

[English Translation Originally Issued in the Japanese Language]

Security Identification Code: 9531

May 31, 2010

Dear Shareholders:

NOTICE OF CONVOCATION OF THE 210th ANNUAL SHAREHOLDERS MEETING

We hereby would like to inform you of the 210th Annual Shareholders Meeting of Tokyo Gas Co., Ltd. (hereinafter, 'We' or 'the Company'), to be held as described below.

If you are unable to attend the meeting, you may exercise your voting rights through either of the methods described in the next page. In that case, we respectfully ask you to exercise your voting rights after reading the REFERENCE MATERIALS FOR THE SHAREHOLDERS MEETING starting from page 45.

Sincerely yours,

Tsuyoshi Okamoto

President, Representative Director

TOKYO GAS CO., LTD.

5-20, Kaigan 1-chome, Minato-ku, Tokyo

1. Date and Hour: 10 a.m., Tuesday, June 29, 2010
2. Place: Tokyo Gas Building 2F
5-20, Kaigan 1-chome, Minato-ku, Tokyo
3. Agenda:
 - (1) Matters to report:

'Business Report', 'Consolidated Financial Statements', 'Non-Consolidated Financial Statements', 'Independent Auditors' Report' and 'Audit Report' by the Board of Corporate Auditors on the Consolidated Financial Statements for the 210th fiscal year (from April 1, 2009 to March 31, 2010)
 - (2) Matters to resolve:

Proposal No. 1: Approval of the Appropriation of Surplus
Proposal No. 2: Election of Eleven (11) Directors
Proposal No. 3: Election of One (1) Outside Corporate Auditor

4. Exercise of Voting Rights in Writing or via the Internet and other methods:

(1) Exercise of voting rights in Writing

Please indicate your approval or disapproval for each proposal by placing a circle in the designated space in the enclosed CARD FOR EXERCISE OF VOTING RIGHTS, and return it by postal mail to us so that it arrives by 17:30 on Monday, June 28, 2010.

(2) Exercise of voting rights via the Internet and other methods

Please access the WEB-SITE FOR EXERCISE OF VOTING RIGHTS (<http://www.web54.net>) through a personal computer or a cell-phone and enter your voting code and password shown in the enclosed CARD FOR EXERCISE OF VOTING RIGHTS. Then, following the instructions on screen, please enter your approval or disapproval for each proposal and submit them by 17:30 on Monday, June 28, 2010.

If you exercise your voting rights via the Internet, please read the enclosed 'Instruction for Exercise of Voting Rights via the Internet and other methods'.

5. Other Matters Determined by the Board of Directors Regarding the Convocation of the Annual Shareholders Meeting:

If duplicated votes are exercised both by postal mail and via the Internet, the vote that arrives later shall be deemed valid.

If both of the duplicated votes arrive on the same date, the vote exercised via the Internet shall be deemed valid.

Note 1: For shareholders attending the Annual Shareholders Meeting, please do not mail the enclosed CARD FOR EXERCISE OF VOTING RIGHTS, but instead bring it to the meeting and present it at the reception desk upon arrival.

Note 2: Based on the Company's Articles of Incorporation, you can delegate voting rights to only one proxy who is one of the shareholders holding voting rights. If a proxy will attend the meeting, please present the document certifying authority of such proxy, and your and the proxy's CARD FOR EXERCISE OF VOTING RIGHTS at the reception desk.

Note 3: Please note that in the event there are any revisions to the REFERENCE MATERIALS FOR THE SHAREHOLDERS MEETING, Business Report, Consolidated Financial Statements or Non-Consolidated Financial Statements, the notice for such revisions will be posted on the company's website (<http://www.tokyo-gas.co.jp>).

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Special Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

<ACCOMPANYING DOCUMENTS>

Business Report

(From April 1, 2009 to March 31, 2010)

1. Matters Concerning Current State of Group Operations

(1) Business Conditions and Results

Although a downturn of the global economy that was triggered by the financial crisis in the United States appeared to have stopped worsening further, during this term the Japanese economy was unable to find its way out of the problems with both consumer spending and capital expenditures continuing to be stagnant and constrained at lower levels.

With these conditions, demand is sluggish in the energy market of Japan due to such factors as constraining consumption and diminishing corporate activities. In addition, competition is further intensifying not only between different energy categories but also among the same category amid mounting calls for environmental protection from society under the government policy of toward 'realizing a low-carbon society'.

Under these economic and business conditions, the Tokyo Gas Group has been steadily promoting 'Evolution and Advancement of the Integrated Energy Business' toward even wider and more expanded use of natural gas by adding high-value, and broader and more solid business in the energy field during this term—the first term under the 'Tokyo Gas Group Medium-term Management Plan FY2009-2013', which was drawn up in January of last year.

Despite these efforts, gas sales volume declined from the previous year with the drop in demand due to the stagnant economy. In addition, gas sales revenues fell as a result of an adjustment to gas unit prices under the raw material cost adjustment system. As a result, consolidated sales fell 14.7% from the previous year to ¥1,415,718 million.

On the other hand, despite the increased costs resulting from actuarial differences for retirement benefits, operating expenses decreased through the Group's utmost efforts to restrict expenses and realize even better management efficiency and lower gas resource costs due to a drop in the LNG price.

Consequently, operating income rose by 30.7% year on year to ¥85,229 million and ordinary income increased by 43.2% year on year to ¥83,519 million. Meanwhile, net income in this fiscal year under review rose by 28.9% year on year to ¥53,781 million.

We would like to report the review of results by operating segment, as follows.

1) Gas Sales

Total customer numbers rose by 124 thousand during this fiscal year, to 10,637 thousand as of March 31, 2010. Gas sales volume decreased by 2.0% year on year to 13,666,438 thousand cubic meters.

Of this aggregate volume, the volume of household-bound gas sold decreased by 0.9% year on year to 3,436,914 thousand cubic meters as the household demand for hot water and air-heating decreased as a result of the diffusion of high-efficiency gas equipment and an increase in apartment buildings with higher airtightness and heat insulation. The volume of business-bound gas sold (for commercial, public and medical uses) stood at 2,942,639 thousand cubic meters, down 2.3% year on year because of reduced operation of existing facilities. The volume of industry-bound gas sold decreased by 3.1%, year on year, to 5,446,161 thousand cubic meters because of decreased demand from existing customers. The Group's wholesale supply to other gas suppliers was almost unchanged from a year earlier at 1,840,724 thousand cubic meters, up 0.0 % year on year.

Net sales of the Gas segment decreased by 16.9% year on year to ¥1,045,535 million as a result of an adjustment to unit prices under the raw material cost adjustment system in addition to a decline in the gas sales volume.

2) Gas Appliances

In the Gas Appliance segment, net sales increased by 3.0% year on year to ¥126,088 million as a result of efforts to develop and market gas cooking, water-heating and air-conditioning appliances that boast a high level of safety and excel in terms of their environmental friendliness, comfort, convenience and economic benefits in addition to putting three Tokyo Gas LIFEVALs into the Group's accounting on a consolidated basis.

3) Installation Work

In the Installation Work segment, net sales decreased by 9.6% year on year to ¥44,360 million, due to the decline in the number of new installations by 22 thousand from the previous year to 195 thousand.

4) Real Estate

In the Real Estate segment, net sales decreased by 5.4% year on year to ¥33,710 million, due to a decrease in rent of buildings.

5) Other

In the Other segment, net sales decreased by 12.6% year on year to ¥317,819 million, due to a decrease in sales related to the energy service.

(2) Group Capital Expenditures

Total capital expenditures for this fiscal year amounted to ¥148,186 million.

The total length of the pipeline network was extended by 681 kilometers during this fiscal year, to 57,839 kilometers as of March 31, 2010. Currently, Chiba-Kashima Line and New Negishi Line etc. are under construction.

(3) Group Financing Activities

Our outstanding bond balance decreased by ¥29,999 million due to the redemption of the 18th and 19th unsecured bonds despite the issuance of the 31st unsecured bonds. Loans decreased by ¥7,312 million. As a result, consolidated interest-bearing liabilities decreased by ¥37,311 million compared with the previous year-end, to ¥555,919 million.

(4) Prospective Challenges

The environment surrounding the energy industries in Japan is facing a major transition phase with the current government, led by the Democratic Party of Japan, aiming for 'reducing the greenhouse gas by 25% by 2020 compared with the level in 1990' as a result of social demand for the conservation of global environment. Attention is paid to renewable energies such as solar light, solar heat, wind power and biomass as an effective means for 'realization of low-carbon society'. The whole society should use these energies effectively but limited volume and unstable supply still remain as a challenge.

On the other hand, the natural gas we provide is a great energy source which comes with 'predominant friendliness with environment among fossil energies', 'stable supply supported by diversified sources of procurement and strong LNG value chain', and 'user-friendliness and economic efficiency to accommodate various forms of demand including dispersed power system', with introduction of systems with low environmental load such as 'ENE FARM' and co-generation, change of fuel from oil and a combination of renewable energies, natural gas can make a great contribution to the 'realization of low-carbon society' and therefore we expect demand for natural gas from society and customers to keep expanding going forward.

Under the recognition of such an environment, we shall realize 'The Evolution and Advancement of our Integrated Energy Business' through business development with emphases on 'Eco-friendly' (creation of value keyed by environment), 'Excellent service' (improvement of value for customers), and 'Expansion' (in-depth cultivation and widening of markets), and efforts for 'strengthening LNG value chain' and 'reinforcing the synergy of 'All Tokyo Gas' (a collective term for the Group and its cooperating companies)', all of which are shown in the 'Tokyo Gas Group Medium-term Management Plan FY2009-2013'. Through action on these agendas, we hope to constantly remain trusted by our customers, shareholders, and society as a whole as resilient corporate group that is able to cope flexibly with future changes in the business climate and achieve sustained growth.

[Development of business with an emphasis on the Three Es]

1) Eco-friendly - creation of value keyed by the environment

In the residential sector, we shall promote the diffusion of new energy systems such as 'ENE FARM' fuel cells, for which we started mass-marketing last year ahead of the rest of the world, 'Double Power Generation' which is a combination of 'ENE FARM' and a solar power system, and a gas hot water system that also utilizes solar heat called 'SOLAMO', in order to offer solutions for customer needs for saving energy without sacrificing lifestyle comfort.

In the industrial and commercial sectors, we aim to actively contribute to 'realization of a low-carbon society' by developing environmental-added-value energy service business that incorporates new-energy and energy-saving services and constructing a smart energy network system that enables the whole community to achieve efficient use of energy and reduce environmental burden.

2) Excellent service - improvement of value for customers

We shall further fortify a sales setup rooted in the community through 'Tokyo Gas LIFEVAL' established in October 2009 and raise the service level even higher through the setup. We shall also deliver satisfaction to customers by making value proposals of a higher quality tailored to the needs of each and every one.

In the industrial and commercial sectors, we shall take full advantage of the technical, engineering, and sales capabilities nurtured thus far in comprehensively meeting the expectations of each customer through proposals for facility optimization, consultation regarding the 'best mix' of energy forms including city gas and electricity, and services in financing and risk management.

In addition, we will actively promote security measures including the promotion of replacement of non-safe appliances and prevention of leakage from pipes on customers' properties that belong to customers, and reinforce earthquake countermeasures even further so that customers can safely use gas.

3) Expansion – in-depth cultivation and widening markets

Besides aggressively developing the immense latent demand, mainly in connection with industrial use, in the area within a 200-kilometer radius around Tokyo, we shall meet needs for natural gas among customers to whom supplying gas with gas pipes is difficult through means such as LNG lorries, reinforce the sales setup of 'All Tokyo Gas', install effective gas pipe networks, and take other initiatives to expand the number of customers and rigorously develop demand. Also we will expand the electricity business that pursues to the utmost extent synergy with the gas business, including Ohgishima Power Station that launched its operations in March this year.

In addition, we shall build an effective setup for sales that encompasses schemes of partnership with peripheral gas businesses and wide-area branches and related city gas companies. We shall strengthen partnership with city gas and LP gas companies which we supply on a wholesale basis, and thereby work for the further diffusion of gaseous energy.

[Strengthening of the LNG value chain]

In addition to the existing long-term contracts, we shall launch new projects and also conclude short- and medium-term contracts for sure response to the demand as it expands over the coming years. Meanwhile, through approaches to overseas projects for acquisition of upstream rights or otherwise related to the LNG value chain, we shall steadily procure competitive LNG. During the current term, in particular, we acquired upstream equity interest in the Gorgon LNG Project in Australia and signed an LNG purchase agreement. We also signed another contract pertaining to the acquisition of a natural gas thermal power plant in Mexico. We also plan to increase the number of LNG vessels whose operation we manage from the current seven to eight by FY2011 to reduce transportation costs and promote LNG transportation business for other companies.

Furthermore, to meet the expanding demand, we shall materialize at an early date the construction plans for the Hitachi LNG Terminal and the Ibaraki-Tochigi Line for connection to the existing network with the goal of operating them in FY2015, and take other steps to bolster our infrastructure for a stable supply.

[Reinforcement of the synergy of 'All Tokyo Gas']

To reinforce the synergy of 'All Tokyo Gas', we shall reconstruct the business execution structure based on examination of the advisable configuration of roles and partnership by 'Tokyo Gas LIFEVAL' as well as affiliated companies, cooperating companies, and Tokyo Gas itself, from the perspective of the overall optimum. At the same time, we shall continue to put resources into the business of affiliated companies deploying our integrated energy business strategy. We shall achieve growth and increase profitability in the Group as a whole. We shall reconstruct the system of human resource development in 'All Tokyo Gas' and vigorously promote agendas such as the development of technology for the coming generation.

