

# 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.

📄 Basic Policy on Corporate Governance [www.tokyo-gas.co.jp/IR/english/gvnc/pdf/policy.pdf](http://www.tokyo-gas.co.jp/IR/english/gvnc/pdf/policy.pdf)

## Board of Directors

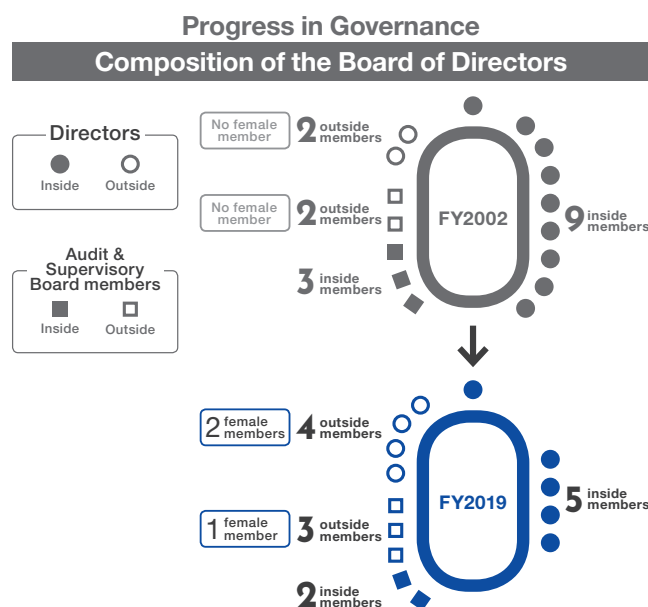
In principle, the Board of Directors meets once a month to discuss and decide important matters regarding business operations. Directors must submit reports to the Board of Directors regarding the status of execution of their duties periodically and when deemed necessary, allowing the Board to monitor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

The Board of Directors comprises 9 directors, 4 of whom are outside directors. In addition, the term of directors is set at one year with the goal of further clarifying managerial responsibility.

## 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 company discloses the Independence Standards for Outside Directors on its website: [www.tokyo-gas.co.jp/IR/english/gvnc/pdf/independence.pdf](http://www.tokyo-gas.co.jp/IR/english/gvnc/pdf/independence.pdf)) 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.



## Realizing Accurate and 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.)

## Analysis and Evaluation of Effectiveness of the Board of Directors

Starting in Fiscal 2018, the Board of Directors has analyzed and evaluated its effectiveness by having each of its Directors complete a questionnaire-based self-evaluation. The Board then held discussions and exchanged opinions



based on the outcome of those self-evaluations, to maintain and enhance the Board's effectiveness.

Based on the results of the questionnaire and the exchange of opinions at the Board of Directors' meetings, it was determined that measures for improving the Board's effectiveness are functioning effectively through efforts to improve and enhance site inspection visits and to increase opportunities for Executive Officers to attend Board meetings.

On the other hand, ceaseless efforts are required to further increase the Board's effectiveness. Accordingly, initiatives to contribute to the strengthening of the supervisory functions of the Board, including further enhancement of site inspection visits by the Directors, will be examined and implemented in the future.

## Audit & Supervisory Board members

The Audit & Supervisory Board members meet once a month as a general rule and otherwise as needed. The 5 members of the board, which include 3 outside Audit & Supervisory Board members, conduct deliberations and make reports.

In line with the Corporate Auditor's Audit Standards, each Audit & Supervisory Board member conducts effective audits through the following principal initiatives.

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

In regard to the internal control system 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.

