



# Corporate Governance

Overview of Corporate Governance System	30
Internal Control System	30
Outside Directors	31
Officer Remuneration	32
Advisory Committee	32
Audits by Corporate Auditors	32
Independent Auditors	33
Compliance	33
Risk Management System	34
Earthquake and Disaster Countermeasures	36
Toward the Realization of a Safe Gas Supply that is Even More Resistant to Disaster Damage	36
Board of Directors and Corporate Auditors	37

## Corporate Governance

Tokyo Gas 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. Tokyo Gas continues to emphasize the importance of accurate and prompt decision making, efficient business operations, strengthening of auditing and monitoring functions, and clarification of management and executive responsibilities.

### Overview of Corporate Governance System

Tokyo Gas takes a proactive stance in employing outside directors and outside corporate auditors. The Company has created a system featuring multiple auditing and supervisory layers in its aim to achieve highly objective and transparent governance.

#### Invitation of Outside Directors

In 2002, we reduced the number of directors to raise the speed and effectiveness of management decision-making. In addition, we have invited outside directors to serve on the Board of Directors in order to improve transparency and to reinforce the supervision of business execution. The Board of Directors has 11 members, including 3 outside directors.

#### Establishment of Advisory Committee

We have established the Advisory Committee, which is made up of three representatives from the outside directors and outside corporate auditors and two inside directors. In accordance with inquiries from the Board of Directors, the Advisory Committee selects officer candidates in a fair and appropriate manner and deliberates on officer remuneration in accordance with the Company's basic policy for officer remuneration.

#### Corporate Auditors

In the past, the Company had invited 2 outside corporate auditors, and in 2006 the number of outside corporate auditors was increased by one. The five corporate auditors, which now include three outside corporate auditors, conduct strict audits.

#### Realizing Accurate, Rapid Decision-Making and Efficient Business Execution

The Corporate Executive Committee, which meets weekly as a general rule, deliberates on provisions stemming from Board of Directors' resolutions and important management-related issues. The Company has introduced an executive officer system for business execution in accordance with decisions of the Board of Directors. Substantial authority has been delegated to executive officers in their designated

areas of responsibility, while directors, as appropriate, receive reports on the status of execution from executive officers and monitor the executive officers. In addition, executive officers report to the Board of Directors as needed. (To clarify management responsibility and executive responsibility, the terms of office of directors and executive officers have been fixed at one year.)

#### Working to Promote Transparent Management and Create a Flexible and Open Corporate Culture

In fiscal 2002, the Company established the Management Ethics Committee, chaired by the President. We also formed in-house committees to address issues that are important from a management perspective, such as compliance, risk management, customer satisfaction, and safety. This structure facilitates the sharing of information within the Group, as well as deliberations, adjustments, and decisions regarding the Group's overall direction.

As of June 28, 2012

Overview of Corporate Governance System	
Number of directors	11
Average age of directors	65.7
Number of outside directors	3
Number of independent officers	6
Number of corporate auditors	5
Number of outside corporate officers	3
Participation of outside directors / outside corporate auditors in determination of remuneration	Yes
Participation of outside directors in determination of director candidates	Yes
Number of meetings of Board of Directors*	11
Attendance rate of outside directors at meetings of Board of Directors*	91%
Term of office of directors	One year
Results-linked remuneration	Yes
Share purchase system to reflect the perspective of shareholders in management	Yes

\* Total for the period from April 2011 to March 2012

### Internal Control System

To secure management soundness and transparency and to realize the management philosophy, the Company has formulated the "Basic Policy on Development of Corporate Structures and Systems

for Ensuring Appropriateness of Operations (Internal Control System) for the Tokyo Gas Group," and the Company is applying this policy in an appropriate manner.

## Outside Directors

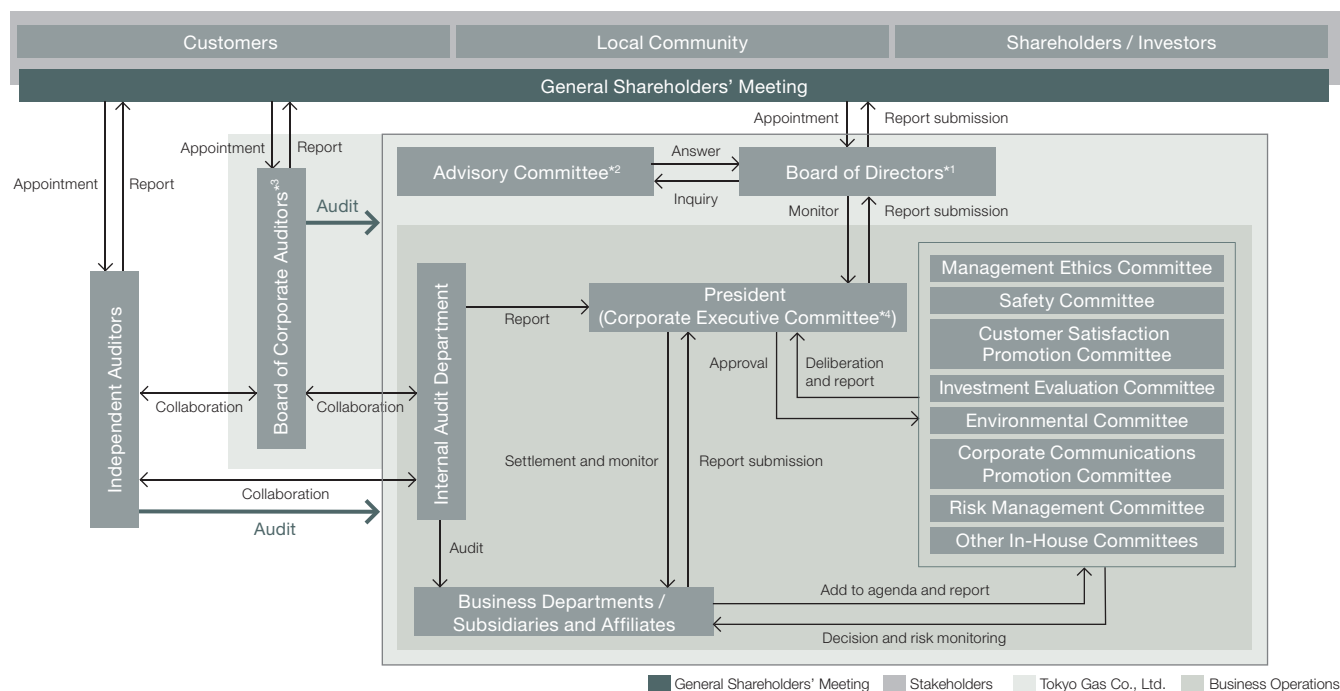
In accordance with their individual experience and knowledge, the outside directors strive to secure the soundness and appropriateness of deliberations and decisions regarding business execution. From an independent viewpoint, the outside directors monitor the performance of duties by the directors and exercise their authority at meetings of the Board of Directors. In this way, the outside directors contribute to the improvement of the rationality and objectivity of the Company's business execution and of the deliberations and decisions of the Board of Directors.

