

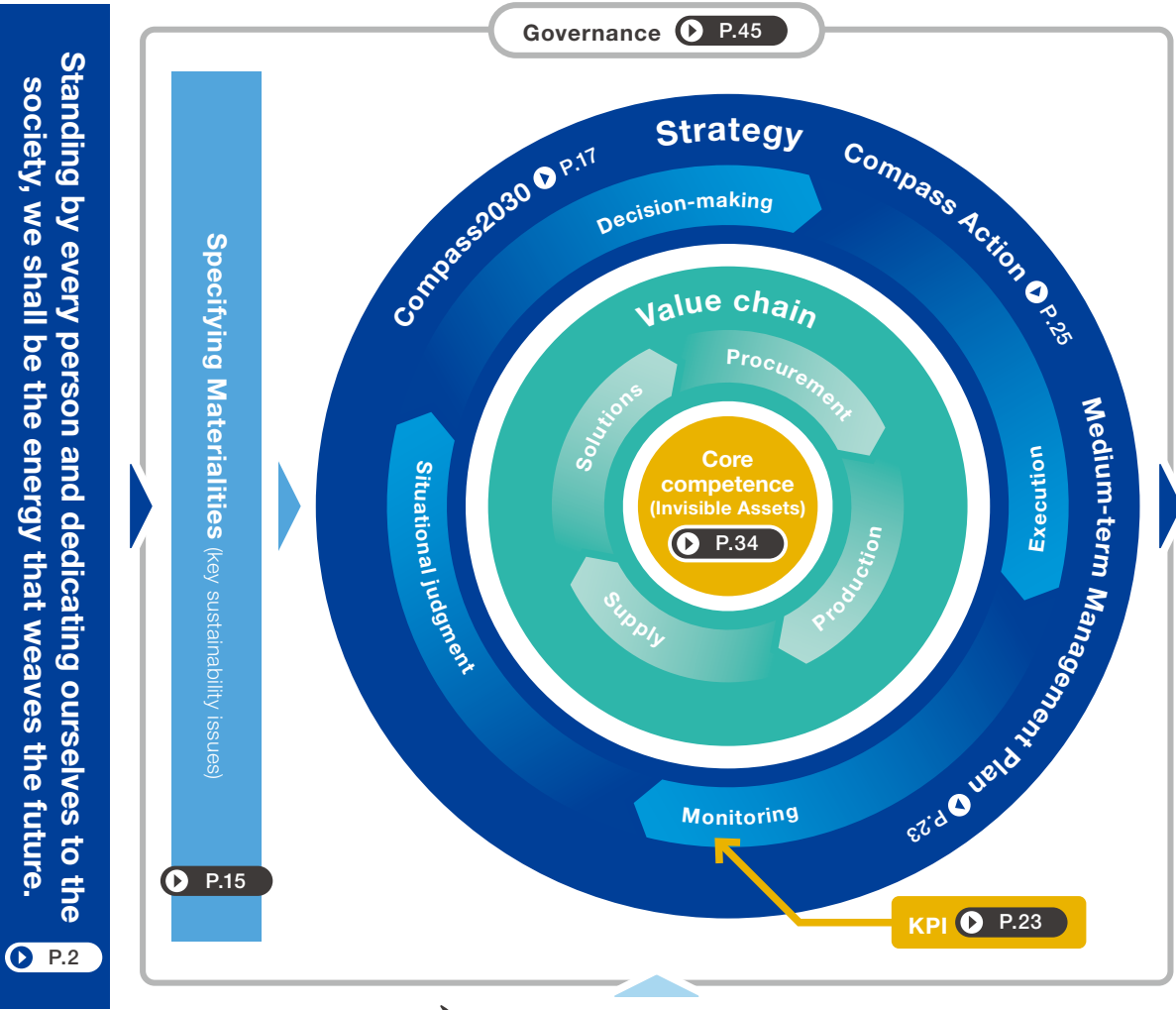


How We Create Value

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The Value Creation Process

Management Philosophy



Output	
Fiscal 2021 results	
Gas	
Segment sales	¥1,444.0 billion
Segment profit	¥102.6 billion
Electricity	
Segment sales	¥467.8 billion
Segment profit	¥11.1 billion
Overseas	
Segment sales	¥85.9 billion
Segment profit	¥28.2 billion
Energy-related	
Segment sales	¥331.3 billion
Segment profit	¥12.8 billion
Real estate	
Segment sales	¥57.9 billion
Segment profit	¥13.4 billion
Other	
Segment sales	¥107.5 billion
Segment profit	¥2.0 billion

Outcome	
Fiscal 2021 results	
Mid-Term Plan targets for Fiscal 2022	
Compass2030	
Creation of safe living of customers	
Reduction in energy cost	
Contribution to the global environment	
Creation of comfortable living of customers	
Contribution to CO ₂ emissions reduction	
5.39 million tons	6.5 million tons
17.0 million tons*1	
Renewable power source transaction volume	
1.498 million kW	2.0 million kW
6.0 million kW*2	
Number of customer accounts	
12.48 million	14.80 million
20.0 million	
Natural gas transaction volume	
19.18 million tons	17.0 million tons
20.0 million tons	
Operating profit + Equity method income	
¥121.5 billion	¥140.0 billion
¥200.0 billion	

