Matters Disclosed via the Internet
Pursuant to Laws and Regulations and the Articles of Incorporation

Basic Policy on Development of Internal Control System and Overview of Operational Status of the System

Consolidated Statement of Changes in Equity

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Non-Consolidated Statement of Changes in Equity

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222nd Fiscal Year (April 1, 2021 to March 31, 2022)

TOKYO GAS CO., LTD.

The information relevant to matters that require disclosure in the Business Report "Basic Policy on Development of Internal Control System and Overview of Operational Status of the System", the consolidated financial statements "Consolidated Statement of Changes in Equity", "Notes to the Consolidated Financial Statements", and non-consolidated financial statements "Non-Consolidated Statement of Changes in Equity" and "Notes to the Non-Consolidated Financial Statements" are provided via the Internet by posting them on the Company's website (www.tokyo-gas.co.jp) pursuant to laws and regulations and the Company's Articles of Incorporation.

Basic Policy on Development of Internal Control System and Overview of Operational Status of the System

Overview of the resolution by the Board of Directors on the Company's operations and the system for ensuring appropriateness of operations of the group of companies consisting of the Company and its subsidiaries ('Basic Policy on Development of Internal Control System') and overview of operational status of the system are as follows:

I. Basic Policy on Development of Internal Control System

The Company passed a resolution to revise the 'Basic Policy on Development of Internal Control System' at the meeting of its Board of Directors held on March 23, 2022, as follows:

Tokyo Gas Co., Ltd. (hereinafter, 'the Company') is committed to achieving sustainable growth and increasing corporate value over the medium to long term by clarifying management and execution responsibilities, strengthening supervision and auditing functions, and promoting accurate and prompt decision-making and efficient business execution, while ensuring legality, soundness, and transparency based on its Management Philosophy.
The group of companies consisting of the Company and its subsidiaries (hereinafter collectively referred to as 'the Group') shall aim for its perpetual development by respecting each company's independency and setting the pursuit of overall optimization as its philosophy.
In light of the above, the Board of Directors shall establish a basic policy for the development of the internal controls system in order to ensure the appropriateness of the Group's business operations. Based on this Policy, the Corporate Executive Officers shall assume the role and responsibility of effectively establishing and operating the internal controls system of the Group.

(1) System to Ensure that the Execution of Duties by Officers and Employees of the Group Complies with Laws and Regulations and the Articles of Incorporation

1) Establish and comply with the 'Our Code of Conduct' as the basis of the compliance system.
2) Establish the philosophy and system of the compliance activities and work for the growth of compliance awareness by continuous education and training, etc.
3) Establish internal reporting and consultation service counters both within and outside the Group, and report the status of their operation to the Audit Committee. No person who uses the aforementioned service counters shall be subject to any disadvantageous treatment on the basis of having used the service counters.
4) Establish an organization to manage the rules and regulations related to the internal controls of the Group to ensure legal compliance, cyber security, and similar matters.
5) Establish a department in charge of the internal audit of the Group (hereinafter the 'Internal Audit Division') to efficiently and effectively audit the status of business operations. The Internal Audit Division shall report the results of its audits to the Audit Committee and the directors, etc., of the audited subsidiaries.
6) Establish policies and systems for the development and operation of internal controls over financial reports and the evaluation of their effectiveness, and ensure the reliability of financial reporting.
7) Establish policies and systems for the prevention of insider trading and information disclosure, and ensure the legality, appropriateness, and promptness of the handling of relevant information.

8) Set forth matters such as resolutely rejecting illegal or unreasonable demands from anti-social forces, etc., in 'Our Code of Conduct,' and take appropriate measures.

(2) System for Storage and Management of Information Related to the Execution of Duties by Corporate Executive Officers

1) Set forth the handling of documents and electronic or magnetic records with respect to information, etc., related to the execution of duties by Corporate Executive Officers, and store and manage such information in an appropriate and reliable manner, making it available for inspection as necessary.

(3) Rules and Other Systems for Management of the Risk of Loss of the Group

1) Establish and operate the risk management system in accordance with the 'Risk Management Policy' with the Executive Officer and President as the General Manager. The system shall be structured to immediately report to the Corporate Executive Officers and Audit Committee members when matters that may cause serious damage to management are found.
2) Set forth a system and business continuity plan in the event of a disaster, manufacturing and supply disruption, or other unexpected emergency, and take prompt and appropriate action.

(4) Systems to Ensure Efficient Execution of Duties by Corporate Executive Officers

1) Regularly report to the Board of Directors on the formulation and progress of the medium- and long-term management plans and single-year management plans of the Company and its important subsidiaries, as well as other matters prescribed in the 'Regulations of the Board of Directors.'
2) Establish a meeting body to support the rational decision-making of Corporate Executive Officers on important management matters, and consider multiple aspects as necessary. Establish an advisory body to the said meeting body to make recommendations from a professional perspective on matters related to investment, capital contribution, financing, and other important matters.
3) Set forth the decision-making authority and division of duties regarding the execution of business operations, and clarify the responsibilities and authority thereof.

(5) System to Ensure Appropriateness of Operations at the Group's Subsidiaries

1) Set forth policies and systems for the management of subsidiaries, require the directors, etc., of subsidiaries to determine the basic policies for the development of internal controls systems and establish and operate such systems, and manage subsidiaries through the approval of matters to be submitted to the shareholders meetings of subsidiaries and the reporting of other important matters, etc.

(6) Matters Concerning Employees, etc., Assisting the Audit Committee in Performing its Duties

1) Establish a dedicated organization to assist the Audit Committee in its duties and assign necessary employees, etc. Prepare an environment in which such employees, etc., can smoothly perform such supporting duties under the direction and orders of the Audit Committee.
2) Decisions on personnel-related matters concerning such employees, etc., shall be made with the consent of the Audit Committee.

(7) System for Reporting to the Audit Committee and System for Ensuring Effective Auditing by the Audit Committee

1) The officers, employees, etc., of the Group shall report to the Audit Committee or the Audit Committee members without delay on matters prescribed by laws and regulations, or on matters for which the Audit Committee requests a report. No person who has made the aforementioned report shall be subject to any disadvantageous treatment on the basis of having made such report.
2) Guarantee that the Audit Committee members selected by the Audit Committee may attend important meetings and state their opinions from the viewpoint of legality, etc., when deemed necessary, and may obtain important information.
3) Bear expenses, etc., when the Audit Committee members request such expenses, etc., in accordance with laws and regulations.
4) Take measures to ensure that the Audit Committee is able to conduct its auditing activities effectively, including coordination with the Internal Audit Division, financial auditors, and Directors of subsidiaries.
5) Upon request of the Audit Committee, the Executive Officer and President shall conduct an investigation and report the results thereof to the Audit Committee.

II. Overview of Operational Status of Internal Control System

(1) System to Ensure that the Execution of Duties by Officers and Employees of the Group Complies with Laws and Regulations and the Articles of Incorporation

We have set up 'Tokyo Gas Group Compliance Consulting Units' both inside and outside the Group, which deal with whistleblowing and inquiries from staff in the Company and all of its subsidiaries. We are also using our intranet, etc. to inform everyone that we have the said unit, while trying to increase awareness of the rules for preventing whistleblowers from being subject to unfair treatment.

The Internal Audit Department, an internal audit division, performs an audit on each department of the Company and subsidiaries to examine compliance, effectiveness and efficiency of operations, and information security, and provides recommendations on improvements as needed. The Internal Audit Department reports, as appropriate, the results of its audits to the Audit Committee and the directors, etc., of the audited subsidiaries.

Representative Corporate Executive Officer, President and CEO has established the 'Regulations Concerning the Development and Operation of Internal Controls over Financial Reports and the Evaluation of Their Effectiveness,' and is working to develop and operate internal controls in a proper and appropriate manner, while also receiving audit by the Accounting Auditor on the evaluation results to ensure the reliability of financial reports.

(2) System for Storage and Management of Information Related to the Execution of Duties by Corporate Executive Officers

We preserve and manage approval documents, minutes, etc., related to the decision on important business execution or supervision thereof in an appropriate and reliable manner pursuant to the 'Document-handling Regulations' and the 'Information Security Management Regulations' so that they are available for inspection as necessary.

(3) Rules and Other Systems for Management of the Risk of Loss of the Group

We have established specific risk management processes in the 'Risk Management Regulations' and annually perform review of risks that may have a significant impact on the business of the Company and its subsidiaries. In addition, the Risk Management Committee and the risk management unit ascertain the status of the risk management and consider the countermeasures.

We have established a framework of responding to large-scale disasters, accidents and other unexpected emergencies in accordance with the 'Emergency Response Organization Regulations.' During this fiscal year, we took response actions on five occasions.

(4) System to Ensure Efficient Execution of Duties by Corporate Executive Officers

The formulation, status of progress and other matters of the management plans of the Company and its important subsidiaries are regularly reported to the Board of Directors. In addition, we have established the 'Management Committee' comprising Corporate Executive Officers and Executive Officers with Titles, and regularly deliberate important management matters.

(5) System to Ensure Appropriateness of Operations at the Group's Subsidiaries

Corporate Executive Officers received reports on important matters such as financial statements related to business results from its subsidiaries and gave prior approval in accordance with the 'Regulations on the Management of Subsidiaries.'

(6) Matters Concerning Employees, etc., Assisting the Audit Committee in Performing its Duties

We established the Audit Committee Office as a dedicated organization to assist the Audit Committee in its duties and assigned four staff members. We also created an environment in which such employees, etc. can smoothly perform such supporting duties. In addition, we make decisions on personnel-related matters concerning such employees, etc. with the consent of the Audit Committee.

