

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. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Security Identification Code: 9533)  
June 5, 2017

**Dear Shareholders:**

Yoshiro Tominari, President  
TOHO GAS CO., LTD.  
19-18, Sakurada-cho, Atsuta-ku, Nagoya, Japan

## **NOTICE OF CONVOCATION OF THE 146th ANNUAL SHAREHOLDERS MEETING**

We would like to inform you of the 146th Annual Shareholders Meeting of TOHO GAS CO., LTD. (the “Company”) to be held as below.

If you are unable to attend the meeting, you may exercise your voting rights in writing or electronically such as through the Internet. Please review the attached Reference Documents, indicate your vote for or against the proposal on the enclosed voting form and return it so that it is received by 6:00 p.m. on Monday, June 26, 2017, or exercise your voting rights at the website for exercise of voting rights designated by the Company (<http://www.evotep.jp/>).

- |                                |   |
|--------------------------------|---|
| <b>1. Date and Time:</b>       | 10:00 a.m., Tuesday, June 27, 2017<br>(Reception desk is open at 9:00 a.m.)   |
| <b>2. Place:</b>               | Shirotori Hall, 1F of Bldg. 4, Nagoya Congress Center<br>1-1, Atsuta-nishi machi, Atsuta-ku, Nagoya, Japan  |
| <b>3. Agenda:<br/>Reports:</b> | Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements for the 146th Fiscal Year (April 1, 2016 - March 31, 2017) and Report of the Independent Auditor and the Audit & Supervisory Board on Consolidated Financial Statements      |
| <b>Proposals:</b>              | <ol style="list-style-type: none"><li>1. Appropriation of Surplus</li><li>2. Consolidation of Shares</li><li>3. Election of ten (10) Directors</li><li>4. Election of one (1) Audit &amp; Supervisory Board Member</li><li>5. Provision of Bonuses to Directors</li></ol> |

- 
1. When you attend the meeting, please hand in the enclosed voting form at the reception desk.
  2. Please be informed that a gathering between shareholders and the Company’s executives is scheduled after the conclusion of the meeting.

### **Instruction for Exercise of Voting Rights**

- (1) Instruction for exercise of voting rights through the Internet
  - 1) Exercise of voting rights through the Internet is only possible through the website for exercise of voting rights designated by the Company (<http://www.evotep.jp/>). Please be aware that the website for exercise of voting rights cannot be accessed through the Internet function on mobile phones.
  - 2) To exercise voting rights through the Internet, the “Login ID” and “Temporary Password” found in the enclosed voting form will be required.
  - 3) Although exercise of voting rights through the Internet will be possible until 6:00 p.m. on Monday, June 26, 2017, early exercise of your voting rights would be highly appreciated.
  - 4) Any dialup connection fees payable to providers and/or data transmission fees (telephone fees, etc.) payable to telecommunications carriers when using the website for exercise of voting rights are to be borne by the respective shareholders.
  - 5) In the event that voting rights are exercised both in writing and through the Internet, the vote through the Internet shall be deemed valid.
  - 6) In the event that voting rights are exercised through the Internet more than once, the most recently exercised voting right shall be deemed valid.
- (2) The Electronic Voting Platform for institutional investors

Institutional investors who are members of the “Electronic Voting Platform” operated by ICJ, Inc. may also use the Platform to exercise their voting rights.

**For inquiries about  
systems, etc.**

**Toll-free number: 0120-173-027** (9:00 a.m. to 9:00 p.m.)  
Mitsubishi UFJ Trust and Banking Corporation Stock Transfer Agency Department  
(Help Desk)

In the event that any revisions to the Reference Documents, the Business Report, the Consolidated Financial Statements, or the Non-Consolidated Financial Statements are required, the revised items will be posted on the Company’s website ([http://www.tohogas.co.jp/ir\\_index/t/](http://www.tohogas.co.jp/ir_index/t/)).

# Reference Documents

## Proposals and References

### Proposal 1: Appropriation of Surplus

The Company's basic policy in distribution of profit is to strengthen the management foundation and maintain stable dividends. The year-end dividend for this fiscal year shall be ¥5.00 per share, the same as the previous fiscal year, by comprehensively taking into consideration factors such as business performance. Together with the interim dividend, the total amount of annual dividends for this fiscal year will be ¥10.00 per share.

#### 1. Allocation of dividend property to shareholders and its aggregate amount

Cash ¥5.00 per share of common stock of the Company                      Aggregate amount: ¥2,677,156,040

#### 2. Dividend effective date

June 28, 2017

### Proposal 2: Consolidation of Shares

#### 1. Reason for conducting the consolidation of shares

All Japanese stock exchanges have announced the "Action Plan for Consolidating Trading Units" aiming to consolidate trading units to 100 shares of common stock of all domestic listed companies by October 1, 2018.

