

# Corporate Governance

Tokyo Gas 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. Tokyo Gas continues to emphasize the importance of accurate and prompt decision making, efficient business operations, strengthening of auditing and monitoring functions, and clarification of management and executive responsibilities.

## Board of Directors

In principle, the Board of Directors meets once a month to discuss and decide important matters regarding business operations. 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 11 directors, 3 of whom are outside directors. In addition, the term of directors is set at one year with the goal of further clarifying managerial responsibility.

### Outside Directors

In accordance with their individual experience and knowledge, the outside directors strive to secure the soundness and appropriateness of deliberations and decisions regarding business execution. From an independent viewpoint, the outside directors monitor the performance of duties by the directors and exercise their authority at meetings of the Board of Directors. In this way, the outside directors contribute to

the improvement of the rationality and objectivity of the Company's business execution and of the deliberations and decisions of the Board of Directors.

In making judgments about matters related to the independence of outside officers, such as capital, transactions, and relationships, we comprehensively verify that they are unlikely to have conflicts of interest with general shareholders and they are in a position that enables them to be objective and neutral, and on that basis we make a judgment on their independence. The Advisory Committee has confirmed that none of the outside officers has a material conflict of interest with the Company—in regard to capital, transactions, or relationships—and has confirmed their independence in accordance with the above standards. The committee's decision has been reported to the Board of Directors, which has designated them as independent officers and reported that designation to the stock exchanges on which the Company is listed.

### Outside Director's Reason for Appointment

Name	Major concurrent positions	Reason for appointment
Yukio Sato	Vice Chairman of The Japan Institute of International Affairs	The Company's management will benefit from Yukio Sato's international way of thinking nurtured through diplomacy, wide perspective, and in-depth knowledge.
Ryuichi Tomizawa	—	The Company's management will benefit from Ryuichi Tomizawa's international way of thinking nurtured in the aggressive overseas penetration of the chemical industry, wide perspective, and in-depth knowledge.
Yoshihiko Nakagaki	—	The Company's management will benefit from Yoshihiko Nakagaki's management way of thinking nurtured in a wide range of business development activities, including electric power source development and electric power wholesale supply, and his advanced capabilities in management, such as the implementation of reforms reflecting changes in the operating environment.

### Realizing Accurate, Rapid Decision Making and Efficient Business Execution

The Corporate Executive Committee, which meets weekly as a general rule, deliberates on provisions stemming from Board of Directors' resolutions and important management-related issues. The Company has introduced an executive officer system for business execution in accordance with decisions of the Board of Directors.

Substantial authority has been delegated to executive officers in their designated areas of responsibility, while directors, as appropriate, receive reports on the status of execution from executive officers and monitor the executive officers. In addition, executive officers report to the Board of Directors as needed. (To clarify management responsibility and executive responsibility, the terms of office of directors and executive officers have been fixed at one year.)

## Audit & Supervisory Board Members

The audit & supervisory board members meet once a month as a general rule and otherwise as needed. The five members of the board, which include three outside audit & supervisory board members, conduct deliberations and make reports.

In line with the Corporate Auditor's Audit Standards, each audit & supervisory board member conducts effective audits through the following principal initiatives.

- The audit & supervisory board members attend meetings of the Board of Directors, the Corporate Executive Committee, and other important meetings. They state their opinions relating to legality and other perspectives when necessary.

- The audit & supervisory board members conduct research into the state of operations at the head office, business offices, and subsidiaries and hold discussions with directors to exchange opinions, both on a regular basis and otherwise as needed.
- The audit & supervisory board members cooperate closely with the Internal Audit Department, which is the internal audit organization, and with the independent auditors and strictly audit the execution of duties by the directors, targeting the establishment of a high-quality corporate governance system.
- In regard to the internal control system for financial reporting, the audit & supervisory board members receive evaluations of internal control and reports on the status of audits from the Board of Directors, etc., and KPMG AZSA LLC.