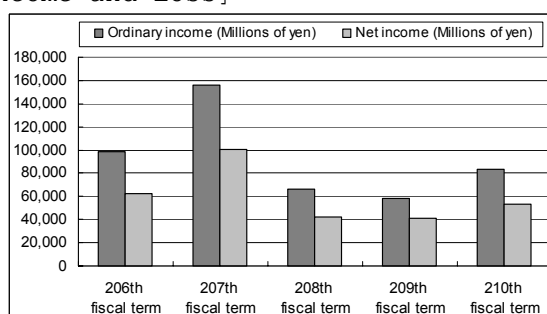
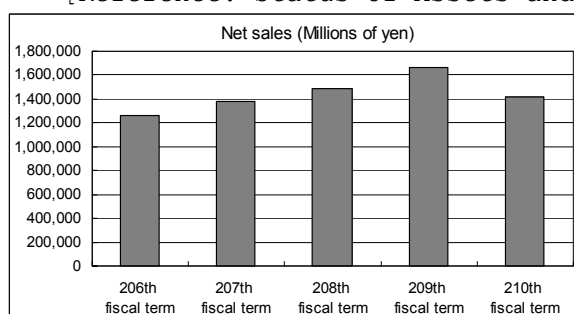
It is our basic policy to fulfill our corporate social responsibility (CSR) and public service mission through our routine business activities. In this spirit, we shall make efforts to see that this basic perspective on CSR for response to the trust placed in us as a public-minded enterprise by our stakeholders spreads and takes root among the other members of 'All Tokyo Gas' as well.

In addition, the Board of Directors resolved, at its meeting held on April 28, 2010, pursuant to the 'Policy on Determination of Dividends from Surplus, etc.' (for details, please refer to '7. Policy on Determination of Dividends from Surplus and Others' described later in this document), to set the ceiling on acquisition of own shares for FY2010 at ¥2,200 million (or 6 million shares), and the Company acquired 5,531 thousand shares for ¥2,199 million, during the period from May 7 to May 13, 2010 by market transaction. The Group will continue working to increase its corporate value and shareholder value and meet the expectations of both shareholders and customers. Toward that end, we will greatly appreciate your ongoing understanding and support.

(5) Changes in Status of Assets and Income and Loss

Categories (FY ended March 31)	206th fiscal term (2006)	207th fiscal term (2007)	208th fiscal term (2008)	209th fiscal term (2009)	210th fiscal term (2010)
Net sales (Millions of yen)	1,266,501	1,376,958	1,487,496	1,660,162	1,415,718
Ordinary income (Millions of yen)	98,689	156,039	66,832	58,337	83,519
Net income (Millions of yen)	62,114	100,699	42,487	41,708	53,781
Net income per share (Yen)	23.48	37.50	15.94	15.63	19.86
Total assets (Millions of yen)	1,693,898	1,692,635	1,703,651	1,764,185	1,840,972
Net assets (Millions of yen)	728,231	806,045	780,455	784,616	826,291
Net assets per share (Yen)	270.46	293.11	289.49	284.72	301.58

[Reference: Status of Assets and Income and Loss]



(6) Status of Principal Subsidiaries

Name of the company	The stated capital (Million of yen)	Percentage of contribution of the Company (%)	Main business activities
Tokyo Gas Urban Development Co., Ltd.	11,530	100.00	Real estate management, leasing and brokerage
Tokyo Gas Toyosu Development Co., Ltd.	5,000	100.00	Management of the Toyosu site
Nagano Toshi Gas Inc.	3,800	89.22	Gas distribution
ENERGY ADVANCE Co., Ltd.	3,000	100.00	Energy service business
Gaster Co., Ltd.	2,450	66.67	Manufacture and sale of gas appliances
Tokyo LNG Tanker Co., Ltd.	1,200	100.00	Leasing of tankers delivering LNG/LPG and overseas shipping business
Tokyo Gas Energy Co., Ltd.	1,000	100.00 (11.50)	Sale of LPG
Capty Co., Ltd.	1,000	100.00 (12.38)	Design and construction of gas pipelines, water supply and sewage pipes, air-conditioning systems
Tokyo Gas Chemicals Co., Ltd.	1,000	100.00 (17.70)	Sale of industrial gases and tar products
Park Tower Hotel Co., Ltd.	1,000	100.00 (100.00)	Hotel operation
Tokyo Gas Yokosuka Power Co., Ltd.	980	75.00	Electric power distribution
Chiba Gas Co., Ltd.	480	100.00	Gas distribution
TG Credit Services Co., Ltd.	450	100.00	Credit administration and leasing in connection with gas appliances and construction
TG Information Network Co., Ltd.	400	100.00	Information processing service business
Tsukuba Gakuen Gas Co., Ltd.	280	100.00	Gas distribution
Tokyo Gas Engineering Co., Ltd.	100	100.00	Comprehensive engineering services with a focus on energy-related works
Capty-Livelic Co., Ltd.	50	100.00 (100.00)	Sale of gas appliances
Nijio Co., Ltd.	47	100.00	City gas distribution for electricity business

- Notes: 1. Figures shown in parentheses in the 'Percentage of contribution of the Company' column indicate portions of the Company's contribution owned by subsidiaries of the Company.
2. Part of the operations of TG Enterprise Co., Ltd. was taken over by Tokyo Gas Urban Development Co., Ltd. and TG Information Network Co., Ltd. by absorption-type split on April 1, 2010.
3. The number of consolidated subsidiaries and equity-method affiliates including the above 18 principal subsidiaries were 65 companies.

(7) Status of Business Assignment, Corporate Separation by Absorption or Corporate Separation by Incorporation

The Company carried out an absorption-type split to have Nijio Co., Ltd., the Company's subsidiary, take over part of the operations related to the Company's LNG procurement as of May 20, 2009. The Company also carried out an absorption-type split to have Tokyo Gas Yamanashi Co., Ltd., the Company's subsidiary, take over operations of Tokyo Gas Kofu Service Branch as of October 1, 2009. The Board of Directors resolved, at its meeting held on February 25, 2010, to have the Company be the surviving company and absorb TG Enterprise Co., Ltd., its subsidiary, as the extinct company, by merger, and carried out an absorption-type merger on April 1, 2010.

(8) Main Business Activities (As of March 31, 2010)

Business segment	Main business activities
Gas Sales	Production, supply and sale of gas
Gas Appliances	Manufacture and sale of gas appliances and related to accompanying work
Installation Work	Gas installation work
Real Estate	Leasing and management of land and buildings
Other	Energy services, construction of facilities, engineering work, LPG, industrial gas, electric power, information processing service, overseas shipping, credit/lease financial services, etc.

(9) Main Business Offices and Factories (As of March 31, 2010)

1) The Company

Head Office	(Minato-ku, Tokyo)	
Service Branches (<i>Shisha</i> and <i>Shiten</i>)	Middle Branch (Meguro-ku, Tokyo)	Southern Service Branch (Minato-ku, Tokyo) Central Service Branch (Meguro-ku, Tokyo)
	West Branch (Suginami-ku, Tokyo)	Western Service Branch (Suginami-ku, Tokyo) Tama Service Branch (Tachikawa, Tokyo)
	East Branch (Arakawa-ku, Tokyo)	Eastern Service Branch (Koto-ku, Tokyo) Chiba Service Branch (Chiba, Chiba)
	North Branch (Kita-ku, Tokyo)	Northern Service Branch (Kita-ku, Tokyo) Saitama Service Branch (Saitama, Saitama)
	Kanagawa Branch (Yokohama, Kanagawa)	Yokohama Service Branch (Yokohama, Kanagawa) Kawasaki Service Branch (Kawasaki, Kanagawa) Western Kanagawa Service Branch (Fujisawa, Kanagawa)
		Hitachi Service Branch (Hitachi, Ibaraki), Johsoh Service Branch (Ryugasaki, Ibaraki), Gunma Service Branch (Takasaki, Gunma), Kumagaya Service Branch (Kumagaya, Saitama), Utsunomiya Service Branch (Utsunomiya, Tochigi)
Pipeline Dept.	West Metropolitan Pipeline Regional Office (Shinjuku-ku, Tokyo), East Metropolitan Pipeline Regional Office (Arakawa-ku, Tokyo), Kanagawa Pipeline Regional Office (Yokohama, Kanagawa)	
LNG Terminals	Negishi LNG Terminal (Yokohama, Kanagawa), Sodegaura LNG Terminal (Sodegaura, Chiba), Ohgishima LNG Terminal (Yokohama, Kanagawa)	

2) Principal subsidiaries

Name	Location of Head Office	Name	Location of Head Office
Tokyo Gas Urban Development Co., Ltd.	Shinjuku-ku, Tokyo	Park Tower Hotel Co., Ltd.	Shinjuku-ku, Tokyo
Tokyo Gas Toyosu Development Co., Ltd.	Minato-ku, Tokyo	Tokyo Gas Yokosuka Power Co., Ltd.	Yokosuka, Kanagawa
Nagano Toshi Gas Inc.	Nagano, Nagano	Chiba Gas Co., Ltd.	Sakura, Chiba
ENERGY ADVANCE Co., Ltd.	Minato-ku, Tokyo	TG Credit Services Co., Ltd.	Shinjuku-ku, Tokyo
Gaster Co., Ltd.	Yamato, Kanagawa	TG Information Network Co., Ltd.	Shinagawa-ku, Tokyo
Tokyo LNG Tanker Co., Ltd.	Minato-ku, Tokyo	Tsukuba Gakuen Gas Co., Ltd.	Tsukuba, Ibaraki
Tokyo Gas Energy Co., Ltd.	Katsushika-ku, Tokyo	Tokyo Gas Engineering Co., Ltd.	Ota-ku, Tokyo
Capty Co., Ltd.	Shinagawa-ku, Tokyo	Capty-Livelic Co., Ltd.	Setagaya-ku, Tokyo
Tokyo Gas Chemicals Co., Ltd.	Minato-ku, Tokyo	Nijio Co., Ltd.	Minato-ku, Tokyo

(10) Status of Employees (As of March 31, 2010)

1) Number of employees in the Group

Business segment	Number of employees (Change from previous year)	
Gas Sales	6,589	(+91)
Gas Appliances	2,589	(+752)
Installation Work	854	(-48)
Real Estate	168	(+5)
Other	4,428	(-765)
Corporate	911	(-6)
Total	15,539	(+29)

Note: 'Number of employees' refers to permanent full-time staff and does not include temporary staff.

2) Number of employees in the Company

Number of employees (Change from previous year)	Average age (Years)	Average service years
7,540 (-39)	46.0	21.8

Note: 'Number of employees' refers to permanent full-time staff and does not include workers on loan and temporary staff.

(11) Major Creditors and Balance of borrowings (As of March 31, 2010)

Creditor	Balance of borrowings (Millions of yen)
Mizuho Corporate Bank, Ltd.	36,561
Japan Bank for International Cooperation	31,363
Sumitomo Mitsui Banking Corporation	22,625
The Dai-ichi Mutual Life Insurance Company	21,834
Development Bank of Japan Inc.	18,763
Nippon Life Insurance Company	17,475
Sumitomo Life Insurance Company	10,800
The Norinchukin Bank	10,000
Mitsubishi UFJ Trust and Banking Corporation	8,700
Saitama Resona Bank, Ltd.	6,644
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,940

Note: The Dai-ichi Mutual Life Insurance Company carried out reorganization on April 1, 2010 and therefore its company name was changed to The Dai-ichi Life Insurance Company, Limited.

2. Matters Related to Shares of the Company (As of March 31, 2010)

(1) Aggregate number of authorized shares

Common share: 6,500,000,000 shares

(2) Aggregate number of shares issued

Common share: 2,703,761,295 shares
(A year-on-year decrease of 13,810,000 shares)

Note: The aggregate number of shares issued decreased as indicated above from the cancellation of treasury share on January 15, 2010.

(3) Share trade unit

1,000 shares

(4) Number of shareholders

156,144

(5) Major shareholders

Name of shareholders	Number of shares held (Thousand shares)	Percentage of share ownership (%)
Nippon Life Insurance Company	163,000	6.04
Japan Trustee Services Bank, Ltd. (Trust Account)	149,602	5.54
The Dai-ichi Mutual Life Insurance Company	120,472	4.46
The Master Trust Bank of Japan, Ltd. (Trust Account)	109,411	4.05
Fukoku Mutual Life Insurance Company	68,504	2.54
Tokyo Gas Employees Shareholding Association	41,619	1.54
Japan Trustee Services Bank, Ltd. (Trust Account 9)	37,370	1.38
Mizuho Trust & Banking Co., Ltd. Employee Pension Trust Dai-ichi Mutual Life Insurance Company Account Standby Trustee Trust & Custody Services Bank, Ltd.	35,490	1.32
Mellon Bank, N.A. as Agent for its Client Mellon Omnibus US Pension	33,007	1.22
State Street Bank and Trust Company 505225	31,641	1.17

Notes: 1. Percentage of share ownership is calculated by the number of shares excluding treasury share (5,062,893 shares).

2. The Dai-ichi Mutual Life Insurance Company carried out reorganization on April 1, 2010 and therefore its company name was changed to The Dai-ichi Life Insurance Company, Limited.

