



Outline

Since 2000, when the Tokyo Gas Group began to generate and supply electric power, it has engaged in a comprehensive range of business activities that extend from fuel procurement to power generation and sales. Among the new entrants to the sector following the start of deregulation, we own one of the largest power stations in the Greater Tokyo region, and sell generated power to wholesale and large-lot customers. With the full deregulation of the electric power retail sector in April 2016, we also began selling electricity to residential and commercial customers.

By providing customers with value such as value for money, peace of mind, simplicity and convenience, we will continue to expand our electric power business operations and thereby increase our corporate value.

Number of Retail Customers	Electricity Sales Volume	Segment profits
1,130 thousand	14.66 billion kWh	¥9.6 billion
FY2017	FY2017	FY2017

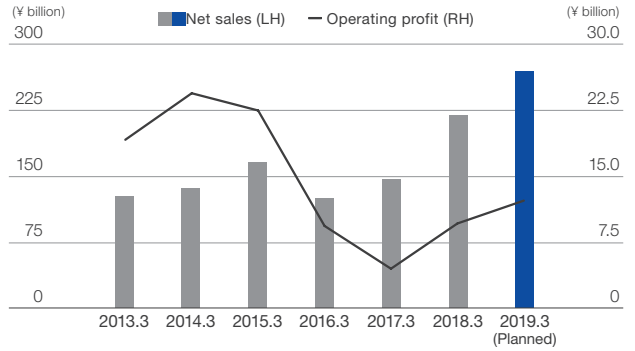
Strengths

- Some of the largest-scale, most highly-efficient power sources among the new power suppliers in the Greater Tokyo region
- Community-based sales network (operated by Tokyo Gas Lifeval, Enesta, etc.) and over 11 million customers as a base
- Power source infrastructure, operational know-how and systems aligned with both wholesale and retail sales

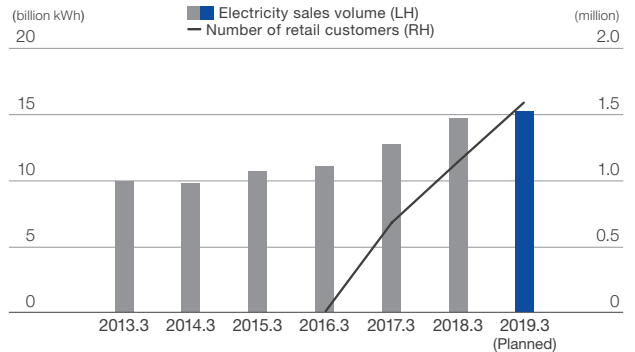
Risks

- Decline in price competitiveness of LNG thermal power generation, associated with changes in prices of raw materials and fuels
- Potential damage to power generation facilities and supply issues of raw materials and fuels, stemming from a large-scale disaster

Net sales and Operating Profit



Electricity Sales Volume and Number of Retail Customers



The era of single-source providers of electricity and gas

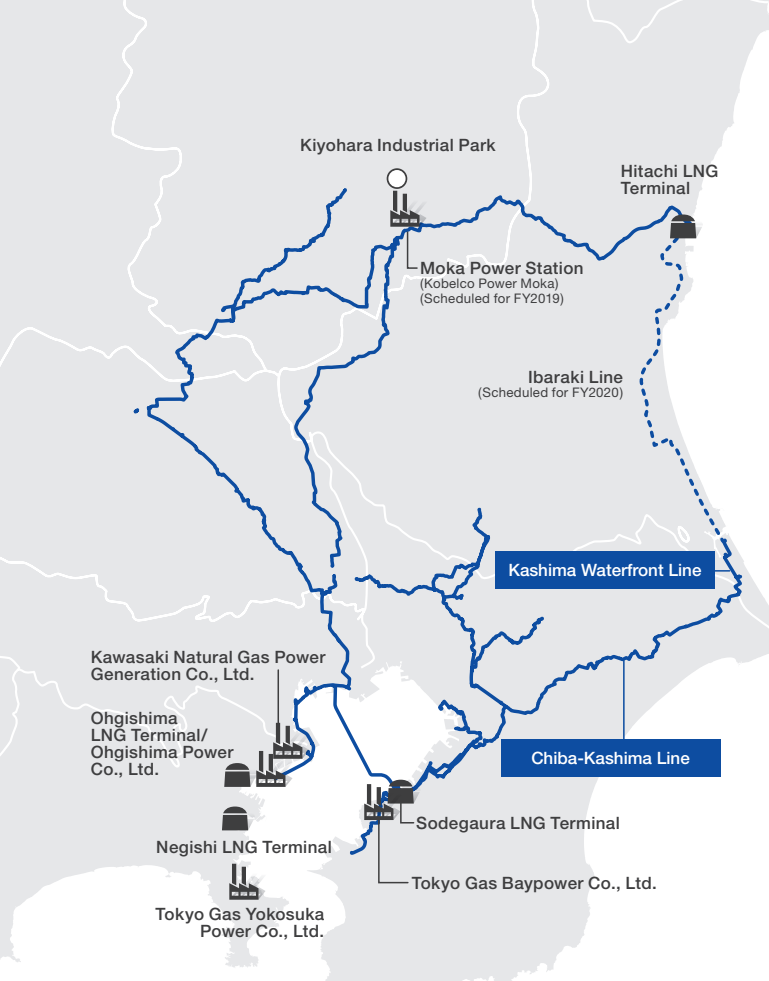
For many years, customers in Japan were only able to buy electricity from electric power companies, and gas from gas companies. With the full deregulation of the electric power and gas retail markets, consumers in Japan can now purchase both electricity and gas from a single supplier, just as in the EU and the US.

