TOTO CORPORATE REPORT 2009

Financial & Environmental Section

TOTO

Six-Year Summary of Selected Financial Data

TOTO LTD. and Consolidated Subsidiaries

Year ended March	2004	2005	2006	2007	2008	2009	2009
	Millions of yen						Thousands of U.S. dollars*4
Net sales	¥ 467,925	¥ 484,192	¥ 494,785	¥ 512,200	¥ 501,060	¥ 464,505	$ 4,728,749
Cost of sales	300,355	308,067	321,214	337,735	330,782	311,765	3,173,827
Cost of sales ratio	64.2%	63.6%	64.9%	65.9%	66.0%	67.1%	–
Gross profit	167,570	176,125	173,571	174,465	170,278	152,740	1,554,922
Selling, general and administrative (SG&A) expenses	140,136	145,706	148,407	148,277	147,555	146,174	1,488,079
SG&A ratio	29.9%	30.1%	30.0%	28.9%	29.4%	31.5%	–
Operating income	27,434	30,419	25,164	26,188	22,723	6,566	66,843
Operating margin	5.9%	6.3%	5.1%	5.1%	4.5%	1.4%	–
Income before income taxes and minority interests	24,463	23,455	21,972	21,829	15,853	(14,470)	(147,307)
Net income	11,732	13,059	12,997	13,544	13,240	(26,261)	(267,342)
Capital investment	20,616	20,059	22,397	22,260	24,191	16,297	165,907
R&D costs	11,366	11,786	11,722	11,752	12,001	13,087	133,228
R&D costs ratio to net sales	2.4%	2.4%	2.4%	2.3%	2.4%	2.8%	–
Cash flow *1	18,613	(15,448)	4,292	(7,250)	2,490	(311)	(3,166)
Total assets	¥ 462,622	¥ 460,950	¥ 474,824	¥ 466,736	¥ 451,744	¥ 388,645	$ 3,956,480
Return on assets *2	2.5%	2.8%	2.8%	2.9%	2.9%	-6.2%	–
Total current assets	224,075	218,598	214,130	217,780	210,126	187,690	1,910,720
Total noncurrent assets	238,547	242,352	260,694	248,956	241,618	200,955	2,045,760
Net property, plant and equipment	164,492	163,126	166,757	161,045	157,925	133,168	1,355,675
Total investments and other assets	74,055	79,226	93,937	87,911	83,693	67,787	690,085
Total liabilities	¥ 263,098	¥ 250,684	¥ 241,272	¥ 233,494	¥ 220,214	¥ 203,751	$ 2,074,224
Total current liabilities	168,367	158,870	154,249	181,951	160,297	146,789	1,494,340
Total long-term liabilities	94,731	91,814	87,023	51,543	59,917	56,962	579,884
Net assets *3	189,857	199,372	233,552	233,242	231,530	184,894	1,882,256
Return on equity *2	6.4%	6.7%	6.2%	6.0%	5.8%	-12.9%	–

	Yen						U.S. dollars*3
Basic net income per share	¥ 33.63	¥ 37.29	¥ 37.12	¥ 39.07	¥ 38.21	(¥ 75.80)	($ 0.77)
Net assets per share *4	547.25	574.43	638.38	659.68	652.84	520.36	5.30
Cash dividends per share applicable to the year	11.00	11.50	12.00	13.00	14.00	10.00	0.10

*1. Cash flow = Net increase (decrease) in cash and cash equivalents.
*2. ROA = Net income / Total assets (yearly average) ROE = Net income / Net Assets (yearly average)
*3. Effective the fiscal year ended March 31, 2007, the Company has adopted a new accounting standard for the presentation of net assets in the balance sheet and the related implementation guidance. Consequently, total shareholders' equity for the fiscal year ended March 31, 2006 has been restated as net assets to conform to the new accounting standard. Net assets from the fiscal years ended March 31, 2002 to 2005 are equivalent to total shareholders' equity based on the previous accounting standard.
*4. U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥98.23 = U.S.$1, the approximate Tokyo foreign exchange market rate as of March 31, 2009.

Contents

• Period Covered by Report

From April 1, 2008 to March 31, 2009 (shown as "fiscal year ended March 2009" or "2009")

• Forward-Looking Statements

This report contains forward-looking statements, including information about business plans, earnings forecasts and strategies. Such statements reflect estimates and assumptions based on information available at the time of writing. The accuracy of such statements is inherently uncertain because it is affected by future macroeconomic trends and business environment developments, including consumption trends and competitive challenges.

Management's Discussion and Analysis of Operations

Market Environment

During the consolidated accounting period (April 1, 2008 to March 31, 2009) under review, the Japanese economy was exposed to an increasingly severe global financial crisis originating from the United States. Corporate revenues plunged and business confidence experienced a protracted downturn, with notable reductions in private sector investment and a worsening of the employment situation.

Among overseas economies, the U.S. economic recession deepened, with significant declines in consumption and housing construction, while China and other Asian economies also experienced slowdowns. In Japan, housing starts remained weak accompanied by lower demand for remodeling during the year.

In this environment, the TOTO Group focused on community-based remodeling, in which efforts included stepping up collaboration with Remodeling Club Stores, a network of community-based home improvement companies, to present new TOTO products geared to consumer lifestyles. Overseas, TOTO continued to build on its presence under a Five-Polar global structure encompassing Japan, the United States, China, Asia/Oceania and Europe, and proactively promoted sales to build global brand recognition.

Business Results

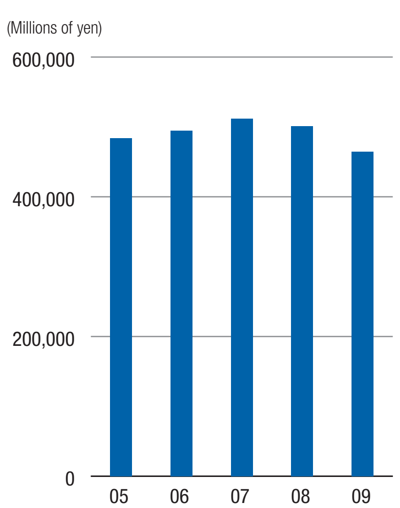
Net Sales

Consolidated net sales for the fiscal year under review fell 7.3% year on year to ¥464.5 billion, reflecting a decline in domestic net sales and the impacts of the stronger yen on our growing overseas businesses.

By area of demand, sales related to housing starts dropped 16% from the previous year to ¥152.0 billion, a significant decline due to a worse-than-expected downturn in demand for new housing. Remodeling sales during the first six months of the term steadily increased 3% versus the same period in the previous year; however, sales dropped 0.3% to ¥245.8 billion at fiscal year-end, impacted by the deterioration of the economy in the latter half of the term. Overseas, despite relatively steady growth of sales in China, sales dropped 9% year on year to ¥59 billion as a result of the economic downturn and the effects of the strong yen.

By products, in addition to continued stagnation of sales related to housing starts, remodeling sales also were lackluster. As a result, net sales in all product categories declined versus the previous fiscal year, including sales of restroom products falling 6% to ¥200.0 billion and bath, kitchen and wash products decreasing 7% to ¥231.6 billion.

Net Sales



Sales Growth by Product Category

Product	Results (YoY)
Sanitary ware	-9%
Washlet	-2%
Restroom Products Total	-6%
System bathrooms	-9%
Fittings	-4%
Modular kitchens	-5%
Vanity units	-10%
Bath, Kitchen and Wash Products Total	-7%
Ceramics	-13%
Total	-7%

Management's Discussion and Analysis of Operations

Operating Income

TOTO took steps to reduce investment and cut inventories, while moving forward aggressively with additional reductions in production costs and overhead expenses. Despite these efforts, TOTO was unable to offset the decline in sales. As a result, consolidated operating income declined 71% to ¥6.6 billion, with the operating income margin falling 3.1 percentage points year on year to 1.4%.

Net Loss

Income before income taxes and minority interests fell ¥30.3 billion from the previous fiscal year to ¥14.5 billion. Key factors were an impairment loss of ¥13.3 billion, loss on the valuation of inventories of ¥4.6 billion, loss on valuation of securities of ¥2.1 billion and loss on inspection and repair of products of ¥2.1 billion concerning oil direct pressure water heaters.

In addition, the Company decided to reverse the portion of deferred tax assets unlikely to be collectible. As a result, TOTO posted a net loss for the period of ¥26.3 billion.

Financial Position

As of March 31, 2009, consolidated total assets amounted to ¥388.6 billion, a decrease of ¥63.1 billion from the previous fiscal year-end.

Current assets fell ¥22.4 billion from ¥210.1 billion at the previous fiscal year-end to ¥187.7 billion. This mainly reflected a decrease in notes and accounts receivable-trade of ¥11.4 billion and a decrease in inventories of ¥10.8 billion.

Total non-current assets declined ¥40.7 billion to ¥201.0 billion compared with ¥241.6 billion at the previous fiscal year-end. Key factors were a decrease in buildings and structures, net of ¥10.4 billion, loss on devaluation of investment securities of ¥8.1 billion and reversal of deferred tax assets of ¥6.4 billion.

Consolidated total liabilities declined ¥16.5 billion to ¥203.8 billion versus ¥220.2 billion at the previous year-end. This can mainly be attributable to a decrease in notes and accounts payable-trade of ¥7.5 billion.

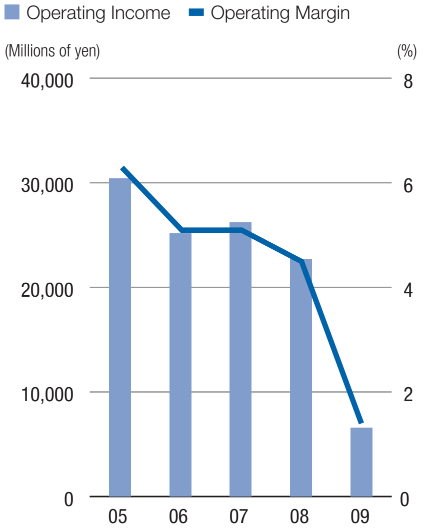
Total net assets at the end of the fiscal year totaled ¥184.9 billion, down ¥46.6 billion from ¥231.5 billion at the previous fiscal year-end. This mainly reflected a reduction in retained earnings of ¥30.6 billion due to the net loss and cash dividends paid, as well as losses on translation adjustments amounting to ¥9.2 billion.

The equity ratio (net assets minus minority interests, divided by total assets) fell 3.7 percentage points year on year to 46.4%. Net assets per share, based on the weighted-average number of shares outstanding during the fiscal year under review, was ¥520.36.

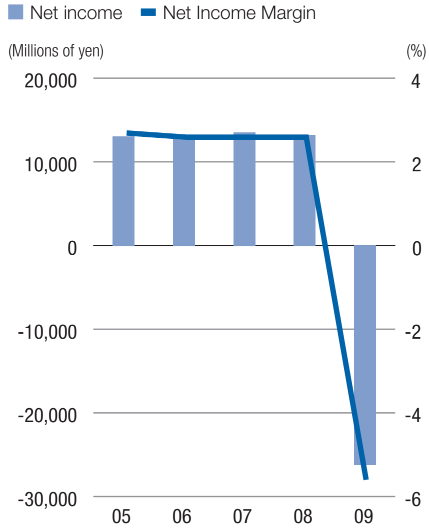
R&D Costs

Based on its mission to develop core technologies for creating new lifestyle values, the R&D Division works to develop TOTO's proprietary "Only One" technologies to

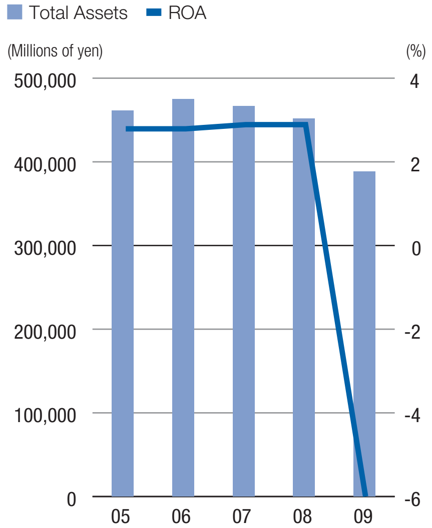
Operating Income/Operating Margin



Net income/Net Income Margin



Total Assets/ROA



become a company needed more than ever by society.

From this fiscal year, the Company has further reinforced its environmental initiatives that are unique to TOTO, in which R&D and product development were promoted to achieve greater value by reducing environmental loads and actively carrying out measures to become a leading company in pursuing environmental management.

With regard to solid oxide fuel cells (SOFCs), which are gaining attention as a new eco-friendly energy source, TOTO is developing Fuel Cell Stack components featuring the world's highest standard power generation capability and is fully committed to ongoing verification testing directed toward commercialization.

Additionally, the Company is also undertaking activities to realize "Only One" technologies, which are the sources of original TOTO products, by leveraging them as strategic assets through acquiring patents. Standardization and specification initiatives are also being undertaken as parts of efforts to develop customer value metrics.

