

[English Translation Originally Issued in the Japanese Language]

Special Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Security Identification Code: 9531

June 3, 2022

Dear Shareholders:

## NOTICE OF CONVOCATION OF THE 222nd ANNUAL SHAREHOLDERS MEETING

We hereby would like to inform you of the 222nd Annual Shareholders Meeting of Tokyo Gas Co., Ltd. (hereinafter, 'the Company'), to be held as described below.

If you decide not to attend the Annual Shareholders Meeting in person, you may exercise your voting rights in advance in writing or via the Internet. In such case, we respectfully ask you to do so after reading the REFERENCE MATERIALS FOR THE SHAREHOLDERS MEETING starting from page 7.

Sincerely yours,

**Takashi Uchida**

Director, Representative Corporate Executive Officer and President

**TOKYO GAS CO., LTD.**

5-20, Kaigan 1-chome, Minato-ku, Tokyo

1. Date and Hour: 10 a.m., Wednesday, June 29, 2022 (the reception starts at 9 a.m.)
2. Place: Tokyo Gas Building 2F  
5-20, Kaigan 1-chome, Minato-ku, Tokyo
3. Agenda:
  - (1) Matters to report:  
'Business Report,' 'Consolidated Financial Statements,' 'Non-Consolidated Financial Statements,' 'Independent Auditor's Report' and 'Audit Report' by the Audit Committee on the Consolidated Financial Statements for the 222nd fiscal year (from April 1, 2021 to March 31, 2022)
  - (2) Matters to resolve:  
Proposal No. 1: Partial Amendments to the Articles of Incorporation  
Proposal No. 2: Election of Nine (9) Directors

**4. Exercise of Voting Rights:**

**(1) When attending the meeting**

Please bring the enclosed CARD FOR EXERCISE OF VOTING RIGHTS on the day of the meeting and present it to the receptionist.

**(2) When not attending the meeting**

**1) When exercising voting rights by mail**

Please indicate on the enclosed CARD FOR EXERCISE OF VOTING RIGHTS your approval or disapproval for each proposal and post it.

Deadline: CARD FOR EXERCISE OF VOTING RIGHTS must be posted for it to be delivered by 5:30 p.m. on Tuesday, June 28, 2022.

[Handling of voting rights]

Where there is no indication of approval or disapproval for a respective proposal, the voting right will be considered to be exercised to approve for the resolutions in question.

**2) Exercise of voting rights via the Internet and other methods**

Please read 'Instruction for Exercise of Voting Rights via the Internet and other methods' starting from page 4 and enter your approval or disapproval for each proposal and submit them by 5:30 p.m. on Tuesday, June 28, 2022.

**(3) Duplication of votes**

If duplicated votes are exercised both in writing and via the Internet and other methods, the vote that arrives later shall be deemed valid. If both of the duplicated votes arrive on the same date, the vote exercised via the Internet and other methods shall be deemed valid.

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- Note 1: For shareholders attending the Annual Shareholders Meeting, please do not mail the enclosed CARD FOR EXERCISE OF VOTING RIGHTS, but instead bring it to the meeting and present it at the reception desk upon arrival.
- Note 2: Based on the Company's Articles of Incorporation, you can delegate voting rights to only one proxy who is one of the shareholders holding voting rights. If a proxy will attend the meeting, please present the document certifying authority of such proxy, and your and the proxy's CARD FOR EXERCISE OF VOTING RIGHTS at the reception desk.
- Note 3: The following items are posted on the Company's website given below, pursuant to laws and regulations and the provisions of the Company's Articles of Incorporation.
- (1) 'Basic Policy on Development of Internal Control System and Overview of Operational Status of the System' of Business Report
  - (2) 'Consolidated Statement of Changes in Equity' and 'Notes to the Consolidated Financial Statements'
  - (3) 'Non-Consolidated Statement of Changes in Equity' and 'Notes to the Non-Consolidated Financial Statements'
- (1), (2) and (3) are included in the documents audited by the Audit Committee in preparing the audit report and (2) and (3) are included in the documents audited by the accounting auditor in preparing the independent auditor's report.
- Note 4: Please note that in the event there are any revisions to the REFERENCE MATERIALS FOR THE SHAREHOLDERS MEETING, Business Report, Consolidated Financial Statements or Non-Consolidated Financial Statements, the notice for such revisions will be posted on the Company's website as below.
- Note 5: In order to help protect the environment, from this Annual Shareholders Meeting onwards, the 'Notice of Resolution' will be issued electronically. The notice will be posted on the Company's website as below following the Annual Shareholders Meeting.

[Company's website:  
[https://www.tokyo-gas.co.jp/IR/english/stock/shm\\_e.html](https://www.tokyo-gas.co.jp/IR/english/stock/shm_e.html)]  
Use the URL above or search "Tokyo Gas shareholders meeting" on the web.



**Instruction for Exercise of Voting Rights via the Internet and other methods**

- 'Smart Voting' method using a smartphone to scan the QR Code  
You can log in without having to enter your voting code and password.
- 1 Scan the QR Code that is shown on the bottom right of the CARD FOR EXERCISE OF VOTING RIGHTS.  
\* 'QR Code' is a registered trademark of Denso Wave Incorporated.
- 2 Enter your approval or disapproval for each proposal by following the instructions shown on screen.

You can only exercise your voting rights through 'Smart Voting' once. If you wish to change the details of a vote you have exercised, please access the desktop version of the web-site, enter your voting code and password, and re-exercise your voting rights.  
\* Re-scanning the QR Code will redirect you to the desktop version of the web-site.

- By entering your voting code and password  
WEB-SITE FOR EXERCISE OF VOTING RIGHTS: <https://www.web54.net>
  - 1 Go to the WEB-SITE FOR EXERCISE OF VOTING RIGHTS.
  - 2 Enter the 'voting code' shown in the CARD FOR EXERCISE OF VOTING RIGHTS.
  - 3 Enter the 'password' shown in the CARD FOR EXERCISE OF VOTING RIGHTS.
  - 4 Enter your approval or disapproval for each proposal by following the instructions shown on screen.
- \* Please exercise your voting rights via the Internet by **5:30 p.m. on Tuesday, June 28, 2022**, the day before the Annual Shareholders Meeting.  
If you exercise your voting rights more than once via the Internet, the vote exercised last shall be deemed valid.
- \* Telecommunication charges (telephone fees) may be required in some cases. Please note that such charges will be borne by the shareholders.

If you are not sure how to operate your PC or other device to exercise your voting rights:	Dedicated telephone line of the Stock Transfer Agency Department 'Web Support,' Sumitomo Mitsui Trust Bank, Limited Telephone number in Japan: 0120-652-031 (9 a.m. to 9 p.m.)
Cases other than the above:	Stock Transfer Agency Department 'Clerical Center,' Sumitomo Mitsui Trust Bank, Limited Telephone number in Japan: 0120-782-031 (9 a.m. to 5 p.m. every day except Saturdays, Sundays and national holidays)

Institutional investors may use the Electronic Voting Platform for Institutional Investors operated by ICJ Inc.

## 5. Precautions for the Annual Shareholders Meeting:

### Requests to shareholders

- There still remain risks associated with COVID-19. For your own safety and peace of mind, we ask you to exercise your voting rights in advance in writing or via the Internet, and refrain as much as possible from attending the Annual Shareholders Meeting in person.
- **If you have symptoms such as a cough or fever, or if you are elderly, have an underlying illness, or are pregnant, we ask that you refrain from attending the Annual Shareholders Meeting.**
- Due to the increased seating spacing in the venue, the number of seats available for shareholders will be around 100. For this reason, please note that you may be denied admission even if you come on the day of the event.
- We may measure the temperature of individuals after checking body temperatures with thermography near the entrance of the venue. Please note that we may ask you to not enter or to leave the venue if you have a fever or appear to be unwell.
- Please bring and wear a mask and cooperate with alcohol disinfection at the venue.

### Operation on the day of the Annual Shareholders Meeting

- Officers and staff will be wearing masks. (The Chairperson will have an acrylic panel in front of them, so that they can speak without a mask.)
- The business report video 'The Tokyo Gas Group's Actions' will not be broadcast during the Meeting. Please watch the video via webcast in advance (please see next page) or watch it prior to the opening of the Meeting (from around 9:40 a.m.) at the venue.

### Changes to our response policy immediately before the Annual Shareholders Meeting

- If there is a change in the above content due to changes in the spread of COVID-19, notice will be made on our website below. Please check in advance if you are planning to visit the venue.

[Company's website:

[https://www.tokyo-gas.co.jp/IR/english/stock/shm\\_e.html](https://www.tokyo-gas.co.jp/IR/english/stock/shm_e.html)]

Use the URL above or search "Tokyo Gas shareholders meeting" on the web.



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REFERENCE MATERIALS FOR THE SHAREHOLDERS MEETING

Proposals and References

Proposal No. 1: Partial Amendments to the Articles of Incorporation

1. Reason for amendment

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the 'Act Partially Amending the Companies Act' (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for shareholders meetings, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Paragraph 2, Article 16 provides that information contained in the reference materials for the shareholders meeting, etc. shall be provided electronically.
- (2) The purpose of the proposed Paragraph 3, Article 16 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (3) The provisions related to the Internet disclosure and deemed provision of the reference materials for the shareholders meeting, etc. (Paragraph 2, Article 16 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Contents of amendments

Contents of amendments to the Articles of Incorporation are shown below.

(Amendments are underlined)

Current Provisions	Proposed Amendments
<b>Chapter III: SHAREHOLDERS MEETING</b>	<b>Chapter III: SHAREHOLDERS MEETING</b>
<b>[Notices]</b>	<b>[Notices]</b>
Article 16	Article 16
(Omitted)	(Same as at present)
(2) The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference materials for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the Internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.	(2) <u>The Company shall, when convening a general meeting of shareholders, provide information contained in the reference materials for the general meeting of shareholders, etc. electronically.</u>

(Amendments are underlined)	
Current Provisions	Proposed Amendments
	<p>(3) Among the matters to be <u>provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p>
<p><b>SUPPLEMENTARY PROVISIONS</b>  <b>[Transitional Measures]</b>            Article 1            (Omitted)</p>	<p><b>SUPPLEMENTARY PROVISIONS</b>  <b>[Transitional Measures Concerning the Exemption from Liability of Audit &amp; Supervisory Board Members]</b>            Article 1            (Same as at present)</p> <p><u>[Transitional Measures Concerning Electronic Provision]</u>            Article 2            (1) <u>The amendments to Article 16 of the Articles of Incorporation shall come into effect on September 1, 2022 (the 'Effective Date'), the effective date of the amended provisions stipulated in the proviso to Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019).</u></p> <p>(2) <u>Notwithstanding the provisions of the preceding paragraph, Paragraph 2, Article 16 of the Articles of Incorporation prior to the amendments shall remain valid for a shareholders meeting to be held on a date within six (6) months from the Effective Date.</u></p> <p>(3) <u>This Article shall be deleted after the lapse of six (6) months from the Effective Date or the lapse of three (3) months from the date of a shareholders meeting as referred to in the preceding paragraph, whichever is later.</u></p>



<Supplementary information>

The electronic provision of materials for shareholders meetings is a system that allows companies to provide the materials for shareholders meetings to shareholders by posting them on its website and notifying shareholders in writing of the address and other details of the website. The system enables early provision of materials to shareholders and allows sufficient time for shareholders to examine the agenda and other items.

While the Company shall, from the next Annual Shareholders Meeting, be posting its materials for shareholders meetings on the Company's website based on the Articles of Incorporation after this amendment, notice of convocation shall be delivered to shareholders as has hitherto been practiced for the time being.

## Proposal No. 2: Election of Nine (9) Directors

The term of office of all the current nine (9) Directors ends at the conclusion of this Annual Shareholders Meeting. Therefore, we hereby propose the election of nine (9) Directors. The nominees for Directors are as follows.

No.	Name	Current position and areas of responsibility in the Company	Note	Attendance to the Board of Directors meetings
1	Michiaki Hirose	Director and Chairman of the Board Nominating Committee Member Compensation Committee Member	Reelection	100% (12 / 12)
2	Takashi Uchida	Director, Representative Corporate Executive Officer and President Compensation Committee Member	Reelection	100% (12 / 12)
3	Isao Nakajima	Director Audit Committee Member	Reelection	100% (12 / 12)*
4	Hitoshi Saito	Director Chairperson of the Nominating Committee Compensation Committee Member	Reelection Outside Independent	100% (12 / 12)
5	Kazunori Takami	Director Chairperson of the Compensation Committee Nominating Committee Member	Reelection Outside Independent	100% (12 / 12)
6	Junko Edahiro	Director Audit Committee Member	Reelection Outside Independent	100% (12 / 12)
7	Mami Indo	Director Chairperson of the Audit Committee	Reelection Outside Independent	100% (12 / 12)
8	Hiromichi Ono	Director Audit Committee Member	Reelection Outside Independent	100% (12 / 12)*
9	Hiroyuki Sekiguchi	-	Newly elected Outside Independent	

\* Mr. Isao Nakajima and Mr. Hiromichi Ono attended the Board of Directors meetings held in April and May 2021 as Audit & Supervisory Board Members.

- Notes:
- There is no special interest between the nominees for Directors and the Company. In addition, there are no transactions exceeding the limits stipulated in the Company's Independence Standards for Outside Directors (see page 23) between the nominees for Outside Directors and the Company.
  - The Company has entered into agreements with each Outside Director to limit their liability under Article 423, paragraph 1 of the Companies Act to the amount provided for in Article 425, paragraph 1 of the same Act on the condition that they execute their duties in good faith and without gross negligence. If they are reelected, the Company plans to renew the aforementioned agreement with them. If the election of Mr. Hiroyuki Sekiguchi is approved, the Company plans to enter into the same agreement with him.
  - The Company has entered into indemnity agreements with each Director provided for in Article 430-2, paragraph 1 of the Companies Act. Under the agreements, the Company indemnifies each Director for the expenses provided for in item 1 and the losses provided for in item 2 of Article 430-2, paragraph 1, to the extent provided for in laws and regulations, on the condition that there is no malicious intent or gross negligence in the execution of their duties. If each Director is reelected, the Company plans to renew the aforementioned agreement with them. If the election of Mr. Hiroyuki Sekiguchi is approved, the Company plans to enter into the same agreement with him.
  - The Company has entered into a directors and officers liability insurance (D&O insurance) agreement with an insurance company, with each Director included as an insured person, as stipulated in Article 430-3, paragraph 1 of the Companies Act. The D&O insurance agreement covers damages and litigation expenses incurred by the insured person due to claims for damages made as a result of action taken

by the insured person based mainly on the position of the officer, etc. of the company (including omissions), and the Company fully bears the insurance premiums of the insured person. However, there are certain exemptions; for example, claims for damage arising from criminal acts of the insured, and claims for damage arising from acts committed by the insured with the insured's knowledge that such acts are in violation of laws and regulations shall not be covered. If the election of each Director candidate is approved, the Company plans to enter into the same agreement with each candidate included as the insured person.

5. The career summaries of the respective candidates are current as of the preparation of this REFERENCE MATERIALS FOR THE SHAREHOLDERS MEETING (May 18, 2022).

No.	Name (Date of birth)	Career summary [Important concurrent posts]		
1	Reelection  Michiaki Hirose (October 2, 1950)  Number of the Company's shares held 40,600  Number of shares to be granted based on the trust-type share-based compensation plan 4,376	April April April April April April June January April April April April	1974 2004 2006 2007 2008 2009 2009 2010 2012 2013 2014 2018	Joined the Company Executive Officer and Assistant to Chief Executive of Corporate Communication Div. Executive Officer and General Manager of Corporate Planning Dept. of Strategic Planning Div. Senior Executive Officer and in charge of Corporate Planning Dept., Infrastructure Project Dept., Finance Dept., Accounting Dept. and Affiliated Companies Dept. Senior Executive Officer and in charge of Corporate Planning Dept., Investor Relations Dept., Finance Dept., Accounting Dept., Affiliated Companies Dept. and Gas Industry Privatization Research Project Dept. Senior Executive Officer and in charge of Corporate Planning Dept. and Affiliated Companies Dept. Director, Senior Executive Officer and in charge of Corporate Planning Dept., Corporate Communications Dept. and Affiliated Companies Dept. Director, Senior Executive Officer and in charge of Corporate Planning Dept., Project Management Dept., Corporate Communications Dept. and Affiliated Companies Dept. Representative Director, Executive Vice President and Chief Executive of Living Energy Div. Representative Director, Executive Vice President and Chief Executive of Residential Sales and Service Div. Representative Director, President Director and Chairman of the Board (Current position)
<p>&lt;Reason for nomination as Director&gt;            Mr. Michiaki Hirose has experience mainly in operations related to corporate planning. He has been engaged in efforts to establish the corporate structure and system for a global total energy corporate group, while leading the formulation of the management vision as well as the construction of a group formation. We propose that Mr. Michiaki Hirose be reelected as Director, as he currently serves as Director and Chairman of the Board and has been promoting the enhancement of corporate governance.</p>				
<p>&lt;Roles played at the Board of Directors&gt;            Through his experience as the Company's Representative Director, President, Mr. Hirose has in-depth knowledge about all areas of management, appropriately issues proposals to the Board of Directors as the non-executive Chairman of the Board, and manages Board meetings in such a way as to enrich its supervisory functions.</p>				

No.	Name (Date of birth)	Career summary [Important concurrent posts]		
2	Reelection	April	1979	Joined the Company
	Takashi Uchida (April 17, 1956)	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.
	Number of the Company's shares held 25,300	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.
	Number of shares to be granted based on the trust-type share-based compensation plan 5,835	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 (Current position)	
<p>&lt;Reason for nomination as Director&gt;  Mr. Takashi Uchida has experience mainly in operations related to corporate planning, and energy resources &amp; global business. In recent years, he has been engaged in efforts to address various management issues amid changes to the environment surrounding the Company, including the full deregulation of the electric power and gas retail markets. We propose that Mr. Takashi Uchida be reelected as Director, as he currently serves as the Representative Corporate Executive Officer and President and has been promoting new challenges of the Group toward the realization of 'Compass 2030,' the management vision formulated in 2019.</p> <p>&lt;Reasons for appointment as the Representative Corporate Executive Officer and President&gt;  This fiscal year is the year of transition to a new Group management structure for the Company, including the legal separation of the Pipeline Network Division. We have appointed Mr. Uchida as the Representative Corporate Executive Officer and President in order to smoothly transition to this management structure and achieve further growth.</p> <p>&lt;Roles played at the Board of Director&gt;  As Executive Officer and Director, Mr. Uchida is a powerful driver of the Company's management vision. He organically connects the Executive Officers and the Board of Directors, such as by providing appropriate and timely explanations of the status of business execution to the Board of Directors to enable it to supervise appropriately.</p>				