## Corporate Governance

### Outside Audit & Supervisory Board Members

The outside audit & supervisory board members conduct audits / monitoring from an independent viewpoint and contribute to improving the rationality and objectivity of the Company's business execution and of the deliberations of the Board of Directors through their statements at meetings of the Board of Directors. In addition, through their statements & the exercise of their majority voting rights at meetings of the Audit & Supervisory Board, the outside audit & supervisory board members contribute to assuring and improving the legality, appropriateness, rationality, and objectivity of the audits by the audit & supervisory board members. In addition, with the objective of assuring the effectiveness of audits by the audit & supervisory board members, the Company invites outside audit & supervisory board members who have a substantial degree of knowledge about finance and accounting.

In making judgments about matters related to the independence of outside officers, such as capital, transactions, and relationships, we comprehensively verify that they are unlikely to have conflicts of interest with general shareholders and they are in a position that enables them to be objective and neutral, and on that basis we make a judgment on their independence. The Advisory Committee has confirmed that none of the outside officers has a material interest with the Company—in regard to capital, transactions, or relationships—and has confirmed their independence in accordance with the above standards. The committee's decision has been reported to the Board of Directors, which has designated them as independent officers and reported that designation to the stock exchanges on which the Company is listed.

### Outside Audit & Supervisory Member's Reason for Selection

Name	Major concurrent positions	Reason for appointment
Yoshihiko Morita	President of Japan Institute for Overseas Investment Outside Director of Kawasaki Heavy Industries, Ltd.	The Company's auditing will benefit from Yoshihiko Morita's expansive international way of thinking and deep insight nurtured through work in the fields of international finance and overseas economic cooperation.
Kojiro Otani	—	The Company's auditing will benefit from Kojiro Otani's abundant experience of organizational management acquired in local government as well as his deep insight.
Wako Tojima	—	The Company's auditing will benefit from Wako Tojima's wealth of expertise and deep insight as a science journalist.

## Officer Remuneration

In 2005, the Company formulated the basic policy on officer remuneration, which outlines the method of remuneration for directors, etc. At a meeting of the Board of Directors in February 2012, the policy was revised as follows.

### 1 Role of Officers and Remuneration

The role demanded of officers is to seek to enhance short-, medium-, and long-term corporate value, and officer remuneration shall serve as an effective incentive for them to perform that role.

### 2 Level of Remuneration

The level of officer remuneration shall be suitable for the role, responsibility, and performance of the officer.

### 3 Remuneration of Directors and Its Composition

(1) Remuneration of directors shall be paid within the scope of the remuneration limit approved at the General Shareholders' Meeting.  
(2) 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. The amount of bonus to be paid shall be determined in accordance with the post of each inside director after performance evaluation.

(3) 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

(1) Remuneration of audit & supervisory board members shall be paid within the scope of the remuneration limit approved at the General Shareholders' Meeting determined through discussions among audit & supervisory board members.

(2) Remuneration of audit & supervisory board members shall comprise only fixed monthly remuneration.

