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## Corporate Governance

Last Updated: April 1, 2024  
**TOKYO GAS CO., LTD.**  
SASAYAMA Shinichi  
Representative Corporate Executive Officer, President and CEO  
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Securities Code: 9531

The corporate governance of Tokyo Gas Co., Ltd. (the “Company”) is described below.

### **I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes and Other Basic Information**

#### **1. Basic Views**

We will ensure the legality, soundness and transparency of business, aim to clarify executive and management responsibilities and strengthen auditing and monitoring functions, promote accurate and prompt decision making, efficient business execution, and aim to enhance and strengthen our corporate governance based on our management philosophy.

#### **[Reasons for Non-compliance with the Principles of the Japan’s Corporate Governance Code]**

We comply with all Principles of the Japan’s Corporate Governance Code.

#### **[Disclosure Based on the Principles of the Japan’s Corporate Governance Code]**

##### **[Principle 1.4 Cross-Shareholdings]**

The Company’s policy on cross-shareholdings is as follows:

- each year, the Board of Directors assesses the appropriateness of each cross-shareholding held by the Company upon confirming whether the purpose of cross-shareholding is appropriate, whether such cross-shareholding contributes to maintaining and enhancing the Company’s corporate value in the mid- to long-term and other factors;
- in cases where, as a result of such assessment, the rationality and necessity of cross-shareholding is determined to be insufficient, we will proceed to sell such shareholding in a timely and appropriate manner; and
- when exercising voting rights with respect to cross-shareholdings, the Company considers the content of agenda proposed by the relevant companies as well as their financial results, upon which we will make our independent judgment on whether to approve such proposals based on whether it will contribute to maintaining and enhancing the corporate value of the Company and the relevant company.

Pursuant to the above policy, the Company has evaluated at the meeting of the Board of Directors the appropriateness of the cross-shareholdings of listed shares held by the Company from the following standpoints:

- contribution to maintaining and expanding the gas, electricity and service businesses;
- contribution to the stable procurement of the funds, materials and raw materials essential to business operations; and

- the status of unrealized profit and loss and dividends for shares held by the Company.

As a result of this assessment, we confirmed whether there are shares that could be reduced while being meaningful to maintain and shares that have become less meaningful. We will proceed to arrange the sale of all or part of such shares. In addition, in the event that we confirm there is a decline in the importance of other issues in future, we will proceed with measures to sell them, as necessary.

#### [Principle 1.7 Related Party Transactions]

To ensure that the common interests of the Company and its shareholders are not harmed, a Director's competitive transaction or transaction with conflict of interest must be approved by the Board of Directors in accordance with applicable laws, and a post-transaction report is required from the Director who conducted the transaction. The Company also investigates other related party transactions on an annual basis and publicly discloses such transactions appropriately in accordance with applicable laws.

#### [Supplementary Principle 2.4.1 Ensuring Diversity in Employment of Key Personnel]

Toward the realization of Compass 2030, aiming to become a dynamic organization where each employee can demonstrate their knowledge, capabilities and experience to the maximum extent, we have made a diversity and inclusion top management commitment to promote diverse work styles and active participation of diverse human resources. We aim to create new value through innovation by encouraging our diverse human resources to freely and openly express their ideas as valuable individuals of different attributes with different experiences, values and thoughts, and to work together in friendly competition to take on challenges that pave the way for the future. We regard promotion of active participation of women as the first step towards promotion of diversity and inclusion, setting targets for their promotion to managers and disclosing our achievements on our website ([www.tokyo-gas.co.jp/recruit/diversity/career/index.html](http://www.tokyo-gas.co.jp/recruit/diversity/career/index.html)). For further success of women, we have established a personnel system on childcare that exceeds legal requirements, and provide external trainings for the purpose of career training and development of management personnel for women. In addition, in order to respond to our increasingly diversified business operations, we have been hiring highly specialized personnel through mid-career recruitment, accounting for 28.6% of all our hires. We disclose our hiring records on our company website ([www.tokyo-gas.co.jp/recruit/](http://www.tokyo-gas.co.jp/recruit/) (posted on the mid-career recruitment page)).

As to foreign nationals, the Company's overseas subsidiaries locally employ persons who are familiar with the local conditions regardless of their nationality. Human resources who have detailed knowledge of local legal systems and business practices as well as local networks play important roles in overseas businesses, and we continue to consider increasing local hires. In addition, also in Japan, we recruit personnel focusing on the personality regardless of their nationality, and have had foreign nationals join the Company.

As mentioned above, the Company promotes active participation of diverse human resources with invisible differences such as in individual experiences, values and thoughts, and for this reason, we do not set a target for promoting employees of specific attributes, such as foreign nationals or mid-career hires, to managerial positions. However, we consider it desirable to offer further opportunities for female employees, which make up about half of the workforce, by setting a quantitative target for promoting them to managers. We will continue to develop human resources according to each individual's abilities, experiences and career aspirations and to promote personnel to managerial posts fairly according to their abilities and performances, regardless of their gender, type of employment or nationality.

#### [Principle 2.6 Roles of Corporate Pension Funds as Asset Owners]

In order to provide stable pension fund distributions to the beneficiaries, the Financial Management Department has appointed and allocated in a planned manner multiple personnel in charge of managing the funds, aiming to improve its expertise. Also, an Asset Management Committee made up of representatives from the Accounting, Financial Management and Human Resources Departments strives to provide appropriate management and control by monitoring the management situation and using external consultants.

#### [Principle 3.1 Full Disclosure]

(1) Management philosophy, strategies and medium- and long-term management plans

The Company discloses its Group Management Philosophy, its Group Management Vision "Compass 2030," a detailed roadmap for achieving Compass 2030 titled "Compass Action," and FY2023-2025 Group Medium-term Management Plan "Compass Transformation 23-25" on its website.

- Group Management Philosophy ([www.tokyo-gas.co.jp/about/policy/index.html?wovn=en](http://www.tokyo-gas.co.jp/about/policy/index.html?wovn=en))
- Group Management Vision "Compass 2030" ([www.tokyo-gas.co.jp/en/IR/compass2030/index.html](http://www.tokyo-gas.co.jp/en/IR/compass2030/index.html))

- Detailed roadmap for achieving Compass 2030 titled “Compass Action” ([www.tokyo-gas.co.jp/Press\\_e/20211126-02e.pdf](http://www.tokyo-gas.co.jp/Press_e/20211126-02e.pdf))
- FY2023-2025 Group Medium-term Management Plan “Compass Transformation 23-25” ([www.tokyo-gas.co.jp/en/IR/support/pdf/20230222-05e.pdf](http://www.tokyo-gas.co.jp/en/IR/support/pdf/20230222-05e.pdf))

(2) Basic views and guidelines on corporate governance

The basic views of the Company are as detailed in “1. Basic Views” above.

The Company discloses its basic policy on its website

([www.tokyo-gas.co.jp/IR/english/gvnnnc/pdf/policy.pdf](http://www.tokyo-gas.co.jp/IR/english/gvnnnc/pdf/policy.pdf)).

(3) Policy and procedures for determining officer remuneration

The Compensation Committee, chaired by an independent Outside Director and the majority of the Committee members being comprised of independent Outside Directors, establishes the “Basic Policy on Officer Remuneration” and determines the remuneration of each officer (Director and Corporate Executive Officer) pursuant to such policy. Matters concerning officer remuneration such as the Basic Policy on Officer Remuneration are stated in “[Directors’ and Corporate Executive Officers’ Remuneration]” below.

