

Dear Shareholders:

**NOTICE OF CONVOCAION OF
THE 221st ANNUAL SHAREHOLDERS MEETING**

We hereby would like to inform you of the 221st Annual Shareholders Meeting of Tokyo Gas Co., Ltd. (hereinafter, 'the Company'), to be held as described below.

We request that you exercise your voting rights for the Annual Shareholders Meeting in advance in writing or via the Internet if possible. In that case, we respectfully ask you to exercise your voting rights in advance after reading the REFERENCE MATERIALS FOR THE SHAREHOLDERS MEETING starting from page 5.

Sincerely yours,

Takashi Uchida

Representative Director, President

TOKYO GAS CO., LTD.

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

1. Date and Hour: 10 a.m., Tuesday, June 29, 2021 (the reception starts at 9 a.m.)
2. Place: Tokyo Gas Building 2F
5-20, Kaigan 1-chome, Minato-ku, Tokyo
3. Agenda:
 - (1) Matters to report:

'Business Report,' 'Consolidated Financial Statements,' 'Non-Consolidated Financial Statements,' 'Independent Auditor's Report' and 'Audit Report' by the Audit & Supervisory Board on the Consolidated Financial Statements for the 221st fiscal year (from April 1, 2020 to March 31, 2021)
 - (2) Matters to resolve:
 - Proposal No. 1: Approval of the Appropriation of Surplus
 - Proposal No. 2: Partial Amendments to the Articles of Incorporation
 - Proposal No. 3: Election of Nine (9) Directors
 - Proposal No. 4: Approval of the Absorption-type Company Split Agreement

4. Exercise of Voting Rights:

(1) When attending the meeting

Please bring the enclosed voting form on the day of the meeting and present it to the receptionist.

(2) When not attending the meeting

1) When exercising voting rights by mail

Please indicate on the enclosed voting form your approval or disapproval for each proposal and post it.

Deadline: Form must be delivered by 5:30 p.m. on Monday, June 28, 2021.

[Handling of voting rights]

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

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

Please read 'Instruction for Exercise of Voting Rights via the Internet and other methods' starting from page 4 and enter your approval or disapproval for each proposal and submit them by 5:30 p.m. on Monday, June 28, 2021.

(3) Duplication of votes

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

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

[Company's website www.tokyo-gas.co.jp]

=====

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

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

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

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

* Re-scanning the QR Code will redirect you to the desktop version of the web-site.

- By entering your voting code and password
WEB-SITE FOR EXERCISE OF VOTING RIGHTS: <https://www.web54.net>
 - 1 Go to the WEB-SITE FOR EXERCISE OF VOTING RIGHTS.
 - 2 Enter the 'voting code' shown in the CARD FOR EXERCISE OF VOTING RIGHTS.
 - 3 Enter the 'password' shown in the CARD FOR EXERCISE OF VOTING RIGHTS.
 - 4 Enter your approval or disapproval for each proposal by following the instructions shown on screen.

* Please exercise your voting rights via the Internet by **5:30 p.m. on Monday, June 28, 2021**, the day before the Annual Shareholders Meeting.

If you exercise your voting rights more than once via the Internet, the vote exercised last shall be deemed valid.

* Telecommunication charges (telephone fees) may be required in some cases. Please note that such charges will be borne by the shareholders.

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

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

REFERENCE MATERIALS FOR THE SHAREHOLDERS MEETING

Proposals and References

Proposal No. 1: Approval of the Appropriation of Surplus

Based on the Company's 'Policy on Determination of Dividends from Surplus and Others' (see the Reference below), the Company will pay a dividend from surplus (year-end dividend) of ¥30 per share.

Together with the midterm dividend of ¥30 per share, the total dividend to be paid during the year is ¥60 per share.

(1) Allocation of dividend property and its aggregate amount:

Cash ¥30 per share

Aggregate amount of dividends ¥13,229,944,050

(2) Dividend effective date

Wednesday, June 30, 2021

[Reference]

- Policy on Determination of Dividends from Surplus and Others

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

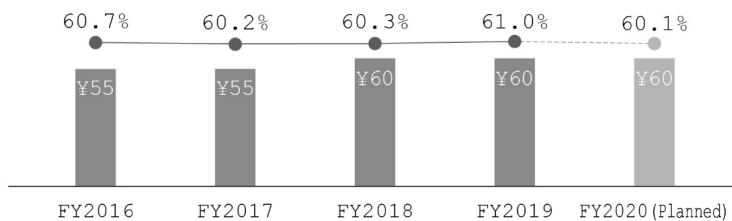
Specifically, the Company has positioned acquisition of its own shares based on assumption of retirement, in addition to dividends, as a form of its return to the shareholders, and has set the targeted gross distribution propensity (the ratio of the amount of dividends and acquisition of its own shares to consolidated profit) at about 60% for each year until FY2022.

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

*The Company is currently reviewing the aforementioned shareholder return policy and will announce the policy promptly once it is finalized. (See the November 30, 2020 press release, 'Management Reform Initiatives of the Tokyo Gas Group in View of the COVID-19 Pandemic')

- Shareholder Returns

■ Full-year dividend per share ● Gross distribution propensity



<Target> About 60% for each year

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

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

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reason for amendment

The Company will make a transition to a Company with a Nominating Committee, etc. to ensure appropriate and prompt decision-making through business execution and to enhance the supervisory function of the Board of Directors. Accordingly, necessary changes will be made to the Articles of Incorporation, including adding provisions relating to the Nominating Committee, Audit Committee, and Compensation Committee as well as the execution thereof, and deleting provisions relating to Audit & Supervisory Board Members and the Audit & Supervisory Board.

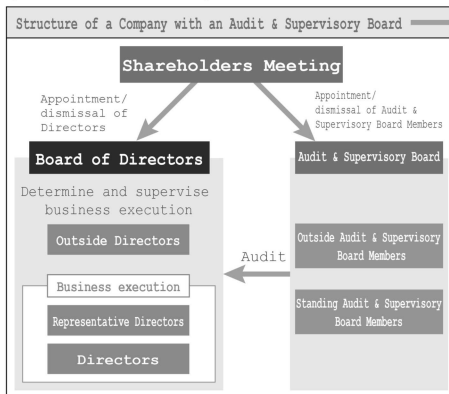
Given the increased supervisory function that will accompany the transition to a Company with a Nominating Committee, etc., necessary changes such as newly establishing a provision for Article 36 of the proposed changes (the Decision-making Body for Distribution of Retained Earnings) will be made in accordance with the provisions of each item of Article 459, paragraph 1 of the Companies Act, in order to enable the Board of Directors to make flexible decisions on matters such as dividends from surplus even in times of emergency.

Furthermore, we will partially update Article 2 [Purpose] of the current Articles of Incorporation in order to clarify our business, based on adding depth to business management that further places emphasis on ESG.

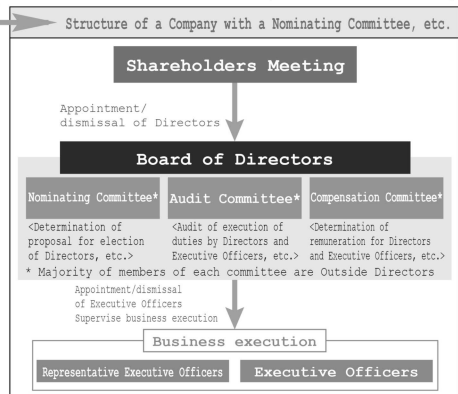
We will also make changes, etc. to article numbers based on the above.

Amendments to the Articles of Incorporation shall come into effect at the conclusion of this Annual Shareholders Meeting.

(Current situation)



(After amendments)



2. Contents of amendments

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

(Amendments are underlined)	
Current Provisions	Proposed Amendments
[Purpose]	[Purpose]
Article 2	Article 2
The purpose of the company shall be to engage in the following business:	The purpose of the company shall be to engage in the following business <u>in Japan and overseas</u> :
1) Gas business.	1) <u>Gas business, electricity business, heat supply business, business related to hydrogen and renewable energy, energy trading business, and other energy-related business.</u>
2) Heat supply business.	2) <u>Business related to the manufacture, process, transport, and sale of energy-related products, industrial and medical gases, and chemical industrial products.</u>
3) Electronic supply business.	3) <u>Business related to the manufacture, sale, lease, installation, operation, and maintenance of home equipment, energy services, and lifestyle-related services.</u>
4) Collection and buying and selling of natural gas.	4) <u>Business related to design, management, construction, and other engineering of engineering works, construction, electricity, tube construction, and machine apparatus installation construction.</u>
5) Manufacture, transport, and sale of high pressure gas such as liquefied natural gas, liquefied petroleum gas, liquefied oxygen, and liquid nitrogen in kind.	5) <u>Business related to regional development and business related to letting and hiring, buying and selling, mediation, management, and related services of real estate.</u>
6) Process and sale of coke and tar products, oil products, medicines, and organic chemical industrial products such as benzene, toluene and xylene in kind.	6) <u>Telecommunications business and information processing and information provision services.</u>
7) Manufacture and sale of gas appliances and home equipment such as kitchen equipment, air-conditioning equipment, bathtubs, and bathroom vanity units in kind.	7) <u>Leasing business, financing business, non-life insurance agency business, life insurance agency business, and</u>
8) Design, management, and construction of engineering works, construction, electricity, tube construction, and machine apparatus installation construction.	
9) Letting and hiring, buying and selling, mediation and management of real estate, and warehousing business.	
10) Design, product and sale of air pollution control equipment, water pollution prevention devices, and waste treatment equipment for environmental preservation; and business for the reproduction processing of soil.	

(Amendments are underlined)	
Current Provisions	Proposed Amendments
11) Provision of information processing, provision services, and communication services, and the production and sale of computers and related computer hardware / software of peripheral equipment / telecommunications equipment.	credit business.
12) Security disaster prevention business and sales of crime prevention / disaster prevention system equipment.	8) <u>Design, manufacture, and sale of equipment for environmental preservation and business related to the reproduction processing of soil.</u>
13) Integrated leasing business and financing business.	9) <u>Business related to security disaster prevention business.</u>
14) Management of hotels / restaurants / sport facilities / rental halls / and showrooms; holding and management of various seminars and culture classes / entertainment for sports and cooking in kind; and travel business.	10) <u>Business related to the operation of hotels, restaurants, etc.</u>
15) Sale of daily necessary miscellaneous goods / food; gardening service industry such as the cultivation and sale of floriculture / foliage plants.	11) <u>Advertising business, worker dispatch business, and travel agent business.</u>
16) Non-life insurance agency business, life insurance agency business, money collection agency business, trustee businesses of housework assistance such as cleaning / home building and repairs, etc., credit card business, advertising business, publication business and worker dispatch business.	12) <u>Ship leasing and ship operation business.</u>
17) Ship leasing and ocean shipping.	13) <u>Investigation, research and consulting business concerning each of the preceding items.</u>
18) Investigation, research and consulting business concerning each of the preceding clauses.	14) <u>Business incidental or related to each of the preceding items.</u>

(Amendments are underlined)	
Current Provisions	Proposed Amendments
<p>19) Business related to accompanying each of the preceding clauses.</p> <p>[Governing Body] Article 4</p> <p>The Company shall, besides the General Meeting of Shareholders and Directors, have the following governing bodies.</p> <ol style="list-style-type: none"> 1) Board of Directors 2) Audit & Supervisory Board Members and Audit & Supervisory Board 3) Accounting Auditor 	<p>[Governing Body] Article 4</p> <p>The Company shall, besides the General Meeting of Shareholders and Directors, have the following governing bodies <u>as a Company with a Nominating Committee, etc.</u></p> <ol style="list-style-type: none"> 1) Board of Directors 2) <u>Nominating Committee, Audit Committee, and Compensation Committee</u> 3) <u>Executive Officers</u> 4) Accounting Auditor
<p><u>Chapter II: SHARES</u> [Administrator of Shareholder Registry] Article 11</p> <ol style="list-style-type: none"> (1) The Company shall have an Administrator of Shareholder Registry. (2) The Administrator of Shareholder Registry and the location of its administrative handling office shall be determined by resolution of the Board of Directors and public notice of such shall be made. (3) The preparation and keeping of the Company's shareholder registry and share option registry, and other administrative work related to the shareholder registry and share option registry shall be entrusted to the Administrator of Shareholder Registry and shall not be handled by the Company itself. 	<p><u>Chapter II: SHARES</u> [Administrator of Shareholder Registry] Article 11</p> <ol style="list-style-type: none"> (1) The Company shall have an Administrator of Shareholder Registry. (2) A public notice shall be made <u>with regard to the</u> Administrator of Shareholder Registry and the location of its administrative handling office. (3) The preparation and keeping of the Company's shareholder registry and share option registry, and other administrative work related to the shareholder registry and share option registry shall be entrusted to the Administrator of Shareholder Registry and shall not be handled by the Company itself.
<p><u>Chapter III: SHAREHOLDERS MEETING</u> [Convenor of Shareholders Meetings and Chairperson] Article 15</p> <ol style="list-style-type: none"> (1) Unless otherwise provided for by law or regulations, the President of the Company shall call a shareholders meeting in accordance with a resolution 	<p><u>Chapter III: SHAREHOLDERS MEETING</u> [Convenor of Shareholders Meetings and Chairperson] Article 15</p> <ol style="list-style-type: none"> (1) <u>Unless otherwise provided for by laws and regulations, a Director of the Company previously determined by the Board of Directors shall call</u>

(Amendments are underlined)	
Current Provisions	Proposed Amendments
<p>of the Board of Directors and act as Chairperson thereof.</p> <p>(2) If the President of the Company is unable to act in this capacity, one of the other Directors shall take his/her place in the order previously determined by resolution of the Board of Directors.</p>	<p>a shareholders meeting in accordance with a resolution of the Board of Directors. If such Director is unable to act in this capacity, another person shall take his/her place in the order previously determined by resolution of the Board of Directors.</p> <p>(2) The Executive Officer and President of the Company shall act as Chairperson of shareholders meetings. If the Executive Officer and President of the Company is unable to act in this capacity, another person shall take his/her place in the order previously determined by resolution of the Board of Directors.</p>
Chapter IV: DIRECTORS AND BOARD OF	Chapter IV: DIRECTORS AND BOARD OF
<u>DIRECTORS</u>	<u>DIRECTORS</u>
[Term of Office]	[Term of Office]
Article 21	Article 21
The term of office of a Director shall expire at the conclusion of the annual shareholders meeting for the latest business year ending within one (1) year from his/her appointment of office.	The term of office of a Director shall expire at the conclusion of the annual shareholders meeting for the business year ending within one (1) year from his/her appointment of office.
[Representative Directors and Directors with Title]	[Directors with Title]
Article 22	Article 22
(1) Representative Directors of the Company shall be elected by resolution of the Board of Directors.	(1) The Board of Directors may appoint, by its resolution, a Chairperson and Directors with other titles.
(2) The Board of Directors may appoint, by its resolution, one (1) Chairperson, one (1) President, and, where necessary, one (1) or more Directors with other titles.	(2) (Deleted)
[Calling of Meeting of the Board of Directors and Chairperson]	[Calling of Meeting of the Board of Directors and Chairperson]
Article 23	Article 23
(1) Except as otherwise provided by laws and regulations, the	(1) Except as otherwise provided by laws and regulations, the

Current Provisions	(Amendments are underlined) Proposed Amendments
<p>Board of Directors shall be called and presided over by the Chairperson of the Board of Directors.</p> <p>(2) If the Chairperson of the Board of Directors is unable to act in this capacity, one of the other Directors shall take his/her place in the order previously determined by the Board of Directors.</p> <p>(3) Notice of calling of a meeting of the Board of Directors shall be dispatched to each Director and Audit & Supervisory Board Member three (3) days prior to the date of such meeting, provided, however, that such period may be shortened in case of emergency.</p> <p>(4) Notwithstanding the foregoing, the Board may be called without following procedures as set forth herein in case there is unanimous agreement among the Directors and Audit & Supervisory Board Members to that effect.</p>	<p>Board of Directors shall be called and presided over by <u>a Director previously determined by the Board of Directors. If the Director is unable to act in this capacity, one of the other Directors shall take his/her place in the order previously determined by the Board of Directors.</u></p> <p>(2) <u>(Deleted)</u></p> <p>(2) Notice of calling of a meeting of the Board of Directors shall be dispatched to each <u>Director</u> three (3) days prior to the date of such meeting, provided, however, that such period may be shortened in case of emergency.</p> <p>(3) Notwithstanding the foregoing, the Board may be called without following procedures as set forth herein in case there is unanimous agreement among the <u>Directors</u> to that effect.</p>
<p>[Remuneration etc.]</p> <p>Article 25</p> <p>The remuneration, bonuses and other monetary benefits received from the Company by Directors as consideration for execution of their duties (hereinafter referred to as 'Remuneration etc.') shall be determined by resolution of a shareholders meeting.</p>	<p>[Remuneration etc.]</p> <p>Article 25</p> <p><u>(Deleted)</u></p>
<p>[Exemption from Liability of Directors]</p> <p>Article 26</p> <p>(Omitted)</p>	<p>[Exemption from Liability of Directors]</p> <p>Article <u>25</u></p> <p>(Same as at present)</p>
<p>[Executive Advisor and Executive Consultant]</p> <p>Article 27</p> <p>(Omitted)</p>	<p>[Executive Advisor and Executive Consultant]</p> <p>Article <u>26</u></p> <p>(Same as at present)</p>
<p>[Regulations of the Board of Directors]</p>	<p>[Regulations of the Board of Directors]</p>

(Amendments are underlined)	
Current Provisions	Proposed Amendments
Article 28 (Omitted)	Article 27 (Same as at present)
<u>Chapter V: AUDIT & SUPERVISORY BOARD MEMBERS AND THE AUDIT & SUPERVISORY BOARD</u> [Number of Audit & Supervisory Board Members] Article 29 (1) The Company shall have not more than five (5) Audit & Supervisory Board Members. (2) In case a vacancy arises, the Company may postpone filling such vacancy unless the minimum number of Audit & Supervisory Board Members required by law has not been satisfied. [Election] Article 30 (1) Resolutions to elect Audit & Supervisory Board Members shall be adopted by a majority vote of the voting rights held by the attending shareholders holding not less than one-third of the total voting rights of all shareholders who are entitled to exercise their voting rights. (2) The validity of the election of Substitute Audit & Supervisory Board Members shall expire at the opening of the ordinary general meeting of shareholders for the last business year that ends within four (4) years from their election. [Term of Office] Article 31 (1) The term of office of an Audit & Supervisory Board Member shall expire at the conclusion of the ordinary general meeting of shareholders for the last business year that ends within four (4) years from their appointment. (2) The term of office of an	<u>Chapter V: AUDIT & SUPERVISORY BOARD MEMBERS AND THE AUDIT & SUPERVISORY BOARD (Deleted)</u>

Current Provisions	(Amendments are underlined) Proposed Amendments
<p>Audit & Supervisory Board Member elected as a substitute (Substitute Audit & Supervisory Board Member), and the term of office in the event that a substitute Audit & Supervisory Board Member assumes the office of Audit & Supervisory Board Member shall be the remaining term of office of his/her predecessor.</p>	
<p>[Full-time Audit & Supervisory Board Member]</p>	
<p>Article 32</p> <p>The Audit & Supervisory Board shall appoint Full-time Audit & Supervisory Board Members from among the Audit & Supervisory Board Members.</p>	
<p>[Calling of the Audit & Supervisory Board]</p>	
<p>Article 33</p> <p>(1) Notice of calling of a meeting of the Audit & Supervisory Board shall be dispatched to each Audit & Supervisory Board Member no later than three (3) days prior to the date of such meeting; provided, however, that such period may be shortened in case of emergency.</p> <p>(2) Notwithstanding the foregoing, the Board may be called without following procedures as set forth herein in case there is unanimous agreement among the Audit & Supervisory Board Members to that effect.</p>	
<p>[Remuneration etc.]</p>	
<p>Article 34</p> <p>The remuneration, etc. of Audit & Supervisory Board Members shall be determined by resolution of a shareholders meeting.</p>	
<p>[Exemption from Liability of Audit & Supervisory Board]</p>	

