

[English Translation Originally Issued in the Japanese Language]

Security Identification Code: 9531

May 30, 2014

Dear Shareholders:

NOTICE OF CONVOCATION OF THE 214th ANNUAL SHAREHOLDERS MEETING

We hereby would like to inform you of the 214th Annual Shareholders Meeting of Tokyo Gas Co., Ltd. (hereinafter, 'We' or 'the Company'), to be held as described below.

If you are unable to attend the meeting, you may exercise your voting rights through either of the methods described in the next page. In that case, we respectfully ask you to exercise your voting rights after reading the REFERENCE MATERIALS FOR THE SHAREHOLDERS MEETING starting from page 38.

Sincerely yours,

Michiaki Hirose

Representative Director, President

TOKYO GAS CO., LTD.

5-20, Kaigan 1-chome, Minato-ku, Tokyo

1. Date and Hour: 10 a.m., Friday, June 27, 2014
2. Place: Tokyo Gas Building 2F
5-20, Kaigan 1-chome, Minato-ku, Tokyo
3. Agenda:
 - (1) Matters to report:

'Business Report', 'Consolidated Financial Statements', 'Non-Consolidated Financial Statements', 'Independent Auditors' Report' and 'Audit Report' by the Audit & Supervisory Board on the Consolidated Financial Statements for the 214th fiscal year (from April 1, 2013 to March 31, 2014)
 - (2) Matters to resolve:

Proposal No. 1: Approval of the Appropriation of Surplus
Proposal No. 2: Election of Eleven (11) Directors
Proposal No. 3: Election of One (1) Audit & Supervisory Board Member

4. Exercise of Voting Rights in Writing or via the Internet and other methods:

(1) Exercise of voting rights in Writing

Please indicate your approval or disapproval for each proposal by placing a circle in the designated space in the enclosed CARD FOR EXERCISE OF VOTING RIGHTS, and return it by postal mail to us so that it arrives by 5:30 p.m. on Thursday, June 26, 2014.

(2) Exercise of voting rights via the Internet and other methods

Please access the WEB-SITE FOR EXERCISE OF VOTING RIGHTS (<http://www.web54.net>) through a personal computer or a cell-phone and enter your voting code and password shown in the enclosed CARD FOR EXERCISE OF VOTING RIGHTS. Then, following the instructions on screen, please enter your approval or disapproval for each proposal and submit them by 5:30 p.m. on Thursday, June 26, 2014.

If you exercise your voting rights via the Internet, please read 'Instruction for Exercise of Voting Rights via the Internet and other methods' starting from page 49.

5. Other Matters Determined by the Board of Directors Regarding the Convocation of the Annual Shareholders Meeting:

If duplicated votes are exercised both in Writing and via the Internet, the vote that arrives later shall be deemed valid.

If both of the duplicated votes arrive on the same date, the vote exercised via the Internet shall be deemed valid.

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- Note 1: For shareholders attending the Annual Shareholders Meeting, please do not mail the enclosed CARD FOR EXERCISE OF VOTING RIGHTS, but instead bring it to the meeting and present it at the reception desk upon arrival.
- Note 2: Based on the Company's Articles of Incorporation, you can delegate voting rights to only one proxy who is one of the shareholders holding voting rights. If a proxy will attend the meeting, please present the document certifying authority of such proxy, and your and the proxy's CARD FOR EXERCISE OF VOTING RIGHTS at the reception desk.
- Note 3: Please note that 'Notes to the Consolidated Financial Statements' and 'Notes to the Non-Consolidated Financial Statements' are posted on the Company's website given below, pursuant to laws and regulations and the provisions of the Company's Articles of Incorporation. Consolidated Financial Statements and Non-Consolidated Financial Statements provided in the ACCOMPANYING DOCUMENTS to this NOTICE OF CONVOCATION are a portion of the materials audited when the accounting auditor prepared the independent auditors' report.
- Note 4: Please note that in the event there are any revisions to the REFERENCE MATERIALS FOR THE SHAREHOLDERS MEETING, Business Report, Consolidated Financial Statements or Non-Consolidated Financial Statements, the notice for such revisions will be posted on the Company's website as below.

[Company's website <http://www.tokyo-gas.co.jp>]

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Special Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

<ACCOMPANYING DOCUMENTS>

Business Report

(From April 1, 2013 to March 31, 2014)

1. Matters Concerning Current State of Group Operations

(1) Business Conditions and Results

During this fiscal year, the Japanese economy continued its rebound driven by the effects from aggressive monetary and fiscal policies beginning in the previous year coupled with gradual recovery in the overseas economy, as well as supported by rush demand by consumers ahead of the consumption tax hike.

In addition, Japan's energy market now seeks to review its energy policies from a forward looking perspective. Under these circumstances, society's expectations for natural gas have further increased, because of the economic efficiency, stability of supplies, convenience, and environmentally friendly nature of natural gas.

Under this economic situation and operating environment, in order to realize 'The Tokyo Gas Group's Vision for Energy and the Future-Challenge 2020 Vision-' (the 'Challenge 2020 Vision'), the Tokyo Gas Group is implementing 'Enhancing the LNG Value Chain' by enhancement of added value and expansion of the areas covered.

Boosted by these intense efforts, despite a decline in the gas sales volume from the change to tolling agreement* for a portion of the gas used for electric power generation, net sales of the City Gas Sales segment increased from an increase in sales unit price due to gas rate adjustments associated with the weaker yen, combined with sales growth at the Other Energy segment from increased LNG sales. Accordingly, consolidated net sales rose by 10.3% year on year to ¥2,112,117 million.

In terms of operating expenses, despite the Group's utmost efforts to restrict expenses and realize even better efficiency, the yen's depreciation and other factors led to higher costs of gas as a raw material, and expenses at the Other Energy segment rose associated with growth in LNG sales and others, leading to a 9.9% increase in operating expenses year on year to ¥1,946,072 million.

As a result, operating income grew by 14.0% year on year to ¥166,044 million, and ordinary income rose by 8.2% year on year to ¥159,613 million. With the recording of extraordinary income in the amount of ¥1,074 million (gain on sales of non-current assets), extraordinary losses of ¥2,337 million (impairment loss), and income taxes, net income rose by 6.7% year on year to ¥108,451 million.

We would like to report the review of results by operating segment, as follows.

1) City Gas Sales

Total customer numbers rose by 133 thousand during this fiscal year, to 11,111 thousand as of March 31, 2014. Gas sales volume decreased by 4.3% year on year to 14,735,105 thousand cubic meters.

Of this aggregate volume, the volume of household-bound gas sold decreased by 2.4% year on year to 3,450,082 thousand cubic meters, with a decline in hot water and air-heating demand due to warmer temperature than the previous year. The volume of business-bound gas sold (for commercial, public and medical uses) was roughly flat at 2,844,461 thousand cubic meters (a 0.1% decrease year on year), with a decline in hot water and air-heating demand due to temperature factors especially resulting from the warmer temperature in early spring and early winter being mostly offset by high air-conditioning demand during

the hot summer. The volume of industry-bound gas sold declined by 8.8% year on year to 6,433,346 thousand cubic meters. Despite new demand associated with the opening of the trunk line and an increase in demand for power generation, due to a decline from the change to tolling agreement* for a portion of the gas used for electric power generation. The Group's wholesale supplies to other gas suppliers rose by 2.8% year on year to 2,007,216 thousand cubic meters mainly due to higher wholesale customer demand.

Net sales of the City Gas Sales segment increased by 7.4% year on year to ¥1,505,198 million as a result of an increase in sales unit price due to gas rate adjustments associated with the weaker yen despite a decrease in the gas sales volume.

* Tolling agreement: A contract under which the seller of electric power delivers gas procured as fuel for power generation to the power generator, and the power generator uses that fuel to generate electricity on behalf of the seller and delivers that electricity to the seller of electric power, in exchange for a power generation fee.

2) Gas Appliances and Installation Work

Sales of gas appliances rose as a result of efforts to develop and market gas cooking, water-heating, and air-conditioning appliances that offer high levels of safety and excel in terms of their environmental friendliness, comfort, convenience, and economic benefits, while Sales of installation work increased due to an impact from an increase in the number of new installations. As a result, overall net sales of the Gas Appliances and Installation Work segment increased by 7.6% year on year to ¥221,710 million.

3) Other Energies

In the Other Energy segment, net sales increased by 6.2% year on year to ¥357,569 million, as sales related to the LNG sales business rose due to increased LNG sales.

4) Real Estate

In the Real Estate segment, net sales decreased by 6.4% year on year to ¥28,316 million due to a decrease in income from building rents.

5) Other

In the Other segment, net sales increased by 1.9% year on year to ¥199,394 million due to an increase in sales related to the overseas business.

(2) Group Capital Expenditures

Total capital expenditures for this fiscal year amounted to ¥248,004 million.

The total length of the pipeline network was extended by 765 kilometers during this fiscal year, to 61,063 kilometers as of March 31, 2014. Currently, Ibaraki-Tochigi Line etc. are under construction.

(3) Group Financing Activities

In this fiscal year, the Company raised funds totaling ¥107,772 million through issuing the 37th and 38th Domestic unsecured bonds and obtaining loans payable. Consolidated interest-bearing liabilities increased by ¥71,273 million compared with the previous year-end, to ¥713,823 million.

(4) Prospective Challenges

Currently, Japan's energy policies, which have a major impact on society and the economy, are facing a major transformation as Japan's energy market now seeks to review its energy policies from a forward looking perspective. Under these circumstances, society and customers have increasingly expected and required that the Tokyo Gas Group play the role of energy supplier to the Tokyo metropolitan area with a focus on the safe and stable supply of natural gas with economic and value-added delivery.

The Tokyo Gas Group aims to promote the spread and expansion of natural gas use by 'Enhancing the LNG Value Chain', with strong awareness to meet these expectations and requirements. To this end, we will be committed to accomplishing the goal of 'Challenge 2020 Vision' formulated in November 2011, with a sense of speed.

<Reduce Raw Materials Prices and Expand Overseas Operations>

While taking into consideration the balance between supply stability, price, and flexibility, we seek further diversification and expansion of raw material procurement and overseas upstream projects and lower raw materials prices through involvement in unconventional gas, such as CBM (coal bed methane) and shale gas, and small- and medium-scale LNG projects. Combined with it, we construct an overseas LNG value chain through expanding the overseas Natural Gas-fired thermal power generation business and other businesses, pursuing overseas expansion of the energy services and engineering businesses, which leverage the Tokyo Gas Group's strengths.

<Safe and Stable Supply of Energy>

We contribute to the enhancement of the energy security for the entire Kanto region through increasing the stability of the overall supply infrastructure by the construction of the Hitachi LNG Terminal and the Ibaraki-Tochigi Line while constructing production and supply infrastructure to cope with increases in gas demand. In addition, we make efforts to minimize areas subject to supply disruption when an earthquake occurs, and shorten the time for recovery. Moreover, we implement countermeasures for earthquake, tsunami and others at LNG terminals.

<Provide Energy Solutions Adapted to a Variety of Needs>

We spread and expand the use of distributed energy systems, such as ENE-FARM and cogeneration systems, and gas equipment including gas air conditioning, which contribute to peak saving, energy conservation, and CO₂ emissions reduction. We also promote to bring smart energy for home, office buildings and plants, which enables an area-wide optimal use of energy through the construction of a Smart Energy Network and utilization of smart meters. Furthermore, we implement renewable energy initiatives and promotion for advanced utilization of natural gas and fuel conversion as well as expansion of Natural Gas-fired thermal power generation, such as promoting the construction of the Ohgishima Power Station Unit 3.

