

OVERSEAS BUSINESS

Outline

We have expanded and increased overseas bases and staff, and have participated in LNG or natural gas related business projects in Australia, North America, and Southeast Asia, all in order to make overseas business another major source of growth for the Tokyo Gas Group, as indicated in the Challenge 2020 Vision. Looking ahead, in addition to conducting discussions with a view to further business development, we will also work to ensure efficient distribution of management resources as we advance our overseas business operations.

Net sales **¥50.9** billion FY2018

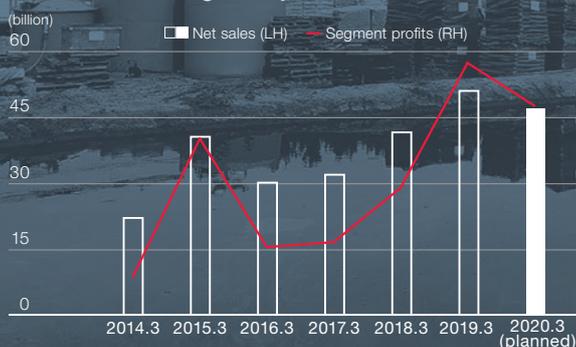
Segment profits **¥15.3** billion FY2018

- Know-how in the midstream and downstream businesses accumulated in Japan
- Global network established through activities such as material procurement and business participation

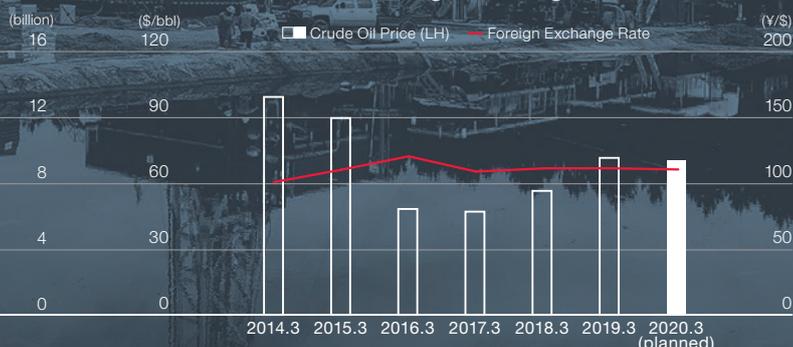


- Business operations may be stalled, or the burden of expenses may increase, as a result of country-specific laws, regulations and/or business practices
- Fluctuations in crude oil/gas prices and foreign exchange rates may impact the revenues and expenditures of all overseas business operations

Net sales and Segment profits



Crude Oil Price and Foreign Exchange Rate



Aiming to develop and advance our overseas business operations as a global integrated energy corporation

Leveraging our experience related to the global LNG value chain, we will enhance and expand businesses in accordance with the characteristics of each region where we operate in an attempt to increase recognition of Tokyo Gas as an LNG specialist.

We will continue to invest in projects that contribute to the construction of energy infrastructure, with a primary focus on midstream to downstream businesses, for which we can expect to see stable returns. We will aim to build a

portfolio with the least impact from fluctuations in energy prices, and continue working to increase the added value of our existing projects. In addition, we will consider renewable energy and other future business fields with growth potential, entry into regions where we can expect to see market growth and where we can leverage our strengths.

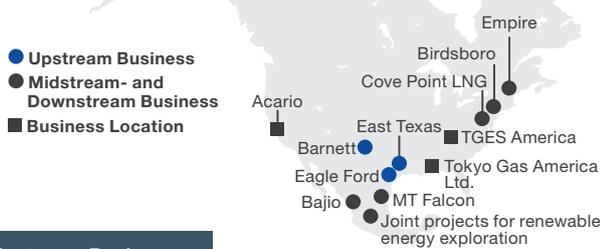
The Tokyo Gas Group's operations currently span 13 business locations in nine countries (including North America, Southeast Asia and Australia).

