

# Tokyo Gas Group Management Vision Compass2030

## Providing energy and solutions for future lifestyles, society and the earth

On November 27, 2019, we announced a new management vision called "Compass2030", in which we presented what we aim to be in a decade from now, as a leading domestic company dealing in natural gas (a fossil fuel).

### VISION

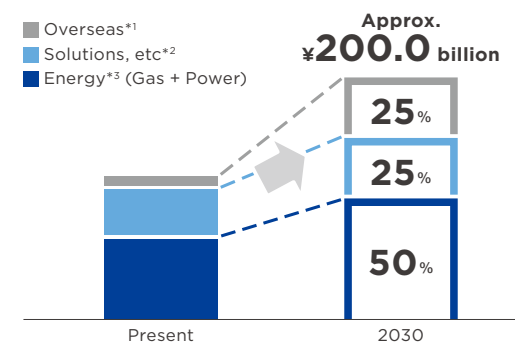
- What we aim to be in 2030 -

Our goal will be a business group which continues to create value together with our customers, business partners and society as a whole while becoming a leader in future energy systems.

#### Management guidelines and key figures

	FY2020 results	2030
Profit level	¥79.1 billion	Approx. <b>¥200.0 billion</b>
Contribution to CO <sub>2</sub> emissions reduction (base year: FY2013)	-6.68 million tons	<b>-10.00 million tons</b>
Renewable power source transaction volume (FY-end)	1.383 million kW	<b>5.00 million kW</b>
No. of customer accounts (FY-end)	12.31 million	<b>20.00 million</b>
Natural gas transaction volume (FY)	18.20 million tons	<b>20.00 million tons</b>

#### Company portfolio in 2030: Profit level



\*1 Overseas: All overseas businesses \*2 Solutions, etc.: Ongoing service agreements, engineering, real estate, etc. \*3 Energy: Domestic gas and power business



**Q** What do you mean by “a business group which continues to create value”?

**A** We envision a business group that establishes a “value co-creation” ecosystem and provides a variety of solutions.

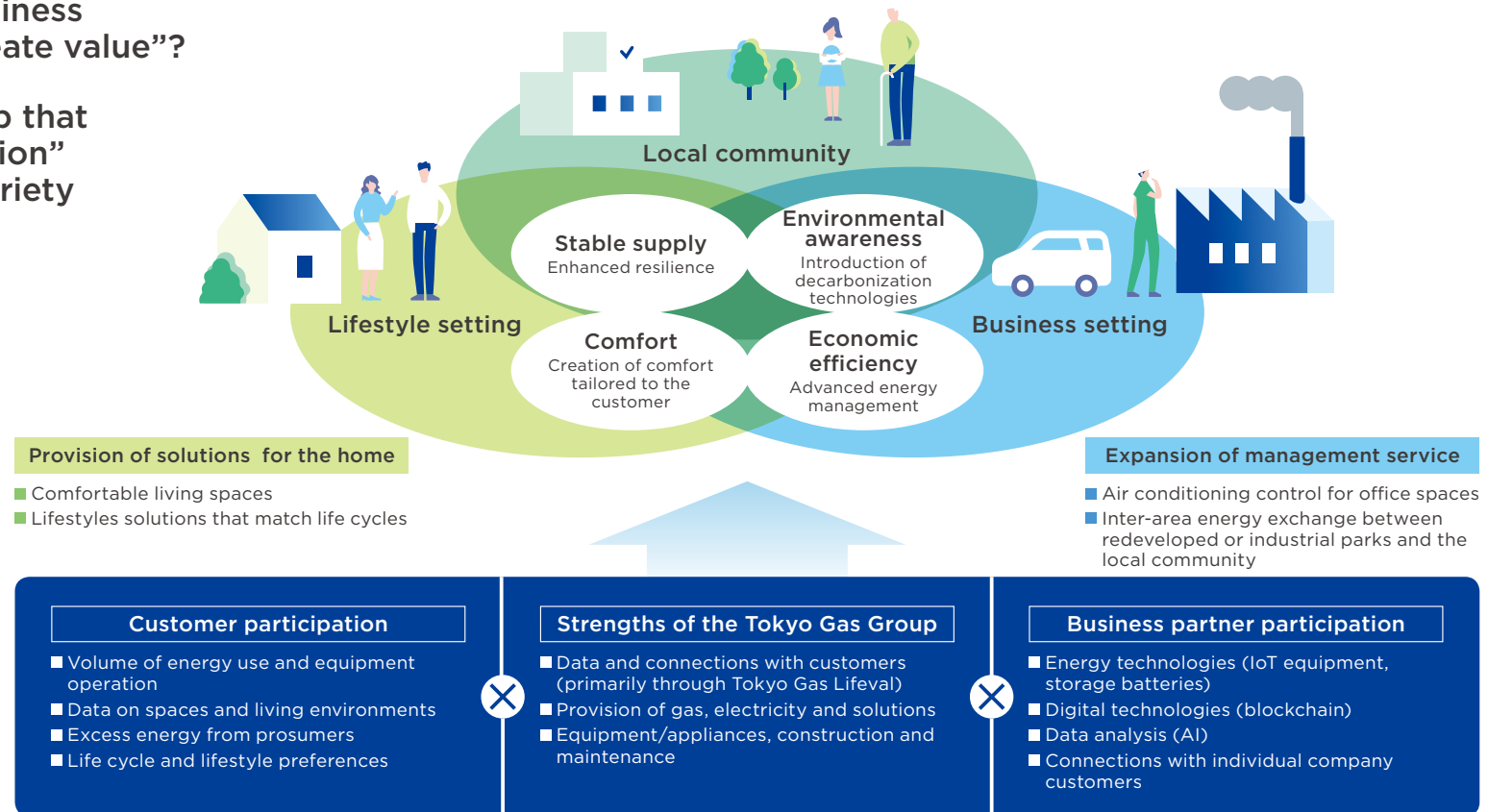
We will strive to establish a value co-creation ecosystem by leveraging the strengths of our group, such as Tokyo Gas Lifeval, which functions as our last mile\*2, and by promoting business partner participation via alliances with companies in different industries and other firms, and cooperation with local governments.