Current Provisions	(Amendments are underlined) Proposed Amendments
<p>Members]</p> <p>Article 35</p> <p>(1) With respect to the liability of Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) under Paragraph 1, Article 423 of the 'Companies Act', Audit & Supervisory Board Members may, by resolution of the Board of Directors, be exempted from their liability to the extent as prescribed by Paragraph 1, Article 425 of the 'Companies Act' where the said Audit & Supervisory Board Member undertook his/her duties in good faith and without gross negligence.</p> <p>(2) The Company may enter into agreements with Outside Audit & Supervisory Board Members that limit their liability for damages under Article 423, Paragraph 1 of the Companies Act, to the extent stipulated by Article 425, Paragraph 1 of the Companies Act, provided that the Outside Audit & Supervisory Board Members have performed their duties in good faith and without gross negligence.</p> <p>[Regulations of the Audit & Supervisory Board]</p> <p>Article 36</p> <p>Matters concerning the Audit & Supervisory Board shall be governed by applicable laws and regulations and/or these Articles of Incorporation, as well as by regulations for the Audit & Supervisory Board.</p>	
	<p><u>Chapter V: NOMINATING COMMITTEE, AUDIT COMMITTEE, AND COMPENSATION COMMITTEE</u></p> <p><u>[Appointment]</u></p> <p>Article 28</p> <p><u>Members who constitute the Nominating Committee, Audit Committee, and Compensation</u></p>

Current Provisions	(Amendments are underlined) Proposed Amendments
	<p>Committee shall be appointed from among the Directors, by resolution of the Board of Directors.</p> <p><u>[Committee Regulations]</u></p> <p><u>Article 29</u></p> <p>Matters concerning each Committee shall be governed by applicable laws and regulations and/or these Articles of Incorporation, as well as by regulations for each Committee established by the Board of Directors.</p>
	<p><u>Chapter VI: EXECUTIVE OFFICERS</u></p> <p><u>[Election]</u></p> <p><u>Article 30</u></p> <p>Executive Officers shall be elected by resolution of the Board of Directors.</p> <p><u>[Term of Office]</u></p> <p><u>Article 31</u></p> <p>The term of office of an Executive Officer shall expire on the last day of the business year ending within one (1) year from his/her appointment of office.</p> <p><u>[Representative Executive Officer and Executive Officers with Titles]</u></p> <p><u>Article 32</u></p> <p>(1) Representative Executive Officers shall be appointed by resolution of the Board of Directors.</p> <p>(2) One (1) Executive Officer and President shall be elected by resolution of the Board of Directors. Executive Officers with other titles may be appointed by resolution of the Board of Directors.</p> <p><u>[Exemption from Liability of Executive Officers]</u></p> <p><u>Article 33</u></p> <p>With respect to the liability of Executive Officers</p>

(Amendments are underlined)	
Current Provisions	Proposed Amendments
	<p>(including former Executive Officers) under Paragraph 1, Article 423 of the 'Companies Act', Executive Officers may, by resolution of the Board of Directors, be exempted from their liability to the extent as prescribed by Paragraph 1, Article 425 of the 'Companies Act' where the said Executive Officer undertook his/her duties in good faith and without gross negligence.</p> <p><u>[Regulations for Executive Officers]</u> Article 34 Matters concerning the Executive Officers shall be governed by applicable laws and regulations and/or these Articles of Incorporation, as well as by regulations for Executive Officers established by the Board of Directors.</p>
<p><u>Chapter VI: ACCOUNTS</u></p> <p><u>[Business Year]</u> Article 37 (Omitted)</p> <p><u>[Record Date of Distribution of Retained Earnings]</u> Article 38 The record date of year-end dividends shall be the 31st of March of each year.</p> <p><u>[Interim Dividends]</u> Article 39 By resolution of the Board of Directors, the Company may distribute interim dividends as of the 30th of September of each year as its record date.</p>	<p><u>Chapter VII: ACCOUNTS</u></p> <p><u>[Business Year]</u> Article 35 (Same as at present)</p> <p><u>[Decision-making Body for Distribution of Retained Earnings]</u> Article 36 The Company may, by resolution of the Board of Directors, decide the distribution of retained earnings and other matters set forth in each Item of Paragraph 1, Article 459 of the 'Companies Act'.</p> <p><u>[Record Date of Distribution of Retained Earnings]</u> Article 37 The record dates for the distribution of retained earnings shall be the 31st of March and the 30th of September of each year. Retained earnings may be additionally distributed by setting record dates.</p>

(Amendments are underlined)	
Current Provisions	Proposed Amendments
<p>[Time Limitation of Dividends Demands] Article 40 (Omitted)</p> <p>[Period of Conversion of Convertible Bonds and Exercising of Rights of Corporate Bonds with share options] Article 41 With respect to the initial distribution of retained earnings on shares issued upon the conversion of convertible bonds or the exercising of rights of corporate bonds with share options, such request for conversion or exercising of rights shall be deemed to have been made on the 1st of April where the request is made between the 1st of April and the 30th of September, or on the 1st of October where the request is made from the 1st of October and the 31st of March of the following year, and payments shall be made accordingly.</p>	<p>[Time Limitation of Dividends Demands] Article <u>38</u> (Same as at present)</p> <p>[Period of Conversion of Convertible Bonds and Exercising of Rights of Corporate Bonds with share options] (<u>Deleted</u>)</p>
	<p><u>SUPPLEMENTARY PROVISIONS</u> <u>[Transitional Measures]</u> <u>Article 1</u> With regard to the liability of Audit & Supervisory Board Members prior to the conclusion of the 221st annual shareholders meeting, the provisions of Article 35 of the Articles of Incorporation before being amended at the said shareholders meeting shall remain in force.</p>

Proposal No. 3: Election of Nine (9) Directors

The term of office of all the current nine (9) Directors ends at the conclusion of this Annual Shareholders Meeting. Therefore, we hereby propose the election of nine (9) Directors. The nominees for Directors are as follows. The Company will transition from a Company with an Audit & Supervisory Board to a Company with a Nominating Committee, etc., subject to the approval of Proposal No. 2 'Partial Amendments to the Articles of Incorporation.' Accordingly, the term of office of all the current five (5) Audit & Supervisory Board Members also ends at the conclusion of this Annual Shareholders Meeting.

No.	Name	Current position and areas of responsibility in the Company	Note	Attendance to the Board of Directors meetings
1	Michiaki Hirose	Director and Chairman of the Board	Reelection	100% (12 / 12)
2	Takashi Uchida	Representative Director, President	Reelection	100% (12 / 12)
3	Isao Nakajima	Standing Audit & Supervisory Board Member	Newly elected	*
4	Hitoshi Saito	Director	Reelection Outside Independent	100% (12 / 12)
5	Kazunori Takami	Director	Reelection Outside Independent	100% (12 / 12)
6	Junko Edahiro	Director	Reelection Outside Independent	100% (12 / 12)
7	Mami Indo	Director	Reelection Outside Independent	100% (10 / 10)
8	Sawako Nohara	Audit & Supervisory Board Member	Newly elected Outside Independent	*
9	Hiromichi Ono	Audit & Supervisory Board Member	Newly elected Outside Independent	*

* Mr. Isao Nakajima, Ms. Sawako Nohara, and Mr. Hiromichi Ono all attended meetings of the Board of Directors for the business year under review as Audit & Supervisory Board Members. The details of attendance for the two Outside Audit & Supervisory Board Members are as provided in "4. Matters Related to Directors and Audit & Supervisory Board Members of the Company, (5) Matters Related to Outside Officers" of the Business Report.

- Notes: 1. There is no special interest between the nominees for Directors and the Company.
2. The Company has entered into an agreement with Hitoshi Saito, Kazunori Takami, Junko Edahiro and Mami Indo to limit their liability under Article 423, paragraph 1 of the Companies Act to the amount provided for in Article 425, paragraph 1 of the same Act. If they are reelected, the Company plans to renew the aforementioned agreement with them. If the election of Sawako Nohara and Hiromichi Ono is approved, the Company plans to enter into the same agreements with them.
3. If the election of each candidate is approved, the Company plans to enter into indemnity agreements provided for in Article 430-2, paragraph 1 of the Companies Act. Under the agreements, the Company will indemnify each candidate for the expenses provided for in item 1 and the losses provided for in item 2 of Article 430-2, paragraph 1, to the extent provided for in laws and regulations, on the condition that there is no malicious intent or gross negligence in the execution of their duties. The Company has entered into the same agreement with each Director and Audit & Supervisory Member.
4. If the election of each candidate is approved, the Company plans to enter into a directors and officers liability insurance (D&O insurance) agreement with each

candidate as an insured person as stipulated in Article 430-3, paragraph 1 of the Companies Act. The D&O insurance agreement covers damages and litigation expenses incurred by the insured person due to claims for damages made as a result of action taken by the insured person based mainly on the position of the officer, etc. of the company (including omissions), and the Company plans to fully bear the insurance premiums of the insured person. The Company has entered into the same agreement with each Director and Audit & Supervisory Member as the insured person.

5. The career summaries of the respective candidates are current as of the preparation of this REFERENCE MATERIALS FOR THE SHAREHOLDERS MEETING (May 19, 2021).

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]	
1	<p>Reelection</p> <p>Michiaki Hirose (October 2, 1950)</p> <p>Number of the Company's shares held 39,700</p> <p>Attendance to the Board of Directors meetings: 12 / 12 (100%)</p>	<p>April 1974 Joined the Company</p> <p>April 2004 Executive Officer and Assistant to Chief Executive of Corporate Communication Div.</p> <p>April 2006 Executive Officer and General Manager of Corporate Planning Dept. of Strategic Planning Div.</p> <p>April 2007 Senior Executive Officer and in charge of Corporate Planning Dept., Infrastructure Project Dept., Finance Dept., Accounting Dept. and Affiliated Companies Dept.</p> <p>April 2008 Senior Executive Officer and in charge of Corporate Planning Dept., Investor Relations Dept., Finance Dept., Accounting Dept., Affiliated Companies Dept. and Gas Industry Privatization Research Project Dept.</p> <p>April 2009 Senior Executive Officer and in charge of Corporate Planning Dept. and Affiliated Companies Dept.</p> <p>June 2009 Director, Senior Executive Officer and in charge of Corporate Planning Dept., Corporate Communications Dept. and Affiliated Companies Dept.</p> <p>January 2010 Director, Senior Executive Officer and in charge of Corporate Planning Dept., Project Management Dept., Corporate Communications Dept. and Affiliated Companies Dept.</p> <p>April 2012 Representative Director, Executive Vice President and Chief Executive of Living Energy Div.</p> <p>April 2013 Representative Director, Executive Vice President and Chief Executive of Residential Sales and Service Div.</p> <p>April 2014 Representative Director, President</p> <p>April 2018 Director and Chairman of the Board (Current position)</p>	
<p>Reason for nomination as Director</p> <p>Mr. Michiaki Hirose has experience mainly in operations related to corporate planning. He has been engaged in efforts to establish the corporate structure and system for a global total energy corporate group, while leading the formulation of the management vision as well as the construction of a group formation. We propose that Mr. Michiaki Hirose be reelected as Director, as he currently serves as the Chairman of the Board and has been promoting the enhancement of corporate governance.</p>			

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]		
2	Reelection	April	1979	Joined the Company
	Takashi Uchida	April	2010	Executive Officer and General Manager of Corporate Planning Dept.
	(April 17, 1956)	April	2012	Senior Executive Officer and in charge of Personnel Dept., Secretary Dept., Compliance Dept. and Internal Audit Dept.
	Number of the Company's shares held 23,500	April	2013	Senior Executive Officer and Chief Executive of Energy Resources Business Div.
		June	2015	Director, Senior Executive Officer and Chief Executive of Energy Resources Business Div.
		April	2016	Representative Director, Executive Vice President and Chief Executive of Residential Sales and Service Div.
	Attendance to the Board of Directors meetings: 12 / 12 (100%)	April	2017	Representative Director, Executive Vice President and Chief Executive of Residential Service Div.
		April	2018	Representative Director, President (Current position)
Reason for nomination as Director Mr. Takashi Uchida has experience mainly in operations related to corporate planning, and energy resources & global business. In recent years, he has been engaged in efforts to address various management issues amid changes to the environment surrounding the Company, including the full deregulation of the electric power and gas retail markets. We propose that Mr. Takashi Uchida be reelected as Director, as he currently serves as the President and has been promoting new challenges of the Group toward the realization of 'Compass 2030,' the management vision formulated in 2019.				

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]		
3	Newly elected Isao Nakajima (December 5, 1958) Number of the Company's shares held 12,900	April	1982	Joined the Company
		April	2008	General Manager of Finance Dept.
		April	2011	General Manager of Middle Branch
		April	2012	General Manager of TG-Group Reorganization Project Dept.
		April	2013	Executive Officer and General Manager of Residential Sales Planning Dept. of Residential Sales and Service Div.
		April	2015	Senior Executive Officer, CFO and in charge of Finance Dept., Accounting Dept., Purchasing Dept. and Real Estate Management Dept.
		April	2017	Senior Executive Officer, CFO and in charge of Finance Dept., Accounting Dept. and Personnel Dept.
		April	2018	Senior Managing Executive Officer, CFO and in charge of Finance Dept., Accounting Dept., Personnel Dept. and Purchasing Dept. (Retired in March 2019)
		June	2019	Standing Audit & Supervisory Board Member (Current position)
Reason for nomination as Director Mr. Isao Nakajima has abundant business experience and in-depth knowledge at the Company as well as considerable knowledge about financial and accounting matters from engaging mainly in financial and accounting-related operations and serving as Senior Managing Executive Officer and CFO. We propose that Mr. Isao Nakajima be elected as Director, as he currently serves as Standing Audit & Supervisory Board Member and is responsible for audit to ensure management legality and soundness.				

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]		
4	Reelection Outside Independent Hitoshi Saito (November 10, 1952) Number of the Company's shares held 0 Attendance to the Board of Directors meetings: 12 / 12 (100%)	April	1976	Joined Mitsui Fudosan Co., Ltd.
		April	2005	Managing Officer and Deputy Chief Executive of Office Building Div. of Mitsui Fudosan Co., Ltd.
		April	2007	Managing Officer and General Manager of International Dept. of Mitsui Fudosan Co., Ltd.
		April	2008	Executive Managing Officer of Mitsui Fudosan Co., Ltd.
		June	2011	Executive Managing Director and Executive Managing Officer of Mitsui Fudosan Co., Ltd.
		April	2013	Managing Director and Senior Executive Managing Officer of Mitsui Fudosan Co., Ltd.
		April	2015	Managing Director, Senior Executive Managing Officer and Chief Executive of International Div. of Mitsui Fudosan Co., Ltd.
		April	2017	Managing Director of Mitsui Fudosan Co., Ltd.
		June	2017	Advisor of Mitsui Fudosan Co., Ltd. (Retired in June 2020)
		June	2019	Outside Director of the Company (Current position)
		June	2019	Outside Director of GLOBESHIP Corporation (Current position)
		[Important concurrent posts] Outside Director of GLOBESHIP Corporation		
		Reason for nomination as Outside Director We propose that Mr. Hitoshi Saito be reelected as Outside Director with the expectation that he will contribute to strengthening the supervisory function in various businesses based on his cosmopolitan outlook he has acquired in overseas businesses in the real estate industry, as well as the management capabilities, broad outlook and in-depth knowledge he has acquired through a wide range of business development. Mr. Saito's tenure as an Outside Director of the Company will be two years as of the conclusion of this Annual Shareholders Meeting. The Company has designated Mr. Saito as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).		

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]		
5	Reelection Outside Independent Kazunori Takami (June 12, 1954) Number of the Company's shares held 400 Attendance to the Board of Directors meetings: 12 / 12 (100%)	April	1978	Joined Matsushita Electric Industrial Co., Ltd. (Current Panasonic Corporation)
		April	2006	Executive Officer of Matsushita Electric Industrial Co., Ltd. (Current Panasonic Corporation)
		April	2008	Managing Executive Officer of Matsushita Electric Industrial Co., Ltd. (Current Panasonic Corporation)
		April	2009	Managing Executive Officer, President of Home Appliances Company and in charge of Lighting Company of Panasonic Corporation
		June	2009	Managing Director of Panasonic Corporation
		April	2012	Representative Director, Senior Managing Executive Officer and President of Appliances Company of Panasonic Corporation
		April	2015	Representative Director, Executive Vice President and in charge of Japan region, Customer Satisfaction, and Design of Panasonic Corporation
		June	2015	Outside Director of Tokyo FM Broadcasting Co., Ltd. (Current position)
		June	2017	Corporate Advisor of Panasonic Corporation (Retired in March 2018)
		June	2018	Outside Director of Nojima Corporation (Current position)
		March	2019	Outside Director of FUJITA KANKO INC. (Current position)
		June	2019	Outside Director of the Company (Current position)
[Important concurrent posts] Outside Director of Tokyo FM Broadcasting Co., Ltd. Outside Director of Nojima Corporation Outside Director of FUJITA KANKO INC.				
Reason for nomination as Outside Director We propose that Mr. Kazunori Takami be reelected as Outside Director with the expectation that he will contribute to strengthening the supervisory function in various businesses based on his management capabilities, broad outlook and in-depth knowledge he has acquired through a wide range of business development in the electrical industry. Mr. Takami's tenure as an Outside Director of the Company will be two years as of the conclusion of this Annual Shareholders Meeting. The Company has designated Mr. Takami as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified him to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).				

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]		
6	<p>Reelection</p> <p>Outside</p> <p>Independent</p> <p>Junko Edahiro (November 23, 1962)</p> <p>Number of the Company's shares held 200</p> <p>Attendance to the Board of Directors meetings: 12 / 12 (100%)</p>	<p>July 1993 Interpreter and translator</p> <p>October 1998 Environmental journalist</p> <p>July 2002 CEO of EcoNetworks Co. (Retired in July 2005)</p> <p>August 2002 Joint Chief Executive of Japan for Sustainability (NGO)</p> <p>April 2003 Representative Director of Edahiroba Inc. (Current e's Inc.) (Current position)</p> <p>April 2005 Representative Director and Chairperson of Change Agent Inc.</p> <p>May 2006 Director and Chairperson of Change Agent Inc. (Current position)</p> <p>August 2010 Chief Executive of Japan for Sustainability (NGO) (Retired in July 2018)</p> <p>September 2014 Professor of Department of Environmental Management, Faculty of Environmental Studies of Tokyo City University (Retired in March 2018)</p> <p>August 2018 Professor of Shizenkan University Graduate School of Leadership & Innovation (Current position)</p> <p>June 2019 Outside Director of the Company (Current position)</p> <p>October 2019 Representative Director of Shimokawa Seeds K.K. (Current position)</p> <p>September 2020 Representative Director of mirai-sozo.work (Current position)</p> <p>[Important concurrent posts] Representative Director of e's Inc. Director and Chairperson of Change Agent Inc. Professor of Shizenkan University Graduate School of Leadership & Innovation Representative Director of Shimokawa Seeds K.K. Representative Director of mirai-sozo.work</p>		
<p>Reason for nomination as Outside Director</p> <p>We propose that Ms. Junko Edahiro be reelected as Outside Director with the expectation that she will contribute to strengthening the supervisory function in various businesses based on her experience as a corporate manager, advanced specialization related to environment and in-depth knowledge. Ms. Edahiro's tenure as an Outside Director of the Company will be two years as of the conclusion of this Annual Shareholders Meeting. The Company has designated Ms. Edahiro as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified her to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).</p>				

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]		
7	Reelection Outside Independent Mami Indo (November 6, 1962) Number of the Company's shares held 0 Attendance to the Board of Directors meetings: 10 / 10 (100%)	April	1985	Joined Daiwa Securities Co. Ltd.
		April	2009	Senior Managing Director and General Manager of Consulting Div. of Daiwa Institute of Research Ltd.
		August	2010	Senior Managing Director and General Manager of Consulting I Div. of Daiwa Institute of Research Ltd.
		April	2013	Executive Managing Director and Deputy General Manager of Investigation Div. of Daiwa Institute of Research Ltd.
		April	2016	Senior Managing Director of the Institute of Daiwa Institute of Research Ltd. (Retired in December 2016)
		December	2016	Commissioner of Securities and Exchange Surveillance Commission (Retired in December 2019)
		June	2020	Audit & Supervisory Board Member (External) of Ajinomoto Co., Inc. (Current position)
		June	2020	Outside Audit & Supervisory Board Member of AIG Japan Holdings KK (Current position)
		June	2020	Outside Director of the Company (Current position)
Reason for nomination as Outside Director We propose that Ms. Mami Indo be reelected as Outside Director with the expectation that she will contribute to strengthening the supervisory function in various businesses based on her extensive experience of corporate management in the finance sector, as an analyst and in the consulting business, and broad outlook and in-depth knowledge. Ms. Indo's tenure as an Outside Director of the Company will be one year as of the conclusion of this Annual Shareholders Meeting. The Company has designated Ms. Indo as the 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notified her to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).				