	Upstream Business	Midstream- and Downstream Business	Business Location		
North America	■ Operation and management of shale projects	■ Natural gas-fired power generation ■ Renewable energy	Tokyo Gas America Ltd. Houston, Texas	TGES America Ltd. South Carolina	Acario Ventures Silicon Valley
Southeast Asia	—	■ LNG terminal business ■ Natural gas-fired power generation ■ Gas supply ■ Energy service	Tokyo Gas Asia Pte. Ltd. Singapore Bangkok Representative Office Thailand	Jakarta Representative Office Indonesia Ho Chi Minh & Hanoi Representative Offices Vietnam	Manila Representative Office Philippines Kuala Lumpur Representative Office Malaysia
Australia	■ Operation and management of LNG projects	—	Tokyo Gas Australia Pty Ltd. Perth & Brisbane		
Other regions	—	—	Paris Representative Office France		

Aiming to construct LNG value chains and expand renewable energy

North America

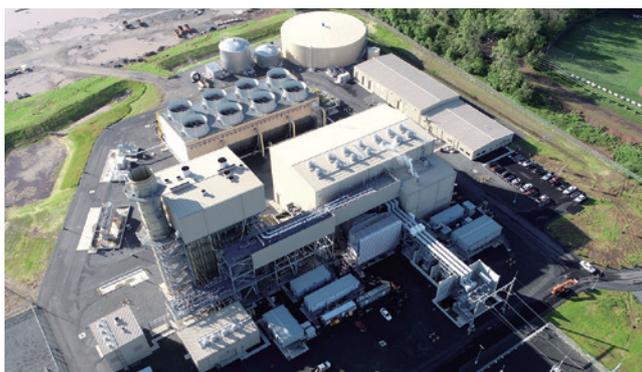
Projects and business locations



Upstream Business

Monitoring commodity price trends and carefully estimating the productivity and reserves of gas fields, we are proceeding to form appropriate alliances with experienced operators and invest in prime assets. Tokyo Gas has so far participated in three natural gas development projects in the United States.

Project Name	Start of Participation	Investment ratio
U.S.A. Barnett shale gas development	Mar. 2013	25%
U.S.A. Eagle Ford shale gas development	Jun. 2016	25%
U.S.A. East Texas gas development business	May. 2017	30%



Birdsboro Power Plant

In North America, energy is in high demand and the natural gas market is expected to rise for a long time. The energy market is deregulated with active transactions. In this region, we will accelerate our participation in upstream, midstream and downstream businesses and renewable energy business. We will strive to acquire know-how that will be useful for future businesses worldwide while working to establish a revenue base.

Midstream- and Downstream Business

Renewable energy

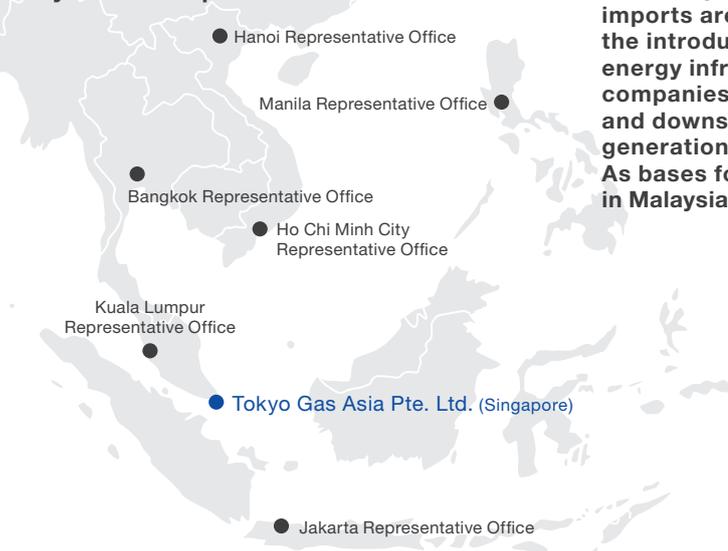
When planning natural gas-fired power generation we will continue to use well-defined criteria to select projects in which to participate, giving due consideration to demand and supply of electricity, competition with other power sources, regulations and business environments on a state-by-state basis. We have recently participated in two natural gas fired power generation businesses in the East Coast region, where there is large-scale demand.

