

Roundtable with the Chairperson and Outside Directors

As a company with a Nominating Committee, we clearly separate execution and oversight functions, placing a diverse and objective supervisory perspective at the center of Board operations. Of the nine directors, six are outside directors. In this roundtable, the Chairperson spoke with two outside directors about the discussions at the Board and committees in FY2024 and the perspectives they consider important as directors.

Initiatives to enhance corporate value

Growth Story For the Next Medium-term Management Plan

Uchida In the document “Working Toward Continuous Corporate Value Enhancement” published at the end of January 2025, you clearly stated the commitment to achieve an ROE of 8% for FY2025 and the target of exceeding 10% around 2030. At the end of March, you also announced the initiatives to achieve the FY2025 ROE target and the Growth Story For the Next Medium-term Management Plan. What were your thoughts when discussing this growth story at the Board of Directors meeting?

Yamamura Because the Tokyo Gas Group’s businesses are extremely diverse, I considered them in three main pillars. The first is domestic operations. This involves how to grow our domestic energy business by leveraging our strengths, such as our customer base and owned assets, and how to maximize synergies with peripheral businesses centered on the solution-providing business brand, IGNITURE. From the perspective of



the overall corporate portfolio, I also recognize the importance of balancing high-volatility energy businesses with urban development that can be expected to generate stable revenues. To further enhance investment and asset efficiency in urban development, I believe it is necessary to focus on circular businesses, such as private REITs, to expand earnings.

The second pillar is overseas operations. I hope these businesses will actively drive the Tokyo Gas Group’s future growth. This pillar involves promoting initiatives to achieve carbon neutrality, such as the introduction of

wind power, while also expanding the North American shale gas and LNG trading businesses.

The third pillar is nurturing subsidiaries to become “stars” within the Group. Personally, I have high expectations for Tokyo Gas Engineering Solutions, which provides one-stop solutions and engineering services ranging from energy supply—such as city gas, electricity, and renewable energy—to energy services. By expanding its business beyond Tokyo Gas’s supply area, mainly in the metropolitan region, and extending services nationwide, it has the potential for further growth.

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Capital policy

Uchida What is your perspective on the capital policy designed to achieve the FY2025 ROE commitment of 8% and the target of surpassing 10% around 2030?

Tannowa I believe that publicly committing to an ROE of 8% marks a significant milestone in the structural transformation of our business. However, the city gas business, which accounts for a large portion of our operations, is highly volatile and susceptible to fluctuations in energy prices, making profits (the numerator of ROE) prone to change. A key discussion point was how to achieve the target while managing this volatility.

One measure to support this target is share repurchases, which is important from the perspective of reducing equity (the denominator of ROE). At the same time, achieving long-term growth and stable ROE improvement requires increasing profits, and monitoring growth investments and investment efficiency is a major role of the Board of Directors. In evaluating investment efficiency, numerical targets based on ROIC are necessary. A key point is how to link this to external disclosure, including the consideration of introducing ROIC.

Management with awareness of the cost of capital and stock price

Uchida It is necessary to consider both the profits and equity components of ROE, but unless profits are increased, achieving a stable ROE of 8% or higher is not possible. This also ties into “management that is conscious of the cost of capital and stock price,” as requested by the Tokyo Stock Exchange (TSE)—namely, creating corporate value that keeps the price-to-book (P/B) ratio above 1. From the perspective of a

company with a Nominating Committee, what are your thoughts on our efforts to consistently maintain a P/B ratio of at least 1 going forward?

Tannowa At the outset, some companies, in response to the TSE’s request to maintain a P/B ratio above 1, became confused and ended up taking short-term measures, such as boosting shareholder returns. However, the TSE’s intention is to aim for a P/B ratio above 1 by steadily increasing the stock price through long-term growth strategies, and we as outside directors need to remain fully conscious of that.

As an outside director at a company with a Nominating Committee, this is my first experience in such a role, and I feel that ensuring a clear separation between execution and oversight is essential. The Board should monitor management’s initiatives without unduly restricting their discretion, while providing support and pointing out potential risks. Ensuring effective separation will require ongoing dialogue with the President and other executives, and we outside directors also need to align our perspectives to provide consistent guidance.

Yamamura A P/B ratio below 1 suggests that the capital markets might be undervaluing the company. It is important for the Board to ensure that management clearly communicates the company’s growth strategy to the market. When preparing the January and March disclosures on continuous corporate value enhancement, the Board repeatedly discussed the growth story to ensure alignment. Once the Board decides on the direction of the growth story, management should then implement it steadily and boldly, exercising their discretion. I believe this approach aligns with how a company with a Nominating Committee should function, with the Board providing oversight and guidance while allowing management to execute.



Review of materiality

About the new materiality

Uchida We define materiality as initiatives by the Tokyo Gas Group that embody our management philosophy and are essential for addressing social issues (management challenges). The Board of Directors has been discussing this since last fiscal year, and the materiality was revised in FY2025. Could you explain how the challenges identified under the previous materiality have been addressed in the new version?

Tannowa Materiality can easily become overly broad, which can make its connection to specific management challenges harder to see. In a rapidly changing environment, the Board should ensure that the company can respond effectively to megatrends and societal shifts. Under the previous materiality, it was sometimes difficult to convey the Tokyo Gas Group’s unique strengths or link them clearly to strategy. The revised materiality, for example, combines what were previously separate items, “stable energy supply” and “responsible transition toward a carbon-

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neutral society,” into “ensuring a stable energy supply while achieving carbon neutrality.” I believe this makes management challenges clearer and should help guide the next Medium-term Management Plan while being understandable to stakeholders.

■ Key issues to focus on going forward

Uchida The revised materiality serves as the foundation for formulating the next Medium-term Management Plan (FY2026–2028), which will be discussed this fiscal year. Could you explain how this materiality will be incorporated into the plan and which issues should be given priority?

Yamamura With the revised materiality, its connection to our business appears stronger. When integrating it into the management plan, it will be important to consider how it is reflected in the KPIs and how it can support operational improvements.

The new materiality is structured around the value created by the Tokyo Gas Group and transformations that further strengthen the Group’s capabilities. In terms of incorporating it into the management plan, the latter



is particularly important. Among the seven materiality items, I consider “6. Enhancing and expanding organizational capabilities by fusing face-to-face engagement with digital technologies” to be particularly important. Considering recent advances in DX, AI, and robotics, the seriousness with which the company pursues digital initiatives could significantly influence productivity outcomes. Focusing on this area could also help make progress on other materiality items.

Review of executive compensation

Uchida Over the past year, the Compensation Committee has engaged in extensive discussions regarding the structure and levels of executive compensation. Could you share what factors were particularly emphasized in the review?

■ Performance-linked ratio

Yamamura Given that we operate in the highly volatile energy industry, one issue was that the performance-linked compensation ratio for executive officers was relatively low compared to other companies.

To encourage executive officers to pursue medium- to long-term corporate value enhancement with even greater commitment, we have decided to raise the performance-linked portion of executive compensation above 40%. Specifically, we increased the bonus ratio by about 10 percentage points and introduced a performance-linked mechanism for stock-based compensation. In addition, we made various other system changes, such as expanding the bonus range to 0–200%. While the performance-linked ratio is still not fully satisfactory, we believe the revised compensation structure now provides

incentives that are reasonably recognized externally as promoting corporate value enhancement.



■ Compensation levels

Tannowa In considering executive compensation levels, we accounted for the traditional view that they should reflect the public nature of our business, but we also felt it was important to understand how our levels compare to companies outside our industry. Comparing Tokyo Gas to listed companies of similar scale in terms of operating profit and market capitalization, we found our compensation levels to be considerably low.

The growth strategy I mentioned earlier and this revision of executive compensation are closely intertwined. It is essential to think beyond the framework of a conventional gas company and focus on driving the Group’s growth and delivering results. Using compensation levels at companies of similar scale as a reference, we decided to raise the compensation of executive officers, including the President, by roughly 10%.

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Roundtable with the Chairperson and Outside Directors



How the Board of Directors monitors operations

Uchida Finally, as a company with a Nominating Committee, could you explain how the Board of Directors should conduct monitoring in a way that contributes to the Group’s growth? In addition, what areas do you, as outside directors, plan to focus on to support this?

Yamamura Even with a medium-term plan in place, circumstances can change drastically if major events occur overseas or elsewhere. The Board needs to monitor whether cash is being allocated appropriately in response to such changes. For example, when a business the company aims to grow faces difficulties due to price fluctuations, the Board might need to

evaluate whether it is appropriate to provide additional resources to sustain it.

Even for investments that have already been decided, it is important not to hold fixed views. The Board should ensure that management reviews cash allocations periodically and adjusts them in line with changing circumstances.

Tannowa Monitoring is truly challenging. When the Board evaluates management’s proposals to identify potential risks, we constantly ask ourselves whether an issue is genuinely worth raising or whether we might be veering into micromanagement. While providing oversight from perspectives management might not have considered, we also aim to support them so they can take appropriate risks to realize the growth story outlined in the next Medium-term Management Plan.

Uchida I believe that the purpose of a company with a Nominating Committee is to grant management the fundamental authority to make decisions quickly, thereby putting the company on a growth trajectory. The Board’s role is to set the overall direction, monitor whether management is executing appropriately, and provide support when it is necessary to move forward despite taking risks. We continue monitoring while carefully observing market trends, making adjustments as needed, and responding appropriately to emerging risks. By applying this balance of oversight and support—like using the accelerator and brake—we aim to achieve sustainable growth and enhance long-term corporate value. I hope that the six outside directors will continue to provide their insights and advice, drawing on their respective experiences and broad perspectives.

