



Tokyo Gas Group FY2018-2020
Medium-Term Management Plan
GPS2020



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In November 2011, the Tokyo Gas Group released its Group Management Vision: “Challenge 2020 Vision - Initiatives by the Tokyo Gas Group for Energy and for the Future”

In our previous management plans, “Hop” (FY2012-2014) and “Step” (FY2015-2017), our goals were to realize a integrated energy and global corporate group. In addition to widely expanding our business domains and areas, and forming seven business domains, we also built a new group formation.

During the “Jump” period (FY2018-2020), we will deploy the Tokyo Gas Group’s “GPSxG” system to generate real new value in “the things we can do” while pressing forward with the integrated vision of non-continuous reform (business transformation unprecedented in its boldness and fundamental reform of our organizational structure).

The 2020s will be a period of solid growth and forward movement.

Tokyo Gas's
Concept of the
Coming Era



The Era of Natural Gas

With its excellent stability, economics, and environmentally friendly characteristics, natural gas is becoming an increasingly important energy source, both in Japan and around the world.

Going forward, natural gas is expected to become more widely used, in a greater range of fields and areas, as it expands dynamically on a global scale.



The Era of Single-Source Providers of Electricity and Gas

Until now, customers in Japan were only able to buy electricity from electric power companies, and gas from gas companies. But now, 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.

Moving forward, it will now be possible for us to propose and introduce optimal energy systems combining both gas and electric power.



The Era of Next-Dimensional Innovation Fueled by the Rapid Digital Evolution

The rapid evolution of digital technologies such as IoT and AI is having an enormous impact on daily life and industry. These technologies are expected to spur new kinds of innovation that differ from anything seen before.

We will pay close attention to such changes as we move forward.

Transition from
“Goals” to
“Capabilities”

During the “Jump” period, we will deploy the Tokyo Gas Group’s “GPSxG” system to generate real new value in “the things we can do” while pressing forward with the comprehensive vision of non-continuous reform (business transformation unprecedented in its boldness and fundamental reform of our organizational structure).
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GPS
Integrated energy

Provide optimal energy, featuring gas and electricity as a packaged service.

Provide a one-stop offer for a full range of services designed to meet life stages and needs of residential customers.

We will provide energy services and engineering for our commercial and industrial customers to reduce their energy usage and costs.

GPS × G
GAS & POWER + SERVICE × GLOBAL



G
Global

Establish offices in strategic areas and concentrate management resources to engage in proposal planning.

Contribute to building energy infrastructure in coordination with the governments and enterprises in the fast-growing countries of Southeast Asia and other regions as the energy supply and demand structure of these regions continues to evolve.

Build a firm foundation for profitability in North America and other regions where deregulation and market trading of energy is advancing, while acquiring and using the know-how that will contribute to our other businesses in Japan and overseas.

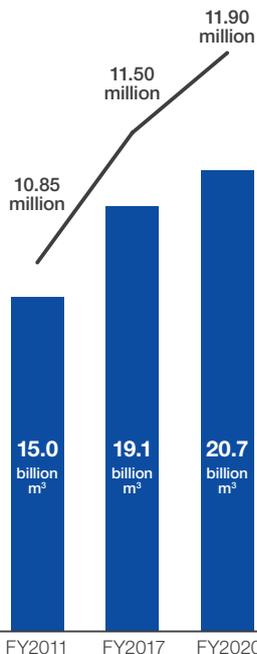
Vision

In fiscal 2019, we will formulate a future long-term management vision for the Tokyo Gas Group. To shape the next fifty years, we will see the changes in the surrounding business circumstance as an opportunity and strive to create new value by pursuing innovation.



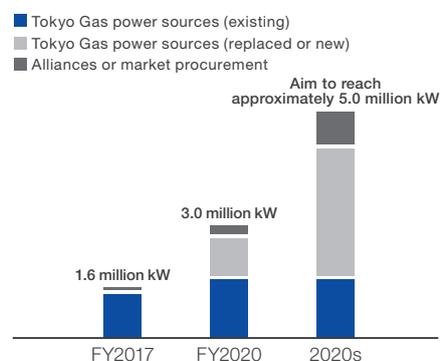
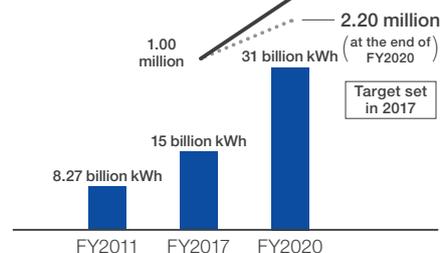
Gas

■ Gas handling volume
 — Number of customers (with city gas meters)



Electric Power

■ Electric power sales volume
 — Number of customers (electric power contracts)



Service

In addition to gas and electric power as a package, we will propose and deliver optimal service combinations to match customers' lifestyle and business needs.