In April 2019, we announced our intention to secure a 50% stake in a renewable energy exploration and operation company based in Mexico, established by Engie S.A., which is a company headquartered in France. We will work on the renewable energy business in Mexico using the company as a platform with Engie.

Project Name	Start of Participation	Investment ratio
Mexico Natural gas-fired power plant business (Bajio Power Plant)	Oct. 2004	49%
Mexico Natural gas-fired power plant business (MT Falcon Power Plant)	Jun. 2010	30%
U.S.A. Industry-oriented energy services business (TGES America)	Feb. 2015 (Foundation)	100%
U.S.A. Natural gas-fired power plant business (Empire Power Plant)	Oct. 2016	25%
U.S.A. Natural gas-fired power plant business (Birdsboro Power Plant)	Apr. 2017	33.33%
Mexico Joint project for renewable energy exploration	2019 (scheduled)	50% (scheduled)

Southeast Asia

Tokyo Gas Group's Bases in Southeast Asia



Following rapid economic growth, natural gas demand and LNG imports are forecasted to rise in Southeast Asia. We will contribute to the introduction of LNG and natural gas and the construction of an energy infrastructure in collaboration with governments and companies in each country. Specifically, we will work on midstream and downstream businesses, such as LNG terminals, gas-fired power generation, gas distribution and energy services.

As bases for implementing these actions, we launched branch offices in Malaysia, Singapore, Indonesia, Thailand, Vietnam and the Philippines.



Jakarta Representative Office

Midstream- and Downstream Business

The Tokyo Gas Group will provide a wide range of value, from natural gas engineering to expertise to operational know-how and energy-saving services, to contribute to the development of natural gas infrastructure by capitalizing on its knowledge and experience in the utilization of LNG and natural gas. We will take part not only in tangible aspects such as the construction of LNG terminals, power stations and other energy infrastructure expected in various countries, but also in intangible aspects such as LNG demand cultivation, LNG terminal operation, and LNG procurement. In this way, we will increase our involvement and presence across the entire LNG value chain.

In 2017, we invested in gas distribution businesses in Vietnam and Indonesia, while in 2018, we commenced the first independent gas supply as a private business to industrial consumers in Thailand through a local gas distribution operator in which we had invested. In addition, we concluded a joint development agreement concerning the construction and operation of an LNG receiving terminal in the Philippines.

In the field of engineering, in 2017 we were awarded an order for feasibility studies and engineering work concerning the construction of LNG receiving terminals in Bangladesh, while in 2018, we were awarded an order to provide project management consultant services for the construction of LNG receiving terminals in Thailand.

Project Name		Start of Participation
Philippines	Submitted declaration of interest regarding formation of an LNG value chain	Oct. 2017
Philippines	Concluded a joint development agreement for construction and operation of an LNG receiving terminal in the Philippines	Dec. 2018
Vietnam	Invested/acquired a stake in a gas supply business company and formed a strategic alliance	Jul. 2017
Thailand	Invested/acquired a stake in a natural gas-fired thermal power generation project	Oct. 2016
Thailand	Secured an order to provide PMC services in the construction of the Nong Fab LNG receiving terminal	Jan. 2018
Thailand	Invested/acquired a stake in a gas supply business company	Jan. 2018
	Started gas distribution business	Dec. 2018
Indonesia	Invested/acquired a joint stake in a gas supply business company	Oct. 2017
Bangladesh	Secured an order for work relating to LNG receiving terminals	Jul. 2017