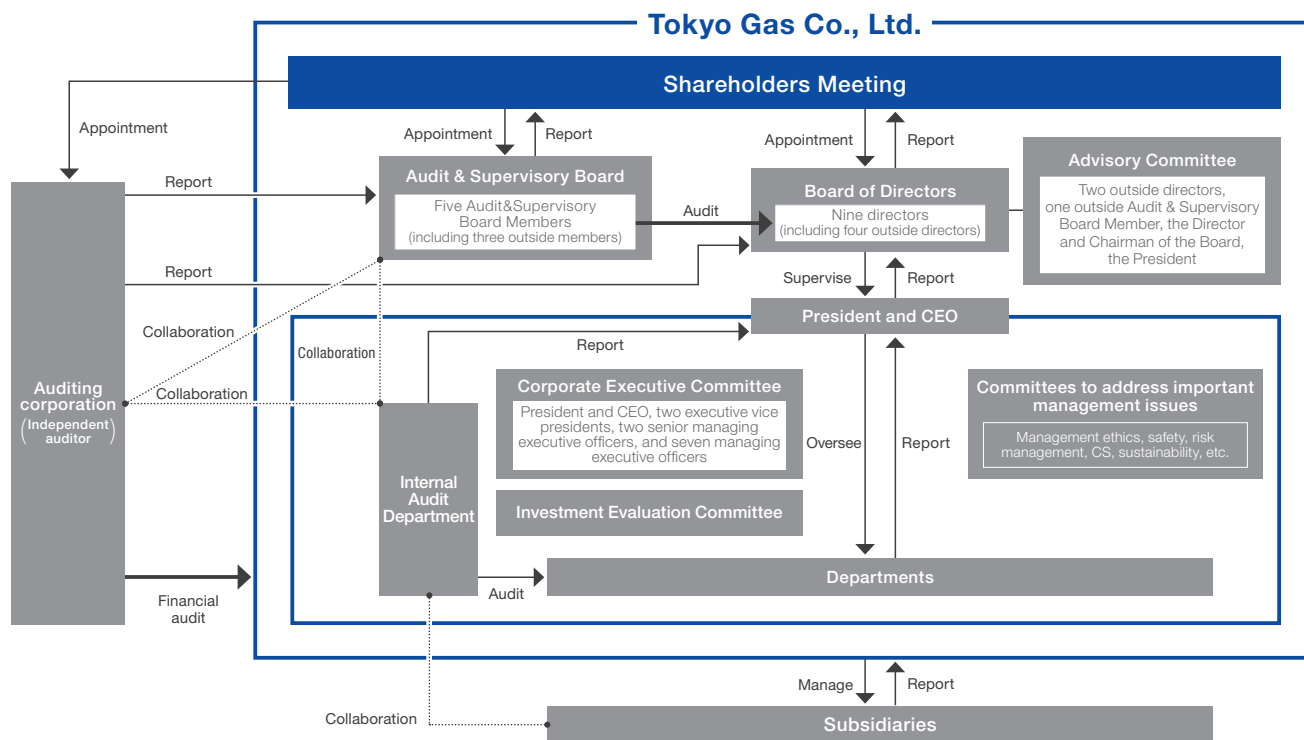
## Outside Audit & Supervisory Board Members

The outside Audit & Supervisory Board members 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 Audit & Supervisory Board, the outside Audit & Supervisory Board members contribute to assuring and improving the legality, appropriateness, rationality, and objectivity of the audits by the Audit & Supervisory Board members. In addition, with the objective of assuring the effectiveness of audits by the Audit & Supervisory Board members, the company invites outside Audit & Supervisory Board members 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 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.

## Corporate governance

### Corporate Governance System



#### Overview of Corporate Governance System (As of June 27, 2019)

Number of directors	9	Participation of outside directors and outside Audit & Supervisory Board members in selecting director candidates	Yes
Average age of directors	61	Number of meetings of Board of Directors*	12
Number of outside directors	4	Attendance rate of outside directors at meetings of Board of Directors*	100%
Number of Audit & Supervisory Board members	5	Term of office of directors	One year
Number of outside Audit & Supervisory Board members	3	Performance-linked remuneration	Yes
Number of independent officers	7	Share purchase system to reflect the perspective of shareholders in management	Yes
Participation of outside directors / outside Audit & Supervisory Board members in determination of remuneration	Yes		

\* Total for the period from April 2018 to March 2019

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

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

#### Investment Evaluation Committee

Of the matters to be discussed at the Corporate Executive Committee, the Investment Evaluation Committee chaired by the Executive Officer in charge of financial affairs evaluates matters that require the evaluation of the significance, economy and risks related to investment and post-investment follow-up and reports to the Corporate Executive Committee.

## Officer Remuneration

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

### 1 Role of Officers 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 Composition and Other Details of Remuneration Paid to Directors

- (1) Remuneration of directors shall be paid within the scope of the remuneration limit approved at the General 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. 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 companywide 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 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 Composition and Other Details of Remuneration Paid to Audit & Supervisory Board Members

- (1) Remuneration of Audit & Supervisory Board members shall be paid within the scope of the remuneration limit approved at the General Shareholders' Meeting and determined through discussions among Audit & Supervisory Board members.
- (2) Remuneration of Audit & Supervisory Board members shall comprise only fixed monthly remuneration.