(4) Policy, procedures and individual reasons for appointment of Directors and Corporate Executive Officers and appointment and dismissal of executives

i) Appointment of Directors and Corporate Executive Officers

Directors shall be individuals who possess “knowledge to deepen corporate management”, “a mind that leads to corporate transformation”, and “ability to raise questions to identify corporate issues”. Outside Directors shall be individuals who have skills necessary for supervision toward achievement of the Group’s management vision “Compass 2030” and are able to take a role in supplementing the knowledge and experience of internal Directors and Corporate Executive Officers. Further, Outside Directors are also required to meet the Company’s Independence Standards for Outside Directors. All internal Directors, except for the Representative Corporate Executive Officer, shall be non-executive, and shall be individuals who are able to take on the role of providing proposals and information in a timely and appropriate manner in order to ensure the effectiveness of the Board of Directors.

Regarding the appointment of Directors, the content of proposals for the Shareholders Meeting is determined by the Nominating Committee, of which independent Outside Directors shall constitute the majority, and the reasons for such proposals are disclosed in the reference materials for the Shareholders Meeting included in the notice of convocation of the Shareholders Meeting ([www.tokyo-gas.co.jp/IR/english/event/shm\\_e.html](http://www.tokyo-gas.co.jp/IR/english/event/shm_e.html)). In addition, for the appointment of Corporate Executive Officers who are delegated with authority by the Board of Directors to make decisions on the business execution of the Company, the content of the proposals is determined by the Nominating Committee and appointment is made by the Board of Directors.

ii) Appointment and dismissal of executives

The Corporate Executive Officer and President (CEO) should have sufficient experience and track record as an executive, possess the decision making capabilities and flexibility to respond to changes in the business environment, as well as the judgement and leadership abilities to enable swift action in times of emergency and be an individual who can fulfill the Company’s public and social responsibilities.

If the Corporate Executive Officer and President (CEO) becomes unable to meet the abovementioned appointment criteria, such as in the cases that such person acts contrary to public order and morals, damages the Company’s corporate value due to negligence in their duties or have difficulty continuing their duties, such person will be dismissed.

The appointment and dismissal of a Corporate Executive Officer and President (CEO) is determined by the Board of Directors following deliberations by the Nominating Committee and the reasons for such appointment or dismissal shall be disclosed in the timely disclosure materials concerning personnel affairs of officers.

[Supplementary Principle 3.1.3 Efforts, etc. on Sustainability]

<Efforts on Sustainability>

In order to better embody the Group’s management philosophy “Standing by every person and dedicating ourselves to the society, we shall be the energy that weaves the future,” the Group identified key sustainability issues (materialities) for sustainability and works on them through business activities, thereby realizing the creation of both social and financial values. Specific details of our efforts on sustainability including regarding human capital, investment in intellectual property and disclosure based on the TCFD framework on climate

change are disclosed in the Annual Securities Report ([www.tokyo-gas.co.jp/IR/library/yuho\\_j.html](http://www.tokyo-gas.co.jp/IR/library/yuho_j.html)), the Integrated Report ([www.tokyo-gas.co.jp/en/IR/library/anurp\\_j.html](http://www.tokyo-gas.co.jp/en/IR/library/anurp_j.html)) and the Tokyo Gas Group Sustainability site ([www.tokyo-gas.co.jp/sustainability/index.html?wovn=en](http://www.tokyo-gas.co.jp/sustainability/index.html?wovn=en)).

[Supplementary Principle 4.1.1 Scope of Matters Delegated to Management by the Board of Directors]

The Board of Directors makes important decisions on the Company's management such as its business plan and management policy in accordance with applicable laws, the Articles of Incorporation and the Regulations of the Board of Directors. Corporate Executive Officers make decisions on the business execution of the Company delegated by the Board of Directors and report the status of the business execution to the Board of Directors as necessary. In addition, agendas with material effect on the management are deliberated by the Management Committee, which is held every week, in principle, and mainly attended by the Corporate Executive Officers.

[Principle 4.9 Independence Standards and Qualification for Independent Directors]

The independence of Outside Directors is determined and confirmed by comprehensively verifying that there is no risk of conflict of interest with general shareholders and that they are in a position that enables them to be objective and neutral based on criteria including capital, transaction and relationship. The "Independence Standards for Outside Directors" set forth by the Company is disclosed on the Company's website ([www.tokyo-gas.co.jp/en/IR/gvnnnc/pdf/independence.pdf](http://www.tokyo-gas.co.jp/en/IR/gvnnnc/pdf/independence.pdf)).

[Supplementary Principle 4-11-1 View on the Board of Directors as a Whole]

As a Company with Three Committees (Nomination, Audit and Compensation), in order for the Board of Directors to perform supervisory functions more effectively, we set the Representative Corporate Executive Officer, President and CEO as the only Director who concurrently serves as a Corporate Executive Officer, and by clearly separating the executive function and the supervisory function, we achieve disciplined management. On that basis, for the purpose of placing diverse and objective supervision at the center of the operation of the Board of Directors, Outside Directors comprise about two-thirds of the board members. Skills and roles required of Directors are stated in "[Principle 3.1 Full Disclosure] (4) Policy, procedures and individual reasons for appointment of Directors and Corporate Executive Officers and appointment and dismissal of executives" above. In addition, the skill matrix of Outside Directors is disclosed in the reference materials for the Shareholders Meeting included in the notice of convocation of the Shareholders Meeting ([www.tokyo-gas.co.jp/en/IR/stock/shm\\_j.html](http://www.tokyo-gas.co.jp/en/IR/stock/shm_j.html)).

[Supplementary Principle 4.11.2 Concurrent Posts Held by Directors]

Important concurrent posts held by Directors are disclosed in the reference materials for the Shareholders Meeting included in the notice of convocation of the Shareholders Meeting ([www.tokyo-gas.co.jp/en/IR/stock/shm\\_j.html](http://www.tokyo-gas.co.jp/en/IR/stock/shm_j.html)).

[Supplementary Principle 4.11.3 Analysis and Evaluation of the Effectiveness of the Board of Directors as a Whole]

To maintain and enhance the effectiveness of the Board of Directors, we analyzed and evaluated the Board of Directors' effectiveness through discussions at the meetings of the Board of Directors, using the questionnaire-based self-evaluations completed by each of the Directors and third-party evaluations. The third-party evaluation states that the effectiveness of the Board of Directors is generally ensured at a good level, and in order to further improve the effectiveness of the Board of Directors, we will make continued efforts.

<Summary of Results of Evaluation in FY2022 (Opinions at Meetings of the Board of Directors, etc.)>

- Mid- to long-term discussions with an eye toward 2030 and beyond should be held.
- It is necessary to further promote shared understanding on how monitoring should be conducted in a Company with Three Committees (Nomination, Audit and Compensation).
- The effectiveness of monitoring should be checked in short-term cycles.
- Use of occasions other than meetings of the Board of Directors for understanding of the business should be considered.
- Monitoring should be conducted in a better planned manner by preparing detailed annual schedules regarding agendas and other matters for meetings of the Board of Directors.

<Future Efforts>

- Based on the efforts made during the two years after transition to a Company with Three Committees (Nomination, Audit and Compensation), we will be more mindful of making improvements and enhancements by utilizing the knowledge and experience we have accumulated.

- Since many of the opinions referred to “improvement of the quality of discussions” and, as a prerequisite therefor, “improvement of the agenda setting,” we endeavor to make concrete improvements and enhancements with a focus on them.

[Supplementary Principle 4.14.2 Policy for Training of Directors]

The Company provides Directors with opportunities to help them understand their responsibilities when they assume their positions and also provides and supports training and other programs during the Director’s term to enable Directors to update their knowledge.

The Company also periodically provides Outside Directors with information on the Tokyo Gas Group’s business, finances, organization and other matters.

[Principle 5.1 Policy for Constructive Dialogue with Shareholders]

To promote constructive dialogue with shareholders, the Company has put in place the following organizational structures and measures:

- the management responsible for overseeing dialogue with shareholders is the Executive Officer or any other relevant person in charge of general administration;
- information is closely shared between units that support such dialogue with shareholders;
- the Company conducts dialogue actively through investor briefings, IR activities and other means;
- the content of dialogue with shareholders is periodically fed back to the management and put to use in enhancing corporate value; and
- the Company endeavors to prevent insider information from being divulged when conducting dialogue with shareholders.

