

[English Translation Originally Issued in the Japanese Language]

Security Identification Code: 9531

May 31, 2019

Dear Shareholders:

## NOTICE OF CONVOCATION OF THE 219th ANNUAL SHAREHOLDERS MEETING

We hereby would like to inform you of the 219th Annual Shareholders Meeting of Tokyo Gas Co., Ltd. (hereinafter, '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 5.

Sincerely yours,

**Takashi Uchida**

Representative Director, President

**TOKYO GAS CO., LTD.**

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

1. Date and Hour: 10 a.m., Thursday, June 27, 2019
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 Auditor's Report' and 'Audit Report' by the Audit & Supervisory Board on the Consolidated Financial Statements for the 219th fiscal year (from April 1, 2018 to March 31, 2019)
  - (2) Matters to resolve:  
Proposal No. 1: Approval of the Appropriation of Surplus  
Proposal No. 2: Election of Nine (9) Directors  
Proposal No. 3: Election of One (1) Audit & Supervisory Board Member

Please note that no gift will be provided for attendees at the meeting. We greatly appreciate your understanding.
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**4. Exercise of Voting Rights:**

**(1) When attending the meeting**

Please bring the enclosed voting form on the day of the meeting and present it to the receptionist.

**(2) When not attending the meeting**

**1) When exercising voting rights by mail**

Please indicate on the enclosed voting form your approval or disapproval for each proposal and post it.

Deadline: Form must be delivered by 5:30 p.m. on Wednesday, June 26, 2019.

[Handling of voting rights]

Where there is no indication of approval or disapproval for a respective proposal, the voting right will be considered to be exercised to approve for the resolutions in question.

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

Please read 'Instruction for Exercise of Voting Rights via the Internet and other methods' starting from page 4 and enter your approval or disapproval for each proposal and submit them by 5:30 p.m. on Wednesday, June 26, 2019.

**(3) Duplication of votes**

If duplicated votes are exercised both in writing and via the Internet and other methods, 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 and other methods shall be deemed valid.

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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: The following items are posted on the Company's website given below, pursuant to laws and regulations and the provisions of the Company's Articles of Incorporation.

(1) 'Basic Policy on Development of Internal Control System and Overview of Operational Status of the System' of Business Report

(2) 'Consolidated Statement of Changes in Equity' and 'Notes to the Consolidated Financial Statements'

(3) 'Non-Consolidated Statement of Changes in Equity' and 'Notes to the Non-Consolidated Financial Statements'

(1), (2) and (3) are included in the documents audited by the Audit & Supervisory Board Members in preparing the audit report and (2) and (3) are included in the documents audited by the accounting auditor in preparing the independent auditor's 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 [www.tokyo-gas.co.jp](http://www.tokyo-gas.co.jp)]

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

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

- 'Smart Voting' method using a smartphone to scan the QR Code  
You can log in without having to enter your voting code and password.
- 1 Scan the QR Code that is shown on the bottom right of the CARD FOR EXERCISE OF VOTING RIGHTS.  
\* 'QR Code' is a registered trademark of Denso Wave Incorporated.
- 2 Enter your approval or disapproval for each proposal by following the instructions shown on screen.

You can only exercise your voting rights through 'Smart Voting' once. If you wish to change the details of a vote you have exercised, please access the desktop version of the web-site, enter your voting code and password, and re-exercise your voting rights.  
\* Re-scanning the QR Code will redirect you to the desktop version of the web-site.

- By entering your voting code and password  
WEB-SITE FOR EXERCISE OF VOTING RIGHTS: <https://www.web54.net>
- 1 Go to the WEB-SITE FOR EXERCISE OF VOTING RIGHTS.
- 2 Enter the 'voting code' shown in the CARD FOR EXERCISE OF VOTING RIGHTS.
- 3 Enter the 'password' shown in the CARD FOR EXERCISE OF VOTING RIGHTS.
- 4 Enter your approval or disapproval for each proposal by following the instructions shown on screen.

- \* Please exercise your voting rights via the Internet by **5:30 p.m. on Wednesday, June 26, 2019**, the day before the Annual Shareholders Meeting. If you exercise your voting rights more than once via the Internet, the vote exercised last shall be deemed valid.
- \* Telecommunication charges (telephone fees) may be required in some cases. Please note that such charges will be borne by the shareholders.

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.)
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)

Institutional investors may use the Electronic Voting Platform for Institutional Investors operated by ICJ Inc.

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## 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 the Reference below), and comprehensively considering medium- and long-term profit levels, the Company will pay a year-end dividend of ¥32.5 per share, up ¥5 per share.

Together with the midterm dividend of ¥27.5 per share, the total dividend to be paid during the year is ¥60 per share.

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

Cash ¥32.5 per share

Aggregate amount of dividends ¥14,623,215,295

#### (2) Dividend effective date

Friday, June 28, 2019

#### [Reference]

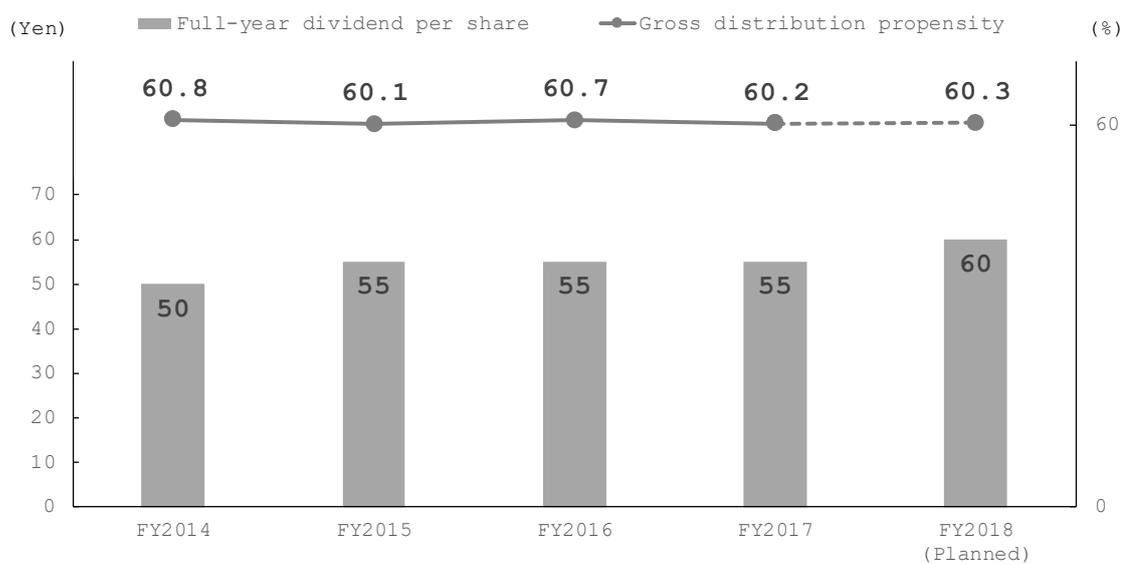
- **Policy on Determination of Dividends from Surplus and Others**

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 profit) 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.

- Shareholder Returns



\* As of October 1, 2017, the Company carried out a share consolidation at a ratio of 5 common shares to 1. The full-year dividend per share represents amounts converted to reflect the share consolidation.

**<Target> About 60% for each year until FY2020**

$$\text{Gross distribution propensity} = \frac{(\text{Total dividends}) + (\text{Acquisition of own shares})}{\text{Consolidated profit}}$$

## Proposal No. 2: Election of Nine (9) Directors

The term of office of all the current eight (8) Directors ends at the conclusion of this Annual Shareholders Meeting. As part of corporate governance reform, the Company will increase the ratio of Outside Directors on the Board of Directors in order to work to separate and clarify decision-making and supervisory functions of the Board of Directors and the operational functions carried out mainly by Executive Officers. Based on this mindset, we hereby propose the election of nine (9) Directors, increasing the number of Outside Directors by one (1) member. The nominees for Directors are as follows:

No.	Name	Current position and areas of responsibility in the Company	Note	Attendance to the Board of Directors meetings
1	Michiaki Hirose	Director and Chairman of the Board	Reelection	100% (12 / 12)
2	Takashi Uchida	Representative Director, President	Reelection	100% (12 / 12)
3	Masaru Takamatsu	Representative Director, Executive Vice President Chief Executive of Residential Service Div.	Reelection	91% (11 / 12)
4	Takashi Anamizu	Representative Director, Executive Vice President Chief Executive of Energy Solution Div. Chief Executive of Power Business Div.	Reelection	100% (12 / 12)
5	Kunio Nohata	Director, Senior Managing Executive Officer Chief Executive of Global Business Div.	Reelection	100% (12 / 12)
6	Chika Igarashi	Director	Reelection Outside Independent	100% (12 / 12)
7	Hitoshi Saito	-	Newly elected Outside Independent	-
8	Kazunori Takami	-	Newly elected Outside Independent	-
9	Junko Edahiro	-	Newly elected Outside Independent	-

- Notes: 1. There is no special interest between the nominees for Directors and the Company.
2. The Company has entered into an agreement with Chika Igarashi to limit her liability under Article 423, paragraph 1 of the Companies Act to the amount provided for in Article 425, paragraph 1 of the same Act. If she is reelected, the Company plans to renew the aforementioned agreement with her. If the election of Hitoshi Saito, Kazunori Takami and Junko Edahiro is approved, the Company plans to enter into the same agreement with them.
3. In July 2016, the European Commission finalized its decision to impose a fine on Panasonic Corporation, where Kazunori Takami served as director until June 2017, in relation to certain conduct violating antitrust laws in connection with the company's cathode ray tube business. Panasonic Corporation also reached a settlement to pay the fine imposed by the European Commission in December 2016, in regard to certain conduct violating antitrust laws in connection with its lithium-ion battery business. In addition, Panasonic Corporation and its U.S. subsidiary, Panasonic Avionics Corporation ('PAC'), were subject to investigation for alleged violations of the U.S. Foreign Corrupt Practices Act and other securities-related laws of the U.S. with respect to certain

transactions carried out by PAC with airline companies, and also with respect to employment of agents and consultants in relation to such transactions (announcement made in February 2017). In that regard, Panasonic Corporation and PAC reached an agreement in May 2018 with the U.S. Securities and Exchange Commission and the U.S. Department of Justice requiring them to pay a fine to the U.S. government while also undertaking various actions to improve compliance practices.

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]
1	<p style="text-align: center;">Reelection</p> <p>Michiaki Hirose (October 2, 1950)</p> <p style="text-align: center;">Number of the Company's shares held 34,700</p> <p style="text-align: center;">Attendance to the Board of Directors meetings: 12 / 12 (100%)</p>	<p>April 1974 Joined the Company</p> <p>April 2004 Executive Officer and Assistant to Chief Executive 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 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 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 Communications Dept. and Affiliated Companies Dept.</p> <p>January 2010 Director, Senior Executive Officer and in charge of Corporate Planning Dept., Project Management Dept., Corporate Communications Dept. and Affiliated Companies Dept.</p> <p>April 2012 Representative Director, Executive Vice President and Chief Executive of Living Energy Div.</p> <p>April 2013 Representative Director, Executive Vice President and Chief Executive of Residential Sales and Service Div.</p> <p>April 2014 Representative Director, President</p> <p>April 2018 Director and Chairman of the Board (Current position)</p>
<p>Reason for nomination as Director</p> <p>Mr. Michiaki Hirose is mainly engaged in operations related to corporate planning and living, and has been the President for four years between April 2014 and March 2018. We propose that Mr. Michiaki Hirose be reelected as Director, since he has been serving as the Chairman of the Board since April 2018, and has abundant experience and in-depth knowledge in the Company's operations.</p>		

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]
2	<p>Reelection</p> <p>Takashi Uchida (April 17, 1956)</p> <p>Number of the Company's shares held 14,100</p> <p>Attendance to the Board of Directors meetings: 12 / 12 (100%)</p>	<p>April 1979 Joined the Company</p> <p>June 2006 General Manager of Pipeline Planning Dept. of Pipeline Network Div.</p> <p>April 2009 General Manager of Corporate Planning Dept.</p> <p>April 2010 Executive Officer and General Manager of Corporate Planning Dept.</p> <p>April 2012 Senior Executive Officer and in charge of Personnel Dept., Secretary Dept., Compliance Dept. and Internal Audit Dept.</p> <p>April 2013 Senior Executive Officer and Chief Executive of Energy Resources Business Div.</p> <p>June 2015 Director, Senior Executive Officer and Chief Executive of Energy Resources Business Div.</p> <p>April 2016 Representative Director, Executive Vice President and Chief Executive of Residential Sales and Service Div.</p> <p>April 2017 Representative Director, Executive Vice President and Chief Executive of Residential Service Div.</p> <p>April 2018 Representative Director, President (Current position)</p>
<p>Reason for nomination as Director</p> <p>Mr. Takashi Uchida is mainly engaged in operations related to pipelines and energy resources &amp; global business. Since April 2018, he has been the President as a chief operational officer. We propose that Mr. Takashi Uchida be reelected as Director, since he has abundant experience and in-depth knowledge in the Company's operations.</p>		

