

July 29, 2020

President's Message to Our Stakeholders during the COVID-19 Pandemic

Takashi Uchida

President

Tokyo Gas Co., Ltd.

First, I would like to offer my sincere condolences to the victims of the coronavirus (COVID-19) infection and my heartfelt sympathy to those who have been affected by the disease. I would also like to express my profound gratitude to the medical personnel and many others who are working hard to prevent the further spread of the disease.

“We must never stop supplying energy.” This is the first thing that came to mind as a top management official when COVID-19 started spreading, and it is what I shared with all Group employees. As a company that supports lifelines, we hereby announce the following three declarations in order to continue to provide our stakeholders with safety and peace of mind and to remain a dependable corporate group in all emergencies.

First, we will fulfill our public mission as an energy provider. The Group supplies gas and electricity not only to households, but also to medical institutions, public facilities, and factories. Thus, we bear a significant responsibility to maintain a stable supply of energy, even in times of emergency. We will fulfill our primary and minimum responsibilities as an energy provider, which are to procure raw materials without disruption, safely produce gas and generate electricity, and maintain and manage supply and safety systems under any environment. In addition, we will continue to support our customers' lifestyles at each of our sites, mainly by providing customer services through LIFEVAL outlets and addressing gas leaks with Gaslight 24.

Second, we will fulfill our social responsibility as a corporate citizen. The Group was among the first to implement special measures to extend payment deadlines for customers who were temporarily unable to pay their bills due to the spread of the infection. We have also donated foodstuffs to food banks to support families in financial distress and provided stockpiled N95 masks to medical professionals. In our daily business contacts, many of our customers thank us for our service in a difficult time. Encouraged by these comments, we will responsibly do what we can and should to contribute to the provision of safe, secure livelihoods for people, while taking the necessary measures under the motto, “Don't become infected, don't let other people get infected.”

Third, we will achieve sustainable development together with society. Despite the current difficult business environment, the Group is taking steady steps toward achieving its management vision, Compass 2030. In May, we invested in Principle Power, a U.S.-based company that develops and owns floating offshore wind technology, which represents our steady progress in achieving net zero CO₂ emissions. In July, our smart

energy network project was completed in the northern district, adjacent to the east exit of JR Tamachi Station. The project is aimed at conserving energy, reducing CO₂ emissions, and enhancing resilience through the Smart Energy Network Energy Management System (SENEMS). In response to the diversifying values of our customers, we are reforming our business model to deliver the required services, at the right time and in an optimized way. Going forward, we will continue to generate and provide new value to help create a sustainable society from the perspective of turning contingencies into opportunities.

Irreversible changes in the market environment due to the COVID-19 pandemic have increased the uncertainty in our business environment. The direction of the four Ds,* the keywords for the business environment and trends of the times defined in Compass 2030, will not change, but the pace will accelerate. In addition, there are other changes taking place that are even more noteworthy, such as changes in the economic base due to global economic turmoil and declining energy demand, and changes in awareness toward a sustainable society, such as sustainable resilience.

Going forward, we will accelerate the increasingly important digital transformation and cost structure reforms, while assessing the impact of these changes on the Group's FY 2020–2022 Medium-Term Management Plan and executing more effective action plans.

The Tokyo Gas Group, including its subsidiaries and partner companies, will work together even in times of emergency to accelerate the growth that will lead to the achievement of our management vision, Compass 2030, thereby becoming even more trusted by all our stakeholders.

By “providing energy and energy solutions for the future lifestyle, society and the earth,” together with the society as a whole, the Tokyo Gas Group will explore to the future.

*Four Ds: Decarbonization, Digitalization, Diversification (changes and diversification of customers' value), and Deregulation