

# Basic Policy

### ■ Basic Policies

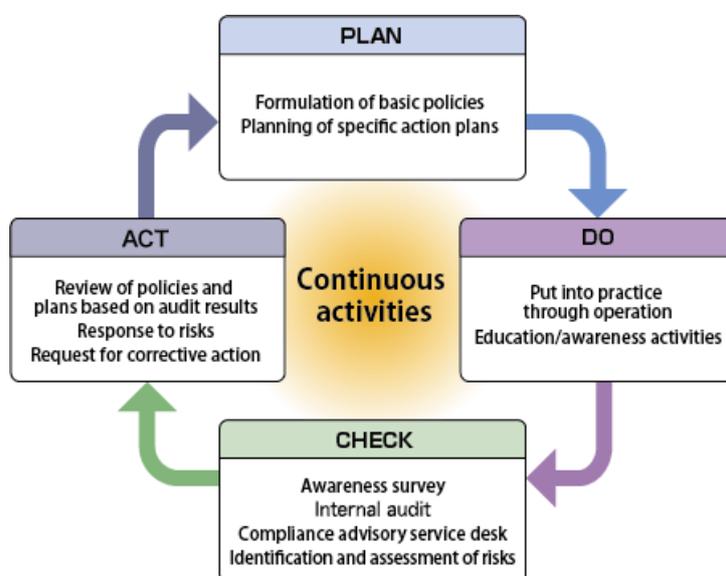
The Tokyo Gas Group is committed to being a sound business enterprise, in which management and employees earn the trust of society by observing the highest ethical standards and exceeding public expectations in both the spirit and the letter of prevailing laws and regulations. To this end, the Group ensures compliance in accordance with established basic policies.

### Coordinated Promotion of Compliance by Business Departments Based on Basic Policies

Recognizing the importance of flexible and sustainable business activities in order to continuously adapt to changing business content and legal environments, the Tokyo Gas Group promotes collaborative cross-departmental efforts to strengthen compliance based on basic policies formulated each year by the Management Ethics Committee.

Under these basic policies, each department of the Tokyo Gas Group establishes and follows a PDCA cycle to review and improve its operations from the perspective of compliance. In addition, we pursue compliance by sharing the values and standards of conduct as stipulated in Tokyo Gas Group Our Code of Conduct.

PDCA Cycle to Promote Compliance



### Revision of Tokyo Gas Group Our Code of Conduct

This code sets forth the values and standards of conduct for everyone who works at the Tokyo Gas Group. From fiscal 2003 to fiscal 2016, the code spelled out seven pledges. In fiscal 2017, however, the code was revised in the form of 11 pledges that incorporate international standards such as ISO 26000, the Olympic Charter, legal amendments and other key developments.

## ● Tokyo Gas Group Our Code of Conduct

### Purpose and vision

1. "Our Code of Conduct" sets forth the values and standards of conduct that everyone who works in the Tokyo Gas Group is expected to share and follow in order to implement our Management Philosophy and Corporate Action Philosophy and ensure a focus on compliance in business.
2. By following this Code of Conduct, we will contribute to the creation of an affluent society through the Tokyo Gas Group's growth and development as a corporate group that people will continue to trust and make their first choice.

### **1. We will constantly think and act responsibly as individual members of this "energy frontier corporate group" so that people will continue to trust our group and make it their first choice.**

#### (1) Continual innovation

- ① We will pursue continual innovation, unfettered by convention and ever sensitive to the expectations of customers, shareholders, and society.
- ② We will create the maximum outputs working in partnership with one another, while being fully aware of our individual roles and responsibilities and committed to self-improvement.

#### (2) Doing more for the customer

We will put the customer at the heart of everything we do.

#### (3) Everyone is a brand builder

Day in and day out, we will strive to build the "security," "safety," and "trust" that underpin the Tokyo Gas Group's brand value.

### **2. We will constantly conduct business in a clear-cut and fair manner.**

#### (1) Legal compliance

- ① We will constantly conduct business in compliance with laws, internal rules and regulations, and socially accepted rules.
- ② We will act swiftly to resolve issues where infringements of laws, internal rules and regulations, or socially accepted rules have occurred or may occur.

#### (2) Separation of professional and private spheres

- ① We will not use our professional position for personal gain.
- ② We will not use company property for private purposes.

#### (3) Active disclosure of information

We will enhance the transparency of business activities and actively and promptly disclose accurate information to customers, shareholders, communities, and other stakeholders in order to earn their trust.

#### (4) Firm stand against antisocial forces

- ① We will stand firm against illegal and improper demands made by *sokaiya* racketeers, organized crime groups, and other antisocial forces.
- ② We will not, under any pretext, give benefits to or otherwise accommodate the demands or interests of antisocial forces.

### **3. We will deal with customers, business partners, shareholders, and all our stakeholders sincerely and equitably.**

#### 3-1. Customers

##### (1) Satisfaction beyond expectations

- ① We will provide high value-added products and services that customers will make it their first choice.
- ② We will always put ourselves in the customer's shoes in order to deliver the best possible work that exceeds customer expectations.
- ③ In the event of a customer complaint or accident, we will respond swiftly and in good faith to prevent a recurrence.

#### 3-2. Business partners

##### (1) Fair business dealings

- ① We will respect business clients and suppliers as business partners and do business with them in good faith.
- ② We will comply with the Antimonopoly Act and other applicable laws and ordinances, and will practice fair dealings in accordance with the principles of free competition.

- ③ We will not exploit our position or authority to obtain undue benefit or make unreasonable demands.
- (2) Maintenance of proper relations
  - ① We will always be conscious of social point of view in our interactions with business partners, and will never commit any act that might cause misunderstanding or distrust from inside and outside the company.
  - ② We will maintain fair relations and do nothing questionable under applicable national and local laws and ordinances in our dealings with government and other public officials and employees.
- (3) Understanding and observance of the Purchasing Guidelines for Business Partners  
We will promote understanding and observance of the Purchasing Guidelines for Business Partners by our business partners and others along our supply chains, and we will require partner businesses involved in transactions with those companies to observe the same standards.