(7) System for Reporting to the Audit Committee and System for Ensuring Effective Auditing by the Audit Committee

The officers, employees, etc., of the Group report to the Audit Committee or the Audit Committee Members without delay on matters prescribed by laws and regulations, or on matters for which the Audit Committee requests a report.

We secure opportunities for Audit Committee members selected by the Audit Committee to attend important meetings including those of the Management Committee, the Business Ethics Committee, and the Risk Management Committee and state their opinions from the viewpoint of legality, etc. when deemed necessary, and also to obtain important information.

We take necessary measures so that the Audit Committee is able to conduct its auditing activities effectively, including coordination with the Internal Audit Department, Accounting Auditor and Directors of subsidiaries, etc. During this fiscal year, the Internal Audit Department, the Accounting Auditor and the Audit & Supervisory Board Members of subsidiaries organized meetings for 13 times, seven times and six times, respectively, to exchange information and opinions with the Audit Committee or full-time Audit Committee Members.

Consolidated Statement of Changes in Equity

From April 1, 2021 to March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	141,844	1,145	990,762	(3,907)	1,129,845
Cumulative effects of changes in accounting policies			5,255		5,255
Restated balance	141,844	1,145	996,018	(3,907)	1,135,101
Changes of items during period					
Dividends of surplus			(26,423)		(26,423)
Profit attributable to owners of parent			88,745		88,745
Purchase of treasury shares				(3,786)	(3,786)
Disposal of treasury shares			(100)	564	463
Retirement of treasury shares			(3,604)	3,604	–
Increase in the number of consolidated subsidiaries			(3,033)		(3,033)
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(298)			(298)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(298)	55,582	382	55,666
Balance at end of current period	141,844	846	1,051,600	(3,524)	1,190,767

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	22,990	(11,240)	4,322	7,895	23,968	24,457	1,178,271
Cumulative effects of changes in accounting policies							5,255
Restated balance	22,990	(11,240)	4,322	7,895	23,968	24,457	1,183,526
Changes of items during period							
Dividends of surplus							(26,423)
Profit attributable to owners of parent							88,745
Purchase of treasury shares							(3,786)
Disposal of treasury shares							463
Retirement of treasury shares							–
Increase in the number of consolidated subsidiaries							(3,033)
Change in treasury shares of parent arising from transactions with non-controlling shareholders							(298)
Net changes of items other than shareholders' equity	(4,123)	(664)	28,222	(10,972)	12,462	4,911	17,373
Total changes of items during period	(4,123)	(664)	28,222	(10,972)	12,462	4,911	73,040
Balance at end of current period	18,866	(11,904)	32,545	(3,076)	36,430	29,368	1,256,566

Notes to the Consolidated Financial Statements

From April 1, 2021 to March 31, 2022

[Basis of Preparing Consolidated Financial Statements]

1. Scope of consolidation

(1) Number of consolidated subsidiaries

Number of consolidated subsidiaries: 113

Names of principal consolidated subsidiaries

Tokyo Gas America Ltd., TOKYO GAS AUSTRALIA PTY LTD, Tokyo Gas Asia Pte. Ltd., Tokyo Gas Real Estate Co., Ltd., Tokyo Gas Engineering Solutions Corporation, Tokyo Gas International Holdings B.V., Ohgishima Power Co., Ltd., Nagano Toshi Gas Inc., Prominet Power Co., Ltd., Tokyo LNG Tanker Co., Ltd., Tokyo Gas Energy Co., Ltd., Capty Co., Ltd., Tokyo Gas Chemicals Co., Ltd., Tokyo Gas Lease Co., Ltd., TOKYO GAS i NET CORP., TG PLUS Co., Ltd., and Nijio Co., Ltd.

Niihama LNG Co., Ltd. TG Octopus Energy Co., Ltd., and Yamaguchiyuu solar power LLC have been included in the scope of consolidation from the fiscal year under review due to their increased significance.

1(2) Number of unconsolidated subsidiaries

Number of unconsolidated subsidiaries: 5

Names of principal unconsolidated subsidiaries

Harumi Eco Energy Co., Ltd., Toukyou Solar LLC

Unconsolidated subsidiaries are excluded from the scope of consolidation all due to their small size and the immaterial effect of total assets, net sales, and of profit or loss (amount corresponding to our interest) and of retained earnings and others (amount corresponding to our interest) of each company on the Consolidated Financial Statements.

2. Application of equity method

(1) Number of unconsolidated subsidiaries and associates accounted for using equity method

Number of unconsolidated subsidiaries accounted for using equity method: 0

Number of associates accounted for using equity method: 16

Names of principal entities accounted for using equity method:

TOKYO TIMOR SEA RESOURCES INC., GAS MALAYSIA BERHAD, Birdsboro Power Holdings Ⅱ,LLC, SHIBA PARK SPECIAL PURPOSE COMPANY, Bajio Generating VOF

(2) Names, etc. of principal unconsolidated subsidiaries and associates not accounted for using equity method

The Company’s principal unconsolidated subsidiaries and associates not accounted for using equity method: Ark Hills Heat Supply Co., Ltd.

The unconsolidated subsidiaries and associates not accounted for using equity method were excluded from the scope of application of equity methods, due to the immaterial effect of the total amount of profit or loss (amount corresponding to our interest) and the retained earnings and others (amount corresponding to our interest) on the Consolidated Financial Statements and, as a whole, their insignificance.

3. Accounting policies

(1) Valuation bases and methods of significant assets

1) The valuation basis and method of securities are as follows:

Held-to-maturity debt securities are stated at amortized cost.

Available-for-sale securities other than shares, etc. without a market price are carried at fair value based on the market price

at the year end, etc., with valuation differences, reported in a separate component of net assets. The cost of securities sold is determined by the moving-average method.
Available-for-sale securities such as shares without a market price are stated at cost, as determined by the moving-average method.

2) Derivatives are valued by the fair value method.
3) Inventories (finished goods, raw materials and supplies) are mainly stated at cost, as determined by the moving-average method (consolidated balance sheet values are calculated using the book value reduction method based on declining profitability).

(2) Methods of depreciation and amortization of significant depreciable assets

1) The declining-balance method is mainly applied for property, plant and equipment. However, the straight-line method is applied for buildings (excluding building fixtures) acquired on or after April 1, 1998, and facilities attached to buildings and structures acquired on or after April 1, 2016.
Durable years are mainly determined based on the 'Corporation Tax Act.'
2) The straight-line method is mainly applied for intangible assets. Software for internal use is amortized by the straight-line method over the internally available period (five to ten years). The units of production method is mainly applied for outlays recognized as assets in exploration and development.

(3) Basis for significant provisions

1) To reserve for loss on doubtful accounts such as accounts receivable - trade and loans receivable, etc., general allowances are provided using a rate determined by past bad debts experience and also specific allowances are provided for the estimated amounts considered to be uncollectible after reviewing individual collectibles of certain doubtful accounts such as bankruptcy/ rehabilitation claims.
2) Provision for share awards for directors (and other officers) is an allowance to provide outlays for retirement benefits expenses in the form of company shares issued at the time of retirement. It corresponds to the points granted by the Company to its Directors and Executive Officers while in office, based on the stock-based remuneration system using trust. The number of shares to be delivered based on the points allocated to the Directors and Executive Officers and the estimated amount to be paid are recorded on the consolidated balance sheet date.
3) The Company and certain consolidated subsidiaries provide provision for gas holder repairs for periodic maintenance and repair of spherical gas holding tanks by distributing the estimated related costs to each fiscal term during the period until the next scheduled repair.
4) Provision for safety measures is an allowance to provide outlays for expenses required to ensure the safety of gas consumers. We have individually recorded the estimated future expenses that will be required after the consolidated balance sheet date, such as expenses required for work on exchanging valve connections for gas appliances with air extractor vents for valve connections without air extractor vents.
5) Provision for contract loss in regards to appliance warranties is an allowance to provide outlays for losses that may arise in performing maintenance warranties contract for the appliances sold, based on the estimated amount of loss.

6) Provision for point service program is an allowance to provide outlays for expenses arising through the use of point service. The estimated future expenses required after the consolidated balance sheet date are recorded.

(4) Basis for revenue and expenses

1) Gas business

The gas business engages primarily in selling city gas and LNG. While the sale of city gas involves obligations to supply over the contract term, where performance obligations are satisfied at each time of supply, revenue is recognized on a meter-reading date basis according to the Regulation on Accounting at Gas Utilities. The LNG sales business engages in selling liquefied natural gas, where performance obligations are satisfied by the delivery of LNG; thus, revenue is recognized at the point in time when LNG is delivered to customers.

2) Electric power business

The electric power business engages in the sale of electric power. Revenue is recognized at the point in time when electric power is delivered to customers, as performance obligations are satisfied at each supply of electric power based on the obligation to supply over the contract term. The renewable energy generation promotion surcharge corresponds to the amount of money collected on behalf of a third party and thus is not included in the transaction price. Hence, revenue from the sale of electric power is determined at the net amount after deducting the surcharge payable to such a third party from the amount of consideration received from customers.

3) Energy-related business

The energy-related business mainly provides contract engineering services for gas appliance installation and gas fitting, and energy services. In contract engineering services, revenue is recognized based on the estimated progress of work over a period for contracts involving a longer work period. Whereas, for contracts involving a short work period, revenue is recognized based on the alternative procedure prescribed under Paragraph 95 of the 'Implementation Guidance on the Accounting Standard for Revenue Recognition' at the point in time when performance obligations are completely satisfied. In engineering solutions, energy services mainly involve the sale of gas, electric power, steam, and others, and revenues are recognized at the point of delivery to the customer based on the obligation to supply over the contract term.

