

[English Translation Originally Issued in the Japanese Language]

Security Identification Code: 9531
June 2, 2020

Dear Shareholders:

NOTICE OF CONVOCATION OF THE 220th ANNUAL SHAREHOLDERS MEETING

We hereby would like to inform you of the 220th Annual Shareholders Meeting of Tokyo Gas Co., Ltd. (hereinafter, 'the Company'), to be held as described below.

We request that you exercise your voting rights for the Annual Shareholders Meeting in advance in writing or via the Internet if possible. In that case, we respectfully ask you to exercise your voting rights in advance after reading the REFERENCE MATERIALS FOR THE SHAREHOLDERS MEETING starting from page 5.

Sincerely yours,

Takashi Uchida
Representative Director, President
TOKYO GAS CO., LTD.
5-20, Kaigan 1-chome, Minato-ku, Tokyo

1. Date and Hour: 10 a.m., Friday, June 26, 2020 (the reception starts at 9 a.m.)
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 Auditor's Report' and 'Audit Report' by the Audit & Supervisory Board on the Consolidated Financial Statements for the 220th fiscal year (from April 1, 2019 to March 31, 2020)
 - (2) Matters to resolve:
Proposal No. 1: Approval of the Appropriation of Surplus
Proposal No. 2: Election of Nine (9) Directors
Proposal No. 3: Election of One (1) Audit & Supervisory Board Member

4. Exercise of Voting Rights:

(1) When attending the meeting

Please bring the enclosed voting form on the day of the meeting and present it to the receptionist.

(2) When not attending the meeting

1) When exercising voting rights by mail

Please indicate on the enclosed voting form your approval or disapproval for each proposal and post it.

Deadline: Form must be delivered by 5:30 p.m. on Thursday, June 25, 2020.

[Handling of voting rights]

Where there is no indication of approval or disapproval for a respective proposal, the voting right will be considered to be exercised to approve for the resolutions in question.

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

Please read 'Instruction for Exercise of Voting Rights via the Internet and other methods' starting from page 4 and enter your approval or disapproval for each proposal and submit them by 5:30 p.m. on Thursday, June 25, 2020.

(3) Duplication of votes

If duplicated votes are exercised both in writing and via the Internet and other methods, 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 and other methods shall be deemed valid.

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: The following items are posted on the Company's website given below, pursuant to laws and regulations and the provisions of the Company's Articles of Incorporation.

(1) 'Basic Policy on Development of Internal Control System and Overview of Operational Status of the System' of Business Report

(2) 'Consolidated Statement of Changes in Equity' and 'Notes to the Consolidated Financial Statements'

(3) 'Non-Consolidated Statement of Changes in Equity' and 'Notes to the Non-Consolidated Financial Statements'

(1), (2) and (3) are included in the documents audited by the Audit & Supervisory Board Members in preparing the audit report and (2) and (3) are included in the documents audited by the accounting auditor in preparing the independent auditor's 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 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.

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

- 'Smart Voting' method using a smartphone to scan the QR Code
You can log in without having to enter your voting code and password.
- 1 Scan the QR Code that is shown on the bottom right of the CARD FOR EXERCISE OF VOTING RIGHTS.
* 'QR Code' is a registered trademark of Denso Wave Incorporated.
- 2 Enter your approval or disapproval for each proposal by following the instructions shown on screen.

You can only exercise your voting rights through 'Smart Voting' once. If you wish to change the details of a vote you have exercised, please access the desktop version of the web-site, enter your voting code and password, and re-exercise your voting rights.
* Re-scanning the QR Code will redirect you to the desktop version of the web-site.

- By entering your voting code and password
WEB-SITE FOR EXERCISE OF VOTING RIGHTS: <https://www.web54.net>
 - 1 Go to the WEB-SITE FOR EXERCISE OF VOTING RIGHTS.
 - 2 Enter the 'voting code' shown in the CARD FOR EXERCISE OF VOTING RIGHTS.
 - 3 Enter the 'password' shown in the CARD FOR EXERCISE OF VOTING RIGHTS.
 - 4 Enter your approval or disapproval for each proposal by following the instructions shown on screen.
- * Please exercise your voting rights via the Internet by **5:30 p.m. on Thursday, June 25, 2020**, the day before the Annual Shareholders Meeting. If you exercise your voting rights more than once via the Internet, the vote exercised last shall be deemed valid.
- * Telecommunication charges (telephone fees) may be required in some cases. Please note that such charges will be borne by the shareholders.

| | |
|--|--|
| 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.) |
| 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) |

Institutional investors may use the Electronic Voting Platform for Institutional Investors operated by ICJ Inc.

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REFERENCE MATERIALS FOR THE SHAREHOLDERS MEETING

Proposals and References

Proposal No. 1: Approval of the Appropriation of Surplus

Based on the Company's current 'Policy on Determination of Dividends from Surplus and Others' (see the Reference below), the Company will pay a dividend from surplus (year-end dividend) of ¥30 per share. Together with the midterm dividend of ¥30 per share, the total dividend to be paid during the year is ¥60 per share.

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

Cash ¥30 per share

Aggregate amount of dividends ¥13,230,339,390

(2) Dividend effective date

Monday, June 29, 2020

[Reference]

- **Policy on Determination of Dividends from Surplus and Others**

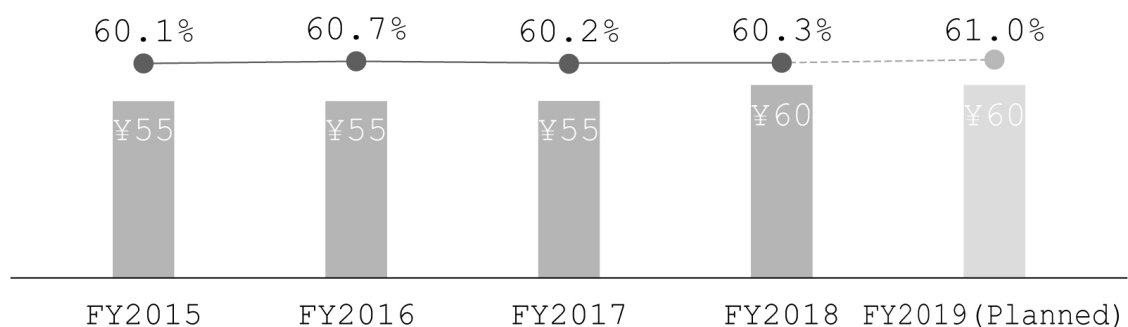
The Company will apply the cash flow it has generated to investments in 'Enhancing the LNG Value Chain,' which is aimed at new growth, and will simultaneously allocate the results of its management to the shareholders in an appropriate and timely manner.

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 profit) at about 60% for each year.

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.

- Shareholder Returns

■ Full-year dividend per share ● Gross distribution propensity



<Target> About 60% for each year

$$\text{Gross distribution propensity} = \frac{(\text{Total dividends}) + (\text{Acquisition of own shares})}{\text{Consolidated profit}}$$

For the FY2020-2022 policy described above, see 'Objectives to Be Achieved in the FY2020-2022 Group Medium-term Management Plan' (page 35) under '1. (5) Prospective Challenges' in the Business Report.

Proposal No. 2: Election of Nine (9) Directors

The term of office of all the current nine (9) Directors ends at the conclusion of this Annual Shareholders Meeting. Accordingly, we hereby propose the election of nine (9) Directors.

The nominees for Directors are as follows:

| No. | Name | Current position and areas of responsibility in the Company | Note | Attendance to the Board of Directors meetings |
|-----|-------------------|---|---|---|
| 1 | Michiaki Hirose | Director and Chairman of the Board | Reelection | 100% (12 / 12) |
| 2 | Takashi Uchida | Representative Director, President | Reelection | 100% (12 / 12) |
| 3 | Masaru Takamatsu | Representative Director, Executive Vice President Chief Executive of Residential Service Div. | Reelection | 100% (12 / 12) |
| 4 | Kunio Nohata | Representative Director, Executive Vice President Chief Executive of Energy Solution Div. In charge of Sustainability Dept. | Reelection | 100% (12 / 12) |
| 5 | Shinichi Sasayama | Senior Managing Executive Officer Chief Executive of Asset Optimization & Trading Div. | Newly elected | - |
| 6 | Hitoshi Saito | Director | Reelection Outside Independent | 100% (10 / 10) |
| 7 | Kazunori Takami | Director | Reelection Outside Independent | 100% (10 / 10) |
| 8 | Junko Edahiro | Director | Reelection Outside Independent | 100% (10 / 10) |
| 9 | Mami Indo | - | Newly elected Outside Independent | - |

- Notes:
- There is no special interest between the nominees for Directors and the Company.
 - The Company has entered into an agreement with Hitoshi Saito, Kazunori Takami and Junko Edahiro to limit their liability under Article 423, paragraph 1 of the Companies Act to the amount provided for in Article 425, paragraph 1 of the same Act. If they are reelected, the Company plans to renew the aforementioned agreement with them. If the election of Mami Indo is approved, the Company plans to enter into the same agreement with her.
 - In July 2016, the European Commission finalized its decision to impose a fine on Panasonic Corporation, where Kazunori Takami served as director until June 2017, in relation to certain conduct violating antitrust laws in connection with the company's cathode ray tube business. Panasonic Corporation also reached a settlement to pay the fine imposed by the European Commission in December 2016, in regard to certain conduct violating antitrust laws in connection with its lithium-ion battery business. In addition, Panasonic Corporation and its U.S. subsidiary, Panasonic Avionics Corporation ('PAC'), were subject to investigation for alleged violations of the U.S. Foreign Corrupt Practices Act and other securities-related laws of the U.S. with respect to certain transactions carried out by PAC with airline companies, and also with respect to employment of agents and consultants in relation to such transactions (announcement made in February 2017). In that regard, Panasonic Corporation and PAC reached an agreement in May 2018 with the U.S. Securities and Exchange Commission and the U.S. Department of Justice requiring them to pay a fine to the U.S. government while also undertaking various actions to improve compliance practices.

| No. | Name (Date of birth) | Career summary, position and areas of responsibility in the Company [Important concurrent posts] |
|---|---|---|
| 1 | <p>Reelection</p> <p>Michiaki Hirose (October 2, 1950)</p> <p>Number of the Company's shares held 37,100</p> <p>Attendance to the Board of Directors meetings: 12 / 12 (100%)</p> | <p>April 1974 Joined the Company</p> <p>April 2004 Executive Officer and Assistant to Chief Executive of Corporate Communication Div.</p> <p>April 2006 Executive Officer and General Manager of Corporate Planning Dept. of Strategic Planning Div.</p> <p>April 2007 Senior Executive Officer and in charge of Corporate Planning Dept., Infrastructure Project Dept., Finance Dept., Accounting Dept. and Affiliated Companies Dept.</p> <p>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.</p> <p>April 2009 Senior Executive Officer and in charge of Corporate Planning Dept. and Affiliated Companies Dept.</p> <p>June 2009 Director, Senior Executive Officer and in charge of Corporate Planning Dept., Corporate Communications Dept. and Affiliated Companies Dept.</p> <p>January 2010 Director, Senior Executive Officer and in charge of Corporate Planning Dept., Project Management Dept., Corporate Communications Dept. and Affiliated Companies Dept.</p> <p>April 2012 Representative Director, Executive Vice President and Chief Executive of Living Energy Div.</p> <p>April 2013 Representative Director, Executive Vice President and Chief Executive of Residential Sales and Service Div.</p> <p>April 2014 Representative Director, President</p> <p>April 2018 Director and Chairman of the Board (Current position)</p> |
| <p>Reason for nomination as Director</p> <p>Mr. Michiaki Hirose has experience mainly in operations related to corporate planning. He has been engaged in efforts to establish the corporate structure and system for a global total energy corporate group, while leading the formulation of the management vision as well as the construction of a group formation. We propose that Mr. Michiaki Hirose be reelected as Director, as he currently serves as the Chairman of the Board and has been promoting the enhancement of corporate governance.</p> | | |

| No. | Name (Date of birth) | Career summary, position and areas of responsibility in the Company [Important concurrent posts] | | |
|--|--|--|--|---|
| 2 | Reelection Takashi Uchida (April 17, 1956) Number of the Company's shares held 18,500 Attendance to the Board of Directors meetings: 12 / 12 (100%) | April April April April June April April April | 1979 2010 2012 2013 2015 2016 2017 2018 | Joined the Company Executive Officer and General Manager of Corporate Planning Dept. Senior Executive Officer and in charge of Personnel Dept., Secretary Dept., Compliance Dept. and Internal Audit Dept. Senior Executive Officer and Chief Executive of Energy Resources Business Div. Director, Senior Executive Officer and Chief Executive of Energy Resources Business Div. Representative Director, Executive Vice President and Chief Executive of Residential Sales and Service Div. Representative Director, Executive Vice President and Chief Executive of Residential Service Div. Representative Director, President (Current position) |
| Reason for nomination as Director Mr. Takashi Uchida has experience mainly in operations related to corporate planning, and energy resources & global business. In recent years, he has been engaged in efforts to address various management issues amid changes to the environment surrounding the Company, including the full deregulation of the electric power and gas retail markets. We propose that Mr. Takashi Uchida be reelected as Director, as he currently serves as the President and has been promoting new challenges of the Group toward the realization of 'Compass 2030,' the management vision formulated in 2019. | | | | |

| No. | Name (Date of birth) | Career summary, position and areas of responsibility in the Company [Important concurrent posts] |
|---|---|--|
| 3 | Reelection Masaru Takamatsu (March 14, 1956) Number of the Company's shares held 21,300 Attendance to the Board of Directors meetings: 12 / 12 (100%) | April 1980 Joined the Company |
| | | April 2011 Executive Officer and General Manager of LIFEVAL Project Management Dept. of Living Energy Div. |
| | | April 2012 Executive Officer and General Manager of Corporate Planning Dept. |
| | | April 2014 Senior Executive Officer and in charge of Corporate Planning Dept. and Affiliated Companies Dept. |
| | | April 2015 Senior Executive Officer and in charge of Corporate Planning Dept., Personnel Dept., Chiba-Ibaraki Project Dept., Group Management Project Dept. and Group Personnel System Project Dept. |
| | | April 2016 Senior Executive Officer and in charge of Personnel Dept., Secretary Dept., General Administration Dept., Compliance Dept. and Internal Audit Dept. |
| | | June 2016 Director, Senior Executive Officer and in charge of Personnel Dept., Secretary Dept., General Administration Dept., Compliance Dept. and Internal Audit Dept. |
| | | April 2017 Director, Senior Executive Officer and in charge of Purchasing Dept., Secretary Dept., General Administration Dept., Compliance Dept. and Internal Audit Dept. |
| April 2018 Representative Director, Executive Vice President and Chief Executive of Residential Service Div. (Current position) | | |
| Reason for nomination as Director Mr. Masaru Takamatsu has experience mainly in operations related to residential sales and corporate planning, and has been engaged in efforts to construct a community-oriented sales system through measures such as Tokyo Gas Lifeval and formulate the management vision, among others. We propose that Mr. Masaru Takamatsu be reelected as Director, as he is currently promoting residential sales, primarily by increasing the number of electricity contracts, thereby striking a balance between offense and defense. | | |