### 5 Assurance of Objectivity and Transparency of Remuneration System

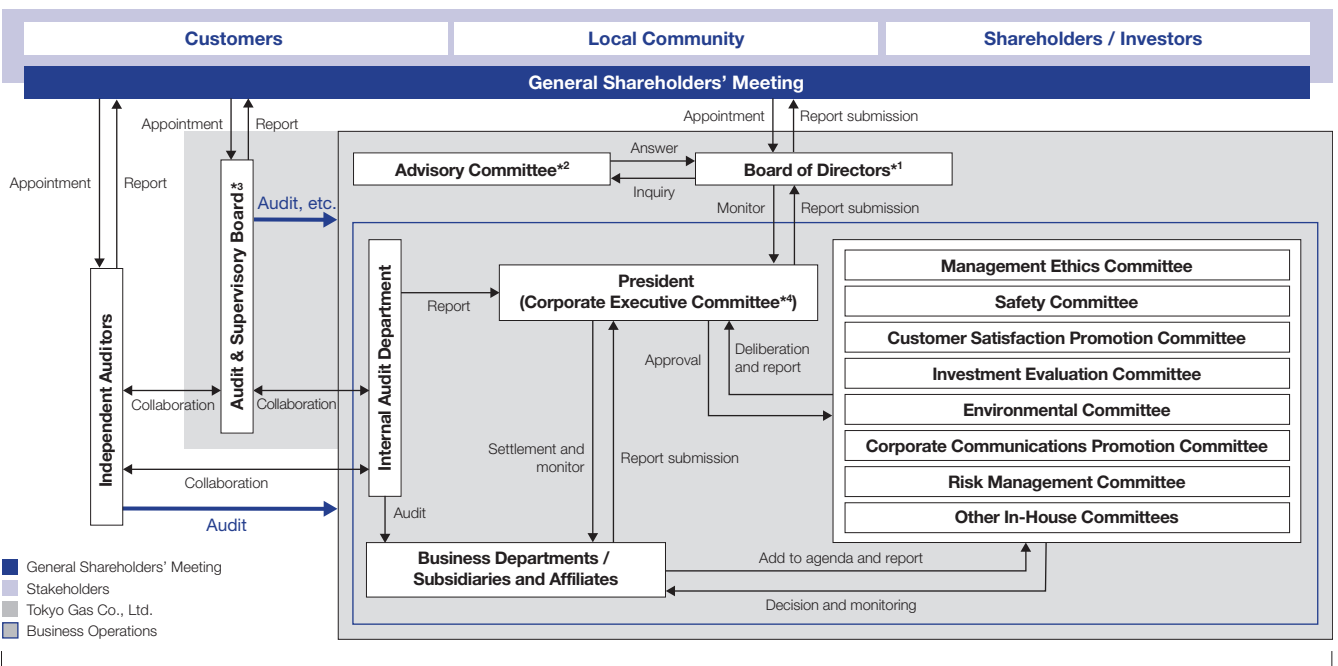
The Company shall assure the objectivity and transparency of the system of officer remuneration by establishing and operating the Advisory Committee comprising a number of outside directors, outside audit & supervisory board members, and inside directors to govern the system of personnel affairs and remuneration of officers.

**Total Remuneration for Directors and Audit & Supervisory Board Members (Fiscal 2013)**

		Millions of yen			Thousands of U.S.dollars*2	
		Total value of remuneration	Base	Bonuses	Base	Bonuses
Remuneration for directors (excluding outside directors)	10*1	¥436	¥385	¥51	\$ 3,775	\$500
Remuneration for audit & supervisory board members (excluding outside audit & supervisory board members)	3*1	¥ 74	¥ 74	—	\$ 725	—
Remuneration for outside officers (outside directors and outside audit & supervisory board members)	7*1	¥ 64	¥ 58	¥ 6	\$ 569	\$ 59

\*1 The number of officers included in the total value of remuneration for directors, audit & supervisory board members, and outside officers includes two directors and two audit & supervisory board members (of which one was outside officer) who retired upon the conclusion of the 213th Annual Shareholders' Meeting.  
 \*2 Equivalent U.S. dollar amounts are included for the convenience of readers outside Japan and are converted at a rate of ¥102 per U.S. dollar, the prevailing exchange rate at the end of March 2014. These conversions should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

**Corporate Governance System**



\*1 Board of Directors: 11 directors (3 outside directors and 8 internal directors)  
 \*2 Advisory Committee: 3 representatives from outside directors and outside audit & supervisory board members, Chairman (1), and President (1)  
 \*3 Audit & Supervisory Board: 5 audit & supervisory board members (3 outside auditors and 2 internal auditors)  
 \*4 Corporate Executive Committee: President, 2 Executive Vice Presidents, and 11 Senior Executive Officers (3 of the representative directors also serve as President and Executive Vice Presidents)

**Overview of Corporate Governance System** As of June 27, 2014

Number of directors	11
Average age of directors	65.4
Number of outside directors	3
Number of independent officers	6
Number of audit & supervisory board members	5
Number of outside audit & supervisory board members	3
Participation of outside directors / outside audit & supervisory board members in determination of remuneration	Yes
Participation of outside directors in determination of director candidates	Yes
Number of meetings of Board of Directors*	12
Attendance rate of outside directors at meetings of Board of Directors*	97%
Term of office of directors	One year
Results-linked remuneration	Yes
Share purchase system to reflect the perspective of shareholders in management	Yes

\* Total for the period from April 2013 to March 2014

**Working to Promote Transparent Management and Create a Flexible and Open Corporate Culture**

In fiscal 2002, the Company established the Management Ethics Committee, chaired by the President. We also formed in-house committees to address issues that are important from a management perspective, such as compliance, safety, customer satisfaction, and risk management. This structure facilitates the sharing of information within the Group as well as deliberations and adjustments regarding the Group's overall direction.