No.	Name (Date of birth)	Career summary [Important concurrent posts]		
3	Reelection Isao Nakajima (December 5, 1958)  Number of the Company's shares held 13,100  Number of shares to be granted based on the trust- type share- based compensation plan 2,187	April April April April April April April June June	1982 2008 2011 2012 2013 2015 2017 2018 2019 2021	Joined the Company General Manager of Finance Dept. General Manager of Middle Branch General Manager of TG-Group Reorganization Project Dept. Executive Officer and General Manager of Residential Sales Planning Dept. of Residential Sales and Service Div. Senior Executive Officer, CFO and in charge of Finance Dept., Accounting Dept., Purchasing Dept. and Real Estate Management Dept. Senior Executive Officer, CFO and in charge of Finance Dept., Accounting Dept. and Personnel Dept. Senior Managing Executive Officer, CFO and in charge of Finance Dept., Accounting Dept., Personnel Dept. and Purchasing Dept. (Retired in March 2019) Standing Audit & Supervisory Board Member Director (Current position)
<p>&lt;Reason for nomination as Director&gt;            Mr. Isao Nakajima has experience mainly in operations related to finance and accounting, and has worked to strengthen the Company's financial constitution and enrich communications with shareholders and investors, such as by serving as CFO. We propose that Mr. Isao Nakajima be reelected as Director, as he currently serves as a standing Audit Committee Member and is responsible for audit to ensure management legality and soundness.</p> <p>&lt;Roles played at the Board of Director&gt;            Mr. Isao Nakajima strives to provide information to the Board of Directors and the Audit Committee as a standing Audit Committee Member, and seeks to improve their effectiveness. Also, by attending the Management Committee, etc., he follows information regarding internal risk and other issues, and assumes a role in auditing the operation of the internal control system to ensure that it is appropriate.</p>				

No.	Name (Date of birth)	Career summary [Important concurrent posts]		
4	Reelection	April	1976	Joined Mitsui Fudosan Co., Ltd.
	Outside Independent	April	2000	President and CEO of Mitsui Fudosan America, Inc.
		April	2005	Managing Officer and Deputy Chief Executive of Office Building Div. of Mitsui Fudosan Co., Ltd.
	Hitoshi Saito (November 10, 1952)	April	2007	Managing Officer and General Manager of International Dept. of Mitsui Fudosan Co., Ltd.
		April	2015	Managing Director, Senior Executive Managing Officer and Chief Executive of International Div. of Mitsui Fudosan Co., Ltd.
	Number of the Company's shares held 0	June	2017	Advisor of Mitsui Fudosan Co., Ltd. and Honorary Chairman of Halekulani Corporation (Retired in June 2020)
		June	2019	Outside Director of the Company (Current position)
	Number of shares to be granted based on the trust- type share- based compensation plan 364	June	2019	Outside Director of GLOBESHIP Corporation (Current position)
		May	2022	Outside Director of Paramount Group, Inc. (Current position)
<p>&lt;Reason for nomination as Outside Director&gt;  Mr. Hitoshi Saito's management capabilities, based on the broad outlook and in-depth knowledge he developed as an executive in the real estate industry, and especially the global business sense he acquired in overseas businesses, will be highly effective in the promotion and supervision of the management strategies we are aiming to implement in the future. For these reasons, we propose that Mr. Hitoshi Saito be reelected as Outside Director. Mr. Saito's tenure as an Outside Director of the Company will be three years as of the conclusion of this Annual Shareholders Meeting. The Company has designated Mr. Saito as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).</p>				

No.	Name (Date of birth)	Career summary [Important concurrent posts]		
5	Kazunori Takami (June 12, 1954)  Number of the Company's shares held 900  Number of shares to be granted based on the trust-type share-based compensation plan 364	April	1978	Joined Matsushita Electric Industrial Co., Ltd. (Current Panasonic Corporation)
		December	1998	General Manager of Corporate Planning Office of Electric Appliances and Housing Facility Company of Matsushita Electric Industrial Co., Ltd. (Current Panasonic Corporation)
		June	2004	Director of Corporate National Marketing Div. of Matsushita Electric Industrial Co., Ltd. (Current Panasonic Corporation)
		April	2009	Managing Executive Officer, President of Home Appliances Company of Panasonic Corporation
		April	2012	Representative Director, Senior Managing Executive Officer and President of Appliances Company of Panasonic Corporation
		April	2015	Representative Director, Executive Vice President and in charge of Japan region, Customer Satisfaction, and Design of Panasonic Corporation
		June	2015	Outside Director of Tokyo FM Broadcasting Co., Ltd. (Current position)
		June	2017	Corporate Advisor of Panasonic Corporation (Retired in March 2018)
		June	2018	Outside Director of Nojima Corporation (Current position)
		March	2019	Outside Director of FUJITA KANKO INC. (Current position)
		June	2019	Outside Director of the Company (Current position)
[Important concurrent posts] Outside Director of Tokyo FM Broadcasting Co., Ltd. Outside Director of Nojima Corporation Outside Director of FUJITA KANKO INC.				
<Reason for nomination as Outside Director> Mr. Kazunori Takami's management capabilities, based on the broad outlook and in-depth knowledge he developed as an executive in the electrical industry, and especially the consumer-oriented marketing sense he acquired in the appliance business, will be highly effective in the promotion and supervision of the business strategies we are aiming to implement. For these reasons, we propose that Mr. Kazunori Takami be reelected as Outside Director. Mr. Takami's tenure as an Outside Director of the Company will be three years as of the conclusion of this Annual Shareholders Meeting. The Company has designated Mr. Takami as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).				



No.	Name (Date of birth)	Career summary [Important concurrent posts]
6	Junko Edahiro (November 23, 1962)  Number of the Company's shares held 400  Number of shares to be granted based on the trust- type share- based compensation plan 364	July 1993 Interpreter and translator
		October 1998 Environmental journalist
		July 2002 CEO of EcoNetworks Co. (Retired in July 2005)
		August 2002 Joint Chief Executive of Japan for Sustainability (NGO)
		Reelection April 2003 Representative Director of Edahiroba Inc. (Current e's Inc.) (Current position)
		Outside April 2005 Representative Director and Chairperson of Change Agent Inc.
		Independent May 2006 Director and Chairperson of Change Agent Inc. (Current position)
		August 2010 Chief Executive of Japan for Sustainability (NGO) (Retired in July 2018)
		September 2014 Professor of Department of Environmental Management, Faculty of Environmental Studies of Tokyo City University (Retired in March 2018)
		August 2018 Professor of Shizenkan University Graduate School of Leadership & Innovation (Current position)
		June 2019 Outside Director of the Company (Current position)
		October 2019 Representative Director of Shimokawa Seeds K.K. (Current position)
		September 2020 Representative Director of mirai-sozo.work (Current position)
	[Important concurrent posts] Representative Director of e's Inc. Director and Chairperson of Change Agent Inc. Professor of Shizenkan University Graduate School of Leadership & Innovation Representative Director of Shimokawa Seeds K.K. Representative Director of mirai-sozo.work	
<p>&lt;Reason for nomination as Outside Director&gt;  Ms. Junko Edahiro's in-depth knowledge regarding energy and sustainability, communication abilities, and extensive regional practical experience, which she developed as a journalist and creator, will be highly effective in the promotion and supervision of the business strategies we are aiming to implement. For these reasons, we propose that Ms. Junko Edahiro be reelected as Outside Director. Ms. Edahiro's tenure as an Outside Director of the Company will be three years as of the conclusion of this Annual Shareholders Meeting. The Company has designated Ms. Edahiro as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified her to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).</p>		

No.	Name (Date of birth)	Career summary [Important concurrent posts]
7	Reelection Outside Independent Mami Indo (November 6, 1962) Number of the Company's shares held 400 Number of shares to be granted based on the trust- type share- based compensation plan 364	April 1985 Joined Daiwa Securities Co. Ltd. April 2009 Senior Managing Director and General Manager of Consulting Div. of Daiwa Institute of Research Ltd. April 2013 Executive Managing Director and Deputy General Manager of Investigation Div. of Daiwa Institute of Research Ltd. April 2016 Senior Managing Director of the Institute of Daiwa Institute of Research Ltd. (Retired in December 2016) December 2016 Commissioner of Securities and Exchange Surveillance Commission (Retired in December 2019) June 2020 Audit & Supervisory Board Member (External) of Ajinomoto Co., Inc. June 2020 Outside Audit & Supervisory Board Member of AIG Japan Holdings KK June 2020 Outside Director of the Company (Current position) June 2021 Outside Director of Fujitec Co., Ltd. (Current position) June 2021 Outside Director of Ajinomoto Co., Inc. (Current position) June 2021 Outside Director of AIG Japan Holdings KK (Current position) [Important concurrent posts] Outside Director of Fujitec Co., Ltd. Outside Director of Ajinomoto Co., Inc. Outside Director of AIG Japan Holdings KK
<Reason for nomination as Outside Director> Ms. Mami Indo's advanced and diverse management analysis and instruction capabilities she developed as an analyst and advisor in the finance sector, and her management sensibilities from the risk perspective nurtured by her experience in a surveillance agency, will be highly effective in the promotion and supervision of the business strategies we are aiming to implement. For these reasons, we propose that Ms. Mami Indo be reelected as Outside Director. Ms. Indo's tenure as an Outside Director of the Company will be two years as of the conclusion of this Annual Shareholders Meeting. The Company has designated Ms. Indo as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified her to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).		

No.	Name (Date of birth)	Career summary [Important concurrent posts]	
8	Reelection		
	Outside	April	1979
	Independent	June	2007
	Hiromichi Ono (August 11, 1956)	June	2011
	Number of the Company's shares held 0	April	2013
	Number of shares to be granted based on the trust- type share- based compensation plan 364	June	2019
		June	2020
		June	2021
		[Important concurrent posts] Outside Director of Mebuki Financial Group, Inc.	
<p>&lt;Reason for nomination as Outside Director&gt;  Mr. Hiromichi Ono's management capabilities, based on the broad outlook and in-depth knowledge he developed as an executive in the food industry, and especially his management sensibilities from the group and risk perspectives he nurtured at a finance division, will be highly effective in the promotion and supervision of the business strategies we are aiming to implement. For these reasons, we propose that Mr. Hiromichi Ono be reelected as Outside Director. Mr. Ono's tenure as an Outside Director of the Company will be one year as of the conclusion of this Annual Shareholders Meeting. The Company has designated Mr. Ono as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).</p>			

No.	Name (Date of birth)	Career summary [Important concurrent posts]
9	Newly elected Outside Independent Hiroyuki Sekiguchi (January 15, 1957) Number of the Company's shares held 0 Number of shares to be granted based on the trust- type share- based compensation plan -	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.) January 2022 Retired from Japan Broadcasting Corporation  [Important concurrent posts] None
<p>&lt;Reason for nomination as Outside Director&gt;            Mr. Hiroyuki Sekiguchi's keen perception, deep discernment that is able to get to the hearts of matters, and high persuasion skills from the viewer's perspective, in the areas of energy, sustainability, and all aspects of economics, which he developed through his experience as a television reporter and news commentator, will be highly effective in the promotion and supervision of the business strategies we are aiming to implement. For these reasons, we propose that Mr. Hiroyuki Sekiguchi be elected as Outside Director. While he does not have prior experience with company management, for the above reasons, we have deemed him capable of appropriately carrying out the duties of an Outside Director. The Company plans to designate Mr. Sekiguchi as an 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notify him to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).</p>		

## [Reference]

### Approach to the Company's Board of Directors

#### ■ Transition to a Company with a Nominating Committee, etc.

- For over 130 years, since its foundation in 1885, the Company has engaged in city gas business, primarily in the Tokyo area. However, the world is entering an era of dramatic changes to the energy field; therefore, based on 'Compass 2030,' our plan for 2030 and beyond, we must accelerate our efforts to expand our business domains and transform our business structure from now on.
- We believe that driving management reforms will be essential to these tremendous transformation, the largest since the Company was established. For this reason, in June 2021 we made a transition to a Company with a Nominating Committee, etc.

#### ■ Composition of the Board of Directors

- To enable Directors to more effectively carry out their supervisory functions as a Company with a Nominating Committee, etc., our Director who is also an Executive Officer is the Representative Corporate Executive Officer and President only. The executive and supervisory functions are clearly separated, ensuring that management is earnest and attentive.
- Based on this foundation, roughly two-thirds (2/3) of the Board of Directors consists of Outside Directors to make diverse and objective supervision a central element of Board of Directors operations.

#### ■ Skills and Roles Demanded of Directors

- The following have been designated as skills that all Directors are to possess: 'The knowledge needed to manage the Company at a deeper level,' 'The mentality needed to lead the Company's transformation,' and 'The questioning abilities needed to identify the issues faced by the Company.'
- Outside Directors must possess the supervisory skills necessary for achieving 'Compass 2030,' the Group's management vision, and supplementary skills that complement the knowledge and experience of the Company's Inside Directors and Executive Officers.
- All Inside Directors other than the Representative Corporate Executive Officer and President are non-executive Directors. Their role is to provide proposals and information in an appropriate and timely manner in order to maintain the effectiveness of the Board of Directors.

[Reference]

■ Outside Director Candidate Skill Matrix

The skill matrix below indicates the skills of each Outside Director candidate (up to four skills per candidate) and details regarding each skill.

	(1) Energy	(2) Sustainability	(3) Digital/ Technology	(4) Marketing/ Project develop- ment	(5) Group management/ Governance	(6) Global business	(7) M&A/ business restruct- uring	(8) Communica- tions	(9) Finance/ Accounting	(10) Risk management
Hitoshi Saito					○	○	○		○	
Kazunori Takami			○	○	○		○			
Junko Edahiro	○	○				○		○		
Mami Indo					○		○		○	○
Hiromichi Ono					○		○		○	○
Hiroyuki Sekiguchi	○	○				○		○		

- (1) Energy  
(2) Sustainability

Supervise the responsible transition to a Net-Zero society based on medium- and long-term energy and environmental trends in Japan and overseas

- (3) Digital/Technology

Supervise the provision of solutions leveraging digital technologies in order to transition to a Net-Zero society and establish a value co-creation ecosystem

- (4) Marketing/  
Project development

Supervise the migration from the city gas business focused exclusively on the Tokyo area to one that involves multiple businesses and decentralized management by transforming the LNG value chain

- (5) Group management/  
Governance

Supervise the management and operation of personnel and organizations and administration that manages multiple businesses and balances autonomy and overall optimization

- (6) Global business

Supervise transformation of the Company's business structure as a global, total energy company, development and implementation of strategies, and enhancement of the Company's discernment capabilities and risk management

- (7) M&A/  
business restructuring

Supervise efforts to integrate and concentrate businesses, from a multitude of angles, with the aim of achieving non-continuous, speedy growth, both in Japan and overseas

- (8) Communications

Supervise timely, high-impact communications based on close public hearing activities with stakeholders

- (9) Finance/Accounting  
(10) Risk management

In conducting the above business field expansion and M&A activities, supervise financial discipline and investment strategies based on risk balances that differ from those in the past, while at the same time supervising internal controls and risk management

[Reference]

## Independence Standards for Outside Directors

TOKYO GAS CO., LTD.

The Company shall judge Outside Directors stipulated in the Companies Act to be independent if they do not fall under any of the categories numbered (1) to (10) below in conformity with the independence standards of the stock exchanges on which the Company is listed.

- (1) Executive of a parent company or a fellow subsidiary company of the Company
- (2) Executive of a subsidiary of the Company
- (3) Major shareholder holding 10% or more of the Company's total shares outstanding (includes executives of a corporation, etc.)
- (4) Major client or supplier of the Company whose transactions account for 2% or more of consolidated net sales (parties that are major clients or suppliers of the Company, or parties for whom the Company is a major client or supplier [includes executives of a corporation, etc.] )
- (5) Accounting Auditor or corporate attorney of the Company
- (6) Individual that fell under any of categories (1) to (5) within the previous three years
- (7) Executive of an organization receiving a large amount of donation from the Company (over the previous three business years, an average of ¥10 million or more annually or 30% or more of the organization's total average annual costs, whichever sum is greater)
- (8) Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property-related benefits from the Company besides remuneration as an Officer (over the previous three business years, for an individual, an average of ¥10 million or more annually and for a corporation, etc., 2% or more of the corporation's consolidated net sales)
- (9) Close relative of (1) to (8) (within the second degree of kinship)
- (10) Individual serving as officer (inside director, inside audit & supervisory board member, executive, or executive officer) at a corporate group in which an Officer (Inside Director, Inside Audit & Supervisory Board Member, or Executive Officer) of the Tokyo Gas Group serves as outside officer

## Business Report

### 1. Matters Concerning Current State of Group Operations

#### (1) Main Business Activities (As of March 31, 2022)

Business segment	Main business activities
Gas	Production, supply and sale of city gas, liquid gas business, LNG sales, etc.
Electric power	Production, supply and sale of electricity
Overseas business	Overseas upstream business, midstream and downstream business (Gas field development and LNG production, and gas supply, sales and power generation, etc.)
Energy-related	Engineering solution business, gas appliances, gas installation work, construction, etc.
Real estate	Leasing and management of land and buildings, etc.
Other	Information processing service, shipping business, etc.

#### (2) Business Conditions and Results

##### 1) Overview of business results for the fiscal year under review

During the fiscal year under review, the Japanese economy was expected to recover due to the effect of infection control measures and improvements in overseas economies, despite continued restrictions on economic activities, with new waves of the spread of the novel coronavirus (COVID-19) infections occurring intermittently. However, the outlook of the economy remains unclear due to factors such as concerns over a resurgence in infections caused by COVID-19 variant strains and the situation in Ukraine.

Against this economic backdrop, competition among energy companies and even across industry boundaries is intensifying in the energy industry, as a result of the full deregulation of the gas retail market in April 2017 in the wake of the full deregulation of the electric power retail market in April 2016. The environment surrounding the energy business has undergone dramatic changes, such as decarbonization becoming a global trend. Amid these changes, the Tokyo Gas Group has been actively engaging in various efforts to expand added value for our customers in Japan and overseas through commercialization of total energy business, globalization, and initiatives for decarbonization so that customers will continue to choose Tokyo Gas Group.

COVID-19 has continued to affect the Tokyo Gas Group in many ways. In the city gas business, residential demand from customers staying at home declined from the previous fiscal year, as customers went out more and spent less time at home due to the nationwide lifting of the state of emergency at the end of September 2021 and the gradual easing of movement restrictions. Industrial demand has not reached the pre-pandemic levels, and food and beverage industries are still affected.

