

# Greenhouse Gas Emissions Third-party Verification Report

**To: TOKAI Holdings Corporation**

## 1. Objective and Scope

Japan Quality Assurance Organization (hereafter “JQA”) was engaged by TOKAI Holdings Corporation (hereafter “the Company”) to provide an independent verification on FY2023\* GHG Emissions Calculation Report (hereafter “the Report”). The content of our verification was to express our conclusion, based on our verification procedures, on whether the statement of information regarding the FY2023\* GHG (greenhouse gases) emissions in the Report was correctly measured and calculated, in accordance with “Calculation Manual for GHG Emissions, TOKAI Group Ver.3.0” (hereafter “the Rule”). The purpose of the verification is to evaluate the Report objectively and to enhance the credibility of the Report.

\*The fiscal year 2023 of the Company ended on March 31, 2024.

## 2. Procedures Performed

JQA conducted verification in accordance with “ISAE3410”. The scope of this verification assignment covers energy-derived CO<sub>2</sub> emissions from Scope 1 and Scope 2 (market-based), and Scope 3 GHG emissions (Category 1 and 11). The organizational boundaries of this verification include totally 156 business sites of the Company and 22 affiliated companies. The verification was conducted to a limited level of assurance and quantitative materiality was set at 5 percent of the total emissions in the Report.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Our verification procedures included:

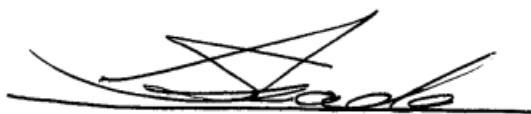
- Confirming the integrated functions and the Rule prior to the on-site assessment.
- Holding on-site verification for Scope 1 and Scope 2, at the Company’s 4 business sites: TOKAI Communications Corporation Shizuoka Data Center, TOKAI GAS CORPORATION Fujieda Headquarters, Aqua Yaizu Plant and Shizuoka Head Office Building of TOKAI CORPORATION. The sampling sites for on-site assessment were selected by the Company.
- Checking the calculation boundaries, GHG emission sources, monitoring points, monitoring and calculation system and activity data during on-site verification.
- For Scope 3, confirming the calculation boundaries, calculation scenario and allocation method; monitoring and calculation system; and emission data against evidence.

## 3. Conclusion

Based on the procedures described above, nothing has come to our attention that caused us to believe that the statement of the information regarding the Company’s FY2023 GHG emissions in the Report is not materially correct, or has not been prepared in accordance with the Rule.

## 4. Consideration

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The Company was responsible for preparing the Report, and JQA’s responsibility was to conduct verification of GHG emissions in the Report only. There is no conflict of interest between the Company and JQA.



Sumio Asada, Board Director

For and on behalf of Japan Quality Assurance Organization

1-25, Kandasudacho, Chiyoda-ku, Tokyo, Japan

March 28, 2025