In making judgments about matters related to the independence of outside officers, such as capital, transactions, and relationships,

we comprehensively verify that they are unlikely to have conflicts of interest with general shareholders and they are in a position that enables them to be objective and neutral, and on that basis we make a judgment on their independence. The Advisory Committee has confirmed that none of the outside officers has a material conflict of interest with the Company—in regard to capital, transactions, or relationships—and has confirmed their independence in accordance with the above standards. The Committee's decision has been reported to the Board of Directors, which has designated them as independent officers and reported that designation to the stock exchanges on which the Company is listed.

Name	Current position	Reason for selection
Yukio Sato	Vice Chairman of the Japan Institute of International Affairs	The Company's management will benefit from Yukio Sato's international way of thinking nurtured through diplomacy, wide perspective and in-depth knowledge.
Ryuichi Tomizawa	Senior Corporate Advisor of Mitsubishi Chemical Holdings Corporation	The Company's management will benefit from Ryuichi Tomizawa's international way of thinking nurtured in the aggressive overseas penetration of the chemical industry, wide perspective, and in-depth knowledge.
Yoshihiko Nakagaki	Corporate Advisor of Electric Power Development Co., Ltd.	The Company's management will benefit from Yoshihiko Nakagaki's management way of thinking nurtured at Electric Power Development Co., Ltd., in a wide range of business development activities, including electric power source development and electric power wholesale supply, and his advanced capabilities in management, such as the implementation of reforms reflecting changes in the operating environment.

## Corporate Governance System



\*1 Board of Directors: 11 directors (3 outside directors and 8 internal directors) 5 Auditors (3 outside auditors and 2 internal auditors)

\*2 Advisory Committee: 3 representatives from outside directors and outside auditors, Chairman, and President

\*3 Board of Corporate Auditors: 5 corporate auditors (3 outside auditors and 2 internal auditors)

\*4 Corporate Executive Committee: President, 2 Executive Vice Presidents, 11 Senior Executive Officers (3 of the representative directors also serve as President and Executive Vice Presidents)

## Officer Remuneration

In 2005, the Company formulated the basic policy on officer remuneration, which outlines the method of remuneration for officers, etc. At a meeting of the Board of Directors in February 2012, the policy was revised as follows.

### 1. Role of Executive and Remuneration

The role demanded of officers is to seek to enhance short-, medium-, and long-term corporate value, and officer remuneration shall serve as an effective incentive for them to perform that role.

### 2. Level of Remuneration

The level of officer remuneration shall be suitable for the role, responsibility, and performance of the officer.

### 3. Remuneration of Directors and Its Composition

(1) Remuneration of directors shall be paid within the scope of the remuneration limit approved at the Shareholders' Meeting.

(2) 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. The amount of bonus to be paid

shall be determined in accordance with the post of each inside director after performance evaluation.

(3) 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 Corporate Auditors and Its Composition

(1) Remuneration of corporate auditors shall be paid within the scope of the remuneration limit approved at the Shareholders Meeting determined through discussions among corporate auditors.

(2) Remuneration of corporate auditors 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 officer remuneration by establishing and operating the "Advisory Committee" comprising outside directors, outside corporate auditors and a number of inside directors to govern the system of personnel affairs and remuneration of officers.

Total Remuneration for Directors and Corporate Auditors (Fiscal 2011)	Number of directors/auditors	Total value of remuneration	Millions of yen Type		Thousands of U.S.dollars*2 Type	
			Base	Bonuses	Base	Bonuses
Remuneration for directors (excluding outside directors)	9*1	¥447	¥391	¥56	\$4,711	\$675
Remuneration for corporate auditors (excluding outside corporate auditors)	3*1	74	74	—	892	—
Remuneration for outside officers (outside directors and outside corporate auditors)	7*1	¥ 65	¥ 58	¥ 7	\$ 699	\$ 84

\*1 The number of officers included in the total value of remuneration for directors, corporate auditors, and outside officers includes two directors (of which, one was an outside officer) and one corporate auditor who retired upon the conclusion of the 211th Annual Shareholders' Meeting.

\*2 Equivalent U.S. dollar amounts are included for the convenience of readers outside Japan, and are converted at a rate of ¥83 per U.S. dollar, the prevailing exchange rate on March 30, 2012. These conversions should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

## Advisory Committee

In February 2005, we established the Advisory Committee, which has five members—three representatives from the outside directors and outside corporate auditors as well as the Chairman and the President. The committee works to assure objectiveness and transparency in management. 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.

## Audits by Corporate Auditors

### Board of Corporate Auditors

The Board of Corporate Auditors meets once a month as a general rule and otherwise as needed. The five members of the board, which include three outside corporate auditors, conduct deliberations and make reports.