*1: The Compass2030 initial target: 10 million tons (Japan only)
 *2: The Compass2030 initial target: 5 million kW

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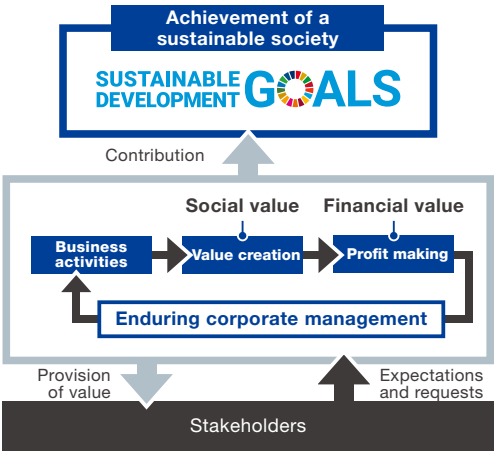
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Promoting Sustainability and Materiality

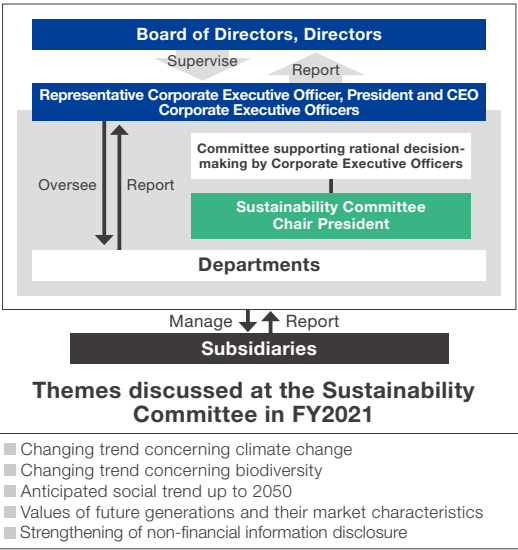
Approach to promoting sustainability

The Tokyo Gas Group’s approach to promoting sustainability is to contribute to the achievement of a sustainable society by creating social and financial value from the solution of social issues through our business activities, and by engaging in enduring corporate management. Taking this approach, we are working on materiality (key sustainability issues) through our business activities, in conjunction with our aim of carrying out ESG-focused management and broadly contributing to the realization of the SDGs.



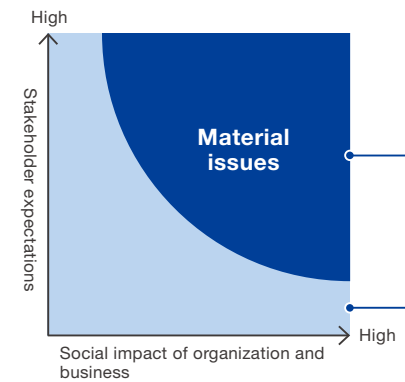
Sustainability Promotion System

As an important management issue, sustainability is being discussed in a committee that supports rational decision-making by Corporate Executive Officers. In addition, the Sustainability Committee, chaired by the President, has been established to act as a leader in implementing and promoting sustainability management across the entire Group, and to report important matters to the Board of Directors.



Specifying materialities

With reference to the guidelines, issues to be considered are assessed by indicators on two axes: “Stakeholder expectations” and “Social impact of organization and business,” and then are specified as materiality.



FY2020-2022 Materiality	
Leadership in the effort to achieve Net-Zero CO₂	<ul style="list-style-type: none">■ Climate change■ Access to energy■ Safety and disaster preparedness■ Creation of customer value
Sound relationships with society	<ul style="list-style-type: none">■ Resource efficiency and recycling society■ Establishment of relationships with communities■ Diversity & inclusion■ Satisfaction through work and labor productivity
Actions as a responsible company	<ul style="list-style-type: none">■ Supply chain management■ Information security■ Governance and compliance
Recognized issues	
<ul style="list-style-type: none">■ Treatment of emissions, water discharge, and treatment of waste■ Biodiversity■ Response to water risks■ Occupational health and safety■ Development of good labor-management relations	<ul style="list-style-type: none">■ Appropriate information disclosure■ Proper management of intellectual property rights■ Appropriate involvement in public policies■ Economic performance

Process for specifying materialities

STEP 1	Sort social issues	Comprehensively extract issues to be addressed, referring to international guidelines.
STEP 2	Prioritize	Assess and prioritize issues graphically depicted on two axes to identify important issues.
STEP 3	Confirm Validity and decide	Have experts assess the validity of the identified important issues, and specify these as materialities. Decide these with the confirmation in internal meetings.
STEP 4	Review	Conduct activity assessments on the materialities and disclose. Review it considering the opinions of stakeholders.