Since TOTO's products are used by people every day regardless of physical challenges, age, gender and race, providing safe and comfortable products to meet various needs is essential. In this respect, TOTO is promoting the development of universal design in response to living environments under the direction of the TOTO Universal Design Research Center.

Consolidated R&D costs (included in selling, general and administrative expenses) totaled ¥13.1 billion. By business segment, R&D expenses totaled ¥9.8 billion in Equipment for Construction and ¥0.8 billion in the Other segment. A total of ¥2.5 billion was unallocated to a specific business.

Capital Investment and Depreciation

In the fiscal year under review, the Group's capital investment totaled ¥16.3 billion. Capital investment by business segment was as follows.

In Equipment for Construction, capital expenditures totaled ¥13.9 billion, including outlays for the purchase of molds and other production equipment at TOTO Bath Create LTD. and TOTO High Living LTD., and rearranging showroom displays for system bathrooms and modular kitchens

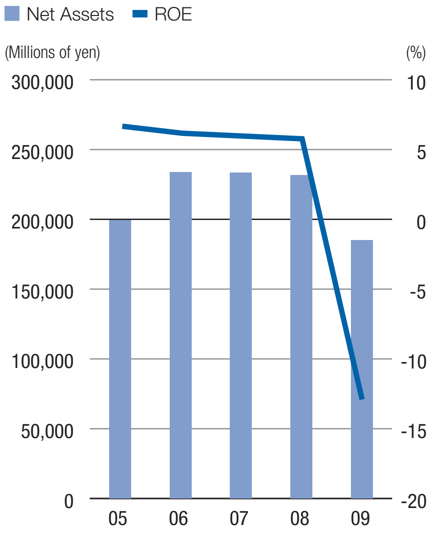
Other segment capital expenditures totaled ¥0.5 billion, including for the installation of ceramic production equipment.

Company-wide capital investment (excluding business segments) amounted to ¥1.9 billion, including outlays for the purchase of R&D equipment.

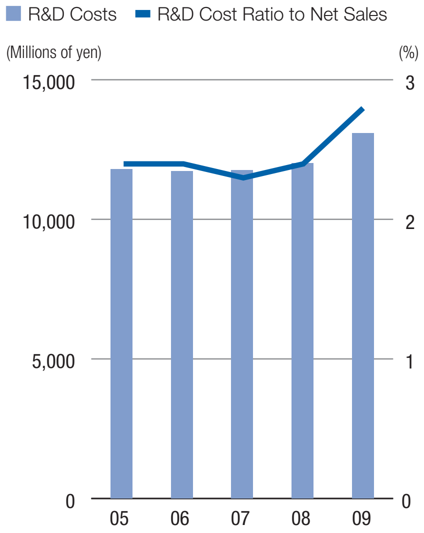
The major facilities completed in the fiscal year under review included a new building and accompanying facilities at TOTO High Living LTD.'s Koga Plant. All necessary funds were provided internally.

Depreciation and amortization for the fiscal year under review remained on par with the previous fiscal year, totaling ¥22.4 billion.

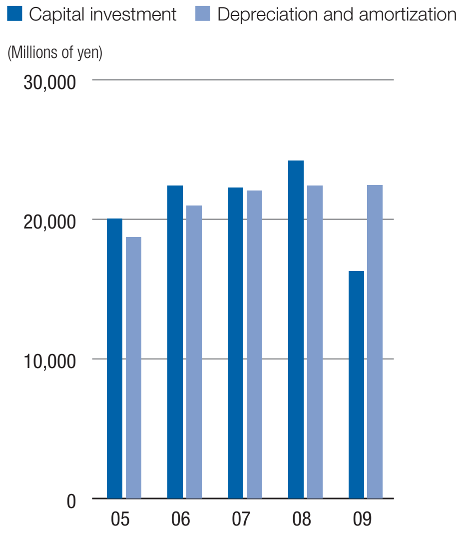
Net Assets/ROE



R&D Costs/R&D Cost Ratio to Net Sales



Capital investment/Depreciation and amortization



Cash Flows

Cash flows in the fiscal year ended March 31, 2009 were as follows.

Net Cash Provided by Operating Activities

Net cash provided by operating activities totaled ¥23.4 billion. The main sources of cash included depreciation and amortization of ¥22.4 billion and a decrease in notes and accounts receivable-trade of ¥10.9 billion. Items that reduced cash included loss before income taxes and minority interests of ¥14.5 billion.

Net Cash Used in Investing Activities

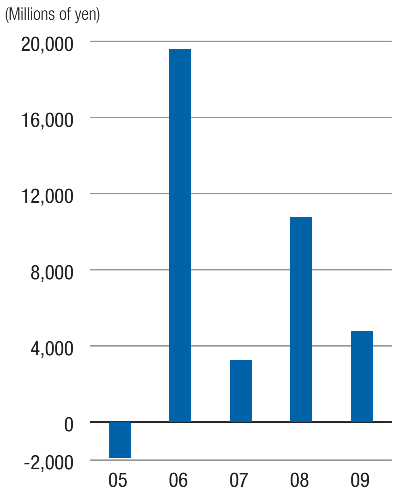
Net cash used in investing activities totaled ¥18.6 billion. This was mainly due to an outlay of ¥16.2 billion for purchases of property, plant and equipment.

Net Cash Used in Financing Activities

Net cash used in financing activities was ¥2.2 billion. Cash-decreasing factors included redemption of commercial paper amounting to ¥45.0 billion, while cash-increasing factors included proceeds from issuance of commercial paper totaling ¥40.0 billion.

As a result, cash and cash equivalents at the end of the fiscal year under review totaled ¥43.9 billion, up ¥0.2 billion from ¥43.7 billion at the end of previous fiscal year. Free cash flow (sum of net cash flow provided by operating activities and net cash flow used in investing activities) was positive at ¥4.8 billion.

Free Cash Flow



Business Risk

The following is a list of some of the major risk factors that could potentially impact the TOTO Group's business performance and financial position. The risks described below do not constitute the entire range of risks that should be considered when investing in the Company's stock. Forward-looking statements are based on assumptions made by the Group's management from information available at the time of issuance.

1. Changes in Operating Environment

The TOTO Group's main business activities are the production and sale of facilities and equipment for buildings. As a result, sudden changes in the operating environment arising from a decline in the number of housing starts and construction of large-scale buildings, intensified market competition, as well as consumer spending trends that affect demand for new housing and remodeling, may have an adverse impact on the financial position and business performance of the TOTO Group.

2. Product and Service Quality Guarantees

The TOTO Group recognizes the importance of ensuring the quality of its products and services, and bases its quality assurance efforts on internal standards and national standards such as Japanese Industrial Standards (JIS) for engineering, development, production, sales and services. However, in the event that a problem should occur concerning the quality of its products and services, such as an accident or poor service, the TOTO Group's financial position and business performance may be adversely affected.

3. Personal Information Leaks

The TOTO Group discloses its policies for acquiring and using personal information on its website, and clearly identifies the purpose of using personal information prior to receiving permission from the individual concerned. The TOTO Group has taken steps to strengthen security measures such as through user access rights management with IDs and passwords on information management systems, and by preventing the output of large volumes of data. For our employees, we have formulated guidelines for the protection of personal information, and broadened awareness of related issues through e-Learning, our system for individual study via PCs. Despite these measures, in the event that personal information possessed by the TOTO Group is externally leaked as a result of criminal intent or negligence on behalf of a party associated with the TOTO Group, or obtained through unauthorized access by a third party, the brand image of the TOTO Group may deteriorate and adversely affect the TOTO Group's financial position and business performance.

4. Natural Disasters

To indemnify against damage from fire and typhoons, the TOTO Group takes out property insurance to cover products, buildings and other assets that are management resources. We are making concerted efforts to improve problem areas at all of our manufacturing facilities, and use external institutions to periodically analyze the risk of natural disasters. As a precaution against earthquakes, we have created a manual of earthquake countermeasures for each manufacturing facility, and make every effort to ensure the safety of employees, protect assets such as products and buildings, resume operations and prevent damage to surrounding areas in the event of an earthquake. However, in the event of a major natural disaster of unforeseen magnitude, the TOTO Group's financial position and business performance may be adversely affected.

5. War, Civil Unrest and Terrorism

The TOTO Group engages in business in many countries around the world. Accordingly, as a precaution against public instability in these countries, we have created the TOTO Global Crisis Management Manual, and are appointing headquarters risk managers and local base risk managers in charge of crisis management, in an effort to ensure the safety of employees and protect products, buildings and other assets. However, in the event of a major war, civil unrest or terrorism in these regions, the TOTO Group's financial position and business performance may be adversely affected.

Consolidated Balance Sheets

TOTO LTD. and Consolidated Subsidiaries
March 31, 2008 and 2009

	Millions of yen		Thousands of U.S. dollars (Note 3)
ASSETS	2008	**2009**	**2009**
Current assets:			
Cash and cash equivalents	¥ 43,674	**¥ 43,866**	**$ 446,564**
Short-term investments (Note 15)	10	**2,385**	**24,280**
Notes and accounts receivable:			
Trade	84,093	**72,646**	**739,550**
Allowance for doubtful receivables	(698)	**(642)**	**(6,536)**
	83,395	**72,004**	**733,014**
Inventories (Note 4)	66,763	**55,923**	**569,307**
Deferred tax assets (Note 9)	3,708	**3,355**	**34,155**
Other current assets	12,576	**10,157**	**103,400**
Total current assets	210,126	**187,690**	**1,910,720**
Property, plant and equipment (Note 6)**:**			
Land	46,826	**39,534**	**402,464**
Buildings and structures	168,370	**161,183**	**1,640,873**
Machinery and equipment	141,175	**138,057**	**1,405,446**
Construction in progress	3,247	**2,205**	**22,448**
Other	64,345	**65,933**	**671,210**
	423,963	**406,912**	**4,142,441**
Accumulated depreciation	(266,038)	**(273,744)**	**(2,786,766)**
Property, plant and equipment, net	157,925	**133,168**	**1,355,675**
Investments and other assets:			
Investment securities (Notes 6 and 15)	31,247	**24,705**	**251,502**
Investments in and loans to unconsolidated subsidiaries and affiliates	6,170	**4,083**	**41,566**
Long-term loans receivable	308	**215**	**2,189**
Guaranty money deposited	6,185	**6,017**	**61,254**
Deferred tax assets (Note 9)	23,521	**17,089**	**173,969**
Goodwill	401	**557**	**5,670**
Other	15,861	**15,121**	**153,935**
Total investments and other assets	83,693	**67,787**	**690,085**
Total assets	¥451,744	**¥388,645**	**$3,956,480**

See notes to consolidated financial statements.

LIABILITIES AND NET ASSETS	Millions of yen 2008	Millions of yen 2009	Thousands of U.S. dollars (Note 3) 2009
Current liabilities:			
Notes and accounts payable:			
Trade	¥ 59,317	**¥ 51,785**	**$ 527,181**
Property and equipment	3,883	**2,929**	**29,818**
	63,200	**54,714**	**556,999**
Short-term bank loans (Note 5)	43,353	**49,514**	**504,062**
Current portion of long-term debt and finance lease obligations (Notes 5 and 6)	125	**410**	**4,174**
Commercial paper (Note 5)	10,000	**5,000**	**50,901**
Other accounts payable	5,955	**5,796**	**59,004**
Accrued income taxes (Note 9)	1,942	**1,782**	**18,141**
Accrued expenses	19,517	**16,392**	**166,874**
Accrued directors bonu ses	69	**—**	**—**
Accrual for loss on inspection and repair of products	1,112	**1,090**	**11,096**
Other current liabilities (Note 9)	15,024	**12,091**	**123,089**
Total current liabilities	160,297	**146,789**	**1,494,340**
Long-term liabilities:			
Long-term debt and finance lease obligations (Notes 5 and 6)	15,376	**15,154**	**154,271**
Accrued retirement benefits for employees (Note 10)	43,120	**40,369**	**410,964**
Other (Note 9)	1,421	**1,439**	**14,649**
Total long-term liabilities	59,917	**56,962**	**579,884**
Contingent liabilities (Note 14)			
Net assets:			
Shareholders' equity (Notes 7 and 17)**:**			
Common stock without par value			
Authorized – 1,400,000,000 shares			
Issued – 371,662,595 shares in 2008, and 371,662,595 shares in 2009	35,579	**35,579**	**362,201**
Capital surplus	29,467	**29,505**	**300,366**
Retained earnings	174,899	**144,323**	**1,469,235**
Less treasury stock, at cost; 25,113,119 shares in 2008 and 25,280,760 shares in 2009	(14,275)	**(14,456)**	**(147,164)**
Total shareholders' equity	225,670	**194,951**	**1,984,638**
Valuation and translation adjustments:			
Net unrealized holding gains (losses) on securities	1,077	**(5,006)**	**(50,962)**
Translation adjustments	(506)	**(9,701)**	**(98,758)**
Total valuation and translation adjustments	571	**(14,707)**	**(149,720)**
Share subscription rights (Note 8)	135	**221**	**2,250**
Minority interests	5,154	**4,429**	**45,088**
Total net assets	231,530	**184,894**	**1,882,256**
Total liabilities and net assets	¥451,744	**¥388,645**	**$3,956,480**