In line with the Corporate Auditor's Audit Standards, each corporate auditor conducts effective audits through the following principal initiatives.

- The corporate auditors attend meetings of the Board of Directors, the Corporate Executive Committee, and other important meetings. They state their opinions relating to legality and other perspectives when necessary.

- The corporate auditors conduct research into the state of operations at the head office, major business offices, and subsidiaries, and hold discussions with directors to exchange opinions, both on a regular basis and otherwise as needed.

- The corporate auditors cooperate closely with the Audit Department, which is the internal audit organization, and with the independent auditors and strictly audit the execution of duties by the directors, targeting the establishment of a high-quality corporate governance system.

- In regard to the internal control system for financial reporting, the corporate auditors receive evaluations of internal control and reports on the status of audits from the Board of Directors and KPMG AZSA LLC.

## Outside Corporate Auditors

The outside corporate auditors conduct audits / monitoring from an independent viewpoint and contribute to improving the rationality and objectivity of the Company's business execution and of the deliberations of the Board of Directors through their statements at meetings of the Board of Directors. In addition, through their statements and the exercise of their majority voting rights at meetings of the Board of Corporate Auditors, the outside corporate auditors contribute to assuring and improving the legality, appropriateness, rationality, and objectivity of the audits by the corporate auditors. In addition, with the objective of assuring the effectiveness of audits by the corporate auditors, the Company invites outside corporate auditors who have a substantial degree of knowledge about finance and accounting.

In making judgments about matters related to the independence of outside officers, such as capital, transactions, and relationships, we comprehensively verify that they are unlikely to have conflicts of interest with general shareholders and they are in a position that enables them to be objective and neutral, and on that basis we make a judgment on their independence. The Advisory Committee has confirmed that none of the outside officers has a material conflict of interest with the Company—in regard to capital, transactions, or relationships—and has confirmed their independence in accordance with the above standards. The Committee's decision has been reported to the Board of Directors, which has designated them as independent officers and reported that designation to the stock exchanges on which the Company is listed.

Name	Current position	Reason for selection
Yukio Masuda	Consultant of Mitsubishi Corporation Outside Director of Showa Shell Sekiyu K.K.	The Company's auditing will benefit from Yukio Masuda's excellent management capability and experiences nurtured at a major trading company and high level of knowledge about the energy business.
Masayuki Osawa	Outside Auditor of PACIFIC CONVENTION PLAZA YOKOHAMA	The Company's auditing will benefit from Masayuki Osawa's abundant experience acquired at a local government and a regional economic grouping as well as in-depth knowledge about financial administration.
Yoshihiko Morita	Advisor of Sumitomo Mitsui Banking Corporation, President of Japan Institute for Overseas Investment	The Company's auditing will benefit from Yoshihiko Morita's wide-ranging international way of thinking and experience nurtured through work in the fields of international finance and overseas economic cooperation.

## Independent Auditors

The Company has concluded an auditing contract with KPMG AZSA LLC for auditing services based on the Companies Act and auditing services based on the Financial Instruments and Exchange Act, as well as internal control audits based on the Financial Instruments and Exchange Act, and the Company is being audited on that basis. The

Company's audits are handled by three certified public accountants—Seiichi Sasa, Koji Kakinuma, and Masaru Miura. For each of these auditors, the number of consecutive years of auditing service is less than seven years (as of June 29, 2012).

Compensation for independent auditors (Fiscal 2011)	Millions of yen	Thousands of U.S.dollars*
Remuneration for auditing services	¥259	\$3,120
Remuneration for non-auditing services	30	361
<b>Total</b>	<b>¥289</b>	<b>\$3,481</b>

\* Equivalent U.S. dollar amounts are included for the convenience of readers outside Japan, and are converted at a rate of ¥83 per U.S. dollar, the prevailing exchange rate on March 30, 2012. These conversions should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

## Compliance

The Company has identified the following three points as its basic policy and is promoting compliance on that basis.

- **Fostering of a compliance oriented mentality**
- **Compliance efforts by each workplace based on the group policy**
- **Establishment of the compliance PDCA cycle**

### Compliance Structure

We have established the Management Ethics Committee, chaired by the President. This committee discusses at the management level basic compliance policies and all aspects of compliance initiatives by the Company, monitors the implementation of compliance-related measures, and confirms activity programs from the following year and thereafter. We have also established the Compliance Department to lead compliance-related activities for each unit. These include development of compliance promotion systems, encouraging awareness and educational campaigns about the code of conduct, compliance risk reduction measures, maintenance of advisory systems, and the broad-based distribution of information within and beyond the Tokyo Gas Group companies. To cultivate an understanding of compliance,

we promote a thorough awareness of ongoing activities related to our code of conduct that was revised in 2004. We are also moving forward with a compliance casebook designed for applying the code of conduct to various problems in the workplace, so as to achieve the permeation of compliance.

### Addressing Compliance Risk

Through the effective operation of internal and external advisory systems, we are endeavoring to ensure that compliance-related problems are discovered and resolved quickly so that our corporate self-regulatory processes will continue to function effectively. We monitor the effectiveness of Group compliance promotion activities by conducting regular compliance awareness surveys of all employees. The results of these surveys are reflected in initiatives for the following years. The Audit Department's Compliance Audit Group conducts audits of the Company, its subsidiaries, and its affiliates from the viewpoint of strict compliance with laws, corporate ethics, and social norms. When concerns are identified, the Group conducts follow-up audits in the following year to verify progress in tackling those concerns.