### 3-3. Shareholders

We will facilitate the appropriate exercise of shareholders' rights through fair, timely, and appropriate disclosure and constructive dialogue.

## **4. We will respect diversity and individuality among our colleagues and create an inclusive working environment.**

- (1) Respect for human rights
  - ① We will respect human rights, prohibit child labor and forced labor, and not discriminate or harass anyone on the basis of race, nation, religion, gender, age, origin, nationality, disability, education, social status, sexual orientation, gender identity, or other such grounds.
  - ② We will respect one another's positions and treat everyone equally, irrespective of form of employment, gender, title, or any other differences.
  - ③ We will not commit sexual harassment, workplace bullying, pregnancy discrimination and other types of harassment, discrimination against employees who take family care leave, or any other acts that infringe the dignity of the individual. We will also not allow to condone such acts.
- (2) Attainment of excellent record of occupational safety and health  
We will enforce compliance, including adherence to all related laws and regulations, and make every effort to eliminate the risks of disasters and accidents in order to establish an excellent safety and health.
- (3) Creation of a cheerful workplace
  - ① We will create a lively workplace where everyone can realize their full potential and individual differences are respected.
  - ② We will create an open workplace where everyone can share necessary information and engage in free expression and discussion.
- (4) Promotion of diversity  
We will accept one another's values and various work styles, and get the best from our own knowledge, abilities, and experience. We will also all work to raise productivity and meet the diversifying needs of society.

## **5. We will act for the protection of the global environment.**

- (1) Promotion of environmental protection
  - ① As a leader in environmental management, we will reduce our environmental footprint and endeavor to make sustainable use of natural resources in every aspect of the Tokyo Gas Group's business activities.
  - ② We will promote use of highly eco-friendly energy sources centered on use of natural gas, and provide high-efficiency systems and equipment that have a low environmental impact.
  - ③ We will work with local communities to make people's lives more environmentally friendly.

## **6. We will contribute to local communities and society as a good corporate citizen.**

- ① We will respect and contribute to local communities, building trust with them through active dialogue and cooperation, and making effective use of our business resources.
- ② We will contribute to local communities as good citizens, recognizing that we ourselves are all members of communities.

## **7. We will handle information appropriately.**

- (1) Prevention of information leaks  
We will handle confidential information obtained in the course of business properly and will not divulge such information during or after our employment at the Tokyo Gas Group.
- (2) Compliance with the Act on the Protection of Personal Information
  - ① We will obtain and manage the personal information of customers, employees, and others by appropriate methods and use such information only insofar as permitted for legitimate purposes.
  - ② We will not disclose personal information to third parties except where permitted by law.
- (3) Appropriate use of information systems  
We will use information systems, including email systems and the Internet, in accordance with strict rules on proper use. Company information systems will not be used for non-business purposes.
- (4) Respect for intellectual property  
We will respect patents, trademarks, copyrights, and other intellectual property rights, protect and use rights held by our company, and not infringe the rights of others.

## **8. While conducting business globally, we will not only comply with national and local laws and regulations and respect international standards on human rights and similar issues, but also engage in business activities in a manner that is sensitive to different cultures, customs, and stakeholders' concerns.**

## **9. We will act with integrity and decency as members of society, and maintain high ethical standards in our private lives.**

In our private lives, too, we will comply with all applicable domestic and foreign laws and regulations, be aware of changes in social expectations, and always be mindful of how we should behave as a model citizen.

- (1) Compliance with regulations on insider trading  
We will not engage in insider trading, such as the purchase or sale of shares and other such transactions, using information obtained in relation to business. We will not communicate information or recommend transactions to other parties to enable them to make a profit or avoid a loss.
- (2) Prohibition of annoying or disturbing behavior  
In our private lives, we will not injure or deceive others, commit indecent acts, or engage in any other annoying or disturbing behavior.
- (3) Responsible drinking and compliance with traffic rules (including not driving under the influence of alcohol)  
We will be careful to drink responsibly and will never drive under the influence of alcohol. We will always stop anyone who attempts to drive while drunk, and we will not encourage anyone who is driving a vehicle to drink and will not provide a vehicle to anyone who has been drinking. We will also obey all other traffic rules.
- (4) Prohibition of possession and use of illegal drugs  
We will not possess or use illegal drugs, and we will not be involved in any way in their manufacture, purchase, sale, distribution, or other such acts.
- (5) Prohibition of gambling  
We will never engage in any acts of gambling, including the betting of even small amounts of money on golf, mahjong, or sporting events.
- (6) Compliance with rules on use of social media  
If communicating information via social media, we will not commit any act, even as individuals, that might harm the reputation or property of the company.
- (7) Compliance with other laws, regulations, social norms, and standards of ethical conduct, and prohibition of acts that outrage public decency

## **10. If we transgress this Code of Conduct or learn of a transgression, we will immediately report the matter to our workplace and rectify it.**

## **11. Executives and managers will lead from the front and take action themselves.**

- (1) Awareness of position and conduct as executives and managers
  - ① Executives and managers will themselves provide models of compliance with this Code of Conduct and encourage understanding and practice of the same throughout the workplace.

- ② Executives and managers will lead from the front in working to resolve any problem that may arise and ensure organization-wide action to prevent a recurrence.
- ③ Executives will take strict action (including against themselves) where necessary.



Tokyo Gas Group Our Code of Conduct

# Targets and Performance

## ■ Permeation and Rigorous Practice of Compliance

### Why Is this Materiality?

- The Tokyo Gas Group must practice fair and transparent management with a strong emphasis on compliance as a foundation for sustainable operations.