## Advisory Committee

In February 2005, we established the Advisory Committee. It has been defined that this committee will have no more than six members consisting of no more than three representatives from outside of the Company and no more than three internal representatives, and that one of the outside representatives will serve as the committee's chairman. Today, the Advisory Committee has five members—three representatives from the outside directors and outside audit &

supervisory board members as well as the Chairman and the President. The committee works to assure objectiveness and transparency in management. 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.

## Independent Auditors

The Company has concluded an auditing contract with KPMG AZSA LLC for auditing services based on the Companies Act and auditing services based on the Financial Instruments and Exchange Act, as well as internal control audits based on the Financial Instruments and Exchange Act, and the Company is being audited on that basis. The Company's audits are handled by three certified public accountants—Teruhiko Tanaka, Shuichi Ikeya, and Masaru Miura. For each of these auditors, the number of consecutive years of auditing service is seven years or less (as of June 27, 2014).

	Millions of yen	Thousands of U.S.dollars*
Compensation for auditing services	¥263	\$2,578
Compensation for non-auditing services	¥ 39	\$ 382
Total	¥302	\$2,961

\* Equivalent U.S. dollar amounts are included for the convenience of readers outside Japan, and are converted at a rate of ¥102 per U.S. dollar, the prevailing exchange rate at the end of March 2014. These conversions should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

## Internal Control System

To secure management legality soundness and transparency and to realize its management philosophy, the Company has formulated the "Basic Policy on Development of Corporate Structures and Systems for Ensuring Appropriateness of Operations (Internal Control System) for the Tokyo Gas Group," and the Company is applying this policy in an appropriate manner.

Specifically, the Company has established systems to ensure that directors and their assistants perform their duties in a manner that is

compliant to relevant laws and regulations, the articles of incorporation, and other rules. In addition, crisis management provisions have been formulated to limit losses from risks related to investments and natural disasters. The Company also defines guidelines for ensuring the independence of audit & supervisory board members and guaranteeing the effectiveness of the Audit & Supervisory Board.

## Compliance

The Company has identified the following three points as its basic policy and is promoting compliance on that basis.

- Fostering of a compliance oriented mentality
- Compliance efforts by each workplace based on the Group policy
- Establishment of the compliance PDCA cycle

### Compliance Structure

We have established the Management Ethics Committee, chaired by the President. This committee discusses at the management level basic compliance policies and all aspects of compliance initiatives by the Company, monitors the implementation of compliance-related measures, and confirms activity programs from the following year and thereafter. We have also established the Compliance Department to lead compliance-related activities for each unit. These include development of compliance promotion systems, encouragement awareness and educational campaigns about the code of conduct, compliance risk reduction measures, maintenance of advisory systems, and broad-based distribution of information within and beyond the Tokyo Gas Group companies. To cultivate an understanding of compliance,

we promote a thorough awareness of ongoing activities related to our code of conduct that was revised in 2004. We are also moving forward with a compliance casebook designed for applying the code of conduct to various problems in the workplace, so as to achieve the permeation of compliance.

### Compliance Risk Management

Through the effective operation of internal and external advisory systems, we are endeavoring to ensure that compliance-related problems are discovered and resolved quickly so that our corporate self-regulatory processes will continue to function effectively.

We monitor the effectiveness of Group compliance promotion activities by conducting regular compliance awareness surveys of all employees. The results of these surveys are reflected in initiatives for the following years. The Compliance Audit Sect., the Internal Audit Department conducts audits of the Company, its subsidiaries, and its affiliates from the viewpoint of strict compliance with laws, corporate ethics, and social norms. When concerns are identified, the Group conducts follow-up audits in the following year to verify progress in tackling those concerns.