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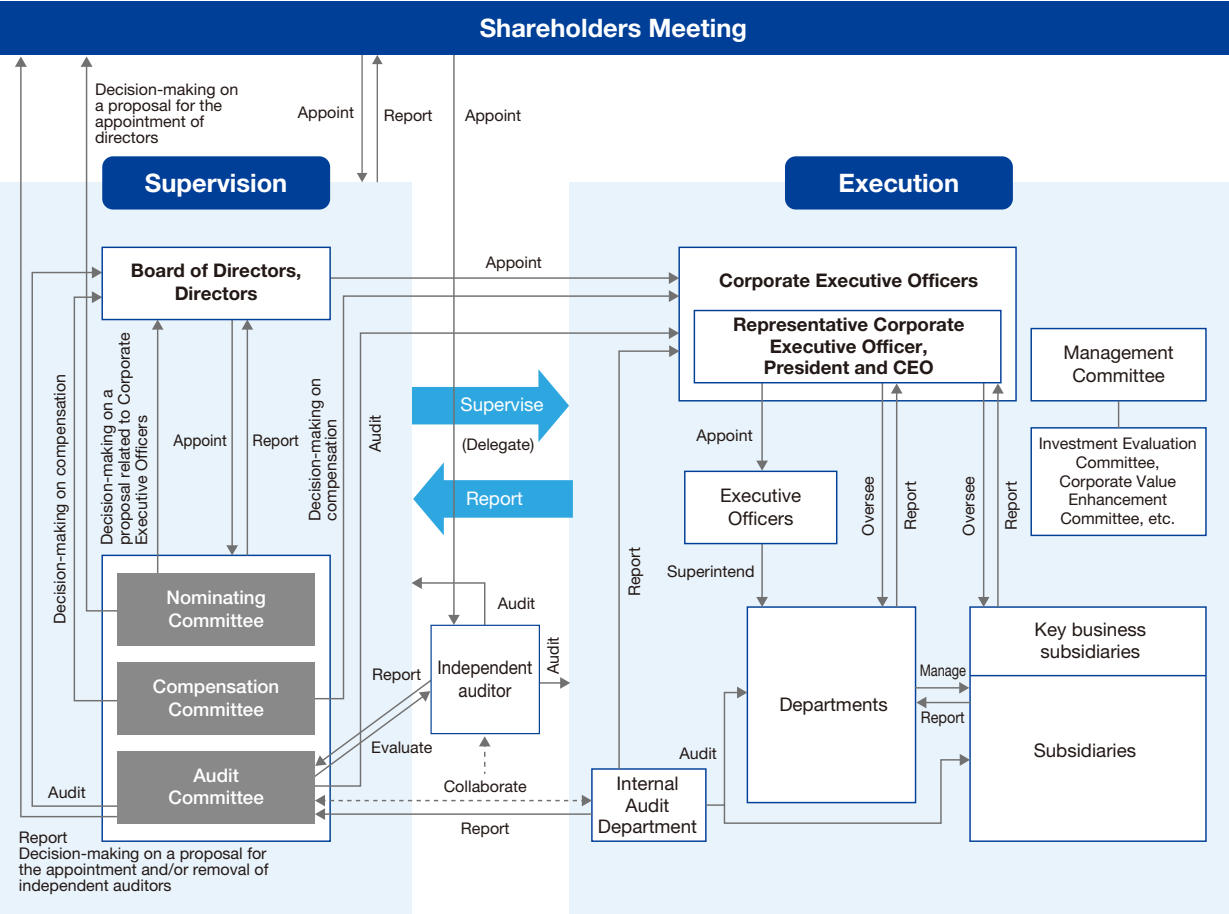
Policy and Structure

Basic views on corporate governance

Based on our Management Philosophy, we ensure legality, soundness, and transparency in management; clarify the responsibilities of management and execution; strengthen supervisory and auditing functions; and promote accurate, timely decision-making and efficient business operations, thereby enhancing and reinforcing corporate governance.

 **Basic Policy on Corporate Governance**
<https://www.tokyo-gas.co.jp/en/IR/gvnn/pdf/policy.pdf>

Corporate Governance Structure



(As of June 27, 2025)

Number of Directors	9
Of those, number of Independent Outside Directors* ¹	6
Number of Corporate Executive Officers* ²	4
Number of Executive Officers	27

*¹ All six Outside Directors have been reported to the stock exchange as independent officers in accordance with the Company's "Criteria for Determining the Independence of Outside Directors."
*² Includes a Corporate Executive Officer who concurrently serves as Director (Representative Corporate Executive Officer, President and CEO).

Corporate Value Enhancement Committee

The Corporate Value Enhancement Committee, chaired by the Representative Corporate Executive Officer, President and CEO, discusses and reviews business portfolio management, capital policy, and related matters from the perspective of the capital markets. The Representative Corporate Executive Officer, President and CEO reports the committee's findings to the Board of Directors, in which a majority of members are Outside Directors.

Investment Evaluation Committee

The Investment Evaluation Committee, chaired by the Executive Officer in charge of Financial affairs(CFO), evaluates the significance, economic rationale, and risks of proposed investments, conducts post-investment follow-up when necessary, and reports its findings to the Corporate Executive Officers and other relevant parties.

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Vision for Enhancing Corporate Value

CFO's Message: Financial Capital Strategy

Business Strategy (Improving ROA)

Medium- to Long-Term Value Creation (Enhancing P/E Ratio)

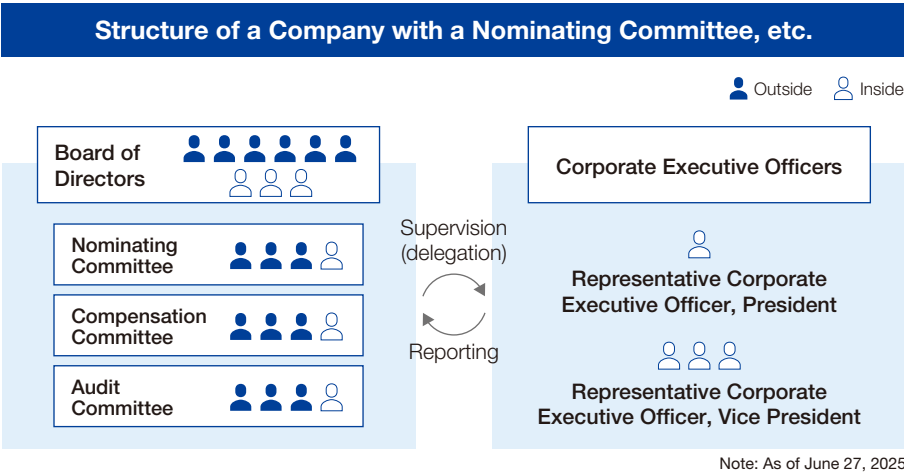
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Policy and Structure

Company with a Nominating Committee, etc.

Since its founding in 1885, Tokyo Gas has operated its city gas business primarily in the Tokyo metropolitan area. However, as we enter an era of significant energy transformation, it is essential to accelerate the expansion of our business domains and the transformation of our business structure, in line with the Compass 2030 plan, which looks toward 2030 and beyond. Recognizing the need for stronger management oversight in undertaking this major transformation, we transitioned to a company with a Nominating Committee, etc., in June 2021.

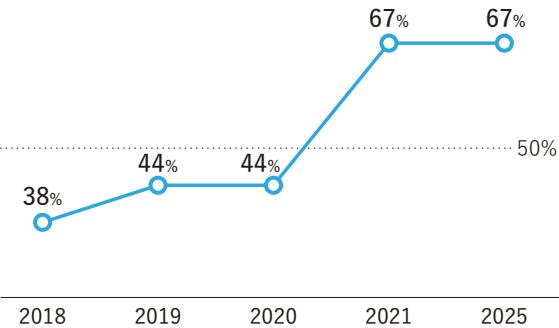


We aim to achieve sustainable growth and enhance medium- to long-term corporate value by ensuring that the two bodies—the Board of Directors and the Executive Committee—clarify and complement each other’s roles and responsibilities within a healthy tension. The Board of Directors conducts broad, high-level reviews and discussions of overall management to enhance the decision-making process for matters requiring resolution, while concentrating on monitoring based on reports from Corporate Executive Officers. The Executive Committee conducts in-depth reviews and discussions with a Group-wide management perspective, enabling swift and appropriate decision-making and operational execution.

History of strengthening Corporate Governance

2002	Adopted an executive officer system and reduced the number of Directors Began appointing Outside Directors
2005	Established an advisory committee to set up ad hoc committees for nomination and compensation, enhancing transparency
2016	Formulated the Basic Policy on Corporate Governance Began evaluating the effectiveness of the Board of Directors
2017	Revised the Regulations of the Board of Directors (shifting toward a monitoring model)
2021	Transitioned to a company with a Nominating Committee, etc. <ul style="list-style-type: none">Established Nominating, Compensation, and Audit Committees with a majority being Outside DirectorsIntroduced a stock-based compensation system for Directors (inside and outside) and Corporate Executive OfficersDelegated significant decision-making authority for business execution to the Representative Corporate Executive Officer, President and CEO <div>Key point Decisions on investment projects are, in principle, delegated to the Representative Corporate Executive Officer, President and CEO, regardless of the project size. The Board of Directors confirms, based on reports from Corporate Executive Officers, that decisions and business execution are carried out appropriately in accordance with management principles.</div>
2024	Conducted an external third-party evaluation to enhance the effectiveness of the Board of Directors P.75
2025	Increased the proportion of performance-linked compensation (bonuses and stock-based compensation) for Corporate Executive Officers P.77

Growing proportion of Outside Directors



Reference

- From June 2018: 3 out of 8 = 38%
- From June 2019: 4 out of 9 = 44%
- From June 2021: 6 out of 9 = 67%
- From June 2025: 6 out of 9 = 67%