[Holding Dialogue with Shareholders]

Dialogues with shareholders were held at the following occasions in the previous Fiscal Year, mainly by the following persons.

- Shareholders Meeting
- Briefings of the interim and year-end financial results (Representative Corporate Executive Officer, President and CEO)
- Briefings of the first-quarter and third-quarter financial results, and other briefings held as necessary
- Briefings of medium-term management plans (Representative Corporate Executive Officer, President and CEO)
- President’s small meetings (Representative Corporate Executive Officer, President and CEO)
- Meetings with institutional investors in Japan and overseas (Representative Corporate Executive Officer, President and CEO, and others)
- Small meetings between institutional investors and Outside Directors (Outside Directors)
- Tours of the facilities and briefings for institutional investors
- Briefings for individual investors

Other details of the holding of dialogues with shareholders are stated in the Tokyo Gas Group Integrated Report 2023 ([https://www.tokyo-gas.co.jp/IR/library/anurp\\_j.html](https://www.tokyo-gas.co.jp/IR/library/anurp_j.html)) .

[Action to Implement Management that is Conscious of Capital Cost and Stock Price] (English disclosure available)

The Company conducts monitoring and discussion at Board of Directors meetings and other meetings, and discloses basic policies and progress in analyzing and improving the current situation. The policy is to improve ROE through "efforts to improve efficiency and profitability" and to improve PER through "the increase of stock prices by improving market evaluation of future growth potential".

Details are stated in the Company’s presentation material for the third quarter of FY2023 and the Tokyo Gas Group Integrated Report 2023.

We will continue to hold dialogues with shareholders and present the status from our monitoring and our policies for the next fiscal year at the time of our financial results announcements.

Presentation Material for the Third Quarter of FY2023

[Japanese] <https://www.tokyo-gas.co.jp/IR/library/pdf/ktsn/240202presen.pdf>

[English] <https://www.tokyo-gas.co.jp/en/IR/library/pdf/ktsn/240202presene.pdf>

Tokyo Gas Group Integrated Report 2023

[Japanese][https://www.tokyo-gas.co.jp/IR/library/anurp\\_j.html](https://www.tokyo-gas.co.jp/IR/library/anurp_j.html)

[English][https://www.tokyo-gas.co.jp/en/IR/library/anurp\\_j.html](https://www.tokyo-gas.co.jp/en/IR/library/anurp_j.html)

## 2. Capital Structure

Percentage of Foreign Shareholders	30% or more
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### [Status of Major Shareholders]

Name	Number of Shares Owned (Shares)	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	63,681,600	15.85
Nippon Life Insurance Company	31,296,121	7.79
Custody Bank of Japan, Ltd. (Trust Account)	18,095,945	4.50
STATE STREET BANK WEST CLIENT - TREATY 505234	8,995,755	2.24
Tokyo Gas Group Employees Shareholding Association	8,351,373	2.08
Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust (Dai-ichi Life Insurance Account)	7,098,000	1.77
Fukoku Mutual Life Insurance Company	6,286,100	1.56
SSBTC CLIENT OMNIBUS ACCOUNT	5,900,490	1.47
STATE STREET BANK AND TRUST COMPANY 505103	5,441,143	1.35
JP MORGAN CHASE BANK 385781	5,402,554	1.34

Controlling Shareholder (except for Parent Company)	_____
Parent Company	None

### Supplementary Explanation

- (1) The above [Status of Major Shareholders] shows the status as of December 31, 2023.
- (2) 184,800 shares of the shares held by Custody Bank of Japan, Ltd. (Trust Account) are shares held as trust assets of the Share Delivery Trust for executives of the Company.
- (3) As of December 31, 2023, the Company held 33,119,232 shares of treasury stock, which are excluded from the above [Status of Major Shareholders]. The percentage is calculated by excluding the treasury stock.

## 3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange, Prime Market; Nagoya Stock Exchange, Premier Market
Fiscal Year-End	March
Type of Business	Electric Power and Gas
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥1 trillion or more
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 100 to less than 300

## 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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## 5. Special Circumstances Which May Have Material Impact on Corporate Governance

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## II. Status of Business Management Organization and Other Corporate Governance Structure Regarding Decision Making, Execution of Business and Supervision of the Management

### 1. Organizational Composition and Operation

Organizational Form	Company with Three Committees (Nomination, Audit and Compensation )
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#### [Directors]

Maximum Number of Directors Stipulated in the Articles of Incorporation	15
Term of Office Stipulated in the Articles of Incorporation	1 year
Chairperson of the Board of Directors	Chairperson of the Board (unless the Chairperson serves concurrently as President and CEO)
Number of Directors	9

#### [Matters Concerning Outside Directors]

Number of Outside Directors	6
Number of Independent Officers designated from Outside Directors	6

# Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
TAKAMI Kazunori	From another company											
EDAHIRO Junko	From another company											
INDO Mami	From another company											
ONO Hiromichi	From another company											
SEKIGUCHI Hiroyuki	From another company											
TANNOWA Tsutomu	From another company											

\* Categories for "Relationship with the Company"

\* "○" indicates that a director presently falls or has recently fallen under the relevant category;

"△" indicates that a director fell under the relevant category in the past;

\* "●" indicates that a close relative of the director presently falls or has recently fallen under the relevant category; and

"▲" indicates that a close relative of the director fell under the category in the past.

- Executive (a person who executes business; the same shall apply hereinafter up to j.) of the Company or its subsidiaries
- Executive or non-executive director of a parent company of the Company
- Executive of a fellow subsidiary company of the Company
- A party whose major client or supplier is the Company or an executive thereof
- Major client or supplier of the Company or an executive thereof
- Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company other than remuneration as a director
- Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal person)
- Executive of a client or supplier company of the Company (which does not correspond to any of d., e., or f.) (the director himself/herself only)
- Executive of a company at which a person from the Company is appointed as an outside director or auditor (the director himself/herself only)
- Executive of a company or organization that receives donations from the Company (the director himself/herself only)
- Others



Outside Directors' Relationship with the Company (2)

Name	Membership of Committees			Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
	Nominating Committee	Compensation Committee	Audit Committee			
TAKAMI Kazunori	○	○		○	----	Mr. TAKAMI Kazunori's management abilities based on his broad view and in-depth knowledge he has acquired as an officer in the electrical industry, especially his customer-oriented marketing sense developed in the home electronics business, are very useful in the promotion and supervision of the management strategy which the Company aims for. In determining the independence of Outside Directors, we comprehensively verify that they are not at risk of any conflict of interest with the general shareholders and they are in a position that enables them to be objective and neutral. We confirm that there is no special interest based on capital, transactions, or relationships between Mr. TAKAMI and the Company and that he is independent according to our Company's independence standards, and designate him as an Independent Officer.
EDAHIRO Junko	○	○		○	----	Ms. EDAHIRO Junko's advanced knowledge and ability to disseminate information on energy and sustainability which she has acquired as a journalist and creator, as well as her abundant local practical experience, are very useful in the promotion and supervision of the management strategy which the Company aims for. In determining the independence of Outside Directors, we comprehensively verify that they are not at risk of any conflict of interest with the general shareholders and they are in a position that enables them to be objective and neutral. We confirm that there is no special interest based on capital, transactions, or relationships between Ms. EDAHIRO and the Company and that she is independent according to the Company's independence standards, and designate her as an Independent Officer.
INDO Mami			○	○	----	Ms. INDO Mami's abilities of various advanced management analysis and guidance which she has acquired as an analyst and advisor in the finance field, as well as her management sense from a risk perspective developed through the experience in a monitoring body, are very useful in the promotion and supervision of the management strategy which the Company aims for. In determining the independence of Outside Directors, we comprehensively verify that they are not at risk of any conflict of interest with the general shareholders and they are in a position that enables them to be objective and neutral. We confirm that there is no special interest based on capital, transactions, or relationships between Ms. INDO and