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]
3	<p style="text-align: center;">Reelection</p> <p>Masaru Takamatsu (March 14, 1956)</p> <p style="text-align: center;">Number of the Company's shares held 18,200</p> <p>Attendance to the Board of Directors meetings: 11 / 12 (91%)</p>	<p>April 1980 Joined the Company</p> <p>April 2005 General Manager of Home Service Planning Dept. of Home Service Div.</p> <p>April 2006 General Manager of Business Partnership Support Dept. of Home Service Div.</p> <p>April 2010 General Manager of LIFEVAL Project Management Dept. of Living Energy Div.</p> <p>April 2011 Executive Officer and General Manager of LIFEVAL Project Management Dept. of Living Energy Div.</p> <p>April 2012 Executive Officer and General Manager of Corporate Planning Dept.</p> <p>April 2014 Senior Executive Officer and in charge of Corporate Planning Dept. and Affiliated Companies Dept.</p> <p>April 2015 Senior Executive Officer and in charge of Corporate Planning Dept., Personnel Dept., Chiba-Ibaraki Project Dept., Group Management Project Dept. and Group Personnel System Project Dept.</p> <p>April 2016 Senior Executive Officer and in charge of Personnel Dept., Secretary Dept., General Administration Dept., Compliance Dept. and Internal Audit Dept.</p> <p>June 2016 Director, Senior Executive Officer and in charge of Personnel Dept., Secretary Dept., General Administration Dept., Compliance Dept. and Internal Audit Dept.</p> <p>April 2017 Director, Senior Executive Officer and in charge of Purchasing Dept., Secretary Dept., General Administration Dept., Compliance Dept. and Internal Audit Dept.</p> <p>April 2018 Representative Director, Executive Vice President and Chief Executive of Residential Service Div. (Current position)</p>
<p>Reason for nomination as Director</p> <p>Mr. Masaru Takamatsu is mainly engaged in operations related to living and corporate planning. He is currently in the position of Executive Vice President. We propose that Mr. Masaru Takamatsu be reelected as Director, since he has abundant experience and in-depth knowledge in the Company's operations.</p>		

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]	
4	<p>Reelection</p> <p>Takashi Anamizu (May 18, 1959)</p> <p>Number of the Company's shares held 8,148</p> <p>Attendance to the Board of Directors meetings: 12 / 12 (100%)</p>	<p>April 1985</p> <p>January 2010</p> <p>April 2012</p> <p>April 2015</p> <p>April 2016</p> <p>April 2017</p> <p>June 2017</p> <p>April 2018</p>	<p>Joined the Company</p> <p>General Manager of Project Management Dept.</p> <p>General Manager of Residential Fuel Cell Business Development Dept. of Living Energy Div.</p> <p>Executive Officer and General Manager of Sales Innovation Planning Dept.</p> <p>Senior Executive Officer, Chief Executive of Energy Resources &amp; Global Business Div.</p> <p>Senior Executive Officer, Chief Executive of Global Business Div.</p> <p>Director, Senior Executive Officer and Chief Executive of Global Business Div.</p> <p>Representative Director, Executive Vice President, Chief Executive of Energy Solution Div. and Chief Executive of Power Business Div. (Current position)</p>
<p>Reason for nomination as Director</p> <p>Mr. Takashi Anamizu is mainly engaged in operations related to living and energy resources &amp; global business. He is currently in the position of Executive Vice President. We propose that Mr. Takashi Anamizu be reelected as Director, since he has abundant experience and in-depth knowledge in the Company's operations.</p>			
5	<p>Reelection</p> <p>Kunio Nohata (December 31, 1958)</p> <p>Number of the Company's shares held 5,800</p> <p>Attendance to the Board of Directors meetings: 12 / 12 (100%)</p>	<p>April 1984</p> <p>November 2006</p> <p>April 2008</p> <p>April 2009</p> <p>April 2011</p> <p>April 2013</p> <p>April 2015</p> <p>April 2017</p> <p>June 2017</p> <p>April 2018</p>	<p>Joined the Company</p> <p>General Manager of Infrastructure Project Dept.</p> <p>Acting General Manager of Energy Sales &amp; Service Planning Dept. of Energy Solution Div.</p> <p>General Manager of Total Energy Business Dept. of Energy Solution Div.</p> <p>General Manager of Gas Resources Dept. of Energy Resources Business Div.</p> <p>Executive Officer and General Manager of Gas Resources Dept. of Energy Resources Business Div.</p> <p>Senior Executive Officer President, Representative Director of Tokyo Gas Engineering Solutions</p> <p>Senior Executive Officer of the Company, Chief Executive of Power Business Div., In charge of Environmental Affairs Dept.</p> <p>Director, Senior Executive Officer, Chief Executive of Power Business Div., and in charge of Environmental Affairs Dept.</p> <p>Director, Senior Managing Executive Officer and Chief Executive of Global Business Div. (Current position)</p>
<p>Reason for nomination as Director</p> <p>Mr. Kunio Nohata is mainly engaged in operations related to energy sales and energy resources &amp; global business. He is currently in the position of Senior Managing Executive Officer in charge of Global Business Div. We propose that Mr. Kunio Nohata be reelected as Director, since he has abundant experience and in-depth knowledge in the Company's operations.</p>			

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]		
6	<p>Nominee for Outside Director</p> <p>Reelection</p> <p>Independent Officer</p> <p>Chika Igarashi (March 26, 1971)</p> <p>Number of the Company's shares held 0</p> <p>Attendance to the Board of Directors meetings: 12 / 12 (100%)</p>	<p>April 1997</p> <p>July 2006</p> <p>June 2007</p> <p>June 2016</p>	<p>Registered as an attorney at law</p> <p>Joined a law firm in Tokyo Metropolitan area</p> <p>Joined Asahi Law Office (Currently Nishimura &amp; Asahi)</p> <p>Registered as an attorney at law in New York State, USA</p> <p>Director of the Company (Current position)</p>	<p>[Important concurrent posts] Attorney at law of Nishimura &amp; Asahi</p>
<p>Reason for nomination as Outside Director</p> <p>We propose that Ms. Chika Igarashi be reelected as Outside Director so that the Company can continue to make use of her high level of legal expertise built up through many years of experience in corporate legal affairs, broad outlook and in-depth knowledge for the Company's management. Ms. Igarashi's tenure as an Outside Director of the Company will be three years as of the conclusion of this Annual Shareholders Meeting. Although Ms. Igarashi has not been involved in corporate management, we consider that she is capable of appropriately performing her duties as Outside Director due to the aforementioned reasons. The Company has designated Ms. Igarashi as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified her to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).</p>				
7	<p>Nominee for Outside Director</p> <p>Newly elected</p> <p>Independent Officer</p> <p>Hitoshi Saito (November 10, 1952)</p> <p>Number of the Company's shares held 0</p>	<p>April 1976</p> <p>April 1998</p> <p>June 2000</p> <p>April 2002</p> <p>April 2005</p> <p>April 2007</p> <p>April 2008</p> <p>June 2011</p> <p>April 2013</p> <p>April 2015</p> <p>April 2017</p> <p>June 2017</p>	<p>Joined Mitsui Fudosan Co., Ltd.</p> <p>President of Mitsui Fudosan (New York) Inc.</p> <p>President of Mitsui Fudosan America, Inc.</p> <p>General Manager of Office Building Project Planning Dept. of Office Building Div. of Mitsui Fudosan Co., Ltd.</p> <p>Managing Officer and Deputy Chief Executive of Office Building Div. of Mitsui Fudosan Co., Ltd.</p> <p>Managing Officer and General Manager of International Dept. of Mitsui Fudosan Co., Ltd.</p> <p>Executive Managing Officer of Mitsui Fudosan Co., Ltd.</p> <p>Executive Managing Director and Executive Managing Officer of Mitsui Fudosan Co., Ltd.</p> <p>Managing Director and Senior Executive Managing Officer of Mitsui Fudosan Co., Ltd.</p> <p>Managing Director, Senior Executive Managing Officer and Chief Executive of International Div. of Mitsui Fudosan Co., Ltd.</p> <p>Managing Director of Mitsui Fudosan Co., Ltd.</p> <p>Advisor of Mitsui Fudosan Co., Ltd. (Current position)</p>	
<p>Reason for nomination as Outside Director</p> <p>We propose that Mr. Hitoshi Saito be elected as Outside Director so that the Company can make use of his cosmopolitan outlook he has acquired in overseas businesses in the real estate industry, as well as the management capabilities, broad outlook and in-depth knowledge he has acquired through a wide range of business development for the Company's management. The Company plans to designate Mr. Saito as an 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notify him to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).</p>				

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]
8	<p style="text-align: center;">Nominee for Outside Director</p> <p style="text-align: center;">Newly elected</p> <p style="text-align: center;">Independent Officer</p> <p>Kazunori Takami (June 12, 1954)</p> <p style="text-align: center;">Number of the Company's shares held 0</p>	<p>April 1978 Joined Matsushita Electric Industrial Co., Ltd. (Current Panasonic Corporation)</p> <p>December 1998 General Manager of Corporate Planning Office of Electric Appliances and Housing Facility Company of Matsushita Electric Industrial Co., Ltd. (Current Panasonic Corporation)</p> <p>January 2002 General Manager of Refrigerator Business Dept. of Matsushita Refrigeration Company (Current Panasonic Corporation)</p> <p>June 2004 Director of Corporate National Marketing Div. of Matsushita Electric Industrial Co., Ltd. (Current Panasonic Corporation)</p> <p>April 2006 Executive Officer of Matsushita Electric Industrial Co., Ltd. (Current Panasonic Corporation)</p> <p>April 2008 Managing Executive Officer of Matsushita Electric Industrial Co., Ltd. (Current Panasonic Corporation)</p> <p>April 2009 Managing Executive Officer, President of Home Appliances Company and in charge of Lighting Company of Panasonic Corporation</p> <p>June 2009 Managing Director of Panasonic Corporation</p> <p>April 2012 Representative Director, Senior Managing Executive Officer and President of Appliances Company of Panasonic Corporation</p> <p>April 2015 Representative Director, Executive Vice President and in charge of Japan region, Customer Satisfaction, and Design of Panasonic Corporation</p> <p>June 2015 Outside Director of Tokyo FM Broadcasting Co., Ltd.</p> <p>June 2017 Corporate Advisor of Panasonic Corporation</p> <p>March 2018 Retired from Corporate Advisor of Panasonic Corporation</p> <p>June 2018 Outside Director of Nojima Corporation</p> <p>March 2019 Outside Director of FUJITA KANKO INC. (Current position)</p> <p>[Important concurrent posts] Outside Director of Tokyo FM Broadcasting Co., Ltd. Outside Director of Nojima Corporation Outside Director of FUJITA KANKO INC.</p>
<p>Reason for nomination as Outside Director</p> <p>We propose that Mr. Kazunori Takami be elected as Outside Director so that the Company can make use of his management capabilities, broad outlook and in-depth knowledge he has acquired through a wide range of business development in the electrical industry for the Company's management. The Company plans to designate Mr. Takami as an 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notify him to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).</p>		

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]
9	<p>Nominee for Outside Director</p> <p>Newly elected</p> <p>Independent Officer</p> <p>Junko Edahiro (November 23, 1962)</p> <p>Number of the Company's shares held 0</p>	<p>July 1993 Interpreter and translator</p> <p>October 1998 Environmental journalist</p> <p>July 2002 CEO of EcoNetworks Co.</p> <p>August 2002 Joint Chief Executive of Japan for Sustainability (NGO)</p> <p>April 2003 Representative Director of Edahiroba Inc. (Current e's Inc.)</p> <p>April 2005 Representative Director and Chairperson of Change Agent Inc.</p> <p>July 2005 Retired from CEO of EcoNetworks Co.</p> <p>May 2006 Director and Chairperson of Change Agent Inc.</p> <p>August 2010 Chief Executive of Japan for Sustainability (NGO)</p> <p>September 2014 Professor of Department of Environmental Management, Faculty of Environmental Studies of Tokyo City University</p> <p>March 2018 Retired from Professor of Department of Environmental Management, Faculty of Environmental Studies of Tokyo City University</p> <p>July 2018 Retired from Chief Executive of Japan for Sustainability (NGO)</p> <p>August 2018 Professor of Shizenkan University Graduate School of Leadership &amp; Innovation (Current position)</p> <p>[Important concurrent posts] Representative Director of e's Inc. Director and Chairperson of Change Agent Inc. Professor of Shizenkan University Graduate School of Leadership &amp; Innovation</p>
<p>Reason for nomination as Outside Director</p> <p>We propose that Ms. Junko Edahiro be elected as Outside Director so that the Company can make use of her experience as a corporate manager, advanced specialization related to environment and in-depth knowledge for the Company's management. The Company plans to designate Ms. Edahiro as an 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notify her to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).</p>		

**Proposal No. 3: Election of One (1) Audit & Supervisory Board Member**

The term of office of the current Audit & Supervisory Board Member Mr. Hideaki Obana ends at the conclusion of this Annual Shareholders Meeting. Accordingly, we hereby propose the election of one (1) Audit & Supervisory Board Member.

