

[English Translation Originally Issued in the Japanese Language]

Security Identification Code: 9531

May 31, 2013

Dear Shareholders:

NOTICE OF CONVOCATION OF THE 213th ANNUAL SHAREHOLDERS MEETING

We hereby would like to inform you of the 213th 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 38.

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., Thursday, June 27, 2013
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 Audit & Supervisory Board on the
Consolidated Financial Statements for the 213th fiscal year (from
April 1, 2012 to March 31, 2013)
 - (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 Two (2) Audit & Supervisory Board Members

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 5:30 p.m. on Wednesday, June 26, 2013.

(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 5:30 p.m. on Wednesday, June 26, 2013.

If you exercise your voting rights via the Internet, please read 'Instruction for Exercise of Voting Rights via the Internet and other methods' starting from page 50.

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

If duplicated votes are exercised both in Writing 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 'Notes to the Consolidated Financial Statements' and 'Notes to the Non-Consolidated Financial Statements' are posted on the Company's website given below, pursuant to laws and regulations and the provisions of the Company's Articles of Incorporation. Consolidated Financial Statements and Non-Consolidated Financial Statements provided in the ACCOMPANYING DOCUMENTS to this NOTICE OF CONVOCATION are a portion of the materials audited when the accounting auditor prepared the independent auditors' report.
- Note 4: 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 as below.

[Company's website <http://www.tokyo-gas.co.jp>]

=====

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, 2012 to March 31, 2013)

1. Matters Concerning Current State of Group Operations

(1) Business Conditions and Results

Although the Japanese economy experienced a period of recession early in this fiscal year due to the effect of the economic downturn overseas, a turnaround to a recovery was achieved through aggressive monetary and fiscal policies.

Since the Great East Japan Earthquake, while Japan's energy market has sought to address shortages of electrical power in the Tokyo metropolitan area as a short term challenges and the question to the nature of Japan's energy supply from a medium- to long-term perspective, society's expectations for natural gas have increased, because of the economic efficiency, stability of supplies, convenience, and environmentally friendly nature of natural gas.

Against the backdrop of this economic situation and operating environment, the Tokyo Gas Group formulated 'The Tokyo Gas Group's Vision for Energy and the Future-Challenge 2020 Vision-' (the 'Challenge 2020 Vision'), under which the Group is implementing 'Enhancing the LNG Value Chain' by enhancement of added value and expansion of the areas covered.

Boosted by these intense efforts, gas sales volume grew from the previous year, and with an increase in sales revenue from gas following an upward adjustment to unit prices under the raw material cost adjustment system, combined with sales growth in the Other Energy segment from increased electricity sales in response to tight supply versus demand for electric power, consolidated net sales rose by 9.2% year on year to ¥1,915,639 million.

In terms of operating expenses, despite the Group's utmost efforts to restrict expenses and realize even better efficiency, the yen's depreciation and higher gas sales volume led to higher costs of gas as a raw material, and expenses at the Other Energy segment rose on increased fuel consumption associated with growth in electricity sales, leading to a 5.5% increase in operating expenses year on year to ¥1,770,006 million.

As a result, operating income grew by 88.9% year on year to ¥145,633 million, and ordinary income rose by 95.0% year on year to ¥147,453 million. With the recording of extraordinary income in the amount of ¥4,510 million (including a ¥3,490 million gain on sales of subsidiaries' and affiliates' stocks), extraordinary losses of ¥1,518 million (impairment loss), and income taxes, net income rose by 120.7% year on year to ¥101,678 million.

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

1) City Gas Sales

Total customer numbers rose by 123 thousand during this fiscal year, to 10,978 thousand as of March 31, 2013. Gas sales volume increased by 1.3% year on year to 15,389,595 thousand cubic meters.

Of this aggregate volume, the volume of household-bound gas sold was roughly flat at 3,534,559 thousand cubic meters (a 0.1% decrease year on year), with a decline from temperature factors being mostly offset by an increase in the number of customers. The volume of business-bound gas sold (for commercial, public and medical uses) rose by 0.7% year on year to 2,847,040 thousand cubic meters, as recovery from the decline following the earthquake in March 2011 offset temperature factors. The volume of industry-bound gas sold grew by 2.9% year on year 7,054,923

thousand cubic meters. Despite a decline from the change to tolling agreement* for a portion of the gas used for electric power generation, new demand associated with the opening of the Chiba-Kashima Line and an increase in demand for power generation resulted in an overall increase. The Group's wholesale supplies to other gas suppliers declined by 0.9% year on year to 1,953,072 thousand cubic meters mainly due to lower wholesale customer demand.

Net sales of the City Gas Sales segment increased by 7.3% year on year to ¥1,401,980 million as a result of an upward adjustment to unit prices under the raw material cost adjustment system in addition to an increase in the gas sales volume.

* Tolling agreement: A contract under which the seller of electric power delivers gas procured as fuel for power generation to the power generator, and the power generator uses that fuel to generate electricity on behalf of the seller and delivers that electricity to the seller of electric power, in exchange for a power generation fee.

2) Gas Appliances and Installation Work

Sales of installation work increased due to an impact from an increase in the number of new installations, while sales of gas appliances rose as a result of efforts to develop and market gas cooking, water-heating, and air-conditioning appliances that offer high levels of safety and excel in terms of their environmental friendliness, comfort, convenience, and economic benefits. As a result, overall net sales of the Gas Appliances and Installation Work segment increased by 9.8% year on year to ¥206,030 million.

3) Other Energies

In the Other Energy segment, net sales increased by 11.3% year on year to ¥336,675 million, as sales related to the electricity business rose due to increased electricity sales in response to tight supply versus demand for electric power.

4) Real Estate

In the Real Estate segment, net sales increased by 2.0% year on year to ¥30,256 million due to an increase in income from building rents.

5) Other

In the Other segment, net sales increased by 7.6% year on year to ¥195,714 million due to an increase in sales related to the overseas investment business.

(2) Group Capital Expenditures

Total capital expenditures for this fiscal year amounted to ¥183,797 million.

The total length of the pipeline network was extended by 723 kilometers during this fiscal year, to 60,298 kilometers as of March 31, 2013. Currently, Ibaraki-Tochigi Line etc. are under construction.

(3) Group Financing Activities

In this fiscal year, the Company raised funds totaling ¥53,020 million through issuing the 36th Domestic unsecured bonds and obtaining long-term loans payable. Consolidated interest-bearing liabilities increased by ¥16,720 million compared with the previous year-end, to ¥642,550 million.

(4) Prospective Challenges

Japan's energy policies, which have a major impact on society and the economy, have been facing a major transformation since the Great East Japan Earthquake in March 2011. In particular, the resulting nuclear power plant issue and power supply shortages have triggered a reexamination of Japan's energy policies, and have led to increased calls for: 1) enhancing of the energy security that supports safe and secure living; 2) energy cost reduction to support the rapid reconstruction and sustained growth of Japan; and 3) energy system innovation to support energy conservation and CO₂ emissions reduction.

Against this backdrop, the Tokyo Gas Group formulated 'Challenge 2020 Vision' in November 2011, and has implemented initiatives under the sincere wishes to seek contribute to solving the above issues through the spread and expansion of natural gas through the 'Enhancing the LNG Value Chain.'

<Reduce Raw Materials Prices and Expand Overseas Operations>

While taking into consideration the balance between supply stability, price, and flexibility, we seek further diversification and expansion of supply sources and overseas upstream projects and lower raw materials prices through involvement in unconventional gas, such as CBM (coal bed methane) and shale gas, and small- and medium-scale LNG projects. Combined with it, we construct an overseas LNG value chain through expanding the overseas Natural Gas-fired thermal power generation business and other businesses, pursuing overseas expansion of the energy services and engineering businesses, which leverage the Tokyo Gas Group's strengths.

<Safe and Stable Supply of Energy>

We contribute to the enhancement of the energy security for the entire Kanto region through increasing the stability of the overall supply infrastructure by the construction of the Hitachi LNG Terminal while constructing production and supply infrastructure to cope with increases in gas demand. In addition, we make efforts to minimize areas subject to supply disruption when an earthquake occurs, and shorten the time for recovery. Moreover, we implement earthquake and tsunami countermeasures at LNG terminals and urban flood damage (such as localized torrential rain) countermeasures and others.

<Provide Energy Solutions Adapted to a Variety of Needs>

We spread and expand the use of distributed energy systems, such as ENE-FARM and cogeneration systems, and gas equipment including gas air conditioning, which contribute to peak saving, energy conservation, and CO₂ emissions reduction. We also promote to bring smart energy for home, office buildings and plants, which enables an area-wide optimal use of energy through the construction of a Smart Energy Network and utilization of smart meters. Furthermore, we implement renewable energy initiatives and promotion for advanced utilization of natural gas and fuel conversion as well as expansion of Natural Gas-fired thermal power generation.