## Risk Management System

### Enterprise Risk Management System

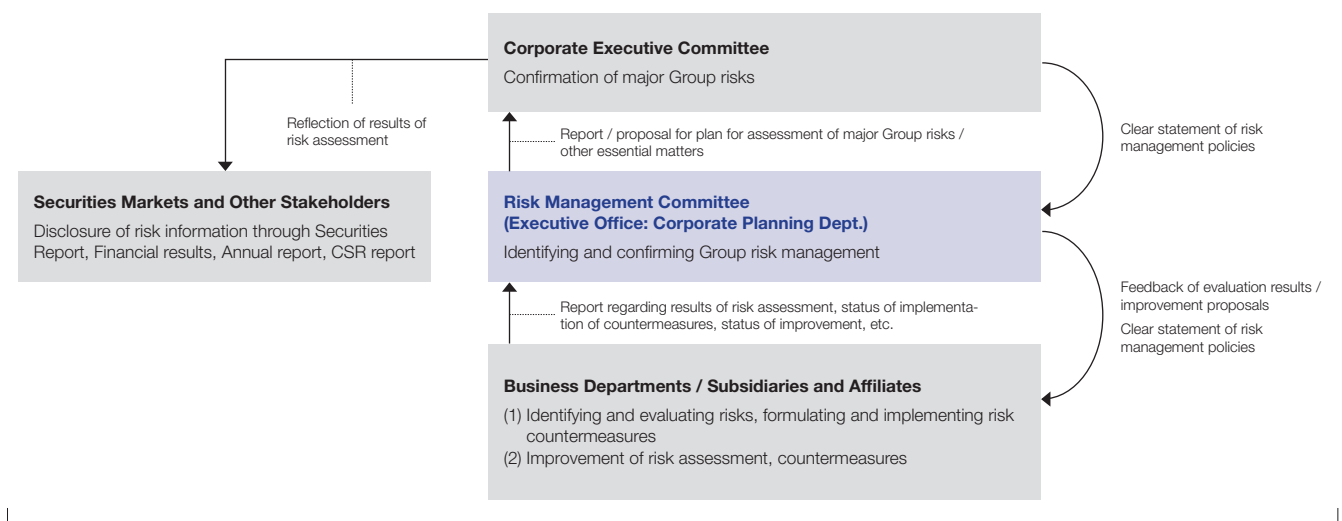
In fiscal 2003, the Company established an enterprise risk management (ERM) system and drew up risk management regulations, which include documented rules concerning major risks faced by the Group.

The Risk Management Committee was established in fiscal 2008 with the aim of tracking progress regarding the establishment and the operational status of the ERM system as well as improving the level of ERM. The committee periodically undertakes risk assessments and checks on the status of the ERM system. It also reports to the Corporate Executive Committee and obtains the necessary approvals.

Moreover, in fiscal 2011, the risk management function was made the responsibility of the Corporate Planning Department, and there has been a framework in place for implementing unified ERM in conjunction with operational management.

Under the framework, around 120 Risk Management Promotion Officers are deployed in the business departments of Tokyo Gas and its subsidiaries and affiliates in order to promote ERM. Each year, we assess risks and the implementation and improvement status of countermeasures. This system facilitates the steady implementation of the ERM-PDCA (Plan-Do-Check-Act) cycle.

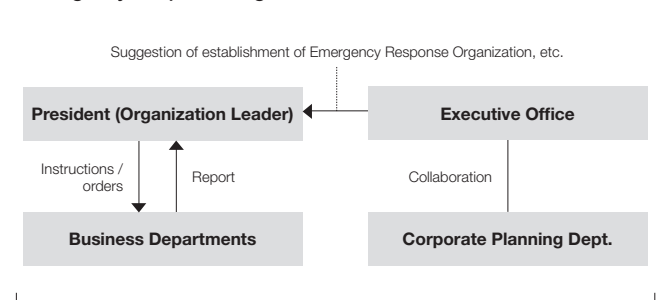
### Enterprise Risk Management (ERM) System



### Crisis Management System

Because the Company provides public services that comprise a lifeline, for many years it has also had a crisis management system that serves as a response system in case an accident or other risk-related event actually occurs. Specifically, we have formulated Emergency Response Organization Regulations. In case of crises, including major natural disasters, such as earthquakes, or production or supply disruptions arising from major accidents at pipelines or terminals, as well as influenza, terrorism, failures in mission-critical IT systems, and compliance problems, the Emergency Response Organization responds to the situation immediately in accordance with the Emergency Response Organization Regulations. Periodic training is conducted in relation to major risk response measures. Moreover, the Company has also formulated a business continuity plan (BCP), outlining its responses in the event of a major earthquake of the magnitude assumed by Japan's Cabinet Office, a major accident disrupting gas supply, a widespread blackout, an outbreak of influenza, etc. This plan is in place to reinforce the Company's risk management system.