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]		
8	Sawako Nohara (January 16, 1958) Number of the Company's shares held 0	Newly elected	December 1988	Joined LIFE SCIENCE LABORATORIES, LTD.
		Outside	July 1995	Joined InfoCom Research, Inc.
			December 2000	Director of IPSe Marketing, Inc.
		Independent	December 2001	President and Representative Director of IPSe Marketing, Inc. (Current position)
			June 2006	Outside Director of NEC Corporation (Retired in June 2012)
			October 2009	Project Professor, Graduate School of Media and Governance of Keio University (Retired in September 2019)
			June 2012	Outside Audit & Supervisory Board Member of Sampo Japan Insurance Inc. (Retired in June 2013)
			June 2013	Outside Director of Sampo Holdings, Inc. (Current position)
			June 2014	Outside Director of JAPAN POST BANK Co., Ltd. (Retired in June 2020)
			June 2018	Independent Outside Director of the Board of Nissha Co., Ltd. (Retired in March 2019)
			June 2019	Outside Audit & Supervisory Board Member of the Company (Current position)
			June 2019	Member of the Board (Outside) of Daiichi Sankyo Company, Limited (Current position)
		April 2020	Project Professor, Graduate School of Media and Governance of Keio University (Current position)	
[Important concurrent posts]				
President and Representative Director of IPSe Marketing, Inc.				
Outside Director of Sampo Holdings, Inc.				
Member of the Board (Outside) of Daiichi Sankyo Company, Limited				
Reason for nomination as Outside Director We propose that Ms. Sawako Nohara be elected as Outside Director with the expectation that she will contribute to strengthening the supervisory function in various businesses based on her experience as a corporate manager, advanced specialization related to IT and in-depth knowledge. The Company plans to designate Ms. Nohara as an 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notify her to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange). Ms. Nohara's tenure as an Outside Audit & Supervisory Board Member of the Company will be three years as of the conclusion of this Annual Shareholders Meeting.				

No.	Name (Date of birth)	Career summary, position and areas of responsibility in the Company [Important concurrent posts]		
9	Newly elected Outside Independent	April	1979	Joined Ajinomoto Co., Inc.
		June	2007	Corporate Executive Officer and General Manager, Finance Dept. of Ajinomoto Co., Inc.
		June	2011	Member of the Board & Corporate Vice President (In charge of finance and purchasing) (Retired in June 2017)
	Hiromichi Ono (August 11, 1956) Number of the Company's shares held 0			Director of Japan Investor Relations Association (Retired in June 2017)
		April	2013	Member of the Investment Committee of Government Pension Investment Fund (Retired in June 2017)
		June	2019	Outside Director of Mebuki Financial Group, Inc. (Current position)
		June	2020	Outside Audit & Supervisory Board Member of the Company (Current position)
			[Important concurrent posts] Outside Director of Mebuki Financial Group, Inc.	
Reason for nomination as Outside Director We propose that Mr. Hiromichi Ono be elected as Outside Director with the expectation that he will contribute to strengthening the supervisory function in various businesses based on his experience as a corporate manager and considerable knowledge about financial and accounting matters. The Company plans to designate Mr. Ono as an 'Independent Officer' (Independent Director), who will not have conflicting interests with general shareholders, and notify him to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange). Mr. Ono's tenure as an Outside Audit & Supervisory Board Member of the Company will be one year as of the conclusion of this Annual Shareholders Meeting.				

[Reference]

Independence Standards for Outside Directors

TOKYO GAS CO., LTD.

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

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

Proposal No. 4: Approval of the Absorption-type Company Split Agreement

In this Proposal, we hereby request approval of the absorption-type company split agreement.

1. Reason for conducting an absorption-type company split

Pursuant to the Gas Business Act revised in June 2015, the Company, which is a special general gas pipeline service provider, will be 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. (hereinafter, the 'Successor Company'), 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 details in the absorption-type company split agreement

The details in the agreement are as follows.

Absorption-type Company Split Agreement (Copy)

This absorption-type company split agreement (hereinafter, this 'Agreement') is made and entered into by and between Tokyo Gas Co., Ltd. (hereinafter, 'Tokyo Gas') and Tokyo Gas Network Co., Ltd. (hereinafter, 'Tokyo Gas Network') as follows, concerning an absorption-type company split in which some of the rights and obligations Tokyo Gas has in connection to business are succeeded by Tokyo Gas Network (hereinafter, the 'Split').

Article 1 (Absorption-type Company Split)

Tokyo Gas shall have Tokyo Gas Network succeed the rights and obligations stated in Article 4, paragraph 1 concerning the general gas pipeline business and incidental businesses operated by Tokyo Gas (hereinafter, the 'Business') following the Split, and Tokyo Gas Network shall succeed such rights and obligations.

Article 2 (Trade Name and Address)

The parties involved in the Split shall be as follows:

- (1) Tokyo Gas (spin-off company in the absorption-type split)
Trade Name: Tokyo Gas Co., Ltd.
Address: 5-20, Kaigan 1-chome, Minato-ku, Tokyo
- (2) Tokyo Gas Network (Successor Company in the absorption-type split)
Trade Name: Tokyo Gas Network Co., Ltd.
Address: 5-20, Kaigan 1-chome, Minato-ku, Tokyo

Article 3 (Effective Date)

The date on which the Split becomes effective (hereinafter, the 'Effective Date') shall be April 1, 2022; provided, however, that if necessary in the course of the Split procedures, or if necessary for other reasons, this date may be changed through consultation between Tokyo Gas and Tokyo Gas Network.

Article 4 (Rights and Obligations, etc. to be Succeeded)

1. Assets, debts, employment contracts and other rights and obligations that shall be split from Tokyo Gas and that Tokyo Gas Network shall succeed

following the Split shall be as stated in the attached 'Statement of Rights and Obligations to be Succeeded.'

2. The succession of debts by Tokyo Gas Network from Tokyo Gas pursuant to the preceding paragraph shall be done without recourse to the Company.

Article 5 (Consideration for the Split)

Tokyo Gas Network shall issue 12.63 million common shares at the time of the Split, and shall allot all such shares to Tokyo Gas.

Article 6 (Tokyo Gas Network Capital Stock and Surplus)

The increase in Tokyo Gas Network capital stock and surplus following the Split shall be as follows:

- (1) Capital stock
The increase in capital stock following the Split shall be ¥9,995 million.
- (2) Legal capital surplus
The increase in legal capital surplus following the Split shall be ¥2,495 million.
- (3) Legal retained earnings
Legal retained earnings shall not increase following the Split.

Article 7 (Approval at Shareholders Meeting)

Tokyo Gas and Tokyo Gas Network shall each seek approval at a shareholders meeting regarding this Agreement and matters related to the Split by the day immediately preceding the Effective Date.

Article 8 (Obligation Not to Compete)

Tokyo Gas shall not assume the obligation not to compete in connection to the Business on or after the Effective Date.

Article 9 (Changes and Termination)

Tokyo Gas and Tokyo Gas Network may consult and change the terms of the Split or other details in this Agreement or may terminate this Agreement, when any material changes occur to the asset position or state of management at Tokyo Gas or Tokyo Gas Network due to a natural disaster or other grounds, or when otherwise necessary, during the period after the execution of this Agreement up to the Effective Date.

Article 10 (Effect)

This Agreement shall lose effect when the approval set forth in Article 7 cannot be obtained by the day immediately preceding the Effective Date, or when approval from related government agencies set forth in laws and regulations necessary to perform the Split cannot be obtained by the Effective Date.

Article 11 (Matters for Consultation)

Matters not provided for in this Agreement and other matters necessary for the Split shall be determined through consultation between Tokyo Gas and Tokyo Gas Network in accordance with the purport of this Agreement.

In witness whereof, the parties hereto have caused this Agreement to be executed by their representatives in duplicate, each party retaining one (1) copy thereof respectively.

April 28, 2021

Tokyo Gas: Takashi Uchida (Seal)
Representative Director, President
Tokyo Gas Co., Ltd.
5-20, Kaigan 1-chome, Minato-ku, Tokyo

Tokyo Gas Network: Kunio Nohata (Seal)
Representative Director, President
Tokyo Gas Network Co., Ltd.
5-20, Kaigan 1-chome, Minato-ku, Tokyo

Statement of Rights and Obligations to be Succeeded

Assets, debts, employment contracts and other rights and obligations (hereinafter, 'Rights and Obligations to be Succeeded') Tokyo Gas Network succeeds from Tokyo Gas following the Split shall be as follows. The assets and debts to be succeeded shall be finalized based on the non-consolidated balance sheet as of March 31, 2021 and other calculations as of the same date, plus or minus any increase or decrease up to the day immediately preceding the Effective Date.

1. Assets to be Succeeded

(1) Non-current assets

- 1) Property, plant and equipment, intangible assets (excluding software other than software belonging solely to the Business and intellectual property rights other than copyrights that belong solely to the Business), investments and other assets that belong to the Business
- 2) Property, plant and equipment and intangible assets jointly used in the Business and other businesses that are mainly used by the Business

(2) Current assets

Accounts receivable - trade, accounts receivable - other, supplies and other current assets that belong to the Business

2. Debts to be Succeeded

(1) Non-current liabilities

Non-current liabilities that belong to the Business (excluding non-current liabilities relating to bonds payable and borrowings)

(2) Current liabilities

Accounts payable - trade, accounts payable - other, accrued expenses, deposits received, advances received and other current liabilities that belong to the Business (excluding current liabilities relating to bonds payable and borrowings)

3. Employment Contracts

The status in employment contracts of Tokyo Gas employees engaged in the Business on the Effective Date of the Split and rights and obligations incurred pursuant to such contracts shall not be succeeded by Tokyo Gas Network, and on the Effective Date of the Split, Tokyo Gas shall second Tokyo Gas' employees engaged in the Business to Tokyo Gas Network while remaining employed by Tokyo Gas, and thereafter such employees shall be engaged in the Business at Tokyo Gas Network. The secondment period for such seconded employees and other secondment terms shall be decided through consultation between Tokyo Gas and Tokyo Gas Network.

4. Contractual Status, Rights and Liabilities to be Succeeded

(1) Contracts other than employment contracts

Contractual status and incidental rights and obligations in leases, outsourcing, selling, purchasing, contracting, leasing, or any other contracts pertaining to the Business (including the status, rights and obligations in contracts relating to assets or debts succeeded by Tokyo Gas Network in accordance with items 1. and 2. above); provided, however, limited to parts relating to the Business in the case of contracts relating to operations other than the Business.

(2) Permission and authorization, etc.

Permissions, authorizations, approvals, registrations, and notifications, etc. owned by Tokyo Gas in connection with the Business on the Effective Date that can be succeeded by Tokyo Gas Network from Tokyo Gas under laws and regulations and municipal ordinances.

5. Other Matters

Rights and Obligations to be Succeeded that are discovered to be difficult to

succeed due to laws, regulations and other rules after the execution of this Agreement (including that discovered to cause unexpected losses to Tokyo Gas or Tokyo Gas Network following succession) may be excluded from the Rights and Obligations to be Succeeded, following consultation between Tokyo Gas and Tokyo Gas Network as necessary.

3. Appropriateness of the number of shares to be delivered by the Successor Company to the Company in accordance with the absorption-type company split and matters concerning the capital stock and surplus of the Successor Company

(1) Appropriateness of the number of shares

The Successor Company shall newly issue 12.63 million common shares at the time of the Split, and all such shares shall be allocated and delivered to the Company.

Given that the Successor Company is a wholly owned subsidiary of the Company and all of the shares issued by the Successor Company at the time of the Split will be delivered to the Company, the number of shares to be delivered to the Company is permitted to be determined freely and therefore was determined through consultation between the Company and the Successor Company, and the Company has judged that the details are appropriate.

(2) Appropriateness of capital stock and surplus

The amount of increase in capital stock and surplus in the Successor Company at the time of the Split shall be as follows. The increase was decided taking into consideration the capital policies and business operations, etc. after the Split at the Successor Company and is judged to be appropriate in light of the rights and obligations, etc. to be succeeded from the Company by the Successor Company.

Capital stock	¥9,995 million
Legal capital surplus	¥2,495 million
Legal retained earnings	¥0

4. Details on the non-consolidated balance sheet on the date of establishment of the Successor Company

Non-Consolidated Balance Sheet

As of April 1, 2021

(Millions of yen)

ASSETS		LIABILITIES AND NET ASSETS	
Account	Amount	Account	Amount
ASSETS		NET ASSETS	
Current Assets	10	Shareholders' Equity	10
Cash and deposits	10	Capital stock	5
		Capital surplus	5
		Legal capital surplus	5
Total Assets	10	Total Liabilities and Net Assets	10

5. Disposal of material assets, assumption of material debts, and other events with a material impact on the Company's assets that occurred after the date of establishment of the Successor Company
There are no items to report.

6. Disposal of material assets, assumption of material debts, and other events with a material impact on the Company's assets that occurred after the last day of the final business year of the Company
There are no items to report.

Business Report

1. Matters Concerning Current State of Group Operations

(1) Main Business Activities (As of March 31, 2021)

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

(2) Business Conditions and Results

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

During the fiscal year under review, the Japanese economy remained plagued by a decline in companies' capital expenditure and consumer spending as well as a worsening employment environment caused by a decrease in corporate earnings on the back of stagnant economic activities following the outbreak of the new coronavirus (COVID-19). While there are signs of a mild recovery, the outlook of the economy remains unclear, with new waves of the spread of COVID-19 infections occurring intermittently.

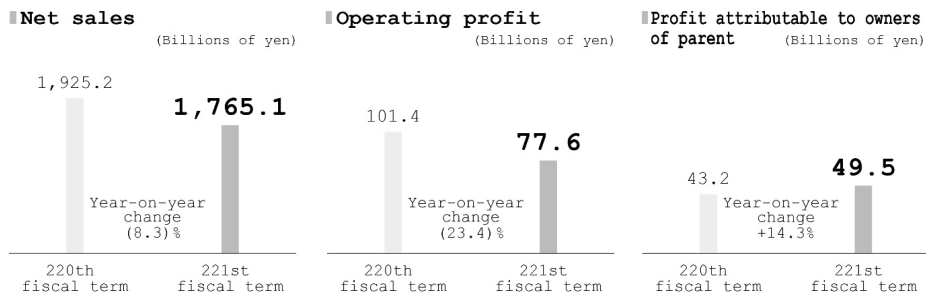
Against this economic backdrop, competition among energy companies and even across industry boundaries is intensifying in the energy industry, as a result of the full deregulation of the gas retail market in April 2017 in the wake of the full deregulation of the electric power retail market in April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

The outbreak of COVID-19 has affected the Company in many ways. In the city gas business, although there was a rise in residential demand as customers spent more time at home, there was a decline in commercial demand in the restaurant and hotel sectors as well as a decline in industrial demand for some of the power generation customers due to a decrease in operation. In the electric power business, the outbreak boosted retail demand as customers spent more time at home, while it pushed down wholesale demand. In the overseas business, there was a deterioration in earnings due in part to a drop of selling prices in the LNG business, etc. in Australia and North America on the back of a global decline of market prices. In the energy-related business, the COVID-19 outbreak caused a decline in sales volume of core gas equipment products such as TES and the Ene-Farm home fuel cell system and a decrease in installation work due to a drop in the number of new installations. In the real estate business, the room occupancy rates of the hotel business saw a significant decline.

In light of such economic conditions and environmental changes, consolidated net sales decreased by 8.3% year on year to ¥1,765,146

million, and operating expenses decreased by 7.5% year on year to ¥1,687,471 million.

As a result of the above, operating profit decreased by 23.4% year on year to ¥77,675 million, and ordinary profit decreased by 31.3% year on year to ¥70,500 million. As a result of the recording of gain on sales of investment securities of ¥5,283 million, gain on sales of non-current assets of ¥3,114 million and gain on bargain purchase of ¥2,008 million under extraordinary income, and impairment loss on overseas upstream business, etc. of ¥10,255 million and loss on valuation of investment securities of ¥4,466 million under extraordinary losses and the recording of income taxes, profit attributable to owners of parent increased by 14.3% year on year to ¥49,505 million.



2) Points of comparison with the previous fiscal year

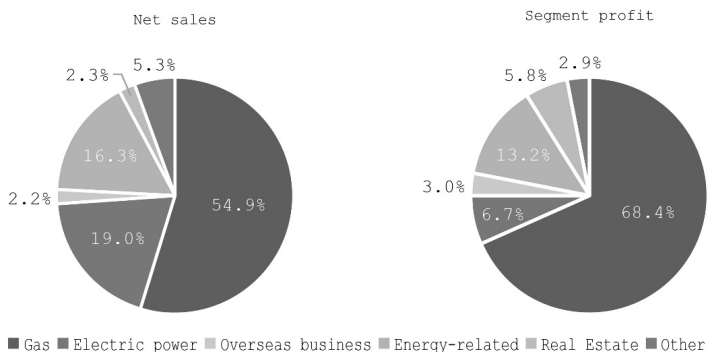
Net sales	¥(160.1) billion	■	Decrease in sales of 'Gas' due to a decrease in the city gas unit price as a result of gas rate adjustments and lower city gas sales volume, etc.
Operating expenses	¥(136.4) billion	■	Decrease in raw material costs of 'Gas' due to the effect of a decline in crude oil prices and lower city gas sales volume, etc.
Non-operating income and expenses	¥(8.3) billion	■	Share of loss of entities accounted for using equity method: ¥(3.8) billion; dividend income: ¥(3.1) billion, etc.
Extraordinary income and losses	+¥30.8 billion	■ (Fiscal year under review)	Impairment loss: ¥(10.2) billion Loss on valuation of investment securities: ¥(4.4) billion Gain on sales of investment securities: +¥5.2 billion Gain on sales of non-current assets: +¥3.1 billion Gain on bargain purchase: +¥2.0 billion
		■ (Previous fiscal year)	Impairment loss: ¥(28.1) billion Loss on valuation of investment securities: ¥(18.6) billion Gain on settlement of contract: +¥11.6 billion

3) Overview of results by segment

Net sales (Billions of yen)					Segment profit (operating profit + equity income and losses) (Billions of yen)			
	220th fiscal term	221st fiscal term	Changes	%	220th fiscal term	221st fiscal term	Changes	%
Gas	1,355.4	1,146.7	(208.7)	(15.4)	102.4	88.4	(14.0)	(13.6)
Electric power	358.6	395.9	37.3	10.4	10.0	8.6	(1.4)	(13.5)
Overseas business	43.9	45.9	2.0	4.4	13.2	3.8	(9.4)	(70.6)
Energy-related	351.9	339.4	(12.5)	(3.5)	16.9	17.0	0.1	0.3
Real Estate	44.5	48.4	3.9	8.7	9.6	7.5	(2.1)	(22.2)
Other	123.2	110.4	(12.8)	(10.4)	5.7	3.8	(1.9)	(34.0)
Adjustments	(352.4)	(321.8)	30.6	-	(51.5)	(50.2)	1.3	-
Segment total	1,925.2	1,765.1	(160.1)	(8.3)	106.6	79.1	(27.5)	(25.8)

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

Segment composition ratio



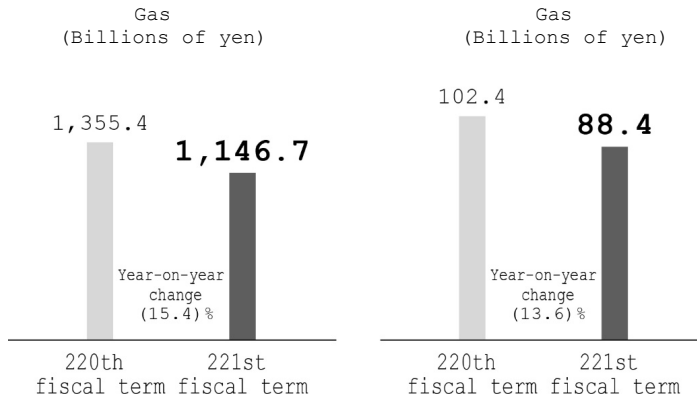
* The segment composition ratio is calculated by excluding adjustments.

Gas

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

Net sales

Segment profit



Reflecting a decrease in city gas sales volume and a decrease in sales unit price due to gas rate adjustments as a result of the impact of falling crude oil prices, net sales decreased by 15.4% year on year to ¥1,146,791 million.

Segment profit decreased by 13.6% year on year to ¥88,461 million, due to such factors as fall in sales volume of city gas, despite a decrease in raw material costs of city gas.