Based on this, the Tokyo Gas Group will aim to expand its energy business through the proposal and deployment of optimal energy systems.

Full Deregulated Market of the Electricity and gas

	Number of companies*	Approximate potential customers (Million)	Approximate market size (¥ trillion)
Electricity	10	85	8.0
	Within TEPCO's domain	29	2.8
City gas	203	26	2.4

*Former general electric power operators and former general city gas operators
*From materials officially announced by the Ministry of Economy, Trade and Industry



Achievements over the past two years since the full deregulation of the electric power retail market

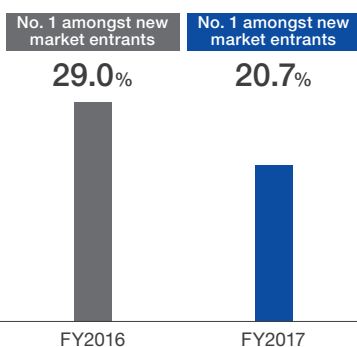
We have marketed and provided the “Always Plan,” a one-stop package that delivers gas, electric power, and various other services, to support our expansion into the electric power retail market. As of March 31, 2018, we are now supplying electric power to 1.13 million customers. In fiscal 2017, following on from 2016, we again secured the No. 1 market share position among new entrants in the low-voltage market.

Moving forward, we will establish new payment rate plans and develop our range of services so that more customers may continue to feel that they are receiving a service that represents good value, with the aim of delivering Tokyo Gas Group electric power services to 2.2 million customers by fiscal 2020; and continue to increase the number of customers to whom we provide gas, electricity and other services as a one-stop package.

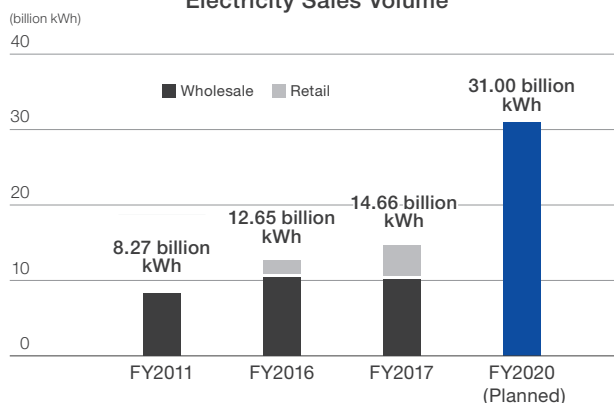
Selling approximately 5% of electricity demand in the Greater Tokyo Area

The Tokyo Gas Group launched its electric power business in the year 2000. Seizing the opportunity of the full deregulation of the electric power retail market in 2016, the Group expanded its sales to residential and commercial customers, in addition to the existing wholesale segment, selling an electricity volume of around 14.7 billion kWh in fiscal 2017. This volume is equivalent to around 5% of total demand in the Greater Tokyo Area. By 2020 we plan to expand this volume to 31.0 billion kWh, equivalent to around 10% of total demand in the Greater Tokyo Area.

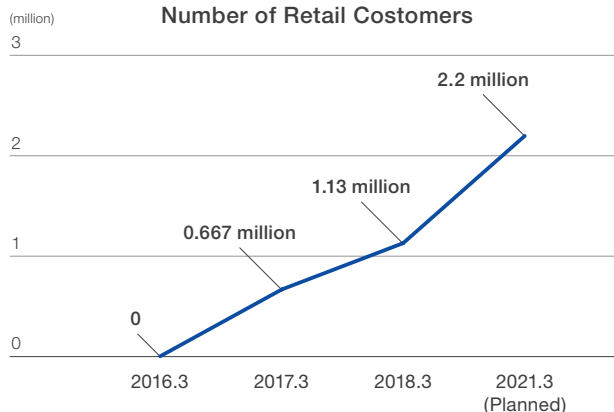
Market Share Amongst New Electric Power Market Entrants (Low-Voltage Market)