| No. | Name (Date of birth) | Career summary, position and areas of responsibility in the Company [Important concurrent posts] |
|---|---|---|
| 4 | <p>Reelection</p> <p>Kunio Nohata (December 31, 1958)</p> <p>Number of the Company's shares held 7,200</p> <p>Attendance to the Board of Directors meetings: 12 / 12 (100%)</p> | <p>April 1984 Joined the Company</p> <p>April 2013 Executive Officer and General Manager of Gas Resources Dept. of Energy Resources Business Div.</p> <p>April 2015 Senior Executive Officer President, Representative Director of Tokyo Gas Engineering Solutions</p> <p>April 2017 Senior Executive Officer of the Company, Chief Executive of Power Business Div., In charge of Environmental Affairs Dept.</p> <p>June 2017 Director, Senior Executive Officer, Chief Executive of Power Business Div., and in charge of Environmental Affairs Dept.</p> <p>April 2018 Director, Senior Managing Executive Officer and Chief Executive of Global Business Div.</p> <p>April 2020 Representative Director, Executive Vice President, Chief Executive of Energy Solution Div., and in charge of Sustainability Dept. (Current position)</p> |
| <p>Reason for nomination as Director</p> <p>Mr. Kunio Nohata has experience mainly in operations related to energy sales and energy resources & global business, and has been engaged in efforts to offer energy solutions both in Japan and overseas and expand the global business. We propose that Mr. Kunio Nohata be reelected as Director, as he is currently promoting commercial and industrial sales, etc.</p> | | |

| No. | Name (Date of birth) | Career summary, position and areas of responsibility in the Company [Important concurrent posts] | |
|--|---|--|--|
| 5 | Newly elected Shinichi Sasayama (June 11, 1962) Number of the Company's shares held 6,700 | April April April April April | 1986 Joined the Company 2016 Executive Officer and General Manager of Corporate Planning Dept. 2018 Senior Executive Officer, Chief Executive of Digital Innovation Div., and in charge of Corporate Planning Dept. 2019 Senior Executive Officer, Chief Executive of Digital Innovation Div., and in charge of Corporate Planning Dept. and Business Transformation Project Dept. 2020 Senior Managing Executive Officer and Chief Executive of Asset Optimization & Trading Div. (Current position) |
| <p>Reason for nomination as Director</p> <p>Mr. Shinichi Sasayama has experience mainly in operations related to corporate planning, and has been engaged in efforts to respond to energy policies, launch the electricity retail sales business, promote digitalization and formulate the management vision. We propose that Mr. Shinichi Sasayama be elected as Director, as he is currently promoting operations including LNG and electric power trading through optimal asset management and the development of power sources including renewable energy.</p> | | | |

| No. | Name (Date of birth) | Career summary, position and areas of responsibility in the Company [Important concurrent posts] | | |
|---|---|--|------|--|
| 6 | Hitoshi Saito (November 10, 1952) Number of the Company's shares held 0 Attendance to the Board of Directors meetings: 10 / 10 (100%) | April | 1976 | Joined Mitsui Fudosan Co., Ltd. |
| | | April | 2005 | Managing Officer and Deputy Chief Executive of Office Building Div. of Mitsui Fudosan Co., Ltd. |
| | | April | 2007 | Managing Officer and General Manager of International Dept. of Mitsui Fudosan Co., Ltd. |
| | | April | 2008 | Executive Managing Officer of Mitsui Fudosan Co., Ltd. |
| | | June | 2011 | Executive Managing Director and Executive Managing Officer of Mitsui Fudosan Co., Ltd. |
| | | April | 2013 | Managing Director and Senior Executive Managing Officer of Mitsui Fudosan Co., Ltd. |
| | | April | 2015 | Managing Director, Senior Executive Managing Officer and Chief Executive of International Div. of Mitsui Fudosan Co., Ltd. |
| | | April | 2017 | Managing Director of Mitsui Fudosan Co., Ltd. |
| | | June | 2017 | Advisor of Mitsui Fudosan Co., Ltd. |
| | | June | 2019 | Director of the Company (Current position) |
| June | 2019 | Outside Director of GLOBESHIP Corporation (Current position) | | |
| | | [Important concurrent posts] Outside Director of GLOBESHIP Corporation | | |
| Reason for nomination as Outside Director We propose that Mr. Hitoshi Saito be reelected as Outside Director so that the Company can continue to make use of his cosmopolitan outlook he has acquired in overseas businesses in the real estate industry, as well as the management capabilities, broad outlook and in-depth knowledge he has acquired through a wide range of business development for the Company's management. Mr. Saito's tenure as an Outside Director of the Company will be one year as of the conclusion of this Annual Shareholders Meeting. The Company has designated Mr. Saito 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). | | | | |

| No. | Name (Date of birth) | Career summary, position and areas of responsibility in the Company [Important concurrent posts] |
|---|--|---|
| 7 | <p style="text-align: center;">Reelection Outside Independent</p> <p style="text-align: center;">Kazunori Takami (June 12, 1954)</p> <p style="text-align: center;">Number of the Company's shares held 0</p> <p style="text-align: center;">Attendance to the Board of Directors meetings: 10 / 10 (100%)</p> | <p>April 1978 Joined Matsushita Electric Industrial Co., Ltd. (Current Panasonic Corporation)</p> <p>April 2006 Executive Officer of Matsushita Electric Industrial Co., Ltd. (Current Panasonic Corporation)</p> <p>April 2008 Managing Executive Officer of Matsushita Electric Industrial Co., Ltd. (Current Panasonic Corporation)</p> <p>April 2009 Managing Executive Officer, President of Home Appliances Company and in charge of Lighting Company of Panasonic Corporation</p> <p>June 2009 Managing Director of Panasonic Corporation</p> <p>April 2012 Representative Director, Senior Managing Executive Officer and President of Appliances Company of Panasonic Corporation</p> <p>April 2015 Representative Director, Executive Vice President and in charge of Japan region, Customer Satisfaction, and Design of Panasonic Corporation</p> <p>June 2015 Outside Director of Tokyo FM Broadcasting Co., Ltd. (Current position)</p> <p>June 2017 Corporate Advisor of Panasonic Corporation (Retired in March 2018)</p> <p>June 2018 Outside Director of Nojima Corporation (Current position)</p> <p>March 2019 Outside Director of FUJITA KANKO INC. (Current position)</p> <p>June 2019 Director of the Company (Current position)</p> <p>[Important concurrent posts] Outside Director of Tokyo FM Broadcasting Co., Ltd. Outside Director of Nojima Corporation Outside Director of FUJITA KANKO INC.</p> |
| <p>Reason for nomination as Outside Director</p> <p>We propose that Mr. Kazunori Takami be reelected as Outside Director so that the Company can continue to make use of his management capabilities, broad outlook and in-depth knowledge he has acquired through a wide range of business development in the electrical industry for the Company's management. Mr. Takami's tenure as an Outside Director of the Company will be one year as of the conclusion of this Annual Shareholders Meeting. The Company has designated Mr. Takami 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).</p> | | |

| No. | Name (Date of birth) | Career summary, position and areas of responsibility in the Company [Important concurrent posts] |
|---|---|--|
| 8 | Junko Edahiro (November 23, 1962) Number of the Company's shares held 0 Attendance to the Board of Directors meetings: 10 / 10 (100%) | July 1993 Interpreter and translator October 1998 Environmental journalist July 2002 CEO of EcoNetworks Co. (Retired in July 2005) August 2002 Joint Chief Executive of Japan for Sustainability (NGO) Reelection April 2003 Representative Director of Edahiroba Inc. (Current e's Inc.) (Current position) Outside April 2005 Representative Director and Chairperson of Change Agent Inc. Independent May 2006 Director and Chairperson of Change Agent Inc. (Current position) August 2010 Chief Executive of Japan for Sustainability (NGO) (Retired in July 2018) September 2014 Professor of Department of Environmental Management, Faculty of Environmental Studies of Tokyo City University (Retired in March 2018) August 2018 Professor of Shizenkan University Graduate School of Leadership & Innovation (Current position) June 2019 Director of the Company (Current position) October 2019 Representative Director of Shimokawa Seeds K.K. (Current position) [Important concurrent posts] Representative Director of e's Inc. Director and Chairperson of Change Agent Inc. Professor of Shizenkan University Graduate School of Leadership & Innovation Representative Director of Shimokawa Seeds K.K. |
| Reason for nomination as Outside Director We propose that Ms. Junko Edahiro be reelected as Outside Director so that the Company can continue to make use of her experience as a corporate manager, advanced specialization related to environment and in-depth knowledge for the Company's management. Ms. Edahiro's tenure as an Outside Director of the Company will be one year as of the conclusion of this Annual Shareholders Meeting. The Company has designated Ms. Edahiro as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified her to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange). | | |

| No. | Name (Date of birth) | Career summary, position and areas of responsibility in the Company [Important concurrent posts] | |
|--|---|--|--|
| 9 | Newly elected Outside Independent Mami Indo (November 6, 1962) Number of the Company's shares held 0 | April April August April April December | 1985 2009 2010 2013 2016 2016 Joined Daiwa Securities Co. Ltd. Senior Managing Director and General Manager of Consulting Div. of Daiwa Institute of Research Ltd. Senior Managing Director and General Manager of Consulting I Div. of Daiwa Institute of Research Ltd. Executive Managing Director and Deputy General Manager of Investigation Div. of Daiwa Institute of Research Ltd. Senior Managing Director of the Institute of Daiwa Institute of Research Ltd. (Retired in December 2016) Commissioner of Securities and Exchange Surveillance Commission (Retired in December 2019) |
| <p>Reason for nomination as Outside Director</p> <p>We propose that Ms. Mami Indo be elected as Outside Director so that the Company can make use of her extensive experience of corporate management in the finance sector, as an analyst and in the consulting business, and broad outlook and in-depth knowledge for the Company's management. The Company plans to designate Ms. Indo as an 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notify her to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).</p> | | | |

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

The term of office of the current Audit & Supervisory Board Member Mr. Yoshihiko Morita ends 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.

In addition, 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] | | |
|---|---|---|---|
| <p>Newly elected</p> <p>Outside</p> <p>Independent</p> <p>Hikomichi Ono (August 11, 1956)</p> <p>Number of the Company's shares held 0</p> | <p>April</p> <p>June</p> <p>June</p> <p>April</p> <p>June</p> <p>[Important concurrent posts]</p> | <p>1979</p> <p>2007</p> <p>2011</p> <p>2013</p> <p>2019</p> | <p>Joined Ajinomoto Co., Inc.</p> <p>Corporate Executive Officer of Ajinomoto Co., Inc.</p> <p>Member of the Board & Corporate Vice President (In charge of finance and purchasing) (Retired in June 2017)</p> <p>Director of Japan Investor Relations Association (Retired in June 2017)</p> <p>Member of the Investment Committee of Government Pension Investment Fund (Retired in June 2017)</p> <p>Outside Director of Mebuki Financial Group, Inc. (Current position)</p> <p>Outside Director of Mebuki Financial Group, Inc.</p> |
| <p>Reason for nomination as Outside Audit & Supervisory Board Member</p> <p>We propose that Mr. Hiromichi Ono be elected as Outside Audit & Supervisory Board Member so that the Company can make use of his experience as a corporate manager and considerable knowledge about financial and accounting matters in the Company's audits. The Company plans to designate Mr. Ono as an 'Independent Officer' (Independent Audit & Supervisory Board Member), who will not have conflicting interests with general shareholders, and notify him to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).</p> | | | |

Notes: 1. There is no special interest between the nominee for Audit & Supervisory Board Member and the Company.

2. If Mr. Hiromichi Ono is elected as Outside Audit & Supervisory Board Member, the Company plans to enter into an agreement with him to limit his liability for damages under Article 423, paragraph 1 of the Companies Act to the amount provided for in Article 425, paragraph 1 of the same Act.

[Reference]

Independence Standards for Outside Officers

TOKYO GAS CO., LTD.

The Company shall judge Outside Officers (Outside Directors and Outside Audit & Supervisory Board Members) to be independent if they do not fall under any of the categories numbered (1) to (10) below.

- (1) Executive of a parent company or a fellow subsidiary company of the Company
- (2) Executive of a subsidiary of the Company
- (3) Major shareholder holding 10% or more of the Company's total shares outstanding (includes executives of a corporation, etc.)
- (4) Major client or supplier of the Company whose transactions account for 2% or more of consolidated net sales (parties that are major clients or suppliers of the Company, or parties for whom the Company is a major client or supplier [includes executives of a corporation, etc.])
- (5) Accounting Auditor or corporate attorney of the Company
- (6) Individual that fell under any of categories (1) to (5) within the previous three years
- (7) Executive of an organization receiving a large amount of donation from the Company (over the previous three business years, an average of ¥10 million or more annually or 30% or more of the organization's total average annual costs, whichever sum is greater)
- (8) Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property-related benefits from the Company besides remuneration as an Officer (over the previous three business years, for an individual, an average of ¥10 million or more annually and for a corporation, etc., 2% or more of the corporation's consolidated net sales)
- (9) Close relative of (1) to (8) (within the second degree of kinship)
- (10) Individual serving as officer (inside director, inside audit & supervisory board member, executive, or executive officer) at a corporate group in which an Officer (Inside Director, Inside Audit & Supervisory Board Member, or Executive Officer) of the Tokyo Gas Group serves as outside officer

Business Report

1. Matters Concerning Current State of Group Operations

(1) Main Business Activities (As of March 31, 2020)

| Business segment | Main business activities |
|-------------------|--|
| Gas | Production, supply and sale of city gas, liquid gas business, LNG sales, etc. |
| Electric power | Production, supply and sale of electricity |
| Overseas business | Overseas upstream business, midstream and downstream business (Gas field development and LNG production, and gas supply, sales and power generation, etc.) |
| Energy-related | Engineering solution business, gas appliances, gas installation work, construction, etc. |
| Real Estate | Leasing and management of land and buildings, etc. |
| Other | Information processing service, shipping business, etc. |

(2) Business Conditions and Results

1) Overview of business results for the fiscal year under review

During the fiscal year under review, although the Japanese economy was on a gradual recovery track, including improvement in the employment and income environments, despite some lingering weaknesses with respect to exports and production, consumer spending lacked strength due in part to a series of natural disasters and a consumption tax hike. In addition, the outlook for the Japanese and global economy has become extremely uncertain due to the spread of the new coronavirus pandemic.