## Risk Management System

### Enterprise Risk Management (ERM)

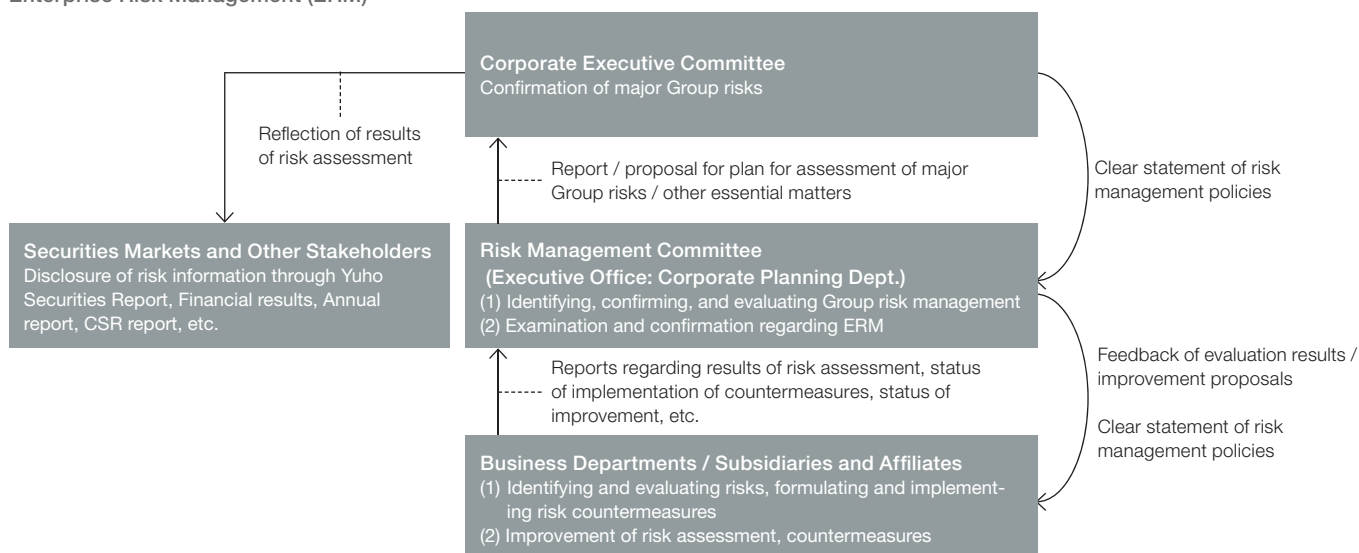
In fiscal 2003, the Company established an enterprise risk management (ERM) system. The Board of Directors has established risk management regulations, which include documented rules concerning major risks faced by the Group.

The Risk Management Committee was established in fiscal 2008 with the aim of identifying and evaluating progress regarding the establishment and the operational status of the ERM system, as well as improving the level of ERM. The committee periodically undertakes risk assessments and checks on progress regarding the establishment and the operational status of the ERM system. It also reports to

the Corporate Executive Committee and obtains the necessary approvals. Moreover, since the start of fiscal 2011, the Corporate Planning Dept. has been responsible for the risk management function, thus creating a framework for implementing unified ERM together with operational management.

Under the new framework, around 120 Risk Management Promotion Officers have been deployed in the business departments of Tokyo Gas and its subsidiaries and affiliates in order to promote ERM. Each year, we assess risks and the implementation and improvement status of countermeasures. This system facilitates the steady implementation of the ERM-PDCA (Plan-Do-Check-Act) cycle.

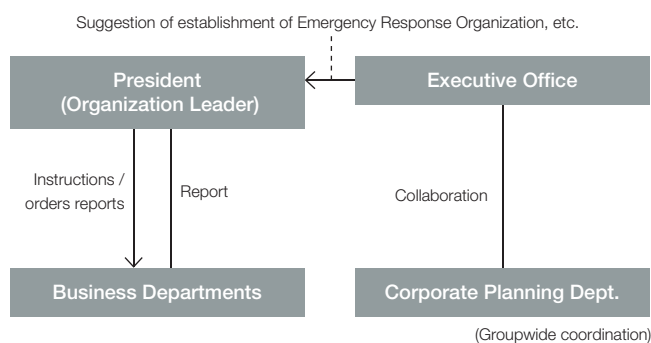
### Enterprise Risk Management (ERM)



### Risk Management

Because the Company provides public services that comprise a life-line, for many years, we have also had a crisis management system that serves as a response system in case an accident or other risk-related event actually occurs. Specifically, we have formulated Emergency Response Organization Regulations. In case of major natural disasters, such as earthquakes, or production or supply disruptions arising from major accidents at pipelines or terminals, as well as influenza, terrorism, failures in mission-critical IT systems, compliance problems, etc., the Emergency Response Organization responds to the situation immediately in accordance with the Emergency Response Organization Regulations. Periodic training is conducted in relation to major risk response measures. Moreover, the Company has also formulated a Business Continuity Plan (BCP), outlining its responses in the event of a major earthquake of the magnitude assumed by Japan's Cabinet Office, a major accident disrupting power supply, an outbreak of influenza, etc. This plan is in place to reinforce the Company's risk management system.

### Emergency Response Organization



\* The organizational unit in charge of the executive office is determined in advance in accordance with the type of the emergency.

## FAQ Regarding Risks Related to Management Strategies

In accordance with the management strategies in the “Challenge 2020 Vision,” the Tokyo Gas Group is implementing aggressive initiatives in a wide range of fields, such as diversification and expansion into

upstream businesses overseas. Accompanying these initiatives, investors are increasingly concerned with the heightened diversification and intensification of risks. This section explains the Company’s approach / response to risks related to management strategies, in regard to which the Company often receives questions from investors.

**Q1.** The vision outlines plans for gas sales volume to increase to 22.0 billion cubic meters. Following the earthquake demand for LNG in Japan has increased rapidly. In addition, given the trend toward reduced environmental burdens, LNG demand is expected to increase on a global basis. Will a tightening of the demand-supply balance have an adverse affect on raw material procurement?

**A1.** Following the earthquake, the shift toward natural gas has accelerated, and in the short term it is possible that the demand–supply balance will be tight. However, with multiple new projects as well as an increase in the supply of unconventional natural gas, such as shale gas and CBM, our supply capacity is sufficient. We believe that demand and supply will be balanced, in both the short term and the medium to long term. Moving forward, we will implement an appropriate response as we track changes in energy policy, including the use of nuclear power.

