

# 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 8 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.

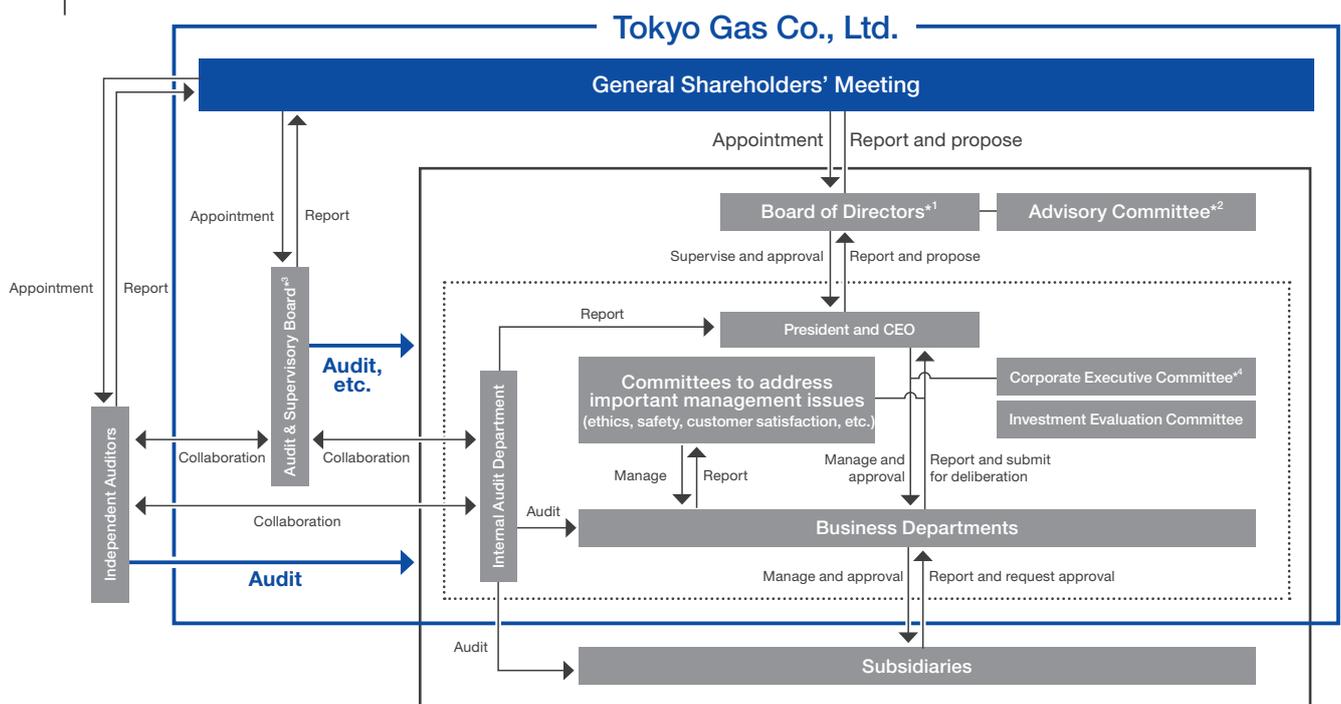
### Outside Directors

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 company discloses the Independence Standards for Outside Directors on its website: [www.tokyo-gas.co.jp/IR/english/gvnn/pdf/independence.pdf](http://www.tokyo-gas.co.jp/IR/english/gvnn/pdf/independence.pdf)) 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.

## Corporate Governance System



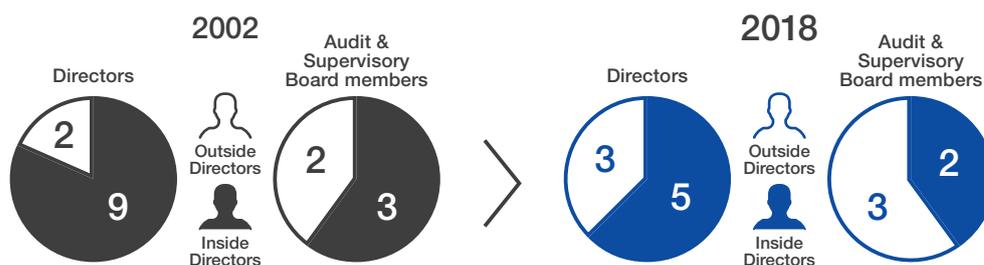
\*1 Board of Directors: 8 directors (3 outside directors and 5 inside directors), 5 Audit & Supervisory Board members (3 outside auditors and 2 inside auditors)