### FY2017 Results and Evaluation

Criteria for evaluating KPIs

- Target achieved (100% or above)
- △ Target not achieved but improved from the previous fiscal year
- × Target not achieved

**Note:** Qualitative indicators with no evaluation axis are assessed on the basis of whether progress has been made since the previous fiscal year.

Target (CSR KPIs)	FY2017 Results	Evaluation
Promotion of compliance  Steady implementation of PDCA cycles	<ul style="list-style-type: none"> <li>■ In order to promote compliance through PDCA cycles, the Management Ethics Committee, chaired by the president, has met twice a year to formulate Company-wide policy and confirm and discuss matters such as the handling of inquiries and consultations by the consultation desks, monitoring the permeation of compliance awareness and the results of compliance audits.</li> <li>■ Permeation of the revised edition of Tokyo Gas Group Our Code of Conduct. Held study sessions and seminars to permeate Tokyo Gas Group Our Code of Conduct, which was revised to reflect global standards, the Olympic Charter and legal amendments, and came into effect in fiscal 2017.</li> <li>■ Fostering of a compliance oriented mentality The following activities were implemented in accordance with annual plans.</li> </ul> <p><b>Workplace workshops:</b></p> <ul style="list-style-type: none"> <li>● Workplace workshops and other events featuring recent cases of compliance practice held to embed Tokyo Gas Group Our Code of Conduct: 28,726 participants.</li> </ul> <p><b>Use of training:</b></p> <ul style="list-style-type: none"> <li>● Level-specific training and training provided by instructors dispatched to meet individual department and company needs: 27 sessions with 614 participants.</li> </ul> <p><b>Information provision:</b></p> <ul style="list-style-type: none"> <li>● Shared timely information on compliance within the Tokyo Gas Group on 6 instances.</li> </ul> <p><b>Consultation desks:</b></p> <ul style="list-style-type: none"> <li>● Cases handled by the consultation desks while protecting the</li> </ul>	○

privacy of users: 104

**Promotion of PDCA cycles:**

- Promotion of improvements and incorporation into plans for the next year in response to observations raised by compliance audits of Tokyo Gas and its subsidiaries, which were conducted by the Internal Audit Department, and annual surveys of compliance awareness.

## Key Initiatives for FY2018 and Beyond

We reviewed the Tokyo Gas Group’s key CSR activities and materiality in fiscal 2017. Please visit the related link to view the latest information on our materiality and KPIs for CSR.

Link

- ▶ [Identifying New Materiality](#)

## ■ Prevention of Bribery and Corruption

### Why Is this Materiality?

- In light of the expansion in the Tokyo Gas Group’s overseas operations, reducing the risk of bribery and corruption involving foreign public officials is important, especially in countries where there is a high risk of corruption.

### FY2017 Results and Evaluation

Criteria for evaluating KPIs

- Target achieved (100% or above)
- △ Target not achieved but improved from the previous fiscal year
- × Target not achieved

**Note:** Qualitative indicators with no evaluation axis are assessed on the basis of whether progress has been made since the previous fiscal year.

Target (CSR KPIs)	FY2017 Results	Evaluation
Promotion of sincere and equitable activities in accordance with Tokyo Gas Group Our Code of Conduct	<ul style="list-style-type: none"><li>■ Revision of the Basic Policy On Promoting Overseas Business<ul style="list-style-type: none"><li>• Revised in accordance with newly-established Tokyo Gas Group Human Rights Policy.</li><li>• At the time of its establishment, the Basic Policy was primarily focused on preventing bribery and corruption involving foreign public officials. The latest revision includes provisions on human rights as well as provisions clarifying the Basic Policy’s relevance to the environment, labor practices and relationship with local communities, which are required for pursuing global operations.</li></ul></li><li>■ Training was provided to employees primarily involved in business overseas to ensure proper compliance with the guidelines (344 participants).</li><li>■ Established a system to enable Group employees working overseas to report and seek advice. Appointed supervisors responsible for implementing measures to prevent bribery and corruption overseas to ensure proper enforcement of the guidelines.</li></ul>	○

## Key Initiatives for FY2018 and Beyond

We reviewed the Tokyo Gas Group's key CSR activities and materiality in fiscal 2017. Please visit the related link to view the latest information on our materiality and KPIs for CSR.

Link

▶ [Identifying New Materiality](#)

## ■ Protection of Personal Information

### Why Is this Materiality?

- Properly protecting and handling the personal information pertaining to the Tokyo Gas Group's 11 million-plus customers is of the utmost importance.

### FY2017 Results and Evaluation

Criteria for evaluating KPIs

- Target achieved (100% or above)
- △ Target not achieved but improved from the previous fiscal year
- × Target not achieved

Note: Qualitative indicators with no evaluation axis are assessed on the basis of whether progress has been made since the previous fiscal year.

Target (CSR KPIs)	FY2017 Results	Evaluation
Practice of safety management in accordance with our policy on protection of personal information	<ul style="list-style-type: none"><li>■ Rigorously enforced rules on management and use of personal information<ul style="list-style-type: none"><li>● Awareness raising incorporated into level-specific training provided upon joining the company, in the third year, and during qualification promotions (two levels): 1,527 participants.</li><li>● Awareness raising included in training, provided by instructors sent to individual departments, for 614 participants.</li></ul></li><li>■ Action to comply with the revised Act on the Protection of Personal Information<ul style="list-style-type: none"><li>● Details of a required fresh action, including the clarification of personal information and requirements regarding anonymized information, were publicized throughout the Tokyo Gas Group and action was taken in response.</li></ul></li><li>■ Provided e-learning based training for all Tokyo Gas Group employees (21,342 participants) to familiarize them with the requirements of the revised Act on the Protection of Personal Information.</li></ul>	○

## Key Initiatives for FY2018 and Beyond

We reviewed the Tokyo Gas Group's key CSR activities and materiality in fiscal 2017. Please visit the related link to view the latest information on our materiality and CSR KPIs.