### Emergency Response Organization



\* The organizational unit in charge of the executive office is determined in advance in accordance with the type of the emergency.

(Groupwide coordination)

## Board of Directors and Audit & Supervisory Board Members As of June 27, 2014

### Directors

Director, Chairman  
**Tsuyoshi Okamoto**



April 1970 Joined the Company  
 June 2004 Director, Senior Executive Officer, and Division Manager of Strategic Planning Div.  
 April 2007 Representative Director, Executive Vice President, and in charge of Personnel Dept., Secretary Dept., General Administration Dept., Compliance Dept., and Internal Audit Dept.  
 April 2010 President, Representative Director, and Executive President  
 April 2014 Director and Chairman of the Board

Director, Vice Chairman  
**Shigeru Muraki**



July 1972 Joined the Company  
 April 2004 Senior Executive Officer and Division Manager of R&D Div.  
 June 2007 Director, Senior Executive Officer, Division Manager of Energy Solution Div., and General Manager of Volume Sales Dept. of Energy Solution Div.  
 April 2010 Representative Director, Executive Vice President, Division Manager of Energy Solution Div., and General Manager of Volume Sales Dept. of Energy Solution Div.  
 April 2014 Director, Vice Chairman of the Board

Representative Director, President  
**Michiaki Hirose**



April 1974 Joined the Company  
 April 2007 Senior Executive Officer and in charge of Corporate Planning Dept., Infrastructure Project Dept., Finance Dept., Accounting Dept., and Affiliated Companies Dept.  
 June 2009 Director, Senior Executive Officer, and in charge of Corporate Planning Dept., Corporate Communications Dept., and Affiliated Companies Dept.  
 April 2012 Representative Director, Executive Vice President, and Division Manager of Living Energy Div.  
 April 2014 President, Representative Director, and Executive President

Representative Director  
**Matsuhiko Hataba**



April 1976 Joined the Company  
 April 2006 Executive Officer and General Manager of Personnel Dept. of Business Support Div.  
 April 2009 Senior Executive Officer and Division Manager of Living Energy Div.  
 June 2012 Director, Senior Executive Officer, and in charge of Corporate Planning Dept., TG-Group Reorganization Project Dept., and Affiliated Companies Dept.  
 April 2013 Director, Senior Executive Officer, and in charge of Corporate Planning Dept. and Affiliated Companies Dept.  
 April 2014 Representative Director, Executive Vice President, and Division Manager of Residential Sales and Service Div.

Representative Director  
**Yutaka Kunigo**



April 1977 Joined the Company  
 April 2007 Executive Officer and General Manager of Gas Resources Dept. of Energy Resources Div.  
 April 2010 Senior Executive Officer and Division Manager of Energy Resources Div.  
 June 2013 Director, Senior Executive Officer, and Division Manager of Energy Production Div.  
 April 2014 Representative Director, Executive Vice President, Division Manager of Energy Solution Div., and General Manager of Volume Sales Dept. of Energy Solution Div.

Director  
**Kazuo Yoshino**



April 1975 Joined the Company  
 April 2005 Executive Officer and General Manager of Finance Dept. of Strategic Planning Div.  
 April 2009 Senior Executive Officer and in charge of Investor Relations Dept., Finance Dept., and Accounting Dept.  
 June 2011 Director, Senior Executive Officer, Division Manager of Information Technology Div., and in charge of Finance Dept. and Accounting Dept.

Director  
**Masahiro Mikami**



April 1975 Joined the Company  
 April 2008 Executive Officer and General Manager of General Administration Dept.  
 April 2011 Senior Executive Officer and in charge of Purchasing Dept., Real Estate Management Dept., Major Site Development Dept., and General Administration Dept.  
 June 2013 Director, Senior Executive Officer, and in charge of Secretary Dept., General Administration Dept., Corporate Communications Dept., Environmental Affairs Dept., and Compliance Dept.