Lifestyle services including gas devices and equipment

Engineering services

Regional development services (Real estate)



Global

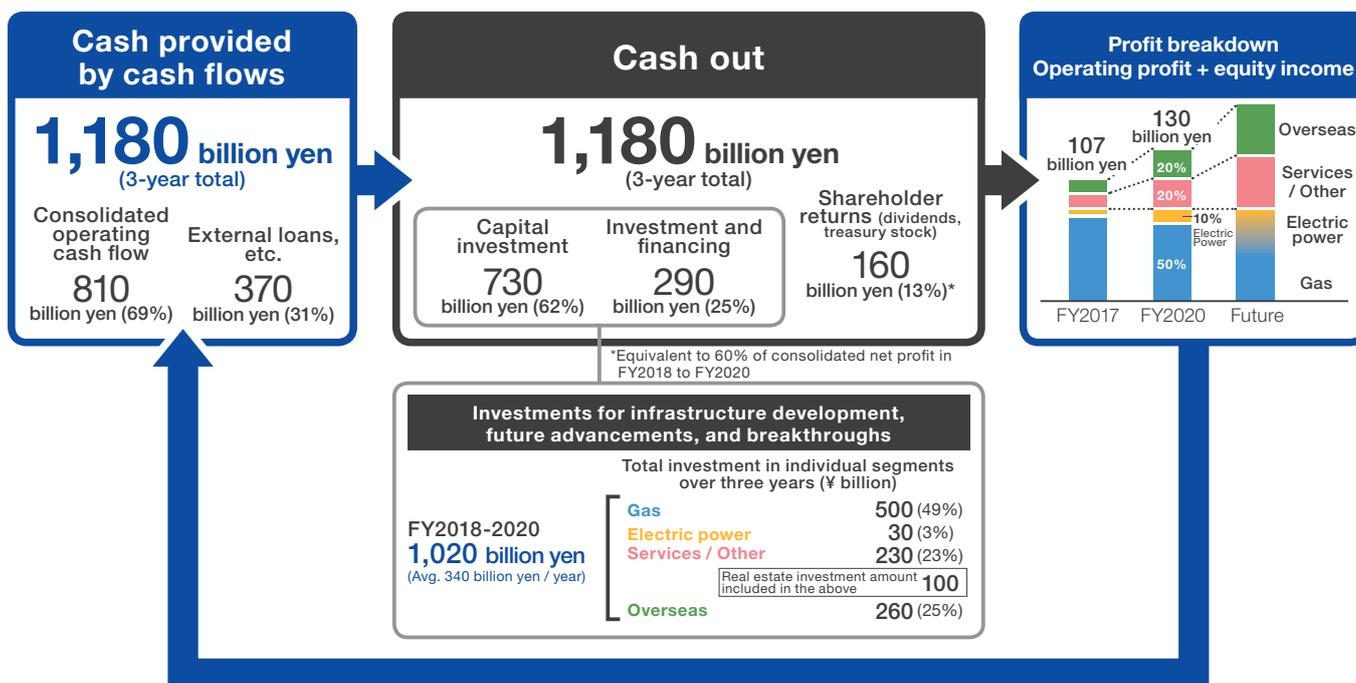
Utilizing our experience in the LNG value chain management, we will deepen and expand our business operations according to the regional characteristics of each area.

North America We will participate in upstream, midstream and downstream business operations to acquire know-how and enhance our revenue base.

Southeast Asia This area is expected to see further growth. We will continue to drive initiatives in midstream and downstream business operations.

Australia We will seek to maximize the value of existing upstream projects.

Cash flow distribution method for FY2018-2020



	Consolidated operating cash flow	Profitability (ROE)	Shareholder returns (Total payout ratio)	Stability (Debt-to-equity ratio)
FY2017	244 billion yen	5.5%	60%	0.71
FY2020	280 billion yen	Approx. 8%	60%	Approx. 0.9

*Figures for FY2017 and the gas handling volume figure for FY2011 are values estimated at the time of plan formulation.