Link

▶ [Identifying New Materiality](#)

# Thorough Implementation of Compliance

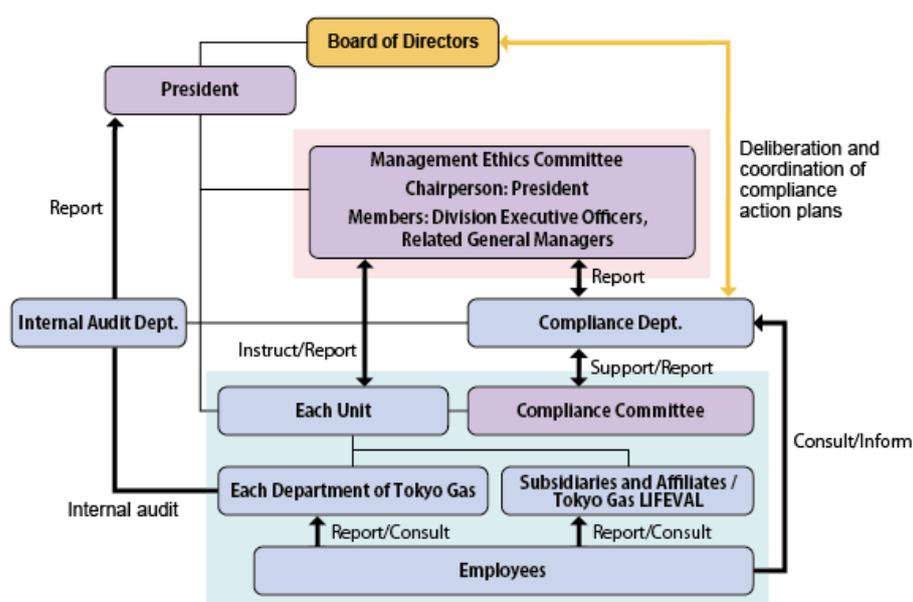
## ■ Compliance Promotion Structure

The Management Ethics Committee, chaired by the president, meets twice a year, in principle during March and October, to formulate Company-wide policy and confirm and discuss matters, such as the handling of inquiries and consultation by the consultation desks and the results of the monitoring of compliance awareness among employees.

We have also established Compliance Committees in each unit to consistently and proactively engage in initiatives for promoting compliance.

Over 300 management-level personnel have been appointed as compliance managers and compliance promoters at each workplace to lead in promoting concrete compliance activities. To further stimulate action on compliance, information is shared through channels such as the Compliance Promoter Liaison Committee (convened in January in fiscal 2017, with 280 participants).

Compliance Promotion Structure



## Consultation Desks

Tokyo Gas has set up consultation desks internally through its Compliance Department and externally through a law firm and communication support center. All individuals working at the Tokyo Gas Group, including officers, regular and temporary staff members as well as the employees of our suppliers can directly contact these desks by phone or email whenever they feel uncomfortable raising a matter within their organization. The Compliance Department also handles consultation for our suppliers. These consultation systems for employees and suppliers serve as internal points of contact, as stipulated in the Whistleblower Protection Act.

Under the operational guidelines of the consultation desks, advice and solutions are provided to employees who make inquiries or request consultation. The requests are treated in strict confidence, and the employees are protected against any discriminatory treatment for using the desks. In fiscal 2017, 104 employees used the service for various consultations, including interpersonal relationships in the workplace and other employment matters.

Independent advisory services have also been established at all subsidiaries and Tokyo Gas LIFEVAL ("LIFEVAL") companies. In November 2017, training sessions were held for the personnel staffing

the consultation desks at subsidiaries and LIFEVAL companies to strengthen their ability to handle inquiries and consultations.

These desks play an effective role in enabling the Company to discover and resolve problems at an early stage so that the Company's self-regulating processes function effectively.

#### Number of Cases Handled by Consultation Desks (FY2017)

Consultation Topics	Number of Cases
Interpersonal relations and employment matters	35
Laws and regulations	4
Internal rules	7
Communication and other issues	58
Total	104

## ■ Compliance Practices

Tokyo Gas, our subsidiaries and LIFEVAL companies organize a range of activities to encourage employees to apply Tokyo Gas Group Our Code of Conduct to their own situations.

### Workplace Workshops Using Training Resources

Workshops led by compliance promoters are held at the level of individual workplaces at Tokyo Gas, our subsidiaries and LIFEVAL companies (28,726 employees participated in fiscal 2017). These workshops feature awareness-raising resources entitled "The Case Method," "Collected Cases of Compliance," and "Learning from Cases! Collected Statutes." Developed in light of Tokyo Gas Group Our Code of Conduct, the resources are used to improve participant understanding of the laws, ordinances and regulations governing the practice of Our Code of Conduct and to help them apply the code in practice.

### Instilling a Compliance-oriented Mindset through Training

Level-specific training for new employees and others is provided with the active participation of subsidiaries and LIFEVAL employees to foster a compliance mindset (1,527 employees underwent training in fiscal 2017).

The Compliance Department also conducts customized onsite training to meet the needs of each department and company and generate synergies through their own independent activities (614 employees took part in a total of 27 training sessions in fiscal 2017).

### Strict Compliance with the Antimonopoly Act, the Act against Unjustifiable Premiums and Misleading Representations and the Subcontract Proceeds Act

Training is provided annually to the Tokyo Gas Group employees to improve understanding of legal compliance.

In fiscal 2017, around 600 Group employees took part in 9 training sessions on the Antimonopoly Act, the Act against Unjustifiable Premiums and Misleading Representations, and the Subcontract Proceeds Act. During the sessions, concrete instances of legal violations released by the Fair Trade Commission and Consumer Agency\* were explained as practical case studies.

