

Verification Statement

TSUNEISHI HOLDINGS CORPORATION and its 29 affiliates

Scope of Verification Engagement

This Verification Statement is issued to TSUNEISHI HOLDINGS CORPORATION and its 29 affiliates.

Nippon Kaiji Kyokai (Headquarters: 4-7, Kioi-cho, Chiyoda-ku, Tokyo, Japan, hereinafter referred to as “the Society”) was commissioned by TSUNEISHI HOLDINGS CORPORATION (Head Office location:1083 Tsuneishi, Numakuma-cho, Fukuyama, Hiroshima, Japan; hereinafter referred to as “the Applicant”) to assure and verify its GHG emissions inventory (hereinafter referred to as “the Report”) for 2023 (January 1, 2023 to December 31, 2023). The Report covers direct GHG emissions, energy indirect GHG emissions, and other indirect GHG emissions.

The scope of the verification engagement includes the Applicant’s Head Office and its 29 affiliates as follows, and the scope is selected as the Applicant’s boundary. The consolidation method of the affiliates is based on “Operational Control” under the “Control Approach”.

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| -TSUNEISHI SHIPBUILDING Co., Ltd. | -TSUNEISHI HEAVY INDUSTRIES(CEBU), Inc. |
| -TSUNEISHI GROUP (ZHOUSHAN)
SHIPBUILDING, Inc. | -TSUNEISHI IRON WORKS Co., Ltd. |
| -TSUNETETSU(CEBU), INC. | -TSUNETETSU(ZHOUSHAN), Inc. |
| -TSUNEISHI TRADING CO., Ltd. | -TSUNEISHI ENGINEERING Co., Ltd. |
| -MIHO SHIPYARD Co., Ltd. | -KANDA DOCKYARD CO., LTD. |
| -Mitsui E&S Shipbuilding Co., Ltd. | -NIIGATA SHIPBUILDING & REPAIR, INC. |
| -Yura Dockyard Co., Ltd. | -TSUNEISHI FACILITIES & CRAFT Co., Ltd |
| -KAMBARA KISEN Co., Ltd. | -KAMBARA KISEN (CHINA) SHIPPING Co., Ltd. |
| -SHANGHAI KAMBARA INTERNATIONAL
TRANSPORTATION Co., Ltd. | -KAMBARA LOGISTICS Co., Ltd. |
| -KAMBARA TUG & MARINE SERVICES Co., Ltd. | -TSUNEISHI KAMTECS CORPORATION |
| -TOKO CORPORATION | -SUNNY CREATION PLANNING CORPORATION |
| -EARTH CREATE OFFICE Co., Ltd. | -FUTABA SANKYO Co., Ltd. |
| -TSUNEISHI KAMTECS RIKUUN Co., Ltd. | -YOSHIDA Co., Ltd. |
| - CYCLE TREND INDUSTRIES Sdn. Bhd | -TSUNEISHI LR Inc. |
| - SETOUCHI CRUISE, Inc. | -TSUNEISHI HOLDINGS CORPORATION |

Operational boundaries are set up in such a manner as to account for direct and indirect GHG emissions (including CH₄, N₂O) emitted from activities taking place in the above-mentioned Applicant's Head Office and its 29 affiliates, and ocean-going vessels and coastal vessels. Sinks and reservoirs, NO_x, and SO_x are out of scope.

Applicable standards and references.

1. ISO14064-1:2018 (JIS Q 14064-1:2023)
2. ISO14064-3:2019 (JIS Q 14064-3:2023)
3. GHG Protocol
4. Greenhouse Gas Emissions Calculation Procedure (TSUNEISHI HOLDINGS CORPORATION)

(Applied quantification methodologies)

5. Greenhouse Gas Emissions Calculation and Reporting Manual ver.4.9 (Act on Promotion of Global Warming Countermeasures)
6. Ministry of the Environment; emission factor database for calculating greenhouse gas emissions of organizations through supply chains (Ver.3.2)

Responsibility for the management of GHG data

The Applicant is responsible for preparing the Report and for maintaining effective internal controls over the data and information disclosed. The Society is responsible for carrying out the verification engagement for the Report in accordance with the contract made with the Applicant. It is the Applicant who, in the final instance, will approve the Report and it will continue to remain under the Applicant's responsibility.