(6) Other principal items regarding shares

1) Acquisition of own share

Common share: 14,224,945 shares

Total value of acquisitions: ¥5,149,335,966

2) Disposal of treasury share

Common share: 236,711 shares

Total value of disposition: ¥105,862,689

3) Cancellation of treasury share

Common share: 13,810,000 shares

Total value of cancellation: ¥5,418,215,400

4) Shares owned by the Company as of the balance sheet date

Common share: 5,062,893 shares

Note: Shareholders who opposed the absorption-type merger of TG Enterprise Co., Ltd. which carried out on April 1, 2010 asked the Company to purchase its own shares from them and the Company acquired 14,037,000 shares for ¥5,783,244,000 by April 21, 2010.

3. Matters Related to Share Option in Kind (As of March 31, 2010)

There are no items to report.

4. Matters Related to Directors and Corporate Auditors of the Company

(1) Name, etc. of Directors and Corporate Auditors (As of March 31, 2010)

Name	Position	Areas of responsibility in the Company and 'Important concurrent posts'
Norio Ichino	Director and Chairman of the Board	
Mitsunori Torihara	President, Representative Director and Executive President	
Tadaaki Maeda	Representative Director, Executive Vice President	Assistant to the President, Division Manager of Energy Production Div. and in charge of Environment Dept.
Tsuyoshi Okamoto	Representative Director, Executive Vice President	Assistant to the President, in charge of Human Resources Dept., Secretarial Dept., General Administration Dept. and Compliance Dept.
Shigeru Muraki	Director, Senior Executive Officer	Division Manager of Energy Solution Div. and General Manager of Volume Sales Dept. of Energy Solution Div.
Toshiyuki Kanisawa	Director, Senior Executive Officer	Division Manager of Living Corporate Sales and Services Div.
Tsutomu Oya	Director, Senior Executive Officer	Division Manager of Energy Resources Business Div.
Michiaki Hirose	Director, Senior Executive Officer	In charge of Corporate Planning Dept., Project Management Dept., Corporate Communication Dept., and Affiliated Companies Dept.
Kazumoto Yamamoto	Outside Director	Executive Advisor of Asahi Kasei Corporation, Outside Director of TOTO Ltd., Outside Director of Citizen Holdings Co., Ltd.
Katsuhiko Honda	Outside Director	Executive Advisor of Japan Tobacco Inc., Outside Director of Tokyo Stock Exchange Group, Inc., Outside Director of Tokyo Stock Exchange, Inc.
Sanae Inada	Outside Director	Attorney-at-law, Outside Corporate Auditor of Chiyoda Corporation
Yasunori Takakuwa	Standing Corporate Auditor	
Kunihiro Mori	Standing Corporate Auditor	
Shoji Mori	Outside Corporate Auditor	Vice-Director of International Economic Research Institute
Yukio Masuda	Outside Corporate Auditor	Executive Consultant of Mitsubishi Corporation, Outside Director of Showa Shell Sekiyu K.K.
Masayuki Osawa	Outside Corporate Auditor	Administrative Director of Yokohama Silver Human Resource Center

- Notes: 1. Director and Chairman of the Board Norio Ichino was newly appointed to Director and Executive Advisor as of April 1, 2010.
2. President, Representative Director Mitsunori Torihara was newly appointed to Director and Chairman of the Board as of April 1, 2010.
3. Representative Director Tadaaki Maeda was newly appointed to Director and Vice Chairman of the Board as of April 1, 2010.

4. Representative Director Tsuyoshi Okamoto was newly appointed to President, Representative Director and Executive President as of April 1, 2010.
5. Director Shigeru Muraki was newly appointed to Representative Director and Executive Vice President as of April 1, 2010, and also assumed the post of Assistant to the President in addition to Division Manager of Energy Solution Div. and General Manager of Volume Sales Dept. of Energy Solution Div.
6. Director Toshiyuki Kanisawa, formerly Division Manager of Living Corporate Sales and Services Div., was newly appointed to Representative Director and Executive Vice President as of April 1, 2010, and assumed the post of Assistant to the President and is also in charge of Human Resources Dept., Secretarial Dept., General Administration Dept. and Compliance Dept.
7. Director Tsutomu Oya, formerly Division Manager of Energy Resources Business Div., assumed the post of Division Manager of Energy Production Div. and is also in charge of the Environment Dept. as of April 1, 2010.
8. Outside Corporate Auditor Shoji Mori has in-depth experiences in financial administration and is highly knowledgeable about financial and accounting matters.
9. Outside Corporate Auditor Masayuki Osawa has in-depth experiences in financial administration at a local government over many years and is highly knowledgeable about financial accounting matters. He retired as Administrative Director of Yokohama Silver Human Resources Center as of March 31, 2010.

Special Note: 'Corporate Auditor' is an officer that the Companies Act of Japan defines as 'KANSAYAKU'.

(2) Total Value of Remuneration of Directors and Corporate Auditors

Directors	(13 people):	¥463 million
Corporate Auditors	(7 people):	¥106 million
Total	(20 people):	¥569 million

- Notes:
1. The total number of Directors and Corporate Auditors includes two (2) Directors and two (2) Corporate Auditors retiring upon the conclusion of the 209th Annual Shareholders Meeting and the aggregate amount of remuneration paid includes the remuneration paid to these two Directors and two Corporate Auditors.
 2. Of the foregoing amount, the aggregate amount of remuneration paid to seven (7) Outside Officers (Outside Directors and Outside Corporate Auditors) was ¥64 million, which includes the remuneration paid to one (1) Outside Corporate Auditor retiring upon the conclusion of the 209th Annual Shareholders Meeting.
 3. The aggregate monthly remuneration payable to all Directors of up to ¥50 million was approved at the 205th Annual Shareholders Meeting, and the aggregate annual bonus payable to all Directors of up to ¥90 million was approved at the 206th Annual Shareholders Meeting.
 4. The aggregate monthly remuneration payable to all Corporate Auditors of up to ¥12 million was approved at the 190th Annual Shareholders Meeting.

(3) Policy on Determination of Remuneration in Kind for Officer of the Company

As a means of enhancing its corporate governance, the Company sets forth its 'Basic Policy on Remuneration' as follows:

- 1) Role of executive and remuneration
The role demanded of the executive is to seek to enhance short-term, medium and long-term corporate value, and executive remuneration shall serve as an effective incentive for them to perform that role.
- 2) Level of remuneration
The level of executive compensation shall be suitable for the role, responsibility and performance of the executive.
- 3) Performance-linked remuneration system
The performance-linked remuneration system is meant to firmly motivate the executives to execute management strategies, and is also meant to reflect their performance clearly on their remuneration.
- 4) Share-purchase guideline
The establishment of a share-purchase guideline is meant to firmly motivate the executives to reflect the perspective of a shareholder in management and improve shareholder value over the long term.
- 5) Assurance of objectivity and transparency
The Company shall assure objectivity and transparency of remuneration by establishing the 'Advisory Committee' comprising Outside Directors, Outside Corporate Auditors and the Company's Directors to govern the system of remunerations.

(4) Matters Related to Outside Officers

1) Outside Director Kazumoto Yamamoto

- i. The relationship between the other legal person in kind, in which outside officer having the 'Important concurrent posts', with the Company:

There is no special relationship between the Company and the legal person in kind.

- ii. Status of major activities during the business year under review
Mr. Yamamoto has attended 11 of 12 Board of Directors meetings. Given his strong management capability nurtured in the housing industry and deep insight into technological development, Mr. Yamamoto provides the Company with a wide variety of opinions on its management operations.

The Company designates Mr. Yamamoto as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchange (Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange).

2) Outside Director Katsuhiko Honda

- i. The relationship between the other legal person in kind, in which outside officer having the 'Important concurrent posts', with the Company:

There is no special relationship between the Company and the legal person in kind.

- ii. Status of major activities during the business year under review
Mr. Honda has attended 12 of 12 Board of Directors meetings. Given his international career and managerial skills, Mr. Honda provides the Company with a wide variety of opinions on its management operations.

The Company designates Mr. Honda as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchange (Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange).

3) Outside Director Sanae Inada

- i. The relationship between the other legal person in kind, in which outside officer having the 'Important concurrent posts', with the Company:

There is no special relationship between the Company and the legal person in kind.

- ii. Status of major activities during the business year under review
Ms. Inada has attended 11 of 12 Board of Directors meetings. Given her in-depth legal knowledge and experiences honed in corporate legal affairs as an attorney, Ms. Inada provides the Company with a wide variety of opinions on its management operations.

The Company designates Ms. Inada as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified her to the listing stock exchange (Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange).

- 4) Outside Corporate Auditor Shoji Mori
- i. The relationship between the other legal person in kind, in which outside officer having the 'Important concurrent posts', with the Company:
There is no special relationship between the Company and the legal person in kind.
 - ii. Status of major activities during the business year under review
Mr. Mori has attended 12 of 12 Board of Directors meetings and 11 of 11 Board of Corporate Auditors meetings. Given his experiences, expert knowledge and deep insight nurtured in financial administration, Mr. Mori offers appropriate opinions both at meetings of the Board of Directors and the Board of Corporate Auditors.
The Company designates Mr. Mori as the 'Independent Officer' (Independent Corporate Auditor), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchange (Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange).
- 5) Outside Corporate Auditor Yukio Masuda
- i. The relationship between the other legal person in kind, in which outside officer having the 'Important concurrent posts', with the Company:
There is no special relationship between the Company and the legal person in kind.
 - ii. Status of major activities during the business year under review
Mr. Masuda has attended 11 of 12 Board of Directors meetings and 10 of 11 Board of Corporate Auditors meeting. Given his excellent management capability and experiences nurtured at a major trading company and highly knowledgeable about energy business, Mr. Masuda offers appropriate opinions both at meetings of the Board of Directors and the Board of Corporate Auditors.
The Company designates Mr. Masuda as the 'Independent Officer' (Independent Corporate Auditor), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchange (Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange).
- 6) Outside Corporate Auditor Masayuki Osawa
- i. The relationship between the other legal person in kind, in which outside officer having the 'Important concurrent posts', with the Company:
There is no special relationship between the Company and the legal person in kind.
 - ii. Status of major activities during the business year under review
Mr. Osawa has attended 10 of 10 Board of Directors meetings and 9 of 9 Board of Corporate Auditors meetings held after he was appointed at the 209th Annual Shareholders Meeting and assumed the current post. Given the abundant experiences acquired at a local government and in-depth knowledge about financial administration, Mr. Osawa offers appropriate opinions both at meetings of the Board of Directors and the Board of Corporate Auditors.
The Company designates Mr. Osawa as the 'Independent Officer' (Independent Corporate Auditor), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchange (Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange).

5. Status of Accounting Auditor (Independent Auditor)

(1) Name of Accounting Auditor

KPMG AZSA & Co.

(2) Value of Remuneration of Accounting Auditor for this Business Year under Review

1) Total payments to Independent Auditor by the Company and its subsidiaries

¥334 million

2) Of the total amount listed in 1) above, remuneration and other payments to Independent Auditor by the Company

¥135 million

3) Of the total amount listed in 2) above, for auditing services provided under Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan

¥129 million

Note: The auditing contract between the Company and the Accounting Auditor makes no distinction between auditing services based on the Companies Act and auditing services based on the Financial Instruments and Exchange Act. Since no real distinction can be made in practice, the amount listed in 3) above also includes payments for auditing services based on the Financial Instruments and Exchange Act, etc.

(3) The contents of Non-Audit Services

The Company commissions the Accounting Auditor to prepare comfort letters at the time of bond issuance and to issue certificates pursuant to regulations on calculation of income and expenditures by gas business segment as non-audit services.

(4) Policy on Determination to Dismiss or Refrain from Reappointing the Accounting Auditor

The Company appoints the Accounting Auditor by comprehensively taking into account their operating scale, track record, business execution structure and other pertinent factors and on condition that they are capable of executing fair and stringent accounting audits.

It is the policy of the Company to decide to dismiss or not reappoint the appointed Accounting Auditor in accordance with the provisions of Article 340, Paragraph 1 of the Companies Act or if, in light of the aforementioned appointment criteria, the Accounting Auditor is deemed to be incapable of executing fair and stringent accounting audits.

6. Basic Policy on Development of Corporate Structures and Systems for Ensuring Appropriateness of Operations

With the commencement of the Internal Control System for financial reports described in the Financial Instruments and Exchange Act, the Company passed a resolution to revise the 'Basic Policy on Development of Corporate Structures and Systems for Ensuring Appropriateness of Operations (Internal Control System) for the Tokyo Gas Group' at the meeting of its Board of Directors held on February 27, 2008 as follows:

(1) Corporate structure and system for ensuring that Directors will execute their duties in conformity with the relevant acts, the Articles of Incorporation and other rules and regulations

1) The Company shall establish the 'Corporate Action Philosophy' and 'Our Code of Conduct' as the foundations of the compliance structure/system at the Tokyo Gas Group and its belonging member shall comply with them.