The nominee for Audit & Supervisory Board Member is as follows.

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

Name (Date of birth)	Career summary and position in the Company [Important concurrent posts]		
Newly elected  Isao Nakajima (December 5, 1958)  Number of the Company's shares held 11,900	April	1982	Joined the Company
	April	2008	General Manager of Finance Dept.
	April	2011	General Manager of Middle Branch
	April	2012	General Manager of TG-Group Reorganization Project Dept.
	April	2013	Executive Officer and General Manager of Residential Sales Planning Dept. of Residential Sales and Service Div.
	April	2015	Senior Executive Officer, CFO and in charge of Finance Dept., Accounting Dept., Purchasing Dept. and Real Estate Management Dept.
	April	2017	Senior Executive Officer, CFO and in charge of Finance Dept., Accounting Dept. and Personnel Dept.
	April	2018	Senior Managing Executive Officer, CFO and in charge of Finance Dept., Accounting Dept., Personnel Dept. and Purchasing Dept.
March	2019	Retired from Senior Managing Executive Officer (to present)	
Reason for nomination as Audit & Supervisory Board Member We propose that Mr. Isao Nakajima be elected as Audit & Supervisory Board Member so that the Company can make use of his considerable knowledge about financial accounting matters as well as abundant experience and in-depth knowledge concerning the Company acquired primarily through his engagement in the Finance Department and Accounting Department, and his service as Senior Managing Executive Officer.			

Note: There is no special interest between the nominee for Audit & Supervisory Board Member and the Company.

[Reference]

Independence Standards for Outside Officers

TOKYO GAS CO., LTD.

The Company shall judge Outside Officers (Outside Directors and Outside Audit & Supervisory Board Members) to be independent if they do not fall under any of the categories numbered (1) to (10) below.

- (1) Executive of a parent company or a fellow subsidiary company of the Company
- (2) Executive of a subsidiary of the Company
- (3) Major shareholder holding 10% or more of the Company's total shares outstanding (includes executives of a corporation, etc.)
- (4) Major client or supplier of the Company whose transactions account for 2% or more of consolidated net sales (parties that are major clients or suppliers of the Company, or parties for whom the Company is a major client or supplier [includes executives of a corporation, etc.] )
- (5) Accounting Auditor or corporate attorney of the Company
- (6) Individual that fell under any of categories (1) to (5) within the previous three years
- (7) Executive of an organization receiving a large amount of donation from the Company (over the previous three business years, an average of ¥10 million or more annually or 30% or more of the organization's total average annual costs, whichever sum is greater)
- (8) Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property-related benefits from the Company besides remuneration as an Officer (over the previous three business years, for an individual, an average of ¥10 million or more annually and for a corporation, etc., 2% or more of the corporation's consolidated net sales)
- (9) Close relative of (1) to (8) (within the second degree of kinship)
- (10) Individual serving as officer (inside director, inside audit & supervisory board member, executive, or executive officer) at a corporate group in which an Officer (Inside Director, Inside Audit & Supervisory Board Member, or Executive Officer) of the Tokyo Gas Group serves as outside officer

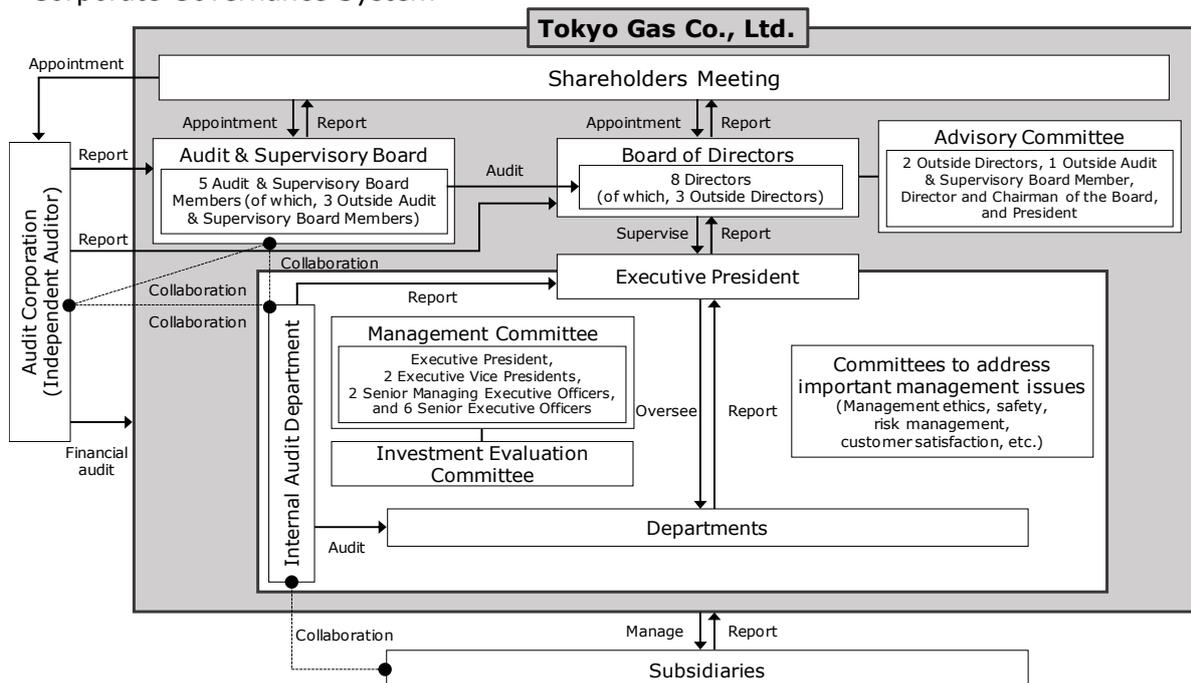
[Reference]

- **Corporate Governance (As of March 31, 2019)**

The Company works to ensure continued development while consistently earning the trust of customers, shareholders, and society. Based on this philosophy, we aim to achieve a continuous increase in our corporate value through enhancing corporate governance systems. We are endeavoring to develop systems with a commitment to management legality, soundness, and transparency.

We continue to emphasize the importance of accurate and prompt decision-making, efficient business executions, strengthening of auditing and monitoring functions, and clarification of management and executive responsibilities.

<Corporate Governance System>

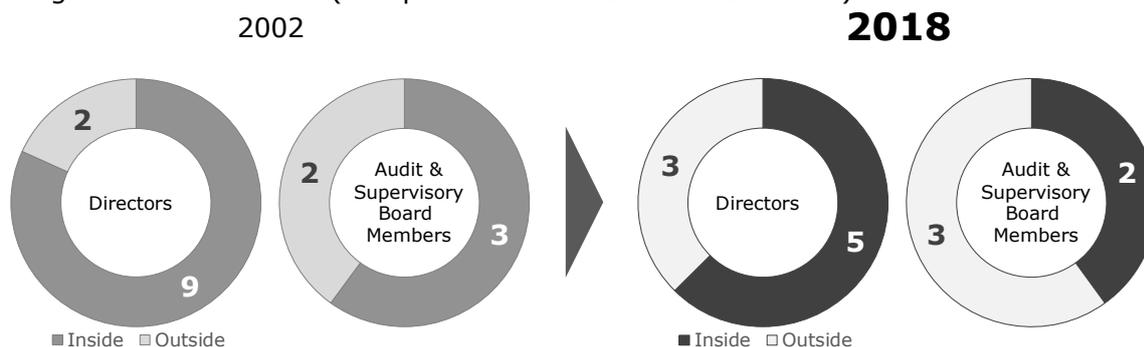


**Board of Directors**

In principle, the Board of Directors meets once a month to discuss and decide important matters regarding business executions. Directors must submit reports to the Board of Directors regarding the status of execution of their duties periodically and when deemed necessary, allowing the board to monitor the performance of Directors.

The Board of Directors comprises eight Directors, three of whom are Outside Directors. In addition, the term of Directors is set at one year with the goal of further clarifying managerial responsibility.

<Progress in Governance (Composition of the Board of Directors)>



### Audit & Supervisory Board Members

The Company holds Audit & Supervisory Board meeting once a month in principle and otherwise as needed. The five members of the board, which include three Outside Audit & Supervisory Board Members, conduct deliberations and make reports.

In line with the Audit & Supervisory Board Members' audit standard, each Audit & Supervisory Board Member conducts effective audits through the following principal initiatives.

Audit & Supervisory Board Members attend meetings of the Board of Directors, the Management Committee, and other important meetings. They state their opinions relating to legality and other perspectives when necessary.

Audit & Supervisory Board Members conduct research into the state of operations at the head office, business offices, and subsidiaries. They also hold discussions with Directors to exchange opinions, both on a regular basis and otherwise as needed.

In regard to the internal control for financial reporting, the Audit & Supervisory Board Members receive evaluations of internal control and reports on the status of audits from the Board of Directors, etc., and KPMG AZSA LLC, and demand explanation as needed.

### Advisory Committee

Since February 2005, the Company has established the Advisory Committee in order to ensure objectivity and transparency of management. The committee has up to five members, consisting of the Director and Chairman of the Board, President, and up to three Directors selected by the Board of Directors; with over half of its membership consisting of Outside Directors, and the committee chairman also being an Outside Director.

In accordance with inquiries from the Board of Directors, the Advisory Committee deliberates on officer candidates and officer remuneration in a fair and appropriate manner and makes reports to the Board of Directors. The committee also deliberates on the independence of outside officer candidates.

Advisory Committee Membership	
Committee chairman	Akihiko Ide (Outside Director)
Committee members	Yoshinori Katori (Outside Director)
	Yoshihiko Morita (Outside Audit & Supervisory Board Member)
	Michiaki Hirose (Director, Chairman)
	Takashi Uchida (Director, President)

Business Report

(From April 1, 2018 to March 31, 2019)

**1. Matters Concerning Current State of Group Operations**

**(1) Business Conditions and Results**

During the fiscal year under review, the Japanese economy mounted a gradual recovery despite some lingering weaknesses with respect to exports and production, owing in part to effects of various government measures amid ongoing improvement in the employment and income environments. Those circumstances are likely to help further expand the positive economic cycle particularly in terms of an upturn in consumer spending and private-sector capital expenditure.

Against this economic backdrop, the environment surrounding the energy business has undergone dramatic changes, such as the full liberalization of retail sales of gas in April 2017 in the wake of the full liberalization of retail sales of electricity in April 2016, as well as technological innovation with respect to the Fourth Industrial Revolution. Amid these changes, the Tokyo Gas Group has been actively engaging in various efforts to expand added value for our customers in Japan and overseas through commercialization of total energy business and globalization so that customers will continue to choose Tokyo Gas.

In light of such economic conditions and environmental changes, as for sales of city gas, sales volume declined due to decreasing residential and commercial demand associated with effects of hot temperatures and decrease in customer numbers. Nonetheless, net sales of gas gained as a result of an increase in sales unit price due to gas rate adjustment associated with the effect of higher crude oil prices. As a result, consolidated net sales increased by 10.4% year on year to ¥1,962,308 million.

In terms of operating expenses, despite further promotion of business efficiency and the utmost efforts to restrict expenses as much as possible, there was an increase in gas raw material costs associated with the effect of higher crude oil prices. As a result, operating expenses increased by 12.5% year on year to ¥1,868,603 million.

As a result of the above, operating profit decreased by 19.4% year on year to ¥93,704 million, and ordinary profit decreased by 19.9% year on year to ¥89,386 million. As a result of the recording of gain on sales of non-current assets of ¥29,306 million and gain on sales of investment securities of ¥6,420 million under extraordinary income, and loss on valuation of investment securities of ¥7,865 million under extraordinary losses and the recording of income taxes, profit attributable to owners of parent rose by 12.8% year on year to ¥84,555 million.

