



May 26, 2025

To whom it may concern

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Notice Concerning Recording of Extraordinary Losses Due to Structural Reform for Mainland China Business

TOTO LTD. (the "Company") hereby announces the recording of extraordinary losses in connection with the structural reform for the Mainland China Business announced on April 28, 2025.

1. Overview of Implementation

For the structural reform in terms of production in mainland China, two bases out of the sanitary ware manufacturing bases in mainland China, TOTO (Beijing) Co., Ltd. and TOTO East China Co., Ltd, will be closed and liquidated, and the personnel will be optimized. As a result, operating rates, productivity, and eco-friendliness will be improved with a two-base system including a new factory.

The Company plans to record expenses for this structural reform as extraordinary losses of approximately ¥15.0 billion in the consolidated financial results for the fiscal year ending March 31, 2026. These expenses have already been factored into the consolidated earnings forecasts for the fiscal year ending March 31, 2026 announced on April 28, 2025.

2. Future outlook

The implementation of the structural reform is anticipated to result in an improvement in profit of approximately ¥7.0 billion for the full fiscal year ending March 31, 2027 on a consolidated basis. The Company as a whole will join forces to advance this structural reform designed to revitalize the Mainland China Business. We will strive to contribute to realizing clean, comfortable and healthy lifestyles by providing products with high value for customers in all regions including mainland China, as well as to creating a sustainable society with environmentally friendly products.

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