## 5 Assurance of Objectivity and Transparency of the Remuneration System

The company shall assure the objectivity and transparency of the system of officer remuneration by establishing and operating the Advisory Committee comprising a number of outside directors, outside Audit & Supervisory Board members, and inside directors to govern the system of personnel affairs and remuneration of officers.

### Composition of Remuneration for Directors

\* Monthly remuneration of outside directors are fixed remuneration only.



Total Remuneration for Directors and Audit & Supervisory Board Members (Fiscal 2018)						
Classification of officers	Total value of remuneration (¥ million)	Total value of remuneration by type (¥ million)				Number of eligible officers
		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

\*The number of officers includes 3 Directors and 1 Audit & Supervisory Board member who retired upon the conclusion of the 218th Annual General Meeting of Shareholders.

\*It was resolved that the amount of monthly remuneration of all Directors (including Outside Directors) should be under ¥50 million at the 205th Annual General Meeting of Shareholders and that the amount of annual bonus for all Directors should be under ¥90 million at the 206th Annual General Meeting of Shareholders.

\*It was resolved that the amount of monthly remuneration of all Audit & Supervisory Board members (including outside members of the Audit & Supervisory Board) should be under ¥12 million at the 190th Annual General Meeting of Shareholders.

## Advisory Committee

In February 2005, we established the Advisory Committee to assure objectiveness and transparency in management. The committee has up to five members, consisting of the Chairman, the President and CEO, 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.

Advisory Committee Membership (as of June 27, 2019)	
Committee chairman	Hitoshi Saito (Outside Director)
Committee members	Kazunori Takami (Outside Director)
	Yoshihiko Morita (Outside Audit & Supervisory Board Member)
	Michiaki Hirose (Director, Chairman of the Board)
	Takashi Uchida (Representative Director, President)

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.

## Corporate governance

### Internal Control System

To secure management soundness and transparency, and to realize its management philosophy, the company has formulated the “Basic Policy on Development of Corporate Structures and Systems for Internal Control System,” and is applying this policy in an appropriate manner.

Specifically, the company has established systems to ensure that directors and their assistants perform their duties in a manner that is compliant to relevant laws and regulations, the articles of incorporation, and other rules. In addition, crisis management provisions have been formulated to limit losses from risks related to investments and natural disasters. The company also defines guidelines for ensuring the independence of Audit & Supervisory Board members and guaranteeing the effectiveness of the Audit & Supervisory Board.

### 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 3 certified public accountants: Yoshihide Takehisa, Toshiyuki Tamura and Yoshihiro Uehara. For these auditors, the number of consecutive years of auditing service is 3 years, 2 years and 4 years, respectively (as of June 27, 2019).

#### Compensation for Independent Auditors (Fiscal 2018)

Compensation for auditing services	¥264 million
Compensation for non-auditing services	¥31 million
Total	¥295 million

### Compliance

#### Compliance Structure

We have established the Management Ethics Committee, chaired by the President and CEO. This committee discusses at the executive 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. The Compliance Department operates counseling service counters, distributes information within and beyond the Tokyo Gas Group companies, and promotes a thorough awareness of ongoing activities related to our Code of Conduct, which represents a compliance standard of the Tokyo Gas Group. The Compliance Department also supports a wide range of compliance-related activities for each department. These include development of compliance promotion systems, encouragement awareness and educational campaigns about the Code of Conduct, and compliance risk reduction measures.

#### Compliance Risk Management

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. Furthermore, the Internal Audit Department conducts internal audits of the Company and its subsidiaries, focusing on the probability that risks will materialize and their degree of importance from the viewpoint of strict compliance with laws and regulations, corporate ethics and social norms. The status of improvement concerning any recommendations made as a result of the internal audits is checked in a follow-up audit in the following year to ensure stable improvement in risk management.