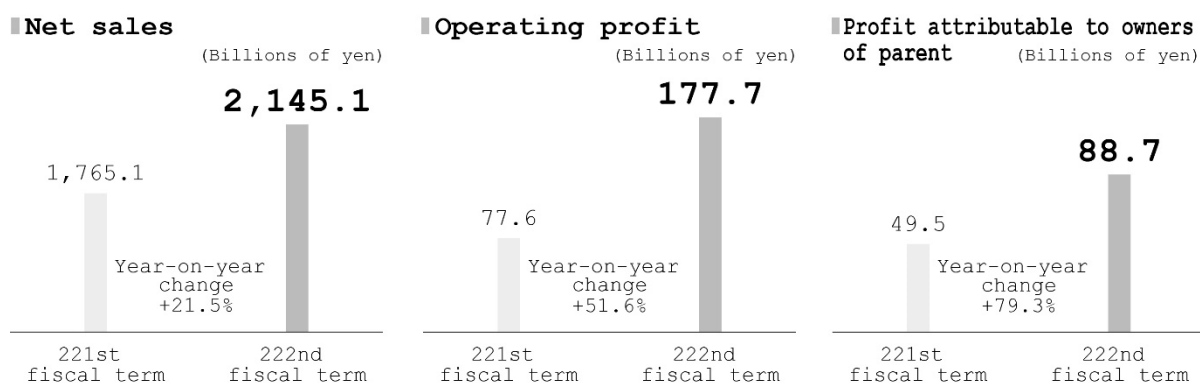
The electric power business saw a rise in sales volume mainly due to an increase in the number of retail sale transactions, despite the impact of a drop in demand from customers staying at home. In the overseas business, there was an improvement in earnings due in part to a rise in selling prices in the LNG business, etc. in Australia and North America on the back of a global recovery in market prices. In the energy-related business, delays in delivery brought about by a global shortage of semiconductors and a shortage of component supply due to the spread of infections in Southeast Asia caused a decline in sales volume of gas equipment products, etc. In the real estate business,



rent income increased as large-scale properties operated throughout the year.

In light of such economic conditions and environmental changes, consolidated net sales increased by 21.5% year on year to ¥2,145,197 million, and operating expenses increased by 20.1% year on year to ¥2,027,420 million.

As a result of the above, operating profit increased by 51.6% year on year to ¥117,777 million, and ordinary profit increased by 79.8% year on year to ¥126,732 million. As a result of the recording of gain on sales of investment securities of ¥4,118 million and gain on sales of non-current assets of ¥2,226 million under extraordinary income, and impairment loss on real estate business, etc. of ¥3,742 million and loss on valuation of investment securities of ¥2,468 million under extraordinary losses and the recording of income taxes, profit attributable to owners of parent increased by 79.3% year on year to ¥88,745 million.



## 2) Points of comparison with the previous fiscal year

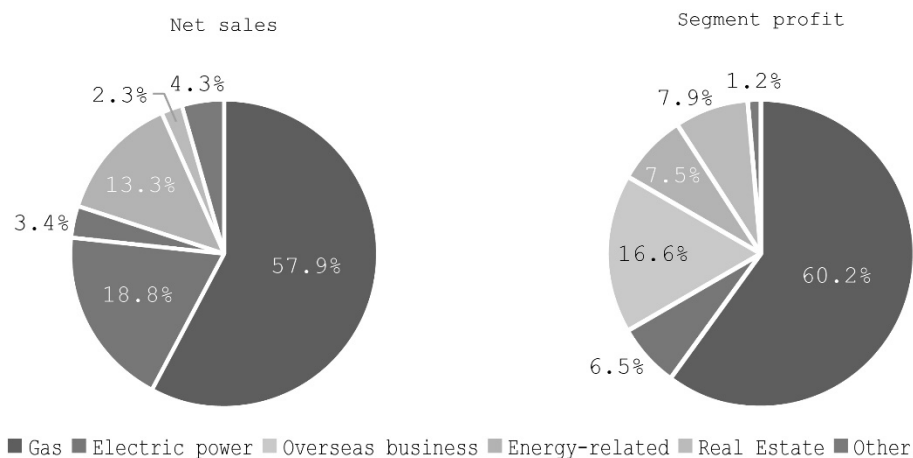
Net sales	+¥380.0 billion	<ul style="list-style-type: none"> <li>■ Increase in sales of 'Gas' due to an increase in the city gas unit price as a result of gas rate adjustments, etc.</li> </ul>
Operating expenses	+¥340.0 billion	<ul style="list-style-type: none"> <li>■ Increase in raw material costs of 'Gas' due to the effect of a rise in crude oil prices, etc.</li> </ul>
Non-operating income and expenses	+¥16.0 billion	<ul style="list-style-type: none"> <li>■ Foreign exchange gains: +¥12.9 billion; share of profit of entities accounted for using equity method: +¥2.3 billion, etc.</li> </ul>
Extraordinary income and losses	+¥4.4 billion	<ul style="list-style-type: none"> <li>■ (Fiscal year under review) <ul style="list-style-type: none"> <li>Gain on sales of investment securities: +¥4.1 billion</li> <li>Gain on sales of non-current assets: +¥2.2 billion</li> <li>Impairment loss: ¥(3.7) billion</li> <li>Loss on valuation of investment securities: ¥(2.4) billion</li> </ul> </li> <li>■ (Previous fiscal year) <ul style="list-style-type: none"> <li>Impairment loss: ¥(10.2) billion</li> <li>Loss on valuation of investment securities: ¥(4.4) billion</li> <li>Gain on sales of investment securities: +¥5.2 billion</li> <li>Gain on sales of non-current assets: +¥3.1 billion</li> <li>Gain on bargain purchase: +¥2.0 billion</li> </ul> </li> </ul>

### 3) Overview of results by segment

	Net sales (Billions of yen)				Segment profit (operating profit + equity income and losses) (Billions of yen)			
	221st fiscal term	222nd fiscal term	Changes	%	221st fiscal term	222nd fiscal term	Changes	%
Gas	1,146.7	1,444.0	297.3	25.9	88.4	102.6	14.2	16.0
Electric power	395.9	467.8	71.9	18.2	8.6	11.1	2.5	27.8
Overseas business	45.9	85.9	40.0	87.1	3.8	28.2	24.4	625.2
Energy-related	339.4	331.3	(8.1)	(2.4)	17.0	12.8	(4.2)	(24.8)
Real estate	48.4	57.9	9.5	19.7	7.5	13.4	5.9	78.5
Other	110.4	107.5	(2.9)	(2.6)	3.8	2.0	(1.8)	(46.8)
Adjustments	(321.8)	(349.3)	(27.5)	-	(50.2)	(48.8)	1.4	-
Segment total	1,765.1	2,145.1	380.0	21.5	79.1	121.5	42.4	53.5

- Notes: 1. Net sales by segment include internal transactions between businesses.  
2. 'Gas' includes city gas, LPG, industrial gas, LNG sales, and trading. 'Energy-related' includes engineering solutions, gas appliances, gas installation work, construction, credit, etc. 'Other' includes the information processing service, shipping, etc.  
3. The main component of adjustments to segment profit is company-wide expenses not allocated to each segment.

#### Segment composition ratio

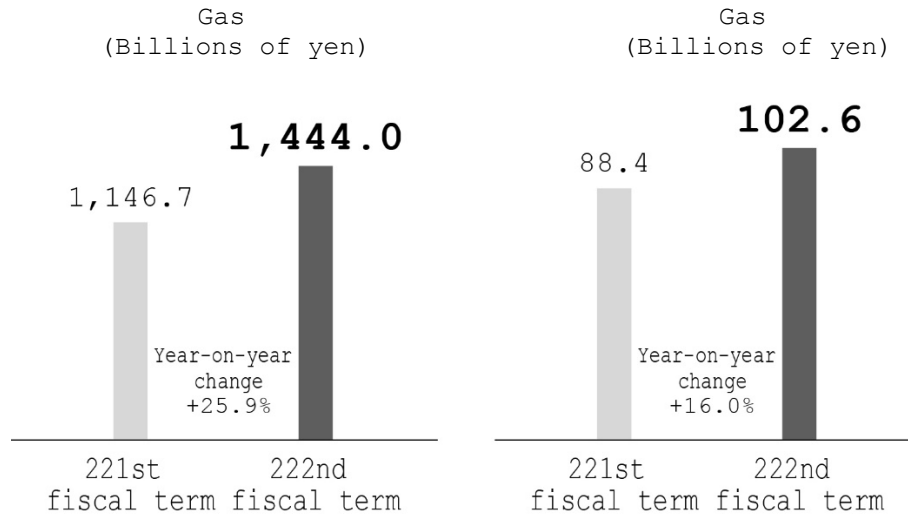


\* The segment composition ratio is calculated by excluding adjustments.

**Gas** Production, supply and sale of city gas, liquid gas business, LNG sales, etc.

**Net sales**

**Segment profit**



Reflecting an increase in sales unit price due to gas rate adjustments as a result of the impact of rising crude oil prices, net sales increased by 25.9% year on year to ¥1,444,003 million.

Segment profit increased by 16.0% year on year to ¥102,646 million, due to such factors as rise in sales volume of city gas, despite an increase in raw material costs of city gas.

**【City gas sales volume and customer numbers】**

— Number of gas meters (Millions)

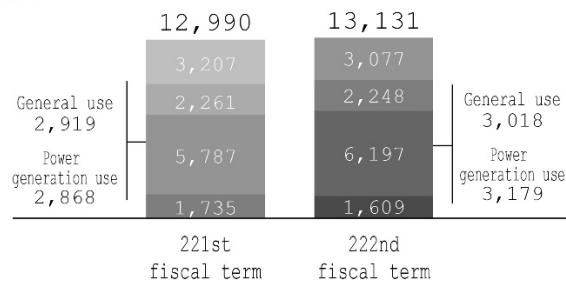
— Number of retail customers (Millions)

(Number of billed customers)



City gas sales volume (Millions of cubic meters)

- Household-bound
- Business-bound
- Industry-bound
- Wholesale



\*Number of gas meters indicates the number of meters that includes inactive meters and meters for gas supply from other retail companies.

[Main reasons for changes in sales volume]

Household-bound	Decrease in stay-at-home demand due to the lifting of the state of emergency
Business-bound	Decrease in customer numbers
Industry-bound	Increase in demand from dedicated power generation customers, etc.
Supplies to other gas utilities	Decrease in customer demand

TOPICS

Supplying carbon neutral city gas to the Tokyo 2020 Olympic Village

From May to September 2021, the preparation and event period of the Tokyo 2020 Olympic and Paralympic Games (hereinafter, 'Tokyo 2020 Games'), the Company supplied carbon neutral city gas to the residential buildings, main dining hall, and other facilities in the Tokyo 2020 Olympic Village (Harumi area), contributing to management of the games with consideration for the environment, society, and economy. The Company will work with the stakeholders who support these efforts even after the Games to spread and expand carbon neutral city gas, and contribute to reducing the environmental burden of its customers' business activities.

Carbon neutral city gas uses LNG for which the full greenhouse gas emissions generated - from exploring and producing the natural gas to be used by the final consumer - have been offset with carbon credits, so that global CO<sub>2</sub> does not increase even when it is combusted. The carbon credits used are certified by highly reliable verification organizations as having CO<sub>2</sub> reduction effects in environmental conservation projects around the world.



## TOPICS

### Acceleration of the Development of Kashima Port Offshore Wind Project

In April 2021, the Company decided to accelerate the development of the Kashima Port Offshore Wind Project, which is located at Kashima Port in Ibaraki Prefecture, through joint investor Wind Power Energy Co., Ltd.\*

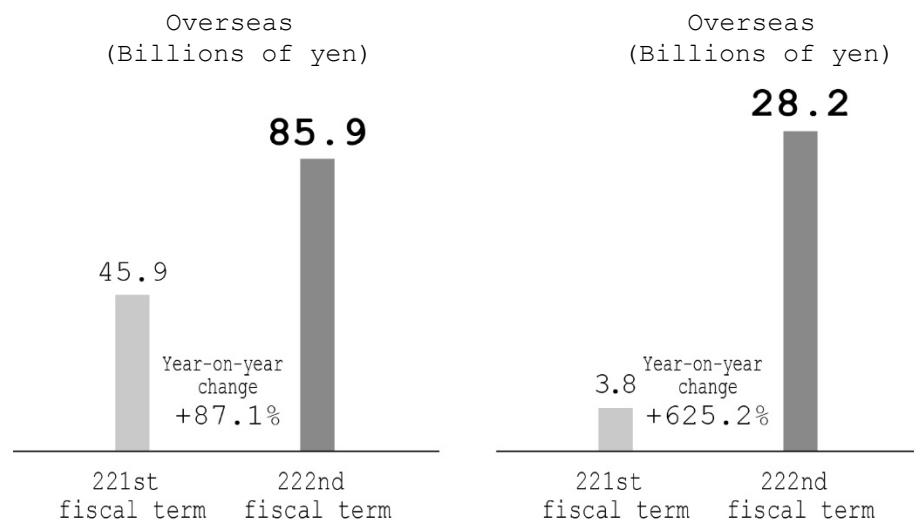
The Project is located in 'Kashima Coastal Industrial Area,' which is one of the top such areas in Japan and located near Tokyo, a major consumer of energy. With approval and certification from Ibaraki Prefecture, we will install 19 newly selected wind turbines in 'areas that utilize renewable energy sources' (680 hectares) designated in the port area of Kashima Port. We will promote construction of an offshore wind power plant with a power generation capacity of approximately 160,000 kW, equivalent to the annual consumption of approximately 70,000 households.

\* In addition to the Company, joint investors include Wind Power Group Co., Ltd. and Nippon Wind Energy K.K., a wholly owned subsidiary of Vena Energy Holdings Ltd.

Overseas Overseas upstream business, midstream and downstream business (Gas field development and LNG production, and gas supply, sales, and power generation, etc.)

**Net sales**

**Segment profit**



Net sales increased by 87.1% year on year to ¥85,931 million, due to higher LNG unit prices at upstream business in Australia.

Segment profit increased by 625.2% year on year to ¥28,252 million.

#### TOPICS

Joint development of approximately 1 GW renewable energy in the Nordics through business collaboration with EWII S/I in Denmark

In January 2022, the Company decided to collaborate with EWII S/I ('EWII') in Denmark on a renewable energy development project in the Nordics.

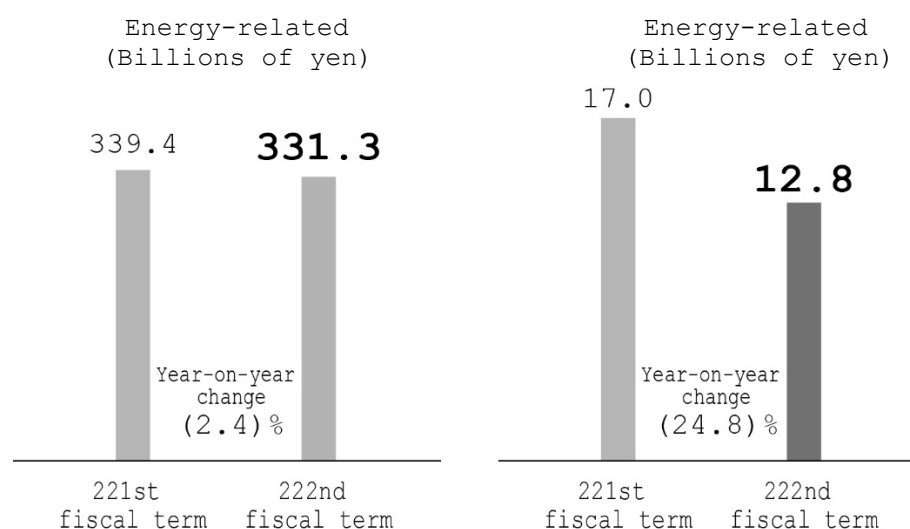
Through TG Nordic ApS, a newly established company in Denmark, we acquired a 50% stake in EWII Production A/S, a subsidiary of EWII, which develops and operates renewable energy businesses. Furthermore, we have acquired approximately 27 MW of onshore wind power assets owned by EWII Production A/S. Along with this investment, EWII Production A/S was renamed 'TOWII Renewables A/S.'

Through our joint venture, the Company and EWII will promote development of renewable energy in Denmark and expand the scope of our business to other Nordic countries. By realizing renewable energy business development of approximately 1 GW in the Nordics by 2030, we will contribute to the decarbonization of Nordic countries including Denmark.

**Energy-related**      Engineering solution business, gas appliances, gas installation work, construction, etc.

**Net sales**

**Segment profit**



Net sales decreased by 2.4% year on year to ¥331,312 million due to a decline in sales volume of various gas appliances caused by delays in delivery stemming from the global shortage of semiconductors. Segment profit decreased by 24.8% year on year to ¥12,818 million.

#### TOPICS

##### Start of supply from Niihama LNG Terminal

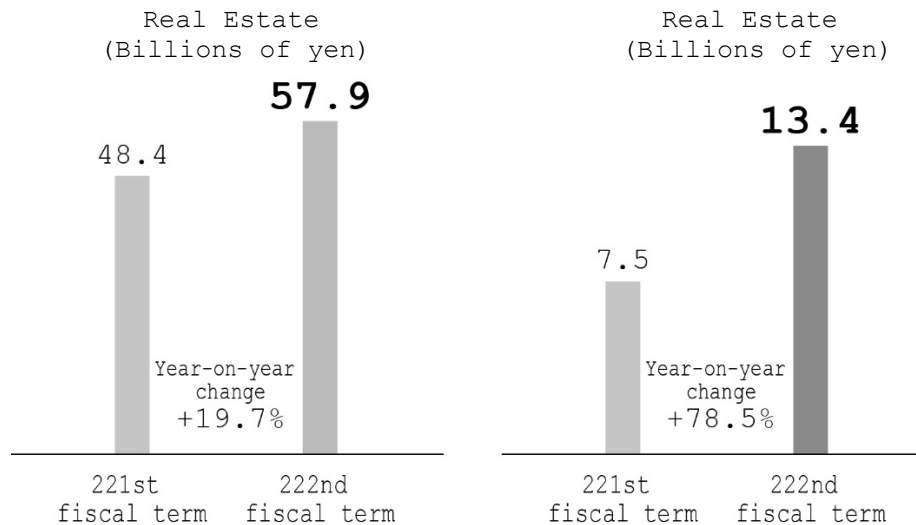
Niihama LNG Co., Ltd.\*, in which Tokyo Gas Engineering Solutions Corporation ( a wholly owned subsidiary of the Company) invested, completed construction and test runs of 'Niihama LNG Terminal,' which it had been building at Sumitomo Chemical Ehime Works (Niihama City, Ehime Prefecture), and started to supply gas for industrial applications in the same plant and neighboring areas in March 2022.

Niihama LNG Co., Ltd. is responsible for the stable supply of energy by operating the base to accept LNG and do gasification, and also contributes to the promotion of carbon neutrality in the Shikoku area and development of industry by promoting the use of natural gas in industries in neighboring areas.