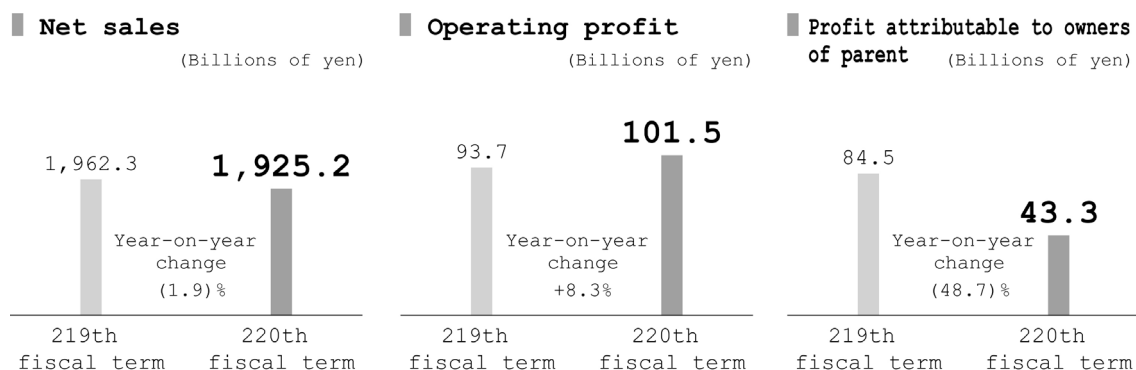
Against this economic backdrop, competition among energy companies and even across industry boundaries is intensifying in the energy industry, as a result of the full deregulation of the gas retail market in April 2017 in the wake of the full deregulation of the electric power retail market in April 2016. The environment surrounding the energy business has undergone dramatic changes, such as decarbonization becoming a global trend. Amid these changes, the Tokyo Gas Group has been actively engaging in various efforts to expand added value for our customers in Japan and overseas through commercialization of total energy business and globalization so that customers will continue to choose Tokyo Gas.

In light of such economic conditions and environmental changes, although net sales of electricity grew as a result of an increase in the number of retail customers, net sales of city gas declined as a result of a decline in the number of retail customers. As a result, consolidated net sales decreased by 1.9% year on year to ¥1,925,235 million.

In terms of operating expenses, despite an increase in operating expenses in sales of electricity, city gas raw material costs decreased due to the fall in crude oil prices, business efficiency was further promoted, and the utmost efforts to restrict expenses as much as possible were made. As a result, operating expenses decreased by 2.4% year on year to ¥1,823,727 million.

As a result of the above, operating profit increased by 8.3% year on year to ¥101,508 million, and ordinary profit increased by 14.9% year on year to ¥102,735 million. As a result of the recording of gain on settlement of contract related to raw materials of ¥11,627 million under extraordinary income, and impairment loss on overseas upstream business, etc. of ¥28,152 million and loss on valuation of investment securities

of ¥18,643 million under extraordinary losses and the recording of income taxes, profit attributable to owners of parent decreased by 48.7% year on year to ¥43,382 million.



2) Points of comparison with the previous fiscal year

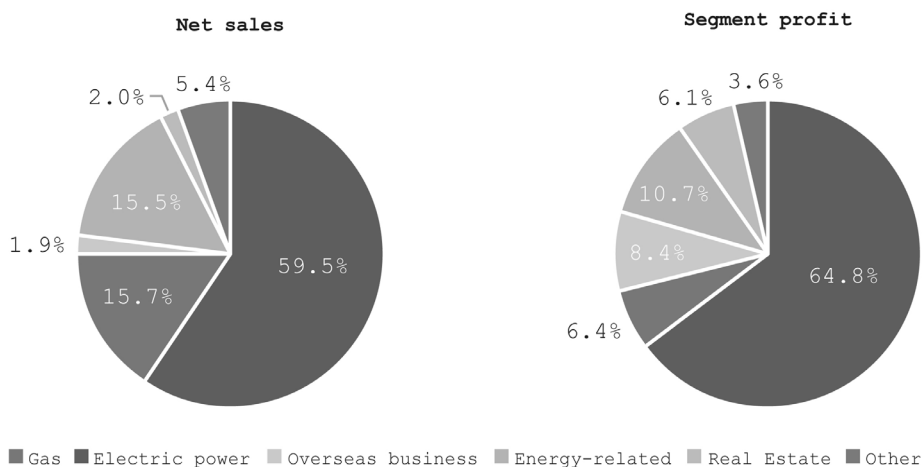
| | | |
|-----------------------------------|-----------------|---|
| Net sales | ¥(37.1) billion | Decrease in sales of 'Gas' due to lower city gas sales volume, etc. |
| Operating expenses | ¥(44.9) billion | Decrease in operating expenses of 'Gas' due to lower city gas sales volume and the effect of a decline in crude oil prices, etc. |
| Non-operating income and expenses | +¥5.5 billion | Dividend income: +¥2.6 billion; share of profit of entities accounted for using equity method: +¥2.5 billion |
| Extraordinary income and losses | ¥(62.9) billion | Impairment loss: ¥(28.1) billion Loss on valuation of investment securities: ¥(18.6) billion Gain on settlement of contract: +¥11.6 billion Gain on sales of non-current assets: +¥29.3 billion Gain on sales of investment securities: +¥6.4 billion Loss on valuation of investment securities: ¥(7.8) billion |
| | | (Fiscal year under review) |
| | | (Previous fiscal year) |

3) Overview of results by segment

| | Net sales (Billions of yen) | | | | Segment profit (operating profit + equity income and losses) (Billions of yen) | | | |
|-------------------|-----------------------------|-------------------|---------|--------|--|-------------------|---------|--------|
| | 219th fiscal term | 220th fiscal term | Changes | % | 219th fiscal term | 220th fiscal term | Changes | % |
| Gas | 1,413.7 | 1,355.4 | (58.3) | (4.1) | 92.2 | 102.4 | 10.2 | 11.1 |
| Electric power | 280.3 | 358.6 | 78.3 | 27.9 | 10.1 | 10.1 | (0.0) | (0.2) |
| Overseas business | 50.9 | 43.9 | (7.0) | (13.6) | 15.3 | 13.2 | (2.1) | (13.4) |
| Energy-related | 363.5 | 351.9 | (11.6) | (3.2) | 11.1 | 16.9 | 5.8 | 51.9 |
| Real Estate | 44.6 | 44.5 | (0.1) | (0.2) | 9.1 | 9.6 | 0.5 | 6.2 |
| Other | 107.8 | 123.2 | 15.4 | 14.2 | 6.2 | 5.7 | (0.5) | (8.4) |
| Adjustments | (298.6) | (352.4) | (53.8) | - | (47.8) | (51.5) | (3.7) | - |
| Segment total | 1,962.3 | 1,925.2 | (37.1) | (1.9) | 96.4 | 106.7 | 10.3 | 10.6 |

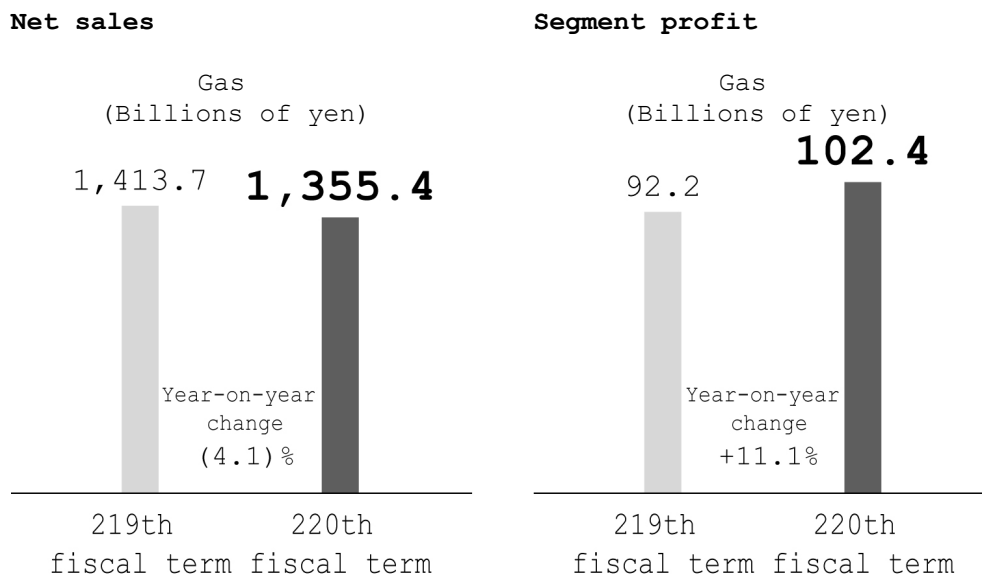
- Notes: 1. Net sales by segment include internal transactions between businesses.
2. 'Gas' includes city gas, LPG, industrial gas, and LNG sales. 'Energy-related' includes engineering solutions, gas appliances, gas installation work, construction, credit, etc. 'Other' includes the information processing service, shipping, etc.
3. The main component of adjustments to segment profit is company-wide expenses not allocated to each segment.

Segment composition ratio



* The segment composition ratio is calculated by excluding adjustments.

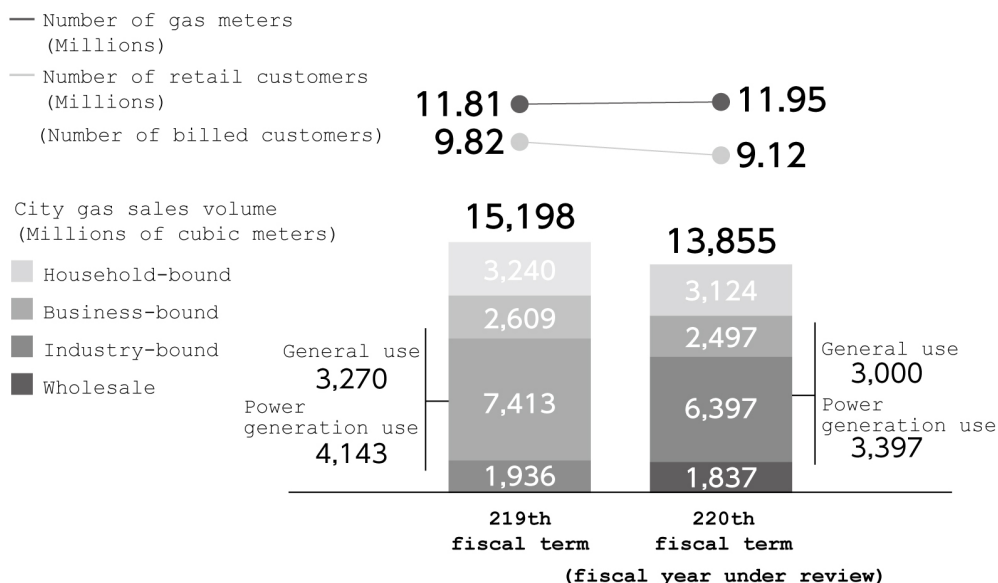
Gas Production, supply and sale of city gas, liquid gas business, LNG sales, etc.



Reflecting a decrease in city gas sales volume due to a decrease in customer numbers and a decrease in sales unit price due to gas rate adjustments as a result of the impact of falling crude oil prices, net sales decreased by 4.1% year on year to ¥1,355,425 million.

Segment profit increased by 11.1% year on year to ¥102,433 million, due to such factors as fall in sales volume of city gas and decreased raw material costs.

[City gas sales volume and customer numbers]



* Number of gas meters indicates the number of meters that includes inactive meters and meters for gas supply from other retail companies.

[Main reasons for changes in sales volume]

| | |
|---------------------------------|--|
| Household-bound | Decrease in customer numbers |
| Business-bound | Decrease in customer numbers |
| Industry-bound | Decrease in demand from dedicated power generation customers, etc. |
| Supplies to other gas utilities | Decrease in customer operations |

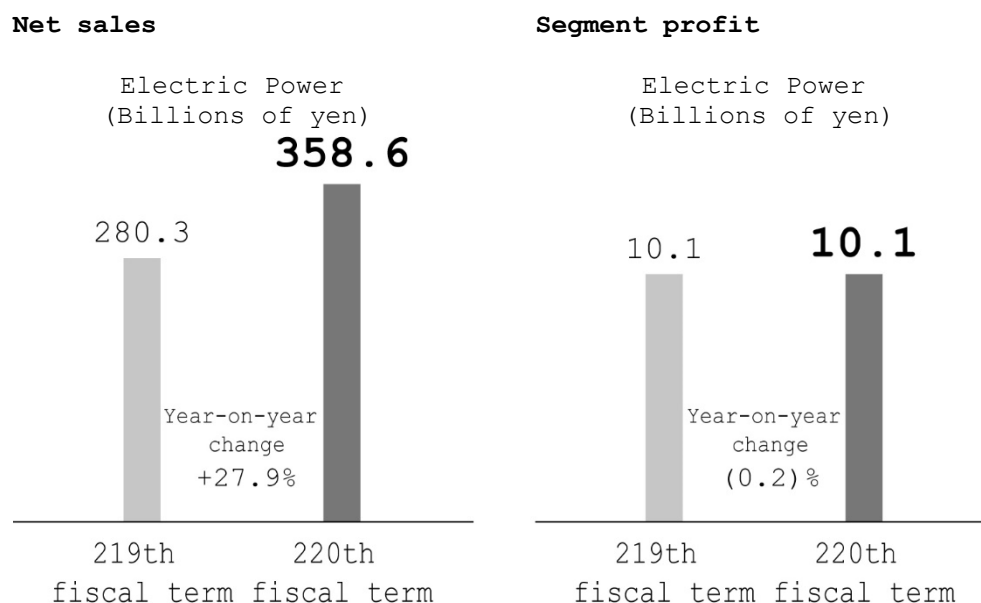
TOPICS

Starting Japan's first supply of carbon neutral city gas

The Company executed a heads of agreement with Marunouchi Heat Supply Co., Ltd. for supplying Japan's first carbon neutral city gas in October 2019. Based on this Agreement, from March 2020, carbon neutral city gas has been supplied to two office buildings (Marunouchi Building and Otemachi Park Building) in Chiyoda Ward in Tokyo owned by MITSUBISHI ESTATE CO., LTD. for city gas use.

Carbon neutral city gas derives from carbon neutral LNG purchased by the Company from Shell Group, and Shell's carbon credits will be used to compensate the full carbon dioxide (CO₂) emissions generated - from exploring and producing the natural gas to be used by the final consumer.