(5) Other significant matters for preparing Consolidated Financial Statements

1) Method and period of amortization of goodwill

Goodwill is amortized over twenty years or less under the straight-line method depending on the reasons for recognition of goodwill.

2) Method for accounting for retirement benefits

To provide for retirement benefits to employees, the Company records the amount of retirement benefit obligations, based on the estimated amount at the end of the current fiscal year, minus pension plan assets as a retirement benefit liability; note, however, that, in the case where the amount of pension assets exceeds that of retirement benefit obligations, it is recorded as a retirement benefit asset.

Actuarial differences are mainly recorded as expenses in one lump-sum in the fiscal year following the fiscal year in which the actuarial gain or loss incurs.

Unrecognized actuarial differences and unrecognized prior service costs are posted as remeasurements of defined benefit plans in accumulated other comprehensive income under the net assets section after adjusting for tax effects. In the calculation of retirement benefit obligations, expected benefits are mainly attributed to the period up until the fiscal year under review on the benefit formula basis.

4. Explanatory notes regarding changes in accounting policies

(1) Application of Accounting Standard for Revenue Recognition, etc.

The Company has applied the 'Accounting Standard for Revenue Recognition' (ASBJ No. 29, March 31, 2020) and others, effective the start of the fiscal year under review and has decided to recognize the amount expected to be received in exchange for goods or services as revenue when the control of the promised goods or services has been transferred to the customer.

Therefore, revenues associated with the electric power business, which had been recognized on the basis of the date of meter reading, are now recognized on the basis of delivery by reasonably estimating the performance obligation that is fulfilled at the end of the term. For the provision of certain gas equipment maintenance services, the maintenance cost expected to be incurred in the future had been booked as provision for appliance warranties, and the amount provided had been booked as expenses. However, said services are now identified as a performance obligation, and the amount expected as consideration for the future provision of the services is now treated as a contract liability. The advanced billing used to promote renewable energy power generation is no longer included in the transaction price upon revenue recognition as it is collected for a third party. It is now accounted for as a liability item instead of the previous operating revenue item. The corresponding payments in accordance with the Act on Special Measures concerning the Procurement of Renewable Electric Energy are now also accounted for as said liability item instead of an operating expense. With regard to points that are granted according to the purchase amount of gas and electricity, the amount expected to be used in the future had been booked as provision for point card certificates, and the amount provided had been booked as expenses. The points granted are now identified as a performance obligation, and the amount expected to be received in exchange for future services is now booked as a contract liability.

The Accounting Standard for Revenue Recognition, etc., is applied in accordance with the transitional procedures set forth in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition. Under this application method, the cumulative effect of retroactively applying the new accounting policies before the start of the fiscal year under review is added to or deducted from the retained earnings at the start of the fiscal year under review, and the new accounting policies are applied from the said beginning balance.

However, by applying the method set forth in Paragraph 86 of the Accounting Standard for Revenue Recognition, the new accounting policies have not been applied retroactively to contracts for which almost all revenues had been recognized in accordance with the previous treatment before the start of the fiscal year under review. In addition, by applying the method set forth in proviso (1) of Paragraph 86 of the Accounting Standard for Revenue Recognition, changes to contracts carried out before the start of the fiscal year under review have been accounted for based on the contract terms after all contract changes have been reflected, and their cumulative effects have been added to or deducted from retained earnings at the start of the fiscal year under review.

As a result, retained earnings at the start of the fiscal year under review increased by ¥5,255 million, net sales for the fiscal year under review decreased by ¥47,090 million, and operating profit, ordinary profit, and profit before income taxes increased by ¥4,361 million each.

Due to the application of the Accounting Standard for Revenue Recognition, etc., 'notes and accounts receivable-trade,' which were presented under 'current assets' in the consolidated balance sheet for the previous fiscal year, have been included in 'notes, accounts receivable-trade, and contract assets' from the fiscal year under review. The 'provision for appliance warranties,' which was presented under 'non-current liabilities' in the consolidated balance sheet for the previous fiscal year, has been presented as 'contract liabilities' and included in 'other current liabilities' from the fiscal year under review. Of the 'provision for point service program,' which was presented under 'non-current liabilities' in the consolidated balance sheet for the previous fiscal year, the amount corresponding to contract liabilities under the Accounting Standard for Revenue Recognition, etc. has been presented as 'contract liabilities' and included in 'other current liabilities' from the fiscal year under review.

(2) Application of Accounting Standard for Fair Value Measurement, etc.

The Company has applied the 'Accounting Standard for Fair Value Measurement' (ASBJ Statement No. 30, July 4, 2019) and others effective the start of the fiscal year under review, and has decided to prospectively apply the new accounting policies set forth by the Accounting Standard for Fair Value Measurement, etc. in accordance with the transitional treatment stipulated in Paragraph 19 of the 'Accounting Standard for Fair Value Measurement' and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). This will have no impact on consolidated financial statements.

In addition, the Company has decided to include notes on fair value information by level within the fair value hierarchy in the 'Explanatory notes regarding financial instruments.'

5. Explanatory notes regarding revenue recognition

(1) Information on disaggregation of revenue

Analysis of revenues disaggregated into main classifications of goods or services is as follows.

(Millions of yen)

Reporting segment	Main goods or services	Revenue from contracts with customers	Other revenue	Net sales to external customers	Remarks
Gas	City gas	1,103,454	—	1,103,454	
	Others	130,797	44,703	175,501	(Note 1) (Note 2)
	Sub-total	1,234,251	44,703	1,278,955	
Electric power	—	465,066	—	465,066	
Overseas	—	80,257	—	80,257	
Energy-related	Gas appliances, gas fitting engineering, etc.	150,538	—	150,538	
	Engineering solutions	117,197	—	117,197	
	Lease	—	6,443	6,443	
	Others	4,030	—	4,030	
	Sub-total	271,767	6,443	278,211	
Real estate	—	4,624	27,570	32,194	Other revenues comprising mainly property lease revenue
Others	—	10,513	—	10,513	Shipping business, etc.
Total		2,066,479	78,717	2,145,197	

(Note 1) For gas, 'Others' under 'Main goods or services' mainly refers to LNG sale, LNG trading, etc.

(Note 2) For gas, 'Other revenue' for 'Others' refers to net sales from LNG trading and dividend income from external companies.

(2) Useful information in understanding revenue

The details of the primary performance obligations of the Company and its consolidated subsidiaries in the major businesses related to revenue from contracts with customers and the typical timing at which such performance obligations are satisfied (typical timing of revenue recognition) are stated in 'Revenue and expense recognition standards' under 'Accounting policies.'

(3) Information in understanding the amount of revenue in the current and following fiscal years

1) Contract asset and contract liability balances

(Millions of yen)

	The fiscal year under review
Receivables from contracts with customers (beginning balance)	198,949
Receivables from contracts with customers (ending balance)	304,728
Contract assets (beginning balance)	4,223

Contract assets (ending balance)	1,917
Contract liabilities (beginning balance)	36,095
Contract liabilities (ending balance)	23,521

Contract assets relate to consideration for the services for which the Company and its consolidated subsidiaries recognized revenue, having satisfied performance obligations through contract engineering work for gas appliances installation or gas fitting, but have not invoiced yet as of the end of the fiscal year. Contract assets are reclassified as receivables derived from the contracts with customers at the point in time when the rights to consideration become unconditional following the completion of the engineering work.

Contract liabilities mainly relate to advances received at the Company and its consolidated subsidiaries from customers for the contract engineering work for gas appliances installation or gas fitting, as well as appliance maintenance contract, and to the points awarded commensurate with the amount of money spent by customers for purchasing gas and electricity. Contract liabilities are reversed when the performance obligations are satisfied following the completion of contract engineering work and the completion of appliance maintenance service, and when points awarded to customers are exchanged for services in the future. ¥17,831 million of revenues recognized in the fiscal year under review were included in the balance of contract liabilities at the beginning of the fiscal year under review. The primary reason behind the significant change in the balance of contract liabilities during the period was that they were eliminated as internal transactions due to the inclusion some non-consolidated subsidiaries in the scope of consolidation in the fiscal year under review.

2) Transaction price allocated to the remaining performance obligations

Type of performance obligation	The fiscal year under review (as of March 31, 2022)	Explanation on the expected timing for satisfaction of performance obligations
LNG sale	456,168	Approx. 20% expected to be satisfied within one year, and approx. 50% in over one year but within five years.
Gas appliances, gas fitting, and other contracted construction work	51,034	Generally expected to be satisfied within one year.
Gas appliance maintenance service	8,459	Approx. 70% expected to be satisfied in three years, and all obligations within ten years.
Points program based on amount of gas and electricity purchased	1,693	Expected to be satisfied within three years.

The Company and its consolidated subsidiaries have applied the practical expedient to the notes on transaction prices allocated to the remaining performance obligations for the sale of gas, electric power and engineering solutions, and have the right to receive an amount of consideration that directly corresponds to the value to the customer for the portion of performance completed to date. Therefore, pursuant to the provisions of Paragraph 19 of the Implementation Guidance on Accounting Standard for Revenue Recognition, revenue is recognized at the amount they are entitled to claim, and is not presented.

The Company and its consolidated subsidiaries have applied the practical expedient to the notes on transaction prices allocated to the remaining performance obligations for gas appliances, gas fitting, and other contracted construction work. Contracts with an original expected duration of one year or less and are not presented.