\* In addition to Tokyo Gas Engineering Solutions Corporation, joint investors include Shikoku Electric Power Co., Inc., SUMITOMO CHEMICAL COMPANY, LIMITED, SUMITOMO JOINT ELECTRIC POWER CO., LTD., and Shikoku-Gas Co., Ltd.



Real Estate Leasing and management of land and buildings, etc.  
**Net sales** **Segment profit**



Net sales increased by 19.7% year on year to ¥57,961 million due to an increase in lease income from land and buildings.

Segment profit increased by 78.5% year on year to ¥13,466 million.

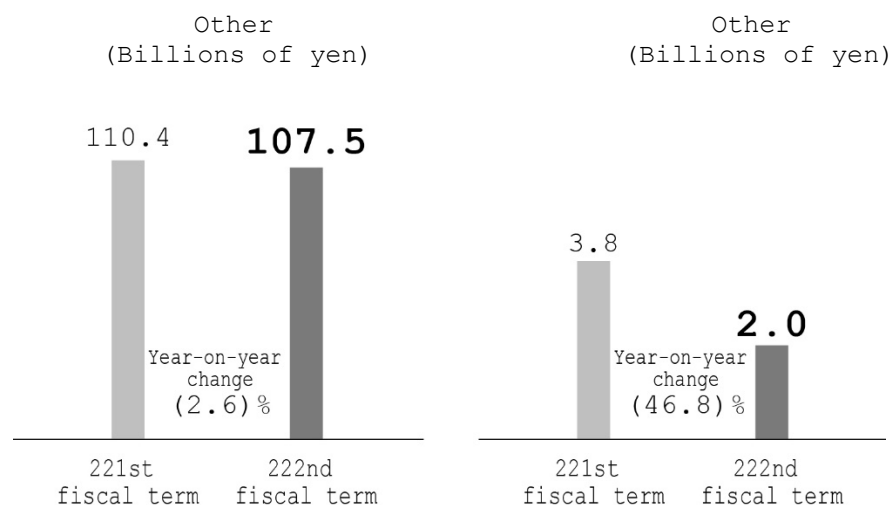
#### TOPICS

Introduction of electricity with virtually zero CO<sub>2</sub> emissions to all 22 buildings in the 'La Tierra' Series

In January 2022, Tokyo Gas Real Estate Co., Ltd., a wholly owned subsidiary of the Company, introduced the 'Sasutena Denki Business,' in which we provide electricity with virtually zero CO<sub>2</sub> emissions in the common area of the entire rental residence 'La Tierra\*' series. 'Sasutena Denki Business' is an electricity rate menu considered to have virtually 100% renewable energy and zero CO<sub>2</sub> emissions, by adding non-fossil fuel certificate designated as renewable energy to our power sources (LNG thermal power, etc.).

\* 'La Tierra' is an urban rental residence of Tokyo Gas Real Estate Co., Ltd. that provides high quality and comfortable environments in the form of safe and secure housing. It has developed 22 buildings with 851 housing units (excluding stores), mainly in the Tokyo metropolitan area (as of January 20, 2022).

Other Information processing service, shipping business, etc.  
**Net sales** **Segment profit**



Net sales decreased by 2.6% year on year to ¥107,542 million due to decreased orders received for systems at IT subsidiaries.

Segment profit decreased by 46.8% year on year to ¥2,024 million due to increased ship rental costs in the shipping business.

### (3) Group Capital Expenditures

Total capital expenditures for this fiscal year amounted to ¥207,226 million.

In regard to distribution facilities, the total length of the pipeline network was extended by 466 kilometers during this fiscal year, to 65,562 kilometers as of March 31, 2022.

### (4) Group Financing Activities

In this fiscal year, the Company raised funds totaling ¥178.0 billion through issuing the 67th, 68th, 69th, 70th, 71st and 72nd corporate unsecured bonds and obtaining loans payable. Of these bonds, the 71st and 72nd corporate unsecured bonds were issued as the first transition bonds\* issued by a city gas supplier in Japan. Balance of consolidated interest-bearing liabilities increased by ¥154,601 million compared with the previous year-end, to ¥1,220,589 million.

\* Bonds used to invest in projects by companies working on initiatives to reduce greenhouse gas emissions that follow a long-term transition strategy to achieve a decarbonized society.

For more information on transition bonds, please visit the Company's website (<https://www.tokyo-gas.co.jp/IR/stock/transitionbond.html>).

\*Website available in Japanese only



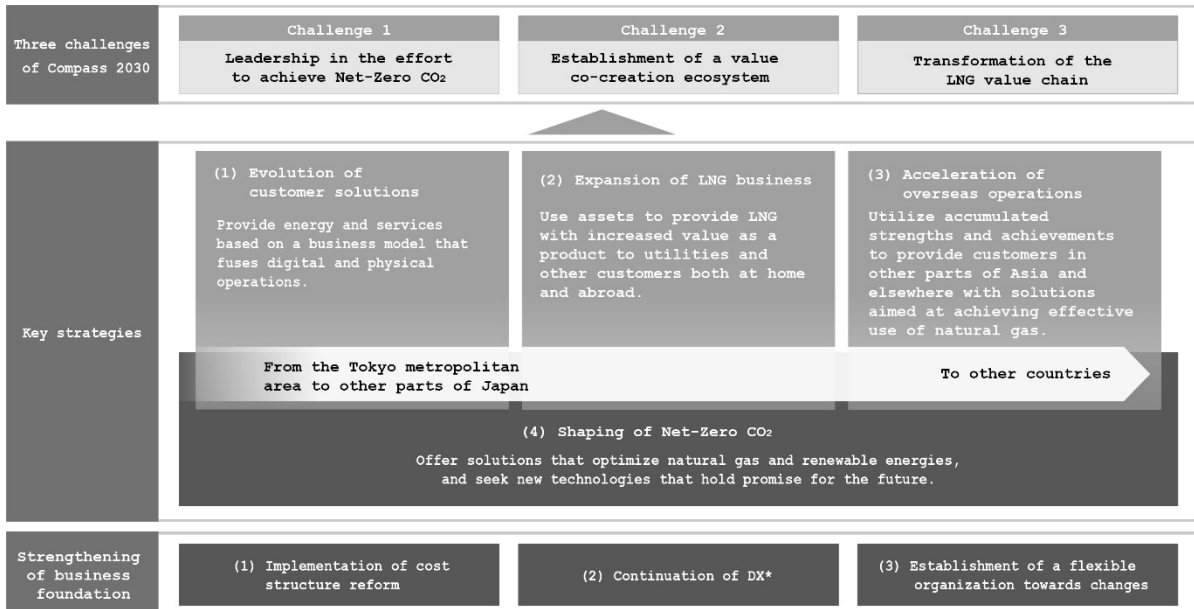
## Toward the achievement of the Tokyo Gas Group Management Vision 'Compass 2030'

- The Tokyo Gas Group announced the Medium-term Management Plan for the three years from FY2020 in March 2020 and 'Compass Action' in November 2021, toward the achievement of the Tokyo Gas Group Management Vision, 'Compass 2030,' which was announced in November 2019.



## Tokyo Gas Group FY2020-2022 Medium-term Management Plan

### ●Overview



\* DX: Digital transformation. The use of data and digital technologies to transform products, services and business models based on customer and societal needs, and also transform work operations themselves as well as organizations, processes, and corporate culture and climate.

Major indicators (at the time of announcement of FY2020-2022 Medium-term Management Plan in March 2020)

KGI	FY2019	FY2022	KPI	FY2019	FY2022
Operating profit + equity income	¥118.5 billion	¥140.0 billion	No. of customer accounts (as of the end of FY)	12.20 million	14.80 million
			Natural gas transaction volume	16.70 million tons	17.00 million tons
Financial performance indicators	FY2019	FY2022	Segment profit from Overseas Business	¥12.5 billion	¥16.0 billion
ROA	3.1%	Approx. 4%	Contribution to CO <sub>2</sub> emission reductions (as compared to FY2013 levels)	5.00 million tons	6.50 million tons
ROE	6.6%	Approx. 8%	Renewable energy transaction volume (as of the end of FY)	590,000 kW	2.00 million kW
D/E ratio	0.78	Approx. 0.9	Cost structure reform (compared to FY2019)	-	¥30.0 billion cut

\* FY2019 figures are forecast figures at the time of formulating plans.

## Compass Action (announced in November 2021)

Two years have passed since the announcement of our management vision, 'Compass 2030' in 2019. The business environment continues to change rapidly due to a growing trend toward carbon neutrality and increased volatility in energy markets. In these circumstances, seeing change as an opportunity to change our business structure, our business foundation and be reborn as a new corporate group, we have made 'Compass Action,' a concrete path to realize our vision.

### Compass Action: Overview

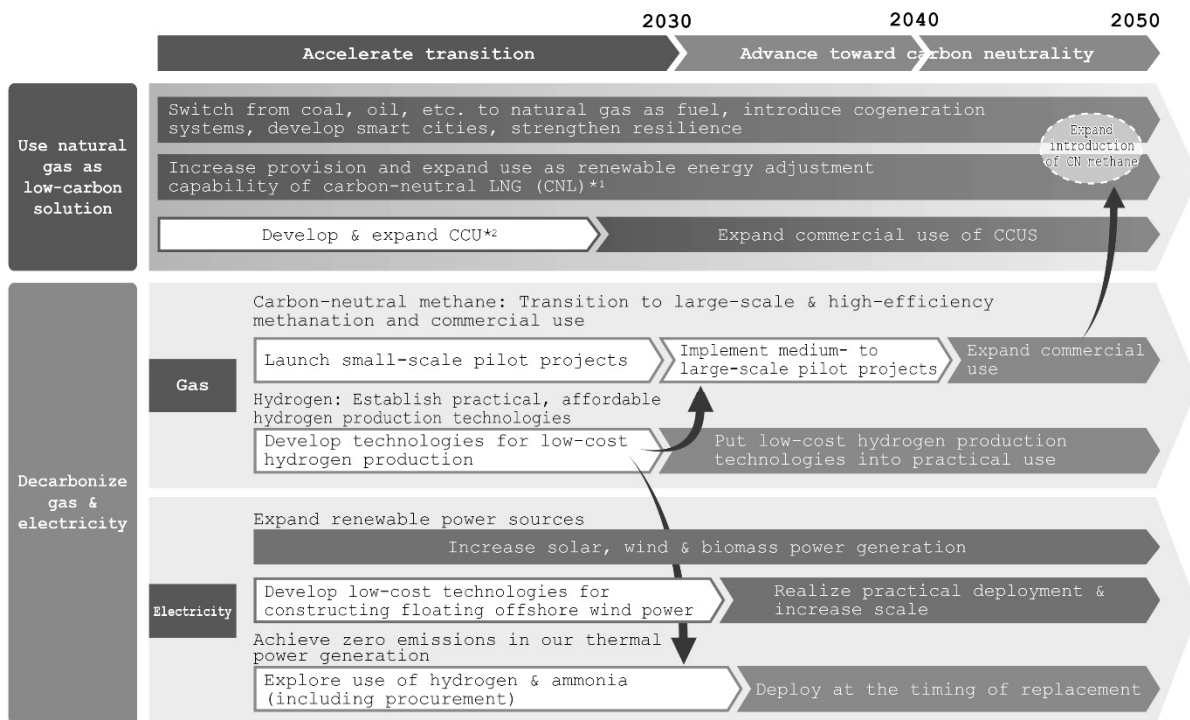
Vision	Accelerating toward vision	Focuses of transformation
<b>1</b> Lead transition to Net-Zero CO <sub>2</sub>	Responsibly lead the transition with gaseous & renewable energy	<ul style="list-style-type: none"> <li>• Transform into the top leader at the forefront of the transition</li> <li>• Create a value chain for carbon-neutral methane<sup>*1</sup></li> <li>• Create a renewable energy value chain leveraging our Group's unique strengths</li> </ul>
<b>2</b> Establish a value co-creation ecosystem	Accelerate value co-creation via digitalization and reinforced face-to-face engagement	<ul style="list-style-type: none"> <li>• Transform into the energy market's digital marketing front runner</li> <li>• Evolve into the No. 1 player in customer satisfaction through value co-creation at the last-mile<sup>*2</sup></li> <li>• Transform into a provider of solutions for community challenges</li> </ul>
<b>3</b> Transform the LNG value chain	Improve each business's earning power and resilience to change	<ul style="list-style-type: none"> <li>• Transform into a corporate culture that enhances the earning power of each business</li> <li>• Shift to a human resources system that encourages the pursuit of challenges in ways that leverage diversity</li> <li>• Pivot to a financial strategy that promotes growth investing</li> </ul>

\*1: Methane synthesized (methanated) from CO<sub>2</sub>-free hydrogen (produced from renewable source electricity), and CO<sub>2</sub> captured at power plants, factories, etc.

\*2: Technical work performed at customers' residences

## Roadmap for transitioning to carbon neutrality

- We will achieve a **carbon reduction contribution of 17 million tons\*** by 2030 across all our business activities worldwide  
\* Compass 2030's original target was 10 million tons (only in Japan)
- We will **lead the transition to carbon neutrality by developing strengths in gas/electricity decarbonization technologies** and expanding the deployment at customer sites



\*1:A type of LNG that is deemed carbon neutral as greenhouse gas emissions generated by the processes from natural gas exploration to combustion are offset with carbon credits received on forest conservation projects, etc.  
\*2:CO<sub>2</sub> capture & utilization

### Sophisticated use of natural gas: Transitioning from low carbon to decarbonized

- During the transitional period, we will **contribute to reducing CO<sub>2</sub> emissions at domestic & overseas customer sites by promoting fuel switching, smart city development, carbon-neutral LNG, and CCUS**
- We will firmly lead the transition while **containing the social costs of low carbon and decarbonization**, responsibly ensuring the stable supply of energy

Our Group's strengths: A proven track record in using natural gas for low-carbon solutions and know-how in optimal energy management

Switching to natural gas as a fuel

Sophisticated smart energy networks

Carbon neutral LNG/CCUS

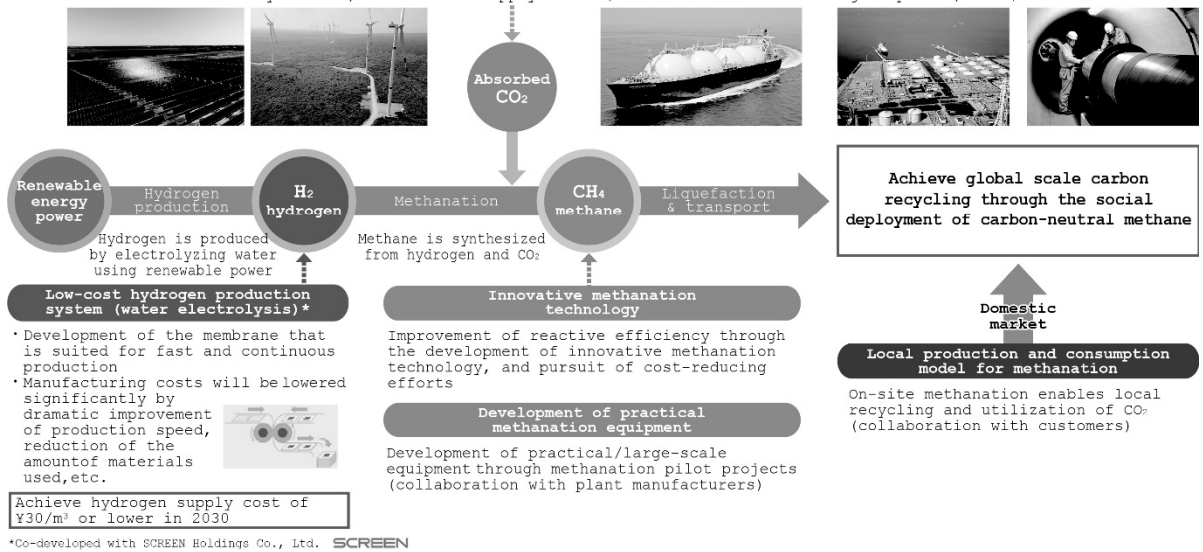
## Decarbonizing gas: Building a carbon-neutral methane value chain

- We will **establish our own core technologies in methanation & hydrogen production** as part of our efforts toward the decarbonization of gaseous energy
- We will **build a carbon-neutral methane value chain to realize deployment in future society** through coordination with public-private alliances and global players

Our Group's strengths: Hydrogen production expertise gained from fuel cell development, etc., and Japan's foremost gaseous energy supply infrastructure



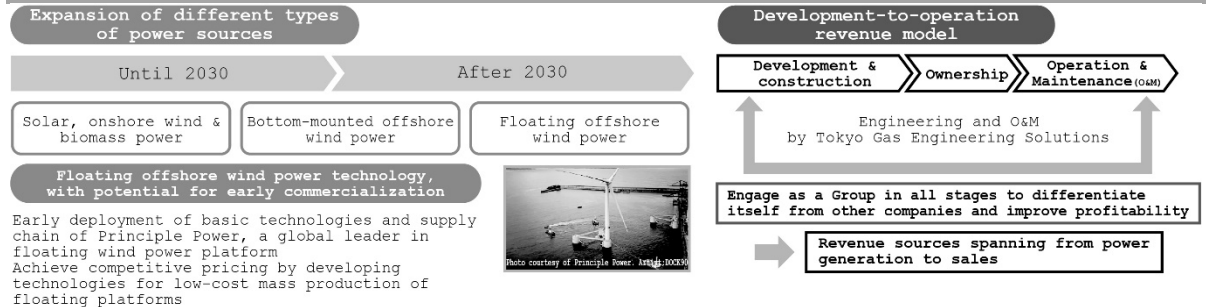
As groundwork for large-scale methanation globally, select suitable sites with firm access to low-cost, large-volume renewable source electricity and CO<sub>2</sub>, and build a supply chain (collaboration with trading companies, etc.)