<Pursue Technical Development and IT Utilization with a Focus on the Future>

With a view to the 2020s and beyond, we engage in developments of technologies relating to hydrogen and CO₂, and research and development relating to methane hydrate, and make efforts to enable closer communication with customers by using IT.

<Realize A Leaner, Stronger Business Structure>

We build an optimal business performance organization from the whole Tokyo Gas Group, which includes business partners such as subsidiaries and associates, Lifeval, etc., so as to realize the Group's collective strength. In December 2013, the Company received a reprimand from the Ministry of Economy, Trade and Industry with regard to the improper operations relating

to repair of a gas leak from a buried pipe running under a road. The Company, positioning FY2014 as a 'security enhancement year', will devote itself wholeheartedly to implementing a group-wide enhancement on security measures through the year.

Through the above initiatives, the Tokyo Gas Group will satisfy the needs of customers, society, and the times and strive to realize 'a prosperous, fulfilling way of life,' 'competitive domestic industries,' and 'an environment-friendly society where people can live in peace of mind.' We will remain keenly aware of our corporate social responsibility and pursue sustained growth for the Group by engaging in transparent, fair management while aiming for harmonious coexistence with local communities.

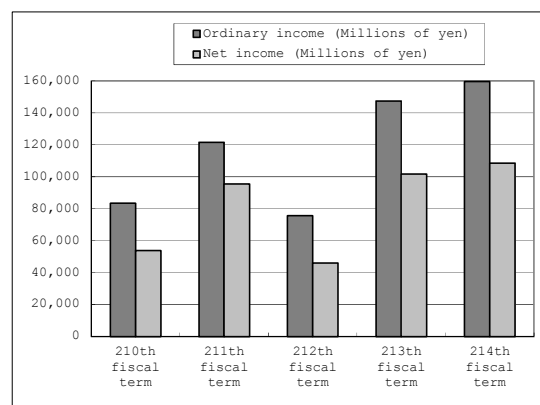
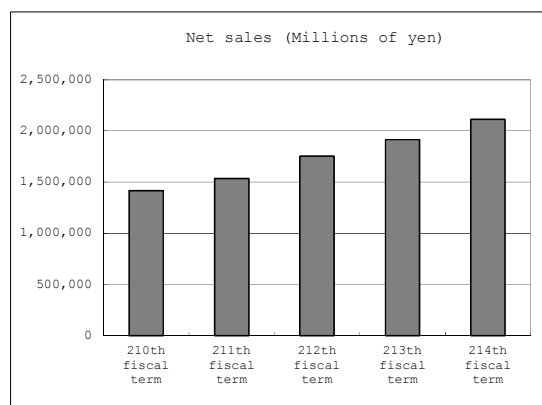
In addition, the Board of Directors resolved, at its meeting held on April 28, 2014, pursuant to the 'Policy on Determination of Dividends from Surplus and Others,' (for details, please refer to '7. Policy on Determination of Dividends from Surplus and Others' described later in this document), to set the ceiling on acquisition of treasury shares for FY2014 at ¥40,000 million (or 80 million shares) and set the acquisition period from April 30, 2014 to March 31, 2015.

The Group will continue working to increase its corporate value and shareholder value and meet the expectations of both shareholders and customers. Toward that end, we will greatly appreciate your ongoing understanding and support.

(5) Changes in Status of Assets and Income and Loss

Categories (FY ended March 31)	210th fiscal term (2010)	211th fiscal term (2011)	212th fiscal term (2012)	213th fiscal term (2013)	214th fiscal term (2014)
Net sales (Millions of yen)	1,415,718	1,535,242	1,754,257	1,915,639	2,112,117
Ordinary income (Millions of yen)	83,519	121,548	75,620	147,453	159,613
Net income (Millions of yen)	53,781	95,467	46,060	101,678	108,451
Net income per share (Yen)	19.86	35.63	17.70	39.52	43.10
Total assets (Millions of yen)	1,840,972	1,829,661	1,863,885	1,992,403	2,176,816
Net assets (Millions of yen)	826,291	874,094	855,100	946,511	1,029,492
Net assets per share (Yen)	301.58	320.70	324.67	360.70	402.91

[Reference: Status of Assets and Income and Loss]



(6) Status of Principal Subsidiaries

Name of the company	The stated capital	Percentage of contribution of the Company (%)	Main business activities
TOKYO GAS AUSTRALIA PTY LTD	\$1,203,337 thousand	100.00	LNG upstream businesses in Australia
Tokyo Gas America Ltd.	\$488,000 thousand	100.00	LNG upstream businesses in the Americas
Tokyo Gas Urban Development Co., Ltd.	¥11,867 million	100.00	Real estate management, leasing and brokerage
Tokyo Gas International Holdings B.V.	EURO 54,734 thousand	100.00	Overseas investment project
Ohgishima Power Co., Ltd.	¥5,350 million	75.00	Operation and management of power station
Tokyo Gas Site Development Co., Ltd.	¥5,000 million	100.00	Real estate development and leasing and management of land and buildings
Nagano Toshi Gas Inc.	¥3,800 million	89.22	City gas distribution
ENERGY ADVANCE Co., Ltd.	¥3,000 million	100.00	Energy service business
Gaster Co., Ltd.	¥2,450 million	66.67	Manufacture and sale of gas appliances
Tokyo LNG Tanker Co., Ltd.	¥1,200 million	100.00	Leasing of tankers delivering LNG/LPG and overseas shipping business
Tokyo Gas Energy Co., Ltd.	¥1,000 million	66.60	Sale of LPG
Capty Co., Ltd.	¥1,000 million	100.00	Design and construction of gas pipelines, water supply and sewage pipes, air-conditioning systems
Tokyo Gas Chemicals Co., Ltd.	¥1,000 million	100.00	Sale of industrial gases and tar products
Chiba Gas Co., Ltd.	¥480 million	100.00	City Gas distribution
Tokyo Gas Lease Co., Ltd.	¥450 million	100.00	Credit administration and leasing in connection with gas appliances and construction
TG Information Network Co., Ltd.	¥400 million	100.00	Information processing service business
Tokyo Gas Engineering Co., Ltd.	¥100 million	100.00	Comprehensive engineering services with a focus on energy-related works
Nijio Co., Ltd.	¥47 million	100.00	Wholesale of electricity

Notes: 1. Tokyo Gas Toyosu Development Co., Ltd. changed its corporate name to Tokyo Gas Site Development Co., Ltd. on April 1, 2013.
2. The number of consolidated subsidiaries and equity-method affiliates including the above 18 principal subsidiaries were 75 companies.

(7) Status of Business Assignment, Corporate Separation by Absorption or Corporate Separation by Incorporation

There are no items to report.

(8) Main Business Activities (As of March 31, 2014)

Business segment	Main business activities
City Gas Sales	Production, supply and sale of City gas
Gas Appliances and Installation Work	Manufacture and sale of gas appliances and accompanying work and gas installation work
Other Energies	Energy services, sales of LPG, electric power, industrial gas, and LNG
Real Estate	Leasing and management of land and buildings
Other	Construction business, information processing service, shipping business, credit/lease financial services, overseas business, etc.

(9) Main Business Offices and Factories (As of March 31, 2014)

1) The Company

Head Office	(Minato-ku, Tokyo)
Service Branches (<i>Shisha, Shiten and Jigyobu</i>)	Central Service Branch (Meguro-ku, Tokyo) Western Service Branch (Suginami-ku, Tokyo) Tama Service Branch (Tachikawa, Tokyo) Eastern Service Branch (Koto-ku, Tokyo) Chiba Branch Office (Chiba, Chiba) Northern Service Branch (Kita-ku, Tokyo) Saitama Branch Office (Saitama, Saitama) Kanagawa Branch Office (Yokohama, Kanagawa) Yokohama Service Branch (Yokohama, Kanagawa) Kawasaki Service Branch (Kawasaki, Kanagawa) Western Kanagawa Service Branch (Fujisawa, Kanagawa) Hitachi Branch Office (Hitachi, Ibaraki) Johsoh Branch Office (Ryugasaki, Ibaraki) Gunma Branch Office (Takasaki, Gunma) Kumagaya Branch Office (Kumagaya, Saitama) Utsunomiya Branch Office (Utsunomiya, Tochigi) Ibaraki Branch Office (Mito, Ibaraki)
LNG Terminals	Negishi LNG Terminal (Yokohama, Kanagawa) Sodegaura LNG Terminal (Sodegaura, Chiba) Ohgishima LNG Terminal (Yokohama, Kanagawa)

2) Principal subsidiaries

Name	Location of Head Office	Name	Location of Head Office
TOKYO GAS AUSTRALIA PTY LTD	Australia	Tokyo LNG Tanker Co., Ltd.	Mianto-ku, Tokyo
Tokyo Gas America Ltd.	United States of America	Tokyo Gas Energy Co., Ltd.	Chuo-ku, Tokyo
Tokyo Gas Urban Development Co., Ltd.	Shinjuku-ku, Tokyo	Captly Co., Ltd.	Shinagawa-ku, Tokyo
Tokyo Gas International Holdings B.V.	Netherlands	Tokyo Gas Chemicals Co., Ltd.	Minato-ku, Tokyo
Ohgishima Power Co., Ltd.	Yokohama, Kanagawa	Chiba Gas Co., Ltd.	Sakura, Chiba
Tokyo Gas Site Development Co., Ltd.	Minato-ku, Tokyo	Tokyo Gas Lease Co., Ltd.	Shinjuku-ku, Tokyo
Nagano Toshi Gas Inc.	Nagano, Nagano	TG Information Network Co., Ltd.	Minato-ku, Tokyo
ENERGY ADVANCE Co., Ltd.	Minato-ku, Tokyo	Tokyo Gas Engineering Co., Ltd.	Ota-ku, Tokyo
Gaster Co., Ltd.	Yamato, Kanagawa	Nijio Co., Ltd.	Minato-ku, Tokyo

(10) Status of Employees (As of March 31, 2014)

1) Number of employees in the Group

Business segment	Number of employees (Change from previous year)	
City Gas Sales	7,047	(+41)
Gas Appliances and Installation Work	3,750	(+65)
Other Energies	1,116	(+36)
Real Estate	181	(+8)
Other	4,054	(+96)
Corporate	928	(-2)
Total	17,076	(+244)

Note: 'Number of employees' refers to permanent full-time staff, includes employees seconded to the Company, and does not include temporary staff.

2) Number of employees in the Company

Number of employees (Change from previous year)	Average age (Years)	Average service years
8,002 (+76)	45.0	19.2

Notes: 1. 'Number of employees' refers to permanent full-time employees and employees seconded to the Company, and does not include employees seconded to other companies and temporary staff.

2. 'Average age' and 'Average service years' do not include those of employees seconded to the Company.

(11) Major Creditors and Balance of Borrowings (As of March 31, 2014)

Creditor	Balance of borrowings (Millions of yen)
Japan Bank for International Cooperation	95,172
Mizuho Bank, Ltd.	37,230
Meiji Yasuda Life Insurance Company	23,500
The Dai-ichi Life Insurance Company, Ltd.	18,800
Nippon Life Insurance Company	17,747
The Ashikaga Bank, Ltd.	16,500
Sumitomo Mitsui Banking Corporation	15,100
Syndicated Loan	15,000
Sumitomo Life Insurance Company	13,500
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	12,142

Note: Syndicated loan is a joint-financing instrument with Development Bank of Japan Inc. as the manager.