Message

Lady Trishia
Gonzales

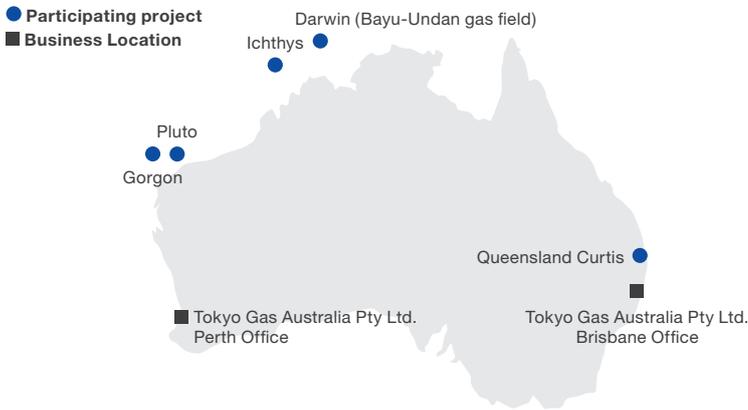
Manila Representative
Office

In the Philippines, the country's introduction of LNG amid the future exhaustion of domestically produced gas is predicted, and its government is working to attract domestic and overseas businesses for the construction of LNG receiving terminals. My duty is to collect information on trends in energy policies and LNG-related regulations that are being dramatically changed as well as stakeholders' activities through everyday communication with government bodies and private energy-related firms, and participation in energy-related seminars and forums. I ensure that the information is up-to-date and accurate, which will be broadly shared among those concerned in the company. The Philippines has never used LNG, which is why government officials among others are highly motivated to learn about the LNG industry. Every day, we receive inquiries on the business of LNG receiving terminals and LNG import and procurement, as well as requests for visits of our terminals. I hope to gain knowledge and expertise in the overall LNG value chain through this experience and contribute to building close relationships of cooperation between the Philippines and Japan.

Investing our energies into the operation and management of existing projects

Australia

Participating projects and business locations



Ichthys LNG Project



Tokyo Gas Australia Pty Ltd. (Perth)

Upstream Business

We have invested in five LNG projects in Australia, which has grown into a major LNG supply base to East Asia. One of these is the Ichthys Project that recently came into operation. We will continue to operate and manage these projects with a view towards maximizing their value.

Project Name	LNG Production Capacity (Million tons / year)	Start of Participation	Tokyo Gas Interest	Start of Production (Operation)
Darwin	3.0	2003	3.07%	Jan. 2006
Pluto	4.9	2008	5.00%	Apr. 2012
Gorgon	15.6	2009	1.00%	Mar. 2016
Queensland Curtis	8.5	2011	1.25% (Gas Field) / 2.50% (No. 2 Liquefaction Plant)	Dec. 2014
Ichthys	8.9	2012	1.575%	Oct. 2018



Message

Wataru Nakayama

Tokyo Gas Australia Pty Ltd.

Aiming to achieve stable LNG supply and revenue expansion, Tokyo Gas Australia participates in five large-scale LNG projects and engages in project management.

In October 2018, the Ichthys LNG Project started shipment, which meant that all our projects in Australia were in operation. The Ichthys project is the first in history to be operated by a Japanese business and joined by major Japanese gas and electric power companies, including Tokyo Gas. We contributed to increasing the project value by offering advice on project operation when shifting from the construction phase to the operation phase, as well as offering suggestions on a gas production well drilling plan for higher efficiency and lower risks based on our experience gained through participation in the four projects in Australia that were already in operation.

Tokyo Gas Australia has participated in the joint operation of projects with a number of major oil companies. It also works intensively to train personnel for overseas businesses. We actively engage in education activities based on the work experience of personnel to quickly develop people who will contribute to the maximization of value for overseas business.

Initiatives Towards Achieving the Sustainable Development Goals (SDGs)

Taking up the challenge of creating an LNG value chain in Southeast Asia

- In 2017, we invested and acquired stakes in gas supply businesses in Vietnam (July) and Indonesia (October). In January 2018, we acquired a stake in a similar business in Thailand. In December 2018, we signed a joint development agreement regarding construction and operation of an LNG receiving terminal in the Philippines.
- By leveraging our Group's technological capabilities and know-how to provide energy solutions and construct infrastructure, we are seeking to promote the widespread adoption of clean, environmentally-friendly natural gas. We also hope that contributing to the creation of jobs and economic development through our local business operations will lead to an increase in educational opportunities and help to eliminate disparities in wealth and living standards in those countries.