						the Company and that she is independent according to the Company's independence standards, and designate her as an Independent Officer.
ONO Hiromichi			○	○	----	Mr. ONO Hiromichi's management abilities based on his broad view and in-depth knowledge which he has acquired as an officer in the food industry, especially his management sense from a group perspective and a risk perspective developed in the finance division, are very useful in the promotion and supervision of the management strategy which the Company aims for. In determining the independence of Outside Directors, we comprehensively verify that they are not at risk of any conflict of interest with the general shareholders and they are in a position that enables them to be objective and neutral. We confirm that there is no special interest based on capital, transactions, or relationships between Mr. ONO and the Company and that he is independent according to the Company's independence standards, and designate him as an Independent Officer.
SEKIGUCHI Hiroyuki			○	○	----	Mr. SEKIGUCHI Hiroyuki's keen eye for energy, sustainability and the overall economy, profound insight to get to the core of an issue, and ability to explain from the audience's perspective, which he has acquired as a network reporter and commentator, are very useful in the promotion and supervision of the management strategy which the Company aims for. In determining the independence of Outside Directors, we comprehensively verify that they are not at risk of any conflict of interest with the general shareholders and they are in a position that enables them to be objective and neutral. We confirm that there is no special interest based on capital, transactions, or relationships between Mr. SEKIGUCHI and the Company and that he is independent according to the Company's independence standards, and designate him as an Independent Officer.
TANNOWA Tsutomu	○	○		○	----	Mr. TANNOWA Tsutomu's management abilities based on his broad view and in-depth knowledge he has acquired as a corporate executive of a chemicals manufacturer, and knowledge on governance, especially his business sense from a risk perspective developed through management reforms and business restructuring, are very useful in the promotion and supervision of the management strategy which the Company aims for. In determining the independence of Outside Directors, we comprehensively verify that they are not at risk of any conflict of interest with the general shareholders and they are in a position that enables them to be objective and neutral. We confirm that there is no special interest based on capital, transactions, or relationships between Mr. TANNOWA and the Company and that he is independent according to the Company's independence standards, and designate him as an Independent Officer.

## [Committees]

### Committee's Composition and Attributes of Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Chairperson
Nominating Committee	4	0	1	3	Outside Director
Compensation Committee	5	0	2	3	Outside Director
Audit Committee	4	1	1	3	Outside Director

## [Corporate Executive Officers]

Number of Corporate Executive Officers

4

### Concurrent posts

Name	Representative Authority	Concurrent Post with Director			Concurrent Position as Employee
			Nominating Committee Member	Compensation Committee Member	
SASAYAMA Shinichi	Yes	Yes	x	○	No
KASUTANI Toshihide	Yes	No	x	x	No
KIMOTO Kentaro	Yes	No	x	x	No
OGAWA Shinsuke	Yes	No	x	x	No

## [Auditing Structure]

Appointment of Directors and Employees to Support the Audit Committee

Yes

### Matters Related to the Independence of Such Directors and Employees from Corporate Executive Officers

We have established a dedicated organization to assist the duties of the Audit Committee and assigned necessary employees and other persons. Decision making on personnel related matters concerning such employees is subject to the consent of the Audit Committee.

### Cooperation among the Audit Committee, Accounting Auditor and Internal Audit Department

In order to enhance the effectiveness of audits and improve the quality of audits as a whole, the Company strives to strengthen close mutual cooperation by regularly sharing audit plans and audit results and exchanging opinions among the Audit Committee, Accounting Auditor and Internal Audit Department at meetings such as Audit Committee meetings.

## [Independent Officers]

Number of Independent Officers

6

### Matters relating to Independent Officers

The Company has designated all six Outside Directors as Independent Officers. There are no conflicts of interest with the Company whether in terms of capital, transactions or relationships and all Outside Directors are confirmed to be independent in accordance with the standards prescribed by the Company.

**[Incentives]**

Implementation of Measures to Provide Incentives to Directors and Corporate Executive Officers	Performance-linked remuneration, others
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**Supplementary Explanation**

Bonus, as a short-term incentive remuneration, and stock compensation, as a non-monetary medium- and long-term incentive remuneration, are established according to the roles required of each Director and Corporate Executive Officer. The compositions of bonus and stock compensation within the total amount of remuneration are as provided in the “<Basic Policy on Officer Remuneration>” stated below.

**Recipients of Stock Options****Supplementary Explanation**

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## [Directors' and Corporate Executive Officers' Remuneration]

Disclosure of Individual Directors' Remuneration	No Individual Disclosure
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Disclosure of Individual Corporate Executive Officers' Remuneration	No Individual Disclosure
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### Supplementary Explanation

- Total amount of remuneration, etc. for Directors: ¥216 million for 9 directors (of which ¥78 million for 7 Outside Directors)
- Total amount of remuneration, etc. for Corporate Executive Officers: ¥264 million for 4 officers

(\*) The aggregate amount of remuneration paid to Directors includes the remuneration paid to one Director who retired upon the conclusion of the 222nd Annual Shareholders Meeting.  
The remuneration, etc. for the one Corporate Executive Officer is included in the information of the Corporate Executive Officers.

The amount of stock compensation is the amount recorded as expenses for the period from April 1, 2022 to March 31, 2023.

The above amounts have been rounded down to the nearest million yen.

Policy on Determining Remuneration Amounts or its Calculation Method	Yes
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### Disclosure of Policy on Determining Remuneration Amounts or its Calculation Method

The Company has resolved at the Compensation Committee held on June 29, 2021 the Basic Policy on Officer Remuneration as follows.

#### <Basic Policy on Officer Remuneration>

The Company, as a Company with Three Committees (Nomination, Audit and Compensation), shall establish a Compensation Committee pursuant to the Companies Act, elect the chairperson from among the Outside Directors and determine the remuneration of each individual officer (Directors and Corporate Executive Officers) while ensuring objectivity and transparency.

#### 1. Role and remuneration of officers

The role expected of officers is to seek to enhance short-term, medium- and long-term corporate value and remuneration shall serve as an effective incentive for them to perform that role.

#### 2. Level of remuneration

The level of remuneration shall be appropriate to the role, responsibility and performance of the officer, taking into account factors such as changes in the business environment and remuneration levels at other companies based on surveys by external specialized organizations.

#### 3. Composition of annual compensation

Annual compensation is comprised of fixed remuneration (basic compensation) and incentive remuneration (bonus and stock compensation).

(1) Basic compensation: A fixed amount determined by each position and title that is paid monthly.

(2) Bonus: Paid once a year as a short-term incentive remuneration, applying the evaluation of the relevant person's performance during a specific period using financial performance indicators and non-financial performance indicators to the standard amounts for each position and title. The relevant indicators are evaluated and selected annually.

(3) Stock compensation: As a non-monetary medium- and long-term incentive remuneration, points are granted in accordance with the standard amounts determined by each position and title, and such points are exchanged with shares at the time of resignation.

Remuneration of Directors shall be comprised of basic compensation and stock compensation, and remuneration of Corporate Executive Officers (including persons concurrently serving as Directors) shall be comprised of basic compensation, bonus and stock compensation.

The composition ratio of remuneration shall be approximately 90% basic compensation and approximately 10% stock compensation for Directors, and 65 to 70% basic compensation, 15 to 20% bonus and 10 to 20% stock compensation for Corporate Executive Officers (including persons concurrently serving as Directors).

#### [Support for Outside Directors]

- Outside Directors are supported by the Secretary Department (Board of Directors Secretariat).
- We develop a system environment which enables access to documents, etc. of a forum of meetings (held weekly in principle) to support Corporate Executive Officers to make reasonable decisions, and explain documents for the meeting of Board of Directors in advance.