## Risk Management System

### Enterprise Risk Management System

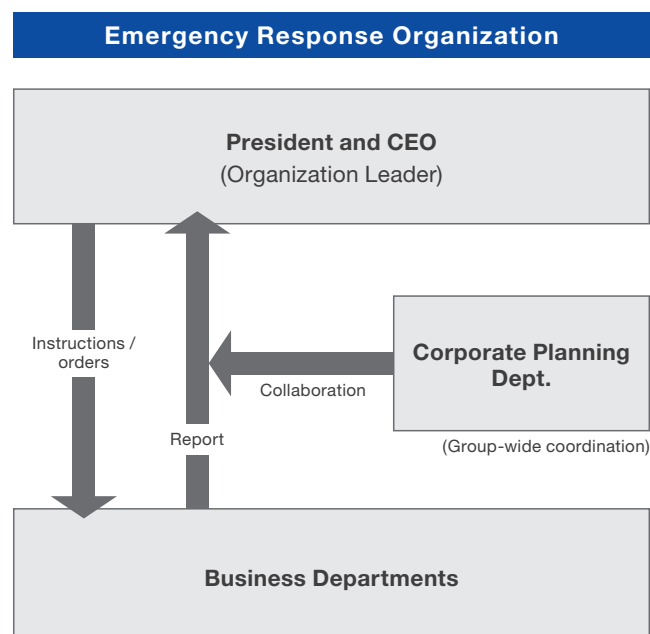
The company has established an enterprise risk management (ERM) system, and drawn up risk management regulations that include documented rules concerning major risks faced by the group.

The Risk Management Committee was established with the aim of improving the management level of the ERM system. The Committee checks progress regarding the establishment and operational status of the ERM system, including periodic risk assessments. It also reports to the Corporate Executive Committee and obtains the necessary approvals.

Under the framework, around 150 Risk Management Promotion Officers are deployed in the business departments of Tokyo Gas and its subsidiaries 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.

### Crisis Management System

Because the company provides public services that comprise a lifeline, for many years it has 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 crises, including major natural disasters, such as earthquakes, or production or supply disruptions arising from major accidents at pipelines or LNG terminals, as well as new strains of influenza, terrorism, failures in mission-critical IT systems, and compliance problems, the Emergency Response Organization is established to respond 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 gas supply, a widespread blackout, an outbreak of a new strain of influenza, etc. This plan is in place to reinforce the company's risk management system.



## Corporate governance

### Board of Directors

(As of June 27, 2019)



Director, Chairman of the Board

#### Michiaki Hirose

- April 1974 Joined the Company
- June 2009 Director, Senior Executive Officer and in charge of Corporate Planning Dept., Corporate Communications Dept. and Affiliated Companies Dept.
- April 2012 Representative Director, Executive Vice President and Chief Executive of Living Energy Div.
- April 2014 Representative Director, President
- April 2018 Director and Chairman of the Board

**Reason for appointment** Over the course of his career, Michiaki Hirose has engaged mainly in planning and living-related work duties. For four years, from April 2014 until March 2018, he served as President. Since April 2018, as Director and Chairman, he has served as chairman of the Board of Directors. He is highly knowledgeable, and has extensive work experience with the company.



Representative Director, President and CEO

#### Takashi Uchida

- April 1979 Joined the Company
- June 2015 Director, Senior Executive Officer and Chief Executive of Energy Resources Div.
- April 2016 Representative Director, Executive Vice President and Chief Executive of Residential Sales and Service Div.
- April 2018 Representative Director, President and CEO

**Reason for appointment** In his career, Takashi Uchida has engaged mainly in pipeline, resources and overseas business-related work duties. Since April 2018, he has served as President and CEO, with ultimate responsibility for the execution of duties within the company. He is highly knowledgeable, and has extensive work experience with the company.



Director Outside

#### Chika Igarashi

- April 1997 Registered as an attorney at law
- April 1997 Joined a law firm in Tokyo Metropolitan area
- July 2006 Joined Asahi Law Office (Currently Nishimura & Asahi)
- June 2007 Registered as an attorney at law in New York State, USA
- June 2016 Director of the Company

**Reason for appointment** Chika Igarashi is highly knowledgeable, and possesses high-level legal expertise and a broad-minded perspective, developed through her many years of involvement in corporate legal affairs. We hope that she will make use of these qualities in helping to manage Tokyo Gas.