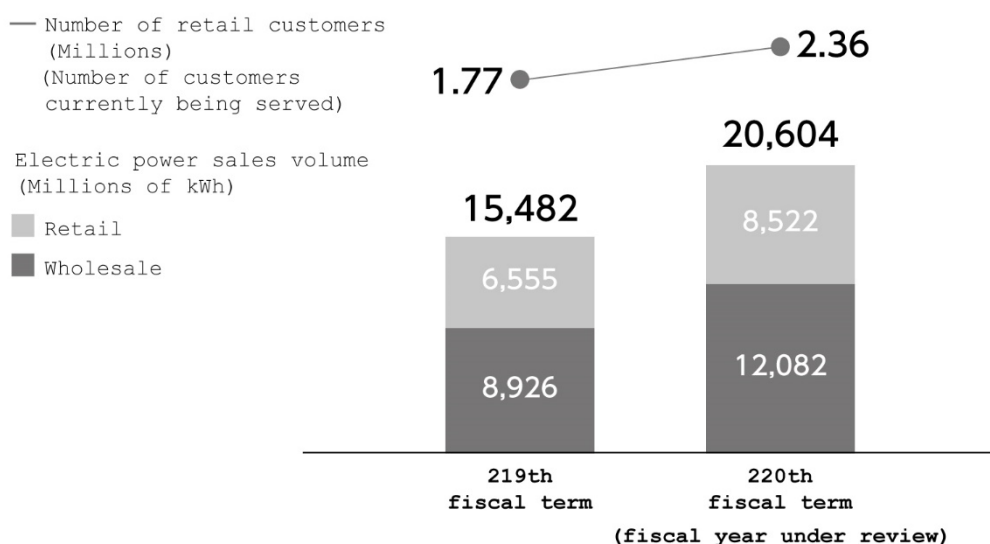
Electric Power Production, supply and sale of electricity



Net sales increased by 27.9% year on year to ¥358,630 million, as sales volume from residential customers and wholesale customers increased.

Segment profit decreased by 0.2% year on year to ¥10,141 million as a result of an increase in fixed costs such as power station test run costs and retail sales expenses.

[Electric power sales volume and customer numbers]



[Main reasons for changes in sales volume]

| | |
|-----------|---------------------------------------|
| Retail | Increase in customer numbers |
| Wholesale | Increase in wholesale customers, etc. |

TOPICS

Starting construction and commercial operations of the Group's first solar power plant

Prominet Power Co., Ltd. (hereinafter, 'Prominet Power'), a wholly owned subsidiary of the Company, has constructed the Shika Town Inotani Chosuichi Solar Power Plant (2,589 kW) and the Hakui City Shimbo Town Solar Power Plant (2,746 kW) in Ishikawa Prefecture, which began commercial operations in December 2019. Both power plants are the first cases of Prominet Power participating from construction to commercial operations.

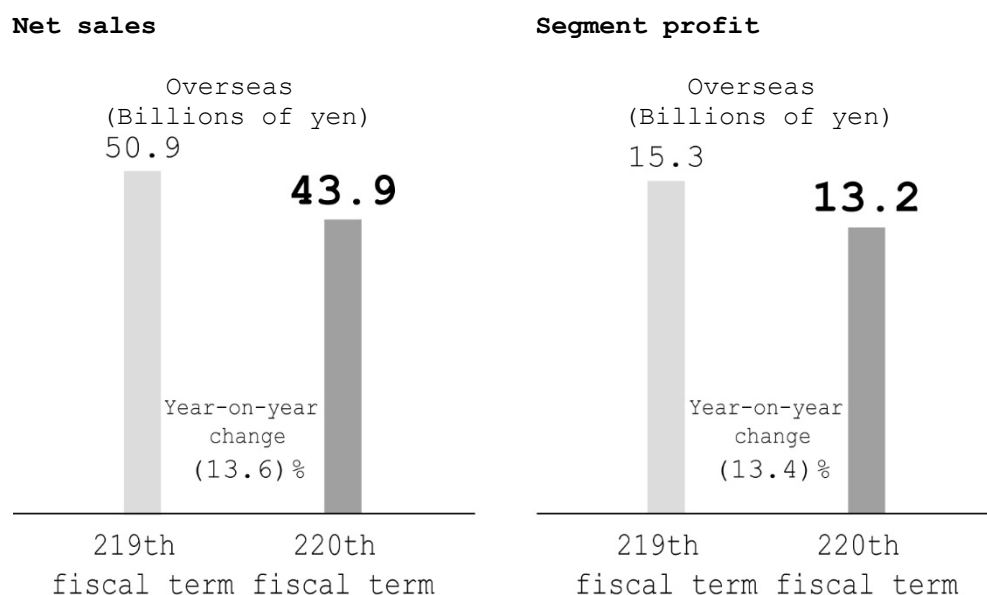
Participation in a wood biomass power generation project

In March 2020, the Group announced that Prominet Power would participate in a wood biomass power generation project through an investment in Ishinomaki Hibarino Biomass Energy GK (established by RENOVA, Inc.; hereinafter, the 'Project Company').

The Ishinomaki Hibarino Biomass Power Plant that is operated by the Project Company generates electricity by burning wood pellets and palm kernel shells, and has an output of 74,950 kW.

The Group will expand the volume of renewable energy sources handled and contribute to the realization of a sustainable society.

Overseas Overseas upstream business, midstream and downstream business (Gas field development and LNG production, and gas supply, sales, and power generation, etc.)



Net sales decreased by 13.6% year on year to ¥43,983 million, due to lower LNG sales volume and lower unit prices at upstream business in Australia.

Segment profit decreased by 13.4% year on year to ¥13,255 million.

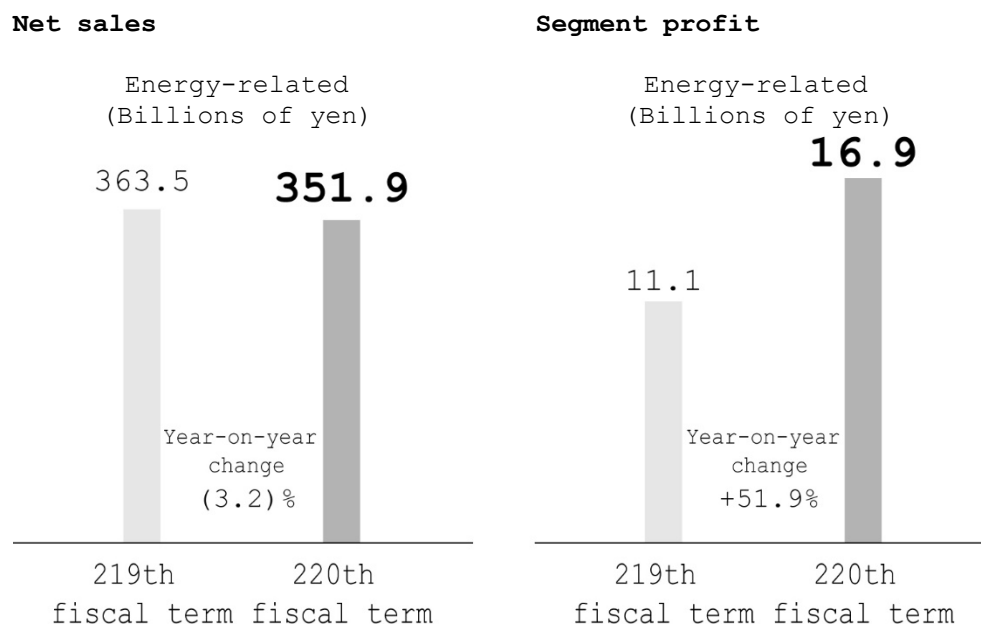
TOPICS

Acquisition of equity interests in renewables joint venture company in Mexico

In December 2019, Tokyo Gas America Ltd. acquired 50% equity interests in a joint venture company established with ENGIE as a business platform to collaboratively construct, own, and operate renewable assets in Mexico.

For the Company, this is the first business of forming a renewables platform with a global partner and to invest in renewable projects in markets outside of Japan.

Energy-related Engineering solution business, gas appliances, gas installation work, construction, etc.



Net sales decreased by 3.2% year on year to ¥351,910 million due to a decrease in orders received for appliances and construction work and a decrease in orders received in the engineering business.

Segment profit increased by 51.9% year on year to ¥16,995 million due to a decrease in provision for sales equipment warranties.

TOPICS

Commencement of the Kiyohara Industrial Complex Smart Energy Networks Project to achieve significant energy savings through cooperation between plants

-Efforts to achieve the Sustainable Development Goals (SDGs) through a collaboration of five companies-

Calbee, Inc., Canon Inc., Hisamitsu Pharmaceutical Co., Inc., the Company, and Tokyo Gas Engineering Solutions Corporation commenced full-fledged operations of the Kiyohara Industrial Complex Smart Energy Networks Project in December 2019. This is an integrated energy-saving project serving multiple plants that involves building and operating the Kiyohara Smart Energy Center and supply infrastructure consisting of independent power lines and heat conduits in the Kiyohara Industrial Complex on the outskirts of Utsunomiya City in Tochigi Prefecture, to supply energy to seven plants within the complex, and has achieved significant energy savings and resilience improvements.

Real Estate

Leasing and management of land and buildings, etc.

Net sales

Real Estate
(Billions of yen)

44.6 **44.5**

Year-on-year
change
(0.2)%

219th 220th
fiscal term fiscal term

Segment profit

Real Estate
(Billions of yen)

9.1 **9.6**

Year-on-year
change
+6.2%

219th 220th
fiscal term fiscal term

Net sales decreased by 0.2% year on year to ¥44,529 million due to a decrease in hotel occupancy, despite an increase in lease income from land.

Segment profit increased by 6.2% year on year to ¥9,698 million due to an increase in lease income from land.

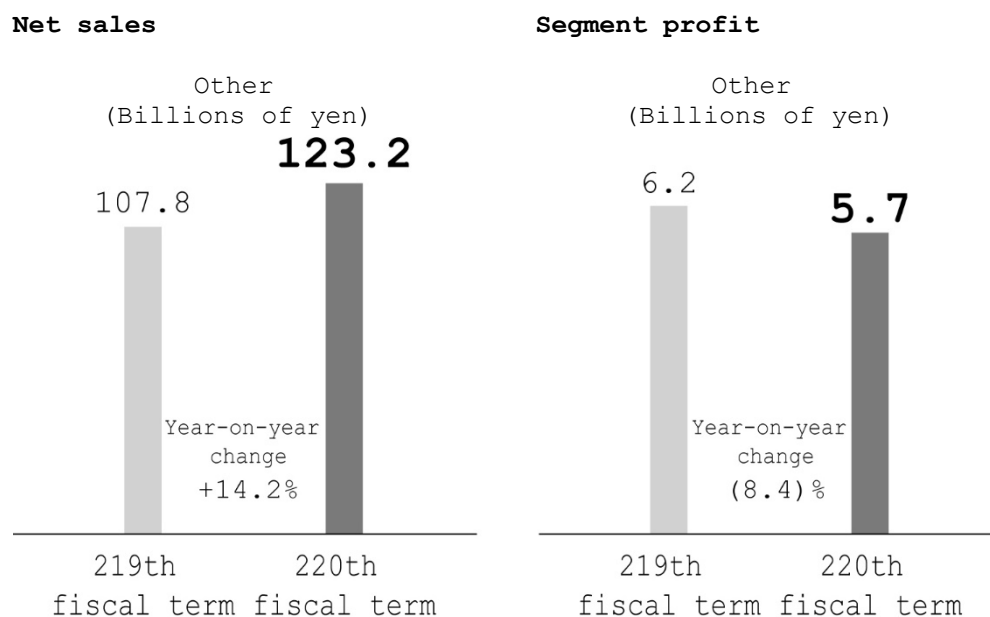
TOPICS

Engagement in the office and residential real estate leasing business

The Group is engaged in the office and residential real estate leasing business, which is expected to generate stable revenue over the long term, particularly in urban areas. In offices, the msb Tamachi, Tamachi Station Tower N (36 stories above ground, 2 stories below ground, approximately 152,800 square meters), which will become a new symbol of the Tamachi area, is being constructed in the msb Tamachi district directly connected to the east exit of JR Tamachi Station, and is scheduled to open in the summer of 2020.

In rental housing, we have developed the La Tierra series, and have developed land holdings, made external purchases, and acquired five new properties in FY2019.

Other Information processing service, shipping business, etc.



Net sales increased by 14.2% year on year to ¥123,207 million due to increased orders received for systems at IT subsidiaries.

Segment profit decreased by 8.4% year on year to ¥5,766 million due to a revision of freight prices for ships.

TOPICS

First port arrivals by three LNG carriers

The Company's LNG carriers, the Energy Glory, the Energy Innovator, and the Energy Universe arrived for the first time after entering service at the Company's LNG terminal in July, August, and September 2019, respectively.

The Group is committed to stable, inexpensive, and flexible LNG procurement through an optimal combination of LNG trading and digital technology for LNG carriers and receiving terminals.

(3) Group Capital Expenditures

Total capital expenditures for this fiscal year amounted to ¥227,058 million.

In regard to distribution facilities, the total length of the pipeline network was extended by 490 kilometers during this fiscal year, to 64,545 kilometers as of March 31, 2020.

(4) Group Financing Activities

In this fiscal year, the Company raised funds totaling ¥127.0 billion through issuing the 50th, 51st, 52nd, 53rd, 54th, 55th, 56th and 57th corporate unsecured bonds and obtaining loans payable. Balance of consolidated interest-bearing liabilities increased by ¥101,850 million compared with the previous year-end, to ¥905,066 million.

(5) Prospective Challenges

The Group's current policy for response to the new coronavirus pandemic

1) Recognition of the current situation

- The Group recognizes that the spread of the new coronavirus pandemic is having an enormous impact not only on society and the economy as a whole in Japan but also around the world, and that the scale and extent of the damage, as well as the unpredictable period of time until it is contained, are different in nature from the emergency situations that the Group has experienced to date.
- As the Group's business domains and areas are expanding, the impact on the Group's management is expected to be extremely significant. However, the Group recognizes that a certain period of time will be required for analysis of the impact and consideration of countermeasures based on this analysis, because there are many fluid and uncertain factors.

2) Basic stance and current policy for response

(a) Public interest mission as an energy company

We will give top priority to the stable supply and safety of energy to maintain the lives of people and economic activities. We will continue to achieve a balance between our public interest mission as a lifeline provider and ensuring the safety of the lives and health of our employees, including those of our subsidiaries and partner companies.

(b) Social responsibility as a corporate citizen

We will support all stakeholders, including customers, partner companies, business partners, and employees who are facing difficulties, and we will carry out activities and communication to gain understanding and empathy from society.

(c) Enduring development as a stock company

Even though the impact of the new coronavirus pandemic on the Group's management is expected to be broad and long-lasting, we will steadily implement the measures set forth in the FY2020-2022 Group Medium-term Management Plan to realize the Group Management Vision, 'Compass 2030.' We will also study and analyze the impact on the Group's future management and take action accordingly.