List of Executives

Directors As of June 27, 2025



Chairperson of the Board
(Member of the Nominating
Committee, Member of the
Compensation Committee)
UCHIDA
Takashi
Serving as a Director
11th year

April 1979 Joined the Company
April 2010 Executive Officer and General Manager of Corporate Planning Dept.
April 2012 Senior Executive Officer and in charge of Personnel Dept., Secretary Dept., Compliance Dept. and Internal Audit Dept.
April 2013 Senior Executive Officer and Chief Executive of Energy Resources Business Div.
June 2015 Director, Senior Executive Officer and Chief Executive of Energy Resources Business Div.
April 2016 Representative Director, Executive Vice President and Chief Executive of Residential Sales and Service Div.
April 2017 Representative Director, Executive Vice President and Chief Executive of Residential Service Div.
April 2018 Representative Director, President
June 2021 Director, Representative Corporate Executive Officer and President
April 2022 Director, Representative Corporate Executive Officer, President and CEO
April 2023 Director
June 2023 Director, Chairperson of the Board (Current position)



Outside Director
(Audit Committee Member)
SEKIGUCHI
Hiroyuki
Serving as a Director
4th year

April 1979 Joined Japan Broadcasting Corporation
August 1987 Reporter in the Economics Section, News Department of Japan Broadcasting Corporation (responsible for covering the Ministry of Transport, Ministry of Finance, Ministry of International Trade and Industry, distribution companies, trading companies, the Bank of Japan, the finance sector, etc.)
June 1998 Economics Section Deskman, News Department of Japan Broadcasting Corporation
June 2001 "Economics Front Line" Newscaster, News Commentator, General Broadcasting Administration of Japan Broadcasting Corporation
April 2004 "Business Compass" Newscaster of Japan Broadcasting Corporation
June 2007 Chief News Commentator of Japan Broadcasting Corporation
June 2014 News Commentator Vice-chairperson of Japan Broadcasting Corporation
April 2017 "Ohayo Nippon/Oha Biz" Newscaster of Japan Broadcasting Corporation (responsible for corporate strategy, energy affairs, green innovation, corporate governance, growth strategy, industrial policy, etc.) (Retired in January 2022)
June 2022 Director of the Company (Current position)



Outside Director
(Nominating Committee Member
and Compensation Committee
Member)
YOSHITAKA
Mari
Serving as a Director
2nd year

Worked for IT companies, US investment banks, etc.
August 2000 Joined Tokyo-Mitsubishi Securities Co., Ltd. (Now Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.) (Retired in April 2020)
April 2009 Part-time Lecturer of Graduate School of Media and Governance of Keio University (Retired in March 2024)
April 2016 Part-time Lecturer of School of Human Welfare Studies of Kwansei Gakuin University (Retired in March 2022)
May 2020 Joined Mitsubishi UFJ Research and Consulting Co., Ltd. Fellow (Sustainability), General Manager of Sustainable Management Support Office, Social Impact Partnership Dept., Research & Innovation Division (Retired in April 2025)
September 2021 Representative Director of General Incorporated Association Virtue Design (Current position)
April 2022 Visiting Professor of College of Arts and Sciences of The University of Tokyo (Current position)
January 2023 Director of IA Partners Inc. (Retired in April 2024)
April 2024 Guest Professor (Part-time) of Keio University (Current position)
June 2024 Director of the Company (Current position)



Director
SASAYAMA
Shinichi
Serving as a Director
3rd year

April 1986 Joined the Company
April 2016 Executive Officer and General Manager of Corporate Planning Dept.
April 2018 Senior Executive Officer and Chief Executive of Digital Innovation Div. and in charge of Corporate Planning Dept.
April 2019 Senior Executive Officer and Chief Executive of Digital Innovation Div. and in charge of Corporate Planning Dept. and Business Transformation Project Dept.
April 2020 Senior Managing Executive Officer and Chief Executive of Asset Optimization & Trading Div.
June 2020 Director and Senior Managing Executive Officer and Chief Executive of Asset Optimization & Trading Div.
June 2021 Senior Managing Corporate Executive Officer and Chief Executive of Asset Optimization & Trading Div.
April 2022 Representative Corporate Executive Officer, Vice President and CSO
April 2023 Representative Corporate Executive Officer, President and CEO
June 2023 Director, Representative Corporate Executive Officer, President and CEO (Current position)



Outside Director
(Chairperson of the Nominating
Committee and Compensation
Committee Member)
TANNOWA
Tsutomu
Serving as a Director
3rd year

April 1976 Joined Mitsui Toatsu Chemicals, Inc. (Now Mitsui Chemicals, Inc.)
April 2007 Executive Officer, General Manager of Human Resources & Employee Relations Div. of Mitsui Chemicals, Inc.
April 2010 Executive Officer, Business Sector President of Basic Chemicals Business Sector of Mitsui Chemicals, Inc.
June 2012 Member of the Board, Managing Executive Officer of Mitsui Chemicals, Inc.
April 2013 Senior Managing Executive Officer of Mitsui Chemicals, Inc.
April 2014 Director, Member of the Board, President & CEO of Mitsui Chemicals, Inc.
April 2020 Representative Director, Member of the Board, Chairperson of Mitsui Chemicals, Inc.
April 2022 Outside Director of KDDI CORPORATION (Current position)
April 2023 Chairperson of the Board of Mitsui Chemicals, Inc. (Current position)
June 2023 Director of the Company (Current position)



Outside Director
Newly appointed
(Chairperson of the Audit
Committee)
KOMATSU
Yuriya

Worked at a domestic securities company and overseas investment bank, etc.
August 2010 Executive Officer of Otsuka Chemical Co., Ltd. (Retired in December 2022)
January 2013 Executive Officer and CFO of DWANGO Co., Ltd.
October 2014 Director and CFO of DWANGO Co., Ltd. (Retired in June 2021)
October 2014 Director of KADOKAWA DWANGO Co., Ltd. (Now KADOKAWA CORPORATION)
June 2017 Executive Officer of KADOKAWA CORPORATION (Retired in February 2019)
July 2020 Outside Director of NTN Corporation (Current position)
June 2021 Outside Director of Dream Incubator Inc. (Current position)
September 2021 Joined IA Partners Inc.
June 2022 Outside Director of Daicel Corporation (Current position)
January 2023 Director of IA Partners Inc. (Retired in April 2024)
June 2025 Director of the Company (Current position)



Director
(Audit Committee Member)
HIGO
Takashi
Serving as a Director
3rd year

April 1986 Joined the Company
April 2015 General Manager of Finance Dept.
April 2017 Executive Officer and General Manager of Gas Resources Dept., Gas Resources & Energy Production Div.
April 2018 Executive Officer and General Manager of Gas Resources Dept., Gas Resources & Energy Production Div., and Representative Director and President of Tokyo LNG Tanker Co., Ltd.
April 2019 Senior Executive Officer, and Representative Director and President of Tokyo Gas Engineering Solutions Corporation
April 2021 Senior Executive Officer and Chief Executive of Energy Solution Div.
April 2022 Senior Managing Executive Officer and in charge of Secretary Dept., General Administration Dept., Corporate Communications Dept., Sustainability Dept. and Internal Audit Dept. (Retired in March 2023)
June 2023 Director (Current position)



Outside Director
(Chairperson of the Compensation
Committee and Nominating
Committee Member)
YAMAMURA
Masayuki
Serving as a Director
2nd year

April 1978 Joined Nippon Telegraph and Telephone Public Corporation
January 1999 General Manager of First Division, Holding Company Transition Headquarters of NIPPON TELEGRAPH AND TELEPHONE CORPORATION
July 1999 General Manager of First Division of NIPPON TELEGRAPH AND TELEPHONE CORPORATION
June 2005 Director, General Manager of Tokyo Branch of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION
June 2008 Executive Vice President, General Manager of Tokyo Branch of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION
June 2009 Executive Vice President, Senior Executive Manager of Network Business Headquarters, General Manager of Office of Network Security of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION
May 2011 Executive Vice President, Senior Executive Manager of Network Business Headquarters of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION
June 2012 Representative Director, President of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION
June 2018 Counselor to the President of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION (Retired in June 2024)
June 2019 Outside Director of Fuyo General Lease Co., Ltd. (Current position)
April 2020 Chairman of THE TELECOMMUNICATIONS ASSOCIATION (TTA) (Current position)
June 2024 Director of the Company (Current position)



Outside Director
Newly appointed
(Audit Committee Member)
FUKASAWA
Yuji

April 1978 Joined Japanese National Railways
April 1987 Joined East Japan Railway Company
June 2003 General Manager of Investment Planning Department, Corporate Planning Headquarters, East Japan Railway Company
June 2006 Director, General Manager of Personnel Department, and Director of JR East General Education Center, East Japan Railway Company
June 2008 Executive Director, East Japan Railway Company
June 2012 Executive Vice President and Representative Director, East Japan Railway Company
June 2016 Executive Vice President and Representative Director, Assistant to President (General Affairs), in charge of Indian High-Speed Railway Project, East Japan Railway Company
April 2018 President and Representative Director, East Japan Railway Company
April 2024 Chairman of the Board and Director, East Japan Railway Company (Current position)
April 2025 President, Japan Tennis Association (Public Interest Incorporated Foundation) (Current position)
June 2025 Director of the Company (Current position)

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Corporate Executive Officers As of April 1, 2025

Representative Corporate Executive Officer, President and CEO		SASAYAMA Shinichi CEO
Representative Corporate Executive Officer, Vice President		KASUTANI Toshihide Chief Executive of Global Business Company
Representative Corporate Executive Officer, Vice President		KIMOTO Kentaro CTO, Chief Executive of Green Transformation Company
Representative Corporate Executive Officer, Vice President		OGAWA Shinsuke Chief Executive of Customer & Business Solution Company

Reference The Company has established the following roles for the Chief X Officer (CXO) in order to address cross-sectional management challenges across the Group.