<Pursue Technical Development and IT Utilization with a Focus on the Future>

With a view to the 2020s and beyond, we engage in developments of technologies relating to hydrogen and CO₂, and research and development relating to methane hydrate, and make efforts to enable closer communication with customers by using IT.

<Realize A Leaner, Stronger Business Structure>

We build an optimal business performance organization from the whole Tokyo Gas Group, which includes business partners such as affiliates, Lifeval, etc., so as to realize the Group's collective strength.

Through the above initiatives, the Tokyo Gas Group will satisfy the needs of customers, society, and the times and strive to realize 'a prosperous, fulfilling way of life,' 'competitive domestic industries,' and 'an environment-friendly society where people can live in peace of mind.' We will remain keenly aware of our corporate social responsibility and pursue sustained growth for the Group by engaging in transparent, fair management while aiming for harmonious coexistence with local communities.

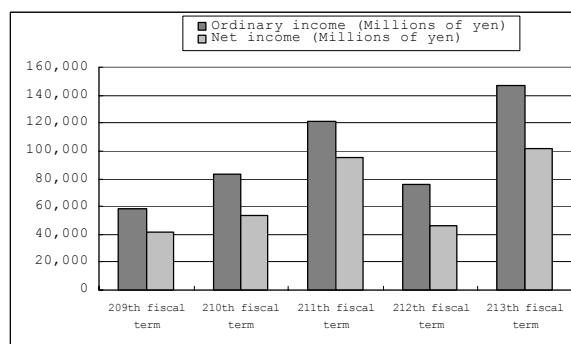
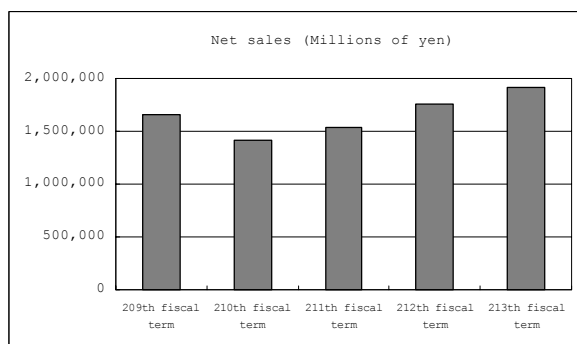
In addition, the Board of Directors resolved, at its meeting held on April 26, 2013, pursuant to the 'Policy on Determination of Dividends from Surplus and Others,' (for details, please refer to '7. Policy on Determination of Dividends from Surplus and Others' described later in this document), to set the ceiling on acquisition of own shares for FY2013 at ¥36,000 million (or 76 million shares) and set the acquisition period from April 30, 2013 to March 31, 2014.

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)	209th fiscal term (2009)	210th fiscal term (2010)	211th fiscal term (2011)	212th fiscal term (2012)	213th fiscal term (2013)
Net sales (Millions of yen)	1,660,162	1,415,718	1,535,242	1,754,257	1,915,639
Ordinary income (Millions of yen)	58,337	83,519	121,548	75,620	147,453
Net income (Millions of yen)	41,708	53,781	95,467	46,060	101,678
Net income per share (Yen)	15.63	19.86	35.63	17.70	39.52
Total assets (Millions of yen)	1,764,185	1,840,972	1,829,661	1,863,885	1,992,403
Net assets (Millions of yen)	784,616	826,291	874,094	855,100	946,511
Net assets per share (Yen)	284.72	301.58	320.70	324.67	360.70

[Reference: Status of Assets and Income and Loss]



(6) Status of Principal Subsidiaries

Name of the company	The stated capital	Percentage of contribution of the Company (%)	Main business activities
TOKYO GAS AUSTRALIA PTY LTD	\$1,156,337 thousand	100.00	LNG upstream businesses in Australia
Tokyo Gas Urban Development Co., Ltd.	¥11,867 million	100.00	Real estate management, leasing and brokerage
Tokyo Gas International Holdings B.V.	EURO 54,734 thousand	100.00	Overseas investment project
Ohgishima Power Co., Ltd.	¥5,350 million	75.00	Generation, supply and sale of electricity
Tokyo Gas Toyosu Development Co., Ltd.	¥5,000 million	100.00	Management of the Toyosu site, etc.
Nagano Toshi Gas Inc.	¥3,800 million	89.22	City gas distribution
ENERGY ADVANCE Co., Ltd.	¥3,000 million	100.00	Energy service business
Gaster Co., Ltd.	¥2,450 million	66.67	Manufacture and sale of gas appliances
Tokyo LNG Tanker Co., Ltd.	¥1,200 million	100.00	Leasing of tankers delivering LNG/LPG and overseas shipping business
Tokyo Gas Energy Co., Ltd.	¥1,000 million	66.60	Sale of LPG
Capty Co., Ltd.	¥1,000 million	100.00	Design and construction of gas pipelines, water supply and sewage pipes, air-conditioning systems
Tokyo Gas Chemicals Co., Ltd.	¥1,000 million	100.00	Sale of industrial gases and tar products
Chiba Gas Co., Ltd.	¥480 million	100.00	City Gas distribution
Tokyo Gas Lease Co., Ltd.	¥450 million	100.00	Credit administration and leasing in connection with gas appliances and construction
TG Information Network Co., Ltd.	¥400 million	100.00	Information processing service business
Tokyo Gas Engineering Co., Ltd.	¥100 million	100.00	Comprehensive engineering services with a focus on energy-related works
Nijio Co., Ltd.	¥47 million	100.00	City gas distribution for electricity business

Note: The number of consolidated subsidiaries and equity-method affiliates including the above 17 principal subsidiaries were 72 companies.

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

We carried out an absorption-type company split to have our subsidiary Nijio Co., Ltd. take over part of the operations related to the Company's LNG procurement as of April 19, 2012.

(8) Main Business Activities (As of March 31, 2013)

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

(9) Main Business Offices and Factories (As of March 31, 2013)

1) The Company

Head Office	(Minato-ku, Tokyo)
Service Branches (Shisha and Shiten)	Southern Service Branch (Meguro-ku, Tokyo) Central Service Branch (Meguro-ku, Tokyo) Western Service Branch (Suginami-ku, Tokyo) Tama Service Branch (Tachikawa, Tokyo) Eastern Service Branch (Koto-ku, Tokyo) Chiba Branch Office (Chiba, Chiba) Northern Service Branch (Kita-ku, Tokyo) Saitama Branch Office (Saitama, Saitama) Kanagawa Branch Office (Yokohama, Kanagawa) Yokohama Service Branch (Yokohama, Kanagawa) Kawasaki Service Branch (Kawasaki, Kanagawa) Western Kanagawa Service Branch (Fujisawa, Kanagawa) Hitachi Branch Office (Hitachi, Ibaraki) Johsoh Branch Office (Ryugasaki, Ibaraki) Gunma Branch Office (Takasaki, Gunma) Kumagaya Branch Office (Kumagaya, Saitama) Utsunomiya Branch Office (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)

Note: Ibaraki Branch Office was established and the Southern Service Branch, West Metropolitan Pipeline Regional Office, East Metropolitan Pipeline Regional Office and Kanagawa Pipeline Regional Office were abolished on April 1, 2013.

2) Principal subsidiaries

Name	Location of Head Office	Name	Location of Head Office
TOKYO GAS AUSTRALIA PTY LTD	Australia	Tokyo Gas Energy Co., Ltd.	Chuo-ku, Tokyo
Tokyo Gas Urban Development Co., Ltd.	Shinjuku-ku, Tokyo	Capty Co., Ltd.	Shinagawa-ku, Tokyo
Tokyo Gas International Holdings B.V.	Netherlands	Tokyo Gas Chemicals Co., Ltd.	Minato-ku, Tokyo
Ohgishima Power Co., Ltd	Yokohama, Kanagawa	Chiba Gas Co., Ltd.	Sakura, Chiba
Tokyo Gas Toyosu Development Co., Ltd.	Minato-ku, Tokyo	Tokyo Gas Lease Co., Ltd.	Shinjuku-ku, Tokyo
Nagano Toshi Gas Inc.	Nagano, Nagano	TG Information Network Co., Ltd.	Minato-ku, Tokyo
ENERGY ADVANCE Co., Ltd.	Minato-ku, Tokyo	Tokyo Gas Engineering Co., Ltd.	Ota-ku, Tokyo
Gaster Co., Ltd.	Yamato, Kanagawa	Nijio Co., Ltd.	Minato-ku, Tokyo
Tokyo LNG Tanker Co., Ltd.	Minato-ku, Tokyo		

Note: The head office of Tokyo Gas Energy Co., Ltd. was relocated to Chuo-ku, Tokyo as of May 28, 2012.