As a company listed on the Tokyo Stock Exchange and the Nagoya Stock Exchange, the Company respects the intentions of the Plan and has determined to change its single trading unit from 1,000 shares to 100 shares upon the resolution of its Board of Directors held on April 28, 2017, pursuant to Article 195, Paragraph 1 of the Corporation Law.

Along with the above change, the consolidation of shares is conducted for the purpose of adjusting the trading unit to an appropriate level.

The amendment of the single trading unit above shall take effect on October 1, 2017 subject to the approval of this proposal as originally proposed.

#### 2. Consolidation ratio

The Company's common stock shall be consolidated at a ratio of 5 shares to 1 share.

In case fractions of less than one (1) share result from the consolidation of shares, they shall be disposed of in their entirety and distribute the proceeds to shareholders having fractional shares in proportion to their respective fractions, pursuant to Article 235 of the Corporation Law.

#### 3. Effective date of the consolidation of shares

October 1, 2017

#### 4. Total number of shares authorized to be issued as of the effective date

160 million shares

By implementing the consolidation of shares, amendments to the Articles of Incorporation pertaining to the total number of shares authorized to be issued shall be deemed effective as of the effective date of the consolidation of shares, pursuant to Article 182, Paragraph 2 of the Corporation Law.

(Reference)

In case this proposal is approved as originally proposed, part of the Articles of Incorporation shall be amended as follows as of October 1, 2017.

(Underlines denote amendments)

Current Articles of Incorporation	Amendments
Article 6 (Total number of shares authorized to be issued) The total number of shares authorized to be issued of the Company is <u>805,998,157 shares</u> .	Article 6 (Total number of shares authorized to be issued) The total number of shares authorized to be issued of the Company is <u>160 million shares</u> .
Article 7 (Omitted)	Article 7 (Unchanged)
Article 8 (Trading unit) One (1) trading unit of the Company's common stock comprises <u>1,000 shares</u> .	Article 8 (Trading unit) One (1) trading unit of the Company's common stock comprises <u>100 shares</u> .

**Proposal 3:** Election of ten (10) Directors

The terms of office of all the current ten (10) Directors ends at the conclusion of this Annual Shareholders Meeting. Accordingly, we hereby propose the election of ten (10) Directors. The nominees for Directors are as follows:

No.	Name (Date of birth)	Career summary, position, areas of responsibility and important concurrent posts	Number of the Company's shares owned
1	<u>Reappointment</u> Koichi Yasui (January 8, 1952)	<p>April 1976    Joined the Company</p> <p>June 2000    General Manager of Commercial Energy Sales Dept.</p> <p>June 2006    Executive Officer, General Manager of Commercial Energy Sales Dept.</p> <p>June 2008    Director, Managing Executive Officer</p> <p>June 2010    Director, Senior Managing Executive Officer</p> <p>June 2012    Director, President</p> <p>June 2016    Director, Chairman (current position)</p>	103,000
2	<u>Reappointment</u> Yoshiro Tominari (February 19, 1956)	<p>April 1981    Joined the Company</p> <p>June 2003    General Manager of Production Planning Dept.</p> <p>June 2006    General Manager of Corporate Planning Dept.</p> <p>June 2009    Executive Officer, General Manager of Corporate Planning Dept.</p> <p>June 2010    Executive Officer, Executive General Manager of Research &amp; Development Division</p> <p>June 2011    Managing Executive Officer</p> <p>June 2012    Director, Managing Executive Officer</p> <p>June 2015    Director, Senior Managing Executive Officer</p> <p>June 2016    Director, President (current position)</p>	44,000

