

Basic Policy on Corporate Governance

Tokyo Gas Co., Ltd.

Chapter I. GENERAL PROVISIONS

Article 1. (Purpose)

This Basic Policy sets forth basic matters related to corporate governance at Tokyo Gas Co., Ltd. (hereinafter the “Company”) in order to achieve sustainable growth and enhance corporate value over the medium to long term for the Company and the Tokyo Gas Group.

Article 2. (Basic Views on Corporate Governance)

In line with its “Management Philosophy,” the Company shall aim to enhance its corporate governance systems, endeavoring to develop systems with a commitment to management legality, soundness, and transparency, as well as emphasizing the importance of accurate and prompt decision-making, efficient business execution, strengthening of monitoring and auditing functions, and clarification of management and execution responsibilities.

Chapter II. CORPORATE GOVERNANCE SYSTEMS AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS, ETC.

Section 1. Overview of Corporate Governance Systems

Article 3. (Overview of the Corporate Governance Systems)

As a company with nominating committee, etc., the Company shall establish a Nominating Committee, Audit Committee, and Compensation Committee. The Board of Directors shall make decisions on basic management policies, etc., and supervise the execution of duties by the Corporate Executive Officers, etc., and delegate decisions on important business operations to the Corporate Executive Officers to ensure accurate and prompt decision-making and efficient business operations. Executive Officers shall be put in place for the purpose of ensuring prompt and reliable execution of duties by the Corporate Executive Officers.

Section 2. The Board of Directors and Directors

Article 4. (Roles of the Board of Directors)

The Board of Directors shall, in accordance with the Regulations of the Board of Directors in addition to the laws and regulations and the Articles of Incorporation, make decisions on management policies, management plans, and other important management matters of the Company and supervise the execution of business. Much of the authority related to business execution shall be delegated to the Corporate Executive Officers in order to ensure that decisions related to business execution are made accurately and promptly.

Article 5. (Composition of the Board of Directors)

The number of Directors shall be not more than 15, and in principle, at least half of the Directors shall be Outside Directors.

Article 6. (Analysis and Evaluation of the Effectiveness of the Board of Directors)

The Board of Directors shall analyze and evaluate the effectiveness of the Board of Directors by means of self-evaluation and other methods every year, and shall disclose a summary of the results.

Article 7. (Appointment of Directors)

1. Directors shall be persons with a wealth of experience, a high level of insight, and a great amount of expertise. Outside Directors shall be persons who have perspectives on corporate management, social and economic trends, and international affairs, and who meet the "Independence Standards for Outside Directors" prescribed by the Company.
2. The Board of Directors shall disclose the reasons for the selection of candidates for Directors and the designation of Independent Officers of candidates for Outside Directors based on the decision of the Nominating Committee.

Article 8. (Term of Office of Directors)

The term of office of a Director shall expire at the conclusion of the annual shareholders meeting for the business year ending within one (1) year from the Director's appointment of office.

Article 9. (Selection and Dismissal of Senior Management)

1. The Executive Officer and President (CEO) shall be a person who has sufficient experience and achievements as a corporate manager, the ability to make changes and decisions in response to changes in the environment, the ability to make decisions and take control in an emergent situation, and the ability to fulfill the public interest mission and social responsibility.
2. The Executive Officer and President (CEO) shall be dismissed when they no longer satisfy the selection standards set forth in paragraph 1 of this Article, such as when they commit an act that is contrary to public policy, damage corporate value by neglecting their duties, or when it becomes difficult for them to continue their duties.
3. The Board of Directors shall decide on the selection and dismissal of the Executive Officer and President (CEO) after deliberation by the Nominating Committee, and shall disclose the reasons therefor.
4. The Executive Officer and President (CEO) shall determine the commission of the Executive Officers and matters related to the Executive Officers.

Section 3. Nominating Committee

Article 10. (Roles of the Nominating Committee)

The Nominating Committee shall determine the contents of proposals to be submitted to the shareholders meetings concerning the appointment and dismissal of Directors and the contents of proposals to be submitted to the Board of Directors concerning the Corporate Executive Officers.

Article 11. (Composition of the Nominating Committee)

The Nominating Committee shall have not more than six (6) members selected by a resolution of the Board of Directors from among the Directors. The Nominating Committee shall have a Chairperson who shall be selected by a resolution of the Board of Directors from among the Outside Directors who are members of the Committee.

Section 4. Audit Committee

Article 12. (Roles of the Audit Committee)

The Audit Committee shall audit the execution of duties by Corporate Executive Officers, etc., and prepare audit reports. The Audit Committee shall also determine the contents of proposals to be submitted to the shareholders meetings concerning the appointment and dismissal and refusal of reappointment of financial auditors.

Article 13. (Composition of the Audit Committee)

The Audit Committee shall have not more than six (6) members selected by a resolution of the Board of Directors from among the Directors. The Audit Committee shall have a Chairperson who shall be selected by a resolution of the Board of Directors from among the Outside Directors who are members of the Committee.

Section 5. Compensation Committee

Article 14. (Roles of the Compensation Committee)

The Compensation Committee shall determine the policy on compensation, etc., for each individual Corporate Executive Officer, etc., and the details of compensation, etc., for each individual Corporate Executive Officer, etc.