\*2 Advisory Committee: 2 outside directors, 1 outside Audit & Supervisory Board member, Chairman(1), President and Representative Director and CEO(1)

\*3 Audit & Supervisory Board: 5 Audit & Supervisory Board members (3 outside auditors and 2 inside auditors)

\*4 Corporate Executive Committee: President and CEO(1), 2 Executive Vice Presidents, 2 Senior Managing Executive Officer, and 6 Senior Executive Officers (3 of the representative directors also serve as President and CEO and Executive Vice Presidents)

Progress in Governance Composition of the Board of Directors



Realizing Accurate and 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.)

FY2017 Analysis and Evaluation of Effectiveness of the Board of Directors

To maintain and enhance effectiveness of the Board of Directors, the Board analyzed and evaluated its effectiveness

by having each of its directors complete a questionnaire-based self-evaluation. The Board then held discussions and exchanged opinions based on the outcome of those self-evaluations.

The results of the questionnaire and subsequent discussions were as follows. It was found that that Board's decision-making and supervisory functions are being sufficiently guaranteed. In particular, it was recognized by all that the Board's effectiveness had improved significantly as a result of improvements made in terms of operational aspects, owing to the April 2017 revision of the Board of Directors Regulations. At the same time, it was also agreed that ceaseless efforts are required in order to further increase the Board's effectiveness in the future, such as by seeking to improve and enhance discussions by reviewing the times at which Board meetings are held, and to enhance the Board's relationship with executive officers (for example, by expanding the list of attendees at Board meetings to include executive officers, and increasing supervisory patrols by directors to inspect the state of execution of duties.)

Overview of Corporate Governance System (As of June 28, 2018)

Number of directors	8	Participation of outside directors and outside audit & supervisory board members in selecting director candidates	Yes
Average age of directors	62.5	Number of meetings of Board of Directors*	13
Number of outside directors	3	Attendance rate of outside directors at meetings of Board of Directors*	97.4%
Number of Audit & Supervisory Board members	5	Term of office of directors	One year
Number of outside Audit & Supervisory Board members	3	Performance-linked remuneration	Yes
Number of independent officers	6	Share purchase system to reflect the perspective of shareholders in management	Yes
Participation of outside directors / outside Audit & Supervisory Board members in determination of remuneration			Yes

\* Total for the period from April 2017 to March 2018

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

We have established in-house committees—such as the Management Ethics Committee, chaired by the President and CEO—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.

## Corporate Governance

### Audit & Supervisory Board Members

The Audit & Supervisory Board members meet once a month as a general rule and otherwise as needed. The 5 members of the board, which include 3 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 representative directors to exchange opinions, both on a regular basis and otherwise as needed.

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.

### 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 and 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.

### 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 Composition and Other Details of Remuneration Paid to Directors

(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.

A portion of fixed remuneration shall be allocated to the purchase of shares based on a share-purchase guideline and from the standpoints of reflecting the perspectives of shareholders on management and improving shareholder value over the long term. The amount of performance-linked remuneration shall be determined after evaluating companywide performance and performance of operating units from the standpoints of motivating inside directors to execute management strategies and reflecting their performance clearly in their 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 Composition and Other Details of Remuneration Paid to Audit & Supervisory Board Members

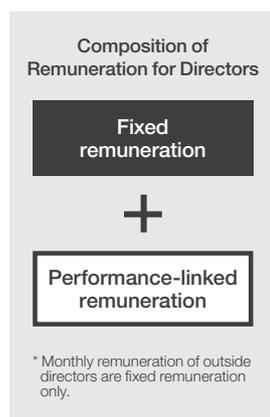
(1) Remuneration of Audit & Supervisory Board members shall be paid within the scope of the remuneration limit approved at the General Shareholders' Meeting and determined through discussions among Audit & Supervisory Board members.

(2) Remuneration of Audit & Supervisory Board members shall comprise only fixed monthly remuneration.