2. Matters Related to Shares of the Company (As of March 31, 2014)

(1) Aggregate number of authorized shares

Common share: 6,500,000,000 shares

(2) Aggregate number of shares issued

Common share: 2,517,551,295 shares
(A year-on-year decrease of 60,368,000 shares)

Note: The aggregate number of shares issued decreased as indicated above from the retirement of treasury share on July 12, 2013.

(3) Share trade unit

1,000 shares

(4) Number of shareholders

128,470

(5) Major shareholders

Name of shareholders	Number of shares held (Thousand shares)	Percentage of share ownership (%)
Nippon Life Insurance Company	159,740	6.36
The Dai-ichi Life Insurance Company, Ltd.	120,472	4.80
Japan Trustee Services Bank, Ltd. (Trust Account)	94,376	3.76
The Master Trust Bank of Japan, Ltd. (Trust Account)	84,689	3.37
Tokyo Gas Group Employees Shareholding Association	45,900	1.83
Fukoku Mutual Life Insurance Company	41,103	1.64
Mizuho Trust & Banking Co., Ltd. Employee Pension Trust Dai-ichi Mutual Life Insurance Company Account Standby Trustee Trust & Custody Services Bank, Ltd.	35,490	1.41
STATE STREET BANK AND TRUST COMPANY	34,658	1.38
STATE STREET BANK WEST CLIENT - TREATY	30,376	1.21
STATE STREET BANK AND TRUST COMPANY 505225	29,794	1.19

Note: Percentage of share ownership is calculated by the number of shares excluding treasury share (6,334,608 shares).

(6) Other principal items regarding shares

1) Acquisition of own share

Common share: 60,590,103 shares

Total value of acquisitions: ¥ 36,116,731,927

2) Disposal of treasury share

Common share: 10,565 shares

Total value of disposition: ¥6,086,194

3) Cancellation of treasury share

Common share: 60,368,000 shares

Total value of cancellation: ¥34,815,432,960

4) Shares owned by the Company as of the balance sheet date

Common share: 6,334,608 shares

3. Matters Related to Share Option in Kind (As of March 31, 2014)

There are no items to report.

4. Matters Related to Directors and Audit & Supervisory Board Members of the Company
 (1) Name, etc. of Directors and Audit & Supervisory Board Members (As of March 31, 2014)

Name	Position	Areas of responsibility in the Company and 'Important concurrent posts'
Mitsunori Torihara	Director and Chairman of the Board	
Tsuyoshi Okamoto	Representative Director, President	
Shigeru Muraki	Representative Director, Executive Vice President	Assistant to the President, Chief Executive of Energy Solution Div. and General Manager of Volume Sales Dept. of Energy Solution Div.
Michiaki Hirose	Representative Director, Executive Vice President	Assistant to the President, Chief Executive of Residential Sales and Service Div.
Kazuo Yoshino	Director, Senior Executive Officer	Chief Executive of IT Div., in charge of Finance Dept. and Accounting Dept.
Matsuhiko Hataba	Director, Senior Executive Officer	In charge of Corporate Planning Dept. and Affiliated Companies Dept.
Yutaka Kunigo	Director, Senior Executive Officer	Chief Executive of Energy Production Div.
Masahiro Mikami	Director, Senior Executive Officer	In charge of Secretary Dept., General Administration Dept., Corporate Communications Dept., Environmental Affairs Dept. and Compliance Dept.
Yukio Sato	Outside Director	Vice Chairman of The Japan Institute of International Affairs
Ryuichi Tomizawa	Outside Director	
Yoshihiko Nakagaki	Outside Director	
Manabu Fukumoto	Standing Audit & Supervisory Board Member	
Tsutomu Oya	Standing Audit & Supervisory Board Member	
Yukio Masuda	Outside Audit & Supervisory Board Member	Corporate Adviser of Mitsubishi Corporation Outside Director of Showa Shell Sekiyu K.K.
Yoshihiko Morita	Outside Audit & Supervisory Board Member	President of Japan Institute for Overseas Investment Outside Director of Kawasaki Heavy Industries, Ltd.
Kojiro Otani	Outside Audit & Supervisory Board Member	

- Notes: 1. Director and Chairman of The Board Mitsunori Torihara was newly appointed to Director and Executive Advisor as of April 1, 2014.
 2. President, Representative Director Tsuyoshi Okamoto was newly appointed to Director and Chairman of the Board as of April 1, 2014.
 3. Representative Director Shigeru Muraki was newly appointed to Director and Vice Chairman of the Board as of April 1, 2014.
 4. Representative Director Michiaki Hirose was newly appointed to Representative Director and President as of April 1, 2014.
 5. Director Matsuhiko Hataba was newly appointed to Representative Director and Executive Vice President as of April 1, 2014, and the areas of his responsibility

were changed from Corporate Planning Dept. and Affiliated Companies Dept. to Assistant to the President and Chief Executive of Residential Sales and Service Div.

6. Director Yutaka Kunigo was newly appointed to Representative Director and Executive Vice President as of April 1, 2014, and the areas of his responsibility were changed from Chief Executive of Energy Production Div. to Assistant to the President, Chief Executive of Energy Solution Div. and General Manager of Volume Sales Dept. of Energy Solution Div.
7. Outside Audit & Supervisory Board Member Yoshihiko Morita has in-depth experiences in international finance field activities and is highly knowledgeable about financial accounting matters.

(2) Total Value of Remuneration of Directors and Audit & Supervisory Board Members

Directors	(13 people):	¥468 million
Audit & Supervisory Board Members	(7 people):	¥106 million
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Total	(20 people):	¥574 million

- Notes:
1. The total number of Directors and Audit & Supervisory Board Members includes two (2) Directors and two (2) Audit & Supervisory Board Members retiring upon the conclusion of the 213th Annual Shareholders Meeting and the aggregate amount of remuneration paid includes the remuneration paid to these two Directors and two Audit & Supervisory Board Members.
 2. Of the foregoing amount, the aggregate amount of remuneration paid to seven (7) Outside Officers (Outside Directors and Outside Audit & Supervisory Board Members) was ¥64 million, which includes the remuneration paid to one (1) Outside Audit & Supervisory Board Member retiring upon the conclusion of the 213th Annual Shareholders Meeting.
 3. The aggregate monthly remuneration payable to all Directors of up to ¥50 million was approved at the 205th Annual Shareholders Meeting, and the aggregate annual bonus payable to all Directors of up to ¥90 million was approved at the 206th Annual Shareholders Meeting.
 4. The aggregate monthly remuneration payable to all Audit & Supervisory Board Members of up to ¥12 million was approved at the 190th Annual Shareholders Meeting.

(3) Policy on Determination of Remuneration in Kind for Officer of the Company

As a means of enhancing its corporate governance, the Company sets forth its 'Basic Policy on Remuneration' and the Board or Directors, at its meeting held on February 23, 2012, resolved to revise it as follows:

- 1) Role of executive and remuneration
The role demanded of the executive is to seek to enhance short-term, medium- and long-term corporate value, and executive remuneration shall serve as an effective incentive for them to perform that role.
- 2) Level of remuneration
The level of executive compensation shall be suitable for the role, responsibility and performance of the executive.
- 3) Remuneration of Directors and its composition
 - i. Remuneration of Directors shall be paid within the scope of the remuneration limit approved at Shareholders Meeting.
 - ii. Remuneration of Inside Directors shall comprise monthly remuneration and bonus.
 - Monthly remuneration shall comprise fixed remuneration paid in accordance with the post of each individual and performance-linked remuneration. A portion of fixed remuneration shall be allocated to the purchase of shares based on a share-purchase guideline and from the standpoints of reflecting the perspectives of shareholders on management and improving shareholder value over the long term. The amount of performance-linked remuneration shall be determined after evaluating company-wide performance and performance of operating units from the standpoints of motivating Inside Directors to execute management strategies and reflecting their performance clearly in their remuneration.

- The amount of bonus to be paid shall be determined in accordance with the post of each Inside Directors after performance evaluation.
- iii. Remuneration of Outside Directors shall comprise monthly remuneration and bonus. Monthly remuneration shall comprise only fixed remuneration, while bonus shall be the same as that of Inside Directors.
- 4) Remuneration of Audit & Supervisory Board Members and its composition
 - i. Remuneration of Audit & Supervisory Board Members shall be paid within the scope of the remuneration limit approved at Shareholders Meeting and determined through discussions among Audit & Supervisory Board Members.
 - ii. Remuneration of Audit & Supervisory Board Members shall comprise only fixed monthly remuneration.
- 5) Assurance of objectivity and transparency of remuneration system
The Company shall assure the objectivity and transparency of the system of remuneration by establishing and operating the 'Advisory Committee' comprising Outside Directors, Outside Audit & Supervisory Board Members and a number of Inside Directors (at least half of committee members shall be Outside Directors or Outside Audit & Supervisory Board Members, and an Outside Director or an Outside Audit & Supervisory Board Member shall be chairman) to govern the system of personnel affairs and remunerations of executives.

(4) Matters Related to Outside Officers

- 1) Outside Director Yukio Sato
 - i. The relationship between the other legal person in kind, in which outside officer having the 'Important concurrent posts', with the Company:
There is no special relationship between the Company and the legal person in kind.
 - ii. Status of major activities during the business year under review
Mr. Sato has attended 11 of 12 Board of Directors meetings. Given his international way of thinking acquired as a diplomat, wide perspective and in-depth knowledge, Mr. Sato provides the Company with a wide variety of opinions on its management operations. The Company designates Mr. Sato as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).
- 2) Outside Director Ryuichi Tomizawa
 - i. The relationship between the other legal person in kind, in which outside officer having the 'Important concurrent posts', with the Company:
There are no items to report.
 - ii. Status of major activities during the business year under review
Mr. Tomizawa has attended 11 of 12 Board of Directors meetings. Given his international way of thinking acquired through aggressive overseas expansion in the chemical industry, wide perspective and in-depth knowledge, Mr. Tomizawa provides the Company with a wide variety of opinions on its management operations.
The Company designates Mr. Tomizawa as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).

- 3) Outside Director Yoshihiko Nakagaki
- i. The relationship between the other legal person in kind, in which outside officer having the 'Important concurrent posts', with the Company:
There are no items to report.
 - ii. Status of major activities during the business year under review
Mr. Nakagaki has attended 12 of 12 Board of Directors meetings. Given his business management outlook acquired through the various business development conducted at Electric Power Development Co., Ltd. as well as his strong management capabilities with which he has implemented reforms in response to changes in the business environment, Mr. Nakagaki provides the Company with a wide variety of opinions on its management operations.
The Company designates Mr. Nakagaki as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).
- 4) Outside Audit & Supervisory Board Member Yukio Masuda
- i. The relationship between the other legal person in kind, in which outside officer having the 'Important concurrent posts', with the Company:
There is no special relationship between the Company and the legal person in kind.
 - ii. Status of major activities during the business year under review
Mr. Masuda has attended 12 of 12 Board of Directors meetings and 11 of 12 Audit & Supervisory Board meetings. Given his excellent management capability and experiences acquired at a major trading company and highly knowledgeable about energy business, Mr. Masuda offers appropriate opinions both at meetings of the Board of Directors and the Audit & Supervisory Board.
The Company designates Mr. Masuda as the 'Independent Officer' (Independent Audit & Supervisory Board Member), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).
- 5) Outside Audit & Supervisory Board Member Yoshihiko Morita
- i. The relationship between the other legal person in kind, in which outside officer having the 'Important concurrent posts', with the Company:
There is no special relationship between the Company and the legal person in kind.
 - ii. Status of major activities during the business year under review
Mr. Morita has attended 12 of 12 Board of Directors meetings and 12 of 12 Audit & Supervisory Board meetings. Given his broad cosmopolitan outlook and in-depth knowledge acquired in the fields of international finance and overseas economic cooperation, Mr. Morita offers appropriate opinions both at meetings of the Board of Directors and the Audit & Supervisory Board.
The Company designates Mr. Morita as the 'Independent Officer' (Independent Audit & Supervisory Board Member), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).

