DISCLAIMER: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

April 30, 2026

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

Company name: TOTO LTD.
Listing: Tokyo Stock Exchange, Nagoya Stock Exchange, Fukuoka Stock Exchange
Securities code: 5332
URL: https://jp.toto.com
Representative: Shinya Tamura President & Representative Director
Inquiries: Takafumi Shinozaki General Manager Management Planning Department
Telephone: +81-3 (6836) 2024
Scheduled date of annual general meeting of shareholders: June 23, 2026
Scheduled date to commence dividend payments: June 4, 2026
Scheduled date to file annual securities report: June 16, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

**1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)**

**(1) Consolidated operating results** (Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|---|---|---|---|---|---|---|---|---|
| Fiscal year ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| March 31, 2026 | 737,441 | 1.8 | 53,759 | 10.9 | 60,689 | 20.5 | 40,257 | 230.8 |
| March 31, 2025 | 724,454 | 3.2 | 48,479 | 13.4 | 50,369 | (2.2) | 12,168 | (67.3) |

Note: Comprehensive income For the fiscal year ended March 31, 2026: 40,528 million yen [ 8.8%]
For the fiscal year ended March 31, 2025: 37,264 million yen [ (44.3) %]

| | Basic earnings per share | Diluted earnings per share | Return on equity | Ratio of ordinary profit to total assets | Ratio of operating profit to net sales |
|---|---|---|---|---|---|
| Fiscal year ended | Yen | Yen | % | % | % |
| March 31, 2026 | 243.01 | 242.91 | 7.7 | 7.4 | 7.3 |
| March 31, 2025 | 71.73 | 71.68 | 2.4 | 6.3 | 6.7 |

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended March 31, 2026: 1,479 million yen
For the fiscal year ended March 31, 2025: 1,260 million yen

**(2) Consolidated financial position**

| | Total assets | Net assets | Equity-to-asset ratio | Net assets per share |
|---|---|---|---|---|
| As of | Millions of yen | Millions of yen | % | Yen |
| March 31, 2026 | 827,483 | 533,914 | 63.8 | 3,211.88 |
| March 31, 2025 | 813,924 | 530,404 | 64.1 | 3,077.00 |

Reference: Equity
As of March 31, 2026: 528,085 million yen
As of March 31, 2025: 522,057 million yen

**(3) Consolidated cash flows**

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|---|---|---|---|---|
| Fiscal year ended | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| March 31, 2026 | 71,240 | (21,816) | (38,555) | 131,188 |
| March 31, 2025 | 71,381 | (38,383) | (19,007) | 120,702 |

**2. Cash dividends**

| | Annual dividends per share | | | | | Total cash dividends (Total) | Payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|---|---|---|---|---|---|---|---|---|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| Fiscal year ended March 31, 2025 | - | 50.00 | - | 50.00 | 100.00 | 16,965 | 139.4 | 3.3 |
| Fiscal year ended March 31, 2026 | - | 50.00 | - | 60.00 | 110.00 | 18,085 | 45.3 | 3.5 |
| Fiscal year ending March 31, 2027 (Forecast) | - | 60.00 | - | 60.00 | 120.00 | | - | |

**3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)**

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|---|---|---|---|---|---|---|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Six months ending September 30, 2026 | 370,000 | 5.9 | 23,000 | 10.7 | 22,200 | (3.9) | 19,500 | 121.8 | 118.60 |
| Fiscal year ending March 31, 2027 | 785,000 | 6.4 | 60,000 | 11.6 | 58,500 | (3.6) | 46,000 | 14.3 | 279.78 |

Detailed information on the financial results is provided in the financial results briefing materials released today.

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
(ii) Changes in accounting policies due to other reasons: None
(iii) Changes in accounting estimates: None
(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

| | |
|---|---|
| As of March 31, 2026 | 166,358,397 shares |
| As of March 31, 2025 | 176,981,297 shares |

(ii) Number of treasury shares at the end of the period

| | |
|---|---|
| As of March 31, 2026 | 1,942,038 shares |
| As of March 31, 2025 | 7,316,765 shares |

(iii) Average number of shares outstanding during the period

| | |
|---|---|
| Fiscal Year ended March 31, 2026 | 165,662,358 shares |
| Fiscal Year ended March 31, 2025 | 169,649,722 shares |

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors. For the conditions on which earnings forecasts are predicated and precautions for the use of earnings forecasts, please refer to Appendix P.6 "1. Overview of Operating Results (Outlook for the Next term).