#### Significant joint responsibilities

Lawyer at Nishimura & Asahi Law Office



Director Outside

#### Hitoshi Saito

- April 1976 Joined Mitsui Fudosan Co., Ltd.
- June 2011 Executive Managing Director and Executive Managing Officer of Mitsui Fudosan Co., Ltd.
- April 2013 Managing Director and Senior Executive Managing Officer of Mitsui Fudosan Co., Ltd.
- April 2015 Managing Director, Senior Executive Managing Officer and Chief Executive of International Div. of Mitsui Fudosan Co., Ltd.
- June 2017 Advisor of Mitsui Fudosan Co., Ltd.
- June 2019 Director of the Company

**Reason for appointment** Mr. Hitoshi Saito is expected to use his international perspective acquired from overseas businesses in the real estate industry, as well as his management capabilities, broad outlook and in-depth knowledge gained through a wide range of business development for the Company's management.



Director Outside

#### Kazunori Takami

- April 1978 Joined Matsushita Electric Industrial Co., Ltd. (Current Panasonic Corporation)
- June 2009 Managing Director of Panasonic Corporation
- April 2012 Representative Director, Senior Managing Executive Director and President of Appliances Company of Panasonic Corporation
- April 2015 Representative Director, Executive Vice President and in charge of Japan, Customer Satisfaction, and Design of Panasonic Corporation
- June 2017 Corporate Advisor of Panasonic Corporation
- March 2018 Retired from Corporate Advisor of Panasonic Corporation
- June 2019 Director of the Company

**Reason for appointment** Mr. Kazunori Takami is expected to use his management capabilities, broad outlook and in-depth knowledge acquired through a wide range of business development in the electrical industry for the Company's management.

#### Significant joint responsibilities

Outside Director of Tokyo FM Broadcasting Co., Ltd.  
Outside Director of Nojima Corporation  
Outside Director of FUJITA KANKO INC.



Representative Director

## Masaru Takamatsu

- April 1980 Joined the Company
- June 2016 Director, Senior Executive Officer and in charge of Personnel Dept., Secretary Dept., General Administration Dept., Compliance Dept., and Internal Audit Dept.
- April 2018 Representative Director, Executive Vice President and Chief Executive of Residential Sales and Service Div.

**Reason for appointment** During his career, Masaru Takamatsu has engaged mainly in living and planning-related work duties. He currently serves as Executive Vice President. He is highly knowledgeable, and has extensive work experience with the company.



Representative Director

## Takashi Anamizu

- April 1985 Joined the Company
- June 2017 Director, Senior Executive Officer, Chief Executive of Global Business Div.
- April 2018 Representative Director, Executive Vice President and Chief Executive of Energy Solution Div. and Power Business Div.

**Reason for appointment** In his career, Takashi Anamizu has engaged mainly in living, resources and overseas business-related work duties. He currently serves as Executive Vice President. He is highly knowledgeable, and has extensive work experience with the company.



Director

## Kunio Nohata

- April 1984 Joined the Company
- June 2017 Director, Senior Executive Officer of the Company, Chief Executive of Power Business Div., In charge of Environmental Affairs Dept.
- April 2018 Director, Senior Managing Executive Officer, Chief Executive of Global Business Div.

**Reason for appointment** Over the course of his career, Kunio Nohata has engaged mainly in energy sales, resources and overseas business-related work duties. He currently serves as Senior Managing Executive Officer, and is responsible for the company's Global Business Division. He is highly knowledgeable, and has extensive work experience with the company.

Director Outside

## Junko Edahiro

- April 2003 Representative Director of Edahiroba Inc. (Current e's Inc.)
- May 2006 Director and Chairperson of Change Agent Inc.
- August 2018 Professor, Graduate School of Leadership and Innovation, Shizenkan University
- June 2019 Director of the Company

**Reason for appointment** Ms. Junko Edahiro is expected to use her experience as a corporate manager, advanced specialization related to the environment and in-depth knowledge as an environmental journalist for the Company's management.

### Significant joint responsibilities

Representative Director of e's Inc.  
 Director and Chairperson of Change Agent Inc.  
 Professor of Shizenkan University Graduate School of Leadership & Innovation