- 6) Outside Audit & Supervisory Board Member Kojiro Otani
- i. The relationship between the other legal person in kind, in which outside officer having the 'Important concurrent posts', with the Company:
There are no items to report.
 - ii. Status of major activities during the business year under review
Mr. Otani has attended 10 of 10 Board of Directors meetings and 10 of 10 Audit & Supervisory Board meetings held after he was appointed at the 213th Annual Shareholders Meeting. Given the abundant experiences and in-depth knowledge in organizational management acquired at local government institutions, Mr. Otani offers appropriate opinions both at meetings of the Board of Directors and the Audit & Supervisory Board.
The Company designates Mr. Otani as the 'Independent Officer' (Independent Audit & Supervisory Board Member), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).

In December 2013, the Company received a reprimand from the Ministry of Economy, Trade and Industry with regard to the improper operations relating to repair of a gas leak from a buried pipe running under a road. The above-mentioned outside officers have been making comments on the need for thorough compliance and enhancement of internal controls through the Board of Directors and others. After the identification of the improper repair, the officers requested the reporting of preventative measures and provided advice / instructions as needed.

5. Status of Accounting Auditor (Independent Auditor)

(1) Name of Accounting Auditor

KPMG AZSA LLC

(2) Value of Remuneration of Accounting Auditor for this Business Year under Review

1) Total payments to Independent Auditor by the Company and its subsidiaries

¥302 million

2) Of the total amount listed in 1) above, remuneration and other payments to Independent Auditor by the Company

¥136 million

3) Of the total amount listed in 2) above, for auditing services provided under Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan

¥116 million

Notes: 1. The auditing contract between the Company and the Accounting Auditor makes no distinction between auditing services based on the Companies Act and auditing services based on the Financial Instruments and Exchange Act. Since no real distinction can be made in practice, the amount listed in 3) above also includes payments for auditing services based on the Financial Instruments and Exchange Act, etc.

2. Of the principal subsidiaries of the Company, TOKYO GAS AUSTRALIA PTY LTD, Tokyo Gas America Ltd. and Tokyo Gas International Holdings B.V. are audited by auditing firms other than the Accounting Auditor of the Company.

(3) The Contents of Non-Audit Services

The Company commissions the Accounting Auditor to provide advisory services relating to IFRS, to provide support for initial studies on the acquisition of unlisted companies and to prepare comfort letters at the time of bond issuance as non-audit services.

(4) Policy on Determination to Dismiss or Refrain from Reappointing the Accounting Auditor

The Company appoints the Accounting Auditor by comprehensively taking into account their operating scale, track record, business execution structure and other pertinent factors and on condition that they are capable of executing fair and stringent accounting audits.

It is the policy of the Company to decide to dismiss or not reappoint the appointed Accounting Auditor in accordance with the provisions of Article 340, Paragraph 1 of the Companies Act or if, in light of the aforementioned appointment criteria, the Accounting Auditor is deemed to be incapable of executing fair and stringent accounting audits.

6. Basic Policy on Development of Corporate Structures and Systems for Ensuring Appropriateness of Operations

The Company passed a resolution to revise the 'Basic Policy on Development of Corporate Structures and Systems for Ensuring Appropriateness of Operations (Internal Control System) for the Tokyo Gas Group' at the meeting of its Board of Directors held on April 27, 2012 as follows:

(1) Corporate structure and system for ensuring that Directors will execute their duties in conformity with the relevant acts, the Articles of Incorporation and other rules and regulations

1) The Company shall establish the 'Corporate Action Philosophy' and 'Our Code of Conduct' as the foundations of the compliance structure/system at the Company and its subsidiaries and associates shall comply with them.

- 2) In order to ensure that its Directors and employees will comply with the 'Relevant Acts', the 'Management Principles', the 'Corporate Action Philosophy' and the 'Our Code of Conduct' the Company shall, pursuant to the provisions of the 'Business Ethics Committee Regulations', establish a Business Ethics Committee as a deliberating/coordinating organ to promote proper development/operation of the compliance structure and system at the Company and its subsidiaries and associates.
 - 3) The Company shall appoint an appropriate number of Outside Directors and Executive Officers in order to clarify separation of supervisory functions of management from executive functions of management and strengthen the managerial decision-making and supervisory functions of the Board of Directors.
 - 4) The Company, in order to ensure objectivity and transparency of management, shall establish the advisory committee comprising Outside Directors, Outside Audit & Supervisory Board Members and the Company's Directors as an advisory organ for deliberating on executive remuneration, etc.
 - 5) The Board of Directors, pursuant to the provisions of the 'Regulations of the Board of Directors', shall establish the 'Basic policy on Development of Internal Control System for the Company and its subsidiaries and associates'.
 - 6) Directors charged with the execution of operations shall fulfill their role and responsibility for developing a system of internal controls in accordance with the basic policy determined by the Board of Directors.
 - 7) The Company shall establish 'Regulations Concerning the Formulation, Implementation and Evaluation of Internal Controls Covering Financial Reporting' and, based on these Regulations, evaluate the effectiveness of internal controls relating to financial reporting and ensure the reliability of financial reports.
 - 8) The Company shall establish 'Regulations Concerning Insider Trading Prevention and Timely Disclosure' and, based on these Regulations, prevent the practice of insider trading within the Company and its subsidiaries and associates and ensure the appropriateness and promptness of information disclosure that is demanded of all listed corporations by the 'Securities Listing Regulations'.
 - 9) Directors, if they discover any matter that may exert a material influence on management of the Company and its subsidiaries and associates, shall inform the Board of Directors and Audit & Supervisory Board Members of the said matter without delay.
 - 10) The Company shall establish a corporate structure and system where Audit & Supervisory Board Members would be empowered to audit the duties executed by Directors in accordance with the 'Audit Standards' established by the Audit & Supervisory Board.
- (2) Corporate structure and system for preserving and managing information relevant to execution of Directors' duties**
- 1) The Company shall preserve and manage information relevant to execution of Directors' duties in a proper and secure manner according to preservation media and keep the said information available for inspection as needed, pursuant to the 'Document-handling Regulations' and the 'Information Security Management Regulations'.
- (3) Corporate structure and system for ensuring that Directors' duties will be executed in an efficient manner**
- 1) The Board of Directors shall pass resolutions on the agendas submitted for deliberation and resolution pursuant to the provisions of the relevant acts, the Articles of Incorporation and the 'Regulations of the Board of Directors'. The Board of Directors, pursuant to the provisions of the said Regulations, shall in principle convene one meeting per month or convene one as needed. Of the agendas submitted to the Board of Directors, those agendas which require prior

- deliberations or are otherwise critical enough to affect management shall be deliberated on at the Management Committee comprising Executive President, Executive Vice Presidents and Senior Executive Officers.
- 2) Details of the persons in charge of executing operations based on the decisions of the Board of Directors, their responsibilities, and the relevant executing procedures shall be prescribed in the 'Regulations on Office Organization', 'Regulations on the Mission Statement', and 'Regulations on Official Responsibilities and Authorized Powers'.
 - 3) The Representative Director shall report the status of operational execution to the Board of Directors pursuant to the provisions of the 'Regulations of the Board of Directors'.
 - 4) The Board of Directors shall formulate medium- and long-term management strategies, etc., and, based on them, establish principal management objectives and verify progress periodically. The Board of Directors shall concurrently ensure that Directors execute their duties in an efficient and effective manner by setting annual objectives by operating unit and subsidiaries and associates and by managing operating performance.
- (4) Corporate structure, system and regulations on management of risks of loss**
- 1) The Board of Directors shall establish "Risk Management Regulations" to promote the management of risks incurred by the Company and its subsidiaries and associates, as well as a Risk Management Committee and a risk management unit. In addition, the Board of Directors shall specify Group material risks as important risks associated with executing operations by the Company and its subsidiaries and associates, and review them annually.
 - 2) All the units concerned with projects involving investments, equity participations, loans and debt guarantees shall evaluate their profitability and risks and, based on the said evaluation, submit the relevant agendas to the Management Committee or the Board of Directors for approval. Derivative transactions shall be executed pursuant to the provisions of the 'Regulations on Management of Market Risks'.
 - 3) In the event of any unforeseen circumstance such as a natural disaster, a manufacturing/supply trouble and a state of emergency, all the units concerned shall cope with the said circumstance in a prompt and proper manner by putting predetermined structures and systems in place in accordance with the 'Regulations on Emergency Countermeasures'.
 - 4) The Company shall establish a corporate structure and system that would cause each of its unit and subsidiaries and associates to grasp risks associated with operational execution on its own, and manage such risks by formulating and implementing necessary countermeasures on its own.
- (5) Corporate structure and system for ensuring that employees will execute their duties in conformity with the relevant acts, the Articles of Incorporation, and other rules and regulations**
- 1) In order to facilitate proper development/operation of the compliance structure and system within the Company and its subsidiaries and associates, the Company shall establish a Compliance Department. In addition, the Company shall establish a 'Tokyo Gas Group Compliance Consulting Unit' to offer consulting services for the whole of the Company and its subsidiaries and associates on contraventions of the acts and the Articles of Incorporation and other questionable compliance-related practices and acts.
 - 2) The Company shall establish a legal affairs unit with the General Administration Department with a view to further bolstering the corporate structure and system in which it's Directors and employees will fully comply with the Antitrust Act, the Gas Enterprises Act, terms and conditions of gas supply, etc.
 - 3) The Company shall establish a corporate structure and system where Audit & Supervisory Board Members would be empowered to audit the status of

development/operation of its compliance structure and system and, if they detect or discover any problem, they would be entitled to demand that the situation be ameliorated.

- 4) The Company shall establish an Internal Audit Department which must operate independently of any unit executing operations. The Internal Audit Department shall audit the status/operation of accounting, operations, compliance, information system and risk management in the Company and its subsidiaries and associates in accordance with the 'Internal Audit Regulations', and shall report its findings to the Management Committee and Audit & Supervisory Board Members.