【City gas sales volume and customer numbers】

— Number of gas meters (Millions)

— Number of retail customers (Millions)

(Number of billed customers)



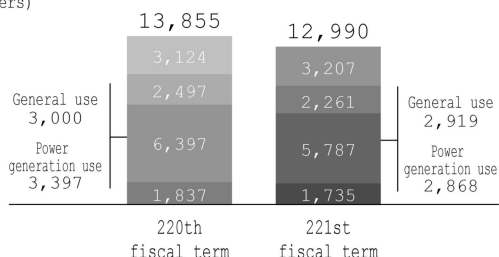
City gas sales volume (Millions of cubic meters)

■ Household-bound

■ Business-bound

■ Industry-bound

■ Wholesale



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

[Main reasons for changes in sales volume]

Household-bound	Increase in demand due to the self-restraint from going out in order to prevent the spread of the COVID-19 pandemic
Business-bound	Decrease in demand in industries such as food and beverage and hotel due to the spread of the COVID-19 pandemic
Industry-bound	Decrease in demand from dedicated power generation customers, etc.
Supplies to other gas utilities	Decrease in customer demand

TOPICS

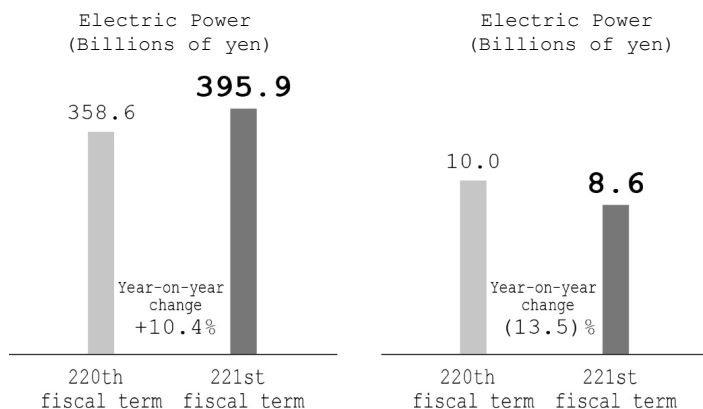
Starting the first supply of carbon neutral city gas for each industry

In October 2020, the Company started supplying carbon neutral city gas to Hotel New Otani Tokyo, a first for the hotel industry. In February 2021, the Company supplied carbon neutral city gas to Tamagawa Academy, a first for school education facilities. In March 2021, the Company started supplying to LUMINE Omiya as the first such case in the shopping center industry, and also to Yakult Honsha Co., Ltd., a first for the beverage industry in April 2021.

In March 2021, 15 companies, including the Company and Asahi Group Holdings, Ltd., established the Carbon Neutral LNG Buyers Alliance, with the aim of spreading the use of carbon neutral city gas and increasing its utility value.

Carbon neutral city gas derives from carbon neutral LNG purchased by the Company from Shell Group, and Shell's carbon credits will be used to compensate the full greenhouse gas emissions generated - from exploring and producing the natural gas to be used by the final consumer.

Electric Power Production, supply and sale of electricity
Net sales **Segment profit**



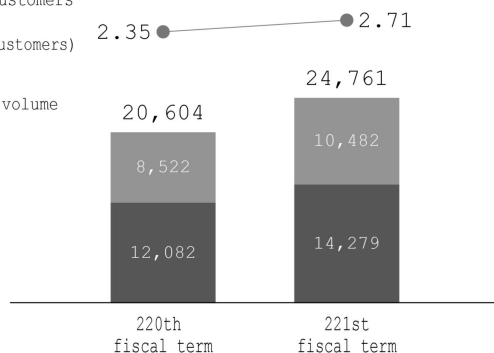
Net sales increased by 10.4% year on year to ¥395,920 million, as sales volume to retail customers and the wholesale electric power market increased. Segment profit decreased by 13.5% year on year to ¥8,696 million as a result of a decrease in gross margin from the sharp rise in JEPX prices, despite an increase in gross margin due to an increase in retail sales volume.

【Electric power sales volume and customer numbers】

- Number of retail customers (Millions)
- Number of billed customers (Number of billed customers)

Electric power sales volume
(Millions of kWh)

- Retail
- Wholesale



[Main reasons for changes in sales volume]

Retail	Increase in customer numbers
Wholesale	Increase in sales volume to wholesale electric power market

TOPICS

Strategic alliance with U.K.-based Octopus Energy Group Limited

In December 2020, the Company reached an agreement to form a strategic alliance with U.K.-based Octopus Energy Group Limited (hereinafter, 'Octopus Energy'). In addition to establishing a joint venture company in Japan, the Company made investment in Octopus Energy through Tokyo Gas United Kingdom Ltd. to be newly established in the United Kingdom.

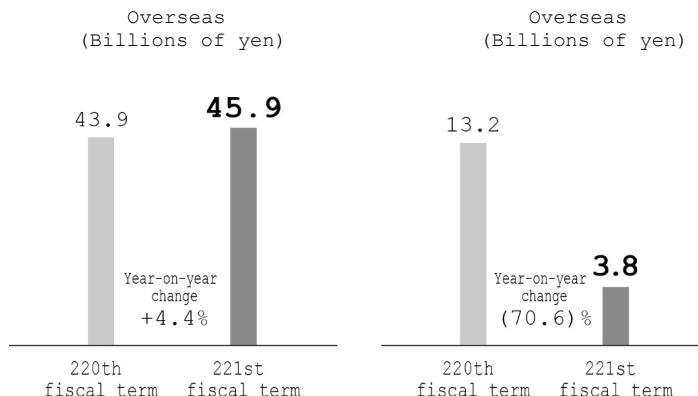
Octopus Energy is a rapidly growing company that possesses expertise in digital technology and electricity retailing, and has secured over 2 million customers in around five years in the highly competitive U.K. market by 'creating a new customer experience' that combines its digital technology and know-how in efficient customer response. In addition, Octopus Energy provides an optimum menu of services to customers such as 100% renewable energy at low cost using digital technology.

Through this alliance with Octopus Energy, the Company will instill a 'new customer experience' in the energy business into the Japanese market by speedily offering flexible and easy-to-understand electricity rate and service menu that is aligned to the wide-range of needs of each customer. The Company will also implement the spread and expansion of renewable energies. The joint venture in Japan is scheduled to start operations in autumn of 2021.

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

Net sales

Segment profit



Net sales increased by 4.4% year on year to ¥45,934 million, due to an increase in consolidated subsidiaries, despite lower LNG unit prices at upstream business in Australia.

Segment profit decreased by 70.6% year on year to ¥3,895 million as a result of a decrease in gross margin due to the impact of falling LNG unit prices.

TOPICS

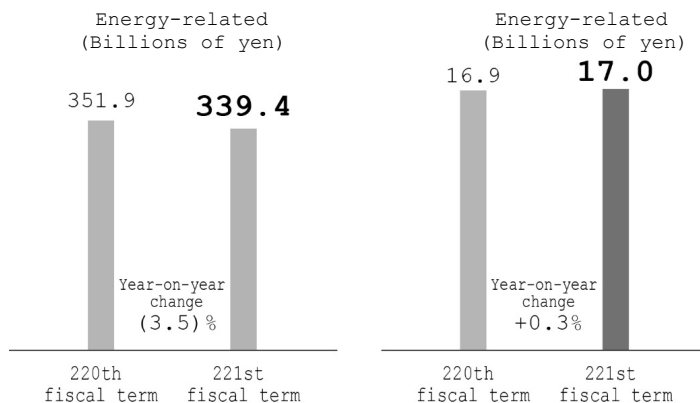
Acquisition of a large-scale solar power project in the U.S.

In August 2020, the Company acquired the 500MWac/631MWdc Aktina Solar Project in Texas, United States of America, which had been developed by Hecate Energy LLC, a renewable energy development company. Commercial operation of this project is planned to commence gradually during FY2021. This marks the first overseas solar project in which the Group will take initiative from construction to commercial operation.

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

Net sales

Segment profit



Net sales decreased by 3.5% year on year to ¥339,455 million due to a decrease in orders received for appliances and construction work.

Segment profit increased by 0.3% year on year to ¥17,045 million.

TOPICS

Environment-conscious initiatives using renewable energy at 'T-LOGI' logistics facility of Tokyo Tatemono Co., Ltd.

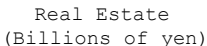
In December 2020, Tokyo Tatemono Co., Ltd. and the Company signed a basic agreement, with a view to implementing environment-conscious initiatives using renewable energy to realize a sustainable society.

In the first phase of the initiative, solar panels with as high capacity as possible were installed in 'T-LOGI Kuki' logistics facility developed by Tokyo Tatemono Co., Ltd. The generated electric power will be consumed on the premises of the facility, and surplus electric power that is not consumed within 'T-LOGI Kuki' will be self-wheeled¹ to 'SMARK ISESAKI,' a commercial facility owned by Tokyo Tatemono Co., Ltd., by means of the Group's 'Solar Advance'^{*2}.

*1: A person who installs electric facilities for private use transmits generated electricity to a facility in another place through a power transmission and distribution network.

*2: A system where the design, construction and maintenance of solar power generation system is carried out by the Group and generated electricity is consumed at home for a service charge to be paid by the customer.

Leasing and management of land and buildings, etc.

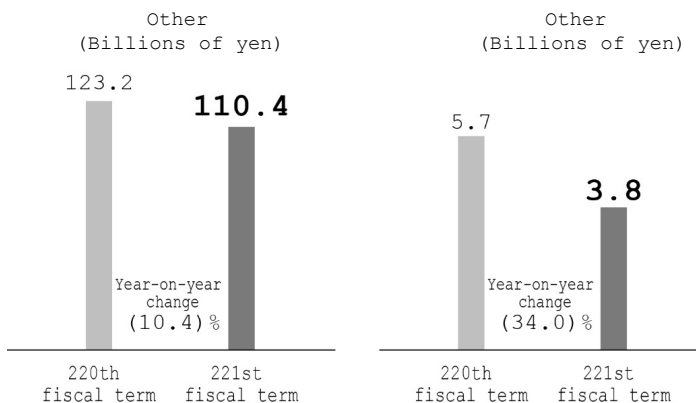


Segment profit decreased by 22.2% year on year to ¥7,545 million due to a decrease in hotel occupancy.

'TOKYO SPORT PLAYGROUND' and 'SHIN-TOYOSU UNIVERSAL COOL SPOT' opened

The Company supplies energy to various facilities such as the Toyosu Market from the Tokyo Gas Toyosu Smart Energy Center, while working to enhance the brand value of Toyosu where people from all over the world come and go in an effort to also contribute to community building.

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



Net sales decreased by 10.4% year on year to ¥110,424 million due to decreased orders received for systems at IT subsidiaries.

Segment profit decreased by 34.0% year on year to ¥3,807 million due to a decrease in net sales resulting from decreased orders received for systems.

TOPICS

Receiving the first commingling LNG cargo

In June 2020, the first commingling LNG cargo of Hiroshima Gas Co., Ltd. and the Company transported by Tokyo LNG Tanker Co., Ltd. arrived at Hatsukaichi LNG terminal of Hiroshima Gas Co., Ltd. following the signing of the LNG Transportation Agreement*. Hiroshima Gas Co., Ltd. and the Company will continue to provide a stable supply of city gas and aim to further the usage of natural gas through the enhancement of energy transport efficiency and realization of a stable supply of energy that will be beneficial for the customers of both companies.

* Signed the agreement in February 2020. Under the agreement, a portion of LNG procured by Hiroshima Gas and Tokyo Gas from Sakhalin, Russia would be jointly loaded and transported by an LNG carrier owned and operated by Tokyo LNG Tanker for a period of eight years from FY2020 to FY2027.

(3) **Group Capital Expenditures**

Total capital expenditures for this fiscal year amounted to ¥246,431 million.

In regard to distribution facilities, the total length of the pipeline network was extended by 551 kilometers during this fiscal year, to 65,096 kilometers as of March 31, 2021.

(4) **Group Financing Activities**

In this fiscal year, the Company raised funds totaling ¥120.0 billion through issuing the 58th, 59th, 60th, 61st, 62nd, 63rd, 64th, 65th and 66th corporate unsecured bonds and obtaining loans payable. Balance of consolidated interest-bearing liabilities increased by ¥160,922 million compared with the previous year-end, to ¥1,065,988 million.

(5) **Prospective Challenges**

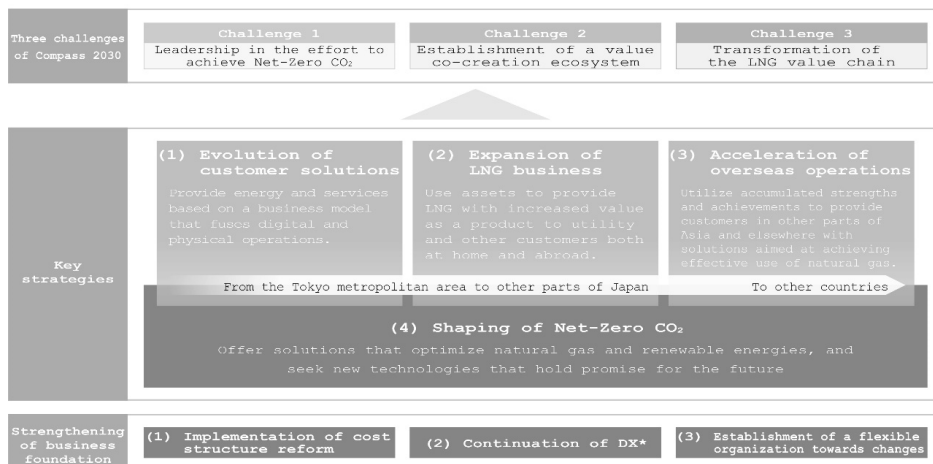
Toward the achievement of the Tokyo Gas Group Management Vision, 'Compass 2030'

- The Tokyo Gas Group announced the Medium-term Management Plan for the three years from FY2020 in March 2020 and 'Management Reform Initiatives of the Tokyo Gas Group in View of the COVID-19 Pandemic' in November 2020 toward the achievement of the Tokyo Gas Group Management Vision, 'Compass 2030' that was announced in November 2019.



Tokyo Gas Group FY2020-2022 Medium-term Management Plan

Overview



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

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

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

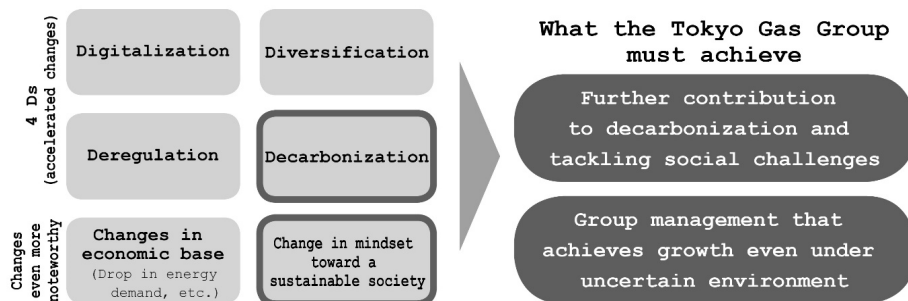
* FY2019 figures are forecast figures at the time of formulating plans.

Management reform initiatives of the Tokyo Gas Group in view of the COVID-19 pandemic (announced in November 2020)

COVID-19 has caused a major shock to our lives and society. In addition, as seen mainly by the further acceleration of the global trend toward decarbonization, awareness toward a sustainable society has been rising rapidly. To lead ourselves in this paradigm shift, we will add depth to business management that further places emphasis on ESG. A further emphasis on ESG is nothing but an acceleration of the three challenges highlighted in the Group Management Vision, 'Compass 2030' (leadership in the effort to achieve Net-Zero CO₂, establishment of a value co-creation ecosystem, and transformation of the LNG value chain). The Tokyo Gas Group will be committed to grow together with the society as a whole by accelerating the three challenges and contributing to the realization of a sustainable society.

■ Our understanding of the business environment in view of the COVID-19 pandemic

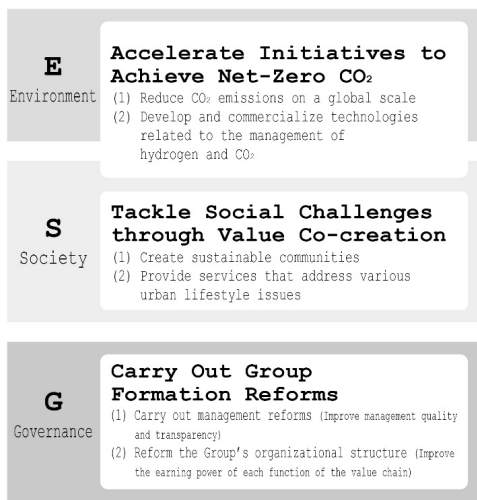
- The direction of the environmental changes (the four 'D's: Digitalization, Diversification, Deregulation, Decarbonization) that we assumed when formulating Compass 2030 and the 2020-2022 Medium-term Management Plan has not changed, but the pace has accelerated due to the COVID-19 pandemic. In particular, the global decarbonization trend is developing at a speed far outpacing our expectations.
- A change that is even more noteworthy is the rise in awareness toward a sustainable society on the back of changes in the economic base, etc.
- What the Tokyo Gas Group must achieve in this environment is to 'further contribute to decarbonization and tackling social challenges' and 'manage the Group so that it can achieve growth even in an uncertain environment.'



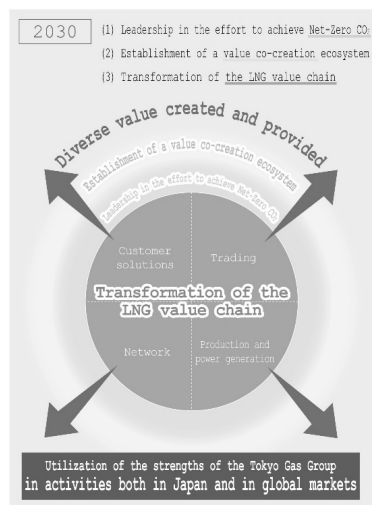
■ **Adding depth to business management with a further emphasis on ESG (acceleration of three challenges)**

- We will add depth to business management with a further emphasis on ESG, while continuing to focus on ensuring stable supply and safety of energy.
- By 'accelerating initiatives to achieve Net-Zero CO₂,' 'tackling social challenges through value co-creation' and 'carrying out Group formation reforms,' we will accelerate the 'three challenges' highlighted in Compass 2030 to achieve our Compass 2030 vision.
- We will continue to constantly expand our initiatives, by trial and error, to seek what the Group can do during the changing times.

Adding depth to business management with a further emphasis on ESG



Acceleration and achievement of the three challenges



E: Environment Accelerate initiatives to achieve Net-Zero CO₂

Increase introduction of renewable energy power sources

- We have obtained renewable energy power sources (1.365 million kW) at a speed that outpaces our plan through large investments in solar power generation in the U.S. and wood pellet biomass power generation in Japan.
- To promote the development of floating offshore wind power in Japan and abroad, we are obtaining the necessary technologies, such as by leveraging the floating system technology developed and owned by Principle Power, Inc. of the U.S. (invested in May 2020).
- We will aim to further acquire power sources and roll out business while assessing energy policies and economic trends.

Increase effective use of natural gas

- In order to increase the availability of LNG infrastructure in Southeast Asia, we will leverage the Group's strengths and track record to reinforce cooperation with local partners and promote commercialization.

Promote the spread of carbon-neutral energy

- We established a 'Carbon Neutral LNG Buyers Alliance,' with the aim of further spreading the use of carbon-neutral LNG that offsets CO₂ on a global scale.

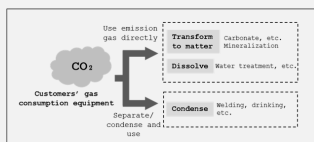
Reduce hydrogen production costs

- Going forward, we will focus on developing hydrogen technologies that can also be applied to methanation*. We will accelerate low-cost development of water electrolyzers leveraging technologies and knowhow gained in the development of fuel cells.

*Synthesizing methane, the principal component of city gas, from hydrogen and CO₂

Develop the technologies for managing CO₂

- We will accelerate the development and commercialization of technologies that collect and utilize CO₂ emitted by customers. We will aim for commercialization by FY2023 through joint demonstrations with customers.



CCUS at customers

- We co-developed with RITE (Research Institute of Innovative Technology for the Earth) a microbubble technology, which turns CO₂ into microbubbles, enabling to be stored underground efficiently. We have carried out demonstrations in Japan and abroad.

S: Society Tackle social challenges through value co-creation

Create communities with heightened resilience and environmental performance

- We will contribute to a dramatic improvement of disaster prevention capabilities of cities and the creation of eco-friendly and comfortable communities in a wide area through the expansion of a distributed energy system and smart city, which enables more accurate management of heat and electricity using ICT (information and communication technology).

(Specific examples)

- We founded 'Ekimachi Energy Create Co., Ltd.' (April 2020) with the JR East Group to create a community that incorporates advanced environmental and energy technologies in the Shinagawa Development Project.
- Together with Mitsui Fudosan, we installed an energy plant in Yaesu 2-Chome that supplies electricity and heat to surrounding areas.

