

Promoting CSR Management through Our Core Business Activities

The Tokyo Gas Group promotes business activities that create “shared value” and has declared its commitment to CSR management, which underpins its business activities. We will continue to work earnestly in such areas as corporate governance, compliance, and risk management, while focusing on the priorities of “safety and disaster prevention,” “environmental initiatives,” and “building partnerships.” As a public institution, we will strive to be a corporate group that is continually trusted and preferred by our stakeholders.





Safety and Disaster Prevention

Our Responsibility

Our customers have provided valuable feedback with regard to the use of gas, such as “I would like you to develop safe gas appliances,” “I want you to figure out a way to prevent careless mistakes in using gas appliances,” and “After your work is done, I would like you to explain what you did.” At the Tokyo Gas Group, we have three key themes in promoting the safe use of gas. The first is promoting the utilization of facilities that decrease the likelihood of accidents, gas leaks, or damage and of functions to control such incidents (tangible countermeasures). The second is fostering knowledge of correct usage and implementing periodic inspections (intangible countermeasures). The third is establishing an emergency response system for use in the unlikely event of a gas leak (emergency response countermeasures). To foster prompt gas supply in the event of an earthquake or other natural disaster, we are implementing “prevention,” “emergency,” and “restoration” initiatives. We continue working to minimize the influence of such an event on the lives of our customers.

Initiatives

To promote the early replacement of water heaters and bathtub water heaters that have not been equipped with incomplete combustion avoidance devices, since January 2007, we have instituted a “replacement promotion campaign,” which incorporates special visits, free inspections,

and replacement support. As of the end of March 2010, we had invested about ¥5.5 billion and replaced about 180,000 devices out of a total of 300,000 that need replacement. In particular, we have replaced about 74% of small water heaters that lack incomplete combustion avoidance devices and about 62% of CF devices*. The campaign has ended, but we continue to provide support for replacement. Through such opportunities as “periodic gas facility safety checks” and “gas valve opening,” we will continue working toward the reduction of these appliances. At the same time, we will endeavor to provide accurate information about the safety, environmental friendliness, and convenience of gas, and to implement enhanced communications so that we can best meet the needs of our customers.

In gas supply, in January 2007, there was an accident in the city of Kitami in Hokkaido. We continue moving forward aggressively with the necessary measures, aiming to replace about 1,200 kilometers of gray cast-iron pipes and galvanized gas pipes. In fiscal 2010, we invested ¥10.8 billion and replaced 155 kilometers of pipe. There are still about 667 kilometers of these gray cast-iron pipes and galvanized gas pipes that need to be replaced, and we plan to complete the replacement work by fiscal 2015. Moreover, the replacement of aged galvanized gas pipes in buildings that is important in terms of public safety is a key safety initiative. We are aiming to finish this task by fiscal 2015, and with the understanding of customers, we are striving to advance this deadline as much as possible. In fiscal 2010, we spent about ¥1.4 billion on these measures.

* CF devices: Gas appliances that use indoor air for combustion and emit exhaust through an exhaust duct with the aid of natural ventilation.



TOPICS

Gaslight 24

The role of Gaslight 24 is to ensure the safety of our customers 24 hours a day, 365 days a year. In the unlikely event of a gas leak or other emergency situation, Gaslight 24 ensures an immediate response by dispatching emergency teams to the scene.

Tokyo Gas has around 600 specialist staff stationed at 47 bases, along with emergency vehicles and general vehicles equipped with various machinery and equipment.

When the Security Command Center receives notification of a gas leak, emergency personnel at Gaslight 24

bases are mobilized immediately.

These teams use in-vehicle terminals to confirm the necessary information, including the details received by the Center, site maps and other information, while rushing to the reported scene. Once there, they make repairs and take any other action required to prevent a city gas accident.

The Great East Japan Earthquake on March 11, 2011, demonstrated the safety of gas. The rapid and accurate response of our Gaslight 24 teams stopped gas leaks from causing fires or more serious incidents.

The steadfast activities of Gaslight 24 protect the safety of the Group’s customers while supporting the Tokyo Gas corporate brand of security, safety, and reliability.



Emergency Repair Work on Gas Pipes



Gaslight 24 Emergency Vehicle



Environmental Initiatives

Our Responsibility

Our environmental philosophy is as follows. The Tokyo Gas Group will promote more positive ways of energy use to contribute to the protection of regional and global environments as well as to the sustainable development of society. Our environmental policies are to (1) reduce the environmental impact of customers' energy use, (2) reduce the total environmental impact of Tokyo Gas' business activities, (3) strengthen environmental partnerships with local and international communities, and (4) promote environment-related technology R&D programs.

Initiatives

Targeting the realization of a low-carbon and resource-recycling society and the conservation of biodiversity, the Tokyo Gas Group has formulated environmental protection guidelines for six areas, such as global warming prevention. On that basis, the Group is moving forward with the implementation of specific initiatives.

For example, we will continue working in an active and sustained manner to prevent global warming by promoting the use of environmentally friendly natural gas and by providing equipment and systems with high efficiency and low environmental impact. In comparison with the 2005 levels, we will strive to reduce CO₂ emissions at customer sites by 3 million tons by fiscal 2015 and by 4.5 million tons by fiscal 2020.

In the development of a recycling-oriented society, the Tokyo Gas Group will take a comprehensive approach to reducing environmental burden by implementing efficient, effective environmental management activities; by reducing, reusing, and recycling waste in our operational activities; and by aggressively promoting green purchasing. In addition, targeting the establishment of a society that coexists with nature, we recognize the importance of the benefits of biodiversity, and we are working to track and analyze the influence of our operating activities on biodiversity. Moreover, from a CSR perspective, we are also promoting activities that contribute to the conservation of biodiversity in ways that are unrelated to our business activities.