(6) Corporate structure and system for ensuring appropriateness of operations at the corporate group including subsidiaries and associates

- 1) The Company shall demand that its subsidiaries and associates establish those rules and regulations which would be necessary for ensuring compliance with the 'Corporate Action Philosophy' and the 'Our Code of Conduct' and the appropriateness of operations. Each one of the subsidiaries' and associates' Directors and Audit & Supervisory Board Members shall assume the duty of due care and diligence of a good manager in ensuring the appropriateness of operations.
- 2) The Company shall prescribe 'Regulations on the Management of Subsidiaries and Associates', and establish a corporate structure and system where its Directors would be empowered to manage its subsidiaries and associates by approving and receiving reports on important matters including those related to its exercise of shareholder's rights vis-à-vis the subsidiaries and associates. The Company shall retain part of its powers over subsidiaries' and associates' business operations.
- 3) The Company shall establish a corporate structure and system where, if for purposes of subsidiaries and associates management any of its subsidiaries and associates is found to have a compliance-related problem including contravention of the acts or the Articles of Incorporation, the relevant subsidiaries and associates would be required to report such a problem to Compliance Department or other units of the Company as appropriate. In connection with the said problem, each one of the relevant subsidiaries' and associates' Directors and Audit & Supervisory Board Members shall assume the duty of due care and diligence of a good manager.
- 4) If any of the Company's Directors detects or discovers any principal compliance-related problem at any subsidiaries and associates including contravention of the acts or the Articles of Incorporation, he/she shall report the said problem to the Management Committee and Audit & Supervisory Board Members without delay.
- 5) The Company shall establish a corporate structure and system where its Audit & Supervisory Board Members would be able to conduct their audits of subsidiaries and associates in an efficient and effective manner in close coordination with Audit & Supervisory Board Members of the relevant subsidiaries and associates and Internal Audit Department. The Company shall also establish a corporate structure and system where, if audit findings reveal the presence of a problem in ensuring the appropriateness of operations of the whole of the Company and its subsidiaries and associates, Audit & Supervisory Board Members would be empowered to demand that the relevant Director ameliorate the situation.
- 6) The Company shall establish a corporate structure and system where Internal Audit Department would be able to conduct its audits of subsidiaries and associates in an efficient and effective manner in close coordination with the Audit & Supervisory Board Members of the Company and subsidiaries and associates, and report its findings to the Management Committee, Audit & Supervisory Board Members, and the

Directors and Audit & Supervisory Board Members of the relevant subsidiaries and associates.

(7) Matters related to employees who are assigned to assist in the duties of Audit & Supervisory Board Members, and matters related to independence of the relevant employees from Directors

- 1) With the aim of providing its Audit & Supervisory Board Members with necessary assistance, the Company shall establish an Audit & Supervisory Board Members' Office staffed by full-time personnel who would operate independently of any unit executing operations.
- 2) The Board of Directors shall pass a resolution on appointment or dismissal of the manager of the Audit & Supervisory Board Members' Office subject to consent of Audit & Supervisory Board Members. The Board of Directors shall decide on human resources-related matters of the said manager and other employees subject to consent of Audit & Supervisory Board Members.

(8) Corporate structures and systems for reporting by Directors and employees to Audit & Supervisory Board Members, for other reporting to Audit & Supervisory Board Members, and for ensuring that Audit & Supervisory Board Members' audits will be executed in an effective manner

- 1) The Company shall establish a corporate structure and system where its Audit & Supervisory Board Members would be able to demand, as needed, that Directors and employees inform them of any matters necessary for execution of their duties.
- 2) The Company shall guarantee that Audit & Supervisory Board Members will have an opportunity to exchange views with Directors as needed; that they will be allowed to attend principal meetings and express their views on lawfulness, etc. as needed; and that they will have access to important information.
- 3) The Company shall establish a corporate structure and system where its Audit & Supervisory Board Members would be able to ensure the effectiveness of their audits by coordinating with Independent Auditor, Audit & Supervisory Board Members of its subsidiaries and associates and Internal Audit Department.

7. Policy on Determination of Dividends from Surplus and Others

Based on "Challenge 2020 Vision" formulated by the Company, the Board of Directors resolved, at its meeting held on January 31, 2012, the following policy on dividends from surplus and others.

The Company will apply the cash flow it has generated based on "Challenge 2020 Vision" to investments in 'enhancing the LNG value chain,' which is aimed at new growth, and will simultaneously allocate the results of its management to the shareholders in an appropriate and timely manner.

Specifically, the Company has positioned acquisition of its own shares based on assumption of retirement, in addition to dividends, as a form of its return to the shareholders, and has set the targeted gross distribution propensity (the ratio of the amount of dividends and acquisition of its own shares to consolidated net income) at about 60% for each year until FY2020.

Moreover, by maintaining stable dividends, and comprehensively considering medium- and long-term profit levels, the Company will gently increase its dividends in line with growth.

$\text{n FY gross distribution propensity} = \frac{(\text{n FY total dividends}) + (\text{n+1 FY acquisition of own shares})}{\text{n FY consolidated net income}}$

8. Basic Policy on Control of a Joint-Stock Corporation

Based on 'Challenge 2020 Vision,' the Company passed at the meeting of its Board of Directors held on January 31, 2012, a resolution on amendment of the 'Basic Policy on the Management Principles and Control of the Tokyo Gas Group' as follows:

The Tokyo Gas Group supplies city gas in a safe and stable manner to roughly ten million accounts of corporate and individual customers mainly in the greater metropolitan Tokyo region, and conducts businesses of extremely high public interest by offering the best possible mixture of various energies including gas, heat and electricity and their added values, and by helping customers lead a comfortable life and build environment-friendly cities. The Group makes it one of its fundamental principles to continue to grow while enjoying a constant trust of its customers and shareholders.

On the strength of this management principle and medium- and long-term business strategy, it is the basic management policy of the Company to achieve stable long-term management and steady enhancement of corporate value by simultaneously allocating profits to its customers, shareholders and other stakeholders in a stable and balanced manner. The Company will distribute the financial returns to shareholders based on the 'Policy on Determination of Dividends from Surplus and Others' prescribed separately.

The Company, as a listed company, expects it could be posed by any party attempting to acquire a massive quantity of its shares or making a buyoff proposal, but whether to accept it should ultimately be determined by the intent of the entire body of the Company's shareholders. By looking at their purpose, method and others, however, the Company considers some of these massive share-purchasing attempts could damage its corporate value and joint interests of its customers and shareholders, and would find them to be inappropriate. In making this judgment, the Company would carefully examine impacts the relevant act of purchasing or buyoff proposal might have on the Company's corporate value and joint interests of customers and shareholders on the basis of the relevant purchaser's actual business operations, future business plans, past investment behavior, etc.

The Company considers 'increasing corporate value' is the most effective defensive measure against an act of inappropriate massive share-purchasing. At this particular time, no specific threat to the Company is being posed by buyoff, and the Company does not currently intend to have any specific predetermined measures (the so-called 'poison pills') in place. However, the Company does intend to constantly watch the conditions of the trading of its shares and will take immediate countermeasures as deemed appropriate if any party is found to be attempting to acquire a massive quantity of its shares.

[English Translation of Financial Statements Originally Issued in the Japanese Language]

Consolidated Balance Sheet

As of March 31, 2014

(Millions of yen)

ASSETS	
Non-current Assets	1,592,521
Property, plant and equipment.....	1,195,487
Production facilities	181,651
Distribution facilities	477,589
Service and maintenance facilities	61,432
Other facilities	320,112
Inactive facilities	316
Construction in progress	154,384
Intangible assets.....	132,327
Goodwill	668
Other	131,658
Investments and other assets.....	264,707
Investment securities	181,196
Long-term loans receivable	15,219
Net defined benefit asset	14,693
Deferred tax assets	26,171
Other	27,896
Allowance for doubtful accounts	(471)
Current Assets	584,294
Cash and deposits	72,979
Notes and accounts receivable-trade	253,715
Lease receivables and investment assets	26,358
Securities	78,000
Merchandise and finished goods	3,896
Work in process	10,213
Raw materials and supplies	62,726
Deferred tax assets	11,902
Other	65,224
Allowance for doubtful accounts	(722)
Total Assets	2,176,816

(Millions of yen)

LIABILITIES AND NET ASSETS	
LIABILITIES	
Non-current Liabilities	774,366
Bonds payable	336,495
Long-term loans payable	309,544
Deferred tax liabilities	12,987
Net defined benefit liability	84,965
Provision for gas holder repairs	3,373
Provision for safety measures	1,713
Asset retirement obligations	7,646
Other	17,640
Current Liabilities	372,957
Current portion of non-current liabilities	51,079
Notes and accounts payable-trade	113,064
Short-term loans payable	18,262
Income taxes payable	41,580
Deferred tax liabilities	2
Other	148,967
Total Liabilities	1,147,324
NET ASSETS	
Shareholders' Equity	967,395
Capital stock	141,844
Capital surplus	2,065
Retained earnings	827,129
Treasury shares	(3,643)
Accumulated Other Comprehensive Income	44,391
Valuation difference on available-for-sale securities	25,860
Deferred gains or losses on hedges	(671)
Foreign currency translation adjustment	(17,889)
Remeasurements of defined benefit plans	1,313
Minority Interests	17,705
Total Net Assets	1,029,492
Total Liabilities and Net Assets	2,176,816

Consolidated Statement of Income
From April 1, 2013 to March 31, 2014

	(Millions of yen)
Net sales.....	2,112,117
Cost of sales.....	1,489,688
<u>[Gross profit].....</u>	<u>[622,429]</u>
Supply and sales expenses.....	387,183
General and administrative expenses.....	69,201
<u>[Operating income].....</u>	<u>[166,044]</u>
Non-operating income.....	16,582
Interest income.....	1,268
Dividend income.....	2,364
Rent income.....	1,660
Share of profit of entities accounted for using equity method..	4,838
Miscellaneous income.....	6,451
Non-operating expenses.....	23,013
Interest expenses.....	12,313
Foreign exchange losses.....	5,639
Adjustments of charges for construction of distribution facilities.....	2,463
Miscellaneous expenses.....	2,596
<u>[Ordinary income].....</u>	<u>[159,613]</u>
Extraordinary income.....	1,074
Gain on sales of non-current assets.....	1,074
Extraordinary losses.....	2,337
Impairment loss.....	2,337
<u>[Income before income taxes and minority interests].....</u>	<u>[158,350]</u>
Income taxes - current.....	42,725
Income taxes - deferred.....	5,805
Income before minority interests.....	109,819
Minority interests in income.....	1,368
<u>Net income.....</u>	<u>108,451</u>

Consolidated Statement of Changes in Equity

From April 1, 2013 to March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	141,844	2,065	780,196	(2,348)	921,757
Changes of items during period					
Dividends of surplus			(26,701)		(26,701)
Net income			108,451		108,451
Purchase of treasury shares				(36,116)	(36,116)
Disposal of treasury shares				6	5
Retirement of treasury shares			(34,815)	34,815	
Net changes of items other than shareholders' equity	/	/	/	/	/
Total changes of items during period	-	-	46,933	(1,295)	45,638
Balance at end of current period	141,844	2,065	827,129	(3,643)	967,395

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	21,218	(1,670)	(13,671)	-	5,877	18,877	946,511
Changes of items during period							
Dividends of surplus	/	/	/	/	/	/	(26,701)
Net income	/	/	/	/	/	/	108,451
Purchase of treasury shares	/	/	/	/	/	/	(36,116)
Disposal of treasury shares	/	/	/	/	/	/	5
Retirement of treasury shares	/	/	/	/	/	/	-
Net changes of items other than shareholders' equity	4,642	998	31,560	1,313	38,514	(1,172)	37,341
Total changes of items during period	4,642	998	31,560	1,313	38,514	(1,172)	82,980
Balance at end of current period	25,860	(671)	17,889	1,313	44,391	17,705	1,029,492

Independent Auditor's Report

May 14, 2014

The Board of Directors
Tokyo Gas Co., Ltd.