## Executive Officers

President and CEO	Takashi Uchida	
Executive Vice Presidents	Masaru Takamatsu	Chief Executive of Residential Sales and Service Div.
	Takashi Anamizu	Chief Executive of Energy Solution Div. and Power Business Div.
Senior Managing Executive Officer	Kunio Nohata	Chief Executive of Global Business Div.
	Satoru Sawada	The Japan Gas Association
	Koki Hayakawa	CFO, in charge of Financial Management Dept., Accounting Dept., Purchasing Dept., Compliance Dept. and Internal Audit Dept.
Managing Executive Officer	Tadashi Komiyama	Chief Executive of Region Div.
	Kentaro Kimoto	Chief Executive of Gas Resources & Energy Production Div.
	Hiroshi Kishino	In charge of Personnel Dept., Secretary Dept., General Administration Dept., Corporate Communications Dept. and Sustainability Dept.
	Shinichi Sasayama	Chief Executive of Digital Innovation Div., in charge of Corporate Planning Dept. and Business Transformation Dept.
	Ayumi Shigitani	General Manager of CIRIUS Project Dept., Digital Innovation Div. and President, Representative Director of TOKYO GAS i NET CORP.
	Takashi Higo	President, Representative Director of Tokyo Gas Engineering Solutions Corporation
	Isao Hosoya	Chief Executive of Pipeline Network Div.
Executive Officers	Toshiyasu Ishii Yohei Nitta Tomoyuki Yoshioka Yoshiharu Kikuyama Akihiko Matsuda Hiroshi Hanada Akihiro Saito Masayuki Kado Satoshi Tanazawa Shinsuke Ogawa Yasuhiro Konishi Hirofumi Sato Yo Endo Nobuhiro Sugawara Eito Tsuji	



## Corporate governance

### Audit & Supervisory Board Members

(As of June 27, 2019)



Audit & Supervisory Board Member

#### Hideaki Arai

April 1979 Joined the Company  
 April 2013 Senior Executive Officer, Chief Executive of Pipeline Network Div.  
 March 2017 Retired as Senior Executive Officer  
 June 2017 Audit & Supervisory Board Member of the Company

**Reason for appointment** Hideaki Arai is highly knowledgeable, and has extensive work experience with the Company. He has engaged mainly in pipeline and wide-area sales-related work duties, and has also served as a Senior Executive Officer.



Audit & Supervisory Board Member

#### Isao Nakajima

April 1982 Joined the Company  
 April 2015 Senior Executive Officer, CFO and in charge of Finance Dept., Accounting Dept., Purchasing Dept. and Real Estate Management Dept.  
 April 2018 Senior Managing Executive Officer, CFO and in charge of Finance Dept., Accounting Dept., Personnel Dept. and Purchasing Dept.  
 March 2019 Retired as Senior Managing Executive Officer  
 June 2019 Audit & Supervisory Board Member of the Company

**Reason for appointment** Isao Nakajima is highly knowledgeable in financial affairs and accounting, and has extensive work experience with the Company. He has carried out financial and accounting operations and has served as Senior Managing Executive Officer.



Audit & Supervisory Board Member Outside

#### Yoshihiko Morita

April 1969 Joined Export-Import Bank of Japan  
 October 2004 Vice Governor of Japan Bank for International Cooperation  
 October 2008 Representative Director and Senior Managing Executive Officer of Japan Finance Corporation, Deputy CEO of Japan Bank for International Cooperation  
 June 2011 Retired as Deputy CEO of Japan Bank for International Cooperation  
 June 2012 Audit & Supervisory Board Member of the Company

**Reason for appointment** Yoshihiko Morita is highly knowledgeable and has a broad international outlook, developed through his experience in fields such as international finance and overseas economic cooperation. We hope that he will make use of these qualities in his role as an Audit & Supervisory Board member for Tokyo Gas.



Audit & Supervisory Board Member Outside

#### Masato Nobutoki

April 1981 Joined Mitsubishi Corporation  
 April 2007 Joined City of Yokohama  
 Director General of City Growth Strategy Promotion Department, Economic Affairs Bureau, City of Yokohama  
 April 2016 Consultant of Future City Promotion, Climate Change Policy Headquarters, City of Yokohama  
 June 2017 Audit & Supervisory Board Member of the Company  
 Retired from Yokohama City as a consultant

**Reason for appointment** Masato Nobutoki is highly knowledgeable and has extensive experience, both as a company employee and as a member of staff at regional public bodies. We hope that he will make use of these qualities in his role as an Audit & Supervisory Board member for Tokyo Gas.



Audit & Supervisory Board Member Outside

#### Sawako Nohara

December 1988 Joined Life Science Institute Co., Ltd.  
 July 1995 Joined InfoCom Research, Inc.  
 December 2001 President and Representative Director of IPSe Marketing, Inc.  
 November 2009 Project Professor, Graduate School of Media and Governance, Keio University  
 June 2018 Audit & Supervisory Board Member of the Company

**Reason for appointment** Sawako Nohara is highly knowledgeable, and possesses corporate management experience and high-level IT-related expertise. We hope that she will make use of these qualities in her role as an Audit & Supervisory Board member for Tokyo Gas.