Electricity Sales Volume



Number of Retail Customers



Sustainable Development Goals

Initiatives Towards Achieving the Sustainable Development Goals (SDGs)

Helping to prevent global warming through power generation

- With its high-efficiency gas-fired thermal power stations, adopting the latest cutting-edge gas turbine combined cycle technology, and wind power generation facilities, Tokyo Gas is contributing to the prevention of global warming.
- We have also decided to accept supply of electric power from Moka Power Station, which is currently under construction by Kobelco Power Moka Inc., and are driving the development of renewable energy power sources such as photovoltaic and wind power generation, such as through the signing of a capital partnership agreement with Shizen Energy Inc.

*Scale of output from Tokyo Gas owned power sources: 1.6 million kW



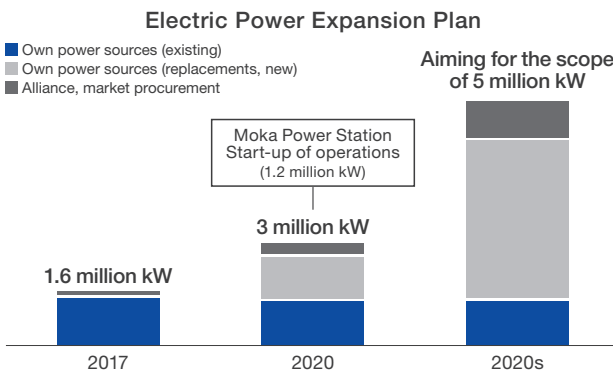
Business overview Electric power business

Expand power sources

Prompted by the full deregulation of the electric power retail market in 2016, Tokyo Gas began delivering electricity to low-voltage residential and commercial customers, in addition to serving the wholesale market.

To do so, and to match the growth of our sales stock with the aim of delivering electric power to 2.2 million retail customers by fiscal 2020, we will continue to increase and expand our network of Tokyo Gas owned power sources.

In line with our targets of achieving approximate total power output of 3.0 million kW by fiscal 2020 and 5.0 million kW during the coming decade, we are developing our own power sources while at the same time making effective use of alliance power sources (electric power purchasing agreements with power companies, etc.) and market sources. In addition to the Tokyo Gas Group's own power stations, it has been agreed that electric power generated at Moka Power Station, which is under construction by KOBELCO, one of Japan's largest Independent Power Producers (IPPs), will be supplied to Tokyo Gas.



Procurement of Group-owned power sources and alliance power sources

Construction of the Moka Power Station (gas-fired power generation, approximately 1.2 million kW, all to be purchased by the Tokyo Gas Group) is progressing smoothly towards starting operations in fiscal 2019.

To further expand our range of power sources, we are continuing our evaluations for the Chiba-Sodegaura Energy (joint investment with Kyushu Electric Power and Idemitsu Kosan), and a thermal power plant project in Ibaraki Prefecture, among others.



Moka Power Station (image)

In addition to our competitive natural gas-fired thermal power sources and base load supply sources, we will also promote initiatives aimed at expanding renewable power sources, in order to address the issue of preventing climate change.

The Group's Natural Gas-Fired Thermal Power Plants

	Tokyo Gas Baypower Co., Ltd.	
	Generation capacity	Owned power
	0.10 million kW 0.1 million×1unit	0.10 million kW
Start of operations 2003 Tokyo Gas interest 100%		
	Tokyo Gas Yokosuka Power Co., Ltd.	
	Generation capacity	Owned power
	0.24 million kW 0.24 million×1unit	0.18 million kW
Start of operations 2006 Tokyo Gas interest 75%		
	Kawasaki Natural Gas Power Generation Co., Ltd.	
	Generation capacity	Owned power
	0.84 million kW 0.42 million×2unit	0.40 million kW
Start of operations 2008 Tokyo Gas interest 49%		
	Ohgishima Power Co., Ltd.	
	Generation capacity	Owned power
	1.221 million kW 0.407 million×3unit	0.90 million kW
Start of operations 2010 Tokyo Gas interest 75%		

Development of renewable energy sources

By developing renewable energy technologies (such as photovoltaic and wind power generation) with a sense of urgency, and utilizing alliances with relevant companies, Tokyo Gas will seek to bolster its renewable energy source initiatives.

We will also engage in proactive investment and development projects with the aim of achieving a power generation capacity of 0.4 million kW from renewable energy sources by the early 2020s.