- 2) In order to ensure that its Directors and employees will comply with the 'Relevant Acts', the 'Management Principles', the 'Corporate Action Philosophy' and the 'Our Code of Conduct' the Company shall, pursuant to the provisions of the 'Business Ethics Committee Regulations', establish a Business Ethics Committee as a deliberating/coordinating organ to promote proper development/operation of the compliance structure and system at the Tokyo Gas Group.
 - 3) The Company shall appoint an appropriate number of Outside Directors and Executive Officers in order to clarify separation of supervisory functions of management from executive functions of management and strengthen the managerial decision-making and supervisory functions of the Board of Directors.
 - 4) The Company, in order to ensure objectivity and transparency of management, shall establish the advisory committee comprising Outside Directors, Outside Corporate Auditors and the Company's Directors as an advisory organ for deliberating on executive remuneration, etc.
 - 5) The Board of Directors, pursuant to the provisions of the 'Regulations of the Board of Directors', shall establish the 'Basic policy on Development of Internal Control System for the Tokyo Gas Group'.
 - 6) Directors charged with the execution of operations shall fulfill their role and responsibility for developing a system of internal controls in accordance with the basic policy determined by the Board of Directors.
 - 7) The Company shall establish 'Regulations Concerning the Formulation, Implementation and Evaluation of Internal Controls Covering Financial Reporting' and, based on these Regulations, evaluate the effectiveness of internal controls relating to financial reporting and ensure the reliability of financial reports.
 - 8) The Company shall establish 'Regulations Concerning Insider Trading Prevention and Timely Disclosure' and, based on these Regulations, prevent the practice of insider trading within the Group and ensure the appropriateness and promptness of information disclosure that is demanded of all listed corporations by the 'Securities Listing Regulations'.
 - 9) Directors, if they discover any matter that may exert a material influence on management of the Tokyo Gas Group, shall inform the Board of Directors and Corporate Auditors of the said matter without delay.
 - 10) The Company shall establish a corporate structure and system where Corporate Auditors would be empowered to audit the duties executed by Directors in accordance with the 'Corporate Audit Standards' established by the Board of Corporate Auditors.
- (2) **Corporate structure and system for preserving and managing information relevant to execution of Directors' duties**
- 1) The Company shall preserve and manage information relevant to execution of Directors' duties in a proper and secure manner according to preservation media and keep the said information available for inspection as needed, pursuant to the 'Document-handling Regulations' and the 'Information Security Management Regulations'.
- (3) **Corporate structure and system for ensuring that Directors' duties will be executed in an efficient manner**
- 1) The Board of Directors shall pass resolutions on the agendas submitted for deliberation and resolution pursuant to the provisions of the relevant acts, the Articles of Incorporation and the 'Regulations of the Board of Directors'. The Board of Directors, pursuant to the provisions of the said Regulations, shall in principle convene one meeting per month or convene one as needed. Of the agendas submitted to the Board of Directors, those agendas which require prior deliberations or are otherwise critical enough to affect management shall be deliberated on at the Management Committee comprising Executive President, Executive Vice Presidents and Senior Executive Officers.

- 2) Details of the persons in charge of executing operations based on the decisions of the Board of Directors, their responsibilities, and the relevant executing procedures shall be prescribed in the 'Regulations on Office Organization', 'Regulations on the Mission Statement', and 'Regulations on Official Responsibilities and Authorized Powers'.
 - 3) The Representative Director shall report the status of operational execution to the Board of Directors pursuant to the provisions of the 'Regulations of the Board of Directors'.
 - 4) The Board of Directors shall formulate the 'Medium-Term Group Management Plan' and, based on the said Plan, establish principal management objectives and verify their progress periodically. The Board of Directors shall concurrently ensure that Directors will execute their duties in an efficient and effective manner by setting annual objectives by operating unit and affiliate and by managing operating performances.
- (4) Corporate structure, system and regulations on management of risks of loss**
- 1) The Board of Directors shall establish 'Risk Management Regulations' to promote the management of risks incurred by the Group as well as a Risk Management Promotion Section, and specify 'material risks that the management should manage' as important risks associated with operational execution by the Group. The Board of Directors shall also review 'Principal Risks that the Management should manage' annually.
 - 2) All the units concerned with projects involving investments, equity participations, loans and debt guarantees shall evaluate their profitability and risks and, based on the said evaluation, submit the relevant agendas to the Management Committee or the Board of Directors for approval. Derivative transactions shall be executed pursuant to the provisions of the 'Regulations on Management of Market Risks'.
 - 3) In the event of any unforeseen circumstance such as a natural disaster, a manufacturing/supply trouble and a state of emergency, all the units concerned shall cope with the said circumstance in a prompt and proper manner by putting predetermined structures and systems in place in accordance with the 'Regulations on Emergency Countermeasures'.
 - 4) The Company shall establish a corporate structure and system that would cause each of its unit and affiliates to grasp risks associated with operational execution on its own, and manage such risks by formulating and implementing necessary countermeasures on its own.
- (5) Corporate structure and system for ensuring that employees will execute their duties in conformity with the relevant acts, the Articles of Incorporation, and other rules and regulations**
- 1) In order to facilitate proper development/operation of the compliance structure and system within the Group, the Company shall establish a Compliance Department. In addition, the Company shall establish a 'Tokyo Gas Group Compliance Consulting Unit' to offer consulting services for the whole of the Group on contraventions of the acts and the Articles of Incorporation and other questionable compliance-related practices and acts.
 - 2) The Company shall establish a legal affairs unit with the General Administration Department with a view to further bolstering the corporate structure and system in which it's Directors and employees will fully comply with the Antitrust Act, the Gas Enterprises Act, terms and conditions of gas supply, etc.
 - 3) The Company shall establish a corporate structure and system where Corporate Auditors would be empowered to audit the status of development/operation of its compliance structure and system and, if they detect or discover any problem, they would be entitled to demand that the situation be ameliorated.

- 4) The Company shall establish an Internal Audit Department which must operate independently of any unit executing operations. The Internal Audit Department shall audit the status/operation of the Group's accounting, operations, compliance, information system and risk management in accordance with the 'Internal Audit Regulations', and shall report its findings to the Management Committee and Corporate Auditors.
- (6) Corporate structure and system for ensuring appropriateness of operations at the corporate group including affiliates**
- 1) The Company shall demand that its affiliates establish those rules and regulations which would be necessary for ensuring compliance with the 'Corporate Action Philosophy' and the 'Our Code of Conduct' and the appropriateness of operations. Each one of the affiliates' Directors and Corporate Auditors shall assume the duty of due care and diligence of a good manager in ensuring the appropriateness of operations.
 - 2) The Company shall prescribe 'Regulations on the Management of Affiliates', and establish a corporate structure and system where its Directors would be empowered to manage its affiliates by approving and receiving reports on important matters including those related to its exercise of shareholder's rights vis-à-vis the affiliates. The Company shall retain part of its powers over affiliates' business operations.
 - 3) The Company shall establish a corporate structure and system where, if for purposes of affiliate management any of its affiliates is found to have a compliance-related problem including contravention of the acts or the Articles of Incorporation, the relevant affiliate would be required to report such a problem to Compliance Department or other units of the Company as appropriate. In connection with the said problem, each one of the relevant affiliate's Director and Corporate Auditors shall assume the duty of due care and diligence of a good manager.
 - 4) If any of the Company's Directors detects or discovers any principal compliance-related problem at any affiliate including contravention of the acts or the Articles of Incorporation, he/she shall report the said problem to the Management Committee and Corporate Auditors without delay.
 - 5) The Company shall establish a corporate structure and system where its Corporate Auditors would be able to conduct their audits of affiliates in an efficient and effective manner in close coordination with Corporate Auditors of the relevant affiliates and Internal Audit Department. The Company shall also establish a corporate structure and system where, if audit findings reveal the presence of a problem in ensuring the appropriateness of operations of the whole of the Tokyo Gas Group, Corporate Auditors would be empowered to demand that the relevant Director ameliorate the situation.
 - 6) The Company shall establish a corporate structure and system where Internal Audit Department would be able to conduct its audits of affiliates in an efficient and effective manner in close coordination with the Corporate Auditors of the Company and affiliates, and report its findings to the Management Committee, Corporate Auditors, and the Directors and Corporate Auditors of the relevant affiliates.
- (7) Matters related to employees who are assigned to assist in the duties of Corporate Auditors, and matters related to independence of the relevant employees from Directors**
- 1) With the aim of providing its Corporate Auditors with necessary assistance, the Company shall establish a Corporate Auditors' Office staffed by full-time personnel who would operate independently of any unit executing operations.

- 2) The Board of Directors shall pass a resolution on appointment or dismissal of the manager of the Corporate Auditors' Office subject to consent of Corporate Auditors. The Board of Directors shall decide on human resources-related matters of the said manager and other employees subject to consent of Corporate Auditors.
- (8) Corporate structures and systems for reporting by Directors and employees to Corporate Auditors, for reporting to other Corporate Auditors, and for ensuring that Corporate Auditors' audits will be executed in an effective manner
- 1) The Company shall establish a corporate structure and system where its Corporate Auditors would be able to demand, as needed, that Directors and employees inform them of any matters necessary for execution of their duties.
 - 2) The Company shall guarantee that Corporate Auditors will have an opportunity to exchange views with Directors as needed; that they will be allowed to attend principal meetings and express their views on lawfulness, etc. as needed; and that they will have access to important information.
 - 3) The Company shall establish a corporate structure and system where its Corporate Auditors would be able to ensure the effectiveness of their audits by coordinating with Independent Auditor, Corporate Auditors of its affiliates and Internal Audit Department.

7. Policy on Determination of Dividends from Surplus and Others

The Company has clarified the targeted distribution to its shareholders by determining the policy on allocation of its cash flow under the 'Tokyo Gas Group Medium-term Management Plan FY2009-2013', as described as follows:

The Company will actively apply the cash flow it has generated through steady execution of the 'Tokyo Gas Group Medium-term Management Plan FY2009-2013' to investments and loans in strengthening LNG value chain and others which would be the base of the Tokyo Gas Group's sustained growth for the future, and will simultaneously allocate the fruitage of its management to the shareholders in an appropriate manner.

Specifically, Tokyo Gas has continuously positioned acquisition of own share, in addition to dividends, as a form of its return to the shareholders, and has set the targeted gross distribution propensity (*) at 60% for the length of the medium-term management plan.

(*) n FY gross distribution propensity	=	$\frac{(n \text{ FY total dividends}) + (n+1 \text{ FY acquisition of own share})}{n \text{ FY consolidated net income}}$
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8. Basic Policy on Control of a Joint-Share Corporation

Based on the 'Tokyo Gas Group Medium-term Management Plan FY2009-2013', the Company passed at the meeting of its Board of Directors held on March 25, 2009, a resolution on amendment of the 'Basic Policy on the Management Principles and Control of the Tokyo Gas Group' as follows:

The Tokyo Gas Group supplies city gas in a safe and stable manner to roughly ten million accounts of corporate and individual customers mainly in the greater metropolitan Tokyo region, and conducts businesses of extremely high public interest by offering the best possible mixture of various energies including gas, heat and electricity and their added values, and by helping customers lead a comfortable life and build environment-friendly cities. The Group makes it one of its fundamental principles to continue to grow while enjoying a constant trust of its customers and shareholders.

Under the 'Tokyo Gas Group Medium-term Management Plan FY2009-2013', the Group is currently evolving and developing 'comprehensive energy business with natural gas, a core segment' and is aiming for its sustained growth by further promoting and expanding a natural gas market and establishing a broad revenue base. To this end, the Group is making active investments to strengthen the LNG value chain and others, and is enhancing 'All Tokyo Gas' comprehensive strength.

It is the basic management policy of the Company to achieve a stable long-term management and a steady enhancement of corporate value on the strength of these management principles and medium- and long-term business strategies, and to simultaneously allocate profits to its customers, shareholders and other stakeholders in a stable and balanced manner. With respect to financial returns to shareholders, the Company aims to set its gross distribution propensity (the ratio of the amount of dividends and acquisition of own share to net income) at 60% for the length of the current medium-term management plan.

The Company, as a listed company, expects it could be posed by any party attempting to acquire a massive quantity of its shares or making a buyoff proposal, but whether to accept it should ultimately be determined by the intent of the entire body of the Company's shareholders. By looking at their purpose, method and others, however, the Company considers some of these massive share-purchasing attempts could damage its corporate value and joint interests of its customers and shareholders, and would find them to be inappropriate. In making this judgment, the Company would carefully examine impacts the relevant act of purchasing or buyoff proposal might have on the Company's corporate value and joint interests of customers and shareholders on the basis of the relevant purchaser's actual business operations, future business plans, past investment behavior, etc.

The Company considers 'increasing corporate value' is the most effective defensive measure against an act of inappropriate massive share-purchasing and is making an effort to consistently achieve the medium-term management plan to this end. At this particular time, no specific threat to the Company is being posed by buyoff, and the Company does not currently intend to have any specific predetermined measures (the so-called 'poison pills') in place. However, the Company does intend to constantly watch the conditions of the trading of its shares and will take immediate countermeasures as deemed appropriate if any party is found to be attempting to acquire a massive quantity of its shares.

