,936.6	1,910.4	<b>1,924.6</b>
Average hours of overtime per month	hours per person	16.0	15.1	14.2	11.7	<b>13.4</b>
Percentage of paid holidays taken (Japan)	%	74.6	80.8	89.8	89.1	<b>91.2</b> <input checked="" type="checkbox"/>
Number of people using reduced work hour and leave systems (Japan)						
Childcare leave	(no. of personnel)	150	130	137	160	<b>200</b>
Reduced work hours for childcare	(no. of personnel)	318	354	328	315	<b>318</b>
Nursing care leave	(no. of personnel)	3	4	7	3	<b>12</b>
Reduced work hours for nursing care	(no. of personnel)	4	4	10	11	<b>9</b>

## Occupational Safety and Health

(FY)

Indicators	Unit	2017	2018	2019	2020	2021
Lost time injury frequency rate						
TOTO Group employees*		0.29	0.19	0.19	0.16	<b>0.22</b> <input checked="" type="checkbox"/>
TOTO Group contractors (in-plant cooperative firm)		0.00	0.15	0.15	0.00	<b>0.32</b> <input checked="" type="checkbox"/>
Occupational illness frequency rate						
TOTO Group employees		0.00	0.00	0.03	0.00	<b>0.00</b> <input checked="" type="checkbox"/>
Number of work-related fatalities						
TOTO Group employees	(no. of personnel)	0	0	0	0	<b>0</b> <input checked="" type="checkbox"/>
TOTO Group contractors (in-plant cooperative firm)	(no. of personnel)	0	0	0	0	<b>0</b>

\* Accidents that occurred during FY2020 were reviewed for certification during the fiscal year and were certified as lost time injuries in FY2021. Accordingly, we have added these cases to the FY2020 occupational injury count and revised the frequency rate of lost time injuries.

## Human Resource Development

(FY)

Indicators	Unit	2017	2018	2019	2020	2021
Average training time per employee (Japan)	hours per person	14.9	14.8	15.3	16.7	<b>17.2</b>

## Employee Satisfaction

(FY)

Indicators	Unit	2017	2018	2019	2020	2021
Employee satisfaction (Japan)	pt	73.3	72.3	73.0	74.4	<b>75.2</b>

## Supply Chain Management

(FY)

Indicators	Unit	2017	2018	2019	2020	2021
Number of suppliers who have participated in the assessment survey	no. of suppliers	336	422	335	722	<b>498</b>
Achievement rate of compliance with the TOTO standards	%	100	100	100	100	<b>100</b>

## Social Contribution

(FY)

Indicators	Unit	2017	2018	2019	2020	2021
Amount spent on social contribution	billion yen	1.38	1.39	1.30	1.27	<b>1.27</b>
Percentage of employees taking part in volunteer activities	%	100% or more	100% or more	100% or more	67	<b>84</b>

## TOTO Water Environment Fund

Indicators	Unit	12th (2017–2019)	13th (2018–2020)	14th (2019–2021)	15th (2020–2022)	16th (2021–2023)
Organizations	no. of organizations	35	10	10	10	<b>12</b>
Grant assistance	million yen	95.3	17.5	24.7	26.6	<b>27.5</b>