\*Case studies include examples of cartels and abuses of superior bargaining position (Antimonopoly Act), and misleading representation (Act against Unjustifiable Premiums and Misleading Representations).



Training session on the Antimonopoly Act



Training session provided to managers and staff related to misleading representation

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## Sharing Information on Compliance

We are working to raise the standard of compliance by widely publicizing across the Tokyo Gas Group up-to-date information on the compliance risks associated with changes in the Group's business environment, including those associated with our evolution as a total energy business, acceleration of our global business development, and the revision and stricter enforcement of prevailing legislation.

One way in which we share this information is by publishing the bimonthly newsletter "Compliance Information" as a resource for compliance managers and promoters who lead activities at the Company, subsidiaries, LIFEVAL companies and some partner companies. In fiscal 2017, information on changes in public expectations was quickly shared, including information on compliance check points for the revised Act on the Protection of Personal Information and information on the revised Consumer Contract Act enforced in June 2017. These newsletters are also used in workplace workshops to share information on cases within and outside the Company.



Compliance information

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## Support for Tokyo Gas Group Compliance Promotion

Tokyo Gas promotes compliance by LIFEVAL and other partner companies, which provide regional services on behalf of Tokyo Gas. We conduct onsite training and provide educational tools tailored to the current status of each company and assist in encouraging the adoption of PDCA cycles.

As part of our compliance promotion activities, we distribute copies of Tokyo Gas Group Our Code of Conduct and booklets on subjects, such as the protection of personal information, and hold lectures for management-level personnel. Since fiscal 2010, we have exchanged opinions on compliance with some partner companies, and we share news on compliance and information on compliance measures to raise awareness.

Copies of Our Code of Conduct are also distributed by the Tokyo Gas Merchandisers Organization ("TOMOS") to all employees of its members to ensure that the code takes root and that business is conducted in accordance with the values and principles espoused by Tokyo Gas.

## ■ Prevention of Bribery and Corruption

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### Basic Policies

The Tokyo Gas Group is fully committed to preventing bribery and corruption in all domestic and international transactions by complying with the anti-bribery and corruption laws in each country and region and specifying in Tokyo Gas Group Our Code of Conduct our obligations to comply with laws and be fair and honest with our customers and suppliers.

In line with the expansion in our overseas business in accordance with the goals set forth in

GPS2020, we have established the Basic Policy On Overseas Business Promotion, which pledges to carry out equitable and transparent corporate activities in international communities. In particular, bribery and corruption not only damages social credibility but can also hamper economic growth in developing countries. We have thus formulated the Foreign Public Official Anti-Bribery and Corruption Guidelines to outline specific actions we must take.

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## Outline of the Foreign Public Official Anti-Bribery and Corruption Guidelines

### Summary of Guidelines for Action

Bribery and corruption of foreign public officials and other individuals and spending on facilitation payments to foreign public officials and other individuals are prohibited.

The provision of inappropriate hospitality, gifts, donations, and the like is prohibited.

All hospitality, gifts, donations, and the like made to foreign public officials and other individuals and appointments of certain third parties must first be approved through the procedure described in the guidelines and must be accurately accounted for in a timely manner.

To prevent the bribery and corruption of agents, consultants, and similar third parties, due diligence must be performed before they are appointed, clauses prohibiting bribery and corruption must be incorporated into their contracts, and other appropriate measures must be completed. The same applies to M&As with foreign firms.

### Action Items of the Foreign Public Official Anti-Bribery and Corruption Guidelines

- Prohibition of bribery of foreign public officials
- Prohibition of facilitation payment
- Prohibition of inappropriate hospitality, gifts, invitations, overseas donations, etc.
- Prohibition of bribery (other than foreign public officials)
- Transactions with third parties
- Relationships with partners of joint ventures, etc.
- Prohibition of taking bribes
- Mergers and acquisitions
- Prohibition of fraudulent accounting
- Obligation to whistle-blow and cooperate with investigations
- Emergency response
- Disciplinary action
- Training and monitoring

### Operating Structure

The chief compliance officer acts as the executive officer with chief responsibility for preventing overseas bribery and corruption. Supervisors responsible for implementing measures to prevent bribery and corruption overseas are appointed in every department and company of the Group that is subject to the guidelines to take responsibility for the approval of hospitality, gifts, donations, and the like, confirmation of the findings of due diligence when appointing third parties, approval of entry into contracts, and other matters. The Compliance Department decides on specific measures for implementing the guidelines.



Anti-bribery and corruption training session for employees involved in international business

## Effective Application of the Guidelines to Prevent Bribery and Corruption

The Tokyo Gas Group provides training to employees primarily involved in business overseas to ensure proper compliance with the guidelines. In fiscal 2017, 344 personnel received this training. We have produced an English version of the guidelines for locally hired employees and have distributed the English edition of Tokyo Gas Group Our Code of Conduct to ensure that everyone understands its content. We have also established a system to enable Group employees working overseas to report and seek advice. We implement PDCA cycles to ensure that bribery and corruption are being prevented by monitoring the situation through internal audits and other means to confirm that the procedures established by the guidelines are being followed.