**Q2.** Isn’t the risk of investing in upstream businesses very high? Rather than expanding upstream operations, shouldn’t your focus be on stable gas operations?

**A2.** Upstream operations are said to be high risk because they generally involve exploration. The risk that we incur is limited because we only invest in projects for which reserves have been estimated and for which demand is assured through long-term contracts with purchasers, including the Company. In addition, we closely adhere to in-house investment standards, select projects that will generate a sufficient economic return, and make our participation decision.

**Q3.** With expansion of electric power generation and preparation of the wide-area pipeline network, isn’t it possible that the Company will over-invest?

**A3.** Our basic approach to investment, including the electric power business and the wide-area pipeline network, is to make decisions based on economic rationality. Our policy is to use our funds effectively, investing only in projects from which we can expect an appropriate return.

**Q4.** Japan’s gas industry will be affected by regulatory reforms that are being advanced, such as complete deregulation and the separation of electric power generation and transmission. Doesn’t this situation present a risk to the Company’s profitability?

**A4.** Future policies are currently under deliberation, and it is difficult to foresee the future of the energy framework. However, our vision sets out our intention to expand profits in large-scale, unregulated fields in the future. For example, even if regulatory reform is advanced, we believe that we will be able to sustain our profitability.

**Q5.** The Company has indicated that it will secure commercial demand in the Tokyo metropolitan region as a source of demand for gas sales volume, but isn’t there a risk that demand will decline due to a further shift of plants to overseas locations?

**A5.** In our vision, we set out a goal of sales of 22.0 billion cubic meters of gas in the fiscal year ending March 2021, and this includes the reduction in demand stemming from the surfacing of the risk of industrial hollowing out.

**Q6.** Real estate is not the Company’s core business. Does the in-house development of real estate holdings, such as Tamachi, pose substantial risks, and is this use of funds not in accordance with the expectations of shareholders?

**A6.** Real estate is positioned as a business to increase our corporate value, and in regard to large sites with high potential, such as Tamachi, we are focused on development with limited risk following initiatives to increase value, such as rezoning and urban planning. In addition, we will also advance initiatives as an energy enterprise, such as the introduction of advanced energy systems. In regard to other idle real estate, we will make decisions on a case-by-case basis, with options including use within the Group or disposal.

### Reference

In regard to major risks related to the Group’s operations and items for which there is a possibility of a significant influence on investment decisions of investors, please refer to the Risks of Business section of the Consolidated Financial Results Bulletin for the Fiscal Year Ended March 31, 2012 (J-GAAP)

## Earthquake and Disaster Countermeasures

Tokyo Gas is strengthening its earthquake and disaster countermeasures, which are divided into three categories: preventive measures, emergency response measures, and restoration measures.

### Preventive Measures

We have built production and supply facilities using advanced seismic design standards and we have doubled and tripled safety precautions. Our city gas production facilities have been built so that they are capable of withstanding earthquakes on a scale similar to the Great Hanshin-Awaji Earthquake (M7-class earthquakes). In our underground tanks, the surface level of the liquid is always below ground level. Consequently, even in the unlikely event of a crack or break in a tank, the LNG could not seep outside. Tokyo Gas uses high-pressure and medium-pressure pipelines made from welded



Underground tanks

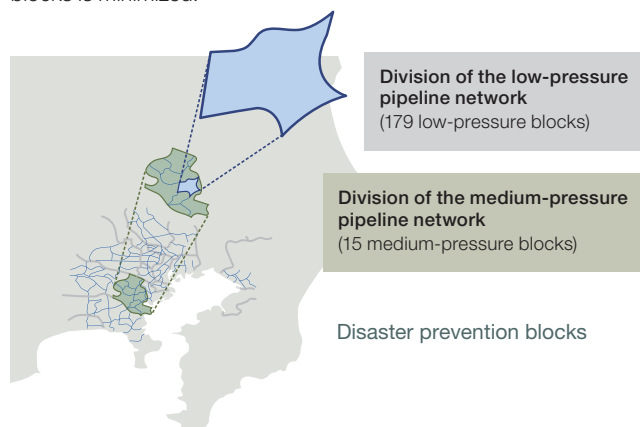
steel pipes that provide exceptional strength and flexibility. In both the Great Hanshin-Awaji Earthquake and the Great East Japan Earthquake, the pipes exhibited excellent earthquake resistance.

### Emergency Response Measures

Safety equipment on gas meters (microcomputer controlled) automatically stops the flow of gas when a gas leak or an earthquake measuring five or more on the Japanese seismic intensity scale is detected. In addition, we have installed emergency shutoff equipment to ensure safety in such locations as underground shopping centers and tall buildings. This equipment makes it possible to shut off the gas supply for an entire underground shopping center or an entire building.

To maintain a stable supply of gas in as extensive an area as possible while also preventing secondary damage, we have divided our

medium-pressure and low-pressure pipelines into multiple disaster prevention blocks. In times of emergency, the supply to severely damaged areas is cut off on a local basis, and the influence on other blocks is minimized.



### Restoration Measures

We have made thorough preparations to resume service as quickly as possible in areas where the supply of gas has been shut off. In particular, under the auspices of the Japan Gas Association, a system has been established to coordinate the cooperative efforts of gas companies from throughout Japan in the event of a major disaster. Following the Great East Japan Earthquake, the number of people who came from throughout the country to engage in restoration activities under this system reached about 4,100 at one point.

## Toward the Realization of a Safe Gas Supply That Is Even More Resistant to Disaster Damage

Following the Great East Japan Earthquake, which caused damage on a scale that exceeded all expectations, we have implemented the following principal countermeasures.