Director  
**Hiroaki Kobayashi**



April 1980 Joined the Company  
 April 2009 Executive Officer and General Manager of Customer Safety Dept.  
 April 2012 Senior Executive Officer, and Chief Executive of Technology Development Div.  
 June 2014 Director, Senior Executive Officer, Chief Executive of Technology Development Div., and in charge of Smart Energy Business Development Dept.

## Outside Directors

Outside Director  
**Yukio Sato**



April	1961	Joined the Ministry of Foreign Affairs
September	1998	Permanent Representative of Japan to the United Nations (Ambassador of Japan to the United Nations)
February	2003	President of The Japan Institute of International Affairs
December	2004	Commissioner of National Public Safety Commission
February	2009	Vice Chairman of The Japan Institute of International Affairs (Current position)
June	2010	Outside Director of the Company

Outside Director  
**Ryuichi Tomizawa**



April	1965	Joined Mitsubishi Kasei Industries Corporation (Current Mitsubishi Chemical Corporation)
April	2000	President of Mitsubishi-Tokyo Pharmaceuticals, Inc. (Current Mitsubishi Tanabe Pharma Corporation)
June	2002	Member of the Board, President, and Chief Executive Officer of Mitsubishi Chemical Corporation
October	2005	Member of the Board, President of Mitsubishi Chemical Holdings Corporation
April	2007	Member of the Board, Chairman of Mitsubishi Chemical Holdings Corporation
June	2011	Outside Director of the Company
June	2012	Senior Corporate Advisor of Mitsubishi Chemical Holdings Corporation (Current position)

Outside Director  
**Yoshihiko Nakagaki**



April	1961	Joined Electric Power Development Co., Ltd. (J-POWER)
June	1996	Director and Department Director of Corporate Planning Dept. of Electric Power Development Co., Ltd. (J-POWER)
June	1998	Managing Director of Electric Power Development Co., Ltd. (J-POWER)
June	2000	Vice President and Representative Director of Electric Power Development Co., Ltd. (J-POWER)
June	2001	President and Representative Director of Electric Power Development Co., Ltd. (J-POWER)
June	2009	Corporate Advisor of Electric Power Development Co., Ltd. (J-POWER)
June	2012	Outside Director of the Company
June	2014	Honorary Counselor of Electric Power Development Co., Ltd. (J-POWER) (Current position)

## Audit & Supervisory Board Members

Audit & Supervisory Board Member  
**Manabu Fukumoto**



April	1975	Joined the Company
April	2006	Executive Officer and General Manager of General Administration Dept. of Corporate Communication Div.
June	2009	Senior Executive Officer and in charge of Purchasing Dept., Real Estate Management Dept., Major Site Development Dept., and Internal Audit Dept.
June	2011	Audit & Supervisory Board Member of the Company

Audit & Supervisory Board Member  
**Tsutomu Oya**



April	1975	Joined the Company
April	2004	Executive Officer, General Manager of Urban Energy Business Dept. of Energy Sales and Service Div., and Acting General Manager of Volume Sales Dept. of Energy Sales and Service Div.
April	2006	Senior Executive Officer and Division Manager of Energy Resources Div.
June	2009	Director, Senior Executive Officer, and Division Manager of Energy Resources Div.
April	2012	Director, Senior Executive Officer, and Division Manager of Energy Production Div.
June	2013	Audit & Supervisory Board Member of the Company

## Outside Audit & Supervisory Board Members

Outside Audit & Supervisory Board Member  
**Yoshihiko Morita**



April	1969	Joined Export-Import Bank of Japan
October	2004	Deputy Governor and Managing Director of Japan Bank for International Cooperation
June	2012	President of Japan Institute for Overseas Investment (Current position) Outside Audit & Supervisory Board Member of the Company
June	2013	Outside Director of Kawasaki Heavy Industries, Ltd. (Current position)

Outside Audit & Supervisory Board Member  
**Kojiro Otani**



March	1971	Joined Yokohama City Hall
April	2003	Director General of General Affairs Bureau of Yokohama City Hall
April	2006	Director General of Waterworks Bureau of Yokohama City Hall
July	2008	Vice President of Kanagawa Water Supply Authority
June	2013	Outside Audit & Supervisory Board Member of the Company