#### Significant joint responsibilities

President and Representative Director of IPSe Marketing, Inc.  
 Outside Director of Sampo Holdings, Inc.  
 Outside Director of JAPAN POST BANK Co., Ltd.  
 Outside Director of DAIICHI SANKYO COMPANY, LIMITED

## Messages from Outside Directors



Director Outside  
**Hitoshi Saito**

### Utilizing my experience in corporate management and overseas business, I will monitor business growth and corporate governance impartially and present my opinions.

Since I joined Mitsui Fudosan Co., Ltd., I have gained experience in overseas business, financial affairs, residential business, commercial facilities, building development and other areas. During that period, I was posted to overseas offices twice, Los Angeles and New York.

At Mitsui Fudosan Co., Ltd., I worked primarily to expand its overseas business as the person responsible for promoting globalization while serving as Managing Officer and Director. I also focused on enhancing corporate governance and compliance on the back of rapid business expansion supported by proactive investment.

I look forward to working as Outside Director for Tokyo Gas, a company with a strong commitment to public service. The major role of Outside Director is corporate governance, in other words management supervision and advice. However, overly strong supervision can hinder the seeds of growth. I believe that my role will be to properly monitor the offense-defense balance from an independent standpoint and present my opinions to the management.

In the GPS2020 medium-term management plan, Tokyo Gas aims to evolve from being the leading city gas company in Japan to being a global integrated energy corporation, and make overseas business into another major source of growth for the future. I would like to find opportunities where I can help to achieve this goal as much as possible by applying my work experience and knowledge.

### Highly regarding ties with customers, I shall be committed to helping the Company continue to be the closest infrastructure that protects customers' lives.

Since joining Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation), I was exclusively engaged in sales activities for 20 years. Later, I served as General Manager of the Corporate Planning Office and General Manager of a business department and assumed other posts, and then as Executive Vice President of Panasonic Corporation. What has remained constant throughout my career is the idea of putting customers and employees first. I have been making resolute decisions based on discussions with many people, which is essential for achieving sustainable corporate growth.

In 1969, Tokyo Gas decided to introduce LNG to Japan for the first time. At that time, it was impractical to import LNG because it entailed sophisticated import technologies and high costs. However, this decision supported the energy demand during the high economic growth period and became a catalyst for improving air pollution, which was recognized as a social problem.

Tokyo Gas spent several decades adjusting the gas appliances of all customers to help them use LNG safely and with peace of mind. The core idea is the same as that of Panasonic, who connected with customers as the electrical appliance center in each local community, earning their trust and confidence. I shall present my opinions by using my past experience.

Social problems, including the falling birth rates and aging population, are becoming increasingly serious. By constantly questioning: "Is the present state sufficient?" I hope to focus on helping the Company continue to be the closest infrastructure that protects customers' lives and I will make proposals for smarter lifestyles.



Director Outside  
**Kazunori Takami**

### Energy lies at the foundation for achieving the SDGs. I shall contribute to this by applying my knowledge and experience accumulated from my commitment to environmental issues over many years.

For more than 20 years, I have been involved in environmental issues. Believing that solving environmental concerns requires a focus on the concepts of happiness, economy and society, I have established the Institute for Studies in Happiness, Economy and Society and have been engaged in a variety of activities.

Global warming is an energy issue. Energy also lies at the foundation for achieving the SDGs. Among the global trend of reducing the use of coal, the gas industry has the key to increasing renewable energy and will simultaneously need to make a significant change in its business model. I am very honored and humbled to have been appointed as an Outside Director in this phase of major change. I hope to present my opinions by using my knowledge and global network fostered through a variety of initiatives over a long period.

In addition, believing that leadership development is important for organizations, I am teaching systems thinking and challenges in sustainability to adult students from 22 countries at Shizenkan University Graduate School of Leadership & Innovation. Strengthening the abilities to look to the future, understand the structure of reality and enlist people, which are necessary skills to survive in an age of instability and uncertainty, will lead to solving social issues. I wish to apply my knowledge and experience to help Tokyo Gas strengthen these three abilities and contribute to solving social issues.



Director Outside  
**Junko Eda**