No.	Name (Date of birth)	Career summary, position, areas of responsibility and important concurrent posts	Number of the Company's shares owned
3	<u>Reappointment</u> Osamu Nakamura (January 1, 1955)	<p>April 1989      Joined the Company</p> <p>October 2005    General Manager of Solution Engineering Dept.</p> <p>June 2009      Executive Officer, General Manager of Distribution Planning &amp; Management Dept.</p> <p>June 2011      Director, Managing Executive Officer</p> <p>June 2015      Director, Senior Managing Executive Officer</p> <p>June 2016      Director, Executive Vice President (current position)</p> <p>• Assistant to President, Executive General Manager of Production Division In charge of Gas Resources Dept., Engineering Dept., special assignment (disaster management) and Research &amp; Development Division</p> <p>• Director, President of Toho LNG Shipping Co., Ltd.</p>	62,000
4	<u>Reappointment</u> Shinji Niwa (March 2, 1956)	<p>April 1979      Joined the Company</p> <p>June 2004      General Manager of Public Relations Dept.</p> <p>June 2008      General Manager of Finance Dept.</p> <p>June 2010      Executive Officer, General Manager of Finance Dept.</p> <p>June 2012      Managing Executive Officer</p> <p>June 2014      Director, Managing Executive Officer</p> <p>June 2015      Director, Senior Managing Executive Officer</p> <p>June 2016      Director, Executive Vice President (current position)</p> <p>• Assistant to President In charge of Finance Dept., Public Relations Dept., Personnel Dept., Site Development Dept. and Sales Planning Dept.</p>	27,000
5	<u>Reappointment</u> Takayasu Hayashi (May 23, 1956)	<p>April 1979      Joined the Company</p> <p>April 2006      General Manager of Home Systems &amp; Appliance Sales Dept.</p> <p>June 2007      General Manager of Residential Sales Channel Dept.</p> <p>June 2008      General Manager of Residential Sales Planning Dept.</p> <p>June 2009      General Manager of General Affairs Dept.</p> <p>June 2010      General Manager of Secretarial Dept.</p> <p>June 2012      Executive Officer, General Manager of Secretarial Dept.</p> <p>June 2014      Managing Executive Officer</p> <p>June 2016      Director, Managing Executive Officer (current position)</p> <p>• Executive General Manager of Residential Gas Sales Division In charge of Industrial &amp; Commercial Gas Sales Division</p>	29,000
6	<u>Reappointment</u> Katsuhiko Ito (December 4, 1958)	<p>April 1982      Joined the Company</p> <p>June 2008      General Manager of Public Relations Dept.</p> <p>June 2010      General Manager of Corporate Planning Dept.</p> <p>June 2013      Executive Officer, General Manager of Corporate Planning Dept.</p> <p>June 2014      Executive Officer, Executive General Manager of Distribution Division</p> <p>June 2016      Director, Managing Executive Officer (current position)</p> <p>• Executive General Manager of Distribution Division</p>	22,000
7	<u>Newly appointed</u> Mitsuhiro Kodama (November 28, 1958)	<p>April 1982      Joined the Company</p> <p>April 2007      General Manager of Gas Resources Dept.</p> <p>June 2013      Executive Officer, General Manager of Gas Resources Dept.</p> <p>June 2014      Executive Officer, General Manager of Corporate Planning Dept.</p> <p>June 2016      Managing Executive Officer (current position)</p> <p>• In charge of Corporate Planning Dept. and Corporate Research Dept.</p>	21,389

No.	Name (Date of birth)	Career summary, position, areas of responsibility and important concurrent posts	Number of the Company's shares owned
8	<u>Reappointment</u> Takashi Saeki (June 14, 1951)	April 1974    Joined the Company June 2000    General Manager of Finance Dept. June 2004    Director, General Manager of Finance Dept. June 2006    Director, Managing Executive Officer June 2008    Director, President June 2012    Director, Chairman June 2016    Adviser and Member of the Board (current position)	127,000
9	<u>Reappointment</u> <u>Independent Officer</u> <u>Nominee for Outside Director</u> Koji Miyahara (December 3, 1945)	April 1970    Joined Nippon Yusen Kabushiki Kaisha June 2000    Director of Nippon Yusen Kabushiki Kaisha April 2002    Director, Corporate Officer of Nippon Yusen Kabushiki Kaisha June 2002    Director, Managing Corporate Officer of Nippon Yusen Kabushiki Kaisha June 2003    Director, Senior Managing Corporate Officer of Nippon Yusen Kabushiki Kaisha April 2004    President, Corporate Officer of Nippon Yusen Kabushiki Kaisha April 2006    President, President Corporate Officer of Nippon Yusen Kabushiki Kaisha April 2009    Chairman, Chairman Corporate Officer of Nippon Yusen Kabushiki Kaisha April 2015    Director, Board Counselor of Nippon Yusen Kabushiki Kaisha June 2015    Board Counselor of Nippon Yusen Kabushiki Kaisha (current position) Outside Director of the Company (current position) • Outside Director of Mitsubishi Logistics Corporation	2,000
10	<u>Reappointment</u> <u>Independent Officer</u> <u>Nominee for Outside Director</u> Tetsuo Hattori (December 2, 1946)	April 1971    Joined Toyota Motor Co., Ltd. (current Toyota Motor Corporation) June 1999    Member of the Board of Directors of Toyota Motor Co., Ltd. June 2003    Managing Officer of Toyota Motor Co., Ltd. June 2004    Senior Managing Director of Toyota Motor Co., Ltd. June 2007    Executive Vice President of Kanto Auto Works, Ltd. (current Toyota Motor East Japan, Inc.) June 2008    President of Kanto Auto Works, Ltd. June 2012    Senior Adviser of Kanto Auto Works, Ltd. July 2012    Senior Adviser of Toyota Motor East Japan, Inc. June 2015    Outside Director of the Company (current position) June 2016    Honorary Adviser of Toyota Motor East Japan, Inc. (current position)	0