## Decarbonizing electricity: Building a renewable energy value chain

- We will **build a renewable energy value chain** leveraging our Group's unique strengths by **engaging in a full spectrum of renewable power business from development of renewable power projects to operation and maintenance (O&M) and to the retailing of the generated green power**
- We will expand renewable power source transaction volume in Japan and global markets beyond our original vision (5 GW\* → 6 GW), while maintaining profitability  
\* Compass 2030's original target

Our Group's strengths: Stable long-term operation of power generation infrastructure, O&M capabilities, customer base

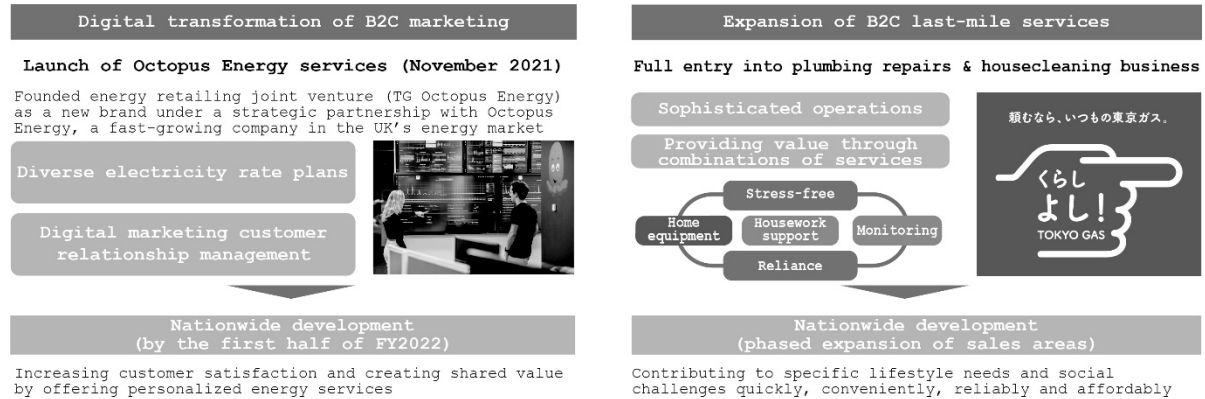




## Digital transformation & strengthening of last-mile services (B2C)

- We will **expand areas of value provided to customers** by leveraging **digital marketing** and enhancing the lineup of **last-mile services**

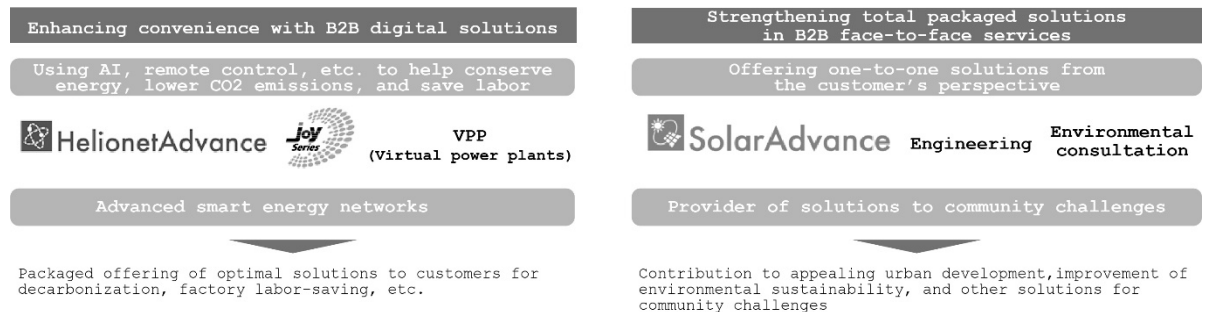
Our Group's strengths: Digital expertise of Octopus Energy, last-mile solution capabilities, channel networks of LIFEVAL, etc.



## Digital & face-to-face solutions (B2B)

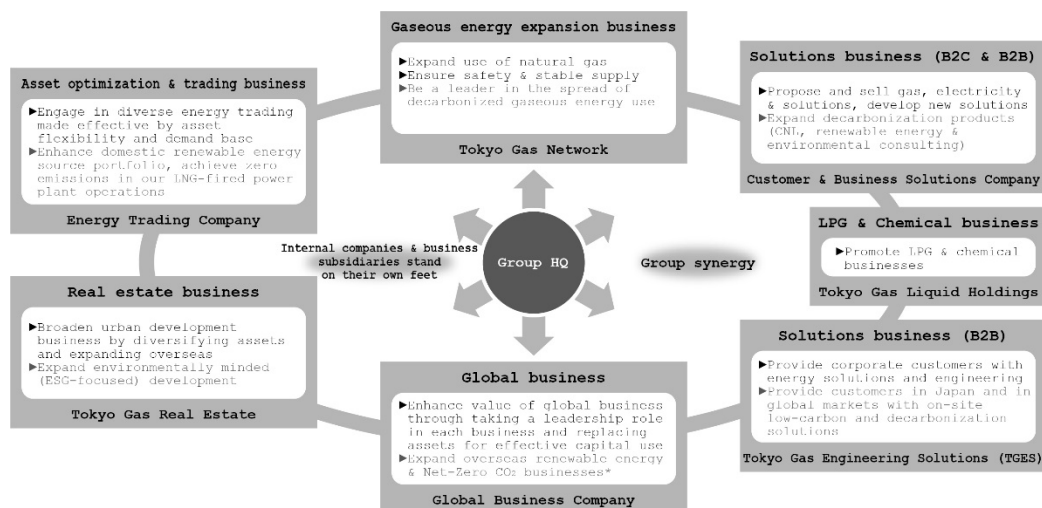
- We will **nationwide & globally provide packaged solutions** that enhance customer convenience, community growth, and shift to low carbon and decarbonization

Our Group's strengths: Remote monitoring & control technologies that use AI, etc., ability and experience in providing solutions, from proposal to implementation & facility management



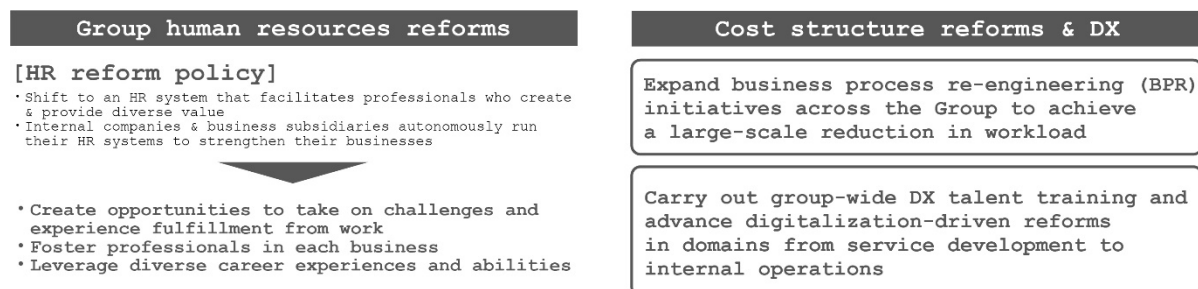
## Transitioning to a holdings type group structure

- We will **transition to a group structure** where internal companies (quasi branch companies) and business subsidiaries will **stand on their own feet** and independently grow as they engage with their markets and customers
- The **internal companies and business subsidiaries will be given greater discretion** in order to realize agile decision-making, and we will **pursue group synergy** through collaboration within the Group \*The gas pipeline business was transferred to Tokyo Gas Network Co., Ltd. on April 1, 2022, and has since commenced operations.



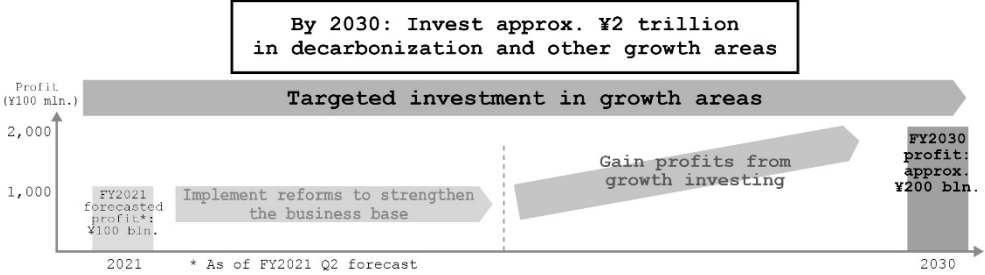
## Group human resources reforms / Cost structure reforms & DX

- In conjunction with the shift to a holdings group type structure, we will **transform the human resources system to one that encourages challenge and diversity**, so as to strengthen our internal companies and business subsidiaries
- Strengthen competitiveness by implementing effective **cost structure reforms, business process re-engineering (BPR), DX** and other approaches



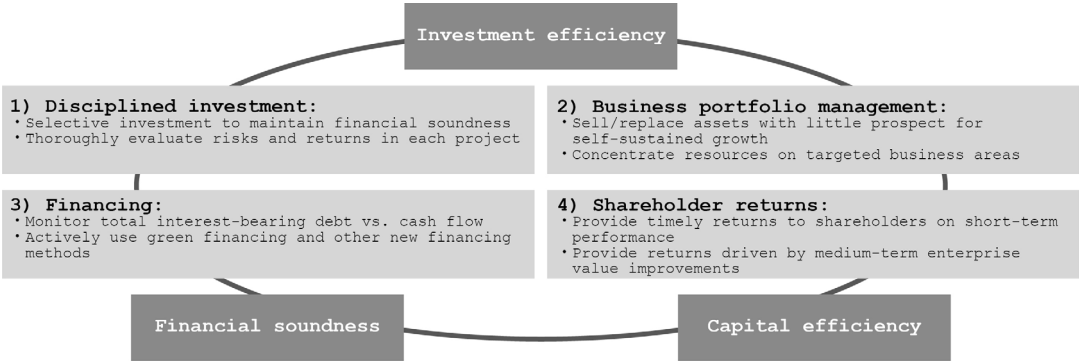
**Targeted investment in growth areas**

- Shift investment to decarbonization & other growth areas, and place capital aggressively (early investments in decarbonization + active investment in other growth areas)
- Strengthen business platform by implementing reforms in first half of 2020s, achieve profit growth from investments in the second half



**Financial strategy supporting investment**

- Support growth investing by enhancing investment/capital efficiency and by employing effective cash flow management to secure sufficient investment capital



## ■ Q&A

### • Management Philosophy

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Q1 What are the thoughts and the background that led to revising the Group Management Philosophy?

---

Even amid significant changes in the market environment, business transformation is necessary so that we can continue to be a corporate group needed by society. To that end, it is indispensable for each group member who creates value to change, so we decided to revise the Group Management Philosophy in order to clarify the Group's raison d'être and values that should be upheld as the basis for behavioral change.

### • Leading the transition to 'Net-Zero CO<sub>2</sub>'

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Q2 Tell us how Net-Zero CO<sub>2</sub> will lead to higher profits.

---

We will contribute to the realization of a carbon-neutral society and, at the same time, improve profitability by providing solutions that meet customer needs. Starting with natural gas utilization technology, the Group's strengths, and methanation for which the existing infrastructure can be employed, we will expand the popularization of decarbonized gas energy and provision of services that combine decarbonized power focused on renewable energy and optimal energy management on the customer side.

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Q3 What is the position of natural gas in the transition to Net-Zero CO<sub>2</sub>?

---

Combining renewable energy with natural gas, which has the lowest environmental impact and excellent adjustability among fossil fuels, is a realistic solution for a decarbonized society. We believe that the role of natural gas will continue to grow. While making full use of natural gas, we will also continue to work on decarbonizing gas and renewable energy, taking a realistic approach in transitioning to a carbon-neutral society.

---

Q4 What are the Group's strengths that will be leveraged in achieving the decarbonization of gas?

---

The key to gas decarbonization is (1) materialization of inexpensive hydrogen production and utilization and (2) practical application of methanation. In hydrogen production and utilization, we take on the challenge of significant cost reduction by applying fuel cell technology. In the practical application of methanation, we will materialize gas decarbonization by using our strengths, network construction with domestic and overseas LNG partners, and technological development in collaboration with various companies.

### • Building an ecosystem of 'value co-creation'

---

Q5 What is the difference between TG Octopus Energy and other electricity companies?

---

TG Octopus Energy combines the digital technology of Octopus Energy (UK) with efficient customer support capabilities to create value and services tailored to each customer's preferences while providing generous customer support in the manner of a concierge.

## ■ Q&A

### • Building an ecosystem of 'value co-creation'

---

Q6 Please explain the notion of 'last mile.'

---

'Last mile' refers to technical work performed at customers' residences, such as gas equipment and plumbing repairs. Even with the progress of digitalization, such manual services will continue to remain. The Group has repair staff (800 operators) who have expertise and skills in gas equipment repair. We are making efforts to enhance our expertise and delivery capabilities for plumbing and other repair services, with an aim to draw customers of such services to other products and offerings of the Company.

### • Reform of the LNG value chain

---

Q7 What is the future outlook for the Company's overseas business?

---

We will accelerate investment in priority growth fields (resource development, LNG infrastructure, renewable energy), which we can develop by leading business operations. Also, we will strengthen our efforts in the Net-Zero CO<sub>2</sub> business and make profits in growth fields including decarbonization in the 2030s.

---

Q8 Tell us how the management system changed after the Company's transition to a Company with a Nominating Committee, etc.

---

The roles of supervision, which is the responsibility of the Board of Directors, and business execution have been clarified, and each part carries out their duties under a healthy pressure. The Board of Directors is dedicated to active discussion and monitoring of corporate strategies, including management policies and business portfolios. Concerning business execution, a significant delegation of authority to Executive Officers has led to faster decision-making.

---

Q9 What are the expected effects of moving to a holding company system?

---

By transitioning to a holding company group structure, we aim to enable swift decision-making and actions with closer attention to the market and customers, enabling the internal companies and business subsidiaries to conduct their businesses more independently. We believe this will improve the quality and speed of customer response and customer service.

### • Others

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Q10 Tell us your future LNG procurement policy in light of the depreciation of the yen, high resource prices, and international matters.

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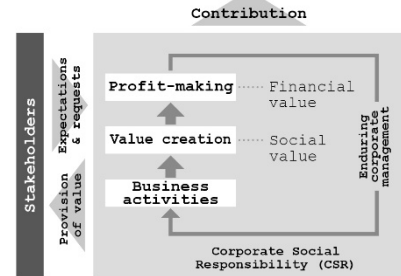
So far, we have sought stable LNG procurement through diversification of suppliers by procuring LNG from 15 projects in 5 countries based on long-term contracts, using our LNG fleet, and expanding our LNG trading business. We will continue to promote the diversification of (1) suppliers, (2) contract details, and (3) LNG networks for stable and competitive LNG procurement.

## The Group's sustainability initiatives and contribution to the achievement of SDGs

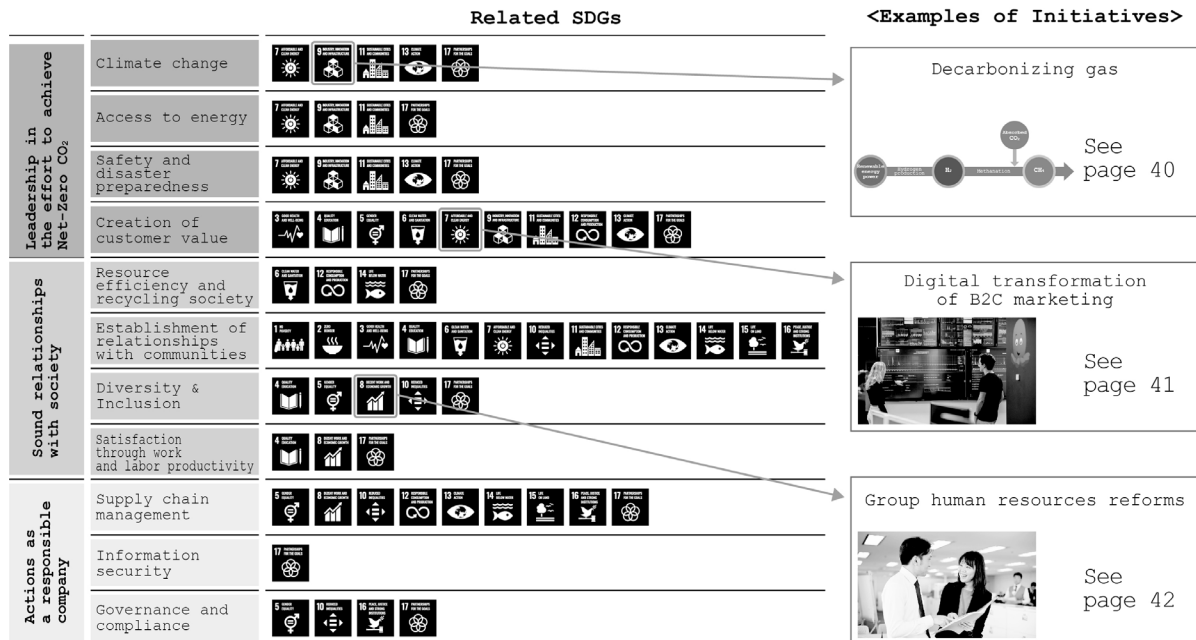
The Group's approach to promoting sustainability calls for 'creating social and financial value by tackling social challenges through our business activities and contributing to the sustainable development of society by conducting enduring corporate management.' We aim to tackle important sustainability issues (Materiality) through our business activities in line with this approach and broadly contribute to ESG-focused management and the achievement of SDGs.

### <Approach to Promoting Sustainability>

Realization of a sustainable society  
International goals to be achieved  
by 2030:SDGs



### <Key Issues in Sustainability (Materiality) and Relationship with SDGs>



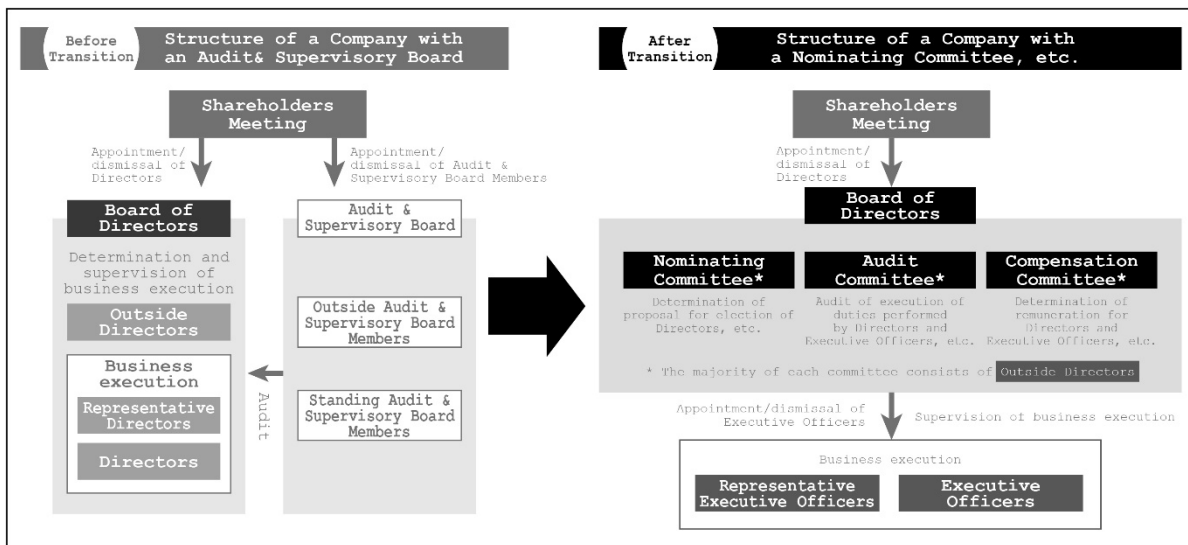
\* The relationships portrayed above are subject to revision as appropriate according to changes in the Tokyo Gas Group's actions.