Overseas development

- We will also contribute to providing solutions to overseas regional challenges through redevelopment projects with heightened sustainability and resilience leveraging the Group's know-how.

(Specific examples) Tokyo Gas Engineering Solutions Corporation plans to launch a district cooling and power distribution business to supply the 'One Bangkok' redevelopment project in Thailand through Bangkok Smart Energy Co., Ltd., in which it has a stake.

Provide solutions for problems in customers' daily lives

- We have expanded the range of services to plumbing, in which customers often experience problems, in addition to gas equipment. We plan to expand services to housekeeping and housework support.
- We will improve customer satisfaction by accumulating and analyzing customer data to improve work quality, reduce customers' hassle and save time.

Diversify energy services and expand service areas

We will offer services that facilitate introduction of renewable energy to a broad range of customers, including factory, detached house, condominium and building customers through a 'third-party ownership model for solar power generation,' in which the Tokyo Gas Group installs and owns solar power generation equipment on the roof of customers' buildings or in their premises and supplies the generated electricity to those customers.

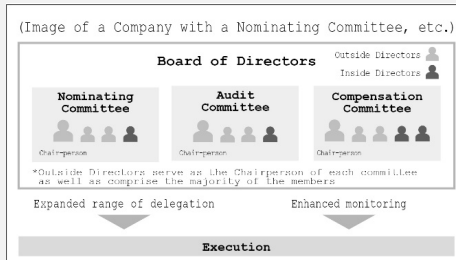
■ G: Governance Carry out Group formation reforms

Corporate governance reforms that lead the industry

- We will switch to a Company with a Nominating Committee, etc.,^{*1} the first in the city gas industry (general gas pipeline service provider).^{*2}
- We will reinforce the supervisory functions of the Board of Directors. (The Board will oversee the entire management and concentrate on making key policy decisions and monitoring.) We will significantly expand the range of delegation to executive officers to expedite decision-making.
- Management transparency will be further improved due to the establishment of a Nominating Committee, an Audit Committee and a Compensation Committee.

^{*1} 67 companies listed on the Tokyo Stock Exchange are this type of company (as of August 2020)

^{*2} According to Tokyo Gas's research (of general gas pipeline service providers)



- At the occasion of the establishment of a new pipeline network company in April 2022, we will transition to a holding company system, which consists of business subsidiaries and internal companies (quasi branch companies).
- Leveraging the Group's unique connection of the LNG value chain, we will establish a mechanism that enables autonomous growth of business subsidiaries and internal companies.
- In April 2021, we established an organization dedicated to promoting this reform.

(Mechanism that enables autonomous growth)

Delegation of authority to business subsidiaries and internal companies

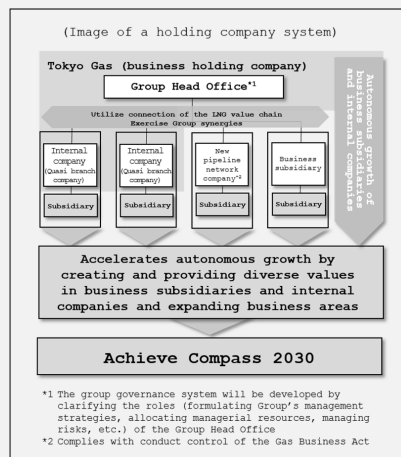
We will achieve agile decision-making that swiftly addresses changes in the market and customer needs by delegating authority according to the business characteristics of business subsidiaries and internal companies.

A system focused on results

We will transform into an organization that focuses on earning power and achievements more than before by further reflecting the achievements of business subsidiaries and internal in the evaluation of top management.

Appointment of personnel based on the characteristics of business

We will appoint and develop personnel who will drive the growth of each business and the Group (management personnel, specialized personnel, etc.), including those from outside the Group.



Q&A

Q1 Will the handling of natural gas be reduced to achieve Net-Zero CO₂?

We believe that combining natural gas, which has the smallest environmental burden and outstanding load adjustment capabilities among fossil fuels, and renewable energy is a realistic solution for becoming a decarbonized society. Even from a global perspective, there is much room to reduce CO₂ emissions by introducing natural gas going forward. Since natural gas will be playing a bigger role, the Group sets forth the expansion of natural gas transaction volume in its management vision.

E

Q2 Will the effort to achieve Net-Zero CO₂ contribute to future profit?

The Group will work to spread and expand methanation that can utilize technologies using natural gas, a strength we have developed up to now, and existing infrastructure and decarbonized gaseous energy. Furthermore, we will supply decarbonized energies, primarily renewable energy, in combination with optimal energy management of the demand side. The Group will develop initiatives to achieve Net-Zero CO₂ as the pillar of its business, contribute to realizing a carbon neutral society, and link this to the growth of the Group as a whole.

Q3 Please tell us about the status of initiatives regarding offshore wind power generation.

We invested in and joined the Kashima Port Offshore Wind Project in April 2018 and Chiba Offshore Wind Inc. in August 2020, thereby promoting the business development of bottom-mounted offshore wind power. We also invested in Principle Power, Inc. of the United States, which owns basic floating technologies for floating offshore wind power, in May 2020, and are holding concrete discussions regarding floating offshore wind power. Going forward, we will continue to develop the Company's wind power business in various local regions while obtaining the understanding of people in local communities and cooperating with partners in Japan and overseas.

Q4 Please tell us about the Company's policy to expand LNG in Asia.

We are developing LNG infrastructure primarily in Asia and intend to continue focusing on development in Asia going forward. We are considering with local partners who have the management resources we lack (project development track record and information and human networks, etc.), while taking advantage of our strengths in the engineering business nurtured in Japan.

Q5 Please tell us about the initiatives for and the position of carbon neutral LNG.

We position the new initiative of carbon neutral LNG as a means of Net-Zero CO₂, which aims at a low-carbon, decarbonized society, with a view to promoting the spread of carbon neutral LNG and enhancing its utility value. Going forward, we will procure new carbon neutral LNG according to the scale of customer needs and demands, while conducting public relations and other activities together with customers who support this initiative to create a low-carbon, decarbonized society.

Q6 What specifically will be the focus regarding the development of hydrogen technologies?

The biggest challenge in creating a hydrogen society is costs, the majority of which are made up of production (hydrogen production) costs. As such, we will focus on developing technologies for producing low-cost hydrogen by leveraging technologies and know-how gained in the development of fuel cells.

Q7 What are the initiatives for ensuring diversity of personnel and utilizing personnel?

We will hire personnel with a wide range of expertise in areas such as digital technology, trading, project development and M&A which are required for promoting the 'three challenges,' various experiences, and diverse backgrounds, by various means. We will also develop a human resource system that enables a wide array of personnel to play active roles by utilizing their strengths and an environment where employees can work flexibly and autonomously, as well as foster a corporate culture where employees can learn from challenges and failures.

S Q8 Are there any recent examples of services that are conscious of environment and disaster prevention?

In April 2021, we launched the new Ene-Farm (manufactured by Panasonic), which is capable of continuous operation in the event of a power outage and is in sync with the weather information provided by Weathernews Inc. In addition, in the same month, we established 'Tokyo Gas Nomura Real Estate Energy Co., Ltd.' with Nomura Real Estate Building Co., Ltd. Under the Shibaura 1-Chome Project (tentative name), Tokyo Gas Nomura Real Estate Energy will provide heat and electricity, while reducing environmental burden and enhancing disaster prevention capabilities of the whole region including surrounding areas through the accommodation of energy with the nearby Shibaura District Heating and Cooling Center.

Q9 What specifically does 'being relied upon as a company that provides solutions for customers' problems in daily lives' mean?

From the standpoint of market size, growth potential, and business compatibility with the Company, we focus our initiatives on the priority areas of (1) housing equipment, (2) housework support, and (3) monitoring to conduct and develop services that provide 'security' and 'peace of mind.' Through these services, we aim to become a company that people think of when they experience difficulties.

Q10 Please tell us about the background of and approach to the transition to a Company with a Nominating Committee, etc.

Given the environmental changes unprecedented in the Group's history since its foundation, the Group decided to transition to a Company with a Nominating Committee, etc. to allow management to pursue 'challenge and innovation' in an effort to strengthen corporate governance. The Group will ensure appropriate and swift decision-making by executive officers and strengthen the supervisory function of the Board of Directors in response to the changing environment and expansion of business domains.

Q11 Please tell us about the background of and approach to the transition to a holding company system.

G

It is necessary to expedite decision-making and realize autonomous growth of each organization in response to market trends and customer needs amid accelerating changes in the environment. We believe that the holding company system is the optimal group organization since it allows internal companies, which are quasi branch companies, and business subsidiaries to coexist while utilizing the Group's unique LNG value chain.

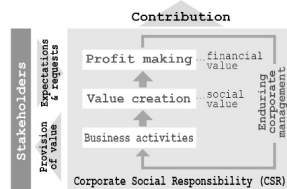
Q12 Please tell us about the preparations for the legal separation.

Preparations are being made on the premise of ensuring further neutrality of the Pipeline Network Division, which is the intent of the legal separation, while also giving importance to the perspectives of stable supply and expanded use of natural gas as well as maintenance and enhancement of the level of security. Trial and verification of operations is being repeated while spin-off procedures are being carried out in accordance to laws and regulations. Preparations for the legal separation, planned in April 2022, are proceeding without delay.

Promoting the Group's sustainability and contributing to the achievement of SDGs

<Approach to Promoting Sustainability>
Realization of a sustainable society
International goals to be achieved by 2030: SDGs

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




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

17 Sustainable Development Goals																		
Leadership in the effort to achieve Net-zero CO ₂ emissions as a leading company dealing in natural gas	Climate change																	
	Access to energy																	
	Safety and disaster preparedness																	
	Creation of customer value																	
Sound relationships with society	Resource efficiency and recycling society																	
	Establishment of relationships with communities																	
	Diversity																	
	Satisfaction through work and labor productivity																	
Actions as a responsible company	Supply chain management																	
	Information security																	
	Governance and compliance																	


<Examples of Initiatives>

Create communities with heightened resilience and environmental performance



See page 51


Expand renewable energy sources



See page 50

Diversify energy services and expand service areas

本邦内各地で
マシソン・エーエに
対応した取り組み！



See page 51

<Examples of Initiatives>

Create communities with heightened resilience and environmental performance

See page 51

Expand renewable energy sources

See page 50

Diversify energy services and expand service areas

See page 51

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

* Please see the Sustainability Report (<https://tokyo-gas.disclosure.site/en/>) for more information on the Group's initiatives.

Corporate Governance (As of March 31, 2021)

The Company works to ensure continued development while consistently earning the trust of customers, shareholders, and society. Based on this philosophy, we aim to achieve a continuous increase in our corporate value through enhancing corporate governance systems. We are endeavoring to develop systems with a commitment to management legality, soundness, and transparency.

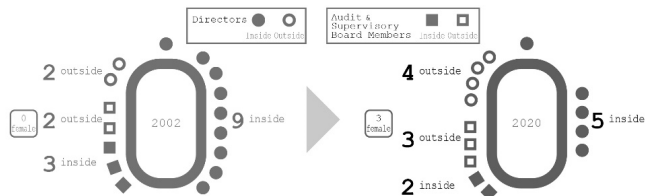
We continue to emphasize the importance of accurate and prompt decision-making, efficient business executions, strengthening of auditing and monitoring functions, and clarification of management and executive responsibilities.

Board of Directors

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

The Board of Directors comprises nine Directors, four of whom are Outside Directors. In addition, the term of Directors is set at one year with the goal of further clarifying managerial responsibility.

<Progress in Governance (Composition of the Board of Directors)>



Audit & Supervisory Board

The Audit & Supervisory Board meeting is held once a month, in principle, and otherwise as needed. The five Audit & Supervisory Board Members including three Outside Audit & Supervisory Board Members who comprise the board deliberate and determine the audit policies and other matters, as well as receive reports on the status of execution of audits from each Audit & Supervisory Board Member.

In conformity with the Audit & Supervisory Board Members' audit standard established by the board, each Audit & Supervisory Board Member makes efforts to attend meetings of the Board of Directors, the Management Committee, and other important meetings, research the state of operations at the head office and business offices, and gather information through measures including conducting an exchange of opinions with the Accounting Auditor, etc. Audit & Supervisory Board Members also demand explanation as needed, express opinions, and audit the execution of duties of Directors.

Advisory Committee

Since February 2005, the Company has established the Advisory Committee in order to ensure objectivity and transparency of management. The committee has up to five members, consisting of the Director and Chairman of the Board, President, and up to three Directors selected by the Board of Directors; with over half of its membership consisting of Outside Directors, and the committee chairman also being an Outside Director.

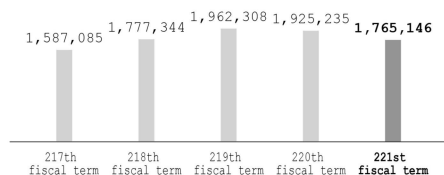
In accordance with inquiries from the Board of Directors, the Advisory Committee deliberates on officer candidates and officer remuneration in a fair and appropriate manner and makes reports to the Board of Directors. The committee also deliberates on the independence of outside officer candidates.

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

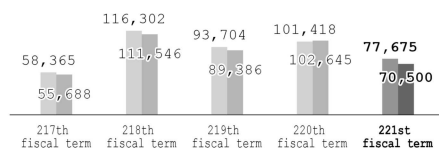
Categories (FY ended March 31)	217th fiscal term (2017)	218th fiscal term (2018)	219th fiscal term (2019)	220th fiscal term (2020)	221st fiscal term (2021)
Net sales (Millions of yen)	1,587,085	1,777,344	1,962,308	1,925,235	1,765,146
Operating profit (Millions of yen)	58,365	116,302	93,704	101,418	77,675
Ordinary profit (Millions of yen)	55,688	111,546	89,386	102,645	70,500
Profit attributable to owners of parent (Millions of yen)	53,134	74,987	84,555	43,293	49,505
Basic earnings per share (Yen)	115.09	164.12	187.60	97.86	112.26
Total assets (Millions of yen)	2,230,269	2,334,316	2,428,149	2,539,919	2,738,348
Net assets (Millions of yen)	1,112,807	1,148,433	1,171,345	1,159,138	1,178,271
Net assets per share (Yen)	2,398.70	2,487.58	2,575.99	2,602.53	2,616.37

Note: The Company carried out a share consolidation at a ratio of 5 common shares to 1 effective October 1, 2017. Basic earnings per share and net assets per share are calculated assuming that the share consolidation was carried out at the beginning of the 217th fiscal term.

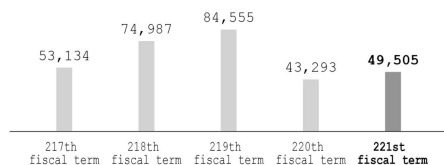
■ Net sales (Millions of yen)



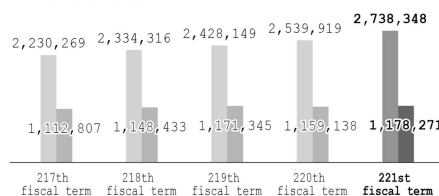
■ Operating profit (Millions of yen)
■ Ordinary profit



■ Profit attributable to owners of parent (Millions of yen)



■ Total assets (Millions of yen)
■ Net assets



(7) Status of Principal Subsidiaries

Name of the company	The stated capital	Holding ratio of voting rights (%)	Main business activities
TOKYO GAS AUSTRALIA PTY LTD.	US\$1,654,337 thousand	100.00	LNG upstream businesses in Australia
Tokyo Gas America Ltd.	US\$1,516,595 thousand	100.00	LNG upstream businesses, etc. in the Americas
Tokyo Gas Asia Pte. Ltd.	S\$324,432 thousand	100.00	LNG middle and downstream businesses in Southeast Asia
Tokyo Gas Real Estate Co., Ltd.	¥11,894 million	100.00	Real estate development, leasing, management and brokerage
Tokyo Gas Engineering Solutions Corporation	¥10,000 million	100.00	Energy service and comprehensive engineering service business
Tokyo Gas International Holdings B.V.	EURO 54,734 thousand	100.00	Overseas investment project
Ohgishima Power Co., Ltd.	¥5,350 million	75.00	Operation and management of power station
Nagano Toshi Gas Inc.	¥3,800 million	89.22	City gas business
Tokyo LNG Tanker Co., Ltd.	¥1,200 million	100.00	Leasing of tankers delivering LNG/LPG and overseas shipping business
Tokyo Gas Energy Co., Ltd.	¥1,000 million	66.60	Sale of LPG
Captly Co., Ltd.	¥1,000 million	60.00	Design and construction of gas pipelines, water supply and sewage pipes, air-conditioning systems
Tokyo Gas Chemicals Co., Ltd.	¥1,000 million	100.00	Sale of industrial gases and chemicals
Tokyo Gas Lease Co., Ltd.	¥450 million	100.00	Credit administration and leasing in connection with gas appliances and construction
TOKYO GAS i NET CORP.	¥400 million	100.00	Information processing service business
TG PLUS Co., Ltd.	¥60 million	100.00	Procurement and sale of LPG
Nijio Co., Ltd.	¥47 million	100.00	Wholesale of electricity

Note: The number of consolidated subsidiaries and equity-method associates including the above 16 principal subsidiaries were 122 companies.

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

On April 1, 2020, the Company undertook an absorption-type company split, where Tokyo Gas transferred real estate assets mainly used for offices, office premises, and social welfare facilities, and associated real estate business such as ownership, maintenance, management, operation, leasing, and sale & purchase to Tokyo Gas Real Estate Co., Ltd.

(9) Main Business Offices and Factories (As of March 31, 2021)

1) The Company

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

2) Principal subsidiaries

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

(10) Status of Employees (As of March 31, 2021)

1) Number of employees in the Group

Business segment	Number of employees (Change from previous year)	
Gas	6,151	(-295)
Electric power	316	(-2)
Overseas business	274	(+166)
Energy-related	5,195	(+31)
Real Estate	1,015	(-49)
Other	3,033	(+415)
Corporate	874	(+1)
Total	16,858	(+267)

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

2. 'Corporate' refers to general administration departments.

2) Number of employees in the Company

Number of employees (Change from previous year)	Average age (Years)	Average service years
6,882 (-333)	42.3	15.7

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

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

(11) Major Creditors and Balance of Borrowings (As of March 31, 2021)

Creditor	Balance of borrowings (Millions of yen)
Syndicated Loan	98,779
Japan Bank for International Cooperation	62,746
Sumitomo Mitsui Trust Bank, Limited	41,059
Mizuho Bank, Ltd.	31,850
The Norinchukin Bank	28,000
Meiji Yasuda Life Insurance Company	28,000
Shinkin Central Bank	26,000
MUFG Bank, Ltd.	21,439
Sumitomo Life Insurance Company	20,500
The Dai-ichi Life Insurance Company, Limited	18,500

Note: Syndicated loan consists of a joint-financing instrument of ¥15,000 million with Development Bank of Japan Inc. as a manager, a joint-financing instrument of ¥10,000 million with Mizuho Bank, Ltd. as a manager, a joint-financing instrument of ¥42,621 million with JP Morgan Chase Bank, N.A. as a manager, a joint-financing instrument of ¥18,680 million with Sumitomo Mitsui Trust Bank, Limited as a manager, and joint-financing instruments of ¥11,460 million and ¥1,018 million with The Chiba Bank, Ltd. as a manager.

2. Matters Related to Shares of the Company (As of March 31, 2021)

(1) Aggregate number of authorized shares

Common share: 1,300,000,000 shares

(2) Aggregate number of shares issued

Common share: 442,436,059 shares

(3) Share trade unit

100 shares

(4) Number of shareholders

106,593

(5) Major shareholders

Name of shareholders	Number of shares held (Thousand shares)	Percentage of share ownership (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	37,661	8.54
Nippon Life Insurance Company	31,296	7.10
Custody Bank of Japan, Ltd. (Trust Account)	21,788	4.94
Custody Bank of Japan, Ltd. (Trust Account 7)	12,744	2.89
Tokyo Gas Group Employees Shareholding Association	8,692	1.97
The Dai-ichi Life Insurance Company, Limited	8,432	1.91
JPMorgan Securities Japan Co., Ltd.	7,509	1.70
Fukoku Mutual Life Insurance Company	7,472	1.69
Mizuho Trust & Banking Co., Ltd. Retirement Benefits Trust (Dai-ichi Life Insurance Account)	7,098	1.61
STATE STREET BANK WEST CLIENT-TREATY 505234	6,811	1.54

Note: Percentage of share ownership is calculated by the number of shares excluding treasury share (1,437,924 shares).

(6) Other principal items regarding shares

1) Shares owned by the Company as of the balance sheet date

Common share: 1,437,924 shares

3. Matters Related to Share Option in Kind (As of March 31, 2021)

There are no items to report.