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

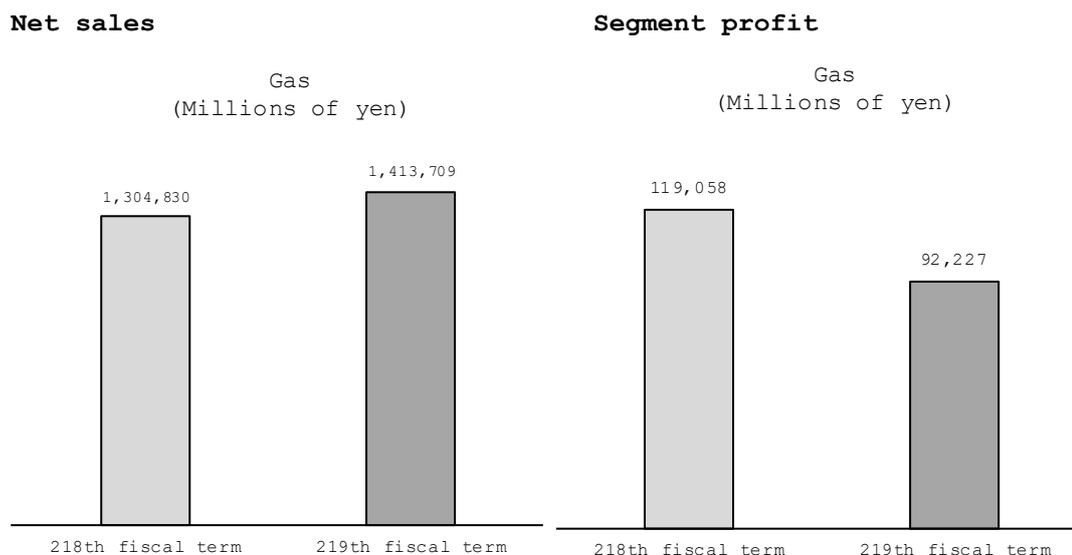
Starting from the fiscal year under review, we have renamed the city gas segment the gas segment, and transferred the liquid gas business (LPG, industrial gas) and LNG sales, etc., which were included in the energy-related segment, to the gas segment, and credit services, which were included in the other segment, to the energy-related segment, respectively. Segment information for the previous fiscal year have been restated based on the revised segments.

## 1) Gas

Reflecting an increase in sales unit price due to gas rate adjustments, net sales increased by 8.3% year on year to ¥1,413,709 million despite a decrease in city gas sales volume due to the impact of hot temperatures and a decrease in customer numbers.

Segment profit decreased by 22.5% year on year to ¥92,227 million, due to such factors as fall in sales volume of city gas and increased raw material costs.

Sales volume of city gas is as follows:



	219th fiscal term (fiscal year under review) (Millions of cubic meters)	218th fiscal term (Millions of cubic meters)	Year-on-year change		Main reasons for the change, etc.
			Millions of cubic meters	%	
Household-bound	3,240	3,570	(330)	(9.2)	Decrease in demand due to effect of hot temperatures, decrease in customer numbers
Business-bound	2,609	2,722	(113)	(4.2)	Decrease in customer numbers
Industry-bound	7,413	7,290	123	1.7	Increase in demand for use in electric power generation
Subtotal	10,022	10,012	10	0.1	-
Supplies to other gas utilities	1,936	1,985	(49)	(2.5)	Decrease in customer demand
Total	15,198	15,568	(370)	(2.4)	-

Number of retail customers (thousands): 9,821 (down 388 year on year)

\* Number of retail customers indicates the number of billed customers for city gas retail sales (consolidated).

Number of gas meters (thousands):

11,818 (up 140 year on year)

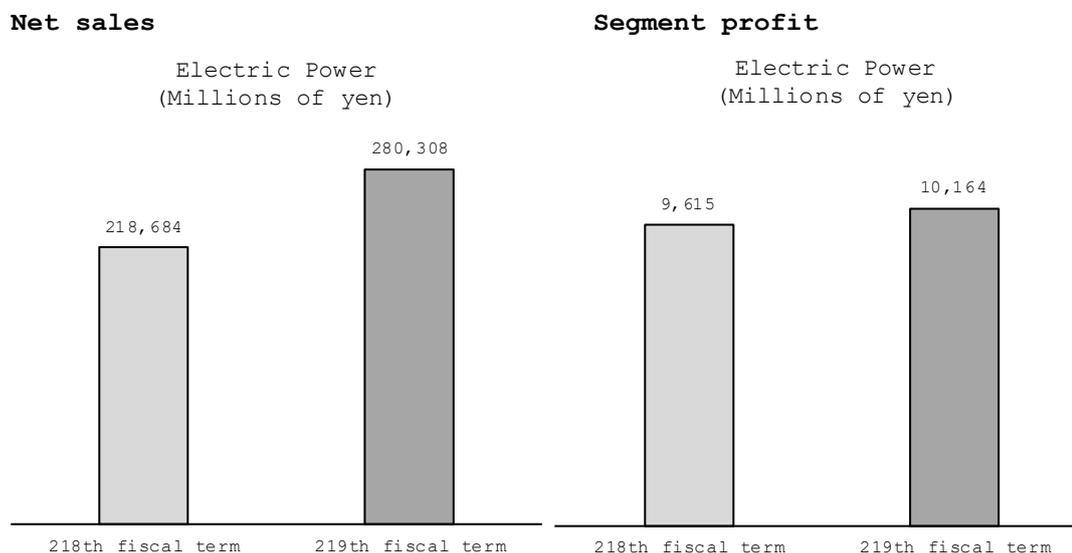
\* Number of gas meters indicates the number of meters that includes inactive meters and meters for gas supply from other retail companies.

## 2) Electric Power

Net sales increased by 28.2% year on year to ¥280,308 million, as sales from residential customers increased.

Segment profit increased by 5.7% year on year to ¥10,164 million.

Sales volume of electric power is as follows:



	219th fiscal term (fiscal year under review) (Millions of kWh)	218th fiscal term (Millions of kWh)	Year-on-year change		Main reasons for the change, etc.
			Millions of kWh	%	
Retail	6,555	4,569	1,986	43.5	Increase in customer numbers
Wholesale	8,926	10,087	(1,161)	(11.5)	Decrease in wholesale customers
Total	15,482	14,656	826	5.6	-

Number of retail customers (thousands): 1,774 (up 644 year on year)

\* The number of retail customers indicates the number of customers currently being served.

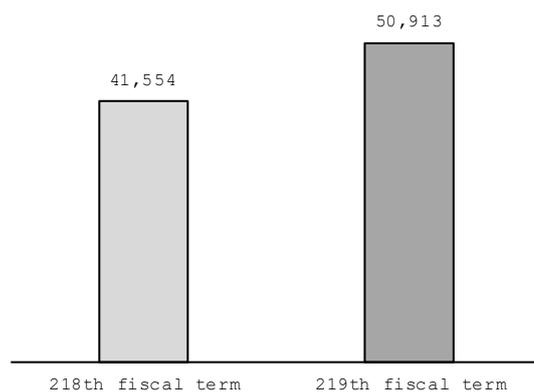
### 3) Overseas

Net sales increased by 22.5% year on year to ¥50,913 million, as sales related to upstream business increased.

Segment profit increased by 98.8% year on year to ¥15,309 million.

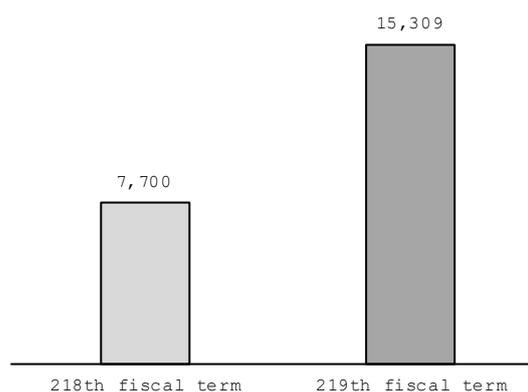
#### Net sales

Overseas  
(Millions of yen)



#### Segment profit

Overseas  
(Millions of yen)



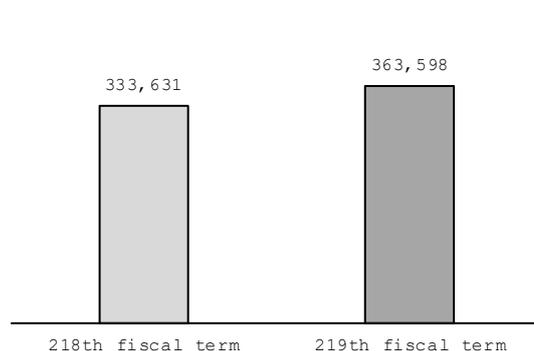
### 4) Energy-related

Net sales increased by 9.0% year on year to ¥363,598 million, amid gains in LNG plant orders received.

Segment profit decreased by 6.4% year on year to ¥11,188 million.

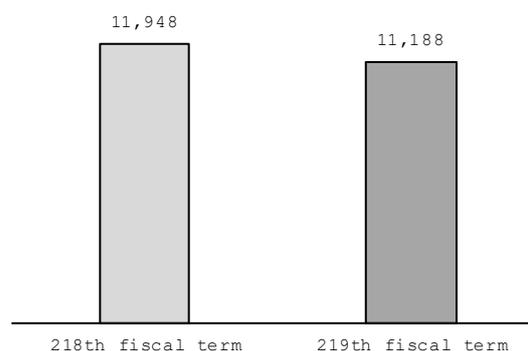
#### Net sales

Energy-related  
(Millions of yen)



#### Segment profit

Energy-related  
(Millions of yen)



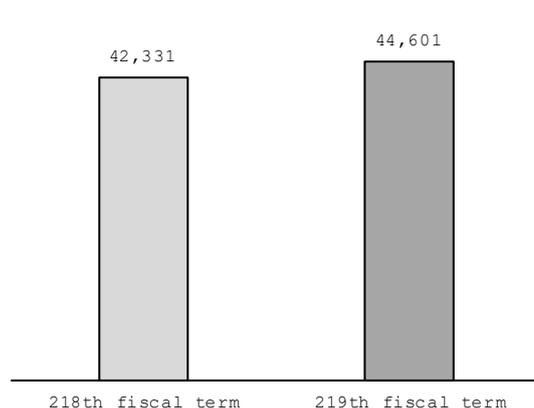
## 5) Real Estate

Net sales increased by 5.4% year on year to ¥44,601 million due to an increase in lease income from lands.

Segment profit increased by 14.6% year on year to ¥9,135 million.

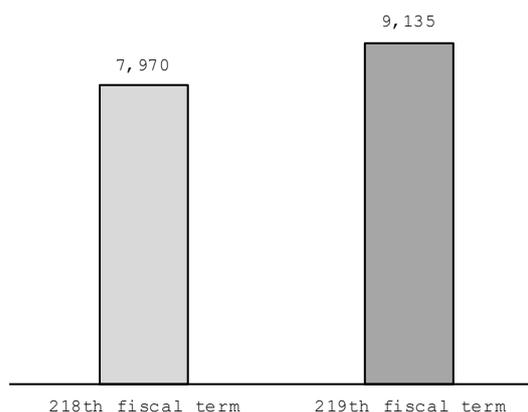
### Net sales

Real Estate  
(Millions of yen)



### Segment profit

Real Estate  
(Millions of yen)



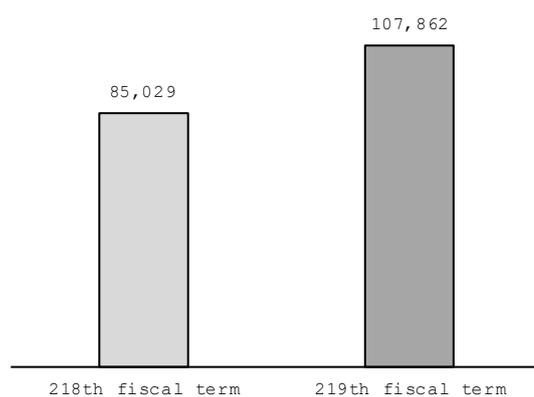
## 6) Other

Net sales increased by 26.9% year on year to ¥107,862 million, as shipping operations increased following the start of delivery of LNG from North America.

Segment profit increased by 45.3% year on year to ¥6,292 million.