6. Explanatory notes regarding accounting estimates

(1) Impairment of non-current assets and valuation of investment securities at overseas subsidiaries

1) The amount posted in the Consolidated Financial Statements for the fiscal year under review

¥362,671 million (book value of non-current assets and investment securities of Tokyo Gas America Group and TOKYO GAS AUSTRALIA Group)

2) Other information

(a) Calculation method

Grouping of assets shall be carried out on the basis of the smallest unit that generates cash flows largely independent from cash flows of other assets or asset groups. Indications of impairment for groupings of assets at overseas subsidiaries are determined on the basis of a project (hereinafter, 'PJ') unit in consideration of classifications in terms of management accounting and a unit, etc. for making investment decisions. Assets or asset groups showing indications of impairment shall be subject to review of their recoverability, and then to impairment treatment to a recoverable amount based on estimated future cash flows.

Investment securities held by overseas subsidiaries are involved in business through investment in associates. Investment securities are mostly shares without market price, and are accounted for using equity method. In the case of shares showing indications of impairment, such as a case where results are underperforming compared to future plans at the time of investment, investment securities are measured at fair value according to the corporate value based on estimated future cash flows. The book value of such investment securities is written down to the net asset value, excluding those determined to be recoverable.

(b) Key assumptions

Future cash flows used to determine whether indications of impairment exist and whether to recognize impairment loss and calculate fair value less cost to sell, value in use, and fair value at the overseas business, shall be estimated by using information regarding external factors such as business environment of each PJ and internal information used by each PJ (business plans, budgets, etc.), in consideration of the current usage and reasonable usage plans, etc. of asset groups. In making such estimates, we use forward-looking factors that affect net sales including sales volume, crude oil prices, gas prices, foreign exchange rates, and expected reserves, market trends based on demand and supply forecast, and various cost forecasts reflecting the most recent track record (including upstream resource development, production plans, and various capital expenditures).

Each PJ assesses the future value by using an individual discount rate in consideration of factors including a risk-free rate of each country and region, risk coefficient (β) of shares of comparable companies, and market risk. Long-term future cash flows are estimated on the basis of the aforementioned values, using assumptions such as an estimated inflation rate of each country and region.

Key assumptions of particular importance are the forward-looking information regarding crude oil prices, gas prices, and foreign exchange rates, as well as discount rates.

(c) Impact on the Consolidated Financial Statements for the following fiscal year

The Company did not post impairment loss for the fiscal year under review. However, impairment loss may be posted if estimates are changed due to changes in assumptions such as further deterioration in the outlook caused by changing economic situations giving rise to a decrease in the recoverable amount based on future cash flows.

(2) Valuation of inventories (raw materials)

1) The amount posted in the Consolidated Financial Statements for the fiscal year under review: ¥49,863 million

2) Other information

(a) Calculation method

Raw materials included in raw materials and supplies are recognized at acquisition value. Some raw material procurement contracts stipulate that prices are to be revised periodically. In certain cases, however, acquisition value is based on prices agreed upon provisionally with sellers because of the failure to reach a formal agreement at the timing for price revision.

(b) Key assumptions

As for the raw materials procured based on the provisionally agreed prices as described above, such provisionally agreed prices are used as estimated latest prices due to difficulty in estimating formally agreed prices.

(c) Impact on the Consolidated Financial Statements for the following fiscal year

When formal price agreement is reached under raw material procurement contracts hitherto based on provisionally agreed prices, a difference between the formally agreed price and the provisionally agreed price may arise. In such case, there may be an impact on the amounts of cost of sales and inventories (raw materials and supplies) based on the terms of agreement.

(3) Calculation of retirement benefits liability

1) The amount posted in the Consolidated Financial Statements for the fiscal year under review: ¥66,195 million

2) Other information

(a) Calculation method

Certain Group companies adopt defined benefit plans. With respect to retirement benefits liability under defined benefit plans and associated service costs are calculated by discounting expected benefits estimated based on actuarial assumptions.

(b) Key assumptions

Actuarial assumptions used for calculating retirement benefit obligations involve various calculation bases including a discount rate and expected rate of return. Key actuarial assumptions used for calculating retirement benefits liability as of the end of the fiscal year under review comprise a discount rate mainly at 0.5% and an expected rate of return mainly at 2.0%.

(c) Impact on the Consolidated Financial Statements for the following fiscal year

If, as a result of changes in unpredictable future economic conditions, it becomes necessary to review the aforementioned estimates and assumptions, this may have significant impact on retirement benefit liability and retirement benefit expenses

to be recognized in the Consolidated Financial Statements for the following fiscal year and thereafter.
In the calculation of retirement benefits liability, changes in key assumptions have the following impact sensitivity on retirement benefits liability as of the end of the fiscal year under review. A negative value represents a decrease in retirement benefits liability, while a positive value represents an increase in retirement benefits liability. Sensitivity analysis assumes all actuarial assumptions concerning provision for retirement benefits at Tokyo Gas Co., Ltd., the primary recording entity, except actuarial assumptions subject to analysis remaining constant.

As of the end of the fiscal year under review (March 31, 2022)

	Changes in actuarial assumptions	The amount of impact on retirement benefits liability
Discount rate	A decrease of 0.1%	+¥3,606 million
	An increase of 0.1%	¥(3,523) million
Expected rate of return	A decrease of 0.1%	+¥257 million
	An increase of 0.1%	¥(257) million

[Explanatory notes regarding the consolidated balance sheet]

1. Assets pledged as collateral
   (1) Breakdown of assets

Other facilities	¥58,071 million
Construction in progress	¥49,420 million
Other intangible assets	¥137,137 million
Investment securities	¥16,494 million
Long-term loans receivable	¥26,634 million
Deferred tax assets	¥2,220 million
Other investments and other assets	¥24,098 million
Cash and deposits	¥16,252 million
Notes and accounts receivable-trade, and contract assets	¥536 million
Raw materials and supplies	¥926 million
Other current assets (Note)	¥57,703 million

   (Note) Guarantee deposits related mainly to derivative transactions
   Some of the assets pledged as collateral are pledged for derivative transactions, apart from the liabilities secured by the collaterals in (2) below.

   (2) Liabilities secured by the collaterals

Long-term borrowings	¥110,660 million
Current portion of long-term borrowings	¥3,085 million
Other current liabilities	¥62 million

2. Accumulated depreciation of property, plant and equipment
   ¥4,372,142 million
3. Guarantee obligation etc.
   (1) Guarantee obligation ¥29,410 million

[Explanatory notes regarding the consolidated statement of changes in equity]

1. Number of shares issued as of the end of this fiscal year
   440,996,559 shares
2. Dividends
   (1) Dividends of surplus of this fiscal year
      1) The following was decided by the resolution of the Annual Shareholders Meeting held on June 29, 2021.
         ・ Dividends of common share
            (a) Total amount of dividends ¥13,229 million
            (b) Dividends per share ¥30.00
            (c) Date of record March 31, 2021
            (d) Effective date June 30, 2021
      2) The following was decided by the meeting of the Board of Directors held on October 28, 2021.
         ・ Dividends of common share
            (a) Total amount of dividends ¥13,193 million
            (b) Dividends per share ¥30.00
            (c) Date of record September 30, 2021
            (d) Effective date November 29, 2021
            (Note) The total amount of dividends includes dividends of ¥6,738 thousand for the Company’s shares held by the trust account of the board benefit trust.

(2) Dividends of surplus to be carried out after the end of this fiscal year
The following was decided at the meeting of the Board of Directors held on April 27, 2022.

・ Dividends of common share

(a)	Total amount of dividends	¥15,392 million
(b)	Resource of dividends	Retained earnings
(c)	Dividends per share	¥35.00
(d)	Date of record	March 31, 2022
(e)	Effective date	June 6, 2022

(Note) The total amount of dividends includes dividends of ¥7,833 thousand for the Company's shares held by the trust account of the board benefit trust.

[Explanatory notes regarding financial instruments]

1. Matters related to the status of financial instruments

(1) The Group's policy for financial instruments
The Group raises necessary funds, mainly through bond issuance and loans from banks, based on the capital investment plans primarily for conducting gas business. Temporary surplus funds are managed in the form of highly safe financial assets, while short-term working capital is procured by issuing short-term corporate bonds (commercial papers) and other means. Derivatives are traded to mainly avoid the risks described below and not for speculative purposes.

(2) Detail of financial instruments and risks associated with them
Notes and accounts receivable-trade classified as trade receivables are exposed to customers' credit risks. Investment securities and other securities are mainly bonds held to maturity and shares held for business or capital alliance with business partners and are exposed to the risk of market price fluctuations. Bonds payable and borrowings are mainly for raising funds necessary for capital investment, with redemption terms not exceeding 48 years and six months after the settlement date. Some of the Group's borrowings are based on variable interest rates and thus exposed to interest rate fluctuation risk, part of which is hedged by using derivative transactions (interest rate swap transactions).
Regarding derivative transactions, to mitigate exchange rate fluctuation risks, risks associated with fluctuations in the purchase price of commodities and materials, and interest rate fluctuation risks, the Group engages in various derivative transactions, including forward exchange contracts, commodity swaps, and interest rate swap transactions. Moreover, subsidiaries in the LNG trading business engage in commodity forward contracts and commodity swaps. In using derivative transactions such as forward exchange contracts, commodity swaps, and interest rate swap transactions, the Group applies hedge accounting where the application requirements of hedge accounting are met.