[Reference] Major initiatives to date inside and outside of the Group
<Support for customers>

- Special measures for gas and electricity fees (extension of payment deadline)
- Conducting non-face-to-face inspections in response to customers' requests to prevent the spread of infection as a top priority
- Ensuring a stable supply by changing the work shifts for gas production departments and security departments and dispersing them to alternative locations

<Support for employees, etc.>

- Thorough implementation of infection prevention measures (observance of etiquette, checking temperatures every morning, using staggered work hours, etc.)
- Encouraging employees to work from home and promoting health management (approximately 80% of employees are working from home, excluding those involved in priority ongoing operations such as ensuring a stable supply and safety and responding to customers)
- Improving communication in the workplace by taking into consideration changes in the situation of members of the workplace
- Establishing a work system based on mutual understanding between the Company and its subsidiaries and partner companies in order to ensure the safety of employees including subsidiaries and partner companies, as well as to prevent infections

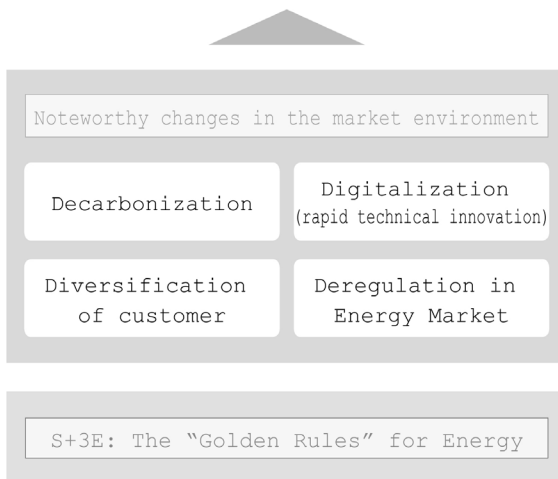
Challenges under the Group Management Vision, 'Compass 2030'

In November 2019, the Company announced its Group Management Vision, 'Compass 2030 Providing energy and solutions to the future of our life, society and the earth.' For the half-century since 1969, when the Company became the first company to introduce LNG in Japan, the Group has led the way to the age of natural gas through manufacturing using clean natural gas, urban development, and lifestyle design. In preparation for the next half-century, the Tokyo Gas Group has formulated its new vision outlining the course that should be pursued in this age of uncertainty. As the management decided 50 years ago, Compass 2030 states the Group's determination to take on this new challenge.

Natural gas is expected to play an even greater role due to its affinity for use in combination with inherently unstable renewable energy sources, in addition to its stability, environment-friendly nature, and economic viability. The Group will continue to provide the value of natural gas to its customers. At the same, as a leading company dealing in natural gas (a fossil fuel), the Tokyo Gas Group will deal forthrightly with the issue of climate change, and combine natural gas with renewable energies and other new technologies to provide solutions for our life, society and the earth.

Environmental awareness and our future goals

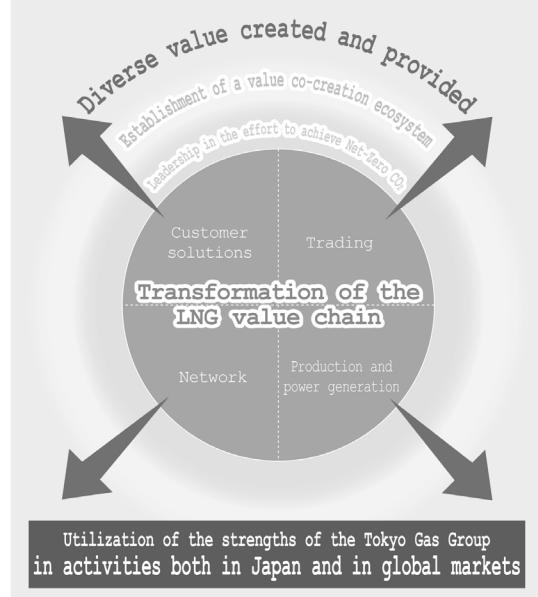
Our goal will be a business group which continues to create value together with our customers, business partners and society as a whole while becoming a leader in the future energy systems.



* S+3E: Safety + Energy security, Economic efficiency and Environment

Three challenges

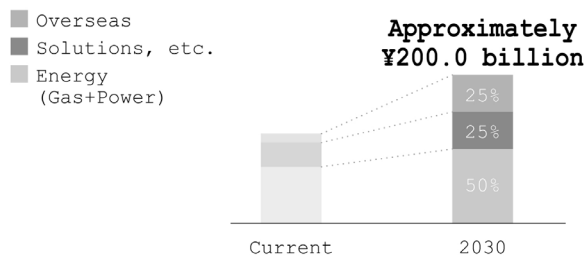
- 2030
- (1) Leadership in the effort to achieve Net-Zero CO₂
 - (2) Establishment of a value co-creation ecosystem
 - (3) Transformation of the LNG value chain



- (1) Leadership in the effort to achieve Net-Zero CO₂
- In its overall business activities, the Group will work to achieve Net-Zero CO₂ emissions including customer emissions and lead the transition to a decarbonized society.
 - We will use technologies and expertise for the effective use of natural gas to promote decarbonization in the electricity and heat sectors as well as for CO₂ capture technologies.
 - We will contribute to reduce carbon emissions on the scale of 10 million tons by 2030 (which exceeds Japan's target ratio) and lead the way to reducing CO₂ emissions on a global scale.
- * Japan's reduction target ratio: The greenhouse gas reduction target in the Intended Nationally Determined Contribution submitted to the United Nations (26% reduction in FY2030 as compared to FY2013).
- (2) Establishment of a value co-creation ecosystem
- We will establish a value co-creation ecosystem that creates value together with customers, the local community, local governments, and business partners that include companies in different industries and venture firms.
 - We will flexibly combine the diverse products, technologies and services in the ecosystem to provide a variety of solutions that resolve various issues in areas ranging from individual lifestyles to the local community.
- * Ecosystem: Business environment in which many companies combine their technologies, expertise and knowledge in their specific areas of strength in order to create new value.
- (3) Transformation of the LNG value chain
- We will create and provide the various types of value from trading, production and power generation, networks, and customer solutions.
 - We will Crystallize the business expertise accumulated up to now and Explore new domains in order to expand the customers base for whom value is created and provided, and maximize each of the functions of the LNG value chain.

Management guidelines and major indicators

Company portfolio in 2030: Profit level



* Overseas: All overseas businesses

* Solutions, etc.: Ongoing service agreements, engineering, real estate etc.

* Energy: Domestic gas and power business

Major indicators in 2030

| | | |
|--|--|------------------------|
| Challenge 1 | Leadership in the effort to achieve Net-Zero CO ₂ | |
| CO ₂ reduction contribution | | 10.00 million tons cut |
| Renewable power source transaction volume (domestic and international, including purchasing) | | 5.00 million kW |
| Challenge 2 | Establishment of a value co-creation ecosystem | |
| No. of customer accounts | | 20.00 million |
| Challenge 3 | Transformation of the LNG value chain | |
| Natural gas transaction volume | | 20.00 million tons |
| * Contribution to CO ₂ emission reductions: As compared to FY2013 levels | | |
| * No. of customer accounts: Total no. of gas, power and service agreements (domestically and internationally) | | |
| * Natural gas transaction volume: LNG equivalent including overseas business and trading | | |

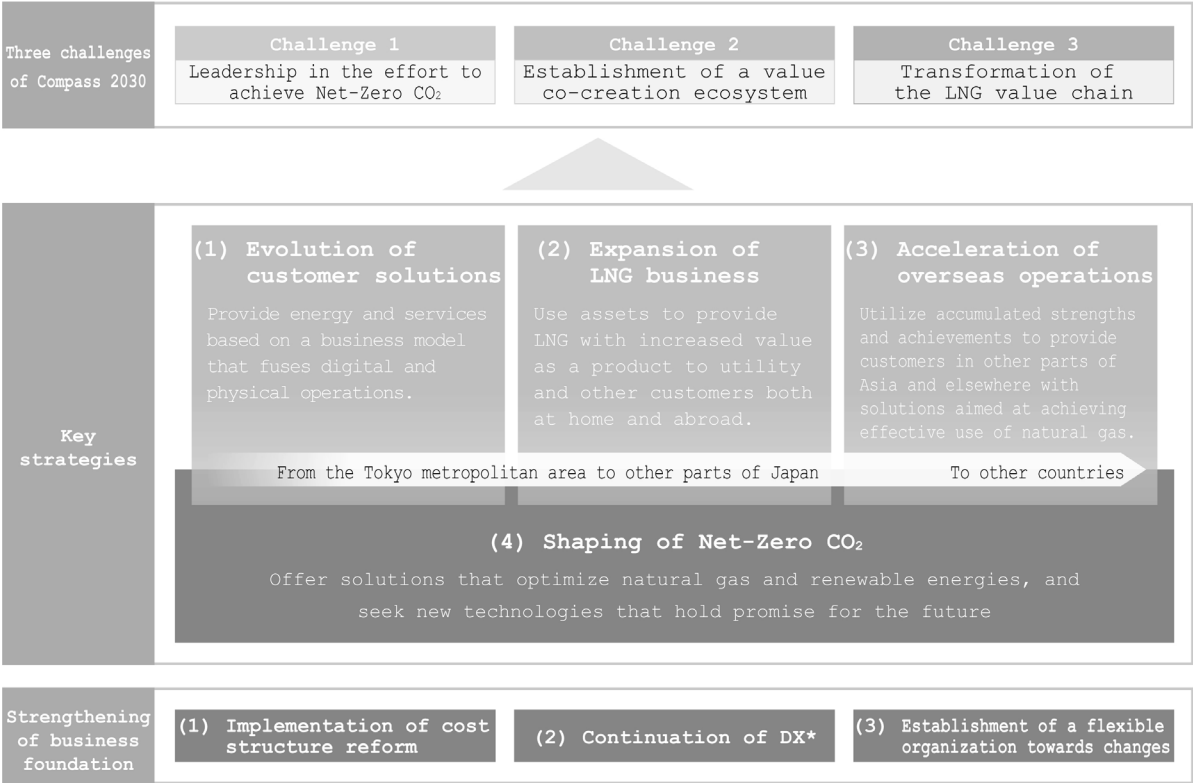
Objectives to Be Achieved in the FY2020-2022 Group Medium-term Management Plan

- During the period of the Medium-term Management Plan, we will see the steady progress in the areas of decarbonization, digitalization, diversification of customer, and energy market deregulation.
- The Company will experience increased adverse pressure on the revenue and expenditure balance due to the switching of gas contracts and other factors. In addition, the legal unbundling of the Pipeline Network Division, which accounts for roughly 30% of total assets and employees, is a trigger to transform the entire group structure.



Despite the recent difficult circumstances, we will work to make steady progress and to firm up our business foundation for future growth and expansion.

Overview



*DX: Digital transformation. The use of data and digital technologies to transform products, services and business models based on customer and societal needs, and also transform work operations themselves as well as organizations, processes, and corporate culture and climate.

Specific initiatives

Key strategies

(1) Evolution of customer solutions

- Through a business model that fuses digital and physical operations, we will provide **an improved customer experience** to meet increasingly diverse customer needs, and achieve increase of the number of customer accounts and improvement of profitability.
- To provide gas, electricity and services widely, we will deploy a second brand especially designed for digital operations, and build a new business model by collaborating with our business partners.

(2) Expansion of LNG business

- We have seen LNG as a raw material for gas and electricity business, but we will reassess LNG as **a product** that provides value to customers. **Though establishing a new company**, we will grow a LNG trading to a mainstay for the Tokyo Gas Group.
- As LNG demand continues to increase worldwide, we will optimize LNG supply and demand by utilizing the Tokyo Gas Group assets and deepening cooperation with other companies in order to expand both transaction volumes and profits.

(3) Acceleration of overseas business

- Using our accumulated **LNG strengths and achievements**, we will focus on LNG infrastructure business development in Asia where the demand for natural gas is increasing. We will also work to expand the scale of renewable power generation and increase the value of natural resource development business.
- We intend to conduct **'growth engine type investment'** where we invest in business corporations and get involved in the management. We will use the management resources of invested-in companies to quickly expand business and increase value.

(4) Shaping of Net-Zero CO₂

- To achieve Net-Zero CO₂ emissions, we will expand the scale of virtual power plants (VPP) in order to develop **a power business that integrates both renewable energies and natural gas**.
- We will also make use of investment in domestic and foreign companies that possess new technologies in order to **explore technologies that can aid in decarbonization and pursue innovation of these technologies**.

Strengthening of business foundation

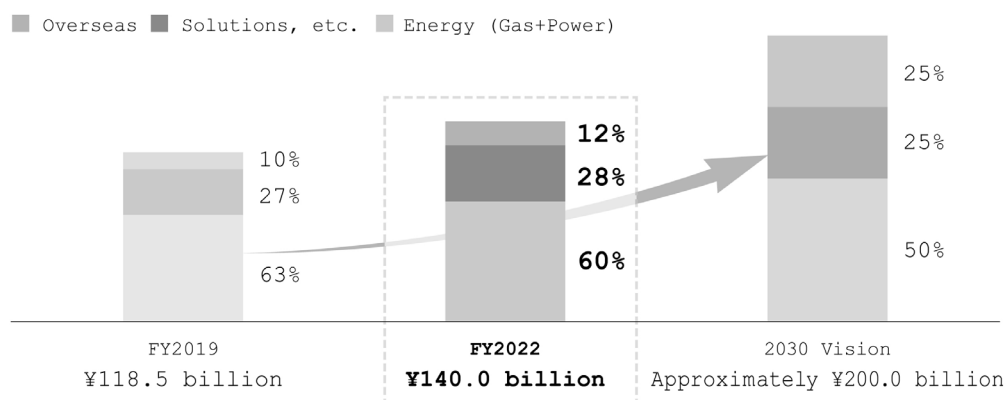
- Implement **cost structure reform** to generate growth resources that can be allocated to key strategies.
- Continue to implement **digital transformation** (DX) in order to increase operational efficiency, improve the customer experience and increase resilience.
- Take action with regard to the **legal unbundling** of the Pipeline Network Division and other changes within and outside the Group, and reassess organization, governance and personnel **to increase the engagement** of the Group overall.

Major indicators

| KGI | FY2019 | FY2022 | KPI | FY2019 | FY2022 |
|----------------------------------|----------------|----------------|--|--------------------|--------------------|
| Operating profit + equity income | ¥118.5 billion | ¥140.0 billion | No. of customer accounts (as of the end of FY) | 12.20 million | 14.80 million |
| | | | Natural gas transaction volume | 16.70 million tons | 17.00 million tons |
| Financial performance indicators | FY2019 | FY2022 | Segment profit from Overseas Business | ¥12.5 billion | ¥16.0 billion |
| ROA | 3.1% | Approx. 4% | Contribution to CO ₂ emission reductions (as compared to FY2013 levels) | 5.00 million tons | 6.50 million tons |
| ROE | 6.6% | Approx. 8% | Renewable energy transaction volume (as of the end of FY) | 590,000 kW | 2.00 million kW |
| D/E ratio | 0.78 | Approx. 0.9 | Cost structure reform (compared to FY2019) | - | ¥30.0 billion cut |

* FY2019 figures are forecast figures at the time of formulating plans.