### Measures to Prevent Damage from Earthquakes, Tsunami, and Other Disasters.

- As of 2020, we will aim to restore service within 30 days excluding the most heavily damaged areas. (Assuming an earthquake on a scale similar to the Great Hanshin-Awaji Earthquake with an epicenter directly under the Tokyo metropolitan area, for which restoration currently would take 55 days.)
  - We will further enhance the system of disaster prevention blocks into which supply areas are divided when there is an earthquake. Specifically, we will create more blocks and establish blocks with advanced earthquake resistance. In addition, we will establish tsunami and liquefaction blocks. In this way, we will enhance our ability to minimize the areas in which supply is shut off when there is an earthquake. (By June 2012, the sub-division of the low-pressure network had been completed, creating 179 blocks.)
  - We will realize rapid restoration through the development and

introduction of a remote restart system for governors (pressure transformers)

- At LNG terminals, we will strengthen countermeasures for earthquake, tsunami, etc., and implement new revetment liquefaction countermeasures.

### Power Failure Countermeasures

- We will take steps to strengthen power failure countermeasures at plants, such as strengthening in-house power generation facilities, and prepare for unexpected situations, including earthquakes.

### Assuring Security

- We will accelerate the replacement of old cast iron pipes and other old pipes with PE pipes.



PE pipes offer superior durability and earthquake resistance.



## Board of Directors and Corporate Auditors

As of June 28, 2012

### Directors



Director, Chairman  
Mitsunori Torihara

April 1967 Joined the Company  
June 2003 Representative Director, Executive Vice President, Division Manager of Strategic Planning Div. and in charge of Internal Audit Dept. and Compliance Dept.  
April 2006 President, Representative Director, and Executive President  
April 2010 Director and Chairman of the Board



Representative Director, President  
Tsuyoshi Okamoto

April 1970 Joined the Company  
June 2004 Director, Senior Executive Officer and Division Manager of Strategic Planning Div.  
April 2007 Representative Director, Executive Vice President, and in charge of Personnel Dept., Secretary Dept., General Administration Dept., Compliance Dept., and Internal Audit Dept.  
April 2010 President, Representative Director, and Executive President



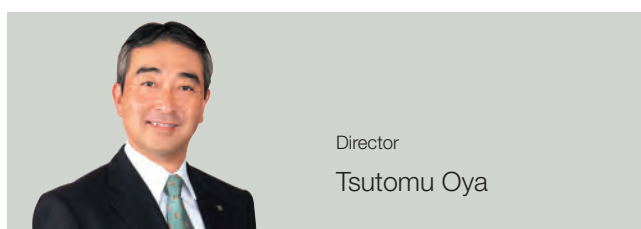
Representative Director  
Shigeru Muraki

July 1972 Joined the Company  
April 2004 Senior Executive Officer and Division Manager of R&D Div.  
June 2007 Director, Senior Executive Officer and Chief Executive of Energy Solutions Div. and General Manager of Volume Sales Dept. of Energy Solution Div.  
April 2010 Representative Director, Executive Vice President, Chief Executive of Energy Solutions Div. and General Manager of Volume Sales Dept. of Energy Solution Div.



Representative Director  
Michiaki Hirose

April 1974 Joined the Company  
April 2007 Senior Executive Officer and in charge of Corporate Planning Dept., Infrastructure Project Dept., Finance and Managerial Accounting Dept., Accounting Dept. and Affiliated Companies Dept.  
June 2009 Director, Senior Executive Officer and in charge of Corporate Planning Dept., Corporate Communications Dept., and Affiliated Companies Dept.  
January 2010 Director, Senior Executive Officer and in charge of Corporate Planning Dept., Project Management Dept., Corporate Communication Dept. and Affiliated Companies Dept.  
April 2012 Representative Director, Executive Vice President, Division Manager of Living Energy Div.



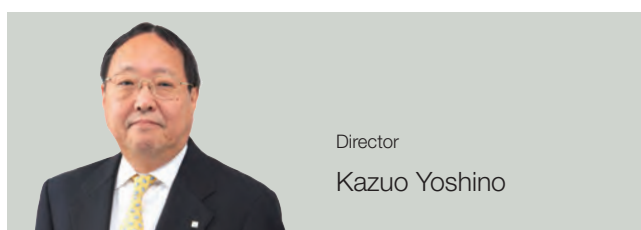
Director  
Tsutomu Oya

April 1975 Joined the Company  
April 2004 Executive Officer, General Manager of Urban Energy Business Dept. of Energy Sales and Service Div. and Acting General Manager of Volume Sales Dept. of Energy Sales and Service Div.  
April 2006 Senior Executive Officer and Chief Executive of Energy Resources Div.  
June 2009 Director, Senior Executive Officer and Chief Executive of Energy Resources Div.  
April 2012 Director, Senior Executive Officer, Division Manager of Energy Production Div.



Director  
Mikio Itazawa

April 1974 Joined the Company  
June 2003 General Manager of West Pipeline Business Dept. of Pipeline and Maintenance Div.  
April 2004 Executive Officer and General Manager of Pipeline Dept. of Pipeline Network Div.  
April 2007 Senior Executive Officer and Division Manager of Pipeline Network Div.  
June 2010 Director, Senior Executive Officer and Division Manager of Pipeline Network Div.



Director  
Kazuo Yoshino

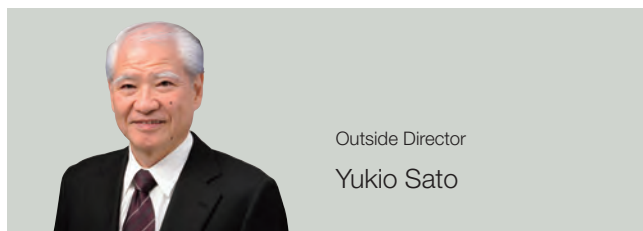
April 1975 Joined the Company  
April 2005 Executive Officer and General Manager of Finance and Managerial Accounting Dept. of Strategic Planning Div.  
April 2009 Senior Executive Officer and General Manager of Investor Relations Dept., and in charge of Finance & Managerial Accounting Dept., and Accounting Dept.  
June 2011 Director, Senior Executive Officer and Division Manager of Information Technology Div., and in charge of Finance & Managerial Accounting Dept. and Accounting Dept.