4. Matters Related to Directors and Audit & Supervisory Board Members of the Company

(1) Name, etc. of Directors and Audit & Supervisory Board Members (As of March 31, 2021)

Name	Position	Areas of responsibility in the Company and 'Important concurrent posts'
Michiaki Hirose	Director and Chairman of the Board	
Takashi Uchida	Representative Director, President	
Masaru Takamatsu	Representative Director, Executive Vice President	Chief Executive of Residential Service Div.
Kunio Nohata	Representative Director, Executive Vice President	Chief Executive of Energy Solution Div., in charge of Sustainability Dept.
Shinichi Sasayama	Director	Chief Executive of Asset Optimization & Trading Div.
Hitoshi Saito	Outside Director	Outside Director of GLOBESHIP Corporation
Kazunori Takami	Outside Director	Outside Director of Tokyo FM Broadcasting Co., Ltd. Outside Director of Nojima Corporation Outside Director of FUJITA KANKO INC.
Junko Edahiro	Outside Director	Representative Director of e's Inc. Director and Chairperson of Change Agent Inc. Professor of Shizenkan University Graduate School of Leadership & Innovation Representative Director of Shimokawa Seeds K.K. Representative Director of mirai-sozo.work
Mami Indo	Outside Director	Audit & Supervisory Board Member (External) of Ajinomoto Co., Inc. Outside Audit & Supervisory Board Member of AIG Japan Holdings KK
Hideaki Arai	Standing Audit & Supervisory Board Member	
Isao Nakajima	Standing Audit & Supervisory Board Member	
Masato Nobutoki	Outside Audit & Supervisory Board Member	
Sawako Nohara	Outside Audit & Supervisory Board Member	President and Representative Director of IPSe Marketing, Inc. Outside Director of Sompo Holdings, Inc. Member of the Board (Outside) of Daiichi Sankyo Company, Limited
Hiromichi Ono	Outside Audit & Supervisory Board Member	Outside Director of Mebuki Financial Group, Inc.

Notes: 1. Representative Director Masaru Takamatsu retired as Representative Director, Executive Vice President on March 31, 2021.
2. Representative Director Kunio Nohata's areas of responsibility were changed to Chief Executive of Pipeline Network Company on April 1, 2021.

3. Standing Audit & Supervisory Board Member Isao Nakajima and Outside Audit & Supervisory Board Member Hiromichi Ono are highly knowledgeable about financial and accounting matters.
4. The Company has entered into agreements with respective Outside Directors and respective Outside Audit & Supervisory Board Members that limit their liability for damages under Article 423, paragraph 1 of the Companies Act to the amount provided for in Article 425, paragraph 1 of the same Act.
5. There is no special relationship between the Company and the legal persons in kind, in which the outside officers have the important concurrent posts.

(2) Total Value of Remuneration of Directors and Audit & Supervisory Board Members

2) Total value of Remuneration of Directors and Audit & Supervisory Board Members					
Category	Total value of remuneration, etc. (Millions of yen)	Total value of remuneration, etc. by type (Millions of yen)			Number of payees (people)
		Fixed remuneration (monthly remuneration)	Performance-linked remuneration		
			Monthly remuneration	Bonuses	
Directors (excluding Outside Directors)	323	241	49	32	6
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	74	74	-	-	2
Outside Directors	45	39	-	6	5
Outside Audit & Supervisory Board Members	35	35	-	-	4

- Notes: 1. The above includes one (1) Director, one (1) Outside Director and one (1) Outside Audit & Supervisory Board Member retiring upon the conclusion of the 220th Annual Shareholders Meeting.
2. The aggregate monthly remuneration payable to all twelve (12) Directors (including Outside Directors) of up to ¥50 million was approved at the 205th Annual Shareholders Meeting (June 29, 2005), and the aggregate annual bonus payable to all twelve (12) Directors of up to ¥90 million was approved at the 206th Annual Shareholders Meeting (June 29, 2006).
3. The aggregate monthly remuneration payable to all five (5) Audit & Supervisory Board Members (including Outside Audit & Supervisory Board Members) of up to ¥12 million was approved at the 190th Annual Shareholders Meeting (June 28, 1990).

(3) Policy on Determination of Remuneration in Kind for Officer of the Company

As a means of enhancing its corporate governance, the Company has set forth its 'Basic Policy on Remuneration' and the Board of Directors, at its meeting held on February 24, 2021, resolved to revise it as follows:

- 1) Role of executive and remuneration
The role demanded of the executive is to seek to enhance short-term, medium- and long-term corporate value, and executive remuneration shall serve as an effective incentive for them to perform that role.
- 2) Level of remuneration
The level of executive compensation shall be suitable for the role, responsibility and performance of the executive.
- 3) Remuneration of Directors and its composition
 - i. Remuneration of Directors shall be paid within the scope of the remuneration limit approved at Shareholders Meeting.

- ii. Remuneration of Inside Directors shall comprise monthly remuneration and bonus.
 - Monthly remuneration shall comprise fixed remuneration paid in accordance with the post of each individual and performance-linked remuneration. A portion of fixed remuneration shall be allocated to the purchase of shares based on a share-purchase guideline and from the standpoints of reflecting the perspectives of shareholders on management and improving shareholder value over the long term. The amount of performance-linked remuneration shall be determined after evaluating company-wide performance and performance of operating units from the standpoints of motivating Inside Directors to execute management strategies and reflecting their performance clearly in their remuneration.
 - The amount of bonus to be paid shall be determined in accordance with the post of each Inside Directors after performance evaluation.
- iii. Remuneration of Outside Directors shall comprise monthly remuneration and bonus. Monthly remuneration shall comprise only fixed remuneration, while bonus shall be the same as that of Inside Directors.
- iv. The ratio of performance-linked remuneration to the total value is approximately a little over 30% for Directors who are responsible for business execution and approximately 10 to 20% for Directors who are not responsible for business execution when performance targets are achieved.
- 4) Remuneration of Audit & Supervisory Board Members and its composition
 - i. Remuneration of Audit & Supervisory Board Members shall be paid within the scope of the remuneration limit approved at Shareholders Meeting and determined through discussions among Audit & Supervisory Board Members.
 - ii. Remuneration of Audit & Supervisory Board Members shall comprise only fixed monthly remuneration.
- 5) Assurance of objectivity and transparency of remuneration system

The Company shall assure the objectivity and transparency of the system of remuneration by establishing and operating the 'Advisory Committee' comprising Outside Directors, Outside Audit & Supervisory Board Members and a number of Inside Directors (at least half of committee members shall be Outside Directors or Outside Audit & Supervisory Board Members, and an Outside Director or an Outside Audit & Supervisory Board Member shall be chairman) to govern the system of personnel affairs and remunerations of executives.

Matters concerning remuneration of officers for this business year under review were approved and resolved at the meeting of the Board of Directors held on May 20, 2020 following deliberations on the achievement of company-wide performance targets such as for profit (consolidated) as well as the process and results of operating unit performance of Directors (individual evaluation) in accordance with the 'Basic Policy on Remuneration' at the meeting of the Advisory Committee held on May 19, 2020.

(4) Matters Related to Performance-linked Remuneration

[Monthly remuneration]	The amount of performance-linked remuneration shall be determined using the evaluation results of company-wide performance indicators (1) profit (consolidated), 2)
------------------------	---

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

FY2019	Target	Results	Achievement ratio
Profit (consolidated)	¥86.0 billion	¥43.3 billion	50.4%
Operating cash flow (consolidated)	¥253.0 billion	¥213.0 billion	84.2%
ROE (consolidated)	7.3%	3.8%	52.1%

[Bonuses]

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

FY2019	Target	Results	Achievement ratio
Profit (consolidated)	¥86.0 billion	¥43.3 billion	50.4%

(5) Matters Related to Outside Officers

Category	Name	Attendance to the Board of Directors meetings	Attendance to the Audit & Supervisory Board meetings	Status of major activities
Outside Directors	Hitoshi Saito	12 / 12 (100%)	-	Given his cosmopolitan outlook he has acquired in overseas businesses in the real estate industry, as well as the management capabilities, broad outlook and in-depth knowledge he has acquired through a wide range of business development, Mr. Saito provides the Company with a wide variety of opinions on its management operations. He attended all 12 meetings of the Board of Directors and monitored the performance of duties by the Directors from an independent viewpoint,

Category	Name	Attendance to the Board of Directors meetings	Attendance to the Audit & Supervisory Board meetings	Status of major activities
				contributing to enhancing the rationality and objectivity of deliberations and decisions made in the Company's business operations and at the Board of Directors. He also serves as chairman of the Advisory Committee and engages in monitoring of Directors, reflecting the evaluation of company performance in personnel affairs.
	Kazunori Takami	12 / 12 (100%)	-	Given his management capabilities, broad outlook and in-depth knowledge he has acquired through a wide range of business development in the electrical industry, Mr. Takami provides the Company with a wide variety of opinions on its management operations. He attended all 12 meetings of the Board of Directors and monitored the performance of duties by the Directors from an independent viewpoint, contributing to enhancing the rationality and objectivity of deliberations and decisions made in the Company's business operations and at the Board of Directors. He also serves as a member of the Advisory Committee and engages in monitoring of Directors, reflecting the evaluation of company performance in personnel affairs.
	Junko Edahiro	12 / 12 (100%)	-	Given her experience as a corporate manager, advanced specialization related to environment and in-depth knowledge, Ms. Edahiro provides the Company with a wide variety of opinions on its management operations. She attended all 12 meetings of the Board of Directors and monitored the performance of duties by the Directors from an independent viewpoint, contributing to enhancing the rationality and objectivity of deliberations and decisions made in the Company's business operations and at the Board of Directors.
	Mami Indo	10 / 10 (100%)	-	Given her extensive experience of corporate management and advanced specialization and in-depth knowledge in the finance sector, Ms. Indo provides the Company with a wide variety of opinions on its management operations. She attended all 10 meetings of the Board of Directors and monitored the performance of

Category	Name	Attendance to the Board of Directors meetings	Attendance to the Audit & Supervisory Board meetings	Status of major activities
				duties by the Directors from an independent viewpoint, contributing to enhancing the rationality and objectivity of deliberations and decisions made in the Company's business operations and at the Board of Directors.
Outside Audit & Supervisory Board Members	Masato Nobutoki	11 / 12 (91%)	13 / 14 (92%)	Given the abundant experience and deep insight as a company employee and as a public officer of a local government agency, Mr. Nobutoki offers appropriate opinions both at meetings of the Board of Directors and the Audit & Supervisory Board.
	Sawako Nohara	12 / 12 (100%)	14 / 14 (100%)	Given the experience as a corporate manager and advanced specialization and in-depth knowledge related to IT, Ms. Nohara offers appropriate opinions both at meetings of the Board of Directors and the Audit & Supervisory Board.
	Hiromichi Ono	10 / 10 (100%)	10 / 10 (100%)	Given the experience as a corporate manager and specialization and in-depth knowledge related to financial and accounting matters, Mr. Ono offers appropriate opinions both at meetings of the Board of Directors and the Audit & Supervisory Board.

Notes: 1. The Company designates respective Outside Directors and respective Outside Audit & Supervisory Board Members as the 'Independent Officers,' who will not have conflicting interests with general shareholders, and notified them to the listing stock exchanges (Tokyo Stock Exchange and Nagoya Stock Exchange).

2. For Mami Indo and Hiromichi Ono, the status of attendance after their appointment in June 2020 is stated.

5. Matters Related to Accounting Auditor (Independent Auditor)

(1) Name of Accounting Auditor

KPMG AZSA LLC

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

Category	Compensation for audit services	Compensation for non-audit services
The Company	138	9
Consolidated subsidiaries	140	5
Total	278	15

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

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

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

(3) The Contents of Non-Audit Services

The Company commissions the Accounting Auditor to provide non-audit services such as drafting of comfort letters relating to issuance of unsecured bonds, and services relating to statements of income and expenditure for Wheeling Service.

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

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

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

6. Basic Policy on Control of a Joint-Stock Corporation

The Company passed at the meeting of its Board of Directors held on January 31, 2012, a resolution on amendment of the 'Basic Policy on the Management Principles and Control of the Tokyo Gas Group' as follows:

The Tokyo Gas Group supplies city gas in a safe and stable manner to roughly ten million accounts of customers mainly in the greater metropolitan Tokyo region, and conducts businesses of extremely high public interest by offering the best possible mixture of various energies including gas, heat and electricity and their added values, and by helping customers lead a comfortable life and build environment-friendly cities. The Group makes it one of its fundamental principles to continue to grow while enjoying a constant trust of its customers and shareholders and society.

On the strength of this management principle and medium- and long-term business strategy, it is the basic management policy of the Company to achieve stable long-term management and steady enhancement of corporate value by simultaneously allocating profits to its customers, shareholders and other stakeholders in a stable and balanced manner. The Company will distribute the financial returns to shareholders based on the 'Policy on Determination of Dividends from Surplus and Others' prescribed separately.

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

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

Consolidated Balance Sheet

As of March 31, 2021

(Millions of yen)

ASSETS

Non-current Assets	2,187,623
Property, plant and equipment	1,495,927
Production facilities	231,177
Distribution facilities	594,662
Service and maintenance facilities	15,992
Other facilities	564,495
Inactive facilities	316
Construction in progress	89,283
Intangible assets	295,637
Goodwill	5,320
Other intangible assets	290,316
Investments and other assets	396,057
Investment securities	230,782
Long-term loans receivable	57,279
Retirement benefit asset	114
Deferred tax assets	47,368
Other investments and other assets	60,814
Allowance for doubtful accounts	(301)
Current Assets	550,725
Cash and deposits	157,881
Notes and accounts receivable-trade	218,985
Lease receivables and investments in leases	19,618
Securities	1,210
Merchandise and finished goods	1,980
Work in process	11,595
Raw materials and supplies	46,464
Other current assets	93,848
Allowance for doubtful accounts	(857)
Total Assets	2,738,348

LIABILITIES AND NET ASSETS**LIABILITIES**

Non-current Liabilities	1,145,067
Bonds payable	474,998
Long-term borrowings	458,881
Deferred tax liabilities	24,269
Retirement benefit liability	58,416
Provision for gas holder repairs	3,172
Provision for safety measures	349
Provision for appliance warranties	10,843
Provision for point service program	1,635
Asset retirement obligations	23,313
Other non-current liabilities	89,188
Current Liabilities	415,010
Current portion of non-current liabilities	108,704
Notes and accounts payable-trade	84,265
Short-term borrowings	5,706
Income taxes payable	11,710
Other current liabilities	204,623
Total Liabilities	1,560,077

NET ASSETS

Shareholders' Equity	1,129,845
Capital stock	141,844
Capital surplus	1,145
Retained earnings	990,762
Treasury shares	(3,907)
Accumulated Other Comprehensive Income	23,968
Valuation difference on available-for-sale securities	22,990
Deferred gains or losses on hedges	(11,240)
Foreign currency translation adjustment	4,322
Remeasurements of defined benefit plans	7,895
Non-controlling interests	24,457
Total Net Assets	1,178,271
Total Liabilities and Net Assets	2,738,348

Consolidated Statement of Income

From April 1, 2020 to March 31, 2021

	(Millions of yen)
Net sales	1,765,146
Cost of sales	1,212,624
[Gross profit]	[552,522]
Supply and sales expenses	410,167
General and administrative expenses	64,679
[Operating profit]	[77,675]
Non-operating income.....	21,204
Interest income	1,586
Dividend income	2,398
Share of profit of entities accounted for using equity method ..	1,482
Gain on derivatives	7,979
Miscellaneous income	7,757
Non-operating expenses.....	28,379
Interest expenses	12,629
Loss on derivatives	9,373
Miscellaneous expenses	6,376
[Ordinary profit]	[70,500]
Extraordinary income	10,406
Gain on sales of non-current assets	3,114
Gain on sales of investment securities	5,283
Gain on bargain purchase	2,008
Extraordinary losses	14,722
Impairment loss	10,255
Loss on valuation of investment securities	4,466
[Profit before income taxes]	[66,184]
Income taxes - current.....	16,887
Income taxes - deferred	(1,175)
Profit	50,471
Profit attributable to non-controlling interests.....	966
Profit attributable to owners of parent	49,505

Non-Consolidated Balance Sheet

As of March 31, 2021

(Millions of yen)

ASSETS

Non-current Assets	1,756,152
Property, plant and equipment	865,804
Production facilities	235,770
Distribution facilities	587,935
Service and maintenance facilities	12,734
Facilities for incidental businesses	5,093
Inactive facilities	316
Construction in progress	23,954
Intangible assets	139,800
Patent right	228
Leasehold interests in land	1,765
Goodwill	71
Software	125,816
Other intangible assets	11,918
Investments and other assets	750,547
Investment securities	58,125
Investments in subsidiaries and associates	460,744
Long-term loans receivable	28
Long-term loans receivable from subsidiaries and associates	183,220
Investments in capital	13
Long-term prepaid expenses	13,973
Deferred tax assets	25,685
Other investments and other assets	9,178
Allowance for doubtful accounts	(421)
Current Assets	354,416
Cash and deposits	52,611
Notes receivable - trade	926
Accounts receivable - trade	143,407
Accounts receivable from subsidiaries and associates - trade ...	37,065
Accounts receivable - other	11,865
Finished goods	71
Raw materials	27,670
Supplies	12,056
Advance payments	1,156
Prepaid expenses	1,598
Short-term receivables from subsidiaries and associates	33,446
Other current assets	33,957
Allowance for doubtful accounts	(1,416)
Total Assets	2,110,568

LIABILITIES AND NET ASSETS**LIABILITIES**

Non-current Liabilities	917,415
Bonds payable	474,998
Long-term borrowings	346,744
Long-term debt to subsidiaries and associates	3,096
Provision for retirement benefits	61,576
Provision for gas holder repairs	2,781
Provision for safety measures	349
Provision for appliance warranties	10,843
Provision for point service program	1,635
Asset retirement obligations	321
Other non-current liabilities	15,068
Current Liabilities	388,152
Current portion of non-current liabilities	45,909
Accounts payable - trade	49,926
Accounts payable - other	41,637
Accrued expenses	47,976
Income taxes payable	4,523
Advances received	7,979
Deposits received	1,218
Short-term loans payable from subsidiaries and associates	125,997
Short-term debt to subsidiaries and associates	56,577
Other	6,405
Total Liabilities	1,305,568

NET ASSETS

Shareholders' Equity	792,368
Capital stock	141,844
Capital stock	141,844
Capital surplus	2,065
Legal capital surplus	2,065
Retained earnings	652,365
Legal retained earnings	35,454
Other retained earnings	616,911
Reserve for advanced depreciation of non-current assets	5,616
Reserve for overseas investment loss	2,469
Reserve for adjustment of cost fluctuations	141,000
General reserve	339,000
Retained earnings brought forward	128,825
Treasury shares	(3,907)
Treasury shares	(3,907)
Valuation and Translation Adjustments	12,631
Valuation difference on available-for-sale securities	22,408
Valuation difference on available-for-sale securities	22,408
Deferred gains or losses on hedges	(9,777)
Deferred gains or losses on hedges	(9,777)
Total Net Assets	805,000
Total Liabilities and Net Assets	2,110,568

Non-Consolidated Statement of Income

From April 1, 2020 to March 31, 2021

	(Millions of yen)
Gas business sales	927,817
Gas sales	878,911
Third party access revenue	41,676
Revenue from interoperator settlement	7,229
Cost of sales	483,809
Beginning inventories	94
Cost of products manufactured	467,835
Purchase of finished goods	17,119
Costs of gas for own use	1,168
Ending inventories	71
[Gross profit]	[444,007]
Supply and sales expenses	356,082
General and administrative expenses	67,544
[Income on core business]	[20,380]
Miscellaneous operating revenue	156,493
Revenue from installation work	37,867
Other miscellaneous operating revenue	118,626
Miscellaneous operating expenses	125,056
Expenses of installation work	37,563
Other miscellaneous operating expenses	87,492
Revenue for incidental businesses	528,600
Expenses for incidental businesses	533,347
[Operating profit]	[47,069]
Non-operating income	22,774
Interest income	556
Dividend income	1,404
Dividends from subsidiaries and associates	6,078
Gain on derivatives	7,787
Miscellaneous income	6,947
Non-operating expenses	23,080
Interest expenses	3,782
Interest on bonds	5,381
Amortization of bond issuance cost	488
Loss on derivatives	9,267
Miscellaneous expenses	4,161
[Ordinary profit]	[46,764]
Extraordinary income	4,786
Gain on sales of investment securities	4,786
Extraordinary losses	-
[Profit before income taxes]	[51,550]
Income taxes - current	7,200
Income taxes - deferred	1,834
Profit	42,516

Independent Auditor's Report

May 13, 2021

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

KPMG AZSA LLC
Tokyo Office, Japan

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

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

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

Opinion

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the related notes of Tokyo Gas Co., Ltd. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2021 and for the year from April 1, 2020 to March 31, 2021 in accordance with Article 444-4 of the Companies Act.