### ■ Verification and Audit of Penetration of Compliance

#### Compliance Awareness Surveys

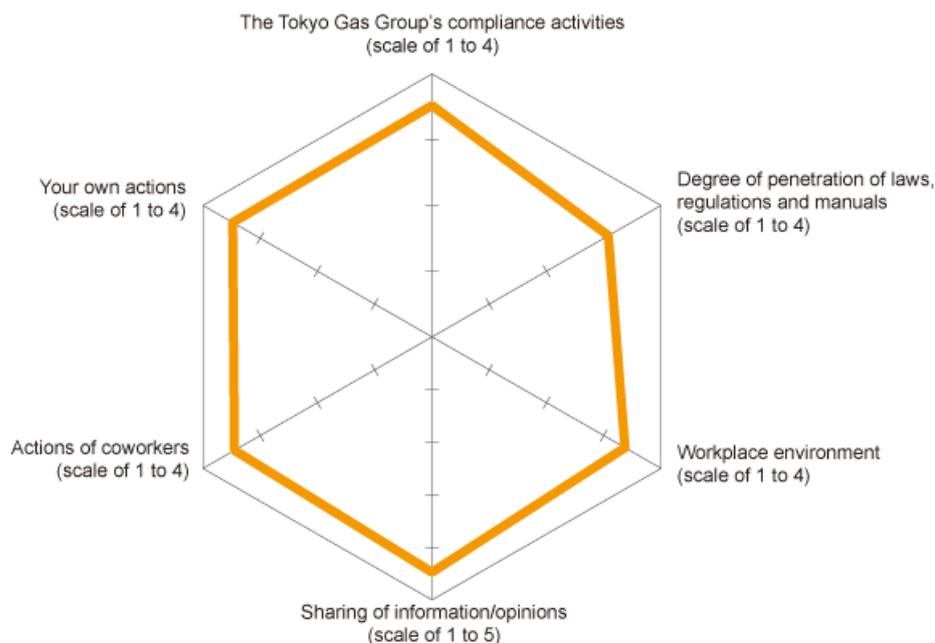
We regularly conduct surveys of all employees, including officers, regular and temporary employees at the Company and subsidiaries, to monitor the effectiveness of compliance promotion activities. In fiscal 2017, we made the contents of our survey more specific by increasing the number of survey items related to reporting, contact and consultations in the event of problems. In addition to all employees of the Company and subsidiaries, we distributed the survey to those at Tokyo Gas LIFEVAL (“LIFEVAL”) companies to which we outsource various tasks.

As the following figures show, Tokyo Gas, its subsidiaries and LIFEVAL companies have maintained high average scores of over 3 out of a maximum of 4 in every category.

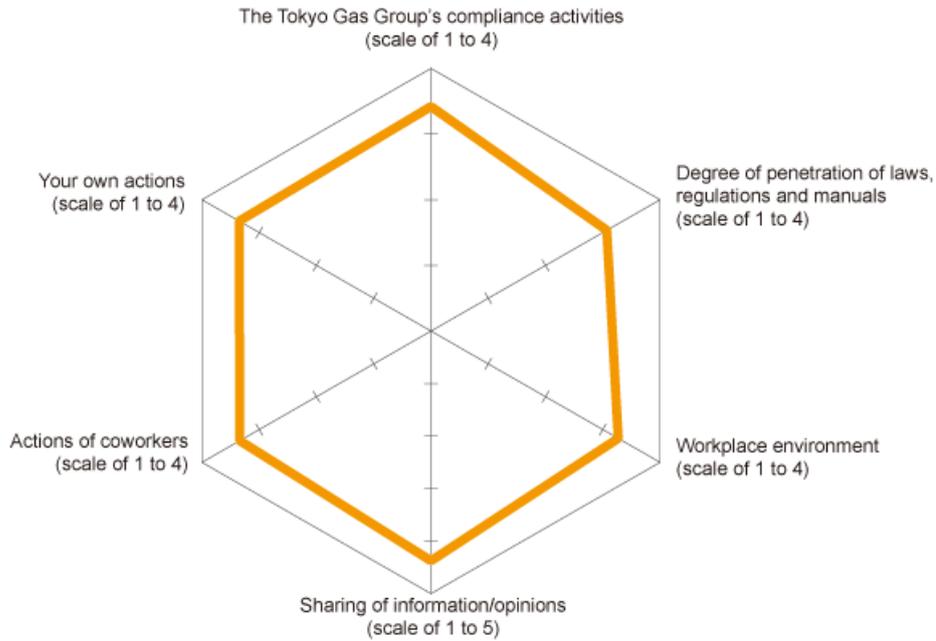
As a reference for future improvement, general feedback on the survey results and corresponding actions to be taken was provided by the Compliance Promoter Liaison Committee in January 2018 and individual feedback on survey results was provided to each company between February and March of the same year. These survey results are posted on the intranet for review by all employees of Tokyo Gas, our subsidiaries and LIFEVAL companies.

Overview of the FY2017 Compliance Survey Results

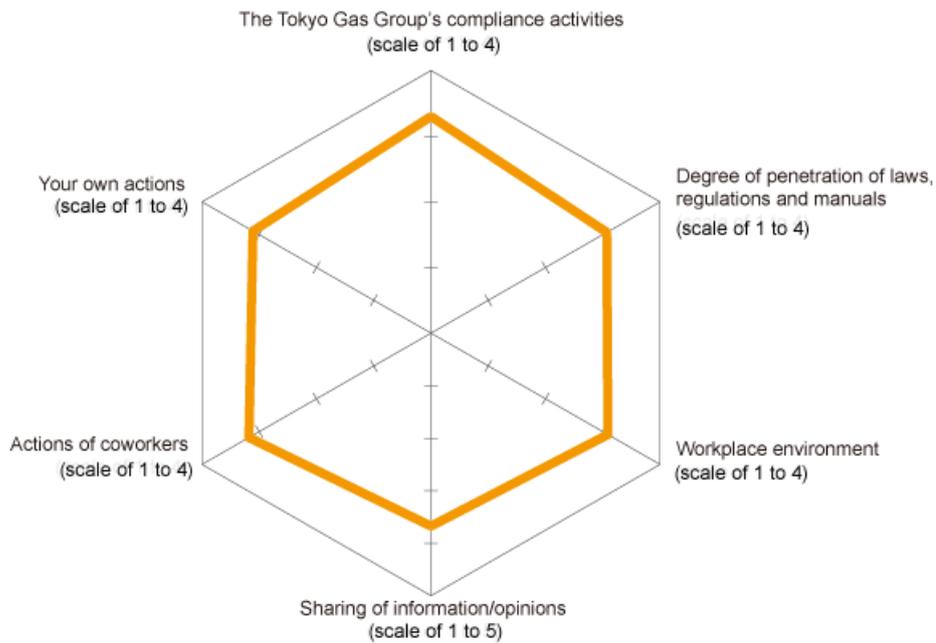
#### ■ Tokyo Gas



■ Subsidiaries



■ LIFEVAL companies



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## Compliance Auditing

The Internal Audit Department regularly conducts audits of Tokyo Gas and its subsidiaries and affiliates focusing on the severity of risks and the probability of their materialization from the perspective of legislation related to the audited unit's operations, as well as corporate ethics and social norms.