[English Translation of Financial Statements Originally Issued in the Japanese Language]

Consolidated Balance Sheet

As of March 31, 2010

(Millions of yen)

ASSETS	
Noncurrent Assets	1,405,178
Property, plant and equipment	1,108,843
Production facilities	186,467
Distribution facilities	475,932
Service and maintenance facilities	59,169
Other facilities	295,494
Inactive facilities	742
Construction in progress	91,037
Intangible assets	27,977
Goodwill	1,460
Other	26,517
Investments and other assets	268,357
Investment securities	139,052
Long-term loans receivable	40,996
Deferred tax assets	53,087
Other	36,350
Allowance for doubtful accounts	(1,130)
Current Assets	435,794
Cash and deposits	107,391
Notes and accounts receivable-trade	156,398
Lease receivables and lease investment assets	25,888
Merchandise and finished goods	3,291
Work in process	16,388
Raw materials and supplies	37,412
Deferred tax assets	16,606
Other	73,034
Allowance for doubtful accounts	(619)
Total Assets	1,840,972

(Millions of yen)

LIABILITIES AND NET ASSETS	
LIABILITIES	
Noncurrent Liabilities	654,319
Bonds payable	301,491
Long-term loans payable	186,681
Deferred tax liabilities	4,448
Provision for retirement benefits	130,903
Provision for gas holder repairs	3,597
Provision for safety measures	184
Other	27,012
Current Liabilities	360,362
Current portion of noncurrent liabilities	53,456
Notes and accounts payable-trade	134,946
Short-term loans payable	11,348
Income taxes payable	34,945
Deferred tax liabilities	8
Other	125,656
Total Liabilities	1,014,681
NET ASSETS	
Shareholders' Equity	799,310
Capital stock	141,844
Legal capital surplus	2,065
Retained earnings	657,387
Treasury stock	(1,986)
Valuation and Translation Adjustments	14,575
Valuation difference on available-for-sale securities	20,175
Deferred gains or losses on hedges	1,690
Foreign currency translation adjustment	(7,290)
Minority Interests	12,404
Total Net Assets	826,291
Total Liabilities and Net Assets	1,840,972

Consolidated Statement of Income
From April 1, 2009 to March 31, 2010

	(Millions of yen)
Net sales.....	1,415,718
Cost of sales.....	854,231
[Gross profit].....	[561,487]
Supply and sales expenses.....	403,671
General and administrative expenses.....	72,586
[Operating income].....	[85,229]
Non-operating income.....	20,626
Interest income.....	1,112
Dividends income.....	1,091
Equity in earnings of affiliates.....	3,796
Foreign exchange gains.....	6,175
Miscellaneous income.....	8,450
Non-operating expenses.....	22,336
Interest expenses.....	10,303
Adjustments of charges for construction of distribution facilities.....	3,186
Expenses for environmental consideration.....	3,097
Miscellaneous expenses.....	5,747
[Ordinary income].....	[83,519]
Extraordinary income.....	
Extraordinary losses.....	
[Income before income taxes].....	[83,519]
Income taxes-current.....	43,419
Income taxes-deferred.....	(14,552)
Minority interests in income.....	871
Net income.....	53,781

Consolidated Statement of Changes in Net Assets

From April 1, 2009 to March 31, 2010

(Millions of yen)

	Shareholders' equity				
	Capital stock	Legal capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2009	141,844	2,065	631,045	(2,361)	772,594
Changes of items during the period					
Dividends from surplus			(21,701)		(21,701)
Net income			53,781		53,781
Purchase of treasury stock				(5,149)	(5,149)
Disposal of treasury stock			(21)	105	84
Retirement of treasury stock			(5,418)	5,418	
Change of scope of consolidation			(298)		(298)
Net changes of items other than shareholders' equity	/	/	/	/	/
Total changes of items during the period	-	-	26,342	374	26,716
Balance as of March 31, 2010	141,844	2,065	657,387	(1,986)	799,310

	Valuation and translation adjustments				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total valuation and translation adjustments		
Balance as of March 31, 2009	11,466	920	(12,615)	(228)	12,250	784,616
Changes of items during the period						
Dividends from surplus	/	/	/	/	/	(21,701)
Net income	/	/	/	/	/	53,781
Purchase of treasury stock	/	/	/	/	/	(5,149)
Disposal of treasury stock	/	/	/	/	/	84
Retirement of treasury stock	/	/	/	/	/	-
Change of scope of consolidation	/	/	/	/	/	(298)
Net changes of items other than shareholders' equity	8,709	769	5,324	14,803	154	14,957
Total changes of items during the period	8,709	769	5,324	14,803	154	41,674
Balance as of March 31, 2010	20,175	1,690	(7,290)	14,575	12,404	826,291

Notes to the Consolidated Financial Statements

From April 1, 2009 to March 31, 2010

[Basis of Preparing Consolidated Financial Statements]

1. Scope of consolidation

(1) Number of consolidated subsidiaries

Number of consolidated subsidiaries: 61

Names of principal consolidated subsidiaries

Tokyo Gas Urban Development Co., Ltd., Tokyo Gas Toyosu Development Co., Ltd., Nagano Toshi Gas Inc., ENERGY ADVANCE Co., Ltd., Gaster Co., Ltd., Tokyo LNG Tanker Co., Ltd., Tokyo Gas Energy Co., Ltd., Capty Co., Ltd., Tokyo Gas Chemicals Co., Ltd., Park Tower Hotel Co., Ltd., Tokyo Gas Yokosuka Power Co., Ltd., Chiba Gas Co., Ltd., TG Credit Services Co., Ltd., TG Information Network Co., Ltd., Tsukuba Gakuen Gas Co., Ltd., Tokyo Gas Engineering Co., Ltd., Capty-Livelic Co., Ltd., and Nijio Co., Ltd.

(2) Names, etc. of principal unconsolidated subsidiaries

The Company's principal unconsolidated subsidiary is Ohgishima Power Co., Ltd.

Since the total amounts of the Company in the combined assets, sales and net income and in the retained earnings of unconsolidated subsidiaries were respectively small in value terms and qualitatively of little importance, such companies had a materially insignificant impact on the Consolidated Financial Statements and were therefore excluded from the scope of consolidation.

2. Application of equity method

(1) Number of principal equity-method affiliates and unconsolidated subsidiaries

Number of unconsolidated subsidiaries

accounted for by the equity method: 0

Number of equity-method affiliates: 4

Name of principal equity-method affiliates:

TOKYO TIMOR SEA RESOURCES INC., GAS MALAYSIA SDN. BHD.

(2) Names, etc. of principal affiliates and unconsolidated subsidiaries not accounted for by the equity method

The Company's principal affiliate or unconsolidated subsidiary not accounted for by the equity method is Ark Hills Heat Supply Co., Ltd. The unconsolidated subsidiaries and affiliates not accounted for by the equity method were excluded from the scope of application of equity methods, due to the immaterial effect of Company's total interest on their net income and retained earnings to the Consolidated Financial Statements and totally insignificant.

3. Accounting policies

(1) Valuation bases and methods of significant assets

1) The valuation basis and method of securities are as follows:

Held-to-maturity debt securities are stated at amortized cost. Available-for-sale securities for which market value is readily determinable are carried at market value at the year end, with unrealized gains and losses, net of applicable taxes, reported in a separate component of net assets. The cost of securities sold is determined based on the moving-average method.

Available-for-sale securities with no readily determinable fair market value are stated at cost, as determined by the moving-average method.

2) Derivatives are valued by market value method.

3) Inventories (finished goods, raw materials and supplies) are stated at cost, as determined by the moving-average method (consolidated balance sheet values are calculated using the book value reduction method based on declining profitability).

- (2) Methods of depreciation and amortization of significant depreciable assets
 - 1) The declining-balance method is mainly applied for property, plant and equipment. However, the straight-line method is applied for buildings (excluding building fixtures) acquired on or after April 1, 1998. Durable years are determined based on the 'Corporation Tax Act'.
 - 2) The straight-line method is applied for intangible assets. Software for internal use is amortized by the straight-line method over the internally available period.
- (3) Standard for significant provisions
 - 1) To reserve for loss on doubtful accounts such as accounts receivable-trade and loans, etc., general allowances are provided using a rate determined by past bad debts experience and also specific allowances are provided for the estimated amounts considered to be uncollectible after reviewing individual collectibles of certain doubtful accounts such as bankruptcy/rehabilitation claims.
 - 2) The Company and consolidated subsidiaries provided provision for retirement benefits at March 31, 2010 based on the estimated amounts of projected benefit obligation and the estimated fair value of the pension plan assets at that date. Actuarial differences are recorded as expenses in one lump-sum mainly from the following fiscal year.
 - 3) The Company and certain consolidated subsidiaries provided provision for gas holder repairs for periodic maintenance and repair of spherical gas holding tanks by accruing the estimated related costs over the period until the next scheduled repair.
 - 4) Provision for safety measures is an allowance to provide outlays for expenses required to ensure the safety of gas consumers. We have included the estimated amount for expenses required following the end of the fiscal year to provide outlays for expenses required for awareness-raising activities related to the safe use of gas appliances unequipped to prevent incomplete combustion, and expenses required to promote conversion to safe appliances.
- (4) Other significant matters for preparing consolidated financial statement
 - 1) All accounting transactions are booked exclusive of consumption taxes.
 - 2) Method and period of amortization of goodwill
Goodwill is amortized over twenty years or less (mainly ten years) under the straight-line method.
- 4. Assets and liabilities of the Company's consolidated subsidiaries
The assets and liabilities of the consolidated subsidiaries, including the portion attributable to minority shareholders, are recorded based on the fair value at the time the Company acquire control of the respective subsidiaries.

5. Changes in basis of preparing Consolidated Financial Statements

(1) Changes in basis of recognizing sales of completed construction contracts and cost of sales of completed construction contracts

Revenues for construction contracts were previously accounted for mainly by the completed-contract method. Effective April 1, 2009, the Company has applied the 'Accounting Standard for Construction Contracts' (ASBJ Statement No. 15, December 27, 2007) and the 'Guidance on Accounting Standard for Construction Contracts' (ASBJ Guidance No. 18, December 27, 2007). For the construction contracts starting during the current fiscal year, the percentage-of-completion method (the cost to cost method is used to estimate the percentage of completion) is applied to the contracts if the outcome of construction activity is deemed to be definite during the course of the activity by the end of the current fiscal year, while the completed-contract method is applied otherwise.

The impact of this change on the business performance of the Tokyo Gas group is minimal.

(2) Changes in presentation of partly-finished works

In the past, partly-finished works at Tokyo Gas Co., Ltd. and its consolidated subsidiaries have been included in 'Other' of current assets in accordance with the provisions of the Ordinance for Accounting of Gas Business. However, as a result of reviewing the nature of that accounting in timing of the application of the 'Accounting Standard for Construction Contracts' (ASBJ Statement No. 15, December 27, 2007) and the 'Guidance on Accounting Standard for Construction Contracts' (ASBJ Guidance No. 18, December 27, 2007) effective April 1, 2009, and for better clarity, partly-finished works will now be included in 'Work in process.'

The amount of partly-finished works included in 'Other' of current assets as of March 31, 2009 was ¥15,984 million.

(3) Accounting standard for retirement benefits

Effective April 1, 2009, the Company has applied the 'Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)' (ASBJ Statement No. 19, July 31, 2008).

As actuarial differences will be recognized in the next term, there is no impact on operating income, ordinary income and income before income taxes.

The unrecognized actuarial differences arising from the application of this Accounting Standard stand at (8,344) million yen (to be decreased from retirement benefit expenses in the next term).

[Explanatory notes regarding the consolidated balance sheet]

1. Assets pledged as collateral

(1) Breakdown of assets

Distribution facilities	¥6,535 million
Service and maintenance facilities	¥13 million
Other facilities	¥10,370 million
Investment securities	¥350 million
Long-term loans receivable	¥35 million
Cash and deposits	¥1,760 million
Other current assets	¥5 million

(2) Liabilities related to collateral

Long-term loans payable	¥8,071 million
(In above, Current portion of noncurrent liabilities	¥1,377 million)

Other current liabilities	¥56 million
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2. Accumulated depreciation for property, plant and equipment

¥3,028,281 million

3. Contingent liabilities for guarantee etc.
 - (1) Contingent liabilities for guarantee ¥5,327 million
 - (2) Contingent liabilities related to debt-assumption underwriting contracts on corporate bonds ¥38,700 million

[Explanatory notes regarding the consolidated statement of changes in net assets]

1. Number of shares issued FY2009 ended March 31, 2010
2,703,761,295 shares

2. Dividends

- (1) Dividends from surplus of this fiscal year
 - 1) The following was decided by the resolution of the Annual Shareholders Meeting held on June 26, 2009.
 - Dividends of common share
 - (a) Total amount of dividends ¥10,850 million
 - (b) Dividends per share ¥4.00
 - (c) Date of record March 31, 2009
 - (d) Effective date June 29, 2009
 - 2) The following was decided by the meeting of the Board of Directors held on October 28, 2009.
 - Dividends of common share
 - (a) Total amount of dividends ¥10,850 million
 - (b) Dividends per share ¥4.00
 - (c) Date of record September 30, 2009
 - (d) Effective date November 24, 2009
- (2) Dividends from surplus to be carried out after the end of this fiscal year

The following will be proposed at the Annual Shareholders Meeting to be held on June 29, 2010.

 - Dividends of common share
 - (a) Total amount of dividends ¥13,493 million
 - (b) Resource of dividends Retained earnings
 - (c) Dividend per share ¥5.00
 - (d) Date of record March 31, 2010
 - (e) Effective date June 30, 2010

[Explanatory notes regarding financial instruments]

1. Matters related to the status of financial instruments

The Tokyo Gas Group invests funds in highly safe financial assets such as bank deposits and procures funds through bond issuance and loans from banks and other financial institutions.

We mitigate customers' credit risks related to notes and accounts receivable-trade in accordance with each group company's credit control policy. In addition, investment securities are mainly stocks and we check the stocks' fair values on a quarterly basis regarding listed stocks.

Bonds payable and loans payable are mainly for capital investment (long-term) and for working capital (short-term), and we fix interest expenses by using interest rate swap transactions against the interest volatility risk involved in part of our long-term loans payable. In addition, when performing derivatives trading, we will draw up a plan therefore in accordance with our internal management rules and conduct the derivatives trading after receiving official approval.

2. Matters related to the fair value of financial instruments

The following are the amounts on the consolidated balance sheet, their fair values and differences as of March 31, 2010.