\* Please see the Sustainability Report (<https://www.tokyo-gas.co.jp/sustainability/index.html?wovn=en>) for more information on the Group's initiatives.

## Corporate Governance (As of March 31, 2022)

As part of our most radical transformation since our foundation and based on our understanding that a management reform is imperative, we have transitioned to a Company with a Nominating Committee, etc. as approved at the 221st Annual Shareholders Meeting, in an effort to strengthen our corporate governance.

As a Company with a Nominating Committee, etc., we aim to enhance our corporate value by developing a solid management with depth through the establishment of two management bodies consisting of the business execution structure and the Board of Directors to clearly separate executive and supervisory functions, making prompt decisions in response to changes in the business environment and the expansion of business domains, and by strengthening the supervisory function of the Board of Directors.



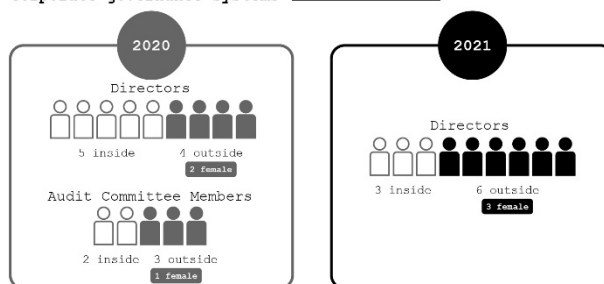
**Board of Directors** (Meetings held 12 times in the business year under review)

The Board of Directors, which meets once a month in principle, shall make decisions on management plans and policies and other important management matters of the Company as well as supervise business execution in accordance with the Regulations of the Board of Directors, laws and regulations and the Articles of Incorporation, etc.

In order to make accurate and prompt decisions related to business execution, the Board delegates authority related to business execution to the Chief Executive Officer, who reports execution status to the Board as necessary. Currently, the Company's Board of Directors consists of nine (9) members, including six (6) independent Outside Directors.

**Enhancing/strengthening corporate governance systems**

Composition of the Board of Directors



**Nominating Committee** (Meetings held 7 times in the business year under review)

The Nominating Committee mainly determines the contents of proposals to be submitted to the shareholders meetings concerning the appointment and dismissal of Directors and the contents of proposals to be submitted to the Board of Directors concerning the appointment and dismissal of Executive Officers.



**Audit Committee** (Meetings held 11 times in the business year under review)

The Audit Committee audits the execution of duties by Directors and Executive Officers and determines the contents of audit reports. The Committee also determines the contents of proposals concerning the appointment, dismissal, or refusal of reappointment of independent auditors, among others.



**Compensation Committee** (Meetings held 3 times in the business year under review)

The Compensation Committee determines the policy on compensation, etc., for each Director and Executive Officer as well as determines the details of compensation, etc., for each Director and Executive Officer based on the policy, among others.

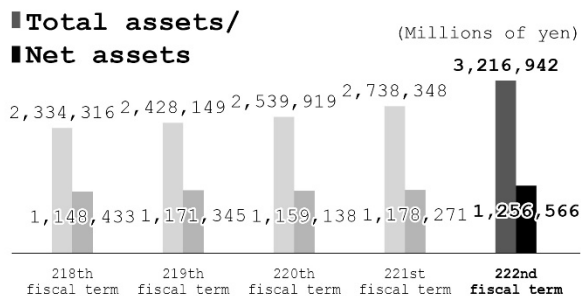
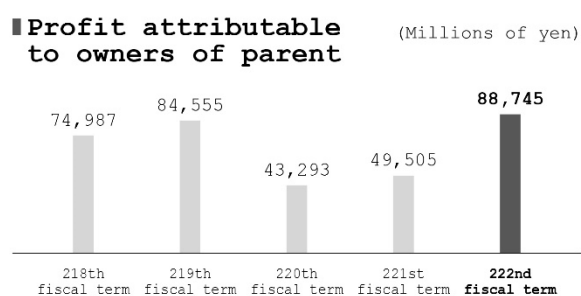
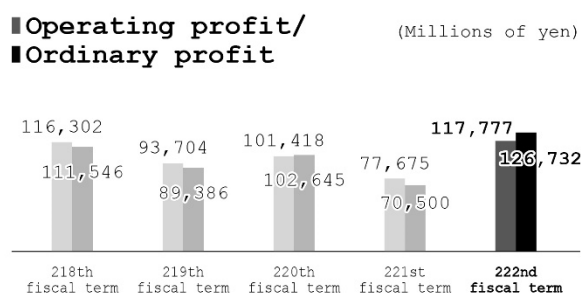
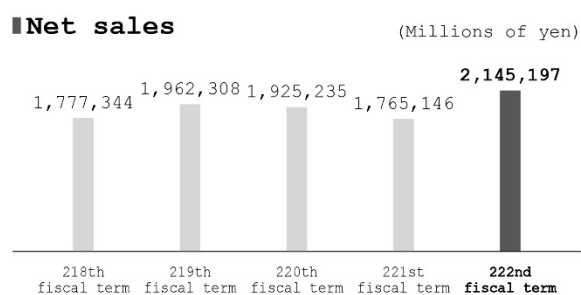




(6) Changes in Status of Assets and Profit and Loss

Categories (FY ended March 31)	218th fiscal term (2018)	219th fiscal term (2019)	220th fiscal term (2020)	221st fiscal term (2021)	222nd fiscal term (2022)
Net sales (Millions of yen)	1,777,344	1,962,308	1,925,235	1,765,146	2,145,197
Operating profit (Millions of yen)	116,302	93,704	101,418	77,675	117,777
Ordinary profit (Millions of yen)	111,546	89,386	102,645	70,500	126,732
Profit attributable to owners of parent (Millions of yen)	74,987	84,555	43,293	49,505	88,745
Basic earnings per share (Yen)	164.12	187.60	97.86	112.26	201.84
Total assets (Millions of yen)	2,334,316	2,428,149	2,539,919	2,738,348	3,216,942
Net assets (Millions of yen)	1,148,433	1,171,345	1,159,138	1,178,271	1,256,566
Net assets per share (Yen)	2,487.58	2,575.99	2,602.53	2,616.37	2,791.95

Note: The Company carried out a share consolidation at a ratio of 5 common shares to 1 effective October 1, 2017. Basic earnings per share and net assets per share are calculated assuming that the share consolidation was carried out at the beginning of the 218th fiscal term.



## (7) Status of Principal Subsidiaries

Name of the company	The stated capital	Holding ratio of voting rights (%)	Main business activities
Tokyo Gas America Ltd.	US\$1,910,332 thousand	100.00	LNG upstream businesses in the Americas
TOKYO GAS AUSTRALIA PTY LTD.	US\$1,311,590 thousand	100.00	LNG upstream businesses, etc. in Australia
Tokyo Gas Asia Pte. Ltd.	S\$327,968 thousand	100.00	LNG middle and downstream businesses in Southeast Asia
Tokyo Gas Real Estate Co., Ltd.	¥11,894 million	100.00	Real estate development, leasing, management and brokerage
Tokyo Gas Engineering Solutions Corporation	¥10,000 million	100.00	Energy service and comprehensive engineering service business
Tokyo Gas International Holdings B.V.	EURO 54,734 thousand	100.00	Overseas investment project
Ohgishima Power Co., Ltd.	¥5,350 million	75.00	Operation and management of power station
Nagano Toshi Gas Inc.	¥3,800 million	89.22	City gas business
Prominet Power Co., Ltd.	¥2,238 million	100.00	Construction, operation and management of renewable energy power stations, and sale and supply of electricity
Tokyo LNG Tanker Co., Ltd.	¥1,200 million	100.00	Leasing of tankers delivering LNG/LPG and overseas shipping business
Tokyo Gas Energy Co., Ltd.	¥1,000 million	66.60	Sale of LPG
Capty Co., Ltd.	¥1,000 million	60.00	Design and construction of gas pipelines, water supply and sewage pipes, air-conditioning systems
Tokyo Gas Chemicals Co., Ltd.	¥1,000 million	100.00	Sale of industrial gases and chemicals
Tokyo Gas Lease Co., Ltd.	¥450 million	100.00	Credit administration and leasing in connection with gas appliances and construction
TOKYO GAS i NET CORP.	¥400 million	100.00	Information processing service business
TG PLUS Co., Ltd.	¥60 million	100.00	Procurement and sale of LPG
Nijio Co., Ltd.	¥47 million	100.00	Wholesale of electricity

Notes: 1. The number of consolidated subsidiaries and equity-method associates including the above 17 principal subsidiaries were 129 companies.

2. On April 1, 2022, the Company conducted an absorption-type company split, whereby its gas pipeline business, etc. was succeeded by Tokyo Gas Network Co., Ltd. The status of Tokyo Gas Network Co., Ltd. as of April 1, 2022 is as follows:

Name of the company	The stated capital	Holding ratio of voting rights (%)	Main business activities
Tokyo Gas Network Co., Ltd.	¥10,000 million	100.00	Gas pipeline business and incidental businesses

(8) Status of Reorganization, such as Business Assignment and Corporate Separation by Absorption or Corporate Separation by Incorporation

There are no items to report.

(9) Main Business Offices and Factories (As of March 31, 2022)

1) The Company

<b>Head Office</b>	(Minato-ku, Tokyo)
<b>Service Branches (Shisha, Shiten and Jigyobu)</b>	Tokyonaka Service Branch (Meguro-ku, Tokyo) Tokyonishi Service Branch (Tachikawa, Tokyo) Tokyohigashi Service Branch (Arakawa-ku, Tokyo) Chiba Branch Office (Chiba, Chiba) Saitama Branch Office (Saitama, Saitama) Kanagawa Branch Office (Yokohama, Kanagawa) Yokohama Service Branch (Yokohama, Kanagawa) Kawasaki Service Branch (Kawasaki, Kanagawa) Kanagawanishi Service Branch (Sagamihara, Kanagawa) Hitachi Branch Office (Hitachi, Ibaraki) Gunma Branch Office (Takasaki, Gunma) Utsunomiya Branch Office (Utsunomiya, Tochigi) Ibaraki Branch Dept. (Mito, Ibaraki) Tsukuba Service Branch (Tsukuba, Ibaraki)
<b>Pipeline Regional Office</b>	Chuo Pipeline Regional Office (Minato-ku, Tokyo) Seibu Pipeline Regional Office (Setagaya-ku, Tokyo) Tobu Pipeline Regional Office (Arakawa-ku, Tokyo) Hokubu Pipeline Regional Office (Kita-ku, Tokyo) Kanagawa Pipeline Regional Office (Yokohama, Kanagawa)
<b>LNG Terminals</b>	Negishi LNG Terminal (Yokohama, Kanagawa) Sodegaura LNG Terminal (Sodegaura, Chiba) Ohgishima LNG Terminal (Yokohama, Kanagawa) Hitachi LNG Terminal (Hitachi, Ibaraki)

2) Principal subsidiaries

Name	Location of Head Office	Name	Location of Head Office
Tokyo Gas America Ltd.	Houston, United States of America	Tokyo LNG Tanker Co., Ltd.	Minato-ku, Tokyo
TOKYO GAS AUSTRALIA PTY LTD	Perth, Australia	Tokyo Gas Energy Co., Ltd.	Minato-ku, Tokyo
Tokyo Gas Asia Pte. Ltd.	Singapore	Captly Co., Ltd.	Sumida-ku, Tokyo
Tokyo Gas Real Estate Co., Ltd.	Minato-ku, Tokyo	Tokyo Gas Chemicals Co., Ltd.	Minato-ku, Tokyo
Tokyo Gas Engineering Solutions Corporation	Minato-ku, Tokyo	Tokyo Gas Lease Co., Ltd.	Shinjuku-ku, Tokyo
Tokyo Gas International Holdings B.V.	Amsterdam, Netherlands	TOKYO GAS i NET CORP.	Minato-ku, Tokyo
Ohgishima Power Co., Ltd.	Yokohama, Kanagawa	TG PLUS Co., Ltd.	Minato-ku, Tokyo
Nagano Toshi Gas Inc.	Nagano, Nagano	Nijio Co., Ltd.	Minato-ku, Tokyo
Prominet Power Co., Ltd.	Minato-ku, Tokyo		

(10) Status of Employees (As of March 31, 2022)

1) Number of employees in the Group

Business segment	Number of employees (Change from previous year)	
Gas	5,286	(-865)
Electric power	402	(+86)
Overseas business	265	(-9)
Energy-related	5,010	(-185)
Real estate	922	(-93)
Other	3,849	(+816)
Corporate	963	(+89)
Total	16,697	(-161)

Notes: 1. 'Number of employees' refers to permanent full-time staff, includes employees seconded to the Company, and does not include employees seconded to other companies and temporary staff.

2. 'Corporate' refers to general administration departments.

2) Number of employees in the Company

Number of employees (Change from previous year)	Average age (Years)	Average service years
5,958 (-924)	42.6	17.4

Notes: 1. 'Number of employees' refers to permanent full-time employees and employees seconded to the Company, and does not include employees seconded to other companies and temporary staff.

2. 'Average age' and 'Average service years' do not include those of employees seconded to the Company.

(11) Major Creditors and Balance of Borrowings (As of March 31, 2022)

Creditor	Balance of borrowings (Millions of yen)
Syndicated Loan	81,406
Shinkin Central Bank	46,000
Mizuho Bank, Ltd.	44,850
Sumitomo Mitsui Banking Corporation	43,800
Sumitomo Mitsui Trust Bank, Limited	39,670
Japan Bank for International Cooperation	37,673
The Norinchukin Bank	28,000
Meiji Yasuda Life Insurance Company	28,000
MUFG Bank, Ltd.	21,176
Sumitomo Life Insurance Company	20,500

Note: Syndicated loan consists of a joint-financing instrument of ¥10,000 million with Mizuho Bank, Ltd. as a manager, a joint-financing instrument of ¥28,554 million with JP Morgan Chase Bank, N.A. as a manager, a joint-financing instrument of ¥22,340 million with Sumitomo Mitsui Trust Bank, Limited as a manager, and joint-financing instruments of ¥18,900 million and ¥1,612 million with The Chiba Bank, Ltd. as a manager.

## 2. Matters Related to Shares of the Company (As of March 31, 2022)

### (1) Aggregate number of authorized shares

Common share: 1,300,000,000 shares

### (2) Aggregate number of shares issued

Common share: 440,996,559 shares

### (3) Share trade unit

100 shares

### (4) Number of shareholders

110,015

### (5) Major shareholders

Name of shareholders	Number of shares held (Thousand shares)	Percentage of share ownership (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	71,097	16.17
Nippon Life Insurance Company	31,296	7.12
Custody Bank of Japan, Ltd. (Trust Account)	24,494	5.57
Tokyo Gas Group Employees Shareholding Association	8,967	2.04
STATE STREET BANK WEST CLIENT-TREATY 505234	7,725	1.76
Fukoku Mutual Life Insurance Company	7,472	1.70
Mizuho Trust & Banking Co., Ltd. Retirement Benefits Trust (Dai-ichi Life Insurance Account)	7,098	1.61
STATE STREET BANK AND TRUST COMPANY 505103	5,768	1.31
JP MORGAN CHASE BANK 385781	5,453	1.24
THE BANK OF NEW YORK MELLON 140044	5,241	1.19

Notes: 1. Percentage of share ownership is calculated by the number of shares excluding treasury share (1,224,631 shares).

2. 223,800 of the shares held by Custody Bank of Japan, Ltd. (Trust Account) include the trust assets of the trust for delivering shares to officers of the Company.

### (6) Other principal items regarding shares

#### 1) Retirement of treasury shares

Common share: 1,439,500 shares

Total value of shares retired: ¥3,604,608,765

#### 2) Shares owned by the Company as of the balance sheet date

Common share: 1,224,631 shares

3) At the meeting of the Compensation Committee held on June 29, 2021, a resolution was passed for the Company to introduce a stock compensation system using the trust for its Directors and Executive Officers to provide them with an incentive for enhancing the Company's medium- and long-term corporate value.

## 3. Matters Related to Share Option in Kind (As of March 31, 2022)

There are no items to report.

#### 4. Matters Related to Officers of the Company

##### (1) Name, etc. of Directors and Executive Officers (As of March 31, 2022)

###### 1) Directors

Name	Position	Areas of responsibility in the Company	Important concurrent posts
Michiaki Hirose	Director and Chairman of the Board	Nominating Committee Member, Compensation Committee Member	
Takashi Uchida	Director	Compensation Committee Member	
Isao Nakajima	Director	Audit Committee Member	
Hitoshi Saito	Director (Outside)	Chairperson of the Nominating Committee, Compensation Committee Member	Outside Director of GLOBESHIP Corporation
Kazunori Takami	Director (Outside)	Chairperson of the Compensation Committee, Nominating Committee Member	Outside Director of Tokyo FM Broadcasting Co., Ltd. Outside Director of Nojima Corporation Outside Director of FUJITA KANKO INC.
Junko Edahiro	Director (Outside)	Audit Committee Member	Representative Director of e's Inc. Director and Chairperson of Change Agent Inc. Professor of Shizenkan University Graduate School of Leadership & Innovation Representative Director of Shimokawa Seeds K.K. Representative Director of mirai-sozo.work
Mami Indo	Director (Outside)	Chairperson of the Audit Committee	Outside Director of Fujitec Co., Ltd. Outside Director of Ajinomoto Co., Inc. Outside Director of AIG Japan Holdings KK
Sawako Nohara	Director (Outside)	Nominating Committee Member, Compensation Committee Member	President and Representative Director of IPSe Marketing. Inc. Member of the Board (Outside) of Daiichi Sankyo Company, Limited Outside Director of Keikyu Corporation
Hiromichi Ono	Director (Outside)	Audit Committee Member	Outside Director of Mebuki Financial Group, Inc.

## 2) Executive Officers

Name	Position	Areas of responsibility in the Company
Takashi Uchida	Representative Corporate Executive Officer and President	
Kunio Nohata	Representative Corporate Executive Officer, Vice President	Chief Executive of Pipeline Network Company
Satoru Sawada	Representative Corporate Executive Officer, Vice President	Chief Executive of Residential Service Div. In charge of Tokyo 2020 Olympic and Paralympic Dept.
Shinichi Sasayama	Senior Managing Corporate Executive Officer	Chief Executive of Asset Optimization & Trading Div.