(10) Status of Employees (As of March 31, 2013)

1) Number of employees in the Group

Business segment	Number of employees (Change from previous year)	
City Gas Sales	7,006	(+108)
Gas Appliances and Installation Work	3,685	(+44)
Other Energies	1,080	(+102)
Real Estate	173	(±0)
Other	3,958	(+7)
Corporate	930	(+43)
Total	16,832	(+304)

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
7,894 (+120)	45.3	20.0

Notes: 1. 'Number of employees' refers to permanent full-time employees and employees seconded to the Company, and does not include employees seconded to other companies and temporary staff.
2. 'Average age' and 'Average service years' do not include those of employees seconded to the Company.

(11) Major Creditors and Balance of Borrowings (As of March 31, 2013)

Creditor	Balance of borrowings (Millions of yen)
Japan Bank for International Cooperation	80,906
Mizuho Corporate Bank, Ltd.	36,256
Nippon Life Insurance Company	17,890
Sumitomo Mitsui Banking Corporation	16,029
The Dai-ichi Life Insurance Company, Ltd.	15,800
Syndicated Loan	15,000
Mitsubishi UFJ Trust and Banking Corporation	11,200
The Norinchukin Bank	10,200
Sumitomo Life Insurance Company	9,500
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	8,826

Note: Syndicated loan is a joint-financing instrument with Development Bank of Japan Inc. as the manager.

2. Matters Related to Shares of the Company (As of March 31, 2013)

(1) Aggregate number of authorized shares

Common share: 6,500,000,000 shares

(2) Aggregate number of shares issued

Common share: 2,577,919,295 shares
(A year-on-year decrease of 12,796,000 shares)

Note: The aggregate number of shares issued decreased as indicated above from the cancellation of treasury share on June 6, 2012.

(3) Share trade unit

1,000 shares

(4) Number of shareholders

133,921

(5) Major shareholders

Name of shareholders	Number of shares held (Thousand shares)	Percentage of share ownership (%)
Nippon Life Insurance Company	163,000	6.34
The Dai-ichi Life Insurance Company, Ltd.	120,472	4.68
Japan Trustee Services Bank, Ltd. (Trust Account)	111,782	4.35
The Master Trust Bank of Japan, Ltd. (Trust Account)	90,499	3.52
SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	53,654	2.09
Tokyo Gas Group Employees Shareholding Association	47,856	1.86
Fukoku Mutual Life Insurance Company	41,103	1.60
Mizuho Trust & Banking Co., Ltd. Employee Pension Trust Dai-ichi Mutual Life Insurance Company Account Standby Trustee Trust & Custody Services Bank, Ltd.	35,490	1.38
Japan Trustee Services Bank, Ltd. (Trust Account 9)	33,363	1.30
STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02	31,063	1.21

Note: Percentage of share ownership is calculated by the number of shares excluding treasury share (6,123,070 shares).

(6) Other principal items regarding shares

1) Acquisition of own share

Common share: 12,923,959 shares

Total value of acquisitions: ¥ 5,053,638,803

2) Disposal of treasury share

Common share: 10,248 shares

Total value of disposition: ¥3,915,095

3) Cancellation of treasury share

Common share: 12,796,000 shares

Total value of cancellation: ¥4,897,924,920

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

Common share: 6,123,070 shares

3. Matters Related to Share Option in Kind (As of March 31, 2013)

There are no items to report.

4. Matters Related to Directors and Audit & Supervisory Board Members of the Company
 (1) Name, etc. of Directors and Audit & Supervisory Board Members (As of March 31, 2013)

Name	Position	Areas of responsibility in the Company and 'Important concurrent posts'
Mitsunori Torihara	Director and Chairman of the Board	
Tsuyoshi Okamoto	President, Representative Director and Executive President	
Shigeru Muraki	Representative Director, Executive Vice President	Assistant to the President, Division Manager of Energy Solution Div. and General Manager of Volume Sales Dept. of Energy Solution Div.
Michiaki Hirose	Representative Director, Executive Vice President	Assistant to the President, Division Manager of Living Energy Div.
Tsutomu Oya	Director, Senior Executive Officer	Division Manager of Energy Production Div.
Mikio Itazawa	Director, Senior Executive Officer	Division Manager of Pipeline Network Div.
Kazuo Yoshino	Director, Senior Executive Officer	Division Manager of Information Technology Div., in charge of Finance and Managerial Accounting Dept. and Accounting Dept.
Matsuhiko Hataba	Director, Senior Executive Officer	In charge of Corporate Planning Dept., TG-Group Reorganization Project Dept. and Affiliated Companies Dept.
Yukio Sato	Outside Director	Vice Chairman of The Japan Institute of International Affairs
Ryuichi Tomizawa	Outside Director	
Yoshihiko Nakagaki	Outside Director	
Kunihiro Mori	Standing Audit & Supervisory Board Member	
Manabu Fukumoto	Standing Audit & Supervisory Board Member	
Yukio Masuda	Outside Audit & Supervisory Board Member	Executive Consultant of Mitsubishi Corporation, Outside Director of Showa Shell Sekiyu K.K.
Masayuki Osawa	Outside Audit & Supervisory Board Member	Outside Audit & Supervisory Board Member of PACIFIC CONVENTION PLAZA YOKOHAMA
Yoshihiko Morita	Outside Audit & Supervisory Board Member	President of Japan Institute for Overseas Investment, Advisor of Sumitomo Mitsui Banking Corporation

- Notes: 1. The areas of responsibility of Representative Director Michiaki Hirose were changed effective April 1, 2013 from Assistant to the President and Division Manager of Living Energy Div. to Assistant to the President and Division Manager of Living Div.
2. Director Tsutomu Oya retired as Senior Executive Officer as of March 31, 2013.
3. Director Mikio Itazawa, formerly Division Manager of Pipeline Network Div., assumed the post of President, Representative Director of Capty Co., Ltd. as of April 1, 2013.

4. The areas of responsibility of Director Matsuhiko Hataba were changed effective April 1, 2013 from Corporate Planning Dept., TG-Group Reorganization Project Dept. and Affiliated Companies Dept. to Corporate Planning Dept. and Affiliated Companies Dept.
5. Outside Audit & Supervisory Board Member Masayuki Osawa has in-depth experiences in financial administration at a local government institution over many years and is highly knowledgeable about financial accounting matters.
6. Outside Audit & Supervisory Board Member Yoshihiko Morita has in-depth experiences in international finance field activities and is highly knowledgeable about financial accounting matters.
7. Shoji Mori resigned as Outside Audit & Supervisory Board Member as of the conclusion of the 212th Annual Shareholders Meeting held on June 28, 2012.

(2) Total Value of Remuneration of Directors and Audit & Supervisory Board Members

Directors	(13 people):	¥492 million
Audit & Supervisory Board Members	(6 people):	¥106 million
Total	(19 people):	¥598 million

- Notes:
1. The total number of Directors and Audit & Supervisory Board Members includes two (2) Directors and one (1) Audit & Supervisory Board Member retiring upon the conclusion of the 212th Annual Shareholders Meeting and the aggregate amount of remuneration paid includes the remuneration paid to these two Directors and one Audit & Supervisory Board Member.
 2. Of the foregoing amount, the aggregate amount of remuneration paid to eight (8) Outside Officers (Outside Directors and Outside Audit & Supervisory Board Members) was ¥66 million, which includes the remuneration paid to one (1) Outside Director and one (1) Outside Audit & Supervisory Board Member retiring upon the conclusion of the 212th 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 Audit & Supervisory Board Members 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' and the Board or Directors, at its meeting held on February 23, 2012, resolved to revise it 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) Remuneration of Directors and its composition
 - i. Remuneration of Directors shall be paid within the scope of the remuneration limit approved at Shareholders Meeting.
 - ii. Remuneration of Inside Directors shall comprise monthly remuneration and bonus.
 - Monthly remuneration shall comprise fixed remuneration paid in accordance with the post of each individual and performance-linked remuneration. A portion of fixed remuneration shall be allocated to the purchase of shares based on a share-purchase guideline and from the standpoints of reflecting the perspectives of shareholders on management and improving shareholder value over the long term. The amount of performance-linked remuneration shall be determined after evaluating company-wide performance and performance of operating units from the standpoints of motivating Inside Directors to execute management strategies

- and reflecting their performance clearly in their remuneration.
- The amount of bonus to be paid shall be determined in accordance with the post of each Inside Directors after performance evaluation.
- iii. Remuneration of Outside Directors shall comprise monthly remuneration and bonus. Monthly remuneration shall comprise only fixed remuneration, while bonus shall be the same as that of Inside Directors.
- 4) Remuneration of Audit & Supervisory Board Members and its composition
- i. Remuneration of Audit & Supervisory Board Members shall be paid within the scope of the remuneration limit approved at Shareholders Meeting and determined through discussions among Audit & Supervisory Board Members.
 - ii. Remuneration of Audit & Supervisory Board Members shall comprise only fixed monthly remuneration.
- 5) Assurance of objectivity and transparency of remuneration system
- The Company shall assure the objectivity and transparency of the system of remuneration by establishing and operating the 'Advisory Committee' comprising Outside Directors, Outside Audit & Supervisory Board Members and a number of Inside Directors (at least half of committee members shall be Outside Directors or Outside Audit & Supervisory Board Members, and an Outside Director or an Outside Audit & Supervisory Board Member shall be chairman) to govern the system of personnel affairs and remunerations of executives.

