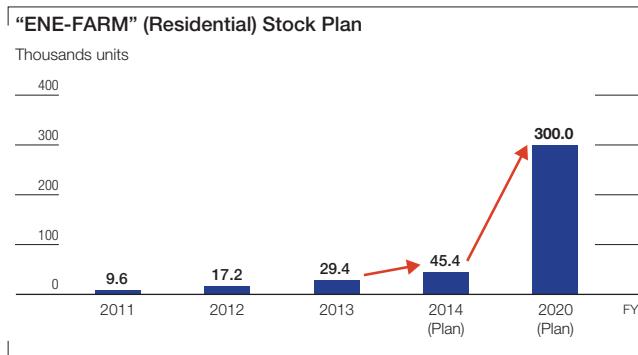


Other Initiatives

Tokyo Gas is advancing a wide range of initiatives other than those introduced thus far. In this section, we explain four initiatives that contribute to enhancing the LNG value chain.

1 “ENE-FARM”

“ENE-FARM” residential fuel cell system is a type of dispersed energy system that is installed at customers’ homes. This highly efficient system uses city gas to generate electricity while also utilizing the heat created through the generation process to heat water. Moreover, “ENE-FARM” is an important strategic product in residential gas sales as customers using this system also consume greater volumes of city gas.



“ENE-FARM” has continued to evolve since the first unit was launched in 2009. In April 2014, our “ENE-FARM” stock had risen to approximately 30,000 units. The “Challenge 2020 Vision” calls for a stock of 300,000 “ENE-FARM” units to be accumulated by fiscal 2020, and we will continue to refine these systems and promote sales with the aim of achieving this goal.

Advances to Date

May 2009	First unit sold
Apr. 2011	New “ENE-FARM” model launched, priced approximately ¥700,000 less than previous offerings (MSRP: ¥2,630,000 plus tax)
Apr. 2013	New, more affordable “ENE-FARM” model launched (MSRP: ¥1,900,000 plus tax)
Apr. 2014	New “ENE-FARM” system for housing complexes launched

2 Hydrogen Business

Recently, hydrogen vehicles have been garnering attention for their low environmental impact in comparison with conventional gasoline vehicles. These revolutionary new vehicles propel themselves by reacting hydrogen with oxygen in a fuel cell to run electric motors. The city gas provided by Tokyo Gas consists primarily of methane (CH_4). Therefore, we are able to extract hydrogen from this gas to create fuel for hydrogen vehicles.

The Company is constructing two hydrogen refueling stations, one in the Nerima district of Tokyo and the other in Saitama City, Saitama Prefecture. The promotion of hydrogen vehicles will require not only the vehicles themselves to become more technologically advanced and more affordable but also fuel hydrogen to become more affordable. The Company therefore aims to contribute to the spread of hydrogen vehicles by helping provide a stable supply of affordable fuel hydrogen.



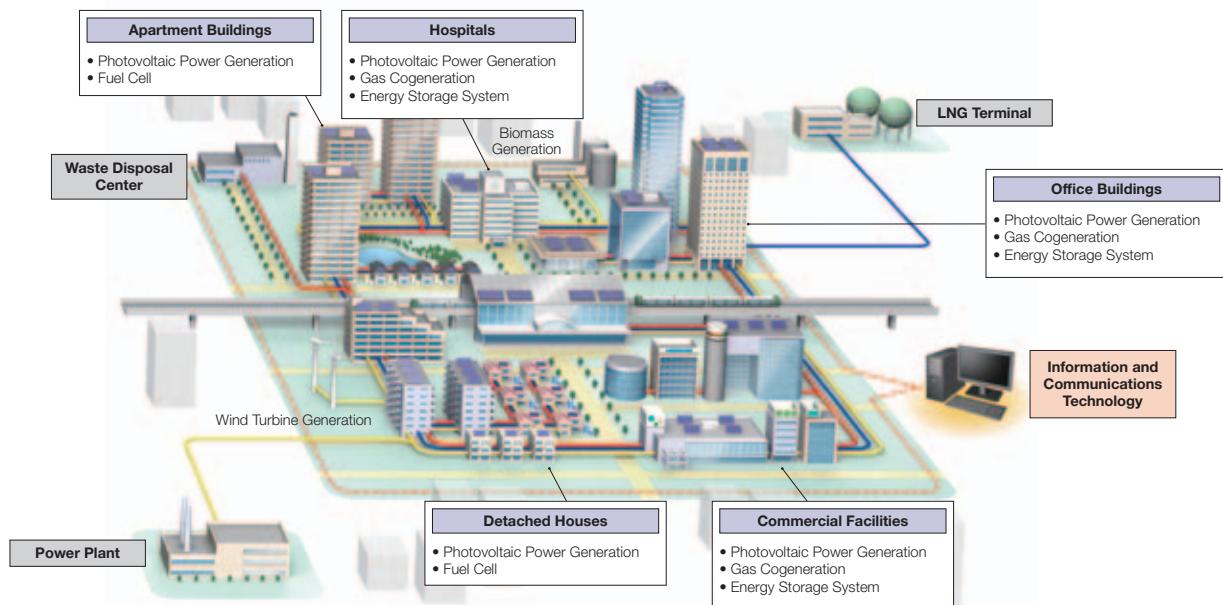
Hydrogen refueling station

3 Smart Energy Networks

Tokyo Gas advocates the creation of "smart energy networks." These networks are based on a concept of combining renewable energy with cogeneration systems and controlling these in an optimal manner through information and communications technology (ICT). This process enables electricity and heat to be managed comprehensively throughout the network to reduce energy usage and CO₂ emissions. In cooperation with the government and our business

partners, we are advancing a number of projects to complete various verification tests for these networks and realize practical use. These projects include energy usage related ventures, such as a network designed to optimize energy supply and demand management in the area north of the east exit of Tamachi Station, in Tokyo, and a network utilizing untapped renewable energy in the Toyosu wharf area, also in Tokyo.

Smart Energy Network



4 Overseas Energy Services Business

As part of the "Challenge 2020 Vision," we aim to grow overseas businesses to the extent that 25% of total consolidated net income is generated by these businesses. Currently, we expect revenues to primarily be generated in upstream areas, but we also plan to expand our overseas energy services business going forward.

Gas usage is still low in Southeast Asia as countries like Thailand, Malaysia, and Vietnam lack gas pipeline networks. Conversely, Japanese companies are increasingly relocating manufacturing sites to these countries. To take advantage of this trend, we are primarily approaching industrial zones as we propose efficient ways of supplying energy, mainly through consolidated subsidiary Energy Advance Co., Ltd.

Advances to Date

Mar. 2012: Memorandum of understanding with Petrovietnam Gas, of Vietnam, signed
(examples of collaboration include information exchange pertaining to energy services)

Dec. 2012: 100% stake in Ecogen Brasil Soluções Energéticas S.A., a Brazilian provider of energy services for commercial and industrial facilities, acquired through a joint venture established between Mitsui & Co., Ltd., and Energy Advance

Mar. 2014: Energy services business joint venture established in Malaysia