**New Outside Audit & Supervisory Board Member**



Outside Audit & Supervisory Board Member

**Wako Tojima**

July	1983	Participated in Student Exchange Program of Japan's Ministry of Education at Department of Political Science of University of Kansas, United States
March	1985	Graduated from College of Comparative Culture of University of Tsukuba
April	1985	Joined The Yomiuri Shimbun
March	1991	Retired from The Yomiuri Shimbun Freelance journalist
April	2007	Part-time lecturer at School of Social and International Studies of University of Tsukuba (Current position)
June	2014	Outside audit & supervisory board member of the Company

As an outside auditor, I strive to help Tokyo Gas realize higher corporate value, aiding the Company in responding carefully and flexibly to various risks while leveraging its inherent strengths.

As a science journalist, I have seen various operating sites of different energy companies, both in Japan and overseas, and I have participated in national committees. Based on this experience, there are three areas I focus on in my duties.

The first is the degree to which the Company is incorporating the customer's perspective, particularly when providing a stable supply of energy, improving safety and service quality, and creating new value for people's lifestyles. The second is the level of communication. In this regard, I look at the openness of communication throughout the organization and whether or not thorough explanations are provided to society. The third area of focus is the ability to create innovation. Specifically, I pay attention to efforts pertaining to technological development, human resource cultivation, and the empowerment of female employees.

The transfer of operations closely related to customers to Group companies can realize efficiencies. However, such transference can also result in a gap between management and operating sites and in differences in how they see and respond to customer needs. To prevent gaps from appearing, I also turn my attention to the corporate governance and risk management systems of the entire Tokyo Gas Group.

Tokyo Gas has defined the management philosophy of ensuring continued development while consistently earning the trust of customers, shareholders, and society. I perform my audits to provide an extra pair of eyes to make sure this philosophy is being practiced.

**Executive Officers**

<b>President</b>	Michiaki Hirose		
<b>Executive Vice Presidents</b>	Matsuhiko Hataba	Division Manager of Residential Sales and Service Div.	
	Yutaka Kunigo	Division Manager of Energy Solution Div., General Manager of Volume Sales Dept. of Energy Solution Div.	
<b>Senior Executive Officers</b>	Kazuo Yoshino	Division Manager of Information Technology Div., in charge of Finance Dept. and Accounting Dept.	
	Masahiro Mikami	In charge of Secretary Dept., General Administration Dept., Corporate Communications Dept., Environmental Affairs Dept., and Compliance Dept.	
	Hiroaki Kobayashi	Chief Executive of Technology Development Div., in charge of Smart Energy Business Development Dept.	
	Koichi Aonuma	Division Manager of Housing Development Dept., Residential Sales and Service Div.	
	Hideaki Obana	In charge of Personnel Dept., Purchasing Dept., Real Estate Planning Dept., and Internal Audit Dept.	
	Takashi Uchida	Division Manager of Energy Resources Div.	
	Satoru Yasuoka	Division Manager of Regional Development Marketing Div.	
	Fumio Murazeki	Head of Sales Marketing, Energy Solution Div.	
	Hideaki Arai	Division Manager of Pipeline Network Div.	
	Shin Yamagami	Division Manager of Energy Production Div.	
	Masaru Takamatsu	In charge of Corporate Planning Dept. and Affiliated Companies Dept.	
	<b>Executive Officers</b>	Hidefumi Takahashi	General Manager of Sales Marketing 1 Dept., Residential Sales and Service Div.
		Yoshihiro Tanabe	General Manager of Finance Dept.
		Michiharu Takahashi	Coordinator of Energy Solution Div.
Fumihiko Hara		General Manager of LIFEVAL Project Management Dept., Residential Sales and Service Div.	
Kiyotada Den		General Manager of Corporate Communications Dept.	
Takahiro Saito		Supply Control & Disaster Management Dept., Pipeline Network Div.	
Isao Nakajima		General Manager of Residential Sales Planning Dept., Residential Sales and Service Div.	
Kunio Nohata		General Manager of Gas Resources Dept., Energy Resources Div.	
Shinichi Takagi		General Manager of Industrial Gas Sales Dept., Energy Solution Div.	
Toshiyasu Ishi		General Manager of Total Energy Business Dept., Energy Solution Div.	
Satoru Sawada	General Manager of Corporate Planning Dept.		