(4) Matters Related to Outside Officers

- 1) Outside Director Yukio Sato
- 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. Sato has attended 10 of 11 Board of Directors meetings. Given his international way of thinking acquired as a diplomat, wide perspective and in-depth knowledge, Mr. Sato provides the Company with a wide variety of opinions on its management operations. The Company designates Mr. Sato as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchanges (Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange).
- 2) Outside Director Ryuichi Tomizawa
- i. The relationship between the other legal person in kind, in which outside officer having the 'Important concurrent posts', with the Company:
There are no items to report.
 - ii. Status of major activities during the business year under review
Mr. Tomizawa has attended 11 of 11 Board of Directors meetings. Given his international way of thinking acquired through aggressive overseas expansion in the chemical industry, wide perspective and in-depth knowledge, Mr. Tomizawa provides the Company with a wide variety of opinions on its management operations. The Company designates Mr. Tomizawa as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified him to the

listing stock exchanges (Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange).

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

There are no items to report.
 - ii. Status of major activities during the business year under review
Mr. Nakagaki has attended 9 of 9 Board of Directors meetings held after he was appointed at the 212th Annual Shareholders Meeting. Given his business management outlook acquired through the various business development conducted at Electric Power Development Co., Ltd. as well as his strong management capabilities with which he has implemented reforms in response to changes in the business environment, Mr. Nakagaki provides the Company with a wide variety of opinions on its management operations.
The Company designates Mr. Nakagaki as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchanges (Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange).
- 4) Outside Audit & Supervisory Board Member 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 11 Board of Directors meetings and 11 of 11 Audit & Supervisory Board meetings. Given his excellent management capability and experiences acquired 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 Audit & Supervisory Board.
The Company designates Mr. Masuda as the 'Independent Officer' (Independent Audit & Supervisory Board Member), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchanges (Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange).
- 5) Outside Audit & Supervisory Board Member 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 11 Board of Directors meetings and 10 of 11 Audit & Supervisory Board meetings. Given the abundant experiences acquired at a local government institution and in-depth knowledge about financial administration, Mr. Osawa offers appropriate opinions both at meetings of the Board of Directors and the Audit & Supervisory Board.
The Company designates Mr. Osawa as the 'Independent Officer' (Independent Audit & Supervisory Board Member), who will not have conflicting interests with general shareholders, and

notified him to the listing stock exchanges (Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange).

- 6) Outside Audit & Supervisory Board Member Yoshihiko Morita
- 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. Morita has attended 9 of 9 Board of Directors meetings and 9 of 9 Audit & Supervisory Board meetings held after he was appointed at the 212th Annual Shareholders Meeting. Given his broad cosmopolitan outlook and in-depth knowledge acquired in the fields of international finance and overseas economic cooperation, Mr. Morita offers appropriate opinions both at meetings of the Board of Directors and the Audit & Supervisory Board.
The Company designates Mr. Morita as the 'Independent Officer' (Independent Audit & Supervisory Board Member), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchanges (Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange).

5. Status of Accounting Auditor (Independent Auditor)

(1) Name of Accounting Auditor

KPMG AZSA LLC

(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

¥289 million

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

¥137 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

¥112 million

Notes: 1. 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.

2. Of the principal subsidiaries of the Company, TOKYO GAS AUSTRALIA PTY LTD and Tokyo Gas International Holdings B.V. are audited by auditing firms other than the Accounting Auditor of the Company.

(3) The Contents of Non-Audit Services

The Company commissions the Accounting Auditor to provide advisory services relating to IFRS, to issue certificates pursuant to regulations on calculation of income and expenditures by gas business segment and to prepare comfort letters at the time of bond issuance 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

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 April 27, 2012 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 Company and its associated companies 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 Company and its associated companies.
 - 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 Audit & Supervisory Board Members 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 Company and its associated companies'.
 - 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 Company and its associated companies 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 Company and its associated companies, shall inform the Board of Directors and Audit & Supervisory Board Members of the said matter without delay.
 - 10) The Company shall establish a corporate structure and system where Audit & Supervisory Board Members would be empowered to audit the duties executed by Directors in accordance with the 'Audit Standards' established by the Audit & Supervisory Board.
- (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 medium- and long-term management strategies, etc., and, based on them, establish principal management objectives and verify progress periodically. The Board of Directors shall concurrently ensure that Directors execute their duties in an efficient and effective manner by setting annual objectives by operating unit and associated company and by managing operating performance.
- (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 Company and its associated companies, as well as a Risk Management Committee and a risk management unit. In addition, the Board of Directors shall specify Group material risks as important risks associated with executing operations by the Company and its associated companies, and review them 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 associated companies 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 Company and its associated companies, 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 Company and its associated companies 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 Audit & Supervisory Board Members 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 accounting, operations, compliance, information system and risk management in the Company and its associated companies in accordance with the 'Internal Audit Regulations', and shall report its findings to the Management Committee and Audit & Supervisory Board Members.

(6) Corporate structure and system for ensuring appropriateness of operations at the corporate group including associated companies

- 1) The Company shall demand that its associated companies 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 associated companies' Directors and Audit & Supervisory Board Members 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 Associated Companies', and establish a corporate structure and system where its Directors would be empowered to manage its associated companies by approving and receiving reports on important matters including those related to its exercise of shareholder's rights vis-à-vis the associated companies. The Company shall retain part of its powers over associated companies' business operations.
- 3) The Company shall establish a corporate structure and system where, if for purposes of associated company management any of its associated companies is found to have a compliance-related problem including contravention of the acts or the Articles of Incorporation, the relevant associated company 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 associated company's Directors and Audit & Supervisory Board Members 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 associated company including contravention of the acts or the Articles of Incorporation, he/she shall report the said problem to the Management Committee and Audit & Supervisory Board Members without delay.
- 5) The Company shall establish a corporate structure and system where its Audit & Supervisory Board Members would be able to conduct their audits of associated companies in an efficient and effective manner in close coordination with Audit & Supervisory Board Members of the relevant associated companies 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 Company and its associated companies, Audit & Supervisory Board Members 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 associated companies in an efficient and effective manner in close coordination with the Audit & Supervisory Board Members of the Company and associated companies, and report its findings to the Management Committee, Audit & Supervisory Board Members, and the Directors and Audit & Supervisory Board Members of the relevant associated companies.

- (7) Matters related to employees who are assigned to assist in the duties of Audit & Supervisory Board Members, and matters related to independence of the relevant employees from Directors
- 1) With the aim of providing its Audit & Supervisory Board Members with necessary assistance, the Company shall establish a Audit & Supervisory Board Members' 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 Audit & Supervisory Board Members' Office subject to consent of Audit & Supervisory Board Members. The Board of Directors shall decide on human resources-related matters of the said manager and other employees subject to consent of Audit & Supervisory Board Members.
- (8) Corporate structures and systems for reporting by Directors and employees to Audit & Supervisory Board Members, for other reporting to Audit & Supervisory Board Members, and for ensuring that Audit & Supervisory Board Members' audits will be executed in an effective manner
- 1) The Company shall establish a corporate structure and system where its Audit & Supervisory Board Members 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 Audit & Supervisory Board Members 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 Audit & Supervisory Board Members would be able to ensure the effectiveness of their audits by coordinating with Independent Auditor, Audit & Supervisory Board Members of its associated companies and Internal Audit Department.

7. Policy on Determination of Dividends from Surplus and Others

Based on "Challenge 2020 Vision" formulated by the Company, the Board of Directors resolved, at its meeting held on January 31, 2012, the following policy on dividends from surplus and others.