(Millions of yen)

	Amount on the consolidated balance sheet (*1)	Fair value (*1)	Difference
(1) Investment securities and other securities	69,423	69,424	1
(2) Cash and deposits	107,391	107,391	-
(3) Notes and accounts receivable - trade	156,398	156,398	-
(4) Bonds payable (*2)	(321,491)	(336,354)	(14,862)
(5) Long-term loans payable (*2)	(220,060)	(224,155)	(4,094)
(6) Notes and accounts payable - trade	(134,946)	(134,946)	-
(7) Derivatives trading	3,254	3,254	-

(*1) Figures in parentheses are those listed under liabilities

(*2) (4) Bonds payable and (5) Long-term loans payable include items due within one year.

(Note 1) Matters related to the method of measuring the fair value of financial instruments as well as investment securities and other securities and derivatives trading

(1) Investment securities and other securities

The fair value of stocks refers to quotes on their respective stock exchanges.

(2) Cash and deposits and (3) Notes and accounts receivable - trade

These items are listed at book value because they are settled in a short time and their fair value approximates the book value.

(4) Bonds payable

The fair value of the Group's bonds payable is measured at the present value of the aggregate amount of principal and interest discounted using the rate for the period until their maturity where credit risk is inclusive.

(5) Long-term loans payable

The fair value of long-term loans payable is measured by using a method in which the aggregate amount of principal and interest is discounted at the assumed interest rates for similar new loans payable. Of the Group's long-term loans payable with variable interest rates, the fair value of those subject to special accounting treatment for fixed interest rate swap transactions (see (7) below) is measured by using a method in which the aggregate amount of principal and interests treated with the said fixed interest rate swap transactions is discounted at the assumed interest rates for similar new loans payable.

(6) Notes and accounts payable - trade

These items are listed at book value because they are settled in a short time and their fair value approximates the book value.

(7) Derivatives trading

The fair value of derivatives trading is measured based on the prices presented by financial institutions with which we have transactions. Their fair value is included in the fair value of the said long-term loans payable, because interest rate swap transactions given the special accounting treatment are treated together with hedged long-term loans payable. (see (5) above).

(Note 2) Stocks of subsidiaries and affiliates (¥44,267 million on the consolidated balance sheet) as well as unlisted stocks and others (¥35,368 million on the consolidated balance sheet) are not included in '(1) Investment securities and other securities' because they do not have market prices and therefore it is extremely difficult to determine their fair value.

[Explanatory notes regarding investment and rental properties]

1. Matters related to status of investment and rental properties
The Company and some subsidiaries have office buildings for rent and other properties (including land under development) in Tokyo and other regions.
2. Matters related to the fair value of investment and rental properties

(Millions of yen)

Amount on consolidated balance sheet	Fair value
94,233	378,103

(Note 1) The amount on consolidated balance sheet is the amount of acquisition cost less accumulated depreciation.

(Note 2) The fair value at the end of this fiscal year is mainly based on real-estate appraisal documents prepared by real-estate appraisers.

[Explanatory notes regarding per share information]

1. Net assets per share ¥301.58
2. Net income per share ¥19.86

[Explanatory notes regarding material subsequent events]

1. The Company effected absorption-type merger TG Enterprise Co., Ltd., its wholly-owned subsidiary, through simplified merger procedures effective April 1, 2010.

As there were requests from opposing shareholders that the Company repurchase their holdings in accordance with the provisions of Article 797, Paragraph 1 of the Companies Act, the Company repurchased its own share as described below:

Number of opposing shareholders: 9

Period in which requests to purchase shares were accepted: March 29, 2010 - March 31, 2010

Number of shares requested to be repurchased: 16,537 thousand common shares

Number of shares repurchased: 14,037 thousand common shares

* As for the 2,500 thousand shares difference between the number of shares requested to be repurchased and the number of shares repurchased, the requests to repurchase shares were withdrawn by the opposing shareholders.

Repurchase price: ¥5,783 million

Period of acquisition: April 16, 2010 - April 21, 2010

Method of acquisition: Off-market transaction

2. The Company has resolved to acquire the own share in accordance with Article 156 of the Companies Act as applied mutatis mutandis by the provision of Article 165, Paragraph 3 of said Act at a meeting of the Board of Directors held on April 28, 2010.

Details of the acquisition of own shares, are as follows:

Number of shares to be repurchased: Up to 6,000 thousand shares (maximum)

Type of money to be paid in exchange for shares and aggregate amount thereof:

Cash, up to ¥2,200 million (maximum)

Period during which the Company can acquire share:

April 30, 2010 - March 31, 2011

In addition, the acquisition of own share was carried out based upon a resolution said above.

Details of the acquisition of own share, are as follows:

Period of acquisition: May 7 to May 13, 2010 (Commitment basis)

Number of shares purchased: 5,531 thousand shares

Cost of share acquisition: ¥2,199 million

Method of acquisition: Market transaction on Tokyo Stock Exchange by specified fund trust

[Explanatory notes]

1. Adjustment of the cost for raw materials is subject to movements on trading contract renewals or price negotiations thereof with gas resource suppliers.
2. All amounts of less than one million yen have been rounded down in the accounts.

Transcript

Independent Auditors' Report

May 14, 2010

The Board of Directors
Tokyo Gas Co., Ltd.

KPMG AZSA & Co.

Koji Kakinuma (seal)
Designated and Engagement Partner
Certified Public Accountant

Osamu Nakai (seal)
Designated and Engagement Partner
Certified Public Accountant

Masaru Miura (seal)
Designated and Engagement Partner
Certified Public Accountant

We have audited the consolidated statutory report, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Tokyo Gas Co., Ltd. as of March 31, 2010 and for the year from April 1, 2009 to March 31, 2010 in accordance with Article 444-4 of the Companies Act. The consolidated statutory report is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated statutory report based on our audit as independent auditors.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require us to obtain reasonable assurance about whether the consolidated statutory report is free of material misstatement. An audit is performed on a test basis, and includes assessing the accounting principles used, the method of their application and estimates made by management, as well as evaluating the overall presentation of the consolidated statutory report. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated statutory report referred to above presents fairly, in all material respects, the financial position and the results of operations of Tokyo Gas Co., Ltd. and its consolidated subsidiaries for the period, for which the consolidated statutory report was prepared, in conformity with accounting principles generally accepted in Japan.

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

[English Translation of Financial Statements Originally Issued in the Japanese Language]

Non-Consolidated Balance Sheet

As of March 31, 2010

(Millions of yen)

ASSETS	
Noncurrent Assets	1,220,823
Property, plant and equipment	759,684
Production facilities	186,806
Distribution facilities	453,947
Service and maintenance facilities	54,894
Facilities for incidental businesses	2,919
Inactive facilities	742
Construction in progress	60,374
Intangible assets	23,224
Leasehold right	1,295
Other	21,929
Investments and other assets	437,913
Investment securities	60,054
Investments in subsidiaries and affiliates	168,344
Long-term loans receivable	109
Long-term loans receivable from subsidiaries and affiliates	135,558
Investments in capital	13
Long-term prepaid expenses	20,482
Deferred tax assets	46,698
Other	7,415
Allowance for doubtful accounts	(762)
Current Assets	322,712
Cash and deposits	56,373
Notes receivable-trade	627
Accounts receivable-trade	96,160
Accounts receivable from subsidiaries and affiliates-trade	25,508
Accounts receivable-other	29,387
Short-term investment securities	10,001
Finished goods	102
Raw materials	20,767
Supplies	9,924
Advance payments	2,051
Prepaid expenses	703
Short-term loans receivable from subsidiaries and affiliates ...	25,609
Short-term receivables from subsidiaries and affiliates	2,501
Deferred tax assets	12,565
Other	30,955
Allowance for doubtful accounts	(528)
Total Assets	1,543,535

(Millions of yen)

LIABILITIES AND NET ASSETS	
LIABILITIES	
Noncurrent Liabilities	535,674
Bonds payable	287,691
Long-term loans payable	117,450
Long-term debt to subsidiaries and affiliates	365
Provision for retirement benefits	120,891
Provision for gas holder repairs	3,133
Provision for safety measures	92
Other	6,050
Current Liabilities	323,865
Current portion of noncurrent liabilities	37,394
Accounts payable-trade	107,449
Accounts payable-other	35,000
Accrued expenses	31,217
Income taxes payable	28,900
Advances received	6,033
Deposits received	4,456
Short-term loans payable to subsidiaries and affiliates	41,259
Short-term debt to subsidiaries and affiliates	27,382
Other	4,772
Total Liabilities	859,539
NET ASSETS	
Shareholders' Equity	664,699
Capital stock	141,844
Capital stock	141,844
Capital surplus	2,065
Legal capital surplus	2,065
Retained Earnings	522,775
Legal retained earnings	35,454
Other retained earnings	487,321
Reserve for advanced depreciation of noncurrent assets	909
Reserve for overseas investment loss	4,011
Reserve for adjustment of cost fluctuations	141,000
General reserve	299,000
Retained earnings brought forward	42,399
Treasury stock	(1,986)
Treasury stock	(1,986)
Valuation and Translation Adjustments	19,296
Valuation difference on available-for-sale securities	16,791
Valuation difference on available-for-sale securities	16,791
Deferred gains or losses on hedges	2,505
Deferred gains or losses on hedges	2,505
Total Net Assets	683,995
Total Liabilities and Net Assets	1,543,535

Non-Consolidated Statement of Income

From April 1, 2009 to March 31, 2010

(Millions of yen)

Product sales	1,010,891
Gas sales	1,010,891
Cost of sales	523,190
Beginning inventories	107
Cost of products manufactured	514,913
Purchase of finished goods	10,379
Costs of gas for own use	2,106
Ending inventories	102
[Gross profit]	[487,700]
Supply and sales expenses	360,041
General and administrative expenses	74,558
[Income on core business]	[53,100]
Miscellaneous operating revenue	135,579
Revenue from installation work	37,624
Revenue from gas appliance sales	94,877
Third party access revenue	213
Other miscellaneous operating revenue	2,863
Miscellaneous operating expenses	132,020
Expenses of installation work	38,512
Expenses of gas appliances sales	93,508
Revenue for incidental businesses	64,169
Revenue from LNG sales	22,375
Revenue from power sales	20,439
Revenue from other incidental businesses	21,354
Expenses for incidental businesses	61,704
Expenses for LNG sales	21,028
Expenses for power sales	19,663
Expenses for other incidental businesses	21,011
[Operating income]	[59,124]
Non-operating income	17,615
Interest income	2,184
Dividends income	1,034
Dividends from subsidiaries and affiliates	3,863
Rent income	4,380
Miscellaneous income	6,151
Non-operating expenses	17,807
Interest expenses	2,602
Interest on bonds	5,754
Amortization of bond issuance cost	109
Adjustments of charges for construction of distribution facilities	3,270
Expenses for environmental consideration	3,097
Miscellaneous expenses	2,973
[Ordinary income]	[58,931]
Extraordinary income	
Extraordinary losses	
[Income before income taxes]	[58,931]
Income taxes-current	34,520
Income taxes-deferred	(14,472)
Net income	38,883

Non-Consolidated Statement of Changes in Net Assets

From April 1, 2009 to March 31, 2010

(Millions of yen)

	Shareholders' equity										
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings						Total retained earnings
		Legal capital surplus	Total capital surplus		Other retained earnings						
					Reserve for advanced depreciation of noncurrent assets	Reserve for overseas investment loss	Reserve for adjustment of cost fluctuations	General reserve	Retained earnings brought forward		
Balance as of March 31, 2009	141,844	2,065	2,065	35,454	910	2,024	141,000	299,000	32,644	511,032	
Changes of items during the period											
Provision of reserve for overseas investment loss						1,987			(1,987)		
Dividends from surplus									(21,701)	(21,701)	
Net income									38,883	38,883	
Purchase of treasury stock											
Disposal of treasury stock									(21)	(21)	
Retirement of treasury stock									(5,418)	(5,418)	
Net changes of items other than shareholders' equity	/	/	/	/	/	/	/	/	/	/	
Total changes of items during the period	-	-	-	-	-	1,987	-	-	9,755	11,742	
Balance as of March 31, 2010	141,844	2,065	2,065	35,454	909	4,011	141,000	299,000	42,399	522,775	

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total Valuation and translation adjustments	
Balance as of March 31, 2009	(2,361)	652,581	9,429	647	10,077	662,658
Changes of items during the period						
Provision of reserve for overseas investment loss			/	/	/	-
Dividends from surplus		(21,701)	/	/	/	(21,701)
Net income		38,883	/	/	/	38,883
Purchase of treasury stock	(5,149)	(5,149)	/	/	/	(5,149)
Disposal of treasury stock	105	84	/	/	/	84
Retirement of treasury stock	5,418		/	/	/	-
Net changes of items other than shareholders' equity	/	/	7,361	1,857	9,219	9,219
Total changes of items during the period	374	12,117	7,361	1,857	9,219	21,336
Balance as of March 31, 2010	(1,986)	664,699	16,791	2,505	19,296	683,995

Notes to the Non-Consolidated Financial Statements

From April 1, 2009 to March 31, 2010

1. Significant accounting policies

(1) Valuation bases and methods of assets

- 1) The valuation basis and method of valuation of securities are as follows:

Held-to-maturity debt securities are stated at amortized cost. Stocks issued by subsidiaries and affiliated companies are stated at cost, as determined by the moving-average method.

Available-for-sale securities for which market value is readily determinable are carried at market value at the year end, with unrealized gains and losses, net of applicable taxes, reported in a separate component of net assets. The cost of securities sold is determined based on the moving-average method.

Available-for-sale securities with no readily determinable fair market value are stated at cost, as determined by the moving-average method.