Renewable Energy Projects

- Feb. 2017 Formed a business alliance with Shizen Energy Inc., with the objective of acquiring around 60 thousand kW of photovoltaic solar power generation sources
- May 2018 Acquired a partial stake in SFK Power LLC., which has a total power generation capacity of 9.7 thousand kW
- Jun. 2018 Signed an agreement with Photon Japan LLC., with the aim of jointly developing photovoltaic power stations with a power generation capacity of 30 thousand kW

Expand electricity sales to low-voltage customers

Through its city gas business, the Tokyo Gas Group has built up an extensive network and customer base of 11 million customers. Together with our key values of value for money, peace of mind, simplicity and convenience, we supply optimal energy services to match the the actual usage needs of customers, in combination with a range of lifestyle services.

Community-based sales network

The Tokyo Gas Group has established a community-based sales network with around 200 outlets in the Kanto region (including Tokyo Gas Lifeval, Enesta and Enefit), enabling us to tailor our services to fit the needs of individual customers. Through its 10,000 employees, Lifeval has built strong relationships of trust with over 11 million customers. As the “face” of Tokyo Gas Group, Lifeval employees interact directly with customers and engage in a wide array of services ranging from the sale and maintenance of gas appliances and opening/closing of gas fixtures when customers move house, to gas appliance safety checks and gas meter reading. In retail sales of electricity, too, through push-type marketing making effective use of such opportunities for direct contact with customers, we will continue to steadily accumulate more contracts to enhance our customer base.

Alliances with various industry partners

Tokyo Gas has formed business partnerships with a total of 48 companies (including wholesale customers such as gas business operators and LPG vendors) regarding the sale of low-voltage electric power. Through this network, we will continue to sell electricity to customers in the Greater Tokyo Area.

Expand electricity sales to high-voltage and extra-high-voltage customers

Through the establishment of Ennet in 2000, as a joint venture with NTT Facilities and Osaka Gas, we have worked to expand our electricity sales.

In October 2015, we established Synergia Power Co., Ltd., as a joint venture with Tohoku Electric Power Co., Ltd. As of April 2016, Synergia began selling electricity to high-voltage and extra-high-voltage customers in the Kanto region, primarily in the Northern Kanto area.



Corporate name	ENNET Corporation
Established	July 7, 2000
Main business	Electricity trading and electricity generation
Shareholders	NTT Facilities 40%; Tokyo Gas 30%, Osaka Gas 30%



Corporate name	Synergia Power Co., Ltd.
Established	October 1, 2015
Main business	Electricity retail supply to high-voltage and extra-high-voltage customers in the Kanto region, mainly in its northern area
Shareholders	Tohoku Electric Power 50%; Tokyo Gas 50%

Expanding our services towards our goal of securing 2.2 million electric power retail customers

Tokyo Gas Electricity
– Electric Power Retail Division

Customer Satisfaction

No.1



Always Plan Provide value for money, peace of mind, simplicity and convenience

Gas

- General Tariff
- Always Gas
- Tariffs for the specific gas equipments (“Danran Plan”etc.)

Power (Electricity)

- Always Electricity 1S
- Always Electricity 1
- Always Electricity 2
- Always Electricity 3

Services

- Always Reliable Services**
- Gas Fixture Troubleshooting Support
 - Gas Fixture Special Support
 - Electricity Fixture Troubleshooting Support
 - Emergency Home Assist Service
 - Residential Monitoring Services

- Always Home Support**
- Plumbing trouble response
 - Minor home improvements, repairs and renovations
 - Home safety measures
 - House cleaning and delivery cleaning
- “my TOKYOGAS” (the service for Web members)

Tokyo Gas Triple Discount Plan for gas, electricity and internet



Message

Living Service Division
Energy Proposal Promotion
Department
Hideo Horikoshi

The entire Tokyo Gas Group is currently working together as a team, engaging in various initiatives, with the goal of delivering Tokyo Gas Group electric power to 2.2 million customers by fiscal 2020. Specifically, we are securing new customers by proposing the key values—value for money, peace of mind, simplicity and convenience—offered by our electric power services, through a combination of TV commercials, direct mail promotions and other PR techniques, and individual home sales visits.

We also negotiate and form business partnerships (alliances) with real estate management companies (which are responsible for the management of high rise condominiums and apartment buildings, etc.), as well as various business partners and companies in other business sectors with which the Group has formed relationships. Through these alliances, these companies introduce our electric power services to their customers, in some cases leading to us securing new electric power contracts with those customers. One thing that I feel keenly in my day-to-day duties as a sales representative is the power of the Tokyo Gas brand. We are trusted by customers as a company that has extensive experience and expertise in the field of energy, and I feel that this is a major advantage when it comes to selling electricity.

Moving forward, I will continue striving to propose our services and solutions to customers in a sincere, detailed and easily-understandable manner, so as not to betray that trust.