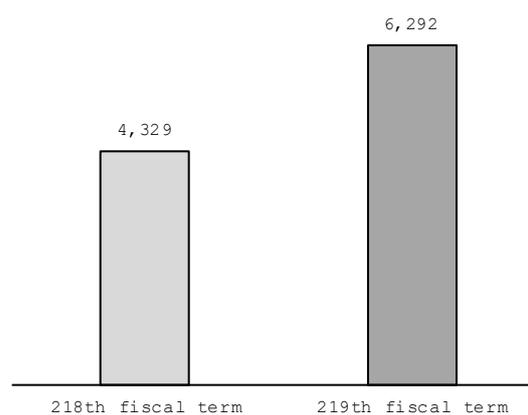
### Net sales

Other  
(Millions of yen)



### Segment profit

Other  
(Millions of yen)



## (2) Group Capital Expenditures

Total capital expenditures for this fiscal year amounted to ¥223,781 million.

In regard to distribution facilities, the total length of the pipeline network was extended by 498 kilometers during this fiscal year, to 64,055 kilometers as of March 31, 2019.

## (3) Group Financing Activities

In this fiscal year, the Company raised funds totaling ¥121.0 billion through issuing the 44th, 45th, 46th, 47th, 48th and 49th corporate unsecured bonds and obtaining loans payable. Balance of consolidated interest-bearing liabilities increased by ¥78,276 million compared with the previous year-end, to ¥803,216 million.

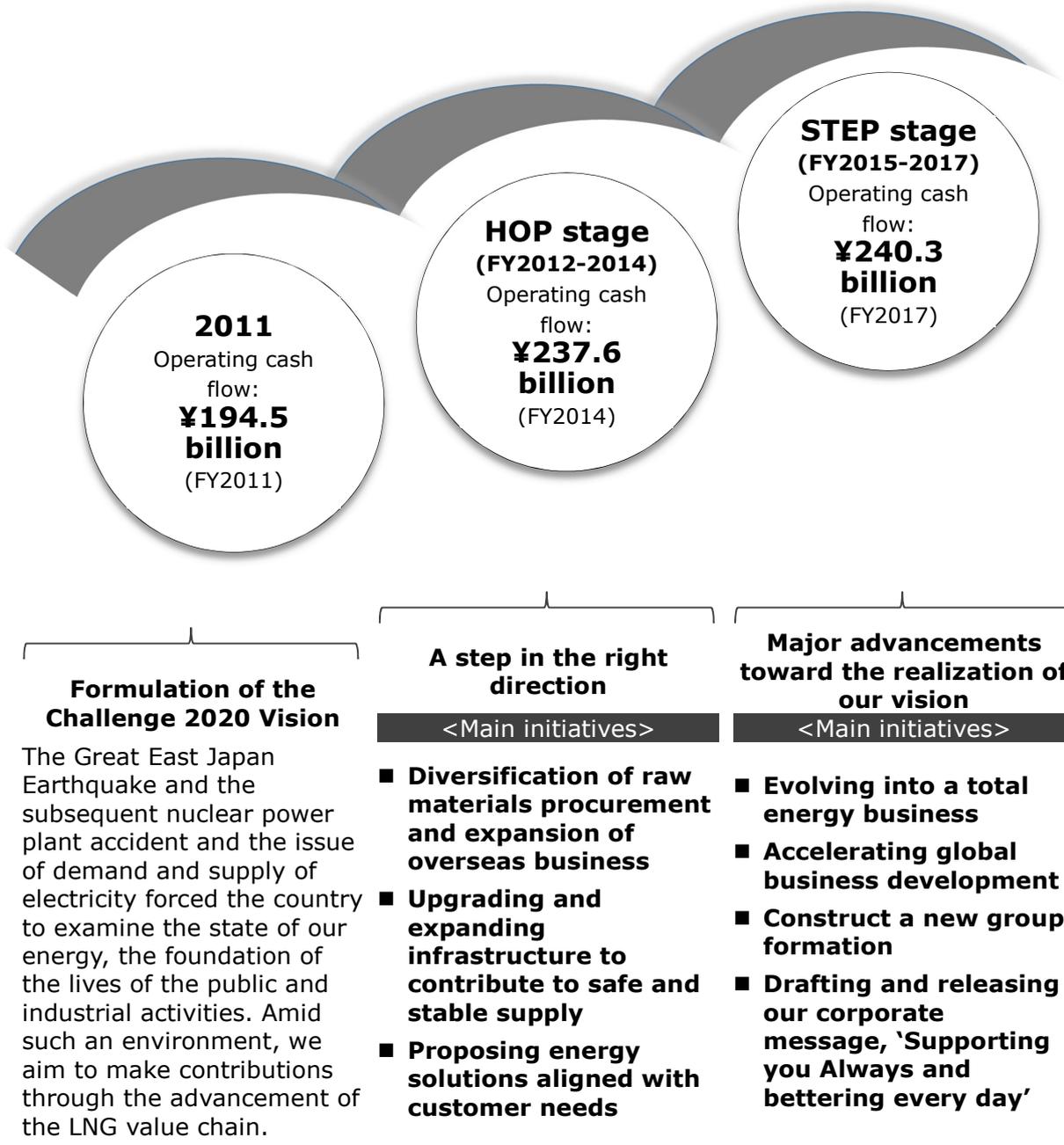
## (4) Prospective Challenges

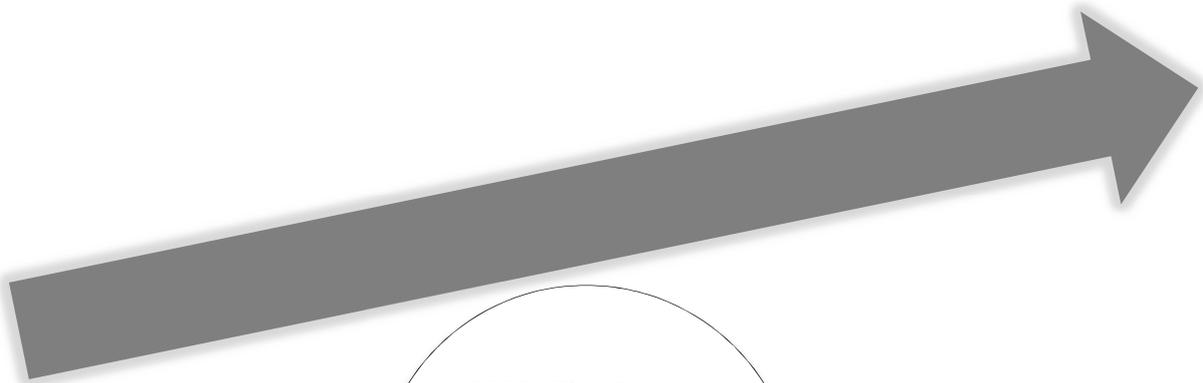
In November 2011, the Group released its Group Management Vision: 'Challenge 2020 Vision - Initiatives by the Tokyo Gas Group for Energy and for the Future.'

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

During the 'Jump' (FY2018-2020) stage, as compilation of our vision, by continuing to implement our process of non-linear reforms (business transformation unprecedented in its boldness and fundamental reform of our organizational structure), and by advancing our unique 'GPS×G' (Gas & Power + Service × Global) management plan for creating new value by specifying concrete initiatives with regard to what we can do as a company, we will continue working to ensure further advancements and breakthroughs for the Tokyo Gas Group into the 2020s.

- Overview of the Tokyo Gas Group FY2018-2020 Management Plan 'GPS2020'





**JUMP stage**  
**(FY2018-2020)**  
Operating cash  
flow:  
**¥280 billion**  
(FY2020)

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**Transition from 'Goals' to 'Capabilities'**

**Through a variety of means, we will deliver global gas and power along with services that meet our domestic and overseas customers' needs**

**GAS & POWER + SERVICE × GLOBAL**

**Total energy  
(GAS & POWER + SERVICE)**

- Provide optimal energy, featuring gas and electricity as a packaged service.
- Provide a one-stop offer for a full range of services designed to meet life stages and needs of residential customers.
- We will provide energy services and engineering for our commercial and industrial customers to reduce their energy usage and costs.

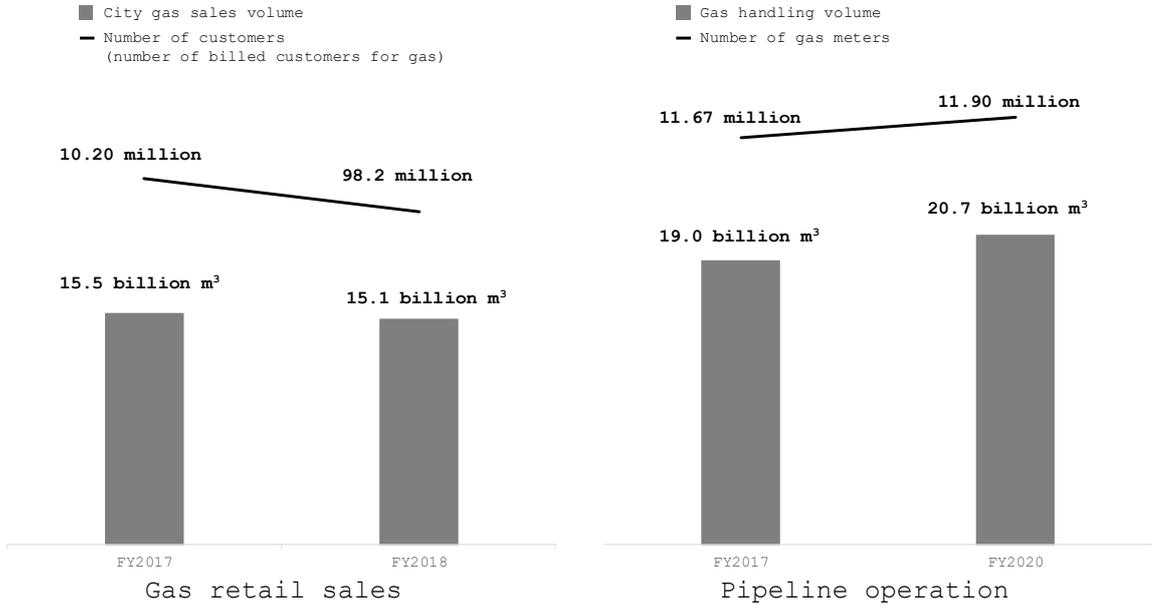


**GLOBAL**

- Establish offices in strategic areas and concentrate management resources to engage in proposal planning.
- Contribute to building energy infrastructure in coordination with the governments and enterprises in the fast-growing countries of Southeast Asia and other regions as the energy supply and demand structure of these regions continues to evolve.
- Build a firm foundation for profitability in North America and other regions where deregulation and market trading of energy is advancing, while acquiring and using the know-how that will contribute to our other businesses in Japan and overseas.

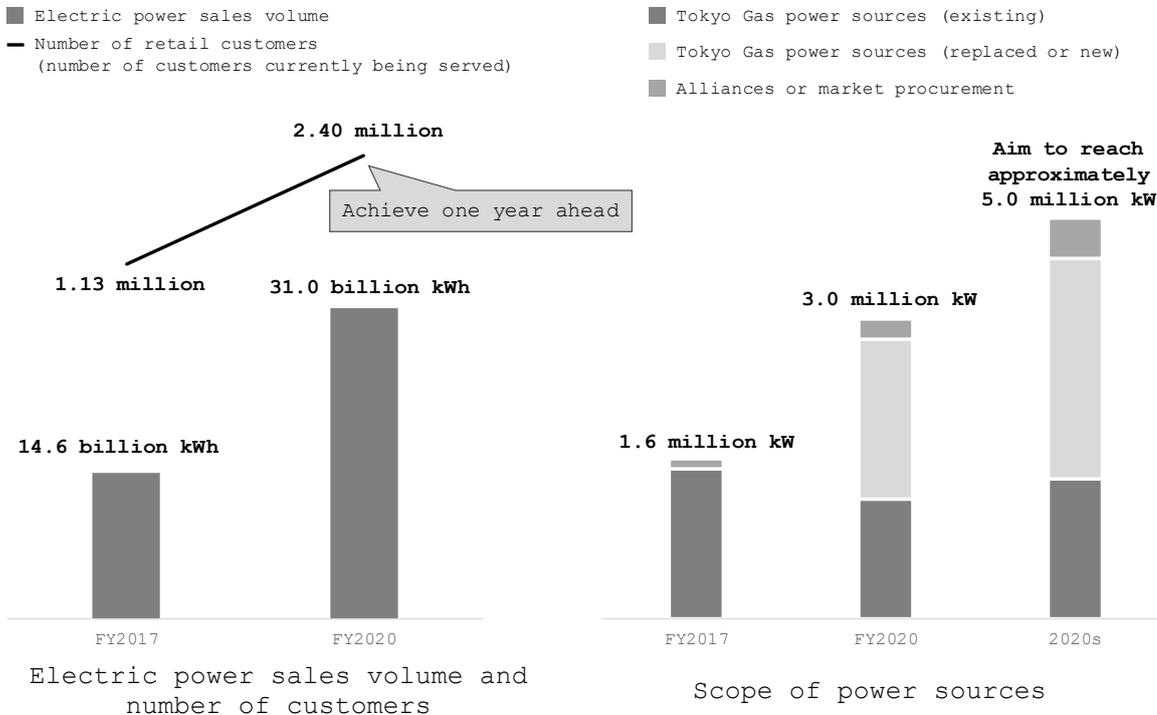
<GPS×G Initiatives>

Gas



- \* Gas handling volume indicates the gas handling volume as a pipeline operator, including city gas sales volume, gas volume used in-house under tolling arrangement, and LNG sales volume.
- \* Number of gas meters indicates the number of meters attached that includes inactive meters and meters for gas supply from other retail companies.

