

Basic Policy on Corporate Governance

TOKYO GAS CO., LTD.

Chapter I GENERAL PROVISIONS

Article 1 (Purpose)

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

Article 2 (Basic Views on Corporate Governance)

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 executions, strengthening of monitoring and auditing functions, and clarification of management and executive responsibilities.

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

Section 1 Overview of Corporate Governance Systems

Article 3 (Overview of Corporate Governance Systems)

The Company’s Board of Directors shall supervise important management decision-making and business execution, and as a company with Audit & Supervisory Board, the Company’s Audit & Supervisory Board Members and Audit & Supervisory Board shall operate independently of the Board of Directors to audit matters such as the execution of duties by Directors. In addition, the Company shall adopt an Executive Officer system in order to separate management decision-making and supervision from business execution and to ensure that business execution is efficient and decision-making regarding business execution is accurate and prompt. Furthermore, the Company shall also establish an Advisory Committee in order to realize expert deliberations that take into consideration transparency in regard to the appropriateness and soundness of Officer election, remuneration, and the like.

Section 2 Board of Directors and Directors

Article 4 (Role of Board of Directors)

The Board of Directors shall make important decisions relating to management of the Company, including management strategies and plans, and shall supervise business execution, as prescribed in the relevant acts, the Articles of Incorporation, and other rules and regulations. To ensure accurate and prompt decision-making in connection with business execution, the Board of Directors shall delegate most of its business execution-related authority to Executive Officers.

Article 5 (Composition of Board of Directors)

The maximum number of Directors at the Company shall be 15, and at least one third of its members shall be Outside Directors.

Article 6 (Analysis and Evaluation of Board of Directors' Effectiveness)

The Board of Directors shall analyze and evaluate its effectiveness each year using self-evaluations and other means and disclose a summary of the results.

Article 7 (Election of Directors)

1. Directors shall be individuals who possess abundant experience, in-depth knowledge, and a high level of expertise. Outside Directors shall be individuals who have a perspective regarding matters including corporate management, social and economic trends, and international affairs. They shall also be required to meet the Company's Independence Standards for Outside Officers.
2. The selection of nominees for the position of Director, and the designation of Independent Officers among the nominees for Outside Directors, shall be resolved by the Board of Directors after they are deliberated upon at the Advisory Committee, and the reasons thereof shall be disclosed.

Article 8 (Term of Office of a Director)

The term of office of a Director shall expire at the conclusion of the Annual Shareholders Meeting for the latest business year ending within one year from his/her appointment of office.

Article 9 (Selection and Dismissal of Executives)

1. The Chairman and President shall have sufficient experience and achievements as managers, possess the decision-making capabilities and flexibility to respond to changes in the business environment, as well as the judgement and leadership abilities to enable swift action in times of emergency, and be individuals who can fulfill the Company's mission toward the public and social responsibilities.
2. If the Chairman or President becomes unable to meet the selection criteria as prescribed in paragraph 1 of this article, such as in the cases that they commit actions that violate public order and standards of decency, or damage corporate value due to negligence in their duties, or have difficulty continuing their duties, they shall be dismissed.
3. The selection and dismissal of a Chairman or President shall be resolved by the Board of Directors after they are deliberated upon at the Advisory Committee, and the reasons thereof shall be disclosed.

Section 3 Audit & Supervisory Board and Audit & Supervisory Board Members

Article 10 (Role of Audit & Supervisory Board Members and Audit & Supervisory Board)

Audit & Supervisory Board Members and the Audit & Supervisory Board shall audit the execution of duties by Directors among other matters. They shall do so through such means as requesting business reports from the Company and its subsidiaries in accordance with the relevant acts, conducting research into operations and assets, and exercising their authority, including the authority to appoint or dismiss the Accounting Auditors.

Article 11 (Composition of Audit & Supervisory Board)

The maximum number of Audit & Supervisory Board Members at the Company shall be five, and at least half of its members shall be Outside Audit & Supervisory Board Members. Moreover, in order to ensure the effectiveness of auditing by Audit & Supervisory Board Members, one or more individuals shall possess a substantial degree of knowledge about finance and accounting.

Article 12 (Election of Audit & Supervisory Board Members)

1. Audit & Supervisory Board Members shall be individuals who possess abundant experience, in-depth knowledge, and a high level of expertise required for auditing. Outside Audit & Supervisory Board Members shall be individuals who possess a neutral, objective perspective. They shall also be required to meet the Company's Independence Standards for Outside Officers.
2. The selection of nominees for the position of Audit & Supervisory Board Members, and the designation of Independent Officers among the nominees for Outside Audit & Supervisory Board Members, shall be resolved by the Board of Directors after they are deliberated upon at the Advisory Committee and approved by the Audit & Supervisory Board, and the reasons thereof shall be disclosed.

Article 13 (Term of Office of an Audit & Supervisory Board Member)

The term of office of an Audit & Supervisory Board Member shall expire at the conclusion of the Annual Shareholders Meeting for the latest business year ending within four years from his/her appointment of office.

Section 4 Officer Remuneration

Article 14 (Officer Remuneration)

Officer remuneration shall be determined by the Board of Directors following deliberations by the Advisory Committee, based on the Basic Policy on Officer Remuneration set forth by the Board of Directors.

Section 5 Advisory Committee

Article 15 (Role of Advisory Committee)

The Advisory Committee shall deliberate on matters concerning the process of selecting and appointing Officers, and on Officer remuneration, etc. that the Board of Directors refers to it.