TOPICS

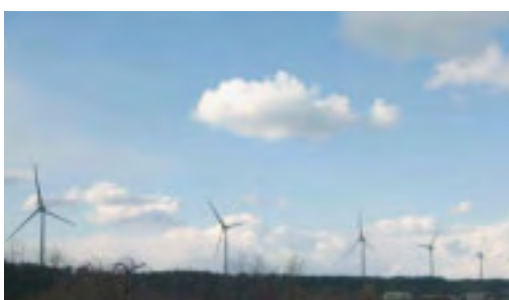
Sustainable Energy Initiatives

Tokyo Gas is stepping up its contribution to global warming abatement by promoting the use of renewable energy. To this end, we are conducting R&D on methane fermentation technologies and developing technologies to allow biogas emitted from foodstuff factories and other facilities to be used for cogeneration. In April 2008, we announced our "Biogas Purchasing Key Points," and we have since been preparing to purchase biogas with a view to including it in the city gas delivery network. In January 2011, we were the first in Japan to start accepting food-waste-derived biogas for delivery as city gas under the Super Eco Town Project of the Tokyo Metropolitan Government. Under this project, we will procure biogas in a quantity equivalent to the amount of city gas used by around 2,000 general households each year. Moreover, this translates to about 800,000 m³N of gas annually and will reduce carbon dioxide emissions by approximately 1,360 tons per year.

We are also active in the area of power generation using

renewable energy. Specifically, we have an equity stake in Agatsuma Bio Power Co., Ltd. and are participating in its business, which centers on wood chip biomass power generation. This method of power generation offers exceptional economic benefits and permits stable output without being affected by weather conditions. For fuel, this method uses 100% wood chips, created by crushing tree clippings and wood scraps and turning them into chip form. Accordingly, it produces clean, carbon neutral electric power. By the end of 2011, Agatsuma Bio Power is scheduled to commence operations, with a plan to produce 85 GWh of electricity—equivalent to the amount used by around 23,000 households per year.

In April 2011, Tokyo Gas invested in Shonai Wind-Power Generation Co., Ltd., which operates wind-power plants, including the Yuza Wind-Power Plant, in Yamagata Prefecture. By also participating in the wind power generation business, we will target proactive use of renewable energy in the future.



Yuza Wind-Power Plant



Agatsuma Bio Power (conceptual drawing)



Building Partnerships

Our Responsibility

Tokyo Gas conducts business operations that have a strong public welfare element, and the Group has a social mission. Tokyo Gas endeavors to move forward in tandem with its stakeholders, including not only shareholders but also customers, employees, suppliers and partners, and local communities. Contributing to the development of society is one of our most important tasks. Accordingly, we continue our sincere efforts to build, sustain, and develop relationships with all of our stakeholders.

Initiatives

By enhancing communications in capital markets through our IR activities, we are working to secure management soundness and transparency, to reflect the expectations of capital markets in our management, and to improve the understanding of and the trust in the Tokyo Gas Group.

In our relationships with customers, in order to ensure that All Tokyo Gas continues to be the preferred choice, we emphasize “whether the customer is satisfied” rather than

“what we provide to the customer.” In accordance with this approach, we have identified the customer satisfaction (CS) mindset as the fundamental stance of All Tokyo Gas and have documented it in our code of conduct. Moving forward, we will continue working to be a customer-focused Group by thoroughly communicating this fundamental stance to everyone involved with All Tokyo Gas.

For our employees, we are striving to enhance their motivation and to create “workplaces that are easy to work in” and in which employees can exercise their abilities to the fullest extent. Accordingly, we have established a variety of systems and are devoting resources to education so that the systems are used effectively. Furthermore, we are moving ahead with initiatives in the area of healthy, safe work environments.

In our relationships with suppliers and partners, we are taking steps to fulfill our public welfare and social missions, such as formulating action guidelines for purchasing activities and working to build relationships of trust.

In addition, our relationships with local communities involve working toward the realization of a society that is pleasant and comfortable to live in and striving to resolve issues related to our daily lives. In these ways, we are implementing activities that make the most of our strengths.



TOPICS

Helping Restore Gas Supplies Suspended due to the Great East Japan Earthquake

The Great East Japan Earthquake, which struck on March 11, 2011, has left a deep mark across Northeastern Japan, especially the Tohoku District. In the city gas sector, 16 gas providers serving more than 400,000 households were forced to suspend supplies. For some time, a mutual support system has been in place among city gas providers to address such natural disasters. Due to the magnitude of the recent event, however, many providers suffered more damage than ever in their history. To address this unprecedented disaster, the nation’s 59 city gas providers, including Tokyo Gas, joined forces at the request of The Japan Gas Association, dispatching support teams to various disaster-stricken areas. At the peak of the effort, the support teams together totaled around 4,000 people per day. In addition to repairing and restoring gas delivery infrastructure,

providing safety inspections services to customers, and performing work on open-shut plugs, the initiative included provision of temporary supply through mobile gas generation equipment and reopening of supplies using provisional equipment. By deploying personnel with the combined know-how and intellectual assets of gas providers nationwide, we managed to restart gas supplies by mid-May, around two months after the disaster. The role of gas providers is to conduct business with close regional ties even if there are major differences in supply areas. During these two months we worked day and night reconfirming our social mission as gas providers to deliver gas to our customers safely and restore supply as quickly as possible.



Restoration Work at a Customer's Home



Pipeline Restoration Work