Company portfolio: Operating profit + equity income



*FY2019 figures are forecast figures at the time of formulating plans.

Shareholder return

- Distributable income will be applied to the improvement of customer services and to the achievement of a sustainable society, and also distributed to shareholders in a timely and appropriate manner.
- Acquisition of treasury shares for retirement will be considered as one way of providing shareholder return in addition to dividends, and targets for total payout ratio (ratio of dividends on current consolidated profit and acquisition of own shares) will be approximately 60% in each fiscal year up through FY2022.
- With regard to dividends, we will continue to provide stable dividends and will gradually increase dividends in accordance with growth while comprehensively taking into consideration the profit level over the medium- to long-term.

Promotion of the Group's Sustainability
<The Group's Approach to Promoting Sustainability>

The Group will enhance its social and financial value by tackling social challenges through our business activities, and we will strive to contribute to the sustainable development of society (international goals to be achieved by 2030 = SDGs) going forward by realizing an enduring corporate management.

Specifically, we will contribute to tackling social challenges such as climate changes by reflecting our management vision 'Compass 2030,' identifying key sustainability issues (materiality) based on the pillar of 'Leadership in the effort to achieve Net-Zero CO₂ and continuing to create customer value,' and implementing the PDCA cycle on those issues.

<Key Issues in Sustainability (Materiality)>
[FY2020-2022]

| | |
|--|---|
| Leadership in the effort to achieve Net-Zero CO ₂ as a leading company dealing in natural gas | <ul style="list-style-type: none"> ◆ Climate change ◆ Access to energy ◆ Safety and disaster preparedness ◆ Creation of customer value |
| Sound relationships with society | <ul style="list-style-type: none"> ◆ Resource efficiency and recycling society ◆ Establishment of relationships with communities ◆ Diversity ◆ Satisfaction through work and labor productivity |
| Actions as a responsible company | <ul style="list-style-type: none"> ◆ Supply chain management ◆ Information security ◆ Governance and compliance |



Promotion of the PDCA cycle with respect to goals (KPIs) in line with new materiality



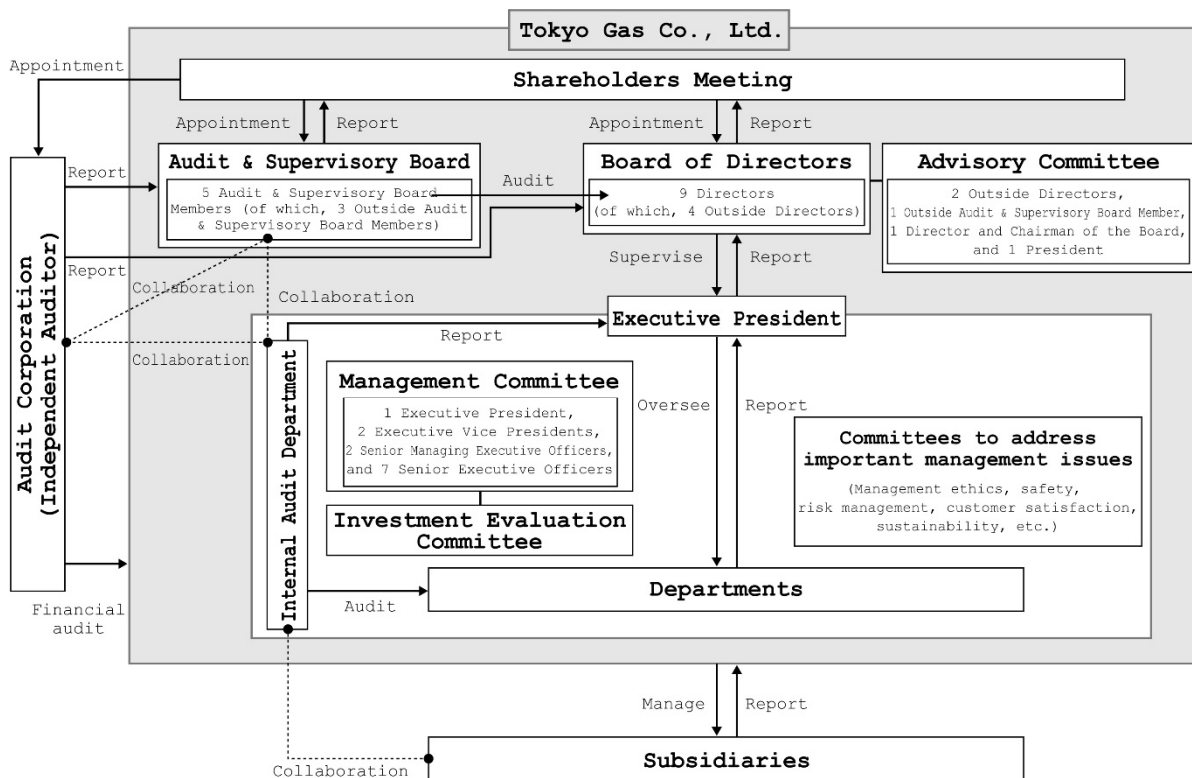
* Please see the Sustainability Report (<https://tokyo-gas.disclosure.site/en/>) for more information on the Group's initiatives.

Corporate Governance (As of March 31, 2020)

The Company works to ensure continued development while consistently earning the trust of customers, shareholders, and society. Based on this philosophy, we aim to achieve a continuous increase in our corporate value through enhancing corporate governance systems. We are endeavoring to develop systems with a commitment to management legality, soundness, and transparency.

We continue to emphasize the importance of accurate and prompt decision-making, efficient business executions, strengthening of auditing and monitoring functions, and clarification of management and executive responsibilities.

<Corporate Governance System>

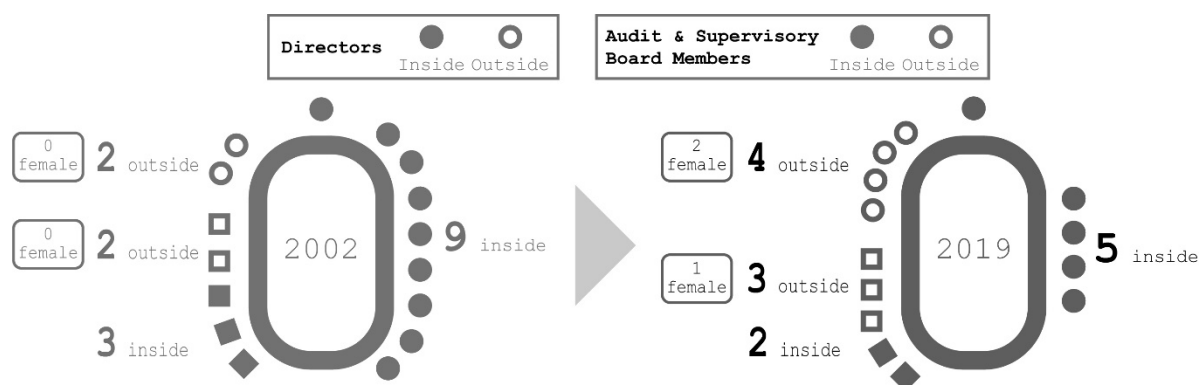


Board of Directors

In principle, the Board of Directors meets once a month to discuss and decide important matters regarding business executions. Directors must submit reports to the Board of Directors regarding the status of execution of their duties periodically and when deemed necessary, allowing the board to monitor the performance of Directors.

The Board of Directors comprises nine Directors, four of whom are Outside Directors. In addition, the term of Directors is set at one year with the goal of further clarifying managerial responsibility.

<Progress in Governance (Composition of the Board of Directors)>



Audit & Supervisory Board

The Audit & Supervisory Board meeting is held once a month, in principle, and otherwise as needed. The five Audit & Supervisory Board Members including three Outside Audit & Supervisory Board Members who comprise the board deliberate and determine the audit policies and other matters, as well as receive reports on the status of execution of audits from each Audit & Supervisory Board Member.

In conformity with the Audit & Supervisory Board Members' audit standard established by the board, each Audit & Supervisory Board Member makes efforts to attend meetings of the Board of Directors, the Management Committee, and other important meetings, research the state of operations at the head office and business offices, and gather information through measures including conducting an exchange of opinions with the Accounting Auditor, etc. Audit & Supervisory Board Members also demand explanation as needed, express opinions, and audit the execution of duties of Directors.

Advisory Committee

Since February 2005, the Company has established the Advisory Committee in order to ensure objectivity and transparency of management. The committee has up to five members, consisting of the Director and Chairman of the Board, President, and up to three Directors selected by the Board of Directors; with over half of its membership consisting of Outside Directors, and the committee chairman also being an Outside Director.

In accordance with inquiries from the Board of Directors, the Advisory Committee deliberates on officer candidates and officer remuneration in a fair and appropriate manner and makes reports to the Board of Directors. The committee also deliberates on the independence of outside officer candidates.

| Advisory Committee Membership | |
|-------------------------------|---|
| Committee chairman | Hitoshi Saito (Outside Director) |
| Committee members | Kazunori Takami (Outside Director) Yoshihiko Morita (Outside Audit & Supervisory Board Member) Michiaki Hirose (Director, Chairman) Takashi Uchida (Director, President) |

The Tokyo Gas Group in local communities—Our bonds and relationships of trust with our customers, developed over the course of the past more than 130 years—

Our bonds and relationships of trust with our customers, developed over the course of the past more than 130 years, are our greatest strength. As of March 31, 2020, Tokyo Gas Lifeval, Enesta, and Enefit have 170 outlets and over 10,000 employees who act as 'the face of Tokyo Gas' in each local region. Their service menu includes gas tap opening and shutoff, conducting periodic safety inspections of gas-related equipment and facilities, and gas meter reading. In addition, they are involved in proposing, installing, and maintaining various types of gas fixtures and appliances as well as housing fixtures and appliances, and remodeling with a focus on kitchens, bathrooms and other plumbing renovations. They also handle inquiries and applications from many customers for electricity supply and various other services.

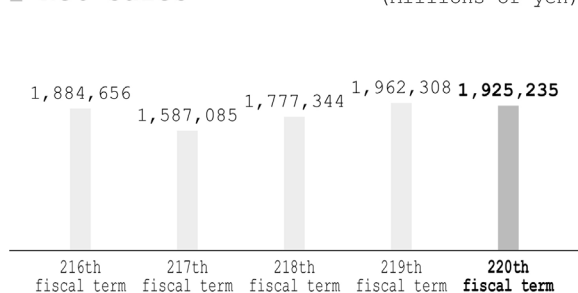
Going forward, the Tokyo Gas Group remains committed to providing one-stop gas, electricity and other services that support comfortable daily lifestyles for customers in local communities.

(6) Changes in Status of Assets and Profit and Loss

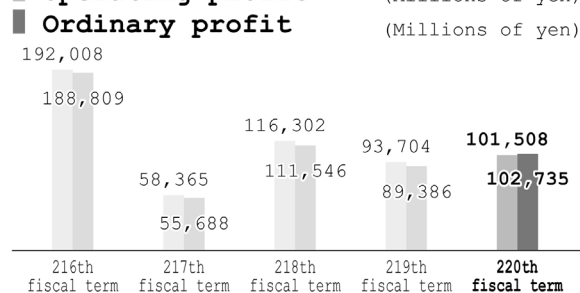
| Categories (FY ended March 31) | 216th fiscal term (2016) | 217th fiscal term (2017) | 218th fiscal term (2018) | 219th fiscal term (2019) | 220th fiscal term (2020) |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Net sales (Millions of yen) | 1,884,656 | 1,587,085 | 1,777,344 | 1,962,308 | 1,925,235 |
| Operating profit (Millions of yen) | 192,008 | 58,365 | 116,302 | 93,704 | 101,508 |
| Ordinary profit (Millions of yen) | 188,809 | 55,688 | 111,546 | 89,386 | 102,735 |
| Profit attributable to owners of parent (Millions of yen) | 111,936 | 53,134 | 74,987 | 84,555 | 43,382 |
| Basic earnings per share (Yen) | 46.68 | 115.09 | 164.12 | 187.60 | 98.07 |
| Total assets (Millions of yen) | 2,251,518 | 2,230,269 | 2,334,316 | 2,428,149 | 2,537,724 |
| Net assets (Millions of yen) | 1,115,172 | 1,112,807 | 1,148,433 | 1,171,345 | 1,159,228 |
| Net assets per share (Yen) | 460.35 | 2,398.70 | 2,487.58 | 2,575.99 | 2,602.74 |

Note: The Company carried out a share consolidation at a ratio of 5 common shares to 1 effective October 1, 2017. Basic earnings per share and net assets per share are calculated assuming that the share consolidation was carried out at the beginning of the 217th fiscal term.

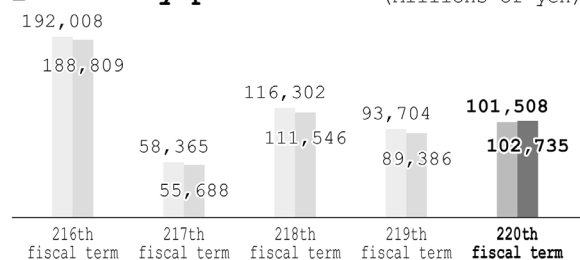
■ Net sales (Millions of yen)



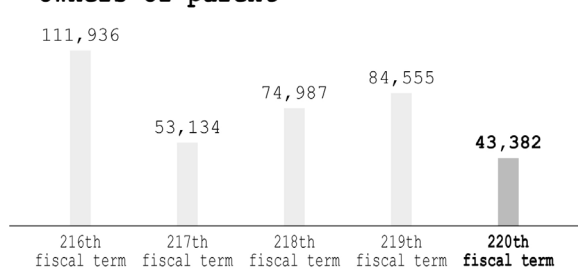
■ Operating profit (Millions of yen)



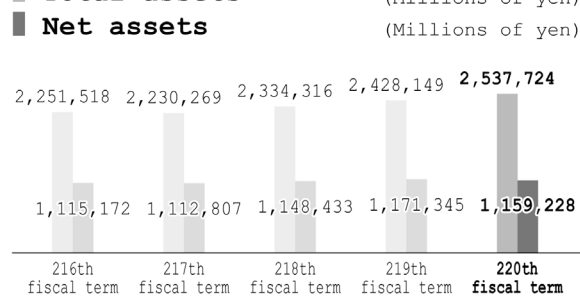
■ Ordinary profit (Millions of yen)



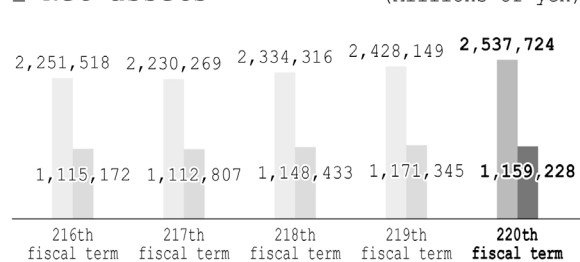
■ Profit attributable to owners of parent (Millions of yen)



■ Total assets (Millions of yen)



■ Net assets (Millions of yen)



(7) Status of Principal Subsidiaries

| Name of the company | The stated capital | Holding ratio of voting rights (%) | Main business activities |
|---|----------------------|------------------------------------|---|
| TOKYO GAS AUSTRALIA PTY LTD. | \$1,654,337 thousand | 100.00 | LNG upstream businesses in Australia |
| Tokyo Gas America Ltd. | \$1,060,080 thousand | 100.00 | LNG upstream businesses, etc. in the Americas |
| Tokyo Gas Asia Pte. Ltd. | S\$178,202 thousand | 100.00 | LNG middle and downstream businesses in Southeast Asia |
| Tokyo Gas Real Estate Co., Ltd. | ¥11,894 million | 100.00 | Real estate development, leasing, management and brokerage |
| Tokyo Gas Engineering Solutions Corporation | ¥10,000 million | 100.00 | Energy service and comprehensive engineering service business |
| 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 |
| Nagano Toshi Gas Inc. | ¥3,800 million | 89.22 | City gas business |
| 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 |
| Captly Co., Ltd. | ¥1,000 million | 60.00 | 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 chemicals |
| Tokyo Gas Lease Co., Ltd. | ¥450 million | 100.00 | Credit administration and leasing in connection with gas appliances and construction |
| TOKYO GAS i NET CORP. | ¥400 million | 100.00 | Information processing service business |
| Nijio Co., Ltd. | ¥47 million | 100.00 | Wholesale of electricity |

- Notes: 1. Tokyo Gas Urban Development Co., Ltd. and Tokyo Gas Site Development Co., Ltd. have integrated operations as of April 1, 2019. The trade name has accordingly been changed to Tokyo Gas Real Estate Co., Ltd.
2. The number of consolidated subsidiaries and equity-method associates including the above 15 principal subsidiaries were 97 companies.