Director  
Matsuhiko Hataba

April 1976 Joined the Company  
April 2006 Executive Officer and General Manager of Human Resources Dept. of Business Support Div.  
April 2009 Senior Executive Officer and Division Manager of Living Energy Div.  
June 2012 Director, Senior Executive Officer and in charge of Corporate Planning Dept., TG-Group Reorganization Project Dept. and Affiliated Companies Dept.

## Outside Directors



Outside Director  
Yukio Sato

- April 1961 Joined the Ministry of Foreign Affairs
- September 1998 Permanent Representative of Japan to the United Nations (Ambassador of Japan to the United Nations)
- February 2003 President of The Japan Institute of International Affairs
- December 2004 Commissioner of National Public Safety Commission
- February 2009 Vice Chairman of The Japan Institute of International Affairs (Current position)
- June 2010 Outside Director of the Company



Outside Director  
Ryuichi Tomizawa

- April 1965 Joined Mitsubishi Kasei Industries Corporation (Current Mitsubishi Chemical Corporation)
- April 2000 President of Mitsubishi-Tokyo Pharmaceuticals, Inc. (Current Mitsubishi Tanabe Pharma Corporation)
- June 2002 Member of the Board, President and Chief Executive Officer of Mitsubishi Chemical Corporation
- October 2005 Member of the Board, President of Mitsubishi Chemical Holdings Corporation
- April 2007 Member of the Board, Chairman of Mitsubishi Chemical Holdings Corporation
- June 2011 Outside Director of the Company
- June 2012 Senior Corporate Advisor of Mitsubishi Chemical Corporation (Current position)

## New Outside Director



Outside Director  
Yoshihiko Nakagaki

Following the Great East Japan Earthquake, which occurred on March 11, 2011, it became painfully clear that Japan suffered from an overdependence on foreign countries for its primary energy resources. This cast light on the importance of developing an optimally balanced portfolio consisting of various different types of energy, and formulating a medium- to long-term vision for the management of this portfolio that considers such concerns as how stable, low-cost procurement will be realized. At the same time, as members of a consuming nation, we need to think about how we will fulfill our responsibility of reducing CO<sub>2</sub> emissions. In Japan, we are faced with the need of addressing these two tasks, neither of which can be put off. A heavy responsibility has thus been handed to electricity and gas companies, which serve as the main vessels through which these issues must be addressed. Amidst this turbulence, Tokyo Gas has become a star of anticipation as it accelerates the expansion of overseas upstream projects in accordance with its "Challenge 2020 Vision" long-term management vision, announced in

- April 1961 Joined Electric Power Development Co., Ltd. (J-POWER)
- June 1996 Director and Department Director of Corporate Planning Dept. of Electric Power Development Co., Ltd. (J-POWER)
- June 1998 Managing Director of Electric Power Development Co., Ltd. (J-POWER)
- June 2000 Vice President and Representative Director of Electric Power Development Co., Ltd. (J-POWER)
- June 2001 President and Representative Director of Electric Power Development Co., Ltd. (J-POWER)
- June 2009 Corporate Advisor of Electric Power Development Co., Ltd. (J-POWER) (Current position)
- June 2012 Outside Director of the Company

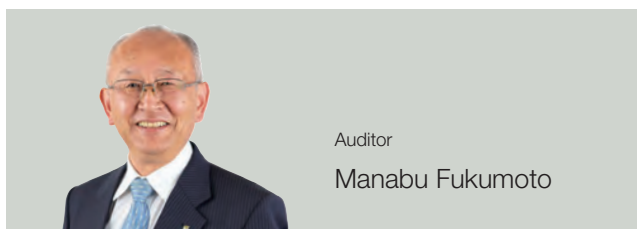
November 2011. It is my hope that the Company will venture to be an ideal energy company; a company that benefits itself by fulfilling its mission of protecting national interests. In particular, I think it is of the utmost importance for Tokyo Gas to practice management based on a long-term perspective. While investment and other initiatives that involve incurring expense place downward pressure on income over the short term, such efforts also result in long-term improvements in shareholder value. Not only must the Company realize this itself, steps must also be taken to communicate this fact to shareholders. In addition, I feel that Tokyo Gas should avoid developing overseas businesses that only promise short-term returns and are riddled with risks. Rather, the Company should focus on solidifying the ground beneath its feet so that it may steadily accelerate its growth into the future. In other words, I want Tokyo Gas to minimize risks while realizing development over the long term. To aid them in this quest, I will offer all the assistance that I can, based on the experience I have accumulated up until this point.

## Auditors



Auditor  
Kunihiro Mori

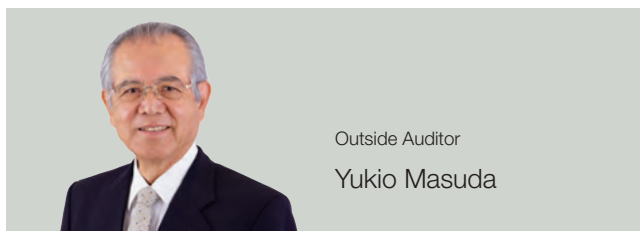
- April 1972 Joined the Company
- April 2004 Executive Officer and General Manager of Energy Production Dept. of Energy Production Div.
- April 2007 Senior Executive Officer and assistant to Director of General Administration Dept.
- June 2009 Corporate Auditor of the Company



Auditor  
Manabu Fukumoto

- April 1975 Joined the Company
- April 2006 Executive Officer and General Manager of General Administration Dept. of Corporate Communication Div.
- June 2009 Senior Executive Officer and in charge of Purchasing Dept., Real Estate Management Dept., Major Site Development Dept. and Internal Audit Dept.
- June 2011 Corporate Auditor of the Company