Main roles in the Group as a whole		
CEO	Chief Executive Officer	Formulates management policies and strategies and oversees execution
CDO	Chief Digital Officer	Oversees DX promotion
CIO	Chief Information Officer	Oversees IT systems and information security
CTO	Chief Technology Officer	Supervises technology development and standardization strategies related to decarbonization
CFO	Chief Financial Officer	Supervises financial strategy
CHRO	Chief Human Resources Officer	Supervises human resources strategy, conducts selection and training of management candidates
CRO	Chief Risk Management Officer	Oversees risk management

Executive Officers As of April 1, 2025

Senior Managing Executive Officers	SATO Hirofumi	President, Representative Director of Tokyo Gas Real Estate Co., Ltd.		
	SUGESAWA Nobuhiro	President, Representative Director of Energy Trading Company		
Managing Executive Officers	SAITO Akihiro	CHRO: In charge of Human Resources Dept., Legal Dept., Compliance Dept., and Internal Audit Dept.		
	KONISHI Yasuhiro	President, Representative Director of Tokyo Gas Engineering Solutions Corporation		
	TSUJI Eito	In charge of General Administration Dept., Purchasing Dept., and Corporate Communications Dept.		
	KONISHI Masako	Chief Executive of Regional Co-creation Company and In charge of DE&I		
	ENDO Yo	CIO: President, Representative Director of TOKYO GAS INET CORP.		
	MINAMI Taku	CFO: In charge of Financial Management Dept., Accounting Dept., and Sustainability Dept.		
	MURAKOSHI Masaaki	CRO: In charge of Corporate Planning Dept. and Secretary Dept.		
Executive Officers	SHIMIZU Seita	CDO: In charge of Digital Transformation Promotion Dept. and General Manager of Solution Co-creation Dept., Customer & Business Solution Company		
	TAKEUCHI Atsunori	ISHIZAKA Tadashi	YAO Yumiko	SAKURAI Kenji
	OKUMURA Eigo	KAWAMURA Toshio	UENAKA Takayuki	NISHIYAMA Tomoyuki
	OHASHI Taro	KOWADA Yuko	HOSHIZAKI Tomohiro	
	NAKAMURA Hajime	GOSHIMA Nozomu	MURATA Yukimaro	
	MIURA Kazutaka	SOGA Go	HORISAKA Kentaro	

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Skills and roles demanded of Directors







All of our Directors are expected to possess the following skills: knowledge to deepen corporate management, a mindset to drive corporate transformation, and the ability to ask questions that address corporate challenges.

For Outside Directors, we expect them to possess the skills necessary to oversee the achievement of the Group’s management vision, Compass 2030 (see right), and to complement the knowledge and experience of internal Directors and Corporate Executive Officers.

All internal Directors, except for the Representative Corporate Executive Officer, President and CEO, serve as non-executive Directors and are responsible for providing proposals and information in a timely and appropriate manner to ensure the effectiveness of the Board of Directors.

 Reasons for the appointment of each Director (Outside and Internal) and attendance at Board of Directors and other meetings
<https://www.tokyo-gas.co.jp/en/IR/stock/pdf/kabu/225e.pdf>

Skills matrix for Outside Directors

	 SEKIGUCHI Hiroyuki	 TANNOWA Tsutomu	 YAMAMURA Masayuki	 YOSHITAKA Mari	 KOMATSU Yuriya	 FUKASAWA Yuji
1 Energy	●			●		
2 Sustainability	●	●		●		●
3 Digital/Technology			●			
4 Marketing/Project development		●	●			
5 Group management/Governance			●		●	●
6 Global business	●			●		
7 M&A/Business restructuring		●	●		●	
8 Communications	●			●		
9 Finance/Accounting					●	●
10 Risk management		●			●	●

* Lists up to four skills possessed by Outside Directors

Details of each skill

1 Energy	Oversees the responsible transition to a net-zero society based on medium- and long-term energy and environmental trends in Japan and overseas	6 Global business	Oversees the transformation of the Company's business structure as a global, integrated energy company, the development and execution of strategies, and the strengthening of the Company's evaluation capabilities and risk management
2 Sustainability		7 M&A/Business restructuring	Oversees efforts to integrate and consolidate businesses from multiple perspectives, aiming for rapid, non-linear growth both domestically and internationally
3 Digital/Technology	Oversees the provision of solutions leveraging digital technologies in order to transition to a net-zero society and establish a value co-creation ecosystem	8 Communications	Oversees timely and impactful information disclosure, based on close engagement and listening to stakeholders
4 Marketing/Project development	Oversees the migration from the city gas business focused exclusively on the Tokyo metropolitan area to a multi-business, decentralized management model through transformation of the LNG value chain	9 Finance/Accounting	Oversees financial discipline and investment strategies under new risk balances associated with business expansion and M&A, while supervising internal controls and overall risk management
5 Group management/Governance	Oversees business administration that manages multiple businesses while balancing autonomy and overall optimization, as well as the management and operation of personnel and organizations	10 Risk management	

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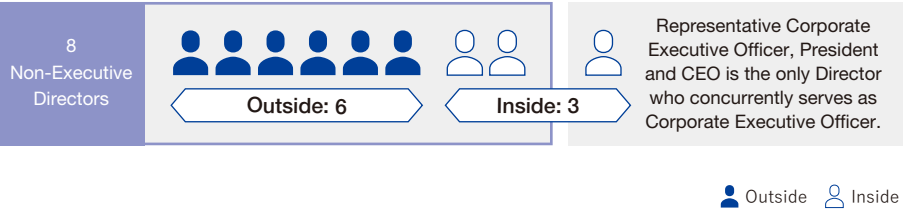
Foundation Supporting Corporate Value Enhancement (Corporate Governance)

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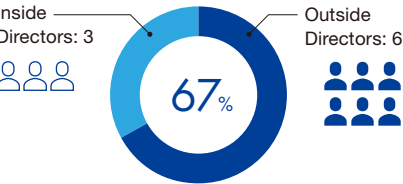
Board of Directors

Composition of the Board of Directors

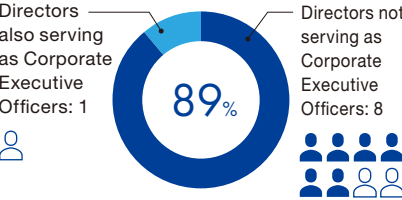
As a company with a Nominating Committee, etc., to enable the Board of Directors to perform its supervisory functions more effectively, only one Director concurrently serves as a Corporate Executive Officer—the Representative Corporate Executive Officer, President and CEO. This clearly separates execution and supervision, ensuring attentive and disciplined management. On this basis, approximately two-thirds of the Board of Directors are Outside Directors, placing diverse and objective oversight at the core of Board operations.



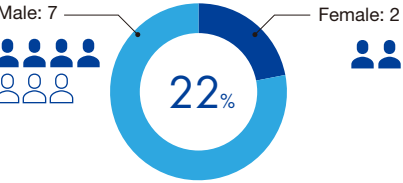
Ratio of Outside Directors



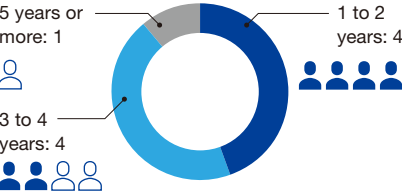
Ratio of Non-Executive Directors



Ratio of Female Directors



Tenure distribution of Directors



Approach to Board monitoring

- Matters resolved by the Board of Directors, such as the Group’s management policies and business plans, are discussed multiple times. After resolution, the Board monitors progress toward the goals set in the medium-term and annual business plans.
- Each Director contributes to improving the quality of management by speaking from diverse perspectives based on their experience, knowledge, and skills, while maintaining a bird’s-eye view of overall management and a medium- to long-term perspective.
- The Board of Directors, while taking care not to engage in micromanagement, aims to both exercise a checking function over bold proposals from the executive team and support executive initiatives to take appropriate risks, such as restructuring the business portfolio and making growth investments.
- By appropriately applying these “accelerator and brake” mechanisms, the Group aims to achieve sustainable growth and enhance corporate value over the medium to long term.

Activity of the Board of Directors

In principle, the Board of Directors meets once a month to make important management decisions, including on management plans and policies, in accordance with laws, the Articles of Incorporation, and the Regulations of the Board of Directors. Authority for business execution decisions is largely delegated to the Representative Corporate Executive Officer, President and CEO, to enable faster management, while monitoring from a comprehensive management perspective to enhance corporate value. In FY2024, the Board deliberated and resolved on initiatives for sustainable corporate value enhancement from a long-term perspective, the Group’s materiality issues, and systematically monitored the progress of the Tokyo Gas Group 2023–2025 Medium-term Management Plan.