(3) Risk management system concerning financial instruments

1) Credit risk management (against risks associated with contractual default and other issues of clients or suppliers)
The Group companies maintain a system of regularly controlling trade receivables balances of each client (or supplier), according to each Group company's credit control policy.
The Group only engages in investment-grade derivative transactions to mitigate counterparty risks.
The maximum credit risk exposure as at the consolidated balance sheet date of the fiscal year under review is indicated by the consolidated balance sheet values of financial assets exposed to credit risks.

2) Market risk management (against the risks of fluctuations of commodities, exchange rate, interest rate and others)
The Company and some of its consolidated subsidiaries use forward exchange contracts to hedge risks associated with exchange rate fluctuations as identified by currency and month regarding foreign currency-denominated trade receivables and payables. At the same time, the Company and some of its consolidated subsidiaries use interest rate swap transactions to mitigate the risks associated with interest rate fluctuations in payables on corporate bonds and borrowings.
For investment securities and other securities, we continuously review the holding status by grasping updated fair values and financial positions of issuers (clients or suppliers) and considering the market conditions and relationships with such clients and suppliers.
The Company formulates implementation plans for individual cases of derivative transactions according to the 'Risk Management Policy' approved by the Board of directors, then implements them after obtaining approval based on the administrative authority. In the framework for implementing and managing derivative transactions, the department responsible for executing transactions is segregated from the department responsible for control to ensure the checking function is working effectively. Consolidated subsidiaries of the Company must obtain resolutions from their Boards of Directors or Presidents depending on the amounts (maximum risk exposure) of transactions and prior approval of the Company based on the 'Regulations on the Management of Subsidiaries.' The use of derivative transactions such as forward exchange contracts, commodity forward contracts, commodity swaps, and interest rate swap transactions involve exposure to market risks associated with price fluctuations in respective markets, while it has advantageous effects of stabilizing cash flows of hedged items or offsetting market fluctuations. Implementation plans are formulated according to the 'Risk Management Policy,' as described earlier, for the LNG trading business of subsidiaries too. Thus, a framework for implementation and management is in place in which the department responsible for executing transactions is segregated from the department responsible for control to ensure the checking function works effectively

3) Management of liquidity risk associated with funding (risk of becoming unable to execute payment on due date)
The Company and its consolidated subsidiaries ensure stable cash flow management by formulating monthly cash flow plans and controlling deposit/withdrawal schedules. Meanwhile, the Group has introduced CMS (cash management system) for managing funds across the Group under the control of the Company.

(4) Supplementary explanation regarding the matters related to the fair value of financial instruments
The fair value of financial instruments includes the value based on the market price or reasonably calculated value where a market price is unavailable. As the calculation involves variable elements, such calculated values may fluctuate depending on the assumptions adopted.

2. Fair value of financial instruments and information by level within the fair value hierarchy
The carrying amounts, fair value, their differences, and fair value by level on the consolidated balance sheets as at March 31, 2022, are as

follows. Shares, etc. that do not have a market price and investments in partnerships, etc. are not included in the table (Refer to Note 2).

Level 1 fair value: Fair value determined by (unadjusted) market price of the identical assets or liabilities in active markets

Level 2 fair value: Fair value determined by using directly or indirectly observable inputs other than the inputs used for Level 1 fair value

Level 3 fair value: Fair value determined by using significant but unobservable inputs

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement.

(1) Financial instruments measured at fair value

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities Available-for-sale securities Shares	44,732			44,732
Total assets	44,732			44,732
Derivatives (*1) Currency-related Commodity-related Interest rate-related		2,173 (19,803) (167)	 17,725 	2,173 (2,077) (167)
Total derivative transactions		(17,796)	17,725	(71)

(*1) Net credit and debt arising from derivative transactions are presented on a net basis, and the items that are net debts in total are presented in brackets.

(2) Financial instruments other than those measured at fair value on the consolidated balance sheet
'Cash and deposits,' 'notes and accounts receivable - trade, and contract assets' 'notes and accounts payable - trade,' and 'short-term borrowings' are omitted, because they comprise cash and short-term instruments whose carrying amount approximates their fair value.

(Millions of yen)

Category	Fair value				Amount on the consolidated balance sheet	Difference
	Level 1	Level 2	Level 3	Total		
Investment securities Shares of subsidiaries and associates	29,263				13,670	15,593
Total assets	29,263				13,670	15,593
Bonds payable(*2)		[543,388]		[543,388]	[548,619]	5,231
Long-term borrowings(*2)		[631,221]		[631,221]	[617,698]	(13,523)
Total liabilities		[1,174,609]		[1,174,609]	[1,166,317]	(8,292)

(*1) Figures in square brackets are those listed under liabilities.

(*2) Bonds payable and long-term borrowings include the current portion of non-current liabilities, respectively.

(Note 1) A description of the valuation techniques and inputs used in the fair value measurements

(1) Investment securities

Listed shares are valued using quoted prices. As listed shares are traded in active markets, their fair value is classified as Level 1.

(2) Bonds payable

The fair value of bonds issued by the Group is determined by the discounted present value, calculated by discounting the sum of principal and interest with the interest rate reflecting the residual maturity of the bonds of the Group and credit risk, which are classified as level 2.

(3) Long-term borrowings

The fair value of long-term borrowings is determined by discounting the sum of principal and interest by using the interest rate assumed for new borrowings on similar conditions, hence classified as level 2. For the fair value of long-term borrowings of the Group with variable interest rates qualifying for special treatment of interest rate swap (see (4) below), the total sum of principal and interest processed as one together with the interest rate swap is discounted by the interest rate assumed to new borrowings on similar conditions.

(4) Derivatives

In determining the fair value of derivative transactions, calculations are mainly based on discounted present value and prices indicated by the correspondent financial institutions. If the price is calculated using only observable inputs, or if it is calculated using unobservable inputs but the impact is immaterial, the fair value of derivative transactions is classified as level 2. On the other hand, if the price is calculated using significant but unobservable inputs, derivative transactions are classified as level 3, and such transactions include a commodity forward contract. Oil price forecasts are an input that cannot be observed on the market. Interest rate swap transactions qualifying for special treatment are treated as one with the hedged item, long-term borrowings, and their fair value is included in the fair value of such long-term borrowings (see (3) above).

(Note 2) Consolidated balance sheet values of shares, etc. that do not have a market price and investments in partnerships, etc. are as follows. They are not included in available-for-sale securities in the table disclosed in the 'Fair value of financial instruments and information by level within the fair value hierarchy.'

(Millions of yen)

Category	The fiscal year under review (as at March 31, 2022)
Shares in subsidiaries and associates Unlisted shares, etc. (*1)	79,547
Available-for-sale securities Unlisted shares, etc. (*1) Investments in partnerships (*2)	 93,173 4,785

(*1) Unlisted shares do not have a market price and thus are not subject to fair value disclosure pursuant to Paragraph 5 of the 'Implementation Guidance on Disclosures about Fair Value of Financial Instruments' (ASBJ Guidance No. 19 issued on March 31, 2020).

(*2) Investments in partnerships, etc. are not subject to fair value disclosure pursuant to Paragraph 27 of the 'Implementation Guidance on Accounting Standard for Fair Value Measurement' (ASBJ Guidance No. 31 issued on July 4, 2019).

[Explanatory notes regarding investment and rental properties]

1. Matters related to status of investment and rental properties

   The Company and some subsidiaries have office buildings for rent and other properties (including land under development) in Tokyo and other regions.

2. Matters related to the fair value of investment and rental properties

(Millions of yen)

Amount on the consolidated balance sheet	Fair value
162,363	587,711

(Note 1) The amount on the consolidated balance sheet is the amount of acquisition cost less accumulated depreciation.
(Note 2) The fair value at the end of this fiscal year is mainly based on real-estate appraisal documents prepared by real-estate appraisers.

[Explanatory notes regarding per share information]
1. Net assets per share ¥2,791.95
2. Basic earnings per share ¥201.84

[Explanatory notes regarding material subsequent events]
1. Acquisition of treasury shares
At the Board of Directors meeting held on April 27, 2022, the Company resolved to acquire treasury shares pursuant to Article 156 of the Companies Act as applied mutatis mutandis to Article 165, paragraph 3 of the law.
The details of the purchase of treasury shares are as follows.
・ Type of stock to be acquired: The Company's common shares
・ Total number of shares to be acquired: 8.5 million (upper limit)
(Rate to total number of shares outstanding: 1.9%)
・ Total value of shares to be acquired: ¥16 billion (upper limit)
・ Term of acquisition: May 9, 2022 to September 30, 2022

2. Transfer of subsidiary shares
On April 25, 2022, the Company agreed to transfer all shares of Tokyo Gas Energy Co., Ltd. and Tokyo Gas LPG Terminal Co., Ltd. held by Tokyo Gas Liquid Holdings Co., Ltd., a wholly-owned subsidiary of the Company, to Iwatani Corporation, and concluded a share sales agreement with Iwatani Corporation. The share transfer is scheduled to be completed by June 2022.
1) Reasons for share transfer
Tokyo Gas Energy Co., Ltd. operates a liquefied petroleum gas (LPG) wholesale and retail businesses mainly in the Tokyo metropolitan area. Tokyo Gas LPG Terminal Co., Ltd. is engaged in the LPG storage and shipping business in Negishi.
After considering the composition of our optimal business portfolio and the environment surrounding this business, it was determined appropriate to transfer all shares of the following consolidated subsidiaries to Iwatani Corporation.
2) Acquirer of shares
Iwatani Corporation
3) Schedule of share transfer
June 2022 (tentative)
4) Names of transferees and line of business