#### [Status of Persons Who Have Retired from a Position Such as Representative Director, President]

Advisors, Counselors and Others Who Previously Served as Representative Director, President or Similar Positions of the Company

Name	Position/ Title	Job Description	Work Status, Conditions (Full- time/Part-time, Paid/Unpaid)	Date of Resignation from a Position Such as President	Term of office
HIROSE Michiaki	Senior Corporate Advisor	<ul style="list-style-type: none"> <li>• Where necessary, provides advice on overall management</li> <li>• External activities recognized as useful to management</li> </ul>	Part-time, Paid	March 31, 2018	1 year (can be reelected)

Total Number of Advisors, Counselors and Others Who Previously Served as Representative Director, President or Similar Positions	1
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#### Other Matters

- The Senior Corporate Advisor is not involved in the decision making process of the management.
- Former Representative Directors, Presidents and CEOs UEHARA Hideharu, TORIHARA Mitsunori, and OKAMOTO Tsuyoshi hold honorary positions with no business activities or remuneration as Honorary Counselors.

## 2. Matters Concerning the Function of Business Execution, Auditing, Supervision, Nomination and Remuneration Decisions (Overview of Current Corporate Governance Structure)

The Company transitioned to a Company with Three Committees (Nomination, Audit and Compensation) based on the approval from the 221st Annual Shareholders Meeting held on June 29, 2021.

### <Board of Directors>

As a Company with Three Committees (Nomination, Audit and Compensation), in order for the Board of Directors to perform supervisory functions more effectively, we set the Representative Corporate Executive Officer, President and CEO as the only Director who concurrently serves as a Corporate Executive Officer, and by clearly separating the executive function and the supervisory function, we achieve disciplined management. On that basis, for the purpose of placing diverse and objective supervision at the center of the operation of the Board of Directors, Outside Directors comprise two-thirds of the board members (the Board of Directors consists of 9 members, of which 6 members are Outside Directors).

The Board of Directors holds meetings monthly in principle, makes important decisions on the Company's management such as its business plan and management policy in accordance with applicable laws, the Articles of Incorporation and the Regulations of the Board of Directors. In addition, by substantially delegating the authority to make decisions on business execution to the Corporate Executive Officer and President, we increase the speed of management and endeavor to enhance our corporate value through monitoring of the overall management.

In FY2022, in formulating Tokyo Gas Group FY2023-2025 Medium-term Management Plan, Directors had constructive discussions from various perspectives based on reports from executives regarding various business strategies (such as those of the LNG business, overseas business, and electricity business), the decarbonization strategy, the Group's personnel reforms, and financial strategies. Respective Directors' attendances at meetings of the Board of Directors and other meetings held in FY2022 are disclosed in the section of the corporate governance of the 223rd Annual Securities Report ([www.tokyo-gas.co.jp/IR/library/yuho\\_j.html](http://www.tokyo-gas.co.jp/IR/library/yuho_j.html)).

### <Nominating Committee>

The Nominating Committee shall be comprised of members (a majority being Outside Directors) selected from among the Directors by the resolution of the Board of Directors, with an Outside Director as chairperson of the committee. It determines the content of proposals for Shareholders Meetings concerning the appointment and dismissal of Directors and the content of proposals for the Board of Directors concerning matters including the appointment and dismissal of Corporate Executive Officers.

Specific Activities: Election of candidates for Directors including new Outside Directors, election of candidates for the Representative Corporate Executive Officer, President and CEO, etc.

### <Audit Committee>

The Audit Committee shall be comprised of members (a majority being Outside Directors) selected from among the Directors by the resolution of the Board of Directors, with an Outside Director as chairperson of the committee. It audits Corporate Executive Officers' business execution and makes decisions on audit reports, and determines the content of proposals concerning the appointment, dismissal and refusal of reappointment of Accounting Auditors.

Specific Activities: Formulation of the Audit Committee's audit plans, auditing of the status of development and implementation of the internal control system, cooperation among the Internal Audit Department, Accounting Auditors and Auditors of subsidiaries, etc.

### <Compensation Committee>

The Compensation Committee shall be comprised of members (a majority being Outside Directors) selected from among the Directors by the resolution of the Board of Directors, with an Outside Director as chairperson of the committee. It determines the policy for remuneration and related matters for individual Directors and Corporate Executive Officers and determines the content of remuneration and related matters for individual Directors and Corporate Executive Officers in accordance with such policy.

Specific Activities: Evaluation of the performance of FY2021, formulation of indicators for FY2022 performance evaluation, etc.

The name and other information of the Directors as of the submission date of this report are as follows.

Name	Position	Role
UCHIDA Takashi	Director, Chairperson of the Board	Member of the Nominating Committee, Member of the Compensation Committee
SASAYAMA Shinichi	Director	Member of the Compensation Committee
HIGO Takashi	Director	Member of the Audit Committee
TAKAMI Kazunori	Director (Outside)	Chair of the Compensation Committee, Member of the Nominating Committee
EDAHIRO Junko	Director (Outside)	Member of the Nominating Committee, Member of the Compensation Committee
INDO Mami	Director (Outside)	Chair of the Audit Committee
ONO Hiromichi	Director (Outside)	Member of the Audit Committee
SEKIGUCHI Hiroyuki	Director (Outside)	Member of the Audit Committee
TANNOWA Tsutomu	Director (Outside)	Chair of the Nominating Committee, Member of the Compensation Committee

(\*) Of the above Directors, SASAYAMA Shinichi concurrently serves as the Representative Corporate Executive Officer, President and CEO.  
We have entered into agreements with each Outside Director to limit their liability under Article 423, paragraph 1 of the Companies Act to the amount provided for in Article 425, paragraph 1 of the same Act on the condition that they execute their duties in good faith and without gross negligence.

(1) Matters concerning the function of business execution  
Regarding important agendas related to management, including agendas submitted to the Board of Directors, the Company realizes accurate and prompt decision making and efficient business execution through deliberation at the Management Committee, which is held every week in principle and mainly attended by the Corporate Executive Officers. The Company also adopts an executive officer system to execute Corporate Executive Officers' businesses in an accurate and swift manner.  
In order to promote transparent management and create a flexible and open corporate culture, the Company establishes in-house committees, such as the Management Ethics Committee chaired by the Representative Corporate Executive Officer, President and CEO, as necessary to address issues including compliance, safety, sustainability and risk management that are important from a management perspective, and facilitates the sharing of information within the Tokyo Gas Group as well as deliberations and adjustments regarding the Tokyo Gas Group's overall direction.

(2) Matters concerning auditing and supervisory functions  
a. Audit Committee  
As detailed above.  
b. Internal auditing  
The Company established the Internal Audit Department (36 staff members as of March 31, 2024) as an internal audit organization, which audits the Company and its subsidiaries focusing on risk themes, in order to respond flexibly to significant internal and external environmental changes while maintaining the perspectives of accounting, operations, compliance and the information system.  
To ensure effectiveness of internal audits, results of internal audits are, pursuant to internal rules, reported to the President, and the Management Committee and the Audit Committee (a dual reporting line), as well as to the Directors and other relevant persons of the audited subsidiary. In



addition, we are in the process of strengthening the Group governance through cooperation with Auditors of subsidiaries in audit plans and actual audits of subsidiaries.

c. Independent Auditors

The Company has executed an auditing contract with KPMG AZSA LLC for auditing services based on the Companies Act and the Financial Instruments and Exchange Act, including internal control audits based on the Financial Instruments and Exchange Act and the Company is being audited on that basis.

The Company's audits are handled by three certified public accountants, Mr. SHISHIDO Michitaka, Mr. IWAMIYA Shingo and Mr. AIZAWA Naoya, who have provided auditing services for four, zero and one consecutive year(s), respectively (as of March 31, 2024).