The Company will apply the cash flow it has generated based on "Challenge 2020 Vision" to investments in 'enhancing the LNG value chain,' which is aimed at new growth, and will simultaneously allocate the results of its management to the shareholders in an appropriate and timely manner.

Specifically, the Company has positioned acquisition of its own shares based on assumption of retirement, in addition to dividends, as a form of its return to the shareholders, and has set the targeted gross distribution propensity (the ratio of the amount of dividends and acquisition of its own shares to consolidated net income) at about 60% for each year until FY2020.

Moreover, by maintaining stable dividends, and comprehensively considering medium- and long-term profit levels, the Company will gently increase its dividends in line with growth.

$\text{n FY gross distribution propensity} = \frac{(\text{n FY total dividends}) + (\text{n+1 FY acquisition of own shares})}{\text{n FY consolidated net income}}$

8. Basic Policy on Control of a Joint-Stock Corporation

Based on 'Challenge 2020 Vision,' the Company passed at the meeting of its Board of Directors held on January 31, 2012, 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.

On the strength of this management principle and medium- and long-term business strategy, it is the basic management policy of the Company to achieve stable long-term management and steady enhancement of corporate value by simultaneously allocating profits to its customers, shareholders and other stakeholders in a stable and balanced manner. The Company will distribute the financial returns to shareholders based on the 'Policy on Determination of Dividends from Surplus and Others' prescribed separately.

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. 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, 2013

(Millions of yen)

ASSETS	
Noncurrent Assets	1,452,365
Property, plant and equipment	1,140,003
Production facilities	167,882
Distribution facilities	466,227
Service and maintenance facilities	64,125
Other facilities	321,751
Inactive facilities	316
Construction in progress	119,699
Intangible assets	64,882
Goodwill	827
Other	64,055
Investments and other assets	247,479
Investment securities	154,476
Long-term loans receivable	21,934
Deferred tax assets	31,531
Other	40,155
Allowance for doubtful accounts	(618)
Current Assets	540,038
Cash and deposits	80,669
Notes and accounts receivable-trade	222,649
Lease receivables and lease investment assets	27,486
Short-term investment securities	64,009
Merchandise and finished goods	4,374
Work in process	10,718
Raw materials and supplies	67,179
Deferred tax assets	12,412
Other	51,183
Allowance for doubtful accounts	(644)
Total Assets	1,992,403

(Millions of yen)

LIABILITIES AND NET ASSETS	
LIABILITIES	
Noncurrent Liabilities	712,871
Bonds payable	321,494
Long-term loans payable	256,899
Deferred tax liabilities	12,601
Provision for retirement benefits	86,100
Provision for gas holder repairs	3,365
Provision for safety measures	2,384
Asset retirement obligations	6,009
Other	24,015
Current Liabilities	333,019
Current portion of noncurrent liabilities	46,752
Notes and accounts payable-trade	92,154
Short-term loans payable	15,036
Income taxes payable	44,433
Deferred tax liabilities	4
Other	134,638
Total Liabilities	1,045,891
NET ASSETS	
Shareholders' Equity	921,757
Capital stock	141,844
Capital surplus	2,065
Retained earnings	780,196
Treasury stock	(2,348)
Accumulated Other Comprehensive Income	5,877
Valuation difference on available-for-sale securities	21,218
Deferred gains or losses on hedges	(1,670)
Foreign currency translation adjustment	(13,671)
Minority Interests	18,877
Total Net Assets	946,511
Total Liabilities and Net Assets	1,992,403

Consolidated Statement of Income

From April 1, 2012 to March 31, 2013

(Millions of yen)

Net sales.....	1,915,639
Cost of sales.....	1,311,488
[Gross profit].....	[604,150]
Supply and sales expenses.....	389,787
General and administrative expenses.....	68,730
[Operating income].....	[145,633]
Non-operating income.....	19,420
Interest income.....	1,676
Dividends income.....	2,447
Equity in earnings of affiliates.....	3,091
Revenue from dedicated equipment.....	2,839
Miscellaneous income.....	9,366
Non-operating expenses.....	17,601
Interest expenses.....	11,366
Adjustments of charges for construction of distribution facilities.....	2,348
Miscellaneous expenses.....	3,886
[Ordinary income].....	[147,453]
Extraordinary income.....	4,510
Gain on sales of investment securities.....	1,020
Gain on sales of subsidiaries and affiliates' stocks.....	3,490
Extraordinary losses.....	1,518
Impairment loss.....	1,518
[Income before income taxes].....	[150,445]
Income taxes-current.....	44,392
Income taxes-deferred.....	2,122
Income before minority interests.....	103,930
Minority interests in income.....	2,252
Net income.....	101,678

Consolidated Statement of Changes in Net Assets

From April 1, 2012 to March 31, 2013

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2012	141,844	2,065	706,620	(2,196)	848,333
Changes of items during the period					
Dividends from surplus			(23,204)		(23,204)
Net income			101,678		101,678
Purchase of treasury stock				(5,053)	(5,053)
Disposal of treasury stock				3	4
Retirement of treasury stock			(4,897)	4,897	
Net changes of items other than shareholders' equity	/	/	/	/	/
Total changes of items during the period	-	-	73,575	(151)	73,424
Balance as of March 31, 2013	141,844	2,065	780,196	(2,348)	921,757

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance as of April 1, 2012	14,853	(1,370)	(22,649)	(9,166)	15,933	855,100
Changes of items during the period						
Dividends from surplus	/	/	/	/	/	(23,204)
Net income	/	/	/	/	/	101,678
Purchase of treasury stock	/	/	/	/	/	(5,053)
Disposal of treasury stock	/	/	/	/	/	4
Retirement of treasury stock	/	/	/	/	/	-
Net changes of items other than shareholders' equity	6,365	(299)	8,978	15,043	2,943	17,987
Total changes of items during the period	6,365	(299)	8,978	15,043	2,943	91,411
Balance as of March 31, 2013	21,218	(1,670)	(13,671)	5,877	18,877	946,511

Independent Auditor's Report

May 14, 2013

The Board of Directors
Tokyo Gas Co., Ltd.

KPMG AZSA LLC

Teruhiko Tanaka (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Koji Kakinuma (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Masaru Miura (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of Tokyo Gas Co., Ltd. as at March 31, 2013 and for the year from April 1, 2012 to March 31, 2013 in accordance with Article 444-4 of the Companies Act.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the

effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present 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 financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

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.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

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

Non-Consolidated Balance Sheet

As of March 31, 2013

(Millions of yen)

ASSETS	
Noncurrent Assets	1,240,931
Property, plant and equipment	764,812
Production facilities	169,201
Distribution facilities	446,490
Service and maintenance facilities	58,638
Facilities for incidental businesses	2,838
Inactive facilities	316
Construction in progress	87,326
Intangible assets	28,547
Leasehold right	1,600
Software	20,024
Other	6,920
Investments and other assets	447,571
Investment securities	68,643
Investments in subsidiaries and affiliates	240,344
Long-term loans receivable	81
Long-term loans receivable from subsidiaries and affiliates	89,322
Investments in capital	13
Long-term prepaid expenses	14,484
Deferred tax assets	21,010
Other	14,955
Allowance for doubtful accounts	(1,284)
Current Assets	405,643
Cash and deposits	21,908
Notes receivable-trade	1,390
Accounts receivable-trade	148,128
Accounts receivable from subsidiaries and affiliates-trade	46,479
Accounts receivable-other	9,699
Short-term investment securities	64,000
Finished goods	145
Raw materials	49,410
Supplies	9,215
Advance payments	1,077
Prepaid expenses	1,171
Short-term receivables from subsidiaries and affiliates	15,804
Deferred tax assets	9,123
Other	29,199
Allowance for doubtful accounts	(1,111)
Total Assets	1,646,574

(Millions of yen)