Name	Line of business
Tokyo Gas Energy Co., Ltd.	Wholesale of LP Gas, Direct sales of LP gas, etc.
Tokyo Gas LPG Terminal Co., Ltd.	Storage and shipping of LPG

5) Number of shares to be transferred, transfer price and number of shares held after share transfer

	Tokyo Gas Energy Co., Ltd.	Tokyo Gas LPG Terminal Co., Ltd.
Number of shares to be	678,000 (ownership rate: 66.6%)	980 (ownership rate: 49.0%) The remaining stake of 51.0% is held

transferred		by Tokyo Gas Energy Co., Ltd.
Transfer price	Due to our contractual confidentiality obligations, we will refrain from disclosing this information.	
Number of shares held after share transfer	0 (ownership rate: 0%)	0 (ownership rate: 0%)

[Other explanatory notes]

1. Spin-off into Tokyo Gas Network Co., Ltd. (absorption-type company split)
   The Company succeeded its gas pipeline business to Tokyo Gas Network Co., Ltd. by means of a spin-off on April 1, 2022 (hereinafter the 'Spin-off').
   1) Background and purpose of Spin-off
      Pursuant to the Gas Business Act revised in June 2015, the Company, which is a special general gas pipeline service provider, is prohibited from engaging in the gas production business or gas retail business and the gas pipeline business concurrently starting from April 2022 to ensure further neutrality of the gas pipeline business. To meet the requirement of the Act, the Company established Tokyo Gas Network Co., Ltd., a wholly owned subsidiary, as a Spin-off Preparatory Company on April 1, 2021 and signed an absorption-type company split agreement with Tokyo Gas Network Co., Ltd. in which the Company's gas pipeline business, etc. is assumed by Tokyo Gas Network Co., Ltd., effective April 1, 2022.
   2) Outline of Spin-off
      - Spin-off schedule

Board of Directors resolution for signing of absorption-type company split agreement (the Company)	April 28, 2021
Directors' decision for signing of absorption-type company split agreement (the successor company)	April 28, 2021
Signing of absorption-type company split agreement	April 28, 2021
Annual Shareholders Meeting approval of absorption-type company split agreement (the Company)	June 29, 2021
Extraordinary Shareholders Meeting approval of absorption-type company split agreement (the successor company)	June 29, 2021
Effective date of absorption-type company split agreement	April 1, 2022

      - Spin-off method
        An absorption-type company split with the Company as the spin-off company and Tokyo Gas Network Co., Ltd., a wholly owned subsidiary, as the successor company.
      - Allotment pertaining to Spin-off
        In the Spin-off, Tokyo Gas Network Co., Ltd., which is the successor company, issued 12.63 million shares of common shares and allocate all of the shares to the Company.
      - Treatment of share acquisition rights and bonds with share acquisition rights following Spin-off
        The Company issued neither share acquisition rights nor bonds with share acquisition rights.
      - Changes in capital stock due to Spin-off
        There is no changes in the capital stock of the Company.
      - Rights and obligations assumed by the successor company

Pursuant to the provision of the absorption-type company split agreement dated April 28, 2021 that was entered into with the Company, the successor company assumed the Company's rights and obligations related to the Company's gas pipeline business and ancillary businesses on the effective date.
The successor company's assumption of debt due to the Spin-off shall be done without recourse to the Company.
Any debt pertaining to the Company's existing bonds sold through public offerings was not assumed by the successor company.

- Prospect of fulfillment of obligations
  No problems are foreseen in the fulfillment of obligations by the Company and the successor company after the Spin-off since the assets of both the Company and the successor company are expected to exceed liabilities after the Spin-off and no circumstance that could impede the fulfillment of obligations to be borne after the Spin-off is anticipated at present.

3) Outline of operating units to be spun off

- Description of operations to be spun off
  Gas pipeline business and ancillary businesses
- Operating results of units to be spun off (Results for the fiscal year ended March 31, 2022)

Description of operations to be spun off	Net sales of operations to be spun off (a)	Net sales of the Company (Non-consolidated) (b)	Ratio (a/b)
Gas pipeline business and ancillary businesses	¥88,651 million	¥1,921,391 million	4.6%

Note: Net sales are sales to external customers.

- Category and amount of assets and liabilities to be spun off (As of March 31, 2022)

Assets		Liabilities	
Category	Amount	Category	Amount
Non-current assets	¥613,988 million	Non-current liabilities	¥3,628 million
Current assets	¥47,834 million	Current liabilities	¥48,079 million
Total	¥661,823 million	Total	¥51,708 million

4) Status of the Company after Spin-off (As of April 1, 2022)

(1) Company name	Tokyo Gas Co., Ltd.
(2) Address	5-20, Kaigan 1-chome, Minato-ku, Tokyo
(3) Name and title of representative	Takashi Uchida, Representative Corporate Executive Officer, President
(4) Business	Gas production business, gas retail business, etc.
(5) Capital	¥141,844 million
(6) Closing date	March 31

5) Status of the successor company after Spin-off (As of April 1, 2022)

(1) Company name	Tokyo Gas Network Co., Ltd.
(2) Address	5-20, Kaigan 1-chome, Minato-ku, Tokyo
(3) Name and title of representative	Kunio Nohata, Representative Director, President
(4) Business	Gas pipeline business, etc.
(5) Capital	¥10,000 million
(6) Closing date	March 31

2. Share-based compensation plan for directors, corporate executive officers and executive officers]

At its Compensation Committee held on June 29, 2021, the Company resolved to introduce a trust-type share-based Compensation Plan for its directors and corporate executive officers with the aim of providing incentives to improve the Company's corporate value over the medium to long term. The Company has also decided to introduce a similar share-based compensation plan for its executive officers (the two share-based compensation plans are hereinafter collectively referred to as the 'Plan'; the directors, corporate executive officers and executive officers are hereinafter collectively referred to as the 'Executives').
Accounting for the Plan is based on the Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts (PITF No. 30, March 26, 2015).

1) Overview of transaction

The Plan is a trust-type share-based compensation plan under which a trust established by the Company by contributing cash (hereinafter, the 'Trust') acquires Company shares equivalent to the number of points granted by the Company to each Executive, who then receives delivery of the shares.
Under the Plan, Company shares will be delivered to Executives in office during the three fiscal years from the fiscal year ending March 31, 2022, to the fiscal year ending March 31, 2024 (hereinafter, the 'Applicable Period'). As a general rule, Executives shall receive the Company shares when they resign/retire.

2) Company shares remaining in trust

Company shares remaining in trust have been recorded as treasury stock at their carrying amount in the trust (excluding the amount of incidental expenses) under net assets. The carrying amount and number of shares of said treasury stock at the end of the fiscal year under review were ¥460 million and 223,800 shares, respectively.

3. Impairment loss

In the fiscal year under review, the Group recognized impairment loss primarily on the following asset groups.

(Millions of yen)

Place	Use	Type	Amount
Utsunomiya, Tochigi Prefecture	Real estate business	Property, plant and equipment (other facilities (land, buildings and structures))	1,164
Hitachi, Ibaraki Prefecture	Real estate business	Property, plant and equipment (other facilities (land, buildings and structures))	911
Koganei, Tokyo	Real estate business	Property, plant and equipment (other facilities (land, buildings and structures))	653

For its calculation of impairment loss, the Group performs grouping of assets into smallest units generating cash flows that are largely independent of the cash flows from other assets or asset groups.
The business value of land, buildings and structures in the real estate business was revalued in consideration of the latest business environment, whereby their book value was written down to a recoverable amount, and such reduction was recognized as extraordinary losses.
The recoverable amount of this asset group was measured at the fair value less cost to sell.

3. Amounts less than one million yen are rounded down.

Non-Consolidated Statement of Changes in Equity

From April 1, 2021 to March 31, 2022

(Millions of yen)

	Shareholders' equity									
		Capital surplus		Retained earnings						
					Other retained earnings					
	Capital stock	Legal capital surplus	Total capital surplus	Legal retained earnings	Reserve for advanced depreciation of non-current assets	Reserve for overseas investment loss	Reserve for adjustment of cost fluctuations	General reserve	Retained earnings brought forward	Total retained earnings
Balance at beginning of current period	141,844	2,065	2,065	35,454	5,616	2,469	141,000	339,000	128,825	652,365
Cumulative effects of changes in accounting policies									4,747	4,747
Restated balance	141,844	2,065	2,065	35,454	5,616	2,469	141,000	339,000	133,573	657,113
Changes of items during period										
Reversal of reserve for advanced depreciation of non-current assets					(60)				60	
Reversal of reserve for overseas investment loss						(1,452)			1,452	
Dividends of surplus									(26,423)	(26,423)
Profit									30,834	30,834
Purchase of treasury shares										
Disposal of treasury shares									(100)	(100)
Retirement of treasury shares									(3,604)	(3,604)
Net changes of items other than shareholders' equity										
Total changes of items during period	-	-	-	-	(60)	(1,452)	-	-	2,217	705
Balance at end of current period	141,844	2,065	2,065	35,454	5,556	1,017	141,000	339,000	135,790	657,819

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total Valuation and translation adjustments	
Balance at beginning of current period	(3,907)	792,368	22,408	(9,777)	12,631	805,000
Cumulative effects of changes in accounting policies		4,747				4,747
Restated balance	(3,907)	797,116	22,408	(9,777)	12,631	809,747
Changes of items during period						
Reversal of reserve for advanced depreciation of non-current assets						-
Reversal of reserve for overseas investment loss						-
Dividends of surplus		(26,423)				(26,423)
Profit		30,834				30,834
Purchase of treasury shares	(3,786)	(3,786)				(3,786)
Disposal of treasury shares	564	463				463
Retirement of treasury shares	3,604					-
Net changes of items other than shareholders' equity			(4,051)	5,164	1,113	1,113
Total changes of items during period	382	1,088	(4,051)	5,164	1,113	2,201
Balance at end of current period	(3,524)	798,204	18,357	(4,612)	13,745	811,949