(3) Matters concerning the function of nomination

As detailed above.

(4) Matters concerning the function of remuneration decisions, etc.

As detailed above.

### 3. Reasons for Adopting the Current Corporate Governance Structure

The Company adopted the structure of a Company with Three Committees (Nomination, Audit and Compensation) to enhance and strengthen our corporate governance while ensuring the legality, soundness and transparency, aiming to clarify executive and management responsibilities and strengthen auditing and monitoring functions, and promoting accurate and prompt decision making and efficient business execution.

### III. Implementation of Measures for Shareholders and Other Stakeholders

#### 1. Measures to Encourage Active Shareholders Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanation
Early Notification of Shareholders Meeting	<ul style="list-style-type: none"> <li>The Company sends out its notices of convocation in advance to provide approximately one month for shareholders to consider the proposals.</li> </ul>
Allowing Electronic Voting	<ul style="list-style-type: none"> <li>In addition to use of paper forms, the Company offers electronic platform to exercise voting rights via personal computer or smartphone.</li> </ul>
Participation in Electronic Voting Platform and Other Improvements on Voting Methods for Institutional Investors	<ul style="list-style-type: none"> <li>The Company has been using the Tokyo Stock Exchange's electronic voting platform for its institutional investors since the platform was launched in 2006.</li> </ul>
Providing Convocation Notice (Summary) in English	<ul style="list-style-type: none"> <li>English notices of convocation are posted on the Company's website and submitted for public inspection via the listing stock exchanges in the same way as Japanese notices of convocation.</li> </ul>
Other	<ul style="list-style-type: none"> <li>Notices of convocation are posted on the Company's website.</li> <li>The Company utilizes visual presentation media during Shareholders Meetings, including videos and PowerPoint presentations.</li> <li>Videos of the Business Report are distributed in advance, and videos of Shareholders Meetings are distributed after the meeting.</li> <li>The Company conducts surveys to the shareholders present at Shareholders Meetings to improve the operation of the meeting.</li> </ul>

#### 2. IR Activities

	Supplementary Explanation	Explanation provided by representative in person
Preparation and Publication of Disclosure Policy	URL: <a href="https://www.tokyo-gas.co.jp/IR/english/irpolicy_e.html">https://www.tokyo-gas.co.jp/IR/english/irpolicy_e.html</a> <ul style="list-style-type: none"> <li>The Company has prepared a disclosure policy, which it revises as necessary and publishes on its website.</li> </ul>	
Regular Investor Briefings for Individual Investors	The Company conducts briefings for individual investors at investment seminars and other events organized by securities companies.	No
Regular Investor Briefings for Analysts and Institutional Investors	In addition to holding briefings when announcing interim and year-end financial results, and medium-term management plans, the Company also holds briefings as necessary when announcing quarterly financial results or disclosing other important matters.	Yes
Posting of IR Materials on Website	URL: <a href="https://www.tokyo-gas.co.jp/IR/english/index.html">https://www.tokyo-gas.co.jp/IR/english/index.html</a> <ul style="list-style-type: none"> <li>Financial results</li> <li>Documents relating to financial results briefings (presentation materials, presentation materials including guidance notes, key questions and answers, etc.)</li> <li>Documents relating to other briefings (for institutional investors and individual investors)</li> </ul>	

	<ul style="list-style-type: none"> <li>• Documents relating to Shareholders Meetings (notices of convocation, notices of resolution)</li> <li>• Integrated Report</li> <li>• Investors' Guide (Fact book)</li> <li>• Annual and Quarterly Securities Reports (in Japanese only)</li> <li>• To Shareholders (Shareholders Newsletter) (in Japanese only)</li> <li>• The Company discloses a variety of other information including messages from senior management and clear explanations of the Company's business for individual investors.</li> </ul>	
Establishment of Department and/or Manager in Charge of IR	<ul style="list-style-type: none"> <li>• Officer in charge: MINAMI Taku, Managing Executive Officer, CFO</li> <li>• Department in charge: Financial Management Dept. SOGA Go, Executive Officer and General Manager of Financial Management Dept. SAKAI Mihoko, Chief Manager of Investor Relations Sect., Financial Management Dept. (administrative contact person)</li> </ul>	
Other	<ul style="list-style-type: none"> <li>• The Representative Corporate Executive Officer, President and CEO holds individual meetings with investors in Japan and overseas in person to explain the Company's management strategies.</li> <li>• The Company offers tours of its facilities and other visits as necessary to promote shareholders' understanding of the Company.</li> <li>• The Company holds small meetings between investors and Outside Directors as part of the constructive dialogue with shareholders.</li> </ul>	

### 3. Measures Concerning Respect towards Stakeholders' Positions

	Supplementary Explanation								
Internal Rule Stipulating Respect towards the Positions of Stakeholders	<p>The Group's Management Philosophy is set forth as follows.</p> <p>[Purpose] Standing by every person and dedicating ourselves to the society, we shall be the energy that weaves the future.</p> <p>[Values]</p> <table> <tr> <td>Challenge</td><td>We constantly challenge ourselves and strive to learn something new.</td></tr> <tr> <td>Responsibility</td><td>We are always proactive and act with responsibility to bring out the best results.</td></tr> <tr> <td>Respect</td><td>We respect one another and value every possibility.</td></tr> <tr> <td>Sincerity</td><td>We sincerely care about the future of our stakeholders and our planet.</td></tr> </table>	Challenge	We constantly challenge ourselves and strive to learn something new.	Responsibility	We are always proactive and act with responsibility to bring out the best results.	Respect	We respect one another and value every possibility.	Sincerity	We sincerely care about the future of our stakeholders and our planet.
Challenge	We constantly challenge ourselves and strive to learn something new.								
Responsibility	We are always proactive and act with responsibility to bring out the best results.								
Respect	We respect one another and value every possibility.								
Sincerity	We sincerely care about the future of our stakeholders and our planet.								

	In addition, “Our Code of Conduct” sets forth “We will deal with customers, business partners, shareholders, and all our stakeholders sincerely and equitably.”
Implementation of Environmental Activities, CSR Activities, etc.	<ul style="list-style-type: none"> <li>• As for environmental conservation activities, we have established our “Environmental Policies”, and promote our efforts based on the philosophy that we “will promote more sustainable ways of energy use to contribute to the protection of regional and global environments as well as to the sustainable development of society”.</li> <li>• We have established the “Social Contribution Guidelines” for social contribution activities, and advance efforts to create a sustainable society with local communities.</li> <li>• Details of specific initiatives are disclosed in the Tokyo Gas Group Sustainability Factbook (<a href="https://www.tokyo-gas.co.jp/sustainability/download/index.html">https://www.tokyo-gas.co.jp/sustainability/download/index.html</a>), and the Tokyo Gas Group Sustainability site (<a href="https://www.tokyo-gas.co.jp/sustainability/index.html">https://www.tokyo-gas.co.jp/sustainability/index.html</a>).</li> </ul>
Formulation of Policies on Information Provision to Stakeholders	<p>Our Code of Conduct stipulates that “In order to earn trust, we will improve the transparency of our business activities and provide accurate information proactively and promptly to our customers, shareholders, local communities and other stakeholders.”</p> <p>The Company appropriately discloses information to its customers and other stakeholders, having formulated the “Approach to Stakeholder Engagement”, which states that all the Tokyo Gas Group’s officers and employees should build positive relationships with each stakeholder and aim to realize sustainable society.</p> <p>Tokyo Gas Sustainability Factbook (<a href="https://www.tokyo-gas.co.jp/sustainability/download/index.html">https://www.tokyo-gas.co.jp/sustainability/download/index.html</a>)</p> <p>Tokyo Gas Group Sustainability site (<a href="https://www.tokyo-gas.co.jp/sustainability/index.html">https://www.tokyo-gas.co.jp/sustainability/index.html</a>)</p>