Article 15. (Composition of the Compensation Committee)

The Compensation Committee shall have not more than six (6) members selected by a resolution of the Board of Directors from among the Directors. The Compensation Committee shall have a Chairperson who shall be selected by a resolution of the Board of Directors from among the Outside Directors who are members of the Committee.

Section 6. Compensation for Officers

Article 16. (Compensation for Officers)

Compensation for officers shall be determined in accordance with the "Basic Policy on Compensation for Officers" established by the Compensation Committee.

Section 7. Training of Directors

Article 17. (Training of Directors)

The Company shall provide Directors with opportunities to learn about the responsibilities of Directors at the time of their appointment, and provide and support courses to update their knowledge during their term of office. The Company shall provide Outside Directors with information, etc., on the Group's business, finance, organization, etc., on a regular basis.

Chapter III. ENSURING THE RIGHTS AND EQUALITY OF SHAREHOLDERS AND DIALOGUE WITH

SHAREHOLDERS

Article 18. (Policy)

The Company shall make efforts to create an environment for the appropriate exercise of rights so that the rights and equality of shareholders are substantially ensured. In order to contribute to the sustainable growth of the Company and the enhancement of its corporate value over the medium to long term, the Company shall establish a system for constructive dialogue with shareholders outside the shareholders meetings.

Article 19. (Shareholders Meeting)

1. The Company shall recognize that the shareholders meeting is the highest decision-making body of the Company and that it is an important forum for constructive dialogue with shareholders, and shall provide a sufficient environment to ensure that shareholders' intentions are appropriately reflected in the Company's management.
2. The Company shall make every effort to send out the convocation notice as early as possible so that shareholders can have sufficient time to consider the shareholders meeting proposals, and shall make an announcement by electronic means prior to sending out the convocation notice.
3. The Company shall set the date, etc., of the shareholders meeting appropriately to make possible constructive dialogue with shareholders.

Article 20. (Dialogue with Shareholders)

The Company shall establish and implement the following systems and initiatives to promote constructive dialogue with shareholders:

- The management team members in charge of dialogue with shareholders shall be the Corporate Executive Officers/Executive Officers in charge of general affairs.
- The Company shall closely share information among departments that assist in dialogue.
- The Company shall actively engage in dialogue through opportunities such as investor briefings and IR activities.
- The content of dialogue with shareholders shall be periodically fed back to the management team for use in enhancing corporate value.
- The Company shall make every effort to prevent the leak of insider information when engaging in dialogue with shareholders.

Article 21. (Cross-Shareholdings)

1. Every year, the Board of Directors shall review the appropriateness of holding individual shares held for cross-shareholding purposes by verifying whether or not the purpose of holding such shares is appropriate and whether or not such holding will contribute to the maintenance and improvement of the Company's corporate value over the medium to long term, etc. If, as a result of the review, it is determined that there is little rationality or necessity to hold such shares, the Company shall proceed to sell the shares in a timely and appropriate manner.
2. Exercise of voting rights in relation to cross-shareholdings shall be based on the perspective of whether or not the exercise of voting rights contributes to the maintenance and improvement of the corporate value of the Company and the relevant company, taking into consideration the content of the relevant company's proposals and the status of its financial results, and shall independently determine whether or not to approve or disapprove the proposals.

Article 22. (Transactions with Related Parties)

The Company shall establish and monitor appropriate procedures to ensure that transactions with related parties (Directors, etc.) do not harm the interests of the Company and its shareholders.

Chapter IV. COLLABORATION WITH STAKEHOLDERS OTHER THAN SHAREHOLDERS

Article 23. (Policy)

The Company shall manage its business in consideration of various stakeholders, and make every effort to build good relationships and collaborate appropriately.

Article 24. (Code of Conduct)

The Company shall establish the "Our Code of Conduct," which is a code of conduct for individuals based on the Management Philosophy, and shall periodically report to the management team on the status of response and other matters.

Article 25. (Response to Issues Related to Sustainability)

The Company shall respond appropriately to issues related to sustainability, including social and environmental issues, and shall periodically report to the management team on the status of response to these issues.

Article 26. (Ensuring Diversity within the Company)

For the purpose of its sustainable growth, the Company shall promote the activities of diverse human resources and create an environment in which each employee can maximize their abilities and characteristics.

Article 27. (Internal Reporting)

The Company shall establish internal reporting/consultation service counters within and outside the Group that are independent of the management team. In addition, no disadvantageous treatment shall be imposed on anyone for using such service counters.

Article 28. (Corporate Pension)

For the purpose of providing stable pension benefits to beneficiaries, the Company shall systematically appoint and assign several persons in charge of fund management to the finance department to improve expertise. Efforts shall be made for appropriate operation and management by monitoring the investment status by the Asset Management Committee, which consists of representatives from the accounting and finance and human resources departments, and by utilizing external consultants.

Chapter V. APPROPRIATE INFORMATION DISCLOSURE AND ENSURING TRANSPARENCY

Article 29. (Information Disclosure)

The Company shall disclose material facts in a timely and appropriate manner in accordance with the provisions of laws and regulations and the Securities Listing Regulations established by the stock exchanges on which it is listed, and shall also disclose information that is useful to society, customers,

shareholders and investors in a fair, timely and appropriate manner.