LIABILITIES AND NET ASSETS	
LIABILITIES	
Noncurrent Liabilities	584,676
Bonds payable	307,694
Long-term loans payable	191,756
Long-term debt to subsidiaries and affiliates	374
Provision for retirement benefits	75,201
Provision for gas holder repairs	3,032
Provision for safety measures	2,384
Other	4,233
Current Liabilities	317,567
Current portion of noncurrent liabilities	39,244
Accounts payable-trade	52,265
Accounts payable-other	39,767
Accrued expenses	34,292
Income taxes payable	33,057
Advances received	5,028
Deposits received	3,200
Short-term loans payable to subsidiaries and affiliates	69,642
Accrued expenses of subsidiaries and affiliates	22,225
Short-term debt to subsidiaries and affiliates	15,311
Other	3,532
Total Liabilities	902,244
NET ASSETS	
Shareholders' Equity	726,631
Capital stock	141,844
Capital stock	141,844
Capital surplus	2,065
Legal capital surplus	2,065
Retained Earnings	585,070
Legal retained earnings	35,454
Other retained earnings	549,615
Reserve for advanced depreciation of noncurrent assets	856
Reserve for overseas investment loss	12,563
Reserve for adjustment of cost fluctuations	141,000
General reserve	299,000
Retained earnings brought forward	96,196
Treasury stock	(2,348)
Treasury stock	(2,348)
Valuation and Translation Adjustments	17,698
Valuation difference on available-for-sale securities	20,652
Valuation difference on available-for-sale securities	20,652
Deferred gains or losses on hedges	(2,954)
Deferred gains or losses on hedges	(2,954)
Total Net Assets	744,329
Total Liabilities and Net Assets	1,646,574

Non-Consolidated Statement of Income

From April 1, 2012 to March 31, 2013

(Millions of yen)

Product sales	1,318,410
Gas sales	1,318,410
Cost of sales	831,034
Beginning inventories	132
Cost of products manufactured	819,999
Purchase of finished goods	13,926
Costs of gas for own use	2,878
Ending inventories	145
[Gross profit]	[487,376]
Supply and sales expenses	339,402
General and administrative expenses	70,610
[Income on core business]	[77,363]
Miscellaneous operating revenue	169,629
Revenue from installation work	40,191
Revenue from gas appliance sales	119,637
Third party access revenue	225
Other miscellaneous operating revenue	9,575
Miscellaneous operating expenses	158,886
Expenses of installation work	39,846
Expenses of gas appliances sales	119,039
Revenue for incidental businesses	226,228
Revenue from LNG sales	96,840
Revenue from power sales	101,982
Revenue from other incidental businesses	27,404
Expenses for incidental businesses	209,515
Expenses for LNG sales	94,086
Expenses for power sales	88,171
Expenses for other incidental businesses	27,256
[Operating income]	[104,819]
Non-operating income	25,578
Interest income	964
Interest on securities	29
Dividends income	1,478
Dividends from subsidiaries and affiliates	11,548
Rent income	3,957
Revenue from dedicated equipment	2,820
Miscellaneous income	4,779
Non-operating expenses	15,828
Interest expenses	3,401
Interest on bonds	6,090
Amortization of bond issuance cost	101
Adjustments of charges for construction of distribution facilities	2,406
Miscellaneous expenses	3,828
[Ordinary income]	[114,569]
Extraordinary income	1,020
Gain on sales of investment securities	1,020
Extraordinary losses	1,346
Impairment loss	1,346
[Income before income taxes]	[114,243]
Income taxes-current	31,281
Income taxes-deferred	4,406
Net income	78,556

Non-Consolidated Statement of Changes in Net Assets
From April 1, 2012 to March 31, 2013

(Millions of yen)

	Shareholders' equity									
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings					
		Legal capital surplus	Total capital surplus		Other retained earnings				Retained earnings brought forward	Total retained earnings
				Reserve for advanced depreciation of noncurrent assets	Reserve for overseas investment loss	Reserve for adjustment of cost fluctuations	General reserve			
Balance as of April 1, 2012	141,844	2,065	2,065	35,454	856	9,693	141,000	299,000	48,611	534,616
Changes of items during the period										
Provision of reserve for overseas investment loss						2,869			(2,869)	
Dividends from surplus									(23,204)	(23,204)
Net income									78,556	78,556
Purchase of treasury stock										
Disposal of treasury stock										
Retirement of treasury stock									(4,897)	(4,897)
Net changes of items other than shareholders' equity										
Total changes of items during the period	-	-	-	-	-	2,869	-	-	47,584	50,453
Balance as of March 31, 2013	141,844	2,065	2,065	35,454	856	12,563	141,000	299,000	96,196	585,070

	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 April 1, 2012	(2,196)	676,329	14,412	(9)	14,402	690,732
Changes of items during the period						
Provision of reserve for overseas investment loss						-
Dividends from surplus		(23,204)				(23,204)
Net income		78,556				78,556
Purchase of treasury stock	(5,053)	(5,053)				(5,053)
Disposal of treasury stock	3	4				4
Retirement of treasury stock	4,897					-
Net changes of items other than shareholders' equity			6,240	(2,944)	3,295	3,295
Total changes of items during the period	(151)	50,302	6,240	(2,944)	3,295	53,597
Balance as of March 31, 2013	(2,348)	726,631	20,652	(2,954)	17,698	744,329

Independent Auditor's Report

May 14, 2013

The Board of Directors
Tokyo Gas Co., Ltd.

KPMG AZSA LLC

Teruhiko Tanaka (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Koji Kakinuma (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Masaru Miura (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the financial statements, comprising the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the supplementary schedules of Tokyo Gas Co., Ltd. as at March 31, 2013 and for the year from April 1, 2012 to March 31, 2013 in accordance with Article 436-2-1 of the Companies Act.

Management's Responsibility for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements and the supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supplementary schedules. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's

internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the supplementary 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 financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

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.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

AUDIT REPORT

The Audit & Supervisory Board (the 'Board'), having deliberated on the audit reports prepared by Audit & Supervisory Board Members on the execution of the duties of Directors for the 213th business year from April 1, 2012 to March 31, 2013, does hereby report on its audit findings as follows:

1. Method and Contents of Audit by Audit & Supervisory Board Members and the Board

(1) The Board set the audit policy, audit plan, etc., debriefed Audit & Supervisory Board Members 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, Audit & Supervisory Board Members executed their audits in the manner described below in conformity with the audit & supervisory board members' audit standard established by the Board and in accordance with the audit policy, audit plan, etc. established by the Board.

1) Audit & Supervisory Board Members attended the meetings of the Board of Directors, the Management Committee 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, Audit & Supervisory Board Members examined the status of subsidiaries' operations and properties by maintaining proper communication with subsidiaries' Directors, Audit & Supervisory Board Members, etc. and physically visiting some of them as necessary.

2) Audit & Supervisory Board Members 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-stock 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 Audit & Supervisory Board Members debriefed the Directors and KPMG AZSA LLC on evaluation of the said internal control and status of audit and requested explanations as needed.

3) Audit & Supervisory Board Members further discussed the contents of the Basic Policy, prescribed in Article 118, Item 3 of the 'Enforcement Regulations of the Companies Act', stated in the Business Report based on deliberation at meetings of the Board of Directors and other occasions.

4) Audit & Supervisory Board Members and the Board debriefed Independent Auditors on the status of execution of their duties, and requested explanations as needed. In addition, Audit & Supervisory Board Members 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, Audit & Supervisory Board Members 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 LLC, 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 LLC, Independent Auditors, are fair and reasonable.

May 16, 2013

Tokyo Gas Co., Ltd. Audit & Supervisory Board

Kunihiro Mori	Standing Audit & Supervisory Board Member
Manabu Fukumoto	Standing Audit & Supervisory Board Member
Yukio Masuda	Outside Audit & Supervisory Board Member
Masayuki Osawa	Outside Audit & Supervisory Board Member
Yoshihiko Morita	Outside Audit & Supervisory Board Member

[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 22) and to meet shareholders' expectations, the Company will pay a year-end dividend of ¥5.5 per share, up ¥1 per share. Together with the midterm dividend of ¥4.5 per share, the total dividend to be paid during the year is ¥10 per share.

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

Cash ¥5.5 per share

Aggregate amount of dividends ¥14,144,879,238

(2) Dividend effective date

Friday, June 28, 2013

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 propose the election of eleven (11) Directors.