Other	<p>(1) Customers In order to continue to be a corporate group that customers can rely on and trust, the Company works to enhance customer satisfaction (CS) towards the Tokyo Gas Group by listening closely to the opinions of customers received through channels including its Customer Centers, various surveys and other opportunities to connect with customers, and taking actions to improve services and the quality of work performed based on such voices.</p> <p>(2) Shareholders  We position the acquisition of treasury shares for cancellation, as well as dividend payments, as part of shareholder returns, and the total return ratio (the ratio of the dividends and the acquisition of treasury shares to the consolidated net income) is aimed at about 40% for each fiscal year. As to the dividends, while maintaining stable dividend payments, we aim to achieve a gradual dividend increase in line with the growth, comprehensively taking into account the medium-to-long term profit level.</p> <p>(3) Local Communities The Tokyo Gas Group engages in activities to suggest co-creation, responding to local community's needs (energy, environment, decarbonization efforts, disaster prevention, public safety, school education, etc. ) based on public consultation and public relations activities involving local governments and local communities.</p> <p>(4) Employees The Company implements various personnel measures with the concepts of "Growth through Challenge" and "Diversity is Power" to help maximize the growth and success of each employee with diverse knowledge, capabilities, experience and background. Specifically, it promotes measures to broaden the fields in which women can excel by providing opportunities for challenge through enhancement of the internal job posting system, enhancing its support for parents, providing active support for career development and improving the working environment. Other initiatives include the creation of an accommodating working environment for employees who provide care to family members and those with disabilities.</p>
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## IV. Matters Related to the Internal Controls Systems

### 1. Basic Views on the Internal Controls Systems and Development Progress

The Company revised the Basic Policy on the Development of Internal Controls Systems as follows by the resolution of the Board of Directors meeting held on July 27, 2023.

Tokyo Gas Co., Ltd. (hereinafter “the Company”) is committed to achieving sustainable growth and increasing corporate value over the medium to long term by clarifying management and execution responsibilities, strengthening supervision and auditing functions, and promoting accurate and prompt decision-making and efficient business execution, while ensuring legality, soundness, and transparency based on its Management Philosophy.

The group of companies consisting of the Company and its subsidiaries (hereinafter collectively referred to as “the Group”) shall aim for its perpetual development by respecting each company’s independency and setting the pursuit of overall optimization as its philosophy.

In light of the above, the Board of Directors shall establish a basic policy for the development of the internal controls system in order to ensure the appropriateness of the Group's business operations. Based on this Policy, the Corporate Executive Officers shall assume the role and responsibility of effectively establishing and operating the internal controls system of the Group.

#### **1. System to Ensure that the Execution of Duties by Officers and Employees of the Group Complies with Laws and Regulations and the Articles of Incorporation**

- (1) Establish and comply with the “Our Code of Conduct” as the basis of the compliance system.
- (2) Establish the philosophy and system of the compliance activities and work for the growth of compliance awareness by continuous education and training, etc.
- (3) Establish internal reporting and consultation service counters both within and outside the Group, and report the status of their operation to the Audit Committee. No person who uses the aforementioned service counters shall be subject to any disadvantageous treatment on the basis of having used the service counters.
- (4) Establish an organization to manage the rules and regulations related to the internal controls of the Group to ensure legal compliance, cyber security, and similar matters.
- (5) Establish a department in charge of the internal audit of the Group (hereinafter the “Internal Audit Department”) to efficiently and effectively audit the status of business operations. The Internal Audit Department shall report the results of its audits to the Audit Committee and the directors, etc., of the audited subsidiaries.
- (6) Establish policies and systems for the development and operation of internal controls over financial reports and the evaluation of their effectiveness, and ensure the reliability of financial reporting.
- (7) Establish policies and systems for the prevention of insider trading and information disclosure, and ensure the legality, appropriateness, and promptness of the handling of relevant information.
- (8) Set forth matters such as resolutely rejecting illegal or unreasonable demands from anti-social forces, etc., in “Our Code of Conduct,” and take appropriate measures.

#### **2. System for Storage and Management of Information Related to the Execution of Duties by Corporate Executive Officers**

- (1) Set forth the handling of documents and electronic or magnetic records with respect to information, etc., related to the execution of duties by Corporate Executive Officers, and store and manage such information in an appropriate and reliable manner, making it available for inspection as necessary.

#### **3. Rules and Other Systems for Management of the Risk of Loss of the Group**

- (1) Establish and operate the risk management system in accordance with the “Risk Management Policy” with the Representative Corporate Executive Officer, President and CEO as the General Manager. The system shall be structured to immediately report to the Corporate Executive Officers and Audit Committee members when matters that may cause serious damage to management are found.
- (2) Set forth a system and business continuity plan in the event of a disaster, manufacturing and supply disruption, or other unexpected emergency, and take prompt and appropriate action.

#### **4. Systems to Ensure Efficient Execution of Duties by Corporate Executive Officers**

- (1) Regularly report to the Board of Directors on the formulation and progress of the medium- and long-term management plans and single-year management plans of the Company and its important subsidiaries, as well as other matters prescribed in the “Regulations of the Board of Directors.”

- (2) Establish a meeting body to support the rational decision-making of Corporate Executive Officers on important management matters, and consider multiple aspects as necessary. Establish an advisory body to the said meeting body to make recommendations from a professional perspective on matters related to investment, capital contribution, financing, and other important matters.
- (3) Set forth the decision-making authority and division of duties regarding the execution of business operations, and clarify the responsibilities and authority thereof.

**5. System to Ensure Appropriateness of Operations at the Group's Subsidiaries**

- (1) Set forth policies and systems for the management of subsidiaries, require the directors, etc., of subsidiaries to determine the basic policies for the development of internal controls systems and establish and operate such systems, and manage subsidiaries through the approval of matters to be submitted to the shareholders meetings of subsidiaries and the reporting of other important matters, etc.

**6. Matters Concerning Employees, etc., Assisting the Audit Committee in Performing its Duties**

- (1) Establish a dedicated organization to assist the Audit Committee in its duties and assign necessary employees, etc. Prepare an environment in which such employees, etc., can smoothly perform such supporting duties under the direction and orders of the Audit Committee.
- (2) Decisions on personnel-related matters concerning such employees, etc., shall be made with the consent of the Audit Committee.

**7. System for Reporting to the Audit Committee and System for Ensuring Effective Auditing by the Audit Committee**

- (1) The officers, employees, etc., of the Group shall report to the Audit Committee or the Audit Committee members without delay on matters prescribed by laws and regulations, or on matters for which the Audit Committee requests a report. No person who has made the aforementioned report shall be subject to any disadvantageous treatment on the basis of having made such report.
- (2) Guarantee that the Audit Committee members selected by the Audit Committee may attend important meetings and state their opinions from the viewpoint of legality, etc., when deemed necessary, and may obtain important information.
- (3) Bear expenses, etc., when the Audit Committee members request such expenses, etc., in accordance with laws and regulations.
- (4) Take measures to ensure that the Audit Committee is able to conduct its auditing activities effectively, including coordination with the Internal Audit Department, financial auditors, and directors of subsidiaries.
- (5) Upon request of the Audit Committee, the Representative Corporate Executive Officer, President and CEO shall conduct an investigation and report the results thereof to the Audit Committee. If the Audit Committee deems it necessary in cases where the execution of duties by Corporate Executive Officers is likely to violate laws and regulations or the articles of incorporation, etc., it may directly give instructions to the Internal Audit Department and such instructions shall have precedence over those of the Representative Corporate Executive Officer, President and CEO.

**2. Basic Views on the Elimination of Anti-Social Forces and Development Progress**

The Company's basic policy is to take a resolute stance in responding to illegal demands from anti-social forces and exclude anti-social forces.