- 2) Derivatives are valued by market value method.

- 3) Inventories (finished goods, raw materials and supplies) are stated at cost, as determined by the moving-average method (balance sheet values are calculated using the book value reduction method based on declining profitability).

(2) Methods of depreciation and amortization of noncurrent assets

- 1) The declining-balance method is mainly applied for property, plant and equipment. However, the straight-line method is applied for buildings (excluding building fixtures) acquired on or after April 1, 1998.

Durable years are determined based on the 'Corporation Tax Act'.

- 2) The straight-line method is applied for intangible assets. Software for internal use is amortized by the straight-line method over the internally available period.

(3) Standard for provisions

- 1) To reserve for loss on doubtful accounts such as accounts receivable-trade and loans, etc., general allowances are provided using a rate determined by past bad debts experience and also specific allowances are provided for the estimated amounts considered to be uncollectible after reviewing individual collectibles of certain doubtful accounts such as bankruptcy/rehabilitation claims.

- 2) The Company provided provision for retirement benefits at March 31, 2010 based on the estimated amounts of projected benefit obligation and the estimated fair value of the pension plan assets at that date.

Actuarial differences are recorded as expenses in one lump-sum from the following fiscal year.

- 3) The Company provided provision for gas holder repairs for periodic maintenance and repair of spherical gas holding tanks by accruing the estimated related costs over the period until the next scheduled repair.

- 4) Provision for safety measures is an allowance to provide outlays for expenses required to ensure the safety of gas consumers. We have included the estimated amount for expenses required following the end of the fiscal year to provide outlays for expenses required for awareness-raising activities related to the safe use of gas appliances unequipped to prevent incomplete combustion, and expenses required to promote conversion to safe appliances.

- (4) All accounting transactions are booked exclusive of consumption taxes.

- (5) Changes in accounting principles or accounting procedures
Effective April 1, 2009, the Company has applied the 'Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)' (ASBJ Statement No. 19, July 31, 2008).

As actuarial differences will be recognized in the next term, there is no impact on operating income, ordinary income and income before income taxes.

The unrecognized actuarial differences arising from the application of this Accounting Standard stand at (8,344) million yen (to be decreased from retirement benefit expenses in the next term).

2. Explanatory notes regarding the non-consolidated balance sheet

(1) Assets pledged as collateral

Investment securities	¥320 million
Investments in subsidiaries and affiliates	¥927 million
Long-term loans receivable	¥35 million
Long-term loans receivable from subsidiaries and affiliates	¥1,404 million

(Amount of liabilities secured by the collaterals -)

(The above assets are pledged as collateral against debts incurred by companies in which the Company has invested.)

(2) Accumulated depreciation

Property, plant and equipment	¥2,532,270 million
Intangible assets	¥21,030 million

(3) Contingent liabilities for guarantees, etc.

Contingent liabilities for guarantee	¥37,765 million
Joint and several liabilities	¥13,828 million
Contingent liabilities related to debt-assumption underwriting contracts on corporate bonds	¥38,700 million

3. Explanatory notes regarding the non-consolidated statement of income

Trading volume with subsidiaries and affiliates

Net sales	¥129,647 million
Purchases	¥202,380 million
Trading volume other than net sales and purchases	¥7,836 million

4. Explanatory notes regarding the non-consolidated statement of changes in net assets

Number of shares of treasury stock as of the end of the fiscal year under review	5,062,893 shares
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5. Explanatory notes regarding deferred tax accounting

Principal sources of deferred tax assets and deferred tax liabilities

Deferred tax assets	Provision for retirement benefits
Deferred tax liabilities	Valuation difference on available-for-sale securities

6. Explanatory notes regarding transactions with related parties
Subsidiaries

Name	Percentage of voting rights holding (or being held) (%)	Relationship with regarding transactions	Contents of transaction	Amount of transaction (millions of yen)	Account name	Amount outstanding as of the end of the FY2009 (millions of yen)
TOKYO GAS AUSTRALIA PTY LTD	Holding Direct 100.0	Subsidiaries	Subscription for new shares (Note 1)	15,753	—	—
Tokyo Gas Pluto Pty Ltd	Holding Indirect 100.0	Subsidiaries	Loan guarantee (Note 2)	29,260	—	—

Business terms and policies for determination of business terms

(Note 1) The Company subscribed for TOKYO GAS AUSTRALIA PTY LTD's shares at 1,000 Australian dollars per share.

(Note 2) A decision is made comprehensively after due consideration of the project plan.

7. Explanatory notes regarding per share information

Net assets per share ¥253.45
Net income per share ¥14.36

8. Explanatory notes regarding material subsequent events

1. The Company effected absorption-type merger TG Enterprise Co., Ltd., its wholly-owned subsidiary, through simplified merger procedures effective April 1, 2010.

As there were requests from opposing shareholders that the Company repurchase their holdings in accordance with the provisions of Article 797, Paragraph 1 of the Companies Act, the Company repurchased its own share as described below:

Number of opposing shareholders: 9

Period in which requests to purchase shares were accepted: March 29, 2010 - March 31, 2010

Number of shares requested to be repurchased: 16,537 thousand common shares

Number of shares repurchased: 14,037 thousand common shares

* As for the 2,500 thousand shares difference between the number of shares requested to be repurchased and the number of shares repurchased, the requests to repurchase shares were withdrawn by the opposing shareholders.

Repurchase price: ¥5,783 million

Period of acquisition: April 16, 2010 - April 21, 2010

Method of acquisition: Off-market transaction

2. The Company has resolved to acquire the own share in accordance with Article 156 of the Companies Act as applied mutatis mutandis by the provision of Article 165, Paragraph 3 of said Act at a meeting of the Board of Directors held on April 28, 2010.

Details of the acquisition of own shares, are as follows:

Number of shares to be repurchased: Up to 6,000 thousand shares (maximum)

Type of money to be paid in exchange for shares and aggregate amount thereof:

Cash, up to ¥2,200 million (maximum)

Period during which the Company can acquire share:

April 30, 2010 - March 31, 2011

In addition, the acquisition of own share was carried out based upon a resolution said above.

Details of the acquisition of own share, are as follows:

Period of acquisition: May 7 to May 13, 2010 (Commitment basis)

Number of shares purchased: 5,531 thousand shares

Cost of share acquisition: ¥2,199 million

Method of acquisition: Market transaction on Tokyo Stock Exchange by specified fund trust

9. Other explanatory notes

Adjustment of the cost for raw materials is subject to movements on trading contract renewals or price negotiations thereof with gas resource suppliers.

10. All amounts of less than one million yen have been rounded down in the accounts.

Transcript

Independent Auditors' Report

May 14, 2010

The Board of Directors
Tokyo Gas Co., Ltd.

KPMG AZSA & Co.

Koji Kakinuma (seal)
Designated and Engagement Partner
Certified Public Accountant

Osamu Nakai (seal)
Designated and Engagement Partner
Certified Public Accountant

Masaru Miura (seal)
Designated and Engagement Partner
Certified Public Accountant

We have audited the statutory report, comprising the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets and the notes to the non-consolidated financial statements, and its supporting schedules of Tokyo Gas Co., Ltd. as of March 31, 2010 and for the 210th business year from April 1, 2009 to March 31, 2010 in accordance with Article 436-2-1 of the Companies Act. The statutory report and supporting schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on the statutory report and supporting schedules based on our audit as independent auditors.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require us to obtain reasonable assurance about whether the statutory report and supporting schedules are free of material misstatement. An audit is performed on a test basis, and includes assessing the accounting principles used, the method of their application and estimates made by management, as well as evaluating the overall presentation of the statutory report and supporting schedules. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statutory report and supporting schedules referred to above present fairly, in all material respects, the financial position and the results of operations of Tokyo Gas Co., Ltd. for the period, for which the statutory report and supporting schedules were prepared, in conformity with accounting principles generally accepted in Japan.

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Transcript

AUDIT REPORT

The Board of Corporate Auditors (the 'Board'), having deliberated on the audit reports prepared by Corporate Auditors on the execution of the duties of Directors for the 210th business year from April 1, 2009 to March 31, 2010, does hereby report on its audit findings as follows:

1. Method and Contents of Audit by Corporate Auditors and the Board

- (1) The Board set the audit policy, audit plan, etc., debriefed Corporate Auditors on the status of execution and results of their audits, debriefed Directors and Independent Auditors on the status of execution of their duties, and requested explanations as needed.
- (2) While maintaining proper communication with Directors, internal audit staff and other employees, Corporate Auditors executed their audits in the manner described below in conformity with the corporate auditors' audit standard established by the Board and in accordance with the audit policy, audit plan, etc. established by the Board.
 - 1) Corporate Auditors attended the meetings of the Board of Directors and other important meetings of the Company, debriefed Directors and employees on the status of execution of their duties as needed, inspected important documents, and examined the status of business operations and properties at the head office and main business units.

With respect to the subsidiaries, Corporate Auditors examined the status of subsidiaries' operations and properties by maintaining proper communication with subsidiaries' Directors, Corporate Auditors, etc. and physically visiting some of them as necessary.
 - 2) Corporate Auditors and the Board examined the contents of the resolutions of the Board of Directors on the development of the corporate structure and system to ensure that execution by Directors of their duties conformed to the provisions of the relevant acts and the Articles of Incorporation and of the corporate structure and system which are prescribed in Article 100, Paragraphs 1 and 3 of the 'Enforcement Regulations of the Companies Act' as being necessary for ensuring the appropriateness of operations of a joint-share corporation, as well as the status of the corporate structure and system (internal control system) put in place by the said resolutions.

With respect to internal control covering financial reporting, the Corporate Auditors debriefed the Directors and KPMG AZSA & Co. on evaluation of the said internal control and status of audit and requested explanations as needed.
 - 3) Corporate Auditors further discussed the contents of the Basic Policy on Control of a Joint-Share Corporations stated in the Business Report based on deliberation at meetings of the Board of Directors and other occasions.
 - 4) Corporate Auditors and the Board debriefed Independent Auditors on the status of execution of their duties, and requested explanations as needed. In addition, Corporate Auditors and the Board were informed by Independent Auditors that they were developing the 'structure and system to ensure that their duties would be executed in a proper manner' (items prescribed in Article 131 of the 'Company Calculation Regulations') in accordance with 'Quality Control Standard for Auditing' (by Business Accounting Council dated October 28, 2005), and requested explanations as needed.

Based on the aforementioned methods, Corporate Auditors and the Board examined the Company's Business Report, Financial Statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and the notes to the non-consolidated financial statements), their supporting schedules, and Consolidated Financial Statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and the notes to the consolidated financial statements) for the business year under review.

2. Results of Audit

(1) Results of audit of Business Report and its supporting schedules

- 1) The Business Report and its supporting schedules present fairly the status of the Company in conformity with the relevant acts and the Articles of Incorporation.
- 2) No misconduct or material fact running counter to the relevant acts or the Articles of Incorporation has been found in respect of execution of Directors' duties.
- 3) The contents of the Board of Directors' resolution on the internal control system are fair and reasonable. The execution by Directors of their duties related to the said internal control system, including the internal control covering financial reporting, has no specific problems which have to be pointed out.
- 4) The contents of basic policy for appointed ruler, who decide the Company's policy of Finance and Business described on the Business Report has no specific problems which have to be pointed out.

(2) Results of audit of financial statements and their supporting schedules

The audit methods adopted and the results of audit rendered by KPMG AZSA & Co., Independent Auditors, are fair and reasonable.

(3) Results of audit of consolidated financial statements

The audit methods adopted and the results of audit rendered by KPMG AZSA & Co., Independent Auditors, are fair and reasonable.

May 19, 2010

Tokyo Gas Co., Ltd. Board of Corporate Auditors

Yasunori Takakuwa	Standing Corporate Auditor
Kunihiro Mori	Standing Corporate Auditor
Shoji Mori	Outside Corporate Auditor
Yukio Masuda	Outside Corporate Auditor
Masayuki Osawa	Outside Corporate Auditor

[English Translation Originally Issued in the Japanese Language]

REFERENCE MATERIALS FOR THE SHAREHOLDERS MEETING

Proposals and References

Proposal No. 1: Approval of the Appropriation of Surplus

We hereby would like to propose that surplus be appropriated in the manner described below:

Dividends from surplus (year-end dividends)

Based on the Company's 'Policy on Determination of Dividends from Surplus and Others' (see Page 20) and to meet shareholders' expectations, the Company will pay a year-end dividend of ¥5 per share, up ¥1 per share. Together with the midterm dividend of ¥4 per share, the total dividend to be paid during the year is ¥9 per share.

(1) Allocation of dividend property and its aggregate amount:

Cash ¥5 per share

Aggregate amount of dividends ¥13,493,492,010

(2) Dividend effective date

Wednesday, June 30, 2010

Proposal No. 2: Election of Eleven (11) Directors

The term of office of all the current eleven (11) Directors ends at the conclusion of this Annual Shareholders Meeting. Accordingly, we hereby would like to propose that you elect eleven (11) Directors.