Relationship between materiality and the SDGs

	Materiality	Relevant SDGs
Leadership in the effort to achieve Net-Zero CO ₂	Climate change	7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 13 CLIMATE ACTION, 17 PARTNERSHIPS FOR THE GOALS
	Access to energy	7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 17 PARTNERSHIPS FOR THE GOALS
	Safety and disaster preparedness	7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 13 CLIMATE ACTION, 17 PARTNERSHIPS FOR THE GOALS
	Creation of customer value	3 GOOD HEALTH AND WELL-BEING, 4 QUALITY EDUCATION, 5 GENDER EQUALITY, 6 CLEAN WATER AND SANITATION, 7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 17 PARTNERSHIPS FOR THE GOALS
Sound relationships with society	Resource efficiency and recycling society	6 CLEAN WATER AND SANITATION, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 14 LIFE BELOW WATER, 17 PARTNERSHIPS FOR THE GOALS
	Establishment of relationships with communities	1 NO POVERTY, 2 ZERO HUNGER, 3 GOOD HEALTH AND WELL-BEING, 4 QUALITY EDUCATION, 6 CLEAN WATER AND SANITATION, 7 AFFORDABLE AND CLEAN ENERGY, 10 REDUCED INEQUALITIES, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS, 17 PARTNERSHIPS FOR THE GOALS
	Diversity & inclusion	4 QUALITY EDUCATION, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES, 17 PARTNERSHIPS FOR THE GOALS
	Satisfaction through work and labor productivity	4 QUALITY EDUCATION, 8 DECENT WORK AND ECONOMIC GROWTH, 17 PARTNERSHIPS FOR THE GOALS
Actions as a responsible company	Supply chain management	5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND
	Information security	17 PARTNERSHIPS FOR THE GOALS
	Governance and compliance	5 GENDER EQUALITY, 10 REDUCED INEQUALITIES, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS, 17 PARTNERSHIPS FOR THE GOALS

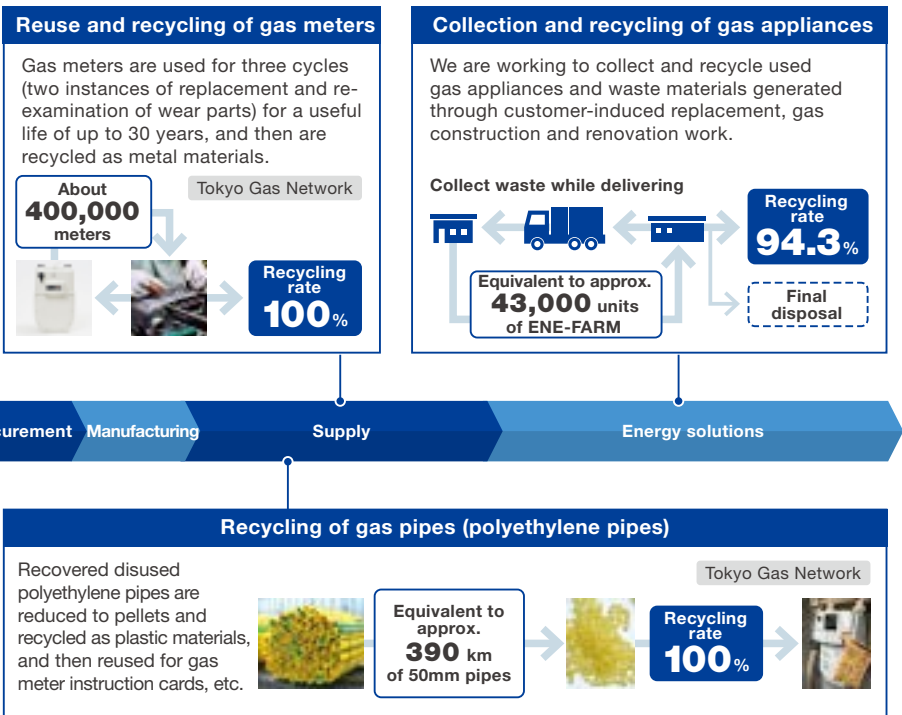
Case 1 Preparing for climate change (adaptation)

As part of adaptation to climate change, we are taking measures against water-related disasters such as torrential rains and high tides. At LNG terminals, facilities are being raised and water-tight doors are being installed to protect electric facilities. Meanwhile, Tokyo Gas Network is dividing its pipeline network into smaller blocks to minimize gas supply suspension areas which may get liquefied. In addition, a business continuity plan (BCP) on the assumption of wind or water damage has been prepared to ensure gas supply and safety.



Case 2 Promoting resource efficiency and fostering a recycling society

In order to foster a recycling society, we are engaged in resource recycling at each stage of our business activities, including the recycling of gas meters and used gas pipes, and the collection and recycling of disused gas appliances.



* Preliminary data for FY2021

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