Notes to the Non-Consolidated Financial Statements

From April 1, 2021 to March 31, 2022

1. Significant accounting policies
   (1) Valuation bases and methods of assets
      1) The valuation basis and method of securities are as follows:
         Shares of subsidiaries and associates are stated at cost, as determined by the moving-average method. Available-for-sale securities other than shares, etc. without a market price are carried at fair value based on the market price at the year end, etc., with valuation differences, reported in a separate component of net assets. The cost of securities sold is determined by the moving-average method.
         Available-for-sale securities such as shares without a market price are stated at cost, as determined by the moving-average method.
      2) Derivatives are valued by the fair value method.
      3) Inventories (finished goods, raw materials and supplies) are stated at cost, as determined by the moving-average method (balance sheet values are calculated using the book value reduction method based on declining profitability).
   (2) Methods of depreciation and amortization of non-current assets
      1) The declining-balance method is applied for property, plant and equipment. However, the straight-line method is applied for buildings (excluding building fixtures) acquired on or after April 1, 1998, and facilities attached to buildings and structures acquired on or after April 1, 2016.
         Durable years are determined based on the 'Corporation Tax Act.'
      2) The straight-line method is applied for intangible assets.
         Software for internal use is amortized by the straight-line method over the internally available period (five to ten years).
         Goodwill is amortized over twenty years or less under the straight-line method depending on the reasons for recognition of goodwill.
   (3) Basis for provisions
      1) To reserve for loss on doubtful accounts such as accounts receivable - trade and loans receivable, etc., general allowances are provided using a rate determined by past bad debts experience and also specific allowances are provided for the estimated amounts considered to be uncollectible after reviewing individual collectibles of certain doubtful accounts such as bankruptcy/ rehabilitation claims.
      2) The Company provides provision for retirement benefits in the amount of the deemed obligations as of the balance sheet date based on the estimated amount of projected benefit obligation and the estimated fair value of the pension plan assets at that date. Actuarial differences are recorded as expenses in one lump-sum in the fiscal year following the fiscal year in which the actuarial gain or loss incurs. In the calculation of retirement benefit obligations, expected benefits are attributed to periods up until the fiscal year under review on the benefit formula basis.
      3) Provision for share awards for directors (and other officers) is an allowance to provide outlays for retirement benefits expenses in the form of company shares issued at the time of retirement. It corresponds to the points granted by the Company to its Directors and Executive Officers while in office, based on the stock-based remuneration system using trust. The number of shares to be delivered based on the points allocated to the

Directors and Executive Officers and the estimated amount to be paid are recorded on the balance sheet date.

4) The Company provides provision for gas holder repairs for periodic maintenance and repair of spherical gas holding tanks by distributing the estimated related costs to each fiscal term during the period until the next scheduled repair.

5) Provision for safety measures is an allowance to provide outlays for expenses required to ensure the safety of gas consumers. We have individually recorded the estimated future expenses that will be required after the balance sheet date, such as expenses required for work on exchanging valve connections for gas appliances with air extractor vents for valve connections without air extractor vents.

6) Provision for contract loss in regards to appliance warranties is an allowance to provide outlays for losses that may arise in performing maintenance warranties contract for the appliances sold, based on the estimated amount of loss.

7) Provision for point service program is an allowance to provide outlays for expenses arising through the use of point service. The estimated future expenses required after the balance sheet date are recorded.

(4) Basis for revenue and expenses

1) Gas business
The gas business engages primarily in selling city gas, which involves obligations to supply over the contract term, where performance obligations are satisfied at each time of supply, and revenue is recognized on a meter-reading date basis according to the Regulation on Accounting at Gas Utilities.

2) Electric power business
The electric power business engages in the sale of electric power. Revenue is recognized at the point in time when electric power is delivered to customers, as performance obligations are satisfied at each supply of electric power based on the obligation to supply over the contract term. The renewable energy generation promotion surcharge corresponds to the amount of money collected on behalf of a third party and thus is not included in the transaction price. Hence, revenue from the sale of electric power is determined at the net amount after deducting the surcharge payable to such a third party from the amount of consideration received from customers.

3) LNG sales business
The LNG sales business engages in selling liquefied natural gas, where performance obligations are satisfied by the delivery of LNG; thus, revenue is recognized at the point in time when LNG is delivered to customers.

2. Explanatory notes regarding changes in accounting policies

(1) Application of Accounting Standard for Revenue Recognition, etc.
The Company has applied the ‘Accounting Standard for Revenue Recognition’ (ASBJ No. 29, March 31, 2020) and others, effective the start of the fiscal year under review, and has decided to recognize the amount expected to be received in exchange for goods or services as revenue when the control of the promised goods or services has been transferred to the customer.
Therefore, revenues associated with the electric power business, which had been recognized on the basis of the date of meter reading, are now recognized on the basis of delivery by reasonably estimating the performance obligation that is fulfilled at the end of the term.
For the provision of certain gas equipment maintenance services, the

maintenance cost expected to be incurred in the future had been booked as provision for appliance warranties, and the amount provided had been booked as expenses. However, said services are now identified as a performance obligation, and the amount expected as consideration for the future provision of the services is now treated as a contract liability. The advanced billing used to promote renewable energy power generation is no longer included in the transaction price upon revenue recognition as it is collected for a third party. It is now accounted for as a liability item instead of the previous operating revenue item. The corresponding payments in accordance with the Act on Special Measures concerning the Procurement of Renewable Electric Energy are now also accounted for as said liability item instead of an operating expense. With regard to points that are granted according to the purchase amount of gas and electricity, the amount expected to be used in the future had been booked as provision for point card certificates, and the amount provided had been booked as expenses. The points granted are now identified as a performance obligation, and the amount expected to be received in exchange for future services is now booked as a contract liability.

The Accounting Standard for Revenue Recognition, etc., is applied in accordance with the transitional procedures set forth in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition. Under this application method, the cumulative effect of retroactively applying the new accounting policies before the start of the fiscal year under review is added to or deducted from the retained earnings at the start of the fiscal year under review, and the new accounting policies are applied from the said beginning balance.

However, by applying the method set forth in Paragraph 86 of the Accounting Standard for Revenue Recognition, the new accounting policies have not been applied retroactively to contracts for which almost all revenues had been recognized in accordance with the previous treatment before the start of the fiscal year under review. In addition, by applying the method set forth in proviso (1) of Paragraph 86 of the Accounting Standard for Revenue Recognition, changes to contracts carried out before the start of the fiscal year under review have been accounted for based on the contract terms after all contract changes have been reflected, and their cumulative effects have been added to or deducted from retained earnings at the start of the fiscal year under review.

As a result, retained earnings at the start of the fiscal year under review increased by ¥4,747 million, net sales for the fiscal year under review decreased by ¥46,010 million, and operating profit, ordinary profit, and profit before income taxes increased by ¥4,366 million each.

Due to the application of the Accounting Standard for Revenue Recognition, etc., 'provision for appliance warranties,' which was presented under 'non-current liabilities' in the balance sheet for the previous fiscal year has been presented as 'contract liabilities' and included in 'other current liabilities' from the fiscal year under review. Of the 'provision for point service program,' which was presented under 'non-current liabilities' in the balance sheet for the previous fiscal year, the amount corresponding to contract liabilities under the Accounting Standard for Revenue Recognition, etc. has been presented as 'contract liabilities' and included in 'other current liabilities' from the fiscal year under review. In accordance with the transitional procedures set forth in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, reclassification based on the new presentation method has not been made for the previous fiscal year.

3. Explanatory notes regarding revenue recognition

(1) Information on disaggregation of revenue

Notes are omitted as the identical information is stated in 'Explanatory notes regarding revenue recognition' of the notes to the consolidated financial statements.

(2) Useful information in understanding revenue

The details of the primary performance obligations of the Company and in the major businesses related to revenue from contracts with customers and the typical timing at which such performance obligations are satisfied (typical timing of revenue recognition) are stated in 'Revenue and expense recognition standards' under 'Significant accounting policies.'

(3) Information in understanding the amount of revenue in the current and following fiscal years

Notes are omitted as the identical information is stated in 'Explanatory notes regarding revenue recognition' of the notes to the consolidated financial statements.

4. Explanatory notes regarding accounting estimates

(1) Valuation of investments in (shares of) subsidiaries and associates

1) The amount posted in the Non-Consolidated Financial Statements for the fiscal year under review

Investments in (shares of) subsidiaries and associates: ¥498,568 million

Miscellaneous expenses (loss on valuation of shares of subsidiaries and associates): ¥1,994 million

2) Other information

(a) Calculation method

Of the above, for the assets registering a significant decline in the net asset value compared to the investment value, a loss on valuation is posted. The book value of such assets is written down to the net asset value, excluding those assets determined to be recoverable.

(b) Key assumptions

With respect to investments in (shares of) subsidiaries and associates registering a significant decline in the net asset value compared to the investment value, whether they are recoverable or not is determined based on information on external factors such as business environment of each subsidiary and associate and internal information used by each subsidiary and associate (business plans, budgets, etc.). In making such determination, we use forward-looking factors that affect net sales including sales volume and market prices, market trends based on demand and supply forecast, and various cost forecasts reflecting the most recent track record.