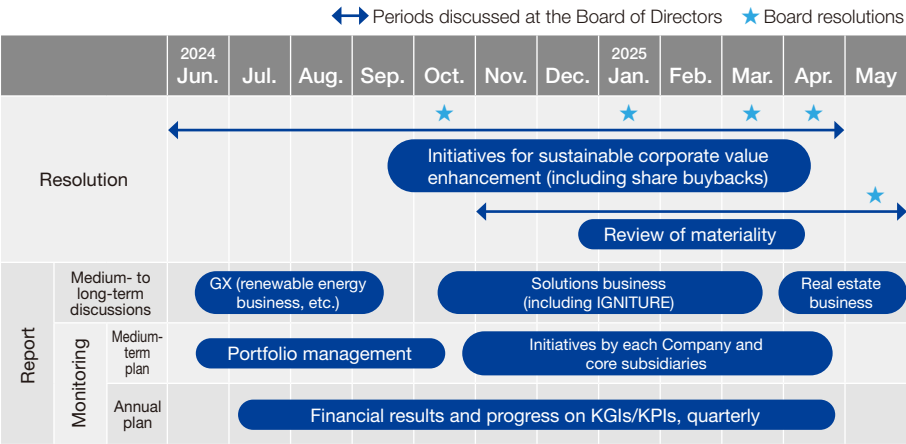
Reference	Board of Directors Members
Composition	Directors (6 Outside, 3 Inside)
Attendees*1	Corporate Executive Officers (1 Representative Corporate Executive Officer, President and CEO; 3 Representative Corporate Executive Officers, Vice Presidents)*2 Corporate Executive Officers in charge of corporate functions (CFO, CHRO, CRO, etc., 4 members)

*1 Business Executive Officers may attend as presenters for agenda items.
*2 Includes a Corporate Executive Officer concurrently serving as Director (Representative Corporate Executive Officer, President and CEO).

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Board of Directors

Board of Directors Annual Schedule



(Note) Only selected agenda items are shown.

Example of Outside Directors' remarks at Board of Directors meetings

Regarding the status of initiatives in business portfolio management



The solutions business, positioned as a key pillar in the 2023–2025 Medium-term Management Plan, needs to be monitored not only at the organizational level but also across the entire solutions business, with PDCA cycles applied. Therefore, in business portfolio management, it is necessary not only to advance initiatives toward the targets of each organization but also to make efforts to visualize indicators aligned with the medium-term plan and business strategy.

Note: Based on the above remarks, the Group's 2025 Management Plan has already established monitoring indicators to measure the progress of the solutions business.

Regarding the medium- to long-term strategy for the residential solutions business



The business model of providing one-stop solutions is extremely important. Addressing customers' minor inconveniences offers peace of mind that daily life is not interrupted, but data indicate that customer anxiety rises during disasters. We recognize that the times when customers are truly in need occur during such events. If energy, water, food, and portable toilets can be maintained, home-based evacuation becomes feasible. Therefore, we hope the solutions business also integrates resilience into its planning.

Support for Outside Directors

Pre-briefing on Board of Directors materials

To facilitate more constructive discussions at Board meetings, we provide pre-briefings on Board materials to the six Outside Directors several days in advance. Board materials are also provided a few days prior to the pre-briefing. The explanations include key points and the deliberation process in execution to help Outside Directors deepen their understanding and enrich discussions at the Board.

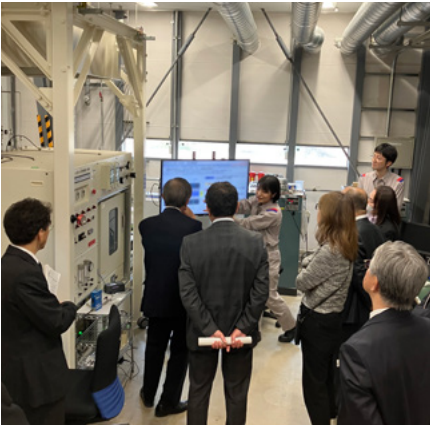
Off-site meetings

Outside of Board meetings, we hold off-site meetings for the eight Non-Executive Directors (including the six Outside Directors) to deepen their understanding of the business. In FY2024, these meetings reviewed the status of cross-organizational initiatives* and included site visits to gas pipeline construction sites and methane technology development facilities.

- * • National energy policy (including lectures by experts)
- Human capital management within the Tokyo Gas Group
- Tokyo Gas Group initiatives in DX, CX, and GX, among others



Replacement work on aged gas pipelines during a site visit (Tokyo Gas Network)



e-methane and other technology development facilities during a site visit (Yokohama Techno Station)

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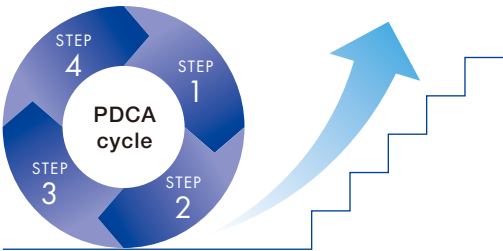
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Board of Directors

Improving the effectiveness of the Board of Directors

The Board of Directors reviews the performance of specific initiatives based on the results of the previous evaluation and analyzes and assesses the overall effectiveness of the Board, taking into account evaluations provided by each Director through questionnaires. In FY2024, we commissioned a third-party evaluation by an external organization and conducted individual interviews with all Directors based on the results of a questionnaire. Drawing on the evaluations by each Director, the findings identified in the third-party evaluation, and the opinions of the Directors, the Board of Directors discusses future initiatives. We will continue to enhance this PDCA cycle to further improve the effectiveness of the Board.



STEP 1 Initiatives for FY2024 based on the FY2023 effectiveness evaluation

FY2023 effectiveness evaluation

- While continuing to monitor progress on medium- and single-year business plans as a monitoring board, the Board should place greater emphasis on discussions regarding broader directions from a medium- to long-term perspective.
- The Board of Directors should serve both as a check on bold proposals from management and as a support for advancing those initiatives.

Key initiatives for FY2024

- The Board of Directors prepared an annual schedule to systematically monitor the progress of the Medium-term Management Plan, portfolio management, and the solutions business brand IGNITURE, while also discussing the Tokyo Gas Group’s materiality and other issues from a medium- to long-term perspective.
- The Board held multiple discussions on the growth story underlying the next Medium-term Management Plan and capital policies, including flexible share buybacks, and resolved the Action Policy Toward Continuous Corporate Value Enhancement published mid-year.

STEP 2 FY2024 evaluations by each Director (questionnaire format)

Questionnaire items

- A. Overall assessment of the Board of Directors B. Role of the Board of Directors
C. Agenda (proposal) discussions D. Board composition E. Deliberations
F. Board operations G. Support system H. Contributions of individual Directors
I. Executive structure J. Others (e.g., communication) K. Importance of proposals and sufficiency of discussion

STEP 3 FY2024 individual interviews and third-party evaluation

Individual interviews

- Based on the results of the questionnaires completed by each director, individual interviews were conducted by an external organization to identify and explore the Board’s core issues in depth.

Third-party evaluation

- The effectiveness of the Board of Directors is generally secured and supported by the following strengths:
 - Continuous efforts toward governance reform
 - Robust executive structure
 - Open information sharing with the Board of Directors
- To further enhance effectiveness, the following areas are expected to be addressed:
 - Greater contribution of Outside Directors within the monitoring model
 - Further sophistication of Board operations
 - Enhanced content and quality of materials and explanations

STEP 4 Initiatives for FY2025 based on the FY2024 effectiveness evaluation

FY2024 effectiveness evaluation

- Based on the issues identified through the third-party evaluation in Step 3 and other assessments, the Board of Directors discussed these points and aligned on the approach to Board monitoring.

Approach to Board monitoring P.73

Key initiatives for FY2025

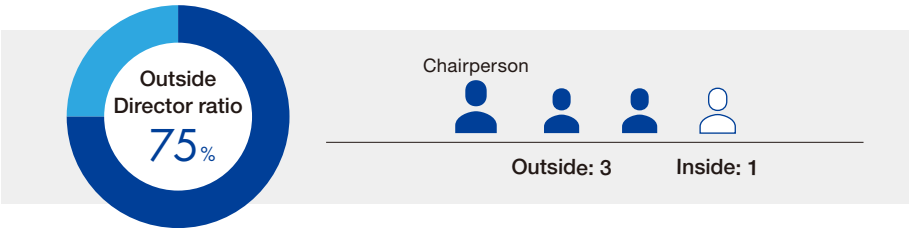
- The Board will conduct focused discussions in preparation for the formulation of the next Medium-term Management Plan and approve it. As a monitoring board, the Board will oversee each business, focusing primarily on investment effectiveness.

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Nominating Committee

Composition of the Nominating Committee

The Nominating Committee is composed of members selected from among the Directors by resolution of the Board of Directors, with a majority being Outside Directors, and the chairperson is an Outside Director.



Activities of the Nominating Committee

The Nominating Committee determines the content of proposals for the appointment and dismissal of Directors submitted to the shareholders’ meeting, as well as the content of proposals for the appointment and dismissal of Executive Officers submitted to the Board of Directors. Over the past year, each member of the Nominating Committee engaged in constructive discussions from diverse perspectives regarding the selection of new Outside Director candidates based on the skills matrix, as well as the selection of candidates for Representative Corporate Executive Officer, President and CEO (Number of meetings held during the year*: 6).

* The number of meetings held during the year covers the period from the 2024 shareholders’ meeting to the 2025 shareholders’ meeting.

Selection process for the Representative Corporate Executive Officer, President and CEO



Director,
Representative Corporate
Executive Officer,
President and CEO



SASAYAMA Shinichi

Reason for selecting as Representative Corporate Executive Officer, President and CEO

To ensure the steady execution of the 2023–2025 Medium-term Management Plan and achieve the sustainable growth of the Group, further challenges and bold initiatives are required. Amid significant changes in the external environment, SASAYAMA Shinichi was deemed the most suitable leader for this period of transformation and was therefore reappointed as Representative Corporate Executive Officer, President and CEO.

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(Improving ROA)

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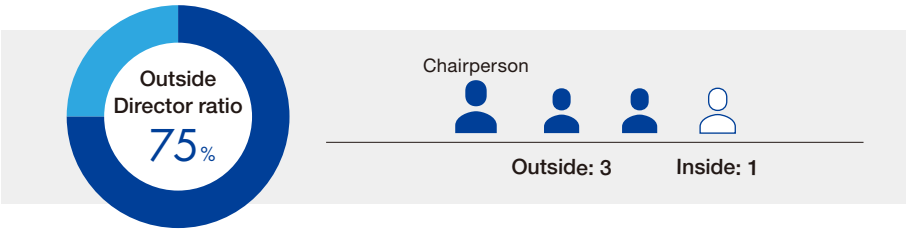
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Compensation Committee

Composition of the Compensation Committee

The Compensation Committee is composed of members selected from among the Directors by resolution of the Board of Directors, with a majority being Outside Directors, and the chairperson is an Outside Director.