Table of Contents - Attachments

# 1. Overview of Operating Results

## (1) Overview of operating results for the current period

(Review of operating results)

During the fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026) (hereinafter, "fiscal 2025"), despite rapid expansion in AI-related demand worldwide, growth in the global economy has been somewhat moderate, due to heightened uncertainty in economic conditions stemming from U.S. tariff policies and other factors, stagnation in the housing market in major regions, and price increases.

In addition to the above, as the situation in the Middle East deteriorates, concerns are being raised about its impact on the global economy and supply chains.

While economic sentiment in Japan has remained firm due to a moderate recovery, there is a risk that private consumption will be affected if prices continue to rise due to the global situation.

Under this business environment, based on the medium-term management issues WILL2030 STAGE 2 (fiscal 2024 to fiscal 2026), the TOTO Group promoted activities in the two core businesses of the Global Housing Equipment Business and the New Business Domains to achieve the vision defined by the ten-year medium- or long-term management plan "Shared Value Creation Strategy TOTO WILL 2030," which has been implemented since fiscal 2021.

In the Global Housing Equipment Business, we position TOTO's unique products as Sustainable Products, highlighting their balance of "Cleanliness and Comfort; Wellness" with "Environment," and by popularizing these products around the world, we are contributing to an enriched, comfortable, and environmentally friendly society.

Moreover, in the New Business Domains, we are contributing to the evolution of the semiconductor market through developing and offering value of TOTO's one-of-a-kind ceramic products, thereby supporting the transformation of society through DX.

As a result, net sales for fiscal 2025 amounted to 737,441 million yen, an increase of 1.8% year on year, operating profit totaled 53,759 million yen, an increase of 10.9% year on year, ordinary profit stood at 60,689 million yen, an increase of 20.5% year on year. Profit attributable to owners of parent amounted to 40,257 million yen, an increase of 230.8% year on year.

Business results by segment are as follows. Net sales by segment are sales to external customers.

(Overview by segment)

(i) Global Housing Equipment Business

The Global Housing Equipment Business is composed of two business operations: Japan Housing Equipment Business, and International Housing Equipment Business.

Consolidated net sales for fiscal 2025 totaled 669,742 million yen, a decrease of 0.6% year on year, and consolidated operating profit totaled 27,921 million yen, a decrease of 9.7% year on year.

<Japan Housing Equipment Business>

Consolidated net sales for fiscal 2025 stood at 479,663 million yen, a decrease of 0.3% year on year, and consolidated operating profit totaled 20,253 million yen, a decrease of 7.5% year on year.

The TOTO Group is working to boost remodeling demand by proposing better lifestyle value to its customers through tailored services. These services leverage both showrooms and the online web-based platform. This is guided by the "Anshin" Remodeling Strategy, which was launched in fiscal 2018 and has been evolving with each passing year.

In addition, we are promulgating the clean toilet culture that we have created around the world, and strengthening the development and proposal of high added value products with superior hygiene and eco-friendliness features.

On the other hand, viewing the gradual decline in operating profit resulting from various cost increases as a structural issue, we will work to provide new added value to meet changing domestic demand, thoroughly improve the efficiency of assets and business activities, and rebuild a strong business structure, in our aim to achieve a profit margin that exceeds the cost of capital by fiscal 2030.

<International Housing Equipment Business>

(The Americas Business)

Consolidated net sales for fiscal 2025 stood at 75,623 million yen, an increase of 7.3% year on year, and consolidated operating profit totaled 479 million yen, a decrease of 7.0% year on year.

In the United States, we are reinforcing communication of value centered on cleanliness functions in the middle and luxury grade markets, and receiving recognition from customers for our comfort and design in relation to NEOREST, WASHLET and water-saving toilet basins, etc.

In addition, with the aim of strengthening supply systems in the Americas market, in November 2025, we launched production of sanitary ware at a new factory building rebuilt on the existing factory site in the city of Morrow, Georgia. With the expansion of production capacity to 150% of previous levels through the adoption of cutting-edge equipment, we will establish a system that will enable the certain, timely delivery of products to customers.

Additionally, we are strengthening customer contact points and promoting the creation of efficient supply systems, including enhancing our showroom displays and websites, setting up sales systems through e-commerce and retail chain stores, and establishing after-sales service systems.

(Asia-Oceania Business)

Consolidated net sales for fiscal 2025 stood at 54,914 million yen, an increase of 9.3% year on year, and consolidated operating profit totaled 10,239 million yen, an increase of 24.3% year on year.