The nominees for Directors are as follows:

No.	Name (Date of birth)	Career summary, 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 Manager of Gas Resources Dept.</p> <p>June 1998 Director and General Manager 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>	274,000

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]		Number of the Company's shares held
2	Tsuyoshi Okamoto (September 23, 1947)	April 1970	Joined the Company	193,000
		June 1997	Deputy General Manager of Northern Regional Business Div.	
		June 1998	General Manager of Documents Dept.	
		June 1999	Assistant to Director in charge of General Administration Dept.	
		June 2002	Executive Officer and General Manager of Corporate Planning Dept. of Strategic Planning Div.	
		April 2004	Senior Executive Officer and Division Manager of Strategic Planning Div.	
		June 2004	Director, Senior Executive Officer and Division Manager of Strategic Planning Div.	
		April 2006	Director, Senior Executive Officer, Division Manager of Corporate Communication Div. and in charge of Compliance Dept. and Internal Audit Dept.	
		April 2007	Representative Director, Executive Vice President and in charge of Human Resources Dept., Secretarial Dept., General Administration Dept., Compliance Dept. and Internal Audit Dept.	
		April 2009	Representative Director, Executive Vice President and in charge of Human Resources Dept., Secretarial Dept., General Administration Dept. and Compliance Dept.	
		April 2010	President, Representative Director and Executive President (Current position)	
3	Shigeru Muraki (August 29, 1949)	July 1972	Joined the Company	164,236
		June 2000	General Manager of Gas Resources Dept.	
		June 2002	Executive Officer and General Manager of Gas Resources Dept. of Strategic Planning Div.	
		April 2004	Senior Executive Officer and Division Manager of R&D Div.	
		April 2006	Senior Executive Officer and Division Manager of Technological Development Div.	
		April 2007	Senior Executive Officer, Division Manager of Energy Solution Div. and General Manager of Volume Sales Dept. of Energy Solution Div.	
		June 2007	Director, Senior Executive Officer, Division Manager of Energy Solution Div. and General Manager of Volume Sales Dept. of Energy Solution Div.	
		April 2010	Representative Director, Executive Vice President, Division Manager of Energy Solution Div. and General Manager of Volume Sales Dept. of Energy Solution Div. (Current position)	

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]	Number of the Company's shares held
4	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 and 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.</p> <p>April 2012 Representative Director, Executive Vice President and Division Manager of Living Energy Div.</p> <p>April 2013 Representative Director, Executive Vice President and Division Manager of Living Div. (Current position)</p>	85,000

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]		Number of the Company's shares held	
5	Kazuo Yoshino (November 22, 1950)	April	1975	Joined the Company	120,000
		June	2002	General Manager of Finance and Managerial Accounting Dept. of Strategic Planning Div.	
		April	2005	Executive Officer and General Manager of Finance and Managerial Accounting Dept. of Strategic Planning Div.	
		April	2007	Executive Officer and General Manager of Finance and Managerial Accounting Dept.	
		April	2008	Executive Officer and General Manager of Investor Relations Dept.	
		April	2009	Senior Executive Officer and in charge of Investor Relations Dept., Finance and Managerial Accounting Dept. and Accounting Dept.	
		April	2011	Senior Executive Officer, Division Manager of Information Technology Div. and in charge of Finance and Managerial Accounting Dept. and Accounting Dept.	
		June	2011	Director, Senior Executive Officer, Division Manager of Information Technology Div. and in charge of Finance and Managerial Accounting Dept. and Accounting Dept. (Current position)	
6	Matsuhiko Hataba (September 7, 1952)	April	1976	Joined the Company	39,000
		April	2004	General Manager of Human Resources Planning Dept. of Strategic Planning Div.	
		April	2006	Executive Officer and General Manager of Human Resources Dept. of Business Support Div.	
		April	2007	Executive Officer and General Manager of Corporate Planning Dept.	
		April	2009	Senior Executive Officer and Division Manager of Living Energy Div.	
		April	2012	Senior Executive Officer and in charge of Corporate Planning Dept., TG-Group Reorganization Project Dept. and Affiliated Companies Dept.	
		June	2012	Director, Senior Executive Officer and in charge of Corporate Planning Dept., TG-Group Reorganization Project Dept. and Affiliated Companies Dept.	
		April	2013	Director, Senior Executive Officer and in charge of Corporate Planning Dept. and Affiliated Companies Dept. (Current position)	

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]	Number of the Company's shares held
7	<p style="text-align: center;">★ Yutaka Kunigo (November 17, 1954)</p>	<p>April 1977 Joined the Company</p> <p>April 2004 General Manager of Gas Resources Dept. of Energy Resources Business Div.</p> <p>April 2007 Executive Officer and General Manager of Gas Resources Dept. of Energy Resources Business Div.</p> <p>April 2008 Executive Officer and General Manager of Industrial Gas Sales Dept. of Energy Solution Div.</p> <p>April 2010 Senior Executive Officer and Division Manager of Energy Resources Business Div.</p> <p>April 2013 Senior Executive Officer and Division Manager of Energy Production Div. (Current position)</p>	33,030
8	<p style="text-align: center;">★ Masahiro Mikami (October 11, 1951)</p>	<p>April 1975 Joined the Company</p> <p>June 2003 General Manager of Saitama Branch of Customer Service Div.</p> <p>April 2004 General Manager of Saitama Branch of Corporate Communication Div.</p> <p>April 2005 General Manager of Secretarial Dept. of Corporate Communication Div.</p> <p>April 2007 General Manager of Secretarial Dept.</p> <p>April 2008 Executive Officer and General Manager of General Administration Dept.</p> <p>April 2011 Senior Executive Officer and in charge of Supplies Dept., Real Estate Management Dept., Major Site Development Dept. and General Administration Dept.</p> <p>April 2012 Senior Executive Officer and in charge of General Administration Dept., Corporate Communication Dept. and Environment Dept.</p> <p>April 2013 Senior Executive Officer and in charge of Secretarial Dept., General Administration Dept., Corporate Communication Dept., Environment Dept. and Compliance Dept. (Current position)</p>	45,000

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]	Number of the Company's shares held
9	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</p> <p>June 2010 Outside Director of the Company (Current position)</p> <p>[Important concurrent posts]</p> <p>Vice Chairman of The Japan Institute of International Affairs</p>	5,000

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]	Number of the Company's shares held
10	Ryuichi Tomizawa (August 21, 1941)	<p>April 1965 Joined Mitsubishi Kasei Industries Corporation (Current Mitsubishi Chemical Corporation)</p> <p>January 1992 President of Director of Mitsubishi Kasei Europe GmbH</p> <p>June 1996 Member of the Board of Mitsubishi Chemical Corporation</p> <p>June 1999 Managing Executive Officer of Mitsubishi Chemical Corporation</p> <p>October 1999 Managing Director of Mitsubishi-Tokyo Pharmaceuticals, Inc. (Current Mitsubishi Tanabe Pharma Corporation)</p> <p>April 2000 President of Mitsubishi-Tokyo Pharmaceuticals, Inc.</p> <p>October 2001 Member of the Board, Executive Vice President of Mitsubishi Pharma Corporation (Current Mitsubishi Tanabe Pharma Corporation)</p> <p>April 2002 Member of the Board, Deputy Chief Executive Officer of Mitsubishi Chemical Corporation</p> <p>June 2002 Member of the Board, President and Chief Executive Officer of Mitsubishi Chemical Corporation</p> <p>June 2004 Member of the Board, President and Chief Executive Officer of Mitsubishi Chemical Corporation Member of the Board, Chairman of Mitsubishi Pharma Corporation</p> <p>October 2005 Member of the Board, President of Mitsubishi Chemical Holdings Corporation Member of the Board, President and Chief Executive Officer of Mitsubishi Chemical Corporation</p> <p>April 2007 Member of the Board, Chairman of Mitsubishi Chemical Holdings Corporation Member of the Board of Mitsubishi Chemical Corporation</p> <p>April 2009 Member of the Board, Chairman of Mitsubishi Chemical Holdings Corporation Member of the Board of Mitsubishi Chemical Corporation</p> <p>June 2011 Outside Director of the Company</p> <p>April 2012 Member of the Board of Mitsubishi Chemical Holdings Corporation Retired as Member of the Board of Mitsubishi Chemical Corporation</p> <p>June 2012 Retired as Member of the Board of Mitsubishi Chemical Holdings Corporation (Current position)</p>	3,000

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]	Number of the Company's shares held
11	Yoshihiko Nakagaki (March 10, 1938)	<p>April 1961 Joined Electric Power Development Co., Ltd. (J-POWER)</p> <p>June 1996 Director and Department Director of Corporate Planning Dept. of Electric Power Development Co., Ltd. (J-POWER)</p> <p>June 1998 Managing Director of Electric Power Development Co., Ltd. (J-POWER)</p> <p>June 2000 Vice President and Representative Director of Electric Power Development Co., Ltd. (J-POWER)</p> <p>June 2001 President and Representative Director of Electric Power Development Co., Ltd. (J-POWER)</p> <p>June 2009 Corporate Advisor of Electric Power Development Co., Ltd. (J-POWER)</p> <p>June 2012 Outside Director of the Company (Current position)</p>	2,000