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

Basis for Opinion

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

Emphasis of Matter

We draw attention to Explanatory notes regarding material subsequent events to the consolidated financial statements, which describes that based on a resolution passed by the Board of Directors on April 28, 2021, the Company will succeed its gas pipeline business to Tokyo Gas Network Co., Ltd. by means of a spin-off on April 1, 2022 (planned), with whom it signed an absorption-type company split agreement. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Consolidated Financial Statements

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

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

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are

based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Notes to the Reader of Independent Auditor's Report:

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

Independent Auditor's Report

May 13, 2021

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

KPMG AZSA LLC
Tokyo Office, Japan

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

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

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

Opinion

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in equity and the related notes, and the supplementary schedules ("the financial statements and the supplementary schedules") of Tokyo Gas Co., Ltd. ("the Company") as at March 31, 2021 and for the year from April 1, 2020 to March 31, 2021 in accordance with Article 436-2-1 of the Companies Act.

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

Japan.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Explanatory notes regarding material subsequent events to the non-consolidated financial statements, which describes that based on a resolution passed by the Board of Directors on April 28, 2021, the Company will succeed its gas pipeline business to Tokyo Gas Network Co., Ltd. by means of a spin-off on April 1, 2022 (planned), with whom it signed an absorption-type company split agreement. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Financial Statements and the Supplementary Schedules

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

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

Japan.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the supplementary schedules.

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

- Identify and assess the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the supplementary schedules, including the disclosures, and whether the financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Notes to the Reader of Independent Auditor's Report:

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

AUDIT REPORT

The Audit & Supervisory Board (the 'Board'), having deliberated on the audit reports prepared by each Audit & Supervisory Board Members on the execution of the duties of Directors for the 221st business year from April 1, 2020 to March 31, 2021, does hereby report on its audit findings as follows:

1. Method and Contents of Audit by Audit & Supervisory Board Members and the Board

(1) The Board set the audit policy, audit plan, etc., debriefed Audit & Supervisory Board Members on the status of execution and results of their audits, debriefed Directors and Independent Auditors on the status of execution of their duties, and requested explanations as needed.

(2) While maintaining proper communication with Directors, internal audit staff and other employees, Audit & Supervisory Board Members strived to maintain an environment for information gathering and auditing, and executed their audits in the manner described below in conformity with the audit & supervisory board members' audit standard established by the Board and in accordance with the audit policy, audit plan, etc. established by the Board.

1) Audit & Supervisory Board Members attended the meetings of the Board of Directors, the Management Committee and other important meetings of the Company, debriefed Directors and employees on the status of execution of their duties, requested explanations as needed, inspected important decision-making documents, etc., as appropriate, and examined the status of business operations and properties at the head office and main business units.

With respect to the subsidiaries, Audit & Supervisory Board Members received reports of operations as necessary by maintaining proper communication with subsidiaries' Directors, Audit & Supervisory Board Members, etc.

2) With respect to the contents of the resolutions of the Board of Directors on the development of the corporate structure and system to ensure that execution by Directors of their duties conformed to the provisions of the relevant acts and the Articles of Incorporation and of the corporate structure and system which are prescribed in Article 100, Paragraphs 1 and 3 of the 'Enforcement Regulations of the Companies Act' as being necessary for ensuring the appropriateness of operations of a corporate group consisting of a joint-stock corporation and its subsidiaries, and also the corporate structure and system (internal control system) put in place by the said resolutions, which are described in the business report, Audit & Supervisory Board Members and the Board debriefed Directors and employees on the status of the establishment and management of the corporate structure and system, requested explanations as needed, and made opinions.

With respect to internal control covering financial reporting, the Audit & Supervisory Board Members debriefed the Directors and KPMG AZSA LLC on evaluation of the said internal control and status of audit and requested explanations as needed.

3) Audit & Supervisory Board Members discussed the opinions regarding the 'Basic Policy on the Management Principles and Control of the Tokyo Gas Group,' prescribed in Article 118, Item 3 of the 'Enforcement Regulations of the Companies Act,' stated in the Business Report based on deliberations for the decision on the policy at meetings of the Board of Directors.

4) Audit & Supervisory Board Members and the Board monitored and verified whether or not the Independent Auditors had maintained their independent positions and had conducted appropriate audits, debriefed Independent Auditors on the status of execution of their duties, and requested explanations as needed. In addition, Audit & Supervisory Board Members and the Board were informed by Independent Auditors that they were developing the 'structure and system to ensure that their duties would be executed in a proper manner' (items prescribed in Article 131 of the 'Company Calculation Regulations') in accordance with 'Quality Control

Standard for Auditing' (by Business Accounting Council dated October 28, 2005), and requested explanations as needed.

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

2. Results of Audit

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

- 1) The Business Report and its supporting schedules present fairly the status of the Company in conformity with the relevant acts and the Articles of Incorporation.
- 2) No misconduct or material fact running counter to the relevant acts or the Articles of Incorporation has been found in respect of execution of Directors' duties.
- 3) The contents of the Board of Directors' resolution on the internal control system are fair and reasonable. The descriptions in the Business Report and execution by Directors of their duties related to the said internal control system, including the internal control covering financial reporting, have no specific problems which have to be pointed out.
- 4) The contents of 'Basic Policy on the Management Principles and Control of the Tokyo Gas Group' described on the Business Report has no specific problems which have to be pointed out.

(2) Results of audit of financial statements and their supporting schedules

The audit methods adopted and the results of audit rendered by KPMG AZSA LLC, Independent Auditors, are fair and reasonable.

(3) Results of audit of consolidated financial statements

The audit methods adopted and the results of audit rendered by KPMG AZSA LLC, Independent Auditors, are fair and reasonable.

The Audit & Supervisory Board will continue to closely monitor measures related to the COVID-19 pandemic including the 'Management Reform Initiatives of the Tokyo Gas Group in View of the COVID-19 Pandemic' described in the Business Report.

May 17, 2021

Tokyo Gas Co., Ltd. Audit & Supervisory Board

Hideaki Arai	Standing Audit & Supervisory Board Member
Isao Nakajima	Standing Audit & Supervisory Board Member
Masato Nobutoki	Outside Audit & Supervisory Board Member
Sawako Nohara	Outside Audit & Supervisory Board Member
Hiromichi Ono	Outside Audit & Supervisory Board Member

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

Notes to the Consolidated Financial Statements

Non-Consolidated Statement of Changes in Equity

Notes to the Non-Consolidated Financial Statements

221st Fiscal Year (April 1, 2020 to March 31, 2021)

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

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 February 22, 2019, as follows:

(1) Corporate structure and system for ensuring that Directors will execute their duties in conformity with the relevant acts, the Articles of Incorporation and other rules and regulations

- 1) The Company shall establish the 'Corporate Action Philosophy' and 'Our Code of Conduct' as the foundations of the compliance structure/system at the Company and its subsidiaries shall comply with them.
- 2) In order to ensure that its Directors and employees will comply with the 'Relevant Acts,' the 'Management Principles,' the 'Corporate Action Philosophy' and the 'Our Code of Conduct' the Company shall, pursuant to the provisions of the 'Business Ethics Committee Regulations,' establish a Business Ethics Committee as a deliberating/coordinating organ to promote proper development/operation of the compliance structure and system at the Company and its subsidiaries.
- 3) The Company shall appoint an appropriate number of Outside Directors and Executive Officers in order to clarify separation of supervisory functions of management from executive functions of management and strengthen the managerial decision-making and supervisory functions of the Board of Directors.
- 4) The Company, in order to ensure objectivity and transparency of management, shall establish the advisory committee comprising Outside Directors, Outside Audit & Supervisory Board Members and the Company's Directors as an advisory organ for deliberating on executive remuneration, etc.
- 5) The Board of Directors, pursuant to the provisions of the 'Regulations of the Board of Directors,' shall establish the 'Basic policy on Development of Internal Control System.'
- 6) Directors charged with the execution of operations shall fulfill their role and responsibility for developing a system of internal controls in accordance with the basic policy determined by the Board of Directors.
- 7) The Company shall establish 'Regulations Concerning the Formulation, Implementation and Evaluation of Internal Controls Covering Financial Reporting' and, based on these Regulations, evaluate the effectiveness of internal controls relating to financial reporting and ensure the reliability of financial reports.
- 8) The Company shall establish 'Regulations Concerning Insider Trading Prevention and Timely Disclosure' and, based on these Regulations, prevent the practice of insider trading within the Company and its subsidiaries and ensure the appropriateness and promptness of information disclosure that is demanded of all listed corporations by the 'Securities Listing Regulations.'
- 9) Directors, if they discover any matter that may exert a material influence on management of the Company and its subsidiaries, shall inform the Board of Directors and Audit & Supervisory Board Members of the said matter without delay.
- 10) The Company shall establish a corporate structure and system where Audit & Supervisory Board Members would be empowered to audit the duties executed by Directors in accordance with the 'Audit Standards' established by the Audit & Supervisory Board.

(2) Corporate structure and system for preserving and managing information relevant to execution of Directors' duties

- 1) The Company shall preserve and manage information relevant to execution of Directors' duties in a proper and secure manner according to preservation media and keep the said information available for inspection as needed, pursuant to the 'Document-handling Regulations' and the 'Information Security Management Regulations.'

(3) Corporate structure and system for ensuring that Directors' duties will be executed in an efficient manner

- 1) The Board of Directors shall pass resolutions on the agendas submitted for deliberation and resolution pursuant to the provisions of the relevant acts, the Articles of Incorporation and the 'Regulations of the Board of Directors.' The Board of Directors, pursuant to the provisions of the said Regulations, shall in principle convene one meeting per month and convene one as needed. Of the agendas submitted to the Board of Directors, those agendas which require prior deliberations or are otherwise critical enough to affect management shall be deliberated on at the Management Committee comprising Executive Officers with Titles.
- 2) Details of the persons in charge of executing operations based on the decisions of the Board of Directors, their responsibilities, and the relevant executing procedures shall be prescribed in the 'Execution Framework Regulations.'
- 3) The Representative Director shall report the status of operational execution to the Board of Directors pursuant to the provisions of the 'Regulations of the Board of Directors.'
- 4) The Board of Directors shall formulate medium- and long-term management plans, single-year management plans, and business strategies, and, based on them, establish principal management objectives and verify progress periodically, thereby ensuring that Directors execute their duties in an efficient and effective manner.

(4) Corporate structure, system and regulations on management of risks of loss

- 1) The Board of Directors shall establish 'Risk Management Policies' to promote the management of risks incurred by the Company and its subsidiaries, as well as a Risk Management Committee and a risk management unit. In addition, the Board of Directors shall specify material risks associated with executing operations by the Company and its subsidiaries, and review them annually.
- 2) All the units concerned with projects involving investments, equity participations, loans and debt guarantees shall evaluate their profitability and risks and, based on the said evaluation, submit the relevant agendas to the Management Committee or the Board of Directors for approval. Derivative transactions shall be executed pursuant to the provisions of the 'Regulations on Management of Market Risks.'
- 3) In the event of any unforeseen circumstance such as a natural disaster, a manufacturing/supply trouble and a state of emergency, all the units concerned shall cope with the said circumstance in a prompt and proper manner by putting predetermined structures and systems in place in accordance with the 'Emergency Response Organization Regulations.'
- 4) The Company shall establish a corporate structure and system that would cause each of its unit and subsidiaries to grasp risks associated with operational execution on its own, and manage such risks by formulating and implementing necessary countermeasures on its own.

(5) Corporate structure and system for ensuring that employees will execute their duties in conformity with the relevant acts, the Articles of Incorporation, and other rules and regulations

- 1) In order to facilitate proper development/operation of the compliance structure and system within the Company and its subsidiaries, the Company shall establish a Compliance Department. In addition, the Company shall establish a 'Tokyo Gas Compliance Consulting Unit' to offer consulting services for the whole of the Company and its subsidiaries on contraventions of the acts and the Articles of Incorporation and other questionable compliance-related practices and acts.
- 2) The Company shall establish a legal affairs unit with the General Administration Department with a view to further bolstering the corporate structure and system in which its Directors and employees will fully comply with the Antitrust Act, industry laws, general supply provision, etc.
- 3) The Company shall establish a corporate structure and system where Audit & Supervisory Board Members would be empowered to audit the status of development/operation of its compliance structure and system and, if they detect or discover any problem, they would be entitled to demand that the situation be ameliorated.
- 4) The Company shall establish an Internal Audit Department which must operate independently of any unit executing operations. The Internal Audit Department shall audit the status/operation of accounting, operations, compliance, information system and risk management in the Company and its subsidiaries in accordance with the 'Internal Audit Regulations,' and shall report its findings to the Management Committee and Audit & Supervisory Board Members.

(6) Corporate structure and system for ensuring appropriateness of operations at the corporate group including subsidiaries

- 1) The Company shall demand that its subsidiaries establish those rules and regulations which would be necessary for ensuring compliance with the 'Corporate Action Philosophy' and the 'Our Code of Conduct' and the appropriateness of operations. Each one of the subsidiaries' Directors and Audit & Supervisory Board Members shall assume the duty of due care and diligence of a good manager in ensuring the appropriateness of operations.
- 2) The Company shall prescribe 'Regulations on the Management of Subsidiaries,' and establish a corporate structure and system where its Directors would be empowered to manage its subsidiaries by approving and receiving reports on important matters including those related to its exercise of shareholder's rights vis-à-vis the subsidiaries. The Company shall retain part of its powers over subsidiaries' business operations.
- 3) The Company shall establish a corporate structure and system where, if for purposes of subsidiaries management any of its subsidiaries is found to have a compliance-related problem including contravention of the acts or the Articles of Incorporation, the relevant subsidiaries would be required to report such a problem to Compliance Department or other units of the Company as appropriate. In connection with the said problem, each one of the relevant subsidiary's Directors and Audit & Supervisory Board Members shall assume the duty of due care and diligence of a good manager.
- 4) If any of the Company's Directors detects or discovers any principal compliance-related problem at any subsidiaries including contravention of the acts or the Articles of Incorporation, he/she shall report the said problem to the Management Committee and Audit & Supervisory Board Members without delay.

- 5) The Company shall establish a corporate structure and system where its Audit & Supervisory Board Members would be able to conduct their audits of subsidiaries in an efficient and effective manner in close coordination with Audit & Supervisory Board Members of the relevant subsidiaries and Internal Audit Department. The Company shall also establish a corporate structure and system where, if audit findings reveal the presence of a problem in ensuring the appropriateness of operations of the whole of the Company and its subsidiaries, Audit & Supervisory Board Members would be empowered to demand that the relevant Director ameliorate the situation.
 - 6) The Company shall establish a corporate structure and system where Internal Audit Department would be able to conduct its audits of subsidiaries in an efficient and effective manner in close coordination with the Audit & Supervisory Board Members of the Company and subsidiaries, and report its findings to the Management Committee, Audit & Supervisory Board Members, and the Directors and Audit & Supervisory Board Members of the relevant subsidiaries.
- (7) Matters related to employees who are assigned to assist in the duties of Audit & Supervisory Board Members, and matters related to independence of the relevant employees from Directors**
- 1) With the aim of providing its Audit & Supervisory Board Members with necessary assistance, the Company shall establish an Audit & Supervisory Board Members' Office staffed by full-time personnel who would operate independently of any unit executing operations.
 - 2) The Board of Directors shall decide on human resources-related matters of the manager of the Audit & Supervisory Board Members' Office and other employees subject to consent of Audit & Supervisory Board Members.
- (8) Corporate structures and systems for reporting by Directors and employees to Audit & Supervisory Board Members, for other reporting to Audit & Supervisory Board Members, and for ensuring that Audit & Supervisory Board Members' audits will be executed in an effective manner**
- 1) The Company shall establish a corporate structure and system where its Audit & Supervisory Board Members would be able to demand, as needed, that Directors and employees inform them of any matters necessary for execution of their duties.
 - 2) The Company shall guarantee that Audit & Supervisory Board Members will have an opportunity to exchange views with Directors as needed; that they will be allowed to attend principal meetings and express their views on lawfulness, etc. as needed; and that they will have access to important information.
 - 3) The Company shall establish a corporate structure and system where its Audit & Supervisory Board Members would be able to ensure the effectiveness of their audits by coordinating with Independent Auditor, Audit & Supervisory Board Members of its subsidiaries and Internal Audit Department.

II. Overview of Operational Status of Internal Control System

(1) Corporate structure and system for ensuring that Directors will execute their duties in conformity with the relevant acts, the Articles of Incorporation and other rules and regulations

During this fiscal year, the Board of Directors meeting was held 12 times, and we discussed and made decisions on important matters. Furthermore, Directors in charge of major corporate policies reported to us on the execution of operations.

The Board of Directors received outside assessment and reports from the Accounting Auditor, and confirmed the reliability of financial reporting in accordance with the 'Regulations Concerning the Formulation, Implementation and Evaluation of Internal Controls Covering Financial Reporting.'

The Audit & Supervisory Board Members audited the above duties executed by Directors in accordance with the 'Audit Standards' established by the Audit & Supervisory Board.

(2) Corporate structure and system for preserving and managing information relevant to execution of Directors' duties

The Company has properly prepared and kept the minutes, etc. of the Board of Directors meeting so that the Directors, etc. can view them at their request.

(3) Corporate structure and system for ensuring that Directors' duties will be executed in an efficient manner

During this fiscal year, the Board of Directors meeting was held 12 times, and we discussed and made decisions on important matters relating to organization, transfer and evaluation of employees, and business results, etc. Furthermore, Directors in charge of major departments reported to us on the execution of operations.

Other important matters concerning our business operations were discussed at the Management Committee, which consists of Executive President, Executive Vice Presidents, Senior Managing Executive Officers and Senior Executive Officers, and the meeting was held 53 times during this fiscal year.

(4) Corporate structure, system and regulations on management of risks of loss

We perform an annual review of the material risks. 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 contingencies in accordance with the 'Emergency Response Organization Regulations.' During this fiscal year, we took response actions on nine occasions.

(5) Corporate structure and system for ensuring that employees will execute their duties in conformity with the relevant acts, the Articles of Incorporation, and other rules and regulations

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

The Internal Audit Department has 39 employees. It performs an audit on each department and subsidiary to examine compliance, effectiveness and efficiency of operations, and information security, then provides recommendations on improvements as needed. It also reports the audit findings, as appropriate, to the Management Committee and Audit & Supervisory Board Members.

(6) Corporate structure and system for ensuring appropriateness of operations at the corporate group including subsidiaries

The Directors 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.' In this fiscal year, the Internal Audit Department audited seven key subsidiaries.

Each subsidiary is using the 'Tokyo Gas Compliance Consulting Unit,' in accordance with the 'Regulations for the Operation of Compliance Consulting Unit.'

(7) Matters related to employees who are assigned to assist in the duties of Audit & Supervisory Board Members, and matters related to independence of the relevant employees from Directors

The Audit & Supervisory Board Members' Office has five staff members, and has a framework whereby the tasks of Audit & Supervisory Board Members can be performed smoothly.

The Board of Directors has made decisions concerning the human resources-related matters of the manager of the Audit & Supervisory Board Members' Office and other employees after having obtained the consent of the Audit & Supervisory Board Members.

(8) Corporate structures and systems for reporting by Directors and employees to Audit & Supervisory Board Members, for other reporting to Audit & Supervisory Board Members, and for ensuring that Audit & Supervisory Board Members' audits will be executed in an effective manner

The Audit & Supervisory Board Members receive reports from Directors and employees as appropriate, on the matters necessary for executing their duties.

The Audit & Supervisory Board Members attend not only the Board of Directors meeting, but also other important meetings including the Management Committee, Business Ethics Committee, and the Risk Management Committee, where they check the progress of development and operation of the internal control system.

The Audit & Supervisory Board Members are making efforts to increase the effectiveness of audits by regularly exchanging information and opinions with the Internal Audit Department, the Accounting Auditor, and Audit & Supervisory Board Members of subsidiaries. During this fiscal year, we organized four meetings with the Internal Audit Department, ten meetings with the Accounting Auditor, and three meetings with the Audit & Supervisory Board Members of subsidiaries to exchange information and opinions.