The nominees for Directors are as follows:

No.	Name (Date of birth)	Career summaries, position and areas of responsibility in the Company [Important concurrent posts]	Number of the Company's shares held
1	Mitsunori Torihara (March 12, 1943)	<p>April 1967 Joined the Company</p> <p>June 1994 Deputy General Manager of Kanagawa Regional Business Div.</p> <p>June 1996 General Manger of Gas Resources Dept.</p> <p>June 1998 Director and General Manger of Gas Resources Dept.</p> <p>June 2000 Managing Director and in charge of Supplies Dept. and Gas Resources Dept.</p> <p>June 2001 Managing Director and in charge of Accounting Dept., Supplies Dept. and Gas Resources Dept.</p> <p>June 2002 Director, Senior Executive Officer and Division Manager of Strategic Planning Div.</p> <p>June 2003 Representative Director, Executive Vice President, Division Manager of Strategic Planning Div. and in charge of Internal Audit Dept. and Compliance Dept.</p> <p>April 2004 Representative Director, Executive Vice President, Division Manager of Corporate Communication Div. and in charge of Compliance Dept.</p> <p>April 2006 President, Representative Director and Executive President</p> <p>April 2010 Director and Chairman of the Board (Current position)</p>	190,000
2	Tadaaki Maeda (February 11, 1946)	<p>April 1970 Joined the Company</p> <p>June 1996 Deputy General Manager of Western Regional Business Div.</p> <p>June 1997 General Manager of Commodity Development Div.</p> <p>June 2000 Director and General Manager of Energy Planning Dept. of Energy Sales and Service Div.</p> <p>June 2002 Senior Executive Officer and Division Manager of R&D Div.</p> <p>April 2004 Senior Executive Officer, Division Manager of Energy Resources Business Div. and in charge of Internal Audit Dept.</p> <p>June 2004 Director, Senior Executive Officer, Division Manager of Energy Resources Business Div. and in charge of Internal Audit Dept.</p> <p>April 2006 Representative Director, Executive Vice President and Division Manager of Strategic Planning Div.</p> <p>April 2007 Representative Director, Executive Vice President, Division Manager of Energy Production Div. and in charge of Environment Dept.</p> <p>April 2010 Director and Vice Chairman of the Board (Current position)</p>	149,675

No.	Name (Date of birth)	Career summaries, position and areas of responsibility in the Company [Important concurrent posts]		Number of the Company's shares held
3	Tsuyoshi Okamoto (September 23, 1947)	April June June June June April June April April April April	1970 1997 1998 1999 2002 2004 2004 2006 2007 2009 2010 Joined the Company Deputy General Manger of Northern Regional Business Div. General Manger of Documents Dept. Assistant to Director in charge of General Administration Dept. Executive Officer and General Manager of Corporate Planning Dept. of Strategic Planning Div. Senior Executive Officer and Division Manager of Strategic Planning Div. Director, Senior Executive Officer and Division Manager of Strategic Planning Div. Director, Senior Executive Officer, Division Manager of Corporate Communication Div. and in charge of Compliance Dept. and Internal Audit Dept. Representative Director, Executive Vice President and in charge of Human Resources Dept., Secretarial Dept., General Administration Dept., Compliance Dept. and Internal Audit Dept. Representative Director, Executive Vice President and in charge of Human Resources Dept., Secretarial Dept., General Administration Dept. and Compliance Dept. President, Representative Director and Executive President (Current position)	127,000
4	Shigeru Muraki (August 29, 1949)	July June June April April April June April	1972 2000 2002 2004 2006 2007 2007 2010 Joined the Company General Manger of Gas Resources Dept. Executive Officer and General Manager of Gas Resources Dept. of Strategic Planning Div. Senior Executive Officer and Division Manager of R&D Div. Senior Executive Officer and Division Manager of Technological Development Div. Senior Executive Officer, Division Manager of Energy Solution Div. and General Manager of Volume Sales Dept. of Energy Solution Div. Director, Senior Executive Officer, Division Manager of Energy Solution Div. and General Manager of Volume Sales Dept. of Energy Solution Div. Representative Director, Executive Vice President, Division Manager of Energy Solution Div. and General Manager of Volume Sales Dept. of Energy Solution Div. (Current position)	101,236

No.	Name (Date of birth)	Career summaries, position and areas of responsibility in the Company [Important concurrent posts]		Number of the Company's shares held
5	Toshiyuki Kanisawa (November 23, 1948)	April June June June April April April June April April	1972 1999 2001 2003 2004 2006 2007 2007 2009 2010 Joined the Company Assigned to Business Planning Dept. of Business Developments Div. Assigned to Affiliated Business Planning Dept. of Affiliated Business Div. Executive Officer and General Manager of Service Planning Dept. of Customer Service Div. Executive Officer and General Manager of Corporate Planning Dept. of Strategic Planning Div. Senior Executive Officer and Division Manager of Home Service Div. Senior Executive Officer and Division Manager of Living Energy Div. Director, Senior Executive Officer and Division Manager of Living Energy Div. Director, Senior Executive Officer and Division Manager of Living Corporate Sales and Services Div. Representative Director, Executive Vice President and in charge of Human Resources Dept., Secretarial Dept., General Administration Dept. and Compliance Dept. (Current position)	64,060
6	Tsutomu Oya (December 18, 1949)	April June April April June April	1975 2002 2004 2006 2009 2010 Joined the Company General Manager of International Affairs Dept. of Strategic Planning Div. Executive Officer, General Manager of Urban Energy Business Dept. of Energy Sales and Service Div. and Acting General Manager of Volume Sales Dept. of Energy Sales and Service Div. Senior Executive Officer and Division Manager of Energy Resources Business Div. Director, Senior Executive Officer and Division Manager of Energy Resources Business Div. Director, Senior Executive Officer, Division Manager of Energy Production Div. and in charge of Environment Dept. (Current position)	52,090

No.	Name (Date of birth)	Career summaries, position and areas of responsibility in the Company [Important concurrent posts]	Number of the Company's shares held
7	Michiaki Hirose (October 2, 1950)	<p>April 1974 Joined the Company</p> <p>June 2003 Assigned to General Administration Dept. of Corporate Communication Div.</p> <p>April 2004 Executive Officer and Assistant to Division Manager of Corporate Communication Div.</p> <p>April 2006 Executive Officer and General Manager of Corporate Planning Dept. of Strategic Planning Div.</p> <p>April 2007 Senior Executive Officer and in charge of Corporate Planning Dept., Infrastructure Project Dept., Finance and Managerial Accounting Dept., Accounting Dept. and Affiliated Companies Dept.</p> <p>April 2008 Senior Executive Officer and in charge of Corporate Planning Dept., Investor Relations Dept., Finance & Managerial Accounting Dept., Accounting Dept., Affiliated Companies Dept. and Gas Industry Privatization Research Project Dept.</p> <p>April 2009 Senior Executive Officer and in charge of Corporate Planning Dept. and Affiliated Companies Dept.</p> <p>June 2009 Director, Senior Executive Officer and in charge of Corporate Planning Dept., Corporate Communication Dept. and Affiliated Companies Dept.</p> <p>January 2010 Director, Senior Executive Officer and in charge of Corporate Planning Dept., Project Management Dept., Corporate Communication Dept. and Affiliated Companies Dept. (Current position)</p>	38,000
8	Mikio Itazawa (February 28, 1950)	<p>April 1974 Joined the Company</p> <p>June 2000 Assigned to Business Planning Dept. of Business Developments Div.</p> <p>June 2001 Assigned to Affiliated Companies Planning Dept. of Affiliated Business Div.</p> <p>June 2003 General Manager of West Pipeline Business Dept. of Pipeline and Maintenance Div.</p> <p>April 2004 Executive Officer and General Manager of Pipeline Dept. of Pipeline Network Div.</p> <p>April 2007 Senior Executive Officer and Division Manager of Pipeline Network Div. (Current position)</p>	54,000

No.	Name (Date of birth)	Career summaries, position and areas of responsibility in the Company [Important concurrent posts]	Number of the Company's shares held
9	Katsuhiko Honda (March 12, 1942)	<p>April 1965 Joined Japan Tobacco and Salt Public Corporation</p> <p>June 1992 Director of Japan Tobacco Inc. (Company name changed)</p> <p>June 1994 Managing Director</p> <p>June 1996 Senior Managing Director</p> <p>June 1998 Representative Director and Executive Vice President</p> <p>June 2000 Representative Director and President</p> <p>June 2006 Director and Advisor</p> <p>June 2007 Outside Director of the Company</p> <p>June 2009 Executive Advisor of Japan Tobacco Inc. (Current position)</p> <p>[Important concurrent posts] Corporate Advisor of Japan Tobacco Inc. Outside Director of Tokyo Stock Exchange Group, Inc. Outside Director of Tokyo Stock Exchange, Inc.</p>	5,000
10	Sanae Inada (April 3, 1944)	<p>March 1970 Completed judicial apprenticeship program</p> <p>April 1970 Registered as attorney-at-law (First Tokyo Bar Association)</p> <p>June 2007 Outside Director of the Company (Current position)</p> <p>[Important concurrent posts] Attorney-at-law Outside Corporate Auditor of Chiyoda Corporation</p>	21,000

No.	Name (Date of birth)	Career summaries, position and areas of responsibility in the Company [Important concurrent posts]	Number of the Company's shares held
11	Yukio Sato (October 6, 1939)	<p>April 1961 Joined the Ministry of Foreign Affairs</p> <p>January 1990 Director-General of Intelligence and Research Bureau</p> <p>January 1992 Director-General of North American Affairs Bureau</p> <p>May 1994 Ambassador of Japan to the Netherlands</p> <p>January 1996 Ambassador of Japan to Australia</p> <p>September 1998 Permanent Representative of Japan to the United Nations (Ambassador of Japan to the United Nations)</p> <p>August 2002 Retired as Ambassador to the United Nations</p> <p>September 2002 Retired from the Ministry of Foreign Affairs</p> <p>February 2003 President of The Japan Institute of International Affairs</p> <p>June 2003 Outside Director of the Company</p> <p>December 2004 Resigned as Outside Director of the Company</p> <p>December 2004 Commissioner of National Public Safety Commission</p> <p>February 2009 Vice Chairman of The Japan Institute of International Affairs</p> <p>December 2009 Retired as Commissioner of National Public Safety Commission (Current position)</p> <p>[Important concurrent posts] Vice Chairman of The Japan Institute of International Affairs</p>	0

- Notes:
1. There is no special interest between the nominees for Directors and the Company.
 2. The nominees for Outside Directors are: Mr. Katsuhiko Honda, Ms. Sanae Inada and Mr. Yukio Sato.
 3. Reasons for our nomination of these three individuals as Outside Directors and the tenures as the Outside Directors of the Company are as follows:
 - (1) We propose that Mr. Katsuhiko Honda be appointed as an Outside Director to allow the use of his cosmopolitan outlook nurtured by the aggressive overseas penetration of the tobacco industry and strong management capabilities with which he has implemented reforms in response to changes in the business environment in the Company's business operations. Mr. Honda's tenure as an Outside Director of the Company will be three years as of the conclusion of this Annual Shareholders Meeting. The Company designates Mr. Honda as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchange (Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange).
 - (2) Although Ms. Sanae Inada has not been involved with corporate management by means other than being an Outside Officer, she is highly familiar with corporate legal affairs as a lawyer and possesses deep legal insight and experiences. We propose that Ms. Inada be appointed as an Outside Director to allow the use of her insight and experiences in the Company's business operations as we have judged that she would be able to duly perform the duties of Outside Director. Ms. Inada's tenure as an Outside Director of the Company will be three years as of the conclusion of this Annual Shareholders Meeting. The Company designates Ms. Inada as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified her to the listing stock exchange (Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange).
 - (3) Although Mr. Sato has not been involved in corporate management in ways other than being an Outside Officer, we propose that he be appointed as an Outside Director so that the Group can use his cosmopolitan and broad outlook and deep insight nurtured in his career as a diplomat for years. The Company designates Mr. Sato as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and plans to notify him to the listing stock exchange (Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange).

Proposal No. 3: Election of One (1) Outside Corporate Auditor

The term of office of the current Outside Corporate Auditor, Mr. Shoji Mori ends at the conclusion of this Annual Shareholders Meeting. Accordingly, we hereby would like to propose that you elect him again.

The nominee for the Outside Corporate Auditor is as follows.

The Board of Corporate Auditors has already given its prior consent to the submission of this proposal.

Name (Date of birth)	Career summaries and position in the Company [Important concurrent posts]		Number of the Company's shares held
Shoji Mori (September 7, 1943)	April May	1966 1995 Joined the Ministry of Finance Director of Tokyo Regional Taxation Bureau	0
	December	1998 Director-General of Financial Reconstruction Commission	
	January	2001 Commissioner of Financial Services Agency	
	August	2002 Counselor of Financial Services Agency	
	June	2003 Resigned as Counselor of Financial Services Agency	
	June	2003 Vice-President of Government Housing Loan Corporation	
	August	2005 Resigned as Vice-President of Government Housing Loan Corporation	
	September	2005 Vice-Director of International Economic Research Institute	
	June	2006 Outside Corporate Auditor of the Company (Current position)	
		[Important concurrent posts] Vice-Director of International Economic Research Institute	

- Notes: 1. There is no special interest between the nominee for Corporate Auditor and the Company.
2. Reasons for our nomination of this individual as an Outside Corporate Auditor and the tenure as an Outside Corporate Auditor of the Company are as follows:
Given his expert knowledge in financial administration and accounting, since Mr. Mori became an Outside Corporate Auditor he has been offering appropriate opinions both at the Board of Directors and at the Board of Corporate Auditors. Although he will serve out his four-year tenure as an Outside Corporate Auditor as of the conclusion of this Annual Shareholders Meeting, we propose that he be reappointed as an Outside Corporate Auditor to allow the Group to use his expert knowledge and deep insight nurtured in financial administration for the Company's audit. The Company designates Mr. Mori as the 'Independent Officer' (Independent Corporate Auditor), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchange (Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange).