

# Greenhouse Gas Emissions Verification Report

**To: TOTO Ltd.**

## 1. Objective and Scope

Japan Quality Assurance Organization (hereafter JQA) was engaged by TOTO Ltd. (hereafter TOTO) to provide an independent verification on “Fiscal Year 2012, TOTO Group GHG Emissions Report” (hereafter the Report). The contents of our verification was to express our conclusion, based on our verification procedures, on whether the statement of information regarding the FY2012 Scope 3 GHG emissions in the Report was correctly measured and calculated, in accordance with the “TOTO group calculation rule” (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 of TOTO Ltd. and its domestic subsidiaries end on March 31 2013, while the fiscal years of its overseas subsidiaries end on December 31, 2012.

## 2. Procedures Performed

JQA conducted verification in accordance with “ISO 14064-3”. The scope of this verification assignment covers following three categories of Scope 3 GHG emissions: Purchased goods and services (Category 1), Upstream transportation and distribution (Category 4) and Use of sold products (Category 11). 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.

Our verification procedures included:

- Visiting TOTO’s headquarters (Category 1 and 4) and Sakura-Shinmachi site (category 11) to perform verification.
- On-site assessment to check the report scope and boundaries, calculation scenario and allocation method, and Monitoring and Calculation system and its controls.
- Vouching: Cross-checking the GHG emissions data against evidence for all sampling site.

## 3. Conclusion

As a result of the verification activity, JQA hereby confirm that the statement of the information regarding Scope 3 GHG emissions in the Report contains no material discrepancy (any errors due to measurements or calculations are less than 5%) and fairly represented in all important points; and that it has been prepared in accordance with “TOTO group calculation rule”.

## 4. Consideration

TOTO Ltd. was responsible for preparing the Report, and JQA’s responsibility was to conduct verification of the GHG emissions in the Report only. There is no conflict of interest between TOTO Ltd. and JQA.

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