

Corporate Governance

Basic Policy

Under its management philosophy, Tokyo Gas seeks to fulfill and bolster its corporate governance in order to increase its corporate value by ensuring legality, soundness and transparency of management. Simultaneously, it engages in appropriate, prompt decision making, efficient business operations, enhancement of the audit and supervisory functions, and clarity of responsibility of management and operations.

Outline of Implementation System of Corporate Governance

Tokyo Gas has adopted and established a highly objective and transparent governance system to invite outside directors and Audit & Supervisory Board members to create multiple layers in its audit and supervisory functions.

The Advisory Committee selects candidates for officers in a fair and proper manner in response to an inquiry by the Board of Directors. It also deliberates on the remuneration of officers, based on the Basic Policy on Officer Remuneration, and submits decisions to the Board of Directors.

Toward achieving accurate, prompt decision making and efficient business execution, the Corporate Executive Meeting is held once a week in principle.

In business execution based on the resolution of the Board of Directors, by introduction of an executive officer system, the Board of Directors delegates substantial authority to executive

officers in their designated criteria of responsibility by resolution. On the other hand, the directors supervise those executive officers in an appropriate manner and in accordance with a report they receive on the status of business execution by executive officers, if needed, which is submitted to the Board of Directors.

Corporate Governance Overview(as of June 28, 2018)

13 Board of Directors		11 Corporate Executive Meeting Members		5 Audit & Supervisory Board Members	
External	Director	3	Representative Director, President and CEO	1	
	Audit & Supervisory Board Member	3	Executive Vice President	2	
	Director	5	Senior Managing Executive Officer	2	
Internal	Audit & Supervisory Board Member	2	Managing Executive Officer	6	
	Director	2			
External	Audit & Supervisory Board Member	1			3
	Director, Chairman of the Board	1			
	Representative Director, President and CEO	1			
	Audit & Supervisory Board Member	1			2

Compliance with Japan's Corporate Governance Code

In compliance with Japan's Corporate Governance Code, Tokyo Gas has stipulated its Basic Policy on Corporate Governance. To achieve sustainable growth and increase its corporate value over the medium- to long-term, we will collaborate with our stakeholders, ensure appropriate information disclosure and transparency, and fulfill the commitment of the Board of Directors, and at the same time, we will pay due consideration to communicating and gaining the understanding of stakeholders including shareholders.

System for Promoting Corporate Governance (as of June 28, 2018)