(8) Status of Reorganization, such as Business Assignment and Corporate Separation by Absorption or Corporate Separation by Incorporation

On June 1, 2019, the Company undertook an absorption-type company split, where Tokyo Gas transferred real estate assets mainly used for leasing, and associated real estate business such as development, ownership, maintenance, management, operation, leasing, and sale & purchase to Tokyo Gas Real Estate Co., Ltd. On April 1, 2020, the Company also undertook an absorption-type company split, where Tokyo Gas transferred real estate assets mainly used for offices, office premises, and social welfare facilities, and associated real estate business such as ownership, maintenance, management, operation, leasing, and sale & purchase to Tokyo Gas Real Estate Co., Ltd.

(9) Main Business Offices and Factories (As of March 31, 2020)

1) The Company

| | |
|--|---|
| Head Office | (Minato-ku, Tokyo) |
| Service Branches (Shisha, Shiten and Jigyobu) | Central Service Branch (Meguro-ku, Tokyo) Western Service Branch (Suginami-ku, Tokyo) Tama Service Branch (Tachikawa, Tokyo) Eastern Service Branch (Arakawa-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 (Ushiku, Ibaraki) Gunma Branch Office (Takasaki, Gunma) Kumagaya Branch Office (Kumagaya, Saitama) Utsunomiya Branch Office (Utsunomiya, Tochigi) Sakura Branch Office (Sakura, Chiba) Tsukuba Branch Office (Tsukuba, Ibaraki) Ibaraki Branch Office (Mito, Ibaraki) |
| Pipeline Regional Office | Chuo Pipeline Regional Office (Shinjuku-ku, Tokyo) Seibu Pipeline Regional Office (Setagaya-ku, Tokyo) Tobu Pipeline Regional Office (Arakawa-ku, Tokyo) Hokubu Pipeline Regional Office (Kita-ku, Tokyo) Kanagawa Pipeline Regional Office (Yokohama, Kanagawa) |
| LNG Terminals | Negishi LNG Terminal (Yokohama, Kanagawa) Sodegaura LNG Terminal (Sodegaura, Chiba) Ohgishima LNG Terminal (Yokohama, Kanagawa) Hitachi LNG Terminal (Hitachi, Ibaraki) |

2) Principal subsidiaries

| Name | Location of Head Office | Name | Location of Head Office |
|---|-----------------------------------|-------------------------------|-------------------------|
| TOKYO GAS AUSTRALIA PTY LTD | Perth, Australia | Tokyo LNG Tanker Co., Ltd. | Minato-ku, Tokyo |
| Tokyo Gas America Ltd. | Houston, United States of America | Tokyo Gas Energy Co., Ltd. | Minato-ku, Tokyo |
| Tokyo Gas Asia Pte. Ltd. | Singapore | Captly Co., Ltd. | Sumida-ku, Tokyo |
| Tokyo Gas Real Estate Co., Ltd. | Shinjuku-ku, Tokyo | Tokyo Gas Chemicals Co., Ltd. | Minato-ku, Tokyo |
| Tokyo Gas Engineering Solutions Corporation | Minato-ku, Tokyo | Tokyo Gas Lease Co., Ltd. | Shinjuku-ku, Tokyo |
| Tokyo Gas International Holdings B.V. | Amsterdam, Netherlands | TOKYO GAS i NET CORP. | Minato-ku, Tokyo |
| Ohgishima Power Co., Ltd. | Yokohama, Kanagawa | Nijio Co., Ltd. | Minato-ku, Tokyo |
| Nagano Toshi Gas Inc. | Nagano, Nagano | | |

(10) Status of Employees (As of March 31, 2020)

1) Number of employees in the Group

| Business segment | Number of employees (Change from previous year) | |
|-------------------|--|--------|
| Gas | 6,446 | (-176) |
| Electric power | 318 | (+57) |
| Overseas business | 108 | (-3) |
| Energy-related | 5,164 | (-46) |
| Real Estate | 1,064 | (+4) |
| Other | 2,618 | (+56) |
| Corporate | 873 | (-9) |
| Total | 16,591 | (-117) |

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

2) Number of employees in the Company

| Number of employees (Change from previous year) | Average age (Years) | Average service years |
|--|------------------------|--------------------------|
| 7,215 (-128) | 43.0 | 16.2 |

- 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, 2020)

| Creditor | Balance of borrowings (Millions of yen) |
|--|--|
| Japan Bank for International Cooperation | 72,067 |
| Sumitomo Mitsui Trust Bank, Limited | 42,390 |
| Mizuho Bank, Ltd. | 41,850 |
| Meiji Yasuda Life Insurance Company | 28,000 |
| Shinkin Central Bank | 26,000 |
| Syndicated Loan | 25,000 |
| Sumitomo Life Insurance Company | 20,500 |
| The Dai-ichi Life Insurance Company, Limited | 18,500 |
| MUFG Bank, Ltd. | 17,462 |
| Joyo Bank, Ltd. | 17,000 |

Note: Syndicated loan is a joint-financing instrument with Development Bank of Japan Inc. and Mizuho Bank, Ltd. as managers.

2. Matters Related to Shares of the Company (As of March 31, 2020)

(1) Aggregate number of authorized shares

Common share: 1,300,000,000 shares

(2) Aggregate number of shares issued

Common share: 442,436,059 shares

(3) Share trade unit

100 shares

(4) Number of shareholders

107,077

(5) Major shareholders

| Name of shareholders | Number of shares held (Thousand shares) | Percentage of share ownership (%) |
|---|--|--------------------------------------|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 32,277 | 7.32 |
| Nippon Life Insurance Company | 31,296 | 7.10 |
| The Dai-ichi Life Insurance Company, Limited | 24,094 | 5.46 |
| Japan Trustee Services Bank, Ltd. (Trust Account) | 20,510 | 4.65 |
| Japan Trustee Services Bank, Ltd. (Trust Account 7) | 13,531 | 3.07 |
| Tokyo Gas Group Employees Shareholding Association | 8,491 | 1.93 |
| Japan Trustee Services Bank, Ltd. (Trust Account 5) | 7,831 | 1.78 |
| Fukoku Mutual Life Insurance Company | 7,472 | 1.69 |
| JP MORGAN CHASE BANK 385151 | 7,413 | 1.68 |
| STATE STREET BANK WEST CLIENT-TREATY 505234 | 7,101 | 1.61 |

Note: Percentage of share ownership is calculated by the number of shares excluding treasury share (1,424,746 shares).

(6) Other principal items regarding shares

1) Retirement of treasury shares

Common share: 8,919,700 shares

Total value of retirement: ¥24,272,287,640

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

Common share: 1,424,746 shares

3. Matters Related to Share Option in Kind (As of March 31, 2020)

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, 2020)

| Name | Position | Areas of responsibility in the Company and 'Important concurrent posts' |
|------------------|---|--|
| Michiaki Hirose | Director and Chairman of the Board | |
| Takashi Uchida | Representative Director, President | |
| Masaru Takamatsu | Representative Director, Executive Vice President | Chief Executive of Residential Service Div. |
| Takashi Anamizu | Representative Director, Executive Vice President | Chief Executive of Energy Solution Div. Chief Executive of Power Business Div. |
| Kunio Nohata | Director, Senior Managing Executive Officer | Chief Executive of Global Business Div. |
| Chika Igarashi | Outside Director | Attorney at law of Nishimura & Asahi |
| Hitoshi Saito | Outside Director | Outside Director of GLOBESHIP Corporation |
| Kazunori Takami | Outside Director | Outside Director of Tokyo FM Broadcasting Co., Ltd. Outside Director of Nojima Corporation Outside Director of FUJITA KANKO INC. |
| Junko Edahiro | Outside Director | Representative Director of e's Inc. Director and Chairperson of Change Agent Inc. Professor of Shizenkan University Graduate School of Leadership & Innovation Representative Director of Shimokawa Seeds K.K. |
| Hideaki Arai | Standing Audit & Supervisory Board Member | |
| Isao Nakajima | Standing Audit & Supervisory Board Member | |
| Yoshihiko Morita | Outside Audit & Supervisory Board Member | |
| Masato Nobutoki | Outside Audit & Supervisory Board Member | |
| Sawako Nohara | Outside Audit & Supervisory Board Member | President and Representative Director of IPSe Marketing, Inc. Outside Director of Sampo Holdings, Inc. Outside Director of JAPAN POST BANK Co., Ltd. Member of the Board (Outside) of Daiichi Sankyo Company, Limited |

Notes: 1. Representative Director Takashi Anamizu retired as Representative Director, Executive Vice President on March 31, 2020.
2. Director Kunio Nohata was appointed as Representative Director, Executive Vice President, and his areas of responsibility were changed to Chief Executive of Energy Solution Div., in charge of Sustainability Dept. on April 1, 2020.

3. Standing Audit & Supervisory Board Member Isao Nakajima and Outside Audit & Supervisory Board Member Yoshihiko Morita are highly knowledgeable about financial and accounting matters.
4. The Company has entered into agreements with respective Outside Directors and respective Outside Audit & Supervisory Board Members that limit their liability for damages under Article 423, paragraph 1 of the Companies Act to the amount provided for in Article 425, paragraph 1 of the same Act.
5. There is no special relationship between the Company and the legal persons in kind, in which the outside officers have the important concurrent posts.

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

| Category | Total value of remuneration, etc. (Millions of yen) | Total value of remuneration, etc. by type (Millions of yen) | | | Number of payees (people) |
|---|---|---|---------------------------------|---------|---------------------------|
| | | Fixed remuneration (monthly remuneration) | Performance-linked remuneration | | |
| | | | Monthly remuneration | Bonuses | |
| Directors (excluding Outside Directors) | 331 | 240 | 55 | 34 | 5 |
| Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members) | 74 | 74 | - | - | 3 |
| Outside Directors | 41 | 35 | - | 6 | 6 |
| Outside Audit & Supervisory Board Members | 34 | 34 | - | - | 3 |

- Notes:
1. The above includes two (2) Outside Directors and one (1) Audit & Supervisory Board Member retiring upon the conclusion of the 219th Annual Shareholders Meeting.
 2. The aggregate monthly remuneration payable to all Directors (including Outside 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.
 3. The aggregate monthly remuneration payable to all Audit & Supervisory Board Members (including Outside 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 has set forth its 'Basic Policy on Remuneration' and the Board of 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

| Category | Name | Attendance to the Board of Directors meetings | Attendance to the Audit & Supervisory Board meetings | Status of major activities |
|-------------------|----------------|---|--|--|
| Outside Directors | Chika Igarashi | 12 / 12 (100%) | - | Given her high level of legal expertise built up through many years of experience in corporate legal affairs, broad outlook and in-depth knowledge, Ms. Igarashi provides the Company with a wide variety of opinions on its management operations. |
| | Hitoshi Saito | 10 / 10 (100%) | - | Given his cosmopolitan outlook he has acquired in overseas businesses in the real estate industry, as well as the management capabilities, broad outlook and in-depth knowledge he has acquired through a wide range of business development, Mr. Saito provides the Company with a wide variety of opinions on its management operations. |

| Category | Name | Attendance to the Board of Directors meetings | Attendance to the Audit & Supervisory Board meetings | Status of major activities |
|---|------------------|---|--|---|
| | Kazunori Takami | 10 / 10 (100%) | - | Given his management capabilities, broad outlook and in-depth knowledge he has acquired through a wide range of business development in the electrical industry, Mr. Takami provides the Company with a wide variety of opinions on its management operations. |
| | Junko Edahiro | 10 / 10 (100%) | - | Given her experience as a corporate manager, advanced specialization related to environment and in-depth knowledge, Ms. Edahiro provides the Company with a wide variety of opinions on its management operations. |
| Outside Audit & Supervisory Board Members | Yoshihiko Morita | 12 / 12 (100%) | 12 / 12 (100%) | 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. |
| | Masato Nobutoki | 12 / 12 (100%) | 12 / 12 (100%) | Given the abundant experience and deep insight as a company employee and as a public officer of a local government agency, Mr. Nobutoki offers appropriate opinions both at meetings of the Board of Directors and the Audit & Supervisory Board. |
| | Sawako Nohara | 12 / 12 (100%) | 12 / 12 (100%) | Given the experience as a corporate manager and advanced specialization and in-depth knowledge related to IT, Ms. Nohara offers appropriate opinions both at meetings of the Board of Directors and the Audit & Supervisory Board. |

- Notes: 1. The Company designates respective Outside Directors and respective Outside Audit & Supervisory Board Members as the 'Independent Officers,' who will not have conflicting interests with general shareholders, and notified them to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).
2. For Hitoshi Saito, Kazunori Takami, and Junko Edahiro, the status of attendance after their appointment in June 2019 is stated.

5. Matters Related to 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

(Millions of yen)

| Category | Compensation for audit services | Compensation for non-audit services |
|---------------------------|---------------------------------|-------------------------------------|
| The Company | 128 | 9 |
| Consolidated subsidiaries | 133 | 6 |
| Total | 262 | 15 |

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 of the Company's compensation for auditing services also includes payments for auditing services based on the Financial Instruments and Exchange Act, etc.