Consolidated Statements of Income

TOTO LTD. and Consolidated Subsidiaries
Years ended March 31, 2008 and 2009

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2008	2009	2009
Net sales	¥501,060	**¥464,505**	**$4,728,749**
Cost of sales	330,782	**311,765**	**3,173,827**
Gross profit	170,278	**152,740**	**1,554,922**
Selling, general and administrative expenses (Note 11)	147,555	**146,174**	**1,488,079**
Operating income	22,723	**6,566**	**66,843**
Other income (expenses):			
Interest and dividend income	1,261	**1,355**	**13,794**
Interest expense	(1,404)	**(897)**	**(9,132)**
(Loss) gain on sales and disposal of property, plant and equipment, net	(458)	**1,109**	**11,290**
Gain on sales of investment securities, net	—	**22**	**224**
Loss on devaluation of securities	(172)	**(2,144)**	**(21,826)**
Loss on disposal of inventories	(1,399)	**—**	**—**
Foreign exchange loss, net	(1,278)	**(493)**	**(5,019)**
Sales discounts	(1,204)	**(1,131)**	**(11,514)**
Loss on impairment of fixed assets	(2,014)	**(13,305)**	**(135,447)**
Loss on devaluation of memberships	(15)	**(17)**	**(173)**
Equity in earnings of unconsolidated subsidiaries and affiliates	992	**689**	**7,014**
Loss on inspection and repair of products	(1,853)	**(2,090)**	**(21,277)**
Loss on devaluation of inventories	—	**(4,586)**	**(46,686)**
Other, net	674	**452**	**4,602**
Income (loss) before income taxes and minority interests	15,853	**(14,470)**	**(147,307)**
Income taxes (Note 9)**:**			
Current	3,470	**3,451**	**35,132**
Deferred	(1,895)	**7,752**	**78,917**
	1,575	**11,203**	**114,049**
Minority interests	(1,038)	**(588)**	**(5,986)**
Net income (loss) (Note 12)	¥ 13,240	**¥ (26,261)**	**$ (267,342)**

See notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets

TOTO LTD. and Consolidated Subsidiaries
Years ended March 31, 2008 and 2009

Millions of yen

	Number of shares in issue	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Net unrealized holding gains (losses) on securities	Translation adjustments	Share subscription rights	Minority interests	Total net assets
Balance at March 31, 2007	371,662,595	¥35,579	¥29,380	¥166,309	¥(14,217)	¥12,417	¥ (859)	¥ —	¥4,633	¥233,242
Net income	—	—	—	13,240	—	—	—	—	—	13,240
Cash dividends paid	—	—	—	(4,680)	—	—	—	—	—	(4,680)
Effect of increase in consolidated subsidiaries	—	—	—	30	—	—	—	—	—	30
Purchases of treasury stock	—	—	—	—	(214)	—	—	—	—	(214)
Disposition of treasury stock	—	—	87	—	156	—	—	—	—	243
Net changes in items other than shareholders' equity	—	—	—	—	—	(11,340)	353	135	521	(10,331)
Balance at March 31, 2008	371,662,595	35,579	29,467	174,899	(14,275)	1,077	(506)	135	5,154	231,530
Effect of changes in accounting policies applied to foreign consolidated subsidiaries	**—**	**—**	**—**	**(156)**	**—**	**—**	**—**	**—**	**—**	**(156)**
Net income	**—**	**—**	**—**	**(26,261)**	**—**	**—**	**—**	**—**	**—**	**(26,261)**
Cash dividends paid	**—**	**—**	**—**	**(4,159)**	**—**	**—**	**—**	**—**	**—**	**(4,159)**
Purchases of treasury stock	**—**	**—**	**—**	**—**	**(373)**	**—**	**—**	**—**	**—**	**(373)**
Disposition of treasury stock	**—**	**—**	**38**	**—**	**192**	**—**	**—**	**—**	**—**	**230**
Net changes in items other than shareholders' equity	**—**	**—**	**—**	**—**	**—**	**(6,083)**	**(9,195)**	**86**	**(725)**	**(15,917)**
Balance at March 31, 2009	**371,662,595**	**¥35,579**	**¥29,505**	**¥144,323**	**¥ (14,456)**	**¥(5,006)**	**¥(9,701)**	**¥221**	**¥4,429**	**¥184,894**

Thousands of U.S. dollars (Note 3)

	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Net unrealized holding gains (losses) on securities	Translation adjustments	Share subscription rights	Minority interests	Total net assets
Balance at March 31, 2008	$362,201	$299,980	$1,780,505	$(145,322)	$ 10,964	$(5,151)	$1,374	$52,469	$2,357,020
Effect of changes in accounting policies applied to foreign consolidated subsidiaries	**—**	**—**	**(1,589)**	**—**	**—**	**—**	**—**	**—**	**(1,589)**
Net income	**—**	**—**	**(267,342)**	**—**	**—**	**—**	**—**	**—**	**(267,342)**
Cash dividends paid	**—**	**—**	**(42,339)**	**—**	**—**	**—**	**—**	**—**	**(42,339)**
Purchases of treasury stock	**—**	**—**	**—**	**(3,797)**	**—**	**—**	**—**	**—**	**(3,797)**
Disposition of treasury stock	**—**	**386**	**—**	**1,955**	**—**	**—**	**—**	**—**	**2,341**
Net changes in items other than shareholders' equity	**—**	**—**	**—**	**—**	**(61,926)**	**(93,607)**	**876**	**(7,381)**	**(162,038)**
Balance at March 31, 2009	**$362,201**	**$300,366**	**$1,469,235**	**$(147,164)**	**$(50,962)**	**$(98,758)**	**$2,250**	**$45,088**	**$1,882,256**

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

TOTO LTD. and Consolidated Subsidiaries
Years ended March 31, 2008 and 2009

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2008	**2009**	**2009**
Operating activities			
Income (loss) before income taxes and minority interests	¥15,853	**¥(14,470)**	**$(147,307)**
Depreciation and amortization	22,390	**22,425**	**228,291**
Loss on impairment of fixed assets	2,014	**13,305**	**135,447**
Loss on devaluation of inventories	—	**4,586**	**46,686**
Interest and dividend income	(1,261)	**(1,355)**	**(13,794)**
Interest expense	1,404	**897**	**9,132**
Provision for directors' bonuses	(18)	**(69)**	**(702)**
Provision for loss on inspection and repair of products	(1,967)	**(22)**	**(224)**
Employees' retirement benefits paid, net of provision	(5,480)	**(2,721)**	**(27,700)**
Directors' retirement benefits paid, net of provision	(490)	**—**	**—**
Loss (gain) on sales and disposal of property, plant and equipment, net	458	**(1,109)**	**(11,290)**
Gain on sales of investment securities, net	—	**(22)**	**(224)**
Loss on devaluation of securities	172	**2,144**	**21,826**
Loss on devaluation of memberships	15	**17**	**173**
Notes and accounts receivable	8,314	**11,010**	**112,084**
Inventories	480	**3,690**	**37,565**
Notes and accounts payable	(4,185)	**(7,244)**	**(73,745)**
Other	(114)	**(5,366)**	**(54,628)**
Subtotal	37,585	**25,696**	**261,590**
Interest and dividend income received	2,305	**2,080**	**21,175**
Interest expense paid	(1,427)	**(842)**	**(8,572)**
Income taxes paid	(5,579)	**(3,531)**	**(35,946)**
Net cash provided by operating activities	32,884	**23,403**	**238,247**
Investing activities			
Purchases of property, plant and equipment	(17,313)	**(16,182)**	**(164,736)**
Proceeds from sales of property, plant and equipment	1,856	**5,814**	**59,188**
Increase in marketable and investment securities	(3,611)	**(2,278)**	**(23,190)**
Decrease (increase) in time deposits	186	**(2,314)**	**(23,557)**
Acquisition of subsidiaries' stock resulting in changes in the scope of consolidation	(104)	**385**	**3,919**
Other	(3,135)	**(4,054)**	**(41,271)**
Net cash used in investing activities	(22,121)	**(18,629)**	**(189,647)**
Financing activities			
Increase in bank loans	17,927	**7,705**	**78,438**
Proceeds from issuance of commercial paper	30,000	**40,000**	**407,208**
Redemption of commercial paper	(30,000)	**(45,000)**	**(458,109)**
Cash dividends paid	(4,680)	**(4,159)**	**(42,339)**
Purchases of treasury stock	(137)	**(367)**	**(3,736)**
Proceeds from issuance of bonds	10,000	**—**	**—**
Redemption of convertible bonds	(29,732)	**—**	**—**
Other	(625)	**(394)**	**(4,011)**
Net cash used in financing activities	(7,247)	**(2,215)**	**(22,549)**
Effect of exchange rate changes on cash and cash equivalents	(1,026)	**(2,870)**	**(29,217)**
Net increase (decrease) in cash and cash equivalents	2,490	**(311)**	**(3,166)**
Cash and cash equivalents at beginning of year	40,579	**43,674**	**444,610**
Increase due to inclusion of subsidiaries in consolidation	809	**503**	**5,120**
Decrease due to exclusion of subsidiaries from consolidation	(204)	**—**	**—**
Cash and cash equivalents at end of year	¥43,674	**¥43,866**	**$446,564**

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

TOTO LTD. and Consolidated Subsidiaries
March 31, 2009

1. Basis of Preparation

TOTO LTD. (the "Company") and its domestic subsidiaries maintain their books of account in conformity with the financial accounting standards of Japan, and its foreign subsidiaries maintain their books of account in conformity with those of their countries of domicile.

The accompanying consolidated financial statements have been compiled from the consolidated financial statements prepared by the Company as required under the Financial Instruments and Exchange Law of Japan and, therefore, have been prepared in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

2. Summary of Significant Accounting Policies

(a) Principles of consolidation and accounting for investments in unconsolidated subsidiaries and affiliates

The accompanying consolidated financial statements include the accounts of the Company and significant companies controlled directly or indirectly by the Company. Significant companies over which the Company exercises significant influence in terms of their operating and financial policies have been included in the consolidated financial statements on an equity basis. All significant intercompany balances and transactions have been eliminated in consolidation.

Investments in unconsolidated subsidiaries and affiliates not accounted for by the equity method are carried at cost.

Certain foreign subsidiaries are consolidated on the basis of fiscal periods ending December 31, which differ from that of the Company; however, the significant effect of the difference in fiscal periods has been properly adjusted in consolidation.

Goodwill, which represents the difference between the cost and the underlying equity in the net assets at fair value at the date of acquisition, is being amortized principally over a period of five years.

(b) Cash equivalents

All highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

(c) Securities

In general, securities other than those of subsidiaries and affiliates are classified into three categories: trading, held-to-maturity or other securities. Securities held by the Company and its consolidated subsidiaries are all classified as other securities. Marketable securities classified as other securities are carried at fair value with changes in unrealized holding gain or loss, net of the applicable income taxes, included directly in net assets. Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is determined by the moving average method.

(d) Inventories

Finished products semifinished products and work in process

First-in, first-out method (In cases where the profitability has declined, the book value is reduced accordingly.)

Raw materials and supplies

Gross average cost method (In cases where the profitability has declined, the book value is reduced accordingly.)

Contracts in progress

Specific identification method (In cases where the profitability has declined, the book value is reduced accordingly.)

[Change of accounting policy]

Effective the year ended March 31, 2009, the Company has applied "Accounting Standard for Measurement of Inventories" (Accounting Standards Board of Japan Statement No.9; July 5, 2006).

As a result, in the year ended March 31, 2009, operating income decreased by ¥1,303 million ($13,265 thousand), and loss before income taxes and minority interests increased by ¥5,889 million ($59,951 thousand) compared with the formerly applied method.

The effect of this change on segment information is explained in Note 16.

(e) Allowance for doubtful receivables

The allowance for doubtful receivables is provided for possible bad debt at the amount estimated based on the past bad debt experience for normal receivables plus uncollectible amounts determined by reference to the collectibility of individual accounts for doubtful receivables.

(f) Accrued directors' bonuses

Accrued directors' bonuses are provided at an estimated amount of bonuses to be paid to directors and corporate auditors for the current year's services subsequent to the balance sheet date.

(g) Accrual for loss on inspection and repair of products

Accrual for loss on inspection and repair of products is provided at an amount based on the cost estimated to be incurred for activities related to the inspection and repair of products subsequent to the balance sheet date.

(h) Depreciation and amortization

Depreciation of property, plant and equipment (except for leased assets) of the Company and its domestic consolidated subsidiaries is mainly calculated by the declining-balance method at rates based on the estimated useful lives of the respective assets. Depreciation of foreign consolidated subsidiaries is mainly calculated by the straight-line method over the estimated useful lives of the respective assets. The useful lives of property, plant and equipment are summarized as follows:

Buildings and structures	3 to 50 years
Machinery and equipment	4 to 15 years

Significant renewals and additions are capitalized at cost. Maintenance and repairs are charged to income.

Computer software capitalized is being amortized over a period of five years.

For lease transactions that do not transfer ownership, leased assets are depreciated over their useful lives using the straight-line method with a zero residual value.