Electric Power



## Service

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

- Lifestyle services including gas devices and equipment
- Engineering services
- Regional development services (Real estate)

## Global

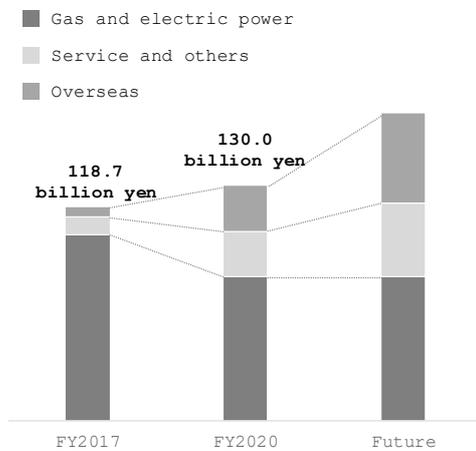
Utilizing our experience in the LNG value chain management, we will deepen and expand our business operations according to the regional characteristics of each area.

- North America We will participate in upstream, midstream and downstream business operations to acquire know-how and enhance our revenue base.
- Southeast Asia This area is expected to see further growth. We will continue to drive initiatives in midstream and downstream business operations.
- Australia We will seek to maximize the value of existing projects, with a primary focus on upstream interests.

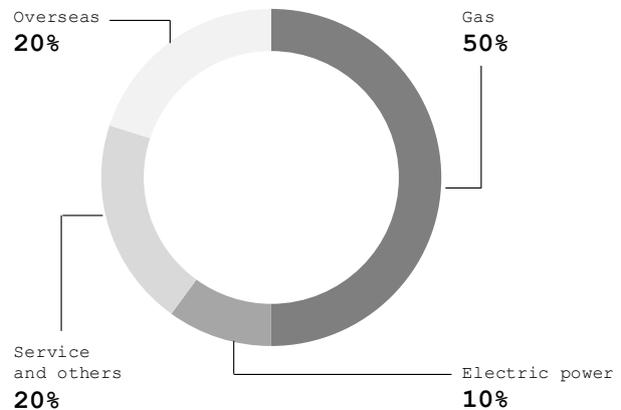


### <Major Indicators>

#### Operating profit + equity income



#### Image of profit breakdown in FY2020



### Financial Performance Indicators

	FY2017	FY2020
Profitability (ROE)	6.7%	Approx. 8%
Shareholder returns (Gross distribution propensity)	Approx. 60%	

\* In the above graphs and the table, FY2017 figures have been changed from forecast figures at the time of formulating GPS2020 (October 2017) to actual results.

- **Initiatives towards achieving GPS2020**

The Tokyo Gas Group has been encountering intensifying competition with various companies entering the energy market in the Tokyo Metropolitan area since the full liberalization of retail sales of gas took effect in April 2017, in the wake of the full liberalization of retail sales of electricity in April 2016, with the number of the Company's city gas retail customers declining by 388,000 in FY2018 due to switching to other companies. Despite this situation, we have been making steady progress in carrying out the 'GPS2020' management plan, particularly in terms gaining an increasing number of electricity contracts, thereby enabling us to strike a balance between offense and defense. In FY 2019, we will take steps geared to setting ourselves on a path toward achieving objectives of 'GPS2020' by working to evolve the comprehensive energy business (GPS) and accelerate global business development (×G), partially with the aim of solidifying foundations for achieving advancements and breakthroughs into the 2020s.

**<Strengthen LNG Value Chain>**

We have been accordingly expanding our LNG network while facilitating launches of new projects involving LNG production. We will continue to further promote global alliances with partners in and outside Japan as we diversify supply sources with a view to ensuring stable and low-cost LNG procurement.

**<Deliver electric power and services to customers>**

We aim to deliver electric power to even more customers by reaching our target of 2.4 million electricity contracts by FY2020 one year ahead of schedule. In addition, we will further upgrade our 'gas fixture special support,' 'residential monitoring services,' and other such services for residential customers, and will take steps to expand our energy services and other such offerings for commercial and industrial customers, while further expanding our new co-creation services largely by working with various business partners.

**<Accelerate Global Business Development>**

Drawing on our business experience cultivated in Japan and overseas in the field of natural gas and LNG, we have been promoting efforts that involve engaging in construction and operation of natural gas and LNG infrastructure, and supplying energy as well as taking part in renewable energy projects tailored to characteristics of respective regions. Going forward, we will make progress on landing new projects in respective countries, while also steadily promoting our existing projects.

**<Initiatives for Realizing a Low-carbon Society>**

We will tap renewable energy sources, enable whole towns to reduce their carbon emissions through the use of smart energy networks, and offer consulting and other services such as formulating plans that enable clients to achieve their RE100 goals and supporting procurement of electricity from renewable sources.

### <Initiatives for Digital Innovation>

We have established the 'New Business Development Project Department' this fiscal year and will set up a separate company during FY2019, thereby enabling us to accelerate the creation of new businesses and services leveraging digital technologies. Moreover, we have established the Business Transformation Department, which is to undertake initiatives for improving productivity largely by engaging in business process re-engineering geared to streamlining and enhancing operations.

The Group, through the abovementioned initiatives, will endeavor to ensure the peace-of-mind, safety, and trust, 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.

[Reference]

- **Our bonds and relationships of trust with our customers, developed over the course of the past more than 130 years**

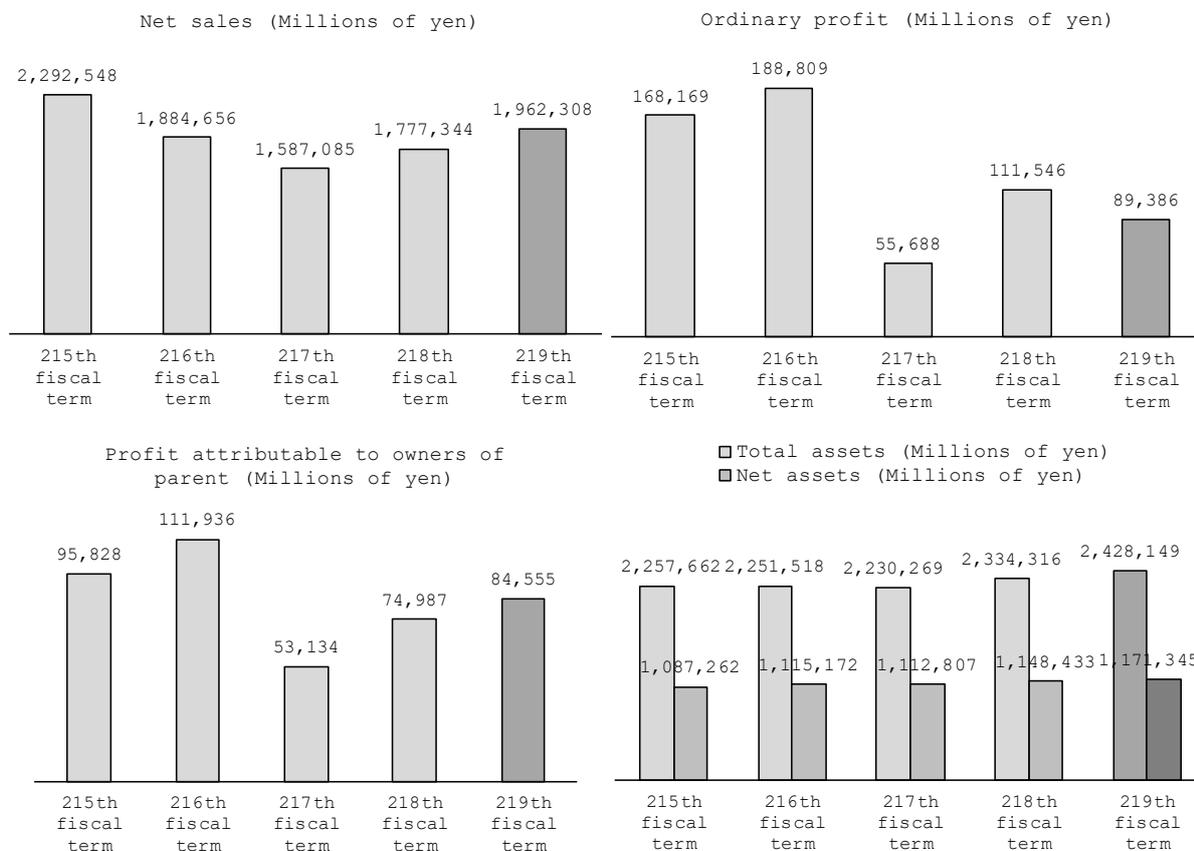
Our bonds and relationships of trust with our customers, developed over the course of the past more than 130 years, are our greatest strength. As of March 31, 2019, Tokyo Gas Lifeval, Enesta, and Enefit have 181 outlets and over 10,000 employees who act as 'the face of Tokyo Gas' in each local region. Their service menu includes gas tap opening and shutoff, conducting periodic safety inspections of gas-related equipment and facilities, and gas meter reading. In addition, they are involved in proposing, installing, and maintaining various types of gas fixtures and appliances as well as housing fixtures and appliances, and remodeling with a focus on kitchens, bathrooms and other plumbing renovations. They also handle inquiries and applications from many customers for electricity supply and various other services.

Going forward, the Tokyo Gas Group remains committed to providing one-stop gas, electricity and other services that support comfortable daily lifestyles for customers in local communities.

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

Categories (FY ended March 31)	215th fiscal term (2015)	216th fiscal term (2016)	217th fiscal term (2017)	218th fiscal term (2018)	219th fiscal term (2019)
Net sales (Millions of yen)	2,292,548	1,884,656	1,587,085	1,777,344	1,962,308
Ordinary profit (Millions of yen)	168,169	188,809	55,688	111,546	89,386
Profit attributable to owners of parent (Millions of yen)	95,828	111,936	53,134	74,987	84,555
Basic earnings per share (Yen)	39.15	46.68	115.09	164.12	187.60
Total assets (Millions of yen)	2,257,662	2,251,518	2,230,269	2,334,316	2,428,149
Net assets (Millions of yen)	1,087,262	1,115,172	1,112,807	1,148,433	1,171,345
Net assets per share (Yen)	438.28	460.35	2,398.70	2,487.58	2,575.99

- Notes: 1. The Company carried out a share consolidation at a ratio of 5 common shares to 1 effective October 1, 2017. Basic earnings per share and net assets per share are calculated assuming that the share consolidation was carried out at the beginning of the 217th fiscal term.
2. The Company has implemented the Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018) starting from the current year, and has implemented this standard retroactively with respect to total assets for the previous year (the 218th fiscal term). As a result, total assets for the previous year have decreased by ¥405 million.



## (6) Status of Principal Subsidiaries

Name of the company	The stated capital	Holding ratio of voting rights (%)	Main business activities
TOKYO GAS AUSTRALIA PTY LTD.	\$1,654,337 thousand	100.00	LNG upstream businesses in Australia
Tokyo Gas America Ltd.	\$861,680 thousand	100.00	LNG upstream businesses, etc. in the Americas
Tokyo Gas Urban Development Co., Ltd.	¥11,894 million	100.00	Real estate management, leasing and brokerage
Tokyo Gas Engineering Solutions Corporation	¥10,000 million	100.00	Energy service and comprehensive engineering service business
Tokyo Gas International Holdings B.V.	EURO 54,734 thousand	100.00	Overseas investment project
Ohgishima Power Co., Ltd.	¥5,350 million	75.00	Operation and management of power station
Tokyo Gas Site Development Co., Ltd.	¥5,000 million	100.00	Real estate development and leasing and management of land and buildings
Nagano Toshi Gas Inc.	¥3,800 million	89.22	City gas business
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	60.00	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 chemicals
Tokyo Gas Lease Co., Ltd.	¥450 million	100.00	Credit administration and leasing in connection with gas appliances and construction
TOKYO GAS i NET CORP.	¥400 million	100.00	Information processing service business
Nijio Co., Ltd.	¥47 million	100.00	Wholesale of electricity

- Notes: 1. Tokyo Gas Urban Development Co., Ltd. and Tokyo Gas Site Development Co., Ltd. have integrated operations as of April 1, 2019. The trade name has accordingly been changed to Tokyo Gas Real Estate Co., Ltd.
2. The number of consolidated subsidiaries and equity-method associates including the above 15 principal subsidiaries were 92 companies.