KPMG AZSA LLC

Teruhiko Tanaka (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Shuichi Ikeya (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Masaru Miura (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of Tokyo Gas Co., Ltd. as at March 31, 2014 and for the year from April 1, 2013 to March 31, 2014 in accordance with Article 444-4 of the Companies Act.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the

effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of Tokyo Gas Co., Ltd. and its consolidated subsidiaries for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

[English Translation of Financial Statements Originally Issued in the Japanese Language]

Non-Consolidated Balance Sheet

As of March 31, 2014

(Millions of yen)

ASSETS	
Non-current Assets	1,329,971
Property, plant and equipment.....	794,422
Production facilities	183,615
Distribution facilities	458,525
Service and maintenance facilities	56,143
Facilities for incidental businesses	2,741
Inactive facilities	316
Construction in progress	93,079
Intangible assets.....	30,251
Patent right	7
Leasehold right	1,645
Software	19,450
Other	9,147
Investments and other assets.....	505,297
Investment securities	75,157
Investments in subsidiaries and associates	293,358
Long-term loans receivable	72
Long-term loans receivable from subsidiaries and associates	94,986
Investments in capital	13
Long-term prepaid expenses	12,878
Prepaid pension cost	11,670
Deferred tax assets	14,940
Other	3,501
Allowance for doubtful accounts	(1,282)
Current Assets	433,650
Cash and deposits	22,108
Notes receivable - trade	1,179
Accounts receivable - trade	164,037
Accounts receivable from subsidiaries and associates - trade ...	44,822
Accounts receivable - other	14,491
Securities	78,000
Finished goods	167
Raw materials	43,294
Supplies	10,052
Prepaid expenses	978
Short-term receivables from subsidiaries and associates	8,874
Deferred tax assets	8,375
Other	38,013
Allowance for doubtful accounts	(746)
Total Assets	1,763,621

(Millions of yen)

LIABILITIES AND NET ASSETS	
LIABILITIES	
Non-current Liabilities	637,833
Bonds payable	322,695
Long-term loans payable	235,012
Long-term debt to subsidiaries and associates	365
Provision for retirement benefits	73,012
Provision for gas holder repairs	3,015
Provision for safety measures	1,713
Other	2,018
Current Liabilities	352,508
Current portion of non-current liabilities	41,352
Accounts payable - trade	73,219
Accounts payable - other	41,336
Accrued expenses	33,683
Income taxes payable	33,273
Advances received	4,651
Deposits received	2,641
Short-term loans payable to subsidiaries and associates	71,996
Accrued expenses of subsidiaries and associates	23,833
Short-term debt to subsidiaries and associates	16,801
Other	9,719
Total Liabilities	990,341
NET ASSETS	
Shareholders' Equity	753,865
Capital stock	141,844
Capital stock	141,844
Capital surplus	2,065
Legal capital surplus	2,065
Retained Earnings	613,599
Legal retained earnings	35,454
Other retained earnings	578,145
Reserve for advanced depreciation of non-current assets	856
Reserve for overseas investment loss	13,213
Reserve for adjustment of cost fluctuations	141,000
General reserve	299,000
Retained earnings brought forward	124,075
Treasury shares	(3,643)
Treasury shares	(3,643)
Valuation and Translation Adjustments	19,414
Valuation difference on available-for-sale securities	25,101
Valuation difference on available-for-sale securities	25,101
Deferred gains or losses on hedges	(5,686)
Deferred gains or losses on hedges	(5,686)
Total Net Assets	773,280
Total Liabilities and Net Assets	1,763,621

Non-Consolidated Statement of Income

From April 1, 2013 to March 31, 2014

(Millions of yen)

Product sales	1,467,714
Gas sales	1,467,714
Cost of sales	966,127
Beginning inventories	145
Cost of products manufactured	955,697
Purchase of finished goods	13,738
Costs of gas for own use	3,286
Ending inventories	167
[Gross profit]	[501,586]
Supply and sales expenses	336,551
General and administrative expenses	71,053
[Income on core business]	[93,982]
Miscellaneous operating revenue	179,821
Revenue from installation work	42,707
Revenue from gas appliance sales	127,671
Third party access revenue	245
Other miscellaneous operating revenue	9,197
Miscellaneous operating expenses	166,950
Expenses of installation work	41,588
Expenses of gas appliances sales	125,361
Revenue for incidental businesses	260,970
Revenue from LNG sales	119,641
Revenue from power sales	110,226
Revenue from other incidental businesses	31,102
Expenses for incidental businesses	239,215
Expenses for LNG sales	114,726
Expenses for power sales	93,632
Expenses for other incidental businesses	30,856
[Operating income]	[128,607]
Non-operating income	18,184
Interest income	901
Interest on securities	20
Dividend income	1,535
Dividends from subsidiaries and associates	5,165
Rent income	3,707
Miscellaneous income	6,853
Non-operating expenses	16,532
Interest expenses	4,184
Interest on bonds	6,201
Amortization of bond issuance cost	187
Adjustments of charges for construction of distribution facilities	2,551
Foreign exchange losses	2,030
Miscellaneous expenses	1,377
[Ordinary income]	[130,260]
Extraordinary income	464
Gain on sales of non-current assets	464
Extraordinary losses	2,142
Impairment loss	2,142
[Income before income taxes]	[128,582]
Income taxes - current	32,655
Income taxes - deferred	5,880
Net income	90,047

Non-Consolidated Statement of Changes in Equity

From April 1, 2013 to March 31, 2014

(Millions of yen)

	Shareholders' equity									
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings					Total retained earnings
		Legal capital surplus	Total capital surplus		Other retained earnings					
				Reserve for advanced depreciation of non-current assets	Reserve for overseas investment loss	Reserve for adjustment of cost fluctuations	General reserve	Retained earnings brought forward		
Balance at beginning of current period	141,844	2,065	2,065	35,454	856	12,563	141,000	299,000	96,196	585,070
Changes of items during period										
Provision of reserve for overseas investment loss						1,026			(1,026)	
Reversal of reserve for overseas investment loss						(376)			376	
Dividends of surplus									(26,701)	(26,701)
Net income									90,047	90,047
Purchase of treasury shares										
Disposal of treasury shares										
Retirement of treasury shares									(34,815)	(34,815)
Net changes of items other than shareholders' equity	/	/	/	/	/	/	/	/	/	/
Total changes of items during period	-	-	-	-	-	650	-	-	27,879	28,529
Balance at end of current period	141,844	2,065	2,065	35,454	856	13,213	141,000	299,000	124,075	613,599

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total Valuation and translation adjustments	
Balance at beginning of current period	(2,348)	726,631	20,652	(2,954)	17,698	744,329
Changes of items during period						
Provision of reserve for overseas investment loss			/	/	/	-
Reversal of reserve for overseas investment loss			/	/	/	-
Dividends of surplus		(26,701)	/	/	/	(26,701)
Net income		90,047	/	/	/	90,047
Purchase of treasury shares	(36,116)	(36,116)	/	/	/	(36,116)
Disposal of treasury shares	6	5	/	/	/	5
Retirement of treasury shares	34,815		/	/	/	-
Net changes of items other than shareholders' equity	/	/	4,448	(2,732)	1,716	1,716
Total changes of items during period	(1,295)	27,234	4,448	(2,732)	1,716	28,950
Balance at end of current period	(3,643)	753,865	25,101	(5,686)	19,414	773,280

Independent Auditor's Report

May 14, 2014

The Board of Directors
Tokyo Gas Co., Ltd.

KPMG AZSA LLC

Teruhiko Tanaka (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Shuichi Ikeya (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Masaru Miura (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the financial statements, comprising the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the supplementary schedules of Tokyo Gas Co., Ltd. as at March 31, 2014 and for the year from April 1, 2013 to March 31, 2014 in accordance with Article 436-2-1 of the Companies Act.

Management's Responsibility for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements and the supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supplementary schedules. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's

internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of Tokyo Gas Co., Ltd. for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

AUDIT REPORT

The Audit & Supervisory Board (the 'Board'), having deliberated on the audit reports prepared by Audit & Supervisory Board Members on the execution of the duties of Directors for the 214th business year from April 1, 2013 to March 31, 2014, does hereby report on its audit findings as follows:

1. Method and Contents of Audit by Audit & Supervisory Board Members and the Board
 - (1) The Board set the audit policy, audit plan, etc., debriefed Audit & Supervisory Board Members on the status of execution and results of their audits, debriefed Directors and Independent Auditors on the status of execution of their duties, and requested explanations as needed.
 - (2) While maintaining proper communication with Directors, internal audit staff and other employees, Audit & Supervisory Board Members executed their audits in the manner described below in conformity with the audit & supervisory board members' audit standard established by the Board and in accordance with the audit policy, audit plan, etc. established by the Board.
 - 1) Audit & Supervisory Board Members attended the meetings of the Board of Directors, the Management Committee and other important meetings of the Company, debriefed Directors and employees on the status of execution of their duties as needed, inspected important documents, and examined the status of business operations and properties at the head office and main business units. With respect to the subsidiaries, Audit & Supervisory Board Members examined the status of subsidiaries' operations and properties by maintaining proper communication with subsidiaries' Directors, Audit & Supervisory Board Members, etc. and physically visiting some of them as necessary.
 - 2) Audit & Supervisory Board Members and the Board examined the contents of the resolutions of the Board of Directors on the development of the corporate structure and system to ensure that execution by Directors of their duties conformed to the provisions of the relevant acts and the Articles of Incorporation and of the corporate structure and system which are prescribed in Article 100, Paragraphs 1 and 3 of the 'Enforcement Regulations of the Companies Act' as being necessary for ensuring the appropriateness of operations of a joint-stock corporation, as well as the status of the corporate structure and system (internal control system) put in place by the said resolutions.

With respect to internal control covering financial reporting, the Audit & Supervisory Board Members debriefed the Directors and KPMG AZSA LLC on evaluation of the said internal control and status of audit and requested explanations as needed.
 - 3) Audit & Supervisory Board Members further discussed the contents of the Basic Policy, prescribed in Article 118, Item 3 of the 'Enforcement Regulations of the Companies Act', stated in the Business Report based on deliberation at meetings of the Board of Directors and other occasions.
 - 4) Audit & Supervisory Board Members and the Board debriefed Independent Auditors on the status of execution of their duties, and requested explanations as needed. In addition, Audit & Supervisory Board Members and the Board were informed by Independent Auditors that they were developing the 'structure and system to ensure that their duties would be executed in a proper manner' (items prescribed in Article 131 of the 'Company Calculation Regulations') in accordance with 'Quality Control Standard for Auditing' (by Business Accounting Council dated October 28, 2005), and requested explanations as needed.

Based on the aforementioned methods, Audit & Supervisory Board Members and the Board examined the Company's Business Report, Financial Statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and the notes to the non-consolidated financial statements), their supporting schedules, and Consolidated Financial Statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and the notes to the consolidated financial statements) for the business year under review.

2. Results of Audit

(1) Results of audit of Business Report and its supporting schedules

- 1) The Business Report and its supporting schedules present fairly the status of the Company in conformity with the relevant acts and the Articles of Incorporation.
- 2) No misconduct or material fact running counter to the relevant acts or the Articles of Incorporation has been found in respect of execution of Directors' duties.
- 3) The contents of the Board of Directors' resolution on the internal control system are fair and reasonable. The execution by Directors of their duties related to the said internal control system, including the internal control covering financial reporting, has no specific problems which have to be pointed out.
- 4) The contents of basic policy for appointed ruler, who decide the Company's policy of Finance and Business described on the Business Report has no specific problems which have to be pointed out.