Verification Procedure

Verification by the Society has been carried out in accordance with "ISO14064-3:2019 (JIS Q 14064-3:2023) *Specification with guidance for the verification and validation of greenhouse gas statements*" to provide reasonable assurance that GHG data as presented in the Report have been prepared in accordance with "ISO14064-1:2018 (JIS Q 14064-1:2023) *Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.*",

To form a conclusion, the verification engagement was undertaken as a sampling exercise that included the following:

- Site visit to the Applicant (1083 Tsuneishi, Numakuma-cho, Fukuyama, Hiroshima), and strategic analysis and risk assessment of the following sites (TSUNEISHI IRON WORKS Co., Ltd., TSUNEISHI HEAVY INDUSTRIES (CEBU), Inc.
- Interview of the staff in charge of GHG emission data, information management, and preparation of the Report at the above sites
- Review of the management process of GHG emission data and information included in the Report

- Verification of the integrity of the information sources available at the visited sites and aggregation in the Head Office for GHG emission performance data and information included in the Report
- Review of the structure, equipment, and emission source data of ocean-going vessels and coastal vessels
- Review of QA/QC system of BDNs and double-check system at the time of refuelling

Level of Assurance and Materiality

The verification opinion declared in this Verification Statement was determined based on the reasonable level of assurance setting the materiality threshold value at less than 5% of total emissions for direct emissions, indirect emissions from imported energy, and a limited level of assurance setting the materiality at the professional judgment of the verifier for other indirect emissions.

Verification opinion

<Unmodified opinion>

In our opinion for direct emissions, indirect emissions from imported energy, and other indirect emissions from the corporate value chain, the Report has been prepared, in all material respects, based on the international standard ISO 14064-1:2018 (JIS Q 14064-1:2023) Part 1: *Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals*. Nothing has come to our attention that causes us to believe that indirect GHG emissions from transportation, from products used by the organization, and associated with the use of products from the organization in the ANNEX tables are not materially correct. Further, there is no conflict of interest between the Society and the Applicant.

August 9, 2024

NIPPON KAIJI KYOKAI
Green Certification Department
Lead Auditor



Yoshihiko DOZONO

NIPPON KAIJI KYOKAI
Business Assurance Division
Director



Yoshiya YAMAGUCHI

Annex 1: ISO 14064-1 Category: Summary of GHG Inventory for 2023 (tCO₂e)

Verified GHG emissions (Category)	2023
Direct GHG emissions (Category 1)	435,569
Indirect GHG emissions from imported energy (Category 2)	83,216
Indirect GHG emissions from transportation (Category 3)	19,524
Indirect GHG emissions from products used by an organization (Category 4)	1,555,152
Indirect GHG emissions associated with the use of products from the organization (Category 5)	17,137,818
Total GHG Emissions	19,231,279

Annex 2: GHG Protocol Category: Summary of GHG Inventory for 2023 (tCO₂e)

Verified GHG emissions (Scope/Category)	2023
Direct GHG emissions (Category 1)	435,569
Indirect GHG emissions from imported energy (Scope 2)	83,216
Indirect GHG emissions from the Corporate Value Chain (Scope 3)	18,712,494
1. Purchased Goods and Services	1,372,646
2. Capital Goods	28,478
3. Fuel-and Energy-Related Activities not included in Scope 1 or Scope 2	130,370
4. Upstream Transportation and Distribution	9,959
5. Waste General in Operation	23,658
6. Business Travel	1,961
7. Employee Commuting	7,034
9. Downstream Transportation and Distribution	570
11. Use of Sold Products	16,489,791
12. End-of-Life Treatment of Sold Products	30,618
13. Downstream Leased Assets	617,410
Total GHG Emissions	19,231,279

Annex 3:

GHG emissions deducted by Credit in 2023 (tCO ₂ e)	13,453
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