Key point

To further enhance objectivity and transparency, starting with the Compensation Committee convened after the June 2025 shareholders' meeting, the Director serving concurrently as Representative Corporate Executive Officer, President and CEO will not be selected as a committee member. The only internal Director on the Compensation Committee will be the non-executive Chairman of the Board.

Activities of the Compensation Committee

The Compensation Committee establishes policies on individual remuneration for Directors and Corporate Executive Officers and, in accordance with these policies, determines the details of individual remuneration.

Over the past year, each committee member engaged in constructive discussions from diverse perspectives regarding revisions to the Basic Policy on Officer Remuneration, the performance evaluation for FY2024, and the formulation of performance evaluation indicators for FY2025 (Number of meetings held during the year*: 8).

* The number of meetings held during the year covers the period from the 2024 shareholders' meeting to the 2025 shareholders' meeting.

Key point

At the Compensation Committee meeting on March 26, 2025, the Basic Policy on Officer Remuneration was revised, and the bonus and stock-based compensation for Executive Officers was reviewed. The proportion of bonuses was increased, and a performance-linked component was newly introduced into stock-based compensation.

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Basic Policy on Officer Remuneration

As a company with a Nominating Committee, etc., the Company has established a Compensation Committee as required under the Companies Act. The chairperson is selected from among the Outside Directors. Individual remuneration for officers (Directors and Executive Officers) is determined while ensuring objectivity and transparency.

(1) Roles of officers and remuneration

The roles expected of officers are to enhance corporate value over the short, medium, and long term, and remuneration is intended to function effectively as an incentive for fulfilling these roles.

(2) Level of remuneration

The level of remuneration should be appropriate to reflect the roles, responsibilities, and performance of officers, taking into account changes in the business environment and comparative levels at other companies based on surveys by external specialized organizations.

(3) Composition of annual remuneration

Annual remuneration comprises fixed remuneration (base compensation) and incentive remuneration (bonus and stock-based compensation).

Base compensation

A fixed amount, determined according to the officer's position, is paid as monthly remuneration.

Bonus

As a short-term incentive, a bonus is paid once a year based on a standard amount determined by position, reflecting the evaluation of period performance against financial and non-financial indicators. The indicators are reviewed and selected each year.

Stock-based compensation

For Directors, as a non-monetary, medium- to long-term incentive, points are granted based on a standard amount determined by position, and shares are delivered upon retirement according to the number of points.

For Corporate Executive Officers, as a non-monetary, medium- to long-term incentive, points are granted based on a standard amount determined by position, reflecting the evaluation of period performance against financial and non-financial indicators, and shares are delivered upon retirement according to the number of points.

Remuneration for Directors consists of base compensation and stock-based compensation, while remuneration for Executive Officers (including those concurrently serving as Directors) consists of base compensation, bonus, and stock-based compensation.

The composition ratio is as follows: for Directors, base compensation accounts for approximately 90% and stock-based compensation approximately 10%. For Corporate Executive Officers (including those concurrently serving as Directors), base compensation accounts for 50%–60%, bonus 20%–30%, and stock-based compensation 10%–20%.

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Business Strategy (Improving ROA)

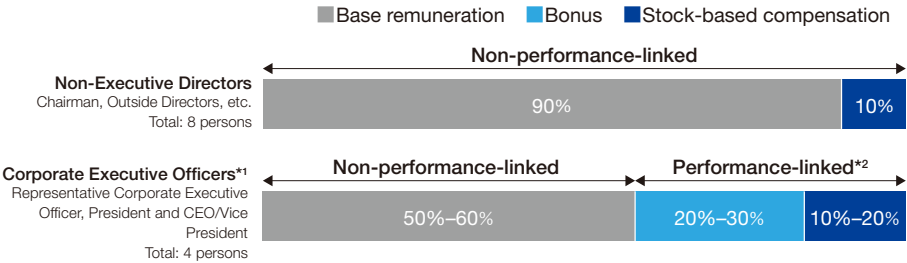
Medium- to Long-Term Value Creation (Enhancing P/E Ratio)

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Compensation Committee

Composition of Remuneration for Directors and Corporate Executive Officers



*1 Composition of remuneration when the performance-linked compensation target achievement rate is 100%
*2 Bonus fluctuation range: 0–200%; Stock-based compensation fluctuation range: 80%–120%

Bonus

As performance-linked remuneration, Executive Officers (including the Representative Corporate Executive Officer, President and CEO who also serves as a Director) are granted bonuses that reflect the degree of improvement and achievement of performance-linked indicators. The performance evaluation indicators for FY2025 were determined by the Compensation Committee, taking into account their alignment with the key management indicators of the management plan.

Performance evaluation indicators for FY2025

Category	Weight	Performance evaluation indicator	Baseline value		
Financial indicators	15%	ROE	4.3%	Previous fiscal year result*1	
		ROA	1.9%		
		Pre-tax profit	¥106.2 billion		
	60%	ROE	8.1%	KGI	This fiscal year plan*2
		ROA	3.4%	KPI	
		Pre-tax profit	¥182.0 billion		
Non-financial indicators (ESG)	25%	CO ₂ reduction contribution	13 million t	Monitoring indicator	
		Implementation rate of activities to achieve net-zero CO ₂ emissions from own operations	100%		
		Renewable energy handled	2.2 million kW		
		Positive response rate for “motivation to contribute” in employee survey	90%		

*1 Evaluates the degree of improvement from the previous fiscal year result. *2 Evaluates the degree of achievement from this fiscal year plan.

Stock-based compensation

To provide incentives for medium- to long-term corporate value enhancement, a stock-based (non-monetary) compensation system using a trust has been introduced.

Directors

Points are granted based on the standard amount determined for each position, and shares are delivered upon retirement according to the number of points.

Corporate Executive Officers

Points are granted based on the standard amount determined for each position, reflecting the evaluation of performance over the period against financial and non-financial indicators, and shares are delivered upon retirement according to the number of points.

- Notes:
- 1. Financial and non-financial indicators are the same as the “Performance evaluation indicators for FY2025” used for bonuses.
 - 2. A stock-based compensation system similar to that for Corporate Executive Officers has also been introduced for Executive Officers.

Review of remuneration levels

In reviewing remuneration levels, a peer group of companies of similar size (operating profit between 100 billion yen and 200 billion yen / market capitalization between 1 trillion yen and 2 trillion yen) is used for comparison. The Compensation Committee discusses remuneration, taking into account changes in the external environment and trends among other companies.

Total remuneration for Directors and Corporate Executive Officers (FY2024)

Officer category	Total remuneration (million yen)	Total by type of remuneration (million yen)			Number of eligible officers
		Fixed remuneration	Incentive remuneration		
		Base remuneration	Bonus	Stock-based compensation	
Number of Directors (including Outside Directors)	228 (88)	200 (79)	－ (－)	27 (8)	10 (8)
Corporate Executive Officers	267	180	43	44	4

- Notes: 1. Total remuneration for Directors includes two Directors (both Outside Directors) who retired at the conclusion of the 224th Ordinary General Meeting of Shareholders held on June 27, 2024.
2. Remuneration for one Corporate Executive Officer who also serves as a Director is included under Executive Officers’ remuneration.
3. The amount of stock-based compensation reflects expenses recorded from April 1, 2024, to March 31, 2025.
4. The amounts above are rounded down to the nearest million yen.

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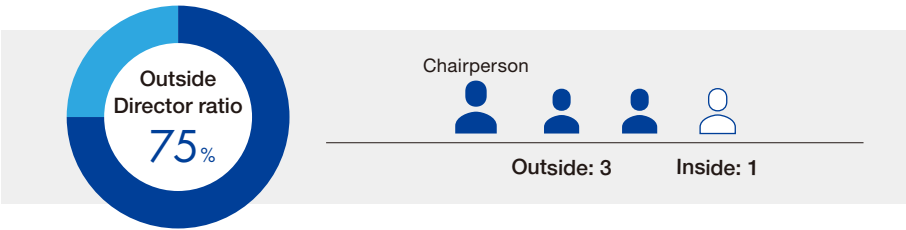
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Audit Committee

Composition of the Audit Committee

The Audit Committee is composed of members selected by resolution of the Board of Directors from among the Directors (a majority of whom are Outside Directors), with an Outside Director serving as chairperson.

In addition, a dedicated Audit Committee Office, independent from executive operations, has been established to assist the Audit Committee in performing its duties.



Audit Committee Activity Policy

The Audit Committee’s purpose is to contribute to the establishment of a high-quality corporate governance framework that ensures the sound and sustainable growth of the Tokyo Gas Group, enhances medium- to long-term corporate value, and earns societal trust. To this end, the committee conducts audits of the execution of duties by Directors and Corporate Executive Officers, decides on audit reports, and determines proposals related to the appointment, dismissal, or non-reappointment of the independent auditor (annual number of meetings*: 15). In line with the principles for companies with a Nominating Committee, etc., the Audit Committee primarily conducts audits using the internal control system, carrying out its activities based on policies, audit plans, audit standards, and the division of duties determined by the committee. These audits are performed in close coordination with the Internal Audit Department, independent auditor, and other relevant parties.

* The number of meetings held during the year covers the period from the 2024 shareholders’ meeting to the 2025 shareholders’ meeting.