Moreover, by having customers participate in the ecosystem, we will flexibly combine diverse products, technologies and services, and provide a variety of solutions that resolve various issues in areas ranging from individual lifestyles to the local community.

\*1 Ecosystem: Business environment in which many companies combine their technologies, expertise, and knowledge in their specific areas of strength in order to create new value.

\*2 Last mile: Site operations that require human intermediation in the final process of the value chain.

**A value co-creation ecosystem\*1**





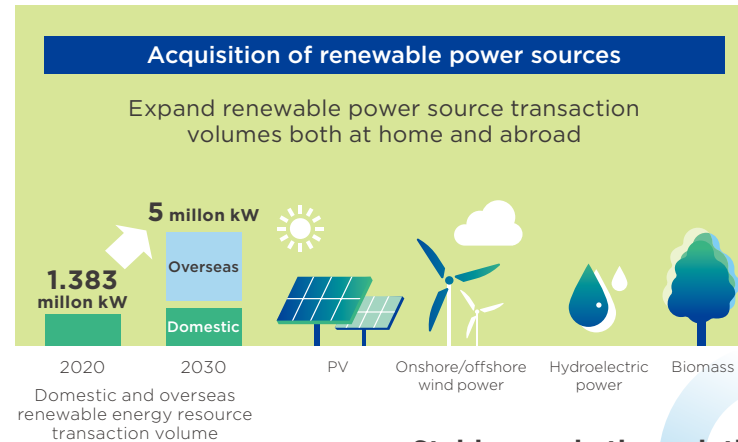
**Q** How do you plan to “lead the future energy systems”?

↓  
**A** We will coordinate renewable energies and natural gas.

We will expand the transaction volume of renewable energy sources in Japan and abroad. We are also developing a new business to use PV\*1, storage batteries, and other decentralized power sources for residential customers. Further we are promoting Virtual power plant (VPP\*3). Fluctuation in the generation volume of renewable energy, which is susceptible to the weather, is complemented by easily-controllable natural gas-fired power generation. By using digital technology and combining decentralized power sources with large-scale power sources, which include renewable energies and natural gas-fired power plants, we intend to achieve a stable and inexpensive supply of energy.

\*1 PV: Photovoltaic power, \*2 EV: Electric vehicles, \*3 VPP: Virtual power plant. A mechanism that uses IoT to manage and control decentralized power sources, batteries, etc. as if they were a single power plant.

**Coordination of renewable energies and natural gas**



**New businesses utilizing decentralized power sources**

Promote new decentralized businesses utilizing PV\*1, storage batteries, EV\*2, etc. as well as VPP\*3

**SolarAdvance**

**Stable supply through the combination of renewable energies and natural gas, using digital technology**

**Effective use of natural gas**

Adjustment of fluctuating renewable energy output using gas-fired power generation and gas cogeneration systems

Gas-fired power plant      Gas cogeneration systems      ENE-FARM



**Q** How do you “continue to create value”?



**A** We plan to continue to create value by taking the following four measures

**1**

**Transformation of the LNG value chain to maximize each of its functions**

We intend to create various types of value in each of the functions—from trading to production and power generation, networks, and customer solutions—so as to expand our customer base.

**2**

**Solving problems in daily life and businesses**

We will develop solutions via cooperating with business partners at an accelerated rate so as to confront customers’ needs and resolve their problems. We will also establish a digital infrastructure for value co-creation and combine a range of data and AI predictions, so as to instantly provide solutions tailored to individual customers’ needs.

**3**

**Leading the transition to a decarbonized society**

The Tokyo Gas Group is promoting effective use of natural gas, expansion of renewable energy sources, and development of core element technologies for decarbonization, as we are taking up the challenge to achieve Net-Zero CO<sub>2</sub> emissions, including customer emissions, in our overall business activities.

**4**

**Overseas expansion**

We will develop LNG infrastructure, invest in shale gas and other resource development, and renewable energy businesses, and expand LNG transaction and LNG trading by making use of our related asset holdings. By taking these actions, we aim to triple overseas profits.