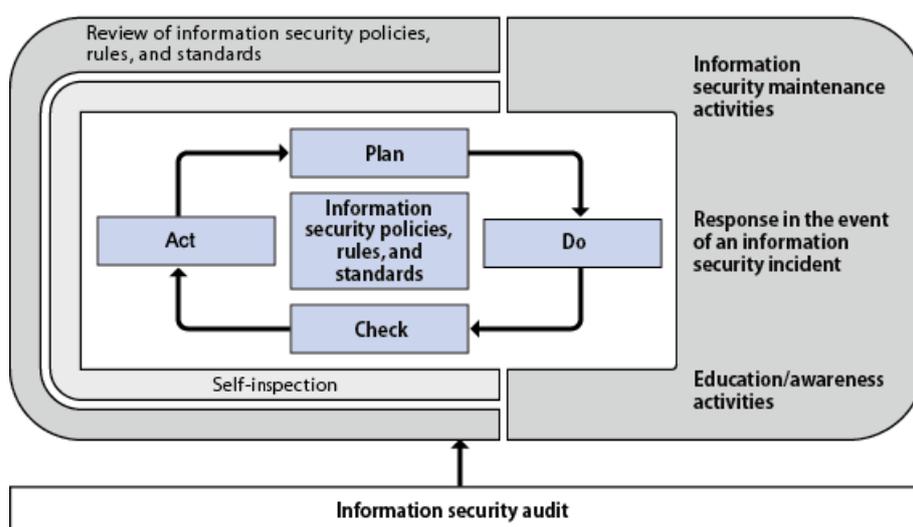
# Information Security Management

## Basic Policies

The foundation of the Tokyo Gas Group's brand value of "Safety, Security, and Reliability" is being able to guarantee the security of information throughout our business operations. In particular, we believe our social responsibility as a public utility company is to prevent any leaks of confidential information, particularly including information on our more than 11 million customers as well as the destruction of or tampering with systems.

In light of the evolving business environment, including sophisticated use of the Internet and the increased threat of cyber-attacks, such as unauthorized access from external sources and computer viruses, Tokyo Gas will establish a PDCA cycle to further strengthen our ability to ensure information security.

PDCA Cycle for Ensuring Information Security

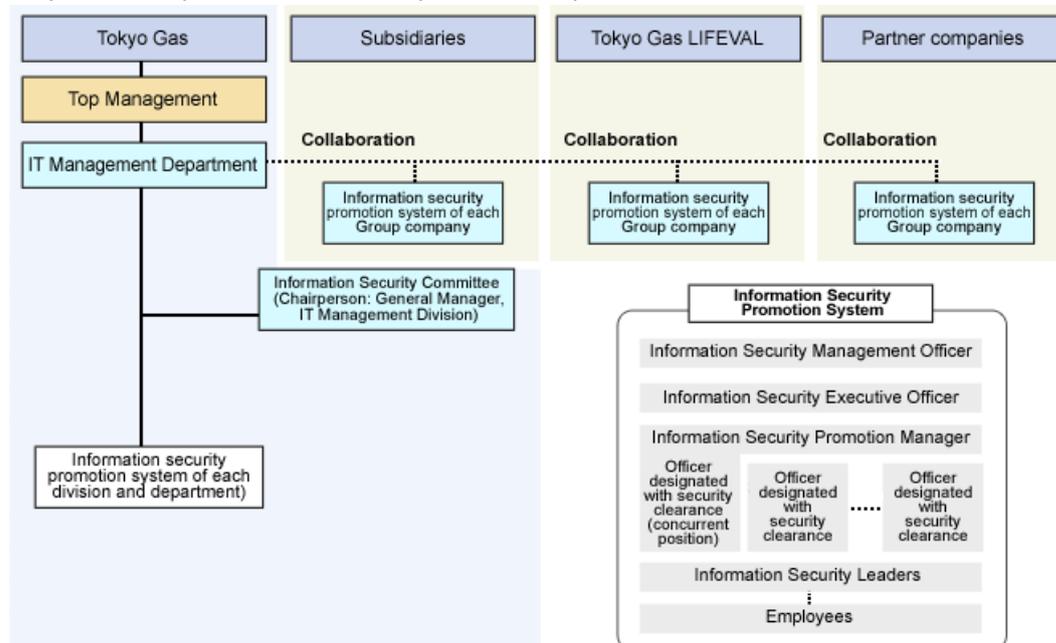


## Information Security Promotion System

Tokyo Gas has set up information security systems for each division and department to prevent accidents and minimize the impact from the leakage of confidential information or the destruction and tampering of systems. The same information security promotion system is in place at our subsidiaries and affiliates as well as at around 260 partner companies as part of a concerted effort to manage information security risks across the Tokyo Gas Group.

Through these efforts, we promote the active use of information and achieve a higher brand value as well as sustainable growth.

## Tokyo Gas Group Information Security Promotion System



## Tokyo Gas Group Information Security Promotion

### Code of Conduct to Ensure Information Security

The security of information is vulnerable to the risk of one person's carelessness undoing all other efforts. A breach can quickly occur if one person lets down their guard assuming that everyone else's vigilance will provide sufficient protection. The Code of Conduct to Ensure Information Security provides guidelines on decision making and action steps for every individual in the Group for safeguarding information. The Group reviews the code as appropriate to maintain its relevance.