Activities of the Audit Committee

In FY2024, reflecting the progress of various transformations under the 2023–2025 Medium-Term Management Plan (Compass Transformation 23–25)—including the expansion in scale and scope of each business and the further advancement of autonomous operations—the Audit Committee established key audit items based on a risk-based approach and conducted various audit activities.

Key audit items

- 1 Status of the establishment and operation of the internal control system in new business areas
- 2 Status of internal controls and risk management from the perspective of Group management
- 3 Status of fostering a sound Group culture and the motivation and engagement of diverse employees and partner company personnel

In addition, to further enhance the effectiveness and efficiency of audit activities, the Audit Committee has strengthened coordination with the Internal Audit Department and auditors of subsidiaries, and has reinforced monitoring from a PDCA perspective, including confirming with the Representative Corporate Executive Officer the status of responses to issues identified in the previous fiscal year’s audit activities.

Furthermore, to enhance the effectiveness and efficiency of Audit Committee activities, the committee conducts an annual review of its members’ activities and holds discussions each year on the content and operation of the Audit Committee.

Annual activity overview (PDCA of audit activities)



Example of audit activities (exchange of opinions with subsidiary auditors)

To strengthen Group governance through deeper coordination between the Audit Committee and subsidiary auditors, an exchange of opinions with subsidiary auditors is held annually. In FY2024, taking into account recent corporate misconduct cases, an external lecture and group discussion were conducted on themes such as the early detection and prevention of risks.



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Internal Control

Internal control system

Under its management philosophy, the Company aims to achieve sustainable growth and medium- to long-term corporate value enhancement by ensuring legality, soundness, and transparency; clarifying management and executive responsibilities; strengthening supervisory and audit functions; and promoting accurate, timely decision-making and efficient business operations. Furthermore, the Group, consisting of the Company and its subsidiaries, respects the autonomy of each entity while pursuing overall optimization as a shared principle, thereby striving for the Group’s long-term sustainable development.

Based on the above, to ensure the proper conduct of the Group’s operations, the Company has established the Basic Policy on the Development of Internal Controls Systems, which incorporates perspectives such as internal reporting and risk management. In accordance with this policy, the Corporate Executive Officers effectively build and operate the internal control system as described below. The Board of Directors monitors the system based on reports on the status of internal control system operations submitted by the Corporate Executive Officers.

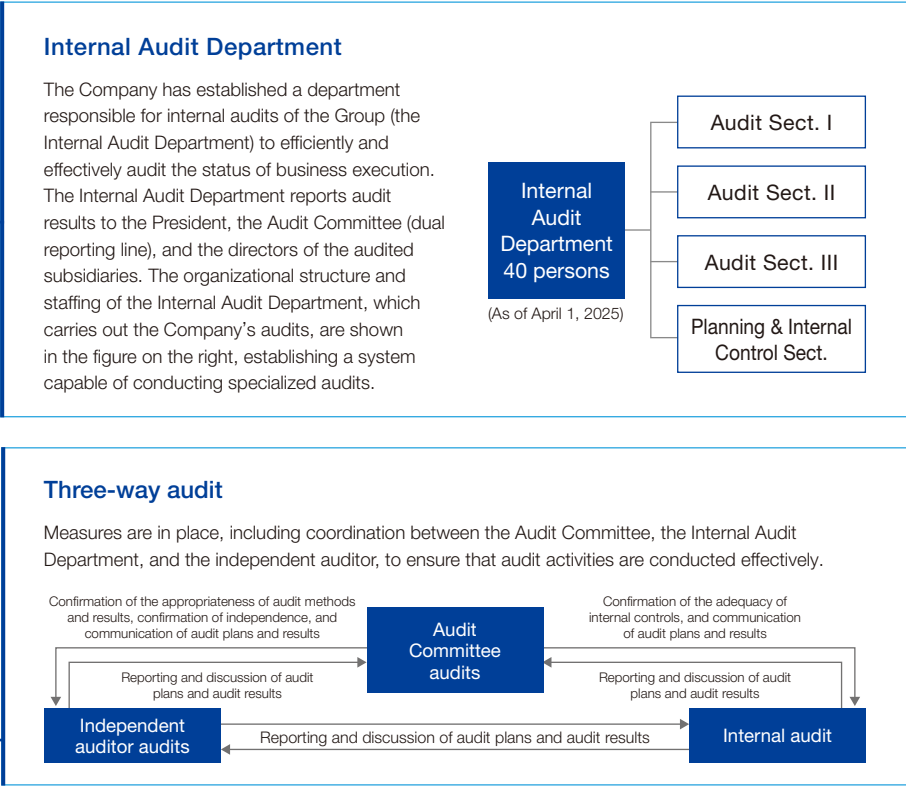
Overview of the Internal Control System

1	System to Ensure that the Execution of Duties by Officers and Employees of the Group Complies with Laws and Regulations and the Articles of Incorporation	Internal Audit P.79 Compliance P.81
2	System for Storage and Management of Information Related to the Execution of Duties by Corporate Executive Officers	
3	Rules and Other Systems for Management of the Risk of Loss of the Group	Risk Management P.82
4	Systems to Ensure Efficient Execution of Duties by Corporate Executive Officers	
5	System to Ensure Appropriateness of Operations at the Group’s Subsidiaries	
6	Matters Concerning Employees, etc., Assisting the Audit Committee in Performing its Duties	
7	System for Reporting to the Audit Committee and System for Ensuring Effective Auditing by the Audit Committee	Audit Committee P.79

Response to the Internal Control Reporting System

To comply with the Internal Control Reporting System under the Financial Instruments and Exchange Act, the Company has established and operates internal controls over financial reporting in accordance with the basic internal control framework indicated by the Financial Services Agency. The Company also evaluates the effectiveness of these controls and makes improvements as necessary. Furthermore, for the most recent consolidated fiscal year, the internal control report over financial reporting prepared in accordance with this system determined the controls to be effective, and the auditors issued an opinion stating that all significant matters are properly presented.

Examples of the Internal Control System



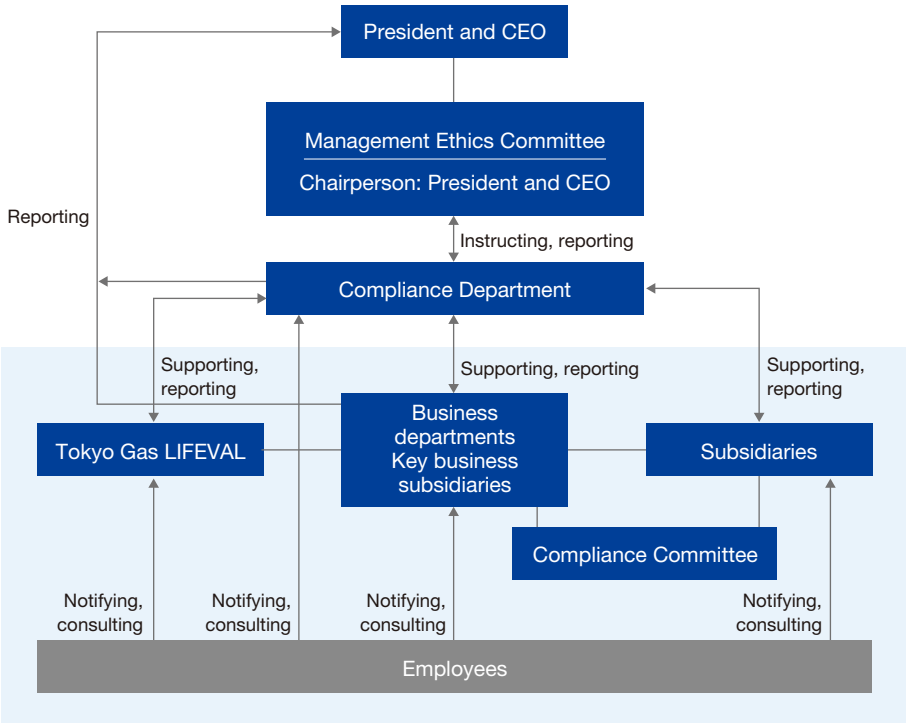
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Internal Control

Compliance promotion system

To promote transparent management and foster an open organizational culture, the Company has established the Management Ethics Committee, chaired by the President, to discuss overall compliance, including adherence to laws and the Tokyo Gas Group’s behavioral standards, “Tokyo Gas Group Our Code of Conduct” The committee monitors the implementation status of compliance-related measures, identifies issues, and discusses activity plans for the following fiscal year and beyond. Based on these discussions, each division and subsidiary-level compliance committee carries out initiatives tailored to their specific circumstances.

Compliance Framework



Compliance promotion initiatives

Every July is designated as Compliance Awareness Month. Recognizing that compliance is the foundation of all business activities, the entire Group intensively implements initiatives to promote compliance, such as President’s message announcements, compliance lectures, workplace study sessions, and compliance awareness surveys. We also conduct annual online training for the entire Group, as well as training programs for managers of subsidiaries and Tokyo Gas LIFEVAL companies, to continuously communicate and enforce “Tokyo Gas Group Our Code of Conduct” and to foster and enhance awareness of human rights and compliance. For compliance promotion officers in each workplace within the Group, year-round training is provided that not only covers the necessary knowledge and information for promoting compliance but also incorporates content tailored to current needs and challenges. Through this approach, the Group aims to maintain and enhance its overall compliance level.