## 5 Assurance of Objectivity and Transparency of the 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 2017)				
	Number of officers <sup>*</sup>	Total value of remuneration	Base	Bonuses
Remuneration for directors (excluding outside directors)	10	¥464 million	¥386 million	¥78 million
Remuneration for Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	3	¥74 million	¥74 million	—
Remuneration for outside officers (outside directors and outside Audit & Supervisory Board members)	7	¥66 million	¥58 million	¥8 million

\*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 whom one was an outside auditor) who retired upon the conclusion of the 217th Annual Shareholders' Meeting.

## Corporate Governance

### Advisory Committee

In February 2005, we established the Advisory Committee to assure objectiveness and transparency in management. The committee has up to five members, consisting of the Chairman, the President and CEO, and up to three directors selected by the Board of Directors; with over half of its membership consisting of outside directors, and the committee chairman also being an outside director.

Advisory Committee Membership (as of June 28, 2018)	
Committee chairman	Akihiko Ide (Outside Director)
Committee members	Yoshinori Katori (Outside Director)
	Yoshihiko Morita (Outside Audit & Supervisory Board Member)
	Michiaki Hirose (Director, Chairman)
	Takashi Uchida (Representative Director, President and CEO)

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.

### Internal Control System

To secure management soundness and transparency, and to realize its management philosophy, the company has formulated the “Basic Policy on Development of Corporate Structures and Systems for Internal Control System,” and 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.

### 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 3 certified public accountants: Yoshihide Takehisa, Toshiyuki Tamura and Yoshihiro Uehara. For each of these auditors, the number of consecutive years of auditing service is seven years or less (as of June 28, 2018).

Compensation for Independent Auditors (Fiscal 2017)	
Compensation for auditing services	¥262 million
Compensation for non-auditing services	¥14 million
<b>Total</b>	<b>¥276 million</b>

### Compliance

#### Compliance Structure

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 through coordination among divisions based on the fundamental policy**  
**Promotion of the compliance PDCA cycle**

We have established the Management Ethics Committee, chaired by the President and CEO. This committee discusses at the executive 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. The Compliance Department operates counseling service counters, distributes information within and beyond the Tokyo Gas Group companies, and promotes a thorough awareness of ongoing activities related to our Code of Conduct, which represents a compliance standard of the Tokyo Gas Group and was revised in April 2017, so as to further meet the expectations of society. The Compliance Department also supports a wide range of compliance-related activities for each department. These include development of compliance promotion systems, encouragement awareness and educational campaigns about the Code of Conduct, and compliance risk reduction measures.

#### 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. of the Internal Audit Dept. conducts audits of the company and its subsidiaries focusing on the probability that risks will materialize and their degree of importance 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.

