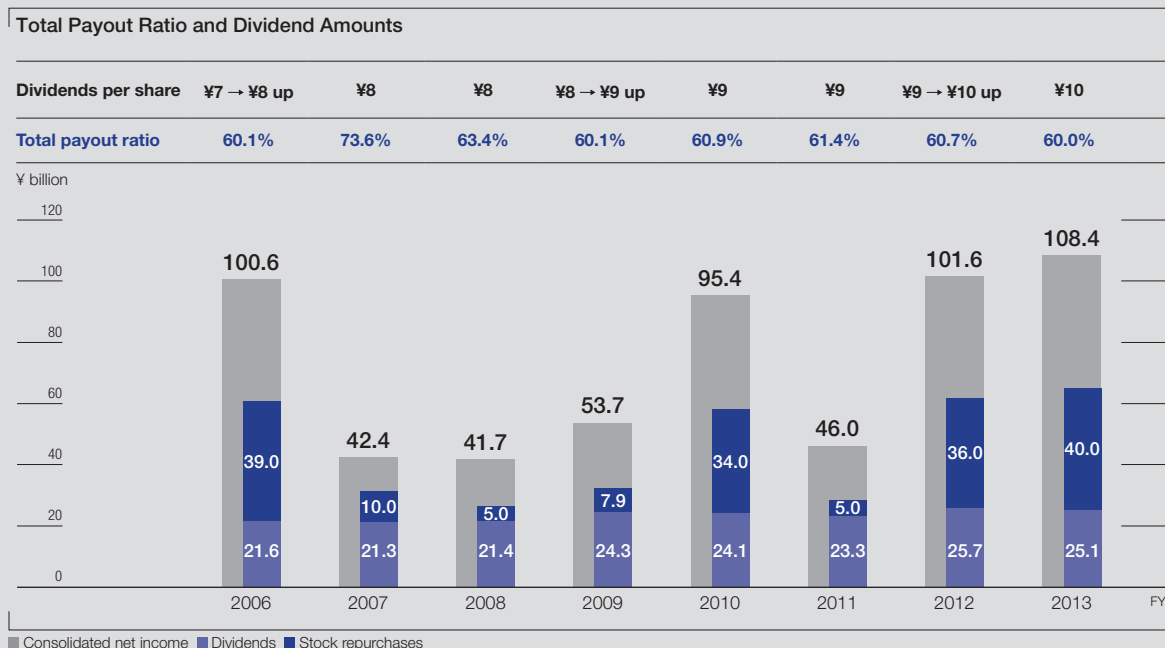


# Our Shareholder Return Policies

- The Company's financial policies call for Tokyo Gas to issue shareholder returns through dividends and stock repurchases and to target a total payout ratio (ratio of dividends and stock repurchases to consolidated net income) of approximately 60% each year until fiscal 2020.
- In regard to dividends, we aim to maintain stable levels while potentially raising dividend payments based on growth levels.
- In fiscal 2013, we issued the following shareholder returns in accordance with the aforementioned policies, making for a total payout ratio of approximately 60%.
  1. Issued dividend payments of ¥10 per share, the same as in fiscal 2012.
  2. Paid ¥40.0 billion to repurchase 70.8 million shares to be cancelled



Calculating the Total Payout Ratio (For fiscal 2013)

$$\text{Total payout ratio } 60.0\% = \frac{\text{Dividends paid in fiscal 2013: } ¥25.1 \text{ billion} + \text{Stock repurchases in fiscal 2014: } ¥40.0 \text{ billion}}{\text{Consolidated net income in fiscal 2013: } ¥108.4 \text{ billion}}$$

The cumulative total of stock cancellations as part of shareholder returns was 363 million shares (13% of record high number of issued shares) on March 31, 2015.

\* Including 70.8 million shares already cancelled this year.  
 \* Number of issued shares, including stock, as of March 31, 2014: 2,517,551,295