(7) Status of Reorganization, such as Business Assignment and Corporate Separation by Absorption or Corporate Separation by Incorporation

The Company resolved in its board of directors meeting on March 22, 2019 to undertake an absorption-type company split effective June 1, 2019, where Tokyo Gas will transfer real estate assets mainly used for leasing, and associated real estate business such as development, ownership, maintenance, management, operation, leasing, and sale & purchase to Tokyo Gas Urban Development Co., Ltd. (the name will be changed to Tokyo Gas Real Estate Co., Ltd. on April 1, 2019).

(8) Main Business Activities (As of March 31, 2019)

Business segment	Main business activities
Gas	Production, supply and sale of city gas, liquid gas business, LNG sales, etc.
Electric power	Production, supply and sale of electricity
Overseas business	Overseas upstream business, midstream and downstream business
Energy-related	Engineering solution business, gas appliances, gas installation work, construction, etc.
Real Estate	Leasing and management of land and buildings, etc.
Other	Information processing service, shipping business, etc.

(9) Main Business Offices and Factories (As of March 31, 2019)

1) The Company

Head Office	(Minato-ku, Tokyo)
Service Branches ( <i>Shisha, Shiten and Jigyobu</i> )	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 (Ushiku, Ibaraki) Gunma Branch Office (Takasaki, Gunma) Kumagaya Branch Office (Kumagaya, Saitama) Utsunomiya Branch Office (Utsunomiya, Tochigi) Sakura Branch Office (Sakura, Chiba) Tsukuba Branch Office (Tsukuba, Ibaraki) Ibaraki Branch Office (Mito, Ibaraki)
Pipeline Regional Office	Chuo Pipeline Regional Office (Shinjuku-ku, Tokyo) Seibu Pipeline Regional Office (Setagaya-ku, Tokyo) Tobu Pipeline Regional Office (Arakawa-ku, Tokyo) Hokubu Pipeline Regional Office (Kita-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) Hitachi LNG Terminal (Hitachi, Ibaraki)

2) Principal subsidiaries

Name	Location of Head Office	Name	Location of Head Office
TOKYO GAS AUSTRALIA PTY LTD	Australia	Tokyo LNG Tanker Co., Ltd.	Minato-ku, Tokyo
Tokyo Gas America Ltd.	United States of America	Tokyo Gas Energy Co., Ltd.	Chuo-ku, Tokyo
Tokyo Gas Urban Development Co., Ltd.	Shinjuku-ku, Tokyo	Captly Co., Ltd.	Shinagawa-ku, Tokyo
Tokyo Gas Engineering Solutions Corporation	Minato-ku, Tokyo	Tokyo Gas Chemicals Co., Ltd.	Minato-ku, Tokyo
Tokyo Gas International Holdings B.V.	Netherlands	Tokyo Gas Lease Co., Ltd.	Shinjuku-ku, Tokyo
Ohgishima Power Co., Ltd.	Yokohama, Kanagawa	TOKYO GAS i NET CORP.	Minato-ku, Tokyo
Tokyo Gas Site Development Co., Ltd.	Shinjuku-ku, Tokyo	Nijio Co., Ltd.	Minato-ku, Tokyo
Nagano Toshi Gas Inc.	Nagano, Nagano		

(10) Status of Employees (As of March 31, 2019)

1) Number of employees in the Group

Business segment	Number of employees (Change from previous year)	
Gas	6,622	(-486)
Electric power	261	(+28)
Overseas business	111	(+50)
Energy-related	5,210	(-174)
Real Estate	1,060	(-29)
Other	2,562	(+160)
Corporate	882	(+21)
Total	16,708	(-430)

- Notes: 1. 'Number of employees' refers to permanent full-time staff, includes employees seconded to the Company, and does not include employees seconded to other companies and temporary staff.  
2. Changes from the previous year have been calculated based on data after the change in business segments.

2) Number of employees in the Company

Number of employees (Change from previous year)	Average age (Years)	Average service years
7,343 (-519)	43.2	15.7

- 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, 2019)

Creditor	Balance of borrowings (Millions of yen)
Japan Bank for International Cooperation	81,935
Mizuho Bank, Ltd.	41,850
Meiji Yasuda Life Insurance Company	27,000
Shinkin Central Bank	26,000
Syndicated Loan	25,000
MUFG Bank, Ltd.	20,294
The Dai-ichi Life Insurance Company, Limited	18,500
The Ashikaga Bank, Ltd.	16,500
Sumitomo Life Insurance Company	15,500
Joyo Bank, Ltd.	15,000

Note: Syndicated loan is a joint-financing instrument with Development Bank of Japan Inc. and Mizuho Bank, Ltd. as managers.

2. Matters Related to Shares of the Company (As of March 31, 2019)

(1) Aggregate number of authorized shares

Common share: 1,300,000,000 shares

(2) Aggregate number of shares issued

Common share: 451,355,759 shares

(3) Share trade unit

100 shares

(4) Number of shareholders

104,845

(5) Major shareholders

Name of shareholders	Number of shares held (Thousand shares)	Percentage of share ownership (%)
Nippon Life Insurance Company	31,296	6.96
The Master Trust Bank of Japan, Ltd. (Trust Account)	28,168	6.26
The Dai-ichi Life Insurance Company, Limited	24,094	5.35
Japan Trustee Services Bank, Ltd. (Trust Account)	21,132	4.70
Japan Trustee Services Bank, Ltd. (Trust Account 7)	10,478	2.33
Tokyo Gas Group Employees Shareholding Association	8,409	1.87
Japan Trustee Services Bank, Ltd. (Trust Account 9)	8,126	1.81
STATE STREET BANK WEST CLIENT-TREATY 505234	8,003	1.78
Japan Trustee Services Bank, Ltd. (Trust Account 5)	7,710	1.71
Fukoku Mutual Life Insurance Company	7,472	1.66

Note: Percentage of share ownership is calculated by the number of shares excluding treasury share (1,410,673 shares).

(6) Other principal items regarding shares

1) Retirement of treasury shares

Common share: 6,717,500 shares

Total value of retirement: ¥19,580,303,350

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

Common share: 1,410,673 shares

3. Matters Related to Share Option in Kind (As of March 31, 2019)

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, 2019)

Name	Position	Areas of responsibility in the Company and 'Important concurrent posts'
Michiaki Hirose	Director and Chairman of the Board	
Takashi Uchida	Representative Director, President	
Masaru Takamatsu	Representative Director, Executive Vice President	Chief Executive of Residential Service Div.
Takashi Anamizu	Representative Director, Executive Vice President	Chief Executive of Energy Solution Div. Chief Executive of Power Business Div.
Kunio Nohata	Director, Senior Managing Executive Officer	Chief Executive of Global Business Div.
Akihiko Ide	Outside Director	Director of Sakai Chemical Industry Co., Ltd.
Yoshinori Katori	Outside Director	
Chika Igarashi	Outside Director	Attorney at law of Nishimura & Asahi
Hideaki Obana	Standing Audit & Supervisory Board Member	
Hideaki Arai	Standing Audit & Supervisory Board Member	
Yoshihiko Morita	Outside Audit & Supervisory Board Member	
Masato Nobutoki	Outside Audit & Supervisory Board Member	
Sawako Nohara	Outside Audit & Supervisory Board Member	President and Representative Director of IPSe Marketing, Inc. Outside Director of Sompo Holdings, Inc. Outside Director of JAPAN POST BANK Co., Ltd.

Note: Outside Audit & Supervisory Board Member Yoshihiko Morita has in-depth experiences in international finance field activities and is highly knowledgeable about financial accounting matters.

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

Category	Total value of remuneration, etc. (Millions of yen)	Total value of remuneration, etc. by type (Millions of yen)				Number of payees (people)
		Fixed remuneration (monthly remuneration)	Performance-linked remuneration		Retirement benefits	
			Monthly remuneration	Bonuses		
Directors (excluding Outside Directors)	368	253	59	56	-	8
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	74	74	-	-	-	2
Outside Directors	34	27	-	6	-	3
Outside Audit & Supervisory Board Members	33	33	-	-	-	4

- Notes: 1. The above includes three (3) Directors and one (1) Outside Audit & Supervisory Board Member retiring upon the conclusion of the 218th Annual Shareholders Meeting.
2. The aggregate monthly remuneration payable to all Directors (including Outside 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.
3. The aggregate monthly remuneration payable to all Audit & Supervisory Board Members (including Outside 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 has set forth its 'Basic Policy on Remuneration' and the Board of 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 Akihiko Ide
- 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 in which Mr. Ide has the important concurrent posts.
  - ii. Status of major activities during the business year under review
 

Mr. Ide has attended 12 of 12 Board of Directors meetings. Mr. Ide provides the Company with a wide variety of opinions on its management operations by using the cosmopolitan outlook he has acquired in overseas businesses in the general materials industry, particularly in Asia, as well as the management capabilities and in-depth knowledge he has acquired through a wide range of business development in resource business and others.

The Company designates Mr. Ide 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 and Nagoya Stock Exchange).
- 2) Outside Director Yoshinori Katori
- 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. Katori has attended 12 of 12 Board of Directors meetings. Given his international way of thinking acquired as a diplomat,

wide perspective and in-depth knowledge, Mr. Katori provides the Company with a wide variety of opinions on its management operations.

The Company designates Mr. Katori 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 and Nagoya Stock Exchange).

3) Outside Director Chika Igarashi

- 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 in which Ms. Igarashi has the important concurrent posts.

- ii. Status of major activities during the business year under review  
Ms. Igarashi has attended 12 of 12 Board of Directors meetings. Given her high level of legal expertise built up through many years of experience in corporate legal affairs, broad outlook and in-depth knowledge, Ms. Igarashi provides the Company with a wide variety of opinions on its management operations.  
The Company designates Ms. Igarashi as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified her to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).

4) 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 are no items to report.

- ii. Status of major activities during the business year under review  
Mr. Morita has attended 12 of 12 Board of Directors meetings and 12 of 12 Audit & Supervisory Board meetings. 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 and Nagoya Stock Exchange).

5) Outside Audit & Supervisory Board Member Masato Nobutoki

- 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. Nobutoki has attended 11 of 12 Board of Directors meetings and 11 of 12 Audit & Supervisory Board meetings. Given the abundant experience and deep insight as a company employee and as a public officer of a local government agency, Mr. Nobutoki offers appropriate opinions both at meetings of the

Board of Directors and the Audit & Supervisory Board.  
The Company designates Mr. Nobutoki 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 and Nagoya Stock Exchange).

- 6) Outside Audit & Supervisory Board Member Sawako Nohara
- 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 in which Ms. Nohara has the important concurrent posts.
  - ii. Status of major activities during the business year under review  
Ms. Nohara has attended 9 of 10 Board of Directors meetings and 9 of 10 Audit & Supervisory Board meetings held after she was appointed at the 218th Annual Shareholders Meeting. Given the experience as a corporate manager and advanced specialization and in-depth knowledge related to IT, Ms. Nohara offers appropriate opinions both at meetings of the Board of Directors and the Audit & Supervisory Board.  
The Company designates Ms. Nohara as the 'Independent Officer' (Independent Audit & Supervisory Board Member), who will not have conflicting interests with general shareholders, and notified her to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).

The Company has entered into agreements with respective Outside Directors and respective Outside Audit & Supervisory Board Members that limit their liability for damages under Article 423, paragraph 1 of the Companies Act to the amount provided for in Article 425, paragraph 1 of the same Act.

## 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

(Millions of yen)

Category	Compensation for audit services	Compensation for non-audit services
The Company	130	23
Consolidated subsidiaries	133	7
Total	264	31

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 of the Company's compensation for auditing services also includes payments for auditing services based on the Financial Instruments and Exchange Act, etc.

2. The Company's Audit & Supervisory Board discussed matters by taking into account, for example, the details of the audit plan prepared by the Accounting Auditor, and the basis of calculating remuneration and the past audit results, and then reached an agreement on the amount of remuneration of the Accounting Auditor in accordance with Article 399 of the Companies Act.