# Calculation Method of Environmental Performance Data

Indicators	Calculation Method
Scope 1	CO <sub>2</sub> emissions from the use of fuel + Non-CO <sub>2</sub> and Non-energy CO <sub>2</sub> sources. [CO <sub>2</sub> emission coefficients] "Guidelines for Calculation of Greenhouse Gas Emissions (Version 4.7)" published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan.
Scope 2	CO <sub>2</sub> emissions from purchased electricity and heat. [CO <sub>2</sub> emission coefficients from electricity] CO <sub>2</sub> emission coefficients from electricity purchased based on TOTO Group contracts. [CO <sub>2</sub> emission coefficients from steam] "Guidelines for Calculation of Greenhouse Gas Emissions (Version 4.7)" 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)	Lifetime* <sup>1</sup> CO <sub>2</sub> emissions* <sup>2</sup> per unit from major products* <sup>3</sup> × Sales quantity. * <sup>1</sup> Duration of use by product classification (defined by TOTO). * <sup>2</sup> CO <sub>2</sub> emissions from consumption of water and energy based on specifications and usage models (based on reports from the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan, the information published by industry associations and research articles, etc.) by sales areas. * <sup>3</sup> Toilets, WASHLET, faucets, urinals (only in Japan) and bathtubs (only in Japan). [CO <sub>2</sub> emission coefficients from electricity (Japan)] The FY2020 CO <sub>2</sub> Emissions Report (reported values) from the Electric Power Council for a Low Carbon Society (ELCS). Until FY2020, we used the same (adjust basis) five-year average (from FY2009 to FY2013). [CO <sub>2</sub> emission coefficients from electricity (overseas)] IEA (International Energy Agency), "CO <sub>2</sub> Emissions from Fuel Combustion 2020." Used IEA (International Energy Agency), "CO <sub>2</sub> Emissions from Fuel Combustion 2017" until FY2020. [CO <sub>2</sub> emission coefficients from water (Japan)] Japan Sanitary Equipment Industry Association, "CO <sub>2</sub> Conversion Coefficients from Water." [CO <sub>2</sub> emission coefficients from water (overseas)] CO <sub>2</sub> emission coefficients from water in sales areas (figures published in reports and other materials by the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan. Some of the figures are based on their neighboring or similar countries. Reflects changes to electricity coefficients in each area for [CO <sub>2</sub> emission coefficients from electricity (overseas)]. Until FY2020, changes to electricity coefficients were not reflected. [CO <sub>2</sub> emission coefficients from gas] "Guidelines for Calculation of Greenhouse Gas Emissions (Version 4.7)" published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan.
Scope 3 Other categories	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, 13 and 15. Calculated based on the "Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Version 2.4)" 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. [Heating value per unit] "Guidelines for Calculation of Greenhouse Gas Emissions (Version 4.7)" published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan.
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 consumed 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 valuable resources). However, general waste other than waste paper and corrugated cardboard generated at non-manufacturing sites is not included because the amount is small. Furthermore, based on a wide-ranging certification system, waste, such as packaging material, collected from customers and other sources is also not included.
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.
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. It was calculated by multiplying the amount of exhaust gas (actual measured value) by the concentration in exhaust gas (actual measured value).
NOx emissions	
Dust emissions	
VOC emissions	Total air emissions related to the use of volatile organic compounds (VOCs) at business sites in Japan.
Amount of raw materials used	Total amount of raw materials used in business activities. Calculated based on weight composition in major products.
Usage rate of legal and recycled materials for wood-based materials	Percentage of legal and recycled materials in wood materials and wood products (volume) procured in each fiscal year.
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/en/company/csr/environment/clean/risk\\_attempt/](https://jp.toto.com/en/company/csr/environment/clean/risk_attempt/)

# 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. Evaluation method was changed from FY2020. (FY2017 to FY2019 are listed as reference values because they are evaluation points under the previous evaluation method.)
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. Japanese companies calculate data based on March 31, and overseas companies calculate data based on data as of December 31 every fiscal year. Therefore, the number of employees in the Integrated Report, in which overseas data were calculated based on data as of the end of March, does not match this data.
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. in FY2017.
Voluntary employee turnover rate	Data for full-time employees of the TOTO Group (Japan).
Employee turnover rate due to life events	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. Data for full-time employees of the TOTO Group (Japan).
Percentage of female managers	Percentage of women among all managers in the TOTO Group. Positions calculated as managerial posts indicate the level of section chief and above, among full-time and contract 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. In FY2017, the number of managers seconded from group companies in Japan to these outside Japan was totaled under the category of "Japan." Since FY2018, the method was 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).
Average hours of overtime per month	Data for full-time/contract employees of the TOTO Group (Japan).
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). Data for full-time/contract employees of the TOTO Group (Japan). Since 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 (e.g. employees seconded to positions overseas have been excluded). In addition, since FY2021, the Company has changed the scope of calculation to exclude employees seconded to companies outside the TOTO Group.
Number of people using reduced work hour and leave systems	Data for full-time/contract employees of TOTO LTD. From FY2021, calculations were revised for reduced work hours for childcare and reduced work hours for nursing care as of April 1 of each fiscal year. A retroactive revision was made to the figures from FY2017 for the improvement of accuracy.

Lost time injury frequency rate	<p>Number of lost time injuries per 1 million hours worked.</p> <p>The data covers manufacturing and research &amp; 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 the TOTO Group's management for safety and health, are included.</p> <p>"TOTO Group contractors" cover the TOTO Group's overall contractors. 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.</p>
Occupational illness frequency rate	<p>Number of incidences of illness in the course of employment per 1 million hours worked. (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>*Exception: Heat stroke, burns, back pain, and other sudden illnesses are included in work-related injuries, not occupational illnesses.</p> <p>It covered employees of the manufacturing and research &amp; development sectors of the whole TOTO Group (Japan and other countries).</p>
Number of work-related fatalities	Data for the whole TOTO Group (Japan and other countries).
Average training time per employee	From FY2021, changes were made to the calculation method for the TOTO Group (Japan). A retroactive revision was made to the figures from FY2017 for the improvement of accuracy.
Employee satisfaction	<p>Data for full-time/contract/temporary employees of the TOTO Group (Japan).</p> <p>Calculated based on the overall score (average value of comparable items for 3 years) from TOTO Group Awareness Survey of employees.</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.
Percentage of employees taking part in volunteer activities	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, 2021 to March 31, 2022 (with the exception of the Indicator “Ratio of female managers (Japan)” which is as of April 1, 2022) included in its TOTO GROUP Integrated Report 2022 Financial and Non-Financial Data (the “Data”) for the fiscal year ended March 31, 2022.

### **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 site visits.
- 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 Data 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.

*Shinnosuke Kayumi*

Shinnosuke Kayumi, Director  
KPMG AZSA Sustainability Co., Ltd.  
Osaka, Japan  
June 24, 2022

**TOTO**

Life Anew