- Notes:
- To enhance the effectiveness of audits, the Company has selected Mr. Isao Nakajima, who has abundant business experience at the Company, as a standing Audit Committee Member.
  - Directors Isao Nakajima and Hiromichi Ono have considerable knowledge in finance and accounting.
  - None of Executive Officers have important concurrent posts.
  - Representative Corporate Executive Officer, Vice President Kunio Nohata retired as Representative Corporate Executive Officer, Vice President on March 31, 2022.
  - Representative Corporate Executive Officer, Vice President Satoru Sawada's area of responsibility was changed to Chief Executive of Customer & Business Solution Company on April 1, 2022.
  - Senior Managing Corporate Executive Officer Shinichi Sasayama was appointed as Representative Corporate Executive Officer, Vice President on April 1, 2022, and his area of responsibility was changed to CSO.
  - On April 1, 2022, Mr. Toshihide Kasutani was appointed as Senior Managing Corporate Executive Officer, and his area of responsibility became Chief Executive of Global Business Company.
  - The Company has entered into agreements with each Outside Director to limit their liability under Article 423, paragraph 1 of the Companies Act to the amount provided for in Article 425, paragraph 1 of the same Act on the condition that they execute their duties in good faith and without gross negligence.
  - The Company has entered into indemnity agreements with each Director and Executive Officer provided for in Article 430-2, paragraph 1 of the Companies Act. Under the agreements, the Company indemnifies each Director and Executive Officer for the expenses provided for in item 1 and the losses provided for in item 2 of Article 430-2, paragraph 1, to the extent provided for in laws and regulations, on the condition that there is no malicious intent or gross negligence in the execution of their duties.
  - The Company has entered into a directors and officers liability insurance (D&O insurance) agreement with an insurance company, with each Director, Executive Officer, and outside dispatched officer\* included as an insured person, as stipulated in Article 430-3, paragraph 1 of the Companies Act. The D&O insurance agreement covers damages and litigation expenses incurred by the insured person due to claims for damages made as a result of action taken by the insured person based mainly on the position of the officer, etc. of the company (including omissions), and the Company fully pays the insurance premiums of the insured person. However, there are certain exclusions such as claims for damages arising from criminal acts of the insured, claims for damages arising from acts committed by the insured with the insured's knowledge that such acts are in violation of laws and regulations.
- \* Persons who are seconded from or concurrently serve as outside directors, audit & supervisory board members, or executive officers of subsidiaries or investee companies, etc., and who meet certain requirements
- There is no special relationship between the Company and the entities where the Company's officers hold important concurrent positions.



(2) Total Value of Remuneration for Directors, Audit & Supervisory Board Members and Executive Officers (Presented Before and After the Transition to a Company with a Nominating Committee, etc.)

Category	Total value of remuneration, etc. (Millions of yen)	Total value of remuneration, etc. by type (Millions of yen)				Number of payees (people)	
		Fixed remuneration	Incentive remuneration				
			Basic compensation	Performance-linked remuneration			Stock compensation
				Monthly remuneration	Bonuses		
Directors (of which, Outside Directors)	279 (76)	207 (63)	11 (-)	42 (8)	17 (4)	12 (6)	
Audit & Supervisory Board Members (of which, Outside Audit & Supervisory Board Members)	27 (9)	27 (9)	- (-)	- (-)	- (-)	5 (3)	
Executive Officers (including Directors who are responsible for business execution)	158	130	-	-	28	4	

- Notes:
- As approved at the 221st Annual Shareholders Meeting, the Company has transitioned from a Company with an Audit & Supervisory Board to a Company with a Nominating Committee, etc. The remuneration, etc. of 'Directors' includes three (3) Directors who retired upon the conclusion of the 221st Annual Shareholders Meeting. Of the retired Directors, for the two (2) who were appointed as Executive Officers, their remuneration, etc. after the transition is presented under 'Executive Officers.'
  - Five (5) Audit & Supervisory Board Members retired upon the conclusion of the 221st Annual Shareholders Meeting. The remuneration, etc. of 'Audit & Supervisory Board Members' is presented for their terms of office between April 1, 2021 and June 29, 2021. Of the retired Audit & Supervisory Board Members, for the three (3) who were appointed as Directors, the remuneration, etc. after the transition is presented under 'Directors.'
  - The remuneration, etc. of 'Executive Officers' is presented for the terms of office between June 29, 2021 and March 31, 2022 of the four (4) Executive Officers who took office after the transition. Of the newly appointed Executive Officers, for the one (1) who concurrently serves as a Director, the remuneration, etc. before the transition is presented under 'Directors,' and the remuneration, etc. after the transition is presented under 'Executive Officers.'
  - The Company has introduced a stock compensation system as non-monetary remuneration since the resolution made by the Compensation Committee at the meeting held on June 29, 2021. The amount of stock compensation presented is the amount expensed between June 29, 2021 and March 31, 2022.

### (3) Basic Policy on Officer Remuneration

The Company has resolved the following 'Basic Policy on Officer Remuneration' at the meeting of the Compensation Committee held on June 29, 2021.

The Company, as a Company with a Nominating Committee, etc., shall establish a Compensation Committee pursuant to the Companies Act, elect the chairperson from among the Outside Directors and determine the remuneration of each individual officer (Directors and Executive Officers) while ensuring objectivity and transparency.

(1) Role and remuneration of officers

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

(2) Level of remuneration

The level of remuneration shall be appropriate to the role, responsibility and performance of the officer, taking into account factors such as changes in the business environment and remuneration levels at other companies based on surveys by external specialized organizations.

(3) Composition of annual compensation

Annual compensation is comprised of fixed remuneration (basic compensation) and incentive remuneration (bonus and stock compensation).

1) Basic compensation: A fixed amount determined by each position and title that is paid monthly.

2) Bonus: Paid once a year as a short-term incentive remuneration, applying the evaluation of the relevant person's performance during a specific period using financial performance indicators and non-financial performance indicators to the standard amounts for each position and title. The relevant indicators are evaluated and selected annually.

3) Stock compensation: As a non-monetary medium- and long-term incentive remuneration, points are granted in accordance with the standard amounts determined by each position and title, and such points are exchanged with shares at the time of resignation.

Remuneration of Directors shall be comprised of basic compensation and stock compensation, and remuneration of Executive Officers (including persons concurrently serving as Directors) shall be comprised of basic compensation, bonus and stock compensation.

The composition ratio of remuneration shall be approximately 90% basic compensation and approximately 10% stock compensation for Directors, and 65 to 70% basic compensation, 15 to 20% bonus and 10 to 20% stock compensation for Executive Officers (including persons concurrently serving as Directors)

Regarding the details of remuneration, etc. for individual officers for the business year under review, remuneration before the transition to a Company with a Nominating Committee, etc. was approved and resolved at the meeting of the Board of Directors held on May 20, 2021 following deliberations at the meeting of the Advisory Committee held on May 19, 2021, based on the 'Basic Policy on Officer Remuneration' before the transition. The resolution was made based on performance indicators and by taking into account the result of efforts to secure stable management during the COVID-19 pandemic, which has been one of the top priority management issues. Remuneration, etc. after the transition was resolved at the meeting of the Compensation Committee held on June 29, 2021 and paid based

on the aforementioned 'Basic Policy on Officer Remuneration.'

**(4) Matters Related to Performance-linked Remuneration (Before the Transition to a Company with a Nominating Committee, etc.)**

[Monthly remuneration] The amount of performance-linked remuneration shall be determined using the evaluation results of company-wide performance indicators (1) profit (consolidated), 2) operating cash flow (consolidated), 3) ROE (return on equity) (consolidated)), as well as each Director's unit performance (individual evaluation) for Directors responsible for business execution in order to make such remuneration act as an incentive to achieve the targets. The ratio of company-wide performance indicators and unit performance (individual evaluation) shall be determined for each post according to the responsibilities.

FY2020	Target	Results	Achievement ratio
Profit (consolidated)	¥65.0 billion	¥49.5 billion	76.2%
Operating cash flow (consolidated)	¥239.0 billion	¥229.3 billion	95.9%
ROE (consolidated)	5.4%	4.3%	79.6%

[Bonuses] The amount of bonuses is based on the target ratio of achievement of profit (consolidated) for Directors (including Outside Directors), considering the notion that officers are responsible for the bottom line. The amount of payment shall be determined in accordance with the target achievement ratio for each post according to the responsibilities.

FY2020	Target	Results	Achievement ratio
Profit (consolidated)	¥65.0 billion	¥49.5 billion	76.2%

**(5) Matters Related to Non-monetary Remuneration**

The Company pays stock compensation to Directors and Executive Officers as medium- to long-term incentive remuneration. Specifically, the Company has introduced the trust-type share-based compensation plan in which points are granted according to the standard amount set for each post and the Company's shares are delivered according to the number of points at the time of retirement.

(6) Matters Related to Outside Officers

Name of Outside Directors	Attendance at the Board of Directors meetings and Committees (◎ indicates Chairperson)	Status of major activities
Hitoshi Saito	<p>Board of Directors 12 / 12 (100%)</p> <p>◎Nominating Committee 7 / 7 (100%)</p> <p>Compensation Committee 3 / 3 (100%)</p>	<p>Given his management capabilities, based on the broad outlook and in-depth knowledge he developed as an executive in the real estate industry, and especially the global business sense he acquired in overseas businesses, Mr. Saito provides the Company with a wide variety of opinions on its management operations. He also monitors the performance of duties by Executive Officers, etc. from an independent viewpoint, contributing to enhancing the rationality and objectivity of deliberations and decisions made in the Company's business operations and at the Board of Directors.</p> <p>In addition, he serves as the Chairperson of the Nominating Committee and Compensation Committee Member, and is working to improve the effectiveness of each committee by examining and deciding our view on the composition of the Board of Directors and the remuneration system for Executive Officers, etc.</p>
Kazunori Takami	<p>Board of Directors 12 / 12 (100%)</p> <p>Nominating Committee 7 / 7 (100%)</p> <p>◎Compensation Committee 3 / 3 (100%)</p>	<p>Given his management capabilities, based on the broad outlook and in-depth knowledge he developed as an executive in the electrical industry, and especially the consumer-oriented marketing sense he acquired in the appliance business, Mr. Takami provides the Company with a wide variety of opinions on its management operations. He also monitors the performance of duties by Executive Officers, etc. from an independent viewpoint, contributing to enhancing the rationality and objectivity of deliberations and decisions made in the Company's business operations and at the Board of Directors.</p> <p>In addition, he serves as the Chairperson of the Compensation Committee and Nominating Committee Member, and is working to improve the effectiveness of each committee by examining and deciding the remuneration system for Executive Officers, etc. and our view on the composition of the Board of Directors.</p>
Junko Edahiro	<p>Board of Directors 12 / 12 (100%)</p> <p>Audit Committee 11 / 11 (100%)</p>	<p>Given her in-depth knowledge regarding energy and sustainability, communication abilities, extensive regional practical experience, and high-level insight, which she developed as a journalist and creator, Ms. Edahiro provides the Company with a wide variety of opinions on its management operations. She also monitors the performance of duties by Executive Officers, etc. from an independent viewpoint, contributing to enhancing the rationality and objectivity of deliberations and decisions made in the Company's business operations and at the Board of Directors.</p> <p>In addition, she serves as Audit Committee Member, and is working to improve the effectiveness of the committee by auditing the establishment and operation status of our internal control systems.</p>

Name of Outside Directors	Attendance at the Board of Directors meetings and Committees (◎ indicates Chairperson)	Status of major activities
Mami Indo	Board of Directors 12 / 12 (100%)  ◎Audit Committee 11 / 11 (100%)	<p>Given her advanced and diverse management analysis and instruction capabilities she developed as an analyst and advisor in the finance sector, and her management sensibilities from the risk perspective and in-depth knowledge nurtured by her experience in a surveillance agency, Ms. Indo provides the Company with a wide variety of opinions on its management operations. She also monitors the performance of duties by Executive Officers, etc. from an independent viewpoint, contributing to enhancing the rationality and objectivity of deliberations and decisions made in the Company's business operations and at the Board of Directors.</p> <p>In addition, she serves as the Chairperson of the Audit Committee, and is working to improve the effectiveness of the committee by auditing the establishment and operation status of our internal control systems.</p>
Sawako Nohara	Board of Directors 12 / 12 (100%)  Nominating Committee 7 / 7 (100%)  Compensation Committee 3 / 3 (100%)	<p>Given her management capabilities, based on the broad outlook and in-depth knowledge she developed as an executive in the IT field, and especially experience in business strategy consultation related to the Internet and digital business, Ms. Nohara provides the Company with a wide variety of opinions on its management operations. She also monitors the performance of duties by Executive Officers, etc. from an independent viewpoint, contributing to enhancing the rationality and objectivity of deliberations and decisions made in the Company's business operations and at the Board of Directors.</p> <p>In addition, she serves as Nominating Committee Member and Compensation Committee Member, and is working to improve the effectiveness of each committee by examining and deciding our view on the composition of the Board of Directors and the remuneration system for Executive Officers, etc.</p>
Hiromichi Ono	Board of Directors 12 / 12 (100%)  Audit Committee 11 / 11 (100%)	<p>Given his management capabilities, based on the broad outlook he developed as an executive in the food industry, and especially his management sensibilities from the group and risk perspectives he nurtured at a finance division, Mr. Ono provides the Company with a wide variety of opinions on its management operations. He also monitors the performance of duties by Executive Officers, etc. from an independent viewpoint, contributing to enhancing the rationality and objectivity of deliberations and decisions made in the Company's business operations and at the Board of Directors.</p> <p>In addition, he serves as Audit Committee Member, and is working to improve the effectiveness of the committee by auditing the establishment and operation status of our internal control systems.</p>

Notes: 1. The Company designates respective Outside Directors as the 'Independent Officers,' who will not have conflicting interests with general shareholders,

and notified them to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).

2. As approved at the 221st Annual Shareholders Meeting held on June 29, 2021, the Company has transitioned from a Company with an Audit & Supervisory Board to a Company with a Nominating Committee, etc. Accordingly, the status of attendance to the Nominating Committee, Audit Committee, and Compensation Committee represents the status from June 29, 2021 onward. In addition, Ms. Sawako Nohara and Mr. Hiromichi Ono were Audit & Supervisory Board Members before the transition, so their status of attendance to the Board of Directors meetings includes the number of meetings they attended as Audit & Supervisory Board Members. Both Ms. Nohara and Mr. Ono attended all four (4) meetings of the Audit & Supervisory Board before the transition.

## 5. Matters Related to Accounting Auditor (Independent Auditor)

### (1) Name of Accounting Auditor

KPMG AZSA LLC

### (2) Value of Remuneration of Accounting Auditor for this Business Year under Review

(Millions of yen)

Category	Compensation for audit services	Compensation for non-audit services
The Company	133	8
Consolidated subsidiaries	157	10
Total	291	19

Notes: 1. The auditing contract between the Company and the Accounting Auditor makes no distinction between auditing services based on the Companies Act and auditing services based on the Financial Instruments and Exchange Act. Since no real distinction can be made in practice, the amount of the Company's compensation for auditing services also includes payments for auditing services based on the Financial Instruments and Exchange Act, etc.

2. The Audit Committee discussed the amount of remuneration by taking into account, for example, the details of the audit plan prepared by the Accounting Auditor with respect to the Company's accounting audit, the basis of calculating remuneration and the past audit results, and then reached an agreement in accordance with Article 399, Paragraphs 1 and 4 of the Companies Act.

3. Of the principal subsidiaries of the Company, TOKYO GAS AUSTRALIA PTY LTD, Tokyo Gas America Ltd., Tokyo Gas Asia Pte. Ltd. and Tokyo Gas International Holdings B.V. are audited by auditing firms other than the Accounting Auditor of the Company.

### (3) The Contents of Non-Audit Services

The Company commissions the Accounting Auditor to provide services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services) such as services relating to statements of income and expenditure for Wheeling Service, and drafting of comfort letters relating to issuance of unsecured bonds.

### (4) Policy on Determination to Dismiss or Refrain from Reappointing the Accounting Auditor

The Audit Committee dismisses the Accounting Auditor with the consent of all the Audit Committee Members if the Accounting Auditor is found to fall under any of the items of Article 340, Paragraph 1 of the Companies Act. In that case, the fact that the Accounting Auditor was dismissed and the reason for the dismissal are reported at the first Shareholders Meeting convened after the dismissal of the Accounting Auditor.

In addition, the Audit Committee comprehensively evaluates the independence, expertise, quality control, etc. of the Accounting Auditor. If it is deemed necessary, such as when it is deemed difficult for the Accounting Auditor to perform its duties appropriately, the Audit Committee determines the content of the proposal for the dismissal or non-reappointment of the Accounting Auditor to be submitted to the Shareholders Meeting.

## 6. Shareholder Return Policy

At the meeting of its Board of Directors held on September 29, 2021, the Company approved the 'Shareholder Return Policy' as follows.

The Company will allocate the results of its management to the shareholders in an appropriate and timely manner, while apportioning necessary funds to enhance customer service and achieve sustainable society.

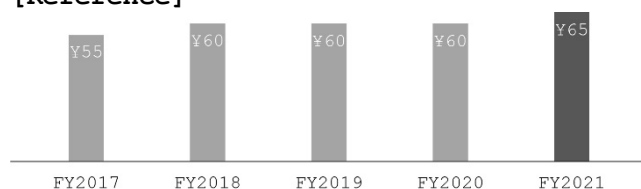
For shareholders, the Company has positioned acquisition of its own shares based on assumption of retirement, in addition to dividends, as a form of its return to the shareholders, and has set the targeted gross distribution propensity (the ratio of the amount of dividends and acquisition of its own shares to consolidated profit) at about 50% for each year until FY2022.

Moreover, by maintaining stable dividends, and comprehensively considering medium- and long-term profit levels, the Company will gently increase its dividends in line with growth.

Based on the aforementioned policy, the Company decided to pay the year-end dividend of ¥35 per share for the business year under review, an increase of ¥5 compared to the previous year, in accordance with a resolution of the meeting of the Board of Directors held on April 27, 2022. As a result, together with the interim dividend (record date: September 30), the total dividend to be paid during the year is ¥65 per share. The effective date and payment commencement date shall be June 6, 2022, roughly one month earlier than previous years. In addition, at the same meeting of the Board of Directors of April 27, 2022, a resolution was made for the Company to acquire shares of the Company with a ceiling of up to 8.5 million shares or ¥1.6 billion.

Based on the resolution of the 221st Annual Shareholders Meeting held on June 29, 2021, the Company stipulates in its Articles of Incorporation that matters such as the payment of dividends from surplus may be carried out by a resolution of the meeting of the Board of Directors.

### [Reference]



**<Target> About 50% for each year**

**<FY2021> 50.2% (plan)**

$$\text{Gross distribution propensity} = \frac{\text{(Total dividends)} + \text{(Acquisition of own shares)}}{\text{Consolidated profit}}$$

\* The Company carried out a share consolidation at a ratio of 5 common shares to 1 effective October 1, 2017. The full-year dividend per share converted on the basis after the share consolidation is stated.