2. The Audit & Supervisory Board discussed the amount of remuneration by taking into account, for example, the details of the audit plan prepared by the Accounting Auditor with respect to the Company's accounting audit, the basis of calculating remuneration and the past audit results, and then reached an agreement in accordance with Article 399 of the Companies Act.

3. Of the principal subsidiaries of the Company, TOKYO GAS AUSTRALIA PTY LTD, Tokyo Gas America Ltd., Tokyo Gas Asia Pte. 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 non-audit services such as drafting of comfort letters relating to issuance of unsecured bonds, and services relating to statements of income and expenditure for Wheeling Service.

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

The Audit & Supervisory Board dismisses the Accounting Auditor with the consent of all the Audit & Supervisory Board Members if the Accounting Auditor is found to fall under any of the items of Article 340, Paragraph 1 of the Companies Act. In that case, the fact that the Accounting Auditor was dismissed and the reason for the dismissal are reported at the first Shareholders Meeting convened after the dismissal of the Accounting Auditor.

In addition, the Audit & Supervisory Board comprehensively evaluates the independence, expertise, quality control, etc. of the Accounting Auditor. If it is deemed necessary, such as when it is deemed difficult for the Accounting Auditor to perform its duties appropriately, the Audit & Supervisory Board determines the content of the proposal for the dismissal or non-reappointment of the Accounting Auditor to be submitted to the Shareholders Meeting.

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

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 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 and society.

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 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 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, 2020

(Millions of yen)

| ASSETS | |
|---|------------------|
| Non-current Assets | 1,975,292 |
| Property, plant and equipment | 1,459,377 |
| Production facilities | 224,515 |
| Distribution facilities | 548,095 |
| Service and maintenance facilities | 48,492 |
| Other facilities | 475,093 |
| Inactive facilities | 316 |
| Construction in progress | 162,862 |
| Intangible assets | 154,084 |
| Goodwill | 16,269 |
| Other intangible assets | 137,814 |
| Investments and other assets | 361,831 |
| Investment securities | 216,052 |
| Long-term loans receivable | 50,615 |
| Retirement benefit asset | 29 |
| Deferred tax assets | 49,132 |
| Other investments and other assets | 46,407 |
| Allowance for doubtful accounts | (405) |
| Current Assets | 562,431 |
| Cash and deposits | 151,288 |
| Notes and accounts receivable-trade | 221,123 |
| Lease receivables and investments in leases | 20,363 |
| Merchandise and finished goods | 1,905 |
| Work in process | 11,868 |
| Raw materials and supplies | 64,703 |
| Other current assets | 91,748 |
| Allowance for doubtful accounts | (570) |
| Total Assets | 2,537,724 |

(Millions of yen)

| LIABILITIES AND NET ASSETS | |
|---|-----------|
| LIABILITIES | |
| Non-current Liabilities | 1,008,730 |
| Bonds payable | 404,998 |
| Long-term borrowings | 429,541 |
| Deferred tax liabilities | 18,531 |
| Retirement benefit liability | 71,976 |
| Provision for gas holder repairs | 3,122 |
| Provision for safety measures | 593 |
| Provision for appliance warranties..... | 12,985 |
| Provision for point service program | 1,000 |
| Asset retirement obligations | 14,424 |
| Other non-current liabilities | 51,555 |
| Current Liabilities | 369,765 |
| Current portion of non-current liabilities | 54,428 |
| Notes and accounts payable-trade | 78,593 |
| Short-term borrowings | 6,507 |
| Income taxes payable | 29,708 |
| Other current liabilities | 200,527 |
| Total Liabilities | 1,378,495 |
| NET ASSETS | |
| Shareholders' Equity | 1,107,844 |
| Capital stock | 141,844 |
| Capital surplus | 2,067 |
| Retained earnings | 967,808 |
| Treasury shares | (3,875) |
| Accumulated Other Comprehensive Income | 39,992 |
| Valuation difference on available-for-sale securities | 15,843 |
| Deferred gains or losses on hedges | 1,444 |
| Foreign currency translation adjustment | 22,412 |
| Remeasurements of defined benefit plans | 292 |
| Non-controlling interests | 11,391 |
| Total Net Assets | 1,159,228 |
| Total Liabilities and Net Assets | 2,537,724 |

Consolidated Statement of Income
From April 1, 2019 to March 31, 2020

| | (Millions of yen) |
|--|-------------------|
| Net sales | 1,925,235 |
| Cost of sales | 1,343,965 |
| [Gross profit] | [581,269] |
| Supply and sales expenses | 408,857 |
| General and administrative expenses | 70,903 |
| [Operating profit] | [101,508] |
| Non-operating income | 20,429 |
| Interest income | 2,330 |
| Dividend income | 5,433 |
| Share of profit of entities accounted for using equity method .. | 5,211 |
| Miscellaneous income | 7,453 |
| Non-operating expenses | 19,202 |
| Interest expenses | 11,412 |
| Balance on commissioned construction | 2,151 |
| Miscellaneous expenses | 5,637 |
| [Ordinary profit] | [102,735] |
| Extraordinary income | 11,627 |
| Gain on settlement of contract | 11,627 |
| Extraordinary losses | 46,796 |
| Impairment loss | 28,152 |
| Loss on valuation of investment securities | 18,643 |
| [Profit before income taxes] | [67,566] |
| Income taxes - current | 31,196 |
| Income taxes - deferred | (7,197) |
| Profit | 43,567 |
| Profit attributable to non-controlling interests | 184 |
| Profit attributable to owners of parent | 43,382 |

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

Non-Consolidated Balance Sheet

As of March 31, 2020

(Millions of yen)

| ASSETS | |
|--|------------------|
| Non-current Assets | 1,666,843 |
| Property, plant and equipment | 903,890 |
| Production facilities | 228,801 |
| Distribution facilities | 541,353 |
| Service and maintenance facilities | 45,482 |
| Facilities for incidental businesses | 5,461 |
| Inactive facilities | 316 |
| Construction in progress | 82,475 |
| Intangible assets | 123,608 |
| Patent right | 10 |
| Leasehold interests in land | 1,805 |
| Goodwill | 86 |
| Other intangible assets | 121,706 |
| Investments and other assets | 639,344 |
| Investment securities | 54,421 |
| Investments in subsidiaries and associates | 375,889 |
| Long-term loans receivable | 35 |
| Long-term loans receivable from subsidiaries and associates | 156,738 |
| Investments in capital | 13 |
| Long-term prepaid expenses | 14,956 |
| Deferred tax assets | 29,943 |
| Other investments and other assets | 7,789 |
| Allowance for doubtful accounts | (442) |
| Current Assets | 427,650 |
| Cash and deposits | 84,563 |
| Notes receivable - trade | 1,785 |
| Accounts receivable - trade | 148,758 |
| Accounts receivable from subsidiaries and associates - trade | 44,284 |
| Accounts receivable - other | 7,077 |
| Finished goods | 94 |
| Raw materials | 36,937 |
| Supplies | 11,456 |
| Advance payments | 1,162 |
| Prepaid expenses | 1,606 |
| Short-term receivables from subsidiaries and associates | 34,327 |
| Other current assets | 56,234 |
| Allowance for doubtful accounts | (638) |
| Total Assets | 2,094,493 |

(Millions of yen)

| LIABILITIES AND NET ASSETS | |
|---|------------------|
| LIABILITIES | |
| Non-current Liabilities | 847,114 |
| Bonds payable | 404,998 |
| Long-term borrowings | 341,932 |
| Long-term debt to subsidiaries and associates | 0 |
| Provision for retirement benefits | 64,656 |
| Provision for gas holder repairs | 2,695 |
| Provision for safety measures | 593 |
| Provision for appliance warranties | 12,985 |
| Provision for point service program | 1,000 |
| Asset retirement obligations | 318 |
| Other non-current liabilities | 17,933 |
| Current Liabilities | 428,946 |
| Current portion of non-current liabilities | 45,968 |
| Accounts payable - trade | 45,492 |
| Accounts payable - other | 55,912 |
| Accrued expenses | 49,115 |
| Income taxes payable | 22,574 |
| Advances received | 7,743 |
| Deposits received | 1,482 |
| Short-term loans payable from subsidiaries and associates | 119,501 |
| Short-term debt to subsidiaries and associates | 63,082 |
| Asset retirement obligations | 411 |
| Other | 17,662 |
| Total Liabilities | 1,276,060 |
| NET ASSETS | |
| Shareholders' Equity | 812,473 |
| Capital stock | 141,844 |
| Capital stock | 141,844 |
| Capital surplus | 2,065 |
| Legal capital surplus | 2,065 |
| Retained earnings | 672,439 |
| Legal retained earnings | 35,454 |
| Other retained earnings | 636,985 |
| Reserve for advanced depreciation of non-current assets..... | 6,013 |
| Reserve for overseas investment loss..... | 4,393 |
| Reserve for adjustment of cost fluctuations..... | 141,000 |
| General reserve..... | 339,000 |
| Retained earnings brought forward..... | 146,578 |
| Treasury shares | (3,875) |
| Treasury shares | (3,875) |
| Valuation and Translation Adjustments | 5,959 |
| Valuation difference on available-for-sale securities | 15,287 |
| Valuation difference on available-for-sale securities | 15,287 |
| Deferred gains or losses on hedges | (9,327) |
| Deferred gains or losses on hedges | (9,327) |
| Total Net Assets | 818,433 |
| Total Liabilities and Net Assets | 2,094,493 |

Non-Consolidated Statement of Income

From April 1, 2019 to March 31, 2020

(Millions of yen)

| | |
|---|------------------|
| Gas business sales | 1,106,506 |
| Gas sales | 1,071,736 |
| Third party access revenue | 27,567 |
| Revenue from interoperator settlement | 7,202 |
| Cost of sales | 652,148 |
| Beginning inventories | 113 |
| Cost of products manufactured | 643,530 |
| Purchase of finished goods | 10,385 |
| Costs of gas for own use | 1,786 |
| Ending inventories | 94 |
| [Gross profit] | [454,357] |
| Supply and sales expenses | 355,373 |
| General and administrative expenses | 72,965 |
| [Income on core business] | [26,018] |
| Miscellaneous operating revenue | 161,361 |
| Revenue from installation work | 42,437 |
| Other miscellaneous operating revenue | 118,923 |
| Miscellaneous operating expenses | 135,921 |
| Expenses of installation work | 41,565 |
| Other miscellaneous operating expenses | 94,355 |
| Revenue for incidental businesses | 520,107 |
| Expenses for incidental businesses | 509,521 |
| [Operating profit] | [62,044] |
| Non-operating income | 24,283 |
| Interest income | 418 |
| Dividend income | 1,730 |
| Dividends from subsidiaries and associates | 12,181 |
| Rent income | 3,553 |
| Miscellaneous income | 6,399 |
| Non-operating expenses | 17,986 |
| Interest expenses | 4,065 |
| Interest on bonds | 5,286 |
| Amortization of bond issuance cost | 472 |
| Adjustments of charges for construction of distribution facilities | 2,181 |
| Miscellaneous expenses | 5,980 |
| [Ordinary profit] | [68,342] |
| Extraordinary income | 9,689 |
| Gain on settlement of contract | 9,689 |
| Extraordinary losses | 2,040 |
| Loss on valuation of investment securities | 2,040 |
| [Profit before income taxes] | [75,991] |
| Income taxes - current | 20,488 |
| Income taxes - deferred | (1,200) |
| Profit | 56,703 |

Independent Auditor's Report

May 14, 2020

The Board of Directors of
Tokyo Gas Co., Ltd.:

KPMG AZSA LLC
Tokyo Office, Japan

Michitaka Shishido (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Toshiyuki Tamura (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yoshihiro Uehara (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the related notes of Tokyo Gas Co., Ltd. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2020 and for the year from April 1, 2019 to March 31, 2020 in accordance with Article 444-4 of the Companies Act.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We

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

Responsibilities of Management and Corporate auditors and the board of corporate auditors 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 misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the

effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to 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 for the conveniences of the reader.

Independent Auditor's Report

May 14, 2020

To the Board of Directors of
Tokyo Gas Co., Ltd.:

KPMG AZSA LLC
Tokyo Office, Japan

Michitaka Shishido (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Toshiyuki Tamura (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yoshihiro Uehara (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in equity and the related notes, and the supplementary schedules of Tokyo Gas Co., Ltd. ("the Company") as at March 31, 2020 and for the year from April 1, 2019 to March 31, 2020 in accordance with Article 436-2-1 of the Companies Act.

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 the Company for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements and Others section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors 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 misstatement, whether due to fraud or error.

In preparing the financial statements and the supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and Others

Our objectives are to obtain reasonable assurance about whether the financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the supplementary schedules. As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the supplementary schedules, including the disclosures, and whether the financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

AUDIT REPORT

The Audit & Supervisory Board (the 'Board'), having deliberated on the audit reports prepared by each Audit & Supervisory Board Members on the execution of the duties of Directors for the 220th business year from April 1, 2019 to March 31, 2020, 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 strived to maintain an environment for information gathering and auditing, and 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, requested explanations as needed, inspected important decision-making documents, etc., as appropriate, 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 received reports of subsidiaries' operations by maintaining proper communication with subsidiaries' Directors, Audit & Supervisory Board Members, etc. and physically visiting some of them as necessary.

2) With respect to 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 corporate group consisting of a joint-stock corporation and its subsidiaries, and also the corporate structure and system (internal control system) put in place by the said resolutions, which are described in the business report, Audit & Supervisory Board Members and the Board debriefed Directors and employees on the status of the establishment and management of the corporate structure and system, requested explanations as needed, and made opinions.

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 on the Management Principles and Control of the Tokyo Gas Group,' 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 monitored and verified whether or not the Independent Auditors had maintained their independent positions and had conducted appropriate audits, 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 and its supporting schedules, 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, etc.

- 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 descriptions in the Business Report and execution by Directors of their duties related to the said internal control system, including the internal control covering financial reporting, have no specific problems which have to be pointed out.
- 4) The contents of 'Basic Policy on the Management Principles and Control of the Tokyo Gas Group' 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.

The Audit & Supervisory Board will closely monitor future initiatives based on the 'The Group's current policy for response to the new coronavirus pandemic' described in the Business Report.

May 18, 2020

| | |
|---|---|
| Tokyo Gas Co., Ltd. Audit & Supervisory Board | |
| Hideaki Arai | Standing Audit & Supervisory Board Member |
| Isao Nakajima | Standing Audit & Supervisory Board Member |
| Yoshihiko Morita | Outside Audit & Supervisory Board Member |
| Masato Nobutoki | Outside Audit & Supervisory Board Member |
| Sawako Nohara | Outside Audit & Supervisory Board Member |