Code of Conduct to Ensure Information Security

### Practices to Ensure Information Security

We implement both technical and personnel-related measures to continuously ensure information security that incorporates advances in information technology and the prevailing information security situation society. In terms of technology, we deploy multiple layers of security, including the installation of hardware to protect against unauthorized access from external sites and software to detect and remove computer viruses. In terms of personnel, we have developed arrangements to promote information security, provide related training, and perform self-checks. The Computer Security Incident Response Team (CSIRT) has also been set up as a special unit to rapidly handle incidents.

In fiscal 2017, security training was provided to regular and temporary employees at about 80 companies, including Tokyo Gas, our subsidiaries, and Tokyo Gas LIFEVAL ("LIFEVAL") companies. Participants learned about the proper handling of confidential information taken offsite, dealing with email from unknown senders, and managing IDs and passwords to strengthen their understanding of the risks associated with the theft and loss of data and information leaks caused by computer viruses.

For self-checks, employees verify whether they are acting in accordance with the knowledge and rules gained through security training and report the results to relevant job sites so that employees can improve workplace behavior.

Our company, subsidiaries and LIFEVAL will continue to implement personnel and technical-based strategies to maintain and improve the information security competence of every employee.

Information Security Training	
Purpose	To deepen understanding of information security risks such as information leakage due to theft, loss and virus infection
Target employees	Regular and temporary employees at about 80 companies, including Tokyo Gas, its subsidiaries and Tokyo Gas LIFEVAL
Contents of education	<ul style="list-style-type: none"> <li>• Proper handling of confidential information when taken offsite</li> <li>• Dealing with email from unknown senders</li> <li>• Managing IDs and passwords</li> </ul>

Self-checks
<ul style="list-style-type: none"> <li>• Self-checking whether employees are acting in accordance with the knowledge and rules that they learned from information security training</li> <li>• Reporting the results to every workplace</li> </ul>

## ■ Protection of Personal Information

We recognize that properly protecting and handling personal information is at the foundation of our business activities and a vital social responsibility. In fulfilling these responsibilities, we have established the following policies for guiding our best efforts to protect personal information.

### ● Policy on Protection of Personal Information at Tokyo Gas

#### (1) Legal compliance

In addition to observing all applicable laws and regulations and guidelines governing the protection of personal information, Tokyo Gas establishes and continually improves Company policy and internal rules for protecting personal information.

#### (2) Personal information management

Tokyo Gas takes necessary actions under relevant laws, regulations and guidelines and properly manages personal information to prevent any loss, leakage or unauthorized changes to said information. In addition, a person is assigned to be responsible for the protection of personal information at each workplace and to educate and monitor employees in regard to this issue.

#### (3) Collection and use of personal information

Tokyo Gas appropriately obtains personal information to properly and efficiently conduct business. Prior to collecting such information, Tokyo Gas informs the person in advance of the purpose for which the information will be used and only obtains the specific information necessary to achieve this purpose.

#### (4) Provision of personal information to third parties

Tokyo Gas does not provide personal information to any third party without obtaining the prior agreement of the person affected, except as allowed to do so under relevant laws, regulations or guidelines, and in certain cases where, for example, parties receiving the entrusted information are not legally defined as third parties. When providing personal information to, for example, an trustee, Tokyo Gas selects a party that can meet and fulfill the necessary standards and obligations for managing personal information, makes appropriate arrangements for the protection of the personal information and monitors the said party.

## (5) Disclosure, correction, etc., of personal information

When a person seeks to disclose, correct or delete personal information, Tokyo Gas endeavors to promptly respond, within reasonable limits under relevant laws and guidelines, after confirming the person's identity.

Link

▶ [Handling of Personal Information](#)

## Secure Control of Personal Information

The Tokyo Gas Group collects and utilizes a massive volume of personal information, including information on over 11 million customers. To ensure the personal information of all our customers is appropriately protected and managed, we have established a Company-wide personal information security control system. Moreover, we are committed to thoroughly informing employees about the legal concerns and implications to raise their awareness of the need and practices for protecting personal information.

We established a Company-wide personal information security control system even before the Act on the Protection of Personal Information took full effect on April 1, 2005, and since then we have been working to ensure that all employees are thoroughly informed of the act by developing in-house rules and manuals in compliance with it. In addition to voluntary checks conducted to monitor if personal information is being properly managed, personal information protection audits are conducted by the Internal Audit Department to assess compliance with the act and other applicable laws, ordinances and guidelines as well as our own policy on the protection of personal information and internal rules. In order to constantly foster awareness of information security, employees learn about protecting personal information as part of the level-specific training provided when they join the Company, during their third year and qualification promotions, and on other appropriate occasions.

Prior to the revised Act on the Protection of Personal Information going into effect on May 30, 2017, we began informing each company of the Tokyo Gas Group of the details of the revised act in the second half of fiscal 2016. We also implemented the necessary preparations to comply with the new requirements, such as the clarification of personal information and handling of anonymously processed information. Moreover, we formulated guidelines for creating anonymously processed information and shared them throughout the Group to facilitate the legally permitted use of personal information. In April 2017, we distributed a pamphlet that explains the practical aspects of the Act on the Protection of Personal Information to all Group employees and its subsidiaries, Tokyo Gas LIFEVAL companies and other partner companies in order to strengthen understanding and encourage rigorous compliance.



Let's Follow the Rules: A Guide for Protecting Personal Information

## Information Security Audit

The Internal Audit Department audits the Company and its subsidiaries and affiliates to determine whether the audited organizations are taking proper steps to ensure information security, to identify specific information security risks, and to confirm whether controls are being properly developed and implemented to manage these risks.