Consolidated Statement of Changes in Equity

From April 1, 2020 to March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	141,844	2,067	967,718	(3,875)	1,107,754
Changes of items during period					
Dividends of surplus			(26,460)		(26,460)
Profit attributable to owners of parent			49,505		49,505
Purchase of treasury shares				(32)	(32)
Disposal of treasury shares				1	1
Retirement of treasury shares					-
Increase in the number of consolidated subsidiaries					-
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(921)			(921)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(921)	23,044	(31)	22,091
Balance at end of current period	141,844	1,145	990,762	(3,907)	1,129,845

	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	15,843	1,444	22,412	292	39,992	11,391	1,159,138
Changes of items during period							
Dividends of surplus							(26,460)
Profit attributable to owners of parent							49,505
Purchase of treasury shares							(32)
Disposal of treasury shares							1
Retirement of treasury shares							-
Increase in the number of consolidated subsidiaries							-
Change in treasury shares of parent arising from transactions with non-controlling shareholders							(921)
Net changes of items other than shareholders' equity	7,146	(12,684)	(18,089)	7,602	(16,024)	13,065	(2,958)
Total changes of items during period	7,146	(12,684)	(18,089)	7,602	(16,024)	13,065	19,132
Balance at end of current period	22,990	(11,240)	4,322	7,895	23,968	24,457	1,178,271

Notes to the Consolidated Financial Statements

From April 1, 2020 to March 31, 2021

[Basis of Preparing Consolidated Financial Statements]

1. Scope of consolidation

(1) Number of consolidated subsidiaries

Number of consolidated subsidiaries: 107

Names of principal consolidated subsidiaries

TOKYO GAS AUSTRALIA PTY LTD, Tokyo Gas America 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., 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.

(2) Number of unconsolidated subsidiaries

Number of unconsolidated subsidiaries: 8

Names of principal unconsolidated subsidiaries

Niihama LNG Co., Ltd., Harumi Eco Energy Co., Ltd.

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: 15

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

(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 with readily determinable fair value 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 with no readily determinable fair value 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) 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.
 - 3) 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.
 - 4) Provision for appliance warranties is an allowance to provide outlays for expenses required for services during warranty periods of appliances sold. The estimated future expenses required after the consolidated balance sheet date are recorded.
 - 5) 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) Principles and procedures of accounting treatments applied, in the case where specific provisions of relevant accounting standards, etc. are not clarified
- 1) Basis for recognizing revenues associated with gas sales and third party access revenue
Gas sales and third party access revenue included in net sales are recognized based on the gas consumption by customers as measured by regular meter reading.

- 2) Basis for recognizing revenues associated with electricity sales revenue
Electricity sales revenue included in net sales is recognized based on the electricity consumption by customers as measured by regular meter reading.
- (5) Other significant matters for preparing Consolidated Financial Statements
 - 1) All accounting transactions are booked exclusive of consumption taxes.
 - 2) 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.
 - 3) 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 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
¥299,640 million (book value after deducting impairment loss of non-current assets and investment securities)
 - 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. Grouping of assets at overseas subsidiaries is carried out 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 to recognize impairment loss and calculate net realizable value, 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 posts impairment loss for the fiscal year under review based on the forward-looking information such as the latest crude oil prices, etc. as of the end of the fiscal year. However, additional 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: ¥30,673 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: ¥58,416 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 0.3% 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, 2021)

	Changes in actuarial assumptions	The amount of impact on retirement benefits liability
Discount rate	A decrease of 0.1%	+¥3,683 million
	An increase of 0.1%	¥(3,598) million
Expected rate of return	A decrease of 0.1%	+¥264 million
	An increase of 0.1%	¥(264) million

5. Explanatory notes regarding changes in presentation
- Application of accounting standard for disclosure of accounting estimates
- 'Accounting Standard for Disclosure of Accounting Estimates' (Accounting Standards Board of Japan (ASBJ) Statement No. 31) was announced on March 31, 2020.
- The Company has applied the accounting standard for the Consolidated Financial Statements as of the end of the fiscal year under review, thereby presenting explanatory notes regarding significant accounting estimates in its Consolidated Financial Statements.

[Explanatory notes regarding the consolidated balance sheet]

1. Assets pledged as collateral

(1) Breakdown of assets

Other facilities	¥92,604 million
Construction in progress	¥1,384 million
Other intangible assets	¥128,349 million
Investment securities	¥13,761 million
Long-term loans receivable	¥23,404 million
Deferred tax assets	¥2,429 million
Other investments and other assets	¥13,850 million
Cash and deposits	¥9,663 million
Notes and accounts receivable-trade	¥336 million
Securities	¥10 million
Raw materials and supplies	¥358 million
Other current assets	¥9,843 million

(2) Liabilities secured by the collaterals

Long-term borrowings	¥64,618 million
Current portion of long-term borrowings	¥44,477 million
Other current liabilities	¥48 million

2. Accumulated depreciation of property, plant and equipment

¥4,243,794 million

3. Guarantee obligation etc.

(1) Guarantee obligation	¥21,895 million
--------------------------	-----------------

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

1. Number of shares issued as of the end of this fiscal year

442,436,059 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 26, 2020.

▪ Dividends of common share

(a) Total amount of dividends	¥13,230 million
(b) Dividends per share	¥30.00
(c) Date of record	March 31, 2020
(d) Effective date	June 29, 2020

2) The following was decided by the meeting of the Board of Directors held on October 29, 2020.

▪ Dividends of common share

(a) Total amount of dividends	¥13,230 million
(b) Dividends per share	¥30.00
(c) Date of record	September 30, 2020
(d) Effective date	November 27, 2020

(2) Dividends of surplus to be carried out after the end of this fiscal year

The following will be proposed at the Annual Shareholders Meeting to be held on June 29, 2021.

▪ Dividends of common share

(a) Total amount of dividends	¥13,229 million
(b) Resource of dividends	Retained earnings
(c) Dividends per share	¥30.00
(d) Date of record	March 31, 2021
(e) Effective date	June 30, 2021

[Explanatory notes regarding financial instruments]

1. Matters related to the status of financial instruments

The Tokyo Gas Group invests funds in highly safe financial assets such as bank deposits and procures funds through bond issuance and loans from banks and other financial institutions.

We mitigate customers' credit risks related to notes and accounts receivable - trade in accordance with each group company's credit control policy. In addition, investment securities are mainly shares and we check the shares' fair values on a quarterly basis regarding listed shares.

Bonds payable and borrowings are mainly for capital investment (long-term) and for working capital (short-term).

As for derivative transactions, the Company is engaged in interest rate swap transactions against the interest rate volatility risk associated with borrowings, and forward exchange contracts against the foreign exchange risks associated with foreign currency denominated claims and obligations as well as foreign currency denominated forecasted transactions. In addition, when performing derivatives trading, we will draw up a plan therefor in accordance with our internal management rules and conduct the derivatives trading after receiving official approval.

2. Matters related to the fair value of financial instruments

The following are the amounts on the consolidated balance sheet, their fair values and differences as of March 31, 2021. Financial instruments with extreme difficulty in determining their fair value are not included in the following table (see (Note 2)).

(Millions of yen)			
	Amount on the consolidated balance sheet (*1)	Fair value (*1)	Difference
(1) Investment securities and other securities	64,901	80,378	15,477
(2) Cash and deposits	157,881	157,881	-
(3) Notes and accounts receivable - trade	218,985	218,985	-
(4) Bonds payable (*2)	[494,998]	[520,681]	(25,683)
(5) Long-term borrowings (*2)	[547,562]	[571,926]	(24,364)
(6) Derivatives	(13,595)	(13,595)	-

(*1) Figures in square brackets are those listed under liabilities. Net receivables and liabilities arising from derivative transactions are shown in net amounts. Figures in parentheses are posted to liabilities.

(*2) (4) Bonds payable and (5) Long-term borrowings include items due within one year.

(Note 1) Matters related to the method of measuring the fair value of financial instruments

(1) Investment securities and other securities

The fair value of stocks refers to quotes on their respective stock exchanges.

(2) Cash and deposits

These items are listed at book value because they are settled in a short time and their fair value approximates the book values.

(3) Notes and accounts receivable - trade

These items are listed at book value because they are settled in a short time and their fair value approximates the book values.

(4) Bonds payable

The fair value of the Group's bonds payable is measured at the present value of the aggregate amount of principal and interest discounted using the rate for the period until their maturity where credit risk is inclusive.

(5) Long-term borrowings

The fair value of long-term borrowings is measured by using a method in which

the aggregate amount of principal and interest is discounted at the assumed interest rates for similar new borrowings. Of the Group's long-term borrowings with variable interest rates, the fair value of those subject to special accounting treatment for interest rate swap transactions (see (6) below) is measured by using a method in which the aggregate amount of principal and interests treated with the said interest rate swap transactions is discounted at the assumed interest rates for similar new borrowings.

(6) Derivatives

The fair value of derivatives is measured based on the prices presented by financial institutions with which we have transactions. Their fair value is included in the fair value of the said long-term borrowings, because interest rate swap transactions given the special accounting treatment are treated together with hedged long-term borrowings (see (5) above).

(Note 2) Shares of subsidiaries and associates (¥86,886 million on the consolidated balance sheet) as well as unlisted shares and others (¥80,204 million on the consolidated balance sheet) are not included in '(1) Investment securities and other securities' because they do not have market prices and therefore it is extremely difficult to determine their fair value.

[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
166,078	577,386

(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	¥2,616.37
2. Basic earnings per share	¥112.26

[Explanatory notes regarding material subsequent events]

1. Acquisition of treasury shares

At the Board of Directors meeting held on April 28, 2021, 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: 1.7 million (upper limit)
(Rate to total number of shares outstanding: 0.4%)
- Total value of shares to be acquired: ¥3.3 billion (upper limit)
- Term of acquisition: May 6, 2021 to September 30, 2021

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

Based on a resolution passed by the Board of Directors on April 28, 2021, the Company will succeed its gas pipeline business to Tokyo Gas Network Co., Ltd. by means of a spin-off on April 1, 2022 (planned), with whom it signed an absorption-type company split agreement (hereinafter, the 'Spin-off'). The effectuation of the Spin-off will be subject to the approval of related proposals at the Annual Shareholders Meeting to be held on June 29, 2021 and the acquisition of approvals necessary for the execution of business by the relevant government agencies.

- (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, will be 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
 - 1) 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 (planned)
Extraordinary Shareholders Meeting approval of absorption-type company split agreement (the successor company)	June 29, 2021 (planned)
Effective date of absorption-type company split agreement	April 1, 2022 (planned)
 - 2) 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.
 - 3) Allotment pertaining to Spin-off

In the Spin-off, Tokyo Gas Network Co., Ltd., which is the successor company, will issue 12.63 million shares of common shares and allocate all of the shares to the Company.
 - 4) Treatment of share acquisition rights and bonds with share acquisition rights following Spin-off

The Company issues neither share acquisition rights nor bonds with share acquisition rights.
 - 5) Changes in capital stock due to Spin-off

There will be no changes in the capital stock of the Company.
 - 6) 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 will assume 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 will not be assumed by the successor company.
 - 7) 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
- 1) Description of operations to be spun off
Gas pipeline business and ancillary businesses
 - 2) Operating results of units to be spun off (Results for the fiscal year ended March 31, 2021)

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	¥83,678 million	¥1,612,911 million	5.2%

Note: Net sales are sales to external customers.

- 3) Category and amount of assets and liabilities to be spun off (As of March 31, 2021)

Assets		Liabilities	
Category	Amount	Category	Amount
Non-current assets	¥641,808 million	Non-current liabilities	¥3,132 million
Current assets	¥41,477 million	Current liabilities	¥48,625 million
Total	¥683,285 million	Total	¥51,757 million

Note: The above amounts are based on the balance sheet values as of March 31, 2021. The actual amounts that are succeeded will reflect the addition or deduction of any changes that occur before the effective date.

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

(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 Director, 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 (anticipated))

(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

[Other explanatory notes]

1. Extraordinary income

Gain on bargain purchase was mainly derived when TG East Texas Resources LLC, a subsidiary of the Company, acquired shares in TG Natural Resources LLC for a cash consideration, because the consideration for the acquisition was less than the net amount of the assets acquired and liabilities assumed. Thus, the balance was posted as gain on bargain purchase.

2. Extraordinary losses

In the fiscal year under review, the Group recognized impairment loss and loss on valuation of investment securities primarily on the following asset groups.

(Millions of yen)

Place	Use	Type	Amount
Surat Basin/ Queensland, Australia, etc.	Unconventional natural gas project	Property, plant and equipment (Other facilities and construction in progress)	8,169
East Texas/ Texas, U.S.	Shale gas development project Tight sand development project	Investments and other assets (Investment securities)	4,454
The Barnett Basin/ Texas, U.S.	Shale gas development	Intangible assets (Other intangible assets)	1,257

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.

As for the production and liquefaction facilities at the Surat Basin in Queensland of Australia, etc., after the business value was revalued due to the impact of a decline in crude oil prices, the book value was written down to its value in use. This reduction has been recorded as impairment loss under extraordinary losses.

As for the investment in tight sand and shale gas development project in East Texas of the U.S., after the business value was revalued due to the impact of a slump in North American gas prices and a decline in crude oil prices, the book value was written down to its fair value. This reduction has been recorded as loss on valuation of investment securities under extraordinary losses.

The value in use and fair value are measured by discounting the total amount of future cash flows by using a discount rate primarily within a range of 6.8% to 10.5%.

As for the mining area at Barnett Basin in Texas of the U.S., after the business value was revalued due to changes in the environment surrounding this business, the book value was written down to its net realizable value. This reduction has been recorded as impairment loss under extraordinary losses. The net realizable value is measured based on an estimated selling price.

3. Depreciation and amortization

The Group built a new large-scale mission critical system during the fiscal year under review for ¥55,035 million as an intangible asset. Durable years of the system have been determined at ten years based on the estimation of its useful life.

4. The Company has applied the 'Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections' (ASBJ Statement No. 24, March 31, 2020) from the end of the fiscal year under review. Accordingly, 'Principles and procedures of accounting treatments applied, in the case where specific provisions of relevant accounting standards, etc. are not clarified' are disclosed.

5. All amounts of less than one million yen have been rounded down in the accounts.

Non-Consolidated Statement of Changes in Equity
From April 1, 2020 to March 31, 2021

(Millions of yen)

	Shareholders' equity									
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings					Total retained earnings
		Legal capital surplus	Total capital surplus		Other retained earnings				Retained earnings brought forward	
					Reserve for advanced depreciation of non-current assets	Reserve for overseas investment loss	Reserve for adjustment of cost fluctuations	General reserve		
Balance at beginning of current period	141,844	2,065	2,065	35,454	6,013	4,393	141,000	339,000	146,578	672,439
Changes of items during period										
Reversal of reserve for advanced depreciation of non-current assets					(396)				396	
Reversal of reserve for overseas investment loss						(1,924)			1,924	
Dividends of surplus									(26,460)	(26,460)
Profit									42,516	42,516
Purchase of treasury shares										
Disposal of treasury shares										
Retirement of treasury shares										
Decrease due to company split									(36,129)	(36,129)
Net changes of items other than shareholders' equity										
Total changes of items during period	-	-	-	-	(396)	(1,924)	-	-	(17,752)	(20,073)
Balance at end of current period	141,844	2,065	2,065	35,454	5,616	2,469	141,000	339,000	128,825	652,365

	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	(3,875)	812,473	15,287	(9,327)	5,959	818,433
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		(26,460)				(26,460)
Profit		42,516				42,516
Purchase of treasury shares	(32)	(32)				(32)
Disposal of treasury shares	1	1				1
Retirement of treasury shares						-
Decrease due to company split		(36,129)				(36,129)
Net changes of items other than shareholders' equity			7,121	(449)	6,672	6,672
Total changes of items during period	(31)	(20,105)	7,121	(449)	6,672	(13,433)
Balance at end of current period	(3,907)	792,368	22,408	(9,777)	12,631	805,000

Notes to the Non-Consolidated Financial Statements

From April 1, 2020 to March 31, 2021

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 with readily determinable fair value 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 with no readily determinable fair value 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 under the straight-line method.

(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) 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.
- 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 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 appliance warranties is an allowance to provide outlays for expenses required for services during warranty periods of appliances sold. The estimated future expenses required after the balance sheet date are recorded.
 - 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) Principles and procedures of accounting treatments applied, in the case where specific provisions of relevant accounting standards, etc. are not clarified
- 1) Basis for recognizing revenues associated with gas sales and third party access revenue
Gas sales and third party access revenue are recognized based on the gas consumption by customers as measured by regular meter reading.
 - 2) Basis for recognizing revenues associated with electricity sales revenue
Electricity sales revenue included in revenue for incidental businesses is recognized based on the electricity consumption by customers as measured by regular meter reading.
- (5) All accounting transactions are booked exclusive of consumption taxes.
2. 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: ¥458,849 million
Miscellaneous expenses (loss on valuation of shares of subsidiaries and associates): ¥199 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: ¥27,670 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: ¥61,576 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. Explanatory notes regarding changes in presentation

Application of accounting standard for disclosure of accounting estimates

'Accounting Standard for Disclosure of Accounting Estimates' (ASBJ Statement No. 31) was announced on March 31, 2020.

The Company has applied the accounting standard for the Non-Consolidated Financial Statements as of the end of the fiscal year under review, thereby presenting explanatory notes regarding significant accounting estimates in its Non-Consolidated Financial Statements.
4. Explanatory notes regarding the non-consolidated balance sheet
 - (1) Assets pledged as collateral

Investment securities	¥544 million
Investments in subsidiaries and associates	¥8,274 million
Long-term loans receivable	¥23 million
(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	¥3,467,733 million
Intangible assets	¥47,835 million
 - (3) Guarantee obligation, etc.

Guarantee obligation	¥70,899 million
----------------------	-----------------
5. Explanatory notes regarding the non-consolidated statement of income

Trading volume with subsidiaries and associates

Net sales	¥254,039 million
Purchases	¥466,026 million
Trading volume other than net sales and purchases	¥8,417 million
6. 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

1,437,924 shares
7. 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

8. 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)	48,620	—	—
TOKYO GAS PLUTO PTY LTD.	Holding Indirect 100.0	Subsidiary	Loan guarantee (Note 2)	16,629	—	—

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.

9. Explanatory notes regarding per share information

Net assets per share	¥1,825.41
Basic earnings per share	¥96.41

10. Explanatory notes regarding material subsequent events

(1) Acquisition of treasury shares

At the Board of Directors meeting held on April 28, 2021, 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: 1.7 million (upper limit)
(Rate to total number of shares outstanding: 0.4%)
- Total value of shares to be acquired: ¥3.3 billion (upper limit)
- Term of acquisition: May 6, 2021 to September 30, 2021

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

Based on a resolution passed by the Board of Directors on April 28, 2021, the Company will succeed its gas pipeline business to Tokyo Gas Network Co., Ltd. by means of a spin-off on April 1, 2022 (planned), with whom it signed an absorption-type company split agreement (hereinafter, the 'Spin-off'). The effectuation of the Spin-off will be subject to the approval of related proposals at the Annual Shareholders Meeting to be held on June 29, 2021 and the acquisition of approvals necessary for the execution of business by the relevant government agencies.

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, will be 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 (planned)
Extraordinary Shareholders Meeting approval of absorption-type company split agreement (the successor company)	June 29, 2021 (planned)
Effective date of absorption-type company split agreement	April 1, 2022 (planned)
 - 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, will issue 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 issues neither share acquisition rights nor bonds with share acquisition rights.
 - Changes in capital stock due to Spin-off

There will be 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 will assume 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 will not be 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, 2021)

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	¥83,678 million	¥1,612,911 million	5.2%

businesses			
------------	--	--	--

Note: Net sales are sales to external customers.

- Category and amount of assets and liabilities to be spun off (As of March 31, 2021)

Assets		Liabilities	
Category	Amount	Category	Amount
Non-current assets	¥641,808 million	Non-current liabilities	¥3,132 million
Current assets	¥41,477 million	Current liabilities	¥48,625 million
Total	¥683,285 million	Total	¥51,757 million

Note: The above amounts are based on the balance sheet values as of March 31, 2021. The actual amounts that are succeeded will reflect the addition or deduction of any changes that occur before the effective date.

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

(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 Director, 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 (anticipated))

(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

11. Other explanatory notes

- (1) Depreciation and amortization

The Company built a new large-scale mission critical system during the fiscal year under review for ¥57,578 million as an intangible asset. Durable years of the system has been determined at ten years based on the estimation of its useful life.

- (2) The Company has applied the 'Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections' (ASBJ Statement No. 24, March 31, 2020) from the end of the fiscal year under review. Accordingly, 'Principles and procedures of accounting treatments applied, in the case where specific provisions of relevant accounting standards, etc. are not clarified' are disclosed.

- (3) All amounts of less than one million yen have been rounded down in the accounts.