In the Asian Region, we are promoting business activities that leverage the recognition of TOTO as a luxury-grade brand. In the Taiwan Region, among others, we are tapping into remodeling demand through efforts that involve strengthening customer contact points based on WASHLET while also improving training of sales staff and upgrading display content in showrooms. In other regions such as Vietnam, India, and the Middle East, we are engaging in efforts that involve strengthening sales capabilities, quantitatively and qualitatively improving customer contact points, and establishing after-sales service systems with the aim of achieving medium-term growth. As part of those efforts, in the Middle Eastern region, we established a local subsidiary, TOTO AR Company, in Riyadh, the capital of Saudi Arabia, in September 2025.

We are also actively strengthening order intake for high-profile properties, such as five-star hotels, by engaging in aggressive promotion activities for NEOREST and WASHLET in each country and region.

At the same time, we are enhancing our production systems as our worldwide supply bases, and promoting activities as a corporation with deep roots in each country and region.

(Europe Business)

Consolidated net sales for fiscal 2025 stood at 5,677 million yen, an increase of 16.3% year on year, and consolidated operating loss was 428 million yen, compared with a consolidated operating loss of 812 million yen for fiscal 2024.

In Europe, we are strengthening initiatives for value appeal through sales of products with refined designs popular with European customers and through showroom exhibitions while promoting the TOTO brand globally.

In Germany, we have assigned priority to promoting our activities and have accordingly been focusing on cooperating with dealers and also exploring for new contractors to expand the number of contractors. Amid these efforts, at ISH 2025, one of the world's largest housing equipment exhibitions, held in March 2025, we were once again the sole exhibitor in the main exhibition hall "Forum0," as was the case at the previous exhibition. Our promotion and communication of our brand value at this exhibit resulted in high praise from many customers.

In the United Kingdom and France, we have been raising recognition and promoting adoption of clean and comfortable high value added products centered around NEOREST and WASHLET at prestigious sites such as five-star hotels.

(Mainland China Business)

Consolidated net sales for fiscal 2025 stood at 53,863 million yen, a decrease of 19.5% year on year, and consolidated operating loss was 6,934 million yen, compared with a consolidated operating loss of 3,554 million yen for fiscal 2024.

Alongside our proprietary technologies and new added value proposals, we are advancing new business strategies, including the launch of products that can respond to rapidly changing markets and products with strong cost competitiveness. Based on the trust in the TOTO brand that we have cultivated over many years, we will concentrate our resources in the remodeling domain, where we can leverage our strengths, and implement meticulous proposals to our customers.

In addition, we will restructure our production system to suit the scale of our operations. This includes closing two sanitary ware factories and optimizing the personnel structure at our other factories. We will also concentrate our operations in factories equipped with state-of-the-art facilities to enhance production efficiency. In doing so, we will flexibly respond to the rapidly changing market environment and shift our business to a stable earnings structure. With a view to securing profitability that exceeds the cost of capital in fiscal 2030, we are promoting business activities to achieve profitability in fiscal 2026.

(ii) New Business Domains

<Ceramics Business>

Consolidated net sales for fiscal 2025 stood at 67,414 million yen, an increase of 34.0% year on year, and consolidated operating profit was 28,943 million yen, an increase of 41.7% year on year.

As replacement demand remained firm due to improved utilization rates at the existing factories of semiconductor device manufacturers, sales of the TOTO Group ceramic products used in semiconductor manufacturing equipment also increased compared with the previous year.

In view of the expected growth of the semiconductor market, including growing global demand for AI, we will focus our efforts on deepening and strengthening the development of fine ceramics technology, particularly electrostatic chucks.

In addition, we will further advance the sophistication of smart factories and realize high-efficiency production through automation and optimization. This will enhance our ability to respond to demand fluctuations, realize steady growth in a rapidly changing market environment through both technological and production innovation, and enhance our presence in the semiconductor supply chain.

(iii) Others

<External awards>

<u>Sustainability-related</u>

The TOTO Group was selected for A List, the highest rating, by CDP, an international non-profit organization that operates a global environmental information disclosure system, for each of our initiatives toward climate change and water security. We have been selected for the third consecutive year for climate change and the second consecutive year for water security, marking our second straight year of being included in the A List for both categories.

We have also been selected in the Top 10% in the Sustainability Yearbook - 2026 Rankings, a sustainability evaluation conducted by S&P Global, a U.S.-based global investment research and evaluation organization.

<u>Design awards</u>

The TOTO Group received the internationally prestigious iF Design Award 2026 in the product design category for “G selection shower,” “AURORA,” and “WASHLET G5B,” all of which are products for overseas markets. We were also awarded for the first time in the user experience (UX) category for “TOTO Wellness UX” for its outstanding customer experience that seamlessly connects technology and health habits. This marks the 13th consecutive year we have received the iF Design Award.

By continuing to pursue the integration of design and technology and popularizing TOTO’s unique products around the world, the TOTO Group will contribute to realizing a “sustainable society” and “clean, comfortable and healthy lifestyles.”

(Outlook for the next term)

For the fiscal year ending March 2027, we are forecasting year-on-year increases in both sales and profits. Specifically, we are projecting net sales of 785,000 million yen, an increase of 6.4% year on year, operating profit of 60,000 million yen, an increase of 11.6% year on year, ordinary profit of 58,500 million yen, a decrease of 3.6% year on year, and profit attributable to owners of parent of 46,000 million yen, an increase of 14.3% year on year.

*Note: Forecasts based on our projections and plans for the future contain unpredictable elements that may cause fluctuations. Accordingly, actual results may differ materially from forecasts.

## (2) Review of financial position for the current period

Consolidated cash and cash equivalents (hereinafter referred to as “funds”) as of March 31, 2026 increased by 10,485 million yen to 131,188 million yen, up from 120,702 million yen at the end of the previous fiscal year.

(Cash flows from operating activities)

Funds provided by operating activities totaled 71,240 million yen. This was due to increases in funds including profit before income taxes of 58,661 million yen and depreciation of 34,360 million yen; and decreases in funds including income taxes paid of 15,864 million yen.

(Cash flows from investing activities)

Funds used in investing activities totaled 21,816 million yen. This was due to increases in funds including proceeds from sale and redemption of short-term and long-term investment securities of 21,084 million yen; and decreases in funds including the purchase of property, plant and equipment of 36,476 million yen and purchase of intangible assets of 6,682 million yen.

(Cash flows from financing activities)

Funds used in financing activities totaled 38,555 million yen. This was due to decreases in funds including dividends paid of 16,703 million yen and purchase of treasury shares of 20,005 million yen.

Trends in cash flow indexes (financial figures on a consolidated basis) are as follows:

| | | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 | Fiscal year ended March 31, 2026 |
|---|---|---|---|---|
| Equity ratio (%) | (*1) | 63.6 | 64.1 | 63.8 |
| Equity ratio based on market value (%) | (*2) | 91.7 | 81.2 | 101.1 |
| Debt redemption period (year) | (*3) | 1.0 | 1.1 | 1.0 |
| Interest coverage ratio (times) | (*4) | 314.0 | 221.8 | 110.3 |

(*1) Equity ratio: Equity / Total assets

(*2) Equity ratio based on market value: Market capitalization / Total assets

- Market capitalization was calculated by multiplying the closing stock price at the end of the period by the total number of issued and outstanding shares at the end of the period (excluding treasury shares).

(*3) Debt redemption period: Interest-bearing debt / Operating cash flow

- Interest-bearing debt includes all liabilities recorded on the consolidated balance sheet on which interest is paid.
- The figure used for operating cash flow is “net cash provided by operating activities” on the consolidated statement of cash flows.

(*4) Interest coverage ratio: Operating cash flow / Interest payments

- Regarding the interest payments, we use “Interest paid” recorded on the consolidated statement of cash flows.

## 2. Basic Rationale for Selecting the Accounting Standards

The TOTO Group uses Japanese accounting standards.
With respect to the adoption of IFRS, we will keep an eye on future trends and study the issue.

## 3. Consolidated Financial Statements and Primary Notes

### (1) Consolidated balance sheet

(Millions of yen)

| | As of March 31, 2025 | As of March 31, 2026 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 122,750 | 132,855 |
| Notes and accounts receivable - trade, and contract assets | 101,468 | 103,192 |
| Merchandise and finished goods | 91,992 | 80,027 |
| Work in process | 15,996 | 15,330 |
| Raw materials and supplies | 26,641 | 26,258 |
| Other | 16,217 | 14,674 |
| Allowance for doubtful accounts | (495) | (237) |
| Total current assets | 374,570 | 372,102 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 99,505 | 108,030 |
| Machinery, equipment and vehicles, net | 81,362 | 77,420 |
| Land | 26,988 | 27,056 |
| Construction in progress | 31,394 | 35,139 |
| Other, net | 22,167 | 20,295 |
| Total property, plant and equipment | 261,418 | 267,941 |
| Intangible assets | | |
| Software | 28,299 | 31,062 |
| Other | 8,160 | 7,921 |
| Total intangible assets | 36,460 | 38,983 |
| Investments and other assets | | |
| Investment securities | 67,536 | 63,431 |
| Long-term loans receivable | 99 | 94 |
| Guarantee deposits | 6,673 | 6,578 |
| Retirement benefit asset | 61,428 | 72,393 |
| Deferred tax assets | 3,413 | 3,004 |
| Other | 2,497 | 3,353 |
| Allowance for doubtful accounts | (173) | (400) |
| Total investments and other assets | 141,475 | 148,455 |
| Total non-current assets | 439,354 | 455,380 |
| Total assets | 813,924 | 827,483 |

(Millions of yen)

| | As of March 31, 2025 | As of March 31, 2026 |
| --- | --- | --- |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 82,583 | 80,716 |
| Short-term borrowings | 23,657 | 23,271 |
| Commercial papers | 43,200 | 43,200 |
| Accounts payable - other | 13,138 | 16,957 |
| Accrued expenses | 38,034 | 40,567 |
| Income taxes payable | 8,207 | 11,701 |
| Accrued consumption taxes | 2,127 | 1,931 |
| Provision for bonuses for directors (and other officers) | 215 | 294 |
| Accrual for loss on inspection and repair of products | 536 | 299 |
| Provision for loss on business restructuring | 268 | - |
| Other | 18,812 | 19,453 |
| Total current liabilities | 230,782 | 238,392 |
| Non-current liabilities | | |
| Long-term borrowings | 1,016 | 1,314 |
| Deferred tax liabilities | 25,119 | 27,070 |
| Retirement benefit liability | 17,690 | 16,556 |
| Other | 8,910 | 10,235 |
| Total non-current liabilities | 52,737 | 55,176 |
| Total liabilities | 283,519 | 293,568 |
| Net assets | | |
| Shareholders’ equity | | |
| Share capital | 35,579 | 35,579 |
| Capital surplus | 29,537 | 29,216 |
| Retained earnings | 360,408 | 356,012 |
| Treasury shares | (13,590) | (5,168) |
| Total shareholders’ equity | 411,935 | 415,639 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 25,480 | 26,455 |
| Foreign currency translation adjustment | 61,541 | 61,750 |
| Remeasurements of defined benefit plans | 23,101 | 24,240 |
| Total accumulated other comprehensive income | 110,122 | 112,446 |
| Share acquisition rights | 218 | 141 |
| Non-controlling interests | 8,128 | 5,687 |
| Total net assets | 530,404 | 533,914 |
| Total liabilities and net assets | 813,924 | 827,483 |

(2) Consolidated statements of income and comprehensive income

Consolidated statement of income

(Millions of yen)

| | Fiscal year ended March 31, 2025 | Fiscal year ended March 31, 2026 |
|---|---|---|
| Net sales | 724,454 | 737,441 |
| Cost of sales | 470,386 | 474,861 |
| Gross profit | 254,068 | 262,579 |
| Selling, general and administrative expenses | 205,588 | 208,820 |
| Operating profit | 48,479 | 53,759 |
| Non-operating income | | |
| Interest income | 881 | 865 |
| Dividend income | 2,272 | 1,997 |
| Share of profit of entities accounted for using equity method | 1,260 | 1,479 |
| Foreign exchange gains | - | 4,381 |
| Other | 1,399 | 1,299 |
| Total non-operating income | 5,813 | 10,023 |
| Non-operating expenses | | |
| Interest expenses | 318 | 736 |
| Loss on retirement of non-current assets | 818 | 1,642 |
| Foreign exchange losses | 1,792 | - |
| Other | 994 | 713 |
| Total non-operating expenses | 3,923 | 3,093 |
| Ordinary profit | 50,369 | 60,689 |
| Extraordinary income | | |
| Gain on sale of non-current assets | - | 84 |
| Gain on sale of investment securities | 8,213 | 14,729 |
| Total extraordinary income | 8,213 | 14,813 |
| Extraordinary losses | | |
| Loss on sale of investment securities | 158 | 54 |
| Loss on valuation of investment securities | 0 | 26 |
| Impairment losses | 34,092 | 1,583 |
| Restructuring expenses | - | 15,176 |
| Total extraordinary losses | 34,251 | 16,840 |
| Profit before income taxes | 24,331 | 58,661 |
| Income taxes - current | 15,345 | 19,443 |
| Income taxes - deferred | (3,538) | 991 |
| Total income taxes | 11,807 | 20,435 |
| Profit | 12,524 | 38,226 |
| Profit (loss) attributable to non-controlling interests | 355 | (2,030) |
| Profit attributable to owners of parent | 12,168 | 40,257 |

Consolidated statement of comprehensive income

(Millions of yen)

| | Fiscal year ended March 31, 2025 | Fiscal year ended March 31, 2026 |
|---|---|---|
| Profit | 12,524 | 38,226 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (7,073) | 976 |
| Foreign currency translation adjustment | 22,186 | 437 |
| Remeasurements of defined benefit plans, net of tax | 8,913 | 1,233 |
| Share of other comprehensive income of entities accounted for using equity method | 714 | (345) |
| Total other comprehensive income | 24,740 | 2,302 |
| Comprehensive income | 37,264 | 40,528 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 36,438 | 42,581 |
| Comprehensive income attributable to non-controlling interests | 825 | (2,052) |

### (3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2025

(Millions of yen)

| | Shareholders' equity | | | | |
|---|---|---|---|---|---|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 35,579 | 29,490 | 365,204 | (13,653) | 416,620 |
| Dividends of surplus | | | (16,964) | | (16,964) |
| Profit attributable to owners of parent | | | 12,168 | | 12,168 |
| Purchase of treasury shares | | | | (9) | (9) |
| Disposal of treasury shares | | 46 | | 72 | 119 |
| Cancellation of treasury shares | | | | | - |
| Transfer from retained earnings to capital surplus | | | | | - |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | 46 | (4,795) | 63 | (4,684) |
| Balance at end of period | 35,579 | 29,537 | 360,408 | (13,590) | 411,935 |

| | Accumulated other comprehensive income | | | | Share acquisition rights | Non-controlling interests | Total net assets |
|---|---|---|---|---|---|---|---|
| | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | | |
| Balance at beginning of period | 32,546 | 39,175 | 14,130 | 85,852 | 244 | 7,839 | 510,556 |
| Dividends of surplus | | | | | | | (16,964) |
| Profit attributable to owners of parent | | | | | | | 12,168 |
| Purchase of treasury shares | | | | | | | (9) |
| Disposal of treasury shares | | | | | | | 119 |
| Cancellation of treasury shares | | | | | | | - |
| Transfer from retained earnings to capital surplus | | | | | | | - |
| Net changes in items other than shareholders' equity | (7,065) | 22,365 | 8,970 | 24,270 | (25) | 288 | 24,533 |
| Total changes during period | (7,065) | 22,365 | 8,970 | 24,270 | (25) | 288 | 19,848 |
| Balance at end of period | 25,480 | 61,541 | 23,101 | 110,122 | 218 | 8,128 | 530,404 |

Fiscal year ended March 31, 2026

(Millions of yen)

| | Shareholders' equity | | | | |
|---|---|---|---|---|---|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 35,579 | 29,537 | 360,408 | (13,590) | 411,935 |
| Dividends of surplus | | | (16,703) | | (16,703) |
| Profit attributable to owners of parent | | | 40,257 | | 40,257 |
| Purchase of treasury shares | | | | (20,005) | (20,005) |
| Disposal of treasury shares | | (4) | | 160 | 155 |
| Cancellation of treasury shares | | (28,266) | | 28,266 | - |
| Transfer from retained earnings to capital surplus | | 27,949 | (27,949) | | - |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | (321) | (4,396) | 8,421 | 3,704 |
| Balance at end of period | 35,579 | 29,216 | 356,012 | (5,168) | 415,639 |

| | Accumulated other comprehensive income | | | | Share acquisition rights | Non-controlling interests | Total net assets |
|---|---|---|---|---|---|---|---|
| | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | | |
| Balance at beginning of period | 25,480 | 61,541 | 23,101 | 110,122 | 218 | 8,128 | 530,404 |
| Dividends of surplus | | | | | | | (16,703) |
| Profit attributable to owners of parent | | | | | | | 40,257 |
| Purchase of treasury shares | | | | | | | (20,005) |
| Disposal of treasury shares | | | | | | | 155 |
| Cancellation of treasury shares | | | | | | | - |
| Transfer from retained earnings to capital surplus | | | | | | | - |
| Net changes in items other than shareholders' equity | 975 | 209 | 1,139 | 2,323 | (77) | (2,440) | (193) |
| Total changes during period | 975 | 209 | 1,139 | 2,323 | (77) | (2,440) | 3,510 |
| Balance at end of period | 26,455 | 61,750 | 24,240 | 112,446 | 141 | 5,687 | 533,914 |

(4) Consolidated statement of cash flows

(Millions of yen)

| | Fiscal year ended March 31, 2025 | Fiscal year ended March 31, 2026 |
|---|---|---|
| Cash flows from operating activities | | |
| Profit before income taxes | 24,331 | 58,661 |
| Depreciation | 35,018 | 34,360 |
| Increase (decrease) in allowance for doubtful accounts | 81 | (28) |
| Increase (decrease) in provision for bonuses for directors (and other officers) | (16) | 78 |
| Increase (decrease) in accrual for loss on inspection and repair of products | 156 | (236) |
| Increase (decrease) in provision for loss on business restructuring | (300) | (250) |
| Increase (decrease) in retirement benefit liability | (518) | (742) |
| Interest and dividend income | (3,153) | (2,863) |
| Interest expenses | 318 | 736 |
| Loss on retirement of non-current assets | 818 | 842 |
| Loss (gain) on sale of investment securities | (8,054) | (14,674) |
| Loss (gain) on sale of land | - | (84) |
| Loss (gain) on valuation of securities | 0 | 26 |
| Impairment losses | 34,092 | 1,583 |
| Restructuring expenses | - | 2,974 |
| Decrease (increase) in accounts receivable - trade, and contract assets | 1,359 | (460) |
| Decrease (increase) in inventories | 5,205 | 14,167 |
| Increase (decrease) in trade payables | 3,294 | (2,694) |
| Increase (decrease) in accounts payable - other | (4,476) | 2,521 |
| Increase (decrease) in accrued expenses | (107) | 1,659 |
| Other, net | (8,919) | (11,673) |
| Subtotal | 79,130 | 83,905 |
| Interest and dividends received | 4,165 | 3,844 |
| Interest paid | (321) | (645) |
| Income taxes paid | (11,592) | (15,864) |
| Net cash provided by (used in) operating activities | 71,381 | 71,240 |
| Cash flows from investing activities | | |
| Payments into time deposits | (3,703) | (2,798) |
| Proceeds from withdrawal of time deposits | 2,583 | 3,279 |
| Purchase of property, plant and equipment | (44,553) | (36,476) |
| Proceeds from sale of property, plant and equipment | 61 | 288 |
| Purchase of intangible assets | (6,145) | (6,682) |
| Purchase of short-term and long-term investment securities | (219) | (309) |
| Proceeds from sale and redemption of short-term and long-term investment securities | 13,361 | 21,084 |
| Purchase of shares of subsidiaries and associates | - | (694) |
| Long-term loan advances | (2) | (0) |
| Proceeds from collection of long-term loans receivable | 4 | 5 |
| Other, net | 230 | 487 |
| Net cash provided by (used in) investing activities | (38,383) | (21,816) |

(Millions of yen)

| | Fiscal year ended March 31, 2025 | Fiscal year ended March 31, 2026 |
|---|---|---|
| Cash flows from financing activities | | |
| Proceeds from issuance of commercial papers | 43,200 | 103,200 |
| Redemption of commercial papers | (43,200) | (103,200) |
| Proceeds from long-term borrowings | - | 500 |
| Repayments of long-term borrowings | - | (657) |
| Dividends paid | (16,964) | (16,703) |
| Dividends paid to non-controlling interests | (536) | (387) |
| Purchase of treasury shares | (9) | (20,005) |
| Other, net | (1,497) | (1,301) |
| Net cash provided by (used in) financing activities | (19,007) | (38,555) |
| Effect of exchange rate change on cash and cash equivalents | 4,074 | (382) |
| Net increase (decrease) in cash and cash equivalents | 18,065 | 10,485 |
| Cash and cash equivalents at beginning of period | 102,636 | 120,702 |
| Cash and cash equivalents at end of period | 120,702 | 131,188 |

## (5) Notes on consolidated financial statements

Notes on assumptions for going concern

Not applicable

Notes on segment information, etc.

The previous fiscal year (April 1, 2024 to March 31, 2025)

(in millions of yen)

| | Reportable segments | | | | | |
|---|---|---|---|---|---|---|
| | Global Housing Equipment Business | | | | | |
| | Japan housing equipment business | International Housing Equipment Business | | | | Total |
| | | Americas business | Asia-Oceania business | Europe business | Mainland China business | |
| Sales<br>Revenue from contracts with customers | 481,346 | 70,478 | 50,220 | 4,882 | 66,924 | 673,852 |
| Revenues from external customers | 481,346 | 70,478 | 50,220 | 4,882 | 66,924 | 673,852 |
| Transactions with other segments | 17,108 | 8 | 48,500 | 4 | 18,675 | 84,298 |
| Total | 498,454 | 70,487 | 98,721 | 4,887 | 85,599 | 758,150 |
| Segment Profit or Loss | 21,900 | 5,153 | 8,236 | (812) | (3,554) | 30,922 |

| | Reportable segments | | Other (Note) 1 | Total | Reconciliation (Note) 2 | Consolidated (Note) 3 |
|---|---|---|---|---|---|---|
| | New business domains | Total | | | | |
| | Ceramics business | | | | | |
| Sales<br>Revenue from contracts with customers | 50,325 | 724,177 | 277 | 724,454 | - | 724,454 |
| Revenues from external customers | 50,325 | 724,177 | 277 | 724,454 | - | 724,454 |
| Transactions with other segments | - | 84,298 | 50 | 84,349 | (84,349) | - |
| Total | 50,325 | 808,475 | 328 | 808,804 | (84,349) | 724,454 |
| Segment Profit or Loss | 20,419 | 51,342 | 50 | 51,392 | (2,913) | 48,479 |

Notes: 1. The “Other” category is a business segment that is not included in the reporting segments, such as the real estate leasing business. Due to its lack of importance, it is included in the revenue generated from customer contracts.

2. Segment profit or segment loss adjustment of (2,913) million yen is a company-wide expense that has not been allocated to each segment. Company-wide expenses are mainly related to basic research that is not attributable to the reporting segment.

3. Segment profit or loss is adjusted for operating income in the consolidated statements of income.

The current fiscal year (April 1, 2025 to March 31, 2026)

(in millions of yen)

| | Reportable segments | | | | | |
|---|---|---|---|---|---|---|
| | Global Housing Equipment Business | | | | | |
| | Japan housing equipment business | International Housing Equipment Business | | | | Total |
| | | Americas business | Asia-Oceania business | Europe business | Mainland China business | |
| Sales | | | | | | |
| Revenue from contracts with customers | 479,663 | 75,623 | 54,914 | 5,677 | 53,863 | 669,742 |
| Revenues from external customers | 479,663 | 75,623 | 54,914 | 5,677 | 53,863 | 669,742 |
| Transactions with other segments | 16,532 | 5 | 48,187 | 0 | 20,558 | 85,284 |
| Total | 496,195 | 75,629 | 103,101 | 5,678 | 74,421 | 755,026 |
| Segment Profit or Loss | 20,253 | 4,790 | 10,239 | (428) | (6,934) | 27,921 |

| | Reportable segments | | Other (Note) 1 | Total | Reconciliation (Note) 2 | Consolidated (Note) 3 |
|---|---|---|---|---|---|---|
| | New business domains | Total | | | | |
| | Ceramics business | | | | | |
| Sales | | | | | | |
| Revenue from contracts with customers | 67,414 | 737,156 | 285 | 737,441 | - | 737,441 |
| Revenues from external customers | 67,414 | 737,156 | 285 | 737,441 | - | 737,441 |
| Transactions with other segments | - | 85,284 | 50 | 85,335 | (85,335) | - |
| Total | 67,414 | 822,440 | 336 | 822,776 | (85,335) | 737,441 |
| Segment Profit or Loss | 28,943 | 56,865 | 66 | 56,931 | (3,172) | 53,759 |

Notes:
1. The “Other” category is a business segment that is not included in the reporting segments, such as the real estate leasing business. Due to its lack of importance, it is included in the revenue generated from customer contracts.
2. Segment profit or segment loss adjustment of (3,172) million yen is a company-wide expense that has not been allocated to each segment. Company-wide expenses are mainly related to basic research that is not attributable to the reporting segment.
3. Segment profit or loss is adjusted for operating income in the consolidated statements of income.

Per-share data

| | Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025) | Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026) |
|---|---|---|
| Net assets per share | 3,077.00 yen | 3,211.88 yen |
| Earnings per share | 71.73 yen | 243.01 yen |
| Diluted earnings per share | 71.68 yen | 242.91 yen |

Note: Earnings per share and diluted earnings per share have been calculated based on the following data.

| | Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025) | Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026) |
|---|---|---|
| Earnings per share | | |
| Profit attributable to owners of parent (million yen) | 12,168 | 40,257 |
| Amount not attributable to common shareholders (million yen) | – | – |
| Profit attributable to owners of parent related to common shares (million yen) | 12,168 | 40,257 |
| Average number of common shares during the period (thousand shares) | 169,649 | 165,662 |
| | | |
| Diluted earnings per share | | |
| Adjustment of profit attributable to owners of parent (million yen) | – | – |
| Increase in the number of common shares (thousand shares) | 110 | 68 |
| (Stock options granted by subscription rights to shares) | (110) | (68) |
| Outline of diluted shares not included in the calculation of diluted earnings per share because there are no dilutive effects. | – | |

Significant subsequent events

Not applicable.