

LNG Value Chain for Value Creation

The Tokyo Gas Group, since receiving the first cargo of LNG to Japan, in 1969, has been the nation's leader in use of LNG and a top company in natural gas. We have strived to establish an LNG value chain that encompasses procurement, production and sales. We will continue to accumulate the technology and know-how of LNG and natural gas, improve infrastructure and its competitiveness, and pursue both a safer and more reliable supply of energy and reduction in energy costs. Through these activities, we will enhance our corporate value, on the basis of contributing to society.

LNG Value Chain



LNG Value Chain Strengths and Managerial Assets

Stable and affordable LNG procurement capacity

LNG procurement volume 13.87 million tons (equivalent to approx. 15% of Japan's total)



Reliable solid infrastructure

4 LNG terminals, 4 power stations, and gas pipelines



Track record of stable supply, relationships of trust with over 11 million customers; Natural gas technology and maintenance know-how; employees sharing a common management philosophy; and business partners in Japan and overseas

Healthy balance sheet that supports stable financing



Sales and energy services



Community-based sales network and capability to propose energy solutions



Assets that do not appear on financial statements

Value Creation

Social Value

Contribution to economic development through stable energy supply and reduction in energy costs

Provision of energy solutions (i.e., convenience, safety, economic efficiency, reduction in CO₂ emissions etc.)

Economic Value

Fiscal 2020 (target)

Operating cash flow

¥250 billion

ROE

8%

ROA

4%

Shareholder return

Total payout ratio **60%**

Shareholder return policy

- Return profits to shareholders through dividends and share repurchases, by setting a target for a total payout ratio (ratio of dividends and stock repurchases to consolidated net income) of approximately 60% for each fiscal year up to fiscal 2020.
- Stable dividend payment is maintained, while a gradual increase in dividend has been achieved.