Article 16 (Composition of Advisory Committee)

The Advisory Committee shall comprise a maximum of five members, consisting of the Director and Chairman, the Director and President, and Officers selected by the Board of Directors; and over half of its members shall be Outside Officers. Moreover, the committee's chairperson shall be appointed by the Board of Directors from among the committee's Outside Officer members.

Section 6 Training of Directors and Audit & Supervisory Board Members

Article 17 (Training of Directors and Audit & Supervisory Board Members)

When Directors and Audit & Supervisory Board Members assume their positions, the Company shall provide them with training opportunities to help them understand their responsibilities. The Company shall also provide training courses and other programs, for which it offers financial support, to enable Directors and Audit & Supervisory Board Members to update their knowledge while in office. The Company shall periodically provide Outside Directors and Outside Audit & Supervisory Board Members with information on the Tokyo Gas Group's business, finances, organization, and other matters.

Section 7 Executive Officer

Article 18 (Commissioning of Executive Officers)

1. Executive Officers shall be individuals who can realize accurate and swift decision-making regarding business execution and efficient business execution.
2. The Board of Directors shall decide the commissioning of Executive Officers and disclose the reasons thereof.

Chapter III SECURING THE RIGHTS AND EQUAL TREATMENT OF SHAREHOLDERS, AND DIALOGUE WITH SHAREHOLDERS

Article 19 (Policy)

The Company shall work to develop an environment in which shareholders can exercise their rights appropriately so that the rights and equal treatment of shareholders are substantially secured. In addition, the Company shall put in place an organizational structure for constructive dialogue with shareholders outside of Shareholders Meetings in order to contribute to sustainable growth and enhanced corporate value for the Company over the medium and long term.

Article 20 (Shareholders Meeting)

1. The Company shall recognize that the Shareholders Meeting is its highest decision-making organ and an important forum for constructive dialogue with shareholders. Accordingly, the Company shall take adequate measures to develop an environment in which the intent of the shareholders is appropriately reflected in the Company's management.
2. To ensure adequate time for shareholders to consider Shareholders Meeting proposals, the Company shall endeavor to send out its notices of convocation early and to publish the notices of convocation by electronic means before sending them out.
3. The Company shall set the dates and other details of Shareholders Meetings appropriately to enable constructive dialogue with shareholders to take place.

Article 21 (Dialogue with Shareholders)

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

- The management responsible for overseeing dialogue with shareholders shall be the Executive Officer in charge of general administration.
- Information shall be closely shared between units that support such dialogue with shareholders.
- The Company shall conduct dialogue actively via investor briefings, IR activities, and by other means.
- The content of dialogue with shareholders shall be periodically fed back to the management and put to use in enhancing corporate value.
- The Company shall endeavor to prevent insider information from being leaked when conducting dialogue with shareholders.

Article 22 (Cross-Shareholdings)

1. Each year, the Board of Directors shall verify the propriety of holding individual cross-shareholdings held by the Company based on a confirmation of whether there is an appropriate purpose for holding them, whether they contribute to maintaining and enhancing the Company's corporate value in the medium to long term, and other factors. In cases where, as a result of these verifications, the rationality and necessity of holding a cross-shareholding are judged to be low, said shareholdings shall be sold in a timely and appropriate manner.
2. When exercising its voting rights with respect to cross-shareholdings, the Company shall consider the content of proposals by the companies in question as well as their financial results before independently deciding whether to approve proposals with reference as to whether it will contribute to maintaining and enhancing corporate value of the Company and said company in question.

Article 23 (Related Party Transactions)

The Company shall establish appropriate procedures and monitor transactions with its Directors or other related parties to ensure that the interests of the Company and its shareholders are not harmed.

Chapter IV COOPERATION WITH STAKEHOLDERS OTHER THAN SHAREHOLDERS

Article 24 (Policy)

The Company shall endeavor to cooperate appropriately with a range of stakeholders, conducting management that takes such stakeholders into account and building good relationships with them.

Article 25 (Rules of Behavior)

The Company shall establish the Corporate Action Philosophy as a code of conduct at the corporate level, as well as Our Code of Conduct as a code of conduct for individuals based on the Corporate Action Philosophy. Progress in complying with these codes of conduct shall be reported to the management periodically.

Article 26 (Measures to Address Sustainability Issues)

The Company shall take appropriate measures to address sustainability issues, including social and environmental matters. Progress in addressing these issues shall be reported to the management periodically.

Article 27 (Ensuring Diversity in the Workplace)

In order to grow sustainably, the Company shall promote the success of a diverse pool of human resources and improve the working environment so that each and every employee can maximize his/her capabilities and characteristics.

Article 28 (Whistle-Blowing)

The Company shall establish a point of contact for whistle-blowing that is independent of the management. The Company shall also establish and apply rules to secure the confidentiality of the information provider and prohibit any disadvantageous treatment.

Article 29 (Corporate Pension Fund)

In order to provide stable pension benefits to recipients, the Company shall appoint and allocate multiple personnel to the Finance Department in a planned manner to take responsibility for managing the funds and enhance specialization. Also, an Asset Management Committee made up of representatives from the Accounting, Finance, and Personnel Departments shall strive to provide appropriate management and control by monitoring the management situation and using external consultants.

Chapter V APPROPRIATE INFORMATION DISCLOSURE AND ASSURANCE OF TRANSPARENCY

Article 30 (Information Disclosure)

In addition to disclosing material facts in a timely and appropriate manner, the Company shall disclose information useful for society, its customers, and its shareholders and investors in a fair, timely, and appropriate manner in accordance with the provisions of the relevant acts and the Securities Listing Regulations of the listing stock exchanges.