Response to whistleblowing

Internal whistleblower contacts, which also serve as internal public interest whistleblower contacts, have been established both within the Company (Compliance Department) and externally (law firms, etc.) for the entire Group. When a whistleblowing report is received, the Compliance Department, in collaboration with the department responsible for compliance overseeing the workplace where the incident occurred and other relevant departments as needed, conducts fact-finding investigations. Based on the findings, corrective measures and recurrence prevention strategies are implemented to ensure proactive risk response and promote a self-correcting function. The whistleblower hotline is widely communicated throughout the Group via workplace posters, inclusion in “Tokyo Gas Group Our Code of Conduct”, posting on the company intranet, and various training opportunities. Each subsidiary and Tokyo Gas LIFEVAL company also has its own whistleblowing contact point, establishing a system to respond to reports from their employees. The Compliance Department conducts annual practical training for the staff in charge of the whistleblowing desks at each subsidiary and Tokyo Gas LIFEVAL company to enhance their skills in receiving and responding to reports.

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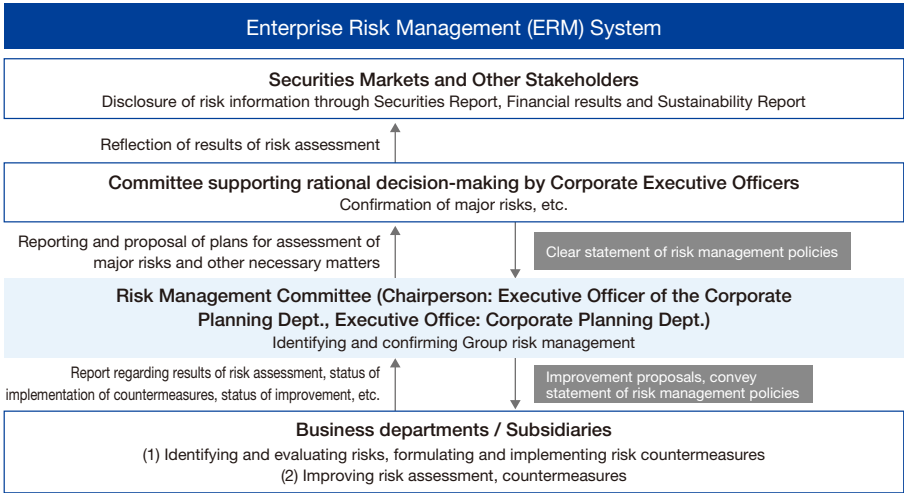
Internal Control

Risk Management System

In accordance with the Risk Management Policies, which set forth the fundamental framework for risk management across the Tokyo Gas Group, we have established an enterprise risk management system. This system employs two approaches: an “ordinary-time response,” which involves identifying risks and implementing countermeasures, and an “emergency-time response,” which is activated when a significant risk materializes. The Risk Management Policies further stipulate that the Board of Directors, recognizing the importance of risk management, shall continuously oversee the effectiveness of the risk management framework and take appropriate action in the event of a significant risk.

Ordinary-time response

Our Risk Management Regulations define specific initiatives and major risks to be addressed under normal circumstances, and we have established an enterprise risk management (ERM) system to carry them out and monitor the status of investments. The Risk Management Committee, created to enhance the level of ERM, regularly reviews the development and operation of the ERM system, including risk assessments, and reports its findings to a committee that supports rational decision-making by Corporate Executive Officers. Approximately 270 risk management promotion officers (as of April 1, 2025) have been appointed across the business divisions of Tokyo Gas and its subsidiaries. Each year, risks and the status of countermeasure implementation and improvements are evaluated. This framework enables the continuous execution of the ERM-PDCA (Plan-Do-Check-Act) cycle.

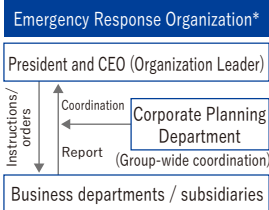


Business and other risks that could significantly affect investors' judgment (as of April 1, 2025)

- 1. Risks associated with accidents and disasters**
 - (1) Disruption in gas resource procurement
 - (2) Natural disasters
 - (3) Accidents in gas and electricity production and supply, and supply disruptions
 - (4) Incidents at renewable energy facilities
 - (5) Outbreaks of highly pathogenic or infectious diseases
 - (6) Unforeseen large-scale power outages
 - (7) Issues in ensuring the safety of city gas and the quality of gas appliances
 - (8) Reputational damage caused by city gas accidents at other companies
- 2. Market fluctuation risks**
 - (1) Risks arising from changes in market prices and interest rates
 - (2) Fluctuations in electricity market conditions and LNG prices
- 3. Risks related to business execution**
 - (1) Risks associated with existing businesses
 - 1. Decline in demand due to intensified competition
 - 2. Changes in gas resource costs
 - 3. Changes in laws, regulations, and national or local policies
- 4. Changes in gas and electricity sales resulting from climate change**
- 5. Decline in existing demand due to changes in the business environment**
- 6. Delays in the development of new technologies**
- 7. Supply chain risks**
- 8. Shortage of personnel to execute business operations**
- (2) Risks accompanying overseas business development**
- (3) Delays in cultivating new markets**
- (4) Inability to recover investments**
- 4. Risks related to information management and system operation**
 - (1) Leakage of personal information
 - (2) System shutdowns or malfunctions in IT operations
 - (3) Cyberattacks
- 5. Risks related to corporate social responsibility**
 - (1) Compliance violations
 - (2) Responses to new environmental regulations
 - (3) Inadequate customer service (CS)
 - (4) Insufficient response to human rights issues

Emergency-time response

Because the Group provides essential public services that form part of the social lifeline, it has maintained a crisis management system for many years to ensure a rapid and effective response in the event of accidents or other risk-related incidents. Specifically, the Group has established Emergency Response Organization Regulations. In the event of major crises—such as large-scale natural disasters (e.g., earthquakes), production or supply disruptions caused by serious accidents at pipelines or LNG terminals, outbreaks of highly pathogenic or infectious diseases, terrorism, mission-critical IT system failures, or compliance issues—the Emergency Response Organization is activated immediately in accordance with these regulations. Periodic training is conducted to strengthen preparedness for large earthquakes, cyberterrorism, and other significant risks. In addition, the Group has formulated a Business Continuity Plan (BCP), which defines its response measures for scenarios including a major earthquake of the magnitude assumed by Japan’s Cabinet Office, a serious accident disrupting gas supply, a widespread blackout, or the spread of highly infectious diseases. This plan reinforces the company’s overall risk management framework and ensures that vital services can continue even in times of crisis.



* A department in charge of an executive office is predetermined depending on the type of emergency.

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Engagement with Shareholders and Investors

We are building systems and initiatives to foster more constructive dialogue with shareholders and investors. Feedback and insights gained through these dialogues are shared with the Board of Directors, Corporate Executive Officers, and relevant departments, and are applied to enhance management plans, business activities, and information disclosure.

Main opportunities for dialogue (main participants)

- General Meeting of Shareholders
 - 2nd quarter financial results and year-end financial results briefing (Representative Corporate Executive Officer, President and CEO)
 - 1st quarter and 3rd quarter financial results briefings and other briefings to be held as needed
 - Briefing on Medium-term Management Plan, etc. (Representative Corporate Executive Officer, President and CEO)
- Small meetings with the President (Representative Corporate Executive Officer, President and CEO)
 - Domestic and overseas institutional investor interviews (Representative Corporate Executive Officer, President and CEO, and others)
 - Small meetings with Outside Directors (Outside Directors)
 - Facility tours and business briefings for institutional investors
 - Briefings for individual investors, etc.

Small meeting with investors and Outside Directors (March 2025)

To strengthen dialogue aimed at enhancing medium- to long-term corporate value and to use it for management policy decisions and execution monitoring, these meetings have been held since FY2022. In FY2024, two Outside Directors attended and exchanged views based on investors' questions. Below is an example of questions from investors and the corresponding responses from the Outside Directors.

Q How do you view your expected role as an Outside Director?

Director ONO Hiromichi (at the time)



I understand my role to involve oversight in areas identified in the skills matrix, including risk management, finance and accounting, and governance. Given the rapid expansion of our business areas and regions, I particularly focus on risk management in areas requiring advanced financial expertise, such as governance of overseas operations and LNG trading. Since the transition to a company with a Nominating Committee, etc., I have served as an Audit Committee member, working to strengthen collaboration with the Internal Audit Department to ensure the Committee's activities are effective.

Director YOSHITAKA Mari



I believe I was appointed as an Outside Director because of my extensive experience in the finance and environmental fields and in recognition of my efforts to link environmental business initiatives to profitability. I view my role at the company as incorporating long-term environmental value into management strategy, while also strengthening governance and enhancing transparency—key aspects of ESG management. At the Board of Directors, I offer proposals from a perspective informed by energy and environmental trends, drawing on a wide range of domestic and international networks, including government bodies and environmental NGOs.

In addition, we received a variety of questions, including the following:

- Which aspects of the Board of Directors' effectiveness are satisfactory, and which require improvement?
 - What discussions are being held regarding the improvement of ROE?
 - What discussions are taking place regarding business portfolio management?
- How is risk management considered in light of large-scale investments in overseas energy projects?
 - From what perspective do you supervise decisions regarding e-methane with economic efficiency in mind?



Q How do you view measures to improve evaluation from the capital markets?

Director ONO Hiromichi (at the time)



In our case, external factors such as temperature can cause significant fluctuations in earnings, making it difficult for outsiders to grasp the company's true profit levels. With the transition to a holding company structure, we have established mechanisms for managing profitability by organization. Moving forward, I believe it is necessary to enhance transparency by providing more detailed explanations of segment information to facilitate more constructive dialogue with the capital markets.

Director YOSHITAKA Mari



Even before being appointed as an Outside Director, I had been involved in carbon credit businesses and climate finance initiatives aimed at balancing environmental and economic considerations. I believe the amendment to the emissions trading system, approved by the Cabinet in February 2025, will help enhance the value of natural gas and renewable energy. While changes in innovation and trading markets might take time, I expect this to expand business opportunities.

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