3. Of the principal subsidiaries of the Company, TOKYO GAS AUSTRALIA PTY LTD, Tokyo Gas America 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 non-audit services such as financial due diligence reporting, drafting of comfort letters relating to issuance of unsecured bonds, and services relating to statements of income and expenditure for Wheeling Service.

### (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 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 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 and society.

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 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 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, 2019

(Millions of yen)

<b>ASSETS</b>	
<b>Non-current Assets</b> .....	1,901,403
Property, plant and equipment .....	1,425,634
Production facilities .....	234,433
Distribution facilities .....	548,529
Service and maintenance facilities .....	49,586
Other facilities .....	447,608
Inactive facilities .....	316
Construction in progress .....	145,160
Intangible assets .....	120,359
Goodwill .....	1,306
Other .....	119,052
Investments and other assets .....	355,409
Investment securities .....	225,212
Long-term loans receivable .....	40,158
Net defined benefit asset .....	24
Deferred tax assets .....	42,425
Other .....	47,950
Allowance for doubtful accounts .....	(362)
<b>Current Assets</b> .....	526,745
Cash and deposits .....	93,092
Notes and accounts receivable-trade .....	265,225
Lease receivables and investment assets .....	19,647
Merchandise and finished goods .....	2,194
Work in process .....	12,730
Raw materials and supplies .....	63,735
Other .....	71,306
Allowance for doubtful accounts .....	(1,186)
<b>Total Assets</b> .....	<b>2,428,149</b>

(Millions of yen)

<b>LIABILITIES AND NET ASSETS</b>	
<b>LIABILITIES</b>	
<b>Non-current Liabilities</b> .....	919,176
Bonds payable .....	334,998
Long-term loans payable .....	394,542
Deferred tax liabilities .....	17,517
Net defined benefit liability .....	75,262
Provision for gas holder repairs .....	2,990
Provision for safety measures .....	1,776
Provision for appliance warranties.....	14,057
Provision for point service program .....	1,450
Asset retirement obligations .....	11,940
Other .....	64,640
<b>Current Liabilities</b> .....	337,626
Current portion of non-current liabilities .....	51,566
Notes and accounts payable-trade .....	69,605
Short-term loans payable .....	5,133
Income taxes payable .....	31,283
Other .....	180,037
<b>Total Liabilities</b> .....	<b>1,256,803</b>
<b>NET ASSETS</b>	
<b>Shareholders' Equity</b> .....	1,115,918
Capital stock .....	141,844
Capital surplus .....	1,634
Retained earnings .....	976,550
Treasury shares .....	(4,111)
<b>Accumulated Other Comprehensive Income</b> .....	43,137
Valuation difference on available-for-sale securities .....	22,756
Deferred gains or losses on hedges .....	1,604
Foreign currency translation adjustment .....	24,770
Remeasurements of defined benefit plans .....	(5,994)
<b>Non-controlling interests</b> .....	12,289
<b>Total Net Assets</b> .....	<b>1,171,345</b>
<b>Total Liabilities and Net Assets</b> .....	<b>2,428,149</b>

## Consolidated Statement of Income

From April 1, 2018 to March 31, 2019

(Millions of yen)

Net sales.....	1,962,308
Cost of sales.....	1,407,345
[Gross profit].....	[554,963]
Supply and sales expenses.....	392,466
General and administrative expenses.....	68,791
[Operating profit].....	[93,704]
Non-operating income .....	13,771
Interest income .....	1,612
Dividend income .....	2,812
Rent income .....	1,668
Share of profit of entities accounted for using equity method ..	2,794
Miscellaneous income .....	4,883
Non-operating expenses .....	18,089
Interest expenses .....	11,091
Miscellaneous expenses .....	6,997
[Ordinary profit] .....	[89,386]
Extraordinary income .....	35,727
Gain on sales of non-current assets .....	29,306
Gain on sales of investment securities .....	6,420
Extraordinary losses .....	7,865
Loss on valuation of investment securities .....	7,865
[Profit before income taxes] .....	[117,248]
Income taxes - current .....	26,113
Income taxes - deferred .....	6,823
Profit.....	84,311
Loss attributable to non-controlling interests .....	(244)
Profit attributable to owners of parent .....	84,555

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

Non-Consolidated Balance Sheet

As of March 31, 2019

(Millions of yen)

<b>ASSETS</b>	
<b>Non-current Assets</b> .....	1,680,852
Property, plant and equipment .....	960,766
Production facilities .....	238,636
Distribution facilities .....	541,740
Service and maintenance facilities .....	64,729
Facilities for incidental businesses .....	5,587
Inactive facilities .....	316
Construction in progress .....	109,756
Intangible assets .....	97,690
Patent right .....	10
Leasehold right .....	1,763
Goodwill .....	100
Other .....	95,815
Investments and other assets .....	622,395
Investment securities .....	65,711
Investments in subsidiaries and associates .....	364,614
Long-term loans receivable .....	41
Long-term loans receivable from subsidiaries and associates ....	133,053
Investments in capital .....	13
Long-term prepaid expenses .....	23,848
Deferred tax assets .....	26,914
Other .....	8,534
Allowance for doubtful accounts .....	(336)
<b>Current Assets</b> .....	398,009
Cash and deposits .....	37,225
Notes receivable - trade .....	1,139
Accounts receivable - trade .....	187,677
Accounts receivable from subsidiaries and associates - trade ...	39,152
Accounts receivable - other .....	7,848
Finished goods .....	113
Raw materials .....	44,350
Supplies .....	10,339
Advance payments .....	1,156
Prepaid expenses .....	1,126
Short-term receivables from subsidiaries and associates .....	25,919
Other .....	43,183
Allowance for doubtful accounts .....	(1,223)
<b>Total Assets</b> .....	<b>2,078,862</b>

(Millions of yen)

<b>LIABILITIES AND NET ASSETS</b>	
<b>LIABILITIES</b>	
<b>Non-current Liabilities</b> .....	782,917
Bonds payable .....	334,998
Long-term loans payable .....	331,762
Long-term debt to subsidiaries and associates .....	361
Provision for retirement benefits .....	59,078
Provision for gas holder repairs .....	2,631
Provision for safety measures .....	1,776
Provision for appliance warranties .....	14,057
Provision for point service program .....	1,450
Asset retirement obligations .....	316
Other .....	36,484
<b>Current Liabilities</b> .....	404,732
Current portion of non-current liabilities .....	40,536
Accounts payable - trade .....	39,923
Accounts payable - other .....	43,239
Accrued expenses .....	50,517
Income taxes payable .....	22,552
Advances received .....	7,912
Deposits received .....	1,534
Short-term loans payable from subsidiaries and associates .....	135,962
Short-term debt to subsidiaries and associates .....	48,233
Other .....	14,319
<b>Total Liabilities</b> .....	<b>1,187,649</b>
<b>NET ASSETS</b>	
<b>Shareholders' Equity</b> .....	878,964
Capital stock .....	141,844
Capital stock .....	141,844
Capital surplus .....	2,065
Legal capital surplus .....	2,065
Retained earnings .....	739,165
Legal retained earnings .....	35,454
Other retained earnings .....	703,710
Reserve for advanced depreciation of non-current assets.....	6,161
Reserve for overseas investment loss.....	6,766
Reserve for adjustment of cost fluctuations.....	141,000
General reserve.....	339,000
Retained earnings brought forward.....	210,782
Treasury shares .....	(4,111)
Treasury shares .....	(4,111)
<b>Valuation and Translation Adjustments</b> .....	12,248
Valuation difference on available-for-sale securities .....	22,271
Valuation difference on available-for-sale securities .....	22,271
Deferred gains or losses on hedges .....	(10,023)
Deferred gains or losses on hedges .....	(10,023)
<b>Total Net Assets</b> .....	<b>891,212</b>
<b>Total Liabilities and Net Assets</b> .....	<b>2,078,862</b>

## Non-Consolidated Statement of Income

From April 1, 2018 to March 31, 2019

(Millions of yen)

<b>Gas business sales</b> .....	1,211,256
Gas sales .....	1,193,670
Third party access revenue .....	10,374
Revenue from interoperator settlement .....	7,212
<b>Cost of sales</b> .....	770,980
Beginning inventories .....	110
Cost of products manufactured .....	763,479
Purchase of finished goods .....	9,432
Costs of gas for own use .....	1,928
Ending inventories .....	113
<b>[Gross profit]</b> .....	<b>[440,276]</b>
<b>Supply and sales expenses</b> .....	<b>343,410</b>
<b>General and administrative expenses</b> .....	<b>70,090</b>
<b>[Income on core business]</b> .....	<b>[26,776]</b>
<b>Miscellaneous operating revenue</b> .....	<b>159,515</b>
Revenue from installation work .....	41,805
Other miscellaneous operating revenue .....	117,709
<b>Miscellaneous operating expenses</b> .....	<b>144,318</b>
Expenses of installation work .....	40,259
Other miscellaneous operating expenses .....	104,058
<b>Revenue for incidental businesses</b> .....	<b>397,794</b>
<b>Expenses for incidental businesses</b> .....	<b>390,847</b>
<b>[Operating profit]</b> .....	<b>[48,920]</b>
<b>Non-operating income</b> .....	<b>29,745</b>
Interest income .....	417
Dividend income .....	1,885
Dividends from subsidiaries and associates .....	14,201
Rent income .....	5,703
Miscellaneous income .....	7,536
<b>Non-operating expenses</b> .....	<b>15,755</b>
Interest expenses .....	4,111
Interest on bonds .....	5,033
Amortization of bond issuance cost .....	384
Adjustments of charges for construction of distribution facilities .....	1,791
Miscellaneous expenses .....	4,435
<b>[Ordinary profit]</b> .....	<b>[62,910]</b>
<b>Extraordinary income</b> .....	<b>4,419</b>
Gain on sales of investment securities .....	4,419
<b>Extraordinary losses</b> .....	<b>-</b>
<b>[Profit before income taxes]</b> .....	<b>[67,329]</b>
<b>Income taxes - current</b> .....	<b>13,850</b>
<b>Income taxes - deferred</b> .....	<b>(237)</b>
<b>Profit</b> .....	<b>53,717</b>

**Independent Auditor's Report**

May 14, 2019

The Board of Directors  
Tokyo Gas Co., Ltd.

KPMG AZSA LLC

Yoshihide Takehisa (Seal)  
Designated Limited Liability  
Partner  
Engagement Partner  
Certified Public Accountant

Toshiyuki Tamura (Seal)  
Designated Limited Liability  
Partner  
Engagement Partner  
Certified Public Accountant

Yoshihiro Uehara (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, 2019 and for the year from April 1, 2018 to March 31, 2019 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 misstatement, 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 judgment, 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 to express 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.

**Independent Auditor's Report**

May 14, 2019

The Board of Directors  
Tokyo Gas Co., Ltd.

KPMG AZSA LLC

Yoshihide Takehisa (Seal)  
Designated Limited Liability  
Partner  
Engagement Partner  
Certified Public Accountant

Toshiyuki Tamura (Seal)  
Designated Limited Liability  
Partner  
Engagement Partner  
Certified Public Accountant

Yoshihiro Uehara (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, 2019 and for the year from April 1, 2018 to March 31, 2019 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 misstatement, 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 judgment, 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 to express 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 each Audit & Supervisory Board Members on the execution of the duties of Directors for the 219th business year from April 1, 2018 to March 31, 2019, 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 strived to maintain an environment for information gathering and auditing, and 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, requested explanations as needed, inspected important decision-making documents, etc. 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) With respect to 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 corporate group consisting of a joint-stock corporation and its subsidiaries, and also the corporate structure and system (internal control system) put in place by the said resolutions, which are described in the business report, Audit & Supervisory Board Members and the Board debriefed Directors and employees on the status of the establishment and management of the corporate structure and system, requested explanations as needed, and made opinions. 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 monitored and verified whether or not the Independent Auditors had maintained their independent positions and had conducted appropriate audits, 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 and its supporting schedules, 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, etc.

- 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 descriptions in the Business Report and execution by Directors of their duties related to the said internal control system, including the internal control covering financial reporting, have 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, 2019

Tokyo Gas Co., Ltd. Audit & Supervisory Board	
Hideaki Obana	Standing Audit & Supervisory Board Member
Hideaki Arai	Standing Audit & Supervisory Board Member
Yoshihiko Morita	Outside Audit & Supervisory Board Member
Masato Nobutoki	Outside Audit & Supervisory Board Member
Sawako Nohara	Outside Audit & Supervisory Board Member