Specifically, "Our Code of Conduct" stipulates "a resolute response to anti-social forces". This is widely made known throughout the Tokyo Gas Group and the Company has assigned a business unit responsible for responding to anti-social forces and prepared a communications and consultation system for when improper demands or other acts by anti-social forces occur.

The Company also maintains close ties with the police and external specialized institutions, working to collect relevant information as necessary.

## V. Other

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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#### Supplementary Explanation Regarding the Relevant Matter

The Company established the “Basic Policy on the Control of the Stock Company” described below.

The Company is a listed company and it is possible that a takeover bid or buyout offer is made for the purpose of large volume acquisition, but we believe that whether to accept or not should ultimately be determined based on the intentions of the Company’s shareholders as a whole. Looking at their purpose and method, however, the Company considers some of these large volume takeovers could potentially damage the Company’s corporate value and common interests of its customers and shareholders and would determine that such large volume takeovers to be inappropriate. In making its judgment, the Company will carefully examine impacts that such act of takeover or buyout offer might have on the Company’s corporate value and common interests of the customers and shareholders on the basis of the relevant purchaser’s business, future business plans, past investment behavior and other elements.

The Company considers “increasing corporate value” is the most effective defense against an act of inappropriate large volume takeover bid. At this particular time, the Company is not under threat of any takeover or buyout, and therefore, the Company does not currently intend to implement any defenses towards takeovers in advance, such as “poison pills”, but the Company will constantly observe the market trends and will immediately take actions that it deems most appropriate if any party is found to be attempting to acquire a large volume of its shares.

### 2. Other Matters Concerning Corporate Governance Structure

The Company developed and implements an internal system for timely disclosure of corporate information (the timely disclosure system), as described below.

#### 1. Basic stance and policy relating to timely disclosure

Based on the Group Management Philosophy and “Our Code of Conduct”, the Company’s basic stance is to increase corporate value while maintaining awareness of its public mission and social responsibilities, and to conduct fair and transparent corporate activities in compliance with applicable laws and its principles, and with high ethical standards.

Based on this philosophy, the Company, as a listed company, has established and implements an internal system to enable it to appropriately conduct prompt, accurate and fair disclosure of corporate information to its shareholders and investors (hereafter, “timely disclosure”). Moreover, the Company will continue to develop and strengthen this internal structure and system in future.

#### 2. Corporate system for performing timely disclosure duties

##### (1) Internal system

Within the Company, the Legal Department is in charge of timely disclosure duties as the unit responsible for information handling, formulating internal regulations on timely disclosure and developing the internal system for communication and management of information, among other duties. The Company appoints information management officers in each operating unit, each department and subsidiaries to communicate information promptly and accurately and to ensure that all employees are aware of the internal regulations, while in terms of corporate information of the Tokyo Gas Group including the subsidiaries, it has a structure in place whereby such corporate information is widely communicated via reports to the operating units in charge in accordance with the Rules on the Management of Subsidiaries and other regulations.

##### (2) Communication, judgment and timely disclosure of corporate information

Based on the internal regulations, each operating unit and each department communicate corporate information relating to resolutions, incidents or financial information as prescribed in the Securities Listing Regulations and other regulations to the Legal Department (the unit responsible for information handling) (such information includes that of subsidiaries; the same applies hereafter). With respect to the corporate information thus received, discussions are held on whether such information is subject to the disclosure standards prescribed in the Securities Listing Regulations and other regulations and the timing of such disclosure, and if disclosure is determined to be necessary, disclosure documents setting out sufficiently necessary information are prepared taking



due care of the accuracy and fairness taking into account the potential impact on investment decisions. Concurrently, the Legal Department (the unit responsible for information handling) discusses with the Corporate Communications Department and the Financial Management Department matters including timely disclosure and public announcements to the news media and investors, and when necessary, makes inquiries to the Financial Management Department, Accounting Department and other departments in order to ascertain the potential impact of such corporate information on business operations, operating results or the Company's financial condition. The disclosure documents, once prepared, are reported and disclosed by the Legal Department in a timely and appropriate manner via the Timely Disclosure network (TDnet) in accordance with internal rules. The Company also posts the disclosure documents on the IR section of its website for the purpose of enhancing fairness in information access.

(3) Training, education and ensuring awareness

The Legal Department (the unit responsible for information handling) offers training at appropriate times on timely disclosure and prevention of insider trading to the information management officers in each operating unit and each department and provides through the information management officers trainings and reminders on information management to officers, employees and other staff of the Company and its subsidiaries to avoid contravening insider trading regulations, thereby striving to ensure that employees are aware of the importance of information management. In addition, the Legal Department provides information relating to the timely disclosure and insider trading regulations on the company intranet to make them widely known internally.

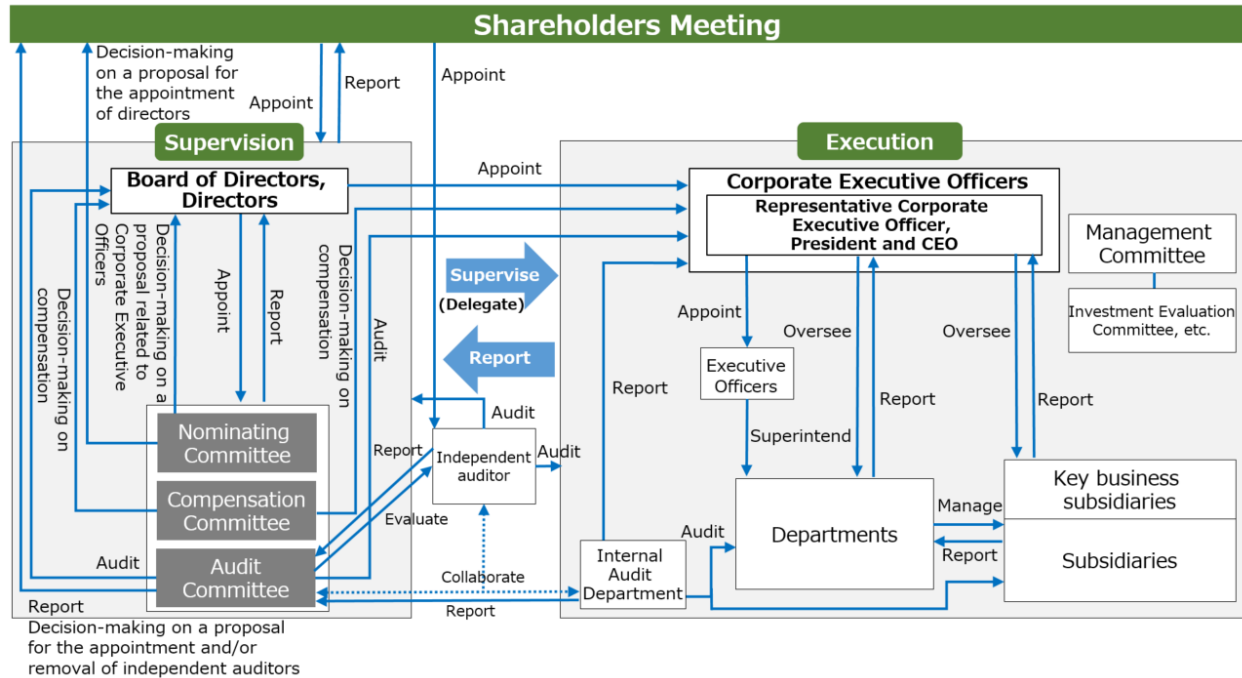
(4) Monitoring system

The Internal Audit Department, which is an internal audit organization, audits whether timely disclosures are made in compliance with the relevant laws and regulations and the Securities Listing Regulations as and when necessary. It reports the results to the senior management and develops a corporate system to provide guidance for improvement.

As part of the auditing of the development and implementation status of the internal control system, the Audit Committee receives reports from the Internal Audit Department and monitors and verifies the details.

[Reference]

## Corporate Governance Structure



## Internal Structure for Timely Disclosure