## 7. Basic Policy on Control of a Joint-Stock Corporation

The Company passed at the meeting of its Board of Directors held on March 23, 2022, a resolution on amendment of the 'Basic Policy on Control of a Joint-Stock Corporation' as follows:

The Company, as a listed company, expects it could be posed by any party attempting to acquire a massive quantity of its shares or making a buyoff proposal, but whether to accept it should ultimately be determined by the intent of the entire body of the Company's shareholders. By looking at their purpose, method and others, however, the Company considers some of these massive share-purchasing attempts could damage its corporate value and joint interests of its shareholders, and would find them to be inappropriate. In making this judgment, the Company would carefully examine impacts the relevant act of purchasing or buyoff proposal might have on the Company's corporate value and joint interests of shareholders on the basis of the relevant purchaser's actual business operations, future business plans, past investment behavior, etc.

The Company considers 'increasing corporate value' is the most effective defensive measure against an act of inappropriate massive share-purchasing. At this particular time, no specific threat to the Company is being posed by buyoff, and the Company does not currently intend to have any specific predetermined measures (the so-called 'poison pills') in place. However, the Company does intend to constantly watch the conditions of the trading of its shares and will take immediate countermeasures as deemed appropriate if any party is found to be attempting to acquire a massive quantity of its shares.

[English Translation of Financial Statements Originally Issued in the Japanese Language]

Consolidated Financial Statements

Consolidated Balance Sheet

As of March 31, 2022

(Millions of yen)

<b>ASSETS</b>	
<b>Non-current Assets</b> .....	2,304,011
Property, plant and equipment .....	1,569,373
Production facilities .....	218,956
Distribution facilities .....	578,394
Service and maintenance facilities .....	15,417
Other facilities .....	630,786
Inactive facilities .....	316
Construction in progress .....	125,501
Intangible assets .....	300,315
Goodwill .....	6,018
Other intangible assets .....	294,296
Investments and other assets .....	434,322
Investment securities .....	236,303
Long-term loans receivable .....	48,653
Retirement benefit asset .....	5,864
Deferred tax assets .....	44,230
Other investments .....	100,916
Allowance for doubtful accounts .....	(1,647)
<b>Current Assets</b> .....	912,931
Cash and deposits .....	179,769
Notes and accounts receivable-trade, and contract assets .....	330,540
Lease receivables and investments in leases .....	17,824
Securities .....	10
Merchandise and finished goods .....	3,467
Work in process .....	12,083
Raw materials and supplies .....	67,135
Other current assets .....	305,814
Allowance for doubtful accounts .....	(3,714)
<b>Total Assets</b> .....	<b>3,216,942</b>

(Millions of yen)

<b>LIABILITIES AND NET ASSETS</b>	
<b>LIABILITIES</b>	
<b>Non-current Liabilities</b> .....	1,361,180
Bonds payable .....	548,619
Long-term borrowings .....	568,725
Deferred tax liabilities .....	29,641
Retirement benefit liability .....	66,195
Provision for share awards for directors (and other officers) ..	84
Provision for gas holder repairs .....	3,427
Provision for safety measures .....	637
Provision for contract loss in regards to appliance warranties .	2,620
Provision for point card certificates .....	531
Asset retirement obligations .....	27,692
Other noncurrent liabilities .....	113,004
<b>Current Liabilities</b> .....	599,195
Current portion of non-current liabilities .....	49,248
Notes and accounts payable-trade .....	76,229
Short-term borrowings .....	6,385
Income taxes payable .....	33,830
Other current liabilities .....	433,501
<b>Total Liabilities</b> .....	1,960,375
<b>NET ASSETS</b>	
<b>Shareholders' Equity</b> .....	1,190,767
Share capital .....	141,844
Capital surplus .....	846
Retained earnings .....	1,051,600
Treasury shares .....	(3,524)
<b>Accumulated Other Comprehensive Income</b> .....	36,430
Valuation difference on available-for-sale securities .....	18,866
Deferred gains or losses on hedges .....	(11,904)
Foreign currency translation adjustment .....	32,545
Remeasurements of defined benefit plans .....	(3,076)
<b>Non-controlling interests</b> .....	29,368
<b>Total Net Assets</b> .....	1,256,566
<b>Total Liabilities and Net Assets</b> .....	3,216,942

Consolidated Statement of Income  
From April 1, 2021 to March 31, 2022

	(Millions of yen)
Net sales .....	2,145,197
Cost of sales .....	1,546,590
<b>[Gross profit]</b> .....	<b>[598,607]</b>
Supply and sales expenses .....	415,506
General and administrative expenses .....	65,323
<b>[Operating profit]</b> .....	<b>[117,777]</b>
<b>Non-operating income</b> .....	<b>49,399</b>
Interest income .....	1,032
Dividend income .....	1,692
Share of profit of entities accounted for using equity method ..	3,725
Foreign exchange gains .....	14,550
Gain on derivatives .....	13,725
Gain on sales of raw materials .....	6,817
Miscellaneous income .....	7,855
<b>Non-operating expenses</b> .....	<b>40,444</b>
Interest expenses .....	14,466
Loss on derivatives .....	11,864
Fair value adjustment of contingent consideration .....	4,199
Miscellaneous expenses .....	9,913
<b>[Ordinary profit]</b> .....	<b>[126,732]</b>
<b>Extraordinary income</b> .....	<b>6,344</b>
Gain on sales of non-current assets .....	2,226
Gain on sales of investment securities .....	4,118
<b>Extraordinary losses</b> .....	<b>6,211</b>
Impairment losses .....	3,742
Loss on valuation of investment securities .....	2,468
<b>[Profit before income taxes]</b> .....	<b>[126,865]</b>
<b>Income taxes - current</b> .....	<b>32,865</b>
<b>Income taxes - deferred</b> .....	<b>3,724</b>
<b>Profit</b> .....	<b>90,276</b>
<b>Profit attributable to non-controlling interests</b> .....	<b>1,530</b>
<b>Profit attributable to owners of parent</b> .....	<b>88,745</b>

[English Translation of Financial Statements Originally Issued in the Japanese Language]

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheet

As of March 31, 2022

(Millions of yen)

<b>ASSETS</b>	
<b>Non-current Assets</b> .....	1,779,060
Property, plant and equipment .....	832,484
Production facilities .....	222,612
Distribution facilities .....	571,495
Service and maintenance facilities .....	12,300
Facilities for incidental businesses .....	7,292
Inactive facilities .....	316
Construction in progress .....	18,465
Intangible assets .....	134,015
Patent right .....	6
Leasehold interests in land .....	1,783
Goodwill .....	1,021
Software .....	120,743
Other intangible assets .....	10,459
Investments and other assets .....	812,561
Investment securities .....	51,356
Investments in subsidiaries and associates .....	500,374
Long-term loans receivable .....	21
Long-term loans receivable from subsidiaries and associates ...	197,716
Investments in capital .....	13
Long-term prepaid expenses .....	17,347
Prepaid pension costs .....	11,261
Deferred tax assets .....	24,355
Other investments .....	11,792
Allowance for doubtful accounts .....	(1,677)
<b>Current Assets</b> .....	528,331
Cash and deposits .....	39,886
Notes receivable - trade .....	597
Accounts receivable - trade .....	236,518
Accounts receivable from subsidiaries and associates - trade ...	53,274
Accounts receivable - other .....	8,974
Finished goods .....	131
Raw materials .....	46,445
Supplies .....	12,563
Advance payments .....	4,585
Prepaid expenses .....	1,313
Short-term receivables from subsidiaries and associates .....	62,755
Other current assets .....	65,892
Allowance for doubtful accounts .....	(4,605)
<b>Total Assets</b> .....	<b>2,307,392</b>

(Millions of yen)

**LIABILITIES AND NET ASSETS****LIABILITIES**

<b>Non-current Liabilities</b> .....	1,023,845
Bonds payable .....	544,998
Long-term borrowings .....	397,778
Long-term debt to subsidiaries and associates .....	3,268
Provision for retirement benefits .....	59,593
Provision for share awards for directors (and other officers) ..	84
Provision for gas holder repairs .....	2,978
Provision for safety measures .....	637
Provision for contract loss in regards to appliance warranties .	2,620
Provision for point card certificates .....	531
Asset retirement obligations .....	324
Other noncurrent liabilities .....	11,030
<b>Current Liabilities</b> .....	471,596
Current portion of non-current liabilities .....	38,493
Accounts payable - trade .....	37,912
Accounts payable - other .....	43,022
Accrued expenses .....	49,332
Income taxes payable .....	16,448
Advances received .....	7,440
Deposits received .....	10,373
Short-term loans payable from subsidiaries and associates .....	138,157
Short-term debt to subsidiaries and associates .....	66,651
Other .....	63,764
<b>Total Liabilities</b> .....	1,495,442

**NET ASSETS**

<b>Shareholders' Equity</b> .....	798,204
Share capital .....	141,844
Share capital .....	141,844
Capital surplus .....	2,065
Legal capital surplus .....	2,065
Retained earnings .....	657,819
Legal retained earnings .....	35,454
Other retained earnings .....	622,364
Reserve for advanced depreciation of non-current assets.....	5,556
Reserve for overseas investment loss.....	1,017
Reserve for adjustment of cost fluctuations.....	141,000
General reserve.....	339,000
Retained earnings brought forward.....	135,790
Treasury shares .....	(3,524)
Treasury shares .....	(3,524)
<b>Valuation and Translation Adjustments</b> .....	13,745
Valuation difference on available-for-sale securities .....	18,357
Valuation difference on available-for-sale securities .....	18,357
Deferred gains or losses on hedges .....	(4,612)
Deferred gains or losses on hedges .....	(4,612)
<b>Total Net Assets</b> .....	811,949
<b>Total Liabilities and Net Assets</b> .....	2,307,392

## Non-Consolidated Statement of Income

From April 1, 2021 to March 31, 2022

(Millions of yen)

<b>Sales from gas business</b> .....	1,128,036
Gas sales .....	1,073,505
Gas transportation service revenue .....	47,149
Revenue from interoperator settlement .....	7,381
<b>Cost of sales</b> .....	679,848
Beginning inventories .....	71
Cost of products manufactured .....	654,125
Purchase of finished goods .....	27,254
Costs of gas for own use .....	1,470
Ending inventories .....	131
<b>[Gross profit]</b> .....	<b>[448,188]</b>
<b>Supply and sales expenses</b> .....	360,286
<b>General and administrative expenses</b> .....	68,112
<b>[Profit on core business]</b> .....	<b>[19,789]</b>
<b>Miscellaneous operating revenue</b> .....	143,581
Revenue from installation work .....	36,471
Other miscellaneous operating revenue .....	107,109
<b>Miscellaneous operating expenses</b> .....	112,451
Installation work expenses .....	35,777
Other miscellaneous operating expenses .....	76,674
<b>Revenue for incidental businesses</b> .....	649,772
<b>Expenses for incidental businesses</b> .....	658,523
<b>[Operating profit]</b> .....	<b>[42,169]</b>
<b>Non-operating income</b> .....	23,022
Interest income .....	605
Dividend income .....	1,251
Dividends from subsidiaries and associates .....	6,888
Gain on sales of raw materials .....	7,898
Miscellaneous income .....	6,377
<b>Non-operating expenses</b> .....	26,956
Interest expenses .....	3,488
Interest on bonds .....	5,500
Amortization of bond issuance cost .....	276
Provision of allowance for doubtful accounts .....	3,614
Foreign exchange losses .....	6,746
Miscellaneous expenses .....	7,330
<b>[Ordinary profit]</b> .....	<b>[38,234]</b>
<b>Extraordinary income</b> .....	2,117
Gain on sales of investment securities .....	2,117
<b>[Profit before income taxes]</b> .....	<b>[40,351]</b>
<b>Income taxes - current</b> .....	10,800
<b>Income taxes - deferred</b> .....	(1,282)
<b>Profit</b> .....	<b>30,834</b>

**Independent Auditor's Report**

May 12, 2022

To the Board of Directors of Tokyo Gas Co., Ltd.:

KPMG AZSA LLC  
Tokyo Office, Japan

Michitaka Shishido (Seal)  
Designated Limited Liability  
Partner  
Engagement Partner  
Certified Public Accountant

Toshiyuki Tamura (Seal)  
Designated Limited Liability  
Partner  
Engagement Partner  
Certified Public Accountant

Yoshihiro Uehara (Seal)  
Designated Limited Liability  
Partner  
Engagement Partner  
Certified Public Accountant

**Opinion**

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the related notes of Tokyo Gas Co., Ltd. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2022 and for the year from April 1, 2021 to March 31, 2022 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally



accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Information**

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The audit committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is

responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The audit committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

#### **Other Matter**

In accordance with the amendments to the Articles of Incorporation approved at the Annual Shareholders Meeting held on June 29, 2021, the Company has transitioned from a Company with an Audit & Supervisory Board to a Company with a Nominating Committee, etc.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The selection and application of audit procedures depends on the auditor's judgment.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the

reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Interest required to be disclosed by the Certified Public Accountants Act of Japan**

We do not have any interest in the Group which is required to be disclosed

pursuant to the provisions of the Certified Public Accountants Act of Japan.

**Notes to the Reader of Independent Auditor's Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act for the conveniences of the reader.

**Independent Auditor's Report**

May 12, 2022

To the Board of Directors of Tokyo Gas Co., Ltd.:

KPMG AZSA LLC  
Tokyo Office, Japan

Michitaka Shishido (Seal)  
Designated Limited Liability  
Partner  
Engagement Partner  
Certified Public Accountant

Toshiyuki Tamura (Seal)  
Designated Limited Liability  
Partner  
Engagement Partner  
Certified Public Accountant

Yoshihiro Uehara (Seal)  
Designated Limited Liability  
Partner  
Engagement Partner  
Certified Public Accountant

**Opinion**

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in equity and the related notes, and the accompanying supplementary schedules ("the financial statements and the accompanying supplementary schedules") of Tokyo Gas Co., Ltd. ("the Company") as at March 31, 2022 and for the year from April 1, 2021 to March 31, 2022 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the accompanying supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The audit committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Responsibilities of Management and the Audit Committee for the Financial Statements and the Accompanying Supplementary Schedules**

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for

such internal control as management determines is necessary to enable the preparation of financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The audit committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

#### **Other Matter**

In accordance with the amendments to the Articles of Incorporation approved at the Annual Shareholders Meeting held on June 29, 2021, the Company has transitioned from a Company with an Audit & Supervisory Board to a Company with a Nominating Committee, etc.

#### **Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules**

Our objectives are to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the accompanying supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the accompanying supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to

provide a basis for our opinion. The selection and application of audit procedures depends on the auditor's judgment.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the accompanying supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the accompanying supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the accompanying supplementary schedules, including the disclosures, and whether the financial statements and the accompanying supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**Interest required to be disclosed by the Certified Public Accountants Act of Japan**

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

**Notes to the Reader of Independent Auditor's Report:**

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

## AUDIT REPORT

The Audit Committee have audited the execution of duties by Directors and Executive Officers for the 222nd business year from April 1, 2021 to March 31, 2022. We hereby report on our audit method and results as follows:

### 1. Method and Contents of Audit

With respect to the contents of the internal control system (the system pursuant to the content of the resolutions by the Board of Directors on the items prescribed in Article 416, Paragraph 1, Item 1 (ii) and (v) of the Companies Act and the system put in place by the said resolutions), the Audit Committee debriefed Directors, Executive Officers and employees, etc. on the status of the establishment and management of the corporate structure and system, requested explanations as needed, and executed its audits with the method described below.

- 1) In accordance with the audit policy, audit plan, audit standard and distribution of duties established by the Audit Committee and by maintaining coordination with the Company's Internal Audit Division, the Audit Committee Members attended important meetings, debriefed Directors, Executive Officers and other attendees on matters regarding the execution of their duties, requested explanations as needed and inspected important decision-making documents, while also examining the status of business operations and properties at the head office and main business units. With respect to the subsidiaries, the Audit Committee Members received reports of operations as necessary by maintaining proper communication with subsidiaries Directors, Audit & Supervisory Board Members, etc. With respect to internal control covering financial reporting, the Audit Committee debriefed the Executive Officers, etc. and KPMG AZSA LLC on evaluation of the said internal control and status of audit and requested explanations as needed.
- 2) The Audit Committee discussed the opinions regarding the 'Basic Policy on Control of a Joint-Stock Corporation' (basic policies provided for in Article 118, Item 3 (a) of the 'Enforcement Regulations of the Companies Act') stated in the Business Report based on deliberations for the decision on the policy at meetings of the Board of Directors.
- 3) Audit Committee Members and the Audit Committee audited whether or not the Independent Auditors had maintained their independent positions and had conducted appropriate audits, debriefed Independent Auditors on the status of execution of their duties, and requested explanations as needed. In addition, Audit Committee Members and the Audit Committee were informed by Independent Auditors that they were developing the 'structure and system to ensure that their duties would be executed in a proper manner' (items prescribed in Article 131 of the 'Company Calculation Regulations') in accordance with 'Quality Control Standard for Auditing' (by Business Accounting Council dated October 28, 2005), and requested explanations as needed.

Based on the aforementioned methods, Audit Committee Members and the Audit Committee examined the Company's Business Report and its supporting schedules, Financial Statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and the notes to the non-consolidated financial statements), their supporting schedules, and Consolidated Financial Statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and the notes to the consolidated financial statements) for the business year under review.

### 2. Results of Audit

#### (1) Results of audit of Business Report, etc.

- 1) The Business Report and its supporting schedules present fairly the status of the Company in conformity with the relevant acts and the Articles of Incorporation.

- 2) No misconduct or material fact running counter to the relevant acts or the Articles of Incorporation has been found in respect of execution of duties by Directors and Executive Officers.
  - 3) The contents of the Board of Directors' resolution on the internal control system are fair and reasonable. The descriptions in the Business Report and execution of duties by Directors and Executive Officers related to the said internal control system, including the internal control covering financial reporting, have no specific problems which have to be pointed out.
  - 4) The contents of 'Basic Policy on Control of a Joint-Stock Corporation' described on the Business Report has no specific problems which have to be pointed out.
- (2) Results of audit of financial statements and their supporting schedules  
The audit methods adopted and the results of audit rendered by KPMG AZSA LLC, Independent Auditors, are fair and reasonable.
- (3) Results of audit of consolidated financial statements  
The audit methods adopted and the results of audit rendered by KPMG AZSA LLC, Independent Auditors, are fair and reasonable.

The Audit Committee will continue to closely monitor measures by the Tokyo Gas Group in light of increasing uncertainty of its business environment due to internal situations, infectious diseases, etc.

May 16, 2022

Tokyo Gas Co., Ltd. Audit Committee

Mami Indo	Chairperson of the Audit Committee
Junko Edahiro	Audit Committee Member
Hikomichi Ono	Audit Committee Member
Isao Nakajima	Standing Audit Committee Member

Note: Audit Committee Members Mami Indo, Junko Edahiro and Hiromichi Ono are Outside Directors stipulated in Article 2, Item 15, and Article 400, Paragraph 3 of the Companies Act.