- Notes:
- There is no special interest between the nominees for Directors and the Company.
 - The nominees with an asterisk are nominees for Directors to be newly elected.
 - The nominees for Outside Directors are: Mr. Yukio Sato, Mr. Ryuichi Tomizawa and Mr. Yoshihiko Nakagaki.
 - Reasons for our nomination of these three individuals as Outside Directors and the tenures as the Outside Directors of the Company are as follows:
 - Although Mr. Yukio Sato has not been involved in corporate management in ways other than being an outside officer, we propose that he be elected as an Outside Director so that the Company can continue to make use of the cosmopolitan and broad outlook and deep insight he has acquired over his many years as a diplomat. Mr. Sato'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. Sato as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchanges (Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange).
 - We propose that Mr. Ryuichi Tomizawa be elected as an Outside Director so that the Company can continue to make use of the cosmopolitan and broad outlook and deep insight he has acquired through aggressive overseas expansion in the chemical industry. Mr. Tomizawa's tenure as an Outside Director of the Company will be two years as of the conclusion of this Annual Shareholders Meeting. The Company designates Mr. Tomizawa as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchanges (Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange).
 - We propose that Mr. Yoshihiko Nakagaki be elected as an Outside Director so that the Company can continue to make use of the business management outlook he has acquired through various business development conducted at Electric Power Development Co., Ltd. (J-POWER), particularly with respect to electric power development and electricity wholesale supply, as well as his strong management capabilities with which he has implemented reforms in response to changes in the business environment. Mr. Nakagaki's tenure as an Outside Director of the Company will be one year as of the conclusion of this Annual Shareholders Meeting. The Company designates Mr. Nakagaki as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchanges (Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange).
 - While Mr. Ryuichi Tomizawa was a Member of the Board of Mitsubishi Chemical Holdings Corporation, Mitsubishi Tanabe Pharma Corporation, a consolidated subsidiary of Mitsubishi Chemical Holdings, and BIPHA CORPORATION, a consolidated subsidiary of Mitsubishi Tanabe Pharma, received administrative penalties (order for business suspension and order for business improvement) concerning violation of the Pharmaceutical Affairs Act from the Ministry of Health, Labour and Welfare in April 2010. He properly responded to the administrative penalties, aimed at ensuring compliance with laws and regulations and preventing recurrence of similar incidents. In addition, while Mr. Tomizawa was an Outside Director of TAIYO NIPPON SANSO CORPORATION, the company received administrative penalties (cease and desist order and surcharge

payment order) from the Japan Fair Trade Commission in May 2011, concerning violation of the Antimonopoly Act. Mr. Tomizawa had supervised the status of compliance with laws and regulations through attendance to the Board of Directors meetings of the company. After the company was suspected of violating the said Act in January 2010, he fulfilled his duties as an Outside Director, giving instructions that initiatives should be taken to prevent recurrence of similar incidents, including enhancement of the compliance system.

Proposal No. 3: Election of Two (2) Audit & Supervisory Board Members

The term of office of the current Audit & Supervisory Board Members Kunihiro Mori and Masayuki Osawa ends at the conclusion of this Annual Shareholders Meeting. Accordingly, we hereby propose the election of two (2) Audit & Supervisory Board Members.


The nominees for Audit & Supervisory Board Members are as follows.

The Audit & Supervisory Board has already given its prior consent to the submission of this proposal.

No.	Name (Date of birth)	Career summary and position in the Company [Important concurrent posts]			Number of the Company's shares held
1	* Tsutomu Oya (December 18, 1949)	April	1975	Joined the Company	102,335
		June	2002	General Manager of International Affairs Dept. of Strategic Planning Div.	
		April	2004	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.	
		April	2006	Senior Executive Officer and Division Manager of Energy Resources Business Div.	
		June	2009	Director, Senior Executive Officer and Division Manager of Energy Resources Business Div.	
		April	2010	Director, Senior Executive Officer, Division Manager of Energy Production Div. and in charge of Environment Dept.	
		April	2012	Director, Senior Executive Officer and Division Manager of Energy Production Div.	
		April	2013	Director (Current position)	
2	* Kojiro Otani (July 12, 1946)	March	1971	Joined Yokohama City Government	0
		April	1997	Director of Policy Dept. of Planning Bureau of Yokohama City Government	
		May	1997	Director of Policy Dept. of Planning Bureau of Yokohama City Government Concurrently served as Director in charge of Olympic and Paralympic bid of Planning Bureau of Yokohama City Government	
		May	1998	Director of General Affairs Dept. of Transportation Bureau of Yokohama City Government	
		April	2001	Director General of Hodogaya Ward Office of Yokohama City Government	
		April	2003	Director General of General Affairs Bureau of Yokohama City Government	
		April	2006	Director General of Yokohama Waterworks Bureau	
		March	2008	Retired from Yokohama City Government	
		July	2008	Vice President of Kanagawa Water Supply Authority (Current position)	

- Notes:
1. There is no special interest between the nominees for Audit & Supervisory Board Members and the Company.
 2. The nominees with an asterisk are nominees for Audit & Supervisory Board Members to be newly elected.
 3. The nominee for Outside Audit & Supervisory Board Member is: Mr. Kojiro Otani.
 4. Reasons for our nomination of this individual as an Outside Audit & Supervisory Board Member and the tenure as the Outside Audit & Supervisory Board Member of the Company are as follows:
Although Mr. Kojiro Otani has not been involved in corporate management in ways other than being an outside officer, we propose that he be elected as an Outside Audit & Supervisory Board Member so that the Company can make use of his abundant experience in organizational management at local government institutions for the Company's audit. The Company will designate Mr. Otani as the 'Independent Officer' (Independent Audit & Supervisory Board Member), who will have no conflicting interests with general shareholders, and notify him to the listing stock exchanges (Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange).
 5. Mr. Kojiro Otani, now serving as Vice President of Kanagawa Water Supply Authority, plans to retire from his position in June 2013.

Instruction for Exercise of Voting Rights via the Internet and other methods

- If you prefer to exercise your voting rights via the Internet, please confirm the following before exercising your rights.
 1. You can exercise your voting rights by accessing the dedicated voting website (<http://www.web54.net>) through a personal computer or a cell phone (i-mode, EZweb or Yahoo! Keitai). If you use a cell phone with a function to read barcodes, you can access by having your cell phone read the QR Code on the right.
 2. Please enter your approval or disapproval for each proposal according to the instructions shown on screen by using your voting code and password shown in the enclosed CARD FOR EXERCISE OF VOTING RIGHTS.
 3. Please exercise your voting rights via the Internet by **5:30 p.m. on Wednesday, June 26, 2013**, the day before the Annual Shareholders Meeting. If you exercise your voting rights more than once, the vote exercised last shall be deemed valid; if you exercise your voting rights twice, once via the Internet and once by mail, the vote that arrives later shall be deemed valid; and if the vote via the Internet and the vote by mail arrive on the same date, the vote exercised via the Internet shall be deemed valid.
 4. Telecommunication charges (telephone fees) may be required in some cases. Please note that such charges will be borne by the shareholders.
- System environment
 1. When you use a PC, the following specifications should be satisfied.
 - (1) Screen resolution: 800×600 or higher
 - (2) Software:
 - 1) Microsoft® Internet Explorer Ver. 5.01 SP2 or higher (essential)
 - 2) Adobe® Acrobat® Reader™ Ver. 4.0 or later version, or Adobe® Reader® Ver. 6.0 or later version
 2. When you use a cell phone, the handset should support 128-bit SSL (Secure Socket Layer) encrypted communication.

- Inquiries

1. If you are not sure how to operate your PC or other device to exercise your voting rights:

Dedicated telephone line of the Stock Transfer Agency Department 'Web Support',
Sumitomo Mitsui Trust Bank, Limited
Telephone number in Japan: 0120-652-031 (9 a.m. to 9 p.m. every day except Saturdays, Sundays and national holidays)

2. Cases other than the above:

Stock Transfer Agency Department 'Clerical Center',
Sumitomo Mitsui Trust Bank, Limited
Telephone number in Japan: 0120-782-031 (9 a.m. to 5 p.m. every day except Saturdays, Sundays and national holidays)

* i-mode is a registered trademark of NTT Docomo, Inc.; EZweb is a registered trademark of KDDI Corporation; Yahoo! is a registered trademark of Yahoo! Inc. of the U.S.; QR Code is a registered trademark of Denso Wave Incorporated; Microsoft is a registered trademark and Internet Explorer is a trademark of Microsoft Corporation of the U.S.; and Adobe, Acrobat and Reader are registered trademarks of Adobe Systems Incorporated.

To institutional investors:

In addition to exercising voting rights via the Internet as mentioned above, institutional investors may use the Electronic Voting Platform for Institutional Investors operated by ICJ Inc., in which Tokyo Stock Exchange, Inc. and other companies invest, only if they apply for the use of the platform in advance.