[Change of accounting policy]

Formerly, finance lease transactions that did not transfer ownership were accounted for in a manner similar to the accounting treatment for operating lease transactions. However, effective from the fiscal year ended March 31, 2009, the Company has applied "Accounting Standard for Lease Transactions" (ASBJ Statement No.13; Business Accounting Council Committee No.1, June 17, 1993; revised March 30, 2007) and "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No.16; the Japanese Institute of Certified Public Accountants, Accounting Committee, January 18, 1994; revised March 30, 2007). Such transactions are now accounted for as ordinary sale and purchase transactions.

There was no effect as a result of the change.

The Company continues to account for finance lease transactions that do not transfer ownership, concluded prior to April 1, 2008, in a manner similar to the accounting treatment for ordinary operating lease transactions.

[Changes in method of depreciation of tangible fixed assets]

In accordance with the revision made to the Corporate Tax Law of Japan (the "Tax Law") which went into effect on April 1, 2007, effective the year ended March 31, 2008, the Company and domestic consolidated subsidiaries have adopted the new method prescribed in the revised Tax Law for depreciating tangible fixed assets acquired on or after April 1, 2007. As a result, operating income, and income before income taxes and minority interests for the year ended March 31, 2008 both decreased by ¥519 million from the corresponding amounts which would have been reported under the previous method.

In addition to the above adoption, effective the year ended March 31, 2008, these companies depreciate the difference between 5% of acquisition cost and nominal value by the straight-line method over a period of five years from the year following the year in which the accumulated depreciation has reached 95% of acquisition cost with respect to the tangible fixed assets acquired on or before March 31, 2007. As a result, operating income, and income before income taxes and minority interests both decreased by ¥964 million for the year ended March 31, 2008 from the corresponding amounts which would have been reported under the previous method.

[Change in estimated useful lives of tangible fixed assets]

The Company and its domestic consolidated subsidiaries revised the useful lives of the machinery and equipment as per revisions to the Corporation Tax Law, and have applied the revised useful lives during the year ended March 31, 2009.

As a result, in the year ended March 31, 2009, operating income decreased by ¥603 million ($6,139 thousand) and loss before income taxes and minority interests increased by the same amount, compared with the corresponding amounts which would have been reported under the previous method.

The effect of this change on segment information is explained in Note 16.

(i) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into yen at the exchange rates prevailing at the balance sheet date. All revenues and expenses associated with foreign currencies are translated at the rates of exchange prevailing when such transactions were made. The resulting exchange gains and losses are credited or charged to income.

The revenue and expense accounts of the foreign subsidiaries are translated into yen at the rates of exchange in effect at the balance sheet date. Except for the components of net assets excluding minority interests, the balance sheet accounts are also translated into yen at the rates of exchange in effect at the balance sheet date. The components of net assets excluding minority interests are translated at their historical exchange rates.

(j) Research and development costs

Research and development costs are charged to income as incurred.

(k) Income taxes

Deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax bases of the assets and liabilities and are measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse.

(l) Retirement benefits

Accrued retirement benefits for employees are provided mainly at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets at the balance sheet dates, as adjusted for unrecognized actuarial gain or loss and unrecognized prior service cost. The retirement benefit obligation is attributed to each period by the straight-line method over the estimated years of service of the eligible employees. Actuarial gain and loss are amortized in the year following the year in which the gain or loss is recognized primarily by the straight-line method principally over 16 years. Prior service cost is being amortized by the straight-line method principally over 16 years.

Until the year ended March 31, 2007, directors and statutory auditors of the Company were entitled to lump-sum payments under an unfunded retirement plan, and provisions for the retirement benefits for these officers were made at estimated amounts. However, a resolution was approved at the general shareholders' meeting held on June 28, 2007 to discontinue such retirement plan and introduce a stock option plan instead. At the meeting, a resolution was also approved to make payments of retirement benefits for directors and statutory auditors for services rendered up to that day in the aggregate amount of ¥529 million, which has included in "Other" under long-term liabilities, when they retire.

(m) Adoption of new accounting standard

[Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements]

Effective from the year ended March 31, 2009, the Company has applied "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements" (ASBJ Practical Issues Task Force (PITF)No.18, May 17,2006)and amended the consolidated financial statements as required.

The effect of this change is immaterial.

3. U.S. Dollar Amounts

The translation of yen amounts into U.S. dollar amounts is included solely for convenience, as a matter of arithmetic computation only, at the rate of ¥98.23 = US$1.00, the exchange rate prevailing on March 31, 2009. The translation should not be construed as a representation that yen have been, could have been, or could in the future be, converted into U.S. dollars at the above or any other rate.

4 . Inventories

Inventories at March 31, 2008 and 2009 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Finished products and semifinished products	¥40,687	**¥33,653**	**$342,594**
Work in process and contracts in progress	12,748	**10,265**	**104,500**
Raw materials and supplies	13,328	**12,005**	**122,213**
	¥66,763	**¥55,923**	**$569,307**

5. Short-Term Bank Loans, Commercial Paper, Long-Term Debt and Finance Lease Obligations

Short-term bank loans generally represent overdrafts and notes. The weighted average annual interest rates applicable to such short-term loans outstanding at March 31, 2008 and 2009 were 1.9% and 1.2%, respectively. Commercial paper is due within one year with annual interests of 0.8% and 0.3% as of March 31, 2008 and 2009, respectively.

Long-term debt at March 31, 2008 and 2009 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
1.4% unsecured bonds due 2012	¥10,000	**¥10,000**	**$101,802**
0.8% unsecured bonds due 2010	—	**50**	**509**
Bank loans maturing through 2015 at interest rates ranging from 1.24% to 2.70%:			
Secured	344	**327**	**3,329**
Unsecured	5,157	**5,050**	**51,410**
Finance lease obligations	—	**137**	**1,395**
	15,501	**15,564**	**158,445**
Less current portion	125	**410**	**4,174**
	¥15,376	**¥15,154**	**$154,271**

The aggregate annual maturities of long-term debt subsequent to March 31, 2009 are summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2010	¥ 375	$ 3,818
2011	5,017	51,074
2012	7	71
2013	10,006	101,863
2014	4	41
2015 and thereafter	18	183
	¥15,427	$157,050

The aggregate annual maturities of finance lease obligations subsequent to March 31, 2009 are summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2010	¥ 35	$ 356
2011	35	356
2012	35	356
2013	24	245
2014	4	41
2015 and thereafter	4	41
	¥137	$1,395

6. Pledged Assets

The assets pledged as collateral for long-term debt at March 31, 2008 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Property, plant and equipment, at net book value	¥559	**¥228**	**$2,321**

In addition to the above, investment securities in the amount of ¥6 million were utilized as security deposits at March 31, 2008, respectively.

7. Capital Surplus and Retained Earnings

The Corporation Law of Japan (the "Law") provides that an amount equal to 10% of the amount to be disbursed as a distribution of earnings be appropriated to a legal reserve until the total of such reserve and the capital surplus account equals 25% of the common stock account. The legal reserve amounted to ¥8,291 million ($84,404 thousand) as of both March 31, 2008 and 2009.

The Law provides that neither capital surplus nor the legal reserve is available for dividends, but both may be used to reduce or eliminate a deficit by resolution of the shareholders or may be transferred to common stock by resolution of the Board of Directors. The Law also provides that if the total amount of capital surplus and the legal reserve exceeds 25% of the amount of common stock, the excess may be distributed to the shareholders either as a return of capital or as dividends subject to the approval of the shareholders.

Under the Law, however, such distributions can be made at any time by resolution of the shareholders or by the Board of Directors if certain conditions are met.

8. Stock Options

Stock option plan	2007 Stock option	2008 Stock option
Number of individuals covered by the plan:		
Directors	14	14
Corporate auditors	2	2
Officers	16	16
Total	32	32
Type and numbers of shares to be issued upon exercise of stock subscription rights	Common stock 168,000 shares	Common stock 167,000 shares
Granted date	August 17, 2007	July 18, 2008
Exercise period	August 18, 2007 – August 17, 2037	July 19, 2008 –July 18, 2038
Non-vested stock options (Number of shares):		
Outstanding at March 31, 2008	—	—
Granted	—	167,000 shares
Forfeited	—	—
Vested	—	167,000 shares
Outstanding at March 31, 2009	—	—
Vested stock options (number of shares):		
Outstanding at March 31, 2008	168,000 shares	—
Vested	—	167,000 shares
Exercised	—	—
Forfeited	—	5,000 shares
Outstanding at March 31, 2009	168,000 shares	162,000 shares
Exercise price (yen)	¥ 1	¥ 1
Weighted average exercise price (yen)	¥ —	¥ —
Fair value per stock at the granted date (yen)	¥804	¥531

Stock option expenses included in selling, general and administrative expenses for the years ended March 31, 2008 and 2009 amounted to ¥98 million and ¥103 million ($1,049 thousand), respectively. The fair value of options granted is estimated using the Black-scholes option pricing model with the following weighted average assumptions.

	2008 Stock options
Expected volatility	32.321%
Expected holding period	15 years
Expected dividend	¥14/per share
Risk-free rate	1.987%

9. Income Taxes

Income taxes applicable to the Company and its domestic consolidated subsidiaries comprised corporation tax, enterprise tax and inhabitants' taxes which, in the aggregate, resulted in a statutory tax rate of 40.4% for 2008 and 2009. Income taxes of the foreign consolidated subsidiaries are based generally on the tax rates applicable in their countries of incorporation.

The effective tax rates reflected in the consolidated statement of income for the year ended March 31, 2008 differ from the statutory tax rate for the following reasons:

	2008
Statutory tax rate	40.4%
Effect of:	
Expenses not deductible for income tax purposes	2.0
Dividend income deductible for income tax purposes	(0.6)
Per capita taxes	1.4
Losses deducted for tax purposes as part of proceedings of subsidiaries' liquidation procedures	(32.2)
Other, net	(1.1)
Effective tax rate	9.9%

A reconciliation of the difference between statutory and effective tax rates for the year ended March 31, 2009 was not presented because a net loss was recorded.

The significant components of deferred tax assets and liabilities as of March 31, 2008 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Deferred tax assets:			
Accrued bonus	¥ 3,022	**¥ 2,451**	**$ 24,952**
Retirement allowances	17,220	**16,199**	**164,909**
Net operating loss carry forwards	7,738	**14,125**	**143,795**
Other	7,777	**14,037**	**142,899**
Total gross deferred tax assets	35,757	**46,812**	**476,555**
Valuation allowance	(5,865)	**(24,309)**	**(247,470)**
Total deferred tax assets	29,892	**22,503**	**229,085**
Deferred tax liabilities:			
Reserve under Special Taxation Measures Law	(1,263)	**(1,965)**	**(20,004)**
Other	(1,636)	**(596)**	**(6,068)**
Total deferred tax liabilities	(2,899)	**(2,561)**	**(26,072)**
Net deferred tax assets	¥26,993	**¥19,942**	**$203,013**

10. Retirement Benefit Plans

The Company and its domestic consolidated subsidiaries have defined benefit plans, such as company pension fund plans, tax-qualified pension plans, lump-sum payment plans, and other types of defined benefit plans covering substantially all employees who are entitled to lump-sum or annuity payments, the amounts of which are determined by reference to their basic rates of pay, length of service, and the conditions under which termination occurs.

The following table sets forth the funded and accrued status of the plans, and the amounts recognized in the consolidated balance sheets as of March 31, 2008 and 2009 for the Company's and the consolidated subsidiariesí defined benefit plans:

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Retirement benefit obligation	¥(149,955)	**¥(149,293)**	**$(1,519,831)**
Plan assets at fair value	86,151	**72,734**	**740,446**
Unfunded retirement benefit obligation	(63,804)	**(76,559)**	**(779,385)**
Unrecognized actuarial loss	23,672	**39,092**	**397,964**
Unrecognized prior service cost	(2,621)	**(2,352)**	**(23,944)**
Net retirement benefit obligation	(42,753)	**(39,819)**	**(405,365)**
Prepaid pension cost	367	**550**	**5,599**
Accrued retirement benefits	¥ (43,120)	**¥ (40,369)**	**$ (410,964)**

The components of retirement benefit expenses for the years ended March 31, 2008 and 2009 are outlined as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Service cost	¥4,898	**¥4,801**	**$48,875**
Interest cost	3,526	**3,662**	**37,280**
Expected return on plan assets	(3,188)	**(2,964)**	**(30,174)**
Amortization of actuarial loss	722	**1,858**	**18,914**
Amortization of prior service cost	(268)	**(268)**	**(2,728)**
Total	¥5,690	**¥7,089**	**$72,167**

The assumptions used in the accounting for the above plans are as follows:

	2008	**2009**
Discount rate	2.5%	**2.5%**
Expected return on plan assets	3.5%	**3.5%**

11. Research and Development Costs

Research and development costs included in selling, general and administrative expenses for the years ended March 31, 2008 and 2009 amounted to ¥12,001 million and ¥13,088 million ($133,238 thousand), respectively.

12. Amounts Per Share

Basic net income per share is computed based on the net income available for distribution to shareholders of common stock and the weighted average number of shares of common stock outstanding during the year, and diluted net income per share is computed based on the net income available for distribution to the shareholders and the weighted average number of shares of common stock outstanding during each year after giving effect to the dilutive potential of shares of common stock to be issued upon the conversion of convertible bonds.

Amounts per share of net assets is computed based on net assets excluding minority interests and the number of shares of common stock outstanding at the year end.

Cash dividends per share represent the cash dividends declared as applicable to the respective years, together with the interim cash dividends paid.

	Yen		U.S. dollars
	2008	**2009**	**2009**
Net income (loss):			
Basic	¥ 38.21	**¥ (75.80)**	**$(0.77)**
Diluted	37.81	**—**	**—**
Net assets	652.84	**520.36**	**5.30**
Cash dividends applicable to the year	14.00	**10.00**	**0.10**

Diluted net income per share is not presented, for the year ended March 31, 2009, because a net loss was recorded for the period even though dilutive shares are outstanding.

13. Leases

(a) Finance leases

Finance leases commencing on or before March 31, 2008 continue to be accounted for in the same manner as operating leases.

The following pro forma amounts represent the acquisition costs (including the interest portion), accumulated depreciation and net book value of the leased property as of March 31, 2008 and 2009 which would have been reflected in the consolidated balance sheets if finance lease accounting had been applied to the finance leases currently accounted for as operating leases:

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Acquisition costs:			
Buildings and structures	¥ —	**¥ 958**	**$ 9,753**
Machinery and equipment	345	**302**	**3,074**
Other assets	3,702	**3,611**	**36,761**
	¥4,047	**¥4,871**	**$49,588**
Accumulated depreciation:			
Buildings and structures	¥ —	**¥ 326**	**$ 3,319**
Machinery and equipment	233	**216**	**2,199**
Other assets	2,743	**2,836**	**28,871**
	¥2,976	**¥3,378**	**$34,389**
Net book value:			
Buildings and structures	¥ —	**¥ 632**	**$ 6,434**
Machinery and equipment	112	**86**	**875**
Other assets	959	**775**	**7,890**
	¥1,071	**¥1,493**	**$15,199**

Lease payments relating to finance leases accounted for as operating leases amounted to ¥771 million and ¥742 million ($7,554 thousand) for the years ended March 31, 2008 and 2009, respectively. The depreciation expense of the leased assets computed by the declining-balance method (except buildings, which are depreciated by the straight-line method) over the respective lease terms amounted to ¥643 million and ¥565 million ($5,752 thousand) for the years ended March 31, 2008 and 2009, respectively.

Future minimum lease payments (including the interest portion thereon) subsequent to March 31, 2009 for finance leases accounted for as operating leases are summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2010	¥ 566	$ 5,762
2011 and thereafter	1,666	16,960
Total	¥2,232	$22,722

(b) Operating leases

Future minimum operating lease payments subsequent to March 31, 2009 for non-cancelable operating leases are summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2010	¥ 1,008	$ 10,261
2011 and thereafter	4,766	48,519
Total	¥ 5,774	$ 58,780

14. Contingent Liabilities

The Company and its consolidated subsidiaries had the following contingent liabilities at March 31, 2009:

	Millions of yen	Thousands of U.S. dollars
Trade notes receivable endorsed	**¥ 2**	**$ 20**
Guarantor of indebtedness of others	**701**	**7,136**

15. Securities

a) Information regarding marketable securities classified as other securities as of March 31, 2008 and 2009 is as follows:

	Millions of yen			Thousands of U.S. dollars		
March 31, 2008	Acquisition cost	Carrying value	Gross unrealized holding gains (losses)	Acquisition cost	Carrying value	Gross unrealized holding gains (losses)
Securities whose carrying value exceeds their acquisition cost:						
Equity securities	¥11,923	¥18,007	¥6,084	$119,004	$179,729	$60,725
Subtotal	11,923	18,007	6,084	119,004	179,729	60,725
Securities whose acquisition cost exceeds their carrying value:						
Equity securities	16,410	12,062	(4,348)	163,789	120,391	(43,398)
Subtotal	16,410	12,062	(4,348)	163,789	120,391	(43,398)
Total	¥28,333	¥30,069	¥1,736	$282,793	$300,120	$17,327

	Millions of yen			Thousands of U.S. dollars		
March 31, 2009	Acquisition cost	Carrying value	Gross unrealized holding gains (losses)	Acquisition cost	Carrying value	Gross unrealized holding gains (losses)
Securities whose carrying value exceeds their acquisition cost:						
Equity securities	**¥ 5,329**	**¥ 6,751**	**¥ 1,422**	**$ 54,250**	**$ 68,726**	**$ 14,476**
Subtotal	**5,329**	**6,751**	**1,422**	**54,250**	**68,726**	**14,476**
Securities whose acquisition cost exceeds their carrying value:						
Equity securities	**23,561**	**17,111**	**(6,450)**	**239,855**	**174,193**	**(65,662)**
Subtotal	**23,561**	**17,111**	**(6,450)**	**239,855**	**174,193**	**(65,662)**
Total	**¥28,890**	**¥23,862**	**¥(5,028)**	**$294,105**	**$242,919**	**$(51,186)**

b) Information regarding sales of securities classified as other securities for the years ended March 31, 2008 and 2009 is as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Proceeds from sales	¥0	**¥30**	**$305**
Gains on sales	0	**22**	**224**

16. Segment Information

As net sales and operating income of the equipment for construction business constituted more than 90% of the consolidated totals, the disclosure of business segment information has been omitted for the years ended March 31, 2008 and 2009.

The geographical segment information of the Company and its consolidated subsidiaries for the years ended March 31, 2008 and 2009 is as follows:

Millions of yen

Year ended March 31, 2008	Japan	North and Central America	China	Other	Total	Eliminations or corporate	Consolidated
I. Sales and operating income:							
Sales to third parties	¥440,743	¥30,348	¥22,641	¥ 7,328	¥501,060	¥ —	¥501,060
Intra-group sales and transfers	12,027	161	14,581	11,816	38,585	(38,585)	—
Total sales	452,770	30,509	37,222	19,144	539,645	(38,585)	501,060
Operating expenses	427,437	27,947	31,497	17,359	504,240	(25,903)	478,337
Operating income	¥ 25,333	¥ 2,562	¥ 5,725	¥ 1,785	¥ 35,405	¥(12,682)	¥ 22,723
II. Assets	¥301,495	¥21,465	¥31,986	¥19,037	¥373,983	¥ 77,761	¥451,744

Millions of yen

Year ended March 31, 2009	Japan	North and Central America	China	Other	Total	Eliminations or corporate	Consolidated
I. Sales and operating income:							
Sales to third parties	**¥408,582**	**¥23,972**	**¥21,887**	**¥10,064**	**¥464,505**	**¥ —**	**¥464,505**
Intra-group sales and transfers	**10,474**	**56**	**11,707**	**9,423**	**31,660**	**(31,660)**	**—**
Total sales	**419,056**	**24,028**	**33,594**	**19,487**	**496,165**	**(31,660)**	**464,505**
Operating expenses	**407,787**	**22,155**	**27,617**	**18,366**	**475,925**	**(17,986)**	**457,939**
Operating income	**¥ 11,269**	**¥ 1,873**	**¥ 5,977**	**¥ 1,121**	**¥ 20,240**	**¥(13,674)**	**¥ 6,566**
II. Assets	**¥259,317**	**¥18,588**	**¥28,575**	**¥17,012**	**¥323,492**	**¥ 65,153**	**¥388,645**

Thousands of U.S. dollars

Year ended March 31, 2009	Japan	North and Central America	China	Other	Total	Eliminations or corporate	Consolidated
I. Sales and operating income:							
Sales to third parties	**$4,159,442**	**$244,040**	**$222,814**	**$102,453**	**$4,728,749**	**$ —**	**$4,728,749**
Intra-group sales and transfers	**106,627**	**570**	**119,179**	**95,929**	**322,305**	**(322,305)**	**—**
Total sales	**4,266,069**	**244,610**	**341,993**	**198,382**	**5,051,054**	**(322,305)**	**4,728,749**
Operating expenses	**4,151,349**	**225,542**	**281,146**	**186,970**	**4,845,007**	**(183,101)**	**4,661,906**
Operating income	**$ 114,720**	**$ 19,068**	**$ 60,847**	**$ 11,412**	**$ 206,047**	**$(139,204)**	**$ 66,843**
II. Assets	**$2,639,896**	**$189,229**	**$290,899**	**$173,186**	**$3,293,210**	**$ 663,270**	**$3,956,480**

Notes: 1. Geographical segments are divided into categories based on their geographical proximity.

2. Major nations or regions included in each geographical area are as follows:

North and Central America: U.S.A., Mexico, others

Other: Taiwan, Malaysia, Korea, Vietnam, Singapore, Europe, others

As described in Note 2(d), the Company and its domestic consolidated subsidiaries have adopted the new accounting standard for measurement of inventories effective the year ended March 31, 2009. As a result, cost of sales increased by ¥1,303 million ($13,265 thousand) in the Japan segment and operating income decreased by the same amount over the corresponding amount which would have been reported under the previous method for the year ended March 31, 2009.

As described in Note 2(h), in accordance with the revision to the Corporate Tax Law of Japan which went into effect on April 1, 2008, effective the year ended March 31, 2009, the Company and its domestic consolidated subsidiaries have partially revised estimated useful lives of machinery and equipment. As a result, cost of sales increased by 532 million ($5,416 thousand) in the Japan segment and by ¥71 million ($723 thousand) in the Elimination or Corporate segment and operating income decreased by the same amounts over the corresponding amounts which would have been reported under the previous method for the year then ended March 31, 2009.

Overseas sales, which include export sales of the Company and its domestic consolidated subsidiaries and sales (other than exports to Japan) of its foreign consolidated subsidiaries, for the year ended March 31, 2008 and 2009 are summarized as follows:

				Millions of yen
Year ended March 31, 2008	North and Central America	China	Other	Total
Overseas sales	¥30,140	¥22,666	¥12,261	¥ 65,067
Consolidated net sales	—	—	—	501,060
Overseas sales as a percentage of consolidated net sales	6.0%	4.5%	2.5%	13.0%

				Millions of yen
Year ended March 31, 2009	North and Central America	China	Other	Total
Overseas sales	**¥23,732**	**¥22,057**	**¥13,256**	**¥ 59,045**
Consolidated net sales	**—**	**—**	**—**	**464,505**
				Thousands of U.S. dollars
Overseas sales	**$241,596**	**$224,544**	**$134,949**	**$ 601,089**
Consolidated net sales	**—**	**—**	**—**	**4,728,749**
Overseas sales as a percentage of consolidated net sales	**5.1%**	**4.7%**	**2.9%**	**12.7%**

17. Subsequent Events

The following distribution of retained earnings of the Company, which has not been reflected in the accompanying consolidated financial statements for the year ended March 31, 2009, was approved at a meeting of the Board of Directors held on May 20, 2009 and became effective June 5, 2009:

	Millions of yen	Thousands of U.S. dollars
Cash dividends (¥5.00 – $0.051 per share)	**¥1,732**	**$17,632**

ERNST & YOUNG

Ernst & Young ShinNihon LLC

Report of Independent Auditors

The Board of Directors
TOTO LTD.

We have audited the accompanying consolidated balance sheets of TOTO LTD. and consolidated subsidiaries as of March 31, 2008 and 2009, and the related consolidated statements of income, changes in net assets, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of TOTO LTD. and consolidated subsidiaries at March 31, 2008 and 2009, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Supplemental Information

As described in Note 2(d), effective the year ended March 31, 2009, the Company has adopted a new accounting standard for measurement of inventories.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2009 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 3.

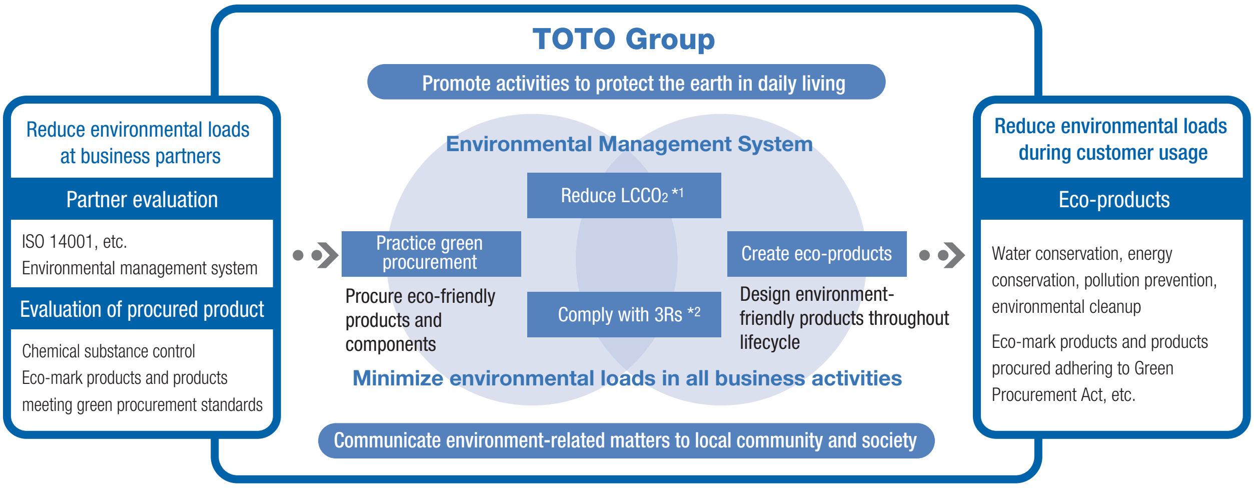
Ernst & Young ShinNihon LLC

Fukuoka, Japan
June 26, 2009

Environmental Data

TOTOs Environmental Conservation Activities

The TOTO Group promotes activities to reduce environmental impact in all business processes.



*1: $LCCO_2$ (lifecycle CO_2): Amount of CO_2 emitted throughout entire lifecycle

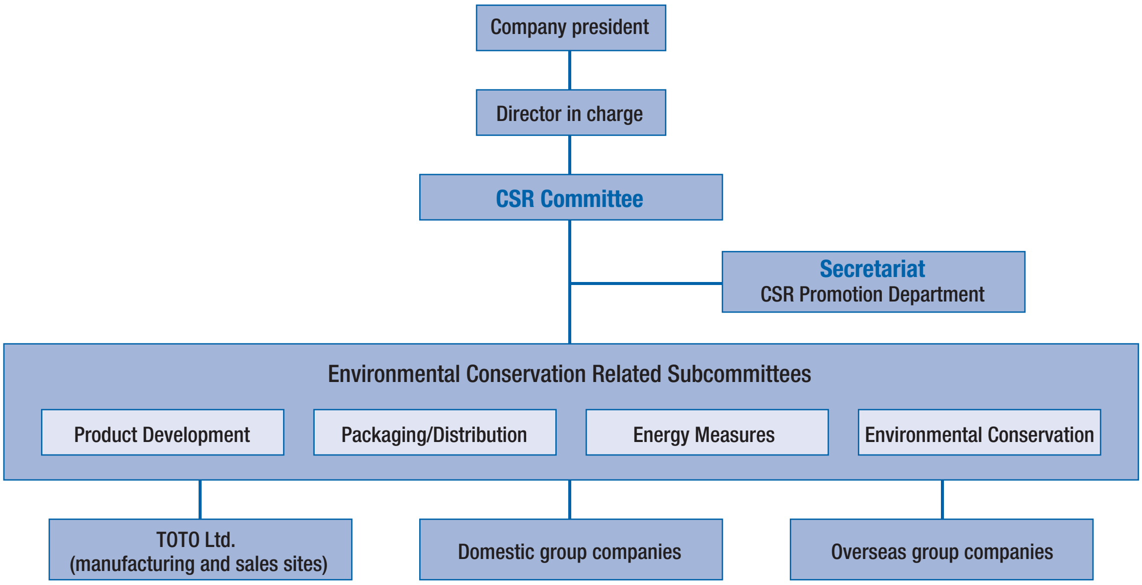
*2: Reduce, Reuse, Recycle

Environmental Management System

The TOTO Group has adopted the following system to advance environmental conservation activities.

The CSR Committee, chaired by the Company's president, meets twice a year to formulate basic policies for environmental conservation activities and deliberate on key environmental challenges. Four sub-committees related to environmental conservation themes have been set up based on the results of deliberations to develop strategies in specialized areas and devise action plans. Domestic and overseas companies work together to formulate and promote concrete action plans.

TOTO is dedicated to implementing ISO 14001 environmental management standards, and is constantly striving to enhance its environmental management system through the PDCA (Plan, Do, Check, Act) cycle. Ongoing improvements at each business site and voluntary environmental activities are also implemented.

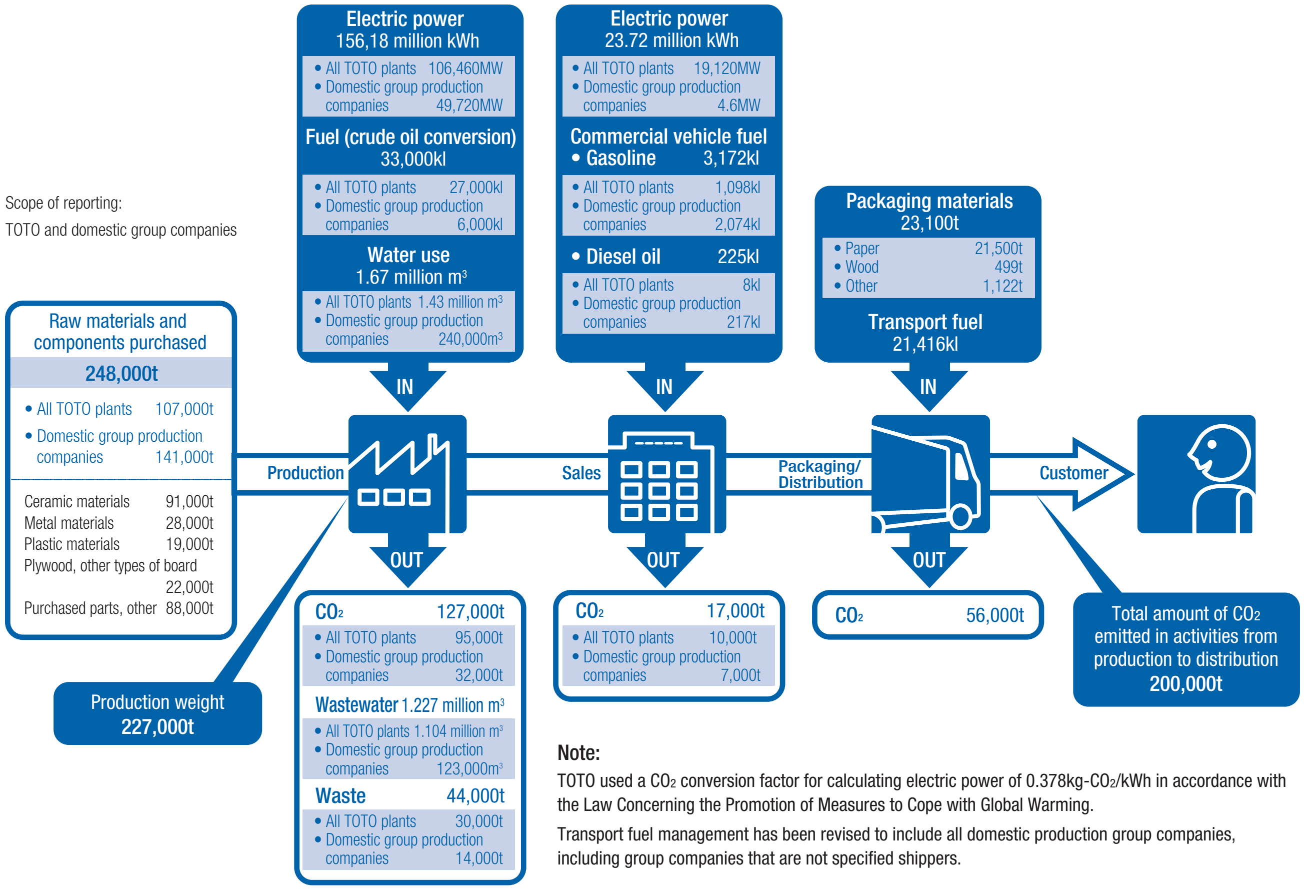


The entire TOTO Group implements and makes continuous improvements to the PDCA cycle for its environmental management system.

• Fiscal Year

In the *TOTO CORPORATE REPORT 2009 Financial and Environmental Section*, the fiscal year under review is stated as "fiscal year ended March 2009" or "2009," which is different from "fiscal 2008" shown in the *TOTO CORPORATE REPORT 2009*.

Overview of Environmental Loads in the Fiscal Year Ended March 2009



Note:

TOTO used a CO_2 conversion factor for calculating electric power of 0.378kg-CO_2/kWh in accordance with the Law Concerning the Promotion of Measures to Cope with Global Warming.

Transport fuel management has been revised to include all domestic production group companies, including group companies that are not specified shippers.

Environmental Accounting

TOTO practices environmental accounting that utilizes a corporate operating manual created based on the Japanese Ministry of the Environment guidelines.

• Investment for the applicable period: ¥16.3 billion • Total R&D costs: ¥13.1 billion

(¥ million)

		Upstream Costs	Costs by Business Area			Downstream Costs			Management Costs, etc.	Total
		Green Procurement	Energy Conservation	Pollution Prevention	Waste Reduction/ Recycling	Product Transfer/ Transport	R&D for Eco-Products	Collection, Recycling Research		
Environmental conservation cost	Investment	0.0	194.1	12.3	4.7	0.0	198.6	0.7	0.0	410.4
	Cost	0.4	16.5	421.4	573.1	97.3	804.6	47.6	327.1	2,288.0
Total		0.4	210.6	433.7	577.8	97.3	1,003.2	48.3	327.1	2,698.4
Economic benefits		7.2	68.7	0.0	141.1	146.5	0.0	0.0	0.0	363.5
Environmental conservation benefits		Produced 13,000 uniforms from recycling of 31,000 PET bottles	Reduced energy	Complied with laws and regulations	Improved recycling rate	Reduced packaging materials by 160t/yr Reduced transport fuel by 1,189kl/yr	–	–	Improved environmental awareness	
CO_2 conversion (t)		–	2,086t	–	–	3,115t	–	–	–	5,201t

• Concerning calculation of environmental conservation costs and effects

1. Results are recorded monthly in conjunction with the monthly accounting system.
2. Economic benefits with minimal basis for calculation, including assumed profits, have been excluded.
3. Depreciation expenses are included in investment amounts and have therefore been omitted from environmental conservation costs to avoid duplication.
4. Development costs within R&D expenditures for eco-products were previously recorded in the full amount not as the difference in amount because they were difficult to identify. Since this may lead to overestimation, such expenditures have been excluded from the scope of reporting.

Results of Environmental Conservation Action Plan

Sixth Environmental Conservation Action Plan April 2007-March 2010 (Summary of Results for the Year Ended Ma

Categories	Items	Control Items	(Final Year Targets) March 2010 Targets	Results for the Year Ended March 2
Product Development	Develop eco-products	Eco-product development ratio*1	Over 90%	95%
		Eco-product sales ratio*2	+5 pts YoY	67%
	Control harmful substances in products	Progress in plan	Start at all companies	Completed requirement definitions
Energy	Promote reduction in CO_2 emissions*3	Progress rate per unit of sales*4	– *5	1.7% improvement
		Domestic reduction rate	Reduce by 20% from March 1991 levels	27.6% reduction
		Progress rate per unit of output overseas*6	Improve by 2% from March 2009 levels	–
Pollution prevention	Manage environmental risk by strengthening legal compliance	No. of violations / complaints	0 cases/yr	1 case/yr
Waste	Reduce waste	Per unit of sales*7	Reduce by 3% from March 2007 levels	5.2% reduction
Distribution	Reduce packaging materials	Reduction rate	Reduce by 12% from March 2001 levels	11.4% reduction
	Reduce transport fuel	Reduction rate	Reduce by 3% from March 2007 levels	0.4% reduction
Used products	Cultivate new users for recycled materials	Number of new users	1 user/yr	2 users/yr

*1 Eco-product development ratio: $\frac{\text{Sales forecast for new TOTO eco-products in fiscal year}}{\text{Sales forecast for all new products in fiscal year}} \times 100$
(Sales forecast: Employs sales estimates in the third fiscal year following product launch)

*2 Eco-product sales ratio: $\frac{\text{Sales of TOTO eco-products in fiscal year}}{\text{Sales of all TOTO products in fiscal year}} \times 100$

*3 CO_2 emissions: TOTO used a CO_2 conversion factor for calculating electric power of 0.378kg-CO_2/kWh in accordance with the Law Concerning the Promotion of Measures to Cope with Global Warming.

*4 Per unit of sales: $\frac{\text{TOTO Group CO}_2\text{ emissions (t)}}{\text{TOTO Group sales (¥100mn)}}$ (includes overseas results)

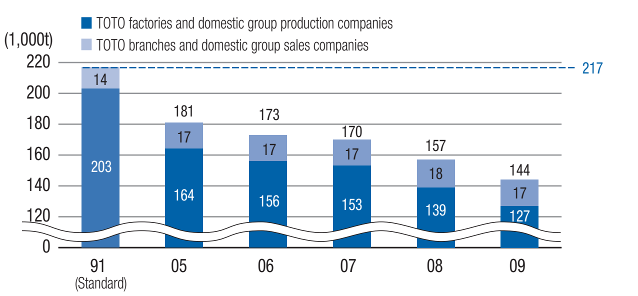
*5 March 2010 targets have been separated into domestic and overseas.

*6 Progress rate per unit of output overseas: $\frac{\text{CO}_2\text{ emissions at TOTO Group overseas production bases (t)}}{\text{Production value at TOTO Group overseas production bases (US\$10,000)}}$

*7 Per unit of sales: $\frac{\text{TOTO Group waste (t)}}{\text{TOTO Group sales (¥100mn)}}$

CO_2 Emissions at Domestic Group Companies

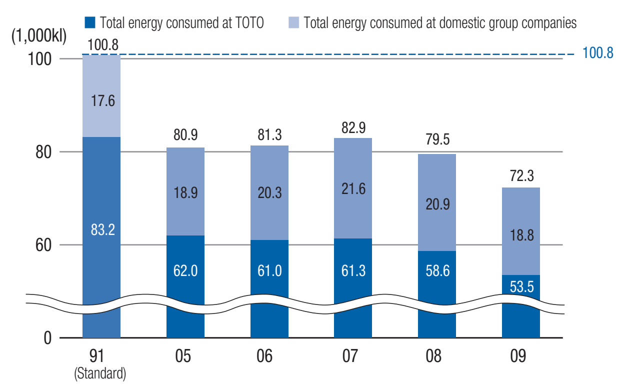
Targeting a 20% reduction in CO_2 emissions by March 2011 (versus March 1991 levels), domestic Group companies achieved this target in the year ended March 2006 by switching fuel in production and various energy conservation initiatives Group-wide. A further reduction of 33.5% (versus March 1991 levels) was achieved in the year ended March 2009. TOTO continues to set even higher targets for CO_2 emission reductions.



Note: TOTO used a CO_2 conversion factor for calculating electric power of 0.378kg-CO_2/kWh in accordance with the Law Concerning the Promotion of Measures to Cope with Global Warming. Estimates are utilized for certain past data.

Energy Consumption

The total amount of energy consumed in domestic production was reduced by approximately 7,200kl (9.1%) compared with the previous year, or approximately 72% versus March 1991 levels. TOTO will continue striving to reduce energy consumption.

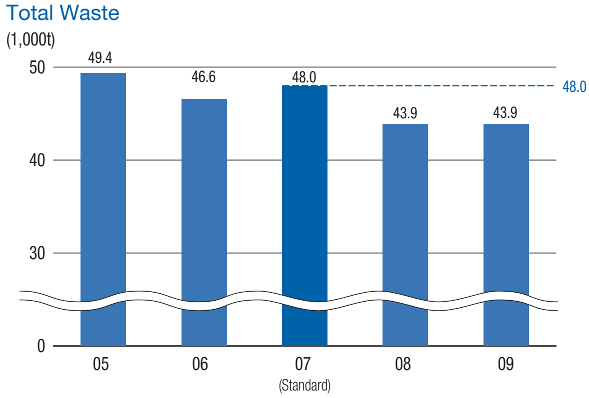


Note: TOTO used an energy conversion factor of crude oil of 2.54kl/10,000kWh in accordance with the Law Concerning the Promotion of Measures to Cope with Global Warming.

Reduction in Plant Waste

TOTO worked to increase the proportion of sludge (clay) discharged in the production of ceramic sanitary ware that is transformed into raw materials for reuse as a means of further reducing waste. However, the disposal of obsolete equipment and fixtures at business sites in line with 5S activities led to a temporary increase in waste. As a result, the amount of total waste was on a par with the previous fiscal year.

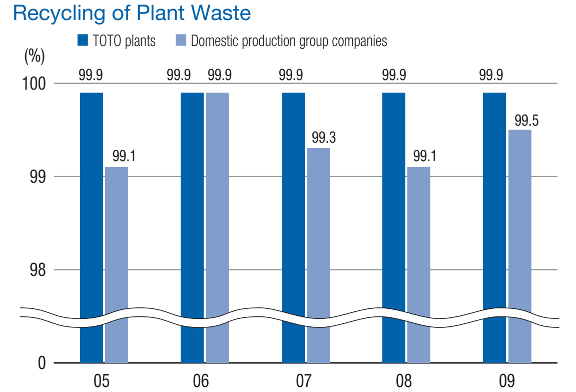
Total Waste



Recycling of Plant Waste

In the year ended March 2009, TOTO recycled sludge (clay) discharged from ceramic sanitary ware production plants as materials for bricks and foam inhibitor*, a technology established in the previous fiscal year. Waste ceramic sanitary ware passed a quality test for use as recycled material for bricks, and ongoing efforts will directed toward cultivating new applications.

Recycling of Plant Waste



Note: A foam inhibitor is solid matter introduced to suppress foam generated when making iron in a converter.

arch 2009)

2008	Targets for the Year Ended March 2009	Results for the YeaEnded March 2009	Evaluation
	Over 90%	96%	◎
	+5 pts YoY	67%	△
	Complete operational test	Completed operational test	◎
	Improve by 2% from March 2007 levels	4.1% decrease	×
	Reduce by 20% from March 1991 levels	33.5% reduction	◎
	–	–	–
	0 cases/yr	0 cases/yr	◎
	Reduce by 2% from March 2007 levels	1.5% reduction	△
	Reduce by 12% from March 2001 levels	12% reduction	◎
	Reduce by 2% from March 2007 levels	4.1% reduction	◎
	Over 1 user/yr	2 users/yr	◎

• Evaluation
◎ Exceeded target (Over 100%) ○ Achieved target (95-100%)
△ In progress, but target not yet achieved (70-95%)
× Target not achieved (Under 70%)

Response to Soil Contamination Countermeasures Act

TOTO conducts voluntary soil surveys at all of its plants in compliance with guidelines of the Soil Contamination Countermeasures Act. Since trichlorethylene was detected at above accepted environmental standard values from the soil and groundwater at the Chigasaki Plant, TOTO reported this to Chigasaki City authorities and on its website in April 2005.

Treatment facilities were installed in May 2005 and soil and groundwater cleanup efforts began in September. TOTO cleared environmental standard values in May 2008. Upon making a report once again to the authorities, the status will be monitored in two-year blocks. No problems occurred in the first year since this system was initiated.

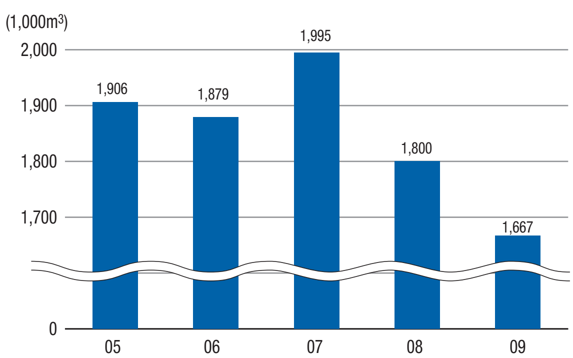
Compliance with Environmental Laws and Regulations

Pollution prevention measures are promoting via our environmental management system. TOTO also works to reduce environmental loads and prevent pollution by complying with various laws and regulations and setting voluntary management standards.

Management Item	Target	Result
Compliance with environmental laws and regulations	Violations: 0	0
Number of complaints	Complaints: 0	0

Water Consumption

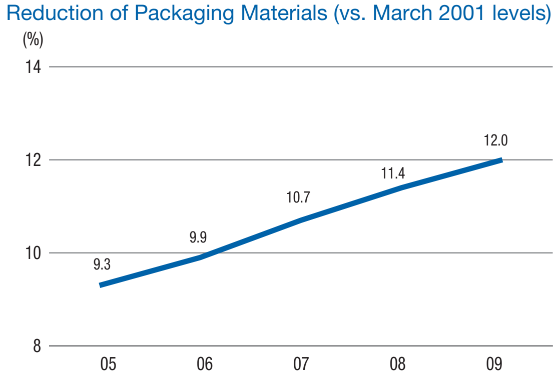
TOTO reduced the amount of water used in production processes at plants in Japan by approximately 133,000m³, or 7.4%, compared with the previous fiscal year. Promoting water conservation will continue to be a key initiative.



Reduction of Packaging Materials

TOTO's own packaging design guidelines based on the 3Rs (Reduce, Reuse, Recycle) have been formulated aimed at reducing waste at building sites, with concerted efforts to reduce packaging materials.

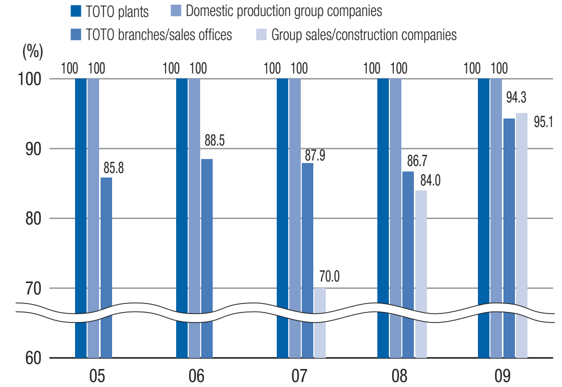
Reduction of Packaging Materials (vs. March 2001 levels)



Promoting Recycling by Separating and Collecting Used Paper

TOTO plants and group production companies continue to maintain a 100% recycling rate. TOTO branches and sales offices, and group sales and construction companies have improved their recycling rates as a result of new recycling routes.

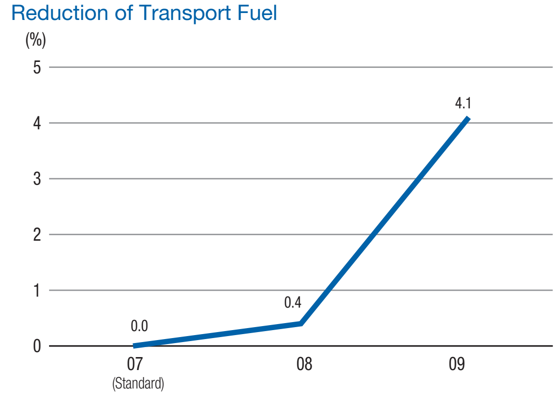
Recycling of Used Paper



Reduction of Transport Fuel

Aiming to reduce CO_2 emissions, concerted efforts are being directed toward reducing fuel used in transport. Greater efficiency in transport is being realized via cooperation with transport companies and sales distributors by shifting to different modes, using joint deliveries and boosting load efficiency. The scope of transport fuel management was also revised to include all domestic production group companies, including group companies that are not specified shippers.

Reduction of Transport Fuel



History

Business Development	Year	Product Development
• Establishes chinaware laboratory inside Nippon Toki Gomei Kaisha and begins R&D into production of ceramic sanitary ware	1912	
	1914	• Successfully produces Japan's first ceramic seated flush toilet (at Nippon Toki Gomei Kaisha, the predecessor to Toyo Toki) 
 • Establishes Toyo Toki Company, Limited in Kokura, Kitakyushu	1917	• Commences production of ceramic sanitary ware
	1946	• Commences production of faucets
	1963	• Develops construction method for world's first prefabricated bathroom module 
	1968	• Launches bathroom vanity unit
• Changes name to TOTO Kiki Ltd.	1970	
• Establishes P.T. SURYA TOTO INDONESIA, a joint venture company, in Indonesia	1977	
	1980	• Launches "Washlet" (toilet seats with a warm-water washing feature) 
	1981	• Launches modular kitchen
• Opens "Gallery · MA"	1985	• Launches "Shampoo Dresser" bathroom vanity suited for washing hair
• Opens "TOTO Super Space" as core showroom	1989	
• Establishes TOTO KIKI U.S.A., INC. as sales base in the United States	1990	
• Announces "Remodeling Declaration" and strengthens remodeling as business pillar	1993	• Launches "NEOREST" toilets featuring Washlet
• Establishes TOTO (CHINA) CO., LTD.	1995	
	1998	• Develops Hydrotect products that incorporate super hydrophilic photocatalyst technology (world's first successful practical application)
	1999	• Develops CeFiONtect semi-permanent antifouling technology for ceramic sanitary ware
	2001	• Launches Japan's first system bathroom equipped with Karari floor for thorough drainage
• Concludes business tie-up with Daiken Corp. and YKK AP Inc. in remodeling field	2002	
• Proposes new lifestyles exceeding customer expectations in new Remodeling Declaration	2003	
	2004	• Launches Japan's first system bathroom equipped with insulated thermal pot "Mahobin" bathtub
• Sets up TOTO Water Environment Fund	2005	• Washlet shipments top 20 million
• Establishes TOTO Universal Design Laboratory (Chigasaki) for R&D into universal design	2006	
	2007	• Launches NEOREST Hybrid Series 
• Establishes TOTO Europe GmbH as first European headquarters in Germany • Establishes TOTO ASIA OCEANIA PTE. LTD. as Asian headquarters in Singapore	2008	

TOTO Group Global Network

Domestic

Domestic Plants (8 plants)

Kokura No. 1 Plant	(Fukuoka Prefecture)
Kokura No. 2 Plant	(Fukuoka Prefecture)
Nakatsu Plant	(Oita Prefecture)
Nakatsu No. 2 Plant	(Oita Prefecture)
Oita Plant	(Oita Prefecture)
Shiga Plant	(Shiga Prefecture)
Shiga No. 2 Plant	(Shiga Prefecture)
Chigasaki Plant	(Kanagawa Prefecture)

Domestic Sales Branches (14 branches)

Headquarters	(Fukuoka Prefecture)
Sapporo Branch	(Hokkaido Prefecture)
Tohoku Branch	(Miyagi Prefecture)
Shinetsu Branch	(Niigata Prefecture)
Kita-Kanto Branch	(Saitama Prefecture)
Higashi-Kanto Branch	(Chiba Prefecture)
Tokyo Branch	(Tokyo)
Yokohama Branch	(Kanagawa Prefecture)
Nagoya Branch	(Aichi Prefecture)
Hokuriku Branch	(Ishikawa Prefecture)
Kansai Branch	(Osaka Prefecture)
Chugoku Branch	(Hiroshima Prefecture)
Shikoku Branch	(Kagawa Prefecture)
Kyushu Branch	(Fukuoka Prefecture)

Domestic Group Companies

● Manufacturing

TOTO WASHLET TECHNO LTD.
Manufacturing of Washlet and other products

TOTO ENPLA LTD.
Manufacturing and sales of toilet seats, plastic rubber forming parts

TOTO OKITSUMO Coatings LTD.
Manufacturing and sales of coating materials and coatings for organic, inorganic and metal materials; coating works

TOTO SANITECHNO LTD.
Manufacturing and sales of sanitary ware

TOTO High Living LTD.
Manufacturing and sales of modular kitchens and bathroom vanity units

TOTO Bath Create LTD. (Headquarters: Sakura Plant)
Manufacturing and sales of unit bathrooms

TOTO Fine Ceramics LTD.
Manufacturing of optical transmission materials, etc.