## Outside Auditors



Outside Auditor  
Yukio Masuda

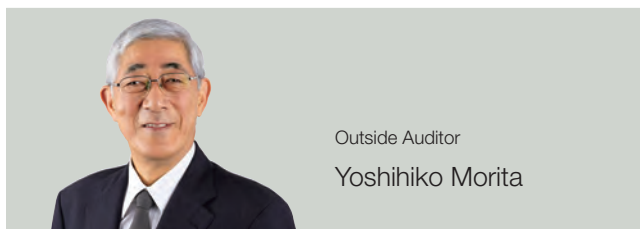
April 1964 Joined Mitsubishi Corporation  
 April 2002 Representative Director and Executive Vice President of Mitsubishi Corporation  
 June 2008 Consultant of Mitsubishi Corporation (Current position)  
 Outside Corporate Auditor of the Company  
 March 2009 Outside Director of Showa Shell Sekiyu K.K. (Current position)



Outside Auditor  
Masayuki Osawa

April 1966 Joined the Yokohama City Hall  
 October 2006 Senior Director of the Yokohama Chamber of Commerce & Industry  
 April 2009 Administrative Director of Yokohama City Silver Human Resources Center  
 June 2009 Outside Corporate Auditor of the Company  
 June 2010 Outside Auditor of PACIFIC CONVENTION PLAZA YOKOHAMA (Current position)

## New Outside Auditor



Outside Auditor  
Yoshihiko Morita

April 1969 Joined Export-Import Bank of Japan  
 October 2004 Vice Governor of Japan Bank for International Cooperation  
 December 2011 Advisor of Sumitomo Mitsui Banking Corporation (Current position)  
 June 2012 President of Japan Institute for Overseas Investment (Current position)  
 Outside Corporate Auditor of the Company

We are currently immersed in an era characterized by rapid change. In Japan, one notable change is the rising degree of attention that society is paying toward energy companies. This concern is higher than ever, a trend that can be attributed to the energy-related issues that surfaced last year. As a leading gas company in Japan, Tokyo Gas is in a prime position to spearhead efforts to reduce the importation prices for natural gas, which are high compared to other countries, and return the benefits of these reductions to consumers. It is extremely difficult to realize raw material price reductions in the short term. Regardless, I hope the Company will formulate solid plans for the future, and work toward realizing such price reductions through various overseas initiatives. Also, I feel the role Tokyo Gas must play in the present operating environment is extremely important, as many believe that the future of energy will be centered on natural gas. Still, Tokyo Gas must be prudent in monitoring the rapidly diversifying range of risks as it undertakes the challenges that will allow it to live up to the expectations of its shareholders. Moreover, Tokyo Gas

is placed in a unique position as it is both a public utility, which entails assuming a great deal of social responsibility, and a private company that has to pursue profits. Therefore, it must strike a balance between these two differing aspects of its operations if it is to achieve sustainable growth.

Tokyo Gas employs over 16,000 people on a consolidated basis. As an organization grows larger or as its operations spread to different areas, the range of problems that may occur obviously grows wider. For this reason, it is vital to establish a corporate culture of openness that facilitates problem solving both on a small scale and on the larger organizational scale. Furthermore, in the event that a serious issue with the potential of impacting corporate value were to occur, it is of course important for the company to take steps to resolve this issue, but it is also equally important to quickly disclose the issue to the public. In fulfilling my duty as an outside auditor, I will pay particular attention to promoting such levels of transparency, which I believe are necessary in realizing sustainable growth.

## Executive Officers

<b>President</b>	Tsuyoshi Okamoto	
<b>Executive Vice Presidents</b>	Shigeru Muraki	Chief Executive of Energy Solution Div., General Manager of Volume Sales Dept. of Energy Solution Div.
	Michiaki Hirose	Chief Executive of Residential Sales Promotion Div.
<b>Senior Executive Officers</b>	Tsutomu Oya	Chief Executive of Energy Production Div.
	Mikio Itazawa	Chief Executive of Pipeline Network Div.
	Kazuo Yoshino	Chief Executive of Information Technology Div., in charge of Finance Dept., and Accounting Dept.
	Matsuhiko Hataba	In charge of Corporate Planning Dept., TG-Group Reorganization Project Dept., and Affiliated Companies Dept.
	Koichi Aonuma	Chief Executive of Housing Development Div.
	Yutaka Kunigo	Chief Executive of Energy Resources Div.
	Masahiro Mikami	In charge of General Administration Dept., Corporate Communications Dept., and Environmental Affairs Dept.
	Hideaki Obana	In charge of Purchasing Dept., Real Estate Management Dept., and Major Site Development Dept.
	Hiroaki Kobayashi	Chief Executive of Technology Development Div.
	Takashi Uchida	In charge of Personnel Dept., Secretary Dept., Compliance Dept., and Internal Audit Dept.
	Satoru Yasuoka	Chief Executive of Regional Development Marketing Div.
<b>Executive Officers</b>	Hiroaki Kubota	General Manager of Information Technology Application Dept., Information Technology Div.
	Hidefumi Takahashi	General Manager of Sales Marketing I Dept., Housing Development Div.
	Yoshihiro Tanabe	Dispatched to the Japan Gas Association
	Fumio Murazeki	General Manager of Residential Sales Planning Dept., Residential Sales Promotion Div.
	Hideaki Arai	General Manager of Pipeline Dept., Pipeline Network Div.
	Masaru Takamatsu	General Manager of Corporate Planning Dept.
	Michiharu Takahashi	Coordinator of Energy Solution Div.
	Fumihiko Hara	General Manager of LIFEVAL Project Management Dept., Residential Sales Promotion Div.
	Kiyotada Den	General Manager of Personnel Dept.
	Takahiro Saito	General Manager of Facility Engineering Business Dept.