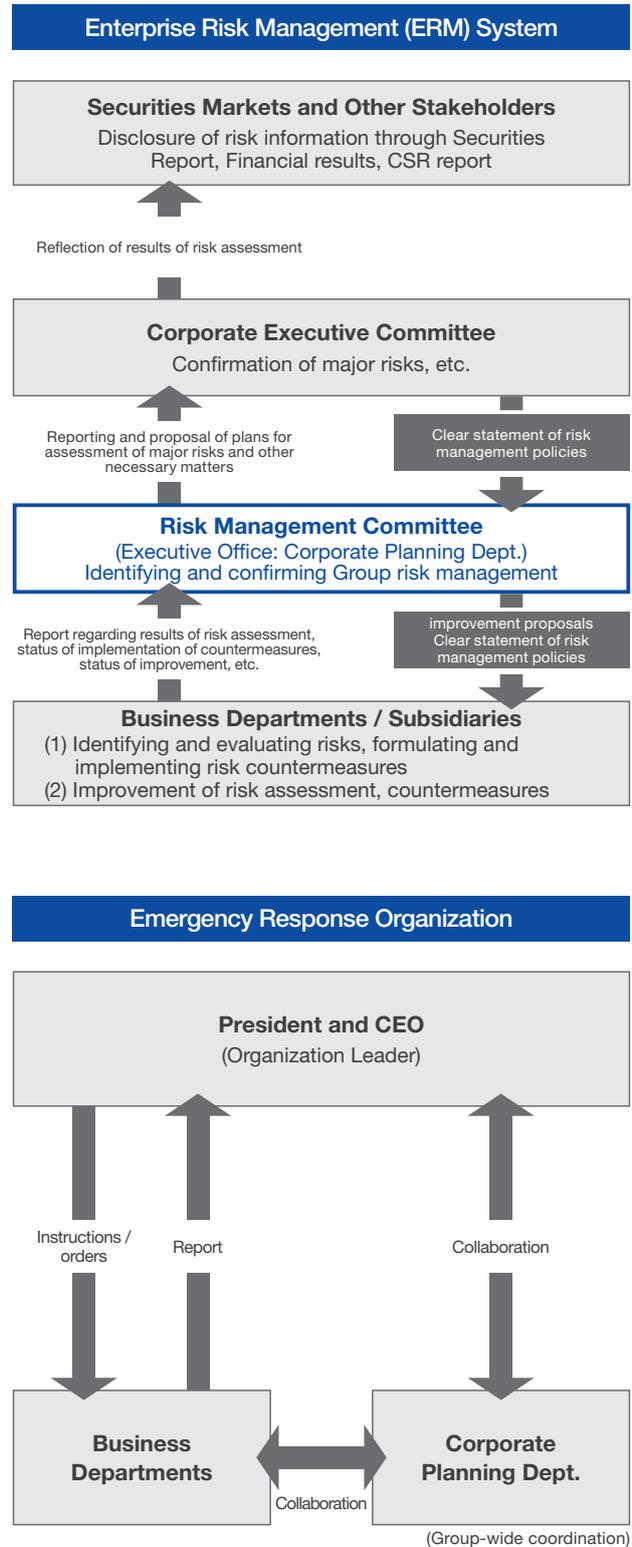
# Risk Management System

## Enterprise Risk Management System

The company has established an enterprise risk management (ERM) system, and drawn up risk management regulations that include documented rules concerning major risks faced by the group. The Risk Management Committee was established with the aim of improving the management level of the ERM system. The Committee checks progress regarding the establishment and operational status of the ERM system, including periodic risk assessments. It also reports to the Corporate Executive Committee and obtains the necessary approvals. Under the framework, around 150 Risk Management Promotion Officers are deployed in the business departments of Tokyo Gas and its subsidiaries 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.

## 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 major crises, including major natural disasters, such as earthquakes, or production or supply disruptions arising from major accidents at pipelines or LNG terminals, as well as new strains of influenza, terrorism, failures in mission-critical IT systems, and compliance problems, the Emergency Response Organization is established to respond 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 a new strain of influenza, etc. This plan is in place to reinforce the company's risk management system.



# Corporate Governance

## Board of Directors (As of June 28, 2018)

— Director, Chairman —



**Michiaki Hirose**

- April 1974 Joined the Company
- April 2004 Executive Officer and Assistant to Chief Executive of Corporate Communication Div.
- April 2006 Executive Officer and General Manager of Corporate Planning Dept. of Strategic Planning Div.
- April 2007 Senior Executive Officer and in charge of Corporate Planning Dept., Infrastructure Project Dept., Finance Dept., Accounting Dept. and Affiliated Companies Dept.
- April 2008 Senior Executive Officer and in charge of Corporate Planning Dept., Investor Relations Dept., Finance Dept., Accounting Dept., Affiliated Companies Dept. and Gas Industry Privatization Research Project Dept.
- April 2009 Senior Executive Officer and in charge of Corporate Planning 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.
- January 2010 Director, Senior Executive Officer and in charge of Corporate Planning Dept., Project Management Dept., Corporate Communications Dept. and Affiliated Companies Dept.
- April 2012 Representative Director, Executive Vice President and Chief Executive of Living Energy Div.
- April 2013 Representative Director, Executive Vice President and Chief Executive of Residential Sales and Service Div.
- April 2014 Representative Director, President
- April 2018 Director and Chairman of the Board

**Reason for appointment**

Over the course of his career, Michiaki Hirose has engaged mainly in planning and living-related work duties. For four years, from April 2014 until March 2018, he served as President. Since April 2018, as Director and Chairman, he has served as chairman of the Board of Directors. He is highly knowledgeable, and has extensive work experience with the company.

