Third-Party Verification of Greenhouse Gas Emissions

For the purpose of ensuring credibility, the Kawasaki Group received a third-party verification from SGS Japan Inc. on greenhouse gas emissions of the Group.

Scope of Verification

Greenhouse gas emissions associated with business activities in fiscal 2016

- Scope 1 and 2 greenhouse gas emissions associated with business activities at 41 domestic and 24 overseas sites in the Kawasaki Group
- Category 1 (purchased products and services) and Category 11 (use of sold products), which account for a large percentage of Kawasaki's Scope 3 greenhouse gas emissions

Verification Statement

SGS

June 24 2016

Mr. Yoshinori Kanehana
President
Kawasaki Heavy Industries, Ltd.

Objective

SGS Japan Inc. (hereinafter referred to as "SGS") was commissioned by Kawasaki Heavy Industries, Ltd. (hereinafter referred to as "the Organization") to conduct independent verification based on ISO14064-3:2006 and the SGS verification protocol regarding the data prepared by the Organization on performance data of GHG emissions (hereinafter referred to as "the assertion"). The objective of this verification is to confirm that the assertion in the Organization's applicable scope have been correctly calculated and reported in the assertion in conformance with the criteria, and to express our views as a third party.

Scope

The scope of verification is limited to the assertion in 41 the Organization and its domestic subsidiaries sites, and 24 the Organization and its overseas subsidiaries sites. GHG emissions included in this performance data are Scope 1 and 2: CO_2 emissions from energy consumption (excluded the vehicle which runs the site outside), Scope 3: category 1 and 11 within the sites and the equipments defined by the Organization.

The period subject to report is from Apr 1, 2015 to Mar 31, 2016.

Procedure of Verification

The assertion was verified in accordance with ISO14064-3: 2006 and the SGS verification protocol, and the following processes were implemented at a limited level of assurance:

- Verification of the calculation system: interviews on the measurement, tabulation, calculation and reporting methods employed by the Organization as well as review of related documents and records
- Verification of the assertion: On-site verification, review of vouchers at Gifu Works, Akashi Works and analytical procedures and interviews carried out at all works included in the scope of verification at Kobe Head office.

The criteria for this review is based on the protocol specified by the Organization.

Conclusion

Within the scope of the verification activities employing the methodologies mentioned above, nothing has come to our attention that caused us to believe that the Organization's assertion (Scope1:175,719 t-CO2, Scope2:323,971 t-CO2, Scope3:5,431,903 t-CO2 (category 1), 48,389,990 t-CO2 (category 11)) was not calculated and reported in conformance with the criteria.

For and on behalf of SGS Japan Inc
Senior Executive & Business Manager
Certification and Business Enhancement

Yuji Takeuchi