(2) Results of audit of financial statements and their supporting schedules

The audit methods adopted and the results of audit rendered by KPMG AZSA LLC, Independent Auditors, are fair and reasonable.

(3) Results of audit of consolidated financial statements

The audit methods adopted and the results of audit rendered by KPMG AZSA LLC, Independent Auditors, are fair and reasonable.

As mentioned in the Business Report, the Company received a reprimand from the Ministry of Economy, Trade and Industry in December 2013 with regard to the improper operations relating to repair of a gas leak. The Audit & Supervisory Board will closely monitor the Company's activities towards enhancement on security measures in the future.

May 20, 2014

Tokyo Gas Co., Ltd. Audit & Supervisory Board

Manabu Fukumoto	Standing Audit & Supervisory Board Member
Tsutomu Oya	Standing Audit & Supervisory Board Member
Yukio Masuda	Outside Audit & Supervisory Board Member
Yoshihiko Morita	Outside Audit & Supervisory Board Member
Kojiro Otani	Outside Audit & Supervisory Board Member

[English Translation Originally Issued in the Japanese Language]

REFERENCE MATERIALS FOR THE SHAREHOLDERS MEETING

Proposals and References

Proposal No. 1: Approval of the Appropriation of Surplus

We hereby would like to propose that surplus be appropriated in the manner described below:

1. Dividends from surplus (year-end dividends)

Based on the Company's 'Policy on Determination of Dividends from Surplus and Others' (see Page 22), the Company will pay a year-end dividend of ¥5 per share.

Together with the midterm dividend of ¥5 per share, the total dividend to be paid during the year is ¥10 per share.

(1) Allocation of dividend property and its aggregate amount:

Cash ¥5 per share

Aggregate amount of dividends ¥12,556,083,435

(2) Dividend effective date

Monday, June 30, 2014

2. Appropriation of other retained earnings

We propose to provide a general reserve of ¥40 billion for the purpose of bolstering long-term total equity.

(1) Item and amount of surplus to be increased

General reserve ¥40,000,000,000

(2) Item and amount of surplus to be increased

Retained earnings brought forward ¥40,000,000,000

Proposal No. 2: Election of Eleven (11) Directors

The term of office of all the current eleven (11) Directors ends at the conclusion of this Annual Shareholders Meeting. Accordingly, we hereby propose the election of eleven (11) Directors.

The nominees for Directors are as follows:

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]	Number of the Company's shares held
1	Tsuyoshi Okamoto (September 23, 1947)	<p>April 1970 Joined the Company</p> <p>June 1997 Deputy Chief Executive of Northern Regional Business Div.</p> <p>June 1998 General Manager of Documents Dept.</p> <p>June 1999 Assistant to Director in charge of General Administration Dept.</p> <p>June 2002 Executive Officer and General Manager of Corporate Planning Dept. of Strategic Planning Div.</p> <p>April 2004 Senior Executive Officer and Chief Executive of Strategic Planning Div.</p> <p>June 2004 Director, Senior Executive Officer and Chief Executive of Strategic Planning Div.</p> <p>April 2006 Director, Senior Executive Officer, Chief Executive of Corporate Communication Div. and in charge of Compliance Dept. and Internal Audit Dept.</p> <p>April 2007 Representative Director, Executive Vice President and in charge of Personnel Dept., Secretary Dept., General Administration Dept., Compliance Dept. and Internal Audit Dept.</p> <p>April 2009 Representative Director, Executive Vice President and in charge of Personnel Dept., Secretary Dept., General Administration Dept. and Compliance Dept.</p> <p>April 2010 Representative Director, President</p> <p>April 2014 Director and Chairman of the Board (Current position)</p>	209,000

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]		Number of the Company's shares held	
2	Shigeru Muraki (August 29, 1949)	July	1972	Joined the Company	178,236
		June	2000	General Manager of Gas Resources Dept.	
		June	2002	Executive Officer and General Manager of Gas Resources Dept. of Strategic Planning Div.	
		April	2004	Senior Executive Officer and Chief Executive of R&D Div.	
		April	2006	Senior Executive Officer and Chief Executive of Technology Development Div.	
		April	2007	Senior Executive Officer, Chief Executive of Energy Solution Div. and General Manager of Volume Sales Dept. of Energy Solution Div.	
		June	2007	Director, Senior Executive Officer, Chief Executive of Energy Solution Div. and General Manager of Volume Sales Dept. of Energy Solution Div.	
		April	2010	Representative Director, Executive Vice President, Chief Executive of Energy Solution Div. and General Manager of Volume Sales Dept. of Energy Solution Div.	
		April	2014	Director and Vice Chairman of the Board (Current position)	

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]		Number of the Company's shares held	
3	Michiaki Hirose (October 2, 1950)	April	1974	Joined the Company	97,000
		April	2004	Executive Officer and Assistant to Chief Executive of Corporate Communication Div.	
		April	2006	Executive Officer and General Manager of Corporate Planning Dept. of Strategic Planning Div.	
		April	2007	Senior Executive Officer and in charge of Corporate Planning Dept., Infrastructure Project Dept., Finance Dept., Accounting Dept. and Affiliated Companies Dept.	
		April	2008	Senior Executive Officer and in charge of Corporate Planning Dept., Investor Relations Dept., Finance Dept., Accounting Dept., Affiliated Companies Dept. and Gas Industry Privatization Research Project Dept.	
		April	2009	Senior Executive Officer and in charge of Corporate Planning Dept. and Affiliated Companies Dept.	
		June	2009	Director, Senior Executive Officer and in charge of Corporate Planning Dept., Corporate Communications Dept. and Affiliated Companies Dept.	
		January	2010	Director, Senior Executive Officer and in charge of Corporate Planning Dept., Project Management Dept., Corporate Communications Dept. and Affiliated Companies Dept.	
		April	2012	Representative Director, Executive Vice President and Chief Executive of Living Energy Div.	
		April	2013	Representative Director, Executive Vice President and Chief Executive of Residential Sales and Service Div.	
April	2014	Representative Director, President (Current position)			

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]		Number of the Company's shares held
4	Matsuhiko Hataba (September 7, 1952)	April 1976	Joined the Company	45,000
		April 2004	General Manager of Human Resources Planning Dept. of Strategic Planning Div.	
		April 2006	Executive Officer and General Manager of Human Resources Dept. of Business Support Div.	
		April 2007	Executive Officer and General Manager of Corporate Planning Dept.	
		April 2009	Senior Executive Officer and Chief Executive of Living Energy Div.	
		April 2012	Senior Executive Officer and in charge of Corporate Planning Dept., TG-Group Reorganization Project Dept. and Affiliated Companies Dept.	
		June 2012	Director, Senior Executive Officer and in charge of Corporate Planning Dept., TG-Group Reorganization Project Dept. and Affiliated Companies Dept.	
		April 2013	Director, Senior Executive Officer and in charge of Corporate Planning Dept. and Affiliated Companies Dept.	
		April 2014	Representative Director, Executive Vice President and Chief Executive of Residential Sales and Service Div. (Current position)	
5	Yutaka Kunigo (November 17, 1954)	April 1977	Joined the Company	38,030
		April 2004	General Manager of Gas Resources Dept. of Energy Resources Business Div.	
		April 2007	Executive Officer and General Manager of Gas Resources Dept. of Energy Resources Business Div.	
		April 2008	Executive Officer and General Manager of Industrial Gas Sales Dept. of Energy Solution Div.	
		April 2010	Senior Executive Officer and Chief Executive of Energy Resources Business Div.	
		April 2013	Senior Executive Officer and Chief Executive of Energy Production Div.	
		June 2013	Director, Senior Executive Officer and Chief Executive of Energy Production Div.	
		April 2014	Representative Director, Executive Vice President, Chief Executive of Energy Solution Div. and General Manager of Volume Sales Dept. of Energy Solution Div. (Current position)	

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]		Number of the Company's shares held
6	Kazuo Yoshino (November 22, 1950)	<p>April 1975</p> <p>June 2002</p> <p>April 2005</p> <p>April 2007</p> <p>April 2008</p> <p>April 2009</p> <p>April 2011</p> <p>June 2011</p>	<p>Joined the Company</p> <p>General Manager of Finance and Managerial Accounting Dept. of Strategic Planning Div.</p> <p>Executive Officer and General Manager of Finance and Managerial Accounting Dept. of Strategic Planning Div.</p> <p>Executive Officer and General Manager of Finance Dept.</p> <p>Executive Officer and General Manager of Investor Relations Dept.</p> <p>Senior Executive Officer and in charge of Investor Relations Dept., Finance Dept. and Accounting Dept.</p> <p>Senior Executive Officer, Chief Executive of IT Div. and in charge of Finance Dept. and Accounting Dept.</p> <p>Director, Senior Executive Officer, Chief Executive of IT Div. and in charge of Finance Dept. and Accounting Dept. (Current position)</p>	128,000
7	Masahiro Mikami (October 11, 1951)	<p>April 1975</p> <p>June 2003</p> <p>April 2004</p> <p>April 2005</p> <p>April 2007</p> <p>April 2008</p> <p>April 2011</p> <p>April 2012</p> <p>April 2013</p> <p>June 2013</p>	<p>Joined the Company</p> <p>General Manager of Saitama Branch of Customer Service Div.</p> <p>General Manager of Saitama Branch of Corporate Communication Div.</p> <p>General Manager of Secretary Dept. of Corporate Communication Div.</p> <p>General Manager of Secretary Dept.</p> <p>Executive Officer and General Manager of General Administration Dept.</p> <p>Senior Executive Officer and in charge of Purchasing Dept., Real Estate Management Dept., Major Site Development Dept. and General Administration Dept.</p> <p>Senior Executive Officer and in charge of General Administration Dept., Corporate Communication Dept. and Environmental Affairs Dept.</p> <p>Senior Executive Officer and in charge of Secretary Dept., General Administration Dept., Corporate Communications Dept., Environmental Affairs Dept. and Compliance Dept.</p> <p>Director, Senior Executive Officer and in charge of Secretary Dept., General Administration Dept., Corporate Communications Dept., Environmental Affairs Dept. and Compliance Dept. (Current position)</p>	55,000

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]		Number of the Company's shares held
8	* Hiroaki Kobayashi (July 15, 1954)	April 1980	Joined the Company	25,000
		April 2005	General Manager of Technology Development Dept.	
		April 2006	General Manager of Product Development Dept.	
		April 2007	Assistant to Chief Executive of Living Energy Div.	
		October 2007	General Manager of Area Development Planning Dept.	
		April 2008	General Manager of Customer Safety Dept.	
		April 2009	Executive Officer and General Manager of Customer Safety Dept.	
		April 2010	Executive Officer and General Manager of Residential Fuel Cell Business Development Dept.	
		April 2012	Senior Executive Officer and Chief Executive of Technology Development Div.	
		April 2013	Senior Executive Officer, Chief Executive of Technology Development Div. and in charge of Smart Energy Business Development Dept. (Current position)	
9	Yukio Sato (October 6, 1939)	April 1961	Joined the Ministry of Foreign Affairs	7,000
		January 1990	Director-General of Intelligence and Research Bureau	
		January 1992	Director-General of North American Affairs Bureau	
		May 1994	Ambassador of Japan to the Netherlands	
		January 1996	Ambassador of Japan to Australia	
		September 1998	Permanent Representative of Japan to the United Nations (Ambassador of Japan to the United Nations)	
		August 2002	Retired as Ambassador to the United Nations	
		September 2002	Retired from the Ministry of Foreign Affairs	
		February 2003	President of The Japan Institute of International Affairs	
		June 2003	Outside Director of the Company	
		December 2004	Resigned as Outside Director of the Company	
		December 2004	Commissioner of National Public Safety Commission	
		February 2009	Vice Chairman of The Japan Institute of International Affairs	
		December 2009	Retired as Commissioner of National Public Safety Commission	
		June 2010	Outside Director of the Company (Current position)	
		[Important concurrent posts] Vice Chairman of The Japan Institute of International Affairs		