— Representative Director, President and CEO —



**Takashi Uchida**

- April 1979 Joined the Company
- June 2006 General Manager of Pipeline Planning Dept. of Pipeline Network Div.
- April 2009 General Manager of Corporate Planning Dept.
- April 2010 Executive Officer and General Manager of Corporate Planning Dept.
- April 2012 Senior Executive Officer and in charge of Personnel Dept., Secretary Dept., Compliance Dept. and Internal Audit Dept.
- April 2013 Senior Executive Officer and Chief Executive of Energy Resources business Div.
- June 2015 Director, Senior Executive Officer and Chief Executive of Energy Resources Div.
- April 2016 Representative Director, Executive Vice President and Chief Executive of Residential Sales and Service Div.
- April 2017 Representative Director, Executive Vice President and Chief Executive of Residential Service Div.
- April 2018 Representative Director, President and CEO

In his career, Takashi Uchida has engaged mainly in pipeline, resources and overseas business-related work duties. Since April 2018, he has served as President and CEO, with ultimate responsibility for the execution of duties within the company. He is highly knowledgeable, and has extensive work experience with the company.

— Director —



**Kunio Nohata**

- April 1984 Joined the Company
- November 2006 General Manager of Infrastructure Project Dept.
- April 2008 Acting General Manager of Energy Sales & Service Planning Dept. of Energy Solution Div.
- April 2009 General Manager of Total Energy Business Dept. of Energy Solution Div.
- April 2011 General Manager of Gas Resources Dept. of Energy Resources Business Div.
- April 2013 Executive Officer and General Manager of Gas Resources Dept. of Energy Resources Business Div.
- April 2015 Senior Executive Officer, President, Representative Director of Tokyo Gas Engineering Solutions Corporation
- April 2017 Senior Executive Officer of the Company, Chief Executive of Power Business Div., In charge of Environmental Affairs Dept.
- June 2017 Director, Senior Executive Officer of the Company, Chief Executive of Power Business Div., In charge of Environmental Affairs Dept.
- April 2018 Director, Senior Managing Executive Officer, Chief Executive of Global Business Div.

**Reason for appointment**

Over the course of his career, Kunio Nohata has engaged mainly in energy sales, resources and overseas business-related work duties. He currently serves as Senior Managing Executive Officer, and is responsible for the company's Global Business Division. He is highly knowledgeable, and has extensive work experience with the company.

— Outside Director —



**Akihiko Ide**

- April 1965 Joined Mitsubishi Metal Mining Company Ltd.(Current Mitsubishi Materials Corporation)
- June 1994 General Manager of General Affairs & Administration Dept. at Mitsubishi Materials Corporation
- June 1997 Director of Mitsubishi Materials Corporation
- June 2000 Managing Director of Mitsubishi Materials Corporation
- June 2002 Executive Vice President of Mitsubishi Materials Corporation
- June 2004 President of Mitsubishi Materials Corporation
- June 2010 Chairman of Mitsubishi Materials Corporation Director of Sakai Chemical Industry Co., Ltd.
- April 2015 Senior Advisor of Mitsubishi Materials Corporation
- June 2015 Advisor of Mitsubishi Materials Corporation Outside Director of the Company
- June 2017 Retired as Advisor of Mitsubishi Materials Corporation

Akihiko Ide has an international outlook, developed through his experiences in overseas business operations, primarily in the general materials industry in Asia. He is also highly knowledgeable, and possesses management capabilities and a broad-minded perspective, acquired through his involvement in a wide range of business operations, including the resources (commodities) business. We hope that he will make use of these qualities in helping to manage Tokyo Gas.



Representative Director

## Masaru Takamatsu

- April 1980 Joined the Company
- April 2005 General Manager of Home Service Planning Dept. of Home Service Div.
- April 2006 General Manager of Business Partnership Support Dept. of Home Service Div.
- April 2010 General Manager of LIFEVAL Project Management Dept. of Living Energy Div.
- April 2011 Executive Officer and General Manager of LIFEVAL Project Management Dept. of Living Energy Div.
- April 2012 Executive Officer and General Manager of Corporate Planning Dept.
- April 2014 Senior Executive Officer and in charge of Corporate Planning Dept. and Affiliated Companies Dept.
- April 2015 Senior Executive Officer and in charge of Corporate Planning Dept., Personnel Dept., Chiba-Ibaraki Project Dept., Group Management Project Dept., and Group Personnel System Project Dept.
- April 2016 Senior Executive Officer and in charge of Personnel Dept., Secretary Dept., General Administration Dept., Compliance Dept., and Internal Audit Dept.
- June 2016 Director, Senior Executive Officer and in charge of Personnel Dept., Secretary Dept., General Administration Dept., Compliance Dept., and Internal Audit Dept.
- April 2017 Director, Senior Executive Officer and in charge of Purchasing Dept., Secretary Dept., General Administration Dept., Compliance Dept., and Internal Audit Dept.
- April 2018 Representative Director, Executive Vice President and Chief Executive of Residential Sales and Service Div.