TOTO PLATEC LTD. (Headquarters: Buzen Plant)
Manufacturing and sales of Marbright artificial marble counters and plastic enameled bathtubs

TOTO MATERIA LTD.
Manufacturing and sales of tile products

SUNAQUA TOTO LTD.
Manufacturing and sales of fittings for water faucets, etc.

Shinsei Kogyo LTD.
Manufacture and sales of parts for water faucet fittings, etc.

● Sales

TOTO AQUAIR LTD.
Remodeling consultation, design, construction and sales of nonresidential equipment

TOTO EXCERA LTD.
Sales of tile products

TOTO MTEC LTD.
Sales of residential equipment

TOTO Engineering LTD.
Construction, sales, design and contracting of residential equipment

TOTO Hokkaido Sales LTD.
Sales of residential equipment

TOTO Tohoku Sales LTD.
Sales of residential equipment

TOTO Niigata Sales LTD.
Sales of residential equipment

TOTO Shinsyu Sales LTD.
Sales of residential equipment

TOTO Chubu Sales LTD.
Sales of residential equipment

TOTO Osaka Sales LTD.
Sales of residential equipment

TOTO Kinki Sales LTD.
Sales of residential equipment

TOTO Chugoku Sales LTD.
Sales of residential equipment

TOTO Shikoku Sales LTD.
Sales of residential equipment

TOTO Kochi Sales LTD.
Sales of residential equipment

TOTO Hokubu-Kyusyu Sales LTD.
Sales of residential equipment

TOTO Minami-Kyusyu Sales LTD.
Sales of residential equipment

CERA TRADING LTD.
Import and sales of overseas plumbing equipment

MORROWS LTD.
Design and construction of remodeling for houses and shops

REMODEL TECHNO LTD.
Design and construction of remodeling for houses and shops

Nakayama Kenzai LTD.
Sales of residential equipment

● Services, Support, Others

TOTO INFOM LTD.
Development and maintenance of software

TOTO EXPERT LTD.
Temporary personnel service

TOTO BUSINETZ LTD.
Temporary personnel service, personnel affairs, benefits package, operation of pharmacies, leasing of real estate

TOTO Finance LTD.
Financing and accounting services for group companies

TOTO Frontier Research LTD.
Patent and licensing business for Hydrotect

TOTO Maintenance LTD.
After service and maintenance of TOTO products

TOTO LOGICOM LTD.
Freight transportation service

Overseas

• U.S.A.

TOTO U.S.A. HOLDINGS, INC.
Holding company

TOTO U.S.A., INC.
Manufacturing and sales of sanitary ware

• Mexico

TOTO MEXICO, S.A. DE C.V.
Manufacturing and sales of sanitary ware

• China

TOTO (CHINA) CO., LTD.
Holding company and sale of TOTO products

BEIJING TOTO CO., LTD.
Manufacturing of sanitary ware

TOTO (BEIJING) CO., LTD.
Manufacturing of sanitary ware

TOTO DALIAN CO., LTD.
Manufacturing of faucets

NANJING TOTO CO., LTD.
Manufacturing of enameled cast-iron and acrylic bathtubs

TOTO (SHANGHAI) CO., LTD.
Manufacturing of sanitary equipment-related products

TOTO EAST CHINA CO., LTD.
Manufacturing of sanitary ware

TOTO (GUANGZHOU) CO., LTD.
Manufacturing of sanitary equipment-related products

TOTO (H.K.) LTD.
Sales of TOTO products

VORETO PLUMBING TECHNOLOGY CO., LTD.
Manufacturing of plastic products

ICOT HONG KONG LTD.
Manufacturing and sales of tile materials and other products

• Singapore

TOTO ASIA OCEANIA PTE. LTD.
Regional headquarters and sales of TOTO products

• United Arab Emirates

TOTO ASIA OCEANIA DUBAI SALES BRANCH
Sales of TOTO products

• India

TOTO ASIA OCEANIA DELHI SALES BRANCH
Sales of TOTO products

• Philippines

TOTO ASIA OCEANIA MANILA SALES BRANCH
Sales of TOTO products

• Thailand

TOTO ASIA OCEANIA BANGKOK SALES BRANCH
Sales of TOTO products

THE SIAM SANITARY FITTINGS CO., LTD.
Manufacturing and sales of faucets

Siam Sanitary Ware Co., Ltd.
Manufacturing and sales of sanitary ware

• Vietnam

TOTO VIETNAM CO., LTD.
Manufacturing of sanitary ware, etc.

• Malaysia

TOTO MALAYSIA SDN. BHD.
Manufacturing of Washlets

• Indonesia

P.T. SURYA TOTO INDONESIA
Manufacturing and sales of sanitary ware, faucets, etc.

• Germany

TOTO Europe GmbH
Regional headquarters and sales of TOTO products

TOTO Germany GmbH
Manufacturing of toilet seats

• Taiwan

TAIWAN TOTO CO., LTD.
Manufacturing and sales of sanitary ware, etc.

• Korea

TOTO KOREA LTD.
Sales of TOTO products

Stock Information

(as of March 31, 2009)

Stock Listings

Tokyo, Nagoya and Fukuoka

Number of Shareholders

32,516

Number of Shares

Authorized: 1,400,000,000
Issued: 371,662,595

Transfer Agent

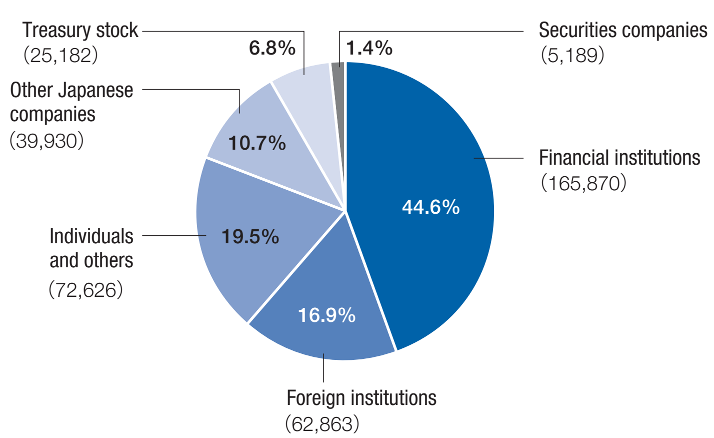
Mitsubishi UFJ Trust and Banking Corporation

Major Shareholders

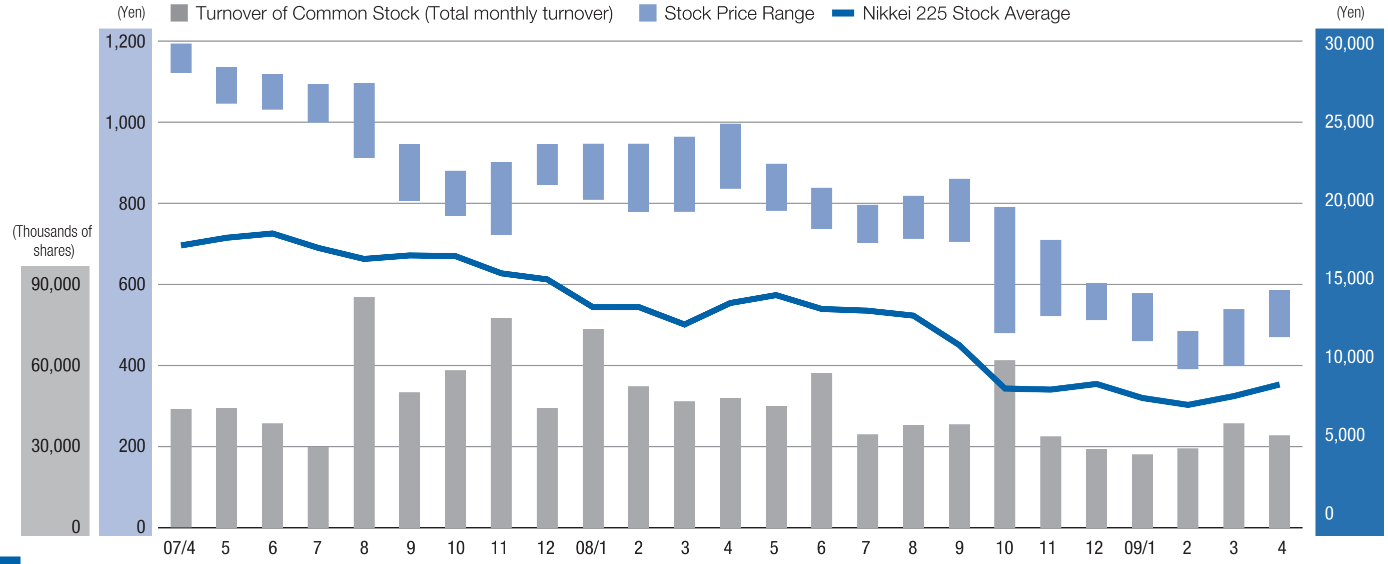
	Shares held (thousands)	Percentage of shares held
State Street Bank & Trust Co.	25,244	6.8%
TOTO LTD.	25,182	6.8%
Meiji Yasuda Life Insurance Company	21,244	5.7%
The Dai-ichi Mutual Life Insurance Company	20,541	5.5%
Japan Trustee Services Bank, Ltd. (Trust Account)	17,019	4.6%
Japan Trustee Services Bank, Ltd. (Trust Account 4G)	14,578	3.9%
Nippon Life Insurance Company	13,483	3.6%
The Master Trust Bank of Japan, Ltd.(Trust Account)	12,200	3.3%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	9,619	2.6%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	9,291	2.5%

Composition of Shareholders

(thousands)



Stock Price Range/Turnover of Common Stock



Corporate Data

■ Company Name	TOTO LTD.
■ Establishment	May 15, 1917
■ Capital	¥35,579 million (US$362,201 thousand)
■ Headquarters	1-1, Nakashima 2-chome, Kokurakita-ku, Kitakyushu, Fukuoka, Japan
■ Number of Employees:	23,935 (consolidated) 7,642 (non-consolidated)
■ TOTO Group and Affiliates	76 companies (including 58 consolidated subsidiaries) Japan: 48 companies Overseas: 28 companies
■ Main Businesses	• Equipment for Construction Restroom Products Sanitary ware (toilet basins, urinals, sinks, washbasins, etc.), system toilets, toilet seats (e.g., Washlet), plumbing accessories, etc. Bath, Kitchen and Wash Products System bathrooms, fittings (various faucets, drain fittings, etc.), hot water systems, modular kitchens, vanity units, Marbright artificial marble counters, plastic enameled bathtubs, etc. Other Products Tile materials, bathroom ventilation, heating and drying systems, welfare equipment, etc. • Others New ceramics, lifestyle products, etc.

Board of Directors (as of June 29, 2009)

Representative Director and Chairman of the Board	Teruo Kise
Representative Director and President	Kunio Harimoto
Representative Director and Executive Vice President	Toshio Uzuka
Representative Director and Executive Vice President	Kenji Ito
Director and Senior Executive Officer	Tatsuhiko Saruwatari
Director and Senior Executive Officer	Akio Hasunuma
Director and Senior Executive Officer	Hiromichi Tabata
Director and Executive Officer	Masami Abe
Director and Executive Officer	Hitoshi Nakamura
Director and Executive Officer	Norio Kondo
Director and Corporate Officer	Nobuyasu Kariu
Director and Corporate Officer	Shunji Yamada
Director and Corporate Officer	Toshifumi Shigematsu
Director and Corporate Officer	Shinichiro Nakazato
Independent External Director	Kazumoto Yamamoto
Independent External Director	Yutaka Asou
Independent External Director	Takuma Otoshi
Statutory Auditor	Kazutoshi Fujihara
Statutory Auditor	Shinya Satake
External Corporate Auditor	Junichi Minegishi
External Corporate Auditor	Tatsuo Kaikawa

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http://www.toto.co.jp/en/

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