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]	Number of the Company's shares held
10	Ryuichi Tomizawa (August 21, 1941)	<p>April 1965 Joined Mitsubishi Kasei Industries Corporation (Current Mitsubishi Chemical Corporation)</p> <p>January 1992 President of Director of Mitsubishi Kasei Europe GmbH</p> <p>June 1996 Member of the Board of Mitsubishi Chemical Corporation</p> <p>June 1999 Managing Executive Officer of Mitsubishi Chemical Corporation</p> <p>October 1999 Managing Director of Mitsubishi-Tokyo Pharmaceuticals, Inc. (Current Mitsubishi Tanabe Pharma Corporation)</p> <p>April 2000 President of Mitsubishi-Tokyo Pharmaceuticals, Inc.</p> <p>October 2001 Member of the Board, Executive Vice President of Mitsubishi Pharma Corporation (Current Mitsubishi Tanabe Pharma Corporation)</p> <p>April 2002 Member of the Board, Deputy Chief Executive Officer of Mitsubishi Chemical Corporation</p> <p>June 2002 Member of the Board, President and Chief Executive Officer of Mitsubishi Chemical Corporation</p> <p>June 2004 Member of the Board, President and Chief Executive Officer of Mitsubishi Chemical Corporation</p> <p>Member of the Board, Chairman of Mitsubishi Pharma Corporation</p> <p>October 2005 Member of the Board, President of Mitsubishi Chemical Holdings Corporation</p> <p>Member of the Board, President and Chief Executive Officer of Mitsubishi Chemical Corporation</p> <p>April 2007 Member of the Board, Chairman of Mitsubishi Chemical Holdings Corporation</p> <p>Member of the Board of Mitsubishi Chemical Corporation</p> <p>April 2009 Member of the Board, Chairman of Mitsubishi Chemical Holdings Corporation</p> <p>Member of the Board of Mitsubishi Chemical Corporation</p> <p>June 2011 Outside Director of the Company</p> <p>April 2012 Member of the Board of Mitsubishi Chemical Holdings Corporation</p> <p>Retired as Member of the Board of Mitsubishi Chemical Corporation</p> <p>June 2012 Retired as Member of the Board of Mitsubishi Chemical Holdings Corporation (Current position)</p>	3,000

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]	Number of the Company's shares held
11	Yoshihiko Nakagaki (March 10, 1938)	<p>April 1961 Joined Electric Power Development Co., Ltd. (J-POWER)</p> <p>June 1996 Director and Department Director of Corporate Planning Dept. of Electric Power Development Co., Ltd. (J-POWER)</p> <p>June 1998 Managing Director of Electric Power Development Co., Ltd. (J-POWER)</p> <p>June 2000 Vice President and Representative Director of Electric Power Development Co., Ltd. (J-POWER)</p> <p>June 2001 President and Representative Director of Electric Power Development Co., Ltd. (J-POWER)</p> <p>June 2009 Corporate Advisor of Electric Power Development Co., Ltd. (J-POWER)</p> <p>June 2012 Outside Director of the Company (Current position)</p>	2,000

- Notes:
- There is no special interest between the nominees for Directors and the Company.
 - The nominee with an asterisk is a nominee for Director to be newly elected.
 - The nominees for Outside Directors are: Mr. Yukio Sato, Mr. Ryuichi Tomizawa and Mr. Yoshihiko Nakagaki.
 - Reasons for our nomination of these three individuals as Outside Directors and the tenures as the Outside Directors of the Company are as follows:
 - Although Mr. Yukio Sato has not been involved in corporate management in ways other than being an outside officer, we propose that he be elected as an Outside Director so that the Company can continue to make use of the cosmopolitan and broad outlook and deep insight he has acquired over his many years as a diplomat. Mr. Sato's tenure as an Outside Director of the Company will be four years as of the conclusion of this Annual Shareholders Meeting. The Company designates Mr. Sato as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).
 - We propose that Mr. Ryuichi Tomizawa be elected as an Outside Director so that the Company can continue to make use of the cosmopolitan and broad outlook and deep insight he has acquired through aggressive overseas expansion in the chemical industry. Mr. Tomizawa's tenure as an Outside Director of the Company will be three years as of the conclusion of this Annual Shareholders Meeting. The Company designates Mr. Tomizawa as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).
 - We propose that Mr. Yoshihiko Nakagaki be elected as an Outside Director so that the Company can continue to make use of the business management outlook he has acquired through various business development conducted at Electric Power Development Co., Ltd. (J-POWER), particularly with respect to electric power development and electricity wholesale supply, as well as his strong management capabilities with which he has implemented reforms in response to changes in the business environment. Mr. Nakagaki's tenure as an Outside Director of the Company will be two years as of the conclusion of this Annual Shareholders Meeting. The Company designates Mr. Nakagaki as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).
 - The Company received a reprimand from the Ministry of Economy, Trade and Industry in December 2013 with regard to the improper operations relating to repair of a gas leak from a buried pipe running under a road. The above-mentioned candidates for Outside Directors have regularly been making comments on the need for thorough compliance and enhancement of internal controls through the Board of Directors and other meetings. After the identification of the improper repair, the above-mentioned candidates requested the reporting of preventative measures and provided advice / instructions as needed.
 - While Mr. Ryuichi Tomizawa was a Member of the Board of Mitsubishi Chemical Holdings Corporation, Mitsubishi Tanabe Pharma Corporation, a consolidated subsidiary of

Mitsubishi Chemical Holdings, and BIPHA CORPORATION, a consolidated subsidiary of Mitsubishi Tanabe Pharma, received administrative penalties (order for business suspension and order for business improvement) concerning violation of the Pharmaceutical Affairs Act from the Ministry of Health, Labour and Welfare in April 2010. He properly responded to the administrative penalties, aimed at ensuring compliance with laws and regulations and preventing recurrence of similar incidents. In addition, while Mr. Tomizawa was an Outside Director of TAIYO NIPPON SANSO CORPORATION, the company received administrative penalties (cease and desist order and surcharge payment order) from the Japan Fair Trade Commission in May 2011, concerning violation of the Antimonopoly Act. Mr. Tomizawa had supervised the status of compliance with laws and regulations through attendance to the Board of Directors meetings of the company. After the company was suspected of violating the said Act in January 2010, he fulfilled his duties as an Outside Director, giving instructions that initiatives should be taken to prevent recurrence of similar incidents, including enhancement of the compliance system.

Proposal No. 3: Election of One (1) Audit & Supervisory Board Member

The current Audit & Supervisory Board Member Yukio Masuda resigns from office at the conclusion of this Annual Shareholders Meeting. Accordingly, we hereby propose the election of one (1) Audit & Supervisory Board Member.


The nominee for Audit & Supervisory Board Member is as follows.

The Audit & Supervisory Board has already given its prior consent to the submission of this proposal.

Name (Date of birth)	Career summary and position in the Company [Important concurrent posts]			Number of the Company's shares held
<p style="text-align: center;">*</p> <p style="text-align: center;">Wako Tojima (October 29, 1962)</p>	July	1983	Participated in Student Exchange Program of Japan Ministry of Education at Department of Political Science of University of Kansas, U.S.	0
March	1985	Graduated from College of Comparative Culture of University of Tsukuba		
April	1985	Joined The Yomiuri Shimbun		
March	1991	Retired from The Yomiuri Shimbun Freelance journalist		
April	2007	Part-time lecturer at School of Social and International Studies of University of Tsukuba (Current position)		

- Notes:
1. There is no special interest between the nominee for Audit & Supervisory Board Member and the Company.
 2. The nominee with an asterisk is a nominee for Audit & Supervisory Board Member to be newly elected.
 3. The nominee for Outside Audit & Supervisory Board Member is: Ms. Wako Tojima.
 4. Reasons for our nomination of this individual as an Outside Audit & Supervisory Board Member of the Company are as follows:
Although Ms. Wako Tojima has not been involved in corporate management in ways other than being an outside officer, we propose that she be elected as an Outside Audit & Supervisory Board Member so that the Company can make use of her abundant experience and deep insight as a science journalist for the Company's audit. The Company will designate Ms. Tojima as the 'Independent Officer' (Independent Audit & Supervisory Board Member), who will have no conflicting interests with general shareholders, and notify her to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).

Instruction for Exercise of Voting Rights via the Internet and other methods

- If you prefer to exercise your voting rights via the Internet, please confirm the following before exercising your rights.
 1. You can exercise your voting rights by accessing the dedicated voting website (<http://www.web54.net>) through a personal computer or a cell phone (i-mode, EZweb or Yahoo! Keitai). If you use a cell phone with a function to read barcodes, you can access by having your cell phone read the QR Code® on the right.
 2. Please send your approval or disapproval for each proposal according to the instructions shown on screen by using your voting code and password shown in the enclosed CARD FOR EXERCISE OF VOTING RIGHTS.
 3. Please exercise your voting rights via the Internet by **5:30 p.m. on Thursday, June 26, 2014**, the day before the Annual Shareholders Meeting.

If you exercise your voting rights more than once, the vote exercised last shall be deemed valid; if you exercise your voting rights twice, once via the Internet and once by mail, the vote that arrives later shall be deemed valid; and if the vote via the Internet and the vote by mail arrive on the same date, the vote exercised via the Internet shall be deemed valid.
 4. Telecommunication charges (telephone fees) may be required in some cases. Please note that such charges will be borne by the shareholders.
- System environment
 1. When you use a PC, the following specifications should be satisfied.
 - (1) Screen resolution: 800×600 or higher
 - (2) Software:
 - 1) Microsoft® Internet Explorer Ver. 5.01 SP2 or later version (essential)
 - 2) Adobe® Acrobat® Reader™ Ver. 4.0 or later version, or Adobe® Reader® Ver. 6.0 or later version
 2. When you use a cell phone, the handset should support 128-bit SSL (Secure Socket Layer) encrypted communication.

- Inquiries

1. If you are not sure how to operate your PC or other device to exercise your voting rights:

Dedicated telephone line of the Stock Transfer Agency Department 'Web Support',
Sumitomo Mitsui Trust Bank, Limited
Telephone number in Japan: 0120-652-031 (9 a.m. to 9 p.m. every day except Saturdays, Sundays and national holidays)

2. Cases other than the above:

Stock Transfer Agency Department 'Clerical Center',
Sumitomo Mitsui Trust Bank, Limited
Telephone number in Japan: 0120-782-031 (9 a.m. to 5 p.m. every day except Saturdays, Sundays and national holidays)

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To institutional investors:

In addition to exercising voting rights via the Internet as mentioned above, institutional investors may use the Electronic Voting Platform for Institutional Investors operated by ICJ Inc., in which Tokyo Stock Exchange, Inc. and other companies invest, only if they apply for the use of the platform in advance.