During his career, Masaru Takamatsu has engaged mainly in living and planning-related work duties. He currently serves as Executive Vice President. He is highly knowledgeable, and has extensive work experience with the company.



Outside Director

## Yoshinori Katori

- April 1973 Joined Ministry of Foreign Affairs
- August 2004 Director-General of Consular Affairs Bureau
- August 2005 Press Secretary/Director-General for Press and Public Diplomacy of Minister's Secretariat
- August 2006 Ambassador Extraordinary and Plenipotentiary to the State of Israel
- October 2008 Ambassador for ASEAN, and Science and Technology Cooperation, Ministry of Foreign Affairs
- April 2010 Director-General of Foreign Service Training Institute, Ministry of Foreign Affairs
- March 2011 Ambassador Extraordinary and Plenipotentiary to the State of Indonesia
- October 2014 Retired from Ministry of Foreign Affairs
- June 2015 Outside Director of the Company

Yoshinori Katori is highly knowledgeable, and has an international outlook and broad-minded perspective developed through his many years in international diplomacy. We hope that he will make use of these qualities in helping to manage Tokyo Gas.



Representative Director

## Takashi Anamizu

- April 1985 Joined the Company
- January 2010 General Manager of Project Management Dept.
- April 2012 General Manager of Residential Fuel Cell Business Development Dept. of Living Energy Div.
- April 2015 Executive Officer and General Manager of Sales Innovation Planning Dept.
- April 2016 Senior Executive Officer, Chief Executive of Energy Resources & Global Business Division.
- April 2017 Senior Executive Officer, Chief Executive of Global Business Div.
- June 2017 Director, Senior Executive Officer, Chief Executive of Global Business Div.
- April 2018 Representative Director, Executive Vice President and Chief Executive of Energy Solution Div. and Power Business Div.

In his career, Takashi Anamizu has engaged mainly in living, resources and overseas business-related work duties. He currently serves as Executive Vice President. He is highly knowledgeable, and has extensive work experience with the company.



Outside Director

## Chika Igarashi

- April 1997 Registered as an attorney at law
- April 1997 Joined a law firm in Tokyo Metropolitan area
- July 2006 Joined Asahi Law Office (Currently Nishimura & Asahi Law Office)
- June 2007 Registered as an attorney at law in New York State, USA
- June 2016 Outside Director of the Company

Chika Igarashi is highly knowledgeable, and possesses high-level legal expertise and a broad-minded perspective, developed through her many years of involvement in corporate legal affairs. We hope that she will make use of these qualities in helping to manage Tokyo Gas.

# Corporate Governance

## Audit & Supervisory Board Members (As of June 28, 2018)

Audit & Supervisory Board Member



Hideaki Obana

April 1978 Joined the Company  
 July 2003 General Manager of Marketing Dept., Living Planning Div.  
 April 2004 General Manager of Home Service Planning Dept., Home Service Div.  
 April 2005 General Manager of Kanagawa Branch, Corporate Communication Div.  
 April 2007 General Manager of Corporate Communications Dept.  
 April 2009 Executive Officer and General Manager of Corporate Communications Dept.  
 April 2012 Senior Executive Officer and in charge of Purchasing Dept., Real Estate Management Dept., and Major Site Development Dept.  
 April 2013 Senior Executive Officer and in charge of Purchasing Dept., Real Estate Management Dept., Personnel Dept., and Internal Audit Dept.  
 March 2015 Retired as Senior Executive Officer  
 June 2015 Audit & Supervisory Board Member of the Company

**Reason for appointment**

Hideaki Obana is highly knowledgeable, and has extensive work experience with the company. He has engaged mainly in living and PR-related work duties, and has also served as a Senior Executive Officer.

Audit & Supervisory Board Member



Hideaki Arai

April 1979 Joined the Company  
 April 2007 General Manager of Pipeline Network Div.  
 April 2010 Executive Officer, General Manager of Pipeline Dept., Pipeline Network Div.  
 April 2013 Senior Executive Officer, Chief Executive of Pipeline Network Div.  
 April 2015 Senior Executive Officer, Chief Executive of Regional Development Marketing Div.  
 April 2016 Senior Executive Officer, Chief Executive of Region Div.  
 March 2017 Retired as Senior Executive Officer  
 June 2017 Audit & Supervisory Board Member of the Company

Hideaki Arai is highly knowledgeable, and has extensive work experience with the company. He has engaged mainly in pipeline and wide-area sales-related work duties, and has also served as a Senior Executive Officer.

