

## LRQA Assurance Statement

### Relating to Nabtesco Group's environmental and social indicators within the Integrated Report FY Ended December 31, 2016 for the calendar year 2016

This Assurance Statement has been prepared for Nabtesco Corporation in accordance with our contract but is intended for the readers of this Report.

#### Terms of Engagement

Lloyd's Register Quality Assurance Ltd. (LRQA) was commissioned by Nabtesco Corporation (NABTESCO) to provide independent assurance on its environmental and social indicators within its Integrated Report FY Ended December 31, 2016 for the calendar year 2016, that is, 1 January to 31 December 2016 ("the report") against the assurance criteria below to a limited level of assurance using LRQA's verification procedure.

Our assurance engagement covered Nabtesco Group's operations and activities<sup>1</sup> and specifically the following requirements:

- confirming that the report is in accordance with NABTESCO's in-house reporting procedures, and
- evaluating the accuracy and reliability of the selected environmental and social indicators:
  - Energy Consumption
  - Water consumption and water discharge
  - Waste generated and landfilled
  - Chemical substances controlled under the PRTR scheme in Japan, and
  - Occupational accident rate<sup>2</sup>

Note 1: The data of energy and water consumption covers Nabtesco Corporation and Nabtesco Group companies in Japan and overseas. The inventory covers Nabtesco Corporation and Nabtesco Group companies in Japan for the other data than energy and water.

Note 2: Divided by the Group's working hours (unit: million hours) of the accidents resulting in lost work time

Our assurance engagement excluded all operations and activities of NABTESCO and its associated companies, other than those specified above in Note 1 and the data and information of its suppliers, contractors and any third-parties mentioned in the report.

LRQA's responsibility is only to NABTESCO. LRQA disclaims any liability or responsibility to others as explained in the end footnote. NABTESCO's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of NABTESCO.

#### LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that the report has not:

- met the requirements above, and
- disclosed accurate and reliable environmental and social indicators.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

#### LRQA's Approach

LRQA's assurance engagement is carried out in accordance with LRQA's verification procedure. LRQA's verification procedure is based on current best practise and uses processes defined in ISAE3000. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- auditing NABTESCO's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification. We also spoke with those key people responsible for compiling the data and drafting the report.
- visiting the Kobe Plant, Kohnan Plant in Japan to confirm the data collection processes, record management practices, and to physically check its fuel oil tank, water meter and waste drop-off station.

### LRQA's Competence and Independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

LRQA is NABTESCO's certification body for ISO9001, ISO14001, OHSAS18001, ISO/TS16949 and IRIS. The verification and certification assessments are the only work undertaken by LRQA for NABTESCO and as such do not compromise our independence or impartiality.

Signed

Dated: 30 April 2017



Hidemi Tomita  
LRQA Lead Verifier  
On behalf of Lloyd's Register Quality Assurance Limited  
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LRQA reference: YKA4005454

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