(c) Impact on the Non-Consolidated Financial Statements for the following fiscal year

The above determination is believed to be reasonable. However, a loss on valuation may arise if forecasts change due to unpredictable changes in assumptions.

(2) Valuation of inventories (raw materials)

1) The amount posted in the Non-Consolidated Financial Statements for the fiscal year under review: ¥46,445 million

2) Other information

(a) Calculation method, (b) Key assumptions, and (c) Impact on the Non-Consolidated Financial Statements for the following fiscal year are as stated in the Consolidated Financial Statements.

(3) Calculation of provision for retirement benefits

1) The amount posted in the Non-Consolidated Financial Statements for the fiscal year under review: ¥59,593 million

2) Other information

(a) Calculation method, (b) Key assumptions, and (c) Impact on the Non-Consolidated Financial Statements for the following fiscal year are as stated in the Consolidated Financial Statements.

5. Explanatory notes regarding the non-consolidated balance sheet

(1) Assets pledged as collateral

Investment securities	¥166 million
Investments in subsidiaries and associates	¥8,274 million
Long-term loans receivable	¥21 million
Other non-current liabilities	¥5,647 million

(The above assets are mainly guarantee deposits for derivative transactions)

(Liabilities secured by the collaterals —)

(The above assets are pledged as collateral against debts incurred by companies in which the Company has invested.)

(2) Accumulated depreciation

Property, plant and equipment	¥3,568,486 million
Intangible assets	¥57,585 million

(3) Guarantee obligation, etc.

Guarantee obligation	¥85,018 million

6. Explanatory notes regarding the non-consolidated statement of income

Trading volume with subsidiaries and associates

Net sales	¥307,259 million
Purchases	¥588,919 million
Trading volume other than net sales and purchases	¥17,725 million

7. Explanatory notes regarding the non-consolidated statement of changes in equity

Number of shares of treasury shares as of the end of this fiscal year 1,448,431 shares

8. Explanatory notes regarding deferred tax accounting

Principal sources of deferred tax assets and deferred tax liabilities

Deferred tax assets	Provision for retirement benefits
Deferred tax liabilities	Valuation difference on available-for-sale securities

9. Explanatory notes regarding transactions with related parties

Subsidiaries

Name	Percentage of voting rights holding (or being held) (%)	Relationship with related party	Contents of transaction	Amount of transaction (millions of yen)	Account name	Amount outstanding as of the end of FY2020 (millions of yen)
Tokyo Gas America Ltd.	Holding Direct 100.0	Subsidiary	Subscription for new shares (Note 1)	43,352	—	—
TOKYO GAS PLUTO PTY LTD.	Holding Indirect 100.0	Subsidiary	Loan guarantee (Note 2)	14,287	—	—
TG Global Trading Co., Ltd.	Holding Direct 100.0	Subsidiary	Sale of LNG (Note 3)	46,272	—	—

Business terms and policies for determination of business terms

(Note 1) The Company subscribed for Tokyo Gas America Ltd.'s shares at USD 1,000 per share.

(Note 2) A decision is made comprehensively after due consideration of the project plan.

(Note 3) The decision on the transaction was made in consideration of the market price.

10. Explanatory notes regarding per share information

Net assets per share	¥1,847.23
Basic earnings per share	¥70.12

11. Explanatory notes regarding material subsequent events

(1) Acquisition of treasury shares

At the Board of Directors meeting held on April 27, 2022, the Company resolved to acquire treasury shares pursuant to Article 156 of the Companies Act as applied mutatis mutandis to Article 165, paragraph 3 of the law.

The details of the purchase of treasury shares are as follows.

- Type of stock to be acquired: The Company's common shares
- Total number of shares to be acquired: 8.5 million (upper limit) (Rate to total number of shares outstanding: 1.9%)
- Total value of shares to be acquired: ¥16 billion (upper limit)
- Term of acquisition: May 9, 2022 to September 30, 2022

12. Other explanatory notes

(1) Spin-off into Tokyo Gas Network Co., Ltd. (absorption-type company split)

The Company succeeded its gas pipeline business to Tokyo Gas Network Co., Ltd. by means of a spin-off on April 1, 2022 (hereinafter the 'Spin-off').

1) Background and purpose of Spin-off

Pursuant to the Gas Business Act revised in June 2015, the Company, which is a special general gas pipeline service provider, is prohibited from engaging in the gas production business or gas retail business and the gas pipeline business concurrently starting from April 2022 to ensure further neutrality of the gas pipeline business.

To meet the requirement of the Act, the Company established Tokyo Gas Network Co., Ltd., a wholly owned subsidiary, as a Spin-off Preparatory Company on April 1, 2021 and signed an absorption-type company split agreement with Tokyo Gas Network Co., Ltd. in which the Company's gas pipeline business, etc. is assumed by Tokyo Gas Network Co., Ltd., effective April 1, 2022.

2) Outline of Spin-off

・ Spin-off schedule

Board of Directors resolution for signing of absorption-type company split agreement (the Company)	April 28, 2021
Directors’ decision for signing of absorption-type company split agreement (the successor company)	April 28, 2021
Signing of absorption-type company split agreement	April 28, 2021
Annual Shareholders Meeting approval of absorption-type company split agreement (the Company)	June 29, 2021
Extraordinary Shareholders Meeting approval of absorption-type company split agreement (the successor company)	June 29, 2021
Effective date of absorption-type company split agreement	April 1, 2022

・ Spin-off method

An absorption-type company split with the Company as the spin-off company and Tokyo Gas Network Co., Ltd., a wholly owned subsidiary, as the successor company.

・ Allotment pertaining to Spin-off

In the Spin-off, Tokyo Gas Network Co., Ltd., which is the successor company, issued 12.63 million shares of common shares and allocate all of the shares to the Company.

・ Treatment of share acquisition rights and bonds with share acquisition rights following Spin-off

The Company issued neither share acquisition rights nor bonds with share acquisition rights.

・ Changes in capital stock due to Spin-off

There is no changes in the capital stock of the Company.

・ Rights and obligations assumed by the successor company

Pursuant to the provision of the absorption-type company split agreement dated April 28, 2021 that was entered into with the Company, the successor company assumed the Company’s rights and obligations related to the Company’s gas pipeline business and ancillary businesses on the effective date.

The successor company’s assumption of debt due to the Spin-off shall be done without recourse to the Company.

Any debt pertaining to the Company’s existing bonds sold through public offerings was not assumed by the successor company.

・ Prospect of fulfillment of obligations

No problems are foreseen in the fulfillment of obligations by the Company and the successor company after the Spin-off since the assets of both the Company and the successor company are expected to exceed liabilities after the Spin-off and no circumstance that could impede the fulfillment of obligations to be borne after the Spin-off is anticipated at present.

3) Outline of operating units to be spun off

- Description of operations to be spun off
  Gas pipeline business and ancillary businesses
- Operating results of units to be spun off (Results for the fiscal year ended March 31, 2022)

Description of operations to be spun off	Net sales of operations to be spun off (a)	Net sales of the Company (Non-consolidated) (b)	Ratio (a/b)
Gas pipeline business and ancillary businesses	¥88,651 million	¥1,921,391 million	4.6%

Note: Net sales are sales to external customers.

- Category and amount of assets and liabilities to be spun off (As of March 31, 2022)

Assets		Liabilities	
Category	Amount	Category	Amount
Non-current assets	¥613,988 million	Non-current liabilities	¥3,628 million
Current assets	¥47,834 million	Current liabilities	¥48,079 million
Total	¥661,823 million	Total	¥51,708 million

4) Status of the Company after Spin-off (As of April 1, 2022)

(1) Company name	Tokyo Gas Co., Ltd.
(2) Address	5-20, Kaigan 1-chome, Minato-ku, Tokyo
(3) Name and title of representative	Takashi Uchida, Representative Corporate Executive Officer, President
(4) Business	Gas production business, gas retail business, etc.
(5) Capital	¥141,844 million
(6) Closing date	March 31

5) Status of the successor company after Spin-off (As of April 1, 2022)

(1) Company name	Tokyo Gas Network Co., Ltd.
(2) Address	5-20, Kaigan 1-chome, Minato-ku, Tokyo
(3) Name and title of representative	Kunio Nohata, Representative Director, President
(4) Business	Gas pipeline business, etc.
(5) Capital	¥10,000 million
(6) Closing date	March 31

(2) Share-based compensation plan for directors, corporate executive officers and executive officers]

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. The Company has also decided to introduce a similar share-based compensation plan for its executive officers (the two share-based compensation plans are hereinafter collectively referred to as the 'Plan'; the directors, corporate executive officers and executive officers are hereinafter collectively referred to as the 'Executives').

Accounting for the Plan is based on the Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts (PITF No. 30, March 26, 2015).

1) Overview of transaction

The Plan is a trust-type share-based compensation plan under which a trust established by the Company by contributing cash (hereinafter, the ‘Trust’) acquires Company shares equivalent to the number of points granted by the Company to each Executive, who then receives delivery of the shares.

Under the Plan, Company shares will be delivered to executives in office during the three fiscal years from the fiscal year ending March 31, 2022, to the fiscal year ending March 31, 2024 (hereinafter, the ‘Applicable Period’). As a general rule, Executives shall receive the Company shares when they resign/retire.

2) Company shares remaining in trust

Company shares remaining in trust have been recorded as treasury stock at their carrying amount in the trust (excluding the amount of incidental expenses) under net assets. The carrying amount and number of shares of said treasury stock at the end of the fiscal year under review were ¥460 million and 223,800 shares.

(3) Amounts less than one million yen are rounded down.