Outside Audit & Supervisory Board Member



Yoshihiko Morita

April 1969 Joined Export-Import Bank of Japan  
 October 1999 Full-time Auditor of Japan Bank for International Cooperation  
 October 2000 Director of Japan Bank for International Cooperation  
 October 2004 Vice Governor of Japan Bank for International Cooperation  
 October 2008 Representative Director and Senior Managing Executive Officer of Japan Finance Corporation Deputy CEO of Japan Bank for International Cooperation  
 June 2011 Retired as Deputy CEO of Japan Bank for International Cooperation  
 December 2011 Advisor of Sumitomo Mitsui Banking Corporation  
 June 2012 President (Chief Executive Officer) of Japan Institute for Overseas Investment Outside Audit & Supervisory Board Member of the Company  
 June 2013 Outside Director of Kawasaki Heavy Industries, Ltd. Retired as Advisor of Sumitomo Mitsui Banking Corporation  
 December 2014 Retired as President (Chief Executive Officer) of Japan Institute for Overseas Investment  
 June 2018 Retired as Outside Director of Kawasaki Heavy Industries, Ltd.

**Reason for appointment**

Yoshihiko Morita is highly knowledgeable and has a broad international outlook, developed through his experience in fields such as international finance and overseas economic cooperation. We hope that he will make use of these qualities in his role as an Audit & Supervisory Board member for Tokyo Gas.

Outside Audit & Supervisory Board Member



Masato Nobutoki

April 1981 Joined Mitsubishi Corporation  
 September 2002 Head of the secretariat of Government Exhibition Projects for EXPO 2005 Aichi, Japan, Producer Associates Co. Ltd.  
 April 2004 General Manager of Planning & Event Office of Government Exhibition Projects Dept., Japan Association for the 2005 World Exposition  
 April 2007 Joined City of Yokohama Director General of City Growth Strategy Promotion Department, Economic Affairs Bureau, City of Yokohama  
 April 2009 General Manager of Climate Change Policy Project, City of Yokohama  
 May 2011 General Manager of Climate Change Policy Headquarters, City of Yokohama  
 April 2012 Executive Director of Future City Promotion, Climate Change Policy Headquarters, City of Yokohama  
 April 2016 Consultant of Future City Promotion, Climate Change Policy Headquarters, City of Yokohama  
 June 2017 Outside Audit & Supervisory Board Member of the Company Retired as Advisor to the city of Yokohama

Masato Nobutoki is highly knowledgeable and has extensive experience, both as a company employee and as a member of staff at regional public bodies. We hope that he will make use of these qualities in his role as an Audit & Supervisory Board member for Tokyo Gas.

Outside Audit & Supervisory Board Member



Sawako Nohara

December 1988 Joined LIFE SCIENCE LABORATORIES, LTD.  
 May 1995 Retired from LIFE SCIENCE LABORATORIES, LTD.  
 July 1995 Joined InfoCom Research, Inc.  
 December 2000 Retired from InfoCom Research, Inc. Director of IPSe Marketing, Inc.  
 December 2001 President and Representative Director of IPSe Marketing, Inc.  
 June 2006 Outside Director of NEC Corporation  
 November 2009 Project Professor, Graduate School of Media and Governance of Keio University  
 June 2012 Retired from Outside Director of NEC Corporation, Outside Audit & Supervisory Board Member of Sompō Japan Insurance Inc.  
 June 2013 Retired from Outside Audit & Supervisory Board Member of Sompō Japan Insurance Inc. Outside Director of NKSJ Holdings, Inc. (Current Sompō Holdings, Inc.)  
 June 2014 Outside Director of JAPAN POST BANK Co., Ltd. Independent Outside Director of the Board of Nissha Printing Co., Ltd. (Current Nissha Co., Ltd.)  
 June 2018 Outside Audit & Supervisory Board Member of the Company

Sawako Nohara is highly knowledgeable, and possesses corporate management experience and high-level IT-related expertise. We hope that she will make use of these qualities in her role as an Audit & Supervisory Board member for Tokyo Gas.