(Notes)

1. The nominees for Outside Director are Mr. Koji Miyahara and Mr. Tetsuo Hattori. As there is no special interest between the Company and the nominees, the Company has designated them as Independent Officers stipulated by securities exchanges, who will not have conflicting interests with general shareholders.
2. The Company believes that Mr. Koji Miyahara and Mr. Tetsuo Hattori will provide valuable opinions relating to overall management of the Company based on their deep insight through the broad experience as business managers.
3. It has been two years since Mr. Koji Miyahara and Mr. Tetsuo Hattori assumed office as Director of the Company.
4. The Company has entered into agreements with Mr. Koji Miyahara and Mr. Tetsuo Hattori in accordance with Article 427, Paragraph 1 of the Companies Act to limit their liability pursuant to Article 423, Paragraph 1 of the said Act to the amount stipulated by laws and regulations. If the election of both of them is approved, the Company plans to continue the agreements to limit their liability with each of them.
5. Nippon Yusen Kabushiki Kaisha, for which Mr. Koji Miyahara served as Director until June 2015, received a cease and desist order from and was ordered by the Japan Fair Trade Commission in March 2014 to pay a surcharge for violations of the Antimonopoly Act in connection with its ocean shipping services for cars and trucks during the past fiscal years. In December of the same year, the company signed a plea agreement with U.S. Department of Justice to pay a penalty. Additionally, in December 2015, the company received a determination made by the National Development and Reform Commission, People's Republic of China that actions existed in violation of the Antimonopoly Act regarding the above.

**Proposal 4:** Election of one (1) Audit & Supervisory Board Member

Mr. Yoshihiro Yasui will resign at the conclusion of this Annual Shareholders Meeting. Accordingly, we hereby propose the election of one (1) Audit & Supervisory Board Member. The nominee for Audit & Supervisory Board Member is as follows.

The Audit & Supervisory Board has already given its prior consent to the submission of this proposal.

Name (Date of birth)	Career summary, position and important concurrent posts	Number of the Company's shares owned
<div>Newly appointed</div> <div>Independent Officer</div> <div>Nominee for Outside Audit &amp; Supervisory Board Member</div> <div>Norikazu Koyama (May 3, 1955)</div>	<div>April 1980</div> Joined National Police Agency <div>August 2001</div> Chief, Tottori Prefectural Police Headquarters <div>August 2003</div> Manager, Allowance and Welfare Division, Commissioner General's Secretariat of National Police Agency <div>August 2005</div> Manager, Community Safety Planning Division, Community Safety Bureau of National Police Agency <div>February 2007</div> Secretary-General of the Headquarters of Japan Police Personnel Mutual Aid Association <div>August 2008</div> Chief, Aichi Prefectural Police Headquarters <div>January 2010</div> Vice President of National Police Academy and Councilor of Commissioner General's Secretariat of National Police Agency (in charge of Criminal Investigation Bureau) <div>January 2012</div> Director General of Chubu Regional Police Bureau <div>April 2013</div> Director General of Kanto Regional Police Bureau <div>September 2014</div> Councilor of Japan Police Personnel Cooperative <div>December 2014</div> Senior Director of Japan Police Personnel Cooperative (current position)	0

(Notes)

1. The nominee for Outside Audit & Supervisory Board Member is Mr. Norikazu Koyama. As there is no special interest between the Company and the nominee, the Company will designate him as an Independent Officer stipulated by securities exchanges, who will not have conflicting interests with general shareholders.
2. The Company believes that Mr. Norikazu Koyama will provide valuable opinions relating to overall management of the Company based on his deep insight through the broad experience in the police administrative organization. Based on the above reason, the Company has judged that he can appropriately execute the duties of Outside Audit & Supervisory Board Member of the Company, though he has not been involved in corporate management in the past.
3. Subject to the approval of the election of Mr. Norikazu Koyama, the Company intends to enter into an agreement with him in accordance with Article 427, Paragraph 1 of the Companies Act to limit his liability pursuant to Article 423, Paragraph 1 of the said Act to the amount stipulated by laws and regulations.
4. Mr. Norikazu Koyama is a Senior Director of Japan Police Personnel Cooperative. He is scheduled to retire, and assume office of Senior Director of Council for Public Policy Public Interest Incorporated Foundation on June 15, 2017.

**Proposal 5:** Provision of Bonuses to Directors

The Company, taking into consideration the business results, proposes that bonus in the aggregated amount of ¥50 million (including ¥4 million for Outside Directors) be paid for ten (10) Directors (including two (2) Outside Directors) in office at March 31, 2017.