**Significant joint responsibilities**

President and Representative Director of IPSe Marketing, Inc.  
 Outside Director of Sompō Holdings, Inc.  
 Outside Director of JAPAN POST BANK Co., Ltd.  
 Outside Director of Nissha Co., Ltd.

## Message from an Outside Audit &amp; Supervisory Board Member

I aim to utilize my experiences in corporate management and the world of IT while contributing to increasing the corporate value of Tokyo Gas, from a consumer viewpoint.

Outside Audit & Supervisory Board Member

Sawako Nohara



After stretches working in the research laboratory of a major chemical manufacturer, and at a think-tank that investigates consumer behavior, I became involved in Internet business-related investigative research at the NTT Group's general research center on information and telecommunications (InfoCom Research, Inc.)

At that time, the Internet was still in its early days, and Windows95 hadn't even been released yet. Even so, I felt that there were huge possibilities for the future of the Internet, and completely immersed and dedicated myself to my work. That experience gained me recognition, and I currently serve as an external director for several companies, while at the same time offering my opinions on industrial policies and at IT-related strategy meetings organized by the government and various ministries and agencies, and working to help develop the next generation of human resources, as a project professor at Keio University.

As a social infrastructure company providing a stable supply of energy, Tokyo Gas is a company that is crucial to society. However, with the deregulation of electric power, followed by the deregulation of the city gas market in 2017, the entire energy industry is beginning to change dramatically. Being appointed as an outside director during this period of transformation makes me feel a good sense of tension, a strong sense of purpose, and even greater feelings of excitement and anticipation.

Over the past few years, the number of companies investing efforts into corporate governance is increasing. As one such company, Tokyo Gas is currently making effective and proactive use of excellent and highly-experienced human resources, such as by ensuring that outside personnel account for nearly half of its directors and Audit & Supervisory Board members.

However, the important thing is not the number or ratio of outside personnel, but the question of whether or not the company's senior management are listening seriously to the fruitful discussions being held amongst the directors, and working to adequately reflect those opinions in the actual workplace. I believe that it is this management stance that is the true essence of corporate governance. Outside Audit & Supervisory Board members must have broad perspective that enables them to take a step away and survey the entire company overall, from an elevated position.

There will surely be some things that are taken for granted internally, but which seem strange when viewed through the eyes of an outsider. Although small in size, the company that I myself started has now marked the 18th anniversary of its founding. I would like to utilize my experiences thus far, as an IT specialist, as a business manager, and as a consumer, and to engage in the lively exchange of honest and unrestrained opinions, in order to help further increase the corporate value of Tokyo Gas.

## Executive Officers

President and CEO	Takashi Uchida		
Executive Vice Presidents	Masaru Takamatsu	Chief Executive of Residential Sales and Service Div.	
	Takashi Anamizu	Chief Executive of Energy Solution Div. and Power Business Div.	
Senior Managing Executive Officer	Kunio Nohata	Chief Executive of Global Business Div.	
	Isao Nakajima	CFO, in charge of Finance Dept., Accounting Dept., Personnel Dept. and Purchasing Dept.	
	Satoru Sawada	The Japan Gas Association	
Managing Executive Officer	Tadashi Komiyama	Chief Executive of Pipeline Network Div.	
	Koki Hayakawa	Chief Executive of Region Div.	
	Kentaro Kimoto	Chief Executive of Gas Resources & Energy Production Div.	
	Hiroshi Kishino	In charge of Secretary Dept., General Administration Dept., Corporate Communications Dept., Environmental Affairs Dept., Compliance Dept. and Internal Audit Dept.	
	Shinichi Sasayama	Chief Executive of Digital Innovation Div. In charge of Corporate Planning Dept.	
	Ayumi Shigitani	President, Representative Director of TOKYO GAS i NET CORP. and General Manager of CIRIUS Project Dept. of Digital Innovation Div.	
Executive Officers	Shinichi Takagi	Toshiyasu Ishii	Nobuhisa Kobayashi
	Yohei Nitta	Tomoyuki Yoshioka	Minoru Sanari
	Yoshiharu Kikuyama	Akihiko Matsuda	Takashi Higo
	Isao Hosoya	Hiroshi Hanada	Akihiro Saito
	Masayuki Kado	Satoshi Tanazawa	Shinsuke Ogawa